



TH PLANTATIONS BERHAD

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Result for the second quarter ended 30 June 2022

23 AUGUST 2022

Strictly Private & Confidential

Financial Highlight

Operational Highlight

Business updates



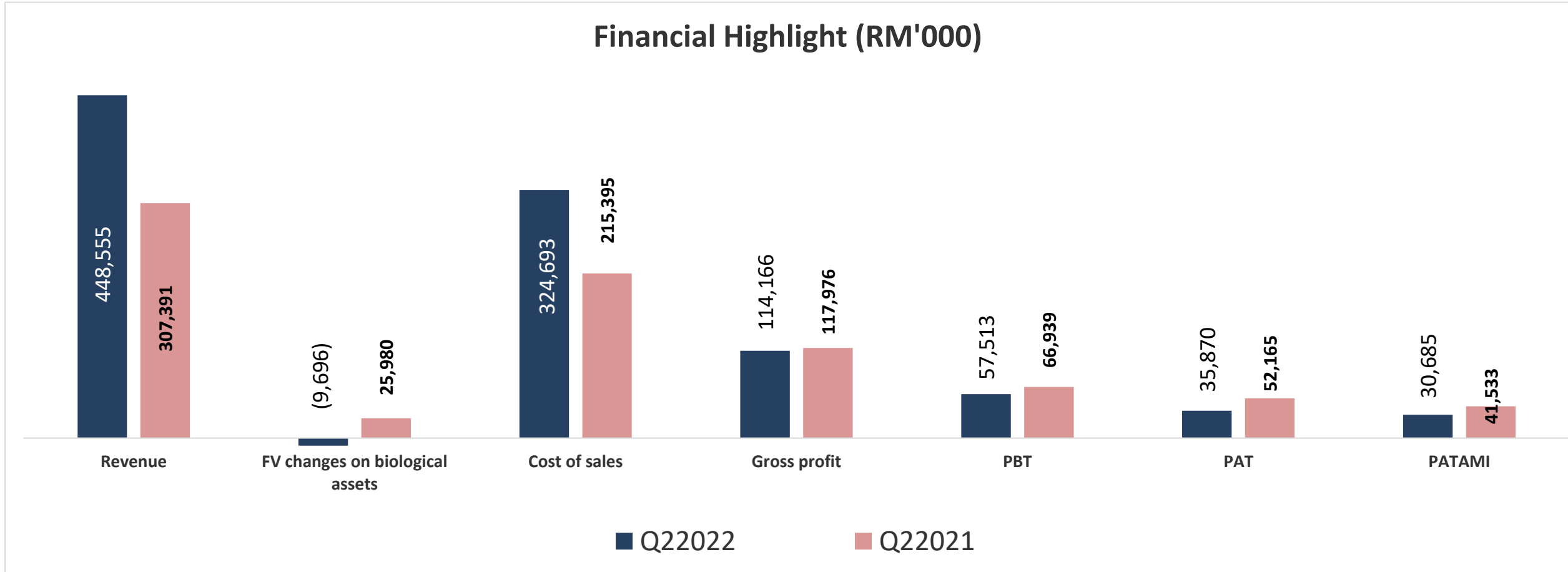
FINANCIAL HIGHLIGHT

Financial Highlights

Snapshot of financial highlights (Q22022 vs Q22021)



TH PLANTATIONS BERHAD



46%



137%



51%



3%



14%



30%



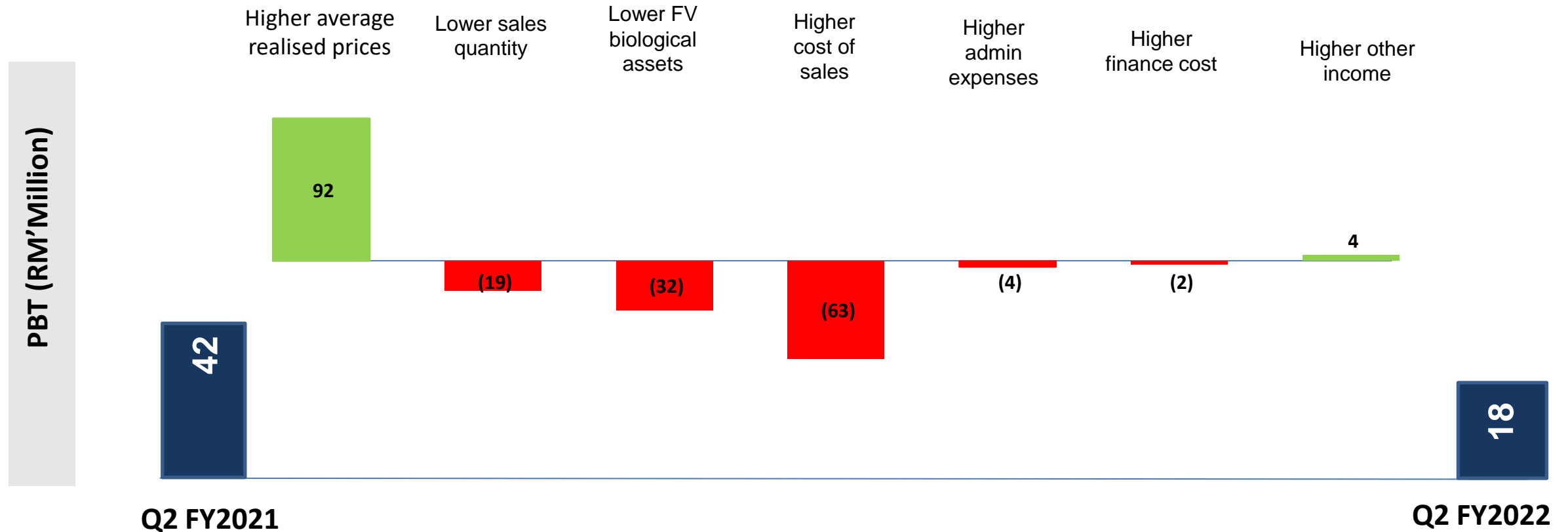
25%



Profit Before Tax (PBT)

The Group recorded a lower PBT of RM17.82 million, a decrease of 57.12% from RM41.56 million in the preceding period, primarily attributed to lower fair value change on biological assets.

Q2 FY2022 vs Q2 FY2021

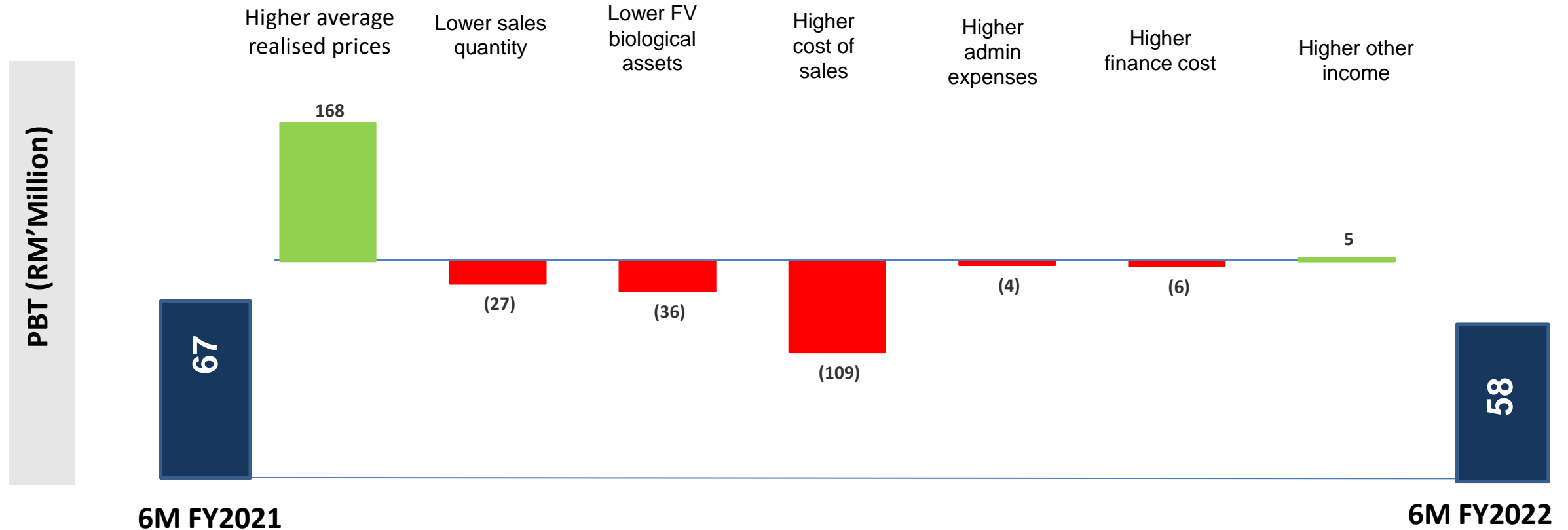




Profit Before Tax (PBT)

The Group recorded a lower PBT of RM57.51 million, a decrease of 14% from RM66.94 million in the preceding period, primarily attributed to higher cost of sales and lower fair value change on biological assets.

