



Miyoshi Limited

3Q2018 Financial Results

6 July 2018

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Overview of Miyoshi Limited

3Q2018 Financial Results

Key Performance Indicators

Tomorrow-focused

MIYOSHI Overview

Who We Are

We are a leading manufacturer of precision components in Asia with a global customer network of more than 18 countries across Asia Pacific, Europe and North America. We operate through our head office in Singapore and manufacturing plants in the Philippines, Thailand, Malaysia, Singapore and various cities in China.

What We Do

Miyoshi provides a wide range of precision stamping, prototyping, metal finishing and automation for our customers with high quality solutions. Our technical hub is located in Wuxi, China.

More specifically, our capabilities include:

- Product design and prototyping for precision components and assemblies in the data storage, automotive and consumer electronics markets.
- Core manufacturing capabilities such as precision metal stamping, progressive golf forging, mechanical joining/laser welding, electroplating, manual assembly and testing.

Key Statistics for FY2017

• Total assets	: S\$79.6 million
• Shareholders' equity	: S\$57.1 million
• Revenue	: S\$50.7 million
• Revenue growth	: 2.9%
• Net profit	: S\$ 2.2 million
• Net profit margin	: 4.3%
• EBITDA	: S\$ 5.9 million
• Return on equity	: 3.9%
• Return on capital employed	: 5.7%
• Return on assets	: 2.8%
• Earnings per share	: 0.48 cents
• Dividend per share	: 0.40 cents
• NAV per share	: 11.55 cents
• Gearing ratio	: 0.18 times
• Total borrowings/EBITDA	: 1.69 times
• Net cash from operations	: S\$4.0 million
• Net cash invested	: (S\$7.5 million)
• Net cash from financing	: (S\$0.5 million)
• Price/book value	: 0.46 times
• Dividend yield	: 7.7%
• PE ratio	: 8.2 times
• GTI score	: 60
• GTI ranking (change)	: Improved by 279 places

MIYOSHI Board of Directors

Chairman



Mr. Lim Thean Yee

- Independent Chairman
- Director, Ezion Holdings Ltd
- Chairman, Telok Blangah CCC
- Awarded Public Star Medal (BBM) in 2012
- Public Service Medal (PBM) in 1998

Chief Executive Officer



Mr. Andrew Sin Kwong Wah

- Chief Executive Officer (CEO) since September 1991
- Bachelor of Science (First Class Honours), Japan National Defence Academy
- Largest shareholder of Miyoshi Limited with 26.2% shareholding

Audit Committee Chairman



Mr. Wee Piew

- Independent director
- Chairman, Hosen Group Ltd
- Director, Blue Sky Power Holdings Limited

Non-Executive Directors



Mr. Masayoshi Taira

- Managing Director, Miyoshi Industry Co., Ltd
- Second largest shareholder of Miyoshi with 10.7%



Mr. Thomas Pek Ee Perh

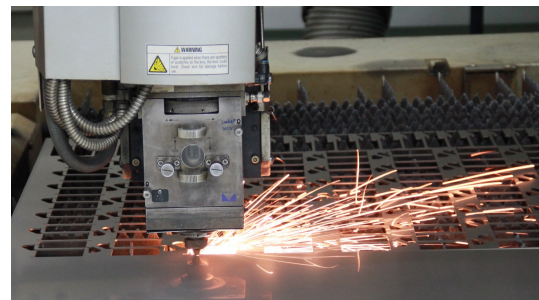
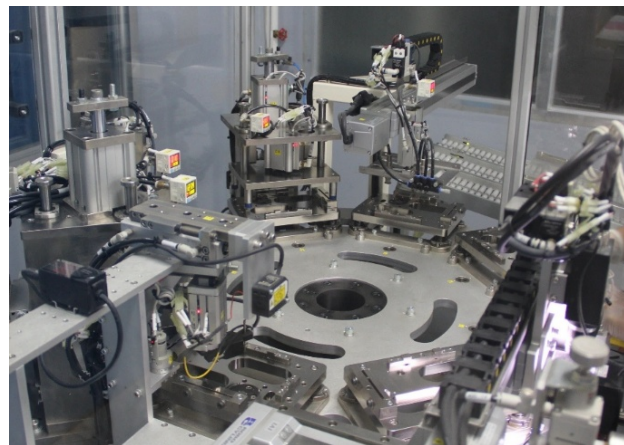
- Managing Director, Taihua Food Industries Pte Ltd
- President, Singapore Food Manufacturers' Association
- Awarded Public Star Medal (BBM) in 2016
- Public Service Medal (PBM) in 2006

