

ellipsiz

1QFY16 Results Presentation For Financial Period Ended 30 Sep 15

5 November 2015



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Key Financial Highlights	1Q FY16	1Q FY15	4Q FY15
Revenue (\$ million)	25.3	31.0	27.4
NPATNCI (\$ million)	2.3	1.7	2.0
NPATNCI exclude Specific items (<i>refer to slide 6 for details of Specific Items or SI</i>) (\$ million)	1.1	2.0	2.4
Basic & Diluted EPS exclude SI (cents)	0.19	0.37	0.43
NAV per share (cents)	22.62	21.19	21.80
Current ratio (times)	2.9	2.3	2.7
Debt / equity ratio (%)	5%	8%	7%

- Revenue was impacted by broad-base decline in revenue across most regions that both DSS and PCS operate in with the exception of Taiwan.
- Equipment and tools sales saw a greater reduction due to more controlled capital spending by customers.
- 1QFY16 NPATNCI improved by 32%. Earnings included one-time income from bad debts recovered, net of tax (Specific Items) of \$1.2 million.
- 1QFY16 NPATNCI excluding Specific Items decreased by 49% from the same quarter a year ago mainly due to the lower revenue in 1QFY16. The Group's gross margin, however, improved from 34% in 1QFY15 to 35% in 1QFY16 despite weaker revenue.



1QFY16 Results Summary

Results highlights S\$'million	1QFY16	Year on Year		Sequential	
		1QFY15	Change	4QFY15	Change
Revenue	25.3	31.0	(18%)	27.4	(8%)
Gross Profit	8.8	10.6	(17%)	9.7	(9%)
Gross Profit Margin	35%	34%	1 ppt	35%	(0 ppt)
Net Profit after Tax & NCI	2.3	1.7	32%	2.0	14%
Net Profit after Tax & NCI Margin	9%	6%	3 ppt	7%	2 ppt
Basic EPS (cts)	0.41	0.31	32%	0.36	14%
Diluted EPS (cts)	0.41	0.31	32%	0.36	14%
Shareholders' equity	126.0	117.2	8%	121.5	4%
NAV per share (cts)	22.62	21.19	7%	21.80	4%

*Included in the net profits for 1QFY16, 1QFY15 and 4QFY15 were some Specific Items (SI). Please refer to slide 6 for details.



1QFY16 Results Summary

Results highlights S\$'million	1QFY16 (excl SI)	Year on Year		Sequential	
		1QFY15 (excl SI)	Change	4QFY15 (excl SI)	Change
Revenue	25.3	31.0	(18%)	27.4	(8%)
Gross Profit	8.8	10.6	(17%)	9.7	(9%)
Gross Profit Margin	35%	34%	1 ppt	35%	(0 ppt)
Net Profit after Tax & NCI	1.1	2.0	(49%)	2.4	(57%)
Net Profit after Tax & NCI Margin	4%	7%	(3 ppt)	9%	(5 ppt)
Basic EPS (cts)	0.19	0.37	(49%)	0.43	(56%)
Diluted EPS (cts)	0.19	0.37	(49%)	0.43	(56%)
Shareholders' equity	126.0	117.2	8%	121.5	4%
NAV per share (cts)	22.62	21.19	7%	21.80	4%

Specific Items (SI) were listed in slide 6.



