

Analyst Briefing 2024

November 29th, 2024



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Who we are?
PURPOSE



How are we doing it?
ACTIONS



Where we are?
RESULTS

1



Who we are?
PURPOSE



How are we doing it?
ACTIONS



Where we are?
RESULTS

Pakistan's market size and changing consumer trends are a positive base for businesses

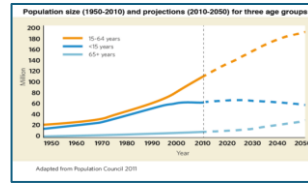
Large Populous Country



240m

Sixth largest country in the world in terms of population

Growing Youth Population



53%

Of the population is below the age of 24 years presenting a large demographic dividend

Untapped Rural Market



40%

population is urban presenting large potential of future urbanization

Rising Mobile & Digital Penetration



110m

Unique Mobile Connections

87m

Internet Users

Upgrading Lifestyle Choices



Young population spending more on Lifestyle categories such as Clothing, Electronics, F&B

While milk is an integral part of the Pakistani diet



100%

Household penetration

*Usage in multiple formats with
Drinking, Tea, Desserts,
Milkshakes, Cream, Yogurt etc.*

40%

*Of household spend is on
food & Beverages*

23%

*Of food spend is on milk and
related products*

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



More than 90% of milk consumed in the country is unprocessed. That is around 24bn liters a year*.



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 billions rupee categories.



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

Which shows huge market potential for FCEPL



\$14bn

24bn
liters/year

100%

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

60%

*Breakfast is the
biggest occasion for
milk*

1.9Ltrs

*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.”

