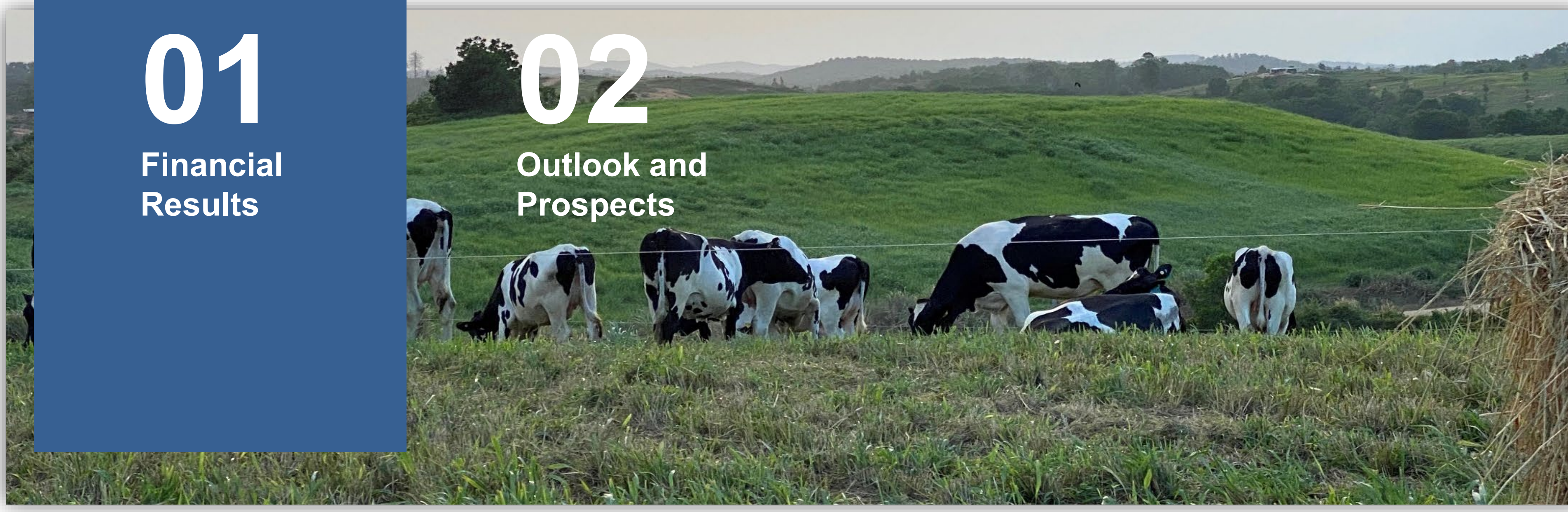
Farm Fresh Berhad

Q4 FY26 Results Briefing

22 May 2026

01
Financial Results

02
Outlook and Prospects



Q4 FY26 key highlights:

	1 Corresponding Quarter			2 Preceding Quarter		3 Year to Date (12 Months)		
In RM' mil	Q4FY26	Q4FY25	% Change	Q3FY26	% Change	FY26	FY25	% Change
Revenue	**275.1**	243.7	▲13%	285.1	▼ 4%	1,115.7	981.2	▲14%
Gross Profit	**86.8**	77.5	▲12%	93.8	▼ 7%	366.1	315.2	▲16%
EBITDA	**50.6**	48.9	▲4%	58.8	▼ 14%	227.6	190.3	▲20%
Profit after tax	**24.7**	27.6	▼ 11%	34.1	▼ 28%	129.8	107.3	▲21%
PATAMI	**27.9**	28.4	▼ 2%	32.2	▼ 13%	129.6	106.4	▲22%

Key narratives

Performance vs corresponding quarter 1 and 12-month period 3

Sales growth was driven by higher school milk and mini market sales, along with increased sales in the Philippines and export markets such as Cambodia, supported by positive contributions from new products i.e. Butter, AusFresh, Full Cream Milk Powder and Choco Malt powder, and further boosted by higher sales of ice cream.

Improved gross profit due to higher sales, stronger gross profit from Australian operations, and a more favourable sales mix, i.e. higher contribution from powder products and ice cream which carry higher margins.

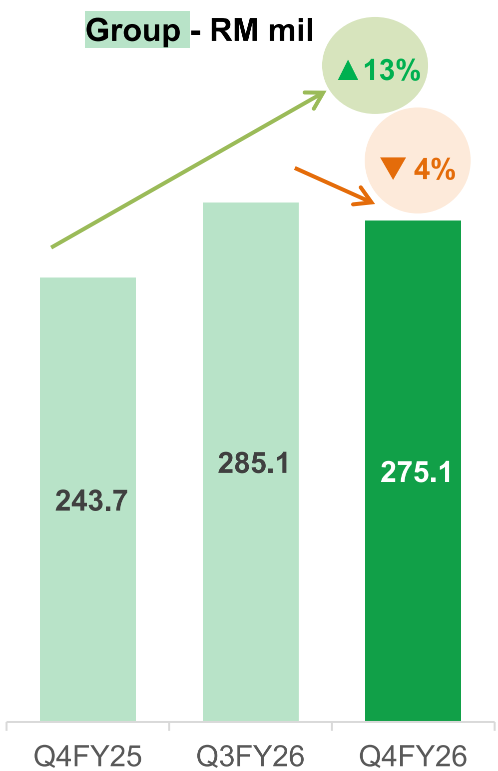
Performance vs preceding quarter 2

Lower Australian revenue from lower GVC external sales and disposal of Henry Jones Taylor sauces business in the preceding quarter.