MIYOSHI Businesses

Integrated Engineering Services (“IES”)



- Revenue from IES accounted for 97.9% of Miyoshi’s revenue in FY2017.
- Consumed 14.3 tonnes of steel/other metals in FY2017, up 17.2% YoY
- Employs 830



Electric Vehicles*



- Currently, Miyoshi owns 15% of Core Power (Fujian) New Energy Automobile Co., Ltd (“CP”)
- CP jointly develop all-electric passenger vehicle with Jiangxi Changhe, a subsidiary of Beijing Automotive Group Co., Ltd
- Sales agreement to supply 50,000 cars over the next 3 years

Miyoshi Optronics Singapore*



- Headed by Michael Ng, VP Optronics
- High-tech lab in Penjurong
- Joint-marketing with NEC on body-worn surveillance system with facial recognition software

Indoor Industrial Farming*



- Japanese roots
- Domain knowledge of operating a farm in a controlled room environment
- Undergoing research and production trials

*These are businesses which the Group intends to grow and develop.

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Key Performance Indicators

Tomorrow-focused

Highlights

Third-quarter performance

- **Third-quarter revenue fell 10.7% on lower HDD revenue. Revenue from data storage segment for the last three months decreased by 42.4% from \$5.3 million to \$3.0 million**
- **Profit for third-quarter improved by 50.0% to \$0.7 million, mainly due to lower raw material costs and other operating costs**
- **Profit margins improved from 3.4% to 5.7% year-on-year**

Highlights

Nine-month performance

- **Nine-month revenue fell 0.5% year-on-year. The decrease in revenue from data storage segment of 38.1% was offset by the 34.5% increase in revenue from automotive segment.**
- **Nine-month profit improved by 81.2% to \$1.8 million. The higher profit is mainly due to the shift in product mix from data storage segment to automotive segment.**
- **Revenue from data storage segment accounted for 40.5% of total revenue in 9M2017 and only accounted for 25.2% of total revenue in 9M2018. In 9M2018, revenue from automotive segment accounted for 28.1% of total revenue.**
- **Profit margins improved from 2.6% to 4.7% year-on-year**

Highlights

Balance sheet remains strong

- **Total assets increased to \$83.6 million following completion of the placement for \$7.0 million on 18 May 2018.**
- **Total borrowings at \$9.2 million, down from \$10.0 million a year ago.**

Strong cash flows from operations

- **Cash flows from operations was \$5.4 million for 9M2018, compared to \$1.4m year-on-year.**
- **The Group completed the acquisition of an industrial property (Tradehub) in Singapore as our corporate headquarters for \$1.6 million on 21 February 2018.**

Improved Quarterly Results vs The Corresponding Quarter Last Financial Year

(S\$'000)	3Q2018	3Q2017	YoY%
Revenue	11,956	13,392	-10.7%
Other income	50	68	-26.5%
Raw Materials	(6,197)	(6,902)	-10.2%
Employee benefits	(2,436)	(2,580)	-5.6%
Depreciation & amortisation	(565)	(772)	-26.8%
Other operating expenses	(1,925)	(2,428)	-20.7%
Finance costs	(74)	(109)	-32.1%
Profit before tax	809	669	20.9%
Income tax	(125)	(213)	-41.3%
Profit after tax	684	456	50.0%
PAT margin	5.7%	3.4%	

Improved Quarterly Results vs Last Quarter

(S\$'000)	3Q2018	2Q2018	QoQ%
Revenue	11,956	12,784	-6.5%
Other income	50	102	-51.0%
Raw Materials	(6,197)	(6,520)	-5.0%
Employee benefits	(2,436)	(2,514)	-3.1%
Depreciation & amortisation	(565)	(685)	-17.5%
Other operating expenses	(1,925)	(2,480)	-22.4%
Finance costs	(74)	(67)	10.4%
Profit before tax	809	620	30.5%
Income tax	(125)	(161)	-22.4%
Profit after tax	684	459	49.0%
PAT margin	5.7%	3.6%	

Strong Year-to-Date Earnings

(S\$'000)

