

3rd Quarter 2013

Analyst/Investor Briefing

18 Nov 2013

5.00pm



TH PLANTATIONS BERHAD
(Company No: 12696-M)

Presented by:

Dato' Zainal Azwar Zainal Aminuddin

Chief Executive Officer

Performance highlights

FFB Production

+67% YoY
+28% QoQ

CPO Production

+118% YoY
+47% QoQ

PK Production

+93% YoY
+45% QoQ

CPO Realised Prices

-22% YoY
+3% QoQ

3Q13 highlights

PK Realised Prices

-24% YoY
+2% QoQ

Revenue

+58% YoY
+36% QoQ

EBITDA

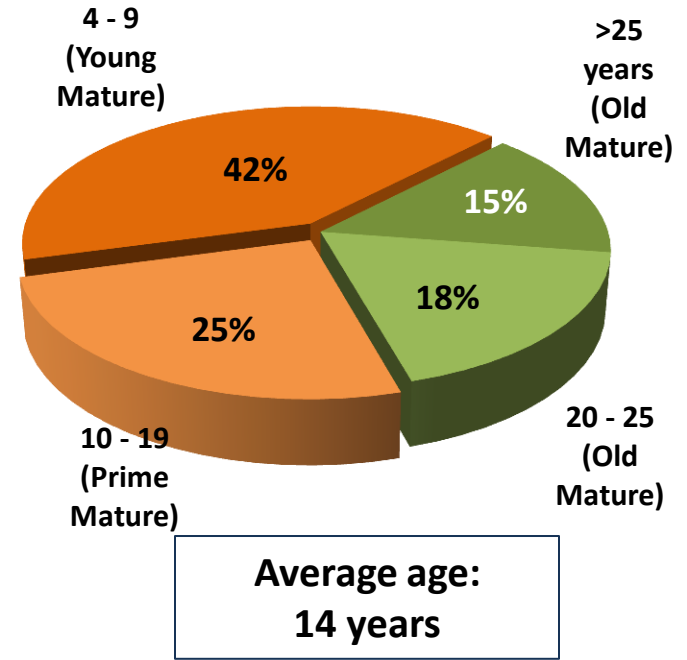
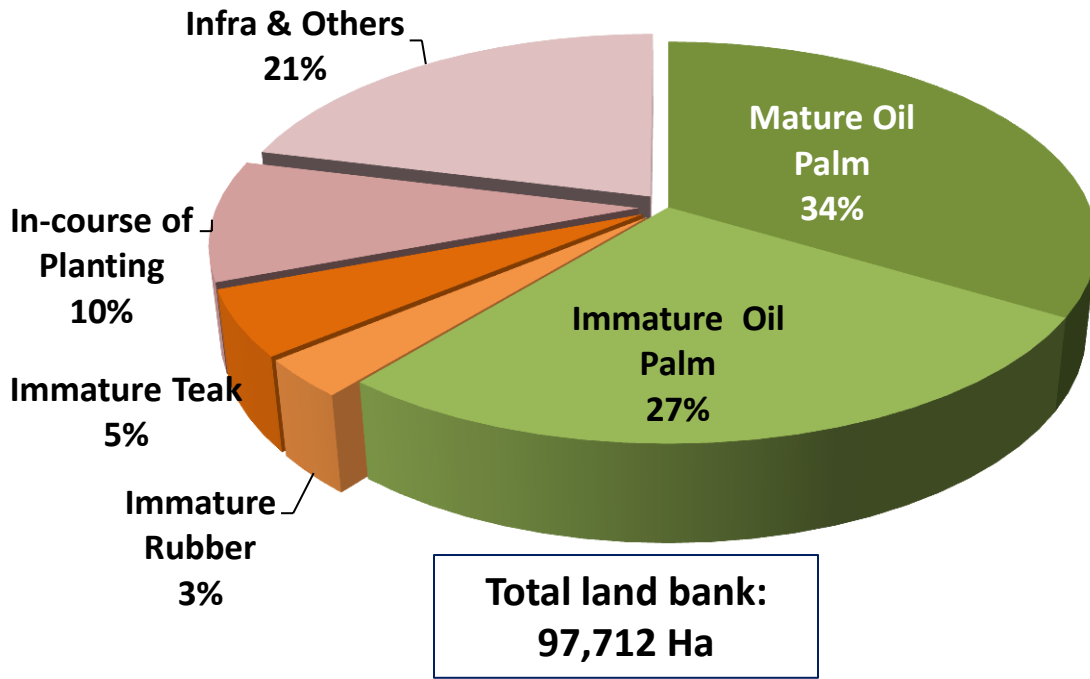
+71% YoY
+12% QoQ

Profit Before Tax

+41% YoY
+274% QoQ



Area Statement



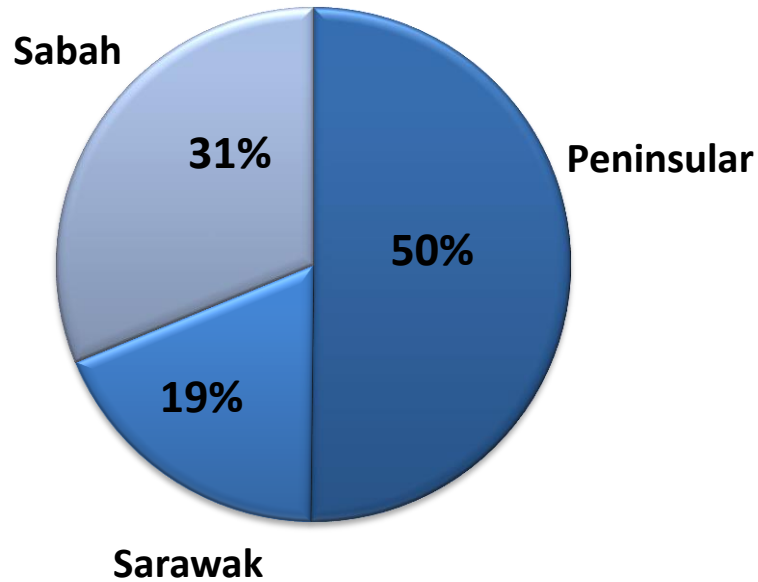
Oil Palm	Peninsular	Sabah	Sarawak	Total
Mature	11,531	7,792	13,549	32,871
Immature	7,003	729	18,883	26,615
Total planted	18,533	8,521	32,432	59,486
In course of planting		785	5,517	6,302

