

May 13, 2015 | 0

MSM MALAYSIA HOLDINGS BHD (-ve)

MSM (Fundamental: 2.8/3, Valuation: 1.4/3) was picked by our momentum algorithm for the fourth time this year as volume traded jumped to a one-year high of 2.04 million shares. The stock closed unchanged at RM5.22 yesterday.

Last Friday, MSM announced a final dividend of 14 sen per share (ex-entitlement on June 16), bringing total dividends for 2014 to 24 sen or a net yield of 4.6%. It has a minimum 50% dividend payout policy.

For 2014, sales rose 3.6% to RM2.3 billion while net profit increased 0.9% to RM257.0 million.

MSM is Malaysia's largest refined sugar supplier with 64% share of the domestic market. The company produced a record 986,115 tonnes of refined sugar products last year, up 5.1% from 2013.

It has a solid balance sheet with net cash of RM221.6 million. ROE ranged from 11.8-14.1% between 2012 and 2014.

The stock is trading at a trailing 12-month P/E of 14.2 times and 1.88 times book.



Valuation score*	1.40
Fundamental score**	2.80
TTM P/E (x)	14.22
TTM PEG (x)	11.01
P/NAV (x)	1.89
TTM Dividend yield (%)	4.60
Market capitalisation (mil)	3,669.56
Shares outstanding (ex-treasury) mil	702.98
Beta	0.07
12-month price range	4.61-5.22

*Valuation score - Composite measure of historical return & valuation

**Fundamental score - Composite measure of balance sheet strength & profitability

Note: A score of 3.0 is the best to have and 0.0 is the worst to have

MSM MALAYSIA HOLDINGS BHD (ALL FIGURES IN MYR MIL)	FY11 31/12/2011	FY12 31/12/2012	FY13 31/12/2013	FY2014Q4 31/12/2014
Financials				
Turnover	2,299.6	2,301.3	2,202.5	628.1
EBITDA	402.3	323.8	391.0	124.5
Interest expense	12.3	11.0	4.9	2.7
Pre-tax profit	359.4	285.2	358.9	104.8
Net profit - owners of company	263.4	202.0	254.7	75.0
Fixed assets - PPE	407.8	399.2	445.7	474.8
Total assets	1,774.1	1,830.9	1,935.9	2,021.2
Shareholders' fund	1,680.7	1,749.1	1,856.2	1,944.5
Gross borrowings	288.3	461.0	29.0	248.4
Net debt/(cash)	(239.7)	(133.6)	(238.2)	(221.6)

MSM MALAYSIA HOLDINGS BHD RATIOS	FY11 31/12/2011	FY12 31/12/2012	FY13 31/12/2013	ROLLING 12-MTH
DPS (MYR)	0.19	0.19	0.24	0.24
Net asset per share (MYR)	2.39	2.49	2.64	2.77
ROE (%)	-	11.78	14.13	13.75
Turnover growth (%)	-	0.08	(4.29)	3.59
Net profit growth (%)	-	(23.30)	26.06	1.29
Net margin (%)	11.45	8.78	11.56	11.31
ROA (%)	-	11.21	13.52	13.19
Current ratio (x)	3.10	2.48	4.43	2.72
Gearing (%)	-	-	-	-
Interest cover (x)	32.70	29.30	79.89	102.79

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