



# Farm Fresh Berhad

## Q3 FY26 Results Briefing

26 February 2026



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# Q3 FY26 key highlights:



① Corresponding Quarter    ② Preceding Quarter    ③ Year to Date (9 Months)

In RM' mil	Q3FY26	Q3FY25	% Change	Q2FY26	% Change	9MFY26	9MFY25	% Change
<b>Revenue</b>	<b>285.1</b>	246.6	▲ 16%	294.9	▼ 3%	840.3	737.4	▲ 14%
<b>Gross Profit</b>	<b>93.8</b>	81.0	▲ 16%	99.0	▼ 5%	279.3	237.8	▲ 18%
<b>EBITDA</b>	<b>58.8</b>	47.7	▲ 23%	62.1	▼ 5%	177.0	141.4	▲ 25%
<b>Profit after tax</b>	<b>34.1</b>	26.2	▲ 30%	37.8	▼ 10%	105.2	79.7	▲ 32%
<b>PATAMI</b>	<b>32.2</b>	25.9	▲ 24%	36.7	▼ 12%	101.7	78.0	▲ 30%

## Key narratives

### Performance vs corresponding quarter ① and 9-months 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, such as Butter, AusFresh, Full Cream Milk Powder and Choco Malt Powder.

Improved gross profit and PATAMI due to higher sales, higher gross profit from Australian operations, and better sales mix, i.e. higher contribution from powder products which carry higher margins.

### Performance vs preceding quarter ②

Sales declined mainly attributable to reduced school milk deliveries during the year-end school holidays and lower artisanal and CPG ice cream sales due to low seasonal sales during year-end holidays and rainy season. The decrease was partially offset by higher mini market sales and exports to Cambodia.

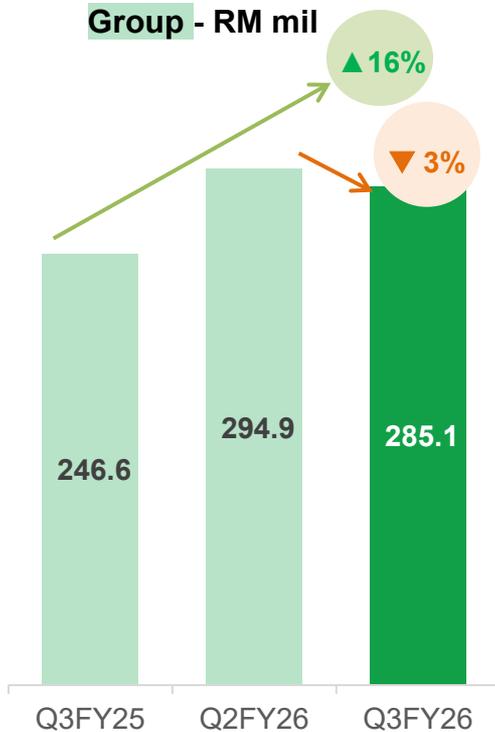
Gross profit declined while gross profit margin dipped mainly attributable to reduced ice cream sales which carry higher margins and increased promotional claims related to year-end campaigns.



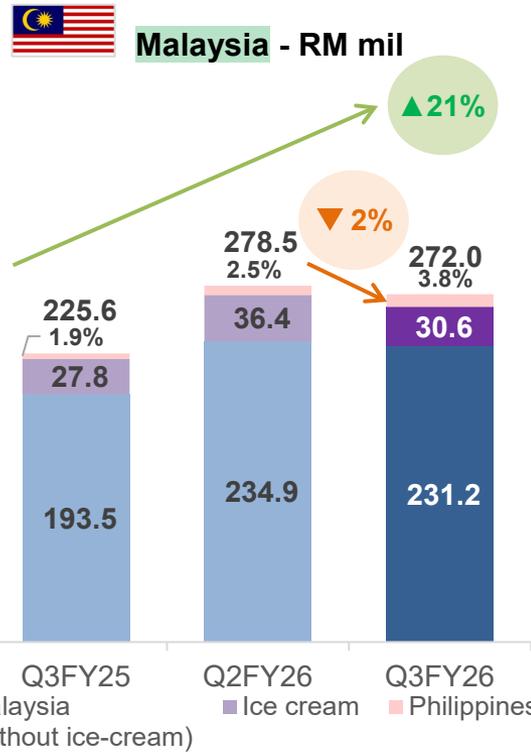
# Financial Highlights



## Revenue (RM mil)



Philippines operations (3.8% of Group revenue) is immaterial and have been included as part of the Malaysia's operations.

