



Results Presentation 1H FY2025
Analyst Briefing



Business Update



Business Update 1H FY2025

Global Economy

- Unpredictable US trade policies
- Geopolitical conflicts in Ukraine and Middle-east
- Sluggish China's economic recovery

} Uncertainties casting gloom over economy

Chemical Industry

- Industry faces trade flow disruption caused by US tariffs
- => Business confidence waning
- => Decrease in demand for chemicals

Megachem

- Minimal impact of US tariffs due to insignificant sales to US market
- Indirect impact stemmed from customers' difficulty in inventory management
- Following the fire incident in July 2023, warehouse reconstruction is progressing as planned. Target to complete by end of 2025

External factors impeding Growth



Financial Performance

Impact of fire on Profit & Loss

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

Note : Excludes reconstruction cost of the warehouse

Profit & Loss Highlights

S\$'mil	1H 2024	1H 2025	1H 25 vs 1H 24	Var %	
Sales	65.2	64.1	(1.1)	(1.7%)	▼
Gross Profit	15.5	16.1	0.6	3.6%	▲
Gross Profit (excluding impact of fire)	15.6	16.1	0.5	2.8%	▲
Gross Profit Margin %	23.8%	25.1%	1.3% pts	-	▲
Gross Profit Margin % (excluding impact of fire)	24.0%	25.1%	1.1% pts	-	▲
Expenses	18.7	15.0	(3.7)	(19.7%)	▼
Expenses (excluding impact of fire)	14.6	15.0	0.4	2.5%	▲
Other Income	5.4	0.3	(5.1)	(95.0%)	▼
Other income (excluding impact of fire)	0.5	0.3	(0.2)	(44.5%)	▼
NPBT	2.9	2.1	(0.8)	(29.4%)	▼
NPAT	2.0	1.7	(0.3)	(13.4%)	▼
NPAT (excluding impact of fire)	1.7	1.7	-	-	

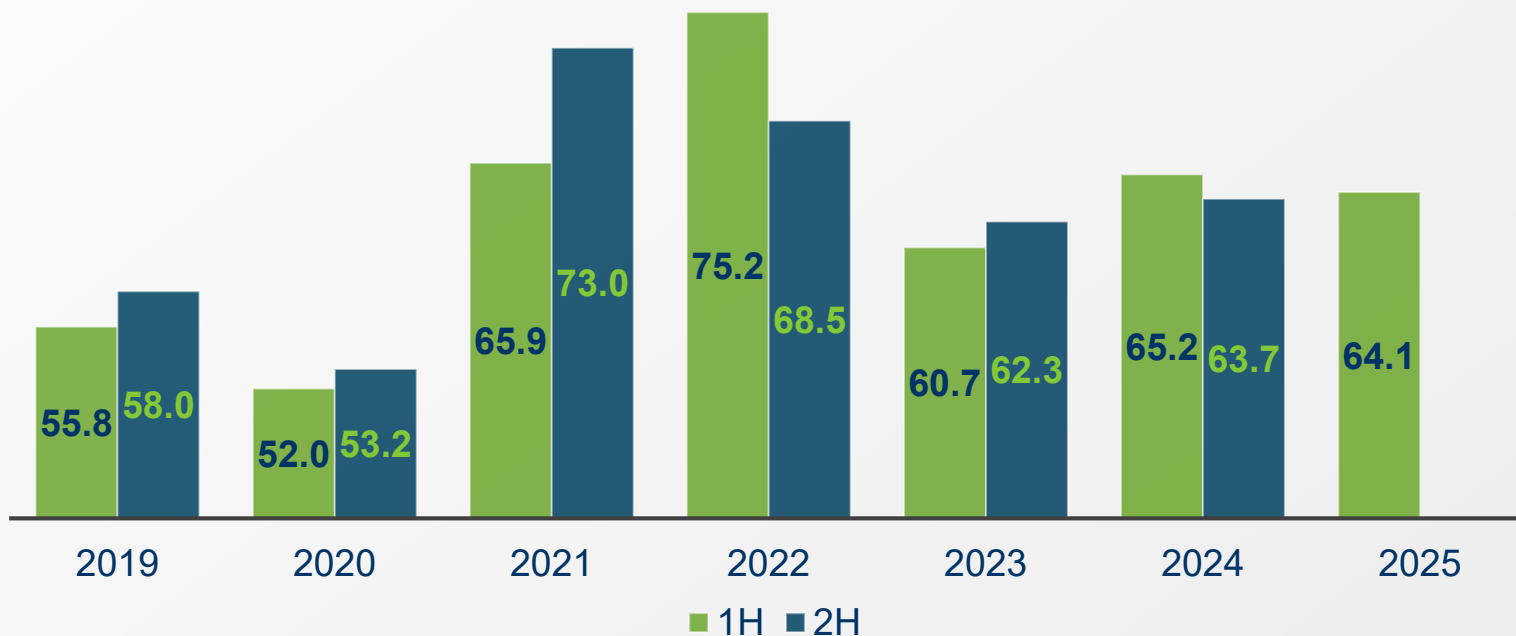
Profit & Loss Highlights

S\$'mil	2H 2024	1H 2025	1H 25 vs 2H 24	Var %	
Sales	63.7	64.1	0.4	0.6%	▲
Gross Profit	15.7	16.1	0.4	2.2%	▲
Gross Profit(excluding impact of fire)	15.9	16.1	0.2	1.1%	▲
Gross Profit Margin %	24.7%	25.1%	0.4% pts	-	▲
Gross Profit Margin %(excluding impact of fire)	25.0%	25.1%	0.1% pts	-	▲
Expenses	15.7	15.0	(0.7)	(4.5%)	▼
Expenses(excluding impact of fire)	15.7	15.0	(0.7)	(4.4%)	▼
Other Income	5.3	0.3	(5.0)	(94.9%)	▼
Other income(excluding impact of fire)	0.9	0.3	(0.6)	(69.1%)	▼
NPBT	5.8	2.1	(3.7)	(64.3%)	▼
NPAT	5.9	1.7	(4.2)	(71.0%)	▼
NPAT(excluding impact of fire)	1.3	1.7	0.4	31.2%	▲



