



Carlsberg Brewery Malaysia Berhad

Company No. 196901000792 (9210-K)
(Incorporated in Malaysia)

Interim Financial Report
31 March 2024

The Board of Directors of Carlsberg Brewery Malaysia Berhad is pleased to announce the following unaudited interim results of the Group for financial quarter ended 31 March 2024.

CARLSBERG BREWERY MALAYSIA BERHAD
 (Company No.: 196901000792)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Quarter Ended	
	31 March 2024 RM'000	31 March 2023 RM'000
Revenue	725,760	660,204
Operating expenses	(605,974)	(551,934)
Other operating income	1,296	747
Profit from operations	121,082	109,017
Finance income	133	179
Finance costs	(1,339)	(1,413)
Share of profit of equity accounted associate, net of tax	7,550	3,216
Profit before taxation	127,426	110,999
Taxation	(38,825)	(24,484)
Profit for the financial period	88,601	86,515
Profit attributable to:		
Owners of the Company	87,927	85,042
Non-controlling interests	674	1,473
Profit for the financial period	88,601	86,515
Other comprehensive income		
Cash flow hedge	20	3,581
Foreign currency translation differences for foreign operations	9,809	9,841
Total comprehensive income for the period	98,430	99,937
Total comprehensive income attributable to:		
Owners of the Company	97,756	98,464
Non-controlling interests	674	1,473
Total comprehensive income for the period	98,430	99,937
Basic/Diluted earnings per ordinary share (sen)	28.76	27.81

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

CARLSBERG BREWERY MALAYSIA BERHAD
(Company No.: 196901000792)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March 2024 RM'000	As at 31 December 2023 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	312,537	322,214
Right-of-use assets	15,833	17,328
Other intangible assets	5,050	5,239
Investment in an associate	105,839	88,642
Deferred tax assets	4,212	6,071
Total non-current assets	443,471	439,494
Current assets		
Inventories	87,992	97,535
Receivables, deposits and prepayments	410,364	384,785
Tax recoverable	468	461
Cash and cash equivalents	138,216	95,036
Total current assets	637,040	577,817
Total assets	1,080,511	1,017,311
EQUITY		
Share capital	149,363	149,363
Reserves	178,014	79,736
Total equity attributable to owners of the Company	327,377	229,099
Non-controlling interests	6,172	5,498
Total equity	333,549	234,597
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	15,210	3,628
Provision	379	376
Lease liabilities	5,045	6,364
Loans and borrowings	1,852	2,331
Total non-current liabilities	22,486	12,699
Current liabilities		
Payables and accruals	668,491	605,610
Current tax liabilities	47,661	41,764
Lease liabilities	6,343	5,571
Loans and borrowings	1,981	117,070
Total current liabilities	724,476	770,015
Total liabilities	746,962	782,714
Total equity and liabilities	1,080,511	1,017,311
Net assets per share (RM)	1.09	0.77

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

CARLSBERG BREWERY MALAYSIA BERHAD

(Company No.: 196901000792)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	/-----Attributable to Owners of the Company-----/							Non-controlling Interests RM'000	Total RM'000
	Share Capital RM'000	Exchange Reserve RM'000	Cash flow Hedge Reserve RM'000	Capital Reserve RM'000	Equity contribution Reserve RM'000	Retained Earnings RM'000	Total RM'000		
At 1 January 2023	149,363	(48,790)	(4,734)	3,931	2,420	45,465	147,655	6,462	154,117
Total comprehensive income for the period	-	9,841	3,581	-	-	85,042	98,464	1,473	99,937
Effects of share-based payments	-	(19)	-	-	438	-	419	-	419
At 31 March 2023	149,363	(38,968)	(1,153)	3,931	2,858	130,507	246,538	7,935	254,473
At 1 January 2024	149,363	(33,711)	(64)	3,931	3,240	106,340	229,099	5,498	234,597
Total comprehensive income for the period	-	9,809	20	-	-	87,927	97,756	674	98,430
Effects of share-based payments	-	(4)	-	-	526	-	522	-	522
At 31 March 2024	149,363	(23,906)	(44)	3,931	3,766	194,267	327,377	6,172	333,549

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for financial year ended 31 December 2023.

CARLSBERG BREWERY MALAYSIA BERHAD
 (Company No.: 196901000792)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Quarter Ended	
	31 March 2024 RM'000	31 March 2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	127,426	110,999
Adjustments for:		
Non-cash items	20,348	13,917
Share of profit of equity accounted associate, net of tax	(7,550)	(3,216)
Finance costs	1,339	1,413
Finance income	(133)	(179)
Operating profit before working capital changes	141,430	122,934
Changes in working capital:		
Inventories	8,553	23,244
Receivables, deposits and prepayments	(25,566)	125,613
Payables and accruals	60,978	(82,297)
Cash generated from operations	185,395	189,494
Tax paid	(19,641)	(34,332)
Net cash generated from operating activities	165,754	155,162
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(6,854)	(5,926)
Acquisition of intangible assets	-	(4)
Interest received	133	179
Proceeds from disposal of property, plant and equipment	1,336	408
Net cash used in investing activities	(5,385)	(5,343)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/drawdown of loan and borrowings	(115,457)	(83,795)
Repayment of lease liabilities	(693)	(550)
Interest paid	(1,334)	(1,370)
Net cash used in financing activities	(117,484)	(85,715)
NET INCREASE IN CASH AND CASH EQUIVALENTS	42,885	64,104
Effect of exchange rate fluctuations on cash held	295	530
CASH AND CASH EQUIVALENTS AT 1 JANUARY	95,036	91,251
CASH AND CASH EQUIVALENTS AT 31 MARCH	138,216	155,885

