

ANALYST BRIEFING

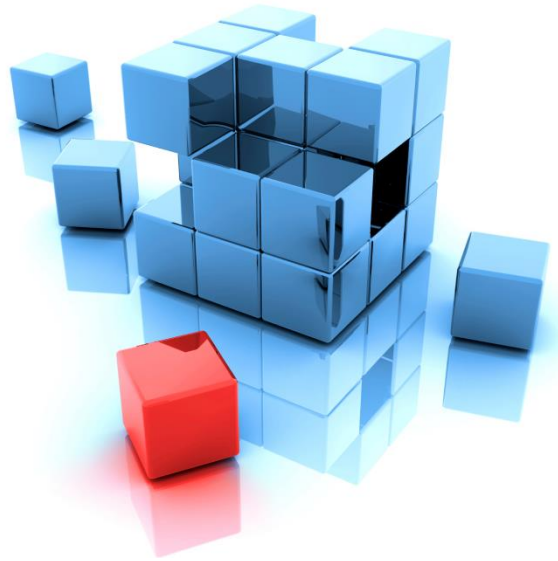
FOR THE FIRST QUARTER 2018

MAY 2018

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

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The logo for MSM (Malaysia Sugar) is located in the bottom right corner. It features a large blue triangle pointing upwards, with a white triangle inside it. The letters 'M S M' are written in blue, bold, sans-serif font across the white triangle.

MSM



GROUP FINANCIAL HIGHLIGHTS

FOR THE FIRST QUARTER 2018 RESULTS

The logo for MSM, featuring the letters 'M', 'S', and 'M' in a bold, blue, sans-serif font, centered within a white triangle that is part of a larger blue triangular graphic on the right side of the slide.

MSM

FINANCIAL HIGHLIGHT

FINANCIAL		1Q 2018	1Q 2017	Changes %	
Revenue	RM 'mill	549	649	(15)	▼
Profit/(Loss) Before Taxation PBT/(LBT)	RM 'mill	21	(40)	153	▲
Net Profit/(Loss) PAT/(LAT)	RM 'mill	16	(35)	146	▲
Total Assets	RM 'mill	3,233	3,298	(2)	▼
Total Liabilities	RM 'mill	1,288	1,341	(4)	▼
Cash and Cash Equivalents	RM 'mill	87	389	(78)	▼
Net Assets per Share	RM/share	2.77	2.78	(0.4)	▼
Earning/(Loss) per Share (EPS)	sen	2.25	(4.93)	146	▲
Gearing Ratio*	%	35	36	(1)	▼
OPERATIONAL					
Sales volume	MT	222,679	238,611	(7)	▼

* 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 2018

MSM

1Q 2018 PERFORMANCE

(RM mil)	1Q 2018	4Q 2017	Preceding %	1Q 2017	QoQ%
Revenue	549	656	(16.31)	649	(15.41)
<i>GP margin</i>	<i>12.56%</i>	<i>7.47%</i>	<i>5.09</i>	<i>0.47%</i>	<i>12.09</i>
Expenses	(635)	(629)	0.95	(689)	(7.84)
Profit/(Loss) Before Tax PBT/(LBT)	21	27	(22.22)	(40)	152.50
Net Profit/(Loss) PAT/(LAT)	16	13	23.08	(35)	145.71
<i>Net (loss)/profit margin</i>	<i>2.91%</i>	<i>1.98%</i>	<i>0.93</i>	<i>(5.39%)</i>	<i>8.30</i>
Earning/(Loss) per Share (EPS)	2.25 sen	1.86 sen	20.97	(4.93) sen	145.64
Attributable to Shareholders					
- ROE	0.82%	0.68%	0.14	(1.77%)	2.59
- Net Asset per Share (RM/Share)	2.77	2.75	0.73	2.78	(0.36)

PRECEDING

REVENUE The Group recorded a total revenue RM549 million in the current quarter compared to the preceding quarter of RM656 million. This is due to decrease in the overall tonnage sold by 10% and lower average selling price.

PROFIT/ (LOSS) AFTER TAX The Group recorded PAT of RM16 million for the three (3) months period ended 31 March 2018 compared to the preceding quarter profit after tax of RM13 million. This is due to a 4% decrease in the average raw sugar cost for the Group compared to the preceding quarter.

QoQ

REVENUE The Group recorded a total revenue of RM549 million quarter on quarter, which is RM100 million or 15.41% lower compared to the same period last year of RM649 million. This is due to 7% reduction in the overall tonnage sold and lower average selling price.

