

TECHNOLOGY EQUIPMENT EQUITY RESEARCH PRICE PERFORMANCE

MICRO-MECHANICS (HOLDINGS) LTD

SGX: 5DD

Bloomberg: MMH:SP

ISIN code: SG1O09910991

Country: Singapore

Industry: Technology Equipment

5 December 2025

RECOMMENDATION: HOLD

Current price: S\$1.630

Target price: S\$1.965

Issued units: 139 million (30 Sept 2025)

Market capitalisation: S\$229.4 million

52-week range: S\$1.420 - S\$1.860



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 at 30 September 2025. 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 30 September 2025 (1Q FY2026), revenue rose by 2.9% to S\$16.7 million in 1Q FY2026 from S\$16.2 million in 1Q FY2025. Consumable tools revenue rose by 7.9% year-on-year ("y-o-y") to S\$13.7 million in 1Q FY2026, in line with the rise in silicon wafer shipments, while WFE Parts revenue fell by 15.3% y-o-y to S\$3.0 million in 1Q FY2026. Gross profit rose by 4.5% to S\$8.6 million in 1Q FY2026 from S\$8.2 million in 1Q 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 2.7% to S\$3.2 million (2.27) in 1Q FY2026 from S\$3.1 million (2.21) in 1Q FY2025.

RECOMMENDATION

We conduct a valuation analysis using historical valuation metrics over the past five Financial Years ("FYs"; 2Q FY2021 to 1Q FY2026). Based on the historical average P/E of 24.2x and current Trailing Twelve-Month ("TTM") EPS of S\$0.0897, we estimate a target price of S\$2.175. Based on the historical average P/B of 6.17x and current NAV per share of S\$0.38, we estimate a target price of S\$2.340. Based on the historical average yield of 4.35% and current TTM Dividend Per Share ("DPS") of S\$0.0600, we estimate a target price of S\$1.380. By averaging our estimated target prices based on historical P/E, historical P/B, and historical yield, we derive an overall target price of S\$1.965, which represents an upside potential of 20.6% from the current share price of S\$1.630.

However, we note that changes in MMH's P/B multiple may be influenced by those in TTM EPS and P/E multiple. Accordingly, as the historic highs reached by MMH's TTM EPS and P/E multiple may have raised the historical average P/B of 6.17x, thus the estimated target price of S\$2.340 based on historical P/B, the upside potential of MMH's share price may not be as high as our estimate of 20.6%. Also, even though we project annual EPS (in cents) to rise by 23.5% to 11.01 in FY2027 from 8.92 in FY2025, our projected Consumable Tools revenue (which comprises minimally 76.8% of projected total revenue in FY2026 & FY2027) are based on Semiconductor Equipment and Manufacturing International ("SEMI")'s forecasts which may prove to be more optimistic than warranted (like those made from October 2021 to October 2023). Thus, even though our historical valuation and projections suggest MMH's prospects may show promise, we recommend, out of caution, a hold.

There are also risks to our target price, such as the bursting of potential Artificial Intelligence ("AI") bubble and depreciation of United States Dollar ("USD") against Singapore Dollar ("SGD").

KEY FINANCIALS	Revenue	Earnings ⁽¹⁾	EPS ⁽²⁾	P/E	DPS	Dividend Yield	NAV per share	P/B
Year ended 30 June	(S\$ million)	(S\$ million)	(cents)	(x)	(cents)	(%)	(cents)	(x)
2024 Actual	57.9	8.0	5.78	28.2	6.00	3.68%	33.14	4.92
2025 Actual	65.2	12.4	8.92	18.3	6.00	3.68%	35.40	4.60
2026 Forecast	68.8	13.9	9.98	16.3	9.00	5.52%	n.a.	n.a.
2027 Forecast	73.3	15.3	11.01	14.8	9.00	5.52%	n.a.	n.a.

Note: P/E, P/B, and dividend yield based on current share price of S\$1.630. n.a. = not available.

⁽¹⁾ Profit after tax & for the period.

⁽²⁾ Earnings Per Share.

Source: MMH, FPA

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TABLE OF CONTENTS

FINANCIAL ANALYSIS	3
(I) FINANCIAL REVIEW	3
RECENT SHARE PRICE DEVELOPMENTS	17
INDUSTRY OUTLOOK	18
FINANCIAL PROJECTIONS	22
(I) REVENUE & GROSS PROFIT PROJECTIONS	22
(II) EARNINGS PROJECTION	24
(III) DIVIDEND PROJECTION	30
VALUATION ANALYSIS	32
(I) PEER COMPARISON ANALYSIS	32
(II) HISTORICAL VALUATION	35
(III) POTENTIAL MMH PRIVATISATION	40
POTENTIAL CATALYSTS	41
(I) ADVANCEMENT OF SEMICONDUCTOR NODES	41
(II) LOCALISATION OF SEMICONDUCTOR SUPPLY CHAINS	41
(III) POTENTIAL EXPANSION OF WFE PARTS SEGMENT	41
INVESTMENT RECOMMENDATION	42
RISKS TO TARGET PRICE	43
(I) BURSTING OF POTENTIAL ARTIFICIAL INTELLIGENCE (“AI”) BUBBLE	43
(II) DEPRECIATION OF USD AGAINST SGD	43
DISCLOSURES/DISCLAIMERS	44

FINANCIAL ANALYSIS

In this section, we review the financial performance of Micro-Mechanics (Holdings) (“MMH”) for the three months ended 30 September 2025 (1Q FY2026).

(I) FINANCIAL REVIEW

Revenue:

Revenue rose by 2.9% to S\$16.7 million in 1Q FY2026 from S\$16.2 million in 1Q FY2025, as shown in **Exhibit 1**.

Consumable tools revenue rose by 7.9% to S\$13.7 million in 1Q FY2026 from S\$12.7 million in 1Q FY2025, “primarily driven by a favourable product mix” as noted by MMH. The rise in consumable tools revenue was also generally in line with the rise in silicon wafer shipments (+3.1% year-on-year or “y-o-y”), as reported by industry association Semiconductor Equipment and Manufacturing International (“SEMI”).

Meanwhile, Wafer Fabrication Equipment (“WFE”) Parts revenue fell by 15.3% to S\$3.0 million in 1Q FY2026 from S\$3.5 million in 1Q FY2025, “impacted by material delays and shortages.” In contrast, equipment billings (excluding China), based on figures also reported by SEMI, rose by 9.5% y-o-y in 1Q FY2026.

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

(in S\$)	Actual		1Q FY2026 vs 1Q FY2025	
	1Q FY2026 (ended 30 Sep)	1Q FY2025 (ended 30 Sep)	Absolute change	Change (%)
Consumable Tools / Non-USA	13,743,176	12,734,481	1,008,695	7.9%
Wafer Fabrication Equipment (“WFE”) Parts / USA	2,972,170	3,507,418	(535,248)	(15.3%)
Revenue	16,715,346	16,241,899	473,447	2.9%

As % of revenue:

Consumable Tools / Non-USA

82.2%

78.4%

WFE Parts / USA

17.8%

21.6%

Source: MMH, FPA

As % of revenue:

Revenue from 1H FY2021 to 1Q FY2026 is shown in **Exhibit 2**.

Exhibit 2: Revenue (1H FY2021 to 1Q FY2026)

(in S\$)	Actual										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1Q FY2026
Consumable Tools / Non-USA	28,615,158	28,642,498	32,704,121	32,168,018	26,501,752	22,052,204	23,919,661	23,807,247	25,454,226	24,970,843	13,743,176
Wafer Fabrication Equipment (“WFE”) Parts / USA	8,280,025	8,191,021	8,128,660	9,463,966	10,412,683	8,055,354	5,432,831	4,728,639	7,082,255	7,703,351	2,972,170
Revenue	36,895,183	36,833,519	40,832,781	41,631,984	36,914,435	30,107,558	29,352,492	28,535,886	32,536,481	32,674,194	16,715,346

As % of revenue:

Consumable Tools / Non-USA

77.6%

77.8%

80.1%

77.3%

71.8%

73.2%

81.5%

83.4%

78.2%

76.4%

82.2%

WFE Parts / USA

22.4%

22.2%

19.9%

22.7%

28.2%

26.8%

18.5%

16.6%

21.8%

23.6%

17.8%

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 FY2021 to 1Q FY2026, as shown in **Exhibit 3**.

Exhibit 3: Consumable Tools (or Non-USA) Revenue vs Silicon Wafer Shipments (1Q FY2021 to 1Q 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 FY2021 to 1Q FY2026, as shown in **Exhibit 4**.

Exhibit 4: WFE Parts (or USA) Revenue vs Equipment Billings (excluding China) (1Q FY2021 to 1Q FY2026)



Source: MMH, SEMI, FPA

Gross profit:

Gross profit rose by 4.5% to S\$8.6 million in 1Q FY2026 from S\$8.2 million in 1Q FY2025. Gross margin rose to 51.5% in 1Q FY2026 from 50.7% in 1Q FY2025, as shown in **Exhibit 5**, in line with consumable tools as a percentage of revenue rising to 82.2% in 1Q FY2026 from 78.4% in 1Q FY2025. MMH noted that the rise in gross margin “was supported by scale efficiencies, as sales from the consumable tools segment reached a 13-quarter high.”

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”.

Exhibit 5: Gross Profit (1Q FY2025 & 1Q FY2026)

(in S\$)	Actual		1Q FY2026 vs 1Q FY2025	
	1Q FY2026 (ended 30 Sep)	1Q FY2025 (ended 30 Sep)	Absolute change	Change (%)
Revenue	16,715,346	16,241,899	473,447	2.9%
Cost of sales	(8,112,271)	(8,010,057)	(102,214)	1.3%
Gross profit	8,603,075	8,231,842	371,233	4.5%
Gross margin	51.5%	50.7%		
Consumable Tools as % of revenue	82.2%	78.4%		

Source: MMH, FPA

Gross profit from 1H FY2021 to 1Q FY2026 is shown in **Exhibit 6**.

Exhibit 6: Gross Profit (1H FY2021 to 1Q FY2026)

(in S\$)	Actual										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1Q FY2026
Revenue	36,895,183	36,833,519	40,832,781	41,631,984	36,914,435	30,107,558	29,352,492	28,535,886	32,536,481	32,674,194	16,715,346
Less: Cost of sales	(16,849,293)	(16,858,450)	(18,626,609)	(19,797,355)	(19,050,884)	(16,781,467)	(15,420,108)	(15,282,180)	(16,569,550)	(16,422,611)	(8,112,271)
Gross profit	20,045,890	19,975,069	22,206,172	21,834,629	17,863,551	13,326,091	13,932,384	13,253,706	15,966,931	16,251,583	8,603,075
Gross margin	54.3%	54.2%	54.4%	52.4%	48.4%	44.3%	47.5%	46.4%	49.1%	49.7%	51.5%
Consumable tools (or non-USA) as % of revenue	77.6%	77.8%	80.1%	77.3%	71.8%	73.2%	81.5%	83.4%	78.2%	76.4%	82.2%

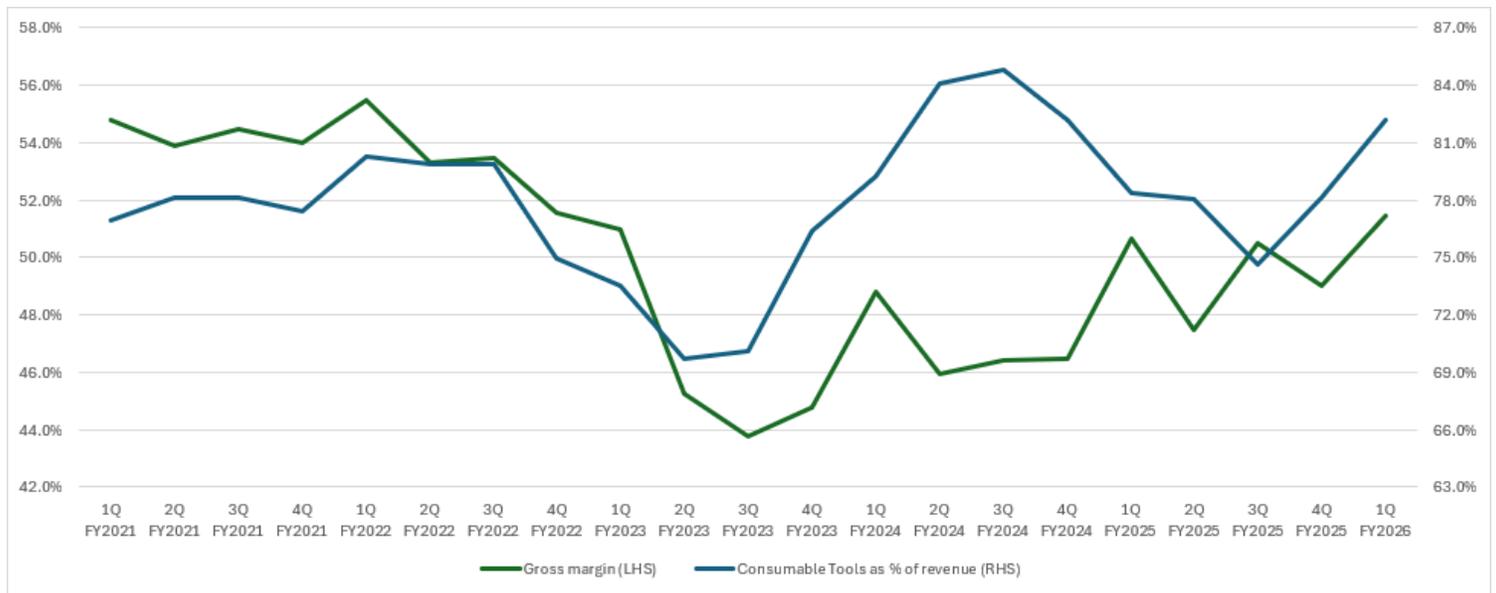
Source: MMH, FPA

Gross margin generally trended with consumable tools as a percentage of revenue from 1Q FY2021 to 1Q 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 2Q FY2024, “As the cost structure of the Group’s operations are largely fixed in nature, the significant reduction in our revenue during 2Q24 has resulted in the under-absorption of costs.”

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 FY2021 to 1Q FY2026)



Source: MMH, FPA

Operating expenses:

Operating expenses (administrative expenses + distribution expenses + other operating expenses) fell by 3.3% to S\$4.2 million in 1Q FY2026 from S\$4.1 million in 1Q FY2025, as shown in **Exhibit 8**.

MMH noted that distribution expenses fell by 0.9% y-o-y “mainly due to lower commission payouts”; administrative expenses rose by 6.4% y-o-y “primarily due to subscription cost and investments in IT security services and compliance reporting”; while other operating expenses fell by 1.2% y-o-y “attributable to a reduction in headcount at MMUS.”

Exhibit 8: Operating Expenses (1Q FY2025 & 1Q FY2026)

(in S\$)	Actual		1Q FY2026 vs 1Q FY2025	
	1Q FY2026 (ended 30 Sep)	1Q FY2025 (ended 30 Sep)	Absolute change	Change (%)
Distribution expenses	(775,463)	(782,718)	7,255	(0.9%)
Administrative expenses	(2,565,504)	(2,412,288)	(153,216)	6.4%
Other operating expenses	(878,732)	(889,431)	10,699	(1.2%)
Operating expenses	(4,219,699)	(4,084,437)	(135,262)	3.3%

As a % of revenue:

Distribution expenses	4.6%	4.8%	-	-
Administrative expenses	15.3%	14.9%	-	-
Other operating expenses	5.3%	5.5%	-	-
Operating expenses	25.2%	25.1%	-	-

Source: MMH, FPA

As a percentage of revenue, semi-annual operating expenses (quarterly for 1Q FY2026) ranged between 21.8% and 27.8% from 1H FY2021 to 1Q FY2026, as shown in **Exhibit 9**.

