



Hi-P INTERNATIONAL LIMITED

Bringing value to our customers through quality & technology
www.hi-p.com

2Q2018 Results Briefing

The Integrated

Electro-Mechanics

Solution Provider



2Q2018 Overview

Mr. Yao Hsiao Tung
Executive Chairman & CEO

Key Financial Highlights

| (S\$m) | 2Q2018 | 2Q2017 | % Change |
|------------------------------------|--------|--------|-----------|
| Revenue | 302.0 | 279.5 | 8.0 |
| Gross Profit | 29.7 | 34.2 | (13.1) |
| Gross Profit Margin (%) | 9.8 | 12.2 | (2.4 pts) |
| Profit After Tax | 12.3 | 15.1 | (18.7) |
| Net Profit Margin (%) | 4.1 | 5.4 | (1.3 pts) |
| Earnings per Share (Sing Cents) | 1.52 | 1.87 | (18.7) |

Key Financial Highlights (YOY)

2Q2018 vs. 2Q2017

- Revenue rises 8.0% to S\$302.0 million driven by higher sales volume
- Gross profit margin declines to 9.8% due to a change in product mix and more competitive pricing
- Net profit declines from S\$15.1 million for 2Q2017 to S\$12.3 million for 2Q2018

Capex Update

- For 2Q2018, CAPEX amounted to S\$18.9 million

Net Cash Position

| Category | 30 Jun 18 S\$' m | 31 Dec 17 S\$' m |
|---|---------------------|---------------------|
| Cash and Cash Equivalents & Bank Deposits | 257.8 | 282.8 |
| Borrowings | (195.3) | (205.1) |
| Finance Lease | (0.1) | (0.1) |
| Net Cash | 62.4 | 77.6 |



Business Updates

Business Situation Update



- Market sentiment towards trade war has led to a more challenging business environment
- We face rising competition, especially from emerging competitors in China
- Continue to face pricing pressure from customers
- Developing new customers and increasing allocation from existing customers
- Exploring inorganic growth opportunities in automotive and medical industries

Earnings Outlook

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

- The Group expects higher revenue but similar profit for 3Q2018 as compared to 3Q2017
- The Group expects higher revenue and profit in 2H2018 as compared to 1H2018
- The Group expects similar revenue but lower profit for FY2018 as compared to FY2017



Thank You Q & A

