



# TH PLANTATIONS BERHAD

## Result for the third quarter ended 30 September 2022

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**10 NOVEMBER 2022**

**Strictly Private & Confidential**

Financial Highlight

Operational Highlight

Business updates



# FINANCIAL HIGHLIGHT

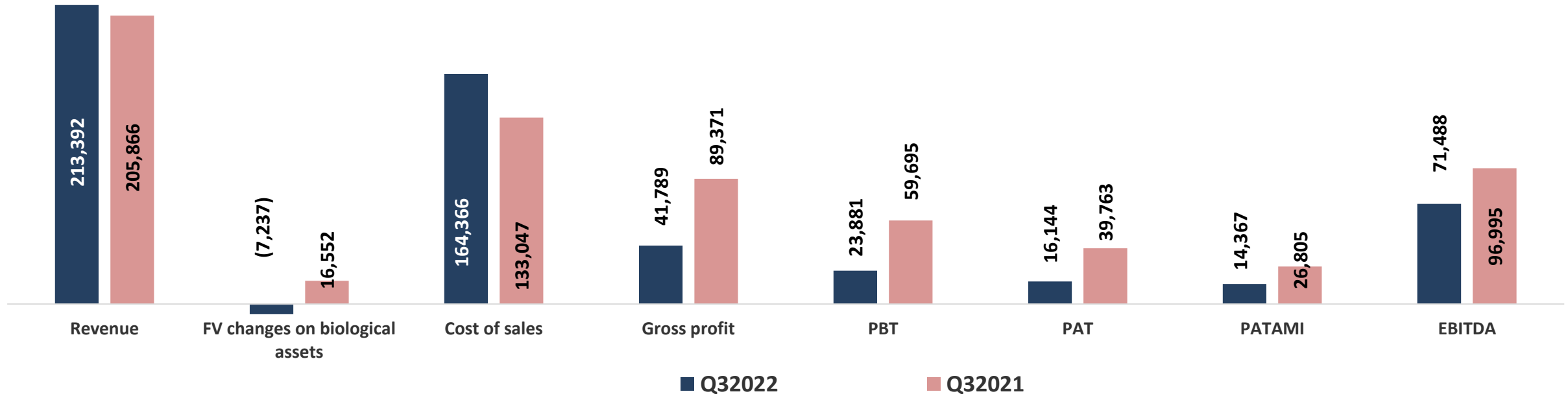
# Financial Highlights

Snapshot of financial highlights (Q32022 vs Q32021)



TH PLANTATIONS BERHAD

## Financial Highlight (RM'000)



7,526

4%



(23,789)

144%



(31,319)

24%



(47,582)

53%



(35,814)

60%



(23,619)

59%



(12,438)

46%



(25,507)

26%

4

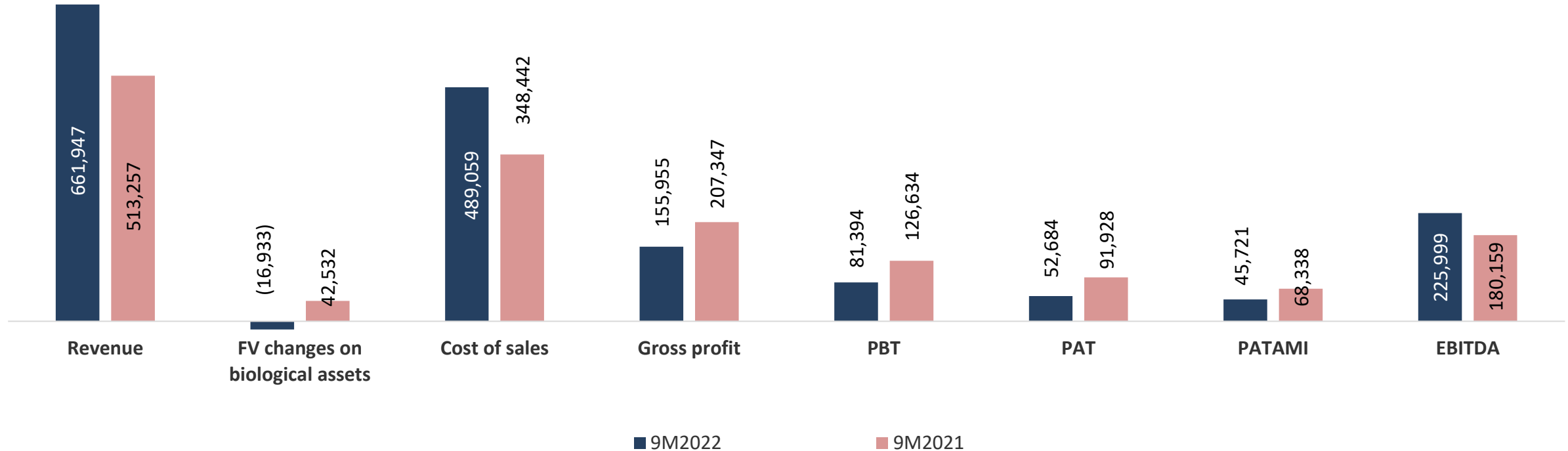
# Financial Highlights



TH PLANTATIONS BERHAD

Snapshot of financial highlights (9M2022 vs 9M2021)

Financial Highlight (RM'000)



148,690

29%



(59,465)

140%



(140,617)

40%



(51,392)

25%



(45,240)

36%



(39,244)

43%



(22,617)

33%



45,840

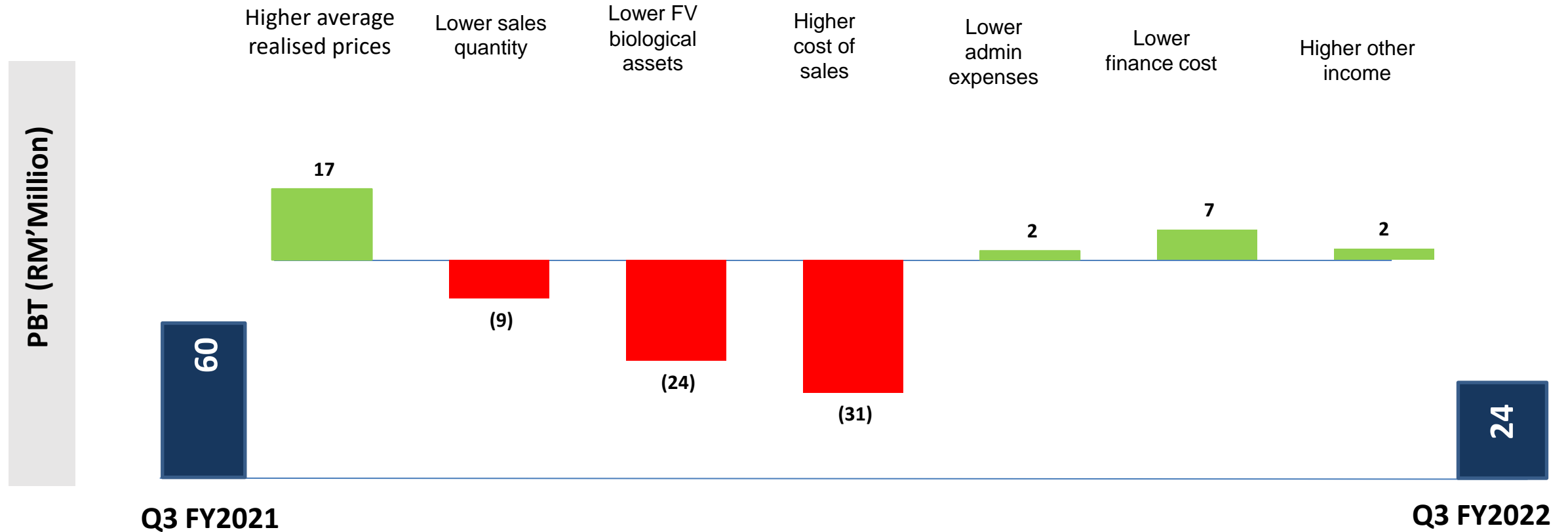
25%



# Profit Before Tax (PBT)

The Group recorded a lower PBT of RM23.88 million, a decrease of 60.00% from RM59.70 million in the preceding period, primarily attributed to lower fair value change on biological assets and higher cost of sales.

