

For Immediate Release

18 February 2021

HEINEKEN MALAYSIA REPORTS FULL YEAR 2020 RESULTS

- Revenue decreased by 24% to RM1.76 billion (FY19: RM2.32 billion)
- Profit Before Tax (PBT) decreased by 51.8% to RM198 million (FY19: RM412 million)
- Net profit decreased by 50.7% to RM154 million (FY19: RM313 million)

Heineken Malaysia Berhad (HEINEKEN Malaysia) announced its financial results for the full year ended 31 December 2020 (FY20), reporting a decline in revenue and profit compared to the same period in 2019 (FY19) as the brewer continues to recover from the impact of the COVID-19 pandemic to its business and the industry.

Group revenue for the 12 months ended 31 December 2020 declined by 24%, impacted by the implementation of the first Movement Control Order (MCO) during which the brewery suspended its operations. Despite the gradual recovery of economic activities after the second quarter, the Group's business performance particularly in the on-trade channel continued to be affected. PBT dropped 52%, principally due to the same reasons mentioned above and the one-off settlement of the Customs' Bills of Demand amounting to RM7.2 million in June 2020. Nevertheless, this was partially mitigated by the cost savings measures.

For the fourth quarter ended 31 December 2020 (Q4FY20), Group revenue decreased by 24% to RM519 million from RM680 million in the same quarter in 2019 (Q4FY19) mainly due to lower sales impacted by the Government's implementation of wider restrictions and stricter standard operating procedures relating to social activities in its effort to combat the rising wave of Covid-19 cases. Group PBT decreased by 44%, largely due to lower revenue and a one-off provision of RM14 million in December 2020 for costs associated with the organisational restructuring exercise being implemented in 2021. Nevertheless, this was partially mitigated by cost savings measures.

Roland Bala, Managing Director of HEINEKEN Malaysia commented, "2020 was indeed a very challenging year. The pandemic has disrupted businesses and affected people's lives, requiring us to adapt to the new market realities. For the first time in our history, we had to suspend production and business operations for an extended period following the Government's MCO. Adverse conditions in the external environment have impacted the on-trade channel in particular, whilst restrictions on social activities have affected consumption in general. I take this opportunity to thank our loyal consumers, customers and trade partners for their incredible support and resilience as we together face this unprecedented challenge. On behalf of the Board, I would also like to thank all our employees for their commitment and resilience in navigating through this storm together."

During the year, HEINEKEN Malaysia also had to adapt its commercial execution to better serve consumers who themselves were adapting to new realities. Tiger launched Tiger Street Food Virtual Festival – the world's first fully-immersive, 3D, online street food festival. Heineken® encouraged consumers to socialise responsibly, investing more than 10% of media spend on advocating responsible consumption. The brand also held a virtual New Year's Eve party, the Heineken® Starclub NYE Live countdown party, watched by over 200,000 Malaysians. Meanwhile, Guinness created a home edition for its Flavour by Fire campaign by engaging celebrity chefs to create new recipes using



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leftover ingredients suggested by consumers. HEINEKEN Malaysia's world-class brands clinched triple wins at the recent Putra Brand Awards 2020, with Tiger winning the Platinum Award, while Heineken® and Guinness continued the winning streak with Gold and Silver respectively.

In a challenging year, HEINEKEN Malaysia continued to support its stakeholders, investing more than RM3.5 million to help the wider community. Through HEINEKEN Malaysia's "Raise our Bars" campaign, RM1 million was channeled to alleviate difficulties faced by local restaurants and bars. Tiger Beer pledged RM1.5 million through its "Save our Street Food" campaign to help 1,200 street food vendors, coffee shops, and food courts nationwide. Further, as part of the Company's social responsibility commitment, more than 80,000 meals were donated to B40 communities, whilst also supporting more than 1,000 flood victims in Sabah with urgent food aid. HEINEKEN Malaysia's efforts in Brewing a Better World were recognised too. At the Sustainability & CSR Malaysia Awards 2020, HEINEKEN Malaysia was named "Company of the Year" (Manufacturing – Beverage) for its achievements in environmental conservation and growing with communities.

On outlook, the Covid-19 pandemic and perpetual lockdowns with restrictions on social activities are expected to continue impacting the business. The Group expects continued uncertainties due to the Covid-19 pandemic which will impact the speed of our business recovery. On 16 February 2021, the Government launched its National Covid-19 Immunisation Programme leading towards herd immunity (80% population) by the first quarter of 2022.

Roland Bala concluded: "We will navigate the crisis while building for our future, with a strategy aimed at delivering superior growth in a fast-changing world, placing consumers and customers at the core, accelerating our digital route to consumer, as well as raising the bar on our sustainability and people agenda. The Group will also front load our agenda to implement continuous productivity improvements to drive efficiency in 2021. At the same time, we will continue to prioritise the health and wellbeing of our employees, trade partners, and consumers. Overall, we aim to create value for our stakeholders, whilst being guided by our purpose, which is to brew a sustainable future for our people, business and planet.

The Board at HEINEKEN Malaysia has proposed a first and final single tier dividend of 51 sen per stock unit for the year ended 31 December 2020, subject to approval of shareholders at the forthcoming Annual General Meeting. The single tier dividend will be paid on 28 July 2021 to shareholders registered at the close of business of 30 June 2021.

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About Heineken Malaysia Berhad

HEINEKEN Malaysia with its portfolio of iconic international brands is the leading brewer in the country. 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 World's No. 1 cider **Strongbow Apple Ciders**
- ✓ The New Zealand inspired cider **Apple Fox Cider**
- ✓ The all-time local favourite **Anchor Smooth**
- ✓ The premium Irish ale **Kilkenny**
- ✓ The real shandy **Anglia**

HEINEKEN Malaysia also produces the wholesome, premium quality non-alcoholic **Malta**. HEINEKEN Malaysia's brand portfolio also includes the No. 1 German wheat beer **Paulaner** and Japan's No. 1 100% malt beer **Kirin Ichiban**.

HEINEKEN Malaysia through its e-commerce platform, **Drinkies** now delivers chilled beers and ciders on demand, within 60 minutes or as scheduled. Drinkies also offers freshly tapped beer to cater for home parties and other events including weddings and corporate dinners. For enquiries, call 012-281 8888 or visit www.drinkies.my

The Company continues to lead the responsible drinking agenda through its Drink Sensibly campaign.

The corporate social responsibility arm of HEINEKEN Malaysia, **SPARK Foundation** was established in 2007 to grow with local communities in the areas of environmental conservation and education for a better tomorrow. Be the SPARK for change and visit www.sparkfoundation.com.my for more information.

Listed on the Main Market of Bursa Malaysia, HEINEKEN Malaysia's principal shareholder is GAPL Pte Ltd based in Singapore. GAPL Pte Ltd is 100% owned by Heineken N.V.

For more information please visit: www.heinekenmalaysia.com

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