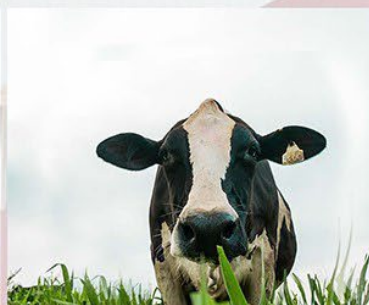




Farm Fresh Berhad

Q4 FY25 Results Briefing

29 May 2025



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Outlook and
Prospects



Q4 FY25 key highlights:



① Corresponding Quarter ② Preceding Quarter ③ Year to Date (12 Months)

In RM' mil	Q4FY25	Q4FY24	% Change	Q3FY25	% Change	FY25	FY24	% Change
Revenue	243.7	215.0	▲ 13%	246.6	▼ 1%	981.2	810.4	▲ 21%
Gross Profit	77.5	65.3	▲ 19%	81.0	▼ 4%	315.2	216.0	▲ 46%
EBITDA	48.9	42.0	▲ 16%	47.7	▲ 3%	190.3	133.6	▲ 42%
Profit after tax	27.6	24.0	▲ 15%	26.2	▲ 5%	107.3	63.3	▲ 70%
PATAMI	28.4	23.9	▲ 19%	25.9	▲ 10%	106.4	63.5	▲ 68%

Key narratives

Performance vs corresponding quarter ① and 12-month period ③

Sales higher driven by HORECA and commercial UHT sales, sales contribution from new products i.e. Farm 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 with lower WMP costs, and full year impact of Australia farmgate price reduction by 4% in July 2023 and in Q4 FY25 realizing some reduction of 11% beginning July 2024, and contribution from ice cream business subsidiaries i.e. Inside Scoop and Sin Wah which carry higher margins.

Performance vs preceding quarter ②

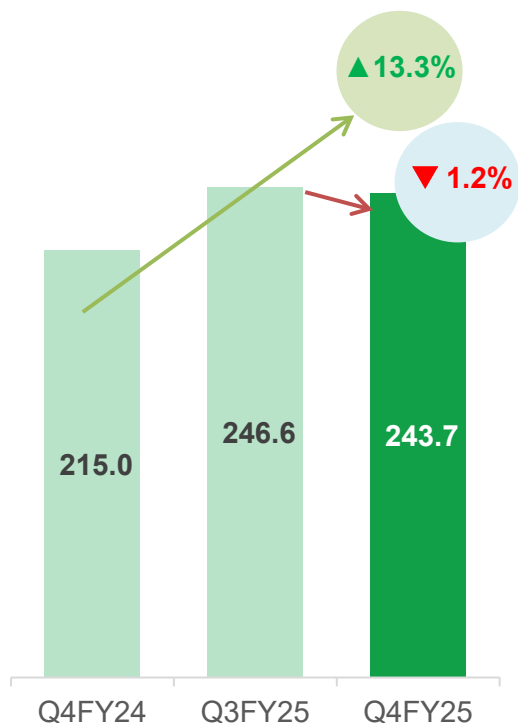
Lower Australian revenue from lower GVC external sales due to lower milk yields from dry weather, reducing the milk available for processing, and consequently, impacting deliveries.



