



YOUR CONNECTION TO THE RIGHT MACHINE

ENGINEERED FOR
CONTINUOUS GROWTH

9MFY2018 Results Presentation

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Presentation Outline

-  Financial Highlights
-  Outlook, Strategies
and Recent
Developments



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Financial Highlights

Financial Summary

Weak market sentiments and strong competition continued to weigh down performance but the Group is starting to see signs of recovery as oil and coal prices stabilise

Financial Highlights	3QFY2018 S\$'000	3QFY2017 S\$'000	% Change	9MFY2018 S\$'000	9MFY2017 S\$'000	% Change
Revenue	14,051	19,533	(28.1)	54,995	64,042	(14.1)
Gross Profit	4,194	4,715	(11.0)	14,772	13,879	6.4
Gross Profit Margin	29.8%	24.1%	5.7 pp	26.9%	21.7%	5.2 pp
EBITDA	245	2,739	(91.1)	4,301	6,691	(35.7)
Other Income	1,414	1,508	(6.2)	2,456	3,491	(29.6)
Operating Expenses*	6,018	6,882	(12.6)	17,656	18,884	(6.5)
Net (Loss)/Profit						
Attributable to Owners of the Company	(1,223)	766	NM	(890)	1,058	NM
Net Profit Margin	-	3.9%	NM	-	1.7%	NM
Basic EPS (cents)#	(1.10)	0.69	NM	(0.80)	0.95	NM

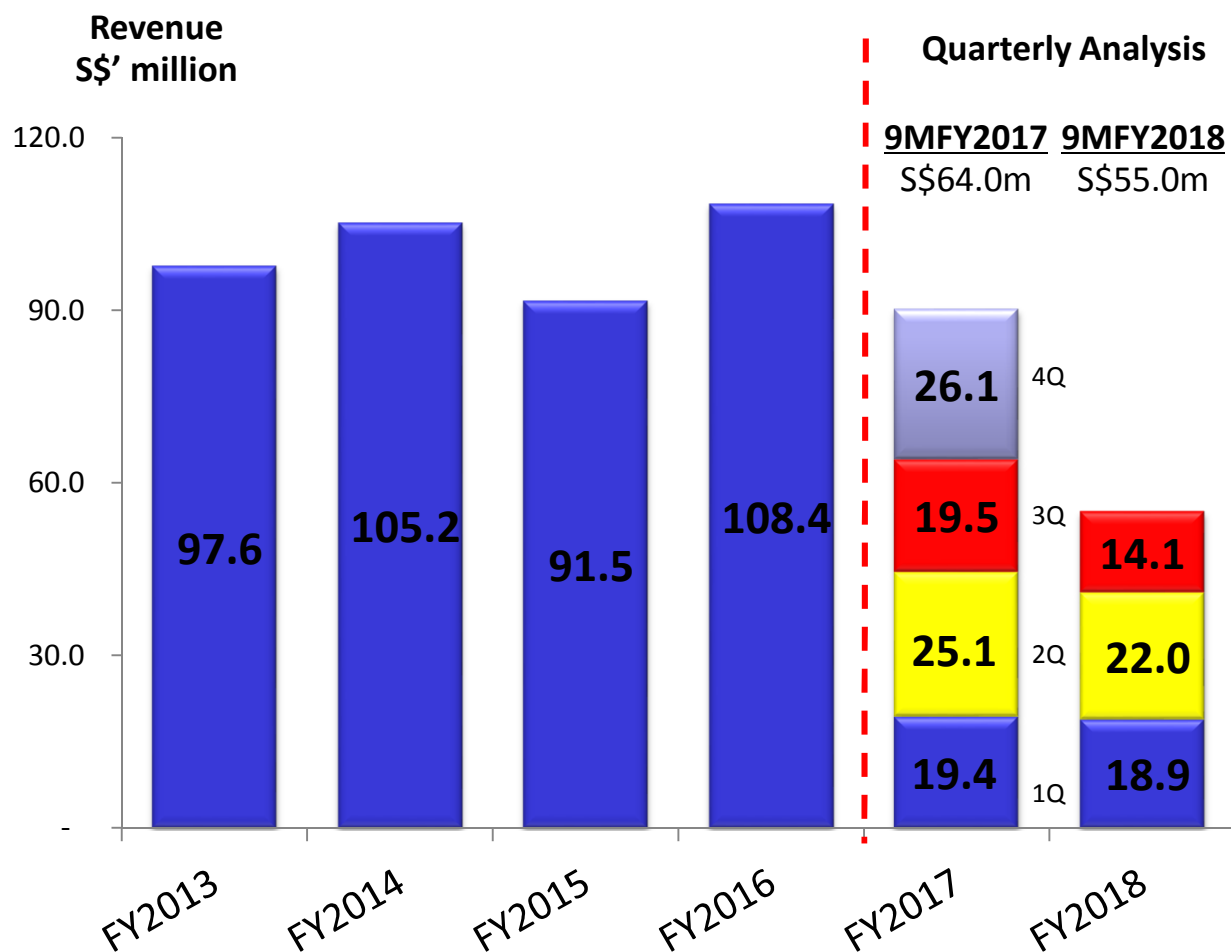
*: Includes distribution expenses and administrative expenses

