

TH Plantations' net profit shrinks 46% in 2Q

Lam Jian Wyn | Aug 23, 2023 03:40 pm

KUALA LUMPUR (Aug 29): TH Plantations Bhd saw its net profit shrink by 45.61% to RM5.31 million for the second quarter ended June 30, 2023 (2QFY2023), from RM9.76 million a year ago, in tandem with lower revenue.

Earnings per share fell to 0.09 sen from 1.10 sen for 2QFY2022, according to a filing with Bursa Malaysia.

Revenue slumped 31.12% to RM172.54 million from RM250.44 million a year earlier, as realised prices of crude palm oil (CPO), palm kernel (PK) and fresh fruit bunches (FFB) declined.

For the first six months ended June 30, 2023 (1HFY2023), net profit fell 46.46% to RM16.78 million from RM31.35 million, while earnings per share dropped to 0.89 sen from 3.55 sen for 1HFY2022.

Revenue fell 28.90% to RM318.88 million from RM448.56 million previously, as lower sales prices of CPO, PK and FFB offset the impact of a higher sales volume.

"On a positive note, the group's FFB production grew by 7.1%, and processing by 10.1%, for the period. Concurrently, the group's CPO output increased by 8.8%, and sales volume by 10.4%. Similarly, PK output showed an increment of 13.7%, and sales volume by 17.6%, against the same period last year," it said.

According to chief executive officer Mohamed Zainurin Mohamed Zain, the group continued to improve on its production and sales volume, as it widened its Strategic Bumiputra Smallholder's Partnership Programme to secure crops and increase its mill capacity.

"Our mechanisation programme improved the harvesting turnaround time, increase accessibility and coverage. Moving forward, we will remain focused on effective cost management and sustainability initiatives to further enhance our overall efficiency," he said.

TH Plantations believes that palm oil prices will remain supported in 2HFY2023, despite an expected slowdown in the global economy due to political tensions, inflationary pressures from high food and energy prices, and uncertain weather conditions that are expected to affect supply and demand.

"TH Plantations is optimistic and remains focused on its well-established strategies to mitigate the challenging operational conditions. Barring any unforeseen circumstances, the group anticipates a satisfactory financial performance for FY2023."

At the time of writing on Tuesday, shares in the group had fallen one sen or 1.83% to 53.5 sen, giving the group a market capitalisation of RM468.48 million.