

# ellipsiz

## 2QFY17 Results Presentation For Financial Period Ended 31 Dec 16

9 February 2017



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Some of the statements contained in this presentation or arising from this discussion which are not of historical facts are statements of future expectations with respect to financial conditions, results of operations and businesses, and related plans and objectives. Such forward looking statements are based on Ellipsiz's current views and assumptions including, but not limited to, prevailing economic and market conditions and currently available information. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation (express or implied) as to future performance or achievements of Ellipsiz. In particular, such statements should not be regarded as a forecast or projection of future performance of Ellipsiz and must not be relied upon for any particular purpose whatsoever. It should be noted that the actual performance or achievements of Ellipsiz may vary significantly from such statements.

Key Financial Highlights	1H FY17	1H FY16
Revenue (\$ million)	57.3	57.6
NPATNCI (\$ million)	2.3	3.6
NPATNCI exclude Specific items <i>(refer to slide 7 for details of Specific Items or SI)</i> (\$ million)	3.8	2.8
Basic & Diluted EPS exclude SI (cents)	2.32	1.64
NAV per share (cents)	77.84	74.26
Current ratio (times)	3.9	3.0
Debt / equity ratio (%)	2%	5%
<b>Interim dividend</b> (cents per share)	1.00	0.70
<b>Interim Special dividend</b> (cents per share)	1.50	-

- Company declared interim dividend of 1 cents a share and an interim special dividend of 1.5 cents a share.
- Book closure date for the dividends is on 23 February 2017, 5.00pm and payment date is on 16 March 2017.

# 1HFY2017

## Financial Performance



# 1HFY17 Results Summary

Results highlights S\$'million	1HFY17	Year on Year		Sequential	
		1HFY16	Change	2HFY16	Change
<b>Revenue</b>	<b>57.3</b>	<b>57.6</b>	<b>(1%)</b>	<b>61.1</b>	<b>(6%)</b>
<b>Gross Profit</b>	<b>19.9</b>	<b>19.3</b>	<b>3%</b>	<b>22.5</b>	<b>(12%)</b>
Gross Profit Margin	35%	34%	(1 ppt)	37%	(2 pts)
<b>Net Profit after Tax &amp; NCI</b>	<b>2.3</b>	<b>3.6</b>	<b>(35%)</b>	<b>6.0</b>	<b>(61%)</b>
Net Profit after Tax & NCI Margin	4%	6%	(2 pts)	10%	(6 pts)
<b>Basic EPS (cts)</b>	<b>1.39</b>	<b>2.13</b>	<b>(35%)</b>	<b>3.61</b>	<b>(61%)</b>
<b>Diluted EPS (cts)</b>	<b>1.39</b>	<b>2.13</b>	<b>(35%)</b>	<b>3.61</b>	<b>(61%)</b>
<b>Shareholders' equity</b>	<b>130.1</b>	<b>124.1</b>	<b>5%</b>	<b>127.7</b>	<b>2%</b>
<b>NAV per share (cts)</b>	<b>77.84</b>	<b>74.26</b>	<b>5%</b>	<b>76.43</b>	<b>2%</b>

\*Included in the net profits for 1HFY16, 1HFY15 and 2HFY15 were some Specific Items (SI). Please refer to slide 7 for details.



# 1HFY17 Results Summary

Results highlights S\$'million	1HFY17 (excl SI)	Year on Year		Sequential	
		1HFY16 (excl SI)	Change	2HFY16 (excl SI)	Change
<b>Revenue</b>	<b>57.3</b>	<b>57.6</b>	<b>(1%)</b>	<b>61.1</b>	<b>(6%)</b>
<b>Gross Profit</b>	<b>19.9</b>	<b>19.3</b>	<b>3%</b>	<b>22.5</b>	<b>(12%)</b>
Gross Profit Margin	35%	34%	1 ppt	37%	(2 pts)
<b>Net Profit after Tax &amp; NCI</b>	<b>3.8</b>	<b>2.8</b>	<b>41%</b>	<b>5.5</b>	<b>(29%)</b>
Net Profit after Tax & NCI Margin	7%	5%	2 pts	9%	(2 pts)
<b>Basic EPS (cts)</b>	<b>2.32</b>	<b>1.64</b>	<b>41%</b>	<b>3.29</b>	<b>(29%)</b>
<b>Diluted EPS (cts)</b>	<b>2.32</b>	<b>1.64</b>	<b>41%</b>	<b>3.29</b>	<b>(29%)</b>
<b>Shareholders' equity</b>	<b>130.1</b>	<b>124.1</b>	<b>5%</b>	<b>127.7</b>	<b>2%</b>
<b>NAV per share (cts)</b>	<b>77.84</b>	<b>74.26</b>	<b>5%</b>	<b>76.43</b>	<b>2%</b>

