

Mi Material Holding Limited

(SGX: MIM)

Precision solder sphere leader riding the AI wave

- **Top 3 Global Solder Sphere Supplier.** Mi Material Holding Limited (Mi Material) designs and manufactures precision solder spheres. These solder spheres are critical interconnect components that enabling electrical conductivity between integrated circuits (“ICs”) and printed circuit boards (“PCBs”). According to Yole, Mi Material is one of the world’s top 3 suppliers with 24.0% share of the global solder sphere serviceable addressable market (SAM) in 2025.
- **Spin-off from Mi Technovation.** Mi Material is the semiconductor materials unit of Bursa-listed Mi Technovation Berhad (MiTB). Post IPO, MiTB remains the largest shareholder with 72.7% shareholding.
- **Structural growth runway.** Yole projects the solder sphere SAM to grow from US\$275 million in 2025 to US\$978 million by 2031, a 23.5% CAGR, with HPC & Memory the fastest-growing segment. New lines in Malaysia and Taiwan should lift annual capacity to 11,340–15,260 billion spheres from 6,600–8,900 billion currently.
- **Mix shift to specialty alloys lifts margins.** Proprietary Cyclomax™ and iSAC™ solder spheres made up 59.9% of revenue in 1H26, up from 33.8% in FY2023. Gross margin expanded to 45.9% in 1H26 from 37.3% in 1H25, and management estimates 3Q26 gross margin at 47.5%.
- **Designed-in and hard to replace.** Qualification for inclusion in a customer’s bill of materials takes two to five years or longer, and Mi Material co-develops alloys with chip designers. Its three key end-customers – a premium consumer electronics company, a leading AI ASIC designer and a US memory maker – contributed 24%, 18% and 16% of 1H26 revenue respectively.
- **Strong growth momentum.** Revenue grew at a 28.1% CAGR over FY2023–FY2025 to US\$65.3 million. In 1H26, revenue more than doubled to US\$53.7 million and adjusted net profit rose nearly five-fold to US\$14.3 million. Company management expects 3Q26 revenue to reach US\$37.8 million, up 15.6% quarter-on-quarter.
- **Valuation.** At the IPO price of S\$1.80, Mi Material has a market cap of S\$891 million. It is valued at trailing 12-month P/E 32.5x (annualised 1H26 P/E 24.4x), and post-IPO P/B 3.0x. Listed solder sphere peers trade at an average of P/E 15.5x and P/B 2.1x. Mi Material trades at a premium, reflecting its higher margins, faster growth and pure-play exposure to AI and HPC packaging.
- **Key risks.** Customer concentration, semiconductor cyclicality, silver and tin price volatility, negative operating cash flow from working capital build-up, expansion execution and geopolitical risks.

Ticker	MIM
Rating	Non-rated

IPO price	S\$1.80
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Listing date	28 Oct 2026
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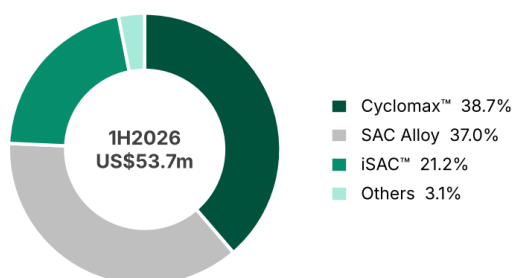
Market Cap	S\$0.89B
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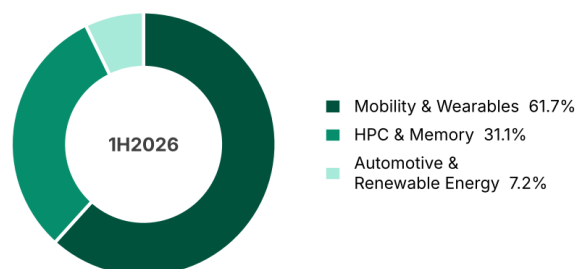
Focus charts and tables

Figure 1: Revenue by product, 1H26



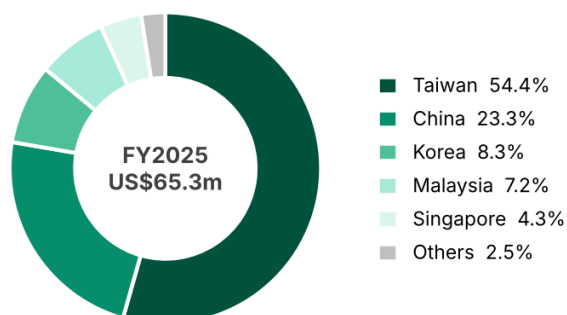
Source: Company prospectus dated 19 October 2026

Figure 2: Revenue by end-market, 1H26



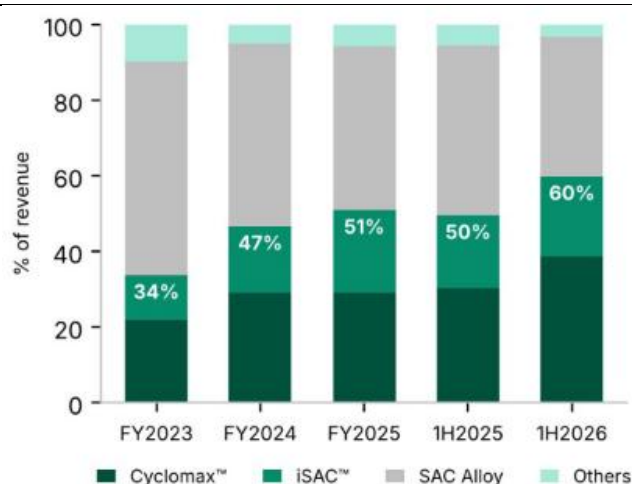
Source: Company prospectus dated 19 October 2026

Figure 3: Revenue by geographical markets, FY2025



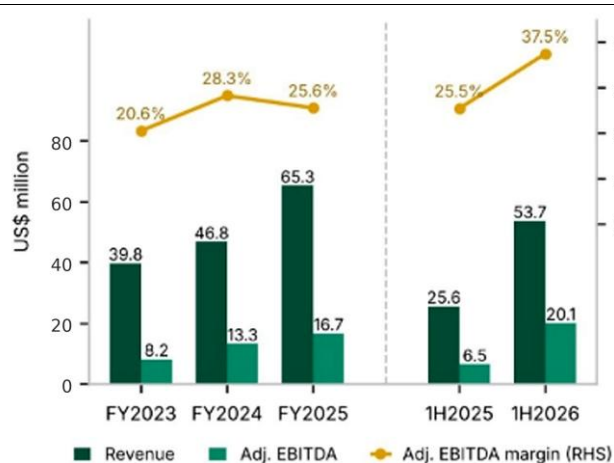
Source Company prospectus dated 19 October 2026

Figure 4: Specialty alloys now 60% of revenue



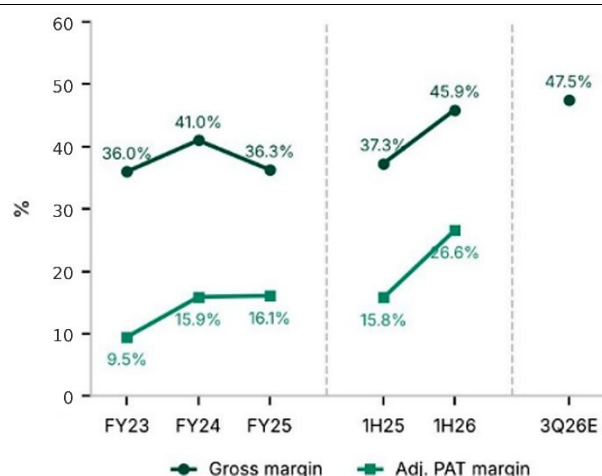
Source: Company prospectus dated 19 October 2026

Figure 5: Revenue, adjusted EBITDA and margin



Source: Company prospectus dated 19 October 2026

Figure 6: Gross margin and adjusted PAT margin



Source: Company prospectus dated 19 October 2026;
3Q2026E is a management estimate

Powering advanced semiconductor packaging

About Mi Material

Mi Material Holding Limited (“Mi Material”) is a specialist manufacturer of precision solder spheres and specialty alloy solutions used in advanced semiconductor packaging.

Founded in Tainan, Taiwan in 1998, Mi Material designs, develops and manufactures precision solder spheres. It operates under the corporate brand “Accurus”.

