Results Presentation FY2025
Analyst Briefing


Discover MegaChem

An Integrated Specialty Chemical Solution Provider

Distribution | **Manufacturing/Custom Blending**

Producers → Purchase → Store → Vendor Managed Inventory → Transport → Custom Blending → Auxiliary Services → Technical Support → **Chemical Users**

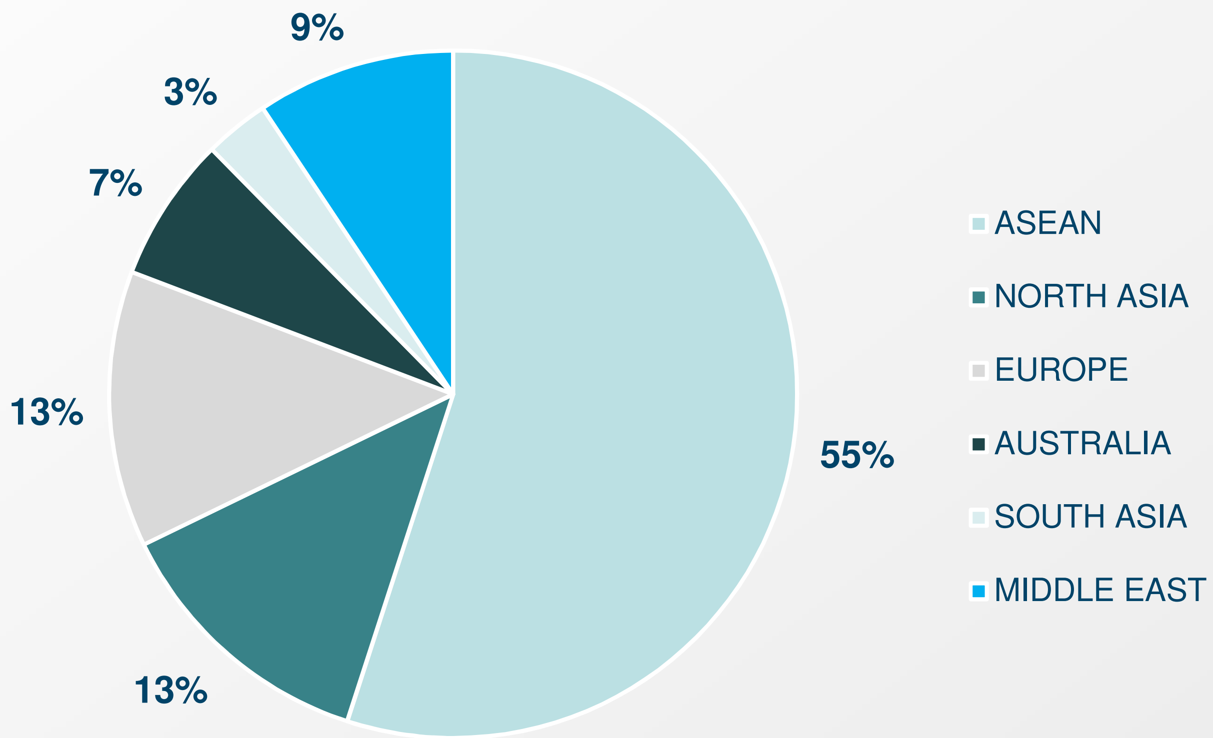
Value-Adding in the Chemical Supply Chain

- Wide product portfolio
- Global Sourcing Network
- Global Distribution Network
- Strong customer base
- Providing Just-in-Time delivery and Vendor-Managed Inventory Service
- Value adding through custom-blending services

Market Coverage

With further expansion of our geographical network, we are better able to develop strategic relationships and leverage on our wide network in the global sphere.

Sales Breakdown by Geographic Segments



Asia-centric focus.

MegaChem

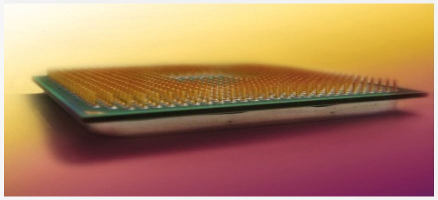
Industry Coverage

Performance Coating and Polymers

- Paint and Ink
- Polymerisation
- Adhesive
- Construction
- Textile

Surface Technology

- Electronics
- Metal Finishing
- Cleaning
- Water Treatment
- Pulp & Paper



Resources/Oil & Gas

- Mining
- Oleochemicals
- Petrochemical
- Lubricant & Grease
- Oil field/Refinery

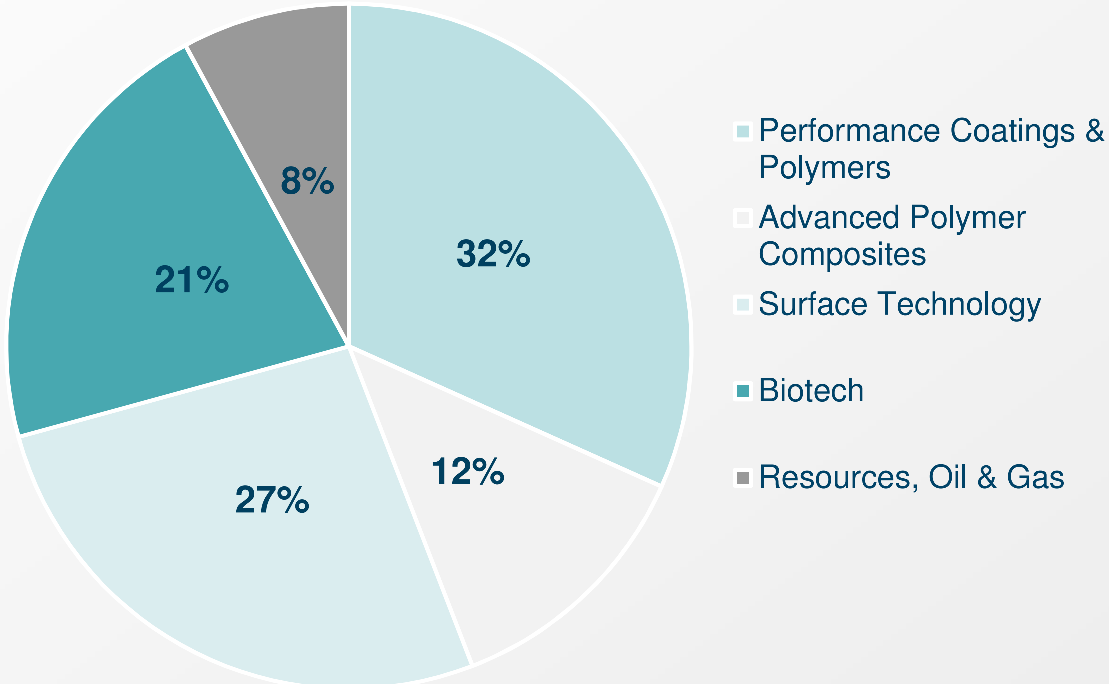
Advanced Polymer Composites

- Rubber
- Plastic
- Polyurethane
- Polyester

Biotech

- F&B
- Pharmaceutical
- Nutraceutical
- Cosmaceutical
- Agriculture/Feed
- Flavor & Fragrance
- Homecare
- Photography

Sales Breakdown by Industry Coverage



Diversified Industry Coverage.

Business Update

Business Update FY2025

Global Economy	• Rise in trade barriers → shifts in global trade • Geopolitical conflicts escalated • Sluggish China's economic recovery	Despite elevated risks, economy better than expected
Chemical Industry	• Industry faced trade flow disruption caused by US tariffs => Business confidence waning => Decrease in demand for chemicals • Over-supply => chemical prices remain weak	
Megachem	• Minimal impact of US tariffs due to insignificant sales to US market • Indirect impact stemmed from customers' difficulty in inventory planning • Megachem's business remains resilient • Following the fire incident in July 2023, warehouse reconstruction is nearing completion.	

