



MSM Malaysia posts second straight profitable quarter

Arjuna Chandran Shankar / theedgemarkets.com

May 25, 2021 14:30 pm +08



KUALA LUMPUR (May 25): MSM Malaysia Holdings Bhd, the country's largest refined sugar producer, posted its second straight quarterly profit in its first financial quarter ended March 31, 2021 (1QFY21). Net profit came in at RM31.19 million, lower than the RM56.24 million reported in 4QFY20 due to lower overall margin and higher finance cost.

Revenue for 1QFY21 was also lower by 18.3% at RM514.94 million from RM630.33 million in 4QFY20 on decreased overall sales volume.

On a year-on-year (y-o-y) basis, MSM swung back into the black in 1QFY21 compared with a net loss of RM34.71 million. As a result, it posted an earnings per share of 4.43 sen in 1QFY21 compared with a loss per share of 4.94 sen in 1QFY20.

Advertisement



In a bourse filing, MSM attributed the better quarterly performance to improved margin to 13.27% from better capacity utilisation and lower finance cost.

The group's quarterly revenue rose by a marginal 0.8% y-o-y from RM510.84 million on higher average selling price in export sales compared to the same quarter last year.

It did not declare any dividends during the quarter.

On prospects, MSM said it remains optimistic on its turnaround plan and the ability to achieve sustainable growth with a focus on exports.

"The group is working towards improving its efficiency and remains positive of its full-year target performance. In addition, the group is focused towards higher yield and capacity utilisation which will result in lower production cost," it added.

On the export front, MSM said the seaport segment is poised to grow further in 2021 as global trade recovery gains further momentum, backed by the reopening of economies, businesses and borders. "This encouraging development is favourable for our MSM Johor refinery and the group."

At noon market close, MSM shares settled 13.16% or 20 sen higher at RM1.72, valuing the group at RM1.21 billion.

Edited by Kang Siew Li

AGENCY: The Edge Markets

LINK: <https://www.theedgemarkets.com/article/msm-malaysia-posts-second-straight-profitable-quarter>