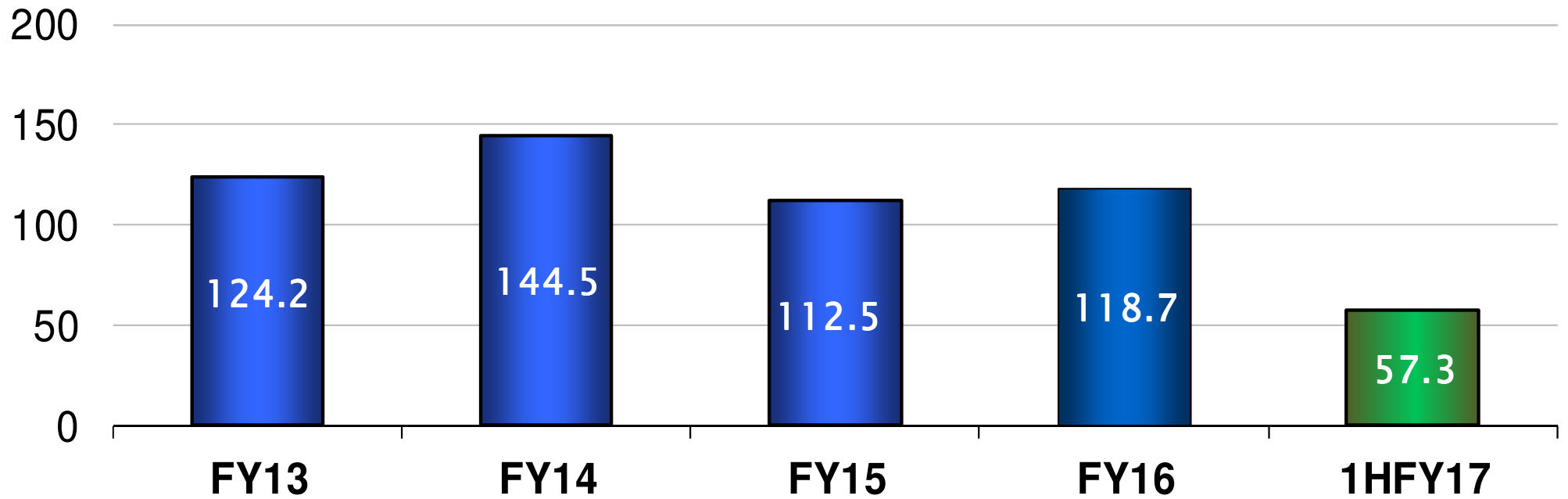
\*Specific Items (SI) were listed in slide 7.