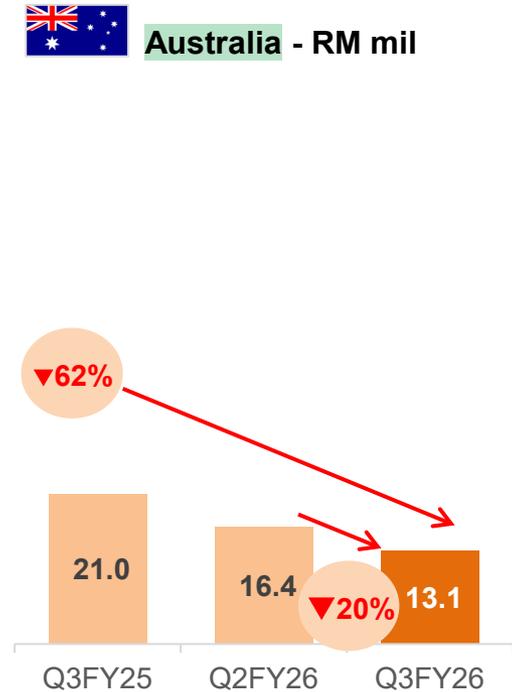


### Corresponding quarter

Sales growth driven by higher mini market and e-commerce sales, as well as stronger sales in Philippines and exports to Cambodia, coupled with positive sales contribution from launching of 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 school milk deliveries during the year-end school holidays and low season for ice cream.



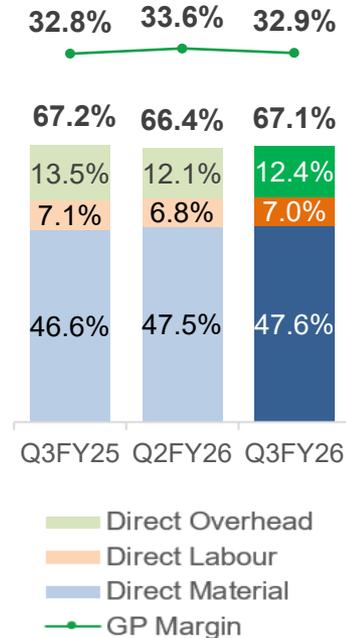
Australian revenue decreased due to lower external sale, i.e. export deliveries.

# Financial Highlights



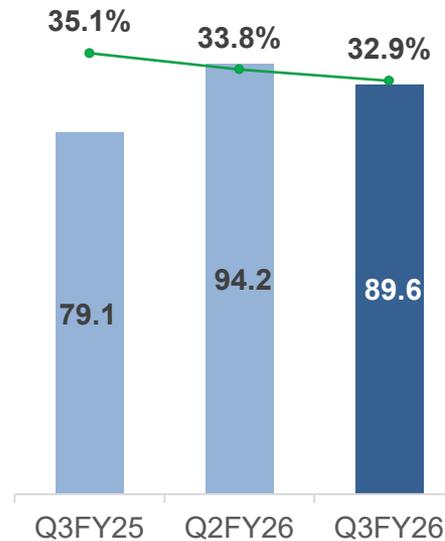
## Gross Profit (RM mil)

### Group - Cost of Goods Sold (% of revenue)



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

### Malaysia - RM mil, %



### Corresponding quarter

GP margin narrowing by 2.2 percentage points, mainly attributable to:

