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9MFY21 Net Profit up 4.3% despite Revenue down 6.2% due to operational suspension and business disruptions

SHAH ALAM, 12 November 2021 – Carlsberg Brewery Malaysia Berhad (the Group) posted a 4.3% year-on-year (y-o-y) increase in net profit to RM129.6 million despite revenue declining by 6.2% to RM1,230 million for the nine-month financial period ended 30 September 2021 (9MFY21). This result was mainly driven by stronger performance in the Singapore operations, successful premium innovations as well as stringent cost measures across the Group.

For the third quarter of financial year ended 30 September 2021 (Q3FY21), the Group posted lower revenue and net profit of RM349.3 million and RM26.0 million respectively versus the same quarter last year.

In Malaysia, the profit from operations rose 4.3% y-o-y to RM117.9 million in 9MFY21, compared to the same period last year, whilst total revenue fell 13.3% y-o-y to RM817.1 million. Revenue for Q3FY21 dropped by 24.8% y-o-y to RM216.9 million, while profit from operations declined by 33.6% y-o-y to RM17.8 million against the same quarter last year.

The domestic business was severely disrupted by the 11-week brewery suspension beginning June 2021, coupled with the intermittent disruptions in distributions and export sales as well as dine-in restrictions.

The Group also attributed the lower earnings of its Malaysia operations to the fixed costs incurred despite the shutdown of brewery, which was offset by the absence of the one-off RM6.4 million bill-of-demand settlement paid last year to the Royal Malaysian Customs of Selangor as well as lower sales, advertising and marketing costs during the nine-month period.

The Singapore operations delivered an overall better performance for 9MFY21 with revenue growth of 11.6% y-o-y to RM413.4 million and profit from operations increased by 2.2% y-o-y to RM41.7 million versus the same period last year. For Q3FY21, however, revenue declined by 9.8% y-o-y to RM132.4 million mainly due to the re-imposition of suspension of operations for all night entertainment establishments. Profit from operations declined by 41.4% y-o-y to RM12.6 million against the same quarter last year mainly due to lower sales.

The Group's Sri Lankan-based associate company Lion Brewery (Ceylon) PLC also registered a lower share of profit of RM9.6 million in 9MFY21 compared to RM11.3 million in the previous year's corresponding period impacted by the re-imposition of lockdown in August 2021.

The Group's earnings per share (EPS) for Q3FY21 was 8.50 sen, a 36.0% y-o-y decline, whilst EPS for 9MFY21 stood at 42.38 sen, an increase of 4.3% y-o-y.



Managing Director Stefano Clini said, “Given the unprecedented disruptions and challenges we faced in both Malaysia and Singapore, we are satisfied with the Group’s overall financial health and our people’s wellbeing amid operating and living with the pandemic for the last 18 months and counting. It is very encouraging to see the reopening of on-trade businesses with dine-in now allowed, easing of restrictions to domestic travels and tourism and most importantly, the transition from pandemic to endemic phase with above 95% of Malaysian adults inoculated with COVID-19 vaccine.”

“Our people continued to demonstrate resilience in implementing our business continuity plans. In Malaysia, we kept engaging with consumers through product innovations such as Asahi’s Discover Tokyo limited-edition cans and promotions, Somersby’s Apple Day and Carlsberg Smooth Draught’s limited-edition Fizzics home draught beer dispenser. The Safer School campaign was back for the second consecutive year with RM1.6 million donations worth of infrared thermometers and disinfection services sent to over 300 schools nationwide. In trying times like these, we have stepped up to meet the needs of our communities and our employees in staying true with our purpose of brewing for a better today and tomorrow,” Clini added.

Clini explained that, “With lockdown restrictions being eased in both Malaysia and Singapore, we have set plans to launch new products in the coming weeks and will be rolling out exciting year-end festive promotions to help speed up the recovery in both on- and off-trade. Building on the growth momentum of our e-commerce sales in both markets, we have also enriched our online sales and expanded our footprint to generate positive revenue streams.”

Looking ahead, the brewer remains cautious for the remaining financial year, given the continued closure of entertainment outlets and absence of international tourism throughout the National Recovery Plan (NRP) as well as commodity headwinds, but which should be mitigated by the gradual reopening of the local economy that now enables dine-ins and domestic travels nationwide.

The Group remains committed to delivering long-term sustainable growth and shareholder value as it navigates through the new norm and changing business operating environment as well as improving cost efficiency.

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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 Thailand, Taiwan, Hong Kong and Laos.

Our international portfolio of brands features Probably the Best Beer In The World – Carlsberg Danish Pilsner, Carlsberg Smooth Draught and Carlsberg Special Brew. This Carlsberg trio is complemented by international premium brews including France’s premium wheat beer 1664 Blanc, Japan’s No.1 premium beer Asahi Super Dry, European cider Somersby, British-inspired Connor’s Stout Porter draught, US award-winning craft beer Brooklyn Brewery as well as Corona Extra, the imported premium Mexican beer brand. 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