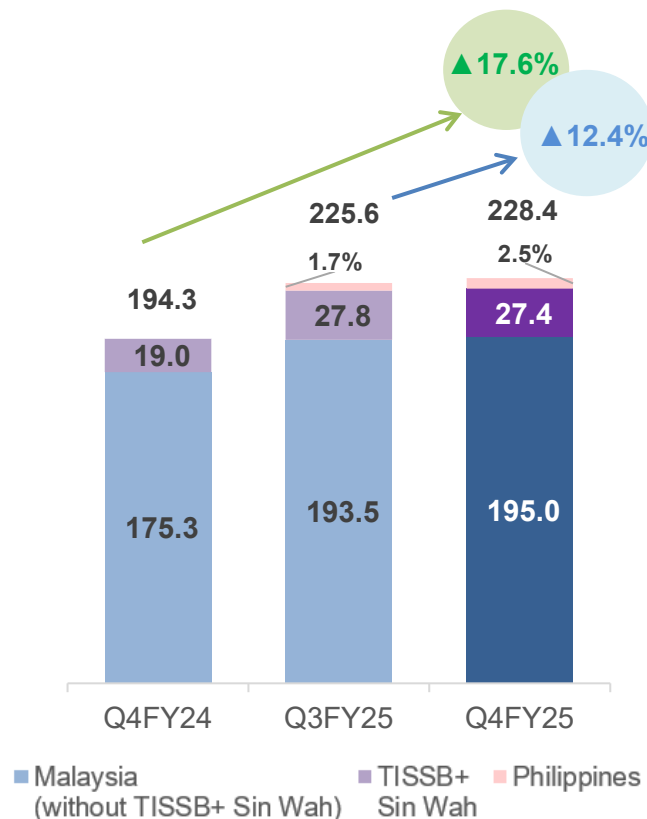
Financial Highlights

Revenue (RM mil)

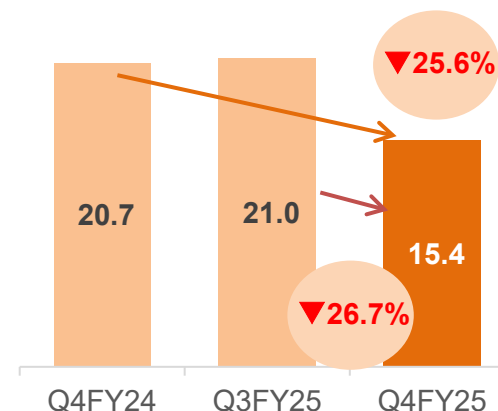
Group - RM mil



Malaysia - RM mil



Australia - RM mil

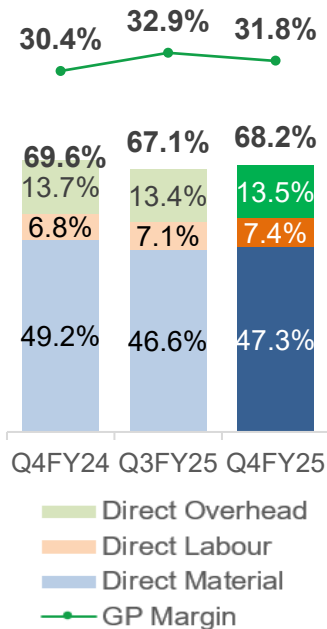


- Malaysia's sales growth driven by higher HORECA and commercial UHT sales, sales contribution from new products i.e. Farm Fresh Grow, Farm Fresh Choco Malt, Farm Fresh Full Cream Milk Powder, Butter and Cream Hauz consumer-packaged goods (CPG) ice cream, accompanied by revenue contribution from Inside Scoop and Sin Wah.
- Philippines operation contributed only 2.5% of revenue in Q4FY25 and 1.7% of revenue in Q3FY25, hence it is grouped under Malaysia operation.
- Australian revenue decreased due to lower external sales from Goulburn Valley Creamery Pty Ltd.

Financial Highlights

Gross Profit (RM mil)

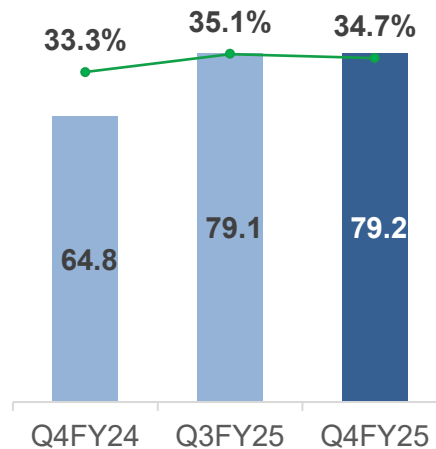
Group - Cost of Goods Sold
(% of revenue)



Group GP margin increased by 1.4% 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, %

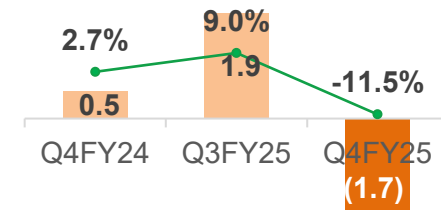


GP increase by 22.2% while **GP margin increased by 1.4%** as compared to corresponding quarter, mainly attributable to the:

- **lower milk ingredients cost** coming from lower WMP and Australia milk prices;
- Increased sales of higher margin products.



