MICRO-MECHANICS (HOLDINGS) LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199604632W)

Media Release

Micro-Mechanics' FY2026 net profit rises 28.3% yoy to S$15.9 million as the Group launches mid-term growth strategy

- Group revenue up 15.8% yoy to S$75.5 million for FY2026, with consumable tools and WFE segment sales up 19.8% and 2.3% yoy respectively
- Gross profit margin improved to a 17-quarter high of 52.0% for 4QFY2026 and 51.6% for FY2026, driven by operating leverage and stronger customer engagement
- Net profit grew 65.7% to S$5.3 million for 4QFY2026, and up 28.3% yoy to S$15.9 million for FY2026
- Mid-term growth strategy targets revenue of at least S$150 million by FY2031, while maintaining gross profit margin above 50% and overhead costs below 20% of revenue
- Final dividend of 3.0 cents per share, bringing total dividend payout for FY2026 to 6.0 cents per share with dividend payout ratio of 52.4% for FY2026

Financial highlights (S$)	4QFY2026	4QFY2025	Change (%)	FY2026	FY2025	Change (%)
Revenue	21,598,967	16,715,483	*29.2*	75,524,012	65,210,675	*15.8*
Gross profit	11,223,822	8,195,912	*36.9*	38,935,112	32,218,514	*20.8*
Gross profit margin	*52.0%*	*49.0%*	*3.0 ppt*	*51.6%*	*49.4%*	*2.2 ppt*
EBITDA	8,384,227	5,840,382	*43.6*	27,619,996	22,733,032	*21.5*
EBITDA margin	*38.8%*	*34.9%*	*3.9 ppt*	*36.6%*	*34.9%*	*1.7 ppt*
Net profit	5,269,713	3,180,551	*65.7*	15,908,876	12,395,468	*28.3*
Earnings per share	3.79	2.29	*65.5*	11.44	8.92	*28.3*

Singapore, 26 August 2026 – Micro-Mechanics (Holdings) Ltd. ("**Micro-Mechanics**" or the "**Group**"), a manufacturer of high precision tools and parts used in process-critical applications for the semiconductor industry, today reported its financial results for the fourth quarter and 12 months ended 30 June 2026 ("**4QFY2026**" and **"FY2026"**).

Group revenue increased by 29.2% and 15.8% year-on-year ("**yoy**") to S$21.6 million and S$75.5 million for 4QFY2026 and FY2026, respectively. Growth was primarily driven by the consumable tools segment, where revenue increased 33.1% yoy to S$17.4 million for 4QFY2026 and 19.8% yoy to S$60.4 million for FY2026. Wafer Fabrication Equipment ("**WFE**") sales were 15.4% higher yoy at S$4.2 million for 4QFY2026 and 2.3% higher yoy at S$15.1 million for FY2026.

Gross profit increased by 36.9% to S$11.2 million while gross profit margin improved by 3.0 percentage points yoy to a 17-quarter high of 52.0% for 4QFY2026, which was driven by operating leverage, stronger customer engagement, continued development of new products, and enhanced manufacturing processes for existing products. Net profit grew 65.7% yoy to S$5.3 million for 4QFY2026, with net profit margin improving by 5.4 percentage points yoy to 24.4%.

Mr. Kyle Borch, Chief Executive Officer ("CEO") said: "FY2026 was a strong year for Micro-Mechanics across all markets as our *Five-Star Factory* initiative continued to improve the way we serve customers and run our operations. Entering FY2027, we are formally launching our mid-term growth strategy to build the capability and capacity that enables our customers' success. We're in a great industry at the right time, and we look forward to continuing our *Journey to Excellence*."

Changes in segment reporting

For FY2027, the Group will refine the description of the "Consumable Tools" segment to better reflect its focus on advanced semiconductor packaging, assembly and testing processes, and to rename the "Wafer Fabrication Equipment ("WFE") Parts" segment to "Build-to-Print Precision Components" to better reflect the Group's growing focus on precision components for WFE and other high-tech industries.

- Consumable Tools – focus on the design and manufacturing of consumable tools that reduce defects and improve yields in advanced semiconductor packaging, assembly and testing processes;
- Build-to-Print Precision Components – focus on the manufacturing of precision components for critical production processes in the wafer-fabrication equipment and other high-tech industries and
- Corporate and others – pertaining to corporate functions and others.

The change is intended to better reflect how the Group creates value for its customers, aligning segment reporting with its competitive positioning and strategic direction rather than the end-market served.

There is no change to the underlying operations, management structure or reportable segments. The change relates only to the segment descriptions and naming convention.

Business outlook and advancing the mid-term strategy with the Five-Star Factory Initiative

From nano-level wafer fabrication to advanced packaging, semiconductor processing is increasingly complex. To support this trend, the Group's customers need suppliers that are capable of not only greater accuracy and repeatability, but also the ability to meet cleanliness, trace-metals, process measurement and a host of other stringent requirements. At the same time, geopolitical issues are driving the chip industry to build more localised supply chains that include suppliers with identical capabilities in multiple locations. The Group believes there may only be a handful of suppliers capable of meeting these emerging and challenging requirements.

To that end, the Group's goal is to become a *Next-Generation Supplier* where it is trusted globally for fast, flawless and scalable precision-machining, and valued for its technical contributions to the industry and commitment to people and process excellence.

Entering FY2027, the Group has launched a 5-year mid-term growth strategy to achieve this goal.

The Group targets to:

- Double revenue from FY2026 to ≥S$150 million
- Maintain gross profit margin of >50%
- Limit overhead costs to <20% of revenue

This will be achieved through focused execution on three priority areas, namely:

- <u>Strengthening customer support with expanded operations and localised capabilities</u>: The Group will strengthen its local presence across key semiconductor markets to provide faster, more effective customer support. This includes expanding operations in China and Malaysia where customers and the industry continue to grow, and expanding physical presence in Taiwan to provide stronger local support.

