



# Investor Factsheet

February 2020

## 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 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	Q4		%	FY		%
	2019	2018		2019	2018	
Revenue	680	662	3	2,320	2,030	14
Operating profit	121	146	-17	414	383	8
Taxation	29	45	-36	99	98	1
Profit after tax	91	100	-9	313	283	11
Net cash from operating activities	117	77	51	419	366	15

RM million	FY	FY	%
	2019	2018	
Total assets	1,095	940	16
Total liabilities	701	569	23
Reserves	243	220	10
Total equity	394	371	6
Capex	361	314	15

Financial Ratios	YTD	YTD
	2019	2018
Operating working capital % of revenue	5.57	8.27
EBITDA margin	20.30	21.13
Return on equity	105.15	103.23
Earnings per share (RM)	1.04	0.94
Net assets per share (RM)	1.30	1.23

EBITDA: Earnings before interest, tax, depreciation and amortisation

### Q4 / 2019 Key Highlights

- Revenue grew modestly by 3%, mainly driven by improved sales performance across all core brands and new product launches.
- Operating profit was 17% lower, mainly due to higher commercial spend as a result of the following:
  - phasing of marketing spend for the launch of Tiger Crystal and Heineken 0.0; and
  - earlier 2020 Chinese New Year festive sell-in.
- Operating cash flow increased by 51%, derived from favourable working capital movement.
- 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 RM1.04 and RM1.30 respectively.

### 2020 Outlook

- The Group expects the business environment to remain challenging amidst uncertainties in economic conditions, continuous competitive pressures and presence of contraband beer in the market. Nevertheless, riding on the strong foundation that the Group has laid in the past, coupled with investment in brands and new product launches, the Group will continue to pursue sustainable growth by sharpening its commercial execution and driving effective cost management across the organisation.
- The Group commends the Government for its on-going efforts in addressing illicit alcohol activities, which have contributed to a significant reduction in contraband beer, as well as its move to keep excise duties on beer stable, with excise duties already the second highest in the world.
- The Group will continue to support the Government's move against illicit alcohol and drive awareness on this issue through proactive engagements with relevant stakeholders including consumers.

## Top 10 Shareholders as of 24 January 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	4,725,700	1.56
4. HSBC Nominees (Asing) Sdn Bhd JPMBL SA for Stichting Depository APG Emerging Markets Equity Pool	4,274,800	1.41
5. UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	4,103,659	1.36
6. Citigroup Nominees (Tempatan) Sdn Bhd Exempt An for AIA Bhd	3,377,900	1.12
7. Cartaban Nominees (Asing) Sdn Bhd SSBT Fund Mngn for Mawer Global Small Cap Fund	3,188,200	1.06
8. CIMB Group Nominees (Asing) Sdn Bhd Exempt An for DBS Bank Ltd (SFS)	2,569,100	0.85
9. DB (Malaysia) Nominee (Asing) Sdn Bhd State Street London Fund LYFB for BMO LGM Global Emerging Markets Smaller Companies Fund (BMO INVII IRL)	2,365,100	0.78
10. Tai Tak Estates Sdn Bhd	2,156,000	0.71
	<b>189,251,239</b>	<b>62.64</b>

