

# FGV HOLDINGS BERHAD

**Analyst Briefing for Quarter Ended  
31 March 2025**

Wednesday, 28 May 2025  
4.30 PM – 5.30 PM



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## What's Inside

- 1 Market Overview
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- 4 Moving Forward



# Leadership Team



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**Group Chief Executive  
Officer (GCEO)**



**Dato' Mohd Hairul  
Abdul Hamid**

**Group Chief Financial  
Officer & OIC of the  
Group Strategy Division**



**Borhan Bachi**

**Group Director,  
Plantation Division**



**Zulkifli Othman**

**Group Director,  
Oils & Fats Division**



**Syed Faizal Syed  
Mohammad**

**GCEO of MSM  
Malaysia Holdings  
Berhad**



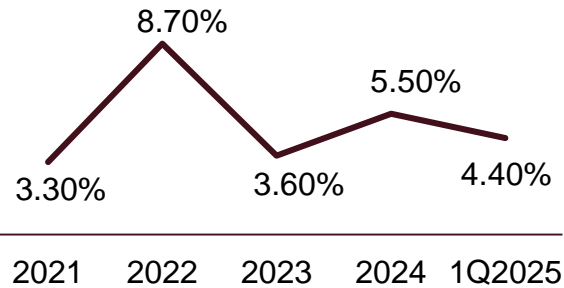
**Kamaradin Selamat**

**Group Director,  
Logistics & Support  
Division**

# Market Overview

## Quarter Highlights

### GDP Growth in Malaysia (%)

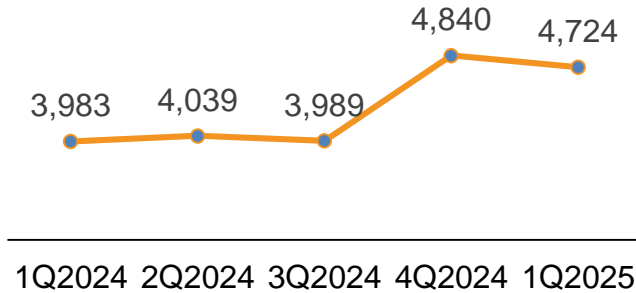


- As of 1Q2025, Malaysia recorded a GDP growth of 4.4% (2025: 4.5% - 5.5%), due to:

- Weaker global demand.
- Heightened geopolitical tensions.
- Stricter global trade restrictions.

Source: Bank Negara Malaysia, 16 May 2025

### Average CPO Price (RM/MT)

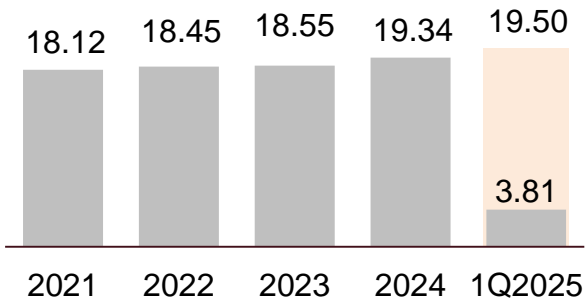


CPO prices are expected to soften due to:

- Seasonally higher cropping cycles.
- Improved weather conditions.
- Slower biodiesel uptake.
- Weaker commodity demand amid US–China trade tensions.

Source: MPOB

### Malaysia Palm Oil Production (mn MT)



- Palm oil production for 2025 is projected to reach 19.5 mn MT.
- As of 1Q2025, weaker palm oil production (1Q2024: 4.05 mn MT) due to:

- Seasonal low output.
- Persistent heavy rainfall.

Source: MPOB

### Indonesia Levy

- Levy raised from 7.5% to 10% of the government-set reference price for CPO.
- It is used to support the B40 biodiesel programme, which mandates a 40% palm oil blend in diesel fuel.

