

# FINANCIAL RESULTS

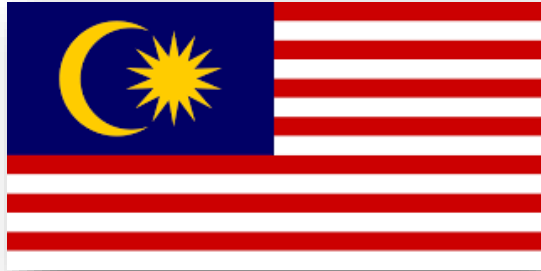
## 1H FY'21



**Analyst Briefing & Press Conference**  
Friday, 20 Aug 2021



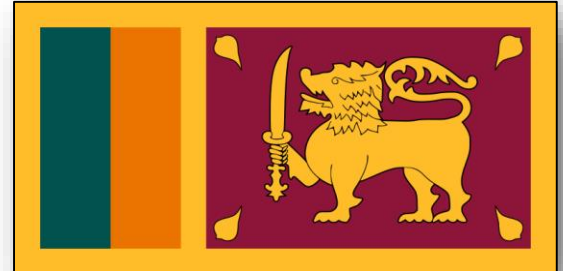
# 1H'FY21 Performance: Encouraging start but ended with increased challenges from national COVID-19 lockdowns



**Malaysia** – Severely impacted by no dine-in restrictions imposed to on-trade in end-Jan and since mid-May and brewery suspension since 2 June following implementation of Full MCO (FMCO).



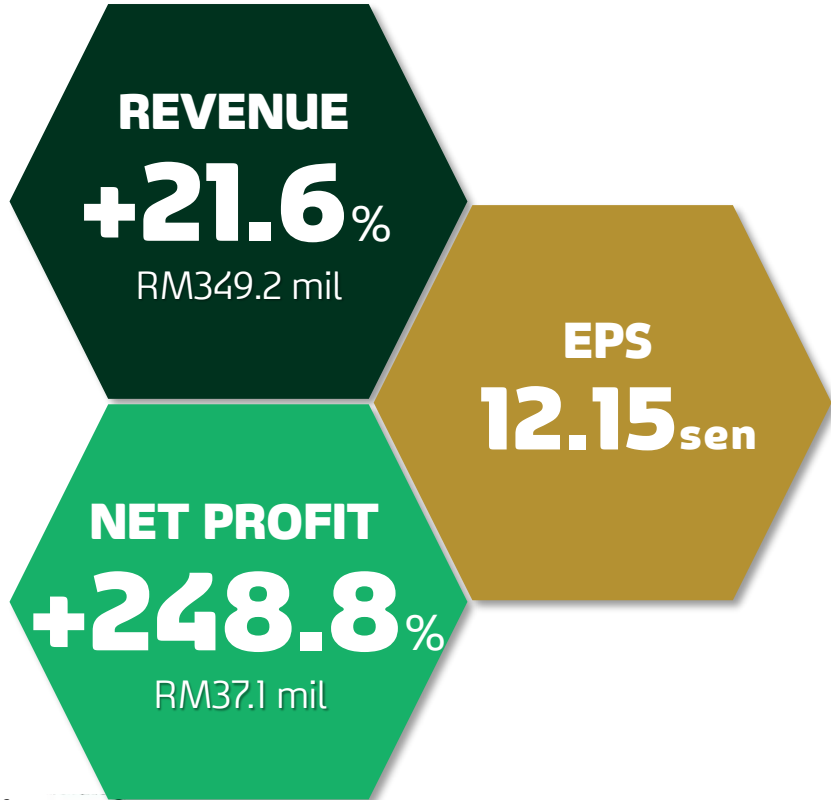
**Singapore** – Higher off-trade and e-commerce sales as Singapore's lockdown duration and restrictions were less severe than SPLY.



**Sri Lanka** – Higher share of profit of RM2.7 million in Q2FY21 with a strong recovery in sales, which unfortunately decelerated after COVID-19 curbs were reimposed in May.

