



FrieslandCampina ^{nir}
nourishing by nature

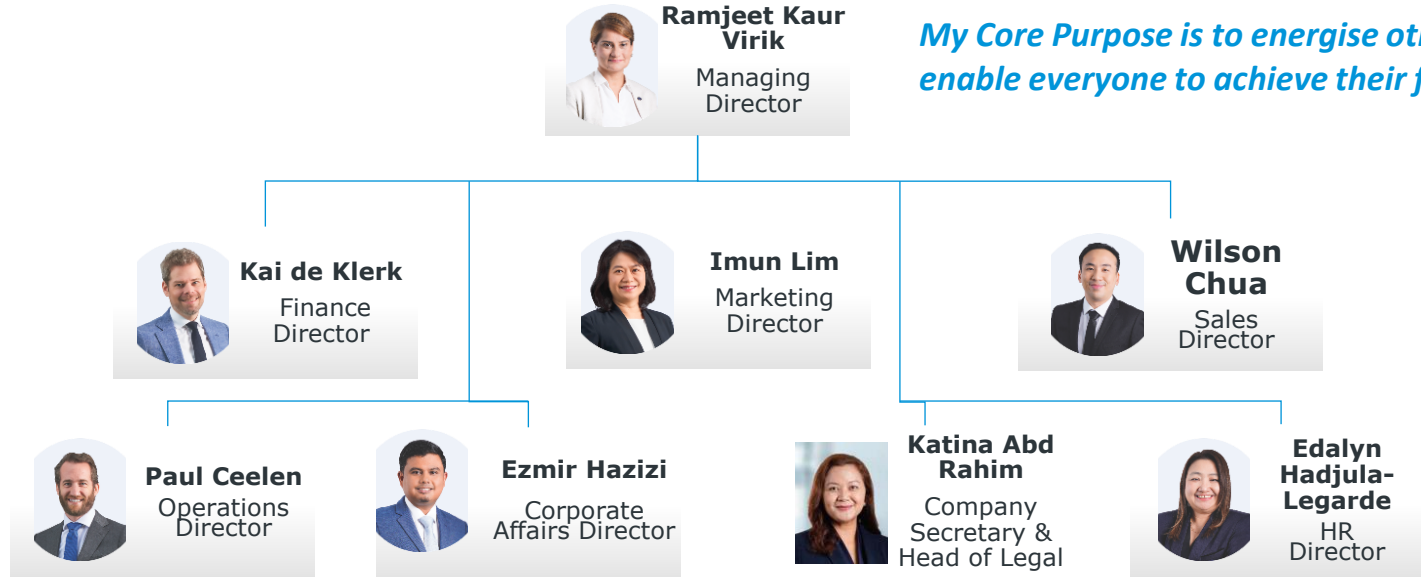
Welcome to DLMI

Dutch Lady Milk Industries Berhad
Investor Relations Call | 05 December 2024



Great diversity in DLMI (611 employees) reflecting culture of Malaysia

(Male: Female BOD 25:75, MT 50:50, Mgmt 47:53, Total 66:34)



Dutch Lady Milk Industries Berhad (DLMI): A Company With A Clear Purpose

“Nourishing Our Planet and People in Every Stage of Life”



1963

>60 years of established credibility



>50

Years implementing halal compliance system



RM1.4Bn
Net Sales Value

RM1.54Bn*
Market Cap



217mn

Packs distributed under school milk programme since 2011



largest purchaser of local fresh milk**



653

Farmers trained since 2013



Gender diversity (Male:Female)