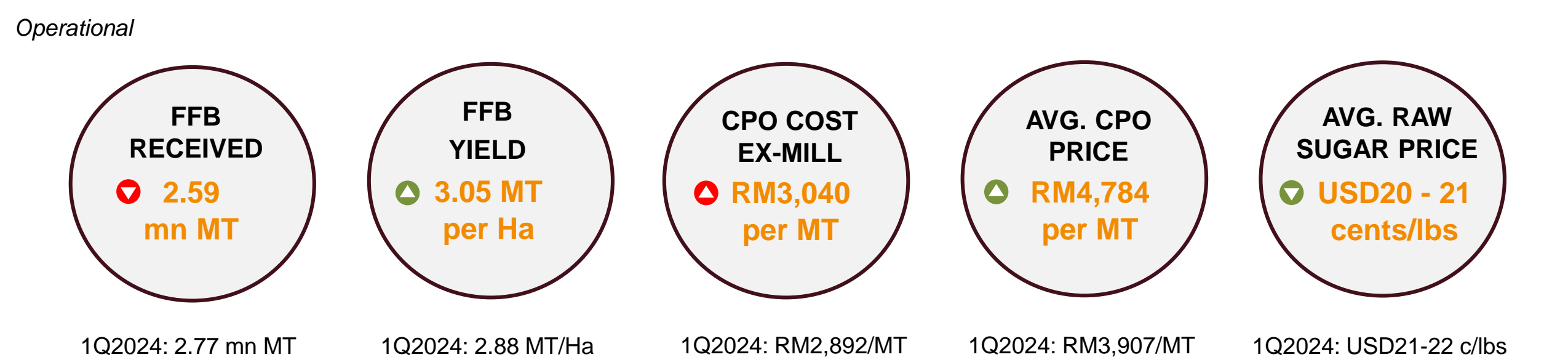
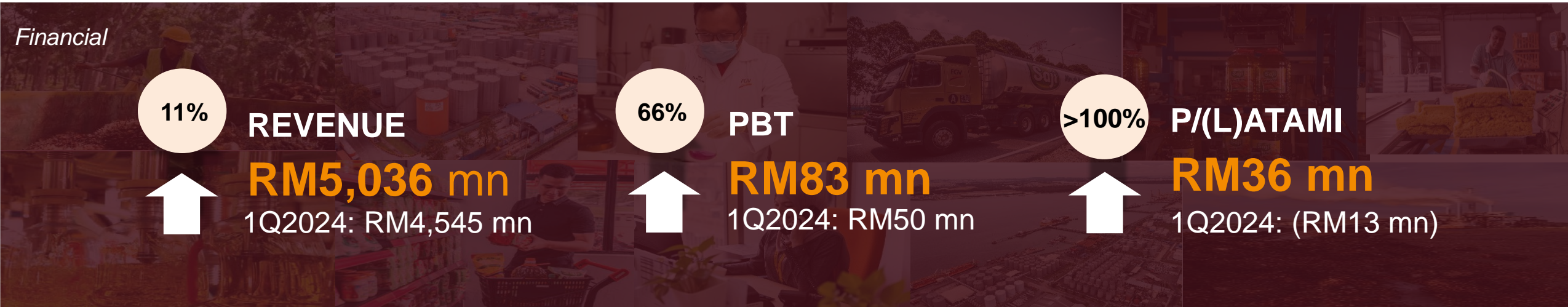
### Benefits to Malaysia:

- Enhanced export competitiveness.
- Support for higher CPO prices.
- Improved margins for Malaysian refiners.

Source: The Edge Malaysia

# 1 Snapshots of Financial and Operational Results

Steady Progress Amid a Challenging Market Landscape



## 1Q2025 Financial Highlight

*Operating profit increased to RM214 mn, driven by stronger FFB yield, despite lower contribution from the Sugar Division and a loss in the Oils and Fats Division.*

Key contributors to higher operating profit:

- CPO price realised increased by 22%, reaching RM4,784 per MT.
- FFB yield improved by 6% to 3.05 MT/Ha.
- 2% increase in bulking throughput and higher contribution from the IT segment.
- Reduced losses in the Consumer Products (CP) Division.

However, profit was impacted by:

- Lower contribution from the Sugar Division due to a decline in ASP and export sales volume.
- Losses in the Oils and Fats Division, affected by weaker demand and reduced oil margin.

Income Statement (RM mn)	1Q2025	1Q2024	Var. (%)	
<b>Revenue</b>	<b>5,036</b>	4,545	11	▲
<b>Operating profit (OP)</b>	<b>214</b>	164	30	▲
Fair value charge in LLA	(116)	(86)	35	▲
Impairment (net)	(8)	(11)	(27)	▼
<b>EBIT</b>	<b>90</b>	67	34	▲
Finance costs (net)	(23)	(20)	(15)	▲
Share of results - Assoc & JV	16	3	>100	▲
<b>PBT</b>	<b>83</b>	50	66	▲
Zakat	-	-	-	
Taxation	(36)	(47)	(23)	▼
<b>PAT</b>	<b>47</b>	3	>100	▲
<b>P/(L)ATAMI</b>	<b>36</b>	(13)	>100	▲

Operating Profit (RM mn)	1Q2025	1Q2024	Var. (%)	
Plantation	<b>168</b>	34	>100	▲
Oils & Fats	(22)	25	>(100)	▼
Sugar	<b>23</b>	75	(69)	▼
Logistics & Support	<b>33</b>	30	10	▲
Consumer Products	(4)	(9)	(56)	▲
Others	<b>16</b>	9	77	▲
<b>Total</b>	<b>214</b>	164	30	▲

## 2 Key Financial Highlights

As at 31 March 2025

	31 March 2025	31 December 2024
Cash and Cash Equivalents (RM mn)	1,239	1,728
Total Borrowings without LLA (RM mn)	3,880	3,748
Liquidity Ratio (times)	1.15	1.19
Gearing Ratio* (%)	52	49

\*This excludes LLA liability.