pp: Percentage points

#: Based on weighted average number of shares of 111,281,821 for 3QFY2018 and 9MFY2018 (3QFY2017 and 9MFY2017: 111,281,821).

NM: not meaningful

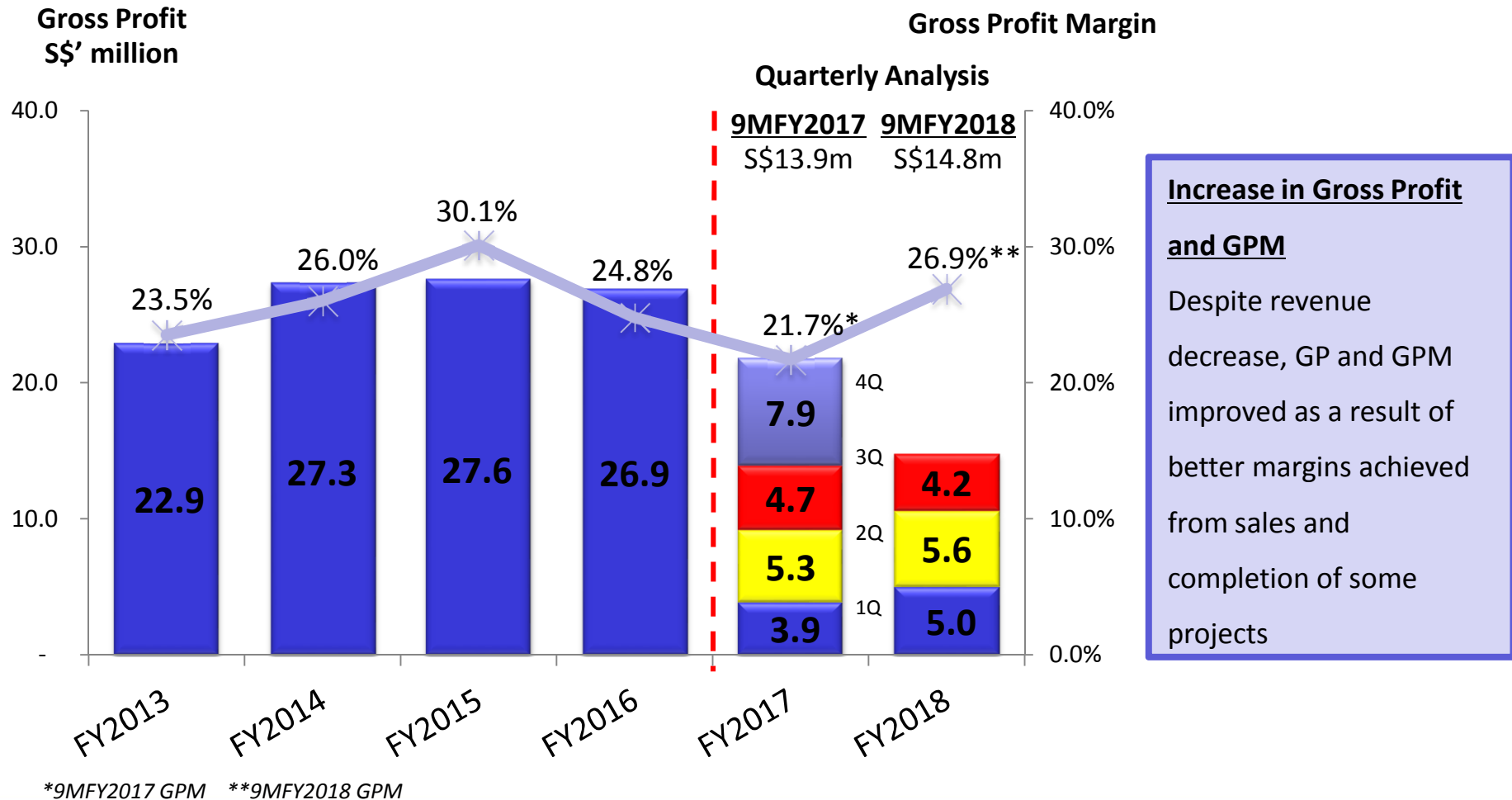
