Mi Material Holding Limited | SGX:MIM

Small Spheres, Full Price

NOT RATED

IPO Price:	**$ 1.80**
Fair Value:	**$ 1.85**
Upside:	**+ 2.8%**

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Mi Material is a focused, top three global niche producer of precision solder spheres—the interconnect balls linking chips, substrates and PCBs. **It held 24.0% of the global** serviceable solder-sphere **market in 2025**. Revenue grew at a 28.1% CAGR in FY23–FY25, ahead of the market's 26.2%.

The earnings inflection is both material and recent. In 1HFY26, revenue rose 109.8% yoy to US$53.7m, while net profit increased 393% to US$14.3m. Management guides to 3Q26 revenue of US$37.8m, up 15.6% qoq, and a 47.5% gross margin.

At S$1.80, the IPO values Mi Material at S$891m. The implied multiples are: 69.5x FY25 EPS; 32.5x trailing 12-month earnings to June 2026; 19.6x FY26F and 18.1x FY27F earnings. **Our base-case fair value of S$1.85**, based on a probability-weight

mix for FY27F EPS, **offers limited upside**.

Cash conversion is the weak point. Operating cash flow turned negative in FY25 and 1H26 even as profit rose – consistent with working capital (metal inventory, receivables) absorbing growth while silver and tin prices rose. Silver and tin are 83–89% of purchases, bought at spot without long-term contracts.

The largest single use of the US$168.2m proceeds (S$55.8m, 33%) is a US R&D/demonstration centre whose return is not quantified, and the Taiwan expansion only contributes from 2030. Volume growth in FY27–FY29 therefore rests on the Malaysia ramp and on higher utilisation and mix.

Recommendation: Not Rated. The franchise is attractive, but the offer price already reflects our base case, while downside would be significant if margins normalise. Stock is expected to start trading on 28 October 2026.

Mkt cap: S$891 mil
[S$1.80 IPO Price, trading on 28th Oct 2026]

Fair Value: S$1.85

Singapore

Semiconductor & Semiconductor Equipment [4530]

Mi Material Forecast US$ mil	*12/24*	*12/25*	*12/26F*	*12/27F*
Revenue	46.8	65.3	129.3	148.6
EBIT	11.2	15.5	48.1	50.5
Net Att Profit	8.2	10.0	35.5	38.5
EPS (US$ cts)	1.7	2.0	9.2	10.0
P/E (x)	85.1	69.5	19.6	18.1
PEG (x)	0.9	3.1	0.1	2.1
ROAE (%)	9.4%	11.0%	20.5%	14.4%
Div Yield (%)			1.4%	1.6%
FCF Yield (%)	1.5%	-0.6%	-0.2%	-1.0%
Gearing - D/E (%)	7.4%	15.1%	10.0%	7.1%
- D/TA (%)	6.1%	11.1%	8.4%	6.1%
Intrinsic Value				**1.85**
% Upside				**2.8%**

Industry Valuation	2026F P/E(X)	2026F PEG	2026F DY(%)
Mi Material	19.6	0.1	1.4%
MK Electron	11.0	n.a.	1.1%
Duksan Hi-Metal	n.m.	n.a.	n.m.
Peer Average	**11.0**	**n.a.**	**1.1%**
% MiM/ Avg.	*78%*	*n.a.*	*27%*
STI	18.0	1.74	4.1%
% MiM/ STI	*9%*	*-96%*	*-66%*

DY = Dividend Yield, Source = RHTC, BBG

Not Rated

IPO Price $1.80 Listing on 28-Oct-26

Ratios & Valuations

Dec-yr end	2023	2024	2025	2026F	2027F
PE(x)	169.1	85.1	69.5	19.6	18.1
PE/G		0.9	3.1	0.1	2.1
Intrinsic value				$1.85	
(potential upside)				3%	
Mkt Cap/Sales (x)	17.46	14.85	10.64	5.38	4.68
Div Yield (%)				1.4%	1.6%
FCF Yield (%)	0.7%	1.5%	(0.6%)	(0.2%)	(1.0%)
ROAE (%)		9.4%	11.0%	20.5%	14.4%
ROAA (%)		7.8%	8.5%	16.5%	12.3%

Growth & Margins (%)

%	23/22	24/23	25/24	26F/25	27F/26
Revenue growth		17.6%	39.5%	97.8%	15.0%
PBT growth		97.5%	17.9%	247.2%	8.6%
EPS growth		98.7%	22.5%	254.3%	8.6%
FCF growth		109.5%	n.m.	n.m.	n.m.
Asset growth		0.9%	23.6%	128.8%	9.7%
	2023	**2024**	**2025**	**2026F**	**2027F**
Op margin	17.1%	23.8%	23.7%	37.2%	34.0%
Net margin	10.3%	17.5%	15.3%	27.4%	25.9%
FCF margin	12.4%	22.0%	(6.0%)	(1.0%)	(4.5%)