Rubber	Sabah
Mature	-
Immature	2,982
Total planted	2,982
In course of planting	3,200

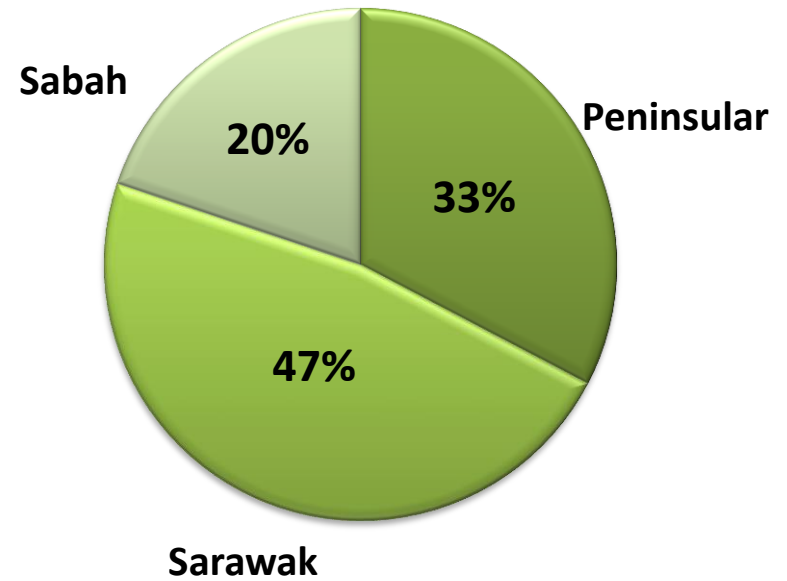


FFB contribution by region

3Q2012



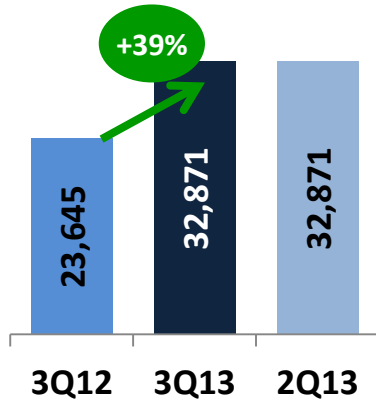
3Q2013



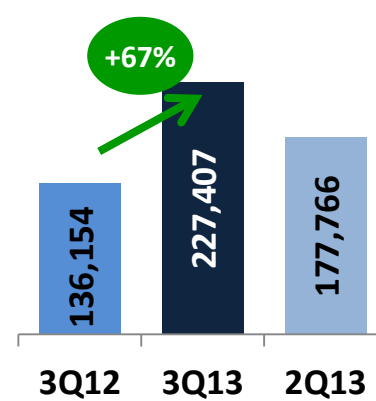
Higher contribution from the Sarawak region following acquisitions made in 2012

A closer look at revenue indicators

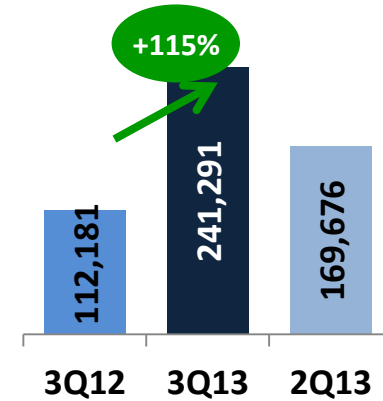
Mature Area (ha)



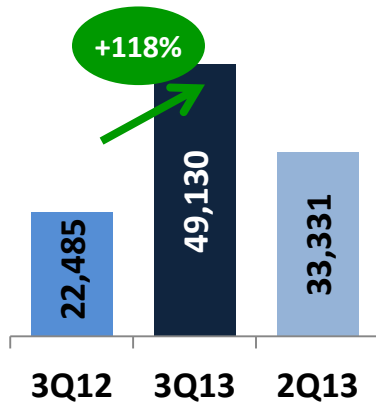
FFB Production (MT)



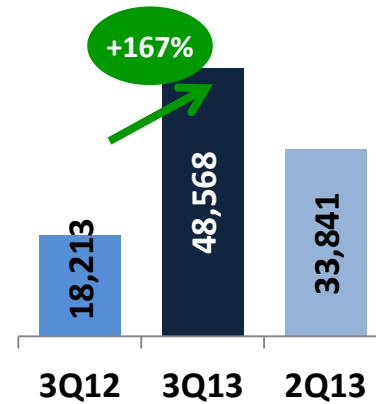
FFB Processed (MT)



CPO Production (MT)



CPO Sales (MT)

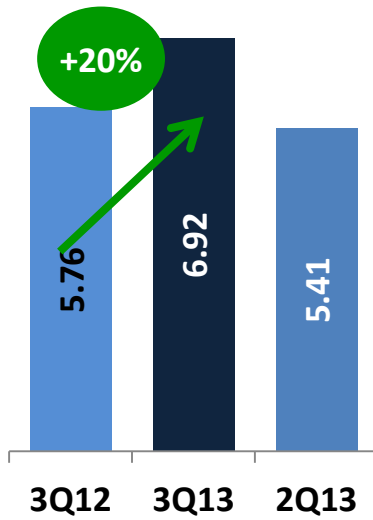


PK Production (MT)

