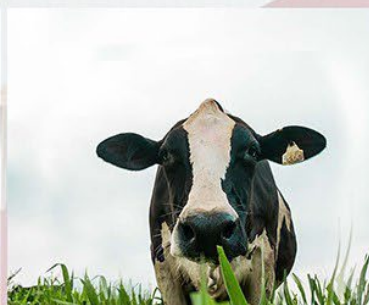




Farm Fresh Berhad

Q1 FY26 Results Briefing

28 August 2025



01

Financial Results

02

Outlook and Prospects



Q1 FY26 key highlights:



①

Corresponding Quarter

②

Preceding Quarter

In RM' mil	Q1FY26	Q1FY25	% Change	Q4FY25	% Change
Revenue	260.6	241.7	▲ 8%	243.7	▲ 7%
Gross Profit	86.5	72.9	▲ 19%	77.5	▲ 12%
EBITDA	56.1	46.0	▲ 22%	48.9	▲ 15%
Profit after tax	33.2	26.5	▲ 25%	27.6	▲ 20%
PATAMI	32.8	26.0	▲ 26%	28.4	▲ 15%

Key narratives

Performance vs corresponding quarter ①

Sales higher driven by HORECA and commercial UHT sales, positive sales contribution from successful launches of new SKUs such as Fresh Grow, Choco Malt, Full Cream Milk Powder, CPG ice cream and butter, accompanied by higher sales of artisanal ice cream.

Improved gross profit and profitability due to lower milk ingredients cost and better sales mix, i.e. higher contribution from powder products and CPG ice cream which higher margins.

Performance vs preceding quarter ②

Sales increased driven by an increase in school milk and CPG ice cream sales, particularly strong demand for Cream Hauz ice cream and supported by the launch of Choco bar ice cream in May 2025, and further boosted by the successful launch of Grow Cultured Milk in April 2025.

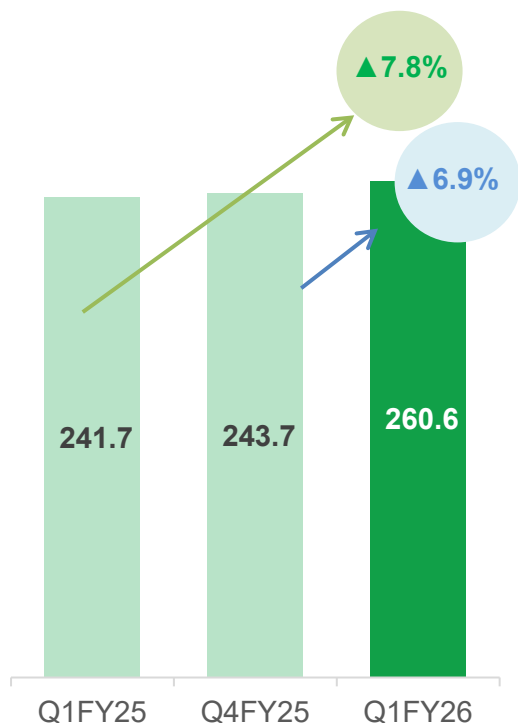
Recovery in margins of Australia's operations from higher GVC external sales due to fulfilment of deliveries to Middle East that was delayed from the previous quarter.



