



Nourishing our Nation

**Analyst Briefing
March 2026**



Financial Year 2025 at a Glance – Transition to Acceleration

Revenue increased by 3.8% to RM 1.50 billion

Gross margin increased by 1.5 ppts to 35.3%

Operating profit increased 17.8% to RM 154.74 million

Profit After Tax increased by 6.9% to RM 103.28 million

Operating cash flow increased 88% to RM 159.95 million

Successfully launched new **integrated Distribution Centre**

enabling network efficiency, service reliability and marking the completion of Enstek relocation

Launched Dutch Lady Omega 3*6

supports children's brain development and overall growth

Market Capitalisation of RM 1.992 bil
as at 31 December 2025

Purchased 5.2 million litres

of raw milk from local farms

*remain one of the largest purchasers of fresh raw milk in Malaysia

Supporting child nutrition nationwide through the **School Milk Programme**

14,388,320 Packs
74,000 Students

Reduction in Emissions (24%), Energy (27%) and Water (35%) intensity vs 2024



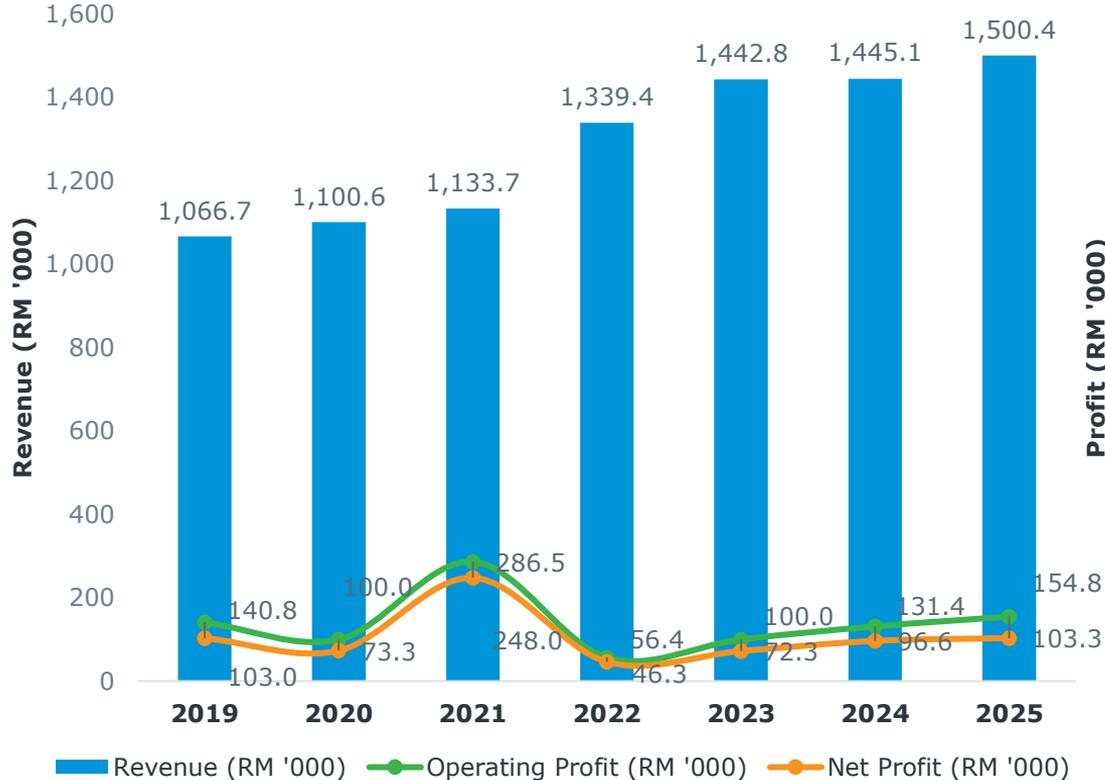
AGENDA

- **SECTION 1: FINANCIAL PERFORMANCE**
- **SECTION 2: STRATEGIC AND GROWTH THESIS**
- **SECTION 3: OPERATIONAL AND COMMERCIAL ACCELERATION**
- **SECTION 4: SUSTAINABILITY**
- **SECTION 5: 2026 OUTLOOK & DLMI GROWTH DRIVER &**
- **SECTION 6: Q & A**

