

Heineken Malaysia Berhad

**FY2023
Financial Results**

Media & Analyst Briefing

27 February 2024





2023 HIGHLIGHTS



Heineken®



Heineken® Ghosted Bar
won 1 Bronze Lion at the
2023 Cannes Lions Festival



**150 Years of
Good Times**



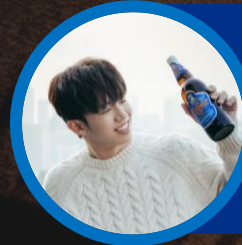
**Heineken®
x Motherchuckers**
“That After Party” collection

Tiger



Cheers to Bold Beginnings

Tiger Beer CNY Campaign



Boldly Asian, Globally Acclaimed



Tiger Den

Immersive experience celebrating Tiger's bold journey



Guinness

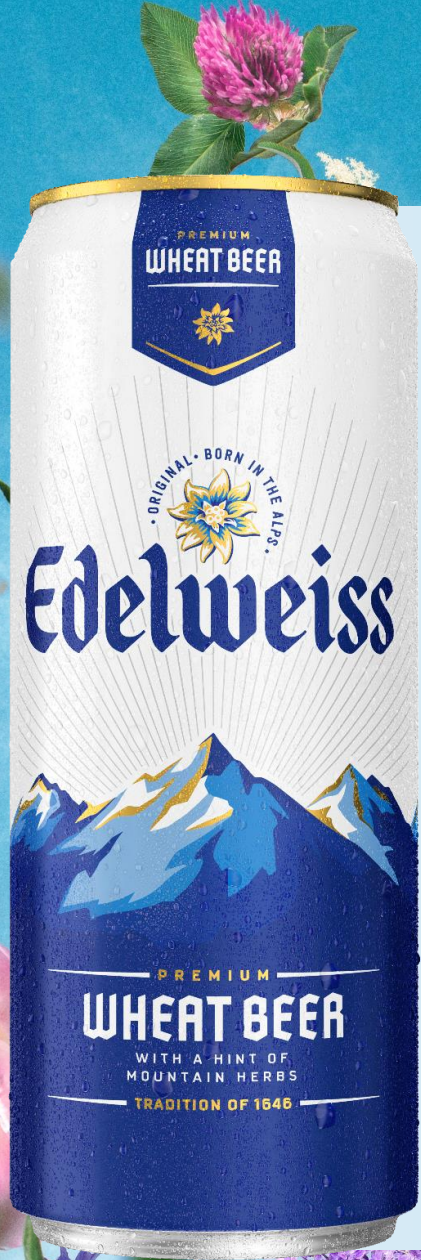


**Guinness
St' Patrick's 2023**

**Guinness
Flavour by Fire**

Most Shareable Reel
International Stout Day
celebration





Edelweiss



Edelweiss Weekend Unwind

one-of-a-kind urban escape with music, games and creative workshops



Bronze at Putra Aria Brand Awards

First award for the brand since being introduced in Malaysia in 2021

HEINEKEN Malaysia Star Academy

National Star Academy Championship and Training 2023

1,250 bartenders from KL, Selangor, Johor, Penang, Perak, Sabah, and Sarawak trained and perfected the Heineken® Star Quality Serve and Guinness Perfect Pour.



Sustainability Highlights



Environmental

65%

CO₂ reduction in production (Scope 1 & 2) vs 2018

100%

Renewable Electricity

>100%

Water Balanced since 2020

21%

Water Efficiency improvement vs 2014

Zero

Waste to Landfill

Social

43%

women in BOD

38%

women in MT

RM26mil

raised for 8 institutions via Tiger Chinese Education Charity Concert

>850k

meals for communities in need via HEINEKEN Cares

Responsible

>10%

Heineken® media spend on responsible consumption

EnjoyResponsibly

Grab promo codes for consumers across brand events and year-end festive period

FY23 - Challenging External Environment

Consumer spending seen softening in coming months as inflation, economic concerns weigh