Australia - RM mil, %

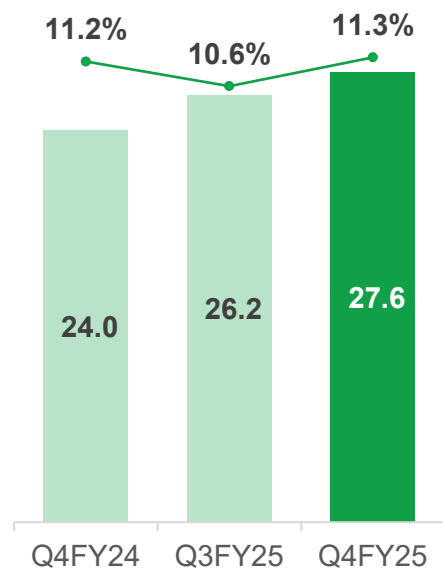


Gross loss position as compared to corresponding quarter and preceding quarter due to low GVC external sales, driven by reduced milk yields caused by dry weather in Q4FY25. This limited the milk available for processing and affected customer's deliveries which have consequently postponed to Q1FY26.

Financial Highlights

Profit after tax (RM mil)

Group - RM mil, PAT Margin %



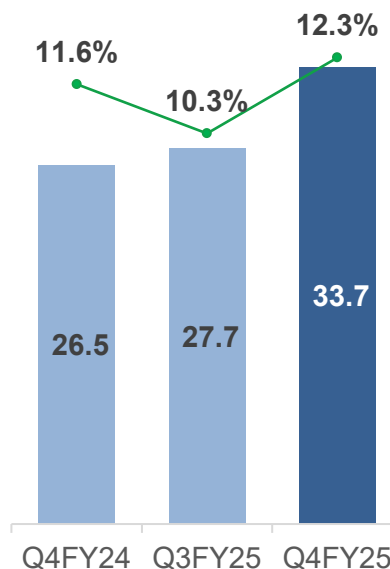
Growth % versus

Corresponding period : **▲ 15.0%**

Preceding period: **▲ 5.3%**



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



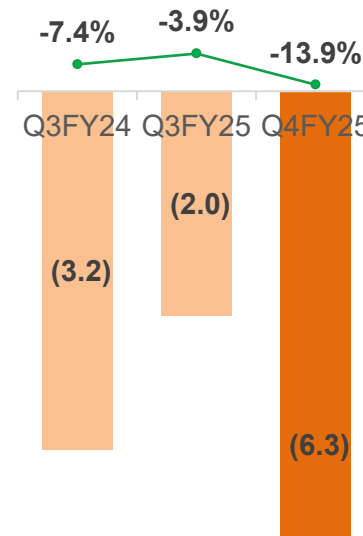
Growth % versus

Corresponding period : **▲ 27.2%**

Preceding period: **▲ 21.7%**



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



Growth versus

Corresponding period : **▼ 96.9%**

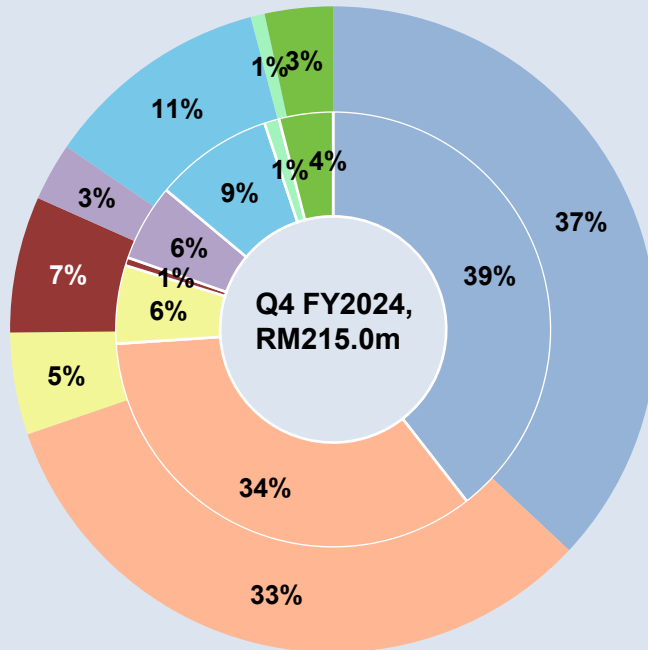
Preceding period: **▼ 215.0%**

Note: Higher loss from Australian operations in the current quarter was offset by the increase in Malaysian profit driven by heightened seasonal demand during Ramadhan as well as sales contribution from newly launched products i.e Farm Fresh Full Cream Milk Powder and Butter.

