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KUALA LUMPUR (June 2): MSM Malaysia Holdings Bhd aims to be an integrated sugar producer next year by diversifying into the upstream market and expanding its midstream market, apart from its downstream core business.

The listed subsidiary of Felda Global Ventures Holdings Bhd is in "advanced" negotiations to acquire two Indonesia-based firms operating in the upstream market.

MSM (fundamental: 2.8; valuation: 2) also aims to dominate the Singapore midstream market in 2018, from the current market share of about 18% to 20%.

"The plan for MSM, going forward in 2015 and 2016, are growth years. We plan to diversify the income stream.

"Definitely, we do not want to rest on our laurels," MSM president and group chief executive officer Datuk Dr Sheikh Awab Sheikh Abod told a press briefing after the firm's AGM today.

Sheikh Awab said MSM targets for both the upstream and downstream segments to contribute 30% each to the firm's profitability, while the remainder 40% will be contributed by the midstream segment.

He added MSM is also exploring opportunities to form strategic alliances or mergers and acquisitions (M&A) with listed firms in the Asean region, which he declined to identify.

He said MSM would hold a majority equity stake, if it chooses to acquire another firm.

At midday break, MSM was flat at RM5.35 with 5,000 shares done.

(Note: The Edge Research's fundamental score reflects a company's profitability and balance sheet strength, calculated based on historical numbers. The valuation score determines if a stock is attractively valued or not, also based on historical numbers. A score of 3 suggests strong fundamentals and attractive valuations.)

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