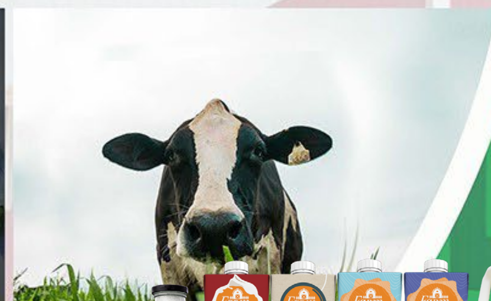
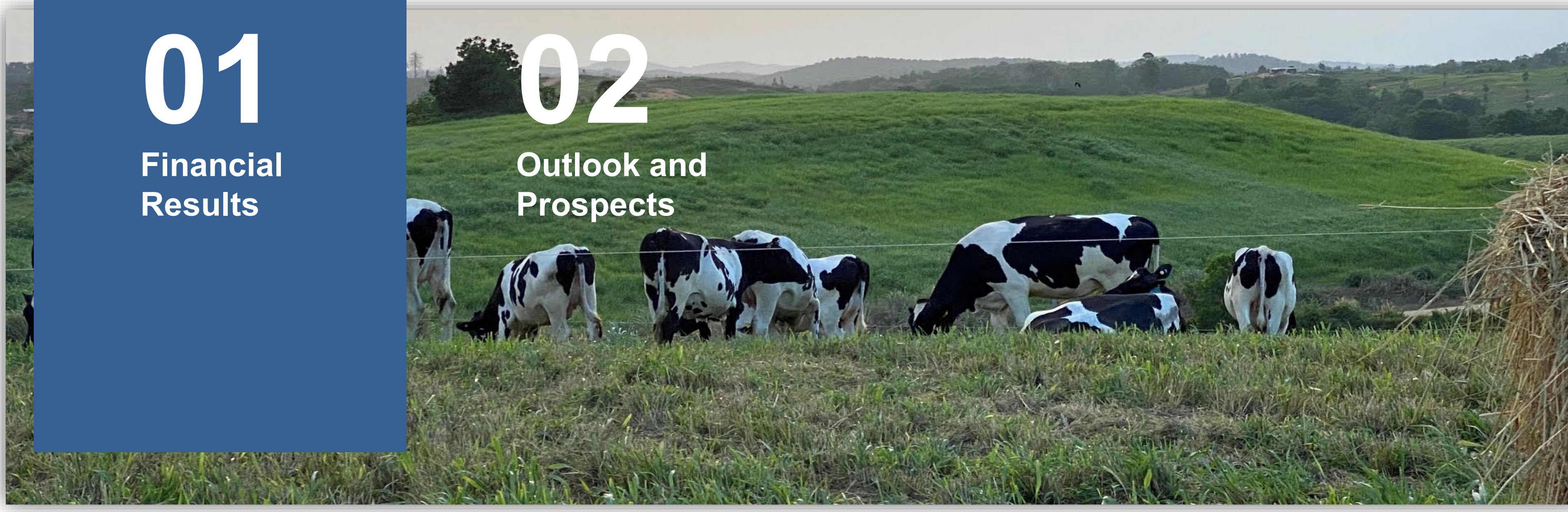
FARM FRESH BERHAD

Q1 FY27 Results Briefing

28 August 2026





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Q1 FY27 Key Financial Highlights

Performance vs Corresponding Quarter (Q1 FY26) and Preceding Quarter (Q4 FY26)
In RM million

	REVENUE	GROSS PROFIT	EBITDA	PAT
Q1 FY27	306.4	93.6	55.1	26.8
vs Q1’26	▲ 17%	▲ 8%	▼ 3%	▼ 19%
vs Q4’26	▲ 11%	▲ 7%	▲ 7%	▲ 6%

Key narratives

Performance vs Corresponding Quarter (vs Q1’26)

