

FOR IMMEDIATE RELEASE

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Carlsberg Malaysia's FY21 net profit grew by 24% to RM201mil

- ◆ Proposed final dividend of 46 sen per share bringing total dividend to 56 sen per share, up 40% versus FY20
- ◆ RM110mil CapEx investment for production upgrade

SHAH ALAM, 17 February 2022 – Carlsberg Brewery Malaysia Berhad (the Group) has reported a net profit of RM201.0 million for the full financial year ended 31 December 2021 (FY21), an increase of 23.9% as compared to RM162.2 million (FY20), on the back of a flat revenue of RM1.8 billion. The higher earnings were mainly driven by cost optimisation, innovation and premiumisation initiatives.

The Group's top-line was impacted by lower sales due to a 11-week brewery operations suspension and dine-in restrictions in both Malaysia and Singapore markets.

Guided by the corporate strategy SAIL'22, the Group defended its bottom-line by implementing stringent cost controls through discount optimization, lower sales and administration expenses, coupled with better premium mix leveraging on the launch of Connor's Stout Porter in can and Carlsberg Smooth Draught packaging innovations, and the new variant offerings of Somersby Watermelon Cider and 1664 Rosé in March and December respectively for the domestic market. In addition, the Group has doubled its e-commerce sales for both Malaysia and Singapore.

For the fourth quarter ended 31 December 2021 (Q4FY21), the Group saw an increase in both revenue and profit after its operations in Malaysia resumed in mid-August as the country entered the national recovery phase with more economic sectors reopened. Net profit rose by 88.2% to RM71.4 million in the quarter versus RM38.0 million in Q4FY20, with revenue up by 14.8% to RM542.3 million from RM472.5 million in Q4FY20.

In Malaysia, profit from operations grew by 39.4% to RM188.8 million in FY21 compared to last year, whilst revenue saw a 3.6% decline to RM1.21 billion. Profit from operations for Q4FY21 increased by 216.1% to RM70.9 million, while revenue rose 25.2% to RM394.7 million against the same quarter last year.

The Group attributed the higher earnings of its Malaysia operations to lower costs following the restructuring efforts carried out in 2020 and absence of the one-off RM6.4 million bill-of-demand settlement paid to the Royal Malaysian Customs Department of Selangor in 2020.

The Singapore entity reported a 6.3% increase in revenue at RM561.1 million for FY21 despite the increased restrictions in dine-in capacity and re-imposition of suspension of entertainment outlets operations. Profit from operations, however, fell by 10.2% to RM58.0 million due to the higher cost of sourcing products from other Carlsberg markets when the Malaysian brewery was suspended, coupled with the absence of COVID-19 Job Support Scheme (JSS) Grant by the Singaporean government that was received in 2020.

The Group's Sri Lankan-based associate company Lion Brewery (Ceylon) PLC registered a growth in share of profits of RM15.2 million in FY21 versus RM14.9 million in the previous year's corresponding

period due to the reopening of the economy in the country. For Q4FY21, its share of profit was 55.8% higher at RM5.6 million versus RM3.6 million in Q4FY20.

The Group's earnings per share (EPS) for FY21 was up 23.9% to 65.7 sen and Q4FY21 was 23.4 sen, an 88.2% increase compared to Q4FY20.

Committed to delivering sustainable shareholder value, the Board of the Group has proposed a single tier final dividend of 46 sen per ordinary share for the financial year ended 31 December 2021, subject to the shareholders' approval at the upcoming Annual General Meeting. This is equivalent to a RM140.6 million payment of the Group's FY21 net profit, to be paid on 12th May 2022, with the notice of entitlement to be announced in due course. The total declared and proposed dividend for FY21 is 56 sen or equivalent to RM171.2 million, an increase of 40% versus FY20.

Managing Director Stefano Clini said: "We are satisfied with the Group's overall financial performance and people health in 2021. Although the Group's top-line was impacted by the adverse operating environment, we delivered a strong bottom-line as our Malaysian operations resumed some normalcy. We are grateful that 100% eligible employees were inoculated with no severe COVID-19 positive cases and workplace clusters recorded since the pandemic started in 2020".

"The rigorous implementation of the SAIL'22 strategy delivered solid results behind innovation and premiumisation in both Malaysia and Singapore. Increased focus and diligence in executing 'Fund the Journey' initiatives and raw materials hedging enabled us to mitigate the cost escalation arising from the hike in commodities prices seen in 2021", he said.

Moving forward, the brewer is committed to deliver the highest quality and innovation, as well as driving premiumisation across its product portfolio that suits the needs and lifestyle of beer lovers. "With that, we are also excited to introduce new products in the coming months and also to launch promotions to help speed up the recovery in both on- and off-trade businesses", Clini added.