# 1HFY17 Results Summary

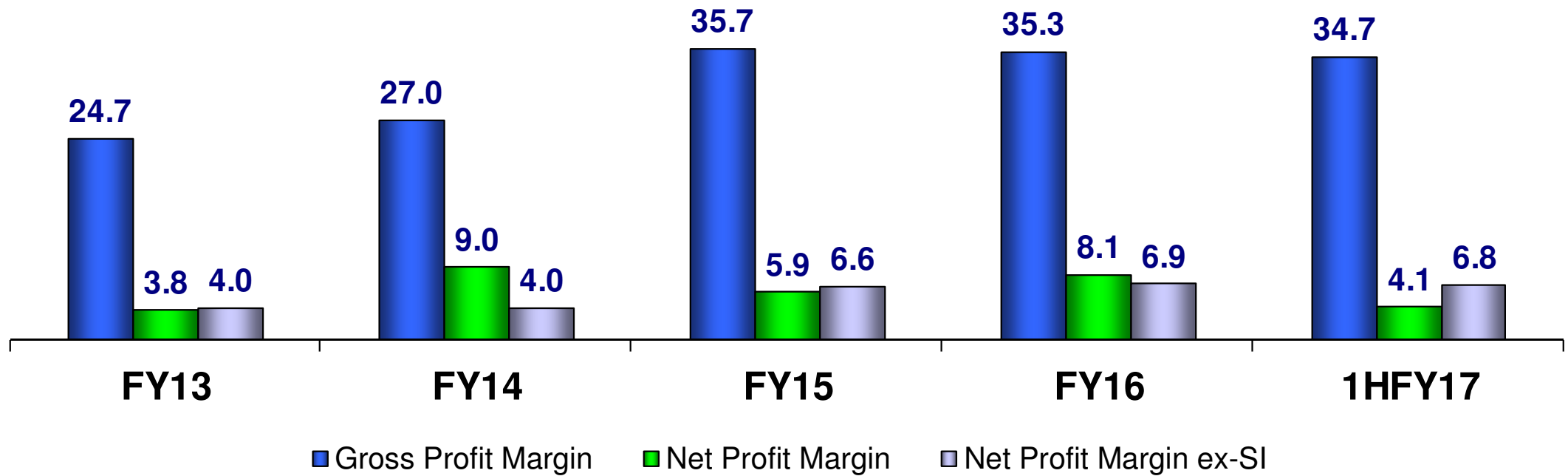
Specific Items* (S\$ million)	1HFY17	1HFY16	2HFY16
Gain on liquidation of subsidiaries	(0.2)	-	-
Expenses relating to mandatory cash offer exercise	0.2	-	-
Impairment of other financial asset	1.5	0.4	-
Recovery from bad debts	-	(1.4)	-
Taxation on bad debts recovered	-	0.2	-
Dividend income on liquation	-	-	(0.6)
Loss on disposal of investment in an associate	-	-	0.1
<b>Total</b>	<b>1.5</b>	<b>(0.8)</b>	<b>(0.5)</b>

Revenue (S\$m)

