

Masteel 3Q24 net profit surges 776.1% to RM16.2 million



PETALING JAYA: Integrated steel manufacturer Malaysia Steel Works (KL) Bhd registered a 776.1% surge in net profit to RM16.2 million for the third quarter ended Sept 30, 2024 (3Q24) from RM1.8 million in the corresponding quarter last year, mainly driven by improved margins from higher production volume and enhanced efficiency.

The improved performance marks Masteel's third consecutive quarter of both year-over-year and quarter-over-quarter growth. The Group's operational enhancement initiatives significantly boosted efficiency and are expected to continue driving cost-effectiveness in its steel manufacturing operations. Additionally, favourable foreign exchange movements also contributed to the profit growth in 3Q24.

The Group benefited from a 9.7% increase in revenue to RM606.4 million in 3Q24 from RM552.6 million previously, driven by higher demand for steel bars from growth in the construction industry. The positive performance reflects the broader expansion of the Malaysian steel market, which is projected to reach between 8.3 million and 9.0 million metric tonnes of steel consumption in 2024, supported by rising demand from the construction and manufacturing sectors, and investments in data centres and semiconductor facilities. Data centre boom, chip industry expansion expected to boost local steel demand - MIDA | Malaysian Investment Development Authority.

Executive vice chairman, Datuk Sri Tai Hean Leng said: "Masteel's exceptional 3Q24 performance was driven by robust demand for steel bars, particularly from Malaysia's improving construction sector. Our recent upgrades have established Masteel as Malaysia's first direct billet charging and high-speed bar-making steel mill, increasing our production efficiency and volume while demonstrating our commitment to environmental stewardship."

Moreover, he added the rollout of many new construction projects will further strengthen the demand for their steel products and these positive factors will drive continued growth and allow them to deliver strong results in the year ahead.

Masteel undertook extensive plant and machinery upgrades worth approximately RM300 million over the past six years, completed in the second quarter of 2024. These upgrades enable the Group to optimise production costs and enhance its competitive edge.

The modernised plant incorporates green technologies that have significantly reduced Scope 2 emissions by 27.5%, a key milestone towards the Group's net-zero emissions target before 2050. By utilising induction furnaces, Masteel minimises its carbon footprint and produces high-quality green steel, achieving a class-leading carbon intensity within the industry.

Masteel is the first and only steel mill in Malaysia to be included in the FTSE4Good Bursa Malaysia Index, achieving the highest ESG rating of 4 stars. The Group was also awarded a Platinum sustainability rating from RAM Sustainability Sdn Bhd, the first and highest rating conferred by the organisation on a Malaysian company. These accolades recognise Masteel's leadership in environmental, social, and governance performance within the steel manufacturing sector.

Masteel's commitment to sustainability has also been acknowledged through its recognition at The Edge Malaysia ESG Awards 2024, where it received the Gold Award for most improved ESG performance over three years for companies with market capitalisation below RM300 million. Masteel also garnered the "Most Outstanding ESG Initiative of the Year" and the "Gold Award in Supply Chain Management" at The Star ESG Positive Impact Awards 2023.