"2022 will be another challenging year. Malaysia and Singapore forecast growth in gross domestic product (GDP) at 5.8% and 3% to 5% respectively. Yet, the emergence of another new variant and the recent surge of COVID-19 cases in both Malaysia and Singapore may become a speedbump to sustaining the strong economic recovery. We are also mindful of the escalating commodity prices that will add further costs pressure and uncertainties", Clini commented on the outlook.

"We are also committed to continue delivering shareholder value in a commercially and sustainable manner through our Together Towards ZERO sustainability priorities. Our Chinese New Year (CNY) campaign themed "Coming Together for a Smoother Year" with promotions across on- and off-trade including e-commerce have boosted consumption, especially during CNY reunions and dining-out. We will continue investing in our flagship brand Carlsberg whilst intensifying the premiumization in 1664 Blanc, Somersby Cider, Connors' Stout Porter and Asahi Super Dry", Clini elaborated.

Focusing on innovation and business sustainability, Clini said "the Group has set aside capital expenditure (CapEx) of RM110 million to modernise its production facilities, which is expected to be completed by end of this year. It is a massive upgrade and the biggest investment of the Group in thirty years. This will improve the filling capacity and enable greater flexibility in packaging options, higher automation, more conducive working environment as well as greater sustainability performance in energy, water and waste management".

Living its purpose of Brewing for a Better Today and Tomorrow, the Group has stepped up in giving back to the communities whose lives were impacted by the pandemic over the last two years. Its "Safer Schools" Campaign provided a safer learning environment for 1,800 schools in Malaysia with



sponsorship of thermometers and disinfection services. The Group received the 'Company of the Year' Award under the manufacturing of beverage sector at the 6th edition of Sustainability & CSR Malaysia Awards 2021.

On the people front, the Group also won three awards at the Employee Experience Awards 2021 by Human Resources Online; of which the Malaysia operations received Gold for Best Crisis Management and Leadership, Silver for Best Succession Planning Strategy, and Bronze for Best First-Time Manager Programme, as well as being named the Most Preferred Graduate Employer (Champion in Liquor) by Talentbank, an award-winning graduate recruitment agency.

At the renowned 12th edition Putra Brand Awards 2021, the Malaysia operations bagged three Putra Brand Awards' accolades – Platinum Award for its flagship brand Carlsberg, while Somersby cider and Connor's Stout Porter won Silver under the Beverage-Alcoholic category. These are a testament to the Group's commitment in offering quality brews and engaging brands to Malaysian beer, cider and stout consumers.

Adding to these recognitions for the year 2021, the Group also recently clinched top spot of highest 'Return-on-Equity' Award, for over three years of 2019 to 2021, within the Consumers Products & Services category at the 12th edition of The Edge Billion Ringgit Club (BRC) Awards 2021; and its Morgan Stanley Capital International (MSCI) ESG Ratings were upgraded to AA from A in the August 2021 review.

"We are humbled by these recognitions and would like to thank our employees, consumers, customers, media and investors for their steadfast support that helped us delivering a satisfactory performance amid a tough year", Clini said.

The Group commends the Malaysian Government for maintaining the excise duty on beers in its National Budget 2022. "We believe that any increase in excise duty will further exacerbate the demand for illicit beers and result in lower revenue tax collection for the government and higher public health risks. Along with the F&B industry, we are committed to support the country's economy recovery as more economic and tourism sectors reopened," Clini added.

The holding company of the Group, Carlsberg A/S (Carlsberg Group) has recently launched its SAIL'27 strategy that sets clear priorities for its portfolio, execution, culture and ambitious long-term growth aspirations to deliver sustainable value creation. As the Group progress into the tail-end of SAIL'22 strategy, year 2022 will be a year of its transition into a new 5-year strategy SAIL'27 from year 2023.

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About Carlsberg Malaysia

Carlsberg Brewery Malaysia Berhad was incorporated in December 1969. We are a dynamic brewer with operations in Malaysia and Singapore, with stakes in a brewery in Sri Lanka. We also have a regional presence via exports to Hong Kong, Taiwan, Laos, Cambodia and Thailand.

Our international portfolio of brands features Probably the Best Beer In The World – Carlsberg Danish Pilsner, Carlsberg Smooth Draught and Carlsberg Special Brew as well as Carlsberg Alcohol Free Pilsner. This Carlsberg trio is complemented by international premium brews including France's premium wheat beer 1664 Blanc, 1664 Rosé, Japan's No.1 premium beer Asahi Super Dry, European cider Somersby, British-



inspired Connor's Stout Porter draught, and US award-winning craft beer Brooklyn Brewery as well as Tuborg Strong. Our local brands include SKOL, Royal Stout, Jolly Shandy and Nutrimalt.

Our approximately 600-strong workforce sell our products in a responsible manner within our sustainability-driven business. Our products are for non-Muslim consumers aged 21 and above. Please #CelebrateResponsibly – if you drink, don't drive!

Find out more at www.carlsbergmalaysia.com.my