# 2Q'21: Growth from low base disrupted by lockdowns from mid-May

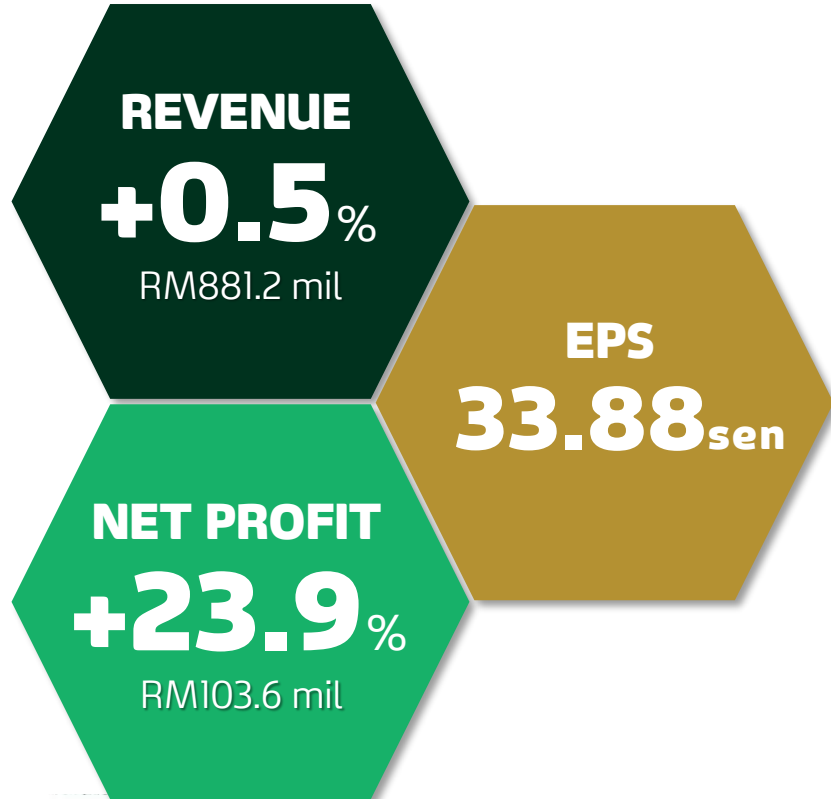
2Q'21 vs. 2Q'20



- ❖ Growth from low base accelerated by new product launches before abrupt disruption in June (FMCO & Phase 1 of subsequent National Recovery Plan).
- ❖ For comparison, MCO 1.0 in 2020 saw the suspension of brewing and distribution for 7 weeks with on-trade sales significantly impacted in the quarter.
- ❖ New product launches in Q2 – Somersby Watermelon (MY), Connor's Stout Porter in cans, Carlsberg Smooth Draught's new look & feel.

