

MEDIA RELEASE
For Immediate Release**MSM RECORDED A PROFIT BEFORE TAX OF RM66 MIL FOR
1QFY2024**

Remains cautious on higher production cost

KUALA LUMPUR, MAY 23, 2024 – MSM Malaysia Holdings Berhad (MSM), the producer of the leading national refined sugar brand "Gula Prai", 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.

Production cost increased by 15 percent driven by higher NY11, freight cost and foreign exchange. Revenue for 1QFY2024 rose to RM907 million, a 54 percent 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.

The Group achieved a higher utilisation factor (UF) of 52 percent in 1QFY2024, compared to 42 percent in 1QFY2023. Additionally, there was an improvement in efficiency yield, reaching 96.3 percent in 1QFY2024, up from 94.2 percent in 1QFY2023.

MSM Group Chief Executive Officer, Syed Feizal Syed Mohammad said, " I am pleased that MSM recorded a profit for two consecutive quarters, while we can't ignore that the sugar industry continues to grapple with prolonged high input costs, 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 weak Ringgit. However, raw sugar prices are at slightly lower levels due to improved production forecasts from Brazil. Nevertheless, the raw sugar cost remains much higher than once manageable levels of below US 15 cents per pound. Hence, there is a need to ensure the joint sugar industry remains sustainable to secure the nation's consumption," said Syed Feizal.

"Amidst these challenges, the Group remains focused on expanding its domestic market share by widening market channels, increasing industry outreach, and enhancing consumer reach points, leveraging steady demand. We are also actively expanding our export market from present 17 countries increasing 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 optimize the headroom capacity of MSM Johor refinery and enhance overall



Group production volume. Our export revenues were over RM630 million last year with steady year-on-year growth,” Syed Feizal added.

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 Russel FTSE UK rating threshold.

Since 1964, MSM has firmly established itself as a leading national sugar refinery and ranks among the top 10 refiners globally. MSM’s growth is underpinned by a robust ESG framework fully integrated into the business and operations. MSM is advancing a circular economy through its waste-to-green or 4R initiatives and are actively reducing its carbon footprint. MSM aims to achieve carbon neutrality ahead of 2030.

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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 at 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

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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