The business was acquired by Henkel’s electronics group in 2003, underwent a management buyout in 2006, and became part of Mi Technovation Berhad (MiTB) in April 2021 as its Semiconductor Material Business Unit.

MiTB (KLSE: MI) is listed on Bursa Malaysia with a market capitalisation of S\$1.78 billion as of 20 October 2026. Following the spin-off from MiTB, Mi Material was listed on the SGX Mainboard on 28 October 2026.

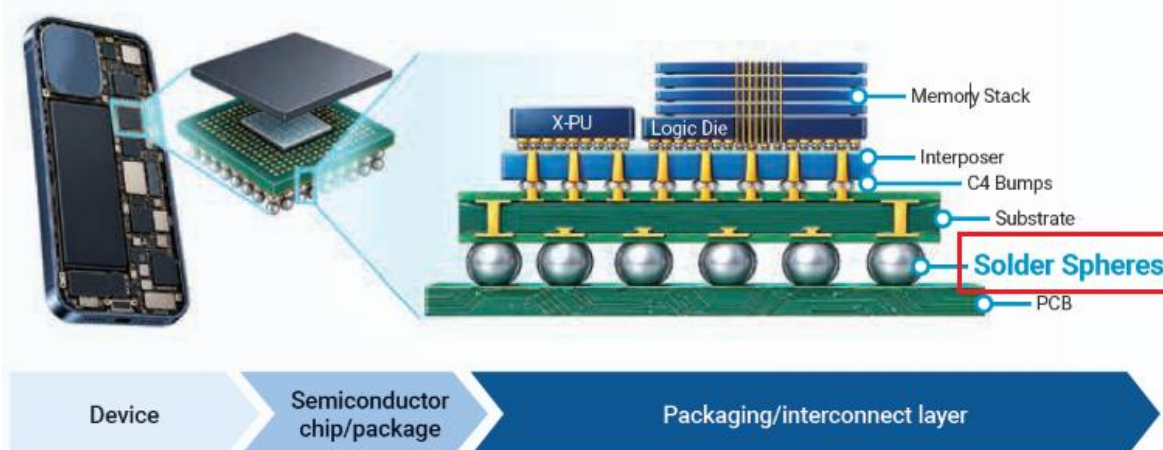
Mi Material is one of the world’s top 3 solder sphere suppliers. Mi Material produced 4.1 trillion solder spheres in 2025. According to Yole, Mi Material has 24% market share of the global solder sphere serviceable addressable market (SAM).

Solder sphere acts as the electrical interconnect between integrated circuits (ICs) and printed circuit boards (PCBs), and between stacked dies in advanced semiconductor packages.

These solder spheres connect integrated circuits (“ICs”) to printed circuit boards (“PCBs”) across a broad spectrum of advanced semiconductor packaging applications.

Figure 7: Critical interconnects enabling electrical conductivity in advanced semiconductor packaging

Our precision solder spheres made with proprietary alloy formulations provide electrical interconnections across advanced semiconductor packaging architectures.

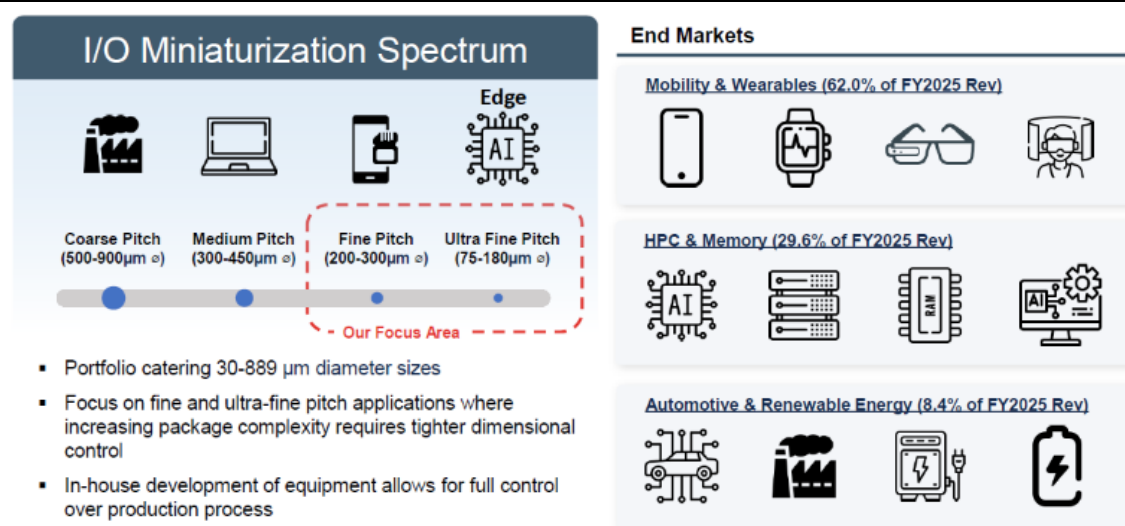


Source: Company prospectus dated 19 October 2026

Mi Material focuses on fine-pitch and ultra-fine-pitch applications. Its spheres range from 0.030 mm to 0.889 mm in diameter.

They are used mainly in high-performance computing (HPC) for AI, memory including high bandwidth memory (HBM), mobile devices and wearables, and automotive applications.

Figure 8: Mi Material's solder sphere portfolio ranges from 0.03 mm to 0.889 mm in diameter



Source: Company prospectus dated 19 October 2026

Mi Material is headquartered in Singapore, with production facilities in Tainan, Taiwan (13 lines) and Ningbo, China (six lines).

A third facility in Senai, Johor, Malaysia is targeted to be ready for production by 4Q2026. The Malaysia facility will comprise seven production lines with an annual production capacity of 2.1 trillion to 2.8 trillion solder spheres.

The expansion in Taiwan will expand production capacity between 2.6 trillion to 3.6 trillion solder spheres.

By 2030, the total capacity will increase by 71%, from the current 6.6 - 8.9 trillion solder spheres, to 11.3 - 15.3 trillion solder spheres.

Mi Material holds 27 patents and designs much of its specialised production machinery in-house.

Figure 9: Production and sales platform

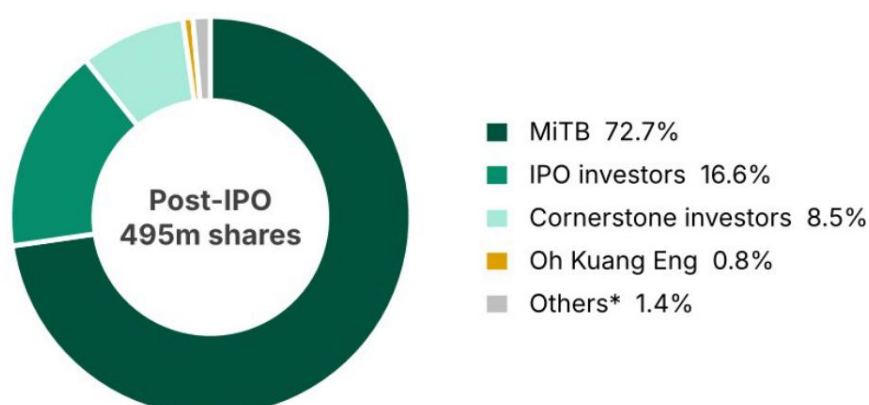
Source: Company prospectus dated 19 October 2026

Shareholding structure

Post-IPO, MiTB will remain Mi Material's controlling shareholder with a 72.7% stake. IPO investors will hold 16.6% and cornerstone investors will own 8.5%.

The remaining shares comprise 0.8% held by Mr Oh Kuang Eng and 1.4% by other shareholders.

MiTB's substantial ownership provides continuity in strategic direction, although minority shareholders will have limited influence over corporate decisions.

