

Gas Malaysia's 3Q profit slips to lowest in about two years as sales dip, expenses rise

By Justin Lim / theedgemaalaysia.com

28 Nov 2023, 08:44 pm



KUALA LUMPUR (Nov 28): Gas Malaysia Bhd's net profit fell 9.93% to RM86.16 million for the third quarter ended Sept 30, 2023 (3QFY2023), from RM95.66 million in the corresponding quarter a year before, due to lower volume of natural gas sold and higher operating and administrative expenses.

Revenue slipped 2.57% to RM1.82 billion from RM1.86 billion, its bourse filing showed. Administrative expenses, meanwhile, grew 21% to RM22.89 million from RM19 million. The drop in earnings would have been higher, if not for tax expense dropping to 25.51 million from RM42.25 million.

Earnings per share for 3QFY2023 came in at 6.71 sen, down from 7.45 sen previously. No dividend was declared for the reporting quarter.

This is Gas Malaysia's weakest quarterly earnings in nearly two years, after it last posted a net profit of RM69.29 million for 4QFY2021.

For the first nine months of FY2023, Gas Malaysia reported a net profit of RM279.07 million, down 5.18% from RM294.32 million in the corresponding nine months in FY2022, even though revenue improved 15.69% to RM6.28 billion from RM5.43 billion a year before on higher average natural gas selling price.

It attributed the lower cumulative earnings to lower volume of natural gas sold, higher operating and administrative expenses, as well as lower contributions from the group's joint venture companies.

Gas Malaysia said it will continue to take prudent measures to maintain its operational efficiency to remain competitive and seek opportunities to grow its business, as Malaysia's economy is projected to grow at a moderate 4% in 2023.

The group's share price dipped six sen or 1.88% to close at RM3.14 on Tuesday, giving the group a market capitalisation of RM4.03 billion.

Edited By Tan Choe Choe