External volatility hindering Growth

Financial Performance

Impact of fire on Profit & Loss

	H2 23	H1 24	H2 24	1H 25	2H 25	To-date
Income:	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Insurance claim income	3,149	4,910	4,408	Nil	Nil	12,467
Expenses/loss:						
Inventories written off	(5,919)	-	-	Nil	Nil	(5,919)
Property, plant and equipment written off	(811)	-	-	Nil	Nil	(811)
Demolition and decontamination costs	(2,320)	(1,031)	-	Nil	Nil	(3,351)
Waste disposal costs	(905)	(2,760)	-	Nil	Nil	(3,665)
Compensation claims	(805)	-	-	Nil	Nil	(805)
Other costs	(127)	(397)	(198)	Nil	Nil	(722)
Total expenses/losses	(10,887)	(4,188)	(198)	Nil	Nil	(15,273)
Net impact before income tax expense	(7,738)	722	4,210	Nil	Nil	(2,806)

Note : Excludes reconstruction cost of the warehouse. No impact from the fire incident in FY25.

Profit & Loss Highlights

S$'mil	1H 2025	2H 2025	2H 25 vs 1H 25	Var %	
Sales	64.1	60.3	(3.8)	(5.8%)	▼
Gross Profit	16.1	15.7	(0.4)	(2.1%)	▼
Gross Profit Margin %	25.1%	26.1%	1.0% pt	-	▲
Expenses	15.0	14.2	(0.8)	(5.2%)	▼
Other Income	0.3	0.3	-	-	
Share of Associate's Profit	0.7	0.4	(0.3)	(42.1%)	▼
NPBT	2.1	2.2	0.1	6.8%	▲
NPAT	1.7	2.2	0.5	27.4%	▲

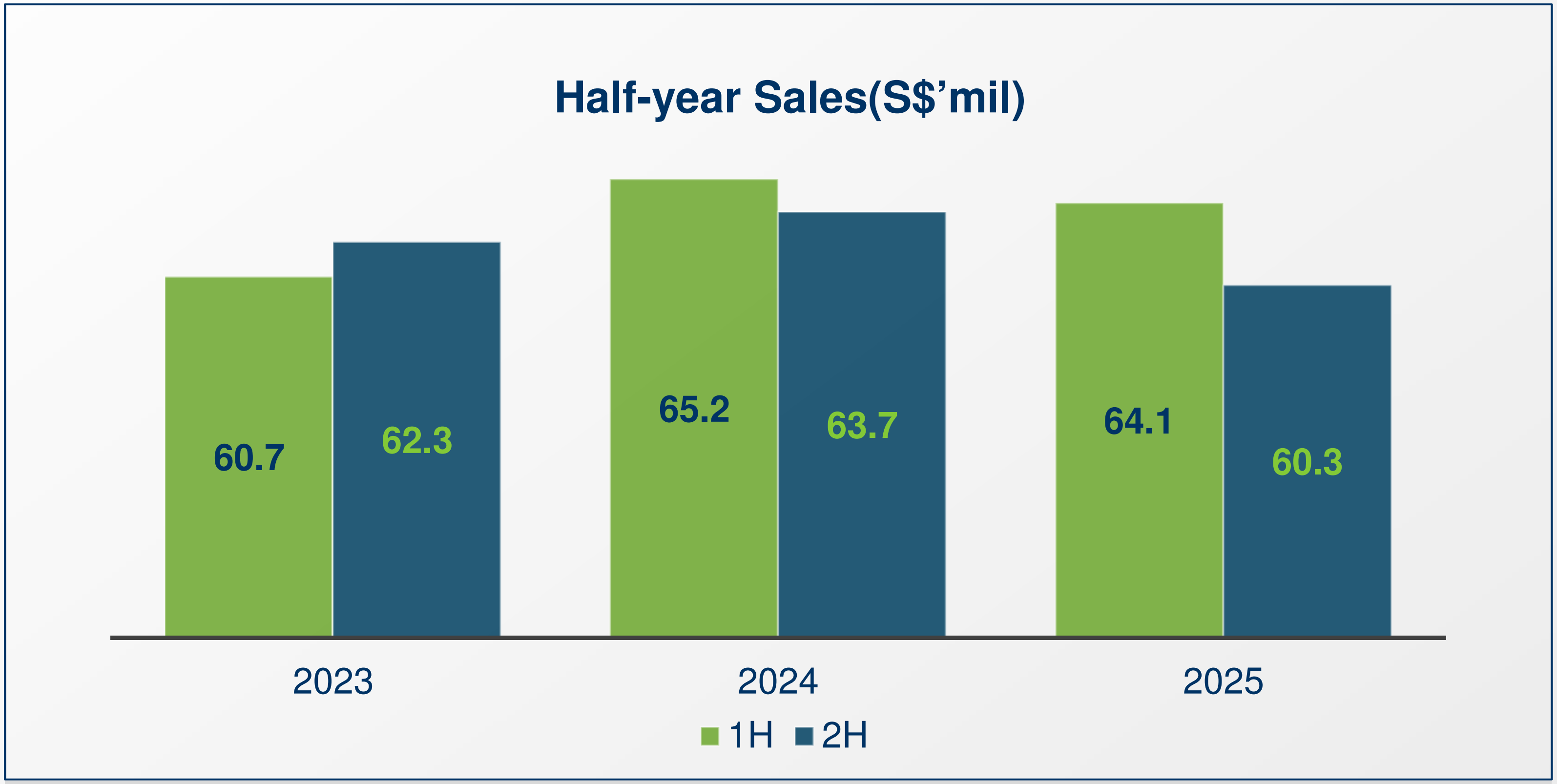
Profit & Loss Highlights

S$'mil	2H 24	2H 25	2H 25 vs 2H 24	Var %	
Sales	63.7	60.3	(3.4)	(5.2%)	▼
Gross Profit	15.7	15.7	-	-	
Gross Profit(excluding impact of fire)	15.9	15.7	(0.2)	(1.0%)	▼
Gross Profit Margin %	24.7%	26.1%	1.4% pts	-	▲
Gross Profit Margin %(excluding impact of fire)	25.0%	26.1%	1.1% pts	-	▲
Expenses	15.7	14.2	(1.5)	(9.4%)	▼
Share of associate's profit	0.5	0.4	(0.1)	(13.4%)	▼
Other Income	5.3	0.3	(5.0)	(94.9%)	▼
Other income(excluding impact of fire)	0.9	0.3	(0.6)	(69.4%)	▼
NPBT	5.8	2.2	(3.6)	(61.8%)	▼
NPAT	5.9	2.2	(3.7)	(63.1%)	▼
NPAT(excluding impact of fire)	1.3	2.2	0.9	67.1%	▲

Profit & Loss Highlights

S$'mil	FY24	FY25	Var	Var %	
Sales	128.8	124.4	(4.4)	(3.4%)	▼
Gross Profit	31.2	31.8	0.6	1.8%	▲
Gross Profit(adj)	31.5	31.8	0.3	0.9%	▲
GP Margin %	24.2%	25.6%	1.4% pts	-	▲
GP margin %(adj)	24.5%	25.6%	1.1% pts		▲
Expenses	34.4	29.2	(5.2)	(15.1%)	▼
Expenses(adj)	30.3	29.2	(1.1)	(3.6%)	▼
Other Income	10.7	0.5	(10.1)	(95.0%)	▼
Other Income(adj)	1.3	0.5	(0.8)	(60.8%)	▼
Share of Associate's Profit	1.22	1.17	(0.05)	(4.5%)	▼
NPBT	8.7	4.3	(4.4)	(50.9%)	▼
NPAT	7.9	3.9	(4.0)	(50.6%)	▼
NPAT(adj)	2.9	3.9	1.0	31.1%	▲
EPS(cents)	5.93	2.88	(3.05)	(51.4%)	▼

