

## MEDIA RELEASE

# STRAITS TRADING EBITDA SURGED 3.9 TIMES FROM S\$186.9M TO S\$729.1M

- *Earnings per share increased more than 5 times from S\$0.301 to S\$1.555*
- *Net asset value per share increased from S\$4.03 in 1H2021 to S\$5.23 in 1H2022*
- *Strong performance in Real Estate segment due to gain on disposal of ARA Asset Management Limited*

**SINGAPORE – 11 August 2022** - The Straits Trading Company Limited (“**Straits Trading**” or the “**Group**”) reported a strong performance for the half-year ended 30 June 2022 (“**1H2022**”) driven mainly by contributions from the Real Estate segment.

During the half-year period, EBITDA increased 3.9 times to S\$729.1 million, from S\$186.9 million a year ago (“**1H2021**”). Profit after tax and non-controlling interest (“**PATNCI**”) increased 5.5 times to S\$673.0 million in 1H2022, from S\$122.6 million in 1H2021.

The Real Estate segment delivered PATNCI of S\$676.1 million in 1H2022, up from S\$125.4 million in 1H2021. The higher PATNCI was mainly contributed by net gain on the disposal of the Group’s stake in ARA Asset Management Limited (“**ARA**”) to ESR Group Limited (“**ESR**”). Following the completion of merger between ESR and ARA in January 2022, Straits Trading recognised a value of S\$1,076.5 million in a combination of S\$142.5 million cash and 214.7 million ESR shares. This represented an 18.2% IRR or 3.7 times equity multiple over the Group’s original cost of investment in ARA.

During the half-year period, Straits Real Estate Pte. Ltd. (“**SRE**”) completed acquisition of 2 office buildings in Docklands, Melbourne in Australia and 4 retail warehouse parks in the United Kingdom. SRE is also in the closing stages of acquiring a portfolio of office, industrial buildings and several plots of development land in Gloucester Business Park in Gloucestershire, England.

Supported by higher average tin prices, the Group’s 52% owned resources arm, Malaysia Smelting Corporation Berhad (“**MSC**”), reported a 3.8-fold increase in PATNCI from S\$4.6 million in 1H2021 to

S\$17.4 million in 1H2022. Average tin price increased 52% from RM111,500<sup>1</sup> per metric tonne in 1H2021 to RM169,700<sup>1</sup> per metric tonne in 1H2022. Meanwhile, the new Pulau Indah Plant, which utilises more efficient technology, targets to achieve full operational capacity in 4Q2022. The plant is expected to perform at higher efficiency, lower operational and manpower costs, while reducing its overall carbon footprint.

The Group's Hospitality segment returned to the black with PATNCI of S\$0.9 million in 1H2022, from a loss after tax and non-controlling interest of S\$5.2 million in 1H2021. The improvement in performance was underpinned by stronger corporate and leisure travel demands as more countries reopened their borders.

As of 30 June 2022, Straits Trading's earnings per share rose 5.2 times to S\$1.555 in 1H2022 compared to S\$0.301 in 1H2021.

Ms Chew Gek Khim, Executive Chairman of Straits Trading said, "We are pleased with our stellar financial performance and position in 1H2022, which reflects the effectiveness of our diversified strategy. Through the years of hard work, the company has delivered a strong set of results for our shareholders, in particular through our investment in ARA. Despite global economic headwinds, we remain focused on disciplined capital deployment and sustainable growth, as well as value creation for our shareholders."

## SUMMARY OF RESULTS

S\$ million	1H2022	1H2021	Change
EBITDA	729.1	186.9	3.9x
PATNCI	673.0	122.6	5.5x
EPS (cents)	155.5	30.1	5.2x
NAV per Share (S\$)	5.23	4.03	1.3x

- End -

<sup>1</sup> Source: Malaysia Smelting Corporation Berhad

## 135 Years New



### **About The Straits Trading Company Limited**

Incorporated in 1887, The Straits Trading Company Limited is a conglomerate-investment company with operations and financial interests in resources, property, and hospitality. These include strategic stakes in one of the world's leading tin producer, Malaysia Smelting Corporation Berhad, which is dual listed on Bursa Malaysia and the Singapore Exchange Securities Trading Limited, ESR Group Limited and Far East Hospitality Holdings Pte Ltd as well as a diversified property portfolio that is wholly owned by the Group.

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