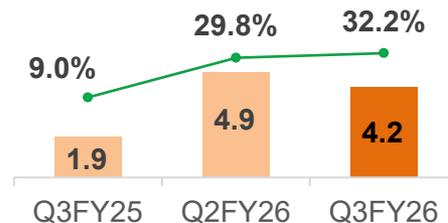
- Higher sales contribution from the Philippines and Cambodia which carry a relatively lower margin;
- MY growth mainly came from non-ice cream sales which increased by RM37.7m (Q3'FY26: RM231.2m; Q3'FY25: RM193.5m) which carry lower margin as compared to ice cream sales which only increased by RM2.8 m (Q3'FY26: RM30.6m; Q3'FY25: RM27.8m).
- Realized commodity futures contracts losses which (RM1.2m loss in Q3'FY26 vs RM2.4m gain in Q3'FY25) caused a RM3.6 m swing on gross profit. Excluding the impact of commodity futures contracts, the normalized GP has in fact only dipped slightly from 34.0% in Q3'25 to 33.4% in Q3'26.

### Preceding quarter

GP margin dipped by 0.9 percentage points, mainly due to:

- Decrease in both artisanal and CPG ice cream sales which carry higher margins associated with year-end holidays and rainy season;
- Year-end promotional incentives provided to certain retailers in relation to their year-end promotion campaigns.

### Australia - RM mil, %

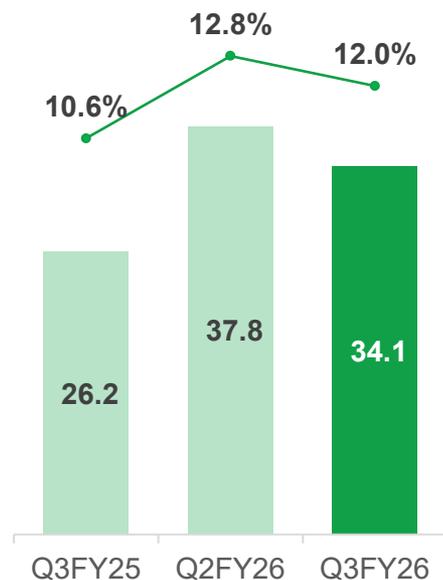


Improvement in margins compared to the corresponding quarter due to higher production volume, mainly for MY and PH, which led to a decrease in production cost per litre.

# Financial Highlights

## Profit After Tax (RM mil)

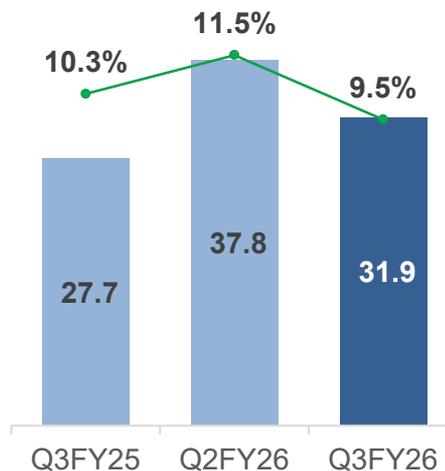
### Group - RM mil, PAT Margin %



Growth % versus  
 Corresponding period : **▲ 30.2%**  
 Preceding period: **▼ 9.8%**



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



#### Corresponding quarter

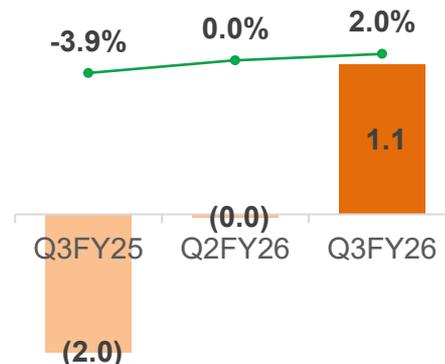
**MY PAT margin declined by 0.8 percentage point**, mainly attributable to the aforementioned drop in GP margin, partially offset by absence of fair value loss arising from derivatives following the adoption of hedge accounting as opposed to RM1.8m fair value loss of derivatives recorded in the corresponding quarter.

#### Preceding quarter

**MY PAT margin declined by 1.6 percentage point**, mainly attributable to the aforementioned drop in GP margin, accompanied with a higher finance costs due to issuance of Sukuk Series 3 of RM125 mil on 10 Oct 2025.



