



Dutch Lady Milk Industries Berhad

62nd Annual General Meeting
Friday, 23 May 2025, 10am

Utami Introduction



Born in
Jakarta

Rooted in
Central Java



My Family



POND'S
Close up



Comfort



dishwash

Category Footprints

Skin Care, Oral Care, Ice Cream, Dishwash,
Fabric Cleaning, Fabric Care, Household
Cleaning, Dairy

Our Integrated Reporting Journey

2024 report has maintained the core elements of <IR> and our alignment to Bursa disclosures, while also assessing internal preparedness for adopting the National Sustainability Reporting Framework (NSRF) and its requirements.

WHAT:

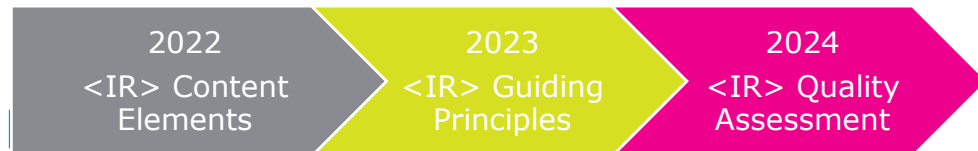
Integrated Reporting <IR> helps demonstrate how we are well-positioned to create value for both our shareholders and stakeholders in the short, mid, and long term.

WHY:

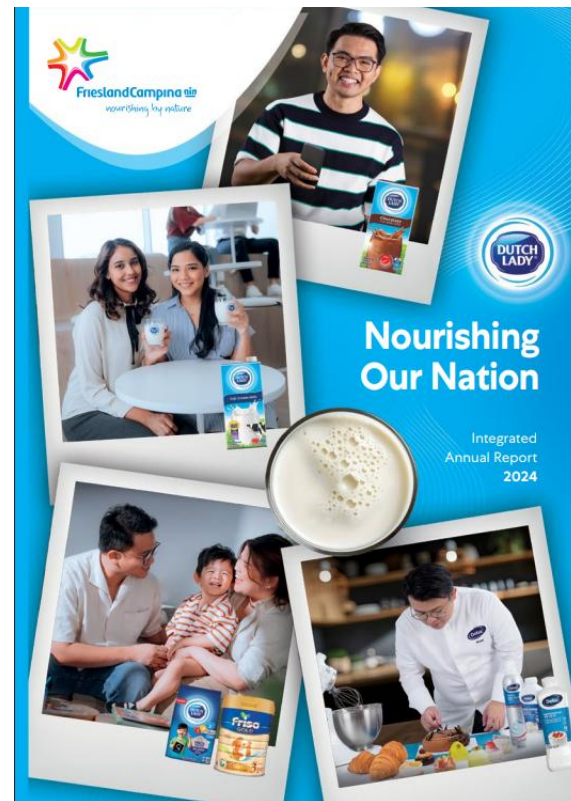
Beyond financial performance for the year, <IR> helps establish the relationships and interactions between our business and stakeholders, towards shaping a resilient, responsible and rewarding business.

HOW:

<IR> principles help retain focus and communicate on the most material aspects of our purpose, people, performance and potential.



DLMI's Integrated Annual Report 2024



7 Focus Areas, 10 Material Matters

In 2024, while we maintained our 7 focus areas and 10 material matters, we have mapped these to the three key priority areas – Nutrition, People, Planet - as per FC's evolved Sustainability Framework. Future reporting will continue to achieve improved alignment with this global framework.



BETTER NUTRITION

Nourishing the Nation

- Nutrition & Product Responsibility
- Innovation & Technology



BETTER CLIMATE

Shaping a Carbon Neutral Future

- Energy, Water, Waste & Emissions



BETTER PACKAGING

Aspiring to be 100% Circular

- Recovery & circularity



BETTER SOURCING

Striving to be 100% Responsible & Catalysing Domestic Milk Supply

- Responsible Supply Chain



BETTER PEOPLE

Promoting Holistic Wellbeing

- Diversity & Inclusion (D&I)
- Employee Experience
- Well-being & Growth



BETTER SOCIETY

Catalysing Farmers & Communities

- Farmers & Communities



BETTER GOVERNANCE

Going Beyond Compliance

- Social & Economic Continuity



84.70%*

Consumer Dairy Volume Sold in Compliance with Global Nutritional Standards (GNS)*

83%*

Products with Healthier Choice Logo

* Malaysia Only | Total Consumer Dairy

100%*

Halal Certified Products

* Total DLMI (MY, SG & Brunei) |

In Scope: CD, MIFT, Friso, & FCP



100%

Responsibly Sourced/RSPO-Certified Palm Oil

100%

Responsibly Sourced Cocoa

100%

FSC/PEFC Certified Paper for all Product

Packaging

RM479.9 million

in Annual Spends on Local Suppliers

90%

of top-spend suppliers completed the EESG Due Diligence

54.3 million*

litres of milk sourced from local farms

* 2010-2024



1.63

Energy Intensity (GJ/tonne)