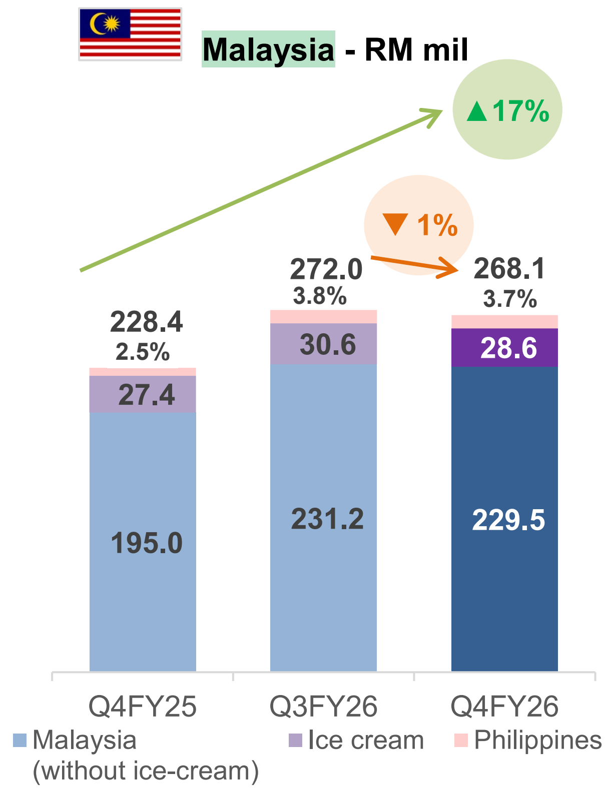
Softer demand from both HORECA and CPG ice cream segment during the fasting month and impact of plastic resin shortage to pasteurized sales. Philippines recording higher losses of by RM4.9 million due to one-off year-end adjustments, lower ice cream profits by RM2.5 mil, lower Australia results by RM1.5mil and higher finance cost by RM1.1mil contributed to the lower PAT

Financial Highlights

Revenue (RM mil)



Philippines operations (2.9% of Group revenue) is immaterial and have been included as part of the Malaysia's operations.

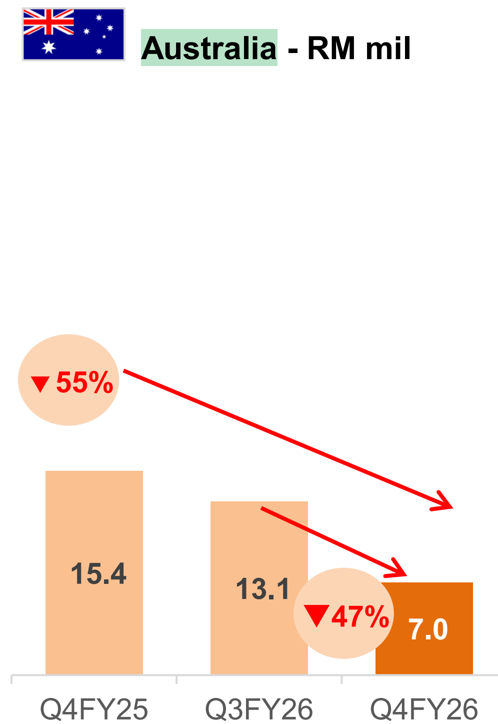


Corresponding quarter

Sales growth was driven by higher mini market and school milk sales, exports to Cambodia and sales in the Philippines, coupled with sales from new products such as Butter, AusFresh, Full cream milk powder, Choco Bar and Moola Kaw CPG ice cream.

Preceding quarter

Decrease mainly due to reduced HORECA sales and softer demand for CPG ice-cream during the fasting (puasa) month and lower pasteurized sales due to the plastic resin shortage, which was partly offset with increased school milk deliveries.

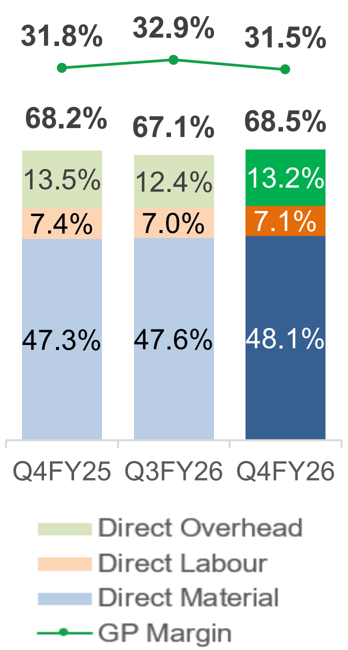


Australian revenue decreased, primarily due to lower export deliveries and raw milk sales, accompanied with disposal of HJF's Taylor sauces business in Q3'26 as well as lower sales from St David Dairy.

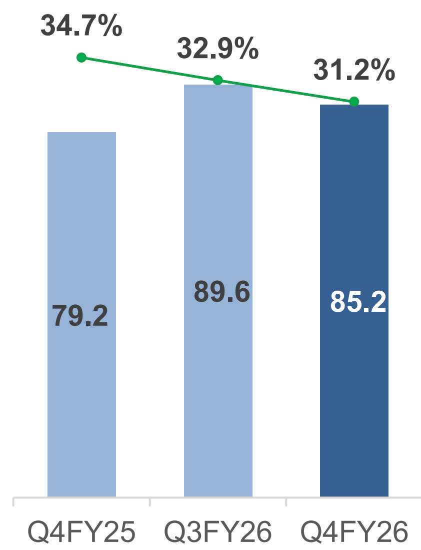
Financial Highlights

Gross Profit (RM mil)

Group - Cost of Goods Sold (% of revenue)



Malaysia - RM mil, %



Corresponding quarter

GP margin narrowing by 3.5 percentage points, mainly attributable to:

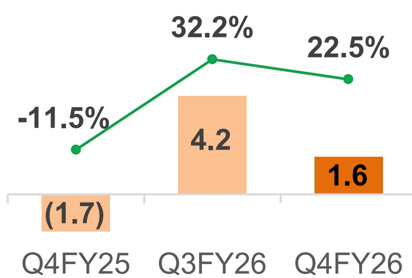
- **Higher sales contribution from the Philippines and Cambodia** which carry a relatively lower margin;
- **MY growth mainly came from non-ice cream sales** which increased by RM34.5m (Q4'FY26: RM229.5m; Q4'FY25: RM195.0m) which carry lower margin as compared to ice cream sales which only increased by RM1.2 m (Q4'FY26: RM28.6m; Q4'FY25: RM27.4m).

