

For Immediate Release

15 August 2023

HEINEKEN MALAYSIA REPORTS 2Q & 1H FY2023 RESULTS

HEINEKEN Malaysia Remains Adaptive Amidst Challenging Market Outlook

2QFY23 Results:

- Revenue decreased by 12% to RM569.2 million (2QFY22 RM644.6 million)
- Profit Before Tax (PBT) decreased by 7% to RM118.9 million (2QFY22: RM127.8 million)
- Net profit increased by 5% to RM90.5 million (2QFY22: RM86.1 million)

1HFY23 Results:

- Revenue decreased by 2% to RM1.31 billion (1HFY22: RM1.34 billion)
- Profit Before Tax (PBT) decreased by 7% to RM263.5 million (1HFY22: RM282.9 million)
- Net profit increased by 1% to RM200.4 million (1HFY22: RM199.5 million)

Heineken Malaysia Berhad (HEINEKEN Malaysia) announced its financial results for the second quarter and half year ended 30 June 2023, reporting net profit growth amidst challenging market conditions leading to a decrease in sales.

In the second quarter of 2023, Group revenue decreased by 12% as compared to the same quarter in 2022, mainly due to lower sales attributed to weak consumer sentiment driven by rising cost of living and currency volatility. The Group had a strong base in the second quarter of 2022 as the market had an upsurge in sales (Revenue +84% versus the second quarter of 2021) following the re-opening of the economy and international borders at the start of the endemic phase. The Group views this quarter's performance as a form of market correction. Group profit before tax ("PBT") decreased by 7% alongside lower revenue, mitigated by efficiency gains through cost and value initiatives.

For the first half of 2023, Group revenue was 2% lower, mainly due to the market correction as mentioned above, buffered by higher sales in the first quarter due to early Chinese New Year ("CNY") festive period in January 2023. In the period under review, persistent soft market sentiment has impacted the sales performance of the Group. Group PBT declined by 7% due to lower revenue and relatively higher promotional and marketing expenses as the Group continued to invest behind its brands.

Commenting on the results, Roland Bala, Managing Director of HEINEKEN Malaysia, said, "The first half of 2023 remained challenging as the market goes through corrections following a huge rebound in 2022

and weaker consumer sentiments due to macroeconomic concerns. We remained focused on our EverGreen strategy to deliver long-term sustainable and superior growth.”

“We continue to invest behind our strategic brands and innovations and in the first half of 2023, HEINEKEN Malaysia initiated a series of activations to engage and connect with our consumers. Our brand Heineken®’s Ghosted Bar campaign won a Cannes Bronze Lion, which is the first time in history that work done from the APAC region on the brand was recognised at the world’s most prestigious marketing and advertising awards. We are inspired by this and thank our consumers for their continued support as we stay committed to our purpose of brewing the joy of true togetherness to inspire a better world,” Roland added.

During the quarter, HEINEKEN Malaysia’s brands launched:

- **Heineken®’s Ghosted Bar** – Heineken®’s Work Responsibly campaign addresses the prevalent culture of overworking by encouraging healthier work-life balance through activations at participating outlets and inviting consumers to leave work on time to socialise and avoid ‘ghosting’ their friends.
- **Edelweiss Weekend Unwind** – Through Edelweiss Weekend Unwind, the brand invited consumers to take a break from their hectic routines to enjoy activities featuring pop-up markets, workshops, music performances, and experiential events over a series of four weekends.
- **2023 National Star Academy Championship and Regional Quality Training** – With a mission to elevate and equip bartenders, the yearly Star Academy programme trained participating bartenders across Malaysia to deliver quality pints of Heineken® and Guinness.
- **Guinness Celebrates the Harvest Festival** – Celebrating with its East Malaysian fans, Guinness launched a series of exciting activations and giveaways to spread the festive cheer to its loyal fans.
- **Celebrate 150 years of Good Times with Heineken®** – As the Heineken® brand turns 150 this year, Heineken® invites consumers to showcase their unique ways of celebrating good times.
- **Tiger Beer’s Boldly Asian** – Tiger rolled out the exciting Tiger Den activation where fans were taken through an immersive journey featuring the brand’s journey and celebrate its future.

The Board has declared a single tier interim dividend of 40 sen per stock unit for the financial year ending 31 December 2023 (Six months ended 30 June 2022: 40 sen) to be paid on 10 November 2023. The entitlement date for the dividend payment is 20 October 2023.

On outlook, Roland shared, "In light of cautious consumer spending due to macroeconomic concerns, we anticipate the market to remain challenging. We will stay agile to the volatile business environment and continue to focus on our EverGreen strategy to future-proof our business. We will continue to drive efficiency through cost optimisation across the organisation while investing in our brands and innovations. In the absence of the one-off prosperity tax, we look forward to a positive impact on our group net profit this year."



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HEINEKEN Malaysia's key EverGreen priorities include:

- **Drive superior growth** – With consumer centricity, we shape and lead the premium category and continue investing behind our brands.
- **Fund the growth** – Cost and value to drive efficiency to enable reinvestments into our brands and business.
- **Raise the bar on sustainability and responsibility** – Full commitment to deliver on our ambition to become net zero carbon in our productions by 2030 and the full value chain by 2040.
- **Become the best connected brewer** – Accelerate digital and technology to create a Unified Customer Ecosystem with a customer and consumer-first approach.
- **Unlock the full potential of our people** – Promote a high-performance culture that boosts our strategic capabilities, nurture the best talents, and foster an organisation where people thrive.

In terms of challenges, the Group's ongoing concern revolves around illicit alcohol. HEINEKEN Malaysia views illicit alcohol seriously and remains committed to supporting the authorities in addressing illicit trade through comprehensive efforts, which encompass bolstering enforcement measures and promoting greater awareness within the market.

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

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About Heineken Malaysia Berhad

HEINEKEN Malaysia is one of the leading brewers in the country with its portfolio of iconic international brands. 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 smooth and creamy **Guinness Draught in a Can**
- The premium wheat beer born in the Alps **Edelweiss**
- The New Zealand inspired cider **Apple Fox Cider**
- The all-time local favourite **Anchor Smooth**
- The premium Irish ale **Kilkenny**
- The real shandy **Anglia**
- The wholesome, premium quality non-alcoholic **Malta**.

HEINEKEN Malaysia is committed to advocating responsible consumption by championing responsible drinking behaviours through its Enjoy Responsibly campaign. HEINEKEN Malaysia's corporate social responsibility initiatives are carried out by its CSR arm, **SPARK Foundation**, focusing on environment and community partnerships.

HEINEKEN Malaysia through its e-commerce platform, Drinkies now delivers chilled beers and ciders on demand. Drinkies also offers freshly tapped beers to cater for home parties and other events including weddings and corporate dinners. For enquiries, call 012-281 8888 or visit www.drinkies.my.

Listed on the Bursa Malaysia Main Market, the principal shareholder of HEINEKEN Malaysia is G.A.P.L. Pte Ltd headquartered in Singapore. GAPL Pte Ltd is 100% owned by Heineken N.V.

For more information, please visit: www.heinekenmalaysia.com

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