Sales

Half-year Sales(S\$'mil)



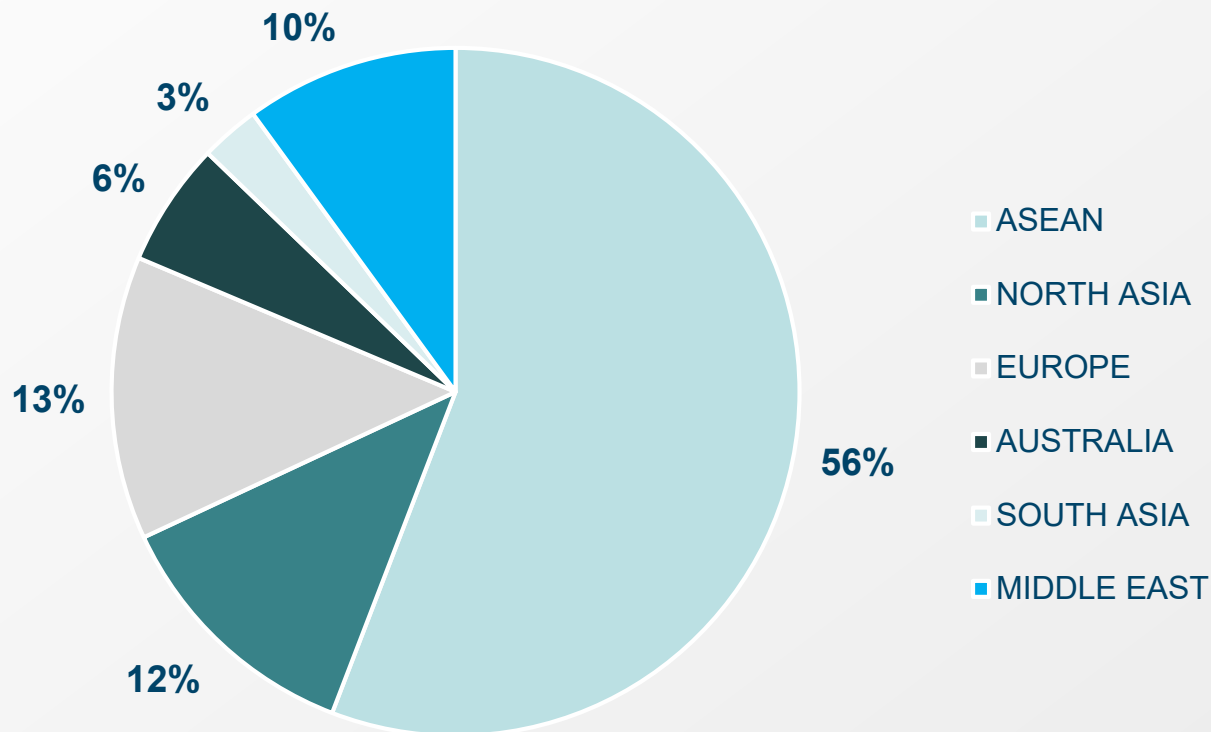
- 2020 : COVID
- 2H 21 – 1H 22 : Inventory restocking across the industry
- 2H 22 – 1H 23 : Inventory destocking & price correction
- 2H 23 : fire incident in July 23 but minimal disruption to sales
- 2024 : Sales gained momentum
- 1H 25 : US tariffs posing challenges to customers' production and inventory planning
- Sales higher than pre-Covid level

