TECHNOLOGY EQUIPMENT EQUITY RESEARCH

MICRO-MECHANICS (HOLDINGS) LTD

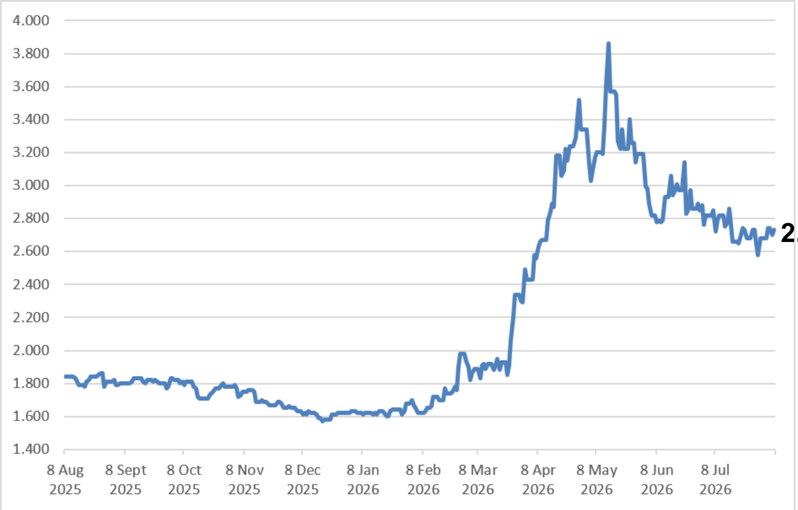
SGX: 5DD
Bloomberg: MMH:SP
ISIN code: SG1O09910991

Country: Singapore
Industry: Technology Equipment

7 August 2026
RECOMMENDATION: HOLD

Current price: S$2.730
Target price: S$3.053
Issued units: 139 million (2 Jul 2026)
Market capitalisation: S$371.9 million
52-week range: S$1.570 - S$3.860

PRICE PERFORMANCE



COMPANY DESCRIPTION

Micro-Mechanics (Holdings) ("MMH") is a company that designs, manufactures and markets high-precision tools & parts used in the assembly and wafer fabrication processes of the semiconductor industry. It has five operating facilities located in Singapore, Malaysia, China, the Philippines, and the U.S., and serves more than 600 customers (as noted by MMH in April 2026). Besides designing & manufacturing consumable tools & parts used for the assembly & testing of semiconductors, MMH also produces parts for Wafer Fabrication Equipment ("WFE").

SUMMARY

For the three months ended 31 March 2026 (3Q FY2026), revenue rose by 16.2% to S$18.6 million in 3Q FY2026 from S$16.0 million in 3Q FY2025. Consumable tools revenue rose by 20.9% year-on-year ("y-o-y") to S$14.4 million in 3Q FY2026, generally in line with the rise in silicon wafer shipments, while WFE Parts revenue rose by 2.6% y-o-y to S$4.2 million in 3Q FY2026. Gross profit rose by 18.9% to S$9.6 million in 3Q FY2026 from S$8.1 million in 3Q FY2025, with gross margin rising in line with consumable tools as a percentage of revenue. Profit after tax (and Earnings Per Share or "EPS" in cents) rose by 18.8% to S$3.8 million (2.72) in 3Q FY2026 from S$3.2 million (2.29) in 3Q FY2025.

RECOMMENDATION

MMH is currently trading at a P/E multiple of 27.5x, which is lower than the peer average P/E of 47.9x. This suggests that MMH is undervalued at its current share price. Adopting a relative valuation approach, we estimate a target price of S$4.765 if MMH is to trade at the peer average P/E of 47.9x. MMH is currently trading at a P/B multiple of 7.23x, which is higher than the peer average P/B of 3.64x. This suggests that MMH is overvalued at its current share price. Adopting a relative valuation approach, we estimate a target price of S$4.765 if MMH is to trade at the peer average P/B of 3.64x. MMH's current yield of 2.20% is more attractive than the peer average yield of 1.99%. This suggests that MMH is undervalued at its current share price. Adopting a relative valuation approach, we estimate a target price of S$3.022 if MMH is to trade at the peer average yield of 1.99%. By averaging our estimated target prices based on P/E multiple, P/B multiple, and yield, we derive an overall target price of S$3.053, which represents an upside potential of 11.8% from the current share price of S$2.730.

We note that we project MMH to declare DPS (in cents) of 6.0 for each of 2H FY2026 & 2H FY2027, which would raise dividend yield. Also, even if MMH does not raise its semi-annual DPS (in cents), MMH may deploy its cash & cash equivalents to expand its WFE Parts segment, which could improve future earnings. However, given that MMH's share price has already risen by 48.4% over the last twelve months, and the limited upside potential based on our target price, we recommend a hold. There are also risks to our target price, such as lower-than-expected demand for Artificial Intelligence ("AI") compute and depreciation of USD against SGD.

KEY FINANCIALS Year ended 30 June	Revenue (S$ million)	Earnings[(1)] (S$ million)	EPS[(2)] (cents)	P/E (x)	DPS (cents)	Dividend Yield (%)	NAV per share (cents)	P/B (x)
2024 Actual	57.9	8.0	5.78	47.2	6.00	2.20%	33.14	8.24
2025 Actual	65.2	12.4	8.92	30.6	6.00	2.20%	35.40	7.71
2026 Forecast	71.1	13.3	9.60	28.4	9.00	3.30%	n.a.	n.a.
2027 Forecast	73.3	13.2	9.50	28.7	9.00	3.30%	n.a.	n.a.

Note: P/E, P/B, and dividend yield based on current share price of S$2.730. n.a. = not available.
(1) Profit after tax & for the period.
(2) Earnings Per Share.
Source: MMH, FPA

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FINANCIAL ANALYSIS

In this section, we review the financial performance of Micro-Mechanics (Holdings) ("MMH") for the three months ended 31 March 2026 (3Q FY2026).

(I) FINANCIAL REVIEW

Revenue:

Revenue rose by 16.2% to S$18.6 million in 3Q FY2026 from S$16.0 million in 3Q FY2025, as shown in **Exhibit 1**.

Consumable tools revenue rose by 20.9% to S$14.4 million in 3Q FY2026 from S$11.9 million in 3Q FY2025, generally in line with the rise in silicon wafer shipments (+13.1% year-on-year or "y-o-y"), as reported by industry association Semiconductor Equipment and Materials International ("SEMI").

Meanwhile, Wafer Fabrication Equipment ("WFE") Parts revenue rose by 2.6% y-o-y to S$4.2 million in 3Q FY2026 from S$4.0 million in 3Q FY2025. MMH noted that the increase was "supported by higher bookings and continued recovery from material delays and shortages during 1QFY2026." MMH also noted that the WFE segment now "primarily serves customers in the USA and Singapore."

Exhibit 1: Revenue (3Q FY2026 & 3Q FY2025)

(in S$)	Actual		3Q FY2026 v 3Q FY2025	
	3Q FY2026	3Q FY2025	Absolute Change	Change (%)
Consumable tools / non-USA revenue	14,399,791	11,912,964	2,486,827	20.9%
WFE parts / USA revenue	4,151,115	4,045,747	105,368	2.6%
Revenue	**18,550,906**	**15,958,711**	**2,592,195**	**16.2%**

Source: MMH, FPA

Revenue from 1H FY2022 to 3Q FY2026 is shown in **Exhibit 2**.

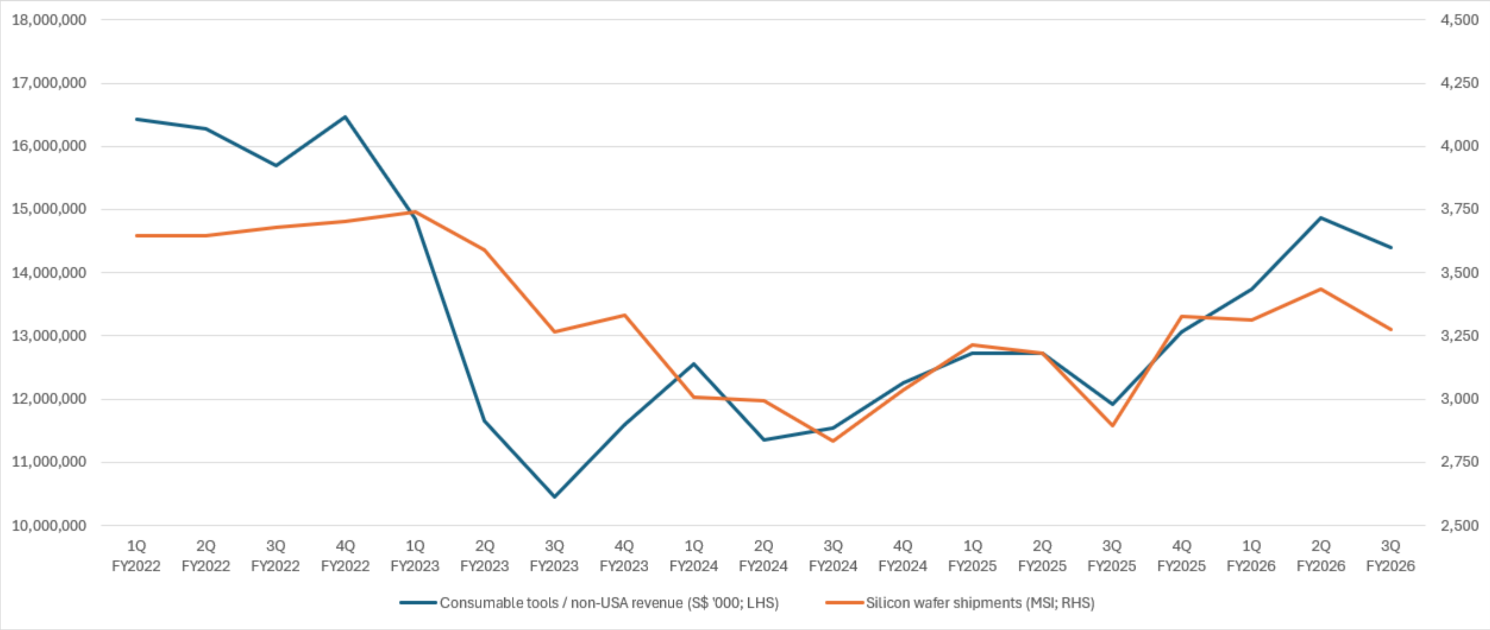
Exhibit 2: Revenue (1H FY2022 to 3Q FY2026)

(in S$)	Actual									
	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	3Q FY2026
Consumable tools / non-USA revenue	32,704,121	32,168,018	26,501,752	22,052,204	23,919,661	23,807,247	25,454,226	24,970,843	28,621,142	14,399,791
WFE parts / USA revenue	8,128,660	9,463,966	10,412,683	8,055,354	5,432,831	4,728,639	7,082,255	7,703,351	6,752,997	4,151,115
Revenue	**40,832,781**	**41,631,984**	**36,914,435**	**30,107,558**	**29,352,492**	**28,535,886**	**32,536,481**	**32,674,194**	**35,374,139**	**18,550,906**

Source: MMH, FPA

Consumable tools revenue (or revenue from non-USA facilities prior to FY2025) generally trended with silicon wafer shipments (in Million Square Inches or "MSI") from 1Q FY2022 to 3Q FY2026, as shown in **Exhibit 3**.

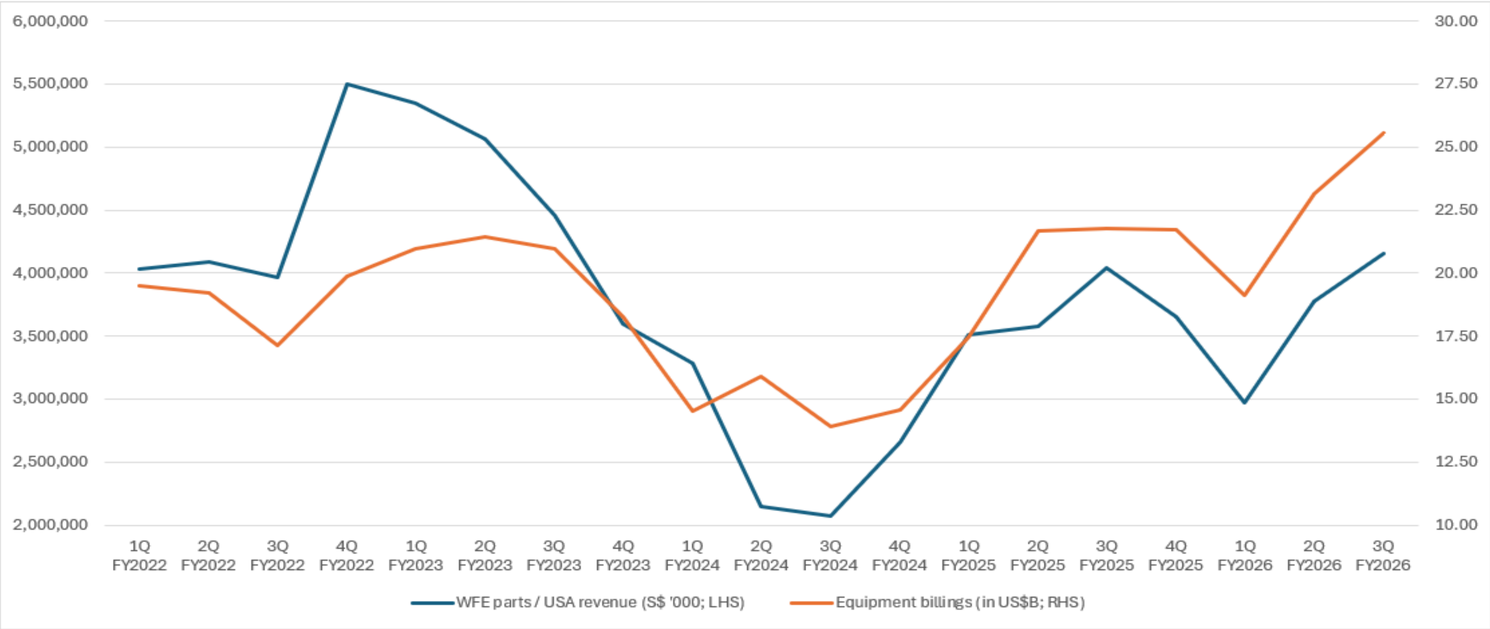
Exhibit 3: Consumable Tools (or Non-USA) Revenue vs Silicon Wafer Shipments (1Q FY2022 to 3Q FY2026)



Source: MMH, SEMI, FPA

WFE Parts revenue (or revenue from MMH's USA facility, "MMUS", prior to FY2025) generally trended with equipment billings (excluding China, as MMUS does not sell to China) from 1Q FY2022 to 3Q FY2026, as shown in **Exhibit 4**.

