



MICRO-MECHANICS (HOLDINGS) LTD.

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

Media Release

Micro-Mechanics posts 25.2% yoy increase in net profit to S\$3.7 million for 2QFY2026

- Group revenue increased 14.5% yoy to S\$18.7 million for 2QFY2026, led by strong sales momentum from consumable tools segment
- Gross profit margin improved to 51.1% for 2QFY2026 from 47.5% for 2QFY2025, supported by stronger customer engagement and enhanced manufacturing processes
- Positive operating cashflow of S\$4.9 million with net cash position of S\$27.2 million
- Group seeks to continue to allocate capital strategically to growth areas
- Interim dividend of 3.0 cents per share for 1HFY2026, representing 60.8% dividend payout ratio

Financial highlights (\$)	2QFY2026	2QFY2025	Change (%)	1HFY2026	1HFY2025	Change (%)
Revenue	18,658,793	16,294,582	14.5	35,374,139	32,536,481	8.7
Gross profit	9,531,767	7,735,089	23.2	18,134,842	15,966,931	13.6
Gross profit margin	51.1%	47.5%	3.6 ppt	51.3%	49.1%	2.2 ppt
EBITDA	6,643,219	5,380,919	23.5	12,584,855	11,185,274	12.5
EBITDA margin	35.6%	33.0%	2.6 ppt	35.6%	34.4%	1.2 ppt
Net profit	3,697,585	2,954,368	25.2	6,857,173	6,031,345	13.7
Earnings per share	2.66	2.12	25.5	4.93	4.34	13.6

Singapore, 29 January 2026 – 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 second quarter and six months ended 31 December 2025 (“**2QFY2026**” and “**1HFY2026**”).

Group revenue increased 14.5% year-on-year (“**yoy**”) to S\$18.7 million for 2QFY2026. This was led by strong sales momentum from the consumable tools segment, which saw revenue increase by 17.0% yoy to S\$14.9 million, reaching a 14-quarter high. Sales from the Group’s Wafer Fabrication Equipment (“**WFE**”) segment grew 5.8% yoy to S\$3.8 million for 2QFY2026, reflecting higher bookings and recovery from material delays and shortages during 1QFY2026.

Gross profit increased 23.2% yoy to S\$9.5 million for 2QFY2026, with gross profit margin improving 3.6 percentage points yoy to 51.1%. This was supported by initiatives to strengthen customer engagement and enhance manufacturing processes. Net profit grew 25.2% yoy to S\$3.7 million for 2QFY2026, with net profit margin improving by 1.7 percentage points yoy to 19.8%.

The Board has declared an interim dividend of 3.0 cents per share for 1HFY2026, representing a dividend payout ratio of 60.8%. Excluding share price appreciation, this figure translates into a return of over 700% based on dividends alone for shareholders who invested in the Initial Public Offering in 2003.

Mr. Kyle Borch, Chief Executive Officer (“CEO”) said: “Our strong financial performance this quarter reflects our progress in driving excellence across the Group’s *Five-Star Factory* initiative. As trade dynamics shift, we stay focused on customer needs. Across market cycles, we continue to improve processes and invest strategically in growth. This ensures our *Journey to Excellence*, driven by operational excellence, financial discipline and good governance.”

Update on key initiatives for FY2026

The Group continues to focus on building excellence in areas that are fundamental to business performance. These include:

Advancing the Five-Star Factory initiative

- Customer Engagement and Support: With five factories around the world, the Group’s aim is to provide customers with fast, effective and local support. During 1HFY2026, the Group established a team to study how to better support customers in Taiwan. It has also begun to put together plans for supporting market growth in Arizona, which is attracting both WFE and Advanced Packaging investments by major chip makers.
- High Performance Teams: The Group recognises that attracting, developing and retaining talent is critical to business success. At the Annual General Meeting in October 2025, shareholders approved the adoption of a Performance Share Plan, designed to reward high performing employees with shares and reinforce the Company’s ownership culture. The Group remains committed to investing in people as a driver of sustainable growth.
- Workplace Efficiency and Safety: During 1HFY2026, the Group continued work with each factory to improve the way workplaces are organised, become more productive, and remain clean, safe and environmentally responsible. During 1HFY2026, based on a comprehensive internal audit, the Group awarded a “Five-Star 8S” rating to three of its five plants.
- Operational Excellence: Fast, flawless and cost-effective manufacturing comes from robust processes, data-based decision making and a focus on operational excellence. During 1HFY2026, the Group continued efforts to improve planning, streamline manufacturing and minimise inventory. As at 31 December 2025, inventory totalled S\$3.7 million (30 June 2025: S\$3.1 million) representing 5.3% of annualised sales (30 June 2025: 4.8%). Inventory written off for 2QFY2026 totalled S\$19k, compared to S\$13k for 2QFY2025.
- Innovation Excellence: Beyond enhancing day-to-day operations, the Group continues to promote fresh thinking, ingenuity and the adoption of new technologies to drive product and process improvements. The Group’s R&D team continues to develop new elastomers for advanced packaging applications. For WFE, our engineers completed a year-long project to evaluate and purchase a new machine designed to improve machining quality and efficiency, with the first installation scheduled at its US plant in 1QFY2027. In addition, the Group successfully evaluated new physics-based programming technology that can improve material removal rates by 10–30%. Implementation of this programming method on long-cycle WFE parts is planned for 2HFY2026.

Prioritising disciplined capital management, anchored by highest standards of corporate governance

The Group continues to manage capital responsibly and purposefully. As at 31 December 2025, the Group’s balance sheet included cash and bank balances of S\$27.2 million and no bank borrowings. This strong net cash position allows the Group to pay consistent dividends, consider share buy-backs, and fund capital investments.

In addition, the Group seeks to allocate capital strategically to growth areas, including product development for Advanced Packaging and equipment for WFE manufacturing. For 1HFY2026, the Group invested S\$799k in new equipment and facility upgrades and expects capital expenditure of S\$2.3 million in 2HFY2026.

The Board has declared an interim dividend of 3.0 cents per share for 1HFY2026, representing a dividend payout ratio of 60.8%. Excluding share price appreciation, this figure translates into a return of over 700% based on dividends alone for shareholders who invested in the Initial Public Offering in 2003.

The Group continues to emphasise and practice good governance. In November 2025, the Group was named Joint Winner in the Small-Cap category for *Shareholder Communications Excellence* at the Securities Investors Association of Singapore (“SIAS”) Investors’ Choice Awards 2025.

Business outlook

Notwithstanding ongoing macroeconomic and trade uncertainties, the Group remains focused on sustaining earnings quality and reaching its goal to become a *Next Generation Supplier* for critical manufacturing applications in the semiconductor industry.

This news release should be read in conjunction with the Group’s financial statements and announcement posted on the SGX website on 29 January 2026.

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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
