



Farm Fresh Berhad

Q2 FY26 Results Briefing

26 November 2025



01

Financial
Results

02

Outlook and
Prospects



Q2 FY26 key highlights:



① Corresponding Quarter ② Preceding Quarter ③ Year to Date (6 Months)

In RM' mil	Q2FY26	Q2FY25	% Change	Q1FY26	% Change	6MFY26	6MFY25	% Change
Revenue	294.9	249.2	▲ 18%	260.6	▲ 13%	555.5	490.9	▲ 13%
Gross Profit	99.0	83.8	▲ 18%	86.5	▲ 14%	185.5	156.8	▲ 18%
EBITDA	62.1	47.7	▲ 30%	56.1	▲ 11%	118.2	93.8	▲ 26%
Profit after tax	37.8	27.0	▲ 40%	33.2	▲ 14%	71.0	53.5	▲ 33%
PATAMI	36.7	26.2	▲ 40%	32.8	▲ 12%	69.5	52.2	▲ 33%

Key narratives

Performance vs corresponding quarter ① and 6-month period ③

Sales higher driven by school milk sales, mini market sales, as well as higher sales in Philippines and exports to Cambodia coupled with positive sales contribution from launching of new products, in particular CPG ice cream.

Improved gross profit and PATAMI due to higher sales, higher gross profit from Australian operations and 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 higher driven by Malaysia operations, in particular school milk sales and positive sales contribution from launching of new products, coupled with the export to Cambodia.

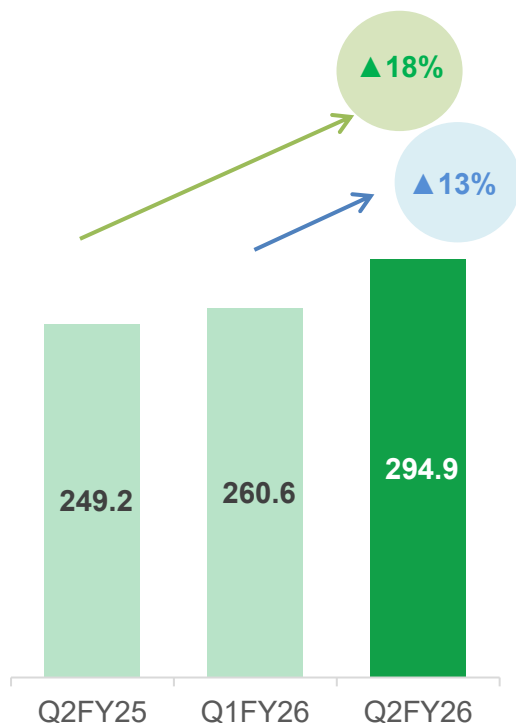
Higher gross profit from Australian operations, due to higher production volume (mainly for MY) which leads to a decrease in production cost per litre.



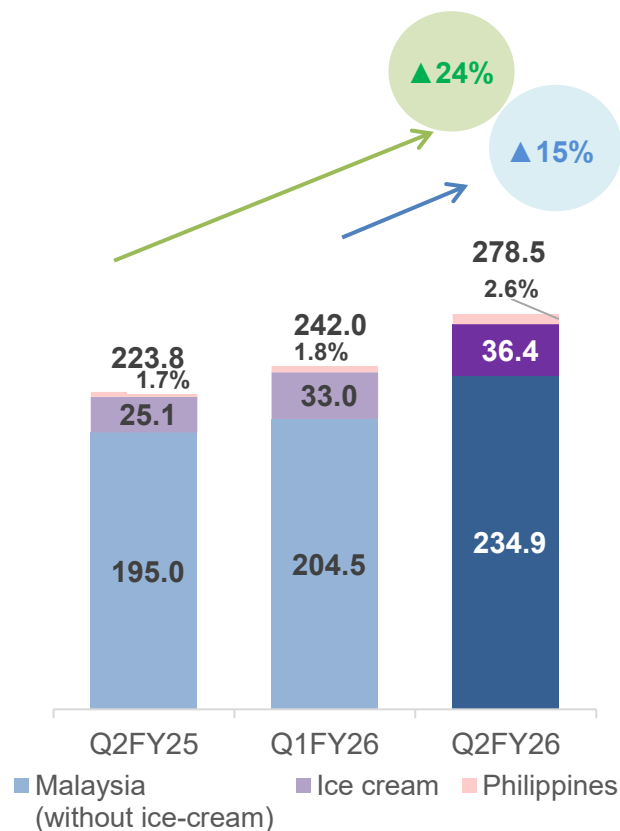
Financial Highlights

Revenue (RM mil)