# 1H'21: Flat revenue due to differing lockdown situations

1H'21 vs. 1H'20

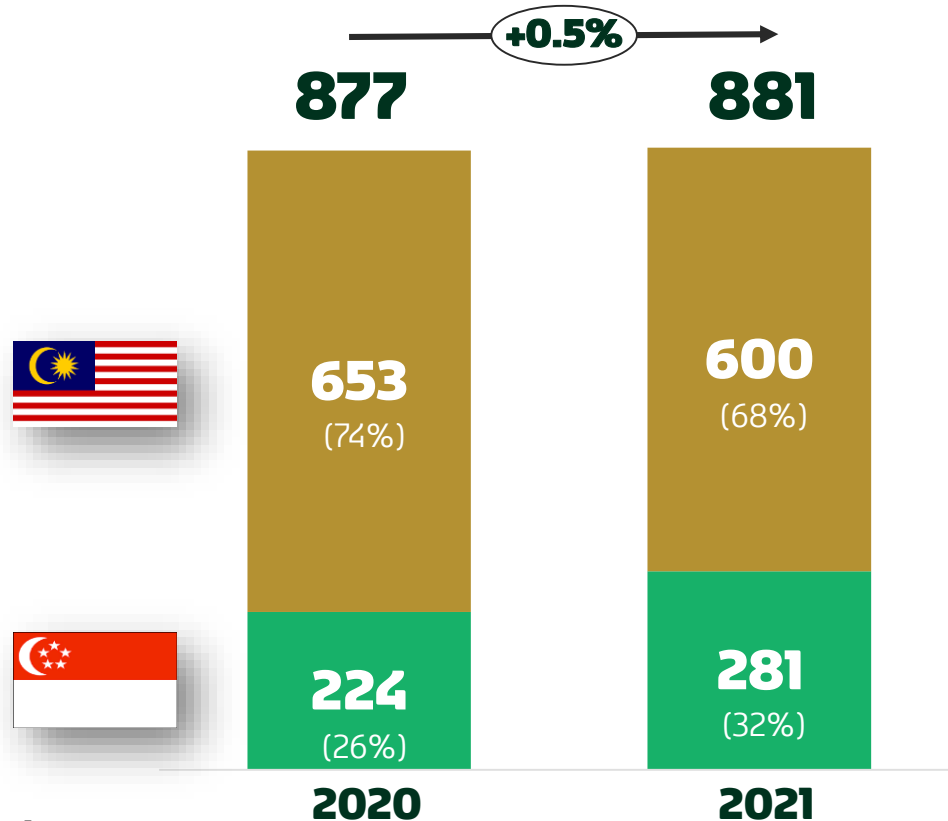


- ❖ MY: A weaker 1H' 21 due to lockdown measures around CNY.
- ❖ SG: Gradual easing of lockdown in early Q2 while lesser lockdown restrictions led to better 1H results.
- ❖ Increase in net profit due to:
  - ❖ Higher volumes and positive product mix from Singapore operations offsetting higher marketing & expenses.
  - ❖ Improved premiumisation mix, lower expenses in MY and absence of Bill of Demand of RM6.4 mil incurred in 1H'20.
  - ❖ Higher share of profit from Sri Lanka.



# 1H'21 Revenue: Flat due to differing lockdown effect + suspension of operations in June

1H'21 vs. 1H'20

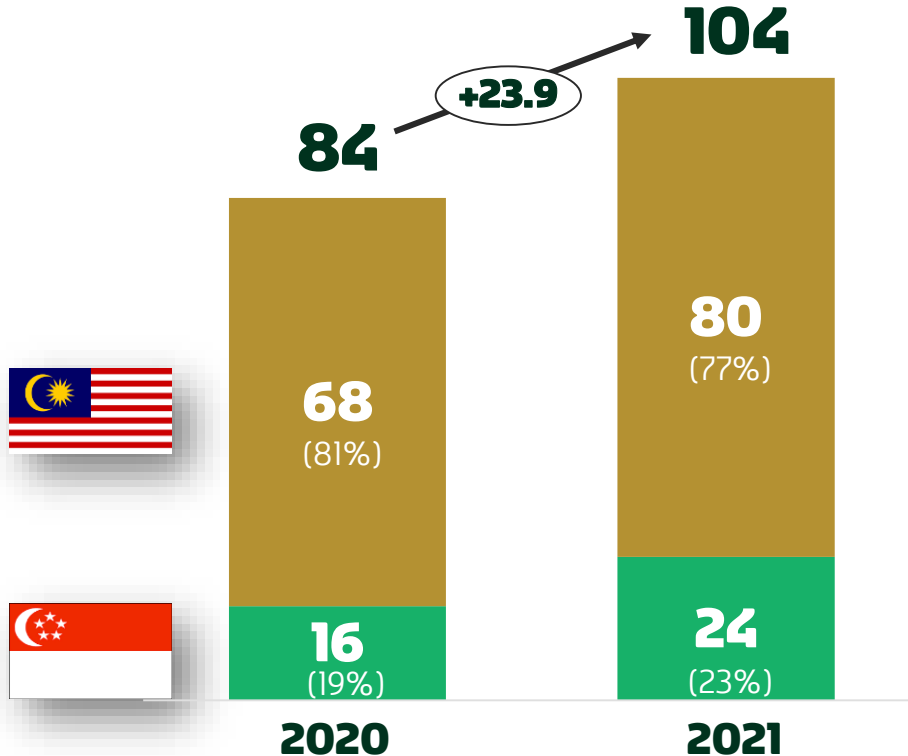


- ❖ MY: Lower turnover due to lower domestic volumes impacted by MCO 2.0 (Jan '21), MCO3.0 (May '21) and abrupt disruption to operations in June '21. New product launches negated part of volume decline during MCO.
- ❖ SG : Higher volume mainly due to lesser lockdown restrictions and growing market share.