Revenue by product and distribution channel

Revenue by Product

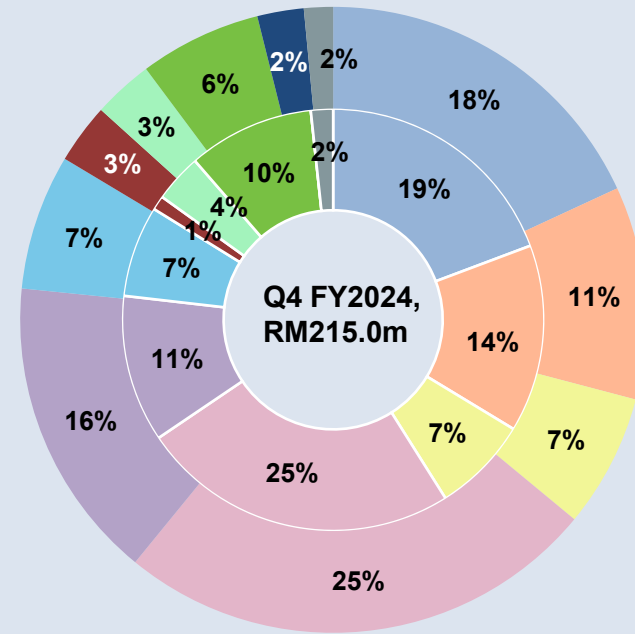
Q4 FY2025,
RM243.7m



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

Revenue by Distribution Channel

Q4 FY2025,
RM243.7m



- 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	
	Q4FY24	% of revenue	Q3FY25	% of revenue	Q4FY25	% of revenue
Gross profit	65,333	30.4%	81,019	32.9%	77,451	31.8%
Other income	2,493	1.2%	1,528	0.6%	1,833	0.8%
Selling & Distribution exp	(20,370)	(9.5)%	(22,297)	(9.0)%	(21,232)	(8.7)%
<i>Transportation & logistics</i>	<i>(11,630)</i>	<i>(5.4)%</i>	<i>(14,682)</i>	<i>(5.9)%</i>	<i>(14,218)</i>	<i>(5.8)%</i>
<i>A&P expenses</i>	<i>(6,864)</i>	<i>(3.2)%</i>	<i>(4,468)</i>	<i>(1.8)%</i>	<i>(4,004)</i>	<i>(1.7)%</i>
<i>Transaction fees</i>	<i>(858)</i>	<i>(0.4)%</i>	<i>(1,930)</i>	<i>(0.8)%</i>	<i>(2,013)</i>	<i>(0.8)%</i>
<i>Other selling expenses</i>	<i>(1,018)</i>	<i>(0.5)%</i>	<i>(1,217)</i>	<i>(0.5)%</i>	<i>(997)</i>	<i>(0.4)%</i>
Administrative expenses	(18,314)	(8.5)%	(23,493)	(9.5)%	(23,112)	(9.5)%
<i>Salary expenses</i>	<i>(11,007)</i>	<i>(5.1)%</i>	<i>(13,697)</i>	<i>(5.5)%</i>	<i>(12,715)</i>	<i>(5.2)%</i>
<i>Office expenses</i>	<i>(2,215)</i>	<i>(1.0)%</i>	<i>(3,252)</i>	<i>(1.3)%</i>	<i>(3,031)</i>	<i>(1.3)%</i>
<i>Depreciation & amortisation</i>	<i>(2,669)</i>	<i>(1.3)%</i>	<i>(3,490)</i>	<i>(1.4)%</i>	<i>(3,608)</i>	<i>(1.5)%</i>
<i>Others</i>	<i>(2,423)</i>	<i>(1.1)%</i>	<i>(3,054)</i>	<i>(1.3)%</i>	<i>(3,758)</i>	<i>(1.5)%</i>
Other expenses	(2,459)	(1.2)%	(3,865)	(1.6)%	(2,814)	(1.2)%
FV gain/(loss) on biological assets	1,914	0.9%	(475)	(0.3)%	1,210	0.5%
Operating profit	28,597	13.3%	32,417	13.1%	33,336	13.7%
Net finance costs	(3,753)		(4,261)		(3,914)	
Profit before tax	24,844	11.6%	28,156	11.4%	29,422	12.1%
Tax expense	(829)		(1,977)		(1,769)	
Profit after tax	24,015	11.2%	26,179	10.6%	27,653	11.3%

Gross profit increased from RM65.3mil to RM77.5mil, mainly driven by higher revenues and bolstered by lower milk ingredient costs.

The gross profit was offset with the following:

- **Higher distribution expenses** incurred which in line with the higher sales;
