

**Purpose**

Brewing a sustainable future for our People, Business and Planet

**Ambition**

To be an undisputed market leader\_ in Volume, Revenue and Sustainability

**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 52 SKUs

**Part of the HEINEKEN Company**

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

**Sustainability embedded**

in business strategy and priority

**1 brewery and 12 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 2020	Q2 2019	%	H1 2020	H1 2019	%
Revenue	254	513	-50	770	1,038	-26
Operating profit/ (loss)	(24)	85	-128	51	157	-68
Taxation	6	(20)	-129	(12)	(37)	-68
Profit/(Loss) after tax	(18)	66	-128	39	119	-67
Net cash from operating activities	(4)	110	-104	49	204	-76

RM million	H1 2020	H1 2019	%
Total assets	1,208	954	27
Total liabilities	771	628	23
Reserves	282	175	61
Total equity	433	327	33
Capex	350	314	11

Financial Ratios	H1 2020	H1 2019
Operating working capital % of revenue	22.26	9.97
EBITDA margin	10.87	17.67
Return on equity	11.75	47.99
Debt to equity	1.79	1.92
Earnings/(Loss) per share (sen)	12.83	39.23
Net assets per share (RM)	1.43	1.08

EBITDA: Earnings before interest, tax, depreciation and amortisation

**Q2 / 2020 Key Highlights**

- Group revenue declined by 50% as compared to the same quarter in 2019, mainly due to the prolonged suspension of operations of the Sungei Way Brewery to comply with the MCO enforced by the Government from 18 March 2020 until 3 May 2020 to contain the spread of the Covid-19. Despite the Company resuming its operations and business during the Conditional MCO which took effect from 4 May 2020, the Group business performance particularly in the on-trade channel continue to be adversely impacted. This was mainly because outlets with liquor license such as pubs and entertainment outlets are still prohibited from operating whilst sales in on-trade outlets such as restaurants and coffee shops was slow due to shift in consumption patterns favouring takeout and at-home options amid public concern on the pandemic.
- The decline in revenue caused a significant reduction in gross profit contributions, which was insufficient to offset the fixed overhead. Consequently, the Group incurred an unprecedented pre-tax loss of RM24 million in the current quarter under review.
- Operating cash flow dropped significantly due to unfavourable working capital movement during the MCO period, versus the same quarter in 2019.
- Capex investments were primarily related to supply chain capacity upgrades committed since Q1/2020 and there were minimal investments committed in Q2/2020.
- Earnings per share dropped to 12.83 sen in line with low profit performance in Q2/2020 amidst Covid-19 impact. Net assets per share is slightly higher at RM1.43 mainly due to the capex investments committed in Q1/2020.

**Outlook**

- With the commencement of the Recovery MCO on 10 June 2020, the Group has seen a gradual improvement and normalisation of the business activity as almost all business sectors are allowed to resume operations. Nevertheless, outlets with liquor license such as pubs and entertainment centres are still prohibited from operating whilst other on-trade outlets such as restaurants, coffee shop and food courts are subject to restrictive operations due to the enforcement of the standard operating procedures set by the Government. This will continue to have an adverse impact on the Group's overall business performance for the rest of 2020. The exact impact of Covid-19 for the full year remains difficult to estimate as it will depend on the duration and the economic consequences of this crisis as well as the speed of recovery of the business.
- In view of the challenging times ahead, the Group will continue to prioritise its recovery by accelerating commercial execution and improving operational efficiency through more stringent and prudent cost control measures to ensure liquidity and effective working capital management.

## Top 10 Shareholders as of 30 June 2020

Name of shareholder	Number of shares held	%
1. GAPL Pte Ltd	154,069,900	51.00
2. Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	8,420,880	2.79
3. DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for Virtus Kar International Small-Cap Fund	5,639,100	1.87
4. Citigroup Nominees (Tempatan) Sdn Bhd Exempt An for AIA Bhd	5,463,000	1.81
5. HSBC Nominees (Asing) Sdn Bhd JPMBL SA for Stichting Depository APG Emerging Markets Equity Pool	4,634,000	1.53
6. UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	4,005,759	1.32
7. Cartaban Nominees (Asing) Sdn Bhd SSBT Fund MMGN for Mawer Global Small Cap Fund	3,188,200	1.06
8. Tai Tak Estates Sdn Bhd	2,156,000	0.71
9. CIMB Group Nominees (Asing) Sdn Bhd Exempt An for DBS Bank Ltd (SFS)	2,064,200	0.68
10. Key Development Sdn Berhad	2,037,000	0.67
	191,678,039	63.44