## Q3 FY2022 vs Q3 FY2021

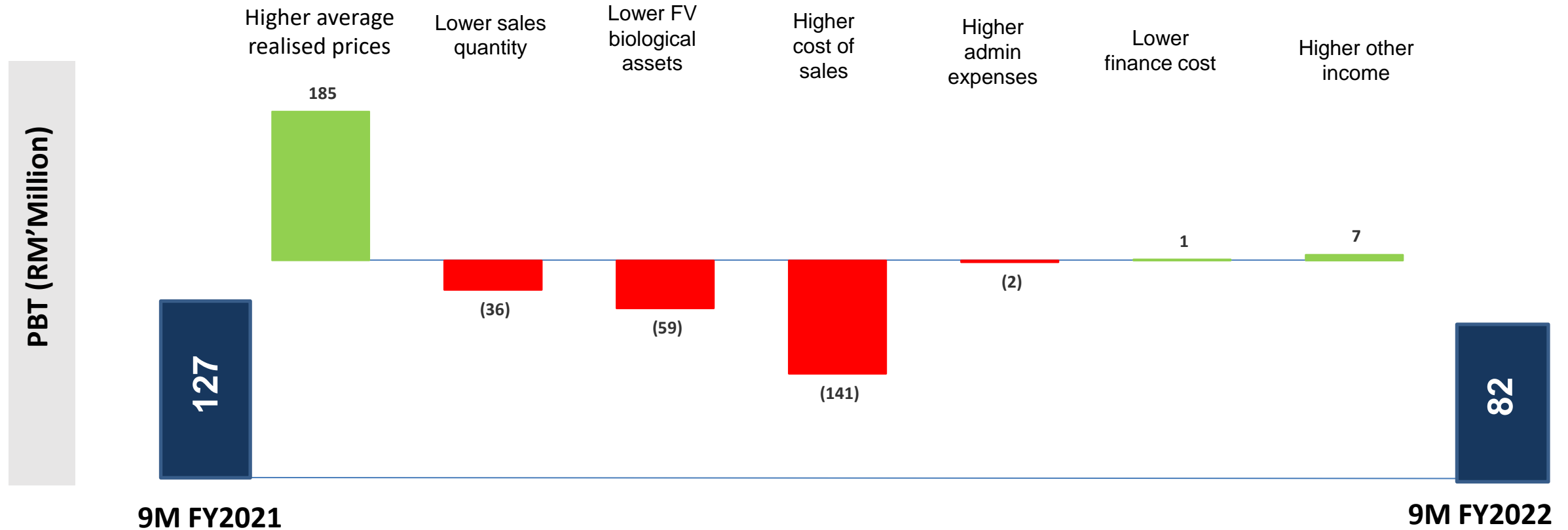




# Profit Before Tax (PBT)

The Group recorded a lower PBT of RM81.39 million, a decrease of 36% from RM126.63 million in the preceding period, primarily attributed to higher average realised prices and partly offset by higher cost of sales and lower fair value change on biological assets.

9M FY2022 vs 9M FY2021



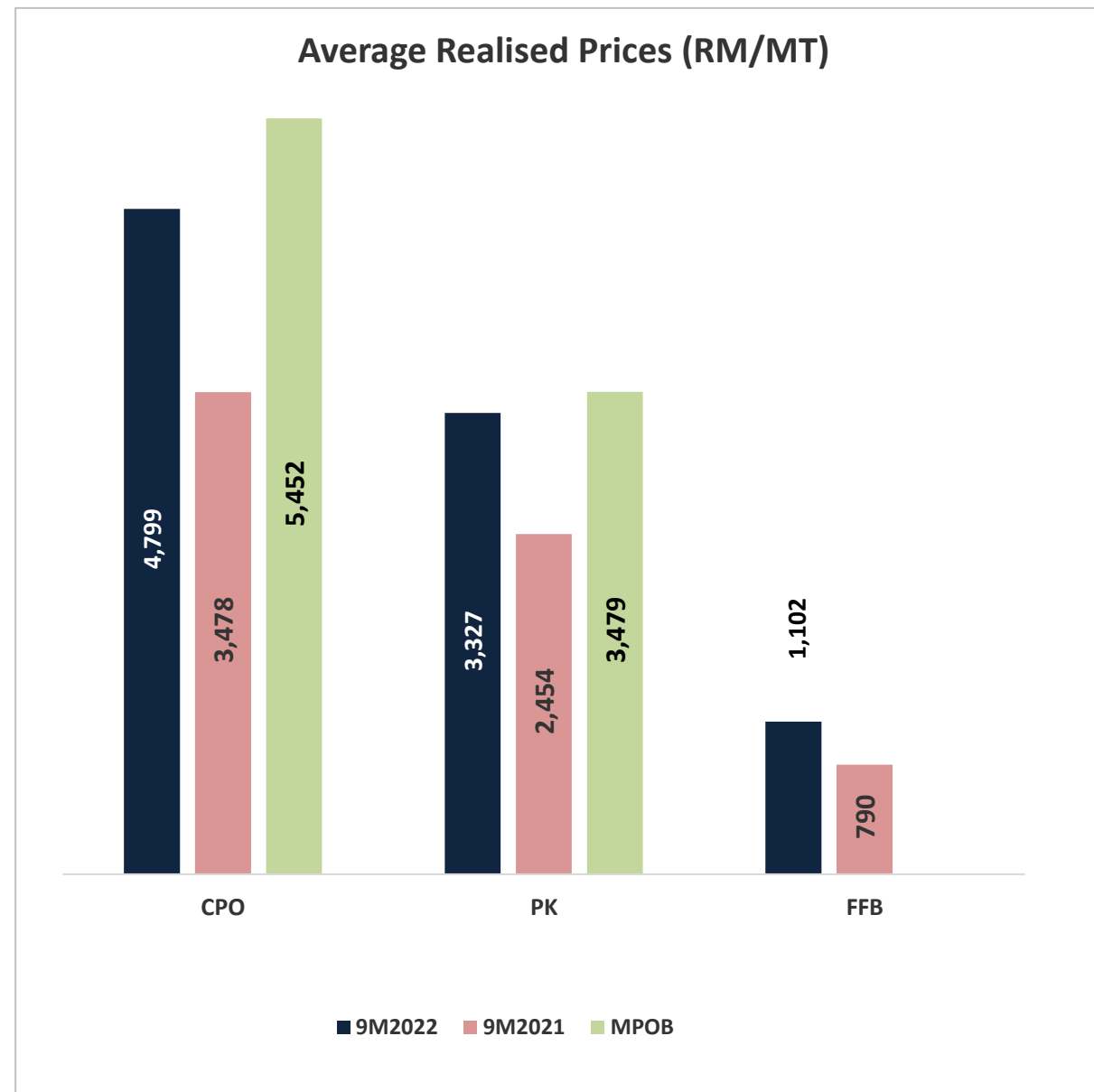
# Average realised prices

## AVERAGE REALISED PRICES

| Average realised prices (RM/MT) | 9M FY2022 | 9M FY2021 |
|---------------------------------|-----------|-----------|
| CPO                             | 4,799     | 3,478     |
| PK                              | 3,277     | 2,454     |
| FFB                             | 1,102     | 790       |

### Comparison with MPOB (by region)

|                 |       |       |
|-----------------|-------|-------|
| <b>CPO</b>      |       |       |
| - Peninsular    | 5,458 | 4,202 |
| - Sabah         | 5,208 | 4,297 |
| - Sarawak       | 4,843 | 4,195 |
| <b>PK</b>       |       |       |
| - Peninsular    | 3,434 | 2,574 |
| - Sabah/Sarawak | 3,523 | 2,540 |





