



MSM MALAYSIA HOLDINGS BERHAD

13TH ANNUAL GENERAL MEETING GCEO PRESENTATION

6 June 2024, Thursday



SUSTAINABLE
EXCELLENCE
THROUGH
INTEGRATION

Annual Integrated Report 2023



DISCLAIMER

These materials have been prepared by MSM Malaysia Holdings Berhad (“MSM” or the “Company”) solely for informational purposes, and are strictly confidential and may not be taken away, reproduced or redistributed to any other person. By attending this presentation, participants agree not to remove this document from the conference room where such documents are provided without express written consent from the Company. Participants agree further not to photograph, copy or otherwise reproduce these materials at any point of time during the presentation or while in your possession. By attending this presentation, you are agreeing to be bound by the foregoing restrictions. Any failure to comply with these restrictions may result in a violation of applicable laws and commencement of legal proceedings against you.

It is not the Company’s intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of the Company’s financial position or prospects. The information contained in these materials has not been independently verified and is subject to verification, completion and change without notice. The information contained in these materials is current as of the date hereof and are subject to change without notice, and its accuracy is not guaranteed. The Company is not under any obligation to update or keep current the information contained in these materials subsequent to the date hereof. Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of the Company, or any of its directors and affiliates or any other person, as to, and no reliance should be placed for any purposes whatsoever on, the fairness, accuracy, completeness or correctness of, or any errors or omissions in, the information contained in these materials. Neither the Company, its directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of these materials or their contents or otherwise arising in connection therewith.

These materials contain historical information of the Company which should not be regarded as an indication of future performance or results. These materials may also contain forward looking statements that are, by their nature, subject to significant risks and uncertainties. These forward looking statements reflect the Company’s current views with respect to future events and are not a guarantee of future performance or results. Actual results, performance or achievements of the Company may differ materially from any future results, performance or achievements expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future, and must be read together with such assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of the Company, and the forecast financial performance of the Company is not guaranteed. No reliance should be placed on these forward looking statements, if any.



01

MSM AT A GLANCE

02

GROUP FINANCIAL PERFORMANCE

03

PRODUCT & SALES INITIATIVES

04

STRATEGY IN REVIEW & MOVING FORWARD PLANS

05

ESG JOURNEY



TODAY'S AGENDA





THE YEAR IN REVIEW

In 2023, MSM has remained resilient with **IMPROVED PERFORMANCE OF NARROWED LOSSES** despite the pressures of high input costs in a challenging global inflationary environment, through optimising our assets and costs, improving risk management, strengthening domestic market position, widening export footprint and reinforcing financial liquidity. Profitability reported in the fourth quarter of 2023 was due largely to the **Industry incentive** by the Government and better operational performance at our refineries.

We strived to improve our **manufacturing** and **sales performance**, improving energy use, **optimising cost and capital**, forging new partnerships and driving **innovation**. We have achieved a reasonable measure of success in these initiatives such as **widening new sales channels** and customers with **positive year-on-year growth** of sales volumes. We continue to step up further in our ESG journey and in **advancing digitalisation** towards **IR 4.0** as part of **MSM's transformation**.





1

MSM AT A GLANCE





MSM AT A GLANCE

Gula Prai
established in
1964

Largest standalone sugar
refinery in Malaysia with
2.05 million tonnes
annual refining capacity



Premium Quality Sugar

Polarisation
99.7%
ICUMSA
45

- Wide range of products
- Sugar products packed in assorted sizes
- Various grades of refined sugar

Production Output
>992k MT

Capacity Utilisation
Group - 48%
Johor - 22%, Prai - 73%

Production Yield
94.6%

>70%
GLC equity ownership

Serving >300 customers

- Wholesalers
- Modern and General Trades
- Big Industries
- SMIs
- Export > 17 countries

Ranked 3rd

most chosen FMCG brand
in Malaysia for FY2020,
FY2021 and FY2022.

