

YTD P12 FY16 FINANCIAL RESULTS

Monday, 18 July 2016

YTD P12 FY16 Overview

Revenue

+ 5.7%

from RM1,749 million
to **RM1,848 million**



Profit Before Tax

+ 20.4%

from RM292.4 million
to **RM352 million**



Economic Outlook


Consumer sentiment at 6 year low, driven by multiple elements:



Weak Ringgit
Significantly weaker vs. LY



Higher Cost of Living
Consumer Price Index increased post-GST



GDP
Impacted due to lower Oil & Gas prices



Lower Retail Sales
Driven by job insecurity and consumer sentiments



Security Threat

On 1st March, a new tax valuation method was introduced that affects our portfolio, impacting severely on high ABV brands



Excise Duty

New method of valuation
as of 1st of March 2016



Taxation:

3rd highest worldwide and
2nd in Asia (2005)

Commendable growth despite many challenges from external environment



Strong brand portfolio
drives sustainable
market share gain!



External stakeholder engagement helps to
drive enforcement on
contraband



Project Power brought
clarity on 'where to
win' and has driven
significant **value upside!**



Innovation added
4 line-extensions
/variants
to the portfolio



KEY

INITIATIVES

The journey with Project Breakout continues

- ◆ A fully integrated system that will transform HEINEKEN Malaysia into a world class commercial organisation
- ◆ The system provides greater visibility across our entire value chain
- ◆ It has transformed our agility in the market and empowered our Sales team in their tasks



Continue to support Customs in their efforts to stamp out contraband beers which has aided the duty paid market

Kilang pembungkusan arak elak bayar cukai kena serbu

SEREMBAN - Sebuah kilang pembungkusan arak... Dalam gunaan... malar serana dasyak memalukan label bayaran duti.

Terdahulu Ketua Pegawai Pengangkutan PPDNKK negeri, Mohd. Fuzi Hadi Abdi Latip berkata, serbuan dilakukan di premis tersebut di Sungai Belongong, Kuala Sawah, Rantau di sini yang bersebelahan di sebuah projek terminal air tawar kira-kira pukul 11 pagi semalam.

Beliau berkata, hasil pemeriksaan, pabau... dan... bernilai... secara serempak dan kita mendapati, label bayaran cukai miniah palsu. Namun, botol arak itu dibungkus...



PPDNKK Negeri Sembilan Rampas Arak Seludup Bernilai RM600,000

SEREMBAN, 8 Jan (Bernama) – Pejabat Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan (PPDNKK) Negeri Sembilan hari ini merampas sebanyak 40,440 botol dan 2,800 tin minuman keras pelbagai jenama bernilai dup ke negara ini di sebuah premis di dekat sini.

MALAYSIAN NEWS

Close to 1,300 cases recorded

Nation Malaysia • News • Nation
Friday, 4 December 2015 10:17 PM

Over 530,000 litres of contraband beer, liquor seized from Selangor stores

By Nicholas Cheong

been pulled off the shelves in Selangor stores as the Customs Department moves to cripple Malaysia's illicit alcohol market.

Over 1.2 million litres of beer seized



January 2015 – December 2015



However, cheaply priced contraband beers are still easily accessible and widely available



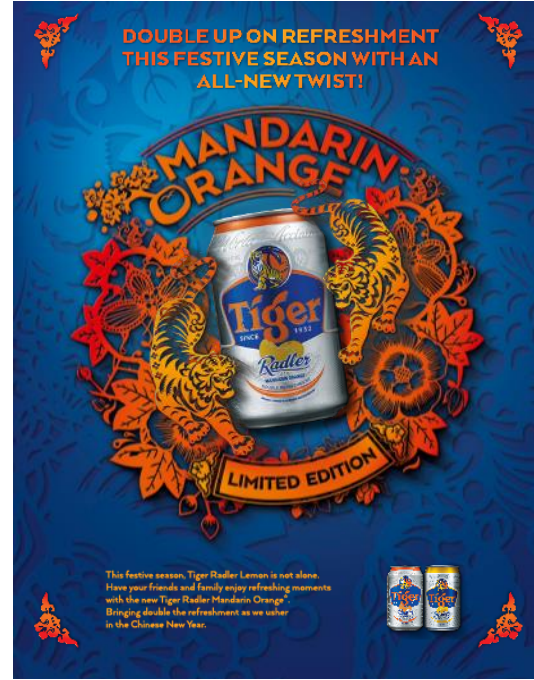
A concerted approach is required to secure Government and Industry revenue

TIGER WHITE – ASIA'S WHEAT BEER is the latest innovation which received great consumer response

