TH Plantations' 2Q net profit halves on lower sales volume, forex losses

By Navineshkumar Selvakumar / theedgemalaysia.com 19 Aug 2026, 10:11 pm

KUALA LUMPUR (Aug 19): TH Plantations Bhd's (KL:THPLANT) second-quarter net profit dropped 50.94% year-on-year, dragged down by lower sales volumes of crude palm oil (CPO) and palm kernel (PK), higher unrealised foreign exchange losses and a higher allocation of profit to non-controlling interests.

Net profit fell to RM5.78 million for the quarter ended June 30, 2026 (2QFY2026) from RM11.79 million a year earlier, the plantation arm of Lembaga Tabung Haji posted in a bourse filing Wednesday.

Revenue dipped 2.55% to RM220.80 million from RM226.59 million as lower sales volumes offset higher realised commodity prices. No dividend was declared for the quarter under review.

During the quarter, average realised CPO prices rose 7.71% to RM4,498 per tonne from RM4,176 per tonne while average PK prices gained 8.72% to RM3,515 per tonne from RM3,233 per tonne.

However, CPO sales volume fell 13.46% to 36,772 tonnes from 42,489 tonnes in 2QFY2025 while PK sales volume dropped 12.59% to 9,127 tonnes from 10,441 tonnes.

For the first six months ended June 30 (1HFY2026), the group's net profit fell 29.32% to RM17.41 million from RM24.63 million in 1HFY2025, due to a higher proportion of earnings being allocated to non-controlling interests and a RM3.79 million zakat charge.

Revenue for the period was flat at RM410.28 million compared with RM409.97 million previously, as softer average realised CPO prices (down 1.95% to RM4,313 per tonne from the previous year) were offset by higher FFB sales volumes and stronger operational metrics.

"Our first-half performance demonstrates that operational discipline continues to translate into measurable improvements across our estates and mills," said TH Plantations CEO Datuk Borhan Bachi in a statement. "While commodity prices remain subject to market volatility, our focus is on the areas within our control — improving yields, optimising resource utilisation and maintaining cost discipline."

On prospects, TH Plantations said it remains cautiously optimistic about the remainder of 2026. "In the near to medium term, resilient demand and tightening exportable supply are expected to provide continued support to the palm oil market," it said.

Demand is likely to be supported by biodiesel mandates, particularly Indonesia's B50 programme, seasonal festive demand, firm crude oil prices and ongoing geopolitical developments in the Middle East, it said.

On the supply side, tighter export volumes and evolving policies in Indonesia, along with the potential emergence of El Niño in late 2026 or early 2027, could support market fundamentals while raising supply risks.

Production is expected to improve in 2HFY2026, supported by continued improvements in harvesting efficiency, productivity and mill performance.

TH Plantations shares closed half a sen or 0.84% higher at 60 sen on Wednesday, valuing the group at RM530.3 million.