

ANALYST BRIEFING

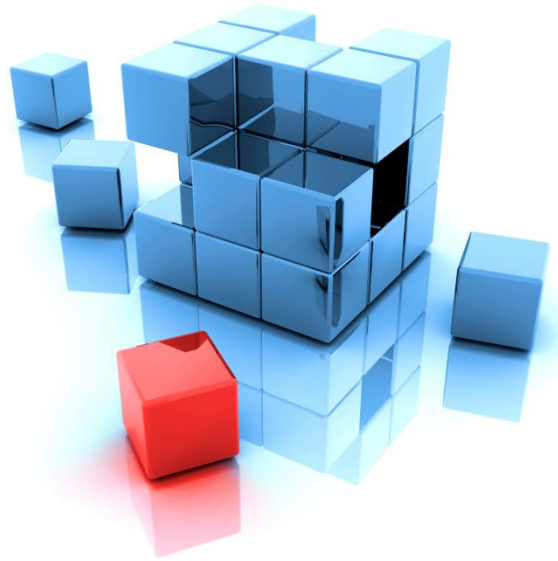
FOR THE FIRST QUARTER 2019

23 MAY 2019

The logo consists of a white triangle with a blue border, containing the letters 'M S M' in blue. The letters are bold and spaced out.

M S M

CONTENTS



01 Group Financial Highlights

02 Performance Review

03 Sugar Market Overview

04 Q&A Session

The logo for MSM (Malaysia Sugar) is a blue triangle with a white border. Inside the triangle, the letters 'M S M' are written in white, bold, sans-serif font. The logo is positioned in the bottom right corner of the slide.

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GROUP FINANCIAL HIGHLIGHTS

FOR THE FIRST QUARTER 2019 RESULTS



FINANCIAL HIGHLIGHTS

| FINANCIAL | | 1Q19 | 1Q18 | Changes % |
|---|----------|---------|---------|-----------|
| Revenue | RM 'mill | 486 | 549 | (11) |
| (Loss)/Profit Before Taxation (LBT)/PBT | RM 'mill | (3) | 21 | (114) |
| Net (Loss)/Profit (LAT)/PAT | RM 'mill | (7) | 16 | (144) |
| Earning/(Loss) per Share (EPS) | sen | (1.00) | 2.25 | (144) |
| | | 1Q19 | 4Q18 | Changes % |
| Total Assets | RM 'mill | 3,620 | 3,653 | (1) |
| Total Liabilities | RM 'mill | 1,667 | 1,690 | (1) |
| Cash and Cash Equivalents | RM 'mill | 156 | 192 | (19) |
| Net Assets per Share | RM/share | 2.78 | 2.79 | (0.4) |
| Gearing Ratio* | % | 42 | 40 | 5 |
| OPERATIONAL | | 1Q19 | 1Q18 | Changes % |
| Sales volume | MT | 224,233 | 222,679 | 0.70 |

* Gearing ratio equals to net debt divided by total capital of the Group. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position). Total capital is calculated as 'equity attributable to owners of the Group' as shown in the consolidated statement of financial position plus the net debt of the Group.



1ST QUARTER PERFORMANCE FOR 2019

MSM

1Q19 PERFORMANCE

| (RM mil) | 1Q19 | 4Q18 | Preceding % | 1Q18 | QoQ% |
|---|--------|---------|-------------|-------|-------|
| Revenue | 486 | 531 | (8) | 549 | (11) |
| GP margin (%) | 5 | 8 | (38) | 10 | (50) |
| Expenses | (489) | (530.5) | (8) | (528) | (7) |
| (Loss)/Profit Before Taxation (LBT)/PBT | (3) | 0.5 | (700) | 21 | (114) |
| Net (Loss)/Profit (LAT)/PAT | (7) | (10) | (30) | 16 | (144) |
| Net (loss)/profit margin (%) | (1.44) | (1.88) | (23) | 2.91 | (149) |
| | | | | | |
| (Loss)/Earning per Share (EPS) (sen) | (1.00) | (1.48) | (32) | 2.25 | (144) |
| Attributable to Shareholders | | | | | |
| - ROE (%) | (0.36) | (0.53) | (32) | 0.82 | (144) |
| - Net Asset per Share (RM/Share) | 2.78 | 2.79 | (0.4) | 2.79 | 0.4 |

PRECEDING

REVENUE The Group recorded a total revenue RM485.62 million in the current quarter compared to the preceding quarter of RM531.13 million due to lower average selling price.

