



MICRO-MECHANICS®

perfect parts and tools, on time, every time

Annual General Meeting FY2021

29 October 2021



MICRO-MECHANICS®

perfect parts and tools, on time, every time

Business & Industry

Chris Borch, CEO

Low Ming Wah, COO



Corporate Overview

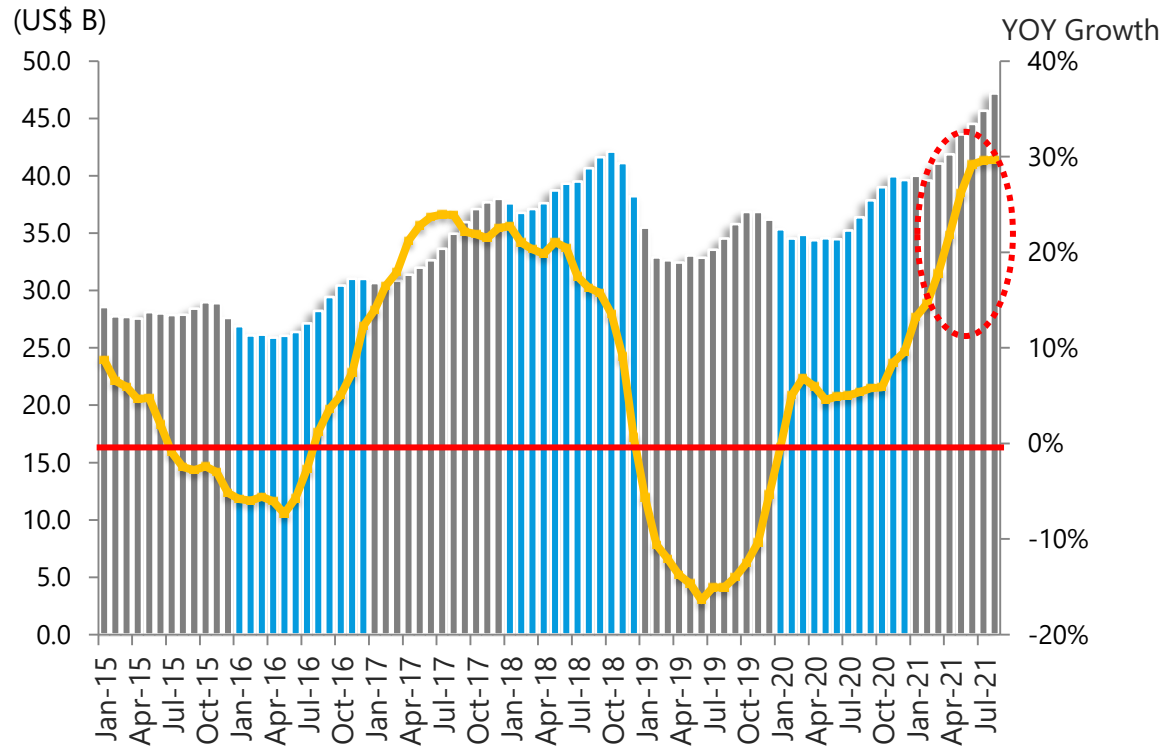
Perfect Parts and Tools On Time, Every Time
based on scalable, repeatable and cost-effective processes

- Founded in 1983 and listed on the Singapore Exchange (Main Board) since 2003
- Specializes in the design and manufacture of **high precision tools and parts** used in *process-critical applications for semiconductor wafer-fabrication and assembly*
- Serves a worldwide base of more than 600 customers from five facilities in Asia (Singapore, Malaysia, China, Philippines) and the USA
- Recognized more than 30 times for our efforts to practice good corporate governance, transparency and investor relations



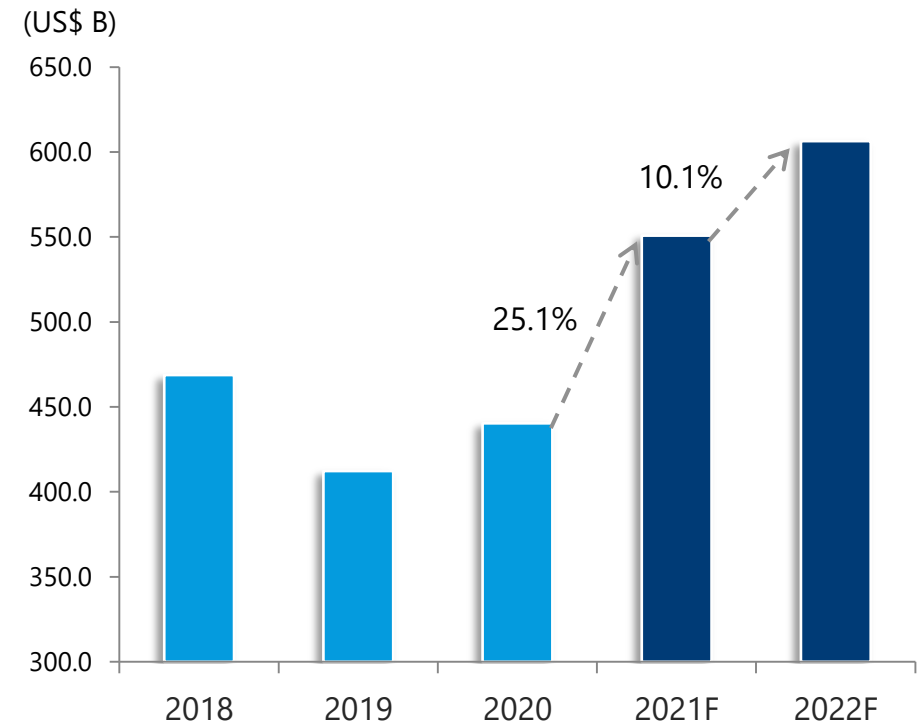
Semiconductor Industry Review

Global Monthly Chip Sales



SIA said that global semiconductor sales remained strong in July and August 2021 with robust demand seen across all major regional markets and semiconductor product categories. Chip shipments reached all-time highs in recent months as the industry is ramping up production to address sustained high demand.

