



Company Registration No.: 200100340R

UMS REPORTS RECORD QUARTERLY SALES AND EARNINGS AND REWARDS SHAREHOLDERS WITH SPECIAL BONUS SHARE ISSUE AND 1.0 CENT INTERIM DIVIDEND PER SHARE

- 1HFY2021 revenue surged 55% to S\$116m – surpassing the S\$100m mark for the first time in Group’s history
- 1HFY2021 net profit leapt 53% to S\$34.3m

Singapore, 13 August 2021:

SGX Mainboard-listed UMS Holdings Limited (“UMS” or “The Group”), today reported record revenue of S\$116 million for 1HFY2021 – surpassing the S\$100 million half yearly revenue mark for the first time in its history. Sales shot up 55% year over year while its net profit leapt 53% to S\$34.3 million.

This record performance was achieved on the back of strong and sustained global demand for semiconductors and underscores the Group’s successful acquisition of SGX-listed JEP Holdings Ltd which became a 71.39% owned subsidiary in 2QFY2021.

In view of the Group’s sterling performance, UMS has proposed to reward shareholders with an interim dividend of 1 cent per share as well as a special bonus issue of up to 134,107,395 new ordinary shares on the basis of one Bonus Share for every four existing ordinary shares of the Company.

Revenue for 2QFY2020 jumped 66% to S\$66.8 million from S\$40.3 million from a year ago while the Group’s net profit attributable to shareholders surged 46% to S\$16.9 million.

Both Semiconductor Integrated System and component sales increased, driven by robust capex from global wafer fabs. Semiconductor Integrated Systems sales surged by 47% to S\$28.8 million, while revenue from component sales soared by 69% to S\$29.7 million in 2QFY2021 compared to S\$19.6 million and S\$17.6 million in the previous corresponding quarter respectively.

Sales in "Others" segment comprising revenue from Starke Singapore (“Starke”); Kalf Engineering (“Kalf”) and JEP Industrades’ tooling distribution business climbed 69%.

On a sequential basis, compared to 1QFY2021, both Semiconductor and Others segment sales surged by 25% and 84% respectively.

The Group's key geographical markets all grew substantially in 2QFY2021. Singapore jumped 65% due to higher shipments of Semiconductor Integrated System sales, higher component sales, as well as, consolidation of JEP Holdings' ("JEP") semiconductor component business. US increased 47%, due to higher component sales and consolidation of JEP's aerospace segment sales. Taiwan rose 10%, due to higher component sales. Malaysia surged 188%, attributed to higher material distribution sales and the consolidation of JEP's tooling distribution sales. Revenue in the "Others" category shot up by 931%, mainly due to the inclusion of JEP's revenue.

Group Profitability

The Group's 2QFY2021 net profit increased 66% when compared to 2QFY2020 – recording a net profit of S\$19.2 million against S\$11.6 million in 2QFY2020, while net profits attributable to shareholders surged 46% to a new record of S\$16.9 million during the same period.

This record profit was achieved despite higher expenses in all categories, as a result of the consolidation of JEP.

The jump in profit was partially contributed by a credit of S\$2.3M, versus a charge of S\$0.5M in 2QFY2020. This includes the waiver of S\$3.8m debt and interest payable by Kalf to a related party.

Gross material margin for 2QFY2021 edged up to 51.7% as compared to 50.8% in 2QFY2020, mainly due to changes in product mix.

For 1HFY2021, the Group's net profits attributable to shareholders leapt 45% to S\$32.3 million compared to S\$22.3 million in the previous corresponding six months. Net profits shot up 53% to S\$34.3 million.

The significant improvement in performance came on the back of higher sales, better gross material margins and other credits of S\$3.0 million as compared to S\$1.2 million in 1HFY2020.

Expenses were higher in all categories, as a result of the consolidation of JEP.

Personnel cost and other expenses increased by, 59% and 32% respectively. Depreciation expenses went up by 21%.

The Group also incurred more income tax expense in line with its higher profit.

Reflecting the Group's improved performance, earnings per share ("EPS") for 1HFY2021 rose to a record high of 6.05 cents compared to 4.17 cents in the first half of last year. Group net asset value ("NAV") per share also grew to 51.29 cents from 47.11 cents as at 31 December 2020.

