



Global Brands, Local Favourites

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

NEWS RELEASE:
FINANCIAL RESULTS FOR THE FIRST HALF YEAR ENDED 30 JUNE 2021

MEWAH REPORTS US\$24.5 MILLION PROFIT FOR H1 2021

- *Delivery of third consistently impressive half-year performance overriding the Covid-19 induced lockdowns and challenges*
- *Group's sales revenue increased 42.6% for H1 on the back of 45.6% higher average selling price and a marginal decrease of 2.1% in sales volume*
- *Bulk segment achieved operating margin at US\$61.9 million for H1 at US\$39.4 per MT*
- *Consumer pack maintained its operating margins for H1 at US\$47.9 per MT*
- *Balance sheet remains strong with a very conservative net debt to equity ratio of 0.43*
- *Declared an interim dividend of S\$0.0027 per share for H1 2021.*

Results Highlights

	H1 2021	H1 2020	Change (YOY)
Sales volume (MT'000)	2,124.5	2,169.9	-2.1%
Revenue (US\$million)	2,117.3	1,485.3	42.6%
Average selling prices (US\$)	996.6	684.5	45.6%
Operating margin (US\$million)	88.4	94.9	-6.9%
Operating margin per MT (US\$)	41.6	43.7	-4.8%
Net profit * (US\$million)	24.5	27.8	-12.0%

* Profit after tax attributable to equity holders of the Company

Singapore, Aug 13, 2021 – Mainboard-listed Mewah International Inc. (“Mewah”, “the Group” or “the Company”), a global agri-business with refineries and processing facilities in Malaysia, Singapore and Indonesia, today announced financial results for its first half year ended 30 June 2021.

For the first half year, the Group posted net profit of US\$24.5 million, a decrease of 12.0% from US\$27.8 million in the preceding year.

The Group achieved sales volume of 2,124,500 metric tonne (“MT”) for the first half year which was down 2.1% from the corresponding period last year.

The Group reported 42.6% increase in revenue to US\$2,117.3 million driven by 45.6% higher average selling prices partially offset by 2.1% lower sales volume.

The Group's operating margin decreased 6.9% to US\$88.4 million due to lower sales volume and operating margin per MT of US\$41.6 compared to US\$43.7 last year.

The Company said in the announcement, “In the first half of 2021 there has been gradual economic recovery from the effects of Covid-19 across many major economies including China and slowly Europe and USA. Overall market sentiments have cautiously improved though the Covid-19 pandemic is still widespread as can be seen from the surge in Covid-19 cases in Southeast Asia. However, the continuing monetary easing measures by various central banks together with government stimulus in response to Covid-19 pressures are some of the reasons that commodity prices have remained high. Crude Palm Oil (“CPO”) price also recorded its historical high since 2008 at RM4,787/tonne in May 2021 and MPOB spot price closed higher at RM3,850/tonne in H12021 compared to RM2,395/tonne in H12020. Foreign labour shortage in Malaysia together with dry weather conditions in major competing edible oil producing countries added to the factors supporting these high CPO prices. In H12021, due to continuing market demand amidst sentiments of a constrained supply, the Group was able to retain the trust of their customers with its supply chain resilience, dependability and financial stability. “

“The bulk segment of the Group was able to repeat its strong first half performance of 2020 though with a slight reduction by 5.4% in the sales volume and a correction of 12.3% in the operating margin due to a higher base of H12020. For the consumer pack segment, despite the escalated ocean freights caused by the tightness in containers availability, the Group has maintained its operating margin of H12020 with an increase of 8.8% in volumes compared to H12020. These impressive results were an outcome of Group’s integrated business model, large-scale manufacturing facilities, strong distribution capabilities, deep market insights, loyal and long-standing customer-supplier base, well-established brands and the unwavering spirit of the employees to deliver day upon day relentlessly under the present Covid-19 environment”, the results announcement added.