2



Who we are?
PURPOSE



How are we doing it?
ACTIONS



Where we are?
RESULTS

Engagement with Government is Key

Stakeholders' Engagement

Strategically engage with the key stakeholders

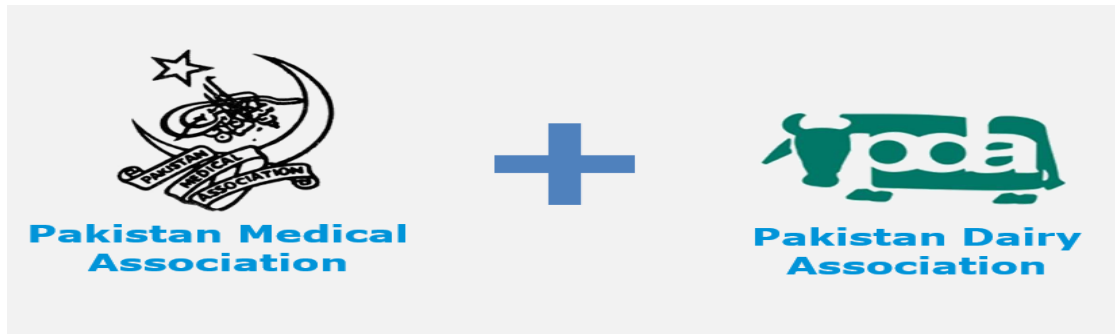


Communication

Amplify our message across media to keep issue alive



Along with driving category perception campaigns



2018-19

Unbranded Public Service Campaign



2020-21

Advocacy and Amplification from News Channels & Anchors



2022

Promos & Animated content with Geo TV



2023 – H1'24

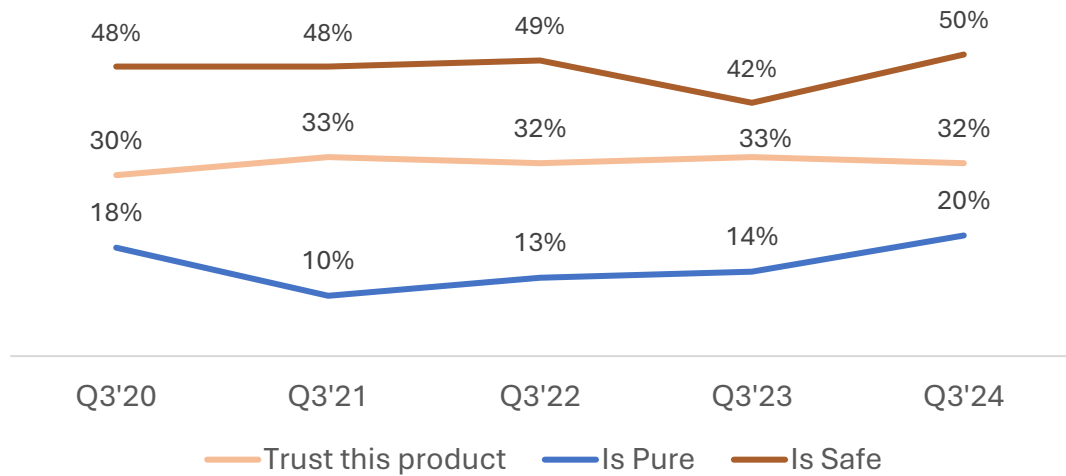
Continued Heavy Investment



This has resulted in improvement of Packaged milk perception over the years



Packaged Milk Scores



“ There is no doubt that packaged milk is clean and pure

Females, Karachi

“ Packaged milk is processed in a clean and hygienic manner

Females, Lahore

“ Packaged milk has 6–7 layers of packaging that protect and preserve the milk

Females, Karachi

Leading Dairy Development – To improve farmers' livelihood

Training for Farmers



41,000+ Dairy Farmer trained on good dairy farming practices & Animal welfare

Women Empowerment



1,000+ Female Farmers trained on good dairy farm practices

Education Scholarship



Scholarships awarded to children of dairy farmers.

