

MSM Records Q2FY24 Loss Of RM32 Million

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MSM Malaysia Holdings Berhad recorded a loss before tax (LBT) of RM32 million for the second quarter (2Q) of the financial year ending December 2024 (FY2024), which it said was impacted by higher operating costs and lower non-operational gains compared to LBT recorded in the same quarter last year (2QFY2023) of RM14 million.

The Group recorded total revenue of RM833.08 million in this quarter, which is RM86.85 million or 11.6% higher compared to the same quarter last year of RM746.23 million. This is due to higher average selling price and incentive received for certain packed sugar sold in the domestic market despite lower sales volume

For YoY, the group recorded total revenue of RM1,739.69 million for the period ended 30 June 2024, which is RM405.07 million or 30.4% higher compared to last year of RM1,334.62 million. The increase is due to higher overall average selling price and sales volume, as well as incentive received for certain packed sugar sold in domestic market. It recorded profit after tax (PAT) of RM9.32 million compared to LAT of RM56.69 million in previous corresponding period. The profit is attributable to improved margin from higher average selling price and better capacity utilisation

MSM said it maintains a profitable outlook for the year after achieving a higher utilisation factor (UF) of 50 percent in 2QFY2024 compared to 48 percent in 2QFY2023. Additionally, there was an improvement in efficiency yield, reaching 95.6 percent in 2QFY2024, up from 94.9 percent in 2QFY2023.

However, MSM said the production cost increased by 14 percent driven by 12 percent higher NY 11, 18 percent freight cost and 5 percent higher foreign exchange, despite lower refining cost following an improved UF.

MSM Group Chief Executive Officer, Syed Feizal Syed Mohammad said, “The sugar industry continues to face with elevated input costs, driven by persistently high global freight and natural gas prices. Moreover, raw sugar price is volatile mainly due to fluctuating global production volume”.

“Amidst these challenges, the Group remains committed to strengthening our domestic sales while also enhancing our efforts in export markets till date to 20 countries,” Syed Feizal added.

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