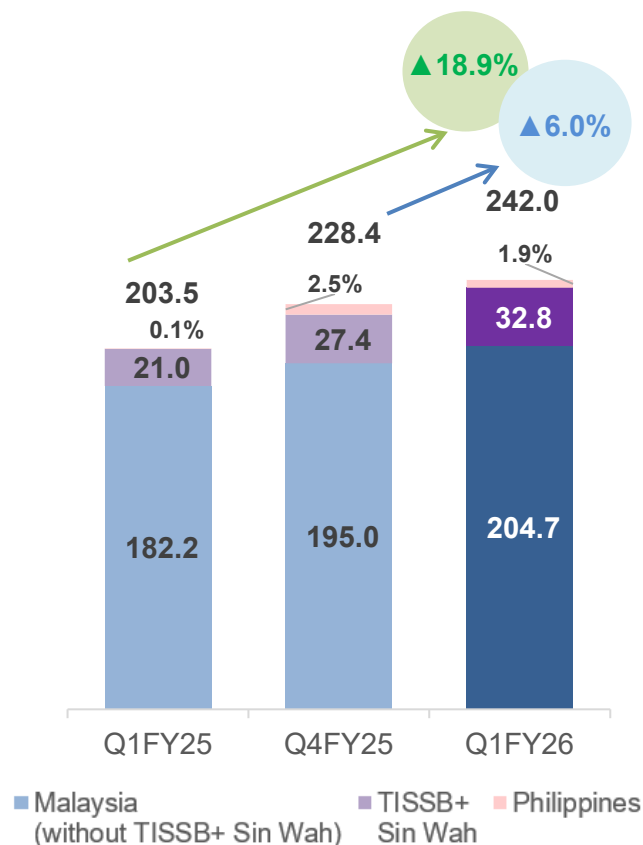
Financial Highlights

Revenue (RM mil)

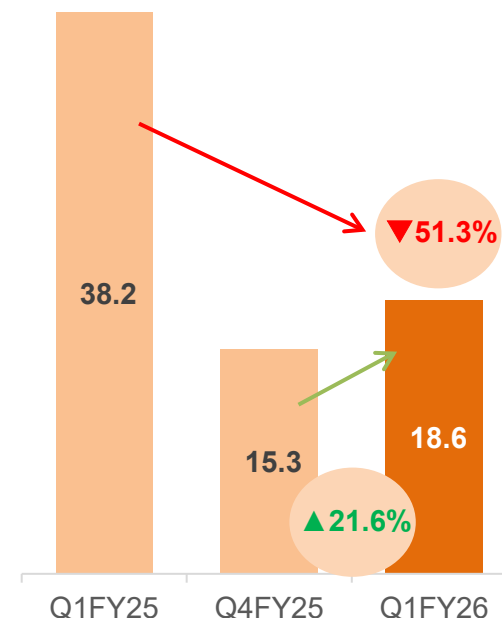
Group - RM mil



Malaysia - RM mil



Australia - RM mil

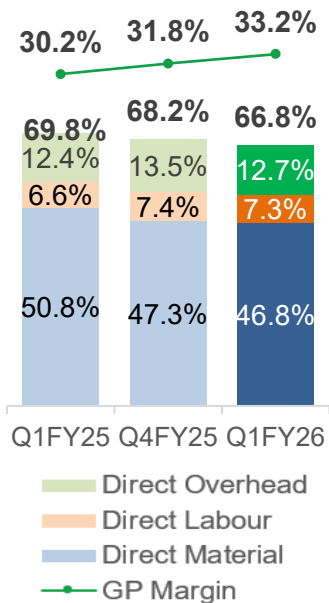


- Malaysia's sales growth driven by higher HORECA and commercial UHT sales, positive sales contribution new products such as Farm Fresh Grow, chocolate malt, full cream milk powder, consumer-packaged goods (CPG) ice cream and butter.
- Philippines operations (2% of Group revenue) is immaterial and have been included as part of the Malaysia's operations.
- Australian revenue increased by RM3.3m as compared to preceding quarter as the dry weather in Victoria is improving and thus increasing the available milk for processing, enabling the fulfilment of deliveries to Middle East which was delayed from last quarter.

Financial Highlights

Gross Profit (RM mil)

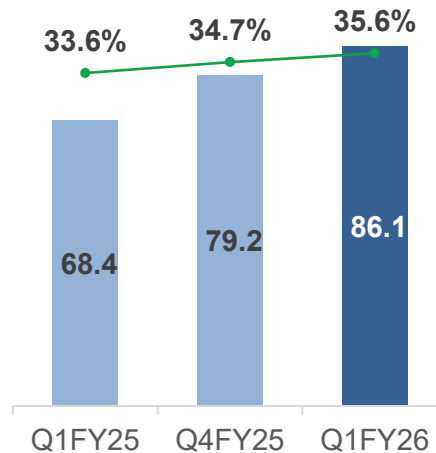
Group - Cost of Goods Sold
(% of revenue)



Group GP margin increased by 3.0 percentage points from corresponding quarter mainly attributable to increased sales of higher margin products and further aided by lower cost of dairy raw materials.



Malaysia - RM mil, %

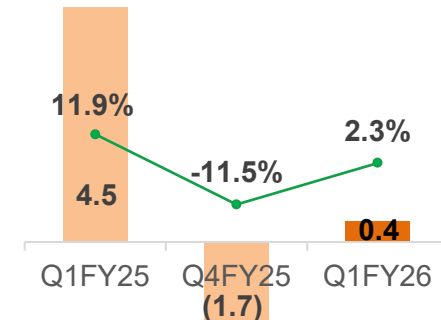


GP increase by 25.9% while **GP margin increased by 2.0 percentage points** as compared to corresponding quarter, mainly attributable to the:

- **lower milk ingredients cost** coming from lower WMP and Australia milk prices;
- Increased sales of higher margin products such as CPG ice creams and powder products.



