

General Announcement for PLC (v13)

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MAIN			
Type	Announcement		
Subject	OTHERS		
Description	News release: F&NHB Maintains Revenue and Profit Growth in 1H FY2025		
Shareholder Approval	No		
Announcement Details/Table Section			
We attach herewith a news release dated 28 April 2025 entitled "F&NHB Maintains Revenue and Profit Growth in 1H FY2025".			
Attachment	No	File Name	Size
	1	FNHB FY2025 News Release - Immediate release.pdf	180.0KB



NEWS RELEASE

28 APRIL 2025

F&NHB MAINTAINS REVENUE AND PROFIT GROWTH IN 1H FY2025

Group operating profit for 1H FY2025 improved amidst market challenges

- Group revenue for 1H FY2025 improved by 1.4% to RM2,723.9 million, contributed by broad sales growth across business units in Q1 FY2025 including exports.
- Group operating profit for 1H FY2025 grew 4.3% to RM434.8 million, bolstered by better margins from higher revenue and broadly lower input costs recorded by F&B Malaysia and F&B Indochina, which combined to mitigate losses from dairy farm start-up.
- The Group registered a revenue of RM1,334.1 million in Q2 FY2025, representing a decline of 1.4% from the corresponding period last year, due to slower festive sales experienced by F&B Malaysia and lower sales from F&B Indochina. Correspondingly, Group operating profit declined by 7.6% from lower sales and losses from dairy farm start-up.
- Interim single-tier dividend of 30.0 sen per share (2024: 30.0 sen per share) amounting to RM110.0 million to be paid on 30 May 2025.

Financial Highlights	1H FY2025	1H FY2024	Change
Revenue (RM million)	2,723.9	2,685.3	1.4%
Operating profit (RM million)	434.8	416.8	4.3%
Profit before tax (RM million)	430.1	409.9	4.9%
Profit after tax (RM million)	310.4	335.9	-7.6%
Basic earnings per share (sen)	84.5	91.8	-7.3 sen

Kuala Lumpur, 28 April - Fraser & Neave Holdings Bhd (F&NHB or the Group) today announced its financial results for the half year ended 31 March 2025 (1H FY2025), delivering a resilient performance amidst ongoing macroeconomic pressures and softer trade and consumer sentiments.

Group Revenue

For 1H FY2025, **Group revenue** saw a slight 1.4% increase to RM2,723.9 million.

Food & Beverages Malaysia (F&B Malaysia) recorded volume growth in beverages, water products, and exports while maintaining its first half year revenue in line with the same period last year. Meanwhile, Food & Beverages Indochina (F&B Indochina), encompassing operations in Thailand, Cambodia, and Laos, registered a 3.4% increase in revenue over the same period last year, driven by successful and intensified marketing campaigns, with the highlight being stronger export sales to Cambodia, supported by a nationwide promotion.

This positive overall performance for 1H FY2025 was achieved despite several headwinds in the second quarter ended 31 March 2025 (Q2 FY2025). The Group recorded revenue of RM1,334.1 million in Q2 FY2025, representing a decline of 1.4% compared to the corresponding period last year. Within this quarter, F&B Malaysia experienced slower-than-anticipated sales momentum during the festive season, impacted by subdued consumer sentiment and flooding in East Malaysia, resulting in marginal decline in revenue in Q2 FY2025 to RM781.6 million from RM787.7 million last year. Similarly, F&B Indochina reported revenue of RM551.6 million in Q2 FY2025, representing a 2.2% decrease (-1.3% in THB terms). This was primarily due to initiatives aimed at maintaining healthy trade inventory levels in Thailand.

Group Profit

Group operating profit for 1H FY2025 increased by 4.3% to RM434.8 million compared to the same period last year.

Correspondingly, **Group profit before tax** for 1H FY2025 increased by 4.9% versus last year due to better margins from higher revenue, lower input costs and phasing of advertising spend.

Meanwhile, **Group profit after tax** for 1H FY2025 declined by 7.6% year-on-year mainly due to full utilisation of the Board of Investment (BOI) incentive for F&B Indochina since last year.

F&B Indochina remained a key profit contributor for the Group, registering 4.5% growth in 1H FY2025 operating profit, supported by strong revenue momentum in Cambodia and Laos. Excluding start-up losses in F&N AgriValley, F&B Malaysia recorded improvement in operating profit, supported by lower input costs (excluding palm oil), enhanced margins and operational efficiencies.

Commenting on F&NHB's results, Lim Yew Hoe, Chief Executive Officer of F&NHB, underscored the Group's strong financial position, robust cash flow and clear strategic direction. "Our performance reflects the resilience of our core businesses in generating and capturing value, even amidst weaker trade and consumer sentiments. This shows that the confidence of the Group to invest in the various large-scale future-looking investments was well placed."