# Balance sheet (Highlights)

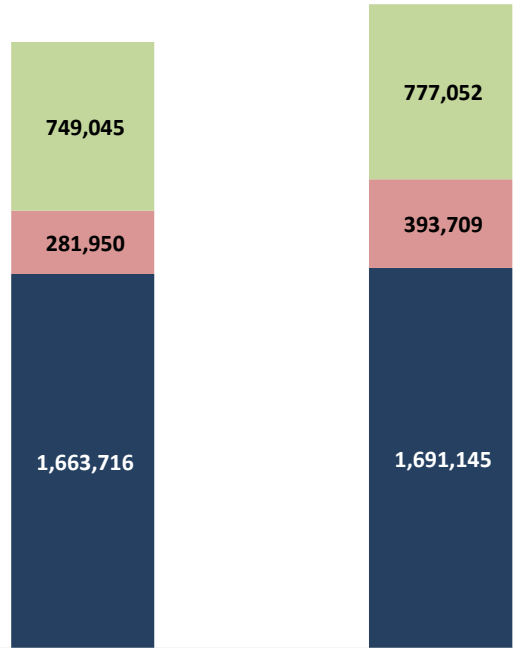


Snapshot of balance sheet (30 September 2022 vs 31 Dec 2021)

## ASSETS (RM'000)

**TOTAL**  
RM2,694,711

**TOTAL**  
RM2,861,906



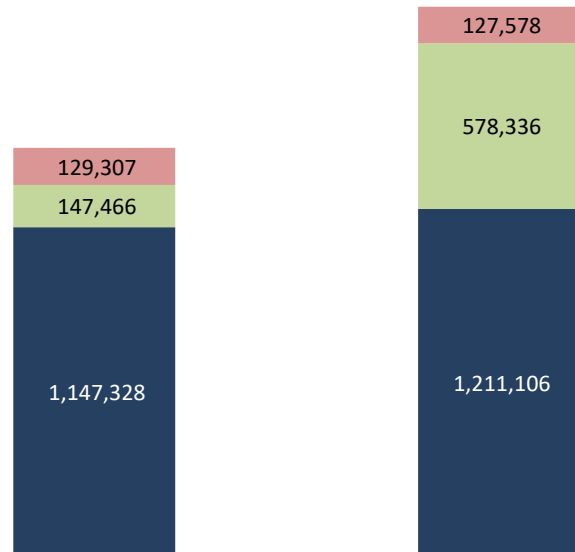
30-Sep-22                      31-Dec-21

- Asset classified as asset held for sales
- Current asset
- Non current asset

## LIABILITIES (RM'000)

**TOTAL**  
RM1,424,101

**TOTAL**  
RM1,917,020



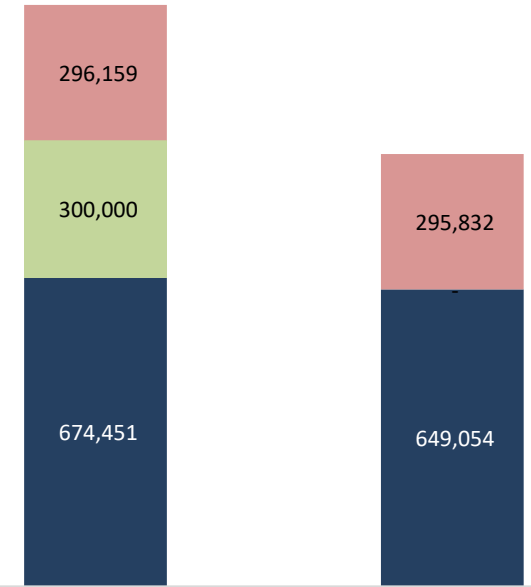
30-Sep-22                      31-Dec-21

- Liabilities classified as held for sales
- Current liabilities
- Non current liabilities

## TOTAL EQUITY (RM'000)

**TOTAL**  
RM1,270,610

**TOTAL**  
RM944,886



30-Sep-22                      31-Dec-21

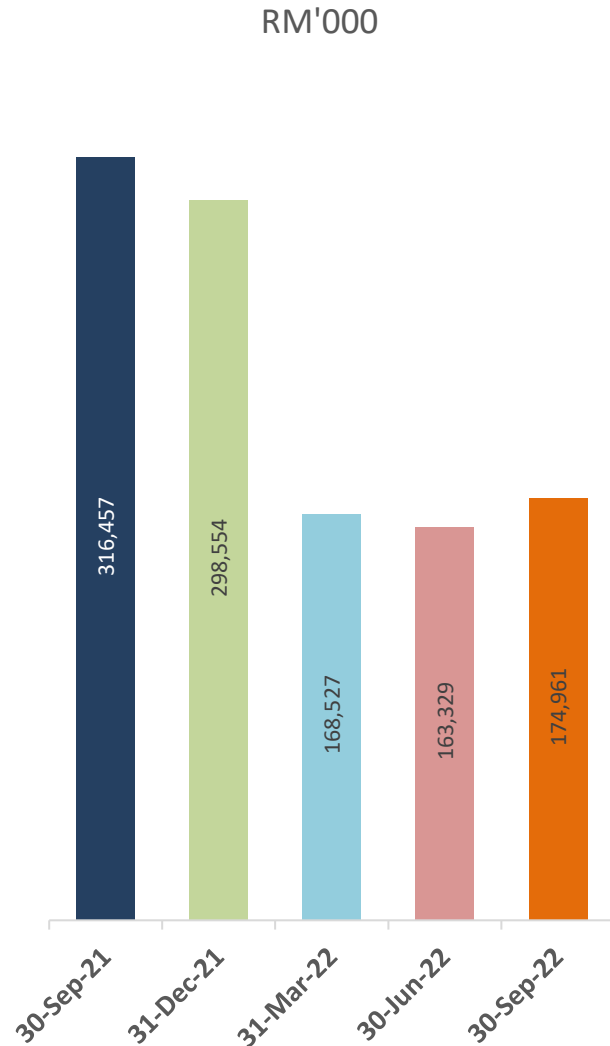
- Non-controlling interest
- Perpetual sukuk
- Equity attributable to owners