Exhibit 4: WFE Parts (or USA) Revenue vs Equipment Billings (excluding China) (1Q FY2022 to 3Q FY2026)



Source: MMH, SEMI, FPA

Gross profit:

Gross profit rose by 18.9% to S$9.6 million in 3Q FY2026 from S$8.1 million in 3Q FY2025, as shown in **Exhibit 5**. Gross margin rose to 51.6% in 3Q FY2026 from 50.5% in 3Q FY2025, as shown in **Exhibit 5**, in line with consumable tools as a percentage of revenue rising to 77.6% in 3Q FY2026 from 74.6% in 3Q FY2025. MMH noted that the "margin expansion" (for either 3Q FY2026 or 9M FY2026) "was supported by the Group's initiatives to strengthen customer engagement and enhance manufacturing processes."

In October 2022, then-Chief Executive Officer ("CEO") Christopher Reid Borch noted that the four non-USA factories which "focused on small precision tools used in the back-end of the assembly and test industry" (i.e., currently the Consumable Tools segment) had been a "high margin business".

<u>Exhibit 5: Gross Profit (3Q FY2025 & 3Q FY2026)</u>

(in S$)	Actual		3Q FY2026 v 3Q FY2025	
	3Q FY2026	3Q FY2025	Absolute Change	Change (%)
Gross profit	9,576,448	8,055,671	1,520,777	18.9%
Revenue	18,550,906	15,958,711	2,592,195	16.2%
Gross margin	**51.6%**	**50.5%**	**-**	**-**
Consumable tools as a % of revenue	**77.6%**	**74.6%**	**-**	**-**

Source: MMH, FPA

Gross profit from 1H FY2022 to 3Q FY2026 is shown in **Exhibit 6**.

<u>Exhibit 6: Gross Profit (1H FY2022 to 3Q FY2026)</u>

(in S$)	Actual									
	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	3Q FY2026
Gross profit	22,206,172	21,834,629	17,863,551	13,326,091	13,932,384	13,253,706	15,966,931	16,251,583	18,134,842	9,576,448
Revenue	40,832,781	41,631,984	36,914,435	30,107,558	29,352,492	28,535,886	32,536,481	32,674,194	35,374,139	18,550,906
Gross margin	**54.4%**	**52.4%**	**48.4%**	**44.3%**	**47.5%**	**46.4%**	**49.1%**	**49.7%**	**51.3%**	**51.6%**
Consumable tools as a % of revenue	**80.1%**	**77.3%**	**71.8%**	**73.2%**	**81.5%**	**83.4%**	**78.2%**	**76.4%**	**80.9%**	**77.6%**

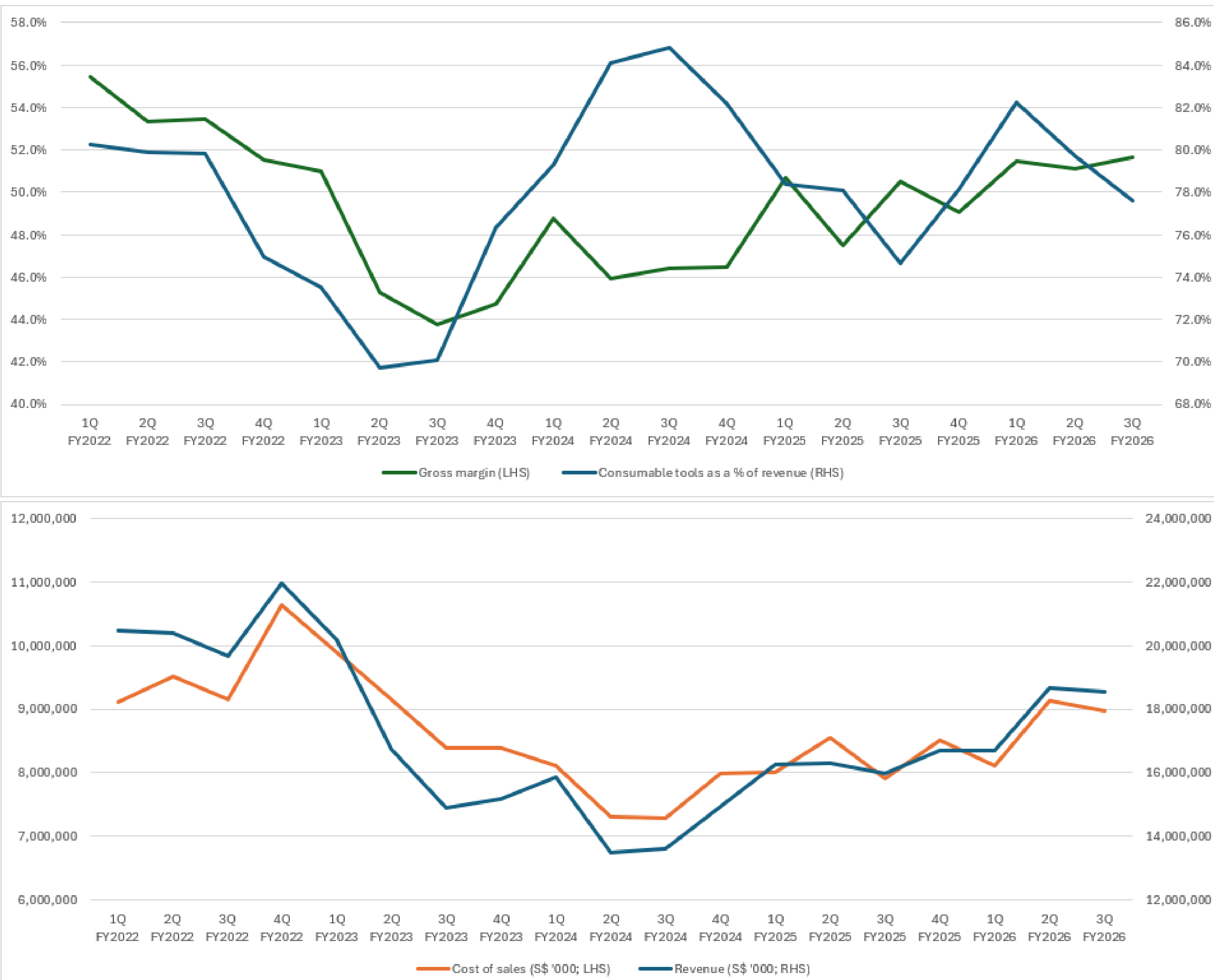
Source: MMH, FPA

Gross margin generally trended with consumable tools as a percentage of revenue from 1Q FY2022 to 3Q FY2026, as shown in **Exhibit 7** (top). However, gross margin deviated from trending with consumable tools as a percentage of revenue from 3Q FY2023 to 4Q FY2024 (2H FY2023 to 2H FY2024), in line with a fall in revenue according to MMH.

MMH noted in its financial statements for 3Q FY2023 that, “As our operating costs are mainly fixed-cost in nature, the significant decline” in business activities “resulted in the under absorption of costs.” Similarly, MMH noted in its financial statements for 4Q FY2024, “As the cost structure of the Group’s operations is largely fixed in nature, any significant reduction in our revenue would have an adverse impact on the Group’s GP margin due to operating deleverage.”

Accordingly, we note that, on a quarter-on-quarter (“q-o-q”) basis, cost of sales generally fell less than revenue from 2Q FY2023 to 3Q FY2024, as shown in **Exhibit 7** (bottom).

Exhibit 7: Comparison with Gross Margin (1Q FY2022 to 3Q FY2026)



Source: MMH, FPA

Operating expenses:

Operating expenses (administrative expenses + distribution expenses + other operating expenses) rose by 12.6% to S$4.5 million in 3Q FY2026 from S$4.0 million in 3Q FY2025, as shown in **Exhibit 8**.

MMH noted that:

- Distribution expenses rose by 22.8% y-o-y "mainly due to higher sales incentives programme payouts and travelling expenses related to customer visits"
- Administrative expenses rose by 9.0% y-o-y "primarily due to higher costs for legal and professional services, performance incentives, software subscriptions and increased spending to strengthen IT systems and cybersecurity",
- Other operating expenses rose by 13.2% y-o-y "mainly due to higher headcount, increased training costs, and additional purchases of engineering fixtures."

Exhibit 8: Operating Expenses (3Q FY2025 & 3Q FY2026)

(in S$)	Actual		3Q FY2026 v 3Q FY2025	
	3Q FY2026	3Q FY2025	Absolute Change	Change (%)
Distribution expenses	(917,434)	(746,793)	(170,641)	22.8%
Administrative expenses	(2,552,831)	(2,341,028)	(211,803)	9.0%
Other operating expenses	(980,417)	(865,942)	(114,475)	13.2%
Operating expenses	**(4,450,682)**	**(3,953,763)**	**(496,919)**	**12.6%**
As % of revenue:				
Distribution expenses	4.9%	4.7%	-	-
Administrative expenses	13.8%	14.7%	-	-
Other operating expenses	5.3%	5.4%	-	-
Operating expenses	**24.0%**	**24.8%**	**-**	**-**

Source: MMH, FPA

As a percentage of revenue, semi-annual operating expenses (quarterly for 3Q FY2026) ranged between 21.8% and 27.8% from 1H FY2022 to 3Q FY2026, as shown in **Exhibit 9**.

Exhibit 9: Operating Expenses (1H FY2022 to 3Q FY2026)

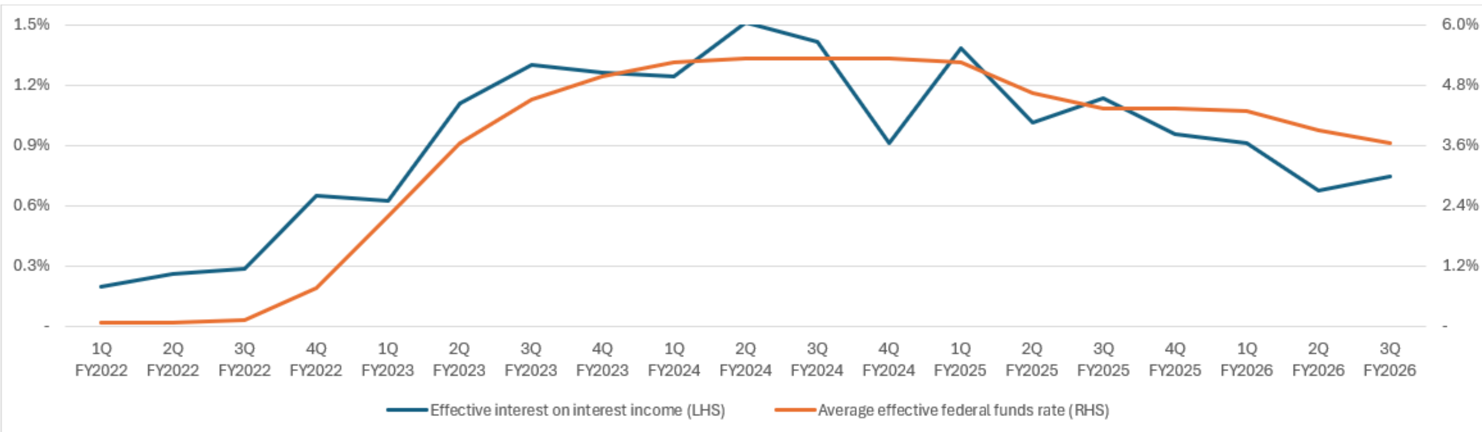
(in S$)	Actual									
	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	3Q FY2026
Distribution expenses	(1,608,141)	(1,536,764)	(1,442,782)	(1,437,041)	(1,403,108)	(1,470,073)	(1,573,913)	(1,434,813)	(1,623,711)	(917,434)
Administrative expenses	(5,695,295)	(5,223,042)	(5,466,425)	(4,546,564)	(4,569,347)	(4,558,304)	(4,790,651)	(4,741,021)	(5,227,864)	(2,552,831)
Other operating expenses	(2,380,262)	(2,324,525)	(2,643,969)	(2,390,777)	(1,931,657)	(1,810,937)	(1,690,841)	(1,747,187)	(1,796,908)	(980,417)
Operating expenses	**(9,683,698)**	**(9,084,331)**	**(9,553,176)**	**(8,374,382)**	**(7,904,112)**	**(7,839,314)**	**(8,055,405)**	**(7,923,021)**	**(8,648,483)**	**(4,450,682)**
As % of revenue:										
Distribution expenses	3.9%	3.7%	3.9%	4.8%	4.8%	5.2%	4.8%	4.4%	4.6%	4.9%
Administrative expenses	13.9%	12.5%	14.8%	15.1%	15.6%	16.0%	14.7%	14.5%	14.8%	13.8%
Other operating expenses	5.8%	5.6%	7.2%	7.9%	6.6%	6.3%	5.2%	5.3%	5.1%	5.3%
Operating expenses	**23.7%**	**21.8%**	**25.9%**	**27.8%**	**26.9%**	**27.5%**	**24.8%**	**24.2%**	**24.4%**	**24.0%**

Source: MMH, FPA

Other income, finance income, and finance expense:
Other income rose by 6.4% to S$75.5K in 3Q FY2026 from S$71.0K in 3Q FY2025.

Finance income fell by 11.9% to S$47.4K in 3Q FY2026 from S$53.8K in 3Q FY2025, amid a fall in the average effective federal funds rate. Quarterly annualised effective interest on interest income $\left[\ \frac{\text{Interest income}}{\text{Cash \& bank balances}} \times \frac{\text{Days in Financial Year (“FY”)}}{\text{Days in period}}\ \right]$ generally trended with average Effective Federal Funds Rate (“EFFR”) from 1Q FY2022 to 3Q FY2026, as shown in **Exhibit 10**.

Exhibit 10: Annualised Effective Interest on Interest Income vs Average EFFR (1Q FY2022 to 3Q FY2026)



Source: MMH, Federal Reserve Bank of New York, FPA

Finance expense fell by 0.3% to S$98.7K in 3Q FY2026 from S$99.1K in 3Q FY2025. Based on its Annual Report (“AR”) for FY2025, MMH’s foreign currency exposure was mostly in United States Dollar (“USD”). Accordingly, MMH generally made foreign exchange losses when USD depreciated against Singapore Dollar (“SGD”) on a q-o-q basis (and vice-versa when USD appreciated against SGD), from 1Q FY2022 to 3Q FY2026, as shown in **Exhibit 11**.

