UMS GROUP

Company Registration No.: 200100340R

UMS REPORTS 1QFY2025 NET ATTRIBUTABLE PROFIT OF $9.8 MILLION ON HIGHER REVENUE OF S$57.7 MILLION

- **Generated free cashflow of S$1.1 million and net cash grew to S$81.4 million on 31 March 2025**.
- **Tax-exempt dividend of 1 cent to reward shareholders in 1QFY2025**
- **Group is well-positioned for growth as global fab equipment spending for front-end facilities in 2025 is anticipated to rise**

Singapore, May 9 2025:

SGX Mainboard-listed UMS Integration Limited (“UMS” or “The Group”) today announced a tax-exempt dividend of 1 cent to reward shareholders as it reported Group net attributable profit of S$9.8 million on the back of a 7% increase in revenue to S$57.7million in 1QFY2025.

This higher revenue was driven by better performances from both its Semiconductor and Aerospace businesses, which grew 6% and 22% respectively. However, this was offset by a 12% decline in its Others segment as its tooling and material distribution business was affected by the prevailing soft market conditions.

Semiconductor component sales jumped 19% to S$28.9 million in 1QFY2025, from S$24.3 million in 1QFY2024, driven by higher demand from its new customer. However, Semiconductor Integrated System ("IS") sales dipped 8% from S$21.4 million to S19.7 million during the same period, mainly due to supply chain issues which have since been resolved.

On a sequential basis compared to 4QFY2024, its Semiconductor segment sales softened by 15% as IS shipments fell. Aerospace revenue also declined 18% as some products scheduled in 1Q2025 were shipped in 4Q2024. Sales in the “Others” segment however grew 30%.

Geographically, all the Group's key markets, except for Malaysia and US, reported lower revenue in 1QFY2025.

Malaysia was the star performer - delivering a 287% sales surge from S$2.4 million in 1QFY2024 to S$9.4 million in 1QFY2025 - as the Group continued to ramp up production of semiconductor components for the new major customer.

US revenue grew 7% while sales in Singapore eased 5% in 1QFY2025 as compared to 1Q2024, mainly due to lower IS shipments. Lower component spares sales caused a 22% slump in Taiwan revenue.

Revenue in Others segment dived 39% vs 1Q2024 mainly due to weaker material/tooling distribution business.

Group Profitability

The Group remained profitable in the first quarter of 2025 while it continued to grow its gross material margin from 53% in 1QFY2024 to 56% in 1QFY2025. The 3% improvement is mainly due to the change in product mix as semiconductor components, which command a higher margin, accounted for a larger share of the Group's overall sales.

In terms of profitability, the Group's net attributable profit remained stable at S$9.8 million in 1QFY2025. Net profit was also maintained at S$10.1 million - up 1% from the same period last year.

The Group maintained its bottom line despite incurring higher expenses and a foreign exchange loss of more than S$1 million (vs a gain of S$1.4 million in 1QFY2024).

Compared to 1QFY2024, personnel costs rose 6% mainly due to increased headcount and salary inflation while depreciation expenses jumped 36% as the Group added more production equipment.

Other expenses grew 8% as more professional fees were incurred for the Group's secondary listing exercise. Utilities costs also went up mainly due to additional production facilities while expenses increased for the upkeep of properties as a result of refurbishment of one cleanroom.

The Group also reversed a credit of $0.9m to a charge of $0.4m under Other credits/charges in the current quarter.

The Group's bottom line however benefitted from a 20% decline in income tax and a gain of S$0.7 million on disposal of fixed assets.

Healthy Cashflow

The Group's financial position remains healthy.

It generated S$1.1 million in free cashflow and grew its net cash by S$2.2 million from S$79.2 million in 31 December 2024 to S$81.4 million in 31 March 2025.

This is due mainly to the net cash generated from operating activities of S$11.4 million and proceeds from the disposal of property, plant and equipment of S$0.7 million, partially offset by capex of S$11.0 million and repayment of bank borrowings during the period.

Brighter Outlook

On the Group's first quarter performance, UMS Chairman and CEO Mr Andy Luong said, " The Group did well in the first quarter of the year with improved revenue, gross margin expansion and healthy cashflow amid a challenging global business environment when compared to first quarter last year.

During the quarter, the Group has made much progress in meeting the needs of key customers. Sales in Malaysia almost tripled on the back of strong orders from its new key customer.

Despite the ongoing trade war between the world's largest superpowers weighing on global sentiment, the Group's key customers' order forecasts have not changed.

We are especially encouraged by the strong order flow from our new key customer as it seeks to divert its US supply source to Asia."

