

Purpose

We brew the Joy of True Togetherness to inspire a better world

Ambition

We shape and premiumise the future of beer and beyond

Values

Passion for consumers and customers
 Courage to dream and pioneer
 Care for people and planet
 Enjoyment of life

Leading Brewer in Malaysia

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

Portfolio of World-Class Brands

11 brands and 86 SKUs
 39 Putra Brand Awards since 2010

Part of the HEINEKEN Company

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

1 brewery and 13 sales offices throughout Malaysia

Brew a Better World 2030 supports the path to

Net zero impact
 Inclusive, fair and equitable company and world
 Moderation and no harmful use

Key Financials

Key Operating Results

RM million	Q2 2023	Q2 2022	Change %	H1 2023	H1 2022	Change %
Revenue	569	645	-12	1,309	1,343	-2
Operating profit	119	128	-7	265	283	-6
Taxation	28	42	-32	63	83	-24
Profit after tax	90	86	5	200	199	1
Net cash from operating activities	1	45	-98	181	174	4

RM million	H1 2023	H1 2022	Change %
Total assets	1,261	1,157	9
Total liabilities	868	761	14
Reserves	242	244	-1
Total equity	393	396	-1
Capex	52	35	49

Financial Ratios	H1 2023	H1 2022
Operating working capital % of revenue	-11.41	-1.36
EBITDA margin	23.08	23.80
Return on equity	67.45	71.57
Debt to equity	2.21	1.92
Earnings per share (sen)	66.34	66.02
Net assets per share (RM)	1.30	1.31

EBITDA: Earnings before interest, tax, depreciation and amortisation

Key Performance Highlights

Q2FY2023 versus Q2FY2022

- Group revenue decreased by 12% as compared to the same quarter in 2022, mainly due to lower sales attributed to weak consumer sentiment driven by rising cost of living and currency volatility. The Group had a strong base in the second quarter of 2022 as the market had an upsurge in sales (Revenue +84% versus the second quarter of 2021) following the re-opening of the economy and international borders at the start of the endemic phase. The Group views this quarter's performance as a form of market correction.
- Group profit before tax ("PBT") decreased by 7% alongside with lower revenue, mitigated by efficiency gains through cost and value initiatives.
- Lower net cash from operating activities is mainly due to lower profit driven by lower sales in the quarter under review.

H1FY2023 versus H1FY2022

- Group revenue was 2% lower, mainly due to the market correction as mentioned above, buffered by higher sales in the first quarter due to early Chinese New Year ("CNY") festive period in January 2023. In the period under review, persistent soft market sentiment has impacted the sales performance of the Group.
- Group PBT declined by 7% due to lower revenue and relatively higher promotional and marketing expenses as the Group continued to invest behind its brands.
- The Group recorded a higher capex spend as a result of investments in the brewery upgrade.
- Overall increase in total liabilities has resulted in a decline of the operating working capital in the first half year of 2023.

Outlook

- In light of cautious consumer spending due to macro economic concerns, the Group anticipates the market to remain challenging.
- The Group will remain agile to the volatile business environment and will continue to focus on its EverGreen strategy to future-proof its business. The Group will also continue to drive efficiency through cost optimization across the organisation whilst investing into our brands and innovations. In the absence of one-off Prosperity Tax, we look forward to a positive impact on the Group's net profit this year.
- Illicit alcohol remains a key concern for the beer industry. The Group will continue to monitor and support the authorities in addressing this issue through comprehensive efforts, which encompass bolstering enforcement measures and promoting greater awareness within the market.

Top 10 Shareholders as of 30 June 2023

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)	7,315,280	2.42
3. HSBC Nominees (Asing) Sdn Bhd JPMSE Lux for Stichting Depository APG Emerging Markets Equity Pool	5,910,200	1.96
4. Cartaban Nominees (Asing) Sdn Bhd - The Bank of New York Mellon for Virtus KAR International Small-Mid Cap Fund	4,210,900	1.39
5. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Deutsche Trustees Malaysia Berhad for Hong Leong Value Fund	4,112,600	1.36
6. UOB Kay Hian Nominees (Asing) Sdn Bhd - Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	3,841,059	1.27
7. Citigroup Nominees (Tempatan) Sdn Bhd- Exempt AN for AIA Bhd	2,408,000	0.80
8. Tai Tak Estates Sdn Bhd	2,156,000	0.71
9. Key Development Sdn Berhad	2,037,000	0.67
10. ChinChoo Investment Sdn Berhad	1,865,000	0.62
	187,925,939	62.20

Analysis by Category as of 30 June 2023

	Number of shareholders	Number of shares held	%
Malaysian	10,869	80,435,456	27
Foreigner	996	221,662,544	73
Total	11,865	302,098,000	100



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

Sustainability

We believe in the long-term sustainability of our business. Our global sustainability strategy - Brew a Better World ("BaBW") has had a profound influence on our business. It has driven us to innovate and collaborate to protect the environment, support local communities and make a positive contribution to society – all with the goal of supporting delivery of the United Nations Sustainable Development Goals (UN SDGs).

