

# press release

## **Dutch Lady Milk Industries Berhad Posts Lower Third Quarter Revenue As Transition to Bandar Enstek Completed**

**PETALING JAYA, 19 November 2024:** Dutch Lady Milk Industries Berhad (DLMI), today announced its financial results for the third quarter ending September 30, 2024.

DLMI recorded a third-quarter revenue of RM355.5 million, marking a 4.6 percent decline from the corresponding quarter a year ago, largely attributed to the company's focus on successfully transitioning to its new state-of-the-art manufacturing hub in Bandar Enstek. This temporarily impacted the availability of products for sell-in to customers, while promotional campaigns drove higher sales in the same period last year. The availability of DLMI's core product range on shelves for consumers was not impacted.

DLMI Managing Director, Ramjeet Kaur Virik said that as part of the milestone transition, fully exiting its iconic legacy plant in Petaling Jaya, the company has streamlined its product portfolio; focusing resources on core high-quality, Halal dairy products for Malaysian consumers.

Operating profit before tax for the said quarter was RM21.8 million, a decrease of 16.5 percent from a year ago. Lower revenue and the mix of products sold affected DLMI's profitability. Although the company saw savings from lower dairy raw material prices, the Q3 financial results were also impacted by a loss on currency hedges due to the Ringgit's sharp rise against the US Dollar.

Ramjeet added that the lower profitability also factored in a RM13.2 million accelerated depreciation and one-off costs related to the construction and transition to Bandar Enstek.





"Our year-to-date operating cash flow is positive, yet lower than in the same period last year, mainly caused by changes in working capital. These adjustments are part of our strategy to support our transition," Ramjeet said, adding DLMI is very prudent in managing its cash position to ensure long-term sustainability of its core business.

She emphasised the Group's steadfast focus on cost and revenue management. This strategic focus enables DLMI to invest significantly in its brands, assets, and people, recognising that talent is critical to achieving the long-term goal of driving milk consumption in the country.

Meanwhile, DLMI continues with the construction of its new Distribution Centre, expected to be operational by mid-2025. This strategic expansion is a pivotal move that not only facilitates DLMI's continued growth but also opens up new opportunities to solidify its position as the leader in the Malaysian dairy industry. Innovations such as the recently launched Dutch Lady Sip & Seal Packs align with changing consumer preferences.

Ramjeet reiterated DLMI's commitment to collaborating with all business partners to provide consumers with high-quality, sustainable, and Halal dairy nutrition, in line with its purpose of 'Nourishing Our Planet and People in Every Stage of Life.' The Group will also continue supporting local dairy farmers to enhance the quantity and quality of locally sourced fresh milk, ensuring the nourishment of the Rakyat of Malaysia.

DLMI strives to make a positive and sustainable impact from grass to glass. We do this by prioritising the most material matters across the following seven focus areas: Better Nutrition, Better Packaging, Better Sourcing, Better Climate, Better People, Better Society and Better Governance. These initiatives demonstrate DLMI's dedication to producing our products sustainably and in balance with the planet.





#### **About Dutch Lady Milk Industries Berhad**

Incorporated in 1963, Dutch Lady Milk Industries Berhad (DLMI) is a leading dairy company in Malaysia. It is owned by one of the largest dairy cooperative companies in the world, Royal FrieslandCampina NV, a Dutch multinational dairy company. We were the first milk company to be listed on Bursa Malaysia in 1968, and the first to introduce Formulated Milk Powder for Children in Malaysia in 1988.

Staying true to our purpose of Nourishing Our Planet and People in Every Stage of Life, DLMI manufactures and sells a wide range of quality dairy products for the home and export market. Through a unique collaboration between FrieslandCampina and four international research teams/universities, we initiated the South East Asian Nutrition Surveys (SEANUTS) study in 2009, involving four countries – Malaysia, Indonesia, Vietnam and Thailand. SEANUTS is the largest and most extensive nutrition and health study ever done in South-East Asia, wherein 16,744 children up to 12 years old were surveyed over a four-year period. The follow-up SEANUTS II was conducted between 2019 – 2021 involving 14,000 children in the four countries. More information can be found at [www.dutchlady.com.my](http://www.dutchlady.com.my)

#### **About FrieslandCampina**

Every day, FrieslandCampina provides millions of consumers all over the world with food that is rich in valuable nutrients. With annual revenue of 11.3 billion euros, FrieslandCampina is one of the world's five largest dairy companies, supplying consumer and professional products, as well as ingredients and half-finished products to the food industry and the pharmaceutical sector around the world. FrieslandCampina has offices in 36 countries and 23,816 employees, and its products are available in more than 100 countries. The Company is fully owned by Zuivelcoöperatie FrieslandCampina U.A, with 17,413 member dairy farmers in the Netherlands, Germany and Belgium—making it one of the world's largest dairy cooperatives. For more information, please visit: [www.frieslandcampina.com](http://www.frieslandcampina.com)

#### **Issued by Dutch Lady Milk Industries Berhad**

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