



FrieslandCampina
Engro Pakistan Limited

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Dear Sir,

**Analyst Briefing for 2nd Quarter 2023 Business Results of
FrieslandCampina Engro Pakistan Limited**

FrieslandCampina Engro Pakistan Limited will be holding an analyst briefing regarding the company's business results for 2nd Quarter 2023 as per the detailed below:

Date : Thursday August 31, 2023
Time : 03:30 PM to 04:30 PM (PST)
Venue : Pakistan Society for Training & Development (PSTD) / Video Link Facility
Plot # TC-3, 34th Street off Khayaban-e-Sehr Microsoft Team
Phase-V, Extn, Defence Housing Authority,
Karachi.

To participate in online-based briefing, please follow the link:

Microsoft Team : <https://bit.ly/fcepl>
Meeting ID : 399 290 585 113
Passcode : Mt2TuT

** All attendees are requested to login with their names and Institution name. Following are best practices for a Microsoft Team that we encourage everyone to follow.*

- Please make sure to enter your name and Institution name in the following format 'Full Name• Institution' while entering the meeting ID. Only then you would be allowed to attend the meeting Analysts are requested to stay on 'Mute' mode while the CFO is presenting
- In case of any question or comment, Analyst is either requested to type in a question in the chat box or raise his/her hand which will appear on the participants list
- The CFO will ask the analyst to comment once they have written their request on chat

We would appreciate your assistance in communicating this information to your members.

Yours truly,

Imran Husain
Chief Financial Officer

Analyst Briefing 2023

AUGUST 31st, 2023



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Business Highlights



Financial Highlights



BUSINESS HIGHLIGHTS



Milk is an integral part of the Pakistani diet



Versatility of Milk



Most of the Dairy sold and consumed is in the unorganized informal sector



More than 90% of milk consumed in the country is unprocessed.



Loose milk supply chain is littered with hygiene problems. There are hardly any temperature controls and adulteration leads to high aflatoxin and microbial load



Milk shops also deal in loose yogurt, milk beverages and desserts – all of them being several billion-rupee categories.



Packaged industry has a smaller share in not just milk but all dairy categories



Huge opportunity to grow the Packaged Milk category via conversion from Loose Milk



\$14bn

24bn
liters/year

100%

*Household penetration
Usage in multiple
applications such as
Drinking, Tea, Desserts, etc.*