FINANCIAL PERFORMANCE

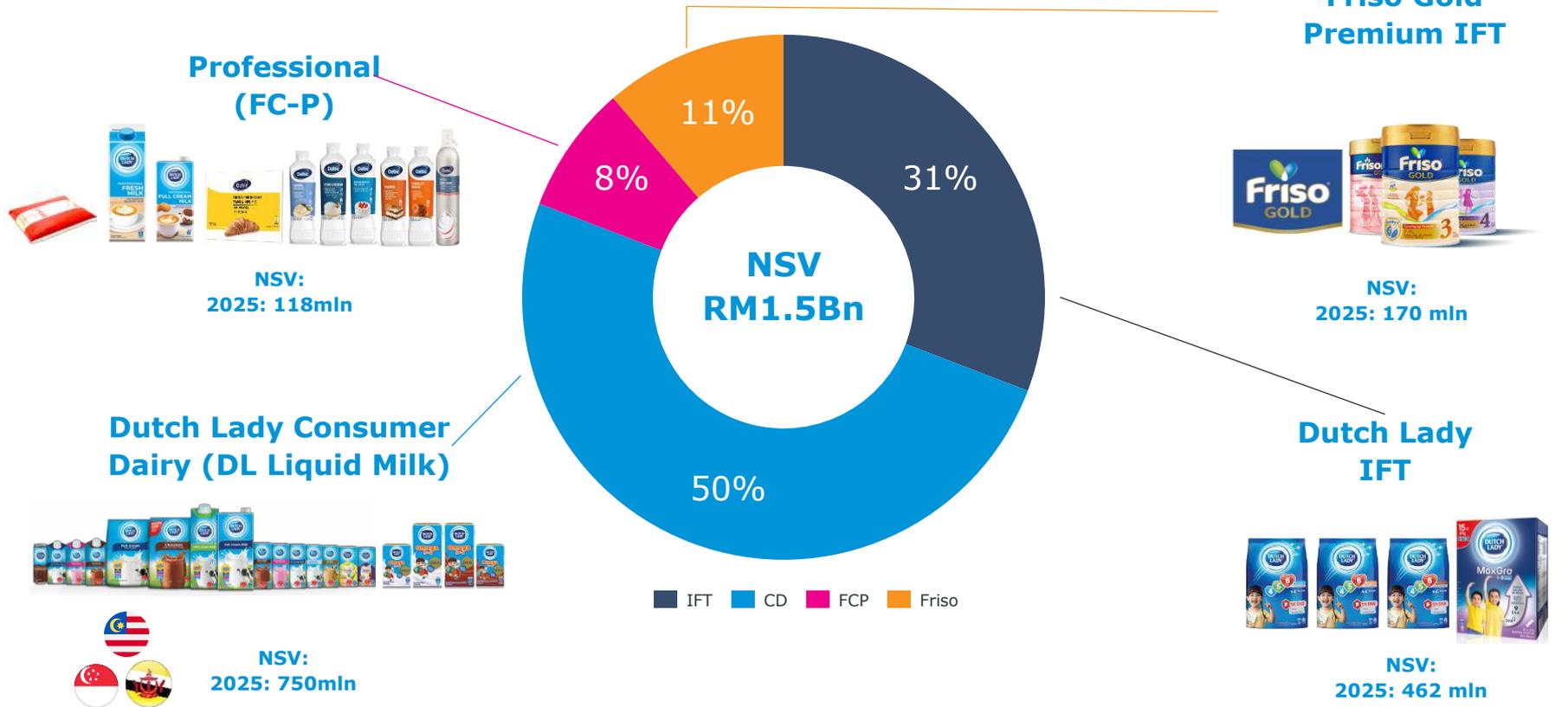


Revenue reaches Record RM1.5bn with Profitability Improving Post-Enstek Transition



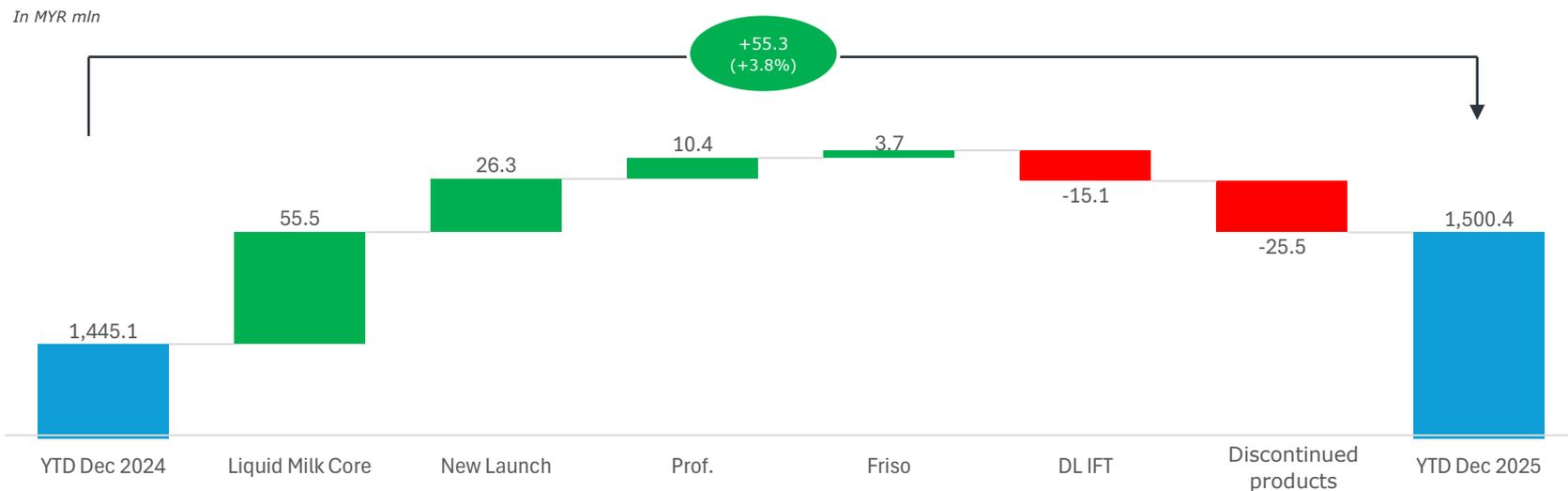
- Revenue reached RM1.50bn Milestone in FY2025 for the first time, representing steady growth from RM1.07bn in 2019.
- Profitability was temporarily impacted during the Bandar Enstek relocation and supply chain transition, which involved significant operational adjustments and one-off costs.
- With DLMI@Enstek and Distribution Centre fully operational, margins are improving as operational efficiencies are realized
- Net profit increased to RM103m driven by revenue growth, margin expansion and improved operating leverage

Four key product segments contributing to robust RM1.5bn revenue in 2025



Revenue growth fueled by Liquid Milk, Professional and new launches

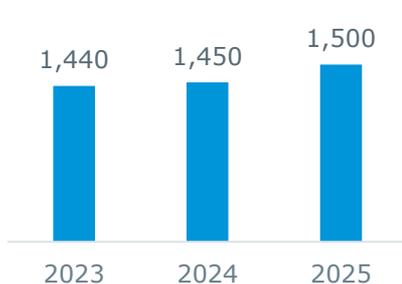
Stronger business performance across key strategic products, partially offset by discontinued range



FY2025 Financial Performance

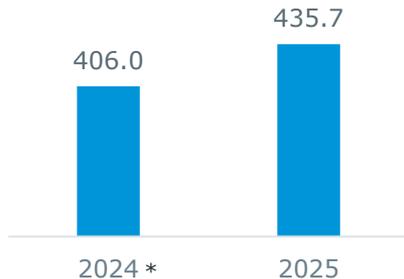
Revenue growth on the back of strong volume performance. Margin expansion translated into significant operating profit growth, reinforcing the strength of our core business and new launches.

