

**Vision**

To be the clear leader with our people, brands and performance

**Mission**

Inspire people with exciting brands and outstanding services as One Strong Team

**Values**

Passion for Quality  
 Enjoyment of Life  
 Respect for People and for the Planet

**Leading Brewer in Malaysia**

- With history dating back to 1964
- Listed on Bursa Malaysia since 1965

**Portfolio of Iconic International Brands**

11 brands and 49 SKUs

**Part of the HEINEKEN Company**

- 51% owned by HEINEKEN NV
- 49% by public

**Sustainability embedded**

in business strategy and priority

**1 brewery and 13 sales offices throughout Malaysia**

- First in Malaysia to receive the Hazard Analysis Critical Control Point Certification from the Ministry of Health since 2002.
- Received the ISO Certification since 1995

**Key Financials**
**Key Operating Results**

RM million	Q2			H1		
	2019	2018	%	2019	2018	%
Revenue	513	422	22	1,038	855	21
Operating profit	85	73	16	157	139	13
Taxation	20	19	6	37	34	10
Profit after tax	66	55	20	119	104	14
Net cash from operating activities	110	76	45	204	185	10

RM million	H1	H1	%
	2019	2018	
Total assets	954	712	34
Total liabilities	628	398	58
Reserves	175	162	8
Total equity	327	313	4
Capex	314	263	19

Financial Ratios	H1	H1
	2019	2018
Operating working capital % of revenue	9.97	15.91
EBITDA margin	12.52	13.56
Return on equity	47.99	44.29
Earnings per share (sen)	39.23	34.31
Net assets per share (RM)	1.08	1.04

EBITDA: Earnings before interest, tax, depreciation and amortisation

**Q2 / 2019 Key Highlights**

- Revenue registered a solid growth of 22%, attributed to the higher sales volume driven by all core brands.
- Operating profit rose 16% on the back of revenue growth, partially offset by the timing of commercial spend and the investment committed in Q2 for new product launches planned for Q3.
- Operating cash flow was 45% higher mainly due to favourable working capital movement resulted from higher sales activities in Q2.
- Capex: Continued investments to support supply chain capacity upgrades along with enhancement to digital and IT capabilities.
- Total equity remained healthy on the back of higher reserves.
- EBITDA margin remained healthy underpinned by solid revenue growth and efficient cost management.
- Earnings per share and net assets per share remained resilient at 39 sen per share and RM1.08 per share respectively.

**2019 Outlook**

- Given the intense competition and the continued threat from contraband beer, the Group is cautiously optimistic in what remains a challenging external environment and it expects consumer sentiment to stay below the optimism threshold impacted by rising cost of living.
- The Group will continue to prioritise on strengthening its commercial execution across its route-to-market whilst sharpening the channel focus and accelerating growth of our innovation products.
- The good efforts by the Royal Malaysian Customs and other law enforcement agencies have contributed to the decline of the illicit and duty not paid market. The Group will continue to support the Government's initiatives aimed at eradicating illicit alcohol and raise awareness of the matter through proactive engagements with relevant enforcement authorities, trade partners and consumers.

## Top 10 Shareholders as of 30 June 2019

Name of shareholder	Number of shares held	%
1. GAPL Pte Ltd	154,069,900	51
2. Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	8,766,880	2.90
3. DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for Virtus Kar International Small Cap Fund	4,725,700	1.56
4. UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	3,546,107	1.17
5. HSBC Nominees (Asing) Sdn Bhd JPMBL SA for Stichting Depository APG Emerging Markets Equity Pool	3,219,700	1.06
6. Cartabank Nominees (Asing) Sdn Bhd SSBT Fund Mngn for Mawer Global Small Cap Fund	3,188,200	1.05
7. CIMB Group Nominees (Asing) Sdn Bhd Exempt An for DBS Bank Ltd (SFS)	2,832,200	0.94
8. DB (Malaysia) Nominee (Asing) Sdn Bhd State Street London Fund LYFB for BMO LGM Global Emerging Markets Smaller Companies Fund (BMO INV II IRL)	2,747,000	0.91
9. Citigroup Nominees (Tempatan) Sdn Bhd Exempt An for AIA Bhd	2,548,100	0.84
10. Tai Tak Estates Sdn Bhd	2,156,000	0.71

## Sustainability

We pursue an increasingly holistic approach to sustainability, focusing on the entire value chain from Barley to Bar through our Brewing a Better World (BaBW) sustainability strategy. Our initiatives support 10 out of the 17 United Nations Sustainable Development Goals.

