



# Heineken Malaysia Berhad Financial Results (1H 2023)

Media & Analyst Briefing | 15 August 2023  
6pm-7pm

Speakers:

Roland Bala, Managing Director  
Karsten Folkerts, Finance Director



# 1H 2023: Rising Cost of Living

Consumer spending seen softening in coming months as inflation, economic concerns weigh

By Justin Lim / theedgemalaysia.com

09 Jun 2023, 08:30 am



**Consumer spending seen softening in coming months as inflation, economic concerns weigh**

theedgemalaysia.com

Markets

## Rapid Descent in Ringgit Puts Malaysia's Currency Stance to Test

- Authorities have signaled a readiness to limit sharp swings
- Political turmoil and slowing China growth have hurt sentiment

**MARC: Ringgit weakness reflects Malaysia's economic vulnerability**

July 4, 2023 @ 4:31pm



**Cost of living issues to persist even as growth moderates**

By Adam Aziz / The Edge Malaysia

09 Jan 2023, 04:30 pm

**Consumer spending will likely subdue in 2023 amid rising inflationary environment, interest rate hike cycle**

By NST Business - January 31, 2023 @ 9:10am



## Ringgit to stay weak amid global uncertainties

However, foreign investors continue to favour Malaysia's bond market, says analyst.

Bernama - 11 Jul 2023, 10:12am

## Softening Consumer Sentiment

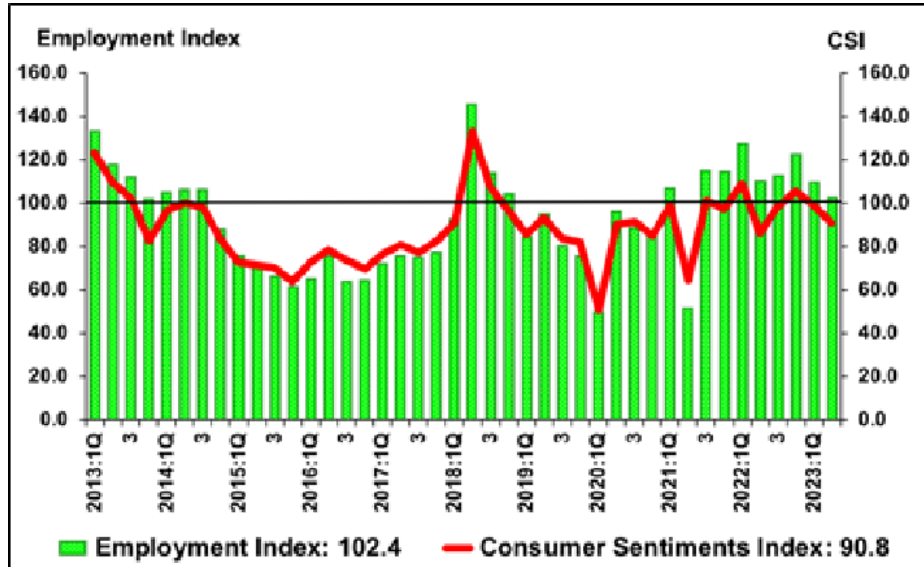
Global uncertainties, including supply chain disruptions and inflationary pressures, persist.

Increasing cost of living dampening consumer spending.

Consumer confidence wavering due to uncertain economic landscape.

# Consumer Sentiments Index Q2, 2023

Source: Malaysian Institute of Economic Research



## Extended Downtrend

Consumer sentiments have decreased markedly quarter-on-quarter to 90.8 (a drop of 8.4 points), albeit a slight improvement year-on-year from 86.0.

- Consumer sentiment drops
- Current finances worsen
- Decline in jobs, income expectations
- Inflation worries remain
- Spending plans slowing down

# Heineken® - the World's No. 1 International Premium Beer



\*For non-Muslims aged 21 and above only

## Key campaigns in 1H 2023

### Heineken® Ghosted Bar

- Heineken® encouraged consumers to practice work-life balance by hosting activations at bars, encouraging Malaysians to clock out on time and socialise with their friends.
- Won 1 Bronze Lion at the prestigious Cannes Lion, a global event awarding the best and most creative marketing and advertising.

### Heineken® 150

- As the Heineken® brand turns 150 this year, Heineken® invites consumers to showcase their unique ways of celebrating good times.
- Heineken® collaborated with local pop culture icons to blend global inspirations into local experiences to bring you extraordinary activations and limited-edition merchandise

# Tiger Beer – Malaysia's No. 1 Beer



## Key campaigns in 1H 2023

### Tiger CNY Festive Campaign

- In addition to exciting CNY festive promotions, Tiger collaborated with local artists to with an exciting campaign across all channels, bridging physical and digital.