0.197

Carbon Intensity (tCO₂ emissions/Tonne)

51,001.53 MW

Total energy consumption

Scope 1

6,139.0

emissions in tonnes of CO₂e

Scope 2

16,080.5

emissions in tonnes of CO₂e

Scope 3

1,778.48

emissions in tonnes of CO₂e

(only business travel and commuting)

5.75

Water Intensity (m³/tonne)

648.992 ML

Total volume of water used

ZERO

Waste to Landfill

* Boundary Defined: Double Operations: Production Facilities DLMI@PJ and DLMI@Enstek

Sustainability Performance Dashboard 2024



Better Packaging

Consumer Dairy Products

93.1%*

Packaging Recyclable – All Materials

72.2%*

Packaging Recyclable – Plastics

Specialised Nutrition Products

66.2%*

Packaging Recyclable – All Materials

12.1%*

Packaging Recyclable – Plastics

* Includes primary, secondary and tertiary packaging.



Better People

75% of Board Positions and 50% of Executive Positions (Top Management) held by Women

74%

Score on Engagement Index vs 74 External Benchmark

30.78

Average training hours per employee

0.20

Lost Time Incidence Rate (LTIR)

74

Employee Growth Score vs 73 Clint External Benchmark

7.25%

Voluntary Attrition Rate vs 12.8% Mercer Industry Average

37 Days

Average time to fill (Closed Positions only) vs 90 days industry benchmark

ZERO

Number of work-related Fatalities

3% of employees that are contractors or temporary staff

219

employees trained on health and safety standards

* Based on global safety standards, our Lost Time Incident (LTI) indicator term is now called Total Recordable Frequency Rate (TRFR). This scope of this metric encompasses accidents, restricted work cases and incidents that require medical attention. Reporting is conducted only for direct employees and supervised contractors.



Better Governance

100% of Directors, **95%** of Senior Managers, **93%** of Managers/ Professionals, **97%** of Executives/ Para-Professionals and **100%** of Union members have completed training on Anti-Bribery and Corruption which took into consideration the provisions of the Malaysian Anti-Corruption Commission Act 2009

Operations assessed for

corruption-related risks **every two years***

* Last assessment done in FY2023 and next one is due in FY2025.

ZERO confirmed incidents of corruption recorded for the year

ZERO substantiated complaints concerning breaches of customer privacy and losses of customer data recorded for the year

Integrated our plan to align with **National Sustainability Reporting Framework (NSRF) as part of 'Better Governance' Roadmap**

Strengthened the Board Charter to include enhanced sustainability related obligations

Relaunched Compass programme and delivered Compass Workshops for senior managers

Updated DLMI Sustainability Policy and Sustainability Grievance Mechanisms



Better Society

RM457,784.82

contributed to local communities, benefitting **37,644** children and B40 community members

4.7million

students benefitted from distribution of **228million** packs under School Milk Programme since 2011



Financial Highlights 2024

Revenue

RM1,445.1 million
2023: RM1,442.8 million

Net Profit

RM96.6 million
2023: RM72.4 million

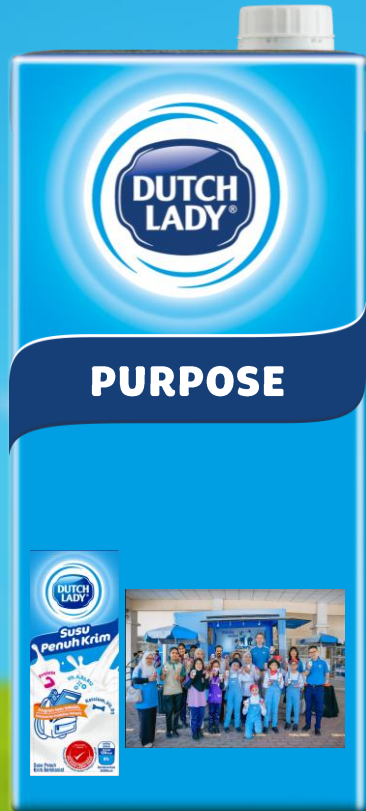
Operating Profit

RM1314 million
2023: RM100.0 million

Market Value Share

RM27.5%
(NielsenIQ) 2023: 28.2%

Dutch Lady Milk Industries Berhad Key Priorities: 4Ps



PURPOSE





Nourishing Our Planet and People in Every
Stage of Life





Name: Veronika Utami
Function: Managing Director
Dutch Lady Milk Industries Berhad

My Core Purpose is

"to motivate each other to achieve greatness via a shared vision of success for positive organizational & societal impact."