Exhibit 9: Operating Expenses (1H FY2021 to 1Q FY2026)

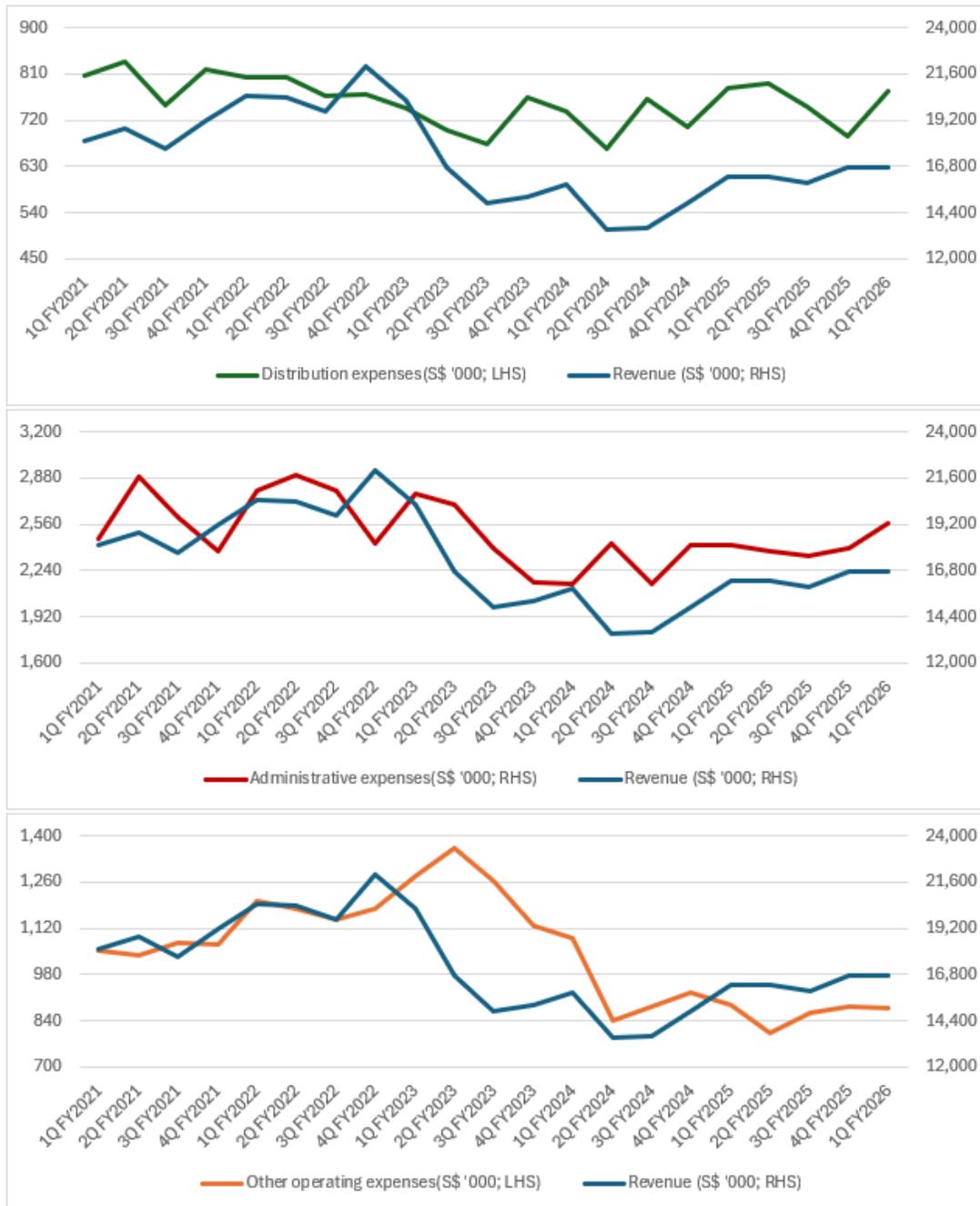
(in S\$)	Actual										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1Q FY2026
Distribution expenses	(1,641,184)	(1,568,563)	(1,608,141)	(1,536,764)	(1,442,782)	(1,437,041)	(1,403,108)	(1,470,073)	(1,573,913)	(1,434,813)	(775,463)
Administrative expenses	(5,340,119)	(4,975,810)	(5,695,295)	(5,223,042)	(5,466,425)	(4,546,564)	(4,569,347)	(4,558,304)	(4,790,651)	(4,741,021)	(2,565,504)
Other operating expenses	(2,089,120)	(2,147,658)	(2,380,262)	(2,324,525)	(2,643,969)	(2,390,777)	(1,931,657)	(1,810,937)	(1,690,841)	(1,747,187)	(878,732)
Operating expenses	(9,070,423)	(8,692,031)	(9,683,698)	(9,084,331)	(9,553,176)	(8,374,382)	(7,904,112)	(7,839,314)	(8,055,405)	(7,923,021)	(4,219,699)
As a % of revenue:											
Distribution expenses	4.4%	4.3%	3.9%	3.7%	3.9%	4.8%	4.8%	5.2%	4.8%	4.4%	4.6%
Administrative expenses	14.5%	13.5%	13.9%	12.5%	14.8%	15.1%	15.6%	16.0%	14.7%	14.5%	15.3%
Other operating expenses	5.7%	5.8%	5.8%	5.6%	7.2%	7.9%	6.6%	6.3%	5.2%	5.3%	5.3%
Operating expenses	24.6%	23.6%	23.7%	21.8%	25.9%	27.8%	26.9%	27.5%	24.8%	24.2%	25.2%

Source: MMH, FPA

We note that the fall in distribution expenses and administrative expenses was less than proportional to the fall in revenue from 2Q FY2023 to 3Q FY2024, as shown in **Exhibit 10**.

Despite the fall in revenue, MMH noted that other operating expenses rose by 27.9% y-o-y in 2Q FY2023 “to S\$1.5 million, mainly due to foreign exchange loss of S\$143k, higher salary expenses incurred at” its “USA plant, as well as increased engineering expenses to support the development of new parts and processes.” However, MMH cited “cost-reduction measures” and “manpower optimisation initiatives” at MMUS for the y-o-y fall in other operating expenses in 1Q FY2024 to 1Q FY2025.

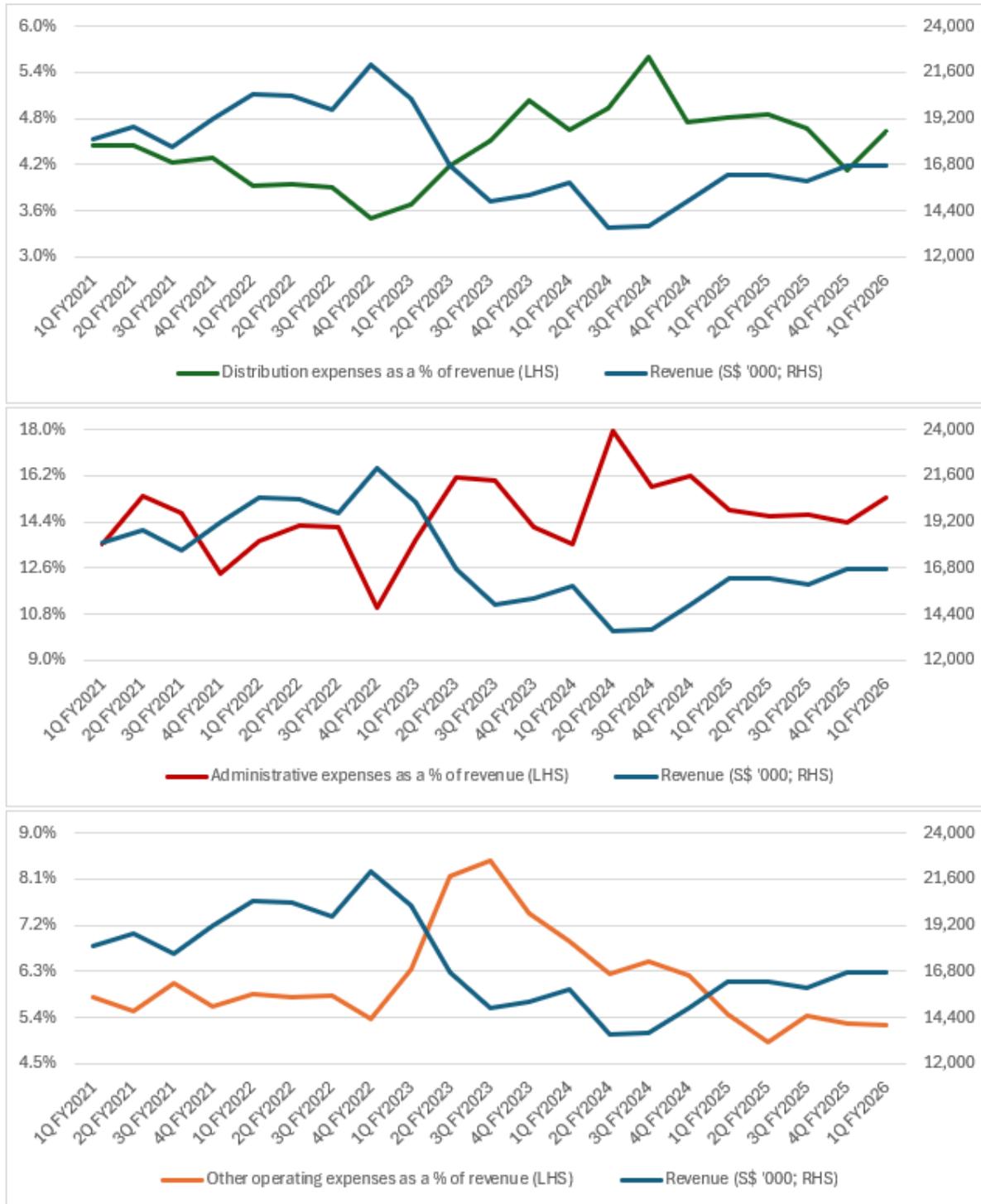
Exhibit 10: Operating Expenses vs Revenue (1Q FY2021 to 1Q FY2026)



Source: MMH, FPA

Accordingly, as percentages of revenue, both distribution expenses and administrative expenses rose from 2Q FY2023 to 2Q or 3Q FY2024, as shown in **Exhibit 11**. However, other operating expenses as a percentage of revenue fell to around 5.4% in 1Q FY2025 (slightly below percentages at 4Q FY2022 and before) after rising to above 8.1% in 3Q FY2023.

Exhibit 11: Operating Expenses as Percentages of Revenue vs Revenue (1Q FY2021 to 1Q FY2026)



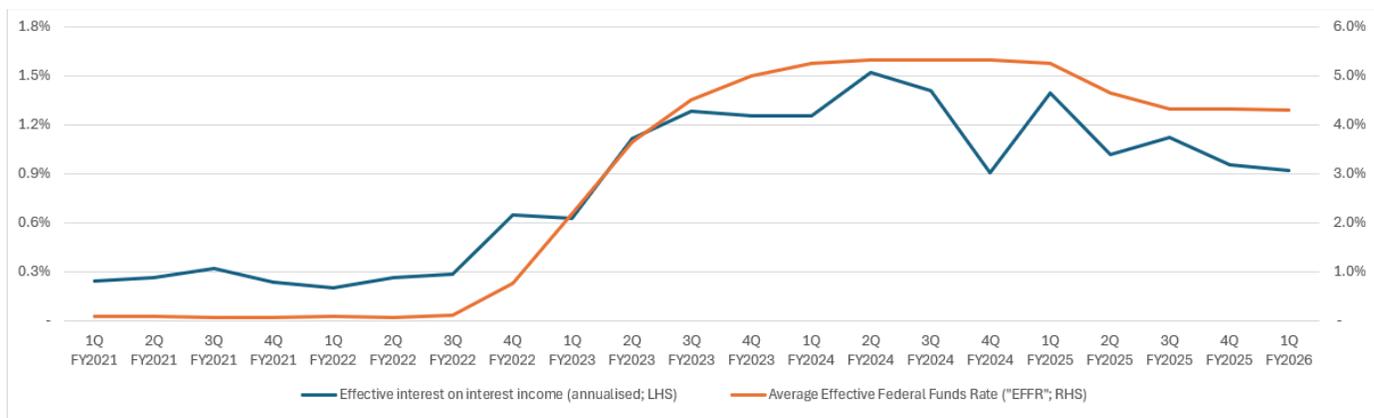
Source: MMH, FPA

Other income, finance income, and finance expense:

Other income fell by 35.1% to S\$71.4 thousand in 1Q FY2026 from S\$110.1 thousand in 1Q FY2025. MMH noted that other income fell “following the cessation of rental income from October 2024.”

Finance income fell by 7.0% to S\$62.5 thousand in 1Q FY2026 from S\$67.2 thousand in 1Q FY2025, despite cash & bank balances rising by 41.4% to S\$27.2 million at end-1Q FY2026 from S\$19.3 million at end-1Q FY2025. Quarterly annualised effective interest on interest income $\left[\frac{\text{Interest income}}{\text{Cash \& bank balances}} \times \text{no. of periods in a year (e.g., quarter = 4)} \right]$ generally trended with the average Effective Federal Funds Rate (“EFFR”) from 1Q FY2021 to 1Q FY2026, as shown in **Exhibit 12**.

Exhibit 12: Annualised Effective Interest on Interest Income vs Average EFFR (1Q FY2021 to 1Q FY2026)

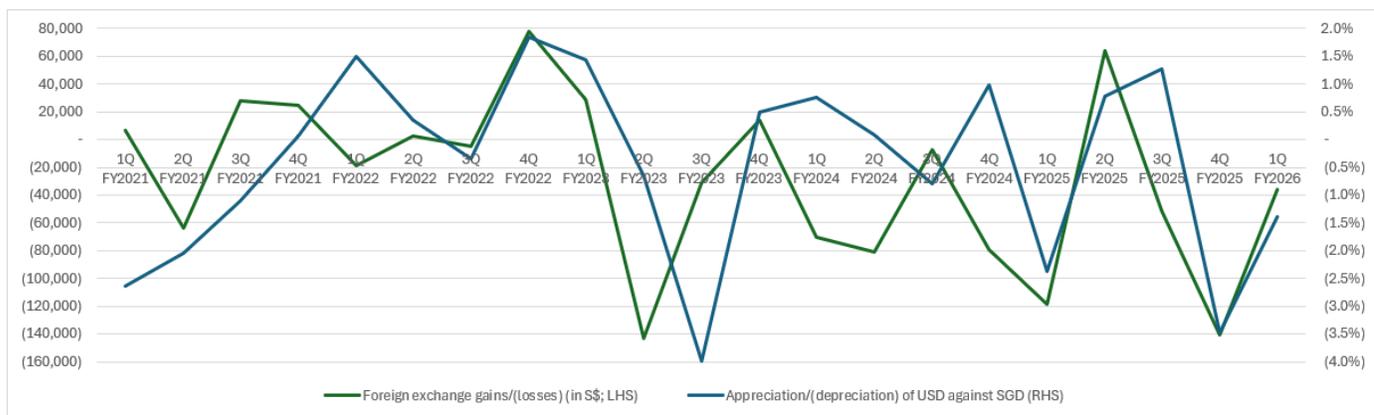


Source: MMH, Federal Reserve Bank of New York (EFFRs), FPA

Finance expense fell by 39.6% to S\$105.0 thousand in 1Q FY2026 from S\$173.7 thousand in 1Q FY2025, mainly due to foreign exchange loss falling by 70.0% (or US\$83.1 thousand) y-o-y to US\$35.6 thousand in 1Q FY2026. Finance expense also includes interest expense on lease liabilities (+S\$12.1 thousand y-o-y), bank charges (+S\$2.0 thousand y-o-y), and unwind of discount on restoration cost provision (+S\$269 y-o-y).

Based on its Annual Report (“AR”) for FY2025, MMH’s foreign currency transactions were mostly in United States Dollar (“USD”). Accordingly, MMH generally made foreign exchange gains when USD appreciated against Singapore Dollar (“SGD”) on a q-o-q basis (and vice-versa when USD depreciated against SGD), from 1Q FY2021 to 1Q FY2026, as shown in **Exhibit 13**.

Exhibit 13: Foreign Exch. Gains/(Losses) vs Appreciation/(Depreciation) of USD against SGD (1Q FY2021 to 1Q FY2026)



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

Other income, finance income, and finance expense, from 1H FY2021 to 1Q FY2026, are shown in **Exhibit 14**.

Interest income from banks & others and foreign exchange gains/(losses) were recorded under other income prior to 1H FY2023, as colour-coded in **Exhibit 14**. 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 14**.

Exhibit 14: Other Income, Finance Income, and Finance Expense (1H FY2021 to 1Q FY2026)

(in S\$)	Actual										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1Q FY2026
Gain on disposal of Property, Plan, and Equipment ("PP&E")	3,772	4	(9,353)	260,878	6,372	68,460	9,560	4,627	2,213	3,385	-
Rental income	61,907	61,318	61,116	60,348	65,062	64,785	62,690	61,794	32,743	68	-
Government grant	585,548	64,703	30,565	46,209	15,873	37,192	16,990	53,016	12,186	16,985	5,009
Others	46,708	119,601	139,398	147,596	141,923	116,075	104,905	100,036	131,353	127,888	66,392
Foreign exchange gains/(losses)	(57,119)	28,063	2,888	72,973	-	-	-	-	-	-	-
Interest income from banks & others	29,460	25,223	24,339	43,871	-	-	-	-	-	-	-
Other income	670,276	298,912	248,953	631,875	229,230	286,512	194,145	219,473	178,495	148,326	71,401

(in S\$)	Actual										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1Q FY2026
Interest income from banks & others	-	-	-	-	90,143	79,182	109,859	83,534	118,908	109,552	62,536
Foreign exchange gains	-	-	-	-	29,088	-	-	-	64,054	-	-
Finance income	-	-	-	-	119,231	79,182	109,859	83,534	182,962	109,552	62,536

Effective interest on interest income:

Interest income from banks & others	29,460	25,223	24,339	43,871	90,143	79,182	109,859	83,534	118,908	109,552	62,536
Cash & bank balances	21,073,660	20,611,778	18,325,954	20,368,243	18,014,293	14,266,863	14,969,428	16,567,727	20,236,591	23,283,594	27,215,539
Effective interest on interest income (annualised)	0.3%	0.2%	0.3%	0.4%	1.0%	1.1%	1.5%	1.0%	1.2%	0.9%	0.5%
Average Effective Federal Funds Rate ("EFFR")	0.1%	0.1%	0.1%	0.4%	2.9%	4.8%	5.3%	5.3%	5.0%	4.3%	4.3%

(in %)	Actual										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1Q FY2026
January	-	0.1%	-	0.1%	-	4.3%	-	5.3%	-	4.3%	-
February	-	0.1%	-	0.1%	-	4.6%	-	5.3%	-	4.3%	-
March	-	0.1%	-	0.2%	-	4.6%	-	5.3%	-	4.3%	-
April	-	0.1%	-	0.3%	-	4.8%	-	5.3%	-	4.3%	-
May	-	0.1%	-	0.8%	-	5.1%	-	5.3%	-	4.3%	-
June	-	0.1%	-	1.2%	-	5.1%	-	5.3%	-	4.3%	-
July	0.1%	-	0.1%	-	1.7%	-	5.1%	-	5.3%	4.3%	-
August	0.1%	-	0.1%	-	2.3%	-	5.3%	-	5.3%	4.3%	-
September	0.1%	-	0.1%	-	2.6%	-	5.3%	-	5.1%	4.2%	-
October	0.1%	-	0.1%	-	3.1%	-	5.3%	-	4.8%	4.1%	-
November	0.1%	-	0.1%	-	3.8%	-	5.3%	-	4.6%	-	-
December	0.1%	-	0.1%	-	4.1%	-	5.3%	-	4.5%	-	-
EFFR (average)	0.1%	0.1%	0.1%	0.4%	2.9%	4.8%	5.3%	5.3%	5.0%	4.3%	4.3%

(in S\$)	Actual										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1Q FY2026
Bank charges	-	-	-	-	48,382	29,836	46,650	42,634	47,826	44,499	25,669
Unwind of discount on restoration cost provision	-	-	-	-	4,732	8,853	9,099	9,351	9,612	9,880	5,042
Interest expense on lease liabilities	-	-	-	-	38,432	57,435	96,826	73,700	47,500	36,670	38,691
Foreign exchange losses	-	-	-	-	143,043	16,730	151,225	86,578	118,641	192,014	35,582
Finance expense	-	-	-	-	234,589	112,854	303,800	212,263	223,579	283,063	104,984

Foreign exchange gains/losses allocation:

1Q	6,938	-	(18,843)	-	29,088	-	(69,933)	-	(118,641)	-	(35,582)
2Q	(64,057)	-	2,888	-	(143,043)	-	(81,292)	-	64,054	-	-
3Q	-	28,063	-	(4,754)	-	(30,797)	-	(7,555)	-	(51,320)	-
4Q	-	24,415	-	77,727	-	14,067	-	(79,023)	-	(140,694)	-
Foreign exchange gains/(losses)⁽¹⁾	(57,119)	52,478	(15,955)	72,973	(113,955)	(16,730)	(151,225)	(86,578)	(54,587)	(192,014)	(35,582)

Appreciation/(depreciation) of USD against SGD:

1Q	(2.6%)	-	1.5%	-	1.4%	-	0.8%	-	(2.4%)	-	(1.4%)
2Q	(2.0%)	-	0.4%	-	(0.6%)	-	0.1%	-	0.8%	-	-
3Q	-	(1.1%)	-	(0.4%)	-	(4.0%)	-	(0.8%)	-	1.3%	-
4Q	-	0.1%	-	1.8%	-	0.5%	-	1.0%	-	(3.5%)	-

⁽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 6.3% to S\$4.4 million in 1Q FY2026 from S\$4.2 million in 1Q FY2025, as shown in **Exhibit 15**.