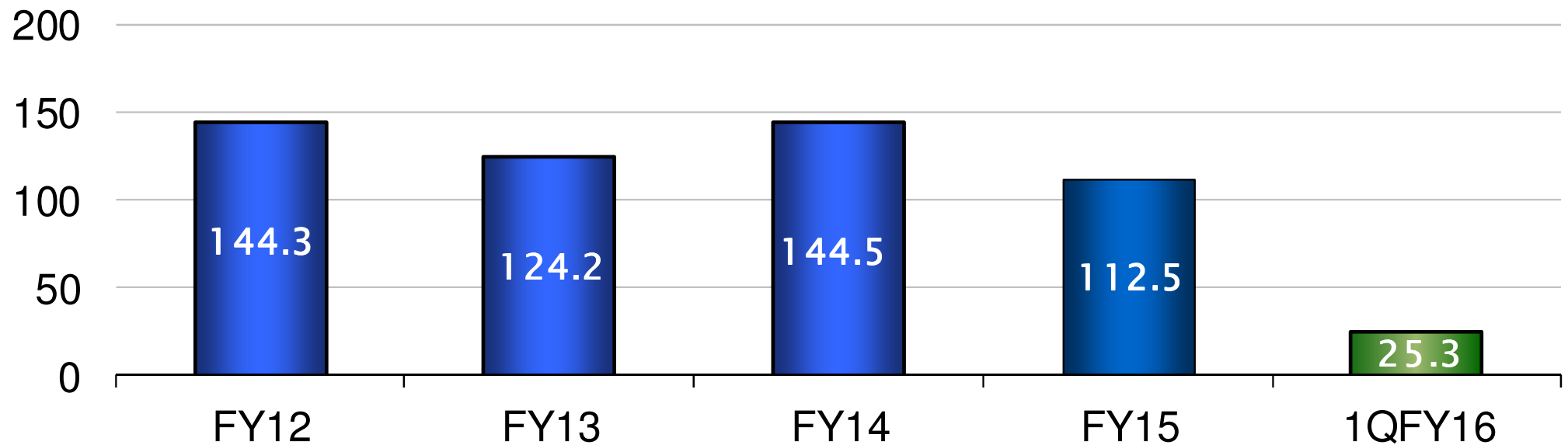
1QFY16 Results Summary

Specific Items* (S\$ million)	1QFY16	1QFY15	4QFY15
Recovery from bad debts	(1.4)	-	-
Taxation on bad debts recovered	0.2	-	-
Loss on disposal of investment in an associate	-	0.3	-
Additional tax in insurance compensation ⁽¹⁾	-	-	0.4
Total	(1.2)	0.3	0.4

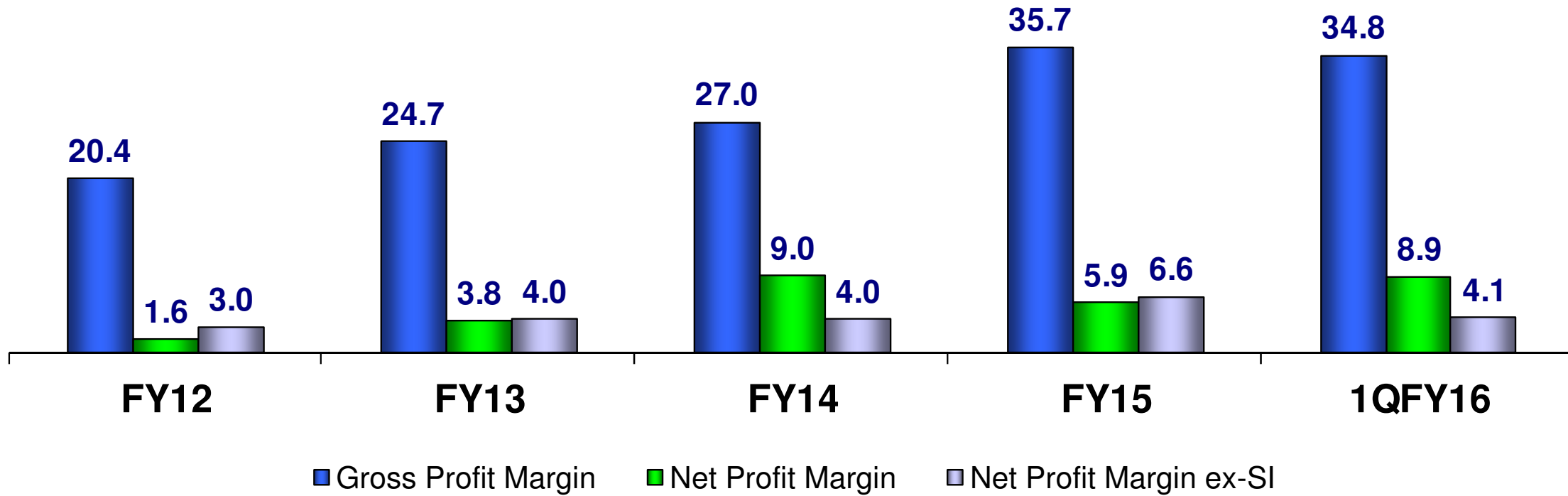
** For ease of analysing the operating results, the above (income) / charges (hereinafter known as “Specific Items” or “SI”) were excluded.*

⁽¹⁾ The insurance compensation received was in relation to a fire incident that took place in FY2009.