# Cash and gearing as of 30 September 2022



## CASH AND BANK BALANCES

RM'000



## TOTAL BORROWING AND GEARING

**1.55x**  
Gross

**1.21x**  
Net

**1.54x**  
Gross

**1.22x**  
Net

**1.33x**  
Gross

**1.15x**  
Net

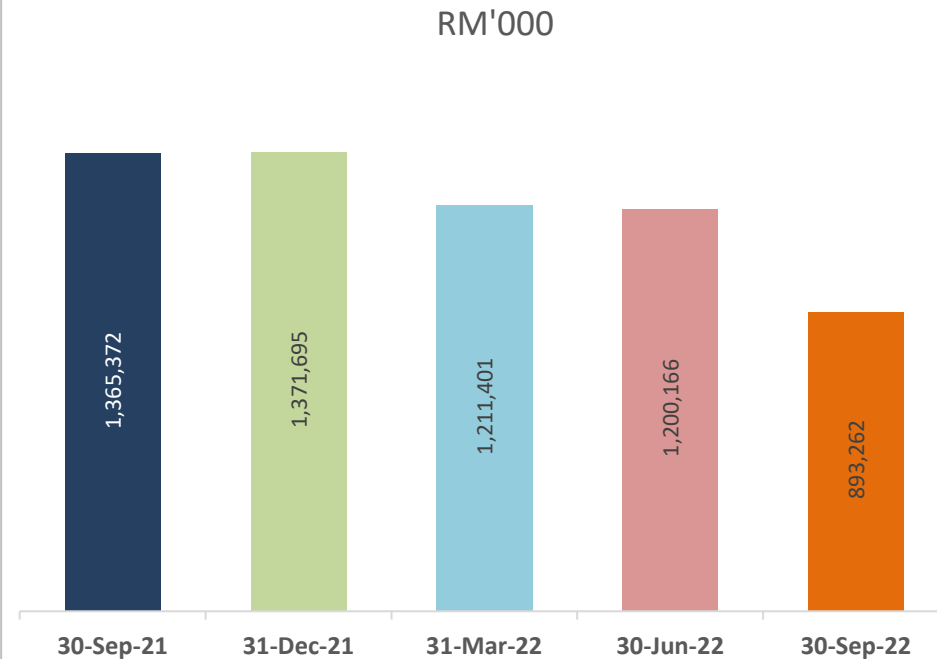
**1.30x**  
Gross

**1.14x**  
Net

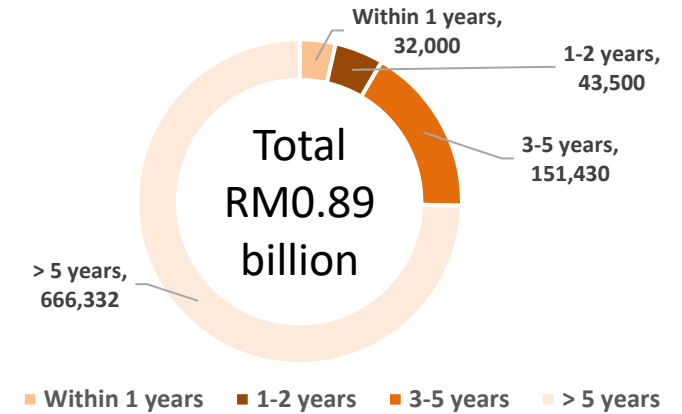
**0.77x**  
Gross

**0.63x**  
Net

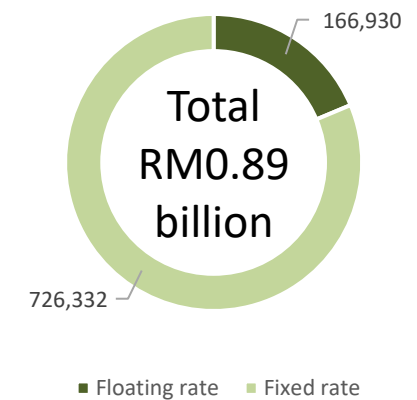
RM'000



## DEBT AGEING

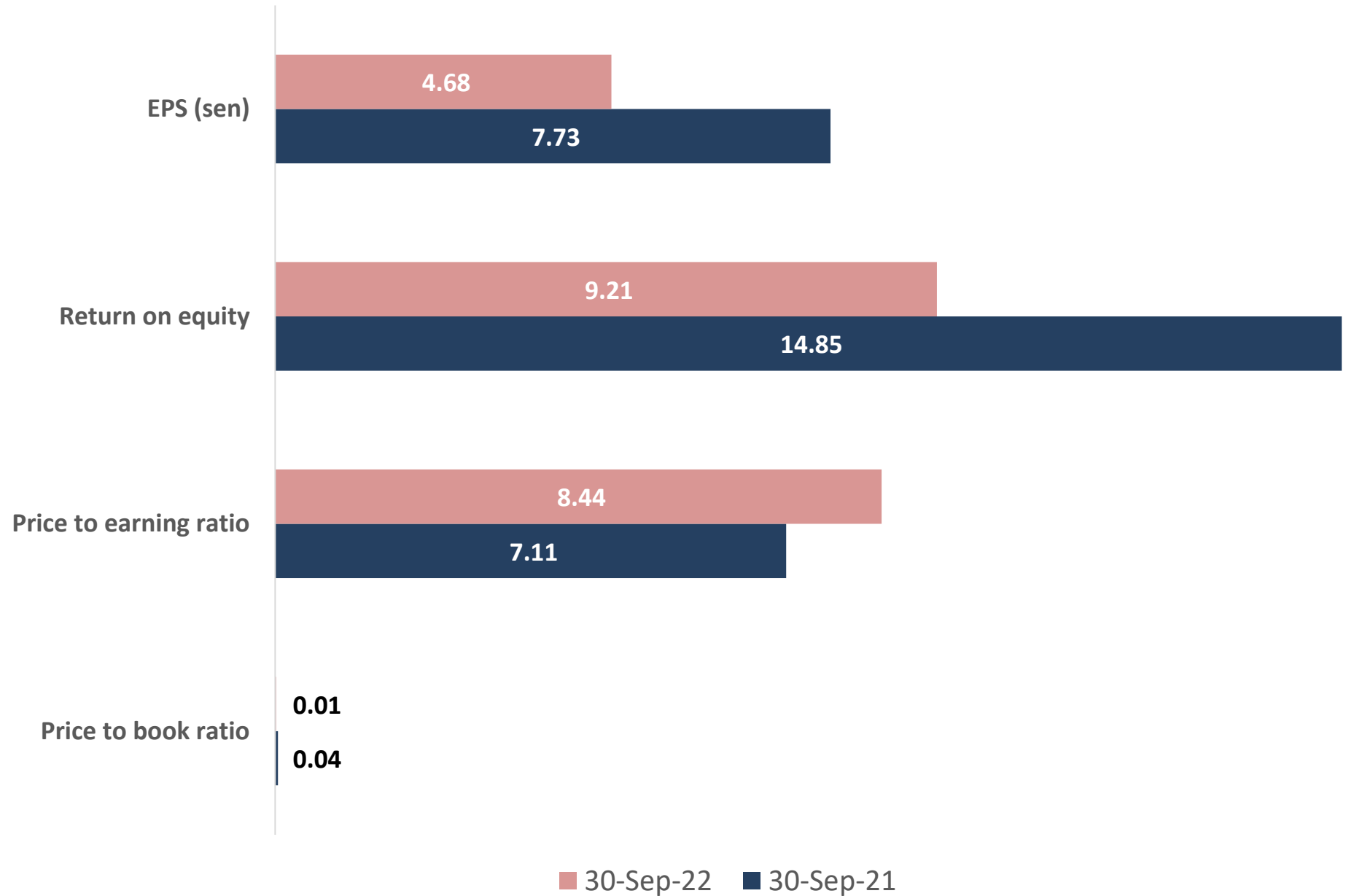


## DEBT PROFILE BY FIXED AND FLOATING RATE





# KEY FINANCIAL RATIO



Financial Highlight