Exhibit 15: Profit Before Income Tax (1Q FY2025 & 1Q FY2026)

(in S\$)	Actual		1Q FY2026 vs 1Q FY2025	
	1Q FY2026 (ended 30 Sep)	1Q FY2025 (ended 30 Sep)	Absolute change	Change (%)
Gross profit	8,603,075	8,231,842	371,233	4.5%
Other income	71,401	110,075	(38,674)	(35.1%)
Distribution expenses	(775,463)	(782,718)	7,255	(0.9%)
Administrative expenses	(2,565,504)	(2,412,288)	(153,216)	6.4%
Other operating expenses	(878,732)	(889,431)	10,699	(1.2%)
Profit from operations	4,454,777	4,257,480	197,297	4.6%
Finance income	62,536	67,240	(4,704)	(7.0%)
Finance expense	(104,984)	(173,719)	68,735	(39.6%)
Profit before income tax	4,412,329	4,151,001	261,328	6.3%

Source: MMH, FPA

Profit before income tax from 1H FY2021 to 1Q FY2026 is shown in **Exhibit 16**.

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 16: Profit Before Income Tax (1H FY2021 to 1Q FY2026)

(in S\$)	Actual										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1Q FY2026
Gross profit	20,045,890	19,975,069	22,206,172	21,834,629	17,863,551	13,326,091	13,932,384	13,253,706	15,966,931	16,251,583	8,603,075
Other income	670,276	298,912	248,953	631,875	229,230	286,512	194,145	219,473	178,495	148,326	71,401
Distribution expenses	(1,641,184)	(1,568,563)	(1,608,141)	(1,536,764)	(1,442,782)	(1,437,041)	(1,403,108)	(1,470,073)	(1,573,913)	(1,434,813)	(775,463)
Administrative expenses	(5,340,119)	(4,975,810)	(5,695,295)	(5,223,042)	(5,466,425)	(4,546,564)	(4,569,347)	(4,558,304)	(4,790,651)	(4,741,021)	(2,565,504)
Other operating expenses	(2,089,120)	(2,147,658)	(2,380,262)	(2,324,525)	(2,643,969)	(2,390,777)	(1,931,657)	(1,810,937)	(1,690,841)	(1,747,187)	(878,732)
Profit from operations	11,645,743	11,581,950	12,771,427	13,382,173	8,539,605	5,238,221	6,222,417	5,633,865	8,090,021	8,476,888	4,454,777
Finance income	-	-	-	-	119,231	79,182	109,859	83,534	182,962	109,552	62,536
Finance expense	-	-	-	-	(234,589)	(112,854)	(303,800)	(212,263)	(223,579)	(283,063)	(104,984)
Profit before income tax	11,645,743	11,581,950	12,771,427	13,382,173	8,424,247	5,204,549	6,028,476	5,505,136	8,049,404	8,303,377	4,412,329

Source: MMH, FPA

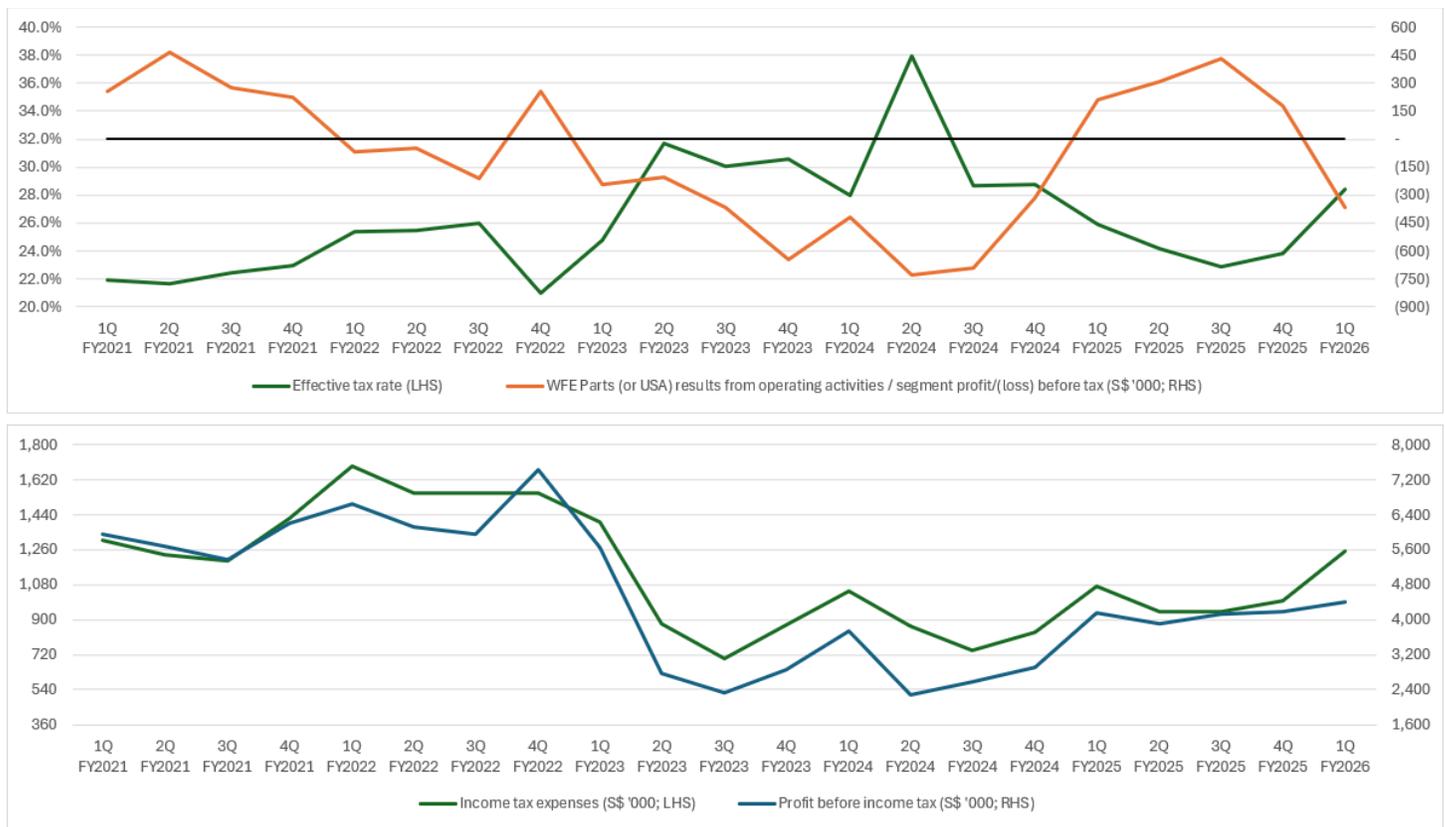
Income tax expenses:

Income tax expenses rose by 16.6% to S\$1.3 million in 1Q FY2026 from S\$1.1 million in 1Q FY2025, such that the effective tax rate rose to 28.4% in 1Q FY2026 from 25.9% in 1Q FY2025. MMH noted that the increase in income tax expenses reflected “higher profit contributions from jurisdiction with elevated tax rates, such as China.”

Effective tax rate generally trended inversely to the WFE Parts (or MMUS) segment profit/loss before tax from 1Q FY2021 to 1Q FY2026, as shown in **Exhibit 17** (top). For instance, in its financial statements for 2Q FY2024, MMH noted that its effective tax rate “increased to 38.0% in 2Q24 from 31.7% in 2Q23 due mainly to loss registered at our USA subsidiary during 2Q24.”

We include a comparison of income tax expenses and profit before tax in the same period, as shown in **Exhibit 17** (bottom).

Exhibit 17: Income Tax Expenses and Effective Tax Rate (1Q FY2021 to 1Q FY2026)



Note: LHS and RHS axes are not proportional to each other in the top graph, unlike in most of our other graphs.

Source: MMH, FPA

Income tax expenses from 1H FY2021 to 1Q FY2026 are shown in **Exhibit 18**. We also include, for comparison with effective tax rate, WFE Parts profit/loss over the same period.

Exhibit 18: Income Tax Expenses (1H FY2021 to 1Q FY2026)

(in S\$)	Actual										
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1Q FY2026
Income tax expenses	2,540,321	2,626,936	3,244,072	3,102,977	2,280,599	1,577,717	1,914,970	1,580,526	2,018,059	1,939,254	1,252,741
Profit before income tax	11,645,743	11,581,950	12,771,427	13,382,173	8,424,247	5,204,549	6,028,476	5,505,136	8,049,404	8,303,377	4,412,329
Effective tax rate	21.8%	22.7%	25.4%	23.2%	27.1%	30.3%	31.8%	28.7%	25.1%	23.4%	28.4%
WFE Parts (or USA) segment profit/(loss) before tax	718,800	499,722	(110,281)	49,738	(445,985)	(1,010,460)	(1,145,226)	(1,008,895)	520,144	610,847	(368,125)

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 2.7% to S\$3.2 million in 1Q FY2026 from S\$3.1 million in 1Q FY2025, as shown in **Exhibit 19**. As the weighted average number of shares in 1Q FY2026 remained the same as in 1Q FY2025, EPS (in cents) also rose by 2.7% to 2.27 in 1Q FY2026 from 2.21 in 1Q FY2025.

Exhibit 19: Profit After Tax and Earnings Per Share (1Q FY2025 & 1Q FY2026)

(in S\$)	Actual		1Q FY2026 vs 1Q FY2025	
	1Q FY2026 (ended 30 Sep)	1Q FY2025 (ended 30 Sep)	Absolute change	Change (%)
Profit before income tax	4,412,329	4,151,001	261,328	6.3%
Income tax expenses	(1,252,741)	(1,074,024)	(178,717)	16.6%
Profit after tax	3,159,588	3,076,977	82,611	2.7%
Weighted average no. of shares	139,031,881	139,031,881	-	-
Earnings Per Share ("EPS" in cents)	2.27	2.21	0.06	2.7%

Source: MMH, FPA

Profit after tax and EPS from 1H FY2021 to 1Q FY2026 are shown in **Exhibit 20**.

Exhibit 20: Profit After Tax and Earnings Per Share (1H FY2021 to 1Q FY2026)

(in S\$)	Actual											
	1H FY2021	2H FY2021	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1Q FY2026	
Profit before income tax	11,645,743	11,581,950	12,771,427	13,382,173	8,424,247	5,204,549	6,028,476	5,505,136	8,049,404	8,303,377	4,412,329	
Income tax expenses	(2,540,321)	(2,626,936)	(3,244,072)	(3,102,977)	(2,280,599)	(1,577,717)	(1,914,970)	(1,580,526)	(2,018,059)	(1,939,254)	(1,252,741)	
Profit after tax	9,105,422	8,955,014	9,527,355	10,279,196	6,143,648	3,626,832	4,113,506	3,924,610	6,031,345	6,364,123	3,159,588	
Weighted average no. of 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	139,031,881	139,031,881	
Earnings Per Share ("EPS" in cents)	6.55	6.44	6.85	7.39	4.42	2.61	2.96	2.82	4.34	4.58	2.27	

Source: MMH, FPA

Dividend Per Share (“DPS”):

MMH did not declare any dividend in 1Q 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 21**. We note that, by lowering its DPS from FY2023, MMH restored its cash & cash equivalents in FY2025 to above S\$20.0 million like in FY2021 & FY2022. We also note that dividends 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 21**.

Exhibit 21: Dividend Per Share (FY2021 to FY2025)

(in S\$ unless otherwise indicated)	Actual				
	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 1Q FY2025 & 1Q FY2026 is summarised in **Exhibit 22**.

Exhibit 22: Financial Performance (1Q FY2025 & 1Q FY2026)

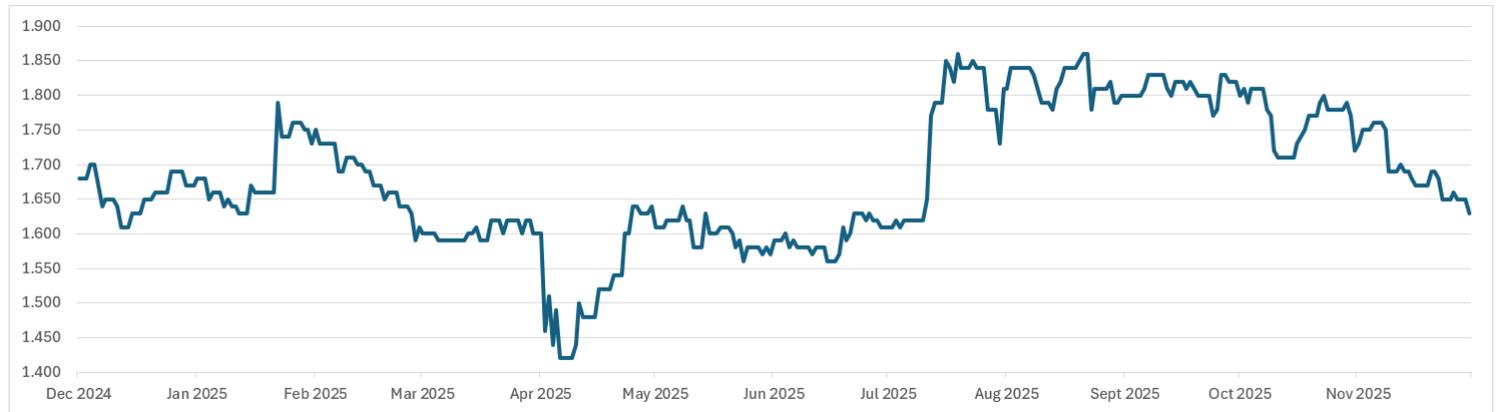
(in S\$)	Actual		1Q FY2026 vs 1Q FY2025	
	1Q FY2026 (ended 30 Sep)	1Q FY2025 (ended 30 Sep)	Absolute change	Change (%)
Consumable Tools / Non-USA	13,743,176	12,734,481	1,008,695	7.9%
WFE Parts / USA	2,972,170	3,507,418	(535,248)	(15.3%)
Revenue	16,715,346	16,241,899	473,447	2.9%
Cost of sales	(8,112,271)	(8,010,057)	(102,214)	1.3%
Gross profit	8,603,075	8,231,842	371,233	4.5%
Other income	71,401	110,075	(38,674)	(35.1%)
Distribution expenses	(775,463)	(782,718)	7,255	(0.9%)
Administrative expenses	(2,565,504)	(2,412,288)	(153,216)	6.4%
Other operating expenses	(878,732)	(889,431)	10,699	(1.2%)
Profit from operations	4,454,777	4,257,480	197,297	4.6%
Finance income	62,536	67,240	(4,704)	(7.0%)
Finance expense	(104,984)	(173,719)	68,735	(39.6%)
Profit before tax	4,412,329	4,151,001	261,328	6.3%
Income tax expenses	(1,252,741)	(1,074,024)	(178,717)	16.6%
Profit after tax	3,159,588	3,076,977	82,611	2.7%
Weighted average no. of shares	139,031,881	139,031,881	-	-
Earnings Per Share ("EPS" in cents)	2.27	2.21	0.06	2.7%

Source: MMH, FPA

RECENT SHARE PRICE DEVELOPMENTS

Over the last twelve months, MMH's share price fell by 3.0% to S\$1.630 on 5 December 2025 from S\$1.680 on 6 December 2024, as shown in **Exhibit 23**.