Preceding quarter

GP margin reduced by 1.7 percentage points, mainly due to:

- **Gross loss of RM0.7m recorded by Philippines operation as opposed to gross profit of RM2.4m in Q3'FY26** as there was timing differences in recording both raw material and packaging material consumptions that was only recognized during the quarter;
- **Lower gross profit contribution from ice-cream operation** (Q4'FY26: RM17.2m; Q3'FY26: RM18.3m) associated with softer demand for CPG ice-cream which carry a higher margin.

Australia - RM mil, %



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.

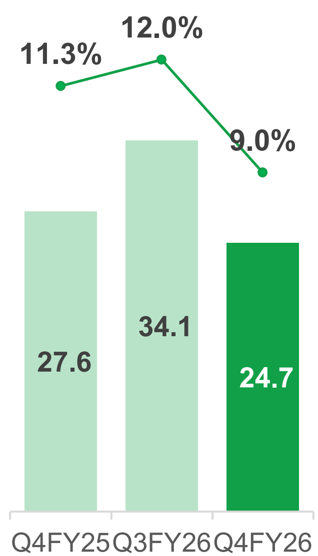
Preceding quarter

Decrease due to lower external raw milk sales which carried a higher margin, and lower gross margin from St David Dairy due to appointment of distributor resulting in gross margin dropping but neutral to bottom line as there is a corresponding drop in logistics and warehouse costs.

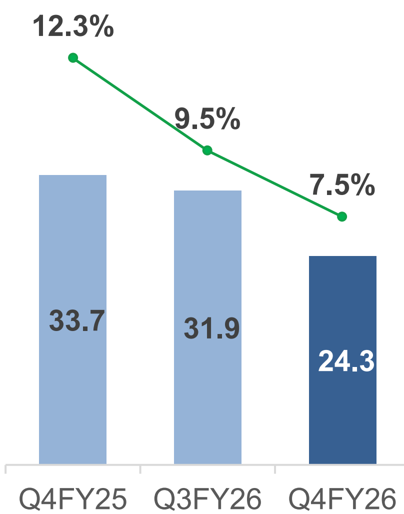
Financial Highlights

Profit After Tax (RM mil)

Group - RM mil, PAT Margin %



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



Corresponding quarter

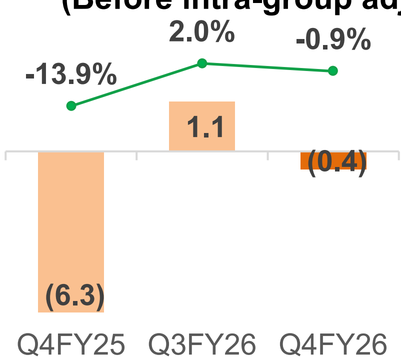
MY PAT margin declined by 4.8 percentage points, mainly attributable to the aforementioned drop in GP margin, coupled with :

- fair value loss on valuation of biological assets as opposed to fair value gain of (Q4'26: RM0.4m loss; Q4'25: RM1.2m gain);
- one-off year end adjustments of RM1.1 mil to advertising and transportation costs by the Philippines operation;
- higher distribution costs resulting from increased school milk sales, accompanied with the freight costs arising from exports to Cambodia and Philippines;
- higher overhead cost, driven by increase in salary expenses, office expenses and depreciation expenditure in line with the expansion of Inside Scoop outlets;
- increase in finance cost (Q4'26: RM5.4m; Q4'25: RM4.2m) arising from the drawdown of Sukuk 3 and 4 amounting to RM125 mil and RM200 mil respectively.

Preceding quarter

MY PAT margin declined by 2.0 percentage points, mainly attributable to the aforementioned drop in GP margin, one-off gain of RM0.9m recorded in Q3'26 from the divestment of Jomcha, year-end adjustment to advertising and promotion expenses in PH; lower net contribution from ice cream operation by RM2.5 mil; and higher finance costs arising from the issuance of RM200 mil Sukuk 4.

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



Corresponding quarter

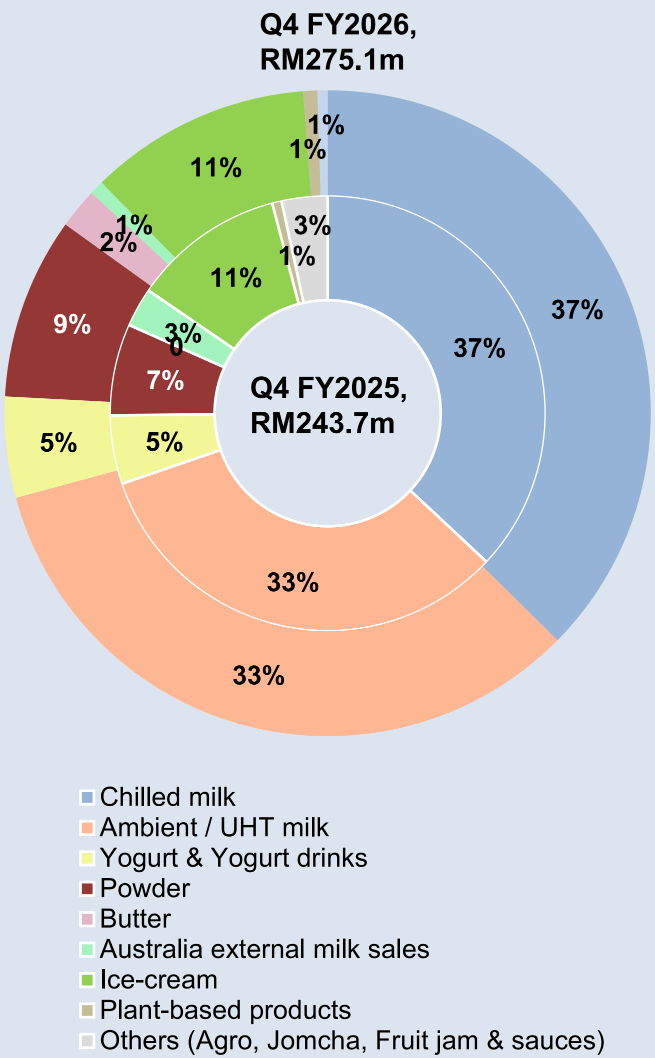
Australia's net loss shrank, mainly attributable to the higher production volume as well as external raw milk sales.

