

For Immediate Release

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HEINEKEN Malaysia Reports 3QFY22 Results

Brewer continues to deliver improved performance against pre-pandemic levels

3QFY22 Results:

- Revenue increased by 85% to RM720.5 million (3QFY21: RM389.8 million)
- Net profit increased by 113% to RM108.7 million (3QFY21: RM51.0 million)

9MFY22 Results:

- Revenue increased by 60% to RM2.1 billion (9MFY21: RM1.3 billion)
- Net profit increased by 106% to RM308.2 million (9MFY21: RM149.8 million)

Heineken Malaysia Berhad (HEINEKEN Malaysia) announced its financial results for the third quarter and nine months ended 30 September 2022, once again reporting an improved performance against pre-pandemic levels. The results demonstrated the brewer's continued efforts in driving sustainable growth amidst the improving external environment post-pandemic. Compared to the same period in 2019, HEINEKEN Malaysia's revenue and net profit increased by 26% and 39% respectively in the first nine months of 2022.

Compared to the same quarter in 2021, Group revenue in Q3 grew by 85% to RM720.5 million, mainly due to strong post-COVID recovery following the reopening of international borders, increased on-trade consumption as well as positive mix impact from the Group's premium portfolio growth. Net profit in Q3 grew significantly by 113% to RM108.7 million. The growth was driven by revenue growth as highlighted above as well as driving efficiency through cost and value initiatives whilst the Group continued to invest behind its brands and capabilities in line with its EverGreen strategy.

For the nine-month period, Group revenue and net profit increased by 60% and 106% respectively versus the nine months ended 30 September 2021, mainly driven by low volume last year as the brewery was closed due to the Movement Control Order. In addition, the Group's performance was enhanced by a strong Chinese New Year festive period, steady recovery for the on-trade business, better revenue and cost management.

Commenting on the results, Roland Bala, Managing Director of HEINEKEN Malaysia, said, "Our performance for Q3 2022 was commendable as the economy continues to open up, on-trade business and tourism sectors continue to recover compared to a weaker Q3 2021 due to widespread MCO. We are truly grateful for the strong support of our consumers, customers and trade partners for our brands. We thank our team at HEINEKEN Malaysia for their passions and courage in transforming our operations and quickly adapt to the new business challenges. We will continue to focus on executing our EverGreen Strategy to drive sustainable growth."

"We also rolled out commercial activations during the quarter and successfully executed key campaigns including the Heineken® Hotel Takeover which took guests on a journey that redefined and elevated music, art, wellness, and culinary experiences. Introducing the innovative Guinness Draught in a Can, which offers consumers a smooth and creamy Guinness from the comfort of their own homes, we launched House of Guinness, an experiential hub that gave consumers an immersive experience into Guinness. Brewed to beat

the heat, Tiger Crystal injected creativity in rewarding consumers through the Heat Exchange activation, where consumers took part in physical activities that cranked up the temperature and unlocked free ice-cold Tiger Crystal.”

Furthermore, HEINEKEN Malaysia’s commitment to environmental and social sustainability has received recognition from the Sustainability & CSR Malaysia Awards 2022 for the fifth year since 2017. The brewer was recognised as Company of the Year for Environmental Sustainability & Social Initiatives and also received the Long-Standing Excellence in Sustainability Award in recognition of the brewer’s consistent achievements in making positive impacts to the environment and people.

“As a responsible and progressive brewer, it is crucial that we protect our planet, grow our people, and support our communities. We do this through our Brew A Better World sustainability strategy. We have set ourselves an ambitious goal to reach net zero carbon emissions in our production by 2030, and the wider value chain by 2040. As of 30 September 2022, we are pleased to share that we have reduced our carbon emissions in production by 33% against our 2018 baseline. Since March this year, our Sungei Way Brewery transitioned to 100% renewable electricity through the Malaysian Renewable Energy Certificates programme. We continue to practice zero waste to landfill, an achievement we have reached since 2017. As a leading brewer, we are committed to water conservation and efficient use of water resources. We achieved fully balanced water usage in 2021, reaching 289% of our water balancing target” added Roland.

As HEINEKEN Malaysia’s product materials are largely imported, the global inflation in prices of raw and packaging materials, increased costs of transportation and logistics coupled with volatility in foreign exchange rates have created substantial pressure on input costs. Hence, in the month of August 2022, there has been a price adjustment on selected products to compensate for rising input costs.

On outlook, Roland commented, “The Group continues to be cautious on the macroeconomic outlook. The market condition remains challenging given the continued pressure from global supply chain disruptions, recessionary pressures from leading economies, rising input cost, weakening ringgit and rising inflation that could impact consumer purchasing power.”

“The Group will remain agile in responding to the volatile business environment and the new market reality with focus on delivering our EverGreen strategy to future-proof the business and continue to invest behind our brands and capabilities. We will also drive our sustainability agenda on creating a positive impact where we operate by taking on a responsibility towards people, planet and performance.”

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.

“On challenges, we acknowledge illicit alcohol as an economic challenge for the Government and the Industry. We welcome the Government stance not to increase the excise duties on beers and stouts as any hike in excise rates will drive greater demand for illicit alcohol. Malaysia excise duty on beer is already the second highest in the world. We are committed in supporting the government to increase awareness and increase enforcement to stamp out illicit trade,” he concluded.

For more information on HEINEKEN Malaysia and its 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

For media enquiries, please contact:

Heineken Malaysia Berhad

Ng Eng Kiat
Head of Communications & Sustainability
Corporate Affairs & Legal Department
Email: engkiat.ng@heineken.com
Tel: 017-360 7277



MEDIA RELEASE

Lumos Hill+Knowlton Strategies

Serene Perera

Serene.Perera@hkstrategies.com

Cell: 010-200 32165

Bell Yew

BellTW.Yew@hkstrategies.com

Cell: 012-613 8129