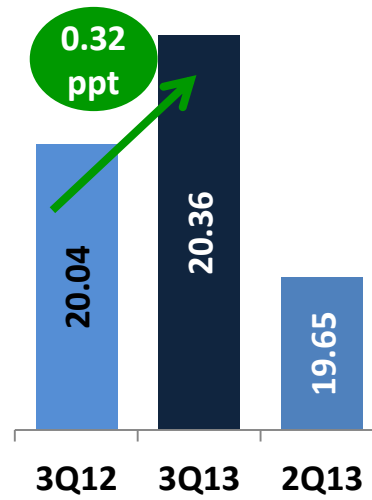


A closer look at revenue indicators

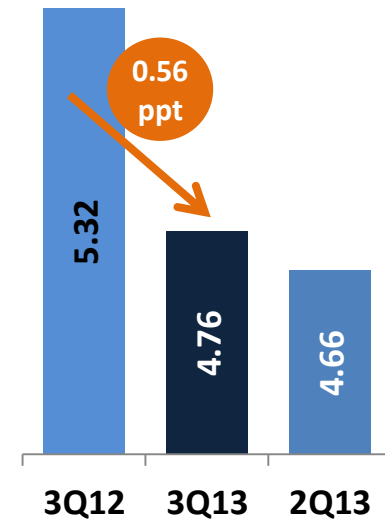
FFB Yield (MT/ha)



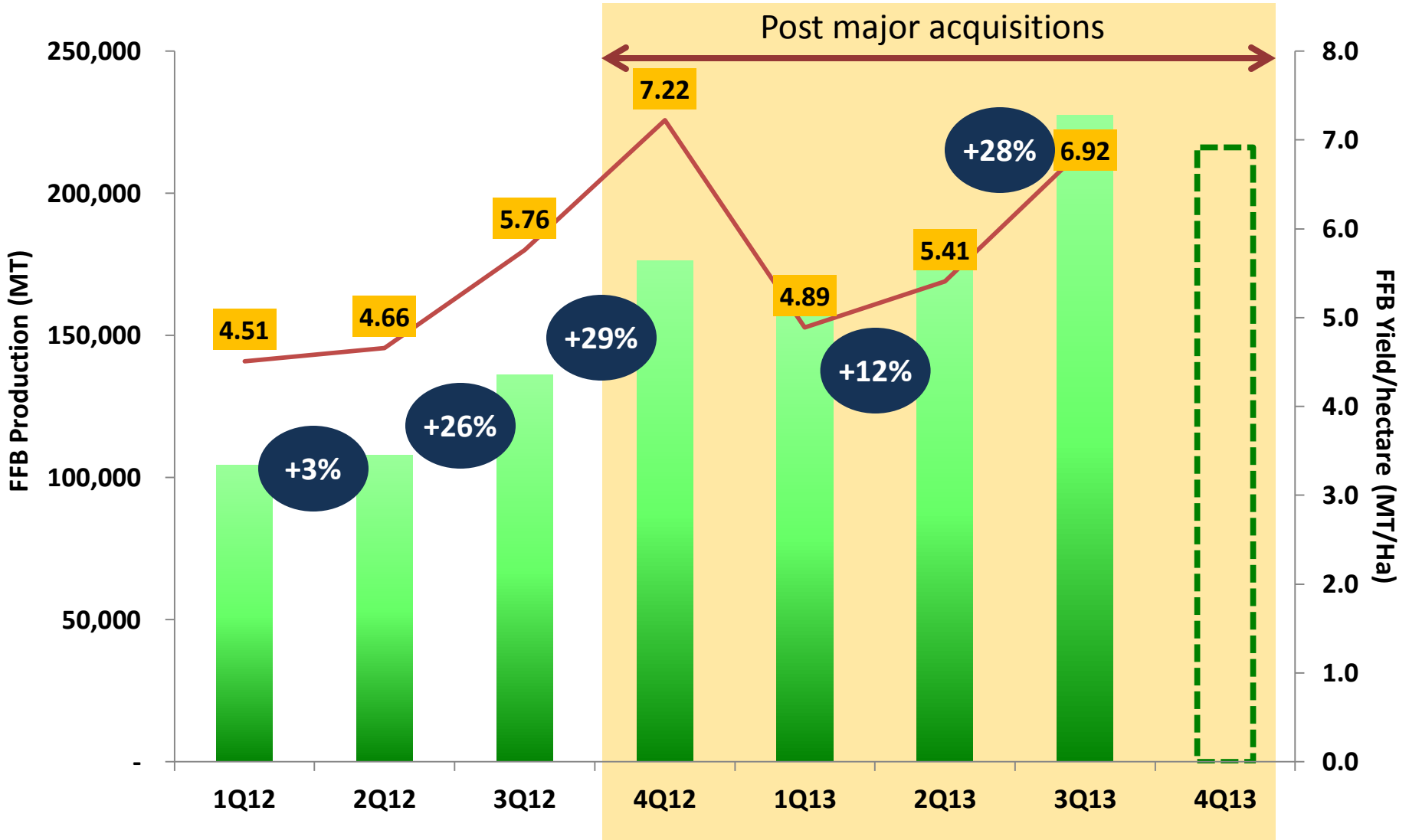
OER (%)



KER (%)



