



MTQ CORPORATION LIMITED

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FOR IMMEDIATE RELEASE

- Singapore segment fuels revenue growth and higher margins
- Profit before tax and one-off gain improved by 51%
- Interim dividend of Singapore 0.5 cents per share

Singapore, 30 Oct 2024 – 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 2024 (“1HFY2025”).

Financial Highlights	1HFY2025	1HFY2024	Chg
	SGD'000	SGD'000	%
Revenue	37,218	36,684	1
Gross Profit	12,341	10,952	13
<i>Gross Profit Margin</i>	33.2%	29.9%	
Other Income	220	324	(32)
Other Operating Expenses	(5,204)	(4,839)	8
Staff Costs	(4,349)	(3,984)	9
Finance Costs	(716)	(937)	(24)
Profit Before Tax and One-Off Gain	2,292	1,516	51
Gain on disposal of Pandan Property	-	6,367	(100)
Overall Profit Before Tax	2,292	7,883	(71)
Tax Expense	(78)	(81)	(4)
Profit After Tax, from continuing operations	2,214	7,802	(72)
Loss from discontinued operation, net of tax	-	(169)	(100)
Profit After Tax	2,214	7,633	(71)

Financial Review

The Group reported S\$37.2 million revenue for 1HFY2025, an increase of 1% year-on-year (“YOY”) compared to S\$36.7 million in 1HFY2024, driven primarily by Singapore’s strong performance. Revenue in Singapore grew 25% to S\$20.8 million, supported by improved execution and turnaround of key projects. Bahrain’s revenue saw a slow start but has since stabilized, with the long-term outlook remaining positive. Gross profit margins improved to 33.2% with higher utilization and better job mix.

Revenue by geographical segment	1HFY2025	1HFY2024
	SGD’000	SGD’000
Singapore	20,809	16,662
Bahrain	14,483	18,418
United Kingdom	1,926	1,604
Total	37,218	36,684

During the period, the Group experienced a foreign exchange loss of approximately S\$0.5 million, which is largely unrealized, due to recent USD fluctuations and impacted the total Other Operating Expenses (OOE). Excluding this FX loss, the Group’s OOE would have been S\$4.7 million, a decrease of about 6% from 1HFY24, mainly due to the absence of costs related to Pandan Property and relocation in the prior year. Staff costs increased in line with higher revenue while finance costs decreased due to lower borrowings during the period.

The Group achieved a profit before tax of S\$2.3 million in 1HFY2025, an increase of 51% YOY excluding the one-off gain on disposal of Pandan Property recognized a year ago. In recognition of this performance and the Group’s commitment to rewarding shareholders, the Board of Directors has approved an interim dividend of 0.5 Singapore cents per share.

Cash flows	1HFY2025	1HFY2024
	SGD’000	SGD’000
Net cash from/(used in):		
- Operating activities (before changes in working capital)	5,496	4,333
- Changes in working capital	(2,920)	(7,206)
- Investing activities	545	3,931
- Financing activities	(8,835)	(6,178)
Net decrease in cash and cash equivalents (inclusive of exchange rate effects)	(5,899)	(4,986)

Cash-wise, the Group generated a net cash inflows of S\$2.6 million from operations in 1HFY2025. Investing cash flows included approximately S\$7.9 million in capital expenditure related to the Group's expansion into the UAE, which was largely offset by the net proceeds of S\$9.2 million from the disposal of the remaining MMA Shares, as previously announced. Within the financing activities, the Group voluntarily pared S\$6.5 million of its revolving bank facilities during the period to lower interest expenses. Overall, the Group had cash and cash equivalents of S\$6.4 million as at 30 September 2024 (31 March 2024: S\$12.3 million), after paying out FY2024's final dividend of S\$1.1 million in August 2024.

Balance Sheet	30 Sept 2024	31 Mar 2024
	SGD'000	SGD'000
Net current assets	36,275	42,034
Net assets	77,922	78,770
Cash and cash equivalents	6,392	12,291
Bank borrowings	6,621	13,869
Shareholder's funds	77,922	78,770
Net gearing¹	0.3%	2.0%
Net assets value per share²	35 cents	35 cents

¹ Net gearing ratio is calculated based on net debt divided by net capitalization. The Group includes within its net debt, bank borrowings, less cash and cash equivalents. Net capitalization refers to net debt plus total equity.

² Net assets value is calculated based on the Group's net assets, divided by the total number of issued shares excluding treasury shares as at the end of the financial period.

Results & outlook

Commenting on the financial results and outlook, Mr Asif Salim Vorajee, Group Chief Executive Officer said,

“We are pleased to deliver another profitable period, driven primarily by the strong performance in Singapore. Bahrain has picked up after a slow start and we remain cautiously optimistic that this momentum will continue through the second half of the year, contributing to overall growth.

Our expansion into the UAE is progressing well, with construction on track for completion in 2025. We have initiated the manpower hiring process and are actively engaging with key principals to ensure operations commence smoothly upon completion of the facility.

Looking ahead, we remain focused on strengthening our presence in existing markets while exploring opportunities in new regions.”

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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 50 years and commitment to service quality, MTQ is the authorized 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. 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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