Revenue



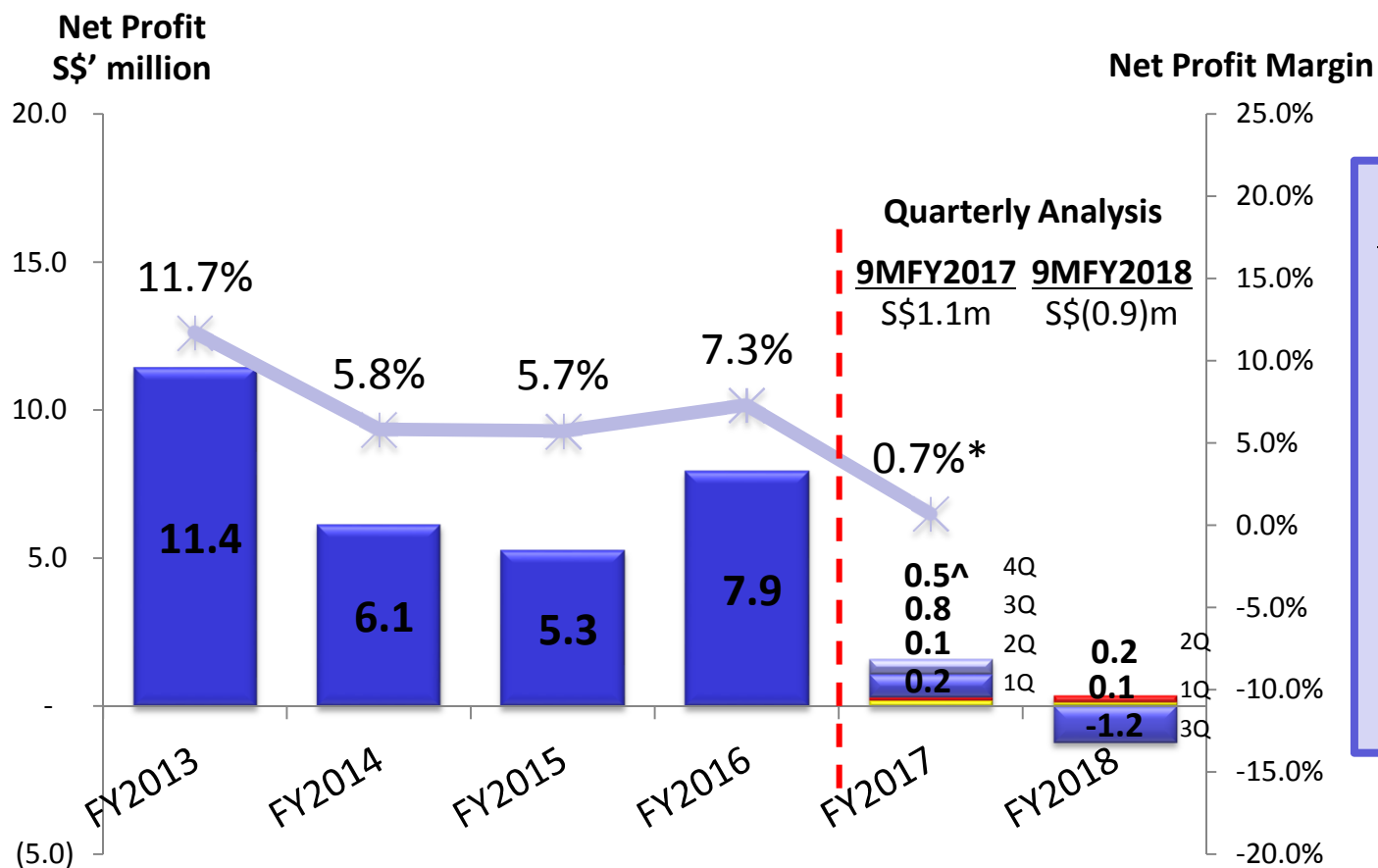
Decrease in Revenue

- Distribution and Project business segments affected by judicious spending by customers and slow market recovery

