

TH Plantation Sees Its Profit Increase By 44% Benefitting From Higher CPO Prices

May 30, 2022

TH Plantations Berhad saw its first-quarter performance coming in exceptionally well with a 44% increase in Profit After Tax and Minority Interest of RM21.59 million for its 1QFY2022 financial results, against RM14.97 million in the previous corresponding quarter.

The Group's revenue for the first quarter surged to RM198.11 million, an increase of 51% compared to the same period a year ago. The better earnings in the first quarter were mainly supported by higher average realised prices of crude palm oil (CPO) and palm kernel (PK).

At the operational level, the Group said it continues to perform better, reporting a gross profit of RM68.26 million for the first quarter, an increase of 34% compared to a gross profit of RM50.88 million for the same period a year ago.

On future outlook, THP says the on-going challenging operating environment, largely due to an acute labour shortage and higher cost of sales drives the Group to innovate internally whilst continuing its efforts on sustainability, replanting and mechanisation of operations to improve overall efficiency and effective cost management. THP expects palm oil prices to remain favourable and elevated for the first half of the year, given the tight inventory level in Malaysia due to acute labour shortage and the tight global edible oils supply due to weather conditions and the effects of the Ukrainian conflict and Russian sanction.

The Group remains cautious on the impact of Indonesia's recent palm oil export policy supporting its domestic market obligation agenda.