60%

*Breakfast is the
biggest occasion for
milk*

1.9Ltrs

*An average Pakistani
household consumes
per day*

40%

*Of household food
expense is on Milk*

**PACKAGED MILK
8%**



**LOOSE MILK
92%**





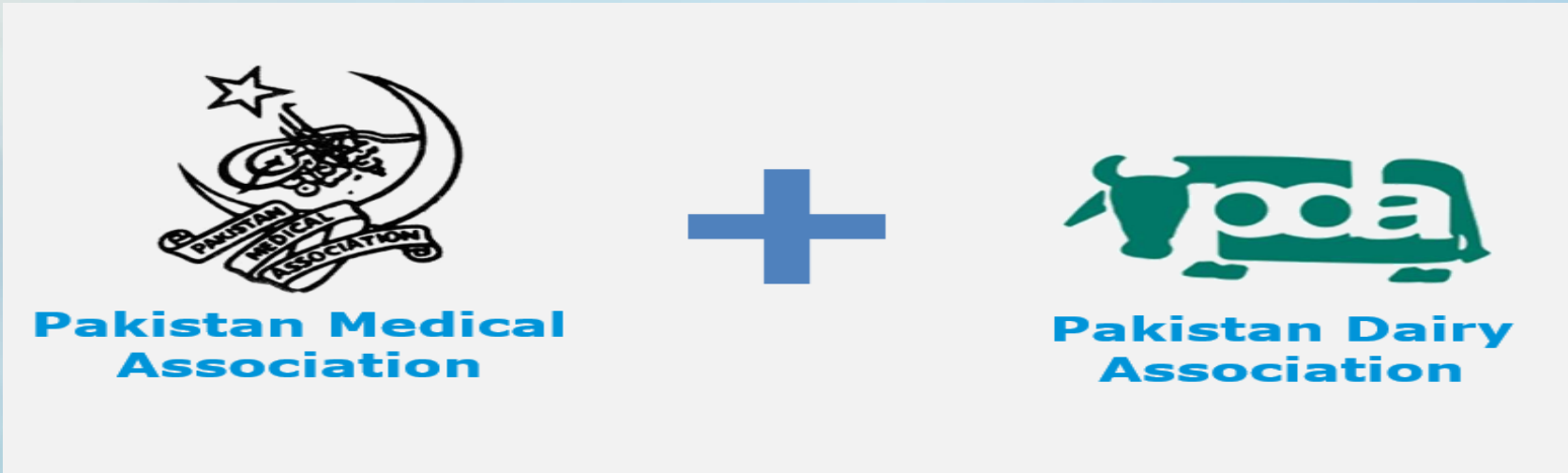
OUR PURPOSE

“We will transform the health and wellbeing of Pakistanis now and for generations to come, by nourishing them through unlocking the goodness of milk from grass to glass, as well as by enhancing the livelihood of farmers.”

A photograph of a cow in a field with a glass of milk and a pitcher of milk in the foreground. The cow is brown and white, standing in a green field under a blue sky. In the foreground, there is a glass of milk and a pitcher of milk, both filled with white milk. The text "EXECUTING PURPOSE DRIVEN STRATEGY THROUGH" is overlaid on the image in blue capital letters.