- **Higher selling expenses** due to higher e-commerce transaction fees in line with the higher e-commerce sales;
- **Higher admin expense** due to the increase in salary expenses, office expenses and depreciation expenditure with the increase of Inside Scoop outlets;
- Other expenses decreased quarter-on-quarter due to a **higher fair value loss on derivatives of RM1.8mil recorded in the preceding quarter**. This loss arose from the reversal of previously recognized fair value gain upon the utilization of whole milk powder futures. During the current quarter, the Company adopted hedge accounting for commodity future contracts. As a result, changes in the fair value of these future contracts are now recognized in other comprehensive income, reducing intra-quarter volatility in profit or loss statement.

Statement of financial position (RM'000)



	31 March 2024	31 March 2025	% change
	RM'000	RM'000	
NON-CURRENT ASSETS			
Property, plant and equipment	494,633	513,490	3.8
Right-of-use assets	33,124	36,467	10.1
Biological assets	133,284	141,952	6.5
Intangible assets	112,826	111,126	(1.5)
Trade and other receivables	563	268	(52.4)
Deferred tax assets	8,926	9,371	5.0
CURRENT ASSETS			
Inventories	156,299	174,088	11.4
Trade and other receivables	176,433	204,970	16.2
Current tax assets	4,509	5,446	20.8
Derivative financial assets	893	86	(90.4)
Other investments	99,944	64,037	(35.9)
Cash and cash equivalents	58,167	58,785	1.1
Assets held for sale	--	28,144	>100
TOTAL ASSETS	1,279,601	1,348,230	5.4
NON-CURRENT LIABILITIES			
Deferred tax liabilities	19,161	24,345	27.1
Deferred income	5,955	6,703	12.6
Loans and borrowings	338,365	329,934	(2.5)
Lease liabilities	16,742	20,590	23.0
Put option liability	36,955	55,833	51.1
CURRENT LIABILITIES			
Deferred income	271	943	>100
Derivative financial liabilities	--	428	>100
Loans and borrowings	67,648	67,970	0.5
Lease liabilities	8,010	8,389	4.7
Trade and other payables	92,875	103,900	11.9
Current tax liabilities	648	1,116	72.2
TOTAL LIABILITIES	586,630	620,151	5.7
TOTAL EQUITY	692,971	728,079	5.1
TOTAL EQUITY AND LIABILITIES	1,279,601	1,348,230	5.4

