



Miyoshi Limited

1Q2019 Financial Results

11 January 2019



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Overview of Miyoshi Limited

1Q2019 Financial Results

Key Performance Indicators

Tomorrow focused

Overview of Miyoshi Limited

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 cold forging, mechanical joining/laser welding, electroplating, manual assembly and testing.

Key Statistics for FY2018

• Total assets	: S\$87.0 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\$5.3 million
• Return on equity	: 2.1%
• Return on capital employed	: 4.3%
• 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	: 1.88 times
• Net cash from operations	: S\$7.6 million
• Net cash invested	: (S\$15.3 million)
• Net cash from financing	: S\$2.8 million
• Price/book value*	: 0.41 times
• Dividend yield*	: 4.7%
• PE ratio*	: 17.6 times
• GTI score	: 82 points
• GTI ranking	: #46 of 589 Singapore listcos

*Relevant statistics extracted from SGX-ST website as at 11 January 2018.

Board of Directors of Miyoshi Limited

Chairman



Mr. Lim Thean Yee

- Independent Chairman
- Director, Ezion Holdings Ltd
- Honorary 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 27.3% shareholding interest

Audit Committee Chairman



Mr. Wee Piew

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

Non-Executive Directors



Mr. Masayoshi Taira

- Managing Director, Miyoshi Industry Co., Ltd
- Second largest shareholder of Miyoshi with 10.3% shareholding interest



Mr. Thomas Pek Ee Perh

- Managing Director, Taihua Food Industries Pte Ltd
- Chairman, General Affairs Committee, SCCC
- Awarded Public Star Medal (BBM) in 2016
- Public Service Medal (PBM) in 2006

Key Management Team



ANDREW SIN KWONG WAH
Chief Executive Officer



KAREN GAN YOKE FANG
*Senior Vice President,
Corporate Development*



MARK KHOO TECK SOON
Chief Financial Officer



MICHAEL NG CHEONG KIAT
Vice President, Optronics



JAYCE TAN GUIK HIANG
Group Finance Manager



WEE SOON GHEE
*Vice President, Operations
General Manager,
Miyoshi Thailand*



JOHNNY TAN TIONG SOON
*Vice President, Marketing
General Manager,
Miyoshi Huizhou*



TOMMY HINOAKI ("TOMMY")
*General Manager,
Miyoshi Philippines*



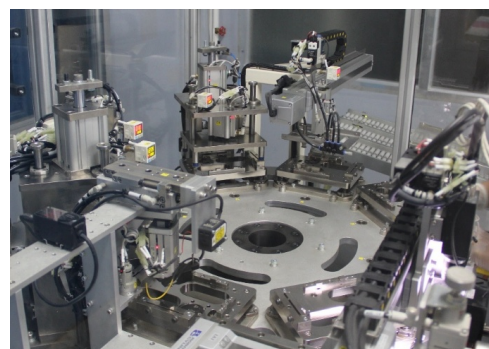
LIN RUONING
*General Manager,
Miyoshi Wuxi*



DAVID LEE AH KOW
*General Manager,
Miyoshi Malaysia*

Our Businesses

Integrated Engineering Services (“IES”)



- Revenue from IES accounted for 97.3% of Miyoshi's revenue in FY2018.
- Consumed 16.4 tonnes of steel/other metals in FY2018, up 14.6% YoY
- Employs 758 in FY2018, down 9.5% from 838 in FY2017.



Electric Vehicles*



- Currently, Miyoshi owns 24.34% 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 Close
- 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.

Overview of Miyoshi Limited

1Q2019 Financial Results

Key Performance Indicators

Tomorrow focused

Highlights

First-quarter performance (1Q2019 vs 1Q2018)

- **First-quarter revenue increased by 5.4% year-on-year with more orders from both automotive (+20.2%) and consumer electronics (+13.8%) customers. Revenue from data storage segment decreased by 1.7% year-on-year.**
- **Profit after tax for 1Q2019 of \$4.3 million was mainly due to gain on disposal of industrial property \$3.9 million, profits from operations of \$0.4 million, partially offset by share of results of associate of -\$0.1 million. Profit after tax for 1Q2018 was \$0.7 million.**
- **Profit margins increased from 5.0% in 1Q2018 to 29.6% in 1Q2019. Excluding the one-off gain on disposal, the profit margin for 1Q2019 was 2.9%.**

Highlights

First-quarter performance (1Q2019 vs 4Q2018)

- **First-quarter revenue increased by 13.2% over the last quarter with more orders from both automotive (+20.2%) and consumer electronics (+8.2%) customers. Revenue from data storage segment increased by 6.9% over the last quarter.**
- **Profit after tax for 1Q2019 of \$4.3 million was mainly due to gain on disposal of industrial property \$3.9 million, profits from operations of \$0.4 million, partially offset by share of results of associate of -\$0.1 million. Loss after tax for 4Q2018 was \$0.8 million.**
- **Profit margins increased from -6.3% in 4Q2018 to 29.6% in 1Q2019.**