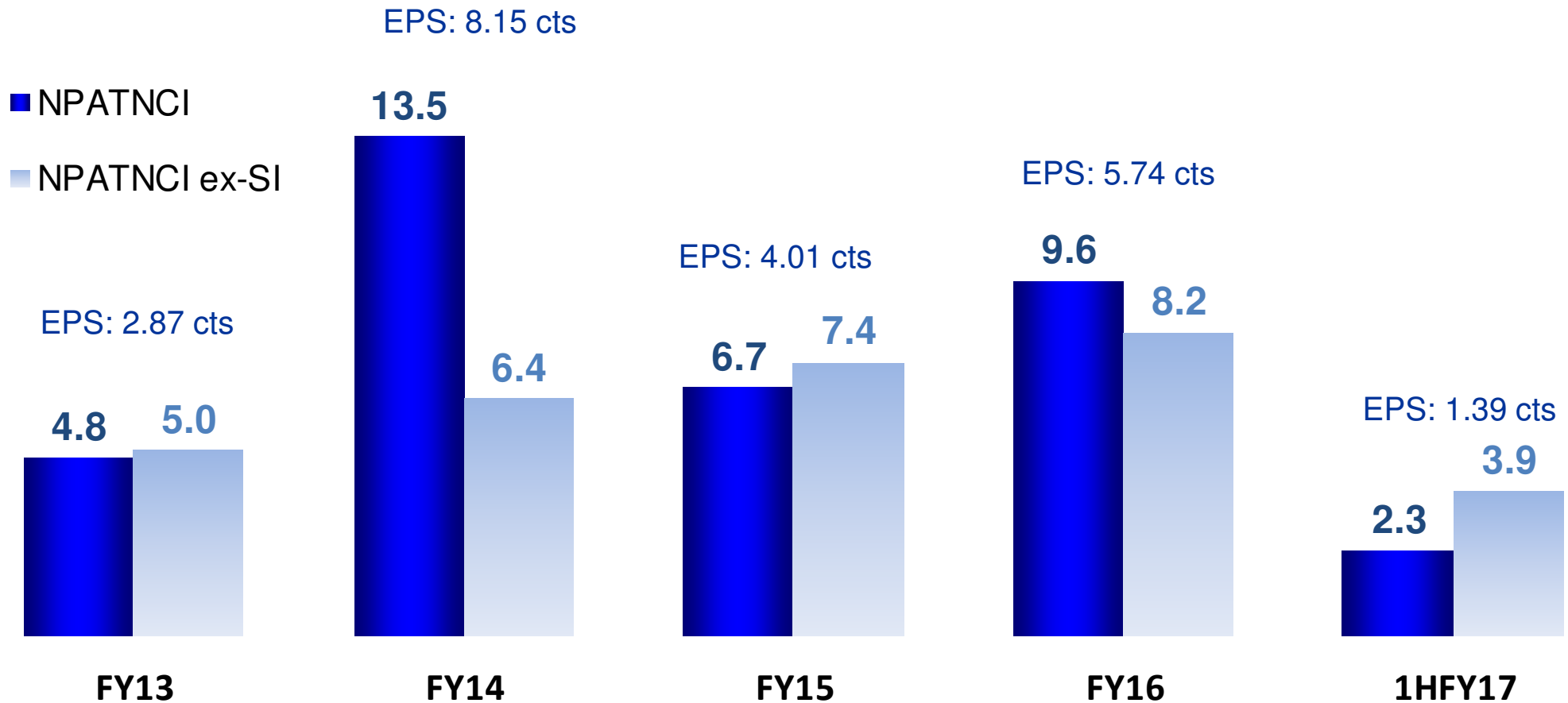




## Margin as % of Revenue



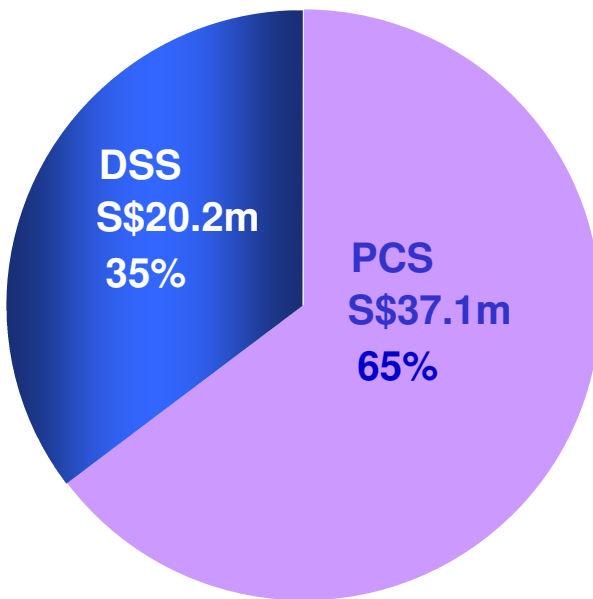
S\$ million



\*1HFY17 & FY16 EPS based on weighted average of approximately 167 million shares.

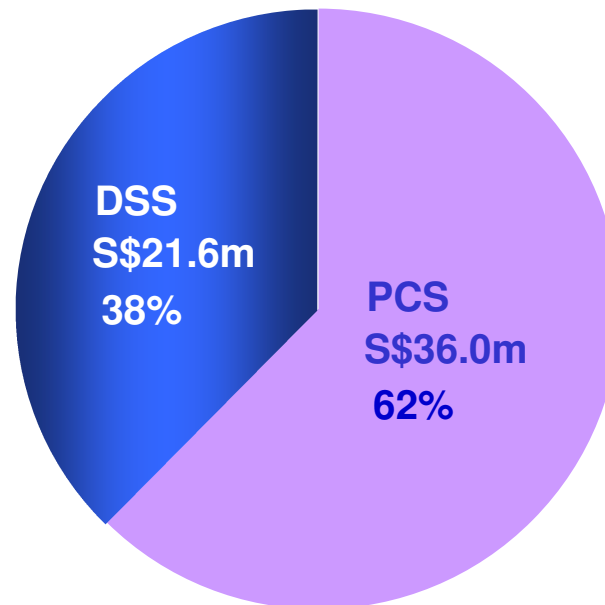
Revenue (S\$m)

