



FINANCIAL RESULTS



1H FY'20

COVID-19: Severe Impact on Performance

1HFY20 revenue down 23.1% to RM877.1 mil; net profit fell 45.3% to RM83.6 mil

1H'20 vs. 1H'19



- ❖ Production suspended for 7 weeks, limited sales & distribution and no consumer-facing activities amid Covid-19.
- ❖ Reduced share of profits from associate company Lion Brewery (Ceylon) PLC by RM3.8 mil.
- ❖ One-off settlement of RM6.4 mil with Royal Malaysian Customs with regards to bill of demand on excise duties issued by Selangor State Director in 2014.
- ❖ No interim dividend for Q2FY'20; no change to full-year dividend policy.



Carlsberg

HELP MALAYSIA'S BARS
**COME BACK
STRONGER**

LEARN MORE AT
[ADOPTAKEG.CARLSBERG.COM.MY](https://adoptakeg.carlsberg.com.my)

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2Q/1H FY'20 Revenue & Net Profit



Results		2Q '20 (RM million)	1H '20 (RM million)
Revenue	↓	287.3 -40.2%*	877.1 -23.1%*
Net Profit	↓	10.6 -83.7%*	83.6 -45.3%*
EPS (<i>sen</i>)	↓	3.48	27.3

*vs. SPLY

- Substantial decline in **both revenue and net profit** in 1HFY20 vs. SPLY attributed primarily to critical measures undertaken in both Malaysia and Singapore to counter the COVID-19 pandemic, partially mitigated by tighter cost controls under Fund the Journey.
- For Q2FY20 vs. SPLY, the Group's **net profit declined by 83.7%** to RM10.6 mil due to lower sales in both markets, compounded by the RM6.4 mil settlement with the Royal Malaysian Customs and a reduced share of profits by RM4.2 mil from associate company Lion Brewery (Ceylon) PLC (LBCP)
- MY: Q2FY20 revenue down 38.9% to RM208.1 mil; profit from operations fell 79.6% to RM12.0 mil
- SG: Q2FY20 revenue down 43.5% to RM79.2 mil; profit from operations fell 93.7% to RM1.5 mil

Adverse Impact of MCO (MY) & CB (SG)

Dec '19 – Feb '20

PRE-LOCKDOWN

- Covid-19 spreads in China and crosses international borders
- Singapore and Malaysia report first detected cases on 23 and 25 Jan respectively

Mar '20 – Apr '20

DURING LOCKDOWN

- Global pandemic declared, 1/3 of human population in lockdown
- Movement Control Order (MCO) in Malaysia and Circuit Breaker (CB) in Singapore declared

May '20 onwards

GRADUAL RECOVERY

- MY: Gradual lifting of social distancing measures but not all on-trade businesses allowed to sell beer
- SG: partial reopening of on-trade outlets only from 19 June
- “New normal” changes marketing and social landscapes



- Business continuity planning covering commercial and operational aspects
- H&S practices tightened

- Production & distribution suspended, impacting stock levels and exports
- Stakeholder engagement: employees, business partners, customers
- Safer Schools: CSR initiative for the community

- Brewery resumes operations from start of Conditional MCO in MY (4 May)
- Safer Together: initiatives to help customers recover

1H2020 Trade Performance Trends

ON-TRADE



- Traditional and modern outlets badly affected during MCO/CB with no dine-in allowed
- Very slow recovery seen in traditional outlets
- Modern outlets innovated and evolved with more takeaways and deliveries
- An estimated 60% of on-trade outlets currently in operation compared to only 20% during MCO/CB

OFF-TRADE



- Off-trade volume increased compared to the same period last year, driven by home consumption during MCO/CB
- Supermarkets, hypermarkets and convenience stores remained open and performed well
- Stock availability was impacted due to suspension of production and distribution for 7 weeks at the start of MCO

E-COMMERCE



- e-Commerce volumes saw a significant increase compared to same period last year
- Carlsberg is dialling up investments and marketing activity to take advantage of this upward momentum driven by more e-commerce users and increased adoption, as well as off-trade consumption

1H'20 vs. 1H'19



17% DECLINE IN CORE BEER



- Pre-MCO/CB: Lower volume due to earlier CNY trade loading in December 2019 and absence of trade loading in March 2020.
- During MCO/CB: Brewing operations suspended, limitations to sales and distribution especially for on-trade, absence of consumer-facing promos and activities.

1H'20 vs. 1H'19



20% DECLINE IN PREMIUM

- Except 1664 Blanc, all brands recorded double-digit decline vs. SPLY due to aforementioned limitations on production, sales and distribution as well as weakened consumer sentiment.
- Premium brands did well in off-trade sector but not enough to compensate for decline in on-trade sales.