Revenue
+3.8% YoY | RM1.50bn



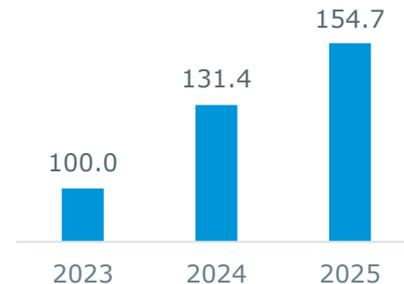
- Higher volumes in core Dutch Lady liquid milk portfolio.
- Continued momentum in HORECA channel.
- Successful new product launches.
- Supported by SARA programme retail offtake.
- Partially offset by softer IFT performance and SKU rationalisation.

Gross Profit
+7.3% YoY | RM435.7m



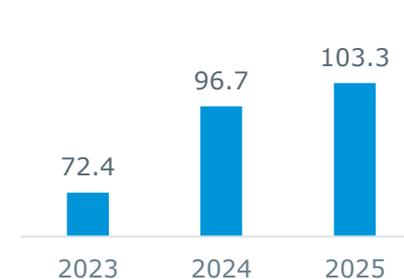
- Premium portfolio mix (IFT & specialised nutrition).
- Favorable dairy raw material pricing.
- FX appreciation supporting input costs.
- Ongoing cost discipline and Performance+ initiatives.
- Improved fixed-cost absorption from Enstek.

Operating Profit
+17.8% YoY | RM154.7m



- Lower transition-related one-offs (RM17.6m vs RM39.0m)
- Distribution expenses broadly stable.
- Higher administrative expenses from Enstek ramp-up and next gen ERP implementation.

Net Profit
+6.9% YoY | RM103.3m



- Net profit growth moderated by higher tax expense.
- Tax increase due to deferred tax adjustments and prior-year under-provision.
- Profit Before Tax +17.3% driven by margin expansion and operating leverage.

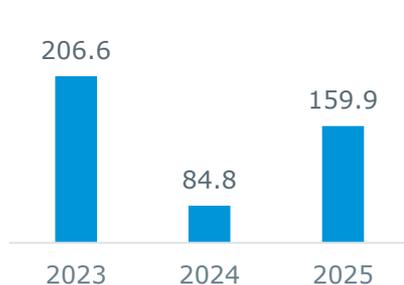
Operating Profit Growing by 17.8%

Strong profitability growth driven by volume, RGM and lower transition costs; COGS increase offset by positive FX



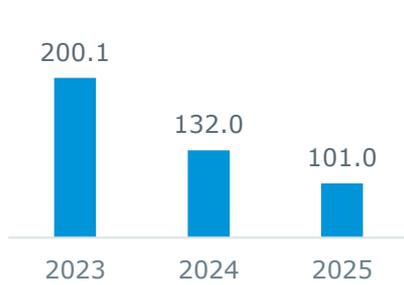
Strong Cash Generation, Normalising CAPEX & Improved Inventory turnover

Operating Cash Flow
+88% YoY | RM159.9m



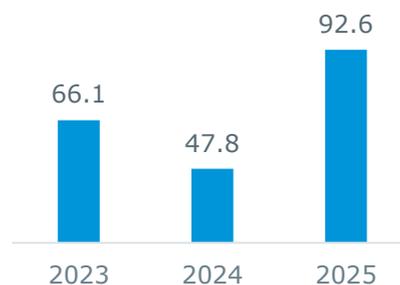
- Strong cash generation driven by higher operating profit and working capital discipline.
- Inventory optimisation and receivables management supported stronger cash conversion.
- Reinforces DLMI's strong underlying cash generation capability.

Capital Expense
-24% YoY | RM101m



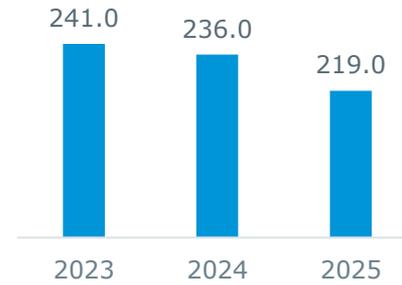
- CAPEX moderating following completion of the DLMI@Enstek manufacturing and distribution platform
- Cash CAPEX of RM101m substantially related to PY investments.
- FY2025 capital additions of RM40m in PPE and IA, reflecting transition from major investment phase.

Cash Balance
+94% YoY | RM92.6m



- Strengthened liquidity position supported by strong operating cash flow.
- Provides financial flexibility for investments, and lowering debt position.
- Supports DLMI's disciplined capital allocation approach.

Inventory
-7% YoY | RM219m



- Lower working capital intensity following Enstek supply chain optimization.
- Improved production planning and supply chain coordination
- Improved inventory efficiency supports stronger cash conversion.

STRATEGIC AND GROWTH THESIS



Growing National Focus on Child Nutrition Strengthens Dairy Relevance

Provide milk subsidies to fight child stunting, govt told

MALAYSIA

Parliamentary committee urges milk subsidies as child stunting rate climbs to 21.2pc in Malaysia

Milk vouchers better way to prevent stunting among kids

9 HOURS AGO
Zaza Atira

Share

The Galen Centre for Health and Social Policy says that a targeted approach will ensure children consume milk regularly without adding to the financial burden of B40 households.

Rising Child Nutrition Challenge

- **Child stunting increased to 21.2% in 2022** (17.7% in 2015, NHMS)
- Malaysia reportedly **only ASEAN country with rising stunting rates**

Policy Discussion on Nutrition Support

- Parliamentary committee proposed **milk subsidies to improve child nutrition**
- **Milk** recognised as **affordable source of nutrients for growth and brain development**

Expanded National Nutrition Interventions

- Recommendation to extend nutrition programmes from **1,000 → 2,000 days (up to age 5)**
- Proposed **mandatory child growth monitoring and nutrition consultations**

Nutrition Insights Drive Product Innovation and Relevance

Consumer nutrition insights enable DLMI to design products that address Malaysia's key nutritional challenges.