EXECUTING PURPOSE DRIVEN STRATEGY THROUGH

Category perception improvement campaign, a collaboration of PMA & PDA



2018-19

Unbranded Public Service Campaign



- Public Service Messages from Pakistan Medical Association
- Anti-loose milk & pro-packaged milk education

2020

Advocacy from News Channels & Anchors



- Public Service Campaign with leading News Channels & Celebrity Anchors
- Talk Shows to address myths & barriers

2021

Amplification via channels expansion



- Continuing with PMA public service campaign & news channels
- Talk Shows to address myths & barriers

2022

Promos & animated content with Geo TV



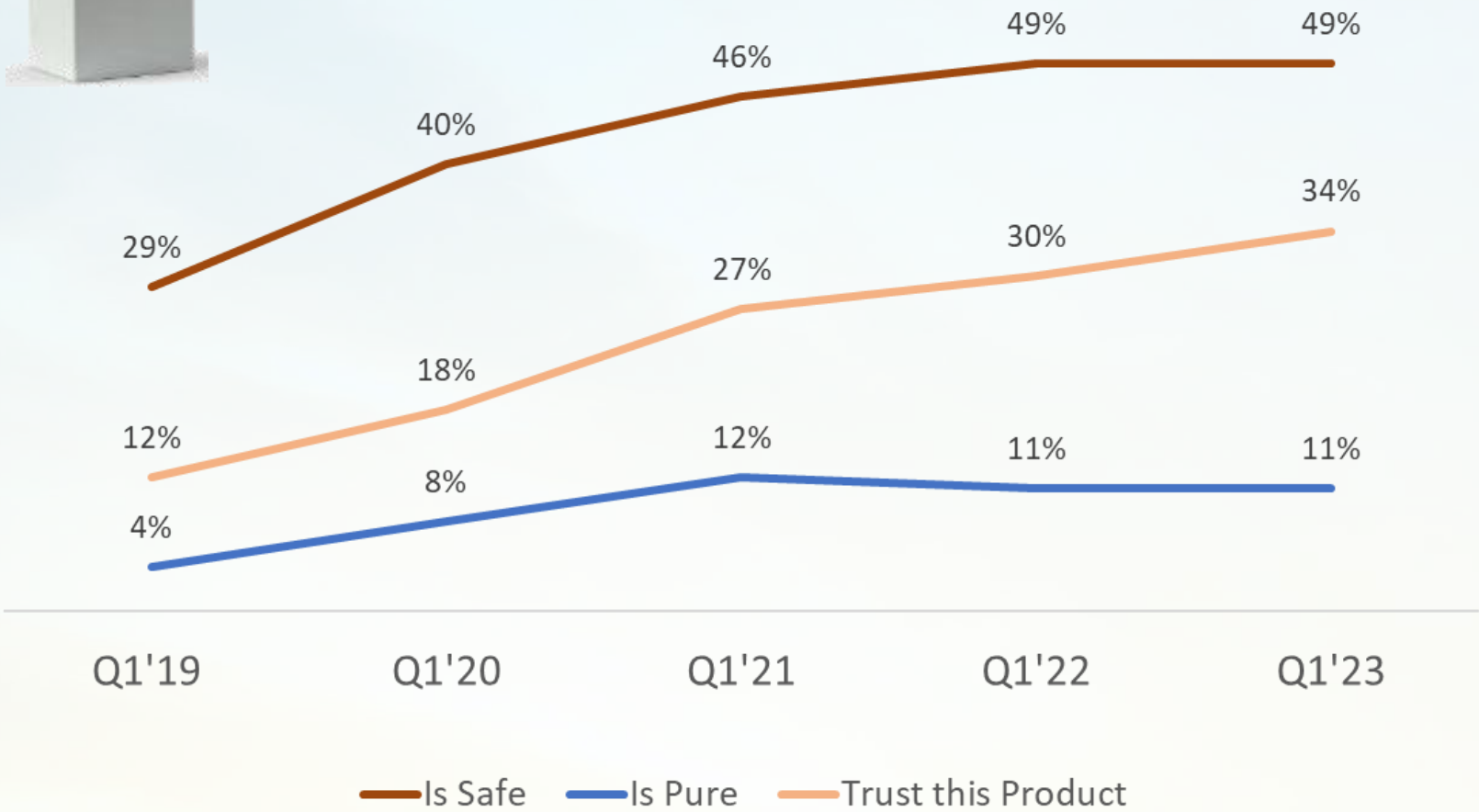
- Thought-provoking & engaging content with Pakistan's biggest news channel
- Talk Shows to address myths & barriers



