



YOUR CONNECTION TO THE RIGHT MACHINE



FY2016 Results Presentation



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Presentation Outline

-  Financial Highlights
-  Outlook, Strategies and Recent Developments



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Financial Highlights

Financial Summary

*Strong revenue growth year-on-year supported by the “projects” segment;
GPM and NPM decreased slightly due to increased competition*

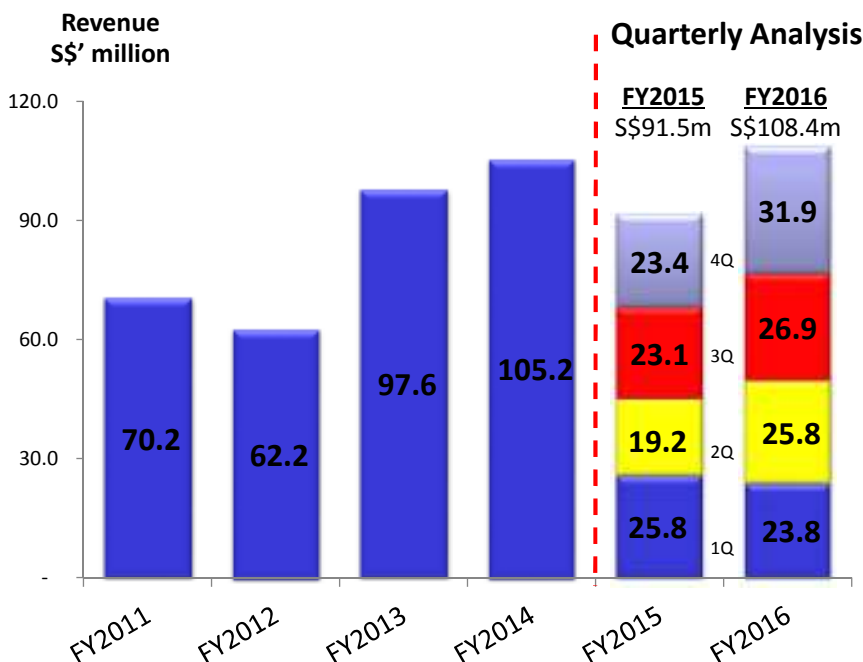
Financial Highlights	4Q2016	4Q2015	%	FY2016	FY2015	%
	S\$'000	S\$'000	Change	S\$'000	S\$'000	Change
Revenue	31,879	23,427	36.1	108,385	91,514	18.4
Gross Profit	7,253	7,898	(8.2)	26,864	27,588	(2.6)
Gross Profit Margin	22.8%	33.7%	(10.9) pp[^]	24.8%	30.1%	(5.3) pp
Operating Expenses*	(8,236)	(6,642)	24.0	(24,966)	(20,517)	21.7
EBITDA	5,583	1,655	NM	13,388	9,171	46.0
Other Income	1,770	(46)	NM	2,551	538	NM
Net Profit	3,177	611	NM	7,873	5,429	45.0
Net Profit Margin	10.0%	2.6%	7.4 pp	7.3%	5.9%	1.4pp
Basic EPS (cents) [#]	3.01	0.10	NM	7.19	1.21	NM

*: Includes distribution expenses and administrative expenses

[^] pp: Percentage points

[#]: Based on 110,462,785 weighted average number of shares for FY2016, post the 4-to-1 share consolidation the Group completed on February 22, 2016. (FY2015: 433,055,806).