By Justin Lim / theedgmalaysia.com 09 Jun 2023, 08:30 am

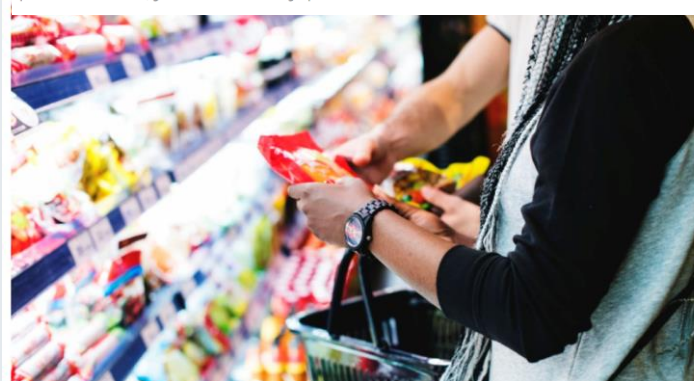
Consumer sentiment, biz confidence continue to slide amid inflation, slowing external demand — MIER



Consumer Watch, Malaysia

Malaysian consumers to brace for predicted soaring food prices starting August

Food prices in Malaysia are predicted to rise 5-20% due to a weaker ringgit, increased transportation costs, rising global commodity prices, and weather-related disruptions. Higher operation costs are leading to price hikes, with the retail chain Mydin predicting a 5-10% increase due to business cost escalation. The sugar industry, facing high input costs, is also expected to see price increases. However, government-controlled sugar prices will remain stable.



Markets

Rapid Descent in Ringgit Puts Malaysia's Currency Stance to Test

- Authorities have signaled a readiness to limit sharp swings
- Political turmoil and slowing China growth have hurt sentiment

MARC: Ringgit weakness reflects Malaysia's economic vulnerability

July 4, 2023 @ 4:31pm



Cost of living issues to persist even as growth moderates

By Adam Aziz / The Edge Malaysia

09 Jan 2023, 04:30 pm



Ringgit to stay weak amid global uncertainties

However, foreign investors continue to favour Malaysia's bond market, says analyst.

