

Disappointing December quarter for sugar maker MSM

CORPORATE NEWS

Wednesday, 20 Feb 2019

6:44 PM MYT



Wednesday, 20 Feb 2019

6:44 PM MYT



KUALA LUMPUR: Sugar manufacturer MSM Holdings Bhd posted its first quarterly losses since June 2017, on lower sales volume and cheaper average selling prices.

The company posted a net loss of RM10.39mil in the three months ended Dec 31, as revenue dropped 16.4% to RM531mil. This reduced the group's full year net profit to RM35.6mil.

"The group shall continue to pursue strategic initiatives in 2019, to ensure sustainable business and profitability amidst challenging economic and market environment," MSM said in a filing with Bursa Malaysia today.

MSM is a 51% subsidiary of FGV Holdings Bhd.

"Generating revenue in 2019 will be another challenge due to the excise duty (soda tax) for sugar beverages of 40 sen per litre beginning April 1, 2019," executive director Datuk Khairil Anuar Aziz said in a statement.

He added that although it is too early to draw any conclusions, the impact will be reflected in MSM's bottom-line. In the meantime, Khairil said the group is exploring opportunities in the downstream business.

"We are open to talk to local as well as international F&B companies for possible partnership especially those who use sugar or sweetener as their main ingredient," he said.

AGENCY: The Star

LINK: <https://www.thestar.com.my/business/business-news/2019/02/20/disappointing-december-quarter-for-sugar-maker-msm/>