

TH Plantations' Q3 earnings plunge, revenue rises

November 10, 2022 @ 5.49pm

KUALA LUMPUR: TH Plantations Bhd's (THP) net profit plunged 46.4 per cent to RM14.37 million in the third quarter (Q3) ended Sept 30, 2022 from the RM26.81 million recorded in the same quarter a year ago.

In a filing to Bursa Malaysia today, THP said this was due to the lower fair value change on biological assets and higher cost of sales.

The company's result for the quarter, excluding the impact of the fair value of the biological asset, showed an improvement of 17 per cent from RM84.10 million reported in the preceding period to RM98.33 million.

Its revenue in Q3 increased 3.7 per cent to RM213.39 million from RM205.87 million.

In a separate statement, THP said the better earnings in Q3 were contributed by higher average realised prices for crude palm oil (CPO) of RM3,997 and palm kernel (PK) of RM2,356 despite a slightly lower production volume against the corresponding period last year.

For the nine-month period, TH Plantations' net profit decreased 33.1 per cent to RM45.72 million from RM68.34 million, while revenue grew 28.9 per cent to RM661.95 million from RM513.26 million.

Moving forward, THP said the palm oil product prices were expected to remain volatile throughout Q4 2022 in anticipation of higher year-end palm oil stocks, weather uncertainty and palm oil approaching low production season.

"The group has taken all possible steps to address its foreign labour shortage and is expected to ease in the fourth quarter.

"THP has also stepped up its mechanisation efforts and transformation initiatives in all its estates where possible to improve operational efficiency," it said.

THP said it continued to take necessary measures to improve the fundamentals of the group to strengthen overall efficiency and cost management.

"THP anticipates a satisfactory financial performance for the financial year ending Dec 31, 2022," it said.