

**PRESS RELEASE***For immediate release*

**MPI posts record quarterly revenue of nearly USD 118 million in Q2 FY21 with an amazing 51% YoY PAT growth amidst lingering pandemic & market uncertainties**

**Kuala Lumpur, 26th FEBRUARY 2021: MALAYSIAN PACIFIC INDUSTRIES Q2 FY21 RESULTS**

**Highlights**

- Q2 FY21 recorded strong quarterly revenue of USD 117.6 million - growth by 19% YoY compared to Q2 FY20, and by 13% QoQ compared to Q1 FY21
- Exceptional growth trend continued with PAT in Q2 FY21 improving significantly to MYR 81.1 million - growth by a phenomenal 51% YoY compared to Q2 FY20, and by 23% QoQ compared to Q1 FY21
- Net cash as of Q2 FY21 stood at MYR 918.4 million, 15% higher than net cash as of Q2 FY20 – even with 32% higher CAPEX (MYR 107.8 million) than that in Q1 FY21

**Semiconductor industry continues to grow amidst persisting macro challenges**

Global semiconductor sales in Q2 FY21 increased by 8.3% YoY and 3.5% against Q1 FY21 (Source: Semiconductor Industry Association). This is driven by sustained demand across various applications, especially with the promising comeback signs in automotive industry & continued growth in server market.

**MPI posts another strong quarter of growth**

MPI's quarterly sales expanded substantially even as external macroeconomic environment remained challenging. This growth was mainly supported by the continued demand for our assembly & testing services across Asia, US & EU markets. We witnessed better than expected demand from automotive segment as it began to show signs of recovery while EV traction continues to pick up. Other segments as industrial (server) and consumer & communications continued to grow as well driven by broader trends as IOT, 5G, big data. PC/ notebook segment showed slower growth than previous quarters as IT spending by companies & consumers normalizes even as remote work trend continues. Also, localization trends in China, and trade war influenced tactics of US customers to source from safer origins as Malaysia continue to be favorable demand drivers for our services.

**Robust regional growth continues**

Individual regions recorded healthy growth for MPI in Q2 FY21. In particular:

**Asia:** Asia accounts for around 40% of MPI's revenue, spearheaded by China. Shaped by political tensions & economic motivations, China is increasingly going 'local' to build capabilities & meet the needs of its expanding domestic tech demand. This is positively impacting the local fulfilment of demand for semiconductor products & services, including assembly & testing. MPI is strongly entrenched in the China OSAT market with local manufacturing presence, and thus, benefits from this trend. We believe the localization trend will continue going forward, hence giving large opportunity for MPI to keep growing its China sales through sustained market expansion. Moreover, our expertise in RF and Power management (Silicon Carbide technology) equip us with the right strategic capabilities to tap into the huge growth potential of 5G & IoT.

**US/EU:** US & EU account for around 30% each of MPI's overall revenue. Implementation of trade war tariffs has led to US customers seeking reliable supply origins outside China, which is

substantially benefitting MPI, having robust capabilities to serve US customers out of its Malaysia operations. Moreover, technology developments in automotive for Electric Vehicles, in power management (Silicon Carbide technology) applications, and sensors continue to be fundamental demand drivers.

MPI has built customer confidence & reliability by delivering on our commitments to our customers despite Covid-19 challenges. We have remained operational during the Covid-19 lockdown period with adherence to proper government guidelines.

#### Details of MPI's Q2 FY21 business performance

Revenue (US\$ million)  <b>117.6</b>	PAT growth  <b>51%</b> <small>vs Q2 FY20</small>	Net Cash (RM million)  <b>918.4</b>
Revenue growth  <b>19%</b> <small>vs Q2 FY20</small>	EPS  <b>33.87c</b>	CAPEX growth  <b>32%</b> <small>vs Q1 FY21</small>

Architects of MPI's growth are the clear vision, effective strategy, and strong governance foundation of Board of Directors. MPI always positions itself to tackle & capitalize on market developments & industry tailwinds, with focus on executing its 4 strategic pillars – sales excellence, technology development, quality leadership and human capital management.

#### Sustained investments in strategic areas as equipment upgrade, new technology development, and manpower upskilling

MPI's net cash at MYR 918.4 million as of Q2 FY21 is substantially higher than that in Q2 FY20 of MYR 797.7 million (YoY growth Q2 FY20-Q2 FY21: 15%), and that in Q2 FY19 with MYR 547.3 million (Q2 FY19-Q2 FY21 growth: 68%). This is an outcome of focused efforts on cost & cash management.

Notably, MPI has achieved this in challenging times (trade war, Covid) while continuing to invest in strategic areas focused on realizing its long term goals. In Q2 FY21 alone, MPI invested CAPEX of MYR 107.7 million, which is 32% higher than the CAPEX deployed in Q1 FY21. Some key focus areas in Q2 FY21 were

- RF IC inside 5G phones, Switch, LNA, dual band FEM, SAW Filter
- RF WIFI6 Assembly and Test
- MEMS IMU (Inertial Measurement Unit), which is a 6 axis device combining gyroscope and accelerometer
- Power Management IC (MLP) for commercial applications. e.g. NB computers, phones
- CuClip, Power Management for 5G base stations and data center servers

We will continue to evaluate & pursue strategic investments in high impact projects across technology development (SiC, 5G, sensors), capacity expansion, automation, manpower upskilling, and employee safety.

**Proactive & stringent addressal of ESG matters**

MPI places paramount emphasis on ensuring a safe living environment for our employees. We continue to invest mind & money towards providing suitably protected & sanitized infrastructure for our employees to stay in. Our employee accommodations were audited by Department of Labor & duly certified. MITI's periodic enforcement check also received a satisfactory outcome. We will continue to closely monitor the situation & take proactive measures to mitigate & tackle any risks/ challenges especially in the ongoing pandemic crisis.

**Business Outlook**

We expect Q3 FY21 to be another strong quarter with demand growth being driven by continued recovery in automotive, 5G deployment, server market, IoT.

We are confident that our business will stay resilient & continue to post strong performance, governed by robust fundamentals. MPI will continue to benefit from

- Long term technology drivers – RF (5G) in Asia, and power management (Silicon Carbide, Gallium Nitride) & automotive (electrification, sensors, safety) across US & EU
- Strong & intact sales pipeline
- Localization driven demand trends in China
- Positioning of reliable supply center for US & EU, based out of Malaysia
- Strong cash position – allows to aggressively pursue technology/ company acquisitions that will propel Carsem even further into the advanced packaging space
- Continuous productivity & quality improvements via automation

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