Market Coverage

Bridging the Global Markets

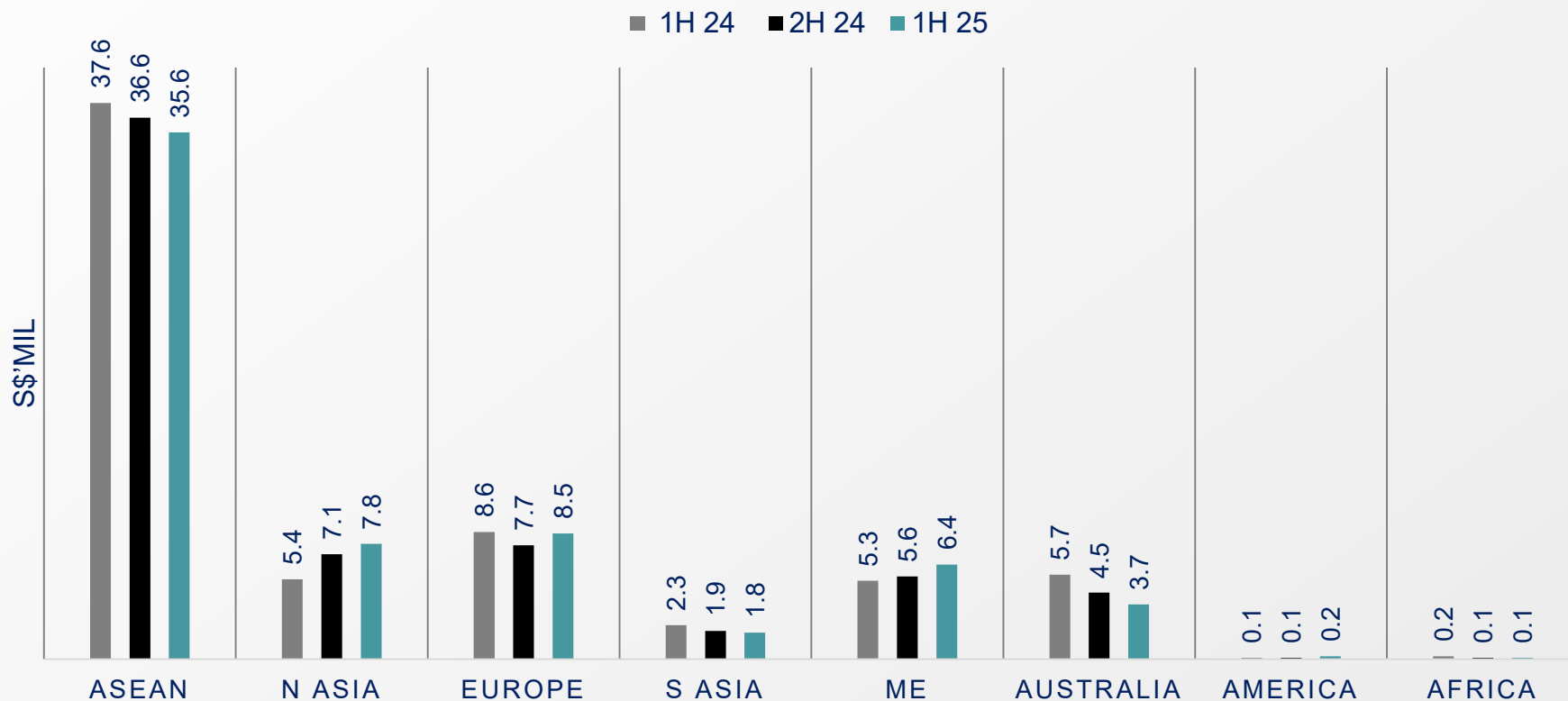


Sales Breakdown by Geographic Segments



Asia-centric focus.

Sales Breakdown by Geographic Segments



- 1H 25 vs 1H 24 : Lower sales attributed to ASEAN, S Asia, Australia markets.
- 1H 25 vs 2H 24 : Higher sales came from N Asia, Europe, ME.
- Sales to US minimal