# 1H'21 Net Profit: Strong growth despite flat revenue

1H'21 vs. 1H'20



- ❖ MY: Despite lower turnover, net profit higher due to lower operating expenses and absence of Bill of Demand.
- ❖ SG: Higher net profit due to higher volume from lesser lockdown weeks offset by higher marketing expenses and absence of government grant received in 2020.



# Strong Balance Sheet with borrowing pared down & access to liquidity to support growth

## TOTAL ASSETS (mil)

	30-Jun-21	31-Dec-20
Cash & Bank	96	94
Other Current Assets	128	220
Non-Current Assets	315	323
<b>Total ASSETS</b>	<b>539</b>	<b>637</b>

**Gearing Ratio**                      **-12%**                      **17%**

## TOTAL LIABILITIES (mil)

	30-Jun-21	31-Dec-20
Long Term Borrowing	8	-
Other Non-Current Liabilities	23	23
Loans and borrowings	70	123
Other Current Liabilities	287	317
<b>TOTAL LIABILITIES</b>	<b>387</b>	<b>462</b>

## TOTAL EQUITY (mil)

	30-Jun-21	31-Dec-20
Share capital	149	149
Reserves	(2)	18
Non-controlling interests	4	7
<b>TOTAL EQUITY</b>	<b>151</b>	<b>175</b>



# 1H FY'21 Dividends

	1H 2021	1H 2020
EARNINGS PER SHARE	33.88 sen	27.34 sen
DIVIDEND PER SHARE	10.0* sen	N/A
PAYOUT RATIO	30%*	N/A

\* Equivalent to a total payout of RM30.6 mil of the Group's FY'21 net profit to date.





# BRAND PERFORMANCE

1H FY'21



1H'21 vs. 1H'20



# 11% DECLINE IN CORE BEER



- MY volumes down 21% due to limited dine-in windows and subsequent June lockdown, mitigated by CNY 2021 and limited-edition packaging and off-trade promotions for harvest festival (April) and European football season (June)
- SG volumes up 26% on good recovery with reopening of on-trade and further momentum in off-trade and e-commerce
- Launch of brand and packaging betterments for Carlsberg Smooth Draught in April

# 1H'21 Brand Campaigns

April



## Carlsberg Smooth Draught

- New look across packaging, visibilities, and amenities with the same smooth, great brew.
- Brings Carlsberg Smooth Draught in line with betterments of Carlsberg Danish Pilsner and Carlsberg Special Brew.

April



## Harvest Festival

- Limited-edition packaging in conjunction with Gawai & Kaamatan festivals in East Malaysia, but available nationwide in recognition of COVID travel restrictions and national unity.

June



## Cheers to Football

- Limited-edition packaging in conjunction with European football season across best-selling mainstream variants.
- Supported by exclusive merchandise and e-commerce promotions.

1H'21 vs. 1H'20



# 16% INCREASE IN PREMIUM

- Launch of Connor's Stout Porter in cans in April with unique shake-before-pour innovation – new entry in packaged stout category with 125% growth across MY & SG
- Portfolio performance growth improved with launch of Somersby Watermelon in MY (Mar) and ongoing digital/e-commerce consumer engagement e.g. 1664 Blanc's Bon Appetit Lah campaign (June)



# 1H'21 Brand Campaigns

## March



### Somersby Watermelon

- First introduced as limited-edition in Singapore, introduced as new variant in MY.
- Off-trade promotions including exclusive Shopee offer for merchandise.

## April



### Connor's in Cans

- Brand-new innovation incorporating nitrogen double-dosing for a draught experience from a can.
- Grew in packaged stout segment with premium offering in lieu of on-trade sales.

## June



### Bon Appetit Lah

- Partnerships with local and internationally-renowned chefs for French-Malaysian gastronomic recipe twists incorporating 1664 Blanc.
- Culmination in 2<sup>nd</sup> virtual consumer launch event.

