



Carlsberg Brewery Malaysia Berhad

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

Interim Financial Report
30 June 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 and period ended 30 June 2024.

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

	Quarter Ended		Period Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Revenue	507,484	506,727	1,233,244	1,166,931
Operating expenses	(410,541)	(398,076)	(1,016,515)	(950,010)
Other operating income	541	522	1,837	1,269
Profit from operations	97,484	109,173	218,566	218,190
Finance income	259	127	392	306
Finance costs	(630)	(1,247)	(1,969)	(2,660)
Share of profit of equity accounted associate, net of tax	8,285	6,719	15,835	9,935
Profit before taxation	105,398	114,772	232,824	225,771
Taxation	(25,031)	(24,530)	(63,856)	(49,014)
Profit for the financial period	80,367	90,242	168,968	176,757
Profit attributable to:				
Owners of the Company	79,404	88,236	167,331	173,278
Non-controlling interests	963	2,006	1,637	3,479
Profit for the financial period	80,367	90,242	168,968	176,757
Other comprehensive income/(expenses)				
Cash flow hedge	1,722	(1,567)	1,742	2,014
Foreign currency translation differences for foreign operations	(2,170)	9,847	7,639	19,688
Total comprehensive income for the period	79,919	98,522	178,349	198,459
Total comprehensive income attributable to:				
Owners of the Company	78,956	96,516	176,712	194,980
Non-controlling interests	963	2,006	1,637	3,479
Total comprehensive income for the period	79,919	98,522	178,349	198,459
Basic/Diluted earnings per ordinary share (sen)	25.97	28.86	54.73	56.67

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 30 June 2024 RM'000	As at 31 December 2023 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	307,922	322,214
Right-of-use assets	14,301	17,328
Other intangible assets	5,946	5,239
Investment in an associate	108,069	88,642
Deferred tax assets	3,396	6,071
Total non-current assets	439,634	439,494
Current assets		
Inventories	173,847	97,535
Receivables, deposits and prepayments	348,562	384,785
Tax recoverable	446	461
Cash and cash equivalents	132,776	95,036
Total current assets	655,631	577,817
Total assets	1,095,265	1,017,311
EQUITY		
Share capital	149,363	149,363
Reserves	93,990	79,736
Total equity attributable to owners of the Company	243,353	229,099
Non-controlling interests	3,589	5,498
Total equity	246,942	234,597
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	15,806	3,628
Provision	376	376
Lease liabilities	4,005	6,364
Loans and borrowings	1,339	2,331
Total non-current liabilities	21,526	12,699
Current liabilities		
Payables and accruals	673,262	605,610
Current tax liabilities	52,823	41,764
Lease liabilities	5,724	5,571
Loans and borrowings	94,988	117,070
Total current liabilities	826,797	770,015
Total liabilities	848,323	782,714
Total equity and liabilities	1,095,265	1,017,311
Net assets per share (RM)	0.81	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-----/								
	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	Non-controlling Interests 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	-	19,688	2,014	-	-	173,278	194,980	3,479	198,459
Dividends to owners of the Company	-	-	-	-	-	(140,644)	(140,644)	-	(140,644)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(4,072)	(4,072)
Effects of share-based payments	-	(34)	-	-	(159)	(431)	(624)	-	(624)
At 30 June 2023	149,363	(29,136)	(2,720)	3,931	2,261	77,668	201,367	5,869	207,236
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	-	7,639	1,742	-	-	167,331	176,712	1,637	178,349
Dividends to owners of the Company	-	-	-	-	-	(162,047)	(162,047)	-	(162,047)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(3,546)	(3,546)
Effects of share-based payments	-	-	-	-	(540)	129	(411)	-	(411)
At 30 June 2024	149,363	(26,072)	1,678	3,931	2,700	111,753	243,353	3,589	246,942

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

	Period Ended	
	30 June 2024 RM'000	30 June 2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	232,824	225,771
Adjustments for:		
Non-cash items	41,020	24,150
Share of profit of equity accounted associate, net of tax	(15,835)	(9,935)
Finance costs	1,969	2,660
Finance income	(392)	(306)
Operating profit before working capital changes	259,586	242,340
Changes in working capital:		
Inventories	(78,186)	(15,500)
Receivables, deposits and prepayments	38,124	117,164
Payables and accruals	(3,849)	(135,966)
Cash generated from operations	215,675	208,038
Tax paid	(37,927)	(58,661)
Net cash generated from operating activities	177,748	149,377
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(19,699)	(18,662)
Acquisition of intangible assets	(926)	(80)
Interest received	392	306
Proceeds from disposal of property, plant and equipment	2,602	636
Dividend received from a foreign quoted associate, net of withholding tax	3,424	7,644
Net cash used in investing activities	(14,207)	(10,156)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/drawdown of loan and borrowings	(35,939)	46,753
Repayment of lease liabilities	(2,435)	(1,267)
Dividends paid to owners of the Company	(94,782)	(140,644)
Dividends paid to non-controlling interests of a subsidiary	(3,546)	(4,072)
Interest paid	(1,728)	(2,468)
Net cash used in financing activities	(138,430)	(101,698)
NET INCREASE IN CASH AND CASH EQUIVALENTS	25,111	37,253
Effect of exchange rate fluctuations on cash held	(257)	2,887
CASH AND CASH EQUIVALENTS AT 1 JANUARY	95,036	91,251
CASH AND CASH EQUIVALENTS AT 30 JUNE	119,890	131,661