Exhibit 23: Share Price Performance (Last Twelve Months)



Source: Yahoo! Finance, FPA

On 25 January 2025, MMH released its financial statements for 2Q FY2025. Revenue rose by 20.7% y-o-y to S\$16.3 million in 2Q FY2025, while profit for the period rose by 108.9% y-o-y to S\$3.0 million in 2Q FY2025. Share price rose by 6.0% to S\$1.760 on 1 February 2025 from S\$1.660 on 25 January 2025.

On 2 April 2025, U.S. President Trump introduced “Liberation Day” tariffs. Share price fell by 11.1% to S\$1.440 on 9 April 2025 from S\$1.620 on 2 April 2025.

On 29 April 2025, MMH released its financial statements for 3Q FY2025. Revenue rose by 17.3% y-o-y to S\$16.0 million in 3Q FY2025, while profit for the period rose by 72.6% y-o-y to S\$3.2 million in 3Q FY2025. Share price rose by 0.6% to S\$1.610 on 6 May 2025 from S\$1.600 on 29 April 2025.

On 21 July 2025, the Monetary Authority of Singapore (“MAS”) announced that it appointed “the first batch of asset managers under the S\$5 billion Equity Market Development Programme (EQDP).” In the lead-up to MAS’s announcement, the STI rose by 2.4% to 4,207.310 on 21 July 2025 from 4,109.210 on 14 July 2025. Share price rose by 14.2% to S\$1.850 on 21 July 2025 from S\$1.620 on 14 July 2025.

On 27 August 2025, MMH released its financial statements for 4Q FY2025. Revenue rose by 12.0% y-o-y to S\$16.7 million in 4Q FY2025, while profit for the period rose by 52.9% y-o-y to S\$3.2 million in 4Q FY2025. Share price fell by 3.8% to S\$1.790 on 3 September 2025 from S\$1.860 on 27 August 2025.

On 30 October 2025, MMH released its financial statements for 1Q FY2026. Revenue rose by 2.9% y-o-y to S\$16.7 million in 1Q FY2026, while profit for the period rose by 2.7% y-o-y to S\$3.2 million in 1Q FY2026. On the same day, MMH also held an Annual General Meeting (“AGM”). Share price fell by 2.8% to S\$1.730 on 6 November 2025 from S\$1.780 on 30 October 2025.

On 20 November 2025 (updated on 21 November 2025), Reuters reported, “Wall Street stocks slid on Thursday in a sharp reversal from an early rally, as technology gains faded after a boost from Nvidia's earnings and U.S. jobs data muddled the labor market outlook.” NASDAQ Composite fell by 3.5% to 22,078.05 on 20 November 2025 from 22,870.36 on 13 November 2025. Share price fell by 4.0% to S\$1.680 on 20 November 2025 from S\$1.750 on 13 November 2025. Subsequently, share price remained at S\$1.680 on 27 November 2025 even after NASDAQ Composite rose by 5.1% to 23,214.69 on 26 November 2025.

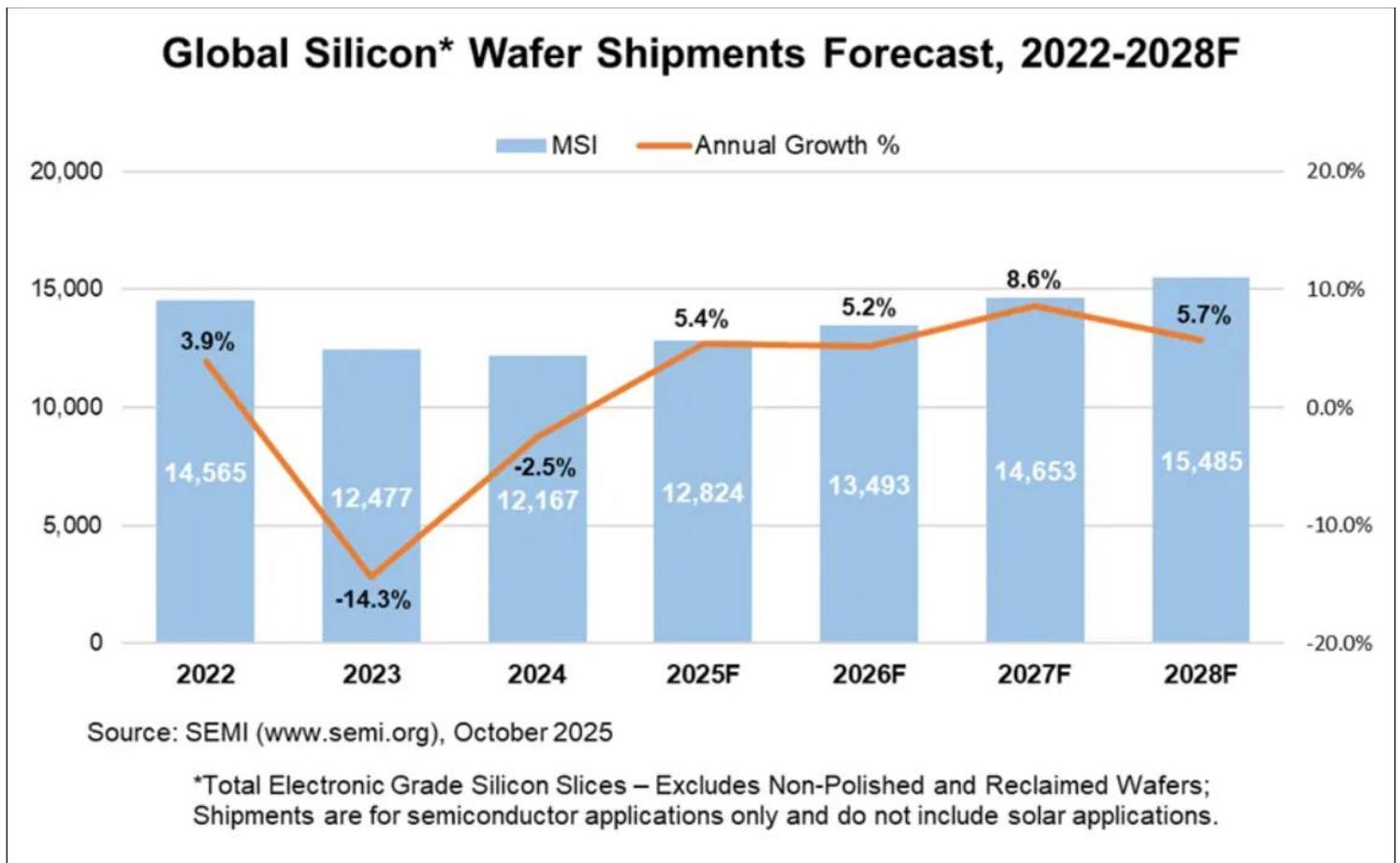
INDUSTRY OUTLOOK

SEMI noted 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 24**.

Thus, shipments in 2H 2025 (or 1H FY2026) would be 6,601 MSI (12,824 MSI in 2025 – 6,223 MSI in 1H 2025).

We also assume that wafer shipments from 1H 2026 to 2H 2027 (2H FY2026 to 1H FY2028) will be half of the respective calendar years’ total shipments. Thus, wafer shipments will be 6,746.5 MSI in 1H & 2H 2026 and 7,326.5 MSI in 1H & 2H 2027.

Exhibit 24: Forecasted Silicon Wafer Shipments (2025 to 2028)



Source: SEMI

However, we note that, from October 2021 to October 2023, SEMI's forecasts of wafer shipments for the next year were generally 1.2–15.9% (average of 9.3%) higher than the actual figures, as shown in **Exhibit 29** (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.

SEMI's forecasts of shipments for the year after were also generally 23.7–26.8% (average of 25.3%) higher than the eventual actual figures. SEMI may have been overly optimistic of future silicon wafer shipments.

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

Exhibit 25: Historical Deviation of Silicon Wafer Shipment Forecasts from Actual Figures (2016 to 2024)

Year	Forecast (in Million Square Inches or "MSI")										Actual	
	Oct 2016	Oct 2017	Oct 2018	Sept 2019	Oct 2020	Oct 2021	Nov 2022	Oct 2023	Oct 2024	Oct 2025		
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		
2026								16,214	14,507	13,493		
2027									15,413	14,653		

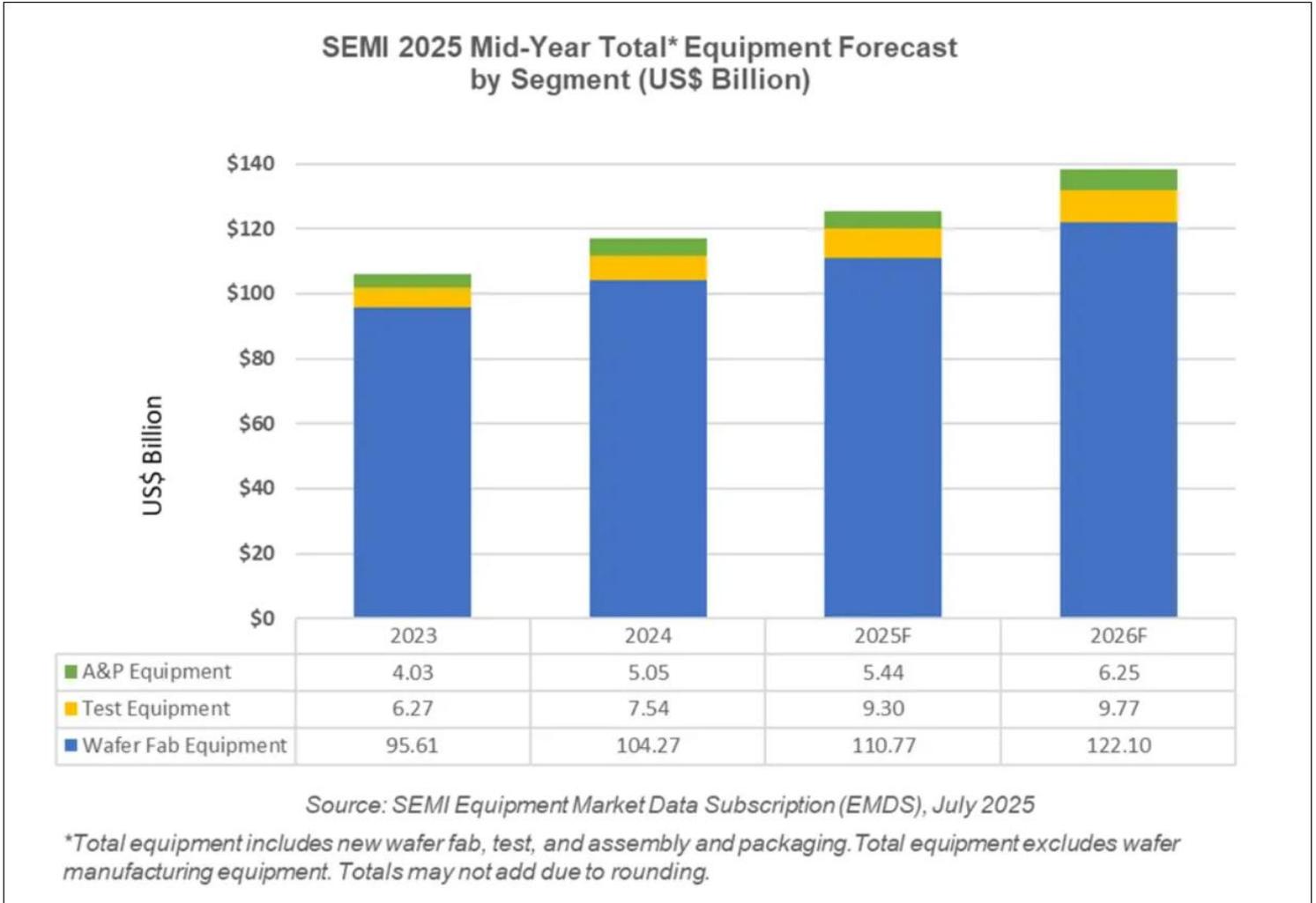
Year	Deviation from actual										Deviation	
	Oct 2016	Oct 2017	Oct 2018	Sept 2019	Oct 2020	Oct 2021	Nov 2022	Oct 2023	Oct 2024	Oct 2025		
2016	(2.7%)											-
2017	(9.9%)	(3.1%)										-
2018	(14.4%)	(7.2%)	(2.3%)									-
2019		3.6%	10.8%	(0.4%)								-
2020			8.3%	(3.5%)	(3.6%)							-
2021			(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%)			-

Source: SEMI, FPA

SEMI also noted in July 2025 that “global sales of total semiconductor manufacturing equipment by original equipment manufacturers (OEMs) are forecast to set a new industry record of \$125.5 billion in 2025, a 7.4% year-on-year increase”, with the forecast’s breakdown as shown in **Exhibit 26**.

SEMI noted too that equipment billings are “projected to reach a new high of \$138.1 billion” in 2026.

Exhibit 26: Forecasted Equipment Sales (2025 & 2026)



Source: SEMI

We note that, from July 2021 to December 2024, SEMI generally provided conservative forecasts of equipment billings, as shown in **Exhibit 27**. Thus, projections resulting from the use of SEMI's equipment billings forecasts are likely to be warranted.

Exhibit 27: Historical Deviation of Equipment Billings Forecasts from Actual Figures (2016 to 2024)

Year	Forecast (in US\$ billion)							Actual
	Jul 2021	Dec 2022	Jul 2023	Dec 2023	Jul 2024	Dec 2024	Jul 2025	
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		116.86
2025				124.13	127.53	121.47	125.51	
2026						139.42	138.12	

Year	Deviation from actual							Deviation
	Jul 2021	Dec 2022	Jul 2023	Dec 2023	Jul 2024	Dec 2024	Jul 2025	
2021	(7.0%)							-
2022	(5.7%)	1.1%						-
2023		(13.9%)	(17.5%)	(4.7%)				-
2024		(8.3%)	(14.4%)	(9.9%)	(6.3%)	(3.4%)		-

Source: SEMI, FPA

China's equipment billings rose by over 67% to US\$49.55 billion in 2024 from US\$29.62 billion in 2021, as shown in **Exhibit 28**.

SEMI noted in October 2025 that "China is expected to continue to lead in 300mm equipment spending with \$94 billion in projected investments from 2026 to 2028, sustained by national self-sufficiency policies." SEMI also noted in July 2025 that Chinese equipment sales "continues to lead all regions" in 2025 & 2026, "though sales in the region are expected to decline from 2024 record investments of \$49.5 billion."

We assume that Chinese equipment billings in 2025 & 2026 to be US\$43.08 billion, the average of 2024 & 2023. Thus, we project equipment billings (excluding China) to be US\$82.44 billion in 2025 and US\$95.05 billion in 2026, as also shown in **Exhibit 28**. Accordingly, equipment billings (excluding China) in 2H 2025 (or 1H FY2026) will be US\$38.94 billion (US\$82.44 billion in FY2025 – US\$43.50 billion in 1H 2025).

We also assume that: (1) equipment billings (excluding China) in 2027 will be the same as those in 2026; (2) equipment billings (excluding China) from 1H 2026 to 2H 2027 (2H FY2026 to 1H FY2028) will be half of the respective calendar years' total billings. Thus, equipment billings will be US\$47.52 billion from 1H 2026 to 2H 2027.

Exhibit 28: Equipment Billings (Total excluding China) (2021 to 2024; projections from 2025)

(in US\$ billion)	Actual				Projection	
	2021	2022	2023	2024	2025	2026
Equipment billings (total)	102.64	107.64	106.25	117.14	125.51	138.12
Equipment billings (China)	(29.62)	(28.27)	(36.60)	(49.55)	(43.08)	(43.08)
Equipment billings (excl. China)	73.02	79.37	69.65	67.59	82.44	95.05

Source: SEMI, FPA

FINANCIAL PROJECTIONS

(I) REVENUE & GROSS PROFIT PROJECTIONS

Revenue:

We assume that the y-o-y change in Consumable Tools revenue from 1H 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\$26.3 million in 1H FY2026, S\$27.1 million in 2H FY2026 (S\$53.3 million in FY2026), S\$26.8 million in 1H FY2027, and S\$29.4 million in 2H FY2027 (S\$56.2 million in FY2027), as shown in **Exhibit 29**.

We also assume that the y-o-y change in WFE Parts revenue from 1H 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\$7.9 million in 1H FY2026, S\$8.4 million in 2H FY2026 (S\$15.5 million in FY2026), S\$8.6 million in 1H FY2027, and S\$8.4 million in 2H FY2027 (S\$17.0 million in FY2027), as also shown in **Exhibit 29**.

Overall, we project that revenue will be S\$68.8 million in FY2026 and S\$73.3 million in FY2027.

