

Malaysia: MSM back to black in Q1

MSM Malaysia Holdings Bhd (MSM), the country's leading refined sugar producer and a subsidiary of Felda Global Ventures Holdings Bhd (FGV), swings back to the black in its first quarter (Q1) ended March 31, 2018.

MSM posted a net profit of RM15.81 million against a net loss of RM34.62 million recorded a year ago.

In a filing to Bursa Malaysia, MSM said earnings per share for the quarter under review stood at RM2.25 against RM4.93 in loss per share in Q1 2017.

"The much-improved performance in the current quarter was attributable mainly due to lower raw material costs and favorable foreign exchange rate.

"Also boosting MSM's performance is the reduction of administrative expenses, down 33 per cent quarter-on-quarter or RM9.1 million from RM23.8 million," it said.

Its revenue in the same quarter dipped 14.2 per cent to RM549.06 million from RM640.05 million, impaired by a decrease in the average selling price and a seven per cent reduction in overall tonnage sold – mainly from a reduction in export sales.

“While the circumstances were unfavourable in 2017, the first quarter performance shows encouraging signs towards a healthy balance sheet. It certainly is a continuous turn-around process and on this positive note, MSM’s direction is firm to reinforce its leading role in this business,” said MSM executive director Datuk Khairil Anuar Aziz.

MSM continued to strengthen its operational focus by marking down its raw sugar cost by 23.1 per cent against the same quarter last year.

This, however, was hampered by an increase in the average refining cost due to higher fuel cost which resulted from an upward revision of the gas tariff in January by 16 per cent.

MSM said it looks to further improve inventory management, supply and distribution efficiency and operating expenditure optimisation to remain resilient for the remaining quarters in driving business forward.

“Most importantly, MSM continues to monitor its cashflows and working capital requirements to enable visibility of red flags and pro-active actions continues to be exercised to remain financially healthy,” it added.

https://www.salaamgateway.com/en/story/malaysia_msm_back_to_black_in_q1-SALAAM24052018034506/