## 2 Plantation Division

### Financial Highlights

#### Estate and Mills

(RM mn)	1Q 2025	1Q 2024	Var. (%)	
Revenue*	1,064	849	25	▲
PBT	34	(65)	>100	▲

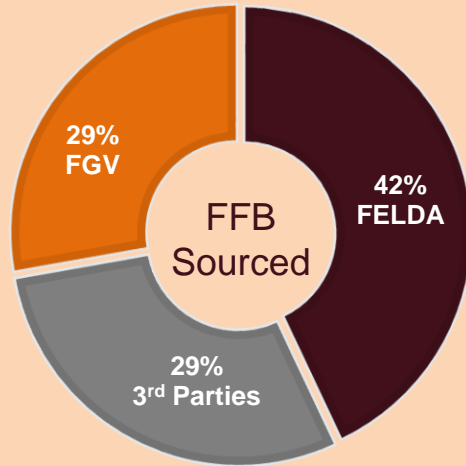
#### R&D (Agri Services and Fertiliser)

(RM mn)	1Q 2025	1Q 2024	Var. (%)	
Revenue*	327	337	(3)	▼
P/(L)BT	21	9	>100	▲

\* Gross Revenue

### PROFIT IMPROVED, BACKED BY STRONG UPSTREAM AND FERTILISER PERFORMANCE.

- The increase in profit was mainly supported by:
  - A 6% increase in FFB yield to 3.05 MT/Ha.
  - A 24% rise in FFB prices.
- However, CPO cost ex-mill rose by 5%, due to higher harvesting, transportation, and manuring costs.
- Additionally, profit margins for all fertiliser products improved significantly, driven by favourable raw material costs and a 10% increase in fertiliser sales volume.



#### FFB Received

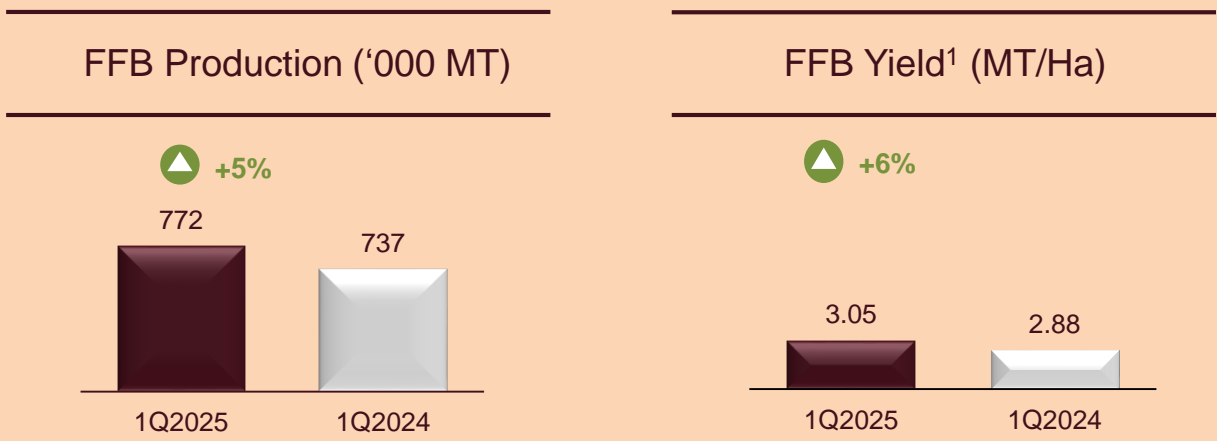
('000 MT)	1Q 2025	1Q 2024	Var. (%)	
FELDA Settlers	1,077	1,235	(13)	▼
3 <sup>rd</sup> Parties	754	806	(6)	▼
FGV	763	730	4	▲
<b>Total FFB Received</b>	<b>2,593</b>	<b>2,771</b>	<b>(6)</b>	<b>▼</b>

#### TOTAL FFB RECEIVED DECREASED BY 6% DUE TO FEWER CROPS FROM EXTERNAL SOURCES.

- Lower FFB received from FELDA settlers by 13% while receipts from third parties declined by 6%, due to intense market competition during the low crop season.
- Increased FFB received internally due to continuous Plantation Transformation Plan (PTP) approach/efforts. Higher FFB output in FGV (Q1 2025) also contributed through better performance in manuring program 2024 which resulted in an incremental of average bunch weight (ABW).

