



YOUR CONNECTION TO THE RIGHT MACHINE

ENGINEERED FOR  
CONTINUOUS GROWTH

# 3Q2015 Results Presentation



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## Presentation Outline

-  Financial Highlights
-  Outlook & Recent Developments



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# Financial Highlights



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## P&L Snapshot

Profit & Loss	3Q2015 S\$'000	3Q2014 S\$'000	Change %	
Revenue	23,081	33,141	(30.4)	Revenue decreased due mainly to lower sales in the distribution and after-sales business segments.
Gross Profit	7,322	8,966	(18.3)	In line with drop in revenue
Gross Profit Margin	31.7%	27.1%	4.6 pp	Due mainly to the overall increase in gross profit margins across all business segments.
Operating Expenses	(5,350)	(5,517)	(3.0)	The decrease was due mainly to lower payroll expense in general
Operating Profit	2,149	3,619	(40.6)	
Net Profit Attributable to Equity Holders	2,707	3,186	(15.0)	
Net Profit Margin	11.7%	9.6%	2.1 pp	
Fully Diluted Earnings Per Share (S\$' cents) #	0.61	0.70	(12.8)	

#: # Based on 445,127,292 weighted average number of shares for 3Q2015 (3Q2014: 453,315,612)  
pp: percentage points



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## P&L Snapshot

Profit & Loss	9M2015 S\$'000	9M2014 S\$'000	Change %	
Revenue	68,087	81,592	(16.6)	Revenue decreased due mainly to lower sales in the distribution and after-sales business segments.
Gross Profit	19,690	20,555	(4.2)	In line with drop in revenue
Gross Profit Margin	28.9%	25.2%	3.7 pp	Due mainly to the overall increase in gross profit margins across all business segments.
Operating Expenses	(15,057)	(11,960)	25.9	Due mainly to the inclusion of MPG's results and the general increase in administrative expenses
Operating Profit	5,215	9,161	(43.1)	
Net Profit Attributable to Equity Holders	4,818	7,870	(38.8)	
Net Profit Margin	7.1%	9.6%	2.5 pp	
Fully Diluted Earnings Per Share (S\$' cents) #	1.08	1.81	(40.3)	

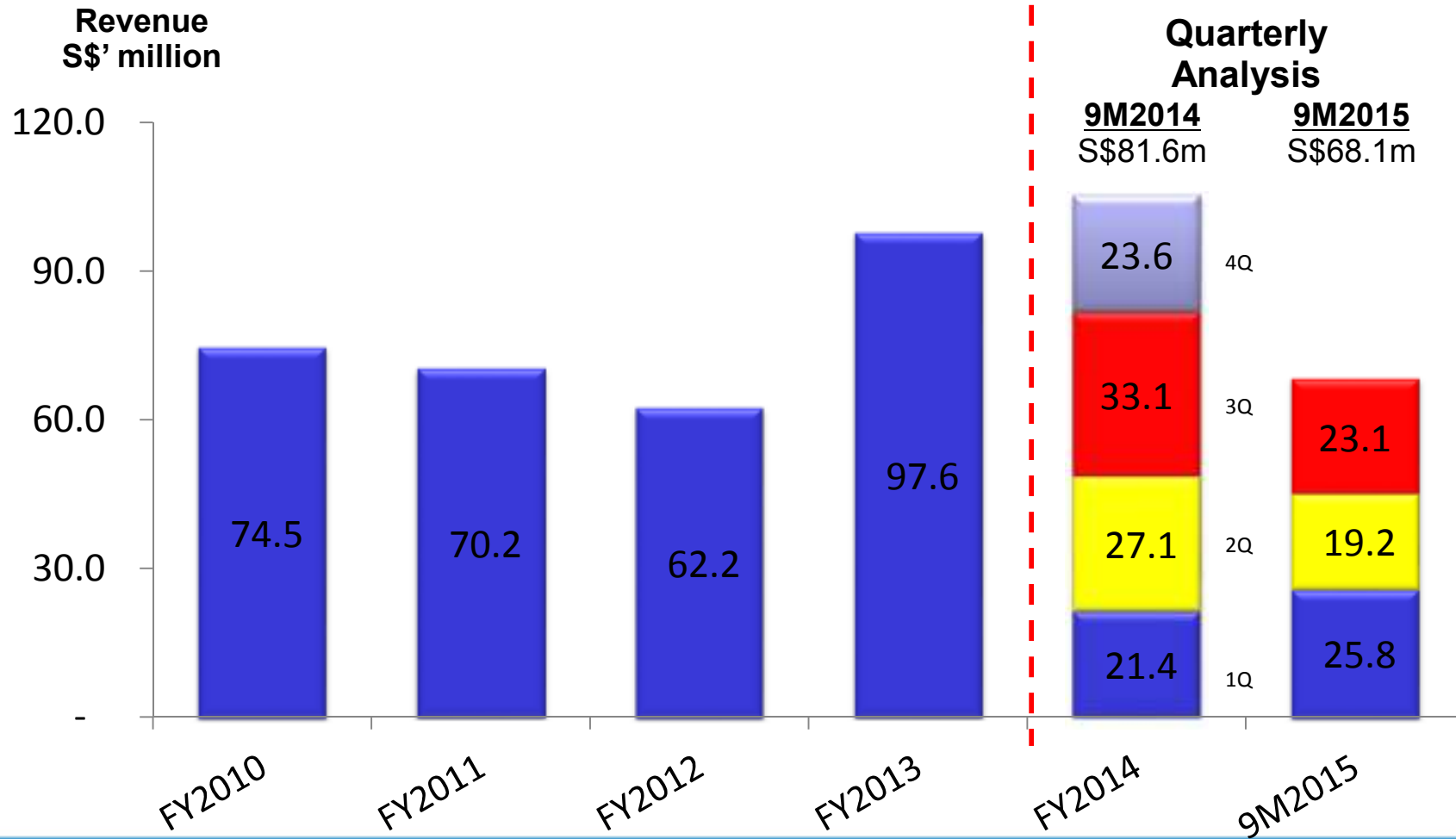
#: # Based on 445,127,292 weighted average number of shares for 9M2015 (9M2014: 434,466,835)