6M FY2022 vs 6M FY2021



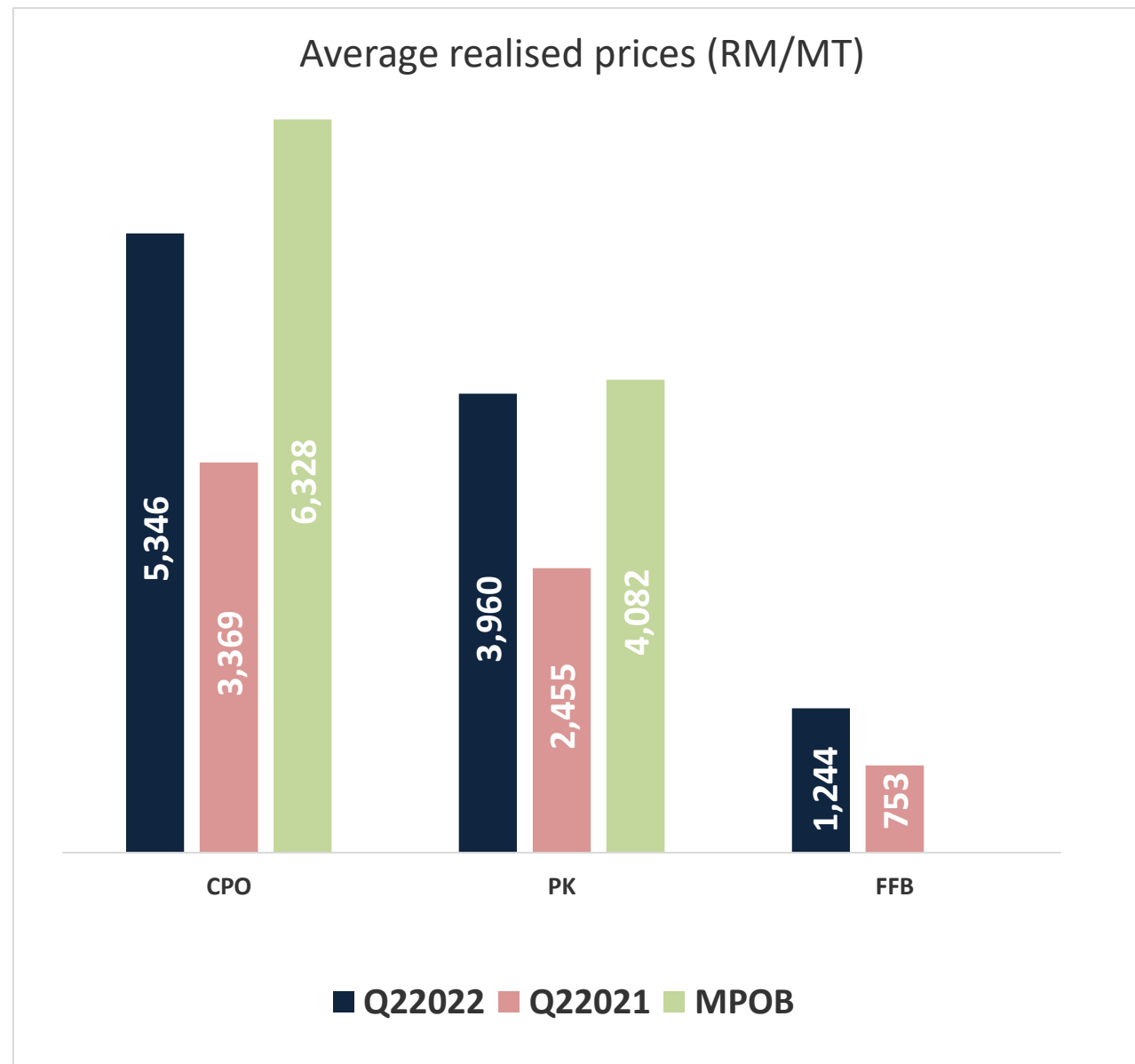
Average realised prices

AVERAGE REALISED PRICES

Average realised prices (RM/MT)	Q2 FY2022	Q2 FY2021
CPO	5,346	3,369
PK	3,960	2,455
FFB	1,244	753

Comparison with MPOB (by region)

CPO		
- Peninsular	6,328	4,068
- Sabah	6,169	4,015
- Sarawak	6,179	3,946
PK		
- Peninsular	4,082	3,849
- Sabah/Sarawak	2,552	2,136