Exhibit 29: Projected Revenue (1H FY2026 to 2H FY2027)

(in S\$ unless indicated otherwise)	Actual						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
Consumable Tools / Non-USA	26,501,752	22,052,204	23,919,661	23,807,247	25,454,226	24,970,843	26,270,067	27,071,476	26,849,114	29,398,824
Wafer Fabrication Equipment ("WFE") Parts / USA	10,412,683	8,055,354	5,432,831	4,728,639	7,082,255	7,703,351	7,046,961	8,415,690	8,601,239	8,415,690
Revenue	36,914,435	30,107,558	29,352,492	28,535,886	32,536,481	32,674,194	33,317,028	35,487,165	35,450,353	37,814,514
Consumable Tools:										
Consumable Tools / Non-USA	26,501,752	22,052,204	23,919,661	23,807,247	25,454,226	24,970,843	26,270,067	27,071,476	26,849,114	29,398,824
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	24,970,843	26,270,067	27,071,476
Y-o-y change	(19.0%)	(31.4%)	(9.7%)	8.0%	6.4%	4.9%	3.2%	8.4%	2.2%	8.6%
Silicon wafer shipments (in Million Square Inches or "MSI")	7,330	6,596	6,006	5,869	6,396	6,223	6,601	6,747	6,747	7,327
Silicon wafer shipments (in MSI; period one year ago)	7,294	7,383	7,330	6,596	6,006	5,869	6,396	6,223	6,601	6,747
Y-o-y change	0.5%	(10.7%)	(18.1%)	(11.0%)	6.5%	6.0%	3.2%	8.4%	2.2%	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	7,046,961	8,415,690	8,601,239	8,415,690
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	7,703,351	7,046,961	8,415,690
Y-o-y change	28.1%	(14.9%)	(47.8%)	(41.3%)	30.4%	62.9%	(0.5%)	9.2%	22.1%	-
Equipment billings (total excl. China; in US\$ B)	42.39	39.23	30.42	28.47	39.13	43.50	38.94	47.52	47.52	47.52
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	43.50	38.94	47.52
Y-o-y change	9.4%	6.1%	(28.2%)	(27.4%)	28.6%	52.8%	(0.5%)	9.2%	22.1%	-
Equipment billings (total; in US\$ B)	56.53	52.65	53.60	53.20	63.94	65.12	60.39	69.06	69.06	69.06
Deduct: Equipment billings (China; in US\$ B)	(14.14)	(13.42)	(23.18)	(24.73)	(24.81)	(21.62)	(21.46)	(21.54)	(21.54)	(21.54)
Equipment billings (total excl. China; in US\$ B)	42.39	39.23	30.42	28.47	39.13	43.50	38.94	47.52	47.52	47.52

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\$16.7 million in 1H FY2026, S\$17.9 million in 2H FY2026 (S\$34.6 million in FY2026), S\$17.8 million in 1H FY2027, and S\$19.8 million in 2H FY2027 (S\$37.6 million in FY2027), as shown in **Exhibit 30**.

Exhibit 30: Projected Gross Profit (1H FY2026 to 2H FY2027)

(in S\$)	Actual						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
Revenue	36,914,435	30,107,558	29,352,492	28,535,886	32,536,481	32,674,194	33,317,028	35,487,165	35,450,353	37,814,514
Less: Cost of sales	(19,050,884)	(16,781,467)	(15,420,108)	(15,282,180)	(16,569,550)	(16,422,611)	(16,641,077)	(17,592,867)	(17,660,569)	(18,024,059)
Gross profit	17,863,551	13,326,091	13,932,384	13,253,706	15,966,931	16,251,583	16,675,951	17,894,298	17,789,784	19,790,455
Gross margin	48.4%	44.3%	47.5%	46.4%	49.1%	49.7%	50.1%	50.4%	50.2%	52.3%
Consumable tools (or non-USA) as % of revenue	71.8%	73.2%	81.5%	83.4%	78.2%	76.4%	78.8%	76.3%	75.7%	77.7%

Source: MMH, FPA

For reference, we compare our projected gross margin with the projected consumable tools as a percentage of revenue from 1H FY2026 to 2H FY2027, as shown in **Exhibit 31**. We include the period from 1H FY2021 to 2H FY2022 to show how, prior to the deviation from 2H FY2023 to 2H FY2024 (which was due to MMH's fall in revenue), gross margin trended with consumable tools as a percentage of revenue.

Exhibit 31: Projected Gross Margin vs Consumable Tools as a Percentage of Revenue (1H FY2026 to 2H FY2027)



Source: MMH, FPA

(II) EARNINGS PROJECTION**Operating expenses:**

As percentages of revenue, both distribution expenses and administrative expenses rose from 1Q FY2023 to 2Q or 3Q FY2024, in line with the fall in revenue in the same period. Subsequently, both percentages fell from 3Q FY2024 to 4Q FY2025, in line with the rise in revenue in the same period.

As a percentage of revenue, other operating expenses rose from 1Q FY2023 to 3Q FY2023 in line with both the fall in revenue and the increase in other operating expenses in the same period. However, the percentage subsequently fell from 1Q FY2024 to 1Q FY2025 in line with cost-reduction measures at MMUS (as well as the rise in revenue from 3Q FY2024).

We project that revenue from 1H FY2026 to 2H FY2027 will be higher than that from 2H FY2023 to 2H FY2025. Accordingly, we expect that, as percentages of revenue, all three operating expenses (distribution expenses, administrative expenses, and other operating expenses) from 1H FY2026 to 2H FY2027 will not be higher than those from 1H FY2023 to 2H FY2025.

We assume that, as percentages of revenue, all three operating expenses from 1H FY2026 to 2H FY2027 will remain the same as in 2H FY2025.

Thus, we project that operating expenses will be S\$8.1 million in 1H FY2026, S\$8.6 million in 2H FY2026 (S\$16.7 million in FY2026), S\$8.6 million in 1H FY2027, and S\$9.2 million in 2H FY2027 (S\$17.8 million in FY2027), as shown in **Exhibit 32**.

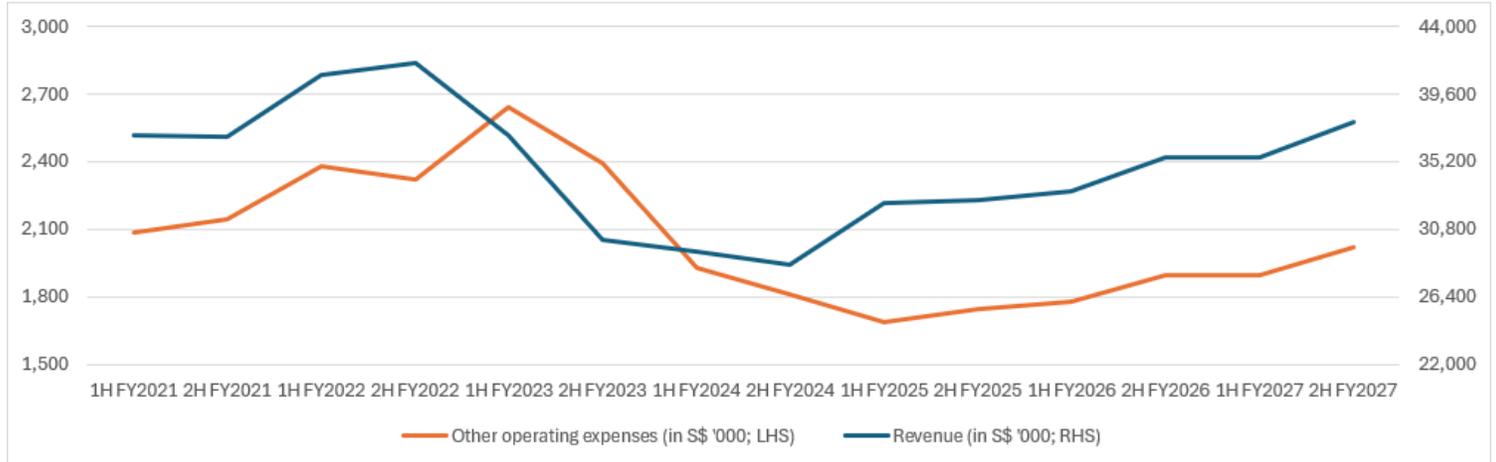
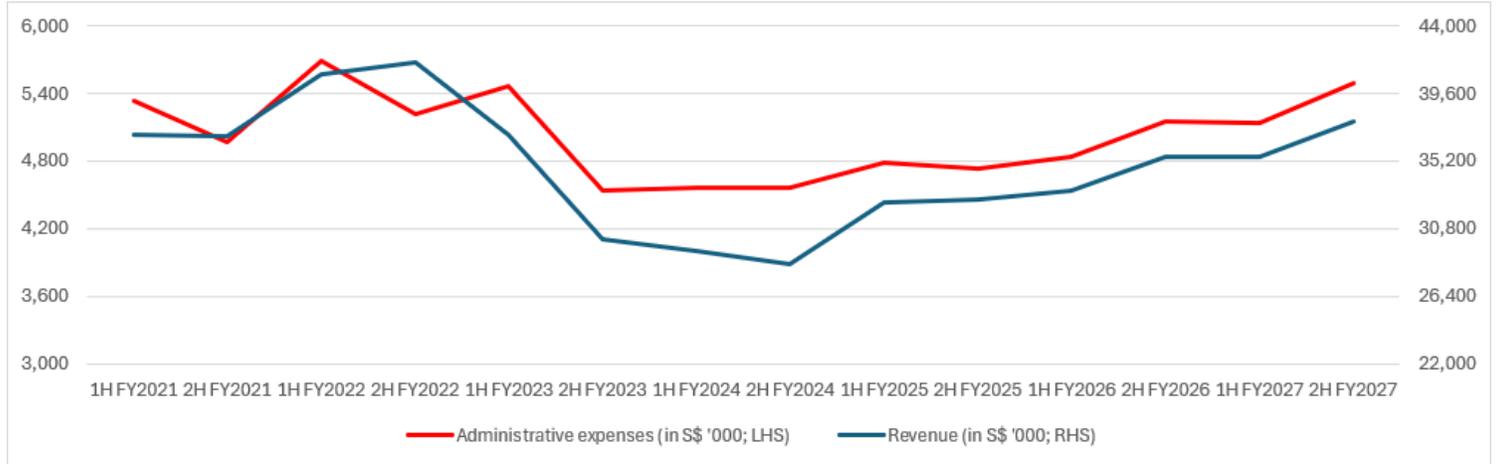
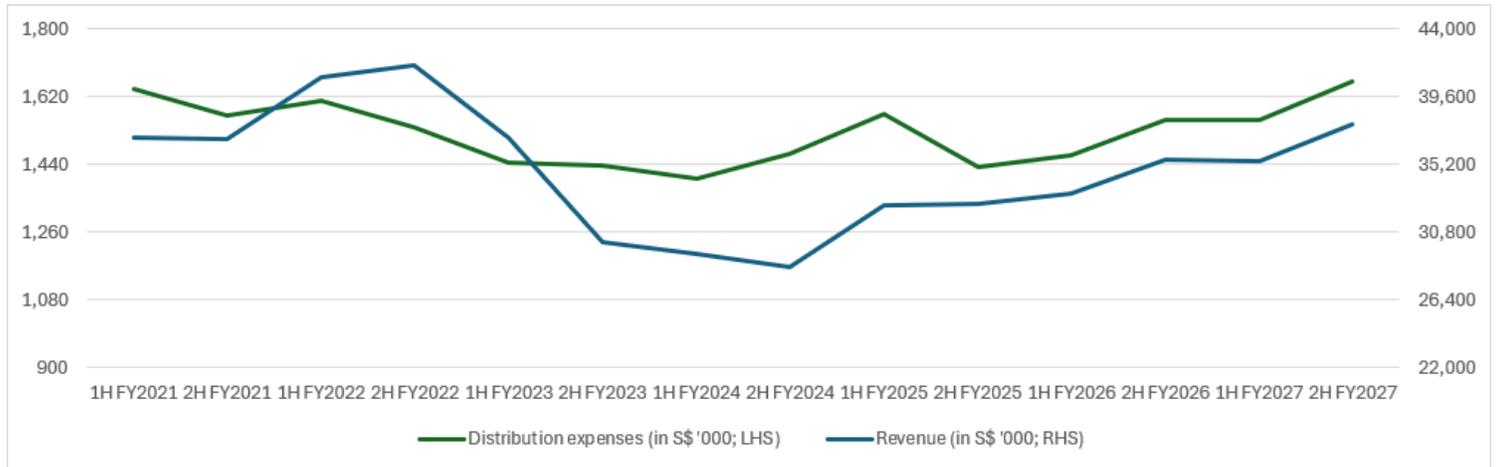
Exhibit 32: Projected Operating Expenses (1H FY2026 to 2H FY2027)

(in S\$)	Actual						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H 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)	(1,463,042)	(1,558,338)	(1,556,722)	(1,660,538)
Administrative expenses	(5,466,425)	(4,546,564)	(4,569,347)	(4,558,304)	(4,790,651)	(4,741,021)	(4,834,296)	(5,149,183)	(5,143,841)	(5,486,881)
Other operating expenses	(2,643,969)	(2,390,777)	(1,931,657)	(1,810,937)	(1,690,841)	(1,747,187)	(1,781,561)	(1,897,605)	(1,895,637)	(2,022,055)
Operating expenses	(9,553,176)	(8,374,382)	(7,904,112)	(7,839,314)	(8,055,405)	(7,923,021)	(8,078,899)	(8,605,126)	(8,596,200)	(9,169,474)
As a % of revenue:										
Distribution expenses	3.9%	4.8%	4.8%	5.2%	4.8%	4.4%	4.4%	4.4%	4.4%	4.4%
Administrative expenses	14.8%	15.1%	15.6%	16.0%	14.7%	14.5%	14.5%	14.5%	14.5%	14.5%
Other operating expenses	7.2%	7.9%	6.6%	6.3%	5.2%	5.3%	5.3%	5.3%	5.3%	5.3%
Operating expenses	25.9%	27.8%	26.9%	27.5%	24.8%	24.2%	24.2%	24.2%	24.2%	24.2%

Source: MMH, FPA

For reference, we compare our projected operating expenses with the projected revenue from 1H FY2026 to 2H FY2027, as shown in **Exhibit 33**. We include the period from 1H FY2021 to 2H FY2022 to show how each of the operating expenses trended with revenue prior to the fall in revenue from 1H FY2023.

Exhibit 33: Projected Operating Expenses vs Revenue (1H FY2026 to 2H FY2027)



Source: MMH, FPA

Other income, finance income, and finance expense:

We assume no gain on disposal of Property, Plant, and Equipment (“PP&E”) from 1H FY2026 to 2H FY2027.

Rental income ceased from October 2024 (2Q FY2025).

Government grants may no longer rise to S\$53.0 thousand like in 2H FY2024 or to S\$37.2 thousand like in 2H FY2023, years after COVID-19. Thus, we assume that government grants from 1H FY2026 to 2H FY2027 will be the same as in 2H FY2025.

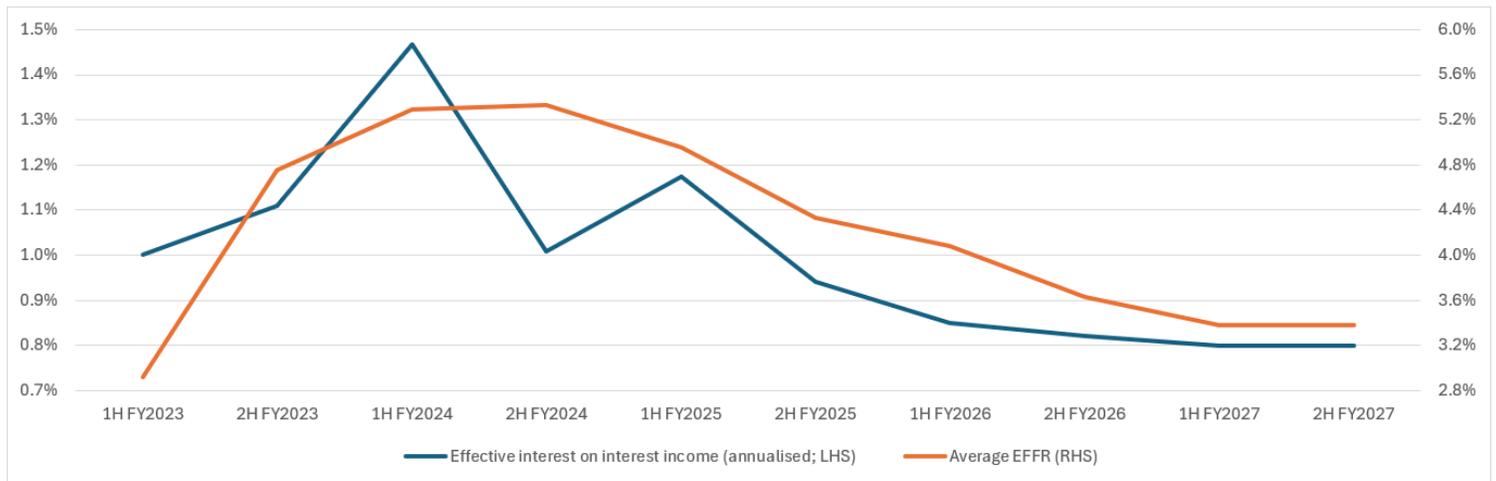
We assume that “Others” in other income from 1H FY2026 to 2H FY2027 will be the average from 1H FY2023 to 2H FY2025.

Thus, we project other income to be S\$137.3 thousand from 1H FY2026 to 2H FY2027 (S\$274.7 thousand in FY2026 & FY2027).

In the Summary of Economic Projections released by the U.S. Federal Reserve in September 2025, the median projected federal funds rate was 3.6% in end-2025, 3.4% in end-2026, and 3.1% in end-2027. Accordingly, we assume that the U.S. Federal Reserve will lower the target federal funds rate by 25 basis points (“bps”) in December 2025, July 2026, and July 2027, such that the average EFFR will fall to 4.1% in 1H FY2026, 3.6% in 2H FY2026, and 3.4% in 1H & 2H FY2027.

We also assume that the annualised effective interest on interest income from 1H FY2026 to 2H FY2027 will fall in line with the fall in average EFFR, as shown in **Exhibit 34**.

Exhibit 34: Projected Annualised Effective Interest on Interest Income vs Average EFFR (1H FY2026 to 2H FY2027)



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

We assume that cash & bank balances from 1H FY2026 to 2H FY2027 will be S\$27.2 million, the same as in 1Q FY2026.

