



## MTQ CORPORATION LIMITED

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FOR IMMEDIATE RELEASE

- **2HFY2022 revenue increased by 18%, overall profit for the year**
- **Proposed final dividend of Singapore 0.5 cents per share**

**Singapore, 11 May 2022** – SGX Mainboard-listed MTQ Corporation Limited (“MTQ” or “Group”), an established regional engineering, repair and maintenance services group, reported today its results for the six months and twelve months ended 31 March 2022 (“2HFY2022” and “FY2022” respectively).

Financial Highlights	2HFY2022	2HFY2021	Chg	FY2022	FY2021	Chg
	SGD'000	SGD'000	%	SGD'000	SGD'000	%
Revenue	27,184	23,088	18	52,043	49,052	6
Gross Profit	7,463	5,088	47	14,669	12,439	18
Gross Profit Margin	27.5%	22.0%		28.2%	25.4%	
Other Income	439	113	288	620	310	100
Other Operating Expenses	(2,744)	(2,249)	22	(5,589)	(5,358)	4
Staff Costs	(4,567)	(4,476)	2	(8,368)	(8,463)	(1)
Finance Costs	(409)	(426)	(4)	(833)	(966)	(14)
Underlying Profit/(Loss) Before Tax	182	(1,950)	n/m	499	(2,038)	n/m
Non-cash impairments/provisions <sup>1</sup>	(63)	(9,227)	(99)	28	(9,214)	n/m
Government Grants	205	904	(77)	907	3,404	(73)
Overall Profit/(Loss) Before Tax	324	(10,273)	n/m	1,434	(7,848)	n/m
Tax (Expense)/Credit	(88)	143	n/m	(151)	211	n/m
Profit/(Loss) After Tax	236	(10,130)	n/m	1,283	(7,637)	n/m

<sup>1</sup>Non-cash impairments/provisions relates to the impairments of goodwill and intangible assets, allowance for inventory obsolescence and stock written off and provision on loans due from a joint venture.

## Financial Review

The Group reported S\$27.2 million revenue for 2HFY2022, an increase of 18% year-on-year (“yoy”) compared to S\$23.1 million in 2HFY2021. Correspondingly, the Group’s gross profit margin improved to 27.5% from 22.0% mainly as a result of higher utilization in Singapore and Bahrain. The Group’s operations in Australia and United Kingdom recorded lower revenue hampered by supply chain disruptions resulting in delayed deliveries.

Revenue by geographical segment	2HFY2022	2HFY2021	FY2022	FY2021
	SGD’000	SGD’000	SGD’000	SGD’000
<b>Singapore</b>	11,810	8,553	23,264	17,925
<b>Bahrain</b>	13,844	10,873	24,096	25,076
<b>Australia &amp; United Kingdom</b>	1,530	3,662	4,683	6,051
<b>Total</b>	<b>27,184</b>	<b>23,088</b>	<b>52,043</b>	<b>49,052</b>

Staff costs remained relatively unchanged while other operating expenses increased mainly due to the additional overheads relating to the new leasehold property in Tuas. These are excluding the impairment losses and provisions recognized a year ago.

Overall, the Group recovered from an underlying loss before tax of S\$2.0 million in 2HFY2021 to an underlying profit of S\$0.2 million in 2HFY2022, bringing the year-to-date underlying profit to S\$0.5 million.

Cash flows	2HFY2022	2HFY2021	FY2022	FY2021
	SGD’000	SGD’000	SGD’000	SGD’000
<b>Net cash from/(used in):</b>				
- <b>Operating activities</b>	503	3,198	127	11,050
- <b>Investing activities</b>	(7,873)	351	(8,035)	(721)
- <b>Financing activities</b>	(4,038)	(553)	(6,123)	(9,604)
<b>Net change in cash &amp; cash equivalents (inclusive of exchange rate effects)</b>	(11,470)	3,317	(14,139)	1,932
<b>Cash and cash equivalents at end of financial period/year</b>	8,329	22,468	8,329	22,468

The Group recorded net cash inflows of S\$0.5 million from operations for the period. Investing cash flows included the S\$7.2 million (US\$5.3 million) cash consideration paid to acquire the Tuas Property and certain capital equipment as announced on 21 February 2022.

Within the financing activities, the Group made a conscious decision and repaid S\$3.6 million bank borrowings to reduce interest expense. Overall, the Group had cash and cash equivalents of S\$8.3 million as at 31 March 2022 and a net debt gearing of 3.7%.

Balance Sheet	31 Mar 2022	31 Mar 2021
	SGD'000	SGD'000
Net current assets	28,557	41,052
Net assets	57,177	55,530
Cash and cash equivalents	8,329	22,468
Bank borrowings	10,555	14,643
Shareholder's funds	57,313	55,464
Net gearing <sup>2</sup>	3.7%	N.A.
Net assets value per share <sup>3</sup>	27 cents	26 cents

<sup>2</sup> Net gearing ratio is calculated based on net debt divided by net capitalisation. The Group includes within its net debt, bank borrowings, less cash and cash equivalents. Net capitalisation refers to net debt plus total equity.

<sup>3</sup> Net assets value is calculated based on the Group's net assets after deducting the non-controlling interest, divided by the total number of issued shares excluding treasury shares as at the end of the financial year.

The Board of Directors has proposed a final cash dividend of 0.5 Singapore cents per share on account of the recovery of underlying profit and to thank shareholders for their support through the recent difficult years.

## **Results & outlook**

Commenting on the financial results and outlook, Mr Kuah Boon Wee, Group Chief Executive Officer said,

*“Despite a slow start to the financial year, the Group is pleased to report a profitable year. Profitability would have been achieved even without government support. Bahrain remains the top revenue contributor of the Group in FY2022. The level of customer enquiries is improving and our order books are healthier as the overall macro strengthens. The newly acquired Tuas facility and the strategic collaboration with Cameron (a unit of Schlumberger) will increase revenue opportunities for the Group moving forward.*

*The outlook for our operating businesses is positive, meanwhile, operational execution and working capital management will be our near term focus in improving overall performance. Longer term, the Group will look to rationalize its facilities and resources in Singapore.”*

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### **About MTQ Corporation Limited (Bloomberg Code: MTQ.SP)**

Established in 1969, **MTQ Corporation Limited (“MTQ”)** specialises in engineering solutions for oilfield equipment, including repair, manufacture and rental operations. Well-known for its broad experience for over 35 years and commitment to service quality, MTQ is the authorised working partner for some of the world’s largest OEMs in drilling equipment, and is accredited to carry out manufacturing and repair works in accordance to American Petroleum Institute Standards. The Premier group, in addition to repair and manufacture of oilfield equipment, is also supplier of oilfield equipment and tools manufactured by some of the leading global brands. The Binder group, based in Perth with a production facility in Indonesia, designs and manufactures proprietary and custom-built pipe support and pipe suspension solutions for the oil and gas sector. Mid-Continent is an oilfield equipment and spares supplier distributing wide range of trusted oilfield manufacturer brands. In-Line Valve, headquartered in the United Kingdom, designs, engineers and supplies flow control valves focused in the upstream oil and gas industry.

For more information, please log on [www.mtq.com.sg](http://www.mtq.com.sg)

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