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MSM expects to deliver 'sweet' performance in financial year 2024

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From Left: MSM Group COO Hasni Ahmad, Koperasi Permodalan Felda Group CEO Sakinah Salleh, Syed Feizal, Aeon BiG (M) Sdn Bhd managing director Sheik Farouk Sheik Mohamed, and Nabila Huda during the launch.

KUALA LUMPUR: MSM Malaysia Holdings Bhd is expecting a better financial year ending Dec 31, 2024 (FY24).

Group CEO Syed Feizal Syed Mohammad said the sugar refiner is taking steps to reduce its losses while the industry is anticipated to turn around soon.

"Last year was challenging with all the input costs of what I would like to call a perfect storm.

"Of course, we are unable to adjust certain prices. It requires time to adjust. We are making adjustments now," he told reporters today after the launch of its latest addition to the Gula Perai line-up, called Gula Super.

MSM reported a reduced net loss of RM36.06 million for the third quarter ending Sept 30, 2023 (Q3'23) compared with RM73 million in Q3'22, attributable to an enhanced margin resulting from a higher average selling price, reduced freight costs, and improved capacity utilisation.

In Q3'23, MSM's revenue surged to RM806.72 million, up from RM668.13 million in the same period last year.

On ceiling price, Syed Feizal said MSM and other sugar producers have been engaging with the government on the issue. The ceiling price is set by the government and has remained unchanged without subsidy over the last 10 years, he added.

Amid high input costs due to increases in raw sugar cost, high freight and natural gas costs as well as the weakening ringgit, the local sugar industry remained resilient, Syed Feizal noted, adding that together, the industry has subsidised RM500 million for sugar since 2022.

On MSM's Gula Super, he said the group is targeting to produce 10,000 tonnes per month.

The production of Gula Super has been rising from the start of its launch at 1,000 tonnes in May to between 5,000 and 6,000 tonnes per month currently.

"We want to achieve this target as early as possible. We believe that with a bit more marketing, we can achieve the target next year, either in the first or second half," he said.

Syed Feizal said MSM has been exporting Gula Super to 17 countries mainly in the Asia Pacific, the Middle East region and Pakistan.

He added that MSM is now targeting to export Gula Super to neighbouring countries, especially in Singapore due to its proximity to the company's manufacturing plant in Johor.

Currently, MSM produces the Gula Prai brand in its refinery in Prai, Penang, with an annual production capacity of 1.05 million tonnes of refined sugar, and in Tanjung Langsat, Johor, with an annual production capacity of 1 million tonnes of refined sugar. – Bernama

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