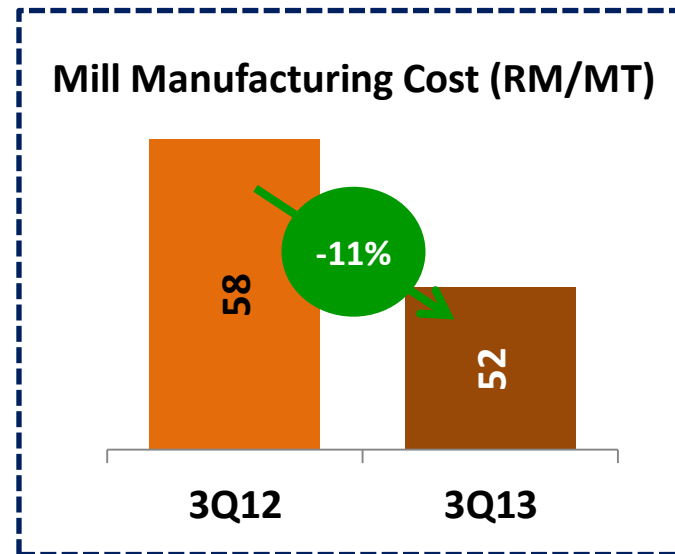
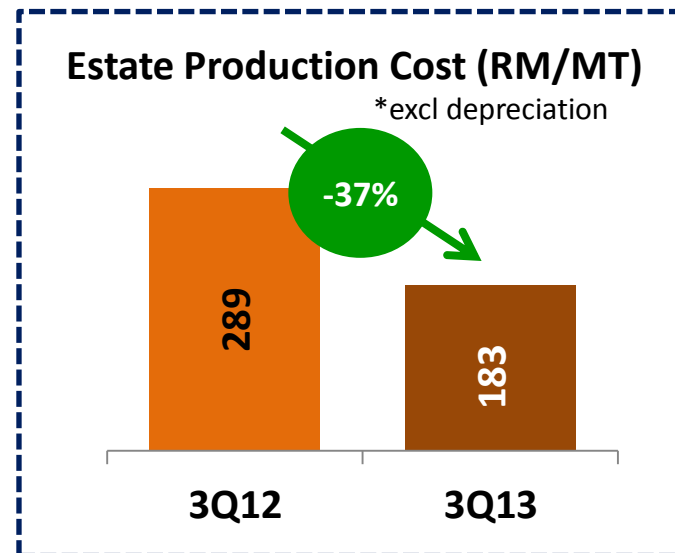
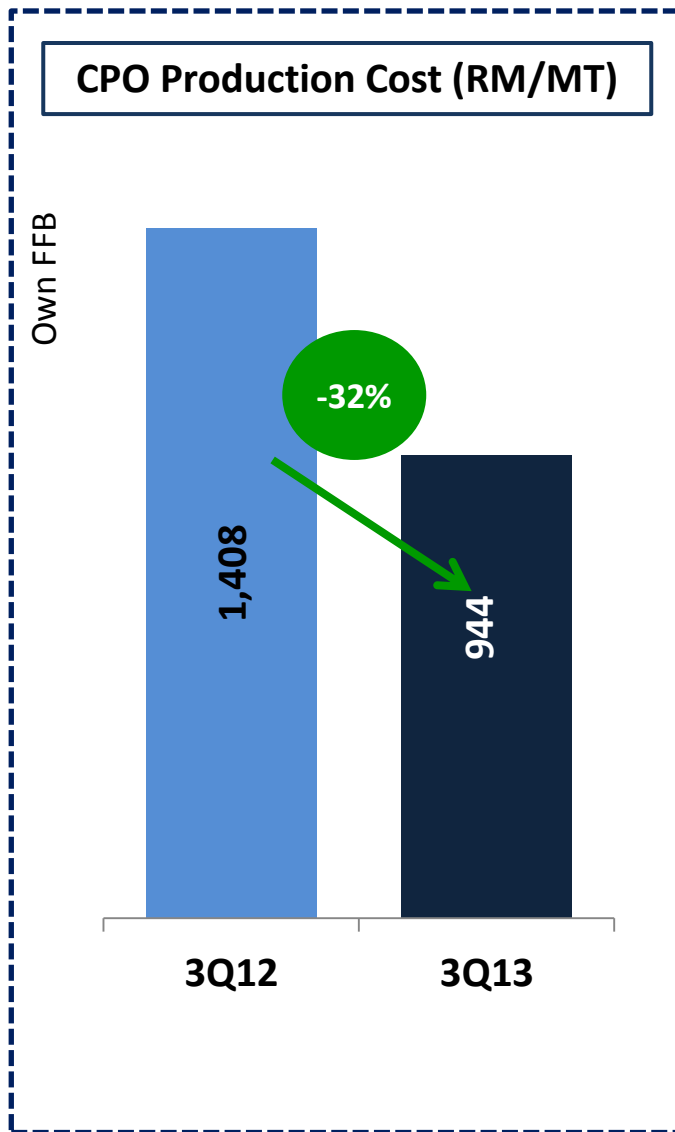
Higher growth in FFB production seen