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

Notes:

1. Basis of Preparation

This Interim Financial Report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) 134, *Interim Financial Reporting*, International Accounting Standard (IAS) 34, *Interim Financial Reporting* and paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

This Interim Financial Report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023.

2. Significant Accounting Policies

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the Group's audited financial statements for the financial year ended 31 December 2023.

The Group has also adopted the following amendments to MFRS and IC Interpretations that came into effect on 1 January 2024 which did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

- Amendments to MFRS 101 Presentation of Financial Statements – 'Classification of Liabilities as Current or Non-current'
- Amendments to MFRS 101 Presentation of Financial Statements – 'Non-current Liabilities with Covenants'
- Amendments to MFRS 16 Leases – 'Lease Liability in a Sale and Leaseback'
- Amendments to MFRS 7 Financial Instruments: Disclosure and MFRS 107 Statements of Cash Flows – 'Supplier Financing Arrangements'

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2023 was not subject to any qualification.

4. Seasonal or Cyclical Factors

The Group's level of operations are generally affected by seasonality of sales volume during the festive seasons.

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

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows during the current financial period under review.

6. Significant Changes in Estimates

There were no significant changes in estimates for prior periods that have had a material effect in the current financial period under review.

7. Debt and Equity Security

There were no issuances, repurchases, resale and repayments of debt and equity securities during the current financial period under review.

Share Buyback

During the period, there was no purchase of its own shares by the Company.

8. Dividends Paid

No dividend was paid during the financial quarter ended 31 March 2024.

At the Annual General Meeting on 24 April 2024, a FINAL single-tier dividend of 31.0 sen per share in respect of the financial year ended 31 December 2023 was approved by shareholders. The total amount of RM94.8 million is payable on 21 June 2024.

9. Operating Segments

The Group concluded that the operating segments determined in accordance with MFRS 8 are the same as the geographical segments as previously adopted.

Segment assets and liabilities are not included in the internal management reports nor provided regularly to the Group's Managing Director who is considered as the Group's chief operating decision maker. Hence no such disclosures are provided below.

Quarter Ended

31 March 2024	Malaysia RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:				
Total external revenue	541,376	184,384	-	725,760
Inter segment revenue	17,803	-	(17,803)	-
Total revenue	559,179	184,384	(17,803)	725,760
Profit from operations	104,554	16,239	289	121,082
31 March 2023				
Geographical Segments:				
Total external revenue	469,303	190,901	-	660,204
Inter segment revenue	17,444	-	(17,444)	-
Total revenue	486,747	190,901	(17,444)	660,204
Profit from operations	88,523	20,080	414	109,017

10. Property, Plant and Equipment

There were no changes to the valuation of property, plant and equipment since the previous audited financial statements.

11. Material Events after the Reporting Period

There were no other material events subsequent to the end of the reporting date that require disclosure or adjustments to the unaudited interim financial statements.

12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period under review.

13. Contingent assets and liabilities

There were no contingent assets or contingent liabilities during the financial period under review.

14. Capital Commitments

Capital commitments for property, plant and equipment and intangible assets not provided for in the financial statements as at 31 March 2024 are as follows:

	RM'000
Approved and contracted for	64,753

15. Financial Instruments

Derivatives

The outstanding derivatives as at 31 March 2024 are as follows:

Hedging Contract	Contract Value RM'000	Fair Value RM'000	(Loss) RM'000
Less than one year	35,061	35,003	(58)

Changes in the portion of fair value of derivative financial instruments designated as and qualified as a cash flow hedge which effectively hedge changes in value of the hedged item are recognised in other comprehensive income.

16. Holding Company

The Directors regard Carlsberg Breweries A/S and Carlsberg A/S as the immediate and ultimate holding companies respectively during the financial period. Both companies are incorporated in Denmark.

17. Significant Related Party Transactions

	Quarter Ended 31 March 2024 RM'000
<u>Holding companies</u>	
Purchases of services	2,030
Royalties payable	12,697
Net settlements paid in respect of loss from hedging contracts	1,222
<u>Related companies</u>	
Management fees payable	4,507
Purchases of materials and products	5,377
Purchases of services	1,904
Sales of goods	(1,832)

These transactions had been entered into in the ordinary course of business and based on normal commercial terms.

18. Review of Performance

Current Quarter Performance

Key Financials	Quarter Ended 31 March 2024 RM'000	Quarter Ended 31 March 2023 RM'000	% Change
Revenue	725,760	660,204	9.9%
Profit from operations	121,082	109,017	11.1%
Share of profit in an associate	7,550	3,216	134.8%
Profit attributable to Owners of the Company ("Net profit")	87,927	85,042	3.4%

The Group's revenue increased by 9.9% to RM725.8 million compared to the same quarter last year, whilst profit from operations increased by 11.1% to RM121.1 million.