pp: percentage points

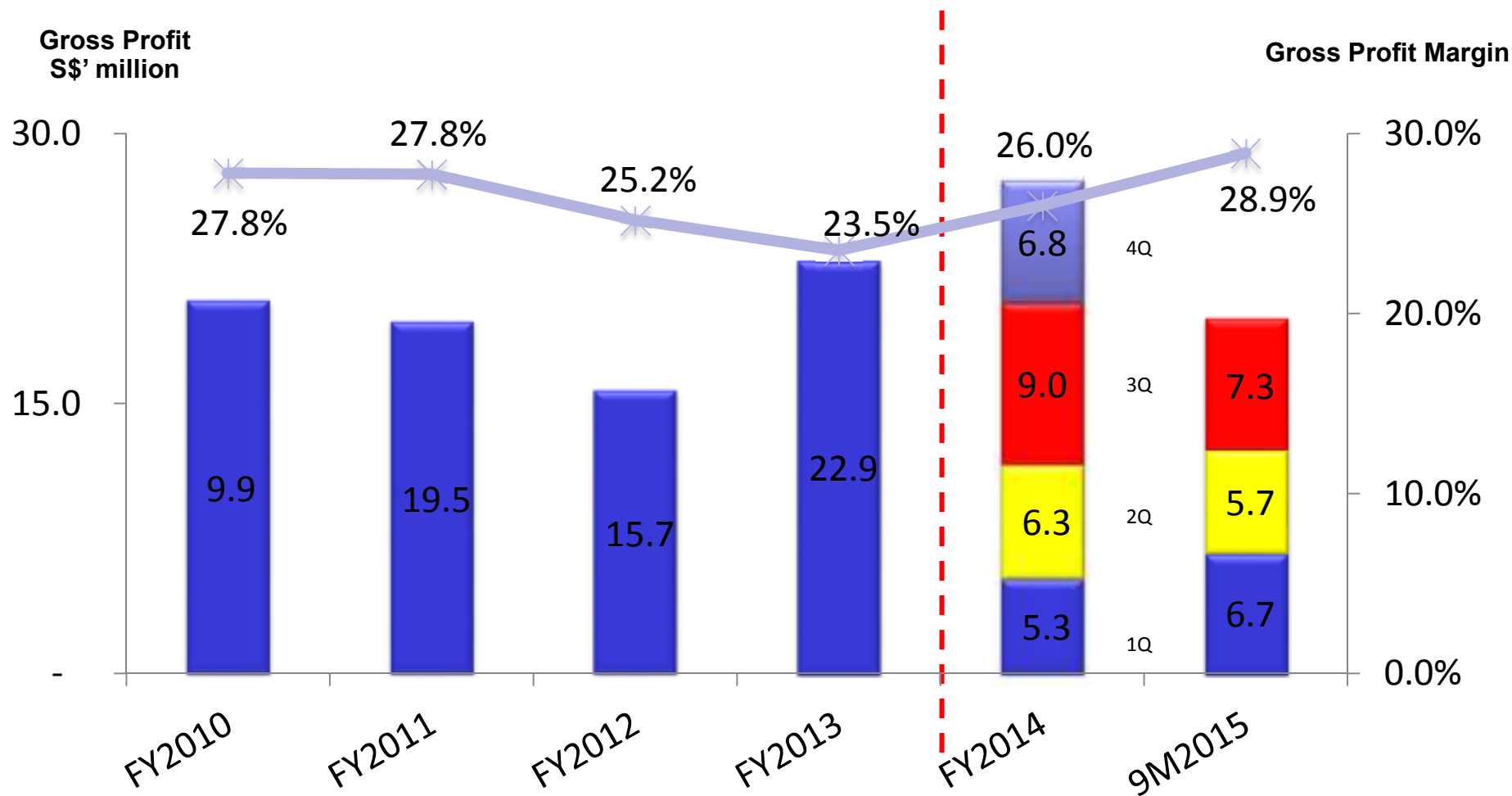


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# Revenue

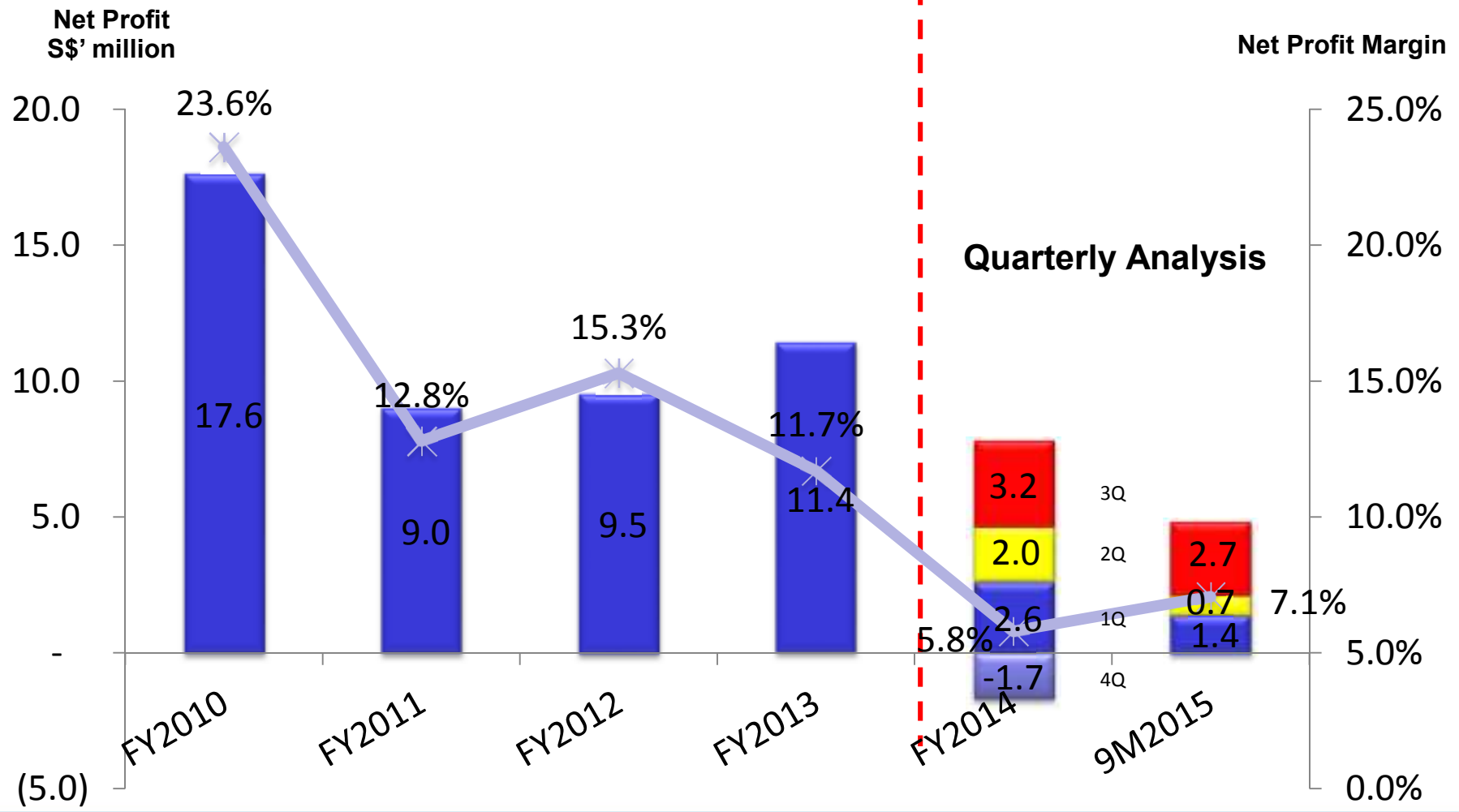


# Profitability Trend (Gross Profit / Gross Profit Margin)





# Profitability Trend (Net Profit / Net Profit Margin)



# Balance Sheet

Balance Sheet	31 Jan 2015 S\$'000	30 Apr 2014 S\$'000
Property, plant and equipment	21,258	7,455
Inventories	19,917	22,525
Trade and other receivables	10,907	15,380
Contract work-in-progress	8,082	10,805
Total borrowings	11,816	14,845
Cash and cash equivalents	23,930	36,388
Total equity	58,290	58,381
Net gearing ratio	Net cash	Net cash
Net asset value per ordinary share (S\$' cents)	13.43	13.53



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# Outlook & Strategies

## Recent Developments

- **Mar 2015 – Completion of Z-Power Automation (ZPA) acquisition**
  - A profitable entity and immediately earnings accretive
  - Promote business growth leveraging on ZPA's sales network and existing customer base
  - Gradually implement ZPA's technical knowledge and capabilities into XMH
  - Complementary suite of services that create synergy with original business

## Recent Developments

- **Jun 2014 – MPG Group secures multiple contracts worth a total of S\$10.57 million**
