



MEWAH INTERNATIONAL INC.
(Company Registration No.: CR-166055)

NEWS RELEASE:
FINANCIAL RESULTS FOR THE FIRST HALF YEAR ENDED 30 JUNE 2024

MEWAH REPORTS US\$18.6 MILLION PROFIT FOR H1 2024

- **Net profit increased by 82.7%**
- **Sales volume of 2,065.0 thousand MT for H1 2024.**
- **Operating margin increased by 10.6%.**
- **Balance sheet remains strong with low net debt to equity ratio of 0.37.**
- **Declared an interim dividend of SGD0.0014 per share.**

Results Highlights

	H1 2024	H1 2023	Change (YOY)
Sales volume (MT'000)	2,065.0	2,123.9	-2.8%
Revenue (US\$'million)	1,909.8	2,135.8	-10.6%
Average selling prices (US\$)	924.8	1,005.6	-8.0%
Operating margin (US\$'million)	98.5	89.1	10.6%
Operating margin per MT (US\$)	47.7	41.9	13.8%
Net profit * (US\$'million)	18.6	10.2	82.7%

* Profit after tax attributable to equity holders of the Company

Singapore, Aug 14, 2024 – 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 2024.

For the first half year, the Group’s total operating margin increased 10.6% to US\$98.5 million, driven by a higher operating margin per MT of US\$47.7 compared to US\$41.9 per MT of the corresponding period last year (“H1 2023”). The Group posted net profit of US\$18.6 million, an increase of 82.7% from US\$10.2 million in H1 2023.

The Group registered sales volume of 2,065,000 MT, a decrease of 2.8% from 2,123,900 MT in H1 2023. The Group's revenue of US\$1,909.8 million saw a reduction of 10.6% compared to H1 2023, due to 8.0% reduction in selling prices and 2.8% reduction in sales volume.

The Company said in the announcement, "Despite macro-economic uncertainties the Group performed well in the first half of 2024. During the first half of the year, the average CPO prices increased from RM3,935/tonne in the corresponding period last year to RM4,025/tonne. The prices reached their lowest point of RM3,629/tonne in January 2024 and subsequently peaked at RM4,534/tonne in April 2024. However, prices dipped to RM3,989/tonne by the end of the period. The fluctuation of prices was mainly due to production challenges, fluctuating demand, weather conditions and significant external economic influences in the first half of 2024."

"During H1 2024, the Group volumes decreased by 2.8%. H1 2024 revenue declined by 10.6% due to lower prevailing selling prices compared to the corresponding period last year. An increase of 10.6% in total operating margin resulting from factors such as increased focus on cost controls, favorable exchange rates and better pricing for our processed products enabled the Group to report a net profit of US\$18.6 million for the first half of the year. This net profit was higher 82.7% y-o-y supported by improved margins for both the Bulk and Consumer Pack segments compared to last year. Our Bulk segment saw a 3.8% decrease in sales volume for H1 2024 but its operating margins improved by 5.2% y-o-y. Our Consumer Pack segment delivered a robust performance capitalising on its widespread customer network and product range. The operating margin of Consumer Pack segment for H1 2024 improved by 16.4%," the results announcement added.

Segmental Performance

Bulk segment

	H1 2024	H1 2023	Change (YOY)
Sales volume (MT'000)	1,458.3	1,515.8	-3.8%
Revenue (US\$'million)	1,314.8	1,484.4	-11.4%
Average selling prices (US\$)	901.6	979.3	-7.9%
Operating margin (US\$'million)	48.9	46.5	5.2%
Operating margin per MT (US\$)	33.5	30.7	9.1%

For the first half year, the Bulk segment registered sales volume of 1,458,300 MT, a decrease of 3.8% from H1 2023. Revenue decreased 11.4% to US\$1,314.8 million resulted from a decrease of 7.9% in average selling prices and a decrease of 3.8% in sales volume.

The total operating margin increased 5.2% to US\$48.9 million due to a higher operating margin of US\$33.5 per MT compared to the US\$30.7 in H1 2023 despite a decrease of 3.8% in sales volume.

The segment contributed 70.6% of total sales volume, 68.8% of total revenue and 49.6% of total operating margin of the Group for the first half year.

Consumer Pack segment

	H1 2024	H1 2023	Change (YOY)
Sales volume (MT'000)	606.7	608.1	-0.2%
Revenue (US\$'million)	595.0	651.4	-8.7%
Average selling prices (US\$)	980.7	1,071.2	-8.4%
Operating margin (US\$'million)	49.6	42.6	16.4%
Operating margin per MT (US\$)	81.8	70.1	16.7%

For the first half year, the Consumer Pack segment registered sales volume of 606,700 MT, compared to 608,100 MT in H1 2023. Revenue decreased 8.7% to US\$595.0 million due to a decrease of 8.4% in average selling prices.

The segment achieved an improved total operating margin of US\$49.6 million, an increase of 16.4% driven by an impressive operating margin of US\$81.8 per MT compared to US\$70.1 per MT in H1 2023.

The segment contributed 29.4% of total sales volume, 31.2% of total revenue and 50.4% of total operating margin of the Group for the first half year.

Balance Sheet

The Group maintained a low gross debt to equity ratio at 0.55 and its net debt to equity ratio at 0.37.

The Group's cycle time (inventories days add trade receivables days less trade payables days) was 63 days, compared to 58 days on 31 Dec 2023.

Dividend

In order to show appreciation for the support of the shareholders, the Board of Directors has declared an interim exempt dividend of S\$0.0014 per ordinary share.

Future Outlook

The Company noted in its results announcement, “In the short-term, the palm oil industry in Malaysia displays mixed performance trends. Increased CPO production but a decrease in palm oil exports led to high stock levels. Conversely Indonesia’s supply levels remain tight due to lower production. Global economic factors such as geopolitical tensions, cautious interest rate policies and China’s economic slowdown continue to affect consumer sentiment. The potential EU deforestation regulation is also causing some uncertainty. The Company’s nearly completed greenfield refinery will boost its capacity and broaden the supply base. Initiatives in product diversification and supply range expansion position us well to navigate uncertainties. With a strong balance sheet, the Group will maintain a cautious approach while focusing on sustainable growth. We remain committed to delivering value to our shareholders through prudent management and strategic investments,” the results announcement added.

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 recognised 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. Additionally, the Group also produces bioenergy products as part of its bulk products offerings. The Consumer Pack segment produces vegetable-based edible oil and fat products and sells under the 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. Dairy related products, soap and rice are also part of Mewah Group’s Consumer Pack portfolio that serves as an additional stream of income and help to serve existing customers better as they normally deal in a basket of commodities.

For any corporate communication, contact:

Name : Rajesh Shroff
Designation : Chief Financial Officer
Contact number : +65 6829 5255
Email : ir@mewahgroup.com

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