66:34 Total
47:53 Mgmt population
56:44 Mgmt Team
25:75 Board of Dir



Packaging recyclability ***

CD - All:92.5%
SN- All:77.8%



* As reported for the year ending 31 Dec 2023

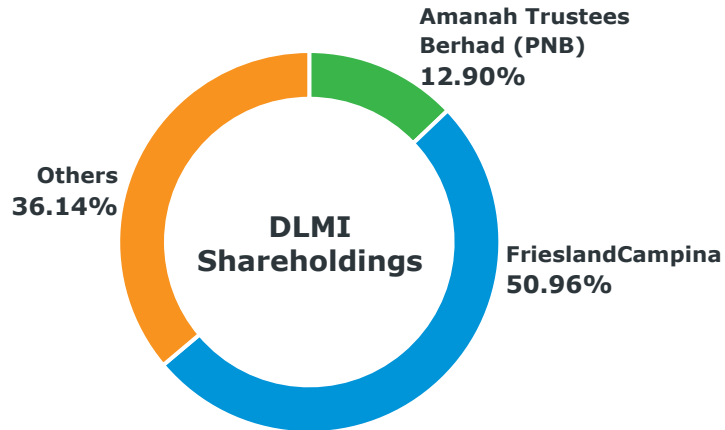
** From Department of Veterinary Services Malaysia Milk Collection Centre and Direct Farms in 2021

*** All Materials, includes primary, secondary and tertiary packaging

Dutch Lady Milk Industries Berhad (DLMI): Ownership Structure



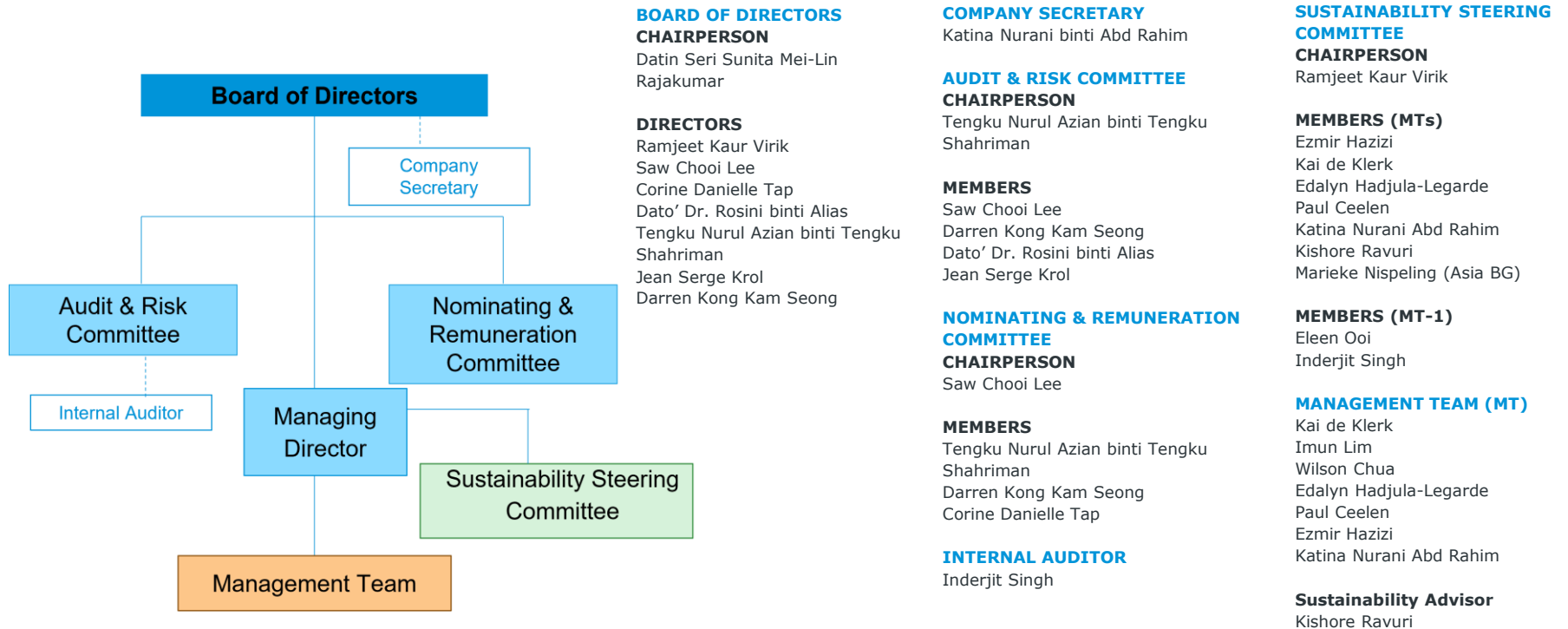
Royal FrieslandCampina N.V.