DLMI Management Team Members



Veronika Utami
Managing Director



Kai de Klerk
Finance Director



Wilson Chua
Sales Director



Imun Lim
Marketing Director



Paul Ceelen
Operations Director



Ezmir Hazizi Azhar
Corp. Affairs Director



Edalyn-Hadjula Legarde
Human Resource Director



Katina Rahim
Head of Legal &
Company Secretary

Nutrition



Distributed over 228 million packs of milk via School Milk Programme since 2011; reflecting our strong commitment to nourishing Malaysian children and building lasting trust in our brand.

People



The first-ever dairy company in Malaysia to be certified as a Top Employer, reinforcing our commitment to investing in people and building strong capabilities for responsible growth.

Planet



Continued our partnership with the Global Environment Centre (GEC) through the River Adoption & Monitoring Project, supporting the rehabilitation and education programmes for Penchala River

PEOPLE



BETTER PEOPLE

Reinforcing our Aspirations : People-Positive & Fit-for-Purpose Workplace



Enabling our people to grow and Perform: Continued to invest towards fostering a **culture of learning and improvement**. We moved from 2nd Quartile to **Top Quartile** ranking on **Top Employers Benchmark** by Top Employers Institute. Strong performance on topics such as **Purpose and Values, People Strategy, D&I, Wellbeing, Employee Listening, Work Environment and Performance**.

Fostering a fit and empowering workplace: Maintained our focus on building a **diverse and inclusive environment** that promotes creativity, innovation and better decision-making. Overall, **gender balance and diversity in age, experience, skills** continued to **draw new ideas and perspectives** across the board, positively contributing to **morale, productivity and wellbeing**.

Creating a great employee experience: Our efforts remained strong on **building trust, collaboration, and employee experience** that creates **motivated, loyal, and high-performing workforce**. Towards this Employee **Engagement Index Score remained at 74% at par with industry benchmark**, with strengths such as Purpose, Connect and Feedback as highlighted by our employees.

PERFORMANCE



2024: THE YEAR OF TRANSITION



**DLMI@ENSTEK ready to Nourish
Malaysians for generations to
come**

In Context: 2024 - The Year of Transition



Lead in Market



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

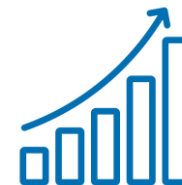
Enstek Launch & Transition



Launched on 30 May 2024,
transition completed in Q4 2024



Delivering Profitable Growth



GP recovery on the back of lower input costs, and strong focus on successful transition

Sustainability in Action



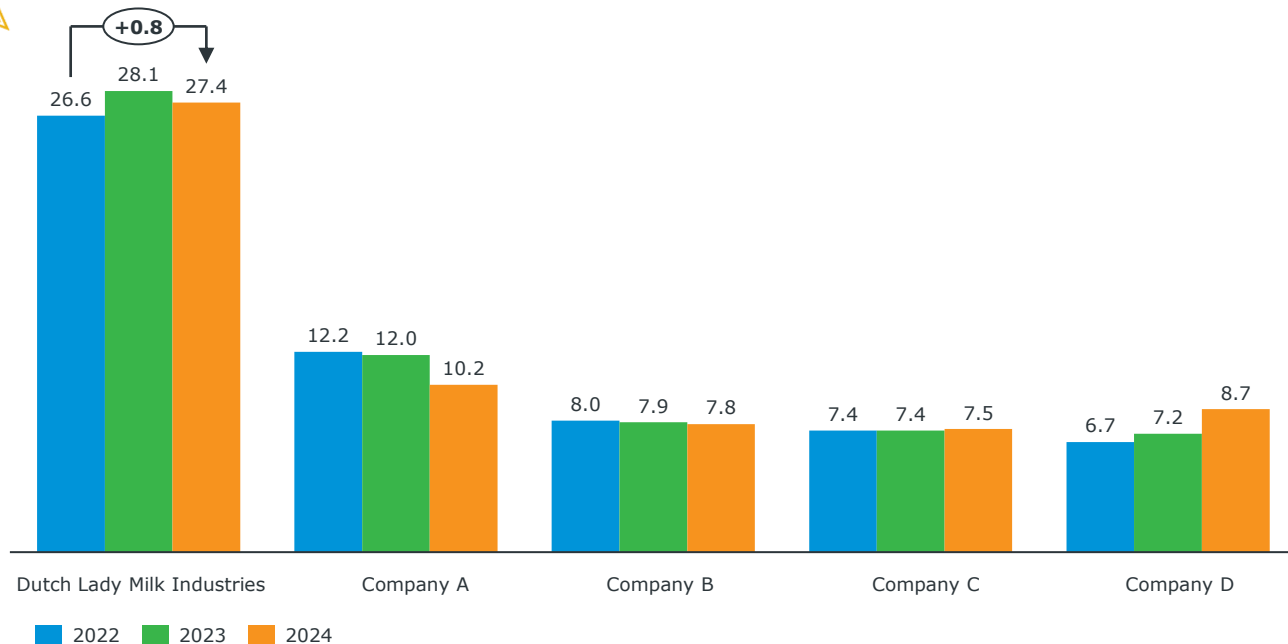
Sustainability Roadmaps implementation, aligned with external reporting requirements and RFC

We continue to be a strong and leading dairy company in Malaysia...



