



MTQ CORPORATION LIMITED

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FOR IMMEDIATE RELEASE

- Overall improvements in performance despite lower revenue
- Operationally profitable for 1HFY2022 before government grants
- Financial position remains strong with overall net cash

Singapore, 29 Oct 2021 – SGX Mainboard-listed MTQ Corporation Limited (“MTQ” or “Group”), an established regional engineering, repair and maintenance services group, reported today its results for the six months ended 30 September 2021 (“1HFY2022”).

Financial Highlights	1HFY2022	1HFY2021	Chg	2HFY2021 ²	Chg
	SGD'000	SGD'000	%	SGD'000	%
Revenue	24,859	25,964	(4)	23,088	8
Gross Profit	7,206	7,351	(2)	5,088	42
<i>Gross Profit Margin</i>	<i>29.0%</i>	<i>28.3%</i>		<i>22.0%</i>	
Other Income ¹	181	197	(8)	113	60
Other Operating Expenses	(2,754)	(3,096)	(11)	(2,262)	22
Staff Costs	(3,801)	(3,987)	(5)	(4,476)	(15)
Finance Costs	(424)	(540)	(21)	(426)	(0)
Underlying Profit/(Loss) Before Tax ¹	408	(75)	n/m	(1,963)	n/m
Government Grants	702	2,500	(72)	904	(22)
Overall Profit/(Loss) Before Tax	1,110	2,425	(54)	(1,059)	n/m
Tax (Expense)/Credit	(63)	68	n/m	143	n/m
Profit After Tax	1,047	2,493	(58)	(916)	n/m

¹Excluding government grants.

² Excluding non-cash impairments and provisions made in 2HFY2021.

Financial Review

The Group reported S\$24.9 million revenue for 1HFY2022, a decrease of 4% year-on-year (“yoy”) compared to S\$26.0 million in 1HFY2021. However, when comparing to 2HFY2021, overall revenue improved 8% from S\$23.1 million recorded in 2HFY2021 as the Group experienced higher activities mainly in Singapore during the period.

Revenue by geographical segment	1HFY2022	2HFY2021	1HFY2021
	SGD'000	SGD'000	SGD'000
Singapore	11,454	8,553	9,372
Bahrain	10,252	10,873	14,203
Australia & United Kingdom	3,153	3,662	2,389
Total	24,859	23,088	25,964

Operationally, the Group recorded an underlying profit of S\$0.4 million on lower other operating expenses and staff costs as well as finance costs. Government grants continued to taper off resulting in a lower overall profit for the Group yoy.

Balance Sheet	30 Sept 2021	31 Mar 2021
	SGD'000	SGD'000
Net current assets	39,837	41,052
Net assets	56,011	55,530
Cash and cash equivalents	19,799	22,468
Bank borrowings	14,225	14,643
Shareholder's funds	56,129	55,464
Net gearing³	N.A.	N.A.
Net assets value per share⁴	26 cents	26 cents

³ Net gearing ratio is calculated based on net debt divided by net capitalisation. The Group includes within its net debt, bank borrowings, less cash and cash equivalents. Net capitalisation refers to net debt plus total equity.

⁴ Net assets value is calculated based on the Group's net assets after deducting the non-controlling interest, divided by the total number of issued shares excluding treasury shares as at the end of the financial period.

The Group's balance sheet remained healthy with a net cash position of S\$5.6 million (31 March 2021: S\$7.8 million). This was after payment of FY2021's final dividend of S\$1.1 million in August 2021.

Results & outlook

Commenting on the financial results and outlook, Mr Kuah Boon Wee, Group Chief Executive Officer said,

“Despite recording a slightly lower revenue than 1HFY2021, it is refreshing to see a positive trend quarter-on-quarter. Bahrain started the year slowly but orders have picked up in recent months. Elsewhere, stronger pipe support orders in LNG projects boosted revenues in the period.

Overall, the Group’s underlying operating results returned to being profitable before government support, and we are hopeful that this will continue into the second half of the year barring any unforeseen circumstances.

The Group’s financial position remained strong and this will allow us to pursue other opportunities. We continue to work towards new opportunities of growth. Discussions re the Proposed Acquisition of Property and Equipment and Strategic Collaboration with a leading Original Equipment Manufacturer of oilfield equipment announced in July remain on track.”

- End -

About MTQ Corporation Limited (Bloomberg Code: MTQ.SP)

Established in 1969, **MTQ Corporation Limited (“MTQ”)** specialises in engineering solutions for oilfield equipment, including repair, manufacture and rental operations. Well-known for its broad experience for over 35 years and commitment to service quality, MTQ is the authorised working partner for some of the world’s largest OEMs in drilling equipment, and is accredited to carry out manufacturing and repair works in accordance to American Petroleum Institute Standards. The Premier group, in addition to repair and manufacture of oilfield equipment, is also supplier of oilfield equipment and tools manufactured by some of the leading global brands. The Binder group, based in Perth with a production facility in Indonesia, designs and manufactures proprietary and custom-built pipe support and pipe suspension solutions for the oil and gas sector. Mid-Continent is an oilfield equipment and spares supplier distributing wide range of trusted oilfield manufacturer brands. In-Line Valve, headquartered in the United Kingdom, designs, engineers and supplies flow control valves focused in the upstream oil and gas industry.

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