
Gas Malaysia Q2 earnings rise to RM62mil

PETALING JAYA: Gas Malaysia Bhd's net profit for its second quarter ended June 30, 2021 rose to RM62.34mil from RM44.62mil in the previous corresponding period.

This was mainly due to the higher gross profit and lower finance cost that was offset by higher operating expenses and higher share of losses from the group's joint ventures.

In a filing with Bursa Malaysia, Gas Malaysia said its higher gross profit was in line with the higher volume of natural gas sold during the quarter, coupled with the recognition of revenue cap adjustment that was mitigated by higher overheads and depreciation being part of sales cost.

Revenue in the second quarter was lower at RM1.38bil compared with RM1.54bil a year earlier.

"This was in line with the lower average

natural gas tariff that was mitigated by the higher volume of natural gas sold, coupled with the recognition of revenue cap adjustment during the current quarter."

For the six-month period ended June 30, Gas Malaysia's net profit grew to RM117.97mil from RM92.49mil in the previous corresponding period.

Revenue, meanwhile, dropped to RM2.53bil from RM3.15bil a year earlier.

Commenting on its prospects going forward, Gas Malaysia said the Covid-19 pandemic continued to have a profound impact across the business activities and the Malaysian economy.

"The re-imposition of mandatory control order measures from June 1, 2021 to curb the resurgence in Covid-19 cases is expected to dampen the growth momentum.

"The degree of the impact to the economy is

contingent on the duration and strictness of these measures."

Gas Malaysia noted that Bank Negara had, last week, revised its 2021 gross domestic product growth for Malaysia to be between 3% and 4%, after taking into account the reimposition of nationwide containment measures.

"Moving forward, the gradual easing of these measures together with the progress of the country's vaccination programme is expected to support and promote the economic recovery.

"Amidst prevailing uncertainties, the group will continue to be vigilant and take appropriate and timely measures to sustain the group's profitability for the financial year 2021."

Additionally, Gas Malaysia said its directors had declared an interim dividend of 4.8 sen per share, to be payable on Oct 28, 2021.