

 **HEINEKEN**

**55<sup>TH</sup>**  
**ANNUAL**  
**GENERAL**  
**MEETING**

24 MAY 2019 (FRIDAY)  
9.30AM - 12.30PM



# MD'S PRESENTATION

24 MAY 2019

# HELLO, I AM ROLAND BALA



**Managing Director, HEINEKEN Malaysia**  
(with effect from 1 September, 2018)

## Experience within the HEINEKEN Group:

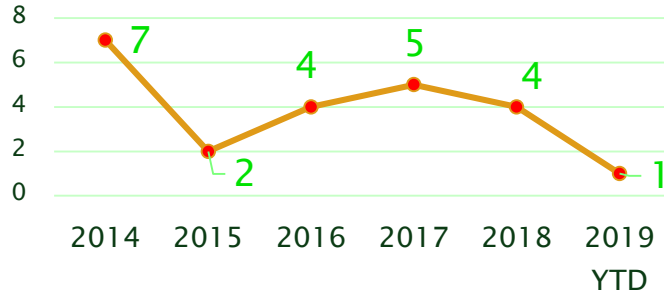
- Managing Director of Cambodia Brewery Ltd (CBL), HEINEKEN's operating company in Cambodia, from February 2012 to August 2018. In this role, he has led CBL to increase its market share by more than double. Thus, establishing CBL as the market leader in Cambodia.
- Appointed the General Manager for Danang in the central region of Vietnam from 2009 to February 2012.
- Joined Asia Pacific Brewery ("APB") as Special Assistant to the Regional Director from February 2008 until February 2009.

## Previous Experience:

- Started his career with British Petroleum (BP) where he spent 16 years working in sales, logistics, operations and planning roles in retail, gas and lubes businesses. He was then appointed as the General Manager for BP Vietnam from 2003 to 2005 and subsequently as the Sales Director for the lubes business for Malaysia and Singapore from 2005 to 2007.



## PUT SAFETY FIRST



## Common Causes

- ❖ Mindset
- ❖ Leadership
- ❖ Unsafe conditions



## Focus Areas

- ❖ Promote strong safety culture
- ❖ Road Safety – monitor telematics & One2One coaching
- ❖ Process Safety – prevention of accidents with CO<sub>2</sub>, ammonia and boilers
- ❖ Life Saving Rules – Simply a way of life!

# INTRODUCING THE NEW MANAGEMENT TEAM



**ROLAND BALA**  
MANAGING  
DIRECTOR



**PABLO CHABOT**  
MARKETING  
DIRECTOR



**VASILY BARANOV**  
SALES  
DIRECTOR



**SZILARD VOROS**  
FINANCE  
DIRECTOR



**RENUKA INDRARAJAH**  
CORPORATE AFFAIRS  
& LEGAL  
DIRECTOR



**SALIMA BEKOEVA**  
SUPPLY CHAIN  
DIRECTOR



**KUHAN KANAGARAJAN**  
HUMAN RESOURCES  
DIRECTOR

# 2018 – A YEAR CHARACTERISED BY CHANGE

## Malaysia election: Opposition scores historic victory

© 10 May 2018



Mr Mahathir said he hoped a swearing-in ceremony would be held on Thursday

Former Malaysian Prime Minister Mahathir Mohamad has scored a historic victory in the general election.

## Govt to set up two committees to reduce fiscal deficit, says Guan Eng

ECONOMY

Wednesday, 29 Aug 2018  
5:44 PM MYT



Highlight

## 82% Malaysians confident economy will improve after GST reduction — Nielsen

Wong Ee Lin / theedgemarkets.com  
June 11, 2018 11:35 am +08



1Malaysia Development Bhd [+ Add to myFT](#)

## Malaysia hopes to recover 30% of missing 1MDB billions

Finance minister Lim Guan Eng concedes most of fund's losses are irretrievable

## Key Highlights of New Government

- Commitment to fight corruption
- Institutional reform underway – new appointments in key institutions
- Q1 FDIs up 94.8% to RM21.7 billion, signals investor confidence
- Business friendly, using a consultative and open approach
- Strong stance against illicit trade

