

MSM on track to rebound, meet mid to long-term growth projections

By Farah Adilla - June 17, 2021 @ 4:19pm



MSM group chief executive officer Syed Feizal Syed Mohammad said the turnaround reflected its perseverance over the years in navigating business throughout the volatile market and industry landscape.

KUALA LUMPUR: MSM Malaysia Holdings Bhd is optimistic about its outlook following the progressive execution of its three-year strategic blueprint dubbed BP21.

It had seen improved margin, operational enhancement, recalibration of sales strategy and lower finance cost, MSM said.

This led to narrower net losses for the financial year 2020 (FY20), followed by continuous profitable performance from the fourth quarter (Q4) of 2020 to Q1 2021.

MSM recorded a 76 per cent lower net loss of RM71.23 million for FY20 against RM299.77 million net loss in FY19.

After eight consecutive quarterly losses, MSM posted a net profit of RM56.24 million in Q4 2020 compared to a net loss of RM40.28 million in Q4 2019.

The company said the positive trend continued, leading to a more sustainable earnings momentum in Q1 2021 with a pre-tax profit of RM43.07 million versus pre-tax loss of RM27.25 million in Q1 2020.

MSM posted a net profit of RM31.19 million for Q1 2021, an increase of 190 per cent against the net loss of RM34.70 million in Q1 2020.

MSM group chief executive officer Syed Feizal Syed Mohammad said the turnaround reflected its perseverance over the years in navigating business throughout the volatile market and industry landscape.

"Our strategic roadmap includes cessation of non-strategic operations, operational and capacity rationalisation as well as accelerated product development and new market penetration.

"Steadily, the company is leveraging on its asset optimisation and competitive position which translate into sustainable profitability in the years ahead towards evolving further amongst the top 10 global sugar refiner," he said during MSM's 10th annual general meeting attended by more than 700 shareholders online today.

On the operational front, MSM said the expanded capacity in MSM Sugar Refinery (Johor) Sdn Bhd (MSM Johor) would be fully optimised to serve both the domestic and export markets.

"With a scaled-up capacity for the production of value-added products including liquid sugar, premix and fine syrup, MSM Johor has widened the group's export market footprint with further expansion into potential regional markets such as China, Indonesia, Vietnam and New Zealand.

"In addition, the temporary stoppage of operation at MSM Johor in April-May due to the planned boiler rectification has been completed and MSM Johor is on track for a targeted production ramp up to more than 50 per cent of capacity utilisation in Q3 onwards for the year," it said.

Syed Faisal said MSM was on track to turn around this year and meet its mid to long-term growth projections.

"MSM has secured term sales supply contracts with major FMCG industry players locally and extending that relationship across the latter's demand in the Asian region," he added.

AGENCY: New Straits Times

LINK: <https://www.nst.com.my/business/2021/06/699627/msm-track-rebound-meet-mid-long-term-growth-projections>