Sales



2H 23

- fire incident in July 23 but minimal disruption to sales

2024

- Sales gained momentum

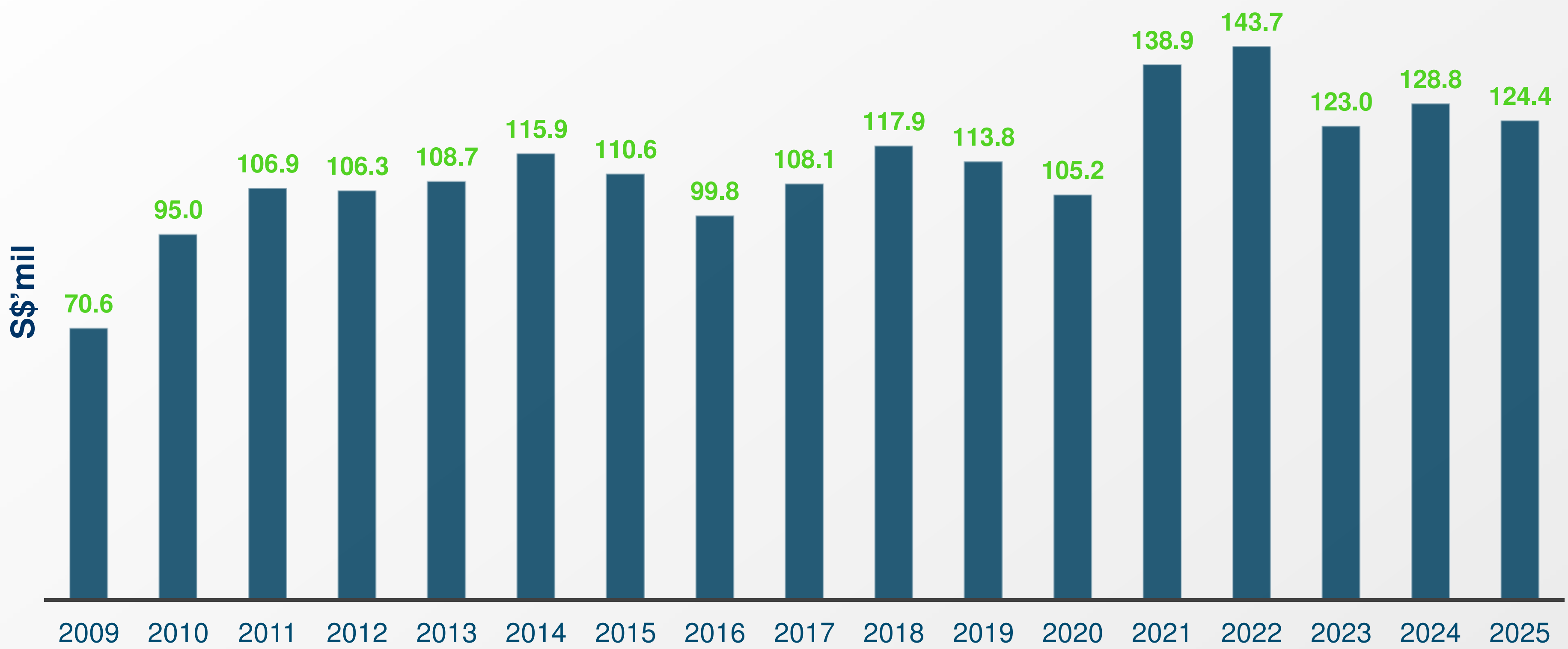
1H 25

- Frontloading of inventory in response to US tariffs

2H 25

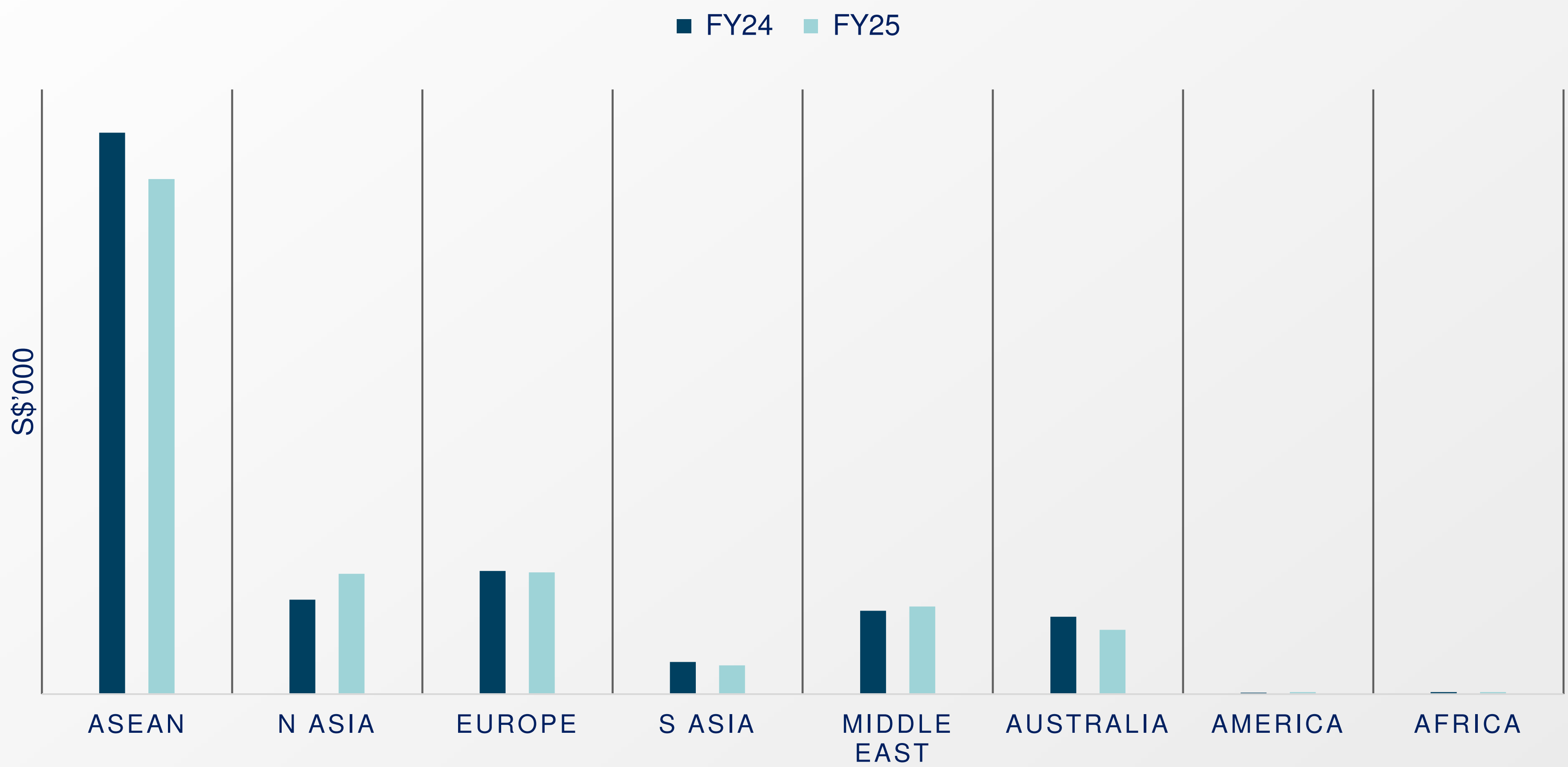
- US tariffs posed challenges to customers' production and inventory planning
- Over-supply in chemical industry => chemical prices remain soft.