Renewable energy at Dairy Farms

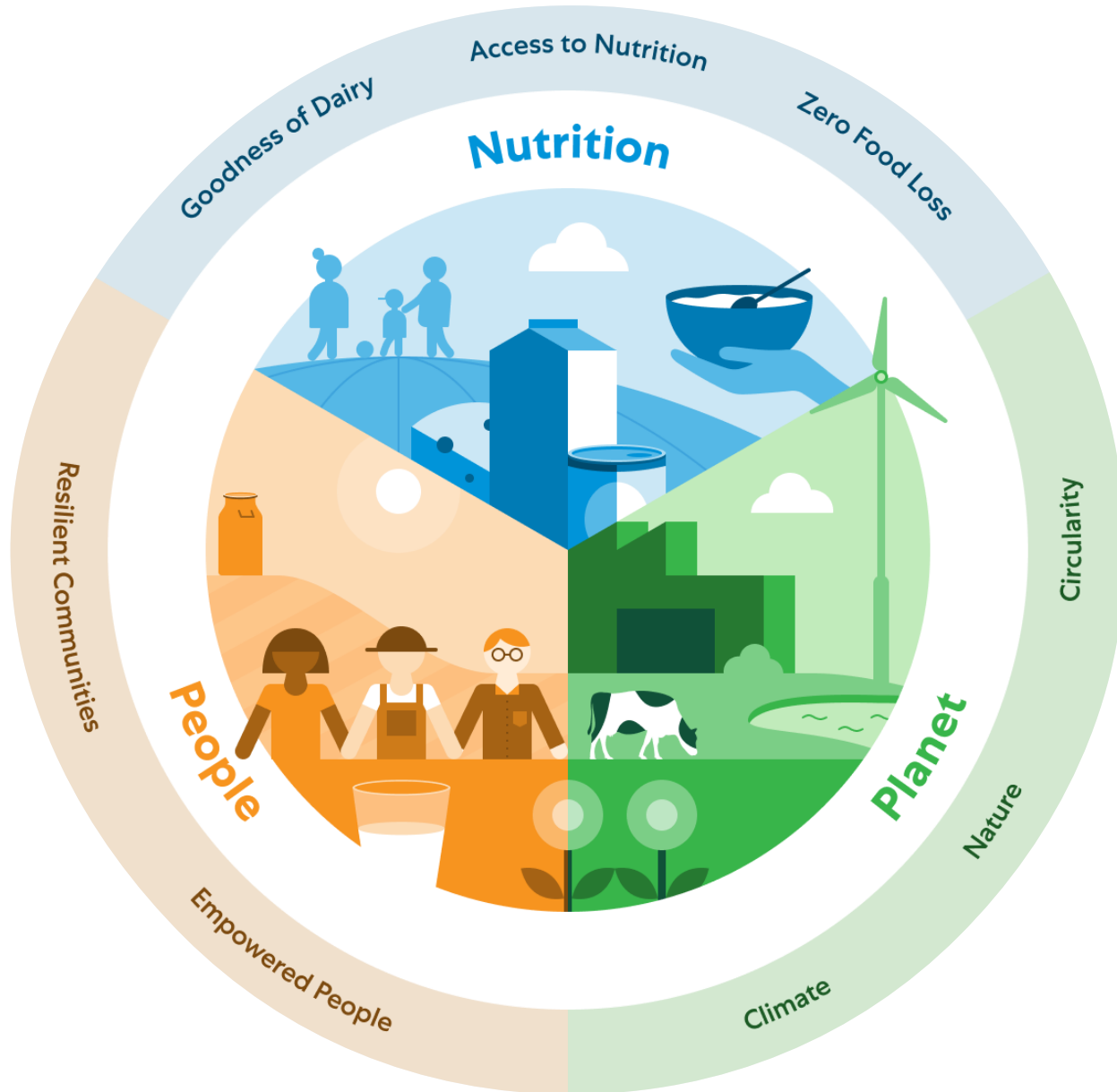


Solar systems installed at 64 Dairy Farms



And the best-in-class market execution


While staying sustainable.....



nourishing by nature

**Offering relevant
nutrition**

**In balance with
people and planet**



3.4 MW Solar Project

Expected Energy Generation
5,013.6 MWH

Annual CO2 Reduction
2,506 Tons

Tree Plantation Drive 2022-24

> 40,000 Trees planted





Who we are?
PURPOSE



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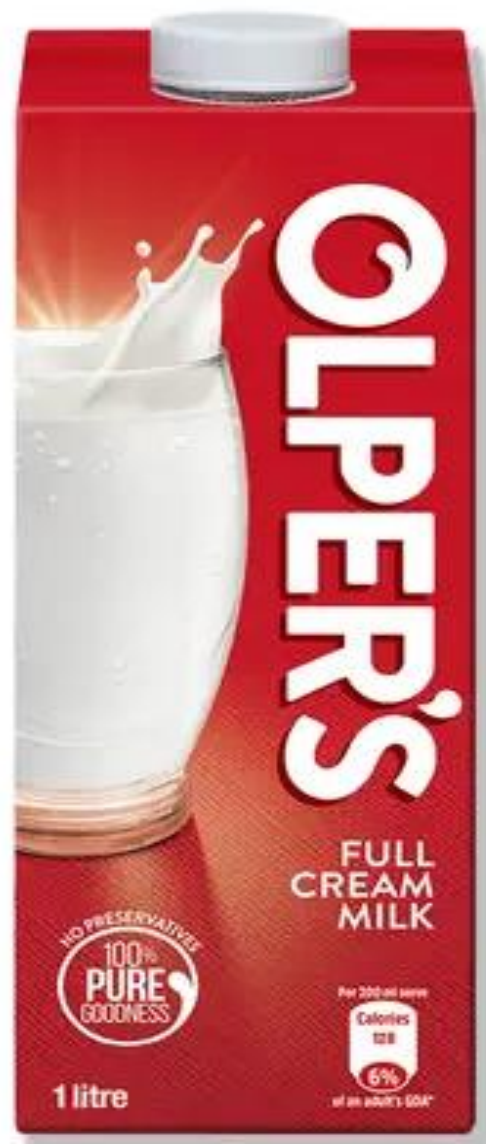


