

For Immediate Release

25 August 2021

HEINEKEN MALAYSIA REPORTS Q2 2021 RESULTS

2QFY2021 Results:

- Revenue increased by 38% to RM349.4 million (2QFY20: RM253.7 million)
- Profit Before Tax (PBT) increased by 238% to RM33.1 million (2QFY20: loss of RM24 million)
- Net profit increased by 239% to RM25.2 million (2QFY20: loss of RM18.2 million)

1HFY2021 Results:

- Revenue increased by 17% to RM897.1 million (1HFY20: RM769.6 million)
- Profit Before Tax (PBT) increased by 155% to RM129.8 million (1HFY20: RM50.8 million)
- Net profit increased by 155% to RM98.8 million (1HFY20: RM38.7 million)

Heineken Malaysia Berhad (HEINEKEN Malaysia) announced its financial results for the second quarter and six months ended 30 June 2021, reporting an improved performance compared to the same period in 2020.

Group revenue for the second quarter grew by 38% as compared to the same quarter in 2020 due to higher sales as businesses and consumers gradually adapted to the new normal despite the intermittent lockdowns, as compared to the corresponding quarter in 2020 when the unprecedented first nationwide lockdown was imposed. Correspondingly, the Group reported a Profit Before Tax (PBT) of RM33.1 million as compared to a pre-tax loss of RM24 million in the same quarter last year when the Group had to suspend operations at its Sungei Way Brewery for seven weeks from March to May 2020 during the first Movement Control Order (MCO). The improved performance was attributed to revenue growth driven by effective revenue management, optimisation of marketing spend and cost savings initiatives implemented by the Group, as well as the one-off settlement of the Customs' Bills of Demand of RM7.2 million in June 2020.

Meanwhile, for the six months ended 30 June 2021, Group revenue grew 17% mainly due to higher sales from increased in-home consumption as business and economic activities started to recover in the beginning of the first half. The revenue growth was also due to effective execution of various commercial campaigns and easing of social and economic restrictions compared to the first half of 2020. The Full MCO (FMCO) imposed by the Government on 1 June 2021 then resulted in the full suspension of brewery operations for eleven consecutive weeks until the Prime Minister announced easing of restrictions for non-essential sectors effective 16 August 2021.

Commenting on the results, Roland Bala, Managing Director of HEINEKEN Malaysia said, "While the improvement in performance for the second quarter and first half of 2021 indicated signs of recovery, this also reflects our continuing efforts to right size our cost base as we continue to navigate a challenging



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external environment. Unfortunately, for the second time in two years we faced another prolonged lockdown and had to suspend our brewery operations from June to August, the effects of which are not fully captured in our Q2 results.”

“We remain fully supportive of the Government’s efforts in fighting the pandemic. The significant increase in vaccination rates across the country is an encouraging development and we are ready to support Malaysia’s recovery through this challenging period. Essential staff for production who are required to work at the Sungei Way Brewery routinely undergo Covid-19 screening tests and comply with strict SOPs that enforce physical distancing and segregation of teams. As a responsible international company, we continue to engage the Government proactively by demonstrating how we truly put the safety and health of our people as a key priority.”

The Board has declared a single tier interim dividend of 15 sen per stock unit for the financial year ending 31 December 2021 (Six months ended 30 June 2020: Nil) to be paid on 18 November 2021. The entitlement date for the dividend payment is 28 October 2021.

On the outlook, Roland said, “The Covid-19 pandemic and the prolonged restrictions and lockdowns have adversely impacted the Group business performance and dampened the economic recovery in the country. For the second time in two years, we faced another prolonged lockdown and had to suspend our brewery operations from June 2021 to August 2021 due to the FMCO imposed nationwide, and restrictions were imposed on F&B outlets. This has impeded the Group’s ability to conduct its normal business operations, including being able to satisfy domestic market demand. While we are hopeful that the gradual reopening of the economy and the acceleration of the Immunisation Programme would foster market recovery, the continued rise of daily infection cases coupled with the uncertainties around the political landscape will affect the market sentiment and challenge the market’s recovery going forward.

“On challenges, we see illicit alcohol as a growing concern and our appeal to the Government is for no further excise duty increase as this will only widen the price gap between legal duty paid products and illicit products. Despite the negative impact from the full MCO and continued market uncertainties, we will continue our initiatives to right-size the organisation and cost base to drive productivity and efficiency across the organisation. We will also continue to invest in our brands, improve our route to consumer, accelerate our digital agenda and leverage our strong business fundamentals to win in the marketplace. Sustainability and People are also key pillars that will drive our transformation journey,” he added.

As a priority to protect the health and safety of HEINEKEN Malaysia’s employees, the Company participated in the Government’s vaccination programme to enable 100% of its brewery’s essential workforce to be vaccinated by September 2021. As of 20 August 2021, over 80% of the Company’s workers are fully vaccinated.

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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 premium wheat beer born in the Alps **Edelweiss**
- 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

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 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

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