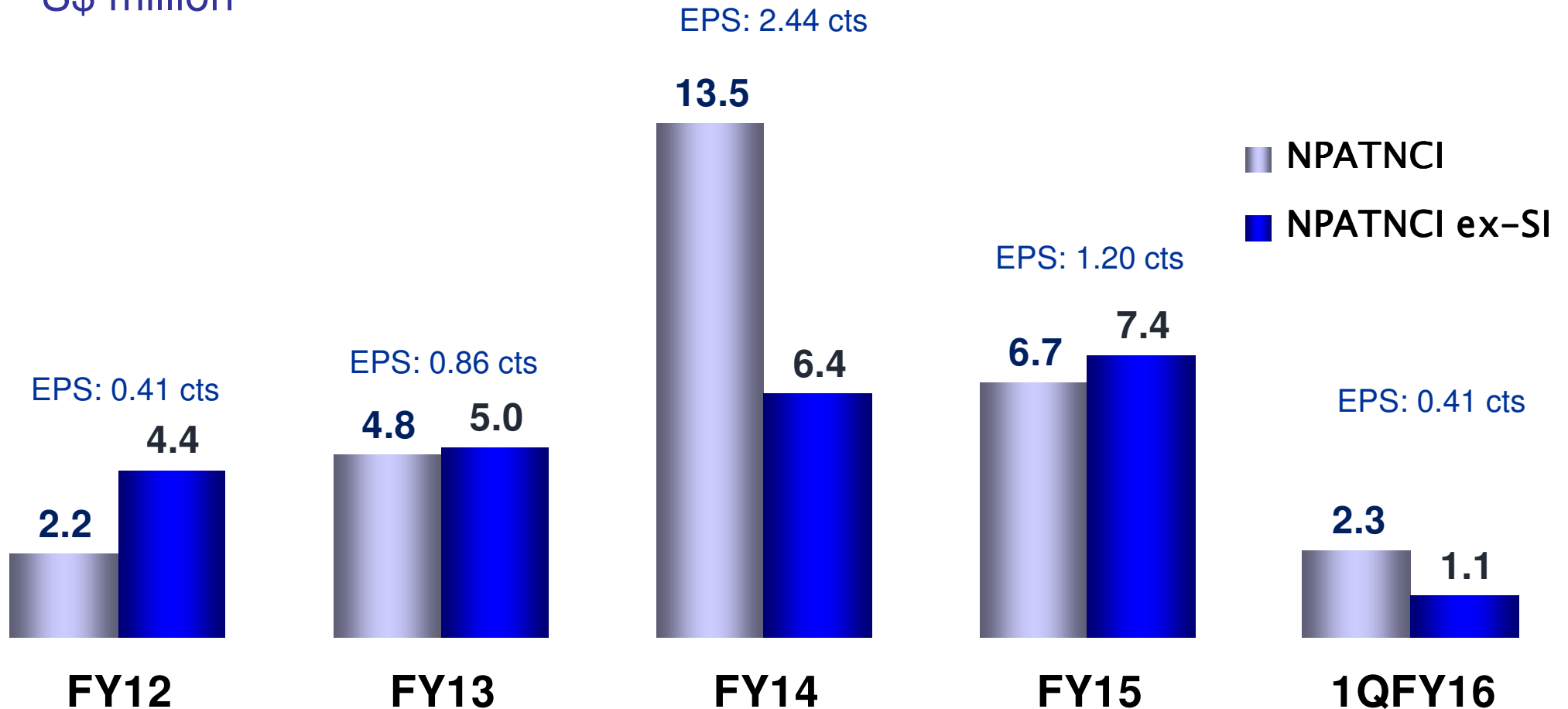
Revenue (S\$m)