Figure 10: Post-IPO shareholding structure (over-allotment option exercised in full)

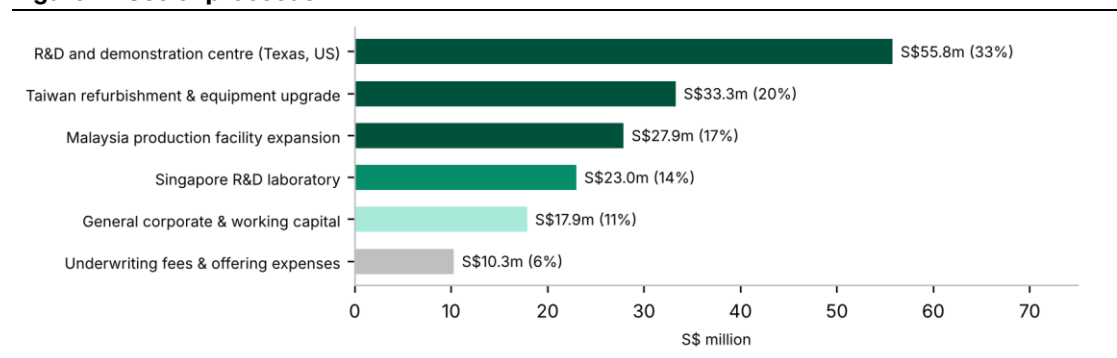
Source: Company preliminary prospectus dated 19 October 2026. Mr Oh Kuang Eng's stake comprises distribution shares from MiTB. *Others include distribution shares to other MiTB shareholders and IPO share awards to directors, executive officers and other recipients

Use of proceeds

Mi Material raised S\$157.9 million in net proceeds. About one-third of the gross proceeds will fund a new R&D and demonstration centre in Texas, United States, close to key customers' R&D and qualification teams.

The rest will go to upgrading the Taiwan facility, expanding the Malaysia plant, building a Singapore R&D laboratory, and working capital.

Figure 11: Use of proceeds



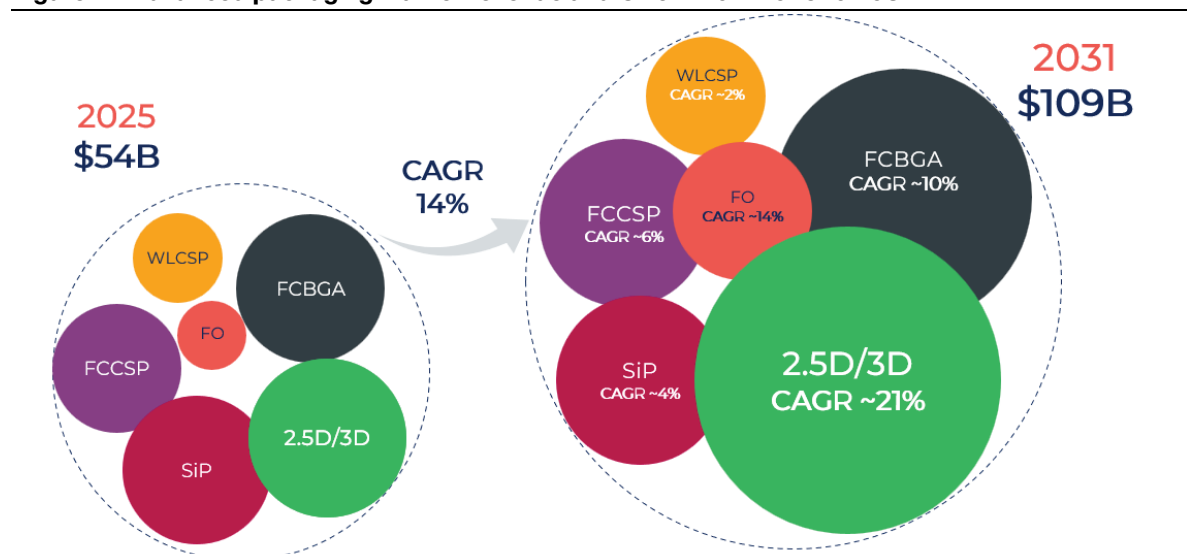
Source: Company prospectus dated 19 October 2026

Industry outlook

According to independent market research by Yole Group SA (Yole), the global semiconductor device market is expected to grow at about 12% CAGR from 2025 to 2031 to reach US\$1.6 trillion.

Within this, the advanced packaging market is projected to double from US\$54 billion in 2025 to US\$109 billion in 2031, a 14% CAGR. 2.5D/3D packaging is expected to be the fastest-growing platform at about 21% CAGR.

Figure 12: Advanced packaging market revenue and CAGR from 2025 to 2031



Source: Yole Group, Company prospectus dated 19 October 2026

Demand for solder spheres depends on more than chip volumes alone. Advanced packages need more interconnects, finer pitches and more specialised alloys, which raises solder content per package.

Solder sphere serviceable addressable market (SAM) excludes electroplated bumping and hybrid bonding which fall outside Mi Material's scope. For the period 2025 to 2031, Yole expects the solder sphere SAM to sustain growth at 23.5% CAGR. The SAM is expected to grow from US\$275 million in 2025 to US\$977 million in 2031. The growth is driven by rapid expansion of high-performance computing, artificial intelligence, automotive and high-density packaging applications.

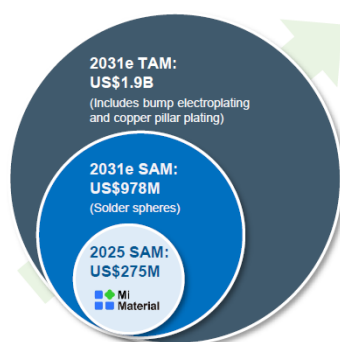
For the period 2025 to 2031, the broader total addressable market (TAM) is expected to grow at a 31.4% CAGR to US\$1.9 billion.

Figure 13: Advanced packaging market revenue and CAGR from 2025 to 2031

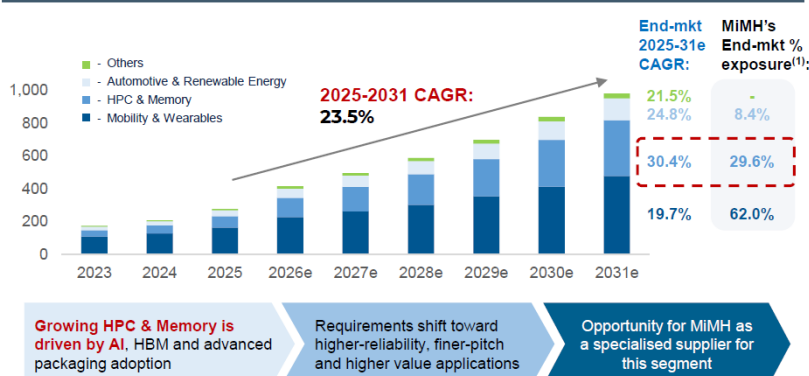
Significant and Growing Market Opportunity

Growth for Mi Material is further compounded as we focus on end markets that are seeing growth

Headroom For Expansion



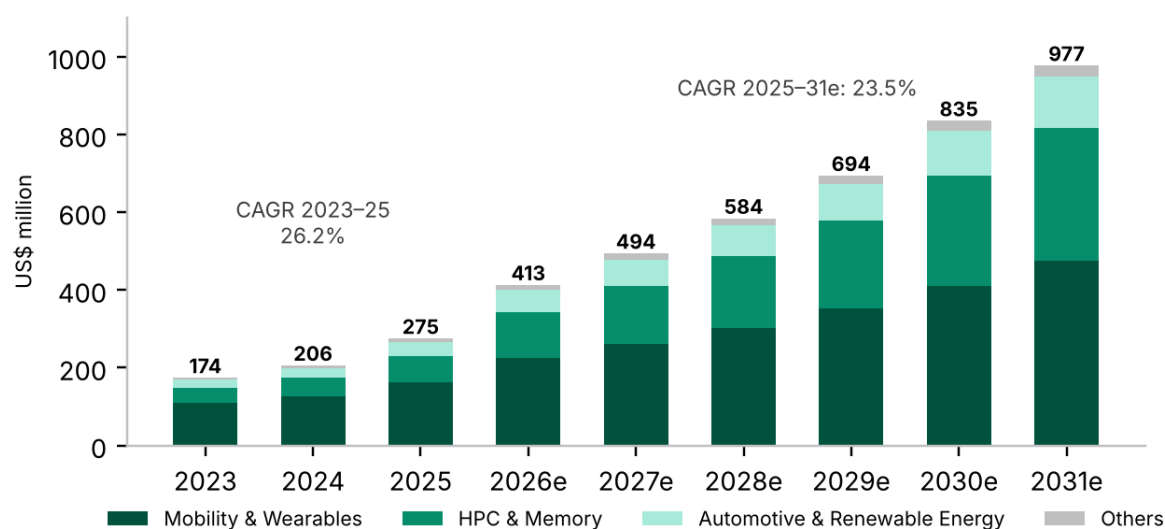
Solder Sphere SAM (US\$M) by end-market



Source: Yole Group, Company prospectus dated 19 October 2026

From the end user perspective, HPC & Memory is the fastest-growing segment, with its share of the SAM expected to rise from 25% in 2025 to 35% by 2031, driven by AI accelerators, GPUs and HBM.