Thus, we project finance income to be S\$115.7 thousand in 1H FY2026, S\$111.6 thousand in 2H FY2026 (S\$227.2 thousand in FY2026), and S\$108.9 thousand in 1H & 2H FY2027 (S\$217.7 thousand in FY2027).

We assume bank charges, unwind of discount on restoration cost provision, and interest expense on lease liabilities from 1H FY2026 to 2H FY2027 to be the respective averages from 1H FY2023 to 2H FY2025. Thus, we project that finance expense will be S\$110.3 thousand from 1H FY2026 to 2H FY2027 (S\$220.6 thousand in FY2026 & FY2027).

Our projections of other income, finance income, and finance expense from 1H FY2026 to 2H FY2027 are shown in **Exhibit 35**.

Exhibit 35: Projected Other Income, Finance Income, and Finance Expense (1H FY2026 to 2H FY2027)

(in \$)	Actual						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
Gain on disposal of Property, Plan, and Equipment ("PP&E")	6,372	68,460	9,560	4,627	2,213	3,385	-	-	-	-
Rental income	65,062	64,785	62,690	61,794	32,743	68	-	-	-	-
Government grant	15,873	37,192	16,990	53,016	12,186	16,985	16,985	16,985	16,985	16,985
Others	141,923	116,075	104,905	100,036	131,353	127,888	120,363	120,363	120,363	120,363
Foreign exchange gains/(losses)	-	-	-	-	-	-	-	-	-	-
Interest income from banks & others	-	-	-	-	-	-	-	-	-	-
Other income	229,230	286,512	194,145	219,473	178,495	148,326	137,348	137,348	137,348	137,348

(in \$)	Actual						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
Interest income from banks & others	90,143	79,182	109,859	83,534	118,908	109,552	115,666	111,584	108,862	108,862
Foreign exchange gains	29,088	-	-	-	64,054	-	-	-	-	-
Finance income	119,231	79,182	109,859	83,534	182,962	109,552	115,666	111,584	108,862	108,862

Effective interest on interest income:

Interest income from banks & others	90,143	79,182	109,859	83,534	118,908	109,552	115,666	111,584	108,862	108,862
Cash & bank balances	18,014,293	14,266,863	14,969,428	16,567,727	20,236,591	23,283,594	27,215,539	27,215,539	27,215,539	27,215,539
Effective interest on interest income (annualised)	1.0%	1.1%	1.5%	1.0%	1.2%	0.9%	0.9%	0.8%	0.8%	0.8%

Average Effective Federal Funds Rate ("EFFR")	2.9%	4.8%	5.3%	5.3%	5.0%	4.3%	4.1%	3.6%	3.4%	3.4%
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(in %)	Actual						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
January		4.3%		5.3%		4.3%		3.6%		3.4%
February		4.6%		5.3%		4.3%		3.6%		3.4%
March		4.6%		5.3%		4.3%		3.6%		3.4%
April		4.8%		5.3%		4.3%		3.6%		3.4%
May		5.1%		5.3%		4.3%		3.6%		3.4%
June		5.1%		5.3%		4.3%		3.6%		3.4%
July	1.7%		5.1%		5.3%		4.3%		3.4%	
August	2.3%		5.3%		5.3%		4.3%		3.4%	
September	2.6%		5.3%		5.1%		4.2%		3.4%	
October	3.1%		5.3%		4.8%		4.1%		3.4%	
November	3.8%		5.3%		4.6%		3.9%		3.4%	
December	4.1%		5.3%		4.5%		3.6%		3.4%	
EFFR (average)	2.9%	4.8%	5.3%	5.3%	5.0%	4.3%	4.1%	3.6%	3.4%	3.4%

(in \$)	Actual						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
Bank charges	48,382	29,836	46,650	42,634	47,826	44,499	43,305	43,305	43,305	43,305
Unwind of discount on restoration cost provision	4,732	8,853	9,099	9,351	9,612	9,880	8,588	8,588	8,588	8,588
Interest expense on lease liabilities	38,432	57,435	96,826	73,700	47,500	36,670	58,427	58,427	58,427	58,427
Foreign exchange losses	143,043	16,730	151,225	86,578	118,641	192,014	-	-	-	-
Finance expense	234,589	112,854	303,800	212,263	223,579	283,063	110,320	110,320	110,320	110,320

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 \$9.0 million in 1H FY2026, \$9.6 million in 2H FY2026 (\$18.6 million in FY2026), \$9.6 million in 1H FY2027, and \$11.0 million in 2H FY2027 (\$20.5 million in FY2027), as shown in **Exhibit 36**.

Exhibit 36: Projected Profit Before Income Tax (1H FY2026 to 2H FY2027)

(in \$)	Actual						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H 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	16,675,951	17,894,298	17,789,784	19,790,455
Other income	229,230	286,512	194,145	219,473	178,495	148,326	137,348	137,348	137,348	137,348
Distribution expenses	(1,442,782)	(1,437,041)	(1,403,108)	(1,470,073)	(1,573,913)	(1,434,813)	(1,463,042)	(1,558,338)	(1,556,722)	(1,660,538)
Administrative expenses	(5,466,425)	(4,546,564)	(4,569,347)	(4,558,304)	(4,790,651)	(4,741,021)	(4,834,296)	(5,149,183)	(5,143,841)	(5,486,881)
Other operating expenses	(2,643,969)	(2,390,777)	(1,931,857)	(1,810,937)	(1,690,841)	(1,747,187)	(1,781,561)	(1,897,605)	(1,895,637)	(2,022,055)
Profit from operations	8,539,605	5,238,221	6,222,417	5,633,865	8,090,021	8,476,888	8,734,400	9,426,520	9,330,933	10,758,329
Finance income	119,231	79,182	109,859	83,534	182,962	109,552	115,666	111,584	108,862	108,862
Finance expense	(234,589)	(112,854)	(303,800)	(212,263)	(223,579)	(283,063)	(110,320)	(110,320)	(110,320)	(110,320)
Profit before income tax	8,424,247	5,204,549	6,028,476	5,505,136	8,049,404	8,303,377	8,960,385	9,648,424	9,550,114	10,977,510

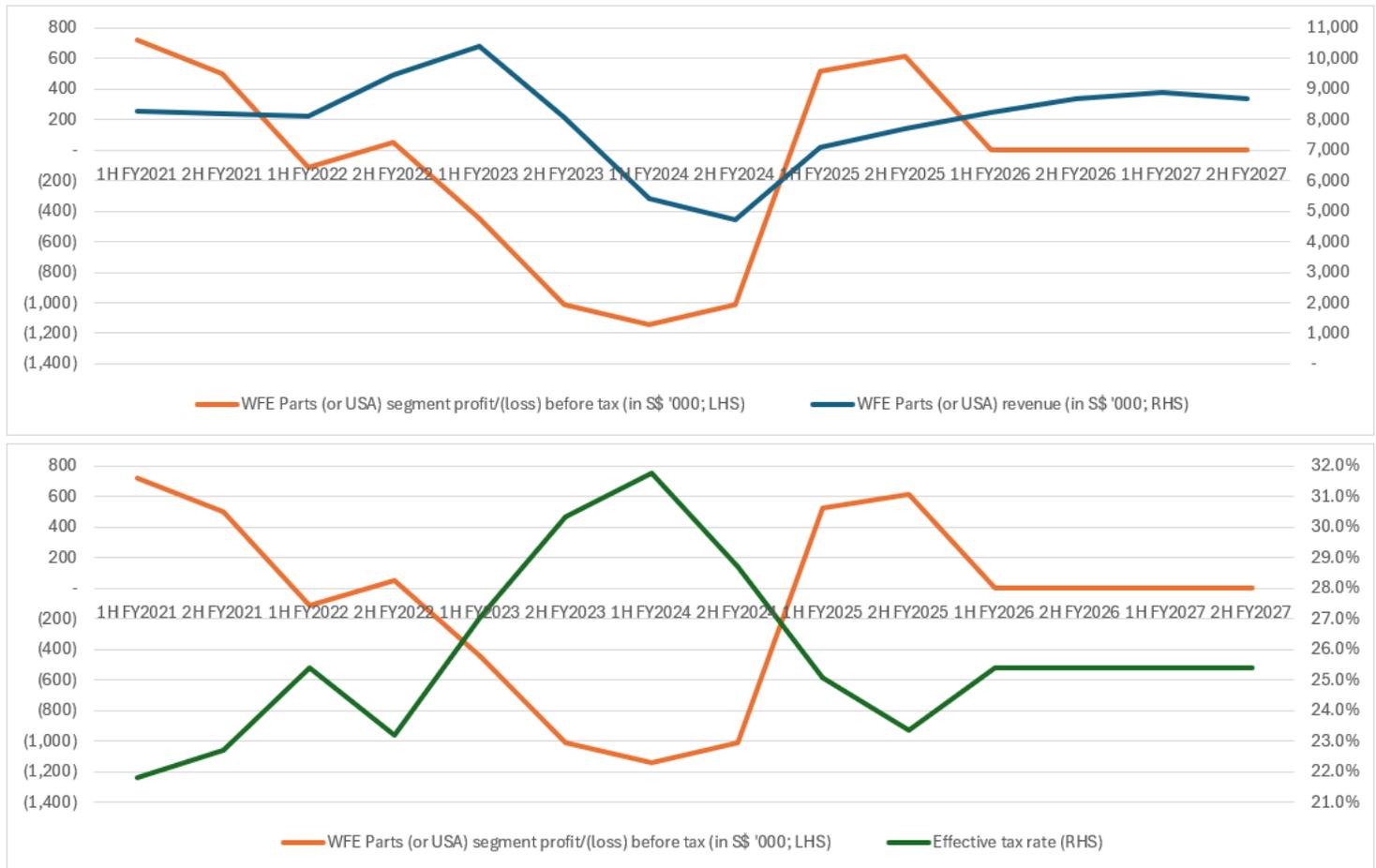
Source: MMH, FPA

Income tax expenses:

WFE Parts (or USA) segment incurred a loss before tax in 1Q FY2026. Thus, even though we project WFE Parts (or USA) revenue to rise from 1H FY2026 to 2H FY2027, we assume that WFE Parts (or USA) segment will breakeven (instead of earning higher profit) before tax from 1H FY2026 to 2H FY2027, as shown in **Exhibit 37** (top).

Accordingly, we assume that the effective tax rate from 1H FY2026 to 2H FY2027 will be 25.4%, the same as in 1H FY2022 (during which USA segment recorded a loss before tax of S\$110.3 thousand), as shown in **Exhibit 37** (bottom).

Exhibit 37: Projected Effective Tax Rate (1H FY2026 to 2H FY2027)



Source: MMH, FPA

Thus, we project income tax expenses to be S\$2.3 million in 1H FY2026, S\$2.5 million in 2H FY2026 (S\$4.7 million in FY2026), S\$2.4 million in 1H FY2027, and S\$2.8 million in 2H FY2027 (S\$5.2 million in FY2027), as shown in **Exhibit 38**.

Exhibit 38: Projected Income Tax Expenses (1H FY2026 to 2H FY2027)

(in S\$)	Actual						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
Income tax expenses	2,280,599	1,577,717	1,914,970	1,580,526	2,018,059	1,939,254	2,276,029	2,450,797	2,425,826	2,788,399
Profit before income tax	8,424,247	5,204,549	6,028,476	5,505,136	8,049,404	8,303,377	8,960,385	9,648,424	9,550,114	10,977,510
Effective tax rate	27.1%	30.3%	31.8%	28.7%	25.1%	23.4%	25.4%	25.4%	25.4%	25.4%

WFE Parts (or USA) segment profit/(loss) before tax

(445,985)	(1,010,460)	(1,145,226)	(1,008,895)	520,144	610,847	-	-	-	-
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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\$6.7 million in 1H FY2026, S\$7.2 million in 2H FY2026 (S\$13.9 million in FY2026), S\$7.1 million in 1H FY2027, and S\$8.2 million in 2H FY2027 (S\$15.3 million in FY2027), as shown in **Exhibit 39**.

We assume that the weighted average number of shares from 1H FY2026 to 2H FY2027 would remain the same as in 2H FY2025. Thus, we project that EPS (cents) will be 4.81 in 1H FY2026, 5.18 in 2H FY2026 (9.98 in FY2026), 5.12 in 1H FY2027, and 5.89 in 2H FY2027 (11.01 in FY2027).

Exhibit 39: Projected Profit After Tax and Earnings Per Share (1H FY2026 to 2H FY2027)

(in S\$)	Actual						Projection			
	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026	1H FY2027	2H FY2027
Profit before income tax	8,424,247	5,204,549	6,028,476	5,505,136	8,049,404	8,303,377	8,960,385	9,648,424	9,550,114	10,977,510
Income tax expenses	(2,280,599)	(1,577,717)	(1,914,970)	(1,580,526)	(2,018,059)	(1,939,254)	(2,276,029)	(2,450,797)	(2,425,826)	(2,788,399)
Profit after tax	6,143,648	3,626,832	4,113,506	3,924,610	6,031,345	6,364,123	6,684,357	7,197,626	7,124,288	8,189,111
Weighted average no. of 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	139,031,881
Earnings Per Share ("EPS" in cents)	4.42	2.61	2.96	2.82	4.34	4.58	4.81	5.18	5.12	5.89

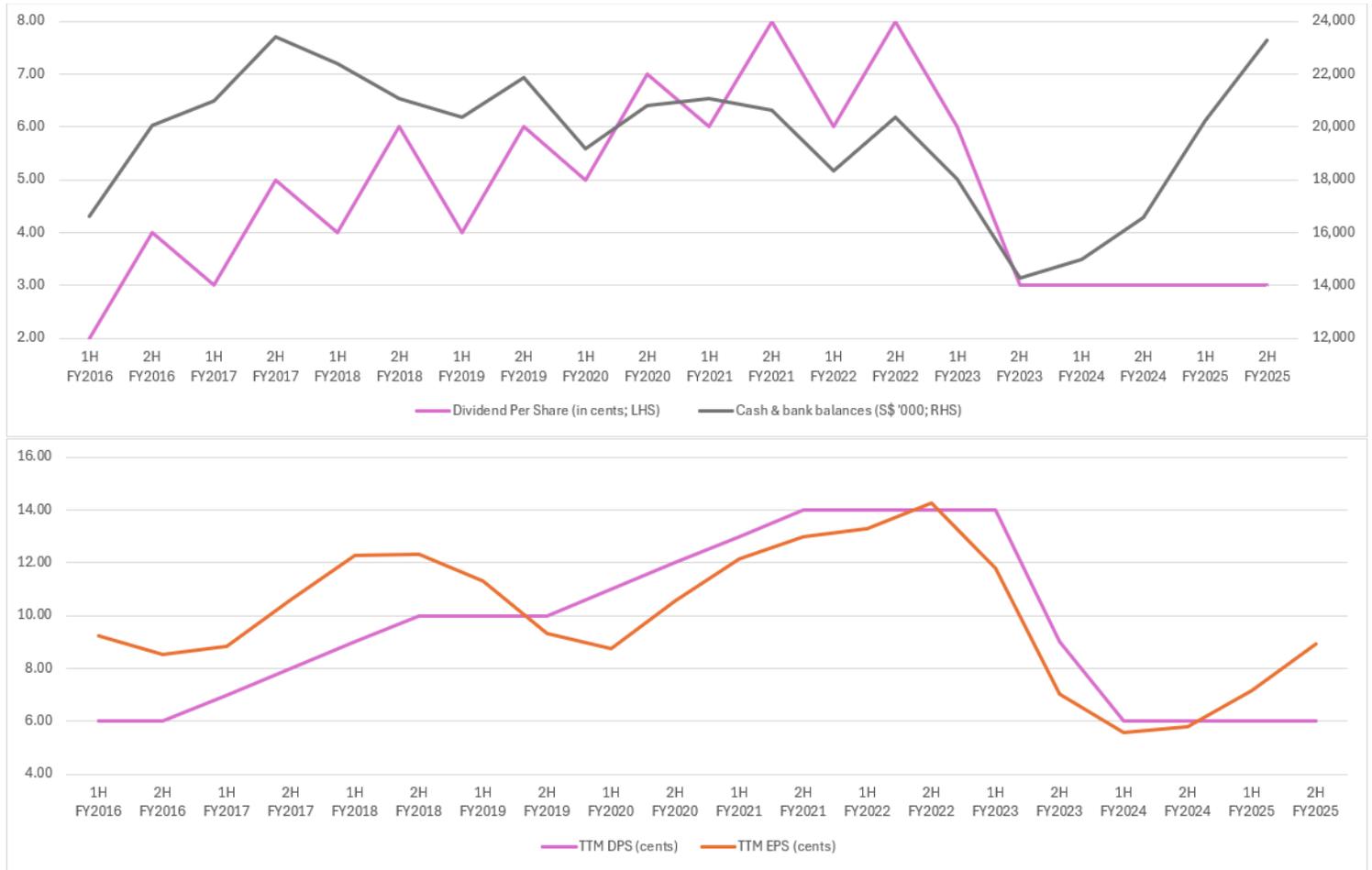
Source: MMH, FPA

(III) DIVIDEND PROJECTION

DPS:

MMH lowered its DPS (cents) to 3.0 in 2H FY2023 after cash & bank balances fell to S\$14.3 million at end-2H FY2023, as shown in **Exhibit 40**. As cash & bank balances rose to S\$27.2 million at end-1Q FY2026, and we project EPS (in cents) to rise to 9.98 in FY2026 and 11.01 in FY2027, we expect that MMH may raise its annual DPS (in cents) from 6.0 in FY2025.