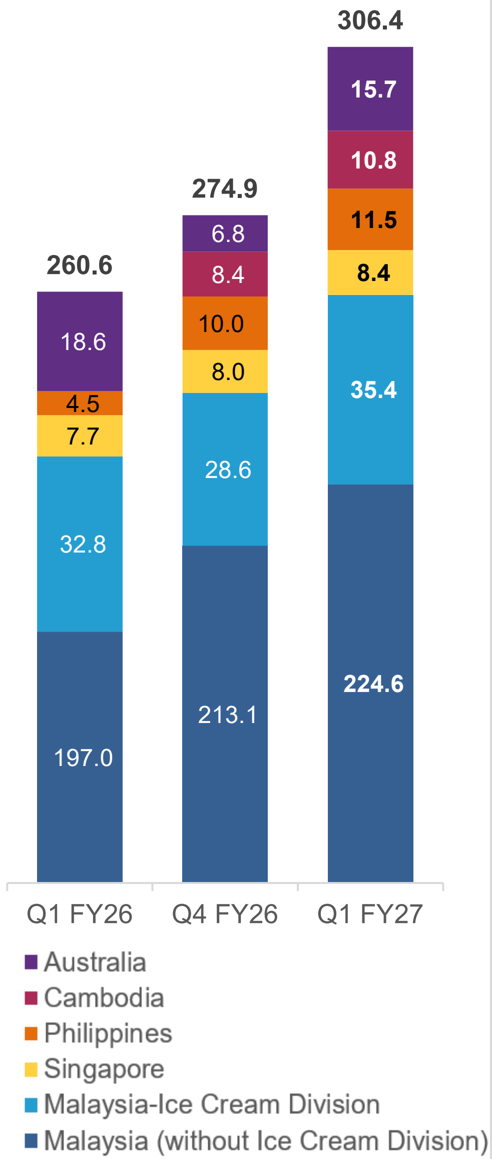
- **Sales growth** was fueled by higher contributions from mini markets, e-commerce sales, exports to Cambodia and stronger sales in the Philippines, supplemented by successful new product launches and ice cream sales.
- **Gross profit increased** in line with higher sales, however, **gross profit margin contracted by 2.7 percentage points** due to increased lower-margin contribution from Australia, Cambodia and the Philippines, as well as higher input costs, particularly the surge in fuel and plastic bottle prices following the Middle East Conflict.
- Impact for the quarter for higher diesel was RM3.3 million and higher PE bottle cost of RM1.2 million, total RM4.5 mil
- **PAT declined** primarily due to higher selling and distribution costs from increased export and e-commerce sales as well as higher administrative expenses, further compounded by fair value loss on biological assets, higher Sukuk financing costs, and the absence of a one-off deferred tax credit recognized from prior periods in the Philippines operation.

Performance vs Preceding Quarter (vs Q4’26)

- **Sales increased** underpinned by recovery in HORECA and CPG ice cream segments after the seasonal slowdown due to fasting month in the preceding quarter, and further bolstered by stronger sales from mini markets, e-commerce, exports to Cambodia and Australia’s operation.
- **Gross profit increased** in line with higher revenue. However, **gross profit margin narrowed by 1.3 percentage points**, primarily due to elevated fuel and plastic bottle cost increases stemming from Middle East supply chain disruptions. The Group’s price increase of about 3% for selected plastic bottle products in Malaysia and 10% price increase in Singapore was only affected towards the end of the quarter.
- **Higher PAT**, supported by higher gross profit, and lower selling and distribution costs and administrative cost as a percentage of sales.

Revenue by region

REVENUE BY REGION (RM million)



REVENUE GROWTH BY REGION (RM million)

Region	vs Q1'26	vs Q4'26
Malaysia (Without Ice Cream Division)	▲ 14%	▲ 5%
Malaysia – Ice Cream Division	▲ 8%	▲ 2%
Singapore	▲ 9%	▲ 5%
Philippines	▲ >100%	▲ 15%
Cambodia	▲ >100%	▲ 29%
Australia	▼ 15%	▲ >100%
Total	▲ 17%	▲ 11%

Malaysia (Without Ice Cream Division):
- Higher mini market and e-commerce deliveries and positive sales contribution from new SKUs such as Butter, AusFresh, Full Cream Milk Powder.

Malaysia – Ice Cream Division:
- Higher artisanal ice cream sales which grew in line with the continued opening of new outlets;
- Increased CPG ice cream sales supported by new product launches i.e Cone Hauz series.

Singapore
- Stable revenue with existing distribution.