Mi Material's HPC & Memory share of revenue rose to 31.1% in 1H26 from 27.6% in FY2023.

Figure 14: Solder sphere SAM by end-market (US\$m)

Source: Yole Group, Company prospectus dated 19 October 2026

Business model

Figure 15: Overview of Mi Material business model

Mi Material

Precision solder spheres for advanced semiconductor packaging

A specialist manufacturer of precision solder spheres, serving semiconductor packaging applications.

Growth opportunity: advanced packaging, ultra-fine-pitch interconnects and thermal interface materials.

1 What it does

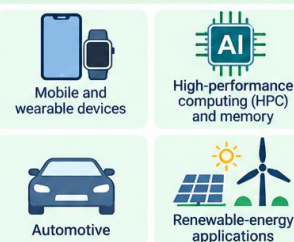
Designs, develops and manufactures precision solder spheres that connect integrated circuits (ICs) to printed circuit boards (PCBs).

Offers a broad portfolio of sizes, compositions and performance characteristics, including proprietary specialty alloys.



2 Who it serves

Serves customers across semiconductor packaging supply chains, with products used in mobile and wearable devices, high-performance computing (HPC), memory, automotive and renewable-energy applications.



3 Why customers choose it



4 How it makes money

Generates revenue by manufacturing and supplying solder spheres to customers through purchase orders.



Source: Company prospectus dated 19 October 2026

Mi Material sells mainly to outsourced semiconductor assembly and test providers (OSATs), integrated device manufacturers (IDMs) and foundries.

These Direct Customers place the purchase orders. However, demand is often decided upstream by End-Customers – the chip designers and device makers that specify which materials go into their bill of materials (BOM).

Revenue is generated mostly from the sale of solder spheres, with smaller contributions from copper core solder spheres (CCSS), solder paste, solder ingots and chemicals distribution in Singapore.

It also charges End-Customers for development fees, engineering samples and tooling.

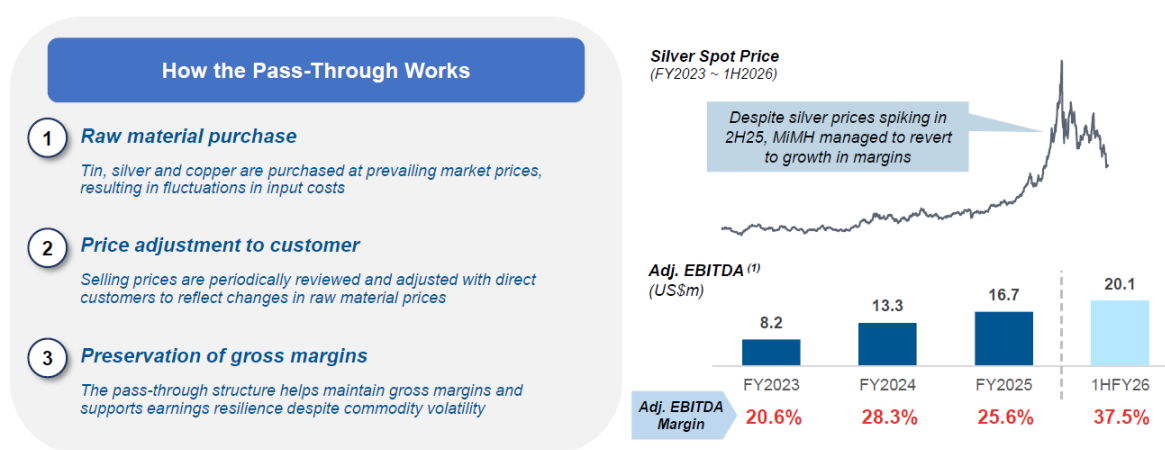
Raw materials are purchased at spot prices. Mi Material relies on a cost-plus pricing model to pass through higher metal prices.

Silver and tin are the main purchases, accounting for 89.2% of the total purchases in 1H26. With periodic selling price reviews, Mi Material was able to grow EBITDA margins in 1H26 despite the spike in silver prices in 2H2025.

Figure 16: Cost plus pricing protects gross margin against hike in raw material prices

Raw Material Cost Pass-Through

Raw material costs are passed through to customers, keeping gross margins stable despite input cost swings



Source: Yole Group, Company presentation dated 19 October 2026

Products and services

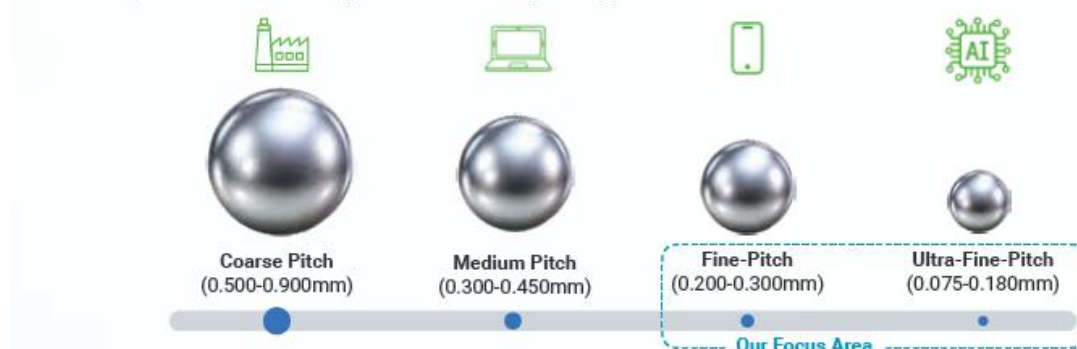
Mi Material offers a broad portfolio of solder spheres ranging from 0.03 mm to 0.889 mm in diameter.

Mi Material is increasingly focused on fine-pitch and ultra-fine-pitch applications, where growing package complexity requires tighter dimensional tolerances and greater manufacturing precision.

Its manufacturing capabilities are supported by in-house equipment development, allowing it to maintain control over the production process and product quality.

Figure 17: Mi Material focuses on precision at fine and ultra-fine-pitch scale

Our solder sphere portfolio spans a wide dimensional range from approximately 0.030mm to approximately 0.889mm in diameter, with a focus on fine-pitch and ultra-fine-pitch applications.



Source: Company prospectus dated 19 October 2026

Besides the standard Sn-Ag-Cu (SAC) alloys, being tin, silver and copper, Mi Material invested in R&D collaboration with customers to develop specialty alloys.

The SAC alloy portfolio serves applications where proven reliability and widespread adoption remain important.

Mi Material differentiates its products through proprietary alloy formulations designed to meet specific performance and reliability requirements.

The Cyclomax™ series targets ultra-high-reliability applications.

The iSAC™ series focuses on high performance and reliability.

The EcoIlloy™ series is positioned as a lower-cost, environmentally friendly alternative

Figure 18: Product portfolio by alloy family

Product family	Key features	Share of 1H2026 revenue
Cyclomax™ (proprietary)	High-reliability alloy resistant to thermal cycling and mechanical shock. Used in HPC, memory and automotive. Independently evaluated by Broadcom and Amkor	38.7%
iSAC™ (proprietary)	High-performance variant of Cyclomax™ for fine-pitch, ultra-high-reliability mobile and portable computing. Exclusive to a key End-Customer	21.2%
SAC Alloy (standard)	Tin-silver-copper spheres such as SAC305 and low-silver variants for broad adoption	37.0%
Others	Ecolloy™ (low-cost, silver-free), copper core solder spheres, solder paste, ingots and chemicals	3.1%

Source: Company prospectus dated 19 October 2026

Proprietary alloys, such as iSAC™ and Cyclomax™, generally command higher margins than standard SAC alloys.

Smaller-diameter solder spheres tend to generate higher margins than larger spheres.