Exhibit 11: Foreign Exch. Gains/(Losses) vs Appreciation/(Depreciation) of USD against SGD (1Q FY2022 to 3Q FY2026)

Source: MMH, Yahoo! Finance (exchange rates), FPA

Other income, finance income, and finance expense, from 1H FY2022 to 3Q FY2026, are shown in **Exhibit 12**.

Interest income from banks & others and foreign exchange gains/(losses) were recorded under other income prior to 1H FY2023, as colour-coded in **Exhibit 12**. Thereafter, interest income from banks & others was recorded under finance income, while foreign exchange gains/(losses) were mainly recorded under finance expense, as also colour-coded in **Exhibit 12**.

Exhibit 12: Other Income, Finance Income, and Finance Expense (1H FY2022 to 3Q FY2026)

	Actual									
(in S$)	**1H FY2022**	**2H FY2022**	**1H FY2023**	**2H FY2023**	**1H FY2024**	**2H FY2024**	**1H FY2025**	**2H FY2025**	**1H FY2026**	**3Q FY2026**
Gain/(loss) on disposal of property, plant and equipment	(9,353)	260,878	6,372	68,460	9,560	4,627	2,213	3,385	3,999	-
Rental income	61,116	60,348	65,062	64,785	62,690	61,794	32,743	68	-	-
Government grant	30,565	46,209	15,873	37,192	16,990	53,016	12,186	16,985	5,597	3,118
Exchange gain	2,888	72,973	-	-	-	-	-	-	-	-
Interest income from banks and others	24,339	43,871	-	-	-	-	-	-	-	-
Others	139,398	147,596	141,923	116,075	104,905	100,036	131,353	127,888	139,206	72,345
Other income	**248,953**	**631,875**	**229,230**	**286,512**	**194,145**	**219,473**	**178,495**	**148,326**	**148,802**	**75,463**

	Actual									
(in S$)	**1H FY2022**	**2H FY2022**	**1H FY2023**	**2H FY2023**	**1H FY2024**	**2H FY2024**	**1H FY2025**	**2H FY2025**	**1H FY2026**	**3Q FY2026**
Interest income from banks and others	-	-	90,143	79,182	109,859	83,534	118,908	109,552	109,197	47,420
Foreign currency exchange losses, net /(gains, net)	-	-	(29,088)	-	-	-	(64,054)	-	-	-
Finance income	**-**	**-**	**119,231**	**79,182**	**109,859**	**83,534**	**182,962**	**109,552**	**109,197**	**47,420**
Effective interest on interest income:										
Interest income from banks and others	24,339	43,871	90,143	79,182	109,859	83,534	118,908	109,552	109,197	47,420
Cash and cash equivalent balances	18,325,954	20,368,243	18,014,293	14,266,863	14,969,428	16,567,727	20,236,591	23,283,594	27,239,795	25,672,368
Effective interest in interest income (annualised)	**0.3%**	**0.4%**	**1.0%**	**1.1%**	**1.5%**	**1.0%**	**1.2%**	**0.9%**	**0.8%**	**0.7%**
Average effective federal funds rate	**0.1%**	**0.4%**	**2.9%**	**4.8%**	**5.3%**	**5.3%**	**5.0%**	**4.3%**	**4.1%**	**3.6%**

	Actual									
(in S$)	**1H FY2022**	**2H FY2022**	**1H FY2023**	**2H FY2023**	**1H FY2024**	**2H FY2024**	**1H FY2025**	**2H FY2025**	**1H FY2026**	**3Q FY2026**
Bank charges	-	-	48,382	29,836	46,650	42,634	47,826	44,499	46,606	20,630
Unwind of discount on restoration cost provision	-	-	4,732	8,853	9,099	9,351	9,612	9,880	10,154	5,183
Interest expense on lease liabilities	-	-	38,432	57,435	96,826	73,700	47,500	36,670	79,356	43,814
Foreign currency exchange losses, net /(gains, net)	-	-	143,043	16,730	151,225	86,578	118,641	192,014	102,595	29,115
Finance expense	**-**	**-**	**234,589**	**112,854**	**303,800**	**212,263**	**223,579**	**283,063**	**238,711**	**98,742**
Foreign exchange gains/(losses) allocation:										
1Q	(18,843)		29,088		(69,933)		(118,641)		(35,582)	
2Q	2,888		(143,043)		(81,292)		64,054		(67,013)	
3Q		(4,754)		(30,797)		(7,555)		(51,320)		(29,115)
4Q		77,727		14,067		(79,023)		(140,694)		n.a.
Foreign exchange gains/(losses)[1]	**(15,955)**	**72,973**	**(113,955)**	**(16,730)**	**(151,225)**	**(86,578)**	**(54,587)**	**(192,014)**	**(102,595)**	**(29,115)**
Appreciation/(depreciation) of USD against SGD:										
1Q	1.5%		1.4%		0.8%		(2.4%)		(1.4%)	
2Q	0.4%		(0.6%)		0.1%		0.8%		1.0%	
3Q		(0.4%)		(4.0%)		(0.8%)		1.3%		(1.6%)
4Q		1.8%		0.5%		1.0%		(3.5%)		n.a.

[1] Foreign exchange gains/(losses) in 4Q FY2021 and 1Q FY2022 were recorded under unclassified "Expenses".
Source: MMH, Federal Reserve Bank of New York (EFFRs), Yahoo! Finance (exchange rates), FPA

Profit before income tax:

Accordingly, profit before income tax rose by 24.8% to S$5.1 million in 3Q FY2026 from S$4.1 million in 3Q FY2025, as shown in **Exhibit 13**.

Exhibit 13: Profit Before Income Tax (3Q FY2025 & 3Q FY2026)

in S$	Actual		3Q FY2026 v 3Q FY2025	
	3Q FY2026	3Q FY2025	Absolute Change	Change (%)
Gross profit	**9,576,448**	**8,055,671**	**1,520,777**	**18.9%**
Other income	75,463	70,955	4,508	6.4%
Distribution expenses	(917,434)	(746,793)	(170,641)	22.8%
Administrative expenses	(2,552,831)	(2,341,028)	(211,803)	9.0%
Other operating expenses	(980,417)	(865,942)	(114,475)	13.2%
Results from operating activities	**5,201,229**	**4,172,863**	**1,028,366**	**24.6%**
Finance income	47,420	53,838	(6,418)	(11.9%)
Finance expense	(98,742)	(99,074)	332	(0.3%)
Profit before tax	**5,149,907**	**4,127,627**	**1,022,280**	**24.8%**

Source: MMH, FPA

Profit before income tax from 1H FY2022 to 3Q FY2026 is shown in **Exhibit 14**.

Profit before income tax fell to S$8.4 million in 1H FY2023, S$5.2 million in 2H FY2023, S$6.0 million in 1H FY2024, and S$5.5 million in 2H FY2024, in line with the fall in gross profit, which fell with revenue in the same period.

Exhibit 14: Profit Before Income Tax (1H FY2022 to 3Q FY2026)

in S$	Actual									
	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	3Q FY2026
Gross profit	**22,206,172**	**21,834,629**	**17,863,551**	**13,326,091**	**13,932,384**	**13,253,706**	**15,966,931**	**16,251,583**	**18,134,842**	**9,576,448**
Other income	248,953	631,875	229,230	286,512	194,145	219,473	178,495	148,326	148,802	75,463
Distribution expenses	(1,608,141)	(1,536,764)	(1,442,782)	(1,437,041)	(1,403,108)	(1,470,073)	(1,573,913)	(1,434,813)	(1,623,711)	(917,434)
Administrative expenses	(5,695,295)	(5,223,042)	(5,466,425)	(4,546,564)	(4,569,347)	(4,558,304)	(4,790,651)	(4,741,021)	(5,227,864)	(2,552,831)
Other operating expenses	(2,380,262)	(2,324,525)	(2,643,969)	(2,390,777)	(1,931,657)	(1,810,937)	(1,690,841)	(1,747,187)	(1,796,908)	(980,417)
Results from operating activities	**12,771,427**	**13,382,173**	**8,539,605**	**5,238,221**	**6,222,417**	**5,633,865**	**8,090,021**	**8,476,888**	**9,635,161**	**5,201,229**
Finance income	-	-	119,231	79,182	109,859	83,534	182,962	109,552	109,197	47,420
Finance expense	-	-	(234,589)	(112,854)	(303,800)	(212,263)	(223,579)	(283,063)	(238,711)	(98,742)
Profit before tax	**12,771,427**	**13,382,173**	**8,424,247**	**5,204,549**	**6,028,476**	**5,505,136**	**8,049,404**	**8,303,377**	**9,505,647**	**5,149,907**

Source: MMH, FPA

Tax expenses:

Tax expenses rose by 44.9% to S$1.4 million in 3Q FY2026 from S$0.9 million in 3Q FY2025, with the effective tax rate rising to 26.6% in 3Q FY2026 from 22.9% in 3Q FY2025, as shown in **Exhibit 15**. MMH noted that the increase in tax expenses “was mainly due to improved profitability, as well as withholding tax incurred on dividends remitted from subsidiaries.”

Exhibit 15: Tax Expense (3Q FY2026 & 3Q FY2025)

	Actual		3Q FY2026 v 3Q FY2025	
(in S$)	3Q FY2026	3Q FY2025	Absolute Change	Change (%)
Tax expense	1,367,917	944,055	423,862	44.9%
Profit before tax	5,149,907	4,127,627	1,022,280	24.8%
Effective tax rate	**26.6%**	**22.9%**	**-**	**-**

Source: MMH, FPA

Tax expense from 1H FY2022 to 3Q FY2026 is shown in **Exhibit 16**.

Exhibit 16: Tax Expense (1H FY2022 to 3Q FY2026)

	Actual									
(in S$)	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	3Q FY2026
Tax expense	3,244,072	3,102,977	2,280,599	1,577,717	1,914,970	1,580,526	2,018,059	1,939,254	2,648,474	1,367,917
Profit before tax	12,771,427	13,382,173	8,424,247	5,204,549	6,028,476	5,505,136	8,049,404	8,303,377	9,505,647	5,149,907
Effective tax rate	**25.4%**	**23.2%**	**27.1%**	**30.3%**	**31.8%**	**28.7%**	**25.1%**	**23.4%**	**27.9%**	**26.6%**

Source: MMH, FPA

Profit after tax and Earnings Per Share ("EPS"):

After deducting income tax expenses from profit before income tax, profit after tax rose by 18.8% to S$3.8 million in 3Q FY2026 from S$3.2 million in 3Q FY2025, as shown in **Exhibit 17**. As the weighted average number of shares in 3Q FY2026 fell by less than 0.1% y-o-y, EPS (in cents) also rose by 18.8% to 2.72 in 3Q FY2026 from 2.29 in 3Q FY2025.

Exhibit 17: Profit After Tax and Earnings Per Share (3Q FY2026 & 3Q FY2025)

	Actual		3Q FY2026 v 3Q FY2025	
in S$	3Q FY2026	3Q FY2025	Absolute Change	Change (%)
Profit before tax	**5,149,907**	**4,127,627**	**1,022,280**	**24.8%**
Tax expense	(1,367,917)	(944,055)	(423,862)	44.9%
Profit after tax	**3,781,990**	**3,183,572**	**598,418**	**18.8%**
Weighted average number of ordinary shares	139,030,131	139,031,881	(1,750)	(0.0%)
Diluted EPS (SGD in cent)	**2.72**	**2.29**	**0.43**	**18.8%**

Source: MMH, FPA

Profit after tax and EPS from 1H FY2022 to 3Q FY2026 are shown in **Exhibit 18**.

Exhibit 18: Profit After Tax and Earnings Per Share (1H FY2022 to 3Q FY2026)

	Actual									
in S$	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	3Q FY2026
Profit before tax	**12,771,427**	**13,382,173**	**8,424,247**	**5,204,549**	**6,028,476**	**5,505,136**	**8,049,404**	**8,303,377**	**9,505,647**	**5,149,907**
Tax expense	(3,244,072)	(3,102,977)	(2,280,599)	(1,577,717)	(1,914,970)	(1,580,526)	(2,018,059)	(1,939,254)	(2,648,474)	(1,367,917)
Profit after tax	**9,527,355**	**10,279,196**	**6,143,648**	**3,626,832**	**4,113,506**	**3,924,610**	**6,031,345**	**6,364,123**	**6,857,173**	**3,781,990**
Weighted average number of ordinary shares	139,031,881	139,031,881	139,031,881	139,031,881	139,031,881	139,031,881	139,031,881	139,031,881	139,031,881	139,030,131
Diluted EPS (SGD in cent)	**6.85**	**7.39**	**4.42**	**2.61**	**2.96**	**2.82**	**4.34**	**4.58**	**4.93**	**2.72**

Source: MMH, FPA

Dividend Per Share ("DPS"):

MMH did not declare any dividend in 3Q FY2026, "which is in line with the Group's usual practice to declare or recommend dividend in the second quarter and fourth quarter of each financial year since its IPO" as noted by MMH.

Payout ratio fell to 67.3% in FY2025 from 128.1% in FY2023, as shown in **Exhibit 19**. We note that, by lowering its DPS from FY2023, MMH restored its cash & cash equivalents in FY2025 to above S$20.0 million as in FY2021 & FY2022. We also note that dividend payment comprised around or over 84.0% (over 93.5%) of net cash used in financing from FY2021 to FY2025 (FY2021 to FY2023), as shown in **Exhibit 19**.

Exhibit 19: Dividend Per Share (FY2021 to FY2025)

	Actual				
(in S$ unless otherwise indicated)	**FY2021**	**FY2022**	**FY2023**	**FY2024**	**FY2025**
Dividend Per Share ("DPS" in cents)	14.00	14.00	9.00	6.00	6.00
Earnings Per Share ("EPS" in cents)	12.99	14.25	7.03	5.78	8.92
Payout ratio	**107.8%**	**98.3%**	**128.1%**	**103.8%**	**67.3%**
Summary of cash flows:					
Profit after tax	**18,060,436**	**19,806,551**	**9,770,480**	**8,038,116**	**12,395,468**
Net cash generated from operating activities	25,701,460	25,222,341	17,699,778	14,577,880	18,280,911
Net cash used in investing activities	(6,716,320)	(4,515,008)	(2,423,803)	(2,245,523)	(1,228,679)
Net cash used in financing activities	(19,303,273)	(20,751,524)	(20,776,423)	(9,927,813)	(9,895,846)
Net increase in cash & cash equivalents	**(318,133)**	**(44,191)**	**(5,500,448)**	**2,404,544**	**7,156,386**
Cash & cash equivalents (start of period)	20,651,935	20,449,978	20,210,293	14,122,013	16,409,971
Effect of exchange rate fluctuations on cash held	116,176	(195,494)	(587,832)	(116,586)	(434,013)
Cash & cash equivalents (end of period)	**20,449,978**	**20,210,293**	**14,122,013**	**16,409,971**	**23,132,344**
Dividends as main source of financing cash outflow:					
Payment of dividends	(18,074,144)	(19,464,463)	(19,464,463)	(8,341,910)	(8,341,910)
Net cash used in financing activities	(19,303,273)	(20,751,524)	(20,776,423)	(9,927,813)	(9,895,846)
Payment of dividends as % of net cash used in financing activities	**93.6%**	**93.8%**	**93.7%**	**84.0%**	**84.3%**

Source: MMH, FPA

MMH's financial performance in 3Q FY2026 vs in 3Q FY2025 is summarised in **Exhibit 20**.

