

**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 50 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	Q4 2020	Q3 2019	%	FY 2020	FY 2019	%
Revenue	519	680	-24	1,762	2,320	-24
Operating profit/ (loss)	69	121	-43	204	414	-51
Taxation	13	29	-54	45	99	-55
Profit/(Loss) after tax	54	91	-41	154	313	-51
Net cash from operating activities	131	117	12	230	411	-45

RM million	FY 2020	FY 2019	%
Total assets	1,040	1,100	-5
Total liabilities	691	706	-2
Reserves	198	243	-18
Total equity	349	394	-11
Capex	358	361	-1

Financial Ratios	FY 2020	FY 2019
Operating working capital % of revenue	6.52	5.57
EBITDA margin	15.31	20.30
Return on equity	57.53	105.15
Debt to equity	1.96	1.78
Earnings/(Loss) per share (sen)	51.04	103.60
Net assets per share (RM)	1.16	1.30

EBITDA: Earnings before interest, tax, depreciation and amortisation

**Q4 2020 Performance**

- Group revenue contracted by 24%, mainly due to lower sales impacted by the Government's implementation of wider restrictions and stricter standard operating procedures relating to social activities in its effort to combat the rising wave of Covid-19 cases.
- Group profit before tax ("PBT") decreased by 44%, largely due to lower revenue and a one-off provision of RM14 million in December 2020 for costs associated with the organisational restructuring exercise being implemented in 2021. Nevertheless, this was partially mitigated by the cost savings measures.

**Full Year 2020 Performance**

- Group revenue declined by 24%, impacted by the implementation of the first Movement Control Order ("MCO") during which the brewery suspended its operations. Despite the gradual recovery of economic activities after the second quarter, the Group's business performance particularly in the on-trade channel continued to be affected.
- PBT dropped 52%, principally due to the same reasons mentioned above and the one-off settlement of the Customs' Bills of Demand amounting to RM7.2 million in June 2020. Nevertheless, this was partially mitigated by the cost savings measures.
- Operating cash flow registered a slight increase in comparison to the same quarter in 2019 attributed to the improvement in the working capital and initiatives to preserve cash.
- Earnings per share was significantly lower mainly due to decline in Group profit performance which was heavily affected by the Covid-19 pandemic. Net assets per share remained consistent at RM1.16.

**Outlook**

- The Covid-19 pandemic and perpetual lockdowns with restrictions on social activities are expected to continue impacting the business. The Group expects continued uncertainties due to the Covid-19 pandemic which will impact the speed of our business recovery. On 16 February 2021, the Government launched its National Covid-19 Immunisation Programme leading towards herd immunity (80% population) by the first quarter of 2022.
- The Group will navigate the crisis while building for our future, with a strategy aimed at delivering superior growth in a fast-changing world, placing consumers and customers at the core, accelerating our digital route to consumer, as well as raising the bar on our sustainability and people agenda. The Group will also front load our agenda to implement continuous productivity improvements to drive efficiency in 2021. At the same time, we will continue to prioritise the health and wellbeing of our employees, trade partners, and consumers. Overall, we aim to create value for our stakeholders, whilst being guided by our purpose, which is to brew a sustainable future for our people, business and planet.

## Top 10 Shareholders as of 31 December 2020

Name of shareholder	Number of shares held	%
1. GAPL Pte Ltd	154,069,900	51.00
2. DB (Malaysia) Nominee (Asing) Sdn Bhd - The Bank of New York Mellon for Virtus Kar International Small-Cap Fund	8,825,500	2.92
3. Citigroup Nominees (Tempatan) Sdn Bhd – Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	8,420,880	2.79
4. HSBC Nominees (Asing) Sdn Bhd - JPMBL SA for Stichting Depository APG Emerging Markets Equity Pool	5,144,200	1.70
5. Citigroup Nominees (Tempatan) Sdn Bhd – Exempt An for AIA Berhad	4,806,000	1.59
6. Cartaban Nominees (Asing) Sdn Bhd - SSBT Fund MNGN for Mawer Global Small Cap Fund	4,555,200	1.51
7. UOB Kay Hian Nominees (Asing) Sdn Bhd – Exempt An for UOB Kay Hian Pte Ltd ( A/C Clients )	4,025,859	1.33
8. Tai Tak Estates Sdn Bhd	2,156,000	0.71
9. Key Development Sdn Berhad	2,037,000	0.67
10. Hong Leong Assurance Berhad as Beneficial Owner (Life Par)	1,926,200	0.64
	195,966,739	64.86

## Analysis by Category as of 31 December 2020

	Number of shareholders	Number of shares held	%
Malaysian	11,750	80,805,356	27
Foreigner	892	221,292,644	73
Total	12,642	302,098,000	100



