

Press Release

Enviro-Hub Posts its Best First Half FY2021 Earnings

- Net profit of S\$1.7 million is the Group's best first half performance in the last 10 years; Total comprehensive income to owners is S\$0.7 million, reversing from a loss a year ago
- A stronger second half FY2021 with higher contributions from supply of healthcare products and recycling of e-waste segment

SINGAPORE, August 06, 2021–Enviro-Hub Holdings Ltd (SGX: L23) (“Enviro-Hub” or the “Company”, and together with its subsidiaries, the “Group”) has announced its financial results for the six months ended 30 June 2021 (“1H2021”)

1H2021 Financial Highlights

| | 1H2021 | 1H2020 | Year-on-Year Change (%) |
|--|--------|---------|-------------------------|
| Revenue (S\$ million) | 17.7 | 14.8 | 19.6% |
| Gross Profit (S\$ million) | 3.0 | 2.0 | 49.5% |
| Gross Profit Margin | 16.9% | 13.5% | +340bps |
| Net Profit (S\$ million) | 1.7 | (2.0) | >100% |
| Total Comprehensive income attributable to owners of company (S\$ million) | 0.7 | (1.6) | >100% |
| Diluted Earnings per share (Sing Cents) | 0.042 | (0.154) | >100% |

The Group recorded an earnings turnaround in first half of FY2021 with net profit of S\$1.7 million, on the back of a 19.6% rise in revenue and expansion in gross margin from 13.5% in 1H2020 to 16.9% in 1H2021. The rise in revenue is mainly due to the Group's recycling business which grew its sales by 78.8% year-on-year, but partially negated by lower piling revenue amid COVID-19 pandemic.

| Segmental Revenue | 1H2021 S\$ million | 1H2020 S\$ million | Year-on-Year Change (%) |
|----------------------|-----------------------|-----------------------|----------------------------|
| Recycling of e-waste | 14.3 | 8.0 | 78.8% |
| Property investments | 1.5 | 1.4 | 7.1% |
| Piling contracts | 1.9 | 5.4 | -64.8% |
| Total Revenue | 17.7 | 14.8 | 19.6% |

The Group's recently acquired glove making entity, Pastel Gloves, also made its maiden contribution with S\$0.17 million for 1H2021, under the share of profit of associate. During 1H2021, the Group disposed of about S\$60 million worth of investment properties. This helped to significantly strengthened the Group's balance sheet, as net debt¹ dropped by 58.6% from 31 December 2020 to S\$33.5 million; Net gearing ratio² improved to 62.4% as of 30 June 2021.

Commenting on the results, Executive Chairman of Enviro-Hub, Mr Raymond Ng said, "***The Group recorded a commendable performance for its 1H2021, attributable to the strong business showing from the recycling of e-waste segment and contribution from our newly acquired glove-making entity, Pastel Glove. We have also significantly improved our balance sheet and is now on a firm footing to grow our recycling of e-waste segment and execute on our expansion plans into the supply of healthcare products.***"

Business Outlook

"While we have to be mindful of the overall recovery globally, we are optimistic about the momentum ahead. We expect that the positive performance will continue in the second half of the year and well into 2022. Pastel Gloves has been ramping up its production across the year; at the moment, the demand is so strong that we could actually grow faster and we are confident that it will have a significant contribution to the Group's financial performance in the second half of FY2021. Recycling of e-waste segment is seeing an increase in demand, and new customers. The supply of healthcare products and the recycling of e-waste segments will become the twin pillars that will underpin the growth of the Group for years to come." Mr Ng added.

¹Net Debt calculated as Total loans and borrowings- cash & cash equivalents.

²Net gearing ratio calculated as Net Debt/Total equity.

Recycling & Healthcare

To cope with the rising demand for the recycling of e-waste, the Group is amid expanding its processing capacity. Construction of the expansion will be completed by the end of the year.

For the supply of healthcare products segment, the Group has entered into a sale and purchase agreement for the remaining 75% stake in its glove making entity, Pastel Gloves, earlier in Aug 2021. The proposed acquisition is subjected to shareholders' approval which the Group will convene an extraordinary general meeting in due course.

Pastel Gloves has installed 2 production lines and is amid commissioning its fourth and fifth production line. The total production capacity for all 6 units of production lines is 1.42 billion pieces of glove per annum.

Demand for gloves remains strong even though average selling prices have trended down due to an increase in supply. Costs of production have, however, dropped at a faster rate compared to the fall in average selling price of gloves. Specialty gloves currently form about 70% of the Group's total production mix, and typically carry higher average selling prices than normal nitrile gloves. Coupled with the drop in cost of production, the Group is cautiously optimistic of maintaining a good profit margin for its gloves production segment going into the 2HFY2021.

#End#

Note to media: Please read this press release in conjunction with the Company's announcement released on SGXnet.

About Enviro-Hub

Singapore-listed Enviro-Hub Holdings Ltd ("Enviro-Hub") has a diverse portfolio that includes trading, recycling and refining of e-waste/metals, piling contracts, construction, rental and servicing of machinery, property investments and management, as well as plastics to fuel refining. In 2021, Enviro-Hub diversified into the healthcare business with its investment in Malaysian glove manufacturer, Pastel Glove, marking the Group's foray into the glove manufacturing and healthcare consumables sectors, which offer robust long-term prospects.



For more information, please visit us at <http://www.enviro-hub.com/>

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