WSTS Semiconductor Sales Forecast (August 2021)



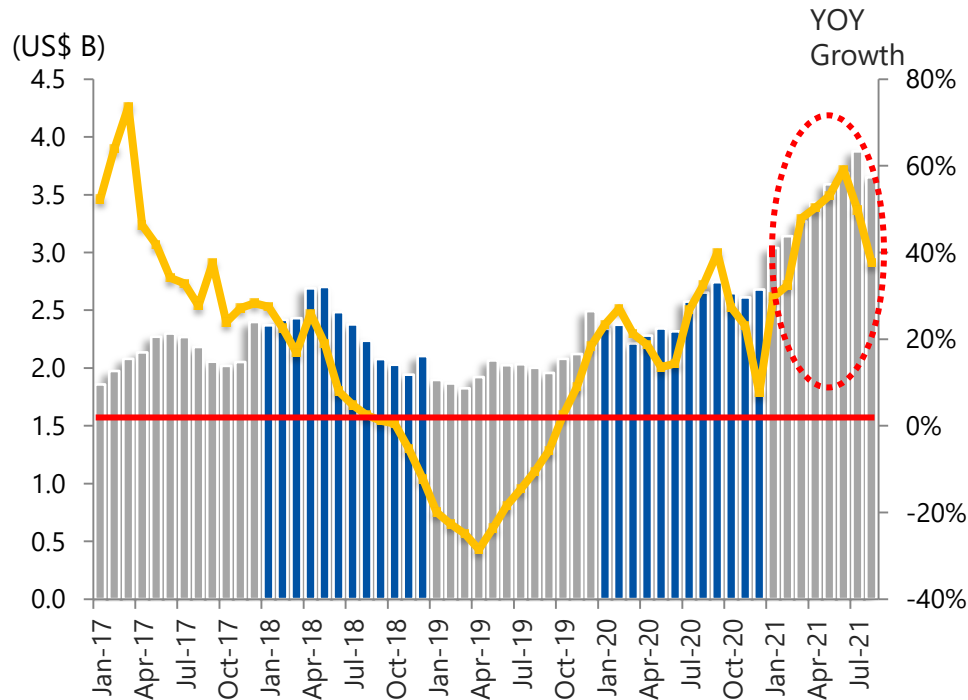
WSTS upgraded its 2021 forecast for global chip sales which is expected to grow 25.1% to US\$551 billion. This reflects growth in all major product categories and all geographical regions. For 2022, WSTS projects the global semiconductor market to grow a further 10.1% to US\$606 billion.

Sources: Semiconductor Industry Association, World Semiconductor Trade Statistics



Semiconductor Industry Review

Three-month average of worldwide billings of North American equipment manufacturers



SEMI said that after an extraordinary eight-month run of record-breaking results, billings of North America-based semiconductor equipment manufacturers expectedly softened in August compared to July. Nonetheless, billings continue to reflect strong demand for semiconductor equipment and solid year-over-year growth.

Global Sales of Semiconductor Manufacturing Equipment (Jul 2021)



Global sales of semiconductor manufacturing equipment by original equipment manufacturers are forecast to reach an industry high of \$100 billion in 2022, after a projected jump of 34% to \$95.3 billion in 2021 compared to \$71.1 billion in 2020

FY2021 Corporate Highlights



RECORD REVENUE

\$73.7M

▲ 14.8%

GROSS PROFIT MARGIN
UP TO

54.3%

RECORD NET PROFIT

\$18.1M

▲ 23.3%



Industry Prospects

Based on recent forecast from VLSI Research, global chip sales could double to nearly US\$1 trillion by 2030 from about US\$450 billion in 2020