Margin as % of Revenue



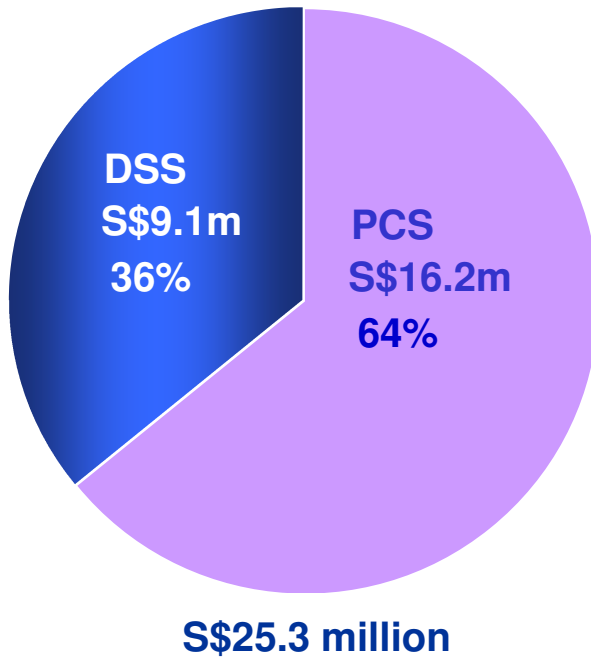
S\$ million



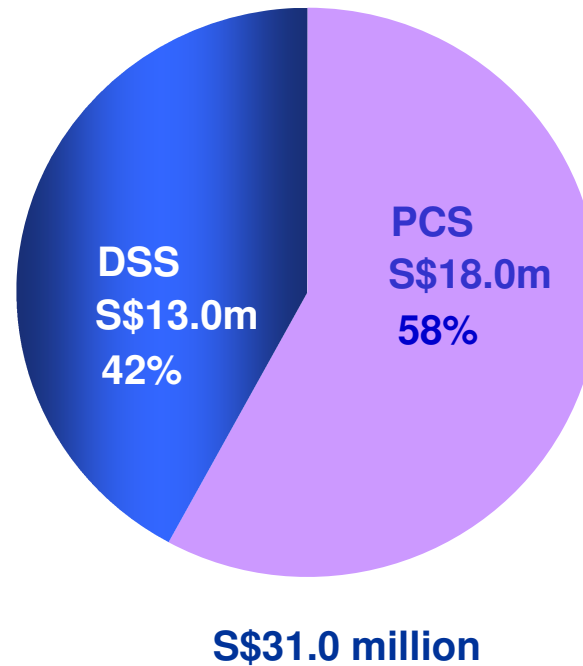
* 1QFY16 & FY15 EPS based on weighted average of approximately 557 million and 554 million shares respectively.

Revenue (S\$m)