Applications such as 2.5D/3D packaging, high-bandwidth memory (HBM) stacking and chiplet architectures require increasingly precise interconnects and enhanced

reliability, potentially supporting demand for smaller-diameter solder spheres and specialty alloys.

Smaller-diameter proprietary alloy products deliver the highest overall margins, followed by larger-diameter proprietary alloys and smaller-diameter standard SAC alloys. Larger-diameter standard SAC alloys have the lowest relative margins.

Figure 19: Mi Material focuses on precision at fine and ultra-fine-pitch scale

Financial Profile of Our Product Mix

Proprietary alloys, fine and ultra fine pitch sizes command a higher margin while price per sphere is dependent on the size of the sphere

	Proprietary Alloys (e.g. iSAC™, Cyclomax™)		Standard SAC Alloys	
	Smaller Diameter	Larger Diameter	Smaller Diameter	Larger Diameter
Sample Sphere Size	< 0.25mm	> 0.45mm	< 0.25mm	> 0.45mm
Metal Content ⁽¹⁾	Lower	Higher	Lower	Higher
Overall Margins ⁽²⁾	✓✓✓	✓✓	✓✓	✓

  Note: (1) Selling price of spheres are dependent on the volume of metal required per sphere; (2) Influenced by alloy type
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Source: Company prospectus

Production footprint

Taiwan is the main production base, running at 80–85% utilisation in 1H26.

The Ningbo, China facility remains underutilised at 10–15% and has been loss-making since production began.

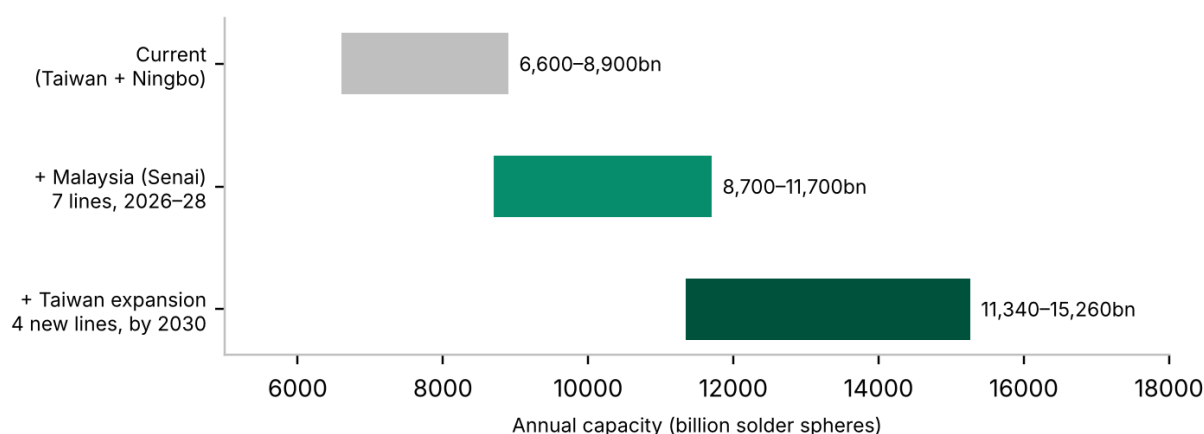
Due to export control regulations implemented by China, Mi Material plans to reposition the Ningbo facility to serve domestic Chinese customers.

The new production facility in Senai, Malaysia will have 3 lines ready by 4Q26. The Malaysia unit is not exposed to export controls.

Figure 20: Production facilities and expansion plans

Facility	Production lines	Status and capacity
Tainan, Taiwan	13 (+4 planned)	Main production base; 1H2026 utilisation 80–85%. Expansion of US\$26.0m to start in 2027, operations from 2030
Ningbo, China	6 (expandable to 12)	1H2026 utilisation 10–15%; to be repositioned for China domestic market
Senai, Malaysia	7 (in two phases)	Phase 1 (3 lines) ready by 4Q2026, ramp-up early 2027; Phase 2 (4 lines) by end-2027. Total capex US\$21.8m. Adds 2,100–2,800bn spheres a year
Texas, United States	2 automated lines	R&D and demonstration centre targeted by end-2028; may be converted into full production
Singapore	R&D laboratory	About 40 R&D staff; operations expected from 2Q2030

Source: Company prospectus dated 19 October 2026

Figure 21: Annual production capacity (units of solder spheres produced) to rise 70% by 2029

Source: Company prospectus dated 19 October 2026

Capture advanced packaging growth

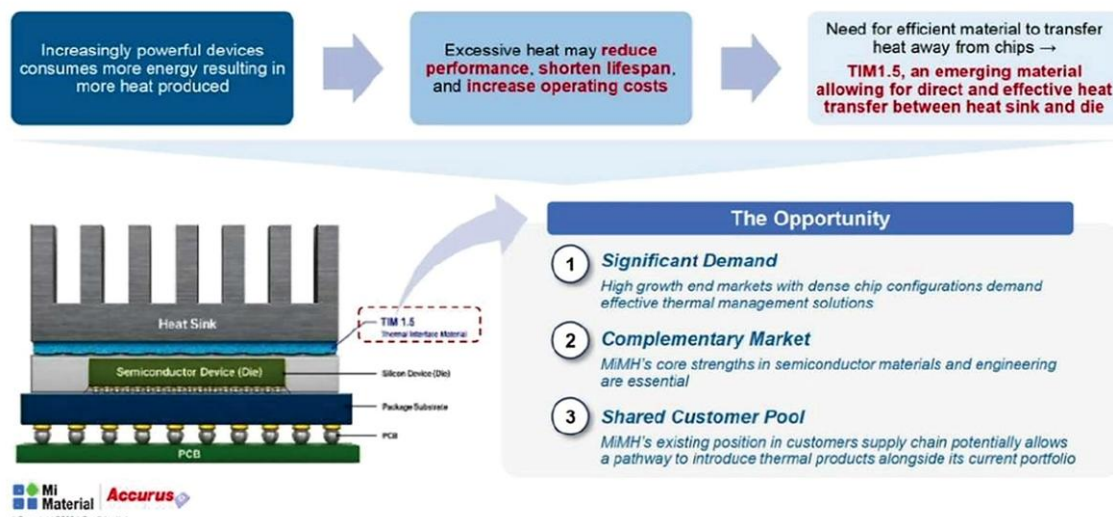
Mi Material plans to intensify R&D efforts to capture growth in advanced semiconductor packaging.

Mi Material is focusing on next-generation proprietary alloys, ultra-fine-pitch solder spheres with the potential to replace C4 bumps.

It is also exploring thermal interface materials (TIM) designed to manage higher power densities and heat in advanced semiconductor packages.

Figure 22: TIM1.5 layer allowed direct heat sink to attach on Die

Section 03 — Growth Strategies

Next Growth Frontier - Thermal Interface Materials*Thermal regulation has become one of the industry's most critical challenges as devices become more powerful*

25

Source: Mi Material presentation August 2026

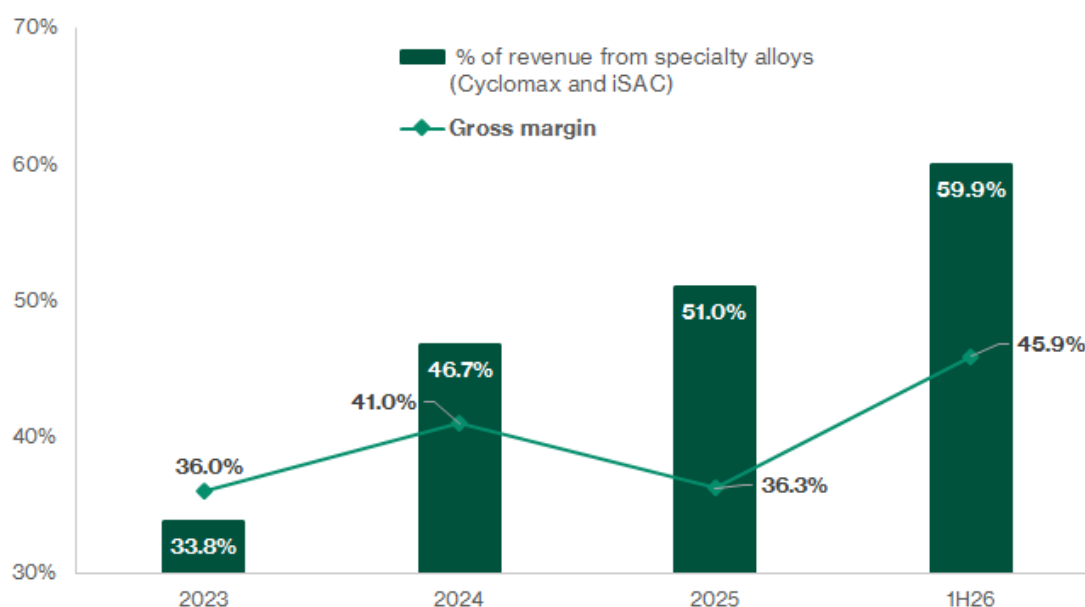
Key strengths**Focused on the fastest-growing, highest-value segments**

Mi Material has deliberately focused on fine-pitch and ultra-fine-pitch solder spheres and specialty alloys. This is where packaging complexity, reliability requirements and growth rates are highest.