Profitability Trend (Gross Profit / Gross Profit Margin)



Profitability Trend (Net Profit / Net Profit Margin)



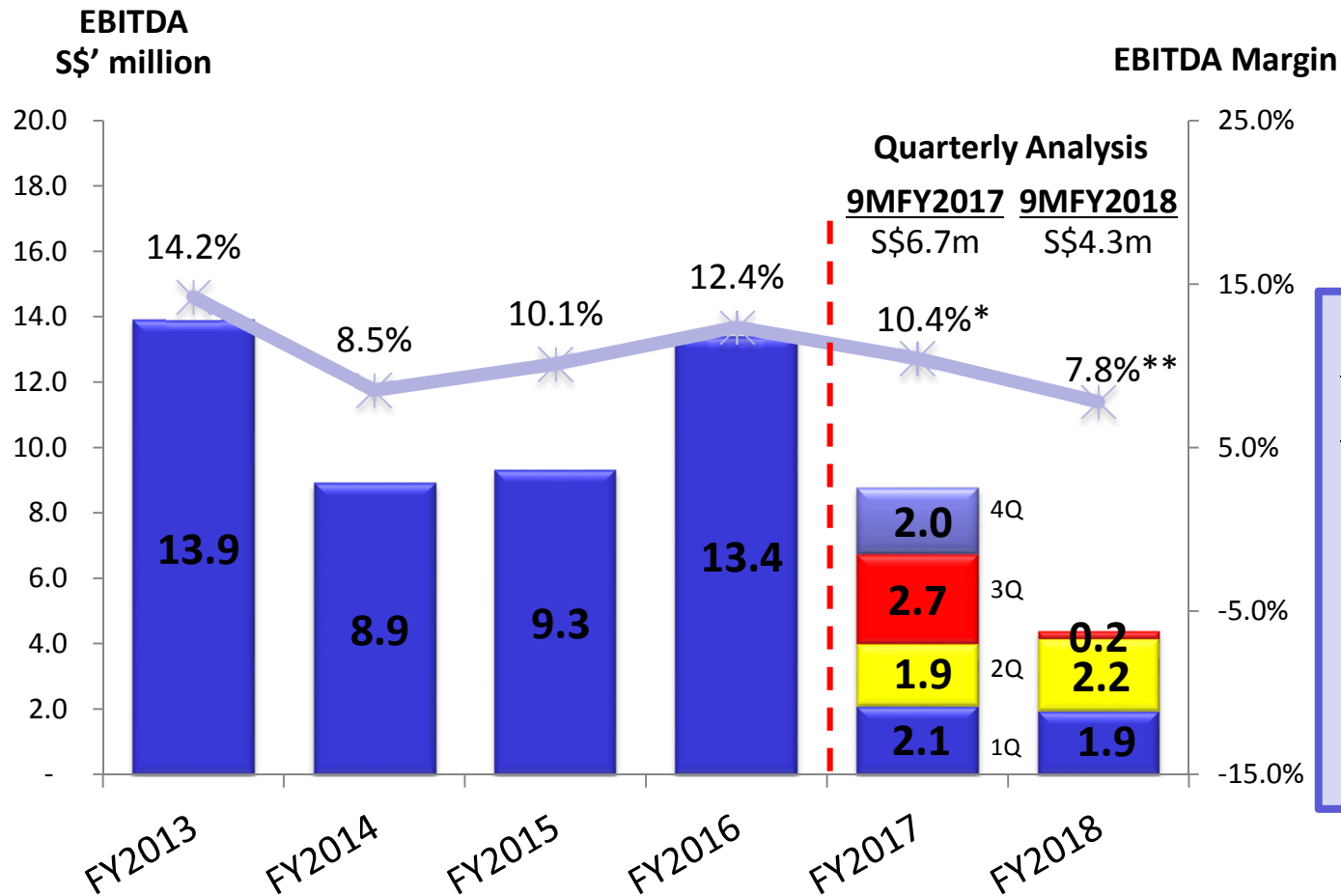
Net Profit and NPM

- Reduced finance income and other income, despite reduced operating expenses resulted in Net profit and NPM going into the red