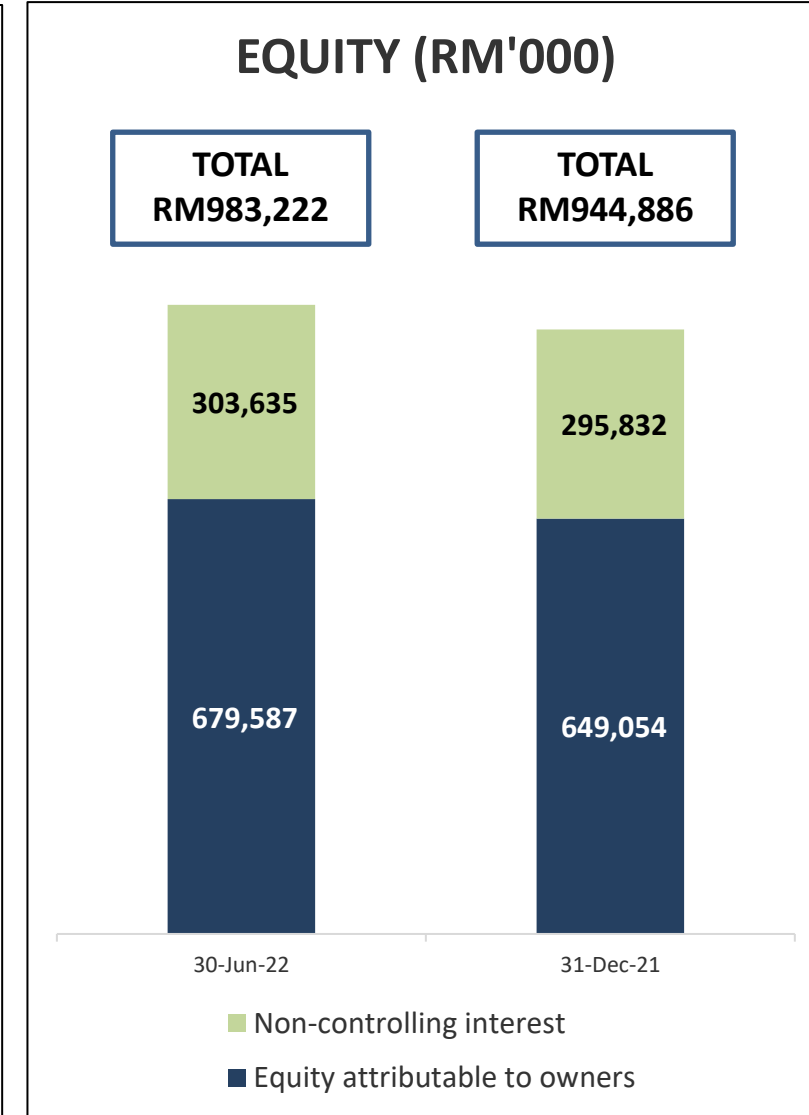
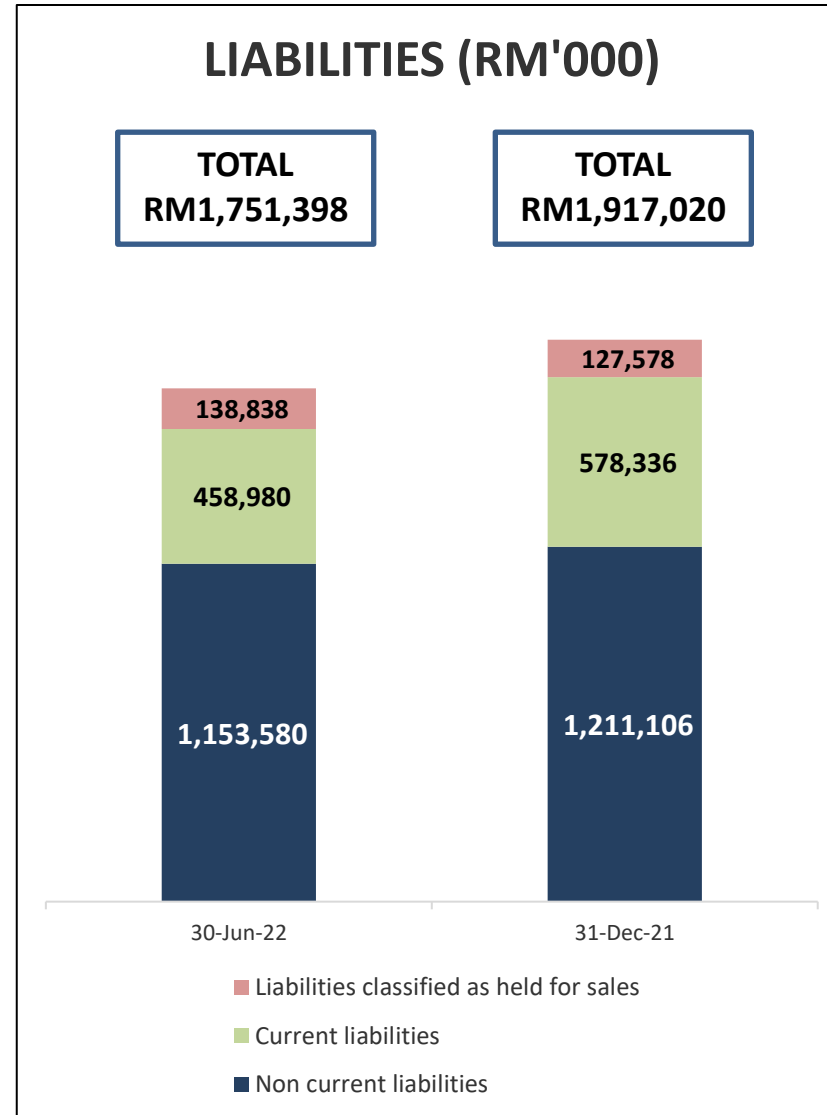
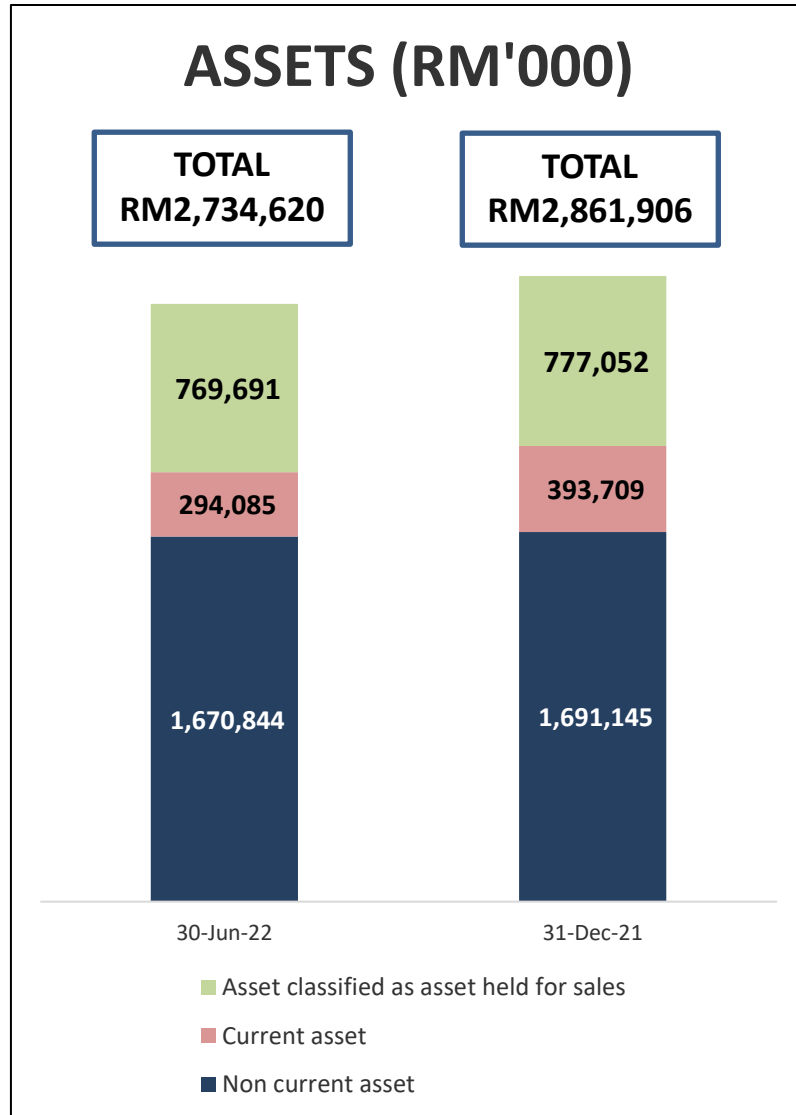


Balance sheet (Highlights)



TH PLANTATIONS BERHAD

Snapshot of balance sheet (30 June 2022 vs 31 Dec 2021)