SEANUTS

Southeast Asian Nutrition Surveys in Southeast Asia. This study provided nutritional data from almost 14,000 children in Malaysia, Indonesia, Thailand and Vietnam.



Dairy

supports the intake of essential micronutrients



Enhancing essential micronutrients to support healthy growth.

Products fortified with key vitamins and minerals relevant to Malaysian nutritional needs.

Optimising nutritional profile while maintaining taste.

Malnutrition

The majority of Malaysian children studied suffer from some form of malnutrition



Stunted growth

13.8% of children below 5



Overweight and obesity

1 in 10 children between 0.5 - 12.9



Calcium and vitamin D

25.1 % of children have Vitamin D deficiency
79.4% not meeting recommended Calcium intake



Anemia

40.3% of children below 5

Malaysia's Dairy Consumption Gap Creates Long-Term Growth Opportunity

Below Age 12

0.6

Servings of milk/dairy per day

Below Age 5

76.8%

DID NOT consume milk/milk products at least two times daily. (NHMS MCS 2022)

Age 3-6

61%

Children drink **sugary drinks** at least 5 times a week. (BMC Public Health 2020 – For Kelantan State)

DLMI Opportunities

Nutritious & Affordable Breakfast

- Breakfast remains the largest dairy consumption occasion in Malaysia
- While 89% of Malaysians eat breakfast, only ~52% consume dairy in the morning
- Dairy provides protein and calcium essential for daily nutrition

Kids Nutrition Foundation

- The first 1,000 days of nutrition are critical for brain development and immunity
- DHA and brain development benefits are key drivers of purchase for young children
- Infant Formula and Liquid Milk remain key nutrition sources for children aged 1–4

Convenient & On-the-Go Consumption

- Busier lifestyles driving demand for convenient and nutritious dairy beverages
- Increasing on-the-go consumption occasions for ready-to-drink dairy products
- Expansion of proximity retail channels (minimarkets and convenience stores) supporting accessibility

Introducing the new Dutch Lady Omega 3*6

The first 5 years

shape how a child **thinks, learns, and grows** - it's when the brain develops fastest.

24
vitamins
&
minerals

High in
Calcium

Source of
Protein

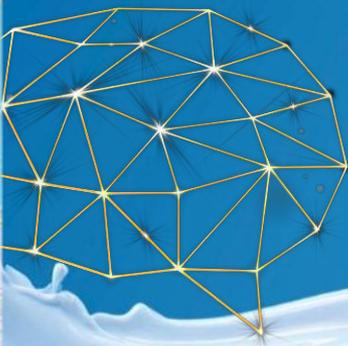
Packed with **brain-supportive nutrients** for a strong start, supporting growth of their curious minds and growing bodies.

Strengthen memory and stimulate blood circulation in the brain

Maintenance of normal brain function



Available in **Plain (0% sucrose) & Chocolate**, every drink time is a moment to boost the little minds and help them grow & learn smart!



Sources:

Higher Omega-3 (inclu. DHA) intake showed improvement in learnings ability and memory in Children (Dalton A, et al., 2009).

Omega-3 (including DHA) supports learning, memory, and brain blood flow (Dighiriri IM et al., 2022)

Omega-3 (including DHA) may support attention and cognitive processing in Children, as shown by improvements in brain activity (Sittiprapaporn P et al., 2022)

Science-Backed IFT Innovation Supporting Malaysia's Childhood Growth

Deep dive: Key Findings

- Modern parents increasingly prioritise holistic child development and wellness
- Awareness of stunting and growth gaps remains limited
- Many parents are uncertain how to address early childhood nutrition needs



Strategic framework redefined: MaxGro 2.0

- Shift from conventional children's milk to science-based growth nutrition
- Focus on early intervention during critical growth years
- Strengthening credibility through clinical validation and nutrition education



Clinically Proven Growth Nutrition for Malaysian Children

- ❑ Visible growth improvement in 12 weeks
- ❑ Clinically tested on Malaysian children
- ❑ Strengthens DLMI's position as Malaysia's leading nutrition dairy brand