[^]Excluding one-time non-cash impairment of S\$2.6 million in relation to intangible assets in 4QFY2017

*9MFY2017 NPM

Profitability Trend (EBITDA / EBITDA Margin)

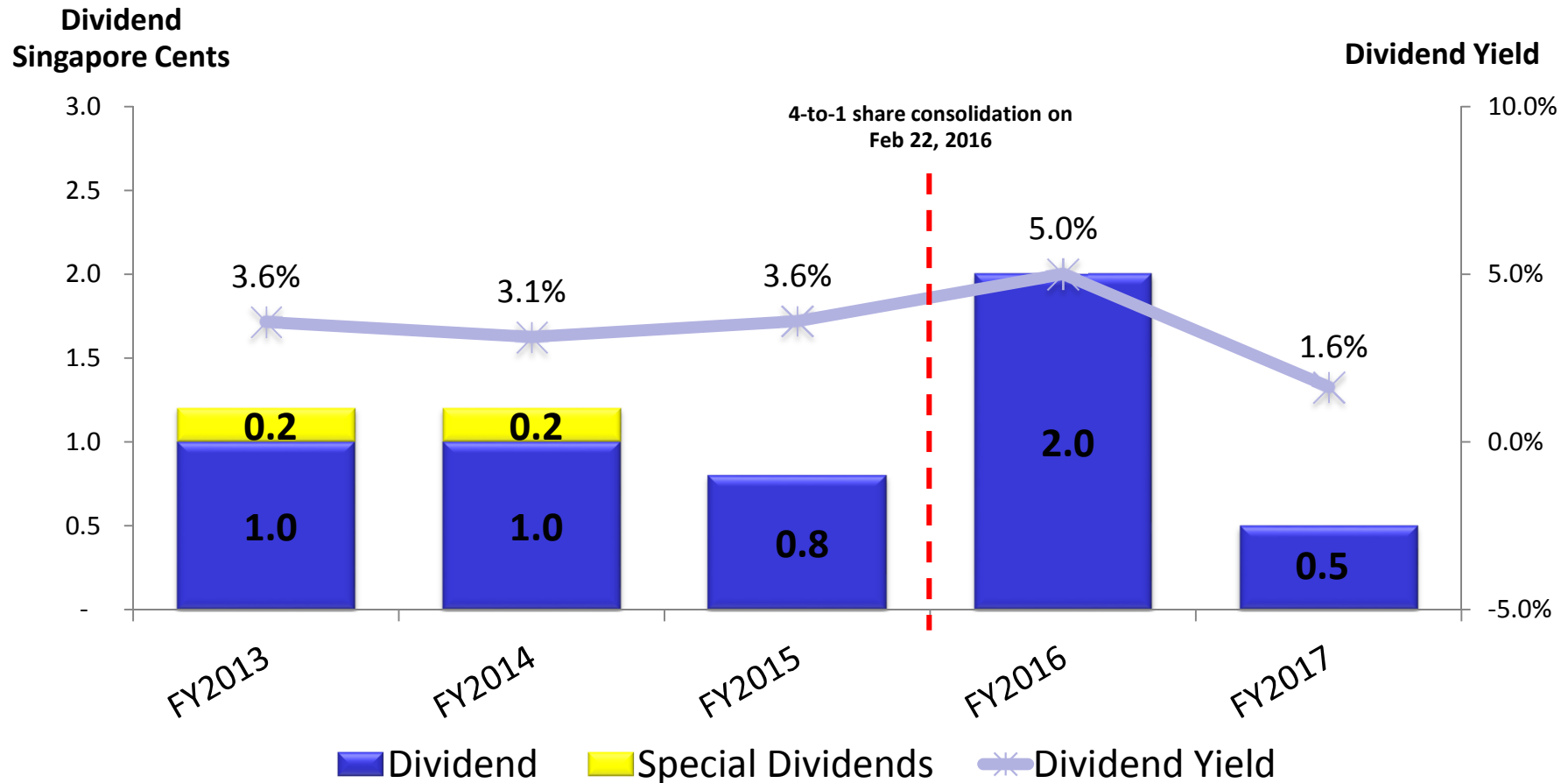


**Lower EBITDA and
EBITDA Margin**

- Lower EBITDA and EBITDA Margin due to lower net finance income, despite lower operating expenses