Healthy Cashflow

The Group maintains its healthy financial position.

Its net cash and cash equivalents (net of bank borrowings) remained healthy at S\$20.5 million compared to S\$38 million as at 31 December 2020, after the consolidation of JEP's balance sheet.

In 1HFY2021, the Group generated a positive free cash flow of S\$25.5 million and S\$28.8 million positive net cash from operating activities.

The Group's overall cash and cash equivalents improved to S\$57.2 million as at end of June 2021, as compared to S\$49 million during the same period last year.

Outlook

Commenting on the Group's latest results, UMS Chairman and CEO Mr Andy Luong said, "Our performance hit new highs amid an exceptional global upsurge in demand for semiconductors. Strong equipment spending and capex commitments from global foundries and the build-up of semiconductor production infrastructure have powered the surge in the Group's performance in the first 6 months of the year. While the Group benefitted from this tremendous growth wave, its sterling results also demonstrated the success of the Group's diversification strategy. Both acquisitions (JEP and Starke) have contributed positively to the Group's performance."

Added Mr Luong, "The recent JEP acquisition not only gives us access to new income sources from a diversified customer base, it is also timely as it enables us to take advantage of JEP's readily available production capacity and technological competencies to support UMS' strong customer order flows as well as to mitigate the challenging operating conditions in Malaysia, which is still grappling with the ongoing Covid19 restrictions".

While the COVID 19 pandemic caused severe economic challenges and supply disruptions, the crisis also opened up growth opportunities for the Group. Global chip demand accelerated at an unprecedented pace and, the industry is expected to grow over 15% in 2021 to US\$488 billion.¹

According to SEMI, global sales of semiconductor manufacturing equipment are forecasted to surpass US\$100 billion next year, a new high, after jumping 34% to US\$95.3 billion in 2021. In addition, the robust demand for memory and storage are driving spending on NAND and DRAM manufacturing equipment. The DRAM equipment segment is expected to lead the expansion in 2021, surging 46% to surpass \$14 billion.¹

Similarly, in the medium to long term, the global semiconductor manufacturing equipment market is expected to continue growing at 9.6% from 2021 through to 2026 amid supportive trends led by various technological advancements such as the utilization of artificial intelligence (AI) solutions and the integration of connected devices with the Internet of Things (IoT). In addition, electronics manufacturers are using IoT-enabled silicon-based sensors in the manufacturing equipment that offer remote monitoring capabilities for complex circuit boards.²

Mr Luong added, “These positive forecasts coupled with strong guidance by our key customer, will mean brighter prospects ahead.”

In light of the Group's outstanding half year performance and buoyant outlook, the Board has proposed a 1 cent interim dividend to reward shareholders.

In addition, the Board has also proposed a special bonus issue to thank shareholders for their loyal support. . This is the Group's third bonus share issue since June 2014.

Barring any unforeseen circumstances, the Group will stay profitable in FY2021.

[¹Source: Semiconductor Industry: Key growth drivers and the changing trends – An Overview <https://www.financialexpress.com/investing-abroad/stockal-specials/semiconductor-industry-key-growth-drivers-and-the-changing-trends-an-overview/2287214/>]

[²Source: Semiconductor Manufacturing Equipment Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2021-2026: <https://www.imarcgroup.com/semiconductor-manufacturing-equipment-market/>]

About UMS Holdings Limited

Incorporated in Singapore on January 17, 2001, UMS Holdings Limited is a one-stop strategic integration partner providing equipment manufacturing and engineering services to Original Equipment Manufacturers of semiconductors and related products. The Group is in the business of front-end semi-conductor equipment contract manufacturing and is also involved in complex electromechanical assembly and final testing devices. The products we offer include modular and integration system for original semiconductor equipment manufacturing. Other industries that we also support include the electronic, machine tools and oil and gas. Headquartered in Singapore, the Group has production facilities in Singapore, Malaysia and California, USA.

Issued on behalf of UMS Holdings Limited

For more information, please contact:

Ms. Tham Moon Yee – tmy@stratagemconsultants.com

Mr. Soh Tiang Keng – tksoh@stratagemconsultants.com

Mr Asri Bamadhaj – asri@stratagemconsultants.com

Stratagem Consultants Pte Ltd:

Tel: 65- 6227 0502