Smaller spheres and specialty alloys command higher margins because they need tighter process control.

This is reflected in the share of specialty alloys rising from 33.8% of revenue in FY2023 to 59.9% in 1H26. With the shift in product mix towards specialty alloys, gross margin increased from 36.0% to 45.9% over the same period.

Mi Material is working with customers on 0.020 mm. At these sizes, solder spheres can compete with plating-based interconnects such as C4 microbumps, which could expand its addressable market.

Figure 23: Higher % of revenue from specialty alloy leads to higher gross margin

Source: Company prospectus dated 19 October 2026

Leading semiconductor technologies reinforce solder spheres

Hybrid bonding is often seen as a threat to solder interconnects. However, according to Yole, its adoption is limited to a small segment of ultra-high-end devices such as HBM stacks. Moreover, in those packages, solder spheres are still needed for package-to-substrate and substrate-to-board connections.

As internal interconnect density rises, packages need more external signal exits at finer pitches. This increases the number of solder spheres per package.

In high-value AI packages, solder spheres are yield-critical components to the module.

High barriers to entry due to designed-in and quality control

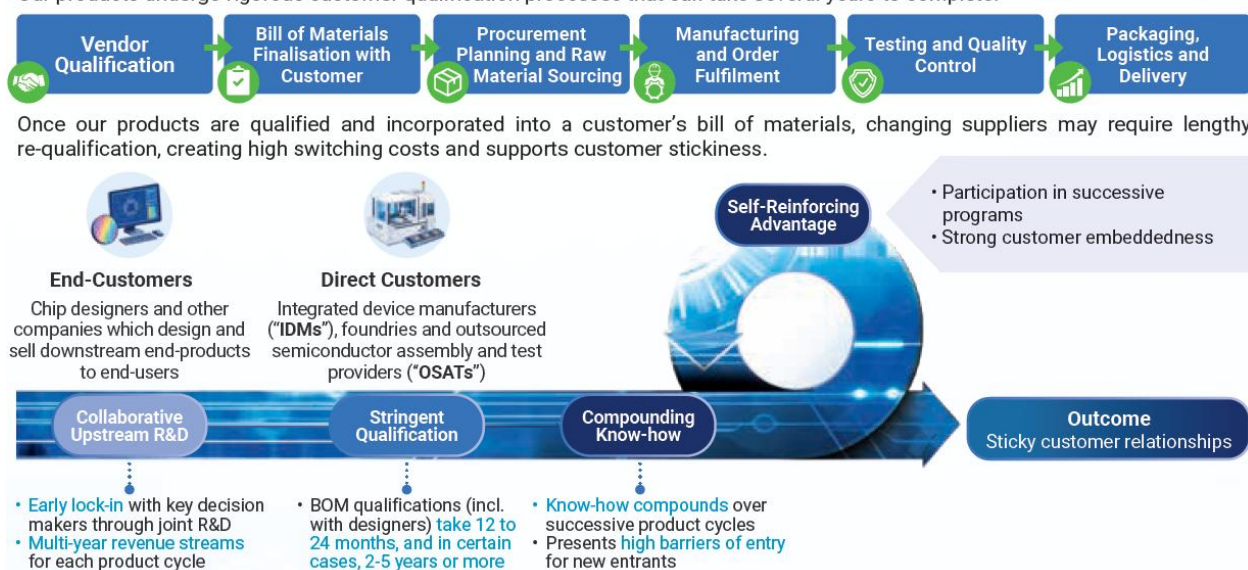
Mi Material typically works with chip designers at the package design stage. Once designed in, procurement is executed by OSATs and IDMs.

Mi Material benefits from multi-year revenue streams tied to product life cycles. Qualification from first engagement to BOM inclusion takes two to five years or longer. The supply chain covers both the alloy and the specific production plant.

For example, a specialty alloy co-developed with a major customer in 2015 now contributes about 38.7% of revenue, with applications across mobility, automotive, HPC and data centre memory.

Figure 24: R&D-driven customer embeddedness

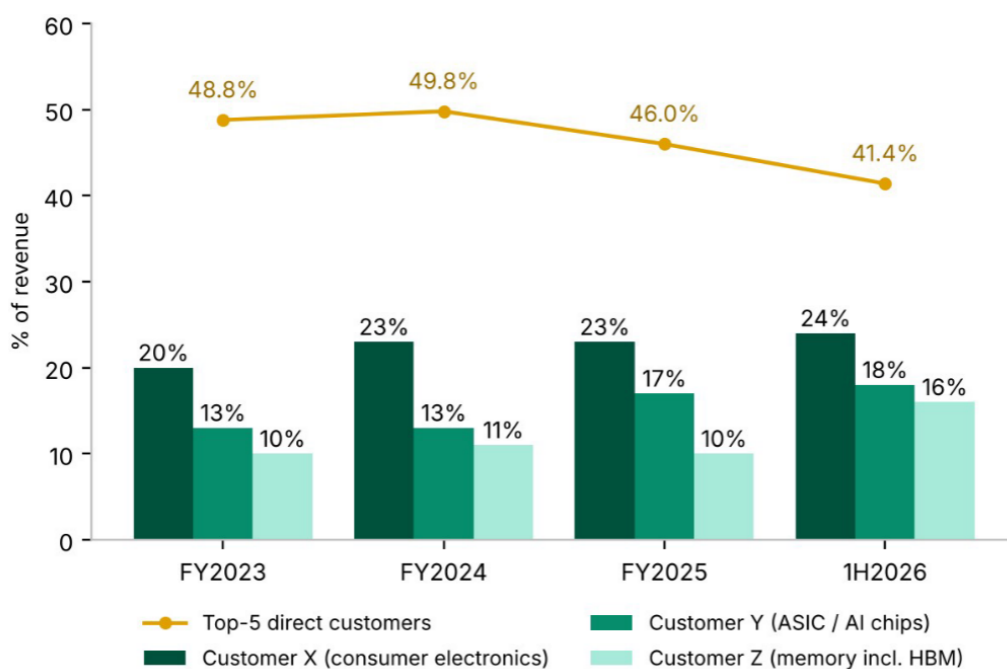
Our products undergo rigorous customer qualification processes that can take several years to complete.



Source: Company prospectus dated 19 October 2026

The trade-off is customer concentration. The top five Direct Customers accounted for 41.4% of 1H26 revenue.

Among End-Customers, Customer X (premium consumer electronics) contributed about 24%, Customer Y (AI ASICs and networking) 18% and Customer Z (HBM, DRAM and NAND memory) 16%.

Figure 25: Revenue contribution from key End-Customers and top-five Direct Customers

Source: Company prospectus dated 19 October 2026. End-Customer contributions are company estimates

Long standing customer relationships

The company has established long-standing relationships with major direct customers.

The longest major customer relationship span 22 years, with global headquartered OSATs, as well as leading-edge semiconductor fabs with relationships spanning 16 years.

The average relationship with major Direct Customers is about 17 years.

