



20 AUG, 2020

MSM GETS SWEET RESPITE IN Q2

New Straits Times, Malaysia



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IMPROVED RESULTS

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Sugar firm narrows loss to RM21.55m from RM34.71m in first quarter

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MSM Malaysia Holdings Bhd is on firm recovery path after narrowing its quarterly losses yet again.

The country's largest sugar company slashed its net loss in the second quarter ended June 30 to RM21.55 million from a net loss of RM34.71 million in the preceding quarter and RM67.33 million in the same period a year ago.

MSM's second quarter revenue eased 5.3 per cent to RM448.74 million from RM474.22 million previously.

For the first six months of the year, MSM posted a net loss of RM56.26 million compared with a net loss of RM74.39 million in the same period last year.

Revenue was almost flat at RM959.57 million from RM959.84 million previously.

Group chief executive officer Datuk Khairil Anuar Aziz said in a statement yesterday higher industry and export sales volume had offset a 37 per cent decline in its wholesale segment in the first

half of the year.

He said MSM had also taken steps to remain competitive despite the challenges, while making headway in its turnaround plan.

"The strategic adjustment in sales focus and price structure alleviates the market volatility. MSM is also striving to improve the quality of its products and supply chain while strengthening the sales margin," he said.

MSM would continue to prioritise cost-saving initiatives and fortify operational capabilities to attain balance on three fronts, being operations, cash flow and production, he added.

MSM said the smaller losses were partly due to improved production costs in its new refinery, MSM Sugar Refinery (Johor) Sdn Bhd.

This followed the increase of its utilisation rate to 23 per cent in the second quarter from 19 per cent in the same period last year.

MSM has secured contracts to export 200,000 tonnes of sugar until the end of this year.

Exports contributed an estimated RM70 million to group revenue in the first half.



MSM Malaysia Holdings Bhd group chief executive officer Datuk Khairil Anuar Aziz (inset) says the company is making headway in its turnaround plan.

Khairil Anuar said domestic sales fell due to the limited operating hours and temporary closure of businesses during the Movement Control Order (MCO) period.

"Inevitably, the anticipated sales delivery during the Ramadan and Hari Raya Aidilfitri

festive period was also affected.

"At the same time, the shift in sales composition in view of deteriorating domestic demand further strained our revenue," it added.



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SUMMARIES

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