Sales



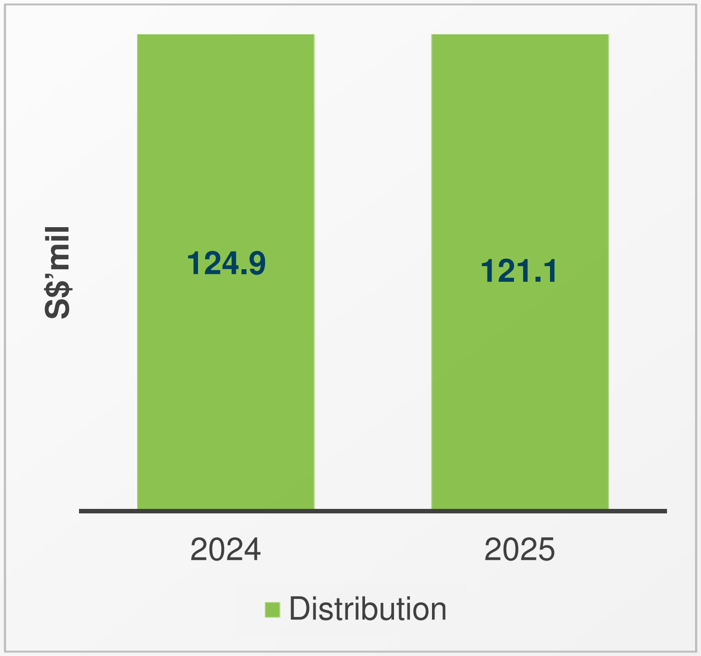
- 2023 : Inventory destocking & weaker prices => sales fell
- 2024 : Inventory level normalised => demand for chemicals recovered.
- 2025 : rise in trade barriers, geopolitical risks, economic uncertainties => growth disrupted
- Strong recovery after each crisis => resilience of our business model

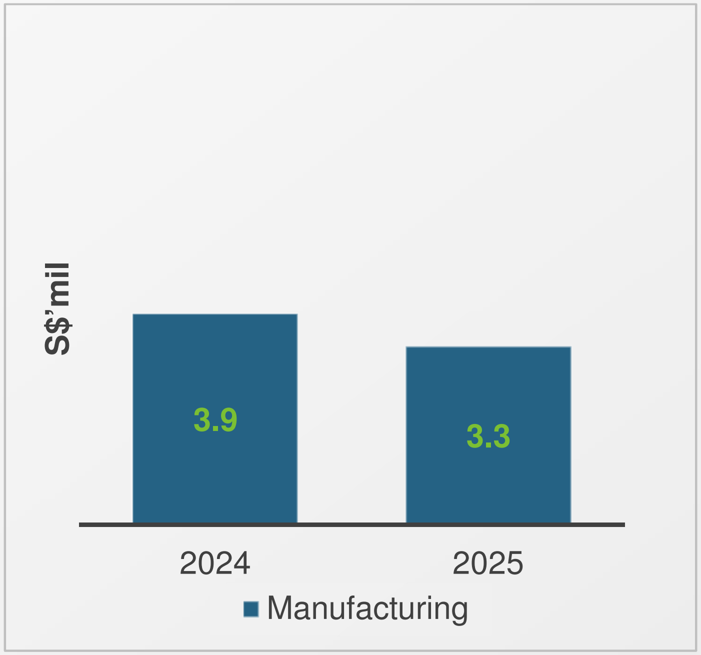
Sales Breakdown by Geographic Segments



- Weaker demand evident in ASEAN and Australia markets.
- China and Middle-east bucked the trend.

Sales breakdown by Business Segments

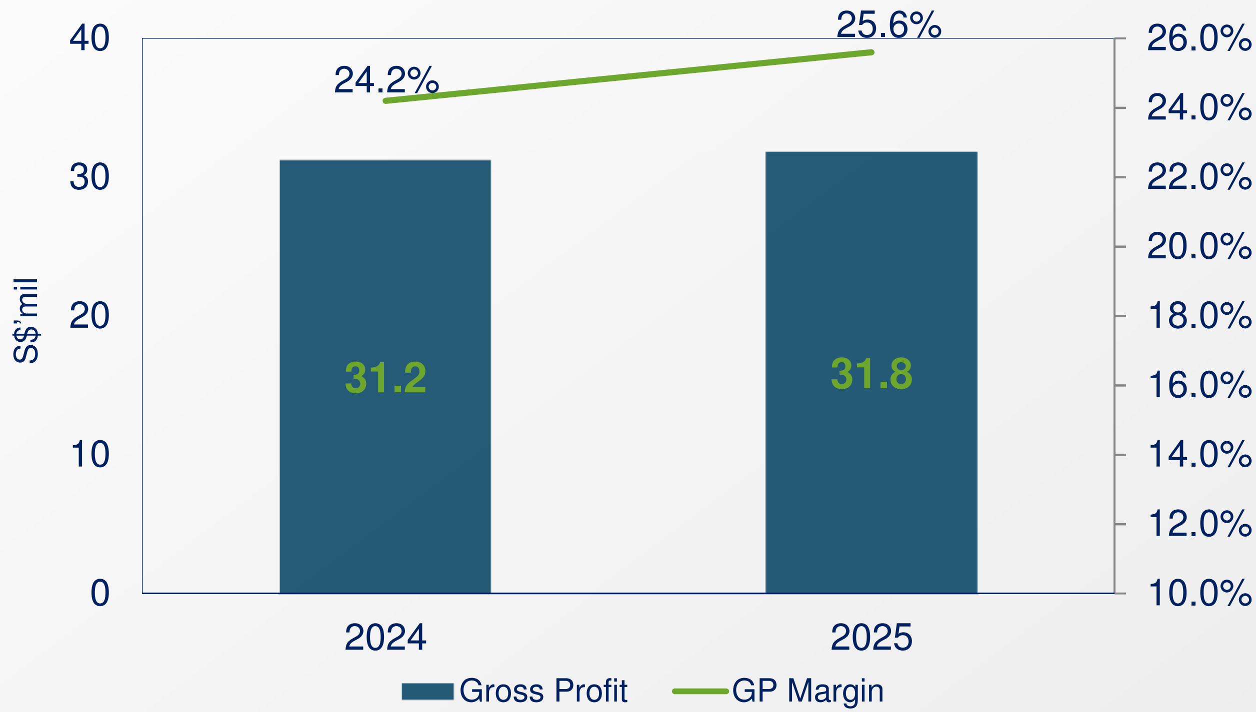




- Both distribution and manufacturing activities experienced lower demand.

Note : Sales revenue from manufacturing activity comprises mainly fees for custom-blending services

Gross Profit



- Gross profit and margin increased in 2025 due mainly to lower allowance for inventory impairment

Expenses

- Total expenses decreased S$5.2 mil or 15.1% to S$29.2 mil.
- Excluding FY24 expenses arising from the fire incident, total expenses was lower by S$1.1 mil or 3.6%

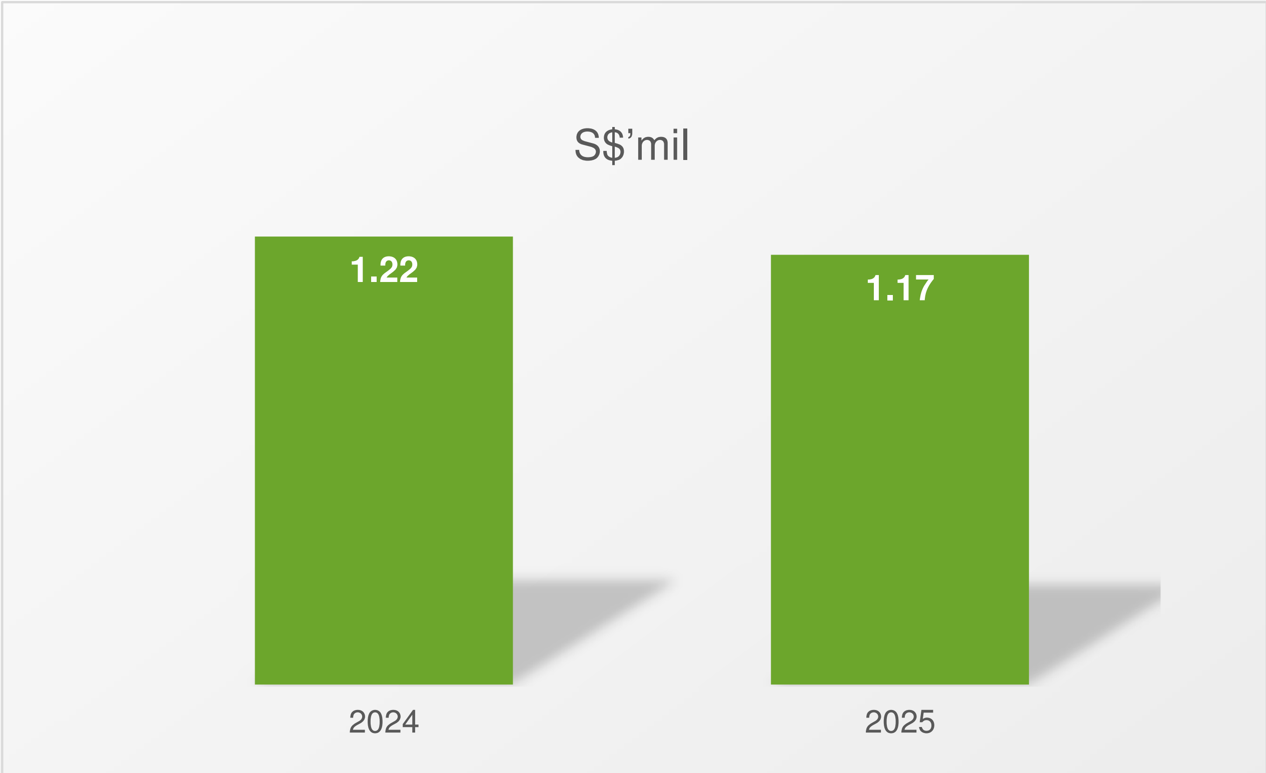
S$'mil	FY24	FY25	Var	Var %	Remarks
Demolition cost	1.0	-	(1.0)	(100%)	Related to the fire incident in 2023.
Insurance expenses	0.6	0.7	0.1	15.2%	Higher insurance premium
Professional fees	1.0	0.8	(0.2)	(19.1%)	Mainly related to the fire incident.
Waste disposal	2.78	0.01	(2.77)	(99.6%)	Related to the fire incident
Warehouse charges	3.4	3.3	(0.1)	(1.5%)	Higher reliance on 3rd party warehouses following the fire
Finance cost	1.9	1.4	(0.5)	(26.1%)	Lower interest rates
FX	0.7	0.5	(0.2)	(28.3%)	Increased currency volatility
Staff cost	17.0	16.6	(0.4)	(2.1%)	Lower performance-linked rewards