Figure 26: Direct Customers with more than 5% contribution to revenue

Major customer	Length of relationship (years) ⁽²⁾	Contribution to revenue (%) ⁽¹⁾			
		Year ended 31 December			Six months ended 30 June
		2023	2024	2025	2026
Customer A ⁽³⁾	16	14.8	13.5	13.3	8.4
Customer B ⁽³⁾	22	13.1	14.1	11.9	12.9
Customer C ⁽³⁾	6	7.6	<u>9.2</u>	8.2	8.0
Customer D ⁽³⁾	22	5.4	— ⁽⁴⁾	5.3	5.1
Customer E ⁽³⁾	11	5.3	6.9	6.0	5.1
Customer F ⁽³⁾	2	— ⁽⁴⁾	— ⁽⁴⁾	— ⁽⁴⁾	5.1
Customer G ⁽³⁾	12	7.9	— ⁽⁴⁾	— ⁽⁴⁾	— ⁽⁴⁾
Customer H	22	5.0	6.1	5.6	5.5
Customer I	21	— ⁽⁴⁾	5.9	6.7	6.6

Source: Company prospectus dated 19 October 2026. End-Customer contributions are company estimates

Strong in-house capabilities

Mi Material design and develop in-house much of the specialised machinery used in our production processes. This enables customised customer solutions and greater control over its manufacturing processes.

This in-house expertise enables Mi Material to have full control over their production process. More importantly, Mi Material is able to deliver integrated and customised solutions.

Experienced management team

Mi Material is led by an experienced management team with expertise in materials science and process engineering. Apart from the CEO, all executive officers have been with the company for more than 15 years.

Chairman Oh Kuang Eng, who is also Group CEO of MiTB, led the acquisition of the business in 2021. He has 30 years of experience in semiconductor equipment and automation. Currently, he is the Executive Director and Group CEO of MiTB. He oversees group strategy, business development and product development.

CEO Kevin Tan Kiang Hiong was promoted from Chief Operating Officer. He brings over 15 years of experience in the electronics materials and semiconductor industry. During the period 2010 to 2022, Mr Tan held technical, regional management and sales leadership roles at Henkel Singapore.

Executive Director Heng Kok Lin has over 35 years of experience in electronics materials and has been with the business since 2000. He held sales and marketing roles at Mi Material Taiwan from 2010 to 2023.

The combination of long-tenured leadership and deep technical capabilities provides a strong foundation for developing specialised solder sphere solutions used in complex semiconductor packaging applications.

Competitors

The solder sphere market is concentrated and regional.

Korea is largely served by Duksan Hi-Metal, which holds an estimated 60–70% of its domestic market.

Taiwan is centred around Senju Metal, Shenmao (with its PMTC unit) and Mi Material. Chinese suppliers may scale up over time as domestic OSAT capacity grows.

Yole identifies Senju Metal (privately held, Japan), Duksan Hi-Metal, Shenmao Technology and MK Electron as the main competitors.

Yole evaluates their alloys expertise. In the low-temperature high-reliability segment, Senju offers a catalogue product. According to management of Mi Material, Mi Material is at a similar stage of commercialisation as Senju. This meaningfully differentiates the addressable market of Mi Material from the peers.

Figure 27: Peer group organised by alloy family commercial status

Alloy Family	Senju Metal	Duksan Hi-Metal	MK Electron	Shenmao + PMTC	Mi Material*
Commodity	Commercial	Commercial (inferred)	Commercial (inferred)	Commercial	Commercial
High-Reliability SAC	Commercial	Commercial (inferred from patent portfolio + customer base)	Commercial (inferred from SACNB academic demonstration)	Commercial	Commercial
Low-Temperature High-Reliability	Commercial	In development R&D program in progress, as per DART report	Patent secured / customer testing	Commercial introduction Customer qualifications undisclosed	Commercial

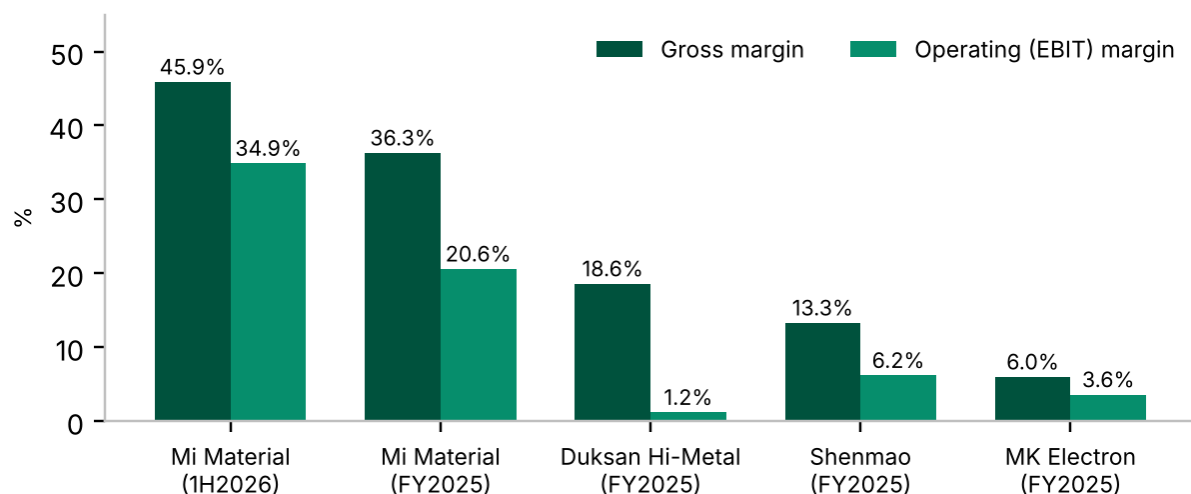
* Mi Material Management provided, not independently verified

Source: Company prospectus dated 19 October 2026, StockAnalysis.com, Beansprout. Mi Material operating margin computed as profit before tax plus finance cost

Among the listed peers, only Duksan Hi-Metal is a solder sphere pure-play like Mi Material. Mi Material stands out on profitability, with a FY2025 gross margin of 36.3% compared with 6–19% for its listed peers.

It also passes through raw material costs to customers, while listed peers rely mainly on financial hedging.

Figure 28: Mi Material's margins are well ahead of listed solder sphere peers



Source: Company prospectus dated 19 October 2026, StockAnalysis.com, Beansprout. Mi Material operating margin computed as profit before tax plus finance cost

Financial performance

Revenue and profitability

In FY2025, revenue grew 39.5% to US\$65.3 million, but gross margin fell to 36.3% from 41.0%. This was because metal prices spiked in 2025, and there was a time lag before higher costs could be passed on to customers. Net profit rose 22.5% to US\$10.0 million.

Mi Material's revenue rose 109.5% year-on-year to US\$53.7 million in 1H26. This was driven by higher sales volumes across all product categories, particularly from HPC and memory customers, a richer mix of specialty alloys and fine-pitch spheres, and the pass-through of higher tin, silver and copper prices.

Gross margin widened to 45.9% from 37.3%, and net profit rose to US\$14.3 million from US\$2.9 million. Adjusted EBITDA margin reached 37.5%, up from 25.5% in 1H25.

Demand is seasonal and tends to be stronger in the second half, as End-Customers typically launch products in the third quarter. Management estimates 3Q2026 revenue rose 15.6% quarter-on-quarter to US\$37.8 million, with gross margin stable at 47.5%.

Management expected 3Q26 revenue to increase by 15.6% to US\$37.8 million. Gross margin remains stable at 47.5%, from 48.0% in 2Q26.

Mi Material continues to benefit from favourable shift in product mix to higher margin specialty alloys.

For the period 9M26, the revenue of US\$91.5 million, represents an increase of 40.8% from FY25. 9M26 gross margin at 46.6% represents an increase of 10.3 percentage point from 36.3% in FY25.

Management explained that the revenue growth and improvement in gross margin could be attributed to the shift towards higher margin speciality alloys. They expect the growth trend and higher profitability to be sustainable going forward.

Figure 29: Mi Material income statement summary

FYE Dec, US\$ m	FY2024	FY2025	1H2026	3Q26E	9M26E	9M26 vs FY25
Revenue	46.8	65.3	53.7	37.8	91.5	40.8%
Gross profit	19.2	23.7	24.6	18.0	42.6	79.7%
Profit before tax	11.3	13.3	18.4			
Net profit	8.2	10.0	14.3			
Adjusted EBITDA	13.3	16.7	20.1			
Adjusted PAT	7.4	10.5	14.3			
Gross margin	41.0%	36.3%	45.9%	47.5%	46.6%	+10.3 ppt
Adjusted EBITDA margin	28.4%	25.6%	37.5%			
Net profit margin	17.5%	15.3%	26.6%			

Source: Company prospectus dated 19 October 2026.