As a responsible and progressive organisation, we pursue an increasingly holistic approach to sustainability, focusing on the entire value chain From Barley to Bar. As we are moving into a decade in which the world must face even more complex challenges. We know we can only thrive if the planet and our communities thrive. Our BaBW 2030 ambitions are woven into the fabric of our balanced growth strategy, putting environmental, social sustainability and responsibility as our key focus areas as we write our next growth chapter.

Our ambitions and targets for this new chapter are in line with the benchmarks set by the UN Global Compact and we are determined to contribute to the UN SDGs to protect the planet, ensure prosperity and end poverty for all.

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 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 Area



Highlights

ENVIRONMENTAL

Towards Healthy Watershed



Marginally higher water consumption in H12023 (3.5 hl/hl) vs the target due to temporarily reduced efficiency attributed to the brewery upgrade initiatives.

HEINEKEN Malaysia Greenest Day



HEINEKEN Malaysia conducted a day of action to raise awareness and engage staff on our environmental sustainability commitments and achievements. The event highlighted the importance of recycling and that collaborative efforts are crucial in making a difference, regardless of the scale of individual efforts.

RECOGNITIONS



HEINEKEN Malaysia won the Most Outstanding ESG Initiative along with Golds for Waste Management and Innovative Partnership respectively at the ESG Positive Impact Awards 2022.

HEINEKEN Malaysia won Company of the Year (Beverage Manufacturing) for the sixth year at the Sustainability & CSR Malaysia Awards 2023.

Commercial Activation

Heineken® 150

As the Heineken® brand turned 150 this year, Heineken® invited consumers to showcase their unique ways of celebrating good times.

Heineken® collaborated with local pop culture icons to blend global inspirations into local experiences to bring consumers extraordinary activations and limited-edition merchandise.

Collaborations with local icons included content creator Jane Chuck with her fashion label Motherchuckers for an ultra-exclusive Heineken® 150 x Motherchuckers limited-edition collection, and Darkroom8 with the limited-edition Heineken® 150 x Darkroom8 reusable film camera accompanied by a special beer filter for fans to capture good times.



2023 National Star Academy Championship and Regional Quality Training

HEINEKEN Malaysia's Star Academy returned once more with a new and improved programme – the 2023 National Star Academy Championship and Regional Quality Training. This year's programme combined the best of both worlds and set out on a mission to elevate and equip bartenders and to train participating bartenders across Malaysia to deliver quality pints of Heineken® and Guinness.

The training sessions took place across six states - Selangor, Johor, Penang, Perak, Sabah, and Sarawak – with a champion crowned for each region. Among the regional champions, the National Star Academy Champion will be crowned at the finale in September 2023, and walk away with an all-expenses paid trip to Amsterdam, where Heineken® was first brewed, for both the champion bartender and the bar owner or a representative.



Guinness Harvest Festival

Guinness celebrated with its fans through a series of exciting activations and limited-edition giveaways in conjunction with Hari Gawai and Kaamatan.

During the festive occasion, fans could enjoy promotions where upon purchasing RM95 and above worth of Guinness and other participating Heineken Malaysia Berhad brews, they could stand to win exclusive prizes, namely a KTV System, Smart Watch or even a Smart Phone.

Additionally, fans who purchased six big bottles of Guinness or any participating HEINEKEN Malaysia brews at selected food courts and coffee shops, could also redeem a limited-edition set of Guinness Miniature Glass. The promotions and giveaways were available for fans until the 31 May to in celebration of the Harvest Festival.



Edelweiss Weekend Unwind

Edelweiss Weekend Unwind returned to transform weekends with a series of fun activities over four weekends in Kuala Lumpur and Penang. Encouraging consumers to take a break from their busy schedules, guests were treated to a slew of fun experiences with an exciting programme packed with pop-up markets, workshops, music and experiential events headlined by local artists and personalities.

The programme included activities like the Unwind Bar, featuring creative cocktail offerings by expert mixologists using Edelweiss Wheat Beer; fun activities by seven local content curators such as youtuber Haoren as well as Emily Chan, a familiar face to the local TV and film scene, among others; and fans could also join the fun and check out pop-up markets in collaboration with Pingmin Market and Hin Market.



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