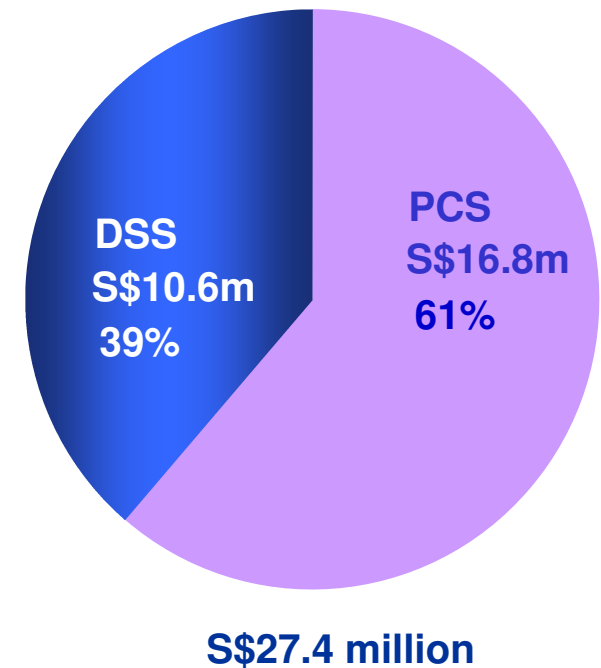
1QFY16



1QFY15



4QFY15



DSS : Distribution and Services solutions
 PCS : Probe Card solutions

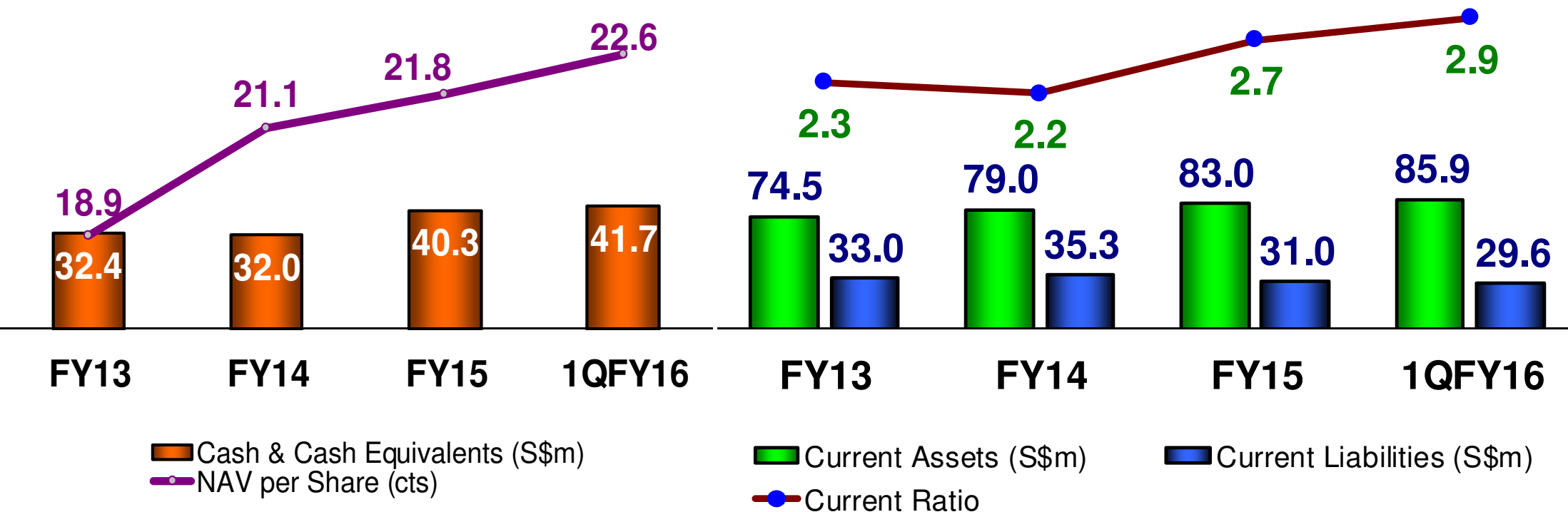
Segment Performance

		Year on Year		Sequential	
		1QFY15	Change	4QFY15	Change
Revenue (S\$m)	1QFY16	1QFY15	Change	4QFY15	Change
Probe Card solutions	16.2	18.0	(9%)	16.8	(14%)
Distribution & Services solutions	9.1	13.0	(30%)	10.6	(4%)
Total	25.3	31.0	(18%)	27.4	(8%)

