



Global Brands, Local Favourites

MEWAH INTERNATIONAL INC.

(Company Registration No.: CR-166055)

NEWS RELEASE:

FINANCIAL RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2021

MEWAH REPORTS US\$80.2 MILLION PROFIT FOR FY 2021

- *Mewah delivers impressive financial results for second consecutive year with operational margin of US\$225.1 million and net profit of US\$80.2 million*
- *Revenue at US\$4.35 billion is historically highest since year 2011*
- *Balance sheet has further strengthened with low net debt to equity ratio of 0.38*
- *Proposed a final dividend of SGD0.0081 per share.*

Results Highlights

	FY 2021	FY 2020	Change (YOY)
Sales volume (MT'000)	4,119.5	4,821.2	-14.6%
Revenue (US\$'million)	4,348.8	3,445.9	26.2%
Average selling prices (US\$)	1,055.7	714.7	47.7%
Operating margin (US\$'million)	225.1	240.5	-6.4%
Operating margin per MT (US\$)	54.6	49.9	9.4%
Net profit * (US\$'million)	80.2	86.5	-7.4%

* Profit after tax attributable to equity holders of the Company

Singapore, Feb 28, 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 full year ended 31 Dec 2021.

For the full year, the Group posted net profit of US\$80.2 million, a decrease of 7.4% from US\$86.5 million in the preceding year.

The Group registered sales volume of 4,119,500 MT, decreased 14.6% from 4,821,200 MT last year. The Group revenue at US\$4,348.8 million has crossed US\$4 billion mark for the first time since year 2011 due to 47.7% higher selling prices despite 14.6% lower sales volume.

For the full year, though the Group achieved higher operating margin of US\$54.6 per MT compared to US\$49.9 last year, 14.6% lower sales volume resulted in total operating margin decreased 6.4% to US\$225.1 million.

The Company said in the announcement, “The Group is excited to deliver another consecutive year of impressive financial results. During the year, the CPO prices continued to remain bullish reaching a record high of RM 5,437 per tonne in November 2021. These high CPO prices were driven primarily by lower supplies due to labour shortages and adverse weather conditions. Our teams remained focused on running our operations safely while maximising the operating margins prevailing due to bullish prices and congested supply chains. The safety of our people and the communities we operate in remained our topmost priority during this period.”

“The processors and packers at destination markets continued having good demand which enabled our Bulk segment to deliver higher operating margins at US\$49.5 per MT for the year. The shortage of containers drove global container freight rates to historical highs. Our Consumer Pack Segment had to navigate these supply chain constraints along with high input costs leading to reduced operating margins at US\$69.0 per MT”, the results announcement added.

Segmental Performance

Bulk segment

	FY 2021	FY 2020	Change (YOY)
Sales volume (MT'000)	3,037.4	3,825.3	-20.6%
Revenue (US\$million)	3,260.5	2,647.3	23.2%
Average selling prices (US\$)	1,073.5	692.1	55.1%
Operating margin (US\$million)	150.4	160.5	-6.3%
Operating margin per MT (US\$)	49.5	42.0	17.9%

For the full year, the Bulk segment registered sales volume of 3,037,400 MT, 20.6% decrease from last year. Revenue increased 23.2% to US\$3,260.5 million, supported by 55.1% higher average selling prices.

Though the segment recorded higher operating margin of US\$49.5 per MT compared to US\$42.0 last year, 20.6% lower sales volume resulted in operating margin decreased 6.3% to US\$150.4 million.

The segment contributed 73.7% of total sales volume, 75.0% of total revenue and 66.8% of total operating margin of the Group for the full year.

Consumer Pack segment

	FY 2021	FY 2020	Change (YOY)
Sales volume (MT'000)	1,082.1	995.9	8.7%
Revenue (US\$million)	1,088.3	798.5	36.3%
Average selling prices (US\$)	1,005.7	801.8	25.4%
Operating margin (US\$million)	74.7	80.0	-6.6%
Operating margin per MT (US\$)	69.0	80.3	-14.1%

For the full year, the Consumer Pack segment registered 8.7% increase in sales volume to 1,082,100 MT. Revenue increased 36.3% to US\$1,088.3 million, supported by 8.7% higher sales volume and 25.4% higher average selling prices.

Though the segment recorded 8.7% higher sales volume, lower operating margin of US\$69.0 per MT compared to US\$80.3 per MT last year resulted in operating margin decreased 6.6% to US\$74.7 million.

The segment contributed 26.3% of total sales volume, 25.0% of total revenue and 33.2% 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\$683.6 million. The Group maintained low gross debt to equity ratio of 0.63 and net debt to equity ratio of 0.38.

Due to higher average selling prices, the Group achieved a moderately higher cycle time of 51 days (inventories days add trade receivables days less trade payables days) compared to 48 days last year.

Dividend

In order to show appreciation for the support of the shareholders, the Board of Directors has proposed a final exempt dividend of S\$0.0081 per ordinary share, which along with interim dividend of S\$0.0027, making total dividend of S\$0.0108 per ordinary share for the full year.

Future Outlook

The Company noted in its results announcement, “In recent years, our industry has proved its resilience to global disruptions, in particular, the COVID-19 outbreak. Going forward we expect the demand for vegetable oils to increase further due to an increasing population base and improving living standards. Indonesia and Malaysia which account for about 85% of the global palm oil supply are also consistently pushing for increased local consumption of vegetable oils through their B30 and B20 biofuel mandates. Therefore, we remain confident that the long-term demand for our products and services remains steady. We believe our position is further strengthened by our large-scale integrated production facilities in Malaysia, our ongoing initiatives in Indonesia, our established brands and our wide global supply chain presence.”

“In the near-term we remain cautious with respect to any adverse impact from newer variants of COVID-19 virus and also from the tightening of accommodative monetary policies by major economies. With two consecutive good years, our financial position has strengthened further and we remain committed to invest for our future profitable growth in order to create long term sustainable value for all our stakeholders”, 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. 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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