

Purpose

We brew the Joy of True Togetherness to inspire a better world

Ambition

To be an undisputed market leader in Malaysia, we shape and premiumise the future of beer and beyond

Values

Passion for consumers and customers
 Courage to dream and pioneer
 Care for people and planet
 Enjoyment of life

Leading Brewer in Malaysia

- With history dating back to 1964
- Listed on Bursa Malaysia since 1965

Portfolio of World-Class Brands

11 brands and 80 SKUs
 36 Putra Brand Awards since 2010

Part of the HEINEKEN Company

- 51% owned by HEINEKEN NV
- 49% by public

1 brewery and 12 sales offices throughout Malaysia

Brew a Better World 2030 supports the path to

Zero impact
 Inclusive, fair and equitable world
 Moderation and no harmful use

Key Financials

Key Operating Results

RM million	Q2	Q2	Change %	H1	H1	Change %
	2022	2021		2022	2021	
Revenue	645	349	84	1,343	897	50
Operating profit	128	33	283	283	131	116
Taxation	42	8	429	83	31	169
Profit after tax	86	25	241	199	99	102
Net cash from operating activities	45	157	-71	174	247	-30

RM million	H1	H1	Change %
	2022	2021	
Total assets	1,157	867	33
Total liabilities	761	573	33
Reserves	245	143	71
Total equity	396	294	35
Capex	404	348	16

Financial Ratios	H1	H1
	2022	2021
Operating working capital % of revenue	-1.36	-0.67
EBITDA margin	23.80	18.56
Return on equity	71.57	44.52
Debt to equity	1.92	1.95
Earnings per share (sen)	66.02	32.71
Net assets per share (RM)	1.31	0.97

EBITDA: Earnings before interest, tax, depreciation and amortisation

Key Performance Highlights

Q2FY2022 versus Q2FY2021

- Group revenue grew by 84% versus the same quarter in 2021, due to upsurge in sales following the reopening of economy and international borders, improvement in product mix and better revenue management. Additionally, Q2FY2021 was a weaker comparison due to brewery lockdown in the month of June 2021.
- Group profit before tax ("PBT") grew significantly by 285% to RM128 million. The growth was driven by revenue growth as highlighted above as well as continued focus on driving the EverGreen strategy to deliver sustainable growth.

H1FY2022 versus H1FY2021

- Group revenue and PBT increased by 50% and 118% respectively versus six months ended 30 June 2021, mainly driven by robust sales performance during the festive period in the first quarter and steady recovery for the on-trade business in second quarter and continued focus on driving our EverGreen strategy to deliver sustainable growth.
- Taxation increased significantly mainly attributed to the one-off Prosperity Tax of 33% for chargeable income above RM100 million introduced in 2022. The Group's effective tax rate for Q2FY2022 and H1FY2022 were 32.6% and 29.5% respectively, above the 24% corporate tax rate.
- Net cash from operating activities was 30% lower, mainly due to higher receivables and trade payables driven by higher sales and trade activities in H1FY2022 versus H1FY2021.
- The Group also incurred a higher capex spend in line with the brewery upgrade. Group operating working capital declined due to the increase in total assets and total liabilities.
- The financial ratios were broadly healthy underpinned by profit growth and effective cost management.

Outlook

- Our strong performance in the first half of 2022 was attributed to robust performance during the festive period and the reopening of economy and international borders, improvement in product mix and better revenue management.
- The Group expects continued pressure from global supply chain disruptions, rising input cost, weakening ringgit and rising inflation that will 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 (<https://www.heinekenmalaysia.com/our-strategy/>) to future-proof the business and deliver sustainable growth.
- The Group welcomes the stance taken by the Government not to increase excise duties on beers as any hike in excise rates will drive greater demand for illicit alcohol. The Group will remain committed to support the Government to stamp out illicit trade through holistic efforts including strengthening enforcement and raising greater awareness in the market.

Top 10 Shareholders as of 30 June 2022

Name of shareholder	Number of shares held	%
1. GAPL Pte Ltd	154,069,900	51.00
2. Citigroup Nominees (Tempatan) Sdn Bhd - Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	8,420,880	2.79
3. DB (Malaysia) Nominee (Asing) Sdn Bhd - The Bank of New York Mellon for Virtus Kar International Small-Cap Fund	8,166,900	2.70
4. HSBC Nominees (Asing) Sdn Bhd - JPMBL SA for Stichting Depository APG Emerging Markets Equity Pool	5,791,600	1.92
5. UOB Kay Hian Nominees (Asing) Sdn Bhd - Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	4,002,539	1.32
6. Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN for AIA Bhd	3,390,400	1.12
7. Tai Tak Estates Sdn Bhd	2,156,000	0.71
8. Key Development Sdn Berhad	2,037,000	0.67
9. ChinChoo Investment Sdn Berhad	1,865,000	0.62
10. DB (Malaysia) Nominee (Asing) Sdn Bhd - The Bank of New York Mellon for Virtus KAR Emerging Markets Small-Cap Fund	1,742,500	0.58
	191,642,719	63.43

Sustainability

We believe in the long-term sustainability of our business. Our global sustainability strategy, Brew a Better World has had a profound influence on our business. It has driven us to innovate and collaborate to protect the environment, support local communities and make a positive contribution to society – all with the goal of supporting delivery of the UN Sustainable Development Goals (SDGs).

