

TH Plantations' 3Q earnings boosted by stronger prices

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TH PLANTATIONS Bhd stated that higher palm oil prices enabled it to record a 67% year-on-year (YoY) increase in net profit to RM39.76 million for its third quarter (3Q) ended Sept 30, 2021, from a net profit of RM23.86 million made in the corresponding quarter last year.

In a statement yesterday, the plantation company noted that the revenue for the quarter rose to RM205.87 million or 23% YoY mainly due to higher average selling price for the palm products.

The average selling price for crude palm oil, fresh fruit bunches and palm kernel improved against the corresponding period last year by 43% to RM3,640 per metric tonnes (MT), 80% to RM912 per MT and 73% to RM2,453 per MT respectively.

At the operational level, the group performed better, reporting a gross profit of RM89.37 million for the 3Q compared to a gross profit of RM76.60 million for the same period a year ago.

The company added that it continues its efforts to improve its cost efficiencies and productivity by optimising its mechanisation to reduce the impact of labour shortage and ensure positive development going forward.

TH Plantations remains cautious about the Covid-19 pandemic impact on the world's economy and palm oil markets.

"We are optimistic that the current level of selling prices for palm products will be maintained throughout the remainder of the year due to low production season, labour shortage as well as low inventory level of palm oil in

Malaysia," the company stated in its release. Based on the current favourable palm oil products prices and barring unforeseen circumstances, the group expects its financial performance for the financial year (FY) ending Dec 31, 2021 will be better than in FY 2020.