Where we are?
RESULTS

This has led us to become the largest premium UHT company in Pakistan

Highest

**UHT Premium
Market Share**

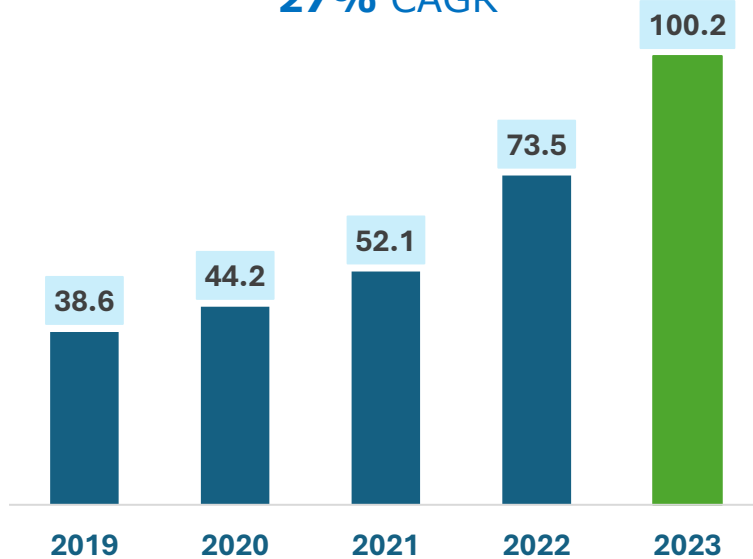


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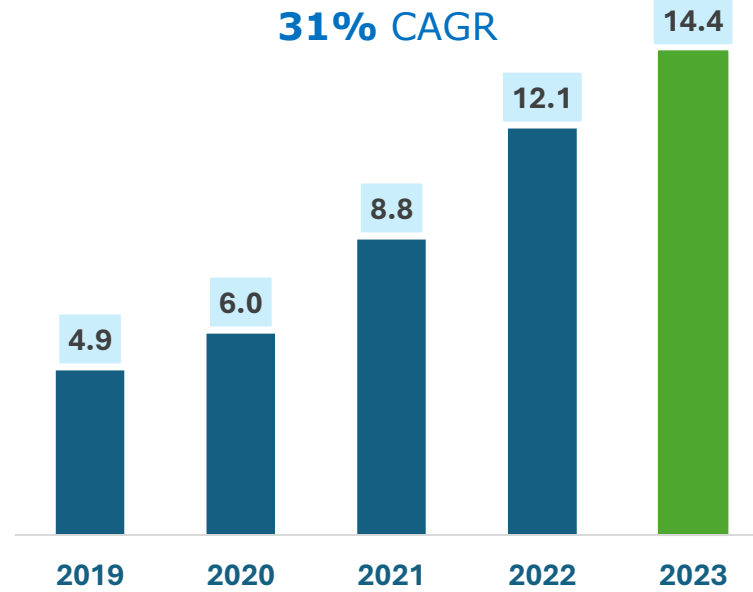
**UHT Premium
Brand Equity**

Leading to our best-ever results in 2023...

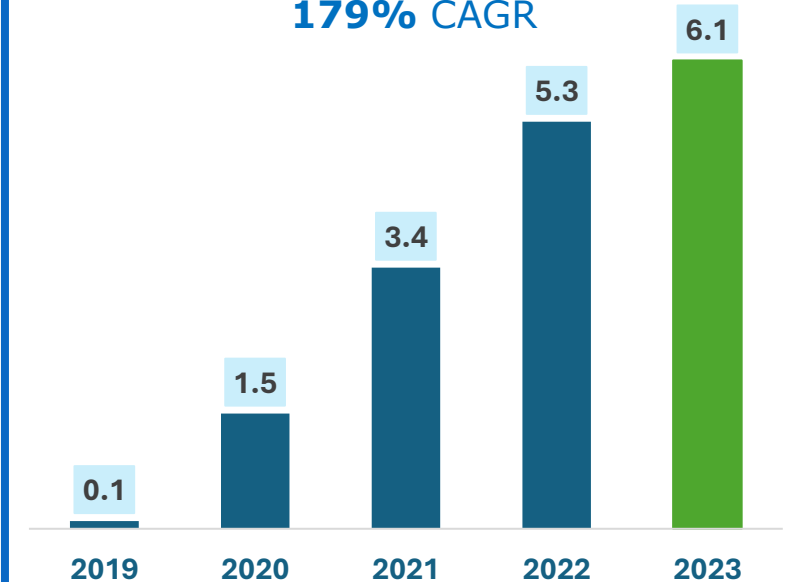
NSR (PKR Bn) 27% CAGR



Gross Profit (PKR Bn) 31% CAGR



Operating Profit (PKR Bn) 179% CAGR



And these results continued in H1 of 2024...