Industry Coverage

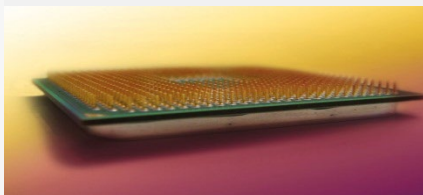
Performance Coating and Polymers

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



Surface Technology

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



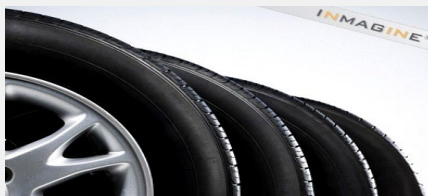
Resources/Oil & Gas

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



Advanced Polymer Composites

- Rubber
- Plastic
- Polyurethane
- Polyester

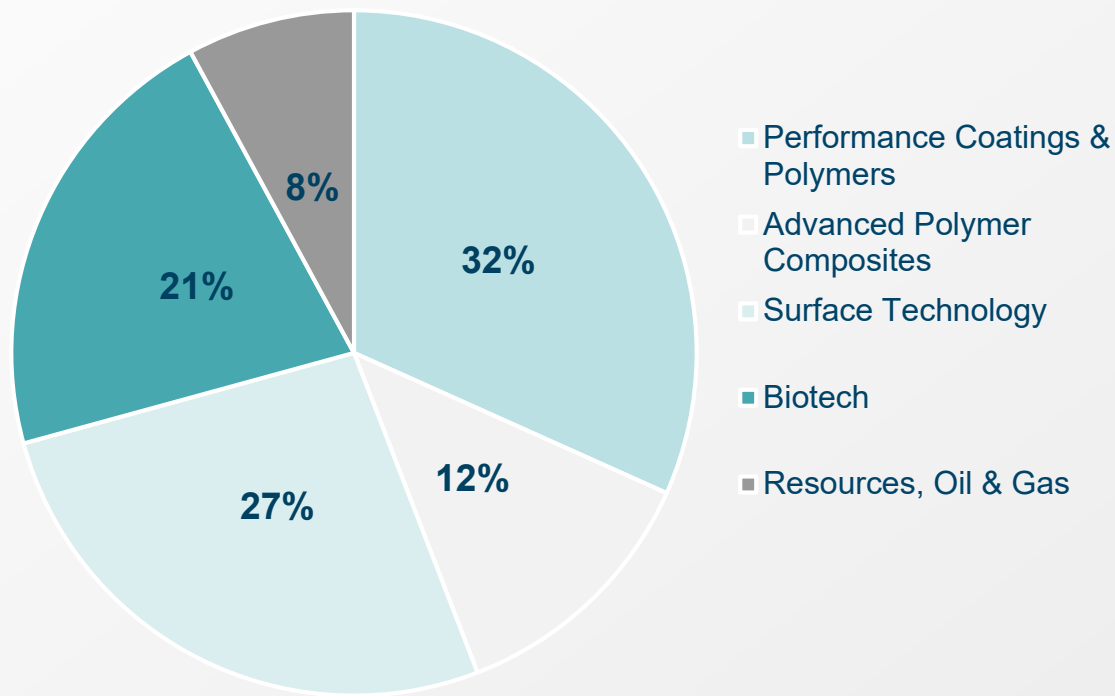


Biotech

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



Sales Breakdown by Industry Coverage



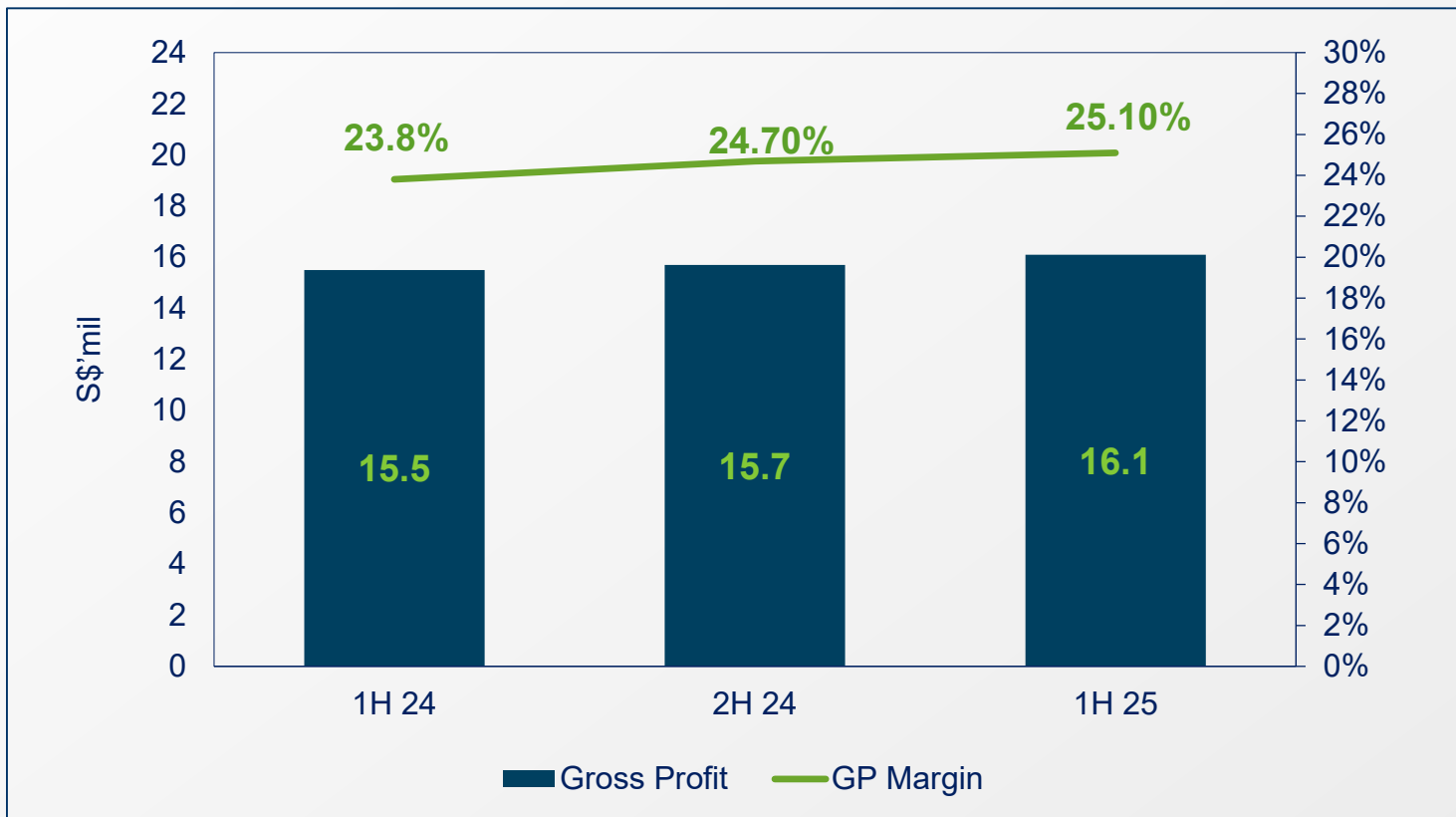
Diversified Industry Coverage.

Sales breakdown by Business Activity



- Both business activities registered lower sales year-on-year.
- Compared to 2H 24, sales growth came from distribution activity
- Sales in Manufacturing are mainly fee-based

Gross Profit



- GP margin maintained at about 24-25%.
- Lower inventory impairment in 1H 25.

Expenses

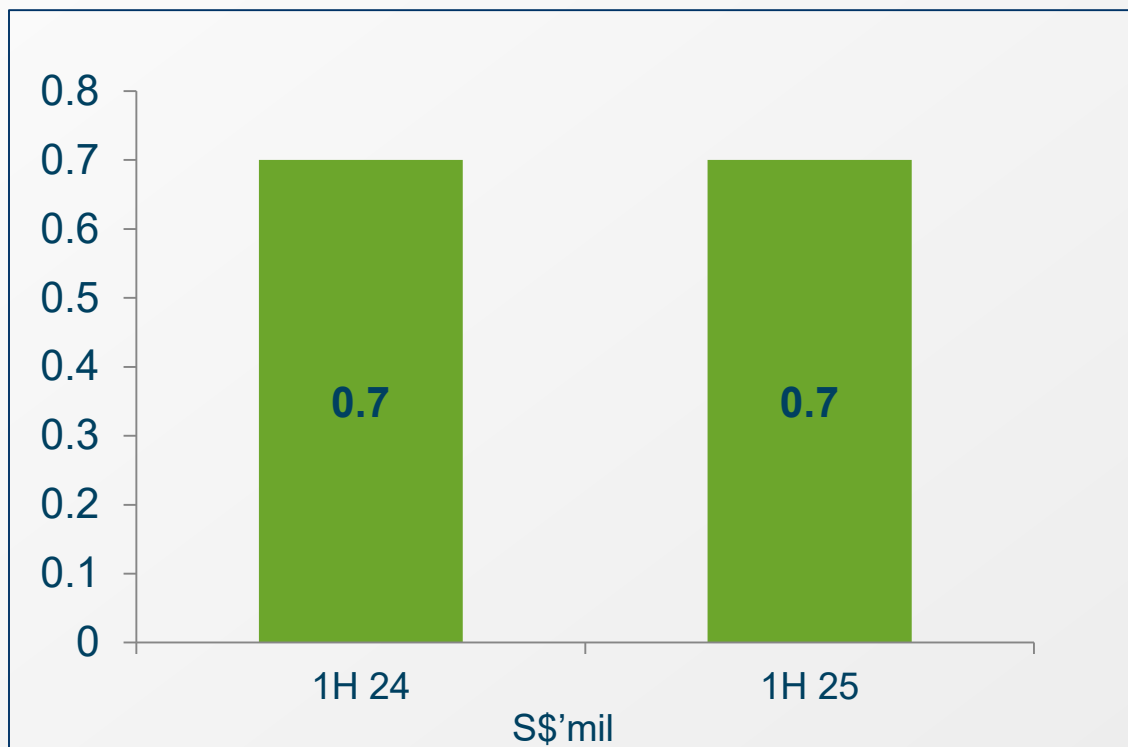
- Total expenses decreased S\$3.7 mil or 19.7% to S\$15.0 mil.
- Excluding expenses in 1H 24 arising from the fire incident, total expenses increased S\$0.4 mil or 2.5%