**1HFY17**



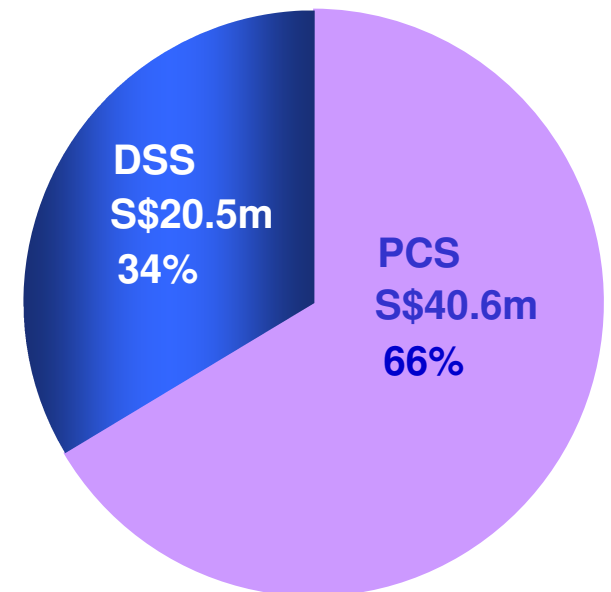
**S\$57.3 million**

**1HFY16**



**S\$57.6 million**

**2HFY16**



**S\$61.1 million**

**DSS : Distribution and Services solutions**  
**PCS : Probe Card solutions**

# Segment Performance

		Year on Year		Sequential	
		1HFY16	Change	2HFY16	Change
<b>Revenue (S\$m)</b>	<b>1HFY17</b>				
<b>Probe Card solutions</b>	<b>37.1</b>	<b>36.0</b>	<b>3%</b>	<b>40.6</b>	<b>(9%)</b>
<b>Distribution &amp; Services solutions</b>	<b>20.2</b>	<b>21.6</b>	<b>(7%)</b>	<b>20.5</b>	<b>(1%)</b>
<b>Total</b>	<b>57.3</b>	<b>57.6</b>	<b>(1%)</b>	<b>61.1</b>	<b>(6%)</b>

# 2QFY2017

## Financial Performance



# 2QFY17 Results Summary

Results highlights S\$'million	2QFY17	Year on Year		Sequential	
		2QFY16	Change	1QFY17	Change
<b>Revenue</b>	<b>29.7</b>	<b>32.3</b>	<b>(8%)</b>	<b>27.7</b>	<b>7%</b>
<b>Gross Profit</b>	<b>10.5</b>	<b>10.5</b>	<b>(0%)</b>	<b>9.4</b>	<b>11%</b>
Gross Profit Margin	35%	33%	2 pts	34%	1 ppt
<b>Net Profit after Tax &amp; NCI</b>	<b>1.7</b>	<b>1.3</b>	<b>26%</b>	<b>0.7</b>	<b>148%</b>
Net Profit after Tax & NCI Margin	5%	4%	1 ppt	2%	3 pts
<b>Basic EPS (cts)</b>	<b>0.99</b>	<b>0.78</b>	<b>27%</b>	<b>0.40</b>	<b>148%</b>
<b>Diluted EPS (cts)</b>	<b>0.99</b>	<b>0.78</b>	<b>27%</b>	<b>0.40</b>	<b>148%</b>
<b>Shareholders' equity</b>	<b>130.1</b>	<b>124.1</b>	<b>5%</b>	<b>129.5</b>	<b>0%</b>
<b>NAV per share (cts)</b>	<b>77.84</b>	<b>74.26</b>	<b>5%</b>	<b>77.47</b>	<b>0%</b>

\*Included in the net profits for 2QFY17, 2QFY16 and 1QFY17 were some Specific Items (SI). Please refer to slide 16 for details.



# 2QFY17 Results Summary

Results highlights S\$'million	2QFY17 (excl SI)	Year on Year		Sequential	
		2QFY16 (excl SI)	Change	1QFY17 (excl SI)	Change
<b>Revenue</b>	<b>29.7</b>	<b>32.3</b>	<b>(8%)</b>	<b>27.7</b>	<b>7%</b>
<b>Gross Profit</b>	<b>10.5</b>	<b>10.5</b>	<b>(0%)</b>	<b>9.4</b>	<b>11%</b>
Gross Profit Margin	35%	33%	(2 pts)	34%	1 ppt
<b>Net Profit after Tax &amp; NCI</b>	<b>2.2</b>	<b>1.7</b>	<b>28%</b>	<b>1.7</b>	<b>28%</b>
Net Profit after Tax & NCI Margin	7%	5%	2 pts	6%	1 ppt
<b>Basic EPS (cts)</b>	<b>1.30</b>	<b>1.02</b>	<b>27%</b>	<b>1.01</b>	<b>29%</b>
<b>Diluted EPS (cts)</b>	<b>1.30</b>	<b>1.02</b>	<b>27%</b>	<b>1.01</b>	<b>29%</b>
<b>Shareholders' equity</b>	<b>130.1</b>	<b>124.1</b>	<b>5%</b>	<b>129.5</b>	<b>0%</b>
<b>NAV per share (cts)</b>	<b>77.84</b>	<b>74.26</b>	<b>5%</b>	<b>77.47</b>	<b>0%</b>

Specific Items (SI) were listed in slide 16.



