



Carlsberg Brewery Malaysia Berhad

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

Interim Financial Report
30 September 2024

The Board of Directors of Carlsberg Brewery Malaysia Berhad is pleased to announce the following unaudited interim results of the Group for quarter and financial period ended 30 September 2024.

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

	Quarter Ended		Period Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Revenue	555,934	513,435	1,789,178	1,680,366
Operating expenses	(457,219)	(423,635)	(1,473,734)	(1,373,645)
Other operating income	6,893	411	8,730	1,680
Profit from operations	105,608	90,211	324,174	308,401
Finance income	335	112	727	418
Finance costs	(1,093)	(1,495)	(3,062)	(4,155)
Share of profit of equity accounted associate, net of tax	8,993	9,042	24,828	18,977
Profit before taxation	113,843	97,870	346,667	323,641
Taxation	(21,898)	(19,541)	(85,754)	(68,555)
Profit for the financial period	91,945	78,329	260,913	255,086
Profit attributable to:				
Owners of the Company	90,957	75,944	258,288	249,222
Non-controlling interests	988	2,385	2,625	5,864
Profit for the financial period	91,945	78,329	260,913	255,086
Other comprehensive (expenses)/income				
Cash flow hedge	(1,630)	2,104	112	4,118
Foreign currency translation differences for foreign operations	(12,309)	(3,234)	(4,670)	16,454
Total comprehensive income for the period	78,006	77,199	256,355	275,658
Total comprehensive income attributable to:				
Owners of the Company	77,018	74,814	253,730	269,794
Non-controlling interests	988	2,385	2,625	5,864
Total comprehensive income for the period	78,006	77,199	256,355	275,658
Basic/Diluted earnings per ordinary share (sen)	29.75	24.84	84.48	81.51

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 September 2024 RM'000	As at 31 December 2023 RM'000
ASSETS		
<u>Non-current assets</u>		
Property, plant & equipment	333,552	322,214
Right-of-use assets	12,720	17,328
Other intangible assets	5,542	5,239
Investment in an associate	106,825	88,642
Deferred tax assets	6,859	6,071
Total non-current assets	465,498	439,494
<u>Current assets</u>		
Inventories	108,587	97,535
Receivables, deposits and prepayments	354,520	384,785
Tax recoverable	375	461
Cash and cash equivalents	77,381	95,036
Total current assets	540,863	577,817
Total assets	1,006,361	1,017,311
EQUITY		
Share capital	149,363	149,363
Reserves	110,010	79,736
Total equity attributable to owners of the Company	259,373	229,099
Non-controlling interests	4,577	5,498
Total equity	263,950	234,597
LIABILITIES		
<u>Non-current liabilities</u>		
Deferred tax liabilities	14,644	3,628
Provision	348	376
Lease liabilities	2,930	6,364
Loans and borrowings	776	2,331
Total non-current liabilities	18,698	12,699
<u>Current liabilities</u>		
Payables and accruals	623,245	605,610
Current tax liabilities	48,481	41,764
Lease liabilities	5,051	5,571
Loans and borrowings	46,936	117,070
Total current liabilities	723,713	770,015
Total liabilities	742,411	782,714
Total equity and liabilities	1,006,361	1,017,311
Net assets per share (RM)	0.86	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-----/						Total RM'000	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			
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	-	16,454	4,118	-	-	249,222	269,794	5,864	275,658
Dividends to owners of the Company	-	-	-	-	-	(207,909)	(207,909)	-	(207,909)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(4,072)	(4,072)
Effects of share-based payments	-	(34)	-	-	417	(401)	(18)	-	(18)
At 30 September 2023	149,363	(32,370)	(616)	3,931	2,837	86,377	209,522	8,254	217,776
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	-	(4,670)	112	-	-	258,288	253,730	2,625	256,355
Dividends to owners of the Company	-	-	-	-	-	(223,196)	(223,196)	-	(223,196)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(3,546)	(3,546)
Effects of share-based payments	-	-	-	-	(409)	149	(260)	-	(260)
At 30 September 2024	149,363	(38,381)	48	3,931	2,831	141,581	259,373	4,577	263,950