Australia - RM mil, %

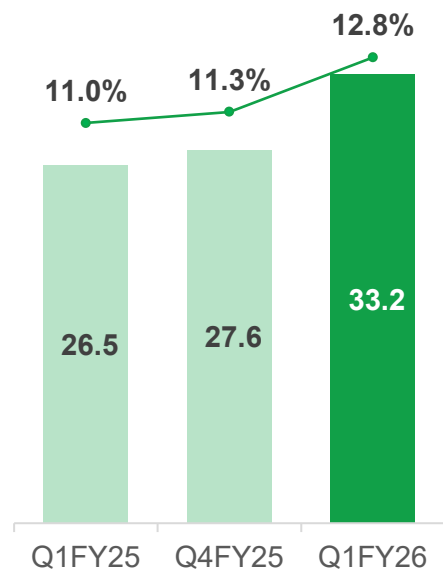


The **current quarter saw a recovery in margins** compared to the gross loss in the previous quarter due to fulfilment of deliveries to the Middle East that were originally scheduled for the previous quarter.

Financial Highlights

Profit after tax (RM mil)

Group - RM mil, PAT Margin %



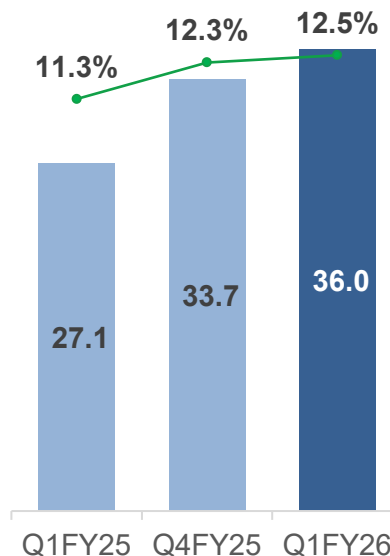
Growth % versus

Corresponding period : **▲ 25.3%**

Preceding period: **▲ 20.3%**



Malaysia - RM mil, % (Before intra-group adj)



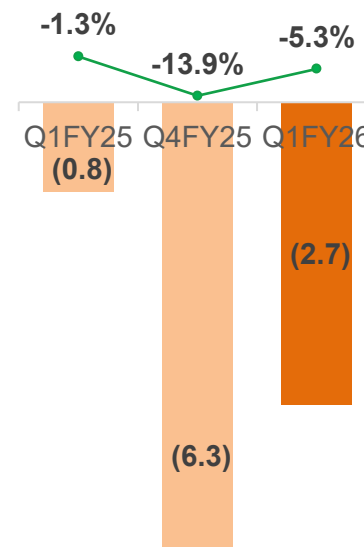
Growth % versus

Corresponding period : **▲ 32.8%**

Preceding period: **▲ 6.8%**



Australia - RM mil, % (Before intra-group adj)



Growth % versus

Corresponding period : **▼ 57.1%**

Preceding period: **▲ 237.5%**

Performance vs corresponding quarter

Group PAT increased by 25% or RM6.7mil, mainly driven by higher revenues and gross profits, which was partially offset by higher selling and distribution expenses in line with the increased sales (details disclosed in page 8).