Bernama - 11 Jul 2023, 10:12am

Weakening Ringgit and Cost of Living Concerns

Geopolitical tensions

Supply Chain disruptions

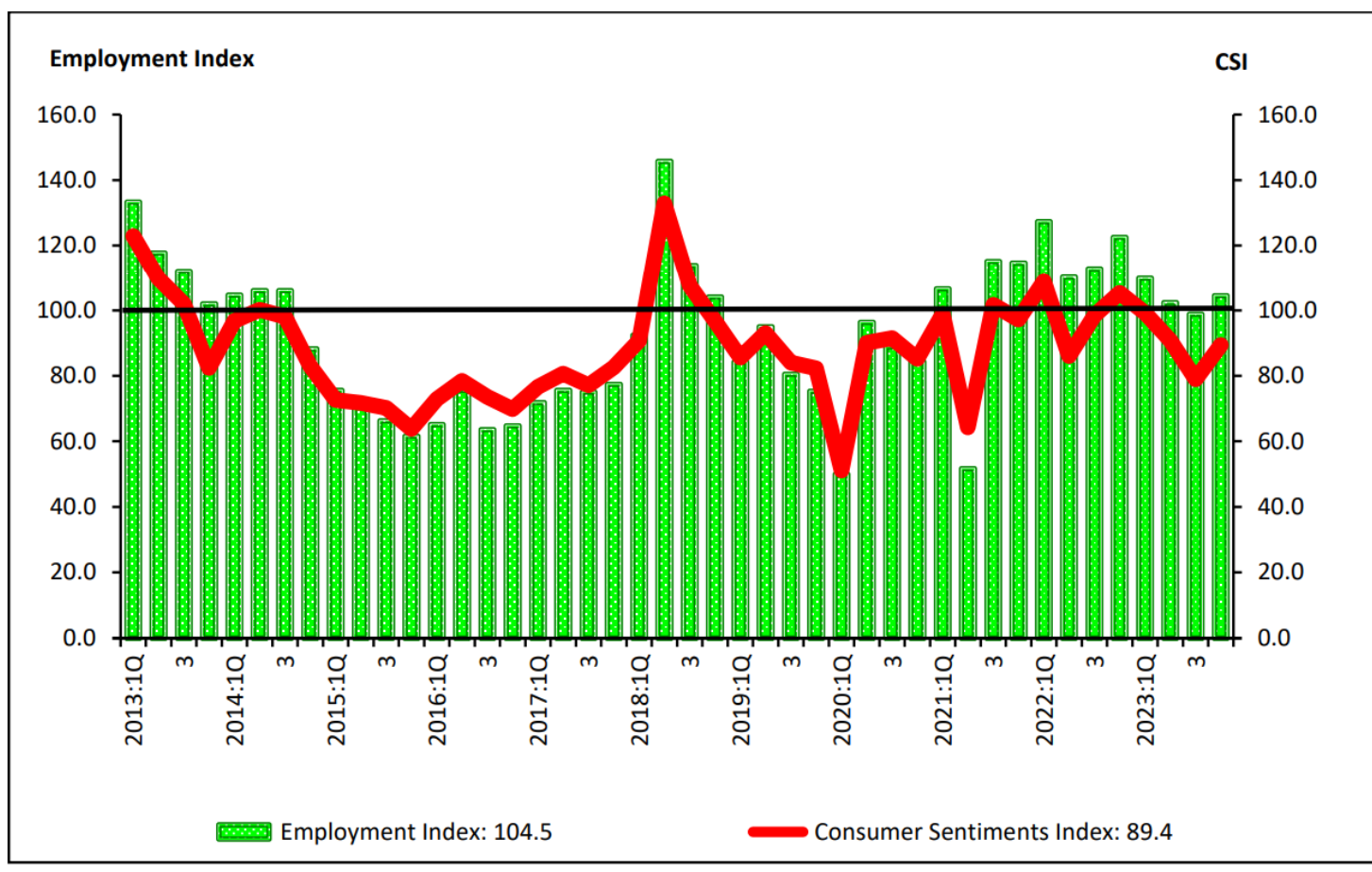
Currency devaluation

Inflationary pressures

Soft consumer sentiment

Q4 demonstrated signs of improvement going into 2024.

Consumer Sentiment Index



Consumer Sentiment Below Optimal Levels But Improved in Q4

Consumer sentiment edged up in Q4

Decline in jobs and income expectations, which improved slightly in Q4

Inflation worries persist.

Spending plans bounce back in Q4.

Source: Malaysian Institute of Economic Research

Financial Highlights

| | Revenue | Profit Before Tax | Net Profit |
|---|---|--|---|
| Q4 2023 vs Q4 2022 (3 months ended 31 Dec) | -8% from RM792 million to RM729 million | -14% from RM154 million to RM132 million | -5% from RM105 million to RM99 million |
| Full Year 2023 vs Full Year 2022 (12 months ended 31 Dec) | -8% from RM2.86 billion to RM2.64 billion | -14% from RM595 million to RM511 million | -6% from RM413 million to RM387 million |

Commentary

For FY23, HEINEKEN Malaysia's revenue decreased by 8% compared to FY22. This was mainly due to weak consumer sentiment attributed to growing macroeconomic concerns in 2023. In perspective, the group underwent a notable recovery in 2022 (Revenue +44% vs the fourth quarter of 2021) post the COVID-19 pandemic restrictions.

Correspondingly, Group PBT decreased by 14% principally due to lower revenue while the Group's net profit decreased by 6% due to the absence of the one-off Prosperity Tax in 2023.

Comparison vs 2019

| | Revenue | Profit Before Tax | Net Profit |
|---|--|--|--|
| Full Year 2023 vs Full Year 2019 (12 months ended 31 Dec) | +14% from RM2.32 billion to RM2.64 billion | +24% from RM412 million to RM511 million | +24% from RM313 million to RM387 million |

Commentary

FY23 performance is still a significant improvement compared against the pre-pandemic levels in 2019, demonstrating the positive impact of the Group's transformation journey.

Despite a challenging environment, the Group maintained growth by focusing on our EverGreen strategy and continued to invest behind our brands, as well as unlock efficiencies to future – proof the business.

Proposed Dividend

**Single Tier
Interim Dividend**
(Paid in November 2023)

40 sen
per stock unit

**Single Tier
Final Dividend**
(Subject to approval of the
shareholders at the forthcoming
AGM – to be paid in July 2024)

88 sen
per stock unit

Total Dividend Payout for FY23

128 sen
per stock unit

Dividend Payout
representing
100%
of Full Year 2023
Profit After Tax

2024 Outlook

Challenges



Weakening Ringgit



Rising Cost of Living



Geopolitical Tensions

2024 Outlook

Opportunities



Increase in Tourism



Improving Consumer Sentiment



Good CNY Momentum