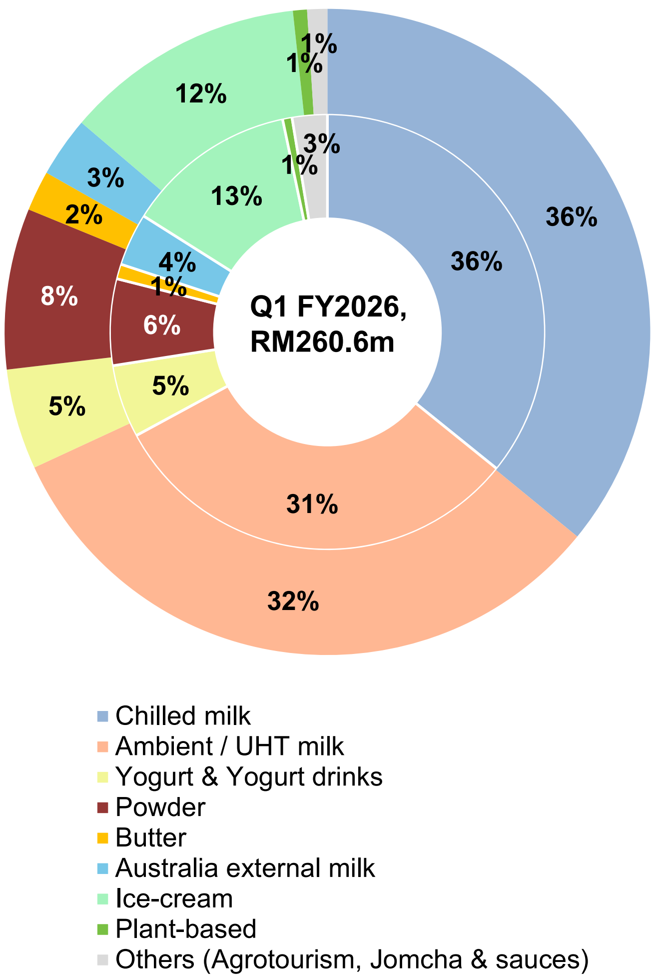
Philippines
- Improved sales, driven by increasing UHT product sales.

Cambodia
- Stronger exports to Cambodia markets.

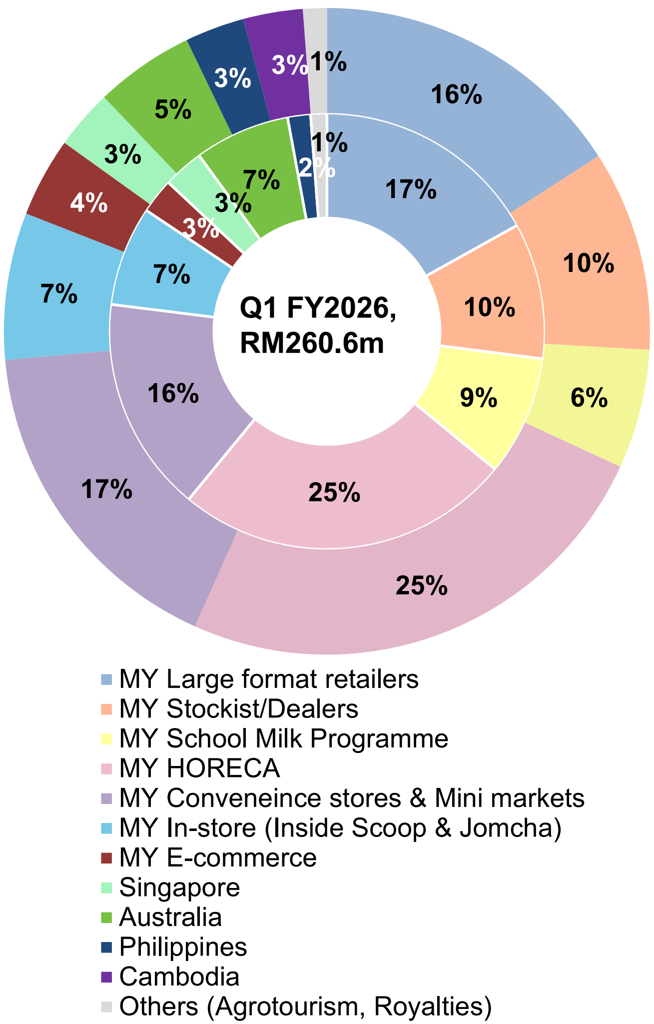
Australia
- Revenue increased from the preceding quarter due to higher GVC external milk deliveries, but was lower from corresponding quarter mainly due to disposal of Henry Jones Taylor sauce business in Q4'26.

