



Global Brands, Local Favourites

**MEWAH INTERNATIONAL INC.**

(Company Registration No.: CR-166055)

**NEWS RELEASE:**

**FINANCIAL RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2022**

**MEWAH ACHIEVES ALL-TIME HIGH PROFIT OF US\$113.6 MILLION FOR FY 2022**

- *Mewah delivers impressive earnings report with operational margin of US\$300.9 million and record net profit of US\$113.6 million*
- *All-Time High Revenue of US\$5.4 billion*
- *Record operating cash flows before working capital changes of US\$207.0 million*
- *Resilient Balance Sheet with low net debt to equity ratio of 0.57*
- *Proposes a final dividend of SGD0.0140 per share.*

**Results Highlights**

	FY 2022	FY 2021	Change (YOY)
<b>Sales volume</b> (MT'000)	<b>4,293.0</b>	4,119.5	4.2%
<b>Revenue</b> (US\$'million)	<b>5,428.5</b>	4,348.8	24.8%
<b>Average selling prices</b> (US\$)	<b>1,264.5</b>	1,055.7	19.8%
<b>Operating margin</b> (US\$'million)	<b>300.9</b>	225.1	33.7%
<b>Operating margin per MT</b> (US\$)	<b>70.1</b>	54.6	28.4%
<b>Net profit *</b> (US\$'million)	<b>113.6</b>	80.2	41.8%

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

Singapore, Feb 28, 2023 – 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 full year ended 31 Dec 2022.

For the full year, the Group posted net profit of US\$113.6 million, an increase of 41.8% from US\$80.2 million in the preceding year.

The Group registered sales volume of 4,293,000 MT, an increase of 4.2% from 4,119,500 MT last year. The Group revenue at US\$5,428.5 million has crossed US\$5 billion mark for the first time due to 19.8% higher selling prices combined with 4.2% higher sales volume.

For the full year, the Group achieved impressive total operating margin of US\$300.9 million, an increase of 33.7% compared to last year on the back of a higher operating margin of US\$70.1 per MT compared to US\$54.6 last year together with 4.2% higher sales volume.

The Company said in the announcement, “The Group is proud to announce its all-time high record performance in terms of revenue and operating margins. The full-year net profit saw a significant increase of 41.8% to reach US\$113.6 million compared to last year. During the year, CPO prices went on a roller coaster ride from touching a record high of RM8,076 a tonne in early-March 2022 to finally closing the year at RM4,127. The average MPOB spot price for CPO was higher at RM5,136/tonne in 2022 compared to RM4,447/tonne in 2021. The vegetable oil market had to grapple with volatility triggered by recession fears, war and protectionist measures with respect to domestic food supplies. Despite all these challenging conditions, the Company has seen tremendous success and growth. The Company attributes this unprecedented level of success to the hard work and commitment of its employees together with the support of its customers, suppliers and all other stakeholders.”

“This significant volatility in prices and disruptions in supply chains led customers and suppliers to prefer such processors and supply chain managers who have strong balance sheet, a global footprint and a longstanding record of outstanding customer service. This enabled our Bulk segment to achieve 2.9% increase in sales volume for the year with higher operating margins of US\$69.1 per MT for the year. Our Consumer Pack Segment improved its sales volume by an impressive 8.0% and maintained its operating margin at US\$72.7 per MT. The high average commodity prices during FY 2022 also resulted in increased working capital deployment for the Group”, the results announcement added.

## Segmental Performance

### Bulk segment

	FY 2022	FY 2021	Change (YOY)
<b>Sales volume</b> (MT'000)	<b>3,124.2</b>	3,037.4	2.9%
<b>Revenue</b> (US\$'million)	<b>4,028.4</b>	3,260.5	23.6%
<b>Average selling prices</b> (US\$)	<b>1,289.4</b>	1,073.5	20.1%
<b>Operating margin</b> (US\$'million)	<b>215.9</b>	150.4	43.6%
<b>Operating margin per MT</b> (US\$)	<b>69.1</b>	49.5	39.6%

For the full year, the Bulk segment registered sales volume of 3,124,200 MT, 2.9% increase from last year. Revenue increased 23.6% to US\$4,028.4 million, supported by 20.1% higher average selling prices and 2.9% higher sales volume.

The total operating margin increased 43.6% to US\$215.9 million on the back of 2.9% higher sales volume and higher operating margin of US\$69.1 per MT compared to the US\$49.5 last year.

The segment contributed 72.8% of total sales volume, 74.2% of total revenue and 71.8% of total operating margin of the Group for the full year.

## Consumer Pack segment

	FY 2022	FY 2021	Change (YOY)
<b>Sales volume</b> (MT'000)	<b>1,168.8</b>	1,082.1	8.0%
<b>Revenue</b> (US\$'million)	<b>1,400.1</b>	1,088.3	28.7%
<b>Average selling prices</b> (US\$)	<b>1,197.9</b>	1,005.7	19.1%
<b>Operating margin</b> (US\$'million)	<b>85.0</b>	74.7	13.8%
<b>Operating margin per MT</b> (US\$)	<b>72.7</b>	69.0	5.4%

For the full year, the Consumer Pack segment registered 8.0% increase in sales volume to 1,168,800 MT. Revenue increased 28.7% to US\$1,400.1 million, supported by 19.1% higher average selling prices and 8.0% higher sales volume.

The total operating margin increased 13.8% to US\$85.0 million on the back of higher operating margin of US\$72.7 per MT compared to US\$69.0 last year.

The segment contributed 27.2% of total sales volume, 25.8% of total revenue and 28.2% of total operating margin of the Group for the full year.

## Balance Sheet

The Group's balance sheet has further strengthened with total equity of US\$774.8 million. The Group maintained low gross debt to equity ratio at 0.70 and its net debt to equity ratio at 0.57.

The Group achieved record operating cash flows before working capital changes of US\$207.0 million. The Group's cycle time (inventories days add trade receivables days less trade payables days) was moderately high at 57 days compared to 51 days last year due to higher trade receivable days.

## Dividend

In order to show appreciation for the support of the shareholders, the Board of Directors has proposed a final exempt dividend of S\$0.0140 per ordinary share, which along with interim dividend of S\$0.0015, making total dividend of S\$0.0155 per ordinary share for the full year.

## **Future Outlook**

The Company noted in its results announcement, “The United Nations predicts that the global population will reach 9.7 billion in 2050 with significant variations in population growth rates among different regions. In the coming years, sub-Saharan Africa is projected to experience the most substantial growth, with its population expected to nearly double from 1.1 billion to 2.1 billion. Meanwhile, South Asia is expected to see a significant increase in population, from 2 billion in 2022 to 2.5 billion in 2050. This growth in population presents a sustainable opportunity for agri-businesses, particularly in the medium to long-term. In the immediate future, we expect macro, geopolitical and climate volatility to continue. However our Group has demonstrated three consecutive years of strong earnings and good cashflow, resulting in a significant increase in our equity base. Our large-scale integrated production facilities in Malaysia, expanding presence in Indonesia, established brands and widespread global supply chain network will enable the Group to continue to drive growth and success”, 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 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. 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, 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. Dairy related products, soap and rice are also part of Mewah Group’s Consumer Pack portfolio that serves as additional stream of income and help to serve existing customers better as they normally deal in a basket of commodities.

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