

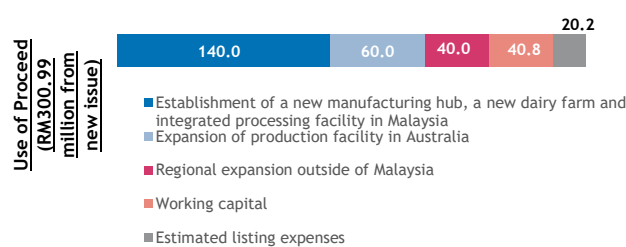


**FARM FRESH BERHAD (5306)**

MAIN MARKET | 22 MARCH 2022 | CONSUMER PRODUCTS & SERVICES

**IPO STATISTICS**

IPO Price (RM)	Retail price: RM1.35 Institutional price to be determined by bookbuilding
Fund Raised (RM million) <i>Based on retail price of RM1.35</i>	300.99 from new issue 702.31 from offer for sale <b>Total: 1,003.3</b>
Enlarged issued share capital upon listing (million shares)	1,857.95
IPO Market Capitalisation (RM million) <i>Based on retail price of RM1.35</i>	2,508.2
Adjusted Price Earnings Ratio (PER) <i>Exclude additional tax expense and penalty of RM25.7 million and reverse of RM10.5 million of tax expense</i>	34.6X



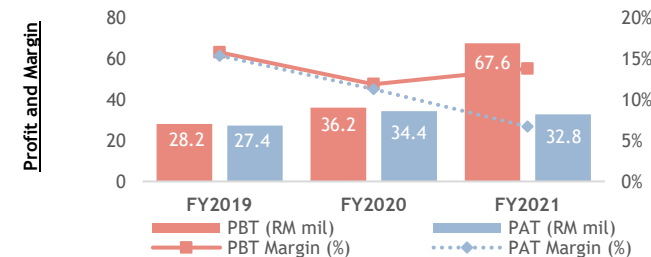
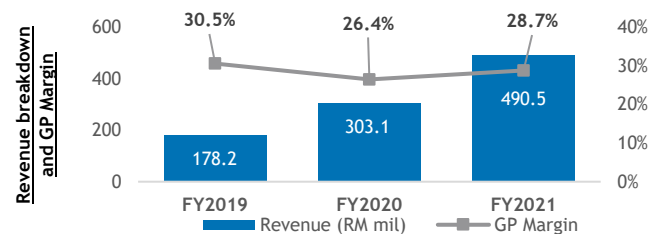
**BUSINESS OVERVIEW**

<b>Business Activities</b>	<p>Farm Fresh Berhad is a fast-growing, vertically integrated dairy group engaged in the business of farming, manufacturing, and distributing various dairy products and plant-based products. The Group operates five dairy farms in Malaysia and one dairy farm in Australia across an aggregate of about 5,400 acres of land, with a total herd size of around 9,960 dairy cows and bulls.</p> <p>Farm Fresh also owns and operates two processing facilities in Malaysia, with the capacity to produce around 137.0 million litres of finished goods annually, and one processing facility in Australia, with the capacity to produce around 84.0 million litres of processed milk annually.</p> <p>The Group has a diverse product portfolio, with 135 stock keeping units (SKUs) spanning multiple product segments such as chilled ready-to-drink (RTD) milk products, ultra-high temperature processing (UHT)/ambient RTD products, plant-based products, yoghurt products and fruit jam and sauces. Products are distributed across multi-channel distribution network</p>	<b>Competitive Strength</b>	<ul style="list-style-type: none"> <li>One of the largest and fastest growing players in the Malaysian dairy industry - second largest player in RTD milk category and third-largest player in the yoghurt category</li> <li>Attractive and diversified portfolio of proprietary brands- all 135 SKUs produced in-house and marketed under widely recognized brands such as Farm Fresh, Master Barista, Henry Jones, Yarra Farm and Nubian Goat's Milk. Also, first to introduce the following products in Malaysia: Kurma (palm dates) RTD milk in 2016; Lactose-free RTD milk in 2018; A2 Organic Milk in 2021; Oat and Almond milk in 2020; Banana flavoured milk in 2021</li> <li>Vertically integrated "grass-to-glass" model providing operational benefits - Malaysia's largest integrated producer of dairy products made from fresh raw milk</li> <li>Gene bank ownership and notable farm management and animal husbandry practices</li> <li>Multi-channel distribution network</li> <li>Strong and experienced management team with significant emphasis on environmental, social and governance (ESG) initiatives</li> </ul>
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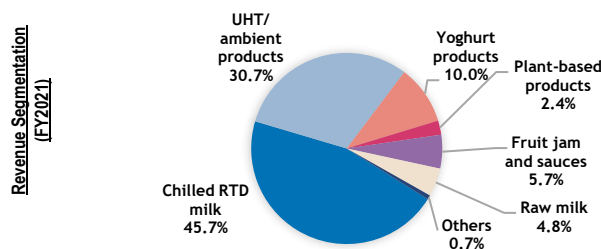
**GROWTH STRATEGIES AND FUTURE PLANS**

- Expand capabilities across value chain in Malaysia
- Continue to develop and grow product portfolio
- Regional expansion outside of Malaysia - increase production capabilities in Australia, potentially venture into Indonesia, Hong Kong

**FINANCIAL PERFORMANCE & PEER ANALYSIS**



Note: Lower PAT margin in FY2021 due to additional tax payable and penalty of RM25.7 million



UHT: Ultra-high temperature processing; RTD: Ready to drink

Company	PAT Margin (%)	PER (x)
Dutch Lady Milk Industries Berhad	8.2	22.1
Nestle (Malaysia) Berhad	9.9	56.1
<b>Farm Fresh</b>	<b>14.1</b>	<b>34.6</b>

\* Peers listed on Bursa Malaysia as identified in the Independent Market Research Report. PAT margin based on prospectus and company announcements. Trailing 12 month PER data from Bloomberg and company announcement at time of research except for Farm Fresh at IPO. Dutch Lady's PAT margin and PER exclude gain from land disposal of RM154.7 million. Farm Fresh's adjusted PAT margin and PER exclude additional tax expense and penalty of RM25.7 million and reverse of RM10.5 million of tax expense

**PROMOTERS & SUBSTANTIAL SHAREHOLDERS**

Promoter/ Substantial Shareholder	Designation	Shareholding after IPO	
		Direct	Indirect
Loi Tuan Ee	Promoter and substantial shareholder. Non-Independent Executive Director, Group Managing Director, Group Chief Executive Officer	*	45.73%
Rainforest Capital Sdn Bhd	Promoter and substantial shareholder. Investment holding.	31.33%	-
Farmchoice Foods Sdn Bhd	Promoter and substantial shareholder. Investment holding.	14.39%	-
Agrifood Resources Holdings Sdn Bhd	Substantial shareholder. Strategic investment holding.	13.00%	-
Khazanah Nasional Berhad	Substantial shareholder. Owned by Minister of Finance Incorporated	-	13.00%
Loi Foon Kion	Substantial shareholder. Non-Independent Non-Executive Director	-	31.33%

Assuming over-allotment option is not exercised. \* Less than 0.01%

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