Revenue by product and distribution channel

REVENUE BY PRODUCT

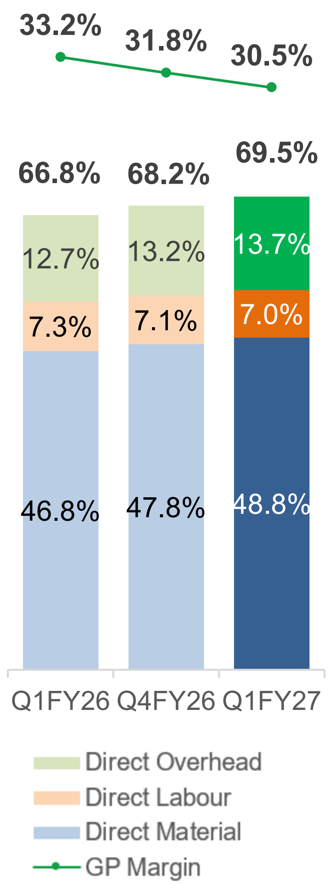


REVENUE BY DISTRIBUTION CHANNEL



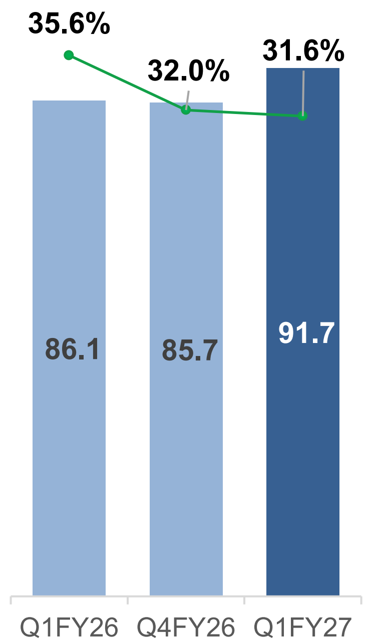
Gross profit (RM million)

Group - Cost of Goods Sold (% of revenue)



Note: Excluding the impact of the higher fuel and plastic bottle price, the Group GPM for Q1FY27 would be 32.0%

Malaysia and other Southeast Asia Countries - RM million, %



Corresponding quarter

GP margin narrowing by 4.0 percentage points, mainly attributable to:

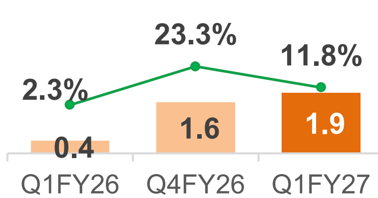
- **Higher sales contribution from the Philippines and Cambodia** which carry a relatively lower margin;
- **Higher input costs,** particularly the surge in fuel and plastic bottle prices, amid supply disruptions arising from the blockage of the Strait of Hormuz following the Middle East Conflict;
- **7% weakening of the USD** against the MYR on exports to Cambodia.

Preceding quarter

GP margin dipped by 0.4 percentage points, primarily due to higher fuel and plastic bottle costs arising from Middle East supply chain disruptions. The impact was only partially mitigated as **price increases** in Malaysia and Singapore **took effect towards the end of the quarter**.

Note: Excluding the impact of the higher fuel and plastic bottle price, GPM for Q1FY27 would be 33.1%

Australia - RM million, %



Corresponding quarter

Improvement in margin due to higher production volume, mainly for MY and PH, which led to a decrease in production cost per litre.

Preceding quarter

GP margin was impacted by higher farmgate milk prices in Australia, which rose by 15 cents/kgMS during the quarter, resulting in lower margins on external raw milk sales.

Operating Profit & Net Profit (RM million)

	Corresponding Quarter		Preceding Quarter		Current Quarter	
	Q1 FY26	% of revenue	Q4 FY26	% of revenue	Q1 FY27	% of revenue
Gross profit	**86,480**	**33.2%**	**87,320**	**31.8%**	**93,580**	**30.5%**
Other income	1,195	0.5%	2,353	0.9%	1,620	0.5%
Selling & Distribution exp	(23,283)	(8.9)%	(26,719)	(9.7)%	(28,261)	(9.2)%
Transportation & logistics	*(16,137)*	*(6.2)%*	*(19,040)*	*(6.9)%*	*(19,682)*	*(6.4)%*
A&P expenses	*(4,349)*	*(1.7)%*	*(3,708)*	*(1.3)%*	*(3,408)*	*(1.1)%*
Transaction fees	*(1,958)*	*(0.8)%*	*(3,109)*	*(1.1)%*	*(4,165)*	*(1.4)%*
Other selling expenses	*(839)*	*(0.2)%*	*(862)*	*(0.4)%*	*(1,006)*	*(0.3)%*
Administrative expenses	(23,422)	(9.0)%	(26,978)	(9.8)%	(28,971)	(9.4)%
Salary expenses	*(13,907)*	*(5.3)%*	*(15,956)*	*(5.8)%*	*(16,299)*	*(5.3)%*
Office expenses	*(3,171)*	*(1.2)%*	*(3,709)*	*(1.3)%*	*(4,368)*	*(1.4)%*
Depreciation & amortisation	*(3,922)*	*(1.5)%*	*(4,451)*	*(1.6)%*	*(4,598)*	*(1.5)%*
Others	*(2,422)*	*(1.0)%*	*(2,862)*	*(1.1)%*	*(3,706)*	*(1.2)%*
Other expenses	(1,797)	(0.7)%	(1,596)	(0.6)%	(1,123)	(0.4)%
FV (loss)/gain on biological assets	878	0.3%	(394)	(0.1)%	(624)	(0.2)%
Operating profit	**40,051**	**15.4%**	**33,986**	**12.4%**	**36,221**	**11.8%**
Net finance costs	(4,006)		(5,058)		(5,252)	
Share of loss of associate	--		(606)		(265)	
Profit before tax	**36,045**	**13.8%**	**28,322**	**10.3%**	**30,704**	**10.0%**
Tax expense	(2,801)		(3,124)		(3,884)	
Profit after tax	**33,244**	**12.8%**	**25,198**	**9.2%**	**26,820**	**8.8%**

