

For Immediate Release

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HEINEKEN MALAYSIA REPORTS 2023 RESULTS

HEINEKEN Malaysia Results Reflects Market Corrections Post Strong Rebound from the Pandemic in 2022.

- Revenue decreased by 8% to RM2.64 billion (FY22: RM2.86 billion)
- Profit Before Tax (PBT) decreased by 14% to RM510.88 million (FY22: RM594.50 million)
- Net profit decreased by 6% to RM386.80 million (FY22: RM412.82 million)

Heineken Malaysia Berhad (HEINEKEN Malaysia) announced its financial results for the full year ended 31 December 2023 (FY23), reporting a decline in revenue and profit as compared to the same period in 2022 (FY22). Comparatively, the Group had a strong base in 2022 following the re-opening of the economy at the end of the COVID-19 pandemic. Due to the rebound in FY22, the Group views its FY23 performance as a form of market correction.

HEINEKEN Malaysia's revenue decreased by 8% to RM2.64 billion compared to the previous year (FY22). This was mainly due to weak consumer sentiment attributed to growing macroeconomic concerns in 2023. In perspective, the Group also underwent a notable recovery in 2022 (Revenue +44% versus the fourth quarter of 2021) post the COVID-19 pandemic restrictions. Correspondingly, Group PBT decreased by 14% principally due to lower revenue while the Group's net profit decreased by 6% due to the absence of the one-off Prosperity Tax in 2023.

In the fourth quarter ended 31 December 2023 (4QFY23), Group revenue decreased by 8% to RM728.62 million versus the same quarter in 2022 (4QFY22). This reflects the lower sales arising from weak consumer sentiment driven by rising cost of living and macroeconomic concerns. Group PBT in this quarter also declined by 14% primarily driven by lower revenue. Similarly, net profit for the quarter also decreased by 5% with the absence of the one-off Prosperity Tax.

Commenting on the results, Roland Bala, Managing Director of HEINEKEN Malaysia, said, "2023 has been a challenging year with the market experiencing corrections following the strong rebound observed in 2022. I would like to take this opportunity to commend and thank our team and our trade partners for remaining agile and resilient amidst a volatile market. Despite the challenging environment, we continued to execute and deliver our EverGreen strategy to drive

premium growth with a consumer-first mindset, whilst accelerating digitalisation, developing our talents, and making progress towards our sustainability ambitions.”

In 2023, HEINEKEN Malaysia continued to invest in its core brands and innovations, maintaining its winning streak with four wins at the Putra Brand Awards and Putra Aria Brand Awards 2023. Demonstrating ongoing excellence, Heineken® and Tiger Beer secured Gold, while Guinness received a Bronze. Notably, Edelweiss claimed its first award since its 2021 entry into the market, earning a Bronze at the Putra Aria Brands Awards. Notable campaigns during the year include:

- **Heineken® Ghosted Bar** – In collaboration with global K-Drama star Park Hyung Sik, Heineken®'s Work Responsibly campaign aimed to address Malaysia's prevalent overworking culture, fostering a balanced approach. The Ghosted Bar received 1 Bronze lion in the Film category at the prestigious Cannes Lion Festival in 2023.
- **Tiger Beer Boldly Asian, Globally Acclaimed** – Tiger rolled out the Tiger Den activation as the brand celebrated its remarkable journey of being born in the streets of Asia and how the bold lager had made its mark in over 60 countries and counting.
- **Guinness Flavour by Fire** – Guinness Malaysia invited fans and food enthusiasts to join the Flavour by Fire festival, featuring local renowned chefs and Guinness-infused culinary creations for fans to indulge in bold and exciting flavours.
- **Edelweiss Weekend Unwind** – Edelweiss encouraged Malaysians to break from their demanding schedules and embrace the simple joys of life through an activation that allowed fans to explore and experience activities at pop-up markets, workshops, as well as music and experiential events.

The Board has proposed a single tier final dividend of 88 per stock unit for the year ended 31 December 2023 (FY22 : 98 sen per stock unit, single tier). The total dividend for the year amounts to 128 sen per stock unit comprising:

- (i) a single tier interim dividend of 40 sen per stock unit which was paid on 10 November 2023; and
- (ii) a proposed single tier final dividend of 88 sen per stock unit.

Subject to the approval of shareholders at the forthcoming Annual General Meeting, the proposed final dividend will be paid on 25 July 2024 to shareholders registered at the close of business on 28 June 2024.

On outlook, Roland shared, "With a soft beer market in 2023, we maintain a cautious approach and expect the business environment in 2024 to remain challenging. This alongside the rising cost of living, geopolitical uncertainties, and weakening Ringgit could have a negative impact on consumer sentiment and spending. We will continue to adopt an agile approach in delivering our 2024 ambition. This year, we will remain committed to our EverGreen strategy, focusing on delivering superior and balanced growth amidst these dynamic conditions."

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 Scope 1 & 2 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.

Roland added, "We welcome the stance taken by the Government not to increase excise duties on beer in its latest Budget 2024, as any hike in excise rates will drive greater demand for illicit alcohol. The Group will continue to monitor and support the authorities in addressing this issue through comprehensive efforts and promoting greater awareness in the market."

HEINEKEN Malaysia strongly believes that its operations can only thrive if the planet and its surrounding communities thrive. Throughout the year, the Group was widely recognised for the progress it continues to make on its Brew a Better World (BaBW) sustainability ambitions. Some key awards include:

- **UN Global Compact Network Malaysia and Brunei (UNGCMYB) Forward Faster Sustainability Awards** – HEINEKEN Malaysia won in the Water Resilience category, acknowledging the brewer's achievement in its Towards Healthy Watersheds program, which enabled it to fully balance water used in its products since 2020.

- **Star Media Group Positive Impact Awards** – HEINEKEN Malaysia was awarded the Most Outstanding ESG Initiative at the ESG Positive Impact Awards, besides winning Gold in the categories of Waste Management and Innovative Partnership in recognition of its Zero Waste to Landfill programme and Water Stewardship partnership respectively.
- **PwC Malaysia Building Trust Awards** – Heineken Malaysia Berhad was among the Top 20 finalists for PwC Malaysia's Building Trust Awards 2023 and received a special mention for the PwC Malaysia–Asia School of Business's Trust and Leadership Survey (FBM Mid 70 Index) category.

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 GAPL 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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