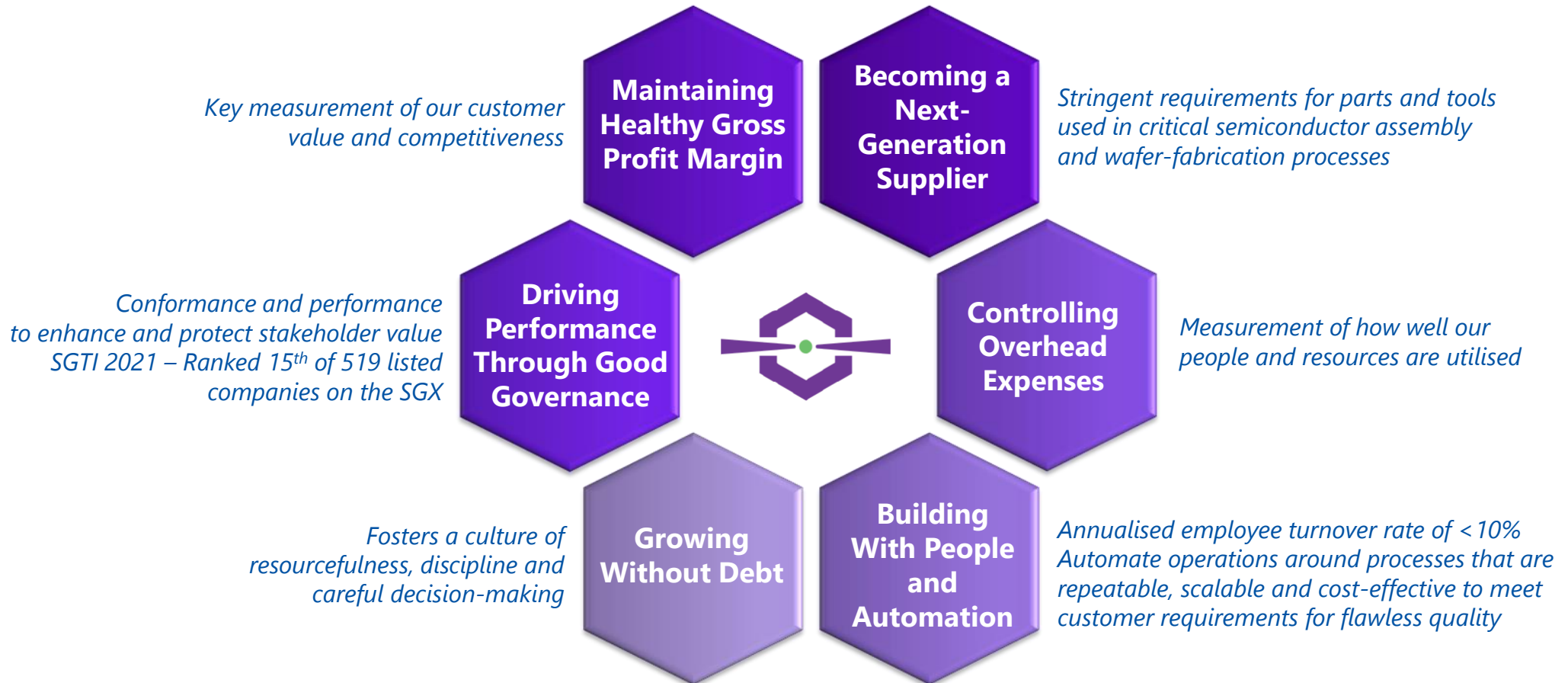
Indeed, we believe the semiconductor industry is poised for a prolonged period of solid growth as chips become increasingly embedded in nearly every aspect of modern life



Corporate Strategy

We need to have goals, structures and processes in place to adapt to changes in operating environment, ensure business continuity and seize opportunities that come into view.

CONTINUING OUR FOCUS ON THE KEY FUNDAMENTALS





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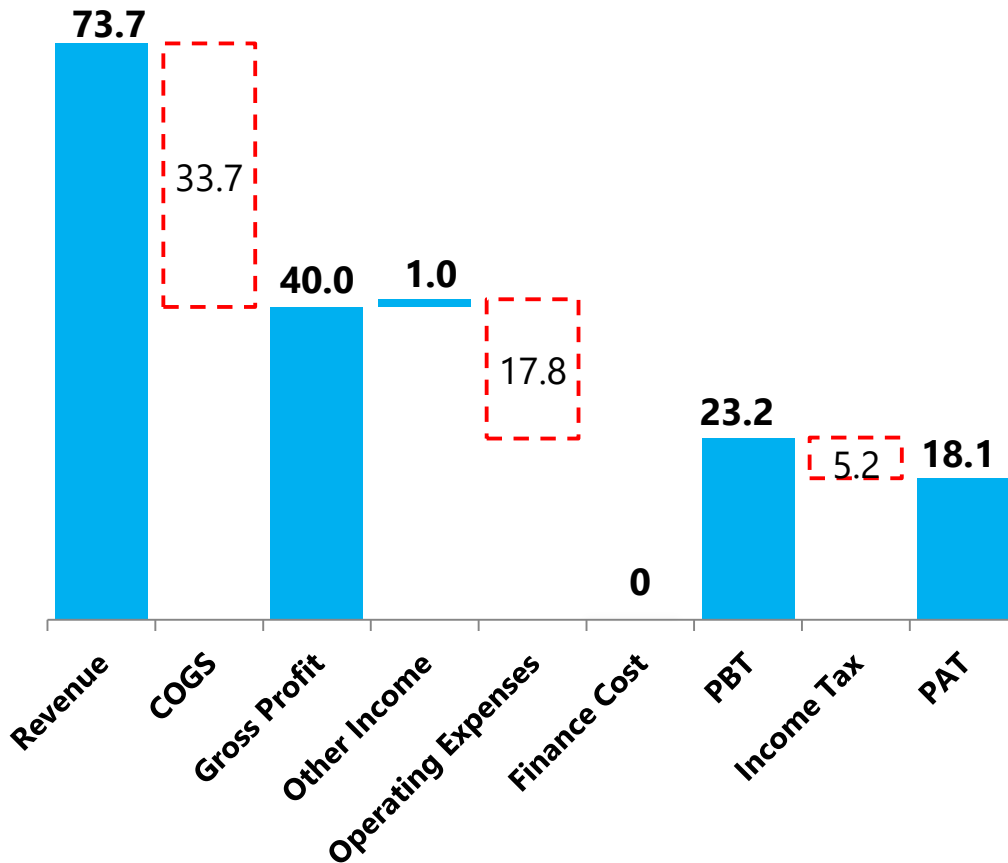
Financial Review

Chow Kam Wing, CFO



FY2021 in Review

FY2021 P&L Overview (S\$ million)



N.B. Due to rounding, some totals (in this and the following slides) may not correspond with the sum/subtraction of separate figures.