## 2 Plantation Division

### Operational Highlights: Internal FFB Only



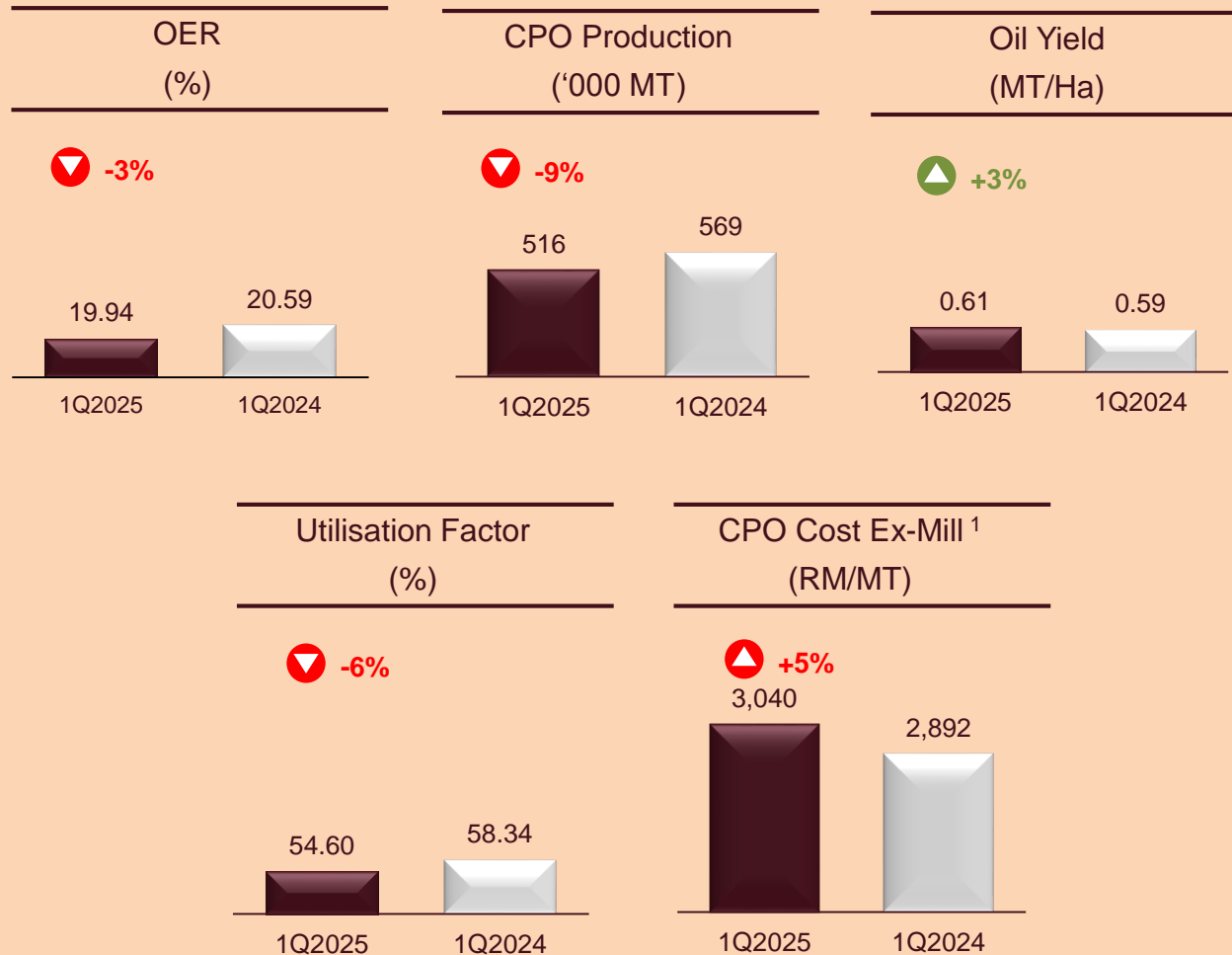
	1Q 2025	1Q 2024	Var. (%)	
Labour Strength <sup>2</sup> (%)	95	91	4	▲
Replanting (Ha)	1,777	3,699	(52)	▼
Fertiliser Applied <sup>3</sup> (MT)	52,595	37,527	40	▲
Estate cost (RM/MT)	538	539	(0.2)	▼

<sup>1</sup> Based on mature area of 253,120 Ha  
<sup>2</sup> Operational labour only (requirement 1Q2025: 32,731, 1Q2024: 32,294)  
<sup>3</sup> Mature area only

- FFB production and yield improved, supported by enhanced estate practices and better labour availability.
- Labour strength rose to 95%, driven by intensified recruitment efforts and improved labour availability in Sabah and Sarawak.
- 12% of the replanting programme was completed, with progress moderated by additional measures to control diseases and enhance water management at replanting sites (Planting: 1,777 Ha).
- Applied 52,959 MT of fertiliser, a 40% higher compared to 1Q2024. To date, 20% of the 2025 fertiliser target has been achieved.

## 2 Plantation Division

### Operational Highlights: Internal and External FFB



- OER fell by 3%, attributed to the quality of FFB received. Nevertheless, OER remained above the industry average of 19.24%.
- CPO production dropped by 9%, in line with lower FFB received. UF also decreased by 6%.
- CPO cost ex-mill increased by 5%, driven by higher harvesting, transportation, and manuring costs.

<sup>1</sup> CPO cost ex-mill includes estate cost for internal FFB production and milling cost for the internal and external FFB processed



## 2 Oils & Fats Division

### Financial Highlights

#### Bulk Commodities

	1Q 2025	1Q 2024	Var. (%)	
Revenue (RM mn)	<b>2,388</b>	2,031	18	▲
(L)/PBT (RM mn)	<b>(36)</b>	23	>(100)	▼
Average CPO Price (RM/MT)	<b>4,784</b>	3,907	22	▲
Average PK Price (RM/MT)	<b>3,506</b>	2,060	70	▲
CPO & PPO Sales Vol. ('000 MT)	<b>481</b>	503	(4)	▼
PK Sales Vol. ('000 MT)	<b>25</b>	24	4	▲

