



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

NEWS RELEASE:
FINANCIAL RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2023

MEWAH REPORTS PROFIT OF US\$40.6 MILLION FOR FY 2023

- **Record operating cash flows from operations of US\$314.8 million.**
- **Resilient Balance Sheet with low net debt to equity ratio of 0.33.**
- **Proposes a final dividend of SGD0.0061 per share.**

Results Highlights

	FY 2023	FY 2022	Change (YOY)
Sales volume (MT'000)	4,334.6	4,293.0	1.0%
Revenue (US\$'million)	4,123.8	5,428.5	-24.0%
Average selling prices (US\$)	951.4	1,264.5	-24.8%
Operating margin (US\$'million)	201.1	300.9	-33.2%
Operating margin per MT (US\$)	46.4	70.1	-33.8%
Net profit * (US\$'million)	40.6	113.6	-64.3%

* Profit after tax attributable to equity holders of the Company

Singapore, Feb 29, 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 full year ended 31 Dec 2023.

For the full year, the Group posted net profit of US\$40.6 million, a decrease of 64.3% from its all-time high profit of US\$113.6 million in the preceding year.

The Group registered 1.0% increase in sales volume at 4,334,600 MT from 4,293,000 MT of last year. The Group revenue at US\$4,123.8 million was a decrease of 24.0% from the previous year primarily due to lower selling prices.

For the full year, the Group achieved total operating margin of US\$201.1 million, a decrease of 33.2% compared to the high base of last year. On a per MT basis the operating margin was US\$46.4 for the full year compared to US\$70.1 last year.

The Company said in the announcement, “For FY 2023, the Group achieved a higher volume and decent operational performance despite the challenging conditions arising from factors such as persistent inflation, heightened geopolitical risks, elevated interest rates, global supply chain disruptions etc. Notably, palm oil prices exhibited a moderate trajectory compared to last year influenced by factors such as ample supplies of competing vegetable oils and the reopening of the Black Sea route. For the full year, the average CPO prices stood at RM3,842/tonne compared to RM5,137/tonne for last year. The prices experienced a high of RM4,343/tonne in March 2023, dipped to their lowest at RM3,298/tonne by May 2023, and subsequently settled at RM3,623/tonne at the year's close. The fluctuation in CPO prices during this period were influenced by multifaceted factors including demand-supply dynamics, weather patterns, inflation expectations and prices of competing vegetable oils.”

“In FY 2023, the Group achieved 1.0% increase in total volumes, reaching 4,334,600 MT. However, the full year revenue declined by 24.0% primarily attributable to the prevailing lower selling prices. The Group’s net profit attributable to equity holders moderated to US\$40.6 million for the full year, contracting by 64.3% from the historically highest profit reported in the previous year. The Bulk segment saw a healthy 1.0% increase in sales volume for FY 2023. Nevertheless, operating margins contracted by 53.0% y-o-y, primarily influenced by the high base effect from the previous year. Conversely, the Consumer Pack segment continued its strong operational performance. Its operating margin for FY 2023 improved by 17.3% compared to the previous year”, the results announcement added.

Segmental Performance

Bulk segment

	FY 2023	FY 2022	Change (YOY)
Sales volume (MT'000)	3,155.7	3,124.2	1.0%
Revenue (US\$'million)	2,886.8	4,028.4	-28.3%
Average selling prices (US\$)	914.8	1,289.4	-29.1%
Operating margin (US\$'million)	101.4	215.9	-53.0%
Operating margin per MT (US\$)	32.1	69.1	-53.5%

For the full year, the Bulk segment registered sales volume of 3,155,700 MT, 1.0% increase from last year. Revenue decreased 28.3% to US\$2,886.8 million due to 29.1% lower average selling prices compensated by 1.0% higher sales volume.

The total operating margin decreased 53.0% to US\$101.4 million on the back of a lower operating margin of US\$32.1 per MT compared to the US\$69.1 last year, adjusted by 1.0% higher sales volume for FY 2023.

The segment contributed 72.8% of total sales volume, 70.0% of total revenue and 50.4% of total operating margin of the Group for the full year.

Consumer Pack segment

	FY 2023	FY 2022	Change (YOY)
Sales volume (MT'000)	1,178.9	1,168.8	0.9%
Revenue (US\$'million)	1,237.0	1,400.1	-11.7%
Average selling prices (US\$)	1,049.3	1,197.9	-12.4%
Operating margin (US\$'million)	99.7	85.0	17.3%
Operating margin per MT (US\$)	84.6	72.7	16.4%

For the full year, the Consumer Pack segment registered 0.9% increase in sales volume to 1,178,900 MT. Revenue decreased 11.7% to US\$1,237.0 million due to 12.4% lower average selling prices and 0.9% higher sales volume.

The total operating margin increased 17.3% to US\$99.7 million on the back of higher operating margin of US\$84.6 per MT compared to US\$72.7 last year.

The segment contributed 27.2% of total sales volume, 30.0% of total revenue and 49.6% of total operating margin of the Group for the full year.

Balance Sheet

The Group achieved highest ever cash flows from operations of US\$314.8 million, after working capital changes. Due to this the Group ended the year with a low gross debt to equity ratio at 0.50 and net debt to equity ratio at 0.33. The Group's total equity at US\$786.5 million has further reinforced its balance sheet.

The Group's cycle time (inventories days add trade receivables days less trade payables days) was at 58 days compared to 57 days of the previous year.

Dividend

To show appreciation for the support of the shareholders, the Board of Directors has proposed a final exempt dividend of S\$0.0061 per ordinary share, which along with interim dividend of S\$0.0014 paid earlier, makes total dividend of S\$0.0075 per ordinary share for the full year.

Future Outlook

The Company noted in its results announcement, “Amid a global economic slowdown, the palm oil industry is proactively navigating challenges by emphasizing sustainability and growth. Malaysia and Indonesia are intensifying efforts to elevate environmental standards and to support smallholders. Indonesia's B35 biodiesel mandate is positioned to bolster domestic palm oil utilisation for energy purpose. This strategic initiative coincides with sustained long-term demand from key markets such as China, India and others globally, underpinning the inherent resilience of the palm oil industry. Our steadfast commitment to prudent capital management, cost efficiencies and cash discipline has significantly enhanced our financial standing in the aftermath of the COVID-19 pandemic. Building resilience has never been more important than ever before. For the Group, our large-scale integrated manufacturing facilities in Malaysia, expanding footprints in Indonesia, established brands, extensive global supply chain network and robust balance sheet position us favorably to execute our strategies effectively amidst these era of known unknowns”, 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 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.

For any corporate communication, contact:

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

Issued by
MEWAH INTERNATIONAL INC.
29th Feb 2024