NO. 1

Dairy Manufacturer Value Share%



... through WINNING the Hearts & Minds of Malaysians



- Most Chosen Brand in the Dairy Category*
- Top Rising Brand in Dairy (Modern Trade: Growing-Up Milk)*
- Reach 18.1 million Malaysians and 4.7 million households annually.
- 228 million packs distributed under the School Milk Programme since 2011

*(Kantar's Brand Footprint 2023)

FY financials “2024 a year of transition”

Strong growth in profitability and modest revenue growth in 2024 while successfully managing the transition to Enstek

Net Sales

RM1445.1m

Operating Profit

RM131.4m

+31.4%

Net Profit

RM96.6m

+33.5%

Operating Cash Flow

RM84.8m

-RM121.8m

Net sales growth

+0.2%

RM2.2m

Adj. Operating
Profit*

RM170.4m

+7.1%

Adj. Net Profit*

RM126.3m

+7.6%

Adj. EPS*

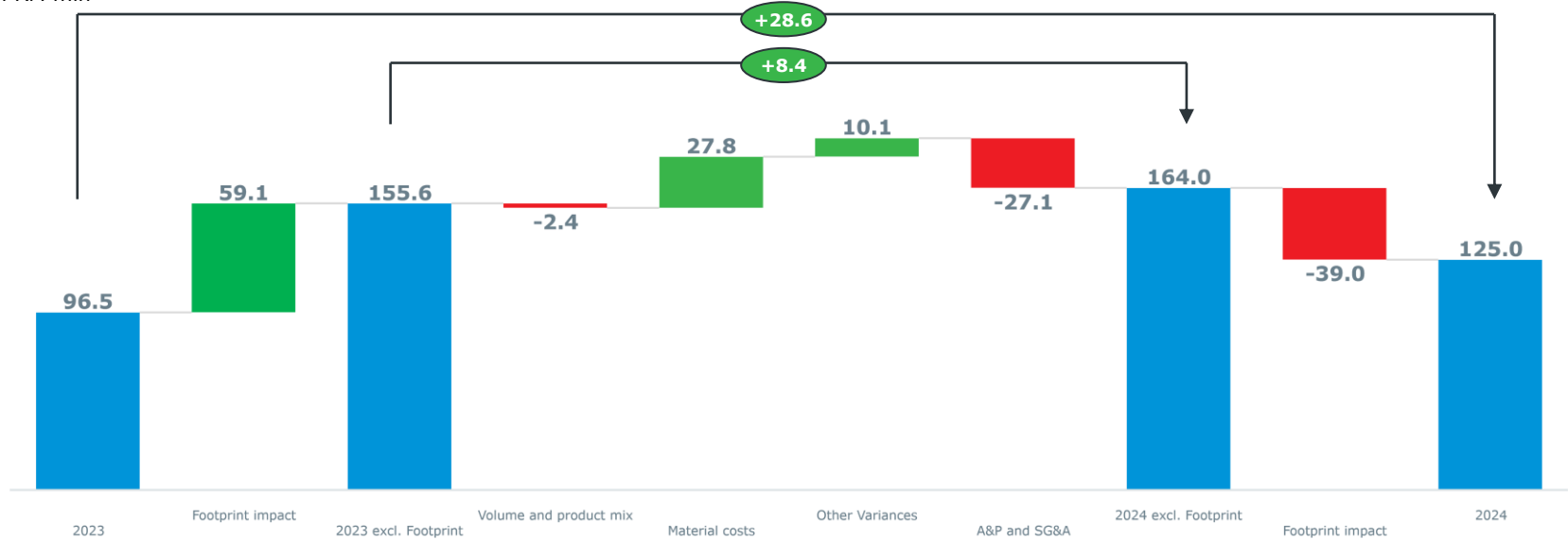
RM1.97

+7.6%

Profit before Tax:

Strong profitability growth with lower raw material costs, and lower transition related one-off costs, partially invested back in our brands

