



Miyoshi Limited

4Q2018 Financial Results

26 October 2018

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Overview of Miyoshi Limited

4Q2018 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 FY2018

• Total assets	: S\$88.6 million
• Shareholders' equity	: S\$63.8 million
• Revenue	: S\$51.3 million
• Revenue growth	: -2.8%
• Net profit	: S\$1.0 million
• Net profit margin	: 2.0%
• EBITDA	: S\$4.9 million
• Return on equity	: 2.0%
• Return on capital employed	: 4.2%
• Return on assets	: 1.2%
• Earnings per share	: 0.24 cents
• Dividend per share	: 0.20 cents
• NAV per share	: 10.48 cents
• Gearing ratio	: 0.16 times
• Total borrowings/EBITDA	: 2.04 times
• Net cash from operations	: S\$6.8 million
• Net cash invested	: (S\$14.4 million)
• Net cash from financing	: S\$2.8 million
• Price/book value	: 0.45 times
• Dividend yield	: 8.5%
• PE ratio	: 19.6 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 26.7% shareholding interest

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 10.4% shareholding interest

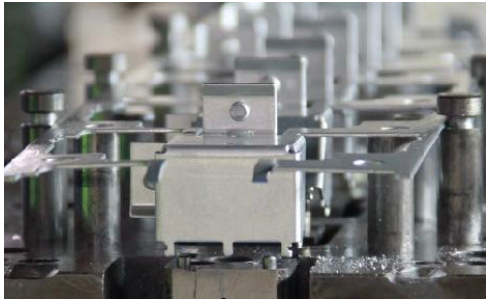


Mr. Thomas Pek Ee Perh

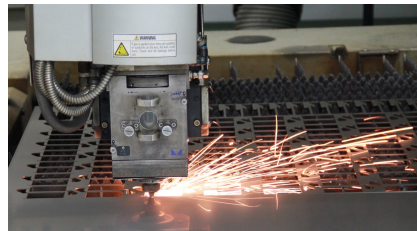
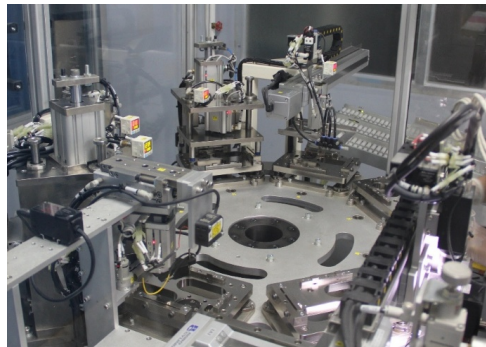
- Managing Director, Taihua Food Industries Pte Ltd
- President, Singapore Food Manufacturers' Association
- Awarded Public Star Medal (BBM) in 2016
- Public Service Medal (PBM) in 2006

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



Miyoshi Optronics Singapore*



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

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

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.

Overview of Miyoshi Limited

4Q2018 Financial Results

Key Performance Indicators

Tomorrow focused

Highlights

Fourth-quarter performance

- **Fourth-quarter revenue fell 8.9% on lower HDD revenue. Revenue from data storage segment for the last three months decreased by 18.9% from \$4.1 million to \$3.3 million**
- **Loss from fourth-quarter of \$0.8 million, mainly due to lower revenue and impairment of plant and equipment of \$0.5 million**
- **Profit margins decreased from 8.4% to -6.3% year-on-year**

Highlights

Full year performance

- Full year revenue fell 2.8% year-on-year. The decrease in revenue from data storage segment of 34.2% was offset by the 26.7% increase in revenue from automotive segment
- Full year profit decreased by 53.8% to \$1.0 million. The lower profit is mainly due lower gain on disposal of plant and equipment of \$0.8 million
- In FY2018, revenue from consumer electronics and automotive segments accounted for 37.4% and 28.8% of total revenue respectively
- Profit margins decreased from 4.2% to 2.0% year-on-year

Highlights

Balance sheet remains strong

- Total assets increased to \$88.6 million following completion of the placement for \$7.0 million on 21 May 2018
- Total borrowings at \$10.0 million, down from \$10.2 million a year ago

Strong cash flows from operations

- Cash flows from operations was \$6.7 million for FY2018, compared to \$4.0 million a year ago

Quarterly Results vs The Corresponding Quarter Last Financial Year

(S\$'000)

	4Q2018	4Q2017	YoY%
Revenue	12,816	14,066	-8.9%
Other income	316	820	-61.5%
Raw Materials	(6,355)	(7,301)	-13.0%
Employee benefits	(3,364)	(2,549)	32.0%
Depreciation & amortisation	(821)	(483)	70.0%
Other operating expenses	(3,017)	(3,345)	-9.8%
Finance costs	(158)	(108)	46.3%
Profit before tax	(583)	1,100	-153.0%
Income tax	(225)	85	-364.7%
Profit after tax	(808)	1,185	-168.2%
PAT margin	-6.3%	8.4%	