Shares outstanding	: RM64 Million
Share Price	: ~RM35.80
Market Cap	: ~RM2.3 Billion

**As of 24 June 2024*

Dutch Lady Milk Industries Berhad (DLMI): Governance Structure



PURPOSE



DUTCH LADY®

PURPOSE

Nourishing our Planet & People in Every Stage of Life



Susu Penun Krim



GUNA SEBELUM

DUTCH LADY®

PEOPLE



DUTCH LADY®

PERFORMANCE



Year	Dutch Lady	Farm Fresh	Goodday	Margari	IBSO
2014	37.0	10.8	17.1	10.0	10.0
2022	42.0	19.2	10.0	10.0	10.0



Friso®

POTENTIAL





70% of the world's malnourished children live in Asia*

MALAYSIA

Children below the age of 12

STUNTING

21.2%*

**UNDERWEIGHT
(HIDDEN HUNGER)**

15.3%*

**LACK OF
MICRONUTRIENTS****

84% (vitamin D)

70% (calcium)



*Source: NATIONAL HEALTH AND MORBIDITY SURVEY 2022 KEY FINDINGS

**Source: Poh BK, Wong JE, Lee ST, et al. Triple burden of malnutrition among Malaysian children aged 6 months to 12 years: Current findings from SEANUTS II Malaysia.

Our future is at risk...

1 (Malaysian Journal of Medicine and Health Sciences (2022) 18(4):10-18)

2 Ministry of Health Malaysia. (2016). *National Plan of Action for Nutrition of Malaysia (2016-2025)*. Available at: Ministry of Health Malaysia

3 (Ministry of Health, White Paper "Health and Learning Outcomes: Evidence from Malaysia, 2023)



**56% Cognitive
function**



**35% School
absenteeism**



**Physical
disabilities**

Committed to our Purpose
Nourishing Our Planet and People in Every Stage of Life












Nutrition Security



Nutrition Education

1 glass of milk gives you...



-  The calcium of 745g broccoli
-  The potassium of 1 small banana
-  The phosphorus of 3 slices of whole meal bread
-  The protein of 1 egg
-  The vitamin B₂ of 50g almonds
-  The vitamin B₁₂ of 50g beef
-  The iodine of 40g lean fish





At Dutch Lady, our mission is to
Nourish our Nation by growing
access of dairy nutrition

Fortified products



Access to nutrition



Leadership



Links with DLMI's Purpose and Ambition

Purpose Nourishing Our Nation

No#1 Nutrition Brand and a Leading Dairy Company in Malaysia

Make Life Happen

Diverse business as our strength

Through our broad portfolio of strong brands anchored in morning nutrition, we nourish children and families across life stages, and in doing so deliver profit for our company

Accessible nutrition and great taste

We ensure as many people have access to the goodness of our dairy portfolio, balancing affordability and nutrition and through excellent in market execution

In balance with our planet

We strive to produce our products sustainably and in balance with the planet while continuing to drive sustainability initiatives with our local partners

Results driven

We remain committed to continuously positioning DLMI as the top-performing dairy company in Malaysia

You make it possible

Our commitment to develop regional talent



PEOPLE



DUTCH LADY®

PURPOSE

Susu Penun Krim





GUNA SEBELUM

DUTCH LADY®

PEOPLE

People Growth
Business Growth




DUTCH LADY®

PERFORMANCE

Value Share (%)



Year	Dutch Lady	Farm Fresh	Goodday	Margalit	IBS
2011	10.8	17.1	10.2	10.2	10.2
2022	42.0	36.6	10.2	10.2	10.2



Frisko®

POTENTIAL



People & Culture Priorities | in keeping with global focus areas and local agenda on wellbeing, growth, leadership and critical capability building