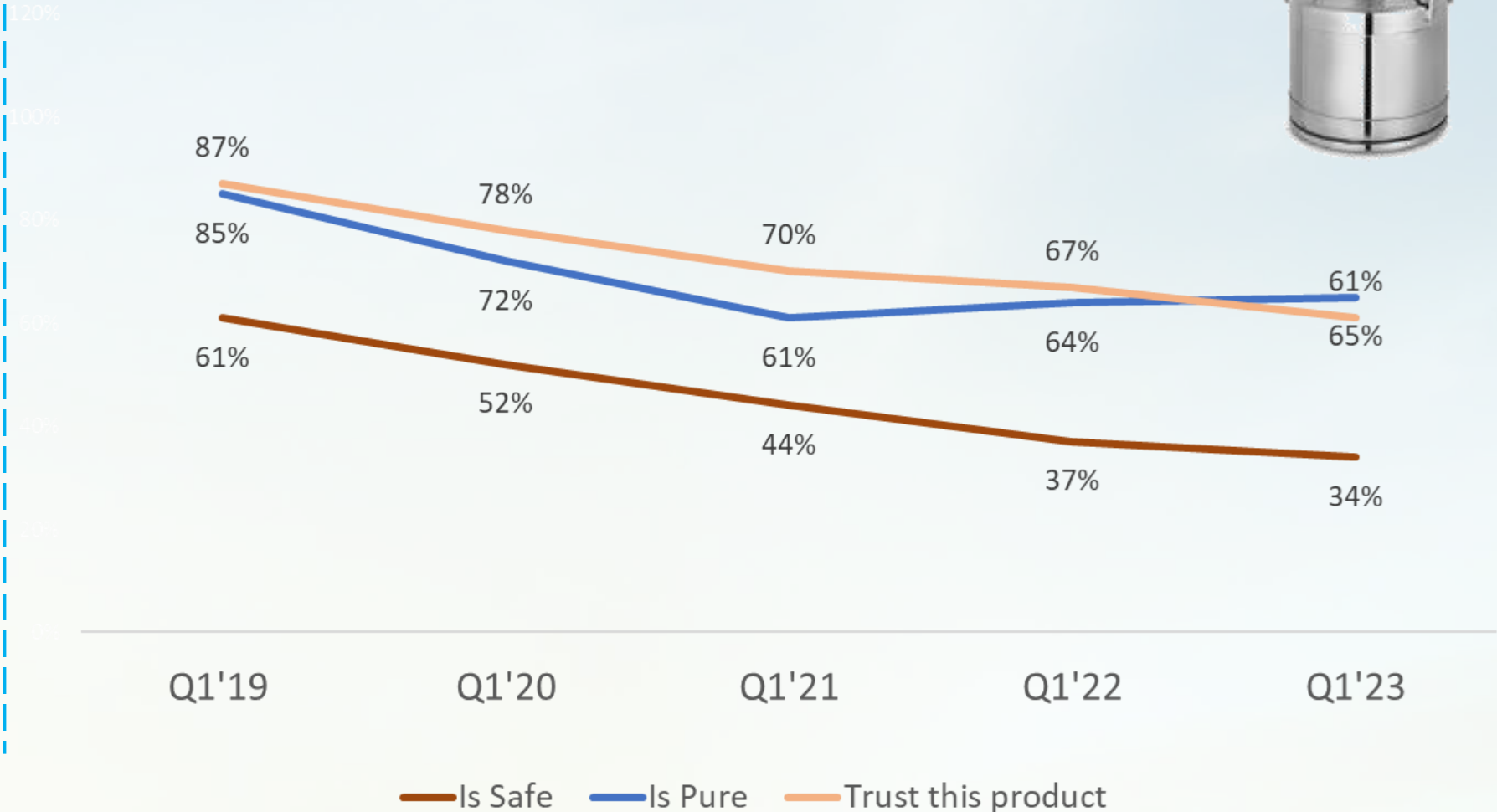
Perception of Packaged Milk improving in response to Public Service Campaign