Preceding quarter

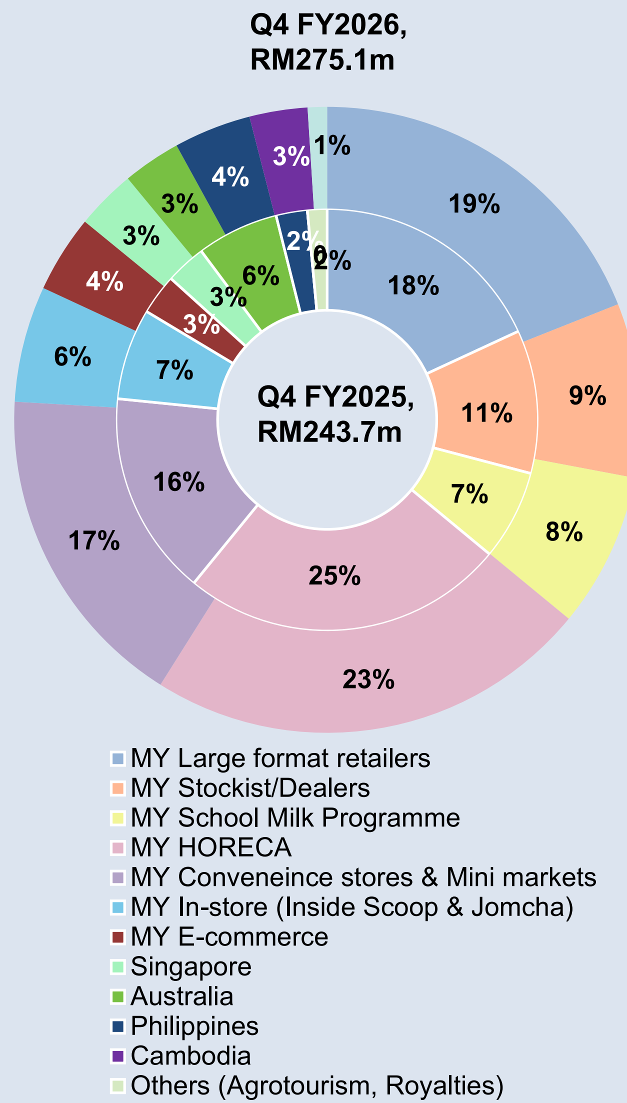
Recorded a net loss of RM0.4mil, primarily due to a decline in GP margin and the absence of **one-off gains** recognized in the preceding quarter, namely **RM0.7m from the disposal of HJF's Taylor sauce** and **RM0.4m for the disposal of intangible assets (water-use rights),** which was partially mitigated by a **lower fair value loss on biological assets** of RM0.05m, compared with a loss of RM0.9 mil in Q3'26.

Revenue by product and distribution channel

Revenue by Product



Revenue by Distribution Channel



Operating Profit & Net Profit (RM’000)

	Corresponding Quarter		Preceding Quarter		Current Quarter	
	Q4FY25	% of revenue	Q3FY26	% of revenue	Q4FY26	% of revenue
Gross profit	**77,451**	**31.8%**	**93,828**	**32.9%**	**86,784**	**31.5%**
Other income	1,833	0.8%	3,355	1.2%	2,353	0.9%
Selling & Distribution exp	(21,232)	(8.7)%	(25,580)	(9.0)%	(26,719)	(9.7)%
Transportation & logistics	*(14,218)*	*(5.8)%*	*(19,409)*	*(6.8)%*	*(19,040)*	*(6.9)%*
A&P expenses	*(4,004)*	*(1.7)%*	*(1,924)*	*(0.7)%*	*(3,708)*	*(1.3)%*
Transaction fees	*(2,013)*	*(0.8)%*	*(2,906)*	*(1.0)%*	*(3,109)*	*(1.1)%*
Other selling expenses	*(997)*	*(0.4)%*	*(1,341)*	*(0.5)%*	*(862)*	*(0.4)%*
Administrative expenses	(23,112)	(9.5)%	(26,487)	(9.3)%	(26,978)	(9.8)%
Salary expenses	*(12,715)*	*(5.2)%*	*(15,145)*	*(5.3)%*	*(15,956)*	*(5.8)%*
Office expenses	*(3,031)*	*(1.3)%*	*(4,357)*	*(1.5)%*	*(3,709)*	*(1.3)%*
Depreciation & amortisation	*(3,608)*	*(1.5)%*	*(4,219)*	*(1.5)%*	*(4,451)*	*(1.6)%*
Others	*(3,758)*	*(1.5)%*	*(2,766)*	*(1.0)%*	*(2,862)*	*(1.1)%*
Other expenses	(2,814)	(1.2)%	(2,405)	(0.8)%	(1,596)	(0.6)%
FV gain/(loss) on biological assets	1,210	0.5%	(778)	(0.3)%	(394)	(0.1)%
Operating profit	**33,336**	**13.7%**	**41,933**	**14.7%**	**33,450**	**12.2%**
Net finance costs	(3,914)		(4,514)		(5,058)	
Share of loss of associate	--		(87)		(606)	
Profit before tax	**29,422**	**12.1%**	**37,332**	**13.1%**	**27,786**	**10.1%**
Tax expense	(1,769)		(3,217)		(3,113)	
Profit after tax	**27,653**	**11.3%**	**34,115**	**12.0%**	**24,673**	**9.0%**

Gross profit increased by RM9.3mil compared to the corresponding quarter, driven by higher topline revenue.

