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MSM Malaysia net loss in 3Q narrows to RM36.06m on exports, improved margins

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KUALA LUMPUR, Nov 23 — MSM Malaysia Holdings Bhd's net loss for the third quarter ended Sept 30, 2023 (3Q 2023) narrowed to RM36.06 million from a net loss of RM72.80 million in the same period a year ago.

The producer of the 'Gula Prai' brand told the stock exchange that the improvement was attributable to the improved margins from industry and export segments, lower freight costs, and better capacity utilisation.

Revenue was recorded higher at RM806.72 million against RM668.13 million previously.

For the nine-month cumulative period ended Sept 30, 2023 (9M2023), net loss was lower at RM92.75 million versus the loss of RM134.55 million in the corresponding period, while revenue was firmer at RM2.14 billion compared with RM1.88 billion.

The increase in revenue for 9M2023 is attributable to the 13 percent higher increase in average selling price (ASP) for all segments, despite lower sales volume.

The net operational loss was mainly due to the higher production cost in the period owing to 24 per cent higher NY11 raw sugar, amongst other rising costs.

"The sugar industry has seen stronger demand in the local and export markets.

"However, amid a prolonged challenging environment with high input costs due to increase in raw sugar cost, high freight and natural gas cost as well as weakening of ringgit, the local sugar industry has remained resilient.

"The prevailing high input costs are being further mitigated but continue to impede the improvement of the group's financial performance," said group chief executive officer Syed Feizal Syed Mohammad.He noted that the wholesale segment contributed 40 percent of total sales affected by negative margin as its price is controlled by the government.

Despite the challenges, he said MSM would ensure an uninterrupted supply of sugar in the market and is important to have it recognised under the country's food security agenda especially integrating with upstream activities in developing local sugar cane plantations or through reverse investments in nearby regions.

"On financial performance, we are taking all measures to ensure the return to profitability as recorded in 2021 in order to provide returns to our shareholders, fulfil our corporate responsibility to our stakeholders, and contribute positively to the economy," said Syed Feizal. — Bernama

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