In RM mln

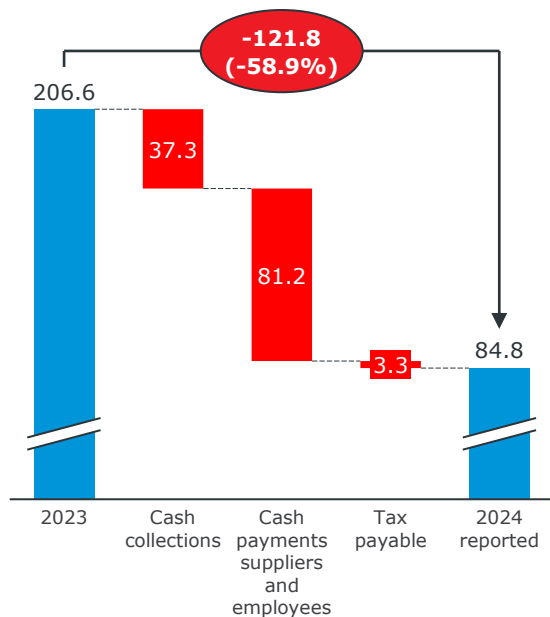


Cash Flow:

CAPEX investments funded by operational cashflow and draw down on intercompany credit facility

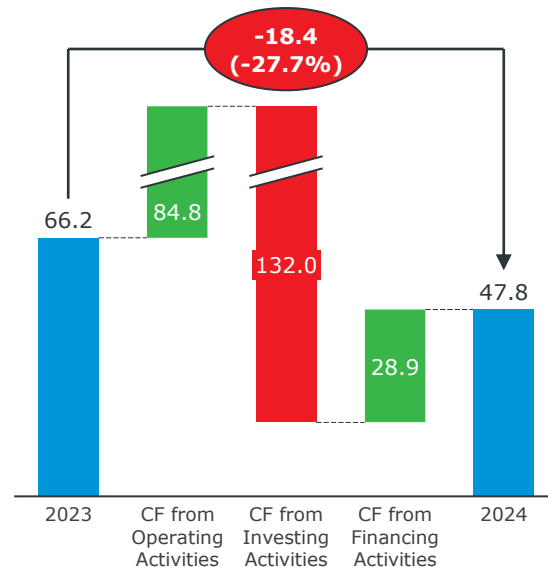
Cashflow from operating activities

In RM mln



Cash balance

In RM mln

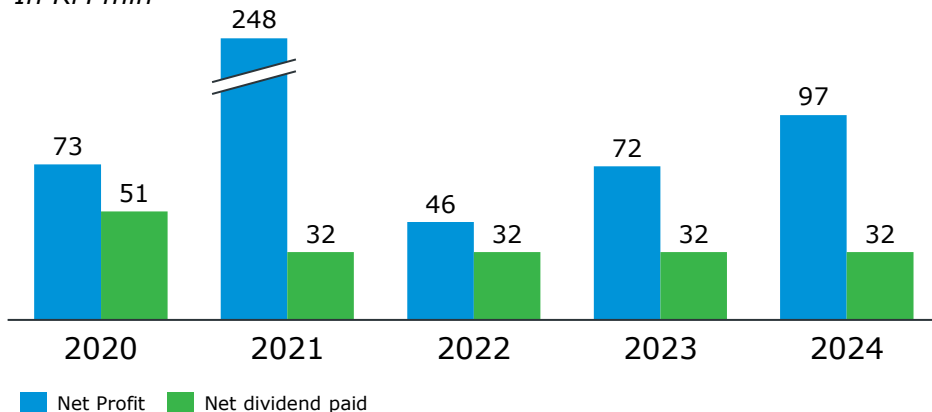


Dividend payment

Dividend of RM 0.25 per share in H1 and H2 2024. Dividend pay-out in line with 2023, which enable internal financing of new manufacturing facilities.

Net Dividend pay-out vs Profit After Tax

In RM mln



Net Dividend pay-out per quarter

Dividends in RM mln	Q2	Q4	2024 Paid
Standard RM0.25 per share	16.0	16.0	32.0
Dividend Pay-out amount	16.0	16.0	32.0

2024

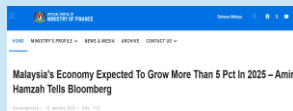


2025

Key 2025 Macroeconomic Highlights:

Strong economy, yet volatile costs of doing business

Malaysia's economic remain strong, despite global uncertainties, government projects GDP growth between 4.5% and 5.5% keeping Malaysia among the region's fastest-growing economies



Malaysia maintains 2025 growth forecast at 4.5% to 5.5%, warns of rising risks amid protectionism
The external environment is highly fluid and unpredictable, Bank Negara governor says



Rafizi assures trade war won't hinder Malaysia's 2025 GDP growth

Ringgit strengthened slight but remains volatile; dairy input costs rising, driving renewed margin pressure upward.

Ringgit opens higher vs dollar, market sentiment improves



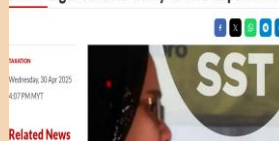
Ringgit opens firmer as US-China tariff cuts calm markets



Regulations, Policies and Mandates

Delays in further increased of SST to provide relief from US Tariff

FMM urges further delay to SST expansion



Malaysia to delay new taxes as manufacturers fear tariff hit



Government to ease price hikes on tax as well as petrol price due to US Tariff

After Trump tariffs, Malaysia to ease price hikes in bid to fuel economy

Government has agreed to postpone the e-Invoicing implementation for SMEs to 2026



Geopolitical uncertainty remains

Stable local government, yet US political changes impacting sentiments

BUSINESS

US-China Tariff Development Positive For Malaysian Equity Market - CIMB Securities



India-Pakistan ceasefire holds after deadly clashes; hopes rise for lasting peace to avoid uncertainty in global market.