# CHALLENGING EXTERNAL ENVIRONMENT



News

## Rising barley, aluminium costs put global brewers on alert for price increases - analyst

Andy Morton | 17 August 2018

Rising Global Commodity Prices result in higher costs of packaging & raw materials

Edge Weekly

## Economy, cost of living top rakyat's concerns

Esther Lee and Khairie Hisyam Aliman / theedgemarket  
January 02, 2019 11:13 am +08

Rising Cost of Living place pressure on consumer spend

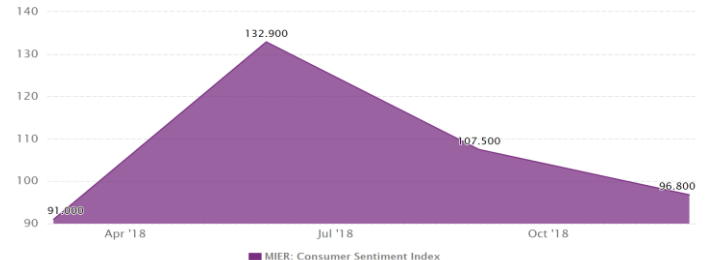
HOME / MALAYSIA

## Guan Eng admits Malaysians feeling price pinch, calls it a challenge

Published 3 months ago on 21 February 2019  
By Syed Jaymal Zahid

Government to study high cost of living despite low inflation rate

Ranjit Singh - February 21, 2019 12:05 PM



Consumer Sentiment Index peaked in Q2 but dipped in Q3 & Q4

# COMMENDABLE FY18 PERFORMANCE



## FY18 vs FY17

(12 months ended 31 December)

### Revenue

**+ 8.3%**

from RM1.87 billion\*  
to **RM2.03 billion**

### Profit Before Tax

**+ 4.8%**

from RM363 million\*  
to **RM381 million**

### KEY HIGHLIGHTS

Mainstream category growth led by Tiger  
Improved efficiencies with tighter cost management strategy  
Effective commercial execution  
Commendable efforts by Government to clamp down on illicit alcohol  
GST holiday for 3 months, Consumer Sentiment peaked in Q2

*\* The comparative figures were restated in line with the adoption of MFRS 15*



# PROPOSED DIVIDEND PAYOUT



**INTERIM  
DIVIDEND**

(Paid in October 2018)

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**40 sen**

**FINAL DIVIDEND  
PROPOSED**

(Payable in July 2019)

