

press release

Dutch Lady Milk Industries Berhad (DLMI) posts a revenue of RM372 million for 2023 third quarter results

New manufacturing hub in Bandar Enstek once completed in 2024, to boost Group's profitability for the long-term

PETALING JAYA, 22 November 2023: The country's leading dairy manufacturer Dutch Lady Milk Industries Berhad (DLMI) recorded a third quarter revenue of RM372.8 million, a 10.4 percent increase from the corresponding quarter a year ago.

Profit before tax for the said quarter ending September 30, was RM25.3 million, a dip of 19.4 percent from a year ago, as a result of continued accelerated depreciation of assets in the existing Petaling Jaya factory that cannot be transferred to the under-construction Bandar Enstek manufacturing plant. DLMI also incurred other one-off operating costs related to the construction and transition to the new site which cut into the Group's earnings.

Operating profit for the third quarter excluding depreciation and one-offs, increased 22.4 percent to RM44.4 million from a year ago, attributed to the Group's cost optimisation and revenue growth management measures as a hedge against the weakening Ringgit; DLMI also enjoyed lower dairy raw material costs which boosted operating profit.

DLMI Managing Director Ramjeet Kaur Virik said the Group will remain anchored in its investments in the dairy market to ensure it continues to be the market leader in the country.





"We remain confident that DLMI's wide range of offerings, disciplined and focused management and continued strong demand for our products will help us remain committed to our purpose of Nourishing the Planet and People In Every Stage of Life," she said.

Ramjeet said the Group remains focused on cost and revenue management to be able to invest in its brands, assets and people as talent is critical in the long-term objective of driving milk consumption in the country.

She added that DLMI would invest RM540 million in total between 2021 and 2025 in the state-of-the-art Bandar Enstek manufacturing hub to cater for the Group's ambitious plans for the future.

"We continue to be focused on the next phase of our growth as our new manufacturing hub is scheduled to be completed in 2024. The upgraded technology will bring new skills and opportunity for growth in terms of innovation, improved efficiencies, and overall sustainability."

To bring this massive project to fruition, DLMI is focused on optimising working capital and enhancing the group's cash flow to complete the construction of the complex and the transitioning process next year.

DLMI will continue to support local dairy farmers to help the country increase the quantity and quality of local fresh milk - the Group continues to be the largest purchaser of this product in the country.

Ramjeet said with the rising cases of non-communicable diseases, especially the triple burden of malnutrition amongst children; stunting, obesity and micronutrient deficiencies, DLMI will upscale its efforts to partner and support the government in its health agenda.

DLMI's alignment with FrieslandCampina's purpose of Nourishing by Nature and its commitment to Nourishing a Better Planet is evident in its ongoing efforts. DLMI is dedicated to Nourishing Our Nation with quality, sustainable, and Halal dairy nutrition, while also taking responsibility for creating a sustainable impact - from grass to glass. This is achieved through DLMI's focus on seven key areas: Better Nutrition, Better Packaging, Better Sourcing, Better Climate, Better





People, Better Society, and Better Governance. These efforts reflect DLMI's commitment to leaving a positive and sustainable impact on our 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

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.

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