Gross profit increased by RM7.1million compared to the corresponding quarter, as explained in the previous slides.

The gross profit was offset with the following:

- **Higher distribution expenses** arising from increased exports to Cambodia and the Philippines;
- **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 associated with the hiring of more management personnel across the Group, as well as increased headcount to support the new Inside Scoop outlet openings and business expansion;
- **Fair value loss on valuation of biological assets** of RM0.6 million as opposed to RM0.9 million fair value gain recorded in Q1'26;
- **Increase in Sukuk finance costs** by RM1.4 million following the drawdown of RM125 million Sukuk 3 in A3'26 and RM200 million in Q4'26.
- **Absence of a one-off RM0.7 million deferred tax credit** recognized from prior-year adjustments in the Philippines operation.

Statement of financial position (RM million)

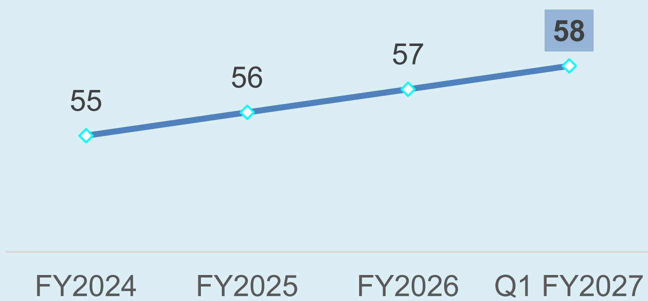
	31 March 2026 RM'000	30 June 2026 RM'000	% change
NON-CURRENT ASSETS			
Property, plant and equipment	617,097	651,458	5.6
Right-of-use assets	39,418	40,018	1.5
Biological assets	148,267	148,557	0.2
Intangible assets	107,750	107,684	(0.1)
Investment in associate	5,778	5,512	(4.6)
Trade and other receivables	195	175	(10.3)
Deferred tax assets	11,308	11,196	(1.0)
CURRENT ASSETS			
Inventories	233,890	264,172	12.9
Trade and other receivables	309,677	307,260	(0.8)
Due from an associate	4,836	5,232	8.2
Current tax assets	3,090	3,253	5.3
Derivative financial assets	3,259	3,949	21.2
Other investments	194,446	59,119	(69.6)
Cash and cash equivalents	171,587	80,875	(52.9)
Asset classified as held for sale	13,724	9,749	(29.0)
TOTAL ASSETS	**1,864,322**	**1,698,209**	**(8.9)**
NON-CURRENT LIABILITIES			
Deferred tax liabilities	34,600	36,502	5.5
Deferred income	6,972	6,873	(1.4)
Loans and borrowings	426,867	426,579	(0.1)
Lease liabilities	23,562	21,508	(8.7)
Put option liability	75,592	34,790	(54.0)
CURRENT LIABILITIES			
Current tax liabilities	920	780	(15.2)
Deferred income	449	451	0.4
Loans and borrowings	286,955	100,386	(65.0)
Lease liabilities	9,409	9,730	3.4
Trade and other payables	171,116	159,838	(6.6)
Put option liability	-	50,770	>100
TOTAL LIABILITIES	**1,036,442**	**848,207**	**(18.2)**
TOTAL EQUITY	**827,880**	**850,002**	**2.7**
TOTAL EQUITY AND LIABILITIES	**1,864,322**	**1,698,209**	**(8.9)**

- **Increase in property, plant and equipment** was mainly due to capital expenditure incurred in relation to the construction of Bandar Enstek and Cambodia plant.
- **Increase in inventories** mainly due to higher raw materials as of period end due to higher stock holding to cope with increased exports and school milk project order.
- **Decrease in other investment, cash and cash equivalents and current loans and borrowings** attributable to the repayment of Sukuk 1 amounting to RM200m which was due on 28 May 2026.
- **Decrease in asset classified as held for sale** was due to disposal of Australia's Farm 1 located at Fidge Road with a net gain of RM0.2m recorded in June 2026.
- **Put option liability** was being reclassed to current portion as Edmund intends to exercise the put option for 20% stake in TISSB (Refer slide 18).