Exhibit 20: Financial Performance (3Q FY2025 & 3Q FY2026)

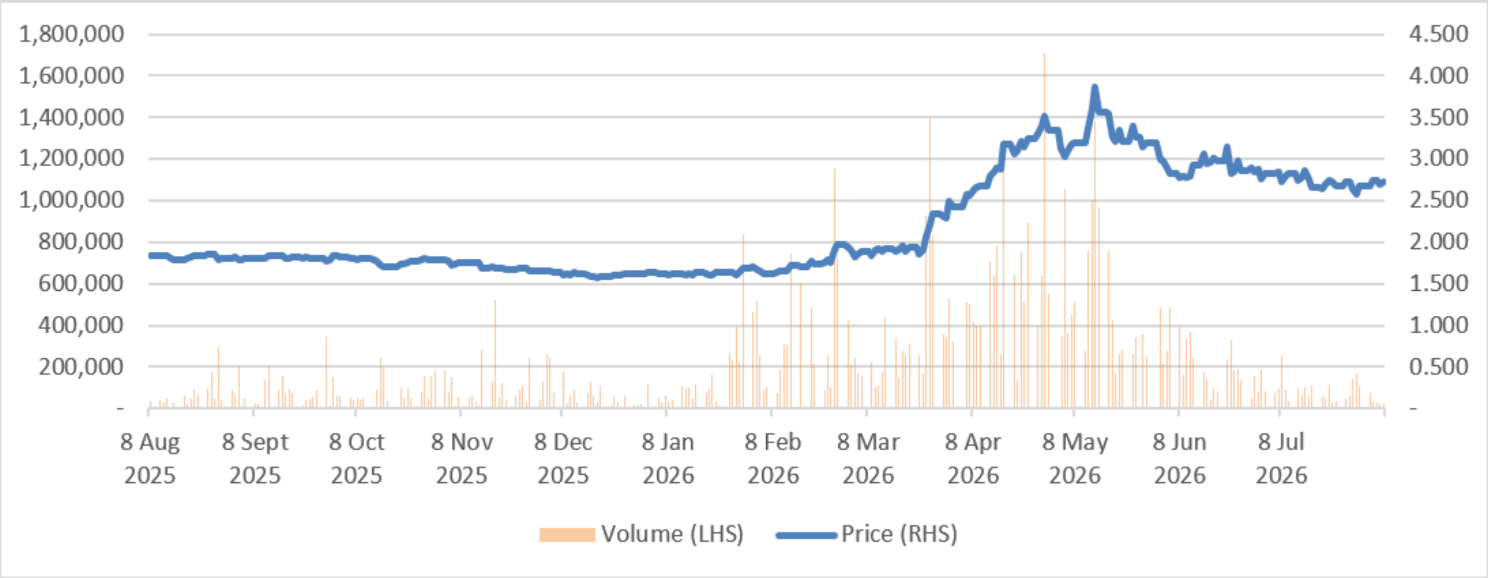
in S$	Actual		3Q FY2026 v 3Q FY2025	
	3Q FY2026	3Q FY2025	Absolute Change	Change (%)
Consumable tools / non-USA revenue	14,399,791	11,912,964	2,486,827	20.9%
WFE parts / USA revenue	4,151,115	4,045,747	105,368	2.6%
Revenue	**18,550,906**	**15,958,711**	**2,592,195**	**16.2%**
Cost of sales	(8,974,458)	(7,903,040)	(1,071,418)	13.6%
Gross profit	**9,576,448**	**8,055,671**	**1,520,777**	**18.9%**
Other income	75,463	70,955	4,508	6.4%
Distribution expenses	(917,434)	(746,793)	(170,641)	22.8%
Administrative expenses	(2,552,831)	(2,341,028)	(211,803)	9.0%
Other operating expenses	(980,417)	(865,942)	(114,475)	13.2%
Results from operating activities	**5,201,229**	**4,172,863**	**1,028,366**	**24.6%**
Finance income	47,420	53,838	(6,418)	(11.9%)
Finance expense	(98,742)	(99,074)	332	(0.3%)
Profit before tax	**5,149,907**	**4,127,627**	**1,022,280**	**24.8%**
Tax expense	(1,367,917)	(944,055)	(423,862)	44.9%
Profit after tax	**3,781,990**	**3,183,572**	**598,418**	**18.8%**
Weighted average number of ordinary shares	139,030,131	139,031,881	(1,750)	(0.0%)
Diluted EPS (SGD in cent)	**2.72**	**2.29**	**0.43**	**18.8%**

Source: MMH, FPA

RECENT SHARE PRICE DEVELOPMENTS

Over the last twelve months, MMH's share price rose by 48.4% to S$2.730 on 7 August 2026 from S$1.840 on 8 August 2025, as shown in **Exhibit 21**.

Exhibit 21: Share Price Performance (Last Twelve Months)



Source: Yahoo! Finance, FPA

We discuss developments that occurred after the publication of our previous update report dated 5 December 2025.

On 29 Jan 2026 (after trading hours), MMH released its results for 2Q FY2026. Revenue rose by 14.5% y-o-y to S$18.7 million in 2Q FY2026 while profit for the period rose by 25.2% y-o-y. MMH also declared an interim DPS (in cents) of 3.0 for 1H FY2026. Share price rose by 3.1% from S$1.630 on 29 January to S$1.680 on 30 January 2026, but subsequently fell to S$1.620 on 5 February 2026.

Subsequently, share price rose to S$3.400 on 28 April 2026 amid rising trading volumes.

On 28 April 2026 (after trading hours), MMH released its results for 3Q FY2026. Revenue rose by 16.2% y-o-y to S$18.6 million in 3Q FY2026 while profit for the period rose by 18.8% y-o-y. Share price rose by 3.5% from S$3.400 on 28 April to S$3.520 on 29 April 2026, but subsequently fell to S$3.030 on 5 May 2026.

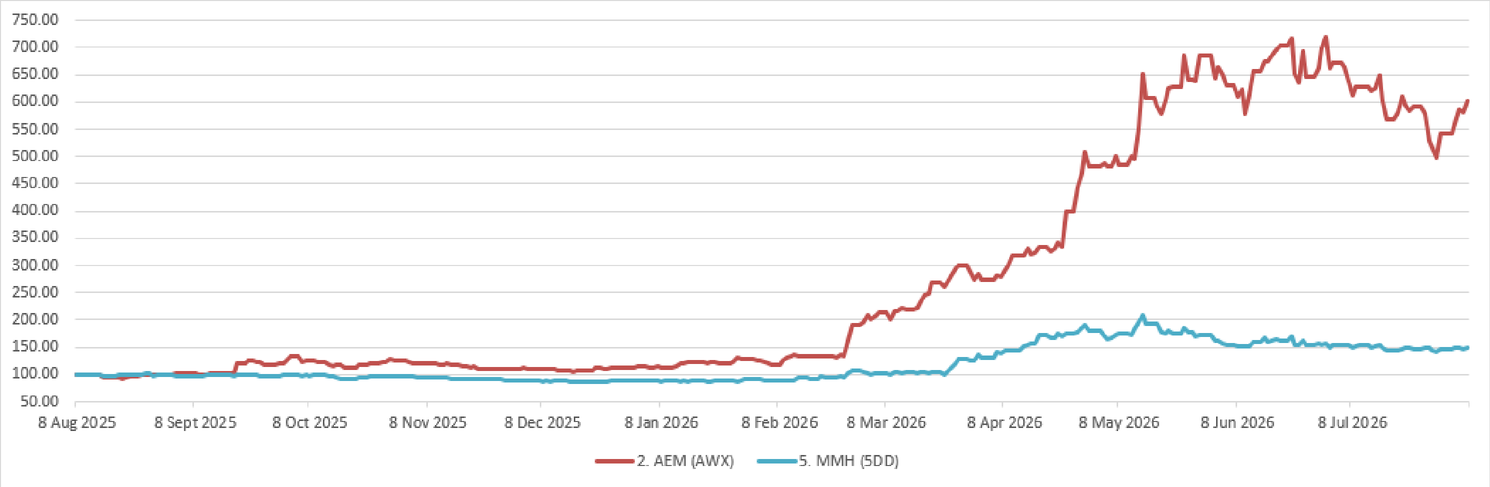
Thereafter, share price rose to S$3.860 on 14 May 2026 amid elevated trading volumes, before falling to S$2.820 on 3 July 2026 as trading volumes receded.

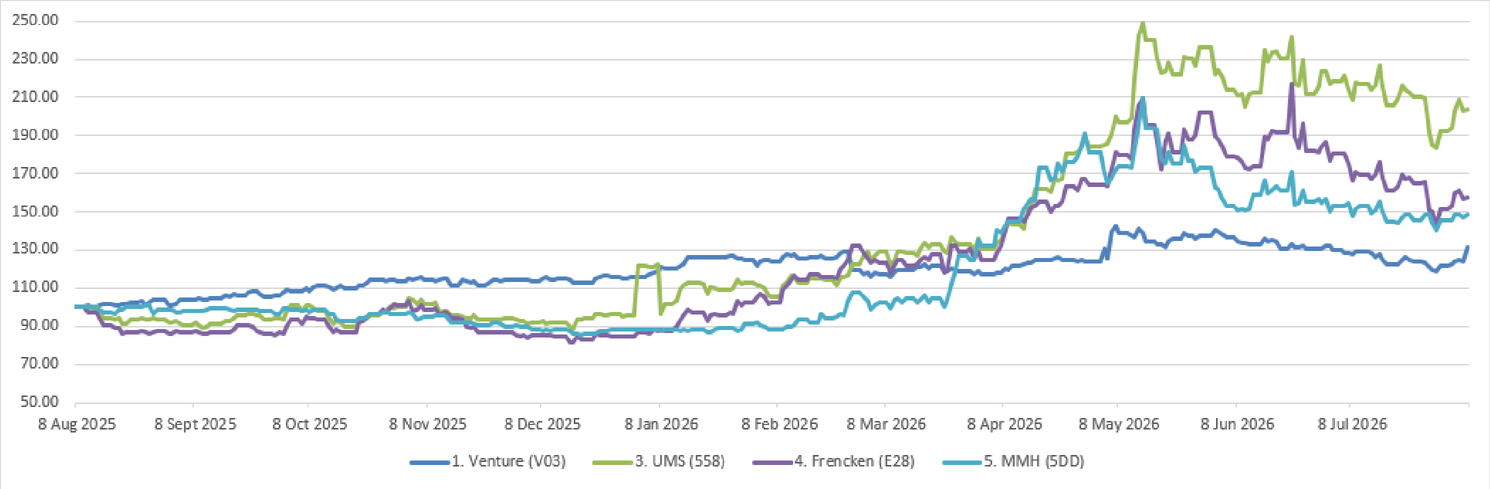
The rise in MMH's share price from 5 February to 3 July 2026 may be related to sector-wide factors. For instance, there may have been rising interest in local semiconductor-related stocks amid record y-o-y growth in global semiconductor revenues in recent months (e.g., +104.1% y-o-y in May 2026). SGX noted in April 2026, "Trading activity, institutional participation, and valuations have risen sharply across Singapore's most actively traded technology stocks in 2026. Liquidity has increased materially, alongside a swing to net institutional inflows and higher valuation multiples among incumbents." SGX also noted in June 2026, "Net institutional flows across the 49 technology stocks in 2026 to 2 June totalled S$572.6 million." SGX added that the "Semiconductor Value Chain (Core Execution)" had the "strongest" year-to-date net institutional inflows across segments, with the segment's inflows being "led by AEM Holdings, followed by Frencken Group and UMS Integration, then Nanofilm Technologies International and Micro-Mechanics (Holdings)."

However, the share prices of local semiconductor-related stocks may have begun to fall from mid-May 2026 despite continued growth in worldwide semiconductor revenues. The Business Times ("BT") reported in June 2026, "A rotation out of technology stocks swept through Asian markets on Monday (Jun 8), as investors grew concerned that the artificial intelligence-driven rally may have run ahead of fundamentals." BT also commented, "Investors were likely spooked by fears of the AI rally overheating, with tech stocks taking a hit globally, said analysts."

The share price performance of MMH and its peers over the last twelve months is shown in **Exhibit 22**.

Exhibit 22: Share Price Performance of MMH's Peers (Last Twelve Months; 8 Aug 2025 = 100.00)





Source: Yahoo! Finance, FPA

We discuss the industry outlook for MMH in the next section.

INDUSTRY OUTLOOK

SEMI reported in July 2026, “worldwide silicon wafer shipments increased 7.4% year-on-year to 3,573 million square inches (MSI)” in 2Q 2026 (4Q FY2026) “from the 3,327 MSI recorded during the same quarter of 2025.”