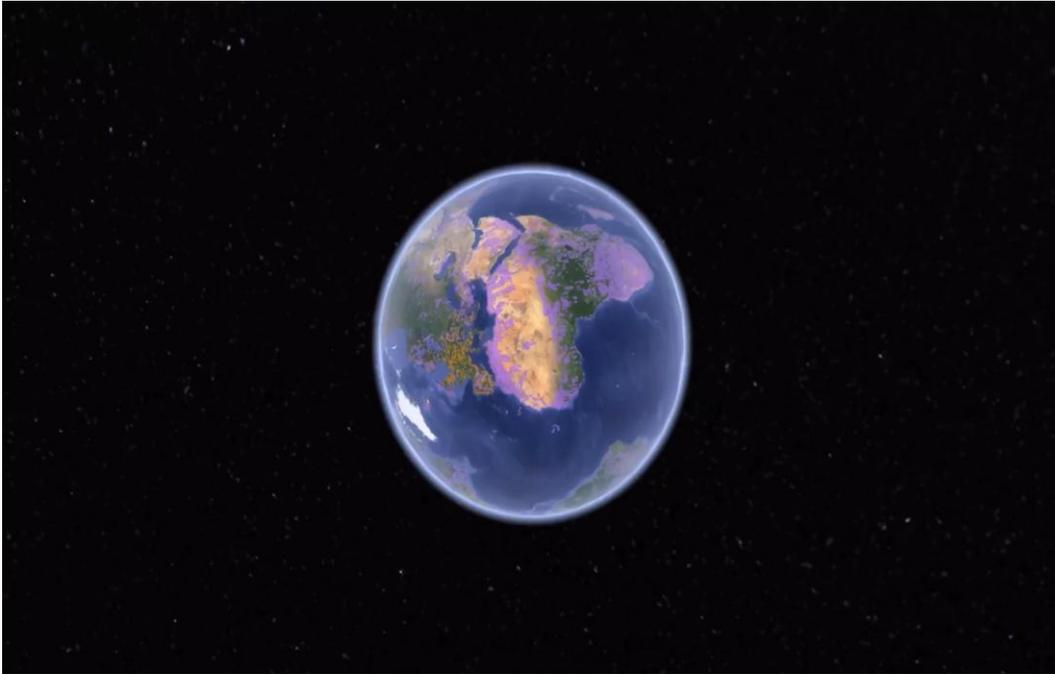


OPERATIONAL AND COMMERCIAL ACCELERATION



DLMI@Enstek: Integrated Plant Enabling Scale, Efficiency and Future Growth

DLMI@Enstek Integrated Manufacturing & Distribution Hub



- DLMI@Enstek integrated manufacturing and distribution hub now fully operational
- Designed with $\sim 2\times$ production capacity potential compared with the previous Petaling Jaya facility, providing long-term growth headroom
- Integrated distribution centre ($\sim 25,000$ pallet capacity) strengthening supply chain capability
- IR4.0-enabled automation supporting productivity, quality and operational resilience
- Improved sustainability performance, including lower energy and water intensity per tonne

Brand Leadership Driven by Innovation and Strong Commercial Execution

#1 Liquid Milk Brand in Malaysia

41.8% value share
45.0% volume share
Nielsen YTD Dec 2025

+4.3% Value Growth

Nielsen YTD Dec 2025

+7.6% Volume Growth

Nielsen YTD Dec 2025

Innovation and Portfolio Expansion in 2025



- Launch of **Dutch Lady Omega 3*6** supporting kids' nutrition.
- **Friso Gold Comfort Next** strengthening premium portfolio.
- Accessibility improved through **1.8kg IFT** pack and **RSS fresh milk** refresh.
- **Barista Milk** supporting professional channel growth.

Enhanced Commercial and Market Execution



- Strengthened **shopper communication and in-store visibility**.
- Reinforced trusted **No.1 nutrition brand positioning**.
- Expanded **retail activations and school engagement programmes**.

Q1 2026 Ramadan Activation – Winning the Sahur Consumption Occasion



Sahur Consumption Occasion

Leveraging key influencers and livestream commerce to capture the Sahur occasion



1.28M live viewers

8,720 orders recorded!

Geng Sahur Macam Ber buka
Sahur bernutrisi kuat sepanjang hari

Temui kami di lokasi berikut :

- 8 Feb 2026
- 1 Mac 2026
- 14 Mac 2026

Nutrisi No. 1*
Sahur untuk Menyokong
Kekuatan Badan

2026 - Packaging Refresh Strengthens Brand Standout and Consumer Relevance



The Need to Evolve



- Heavy focus on just functional nutrition claims
- Category-generic communication
- Limited emotional connection with consumers

What's Better?



- ✓ **Stronger Brand & Shelf Standout**
Bolder Dutch Lady logo and colour contrast improve visibility and brand recognition.
- ✓ **Clearer Benefit Communication**
“Build Strong Body” positioning strengthens the product’s core nutrition proposition.
- ✓ **Broader Family Relevance**
Family imagery reinforces Dutch Lady as a trusted nutrition brand for all ages.

Outperforms Current Packaging in On-shelf Visibility, Key Benefit Communication & Overall Persuasion

Taste Leadership Reinforces Dutch Lady's Consumer Preference

Consumer research shows Dutch Lady leading in taste preference across Full Cream and Chocolate, while remaining highly competitive in Fresh Milk.

FULL CREAM

Most Preferred
by Moms



CHOCOLATE

No.1 Most Liked
Chocolate Milk



FRESH

Competitive with
Other Brands



Dutch Lady Full Cream leads in overall liking among moms and performs strongly across key taste attributes.



Dutch Lady is the most liked chocolate milk overall, outperforming competitors in taste perception.



Dutch Lady Fresh Milk performs on par with other brands and is perceived more positively on freshness and flavour.

FrieslandCampina Professional: Accelerating Out-of-Home Growth



Comprehensive & Versatile Professional Dairy Portfolio

Milk	Cream	Butter	Serve Serve
			
			

SUSTAINABILITY



Sustainability Performance – FY2025



Nutrition

FC Nutritional Standards (FCNS)

96.3% ↑

2024: 84.7%

Goal 2030: 95%

% of product sold compliant with FCNS *excluding IFT (ineligible)

Healthier Choice Logo Products (HCL)

85.7% ↑

2024: 83%

% of eligible products certified with Healthier Choice Logo

Product Safety and Quality

0 ↔

2024: 0

Number of mandatory product recalls or critical food safety incidents

School Milk Program

14,388,320
Packs

74,000
Students

Beneficiaries distributed under School Milk Programme



People

Health and Safety

0 ↓

2024: 0.20
Yearly Goal: 0

Total Recordable Frequency Rate (per 200k hours worked)

Top Employer

Sole Dairy company in Malaysia

Top Employer in Malaysia for 2025

Goal 2030: Achieve a "People-Positive and Fit-for-Purpose Workplace"



Foundation

Data Privacy and Cybersecurity

0 ↔

2024: 0

Number of substantiated complaints concerning breaches of customer privacy and losses of customer data

Corruption Case

0 ↔

2024: 0

Number of corruption misconduct cases



Planet

GHG emissions intensity

0.15 ↓

▼ 24% vs 2024

Scope 1 & 2 emissions intensity (CO₂e per tonne unit manufactured)

Energy consumption intensity

1.18 ↓

▼ 27% vs 2024

Goal 2030: 0.826

Energy consumption intensity (MJ per tonne unit manufactured)

Water consumption intensity

3.73 ↓

▼ 35% vs 2024

Goal 2030: 2.38

Water consumption intensity (m³ per tonne unit manufactured)

Recyclable packaging

92.7% ↑

2025: CD: 98.7%
SN: 70.1%
FCP: 95.1%

2024: CD: 93.1%
SN: 66.2%

Goal 2030: 95%
% of packaging designed for recycling or reuse

DLMI embarked of National Sustainability Reporting Framework (NSRF) reporting one year ahead of mandatory requirements, aligning disclosures with IFRS S1 and S2. Will be disclosed in FY 2025 Annual Report.

