
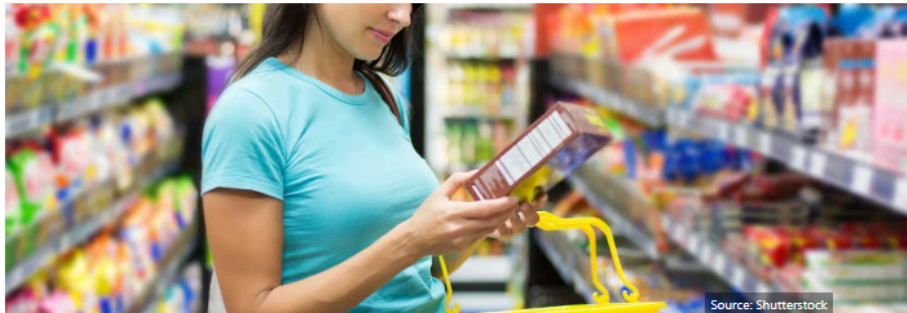


MSM Malaysia Holdings Berhad (KLSE:MSM) Might Not Be As Mispriced As It Looks After Plunging 26%

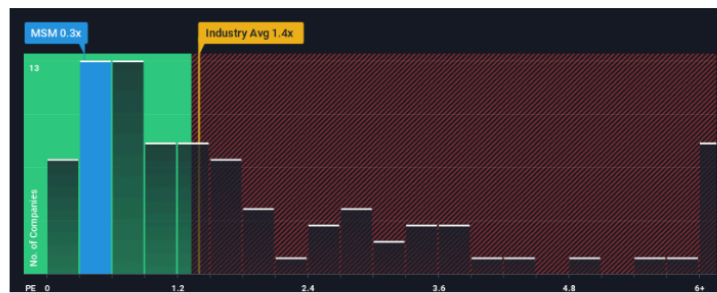
 Simply Wall St



Unfortunately for some shareholders, the **MSM Malaysia Holdings Berhad** ([KLSE:MSM](#)) share price has dived 26% in the last thirty days, prolonging recent pain. Looking at the bigger picture, even after this poor month the stock is up 52% in the last year.

In spite of the heavy fall in price, considering around half the companies operating in Malaysia's Food industry have price-to-sales ratios (or "P/S") above 1.4x, you may still consider MSM Malaysia Holdings Berhad as an solid investment opportunity with its 0.3x P/S ratio. Nonetheless, we'd need to dig a little deeper to determine if there is a rational basis for the reduced P/S.

[Check out our latest analysis for MSM Malaysia Holdings Berhad](#)



KLSE:MSM Price to Sales Ratio vs Industry August 19th 2024

How Has MSM Malaysia Holdings Berhad Performed Recently?

MSM Malaysia Holdings Berhad certainly has been doing a good job lately as its revenue growth has been positive while most other companies have been seeing their revenue go backwards. One possibility is that the P/S ratio is low because investors think the company's revenue is going to fall away like everyone else's soon. If you like the company, you'd be hoping this isn't the case so that you could potentially pick up some stock while it's out of favour.

If you'd like to see what analysts are forecasting going forward, you should check out our [free report on MSM Malaysia Holdings Berhad](#).

How Is MSM Malaysia Holdings Berhad's Revenue Growth Trending?

There's an inherent assumption that a company should underperform the industry for P/S ratios like MSM Malaysia Holdings Berhad's to be considered reasonable.

If we review the last year of revenue growth, the company posted a terrific increase of 33%. Pleasingly, revenue has also lifted 56% in aggregate from three years ago, thanks to the last 12 months of growth. Therefore, it's fair to say the revenue growth recently has been superb for the company.

Turning to the outlook, the next year should generate growth of 22% as estimated by the two analysts watching the company. With the industry only predicted to deliver 6.8%, the company is positioned for a stronger revenue result.

With this in consideration, we find it intriguing that MSM Malaysia Holdings Berhad's P/S sits behind most of its industry peers. It looks like most investors are not convinced at all that the company can achieve future growth expectations.

The Key Takeaway

The southerly movements of MSM Malaysia Holdings Berhad's shares means its P/S is now sitting at a pretty low level. We'd say the price-to-sales ratio's power isn't primarily as a valuation instrument but rather to gauge current investor sentiment and future expectations.

MSM Malaysia Holdings Berhad's analyst forecasts revealed that its superior revenue outlook isn't contributing to its P/S anywhere near as much as we would have predicted. The reason for this depressed P/S could potentially be found in the risks the market is pricing in. While the possibility of the share price plunging seems unlikely due to the high growth forecasted for the company, the market does appear to have some hesitation.

Plus, you should also learn about these **2 warning signs we've spotted with MSM Malaysia Holdings Berhad** (including 1 which is a bit unpleasant).

If these **risks are making you reconsider your opinion on MSM Malaysia Holdings Berhad**, explore **our interactive list of high quality stocks** to get an idea of what else is out there.

HEADLINE	MSM Malaysia Holdings Berhad (KLSE:MSM) Might Not Be As Mispriced As It Looks After Plunging 26%
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