#### Chemicals & Edible Oils

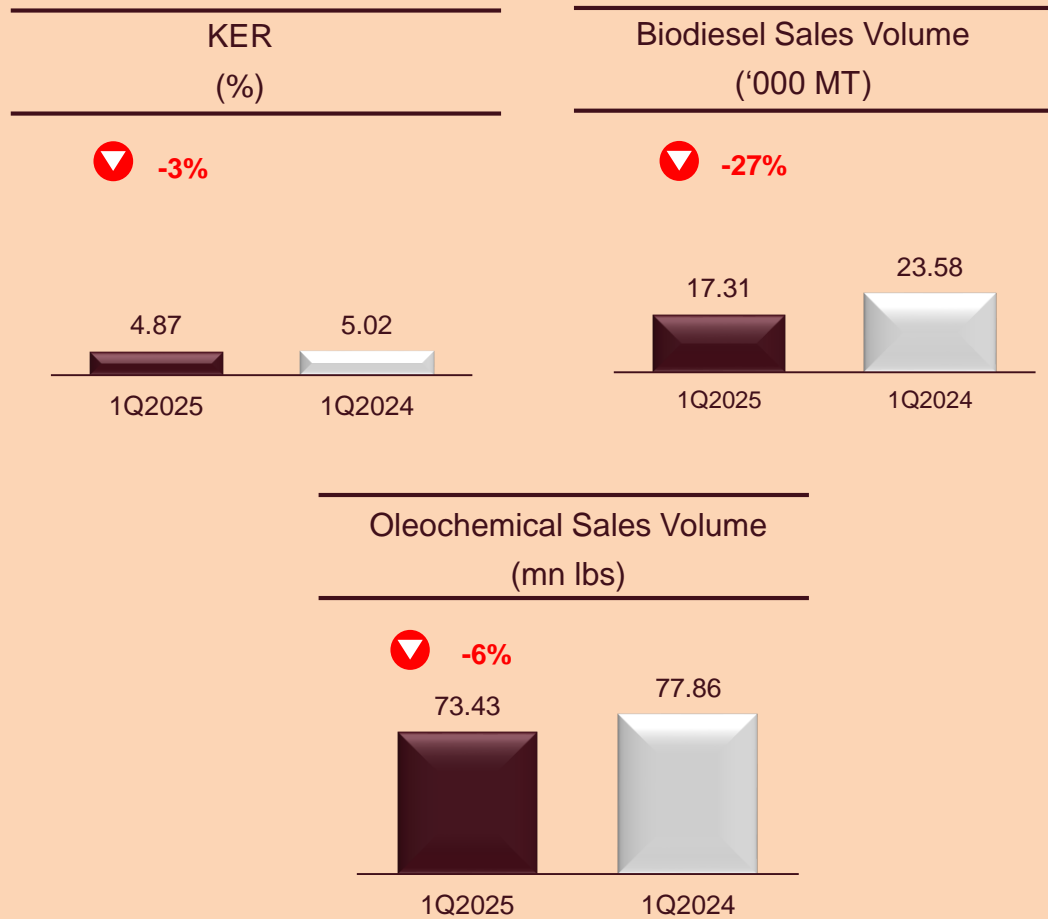
(RM mn)	1Q 2025	1Q 2024	Var. (%)	
Revenue	<b>855</b>	697	23	▲
PBT	<b>24</b>	3	>100	▲

#### PROFIT WAS IMPACTED BY LOWER DEMAND AND REDUCED MARGINS IN THE BULK COMMODITIES SEGMENT.

- Profit declined mainly due to:
  - Reduced sales volume.
  - Lower oil margins.
  - A 3% decline in KER.
- This impact was partially offset by stronger margins in the Chemicals segment, particularly from PME and crude glycerine.

# Oils & Fats Division

## Operational Highlights



- KER declined by 3%, driven by a lower nut-to-FFB ratio, which reduced kernel output.
- Biodiesel sales volume dropped by 27%, primarily due to weaker demand for diesel and refined glycerine.
- Oleochemical sales volume decreased by 6% due to the lower consumer demand across all market segments.

# Sugar Division

## Financial and Operational Highlights

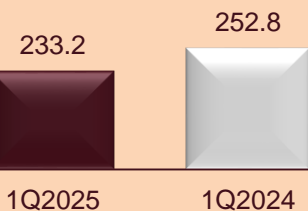
### Financial:

(RM mn)	1Q 2025	1Q 2024	Var. (%)
Revenue	749	907	(17) ▼
PBT	11	67	(84) ▼

### Operational:

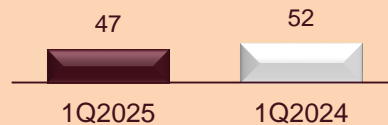
Sugar Sales Volume  
(‘000 MT)

▼ -8%



Utilisation Factor  
(%)

▼ -10%



### LOWER PROFIT DUE TO DECLINE IN ASP AND SALES VOLUME.

- Profit was impacted by:
  - A 10% decline in ASP.
  - An 8% drop in sales volume, mainly from the wholesale and export segments.
- This was partially mitigated by a 10% reduction in production cost, supported by favourable forex rates, lower NY11, and improved refining costs.
- Incentives for certain packed sugar products sold in the domestic market continued to be received.

### Operationally:

- The average UF stood at 47%, impacted by scheduled plant shutdowns at MSM Prai and MSM Johor for maintenance.