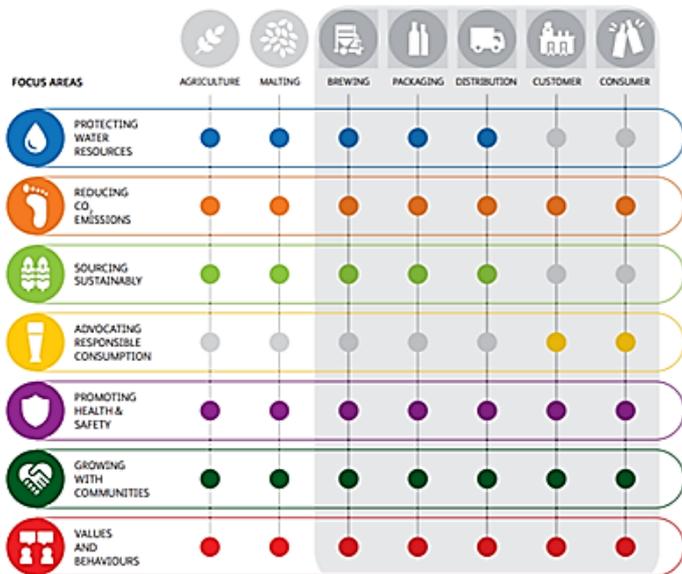


## Our Value Chain

Our sustainability strategy is aligned with HEINEKEN Global's approach. Our raw materials, mainly malted barley and hops, are imported from HEINEKEN pre-approved suppliers in Europe and Australia while our agricultural sourcing practices are aligned with the HEINEKEN Supplier Code.

In HEINEKEN Malaysia, the commitments and responsibilities begin from the brewing process and end with the consumer. We aim to report our sustainability performance annually to create transparency in our actions and to be accountable to our valued stakeholders.

## Our Focus Areas



## Analysis by Category as of 30 June 2019

	Number of shareholders	Number of shares held	%
Malaysian	10,742	80,648,370	26.7
Foreigner	987	221,449,630	73.3



Home of World Class Brands  
A brand of choice for every occasion

## Highlights



Commenced reforestation efforts at Raja Musa Forest Reserve on 4 May 2019. Planted 600 trees and launched construction of 300 m clay dyke.  
**> 200 MILLION LITRES OF WATER TO BE STORED**



Launched a 10-months English programme in March 2019 for **54 TEACHERS FROM 46 SCHOOLS IN 7 STATES**



Tiger Sin Chew Chinese Education Charity Concerts on-going with **RM6 MILLION RAISED FOR 6 SCHOOLS** in the first half of 2019

## Commercial Activation

### Heineken®'s “Unmissable” UEFA Champions League Campaign

Heineken® once again offered Malaysians the ultimate football experience with its “Unmissable” UEFA Champions League campaign. The launch saw the introduction of the Limited Edition Heineken® Trophy Bottles & Cans nationwide alongside two TV commercials featuring football legend, Andrea Pirlo. Six of the biggest fans who journeyed through the football season with Heineken® each won an all-inclusive trip to Madrid to watch the final match.

A core component of our premium category, Heineken® enables us to continue exciting consumers with world-class experiences.



### Tiger ROAR Project

The Tiger ROAR Project inspired Malaysians to ‘Uncage’ themselves and create unexpected possibilities. This year, Tiger Beer selected four unique and emerging talents from the streets of Malaysia to front this project. They are hip-hop artist and rapper Dato’ Maw; musician and chef Kent Lee; fashion designer Yong Sheng; as well as pyrographer and artist Sonia Luhong.

Tiger Beer continues to perform strongly, creating growth for our mainstream portfolio and contributing to a strong top line performance.



### Apple Fox “Wayyyy More Apples” Campaign

Apple Fox Cider takes its quality seriously as it emphasises on the quantity and quality of the ingredients it uses. This represents the core of the ‘Wayyyy More Apples’ campaign, where the brand also revealed a record setting giant fox installation made with 3,500 real apples. The installation was debuted at the Apple Fox Den Party and was recognised by Malaysia Book of Records for the Most Number of Apples Used in a Fox Shaped Display in Malaysia.

A big innovation for us, the cider category has potential to be scaled bigger and continues to penetrate new consumer occasions.



This factsheet is to be read in conjunction with the announcement to Bursa Malaysia and all other disclosures related to the Q2 2019 financial results of HEINEKEN Malaysia.

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