KEY RATIOS & STATISTICS

REVENUE GROWTH	14.8%
GROSS PROFIT GROWTH	16.6%
PBT GROWTH	21.7%
NET PROFIT GROWTH	23.3%
GROSS PROFIT MARGIN	54.3%
NET PROFIT MARGIN	24.5%
EARNINGS PER SHARE	12.99 cents
DIVIDEND PAYOUT (FY2021)	108%
RETURN ON EQUITY	31.2%
CASH	S\$20.6M
BORROWINGS	Zero

FY: Financial year ending 30 June

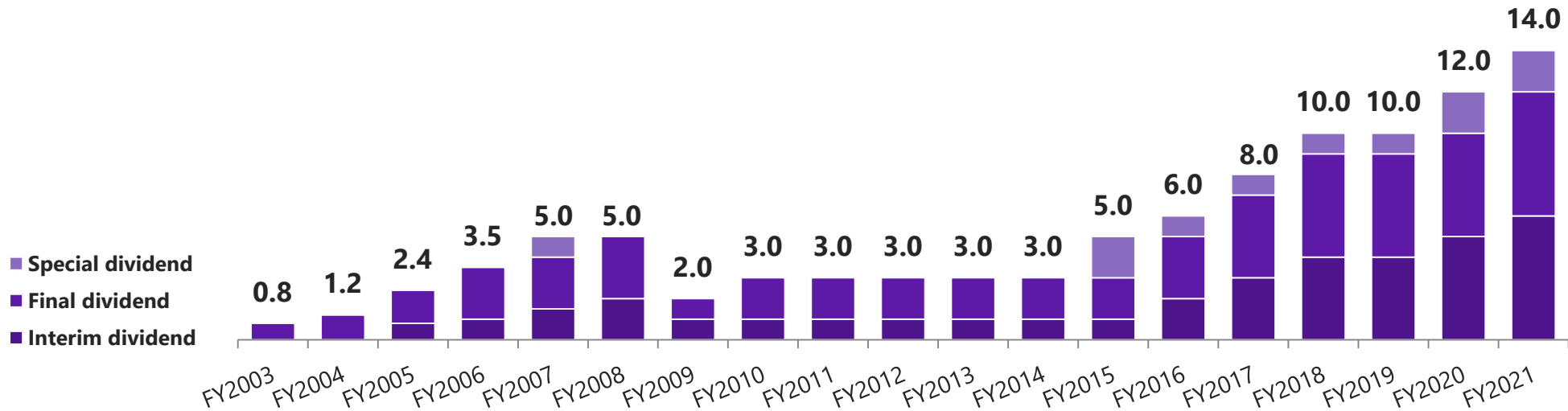


Dividend Performance

HIGHER DIVIDEND OF 14 CENTS PER SHARE FOR FY2021

Total dividend payout since listing – **99.9 CENTS** per share

DIVIDEND PER SHARE (CENTS)



DIVIDEND PAYOUT RATIO

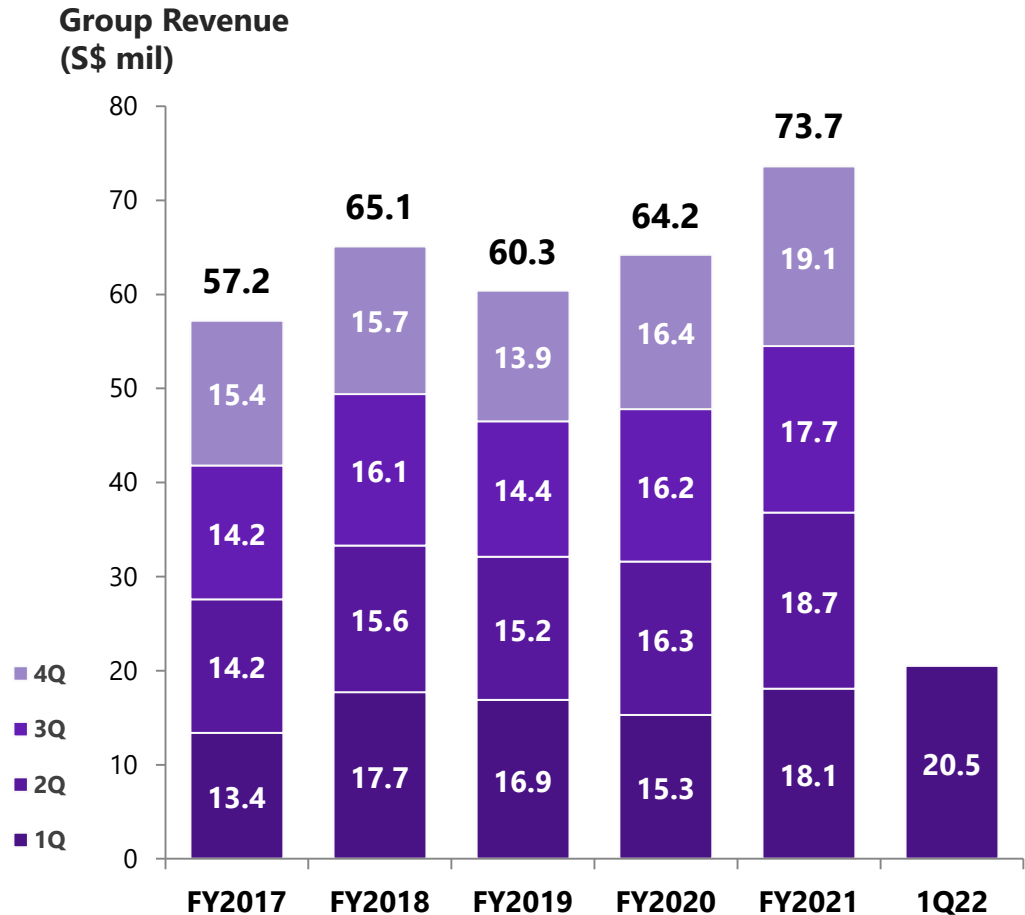
FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
29%	35%	61%	63%	83%	78%	513%	87%	61%	99%	81%	54%	58%	70%	75%	81%	107%	114%	108%

