

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	Q1 2020	Q1 2019	%
Revenue	516	525	-2
Operating profit	76	71	6
Taxation	18	18	1
Profit after tax	57	53	8
Net cash from operating activities	53	94	-44

RM million	Q1 2020	FY 2019	%
Total assets	1,280	921	39
Total liabilities	825	497	66
Reserves	300	273	10
Total equity	451	424	6
Capex	360	314	15

Financial Ratios	Q1 2020	Q1 2019
Operating working capital % of revenue	33.13	24.07
EBITDA margin	17.82	16.09
Return on equity	16.78	16.84
Debt to equity	1.84	1.17
Earnings per share (RM)	18.86	17.48
Net assets per share (RM)	1.49	1.40

EBITDA: Earnings before interest, tax, depreciation and amortisation

Q1 / 2020 Key Highlights

- Revenue declined by 2% compared to the same quarter in 2019, mainly due to lower sales in March 2020 which registered a 50% drop following the temporary suspension of operations of Sungei Way Brewery to comply with the Movement Control Order (MCO) effective 18 March 2020.
- Group profit before tax ("PBT") grew 6.3% driven by effective Chinese New Year ("CNY") festive campaigns executed in January 2020 and February 2020, ahead of the price adjustment implemented on selected products effective 1 March 2020, as well as the more efficient commercial spend during the quarter.
- Operating cash flow dropped significantly by 44% due to unfavourable working capital movement during the MCO period, in comparison to the same quarter in 2019.
- Capex: Continued investments to support supply chain capacity upgrades in Q1 2020.
- Total equity remained healthy on the back of higher reserves. Slight improvement in EBITDA margin underpinned by revenue growth contributed by CNY festive sales and efficient cost management.
- Earnings per share and net assets per share remained resilient at 18.86 sen and RM1.49 respectively.

Outlook

- The on-going Covid-19 pandemic and the containment measures, including the mandatory closure of non-essential business activities imposed by the Government and social distancing measures, continue to pose unprecedented challenges to on-trade businesses and consumers' purchasing power. This, as well as the closure of the brewery from 18 March 2020 to 3 May 2020, resulted in a material decline in our revenue and the disruption from this is expected to persist and continue to have a significant adverse impact on the overall business performance of the Group for the financial year 2020.
- The Board has stress-tested the Group's balance sheet, profit and loss and cash flow across multiple scenarios. Notwithstanding, the strong balance sheet at the end of Q1, Group operating cash flow is expected to be significantly impacted in the second quarter and over the rest of the financial year given slower cash collections from the trade and weak demand particularly from the on-trade and tourism channels.
- In order to mitigate the impact on the Group business, various initiatives have been implemented to accelerate business activities and improve operational efficiency to protect the Group profitability and preserve cash.
- The Covid-19 crisis is expected to have far reaching impact on both health and the economy, with many uncertainties as the crisis continues to unfold. The Group remains committed to mitigate as much as possible the impacts on the business by continued implementation of safety and health standard operating procedures to prevent infection, ensuring the safety and well-being of our people, aligning our commercial strategies to adapt to the new reality, and keeping a very tight rein on our cost base. This should ensure that the Group is well placed when economic activities normalise and the industry recovers.
- The Board will continue to navigate the challenges ahead supported by the strong fundamentals built at the company over many years. The Board would like to thank all colleagues for their hard work and dedication, as well as our stakeholders for their continued support through this challenging time.

Top 10 Shareholders as of 16 March 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	5,217,100	1.73
4. Citigroup Nominees (Tempatan) Sdn Bhd Exempt An for AIA Bhd	4,635,300	1.54
5. HSBC Nominees (Asing) Sdn Bhd JPMBL SA for Stichting Depository APG Emerging Markets Equity Pool	4,452,700	1.47
6. UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	4,079,459	1.35
7. Cartaban Nominees (Asing) Sdn Bhd SSBT Fund Mngn 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)	2,106,200	0.70
10. Key Development Sdn Berhad	2,037,000	0.67
	190,362,739	63.02

Analysis by Category as of 16 March 2020

	Number of shareholders	Number of shares held	%
Malaysian	10,865	82,954,081	27
Foreigner	951	219,143,919	73
Total	11,816	302,098,000	100



