BRC Asia reports a 9% y-o-y increase in net profit to S$42.1 million

Remains confident in the resilience and stability of Singapore's construction sector amidst subdued economic outlook

- Revenue declined 6% year-on-year ("**y-o-y**") to S$715.6 million for 1H FY2025, mainly due to lower steel prices, while delivery tonnage remained stable.
- Gross profit fell 10% y-o-y to S$67.4 million, primarily due to a S$7.7 million provision for onerous contracts, compared to a reversal of S$3.1 million in the prior year.
- Proposes an interim dividend of 6 Singapore cents per ordinary share, translating to 39% dividend payout and 1.9% dividend yield[1].

SINGAPORE – 13 May 2025 – BRC Asia Limited. ("**BRC**" or the "**Group**"), the leading steel reinforcement solutions provider in Singapore, announces its financial results for the six months ended 31 March 2025 ("**1H FY2025**").

Financial Highlights

While the construction sector continues to recover on the back of sustained public and private sector activities, short-term headwinds persist due to lower-than-expected project offtake volumes arising from construction challenges and bottlenecks such as engineering services.

Despite an increasingly intense pricing environment, the Group delivered a resilient performance for 1H FY2025. Revenue declined 6% y-o-y to S$715.6 million, primarily due to a broad-based softness in steel prices. However, delivery tonnage remained stable, reflecting continued demand and the Group's ability to maintain its market share amid volatility.

Gross profit for 1H FY2025 fell 10% y-o-y to S$67.4 million, compared to S$74.7 million in 1H FY2024. Correspondingly, gross profit margin declined to 9.4% from 9.9%, primarily due to a S$7.7 million provision for onerous contracts, compared to a reversal of S$3.1 million in the prior-year period.

[1] The dividend yield is calculated by dividing the dividend per share of S$0.06 by the closing price of S$3.11 on 9 May 2025, as extracted from https://investors.sgx.com/stock-screener

Financial Highlights	1H FY2025 (S$'million)	1H FY2024 (S$'million)	Change (%)
Revenue	715.6	758.3	(6)
Gross profit	67.4	74.7	(10)
Gross profit margin	*9.4%*	*9.9%*	*(0.5) ppts*
Operating expenses[1]	23.8	28.3	(16)
Operating profit	51.0	47.0	8
Operating profit margin	*7.1%*	*6.2%*	*0.9 ppts*
Net profit attributable to shareholders	42.1	38.5	9
Net profit margin	*5.9%*	*5.1%*	*0.8 ppts*
Earnings per share (cents)[3]	15.33	14.04	9

1 Operating expenses include distribution expenses, administrative expenses, finance costs, other operating expenses and allowance for expected credit losses on trade receivables

2 Ppts: Percentage points (rounded)

3 Basic and fully diluted. Singapore cents

Other income rose to S$7.1 million in 1H FY2025, compared to S$2.2 million in 1H FY2024. The sharp increase was primarily driven by a net foreign exchange gain of S$2.5 million and a net gain of S$2.4 million from fair value changes in derivatives.

Operating expenses decreased by 16% y-o-y to S$23.8 million in 1H FY2025 from S$28.3 million in 1H FY2024. This reduction was primarily due to lower finance costs and other operating expenses, partially offset by higher distribution and administrative expenses. Finance costs fell by 42% y-o-y, reflecting a lower quantum of borrowings in line with the general decline in steel prices. Other operating expenses dropped by 51% y-o-y, largely due to the absence of net foreign exchange losses and net losses from fair value changes in derivatives. However, distribution expenses rose by 18% y-o-y, driven by costs associated with a new subsidiary in Thailand. Administrative expenses increased by 11% y-o-y, due to higher legal and professional fees related to potential acquisitions and increased bonus provisions resulting from better financial performance.

As a result, net profit attributable to shareholders rose 9% y-o-y to S$42.1 million in 1H FY2025. In tandem, the Group's net profit margin increased by 0.8 percentage points to 5.9%, while earnings per share grew 9% to 15.33 Singapore cents.

The Group maintained a strong balance sheet, with cash and cash equivalents of S$143.8 million, net assets of S$478.6 million, and a net asset value per ordinary share of S$1.74.

Given the Group's resilient financial performance, the Board is proposing an interim dividend of 6 Singapore cents in appreciation for shareholders' unwavering support. This represents a 39% dividend payout ratio and a 1.9% dividend yield.

Singapore's construction sector continues to be a key pillar of economic stability for the country, supported by sustained public infrastructure investments and ongoing technological advancements. In line with this, BRC's sales order book remains robust, standing at S$1.5 billion as of 31 March 2025.

Market Outlook

Singapore's construction industry remains resilient and stable despite a subdued economic outlook amid rising global geopolitical tensions. The resilience is underpinned by government initiatives and a strong pipeline of domestic projects. The Building and Construction Authority ("**BCA**") forecasted 2025 construction demand at S$47–53 billion, with key projects like Changi Airport Terminal 5, Marina Bay Sands expansion, and public housing developments[2]. The Housing and Development Board ("**HDB**") plans to roll out over 50,000 Build-To-Order flats between 2025 and 2027[3], while the Urban Redevelopment Authority ("**URA**") reported a pipeline of 40,721 uncompleted private residential units as of Q1 2025.

Looking ahead, medium-term demand for construction (2026–2029) is forecasted to average S$39–46 billion annually, driven by infrastructure projects like healthcare facilities, MRT expansions, and industrial developments[2].

Commenting on the Group's performance and outlook, Mr. Seah Kiin Peng, Executive Director and Chief Executive Officer of the Group, said, "**The stable delivery tonnage in 1H FY2025 reflects the resilience of our operations and the sustained demand from the domestic construction industry. Given strategic government initiatives and a robust domestic project pipeline, we remain confident in the agility and stability of Singapore's construction industry amidst a subdued economic outlook.**"

--The End--

[2] BCA: Speech by Mr Desmond Lee, Minister for National Development, for the BCA-REDAS Built Environment and Real Estate Prospects Seminar, January 2025
[3] HDB: Upcoming Flat Supply and 1st Quarter 2025 Public Housing Data, April 2025

BRC ASIA LIMITED
Incorporated in the Republic of Singapore
Company Registration No. 193800054G

Company Profile

Incorporated in 1938, BRC Asia Limited ("**BRC**") is a leading Pan-Asia prefabricated reinforcing steel solutions provider headquartered in Singapore and listed on the Singapore Stock Exchange.

BRC offers a full suite of reinforcing steel products and services that include standard length rebar, cut and bend services, prefabrication services as well as standard and customised welded wire mesh for the building and construction industry.

With operations spanning Singapore, Malaysia and China and a total workforce of more than 1,000, the Group has an annual processing capacity of 1.2 million MT.

By transferring laborious and unproductive in-situ steel fixing work to factory fabrication, substantial benefits in on-site manpower savings, shorter construction cycle, better buildability and productivity can be achieved for the builder, leading to a better outcome for all stakeholders.

For more information, please visit the website at www.brc.com.sg

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Issued for and on behalf of BRC Asia Limited

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