**FOR IMMEDIATE RELEASE**

# FGV Maintains Profitability in Q1 FY2024 with Diversified Business Portfolio

**KUALA LUMPUR, 28 May 2024 –** FGV Holdings Berhad (FGV) navigated a challenging first quarter ended 31 March 2024 (Q1 FY2024), securing a Profit Before Tax (PBT) of RM50 million. This outcome highlights the value of the Group's diversified business portfolio as well as the strong performance in the Sugar Division that offsets pressures on palm product margins.

The Group reported an improved Operating Profit (*before fair value changes in Land Lease Agreement (LLA) and impairment*) of RM164 million compared to RM102 million in the same period last year.

The Group faced lower crude palm oil (CPO) margins and fresh fruit bunch (FFB) yield. Additionally, the Logistics and Support Division experienced a decrease in throughput for bulking and total tonnage for transport.

However, Sugar Division's strong performance significantly countered these challenges; benefited from an increase in Average Selling Price (ASP) and lower refining costs, as well as driven by a higher Utilisation Factor (UF) and lower gas prices. Additionally, the Oils and Fats Division saw improved margins, primarily attributed to increased contributions from Bulk commodities.

"FGV's performance in Q1 FY2024 highlights the effectiveness of our long-term strategy demonstrating the benefits of a diversified business portfolio. This reinforces our commitment to expanding market presence and pursuing new opportunities, enhancing operational efficiencies across our Plantation, Oils and Fats, Sugar, Logistics and Support, Consumer Products as well as Integrated Farming Divisions. We remain focused on developing responsible and sustainable practices that create long-term value for our shareholders," said Dato' Nazrul Mansor, Group Chief Executive Officer of FGV.

## Plantation Division

The Division registered a loss of RM62 million, primarily due to a significant increase in the fair value change on LLA, which rose to RM86 million. However, excluding this fair value change on LLA, the Division reported a profit of RM24 million.

The Division's performance was further influenced by a 10 percent reduction in FFB production to 0.74 million MT, leading to a slightly lower yield of 2.88 MT per hectare and a 3 percent increase in estate operational costs. Nevertheless, the oil extraction rate (OER) saw a notable improvement, increasing to 20.59 percent in the current quarter from 19.81 percent in the same quarter of the previous year.

Additionally, the Division's performance was cushioned by higher profits in the R&D segment, driven by higher margin in the fertiliser business along with an increase in its sales volume.

**Oils and Fats Division**

The Oils & Fats Division achieved a profit of RM27 million, significantly surpassing the RM5 million profit recorded in the same quarter last year. The increase was primarily driven by higher margins from Bulk commodities.

During the current quarter, the total amount of fresh fruit bunch (FFB) received decreased by 7 percent, totalling 2.77 million MT compared to 2.98 million MT in the same period last year. This decline aligns with the nationwide reduction in FFB production nationwide, largely due to adverse weather conditions affecting our suppliers. The Group's internal FFB decreased by 10 percent, from 0.81 million MT to 0.73 million MT, while the amount received from FELDA settlers dropped by 4 percent, from 1.28 million MT to 1.23 million MT. The amount received by third parties declined by 9 percent, from 0.89 million MT to 0.81 million MT recorded in the same quarter last year.

While the Division faced some challenges with decreased margin in edible oil and chemicals segments, it benefited from higher sales volume due to festive seasons demand.

**Logistics and Support Division**

The Logistic and Support Division reported reduced profit of RM33 million, primarily attributed to a reduced profit in the Logistic division, driven by a lower throughput in the bulking segment and lower tonnage carried in the transport segment. Bulking volume decreased by 7 percent to 1.74 million MT due to lower vegetable oil throughput caused by the duty differential against soft oil in India and the Red Sea crisis. Meanwhile, transport volume decreased by 6 percent to 1.40 million MT, primarily due to the lower tonnage of crude palm oil (CPO), FFB and palm kernel carried during the period.

**Sugar Division**

The Sugar Division reported an improvement in this quarter, registered a profit of RM67 million as compared to RM32 million loss in the corresponding quarter of the previous year. The profit was attributed to improved margin achieved, stemming from higher overall sales volume, increase in average selling price and incentives received for certain packed sugar sold in the domestic market.

**Going Forward**

FGV is advancing automation and mechanisation in plantations operations by utilising IoT and image recognition to reduce human intervention and improve decision-making. Innovative prototypes, such as mechanical crawlers for spraying and fertilising, are transforming labour-intensive tasks. Spearheaded by the Department of Automation and Digitalisation (DAD), the Group collaborates with industry leaders to develop high-tech digital ecosystems that boost productivity, efficiency, and sustainability.

"Evaluating our commodity-based company requires a long-term perspective. This approach is vital to understanding the impact of our operations on financial returns, sustainability efforts, social obligations and stakeholder expectations over time. Considering the challenges and opportunities we faced this past year, taking a long-term view is even more important to see the big picture ahead," Dato' Nazrul said.

He added, “Our business is anchored on the concept of linked prosperity, progressive social change by supporting FELDA settlers and independent smallholders. We also play a role in national food security by committing to providing quality and affordable food products through our various brands of consumer goods. We are delighted to announce our participation in the upcoming Hari Peneroka FELDA 2024 that will happen from 12-14 July at MAEPS, Serdang highlighting our various initiatives especially in championing the economic growth of our FELDA settlers.”

On the sustainability front, FGV has implemented various programmes to strengthen its labour practices, including aligning its policies and recruitment practices to international labour standards in efforts to uplift the Withhold Release Order (WRO) issued by the United States Customs and Border Protection (CBP). Looking forward, FGV plans to submit a petition to modify the WRO by end June 2024, further underscoring its dedication to global compliance and continuous improvement.

**ENDS**


**Media Enquiries**:

**Noor Syuhada Naziri**
syuhada.n@fgvholdings.com
+6017 295 6028

**Sallehin Mokhtar**
sallehin.m@fgvholdings.com
+6010 285 5197


---

**About FGV Holdings Berhad (FGV):**

*FGV Holdings Berhad (FGV) is a leading global agribusiness company based in Malaysia and is one of the largest producers of Crude Palm Oil (CPO) in the world. FGV's operations span across 7 countries in Asia, Middle East, North America and Europe are focused on six main sectors namely Plantation, Oil and Fats, Sugar, Consumer Products, Logistics & Support and Integrated Farming.*

*As the Group's core business, the Plantation Sector has an integrated palm value chain for upstream, processing and downstream activities. FGV also owns one of the largest vegetable oil tank & storage facilities in the world, and is a leading producer of refined sugar in Malaysia.*

*FGV embarked on aggressive integrated farming activities with business components of cash crops, paddy and rice, animal nutrition & protein, livestock and dairy farms. The Group is also a well-known FMCG player in the Malaysia with various consumer food product brands such as SAJI, ADELA GOLD, SERI PELANGI, GULA PRAI, LADANG'57 and BRIGHT COW.*

*With a workforce of more than 45,000, FGV aims to champion sustainable food and agricultural products to the world. For more information, watch FGV's corporate video on our social media pages namely Facebook, Instagram, TikTok, LinkedIn and YouTube, as well as our official website at www.fgvholdings.com.*