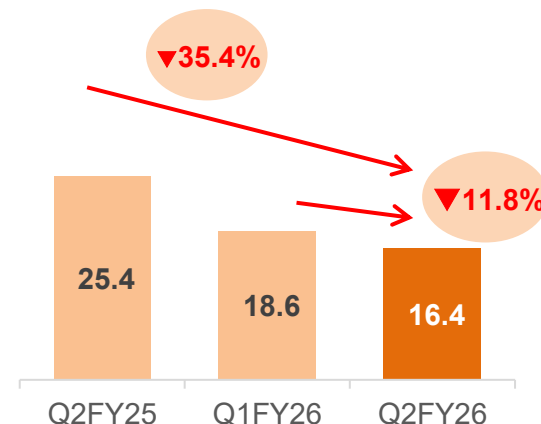
Group - RM mil



Malaysia - RM mil



Australia - RM mil

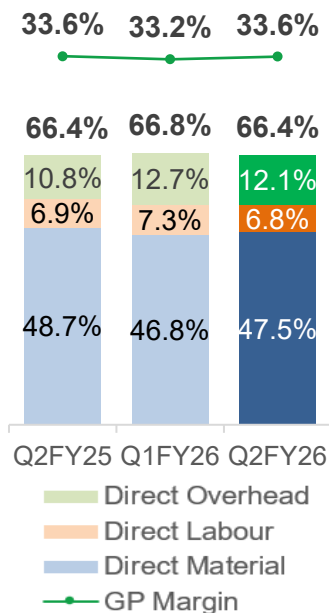


- Malaysia's sales growth driven by higher school milk sales, mini market sales, as well as higher sales in Philippines and exports to Cambodia coupled with positive sales contribution from launching of new products such as Choco Malt, Full cream milk powder and butter.
- Philippines operations (2.6% of Group revenue) is immaterial and have been included as part of the Malaysia's operations.
- Australian revenue decreased by RM2.2m as compared to preceding quarter due to lower export deliveries.

Financial Highlights

Gross Profit (RM mil)

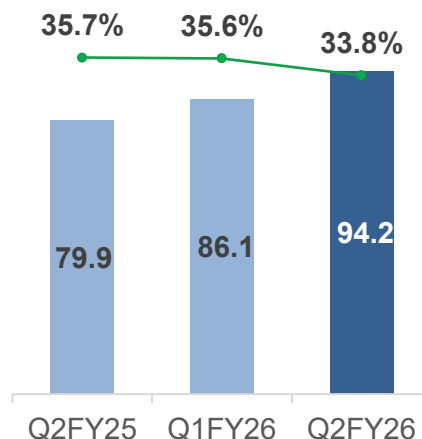
Group - Cost of Goods Sold (% of revenue)



Group GP margin remained comparable from corresponding quarter and preceding quarter.



Malaysia - RM mil, %

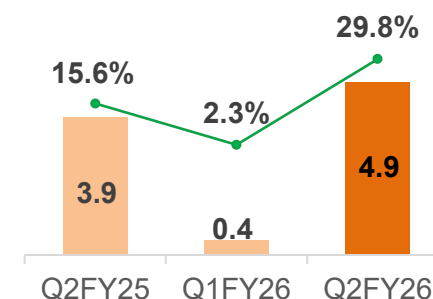


GP margin decreased by 1.8 percentage points as compared to preceding quarter, mainly attributable to :

- **PH gross loss worsened** (Q2'FY26: RM1.5 mil; Q1'FY26: RM1.1 mil) **at the back of higher sales** (Q2'FY26: RM7.2 mil; Q1'FY26: RM4.5 mil) due to higher selling costs, particularly promotions. **MY GP margin would be 35.3% without PH gross losses included.**
- **MY growth mainly came from non-ice cream sales** which increased by RM30.4 mil (Q2'FY26: RM234.9m; Q1'FY26: RM204.5m) which carry lower margin as compared to ice cream sales which only increased by RM3.4 mil (Q2'FY26: RM36.4m; Q1'FY26: RM33.0m).



Australia - RM mil, %

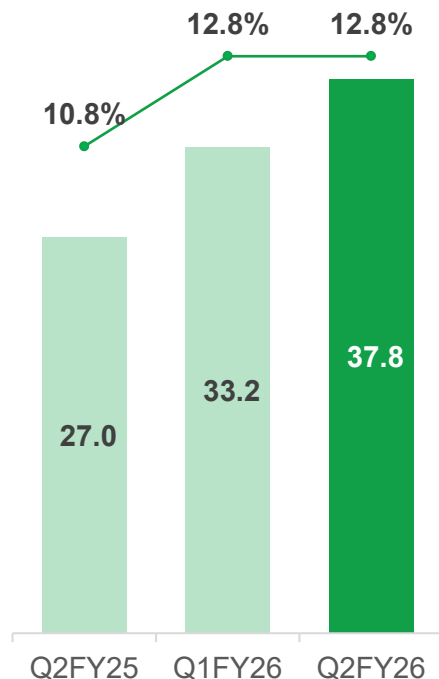


The current quarter saw a recovery in margins compared to the marginal gross profit in the previous quarter due to higher production volume, mainly for MY sales, which led to a decrease in production cost per litre.

