

JEP Holdings reports an 86.6% jump in net attributable profit of S\$3.1 million on revenue of S\$56.9 million for FY2024

- Group's improved performance lifted by the robust recovery in global aviation demand
- All of the Group's business segments remain profitable

Singapore, 27 February 2025

SGX Catalist-listed JEP Holdings Ltd ("JEP", together with its subsidiaries, the "Group"), a leading provider of precision machining and engineering solutions today reported an 86.6% jump in net attributable profit of S\$3.1 million on sales of S\$56.9 million for the year ending 31 December 2024 (FY2024).

Group profit before tax for the year increased by 72.8% to S\$3.6 million from S\$2.1 million in FY2023.

The Group's bottom line largely benefited mainly due to a foreign exchange gain of S\$1.0 million, as well as the improved performance of its aerospace business.

The Group also trimmed its cost of sales and selling and distribution expenses by 3.3% and 15.4% respectively.

Group sales in FY2024 remained relatively stable a 2.1% drop from S\$58.1 million in FY2023.

The revenue dip in FY2024 was primarily attributed to a weaker performance from its Equipment Manufacturing and Trading and Others segments, which were impacted by the slowdown of the semiconductor market during the year. The Group's aerospace business however posted stronger sales - up 16.0% - compared to FY2023.

All of the Group's core business segments remained profitable in FY2024.

The Group's Precision Machining segment (which comprises two sectors: electronic components and the aerospace sector) is the star performer in FY2024. Sales in this segment rose 17.4% to S\$34.2 million in FY2024 compared to S\$29.1 million in FY2023. Profit for this segment soared by 160.5% to S\$3.6 million, mainly due to higher sales with better margins compared to FY2023.

This segment's performance was lifted by stronger contributions from its aerospace business as well as its electronics components business. In FY2024, aerospace sales

grew almost 16.0% to S\$26.3 million from S\$22.7 million in the previous year. The electronic components' revenue increased from S\$6.3 million in FY2023 to S\$7.8 million in FY2024.

The Equipment Manufacturing segment posted a lower profit of S\$0.1 million (S\$0.6 million in FY2023) on sales of S\$14.7 million, which fell 25.9% from S\$19.9 million in FY2023, due to lower global demand for semiconductors.

The Trading & Others segment's profit remained relatively stable at S\$1.2 million in FY2024 compared to S\$1.3 million in FY2023. Sales of this segment was S\$8.0 million - 12.6% lower than the previous year due to weaker demand for industrial manufacturing equipment globally.

The Group's key markets showed a mixed performance, with sales rising in Malaysia, Canada and other markets, while Singapore, China and the USA posted lower revenue. Revenue from Malaysia grew from S\$4.9 million in FY2023 to S\$7.0 million in FY2024, driven by growth in the Precision Machining and Trading & Others segments.

Sales in Canada rose from S\$2.6 million to S\$2.8 million, supported by higher sales in the Precision Machining segment. Revenue from other markets also increased from S\$2.5 million to S\$2.8 million.

In contrast, sales in Singapore decreased from S\$26.2 million in FY2023 to S\$24.8 million in FY2024, primarily due to lower revenue from the Equipment Manufacturing and Trading & Others segments.

Revenue from China fell 24.4% from S\$7.8 million to S\$5.9 million, mainly due to a decline in sales in the Trading & Others segment. Revenue in USA also slipped, 4.0% - from S\$14.1 million to S\$13.6 million - on the back of lower sales from its Equipment Manufacturing business.

In FY2024, the Precision Machining segment delivered revenue growth across all markets.

The cost of sales decreased by 3.3% from S\$49.6 million in FY2023 to S\$47.9 million in FY2024. The gross margin increased 1.0% compared to 14.8% in FY2023. This increase was attributed to the Group's product mix.

Reflecting the Group's performance, earnings per share ("EPS") for FY2024 increased 86.5% to 0.757 cents from 0.406 cents in FY2023. The Group's net asset value ("NAV") per share edged up to 19.4 cents as of 31 December 2024 compared to 18.5 cents as of 31 December 2023.

2HFY2024 Performance

Compared to the second half ended 31 December 2023 (“2HFY2023”), the Group posted a much improved bottom line performance. Its pre-tax profit grew 124.3% to S\$2.5 million (vs S\$1.1 million in 2HFY2023) while its net attributable profit leapt 150.8% to S\$2.1 million from S\$0.8 million in the same period last year.

The Group’s bottom line benefitted largely from foreign exchange gain as well as gain on the disposal of property, plant and equipment.

Group sales went up 3.4% to S\$29.6 million in the second half ended 31 December 2024 (“2HFY2024”), from S\$28.6 million in the corresponding period last year.