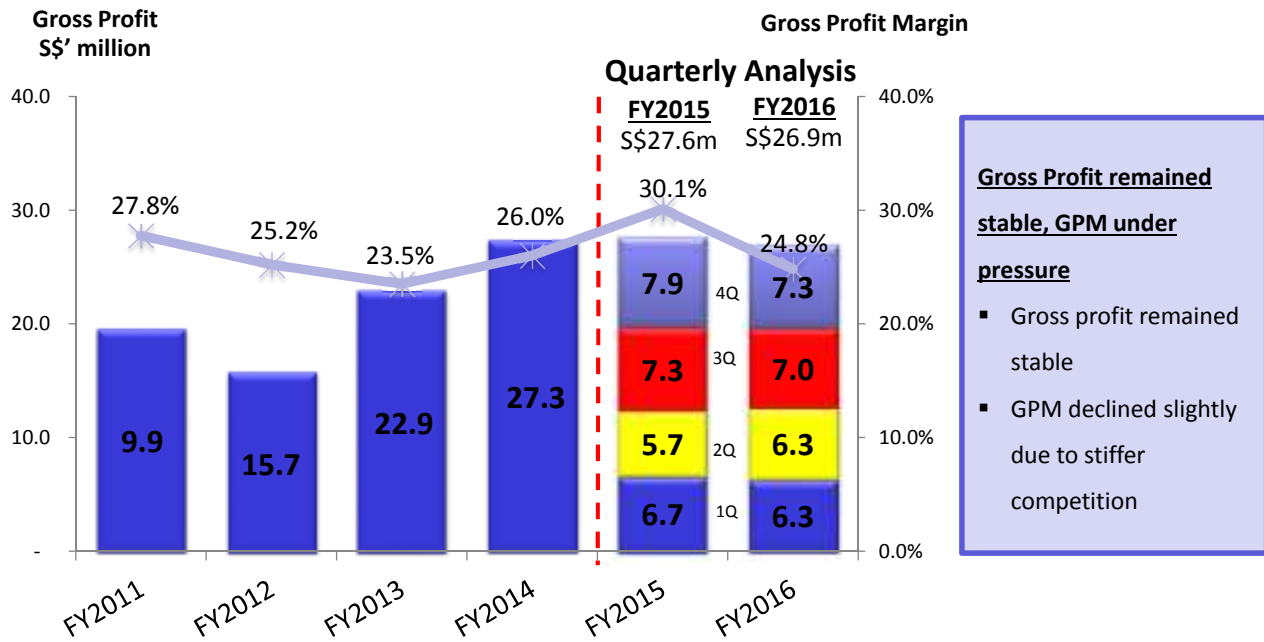
Revenue



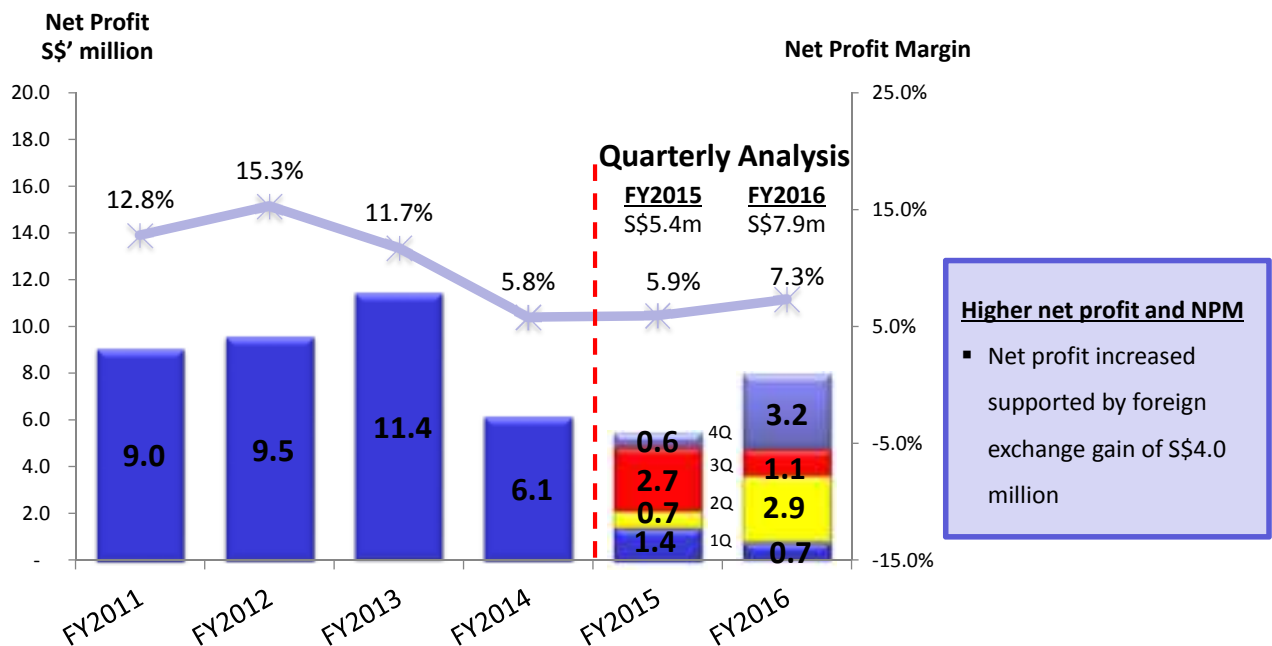
Increase in Revenue

- Primarily supported by the increase in the “projects” segment, following the inclusion of ZPA’s results
- Offset by a decrease in revenue from the “distribution” and “after sales” business segment