**Diversity
and
Inclusion**

**Organizational Change
Management,
Communication, and
Engagement**

**Social sustainability:
Strengthening the
positive & inclusive work
environment (D&I)**

**Wellbeing
and
Growth**

**Career & Development
(PDP) Cascade for non-
managers & Succession
Pipeline**

**Future Skills Development
(Incl. ACE and Big Blue)
Line Manager Leadership**

**Employee
Experience**

**Primary Processes (in
Employee Journey) and
Compliance**

**EVP to enhance employer
branding, talent attraction
and retention**



DLMI's Commitment to People as Catalysts of Performance & Growth

Well-Positioned one of the Top Employers of Malaysia



A **global authority** that enables organizations to **assess and improve the workplace environment.**

Assessment of **20 Topics & 350 People Best Practices** helping to prioritise changes beyond processes, controls and operations.

- 1. Business Strategy
- 2. **People Strategy**
- 3. Leadership
- 4. Organisation & Change
- 5. **Digital HR**
- 6. **Work Environment**
- 7. Employer Branding
- 8. Talent Acquisition
- 9. Onboarding
- 10. Performance
- 11. Career
- 12. Learning
- 13. Well-being
- 14. Employee Listening
- 15. Rewards & Recognition
- 16. Offboarding
- 17. Purpose & Values
- 18. Ethics & Integrity
- 19. Diversity, Equity & Inclusion
- 20. Sustainability



70% of the assessment topics highlighted in BLUE are critical for **"Better People"** focus area of DLMI's Sustainability 2030 Roadmap

2023

...assessed & placed in the **2nd Quartile** reinforcing our commitment to achieve excellence in people practices

2024

...assessed & placed in the **1st Quartile** within our peer group strengthening our leadership, people strategy, work environment, employee listening, performance and DEI

2030

...with continuous improvement achieve **Top Quartile Score** by focusing on employee experience, well-being and growth and DEI.



PERFORMANCE: COMMERCIAL



DLMI's Diverse Portfolio driving RM1.4Bn Revenue

Professional (FC-P)



Dutch Lady Consumer Dairy (DL Liquid Milk)



Friso Infant Follow-on Toddler (IFT)



Dutch Lady Infant Follow- on Toddler (DL IFT)



2024: Year of Transition

Lead in Market



Continue to lead in the dairy market across categories despite transition – Share improvement in DL IFT

Delivering Profitable Growth



Operating Profit & Net Profit Growth

Winning in 2024



Big Blue/Enstek Launch & Transition



Launched on 30 May 2024

Sustainability in Action



Sustainability Roadmaps implementation, aligned with external reporting requirements and FC / BG focus areas

We continue to WIN the Hearts & Minds of Malaysians



- Brand of the Decade & No.1 Most Chosen Brand in the Dairy Category*
- Reach 14.4 million Malaysians
- 131 million packs sold in 2023
- 214 million packs distributed under the School Milk Programme since 2011

*(Kantar's Brand Footprint 2023)

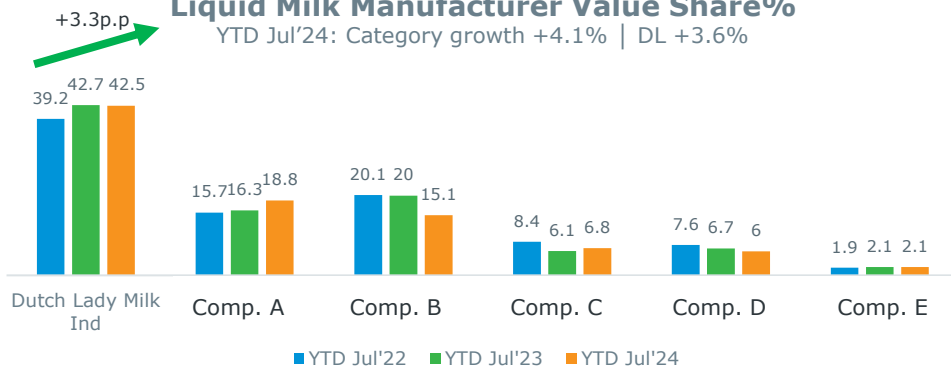
Source: Nielsen, YTD Jul 2024, data based on strategic dairy categories valued at RM3.66 billion per year, excludes SCM and HFD/FMP