Quarterly Results vs Last Quarter

(S\$'000)	4Q2018	3Q2018	QoQ%
Revenue	12,816	11,952	7.2%
Other income	316	54	485.2%
Raw Materials	(6,355)	(6,197)	2.5%
Employee benefits	(3,364)	(2,436)	38.1%
Depreciation & amortisation	(821)	(565)	45.3%
Other operating expenses	(3,017)	(1,925)	56.7%
Finance costs	(158)	(74)	113.5%
Profit before tax	(583)	809	-172.1%
Income tax	(225)	(125)	80.0%
Profit after tax	(808)	684	-218.1%
PAT margin	-6.3%	5.7%	

Year-to-Date Earnings

(S\$'000)

	FY2018	FY2017	YoY%
Revenue	51,318	52,782	-2.8%
Other income	438	1,387	-68.4%
Raw Materials	(25,933)	(27,012)	-4.0%
Employee benefits	(11,052)	(11,027)	0.2%
Depreciation & amortisation	(2,785)	(2,867)	-2.9%
Other operating expenses	(9,919)	(10,101)	-1.8%
Finance costs	(416)	(488)	-14.8%
Profit before tax	1,651	2,674	-38.3%
Income tax	(634)	(472)	34.3%
Profit after tax	1,017	2,202	-53.8%
PAT margin	2.0%	4.2%	

Fourth Quarter Revenue by Business Segments

(S\$'000)	4Q2018	4Q2017	YoY%
Consumer electronics	4,957	4,410	12.4%
Automotive	3,974	3,626	9.6%
Data storage	3,306	4,074	(18.9%)
Others	347	1,630	(78.7%)
Rental	232	326	(28.8%)
Total Revenue	12,816	14,066	(8.9%)

Full Year Revenue by Business Segments

(S\$'000)	FY2018	FY2017	YoY%
Consumer electronics	19,209	17,622	9.0%
Automotive	14,797	11,675	26.7%
Data storage	13,003	19,747	(34.2%)
Others	3,294	2,745	20.0%
Rental	1,015	974	4.2%
Total Revenue	51,318	52,763	(2.7%)

Strong Balance Sheet

(S\$'000)	31 Aug 18	31 Aug 17	Variance
Cash and bank balances	5,342	8,830	(3,488)
Trade and other receivables	19,238	18,372	866
Prepayments	175	195	(20)
Inventories	5,249	5,449	(200)
Assets classified as held for sale	3,601	3,569	32
Total current assets	33,605	36,415	(2,810)

Strong Balance Sheet

(S\$'000)

	31 Aug 18	31 Aug 17	Variance
Associate	15,928	0	15,928
Available-for-sale financial assets	0	8,978	(8,978)
Property, plant and equipment	32,049	27,504	4,545
Investment properties	6,827	6,584	243
Intangible assets	15	13	2
Deferred tax assets	33	20	13
Other receivables	117	103	14
Total non-current assets	54,969	43,202	11,767
Total assets	88,574	79,617	8,957

Strong Balance Sheet

(S\$'000)

	31 Aug 18	31 Aug 17	Variance
Trade and other payables	11,878	9,053	2,825
Current income tax payable	168	110	58
Finance lease	29	0	29
Bank borrowings	6,121	7,348	(1,227)
Total current liabilities	18,196	16,511	1,685

Strong Balance Sheet

(S\$'000)

	31 Aug 18	31 Aug 17	Variance
Finance lease	89	0	89
Bank borrowings	3,785	2,665	1,120
Other payable	103	436	(333)
Provisions	303	368	(65)
Deferred tax liabilities	265	226	39
Total non-current liabilities	4,545	3,695	850
Total liabilities	22,741	20,206	2,535

Strong Balance Sheet

(S\$'000)	31 Aug 18	31 Aug 17	Variance
Share capital	49,079	42,259	6,820
Treasury shares	(233)	(200)	(33)
Other reserves	(9,076)	(9,784)	708
Retained earnings	24,055	24,782	(727)
Shareholders' equity	63,825	57,057	6,768
Non-controlling interests	2,008	2,354	(346)
Total equity	65,833	59,411	6,422
Total liabilities and equity	88,574	79,617	8,957

Cash Flows

(S\$'000)

	31 Aug 18	31 Aug 17	Variance
Cash from operating activities	6,711	4,008	2,703
Cash used in investing activities	(14,348)	(7,472)	(6,876)
Cash from/(used in) financing activities	2,843	(500)	3,343
Increase / (Decrease) in cash	(4,794)	(3,964)	(830)

