



## MSM makes big turnaround with RM42mil Q1 net profit

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The higher profit is due to improved margins despite a 15% increase in production costs, driven by higher NY11 prices, freight costs, and foreign exchange.



*MSM Malaysia Holdings Bhd's Q1 2024 revenue has increased by 54% to RM906.61 million, attributed to higher sales volume, average selling prices, and incentives. (MSM Malaysia plc)*

**PETALING JAYA:** MSM Malaysia Holdings Bhd's net profit for the first quarter ended March 31, 2024 (Q1 2024) hit RM41.71 million from a net loss of RM35.88 million in the same quarter a year ago.

Revenue increased 54% to RM906.61 million from RM588.39 million previously.

The producer of the leading national refined sugar brand 'Gula Prai' said in a statement today that the higher profit was from improved margins despite higher production cost which had increased by 15% driven by higher NY11 prices, freight cost, and foreign exchange.

MSM also noted that the higher revenue growth was attributable to higher overall sales volume, increased average selling prices and incentives received for certain packaged sugar sold in the domestic market.

The company also shared that it achieved a higher utilisation factor (UF) of 52% in Q1 2024, compared to 42% in Q1 2023 and additionally, there was an improvement in efficiency yield, reaching 96.3% in the quarter under review, up from 94.2% in the same quarter last year.

Group CEO Syed Feizal Syed Mohammad noted that MSM had recorded a profit for two consecutive quarters, although the sugar industry continues to grapple with prolonged high input costs, with freight rates remaining volatile, further exacerbated by the Red Sea crisis since Q1 2024.

"Natural gas costs also remain elevated, and raw sugar imports are impacted by the weak ringgit.

"However, raw sugar prices are at slightly lower levels due to improved production forecasts from Brazil," he said.

Nevertheless, he said the raw sugar cost remains much higher than the once-manageable levels of below US\$0.15 (RM0.70) per pound.

"Hence, there is a need to ensure the sugar industry remains sustainable to secure the nation's consumption," he said.

Amid these challenges, he said the group remained focused on expanding its domestic market share by widening market channels, increasing industry outreach, and enhancing consumer reach points, leveraging steady demand.

Syed Feizal said MSM is also actively expanding its export market from the present 17 countries to 25 countries beyond Asia-Pacific and South Asia into Africa, Europe, and North America.

"The growth in the export segment aligns with our strategic initiative to optimise the headroom capacity of MSM Johor refinery and enhance overall group production volume.

"Our export revenues were over RM630 million last year with steady year-on-year growth," he added.

As at 5pm, MSM's share price was down by 0.25 sen or 8.39% at RM2.73, giving the group a market capitalisation of RM1.92 billion.

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