Dutch Lady continues to Lead & Win in the categories we play in, with strong growing competition and evolving market dynamics

Liquid Milk Manufacturer Value Share%

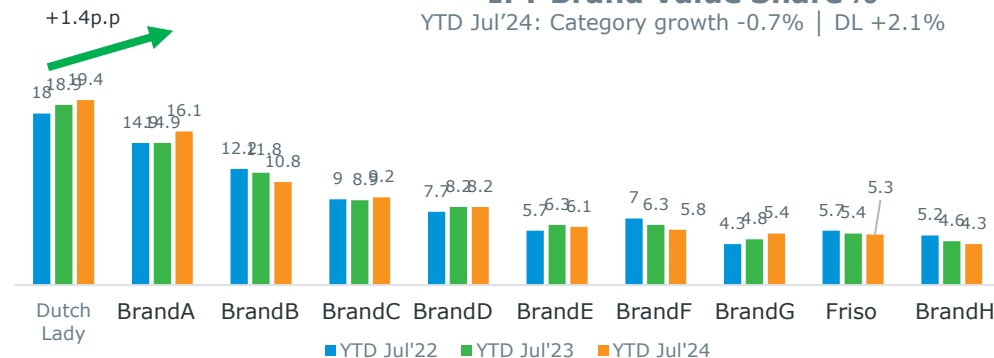
YTD Jul'24: Category growth +4.1% | DL +3.6%



MAT Jul 2024 Penetration	
Dutch Lady Liquid Milk	69.2% (+7.3p.p)
Dutch Lady IFT Core	28.9% (+0.7p.p)

