FGV Reports Higher Profit Before Tax for Q2 FY2025

Kuala Lumpur, 27 August 2025 – FGV Holdings Berhad (FGV) recorded a 48 percent increase in its Profit Before Tax (PBT) for the second quarter ended 30 June 2025 (Q2 FY2025), rising to RM209 million compared to RM141 million registered in the same period last year, supported mainly by stronger results in the Plantation Division.

The Group's Operating Profit (before fair value changes in Land Lease Agreement (LLA) and impairment), increased to RM341 million from RM239 million in the previous year, while Profit After Tax & Minority Interests (PATAMI) stood at RM137 million against RM86 million in the corresponding quarter of the previous year.

Revenue improved 5 percent to RM5.79 billion, supported by a higher average Crude Palm Oil (CPO) price realised of RM4,218 per MT compared to RM4,103 per MT in the same quarter last year. At the same time, contributions from certain downstream businesses were softer, particularly in the Oils and Fats Division.

"Our performance this quarter reflects FGV's resilience and ability to adapt in a challenging environment. We are steadily progressing in strengthening our core businesses while building new growth pathways that will position FGV for the future. This balance between stability and transformation allows us to advance our immediate priorities while staying focused on long-term ambitions," said Fakhrunniam Othman, Group Chief Executive Officer of FGV.

Plantation Division

The Division posted a higher profit of RM157 million compared to RM101 million last year, supported by higher Fresh Fruit Bunch (FFB) production at 1.13 million MT versus 0.96 million MT, leading to improved yield of 4.45 MT per hectare from 3.76 MT per hectare previously. Estate operational costs declined by 21 percent, while the oil extraction rate (OER) was slightly lower at 20.09 percent against 20.48 percent last year.

Total FFB received increased by 5 percent driven by higher contributions from both FGV estates and FELDA settlers rising from 3.66 million MT to 3.85 million MT. In total, 1.12 million MT (29 percent) were produced internally, 1.10 million MT (29 percent) were sourced from third parties, and the remaining 1.63 million MT (42 percent) were received from FELDA settlers.

Meanwhile, the rubber segment posted higher losses due to weaker sales volumes, price mismatches and shipment delays, alongside an impairment of RM8.60 million for loss making factories. The fertiliser business margins were also compressed by higher raw material costs, coupled with lower average selling prices. The fair value charge on the LLA rose to RM131.84 million from RM66.68 million in the previous year.

Oils and Fats Division

The Division posted a profit of RM46 million, reflecting narrower trading margins in bulk commodity segment, while the chemical segment was also affected by oleochemical and biodiesel sales volume following softer demand. In contrast, the edible oil segment performed positively with stronger margins and sales volume, while share of results from joint ventures improved to RM15.91 million from RM0.28 million previously.

Logistics and Support Division

The Division reported a higher profit increase to RM45 million, up from RM38 million, aided by a RM12 million reversal of impairment of receivables in the IT segment. Excluding this reversal, the division profit was lower due to a 14 percent decline in the Logistics segment, attributable to lower handling rates in bulking operations and higher transport operation costs, despite an increase in tonnage handled.

Sugar Division

The Division's loss narrowed to RM21 million from RM30 million in the same quarter last year. The reduced loss was driven by higher margins and better capacity utilisation, despite a decline in revenue due to a lower average selling price.

Consumer Products Division

The Division recorded a reduced loss of RM7 million, compared to RM21 million in the corresponding quarter of the previous year, supported by improved margins and government subsidies for bottled cooking oil. Meanwhile, the Integrated Farming and Dairy segments continued to face revenue pressures, margin compression and an impairment of non-financial assets of RM2.44 million in the Dairy segment.

Moving Forward for the Business

CPO price is expected to remain stable, supported by improved production from favourable weather and seasonally higher cropping cycles. Export demand is expected to remain steady given CPO's competitive pricing relative to other edible oils. Nevertheless, the outlook remains subject to volatility from geopolitical tensions, trade tariffs and policy changes.

FGV anticipates stronger FFB production in the second half of the year and will continue to prioritise operational excellence, expanding value-added offerings, strengthening market presence, and enhancing both capacity and supply chain efficiency.

Strengthening Strategic Alignment with FELDA

The Group will be officially delisted from the Main Market of Bursa Malaysia Securities Berhad starting 28 August 2025, a strategic move that will enable greater agility, closer alignment with its major shareholder, the Federal Land Development Authority (FELDA), and enhanced focus on its role as a leading agri-business and Malaysia's food company.

"As we enter this next chapter, we will focus on three priorities: productivity, growth and people. Productivity means fulfilling our 2025 commitments through operational excellence and strong agricultural practices. Growth will be driven by product diversification, market development, circular economy, strategic collaborations, digitalisation and our energy transition journey. Most importantly, people remain at the heart of FGV. Unity of purpose, shared alignment and a culture of resilience will define our success. Together with FELDA, we are committed to building on our legacy and delivering long-term value for our stakeholders," Fakhrunniam said.

(9th from left) Fakhrunniam Othman, Group Chief Executive Officer of FGV in a group photo with FGV senior management and talents.

FGV also reaffirms that integrity, governance, and transparency will remain central to its transformation journey. The Group's current operations, stakeholder commitments, and community-focused initiatives will continue seamlessly, with no disruption to business activities. These commitments will remain anchored on the principles of value creation, sustainability, transformation and innovation, and shared prosperity.