S\$'mil	1H 24	1H 25	Var	Var %	Remarks
Demolition cost	1.0	-	(1.0)	(100%)	Related to the fire incident in 2023.
Waste disposal	2.8	-	(2.8)	(100%)	Related to the fire incident
Finance cost	1.0	0.7	(0.3)	(26.1%)	Lower borrowings & interest rates
Staff cost	8.4	8.5	0.1	1.4%	Marginal increase in staff cost
Warehouse charges	1.7	1.8	0.1	6.2%	Higher reliance on 3 rd party warehouses following the fire
FX losses	0.1	0.3	0.2	>100%	Increased FX volatility

Other Income

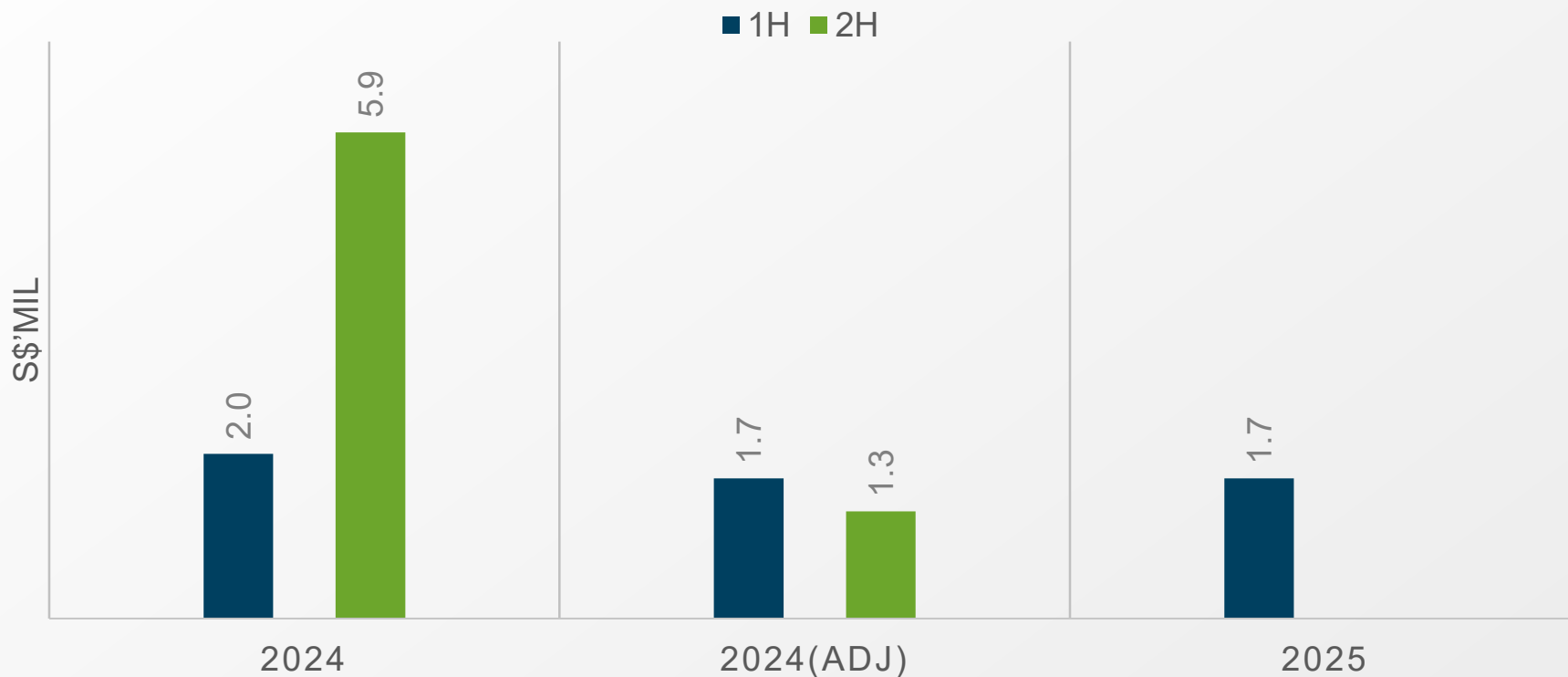
S\$'mil	1H 24	1H 25	Var	Remarks
Insurance claim	5.2	0.02	(5.2)	Insurance claim in 1H 24 relating to the fire incident in July 23.
Others	0.2	0.25	0.05	1H 25 other income consists mainly of grant and interest income
Total Other Income	5.4	0.27	(5.13)	

Share of Associate's Profit



- Profit contribution from our Thai associate was stable despite a softer economy .

