

TH Plantations' 3Q earnings jump 70% to RM27m on higher revenue, lower unrealised forex losses

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KUALA LUMPUR (Nov 24): TH Plantations Bhd's net profit for the third quarter ended Sept 30, 2021 (3QFY21) surged 69.95% to RM26.8 million from RM15.77 million last year, mainly contributed by higher revenue and lower unrealised foreign exchange losses from oil palm plantations segment.

Earnings per share stood at 3.03 sen from 1.78 sen, the palm oil company said in a filing with Bursa Malaysia on Wednesday (Nov 24).

Quarterly revenue increased 22.96% to RM205.87 million from 167.43 million a year ago, primarily due to higher revenue from oil palm plantations, as a growth in average realised prices for crude palm oil (CPO), palm kernel (PK), and fresh fruit bunches (FFB) offset lower sales volume.

On a quarterly basis, TH Plantation's net profit was up 0.89% from RM26.57 million posted in the immediate preceding quarter (2QFY21), while revenue climbed 16.87% from RM176.15 million.

For the cumulative nine-month period, TH Plantation saw its net profit swell five times or 451.2% to RM68.34 million from RM12.4 million, while revenue climbed 25.02% to RM513.26 million from RM410.55 million.

As for prospects, TH Plantation said the outlook for the group's overall financial performance for the financial year ending Dec 31, 2021 will largely depend on the movement of palm products prices and progress of its ongoing strategic recovery plans.

"Markets are expected to remain favourable until December this year, as the result of overall low commodity inventory level in Malaysia.

"Overall production of CPO for the industry and the group increased in the third quarter of 2021; however, it is still relatively lower compared to FY2020, as the industry has not fully recovered from labour shortage issues and general cyclical low production.

"However, we remain cautious on the influence of the post Covid-19 pandemic on the world's economy and the palm oil markets," it said.

TH Plantations' share price settled unchanged at 73.5 sen on Wednesday, valuing the group at RM649.63 million.