Financial Ratios

	FY2018	FY2017	FY2016
Net profit margin (%)	1.98	4.35	2.12
Earnings per share (cents)	0.24	0.48	0.25
Return on capital employed (%)	4.19	5.72	1.95
Return on equity (%)	2.00	3.87	2.15
Return on assets (%)	1.15	2.80	1.38
Gearing ratio (times)	0.16	0.18	0.21
Current ratio (times)	1.85	2.21	2.16
Cash ratio (times)	0.29	0.53	0.85
Net asset value per share (cents)	10.48	11.55	11.86

Overview of Miyoshi Limited

4Q2018 Financial Results

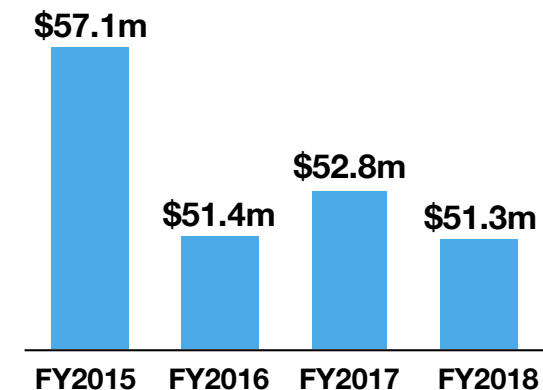
Key Performance Indicators

Tomorrow focused

1. Grow revenue

Target*: Deliver consistent revenue growth

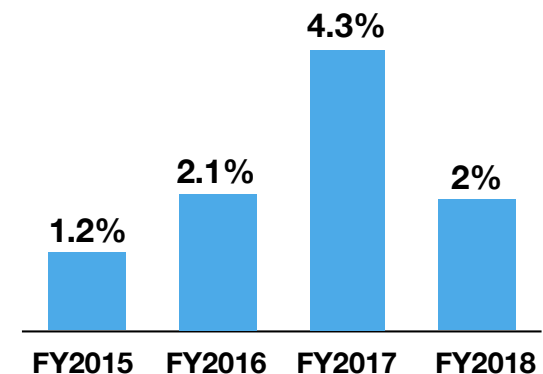
Outcome for FY2018: -2.8% drop in revenue for FY2018 when compared to FY2017



2. Improve returns

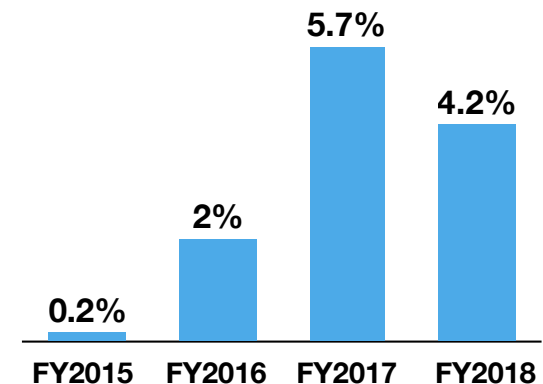
Target: Net profit margins of 6% or better

Outcome for FY2018: Net profit margin was 2.0%



Target*: ROCE of 6% or better

Outcome for FY2018: ROCE was 4.2%

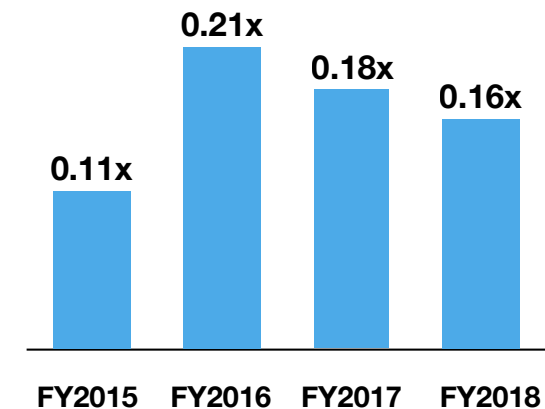


*Target as previously disclosed in Miyoshi's Annual Report 2017

3. Quality balance sheet

Target*: Efficient capital structure, with manageable gearing ratio

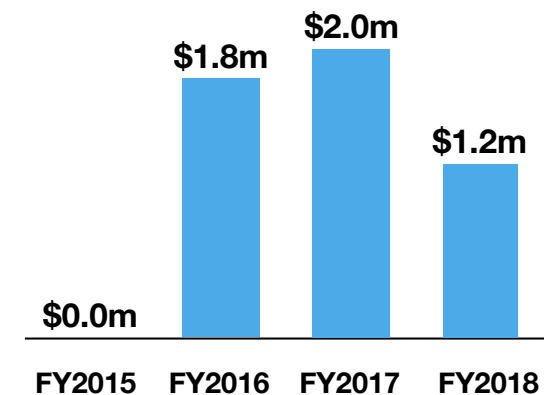
Outcome for FY2018: Gearing ratio decreased to 0.16 due to repayment of loans and proceeds from share placement.



4. Returns to shareholders

Target*: Regular dividend payment to shareholders

Outcome for FY2018: Dividend payments this year will be \$1.2 million or 0.2 cents per share.



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

Thank You