MSM Logistics operates
own transport assets
(43 fleet) and supported
by 3PLs consisting of
>350 trucks

35,000 MT
Internal refined sugar
warehouse space and
25,000 MT
external warehouse
space



2

**GROUP FINANCIAL
PERFORMANCE**





FINANCIAL FACTSHEET

REVENUE

RM3.09 billion

31 Dec 2022: RM2.57 billion

↑ 20%

GROSS PROFIT/(LOSS)

RM79 million

31 Dec 2022: (RM46 million)

↑ >100%

LOSS AFTER TAX

(RM50 million)

31 Dec 2022: (RM179 million)

↑ 72%

TOTAL ASSETS

RM2.89 billion

31 Dec 2022: RM2.81 billion

↑ 3%

CASH BALANCE

RM278 million

31 Dec 2022: RM221 million

↑ 26%

GEARING RATIO

37%

31 Dec 2022: 31%

↑ 6%



FINANCIAL PERFORMANCE

PROFIT & LOSS (RM million)	1Q 2023	2Q 2023	3Q 2023	4Q 2023	FY2023
Revenue	588	746	807	950	3,091
Gross Profit/(Loss)	(11)	(8)	(1)	100	79
(Loss)/Profit from Operations	(25)	(6)	(23)	66	12
(Loss)/Profit Before Zakat and Taxation	(33)	(14)	(34)	53	(28)
(Loss)/Profit After Zakat and Taxation	(34)	(21)	(36)	43	(50)

P&L Analysis FY2023 vs FY2022

- Higher revenue in 4Q 2023 includes the **Industry incentive by the Government**
- Cost of production had increased by **15%** from **higher raw sugar price and forex**
- Natural gas, which makes up the majority of the refining cost had increased by **15%** (**FY2022 at RM48/MMBtu**)



GROUP COST BREAKDOWN



Raw sugar usage 76%

NY11 prices ↑

Freight ↑

FX rate

Handling

Polarisation %

Yield %

Refining Cost 18%

Natural Gas (40%) ↑

Depreciation (P&M)

Repair & Maintenance

Packing cost

Labor cost

Utilities

Sub-material

Selling and Distribution 3%

Handling cost

Security cost

Warehousing

Pallets

Delivery

Insurance cost

General & Admin 3%

Admin salary cost

Depreciation (Admin. assets)