Highlights

Balance sheet remains strong

- Total assets increased from \$87.0 million at 31 August 2018 to \$89.8 million at 30 November 2018
- Total borrowings at \$9.1 million, down from \$10.0 million at 31 August 2018

Positive cash flows

- Cash flows increased by \$5.6 million, mainly from proceeds from the disposal of industrial property

Net asset value per share

- Net asset value per share increased from 10.97 cents in 1Q2019, compared to 10.48 cents in 4Q2018

Quarterly Results vs The Corresponding Quarter Last Financial Year

(S\$'000)

	1Q2019	1Q2018	YoY%
Revenue	14,513	13,772	5.4%
Other income	4,095	7	n.m.
Raw Materials	(7,734)	(6,902)	12.1%
Employee benefits	(2,910)	(2,738)	6.3%
Depreciation & amortisation	(809)	(714)	13.3%
Other operating expenses	(2,475)	(2,504)	-1.2%
Finance costs	(120)	(117)	2.6%
Share of results of associate	(143)	-	n.m.
Profit before tax	4,417	804	n.m.
Income tax	(115)	(121)	-5.0%
Profit after tax	4,302	683	n.m.
PAT margin	29.6%	5.0%	

Quarterly Results vs Last Quarter

(S\$'000)

	1Q2019	4Q2018	QoQ%
Revenue	14,513	12,816	13.2%
Other income	4,095	316	n.m.
Raw Materials	(7,734)	(6,355)	21.7%
Employee benefits	(2,910)	(3,364)	-13.5%
Depreciation & amortisation	(809)	(821)	-1.5%
Other operating expenses	(2,475)	(3,017)	-18.0%
Finance costs	(120)	(158)	-24.1%
Share of results of associate	(143)	-	n.m.
Profit before tax	4,417	(583)	n.m.
Income tax	(115)	(225)	-48.9%
Profit after tax	4,302	(808)	n.m.
PAT margin	29.6%	-6.3%	

First Quarter Revenue by Business Segments

(S\$'000)	1Q2019	1Q2018	YoY%
Consumer electronics	5,367	4,715	13.8%
Automotive	4,772	3,970	20.2%
Data storage	3,535	3,597	(1.7%)
Others	525	1,193	(56.0%)
Rental	314	297	5.7%
Total Revenue	14,513	13,772	5.4%

First Quarter Revenue by Business Segments

(S\$'000)	1Q2019	4Q2018	YoY%
Consumer electronics	5,367	4,958	8.2%
Automotive	4,772	3,971	20.2%
Data storage	3,535	3,306	6.9%
Others	525	349	50.4%
Rental	314	232	35.3%
Total Revenue	14,513	12,816	13.2%

Strong Balance Sheet

(S\$'000)	As at 30 Nov 18	As at 31 Aug 18	Variance
Cash and bank balances	9,336	5,342	3,994
Trade and other receivables	17,490	16,596	894
Prepayments	470	175	295
Inventories	6,050	5,249	801
Assets classified as held for sale	0	3,601	(3,601)
Total current assets	33,346	30,963	2,383

Strong Balance Sheet

(S\$'000)	As at 30 Nov 18	As at 31 Aug 18	Variance
Associate	17,282	17,010	272
Property, plant and equipment	32,143	32,049	94
Investment properties	6,867	6,827	40
Intangible assets	15	15	0
Deferred tax assets	33	33	0
Other receivables	131	117	14
Total non-current assets	56,471	56,051	420
Total assets	89,817	87,014	2,803

Strong Balance Sheet

(S\$'000)	As at 30 Nov 18	As at 31 Aug 18	Variance
Trade and other payables	10,818	10,093	725
Current income tax payable	272	168	104
Finance lease	29	29	0
Bank borrowings	4,300	6,121	(1,821)
Total current liabilities	15,419	16,411	(992)

Strong Balance Sheet

(S\$'000)	As at 30 Nov 18	As at 31 Aug 18	Variance
Finance lease	82	89	(7)
Bank borrowings	4,733	3,785	948
Other payable	0	103	(103)
Provisions	503	528	(25)
Deferred tax liabilities	270	265	5
Total non-current liabilities	5,588	4,770	818
Total liabilities	21,007	21,181	(174)

Strong Balance Sheet

(S\$'000)	As at 30 Nov 18	As at 31 Aug 18	Variance
Share capital	49,079	49,079	0
Treasury shares	(203)	(203)	0
Other reserves	(9,221)	(9,106)	(115)
Retained earnings	27,183	24,055	3,128
Shareholders' equity	66,838	63,825	3,013
Non-controlling interests	1,972	2,008	(36)
Total equity	68,810	65,833	2,977
Total liabilities and equity	89,817	87,014	2,803

Cash Flows

(S\$'000)	1Q2019	1Q2018	Variance
Cash from operating activities	434	1,605	(1,171)
Cash used in investing activities	4,521	(1,132)	5,653
Cash from/(used in) financing activities	692	(843)	1,535
Increase / (Decrease) in cash	5,647	(370)	6,017