	9M2018	9M2017	YoY%
Revenue	38,515	38,718	-0.5%
Other income	156	555	-71.9%
Raw Materials	(19,619)	(19,711)	-0.5%
Employee benefits	(7,688)	(8,477)	-9.3%
Depreciation & amortisation	(1,964)	(2,384)	-17.6%
Other operating expenses	(6,908)	(6,756)	2.2%
Finance costs	(258)	(379)	-31.9%
Profit before tax	2,234	1,566	42.7%
Income tax	(408)	(558)	-26.9%
Profit after tax	1,826	1,008	81.2%
PAT margin	4.7%	2.6%	

Third Quarter Revenue by Business Segments

(S\$'000)	3Q2018	3Q2017	YoY%
Consumer electronics	4,663	4,225	10.4%
Automotive	3,354	3,256	3.0%
Data storage	3,040	5,273	(42.3%)
Others	656	418	56.9%
Rental	243	220	10.5%
Total Revenue	11,956	13,392	(10.7%)

Nine-Month Revenue by Business Segments

(S\$'000)	9M2018	9M2017	YoY%
Consumer electronics	14,252	13,212	7.9%
Automotive	10,823	8,049	34.5%
Data storage	9,697	15,673	(38.1%)
Others	2,960	1,136	160.6%
Rental	783	648	20.8%
Total Revenue	38,515	38,718	(0.5%)

Financial Ratios

	9M2018	FY2017	FY2016
Net profit margin (%)	4.74	4.35	2.12
Earnings per share (cents)	0.40	0.48	0.25
Return on capital employed (%)	4.33	5.72	1.95
Return on equity (%)	3.18	3.87	2.15
Return on assets (%)	2.24	2.80	1.38
Gearing ratio (times)	0.14	0.18	0.21
Current ratio (times)	2.92	2.21	2.16
Cash ratio (times)	0.95	0.53	0.85
Net asset value per share (cents)	10.46	11.55	11.86

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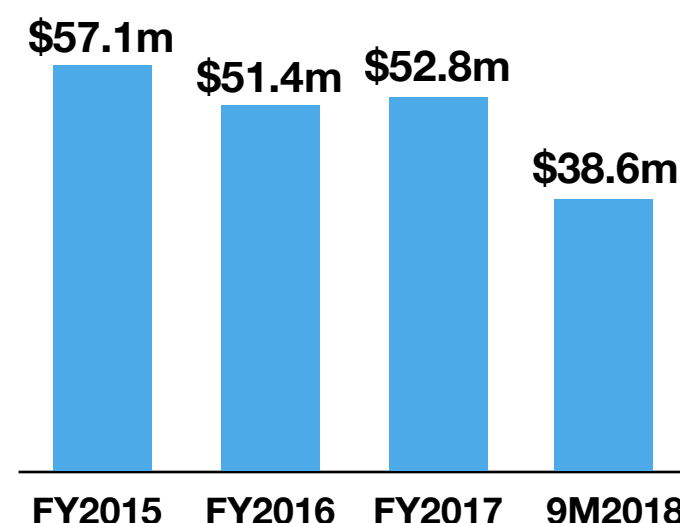
Key Performance Indicators

Tomorrow-focused

1. Grow revenue

Target*: Deliver consistent revenue growth

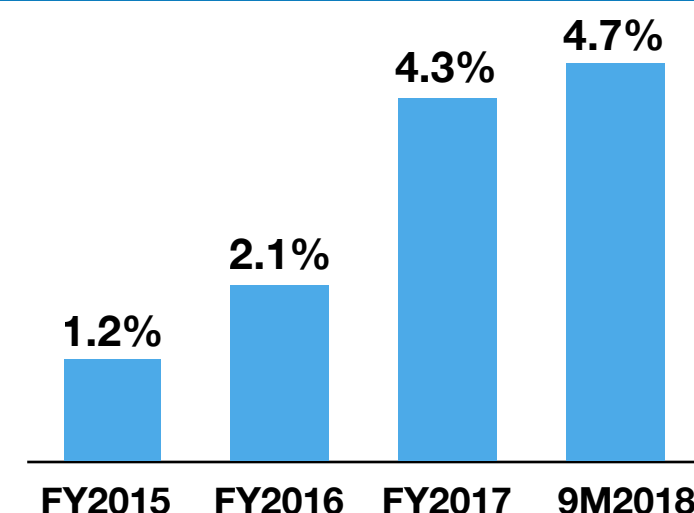
Outcome for 9M2018: -0.5% drop in revenue for 9M2018 when compared to 9M2017



