



MICRO-MECHANICS (HOLDINGS) LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199604632W)

Media Release

Micro-Mechanics posts 2.7% yoy increase in net profit to S\$3.2 million for 1QFY2026

- Group revenue up 2.9% yoy to S\$16.7 million as consumable tools sales grew to a 13-quarter high
- Operating leverage enhanced earnings quality as gross profit margin expanded to 51.5%
- Robust working capital cycles generated positive free cash flow of S\$3.8 million, strengthening balance sheet to a net cash position of S\$27.2 million
- Looking to invest strategically to enhance production capacity and support localised capabilities, in line with the industry trend towards supply chain localisation

Financial highlights (\$\$)	1QFY2026	1QFY2025	Change (%)
Revenue	16,715,346	16,241,899	2.9
Gross profit	8,603,075	8,231,842	4.5
Gross profit margin	51.5%	50.7%	0.8 ppt
EBITDA	5,941,636	5,804,355	2.4
EBITDA Margin	35.5%	35.7%	(0.2 ppt)
Net profit	3,159,588	3,076,977	2.7
Earnings per share	2.27	2.21	2.7

Singapore, 30 October 2025 – Micro-Mechanics (Holdings) Ltd. (“**Micro-Mechanics**” or the “**Group**”), a manufacturer of high precision tools and parts used in process-critical applications for the semiconductor industry, today reported its financial results for the first quarter and three months ended 30 September 2025 (“**1QFY2026**”).

Group revenue increased 2.9% year-on-year (“**yoY**”) to S\$16.7 million for 1QFY2026. This was led by the Group’s consumable tools segment, which grew 7.9% yoy to a 13-quarter high of S\$13.7 million driven by a favourable product mix. Sales from the Wafer Fabrication Equipment (“**WFE**”) segment decreased by 15.3% yoy to S\$3.0 million despite orders increasing 20.1% qoq to S\$4.0 million during the period, challenged by material delays and shortages.

Gross profit increased 4.5% yoy to S\$8.6 million for 1QFY2026, with gross profit margin expanding 0.8 ppt to 51.5% for 1QFY2026. The continued improvement to earnings quality was supported by scale efficiencies, as sales from the consumable tools reached a 13-quarter high. Net profit grew 2.7% yoy to S\$3.2 million for 1QFY2026, with net profit margin maintained at 18.9% for 1QFY2026.

Mr. Kyle Borch, Chief Executive Officer (“CEO”) said: “The continued growth of our consumable tools segment to a 13-quarter high amidst the macroeconomic volatility is testament to the resilience of our business model, the strength of our decentralised structure, and the trust our customers place in our advanced solutions. Building on our strong value creation track record across market cycles, we are diligently progressing on our *Five-Star Factory* initiative. This is anchored by the highest standards of governance and disciplined capital management as we sharpen our competitive advantage to deliver long-term sustainable value for our shareholders”.

Update on key initiatives for FY2026

The Group has several initiatives in place to enhance its proposition and resilience across the value chain and deliver sustainable long-term value for its shareholders. These include:

Advancing the Five-Star Factory initiative

- Fast, Effective and Local Support to Global Customers: Strengthening the Group's decentralised structure and customer interactions to enable their success and the advancement of the semiconductor industry.
 - The Group is closely engaging with its customers to deepen its understanding of critical pain points and identify higher-value opportunities across the value chain.
 - The Group is also cross-pollinating best practices and in-market domain knowledge across its five facilities for greater collaboration and response to customer needs.
- Operational Excellence: Leveraging lean engineering and management principles, data and automation to develop fast, flawless and cost-effective manufacturing.
 - The Group continues to maintain disciplined inventory management practices to optimise stock levels and minimise obsolescence risks, as part of its ongoing commitment to *Operational Excellence* under the *Five-Star Factory* initiative. As at 30 September 2025, inventory amounted to S\$3.6 million, representing 5.4% of sales (30 June 2025: S\$3.1 million, or 4.8% of sales). Inventory written off totalled S\$24k for 1QFY2026, compared to S\$99k for 1QFY2025.
- Innovation Excellence: Strengthening a culture that promotes fresh thinking and ingenuity that drives product and process innovations and improvements, enables new manufacturing capability, and encourages the adoption of new technologies and methodologies.
 - The Group continued to look for and onboard technical and other talent in 1QFY2026 to support the design and development of new solutions and capabilities.
 - The Group is also continuing to explore investments in next-generation machinery to enable new capabilities and support growing localisation efforts across its manufacturing facilities.
- High Performance Teams: Building a *High Performance Team* of talented people with the right skills in the right positions, upskilling the Group's workforce through training programmes, and aligning incentive systems with measurements of progress and performance.
 - The Group has proposed the adoption of the Performance Share Plan 2025 ("PSP 2025") for shareholders' approval at the Extraordinary General Meeting on 30 October 2025.
 - The PSP 2025 is designed to align remuneration of eligible participants with specified performance targets, ensuring strong alignment between individual contributions to excellence, the Group's strategic priorities, and the interests of all shareholders.
- Workplace Efficiency and Safety: Implementing "8S" practices by all personnel resulting in organised, productive, clean, safe and environmentally responsible operations.
 - As of 1QFY2026, all the Group's facilities continued to make progress toward their internal Five-Star goals.