# e-Commerce continues growth momentum

1H'21 vs. 1H'20



Sharper, focused activations with e-tailers capitalising on home consumption amidst ongoing Covid impact



**+205% volume growth YTD**

1664 (SG) Sponsored

Here's a deliciously indulgent offer - receive a WMF premium 4-piece cutlery set with every purchase of a 24-can pack of 1664 ...see more

**PURCHASE A 24-CAN PACK FROM 1664 BLANC OR SOMERSBY AND GET A FREE WMF 4PCS PREMIUM CUTLERY SET\***

SOMERSBY CIDER THE ORIGINAL  
SOMERSBY BLANC  
1664 BLANC  
1664 BLANC

PAGES LAZADA SG  
1664 Blanc and Somersby Cider SHOP NOW

1664 (SG) Sponsored

Add a twist to your stay home routine. Stock up your fridge with ice-cold bottles of 1664 Blanc so you can make everyday ...see more

Stay home with 1664

More

Carlsberg (SG) Sponsored

Your smoothest home party all set with Carlsberg! Receive a JBL Go 2 (worth \$69.90) with every 72-cans (3x24 can) ...see more

**BUY 3 CARTONS\* OF CARLSBERG SMOOTH DRAUGHT**

GET A JBL GO 2 SPEAKER

FairPrice ON

WWW.FAIRPRICE.COM.SG  
As Smooth As Freshly Tapped Beer SHOP NOW

Carlsberg (SG) Sponsored

Dining out might not be possible now but you can always have a pint of Carlsberg to keep you company at home. Get your ...see more

Best fridge to stay home with? Probably.

SEEK IN THE WORLD

Stay home with Carlsberg

More

Red Bull Fire (Red Bull) Sponsored

Promotion period: 23 January - 14 February 2021

BUY any 3 cartons of Carlsberg Smooth Draught, Asahi Blanc, or Asahi Dry

SCAN & REDEEM 20% Limited Edition Luggage Bag

STAND A CHANCE TO WIN Limited Edition 3L Red Bull

Carlsberg Football

REDEEM FOOTBALL TEE & WIN RM10,000 CASH with every purchase of 24-cans

SCAN TO REDEEM & WIN

Exclusive Football Tee

RM10,000 Cash

RM200 Fresh 'n' Go Smooth Cream

Asahi 幸口

DISCOVER TOKYO

1 July - 30 September 2021

SCAN, SPIN, WIN.

Stand a chance to win Sony Playstation 5

SCAN every 72 cans (over RM60 worth) of any Asahi SUPER DRY products in a single receipt

X7 WINS

SCAN TO REDEEM & WIN

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Asahi 幸口

DISCOVER TOKYO

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1664 BLANC

Bon Appetit-lah

Promotion Period: 1 June - 31 July 2021

FREE GIFT

WMF CUTLERY SET WORTH RM660 with minimum spend of RM50 on 1664 Blanc products in a single receipt

STAND A CHANCE TO WIN

GRAND PRIZE 1: Air Fryer, Toaster Oven, and Electric Pressure Cooker

GRAND PRIZE 2: 4L Electric Pressure Cooker

SCAN TO REDEEM & WIN

# OPERATIONAL REVIEW

Carlsberg  
Malaysia



# Impact of 2<sup>nd</sup> prolonged brewery suspension from 2 June – 15 Aug

## 75 DAYS

(Total: 122 days suspended including 47 days in 2020)

### PRODUCTION

- Brewing placed under negative list of non-essential services in the SOP of Phases 1 & 2 of the National Recovery Plan.
- Critical processes and machinery kept at “warm idle” only.
- Permission to load/unload existing goods of import and for exports granted on Mon, Wed and Fri since end-Jul.

### DISTRIBUTION

- Logistics halted with limited stock movement allowed from brewery to the trade and for exports.
- Liquor stores also placed under NRP negative list, leading to inconsistent enforcement on beer sales in supermarkets, hypermarkets and convenience stores.
- Measures to increase stock cover days in May helped sustain market supply for ~2 months before critical stock shortages in certain channels as of end-Jul.

### EXPORTS

- Disrupted supply to Carlsberg Singapore which is heavily reliant on Malaysian production.
- Minimal sales to regional markets eroding Group revenue and jeopardising export competitiveness within wider Carlsberg markets.



