

 > Business

## Three-year strategic blueprint bolsters MSM's optimism

JUNE MOH / 17 JUN 2021 / 23:34 H.



**PETALING JAYA:** MSM Malaysia Holdings Bhd remains optimistic about the company's outlook, underpinned by the execution of its three-year strategic blueprint to strengthen the group's financial and operational performances.

“There will be a capital expenditure plan totalling RM100 million for the group to pare down debt and further ramp up the production at MSM Johor,” MSM Malaysia group CEO Syed Feizal Syed Mohammad told reporters after the company’s virtual AGM today.

He said Federal Land Development Authority’s (Felda) takeover of FGV Holdings Bhd will not affect MSM.

“Any privatisation intent of Felda for FGV will be solely related to FGV and will not affect the group,” he said, adding that MSM will remain as a listed entity even if Felda takes over its 51% parent FGV.

In the domestic segment, MSM seeks to strengthen its market leadership by rebalancing the sales and supply chain strategy. MSM has already secured term sales supply contracts with major fast-moving consumer goods industry players locally and extending that relationship across the latter’s demand in the Asian region.

“The group is targeting 350,000 tonnes of exports, of which we already secured 65%. For the year, we target to have a volume of about 1.3 million tonnes. We may fall short slightly due to disruption but not significantly,” Syed Feizal said.

Following the suspension of operation in MSM Prai Bhd due to several Covid-19 cases, the refinery recommenced its operation on June 15. The estimated impact of the temporary suspension based on the initial assessment to the company's revenue and earnings is less than 5% for FY2021. However, MSM Prai is expected to promptly recover its production momentum to reach the targeted capacity utilisation of 80% or more for the year.

The temporary discontinued operations at MSM Johor in April and May due to the planned boiler rectification has been lifted and MSM Johor is on track for a targeted production ramp-up to more than 50% of capacity utilisation from the third quarter onwards.

"Despite the challenges, the group's performance is on track to meet the turnaround this year and mid to long-term growth projections. However, we will continue to remain cautious with greater risk management and pre-emptive actions in view of the current market condition and unprecedented local and global challenges that may affect the group's performance," Syed Feizal said.

**AGENCY: The Sun Daily**

**LINK: <https://www.thesundaily.my/business/three-year-strategic-blueprint-bolsters-msm-s-optimism-DY7980401>**