Source: Company data, RHTC estimates

Income Statement *(US$'000)*

Dec yr end	2023	2024	2025	2026F	2027F
Revenue	**39,829**	**46,821**	**65,335**	**129,255**	**148,643**
Cost of goods sold	(25,477)	(27,632)	(41,650)	(68,900)	(84,727)
Gross profit	14,352	19,189	23,685	60,355	63,917
SG&A	(7,527)	(8,026)	(8,182)	(12,279)	(13,378)
EBIT	6,825	11,163	15,503	48,076	50,539
Others	(1,126)	91	(2,240)	(2,025)	(545)
Pre-tax profit	5,699	11,254	13,263	46,051	49,994
Tax	(1,587)	(3,082)	(3,255)	(10,592)	(11,499)
Tax rate (%)	*27.8%*	*27.4%*	*24.5%*	*23.0%*	*23.0%*
Net profit	**4,112**	**8,172**	**10,008**	**35,459**	**38,495**
Net Attributable Profit	**4,112**	**8,172**	**10,008**	**35,459**	**38,495**
Retained Earnings	**4,112**	**8,172**	**10,008**	**35,459**	**38,495**

Top shareholders (Est Free Float 25.3%)

#	Beneficial owner	Total shares	Est % o/s shrs
1	Mi Technovation Berhad (MiTB	365,019,476	73.70%
2	Oh Kuang Eng – direct (74.7% total less 73.7% via MiTB)	4,786,232	1.00%
	Sub-total	369,805,708	74.70%
	Implied free float		*25.30%*

MiM Per Share

Per Share Data	2023/22	2024/23	2025/24	2026F/25	2027F/26
EPS S$ cents (adj., 495m sh)	1.1	2.1	2.6	9.2	10.0
DPS S$ cents				1.8	2.0
payout (%)				20.0%	20.0%

Balance Sheet *(US$'000)*

Dec yr end	2023	2024	2025	2026F	2027F
Cash & ST investments	12,155	17,876	20,923	149,795	130,874
Other current assets	23,862	25,722	40,539	71,145	81,287
Total current assets	36,017	43,598	61,462	220,940	212,161
Other LT assets	68,613	62,011	69,085	77,789	115,507
Total non-current assets	68,613	62,011	69,085	77,789	115,507
Total assets	**104,630**	**105,609**	**130,547**	**298,729**	**327,668**
Provisions staff & others	9,512	13,424	25,801	37,634	35,369
Total current liabilities	9,512	13,424	25,801	37,634	35,369
Others	8,038	6,097	9,213	10,251	10,051
Total non-current liabilities	8,038	6,097	9,213	10,251	10,051
Equity	87,080	86,088	95,533	250,844	282,248
Total liabilities & equity	**104,630**	**105,609**	**130,547**	**298,729**	**327,668**

Cash Flow (US$'000)

Dec yr end	2023	2024	2025	2026F	2027F
Others	5,464	11,259	(892)	10,746	36,181
CF from operations	**5,464**	**11,259**	**(892)**	**10,746**	**36,181**
Capital expenditure	(538)	(939)	(3,028)	(12,025)	(42,810)
CF from investing	**(538)**	**(939)**	**(3,028)**	**(12,025)**	**(42,810)**
CF from financing	**(3,876)**	**(4,452)**	**6,287**	**130,151**	**(12,292)**
Net CF	**1,050**	**5,868**	**2,367**	**128,872**	**(18,921)**
Free CF	4,926	10,320	(3,920)	(1,279)	(6,629)
FCF per share (basic) US$ cts	1.00	2.08	(0.79)	(0.26)	(1.34)
Beginning cash	11,551	12,155	17,876	20,923	149,795
FX impact	(446)	(147)	680		
End cash	**12,155**	**17,876**	**20,923**	**149,795**	**130,874**

1. INVESTMENT SUMMARY

Market Position and Growth

Mi Material, operating under the Accurus brand, is a focused, top-three global producer of precision solder spheres—the interconnect balls linking chips, substrates and PCBs. The company operates plants in Tainan, Taiwan, and Ningbo, China, and held 24.0% of the global serviceable solder-sphere market in 2025 (source: Independent Market Research Report by Yole).

Revenue grew at a 28.1% CAGR in FY23–FY25, ahead of the market's 26.2%, as the product mix shifted toward specialty alloys and fine-pitch spheres (iSAC™ and Cyclomax™) used in AI/HPC and high-bandwidth memory packaging.

Recent Earnings Inflection

The earnings inflection is both material and recent. In 1HFY26, revenue rose 109.8% yoy to US$53.7m, while net profit increased 393% to US$14.3m. Management guides to 3Q26 revenue of US$37.8m, up 15.6% qoq, and a 47.5% gross margin.