Packaged Milk Imagery Scores
Top 2 Box Endorsement



Raw Milk Imagery Scores
Top 2 Box Endorsement



Source: NIQ Loose Milk Perception Tracker



ENGAGING WITH GOVERNMENT

Key Initiatives - Category Development / Conversion



Loose Milk Study

PFA's Loose Milk Testing Campaign

- Supported PFA for evidence generation.
- Results are closer with Loose Milk Study by UVAS



School Health Champion

Awareness campaign for school going children about:

- the importance of healthy food, well being and
- importance of safe milk consumption



Safe Milk City Project

“Safe Milk Law & Model City” FCEPL offering –

- Technical support for ICT Safe Milk Law Act
 - Support in evidence generation and implementation framework



Showcasing RFC

- Showcasing formal supply chain in NL to implement safe milk law
- PFA Officials and Media Person visited FC Netherland





SCALING UP DAIRY DEVELOPMENT

KEY INITIATIVES

Farmer Trainings



~38,000 Dairy Farmer trained on good dairy farming practices & Animal welfare

Financial Assistance to Farmers



Subsidized bank loans of Rs 210 Mio disbursed for cow purchase and farm infrastructure

Farmer to farmer Mission



Dutch Dairy Farmers visited and trained local farmers in Pakistan

Women Empowerment



1,300 Female Farmers trained
05 Female Milk collection center Agents

Education Scholarship



Education Scholarship Program started for deserving Farmers' children

Farmer help camps in flood



~12000 animals vaccinated and treated in flood affected areas



SCALING UP INVESTMENTS BEHIND OUR BRANDS

A STRONG OLPER'S CORE LEVERAGED ACROSS SEGMENTS

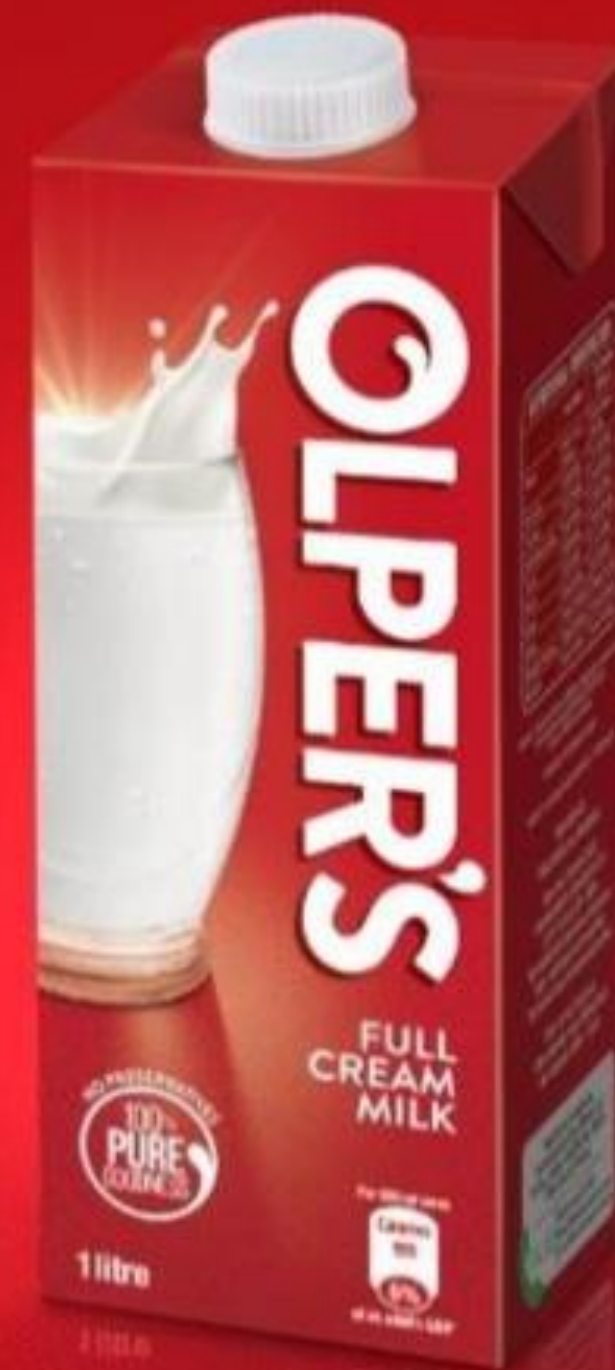


1. Olper's core strengthening brand's association with Morning, Nutrition, Purity and All Purpose
2. Portfolio extensions under Olper's will establish association with the same CEPs as foundation.
3. Expand by building association through digital communication



**Banao Har Subha
OLPER'S Happy Subha**

**100%
PURE
GOODNESS**



Olper's new campaign strengthening promise of Nutrition & Purity

OLPER'S



<https://www.youtube.com/watch?v=lwea5wpZTcY>



Leveraging Multiple channels and platforms to maximize reach efficiently

TV Advertising

Maximizing Reach through TV advertising across leading channels



Digital Advertising

Build incremental Reach of the message via Digital advertising & Influencer Marketing





OLPER'S FLAVOURED MILK

Ab Performance Mein
Koi Break Na Ho



OLPER'S FLAVOURED MILK - NEW CAMPAIGN

Owning School Break occasion through integrated campaign



<https://www.youtube.com/watch?v=itJWOqmBAWk>



FrieslandCampina
Engro Pakistan Limited



omoré

Oh!



OMORE BUSINESS HIGHLIGHTS

BEST IN CLASS EXECUTION

CAPTURING KEY OCCASIONS



PRIORITY CHANNEL FOCUS
& INDUCTIONS



SHOPPPER
ENGAGEMENT

OWN
SUMMER



BUILD
DISTINCTIVE ASSETS



ACCESSIBLE
PORTFOLIO



EXCITING INNOVATIONS



OMORE BUSINESS HIGHLIGHTS





INNOVATION CONTINUES TO FUEL OUR GROWTH

A robust innovation pipeline has been developed after consolidating the core

1



2017

FCEPL launched Olper's Powders portfolio along with Omoré innovations

3



2019

Launched two new SKUs under Omoré

4



2020

Launched Olper's flavored milk

2



2018

Relaunched Olper's low fat milk as Olper's Procal along with Omoré innovation.

5



2020

Launched Olper's pouch in affordable packaging at an attractive price point.

6



2020

Launched 125ml SKU for Olper's cream

7



2020

Launched four new SKUs under Omoré

8



2021

Launched Badam Zafran FM and four Omoré innovations`

10



2023

Launched Mango FM and three Omoré innovations`

9



2022

Launched Olper's cheese and Omoré innovations.