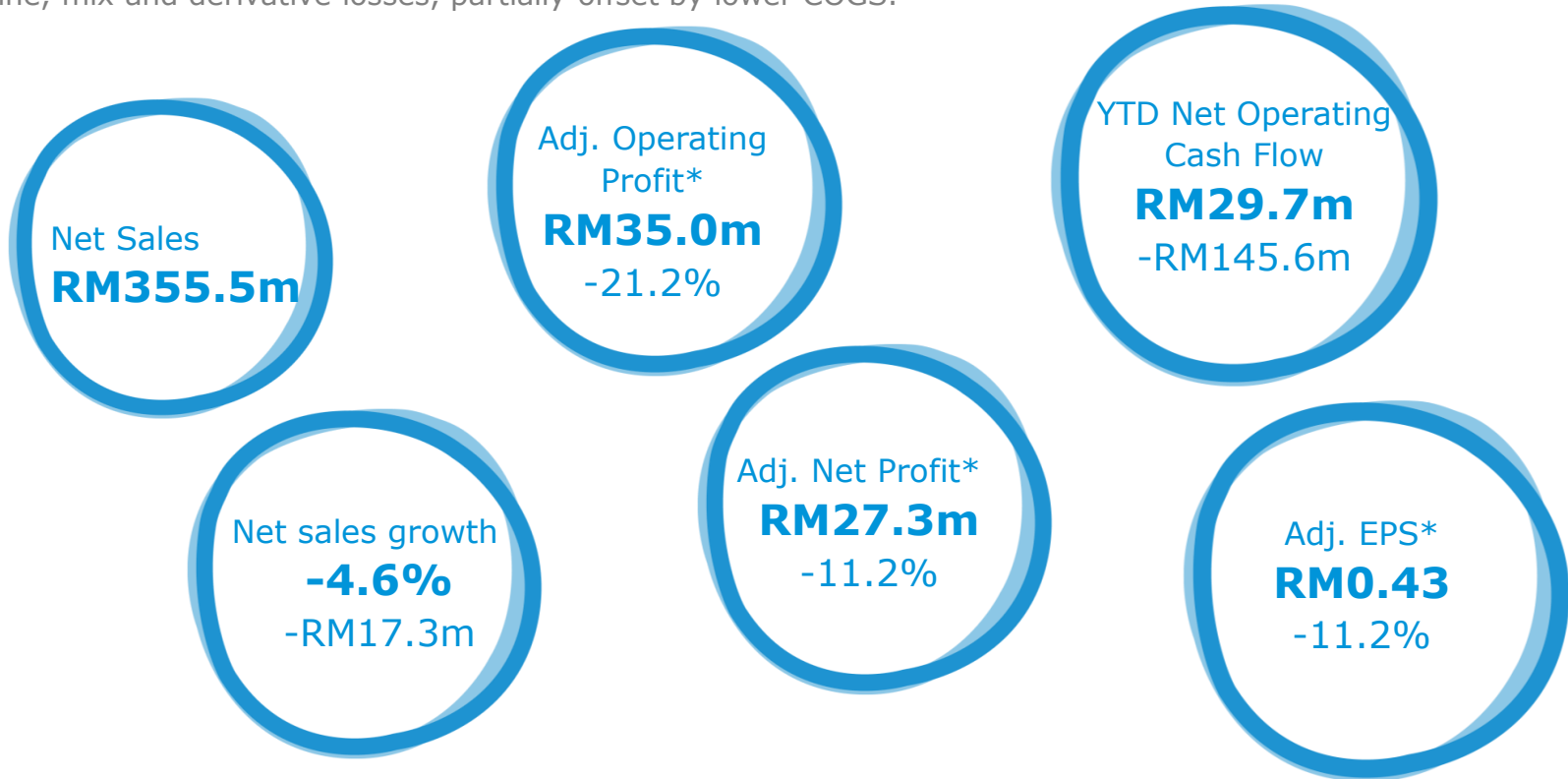
IFT Brand Value Share%

YTD Jul'24: Category growth -0.7% | DL +2.1%



Key Q3 2024 financials versus Q3 2023:

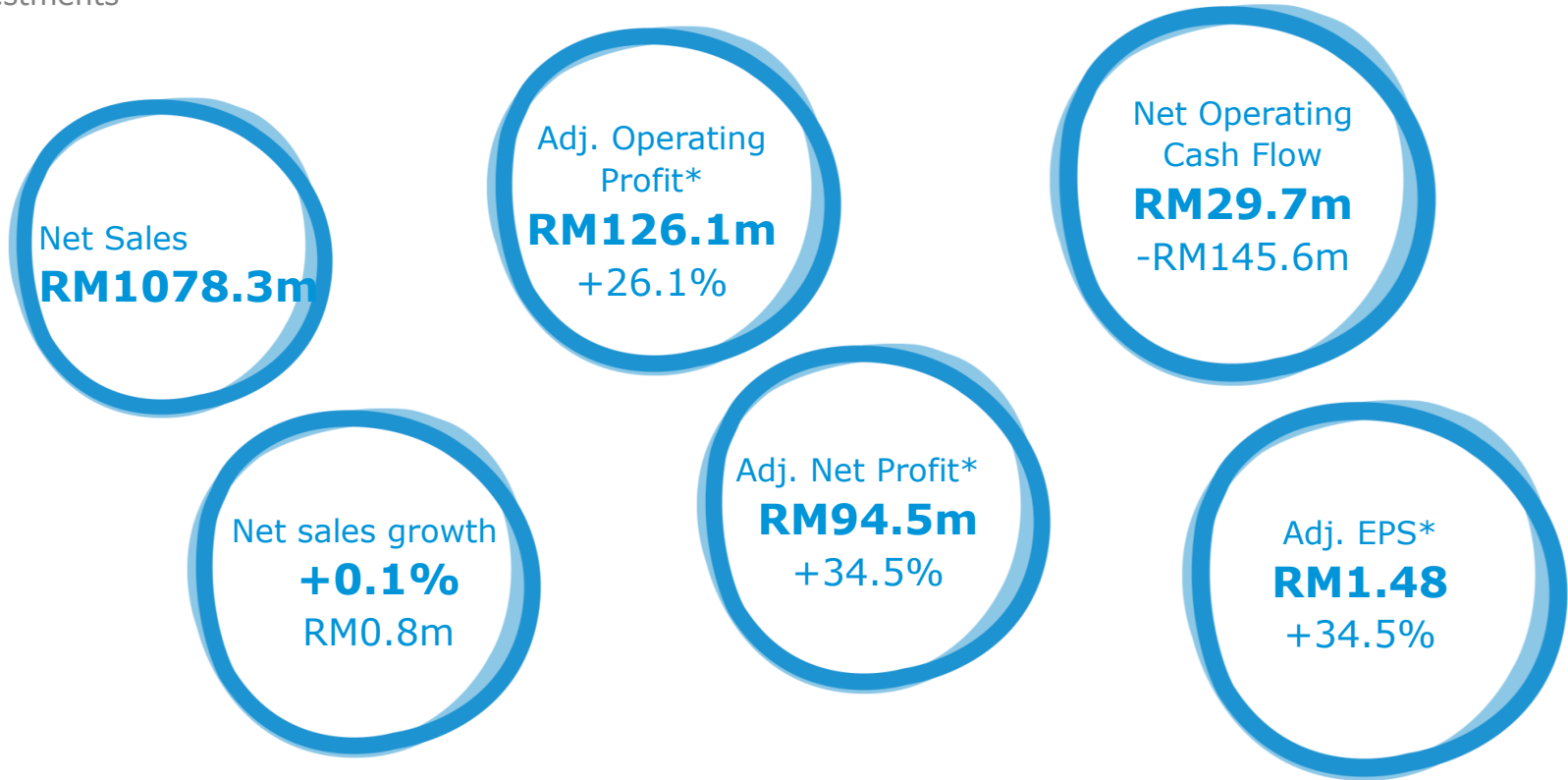
Adjusted Operating Profit decreased by 21.2% vs PY, primarily due to impact transition and prior year promotion on topline, mix and derivative losses, partially offset by lower COGS.





Key YTD Q3 2024 financials versus YTD Q3 2023:

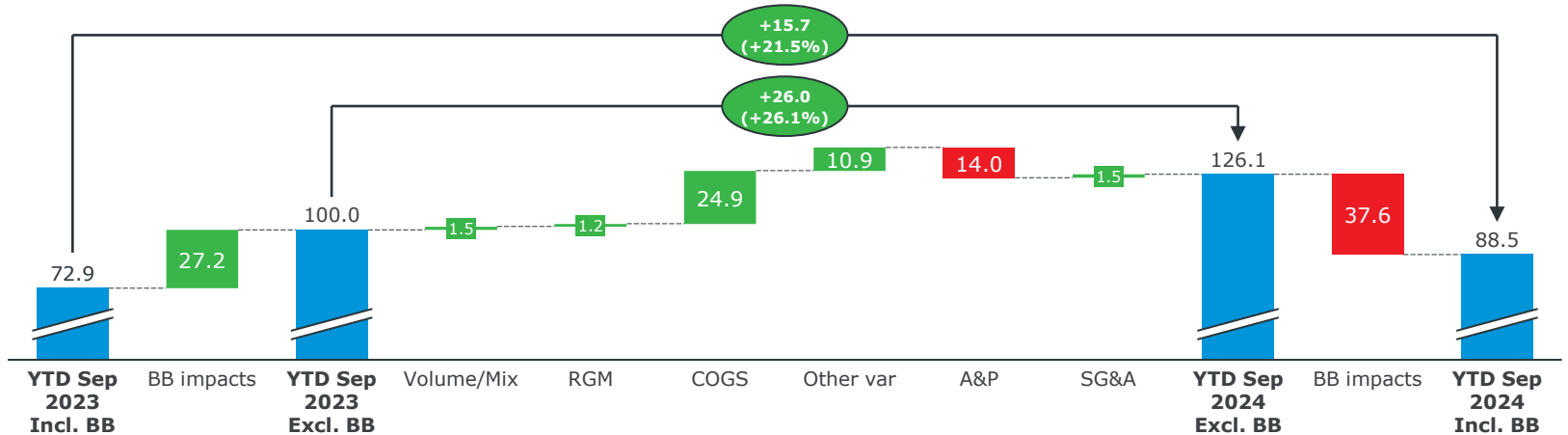
Adjusted Operating Profit increased by 26.1% vs PY mainly driven by lower COGS, offset with higher A&P investments