Operational Highlight

Business updates



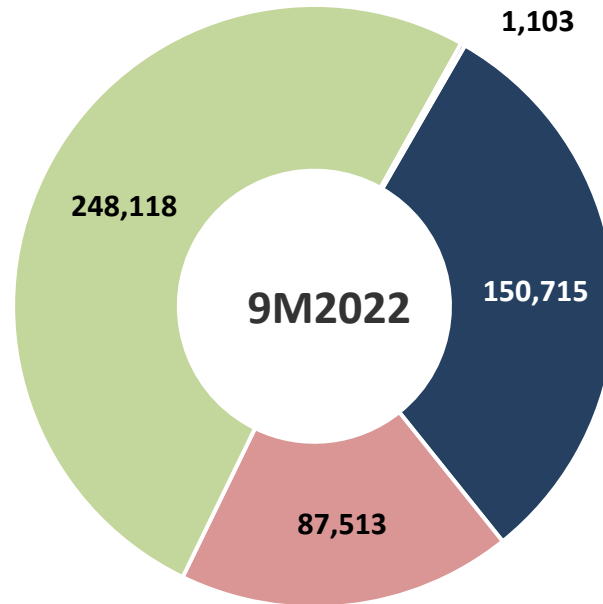
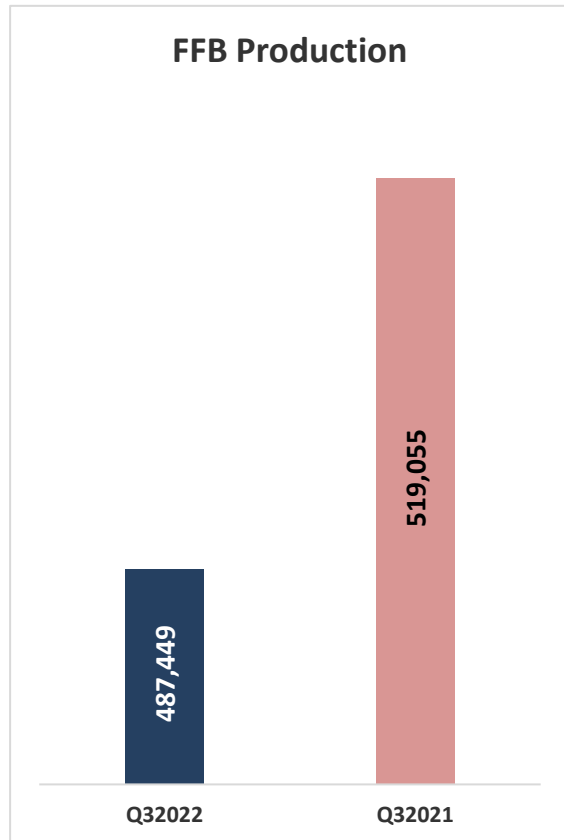
## OPERATIONAL HIGHLIGHT

# Operational Performance

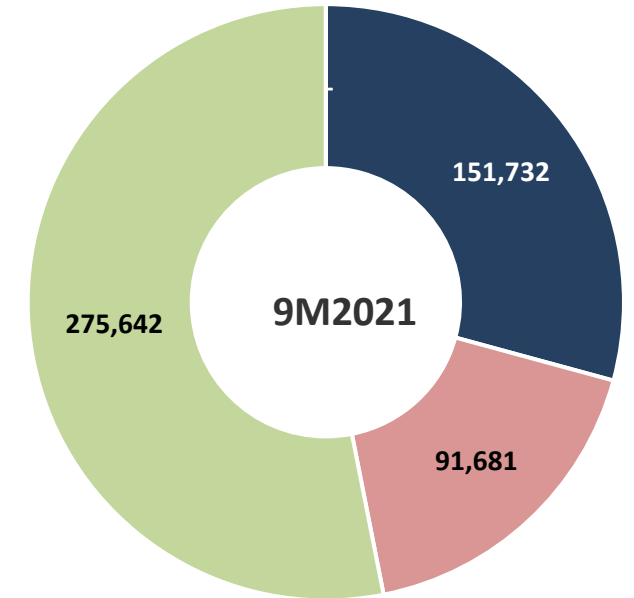
Lower FFB production by 6% as compared to the same period last year mainly driven by lower FFB production in Sarawak.

## GROUP FFB PRODUCTION

### FFB Production (MT)



■ Peninsular ■ Sabah ■ Sarawak ■ Indonesia

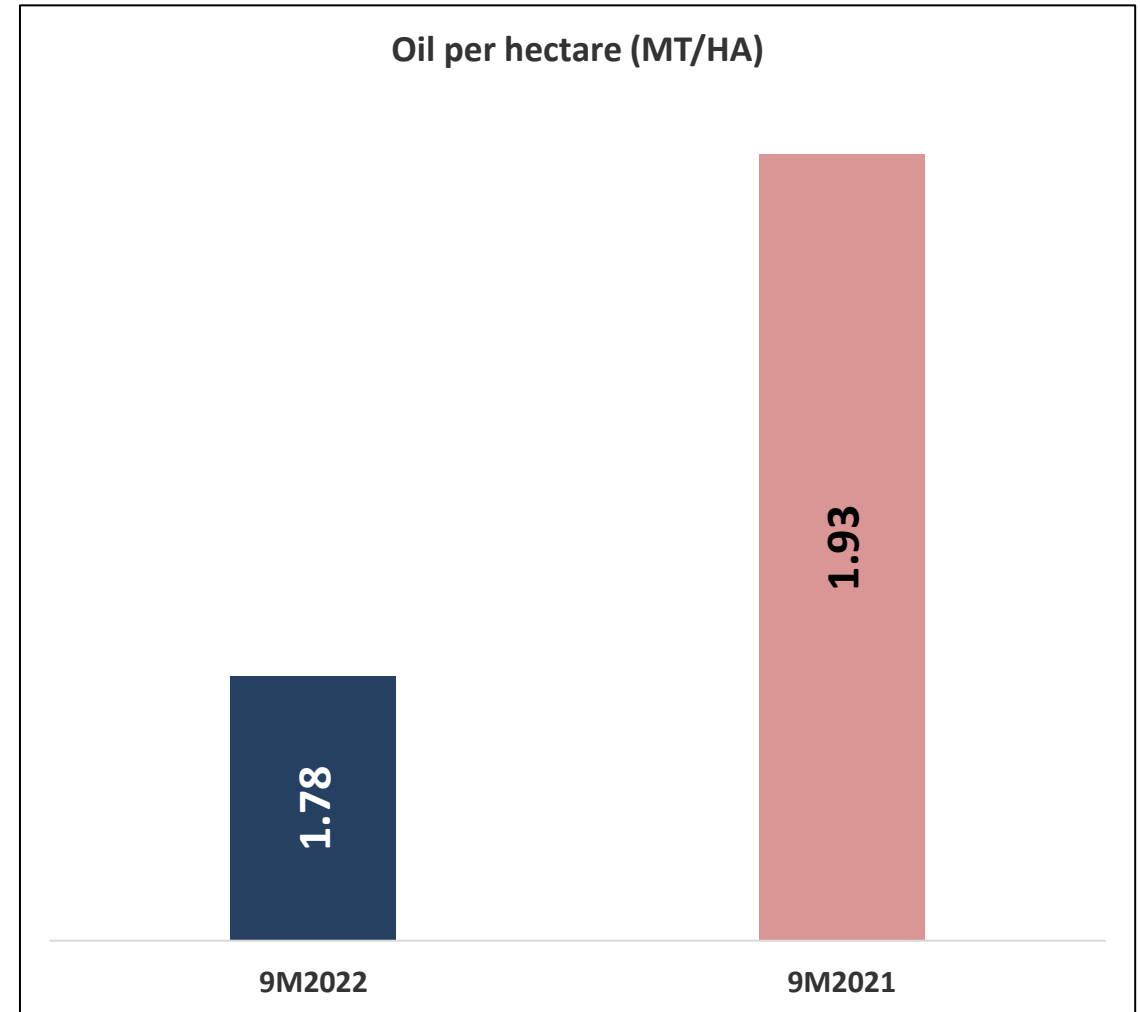
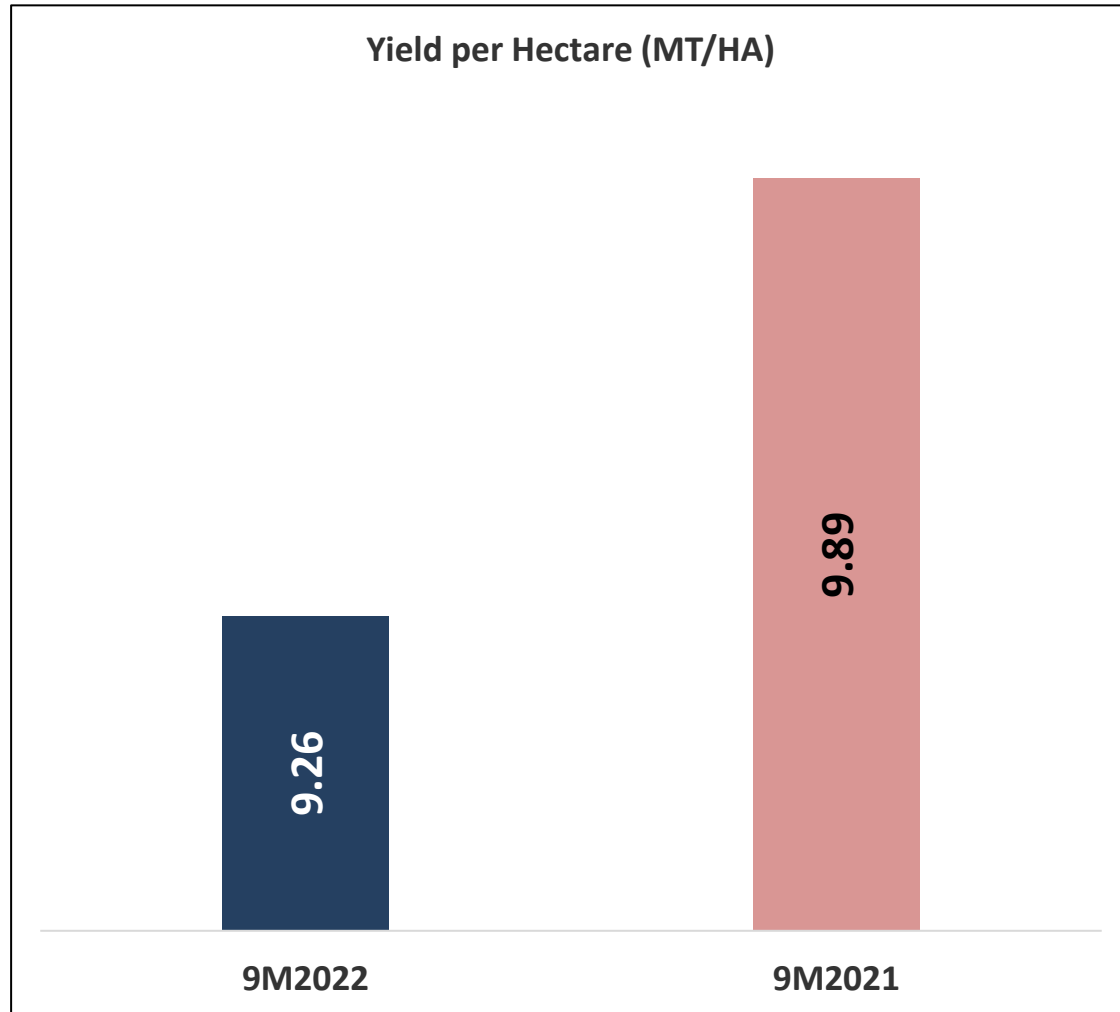


