The Star

High input costs drag MSM into the red in FY22

CORPORATE NEWS

Wednesday, 22 Feb 2023

8:25 PM MYT

KUALA LUMPUR: MSM Malaysia Holdings Bhd fell into the red with a net loss of RM178.71 million for the financial year ended Dec 31, 2022 (FY2022) from a net profit of RM125.35 million in the previous year, dragged by high input costs mainly from raw sugar, natural gas and a weaker ringgit.

In a filing with Bursa Malaysia today, the refined sugar producer said its revenue, however, increased to RM2.57 billion in FY2022 from RM2.26 billion previously on higher overall average selling price.

For the fourth quarter ended Dec 31, 2022 (4Q FY2022), MSM saw its net loss widened to RM44.16 million from RM16.16 million previously, while revenue was higher at RM677.74 million against RM642.02 million previously.

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"Although wholesale volume increased by 18 per cent in line with higher demand, and Industry volume increased by seven per cent, MSM export sales decreased by 41 per cent as priority was given to domestic orders to avoid local sugar shortage," he said in a separate statement to the bourse.

He unveiled that over the past 10 years, sugar refiners have been operating without subsidies and only received a miniscule price increase of one sen per kilogramme (kg), and the current controlled price of RM2.85/kg is much lower than that in Thailand (RM3.50/kg) and other Asian countries with retail prices of RM4.50/kg - RM6.50/kg.

"As a joint industry, we have engaged the government since May 2021 for support in a proposed new price revision or subsidy, we are even ready to operate on a floating price basis but request the overdue intervention from the government," he said.

Moving forward, MSM said although it expected high input costs to continue impeding the improvement of its financial performance, the group would remain focused on improving average selling price and attaining lower refining cost. - Bernama

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HEADLINE	High input costs drag MSM into the red in FY22
MEDIA	The Star- Online
DATE	22 February 2023, 8:25pm
BY	-
LINK	https://www.thestar.com.my/business/business-news/2023/02/22/high-input-costs-drag-msm-into-the-red-in-fy22