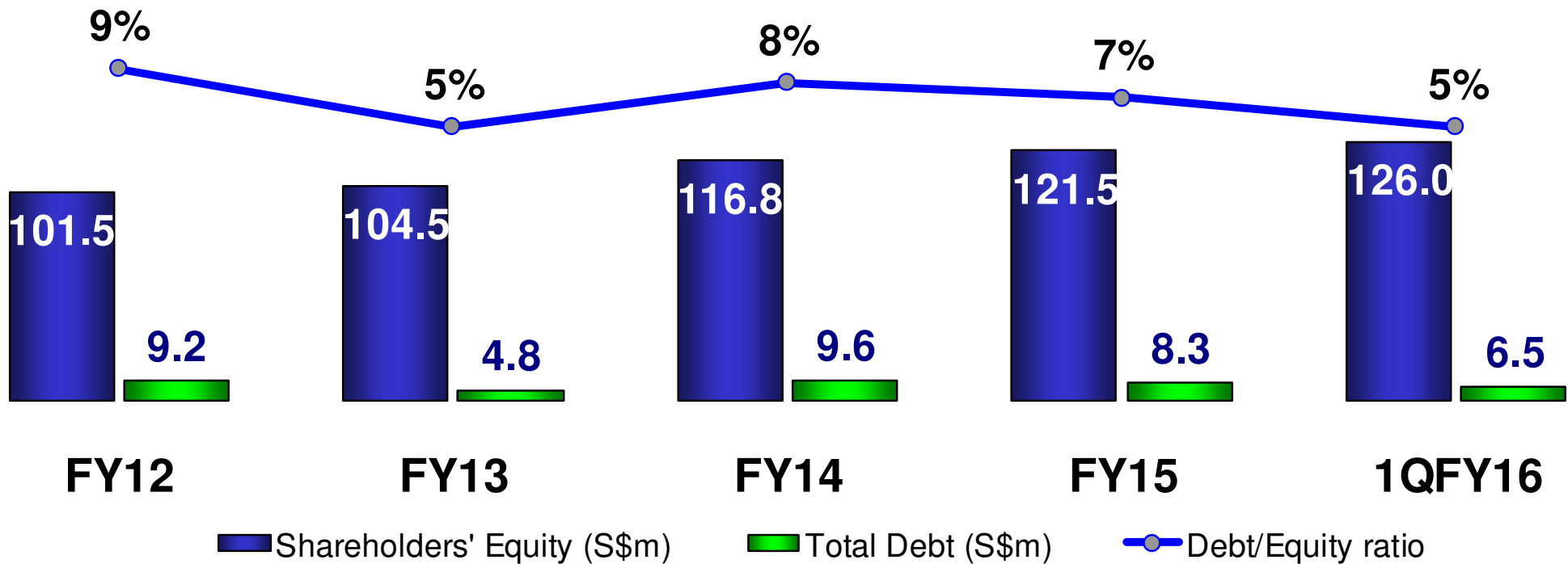
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Balance Sheet Highlights

Maintaining healthy balance sheet



Debt to equity ratio

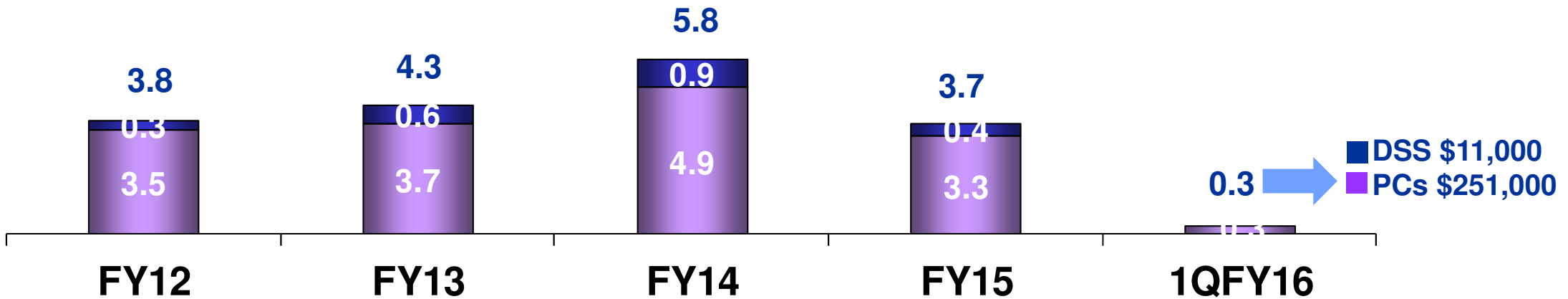


1QFY16

Capital Expenditure

Capital Expenditure (S\$m)