FINANCIAL HIGHLIGHTS



External shocks continue in 2023 and further intensify



Provincial Assemblies dissolved



World bank cuts GDP forecast to 0.4%

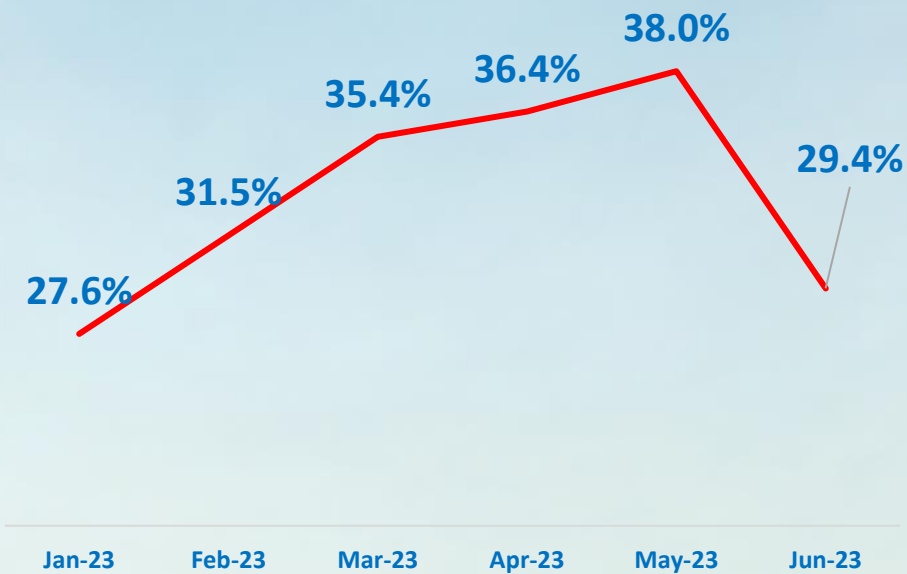


Political unrest and chaos post May 9th

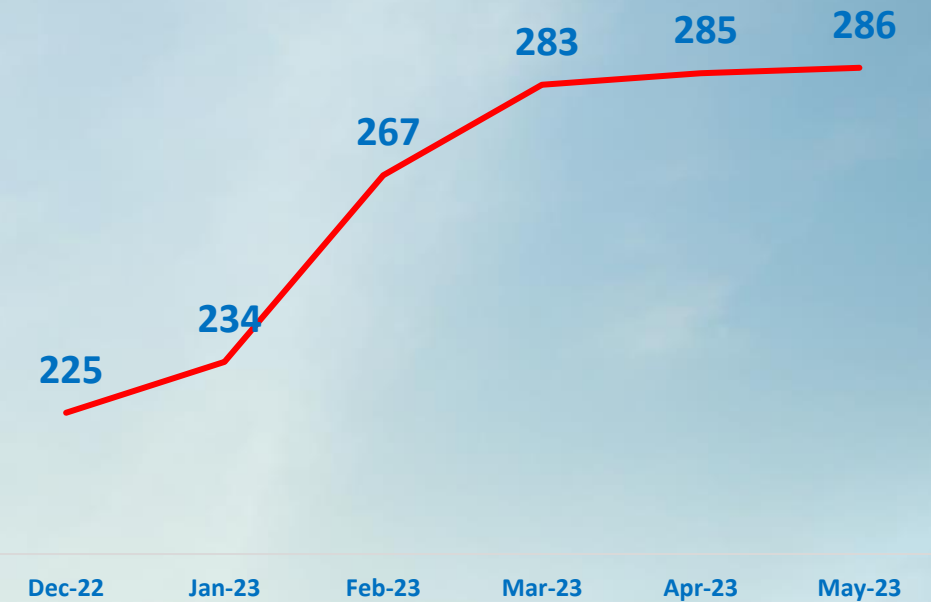


