



Dutch Lady Milk Industries Berhad

Investor Relations briefing Q3 results
30 November 2022



Dutch Lady Milk Industries Berhad



Royal FrieslandCampina is **one of the world's largest dairy companies** with **150 years** of Dutch dairy heritage & expertise

Fully owned by a **cooperative** with 15,703 member dairy farmers in the Netherlands, Germany & Belgium

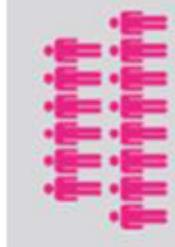
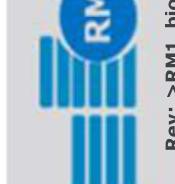
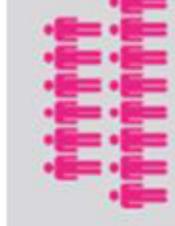
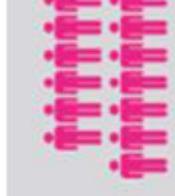
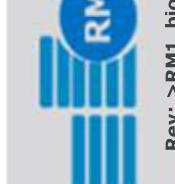
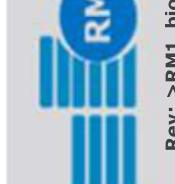
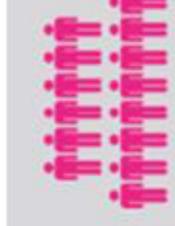
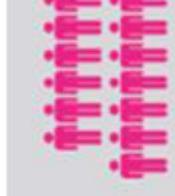
Main shareholders of Dutch Lady Milk Industries Berhad (DLMI):

- Royal FrieslandCampina : 51%
- Permodalan Nasional Berhad (PNB) : 13%
- Kumpulan Wang Simpanan Pekerja (EPF) : 11%



DLMI: Nourishing Our Planet and People in Every Stage of Life

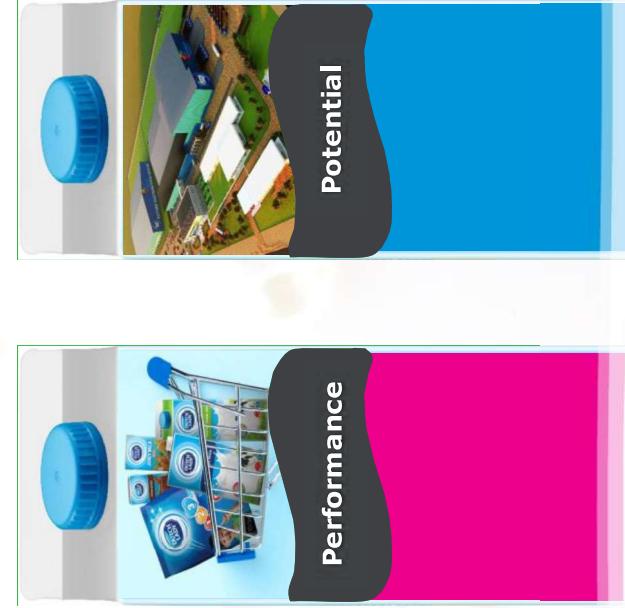
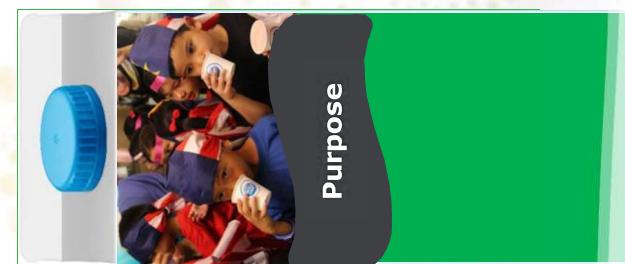