The higher gross profit was offset with the following:

- **Higher distribution costs** resulting from increased school milk sales and freight costs arising from exports to Cambodia and Philippines;
- **Higher selling expenses** due to higher e-commerce transaction fees in line with the higher e-commerce sales;
- **Higher admin expenses** driven by the increase in salary costs due to increased headcount to support new Inside Scoop outlets openings and business expansion;
- **One-off year-end adjustments** to advertising and transportation costs by the Philippines operation;
- **Fair value loss** on valuation of biological assets of RM0.4 mil as opposed to RM1.2 mil fair value gain recorded in Q4’25;
- Increase in finance cost arising from issuance of Sukuk 3 and Sukuk 4 amounting to RM125 mil and RM200 mil respectively.

Statement of financial position (RM'000)

	31 March 2025 RM'000	31 March 2026 RM'000	% change
NON-CURRENT ASSETS			
Property, plant and equipment	513,490	617,097	**20.2**
Right-of-use assets	36,467	39,148	8.1
Biological assets	141,952	148,267	4.4
Intangible assets	111,126	107,750	(3.0)
Investment in associate	--	5,778	--
Trade and other receivables	268	195	(27.2)
Deferred tax assets	9,371	11,224	19.8
CURRENT ASSETS			
Inventories	175,332	233,354	**33.1**
Trade and other receivables	206,665	319,097	**54.4**
Current tax assets	5,446	3,090	(43.3)
Derivative financial assets	86	3,259	>100
Other investments	64,037	194,446	**>100**
Cash and cash equivalents	58,785	171,587	**>100**
Assets classified as held for sale	28,144	13,724	**(51.2)**
TOTAL ASSETS	**1,351,169**	**1,868,286**	**38.3**
NON-CURRENT LIABILITIES			
Deferred tax liabilities	24,345	34,600	42.1
Deferred income	6,703	6,972	4.0
Loans and borrowings	306,282	426,867	**39.4**
Lease liabilities	20,590	23,571	14.5
Put option liability	55,833	75,592	35.4
CURRENT LIABILITIES			
Current tax liabilities	1,116	818	(26.7)
Deferred income	943	449	(52.4)
Derivative financial liabilities	428	-	--
Loans and borrowings	91,622	286,955	**>100**
Lease liabilities	8,389	9,401	12.1
Trade and other payables	106,679	175,699	**64.7**
TOTAL LIABILITIES	**622,930**	**1,040,924**	**67.1**
TOTAL EQUITY	**728,239**	**827,362**	**13.6**
TOTAL EQUITY AND LIABILITIES	**1,351,169**	**1,868,286**	**38.3**

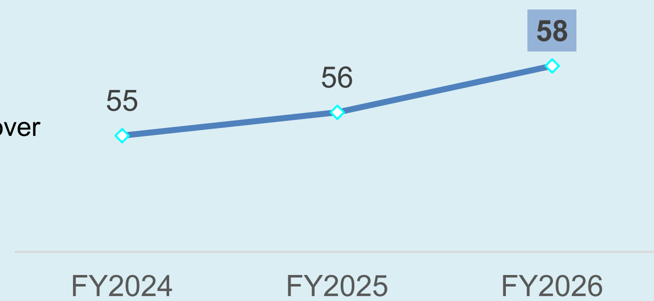
Source: Company Quarterly Financial Results

- Increase in **property, plant and equipment ("PPE")** was mainly due to capital expenditure incurred in relation to the expansion of Muadzam Shah farm (MZ2) and the construction of both Enstek and Cambodia plant.
- Increase in **inventories** was mainly due to higher stock holding to cope with increased school milk project delivery requirements as well as higher export to Cambodia.
- Increase in **trade and other receivables** was mainly attributable to higher advance payments made for the purchase of dairy raw materials and butter as well as downpayments made for the acquisition of PPE for MZ2, Enstek and Cambodia plants.
- Increase in **other investment** and **cash and cash equivalents** was due to the drawdown of Sukuk 3 and Sukuk 4 amounting to RM125 million and RM200 million respectively.
- Decrease in **asset classified as held for sale** is due to disposal of Australia's Farm 1.
- Decrease in **non-current loans and borrowings** was due to the drawdown of Sukuk 3 of RM125 million on 10 Oct 2025 and Sukuk 4 of RM200 million on 27 Feb 2026, which was then partly offset by the reclassification of a RM200 million Sukuk 1, maturing in May 2026, from non-current to current liabilities in accordance with its remaining maturity profile.
- Increase in **trade and other payables was** mainly attributable to higher purchases of key dairy ingredients, as well as higher other payables related to the ongoing construction of MZ2 and Enstek plant.

Key Financial Ratios

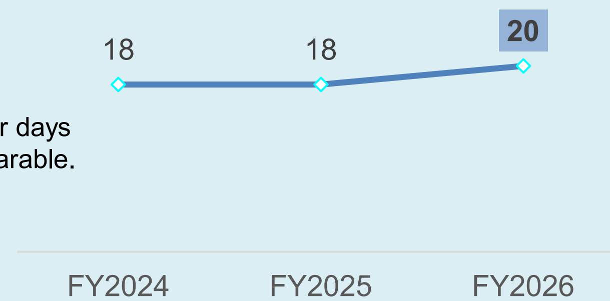
Trade receivable turnover
(Days)

Average trade receivable turnover days remained comparable.