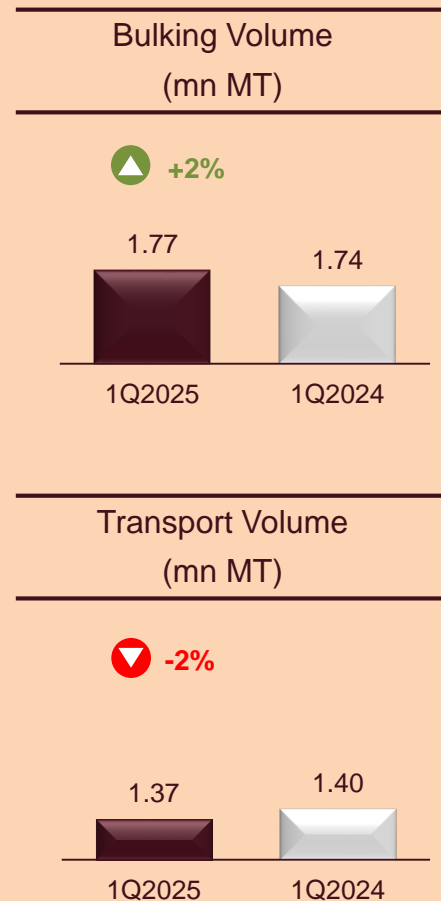
# Logistics & Support Division

## Financial and Operational Highlights

### Financial:

(RM mn)	1Q 2025	1Q 2024	Var. (%)
<b>Revenue</b>			
Bulking	69	67	3 ▲
Transport	65	64	2 ▲
Support (IT & Hospitality)	71	64	11 ▲
<b>PBT</b>			
Bulking	30	28	7 ▲
Transport	(3)	3	>(100) ▼
Support (IT & Hospitality)	5	2	>100 ▲

### Operational:



### LOWER PROFIT DUE TO REDUCED TONNAGE CARRIED, BUT PARTIALLY OFFSET BY HIGHER THROUGHPUT.

- Profit was impacted by the following factors:
  - Bulking segment:
    - Handling rate declined by 3%, despite a 2% increase in throughput.
    - The increase in throughput was driven by stronger demand from China and Indonesia, supported by the festive season and amid higher biodiesel consumption.
  - Transport segment:
    - Tonnage carried fell by 2% due to lower production of palm related products.



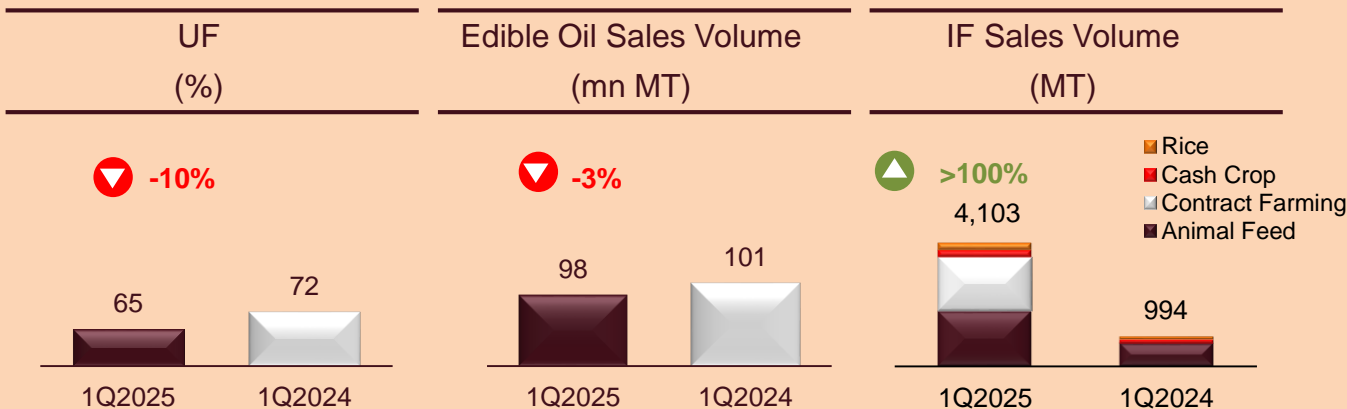
# Consumer Products Division

## Financial and Operational Highlights

### Financial:

(RM mn)	1Q 2025	1Q 2024	Var. (%)
<b>Revenue</b>			
DOP	527	466	13 ▲
Others	13	6	>100 ▲
<b>PBT</b>			
DOP	3	1	>100 ▲
Others	(9)	(10)	(10) ▼

### Operational:



### LOWER LOSSES, SUPPORTED BY IMPROVED MARGINS IN CONSUMER PRODUCTS AND HIGHER INTEGRATED FARMING VOLUME.

- Losses narrowed, driven by:
  - Improved margins in the local packed consumer segment, despite lower sales volume due to intense price competition in the domestic market.
  - Government subsidies for bottled cooking oil, helped cushion the impact of higher palm oil prices.
  - Higher sales volume in the Integrated Farming segment, particularly from animal feed, rice, cash crops, and contract farming.

# Business Highlights

## Economic

- Exported **11,000 MT of PKS** to Japan.
- Secured a **three-year contract renewal** with **Lembaga Tabung Haji** for the Hajj Baggage Project.
- Signed a **Memorandum of Collaboration (MOC) with MPOB** to:
  - Empower smallholders,
  - Ensure compliance with sustainability standards
  - Modernise the palm oil industry through technology.

## Domestic Market Shares

30.4%



54.1%



## Environment

- Introduced '*Kebun Angka*', a three-year programme that **helps smallholders adopt Good Agricultural Practices (GAP)**.
- Launched the **B100 Biodiesel Campaign** to support and strengthen the national biodiesel industry.
- Collaborated with **Malaysian Palm Oil Green Conservation Foundation and UKM** to study sustainable plantation management, including sunbears, elephants, and tapirs.

