



HEINEKEN MALAYSIA BERHAD

Company No. 196401000020 (5350-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2025

The Board of Directors of Heineken Malaysia Berhad ("the Company") wishes to announce the unaudited results of the Group for the second quarter and six months ended 30 June 2025.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD 3 MONTHS ENDED		% Change + / (-)	CUMULATIVE PERIOD 6 MONTHS ENDED		% Change + / (-)
	30/06/2025 RM'000	30/06/2024 RM'000		30/06/2025 RM'000	30/06/2024 RM'000	
1. Revenue	539,725	565,497	-5%	1,303,353	1,354,662	-4%
2. Operating expenses	(428,915)	(444,121)		(1,028,535)	(1,067,756)	
3. Operating profit	110,810	121,376	-9%	274,818	286,906	-4%
4. Interest (expense) / income	(1,397)	(1,386)		(4,472)	(5,631)	
5. Profit before tax	109,413	119,990	-9%	270,346	281,275	-4%
6. Taxation	(26,417)	(28,862)		(65,196)	(67,664)	
7. Net profit for the period	<u>82,996</u>	<u>91,128</u>	-9%	<u>205,150</u>	<u>213,611</u>	-4%
8. Profit attributable to owners of the Company	<u>82,996</u>	<u>91,128</u>		<u>205,150</u>	<u>213,611</u>	
9. Total comprehensive income attributable to owners of the Company	<u>82,996</u>	<u>91,128</u>		<u>205,150</u>	<u>213,611</u>	
10. Earnings per share:						
(a) Basic (based on 302,098,000 stock units) (sen)	27.47	30.17		67.91	70.71	
(b) Fully diluted	N/A	N/A		N/A	N/A	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Annual Audited Financial Statements for year ended 31 December 2024.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 30 June 2025 RM'000	AUDITED AS AT 31 December 2024 RM'000
Non-current assets		
Property, plant and equipment	572,077	582,071
Intangible assets	20,355	18,360
Right-of-use asset	20,514	20,041
Deferred tax assets	175	1,441
Other receivables	226	1,095
	<u>613,347</u>	<u>623,008</u>
Current assets		
Inventories	100,948	152,098
Trade and other receivables	416,713	450,525
Current tax assets	23,583	22,071
Cash and cash equivalents	108,560	32,486
	<u>649,804</u>	<u>657,180</u>
Current liabilities		
Trade and other payables	828,369	632,817
Current tax liabilities	11,219	2,583
Lease Liabilities	4,739	4,476
Borrowings	–	80,000
	<u>844,327</u>	<u>719,876</u>
Net current assets/(liabilities)	<u>(194,523)</u>	<u>(62,696)</u>
	<u>418,824</u>	<u>560,312</u>
Financed by:		
Capital and reserves		
Share capital	151,049	151,049
Reserves	246,396	388,289
Shareholders' funds	<u>397,445</u>	<u>539,338</u>
Non-current liabilities		
Deferred tax liabilities	15,149	15,124
Lease liabilities	6,230	5,850
	<u>21,379</u>	<u>20,974</u>
	<u>418,824</u>	<u>560,312</u>
Net Assets per share attributable to owners of the Company (RM)	<u>1.32</u>	<u>1.79</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's Annual Audited Financial Statements for the year ended 31 December 2024.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	6 MONTHS ENDED 30 JUNE 2025 RM'000	6 MONTHS ENDED 30 JUNE 2024 RM'000
Cash flows from operating activities		
Profit before tax	270,346	281,275
Adjustments for:		
Amortisation of intangible assets	3,047	3,168
Depreciation of property, plant and equipment	46,540	40,529
(Gain)/Loss on disposal of property, plant and equipment	219	(43)
(Gain)/Loss on disposal of right-of-use asset	(11)	-
Amortisation of prepaid contractual promotion expenses	4,344	1,775
Interest expense	4,973	6,186
Interest income	(501)	(555)
Unrealised foreign exchange differences	612	429
Operating profit before changes in working capital	329,569	332,764
Movements in working capital		
Inventories	51,150	3,784
Receivables, deposits and prepayment	30,337	125,596
Payables and accruals	(152,104)	(129,789)
Cash generated from operations	258,952	332,355
Tax paid	(56,781)	(61,525)
Interest paid	(4,973)	(6,186)
Net cash from operating activities	197,198	264,644
Cash flows from investing activities		
Acquisition of property, plant and equipment	(34,879)	(36,338)
Acquisition of intangible assets	(3,745)	(262)
Interest received	501	555
Proceeds from disposal of property, plant and equipment	15	70
Net cash used in investing activities	(38,108)	(35,975)
Cash flows from financing activity		
Lease commitment paid	(3,016)	(2,192)
Repayment of borrowings	(80,000)	(135,000)
Net cash used in financing activity	(83,016)	(137,192)
Net change in cash and cash equivalents	76,074	91,477
Cash and cash equivalents at beginning of year	32,486	43,318
Cash and cash equivalents at end of period	108,560	134,795