Other Income

- Other income decreased by S$10.1 mil mainly due to insurance claim received in 2024 for the fire incident in 2023.

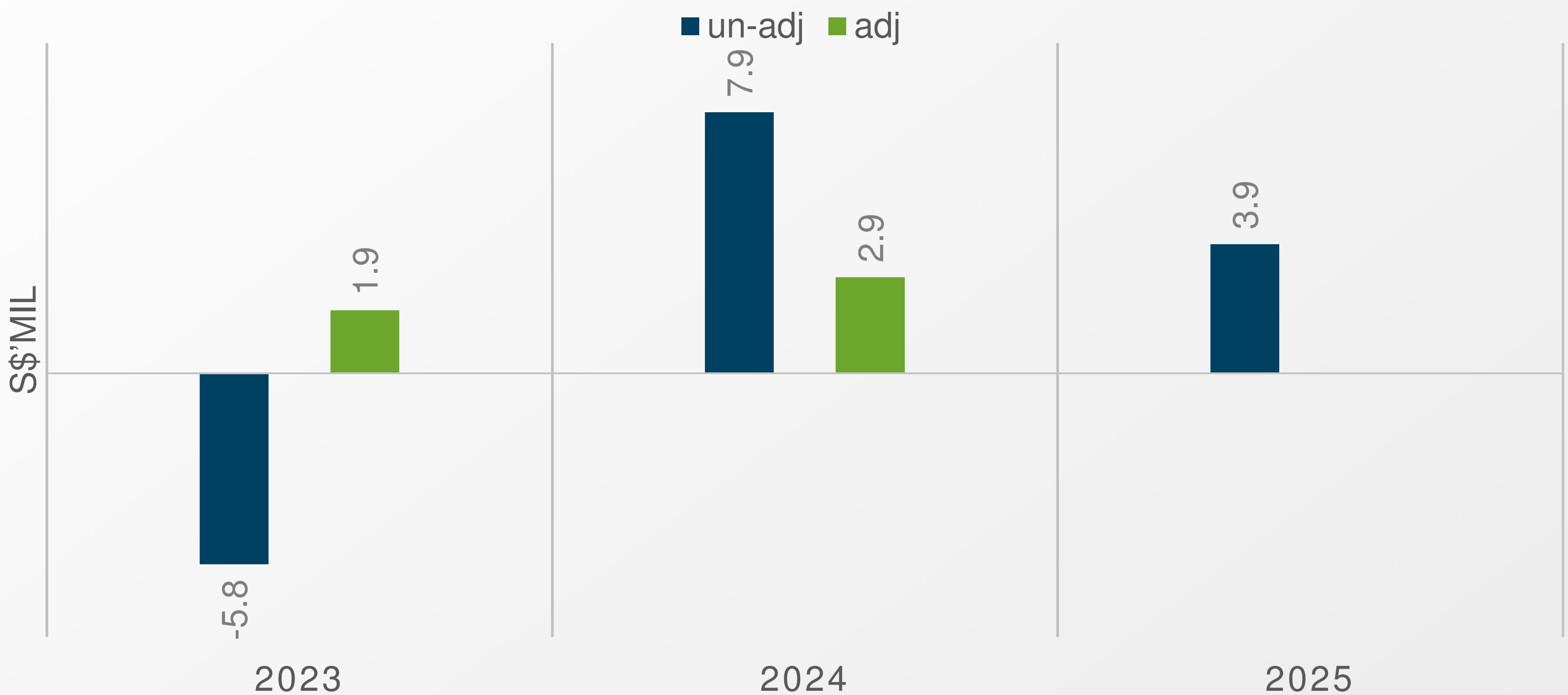
S$'mil	FY2024	FY2025	Var	Remarks
Insurance claim	9.7	0.02	(9.7)	Insurance claim in FY24 relating to the fire incident.
Gain on disposal of asset	0.62	0.04	(0.58)	Sale of property in Malaysia in FY24

Share of Associate's Profit



- Marginally lower profit contribution from our associated company in Thailand.

Net Profit After Tax



- Excluding impact of the fire, NPAT in FY24 would have been $2.9 million. Effectively NPAT in FY25 was S$1.0 million or 31.1% higher.
- This is attributed to higher gross profit and lower expenses.

Note : adjusted NPAT is NPAT excluding impact of the fire incident in 2023.

Balance Sheet

Prudent Financial Management

S$'mil	31 Dec 24	31 Dec 25	Var	
Shareholders Equity (less MI)	58.5	61.3	2.8	Retained earnings less dividend payment.
Cash	16.0	14.0	(2.0)	Funding for reconstruction of warehouse
Borrowings	25.2	34.7	9.5	Construction loan led to higher borrowings
Gearing (times)	0.43	0.57	0.14	Higher borrowings
Net gearing (times)	0.16	0.34	0.18	Gearing still at healthy level
Current ratio (times)	1.8	1.6	(0.2)	Sound liquidity.
Inventory(net)	31.7	29.0	(2.7)	Prudent inventory management.
Inventory T/O (days)	147	147	-	Target to Improve working capital cycle.
Trade Receivables (net)	22.9	23.6	0.7	No major deterioration in customers payment
Receivables T/O (days)	66	69	3	No major deterioration in customers payment
NTA/share (cents)	43.92	46.00	2.08	

Cashflow Statement

Strengthening cash position for warehouse rebuilding

$'mil	FY2024	FY2025	
Cash from/(used in) operating activities	11.0	5.6	Positive cashflow from prudent inventory management and profitable operation used to pay dividend, interest and bank bills payable.
Cash from/(used in) investing activities	(2.4)	(13.7)	Warehouse construction
Cash from/(used in) financing activities	(6.5)	6.8	Funding for warehouse construction came from bank loans and internal funds.
Net increase/(decrease) in cash	2.1	(1.3)	
Beginning cash and cash equivalents	13.0	15.3	
Ending cash and cash equivalents	15.3	14.0	