- **FY26F net profit:** US$35.5m, up 255%
- **FY27F net profit:** US$38.5m

Valuation and Recommendation

At S$1.80, the IPO values Mi Material at S$891m. The implied multiples are:

- 69.5x FY25 EPS
- 32.5x trailing 12-month earnings to June 2026
- 19.6x FY26F and 18.1x FY27F earnings

These multiples fall at the top end of the 9–25x listing range for the past few years and fit a company with actual revenue growth of 110% in 1H26. Our base-case fair value of S$1.85, based on a probability-weighted mix for FY27F EPS, offers limited upside (see Section 5-2).

Key Risk: Earnings Quality

Cash conversion remains the central concern. Operating cash flow was negative US$0.9m in FY25 and negative US$5.4m in 1H26, despite net profits of US$10.0m and US$14.3m, respectively. Gross margin increased by about 10 percentage points to 46–48%, alongside pass-through pricing for higher silver and tin costs. Until detailed working-capital data and a post-listing cash-conversion record are available, we would not capitalise peak margins.

Scenario Analysis

- **Bear case:** FY27F profit of US$25m, gross margin normalising to about 37%, and a 15x multiple imply S$0.97 per share, or 46% downside.
- **Base case:** Fair value of S$1.85 offers only limited upside to the S$1.80 offer price.
- **Bull case:** Profit of US$50m at 22x implies S$2.85 per share, or 58% upside.

Recommendation: NEUTRAL (Not Rated). The franchise is attractive, but the offer price already reflects our base case, while downside risks would be significant if margins normalise.

IPO Snapshot

Figure 1-1: Key IPO Data

Key IPO Data	
Market cap (S$ mil / US$ mil)	891 / 695
Post-listing shares (mil)	495.0
Offering shares (mil)	77.5
of which New / Vendor	51.5 / 26.0
Gross proceeds to Company	S$168.2m
Expected listing date	28 Oct 2026
Pro forma P/NAV	3.0x

Source: Company PHS; The Edge (6-Oct-2026) for cornerstone names; The Star (20-Jul-2026) for the MiTB share distribution.

Figure 1-2: Ownership & Offer

Ownership & offer	
MiTB (post-offer, no OA)	73.7%
Mr Oh Kuang Eng (direct + deemed)	74.7%
Cornerstone shares (mil)	41.9 (8.5%)
Est. free float	~25%
Over-allotment (Vendor)	5.0m shares
Issue Manager	OCBC
Joint Global Coordinators, Bookrunners and Underwriters	OCBC, CGS Intl

Source: Company PHS; The Edge (6-Oct-2026) for cornerstone names; The Star (20-Jul-2026) for the MiTB share distribution.

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2. OVERVIEW

2-1 Growth and Profitability

Revenue momentum. Revenue grew at a 28.1% CAGR over FY23–FY25 and rose 110% yoy in 1H26 due to a richer mix of specialty alloys, and the pass-through of higher metal prices.

Margin expansion. Gross margin reached 45.9% in 1H26, supported by a stronger product mix and higher capacity utilisation. Profitability nevertheless remains sensitive to utilisation levels.

Cash Flow and Balance Sheet

Rapid growth has not yet translated into cash generation. Operating cash flow was negative US$0.9m in FY25 and negative US$5.4m in 1H26, as working capital absorbed cash:

- **Receivables:** increased from US$20.0m to US$31.7m
- **Inventory:** increased from US$20.0m to US$28.1m
- **Current bank borrowings:** increased from US$13.0m at end-2025 to US$22.3m at 30 June 2026
- **Cash at 30 June 2026:** US$20.0m

2-2 Outlook for FY26-FY27

FY26 outlook. Management estimates September-quarter revenue of US$37.8m, up from US$32.7m in the June quarter, at a 47.5% gross margin. With the second half seasonally stronger, nine-month revenue of approximately US$91.5m suggests FY26 revenue could approach or exceed twice the FY25 level.

FY27 capacity ramp. Senai's first three lines are scheduled to begin production in 4Q26 and ramp in early 2027, reaching full output six to nine months later. Phase 2, comprising four additional lines, is expected to ramp only in early 2028 and should contribute little in FY27.

- **Planned annual capacity:** increases from 6.6–8.9bn to 11.3–15.3bn spheres
- **FY27 growth:** expected to moderate against the high 1H26 base
- **Cost outlook:** higher depreciation, capital expenditure, and Senai start-up costs
- **Dividend policy:** at least 20% of net profit for the period ending 2026 and for FY27

IPO and Ownership

- **Net proceeds:** approximately S$157.9m to the company, easing funding pressure
- **Malaysia allocation:** S$27.9m
- **US R&D centre:** S$55.8m, the largest allocation, with completion targeted by end-2028
- **Cornerstones:** seven investors, none subject to a lock-up

2-3 Valuation

At S$1.80 per share, Mi Material has a market capitalisation of approximately S$891m, equivalent to about 70x FY25 earnings. This valuation appears supportable in our view only if profit remains close to the 1H26 run rate.