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

Cash and cash equivalents comprise the following amounts:

	As at	
	30 June 2024 RM'000	30 June 2023 RM'000
Deposits with licensed banks	61,500	-
Cash and bank balances	71,276	131,661
	132,776	131,661
Bank overdraft	(12,886)	-
	119,890	131,661

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

The amount of dividends paid during the financial period ended 30 June 2024:-

Dividends paid	Sen per ordinary share	Total amount (RM'000)	Date of payment
Final 2023	31.0	94,782	21 June 2024
Total		94,782	

The Board of Directors declared on 13 May 2024 a first interim single-tier dividend of 22.0 sen per share for the year ending 31 December 2024. The total amount of RM67.3 million was paid on 11 July 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

30 June 2024	Malaysia RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:				
Total external revenue	363,867	143,617	-	507,484
Inter segment revenue	10,632	-	(10,632)	-
Total revenue	374,499	143,617	(10,632)	507,484
Profit from operations	76,894	20,351	239	97,484
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30 June 2023	Malaysia RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:				
Total external revenue	371,693	135,034	-	506,727
Inter segment revenue	15,184	-	(15,184)	-
Total revenue	386,877	135,034	(15,184)	506,727
Profit from operations	82,472	26,693	8	109,173

Period Ended

30 June 2024	Malaysia RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:				
Total external revenue	905,243	328,001	-	1,233,244
Inter segment revenue	28,435	-	(28,435)	-
Total revenue	933,678	328,001	(28,435)	1,233,244
Profit from operations	181,448	36,590	528	218,566
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30 June 2023	Malaysia RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:				
Total external revenue	840,996	325,935	-	1,166,931
Inter segment revenue	32,628	-	(32,628)	-
Total revenue	873,624	325,935	(32,628)	1,166,931
Profit from operations	170,995	46,773	422	218,190

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 30 June 2024 are as follows:

	RM'000
Approved and contracted for	75,460

15. Financial Instruments

Derivatives

The outstanding derivatives as at 30 June 2024 are as follows:

Hedging Contract	Contract Value RM'000	Fair Value RM'000	Gain RM'000
Less than one year	245,194	247,402	2,208

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

	Period Ended 30 June 2024 RM'000
<u>Holding companies</u>	
Purchases of services	5,017
Royalties payable	23,383
Net settlements paid in respect of loss from hedging contracts	1,872
<u>Related companies</u>	
Management fees payable	9,076
Purchases of materials and products	13,191
Purchases of services	3,819
Sales of goods	(4,038)

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 30 June 2024 RM'000	Quarter Ended 30 June 2023 RM'000	% Change
Revenue	507,484	506,727	0.1%
Profit from operations	97,484	109,173	-10.7%
Share of profit in an associate	8,285	6,719	23.3%
Profit attributable to Owners of the Company ("Net profit")	79,404	88,236	-10.0%

The Group's revenue was flat at RM507.5 million compared to the same quarter last year, whilst profit from operations decreased by 10.7% to RM97.5 million.

Total revenue for Malaysia decreased by 2.1% whilst profit from operations decreased by 6.5% compared to the same quarter last year, due to the rebalancing of higher trade purchases in March ahead of the price increase, higher marketing investment and inflationary cost increase in the current quarter.

Singapore registered an increase by RM8.6 million in revenue to RM143.6 million driven by favourable mix and exchange rate whilst its profit from operations decreased by RM6.3 million compared to the same quarter last year mainly due to higher marketing spend and inflationary cost increase in the current quarter.

The Group registered a higher share of profit in its associated company, Lion Brewery (Ceylon) PLC ("LBCP") of RM1.6 million for the quarter compared to the same quarter last year, arising from improved business performance and strengthening of the Sri Lanka Rupee.

The Group's net profit for the quarter decreased by 10.0%, with lower profit in both Malaysia and Singapore due to the aforementioned reasons.

18. Review of Performance (continued)

Year-to-date Performance

Key Financials	Period Ended 30 June 2024 RM'000	Period Ended 30 June 2023 RM'000	% Change
Revenue	1,233,244	1,166,931	5.7%
Profit from operations	218,566	218,190	0.2%
Share of profit in an associate	15,835	9,935	59.4%
Profit attributable to Owners of the Company ("Net profit")	167,331	173,278	-3.4%

In the first half of 2024, the Group recorded a revenue of RM1,233.2 million, an increase of 5.7% compared to the same period last year with higher overall sales in both Malaysia and Singapore due to the longer selling period prior to Chinese New Year "CNY" in 2024.

