

For Immediate Release

24 February 2023

HEINEKEN MALAYSIA REPORTS 2022 FINANCIAL RESULTS

Full year performance above pre-pandemic levels

- Revenue increased by 44% to RM2.86 billion (FY21: RM1.98 billion)
- Profit Before Tax (PBT) increased by 85% to RM595 million (FY21: RM321 million)
- Net profit increased by 68% to RM413 million (FY21: RM246 million)

Heineken Malaysia Berhad (HEINEKEN Malaysia) announced its financial results for the full year ended 31 December 2022 (FY22), reporting an increase in revenue and profit as compared to the same period in 2021 (FY21) as the Group recovers above pre-pandemic levels with reopening of on-trade and entertainment channel and Malaysia's international borders.

HEINEKEN Malaysia's revenue rose 44%, mainly attributable to an increase in sales volume following the reopening of international borders, increased on-trade consumption, as well as a positive mix impact from premium portfolio growth. The spike in revenue growth in 2022 was mainly due to lower comparison against 2021 as the brewery was closed for 11 weeks due to the Movement Control Order. Correspondingly, Group PBT increased by 85%, as the Group bounced back post-COVID with a gradual recovery of the on-trade business, as well as improved revenue, productivity and cost management.

Group Revenue and PBT performance have risen above pre-pandemic levels, where Revenue was at RM2.32 billion and PBT were at RM412 million in 2019, an indication that its business is seeing solid recovery.

For the fourth quarter ended 31 December 2022 (4QFY22), Group revenue grew by 14% to RM792 million versus the same quarter in 2021 (4QFY21). The revenue growth was mainly driven by a boost in sales volume from increased on-trade consumption and earlier festive sell-in for Chinese New Year 2023. At the same time, Group PBT increased by 24% to RM154 million due to sustainable revenue growth as well as efficiency gains through cost and value initiatives.

Roland Bala, Managing Director of HEINEKEN Malaysia commented, "Despite the volatile business environment last year, we are pleased to see good recovery on our business performance as we bounce back above pre-pandemic levels. With the reopening of on-trade, entertainment channels and international borders, our One Strong Winning Team adapted to the new market realities through various strategic initiatives in order to drive sustainable growth. At HEINEKEN Malaysia, we are driven by our

purpose of brewing the joy of true togetherness to inspire a better world. I take this opportunity to thank our employees, customers and consumers for their incredible support which enabled our accelerated recovery.”

HEINEKEN Malaysia’s core brands continued to be Malaysia’s consumers favourite brands as they had a triple win at the Putra Brand Awards 2022. Heineken® and Tiger Beer won Gold, while Guinness achieved Bronze. Notable campaigns during the year include Heineken®’s ‘When you Drive, Never Drink’ where they advocated responsible consumption, and the Heineken® Hotel Takeover at KLoé Hotel where consumers experienced the Heineken®-themed hotel. In the Lunar year of the Tiger, Tiger Beer launched ‘The Year We ROAR Together’ Chinese New Year campaign. The brand also hosted the Tiger Street Food Festival championing street food culture, the Tiger Crystal Fire Starter platform for fans to discover new passions, and the ‘Cheers to the Bold’ campaign during the football season. It was also an exciting year for Guinness as the brand launched the all-new Guinness Draught in a Can. Guinness’s key campaigns also included the House of Guinness, a hub to experience the magic of Guinness, and the Guinness St. Patrick’s Festival 2022. To close the year, Guinness Malaysia launched its first-ever flagship outlet, Arthur’s Storehouse at Pavilion Kuala Lumpur.

The Board at HEINEKEN Malaysia has proposed a single tier final dividend of 98 sen per stock unit for the year ended 31 December 2022, subject to the approval of shareholders at the forthcoming Annual General Meeting. The single tier dividend will be paid on 20 July 2023 to shareholders registered at the close of business on 21 June 2023.

The total dividend for the year ended 31 December 2022 is 138 sen per stock unit comprising:

- a single tier interim dividend of 40 sen per stock unit which was paid on 11 November 2022; and
- a proposed single tier final dividend of 98 sen per stock unit.

The Group witnessed encouraging recovery in business performance in the last quarter of 2022 following the full re-opening of on-trade business. However, the Group expects the business environment in 2023 to remain challenging given the continued pressure from global supply chain disruptions, recessionary pressures from leading economies, rising input costs, currency fluctuation and rising inflation that could impact consumer purchasing power. The Group will remain responsive to the volatile business environment and new market realities, with a focus on delivering our EverGreen strategy, in order to continue to invest behind our brands and capabilities, as well as future-proof the business to unlock efficiencies and reinvest in growth drivers.

Roland commented, “Furthermore, we know that we can only thrive if our people, the planet and the communities around us thrive. Hence, we will also focus on our Brew A Better World sustainability agenda, which includes making a positive impact in the environment and the communities where we operate.



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“We welcome the stance taken by the Government not to increase the excise duties on beer in the latest Budget 2023 review announced today as any hike in excise rates will further fuel illicit alcohol demand. As it is, Malaysia’s excise rate for beer and stout ranks second highest in the world. Illegal trade and smuggling have caused the Government to incur tax revenue losses and pose health hazards to consumers with unregulated illicit alcohol. That is why HEINEKEN Malaysia remains committed to supporting and working closely with the authorities to address the issue of illicit alcohol holistically,” said Roland.

Guided by HEINEKEN’s Brew A Better World sustainability strategy, the Group also is committed to raising the bar by driving a positive impact on the environment, social sustainability and the responsible consumption of alcohol.

On environmental sustainability, the Company took a major step towards the commitment towards net zero carbon emissions in production by 2030. In March 2022, HEINEKEN Malaysia transitioned to 100% renewable electricity at its Sungei Way Brewery in Petaling Jaya In 2022, through the Malaysian Renewable Energy Certificate (mREC) programme. Compared with its 2018 baseline, the Company reduced carbon emissions in production by 49% in 2022 and is on track to cut emissions by 86% by 2025. The Group recently launched a renewed commitment on water conservation called the Towards Healthy Watersheds 2030 roadmap, by committing towards clean, safe, and sustainable watersheds, with an investment of RM6 million in phase four of its W.A.T.E.R Project. The Company also achieved Zero Waste to Landfill since 2017 and works with partners to recycle or upcycle 100% of all its waste generated from production.

For more information on HEINEKEN Malaysia and the Company’s initiatives, please visit www.heinekenmalaysia.com.

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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**.

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 Enjoy Responsibly 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 G.A.P.L. 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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