 <p>Established in year 1963</p>	 <p>Halal producer >50 years & implement HAS</p>	 <p>RM 284.5 Million 2021 profit</p>	 <p>> 600 employees</p>
 <p>Rev: >RM1 bio Mkt. Cap: RM 2.0 Bio (Nov 2022)</p>	 <p>F2F helps 466 farmers nationally</p>	 <p>DRINK MOVE & STRONG</p>	 <p>352,000 students participation</p>
 <p>No. 1 Dairy Company in MALAYSIA</p>	 <p>DDP produced 87 million packs since 2013</p>	 <p>F2F helps 466 farmers nationally</p>	 <p>Everyday millions of consumers</p>
 <p>Gender equality in Management</p>	 <p>50:50</p>	 <p>Diversity, equity & inclusion best practices in workplace</p>	 <p>CD - All:92.5% SN- All:77.8%</p>



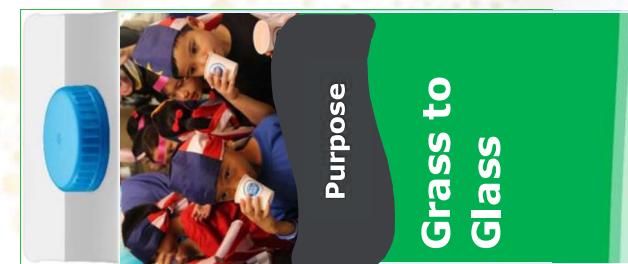


AGENDA: Key Priorities 4P's





PURPOSE



DLMi Sustainability Roadmap - Aligned to RFC's Sustainability agenda & UN's Sustainable Development Goals

FrieslandCampina's 'Nourishing A Better Planet' agenda is aligned with UN's Sustainable Development Goals (SDG), which is supported by Malaysian Government



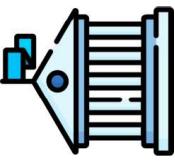


Prioritising the Fundamentals



Stock Taking

WORK IN PROGRESS



Strengthening ESG/Sustainability Governance

(Devise an Integrated Enterprise Risk Management Framework + Strengthen the Commitment to Sustainability in Board Charter + Institutionalise a Sustainability Steering Committee)

Stock Taking

WORK IN PROGRESS

Framing DLMI's Approach to ESG/Sustainability

(Define DLMI's Thriving Framework to Guide ESG Integration Efforts and Sustainability Roadmap at DLMI)



Articulating DLMI's ESG/Sustainability Position/Policy

(Devise the Thriving Framework, Policy and Guiding Principles for Implementing Sustainability Roadmap)

Establishing Materiality through Stakeholder Engagement

(Align Stakeholder Expectations with Business Priorities through risk analysis)

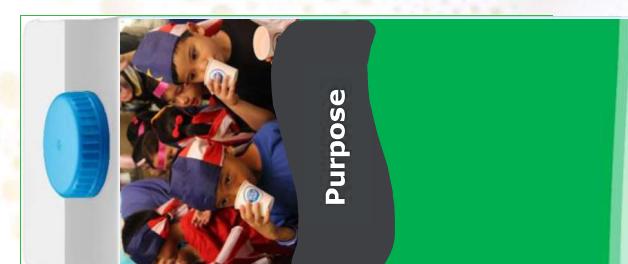


Ensuring Visibility of our Value Chain Impacts

(Conduct ESG/Sustainability assessment of existing / potential suppliers/vendors + Develop a Responsible or Sustainable Supply Chain Action Plan)



PEOPLE



Invest In Our People (People Growth = Business Growth)



Capability Building

- **Career Coaching Workshop:** 97% of Line Managers including Management and Business Leadership Team
- **Employee Growth and Development:** 12.3 training hours per employee, average training effectiveness feedback of 4 out of 5

- **Quality of Development Planning:** 94% of our Business Leadership Team and Line Managers with 81% high quality development plans



Winning through Volatility Body.Mind.Soul (BMS)

- **Partnership with Malaysia Urgent Care :** Cultivating a safe and inclusive workplace through psychological safety to foster trust and belongingness among workforce
- **Psychological Safety Sessions:** 11 sessions organized, attended by 97% Line Managers including Management and Business Leadership Team