Financial Ratios

	1Q2019	FY2018	FY2017
Net profit margin (%)	2.85*	1.98	4.35
Earnings per share (cents)	0.71	0.24	0.48
Return on capital employed (%)	6.67	4.25	5.72
Return on equity (%)	6.64	2.11	3.87
Return on assets (%)	4.87	1.22	2.80
Gearing ratio (times)	0.14	0.16	0.18
Current ratio (times)	2.16	1.89	2.21
Cash ratio (times)	0.61	0.33	0.53
Net asset value per share (cents)	10.97	10.48	11.55

*Excludes gain on disposal of property at 5 Second Chin Bee Road

Overview of Miyoshi Limited

1Q2019 Financial Results

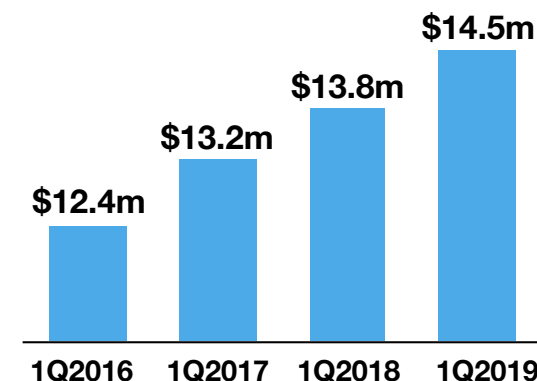
Key Performance Indicators

Tomorrow focused

1. Grow revenue

Target*: Deliver consistent revenue growth

Outcome for 1Q2019: 5.4% increase in revenue for 1Q2019 when compared to 1Q2018



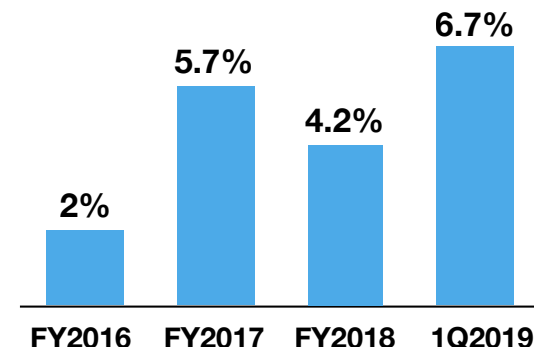
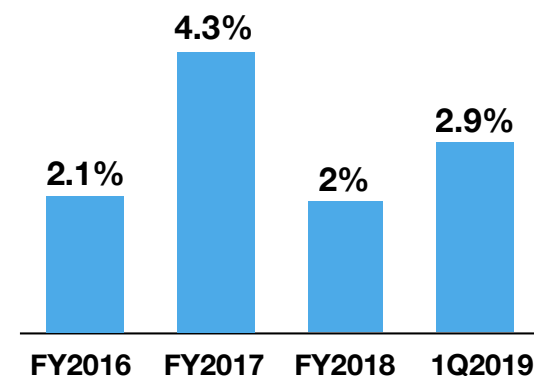
2. Improve returns

Target: Net profit margins of 6% or better

Outcome for 1Q2019: Excluding the gain on disposal of property, net profit margin was 2.9%.

Target*: ROCE of 6% or better

Outcome for 1Q2019: ROCE was 6.7%

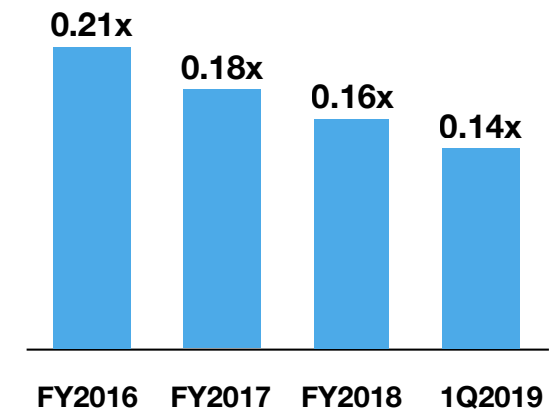


*Targets as previously disclosed in Miyoshi's Annual Report 2017

3. Quality balance sheet

Target*: Efficient capital structure, with manageable gearing ratio

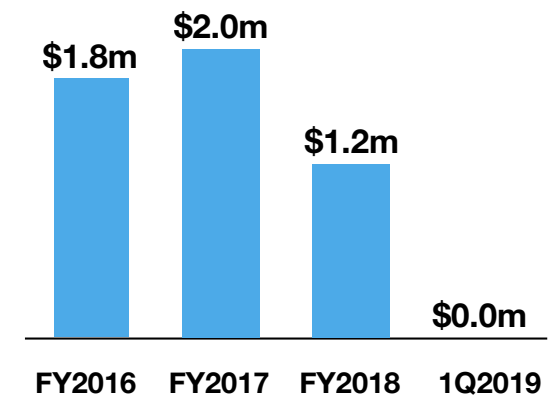
Outcome for 1Q2019: Gearing ratio decreased to 0.14 due to net repayment of loans.



4. Returns to shareholders

Target*: Regular dividend payment to shareholders

Outcome for 1Q2019: No dividend declared in current financial year.



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

Thank You