Exhibit 40: Dividend Per Share vs Cash & Bank Balances, and TTM DPS vs TTM EPS (1H FY2016 to 2H FY2025)



Note: LHS & RHS axes are not proportional to each other for the top graph, unlike most of our other graphs.

Source: MMH, FPA

Thus, we project that DPS (in cents) would minimally rise to 9.00 in FY2026 & FY2027, as shown in **Exhibit 41**.

Exhibit 41: Projected Dividend Per Share (FY2026 & FY2027)

(in S\$ unless otherwise indicated)	Actual			Projection	
	FY2023	FY2024	FY2025	FY2026	FY2027
Dividend Per Share ("DPS" in cents)	9.00	6.00	6.00	9.00	9.00
Earnings Per Share ("EPS" in cents)	7.03	5.78	8.92	9.98	11.01
Payout ratio	128.1%	103.8%	67.3%	90.1%	81.7%

Source: MMH, FPA

Our projections for FY2026 & FY2027 are summarised in **Exhibit 42**.

Exhibit 42: Projected Financial Performance (FY2026 & FY2027)

(in S\$)	Actual			Projection	
	FY2023	FY2024	FY2025	FY2026	FY2027
Consumable Tools / Non-USA	48,553,956	47,726,908	50,425,069	53,341,542	56,247,938
WFE Parts / USA	18,468,037	10,161,470	14,785,606	15,462,651	17,016,928
Revenue	67,021,993	57,888,378	65,210,675	68,804,193	73,264,866
Cost of sales	(35,832,351)	(30,702,288)	(32,992,161)	(34,233,945)	(35,684,628)
Gross profit	31,189,642	27,186,090	32,218,514	34,570,249	37,580,239
Other income	515,742	413,618	326,821	274,697	274,697
Distribution expenses	(2,879,823)	(2,873,181)	(3,008,726)	(3,021,380)	(3,217,260)
Administrative expenses	(10,012,989)	(9,127,651)	(9,531,672)	(9,983,479)	(10,630,722)
Other operating expenses	(5,034,746)	(3,742,594)	(3,438,028)	(3,679,166)	(3,917,692)
Profit from operations	13,777,826	11,856,282	16,566,909	18,160,920	20,089,261
Finance income	198,413	193,393	292,514	227,250	217,724
Finance expense	(347,443)	(516,063)	(506,642)	220,639	220,639
Profit before tax	13,628,796	11,533,612	16,352,781	18,608,809	20,527,625
Income tax expenses	(3,858,316)	(3,495,496)	(3,957,313)	(4,726,826)	(5,214,225)
Profit after tax	9,770,480	8,038,116	12,395,468	13,881,983	15,313,400
Weighted average no. of shares	139,031,881	139,031,881	139,031,881	139,031,881	139,031,881
Earnings Per Share ("EPS" in cents)	7.03	5.78	8.92	9.98	11.01
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 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\$4.3 billion as at 5 December 2025. 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, advanced industrial as well as computing, printing and imaging technology.” Venture deals with semiconductor-related equipment. Based on its latest AR, only one customer contributed over 10% of its total revenue in its most recent FY.

ii. UMS Integration Limited (“UMS”; SGX:558)

UMS has a market capitalisation of S\$1.0 billion as at 5 December 2025. 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 84.5% of its total revenue) in its most recent FY.

iii. AEM Holdings Limited (“AEM”; SGX:AWX)

AEM has a market capitalisation of S\$525.3 million as at 5 December 2025. 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 49.7% of its revenue in its most recent FY.

iv. Frencken Group (“Frencken”; SGX:E28)

Frencken has a market capitalisation of S\$593.7 million as at 5 December 2025. 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 52.6% of its total revenue in its most recent FY.

The results of our peer comparison analysis are shown in **Exhibit 43**.

Exhibit 43: Peer Comparison Analysis

Company	Currency	Stock Symbol	Price (S\$) as at 05 Dec '25	Market Cap (S\$ million)	Diluted EPS (cents)	P/E	DPS (cents)	Dividend Yield (%)	NAV per share (S\$)	P/B
Micro-Mechanics (Holdings)	SGD	5DD	1,630	226.6	8.97	18.2 x	6.00	3.68%	0.38	4.30 x
Peer companies:										
Venture Corporation	SGD	V03	14,900	4,286.7	81.0	18.4 x	80.00	5.37%	9.52	1.56 x
UMS Integration Limited	SGD	558	1,360	966.3	5.86	23.2 x	5.00	3.68%	0.60	2.26 x
AEM Holdings Limited	SGD	AWX	1,670	525.3	4.34	38.5 x	-	-	1.53	1.09 x
Frencken Group	SGD	E28	1,390	593.7	9.10	15.3 x	2.61	1.88%	1.07	1.30 x
Peer average						23.8 x		3.64%		1.55 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. n.m. = not meaningful.

Source: SGX Stock Screener, respective companies, FPA

(a) P/E multiple

Based on **Exhibit 43**, MMH is currently trading at a P/E multiple of 18.2x, which is lower than the peer average P/E of 23.8x. This suggests that MMH is undervalued at its current share price. Adopting a relative valuation approach, we estimate a target price of S\$2.140 if MMH is to trade at the peer average P/E of 23.8x as follows:

$$\begin{aligned}
 \text{Estimated target price (P/E multiple)} &= \text{Peer average P/E} \times \text{TTM EPS} \\
 &= 23.8 \times \text{S\$}0.0897 \\
 &= \text{S\$}2.140
 \end{aligned}$$

The estimated target price of S\$2.140 represents an upside potential of 31.3% from the current share price of S\$1.630.

(b) P/B multiple

Based on **Exhibit 43**, MMH is currently trading at a P/B multiple of 4.30x, which is higher than the peer average P/B of 1.55x. This suggests that MMH is overvalued at its current share price. Adopting a relative valuation approach, we estimate a target price of S\$0.589 if MMH is to trade at the peer average P/B of 1.55x as follows:

$$\begin{aligned}
 \text{Estimated target price (P/B multiple)} &= \text{Peer average P/B} \times \text{NAV per share} \\
 &= 1.55 \times \text{S\$}0.38 \\
 &= \text{S\$}0.589
 \end{aligned}$$

The estimated target price of S\$0.589 represents a downside potential of 63.9% from the current share price of S\$1.630.

(c) Dividend yield

Based on **Exhibit 43**, MMH's current dividend yield of 3.68% is more attractive than the peer average yield of 3.64%. This suggests that MMH is undervalued at its current share price. Adopting a relative valuation approach, we estimate a target price of S\$1.648 if MMH is to trade at the peer average yield of 3.64% as follows:

$$\begin{aligned} \text{Estimated target price (Dividend yield)} &= \frac{\text{TTM DPS}}{\text{Peer average yield}} \\ &= \frac{\text{S\$0.0600}}{3.64\%} \\ &= \text{S\$1.648} \end{aligned}$$

The estimated target price of S\$1.648 represents an upside potential of 1.1% from the current share price of S\$1.630.

(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\$1.459 as follows:

$$\begin{aligned} \text{Overall target price} &= \frac{1}{3} \times [\text{Est. target price (P/E multiple)} + \text{Est. target price (P/B multiple)} \\ &\quad + \text{Est. target price (yield)}] \\ &= \frac{1}{3} \times [\text{S\$2.140} + \text{S\$0.589} + \text{S\$1.648}] \\ &= \text{S\$1.459} \end{aligned}$$

The overall target price of S\$1.459 represents a downside potential of 10.5% from the current share price of S\$1.630.

However, we note that the downside potential may be mainly due to MMH's high P/B multiple (4.30x) relative to the peer average (1.55x). MMH's P/B multiple may historically be higher than the peer average, such that it may be unlikely for MMH's P/B multiple to converge to that of the peer average, as may be implied by our peer comparison analysis.

Accordingly, we conduct another valuation analysis based on historical valuation metrics.

(II) HISTORICAL VALUATION

We conduct a valuation analysis based on MMH's historical valuation metrics over the past five FYs (2Q FY2021 to 1Q FY2026), as shown in **Exhibit 44**.

Exhibit 44: Historical Valuation Metrics (2Q FY2021 to 1Q FY2026)

Period	Results Release Date ("RRD")	Share price (RRD + 7 days)	Diluted EPS (cents)	TTM EPS (cents)	P/E multiple	DPS (cents)	TTM DPS (cents)	Dividend yield	NAV per share (cents)	P/B multiple
1Q FY2026	30 Oct '25	1.730	2.27	8.97	19.3 x	-	6.0	3.47%	37.93	4.56 x
4Q FY2025	28 Aug '25	1.790	2.29	8.92	20.1 x	3.0	6.0	3.35%	35.40	5.06 x
3Q FY2025	29 Apr '25	1.610	2.29	8.12	19.8 x	-	6.0	3.73%	33.83	4.76 x
2Q FY2025	25 Jan '25	1.760	2.12	7.16	24.6 x	3.0	6.0	3.41%	34.76	5.06 x
1Q FY2025	30 Oct '24	1.740	2.21	6.05	28.7 x	-	6.0	3.45%	35.15	4.95 x
4Q FY2024	29 Aug '24	1.480	1.50	5.78	25.6 x	3.0	6.0	4.05%	33.14	4.47 x
3Q FY2024	30 Apr '24	1.450	1.33	5.72	25.4 x	-	6.0	4.14%	31.58	4.59 x
2Q FY2024	29 Jan '24	1.700	1.02	5.57	30.5 x	3.0	6.0	3.53%	33.01	5.15 x
1Q FY2024	30 Oct '23	1.780	1.94	5.91	30.1 x	-	9.0	5.06%	35.46	5.02 x
4Q FY2023	28 Aug '23	1.890	1.43	7.03	26.9 x	3.0	9.0	4.76%	33.40	5.66 x
3Q FY2023	28 Apr '23	1.990	1.18	9.81	20.3 x	-	14.0	7.04%	32.29	6.16 x
2Q FY2023	30 Jan '23	2.230	1.36	11.81	18.9 x	6.0	14.0	6.28%	37.20	5.99 x
1Q FY2023	28 Oct '22	2.680	3.05	13.73	19.5 x	-	14.0	5.22%	44.84	5.98 x
4Q FY2022	27 Aug '22	3.250	4.22	14.25	22.8 x	8.0	14.0	4.31%	41.94	7.75 x
3Q FY2022	29 Apr '22	3.070	3.18	13.47	22.8 x	-	14.0	4.56%	37.89	8.10 x
2Q FY2022	28 Jan '22	3.330	3.28	13.29	25.0 x	6.0	14.0	4.20%	40.69	8.18 x
1Q FY2022	28 Oct '21	3.290	3.57	13.22	24.9 x	-	14.0	4.26%	45.47	7.24 x
4Q FY2021	28 Aug '21	3.200	3.44	12.99	24.6 x	8.0	14.0	4.37%	41.69	7.68 x
3Q FY2021	30 Apr '21	3.150	3.00	12.38	25.4 x	-	13.0	4.13%	38.08	8.27 x
2Q FY2021	29 Jan '21	3.580	3.20	12.16	29.4 x	6.0	13.0	3.63%	40.98	8.74 x
Maximum					30.5 x			7.04%		8.74 x
Minimum					18.9 x			3.35%		4.47 x
Average					24.2 x			4.35%		6.17 x

Source: MMH, SGX (results release dates), Yahoo! Finance (share prices), FPA

(a) P/E multiple

As shown in **Exhibit 44**, MMH's historical average P/E was 24.2x, which is higher than its current P/E multiple of 18.2x. This suggests that MMH is undervalued at its current P/E multiple. We estimate a target price of S\$2.175 if MMH is to trade at the historical average P/E of 24.2x as follows:

$$\begin{aligned}
 \text{Estimated target price (Historical P/E)} &= \text{Historical average P/E} \times \text{TTM EPS} \\
 &= 24.2 \times \text{S\$}0.0897 \\
 &= \text{S\$}2.175
 \end{aligned}$$

The estimated target price of S\$2.175 represents an upside potential of 33.4% from the current share price of S\$1.630.

(b) P/B multiple

As shown in **Exhibit 44**, MMH's historical average P/B was 6.17x, which is higher than the current P/B multiple of 4.30x. This suggests that MMH is undervalued at its current P/B multiple. We estimate a target price of S\$2.340 if MMH is to trade at the historical average P/B of 6.17x as follows:

$$\begin{aligned} \text{Estimated target price (Historical P/B)} &= \text{Historical average P/B} \times \text{NAV per share} \\ &= 6.17 \times \text{S\$0.38} \\ &= \text{S\$2.340} \end{aligned}$$

The estimated target price of S\$2.340 represents an upside potential of 43.5% from the current share price of S\$1.630.

(c) Dividend yield

As shown in **Exhibit 44**, MMH's historical average yield was 4.35%, which is higher than the current dividend yield of 3.68%. This suggests that MMH is overvalued at its current dividend yield. We estimate a target price of S\$1.380 if MMH is to trade at the historical average yield of 4.35% as follows:

$$\begin{aligned} \text{Estimated target price (Historical yield)} &= \frac{\text{TTM DPS}}{\text{Historical average yield}} \\ &= \frac{\text{S\$0.0600}}{4.35\%} \\ &= \text{S\$1.380} \end{aligned}$$

The estimated target price of S\$1.380 represents a downside potential of 15.3% from the current share price of S\$1.630.

(d) Target price

From our analysis, MMH seems to be undervalued in terms of its historical P/E and historical P/B, but overvalued in terms of its historical yield. By averaging our estimated target prices based on historical P/E, historical P/B, and historical yield, we derive an overall target price of S\$1.965 as follows:

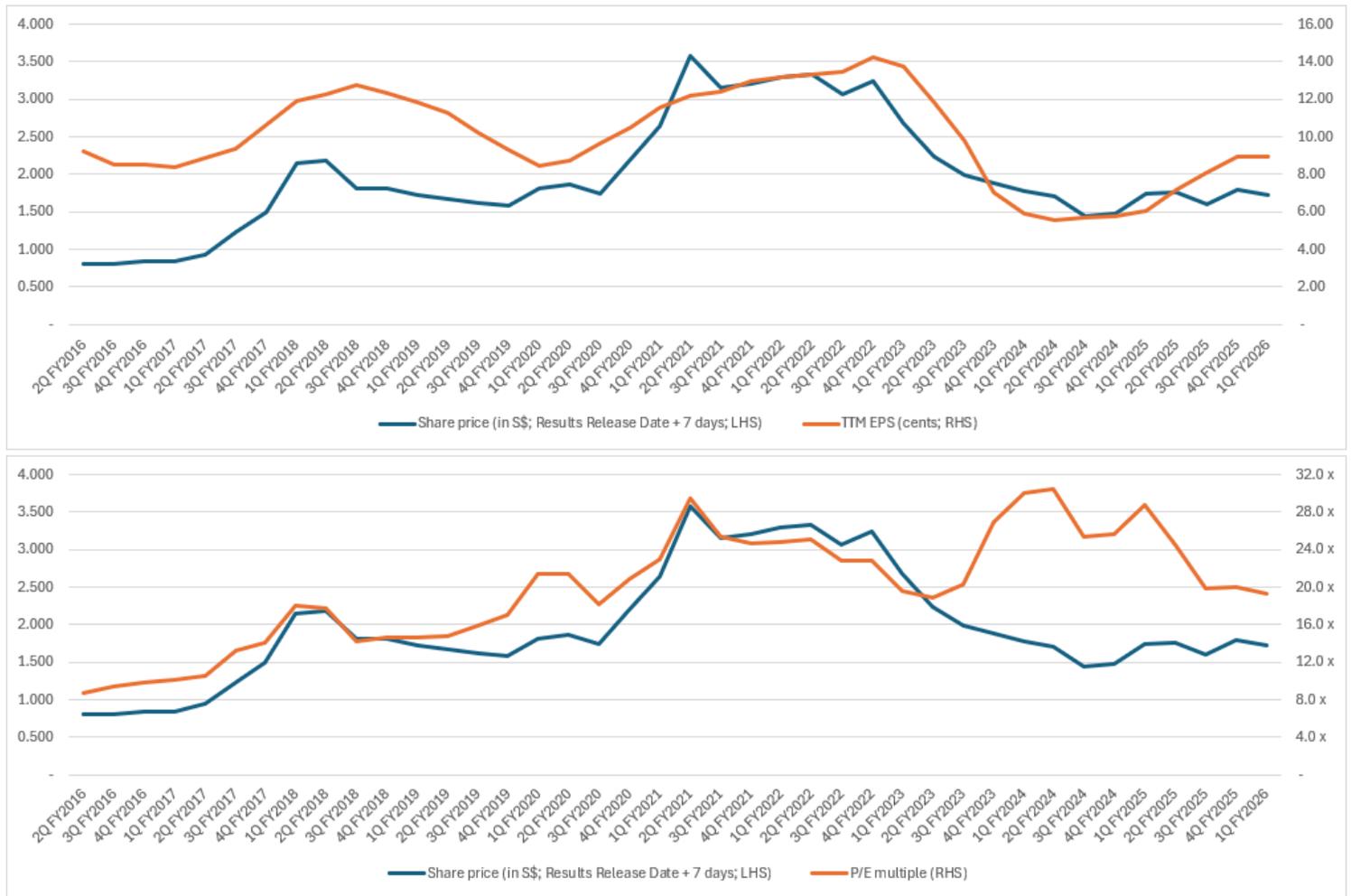
$$\begin{aligned} \text{Overall target price} &= \frac{1}{3} \times [\text{Est. target price (Historical P/E)} + \text{Est. target price (Historical P/B)} \\ &\quad + \text{Est. target price (Historical yield)}] \\ &= \frac{1}{3} \times [\text{S\$2.175} + \text{S\$2.340} + \text{S\$1.380}] \\ &= \text{S\$1.965} \end{aligned}$$

The overall target price of S\$1.965 represents an upside potential of 20.6% from the current share price of S\$1.630.