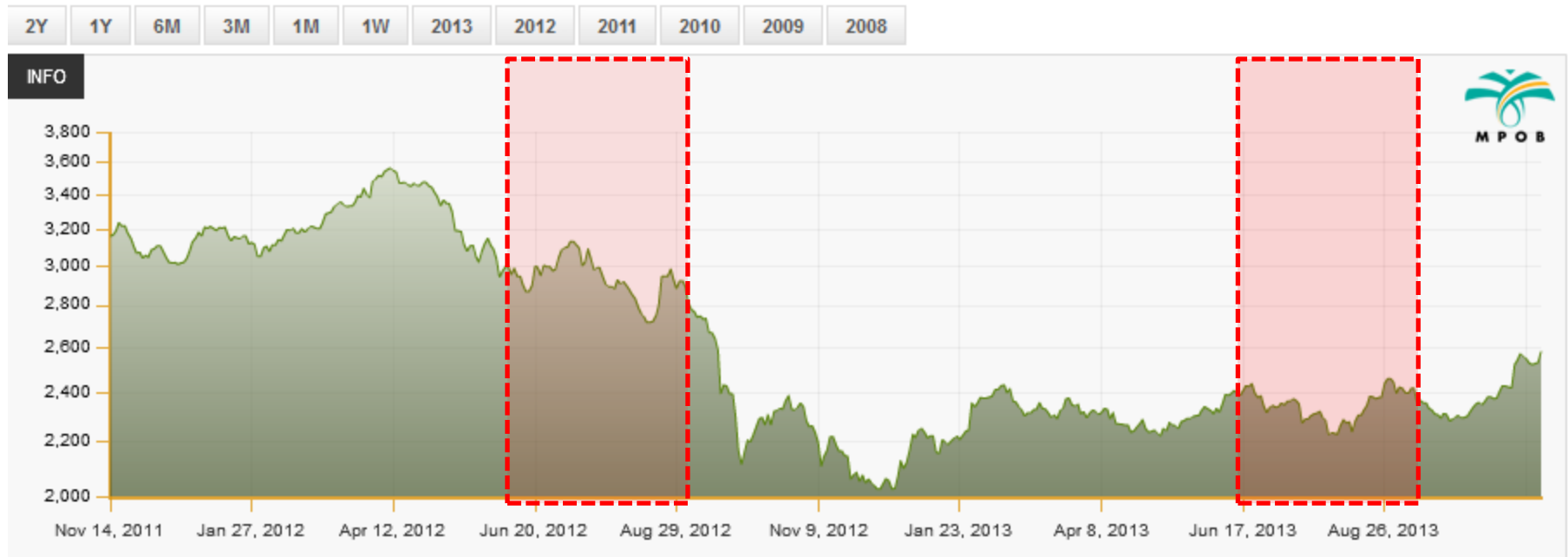
A closer look at costs

Cost of Sales	3Q13	3Q12	Variance (%)	Remarks
Estate Production Cost	41,562	39,415	+5%	In line with higher production and better efficiencies – lower unit production cost
Overhead	6,726	5,272	+28%	
FFB Purchases	12,584	3,416	+268%	
Mill Manufacturing Cost	12,480	6,488	+92%	In line with higher production and new mills – lower unit processing cost
Depreciation – Estates	1,851	1,195	+55%	In line with major acquisitions
Depreciation – Mill	4,160	2,010	+107%	In line with major acquisitions
Amortisation	13,723	6,435	+113%	In line with major acquisitions
Other Costs	3Q13	3Q12	Variance (%)	Remarks
Admin Expenses	3,343	3,334	+0%	Minimal variance
Other operating expenses	1,019	758	+34%	
Depreciation	306	282	+9%	
Zakat	-	158	n.m	Current liabilities > current assets
Finance Cost	6,997	2,457	+185%	Higher debt due to major acquisitions

Higher efficiency has led to lower production cost/MT



CPO prices improved slightly, still lower than last year



	3Q13	3Q12	
CPO	RM2,209	RM2,827	-22%
PK	RM1,222	RM1,598	-24%
FFB	RM436	RM568	-23%

	YTD13	YTD12	
CPO	RM2,143	RM3,025	-29%
PK	RM1,181	RM1,831	-35%
FFB	RM447	RM673	-34%

Overview of Profit & Loss (3Q)

<i>(RM '000)</i>	3Q13	3Q12
Revenue	130,146	82,342
Sales of CPO	107,310	51,488
Sales of PK	12,992	8,027
Sales of FFB	5,691	15,200
Management fees	4,152	7,554
Dividends		74
Cost of Sales	(91,863)	(56,877)
Gross Profit	38,283	25,465
Other Expenses	(11,665)	(6,989)
Admin expenses	(3,343)	(3,334)
Other operating expenses	(1,325)	(1,040)
Zakat	0	(158)
Finance costs	(6,997)	(2,457)
Other Income	1,146	1,221
Profit Before Tax	27,763	19,698
Tax	(8,634)	10,050
Profit After Tax	19,130	29,748
EBITDA	54,801	32,077
Gross Profit before amortisation	52,006	31,900