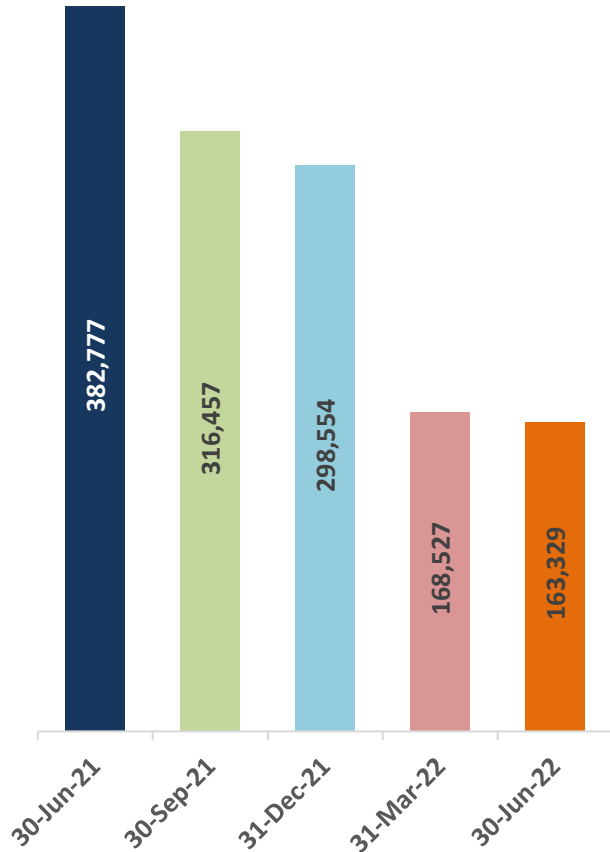


Cash and gearing as of 30 June 2022



CASH AND BANK BALANCES

RM'000



TOTAL BORROWING AND GEARING

1.70x
Gross

1.27x
Net

1.55x
Gross

1.21x
Net

1.54x
Gross

1.22x
Net

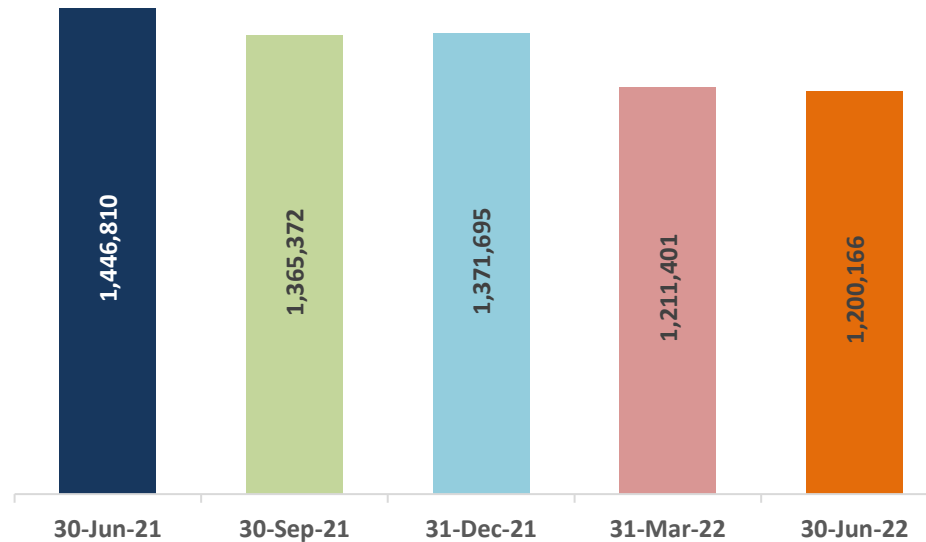
1.33x
Gross

1.15x
Net

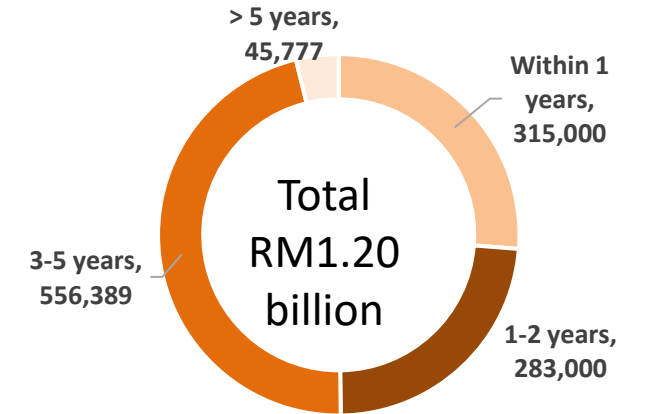
1.30x
Gross

1.14x
Net

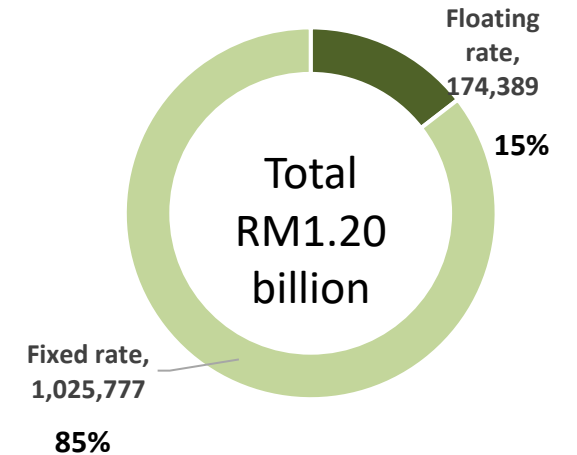
RM'000



DEBT AGEING

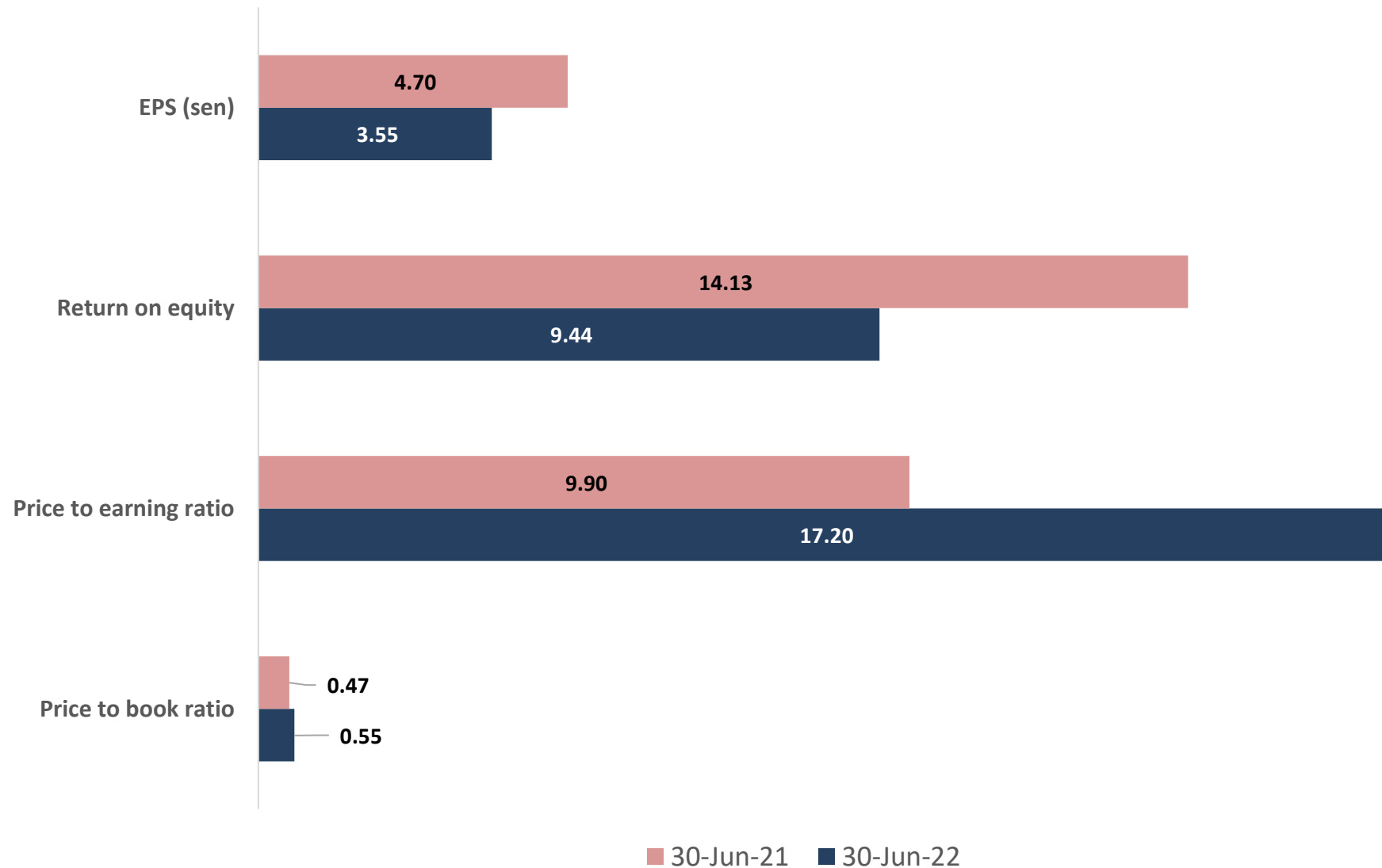