Key Financial Ratios

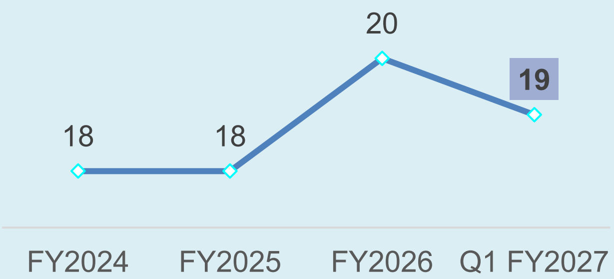
Trade receivable turnover
(Days)

Average trade receivable turnover days remained comparable.



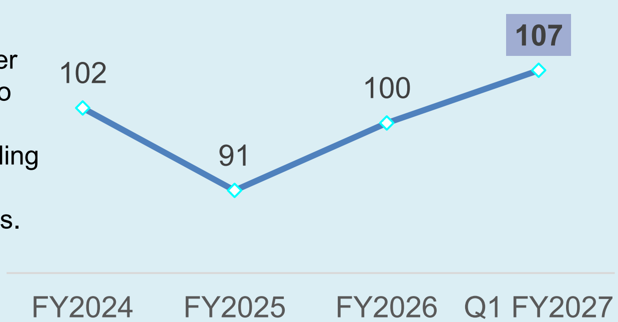
Trade payable turnover
(Days)

Average trade payable turnover days remained comparable.

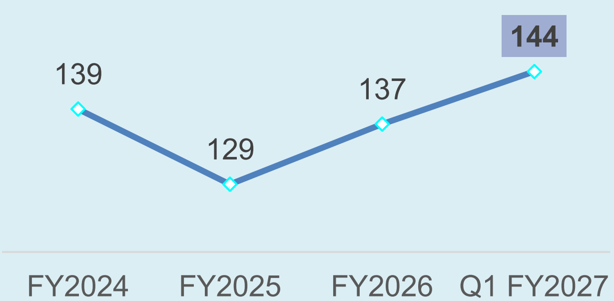


Inventory turnover
(Days)

Inventory turnover days increased to 107 days due to higher stock holding to cater for the increased exports.



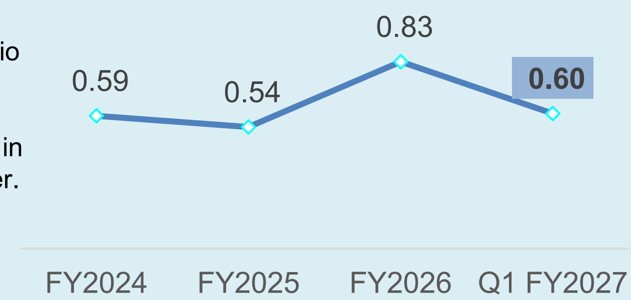
Cash conversion cycle
(Days)



Key Financial Ratios

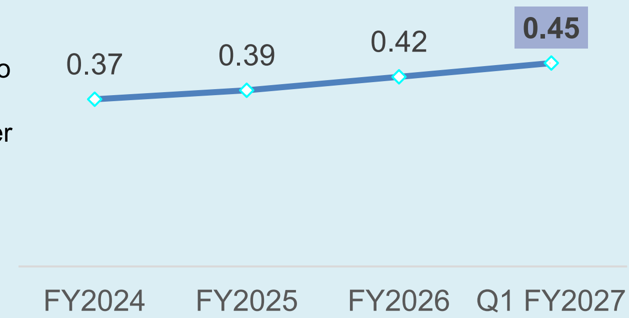
Gross gearing ratio [N1]
(Times)

Gross gearing ratio decreased due to repayment of a RM200mil Sukuk in the current quarter.



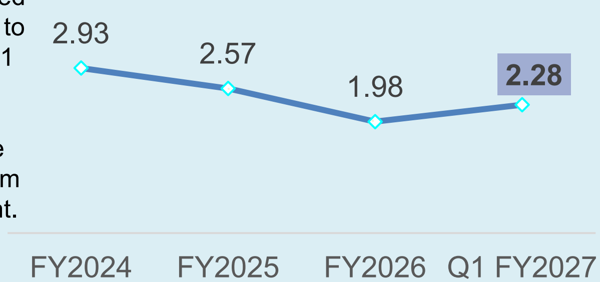
Net gearing ratio [N2]
(Times)

Net gearing ratio remained comparable over the period.