# 2QFY17 Results Summary

Specific Items* (S\$ million)	2QFY17	2QFY16	1QFY17
Gain on liquidation of subsidiaries	-	-	(0.2)
Expenses relating to mandatory cash offer exercise	-	-	0.2
Impairment of other financial asset	0.5	0.4	1.0
<b>Total</b>	<b>0.5</b>	<b>0.4</b>	<b>1.0</b>



# Segment Performance

		Year on Year		Sequential	
		2QFY16	Change	1QFY17	Change
<b>Revenue (S\$m)</b>	<b>2QFY17</b>				
<b>Probe Card solutions</b>	<b>19.5</b>	<b>19.7</b>	<b>(1%)</b>	<b>17.6</b>	<b>11%</b>
<b>Distribution &amp; Services solutions</b>	<b>10.2</b>	<b>12.6</b>	<b>(19%)</b>	<b>10.1</b>	<b>1%</b>
<b>Total</b>	<b>29.7</b>	<b>32.3</b>	<b>(8%)</b>	<b>27.7</b>	<b>7%</b>

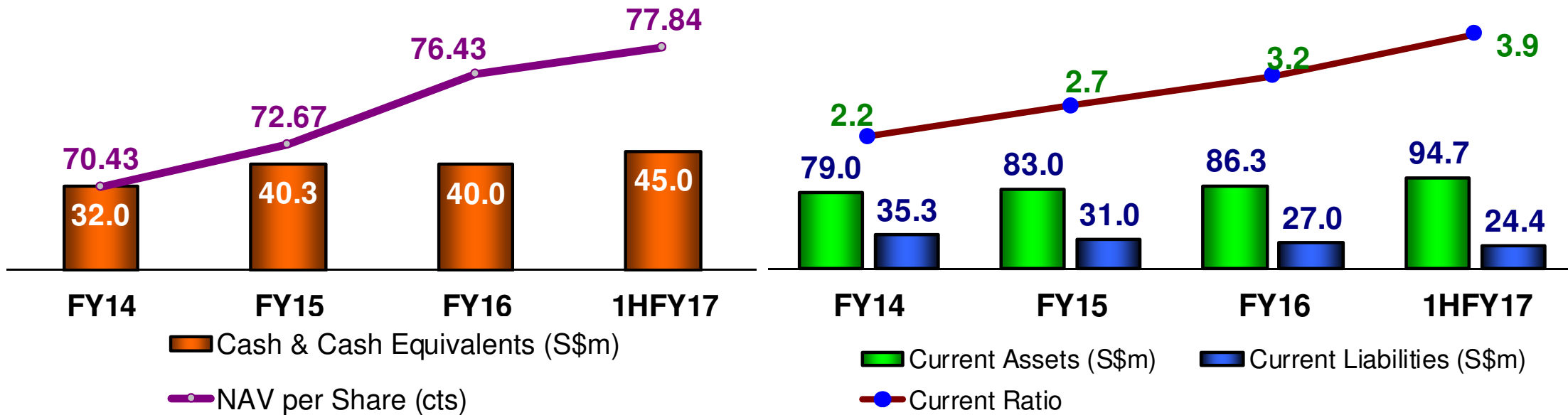
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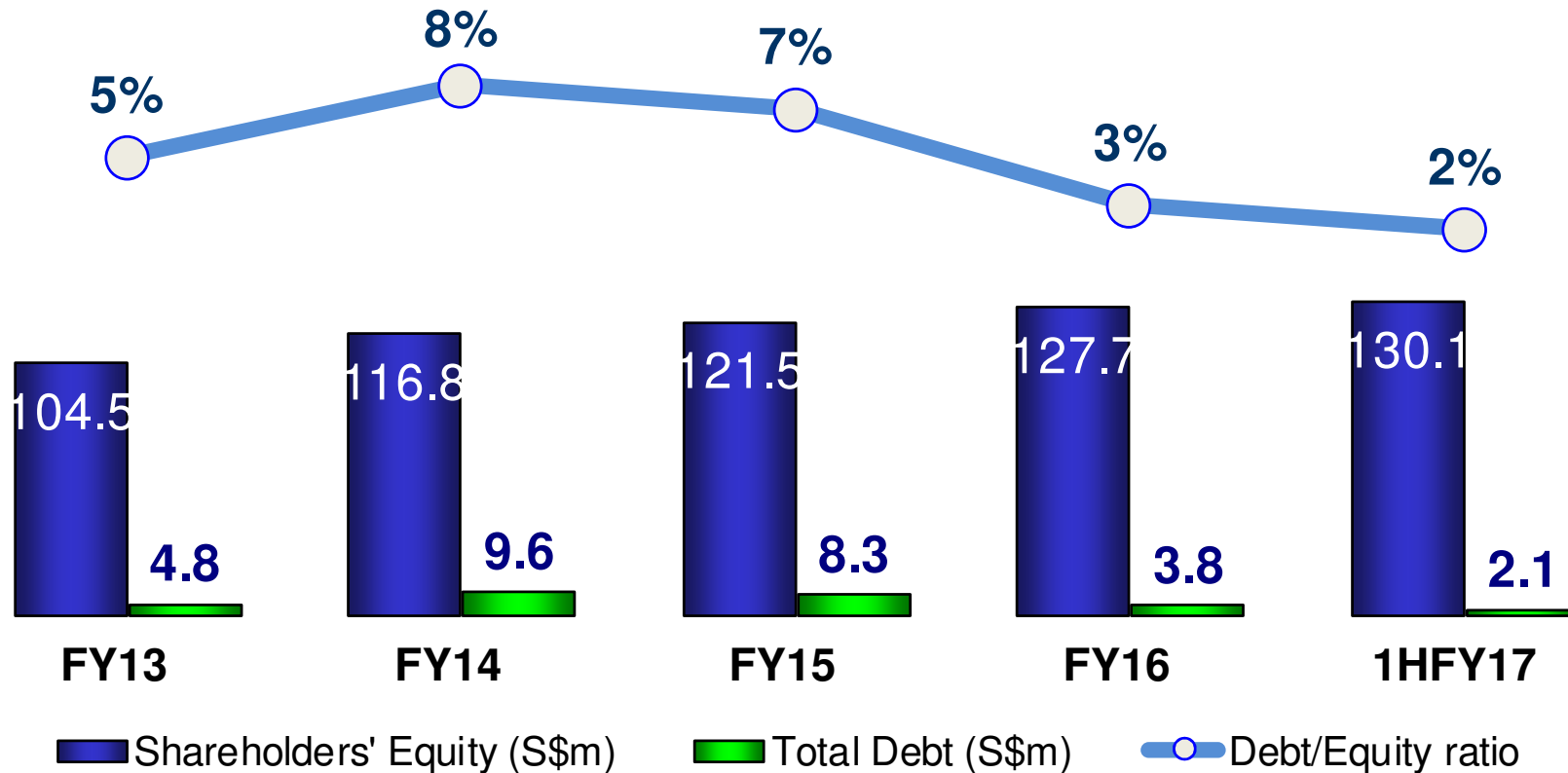
# Balance Sheet