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



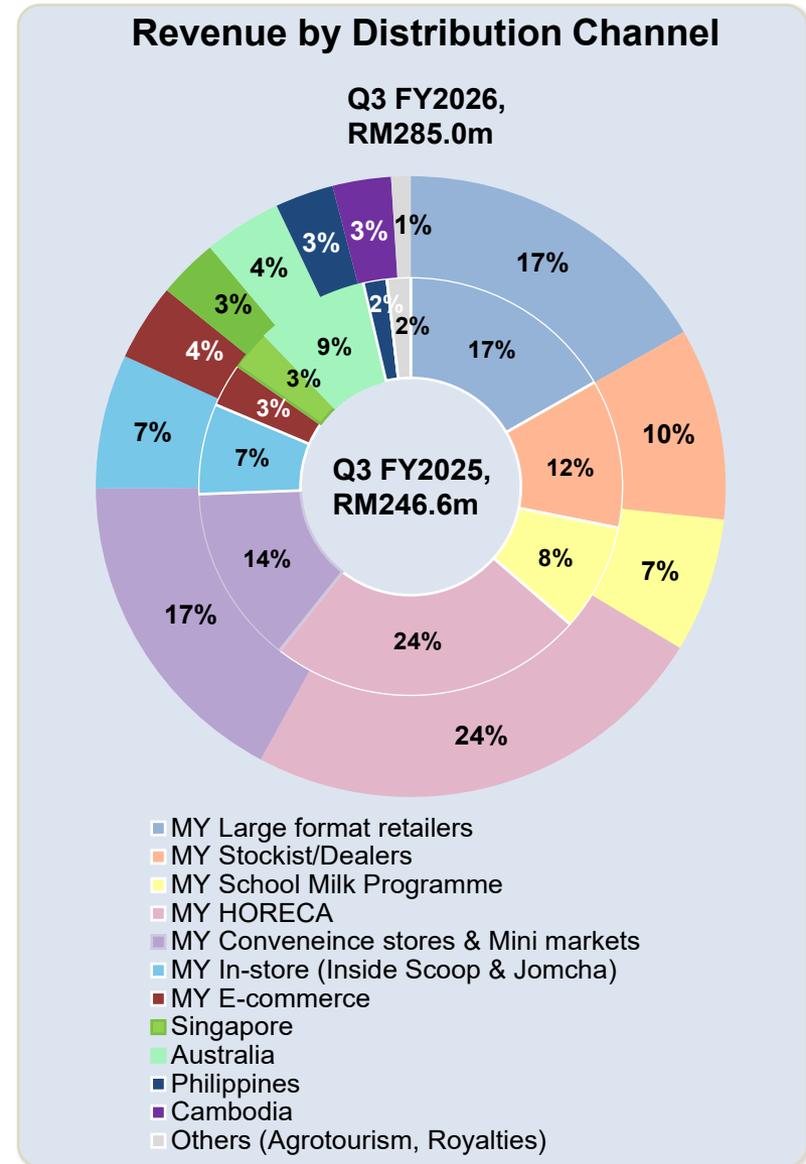
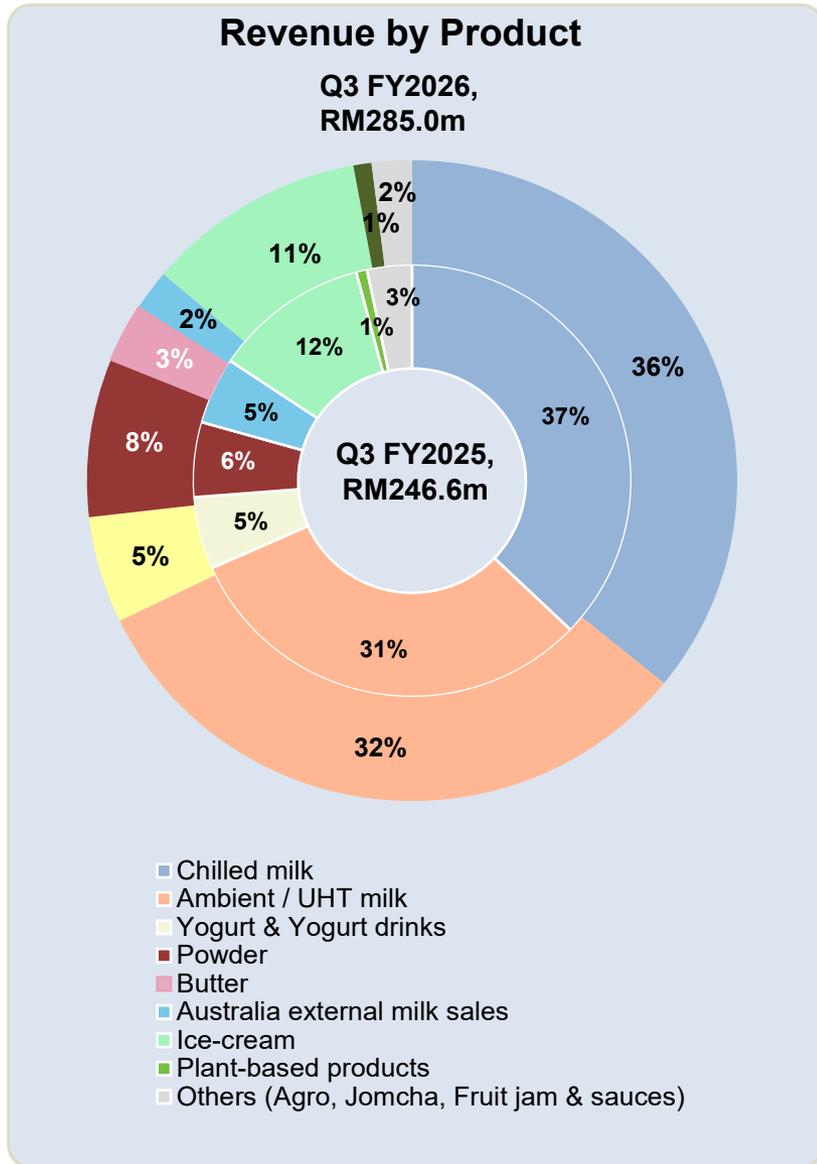
#### Corresponding quarter