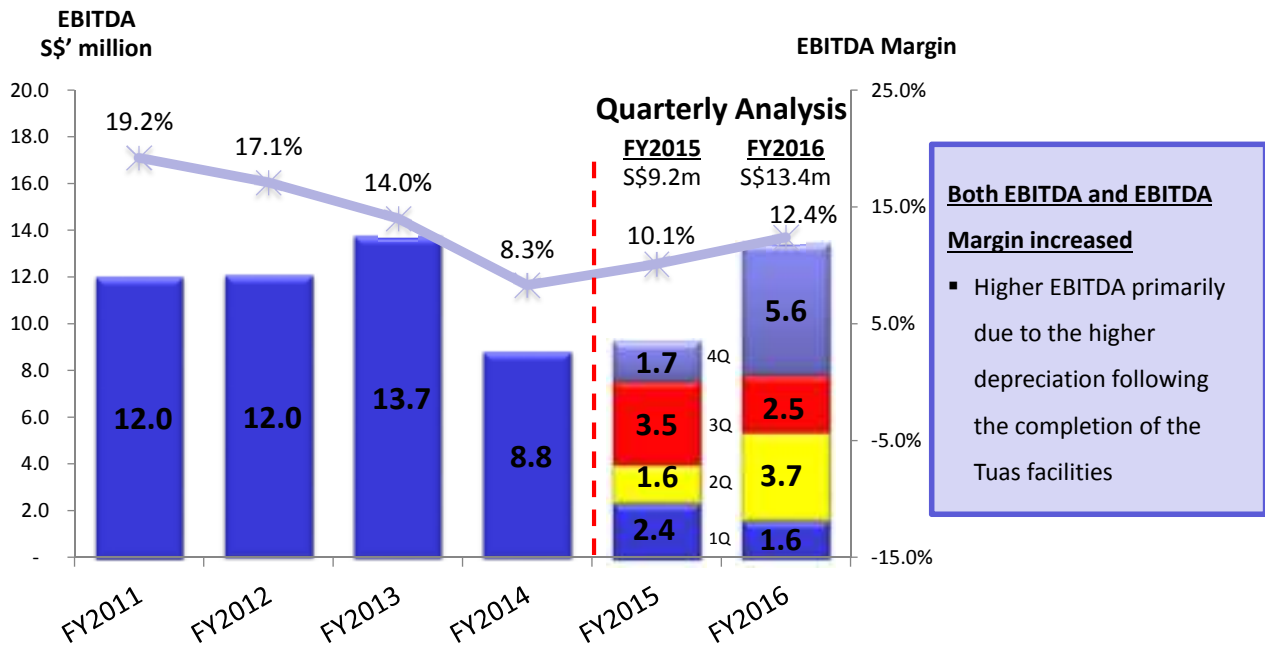
Profitability Trend (Gross Profit / Gross Profit Margin)



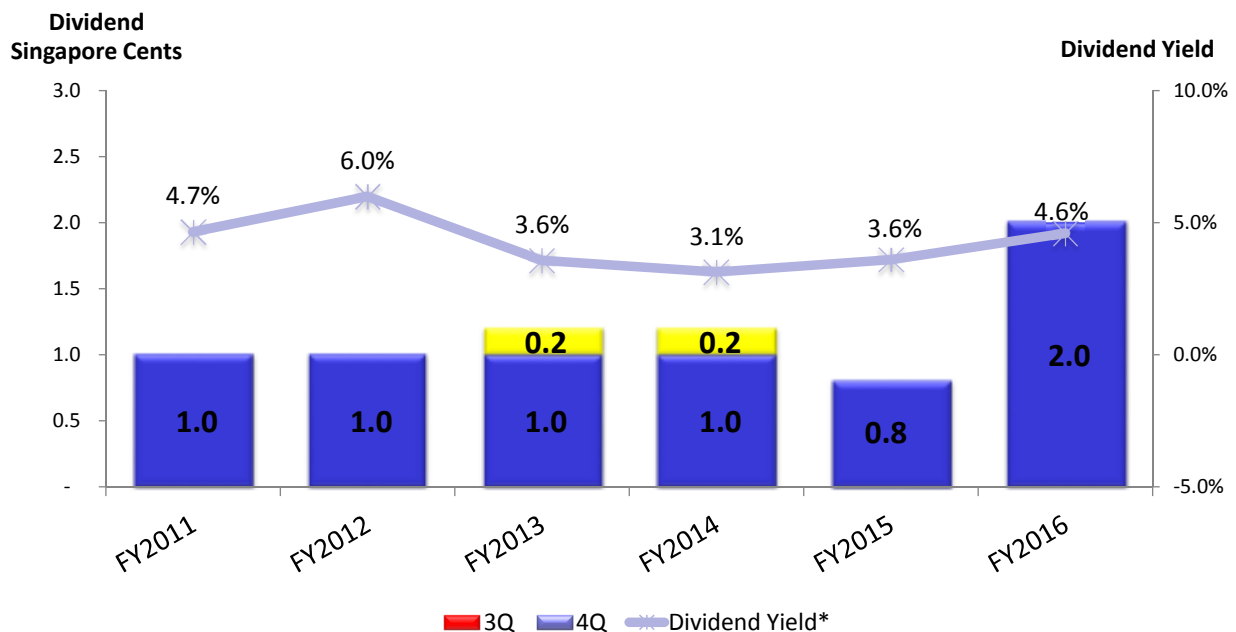
Profitability Trend (Net Profit / Net Profit Margin)