Import ban impacting business operations

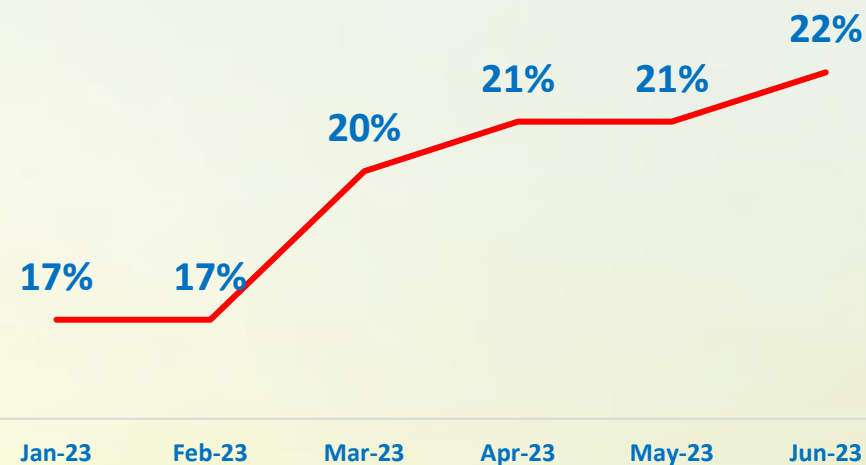
Inflation



Dollar



Interest Rate



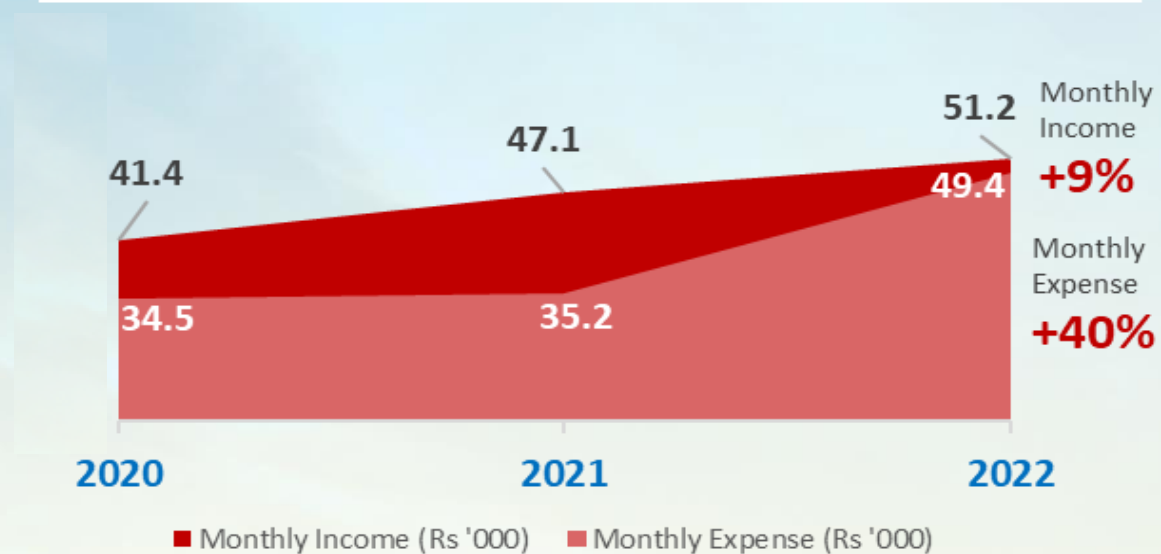
Forex Reserves



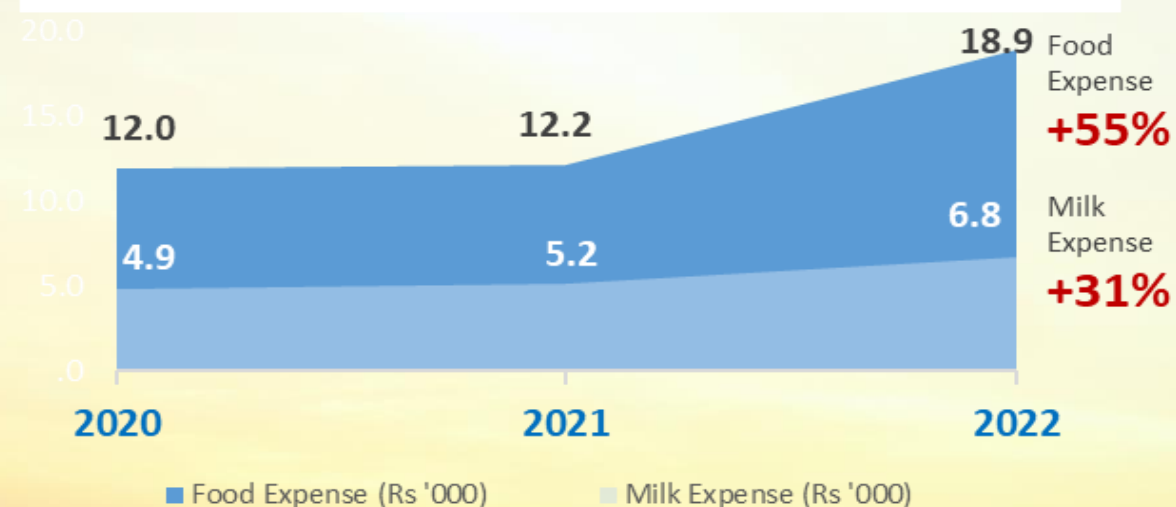
Consumers struggling to cope and having to make tough choices