**IT ALL
STARTS
WITH
WHITE**



We also introduced three other variants in the last 12 months





On 21 April 2016,

we officially became

**HEINEKEN
MALAYSIA BERHAD**

On 17th May, the Heineken Family made their inaugural visit to HEINEKEN Malaysia

- ◆ The Heineken Family is the controlling shareholder of the Heineken Group
- ◆ The visit reinforced the importance of the Malaysian market for the Heineken Company



Change of Finance Director



Atul Chhapparwal

- ◆ Appointed on 2 July 2014
- ◆ 2 years tenure with HEINEKEN Malaysia ends on 18 July 2016

Key contributions:

- ◆ Successful implementation of GST
- ◆ Delivery of Outlet Contract Management initiative in Project Breakout

Recognition received during his tenure:

'CFO of the Year' at the National Award for Management Accounting (NafMA)

Change of Finance Director



Teo Hong Keng

- ◆ Appointed as Finance Director on 19 July 2016
- ◆ Previously, Finance Director for Asia Pacific Breweries, Singapore
- ◆ Been part of the HEINEKEN group for more than 15 years

Previous roles held in HEINEKEN:

- ◆ Head of Finance of Cambodia Brewery Limited
- ◆ Finance Manager & Management Accountant of Tiger Export Pte Ltd

The image shows a financial statement table with a yellow overlay on the right side. The table is tilted and contains the following data:

	FY14	FY13	FY12	FY11	FY10
Profit after tax (FIM'000)	204,391	202,392	198,206	217,904	207,398
Earnings per 50 sen stock			181,378	152,691	

Other visible text includes 'Reserves' and 'Total'.

FINANCIAL

REVIEW

12 MONTHS ENDED 30 JUNE 2016

Revenue

+ 5.7%

from RM1,749 million
to RM1,848 million



Profit Before Tax

+ 20.4%

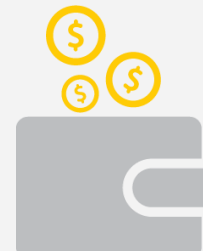
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to RM352 million



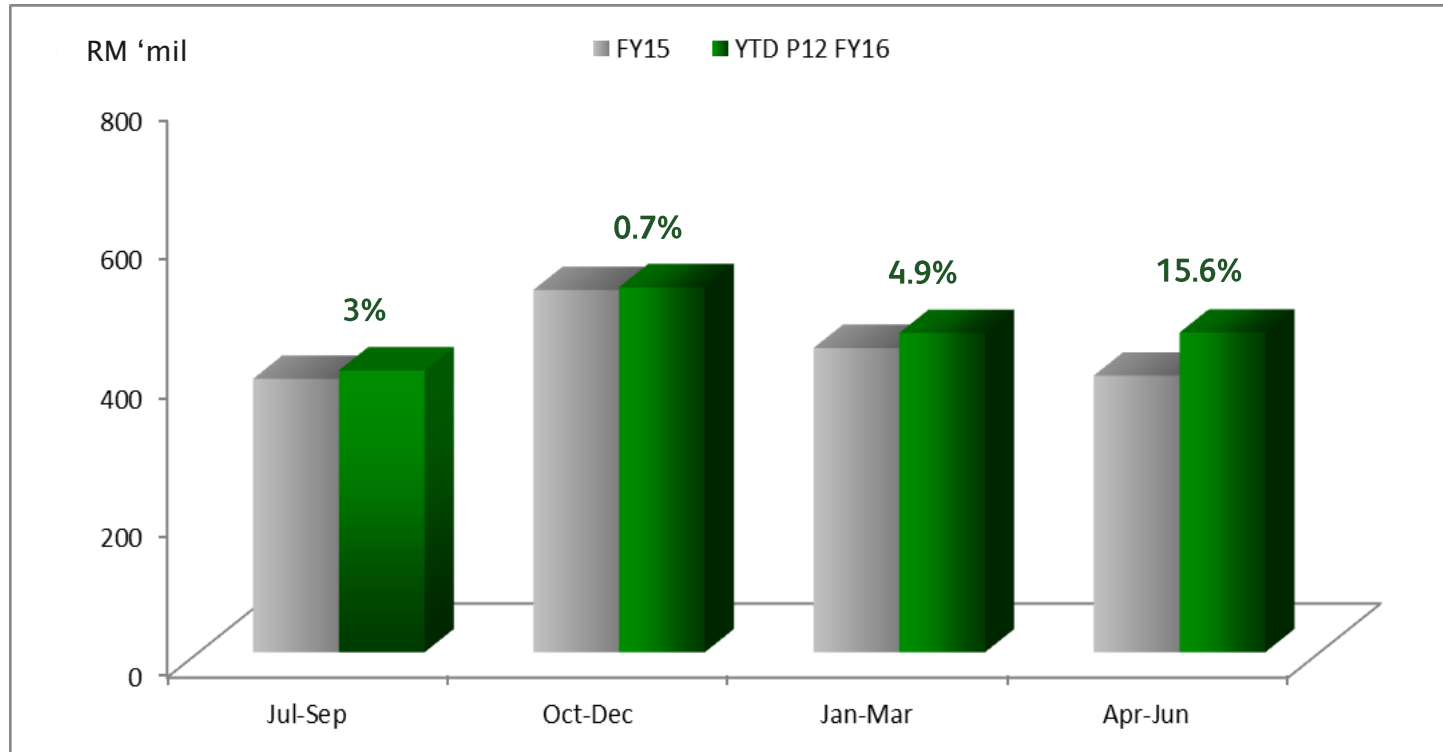
Operating Cash (Post-Capex)