Profitability Trend (EBITDA / EBITDA Margin)



Dividend Trend (Dividends / Dividend Yield)



* Group completed a 4-to-1 share consolidation on February 22, 2016

Balance Sheet

Balance Sheet	30 April 2016 S\$'000	30 April 2015 S\$'000
Property, plant and equipment	76,324	32,467
Intangible assets	15,373	16,470
Inventories	28,575	32,367
Trade and other receivables	33,368	31,113
Contract work-in-progress	14,644	9,443
Cash and cash equivalents	12,843	24,698
Loans and borrowings	61,798	32,690
Total equity	72,188	60,369
Net gearing ratio	0.68	0.13
Net asset value per ordinary share (S\$' cents) [#]	62.43	13.27/53.09*

[#]: Based on 111,281,821 number of shares as at end 30 April 2016 (30 April 2015: 434,126,661)

* For comparative purposes, adjusted net asset value per ordinary share after accounting for share consolidation of 4:1 during the financial year.



Outlook

Challenging operating environment

- Intense competition across all segments pressuring profit margins
- Slow down in offshore and marine industry

Riding on developments in the region

- Increased demand for retrofit, service related work and onshore application projects
- Gradual increased activities from emerging markets in general

Growth Strategies

Exploration of New Revenue Streams

Securing new customers in emerging markets

Concerted efforts when pitching for projects

- Expansion of supplier base
- Securing new distributorships
- Pitch for projects as a Group
- Capitalize on its enlarged client base

Prudence, Productivity and Economisation

Capitalize on larger working area

Focus on efficient practices

- Establish assembly line for in-house brands
- Working closely with identified partners
- Further develop and market range of power generating units
- Improve upon existing operational & accounting practices
- Leaner operating structure & prudent management

Recent Developments

- **Feb 2016 – Completion of the move into the new facility**
 - All segments completed the move into the new facility
- **Feb 2016 – Completion of Share consolidation exercise**
 - Consolidation of every four (4) ordinary shares in the capital of the Company into one (1) Consolidated Share
- **Jun 2015 – XMH secures new contracts worth over S\$23.1 million**
 - MPG secured two contracts in different industries, one for a data centre and the other for a healthcare centre totalling S\$15.5 million
 - ZPA secured a total of six consecutive contract wins in the recent month totalling S\$7.6 million
 - New orders shows customer confidence in Group's in-house products and effectiveness of Group's businesses in penetrating international markets
 - New orders provide a flow of activities and revenue through 2015 to March 2017

Recent Developments

- **Jun 2015 – ZPA awarded with prestigious ABB Value Provider Certification**
 - Certification recognises ZPA's technical capabilities and management's commitment to support ABB worldwide outside of Finland
 - Certification authorizes ZPA to market ABB products, build and assemble ABB liquid and air-cooled Variable Frequency Drives ("VFD") outside of Finland
- **Mar 2015 – Completion of 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
- **Nov 2014 – MPG 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

Share Statistics

Bloomberg code	XMH SP EQUITY	
Reuters code	XMHL.SI	
Share Price	S\$0.435	
Market Capitalization (111.3M shares)	S\$48.4 million	
P/E	6.1x	
NAV per share	S\$0.62	
Free Float	23.5%	
Substantial Shareholders	Insiders	49.7%
	Credence Capital	18.8%
House	Call / Target Price	
RHB (Lee Yue Jer) – October 2015	BUY / S\$0.96	

Source: Company Statements
Bloomberg as at 29 June 2016

Summary

- **Business remains resilient**
 - “Projects” segment underpinned the Group’s performance;
 - Increased avenues from concerted efforts of pitching for projects as a group
- **Negative macro factors still persist**
 - Offshore and Marine industries are still suffering the uncertainty of low oil prices;
 - The Group looks towards retrofit and service related work demand to partially offset negative factors in the O&M sector
 - The Group also looks towards diversifying further into onshore application projects
- **Group will remain competitive as**
 - Group will continue to make concerted efforts to pitch for project as a whole, thus optimizing the enlarged client base, maximizing revenue and reducing costs
 - Healthy order book flow through 2017
 - The Group is on track to deliver the majority of the current order book in FY2016 and has started to build up its order book flow for FY2017



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THANK YOU

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