Net Profit After Tax



1H 25 vs 1H 24(adj)

- Despite lower sales, NPAT came in at the same level as 1H 24(adj) mainly due to higher gross profit margin

1H 25 vs 2H 24(adj)

- Higher sales and lower expenses contributed to higher 1H 25 NPAT

Balance Sheet

Prudent Financial Management

S\$'mil	31 Dec 24	30 Jun 25	Var	
Shareholders Equity (less MI)	58.5	58.6	0.1	Retained earnings less dividend payment.
Cash	16.0	14.2	(1.8)	Funding for reconstruction of warehouse
Borrowings	25.2	29.0	3.8	Construction loan led to higher borrowings
Gearing (times)	0.43	0.49	0.06	Higher borrowings
Net gearing (times)	0.16	0.25	0.09	Gearing still at healthy level
Current ratio (times)	1.8	1.8	-	Sound liquidity.
Inventory(net)	31.7	28.6	(3.1)	Prudent inventory management.
Inventory T/O (days)	147	142	(5)	Target to Improve working capital cycle.
Trade Receivables (net)	22.9	23.9	1.0	No major deterioration in customers payment
Receivables T/O (days)	66	68	2	No major deterioration in customers payment
NTA/share (cents)	43.92	43.97	0.05	

Cashflow Statement

Strengthening cash position for warehouse rebuilding

\$'mil	FY2024	1H 25	
Cash from/(used in) operating activities	11.0	2.6	Positive cashflow from prudent inventory management and profitable operation.
Cash from/(used in) investing activities	(2.4)	(6.0)	Warehouse construction
Cash from/(used in) financing activities	(6.5)	2.6	Warehouse construction partially funded by bank borrowings.
Net increase/(decrease) in cash	2.1	(0.8)	
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 Information (as at 12 Aug 2025)

Listing Date	17 October 2003
IPO Price	28 cents
Historical High	68 cents
Historical Low	13 cents
52 weeks High	46 cents
52 weeks Low	28 cents
Price (as at 12 Aug 2025)	41.0 cents
No of Shares	133,300,000
Earnings per share 1H FY25	1.26 cents
Historical P/E(a)	7.2x
Market Capitalisation (as at 12 Aug 2025)	S\$54.6 mil
NTA/share	43.97 cents
Price/Book Ratio (b)	0.93

Note :

(a) $P/E = \text{price as at 12 Aug 2025} / (\text{EPS 2H 24} + \text{1H 25}) = 41 / (4.43 + 1.26) = 7.2x$

(b) $\text{Price/Book ratio} = \text{price as at 12 Aug 2025} / \text{NTA per share} = 41 / 43.97 = 0.93.$