Dividend Policy of Not Less Than 40% of Earnings*



Group Revenue

RECORD REVENUE FOR FY2021 & 1Q22



FY2021 REVENUE ▲ 14.8%

- Record revenue in FY2021
- Reflects the resilience and growth of the global semiconductor industry amid the Covid-19 pandemic

1Q22 REVENUE ▲ 12.7%

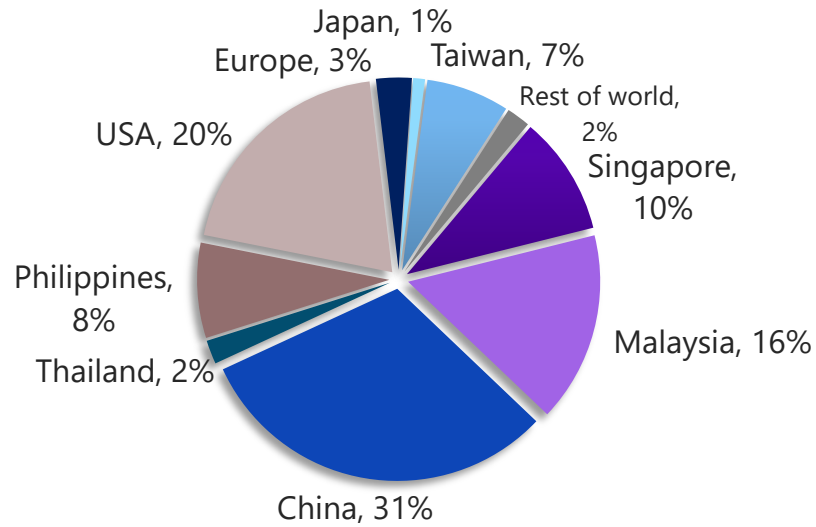
- Buoyed by continuing growth of the semiconductor industry