- **Body. Mind. Soul :** 16 sessions were organized focusing on mindfulness and well-being, to energise our workforce



Engagement and Adoption of CARE

- **Engagement :** 12 engagement events done to stay connected through strong adoption of CARE (C-Connected ; A-Appreciated; R-Responsive; E-Energized)
- **Blue Brigade** (Employee-led CSR Team) continues to be active (milk donation and river clean-up) to serve our community and people
- **Mighty Blue:** Established **DLM** sports and social club to further enhance a stronger collaboration in times of evolutionary projects





Sustaining an Inclusive and Engaged Culture



Diversity in Gender
(Board of Directors)
(as of Sept 2022)

63% : 37%

Female : Male

Diversity in Gender
(Management Team)
(as of Sept 2022)

44% : 56%

Female : Male

Diversity in Gender
(*Total DLM)
(as of Sept 2022)

33% : 67%

Female : Male

Diversity in Gender
(Commercial)
(as of Sept 2022)

63% : 37%

Female : Male

Engagement Index (+4 above
benchmark); NEW Index by Glint

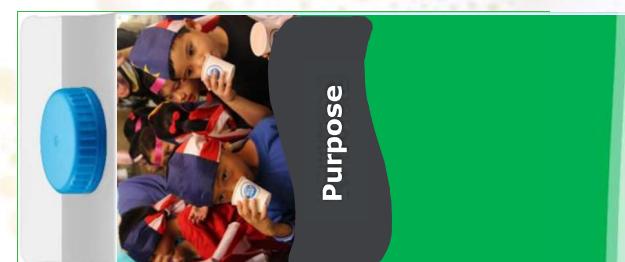
77/100

Over2You End Year 2021
EngagementIndex

*Excluding BOD



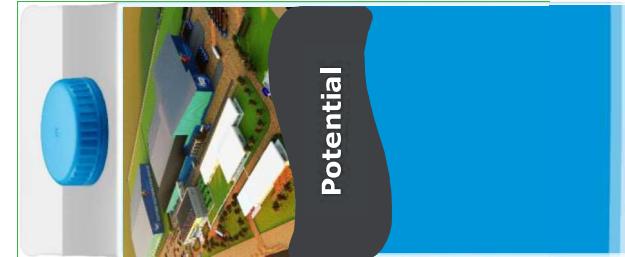
PERFORMANCE



People



People



Potential



Performance

**Winning
Profitably**



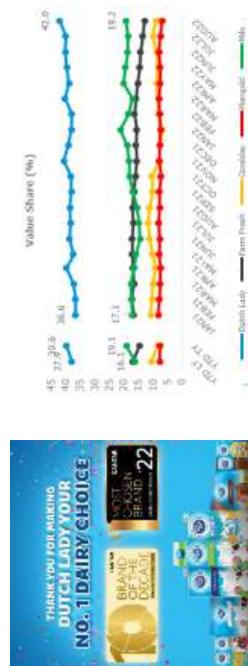
Performance: Winning in the market!

Our brands continue to Win in the market despite a challenging environment.



(1) DLMI strengthening position as leader in dairy !

- ✓ Awarded as the **Brand of the Decade** & No. 1 Most Chosen Brand in the Dairy category from KANTAR's Brand Footprint 2022.



(2) Dutch Lady Liquid Milk continues to thrive !

- ✓ In 2022, **~60%** Malaysian Household choose Dutch Lady brand for their liquid milk product
- ✓ YTD Sept, Dutch Lady value share within Liquid Milk category increased **+1.9 p.p. vs PY***
- ✓ In 2022, Dutch Lady consumer dairy continues driving consumer excitement and enjoyment through innovations and occasions.



(3) Dutch Lady IFT continues to lead

- ✓ YTD Sept, **~30%** Malaysian Household choose Dutch Lady brand as their child's IFT product.
- ✓ Dutch Lady IFT continues the **#1** position within Peninsular Malaysia.
- ✓ MaxGro innovation success grew from #5 to **#3** position in the CNS category .



