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KTIS eyes biobusiness boost

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amid the thriving biobusiness outlook.

SET-Listed Kaset Thai International Sugar Corporations (KTIS) plans to increase its biobusiness in a bid to cushion future revenue against uncertainties in sugar prices.

KTIS, the world's largest sugar producer by crushing capacity of 88,000 tonnes a day, is targeting a balanced revenue contribution of 50:50 from sugar and biobusiness in the long term, chief financial officer Sirivuthi Siamphakdee said. He gave no time frame.

At present, its sugar business dominates with 75-80% of KTIS' total revenue, while biobusiness — production of byproducts of sugar cane including ethanol, biogas, fertiliser, and pulp and paper — accounts for the rest.

The company plans to raise the production capacity of its existing biobusiness-related activities and is conducting a study on new investment opportunities, said Mr Sirivuthi. This could support the company's total revenue and profitability this year



Sirivuthi: Sees profit rising this year

"We project the company's 2016 earnings to improve to the level of 2014," he said. KTIS raked in net profits of 1.36 billion in 2014 before sliding to 730 million last year, largely on account of tumbling sugar prices.

He forecast the drought would take a toll on the sugar business this year and shorten the sugar cane season to the end of March, as opposed to April or May. Thailand's sugar cane capacity this year is set to drop to below 100 million tonnes from 112-115 million tonnes in recent years, he said.

Global sugar price is expected to hit 15.43 US cents a pound on average this year from the current 14.26 cents, a sharp rise from 10.5 cents last year, he said.

Kittiphan Anutarasot, executive vice-president at Krungthai Bank said business diversification and new innovations have lent support to KTIS's earnings.

KTIS shares closed Friday on the SET at seven baht, unchanged, in trade worth 2.06 million baht.