



NEWS RELEASE

MEGACHEM REPORTS 4.7% INCREASE IN FY2024 REVENUE TO S\$128.8 MILLION

- *Higher revenue attributed to rising chemical demand and higher sales across key geographic markets*
- *Adjusted net profit after tax of S\$2.9 million, 53.5% higher than FY2024, excluding net impact from fire incident*
- *Maintains healthy financial position with lowered net gearing ratio of 0.16 times¹*
- *Proposes final dividend of 0.5 cents per share, totalling 1.0 cent per share for FY2024*

SINGAPORE, 20 FEBRUARY 2025 – Megachem Limited (“**Megachem**” or the “**Company**”, and together with its subsidiaries and associated companies, collectively the “**Group**”), a global one-stop specialty chemical solutions provider, today reported a 4.7% increase in revenue to S\$128.8 million for the full year ended 31 December 2024 (“**FY2024**”). After adjusting for the impact of a fire incident that took place in July 2023, FY2024 net profit after tax stood at S\$2.9 million, which represents an increase of S\$1.0 million or 53.5% year-on-year.

Mr. Sidney Chew (“**Mr Chew**”), Managing Director of the Group, said, “FY2024 was a year of recovery as we regained our growth momentum following the fire incident in July 2023. We are pleased to have delivered commendable results with strong sales reported across key geographic markets. Our robust performance is indicative of our sound business model, tapping on our extensive global network and large customer base.

¹ As at 31 December 2024.

“Looking to the year ahead, in light of the supply chain challenges the industry faces, prudent inventory management will be a key focus area for us. In addition, the construction of our new warehouse, which is slated for completion by the end of 2025, will boost our overall competitiveness in the long term.”

Performance Review

Megachem recorded a revenue of S\$128.8 million, an increase of 4.7% as compared to S\$123.0 million recorded in FY2023. The increase in revenue reflects favourable market conditions as evident in the broad-based rise in revenue across its geographic markets and business activities.

In terms of geographical segments, revenue from ASEAN, the Group’s largest market, grew by 2.8% to S\$74.3 million in FY2024 compared to S\$72.2 million recorded in FY2023. Meanwhile, revenue from Europe, which is the Group’s second largest market, saw an increase of 3.7% to S\$16.3 million in FY2024 compared to S\$15.7 million recorded in FY2023. In the same period, North Asia and South Asia notably saw a 20.7% and 11.2% increase in revenue respectively. Other market segments such as Australia and Middle East similarly registered an increase in sales, while America and Africa saw a decline.

Total operating expenses increased by S\$1.9 million or 6.1% year-on-year, mainly due to the various expenses incurred from higher waste disposal costs, employee remuneration, net foreign exchange losses, warehouse storage charges and insurance expenses. This was offset by lower demolition and decontamination costs, lower compensation claims and the absence of loss from property, plant and equipment written down from the fire incident.

Megachem recorded a net profit after tax of S\$7.9 million in FY2024, compared to a net loss after tax of \$5.8 million for FY2023. Adjusting for the impact of the fire incident, net profit after tax stood at S\$2.9 million, S\$1.0 million or 53.5% higher year-on-year.

The Group's liquidity remained consistent, with cash and bank balances increasing by 17.2% to S\$16.0 million as at 31 December 2024. Net gearing ratio remained healthy at 0.16 times as at 31 December 2024, declining from 0.30 times as at 31 December 2023 in line with lower borrowings.

Earnings per share for FY2024 came in at 5.93 cents as compared to losses per share of 4.43 cents in FY2023. Net asset value per share increased to 43.92 cents as at 31 December 2024, up from 37.48 cents as at 31 December 2023.

Final Dividend

In appreciation of the support from the valued shareholders of Megachem, the Board of Directors has recommended a final dividend of 0.5 cents per share for FY2024, subject to the approval by shareholders at the next Annual General Meeting to be convened. Including the interim dividend of 0.5 cents per share, the total dividend amounts to 1.0 cent per share for FY2024.

Outlook

Looking ahead, uncertainties remain due to unresolved geopolitical conflicts in Ukraine and Middle-east, potential shifts in US economic policies under President Donald Trump, and China's sluggish economic recovery given the possibility of new trade tariffs being imposed.

“Macroeconomic and geopolitical uncertainties continue to cast a shadow on economic growth. Although our business prospects are closely tied to the chemical industry and the broader economy, we remain cautiously optimistic that as economic conditions improve, our resilient business model positions us well to seize additional growth opportunities both regionally and globally,” concluded Mr Chew.

Updates on Fire Incident

On 5th July 2023, Megachem informed shareholders via an SGX announcement that a fire broke out on the same day at 132 Pioneer Road where its warehouse is located. Currently, the structural work for rebuilding the warehouse has commenced, following the completion of the piling phase. Up to now, Megachem has received insurance payments totalling approximately S\$12.5 million. Barring any setbacks, construction of the new warehouse is slated for completion by end of 2025. The new warehouse, which is safer, more environmentally-friendly and stringently compliant with Major Hazard Installations (MHI) Regulations, will enhance our operational efficiency and long-term strategic competitiveness.

About Megachem Limited

Established in 1988, Megachem is a one-stop specialty chemical solutions provider. We provide integrated value-added services including distribution and contract manufacturing of specialty chemicals to meet our customers' requirements.

The Group distributes its products globally through its extensive distribution network in Singapore, Malaysia, Indonesia, Thailand, the Philippines, Vietnam, Myanmar, China, India, Middle East, Australia and the United Kingdom.

Megachem distributes over 1,000 different types and grades of specialty chemicals, with a wide range of applications to an established and diversified base of more than 2,000 industrial customers, comprising mostly well-known multinational companies. The Group serves a wide spectrum of industries including water treatment, metal finishing, construction, oil and gas, food, beverage, flavours, fragrance, pharmaceuticals, polymers, coatings, electronics, rubber and plastics.

To enhance the Group's competitive edge and complement its strength in distribution, Megachem provides integrated services such as the contract manufacturing of specialty chemicals and other ancillary services for its customers.

For more information, please visit www.megachem.com.sg.

This press release has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor").

This press release has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

The contact person for the Sponsor is Mr Bernard Lim (Tel: (65) 6232 3210) at 1 Robinson Road, #21-01, AIA Tower, Singapore 048542.

ISSUED ON BEHALF OF	:	Megachem Limited
BY	:	CDR 158 Cecil Street #05-01 Singapore 069545
CONTACT	:	Ms Dolores Phua / Mr Eric Seow at telephone
DURING OFFICE HOURS	:	6534-5122
EMAIL	:	Megachem@cdrconsultancy.com
