

For Immediate Release

21 February 2020

HEINEKEN MALAYSIA BERHAD DEMONSTRATES SUSTAINED GROWTH WITH FULL YEAR 2019 PERFORMANCE

- FY19 Revenue increased by 14% to RM2.32 billion (FY18: RM2.03 billion)
- Profit before tax rose by 8% to RM412 million (FY18: RM380 million)
- Net profit up by 11% to RM313 million (FY18: RM282 million)

Heineken Malaysia Berhad (HEINEKEN Malaysia) today announced its financial results for the full year ended 31 December 2019 (FY19), delivering solid growth with improved revenue, profit before tax (PBT), and net profit compared to the same period in 2018.

Group revenue for the 12 months ended 31 December 2019 increased by 14% to RM2.32 billion, driven by robust sales performance across all core brands and new product launches. Excluding the Sales & Services Tax (SST) impact, Group revenue grew by 10%. On the back of the solid revenue growth, Group PBT rose 8% supported by improved cost efficiency.

For the fourth quarter ended 31 December 2019 (Q4FY19) Group revenue grew by 3% compared to the same quarter in 2018, mainly driven by improved sales performance across all core brands and new product launches. However, Group PBT was 17% lower compared to the same quarter in 2018 due to higher commercial spend as a result of phasing of marketing spend for the launch of Tiger Crystal and Heineken® 0.0 and the earlier 2020 Chinese New Year festive sell-in.

Roland Bala, Managing Director of HEINEKEN Malaysia said, “HEINEKEN Malaysia again delivered a commendable performance, showing sustained year-on-year growth across the Company’s revenue, PBT, and net profit. In 2019, our focus was on winning with our core brands and big innovations. With the launch of Heineken® 0.0 and Tiger Crystal, we are well positioned to address the needs of both today and tomorrow’s consumers.”

“2019 was an eventful year and we continued to excite consumers with world-class brand activations and promotions. Amongst notable campaigns, Heineken®, the proud official partner of UEFA Champions League, offered Malaysians the ultimate football experience through its “Unmissable” campaign. Staying true to its identity as a beer born on the streets of Asia, Tiger Beer uncaged Malaysian talents and brought football legend Rio Ferdinand to Kuala Lumpur for its Tiger Street Football Festival. Guinness, the World’s



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No. 1 Stout, once again hosted the iconic St Patrick's celebration, while Apple Fox Cider made it into the Malaysia Book of Records with its giant fox installation made with 3,500 real apples and in conjunction with the brand's 'Wayyyy More Apples' campaign," Roland added.

HEINEKEN Malaysia's world-class brand building efforts were once again recognised by Malaysian consumers at the Putra Brand Awards 2019. Heineken® won the Platinum award, while both Tiger Beer and Guinness secured Gold. HEINEKEN Malaysia's portfolio of brands have received a total of 30 awards at the Putra Brand Awards since 2010, truly securing its place amongst Malaysia's favourite brands.

In 2019, the Company continued to have sustainability at the core of its business. Furthermore HEINEKEN Malaysia won three awards at the Sustainable Business Awards 2019 – winning the Best Water Management award for the second consecutive year, in recognition of the Company's outstanding efforts in protecting and managing water resources for production and beyond. HEINEKEN Malaysia also received a Special Recognition for Sustainability in the Community and a Special Recognition for Waste & Material Productivity.

"Our commitment to Brewing a Better World continues. We remain focused on doing the right things for the business and thereby protecting the environment that we operate in as well as conserving the resources, which we use across our value chain. Ultimately, we are guided by our purpose, to Brew a Sustainable Future for our People, Business and Planet," said Roland.

Regarding its outlook, HEINEKEN Malaysia expects the business environment to remain challenging amidst uncertainties in economic conditions, continuous competitive pressures and presence of contraband beer in the market. Nevertheless, riding on the strong foundation that the Group has laid in the past, coupled with investment in brands and new product launches, the Group will continue to pursue sustainable growth by sharpening its commercial execution and driving effective cost management across the organisation.

"We commend the Government for its on-going efforts in addressing illicit alcohol activities, which have contributed to a significant reduction in contraband beer, as well as its move to keep excise duties on beer stable, with excise duties already the second highest in the world. We will continue supporting the Government's efforts to address illicit alcohol and drive awareness on this issue through proactive engagements with relevant stakeholders," said Roland.

The Board at HEINEKEN Malaysia has proposed a single tier final dividend of 66 sen per stock unit for the year ended 31 December 2019, subject to approval of shareholders at the forthcoming Annual General Meeting. The single tier final dividend will be paid on 17 July 2020 to shareholders registered at the close of business on 30 June 2020.

Total dividend for the year ended 31 December 2019 is 108 sen per stock unit comprising:

- a single tier interim dividend of 42 sen per stock unit which was paid on 25 October 2019; and
- a proposed single tier final dividend of 66 sen per stock unit.

“I would like to take this opportunity to thank our People, our business partners, customers and consumers for their support in helping us to deliver a commendable FY19 performance. At HEINEKEN Malaysia, we look forward to improving our performance as a team to create greater value for our stakeholders,” Roland 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 zero alcohol **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

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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