




Lower margins, reduced capacity utilisation drag MSM Malaysia's 1Q net profit down 91%

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KUALA LUMPUR (May 22): MSM Malaysia Holdings Bhd (KL:MSM ) , the country's largest refined sugar producer, saw its net profit fall by 91% to RM3.73 million in the first quarter ended March 31, 2025 (1QFY2025), from RM41.71 million a year earlier, on lower margins and reduced capacity utilisation despite a decrease in production costs.

This resulted in lower earnings per share of 0.53 sen for 1QFY2025, compared with 5.93 sen for 1QFY2024.

Revenue for the quarter also fell 17.3% to RM749.68 million, from RM906.61 million a year earlier, on lower sales volume and average selling prices.

In a statement on Thursday, MSM reported a lower capacity utilisation factor of 47% in 1QFY2025, compared with 52% in 1QFY2024, due to plant shutdowns for both of its refineries, but this was mitigated by consistency in efficiency yield.

MSM also said it will continue to engage with the government to finalise a sustainable pricing mechanism for the domestic retail segment, and to propose effective controls on imported refined sugar, which, it noted, are critical steps in safeguarding national food security and ensuring long-term sustainability of the sugar industry.

On prospects, MSM group chief executive officer Syed Feizal Syed Mohammad said the sugar industry is expected to face continued headwinds in 2025, driven by persistently high input costs and volatility in raw sugar prices amid fluctuating global production.



"The dumping practice of imported sugar into the country without control has also impacted sales volume and prices. However, the matter has been raised by the joint local sugar industry with the government authorities for needed anti-dumping actions. The joint local sugar industry expects the matter to be resolved in ensuring price stability and food security sustainability.

"Meanwhile on the global front, we remain vigilant of escalating geopolitical tensions and the ongoing trade war, both of which pose risks to global supply chains, trade flows, and currency stability," he added.

Syed Feizal added that the group aims to expand its market presence, particularly in China and the Asean region, including Vietnam, Indonesia, Singapore and the Philippines.

"Our goal is to increase total export volumes to 360,000 tonnes in 2025, with an emphasis on value-added products like liquid sugar and premixes from MSM Johor. This diversification will strengthen our export footprint and help mitigate domestic market volatility," he said.

At Thursday's noon market break, MSM shares settled down four sen or 2.88% at RM1.35, giving the group a market capitalisation of RM949 million. The stock has risen 8.87% so far this year.

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