PROFIT AFTER TAX The Group recorded LAT of RM7.06 million for the three months period ended 31 March 2019 compared to the preceding quarter PAT of RM10.39 million. This is mainly due to lower average selling price.

QoQ

REVENUE The Group recorded a total revenue of RM485.62 million quarter on quarter, which is RM63.44 million or 12% lower compared to the same period last year of RM549.06 million. This is due 12% reduction of overall selling price.

PROFIT AFTER TAX The LAT for the three months period ended 31 March 2019 is RM7.06 million, compared to a PAT of RM15.80 million in the corresponding quarter in the previous year. The loss in the current quarter is attributable to lower average selling price and higher refining cost (RM362/mt vs RM324/mt).

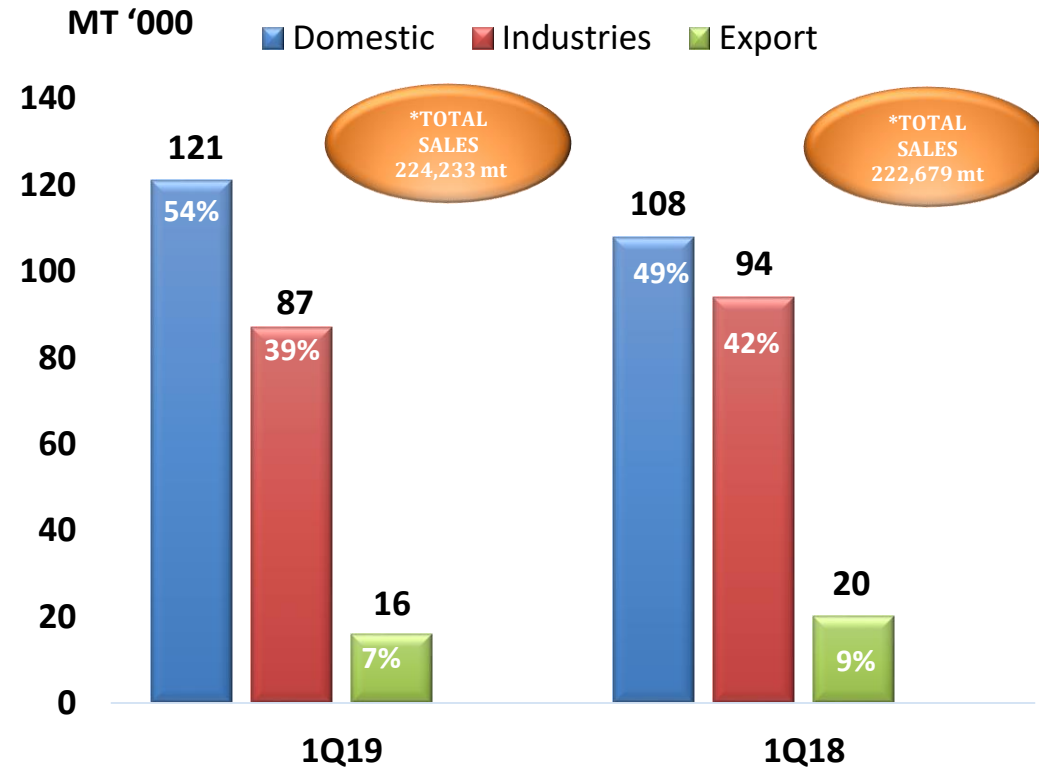
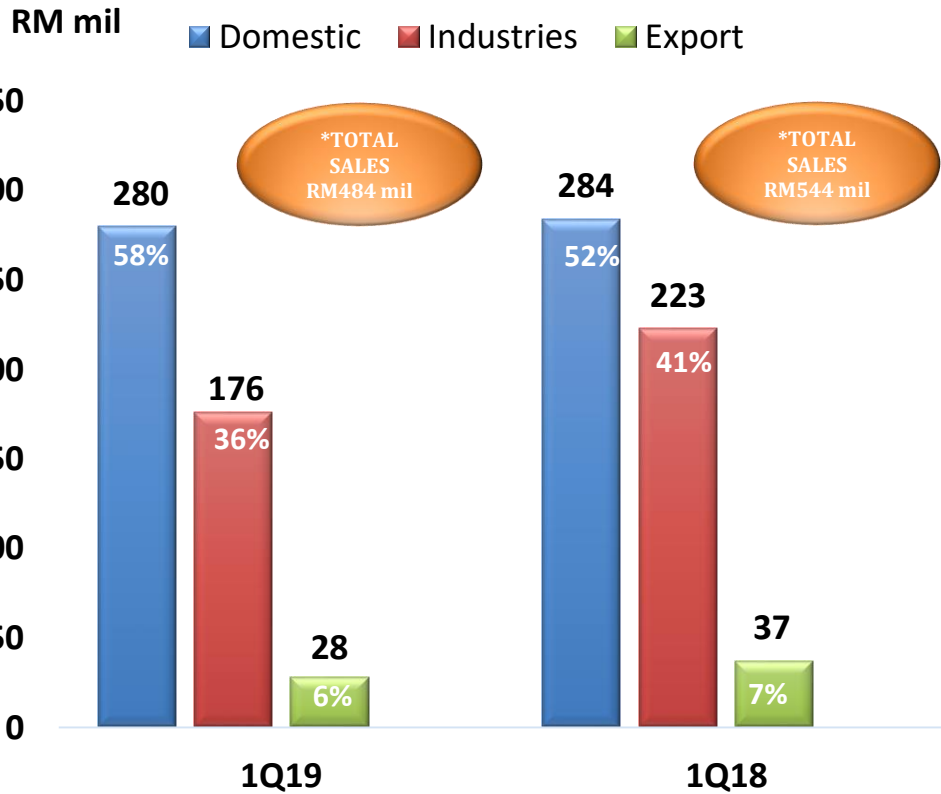


