

TH Plantations posts 22% higher net profit in 3QFY2023 on higher sales volume

Luqman Amin | Nov 28, 2023 02:17 pm



TH Plantations CEO Mohamed Zainurin Mohamed Zain said that moving forward, fresh fruit bunches production, and the global world edible oil price movement will continue to drive the group's financial performance.

KUALA LUMPUR (Nov 28): TH Plantations Bhd posted a net profit of RM17.55 million for the third quarter ended Sept 30, 2023 (3QFY2023), up 22% from RM14.37 million a year prior, on the back of higher operating profit, but partly moderated by lower other income.

Earnings per share for the quarter rose to 1.5 sen from 1.13 sen, the group's filing with Bursa Malaysia on Tuesday showed.

The group's revenue rose 1.52% to RM216.64 million, from RM213.36 million in 3QFY2022, driven by higher sales volumes for its fresh fruit bunches (FFB) product, and supported by the higher fair value on biological asset which offset the slightly lower average realised prices of palm products and production volume.

For the first nine months of 2023 (9MFY2023), the group's net profit of RM34.34 million slipped slightly from RM45.72 million in the previous year, following a 19.1% decline in revenue to RM535.52 million from RM661.95 million. This was driven by the declining sales for the group's crude palm oil (CPO), palm kernel, and FFB from the oil palm plantation segment.

Moving forward, TH Plantations chief executive officer Mohamed Zainurin Mohamed Zain said the FFB production, and the global world edible oil price movement will continue to drive the group's financial performance.

According to him, FFB and CPO output is expected to increase in the fourth quarter of 2023 (4Q2023).

"The palm oil product prices are expected to remain stable at current levels throughout 4Q2023 due to strong local consumption in Malaysia and Indonesia, as well as dry weather concerns in Brazil and Indonesia, despite the lacklustre demand and higher stock in Malaysia," said TH Plantations.

In addition, the group projected a better financial performance towards year end and remained optimistic that the current strategies and initiatives will be able to mitigate the ongoing issues and challenges the group is undergoing, as well as staying cost effective.

"We will continue to take all necessary steps to improve the fundamentals of the group including optimising its manuring, consolidation, mechanisation, and transformation initiatives in all its estates and mills to strengthen overall efficiency and cost management," Mohamed Zainurin said.

At noon market break on Tuesday, TH Plantations shares were unchanged at 50 sen. Its market capitalisation stood at RM441.93 million.