

## **MSM BOLSTERS TURNAROUND MOMENTUM, REVENUE REBOUNDS 22% & NET LOSS NARROWS BY 76% FOR FY2020**

**KUALA LUMPUR, FEBRUARY 25, 2021** – Financial year ended 31 December 2020 (FY2020) remarked a positive milestone for MSM Malaysia Holdings Berhad (MSM) in its turnaround journey after eight consecutive quarterly losses on the back of improved production cost, higher volume and premium. MSM posted a total revenue of RM 630.33 million for 4Q 2020, 22% higher compared to RM 516.04 million in 4Q 2019. Progressively, the Group reported 76% lower Net Loss (LAT) of RM 71.23 million for 12M 2020 compared to RM 299.77 million in the same period for FY2019. However, the Group recorded a Net Profit (PAT) from continuing operations of RM3.86 million in 12M 2020.

The lower LAT were partially contributed by higher gross profit margin of 7% for the year under review as a result of lower raw sugar and refining cost. Respectively, the refining cost reduced by 3% against the prior year due to better Utilisation Rate (UF) and yield, mainly attributable to the substantial progress of MSM Sugar Refinery (Johor) Sdn Bhd (MSM Johor) which recorded an increase in yield from 88% to 90%, and improved UF from 18% to 23%.

The newly appointed MSM Group Chief Executive Officer, Syed Feizal Syed Mohammad said, “The Group’s capacity rationalization’s effort through cessation of our operation in MSM Perlis and consolidation of operations in the new refinery, MSM Johor has subsequently reduced our refining cost and improved our capacity utilisation (UF) rate. Further initiatives were implemented to stabilize MSM Johor with the installation of the new product facilities. The expansion of our business segments for export market has also broadened our market presence and diversified our revenue stream.”

The execution of key strategies managed to maintain our business perseverance throughout the year and resulted in the financial recovery for every quarter. Significantly, the Group registered a PAT of RM 56.24 million for 4Q 2020 compared to a LAT of RM 40.28 million in 4Q 2019.

Higher premium has increased the export refined sugar volume by almost fourfold in Q4 2020 against the same corresponding period last year. In addition, the sales volume for export refined sugar and new export products including liquid sugar, fine syrup and premix



has contributed to an increase in revenue of more than RM 100 million. However, the declining demand and limitation of business operations hours due to the movement restriction orders, has affected the domestic sales volume by 9%, compared to the same quarter last year. Nevertheless, the Group's overall profitability continues to be deterred by impairment adjustment in relations to its non-core plantation operations.

"During the year, MSM made a good stride on executing the planned key strategies. The steady improvement every quarter for the year has marked a sign of recovery for the Group. As we continue our turnaround journey, MSM will continue to staying resilient in order for us to remain competitive and ensuring stable financial performance for the Group. Our business and operational strategies will be further solidified through continuous production optimisation, enhanced marketing and organizational transformation to address the existing market challenges as well as opportunities and industry outlooks," added Syed Feizal.

Moving forward, "Gula Prai" as the national flagship brand, amongst leading global sugar producers, will hone focus in the execution of its strategic roadmap as outlined in the business plan which cantered around the turnaround journey through assets optimisation, staying resilient with strengthened income stream and building integration for sustainable performance.

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### **About MSM Malaysia Holdings Berhad (MSM)**

MSM Malaysia Holdings Berhad (MSM) is Malaysia's leading refined sugar producer and one of the biggest sugar refiner in Asia. MSM is involved in producing, marketing and selling refined sugar products under the "Gula Prai" brand. The company conducts its business principally through two operating subsidiaries, MSM Prai Berhad and MSM Sugar Refinery (Johor) Sdn Bhd. In addition, MSM also operates a logistics company – MSM Logistics Sdn Bhd.

At present, MSM's annual production capacity is up to 2.05 million tonnes of refined sugar. In 2020, MSM produced 1,010,215 tonnes of refined sugar, of which 270,628 tonnes are catered for the export market. Currently, MSM corroborates up to 61% of the domestic market share. MSM has been listed on the Main Market of Bursa Malaysia since 2011 and has a market capitalisation of RM 401 million as at 31 December 2020. MSM combines economic success with environmental protection and social responsibility for a sustainable future.

MSM offers a variety of products ranging from white refined sugar of various grain sizes to soft brown sugar. These are marketed and sold in a variety of packaging options under its flagship brand - Gula Prai. MSM also sells molasses, a by-product of the refining process, to distilleries and producers of ethanol, animal feed and yeast, among other products. Aside from household consumers, MSM sells to a wide range of customers in Malaysia and in other countries directly and indirectly through traders, wholesalers and distributors. Its customers include major companies in the beverage and confectionery industries, hotels, restaurants and food outlets.

For more information, please visit [www.msmsugar.com](http://www.msmsugar.com)

### **Forward Looking Statements**

Certain statements in this media release regarding MSM's operations may constitute forward-looking statements. These statements can be identified by key words such as "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "plans", "outlook" and other words of similar meaning in connection with a discussion of future operating or financial performance. These statements relate to the plans, objectives, goals, strategies, future operations and performance of MSM. Actual results and outcomes may differ materially from those projected in any forward looking statements due to various events, risks, uncertainties and other factors. We neither intend to nor assume any obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

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