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

## 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.

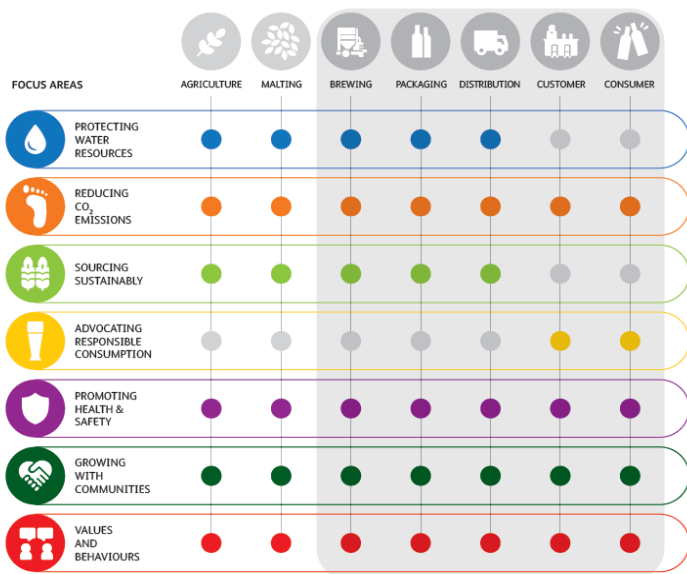


## Our Value Chain

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



## Highlights

### Our contribution towards Brewing a Better World

EVERY DROP: PROTECTING WATER RESOURCES



Reduced water consumption by **0.54% in 2020** vs 2019. Reduced 15.5% vs 2014 baseline.



**Wastewater** is treated beyond the standards of the Department of Environment, Malaysia.

DROP THE C: REDUCING CARBON EMISSION



**15% reduction** in CO<sub>2</sub> emission in our brewery since 2014.



**Zero Waste to Landfill** Sustained **zero by-product waste** status since 2017.

GROWING WITH COMMUNITIES



Invested over **RM3.5 million** in environmental and community.

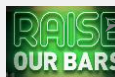
### SUPPORTING OUR STAKEHOLDERS DURING COVID-19 PANDEMIC



Donated **80,000 meals** over 30 days to **3,120 B40 families**.



Pledged **RM1.5 million** to support **1,200 street food vendors**, coffee shops and food courts nationwide.



Committed **RM1 million** Supporting bars and pubs to recover from financial difficulties.

SOURCING SUSTAINABLY



**100% of HEINEKEN Malaysia suppliers compliant** with HEINEKEN Supplier Code to ensure high standards of Business Conduct and respect for Human Rights and the Environment.

ADVOCATING RESPONSIBLE CONSUMPTION



**>10% of Heineken® media spend** in advocating responsible consumption.

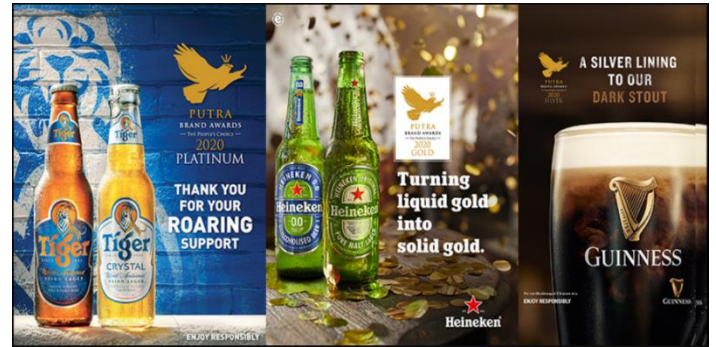
PROMOTING HEALTH & SAFETY

**COVID-19** precautionary measures such as health screening, social distancing and increased sanitization at the workplace and working from home are in place.

## Commercial Activation

### Triple Wins at Putra Brand Awards

HEINEKEN Malaysia celebrated another outstanding achievement at Putra Brand Awards by bringing home three more accolades in 2020. Tiger clinched the most prestigious Platinum Award, while Heineken® achieved Gold, and Guinness won Silver. The latest wins bring HEINEKEN Malaysia's total awards tally at Putra Brand Awards to 33 since 2010. Roland Bala, MD of HEINEKEN Malaysia said, "We would like to thank our consumers for their continuous support of our brands. The past year was indeed tough, but it also showed us that it is more important than ever to regularly connect and engage with our consumers. A huge thank you as well to our people for showing their passion for quality, their commitment to innovation, and their agility to navigate the storm as one strong team."



### Heineken® Epic Virtual New Year's Eve Countdown

Heineken® encouraged Malaysians to usher in the new year in the comfort and safety of their homes, by bringing an electrifying countdown party experience to all living rooms. After a year filled with unexpected circumstances, Heineken® connected more than 200,000 Malaysians to end the year on a memorable note, while enjoying social experiences responsibly. This culminated in the epic Heineken® Starclub NYE Live countdown, headlined by W&W, the Dutch DJ duo are known for their commercial, big-room house and trance beats.



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

Tiger is famous for regularly hosting large-scale street food festivals, with a great selection of street food to savour alongside ice-cold Tiger Beer. In 2020, holding an event like this was not possible. Instead, Tiger took the street food festival experience to the next level: from the streets, and onto consumers' screens. The Tiger Street Food Virtual Festival is much more than simply a home delivery service – it recreated the full experience of a food festival in a completely digital world and the first of its kind anywhere in the world. Visitors walked the 3D streets as their own customized avatar, interacting with others, playing games and visiting vendors, before ordering street food directly to their door. Visitors also played games to win rewards and enjoyed exclusive Happy Hour promotions from Drinkies, HEINEKEN Malaysia's at-home beer delivery service.



### Guinness Exclusive Christmas Gift Sets

In conjunction with the year-end festive season, Guinness launched three exclusive limited edition Christmas gift sets. Available via Drinkies, The three sets - The Christmas Spirit (DIY Guinness cocktail kit), A Sweet Christmas (Guinness Christmas cupcake mix), and Spice & Nice (Guinness-infused sauces) - each came packed with Guinness Foreign Extra Stout, along with a selection of items to help bring a touch of Guinness magic to anyone's festive celebrations.



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