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 September 2024 RM'000	30 September 2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	346,667	323,641
Adjustments for:		
Non-cash items	52,741	43,722
Share of profit of equity accounted associate, net of tax	(24,828)	(18,977)
Finance costs	3,062	4,155
Finance income	(727)	(418)
Operating profit before working capital changes	376,915	352,123
Changes in working capital:		
Inventories	(14,291)	25,414
Receivables, deposits and prepayments	29,784	102,820
Payables and accruals	(63,729)	(169,782)
Cash generated from operations	328,679	310,575
Tax paid	(67,506)	(74,583)
Net cash generated from operating activities	261,173	235,992
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(40,785)	(44,513)
Acquisition of intangible assets	(924)	(659)
Interest received	727	418
Proceeds from disposal of property, plant and equipment	3,588	663
Dividend received from a foreign quoted associate, net of withholding tax	3,424	7,644
Net cash used in investing activities	(33,970)	(36,447)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/drawdown of loan and borrowings	(71,320)	8,742
Repayment of lease liabilities	(4,049)	(2,650)
Dividends paid to owners of the Company	(162,046)	(140,644)
Dividends paid to non-controlling interests of a subsidiary	(3,546)	(4,072)
Interest paid	(2,756)	(3,824)
Net cash used in financing activities	(243,717)	(142,448)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(16,514)	57,097
Effect of exchange rate fluctuations on cash held	(1,141)	2,232
CASH AND CASH EQUIVALENTS AT 1 JANUARY	95,036	91,251
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	77,381	150,580

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 September 2024:-

Dividends paid	Sen per ordinary share	Total amount (RM'000)	Date of payment
Final 2023	31.0	94,782	21 June 2024
First interim 2024	22.0	67,264	11 July 2024
Total		162,046	

The Board of Directors declared on 19 August 2024 a second interim single-tier dividend of 20.0 sen per share for the year ending 31 December 2024. The total amount of RM61.1 million was paid on 17 October 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 September 2024	Malaysia RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:				
Total external revenue	413,564	142,370	-	555,934
Inter segment revenue	11,304	-	(11,304)	-
Total revenue	424,868	142,370	(11,304)	555,934
Profit from operations	90,359	15,302	(53)	105,608

30 September 2023	Malaysia RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:				
Total external revenue	362,020	151,415	-	513,435
Inter segment revenue	13,628	-	(13,628)	-
Total revenue	375,648	151,415	(13,628)	513,435
Profit from operations	73,764	16,291	156	90,211

Period Ended

30 September 2024	Malaysia RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:				
Total external revenue	1,318,807	470,371	-	1,789,178
Inter segment revenue	39,739	-	(39,739)	-
Total revenue	1,358,546	470,371	(39,739)	1,789,178
Profit from operations	271,807	51,892	475	324,174

30 September 2023	Malaysia RM'000	Singapore RM'000	Elimination RM'000	Consolidated RM'000
Geographical Segments:				
Total external revenue	1,203,016	477,350	-	1,680,366
Inter segment revenue	46,256	-	(46,256)	-
Total revenue	1,249,272	477,350	(46,256)	1,680,366
Profit from operations	244,759	63,064	578	308,401

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 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 September 2024 are as follows:

	RM'000
Approved and contracted for	48,646

15. Financial Instrument

Derivatives

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

Hedging Contract	Contract Value RM'000	Fair Value RM'000	Gain RM'000
Less than one year	224,827	224,890	63

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 September 2024 RM'000
<u>Holding companies</u>	
Purchases of services	7,019
Royalties payable	34,641
Net settlements paid in respect of loss from hedging contracts	1,348
Marketing sponsorship receivable	(392)
<u>Related companies</u>	
Management fees payable	13,461
Marketing sponsorship receivable	(1,952)
Purchases of materials and products	24,454
Purchases of services	5,773
Sales of goods	(5,109)

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 September 2024 RM'000	Quarter Ended 30 September 2023 RM'000	% Change
Revenue	555,934	513,435	8.3%
Profit from operations	105,608	90,211	17.1%
Share of profit in an associate	8,993	9,042	-0.5%
Profit attributable to Owners of the Company ("Net profit")	90,957	75,944	19.8%

The Group's revenue grew by 8.3% to RM555.9 million as Malaysia operations registered strong sales for the quarter offsetting the decline in Singapore operations.

Total revenue for Malaysia grew by 14.2% due to price increase with effect from April 2024 and improved premium mix. This contributed to increase in profit from operations by RM16.4 million to RM90.3 million.

Singapore registered a decrease of 6.0% in revenue to RM142.4 million due to lower premium sales arising from the transition of Asahi brand to Sapporo brand. The profit from operations decreased by 6.1% compared to the same quarter last year.

The Group's net profit for the quarter increased by 19.8%, mainly due to the aforementioned reasons.