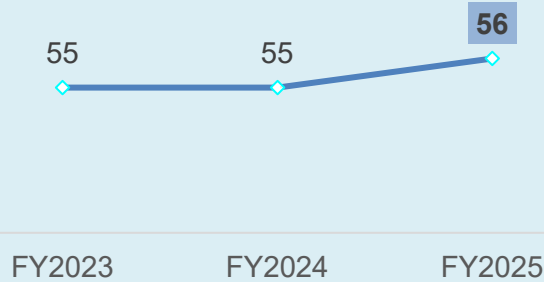
- Increase in **inventories** mainly due to higher finished goods as at year end due to higher stock holding to meet upcoming school milk project order.
- PPE, biological asset and intangible asset of Australia's Farm 1 is being reclassified as **assets held for sale** as management is committed to selling the farm by actively running a process to attract buyer and there is a high likelihood that the disposal will take place within one year based on current development.
- Increase in **lease liabilities** is due to the expansion of new outlets by Inside Scoop.
- Increase in **put option liability** is due to the increase in the equity value of Inside Scoop arising from its better forecasted financial performance with the increase in outlets and CPG operation.
- Increase in **deferred income** is due to government grant received in relation to the capital investment incurred by GVC and Taiping farm.

Key Financial Ratios



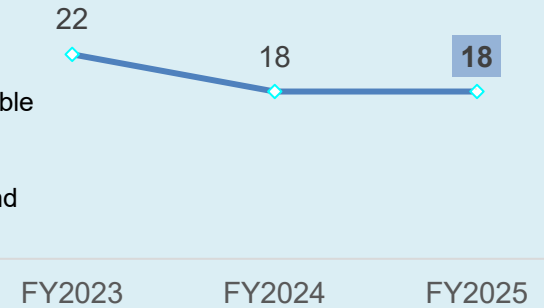
Trade receivable turnover (Days)

Average trade receivable turnover days remained comparable versus prior year end as of Mar'24.



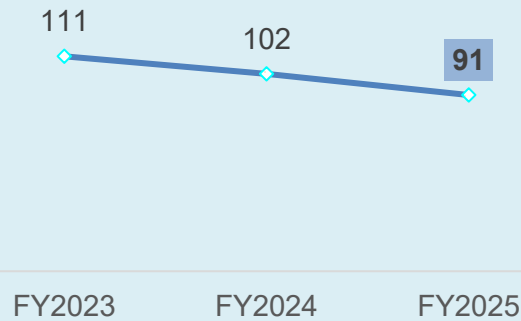
Trade payable turnover (Days)

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

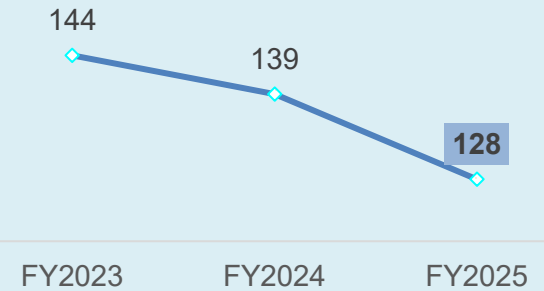


Inventory turnover (Days)

Inventory turnover days decreased to 91 days as during FY25, the cost of sales increased at a higher pace than the inventory increase (in line with the increase in sales) resulting in a lower inventory turnover figure.