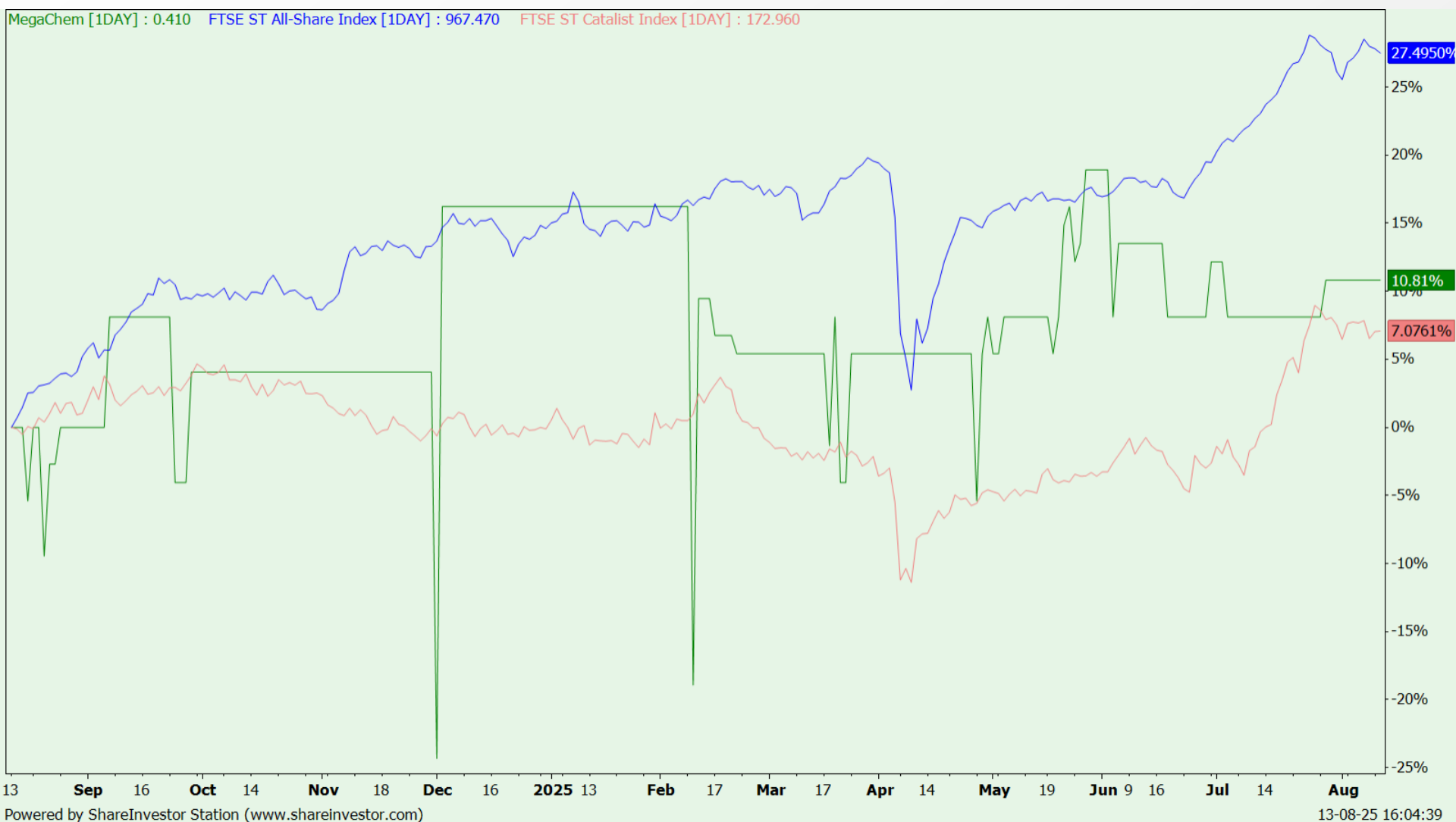


MegaChem [1DAY] : 0.410

Date	Price
Sep 13	0.370
Sep 16	0.370
Sep 19	0.370
Sep 22	0.370
Sep 25	0.370
Sep 28	0.370
Sep 30	0.370
Oct 3	0.370
Oct 6	0.370
Oct 9	0.370
Oct 12	0.370
Oct 15	0.370
Oct 18	0.370
Oct 21	0.370
Oct 24	0.370
Oct 27	0.370
Oct 30	0.370
Nov 2	0.370
Nov 5	0.370
Nov 8	0.370
Nov 11	0.370
Nov 14	0.370
Nov 17	0.370
Nov 20	0.370
Nov 23	0.370
Nov 26	0.370
Nov 29	0.370
Dec 2	0.370
Dec 5	0.370
Dec 8	0.370
Dec 11	0.370
Dec 14	0.370
Dec 17	0.370
Dec 20	0.370
Dec 23	0.370
Dec 26	0.370
Dec 29	0.370
Jan 1	0.370
Jan 4	0.370
Jan 7	0.370
Jan 10	0.370
Jan 13	0.370
Jan 16	0.370
Jan 19	0.370
Jan 22	0.370
Jan 25	0.370
Jan 28	0.370
Jan 31	0.370
Feb 3	0.370
Feb 6	0.370
Feb 9	0.370
Feb 12	0.370
Feb 15	0.370
Feb 18	0.370
Feb 21	0.370
Feb 24	0.370
Feb 27	0.370
Mar 1	0.370
Mar 4	0.370
Mar 7	0.370
Mar 10	0.370
Mar 13	0.370
Mar 16	0.370
Mar 19	0.370
Mar 22	0.370
Mar 25	0.370
Mar 28	0.370
Mar 31	0.370
Apr 3	0.370
Apr 6	0.370
Apr 9	0.370
Apr 12	0.370
Apr 15	0.370
Apr 18	0.370
Apr 21	0.370
Apr 24	0.370
Apr 27	0.370
Apr 30	0.370
May 3	0.370
May 6	0.370
May 9	0.370
May 12	0.370
May 15	0.370
May 18	0.370
May 21	0.370
May 24	0.370
May 27	0.370
May 30	0.370
Jun 2	0.370
Jun 5	0.370
Jun 8	0.370
Jun 11	0.370
Jun 14	0.370
Jun 17	0.370
Jun 20	0.370
Jun 23	0.370
Jun 26	0.370
Jun 29	0.370
Jul 2	0.370
Jul 5	0.370
Jul 8	0.370
Jul 11	0.370
Jul 14	0.370
Jul 17	0.370
Jul 20	0.370
Jul 23	0.370
Jul 26	0.370
Jul 29	0.370
Aug 1	0.370
Aug 4	0.370
Aug 7	0.370
Aug 10	0.370
Aug 13	0.370
Aug 16	0.370
Aug 19	0.370
Aug 22	0.370
Aug 25	0.370
Aug 28	0.370
Aug 31	0.370

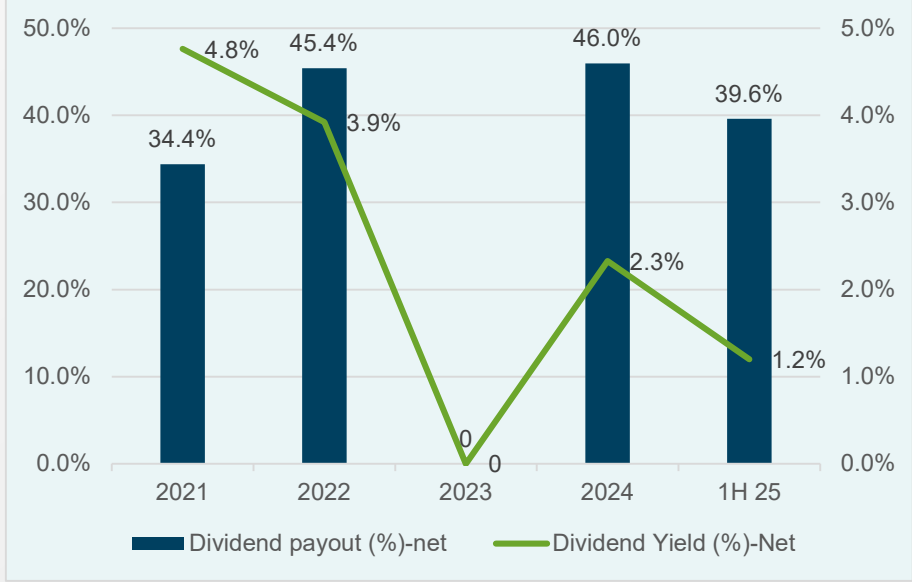
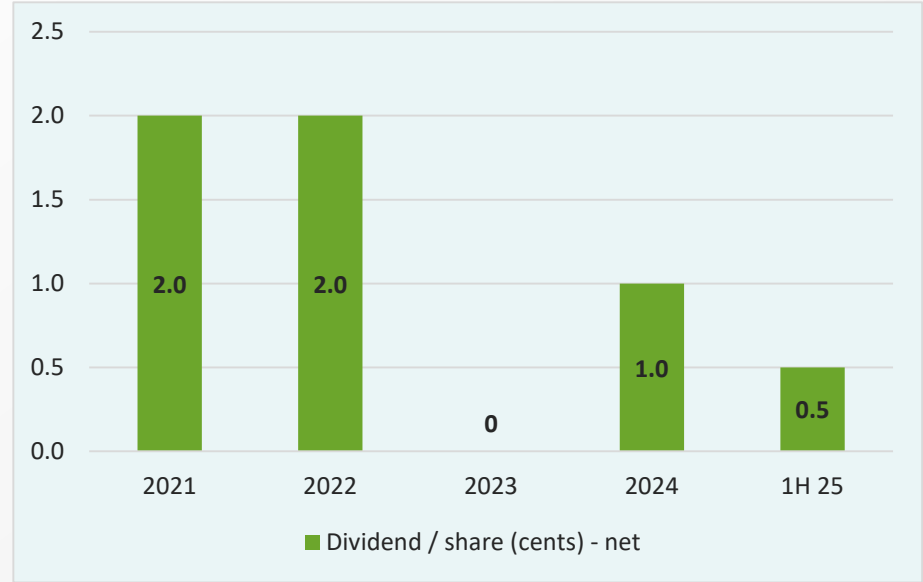
Share Price Performance