DEBT PROFILE BY FIXED AND FLOATING RATE





KEY FINANCIAL RATIO



Financial Highlight

Operational Highlight

Business updates



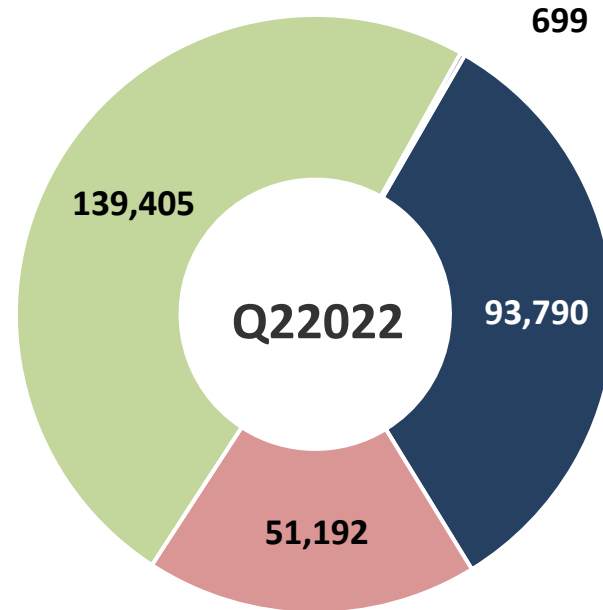
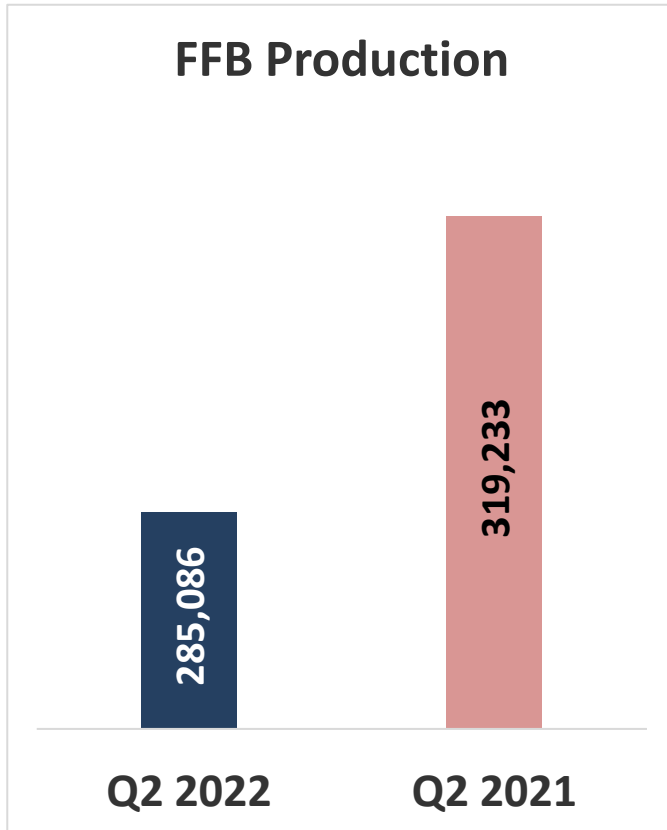
OPERATIONAL HIGHLIGHT

Operational Performance

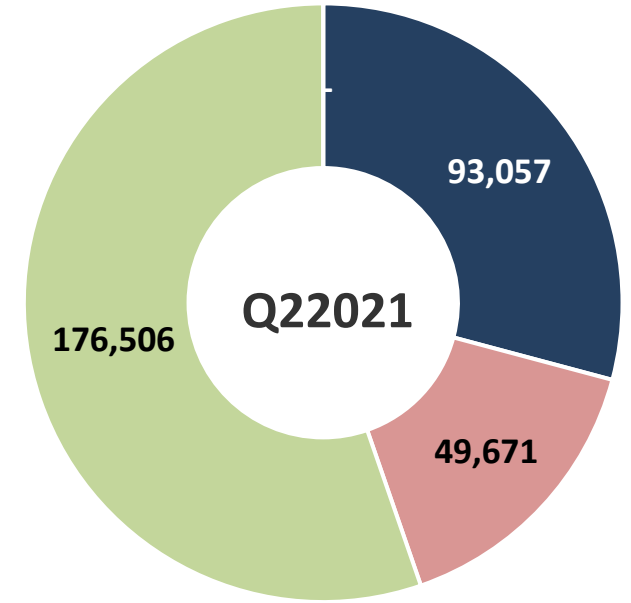
Lower FFB production by 11% as compared to the same period last year mainly driven by lower FFB production in Sarawak.

GROUP FFB PRODUCTION

FFB Production (MT)