(4) Friso has become a stronger challenger !

- ✓ In 2022, Friso value share continues in strength and improved ranking to **#2** position within premium segment.*
- ✓ In 2022, Friso brand power increased by **+2.0 p.p. vs. PY***
- ✓ **#1** most positively talked about premium IFT brand on digital platform through national campaign and 'Mombassador' Community.



*AC Nielsen September 2022 report

^Kantar Aug 2022. Based on 58.2% DL penetration within Liquid Milk Category, 12 wks. & 27.7% DL penetration within IFT category. BH/H1'22



Key YTD Q3 financials versus YTD Q3 2021

Excellent topline performance resulting from continued **strong demand** for liquid milk and RGM activities.
Marginal EBIT growth where strong topline and cost management are largely offset by **unprecedented cost headwinds**.

Adj. EBIT*
+ 5%
RM101.1m
+ 17 %

Operating Free Cash Flow
RM 186.7m

Adj. Net Profit
9%
RM79m

Organic sales growth
RM144.6m

Adj. EPS*
9%
RM1.24



|¹⁶ *Adjusted EBIT and Adjusted EPS is excluding Footprint (Big Blue) impacts.



Solid PBT performance in Q3'22 on the back of strong topline and cost management largely offset by escalating cost and FX headwinds.



Strong cash flow on the back of solid working capital management. Capital investments in line with expectations.

Amounts in MYR mln	YTD Q3 2022	YTD Q3 2021
Cash receipts	940	838
Cash payments	(603)	(722)
Pre-payment	(124)	-
Income tax	(27)	(15)
Cash from operating activities	187	100
Capital investments	(123)	(19)
Proceeds from disposal PPE	-	-
Cashflow from financing activities	(24)	(20)
Movement in cash and cash equivalents	39	62
Cash and cash equivalents carried forward	118	39
Ending cash balance	158	101

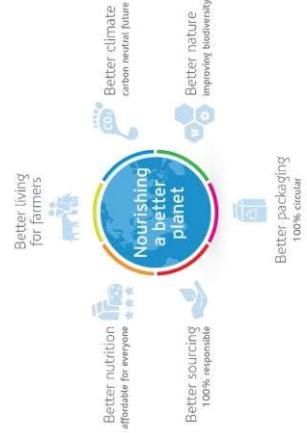
Outlook: We will continue to drive penetration of milk despite volatile and uncertain market dynamics