Rental of offices

IT & Consultancy cost

Board & Management Fees

Advertising Fees

Finance cost



3

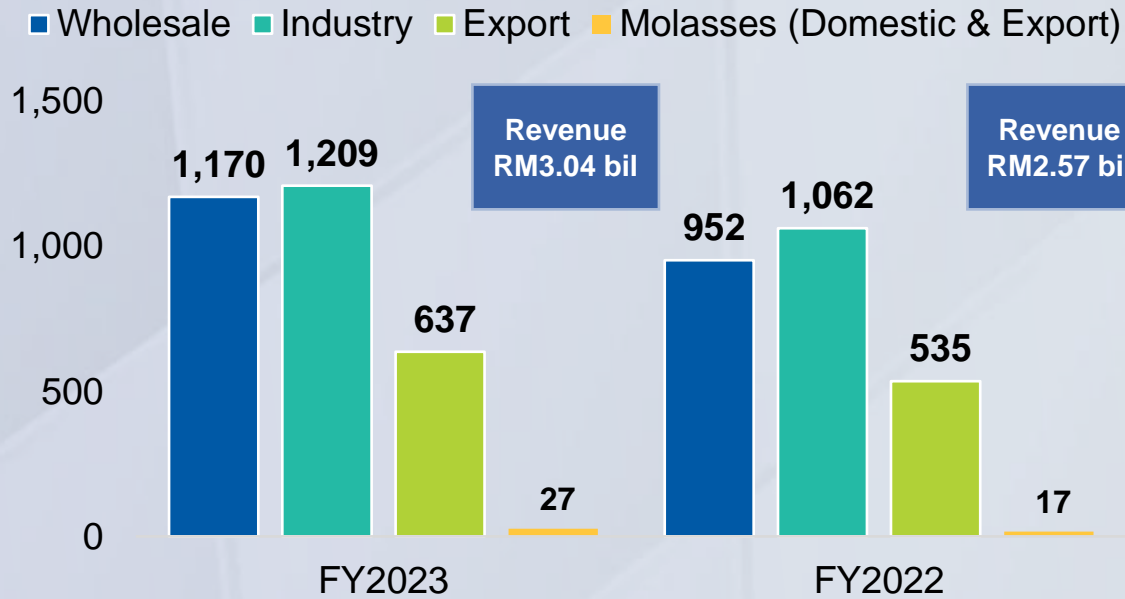
**PRODUCT SALES &
INITIATIVES**



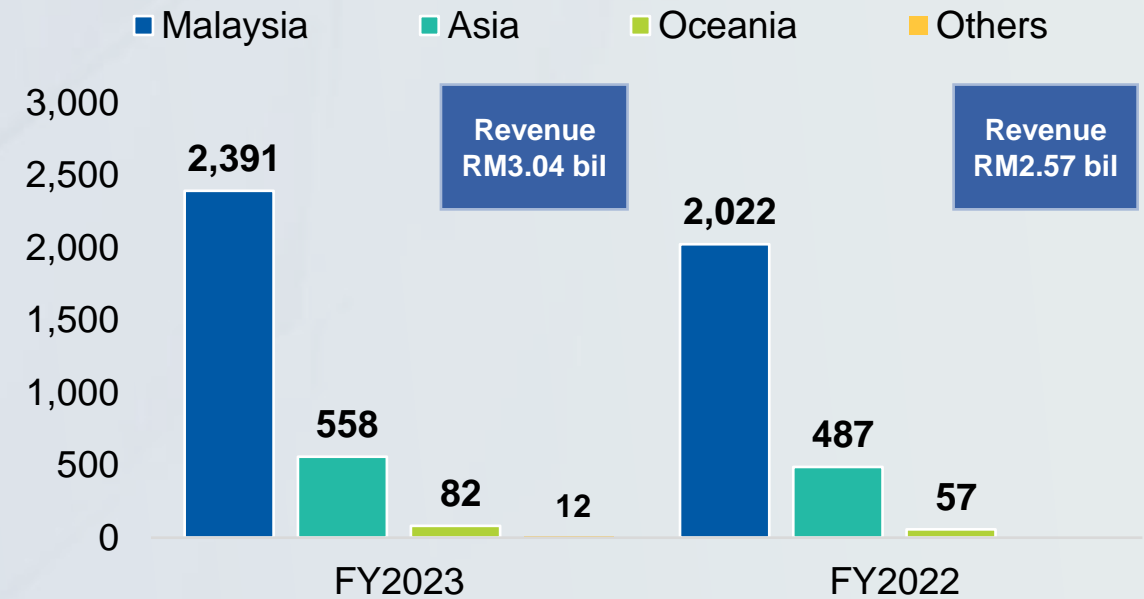


SALES PERFORMANCE

Revenue by Segment (RM mil)



Revenue by Region (RM mil)

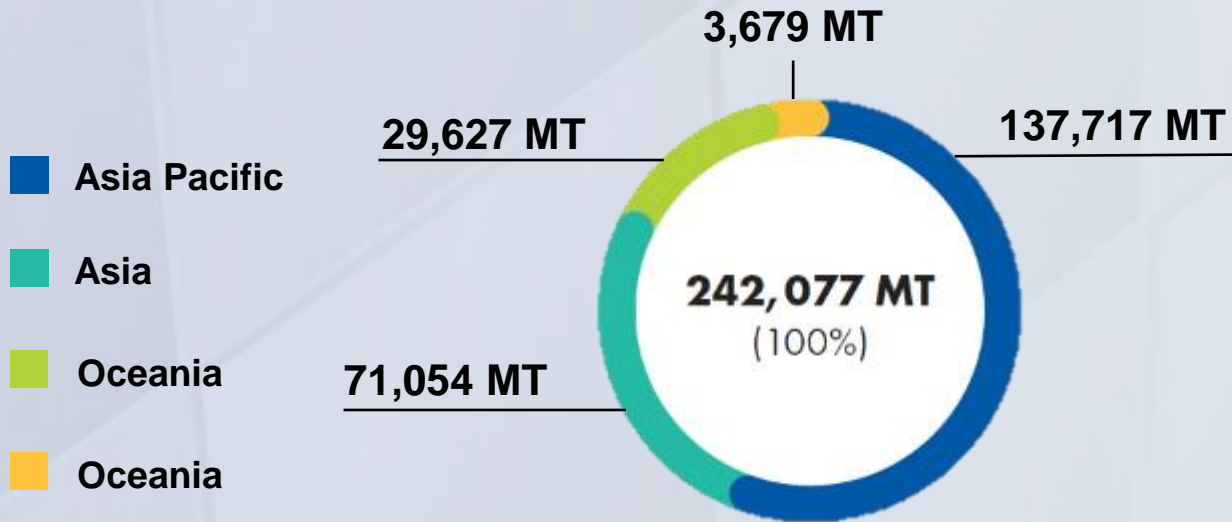


- The Group's sales revenue increased by 20% in FY2023 from higher sales volume and higher Average Selling Price (ASP) compared to previous year.
- MSM recorded 18% and 19% higher domestic and export sales revenue, respectively.

