

**General Announcement for PLC (v13)**

Reference No. GA1-30042024-00032

**RELEASED**

Created by FRASER &amp; NEAVE HOLDINGS BHD on 30 Apr 2024 at 2:00:59 PM

Submitted by FRASER &amp; NEAVE HOLDINGS BHD on 30 Apr 2024 at 5:48:00 PM

<b>COMPANY INFORMATION SECTION</b>			
<b>Announcement Type</b>	<input checked="" type="radio"/> New Announcement	<input type="radio"/> Amended Announcement	
<b>Company Name</b>	FRASER & NEAVE HOLDINGS BHD		
<b>Stock Name</b>	F&N		
<b>Stock Code</b>	3689		
<b>Board</b>	Main Market		

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<b>MAIN</b>			
<b>Type</b>	Announcement		
<b>Subject</b>	OTHERS		
<b>Description</b>	News release: F&NHB Achieves Higher 1H and Q2 Revenue		
<b>Shareholder Approval</b>	No		
<b>Announcement Details/Table Section</b>			
We attach herewith a news release dated 30 April 2024 entitled "F&NHB Achieves Higher 1H and Q2 Revenue".			
<b>Attachment</b>	<b>No</b>	<b>File Name</b>	<b>Size</b>
	1	<a href="#">FNHB 1HFY2024 Financial Results Press Release - for immediate release.pdf</a>	192.8KB



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## FRASER & NEAVE HOLDINGS BHD

(Company No: 196101000155 (4205-V))

### NEWS RELEASE

30 April 2024

### **F&NHB Achieves Higher 1H and Q2 Revenue**

Group revenue for 1H FY2024 improved by double digit driven by strong festive sales.

- Group revenue for Q2 FY2024 grew by 12.1% to RM1,352.4 million, supported by robust sales during Chinese New Year and Hari Raya festive periods.
- Food & Beverages Malaysia recorded 11.3% revenue growth to RM787.7 million for Q2 FY2024 driven by early sell-in for Hari Raya.
- Food & Beverages Thailand achieved 13.2% (10.4% in constant currency) revenue growth to RM563.8 million for Q2 FY2024 primarily propelled by increased exports to Indochina and other countries and supported by favourable foreign exchange translation.
- Group revenue for the first half year (ended 31 March 2024, 1H FY2024) improved by 10.7% to RM2,685.3 million, an increase of RM260.2 million over the previous year, driven by better performance in all its F&B business units.
- New subsidiary, F&N Foods (Cambodia) Co., Ltd, was incorporated to develop a dairy manufacturing facility to strengthen the Group's presence in Cambodia.
- Interim single-tier dividend of 30.0 sen per share (2023: 27.0 sen per share) amounting to RM110.0 million to be paid on 31 May 2024.

## SECOND QUARTER FY2024 PERFORMANCE

Financial Highlights	Q2 FY2024	Q2 FY2023	Change
Revenue (RM million)	1,352.4	1,206.6	+12.1%
Operating profit (RM million)	207.5	126.0	+64.7%
Profit before tax (PBT) (RM million)	204.4	119.7	+70.8%
Profit after tax (PAT) (RM million)	165.7	102.0	+62.5%
Basic earnings per share (sen)	45.2	27.6	+17.6 sen

Fraser & Neave Holdings Bhd ('F&NHB' or 'the Group') ended its second quarter on 31 March 2024 (Q2 FY2024) with higher revenue, registering a 12.1% growth to RM1,352.4 million, compared to RM1,206.6 million last year. The performance was driven by continuing momentum for both F&B Thailand and F&B Malaysia, festive sales in Malaysia, and aided by favourable foreign exchange translation from stronger Thai Baht.

Group operating profit for Q2 FY2024 increased by 64.7% to RM207.5 million (Q2 FY2023: RM126.0 million) due to higher sales and supported by improvement in margins from favourable product/country mix, lower input costs, manufacturing overhead efficiencies, and savings in the supply chain.