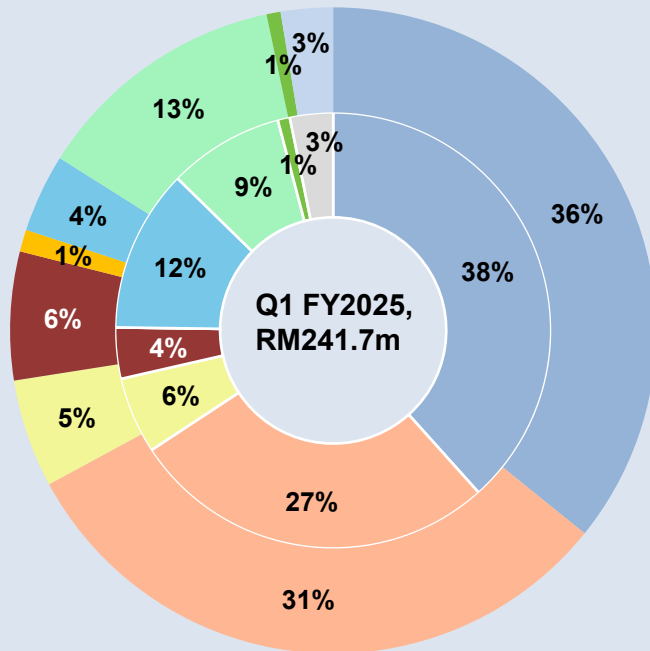
Performance vs preceding quarter

Loss from Australian operations halved in the current quarter, supported by the higher sales.

Revenue by product and distribution channel

Revenue by Product

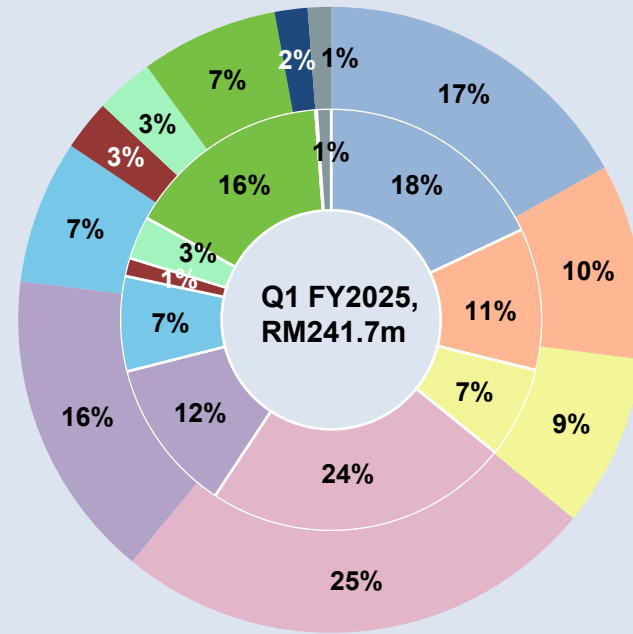
Q1 FY2026,
RM260.6m



- Chilled milk
- Ambient / UHT milk
- Yogurt & Yogurt drinks
- Powder
- Butter
- Australia external milk
- Ice-cream
- Plant-based
- Others (Agrotourism, Jomcha, Fruit jam & sauces)

Revenue by Distribution Channel

Q1 FY2026,
RM260.6m



- MY Large format retailers
- MY Stockist/Dealers
- MY School Milk Programme
- MY HORECA
- MY Convenience stores & Mini markets
- MY In-store (Inside Scoop & Jomcha)
- MY E-commerce
- Singapore
- Australia
- Philippines
- Others (Agrotourism, Royalties)

Operating Profit & Net Profit (RM'000)



	Corresponding Quarter		Preceding Quarter		Current Quarter	
	Q1 FY25	% of revenue	Q4 FY25	% of revenue	Q1 FY26	% of revenue
Gross profit	72,946	30.2%	77,451	31.8%	86,480	33.2%
Other income	2,807	1.2%	1,833	0.8%	1,195	0.5%
Selling & Distribution exp	(21,318)	(8.8)%	(21,232)	(8.7)%	(23,283)	(8.9)%
<i>Transportation & logistics</i>	<i>(13,409)</i>	<i>(5.5)%</i>	<i>(14,218)</i>	<i>(5.8)%</i>	<i>(16,137)</i>	<i>(6.2)%</i>
<i>A&P expenses</i>	<i>(5,895)</i>	<i>(2.4)%</i>	<i>(4,004)</i>	<i>(1.7)%</i>	<i>(4,349)</i>	<i>(1.7)%</i>
<i>Transaction fees</i>	<i>(1,109)</i>	<i>(0.5)%</i>	<i>(2,013)</i>	<i>(0.8)%</i>	<i>(1,958)</i>	<i>(0.8)%</i>
<i>Other selling expenses</i>	<i>(905)</i>	<i>(0.4)%</i>	<i>(997)</i>	<i>(0.4)%</i>	<i>(839)</i>	<i>(0.2)%</i>
Administrative expenses	(20,229)	(8.4)%	(23,112)	(9.5)%	(23,422)	(9.0)%
<i>Salary expenses</i>	<i>(12,052)</i>	<i>(5.0)%</i>	<i>(12,715)</i>	<i>(5.2)%</i>	<i>(13,907)</i>	<i>(5.3)%</i>
<i>Office expenses</i>	<i>(2,869)</i>	<i>(1.2)%</i>	<i>(3,031)</i>	<i>(1.3)%</i>	<i>(3,171)</i>	<i>(1.2)%</i>
<i>Depreciation & amortisation</i>	<i>(3,017)</i>	<i>(1.2)%</i>	<i>(3,608)</i>	<i>(1.5)%</i>	<i>(3,922)</i>	<i>(1.5)%</i>
<i>Others</i>	<i>(2,291)</i>	<i>(1.0)%</i>	<i>(3,758)</i>	<i>(1.5)%</i>	<i>(2,422)</i>	<i>(1.0)%</i>
Other expenses	(1,156)	(0.5)%	(2,814)	(1.2)%	(1,797)	(0.7)%
FV (loss)/gain on biological assets	(550)	(0.2)%	1,210	0.5%	878	0.3%
Operating profit	32,500	13.4%	33,336	13.7%	40,051	15.4%
Net finance costs	(4,156)		(3,914)		(4,006)	
Profit before tax	28,344	11.7%	29,422	12.1%	36,045	13.8%
Tax expense	(1,833)		(1,769)		(2,801)	
Profit after tax	26,511	11.0%	27,653	11.3%	33,244	12.8%