The Group’s Precision Machining segment was the star performer – achieving sales of S\$18.8 million in 2HFY2024 - up 18.4% from S\$15.9 million in 2HFY2023. The improved performance was lifted by Aerospace sales which grew by 19.0% from S\$12.6 million in 2HFY2023 to S\$15.0 million in 2HFY2024. Revenue from Electronic Components also saw a slight increase of S\$0.5 million in 2HFY2024.

The improved aerospace revenue was driven by the rise in global air travel which lifted sales to China, the USA and Canada.

Revenue from the Equipment Manufacturing and Trading & Others segments fell by about 19.6% and 6.0% respectively compared to 2HFY2023.

Healthy Cash Flow

The Group's financial position remained healthy with net cash and cash equivalents of S\$12.6 million as of 31 December 2024.

Net cash generated from operating activities increased by S\$2.6 million from S\$3.4 million in FY2023 to S\$6.0 million in FY2024.

During the year, the Group incurred capital expenditure for the purchase of machinery, equipment, and progressive construction costs for its new factory in Penang, Malaysia.

The Group also pared down its loans - including full repayment of its bank loans for its properties at Seletar Aerospace Park and Loyang.

Optimistic Outlook

Commenting on the latest financial results of the Group, Mr. Andy Luong, Executive Chairman and CEO of JEP, said. “The Group delivered a creditable performance in FY2024 despite difficult macroeconomic conditions, inflationary pressures and market uncertainties. We took proactive measures on cost management and operational efficiency which have helped mitigate the effects of lower sales volume. Our strong efforts in driving earnings growth - especially in the aerospace sector - lifted the Group’s profitability in the year under review.”

Despite continuing challenges in the operating environment, the Group sees growth opportunities in all its core business segments – particularly in the aerospace and semiconductor sectors.

According to the International Air Transport Association (IATA), the number of air travellers around the world is expected to surpass five billion for the first time in 2025 and total revenues in the industry are set to exceed US\$1 trillion for the first time in 2025, at US\$1.007 trillion.¹

The surge in air travel will drive strong demand for new aircraft. According to Airbus’s regional market forecast, has forecast that the Asia-Pacific aviation sector will require 19,500 new aircraft over the next 20 years. This represents 46% of the global requirement, which is expected to reach around 42,430 new aircraft by 2043.²

The Semiconductor Industry Association (SIA) has forecast double-digit growth for the global semiconductor industry in 2025 and expects the long-term industry outlook to be “incredibly strong”.³

According to Deloitte, the semiconductor industry is set for a much better 2025, with projected sales reaching US\$697 billion, representing an 11.2% year-over-year growth.⁴

Commenting on the Group's outlook, Mr. Luong said, “This upcycle in the global semiconductor industry - driven by the diverse range of disruptive applications emerging from the Artificial Intelligence (AI) wave as well as the air travel boom - will augur well for us. Given these upbeat trends, and supported by our core strengths and healthy financial position, we remains confident of achieving long-term sustainable growth.”

Source:

1. <https://www.straitstimes.com/world/number-of-air-travellers-to-cross-5-billion-for-first-time-in-2025-average-fares-to-drop-iata>
2. <https://www.ttgasia.com/2024/11/21/airbus-sees-demand-for-19500-new-aircraft-in-asia-pacific-by-2043/>
3. <https://www.semiconductors.org/global-semiconductor-sales-increase-19-1-in-2024-double-digit-growth-projected-in-2025/>
4. <https://www2.deloitte.com/us/en/insights/industry/technology/technology-media-telecom-outlooks/semiconductor-industry-outlook.html>

About JEP Holdings Ltd

JEP Holdings Ltd. is a leading solutions provider of precision machining and engineering services. With over 30 years of operating history, we have built up a strong value chain to provide seamless manufacturing solutions to our clients. All our operations are supported by an experienced and passionate workforce, strong networks of established customers and suppliers, and stringent quality systems. The Group's main operating subsidiary, JEP Precision Engineering Pte. Ltd. ("JEPS"), was acquired by the Group in 2007. Accredited with AS9100, ISO 45001 and NADCAP, JEPS has built a track record as a reliable sub-contractor for aerospace components since beginning operations in 1990 and is now part of the global supply chain for the world's leading aircraft manufacturers.

The Group is headquartered in Singapore and operates out of three facilities equipped with state-of-the-art machinery for manufacturing and the provision of secondary processes related to engineering services. The Group also owns a large format precision engineering company, Dolphin Engineering Pte. Ltd., and a trading business, JEP Industrades Pte. Ltd., which markets cutting tools used in manufacturing activities for various industries such as aerospace, mould and die. The Group has been listed on SGX Catalist since 2004.

Issued on behalf of JEP Holdings Ltd

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