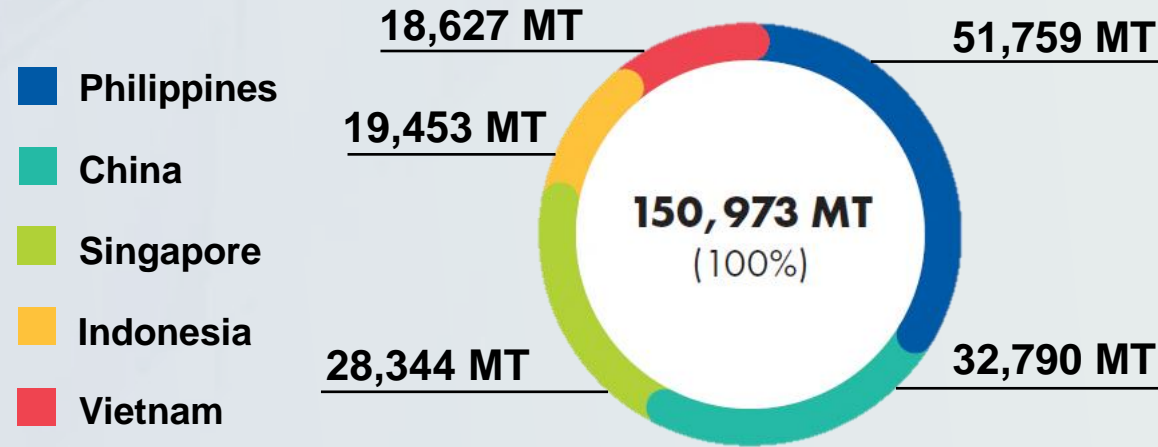


MSM GLOBAL REACH

Region breakdown



Top 5 Export Destinations



Note: Total export volume includes sales of molasses.

Other Export Destinations





MSM BRAND PRODUCTS

MAIN SUGARS



GULA SUPER 1kg



CGS 1kg



FGS 1kg



PXX/P1 1T



P1 50kg



PXX 50kg



CASTOR 50kg



BROWN 50kg

VARIETIES SUGARS



BROWN 500g



CASTOR 500g



ICING 500g



HEALTH PRODUCTS



GO Natura



GO 1/2

VALUE-ADDED PRODUCTS



LIQUID SUGAR



PREMIX



FINE SYRUP



MOLASSES (by-product)



MSM ONGOING SALES INITIATIVES

NEW PRODUCT LAUNCH – APPROVED ON MAY 25 2023 BY KPDN

PREMIUM REFINED SUGAR



PRODUCT DIFFERENTIATION

- Introducing super premium 1kg sugar to provide high purity option to consumers
- ICUMSA 45 or better

KEY HIGHLIGHTS

- Refined to an exceptional level
- Pure uniform white colour
- Pure cane granulated sugar
- Exceptionally sweet
- Perfect choice for culinary, confectionary to baking and beverages

PRODUCT PRICING

- Refinery price: RM 4.20/KG
- Wholesale price: RM 4.40/KG
- Super Premium Sugar Recommended Retail Price: **RM4.60/KG**



MSM ONGOING SALES INITIATIVES

NEW MARKET EXPANSION – NEAR REGION

Aiming at retail market penetration and tender participation through these prospects:



INDONESIA

Cooperative
institution

Government BUMN

Local distributors

Aiming at retail market penetration and expansion through these key supermarket chain and wholesalers:



SINGAPORE

Fortune & Giant
Supermarket

Modern Trade/
Supermarket Chain

Local distributors



4

STRATEGY IN REVIEW & MOVING FORWARD PLANS





CURRENT PROGRESS & ACHIEVEMENTS

Better Manufacturing Performance



- Higher Group UF of 48% in FY2023 (FY2022: 46%)
- Higher Group production yield of 96.4% in FY2023 (FY2022: 95.2%)
- All major issues have been rectified at MSM Johor

Nurturing Sustainability in Business and Operations



- Energy efficiency recorded
- Decarbonisation blueprint in progress
- Waste management towards circularity

Strategic Finance and Capital Management



- Strong liquidity
- Greater USD trade lines and receivables as natural hedge
- Fundraising plans launched