Financial Highlights

Profit after tax (RM mil)

Group - RM mil, PAT Margin %

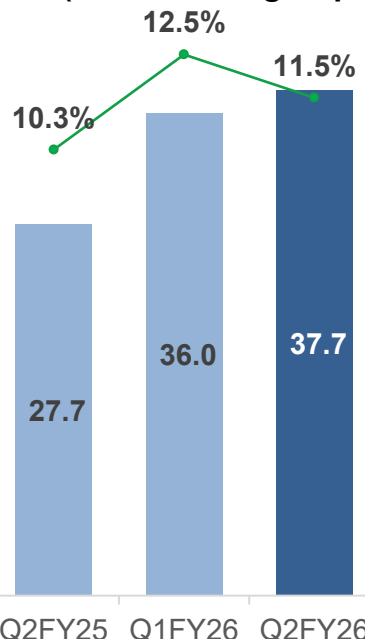


Growth % versus
 Corresponding quarter : **▲40.0%**
 Preceding quarter: **▲13.9%**

Group PAT margin remained comparable with preceding quarter.



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



MY PAT margin declined by 0.6% as compared to the preceding quarter, mainly due to the aforementioned drop in GP margin, and **PH loss after tax of RM3.6m (Q1'FY26: RM2.1 mil)**, contributed by the aforementioned gross loss, as well as listing fees and ERP implementation cost expensed off during the quarter. **MY PAT margin would be 12.8% without the PH losses.**



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



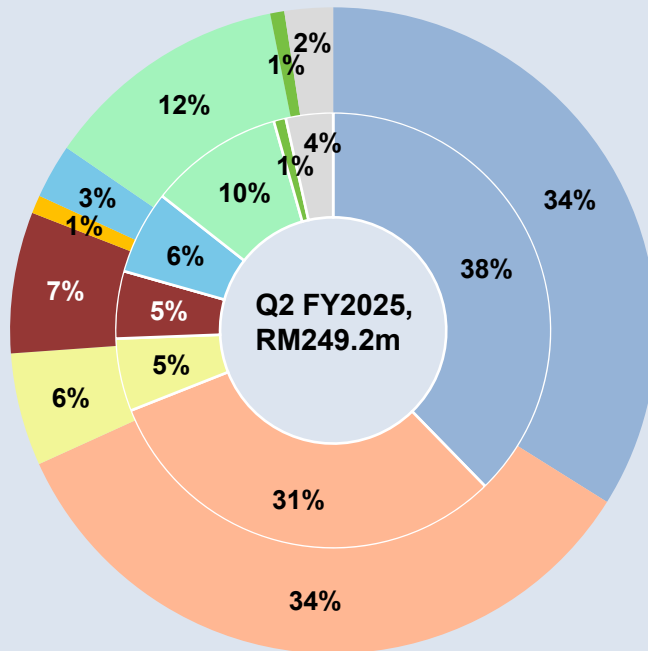
Australia operation recorded marginal PAT mainly attributable to the higher production volume as well as higher external raw milk sales.

Recorded a **fair value loss on biological assets of RM2.3m** which was partly offset with a **one-off gain of RM1.9m** from the disposal of Australia farm assets

Revenue by product and distribution channel

Revenue by Product

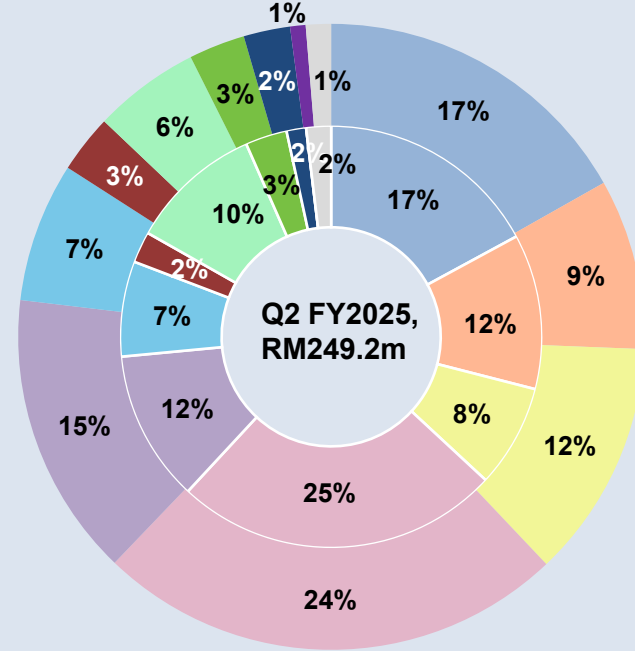
Q2 FY2026,
RM294.9m



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

Revenue by Distribution Channel

Q2 FY2026,
RM294.9m



- 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
- Australia
- Singapore
- Philippines
- Cambodia
- Others (Agrotourism, Royalties)