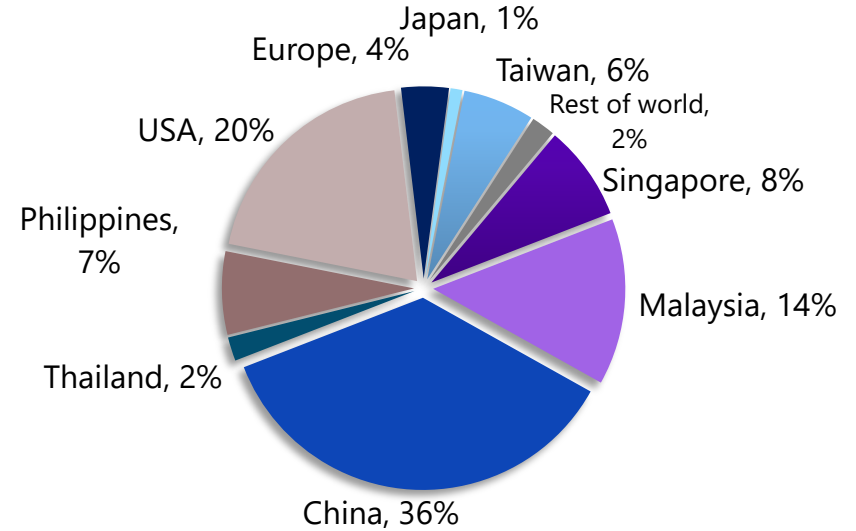
Group Revenue

DIVERSIFIED REVENUE STREAMS

Sales Breakdown for FY2021



Sales Breakdown for 1Q22



TOP 3 MARKETS

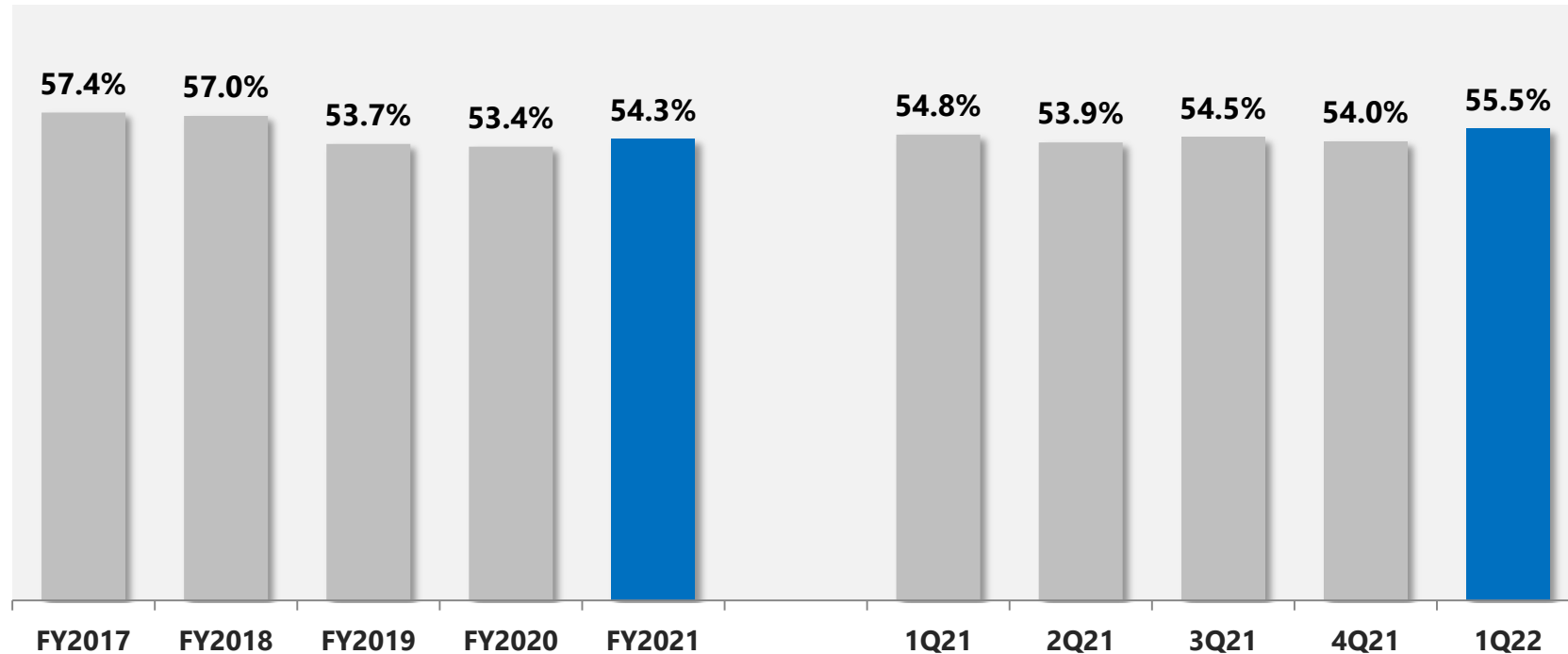
Country	FY2021 S\$ mil	FY2020 S\$ mil	% change