2026 Outlook & Growth Driver



Outlook 2026: Acceleration with Discipline

DLMI expects continued revenue growth supported by innovation and channel expansion, while operational discipline and Enstek efficiencies support margin resilience.

Driver	Watchpoints	Management Actions
<ul style="list-style-type: none"> Malaysia's economy expected to grow 4.0%–4.5%, supporting consumer spending Stabilising dairy raw material prices supporting margin outlook Full-year operational benefits from DLMI@Bandar Enstek manufacturing and distribution plant Continued growth in the UHT dairy segment, where DLMI maintains market leadership 	<ul style="list-style-type: none"> Commodity price volatility in global dairy markets Geopolitical developments impacting global supply chains and markets Currency movements impacting input costs Policy developments impacting regulatory changes and operations Demographic shifts impacting birth rates and Infant Formula demand 	<ul style="list-style-type: none"> Leverage DLMI@Enstek to improve operational efficiency and supply chain resilience Maintain disciplined cost management and Performance+ initiatives to support margin resilience Strengthen innovation pipeline across core dairy and nutrition segments to sustain category leadership Active procurement and supplier management to mitigate commodity price volatility and input cost pressures Ongoing monitoring of macroeconomic, regulatory and geopolitical developments to ensure supply chain continuity

Impact of Middle-East Crisis on supply continuity and cost

Short- and Long-Term Effects

- **Short Term**
 - **Freight & Shipping Costs** - Shipping route disruptions and vessel rerouting around conflict zones may increase transit times, freight rates and insurance costs.
 - **Energy Price Volatility** - Spikes in global oil and gas prices may increase logistics costs and energy-related production costs across supply chains.
 - **Packaging Feedstock Costs** - Higher crude oil prices may place upward pressure on resin and laminate feedstocks used in beverage cartons and packaging materials.
- **Mid Term**
 - **Structural Freight Cost Increase** - If disruptions to key shipping routes persist, global shipping capacity may remain tighter and freight costs may stay structurally elevated.
 - **Commodity Cost Inflation** - Sustained increases in energy prices may raise production and logistics costs across the global food manufacturing supply chain.
 - **Global Dairy Trade Rebalancing** - Disruptions to dairy exports to the Middle East may require major exporters such as the EU and New Zealand to redirect supply to alternative markets or adjust product mix, potentially creating temporary price pressure before markets rebalance.

DLMI Response

- **Secured Raw Material Coverage** - Key dairy commodities, specialty ingredients and critical packaging inputs are currently secured through group procurement planning, providing near-term supply visibility and continuity.
- **Inventory & Safety Stock Management** - Maintaining prudent buffer inventories of key raw materials and packaging inputs to ensure production continuity during potential supply chain disruptions.
- **Strategic Procurement & Demand Planning** - Procurement is supported by structured demand forecasting and disciplined purchasing strategies to manage supply continuity and mitigate price volatility.
- **Leveraging FrieslandCampina's Global Supply Network** - Access to FrieslandCampina's global sourcing network provides diversified procurement channels and supplier relationships, enabling flexibility to optimise sourcing and manage supply risks.
- **Active Supply Chain & Logistics Monitoring** - Shipping routes, supplier lead times and logistics conditions are continuously monitored with suppliers and logistics partners to proactively manage potential disruptions.

DLMI Growth Drivers

Structural Advantages Reinforcing Leadership & Sustainable Growth



Market Leadership

- #1 market share in RTD and Infant Formula dairy categories
- Taste leadership reinforces brand strength.



Scale & Efficiency –

DLMI@Enstek

- Integrated manufacturing and distribution hub
- Enhances operational efficiency, innovation capability and future scalability



Strong Brand Trust & Nutrition Credentials

- 60+ years of brand heritage and consumer trust in Malaysia
- Strong nutrition credentials supporting category leadership



Innovation & Portfolio Breadth

- Portfolio spanning Infant Formula → Kids Milk → Liquid Milk → RTD Dairy
- Enables DLMI to capture multiple dairy consumption occasions



Distribution & Consumption Expansion

- Strong route-to-market enabling broader consumption occasions
- Presence across modern trade, proximity retail and out-of-home channels



Q&A



Questions (1/6)

Questions	Response
<p>Details about the tax that DL pays, Capital Allowance (IA and AA).</p>	<p>DLMI secured a tax incentive from MIDA related to the expansion of the Bandar Enstek facility. The incentive provides 100% tax allowance on 70% of qualifying income attributable to Enstek-related operations, effective from 2025 subject to meeting stipulated conditions.</p> <p>The tax expense recognised in the 2025 Income Statement does not include this tax incentive, as formal approval from MIDA is to be obtained.</p> <p>In addition, standard capital allowances apply under Malaysian income tax legislation for qualifying assets. The company's ultimate holding company is also subject to OECD Pillar Two global minimum tax developments.</p>
<p>When DL is expected to repay all debts and has sufficient cashflow under current circumstances (assuming no new major capex is expected) to return to prior to 2019 situation (in terms of balance sheet/ working capital needs).</p>	<p>Borrowings increased primarily to support strategic investments in the Bandar Enstek manufacturing facility. With the facility now operational, DLMI is seeing improvements in operational efficiency and production capabilities. With continued strong operating cashflows and lower capex expenses would improve DLMI's cash position.</p> <p>To facilitate our cash needs during 2026 DLMI extended its IC credit facility with the FC group till March 2027. Approximately RM30m has been paid back in January 2026. In principle the remainder of the outstanding loan is intended to be settled at the end of this term.</p>
<p>What are the plans for the company to improve its liquidity of its shares.</p>	<p>Share liquidity is influenced by several factors including market participation and the overall investor base. At this point in time, the Board has no immediate plans to undertake a share split. However, we remain open to evaluating various corporate actions which can be beneficial under the right circumstances. We will continue to monitor relevant factors, including market conditions and the Company's strategic priorities.</p> <p>The Board remains committed to acting in the best interests of the Company and all its stakeholders. Capital structure matters are reviewed periodically by the Board as part of the company's overall capital management approach.</p> <p>DLMI remains focused on maintaining transparent engagement with investors while delivering sustainable long-term shareholder value.</p>