Share Performance : Enhancing Shareholders’ Long Term Value

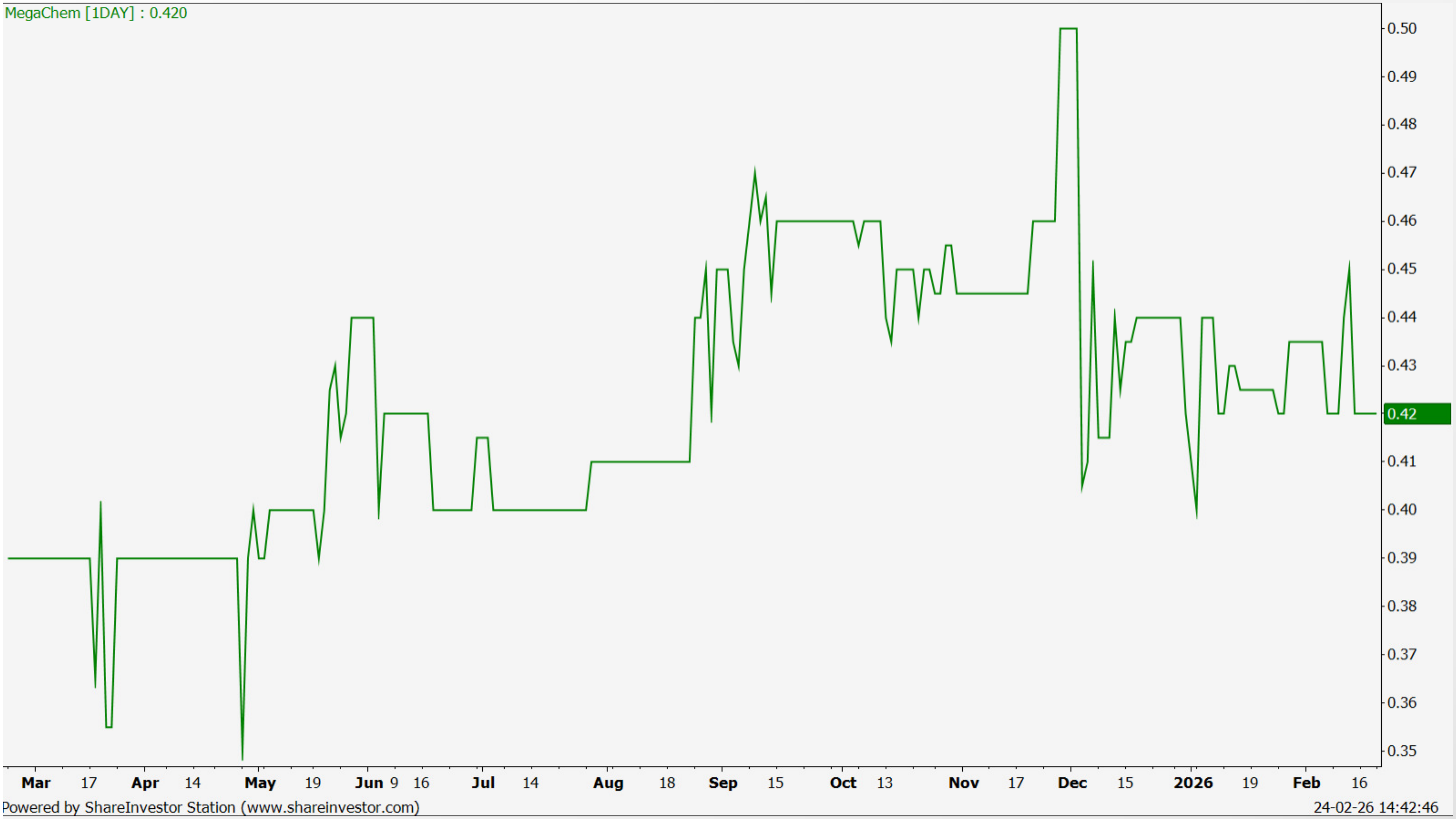
Share Statistics

Share Information (as at 23 February 2026)	
Listing Date	17 October 2003
IPO Price	28 cents
Historical High	68 cents
Historical Low	13 cents
52 weeks High	50 cents
52 weeks Low	30 cents
Price (as at 23 February 2026)	42.0 cents
No of Shares	133,300,000
Earnings per share FY25	2.88 cents
Historical P/E(a)	14.6x
Market Capitalisation (as at 23 February 2026)	S$56.0 mil
NTA/share	46.0 cents
Price/Book Ratio (b)	0.91

Note :
(a) P/E = price as at 23 February 2026 / EPS FY25
(b) Price/Book ratio = price as at 23 February 2026/NTA per share