+ 4.4%

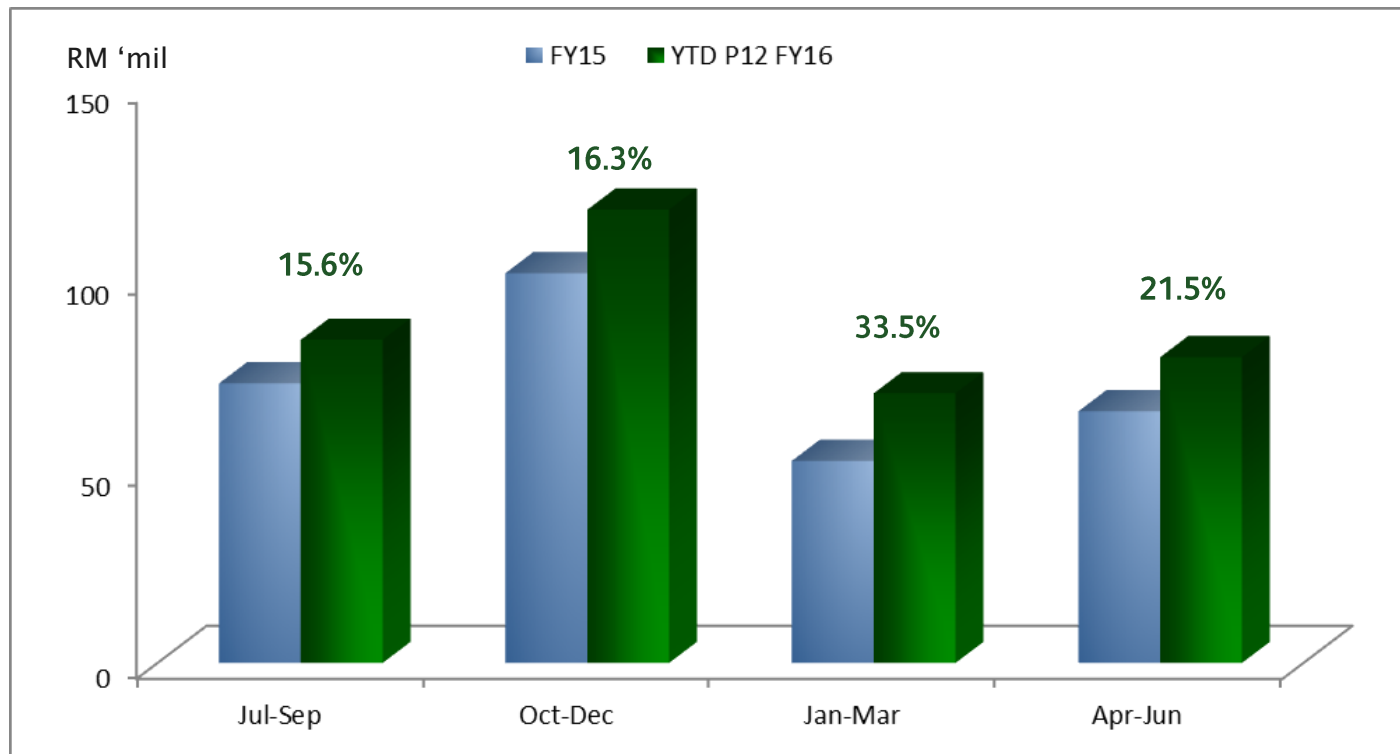
from RM348 million
to RM364 million



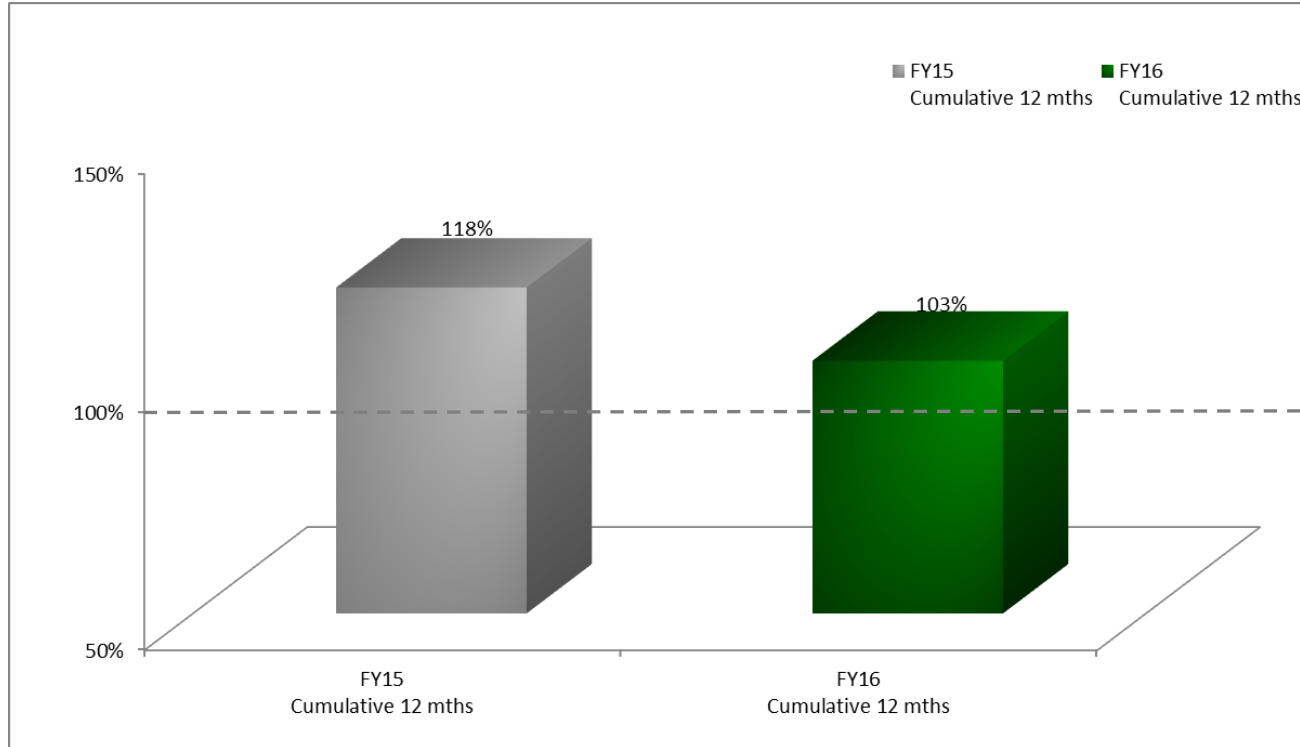
Consistent REVENUE growth every quarter



Consistent PROFIT growth every quarter



Operating Cash (Post CapEx)



Dividend Pay-Out

INTERIM & SPECIAL DIVIDEND

(Paid in April 2016)

50 sen

2ND INTERIM DIVIDEND

(Payable in October 2016)

35 sen

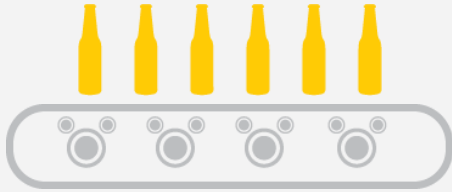
TOTAL DIVIDEND DECLARED

(As at June 2016)

85 sen

YTD P12 FY16 Profit	RM266 mil
Dividend % Profits	97%

Driving robust cost efficiencies resulted in profit growth



Improved Production
Planning and Process



Robust Commercial
Strategy



Flat Fixed Overheads

Summing up the past 12 months

FINANCIALS

Revenue
+5.7%

Profit Before Tax
+20.4%

Operating Cash
+4.4%

Total Dividend
85 sen
(FY16 YTD)

DRIVERS

Effective commercial
executions

Cost efficiencies and
efficient route to market strategy

Lower incidence
of contraband

KEY POSITIVES

Higher sales with
better brand mix

Higher ROI for commercial
investment & lower COGS

Focused strategy

KEY WATCH OUT

Global economy uncertainty and weak consumer sentiment

MOVING FORWARD

We expect the economic environment to remain challenging in the next 6 months due to the global economy uncertainty.



Inflation



Security threats



Regulatory restrictions



Excise tax



Contraband

But we are confident that we will deliver consistent and sustainable performance



Business intelligence in the market



Perfect execution



Brand portfolio future ready and to innovate



Great place to work



Effective engagement with regulators