Revenue up by 58%

Gross profit up by 50%

Other expenses higher by 67%
due to higher finance costs

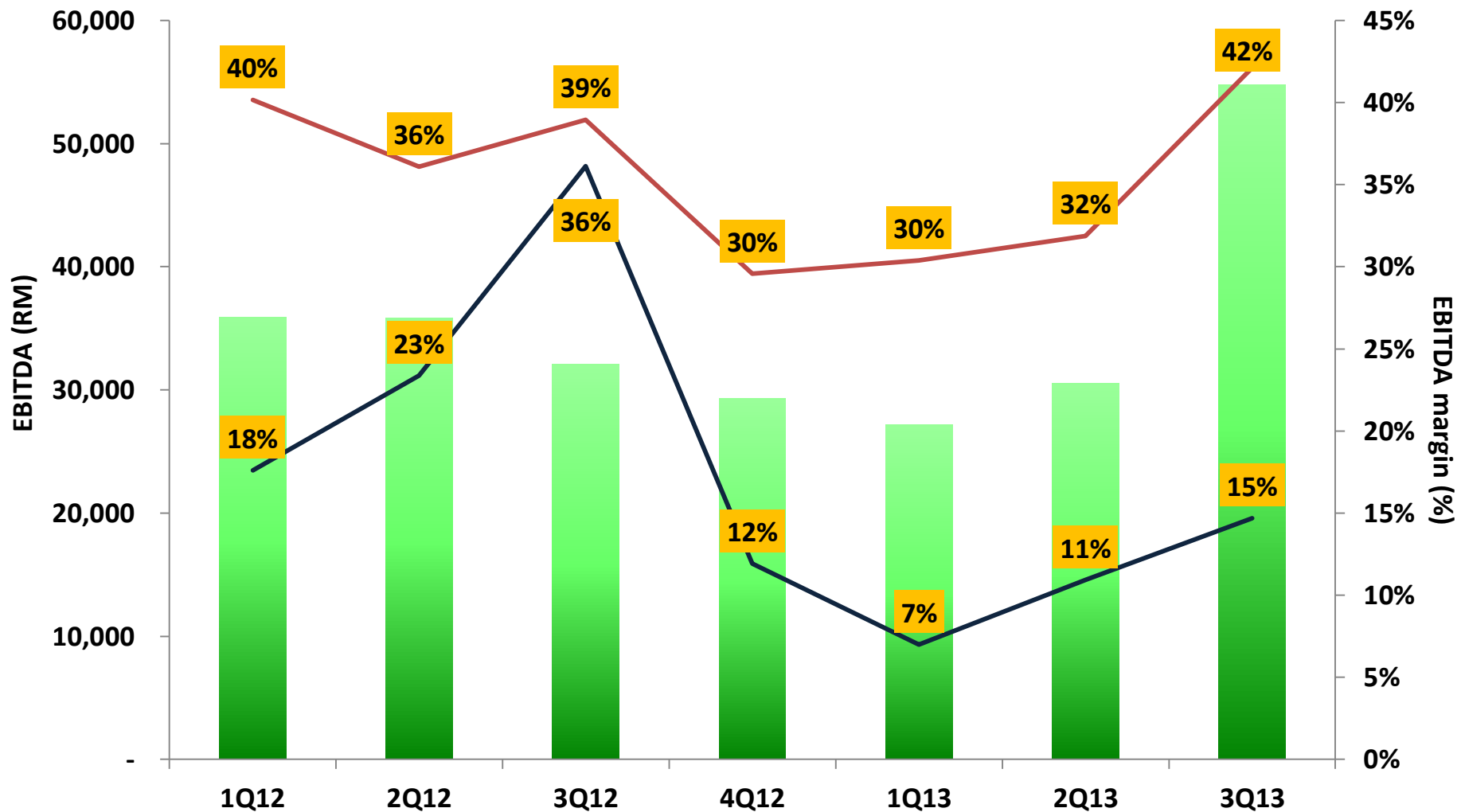
PBT up by 41%

PAT down by 36% (3Q12 PAT
boosted by deferred taxes)

EBITDA up by 71%
Gross profit excl amort up by 63%



EBITDA margins reasonably sustained



Overview of Profit & Loss (YTD)

<i>(RM '000)</i>	YTD13	YTD12
Revenue	315,404	276,740
Sales of CPO	247,143	190,484
Sales of PK	31,965	32,515
Sales of FFB	24,827	35,160
Management fees	11,468	18,507
Dividends	0	74
Cost of Sales	(243,118)	(190,007)
Gross Profit	72,286	86,733
Other Expenses	(35,202)	(21,443)
Admin expenses	(12,908)	(10,076)
Other operating expenses	(4,919)	(4,225)
Zakat	0	(921)
Finance costs	(17,375)	(6,221)
Other Income	3,159	4,264
Profit Before Tax	40,242	69,555
Tax	(4,396)	(839)
Profit After Tax	35,846	68,716
EBITDA	112,512	103,869
Gross Profit before amortisation	112,632	105,084

Revenue up by 14%

Gross profit down by 17% due to lower ASPs, exacerbated by higher depreciation and amortisation

Other expenses higher by 64% due to higher finance costs

PBT down by 42%, exacerbated by higher finance costs

PAT down by 48%

EBITDA up by 8%
Gross profit excl amort up by 7%



Progress Update
– New Mill Commissioned



Raja Udang POM has commenced operations in July

- Capacity : 60 MT/hour
Location : Pusa, Sarawak
Surrounding estates : 1.Ladang Kenyalang
2.Ladang Raja Udang
3.Ladang Enggang
4.Ladang Merbok
5.Ladang Tanjung Lilin
6.Ladang Semarang
7.Ladang NCR Beladin