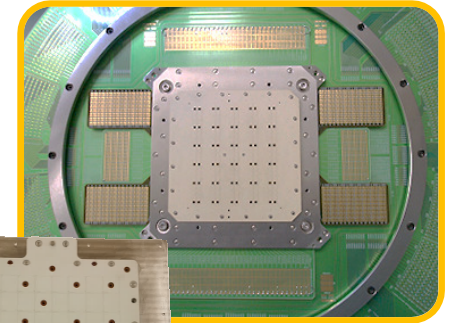
- Distribution & Services Solutions
- Probe Card Solutions



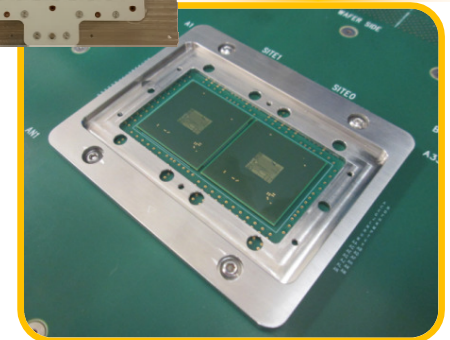
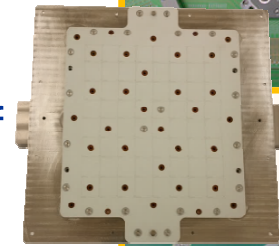
1QFY16
Business Updates
&
Outlook

Probe Card Solutions

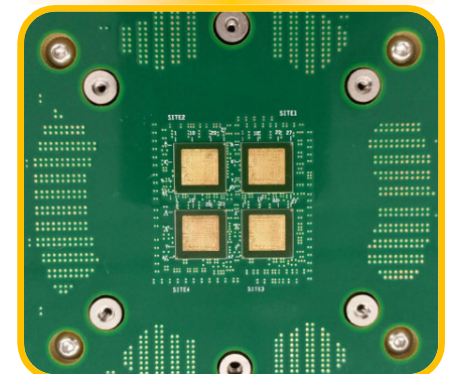
- Compared with 4QFY15, 1QFY16 revenue decreased 5.5%, mainly due to slower than expected sales in the Japan region
- Advanced revenue was flat with prior quarter driven by softness of smartphone, tablet and general consumer electronic markets
- Developing large array advanced vertical probe cards for two key customers to address their microcontroller applications
 - Over 10K probes, 64 and 256 Devices Under Test (DUT)
- On-going development efforts have allowed PCS to enhance our proprietary reflow process from a Dual-MLO to a Multi-MLO capability, providing customers the opportunity to use their existing MLOs to get even more parallel probing advantages, lowering their cost of test.



Large Array
Advanced Vertical



Dual-MLO Reflow



Quad Site-MLO Reflow

Distribution & Services Solutions

- 1QFY16 sales decreased by 30% year-on-year and 14% sequentially.
- The decline in sales was a result of an overall decrease in revenue across most regions, exception Taiwan.
- More controlled capital spending by our customers led to greater reduction in equipment and tools sales compared with recurring revenue-base activities.
- DSS team continues to integrate its North and South Asia support teams, grow recurring sales, maximize efficiency through proactive inventory/products/ business partners management, control costs as well as seek new growth opportunities.



Consumable Specialties & Equipment/Tools Solutions

We are cautious of our performance prospects for the rest of 2015.

- Global economic headwinds such as the slowing Chinese economy, global economic consolidation and slowing demand are impacting end user demand for PCs, smartphones and tablets, in turn, adversely impacting market demand for our products and services.
- Industry players are adjusting capital expenditure budget to better align with market demand, and the absence of the typical seasonal ramp up in sales of semiconductors in anticipation of the holiday season are factors that could affect our business activities negatively.
- In view of the slowing and, perhaps, negative growth environment envisioned by industry analysts, we remain committed to leverage on our core strengths namely global network, technology and production capabilities and proven expertise to sustain growth.

Thank you!
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