

MEDIA RELEASE
For Immediate Release**MSM REPORTS RM49.7 MILLION LAT FOR 3QFY2024**
Maintains cautious optimism for full-year performance in the black

KUALA LUMPUR, NOVEMBER 21, 2024 – MSM Malaysia Holdings Berhad (MSM), the producer of the leading national refined sugar brand "Gula Prai", recorded a loss after tax (LAT) of RM49.7 million for the third quarter (3Q) of the financial year ending December 2024 (FY2024), compared to the same quarter last year (3QFY2023) of RM36 million. The setback is attributable to rapid and significant appreciation of Ringgit against USD, resulting in foreign exchange losses recorded in the quarter.

Revenue for 3QFY2024 rose to RM861 million, seven percent higher versus RM807 million for the corresponding quarter last year. For 9M2024 revenue increased to RM2.60 billion, a 21 percent rise from RM2.14 billion in the same period last year. The increase in revenue for 9M2024 are attributable to the seven percent higher sales volume and 14 percent higher Average Selling Price (ASP).

During the year under review, the Group recorded an improvement in Utilisation Factor (UF) which lead to the decrease in refining cost. However, the production cost in the year has increased due to higher NY11, foreign exchange, and freight cost.

"The short-term strengthening of the Ringgit against the US Dollar resulted in a lower translation of US Dollar proceeds into Ringgit largely from our export contracts. Moving forward new measures are put in place to reduce similar impacts. However, a large part of the foreign exchange translation was mark-to-market unrealized losses which is expected to reverse into a positive gain in the 4th quarter," said MSM Group Chief Executive Officer, Syed Feizal Syed Mohammad.

"Currently the sugar industry continues to receive a RM1/kg incentive for Coarse Grain Sugar and Fine Granulated Sugar since November 2023, with MSM entitled to 24,000 MT/month. Compared to the actual production cost, the incentive of RM1/kg is just breakeven to sustain the sugar industry's operation. Capping of sugar price without the present incentive creates a serious anomaly in the economics as explained in Parliament last year of refining losing RM0.88 cents/kg," Syed Feizal added.



“The retail prices of sugar in Malaysia of RM2.85/kg is lowest in the region against other Asian countries. As example, Indonesia refined sugar retails at RM5.80/kg equivalent while Philippines is around RM9.00/kg. We trust that the government will consider and provide the necessary support to finalize a sustainable pricing mechanism for the domestic retail segment in ensuring food security and long-term sustainability of the industry. Moving forward we are optimistic of an improved results in 4th quarter and should finish the year with a much stronger year-on-year performance,” Syed Feizal added.

MSM Gula Prai is proud to celebrate its 60th anniversary this year, marking six decades of unwavering commitment to Malaysia. Since its inception, MSM Gula Prai has played a pivotal role in the nation’s sugar industry, consistently providing safe, high-quality, halal-certified products that have served generations of Malaysians.

MSM Gula Prai has supported both small and large businesses, playing a key role in meeting the diverse needs of the food and beverage (F&B) sector. As the company celebrates this significant milestone, MSM Gula Prai reaffirms its dedication to continuing to serve Malaysia for many more years to come.

Since 1964, MSM has firmly established itself as a leading national sugar refinery and 7th largest refiner in the world exporting to 22 countries, 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 is a FTSE4Good Bursa and Shariah index and ranked 19th for MSWG in Overall Corporate Excellence.

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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



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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