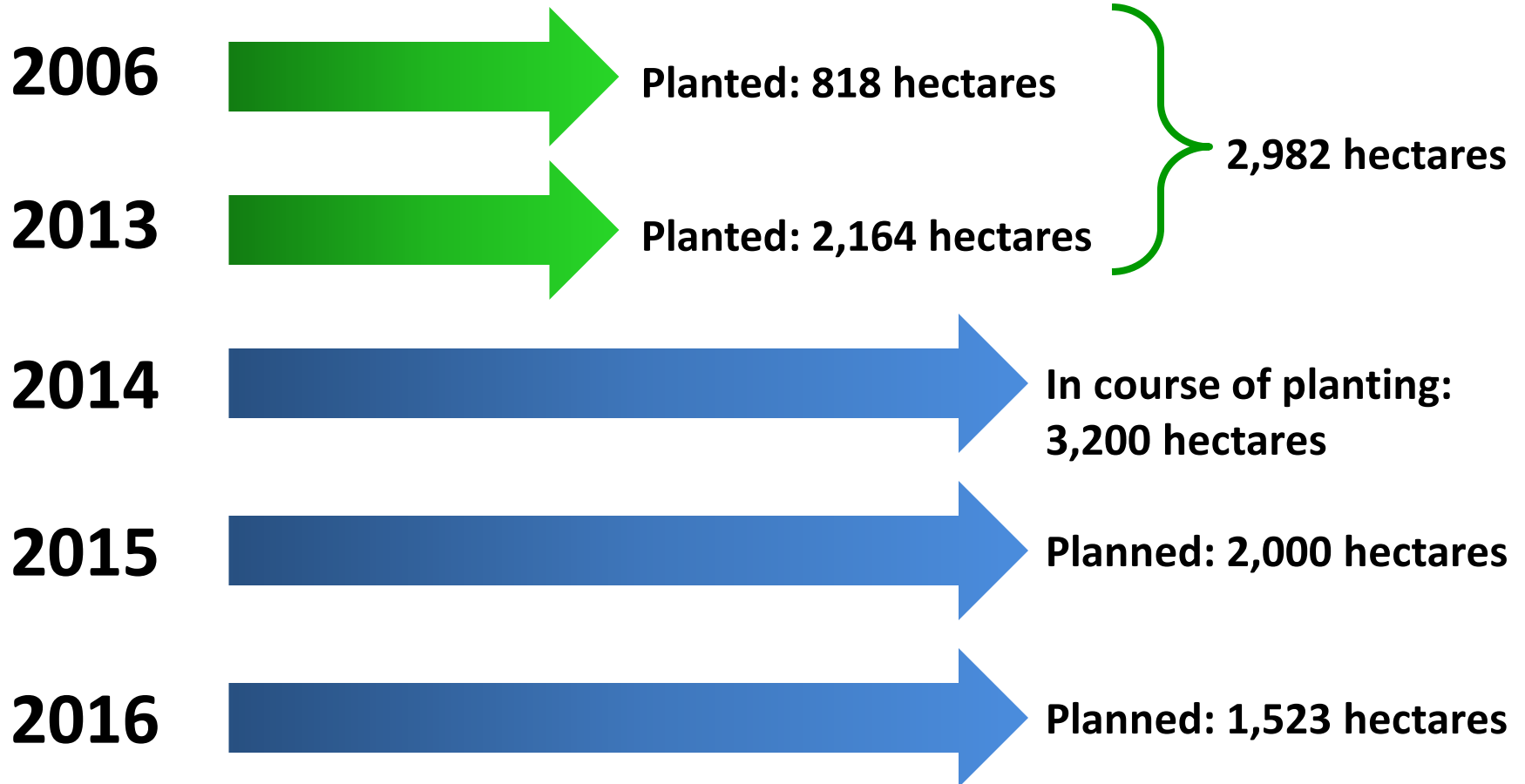


Progress Update
– Rubber Development Programme



- Why rubber?
 - Supply severely short (demand of 2m tonnes of latex per year vs supply of only 1m tonnes for downstream eg gloves)
 - Currently importing from other rubber-producing countries eg Thailand
 - 90% of local production currently from small holders
 - Vast potential for THP to tap

Rubber Development Programme



Rubber Development Programme



Production

- We believe production has peaked in 3Q13
- Production expected to be affected as we enter monsoon season
- We are working towards our targeted FFB production

Efficiency

- Operations will continue to find avenues for higher efficiencies
- Costs are expected to remain low

CPO Price

- CPO prices are expected to remain between RM2,500 to RM2,600 until end of the year



TH PLANTATIONS BERHAD
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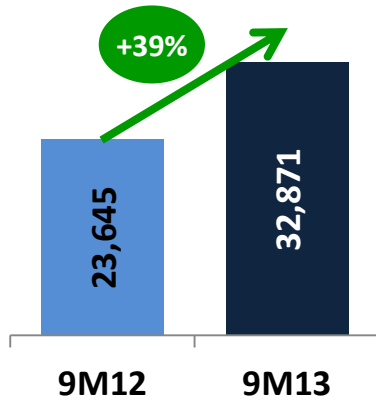
Thank You

Our vision is to be an integrated and sustainable plantation player with global recognition, promising premium quality products

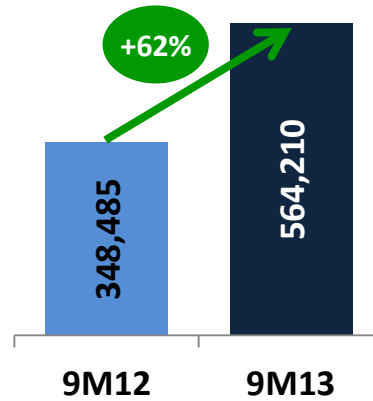
For further information/queries, please email aizzura@thplantations.com

A closer look at revenue

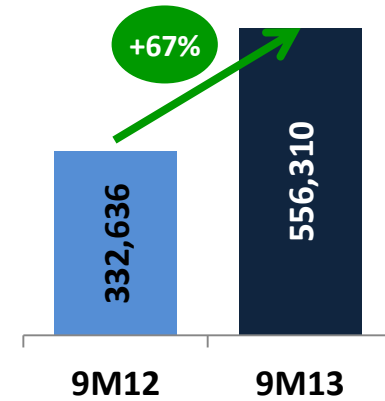
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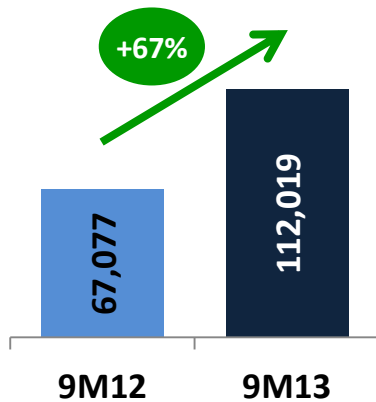
FFB Production (MT)



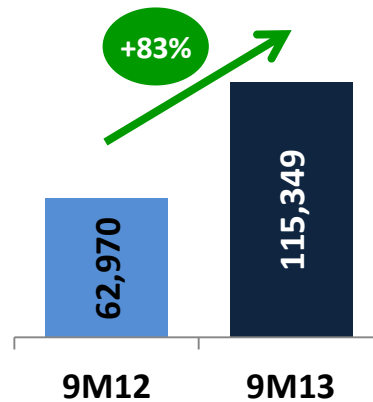
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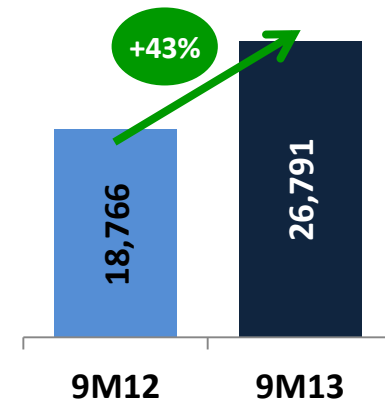
CPO Production (MT)



