



Global Brands, Local Favourites

**MEWAH INTERNATIONAL INC.**

(Company Registration No.: CR-166055)

**NEWS RELEASE:**

**FINANCIAL RESULTS FOR THE FIRST HALF YEAR ENDED 30 JUNE 2022**

**MEWAH REPORTS US\$14.2 MILLION PROFIT FOR H1 2022**

- *H1 revenue at US\$2.7 billion record high*
- *Balance sheet remains strong with low net debt to equity ratio of 0.57*
- *Declared an interim dividend of SGD0.0015 per share for H1 2022.*

**Results Highlights**

	H1 2022	H1 2021	Change (YOY)
<b>Sales volume</b> (MT'000)	<b>1,914.0</b>	2,124.5	-9.9%
<b>Revenue</b> (US\$'million)	<b>2,702.6</b>	2,117.3	27.6%
<b>Average selling prices</b> (US\$)	<b>1,412.0</b>	996.6	41.7%
<b>Operating margin</b> (US\$'million)	<b>76.4</b>	88.4	-13.6%
<b>Operating margin per MT</b> (US\$)	<b>39.9</b>	41.6	-4.1%
<b>Net profit *</b> (US\$'million)	<b>14.2</b>	24.5	-42.1%

\* Profit after tax attributable to equity holders of the Company

Singapore, Aug 12, 2022 – Mainboard-listed Mewah International Inc. (“Mewah”, “the Group” or “the Company”), a global food and agri-business with refineries and processing facilities in Malaysia, Singapore and Indonesia, today announced financial results for its first half year ended 30 June 2022.

For the first half year, the Group posted net profit of US\$14.2 million, a decrease of 42.1% from US\$24.5 million in the preceding year.

The Group registered sales volume of 1,914,000 MT decreased 9.9% from 2,124,500 MT last year. The Group achieved a record H1 revenue of US\$2,702.6 million due to 41.7% higher average selling prices despite 9.9% lower sales volume.

For the first half year, 9.9% lower sales volume and lower operating margin of US\$39.9 per MT compared to US\$41.6 last year, resulted in total operating margin decreased 13.6% to US\$76.4 million.

The Company said in the announcement, “During the first half of the year CPO prices continued being highly volatile, up trending in the first five months reaching record-highs at RM8,076 a tonne in early-March 2022. However, in June a steep declining trend was initiated with half year prices closing at RM5,142. The average CPO prices in H1 2022 were higher by 55.7% averaging at RM6,339 per metric tonne compared to RM4,072 per metric tonne in H1 2021. The CPO price surge in the early part of the year was influenced by higher global soyabean oil prices, firmer Brent crude oil prices, reduced sunflower oil supply due to Russia-Ukraine war and lower stockpile of CPO itself. Subsequently, the temporary ban on its exports by Indonesia gave further impetus to the CPO prices. However in June, there was a 180-degree turn in sentiment amid the sharp decline in the global commodity prices with the S & P GSCI Agriculture Index losing 8.6%. CPO was no exception and the resumption of exports by Indonesia increased the trajectory of CPO’s price fall.”

“High CPO prices during H1 2022 led to increased working capital deployment and rising interest rates necessitated further focus on cycle time for the Group. The Group remained prudent and selective in trade participation. As CPO prices hit all-time high, the customers at destination countries played “wait & watch” by delaying their purchases to buying “just in time”. This has put pressure on sales volumes for the Group. The lower sales volumes have resulted in lower operating margin. Net profit for the Group is reported at US\$14.2 million for the first half of the year”, the results announcement added.

## Segmental Performance

### Bulk segment

	H1 2022	H1 2021	Change (YOY)
<b>Sales volume</b> (MT'000)	<b>1,417.9</b>	1,571.6	-9.8%
<b>Revenue</b> (US\$'million)	<b>2,082.8</b>	1,586.8	31.3%
<b>Average selling prices</b> (US\$)	<b>1,468.9</b>	1,009.7	45.5%
<b>Operating margin</b> (US\$'million)	<b>53.8</b>	61.9	-13.1%
<b>Operating margin per MT</b> (US\$)	<b>37.9</b>	39.4	-3.8%

For the first half year, the Bulk segment registered sales volume of 1,417,900 MT, decreased 9.8% from last year. Revenue increased 31.3% to US\$2,082.8 million, supported by 45.5% higher average selling prices.

