

FOR IMMEDIATE RELEASE

13 August 2020

## HEINEKEN MALAYSIA REPORTS 1HFY20 FINANCIAL RESULTS

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### 1HFY20 Results:

- Revenue decreased by 25.8% to RM770 million (1HFY19: RM1.04 billion)
- Profit Before Tax (PBT) decreased by 67.4% to RM51 million (1HFY19: RM156 million)
- Net profit decreased by 67.3% to RM39 million (1HFY19: RM119 million)

### 2QFY20 Results:

- Revenue decreased by 50.5% to RM254 million (2QFY19: RM513 million)
- Loss Before Tax of RM24 million (2QFY19: Profit Before Tax RM85 million)
- Net Loss of RM18 million (2QFY19: Net Profit RM66 million)

Heineken Malaysia Berhad (HEINEKEN Malaysia) announced its financial results for the first half ended 30 June 2020 (1HFY20), with performance impacted by the Covid-19 pandemic and the Government's Movement Control Order (MCO), particularly in the second quarter ended 30 June 2020 (2QFY20).

Group revenue declined by 50% as compared to the same quarter in 2019, mainly due to the prolonged suspension of operations of the Sungei Way Brewery to comply with the MCO enforced by the Government from 18 March 2020 until 3 May 2020 to contain the spread of the Covid-19. Despite the Company resuming its operations and business during the Conditional MCO which took effect from 4 May 2020, the Group business performance particularly in the on-trade channel continue to be adversely impacted. This was mainly because some outlets with liquor license such as pubs and entertainment outlets are still prohibited from operating whilst sales in on-trade outlets such as restaurants and coffee shops was slow due to shift in consumption patterns favouring takeout and at-home options amid public concern on the pandemic.

The decline in revenue caused a significant reduction in gross profit contributions, which was insufficient to offset the fixed overhead. Consequently, the Group incurred an unprecedented pre-tax loss of RM24 million in the current quarter under review.



## MEDIA RELEASE

Commenting on the results, Roland Bala, Managing Director of HEINEKEN Malaysia said, “The Covid-19 pandemic coupled with the nationwide MCO have had a significant impact on our industry and business. In navigating the crisis, our key priorities remain the focus on the health and safety of our people, adapting the business to the new landscape and also prudent cost control to preserve cash. Following the prolonged closure of our operations for approximately 46 days to comply with the MCO, our results in the second quarter were significantly impacted. Nevertheless, as a team, we are working hard on recovery together with our customers, distributors and trade partners.”

For the six months ended 30 June 2020, Group revenue declined by 26% as compared to the same period in 2019, mainly due to the 22% decline in beer volume, heavily impacted by the prolonged suspension of our brewery operations from 18 March 2020 until 3 May 2020 to comply with the MCO. Profit before tax decreased by 67%, versus the same period in 2019, principally due to the same reasons mentioned above.

During the months of lockdown, HEINEKEN Malaysia proactively reached out to support its stakeholders and communities most impacted by the various restrictions on economic activity. In support of its business partners, HEINEKEN Malaysia launched the “Raise Our Bars” campaign, committing RM1 million in funds to ease the difficulties which local restaurants and bars are facing during these difficult times. Meanwhile, Tiger Beer through its “Save Our Street Food” campaign, pledged RM1.5 million to support street food vendors, coffee shops, and food courts nationwide during the MCO.

The Board of Directors do not recommend any dividend in respect of the quarter ended 30 June 2020. In view of the current economic conditions, the Group has adopted a more prudent approach in respect of dividend payment and will re-evaluate the situation at the close of the financial year.

On the outlook for the second half of 2020, Roland commented, “We have seen a gradual improvement of business activity as almost all business sectors have resumed operations. However, some outlets with liquor license such as pubs and entertainment centres remain prohibited from operating, whilst other on-trade outlets including restaurants, coffee shops and food courts are adhering to strict Standard Operating Procedures (SOPs) set by the Government. This will continue to have an adverse impact on the Group’s overall business performance for the rest of 2020.”

“It is difficult to estimate the impact of the Covid-19 pandemic for the full year. Nonetheless, we will continue to prioritise our recovery by accelerating commercial execution and improving operational efficiency through more prudent cost control measures to ensure liquidity and effective working capital management,” he concluded.

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**About Heineken Malaysia Berhad**

HEINEKEN Malaysia with its portfolio of iconic international brands is the leading brewer in the country. The Company brews, markets and distributes:

- The World's No. 1 international premium beer **Heineken®**
- The great taste of Heineken® with dealcoholised **Heineken® 0.0**
- The World-acclaimed iconic Asian beer **Tiger Beer**
- The crystal-cold filtered beer **Tiger Crystal**
- The World's No. 1 stout **Guinness**
- The World's No. 1 cider **Strongbow Apple Ciders**
- The New Zealand inspired cider **Apple Fox Cider**
- The all-time local favourite **Anchor Smooth**
- The premium Irish ale **Kilkenny**
- The real shandy **Anglia**

HEINEKEN Malaysia also produces the wholesome, premium quality non-alcoholic **Malta**. HEINEKEN Malaysia's brand portfolio also includes the No. 1 German wheat beer **Paulaner** and Japan's No. 1 100% malt beer **Kirin Ichiban**.

HEINEKEN Malaysia through its e-commerce platform, **Drinkies** now delivers chilled beers and ciders on demand, within 60 minutes or as scheduled. Drinkies also offers freshly tapped beer to cater for home parties and other events including weddings and corporate dinners. For enquiries, call 012-281 8888 or visit [www.drinkies.my](http://www.drinkies.my)

The Company continues to lead the responsible drinking agenda through its Drink Sensibly campaign.

The corporate social responsibility arm of HEINEKEN Malaysia, **SPARK Foundation** was established in 2007 to grow with local communities in the areas of environmental conservation and education for a better tomorrow. Be the SPARK for change and visit [www.sparkfoundation.com.my](http://www.sparkfoundation.com.my) for more information.

Listed on the Main Market of Bursa Malaysia, HEINEKEN Malaysia's principal shareholder is GAPL Pte Ltd based in Singapore. GAPL Pte Ltd is 100% owned by Heineken N.V.

For more information please visit: [www.heinekenmalaysia.com](http://www.heinekenmalaysia.com)

For media enquiries, please contact:

**Heineken Malaysia Berhad**

Ng Eng Kiat  
Corporate Communications Manager  
Corporate Affairs & Legal Department  
Email: [engkiat.ng@heineken.com](mailto:engkiat.ng@heineken.com)  
Tel: 03-7861 4323

**Lumos Hill+Knowlton Strategies**

Celeste Bolano  
[celeste.bolano@hkstrategies.com](mailto:celeste.bolano@hkstrategies.com)  
Cell: 016 - 881 2326

Nayli Majid  
[nayli.majid@hkstrategies.com](mailto:nayli.majid@hkstrategies.com)  
Cell: 011-1111 1647