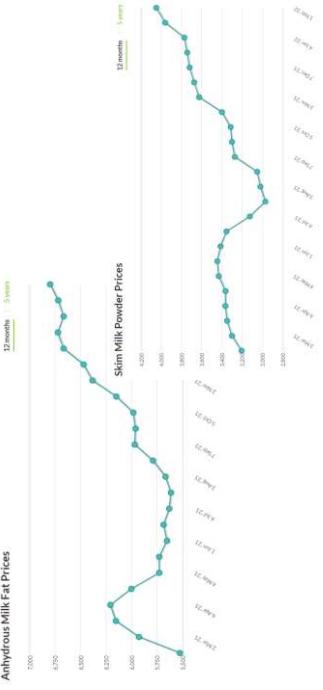
1 Continue to drive penetration of milk



2 Accelerate Sustainability



3 Sustain profitability despite unprecedented cost headwinds

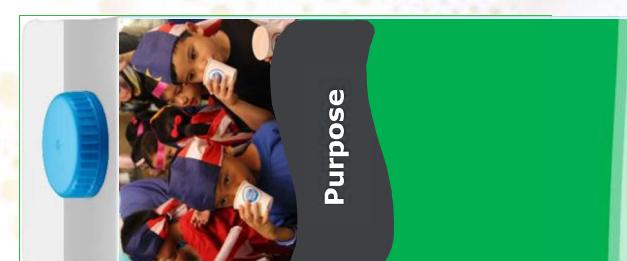


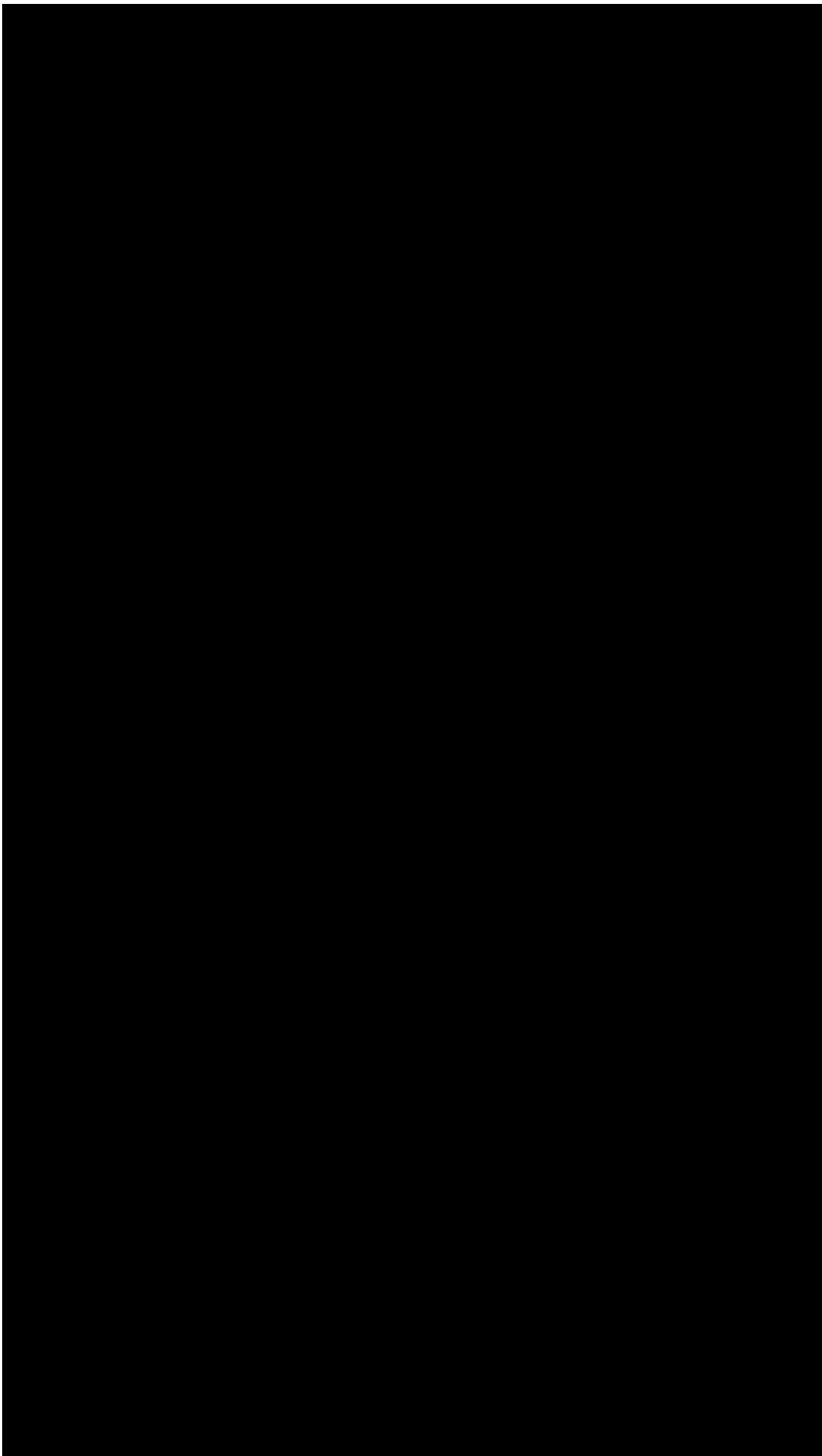
3 Cash preservation to battle rising commodity cost