**Australia's PAT improved** mainly attributable to the higher production volume as well as external raw milk sales.

#### Preceding quarter

Recorded a **lower fair value loss on biological assets** of RM0.9m (Q2'26: RM2.3m loss), coupled with **one-off gains of RM0.7m from the disposal HJF's Taylor sauce** and RM0.4m for the disposal of intangible assets (water-use rights).

# Revenue by products and distribution channel



# Operating Profit & Net Profit (RM'000)



	Corresponding Quarter		Preceding Quarter		Current Quarter	
	Q3FY25	% of revenue	Q2FY26	% of revenue	Q3FY26	% of revenue
<b>Gross profit</b>	<b>81,019</b>	<b>32.9%</b>	<b>99,038</b>	<b>33.6%</b>	<b>93,828</b>	<b>32.9%</b>
Other income	1,528	0.6%	2,696	0.9%	3,355	1.2%
Selling & Distribution exp	(22,297)	(9.0)%	(26,471)	(9.0)%	(25,580)	(9.0)%
<i>Transportation &amp; logistics</i>	<i>(14,682)</i>	<i>(5.9)%</i>	<i>(18,604)</i>	<i>(6.3)%</i>	<i>(19,409)</i>	<i>(6.8)%</i>
<i>A&amp;P expenses</i>	<i>(4,468)</i>	<i>(1.8)%</i>	<i>(4,267)</i>	<i>(1.5)%</i>	<i>(1,924)</i>	<i>(0.7)%</i>
<i>Transaction fees</i>	<i>(1,930)</i>	<i>(0.8)%</i>	<i>(2,389)</i>	<i>(0.8)%</i>	<i>(2,906)</i>	<i>(1.0)%</i>
<i>Other selling expenses</i>	<i>(1,217)</i>	<i>(0.5)%</i>	<i>(1,211)</i>	<i>(0.4)%</i>	<i>(1,341)</i>	<i>(0.5)%</i>
Administrative expenses	(23,493)	(9.5)%	(25,983)	(8.8)%	(26,487)	(9.3)%
<i>Salary expenses</i>	<i>(13,697)</i>	<i>(5.5)%</i>	<i>(15,326)</i>	<i>(5.2)%</i>	<i>(15,145)</i>	<i>(5.3)%</i>
<i>Office expenses</i>	<i>(3,252)</i>	<i>(1.3)%</i>	<i>(3,632)</i>	<i>(1.2)%</i>	<i>(4,357)</i>	<i>(1.5)%</i>
<i>Depreciation &amp; amortisation</i>	<i>(3,490)</i>	<i>(1.4)%</i>	<i>(4,067)</i>	<i>(1.4)%</i>	<i>(4,219)</i>	<i>(1.5)%</i>
<i>Others</i>	<i>(3,054)</i>	<i>(1.3)%</i>	<i>(2,958)</i>	<i>(1.0)%</i>	<i>(2,766)</i>	<i>(1.0)%</i>
Other expenses	(3,865)	(1.6)%	(1,647)	(0.6)%	(2,405)	(0.8)%
FV loss on biological assets	(475)	(0.3)%	(2,114)	(0.7)%	(778)	(0.3)%
<b>Operating profit</b>	<b>32,417</b>	<b>13.1%</b>	<b>45,519</b>	<b>15.4%</b>	<b>41,933</b>	<b>14.7%</b>
Net finance costs	(4,261)		(3,788)		(4,514)	
Share of loss of associate	--		--		(87)	
<b>Profit before tax</b>	<b>28,156</b>	<b>11.4%</b>	<b>41,731</b>	<b>14.1%</b>	<b>37,332</b>	<b>13.1%</b>
Tax expense	(1,977)		(3,939)		(3,217)	
<b>Profit after tax</b>	<b>26,179</b>	<b>10.6%</b>	<b>37,792</b>	<b>12.8%</b>	<b>34,115</b>	<b>12.0%</b>

