



TFS Corporation share price flat despite soaring earnings

TFS Corporation Limited ([ASX: TFC](#)), the world's largest owner and manager of Indian sandalwood plantations, started its 2016 financial year with a bang following the release of its quarterly results today.

Net profit after tax for the three months ended 30 September 2015 was \$40.5 million, up significantly from \$18.6 million in the previous period. The result included a \$61 million gain on revaluation of its plantations that are now worth \$706 million, mainly due to the depreciation of the Australian dollar against the US dollar.

The business reported a cash loss of -\$1.7 million for the quarter (which exclude the effects of non-cash gains and losses including revaluations and unrealised foreign exchange movements), significantly less than -\$9.0 million incurred in the previous year.

TFS's Managing Director, Frank Wilson, said the earnings result for the first quarter demonstrated the ongoing high demand for its Indian sandalwood plantations as well as further growth in sales of sandalwood products to end markets.

Cash of \$30.4 million was substantially lower at the end of the quarter due to interest payments on debt, settlement of land purchases and the completion of its Santalis Pharmaceutical and ViroXis Corporation acquisitions.

The strong start to the year is likely to continue with TFS's sales and earnings typically weighted toward the end of its financial year. Additionally, the business expects to harvest a larger amount of sandalwood this year which should provide another boost to its full-year earnings.

Despite the positive news, the TFS Corp share price has barely budged, losing 0.9% or 1.5 cents.

Read more: <http://www.fool.com.au/2015/12/01/tfs-corporation-shares-flat-despite-soaring-earnings/#>

December 1st 2015