India-Pakistan ceasefire raises hopes that the worst fighting in decades is over. Here's what to know



Tok Mat: South Asian tensions can hurt trade



Kashmir conflict may hit rice imports, Malaysia warns amid India-Pakistan tensions

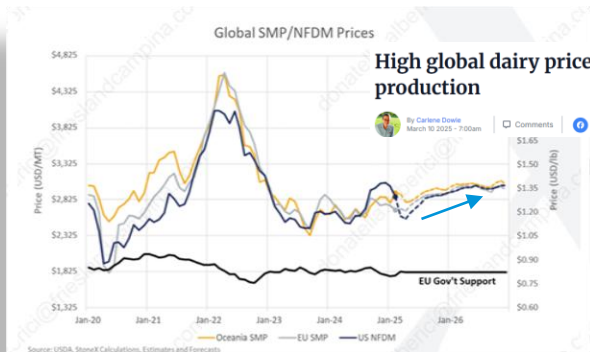


Malaysia could face food shortage if India-Pakistan conflict worsens



2025 Industry Outlook:

Milk prices expected to increase slowly but steadily, MYR remains volatile. While business confidence is mixed, consumer confidence is improving.



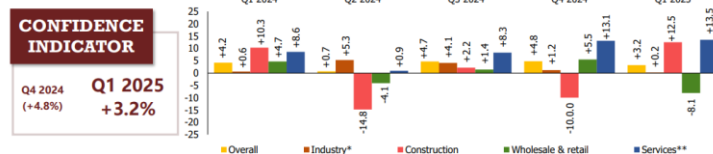
Source: Farm weekly, 10 March 2025

Source: USDA StoneX Calculations, Estimates and Forecasts; Rabobank



Source: XE.com, May 2025, BusinessToday.com.my 10 May 2025

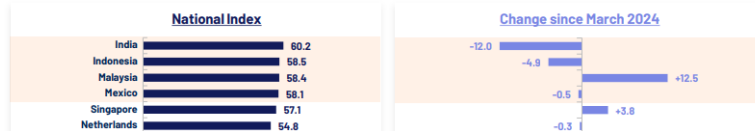
DOSM Business Confidence Indicator



Business confidence holds steady in 1Q25 amid mixed sectoral trends

Source: the Malaysian reserve, 3 March 2025

IPSOS Consumer confidence index



Malaysia's consumer confidence index rises 4%, surpassing global average

Source: The Star, 18 February 2025

Commercially, we will focus on winning in the market with strategies across portfolio & life stages



Drive penetration and brand connection through **core occasions & assortment**, to win in ambient and chilled liquid segments



Drive IFT relevance through **category education** and continue to fight the nation's triple burden via integrated plans and support the optimal growth of Malaysian children through MaxGro



Drive **penetration** within IFT premium segment, with focus on **nutrition & easy digestion**



Key Q1 2025 financials versus Q1 2024:

Close to 3% growth in revenue driven by higher sales in our core ranges and growing revenue from innovations, offset with higher costs.