■ Peninsular ■ Sabah ■ Sarawak ■ Indonesia

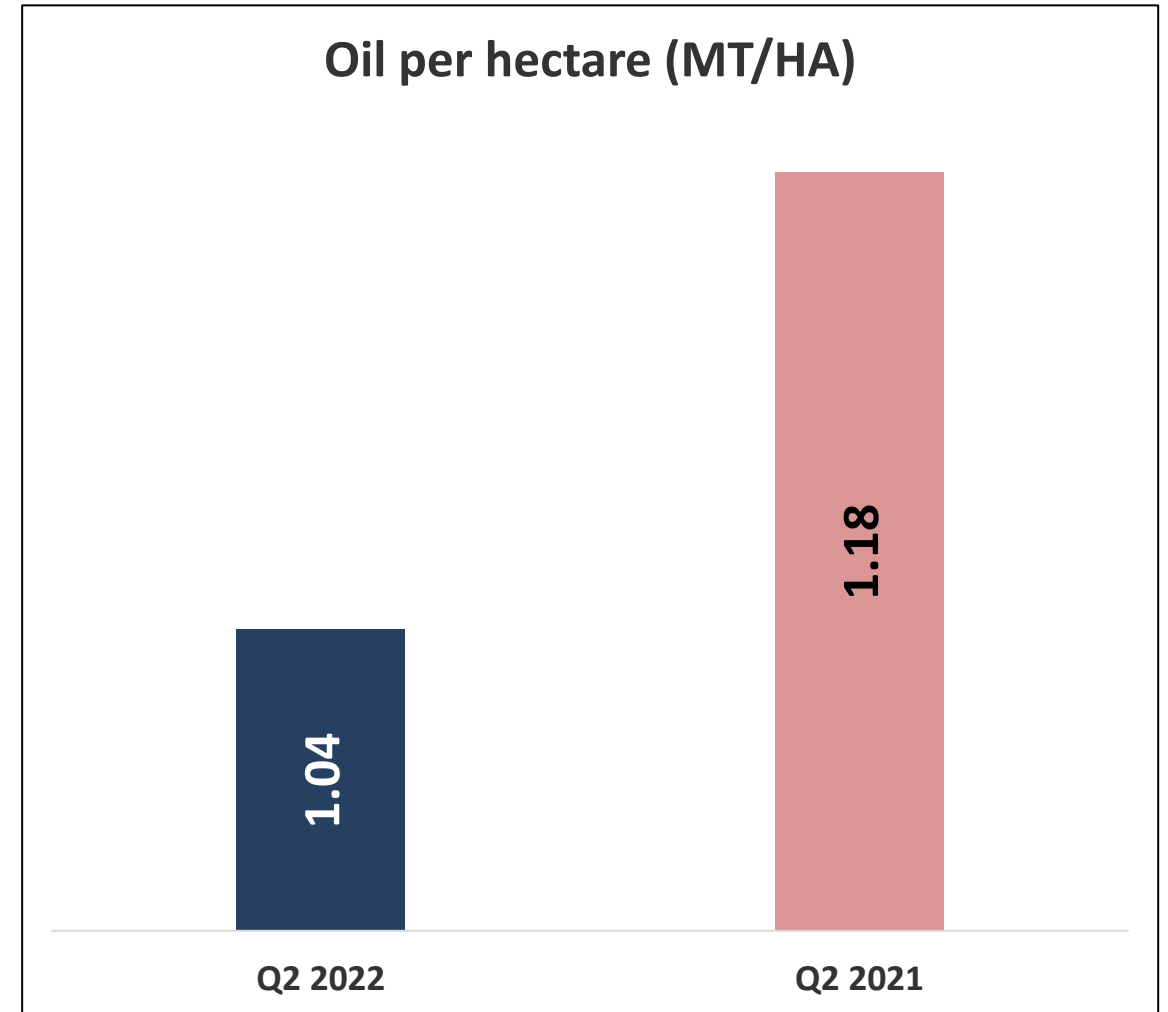
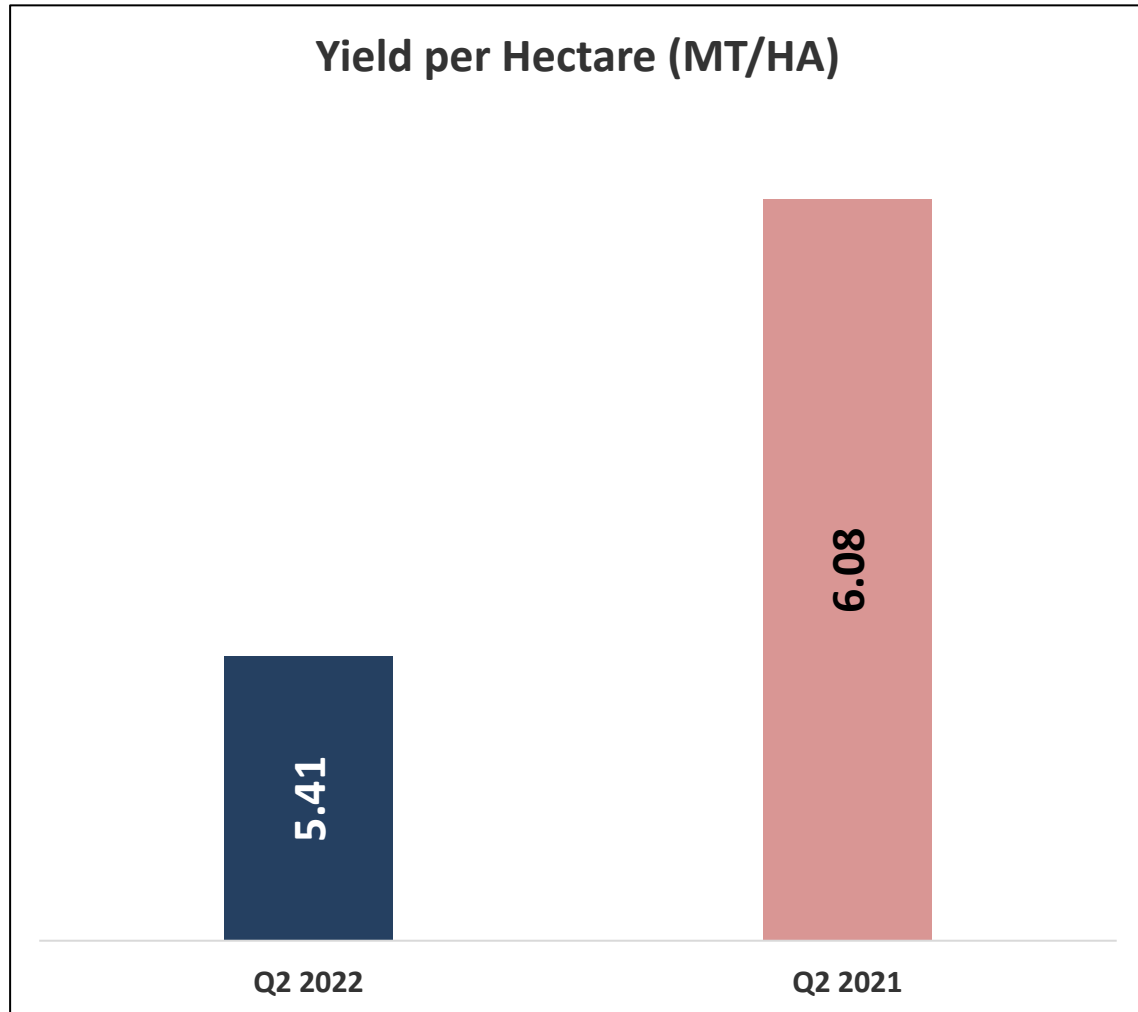


■ Peninsular ■ Sabah ■ Sarawak ■ Indonesia

Peninsular: Higher FFB production for estates in Peninsular by 732.72 mt or 1% mainly contributed by an additional contract harvester hired during the year.

Sabah: Higher FFB production in Sabah by 1,521.27 mt or 3% mainly contributed by the increase in the weight of FFB from the young matured field (age 6-8 years).

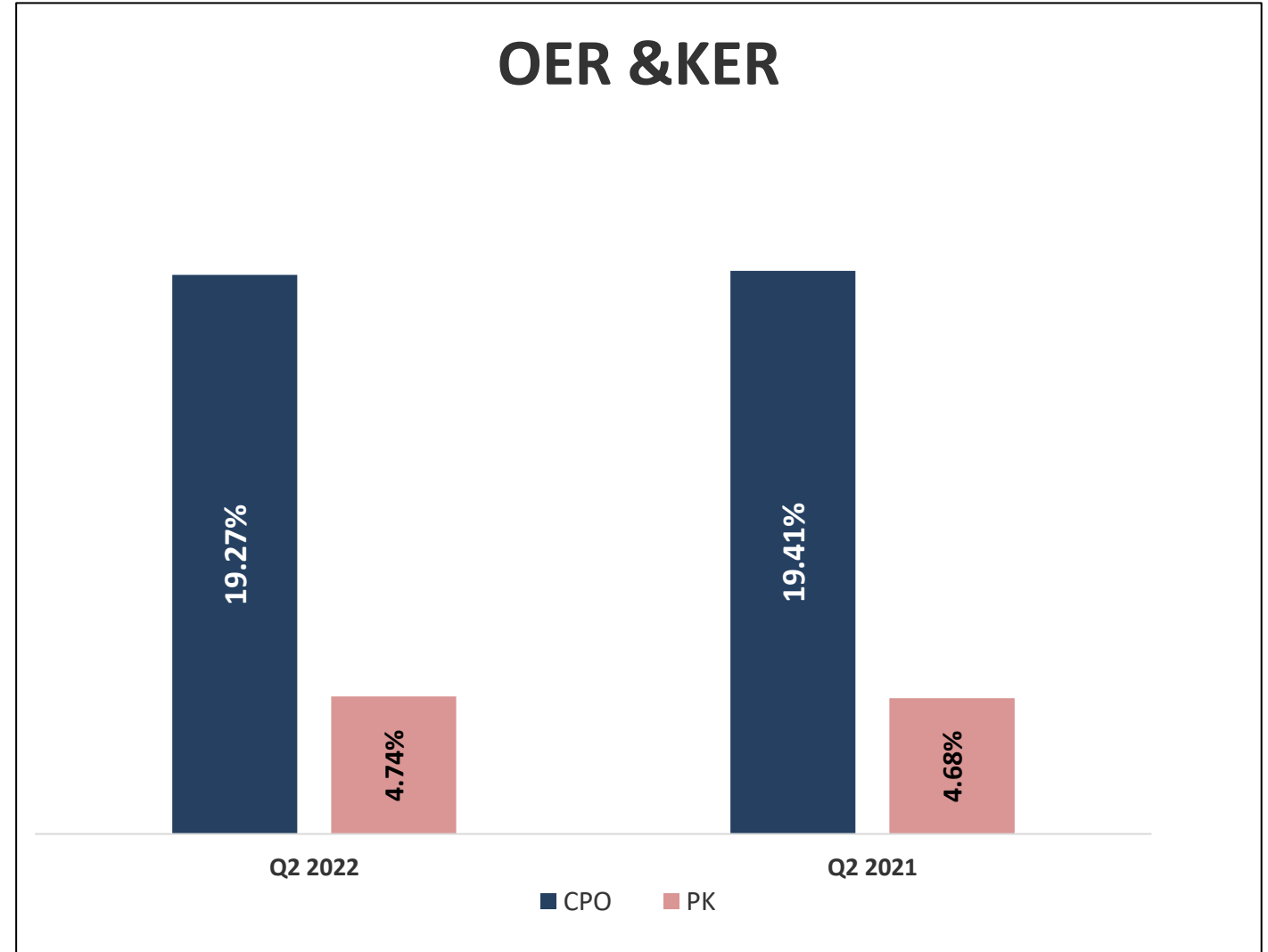
Sarawak: Lower FFB production in Sarawak by 37,100.57mt or 21% mainly due to consolidation exercise and shortage of harvesters.