■ Peninsular ■ Sabah ■ Sarawak ■ Indonesia

**Peninsular:** Lower FFB production from estates in Peninsular by 1,016.51 mt or 0.25mt/ha mainly due to frequent rain interference in the first quarter (average 224.08 mm) and the shortage of skilled harvesters especially for tall palm areas for Sungai Mengah and Kota Bahagia estate (totalling 1,173.49 ha at the age of 25-27 years).

**Sabah:** Lower FFB production from estates in Sabah by 4,167.99 mt or 1.41mt/ha mainly due to low bunch formation due to high rainfall in the first quarter (average 329.87 mm), and shortage of skilled harvesters by 53 harvesters at tall palm area (497ha) which was planted in year 1993.

**Sarawak:** Lower FFB production in Sarawak by 27,524.04mt or 0.73mt/ha mainly due to shortage of harvesters.

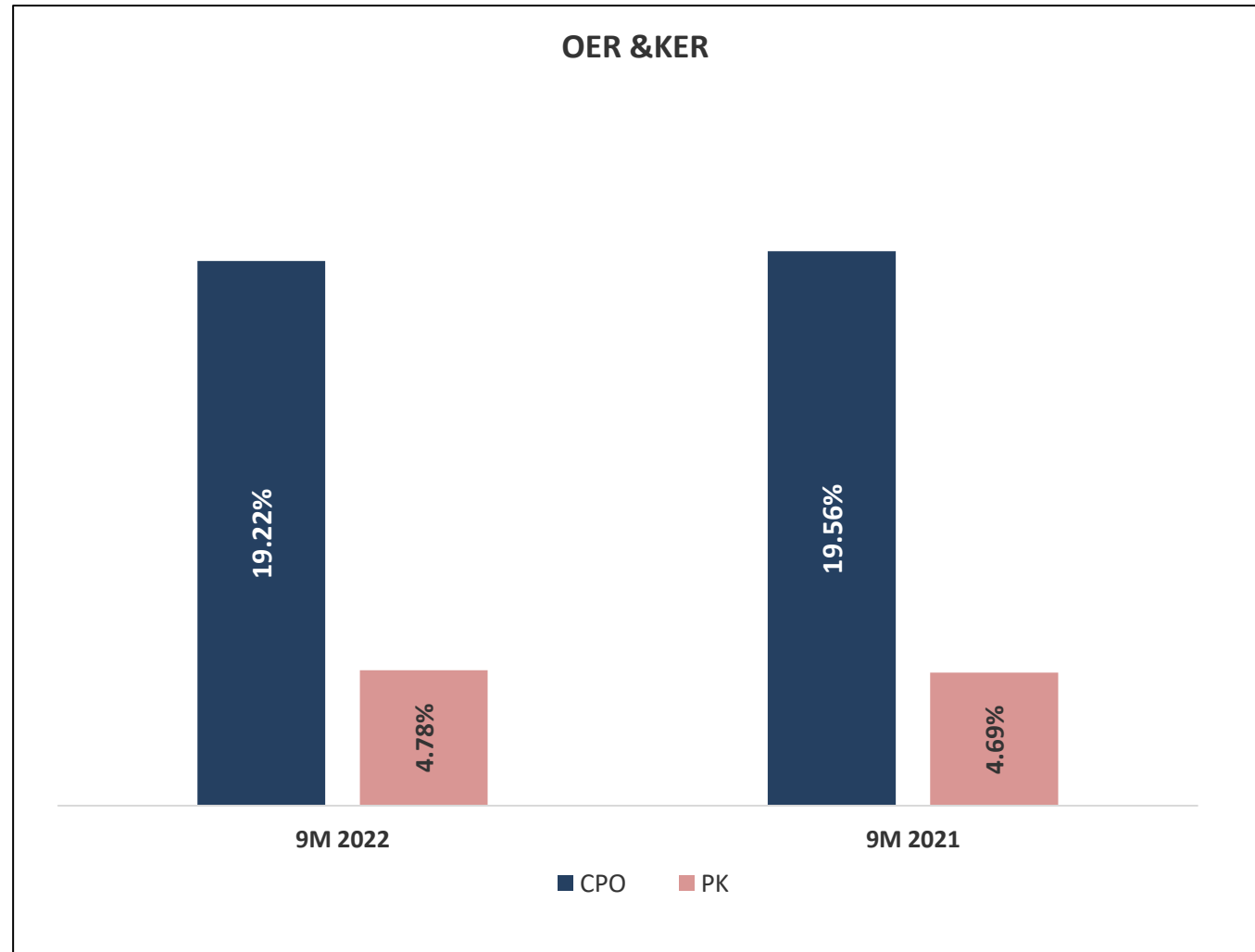


# Operational Performance

## CPO & PK EXTRACTION RATE (%)

|  | 9M<br>FY2022 | 9M<br>FY2021 |
|--|--------------|--------------|
|--|--------------|--------------|

|     |       |       |
|-----|-------|-------|
| OER | 19.22 | 19.56 |
| KER | 4.78  | 4.69  |





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, averaging RM5,000/MT for 2022.