### Tiger Den

- Tiger rolled out the immersive Tiger Den where fans were taken through the brand's history and celebrate its future with ice-cold Tiger Beer and Tiger Crystal.

# Guinness – The World’s No. 1 Stout



## Key campaigns in 1H 2023

### Guinness St. Patrick's Festival

- Guinness brought fans together to celebrate their loved ones – their true lucky charms – with a series of activations at participating bars and pubs.

### Guinness Harvest Festival

- Guinness celebrated with its fans through a series of exciting activations and limited-edition giveaways in conjunction with Hari Gawai and Kaamatan.

# Edelweiss – the Premium Wheat Beer Born in the Alps



## Key campaigns in 1H 2023

### Edelweiss Weekend Unwind

- A fun-filled experience that encouraged guests to take a break from their demanding schedules to embrace the simple joys of life.
- Fans could explore and immerse themselves in various activities to add some adventure to their weekends with exciting activities like pop-up markets, workshops, music and experiential events headlined by local artists and personalities.

# HEINEKEN Malaysia's Star Academy



## Key campaigns in 1H 2023

### 2023 Star Academy National Championship and Regional Training Programme

- 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
- The training was conducted in six locations across Malaysia, with a finale planned in Kuala Lumpur in September 2023.



# Brew A Better World



## 1H 2023 Sustainability Updates

### Net Zero Carbon

- Carbon emissions in production reduced by 67% vs 2018 baseline
- Solar PV onsite installation in progress

### Towards Healthy Watersheds

- Marginally higher water consumption in 1H 2023 (3.5 hl/hl) vs the target due to temporary reduced efficiency attributed to the brewery upgrade initiatives

### Positive Social Impact

Tiger Chinese Education Charity Concert: Target to raise RM11 million for 9 schools and 1 university in 2023.

### Advocating Responsible Consumption

- 10% Heineken® annual media budget to promote Enjoy Heineken® Responsibly campaign
- ENJOYRESPONSIBLY e-hailing promo codes for all brand events.

# 1H 2023 Financial Highlights

## Revenue

## Profit Before Tax

## Net Profit

**Q2 2023 vs  
Q2 2022**

(3 months ended 30 Jun)

**- 12%**  
from RM645 million  
**to RM569 million**

**- 7%**  
from RM128 million  
**to RM119 million**

**+ 5%**  
from RM86 million  
**to RM90 million**

**1H 2023 vs  
1H 2022**

(6 months ended 30 Jun)

**- 2%**  
from RM1.34 billion  
**to RM1.31 billion**

**- 7%**  
from RM283 million  
**to RM264 million**

**+ 1%**  
From RM199 million  
**to RM200 million**

Lower sales attributed to weak consumer sentiment driven by rising cost of living and currency volatility.

The Group had a strong base in Q2, 2022 as the market had an upsurge in sales (Revenue +84% versus Q2, 2021) following the re-opening of the economy.

The Group views this quarter's performance as a form of market correction.

PBT decreased alongside with lower revenue, mitigated by efficiency gains through cost and value initiatives..

# Proposed Dividend

**Single Tier  
Interim Dividend**  
(Payable in November 2023)

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**40 sen**  
per stock unit

Comparison: 1H 2022  
40 sen per stock unit

Dividend Payout  
representing

**60.3%**

of 1H 2023  
Profit After Tax

# Outlook



Consumer sentiment remains weak due to challenging macro economic factors.

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 into our brands and innovations.

We view illicit alcohol seriously and remain committed to supporting the authorities in addressing illicit trade through comprehensive efforts.

# WELCOME CARMEN CHUA!

Independent Non-Executive Director

Malaysian | Age 40

Bachelor of Science in Economics with First Class Honours

London School of Economics and Political Science, United Kingdom



- Chief Executive Officer of ONE IFC Sdn Bhd, the developer of St. Regis Hotel and Residences Kuala Lumpur.
- Managing Director of ONE KLCC Sdn Bhd, the developer of ONE KL Condominium.
- Sits on the Board of various companies within the CMY Capital Group.
- Trustee of Amanah Warisan Negara, a National Public Trust founded by Khazanah Nasional Berhad with the objectives of undertaking projects involving the rejuvenation, rehabilitation and/or operations of selected public spaces together with heritage assets of national significance.
- Former member of the Blue Ocean Corporate Council whose initiatives include the MyApprenticeship programme, offering students the opportunity for hands-on training and employment post-graduation.
- Also served as a Trustee of Yayasan Hijau focusing on promoting, developing and improving education on energy efficiency, green technology applications and green lifestyle practices
- Former Director of the Kuala Lumpur Business Club.