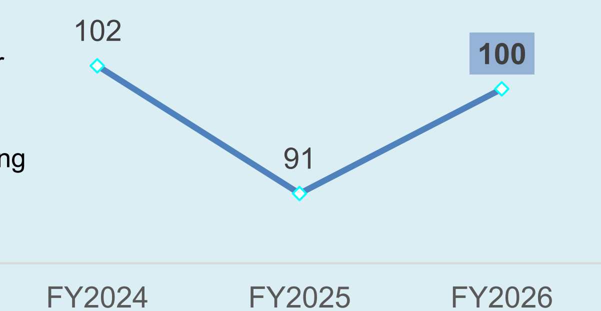
Trade payable turnover
(Days)

Average trade payable turnover days remained comparable.

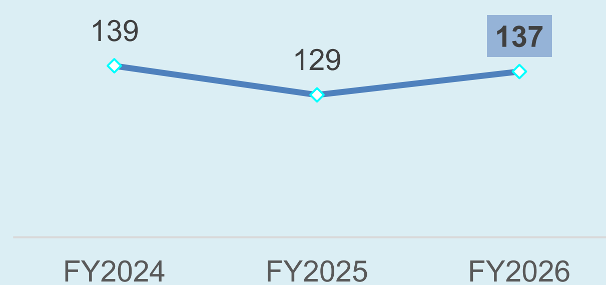


Inventory turnover
(Days)

Inventory turnover days increased to 100 days due to higher stock holding to cater for the increased school milk project order.



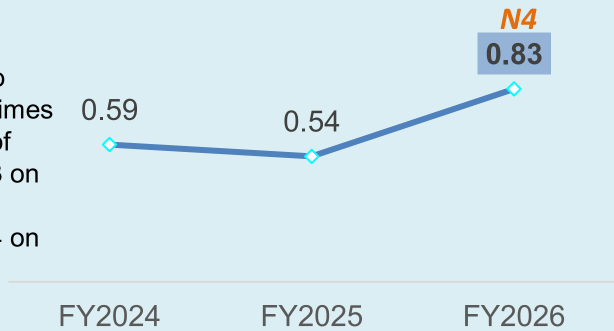
Cash conversion cycle
(Days)



Key Financial Ratios

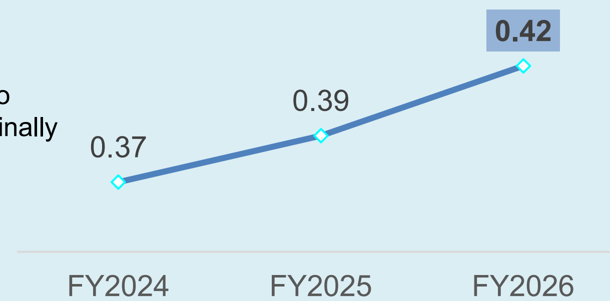
Gross gearing ratio [N1]
(Times)

Gross gearing ratio increased to 0.83 times due to drawdown of RM125mil Sukuk 3 on 10 Oct 2025 and RM200mil Sukuk 4 on 27 February 2026.



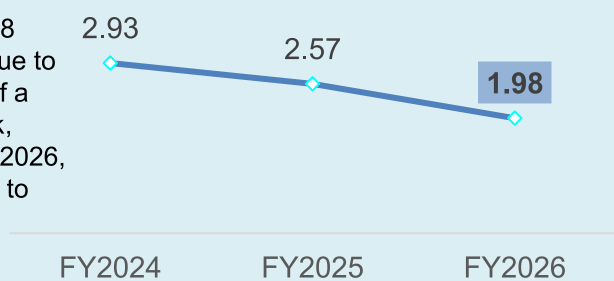
Net gearing ratio [N2]
(Times)

Net gearing ratio increased marginally over the period.



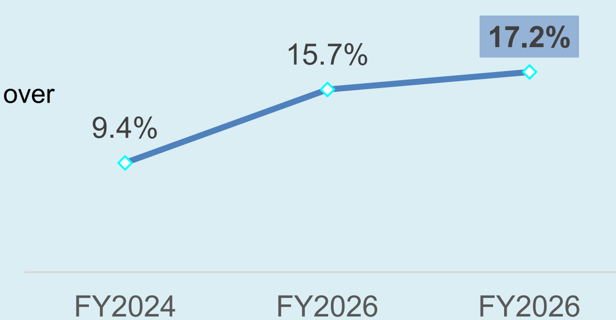
Current ratio
(Times)

Current ratio decreased to 1.98 times 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.

N4: The gross gearing ratio will decrease to 0.61 times following the repayment of the RM200 mil Sukuk maturing on 28 May 2026.

01 Financial Results

02 Outlook and Prospects

Recent Product Launches

Choco Malt Kaw

Farm Fresh Ausfresh

Farm Fresh Grow Cultured Milk

Cooking Cream/Whipping Cream/Cook & Whip

Nov-Dec 2024

2025

2026

Full Cream Milk Powder

Choco Malt sachet

Farm Fresh Moola
Choco Malt Kekal Aktif

CPG
ice cream

Gula Melaka/Taro Ube/Mandarin Orange
Yogurt drink

Butter (9g and 200g)

Pop Corn/Ichiba Melon/Moola KAW

New product launch in coming months

- Farm Fresh Fortified Milk
- Henry Jones Barista Milk
- Farm Fresh Chocolate Salted Caramel Flavoured Milk

- Sir David Dairy Salted Cultured Butter
- Sir David Dairy Unsalted Cultured Butter
- Farm Fresh Skim Milk Powder