## OPERATIONAL

- Current harvesters' ratio is at 1:33; 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 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**

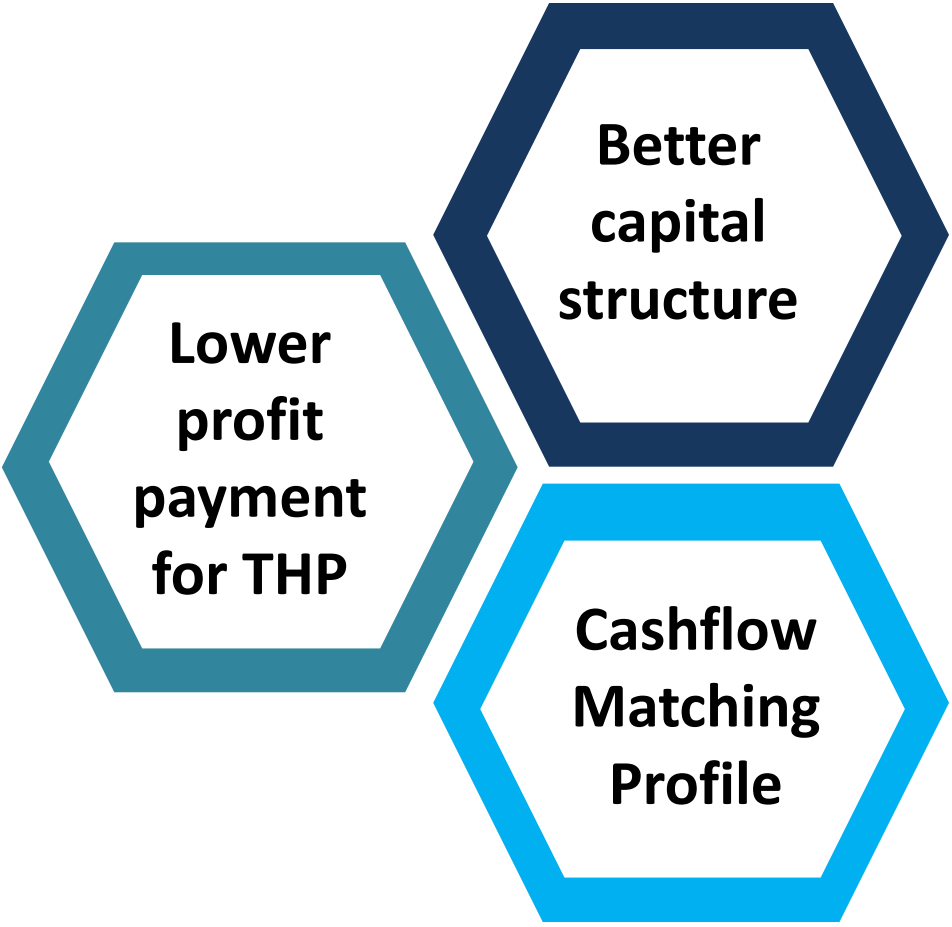
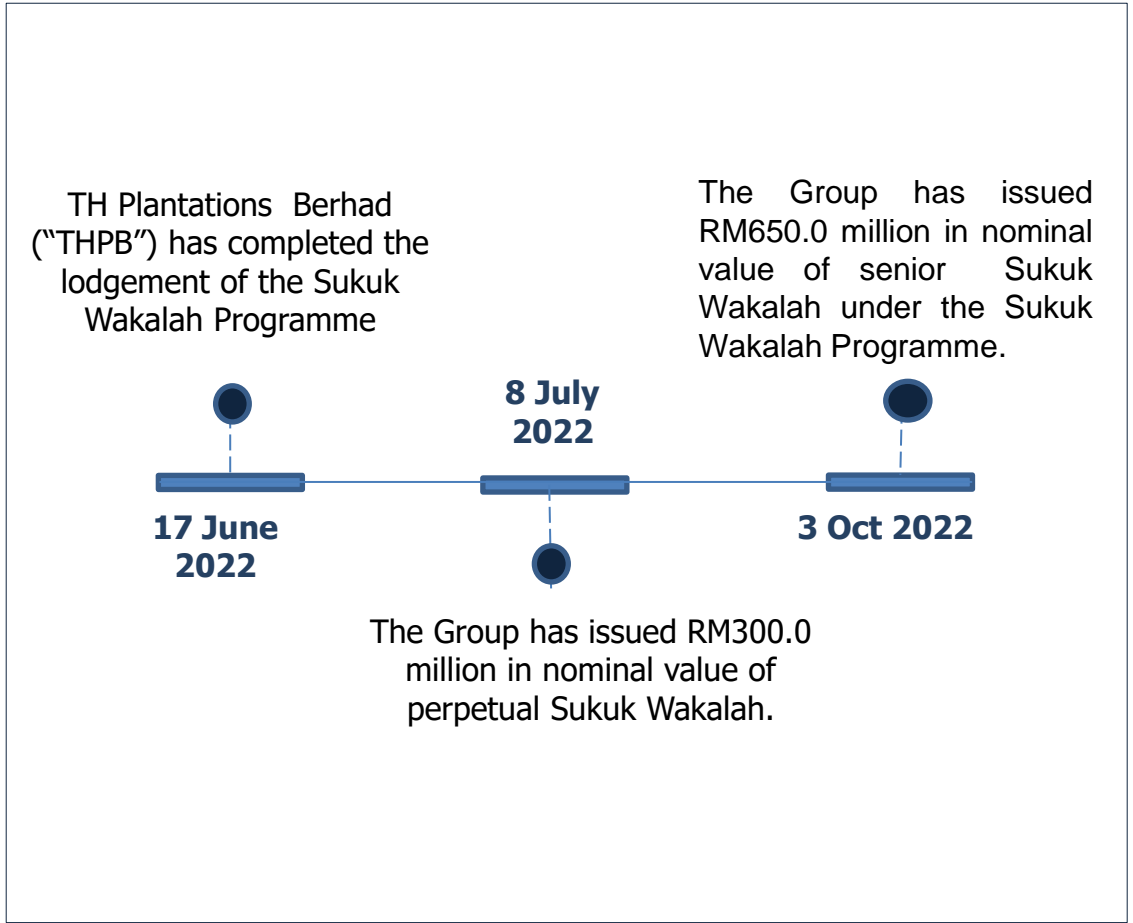
aggressive management in outsourcing and purchasing of external FFB to optimised mills capacity



# Business updates



## SUKUK Restructuring Programme



The new repayment period as the result of the issuance of the New SUKUK will enable the Group to concentrate on the consolidation exercise and replanting period to ensure the sustainability of the operation of the Group.

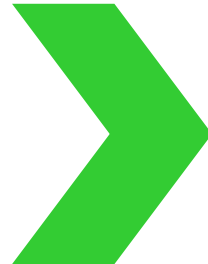


## CONSOLIDATION EXERCISES



### PHASE 1:

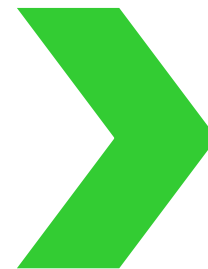
- ❖ Identified area for consolidation exercises



### PHASE 2:

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

For the estate in Sarawak, the consolidation exercises are currently in Phase 2.



### PHASE 3:

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

For the estate in peninsular<sup>21</sup> and Sabah, the consolidation exercises are currently in Phase 3.