Operating Profit & Net Profit (RM'000)



	Corresponding Quarter		Preceding Quarter		Current Quarter	
	Q2 FY25	% of revenue	Q1 FY26	% of revenue	Q2 FY26	% of revenue
Gross profit	83,828	33.6%	86,480	33.2%	99,038	33.6%
Other income	2,040	0.8%	1,195	0.5%	2,696	0.9%
Selling & Distribution exp	(23,216)	(9.3)%	(23,283)	(8.9)%	(26,471)	(9.0)%
<i>Transportation & logistics</i>	<i>(14,556)</i>	<i>(5.8)%</i>	<i>(16,137)</i>	<i>(6.2)%</i>	<i>(18,604)</i>	<i>(6.3)%</i>
<i>A&P expenses</i>	<i>(5,814)</i>	<i>(2.3)%</i>	<i>(4,349)</i>	<i>(1.7)%</i>	<i>(4,267)</i>	<i>(1.5)%</i>
<i>Transaction fees</i>	<i>(1,583)</i>	<i>(0.7)%</i>	<i>(1,958)</i>	<i>(0.8)%</i>	<i>(2,389)</i>	<i>(0.8)%</i>
<i>Other selling expenses</i>	<i>(1,263)</i>	<i>(0.5)%</i>	<i>(839)</i>	<i>(0.2)%</i>	<i>(1,211)</i>	<i>(0.4)%</i>
Administrative expenses	(21,921)	(8.8)%	(23,422)	(9.0)%	(25,983)	(8.8)%
<i>Salary expenses</i>	<i>(12,627)</i>	<i>(5.1)%</i>	<i>(13,907)</i>	<i>(5.3)%</i>	<i>(15,326)</i>	<i>(5.2)%</i>
<i>Office expenses</i>	<i>(3,089)</i>	<i>(1.2)%</i>	<i>(3,171)</i>	<i>(1.2)%</i>	<i>(3,632)</i>	<i>(1.2)%</i>
<i>Depreciation & amortisation</i>	<i>(3,263)</i>	<i>(1.3)%</i>	<i>(3,922)</i>	<i>(1.5)%</i>	<i>(4,067)</i>	<i>(1.4)%</i>
<i>Others</i>	<i>(2,942)</i>	<i>(1.2)%</i>	<i>(2,422)</i>	<i>(1.0)%</i>	<i>(2,958)</i>	<i>(1.0)%</i>
Other expenses	(4,415)	(1.8)%	(1,797)	(0.7)%	(1,647)	(0.6)%
FV (loss)/gain on biological assets	(2,741)	(1.1)%	878	0.3%	(2,114)	(0.7)%
Operating profit	33,575	13.5%	40,051	15.4%	45,519	15.4%
Net finance costs	(4,264)		(4,006)		(3,788)	
Profit before tax	29,311	11.8%	36,045	13.8%	41,731	14.1%
Tax expense	(2,339)		(2,801)		(3,939)	
Profit after tax	26,972	10.8%	33,244	12.8%	37,792	12.8%

Gross profit increased from RM83.8mil to RM99.0mil, 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;
- **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;

However, the operating profit was boosted by the following:

- **Reduced marketing spend** following the discontinuation of major TV sponsorship program and artist endorsement, in favour of roadshows and activation campaigns.
- **Other income** increased due to one-off gain of RM1.9 million from the disposal of Australia farm assets classified as held for sale.
- **Lesser other expenses** due to lower unrealized foreign exchange loss of RM0.3m in current quarter mainly due to favourable foreign exchange translation on bank balances denominated in foreign currency, particularly USD.