## Information Technology

Secured contracts totalling **RM11.9 mn** for:

- Upgrading Wi-Fi connectivity at higher education institutions
- Providing cybersecurity software for the Ministry of Education

## Social

### Back-To-School programmes:

- Provided school supplies and cash aid to 80 underprivileged students under Saji Seikhas Hati.
- Sponsored RM2.25 mn to 15,000 Year 1 students, especially the children of FELDA settlers nationwide.



- Celebrated **Saji's 25<sup>th</sup> anniversary** under the theme "*SAJI 25 Tahun Selamanya di Hati*".



# 3 Sustainability Updates

WRO updates as of 1Q2025

**FGV remains committed to upholding labour rights and to taking the necessary steps to modify the WRO.**

## EFFORTS IN IMPROVING LABOUR PRACTICES



### Workers' Housing

- No. of workers' housing upgraded in 2024: **1,210 units**
- No. of workers' new housing constructed in 2024: **98 units**

### Grievance Mechanism

- Third-party grievance channel 'Suara Kami' rolled out to all estates and mills.

## RECRUITMENT FEE REIMBURSEMENT



### Active Workers

- Scope: Migrant workers under FGV's employment as of 31 Dec 2022.
- No. of migrant workers reimbursed: **20,086**

### Former Workers

- Scope: Migrant workers recruited on or after 30 Sep 2018 but left FGV before 31 Dec 2022.
- No. of migrant workers reimbursed: **1,274**

## SUBMISSION OF PETITION TO CBP



- FGV submitted the petition to the United States Customs and Border Protection (CBP) on **30 June 2024** to modify the WRO.
- FGV continues to engage regularly with CBP and provide supplementary information, where necessary.
- On 12 May 2025, FGV had a meeting with CBP in Washington D.C. to provide further clarification on FGV's submission.

# Snapshot of Our Strategy



## PLANTATION

- Maximise Yield & OER through efficient crops recovery, GAP implementation & replanting.
- Mills efficiency through automation, and rationalisation.
- Commercialisation of by products, renewable energy.



## OILS AND FATS

- Market expansion for bulk oils in Asia, Middle East and West Africa.
- High-margin products like high IV oils, hard stearin & specialty fats.
- Strengthen SAJI cooking oil through promotion, distribution and pricing strategy.



## SUGAR

- Expand exports to China and ASEAN countries by targeting Small Medium Industries (SMI) and consumer segments.
- Increase UF, yield and energy efficiency through higher sales including value-added products



## LOGISTICS AND SUPPORT

- Bulking capacity expansion, premium products and cross-border investment.
- Penetrate premium transport, baggage handling and corporate hospitality.
- Tech collaboration leveraging on MyInvois and SAP S4-HANA.



## CORPORATE CENTRE

- Attract, develop and retain top talents, HR roadmaps to align with and support business execution.
- Prudent financial management, cost control and internalisation of work.
- Compliance with ethical labour practice and environmental standards.



## OTHERS

- Develop FCAV land through high impact and sustainable projects.
- Rationalise equity and streamline organisation structure.
- Optimisation of JVs from markets, products and returns standpoints.




# THANK YOU




## FGV Holdings Berhad

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# Movement In Land Lease Liability In FGVPM

RM million	Q1 2025	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024
At the start of the period	3,663.5	3,513.8	3,539.0	3,555.6	3,590.2	3,513.8
Total payments made during the period	(92.6)	(60.8)	(50.1)	(69.9)	(93.4)	(274.2)
Recurring income statement charges/(credits)	102.1	77.5	64.3	94.6	105.3	341.7
Total income statement charges/(credits) from revisions in projections	13.8	8.5	2.4	9.9	61.4	82.2
Total charges/(credits) to the income statement	115.9	86.0	66.7	104.5	166.7	423.9
Closing LLA liability balance	3,686.8	3,539.0	3,555.6	3,590.2	3,663.5	3,663.5

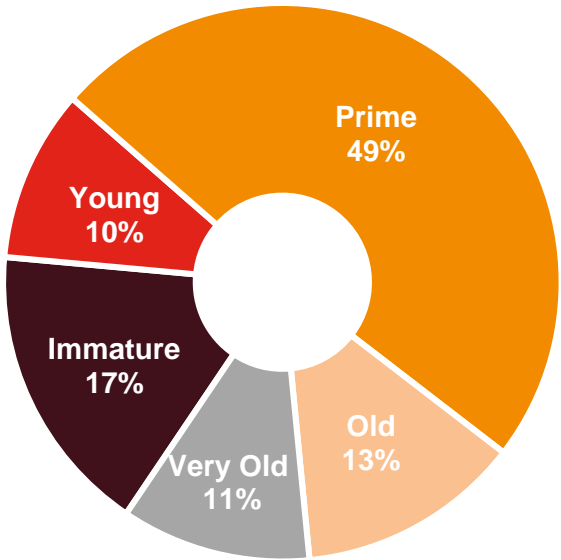
RM million	FY2025	FY2024
Unwinding of discounts	82.5	323.9
Under accrual for current quarter	19.6	17.8
Revisions in projections and other adjustments	13.8	82.2
Total charges to the Income Statement	115.9	423.9

# Oil Palm Area by Age Profile



FGV’s current age profile has improved with bigger prime area and reduction in old palm trees in 1Q2025.