Total revenue for Malaysia increased by 15.4% to RM541.4 million whilst profit from operations increased by 17.9% to RM104.8 million due to the longer selling period prior to Chinese New Year "CNY" in 2024 and additional trade purchases in March this year ahead of the price increase.

Singapore registered a decrease of 3.4% in revenue to RM184.4 million whilst its profit from operations decreased by 19.1% to RM16.2 million compared to the same quarter last year due to loss of Asahi sales, partially offset by the higher CNY volume.

The Group's share of profit in its associated company, Lion Brewery (Ceylon) PLC ("LBCP") increased by RM4.3 million for the quarter compared to the previous year's corresponding quarter, arising from improved business performance and strengthening of the Sri Lanka Rupee.

The Group's net profit for the quarter increased by 3.4%, primarily contributed by higher profit in Malaysia as well as the increase in share of profit from LBCP as mentioned above, partially offset by the recognition of additional deferred tax liabilities from foreign withholding tax in LBCP.

19. Review of Performance against the Preceding Quarter

Key Financials	Quarter Ended 31 March 2024 RM'000	Quarter Ended 31 December 2023 RM'000	% Change
Revenue	725,760	580,533	25.0%
Profit from operations	121,082	90,403	33.9%
Share of profit in an associate	7,550	4,480	68.5%
Profit attributable to Owners of the Company ("Net profit")	87,927	78,034	12.7%

The Group's revenue increased by RM145.2 million or 25.0% against the preceding quarter contributed by CNY sales in the current quarter.

The Group's profit from operations increased against the preceding quarter, with higher profit in Malaysia offset by lower profit in Singapore. Singapore reported lower profit due to net effect of the loss of Asahi sales in the current period.

The Group's net profit increased by 12.7% due to higher profit in Malaysia and higher share of profit in LBCP, partially offset by lower profit in Singapore and recognition of additional deferred tax liabilities from foreign withholding tax in LBCP.

20. Prospects

The Q1 financial performance results is supported by a longer selling period prior to CNY and additional trade purchases ahead of the price increase that took place in April 2024. It is anticipated that the trade volumes from this period will be rebalanced in second quarter.

Moving forward, while the Group continues to focus on its Accelerate SAIL strategic priorities, enhance its premium portfolio and execute its brewery transformation, it remains mindful of the uncertain global economic outlook due to the continued inflationary pressures, high interest rates impacting consumer spending and currency fluctuations.

21. Profit Forecast

The Group did not issue any profit forecast.

22. Taxation

	Quarter Ended 31 March 2024 RM'000	Quarter Ended 31 March 2023 RM'000
<u>Taxation</u>		
- Malaysia	22,501	17,362
- Outside Malaysia	2,866	3,411
	25,367	20,773
Deferred tax	13,458	3,711
Total tax	38,825	24,484
Profit before taxation	127,426	110,999
Share of profit of equity accounted associate, net of tax	(7,550)	(3,216)
Profit before taxation excluding share of profit of equity accounted associate, net of tax	119,876	107,783
Effective tax rate	32.39%	22.72%

The Group's effective tax rate was higher as compared to the same period in the preceding year mainly due to the recognition of additional deferred tax liabilities from foreign withholding tax in LBCP.

23. Corporate Proposals

There were no corporate proposals announced at the date of this announcement.

24. Borrowings

The Group borrowings are as follows:

	As at 31 March 2024 RM'000	As at 31 December 2023 RM'000
Unsecured loans		
Long term – Term loans	1,852	2,331
Short term – Term loans	1,981	1,955
Short term - Revolving credits	-	115,115
Total	3,833	119,401
Denominated in RM	-	115,115
Denominated in SGD	3,833	4,286
Total	3,833	119,401

25. Material Litigation

There has been no material litigation since the last annual audited financial statements up to the date of this report.

26. Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the year by the weighted average number of ordinary shares outstanding during the year:

	Quarter Ended 31 March 2024	Quarter Ended 31 March 2023
Profit attributable to owners of the Company (RM'000)	87,927	85,042
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	28.76	27.81

Diluted earnings per share

Not applicable.

27. Dividends

The Board of Directors has declared on this date the first interim single-tier dividend of 22.0 sen per share for the year ending 31 December 2024, in respect of the first quarter profits to 31 March 2024 (2023: 21.0 sen). The total amount payable is RM67.3 million (2023: RM64.2 million).

28. Notes to the Statement of Comprehensive Income

	Quarter Ended 31 March 2024 RM'000	Quarter Ended 31 March 2023 RM'000
Finished goods written off	(514)	(1,650)
(Allowance)/reversal for inventories written down	(476)	535
Depreciation and amortisation	(18,328)	(12,990)
Gain on disposal of property, plant and equipment	605	237
Net foreign exchange loss	(902)	(203)

29. Authorisation for Issue

These interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 13 May 2024.