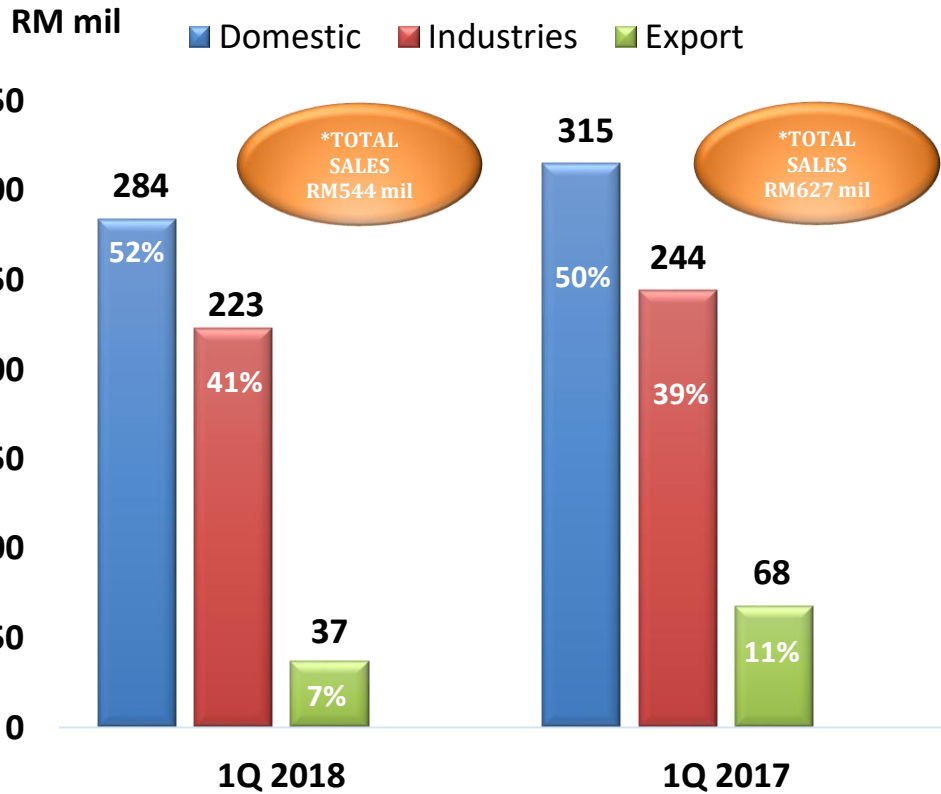
PROFIT AFTER TAX The profit after tax (PAT) for the three (3) months period ended 31 March 2018 is RM16 million, which is RM51 million or 145.71% higher compared to previous corresponding period loss after tax (LAT) of RM35 million due to lower raw material costs and favorable foreign exchange rate.