Share price chart : 1 year to 12 Aug 2025



1H FY2025 Interim Dividend

1H FY2025	
Interim Dividend (cts/share)	0.5

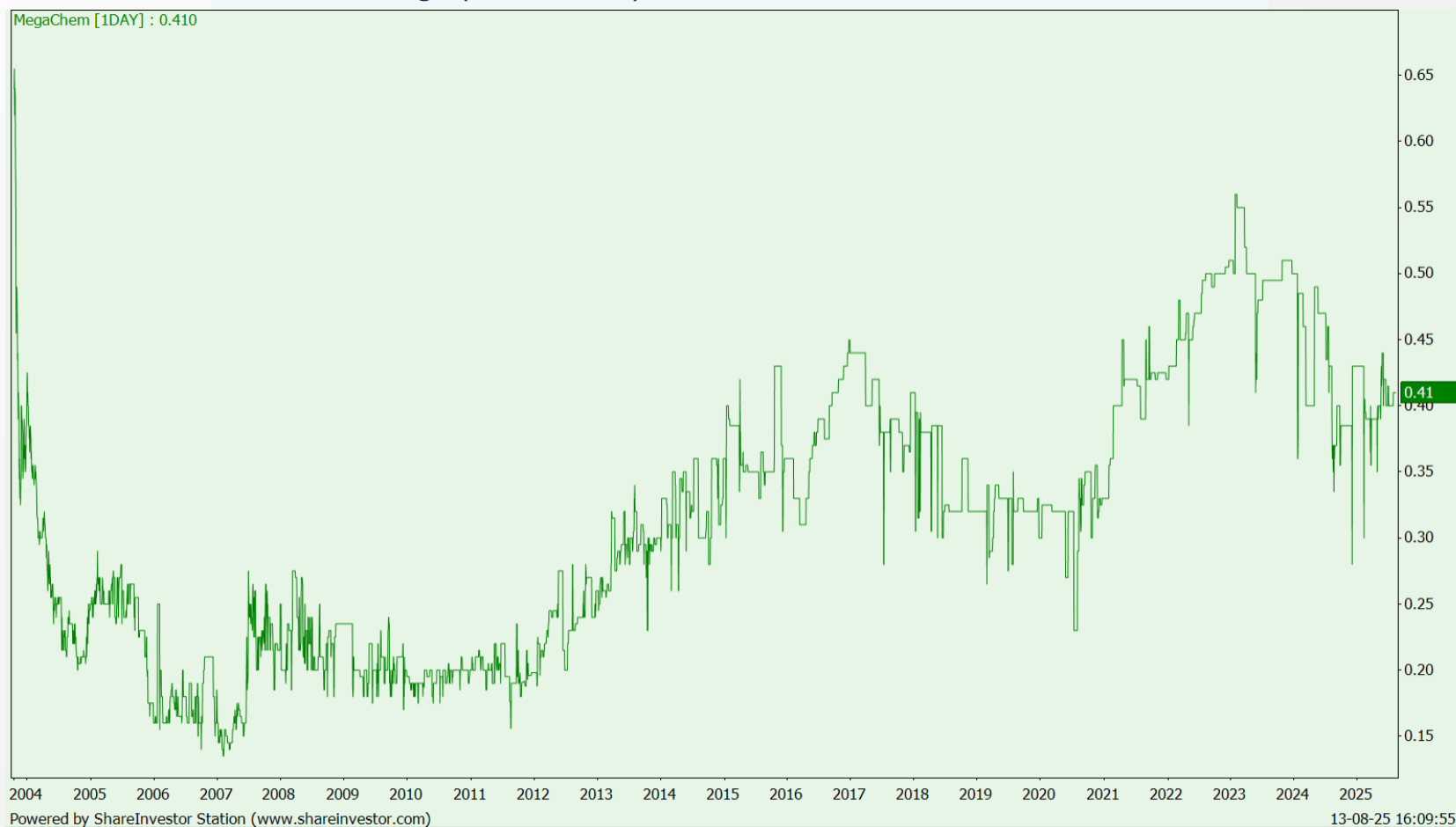


Note :
No dividend was paid for FY2023 due to a fire incident at our warehouse.

* Dividend payout = 1H FY25 dividend/net profit
 ** Dividend yield(un-annualized) = 1H FY25 dividend per share / price as at 30 June 2025=0.5/41.5=1.2%.

Share Price(since IPO)

	Price
IPO Issue Price (cts/share)	28
Price as at 12 Aug 2025 (cts/share)	41
Price Change(since IPO)	46.4%



Dividend(since IPO)

Dividend	
Total Dividend since IPO (cts/share)	23.5





2H FY2025 Outlook

Global Economy

- US protectionist trade policies, geopolitical conflicts in Ukraine and the Middle-east as well as the sluggish economic recovery in China
=> Heightened downside risk to the global economy.

Chemical Industry

- Business conditions in the industry is primarily dependent on continued growth in manufacturing activities.
- Global manufacturing activities and demand may weaken => negative impact on the chemical industry

Megachem

- Correlation between the overall economy and Megachem's business
- Any deterioration in economic conditions may dampen our growth outlook.
=> Diversify our supply sources and deepen our market coverage in Asia
=> Prudent inventory and financial management.

Bracing for uncertainties

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