

MSM buckles down to become global refined sugar producer



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by ANIS HAZIM

MSM Malaysia Holdings Bhd aims to become a global sugar refiner after recording an improved financial performance for the financial year ended Dec 31, 2020 (FY20).

Group CEO Syed Feizal Syed Mohammad (*picture*) said the company is optimistic about its outlook as a profitable financial performance momentum continues from the fourth quarter ended Dec 31, 2020 (4Q20), to 1Q21.

“The turnaround achievement reflects the group’s perseverance over the years in navigating business throughout the volatile market and industry landscape,” Syed Feizal said after the company’s 10th AGM yesterday.

MSM’s FY20 net loss narrowed by 76% to RM71.23 million from RM299.77 million in FY19.

Syed Feizal said the group is on track for a turnaround this year and mid- to long-term growth projections despite challenges.

The country’s leading refined sugar producer seeks to strengthen its market leadership by rebalancing the sales and supply chain strategy in the domestic segment.

MSM has secured term sales supply contracts with major fast-moving consumer goods industry players locally and extended that relationship across the latter’s demand in Asia.

“We will continue to remain cautious with greater risk management and preemptive actions in view of the current market condition and unprecedented local and global challenges that may affect the group’s performance,” Syed Feizal added.

He said MSM would continue to remain resilient while unlocking further potential quicker towards pursuing the turnaround efforts to ensure consistent returns and greater shareholder value.

He further said the group’s strategic roadmap includes cessation of non-strategic operations, operational and capacity rationalisation, accelerated product development and new market penetration.

He added that MSM Sugar Refinery (Johor) Sdn Bhd (MSM Johor) had expanded capacity, which will be fully optimised to serve the domestic and export markets.

“With a scaled-up capacity for the production of value-added products including liquid sugar, premix and fine syrup, MSM Johor has widened the group’s export market footprint with further two expansions into potential regional markets such as China, Indonesia, Vietnam and New Zealand,” the group CEO said.

Besides that, MSM Prai Bhd has recommenced its operation on June 15, 2021, after the operation suspension due to Covid-19 cases.

Based on the initial assessment, Syed Feizal said the estimated impact of the temporary suspension on the company’s revenue and earnings is less than 5% for FY21.

MSM Prai is expected to promptly recover its production momentum to reach the targeted utilisation factor of 80% or more for the year backed by the refinery’s matured operational reliability and availability.

MSM shares declined 2.33% to RM1.26 yesterday, valuing the firm at RM885.75 million.

AGENCY: The Malaysian Reserve

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