Cash conversion cycle (Days)

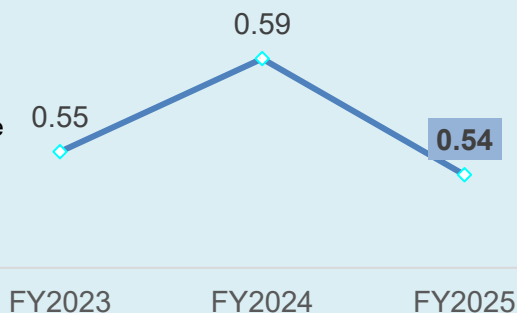


Key Financial Ratios



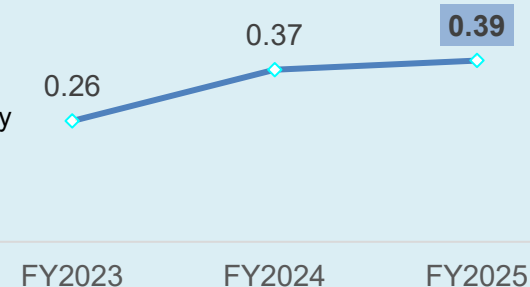
Gross gearing ratio^{N1} (Times)

Gross gearing ratio improved from 0.59 times to 0.54 times due to higher equity arising from strong profit during the year coupled with lesser borrowings as of Mar'25.



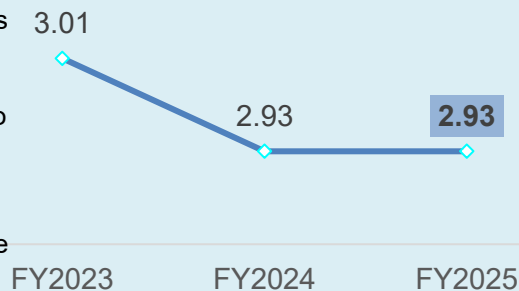
Net gearing ratio^{N2} (Times)

Net gearing ratio increased marginally over the period.



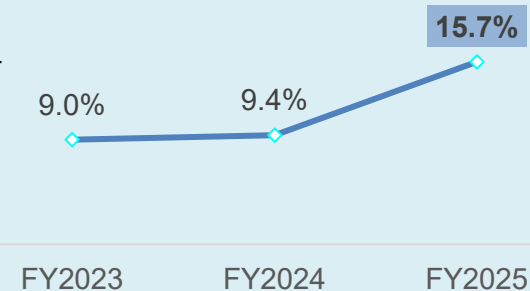
Current ratio (Times)

Current ratio remained constant at 2.93 times is mainly due to reclassification of asset held for sales to current asset. Without the reclassification, the ratio is 2.78 times due to higher other payables for capex and accrued expenses as of year end.



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.

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New product launches



Mechamato series



Chocolate malt



CPG Ice cream



Full Cream Milk Powder



Choco Malt sachet &
Choco Malt Kaw



CPG Ice cream



Choco Malt UHT



Butter (9g and 200g)



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

January 2024

July 2024

End-2025

January 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:** FY2025 marks another year of robust growth, underpinned by sustained revenue and profitability gains. Our strategic focus on category and regional expansion continues to deliver results, laying a strong foundation for continued momentum into FY2026.
- 2 Success in Adjacencies:** New category expansion via CPG ice cream, Moola Choco Malt, Farm Fresh butter and family pack full cream milk powder received well by customers, with addition of cultured milk reinforcing our presence in key dairy segments. For CPG ice cream, we are accelerating additional capacity and new SKU launches from Taiping while the construction of the Enstek Plant is expected to complete by end-2025.
- 3 Dairy Farm Development:** Milestone achieved with expansion at our Muadzam Shah 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, substantially boosting our raw milk supply capabilities.
- 4 International Expansion:** The Philippines operations is now in full force 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.
- 5 Sustainability and ESG Commitment:** Biogas facility at our Muadzam Shah operating since April 2024 with targeted reduction of 9,800 tonnes of carbon dioxide equivalent per annum and a target displacement of 670,000 litres of diesel per annum. Our "Milk on Tap" initiative, offering fresh milk in reusable glass bottles, has expanded to 29 locations across Peninsular Malaysia, significantly reducing single-use plastic waste. We have also recently launched the Farm Fresh Berhad STPM Scholarship which entails the provision of monthly financial aid to 500 Form Six students from the B40 families for the next 5 years.

Q&A

Thank You