Mi Material has no stated dividend policy (source: Prospectus). In-line with Management's dividend guidance, RHTC assumptions for FY26F and FY27F are dividends of at least 20% of net profit after tax, implying a dividend yield of at least 1.4% in FY26 and 1.6% in FY27 at S$1.80 per share.

3. BUSINESS

3-1 Company History

The Accurus business was founded in Taiwan in 1998 and has been owned by Henkel (2006–2010), by its own managers (2010–2021) and, since April 2021, by Mi Technovation Berhad (MiTB).

Figure 3-1: Company History

Year	Event
1998	Subsidiary incorporated in Tainan, Taiwan, making BGA solder spheres and related materials under the Accurus brand
2006	Acquired by Henkel's electronics group, widening access to US and European customers
2010	Management buyout from Henkel; new materials developed for wafer-level packaging, plus patented sphere-making technologies
2016-17	Singapore regional office set up (2016); Ningbo, China subsidiary incorporated (2017)
2021	MiTB acquires the Taiwan and Singapore businesses (completed 19 April); Ningbo starts commercial production
2024	Malaysian subsidiary incorporated for the Senai plant
2026	Listing company incorporated in Singapore (28 April); restructuring completed 17 August; converted to a public company 1 October

Source: Company PHS.

3-2 The Ball that Connects the Chips

Solder spheres are tiny alloy balls (Mi Material can make them as small as 0.030 mm) that form electrical and mechanical joints in ball-grid-array and flip-chip packages. Each advanced HPC or HBM package needs more interconnects per device, so unit content rises with packaging complexity – the key structural driver behind the 1H26 surge. Customers are IDMs, foundries and OSATs. End-customers (chip designers) qualify materials onto their bill of materials over 12–24 months, which makes customers sticky once a supplier is qualified – and makes losing a qualification costly.

The group has been MiTB's Semiconductor Material Business Unit since April 2021 and is headquartered in Singapore. Combined capacity is ~6,600–8,900bn spheres a year (depending on size mix). Mr Oh Kuang Eng (Non-Independent Non-Executive Chairman) is also Group CEO

and the controlling shareholder of Bursa-listed MiTB. Day-to-day management is led by CEO Kevin Tan Kiang Hiong, with a Taiwan-based operating team (COO, CFO, CTO, VP Quality).

Ownership reconciles once the MiTB distribution is included

MiTB keeps 374m shares after selling 26m Vendor Shares, which would be 75.6% of 495m – not the 73.7% the PHS states. The gap is MiTB's proposed distribution of up to 9m Mi Material shares to its own shareholders (1 for every 100 MiTB shares); 365m / 495m = 73.7%. Those ~9m shares add to free float on day one, alongside 41.9m cornerstone shares (abrdn, Amova, Areca, Barings, Fullerton and Manulife reportedly among them).

Figure 3-2: Capacity roadmap and use of proceeds (S$168.2m gross to Company)

Project	Capex	Timing	What it adds
Malaysia (Senai, Johor) – 7 lines	US$26.6m (S$34.1m)	Ph1 (3 lines) ready 4Q26, ramp early-27; Ph2 (4 lines) end-27, ramp early-28	+2,100–2,800bn spheres p.a.; diversification beyond Taiwan/PRC
Taiwan (Tainan) renovation – 4 new lines	US$26.0m (S$33.3m)	Start 2027, complete 2029, operating 2030	Lead-free conversion and throughput; total group capacity to 11,340–15,260bn (+72%)
US R&D & demo centre (Texas)	S$55.8m	Start within 6 months; ready end-2028	Customer proximity; two automated lines, convertible to production
Singapore R&D laboratory	S$23.0m	Not specified	Electromigration, thermal-interface materials, ultra-fine spheres

Source: Company PHS. Malaysia capex partly funded internally (US$4.8m already paid).