While US trade tariffs and export controls continue to disrupt global markets, the semiconductor industry remains tariff-exempt for now.

According to SEMI, global fab equipment spending for front-end facilities in 2025 is anticipated to increase by 2% year-over-year (YoY) to $110 billion, marking the sixth consecutive year of growth since 2020.

Its latest quarterly *World Fab Forecast* report also highlighted that fab equipment spending is projected to rise by 18% in the following year, reaching $130 billion. This growth in investment is driven not only by demand in the high-performance computing (HPC) and memory sectors to support data center expansion, but also by the increasing integration of artificial intelligence (AI), which is driving up the silicon content required for edge devices.

About 50 new fabs are expected to come online during these two years.[1]

Commenting on the Group's outlook, Mr Luong said "All these favourable trends herald good news for us. While we do not expect any major direct impact from the tough US trade policies, we are mindful of the challenges facing the global economy and are taking pro-active steps to support our customers whilst keeping a sharp focus on operational excellence and commitment to high standards of corporate discipline to drive profitable growth.

We remain optimistic of brighter prospects and will leverage our strong balance sheet and financial position to enhance our ability to navigate the ongoing global volatility and deliver long-term value to shareholders."

In the coming months, the Group will carry on with qualifications of many new product introductions (NPI) for its new key customer.

Having resolved the supply chain issues, it expects IS shipments to register double-digit increase in 2QFY2025 and components shipments for its new key customer to accelerate in the coming quarters.

Both the Group's key customers continued to do well - reporting first quarter results that beat revenue estimates on surging AI demand.

The Group will continue to drive earnings growth in its Aerospace business which is a beneficiary of the boom in global air travel.

The International Air Transport Association (IATA) expects the number of air travellers around the world to surpass five billion for the first time in 2025 whilst total revenues in the industry – at US$1.007 trillion - are set to exceed US$1 trillion for the first time in 2025. That said, the soon to be implemented sweeping US tariffs could dampen the industry's robust recovery and growth. Slower economic growth directly impacts demand for both passenger and freight air transport, and the resulting decline in discretionary air travel could hinder industry growth over time.[2]

While staying vigilant of the ongoing trade turbulence and global uncertainty, the Group expects to remain profitable for FY2025.

Sources :

1 Source: https://www.semi.org/en/semi-press-release/global-fab-equipment-investment-expected-to-reach-110-billion-dollar-in-2025

2 Source: https://flightplan.forecastinternational.com/2025/04/11/commercial-aerospace-in-the-crosshairs-tariffs threaten-recovery-and-growth/

About UMS Integration Limited

Incorporated in Singapore on January 17, 2001, UMS Integration Limited ("UMS") is a one-stop strategic integration partner providing equipment manufacturing and engineering services to Original Equipment Manufacturers of semiconductors and related products. The Group has three core business segments - Semiconductors, Aerospace and Others (mainly Materials Distribution).

The Group's semiconductor business is focused on front-end semiconductor equipment contract manufacturing. It is also involved in complex electromechanical assembly and final testing devices. The products we offer include modular and integration systems for original semiconductor equipment manufacturing.
Through our key subsidiaries - Catalist-listed JEP Holdings Limited and Starke Singapore Pte Ltd, UMS is also in the business of manufacturing high precision aircraft parts for the fast-growing aerospace industry and materials distribution of high-quality metals and solutions for a variety of demanding industrial applications.

Headquartered in Singapore, the Group has production facilities in Singapore, Malaysia and California, USA.

UMS was named in the Forbes Best under a Billion list for two consecutive years - 2022 and 2023 - as one of the top-performing public companies with less than US$1 billion (S$1.38 billion) in yearly sales in the Asia-Pacific region. On October 7, 2022, UMS was also named Runner-Up of the Most Transparent Company Award 2022, Technology Category in the SIAS' Investors Choice Awards 2022.

UMS was also named winner of the prestigious Centurion Club Award 2023. UMS was added to the MSCI Global Small Cap Index in February 2023.

UMS is a constituent of FTSE ST Singapore Shariah Index since 2018.

UMS is also ranked as one of the top-10 constituents of the
MSCI Singapore Investable Market (IMI) Islamic Index in 2025.

The Group changed its name from UMS Holdings Limited to UMS Integration Limited on 5 September 2024 to better reflect the identity and status of the Group following its Secondary Listing, and to distinguish it from similarly named companies in Malaysia. The name change will also strengthen the Group's profile as an integrated comprehensive service provider for global chip companies.

Issued on behalf of UMS Integration Limited
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