



FRASER & NEAVE HOLDINGS BHD

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F&NHB Maintains Dividend Amid a Challenging Operating Environment

Backed by resilient cash flow and operational discipline, while advancing strategic investments

- Group revenue for 1H FY2026 decreased 6.9% year-on-year to RM2,535.9 million amid regional and global geopolitical uncertainties and cautious consumer sentiment.
- Group operating profit for 1H FY2026 declined to RM331.1 million, primarily due to unfavourable forex impact and higher operational costs for the integrated dairy farm as operations continue to scale up.
- Core beverage and dairy business saw sustained demand in domestic markets. F&B Malaysia revenue grew 2.3%, supported by improved sales momentum in East Malaysia and stronger export demand.
- F&B Indochina was impacted by softer market conditions and continued border disruptions affecting exports to Cambodia. These were partially mitigated by higher exports and improving domestic sales in Thailand in Q2 FY2026.
- F&N AgriValley completed its first shipment of bulk 100% fresh milk to Singapore, marking Malaysia's first export of locally produced bulk fresh milk.
- Interim single-tier dividend maintained at 30.0 sen per share (2025: 30.0 sen per share) amounting to RM110.0 million to be paid on 3 June 2026.

Financial Highlights	1H FY2026	1H FY2025	Change
Revenue (RM million)	2,535.9	2,723.9	-6.9%
Operating profit (RM million)	331.1	434.8	-23.8%
Profit before tax (RM million)	321.6	430.1	-25.2%
Profit after tax (RM million)	207.0	310.4	-33.3%
Basic earnings per share (sen)	56.9	84.5	-27.6 sen

Kuala Lumpur, 30 April - Fraser & Neave Holdings Bhd ("F&NHB" or "the Group") today announced its financial results for the half year ended 31 March 2026 (1H FY2026), with softer performance reflecting near-term pressures, supported by its core dairy and beverages business amid ongoing geopolitical uncertainties and cautious consumer sentiment.

GROUP REVENUE

In **1H FY2026**, the Group recorded RM2,535.9 million in revenue, reflecting a 6.9% decline year-on-year. Performance was supported by Food & Beverages Malaysia (F&B Malaysia), which posted revenue growth of 2.3%, driven by improved sales momentum in East Malaysia and stronger export demand. Higher local dairy sales under the School Milk Programme, together with wider distribution across the hotel, restaurant and catering (HORECA) segment, further contributed to sales earnings during the period.

Meanwhile, Food & Beverages Indochina (F&B Indochina) recorded lower revenue in 1H FY2026 primarily due to softer economic activity in Thailand, while sales to Cambodia remained subdued amid ongoing border tensions.

For the second quarter ended 31 March 2026 (**Q2 FY2026**), the Group posted revenue of RM1,232.4 million, compared to RM1,334.1 million for the same quarter last year.

Notwithstanding the challenging operating environment, the Group maintained performance across key markets and channels. F&B Malaysia's revenue in Q2 FY2026 remained broadly in line at RM773.5 million compared to RM781.6 million for the same quarter last year, reflecting continued demand of its core businesses despite cautious consumer spending and competitive market conditions.

F&B Indochina recorded revenue of RM458.2 million in Q2 FY2026, 16.9% lower year-on-year as border closures between Thailand and Cambodia continued to disrupt export activities into Cambodia. This was partially mitigated by higher export sales and improving domestic sales in Thailand, supported by demand recovery in trade channels.

GROUP PROFIT

Group operating profit for **1H FY2026** stood at RM331.1 million, down 23.8% year-on-year, reflecting a more challenging operating environment, elevated input costs and foreign exchange impact.

F&B Malaysia recorded an 18.3% decrease in operating profit for 1H FY2026, mainly from higher operational costs for the integrated dairy farm as operations continued to scale up, and unfavourable foreign exchange impact.

Meanwhile, F&B Indochina delivered an operating profit of RM183.6 million in 1H FY2026 against a softer market backdrop and border closures, alongside higher overheads associated with the set-up of new manufacturing operations in Cambodia and unfavourable foreign exchange impact.