Ambient

Butter & Powder

CPG Update – Recent & Upcoming Product Launches

Aug 2024

Nov 2024

Cream Hauz & family packs

May & Aug 2025

Choco Bar & family pack

Oct 2025

One two juice & family pack

Dec 2025

Jan 2026

Mar 2026

Expansion of Cream Hauz lines & Cream Hauz Mini

May 2026

Cone Hauz

June 2026

Red Bean
Ice Potong

Q3 2026

Durian & Cendol
Ice Potong

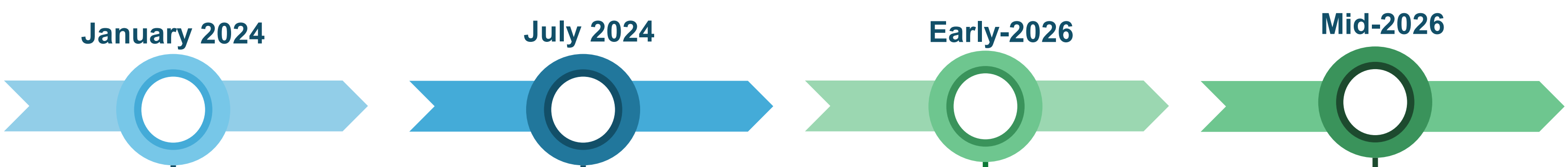
CPG Ice cream Progress

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 **mid-2026,** with **capacity of ~1,000,000 pieces of ice cream per day**



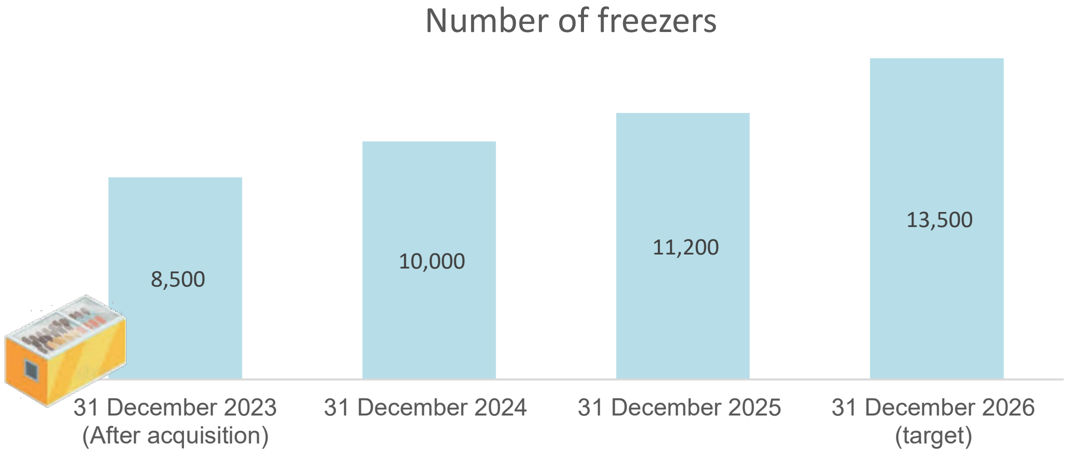
January 2024
- Testing of extrusion line in manufacturing plant
- Ordering of ice cream lines

July 2024
- Extrusion line trial run in Taiping plant
- Launch of CPG ice cream

Early-2026
- Enstek structure completed
- Delivery of ice cream lines

Mid-2026
- Commissioning and production from Enstek

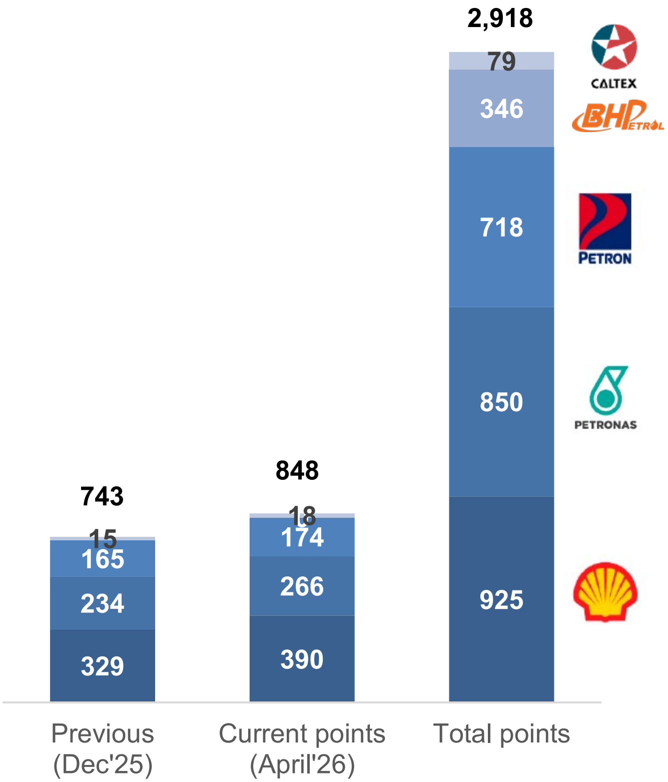
CPG Update



Key Focus for CPG ice cream:

- Taiping plant output now increased to 300,000 pcs / day with Extrusion line 2 installed.
- At present, the freezers / drop points has grown since acquisition of Sin Wah to about 11,000 freezers, and the aim is to grow the footprint across Malaysia including Sabah & Sarawak.
- Expand existing footprint across petromarts (currently @ 848 outlets / ~2,918 available outlets)
- Gain entry into key major c-stores
- Increase brand lines from 3 to at least 5 by end-Q4 FY26 to improve freezer yield – introduction of cones format which make up 25% of the impulse ice cream market by sales volume.
- Exploration of new markets – OEM and exports to ASEAN countries

No. of petromart points
as at 30 April 2026



Enstek & MZ2 Update

- Central region manufacturing hub slated to be completed mid-2026 focusing on ice cream production & PE bottle plant-based products

- Muadzam Shah 2 Farm (Jacob Farm): 7 barns and calf pen completed, with rotary milking parlor operational March 2026.