# Brewery Operations Resumed on 16 Aug 2021

## AKTIVITI DAN PROTOKOL

Tindakan	Penerangan Ringkas								
Aktiviti Pengilangan dan pembuatan yang dibenarkan mengikut kadar vaksinasi lengkap (2 dos) bagi setiap syarikat	<ul style="list-style-type: none"><li>Syarikat yang telah mencapai kadar vaksinasi berikut dibenarkan beroperasi pada semua fasa PPN (walaupun tidak tersenarai dalam senarai aktiviti di muka surat 15) mengikut kapasiti yang ditetapkan dibawah::<table border="1"><thead><tr><th>Kadar Vaksinasi Lengkap (2 dos vaksin)</th><th>Kapasiti Operasi di Semua Fasa PPN</th></tr></thead><tbody><tr><td>40% dari jumlah pekerja berdaftar</td><td>60%</td></tr><tr><td>60% dari jumlah pekerja berdaftar</td><td>80%</td></tr><tr><td>80% dari jumlah pekerja berdaftar</td><td>100%</td></tr></tbody></table></li><li>Bagi syarikat yang masih belum mencapai kadar vaksinasi minimum 40%, syarikat perlu mematuhi syarat yang ditetapkan dalam SOP PPN yang berkuatkuasa.</li><li>Tindakan penguatkuasaan secara rawak akan diadakan bagi memastikan keahihan maklumat yang dikemukakan dan tindakan undang-undang termasuk tindakan penutupan akan dilaksanakan dengan serta merta jika didapati terdapat peralihan maklumat vaksinasi pekerja)</li><li>Semua syarikat di bawah sektor pembuatan masih perlu mematuhi SOP s (elemen perundangan dan protokol) yang ditetapkan dalam SOP PPN yang dinyatakan yang dinyatakan yang diwartakan</li></ul>	Kadar Vaksinasi Lengkap (2 dos vaksin)	Kapasiti Operasi di Semua Fasa PPN	40% dari jumlah pekerja berdaftar	60%	60% dari jumlah pekerja berdaftar	80%	80% dari jumlah pekerja berdaftar	100%
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80% dari jumlah pekerja berdaftar	100%								

- Following former PM's announcement followed by MITI's press statement on 15 Aug 2021, manufacturing sector entities **not listed under essential services** in the National Recovery Plan's Phases 1 & 2 **are allowed to operate based on the company's rate of fully-vaccinated employees.**
- The Group's Shah Alam brewery is eligible to operate at **full capacity** with over 80% of on-site personnel fully vaccinated as of 15 Aug.



# Our People's Health & Safety Remains No. 1 Priority



- All eligible employees working on-site at Shah Alam brewery fully vaccinated on 30 July, with 100% of employees nationwide to receive their first dose.
- More than 6,000 swab tests administered on-site and in the market since Jan 2021; bi-weekly swab tests will continue upon reopening.
- Low density of ~200 sqm. of workspace per employee on-site per shift.
- Strict adherence to H&S protocols and COVID-19 countermeasures at the brewery have resulted in zero workplace infection clusters since the start of national lockdowns in March 2020.

# 2H'21 OUTLOOK

Carlsberg  
Malaysia



NAVIGATE THE  
**STORM**  
&  
EMERGE AT  
**FULL SAIL**

# 2H'2021 OUTLOOK



- ❖ The **extended brewery suspension of almost 3 months** was a major impairment to business operations including the fulfilment of domestic market demand, supply to the Singapore market, and exports to regional and other foreign markets.
- ❖ Coupled with **ongoing restrictions on the on-trade sector**, this will continue to **adversely impact the Group's revenue and profitability** until more of the economy is open, accelerated by progress of Malaysia's national vaccination drive.
- ❖ The Group hopes that the Malaysian government will not impose further increases on excise duties in the upcoming 2022 Budget to lessen the burden of recovery on F&B businesses and retailers which rely on beer as an important source of income.



# THANK YOU

Carlsberg  
Malaysia

# Q&A



**Stefano Clini**  
Managing Director

**Vivian Gun**  
Chief Financial Officer