Statement of financial position (RM'000)



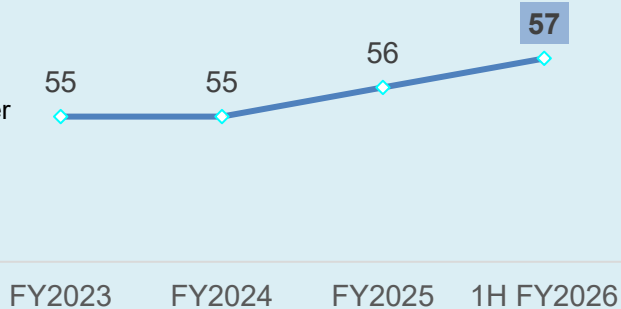
	31 March 2025	30 September 2025	% change
	RM'000	RM'000	
NON-CURRENT ASSETS			
Property, plant and equipment	513,490	576,943	12.4
Right-of-use assets	36,467	37,796	3.6
Biological assets	141,952	146,265	3.0
Intangible assets	111,126	111,241	0.1
Trade and other receivables	268	232	(13.4)
Deferred tax assets	9,371	11,138	18.9
CURRENT ASSETS			
Inventories	175,332	211,472	20.6
Trade and other receivables	206,665	263,239	27.4
Current tax assets	5,446	5,248	(3.6)
Derivative financial assets	86	1,602	>100
Other investments	64,037	27,796	(56.6)
Cash and cash equivalents	58,785	81,667	38.9
Assets classified as held for sale	28,144	20,641	(26.7)
TOTAL ASSETS	1,351,169	1,495,280	10.7
NON-CURRENT LIABILITIES			
Deferred tax liabilities	24,345	29,357	20.6
Deferred income	6,703	6,979	4.1
Loans and borrowings	306,282	105,173	(65.7)
Lease liabilities	20,590	21,943	6.6
Put option liability	55,833	58,413	4.6
CURRENT LIABILITIES			
Current tax liabilities	1,116	2,432	>100
Deferred income	943	442	(53.1)
Derivative financial liabilities	428	230	(46.3)
Loans and borrowings	91,622	290,018	>100
Lease liabilities	8,389	8,851	5.5
Trade and other payables	106,679	190,815	78.9
TOTAL LIABILITIES	622,930	714,653	13.8
TOTAL EQUITY	728,239	780,627	7.2
TOTAL EQUITY AND LIABILITIES	1,351,169	1,495,280	10.7

- 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 the higher school milk sales towards period end and 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 increase in purchases of key ingredients towards period end and dividend payable of RM18.8m which was subsequently paid on 17 Oct 2025 as well as higher other payables for the ongoing construction of MZ2 and Enstek plant.

Key Financial Ratios

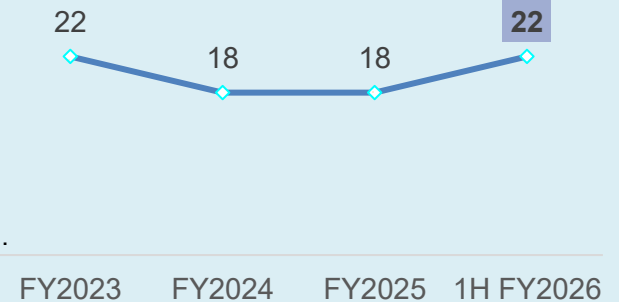
Trade receivable turnover (Days)

Average trade receivable turnover days remained comparable.



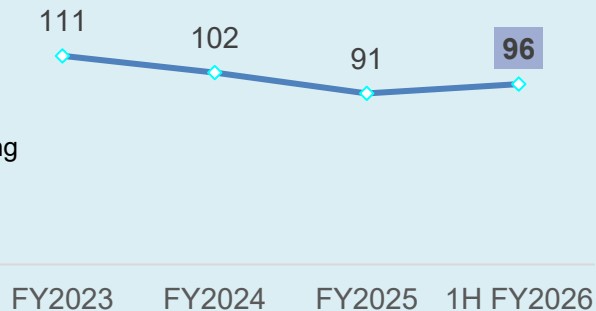
Trade payable turnover (Days)

Average trade payable turnover days increased to 22 days due to more purchases of key ingredients towards period end.

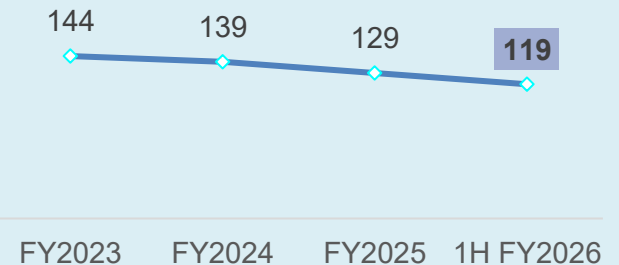


Inventory turnover (Days)

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



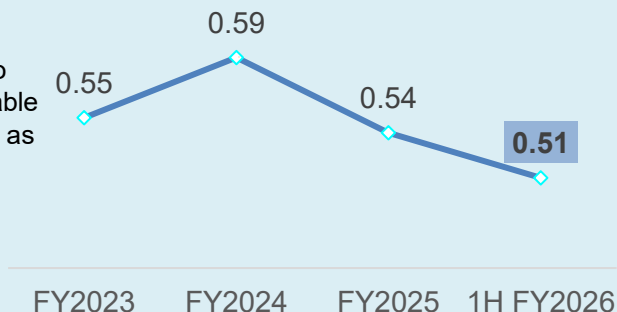
Cash conversion cycle (Days)