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**54 sen**

**TOTAL  
DIVIDEND  
IN FY18**

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**94 sen**

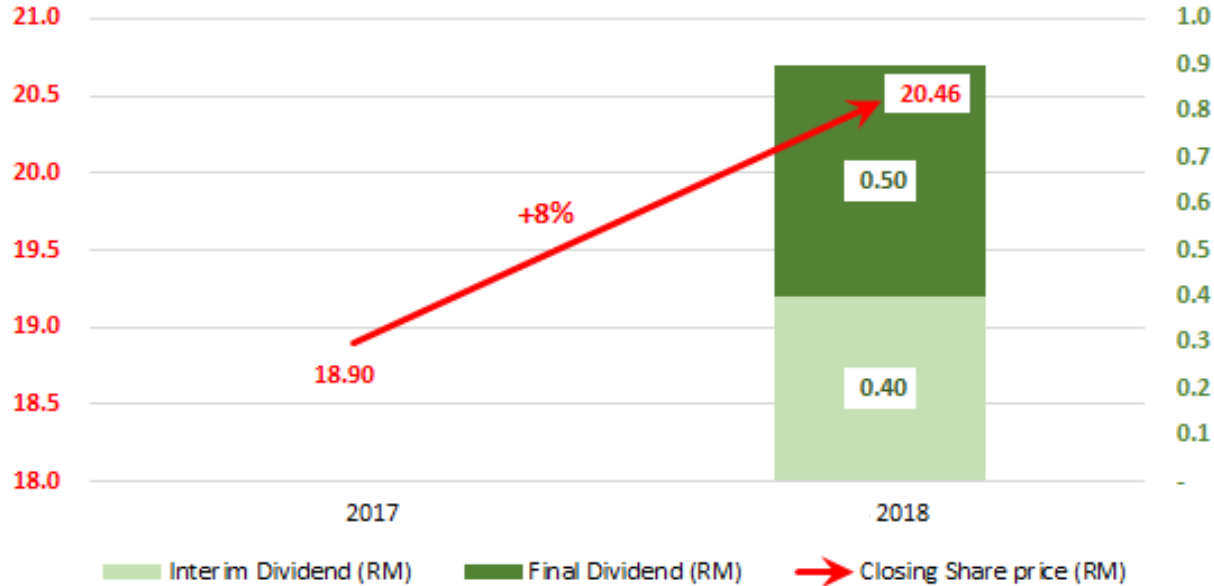
VS FY17 DIVIDEND PAYOUT

**90 SEN**

# COMMENDABLE SHAREHOLDER RETURN



Total Shareholder Return in 12 months = 13%



# MAINSTREAM CATEGORY GROWTH LED BY TIGER



TIGER: Malaysia's No. 1 Beer

Key Initiatives:

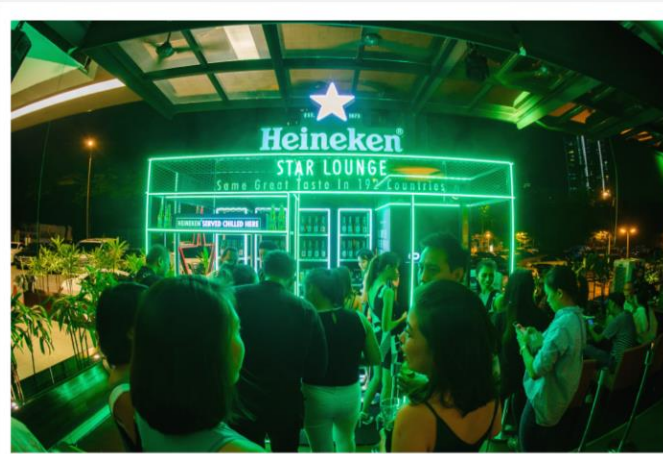
Tiger Festive Chinese New Year

Tiger Football Roar Together

Tiger Uncage Street Food

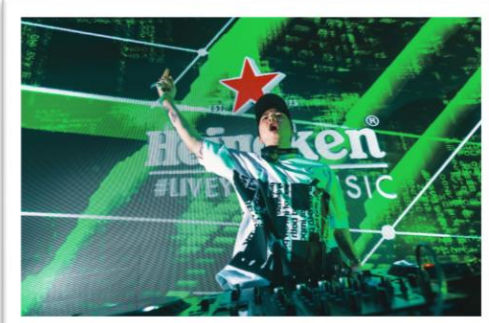


# WORLD CLASS EXPERIENCES WITH HEINEKEN®



**HEINEKEN®: World's No. 1 International Premium Beer**  
Key Initiatives:

- UEFA Champions League & Trophy Tour Featuring Ronaldinho
- Heineken® Same Great Taste in 192 Countries
- Heineken® Live Your Music



# CELEBRATIONS OF MORE WITH GUINNESS



**GUINNESS: No. 1 Stout in Malaysia and the World Over**

Key Initiatives:

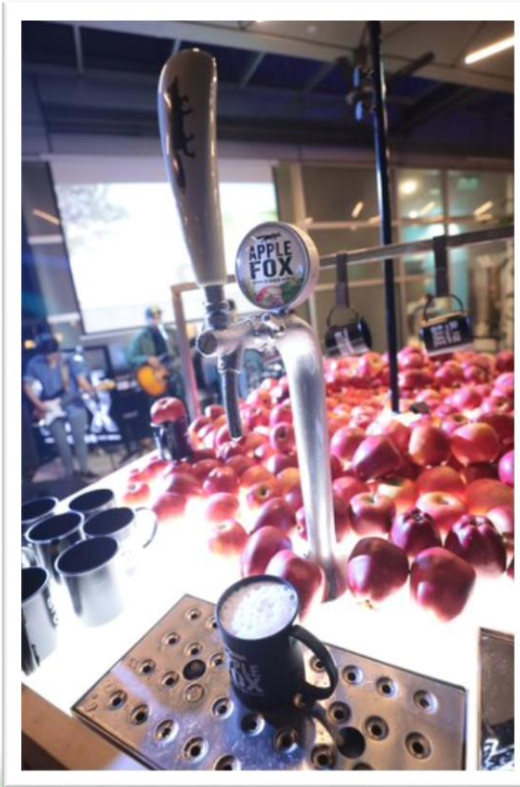
St. Patrick's Month

Guinness FES – Refreshed Packaging

Taste Perfection with Guinness Draught



# ACCELERATING CIDER CATEGORY – APPLE FOX & STRONGBOW



**APPLE FOX: New Zealand Inspired Cider  
& STRONGBOW: World's No. 1 Cider**

Key Initiatives:

Apple Fox Now Available In Draught

Strongbow Refreshing By Nature

Apple Day Celebration

# BIG WINS AT PUTRA BRAND AWARDS INDICATION OF STRONG CONSUMER PREFERENCE

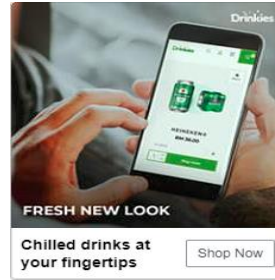


# ACCELERATING DIGITAL AGENDA

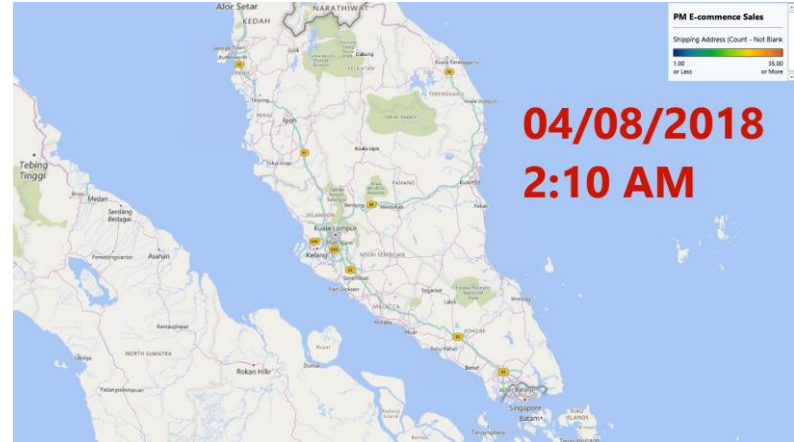
## DRINKIES.MY DELIVERING CHILLED BEER IN LESS THAN 60MINS



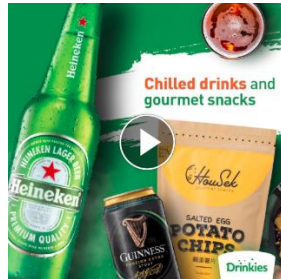
### Drinkies.my USP



### Available in 3 regions



### Chilled Beer on Delivery



### Snacks Pairing

### Party Combo Pack

- Beer
- Cider
- Mixed drinks
- Low & No Alcohol
- Draught**



Guinness Draught Beer Packages  
RM 1,248.00



Tiger Draught Beer Packages  
RM 1,470.00



Heineken® Draught Beer Packages  
RM 1,232.00



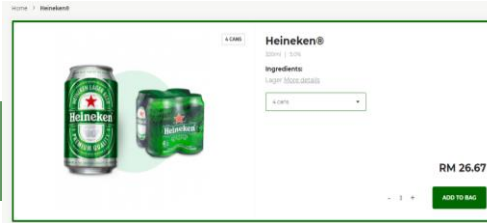
Apple Fox Draught Cider Packages  
RM 970.00



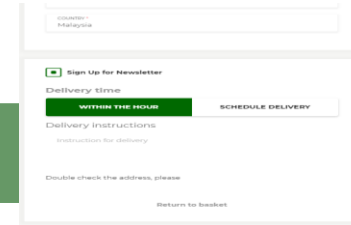
# HOW TO ORDER BEER VIA DRINKIES.MY



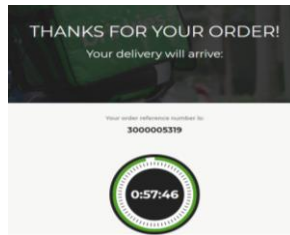
**STEP 1: GO TO  
[WWW.DRINKIES.MY](http://WWW.DRINKIES.MY)**



