
Gas Malaysia third-quarter earnings increase

PETALING JAYA: Gas Malaysia Bhd will continue to take prudent measures to maintain its operational efficiency, remain competitive and seek opportunities to grow its businesses.

In a filing with Bursa Malaysia yesterday, the company noted that the Malaysian economy is expected to continue recovering in the fourth quarter of 2022, as economic activity continued to normalise with the easing of containment measures.

"The board expects the group to deliver a satisfactory performance for the financial year 2022, in tandem with the improving economy for the remainder of the financial year."

For its third quarter ended Sept 30, 2022, Gas Malaysia's net profit rose to RM95.66mil from RM62.36mil a year earlier.

This was mainly due to higher gross profit, higher finance income, lower finance cost and higher contribution from the group's joint-venture (JV) companies and partially offset by higher administrative expenses.

Revenue grew to RM1.86bil from RM1.38bil

in the previous corresponding period.

"This was in line with the higher average natural gas selling price, in tandem with the global market price and mitigated by the lower volume of natural gas sold during the current quarter," the company said.

Basic earnings per share stood at 7.45 sen versus 4.86 sen previously.

For the nine-month period ended Sept 30, 2022, Gas Malaysia's net profit improved to RM294.32mil from RM180.33mil a year earlier.

Revenue, meanwhile, grew to RM5.4bil from RM3.9bil previously.

Gas Malaysia said the higher revenue was in line with the higher average natural gas selling price, in tandem with the global market price and mitigated by the lower volume of natural gas sold during the financial period ended Sept 30.

The company said its improved net profit was mainly due to a higher gross profit, higher finance income, lower finance cost and higher contribution from the group's JV

companies and partially offset by higher administrative expenses.

Meanwhile, in a report earlier this year, MIDF Research noted that the war in Europe and the sanction against Russia's gas had led to gas prices rising sharply in the first quarter of 2022.

"We reiterate our view of hydrocarbon prices remaining high in the near term, albeit with increasing volatility amid the uncertainty of the Ukraine war, the ongoing pandemic and decreasing global natural gas inventory.

"Meanwhile, tightening climate policies would remain favourable to the natural gas industry in the medium to long term.

"The high commodity prices will continue to contribute to Gas Malaysia's 2022 earnings in the near term."

MIDF Research said it continues to view the company positively on the full return of liquefied natural gas shipping and sub-industry workforce over lessened restrictions and the reopening of international borders.