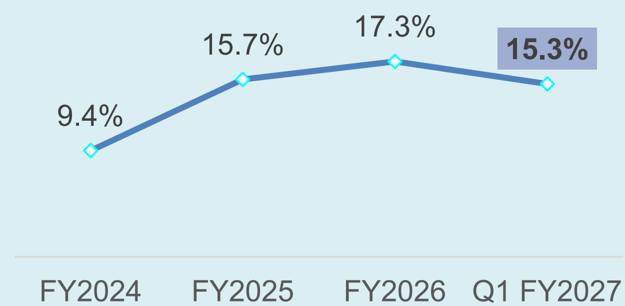
Current ratio
(Times)

Current ratio increased to 2.28 primarily due to repayment of Sukuk 1 which was partially offset by the reclassification of the put option liability from non-current to current. Without the reclassification, the current ratio would be 2.71



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

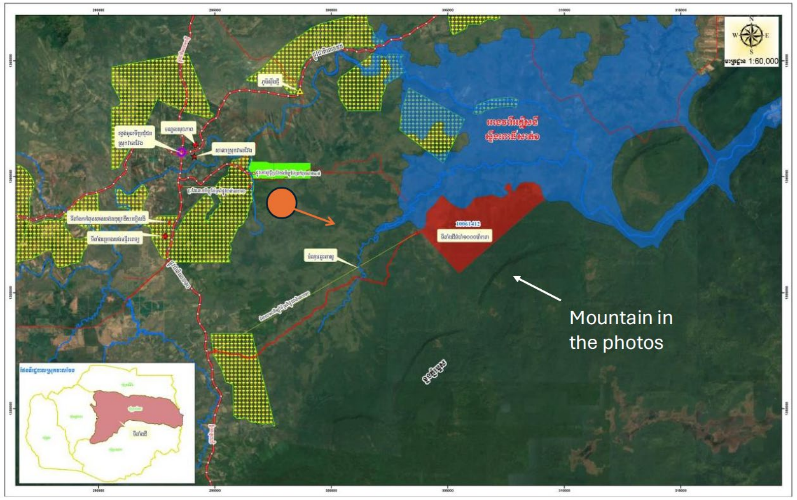
Cambodia Updates

01 Cambodia – Alpha City

- Export revenue reached RM 5 million per month – making it fastest growing segment outside of Malaysia
- Potential expansion into the Indochina area
- Presence in modern trade: AEON Cambodia, Lucky, TH Market and Chip Mong.
- Coffee outlets presence: Browns Coffee, Tube Coffee – and penetrating the general trade with UHT products
- Cambodia Factory – slated to be completed by September-2026. A pasteurized & UHT line will be installed at the factory.
- Over 19mln litres of pasteurized capacity will be installed

Cambodia Updates

02 Cambodia – Pursat Farm & Factory



- Cambodia Farm – Pursat province (284km from Phom Penh) – 1,000 hectares of land
- Concession land given by the Royal Cambodia Government for 49 years lease
- USD68 mln capex will be spread over 7 years
- The topography is mostly flat land with a slightly higher ground towards the mountain
- Humidity is low at 60% and suitable for pure Holstein with high milk yield
- Suitable crops will be planted in the farm – corn & cassava, likely to have low overall feed cost
- 4 phases of growth of herd which consists of 1,500 milking cows each based on rotary milking station capacity – each phase per rotary milking station to produce 11-12 mil litres per annum. Growth between phases can be moderated or accelerated depending on demand.

Malaysia Updates

03 Vocanic 8.0

- Premium pH8.0 volcanic mineral water with Aquifer water facility– capable of extracting 500,000 litres/day
- Aquifer located in a 5-acre land which was acquired by the Group
- Capital expenditure of RM55 million to construct factory with 2 lines of 30,000 bottles per hour capacity (~1 million bottles per day), warehouse, aquifer and infra.
- Expansion into mineral water segment will leverage on existing distribution, enabling the Group to expand distribution points significantly with larger drop size and better drop economics
- Targeting various channels – modern trade, general trade and HORECA
- Expected to be accretive to the Group's profit margins and earnings

Recent product launches

Chilled
- AusFresh
- Cultured Milk

UHT
- Full Cream Milk UHT
- Low Fat Milk UHT
- Moola Kaw UHT
- Gula Melaka & Taro Ube UHT
- Ichiba Melon & Popcorn UHT
- Cooking Cream, Whipping Cream & Whip & Cook UHT

Future product launches
- Flavoured tea series & juices
- High protein milk
- 3 in 1 flavoured milk (Caffe Latte/Teh Tarik/Matcha)