Diminishing Purchasing Power

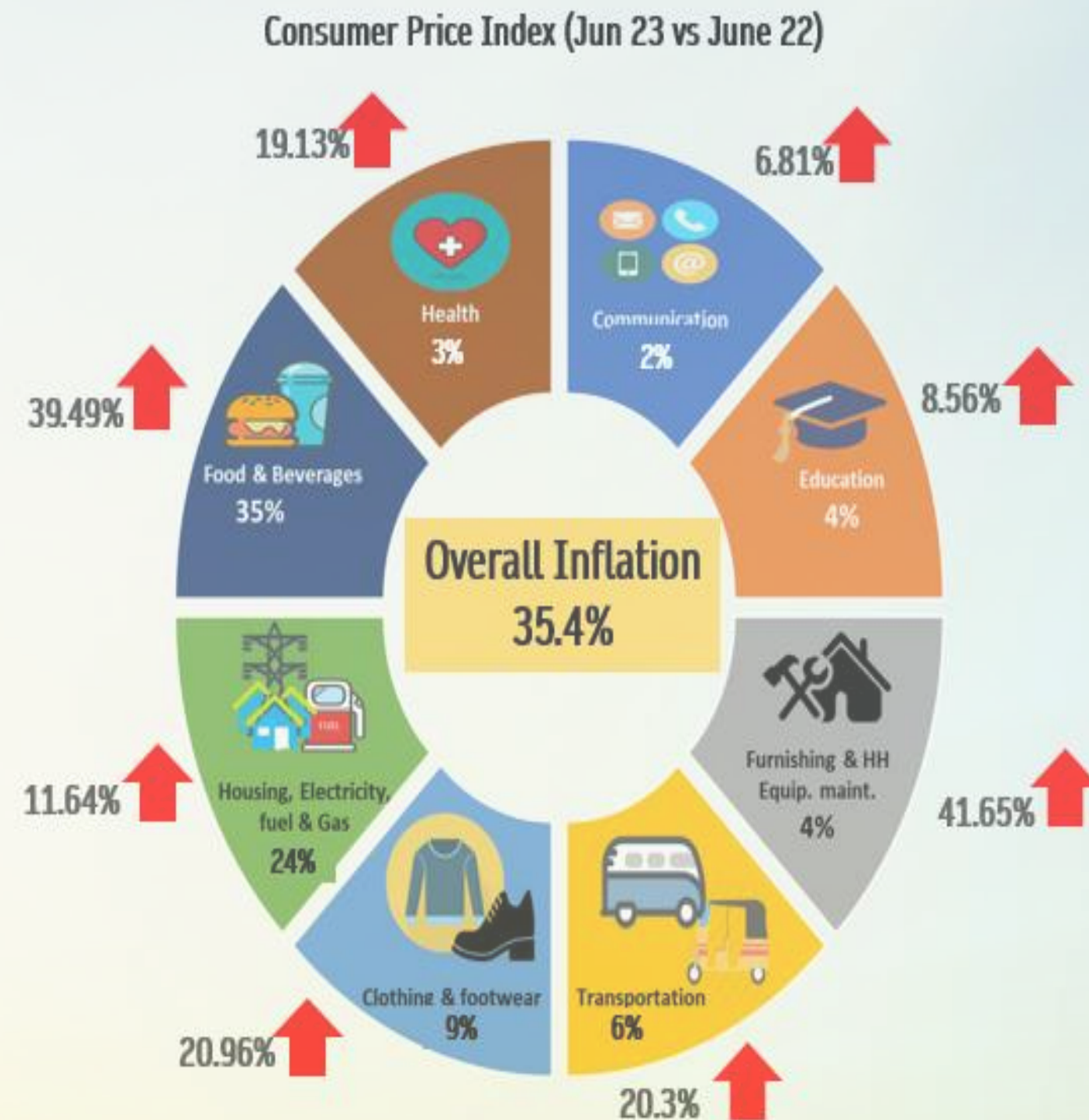
Monthly HH Income and Overall Expenses



Monthly HH Food and Milk Expense



Increase In Prices Jun 30, 2023, vs June 30, 2022



Eggs 37%



Milk 32%



Tea 113%



Wheat 90%



Impact on business across all key cost elements

RM/PM
Increase 38%



Milk
Increase 56%



**Overall
Increase
35.7%**

Feed Cost
Increase 157%



Fuel
Increase 39%



FC PK delivering consistent results and clocking strong growth momentum



Delivering stellar performance despite adversity

FY 2022 vs 2021

NSR

+41%

GP

+37%

Operating Profit

+55%

H1 2023 vs SPLY

NSR

+53%

GP

+48%

Operating Profit

+69%

Thank You!