## 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.

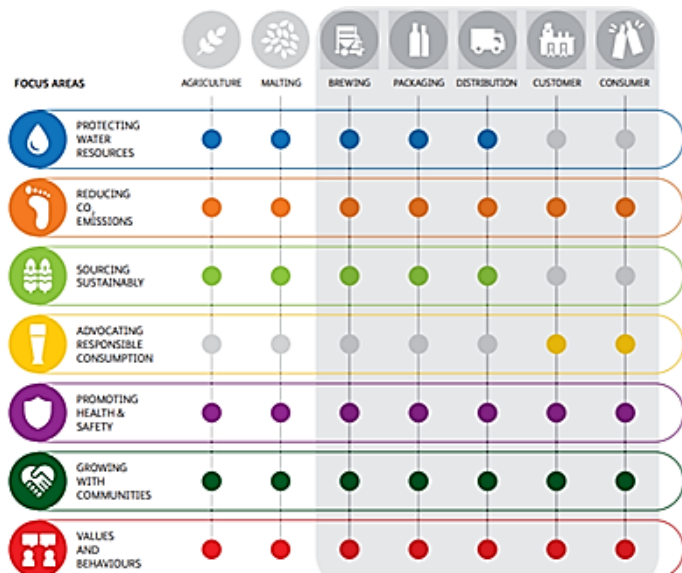


## Our Value Chain

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 24 January 2020

	Number of shareholders	Number of shares held	%
Malaysian	9,616	82,271,916	27.2
Foreigner	489	219,826,084	72.8



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

## Highlights

### Our contribution towards Brewing a Better World

- 3.67 litres of water is used to produce 1 litre of beer, a 15% reduction versus 2014.
- 99.5% of our suppliers adhere to HEINEKEN Supplier Code.
- 18% reduction in CO2 eq/hl emission in production since 2014.
- 15% savings in electricity usage and 22% reduction in thermal energy consumption versus 2014.

### Water Stewardship Agenda 2018 - 2020



Completed the construction of a 305-meter clay dyke at Raja Musa Forest Reserve as part of the Water Stewardship Agenda 2020 initiative to improve watershed protection efforts.

### Advocating Responsible Consumption



Drink Sensibly Festive Campaign  
170,000 consumers engaged over a 3- week social media campaign to raise awareness on importance of moderate consumption and instil a sensible drinking culture during the year-end festive season.

### Recognition



#### Sustainable Business Awards 2019

Organised by Global Initiatives Singapore in partnership with PricewaterhouseCoopers (PwC) Malaysia for the water, waste and community categories.



#### CSR Malaysia Awards 2019

Company of the year under beverage category for water and education initiatives.



#### Certificate of Cooperation

Received from the Minister of Federal Territory on River of Life Project.



#### The Edge Billion Ringgit Club 2019

Top 5 best CR initiatives in Malaysia.

## Commercial Activation

### A Celebration of Wayyyy More Apples with Apple Fox Cider

Apple Fox Cider invited consumers to experience wayyyy more apples through a series of exciting activities in the month of October. The Fox Mobile toured Klang Valley and across the region to bring consumers a taste of Apple Fox Cider, whilst educating fans on the process cider making and organising exciting activities for exclusive Apple Fox merchandise to be won. In the spirit of Apple Day, consumers enjoyed a free glass of Apple Fox Cider by participating in the “bring your own” (B.Y.O) glass activity to participating outlets nationwide.



### Open Up, It's Guinness Time

With a series of promotions and activations from September until November, Guinness Time encouraged bonding sessions with not only friends but workmates. Throughout the month of September, bars and pubs across the country saw a special deal on Guinness Draught – buy one set and get another Guinness free – which is perfect for sharing. The Guinness Time fun continued throughout October, with a series of parties taking place in bars and pubs, featuring promotions, music, entertainment and specially-curated food to pair with Guinness. In November, the Guinness 'Flavour by Fire' food festival gave fans the opportunity to pair the flavour of Guinness' roasted barley with rich flavours of roasted meat for an unforgettable culinary experience.



### Heineken® 2020 New Year Eve Party at TREC

Heineken® celebrated the New Year's Eve with a high energy countdown party. Partygoers joined Heineken® at TREC, in the heart of KL to usher in the new year with a myriad of activities specially curated to create a night to remember. Throughout the celebration, guests were interacting with the virtual Count Your Lucky Stars game projected on the Heineken® Star Tower. Guests also took home their own personalised Heineken® bottles and experienced their 15 seconds of fame in the Heineken® Cheers Cam. As the night drew closer to midnight, the energy from the crowd showed no signs of slowing down and as the clock struck 12, guests were treated to a dazzling display of fireworks to officially welcome the start of a new decade.



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

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