

TH Plantations returns to the black in FY20, on higher average realised palm products price



KUALA LUMPUR (March 23): TH Plantations Bhd returned to the black for its financial year ended Dec 31, 2020 (FY20) with a net profit of RM13.99 million, compared to a net loss of RM226.5 million the year before, thanks to the higher average realised prices for palm products.

The group recorded earnings per share of 1.58 sen, versus earnings per loss of 25.63 sen in FY19.

Its revenue rose 12.45% to RM555.1 million from RM493.65 million previously, due to higher average realised prices for crude palm oil (CPO), palm kernel (PK) and fresh fruit bunch (FFB), despite lower sales volume for CPO, PK and FFB.

For the final quarter ended Dec 31, 2020 (4QFY20), TH Plantations' registered a net profit of RM1.6 million, compared to a net loss of RM167.65 million a year ago. Revenue for 4QFY20 rose 6.1% to RM144.55 million from RM136.3 million.

However, on a quarterly basis, TH Plantations' net profit dropped 90% from RM15.77 million in the immediate preceding quarter, on lower revenue. The group's revenue plunged 13.67% to RM167.43 million previously, mainly due to lower sales volume, despite higher average realised prices for CPO, PK and FFB.

Commenting on its prospects, TH Plantations said the group's overall positive financial performance for FY20 was largely due to strong prices of palm products and the ongoing progress of its Strategic Recovery Plan.

"Overall production for the industry in 2020 was lower by 3.6% in comparison to 2019, as the result of non-optimal application of fertilizers, continuous labour shortages and unfavourable weather conditions.

"The group expects palm oil prices to remain favourable for the medium term, given the above conditions and the overall low inventory level in Malaysia at the end of 2020," it added.

Shares of TH Plantations were down one sen or 1.94% to 51 sen today, valuing the group at RM446.35 million.

Syafiqah Salim / theedgemarkets.com

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Edited By Jenny Ng