Powder
- Full Cream Milk Powder
- Moola Kaw

Malaysia Updates

04 Enstek: Ice Cream & Aseptic PET bottle products

- The development of Bandar Enstek facility is in its final stages, and the facility is expected to commence operations within the next few months after all necessary approvals are obtained.
- Two ultra-filtered membrane lines to produce high protein milk, fruit juices, plant based and tea-based products - Aseptic PET bottles packaging line – 16,000 pcs per hour
- Enstek large-scale ice cream production, with capacity of ~1,000,000 pieces of ice cream per day
- Taiping plant output increased to 350,000 pcs per day with Extrusion line 2 and cone line installed – some lines will be moved to Enstek once completed
- At present, the freezers / drop points has grown since acquisition of Sin Wah to about 11,000 freezers, with Amelia acquisition this has further increased the number of freezers by 3,500 freezers in Kota Kinabalu, Tawau and Inanam.

Malaysia Updates

05 Enstek: Ice Cream line

Lines and products		Location	Capacity (daily)	Capacity (hour)
Extruded Ice Cream		Taiping Enstek	~180,000 pcs / day	~10,000 pcs / hr
Moulded Sticks		Taiping Enstek	~120,000 pcs / day ~360,000 pcs / day	~6-8,000 pcs / hr ~18,000 pcs / hr
Potong (shared)		Enstek	~240,000 pcs / day	~12,000 pcs / hr
Cones		Taiping Enstek	~50,000 pcs / day ~274,000 pcs / day	~3-4,000 pcs / hr ~15,000 pcs / hr
		Total	**~980,000 pcs/day**	**64,000 pcs / hr**

Malaysia Updates

06 TISSB: Put Option

- On 30 May 2026, following the 3rd anniversary of the completion of the acquisition of a 65% equity interest in The Inside Scoop Sdn Bhd (TISSB) by the Group, Edmund Tan is entitled to exercise the put option granted to him for his 35% stake in TISSB.
- On 28 August 2026, the Group received a notice from Edmund Tan exercising the Put Option in respect of 20.0% of the issued TISSB Shares – which based on the valuation per the terms of the shareholders agreement comes out to approximately RM50 million.
- Put Option exercise a financial decision - both Edmund & Shiew Li will continue to manage the Group’s Ice Cream division and remain committed with the current plans to roll out CPG ice cream from Enstek and expand further the Inside Scoop retail business.

Malaysia Updates

07 LNG Plant

- Higher diesel cost due to the Middle East conflict has prompted the Group to reconsider dependency on diesel.
- Beginning August 2026, the Group has started to replace diesel with LNG for usage at its Muadzam Shah factory.
- Replacing diesel with LNG will halve the fuel cost – in the case of Muadzam Shah factory which currently uses, depending on price of diesel, and usage of 8,000 litres per day, the annual savings can range between RM4 – RM5 million (diesel price of between RM4.00 – RM5.50).
- Other sites (Taiping and Larkin) also to start using LNG.
- Longer term plan to invest in biomass plant in Muadzam Shah, which will halve the cost of using LNG.

Key takeaways

1. **Financial Performance**: The Group commenced the financial year on a positive footing, delivering steady growth against a backdrop of global geopolitical headwinds. Looking ahead, we remain positive in our growth trajectory, supported by continued category and regional expansion, which will drive the growth throughout FY2027 and beyond.

2. **Acquisition in Sabah**: Acquisition of Amelia will enable the Group to immediately own a distribution network and drop points to enable distribution of CPG ice cream products in Sabah, while utilizing the available space in the Amelia factory to run a pasteurized line for the East Malaysia and Brunei markets.

3. **Manufacturing Hub**: The development of Bandar Enstek facility is in its final stages and the facility is expected to commence operations within the next few months. This will enable us to produce approximately 1 million pieces of ice cream per day. Concurrently, Taping plant output increases to 350,000 pieces per day while Enstek is near completion. Work currently underway to increase the number of freezers to ramp up and gain sales traction in petromarts and mini marts.

4. **Dairy Farm Development**: Milestone achieved with expansion at our Muadzam Shah with completion of barns. Arrival of 3,000 dairy cows expected in Oct 2026 and upon full completion, the farm's capacity will double to 7,000 dairy cows, substantially boosting our raw milk supply capabilities.

5. **Cambodia:** Since exports commenced in end-August 2025, our dairy products continues to gain traction and listed in major modern trade and convenience store chain outlets in Phnom Penh, penetrating into major coffee outlets and into general trade with our UHT products. Our factory is slated to commence operations in Oct-2026 which will enable us to serve the Cambodia market in a more cost-effective manner and introducing more products to the wider Indochina market.

Source: Company information.

Q&A

Thank You