18. Review of Performance (continued)

Year-to-date Performance

Key Financials	Period Ended 30 September 2024 RM'000	Period Ended 30 September 2023 RM'000	% Change
Revenue	1,789,178	1,680,366	6.5%
Profit from operations	324,174	308,401	5.1%
Share of profit in an associate	24,828	18,977	30.8%
Profit attributable to Owners of the Company ("Net profit")	258,288	249,222	3.6%

The Malaysia operations registered higher revenue by 9.6% at RM1,318.8 million and its profit from operations increased by 11.0% as a result of higher overall sales due to the longer selling period prior to CNY in 2024, and the impact of increased prices.

Singapore registered lower revenue of 1.5% at RM470.4 million whilst its profit from operations decreased by 17.7% to RM51.9 million compared to the same period last year due to lower premium sales arising from the transition of Asahi brand to Sapporo brand, partially offset by the higher CNY sales.

The Group's share of profit in its associated company, Lion Brewery (Ceylon) PLC ("LBCP") increased by RM5.9 million to RM24.8 million, compared to a share of profit of RM19.0 million in the corresponding period last year, contributed by improved business performance and strengthening of the Sri Lanka Rupee.

The Group's net profit increased by 3.6%, with higher profit in Malaysia and higher share of profit from LBCP, partially offset by the recognition of deferred tax liabilities from foreign withholding tax in LBCP.

19. Review of Performance against the Preceding Quarter

Key Financials	Quarter Ended 30 September 2024 RM'000	Quarter Ended 30 June 2024 RM'000	% Change
Revenue	555,934	507,484	9.5%
Profit from operations	105,608	97,484	8.3%
Share of profit in an associate	8,993	8,285	8.5%
Profit attributable to Owners of the Company ("Net profit")	90,957	79,404	14.5%

The Group's revenue increased by 9.5% against the preceding quarter as a result of higher sales in Malaysia from stronger sales and full-quarter price increase impact, offsetting the lower revenue in Singapore due to conversion of foreign exchange despite higher sales.

The Group's profit from operations increased against the preceding quarter, with higher profit in Malaysia offset by lower profit in Singapore.

The Group's net profit increased by 14.5% due to higher profit in Malaysia and higher share of profit in LBCP partially offset by lower profit in Singapore.

20. Prospects

Looking ahead, despite the continued global uncertainties and ongoing inflationary pressures, the Group remains hopeful that the anticipated stronger local economic growth may spur improvement in consumer sentiment. Additionally, the upcoming year-end festivities, including an earlier CNY celebration, are expected to positively impact the 4Q sell-in volume.

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 September 2024 RM'000	Period Ended 30 September 2023 RM'000
<u>Taxation</u>		
- Malaysia	66,917	53,458
- Outside Malaysia	9,003	10,789
	75,920	64,247
Deferred tax	9,834	4,308
Total tax	85,754	68,555
Profit before taxation	346,667	323,641
Share of profit of equity accounted associate, net of tax	(24,828)	(18,977)
Profit before taxation excluding share of profit of equity accounted associate, net of tax	321,839	304,664
Effective tax rate	26.64%	22.50%

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 September 2024 RM'000	As at 31 December 2023 RM'000
Unsecured loans		
Long term – Term loans	776	2,331
Short term – Term loans	1,836	1,955
Short term - Revolving credits	45,100	115,115
Total	47,712	119,401
Denominated in RM	45,100	115,115
Denominated in SGD	2,612	4,286
Total	47,712	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 September 2024	Period Ended 30 September 2023
Profit attributable to owners of the Company (RM'000)	258,288	249,222
Weighted average number of ordinary shares in issue ('000)	305,748	305,748
Basic earnings per share (sen)	84.48	81.51

Diluted earnings per share

Not applicable.

27. Dividends

The Board of Directors has declared on this date the third interim single-tier dividend of 23.0 sen per share for the year ending 31 December 2024, in respect of the third quarter profits to 30 September 2024 (2023: 19.0 sen). The total amount payable is RM70.3 million (2023: RM58.1 million).

Accordingly, the total interim single-tier dividends for the financial period ended 30 September 2024 is 65.0 sen per share (2023: 62.0 sen per share).

28. Notes to the Statement of Comprehensive Income

	Period Ended 30 September 2024 RM'000	Period Ended 30 September 2023 RM'000
Inventories written off	(7,470)	(3,903)
Reversal for inventories written down	4,231	4,117
Depreciation and amortisation	(53,337)	(44,344)
Gain on disposal of property, plant and equipment	1,338	368
Net foreign exchange gain/(loss)	3,283	(2,933)
Written off of property, plant and equipment (Impairment)/reversal of property, plant and equipment	(78)	(2)
Loss allowance on receivables	(846)	2,445
	(502)	-

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 8 November 2024.