## Highlights

## Maintaining healthy balance sheet



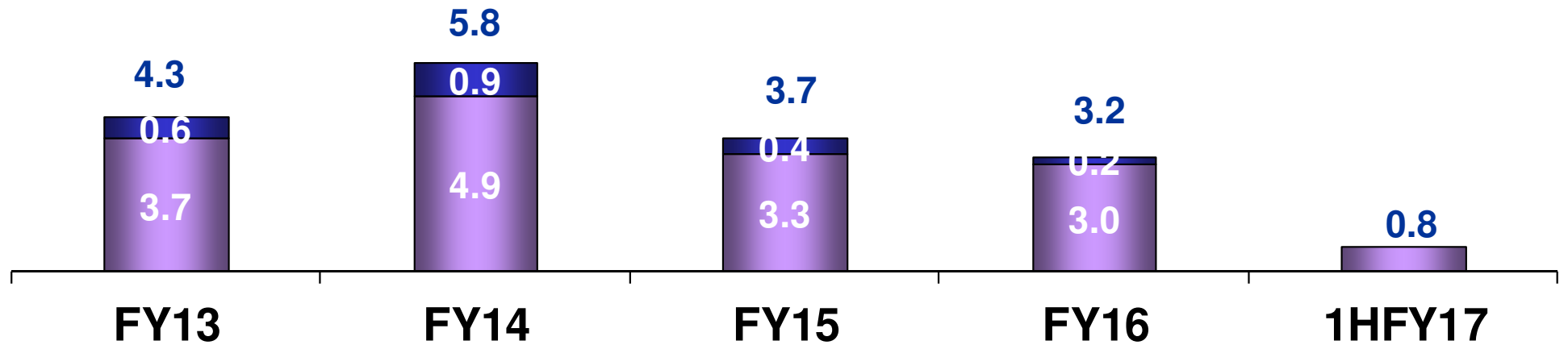
## Debt to equity ratio



# Capital Expenditure

Capital Expenditure (\$ million)