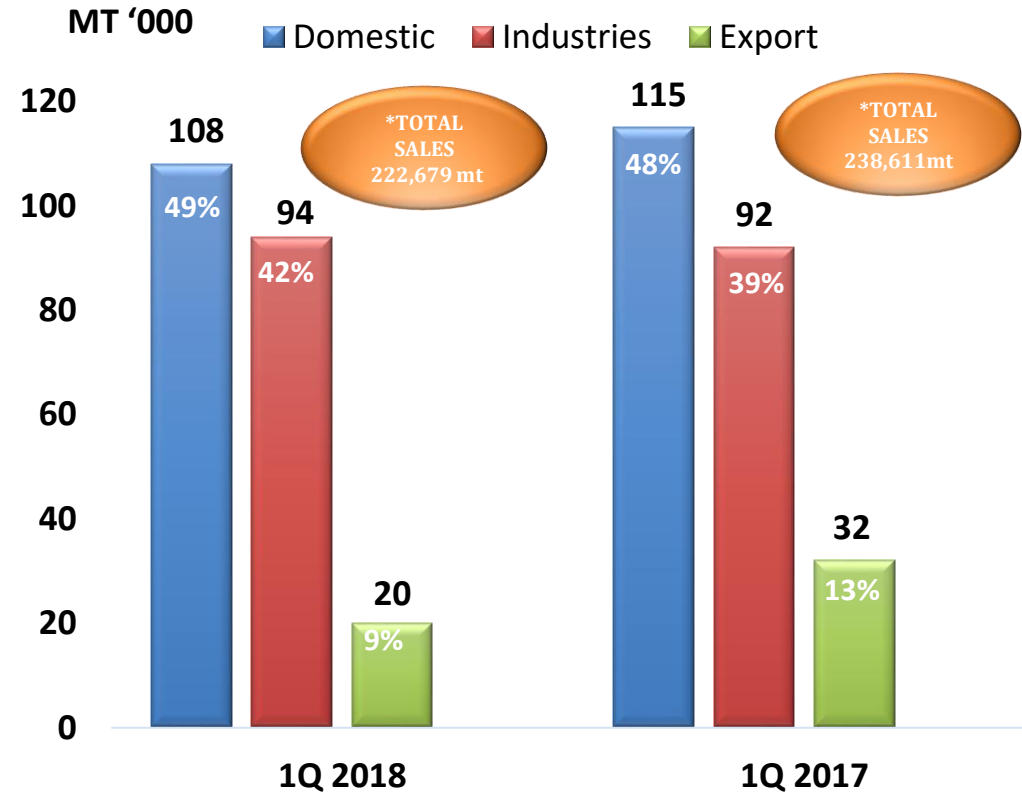
REVIEW OF SALES PERFORMANCE



SALES REVENUE 1Q 2018 vs 1Q 2017



SALES VOLUME 1Q 2018 vs 1Q 2017



- Total sales revenue of refined sugar was RM544 mil for 1Q 2018 vs RM627 mil in 1Q 2017.
- Overall sales revenue decreased due to reduction in the overall tonnage sold for Domestic and Export.

- Domestic sales volume down by 7,000 tons compared to 1Q 2017.

* Note:

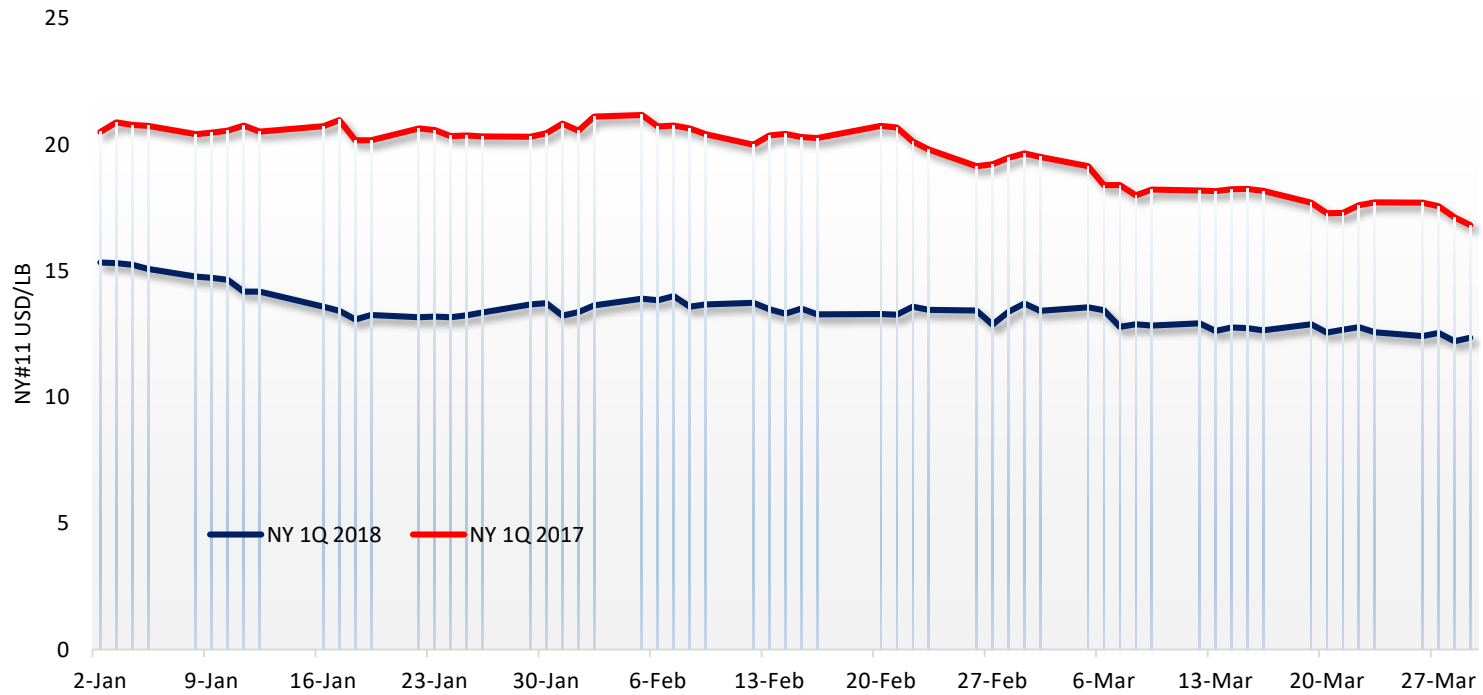
1) Sales figure is AFTER consolidation adjustment 2) The sales figure excludes the sales of molasses