Gross profit increased from RM72.9mil to RM86.5mil, as explained in the previous slides.

The gross profit was offset with the following:

- **Higher distribution expenses** incurred which in line with the higher school milk sales, which is performed by the stockists and home dealers;
- **Higher selling expenses** due to higher e-commerce transaction fees in line with the higher e-commerce sales;
- **Reduced marketing spend** following the discontinuation of major TV sponsorship program and artist endorsement, in favour of roadshows and activation campaigns.
- **Higher admin expense** due to the increase in salary expenses driven by higher headcount for Philippines and CPG ice cream operations, and higher office expenses and depreciation expenditure with the increase of Inside Scoop outlets;
- Other income decreased due to the **fair value gain on derivatives of RM1.2mil recorded in the corresponding quarter**. In the current quarter, there is no movement of fair value recognized, as the Company had adopted hedge accounting for foreign currency forward contracts and commodity future contracts, resulting in changes in fair value of derivatives recognized in OCI, reducing intra-quarter volatility in profit or loss statement.

Statement of financial position (RM'000)



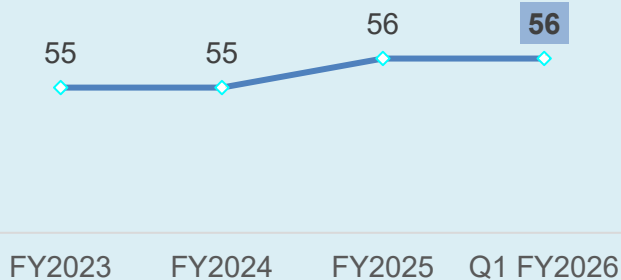
	31 March 2025	30 June 2025	% change
	RM'000	RM'000	
NON-CURRENT ASSETS			
Property, plant and equipment	513,490	530,834	3.4
Right-of-use assets	36,467	38,693	6.1
Biological assets	141,952	151,799	6.9
Intangible assets	111,126	110,885	(0.2)
Trade and other receivables	268	250	(6.7)
Deferred tax assets	9,371	10,886	16.2
CURRENT ASSETS			
Inventories	175,332	190,391	8.6
Trade and other receivables	206,665	231,925	12.2
Current tax assets	5,446	5,489	0.8
Derivative financial assets	86	663	>100
Other investments	64,037	33,508	(47.7)
Cash and cash equivalents	58,785	81,391	38.5
Assets classified as held for sale	28,144	27,028	(4.0)
TOTAL ASSETS	1,351,169	1,413,742	4.6
NON-CURRENT LIABILITIES			
Deferred tax liabilities	24,345	27,154	11.5
Deferred income	6,703	7,079	5.6
Loans and borrowings	306,282	105,699	(65.5)
Lease liabilities	20,590	22,462	9.1
Put option liability	55,833	57,065	2.2
CURRENT LIABILITIES			
Deferred income	943	440	(53.3)
Derivative financial liabilities	428	--	>100
Loans and borrowings	91,622	295,956	>100
Lease liabilities	8,389	8,987	7.1
Trade and other payables	106,679	126,527	18.6
Current tax liabilities	1,116	1,207	8.2
TOTAL LIABILITIES	622,930	652,576	4.8
TOTAL EQUITY	728,239	761,166	4.5
TOTAL EQUITY AND LIABILITIES	1,351,169	1,413,742	4.6