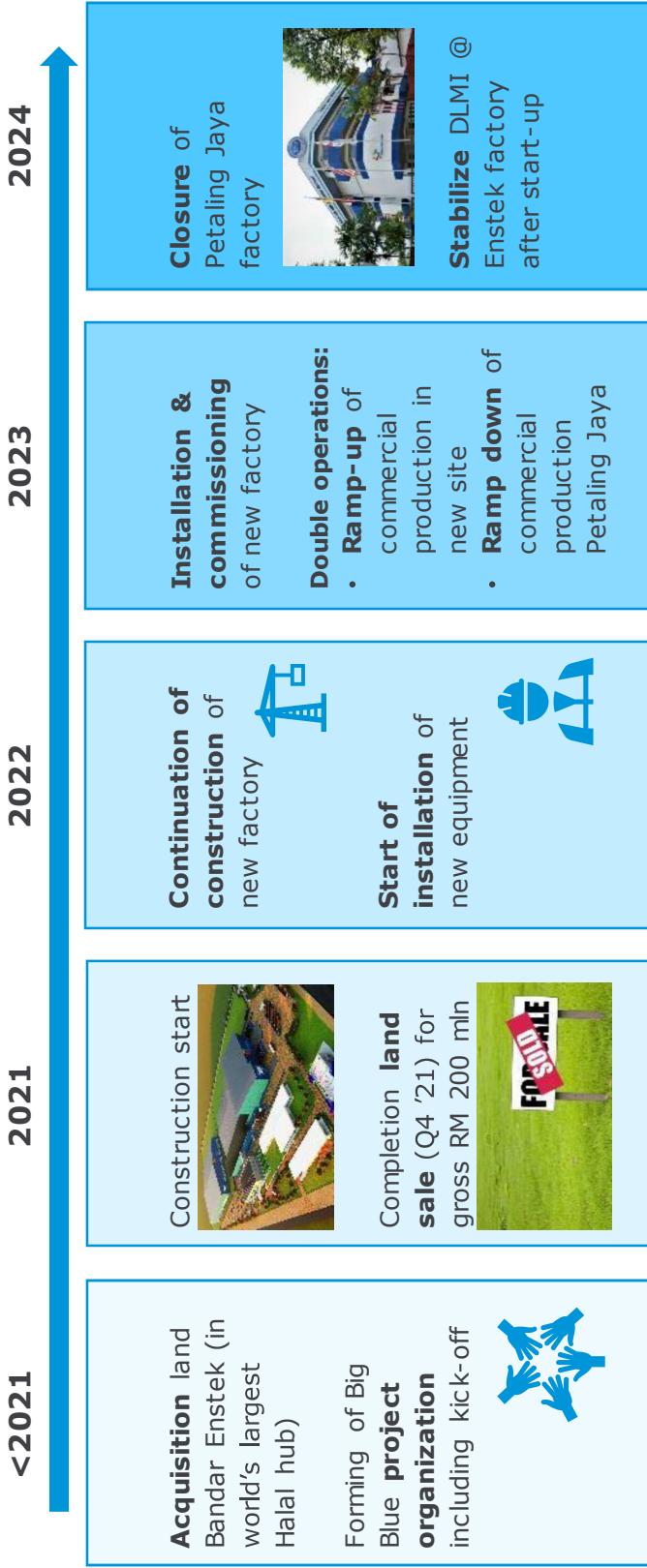
POTENTIAL







Our transformation journey!





Announcement





Glimpse into the future...

How it started



How its going



First Pile approx. a year ago

Other notable updates...



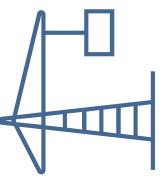
TNB Building



Water Treatment Plant



Main Production Facility





WEEKLY UPDATE
25 NOV
2022

