

For Immediate Release

16 February 2022

HEINEKEN MALAYSIA REPORTS IMPROVED 2021 PERFORMANCE

- Revenue increased by 12% to RM1.98 billion (FY20: RM1.76 billion)
- Profit Before Tax (PBT) increased by 62% to RM321 million (FY20: RM199 million)
- Net profit increased by 59% to RM246 million (FY20: RM154 million)

Heineken Malaysia Berhad (HEINEKEN Malaysia) announced its financial results for the full year ended 31 December 2021 (FY21), reporting an increase in revenue and profit as compared to the same period in 2020 (FY20) as the brewer recovers following the reopening of the economy in Malaysia during the year.

Despite a longer lockdown period of 11 weeks in 2021 versus 7 weeks in 2020, Group revenue rose 12%, mainly due to improved revenue management and PBT grew 62%. Excluding the one-off settlement and provision in 2020, Group PBT would have grown by 46%. The Group undertook bold moves to right-size the organisation and cost base, whilst driving revenue growth through effective commercial and marketing executions.

However, compared with pre-pandemic levels, the Group Revenue and PBT performance was still below the 2019 levels where Revenue was at RM2.32 billion and PBT was RM412 million, an indication that its business is still under the recovery phase.

For the fourth quarter ended 31 December 2021 (4QFY21), Group revenue increased by 33% to RM692 million compared with the same quarter in 2020 (4QFY20). The significant growth was mainly due to higher sales volume, driven by the easing of COVID-19 restrictions and earlier festive sell-in for Chinese New Year 2022. During the fourth quarter ended 31 December 2021, price adjustment has been taken for certain products to compensate for rising input costs.

Roland Bala, Managing Director of HEINEKEN Malaysia commented, “As a progressive and responsible company, we continue to navigate the crisis while building a sustainable future. We are driven by our purpose of brewing the joy of true togetherness to inspire a better world. Our courage to right-size our organisation and front-load our cost and value initiatives during the crisis has contributed significantly to our performance. Despite having to stop our operations for 11 weeks in 2021, which is 4 more than the 7 weeks we paused for in 2020, the team pulled together various strategic initiatives to unlock efficiencies to help us overcome the many challenges, enabling us to end the year with a commendable set of results.”

“We thank our staffs, business partners, customers and consumers for their strong support of our brands and business during those tumultuous periods of lockdowns, which helped us accelerate during the recovery phase,” Roland added

HEINEKEN Malaysia’s core brands continued the brewer’s winning streak at the Putra Brand Awards 2021. Heineken® and Tiger Beer won Gold, while Guinness achieved Silver. Notable campaigns during the year include Heineken®’s ‘Enjoy The Rivalry’ campaign as the proud official beer partner of the UEFA Euro 2020™ football tournament. Tiger Beer launched the innovative ‘Xperience the Xtraordinary’ virtual street food festival, championing local businesses and encouraging consumers to enjoy street food paired with a Tiger Beer responsibly while staying at home. When restaurants were finally able to welcome guests back for dine-in, Guinness gave family and loved ones an opportunity to reconnect post lockdown through its ‘Ready When You Are’ campaign.

The Board at HEINEKEN Malaysia has proposed a single tier final dividend of 66 sen per stock unit for the year ended 31 December 2021, subject to the approval of shareholders at the forthcoming Annual General Meeting. The single tier dividend will be paid on 28 July 2022 to shareholders registered at the close of business on 30 June 2022.

The total dividend for the year ended 31 December 2021 is 81 sen per stock unit comprising:

- a single tier interim dividend of 15 sen per stock unit which was paid on 18 November 2021; and
- a proposed single tier final dividend of 66 sen per stock unit.

The Group saw encouraging business recovery in the last quarter of 2021 as most states moved to Phase 4 of the National Recovery Plan following the reopening of the food & beverage and local tourism sectors. However, the Group remains cautious given the recent spike in new COVID-19 cases amidst the high vaccination rate, continued closure of international borders resulting in lower arrivals of tourists, escalating input costs, as well as various logistics challenges posed by the pandemic.

Roland commented, “We will continue to navigate the challenging external environment by adapting to the new market reality, ensuring the safety of our people, keeping a tight rein on costs and staying focused on our strategy to accelerate our business recovery. As the health and safety of our employees remained our top priority, the Company participated in the Government’s vaccination programme to enable 100% of our brewery’s essential workforce vaccinated. The Company continues to accelerate the booster dose amongst its employees.”



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“The Group welcomes the stance taken by the Government not to increase excise duties on beers and stouts in its Budget 2022, as any hike in excise rates will further fuel illicit alcohol demand. As it is, Malaysia’s excise rate for beers and stouts ranks second highest in the world. Illegal trade and smuggling have caused the Government to incur huge tax revenue losses, disrupted legitimate businesses and risked exposing consumers to cheaper and unregulated illicit alcohol. HEINEKEN Malaysia remains committed to support the Government to stamp out illicit trade,” Roland added.

Through the HEINEKEN Cares program, HEINEKEN Malaysia continues to positively impact local communities by distributing meals to those affected by the COVID-19 pandemic. The programme connected employee wellness to a community purpose, where 1 meal was donated for every 1,000 steps taken by a HEINEKEN Malaysia employee. HEINEKEN Cares successfully achieved its goal of providing 150,000 meals to communities affected by job or income loss. During the recent Selangor floods, the Company also committed to an additional 100,000 meals and care packages channelled to the flood victims on top of the Group’s initial goal.

Guided by HEINEKEN’s ‘Brew A Better World’ sustainability commitments on the path towards net zero impact, HEINEKEN Malaysia also achieved an important milestone last year by balancing more than 100% of the water used in its products. This marked significant progress made by the brewer in line with its Every Drop water strategy, achieving its 2030 target on Water Stewardship 10 years ahead of the goal. The brewer remains committed on its journey towards reaching carbon neutrality in production by 2030 and across the wider value chain by 2040.

In September 2021, HEINEKEN Malaysia won the Green Leadership Award at the Asia Responsible Enterprise Awards (AREA) 2021, underlying the Group’s water stewardship efforts that culminated in the brewer balancing more than 100% of the water used in its products in 2020. In the same month, the Company also won at the Sustainable Business Awards (SBA) Malaysia 2020/2021 for the third consecutive year where HEINEKEN Malaysia was recognised for the strength of its sustainability programmes and progress made.

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** 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 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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