## Analysis by Category as of 30 June 2020

	Number of shareholders	Number of shares held	%
Malaysian	11,867	84,705,076	28
Foreigner	941	217,392,924	72
Total	12,808	302,098,000	100



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

## Sustainability

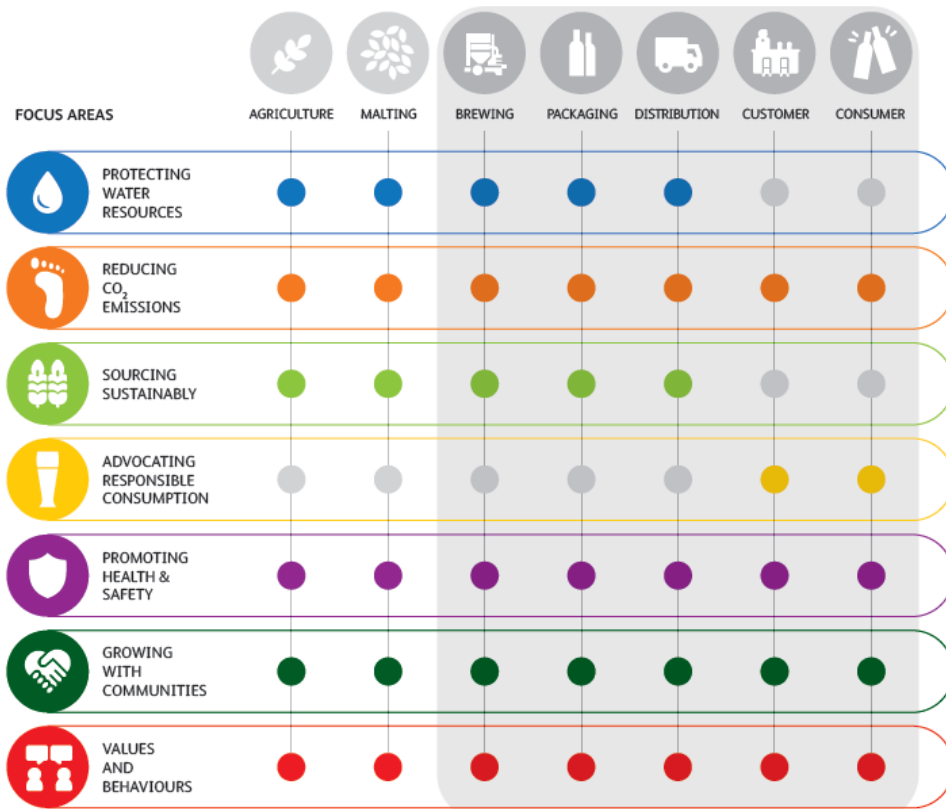
### Our Focus Areas

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.



## Q2/2020 Highlights

### ADVOCATING RESPONSIBLE CONSUMPTION



Heineken Malaysia Berhad reaffirmed its commitment towards advocating responsible consumption. As a responsible and progressive brewer, HEINEKEN Malaysia has always been leading the effort in engaging and educating its customers and consumers on enjoying beers and ciders responsibly.

We have invested RM7.3 million since 2010 on various initiatives to create awareness amongst consumers. Through its 'Drink Sensibly' and 'Enjoy Responsibly' platforms, over RM5.3 million have been invested into outreach and education campaigns through brand and corporate communications, on-ground events, as well as digital campaigns including the annual year-end festive period awareness drive.

### GROWING WITH COMMUNITIES

#### Sabah Flood Relief 2020

HEINEKEN Malaysia recently sponsored RM40,000 worth of food aid items to help 1,000 flood victims who were affected from the severe flooding at Kota Belud, Penampang and Papar, Sabah. This 2020 Sabah Flood Relief Assistance is a joint collaboration with local Sabah radio station Kupikupi FM.

To support the flood relief efforts, HEINEKEN Malaysia has donated basic food items such as bottled water, rice, canned food, instant noodles and non-alcoholic malt beverage Malta to the affected communities.



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