Commenting on F&NHB's performance, Lim Yew Hoe, Chief Executive Officer of F&NHB said, "While external factors have impacted near-term performance, our core business fundamentals remain sound, and we are managing these challenges proactively. Despite heightened cost pressures and more cautious consumer spending, our core dairy and beverages business in Malaysia has remained stable, reflecting sustained demand, supported by the strength of our market position.

At the same time, cost discipline and our ongoing strategic investments continue to underpin the Group's long-term growth. We remain confident in delivering stronger performance over the medium to long term. Our investments today, including F&N AgriValley and our dairy facility in Cambodia, are strengthening supply chain resilience and cost efficiency as we navigate evolving market conditions."

KEY CORPORATE DEVELOPMENTS

In March 2026, F&N AgriValley completed its first shipment of bulk fresh milk to Singapore, marking the country's first export of locally produced bulk fresh milk.

The integrated dairy farm is currently producing approximately 2 million litres of fresh milk per month, with the aim to achieve a long-term annual production of 200 million litres. Fresh milk from the farm is marketed under the Magnolia Brand in Malaysia and Singapore and used in the production of Bear Brand Sterilised Milk, Teapot and Carnation products for regional markets, including Cambodia.

"F&N AgriValley is a key strategic asset of the Group. Its integrated and circular operating model, including the use of solar energy, contributes to lower utility expenses and imported input costs such as animal feed and fertiliser. Importantly, this model also reduces the Group's exposure to transportation costs and supply chain disruptions, reinforcing its role in supporting long-term resilience," Lim added.

The Group's priorities include scaling up operations at F&N AgriValley, strengthening its dairy and liquid milk portfolio, driving new product innovations, leveraging milk produced from its integrated dairy farm and expanding distribution across key channels, while continuing to create value for its stakeholders and communities.

Amid a more challenging operating environment, the Group continues to prioritise its role in supporting the communities it serves. F&NHB Chairman YAM Tengku Syed Badarudin Jamalullail commented, "As we navigate these conditions, we recognise that the same pressures are also felt by the communities we serve. I am proud of our people for continuing to make a meaningful difference, delivering *Pure Enjoyment*, *Pure Goodness*, while upholding our commitment to build a better business, a better society and a better planet."

Over the past six months, the Group reached out to more than 22,000 individuals including vulnerable groups, retired athletes, shoppers and commuters, through community initiatives and collaborations with partners such as the National Sports Council (MSN), Yayasan Kebajikan Atlet Kebangsaan (YAKEB), Kechara Soup Kitchen (KSK) and local NGOs in East Malaysia.

OUTLOOK

Looking ahead, the Group is proactively managing cost pressures and supply chain disruptions arising from heightened global and regional geopolitical uncertainties, including conflict in West Asia, which have led to elevated input costs.

Key cost drivers include packaging materials and key ingredients, alongside elevated energy costs such as liquefied petroleum gas (LPG), diesel and natural gas. These cost pressures are being addressed through enhanced operational efficiencies, supply chain optimisation and disciplined cost management initiatives.

"Notwithstanding these near-term pressures, our healthy capital structure and consistent gearing ratio enable us to draw on internally generated funds to support ongoing capital expenditure and strategic initiatives. We remain focused on executing our key priorities while maintaining a prudent and measured approach. We will continue to balance cost pressures with market sensitivities, with any price adjustments, if necessary, implemented gradually and considered only as a last resort," Lim concluded.

Reflecting the Group's stable cash flow generation despite earnings pressures, the Board has maintained an interim single-tier dividend of 30.0 sen per share (2025: 30.0 sen) for the financial year ending 30 September 2026. This dividend amounting to approximately RM110.0 million will be paid on 3 June 2026.

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 over 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 well-loved brands such as 100PLUS, F&N Fun Flavours, F&N NutriWell, 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.

The Group employs about 4,000 people across its operations in Malaysia, Brunei, Thailand and Indochina.

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