Improving Sales Performance




- Achieved higher Average Selling Prices
- Industry sales premium increased
- Gula Super revenue contribution




KEY RISKS AND MITIGATIONS

Raw Sugar NY11

	Risks	Mitigation & Opportunities
	<ul style="list-style-type: none"> Raw sugar NY11 bearish outlook Freight increase of dry bulker rates 	<ul style="list-style-type: none"> Circa 40% unhedged in 2H, opportunity to lower cost including FY2025 Secured near budget and part of surcharge

Energy Efficiency

	Risks	Mitigation & Opportunities
	<ul style="list-style-type: none"> Natural gas prices less fluctuation Energy consumption 	<ul style="list-style-type: none"> Gas surcharge to sales premium for industries Tonne Steam/Tonne Raw Sugar melting efficiency


MSM Johor Performance

	Risks	Mitigation & Opportunities
	<ul style="list-style-type: none"> Utilisation Factor (%) Yield (%) 	<ul style="list-style-type: none"> MSM Johor mitigation completed. Ramp-up in progress with market Better yields achieved in Johor, to add brown sugar and VAP

Sales Performance

	Risks	Mitigation & Opportunities
	<ul style="list-style-type: none"> Market competition with imports (50kg) Averaging less than 3% market share 	<ul style="list-style-type: none"> Domestic market lead, brand and reliability Widening market channels and Consumer Reach Points

Government-controlled Price Ceiling

	Risks	Mitigation & Opportunities
	<ul style="list-style-type: none"> Controlled sugar price ceiling RM 2.69/kg refining, RM 2.77/kg WHS RM 2.85/kg retail 	<ul style="list-style-type: none"> Industry incentive RM 1.00/kg still in effect at 24,000/MT per month Price increase pending

Financial Performance

	Risks	Mitigation & Opportunities
	<ul style="list-style-type: none"> Profitability Forex MYR against USD 	<ul style="list-style-type: none"> YTD PBT RM 66 million and outlook sustainable MYR strengthening as positive in lowering cost



5

ESG JOURNEY





ESG – SUSTAINABILITY DRIVING TRANSFORMATION



HEALTH & SAFETY

Prevent work-related injuries and illness



SBTi and Net Zero

10th Corporate UNGC and pledge target FY2024



TCFD

Task Force on Climate-related Financial Disclosure



FTSE4Good

Bursa Malaysia Index and Shariah Index



QUALITY

Customer Satisfaction, Food Safety, Brand Loyalty



CEO ACTION NETWORK

Climate Action and Sustainability



ENHANCING GOVERNANCE

Best practices and a culture of integrity



STAKEHOLDER ENGAGEMENT

Regular engagement with authorities, regulators and shareholders. SR 2023.



NDPE

Collaboration with Wilmar on No Deforestation, No People Exploitation



WASTE MANAGEMENT

Linear to Circular Economy, 3R Reuse, Recycle, Reduce



DIGITALISATION

Smart Sales Contract, HR Digital, Budgeting

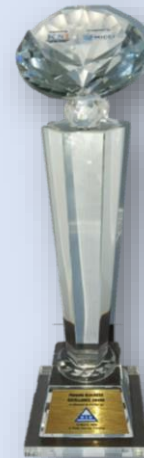


DIVERSITY, EQUITY & INCLUSION

Female Representation – >30% in Board, EXCO and executive roles and above



AWARDS & RECOGNITIONS



MALAYSIAN SOCIETY FOR OCCUPATIONAL SAFETY AND HEALTH (MSOSH) AWARDS 2023

Gold Class II Award

MSM Prai Berhad

Gold Class I Award

MSM Sugar Refinery (Johor) Sdn Bhd

Gold Class I Award

MSM Prai Berhad (Sungai Buloh Warehouse)

PENANG FUTURE FORWARD SUMMIT

Penang Business Excellence Award

NACRA 2023

Silver Special Award for Best Annual Report in Bahasa Malaysia

AUSTRALASIAN REPORTING AWARD (ARA) 2024

Silver Award



MSM MALAYSIA HOLDINGS BERHAD

msmsugar.com

THANK YOU

Investor Relations

MSM Malaysia Holdings Berhad Level 44,
Menara FELDA, Platinum Park,
No.11, Persiaran KLCC, Kuala Lumpur,
Malaysia.