- <u>Next generation processing</u>: The Group will invest in next-generation equipment and processes to enhance its capabilities in process-critical applications.

- <u>Smart and secure manufacturing</u>: The Group will increase data-driven decision making to improve operational effectiveness and support long-term innovation, and develop ISO 27001-aligned cybersecurity capabilities to strengthen its position as a trusted supplier of choice.

The strategy is supported by the Group's *Five-Star Factory* initiative, which builds excellence in areas fundamental to business performance. These include:

- Customer Engagement and Support: With five factories around the world, the Group's aim is to provide customers with fast, effective and local support.

- High Performance Teams: The Group recognises that attracting, developing and retaining talent is critical to business success. At the Annual General Meeting in October 2025, shareholders approved the adoption of a Performance Share Plan, designed to reward high-performing employees with shares and reinforce the Company's ownership culture. The Group completed share buyback of 188.7k shares for S$587k for 4QFY2026 and in total 215k shares for S$637k for FY2026 to reward key employees as part of its Performance Share Plan. The Group remains committed to investing in people as a driver of sustainable growth.

- Workplace Efficiency and Safety: The Group continues to work with each factory to improve the way workplaces are organised, become more productive, and remain clean, safe and environmentally responsible. Based on a comprehensive internal audit, all factories achieved a 5-star rating in the Group's Five-Star 8S programme for 4QFY2026.

- Finance and IT Excellence: Strong financial discipline, transparency, and effective governance (a focus on both compliance and results) create long-term business excellence. Digital, cybersecure processes ensure high-quality data and empower employees to make timely, reliable, data-driven decisions. During FY2026, the Group continued its cloud-based digital transformation and commenced work toward a recognised cybersecurity certification, proactively aligning with evolving customer and regulatory expectations.

- Operational Excellence: Fast, flawless and cost-effective manufacturing comes from robust processes, data-based decision making and a focus on operational excellence. During 4QFY2026, the Group continued efforts to improve planning, streamline manufacturing and minimise inventory. As at 30 June 2026, inventory totalled S$4.9 million (30 June 2025: S$3.1 million) representing 6.5% of sales (30 June 2025: 4.8%). Inventory written off for 4QFY2026 totalled S$20k, compared to S$27k for 4QFY2025.

- Innovation Excellence: Beyond enhancing day-to-day operations, the Group continues to promote fresh thinking, ingenuity and the adoption of new technologies to drive product and process improvements. The Group's R&D team continues to develop new elastomers for advanced packaging applications. For WFE, the Group completed a year-long project to evaluate and purchase a new machine designed to improve machining quality and efficiency, with the first installation scheduled at its US plant in 1QFY2027. In addition, the Group will continue implementing its physics-based programming technology that can improve material removal rates by 10-30% on long-cycle build-to-print and WFE parts.

Practicing financial discipline and strong corporate governance

Success in business is a result of building excellence over the long term and practicing good governance. The Group views governance not as a compliance exercise, but as a framework that aligns its people, from the boardroom to the shop floor, around a shared purpose: creating and protecting value for all its stakeholders. At Micro-Mechanics, maximising profit or short-term shareholder returns is not the primary objective. By prioritising customers and caring deeply for employees, the Group believes strong and sustainable financial performance will follow as a natural outcome. In August 2026, the Group placed 32nd out of 452 companies in the 2026 Singapore Governance and Transparency Index (SGTI).

The strategy is further supported by the Group's efforts to manage capital responsibly and purposefully. As at 30 June 2026, the Group's balance sheet included cash and bank balances of S$30.1 million and no bank borrowings. This strong net cash position allows the Group to pay consistent dividends, consider share buybacks, and fund capital investments.

In addition, the Group seeks to allocate capital strategically to growth areas, including product development for Advanced Packaging and equipment for WFE manufacturing. During FY2026, the Group invested S$3.8 million in new hardware and software, plant machinery, and factory renovation. The Group expects to increase growth investments to S$12.0 million for FY2027 to effectively execute against the mid-term growth strategy. This will primarily support the expansion of its manufacturing footprint and investment in next-generation equipment and process capabilities.

For FY2026, the Board has recommended a final dividend of 3.0 cents per share totalling S$4.2 million. Excluding share price appreciation, the Group's total dividend distribution since its Initial Public Offering in 2003 translates into a return of over 700% for shareholders who invested at this time.

This news release should be read in conjunction with the Group's financial statements and announcement posted on the SGX website on 26 August 2026.

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About Micro-Mechanics

Micro-Mechanics is a *Next Generation Supplier* focused on enabling advanced technologies. The Group designs and manufactures consumable tools that reduce defects and improve yields in advanced semiconductor packaging, assembly and testing processes. The Group also manufactures precision components for critical production processes in the wafer-fabrication equipment and other high-tech industries.

Founded in 1983 and listed on the SGX Mainboard (SGX:5DD) in 2003, the Group has become a trusted partner to more than 600 customers worldwide, providing fast, effective and localised support across its five operating facilities in Singapore, Malaysia, China, the Philippines and the USA.

The Group is committed to executing its *Five-Star Factory* initiative, which aims to drive excellence across five key areas – people, customers, workplace safety and efficiency, operations, and innovation – to strengthen its core operating foundation. Together with a focus on financial discipline and strong governance practices, the Group aims to solve high-value problems and deliver sustainable long-term stakeholder returns.

Since listing, Micro-Mechanics has received nearly 40 awards in recognition of its high standards of corporate governance, quality of disclosure, transparency and investor relations.

For more information, please visit the Group's website at www.micro-mechanics.com

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