**Gross profit increased** from RM81.0mil to RM93.8mil, as explained in the previous slides.

The gross profit was offset with the following:

- **Higher selling expenses** due to higher e-commerce transaction fees;
- **Higher distribution expenses** incurred which in line with the higher sales;
- **Higher admin expense** due to the increase in salary expenses, office expenses and depreciation expenditure with the increase of Inside Scoop outlets;
- **Other income increased** mainly due to one-off gain of RM0.9 million from divestment of a subsidiary.
- **Lesser other expenses** due to absence of fair value loss on derivatives following the adoption of hedge accounting, as compared to RM1.8mil fair value loss on derivatives recorded in the corresponding quarter.
- Higher finance costs arising from the issuance of Sukuk Series 3 of RM125m during the current quarter.

# Statement of financial position (RM'000)



	31 March 2025	31 December 2025	% change
	RM'000	RM'000	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	513,490	593,683	15.6
Right-of-use assets	36,467	40,293	10.5
Biological assets	141,952	148,574	4.7
Intangible assets	111,126	107,227	(3.5)
Investment in associate	--	6,385	--
Trade and other receivables	268	213	(20.5)
Deferred tax assets	9,371	10,497	12.0
<b>CURRENT ASSETS</b>			
Inventories	175,332	222,817	27.1
Trade and other receivables	206,665	288,887	39.8
Current tax assets	5,446	4,379	(19.6)
Derivative financial assets	86	--	--
Other investments	64,037	116,292	81.6
Cash and cash equivalents	58,785	78,908	34.2
Assets classified as held for sale	28,144	8,784	(68.8)
<b>TOTAL ASSETS</b>	<b>1,351,169</b>	<b>1,629,939</b>	<b>20.4</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	24,345	29,227	20.1
Deferred income	6,703	7,062	5.4
Loans and borrowings	306,282	229,794	(25.0)
Lease liabilities	20,590	24,135	17.2
Put option liability	55,833	58,413	4.6
<b>CURRENT LIABILITIES</b>			
Current tax liabilities	1,116	2,678	>100
Deferred income	943	446	(52.7)
Derivative financial liabilities	428	5,942	>100
Loans and borrowings	91,622	278,841	>100
Lease liabilities	8,389	9,410	12.2
Trade and other payables	106,679	170,625	59.9
<b>TOTAL LIABILITIES</b>	<b>622,930</b>	<b>816,573</b>	<b>31.1</b>
<b>TOTAL EQUITY</b>	<b>728,239</b>	<b>810,366</b>	<b>11.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,351,169</b>	<b>1,629,939</b>	<b>20.4</b>