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

Sustainability

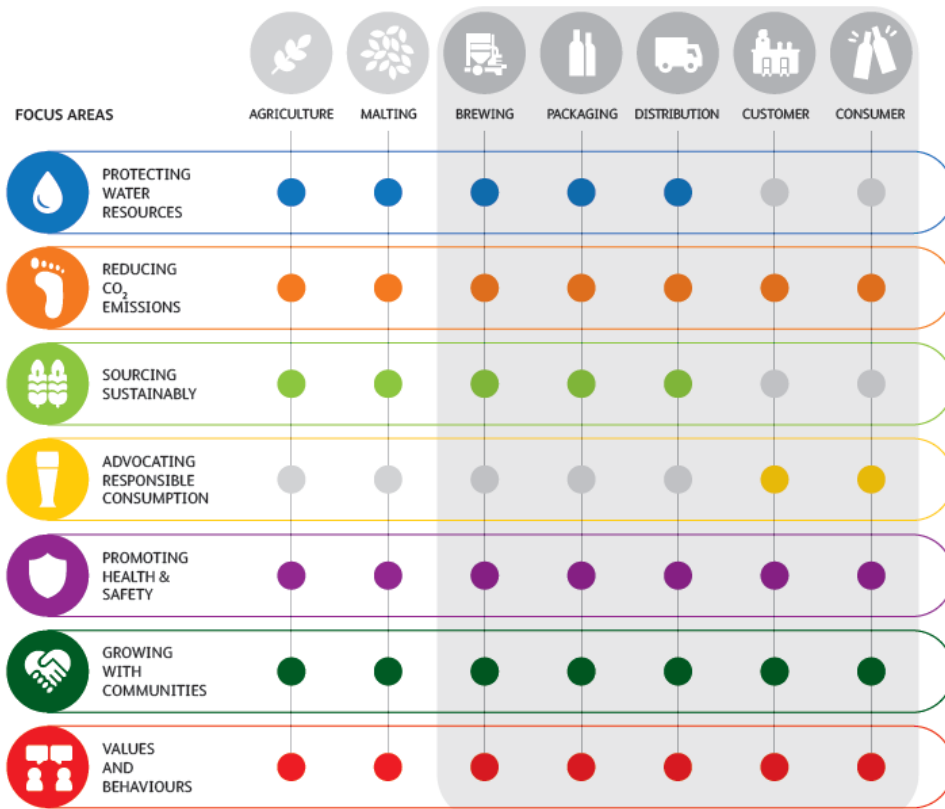
Our Focus Areas

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.



HEINEKEN Malaysia's response to Covid-19



Protecting our Employees

The Safety, Health and Wellbeing of our People is our number one priority. HEINEKEN has committed until the end of 2020 that it will not carry out structural layoffs, as a consequence of Covid-19.



Helping our Local Communities

HEINEKEN Malaysia supported its local communities by donating basic food items to more than 1,000 families from B40 communities to enable them to prepare over 80,000 meals, with the aim of helping vulnerable families cope with the loss of income during the Movement Control Order (MCO).



Supporting our Business Partners

Initiatives focused on supporting outlet owners and other business partners were launched during the challenging time



HEINEKEN Malaysia is working closely with our distributors nationwide to ensure they have the right financing support.



Tiger Beer has pledged RM1.5 million to support Malaysian street food during the challenging COVID-19 situation. The funding will be used to help cover rent for street food vendors, coffee shops and food courts across the country as they face reduced income due to ongoing restrictions.



HEINEKEN Malaysia commits RM1 million to 'Raise Our Bars', an initiative aimed at bringing life back to Malaysia's bars and pubs. The platform, allows Malaysian consumers to buy a voucher for a beer, stout or cider from their favourite bar, and receive an additional one free of charge when they redeem it - 100% of the proceeds will go directly to the bars consumers have selected.

Engaging our Consumers

Consumers are informed with all latest HEINEKEN Malaysia updates via our social media platforms



Keeping our Investors Informed

All company-related business updates are uploaded on the HEINEKEN Malaysia website



Disclaimer

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