A DIGITAL FOCUS FOR BRAND ENGAGEMENT DURING MCO



1664 BLANC
IN COLLABORATION
WITH NERDUNIT



Share Good Taste
#WithATwist

For Viewers above 21 years old and Non-Muslim Only.



Our Strategy Remains for 2020



OUR THREE STRATEGIC LEVERS



**STRENGTHEN
THE CORE**



**POSITION FOR
GROWTH**



**DELIVER
VALUE FOR
SHAREHOLDERS**

OUR SEVEN STRATEGIC PRIORITIES



'Grow in Mainstream' with Carlsberg Danish Pilsner and Carlsberg Smooth Draught



'Win in Each Store' with better in-store execution



'Fund the Journey' by delivering efficiencies in operating expenses, value management, and the supply chain



'Go Big in Premium' with 1664 Blanc, Somersby, Asahi Super Dry, Connor's Stour Porter, Brooklyn Brewery



'Innovate to Grow' in consumer touchpoints



Achieve 'Growth in Net Profit'



Deliver 'High and Stable Dividend Yield' for shareholders

OUR TWO ENABLERS



**Create a
Winning Culture**

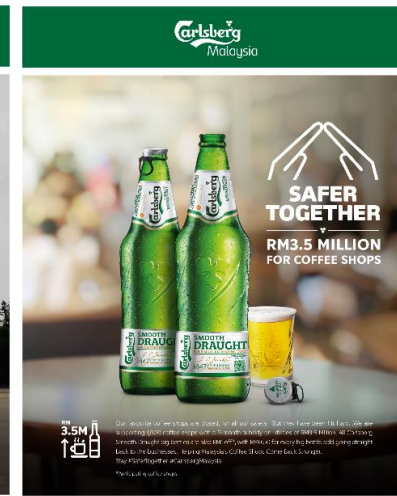


**Defend our License
to Operate**

SAFER TOGETHER with Customers, Consumers and Community

1. **Safer Schools:** donation of thermometers and disinfection services benefitting 1 million students
2. **RM3.5 mil for Coffee Shops:** 3-month subsidy for fixed costs to 1,000 traditional F&B outlets + consumer promotions on Carlsberg Smooth Draught to help their bottom line
3. **Adopt a Keg:** Redeemable beer from virtual kegs to drive consumer traffic back to F&B outlets and help them recover when they reopen post-MCO and CB
4. **Bring Me Home:** complement outlets' innovative delivery packages with branded takeaway bottles for draught beer.

Read more here: www.carlsbergmalaysia.com.my/covid-19/our-efforts





2H2020 HIGHLIGHTS

Carlsberg
Malaysia

Premier League Champions? Probably.



OFFICIAL BEER PARTNER OF LIVERPOOL FC



OFFICIAL BEER PARTNER OF LIVERPOOL FC



A TOAST TO THE LONGEST PARTNERSHIP IN EPL HISTORY

#CELEBRATERESPONSIBLY

Our Consistent Stand Against Irresponsible Drinking



24,100 consumers reached through on-ground activations and online communications during Oktoberfest in 2019

76,400 consumers reached through on-ground activations and online communications since the #CelebrateResponsibly campaign began in 2015

Close to **1,800** free and subsidised rides redeemed throughout the year



ZERO
IRRESPONSIBLE
DRINKING
#CELEBRATERESPONSIBLY

2030 GLOBAL TARGETS

100%

OF OUR MARKETS IMPROVE ON RESPONSIBLE DRINKING YEAR ON YEAR

2022 GLOBAL TARGETS



AVAILABILITY OF ALCOHOL-FREE BREWS (AFB)

100%

RESPONSIBLE DRINKING MESSAGING THROUGH PACKAGING AND BRAND ACTIVATIONS

100%

OF OUR MARKETS RUN PARTNERSHIPS TO SUPPORT RESPONSIBLE CONSUMPTION

2H2020 OUTLOOK

Carlsberg
Malaysia



NAVIGATE THE
STORM

COVID-19 OUTLOOK



- ❖ **Business recovery is anticipated to be slow** over the next few months because of the persevering effects of COVID-19 and the measures necessary to control them.
- ❖ As a consequence, **consumer sentiment will remain depressed particularly in the on-trade sector** due to reduced capacities and shorter operating hours, social distancing, health and safety restrictions, as well as various financial and operating challenges F&B businesses face.
- ❖ We have been and will continue to be even more disciplined in implementing our ‘Fund the Journey’ initiatives and to **optimise our costs aggressively, reallocate our investments on digital campaigns, e-commerce and off-trade, and extend various support to our business partners.**

THANK YOU



Carlsberg
Malaysia