  - Total of five contracts, three that provide a flow of activities through to Jan 2016
  - The remaining two sets were for the provision of Mitsubishi and MTU generator sets, to be fully delivered by Aug 2014
- **Nov 2014 – MPG Group secures contracts worth S\$11.3 million**
  - Contracts to supply Changi Airport's upcoming Terminal 4 and a 5-storey data centre in Jurong Industrial Estate with standby generators
  - First delivery scheduled for December 2014 and final delivery by February 2015

# Growth Strategies

- **Exploration of new revenue streams**
  - Focus on expansion of supplier base and secure new distributorships from other manufacturers
  - Received orders for new products XMH currently represents
  - Increase market share in relevant markets by forming strategic partnerships of joint venture
  - Increase cross-selling with addition of ZPA
  
- **Securing new customers in emerging markets such as Indonesia and Vietnam**
  - Deploy marketing staff to these regions and/or establish subsidiaries or representative or marketing offices
  - Exploration of new revenue streams and increasing market share in relevant markets

# Outlook

- **Slowdown in the Offshore & Marine industry**
  - Extended decline of oil prices are weighing on our distribution business
  - Long term supply and demand dynamics of oil are still sound
  - Low oil prices may possibly translate into a growth in consumption towards the tail end of 2015, leading to gradual growth in the Marine industry
  - Potential replacement of a number of supply vessels which are near their scrap age
  - Overall operating outlook to remain challenging and volatile
  
- **Expected increase in country-specific developments**
  - Indonesia's mega plan to promote the shipbuilding industry
  - Vietnamese authorities' plan to grow its fishing and logistic fleets to support fishing activities and guard territorial waters
  - Rise of Singapore as a data centre hub for the region as a result of growth in Infocomm technology. In March 2015, APAC's largest data centre was opened in Singapore.

## Share Statistics

<b>Bloomberg code</b>	XMH SP EQUITY	
<b>Reuters code</b>	XMHL.SI	
Share Price	S\$0.200	
Market Capitalization (434.13M shares)	S\$86.8 million	
P/E	29.85	
NAV per share	S\$0.13	
Free Float	22.0%	
Substantial Shareholders	Insiders	50.7%
	Credence Capital	19.3%
<b>House</b>	Call / Target Price	
RHB (Lee Yue Jer)	BUY / S\$0.30	

Source: Bloomberg as at 19 March 2015





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**THANK YOU**

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