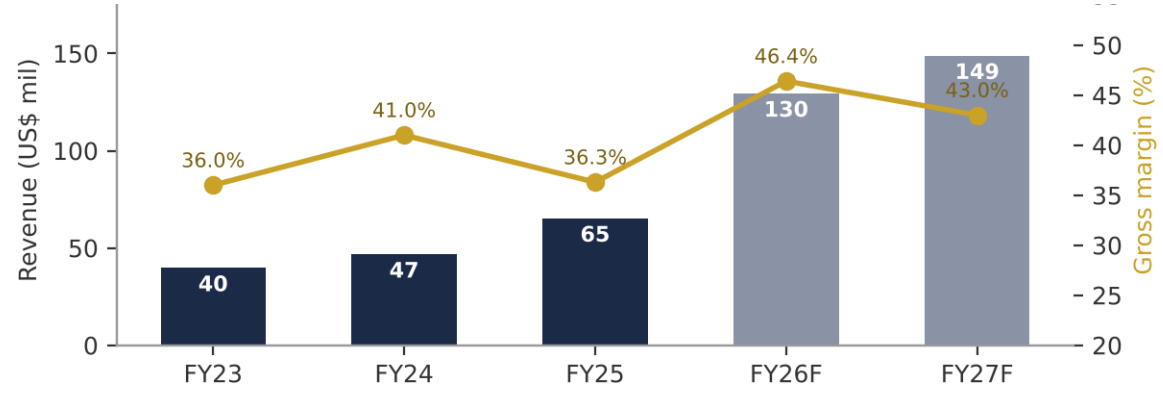
The largest single use of proceeds (S$55.8m, 33%) is a US R&D/demonstration centre whose return is not quantified, and the Taiwan expansion only contributes from 2030. Volume growth in FY27–FY29 therefore rests on the Malaysia ramp and on higher utilisation and mix – not on new Taiwan capacity.

3-3 Strong Growth, Weak Cash Conversion

Strong growth, weak cash conversion

FY23–FY25 revenue rose from US$39.8m to US$65.3m, with net margin moving between 10% and 17%. FY25 net margin fell to 15.3% because of unrealised FX losses (other items of –US$2.2m in our reconstruction). 1H26 is a step-change: gross margin of 45.9% (1H25: 37.3%) and net margin of 26.6%. Management credits volume, a richer mix of specialty and fine-pitch alloys, and higher ASPs from passing through metal costs. We note G&A more than doubled to US$4.1m in 1H26, probably including listing costs.

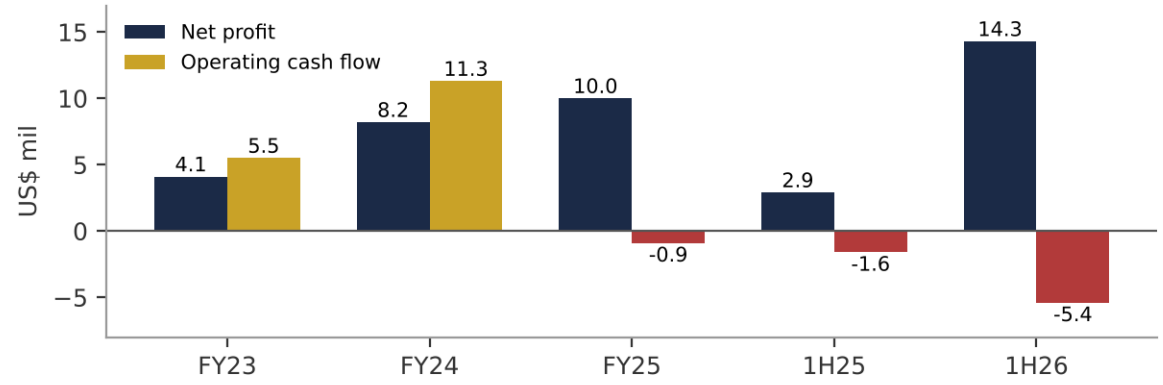
Figure 3-3: Revenue doubles in FY26F on AI/HBM demand; margin at a cyclical high



Source: Company PHS (FY23–FY25A, 1H26A, 3Q26 guidance); RHTC estimates (grey). EBIT not disclosed.

Cash conversion is the weak point. Operating cash flow turned negative in FY25 and 1H26 even as profit rose – consistent with working capital (metal inventory, receivables) absorbing growth while silver and tin prices rose. Silver and tin are 83–89% of purchases, bought at spot without long-term contracts. The 1H26 deficit was funded by financing inflows of US$6.9m. The PHS also implies the combined group paid out ~US$4–5m a year to MiTB before listing: equity moved by less than total comprehensive income in FY24 and FY25. Borrowings are not disclosed in the PHS; it mentions only Mi Material China facilities of US$4.8m outstanding at 30-Jun-26.

Figure 3-4: Earnings are not converting to cash: CFO negative in FY25 and 1H26



Source: Company PHS. Red = operating cash outflow.