*Adjusted Operating and Net Profit and Adjusted EPS is excluding accelerated depreciation and one-off impacts

YTD Sep Operating Result bridge versus same quarter LY

Higher mainly driven by COGS and inventory revaluation gain offset with negative FX derivative and higher A&P investments





Make Growth Happen
Make Life Happen



2025 OUTLOOK

INFLATION

Slower Growth in Consumer Spending + higher costs of business



Balance affordability, access & profits

FOREX

Currency fluctuations + rising production costs



Increase predictability + deploy prudent financial management strategies

NUTRITION

Continued demand for good nutrition & value for money



Strengthen value proposition + emphasize nutritional diet

SUPPLY CHAIN

geopolitical conflicts + supply chain disruptions + demand uncertainties = complex supply planning



SUSTAINABILITY

Evolving ESG landscape + regulations = accelerated sustainability performance & leadership



POTENTIAL

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PERFORMANCE



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2022	42.0	19.2	10.8	10.8	10.8

Friso®

POTENTIAL

Our Future Legacy



Long Term Priorities: Gearing to shape a more Responsible (creating value), Resilient (preserving value), Rewarding (enhancing value) Business



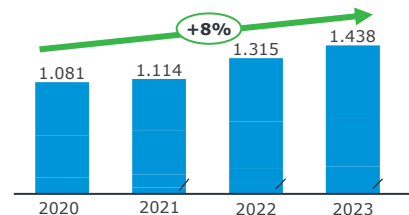
Beyond Big Blue: Limiting mindset removed with Big Blue Greenfield & related Transitions through go-live of DLMI@Enstek; **Opportunity for change** as we embark on our Big Blue Transition, from people, culture, systems and choices we make



Profitable Growth: DLMI broke RM1b mark in 2016, yet limited growth into 2021. With Enstek we can further fulfill our growth **ambitions by 2030!** Additionally, we set ourselves a stretch ambition with new Category expansions



NSV
(RM mln)



Accelerate Domestic Fresh Milk :

With a government agenda for self-sustainability in Fresh Milk, and growing demand, we need to remain relevant and competitive. There is an opportunity to grow Domestic Fresh Milk Supply profitably to be a strong player in Pasteurized & unlock other Fresh Milk segments



EES&G:

Sustainability is Business and Business is Sustainability. There is an opportunity to amplify our responsible EES&G practices alongside our core social agenda of **nutrition**, while building our proposition around **efficiency and equity**.



Big Blue: Greenfield DLMI@Enstek



Finishing a 5-year transformation journey



Preparation & design



Land acquisition at bandar Enstek



Construction start



1. Full transition of manufacturing operation
2. PJ plant closure





DLMI@Enstek

**A Strategic Investment
in an IR4.0 enabled,
green-field, halal
manufacturing facility**



**100% of construction
completed**



**Processing & commissioning
of Phase 1 completed**

Sustainability



**Significant reduction
in use of energy,
water & CO₂**

Targeting to achieve a
30% reduction in energy
and water intensity by
2030 vs 2022 baseline

Efficiency



**Significant
improvement in critical
manufacturing KPI's**

Targeting to reduce
wastage in production
processes to zero and
zero waste to landfill

Growth



**Significant potential
to capture new
opportunities
through innovation
and increase in
capacity**

DLMI@Enstek Distribution Center





**MAKE LIFE
HAPPEN**