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Annual Audited Financial Statements for the year ended 31 December 2024.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company			
	<i>Non-Distributable</i> Share Capital RM'000	<i>Capital</i> Reserve RM'000	<i>Distributable</i> Retained Earnings RM'000	Total RM'000
6 months ended 30 June 2025				
Balance at 1 January 2025	151,049	1,562	386,727	539,338
Total comprehensive income for the period	–	–	205,150	205,150
Effects of share-based payments		370	–	370
Dividends paid/ payable	–	–	(347,413)	(347,413)
Balance at 30 June 2025	151,049	1,932	244,464	397,445
6 months ended 30 June 2024				
Balance at 1 January 2024	151,049	961	306,662	458,672
Total comprehensive income for the period	–	–	213,611	213,611
Effects of share-based payments		600	–	600
Dividends paid/ payable	–	–	(265,846)	(265,846)
Balance at 30 June 2024	151,049	1,561	254,427	407,037

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Annual Audited Financial Statements for the year ended 31 December 2024.

Notes:

1. Basis of Preparation

The interim financial report has been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Annual Audited Financial Statements of the Company and its subsidiaries ("the Group") as at and for the year ended 31 December 2024.

2. Significant Accounting Policies

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2024 save for the adoption of the following amendments to the Malaysian Financial Reporting Standards ("MFRS"):

	Effective Date
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above amendments is not expected to have any material effect on the financial statements of the Group.

3. Audit Report on Preceding Annual Financial Statements

The Group's Annual Audited Financial Statements for the year ended 31 December 2024 were not qualified.

4. Seasonal or Cyclical Factors

The business operations of the Group are generally affected by festive seasons.

5. Exceptional Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows

There were no exceptional items for the current financial quarter under review.

6. Changes in Estimates

There were no changes in estimates that have had any material effect on current financial quarter under review.

7. Debt and Equity Securities

There was no issuance, repayment of debt and equity securities for the current financial quarter under review, except for those as disclosed under Note 21.

8. Dividends Paid

No dividends were paid during the financial quarter under review.

9. Segmental Reporting

No segmental analysis is prepared as the Group's business is primarily engaged in malt liquor brewing including production, packaging, marketing and distribution of its products principally in Malaysia. The Management Team of the Company reviews the financial information as a whole for decision making.

10. Property, Plant and Equipment Valuation

There were no changes in the valuation of property, plant and equipment for the current financial quarter under review.

11. Events Subsequent to the End of the Period

Between the end of the financial quarter under review and the date of this announcement, there has not been any item, transaction or event of a material and unusual nature which, in the opinion of the Directors is likely to affect substantially the results of the operations of the Group for the quarter ended 30 June 2025.

12. Changes in the Composition of the Group

There was no change to the composition of the Group during the financial period under review including business combination, acquisition or disposal of subsidiaries and long-term investments.

13. Changes in Contingent Liabilities or Contingent Assets

Other than the material litigation disclosed under Note 24 of this report, there are no other contingent liabilities for the quarter under review.

14. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 June 2025 are as follows:

	RM'000
Property, plant and equipment	
Authorised and contracted for	15,962

15. Significant Related Party Transactions

As at the end of the quarter under review, the Group has entered into/or completed the following significant Related Party Transactions:

	Heineken N.V. and its related corporations RM'000
Sales of beverage products	132
Purchase of beverage products, manufacturing and marketing materials	13,437
Royalties paid/payable	26,826
Fees paid/payable for professional services relating to technical, marketing and other advisory support	26,221

All Related Party Transactions had been entered into in the ordinary course of business on normal commercial terms and are within the scope of the general mandate approved by the shareholders of the Company on 7 May 2025.

16. Review of Performance

Quarter ended 30 June 2025 (Q2 2025) versus quarter ended 30 June 2024 (Q2 2024)

	3 months ended 30 June 2025 RM'000	3 months ended 30 June 2024 RM'000	% Change + / (-)
Revenue	539,725	565,497	-5%
Profit before tax	109,413	119,990	-9%

Group revenue declined by 5%, primarily driven by a slower sales pace, reflecting a more cautious consumer sentiment.

Profit before tax (PBT) decreased by 9% year-on-year, mainly due to lower revenue and higher expenses. The Group continues to invest in commercial initiatives and digital infrastructure through the implementation of HEINEKEN's Digital Backbone, a digital transformation programme designed to unlock the power of data, streamline processes and boost innovation to support long-term growth. The Digital Backbone initiative is part of the Group's EverGreen strategy to future-proof its business.

Six months ended 30 June 2025 versus the same period in 2024

	6 months ended 30 June 2025 RM'000	6 months ended 30 June 2024 RM'000	% Change + / (-)
Revenue	1,303,353	1,354,662	-4%
Profit before tax	270,346	281,275	-4%

Group revenue and PBT both decreased by 4% compared to the same period last year. This performance was attributable to a combination of factors including the timing of Chinese New Year, moderated consumer demand and the Group's continued investments in commercial initiatives and digital infrastructure as highlighted above.