3-4 Key Risks

1. **Customer concentration.** The top-5 direct customers were 41–50% of revenue in FY23–1H26, with no long-term volume commitments. Requalification takes 12–24 months, so losing a BOM slot is slow to reverse.
2. **Metal prices and margin quality.** Silver and tin are 83–89% of purchases, bought at spot. Rising prices can flatter margins (inventory gains) and absorb cash; falling prices can do the reverse.
3. **Technology substitution.** Hybrid (Cu-Cu) bonding removes solder at the die level in the most advanced memory stacks; package-to-substrate and substrate-to-PCB joints remain solder for now.
4. **Geopolitics and regulation.** Production is concentrated in Taiwan and the PRC (cross-strait, export controls, tariffs). Mi Material China faces a possible RMB8.8m customs fine plus ~RMB2.3m in export-tax-rebate refunds. The amount is small, but a fine could trigger cross-default clauses in the Taiwan subsidiary's (Mi Material Taiwan). bank facilities.
5. **Governance and overhang.** MiTB keeps ~73.7% and its controlling shareholder chairs both companies. Related-party dealings with MiTB group entities, and any future sell-down by the parent, need monitoring. Liquidity will be thin: free float ~25% before cornerstone lock-ups.
6. **Cycle.** Revenue depends on AI/HPC and memory capex, which has historically been volatile. The company has no second product line to cushion a downturn.

4. EXECUTIVE MANAGEMENT TEAM

On paper Mi Material's governance is solid. The main concern is that the parent MiTB controls the company and the board is brand new. Four of the seven directors are independent, which is a good sign. The audit, nominating and remuneration committees each have three independent members, and the audit committee also reviews all interested-person transactions.

The independents cover law (lead independent director Kelvin Tan Teck San of Drew & Napier), semiconductor operations (Chiou Lid Jian, ex-STATS ChipPAC and ASE), capital markets (Yeo Whay Teng, CFO and former investment banker) and audit (Siek Wei Ting). Kevin Tan (CEO) is a relatively recent leader, having been CEO of Mi Material Singapore only since January 2026. The chairman is a different person, but he is not independent.

Chairman Oh Kuang Eng is also CEO and controlling shareholder of MiTB, which will own about 73.7% after the IPO. Minority holders will have little say on contested votes, and Oh abstains only on matters where he has a personal material interest.

All four independents were appointed on 2 October 2026, about three weeks before listing. Only Siek Wei Ting has prior Singapore-listed directorship experience.

Figure 4-1: Mi Material's Directors as of October 2026

Name	Position	Date First Appointed
Oh Kuang Eng	Non-Independent Non-Executive Chairman (also MiTB CEO)	2 Oct 2026
Kevin Tan Kiang Hiong	Executive Director and CEO	CEO from 2 Oct 2026
Heng Kok Lin	Executive Director	28 Apr 2026
Kelvin Tan Teck San	Lead Independent Non-Executive Director	2 Oct 2026
Chiou Lid Jian	Independent Non-Executive Director	2 Oct 2026
Ms. Yeo Whay Teng	Independent Non-Executive Director	2 Oct 2026
Siek Wei Ting	Independent Non-Executive Director	2 Oct 2026

Source: MiM Prospectus.

5. FINANCIALS

5-1 Forecasts

Forecasts for FY26 and FY27 use management's unaudited 3Q26 estimates of US$37.8m of revenue and gross margin of 47.5%, RHTC base-case estimates for 4Q26 and FY27 taking into account the coming on stream of Senai's phase 1 (three lines) capacity in 4Q26 and ramp in early 2027, reaching full capacity six to nine months later. Phase 2 (four more lines) only ramps in early 2028, so it adds little to FY27. Capacity is meant to go from 6.6-8.9bn to 11.3-15.3bn spheres a year. We expect FY27 growth to be slower than FY26 because 1H26 is a very high base. Depreciation and capex will rise, and the Senai ramp will carry start-up costs. Gross margin of 46.4% in FY26 is assumed to normalise ~3 ppt to 43% as metal price tailwind fades.

Figure 5-1: Key Drivers for Mi Material in FY26F and FY27F

Driver	FY26F	FY27F	Basis / Comment
Revenue (US$m)	129.3	148.6	FY26F = 1H26A 53.7 + 3Q26 guide 37.8 + 4Q26F 38.0 (flat q/q). FY27F +15%: Malaysia Phase 1 ramp, no Taiwan capacity
Gross Margin	46.4%	43.0%	3Q26 47.5%, 4Q26F 46%; FY27F normalises ~3pt as metal-price tailwind fades and Malaysia starts up
Opex /Revenue	10.2%	9.0%	2H26 includes listing and public-company costs
Interest Income on IPO cash	-	US$2.0m	~US$120m net proceeds, largely undeployed in FY27
Tax rate	23.0%	23.0%	FY25 24.5%, 1H26 22.6%
Net Profit (US$m)	35.5	38.5	**Each 1pt of FY27F gross margin ≈ US$1.1m net profit**

Source: RHTC estimates. Public Invest projects3Q26 net profit of RM40–45m, broadly consistent with our implied ~US$11m for the quarter.