KEY CORPORATE DEVELOPMENTS

Lim highlighted significant progress at F&N AgriValley, a pivotal milestone in F&NHB's long-term strategy to replace dairy imports across all markets. Following the arrival of the trial batch of 165 dairy cattle in March and the first commercial batch of 2,500 cattle in April, both batches have successfully acclimatised and settled down at the farm. To date, more than 70 calves have been born from the Chilean cattle, bringing the total cattle at the farm to more than 2,700.

With the commencement of milking, F&NHB is expecting to phase in local fresh milk from Gemas through the Magnolia brand. Milking for the 2,500 cattle commercial batch is slated to start from June 2025. "Our long-term goal is to contribute meaningfully to the country's food security agenda by reducing reliance on imported milk and strengthening domestic supply. The arrival of these Chilean heifers marks a major step toward establishing a productive local herd that will provide all Malaysians with quality fresh milk at more affordable prices," said Lim.

He added that development of the dairy manufacturing plant in Cambodia is on track for commercial start in early 2026, while the Penang beverages plant is scheduled to be commissioned by August 2025. "The newly installed production capability in Penang will produce carbonated soft drinks and drinking water catered to the northern Peninsular Malaysia markets. This achieves both the objective of better serving the local markets, and reducing our carbon footprint compared to servicing from our main plant in Shah Alam," said Lim.

Driven by a deep sense of social responsibility, F&NHB demonstrates a strong commitment to the well-being of society, alongside its leadership in sustainability.

During the festive period of Ramadan and Aidilfitri, F&NHB extended its commitment to community well-being by reaching out to vulnerable groups across Malaysia. In a time of cautious consumer spending, the Group worked with trusted partners, including Bursa Malaysia, Mydin, Lotus's, the National Sports Council (MSN), and Yayasan Kebajikan Atlet Kebangsaan (YAKEB) to deliver meaningful aid and festive joy. These initiatives collectively reached over 100,000 individuals through food packs, beverage giveaways and community events. Through programmes like *Rewang Ramadan*, *Cahaya Ramadan*, and nationwide festive outreach at mosques, retail outlets and toll plazas, F&NHB continues to deliver on its promise of *Pure Enjoyment, Pure Goodness*.

Reinforcing this societal focus, F&NHB Chairman YAM Tengku Syed Badarudin Jamalullail stated, "In today's climate, where many continue to feel the strain of economic pressures, it's more important than ever for businesses to lead with empathy and purpose. Our products have long been part of festive moments in homes across the country, and we believe everyone should have the opportunity to experience that joy. By standing alongside our partners to support the underserved in our community, we remain true to our values of building a better business, a better society, and a better planet—while bringing people together in the spirit of the season."

OUTLOOK

Against a backdrop of uncertain global economic outlook, market volatility, softer trade and consumer sentiment, and evolving regulatory landscape, the Group will proactively monitor and manage risks while maintaining financial discipline. "At the same time, we remain focused on driving growth, strengthening route-to-market capabilities, optimising assets and operational efficiencies, and continue to invest in areas that will support long-term value creation and strengthen the Group's fundamentals," Lim added.

Ongoing investments, including the integrated dairy farm in Gemas, dairy manufacturing plant in Cambodia and beverages plant in Penang, are aligned with the Group's long-term growth objectives, complementing existing operations while positioning the Group for future success.

The investment outlay for the integrated dairy farm in Gemas may initially weigh on margins, until certain scale is achieved. Supported by the Group's financial strength, agility and strategic roadmap, the Group remains well-positioned to navigate challenges and drive long-term value creation.

Given the prolonged macro-economic weakness, the Group is taking a prudent approach in capturing value from existing businesses while building future growth pillars.

In line with the Group's performance, the Board declared an interim single-tier dividend of 30.0 sen per share (2024: 30.0 sen) for the financial year ending 30 September 2025. This dividend amounting to approximately RM110.0 million will be paid on 30 May 2025.

ABOUT FRASER & NEAVE HOLDINGS BHD

Fraser & Neave Holdings Bhd (F&NHB) is a Malaysian-incorporated and Shariah compliant company listed on Bursa Malaysia's Main Board. The Group has an annual turnover of RM5 billion from its core businesses in the manufacturing, sales and marketing of beverages, dairy and food products. With a rich heritage spanning over 140 years, F&NHB is today synonymous with quality and halal products that are trusted by generations.

F&NHB boasts a portfolio of brands that are leaders in many segments such as 100PLUS, F&N Fun Flavours, F&N SEASONS, OYOSHI, F&N Magnolia, FARMHOUSE, F&N ICE MOUNTAIN; Condensed and Evaporated Milk under F&N, TEAPOT, Gold Coin, Cap Junjung, IDEAL and CARNATION brands. Through its subsidiary, Sri Nona Foods, the Group produces the iconic NONA brand of ketupat and sauces, alongside a variety of well-loved confectionery and snack brands, including the flagship LOT 100.

F&NHB is a constituent of FTSE4Good Bursa Malaysia (F4GBM) and F4GBM Shariah Index. The Group employs about 4,000 people across its operations in Malaysia, Brunei, Thailand and Indochina.

For more information, please visit www.fn.com.my.

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