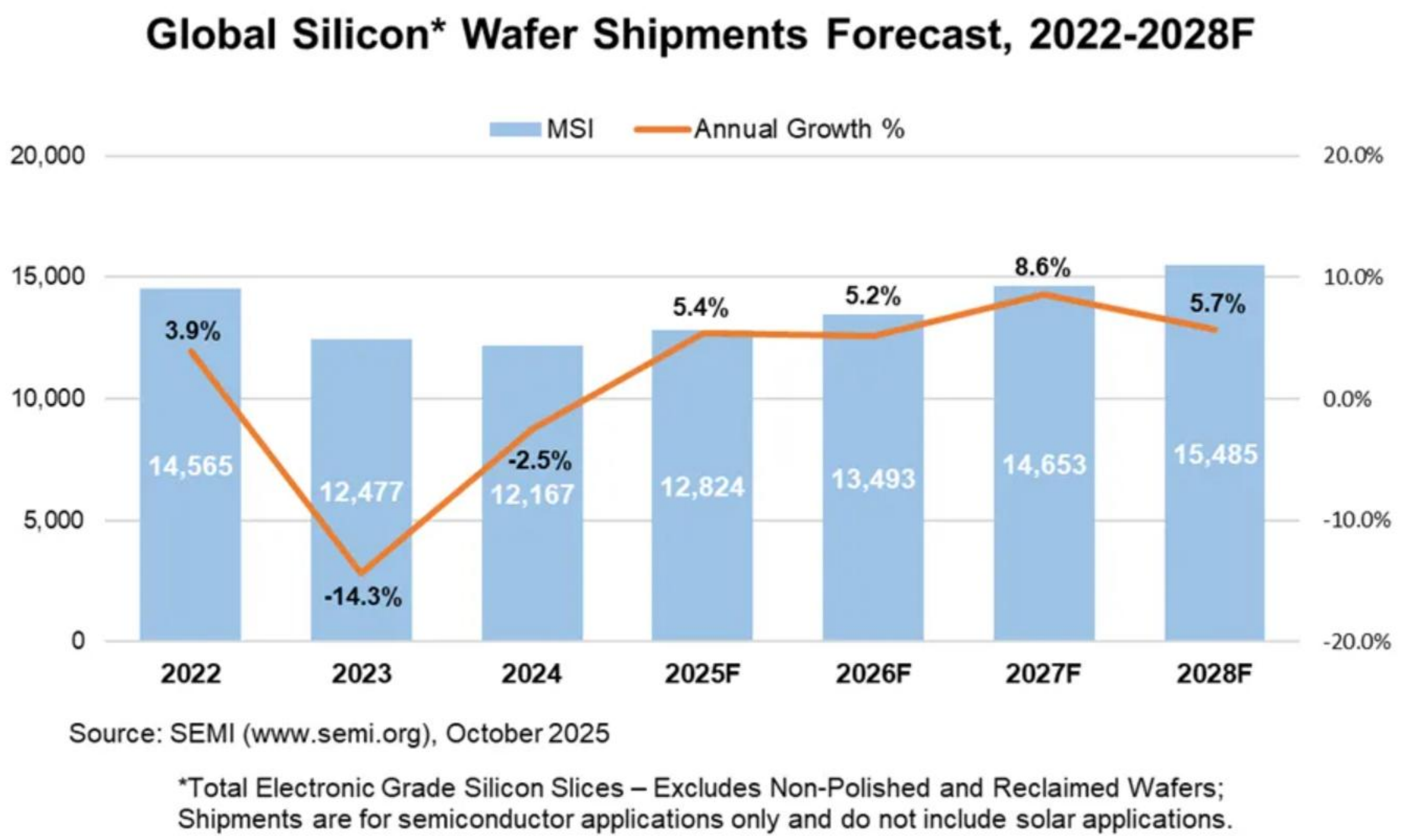
Chairman of SEMI Silicon Manufacturers Group Ginji Yada noted, “Silicon wafer shipments maintained steady growth in the second quarter, driven by strong and increasing AI-related demand beyond advanced logic and memory to include power devices, photonics, and other markets”. Ginji Yada added though, “memory price pressures are contributing to constrained PC and smartphone demand.”

Previously, SEMI forecasted in October 2025 that silicon wafer shipments “are projected to increase 5.4% in 2025 to 12,824 million square inches (MSI) followed by steady growth through 2028 when the market is expected to reach a new industry record of 15,485 MSI”, as shown in **Exhibit 23**. Later, SEMI reported in February 2026 that global wafer shipments rose to 12,973 MSI (above SEMI’s forecast of 12,824 MSI) in 2025.

Based on SEMI’s forecast and announcements, we estimate that wafer shipments will be 6,645 MSI in 2H 2026 (1H FY2027; forecast of 13,493 MSI in 2026 – actual of 6,848 MSI in 1H 2026), a 1.6% y-o-y decrease from 6,750 MSI in 2H 2025.

We also assume that global wafer shipments will rise by 8.6% to 14,653 MSI in 2027 from 13,493 MSI in 2026, and that the y-o-y growth in wafer shipments will be the same in 1H & 2H 2027, such that y-o-y growth in 1H 2027 (2H FY2027) will be 8.6%.

Exhibit 23: Forecasted Silicon Wafer Shipments (2025 to 2028)



Source: SEMI

However, we note that, from November 2022 to October 2024, SEMI's forecasts of next year wafer shipments were generally 2.7–15.9% (average of 9.8%) higher than the actual figures, as shown in **Exhibit 24** (bottom). For instance, SEMI forecasted in October 2023 that wafer shipments in 2024 would be 13,578 MSI, which was 10.7% higher than the actual figure of 12,266 MSI.

From October 2021 to October 2023, SEMI's forecasts of shipments for the year after were also generally 18.2–26.8% (average of 22.9%) higher than the eventual actual figures. SEMI may have been overly optimistic about future silicon wafer shipments.

Thus, while we may still use SEMI's forecasts for our revenue (thus earnings) projections, we caution that the resulting projections may prove to be more optimistic than warranted.

Exhibit 24: Historical Deviation of Silicon Wafer Shipment Forecasts from Actual Figures (2016 to 2025)

	Forecast (in Million Square Inches or "MSI")										
Year	Oct 2016	Oct 2017	Oct 2018	Sept 2019	Oct 2020	Oct 2021	Nov 2022	Oct 2023	Oct 2024	Oct 2025	Actual
2016	10,444										10,738
2017	10,642	11,448									11,810
2018	10,897	11,814	12,445								12,732
2019		12,235	13,090	11,757							11,810
2020			13,440	11,977	11,957						12,407
2021			13,778	12,390	12,554	13,998					14,165
2022				12,785	13,220	14,896	14,694				14,713
2023					13,761	15,587	14,600	12,512			12,602
2024						16,037	15,555	13,578	12,174		12,266
2025							16,490	15,332	13,328	12,824	12,973
2026								16,214	14,507	13,493	**n.a.**
2027									15,413	14,653	**n.a.**

	Deviation from actual									
Year	Oct 2016	Oct 2017	Oct 2018	Sept 2019	Oct 2020	Oct 2021	Nov 2022	Oct 2023	Oct 2024	Oct 2025
2016	(2.7%)									
2017	(9.9%)	(3.1%)								
2018	(14.4%)	(7.2%)	(2.3%)							
2019		3.6%	10.8%	(0.4%)						
2020			8.3%	(3.5%)	(3.6%)					
2021			(2.7%)	(12.5%)	(11.4%)	(1.2%)				
2022				(13.1%)	(10.1%)	1.2%	(0.1%)			
2023					9.2%	23.7%	15.9%	(0.7%)		
2024						30.7%	26.8%	10.7%	(0.8%)	
2025							27.1%	18.2%	2.7%	(1.1%)

n.a. = not available.

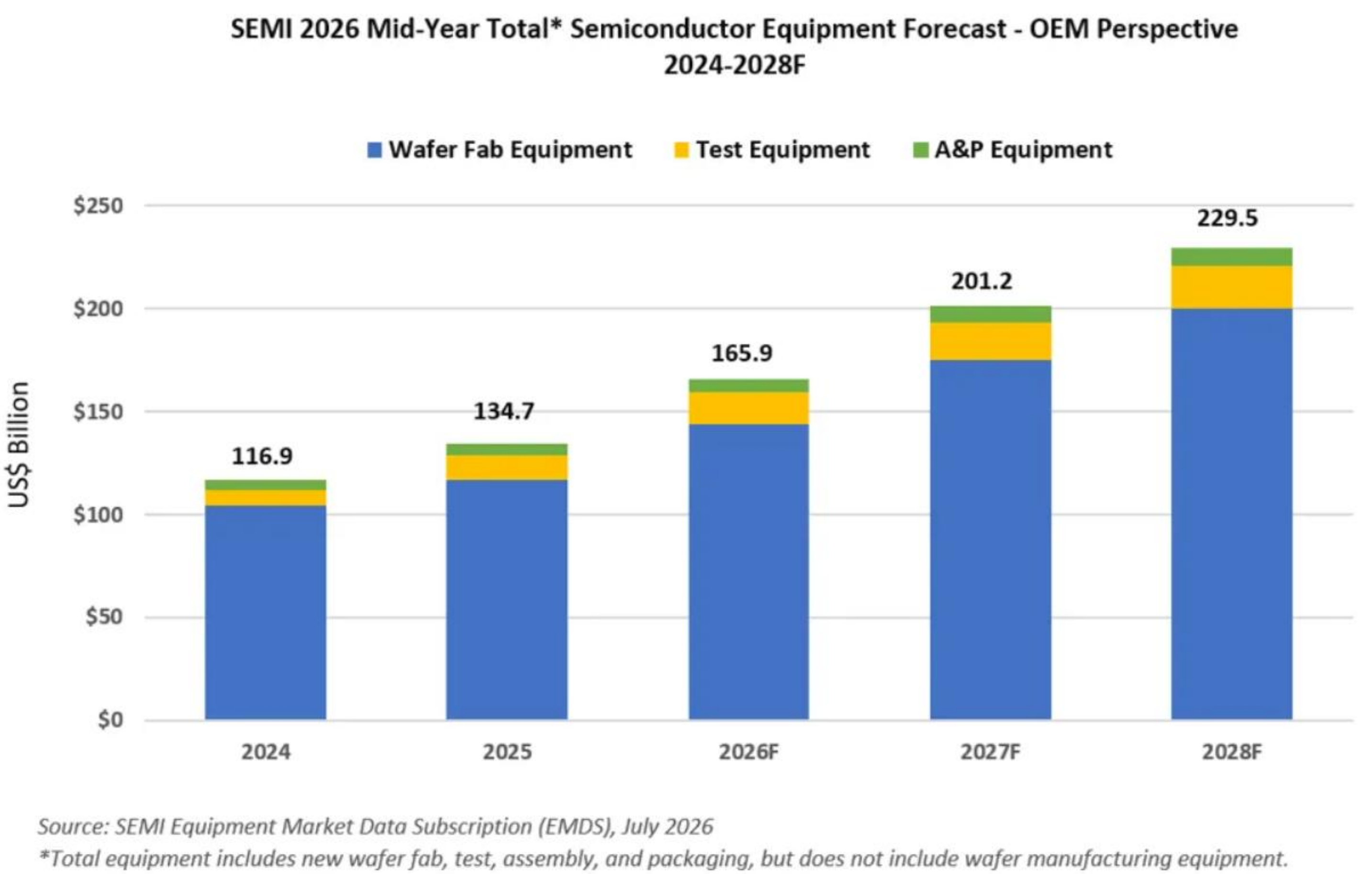
Source: SEMI, FPA

Meanwhile, SEMI forecasted in July 2026 that global semiconductor equipment sales would rise by 23.2% y-o-y to US$165.9 billion in 2026, as shown in **Exhibit 25**.

SEMI noted, "Growth momentum is expected to continue through 2028, with total equipment sales forecast to reach a record $229.5 billion, marking five consecutive years of growth as AI-driven demand reshapes semiconductor manufacturing investment." SEMI added, "The stronger outlook reflects accelerating investment in AI infrastructure, leading-edge logic, advanced memory, and back-end technologies needed to support higher compute density, high bandwidth memory (HBM)-related investment, and increasingly complex device architectures."

SEMI reported in June 2026 that "global semiconductor equipment billings increased 14% year-over-year to US$36.55 billion" in 1Q 2026 (3Q FY2026). SEMI noted, "Record quarterly billings were driven by continued AI-related investment, including capacity expansion and technology upgrades supporting leading-edge logic, DRAM, and advanced packaging."

Exhibit 25: Forecasted Equipment Sales (2026 to 2028)



Source: SEMI

We note that, from July 2021 to July 2026, SEMI generally provided conservative forecasts of equipment sales, as shown in **Exhibit 26**. Thus, projections resulting from the use of SEMI's equipment sales forecasts are likely to be warranted.

Exhibit 26: Historical Deviation of Equipment Sales Forecasts from Actual Figures (2016 to 2025)

Year	Forecast (in US$ billion)									Actual
	Jul 2021	Dec 2022	Jul 2023	Dec 2023	Jul 2024	Dec 2024	Jul 2025	Dec 2025	Jul 2026	
2021	95.29									102.50
2022	101.31	108.54								107.40
2023		91.20	87.41	100.90						105.91
2024		107.16	100.00	105.31	109.47	112.83				116.9
2025				124.13	127.53	121.47	125.51			134.7
2026						139.42	138.12	145	165.9	
2027								156	201.2	
2028									229.5	

Year	Deviation from actual								
	Jul 2021	Dec 2022	Jul 2023	Dec 2023	Jul 2024	Dec 2024	Jul 2025	Dec 2025	Jul 2026
2021	(7.0%)								
2022	(5.7%)	1.1%							
2023		(13.9%)	(17.5%)	(4.7%)					
2024		(8.3%)	(14.5%)	(9.9%)	(6.4%)	(3.5%)			
2025				(7.8%)	(5.3%)	(9.8%)	(6.8%)		

Source: SEMI, FPA

We also note that SEMI's equipment billing figures (for which SEMI provides geographical breakdowns) have been within 0.3% higher than its equipment sales figures (for which SEMI provides projections but does not provide geographical breakdowns) over the past five years, as shown in **Exhibit 27** (top).

China's equipment billings rose by over 67% from US$29.62 billion in 2021 to US$49.55 billion in 2024, before falling by 0.5% to US$49.31 billion in 2025, as shown in **Exhibit 27** (bottom). SEMI noted in April 2026, "China, Taiwan, Korea, and the Americas are each expected to see substantial levels of spending" from 2027 to 2029, and that Chinese investment "is expected to remain supported by ongoing domestic capacity expansion and national initiatives aimed at strengthening semiconductor manufacturing capabilities." Accordingly, we assume that Chinese equipment billings will grow at the same rate as global equipment billings.

We also assume that the y-o-y growth of equipment billings in 1H & 2H of each year will be the same as that for the full year.

Exhibit 27: Equipment Billings (Total excluding China) (2021 to 2025; projections from 2026)

(in US$ billion)	Actual					Projection	
	2021	2022	2023	2024	2025	2026	2027
Equipment billings	102.64	107.64	106.25	117.14	135.06	166.4	201.8
Equipment sales (proj. from Jul '26 article)	102.50	107.40	105.91	116.86	134.7	165.9	201.2
Difference (%)	**0.1%**	**0.2%**	**0.3%**	**0.2%**	**0.3%**	**0.3%**	**0.3%**

(in US$ billion)	Actual					Projection	
	2021	2022	2023	2024	2025	2026	2027
Equipment billings (total)	102.64	107.64	106.25	117.14	135.06	166.36	201.76
Equipment billings (China)	(29.62)	(28.27)	(36.60)	(49.55)	(49.31)	(60.74)	(73.66)
Equipment billings (excl. China)	**73.02**	**79.37**	**69.65**	**67.59**	**85.75**	**105.62**	**128.10**

Source: SEMI, FPA

FINANCIAL PROJECTIONS

(I) REVENUE & GROSS PROFIT PROJECTIONS

Revenue:

We assume that the y-o-y change in Consumable Tools revenue from 2H FY2026 to 2H FY2027 will be the same as that of silicon wafer shipments in the same period. Thus, we project that Consumable Tools revenue will be S$26.2 million in 2H FY2026 (totalling S$54.8 million in FY2026), S$25.1 million in 1H FY2027, and S$28.5 million in 2H FY2027 (S$53.5 million in FY2027), as shown in **Exhibit 28**.