Questions (2/6)

Questions	Response
<p>TQ for providing 31 Dec 2025 top 30 shareholdings, and going forward can we expect the same at the end of every Quarter.</p>	<p>The Top 30 shareholders are currently disclosed in the Annual Report and Website. Provision of this information on the website has just commenced on 31 Dec 2025 and the intention is to update the information twice a year.</p> <p>Management acknowledges the interest from investors and will review the feasibility of providing this information more regularly as part of investor communication, subject to regulatory and internal considerations.</p>
<p>Impact of SARA</p>	<p>The SARA programme supports consumer purchasing power for essential food categories. Dairy products are an important nutritional staple and DLMI's portfolio is well positioned to serve this demand. The core DLMI products are eligible for purchase under the governments programme. While it is difficult to isolate the exact impact of SARA alone, the programme has supported demand in consumer dairy.</p>
<p>Seeing good cost controls – is this due to new plant efficiencies or others e.g. marketing?</p>	<p>Improvements in cost discipline reflect both operational efficiencies and structured productivity initiatives. The Bandar Enstek facility improves automation, layout and production efficiency compared to the legacy PJ plant.</p> <p>In addition, DLMI continues to drive productivity improvements through the Performance+ programme, which focuses on initiatives with clear impact on the Profit & Loss to offset inflationary pressure on input costs like Raw Material, energy and labour. Key levers include logistics and cost-to-serve optimisation, manufacturing overhead improvements, operating efficiencies, recipe improvements and procurement savings. DLMI targets to deliver RM 75 million in Performance+ improvements by 2027 to offset the pressures of inflation.</p>
<p>Impact of stronger MYR to the business</p>	<p>A sizeable portion of DLMI's input costs are exposed to global dairy commodity prices and foreign exchange movements, primarily MYR/USD. The company manages currency exposure by hedging the foreign currency component of its USD-denominated purchases in line with internal risk management policies.</p> <p>While a stronger MYR can be beneficial for input costs over time, hedging may create short-term accounting effects depending on currency movements. In 2025 the net impact of FX was RM25m, which had a strong cushioning effect on increased raw material costs of which a significant portion is purchased in USD.</p>

Questions (3/6)

Questions	Response
Guidance on raw material prices and margins going forward	Dairy raw material costs are influenced by global dairy commodity prices and exchange rate movements. In FY2025 dairy prices were elevated year-on-year, although prices have recently shown signs of softening and will ease in early 2026. At the same time costs of dairy raw materials are expected to increase again in the 2nd half of 2026. The current geopolitical tensions, which impact commodity pricing a.o. through increased energy costs may however cause input costs to go up sooner and steeper. A stronger MYR will support input costs, as a significant share of DLMIs raw materials is purchased in USD. Overall margin performance will depend on commodity trends, product mix, pricing discipline and ongoing efficiency initiatives.
How does DLMI view the outlook for milk supply in Malaysia, particularly in light of the government's target to achieve 100% fresh milk self-sufficiency by 2028?	<p>Malaysia's Ministry of Agriculture has indicated a target of achieving 100% self-sufficiency in fresh milk production by 2028, which is a positive development for the domestic dairy industry. Local Milk supply will increase significantly in the coming years. At the same time it is important to note that fresh milk represents only one component of Malaysia's overall dairy consumption. Even if the country reaches full self-sufficiency in fresh milk, total milk and dairy demand in Malaysia is expected to remain significantly higher than the volume of fresh milk produced locally.</p> <p>As a result, Malaysia is expected to continue relying on imported dairy inputs and milk products to meet overall national dairy demand. DLMI supports the development of the domestic dairy sector and maintains long-term partnerships with local dairy farm operators, through which the Company sources fresh milk and contributes to strengthening Malaysia's dairy farming ecosystem. At the same time, local sourcing is complemented by dairy ingredients from FrieslandCampina's global supply network to ensure a reliable and consistent supply of high-quality dairy products for Malaysian consumers.</p>
Why was gross profit lower in 4Q25 vs 3Q25/4Q24 despite the stronger Ringgit?	<p>Gross Profit in 4Q25 reached RM112.6m which is 18.7% higher than 4Q24 (94.8m). The increase was driven by volume growth, RGM, and favorable impact of MYR on COGS. Although the MYR strengthened the net FX effect vs PY was negative due to hedge revaluations (which were positive in 4Q 2024, and negative in 4Q 2025). However on the long term the stronger MYR is beneficial to the company's input costs.</p> <p>Also against 3Q2025 Gross profit increased from RM103.6m to RM112.6m, which is 8.7% higher, on the back of higher revenue and strong FX performance offsetting slightly higher COGS.</p> <p>In the financial year 2025, the Company performed reclassifications of certain expense items within the statement of profit or loss to better reflect their nature and to improve the clarity and comparability of financial presentation, mainly from DLMI from Other Expenses to cost of Sales. The reclassifications were presentation related only and did not affect the overall financial performance, financial position, or cashflows of the Company.</p>

Questions (4/6)