Key Financial Ratios

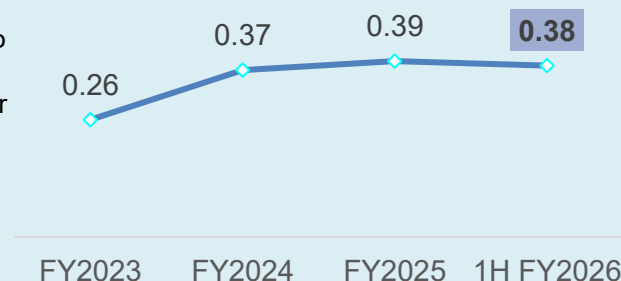
Gross gearing ratio^{N1} (Times)

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



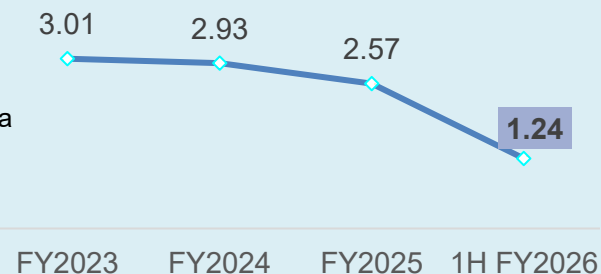
Net gearing ratio^{N2} (Times)

Net gearing ratio remained comparable over the period.



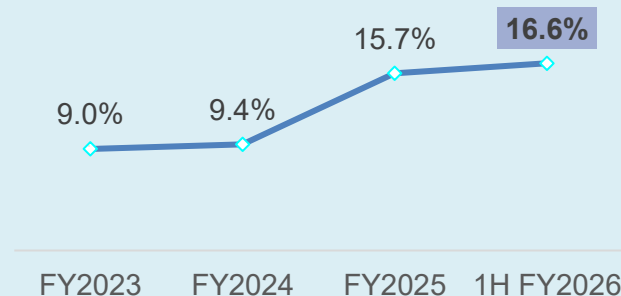
Current ratio (Times)

Current ratio decreased to 1.24 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 Kawa



Butter (9g and 200g)



Farm Fresh Ausfresh



CPG Ice cream



Choco Malt UHT



Farm Fresh Grow Cultured Milk

July

August

November

2025

CPG Update – Upcoming Product Launches



Aug 2024



May 2025



Choco Bar®
& family pack

Dec 2025



Expansion of Cream HAUZ® lines & Cream HAUZ® Mini

Oct 2025



Cream HAUZ®
& family packs

Feb 2026



One two juice®
& family pack



Ice Potong



Cone HAUZ®

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

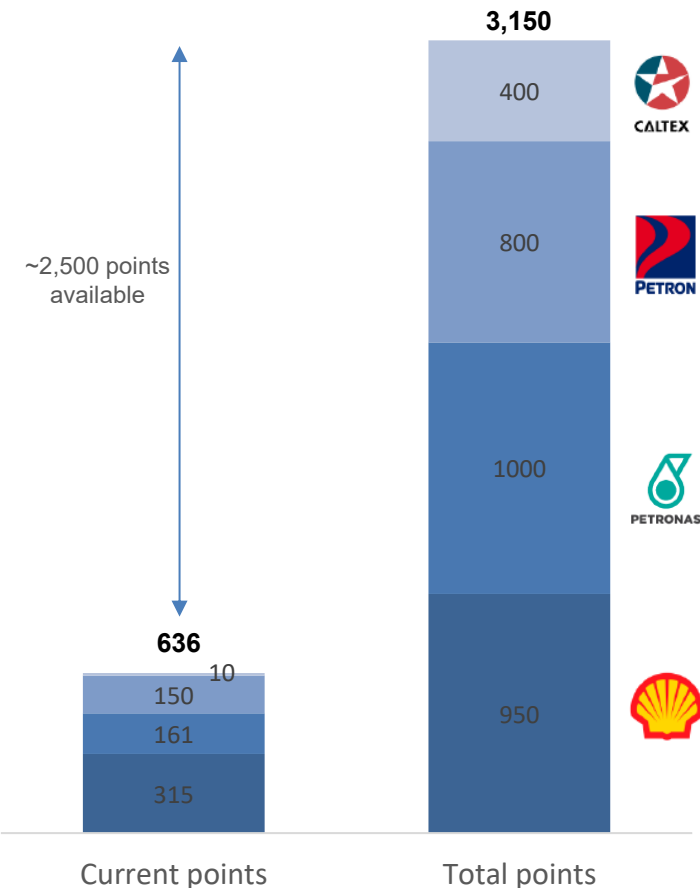
- Enstek structure completed
- Delivery of ice cream lines