Net Sales
RM373.4m

Operating Profit
RM34.8m
-4.1%

Net Profit
RM 25.0m
-6.1%

Operating
Cash Flow
RM4.9m
-RM7.8m

Net sales growth
+ 2.93%
+RM10.6m

Adj. Operating
Profit*
RM43.1m
-6.1%

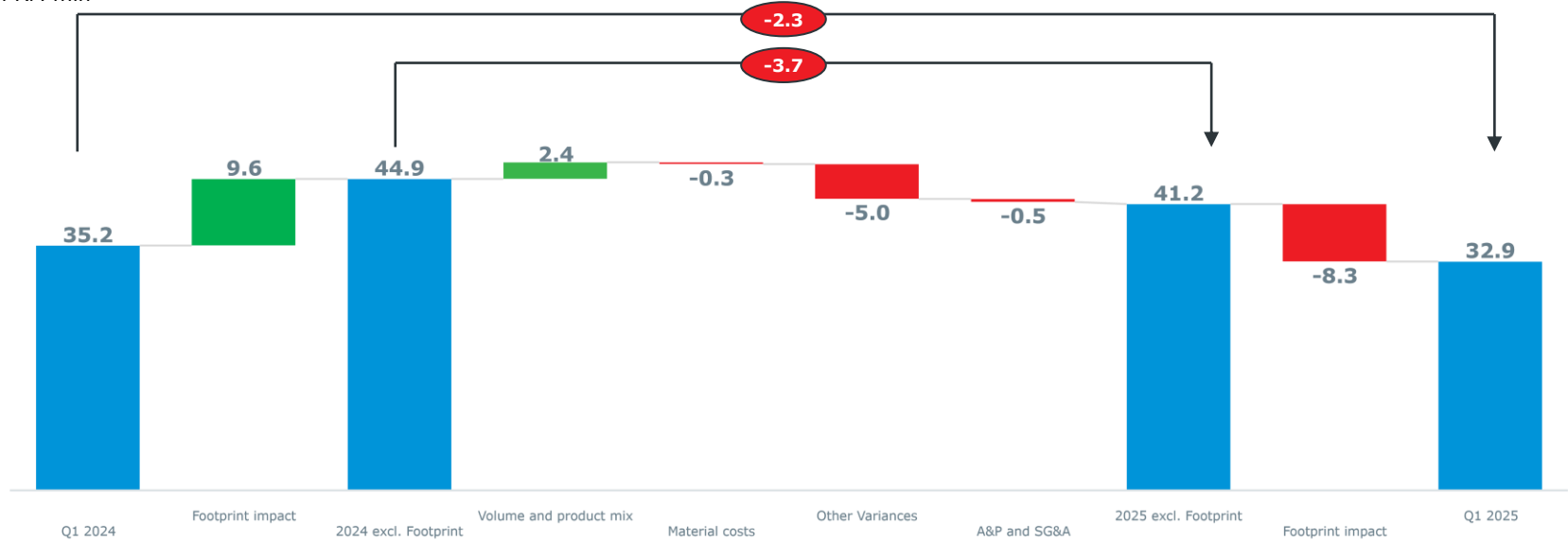
Adj. Net Profit*
RM 31.3m
-7.8%

Adj. EPS*
RM0.49
-7.8%

Profit before Tax:

Volume growth positively impacted Profit Before Tax, yet offset by exchange rates and higher cost of production.

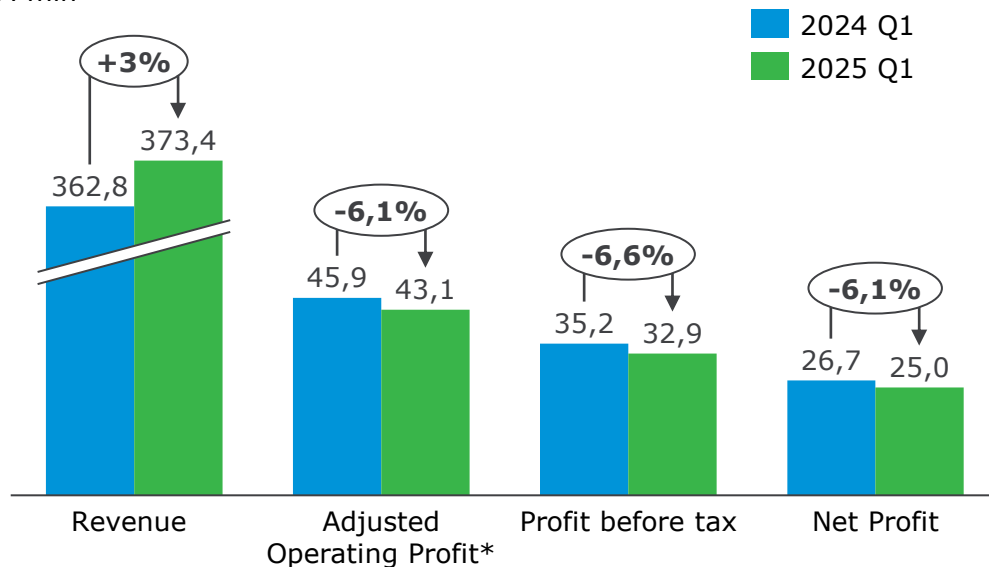
In RM mln



Strong business performance in Q1 2025

Revenue up 3% on the back of volume growth, yet higher raw material prices and FX variances impact profit.

In RM mln



Interim Dividend pay-out

Dividends RM mln	2025 Announce on 22 May 2025
Standard RM0.25 per share	RM16.0m

* Excluding footprint impacts

PURPOSEFUL ORGANISATIONS WILL “STAY RESILIENT & RELEVANT”

Conscious & Discerning Consumers

- Consumer sentiments stronger in relation to health and wellbeing, guiding food choices
- Greater awareness and preference for responsible brands and products

Our Approach

- Prioritise nutritional value delivered in an affordable and responsible way
- Play a role in shaping public perceptions and preferences on Nutrition and its role in shaping a healthy society

BUSINESS AS USUAL WILL REMAIN “UNCERTAIN AND CHALLENGING”

Key Developments

- Trade conflicts/restrictions
- Increased Cost of Doing Business: with real and potential changes in costs of energy, taxes, excise duty, minimum wages, global minimum tax on MNCs etc.

