

TH Plantations 1Q net profit up 44% on higher CPO prices

Sulhi Khalid

May 30, 2022 19:20 pm

KUALA LUMPUR (May 30): TH Plantations Bhd's first quarter net profit rose 44.27% to RM21.59 million, from RM14.97 million a year earlier, largely contributed by higher revenue from its oil palm plantation segment amid higher crude palm oil (CPO) prices.

Earnings per share for the quarter ended March 31, 2022 (1QFY22) increased to 2.44 sen from 1.69 sen, according to the group's filing with Bursa Malaysia.

Revenue rose 50.95% to RM198.11 million from RM131.24 million previously, underpinned by higher average realised prices for CPO, palm kernel and fresh fruit bunches.

On a quarterly basis, net profit was sharply higher from RM1.83 million in the immediate preceding quarter (4QFY21) while revenue declined 19.97% from RM247.55 million.

TH Plantations said the ongoing challenging operating environment, largely due to an acute labour shortage and higher cost of sales, drives the group to innovate internally while continuing its efforts on sustainability, replanting and mechanisation of operations to improve overall efficiency and effective cost management.

"TH Plantations 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 sanctions.

"We remain cautious on the impact of Indonesia's recent palm oil export policy supporting its domestic market obligation agenda," it added.

Shares in TH Plantations closed 2.5 sen or 3.21% lower at 75.5 sen, giving the group a market capitalisation of RM667.31 million.