To check the sensibility of our estimated upside potential of 20.6% based on historical valuation metrics, we compare MMH's share price with its TTM EPS over the past 10 FYs (2Q FY2016 to 1Q FY2026), as shown in **Exhibit 45**.

We note that MMH's share price generally trended with TTM EPS over the past 10 FYs (**Exhibit 45**, top), although P/E multiple also generally rose in the same period (**Exhibit 45**, bottom). The general rise in P/E multiple may suggest that, should market sentiments for MMH improve, there may be a chance for MMH's current P/E multiple of 18.2x to rise back to its historical average P/E of 24.2x, as may be implied in our derivation of estimated target price based on historical P/E.

Exhibit 45: Share Price vs Trailing Twelve-Month Earnings Per Share (2Q FY2016 to 1Q FY2026)



Source: MMH, Yahoo! Finance (share prices), FPA

We also compare MMH's share price with its NAV per share over the past 10 FYs (2Q FY2016 to 1Q FY2026), as shown in **Exhibit 46**. We note that NAV per share (in cents) generally fluctuated between 31.58 and 46.18 over the past 10 FYs, such that P/B multiple generally trended with share price over the past 10 FYs. Share price generally trended with the changes in TTM EPS and P/E multiple in the same period.

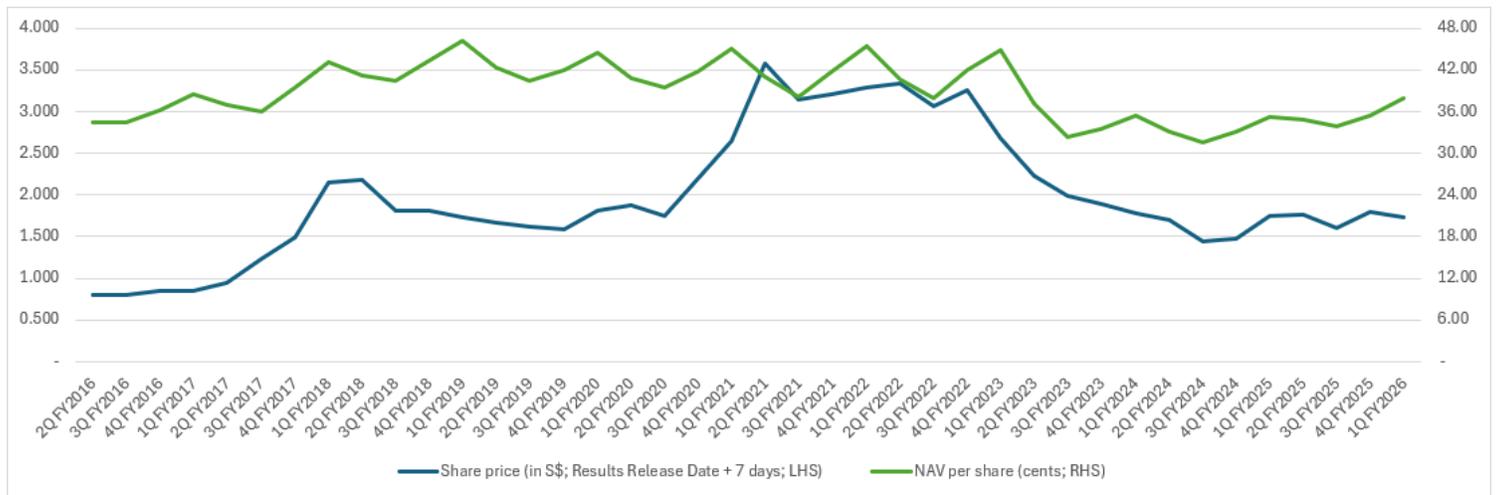
Therefore, MMH's P/B multiple may have risen to between 7.24x and 8.74x from 2Q FY2021 to 4Q FY2022 in line with the rise in share price, due to, in the same period:

1. TTM EPS (in cents) rising to between 12.16 and 14.25; and
2. P/E multiple (based on TTM EPS) rising to between 22.8x and 29.4x, seven days after results release for each quarter.

Accordingly, we note that changes in MMH's P/B multiple may be influenced by those in TTM EPS and P/E multiple.

Thus, as the historical average P/B of 6.17x factored into our analysis may have been raised by the historical highs reached by MMH's TTM EPS and P/E multiple, the upside potential of MMH's share price may not be as high as our estimate of 20.6% based on historical valuation metrics.

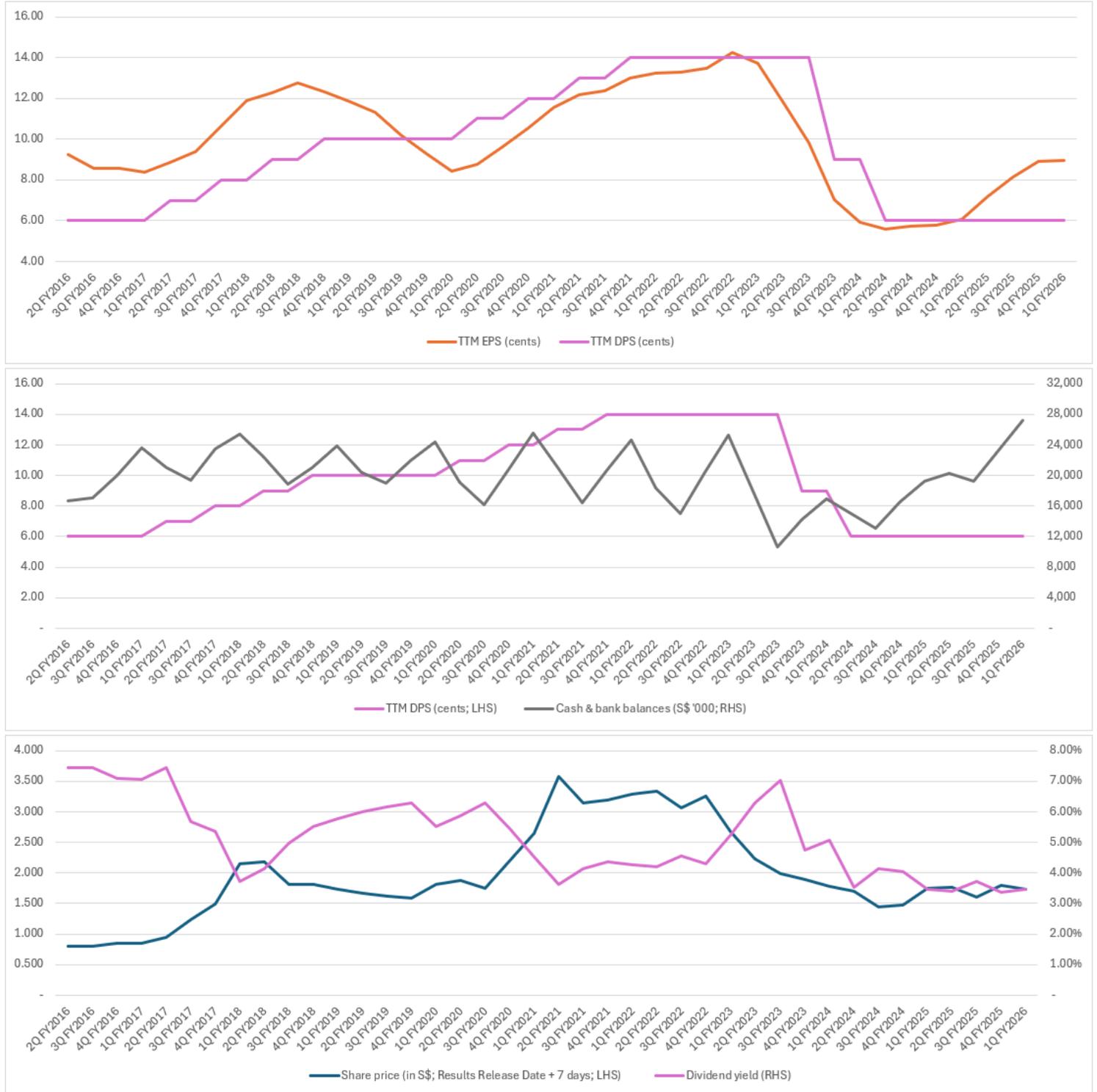
Exhibit 46: Share Price vs NAV Per Share (2Q FY2016 to 1Q FY2026)



Source: MMH, Yahoo! Finance (share prices), FPA

For completeness, we include a comparison of TTM DPS against TTM EPS, cash & bank balances, and share price, over the past 10 FYs (2Q FY2016 to 1Q FY2026), as shown in **Exhibit 47**.

Exhibit 47: TTM DPS vs TTM EPS, Cash & Bank Balances, and Share Price (2Q FY2016 to 1Q FY2026)



Source: MMH, FPA

(III) POTENTIAL MMH PRIVATISATION

Given the spate of privatisation offers for SGX-listed companies over the last twelve months, we also consider a potential privatisation of MMH even if its current P/B multiple of 4.30x represents a premium of approximately 330% to NAV.

We estimate that the Borch family has 49.8% total interest in MMH as at 17 September 2025, as shown in **Exhibit 48**.

Exhibit 48: Shareholding of Borch Family (as at 17 September 2025)

Borch family & related party	Direct interest		Remark(s)
	No. of shares	%	
Sarcadia LLC	41,800,000	30.1%	Family company set up by Christopher Reid Borch
Christopher Reid Borch	18,485,169	13.3%	Founder and Executive Chairman
Andrea W Borch	-	-	Wife of Christopher Reid Borch
Kyle Christopher Borch	3,925,000	2.8%	Chief Executive Officer ("CEO"), son of Christopher Reid Borch
Allison Ruth Borch	1,675,000	1.2%	Daughter of Christopher Reid Borch
Cameron Louis Borch	1,675,000	1.2%	Son of Christopher Reid Borch
Tyler Campbell Borch	1,675,000	1.2%	Son of Christopher Reid Borch
Borch family	69,235,169	49.8%	

Source: MMH, FPA

Therefore, the Borch family would need to acquire the remaining 50.2% total interest to privatise MMH. At the market capitalisation of S\$226.6 million as at 5 December 2025, this equates to S\$113.8 million (S\$226.6 million × 50.2%).

To estimate the potential privatisation premium for MMH, we review the privatisation offers for SGX-listed companies over the last twelve months, as shown in **Exhibit 49**. We note that the average price premium of privatisation offers was 30.6%.

Exhibit 49: Privatisation Offers for SGX-listed Companies (Last Twelve Months)

Target	Code	Acquirer	Currency	Last undisturbed price		Offer price per share	Price premium
				Date	Price		
Low Keng Huat	F1E	Consistent Record Pte. Ltd.	SGD	28 Nov '25	0.615	0.72	17.1%
Mandarin Oriental International Ltd	M04	Jardine Strategic Limited	USD	29 Sept '25	2.20	3.35	52.3%
Olive Tree Estates	1H2	Advansory Investment Pte Ltd	SGD	29 Sept '25	0.112	0.12	7.1%
Spindex Industries Ltd	564	Skyline II Pte Ltd	SGD	31 Jul '25	1.12	1.43	27.7%
Alpina Holdings Ltd	ZXY	K&T Investment Pte Ltd	SGD	03 Jun '25	0.25	0.37	48.0%
Grand Venture Technology	JLB	Aalberts Advanced Mechatronics B.V.	SGD	30 May '25	0.840	0.940	11.9%
Ossia International	O08	Goh Ching Wah, Goh Ching Huat, and Goh Ching Lai	SGD	13 May '25	0.113	0.160	41.6%
Fraser Hospitality Trust	ACV	Frasers Property Hospitality Trust Holdings Pte. Ltd.	SGD	13 May '25	0.665	0.710	6.8%
Ban Leong Technologies Ltd	B26	Epicsoft Asia Pte Ltd	SGD	29 Apr '25	0.375	0.6029	60.8%
Procurri Corporation Ltd	BVQ	Exeo Global Asset Holdings Pte Ltd	SGD	25 Apr '25	0.18	0.32	77.8%
Amara Holdings	A34	DRC Investments Pte. Ltd.	SGD	23 Apr '25	0.705	0.895	27.0%
ICP Ltd	514	ICP Ltd & Mr Aw Cheok Huat	SGD	01 Apr '25	0.007	0.009	28.6%
Sinarmas Land	A26	Lyon Investments Limited	SGD	24 Mar '25	0.275	0.375	36.4%
Sin Heng Heavy Machinery	BJA	TAL United Pte Ltd	SGD	13 Mar '25	0.545	0.58	6.4%
Paragon REIT	50E	Times Properties Private Limited	SGD	10 Feb '25	0.890	0.98	10.1%
SLB Development Ltd	1J0	Lian Beng Group Pte Ltd	SGD	22 Jan '25	0.169	0.23	36.1%
Japfa Ltd	UD2	TAC 1 Pte Ltd & TAC 2 Pte Ltd	SGD	15 Jan '25	0.46	0.62	34.8%
Econ Healthcare (Asia) Ltd	EHG	Enabler Bidco	SGD	14 Jan '25	0.275	0.33	20.0%
Average							30.6%

Source: SGX, The Business Times ("BT"), FPA

Based on the average price premium of privatisation offers, we estimate that any privatisation offer may need to have a price premium of 30.6% from the current share price of S\$1.630 to be successful. Thus, the Borch family may need to offer a privatisation price of S\$2.128, which would translate to a full privatisation cost of S\$148.5 million.

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 less 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

The Business Times (“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

We note that while cash & bank balances rose to S\$20.2 million at end-2Q FY2025 and S\$23.3 million at end-4Q FY2025, MMH maintained DPS (cents) at 3.0 for 1H & 2H FY2025. Accordingly, cash & bank balances rose to S\$27.2 million at end-1Q 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 either: (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 either of the three options, semi-annual DPS (in cents) may remain at 3.0. However, WFE Parts revenue may rise.

INVESTMENT RECOMMENDATION

We conduct a valuation analysis using historical valuation metrics over the past five FYs (2Q FY2021 to 1Q FY2026). Based on the historical average P/E of 24.2x and current TTM EPS of S\$0.0897, we estimate a target price of S\$2.175. Based on the historical average P/B of 6.17x and current NAV per share of S\$0.38, we estimate a target price of S\$2.340. Based on the historical average yield of 4.35% and current TTM DPS of S\$0.0600, we estimate a target price of S\$1.380.

By averaging our estimated target prices based on historical P/E, historical P/B, and historical yield, we derive an overall target price of S\$1.965 as follows:

$$\begin{aligned}
 \text{Overall target price} &= \frac{1}{3} \times [\text{Est. target price (Historical P/E)} + \text{Est. target price (Historical P/B)} \\
 &\quad + \text{Est. target price (Historical yield)}] \\
 &= \frac{1}{3} \times [\text{S\$2.175} + \text{S\$2.340} + \text{S\$1.380}] \\
 &= \text{S\$1.965}
 \end{aligned}$$

The overall target price of S\$1.965 represents an upside potential of 20.6% from the current share price of S\$1.630.

However, we note that changes in MMH's P/B multiple may be influenced by those in TTM EPS and P/E multiple. Accordingly, as the historic highs reached by MMH's TTM EPS and P/E multiple may have raised the historical average P/B of 6.17x, thus the estimated target price of S\$2.340 based on historical P/B, the upside potential of MMH's share price may not be as high as our estimate of 20.6%.

Also, even though we project annual EPS (in cents) to rise by 23.5% to 11.01 in FY2027 from 8.92 in FY2025, our projected Consumable Tools revenue (which comprises minimally 76.8% of projected total revenue in FY2026 & FY2027) are based on SEMI's forecasts which may prove to be more optimistic than warranted (like those made from October 2021 to October 2023).

Thus, even though our historical valuation and projections suggest MMH's prospects may show promise, we recommend, out of caution, a hold.

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

RISKS TO TARGET PRICE

(I) BURSTING OF POTENTIAL ARTIFICIAL INTELLIGENCE (“AI”) BUBBLE

In November 2025, BBC News noted from Google’s CEO Sundar Pichai that the AI industry can “overshoot” in investment cycles like the current one. BBC News cited Pichai as elaborating, “We can look back at the internet right now. There was clearly a lot of excess investment, but none of us would question whether the internet was profound”. BBC News also noted from Pichai that “Every company would be affected if the AI bubble were to burst”, including Google itself.

Drawing a parallel to the dot-com bubble, BBC News elaborated that the bursting of the dot-com bubble “led to some companies going bust, resulting in job losses.” BBC News also noted, “A drop in share prices can also hit the value of people’s savings including their pension funds.”

Should there be an AI bubble and the AI bubble burst, companies that borrowed funds and over-invested in AI-related infrastructure such as Graphic Processing Units (“GPUs”) may, as noted by BBC News, 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.

Should the bursting of a potential AI bubble weaken global growth, consumer spending may also slow. The Semiconductor Industry Association (“SIA”) noted in May 2025 that the “vast majority of semiconductor demand is driven by products ultimately purchased by consumers, such as laptops, smartphones, automobiles, and more.” 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.

Based on Yahoo! Finance data, USD has weakened against SGD by 4.6% to a USD-to-SGD exchange rate of 1.296 as at 5 December 2025 from 1.359 as at 31 December 2024.

Should USD continue to depreciate against SGD, MMH’s foreign exchange loss may rise. Thus, assuming all else (e.g., gross profit, operating expenses) remains equal, MMH’s profit after tax would be adversely affected.

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