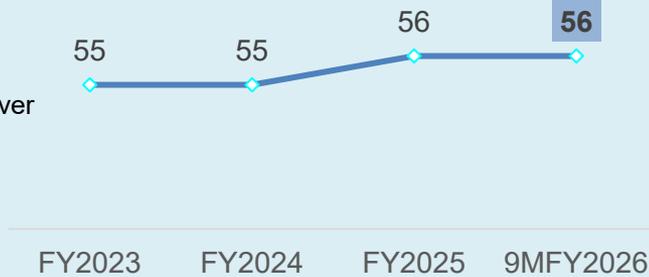
- Increase in **property, plant and equipment** was mainly due to capital expenditure incurred in relation to the expansion of Muadzam Shah farm (MZ2) and the construction of Enstek plant.
- Increase in **inventories** mainly due to higher finished goods as at period end due to higher stock holding to cope with increased school milk project delivery requirements as well as higher export to Cambodia.
- Increase in **trade and other receivables** mainly attributable to the increase in advance payment made for the purchase of dairy raw materials as well as PPE for Muadzam plant and Cambodia.
- Decrease in **asset classified as held for sale** is due to disposal of Australia's Farm 1.
- Increase in **derivative financial liabilities** mainly attributable to unrealised loss of commodity future contracts due to adverse price movement of whole milk powder and butter.
- Decrease in **non-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 which was partly offset by the drawdown of 3<sup>rd</sup> tranche Sukuk of RM125m on 10 October 2025.
- Increase in **trade and other payables** mainly attributable to higher purchases of key dairy ingredients and 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 remained comparable.



## Inventory turnover (Days)

Inventory turnover days increased to 97 days due to higher stock holding to cater for the increased school milk project order.



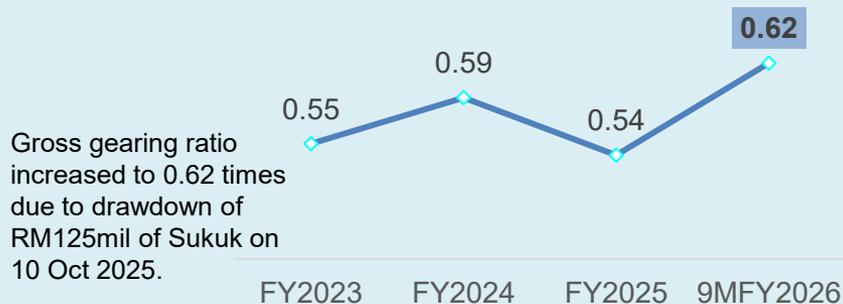
## Cash conversion cycle (Days)



# Key Financial Ratios



## Gross gearing ratio <sup>N1</sup> (Times)



## Net gearing ratio <sup>N2</sup> (Times)



## Current ratio (Times)



## Return on equity <sup>N3</sup> (%)



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



Butter (9g and 200g)