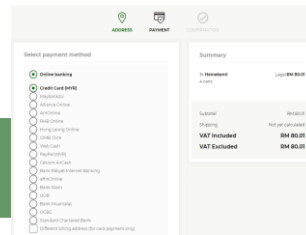
**STEP 2: SELECT  
YOUR PRODUCTS**



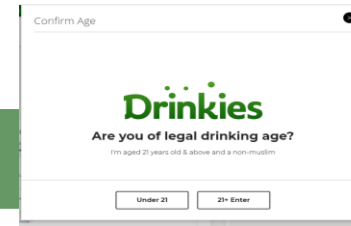
**STEP 3:  
SCHEDULE DELIVERY**



**STEP 6: SIT BACK,  
RELAX, YOUR BEER  
IS ON THE WAY!**



**STEP 5:  
MAKE PAYMENT  
ONLINE**




**STEP 4: CONFIRM YOU'RE  
ABOVE 21 YEARS OLD  
AND NON-MUSLIM**

# BREWING A BETTER WORLD

## WATER | EDUCATION | PARTNERSHIPS






**12.3%**  
reduction in water usage  
vs 2014

**WATER PROJECT**  
**RM2.5 million**

committed towards Water Stewardship Agenda from 2018 to 2020 for strategic partnerships and projects at Sungai Selatong, Sungai Rencahata and Sungai Way



**6**

alternative water supply solutions built in Sabah since 2017. 5,000 villagers have access to additional 2.8 million litres of potable water annually

### Three cheers for brewer

Company bags two awards for water management and CSR efforts

“Over the past 11 years, we have invested approximately RM8.5mil in driving water conservation projects in Malaysia.”

*Benaka Indragiri*

“all life” he added. From 2014 to 2017, Heineken Malaysia reduced water usage in its Selatong Way Brewery in Selatong by 14.3% through improved efficiencies in brewing and packaging which reduced wastage. Heineken Malaysia's water conservation initiatives go beyond its immediate operations, extending to

From left) Energy, Science, Technology, Environment and Climate Change Minister Yeo Bee Yin with Benaka at the award presentation. Looking on is Benaka.



### Spark Foundation continues commitment in English programme

**SPARK Foundation English Enrichment Training Programme**

**580 Educators Trained Benefiting 8,600 students**

**NOTA KENALAN:** The English Enrichment Training Programme (ETP) is an initiative by Spark Foundation, to assist in the growth of the programme and to encourage educators to participate in the programme. The programme aims to enhance the quality of education in the English language for students in Sabah.

**ETP 11th Anniversary:** The 11th anniversary of the English Enrichment Training Programme (ETP) was celebrated on 15th October 2023. The event was held at the Spark Foundation office in Kota Kinabalu. The programme has been running since 2012, and has trained over 580 educators, benefiting over 8,600 students. The programme is a key initiative of Spark Foundation, which is committed to improving the quality of education in Sabah.




### Tiger Sin Chew Chinese Education Concert Since 1994...

**>RM335 MILLION RAISED FOR 488 SHOWS FOR 547 SCHOOLS**



### GOVERNMENT



### NGO



### COMMUNITY



### MEDIA



# MOVING FORWARD...

## 2019 OUTLOOK

- Challenging External Environment
- Rising Costs - raw materials and packaging
- Softening Consumer Sentiment
- Intensifying Competition
- Illicit Alcohol still a threat but Government working to address illicit trade

## 2019 PRIORITIES

- Core Brands & Innovations that have scale
- Improve Execution & Route to Market
- Accelerate Priority Channels
- Develop our People
- Brewing a Better World



## OUR VISION

To Be The Clear Leader With Our People, Brands And Performance



## OUR MISSION

Inspire People With Exciting Brands  
And Outstanding Services As One  
Strong Team

# STRONG 1QFY19 PERFORMANCE

Revenue

**+ 21%**

from RM434  
to RM525 million

Profit Before Tax

**+ 10%**

from RM64 million  
to RM70 million



## Key Positives

- Successful CNY campaign
- Growth in priority channels
- Strengthened execution

