

# MSC Posts Record-high Net Profit In 9MFY21

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Picture: Malaysia Smelting Corporation Bhd

Tin miner and metal producer, Malaysia Smelting Corporation Bhd (MSC) today announced its financial results for the third quarter (3QFY21) and nine months financial period ended 30 September 2021 (9MFY21).

For 9MFY21, record-high tin prices drove MSC's net profit to RM54 million as compared to RM200,000 in the corresponding period last year (9MFY20). The strong performance was primarily on the back of higher average tin prices, which were at an all-time high of RM121,458 per metric tonne (MT) in 9MFY21, 74% higher than RM69,717 per MT recorded in 9MFY20.

The Group's tin mining operations recorded a more than 4-fold jump in net profit to RM65.2 million during the period under review, as compared to RM13.9 million in 9MFY20, on the back of higher average tin prices and increased tin production quantity. Meanwhile, the tin smelting division reported a net profit of RM2.1 million in 9MFY21, from a net loss of RM12.3 million in the same period last year. The tin smelting division's financial performance was lifted by a reversal of inventories written down amounting to RM24.0 million in 1QFY21.

"The Group delivered a strong performance, despite the constraints arising from the FMCO. Tin has been the best-performing base metal in 2021 as prices hit a record high, following the tin supply deficit and robust consumption. MSC is a direct beneficiary of favourable tin prices and this trend is expected to persist in the near term in line with rising tin demand in various sectors including consumer electronics, photovoltaic as well as for electric vehicles."

“With the safety of our employees as a top priority, we have gradually resumed operations back to full workforce capacity in the mining and smelting segments.”

“At the Pulau Indah smelting plant, we have completed the Top Submerged Lance (“TSL”) furnace refurbishment in October 2021 and are currently operating at 30% utilisation rate. Even with the operational interruptions, we are still on track to achieve full production by end-2021/early-2022 and look forward to improved extractive yields and operational efficiencies, with lower manpower and carbon footprint,” says Dato Dr Patrick Yong, Group Chief Executive Officer of MSC.

“At the Butterworth smelter, we are currently smelting the backlog of tin ore that has been accumulated during the pandemic. Apart from that, we have also commenced the smelting of tin intermediates, which is expected to add further value to MSC. We plan to de-commission the Butterworth plant in the next 2 to 3 years when the Pulau Indah plant is in a steady state.”

“As for our tin mining arm, our daily mining output has normalised with the resumption of 100% workforce capacity. At the same time, we are continuously exploring ways to increase our overall mining productivity at the Rahman Hydraulic Tin mine in Klian Intan. We are also open to potential joint venture arrangements to enhance our mining activities.”

“In conclusion, we continue to strengthen our fundamentals and capabilities to remain competitive as a global tin metal producer. As we move ahead, we will focus on increasing production output and improving efficiencies across the Group, while staying vigilant of the Covid-19 developments to maintain business continuity with strict adherence to standard operating procedures,” he says.

In tandem with the high tin prices, Group revenue grew 41% year-on-year (“YoY”) to RM821.5 million in 9MFY21, against RM580.8 million in 9MFY20.