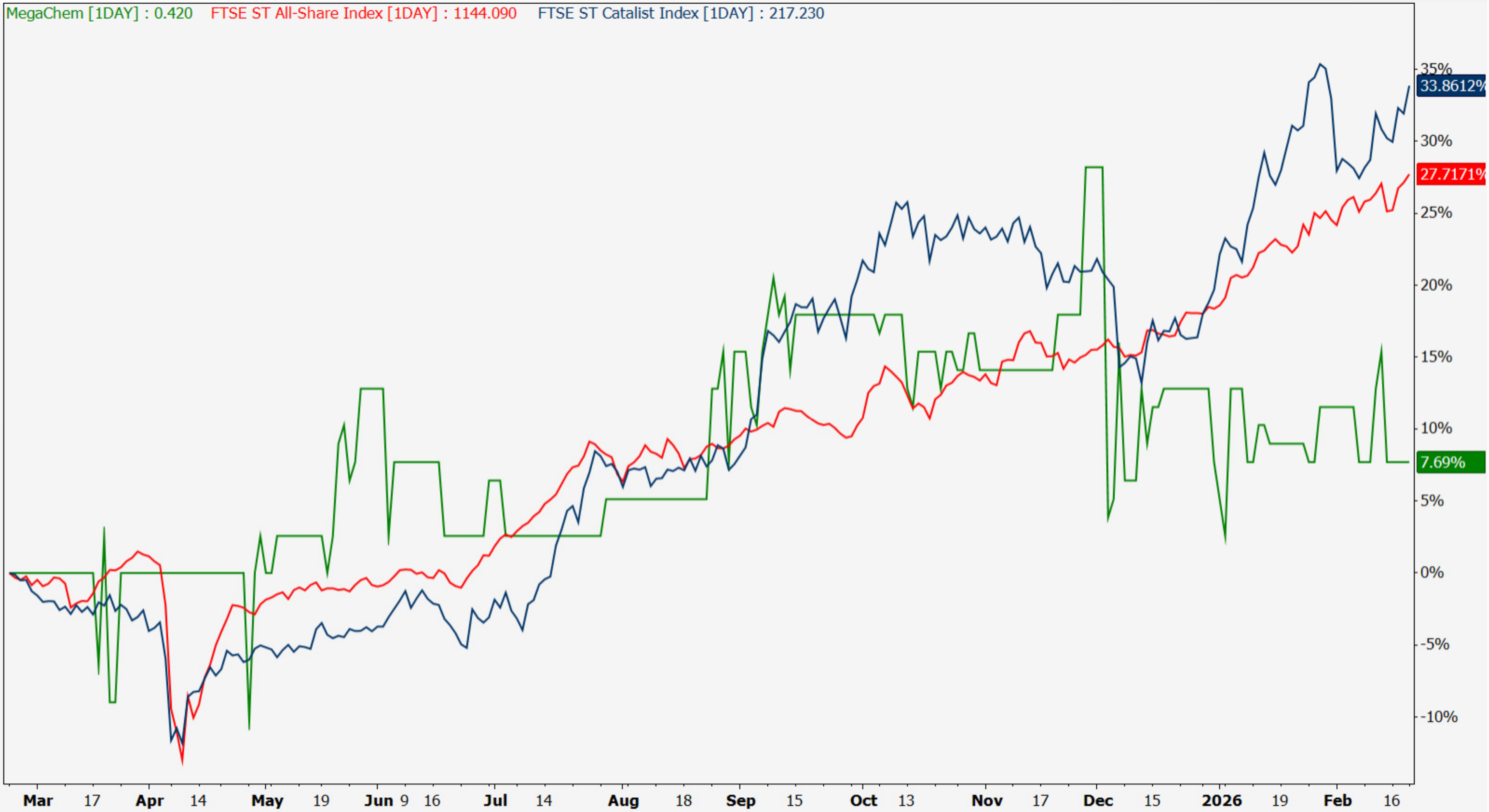
Share Price Performance

Share price chart : 1 year to 23 February 2026



Share Price Performance

Share price chart : 1 year to 23 February 2026



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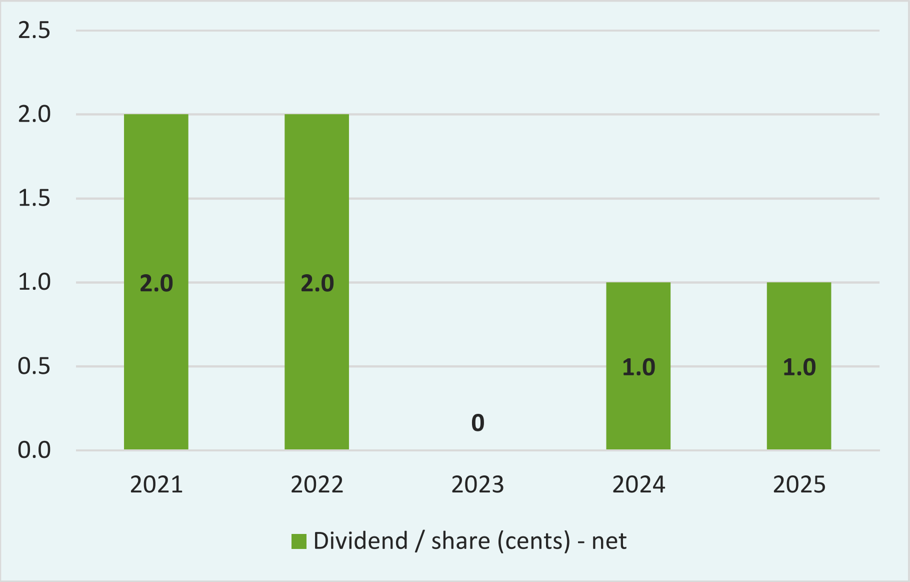
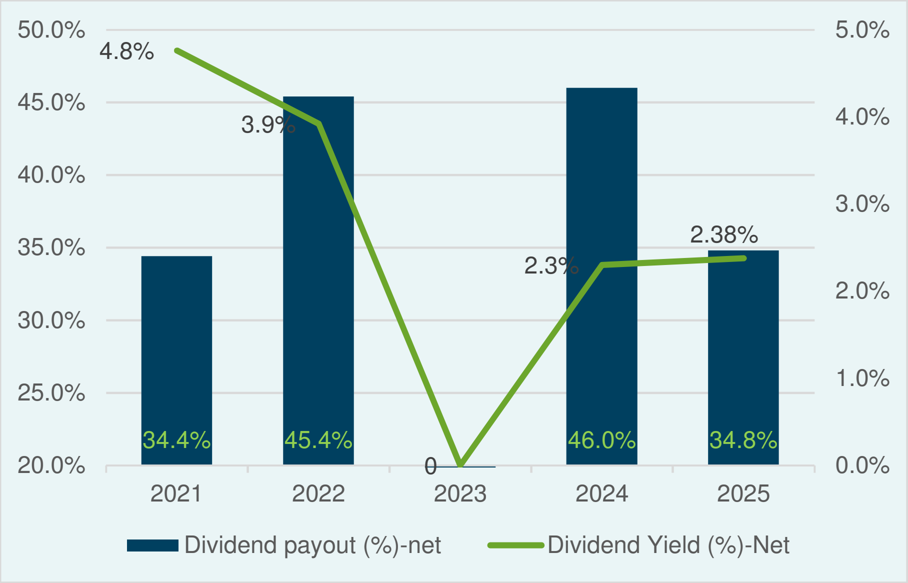
FY2025 Dividend

	FY2025
Interim Dividend (cts/share)	0.5
Final Dividend (cts/share)	0.5



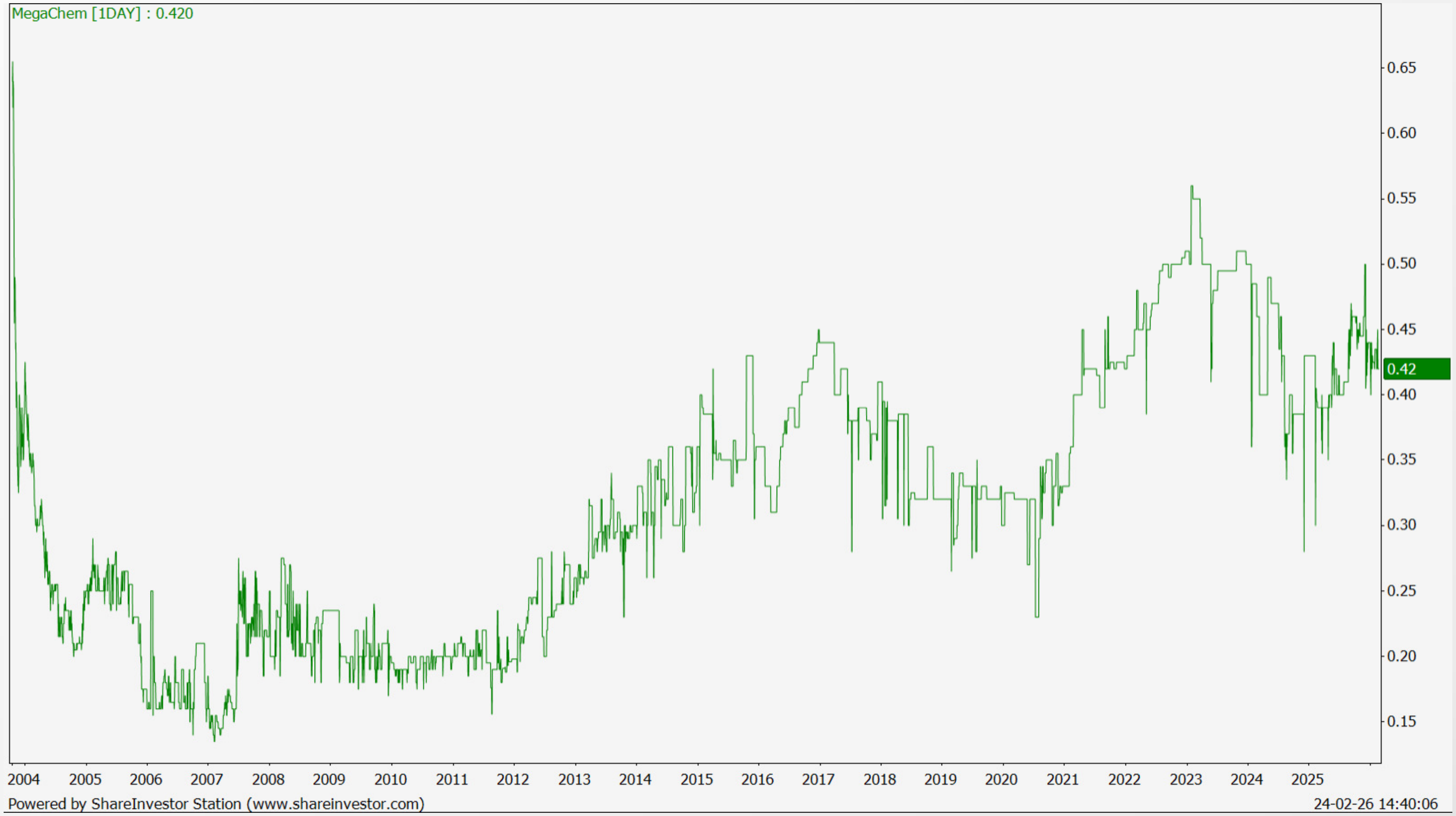


Note :
No dividend was paid for FY2023 due to a fire incident at our warehouse.

* Dividend payout = FY25 dividend/net profit
** Dividend yield = FY25 dividend per share / price as at 31 Dec 2025=1.0/42.0 = 2.38%.