9.8% lower sales volume and lower operating margin of US\$37.9 per MT compared to US\$39.4 last year resulted in total operating margin decreased 13.1% to US\$53.8 million.

The segment contributed 74.1% of total sales volume, 77.1% of total revenue and 70.4% of total operating margin of the Group for the first half year.

## Consumer Pack segment

	H1 2022	H1 2021	Change (YOY)
<b>Sales volume</b> (MT'000)	<b>496.1</b>	552.9	-10.3%
<b>Revenue</b> (US\$'million)	<b>619.8</b>	530.5	16.8%
<b>Average selling prices</b> (US\$)	<b>1,249.3</b>	959.5	30.2%
<b>Operating margin</b> (US\$'million)	<b>22.6</b>	26.5	-14.7%
<b>Operating margin per MT</b> (US\$)	<b>45.6</b>	47.9	-4.8%

For the first half year, the Consumer Pack segment registered sales volume of 496,100 MT, decreased 10.3% from last year. Revenue increased 16.8% to US\$619.8 million, supported by 30.2% higher average selling prices.

10.3% lower sales volume and lower operating margin of US\$45.6 per MT compared to US\$47.9 last year resulted in total operating margin decreased 14.7% to US\$22.6 million.

The segment contributed 25.9% of total sales volume, 22.9% of total revenue and 29.6% of total operating margin of the Group for the first half year.

## Balance Sheet

The Group's balance sheet remained strong with low net debt to equity ratio of 0.57 and gross debt to equity ratio of 0.82.

Despite higher average selling prices, the Group continued to maintain operational efficiency and achieved a shorter cycle time of 46 days (inventories days add trade receivables days less trade payables days) compared to 51 days on 31 Dec 2021.

## Dividend

In order to show appreciation for the support of the shareholders, the Board of Directors has declared an interim exempt dividend of S\$0.0015 per ordinary share for the first half year.

## **Future Outlook**

The Company noted in its results announcement, “Factors such as climate change, high energy costs, geopolitical tensions and logistical hiccups at ports have adversely impacted the global supply chain of agricultural commodities leading to rising risks of a “global food crisis”. In the post pandemic world national food protectionism is on the rise with renewed focus on self-sufficiency. The industry in which the Group participates is a very robust positive contributor to the global food supply due to the very critical and irreplaceable seat which vegetable oils hold on this food security table. The Group therefore remains committed to continue further investing in this resilient sector to alleviate food shortages and its belief of doing well by doing good.”

## **About Mewah International Inc.**

Mewah International Inc. (“Mewah” or the “Group”) is a global food and agri-business with refineries and processing facilities in Malaysia, Singapore and Indonesia. The Group has been in operations since the 1950s and was listed on the Mainboard of the Singapore Exchange Securities Trading Limited on November 24, 2010.

Today, Mewah has grown to be one of the prominent edible oils and fats businesses with total refining capacity in excess of 3.5 million MT annually. Mewah currently has edible oil refineries, various food manufacturing plants such as bakery and confectionary products, biodiesel plant and dairy factory spread out between Malaysia, Singapore and Indonesia. Mewah also markets and distributes a range of FMCG products such as rice, cashew, dairy related products, food premixes and soap. Mewah’s products are marketed to more than 100 countries through a well-established global sales and distribution network, duly supported by its wide range of brands including long established and well recognized OKI and MOI.

The Group’s business consists of two business segments namely the Bulk segment and Consumer Pack segment. The Bulk segment produces and sells vegetable-based edible oil and fat products, in bulk form primarily to distributors and factories involved in the production of confectionery, bakery products and other food items. The Consumer Pack segment produces vegetable-based edible oil and fat products, in the form of consumer packs and sells under Group’s own brands and under the brands of third parties, primarily to importers and distributors at destination markets. The specialty fats and confectionary oils are sold primarily to distributors, and factories involved in the production of confectionery, bakery products and other food items.

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Issued by  
MEWAH INTERNATIONAL INC.  
12<sup>th</sup> Aug 2022