Highest Ever Sales

17% growth in

H1 2024 vs H1 2023

Highest Ever Gross Profit

16% growth in

H1 2024 vs H1 2023

Highest Ever Operating Profit

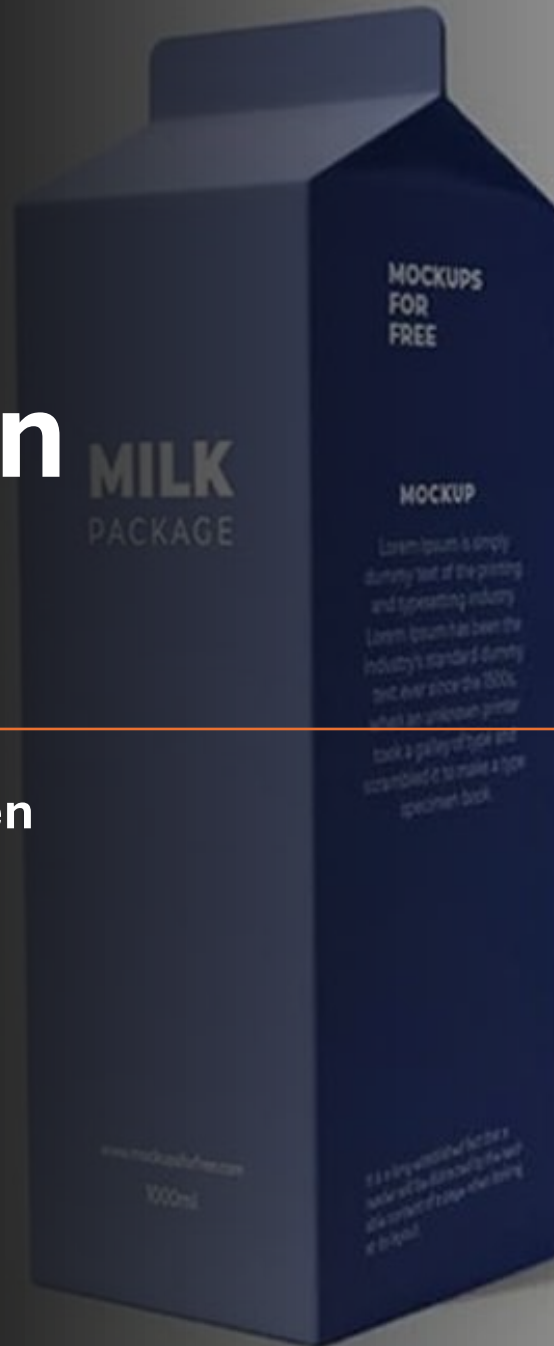
3% growth in

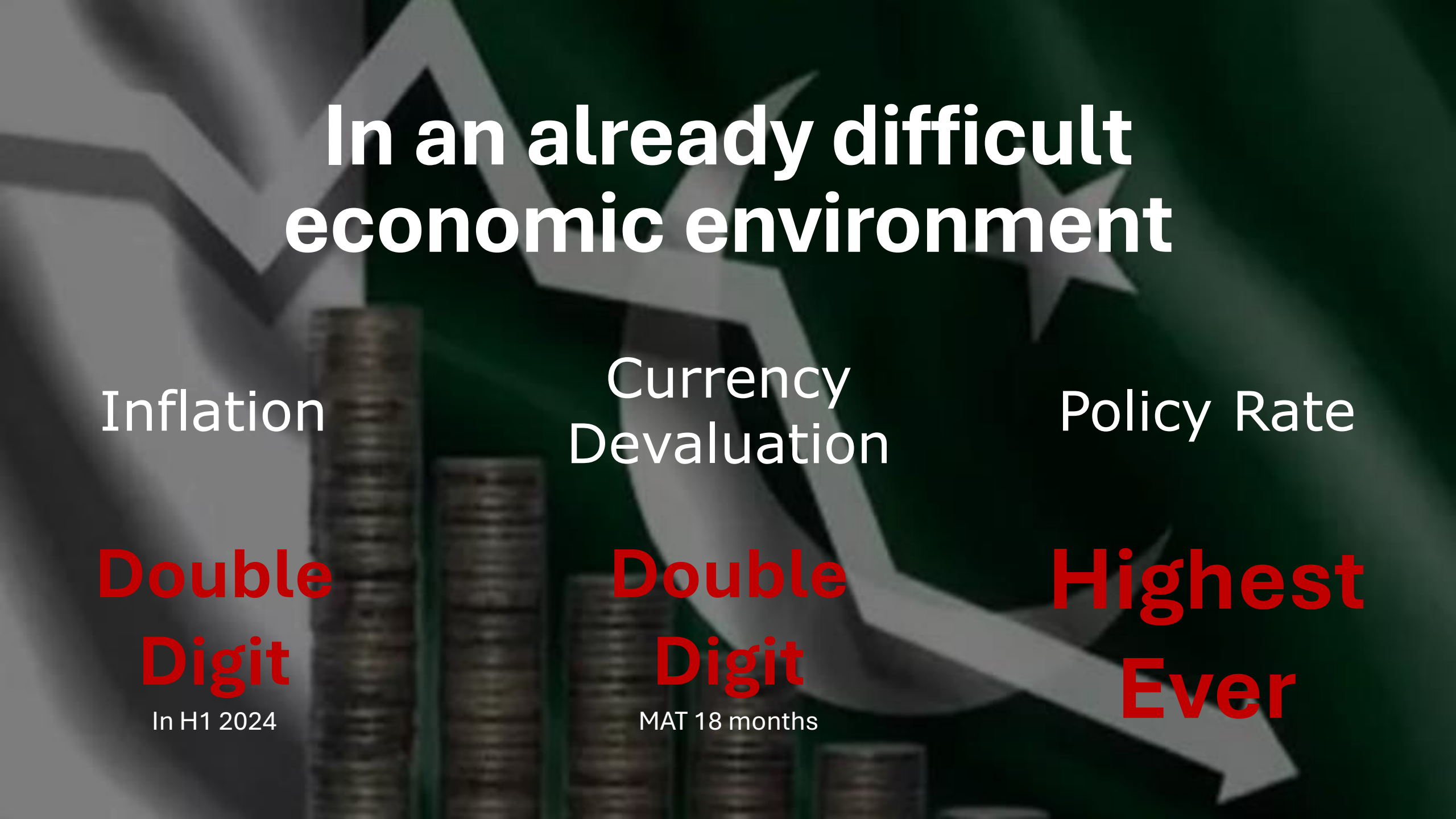
H1 2024 vs H1 2023



18% Sales Tax on Packaged Milk

However, a new challenge has now risen





In an already difficult economic environment

Inflation

**Double
Digit**

In H1 2024

Currency
Devaluation

**Double
Digit**

MAT 18 months

Policy Rate

**Highest
Ever**

Requiring an immediate action from FCEPL

Ensuring Availability



Across all channels

Cost optimization



Reduction in cost via vendor renegotiations and operational efficiencies

Discretionary Spend Reduction



Minimizing discretionary spends to inject back profitability in the business

Sales Growth +2.6%

Gross Profit Growth +17%

Op. Profit Growth +34%

A background image of a track and field race at the Rio 2016 Olympics. Several athletes are running on a blue track. The Rio 2016 logo is visible in the background.

Rio 2016

And we will

CONTINUE

pushing

FURTHER



**Thank
You**