2. Improve returns

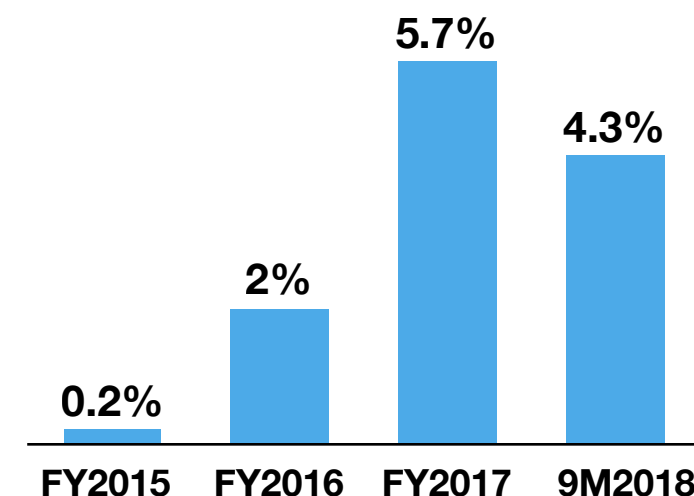
Target: Net profit margins of 6% or better

Outcome for 9M2018: Net profit margin was 4.7%



Target*: ROCE of 6% or better

Outcome for 9M2018: ROCE was 4.3%

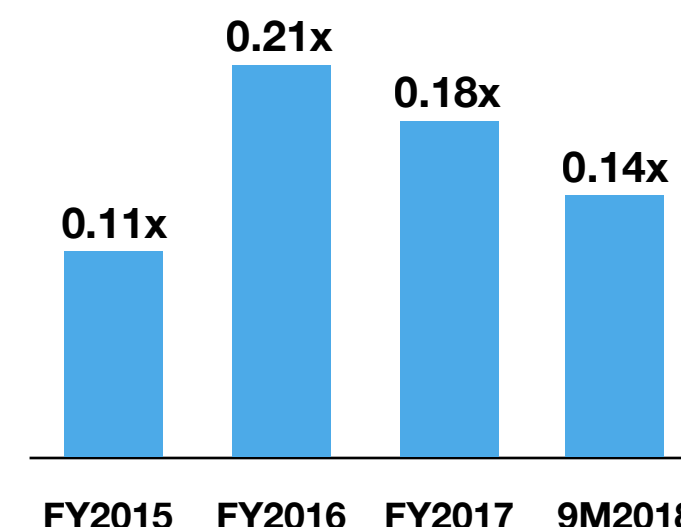


*Target as previously disclosed in Miyoshi's Annual Report 2017

3. Quality balance sheet

Target*: Efficient capital structure, with manageable gearing ratio

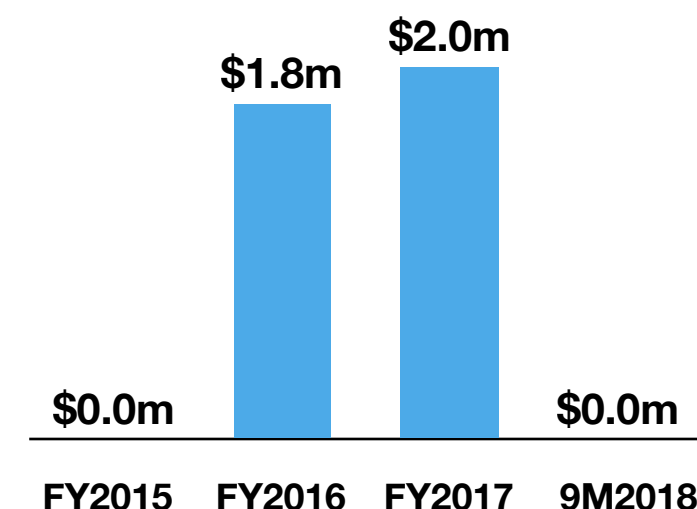
Outcome for 9M2018: Gearing ratio fell to 0.14 due to repayment of loans and proceeds from share placement.



4. Returns to shareholders

Target*: Regular dividend payment to shareholders

Outcome for 9M2018: No dividend declared in current financial year



*Target as previously disclosed in Miyoshi's Annual Report 2017

Thank You



MIYOSHI

Tomorrow-focused manufacturer