SUGAR MARKET OVERVIEW 2018

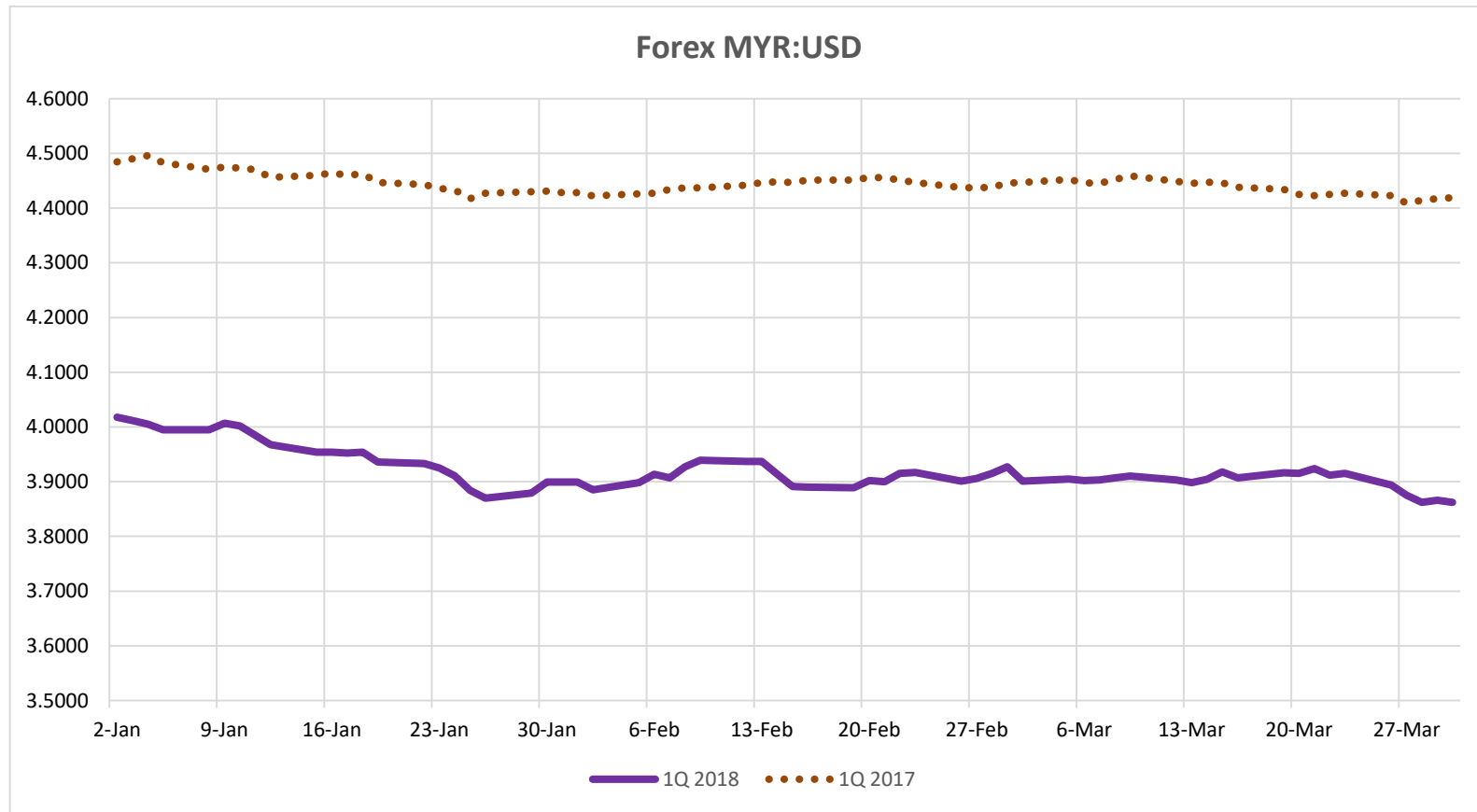


NY11 PRICE MOVEMENT (1Q 2018)



	1Q 2018	1Q 2017	% Change
Average	13.44c/lb	16.76c/lb	-19.80%

CURRENCY MARKET: MYR TO USD (1Q 2018)



On the basis of quarterly comparison i.e. 1Q 2018/1Q 2017, MYR has strengthened against USD by almost 11.71%

WORLD SUGAR MARKET – HIGHLIGHTS AND OUTLOOK

- In 2018 itself global raw sugar prices have declined by almost 23.32% making sugar the worst performer in commodity market.
- After Pakistan, India has also announced subsidy (resulting in \$120/mt for exports) to counter the growing arrears that the mills owe to the farmers which amounts to more than \$2billion.
- Global Sugar Alliance members Australia, Thailand and Brazil are planning to raise the concerns of government subsidy in WTO.
- Until April for 2017-18 season, Thailand has crushed 133.80 million mt of cane and their production hit a record of 14.58 million mt (10.03 million mt in 2016-17), while India has produced 31 million mt a steep higher from last year 20.10 million mt.
- Brazilian Ethanol story is sluggish now as market consensus is that any downfall in Brazilian production will be easily catered by higher production in India and Thailand. Overall the weather will be playing an important role as we are seeing Draught like trend building in Brazil which may lower the surplus for next year.

THANK YOU