CPO Sales (MT)

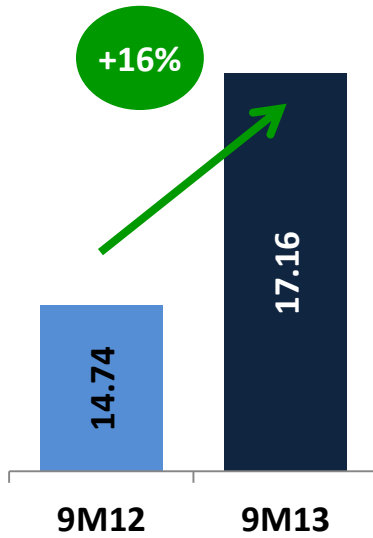


PK Production (MT)

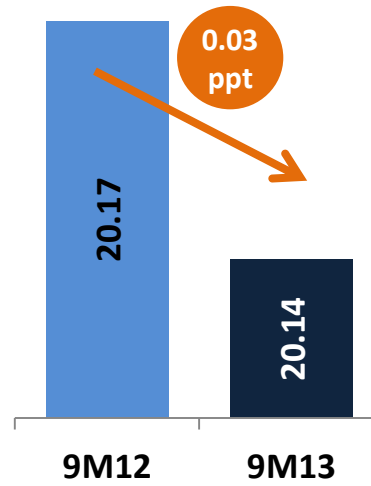


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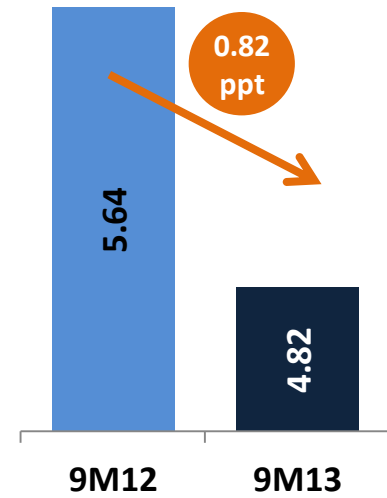
FFB Yield (MT/ha)



OER (%)

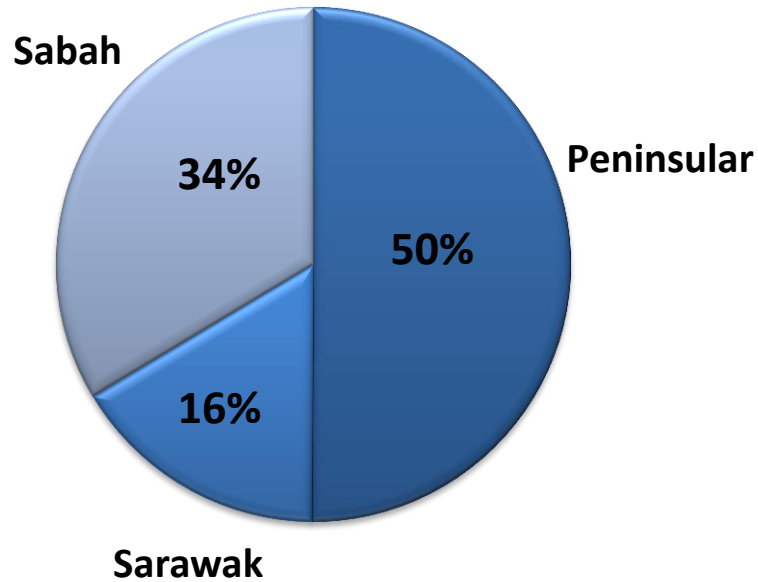


KER (%)

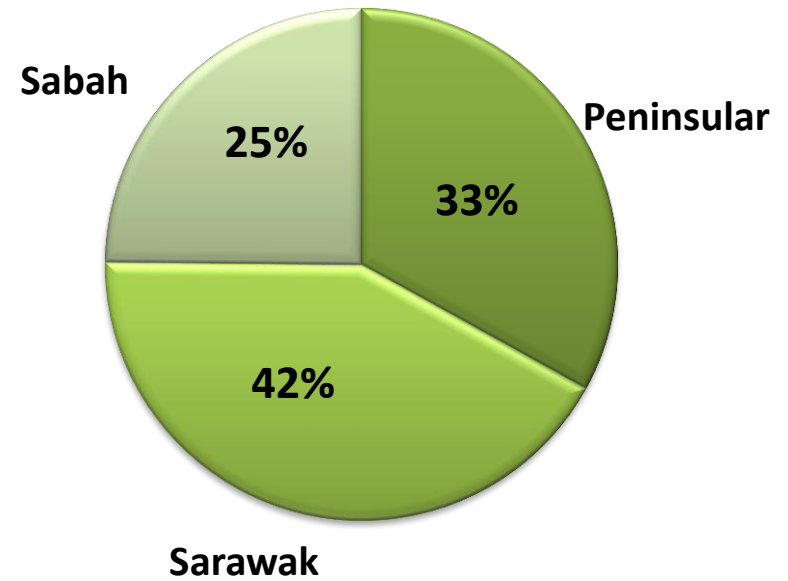


FFB contribution by region

YTD 2012



YTD 2013



Higher contribution from the Sarawak region following acquisitions made in 2012

Higher efficiency has led to lower production cost/MT