Prioritising disciplined capital management anchored by highest standards of corporate governance

The Group continues to exercise disciplined capital management to deliver sustainable long-term shareholder returns. This is supported by the Group's resilient working capital cycle with the ability to consistently generate positive operating and free cash flow. This has strengthened the balance sheet to a net cash position of S\$27.2 million with no bank borrowings.

To support sustained business and earnings growth, the Group is investing strategically in capital expenditure to enhance its manufacturing capabilities and productivity. Looking ahead, the Group expects to invest approximately S\$4.0 million in growth and replacement capital expenditure for plant, machinery, and equipment to enhance production capacity and support localised capabilities across the Group's five factories, in line with the industry trend towards supply chain localisation. The Group will review capital expenditure on a half-yearly basis to allow for agile calibration of resources towards new capabilities, keeping the Group ahead of industry shifts.

Since listing in 2003, Micro-Mechanics has won nearly 40 awards in recognition of its high standards of corporate governance, quality of disclosure, transparency and investor relations. During 1QFY2026, the Group received the Gold Award for Best Investor Relations (among companies with market capitalisation of less than S\$300 million) at the 2025 Singapore Corporate Awards ("SCA"). With this esteemed recognition, the Group remains committed to delivering long-term shareholder returns through sustaining earnings growth, maintaining dividends, and upholding exemplary standards of corporate governance.

Business outlook

Amid ongoing market volatility and macroeconomic factors beyond management's control, the Group remained focused on advancing its ongoing *Five-Star Factory* initiative through a bottom-up approach. Since its launch in FY2024, the initiative has consistently delivered positive outcomes, contributing to improved operational and financial performance across the Group. This progress has laid a strong foundation for the Group as it continues to adopt a proactive and agile approach in responding to the fast-evolving industry dynamics. With a clear growth strategy that prioritises disciplined capital management, the Group has established a proven track record of navigating through business cycles as it executes against its ambitions of becoming a leading *Next Generation Supplier* focused on enabling advanced technologies and driving sustainable long-term value for its shareholders.

This news release should be read in conjunction with the Group's financial statements and announcement posted on the SGX website on 30 October 2025.

Media and investor relations contact

Jonathan Yeoh / Jan Rubiano
Teneo
+65 6955 8876 / +65 6977 6806
Email: micro-mechanics@teneo.com

About Micro-Mechanics

Micro-Mechanics is a *Next Generation Supplier* focused on enabling advanced technologies. The Group designs and manufactures consumable tools that reduce defects and improve yields in advanced semiconductor packaging, assembly and testing processes. The Group also manufactures precision components for critical production processes in the wafer-fabrication equipment and other high-tech industries.

Founded in 1983 and listed on the SGX Mainboard (SGX:5DD) in 2003, the Group has become a trusted partner to more than 600 customers worldwide, providing fast, effective and localised support across its five operating facilities in Singapore, Malaysia, China, the Philippines and the USA.

The Group is committed to executing its *Five-Star Factory* initiative, which aims to drive excellence across five key areas – people, customers, workplace safety and efficiency, operations, and innovation – to strengthen its core operating foundation. Together with a focus on financial discipline and strong governance practices, the Group aims to solve high-value problems and deliver sustainable long-term stakeholder returns.

Since listing, Micro-Mechanics has received nearly 40 awards in recognition of its high standards of corporate governance, quality of disclosure, transparency and investor relations.

For more information, please visit the Group's website at www.micro-mechanics.com
