

RESULTS IN BRIEF

MSM 3Q profit jumps on cheaper raw materials, favourable forex

BY EMIR ZAINUL

KUALA LUMPUR: Refined sugar manufacturer MSM Malaysia Holdings has reported a 52% year-on-year jump in net profit for the third quarter (3Q) ended Sept 30, 2018 (3QFY18) despite lower revenue due to lower raw sugar costs and favourable foreign exchange (forex) rates.

Net profit grew to RM15.88 million from RM10.42 million previously, while revenue fell 16% to RM562.05 million from RM667.11 million on lower overall tonnage sold and a 16% fall in average selling price.

For the cumulative nine-month period, it posted a net profit of RM46.01 million compared to a net loss of RM45.66 million a year ago, though revenue fell 16%

to RM1.68 billion from RM2.01 billion on lower tonnage sold.

In a statement, it said that while the government has abolished the approved permits (APs) for sugar imports, AP holders still maintain carry-over stocks of imported sugar during the first half of 2018, the effect of which would be accounted for in FY19.

"Generating revenue next year will be a challenge due to the reduction in the retail selling price of refined sugar and the imposition of an excise duty (soda tax) for sugar beverages of 40 sen/litre beginning April 1, 2019," said MSM executive director, Datuk Khairil Anuar Aziz in a statement.

Nevertheless, the group is positive it will remain profitable for the remainder of FY18.