

**MEDIA RELEASE**  
For Immediate Release**MSM REMAINED RESILIENT DESPITE THE PRESSURES OF  
HIGH INPUT COSTS**

Two consecutive quarterly profits strengthening performance and enabling growth in greater export markets and value-added products

**KUALA LUMPUR, JUNE 6, 2024** – MSM Malaysia Holdings Berhad (MSM), the producer of the national refined sugar brand "Gula Prai", has demonstrated encouraging resilience with a strong financial performance in both the fourth quarter of 2023 and the first quarter of 2024. Despite encountering challenges inherent in the local sugar industry's economic landscape, MSM has sustained notable profitability. This success can be attributed to the government's sugar industry incentives, which have played a necessary role in stabilizing the sector in addressing the anomaly in low consumer retail prices and supporting the local sugar industry.

Although MSM recorded a profit for two consecutive quarters, the sugar industry continues to face high input costs of raw sugar and with freight rates remaining volatile, further exacerbated by the Red Sea crisis since 1Q2024. Natural gas costs also remain elevated, and raw sugar imports are impacted by the stronger US Dollar against the Ringgit.

MSM Group Chief Executive Officer, Syed Feizal Syed Mohammad said "Comparing 2023 with 2022, we recorded a 15% increase in production costs due to higher raw sugar prices and the depreciation of the Ringgit. Additionally, the cost of natural gas, essential for generating steam in the refining process—accounting for approximately 40% of our refining expenses, surged by 15%. As previously highlighted, the spike in natural gas prices in 2023 has propelled refining costs upwards, resulting in a significant overall cost escalation for the Group."

MSM underscored its commitment to operational efficiency and growth, particularly in MSM Sugar Refinery (Johor) Sdn Bhd (MSM Johor). The utilization factor (UF) has seen significant improvement, aligning closely with efficiency targets. The Group reaffirmed its ongoing commitment to a ramp-up programme aimed at further boosting productivity and lowering unit costs.



“In 2023, we produced over 992,000 metric tonnes with a capacity utilisation of 48% for the Group. Breaking that down by refinery, MSM Johor refinery’s capacity utilisation of 22%, an improvement from 17% in 2022. While at MSM Prai, the capacity utilization was 73% in 2023,” he said during MSM 13th Annual General Meeting press conference today.

In 2023, MSM successfully exported to the top five markets: the Philippines, China, Singapore, Indonesia, and Vietnam. Beyond these key destinations, MSM also maintained export relationships with countries such as South Korea, Hong Kong, New Zealand, Taiwan, and Pakistan, among others. MSM aims to expand its market reach extending beyond Asia Pacific and South Asia into Africa, aligning with its vision of greater global market penetration and diversification.

Looking ahead, MSM aims to explore upstream integration, with plans to secure raw sugar sustainably to meet long-term operational demands. This initiative highlights the company’s dedication to ensuring a stable supply chain and driving sustainable business practices. MSM is also focused on downstream value-added products such as liquid sugar and premix, aiming to capitalize on market demand and enhance revenue streams. As of June 2024, MSM has reported a significant increase in market capitalization, accompanied by share price growth registering 94.7% gain in 2023 and 59% gain from the start of this year based on yesterday’s closing price RM2.56. These figures reflect a strong level of investor confidence in the company.

For FY2023, MSM recorded a significantly narrowed LBT of RM28 million compared to LBT of RM179 million for FY2022. Revenue for FY2023 increased to RM3.09 billion, a 20% rise from RM2.57 billion for FY2022.

MSM recorded a profit before tax (PBT) of RM66 million for the first quarter (1Q) of the financial year ending December 2024 (FY2024), compared to loss before tax (LBT) recorded in the same quarter last year (1QFY2023) of RM33 million, from improved margins, despite higher production cost. The results represented two consecutive quarters of profitability with RM53 million (PBT) for 4QFY2023. The Group also faces production cost which has increased by 15% driven by higher NY11, freight cost and foreign exchange. Revenue for 1QFY2024 rose to RM907 million, 54% higher compared to RM588 million for 1QFY2023. This growth was attributable to higher overall sales volume, increased average selling prices, and incentives received for certain packaged sugar sold in the domestic market.

As of December 18, 2023, MSM is listed on the FTSE4Good Bursa Malaysia Index (F4GBM) and FTSE4GOOD Bursa Malaysia Shariah (F4GBMS), having heightened its Environmental, Social and Governance (ESG) initiatives recognised by FTSE Russell UK rating threshold.



Since 1964, MSM has firmly established itself as a leading national sugar refinery and ranks among the top ten refiners globally. MSM's growth is underpinned by a robust ESG framework fully integrated into the business and operations. MSM continues to navigate dynamic market landscapes and pursue strategic growth avenues. The company remains steadfast in its commitment to delivering long-term value to stakeholders, driving operational excellence, and contributing to sustainable economic development.

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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 refiners 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 2023, MSM produced 992,000 tonnes of refined sugar, of which 242,077 tonnes are catered for the export market. Currently, MSM corroborates up to 60% of the domestic market share. MSM has been listed on the Main Market of Bursa Malaysia since 2011 and has a market capitalisation of RM2.24 billion as of 22 April 2024. 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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