

press release

Dutch Lady Milk Industries Berhad records encouraging revenue growth in 2022 as demand for dairy nutrition remains resilient

PETALING JAYA, 26 May 2023: Dutch Lady Milk Industries Berhad (DLMI), the leading dairy manufacturer in Malaysia, reported its 2022 full-year revenue of RM1.3 billion, an 18 percent increase from 2021 as consumer outlook for its brands remains positive with resilient demand for high-quality dairy nutrition among Malaysians.

Net Profit for the year landed at RM46.3 million in 2022, a decline of 81% versus 2021. The exceptional upside in 2021 was related to the sale of the land underlying the current manufacturing facility in Petaling Jaya, Selangor, while a number of one-off results in 2022 and unprecedented increase in raw material costs contributed further to the reduction in Net Profit.

Speaking at DLMI's 60th Annual General Meeting, Managing Director Ramjeet Kaur Virik said, "Our performance in 2022 was encouraging and we remain cautiously optimistic about the future of our well-loved brands. The year was about strengthening resilience in a post-pandemic environment as we continue our unwavering mission to 'Nourish Our Nation' by providing affordable, quality, Halal and sustainable dairy nutrition."

She said that as the world recovered from the pandemic last year, market stability was impacted. DLMI faced unpredictable price movements and supply chain trends, with overall raw material costs spiking up to 15 percent.

"DLMI succeeded in balancing these pressures which also meant our Halal products remain affordable and accessible to our loyal consumers," she said,





adding the company continued to address challenges posed by disruptions and uncertainties in logistics and supply chain.

Ramjeet said the global operating environment has become more complex and uncertain due to the pandemic, the Ukraine war and increased regulatory requirements. As such, it is imperative that DLMI strengthen its EES&G governance and risk frameworks as part of the group's 2030 implementation roadmap.

In 2022, DLMI continued to be the nation's top dairy producer and continues to be one of the largest purchaser of local fresh milk. With Malaysia's Government aiming for a Self Sufficient Level of 100% by 2025 for fresh milk production to reduce imports, DLMI will continue working closely with the Department of Veterinary Services Malaysia to train local dairy farmers to increase volume and quality of fresh milk to achieve this target.

After a 60-year illustrious presence in the country dating back to 1963, DLMI continues to invest significantly in Malaysia with an RM540 million ringgit outlay earmarked between 2021 and 2025 for the construction of its Industry 4.0-standard dairy manufacturing hub at Bandar Enstek, Negeri Sembilan, which will be commercially operational in 2024.

Ramjeet said DLMI will continue to optimise the company's costs and cash flow to address the continuous inflationary headwinds as management continues to secure internal financing towards boosting the new world-class manufacturing facility.

She added the company is optimistic about doing better in the years ahead as it gears up to serve another generation of Malaysians reinforcing the company's multi-generational appeal to citizens of all ages since 1963.

Moving forward, DLMI remains focused on aligning core sustainability focus areas with Royal FrieslandCampina's global pillars of Better Nutrition, Better Sourcing, Better Climate and Better Packaging with additional pillars of Better People, Better Society and Better Governance. This strategy is vital to help the company build its EES&G roadmap, amplify its positive impact as well as address business challenges and risks to achieve global sustainable development objectives.





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. DLMI was 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 N.V.

FrieslandCampina is one of the largest dairy companies in the world with a cooperative tradition going back 150 years. The company processes the milk from dairy farms into a wide range of dairy products and ingredients. This way Royal FrieslandCampina provides hundreds of millions of people throughout the world with valuable nutrients from milk.

Royal FrieslandCampina N.V. is fully owned by Zuivelcoöperatie FrieslandCampina U.A., with 15,703 dairy farmers in the Netherlands, Belgium, and Germany as members. Through the cooperative, these member dairy farmers own and supervise the company. Together with member dairy farmers, FrieslandCampina manages the entire production chain: from grass to glass.

FrieslandCampina provides consumers with dairy products, such as milk, yoghurt, condensed milk, dairy-based beverages, cheese, butter, quark, and cream. The dairy company supplies specific nutrition to specific consumer groups, such as children, the elderly, and sportspeople. Professional customers, such as bakers, pastry chefs, chocolate confectioners, chefs, and caterers can rely on FrieslandCampina for a broad product range, including creams, butters, desserts, and fillings. In addition, the company supplies high-quality ingredients to international food producers and pharmaceutical companies.

In 2021, 10,564 member dairy farms in the Netherlands, Germany, and Belgium supplied almost 10 billion kilos of milk for processing into dairy products and ingredients. FrieslandCampina has branches in 32 countries and exports to more than 100 countries worldwide. At year-end 2021, FrieslandCampina employed an average of 22,961 workers (FTEs). For additional information, please visit our website: www.frieslandcampina.com.

Issued by Dutch Lady Milk Industries Berhad

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