

MEDIA RELEASE
For Immediate Release**MSM RETURN TO THE BLACK WITH A PROFIT BEFORE TAX
OF RM53 MIL FOR 4QFY2023**

40 percent increase in revenue of RM950 million for 4QFY2023

KUALA LUMPUR, FEBRUARY 22, 2024 – MSM Malaysia Holdings Berhad (MSM), the producer of the leading national refined sugar brand "Gula Prai", recorded a profit before tax (PBT) of RM53 million for the fourth quarter (4Q) of the financial year ending December 2023 (FY2023), compared to loss before tax (LBT) recorded in the same quarter last year (4QFY2022) of RM47 million, attributable to improved margins and higher capacity utilisation, despite higher production cost.

Production cost increased by 17 percent driven by higher NY11 (18 percent), freight cost (18 percent) and foreign exchange (5 percent). Revenue for 4QFY2023 rose to RM950 million, 40 percent higher versus RM678 million for 4QFY2022, attributable to the 27 percent higher Average Selling Price (ASP) and 11 percent higher sales volume, mainly contributed by 48 percent increase in Export segment.

The Group recorded higher utilisation factor (UF) of 52 percent in 4QFY2023 compared to the 4QFY2022 of 49 percent and slight improvement in efficiency yield to 95.3 percent in 4QFY2023 compared to 95.1 percent in 4QFY2022.

MSM Group Chief Executive Officer, Syed Feizal Syed Mohammad said, "MSM profitability is a result of stronger operational performance driving cost efficiencies as targeted. In addition to MSM Prai sustainable performance, MSM Johor recorded a historic profit for the first time in 4QFY2023, signifying a significant milestone since its commercialisation on 1 April 2019. Reliability and enhanced process improvement will be MSM Johor focus for 2024 and we are optimistic for its future ahead with stronger performance and higher commercial sales with the ramp-up programme."

For the 12 months (12M) FY2023, MSM recorded a lower LBT of RM28 million compared to LBT of RM179 million in the corresponding period last year. Revenue for 12MFY2023 increased to RM3.09 billion, a 20 percent rise from RM2.57 billion in the same period last year. The increase in revenue are attributable to the 19 percent higher ASP and 4 percent higher sales volume. Included in revenue is sales of Premium Gula Super and industry incentive received from the Government. Production cost in the year has increased due to 14 percent higher NY11, 5 percent higher USD/MYR rate, and 15 percent higher gas rate.



“The Joint Sugar Industry is engaging with the Government to finalise a sustainable pricing mechanism for the domestic retail segment in ensuring food security and economic sustainability of the local sugar industry. Supply to wholesale and retail of the consumer segment made up of 40 percent of MSM business and the Joint Sugar Industry has requested for an imminent address of the anomaly in sugar retail price of which presently is the lowest in the region. Indonesia recently increased retail prices to approximately RM 5.80/kg from RM 4.50/kg due to input costs pressures and Philippines retail at an average of RM 8.50/kg,” said Syed Feizal.

“We will continue to expand our domestic and export markets amidst stronger demand in China, Indonesia and Vietnam and explore other regional market opportunities including hypergrowth economic regions such as Africa due to the rising global sugar deficit. Climate change has caused poor crop production and industry recovery in production to meet demand will take time. The growth in export segment is in alignment with our initiative in further optimising the utilisation of our sugar refineries. However, the Group is closely monitoring risks associated with heightening geopolitical tension which may affect the prices of our key input costs and impede our financial performance. Appropriate measures are taken accordingly in risk mitigation,” Syed Feizal added.

MSM also concluded 2023 notably by being listed on the FTSE4Good Bursa Malaysia Index (F4GBM) and FTSE4GOOD Bursa Malaysia Shariah (F4GBMS) for the first time, having heightened its Environmental, Social and Governance (ESG) initiatives recognised by Russell FTSE UK rating threshold. “MSM strongly adopts Sustainability as core to its business practices and performance outcomes for the betterment of society as a whole,” said Syed Feizal.

Since 1964, MSM has firmly established itself as a leading national sugar refinery and amongst top 10 refiners in the world exporting to 17 countries till date, providing high-quality refined sugar products to ensure Malaysia's food security. MSM's growth has Sustainability through a step-up ESG framework fully embedded in business and operations. MSM has achieved circular economy in its waste to green initiatives and are actively reducing its carbon footprint as the 10th corporate in Malaysia subscribing to SBTi and Net Zero ambitions under UN Global Compact.

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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 2022, MSM produced 946,834 tonnes of refined sugar, of which 230,903 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 RM598 million as at 30 December 2022. 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

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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