Operational Performance

CPO & PK EXTRACTION RATE (%)

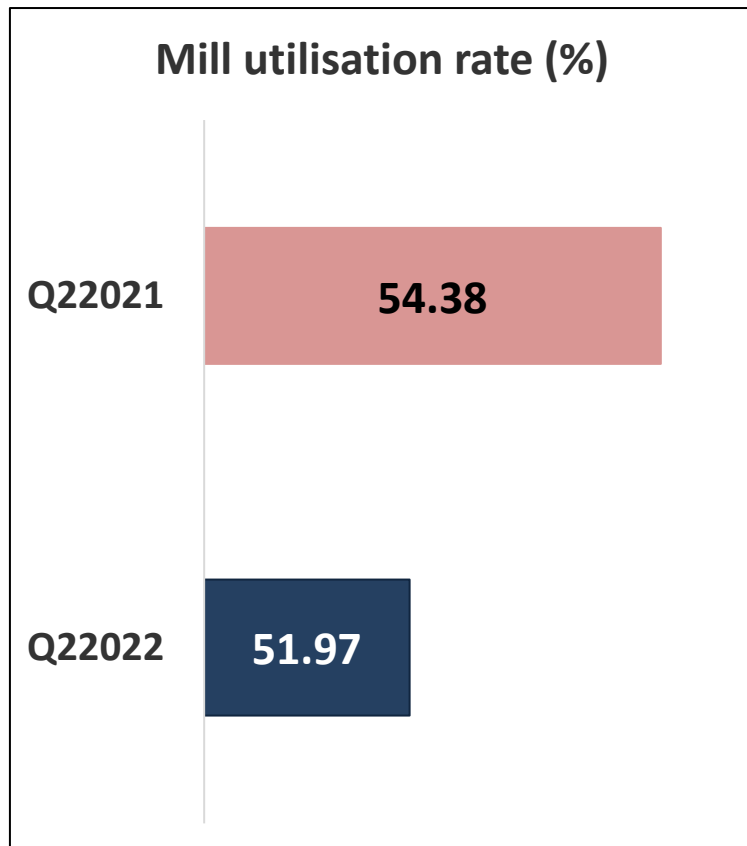
	Q2 FY2022	Q2 FY2021
OER	19.27	19.41
KER	4.74	4.68



Operational Performance

Group mill utilisation was lower for the current year as a result of lower FFB production by 11% compared to the prior period.

GROUP MILL UTILISATION



<i>Mill utilisation</i>	6M FY2022	6M FY2021
Kota Bahagia mill	64.27	65.40
Bukit Lawiang mill	90.93	86.99
Tenegang mill	38.97	37.92
Mamahat mill	35.94	31.56
Raja udang mill	39.99	38.25
Gedong mill	40.92	60.64
Total	51.97	54.38

Financial Highlight

Operational Highlight

Business updates



BUSINESS UPDATES

CPO OUTLOOK

CPO price is expected to be in the range of RM3,500/MT-RM4,500/MT for the second half of 2022, averaging RM5,000/MT for 2022.

OPERATIONAL

- Current harvesters' ratio is at 1:50; there is a shortage of approximately 1,570 harvesters based on the ideal ratio of 1:20.
- As of to date, the Group has managed to secure a foreign workers quota of 351 or 45% of the requirement for Peninsular, 120 or 28% of the requirement for Sabah, and 673 or 13% of the requirement for Sarawak.
- Introduction of the mechanisation program to mitigate the labour shortage problem.

TRANSFORMATION PLAN: OPERATIONAL EFFICIENCY

Scheduled Replanting Programme

to achieve sustainable optimum crop production and oil palm age

Maximising value of asset

by embarking on a consolidation exercise to improve the performance of the Group assets

Expand Mechanisation Initiatives

to reduce dependency on labour and increase productivity

Sustainable Practices & Compliance towards ESG and enhance the Enterprise Risk Management Framework

Increase Purchasing of FFB

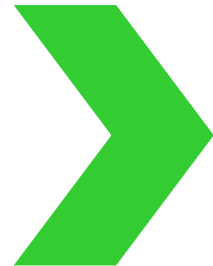
aggressive management in outsourcing and purchasing of external FFB to optimised mills capacity

CONSOLIDATION EXERCISES



PHASE 1:

- ❖ Identified area for consolidation exercises



PHASE 2:

- ❖ Upkeep & weeding
- ❖ Roads & Bridges
- ❖ Soil conservation
- ❖ Pests & Diseases
- ❖ Water management system



PHASE 3:

- ❖ Supply palm (if necessary)
- ❖ Optimum manuring application
- ❖ Expansion on mechanization programme



Replanting Programme

- A total area of 805 hectares (Sungai Mengah-305 ha, Bukit Belian-220 ha, and Bukit Gold-280 ha) with the palm age of 26 -27 years old and has commenced in August 2022.



SUKUK Restructuring Programme

Unrated Islamic medium-term notes ("**Sukuk**") programme of up to RM1.08 billion ("**Proposed New Sukuk Programme**")



On 17 June 2022, TH Plantations Berhad ("THPB") has completed the lodgement of the Sukuk Wakalah Programme



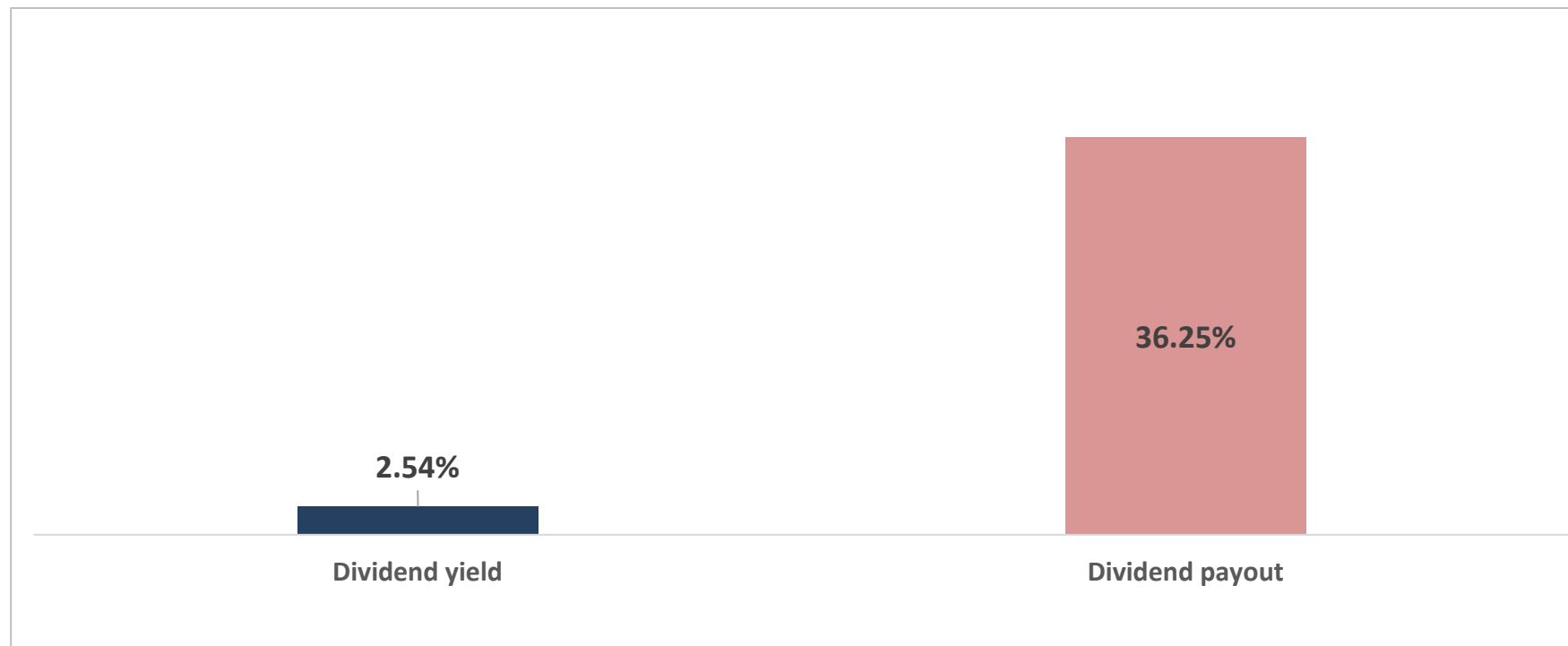
On 8 July 2022, The Group has issued RM300.0 million in nominal value of perpetual Sukuk Wakalah.