**Total Planted Area :324,336 Ha**  
**Avg. Oil Palm Age Profile :13.2 years**



CATEGORY	AGE (YEAR)	FGV GROUP	
		Ha	%
IMMATURE	0 – 3	54,954.01	17%
YOUNG	4 – 6	32,874.75	10%
PRIME	7 – 18	158,610.44	49%
OLD	19 – 25	40,771.06	13%
VERY OLD	> 25	37,125.55	11%
TOTAL		324,336	100%

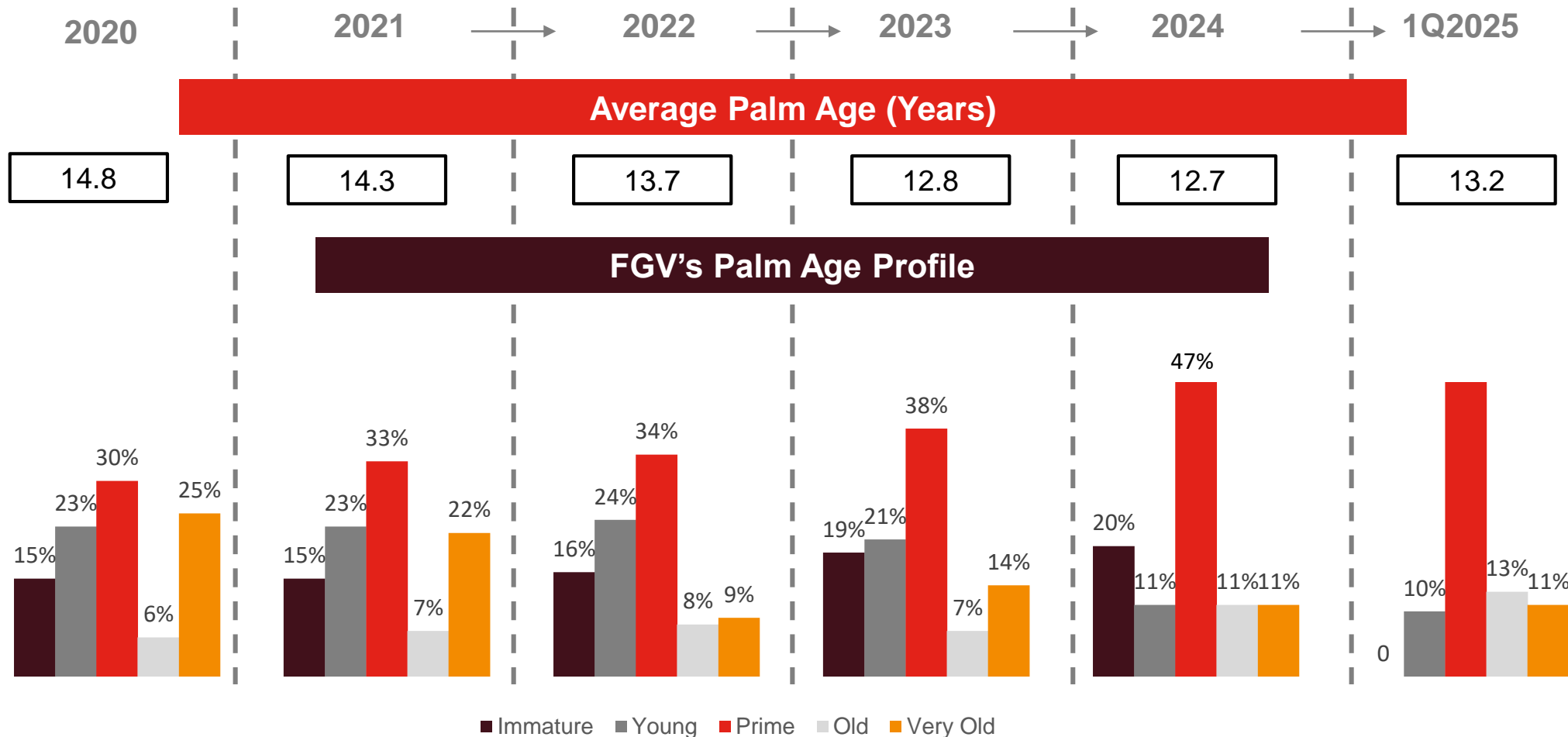
The Age Profile category follows industry range.

TOPOGRAPHY	TOTAL HECTARAGE (Ha)	%
FLAT	119,700.64	37
UNDULATING	95,981.39	30
HILLY	108,653.78	33

# Oil Palm Area by Age Profile



FGV's current age profile has improved with bigger prime area and reduction in old palm trees in 1Q2025.





# 1Q2025 Operational Highlights

	1Q2025	1Q2024
FFB Production ('000 MT)	772	737
FFB Yield (MT/Ha)	3.05	2.88
CPO Production ('000 MT)	516	569
PK Production ('000 MT)	121	135
OER (%)	19.94	20.59
KER (%)	4.87	5.02
Avg. PK Price (RM/MT)	3,506	2,060
Avg. CPO Price (RM/MT)	4,784	3,907
CPO Cost Ex-mill (RM/MT)	3,040	2,892
CPKO Sales Volume ('000 MT)	52	60
Oleochemical Sales Volume (mn Lbs)	74	78