We also assume that the y-o-y change in WFE Parts revenue from 2H FY2026 to 2H FY2027 will be the same as that of equipment billings (excluding China) in the same period. Thus, we project that WFE Parts revenue will be S$9.5 million in 2H FY2026 (totalling S$16.2 million in FY2026), S$8.3 million in 1H FY2027, and S$11.5 million in 2H FY2027 (S$19.8 million in FY2027), as also shown in **Exhibit 28**.

Overall, we project that revenue will be S$71.1 million in FY2026 and S$73.3 million in FY2027.

Exhibit 28: Projected Revenue (2H FY2026 to 2H FY2027)

	Actual								Projection		
(in S$ unless indicated otherwise)	**1H FY2023**	**2H FY2023**	**1H FY2024**	**2H FY2024**	**1H FY2025**	**2H FY2025**	**1H FY2026**	**3Q FY2026**	**2H FY2026**	**1H FY2027**	**2H FY2027**
Consumable tools / non-USA revenue	26,501,752	22,052,204	23,919,661	23,807,247	25,454,226	24,970,843	28,621,142	14,399,791	26,198,301	25,058,271	28,450,582
WFE parts / USA revenue	10,412,683	8,055,354	5,432,831	4,728,639	7,082,255	7,703,351	6,752,997	4,151,115	9,488,470	8,317,887	11,507,415
Revenue	**36,914,435**	**30,107,558**	**29,352,492**	**28,535,886**	**32,536,481**	**32,674,194**	**35,374,139**	**18,550,906**	**35,686,771**	**33,376,159**	**39,957,997**
Consumable Tools:									-		-
Consumable Tools / Non-USA	26,501,752	22,052,204	23,919,661	23,807,247	25,454,226	24,970,843	28,621,142	14,399,791	26,198,301	25,058,271	28,450,582
Consumable Tools / Non-USA (period one year ago)	32,704,121	32,168,018	26,501,752	22,052,204	23,919,661	23,807,247	25,454,226	11,912,964	23,807,247	25,454,226	26,198,301
Y-o-y change	**(19.0%)**	**(31.4%)**	**(9.7%)**	**8.0%**	**6.4%**	**4.9%**	**12.4%**	**20.9%**	**10.0%**	**(1.6%)**	**8.6%**
Silicon wafer shipments (in Million Square Inches or "MSI")	7,330	6,596	6,006	5,869	6,396	6,223	6,750	3,275	6,848	6,645	7,437
Silicon wafer shipments (in MSI; period one year ago)	7,294	7,383	7,330	6,596	6,006	5,869	6,396	2,896	6,223	6,750	6,848
Y-o-y change	**0.5%**	**(10.7%)**	**(18.1%)**	**(11.0%)**	**6.5%**	**6.0%**	**5.5%**	**13.1%**	**10.0%**	**(1.6%)**	**8.6%**
WFE Parts / USA:											
WFE Parts / USA	10,412,683	8,055,354	5,432,831	4,728,639	7,082,255	7,703,351	6,752,997	4,151,115	9,488,470	8,317,887	11,507,415
WFE Parts / USA (period one year ago)	8,128,660	9,463,966	10,412,683	8,055,354	5,432,831	4,728,639	7,082,255	4,045,747	7,703,351	6,752,997	9,488,470
Y-o-y change	**28.1%**	**(14.9%)**	**(47.8%)**	**(41.3%)**	**30.4%**	**62.9%**	**(4.6%)**	**2.6%**	**23.2%**	**23.2%**	**21.3%**
Equipment billings (total excl. China; in US$ B)	42.39	39.23	30.42	28.47	39.13	43.50	42.24	25.56	53.58	52.03	64.98
Equipment billings (total excl. China; in US$ B; one year ago)	38.75	36.99	42.39	39.23	30.42	28.47	39.13	21.79	43.50	42.24	53.58
Y-o-y change	**9.4%**	**6.1%**	**(28.2%)**	**(27.4%)**	**28.6%**	**52.8%**	**7.9%**	**17.3%**	**23.2%**	**23.2%**	**21.3%**
Equipment billings (total; in US$ B)	56.53	52.65	53.60	53.20	63.94	65.12	69.93	36.55	80.21	86.14	97.28
Deduct: Equipment billings (China; in US$ B)	(14.14)	(13.42)	(23.18)	(24.73)	(24.81)	(21.62)	(27.69)	(10.99)	(26.63)	(34.11)	(32.30)
Equipment billings (total excl. China; in US$ B)	**42.39**	**39.23**	**30.42**	**28.47**	**39.13**	**43.50**	**42.24**	**25.56**	**53.58**	**52.03**	**64.98**

Source: MMH, SEMI, FPA

Gross profit:

We assume that gross margin will trend with Consumable Tools (non-USA) as a percentage of revenue. Thus, we project that gross profit will be S$17.3 million in 2H FY2026 (totalling S$35.4 million in FY2026), S$16.5 million in 1H FY2027, and S$18.8 million in 2H FY2027 (S$35.3 million in FY2027), as shown in **Exhibit 29**.

Exhibit 29: Projected Gross Profit (2H FY2026 to 2H FY2027)

	Actual								Projection		
(in S$)	**1H FY2023**	**2H FY2023**	**1H FY2024**	**2H FY2024**	**1H FY2025**	**2H FY2025**	**1H FY2026**	**3Q FY2026**	**2H FY2026**	**1H FY2027**	**2H FY2027**
Gross profit	17,863,551	13,326,091	13,932,384	13,253,706	15,966,931	16,251,583	18,134,842	9,576,448	17,293,801	16,529,904	18,798,582
Revenue	36,914,435	30,107,558	29,352,492	28,535,886	32,536,481	32,674,194	35,374,139	18,550,906	35,686,771	33,376,159	39,957,997
Gross margin	**48.4%**	**44.3%**	**47.5%**	**46.4%**	**49.1%**	**49.7%**	**51.3%**	**51.6%**	**48.5%**	**49.5%**	**47.0%**
Consumable tools as a % of revenue	**71.8%**	**73.2%**	**81.5%**	**83.4%**	**78.2%**	**76.4%**	**80.9%**	**77.6%**	**73.4%**	**75.1%**	**71.2%**

Source: MMH, FPA

(II) EARNINGS PROJECTION

Operating expenses:

We assume that, as percentages of revenue, all three operating expenses from 2H FY2026 to 2H FY2027 will remain the same as in 3Q FY2026. Thus, we project that operating expenses will be S$8.6 million in 2H FY2026 (S$17.2 million in FY2026), S$8.0 million in 1H FY2027, and S$9.6 million in 2H FY2027 (S$17.6 million in FY2027), as shown in **Exhibit 30**.

Exhibit 30: Projected Operating Expenses (2H FY2026 to 2H FY2027)

	Actual								Projection		
(in S$)	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	3Q FY2026	2H FY2026	1H FY2027	2H FY2027
Distribution expenses	(1,442,782)	(1,437,041)	(1,403,108)	(1,470,073)	(1,573,913)	(1,434,813)	(1,623,711)	(917,434)	(1,764,887)	(1,650,616)	(1,976,120)
Administrative expenses	(5,466,425)	(4,546,564)	(4,569,347)	(4,558,304)	(4,790,651)	(4,741,021)	(5,227,864)	(2,552,831)	(4,910,935)	(4,592,967)	(5,498,708)
Other operating expenses	(2,643,969)	(2,390,777)	(1,931,657)	(1,810,937)	(1,690,841)	(1,747,187)	(1,796,908)	(980,417)	(1,886,049)	(1,763,933)	(2,111,784)
Operating expenses	**(9,553,176)**	**(8,374,382)**	**(7,904,112)**	**(7,839,314)**	**(8,055,405)**	**(7,923,021)**	**(8,648,483)**	**(4,450,682)**	**(8,561,871)**	**(8,007,516)**	**(9,586,612)**
As % of revenue:											
Distribution expenses	3.9%	4.8%	4.8%	5.2%	4.8%	4.4%	4.6%	4.9%	4.9%	4.9%	4.9%
Administrative expenses	14.8%	15.1%	15.6%	16.0%	14.7%	14.5%	14.8%	13.8%	13.8%	13.8%	13.8%
Other operating expenses	7.2%	7.9%	6.6%	6.3%	5.2%	5.3%	5.1%	5.3%	5.3%	5.3%	5.3%
Operating expenses	**25.9%**	**27.8%**	**26.9%**	**27.5%**	**24.8%**	**24.2%**	**24.4%**	**24.0%**	**24.0%**	**24.0%**	**24.0%**

Source: MMH, FPA

Other income, finance income, and finance expense:

We assume no foreign exchange gain or loss from 2H FY2026 to 2H FY2027.

For other income, we assume: (1) no gain on disposal of Property, Plant, and Equipment from 2H FY2026 to 2H FY2027; and (2) “Others” in other income from 2H FY2026 to 2H FY2027 will be the semi-annualised average from 1H FY2024 to 3Q FY2026. Rental income ceased from October 2024 (2Q FY2025). Government grants may no longer rise to S$53.0K like in 2H FY2024 or to S$37.2K like in 2H FY2023, years after COVID-19. Accordingly, we assume that quarterly government grants from 4Q FY2026 to 2H FY2027 will be the same as in 3Q FY2026.

In the Summary of Economic Projections released by the U.S. Federal Reserve in June 2026, the median projected federal funds rate was 3.8% in end-2026, and 3.6% in end-2027. In July 2026, the U.S. Federal Reserve maintained the target federal funds range at 3.50–3.75%. Accordingly, we assume that the U.S. Federal Reserve will raise the target federal funds rate by 25 basis points (“bps”) in September 2026, then lower the target federal funds rate by 25 bps in July 2027 (after mid-2027), such that the average EFFR will be 3.6% in 2H FY2026, 3.8% in 1H FY2027, and 3.9% in 2H FY2027. We also assume that: (1) the annualised effective interest on interest income from 2H FY2026 to 2H FY2027 will rise in line with the rise in average EFFR; and (2) (for projecting finance income) cash & bank balances from 2H FY2026 to 2H FY2027 will be S$25.7 million, the same as in 3Q FY2026.

We assume that bank charges, unwind of discount on restoration cost provision, and interest expense on lease liabilities from 2H FY2026 to 2H FY2027 will be the respective semi-annualised averages from 1H FY2024 to 3Q FY2026.

Our projections of other income, finance income, and finance expense from 2H FY2026 to 2H FY2027 are shown in **Exhibit 31**.

Exhibit 31: Projected Other Income, Finance Income, and Finance Expense (2H FY2026 to 2H FY2027)

	Actual										Projection		
(in S$)	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	3Q FY2026	2H FY2026	1H FY2027	2H FY2027
Gain/(loss) on disposal of property, plant and equipment	(9,353)	260,878	6,372	68,460	9,560	4,627	2,213	3,385	3,999	-	-	-	-
Rental income	61,116	60,348	65,062	64,785	62,690	61,794	32,743	68	-	-	-	-	-
Government grant	30,565	46,209	15,873	37,192	16,990	53,016	12,186	16,985	5,597	3,118	6,236	6,236	6,236
Exchange gain	2,888	72,973	-	-	-	-	-	-	-	-	-	-	-
Interest income from banks and others	24,339	43,871	-	-	-	-	-	-	-	-	-	-	-
Others	139,398	147,596	141,923	116,075	104,905	100,036	131,353	127,888	139,206	72,345	124,680	124,680	124,680
Other income	**248,953**	**631,875**	**229,230**	**286,512**	**194,145**	**219,473**	**178,495**	**148,326**	**148,802**	**75,463**	**130,916**	**130,916**	**130,916**

	Actual										Projection		
(in S$)	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	3Q FY2026	2H FY2026	1H FY2027	2H FY2027
Interest income from banks and others	-	-	90,143	79,182	109,859	83,534	118,908	109,552	109,197	47,420	95,226	101,333	103,005
Foreign currency exchange losses, net /(gains, net)	-	-	(29,088)	-	-	-	(64,054)	-	-	-	-	-	-
Finance income	**-**	**-**	**119,231**	**79,182**	**109,859**	**83,534**	**182,962**	**109,552**	**109,197**	**47,420**	**95,226**	**101,333**	**103,005**
Effective interest on interest income:													
Interest income from banks and others	24,339	43,871	90,143	79,182	109,859	83,534	118,908	109,552	109,197	47,420	95,226	101,333	103,005
Cash and cash equivalent balances	18,325,954	20,368,243	18,014,293	14,266,863	14,969,428	16,567,727	20,236,591	23,283,594	27,239,795	25,672,368	25,672,368	25,672,368	25,672,368
Effective interest in interest income (annualised)	**0.3%**	**0.4%**	**1.0%**	**1.1%**	**1.5%**	**1.0%**	**1.2%**	**0.9%**	**0.8%**	**0.7%**	**0.7%**	**0.8%**	**0.8%**
Average effective federal funds rate	**0.1%**	**0.4%**	**2.9%**	**4.8%**	**5.3%**	**5.3%**	**5.0%**	**4.3%**	**4.1%**	**3.6%**	**3.6%**	**3.8%**	**3.9%**

	Actual										Projection		
(in S$)	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	3Q FY2026	2H FY2026	1H FY2027	2H FY2027
Bank charges	-	-	48,382	29,836	46,650	42,634	47,826	44,499	46,606	20,630	44,913	44,913	44,913
Unwind of discount on restoration cost provision	-	-	4,732	8,853	9,099	9,351	9,612	9,880	10,154	5,183	9,744	9,744	9,744
Interest expense on lease liabilities	-	-	38,432	57,435	96,826	73,700	47,500	36,670	79,356	43,814	70,280	70,280	70,280
Foreign currency exchange losses, net /(gains, net)	-	-	143,043	16,730	151,225	86,578	118,641	192,014	102,595	29,115	-	-	-
Finance expense	**-**	**-**	**234,589**	**112,854**	**303,800**	**212,263**	**223,579**	**283,063**	**238,711**	**98,742**	**124,936**	**124,936**	**124,936**

Source: MMH, U.S. Federal Reserve, Federal Reserve Bank of New York (EFFRs), FPA

Profit before income tax:

Accordingly, we project profit before income tax to be S$8.8 million in 2H FY2026 (totalling S$18.3 million in FY2026), S$8.6 million in 1H FY2027, and S$9.3 million in 2H FY2027 (S$18.0 million in FY2027), as shown in **Exhibit 32**.