*9MFY2017 EBITDA Margin **9MFY2018 EBITDA Margin

Dividend Trend (Dividends / Dividend Yield)



Balance Sheet

Balance Sheet	31 January 2018 S\$'000	30 April 2017 S\$'000
Property, plant and equipment	65,349	68,707
Intangible assets	11,315	11,833
Inventories	26,901	30,550
Trade and other receivables	13,536	23,068
Contract work-in-progress	10,349	10,980
Cash and short-term fixed deposits	26,423	25,618
Loans and borrowings	73,938	74,049
Total equity attributable to owners of the company	64,302	66,380
Net gearing ratio	0.74	0.73
Net asset value per ordinary share (S\$' cents) [#]	57.78	59.65

#: Based on 111,281,821 number of shares



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Outlook, Strategies & Developments

Outlook

Cautiously optimistic that a slow recovery in the offshore marine and coal industries may be underway

- Intense competition persists but stabilisation of oil and coal prices underpin a slow recovery in upstream projects
- Increase in enquires but pick up in sales is expected to be gradual

Taking a prudent and methodical to new prospects

- Near term outlook remains challenging
- Group will continue to hone the integration of its service offerings and use its combined technical knowledge to cater comprehensive power generating solutions to both marine and industrial sectors
- Group continues to seek viable opportunities in new markets which includes but is not limited to Myanmar

Growth Strategies

Exploring New Revenue Streams and Revitalising Existing Relations

**Securing new customers in
emerging markets**

**Strengthen relationships
with existing clients**

- Actively exploring potential new markets
- Leverage on expertise as a total solutions provider for marine and industrial power generating needs
- Capitalize on enlarged client base
- Stay connected with existing clients
- Reconnecting with past clients as sentiments improve

Prudence, Productivity and Economisation

**Capitalize on foundation for
growth**

Focus on efficient practices

- Build on established assembly line for in-house brands
- Work closely with identified partners
- Improve upon existing operational & accounting practices
- Keep lean operating structure & prudent cost management
- Maintain stricter cost control measures

Recent Developments

- **Feb 2018 – Striking Off of Wholly-Owned Subsidiary, AceGen Pte. Ltd.**
- **Feb 2018 – Sale and Purchase of Shares Agreement Relating to Disposal of Shares in Z-Power Automation Vietnam Co. Ltd.**
 - Proposed disposal of 50% of the issued and paid-up share capital of Z-power Automation Vietnam Co. Ltd to IPE Automation Sdn. Bhd, which owns the other 50% of Z-power Vietnam
- **Feb 2018 – Joint Venture Entity in Myanmar incorporated**
 - With effect from 31 January 2018, issued and paid-up capital of US\$ 150,000
 - (1) XMH Engineering (50%), (2) Myanmar MarcoPolo Co., Ltd. (25%), (3) Bulox Power Pte. Ltd. (25%)
- **Aug 2017 – Entered into joint venture through XMH Engineering Pte. Ltd. with Myanmar Marcopolo Co., Ltd and Bulox Power Pte. Ltd.**
 - Manufacture and/or assemble transformers, generator sets and power solution products and to provide after sales and maintenance services relating to transformers, generator sets or power solution related activities in Myanmar
- **Feb 2017 – Entered into a non-binding MOU with Myanmar MarcoPolo**
 - Entered into a non-binding memorandum of understanding (“MOU”) with Myanmar MarcoPolo Co., Ltd (“MMP”) in relation to the incorporation of a joint venture company in Myanmar

Share Statistics

Bloomberg code Reuters code	XMH SP EQUITY XMHL.SI	
Share Price	S\$0.250	
Market Capitalization (111.3M shares)	S\$27.8 million	
Trailing P/E	-	
NAV per share	S\$0.578	
Free Float	26.4%	
Substantial Shareholders	Insiders	47.0%
	Credence Capital	18.8%

Source: Company Statements, Bloomberg as at 5 March 2018



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THANK YOU

Investor Relations | Financial PR Pte Ltd |
Romil SINGH | Jonathan YEOH
T: +65 6438 2990 F: +65 6438 0064 |
staff@financialpr.com.sg