Figure 5-2: Income Statement (US$'000)

Dec yr end	*2023*	*2024*	*2025*	*2026F*	*2027F*
Revenue	**39,829**	**46,821**	**65,335**	**129,255**	**148,643**
Cost of goods sold	(25,477)	(27,632)	(41,650)	(68,900)	(84,727)
Gross profit	14,352	19,189	23,685	60,355	63,917
SG&A	(7,527)	(8,026)	(8,182)	(12,279)	(13,378)
EBIT	6,825	11,163	15,503	48,076	50,539
Others	(1,126)	91	(2,240)	(2,025)	(545)
Pre-tax profit	5,699	11,254	13,263	46,051	49,994
Tax	(1,587)	(3,082)	(3,255)	(10,592)	(11,499)
Tax rate (%)	*27.8%*	*27.4%*	*24.5%*	*23.0%*	*23.0%*
Net profit	**4,112**	**8,172**	**10,008**	**35,459**	**38,495**
Net Attributable Profit	**4,112**	**8,172**	**10,008**	**35,459**	**38,495**
Retained Earnings	**4,112**	**8,172**	**10,008**	**35,459**	**38,495**

Source: Mi Material IPO Prospectus, RHTC estimates.

Figure 5-3: Ratios and Valuations (%)

Dec-yr end	2023	2024	2025	2026F	2027F
PE(x)	169.1	85.1	69.5	19.6	18.1
PE/G		0.9	3.1	0.1	2.1
Intrinsic value				$1.85	
(potential upside)				3%	
Mkt Cap/Sales (x)	17.46	14.85	10.64	5.38	4.68
Div Yield (%)				1.4%	1.6%
FCF Yield (%)	0.7%	1.5%	(0.6%)	(0.2%)	(1.0%)
ROAE (%)		9.4%	11.0%	20.5%	14.4%
ROAA (%)		7.8%	8.5%	16.5%	12.3%

Source: Mi Material IPO Prospectus, RHTC estimates.

Figure 5-4: Balance Sheet (US$'000)

Dec yr end	*2023*	*2024*	*2025*	*2026F*	*2027F*
Cash & ST investments	12,155	17,876	20,923	149,795	130,874
Other current assets	23,862	25,722	40,539	71,145	81,287
Total current assets	36,017	43,598	61,462	220,940	212,161
Other LT assets	68,613	62,011	69,085	77,789	115,507
Total non-current assets	68,613	62,011	69,085	77,789	115,507
Total assets	**104,630**	**105,609**	**130,547**	**298,729**	**327,668**
Provisions staff & others	9,512	13,424	25,801	37,634	35,369
Total current liabilities	9,512	13,424	25,801	37,634	35,369
Others	8,038	6,097	9,213	10,251	10,051
Total non-current liabilities	8,038	6,097	9,213	10,251	10,051
Equity	87,080	86,088	95,533	250,844	282,248
Total liabilities & equity	**104,630**	**105,609**	**130,547**	**298,729**	**327,668**

Source: Mi Material IPO Prospectus, RHTC estimates

Figure 5-5: Cash Flow Statement (US$'000)

Dec yr end	*2023*	*2024*	*2025*	*2026F*	*2027F*
Others	5,464	11,259	(892)	10,746	36,181
CF from operations	**5,464**	**11,259**	**(892)**	**10,746**	**36,181**
Capital expenditure	(538)	(939)	(3,028)	(12,025)	(42,810)
CF from investing	**(538)**	**(939)**	**(3,028)**	**(12,025)**	**(42,810)**
CF from financing	**(3,876)**	**(4,452)**	**6,287**	**130,151**	**(12,292)**
Net CF	**1,050**	**5,868**	**2,367**	**128,872**	**(18,921)**
Free CF	4,926	10,320	(3,920)	(1,279)	(6,629)
FCF per share (basic) US$ cts	1.00	2.08	(0.79)	(0.26)	(1.34)
Beginning cash	11,551	12,155	17,876	20,923	149,795
FX impact	(446)	(147)	680		
End cash	**12,155**	**17,876**	**20,923**	**149,795**	**130,874**

Source: Mi Material IPO Prospectus, RHTC estimates.

5-2 Valuation: Fair Value S$1.85, Not Rated

We value Mi Material at 18.1x FY27F EPS – its first full year as a listed company and the first year with Malaysia capacity. Listed solder-ball peers are a poor fit: Korea's MK Electron runs ~7% gross margins (~11x forward P/E) and Duksan Hi-Metal is loss-making (~1.8x P/S). Mi Material's margins and AI/HBM exposure justify a clear premium to them. But 18x already prices in a large part of the AI-packaging premium for a single-product, Taiwan/PRC-concentrated supplier with a short record of cash conversion.

