

MSM registers lower Q2 net loss, on road to recovery

By Farah Adilla - August 19, 2020 @ 2:28pm



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KUALA LUMPUR: MSM Malaysia Holdings Bhd has slashed more than doubled its net loss to RM21.55 million in the second quarter (Q2) ended June 30, 2020 from net loss of RM67.33 million recorded in the same quarter a year ago.

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Revenue for the quarter decreased 5.3 per cent to RM448.74 million from RM474.22 million.

MSM group chief executive officer Datuk Khairil Anuar Aziz said the domestic sales volume went down due to the limited operation hour and temporary closure of its client's businesses during the Movement Control Order (MCO).

"Inevitably, the anticipated sales delivery during the festive season of Ramadan and Aidilfitri were also affected. At the same time, the shift in sales composition in view of deteriorating domestic demand further strained the revenue," he said.

For the first half (1H) of the year, MSM registered a lower net loss of RM56.26 million from net loss of RM74.39 million, while revenue decreased marginally by 0.03 per cent to RM959.57 million from RM959.84 million.

MSM said despite the 10 per cent decline of domestic sales volume compared to 1H 2019, the average selling price (ASP) for wholesale and industry segments increased by eight per cent and two per cent respectively.

In addition, the increase in sales volume for the export front was mainly influenced by higher premium compared to last year, contributed an estimated of RM70 million to the group's revenue for the 1H 2020.

MSM said it has so far secured 200,000 tonnes of sugar products export until end of this year.

"The group has taken strategic approaches to remain competitive amid challenges, while making headway towards turnaround.

"The strategic adjustment in sales focus and price structure alleviates the market volatility to which currently, MSM is strategising to improve its quality of products and supply chain while strengthening sales margin.

"Higher industry and export sales volume offset the 37 per cent decline in wholesale segment for the first half year of 2020," Khairil said.

Moving forward, MSM said it will continue to prioritise on cost saving initiatives and fortify operational capabilities to attain balance on three fronts – operations, cash flow and production.

AGENCY: New Straits Times

LINK: <https://www.nst.com.my/business/2020/08/617745/msm-registers-lower-q2-net-loss-road->