REVIEW OF SALES PERFORMANCE



SALES REVENUE 1Q19 vs 1Q18

SALES VOLUME 1Q19 vs 1Q18



- Total sales revenue of refined sugar was RM484 mil for 1Q19 vs RM544 mil in 1Q18.
- Overall sales revenue decreased due to lower average selling price for all segments.

- Industries and export sales volume were down by 6,712mt and 3,922mt respectively as compared to 1Q18.

* Note:

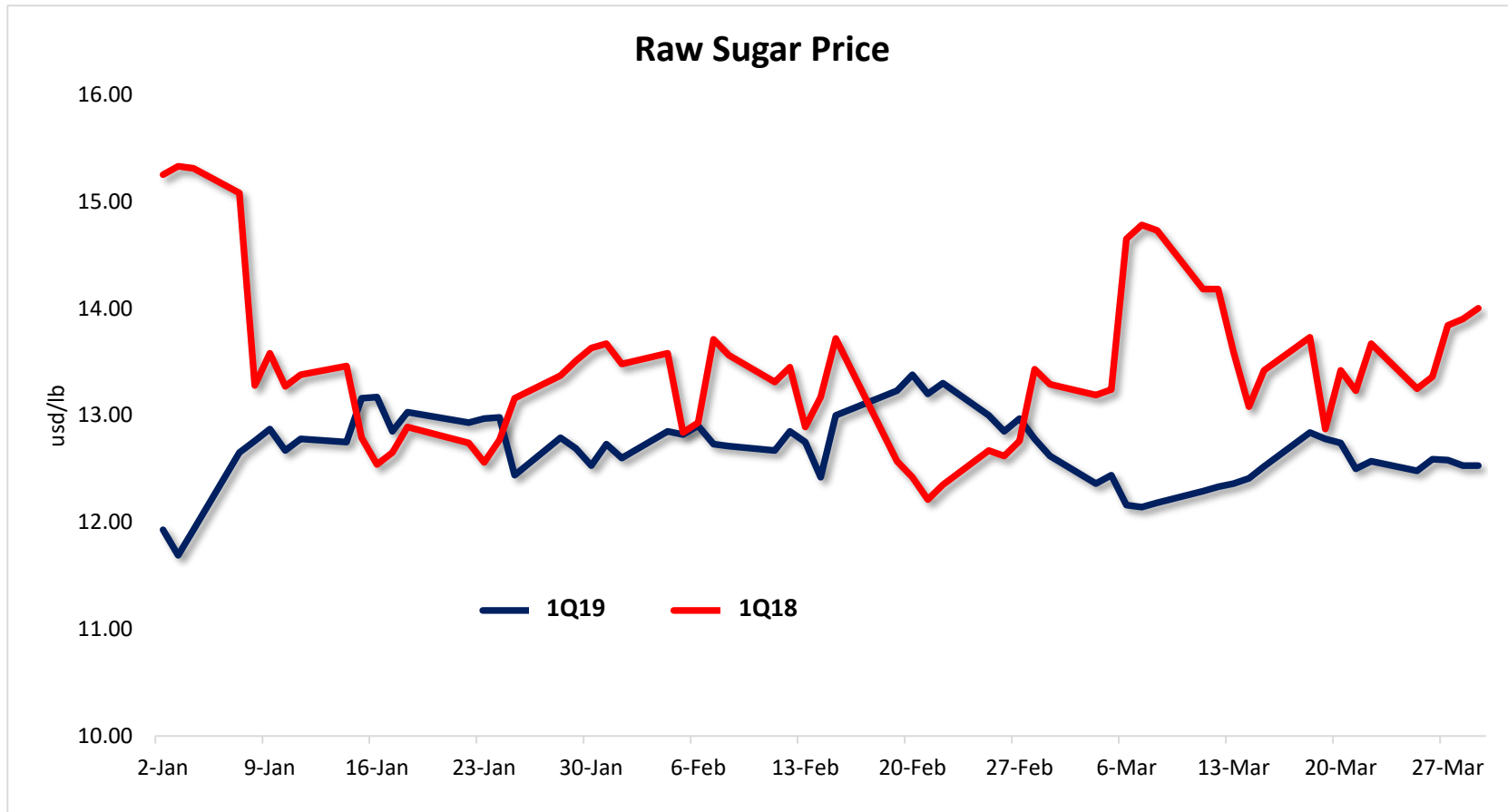
1) Sales figure is AFTER consolidation adjustment 2) The sales figure excludes the sales of molasses