Figure 5-6: Industry Valuation

26 October	Price	FY26F PE	FY27F PEG	FY26F Div Yield	FY27F PE
Mi Material	1.80	19.6	2.1	1.4%*	18.1
Peer Group					
MK Electron	13,160 won	11.0	n.a.	1.1%	13.0
Duksan Hi-Metal	10,180 won	n.m.	n.a.	n.m.	21.6
Avg. Peer		**11.0**	*n.a.*	**1.1%**	**17.3**
% MiM/Avg.	*n.a.*	*+78%*	*n.a.*	*27%*	*5%*
STI	5,680	18.0	1.74	4.1%	16.0
% MiM/STI	*n.a.*	*9%*	*21%*	*-66%*	*13%*

**Based on a 20% payout.*

Source: RHTC estimates, Bloomberg.

Figure 5-7: FY27F Scenario

FY27F Scenario	Net Profit (US$m)	EPS (S$ cts)	P/E (x)	Fair Value (S$)	vs S$1.80
Bear – GM back to ~37%, AI capex pause	25.0	6.5	15	0.97	-46%
Base – RHTC forecasts	**39.7**	**10.3**	**18**	**1.85**	**+2.8%**
Bull – GM holds ~47%, Malaysia full ramp	50.0	12.9	22	2.85	+58%

Source: RHTC estimates.

Figure 5-8: FY27F NPAT (US$m) P/E

	14x	16x	18x	20x	22x
25	0.91	1.04	1.16	1.29	1.42
30	1.09	1.24	1.40	1.55	1.71
35	1.27	1.45	1.63	1.81	1.99
40	1.45	1.66	1.86	2.07	2.28
45	1.63	1.86	2.10	2.33	2.56
50	1.81	2.07	2.33	2.59	2.85

Source: RHTC estimates.

What the price implies

S$1.80 equals 18.1x our FY27F EPS, so the market is underwriting US$39.7m of profit – i.e. 1H26-level margins sustained for 18 months. A 22x "AI premium" would require ~US$50m. A probability-weighted 25/50/25 mix of our scenarios gives ~S$1.88, essentially the offer price.

5-3 What Would Change our View

Figure 5-9: Upgrade & Downgrade Triggers

Upgrade Triggers	Downgrade Triggers
Positive operating cash flow in 2H26 with stable inventory days	Further CFO deficits or rising borrowings in FY26 results
Gross margin ≥45% held in 1H27 after metal prices stabilise	Gross margin falling back below 40% as metal pass-through reverses
Malaysia Phase 1 qualified on schedule (early-2027 ramp)	Loss of a top-5 customer or Bill of Materials (BOM) qualification
Disclosure of debt, inventory and receivables showing a clean balance sheet	Adverse Mi Material China customs ruling triggering lender action

APPENDIX

A-1 SWOT ANALYSIS

SWOTs	Description
Strengths	• Top three global solder sphere supplier, with 24% of serviceable market in 2025 based on independent market research consultant, Yole. • Proprietary specialty alloys (Cyclomax, iSAC). Along with fine-pitch spheres, they lifted gross margins to 45.9% in 1H26, and the September quarter is guided at 47.5%. • High switching costs. Qualification takes 12 to 24 months, and longer for advanced packaging. Customer relationships span 20+ years. • Fast, profitable growth. Revenue grew 28.1% a year over FY23-25, net profit rose US$4.1m to US$10.0m, and 1H26 net profit was US$14.3m. • Fresh capital. About US$157.9m net comes to the company, and the parent keeps a controlling stake.
Weaknesses	• Cash conversion is poor. Operating cash flow was -US$5.4m in 1H26, receivables and inventory ballooned, and current bank borrowings rose to US$22.3m. • No unhedged-metal protection. Silver and tin were 89.2% of purchases, there are no long-term supply deals, and FY25 margin fell to 36.3% when costs spiked. • Heavy dependency on mobile and wearables (61.7% of 1H26 revenue), with no long-term supply contracts or minimum order commitments from customers. • Capacity-constrained. Taiwan is space-limited and was 76.2% of 1H26 revenue, while Ningbo mostly serves China's domestic market.
Opportunities	• Advanced packaging growth. Yole projects the serviceable market growing 23.5% a year to 2031, with HPC and memory rising from 22% to 35% of it. • Capacity expansion. Senai's first three lines start in 4Q26, and the planned capacity of 11.3-15.3bn spheres is about 70% above today's. • Premium niches such as ultra-fine-pitch, high-temperature and automotive-grade solders, plus thermal interface materials. • A Texas R&D centre (due by end-2028) and a Singapore lab to get closer to customers' qualifications teams.
Threats	• Customer concentration, especially the largest end-customer, who buys through contract manufacturers. A lost qualification takes years to replace. • Semiconductor cycles and tariff or export-control changes. • China domestic suppliers may gain share at home. • Cornerstone investors have no lock-up on about 8.5% of the company.

A-2 Tables & Charts

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