

NEW
STRAITS TIMES

MSM Malaysia Holdings returns to the black in Q1, posts RM41.7m net profit

By [Diyana Isamudin](#) - May 23, 2024 @ 3:18pm



MSM Malaysia Holdings Bhd (MSM) returned to the black with a net profit of RM41.7 million for the first quarter (Q1)

KUALA LUMPUR: MSM Malaysia Holdings Bhd (MSM) returned to the black with a net profit of RM41.7 million for the first quarter (Q1) ended 31 March 2024 on the back of improved margins, despite higher production cost.

It posted a net loss of RM35.88 million a year earlier.

This marks its second consecutive quarter of profit.

The refined sugar producer also saw its revenue increase by 54 per cent to RM906.6 million in Q1 2024 compared to RM588 million last year.

This was driven by higher overall sales volume, increased average selling prices, and incentives received for certain packaged sugar sold in the domestic market.

Although it recorded a profit for two consecutive quarters, MSM group chief executive officer Syed Feizal Syed Mohammad said the sugar industry continues to grapple with prolonged high input costs, with freight rates remaining volatile, further exacerbated by the Red Sea crisis.

He added that natural gas costs also remain elevated, with raw sugar imports impacted by the weak ringgit.

This is despite raw sugar prices coming off slightly due to improved production forecasts from Brazil.

"Nevertheless, the raw sugar cost remains much higher than once manageable levels of below US\$0.15 per pound and hence, there is a need to ensure the joint sugar industry remains sustainable to secure the nation's consumption," said Syed Feizal in a statement today.

Amidst these challenges, he stressed that the company remains focused on expanding its domestic market share to tap the steady demand, by widening market channels, increasing industry outreach, and enhancing consumer reach points.

He said the company is also actively expanding its export market from 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 production volume. "Our export revenues were over RM630 million last year with steady year-on-year growth," Syed Feizal added.

| | |
|----------|---|
| HEADLINE | MSM Malaysia Holdings returns to the black in Q1, posts RM41.7m net profit |
| MEDIA | New Straits Times - Online |
| DATE | 23 May 2024 , 3:18pm |
| BY | Diyana Isamudin |
| LINK | https://www.nst.com.my/business/corporate/2024/05/1054339/msm-malaysia-holdings-returns-black-q1-posts-rm417m-net-profit |