

*For Immediate Release*

27 November 2023

## HEINEKEN MALAYSIA REPORTS 3Q FY2023 RESULTS

*HEINEKEN Malaysia Remains Agile Amidst Weak Consumer Sentiment and Challenging Market Outlook*

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### 3QFY23 Results:

- Revenue decreased by 17% to RM599.66 million (3QFY22 RM720.47 million)
- Profit Before Tax (PBT) decreased by 27% to RM115.33 million (3QFY22: RM157.44 million)
- Net profit decreased by 20% to RM87.33 million (3QFY22: RM108.74 million)

### 9MFY23 Results:

- Revenue decreased by 7% to RM1.91 billion (9MFY22: RM2.06 billion)
- Profit Before Tax (PBT) decreased by 14% to RM378.85 million (9MFY22: RM440.29 million)
- Net profit decreased by 7% to RM287.73 million (9MFY22: RM308.19 million)

Heineken Malaysia Berhad (HEINEKEN Malaysia) announced its financial results for the third quarter ended 30 September 2023, reporting a decline in revenue and net profit due to weak consumer sentiment driven by rising cost of living and macro-economic concerns.

In the third quarter, Group revenue decreased by 17% as compared to the same quarter in 2022, mainly due to lower sales arising from weak consumer sentiment driven by rising cost of living and macro-economic concerns. The Group had a strong base in the third quarter of 2022 as the market had an upsurge in sales (Revenue +85% versus the third quarter of 2021), following the re-opening of the economy and international borders at the start of the endemic phase. The Group views this quarter's performance as a continuation of the form of market correction as reported in the previous quarter's report. Group profit before tax ("PBT") decreased by 27% alongside with lower revenue, mitigated by efficiency gains through cost and value initiatives.

For the nine-month period, Group revenue was 7% lower mainly due to weaker consumer sentiment attributed to growing macroeconomic concerns and the strong rebound in 2022, buffered by higher sales in the first quarter due to Chinese New Year festive period. Group PBT declined by 14% principally due to lower revenue and relatively higher promotional and marketing expenses incurred during the period.

Commenting on the results, Roland Bala, Managing Director of HEINEKEN Malaysia, said, “2023 remains challenging as the market goes through corrections following the rebound in 2022 coupled with weaker consumer sentiment due to macroeconomic concerns. Nevertheless, our One Strong Winning Team remains agile and resilient. We continued our focus to deliver against our EverGreen strategy to future proof our organisation whilst navigating the challenges in this soft period.”

“During the quarter, our team demonstrated a consumer-first approach by investing behind our brands. HEINEKEN Malaysia initiated a series of activations to engage and connect with our partner bar staff, bartenders, and consumers. A key highlight was the 2023 Star Academy Finals, which concluded a nationwide bartender training initiative committed to raising the bar by serving customers only the best beers. This programme equipped bartenders with product knowledge and technical know-how to serve the perfect glass of Heineken® and Guinness.”

The Board of Directors does not recommend any dividend in respect of the quarter ended 30 September 2023.

On outlook, Roland shared, "In light of cautious consumer spending due to macroeconomic concerns, we anticipate the market to remain challenging. The Group will remain agile in the volatile business environment and will continue to focus on our EverGreen strategy to future-proof the business. In the absence of the one-off Prosperity Tax, we also look forward to a positive impact on the Group's net profit this year."

HEINEKEN Malaysia's key EverGreen priorities include:

- **Drive superior growth** – With consumer centricity, we shape and lead the premium category and continue investing behind our brands.
- **Fund the growth** – Cost and value to drive efficiency to enable reinvestments into our brands and business.
- **Raise the bar on sustainability and responsibility** – Full commitment to deliver on our ambition to become net zero carbon in Scope 1 & 2 by 2030 and the full value chain by 2040.
- **Become the best connected brewer** – Accelerate digital and technology to create a Unified Customer Ecosystem with a customer and consumer-first approach.
- **Unlock the full potential of our people** – Promote a high-performance culture that boosts our strategic capabilities, nurture the best talents, and foster an organisation where people thrive.

On sustainability, in the recently concluded UN Global Compact Network Malaysia & Brunei (UNGCMYB) Forward Faster Sustainability Awards 2023, HEINEKEN Malaysia was awarded for the second consecutive year in the Enterprise level, Large Company category for Water Resilience. This achievement underscores the Group's unwavering commitment to environmental stewardship and responsible business practices. HEINEKEN Malaysia was also nominated as finalist in the Climate Action category, reflecting the Group's dedication to addressing the pressing challenges posed by climate change and the progress that has been made on the journey towards reaching its net zero ambitions.

In terms of challenges, Roland added, "The Group welcomes the stance taken by the Government not to increase excise duties on beer in its latest Budget 2024, as any hike in excise rates will drive greater demand for illicit alcohol."

HEINEKEN Malaysia views illicit alcohol seriously and remains committed to supporting the authorities in addressing illicit trade through comprehensive efforts, which encompass bolstering enforcement measures and promoting greater awareness within the Malaysian market.

For more information on HEINEKEN Malaysia and the Group's initiatives, please visit [www.heinekenmalaysia.com](http://www.heinekenmalaysia.com).

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**About Heineken Malaysia Berhad**

HEINEKEN Malaysia is one of the leading brewers in the country with its portfolio of iconic international brands. 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 smooth and creamy **Guinness Draught in a Can**
- The premium wheat beer born in the Alps **Edelweiss**
- The New Zealand inspired cider **Apple Fox Cider**
- The all-time local favourite **Anchor Smooth**
- The premium Irish ale **Kilkenny**
- The real shandy **Anglia**
- The wholesome, premium quality non-alcoholic **Malta**.

HEINEKEN Malaysia is committed to advocating responsible consumption by championing responsible drinking behaviours through its Enjoy Responsibly campaign. HEINEKEN Malaysia's corporate social responsibility initiatives are carried out by its CSR arm, **SPARK Foundation**, focusing on environment and community partnerships.

HEINEKEN Malaysia through its e-commerce platform, Drinkies now delivers chilled beers and ciders on demand. Drinkies also offers freshly tapped beers to cater for home parties and other events including weddings and corporate dinners. For enquiries, call 012-281 8888 or visit [www.drinkies.my](http://www.drinkies.my).

Listed on the Bursa Malaysia Main Market, the principal shareholder of HEINEKEN Malaysia is G.A.P.L. Pte Ltd headquartered in Singapore. GAPL Pte Ltd is 100% owned by Heineken N.V.

For more information, please visit: [www.heinekenmalaysia.com](http://www.heinekenmalaysia.com)

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