Farm Fresh Ausfresh



CPG Ice cream



Choco Malt UHT



Farm Fresh Grow Cultured Milk



# 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

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

January 2024

July 2024

Early-2026

Mid-2026

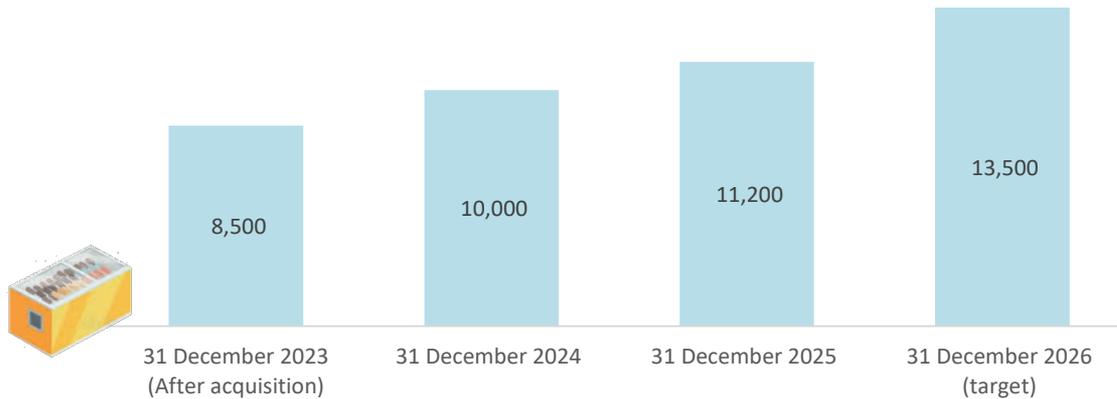
- Testing of extrusion line in manufacturing plant
- Ordering of ice cream lines

- 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

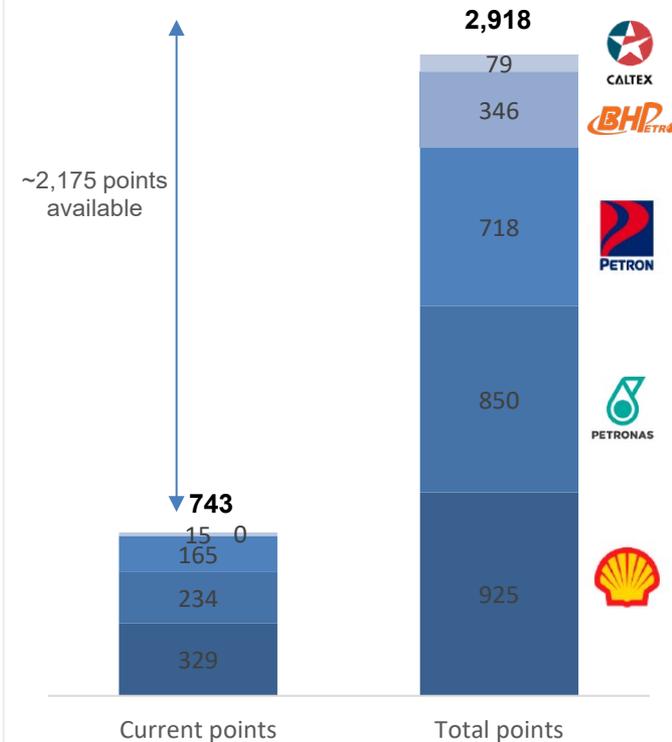
Number of freezers



### 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 @ 743 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 31 Dec 2025



# 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: 7 barns and calf pen completed, with rotary milking parlor operational March 2026.

# 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** - 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
- 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 mid-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 Sustained resilient performance: Delivering another quarter of robust double-digit revenue growth compared to corresponding quarter, despite the drop from preceding quarter due to school milk delivery affected by school holidays and ice cream year-end low season.**
- 2 Growth momentum remains intact: Driven by continued product line extension and category expansion across Moola Choco Malt, Farm Fresh Grow, CPG ice cream, butter & cultured milk, supported by improved brand traction.**
- 3 Overseas operations – Philippines & Cambodia continues to deliver strong revenue growth; penetrating major modern and general trade as well as food services. Cambodia has now exceeded our exports to Singapore; amidst growing demand, the Group is currently in progress to complete factory construction which is slated to commence operations mid-2026. Once completed, this will position us as a cost-efficient manufacturer to target customers within the Indochina region.**
- 4 Enstek plant slated to be operational mid-2026, capable of producing 1 million pieces of ice cream per day and position us to produce various ice cream products. Enstek to also produce PE bottle plant-based products**

# Q&A

*Thank You*