- Increase in **property, plant and equipment** was mainly due to capital expenditure incurred in relation to the expansion of Muadzam Shah farm (MZ2) and the construction of Enstek plant.
- Increase in **inventories** mainly due to higher finished goods as at period end due to higher stock holding to cope with increased school milk project delivery requirements.
- Increase in **trade and other receivables** mainly attributable to increase in advance payment made for the purchase of dairy raw materials.
- Increase in **current loans and borrowings** is due to the reclassification of a RM200 million Sukuk, maturing in May 2026, from non-current to current liabilities in accordance with its remaining maturity profile.
- Increase in **trade and other payables** mainly attributable to the higher other payables for the ongoing construction of MZ2 and Enstek plant.

Key Financial Ratios

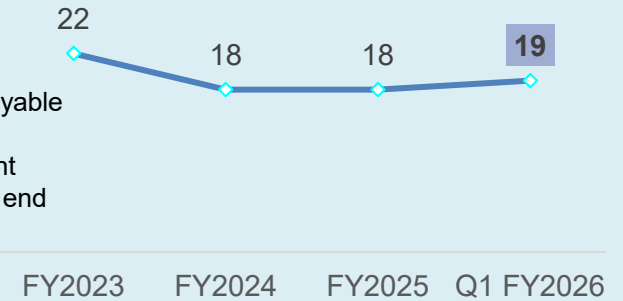
Trade receivable turnover (Days)

Average trade receivable turnover days remained constant versus prior year end as of Mar'25.



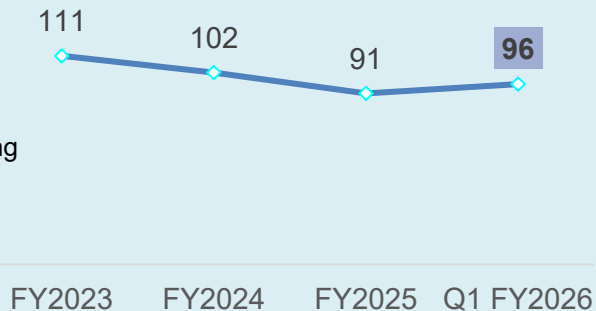
Trade payable turnover (Days)

Average trade payable turnover days remained constant versus prior year end as of Mar'24.

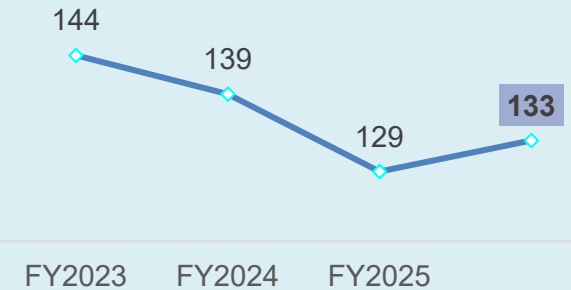


Inventory turnover (Days)

Inventory turnover days increased to 96 days due to higher stock holding to cater for the increased school milk project order.



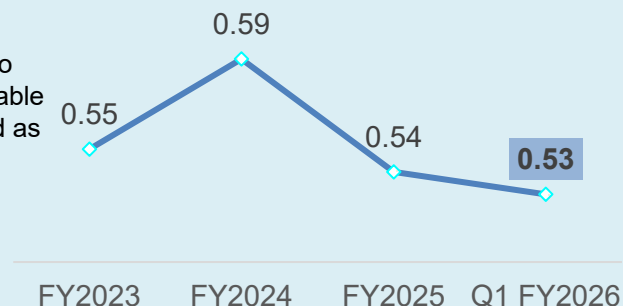
Cash conversion cycle (Days)



Key Financial Ratios

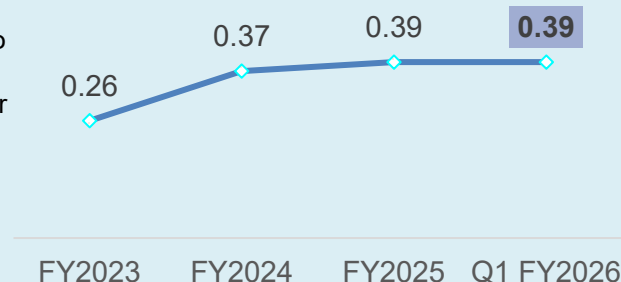
Gross gearing ratio^{N1} (Times)

Gross gearing ratio remained comparable with prior year end as of Mar'25.