Exhibit 32: Projected Profit Before Income Tax (2H FY2026 to 2H FY2027)

	Actual								Projection		
in S$	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	3Q FY2026	2H FY2026	1H FY2027	2H FY2027
Gross profit	**17,863,551**	**13,326,091**	**13,932,384**	**13,253,706**	**15,966,931**	**16,251,583**	**18,134,842**	**9,576,448**	**17,293,801**	**16,529,904**	**18,798,582**
Other income	229,230	286,512	194,145	219,473	178,495	148,326	148,802	75,463	130,916	130,916	130,916
Distribution expenses	(1,442,782)	(1,437,041)	(1,403,108)	(1,470,073)	(1,573,913)	(1,434,813)	(1,623,711)	(917,434)	(1,764,887)	(1,650,616)	(1,976,120)
Administrative expenses	(5,466,425)	(4,546,564)	(4,569,347)	(4,558,304)	(4,790,651)	(4,741,021)	(5,227,864)	(2,552,831)	(4,910,935)	(4,592,967)	(5,498,708)
Other operating expenses	(2,643,969)	(2,390,777)	(1,931,657)	(1,810,937)	(1,690,841)	(1,747,187)	(1,796,908)	(980,417)	(1,886,049)	(1,763,933)	(2,111,784)
Results from operating activities	**8,539,605**	**5,238,221**	**6,222,417**	**5,633,865**	**8,090,021**	**8,476,888**	**9,635,161**	**5,201,229**	**8,862,846**	**8,653,304**	**9,342,886**
Finance income	119,231	79,182	109,859	83,534	182,962	109,552	109,197	47,420	95,226	101,333	103,005
Finance expense	(234,589)	(112,854)	(303,800)	(212,263)	(223,579)	(283,063)	(238,711)	(98,742)	(124,936)	(124,936)	(124,936)
Profit before tax	**8,424,247**	**5,204,549**	**6,028,476**	**5,505,136**	**8,049,404**	**8,303,377**	**9,505,647**	**5,149,907**	**8,833,135**	**8,629,701**	**9,320,955**

Source: MMH, FPA

Income tax expenses:

We assume that the effective tax rate from 2H FY2026 to 2H FY2027 will be 26.6%, the same as in 3Q FY2026, as shown in **Exhibit 33** (bottom).

Exhibit 33: Projected Income Tax Expenses (2H FY2026 to 2H FY2027)

	Actual								Projection		
(in S$)	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	3Q FY2026	2H FY2026	1H FY2027	2H FY2027
Tax expense	2,280,599	1,577,717	1,914,970	1,580,526	2,018,059	1,939,254	2,648,474	1,367,917	2,346,255	2,292,219	2,475,830
Profit before tax	8,424,247	5,204,549	6,028,476	5,505,136	8,049,404	8,303,377	9,505,647	5,149,907	8,833,135	8,629,701	9,320,955
Effective tax rate	**27.1%**	**30.3%**	**31.8%**	**28.7%**	**25.1%**	**23.4%**	**27.9%**	**26.6%**	**26.6%**	**26.6%**	**26.6%**

Source: MMH, FPA

Profit after tax and EPS:

After deducting income tax expenses from profit before income tax, we project that profit after tax would be S$6.5 million in 2H FY2026 (S$13.3 million in FY2026), S$6.3 million in 1H FY2027, and S$6.8 million in 2H FY2027 (S$13.2 million in FY2027), as shown in **Exhibit 34**.

We assume that: (1) the weighted average number of shares in 1H & 2H FY2027 will be 138,781,881, the total number of issued shares (excluding treasury shares) as at 2 July 2026; and (2) the weighted average number of shares in 2H FY2026 will be the average of those in 1H FY2026 and 1H FY2027. Thus, we project that EPS (in cents) will be 4.67 in 2H FY2026 (totalling 9.60 in FY2026), 4.57 in 1H FY2027, and 4.93 in 2H FY2027 (9.50 in FY2027).

Exhibit 34: Projected Profit After Tax and Earnings Per Share (2H FY2026 to 2H FY2027)

	Actual								Projection		
in S$	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	3Q FY2026	2H FY2026	1H FY2027	2H FY2027
Profit before tax	**8,424,247**	**5,204,549**	**6,028,476**	**5,505,136**	**8,049,404**	**8,303,377**	**9,505,647**	**5,149,907**	**8,833,135**	**8,629,701**	**9,320,955**
Tax expense	(2,280,599)	(1,577,717)	(1,914,970)	(1,580,526)	(2,018,059)	(1,939,254)	(2,648,474)	(1,367,917)	(2,346,255)	(2,292,219)	(2,475,830)
Profit after tax	**6,143,648**	**3,626,832**	**4,113,506**	**3,924,610**	**6,031,345**	**6,364,123**	**6,857,173**	**3,781,990**	**6,486,880**	**6,337,482**	**6,845,125**
Weighted average number of ordinary shares	139,031,881	139,031,881	139,031,881	139,031,881	139,031,881	139,031,881	139,031,881	139,030,131	138,906,881	138,781,881	138,781,881
Diluted EPS (SGD in cent)	**4.42**	**2.61**	**2.96**	**2.82**	**4.34**	**4.58**	**4.93**	**2.72**	**4.67**	**4.57**	**4.93**

Source: MMH, FPA

(III) DIVIDEND PROJECTION

We assume that MMH will declare DPS (in cents) of 6.0 for each of 2H FY2026 & 2H FY2027, and 3.0 for 1H FY2027, as we project that MMH would still be able to maintain similar levels of cash & cash equivalents as in 1H FY2026 and 3Q FY2026, as shown in **Exhibit 35**.

Exhibit 35: Projected Cash Flows Statement and Dividend Per Share (2H FY2026 to 2H FY2027)

	Actual								Projection		
(in respective units)	**1H FY2023**	**2H FY2023**	**1H FY2024**	**2H FY2024**	**1H FY2025**	**2H FY2025**	**1H FY2026**	**3Q FY2026**	**2H FY2026**	**1H FY2027**	**2H FY2027**
Dividend Per Share ("DPS" in cents)	6.00	3.00	3.00	3.00	3.00	3.00	3.00	-	6.00	3.00	6.00
Mutiply by: Total issued shares (excl. treasury shares)	139,031,881	139,031,881	139,031,881	139,031,881	139,031,881	139,031,881	139,031,881	139,005,581	138,781,881	138,781,881	138,781,881
Dividends paid/to be paid (in S$)	**8,341,913**	**4,170,956**	**4,170,956**	**4,170,956**	**4,170,956**	**4,170,956**	**4,170,956**	**-**	**8,326,913**	**4,163,456**	**8,326,913**
Dividends paid (next period; in S$)	**8,341,913**	**4,170,956**	**4,170,954**	**4,170,956**	**4,170,954**	**4,170,956**	**4,170,956**	**-**	**8,326,913**	**4,163,456**	**8,326,913**

	Actual								Projection		
(in S$)	**1H FY2023**	**2H FY2023**	**1H FY2024**	**2H FY2024**	**1H FY2025**	**2H FY2025**	**1H FY2026**	**3Q FY2026**	**2H FY2026**	**1H FY2027**	**2H FY2027**
Summarised cash flows statement:											
Net cash from operating activities	12,299,102	5,400,676	6,990,859	7,587,021	9,630,487	8,863,699	9,433,135	3,309,581	8,679,410	8,568,972	9,029,876
Net cash used in investing activities	(2,410,885)	(12,918)	(1,177,268)	(1,068,255)	(1,061,886)	(380,068)	(687,548)	(413,441)	(879,140)	(873,033)	(871,361)
Net cash used in financing activities	(11,764,864)	(9,011,559)	(4,945,686)	(4,982,127)	(4,956,084)	(4,939,762)	(4,988,859)	(4,629,081)	(9,122,810)	(4,959,353)	(9,122,810)
Net (decrease)/ increase in cash and cash equivalents	**(1,876,647)**	**(3,623,801)**	**867,905**	**1,536,639**	**3,612,517**	**3,543,869**	**3,756,728**	**(1,732,941)**	**(1,322,540)**	**2,736,585**	**(964,295)**
Cash and cash equivalents at beginning of period	20,210,293	17,861,944	14,122,013	14,825,828	16,409,971	20,069,790	23,132,344	27,081,545	27,081,545	25,759,005	28,495,590
Effect of exchange rate fluctuations on cash held	(471,702)	(116,130)	(164,091)	47,504	47,302	(481,315)	192,473	163,864	-	-	-
Cash and cash equivalents at the end of period	**17,861,944**	**14,122,013**	**14,825,828**	**16,409,971**	**20,069,790**	**23,132,344**	**27,081,545**	**25,512,468**	**25,759,005**	**28,495,590**	**27,531,295**
Cash flows statement:											
Profit for the period	**6,143,648**	**3,626,832**	**4,113,506**	**3,924,610**	**6,031,345**	**6,364,123**	**6,857,173**	**3,781,990**	**6,486,880**	**6,337,482**	**6,845,125**
Adjustments for non-cash items	5,597,042	4,990,037	5,292,833	4,970,619	5,203,592	5,049,846	5,646,953	2,841,801	5,513,919	5,453,776	5,635,714
Operating profit before changes in working capital	**11,740,690**	**8,616,869**	**9,406,339**	**8,895,229**	**11,234,937**	**11,413,969**	**12,504,126**	**6,623,791**	**12,000,799**	**11,791,257**	**12,480,839**
Changes in working capital	2,774,652	(168,754)	(680,594)	428,238	341,803	(787,767)	(684,246)	(2,093,901)	(930,179)	(930,179)	(930,179)
Cash generated from operations	**14,515,342**	**8,448,115**	**8,725,745**	**9,323,467**	**11,576,740**	**10,626,202**	**11,819,880**	**4,529,890**	**11,070,620**	**10,861,079**	**11,550,660**
Retirement benefits adjustment/(paid)	-	-	-	-	(48,409)	(145)	(41,500)	369	(44,955)	112	(44,955)
Income tax paid	(2,216,240)	(3,047,439)	(1,734,886)	(1,736,446)	(1,897,844)	(1,762,358)	(2,345,245)	(1,220,678)	(2,346,255)	(2,292,219)	(2,475,830)
Net cash from operating activities	**12,299,102**	**5,400,676**	**6,990,859**	**7,587,021**	**9,630,487**	**8,863,699**	**9,433,135**	**3,309,581**	**8,679,410**	**8,568,972**	**9,029,876**
Purchase of property, plant and equipment	(2,512,696)	(823,209)	(1,297,795)	(1,163,778)	(1,182,873)	(476,314)	(799,166)	(463,135)	(974,366)	(974,366)	(974,366)
Proceeds from disposal of property, plant and equipment	21,357	732,768	15,793	6,834	2,219	3,386	4,000	-	-	-	-
Proceeds from disposal of assets held for sale	-	-	-	-	-	-	-	-	-	-	-
Deposits pledged (investing)	-	-	-	-	-	-	-	-	-	-	-
Interest received	80,454	77,523	104,734	88,689	118,768	92,860	107,618	49,694	95,226	101,333	103,005
Net cash used in investing activities	**(2,410,885)**	**(12,918)**	**(1,177,268)**	**(1,068,255)**	**(1,061,886)**	**(380,068)**	**(687,548)**	**(413,441)**	**(879,140)**	**(873,033)**	**(871,361)**
Interest paid	-	(95,866)	(96,826)	(73,700)	(47,500)	(36,670)	(79,356)	(43,814)	(70,280)	(70,280)	(70,280)
Payment of lease liabilities	(642,314)	(573,780)	(677,904)	(723,646)	(737,628)	(746,716)	(738,547)	(364,630)	(725,617)	(725,617)	(725,617)
Dividends paid	(11,122,550)	(8,341,913)	(4,170,956)	(4,170,954)	(4,170,956)	(4,170,954)	(4,170,956)	(4,170,956)	(8,326,913)	(4,163,456)	(8,326,913)
Treasury shares acquired	-	-	-	-	-	-	-	(49,681)	-	-	-
Deposits pledged (financing)	-	-	-	(13,827)	-	14,578	-	-	-	-	-
Net cash used in financing activities	**(11,764,864)**	**(9,011,559)**	**(4,945,686)**	**(4,982,127)**	**(4,956,084)**	**(4,939,762)**	**(4,988,859)**	**(4,629,081)**	**(9,122,810)**	**(4,959,353)**	**(9,122,810)**

Source: MMH, FPA

Our projections of MMH's financial performance for FY2026 & FY2027 are shown in **Exhibit 36**.

Exhibit 36: Projected Financial Performance (FY2026 & FY2027)

(in S$ unless indicated otherwise)	Actual			Projection	
	FY2023	FY2024	FY2025	FY2026	FY2027
Consumable tools / non-USA revenue	48,553,956	47,726,908	50,425,069	54,819,443	53,508,854
WFE parts / USA revenue	18,468,037	10,161,470	14,785,606	16,241,467	19,825,302
Revenue	**67,021,993**	**57,888,378**	**65,210,675**	**71,060,910**	**73,334,156**
Cost of sales	(35,832,351)	(30,702,288)	(32,992,161)	(35,632,266)	(38,005,669)
Gross profit	**31,189,642**	**27,186,090**	**32,218,514**	**35,428,643**	**35,328,486**
Other income	515,742	413,618	326,821	279,718	261,831
Distribution expenses	(2,879,823)	(2,873,181)	(3,008,726)	(3,388,598)	(3,626,736)
Administrative expenses	(10,012,989)	(9,127,651)	(9,531,672)	(10,138,799)	(10,091,675)
Other operating expenses	(5,034,746)	(3,742,594)	(3,438,028)	(3,682,957)	(3,875,717)
Results from operating activities	**13,777,826**	**11,856,282**	**16,566,909**	**18,498,007**	**17,996,190**
Finance income	169,325	193,393	228,460	204,423	204,338
Finance expense	(318,355)	(516,063)	(442,588)	(363,647)	(249,872)
Profit before tax	**13,628,796**	**11,533,612**	**16,352,781**	**18,338,782**	**17,950,656**
Tax expense	(3,858,316)	(3,495,496)	(3,957,313)	(4,994,729)	(4,768,049)
Profit after tax	**9,770,480**	**8,038,116**	**12,395,468**	**13,344,053**	**13,182,607**
Weighted average number of ordinary shares	139,031,881	139,031,881	139,031,881	138,971,087	138,781,881
Diluted EPS (SGD in cent)	**7.03**	**5.78**	**8.92**	**9.60**	**9.50**
Dividend Per Share ("DPS" in cents)	**9.00**	**6.00**	**6.00**	**9.00**	**9.00**

Source: MMH, FPA

VALUATION ANALYSIS

(I) PEER COMPARISON ANALYSIS

We performed a peer comparison analysis to review how MMH is faring against industry peers in terms of current valuation metrics. We selected some SGX-listed peer companies that may also be involved in the semiconductor industry.

