



Hi-P INTERNATIONAL LIMITED

Bringing value to our customers through quality & technology

www.hi-p.com

2Q2016 Results Briefing

The Integrated

Electro-Mechanics

Solution Provider



2Q2016 Overview

Mr. Yao Hsiao Tung
Executive Chairman & CEO

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Key Financial Highlights



(S\$m)	2Q16	2Q15	YOY % Chg	1Q16	QOQ % Chg
Revenue	285.4	314.7	(9.3)	275.6	3.6
Gross Profit	20.7	13.0	59.2	16.7	24.0
Gross Profit Margin (%)	7.3	4.1	3.2 pts	6.1	1.2 pts
Profit/(Loss) After Tax	7.6	(8.0)	n.m.	(12.4)	n.m.
Earnings/(Loss) per Share (Sing Cents)	0.94	(0.98)	n.m.	(1.52)	n.m.
Net Asset Value per Share (Sing Cents)	62.97	71.36	(11.8)	63.93	(1.5)

n.m. – Not meaningful

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Key Financial Highlights (YOY)



2Q2016 vs. 2Q2015

Gross profit expands 59.2% to S\$20.7 million due to:

- Tightened cost controls
- Improved operational efficiency
- Brought in new business to mitigate the market slowdown

Net profit of S\$7.6 million mainly due to:

- Tightened cost controls
- Improved operational efficiency
- Disposal of an investment in a startup company which led to a pre-tax gain of S\$10.5 million

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Capex Update



- ❑ For 2Q2016, CAPEX amounted to S\$5.2 million

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Net Debt Position



Category	30 June 16 S\$ m	31 Dec 15 S\$ m
Cash and Cash Equivalent & Short Term Deposits Pledged	103.1	126.2
Borrowings	(212.3)	(305.1)
Finance Leases	(5.9)	(11.2)
Net Debt	(115.1)	(190.1)
Net Gearing Ratio	22.4%	34.2%

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Business Updates

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Business Situation Update



- ❑ Weak global demand to continue for 2H2016
- ❑ Strategy of tightening cost controls continues
- ❑ Core business perform well with positive operating cash flow of S\$106.4 million for 1H2016
- ❑ Diversifying customer base and increasing allocation from existing customers

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Earnings Outlook

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Earnings Outlook



Barring any other unforeseen circumstances, the Group wishes to guide its performance as follows:

- ❑ The Group expects lower revenue and profit in 3Q2016 as compared to 3Q2015
- ❑ The Group expects higher revenue in 2H2016 as compared to 1H2016. The Group expects to be profitable in 2H2016.
- ❑ The Group expects lower revenue in FY2016 as compared to FY2015. The Group expects to be profitable in FY2016.

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Thank You

Q & A

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Succeed Together...*