# WELCOME ERIN ATAN!

Non-Independent Non-Executive Director

Singaporean | Age 49

Bachelor of Arts

University of South Australia



- Erin Sakinah Atan is the Regional Corporate Affairs Director of HEINEKEN Asia Pacific Pte Ltd (APAC). She is also a member of the APAC Regional Leadership Team and the HEINEKEN Global Corporate Affairs Management Team.
- Erin is an experienced Corporate Affairs professional with an extensive background in brand strategy, reputation and crisis management, public affairs, integrated communications and sustainability across different sectors, including aviation, automotive, conglomerates and financial services. She has led businesses and teams across multiple markets in Asia Pacific and beyond.
- For the first part of her career, she worked for consultancies in the region, culminating with a leadership role as Vice President at LEWIS (previously Blacki McDonald) where she led a team of 85 across 7 offices in Asia Pacific.
- She transitioned into in-house roles as Corporate Affairs Director for Asia at BMW Group. Then, in 2011, she joined Rolls-Royce plc as Corporate Affairs Director for Asia Pacific, Middle East and Turkey.
- After Rolls-Royce plc, she became Group Corporate Affairs Director for Jardine Matheson Limited, joining the Group Executive Management Team based in Hong Kong. In 2020, she took up the responsibility as Senior Director of Corporate Affairs of Prudential plc, responsible for the Asia and African regions, before joining HEINEKEN in 2021.

# WELCOME JIMMY DING!



Sales Director

Malaysian | Age 49

Bachelor's Degree in Business Administration (Major in Marketing)

Universiti Utara Malaysia

## Within HEINEKEN:

- Joined HEINEKEN Malaysia since March 2020 as National Sales Manager responsible for Field Force Management, Route to Consumer and Distributor Manager covering both Malaysian Duty Paid and Duty Not Paid markets
- Notable achievements in role include reframing of Sponsorship Contracts, transforming Route-to-Consumer to improve market fundamentals and effective resource allocation. He has also led the Sales Team to deliver HEINEKEN's Premiumisation agenda, giving the business a better mix for long term growth

## Previous experience:

- 22 years in Sales and Marketing in MNCs with last 14 years in Senior positions across Insurance (AIA), Tobacco (BAT) and Beverages (Red Bull) industries. He is experienced in both Brand and Trade Marketing particularly in delivering Field Force transformation, winning Route to Consumer solutions, Distributor reorganisation, Shopper Marketing, Trade Terms and Pricing
- He has spent time managing the Sales Charter of the merger between BAT Indonesia operations with Bentoel International Investama PT Tbk in Indonesia between 2009 to 2013 before returning to BAT Malaysia
- Since 2019, he is a member of the Board of Governors for British American Tobacco Malaysia Foundation



# WELCOME NIKO VAN CAUWENBERGE!



Supply Chain Director

Belgian | Age 47

Master's Degree in Biochemistry (Specializing in Brewing)  
University of Ghent, Belgium

- Prior to his appointment to HEINEKEN Malaysia, he was Supply Chain Director HEINEKEN Mozambique since February 2019, where he built the new supply chain organization within the newly founded Opco and greenfield production facility. He successfully guided HEINEKEN Mozambique through its first years of local operation, navigating the COVID-19 restrictions and building a strong local team.
- Before moving to Mozambique he was Supply Chain Director HEINEKEN Jamaica – Red Stripe, laying the foundation for the HEINEKEN way of working in the newly acquired business and incorporating the formerly outsourced production of Red Stripe from the USA back to the Jamaican brewery.
- Before moving to Jamaica, he was Supply Chain Manager HEINEKEN St Lucia – Windward & Leeward Brewery where he set the local operation up for growth and successfully integrated the acquired local soft drink plant.
- Joined HEINEKEN in 2008 as Brewing Specialist working on investment projects (green- and brownfield) in various parts of the world before taking on the role of Team Leader for the Brewing Specialists department.





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## **DRIVE SUPERIOR GROWTH**

With consumer centricity, shape & lead premium category. Continue investing behind our brands.

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## **FUND THE GROWTH**

Cost & Value to drive efficiency, enabling reinvestments into our brands and business.

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## **RAISE THE BAR ON SUSTAINABILITY & RESPONSIBILITY**

Deliver on our ambition to become net zero carbon in production by 2030 and the full value chain by 2040.

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## **BECOME THE BEST CONNECTED BREWER**

Accelerate digital & technology to create a Unified Customer Ecosystem with a customer & consumer-first approach.

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## **UNLOCK THE FULL POTENTIAL OF OUR PEOPLE**

Promote a high-performance culture that boosts our strategic capabilities.



