

press release

Dutch Lady Milk Industries Berhad (DLMI) posts a revenue of RM340 million for 2022 second quarter results

The outlook ahead for the Group and for 2023 remains challenging due to unprecedented inflationary headwinds and continued global supply chain disruptions

PETALING JAYA, 23 August 2022: Leading dairy manufacturer Dutch Lady Milk Industries Berhad (DLMI) recorded an increase in revenue in its second quarter (Q2) ended June 30 to RM340 million with a profit before tax of RM28.5 million.

The Q2 performance is attributed to a continued strong demand for milk as an essential and affordable nutrient in the age of COVID-19, a successful Ramadhan campaign and carefully calibrated price increases to DLMI brand portfolio to help the company offset strong inflationary headwinds.

The global business outlook and consequently, Malaysia's outlook remain tepid due to a variety of external and internal factors. Operating profit (excluding accelerated depreciation) declined by 14.7 percent to RM32.9 million while the higher second quarter revenue was more than offset by the escalating prices of global dairy raw materials and negative foreign exchange results due to the weakening of the Ringgit currency against the US dollar.

"We continue to deliver a strong cash flow during these trying times. Whilst we have been able to show positive results in Q2, the outlook for the rest of the year and 2023 remains uncertain due to unprecedented inflationary headwinds and continued global supply chain challenges. This requires us to continue to act with





agility and preserve cash and cost wherever possible,” said DLMI Managing Director Ramjeet Kaur Virik.

“Despite these challenges, DLMI remains committed to drive our purpose of Nourishing Our Planet and People in Every Stage of Life as announced through our RM400 million investment in a new advanced technology-driven production facility in Bandar Enstek. We would like to thank the DLMI team for their hard work and dedication whilst upholding the 3A mindset and culture of Agility, Accountability and being Appreciative in everything that we do. We’d also like to extend our utmost gratitude to our shareholders for their trust in us and of course, the Rakyat for their endless support in choosing DLMI as the preferred and trusted household dairy brand,” Ramjeet added.

Throughout DLMI’s 59 years of operating in the country, the Company has remained steadfast to its purpose by encouraging the consumption of nutritious milk products. DLMI is a strong advocate of the Government’s Health agenda especially in tackling non-communicable diseases (stunting, obesity, micronutrient deficiencies) in children and continues to partner the Government and healthcare professionals to explore avenues to increase access to nutrition in our quest to build a healthier Malaysia.

As a long-term investor in the country, DLMI, between 2010 and June 2022, has produced a total of 43.5 million litres of local fresh milk through its Dairy Development Programme, working closely with the Department of Veterinary Services Malaysia (DVS) to help the nation achieve its long-term goal of a fully sustainable milk supply to benefit the Rakyat. This is supportive of the Government’s goal to achieve 100 percent self-sufficiency level (SSL) of local fresh milk by 2025 and Malaysia’s Food Security agenda.

DLMI’s ‘Grass to Glass’ philosophy is the bedrock of the company’s sustainable roadmap underlying four objectives - Nourishing Malaysians with better nutrition; Driving sustainable initiatives at the farm level; Better balance with a smaller carbon footprint and of course, Post-consumption efforts. These areas are further aligned with FrieslandCampina’s ‘Nourishing A Better Planet’, which in turn drives support for seven out of the 17 United Nations’ Sustainable Development Goals.





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

About Royal FrieslandCampina

Every day, Royal 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, Royal 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. Royal 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.

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