DECLARATION OF DIVIDEND

For the current quarter, the Directors have declared a 1st interim single tier dividend of 1.5 sen per share in respect of the year ending 31 December 2022. The dividends will be paid on 11 October 2022 to shareholders registered in the Register of Members at the close of business on 12 September 2022.

DIVIDEND YIELD AND DISTRIBUTION OUT OF APATAMI





APPENDIX



Financial Highlights

Net profit decrease by 30% in Q2 FY2022 mainly due to lower fair value changes on biological assets

	Q22022 RM'000	Q22021 RM'000	Variance RM'000	%
Revenue	448,555	307,391	141,164	46
Fair Value changes on biological asset	(9,696)	25,980	(35,676)	(137)
Gross profit	114,166	117,976	(3,810)	(3)
Profit before tax	57,513	66,939	(9,426)	(14)
Profit after tax	36,540	52,165	(15,625)	(30)
PATAMI	31,354	41,533	(10,179)	(25)

Summary of statement financial position



TH PLANTATIONS BERHAD

	30 JUNE 2022	31 DEC 2021
ASSETS		
PPE	867,224	860,052
ROU	659,362	663,538
PDE	80,973	104,097
FORESTRY	21,587	21,587
OTHER INVESTMENTS	1,825	1,825
DEFERRED TAX ASSETS	39,873	40,046
TOTAL NON-CURRENT ASSETS	1,670,844	1,691,145
CURRENT ASSETS	294,085	393,709
ASSETS CLASSIFIED AS HELD FOR SALE	769,691	777,052
TOTAL CURRENT ASSETS	1,063,776	1,170,761
TOTAL ASSETS	2,734,620	2,861,906

Summary of statement financial position

	30 JUNE 2022	31 DEC 2021
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	679,587	649,054
NON-CONTROLLING INTERESTS	303,635	295,832
TOTAL EQUITY	983,222	944,886
LOANS AND BORROWINGS	868,166	925,131
LEASE LIABILITIES	78,109	77,325
DEFERRED TAX LIABILITIES	192,733	193,575
TRADE AND OTHER PAYABLES & EMPLOYEE BENEFITS	14,572	15,075
TOTAL NON CURRENT LIABILITIES	1,153,580	1,211,106
CURRENT LIABILITIES	458,980	578,336
LIABILITIES CLASSIFIED AS ASSETS HELD FOR SALE	138,838	127,578
TOTAL CURRENT LIABILITIES	597,818	705,914
TOTAL LIABILITIES	1,751,398	1,917,020
TOTAL EQUITY AND LIABILITIES	2,734,620	2,861,906

Summary of Operational Statistics

As at 30 June 2022



TH PLANTATIONS BERHAD

	Q22022	Q22021	Variance	%
Total Production	285,086	319,233	(34,147)	(11)
Sales FFB to outside-estate	(29,626)	(34,341)	4,715	14
Sold to own mill	255,460	284,892	(29,432)	(10)
Sales FFB to outside-Mill	(11,760)	(24,486)	12,726	52
FFB stock movement	(274)	(108)	(166)	(154)
FFB Purchased	84,929	83,245	1,684	2
Total FFB Processed	328,355	343,543	(15,188)	(4)
Yield per hectare	5.41	6.08	(0.67)	(11)
Sales Volume				
CPO	63,092	66,739	(3,647)	(5)
PK	15,086	15,573	(487)	(3)
FFB	41,386	58,826	(17,440)	(30)

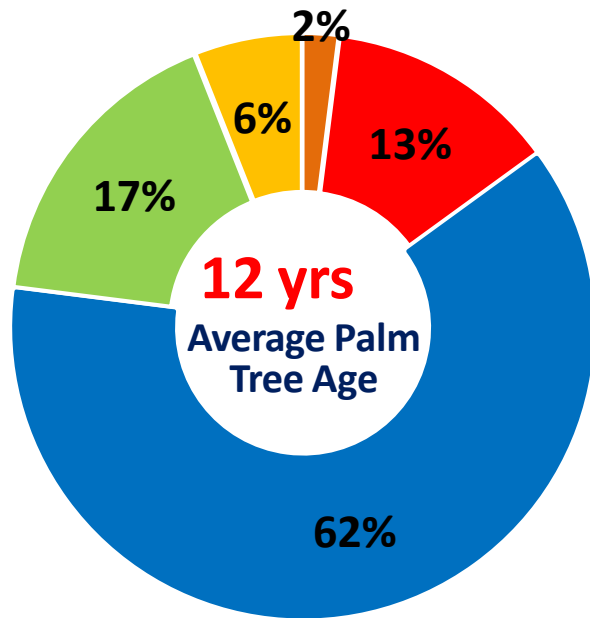
Breakdown of Age Profile

As at 30 June 2022

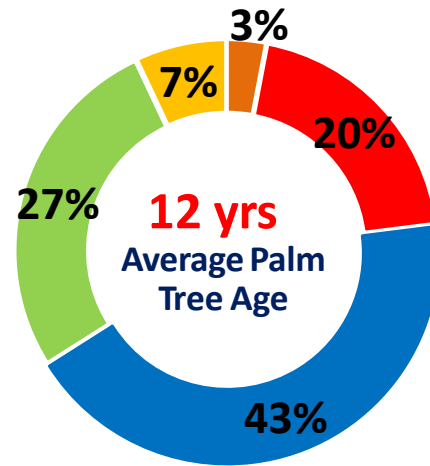


TH PLANTATIONS BERHAD

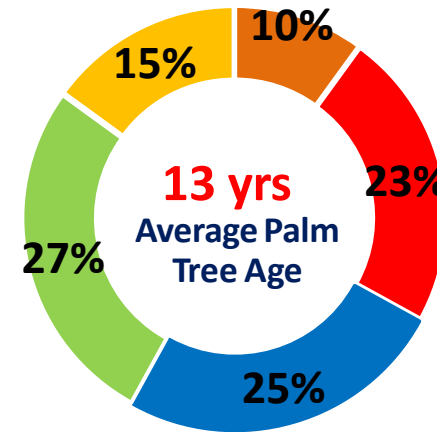
GROUP



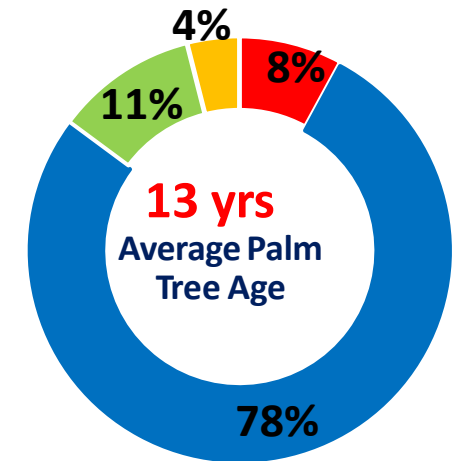
PENINSULAR



SABAH



SARAWAK



- 26-30 (very old mature) ■ 19-25 (old mature)
- 9-18 (Prime mature) ■ 4-8 (Young mature)
- 1-3 (Immature)



THANK YOU