China	23.1	19.0	22%
USA	14.8	13.2	12%
Malaysia	11.5	9.9	15%

Country	1Q22 S\$ mil	1Q21 S\$ mil	% change
China	7.3	5.4	34%
USA	4.0	3.7	9%
Malaysia	2.9	2.8	5%



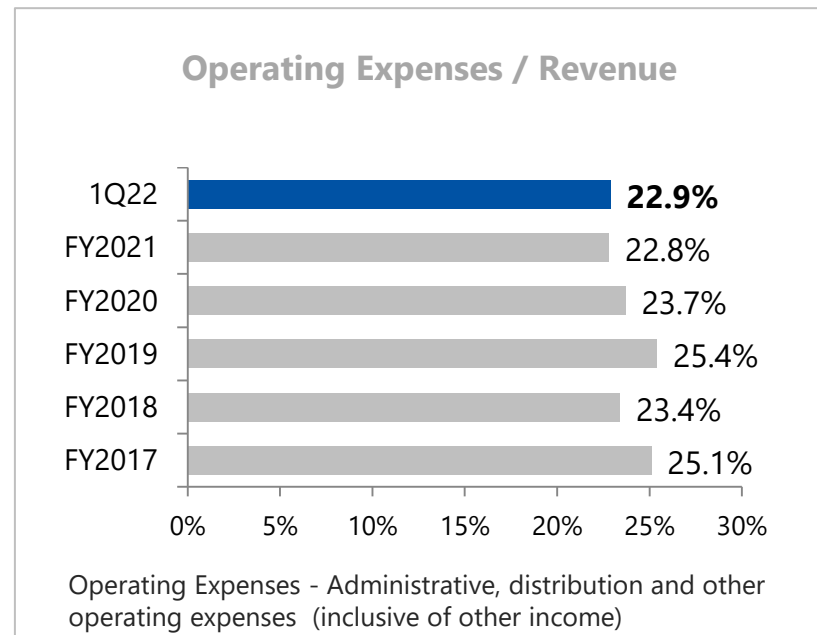
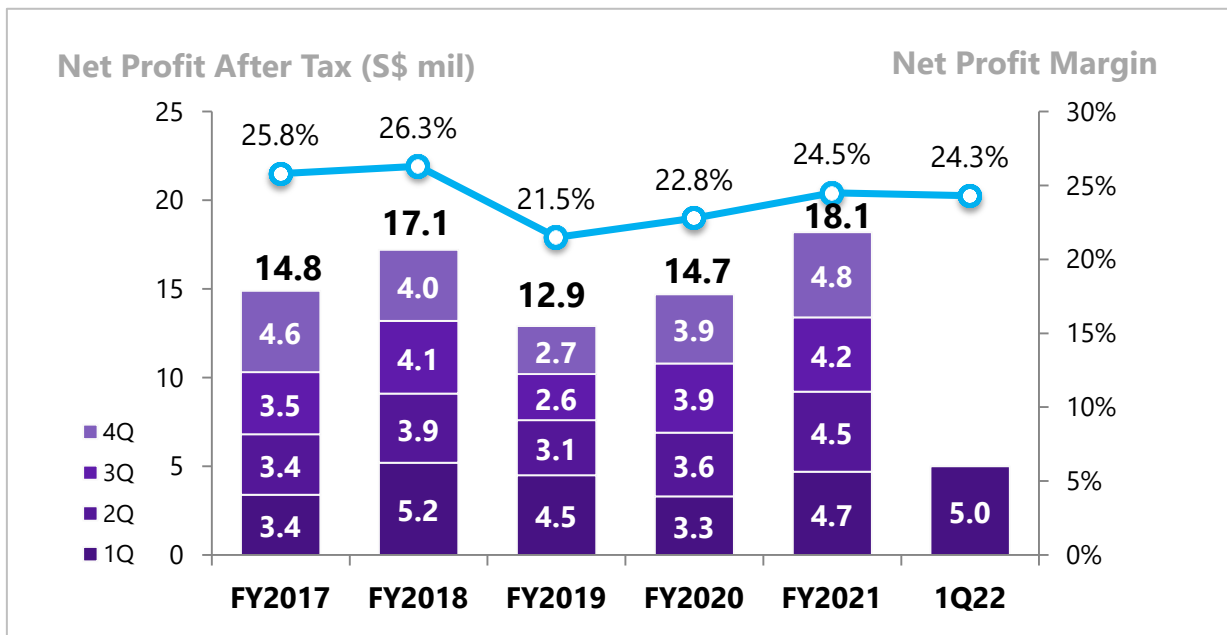
Gross Profit Margin