Quarter ended 30 June 2025 versus quarter ended 31 March 2025

	3 months ended 30 June 2025 RM'000	3 months ended 31 March 2025 RM'000	% Change + / (-)
Revenue	539,725	763,628	-29%
Profit before tax	109,413	160,933	-32%

Group revenue declined by 29%, primarily due to seasonal factors and the typical post-festive normalization in demand, which resulted in a slower sales pace.

PBT decreased by 32% quarter-on-quarter, largely driven by the lower revenue and continued investments in commercial initiatives and digital infrastructure as reported above.

17. Prospects

Looking ahead, the Group remains focused on strengthening its core business, improving operational efficiency, and pursuing strategic growth opportunities. While macroeconomic headwinds persist, the Group will continue to monitor market conditions closely and adapt its strategies with agility to sustain performance and drive long-term growth.

17. Prospects (Continued)

These efforts are supported by ongoing investments in digital infrastructure, data-driven decision-making, and modern ways of working, which are expected to enhance the Group's competitiveness and resilience in a dynamic external environment. Commercial initiatives, disciplined cost management and continuous improvement in execution will remain central to the Group's priorities.

The Group continues to execute its EverGreen strategy, which aims to deliver superior and balanced growth by placing equal emphasis on topline expansion, profitability and capital efficiency, alongside sustainability and responsible business practices. This integrated approach helps the Group create lasting value for shareholders and stakeholders, while continuing to contribute meaningfully to Malaysia's socio-economic development.

18. Variance from Profit Forecast

No profit forecast was issued during the financial quarter under review.

19. Taxation

Taxation in respect of the quarter and period under review comprises the following:

	3 months ended 30 June 2025 RM'000	6 months ended 30 June 2025 RM'000
Taxation		
Malaysian – Current	26,259	64,883
Deferred taxation		
Malaysian – Current	158	313
	<u>26,417</u>	<u>65,196</u>

The Group's effective tax rate for the quarter and period under review was broadly in line with the statutory tax rate.

20. Status of Corporate Proposals

There were no corporate proposals which have not been completed at the date of this report.

21. Group Borrowings and Debt Securities

The Group has repaid the borrowings, which amounted to RM80 million during the period under review and has no borrowing as of 30 June 2025.

22. Financial Instruments

The outstanding derivatives at the end of the reporting period are as follows:

	Notional value RM'000	Fair Value RM'000	Loss arising from fair value changes RM'000
Forward foreign exchange contracts – Less than one year	520	505	15

22. Financial Instruments (Continued)

The above forward foreign exchange contracts were entered into by the Group to minimise its exposure to foreign currency risks as a result of transactions denominated in currencies other than its functional currency, arising from the normal business activities, in accordance with the Group's foreign currency hedging policy.

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Foreign currency differences arising from retranslation are recognised in comprehensive income, except for differences arising from the retranslation of a financial instrument designated as a hedge of currency risk, which is recognised in other comprehensive income.

There is minimal credit and market risk as the forward contracts are executed with the Group's relationship financial institutions, namely Citibank Berhad, BNP Paribas Berhad, United Overseas Bank (Malaysia) Bhd and HSBC Bank Malaysia Berhad. The Group is of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

23. Notes to the Statement of Comprehensive Income

	3 months ended 30 June 2025 RM'000	6 months ended 30 June 2025 RM'000
Depreciation and amortization	22,753	49,587
Provision for and write off of inventories	546	1,117
Loss on derivatives	10	15

Other than the items highlighted above which have been included in the Consolidated Statement of Comprehensive Income, there were no impairment of assets nor profits/losses on any other items and sale of quoted securities, investments and properties included in the results for the period ended 30 June 2025.

24. Material Litigation

There is no material development relating to the material litigation as reported under Note 26 of the Group's Annual Audited Financial Statements for the financial year 2024 dated 11 March 2025. Trial for the case has commenced since 19 November 2024 and is scheduled to continue in August and September 2025.

25. Dividend

The Board has declared a single tier interim dividend of 40 sen per stock unit for the financial year ending 31 December 2025 to be paid on 30 October 2025. The entitlement date for the dividend payment is 9 October 2025. Total dividend declared for the six months ended 30 June 2025 is 40 sen per stock unit (six months ended 30 June 2024: 40 sen).

A Depositor shall qualify for entitlement only in respect of:

- Shares deposited into the Depositor's securities account before 12.30 p.m. on 7 October 2025 (in respect of shares which are exempted from mandatory deposit);
- Shares transferred into the Depositor's securities account before 4.30 p.m. on 9 October 2025 in respect of ordinary transfers; and
- Shares bought on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

26. Earnings Per Share

(a) Basic Earnings Per Share

Basic earnings per share for the period ended 30 June 2025 is calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary stock units outstanding as at 30 June 2025 of 302,098,000.

(b) Diluted Earnings Per Share

Not Applicable.

For and on Behalf of the Board
Martijn Rene van Keulen
Managing Director

15 August 2025