- Distribution & Services Solutions
- Probe Card Solutions



PCS - \$693,000  
DSS - \$60,000

## **1HFY17**

# Interim and Interim Special Dividends

- Interim cash dividend of 1.0 cent per ordinary share and Interim Special cash dividend of 1.5 cents per ordinary share were declared.
- Books closure date – 23 February 2017, 5 pm
- Payment date – 16 March 2017



**2QFY17**

**Business Updates**

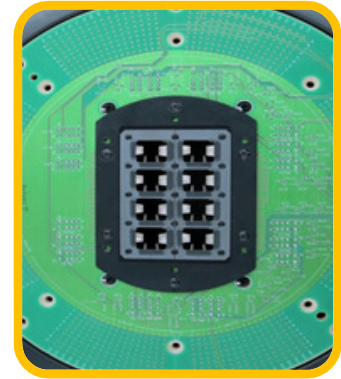
**&**

**Outlook**

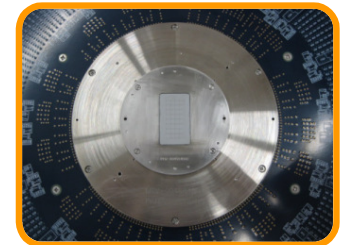


## Probe Card Solutions

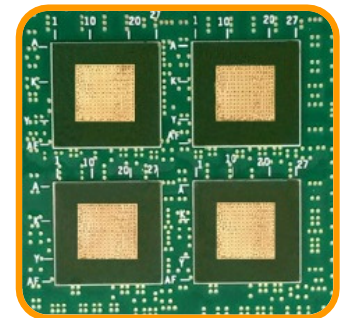
- Achieved 2Q revenues of approximately US\$14 million, an 8% increase QoQ and flat when compared to 2QFY16.
- Experienced strong QoQ revenue growth in the Asia region;
- 2Q bookings increased almost 12% QoQ and 15% YoY.
- Production orders for our Multiplexer™ (*patent-pending*) CMOS Image Sensor probe cards continued to show solid growth.
- Key customer evaluating our next generation Modular Space Transformer™ (MST™) for their High Volume flash memory devices.
- x4 Multi-MLO reflow capability now available for volume production. Several customer evaluations in process as the Multi-MLO reflow capability gains momentum.



CIS Probe Card



Trio™ Vertical w/MST™



X4 Multi-MLO Reflow

## Distribution & Services Solutions

- 2QFY17 sales declined 19% compared with the same quarter a year ago but was flat sequentially.
- Capital spending of our customers remain largely controlled and selective that limited equipment and tools sales
- DSS team continues to capitalise on the cross leveraging of resources and cross-sale opportunities across its product portfolio as well as its North and Southeast Asia operations to grow recurring sales and to focus on profitable synergies integral to sustainable growth.



**Consumable Specialties & Equipment/Tools Solutions**

We are cautious of our operating environment and performance prospects for the second half of FY17

- According to SIA's press release dated 3 January 2017, the global semiconductors sales grew by the highest year-to-year rate of 7.4% in November 2016 and growth is expected to continue. The global semiconductor market for 2016 is expected to roughly match that of 2015, and is well-positioned for a solid start to 2017. Meanwhile, the SEMI Year-end Forecast dated 13 December 2016 had forecast the worldwide sales of new semiconductor manufacturing equipment to grow by 8.7% to US\$39.7 billion in 2016 and by another 9.3% to US\$43.4 billion in 2017, with Taiwan, South Korea and China expected to remain the top three markets.
- While the Group welcomes the projected positive outlook for the overall industry, we are vigilant of the volatile macroeconomic, geo-political and industry factors that will generate uncertainties to our business activities. With higher than expected inventory observed in the supply chain at the end of 2016 coupled with the industry seasonality, we are cautious of our prospects over the next two quarters.

**Thank you!**  
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