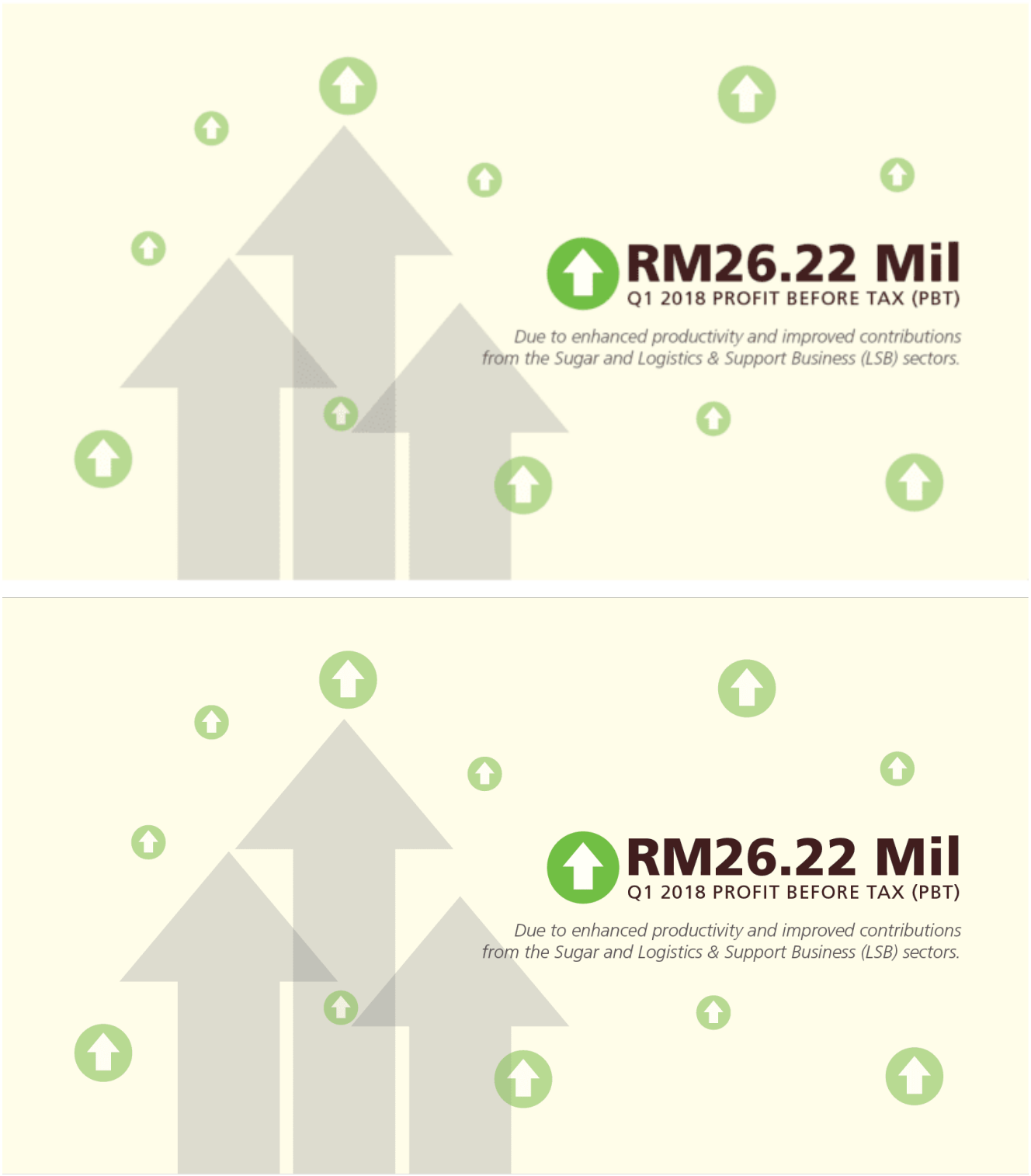
FGV Recorded PBT of RM26.22 Million for Q1 2018



RM26.22 Mil
Q1 2018 PROFIT BEFORE TAX (PBT)
Due to enhanced productivity and improved contributions from the Sugar and Logistics & Support Business (LSB) sectors.

For the first quarter of its financial year ending 31 March 2018, FGV Holdings Berhad (FGV) registered a Profit Before Tax of RM 26.22 million, a significant improvement from the loss of RM32.26 million recorded in the previous corresponding quarter. This improved performance is attributable to enhanced productivity and improved contributions from the Sugar and Logistics & Support Business (LSB) sectors.

FGV's Profit After Tax rose from a loss of RM32.20 million in Q1 2017 to RM8.47 million for the period under review, while its revenue declined by 17% to RM3.6 billion compared with RM4.3 billion in the previous corresponding quarter.

The Sugar Sector recorded a profit of RM22.01 million in Q1 2018, compared with a loss of RM23.16 million in the previous corresponding quarter. This is mainly attributable to lower raw material costs, favourable foreign exchange rate, and a reduction in administrative expenses by 33.0%, quarter-on-quarter.
The LSB Sector recorded a profit of RM25.36 million in Q1 2018, compared with a loss of RM39.50 million in the previous corresponding quarter. This was mainly attributable to higher throughput in the bulking business, and increased tonnage carried by the Group's transport operations.

Despite improved productivity and a higher sales volume, the Plantation Sector recorded a profit of RM 18.29 million, representing a 61.4% decrease, compared with the previous corresponding quarter. This is due to lower average CPO price realised of RM2,472 per MT compared with RM3,061 per MT in Q1 2017. The Sector recorded a significant improvement in operational performance, with an 18.4% and 23% increase in CPO and FFB production, respectively, quarter-on-quarter.

"I am heartened with the operational improvements that we have recorded," Dato' Zakaria Arshad, FGV's Group President and Chief Executive Officer said. "The renewed focus on operational improvement to increase productivity is bearing fruit."

We expect to see this improving trend to continue, as we are already seeing the results of efforts to enhance our performance. FGV has recruited sufficient labour to meet its requirements. Also, we have been aggressively replanting to correct our age profile

He added that FGV will continue to push for greater productivity and cost efficiency in every sector. "We expect to see this improving trend to continue, as we are already seeing the results of efforts to enhance our performance. FGV has recruited sufficient labour to meet its requirements. Also, we have been aggressively replanting to correct our age profile.

"There is still much to do. We are focused on delivering results," Zakaria said.