GROSS PROFIT MARGIN REMAINED ABOVE 50%



Profitability

RECORD NET PROFIT FOR FY2021

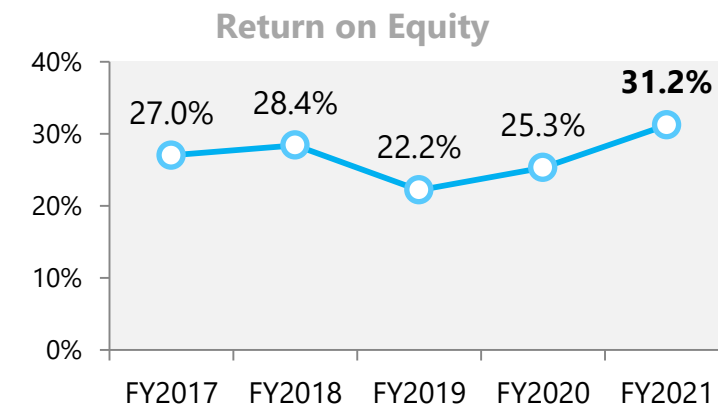


FY2021 PROFIT ▲ 23.3%

- Achieved record profit in FY2021
- Higher net profit margin and ROE

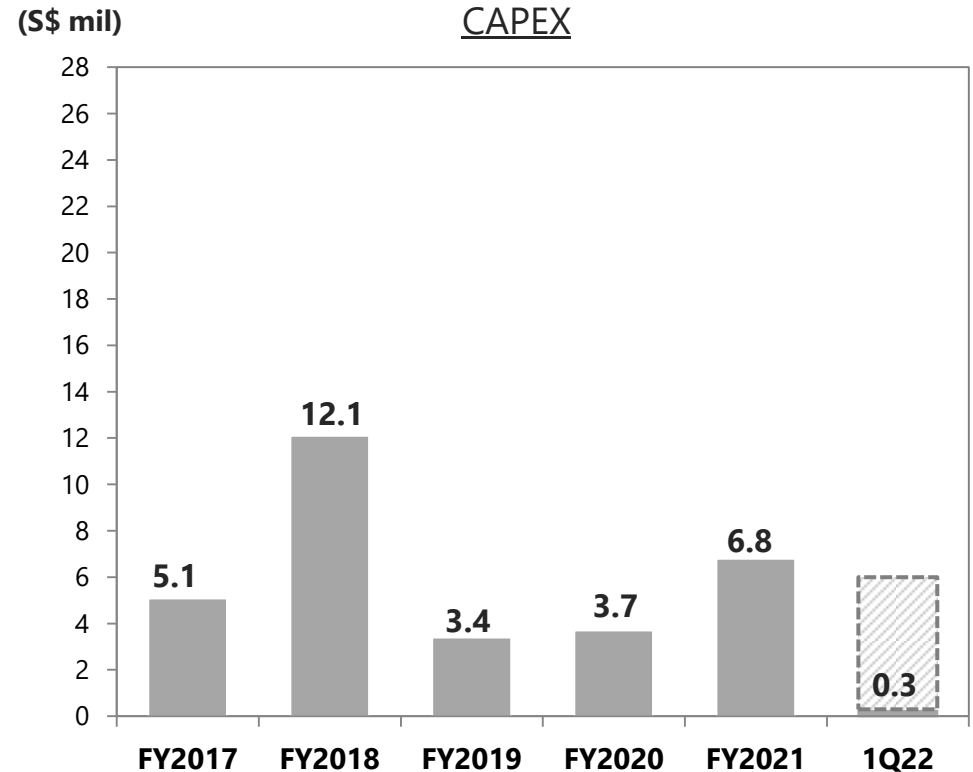
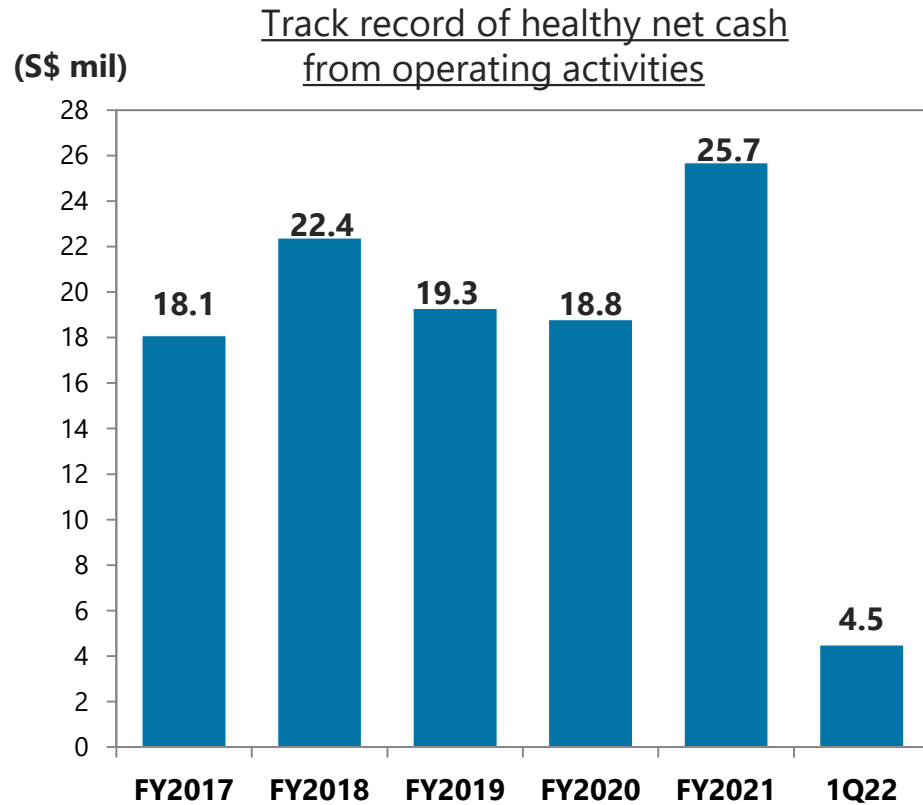
1Q22 PROFIT ▲ 6.9%

- PBT up 11.7% to S\$6.7M
- Income tax up 29.1%, due mainly to provision of withholding tax on dividends from overseas subsidiaries
- Hence, net profit rose at a slower pace of 6.9% in 1Q22



Cash Flow

CASH-FLOW GENERATIVE OPERATIONS



- Capex budget for FY2022 – approx. S\$6M



Balance Sheet

		30 September 2021	30 June 2021
<u>Cash</u>	Cash and cash equivalents [#]	S\$24.6M	S\$20.6M
<u>Gearing</u>	Total borrowings	Nil	Nil
<u>Trade Receivables</u>	Trade Receivables (Outstanding > 90days) / (Total trade receivables) Bad debt expense	S\$14.0M 0.4% Nil (1Q22)	S\$12.9M 0.0% Nil (FY2021)
<u>Inventory</u>	Inventory Inventory / Sales Inventory write-off	S\$5.6M 6.9% S\$37k (1Q22)	S\$5.2M 7.1% S\$130k (FY2021)
<u>Equity</u>	Shareholders' equity [#] NAV per share	S\$63.2M 45.47 cents	S\$58.0M 41.69 cents

[#] Paid dividends totalling S\$18.1M in FY2021



Safe Harbour for Forward-Looking Statements

This presentation contains certain statements that are not statements of historical fact, i.e. forward-looking statements. Investors can identify some of these statements by forward-looking items such as 'expect', 'believe', 'plan', 'intend', 'estimate', 'anticipate', 'may', 'will', 'would', and 'could' or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. These forward-looking statements are based on current expectations, projections and assumptions about future events. Although Micro-Mechanics (Holdings) Ltd. believes that these expectations, projections, and assumptions are reasonable, these forward-looking statements are subject to the risks (whether known or unknown), uncertainties and assumptions about Micro-Mechanics (Holdings) Ltd. and its business operations.

Some of the key factors that could cause such differences are, among others, the following:

- changes in the political, social and economic conditions and regulatory environment in the jurisdictions where we conduct business or expect to conduct business;
- the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;
- changes in and new developments in technologies and trends;
- changes in currency exchange rates;
- changes in customer preferences and needs;
- changes in competitive conditions in the semiconductor industry and our ability to compete under these conditions;
- changes in pricing for our products; and
- changes in our future capital needs and the availability of financing and capital to fund these needs.

Given these risks, uncertainties and assumptions, the forward-looking events referred to in this presentation may not occur and actual results may differ materially from those expressly or impliedly anticipated in these forward-looking statements. Investors are advised not to place undue reliance on these forward-looking statements.

Investors should assume that the information in this presentation is accurate only as of the date it is issued. Micro-Mechanics (Holdings) Ltd.'s business, financial conditions, results of operations and prospects may have changed since that day. Micro-Mechanics (Holdings) Ltd. has no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.





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