The Group profit after tax increased by 62.5% to RM165.7 million (Q2 FY2023: RM102.0 million) from higher profits, although moderated by higher interest costs and tax expense.

Food & Beverages Malaysia ("F&B Malaysia") recorded an 11.3% increase in Q2 FY2024 revenue, reaching RM787.7 million compared to the same period last year. This was primarily driven by robust sales during Chinese New Year and earlier Hari Raya sales period this year.

Meanwhile, F&B Malaysia's operating profit increased to RM92.9 million in Q2 FY2024, up from RM48.2 million in Q2 FY2023 on the back of higher revenue, margin improvements and savings in manufacturing overheads and logistic costs. This was offset by escalating input costs for certain commodities (sugar, rice, gelatine and cocoa powder).

Similarly, Food & Beverages Thailand ("F&B Thailand") delivered positive performance in Q2 FY2024, with revenue registering 13.2% growth (10.4% in constant currency) at RM563.8 million, compared to RM498.1 million in the same quarter last year, mainly driven by successful loyalty programmes, higher exports to Indochina and other countries, and aided by favourable THB/MYR translation.

Operating profit for F&B Thailand in Q2 increased 49.7% to RM116.8 million, compared to RM78.1 million in the previous year, driven by higher volume, favourable input costs, and lower freight and distribution costs.

## FIRST HALF FY2024 PERFORMANCE

Financial Highlights	1H FY2024	1H FY2023	Change
Revenue (RM million)	2,685.3	2,425.1	+10.7%
Operating profit (RM million)	416.8	350.9	+18.8%
PBT (RM million)	409.9	342.1	+19.8%
PAT (RM million)	335.9	299.8	+12.0%
Basic earnings per share (sen)	91.8	81.9	+9.9 sen

Overall, group revenue for 1H FY 2024 grew by 10.7% to RM2,685.3 million, an increase of RM260.2 million over the previous year (1H FY2023: RM2,425.1 million) driven by effective sales execution during festive seasons and early sell-in for Hari Raya, as well as higher exports which contributed to revenue growth for both F&B Malaysia and F&B Thailand.

Group operating profit for 1H FY2024 increased by 18.8% to RM416.8 million (1H FY2023: RM350.9 million) on the back of higher revenue and better margins from both F&B Malaysia and F&B Thailand. Excluding one-off non-operating items primarily due to RM89.3 million fair value gain recognised from the remeasurement of previously held equity interest in Cocoaland in 1H FY2023, the adjusted Group operating profit increased by 60.9% to RM412.9 million (1H FY2023: RM256.5 million) despite escalating input costs for certain key commodities.

F&B Malaysia recorded RM1,550.3 million in revenue for 1H FY2024, representing a 9.1% growth over the previous year underpinned by improved festive demand, higher exports and contribution from the food pillar, mainly gummy and chocolate segments. There is also additional one month of Cocoaland contribution (the acquisition of Cocoaland was completed on 4 November 2022).

F&B Malaysia's operating profit increased by 48.5% to RM176.1 million compared to the same period last year due to higher sales, better margin from lower input costs (except sugar, rice, gelatine and cocoa powder) and favourable country mix for exports.

Similarly, higher sales volume led F&B Thailand to record 13.0% (8.4% in constant currency) revenue growth to RM1,132.9 million for its 1H FY2024, mainly from the successful launch of new product pack size in Q1 FY2024, higher exports to Indochina and other countries and aided by favourable forex translation. F&B Thailand's operating profit for 1H FY2024 also grew by 66.3% (59.5% in constant currency) to RM242.7 million, due to higher volume, favourable commodity prices and savings from logistics.

Discussing F&NHB's results, Lim Yew Hoe, Chief Executive Officer of F&NHB, credited the Group's performance to strategic decisions taken over the past few years, to sustain growth in its existing food & beverage sector while assimilating new ventures and embarking its integrated dairy division. He emphasised this as evidence of F&NHB's adaptability and resilience, qualities pivotal for sustained growth and expanding market presence.