Segmental Performance

Bulk segment

	H1 2021	H1 2020	Change (YOY)
Sales volume (MT'000)	1,571.6	1,661.8	-5.4%
Revenue (US\$'million)	1,586.8	1,091.4	45.4%
Average selling prices (US\$)	1,009.7	656.8	53.7%
Operating margin (US\$'million)	61.9	70.6	-12.3%
Operating margin per MT (US\$)	39.4	42.5	-7.3%

For the first half year, the Bulk segment registered 45.4% increase in revenue to US\$1,586.8 million due to 53.7% higher average selling prices though sales volume decreased 5.4% to 1,571,600 MT.

The total operating margin decreased 12.3% to US\$61.9 million due to 5.4% lower sales volume and lower operating margin of US\$39.4 per MT compared to the US\$42.5 last year.

The segment contributed 74.0% of total sales volume, 74.9% of total revenue and 70.0% of total operating margin of the Group for the first half year.

Consumer Pack segment

	H1 2021	H1 2020	Change (YOY)
Sales volume (MT'000)	552.9	508.1	8.8%
Revenue (US\$'million)	530.5	393.9	34.7%
Average selling prices (US\$)	959.5	775.2	23.8%
Operating margin (US\$'million)	26.5	24.3	9.1%
Operating margin per MT (US\$)	47.9	47.8	0.2%

For the first half year, the Consumer Pack segment registered 8.8% increase in sales volume to 552,900 MT and coupled with 23.8% higher average selling prices, the revenue increased 34.7% to US\$530.5 million.

The total operating margin increased 9.1% to US\$26.5 million on the back of 8.8% higher sales volume with marginal increase of 0.2% operating margin per MT to US\$47.9.

The segment contributed 26.0% of total sales volume, 25.1% of total revenue and 30.0% of total operating margin of the Group for the first half year.

Balance Sheet

The Group's balance sheet remained strong with gross debt to equity ratio of 0.62 and net debt to equity ratio of 0.43.

The Group achieved cycle time of 47 days (inventories days add trade receivables days less trade payables days), compared to 48 days at the end of the preceding year.

Dividend

In order to show appreciation for the support of the shareholders, the Board of Directors has declared an interim exempt dividend of S\$0.0027 per ordinary share for the first half year.

Future Outlook

The Company noted in its results announcement, "The agriculture and food sector supply chain has demonstrated very high resilience to the global Covid-19 pandemic led disruptions. The Group's business continues to perform well during this pandemic demonstrating the long-term efficacy of its strategy and plans. With the gathering pace of vaccine roll out, international borders are expected to re-open eventually leading to further improvements in business conditions. However, risks do persist, therefore supporting our customers and keeping our employees safe remain our immediate priorities. The Group with a robust balance sheet is well placed to grow sustainably. Investment in our strategic areas with focus on execution remain the key."

About Mewah International Inc.

Mewah International Inc. (“Mewah” or the “Group”) is a global agri-business with refineries and processing facilities in Malaysia, Singapore and Indonesia. One of the largest palm oil processors in the world by capacity, Mewah produces a wide range of refined and fractionated vegetable oils and fats principally from palm oil. It also produces oils and fats from lauric oils, such as palm kernel oil and coconut oil; and from soft oils, such as soybean oil, canola oil, sunflower seed oil and corn oil. Besides edible oil and fat products, the Group has added rice, cashew, dairy related products, biodiesel and palm-based soap to its product portfolio over last many years. Featuring integrated operations throughout the edible oils and fats value chain, from sourcing and processing of raw materials to packing, branding, merchandising, shipping and distribution of the products, Mewah’s products are sold to customers in more than 100 countries in the Asia Pacific, the Indian sub-continent, the Middle East, Africa, Europe and the Americas 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 brands.

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.

Mewah Group has been in operation since the 1950s. Today, Mewah has grown to be one of the largest edible oils and fats businesses with a current total refining capacity of 10,000 MT a day or 3.5 million MT annually. Mewah currently has refineries, packing plants, biodiesel plant and dairy manufacturing facility spread out between Malaysia, Singapore and Indonesia.

Mewah was listed on the Mainboard of the Singapore Exchange Securities Trading Limited on November 24, 2010.

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Issued by

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