# APPENDIX



## Financial Highlights

Net profit decrease by 43% in 9MFY2022 mainly due to lower fair value changes on biological assets

|                                        | 9M2022<br>RM'000 | 9M2021<br>RM'000 | Variance<br>RM'000 | %     |
|----------------------------------------|------------------|------------------|--------------------|-------|
| Revenue                                | 661,947          | 513,257          | 148,690            | 29    |
| Fair Value changes on biological asset | (16,933)         | 42,532           | (59,465)           | (140) |
| Gross profit                           | 155,955          | 207,347          | (51,392)           | (25)  |
| Profit before tax                      | 81,394           | 126,634          | (45,240)           | (36)  |
| Profit after tax                       | 52,684           | 91,928           | (39,244)           | (43)  |
| PATAMI                                 | 45,721           | 68,338           | (22,617)           | (33)  |

# Summary of statement financial position



TH PLANTATIONS BERHAD

|                                    | 30 SEPTEMBER 2022 | 31 DEC 2021      |
|------------------------------------|-------------------|------------------|
| <b>ASSETS</b>                      |                   |                  |
| PPE                                | 855,316           | 860,052          |
| ROU                                | 656,516           | 663,538          |
| PDE                                | 88,634            | 104,097          |
| FORESTRY                           | 21,587            | 21,587           |
| OTHER INVESTMENTS                  | 1,825             | 1,825            |
| DEFERRED TAX ASSETS                | 39,838            | 40,046           |
| <b>TOTAL NON-CURRENT ASSETS</b>    | <b>1,663,716</b>  | <b>1,691,145</b> |
| CURRENT ASSETS                     | 281,950           | 393,709          |
| ASSETS CLASSIFIED AS HELD FOR SALE | 749,045           | 777,052          |
| <b>TOTAL CURRENT ASSETS</b>        | <b>1,030,995</b>  | <b>1,170,761</b> |
| <b>TOTAL ASSETS</b>                | <b>2,694,711</b>  | <b>2,861,906</b> |



# Summary of statement financial position

|                                                     | 30 SEPTEMBER 2022 | 31 DEC 2021      |
|-----------------------------------------------------|-------------------|------------------|
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b> | <b>674,451</b>    | <b>649,054</b>   |
| PERPETUAL SUKUK                                     | 300,000           | -                |
| NON-CONTROLLING INTERESTS                           | 296,159           | 295,832          |
| <b>TOTAL EQUITY</b>                                 | <b>1,270,610</b>  | <b>944,886</b>   |
| <b>LOANS AND BORROWINGS</b>                         | <b>861,262</b>    | <b>925,131</b>   |
| LEASE LIABILITIES                                   | 78,914            | 77,325           |
| DEFERRED TAX LIABILITIES                            | 191,947           | 193,575          |
| TRADE AND OTHER PAYABLES & EMPLOYEE BENEFITS        | 15,205            | 15,075           |
| <b>TOTAL NON CURRENT LIABILITIES</b>                | <b>1,147,328</b>  | <b>1,211,106</b> |
| <b>CURRENT LIABILITIES</b>                          | <b>147,466</b>    | <b>578,336</b>   |
| LIABILITIES CLASSIFIED AS ASSETS HELD FOR SALE      | 129,307           | 127,578          |
| <b>TOTAL CURRENT LIABILITIES</b>                    | <b>276,773</b>    | <b>705,914</b>   |
| <b>TOTAL LIABILITIES</b>                            | <b>1,424,101</b>  | <b>1,917,020</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 | <b>2,694,711</b>  | <b>2,861,906</b> |

# Summary of Operational Statistics

As at 30 September 2022



TH PLANTATIONS BERHAD

|                             | 9M2022         | 9M2021         | Variance        | %          |
|-----------------------------|----------------|----------------|-----------------|------------|
| <b>Total Production</b>     | <b>487,449</b> | <b>519,055</b> | <b>(31,606)</b> | <b>(6)</b> |
| Sales FFB to outside-estate | (48,324)       | (51,797)       | 3,473           | 7          |
| <b>Sold to own mill</b>     | <b>439,125</b> | <b>467,258</b> | <b>(28,133)</b> | <b>(6)</b> |
| Sales FFB to outside-Mill   | (11,760)       | (24,486)       | 12,726          | 52         |
| FFB stock movement          | 253            | -              | 253             | 100        |
| FFB Purchased               | 132,649        | 129,254        | 3,395           | 3          |
| <b>Total FFB Processed</b>  | <b>560,267</b> | <b>572,026</b> | <b>(11,759)</b> | <b>(2)</b> |
| <b>Yield per hectare</b>    | <b>9.26</b>    | <b>9.89</b>    | <b>(0.63)</b>   | <b>(6)</b> |
| <b>Sales Volume</b>         |                |                |                 |            |
| CPO                         | 106,205        | 111,450        | (5,245)         | (5)        |
| PK                          | 26,282         | 26,651         | (369)           | (1)        |
| FFB                         | 60,084         | 76,282         | (16,198)        | (21)       |

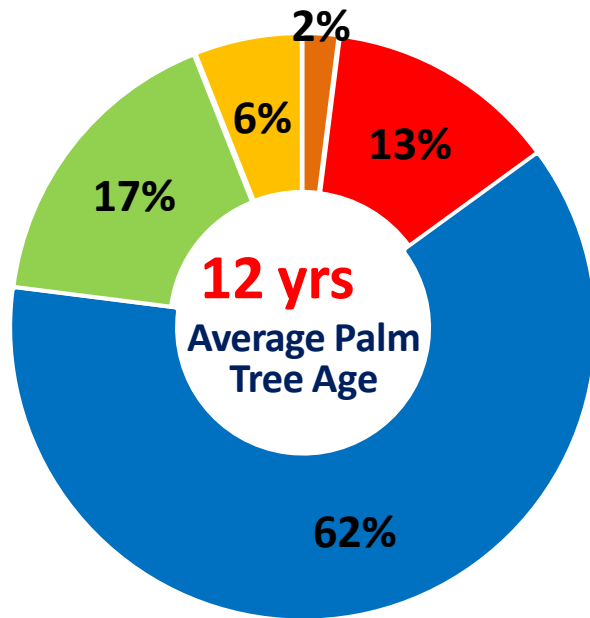
# Breakdown of Age Profile

As at 30 September 2022

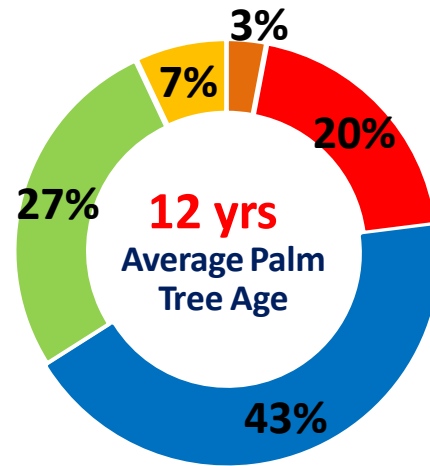


TH PLANTATIONS BERHAD

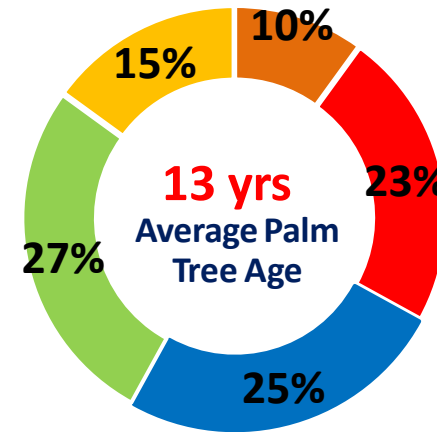
## GROUP



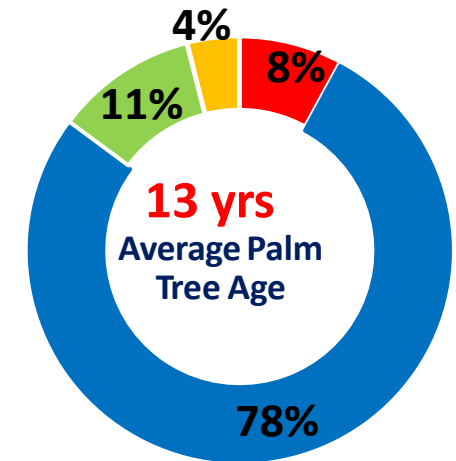
## PENINSULAR



## SABAH



## SARAWAK



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



# THANK YOU

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