"Despite challenging market conditions, our strategic choices have proven effective. Crucially, we regained volume growth in sales of our key products. Our investments in supply chain optimisation and solar PV system have also yielded long-term benefits in cost, and operational efficiencies and carbon footprint reduction," said Lim.

## KEY CORPORATE DEVELOPMENTS

“In addition to diversifying our product range, Halal Packaged Foods have been steadily contributing to the Group’s top and bottomline growth. As we continue our efforts in consolidating our packaged food manufacturing to leverage its synergies with the rest of the Group, we are also developing a confectionery hub that will further boost our packaged food portfolio and strengthen our exports,” added Lim.

The Group’s integrated dairy farm F&N AgriValley has finished the social impact study of the project, with land clearance and site preparation of the dairy barn site near completion. The team has also selected the first batch of dairy cattle on schedule to meet the farm’s first milking target date of early 2025.

In February this year, F&NHB announced plans to construct a manufacturing plant in Cambodia’s Suvannaphum Special Economic Zone, through an estimated investment of approximately US\$37.5 million (RM179.5 million) to strengthen the Group’s dairy product business via a new subsidiary, F&N Foods (Cambodia) Co., Ltd. This initiative encompasses leasing 32,200 square meters of land, constructing the facility, and acquiring machinery to produce sweetened beverage creamer. This strategic move aligns with the natural progression of the business, spurred by the success of exports to Cambodia.

“By localising operations in Cambodia, we aim to enhance our supply chain stability while also contributing to the local community through job creation. This expansion reflects our commitment towards sustainable growth and fostering positive socio-economic impact in the regions in which we operate,” commented Lim.

Lim also conveyed confidence in the Group’s financial strength and solid cash flow position. He highlighted the positive trajectory of economic recovery in Malaysia and Thailand, partially helped by the return of tourists.

Commenting on the Group’s 1H performance, Chairman of F&NHB, Y.A.M. Tengku Syed Badarudin Jamalullail, said, “At F&NHB, our success hinges on the trust our consumers place in our product. We are committed to reciprocating that trust by giving back to society, exemplified by our year-round engagements with the less fortunate.”

“During Chinese New Year and Ramadan in 2024, we reached out to no fewer than 3,000 families/beneficiaries through dozens of community activation, partnering various stakeholders, from government agencies, local community organisations, media to private entities. Most recently, during Hari Raya in 2024, we also added more joy to Malaysians on their *balik kampung* journey by distributing F&N beverages and Cocoland confectionery products at various highway rest stops to travellers driving home to celebrate Hari Raya with their families,” Tengku Syed Badarudin added.

## GOING FORWARD

“Given that performance in the first half of the year was heavily skewed to festive sales, we are mindful of performance in the second half,” said Lim.

Commenting on outlook for the year, Lim added, “We remain vigilant and adaptable to market shifts and wider geopolitical and macroeconomic movements. Although we have benefited from an overall improvement in commodity prices, we anticipate challenges with the rising costs of raw materials such as sugar, rice, gelatine and cocoa powder. Nevertheless, we have taken measures to address these challenges as these commodities are vital to our business.”

In line with the Group’s performance, the Board declared an interim single-tier dividend of 30 sen per share (2023: 27.0 sen) for the financial year ending 30 September 2024. This dividend amounting to approximately RM110.0 million will be paid on 31 May 2024.

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## 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 manufacture, sales and marketing of beverage, dairy and food products. With a rich heritage spanning 140 years, F&NHB is today synonymous with quality and halal products that are trusted by generations.

F&NHB boasts a portfolio of brands which 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; as well as NONA brand of ketupat and sauces. The Group’s subsidiary, Cocoland, is also the largest gummy candy producer in Malaysia with its flagship Lot 100 brand.

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](http://www.fn.com.my).

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