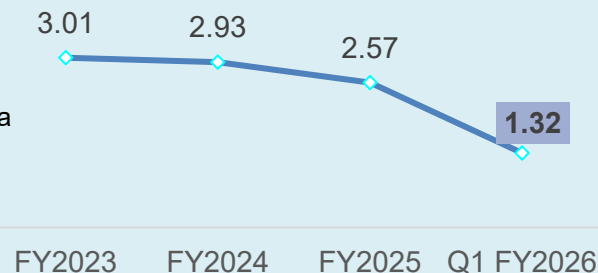
Net gearing ratio^{N2} (Times)

Net gearing ratio remained comparable over the period.



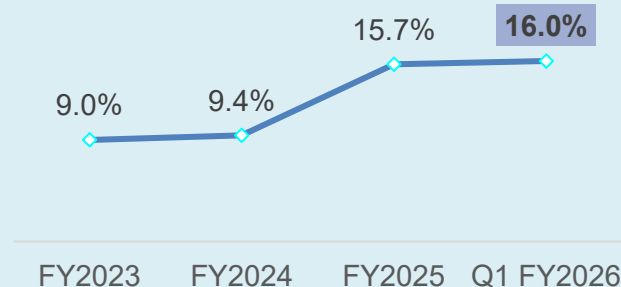
Current ratio (Times)

Current ratio decreased to 1.32 primarily due to reclassification of a RM200mil Sukuk, maturing in May 2026, from non-current to current liabilities.



Return on equity^{N3} (%)

ROE improved over the period.



Note

N1: Computed based on equity excluding the put option reserve

N2: Computed based on equity excluding the put option reserve and net of other investments

N3: Computed based on 12-month trailing net profit divided by the total equity as at year/period end.

01

Financial
Results

02

Outlook and
Prospects

New product launches



Mechamato series



Chocolate malt



CPG Ice cream



Full Cream Milk Powder



Choco Malt sachet & Choco Malt Kaw



Butter (9g and 200g)



Farm Fresh Ausfresh



CPG Ice cream



Choco Malt UHT



Farm Fresh Grow Cultured Milk

July

August

November

2025

CPG Ice cream Progress



Ice cream Expansion Timeline

CPG ice cream launched in **August 2024** from **Taiping Plant** – enable **fast rollout** of new products and **market validation** + HORECA products.

Some ice cream production will be moved to **Enstek** once completed

Enstek large-scale ice cream production in **Q1 2026**, with **capacity of ~1,000,000 pieces of ice cream per day**

January 2024

July 2024

Early-2026

Q1 2026

- Testing of extrusion line in manufacturing plant
- Ordering of ice cream lines

- Extrusion line trial run in Taiping plant
- Launch of CPG ice cream

- Enstek structure completed
- Delivery of ice cream lines

- Commissioning and production from Enstek

Key takeaways

- 1 Strong Financial Performance:** Another strong quarter to kick start FY2026. Our strategic focus on category and regional expansion continues to progress well, laying a strong foundation for continued momentum into FY2026.
- 2 Success in Adjacencies:** Our CPG ice cream, Moola Choco Malt, Farm Fresh butter and family pack full cream milk powder as well as our recently launched cultured milk have been received well by customers. For CPG ice cream, while waiting for Enstek plant which is slightly delayed to Q1 2026, an additional two ice cream lines were added, increasing our capacity to about 300,000 pieces per day
- 3 Dairy Farm Development:** Expansion at our Muadzam Shah farm is progressing well with completion of barns and arrival of 1,300 dairy cows in May 2025. Upon full completion, the farm's capacity will double to 6,000 dairy cows, increasing our raw milk supply capabilities.
- 4 International Expansion:** The Philippines operations is now fully under way with completion of San Simon plant – listed our chilled products, UHT products and milk powder products in the modern trade outlets and secured many key HORECA accounts in Manila. The Group has started exports of dairy products to Cambodia in end-August 2025.



Source: Company information.

Q&A

Thank You