Questions	Response
<p>Raw materials: Outlook for whole milk powder price, and how would the company mitigate rising raw material costs?</p>	<p>Global dairy commodity prices, including whole milk powder, remain volatile and influenced by global supply-demand dynamics, particularly milk production trends in key exporting regions as well as global demand conditions. While prices have fluctuated over the past year, we expect continued volatility in 2026. For the first half of 2026 prices of key dairy raw materials are softening, at the same time the outlook for H2 shows a sharp increase as supply balances out. The impact of the current war in the Middle East is still hard to forecast and depends on how long the crisis sustains.</p> <p>To manage potential increases in raw material costs, the Company continues to focus on several mitigation strategies:</p> <ul style="list-style-type: none">• Strategic purchasing and demand planning – The Company adopts disciplined procurement practices supported by demand forecasting and close supplier engagement to manage price volatility and ensure supply continuity.• Cost efficiency and productivity initiatives - Operational efficiency improvements and cost optimisation programmes help offset input cost pressures.• Supply chain diversification - Leveraging FrieslandCampina’s global network allows us to optimise sourcing and manage supply risks more effectively.• Portfolio and pricing management - We continuously review pricing and product mix to ensure alignment with input cost movements while maintaining market competitiveness. <p>Overall, the Company remains focused on maintaining margin resilience while ensuring affordability for consumers.</p>
<p>What impact is the company expecting to see arising from the Iran conflict? Would there be higher freight/logistics costs and higher packaging costs related to resin prices?</p>	<p>The situation in the Middle East is being closely monitored given its potential implications for global logistics routes and energy markets. At this stage, the Company has not experienced any material operational disruptions to its supply chain, and the current risk assessment indicates low to medium short-term exposure across operations.</p> <p>However, if geopolitical tensions persist, there could potentially be longer shipping routes and transit times due to vessel rerouting, as well as higher freight and insurance costs. In addition, volatility in global energy prices could place upward pressure on logistics costs and certain packaging feedstocks linked to petrochemical inputs.</p> <p>To mitigate these risks, the Company maintains buffer inventory for key raw materials and packaging inputs, leverages FrieslandCampina’s global procurement network to provide sourcing flexibility, and actively monitors logistics routes and supplier coverage. Based on the current assessment, key raw materials and packaging inputs remain adequately covered, and there is no immediate impact on production continuity.</p>

Questions (5/6)

Questions	Response
<p>How is the competitive landscape for dairy products, and do consumers have sufficient demand to absorb increasing supply of dairy products?</p>	<p>The dairy market in Malaysia remains competitive, with both local and international players expanding their presence across key categories such as pasteurised, UHT and powdered milk. At the same time, we are seeing increased supply and product offerings as companies invest in expanding their portfolios.</p> <p>However, structurally, dairy consumption in Malaysia is not yet an everyday habit for all Malaysians amidst formidable challenge in nutrition sufficiency, indicating that there is still meaningful room for growth in the category. Consumer awareness around nutrition, protein intake and healthy lifestyles continues to increase, which supports demand for dairy as an accessible and affordable source of nutrition.</p> <p>As a result, we believe the market has the capacity to absorb additional supply over time, particularly as companies continue to drive innovation, consumer education and broader distribution. The market for Dairy also still shows strong growth particularly in Liquid milk (which grew >5% in value and >7% in volume in 2025 - Nielsen).</p> <p>For DLMI specifically, our focus remains on:</p> <ul style="list-style-type: none">• Increasing our local dairy sourcing footprint with strategic supplier base• Expanding supply and availability to reach more consumers• Strengthening product innovation and portfolio relevance• Growing our distribution footprint and outlet penetration• Leveraging FrieslandCampina's global dairy expertise <p>Overall, while competition remains active, we believe the combination of rising nutritional awareness and still-low per capita dairy consumption provides a supportive demand outlook for the category.</p>
<p>How much one-off costs are there left for the new plant?</p>	<p>The transition to the Bandar Enstek manufacturing facility has been completed. As such, we do not expect any material one-off costs related to the plant going forward.</p>

Questions (6/6)

Questions	Response
<p>How much of your cost of sales is raw material is how much is sourced locally vs overseas?</p>	<p>Raw materials represent a significant component of cost of sales, primarily related to dairy inputs. DLMI sources these inputs through a combination of global supply chains, including the FrieslandCampina network, as well as local sourcing where appropriate. For example, fresh milk used in our products is sourced locally. We do not disclose the detailed breakdown between local and overseas sourcing as this information is commercially sensitive.</p>
<p>Dividend payout ratio?</p>	<p>Dividend decisions are determined by the Board of Directors, taking into account the company's profitability, cash flow position and future investment needs. With the recent improvement in financial performance, we will evaluate the possibility of increasing dividend payouts in line with our commitment to delivering sustainable returns to shareholders. Any changes will be communicated to shareholders in accordance with applicable regulations.</p>
<p>How is sale to convenience stores recognised ? upon end customer purchase or upon group bulk order by the convenience store chain ?</p>	<p>Revenue is recognised in accordance with applicable accounting standards upon the transfer of control of goods to the customer. For convenience store chains supplied directly by DLMI, revenue is recognised when products are delivered to and accepted by the retailer. Where distributors are involved, revenue is recognised when products are delivered to the distributor. DLMI does not recognise revenue based on the end-consumer purchase at the store level. The exact distribution model may vary depending on the commercial structure of each retail network.</p>
<p>Effective tax rate</p>	<p>DLMI has secured a tax incentive from MIDA related to the expansion of the Bandar Enstek manufacturing facility. The incentive provides 100% tax allowance on 70% of qualifying income attributable to Enstek-related operations, effective from 2025 subject to meeting stipulated conditions.</p> <p>In addition, standard capital allowances apply under Malaysian income tax legislation for qualifying assets. Upon qualifying for the incentive, DLMI's effective tax rate is expected to be lower than the statutory rate depending on the profit split between qualifying and non-qualifying operations.</p> <p>The tax expense recognised in the 2025 income statement does not yet include the effect of this incentive, as formal approval from MIDA is still pending. DLMI's ultimate holding company is also subject to OECD Pillar Two global minimum tax developments.</p>

Thank you

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