- Commissioning and production from Enstek

Key Focus:

- Output now increased to 300,000 pcs / day with Extrusion line 2 completing test run state (after commissioning and line stabilization) and going full production - production capacity for the next 6 months is strategically positioned to support growth.
- Expand existing footprint across petromarts (currently @ 636 outlets / ~3,150 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 Sep 2025

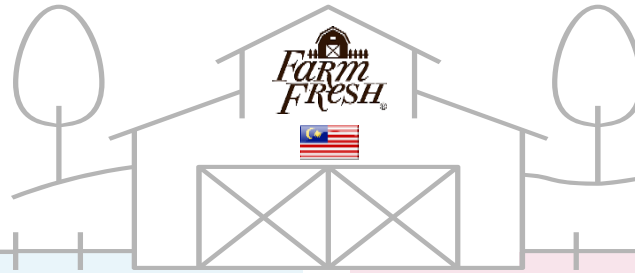


Regional expansion outside of Malaysia



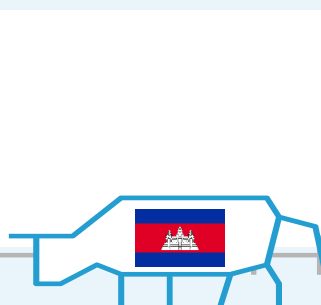
The Philippines

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



Australia

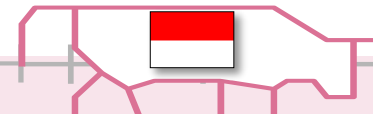
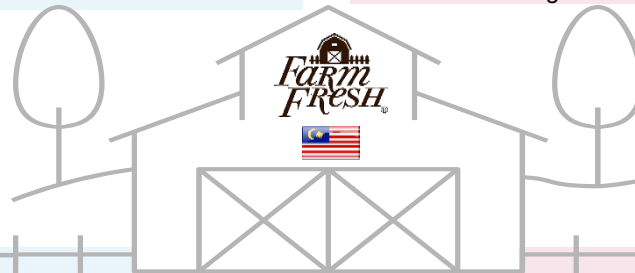
- Australia milk production exceeds local consumption creating **marketable surplus** for exports to Malaysia and Philippines
- Opportunity to grow export to Asia given consumer perception of Australian dairy products as **high quality**.
- Acquisition of **St David Dairy** leveraging on their expertise to produce award-winning **cultured butter** which will be able to produce 20 metric tonnes of butter catering for local sales as well as the 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
- We have delivered few shipments as at end of **August 2025** with presence in modern trade presence: AEON Cambodia, Lucky, TH Market and Chip Mong.
- Coffee outlets presence: Browns Coffee, Tube Coffee – and penetrating the general trade with UHT products