As a responsible and progressive organisation, we pursue an increasingly holistic approach to sustainability, focusing on the entire value chain from Barley to Bar. As we are moving into a decade in which the world must face even more complex challenges. We know we can only thrive if the planet and our communities thrive. Our BaBW 2030 ambitions are woven into the fabric of our balanced growth strategy, putting environmental, social sustainability and responsibility as our key focus areas as we write our next growth chapter.

Our ambitions and targets for this new chapter are in line with the benchmarks set by the UN Global Compact and we are determined to contribute to the UN SDGs to protect the planet, ensure prosperity and end poverty for all.

Our Value Chain

Our sustainability strategy is aligned with HEINEKEN Global's approach. Our raw materials, mainly malted barley and hops, are imported from HEINEKEN pre-approved suppliers in Europe and our agricultural sourcing practices are aligned with the HEINEKEN Supplier Code.

In HEINEKEN Malaysia, the commitments and responsibilities begin from the brewing process and end with the consumer. We aim to report our sustainability performance annually to create transparency in our actions

Our Focus Area



Analysis by Category as of 30 June 2022

	Number of shareholders	Number of shares held	%
Malaysian	11,363	80,475,984	26.6
Foreigner	935	221,622,016	73.4
Total	12,298	302,098,000	100



Home of World Class Brands
A brand of choice for every occasion

Highlights

ENVIRONMENTAL

Carbon Neutral



CO₂ emissions in production 12 months ended 30 June 2022 - **19% reduction** vs 2018 kgCO₂

Renewable Electricity



Our operations at Sungei Way Brewery transitioned to **100% renewable electricity** in March 2022 through participation in the Malaysia Renewable Energy Certificate (MRECs) programme. On-site renewable energy generation expected to be ready by Q1 2023.

Towards Healthy Watershed



Water Consumption in production YTD 30 June 2022 - **3.69 hl/hl** vs 3.65hl/hl in 2021 – slightly above our average consumption due to ongoing upgrading works at the brewery.

SOCIAL

Tiger Chinese Education Charity Concert (Tiger CECC)



2022 target: Raise RM5 million for 8 schools.

Media launch on 10 August 2022 and fundraising concerts to start in October 2022.

HEINEKEN Malaysia through HEINEKEN Cares is committed to helping the B40 and rural communities in building long-term food resilience. Target launch in September 2022.



RESPONSIBLE CONSUMPTION

Responsible Consumption Industry Pledge Campaign



Over **100 business partners** pledged the "HEINEKEN Malaysia Advocating Responsible Consumption Pledge" to promote responsible consumption.

Consumer Pledge

More than 3,000 consumers pledged to take a stand against drink-driving.



Commercial Activation

Heineken® Crowns Star Bartender of 2022 & launches Star Quality Experience

After a 2-year hiatus, HEINEKEN Malaysia's Star Academy returned with a new and improved Heineken® Star Quality programme. The programme combined immersive training and learning with the search for the best-performing Star Bartender. Seven interactive training sessions were held across Malaysia, with the top bartenders invited to attend the grand finale at the Heineken® Star Quality Experience in Kuala Lumpur. At the finale, Vickson Leong from Speakeasy Bar & Kitchen, Ipoh, Perak, was named the 2022 Heineken® Star Bartender and received the grand prize of a three-day, two-night all-expenses-paid trip to Langkawi, among other prizes.

The finale was held amidst the Heineken® Star Quality Experience, where guests were treated to a walkthrough of the Heineken® Star Brewery to witness Heineken®'s five fundamental Star Brewing Principles. Guests walked through an experiential maze to see, smell and touch all the components behind brewing the perfect Heineken®. The journey ended with the Heineken® Star Bar, where guests could try their hand at a perfect pour.



Drinkies launches Star Bar feature

Drinkies, HEINEKEN Malaysia's e-Commerce platform, launched its new Star Bar feature that elevates user experience with attractive offerings ranging from promotions, free gifts and more. With Star Bar, Drinkies users can purchase vouchers for their favourite HEINEKEN Malaysia brews, namely Tiger Beer, Tiger Crystal, Guinness, Heineken® and Edelweiss, which can be redeemed at more than 90 participating partner outlets. Additionally, users can earn 'coins' through voucher purchases on Drinkies which can be used to redeem free sets of beers or exclusive merchandise.



Uncage New Passions at the Tiger Crystal Fire Starter District Festival

The Tiger Crystal Fire Starter platform returned once more to empower consumers to discover new passions. The campaign kicked off with a cool AR recognition tool and personality assessment to enable fans to find out passions that best suited them, such as bouldering, rollerblading, dancing, jump rope, or freestyle football. This was followed by an action-packed weekend of the Fire Starter District Festival at Sentul Depot where fans could uncage their inner fire and discover a new passion while trying them out under the guidance of experienced mentors. Fans who attended the festival redeemed Tiger Crystal bottles and stood a chance to win exciting prizes related to their passions worth more than RM5,000 ranging from a pair of rollerblades, exclusive dance classes and many more.



Guinness Draught in a Can

Guinness lovers can now enjoy their favourite draught in the comfort of their own home. Guinness Draught, the latest addition to HEINEKEN Malaysia's portfolio, offers the smooth and creamy texture of a pub-poured pint in a can. It is made from roasted barley, malt, hops, yeast, water and a dash of magic – the revolutionary Guinness widget that was the first in the world. The widget uses an ingenious nitrogen filled capsule that surges with bubbles when the can is opened, and the result is a perfectly smooth and creamy beer that is unmistakably Guinness. The Guinness widget is unique as it makes the process of pouring Guinness Draught in a Can simple, involving four easy steps: crack open a chilled can, tilt the glass at 45°, fill to the top and enjoy.



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