Acquisition of Amelia Ice Cream

- The Group entered into Share Sale Agreements to purchase an ice cream company in Sabah, Amelia
- The Group also plans to utilize the space in the Amelia factory to run a pasteurized line and tap into the available distribution network to distribute the Farm Fresh products

Latest Financials

Revenue:
RM15mil

PAT:
RM1.8mil

GP Margin:
52%

Key Operations Highlights

Factory located at KKIP, Sabah

Number of Lines: 5

Logistics capabilities:

25 owned trucks

>3,500 freezers

Top SKU

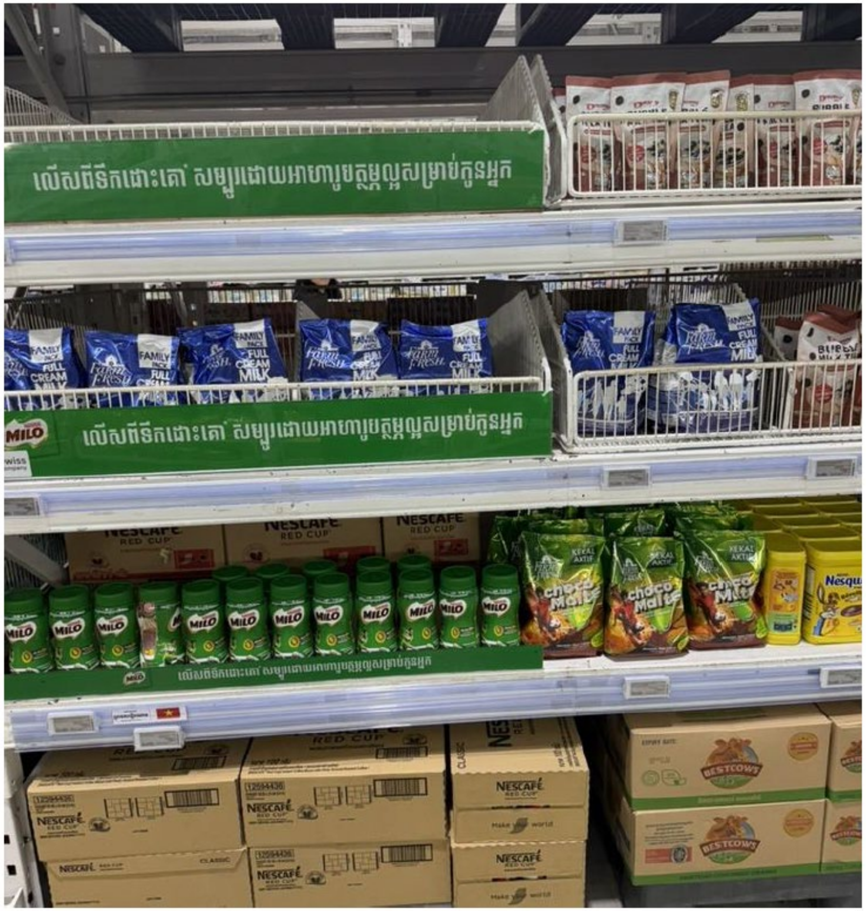
Products Presence in Retailers Cambodia

Farm Fresh

7 ELEVEN

- F2, AusFresh, Skinny 1L and 2L, Lactose Free Milk, Yogurt, Cultured Milk and Butter listed in 7-Eleven

makro



- Moola Choco Malt, Full Cream Milk, F2, AusFresh, Skinny 1L and 2L, Lactose Free Milk, Yogurt, Cultured Milk, UHT, Plant Based & Butter listed in Makro

Products Presence in Retailers Cambodia

Farm Fresh

Lucky Supermarket

ÆON MaxValu

TH
ផ្សារ ថៃ ហួត
THAI HUOT MARKET

- F2, AusFresh, Skinny 1L and 2L, Lactose Free Milk, Yogurt, Cultured Milk and Butter listed in Lucky, Aeon Max Valu & Thai Hout Market

CHIP MONG Supermarket

emart24

- F2, AusFresh, Skinny 1L and 2L, Lactose Free Milk, Yogurt, Cultured Milk and Butter listed in Chip Mong & E Mart

Regional expansion outside of Malaysia

The Philippines

- Factory in San Simon commenced operations since **September 2024**.
- Currently present in **305 modern trade outlets** and **74 Food Services accounts** majority coffee shops, mainly within Metro Manila.

Australia

- Australia milk production exceeds local consumption creating **marketable surplus** for exports to Malaysia and Philippines
- Opportunity to grow export to Asia given consumer perception of Australian dairy products as **high quality.**
- Acquisition of **St David Dairy** leveraging on their expertise to produce award-winning **cultured butter -** able to produce 20 metric tonnes of butter catering for local and export markets.

Cambodia

Cambodia is an **attractive market**:

- Fast-growing economy with young population and strong demand for chilled milk
- Opportunity given current geo-political situation with Thailand, previously dependent on imported fresh milk from Thailand
- Potential expansion in 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 Aug-2026. A pasteurized line will be installed at the factory.

Indonesia

- Dairy Farm: Land identified 590 acres. Land to be secured – negotiation with PT Perkebunan Nusantara to secure the longer lease term, estimated to conclude with lease agreement beginning of 2026.
- Trading: Once BPOM approval received, trading of UHT to commence

Key takeaways

1. **Financial Performance**: FY2026 marks another year of steady growth, amidst geopolitical headwinds experienced globally. We remain cautiously optimistic on our category and regional expansion going into FY2027.

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**: Meanwhile, Enstek plant slated to be operational mid-2026 which will enable us to produce approximately 1 million pieces of ice cream per day. 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 2,000 dairy cows expected in Oct 2026 and upon full completion, the farm's capacity will double to more than 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 mid-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