1H and 3Q figures are unaudited. Adjusted figures exclude non-cash, non-recurring and non-operating items

Capital management

As of 30 June 2026, Mi Material had US\$20.0 million in cash and US\$25.0 million in bank borrowings, mainly short-term working capital facilities. This was a small net debt position of US\$4.9 million, compared with net cash of US\$6.5 million at end-2025.

After the IPO, Mi Material will receive net proceeds of about S\$157.9 million (around US\$123 million), which will turn it into a net cash position.

Post-IPO net asset value is estimated at S\$0.60 per share.

Figure 30: Mi Material balance sheet summary

US\$ m	31 Dec 2024	31 Dec 2025	30 Jun 2026	Post-IPO, as at 31 August 2026
Cash and cash equivalents	17.9	20.9	20.0	150.2
Inventories	14.1	20.0	28.1	
Trade and other receivables	11.4	20.0	31.7	
Total assets	105.6	130.5	154.4	
Bank borrowings	6.4	14.5	25.0	28.2
Total liabilities	19.5	35.0	45.3	
Total equity	86.1	95.5	109.1	240.3
Net debt / (net cash)	(11.5)	(6.5)	4.9	(122.0)

Source: Company prospectus dated 19 October 2026

Cash flow adequacy

Rapid growth has absorbed cash. Operating cash flow turned negative at US\$0.9 million in FY2025 and US\$5.4 million in 1H26, despite rising profits.

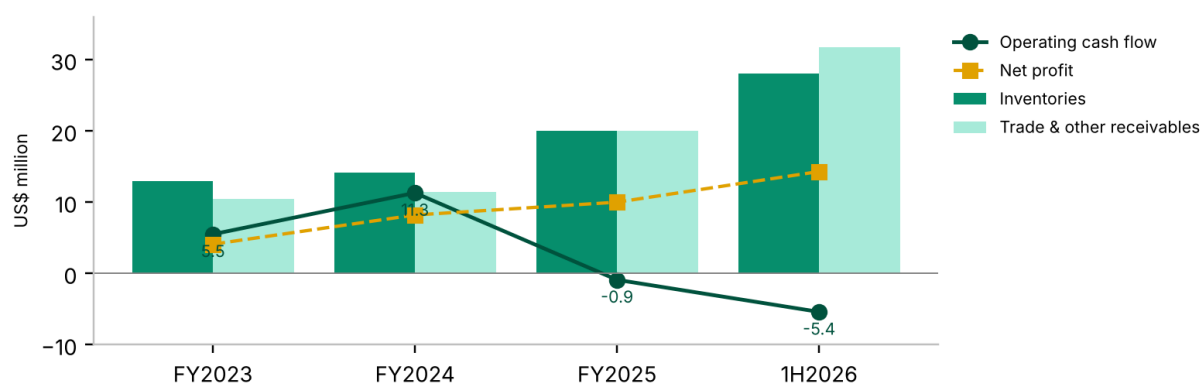
This was due to higher working capital requirements. Inventories rose to US\$28.1 million and trade receivables to US\$31.7 million as at 30 June 2026, while metal suppliers typically require payment in advance.

Management attributes the receivables build to sales being concentrated towards period-ends, and notes that 81.5% of receivables outstanding at end-June 2026 had been collected by 23 September 2026.

Average receivable days were stable at 83 days.

The IPO proceeds should ease the funding strain, but investors should watch whether operating cash flow turns positive as growth normalises.

Figure 31: Working capital build-up has turned operating cash flow negative (US\$m)



Source: Company prospectus dated 19 October 2026

Figure 32: Mi Material cash flow summary

US\$ m	FY2023	FY2024	FY2025	1H2026
Funds from operations	8.3	13.2	16.8	20.0
Operating cash flow	5.5	11.3	(0.9)	(5.4)
Investing cash flow	(0.5)	(0.9)	(3.0)	(2.4)
Financing cash flow	(3.9)	(4.5)	6.3	6.9
Capex (purchase of PPE)	(0.6)	(1.0)	(3.0)	(2.5)
Free cash flow (OCF – capex)	4.9	10.3	(3.9)	(7.9)
Dividends paid	(6.3)	(4.0)	–	(3.5)

Source: Company prospectus dated 19 October 2026. Capex rounded as disclosed in the MD&A

Planned capital expenditure for 2026 is US\$12.0 million, funded internally.

The expansion projects in Malaysia, Taiwan, US and Singapore will be financed by IPO proceeds. Investors should expect higher depreciation as these facilities come on stream from 2027.

Dividend policy

Mi Material does not have a fixed dividend policy.

However, the board intends to pay at least 20% of net profit after tax as dividends for the period from listing to 31 December 2026 and for FY2027. Based on trailing 12-month earnings, a 20% payout implies a yield of about 0.6% at the IPO price.

Valuation

At the IPO price of S\$1.80, Mi Material has a market capitalisation of S\$891 million (about US\$696 million).

Based on trailing 12-month net profit of US\$21.4 million (2H25 and 1H26), it is valued at P/E 32.5x.

On annualised 1H26 earnings, Mi Material trades at P/E 24.4x.

Post-IPO, Mi Material trades at P/B 3.0x, based on post-IPO net asset value of S\$0.60 per share.

Listed solder sphere peers trade at an average of FY26E P/E 15.5x, P/B 2.1x.

Mi Material's premium reflects its much higher margins, faster growth and pure-play exposure to AI and HPC packaging.

However, the valuation leaves less room for error if the semiconductor cycle turns or margins normalise.

Figure 33: Peer comparison

Name	Ticker	Fiscal Period	Currency	Price (1cy)	Market cap, S\$ million	Revenue, S\$ million	PE 2026	Return on Avg Total Equity	DPU yield FY2026E, %	EBITDA margin 2026	PB 2026	Net Debt/Equity
Mi Technovation Bhd.	5286-MY	12/2025	MYR	6.4	1,824	191	33.5	8.9%	0.8%	27.6	5.0	0.1
Shen Mao Technology Inc	3305-TW	12/2025	TWD	105	590	445	18.8	14.8%	2.2%	10.6	2.4	0.7
MK Electron Co., Ltd.	033160-KR	12/2025	KRW	14,300	339	1,291	12.2	4.1%	0.8%	3.6	1.8	2.8
Duksan Hi-Metal Co., Ltd.	077360-KR	12/2025	KRW	11,080	486	217	18.3	-	-	13.6	2.1	0.9
Average							15.5	9.5%	1.5%	7.1	2.1	1.7

Source : Factset

Key risks

Key risks include customer concentration, semiconductor cyclicity, raw material price volatility, working capital needs, execution risk on expansion, geopolitical exposure and controlling shareholder considerations.

Customer concentration

High customer concentration as three End-Customers accounts for 58% of 1H26 revenue. Top 5 Direct Customers accounts for 41.4% of 1H26 revenue. Losing product qualification or a customer phasing out a product line would hurt revenue.

Semiconductor cycle and AI demand

With solder sphere as the core product, Mi Material faces risk of downturn in the semiconductor cycle. Slowdown in hyperscaler AI spending, smartphone shipments or automotive production could reduce demand. Mobility & Wearables still accounts for about 62% of revenue.

Raw material prices

Silver and tin make up 89.2% of purchases. Mi Material relies on passing through price changes, which works with a lag. As its exposure to HPC grows, its sensitivity to metal prices may rise.

Working capital and cash flow

Operating cash flow has been negative since FY2025 due to higher inventories and receivables. Higher growth has to be balanced with rising working capital requirements.

Execution risk on expansion

The company is building or upgrading facilities in Malaysia, Taiwan, the US and Singapore at the same time. Customer qualification of the new Malaysia plant will be phased, and delays or cost overruns could weigh on returns.

Geopolitical and regulatory risks

Production is concentrated in Taiwan and China, and 77.7% of FY2025 revenue was delivered to these two markets. Export controls, tariffs and China's export licensing on silver could disrupt supply chains or demand for semiconductor products.

As of May 2026, silver is subject to export-license administration. Due to the export controls on silver, Mi Material is not able to export solder sphere products from the Ningbo facility.

Controlling shareholder and valuation

MiTB will control 72.7% of the company after listing, which limits free float and the influence of minority shareholders.

The IPO price is three times post-IPO net asset value, implying 66.6% immediate dilution for new investors, and cornerstone shares are not subject to lock-up.

Disclosure Appendix

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