SUGAR MARKET OVERVIEW 2019

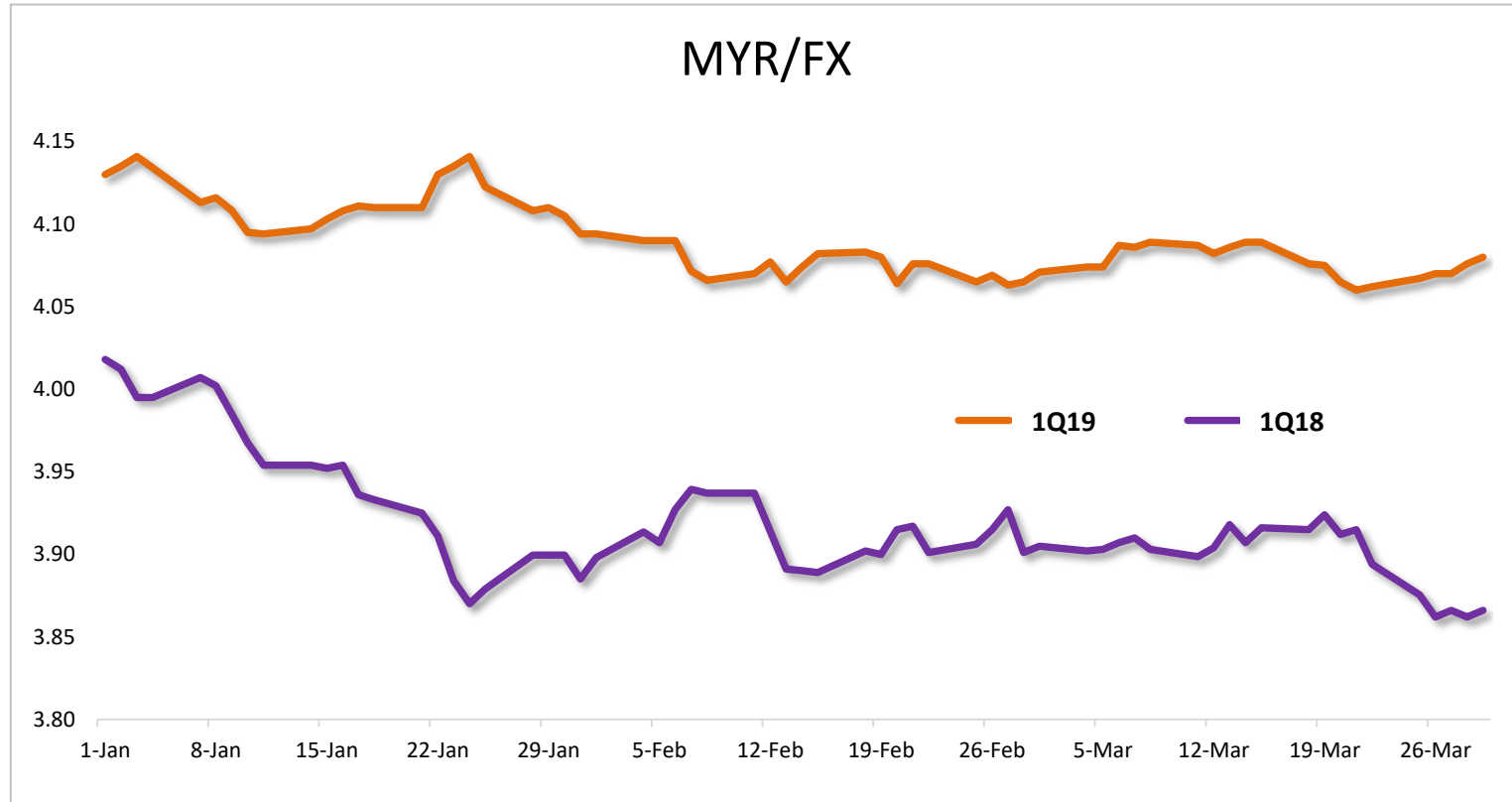
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NY11 PRICE MOVEMENT (1Q19)



| | 1Q19 | 1Q18 | % Change |
|---------------------|-------------|------------|---------------|
| Average NY11 | \$12.68c/lb | \$13.43/lb | -5.58% |

CURRENCY MARKET: MYR TO USD (1Q19)



| | 1Q19 | 1Q18 | % Change |
|----------------|--------|--------|---------------|
| MYR:USD | 4.0910 | 3.9188 | +4.39% |

WORLD SUGAR MARKET – HIGHLIGHTS AND OUTLOOK

- Indian government has increased its sugar production forecast to 32.5 million mt for 2018-19 up from its previous estimate of 31.5 million mt. This is much higher than the consensus in Dubai conference that the country will only produce 28-30 million mt this season.
- Thailand is again set to post a record production with sugar production expected to reach to 14.1 million mt.
- Brazil is somehow providing the support to collapsing prices. Ethanol prices surged recently with sales generating a return equivalent to sugar price of \$15.32c./lb. This should encourage mills to produce more ethanol. CS Brazil production estimate range from 27-29 million mt from last year's 26.5 million mt.
- Cheap white sugar coming especially from India and Thailand have affected white premium which is expected to trade around \$52-58/mt over raws.

THANK YOU

