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### MSM Malaysia slashes net loss by half in 3Q



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**MSM** Malaysia Holdings Bhd reported a reduced net loss of RM36.06 million for the third quarter ending Sept 30, 2023 (3Q23) compared to 3Q22 of RM73 million. This improvement was attributed to enhanced margin resulting from a higher average selling price, reduced freight costs, and improved capacity utilisation.

The 50% decrease in net loss contrasts with 3Q22's figure of RM72.8 million. The sugar refiner is majority-owned by FGV Holdings Bhd. Koperasi Permodalan Felda Malaysia Bhd holds a 15.3% stake in MSM, making it the second-largest shareholder, followed by Amanahraya Trustees Bhd with a 7.5% ownership.

In 3Q23, MSM's revenue surged by 21% to RM806.72 million, up from RM668.13 million in the same period last year.

However, the quarterly net loss widened from 2Q23, reaching RM20.82 million or 2.96 sen per share.

This was influenced by higher raw sugar and freight costs, as well as a weaker ringgit. Despite an 8.1% increase in revenue from RM746.23 million, reflecting higher overall sales volume and average selling prices.

For the cumulative nine-month period (9M23), MSM's net loss decreased by 31% to RM92.76 million from RM134.55 million in the previous corresponding period.

Meanwhile, revenue grew by 13% to RM2.14 billion from RM1.89 billion.

MSM highlighted challenges in the sugar industry, facing persistent high input costs due to rising raw sugar, freight and natural gas costs, along with a weakening ringgit. The company urged government intervention to address these issues, noting the need for price adjustments or subsidies to ensure industry sustainability.

MSM CEO Syed Feizal Syed Mohammad stated, "The ceiling price set by the government has remained unchanged and without subsidy over the last 10 years. Malaysia's sugar-controlled price is the cheapest in the region and the world, representing an anomaly in economics."

He called for government support to normalise sugar prices, citing examples of neighbouring countries like Indonesia and Thailand.

Syed Feizal assured uninterrupted sugar supply and expressed the company's commitment to returning to profitability, providing returns to shareholders, fulfilling corporate responsibilities, and contributing positively to the economy. — **TMR**

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