Below, we list the selected companies to compare with MMH (along with a brief description of each company) as follows:

i. Venture Corporation ("Venture"; SGX:V03)

Venture has a market capitalisation of S$4.9 billion as at 7 August 2026. According to Venture, it is a "leading provider of technology services, products and solutions". Venture added that it has "deep know-how and expertise in various technology domains" including "life science, genomics, molecular diagnostics, medical devices and equipment, healthcare, luxury lifestyle and wellness technology, test and measurement instrumentation, networking and communications, semiconductor equipment, advanced industrial as well as computing, printing and imaging technology." Venture deals with semiconductor-related equipment. Based on its latest AR, two customers individually contributed over 10% of its total revenue in its most recent FY.

ii. AEM Holdings Limited ("AEM"; SGX:AWX)

AEM has a market capitalisation of S$2.9 billion as at 7 August 2026. According to AEM, it provides "the most comprehensive semiconductor and electronics test solutions based on the best-in-class technologies, processes, and customer support." Based on its latest AR, one customer contributed around 38.1% of its revenue in its most recent FY.

iii. UMS Integration Limited ("UMS"; SGX:558)

UMS has a market capitalisation of S$2.1 billion as at 7 August 2026. According to UMS, it is a "one-stop strategic integration partner providing equipment manufacturing and engineering services to Original Equipment Manufacturers of semiconductors and related products." UMS added that its semiconductor business is "focused on front-end semiconductor equipment contract manufacturing." Based on its latest AR, its largest customer contributed over 50% of its semiconductor segment revenue (which comprised around 85.5% of its total revenue) in its most recent FY.

iv. Frencken Group ("Frencken"; SGX:E28)

Frencken has a market capitalisation of S$1.1 billion as at 7 August 2026. According to Frencken, it is a "Global Integrated Technology Solutions Company that serves world-class multinational companies in the aerospace, analytical life sciences, automotive, healthcare, industrial and semiconductor industries." Based on its latest AR, its three largest customers contributed around 47.7% of its total revenue in its most recent FY.

The results of our peer comparison analysis are shown in **Exhibit 37**.

Exhibit 37: Peer Comparison Analysis

Company	Currency	Stock Symbol	Price (S$) as at 7 Aug '26	Market Cap (S$ million)	Diluted EPS (cents)	P/E	DPS (cents)	Dividend Yield (%)	NAV per share (S$)	P/B
Micro-Mechanics (Holdings)	SGD	5DD	2.730	378.9	9.94	27.5 x	6.00	2.20%	0.38	7.23 x
Peer companies:										
Venture Corporation	SGD	V03	17.190	4,940.6	80.9	21.2 x	80.00	4.65%	9.64	1.78 x
AEM Holdings Limited	SGD	AWX	9.150	2,923.9	8.89	102.9 x	1.30	0.14%	1.63	5.63 x
UMS Integration Limited	SGD	558	2.410	2,140.5	6.10	39.5 x	5.00	2.07%	0.50	4.82 x
Frencken Group	SGD	E28	2.570	1,103.4	9.15	28.1 x	2.75	1.07%	1.11	2.31 x
Peer average						**47.9 x**		**1.99%**		**3.64 x**

Note: Market capitalisation based on [share price × total issued shares excluding treasury shares (most recent source)]. Diluted EPS and DPS based on Trailing Twelve-Month ("TTM") of most recent financial statements. NAV per share based on last disclosed figures. Peer averages exclude nil values.
Source: SGX Stock Screener, respective companies, FPA

(a) P/E multiple

Based on **Exhibit 37**, MMH is currently trading at a P/E multiple of 27.5x, which is lower than the peer average P/E of 47.9x. This suggests that MMH is undervalued at its current share price. Adopting a relative valuation approach, we estimate a target price of S$4.765 if MMH is to trade at the peer average P/E of 47.9x as follows:

$$\begin{aligned}\text{Estimated target price (P/E multiple)} &= \text{Peer average P/E} \times \text{TTM EPS} \\ &= 47.9 \times \text{S\$}0.0994 \\ &= \text{S\$}4.765\end{aligned}$$

The estimated target price of S$4.765 represents an upside potential of 74.5% from the current share price of S$2.730.

(b) P/B multiple

Based on **Exhibit 37**, MMH is currently trading at a P/B multiple of 7.23x, which is higher than the peer average P/B of 3.64x. This suggests that MMH is overvalued at its current share price. Adopting a relative valuation approach, we estimate a target price of S$1.372 if MMH is to trade at the peer average P/B of 3.64x as follows:

$$\begin{aligned}\text{Estimated target price (P/B multiple)} &= \text{Peer average P/B} \times \text{NAV per share} \\ &= 3.64 \times \text{S\$}0.38 \\ &= \text{S\$}1.372\end{aligned}$$

The estimated target price of S$1.372 represents a downside potential of 49.7% from the current share price of S$2.730.

(c) Dividend yield

Based on **Exhibit 37**, MMH's current yield of 2.20% is more attractive than the peer average yield of 1.99%. This suggests that MMH is undervalued at its current share price. Adopting a relative valuation approach, we estimate a target price of S$3.022 if MMH is to trade at the peer average yield of 1.99% as follows:

$$\begin{aligned}\text{Estimated target price (Dividend yield)} &= \frac{\text{TTM DPS}}{\text{Peer average yield}}\\ &= \frac{\text{S\$0.0600}}{1.99\%}\\ &= \text{S\$3.022}\end{aligned}$$

The estimated target price of S$3.022 represents an upside potential of 10.7% from the current share price of S$2.730.

(d) Target price

From our analysis, MMH seems to be undervalued in terms of its P/E multiple and dividend yield, but overvalued in terms of its P/B multiple. By averaging our estimated target prices based on P/E multiple, P/B multiple, and yield, we derive an overall target price of S$3.053 as follows:

$$\begin{aligned}\text{Overall target price} &= \frac{1}{3} \times [\text{Est. target price (P/E multiple)} + \text{Est. target price (P/B multiple)}\\ &\quad + \text{Est. target price (yield)}]\\ &= \frac{1}{3} \times [\text{S\$4.765} + \text{S\$1.372} + \text{S\$3.022}]\\ &= \text{S\$3.053}\end{aligned}$$

The overall target price of S$3.053 represents an upside potential of 11.8% from the current share price of S$2.730.

Further context on each of MMH's peers, as well as their valuation metrics, can be found in our local semiconductor industry report dated May 2026[1].

[1] However, note that the P/E multiple of UMS, as indicated in Exhibits 40 & 43 (pages 40 & 43, respectively) of our industry report, are around 2x higher than actual. We apologise for the error.

POTENTIAL CATALYSTS

(I) ADVANCEMENT OF SEMICONDUCTOR NODES

According to the International Roadmap for Devices and Systems ("IRDS"), semiconductor nodes were expected to advance from "2nm" in 2025 to "1.5nm" in 2028. As nodes become increasingly advanced, the stringency of requirements that WFE suppliers may request will likely rise such that fewer firms may be able to keep pace with the market.

MMH's CEO noted though in October 2025 that, "Drawing on the experience gained through the U.S. operations of MMUS," "the Company has strengthened its capabilities in areas required by next-generation suppliers, including precision, speed, cost efficiency, cleanliness, and consistency."

The CEO added that "Management expects these advancements to benefit the organisation as a whole and uniquely position it to capture growth across the traditional packaging, advanced packaging, assembly and test, and WFE segments as these markets continue to converge."

Should MMUS keep pace with the node transitions while managing costs, MMUS may secure a larger market share over time such that WFE Parts revenue rises. Accordingly, MMH's revenue may rise.

(II) LOCALISATION OF SEMICONDUCTOR SUPPLY CHAINS

BT reported in November 2025 that, "Lately, Micro-Mechanics' Suzhou-based manufacturing plant has become the largest revenue driver for the business." BT noted that, in 1Q FY2026, MMH's revenue from China "surged 19.3 per cent year on year to S$6.1 million, comprising 36.2 per cent of total revenue."

BT cited MMH's CEO as noting that "Countries like China are realising how important semiconductors are to their own national interests and are accelerating localisation of their supply chains". BT also cited from the CEO that the "domestic emphasis" "is a tailwind for the company's operations in China."

MMH likewise noted in October 2025, in its responses to shareholders' questions, that it "expects the localisation of supply chains to be a key growth driver, as industry players continue to establish or strengthen their domestic supply chains across all product segments."

Even though the semiconductor industry as a whole may grow more inefficient, the localisation of semiconductor supply chain may mean that each of MMH's facilities may see a rise in local orders, thus an increase in revenue.

(III) POTENTIAL EXPANSION OF WFE PARTS SEGMENT

While cash & cash equivalents rose to S$23.1 million at end-4Q FY2025 and S$27.1 million at end-2Q FY2026, MMH maintained DPS (cents) at 3.0 for 2H FY2025 & 1H FY2026. Accordingly, cash & cash equivalents remained higher than those from 1H FY2021 to 2H FY2025, at S$25.5 million as at end-3Q FY2026.

The CEO also noted in October 2025 that MMH aims to “achieve a more balanced contribution” between the Consumable Tools and WFE Parts segments. Should WFE Parts revenue rise to be the same as that of Consumable Tools revenue in FY2025, WFE Parts revenue would need to rise by 241.0% to S$50.4 million from S$14.8 million in FY2025.

To grow its WFE Parts revenue, we expect that MMH may need to: (1) ramp up MMUS’s existing capacity to take on more projects; (2) raise MMUS’s capabilities to take on higher value projects; and/or (3) acquire companies that may contribute to its WFE Parts revenue. All three options, especially option (3), may involve the deployment of cash & bank balances.

Should MMH deploy its cash & bank balances for any of the three options, semi-annual DPS (in cents) may remain at 3.0. However, WFE Parts revenue may rise.

INVESTMENT RECOMMENDATION

MMH is currently trading at a P/E multiple of 27.5x, which is lower than the peer average P/E of 47.9x. This suggests that MMH is undervalued at its current share price. Adopting a relative valuation approach, we estimate a target price of S$4.765 if MMH is to trade at the peer average P/E of 47.9x.

MMH is currently trading at a P/B multiple of 7.23x, which is higher than the peer average P/B of 3.64x. This suggests that MMH is overvalued at its current share price. Adopting a relative valuation approach, we estimate a target price of S$4.765 if MMH is to trade at the peer average P/B of 3.64x.

MMH’s current yield of 2.20% is more attractive than the peer average yield of 1.99%. This suggests that MMH is undervalued at its current share price. Adopting a relative valuation approach, we estimate a target price of S$3.022 if MMH is to trade at the peer average yield of 1.99%.

By averaging our estimated target prices based on P/E multiple, P/B multiple, and yield, we derive an overall target price of S$3.053 as follows:

$$
\begin{aligned}
\text{Overall target price} &= \tfrac{1}{3} \times [\text{Est. target price (P/E multiple)} + \text{Est. target price (P/B multiple)} \\
&\quad + \text{Est. target price (yield)}] \\
&= \tfrac{1}{3} \times [\text{S\$4.765} + \text{S\$1.372} + \text{S\$3.022}] \\
&= \text{S\$3.053}
\end{aligned}
$$

The overall target price of S$3.053 represents an upside potential of 11.8% from the current share price of S$2.730.

We note that we project MMH to declare DPS (in cents) of 6.0 for each of 2H FY2026 & 2H FY2027, which would raise dividend yield. Also, even if MMH does not raise its semi-annual DPS (in cents), MMH may deploy its cash & cash equivalents to expand its WFE Parts segment, which could improve future earnings. However, given that MMH’s share price has already risen by 48.4% over the last twelve months, and the limited upside potential based on our target price, we recommend a hold.

There are also risks to our target price, which we discuss on the next page.

RISKS TO TARGET PRICE

(I) LOWER-THAN-EXPECTED DEMAND FOR ARTIFICIAL INTELLIGENCE (“AI”) COMPUTE

In July 2026, Nikkei Asia reported, “Five US tech giants' hidden debts soar to $1.65tn on opaque AI funding”.

Nikkei Asia estimated that the off-balance-sheet debts of Alphabet, Microsoft, Amazon, Meta, and Oracle “totaled $1.65 trillion in the most recent quarter, exceeding the roughly $1.35 trillion in debt reflected on their balance sheets.” Nikkei Asia added, “U.S. energy company Enron, though fundamentally different from tech giants, collapsed in 2001 due to off-balance-sheet debt hidden behind multiple shell companies. Even with proper accounting practices, an increase in joint ventures with low transparency could raise concerns in the market.”

Nikkei Asia also noted, “Much of this hidden debt will eventually be recorded. When data centers start up, the related debt can suddenly become very real, and if AI demand does not grow as expected and utilization rates fall, the data centers' asset values could decline, leading to losses.”

Should there be lower-than-expected demand for AI compute, semiconductor-related companies that accumulated debt and over-invested in AI-related infrastructure such as Graphics Processing Units (“GPUs”) may, as noted by BBC News in November 2025, go “bust”. Industry-wide credit risks may rise, resulting in an increase in interest rates and finance costs such that the surviving semiconductor-related companies may scale back demand for advanced semiconductor chips, or the WFE that produces advanced semiconductor chips, from what may currently be elevated levels. Accordingly, WFE Parts revenue may fall.

The resulting sector downturn could also weaken global growth and slow consumer spending on consumer electronics. Accordingly, demand for semiconductor chips may fall, such that demand for and revenue from consumable tools used to manufacture chips may, in tandem, fall.

(II) DEPRECIATION OF USD AGAINST SGD

In October 2025, DBS noted, “Four forces could push the SGD to parity with the USD by 2040”: “A potentially weaker US dollar, steady productivity-led growth, safe-haven capital inflows, and a sustained current account surplus”.

In its AR for FY2025, MMH noted that a 10% strengthening of SGD against USD would lead to profit falling by S$324,113 in FY2025 and S$275,707 in FY2024.

The USD appreciated against SGD by 0.1% to a USD-to-SGD exchange rate of 1.2834 as at 7 August 2026 from 1.2825 as at 8 August 2025. Should USD depreciate against SGD, MMH may incur foreign exchange loss. Assuming all else (e.g., gross profit, operating expenses) remains equal, MMH’s profit after tax would thus be adversely affected.

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