Our Approach

- Assess the various transition risks related to political, policy and market influences
- Deploy prudent cost management practices and achieve savings to make our operations and supply chains resilient.

SUSTAINABILITY WILL INCREASINGLY BECOME A BUSINESS “IMPERATIVE”

Evolving Landscape

- Emerging Regulations including the National Sustainability Reporting Framework
- The National Climate Change Policy 2.0
- The impending Climate Change Act

Our Approach

- Remain nimble with long-term strategies
- Build internal capabilities continually
- Improve sustainability performance consistently
- Align with global ambition



Potential





DLMI@Enstek







Unlocking Capacity for Growth with DLMI@Enstek

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



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**

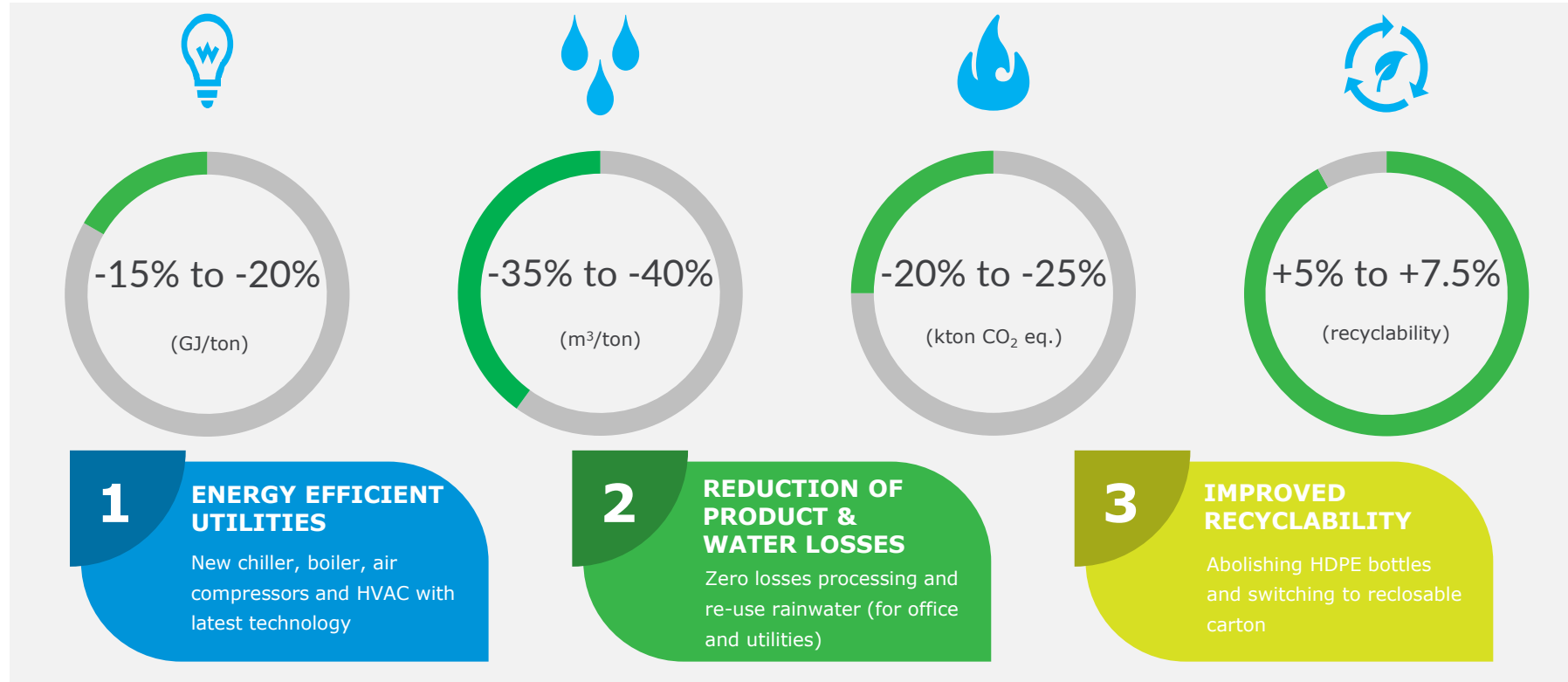
Targeting to reduce
wastage in production
processes to zero and
zero waste to landfill

Growth



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

Greenfield factory realizes significant reduction in use of energy, water & CO₂ and increased recyclability



Finishing a 5-year transformation journey



Preparation & design



Land acquisition at bandar Enstek



Construction start



Utility installation begin



Construction ongoing



Processing installation begin



1. Start commissioning
2. legacy machine relocation
3. people transition
4. Inauguration

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



Distribution Center





DLMI@Enstek



Dutch Lady Milk Industries Berhad