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

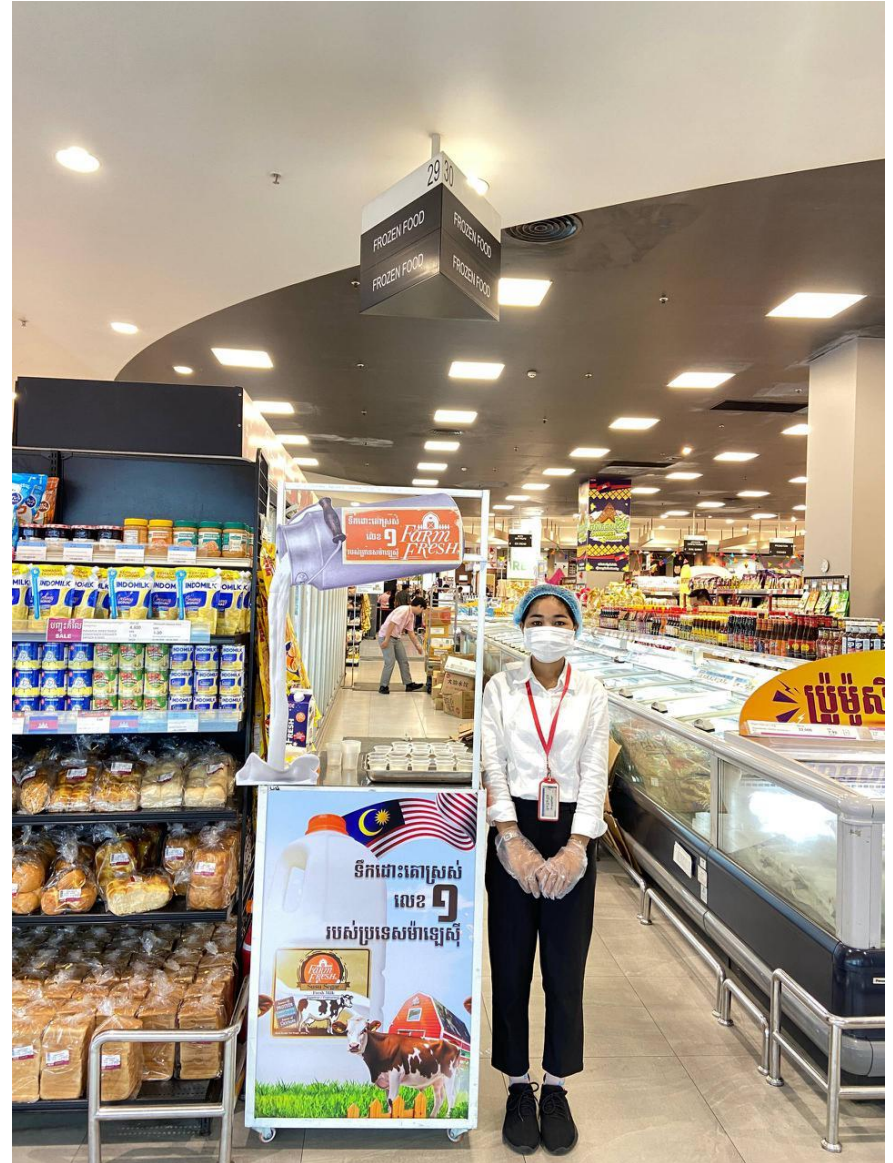
Leading shelf position in AEON Cambodia



Leading shelf position in AEON Cambodia



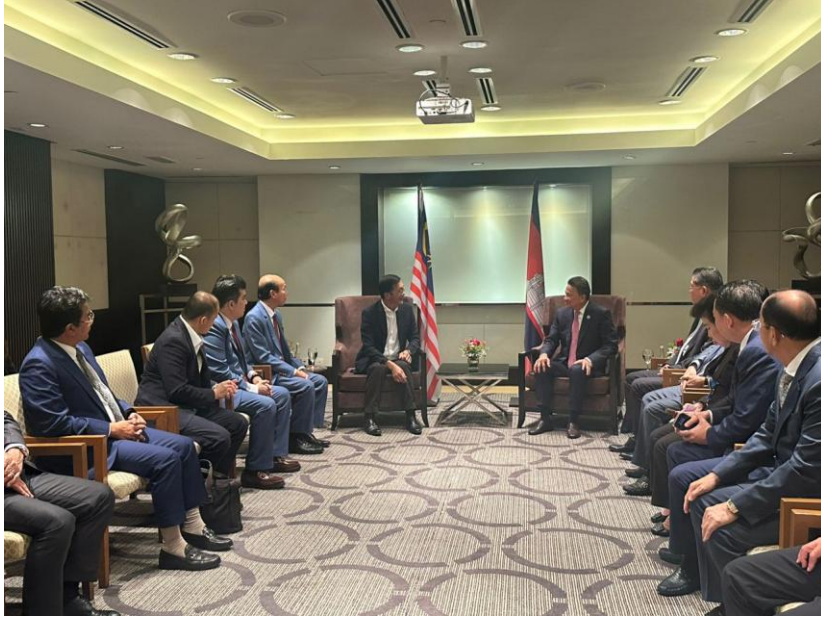
Strong traction among consumers



Strong traction among consumers



MOU Signed with DPM Cambodia



- Partnering with Alpha Group and Campital Investment Co., Ltd
- Establishing dairy factory at Srok Angsnoul, Kandal Province (~40 minutes from Phnom Penh) – expected to be operational in first half of 2026.
- Exploration of location of dairy farm either at Kampung Speu or Kampung Thom



Key takeaways

- 1 Strong Financial Performance:** Delivered another solid quarter, marking a strong first half of FY2026. Our strategic focus on category growth and regional expansion continues to progress well, providing a strong foundation for sustained momentum into the second half of FY2026.
- 2 Success in Adjacencies:** Our new product adjacencies – including CPG ice cream, Moola Choco Malt, Farm Fresh butter, family-pack full cream milk powder, and our recently launched cultured milk – continue to gain strong traction with consumers. While awaiting the completion of the Enstek plant, two additional ice cream lines have been installed and capable of increasing our production capacity to approximately 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 continues its growth momentum – 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, with revenue increasing significantly during the quarter. Our products are now available in major modern trade outlets in Phnom Penh, as well as penetrating into major coffee outlets and into general trade with our UHT products. Working alongside our local partners, the Group is working towards securing a location for our factory and farm with the support of the Cambodian government.

Q&A

Thank You