The Group's profit from operations remained flat at RM218.6 million despite higher revenue due to higher marketing spend behind new product launches and inflationary cost increase.

In Malaysia, total revenue was higher by 7.6% and its profit from operations increased by 6.2% as results of higher overall sales due to the longer selling period prior to CNY in 2024.

Our Singapore operations registered higher revenue by 0.6% to RM328.0 million whilst profit from operations is decreased by 21.8% due to higher marketing investment and inflationary cost increase.

The Group's share of profit in its associated company, LBCP increased by RM5.9 million to RM15.8 million, compared to a share of profit of RM9.9 million in the corresponding period last year, contributed by improved business performance and strengthening of the Sri Lanka Rupee.

The Group's net profit decreased by 3.4%, with the recognition of deferred tax liabilities from foreign withholding tax in LBCP, offset by increase in share of profit from LBCP as mentioned above.

19. Review of Performance against the Preceding Quarter

Key Financials	Quarter Ended 30 June 2024 RM'000	Quarter Ended 31 March 2024 RM'000	% Change
Revenue	507,484	725,760	-30.1%
Profit from operations	97,484	121,082	-19.5%
Share of profit in an associate	8,285	7,550	9.7%
Profit attributable to Owners of the Company ("Net profit")	79,404	87,927	-9.7%

The Group's revenue decreased by 30.1% against the preceding quarter, due to the higher sales recorded in Malaysia and Singapore during the CNY festive period in the preceding quarter.

The Group's profit from operations decreased against the preceding quarter, with lower profit in Malaysia offset by higher profit in Singapore. Our Singapore operations reported higher profit due to lower marketing spend in the current quarter.

The Group's net profit decreased by 9.7% due to lower profit in Malaysia partially offset by higher profit in Singapore and higher share of profit in LBCP.

20. Prospects

The Group remains mindful of the uncertain global economic outlook as the continuing inflationary pressures, high interest rates and currency fluctuations will continue to dampen consumer spending. However, seasonal celebrations toward year-end are anticipated to boost sales volumes.

Guided by Group's Accelerate SAIL strategic priorities, the Group will continue to enhance its premium portfolio to sustain growth and execute its brewery transformation.

21. Profit Forecast

The Group did not issue any profit forecast.

22. Taxation

	Period Ended 30 June 2024 RM'000	Period Ended 30 June 2023 RM'000
<u>Taxation</u>		
- Malaysia	43,232	34,617
- Outside Malaysia	6,336	7,946
	49,568	42,563
Deferred tax	14,288	6,451
Total tax	63,856	49,014
Profit before taxation	232,824	225,771
Share of profit of equity accounted associate, net of tax	(15,835)	(9,935)
Profit before taxation excluding share of profit of equity accounted associate, net of tax	216,989	215,836
Effective tax rate	29.43%	22.71%

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 30 June 2024 RM'000	As at 31 December 2023 RM'000
Unsecured loans		
Long term – Term loans	1,339	2,331
Short term – Term loans	1,975	1,955
Short term – Bank overdraft	12,886	-
Short term - Revolving credits	80,127	115,115
Total	96,327	119,401
Denominated in RM	93,013	115,115
Denominated in SGD	3,314	4,286
Total	96,327	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 period by the weighted average number of ordinary shares outstanding during the period:

	Period Ended 30 June 2024	Period Ended 30 June 2023
Profit attributable to owners of the Company (RM'000)	167,331	173,278
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	54.73	56.67

Diluted earnings per share

Not applicable.

27. Dividends

The Board of Directors has declared on this date the second interim single-tier dividend of 20.0 sen per share for the year ending 31 December 2024, in respect of the second quarter profits to 30 June 2024 (2023: 22.0 sen). The total amount payable is RM61.1 million (2023: RM67.3 million).

Accordingly, the total interim single-tier dividends for the financial period ended 30 June 2024 is 42.0 sen per share (2023: 43.0 sen per share).

28. Notes to the Statement of Comprehensive Income

	Period Ended 30 June 2024 RM'000	Period Ended 30 June 2023 RM'000
Finished goods written off (Allowance)/reversal for inventories written down	(1,612) (262)	(2,500) 3,364
Depreciation and amortisation	(36,858)	(26,203)
Gain on disposal of property, plant and equipment	866	353
Net foreign exchange loss	(1,070)	(2,926)
Written off of property, plant and equipment (Impairment)/reversal of impairment of property, plant and equipment	(78) (846)	(1) 2,445
Loss allowance on receivables	(365)	-

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 19 August 2024.