

For Immediate Release

11 November 2021

HEINEKEN Malaysia Reports 3QFY21 Results

Improved performance for 9-months vs 2020 but still below pre-Covid level

Key Highlights

3QFY21 Results:

- Revenue decreased by 18% to RM389.8 million (3QFY20: RM473.8 million)
- Profit Before Tax (PBT) decreased by 16% to RM67.2 million (3QFY20: RM80.5 million)
- Net profit decreased by 17% to RM51 million (3QFY20: RM61.3 million)

9MFY21 Results:

- Revenue increased by 4% to RM1.29 billion (9MFY20: RM1.24 billion)
- PBT increased by 50% to RM197million (9MFY20: RM131.3 million)
- Net profit increased by 50% to RM149.9 million (9MFY20: RM100 million)

Heineken Malaysia Berhad (HEINEKEN Malaysia) announced its financial results for the third quarter and nine months ended 30 September 2021, demonstrating the brewer's continued efforts to build resilience and recover from the impact of the Covid-19 pandemic.

Group revenue for the third quarter declined by 18% as compared to the same quarter in 2020 as sales were adversely affected by the continued suspension of brewery's operations which lasted until 15 August 2021 in line with the full lockdown imposed by the Government on 1 June 2021. Group PBT dropped 16% along with lower revenue, mitigated by effective cost management and on-going cost saving initiatives.

For the nine-month period, Group revenue grew 4%, mainly due to better revenue management and higher in-home consumption as business and economic activities started to recover. Consumers have gradually adapted to the new normal despite the intermittent lockdown as compared to 2020 when the unprecedented first nationwide lockdown was imposed. Group PBT increased by 50% to RM197 million, principally due to revenue growth, effective allocation of marketing investment, right-sizing of our organisation and cost base, faster adoption of digitalisation, and the absence of the one-off settlement of the Customs' Bills of Demand of RM7.2 million incurred in June 2020. Whilst the Group delivered an improved performance for the nine months ended 30 September 2021 versus the same period of 2020, compared to the pre-Covid period of 2019, the Group PBT was 33% lower.

Commenting on the outlook, Roland Bala, Managing Director of HEINEKEN Malaysia said, “As the Covid situation stabilises, the Group is hopeful that further relaxation of restrictions and opening of the tourism sector will accelerate the recovery of the F&B sector. This will accordingly improve the performance in the fourth quarter. The Group will continue to navigate this challenging external environment by adapting to the new market reality, ensuring the safety of our people, keeping a tight rein on cost and staying focused on our strategy to accelerate business recovery.”

The significant increase in vaccination rates across the country is an encouraging development and HEINEKEN Malaysia is ready to support Malaysia’s recovery through this challenging period. As the health and safety of employees is our first priority, the Company participated in the Government’s vaccination programme to enable 100% of its brewery’s essential workforce to be vaccinated.

On headwinds, Roland commented, “We continue to see illicit alcohol as a concern. We welcome the stance taken by the Government to not increase excise duties on beers in the recent tabling of Budget 2022, as any hike in excise rates will further fuel illicit alcohol demand. As it is, Malaysia’s excise rate on beer and stout ranks second highest in the world. Illegal trade and smuggling have caused the Government to incur huge tax revenue losses, disrupted legitimate businesses and is exposing more consumers to cheaper, unregulated alcohol. HEINEKEN Malaysia remains committed to support the Government to stamp out illicit trade.”

<ENDS>

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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