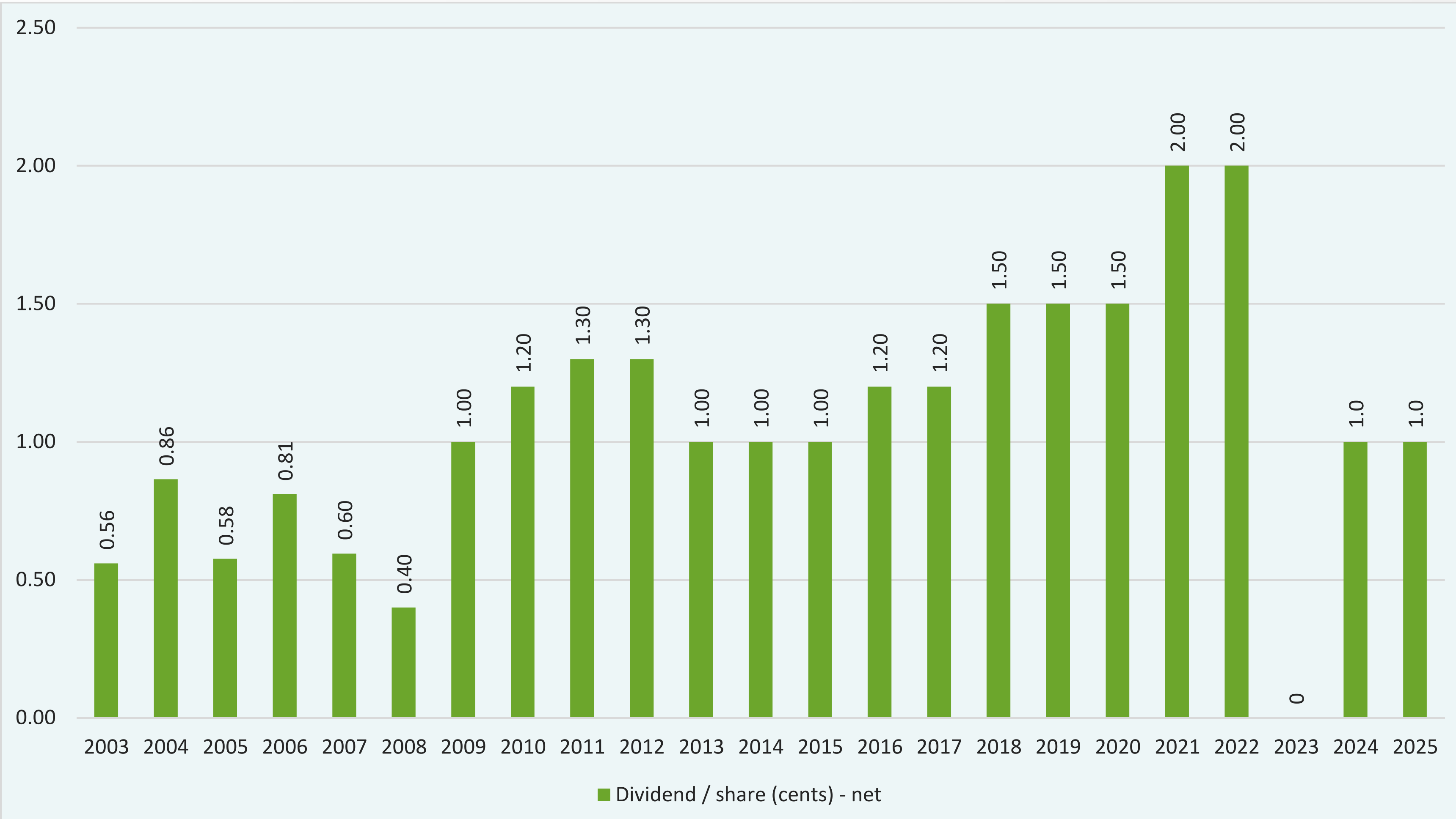
Share Price(since IPO)

	Price
IPO Issue Price (cts/share)	28
Price as at 23 February 2026 (cts/share)	42
Price Change(since IPO)	50%



Dividend(since IPO)

	Dividend
Total Dividend since IPO (cts/share)	24.5



Total Shareholder Return(since IPO)

	Cents per share
IPO issue price (cts/share)	28
Current price as at 23 Feb 26	42
Share price gain since IPO	14
Dividend since IPO	24.5
Total Shareholders return since IPO %	(14+24.5)/28=137.5%

FY2026 Outlook

Outlook FY2026

Global Economy	• Lower interest rates => Positive stimulus for the economy. • US protectionist trade policies, geopolitical conflicts, fragile job market as well as fears of an AI bubble => growth may be derailed.
Chemical Industry	• If the current oversupply and trade complexities do not ease, the industry growth may moderate. • Growth in industry primarily dependent on continued growth in manufacturing activities.
Megachem	• Correlation between the overall economy and Megachem's business • Resilient economy provides support to Megachem's business • Accelerate our long-term growth with a customer and Asia-centric focus • Respond to external adversities with operational and financial discipline.

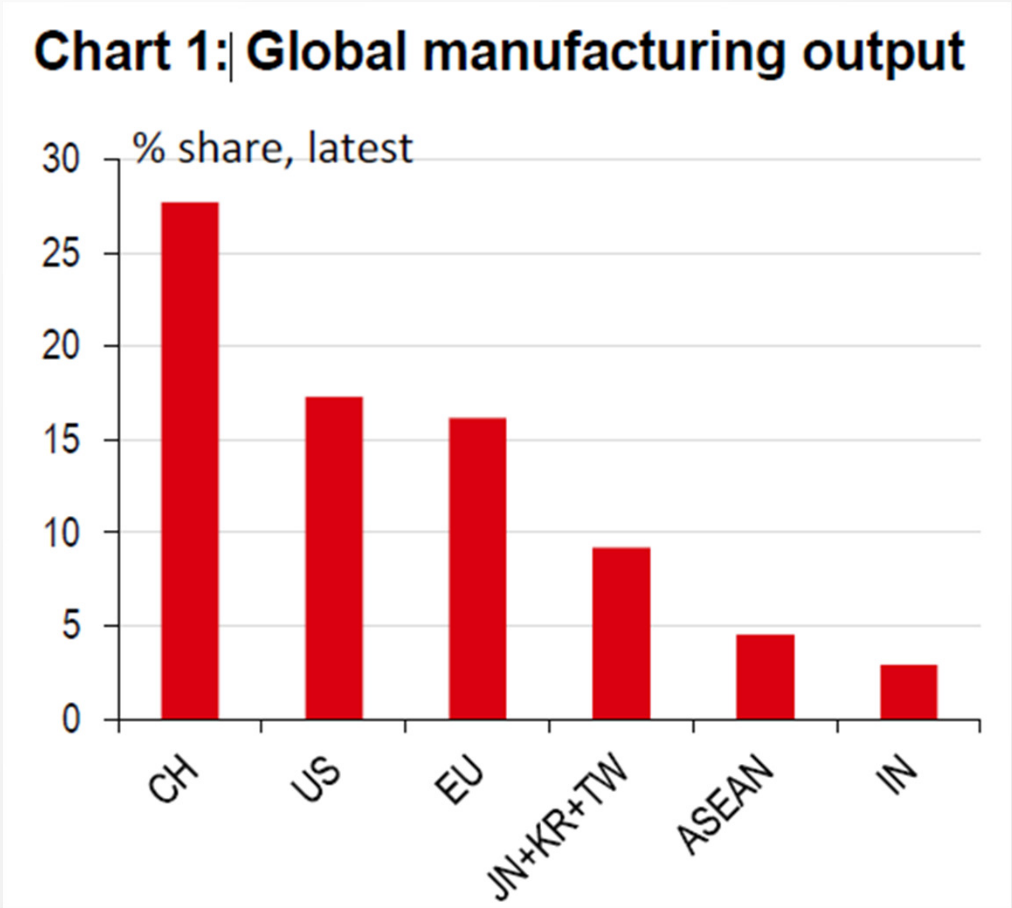
Sustainable Chemistry in Motion

Unlocking our Potential

Unlocking our Potential

China, EU, ASEAN, India, has about 50% share of global manufacturing output

Megachem has presence in these markets



Unlocking our Potential

Our Pillars of Growth

High Growth Markets

- ASEAN countries such as Malaysia, Indonesia and Vietnam
- Tariff advantage, lower cost
- The young population and booming middle class will become one of the key growth drivers.
- Rapid growth in foreign investment and production output

High Growth Industries

- Electronics, automotive, life-science, material science
- Specialty chemicals are being developed for lightweight materials for electric vehicles, electronics and robotics.
- Potential surge in specialty chemicals demand used in life-science eg pharmaceuticals, personal care products on the back of aging population globally

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