

Carlsberg Malaysia Focuses on Sustainability for A Better Tomorrow

Brewer's resilience in offsetting lower business performance in pandemic year results in 40.0 sen total dividends for FY20

KUALA LUMPUR, 14 April 2021 – Carlsberg Brewery Malaysia Berhad (the Group) summarised the financial year ending 31 December 2020 (FY20) with its unwavering focus on business fundamentals, agility in optimising its costs and operations, prioritising the well-being of its people and communities, and building upon its foundation of business sustainability in weathering the storm posed by the COVID-19 pandemic while setting sights for eventual recovery.

The Group's performance in an unprecedented pandemic year was detailed during its 51st Annual General Meeting (AGM) – themed 'Sustaining Today for a Better Tomorrow' – which was held virtually with shareholders for the second consecutive year due to COVID-19 social distancing precautions. All eight resolutions set out in the Notice of AGM dated 12 March 2021 were passed.

The AGM was chaired by the Group's Independent, Non-Executive Chairman Datuk Toh Ah Wah and Managing Director Stefano Clini, together with Chew Hoy Ping, Chairperson of the Audit Committee and Risk Management Committee, Michelle Achuthan, Chairperson of the Nomination & Remuneration Committee, as well as other board directors who attended virtually including Katie Chan Po Kei Kay, the Group's new Non-Independent, Non-Executive Director appointed on 16 December 2020.

The Group recorded a net profit of RM162.2 mil from a revenue of RM1.79 bil, lower by 44.3% and 20.9% respectively versus the 2019 financial year (FY2019), which was due primarily to the seven-week suspension of brewery operations in Malaysia and the closures and restrictions to on-trade businesses during the Movement Control Order (MCO) in Malaysia and the Circuit Breaker (CB) in Singapore.

Excluding a one-off RM6.4 million settlement with the Royal Malaysian Customs (RMC) in June 2020 and restructuring costs amounting to RM9.9 mil to streamline cashflow and reset its business for a post-COVID environment, organic net profit would have been RM174.6 million, a decline of 40.0%.

The total declared and shareholder-approved dividends for FY20 is 40.0 sen per ordinary share, equivalent to a RM122.3 million payment of the Group's FY20 net profit, representing 75.4% of the Group's FY20 net profit.

Chairman Datuk Toh commented: "The Board decided early on that we should adopt a defensive stance on our financial position to give us a level of rationality on COVID-19's

unprecedented impact to the economy and hence our business. As such, the Group suspended quarterly dividend payments for the 2020 financial year to ensure a more prudent focus on preserving cash and liquidity, and with the intent to strike a balance between the long-term health of the organisation and dividends to shareholders.”

“We firmly recognise the importance of prioritising the sustainability of our business and the shared ecosystem with our customers, suppliers and other stakeholders while protecting our operations, cash flow and people. In anticipation of a slow but promising economic recovery, we remain agile and disciplined in implementing the strategic priorities of our SAIL’22 corporate strategy to ensure we maximise our business potential amid the current environment,” Datuk Toh added.

In line with the Carlsberg Group’s global purpose of Brewing for a Better Today & Tomorrow, Carlsberg Malaysia ramped up its ‘pursuit of better’ and remaining resilient while navigating the storm amidst COVID-19.

While total volumes dropped in 2020 compared to 2019, the decline was offset by adapting to consumer shifts toward off-trade consumption and e-commerce, further complemented by virtual events and exclusive partnerships, consumer promotions, limited-time variants and festive packaging which drove brand loyalty and affinity throughout the year.

Employees’ well-being was prioritised with a safe work environment through strict health & safety measures, no salary reductions throughout 2020, as well as virtual initiatives to drive a high-performing culture and keep employees engaged while working remotely.

As part of its extraordinary aid to customers, consumers and communities in response to the COVID-19 pandemic collectively called ‘Safer Together’, the Group set aside RM1.5 mil for safer schooling environments, RM1.8 mil to aid the recovery of coffee shop operators, and introduced two initiatives named Adopt a Keg and Bring Me Home to help on-trade operators affected by dine-in restrictions. Safer Together was followed by ‘Cheers for Tomorrow’ during the 2021 Chinese New Year festive period, representing a total of RM2 mil in food and education aid benefitting 8,000 underprivileged Malaysians nationwide and 333 deserving students with a one-off, interest-free education grant.

The Group also made progress in its Together Towards ZERO sustainability ambitions with a 15% reduction in carbon footprint since 2015, a 10% reduction in water waste compared to 2019, a new record of 721 consecutive days without lost-time accidents throughout the Group’s operations, and its 6th consecutive year of its #CelebrateResponsibly campaign with new media and e-hailing partnerships with a singular message of “if you drink, don’t drive!”

At the 11th edition of The Edge’s Billion Ringgit Club (BRC) Awards, Carlsberg Malaysia was recognised with the Highest Return on Equity over Three Years in the Consumer Products and Services Category. The Group maintains its inclusion as sole brewer among 75 constituents in the FTSE4Good Bursa Malaysia Index since the last review in December 2020 and remains a counter of note within the prestigious MSCI global indices.

The brewer also recently launched the Carlsberg Apprenticeship Programme, in line with the nation's ambition to create employment opportunities to fresh graduates, addressing the high unemployment rate in the country.

Managing Director Clini emphasised: "The Group's outlook remains cautious due to persevering effects of COVID-19 and government regulations and measures that will likely cause on-trade sales and consumer sentiment to remain depressed. We are hopeful that the vaccination rollouts in Malaysia and Singapore will help contain infections, lift market sentiment, and lead to better economic recovery in the second half of 2021."

"In the meantime, we have put in place numerous measures to mitigate profit impact and preserve cash, being even more disciplined in implementing our 'Fund the Journey' initiatives and optimising cost structures aggressively to reallocate investments into viable channels and extend various support to our business partners," Clini added.

For further enquiries, please contact:

Pearl Lai, Corporate Affairs Director
May Ng, Corporate Affairs Manager

DL: 03-5522 6408
DL: 03-5522 6404

pearl.lai@carlsberg.asia
may.yk.ng@carlsberg.asia

Incorporated in 1969 and listed on the Main Board of Bursa Malaysia Securities Berhad, Carlsberg Malaysia is part of Carlsberg Group with regional investment in Singapore and Sri Lanka. Our flagship brand – Carlsberg – is one of the best-known beer brands in the world whilst Kronenbourg 1664 Blanc, Somersby, Asahi Super Dry, Connor's Stout Porter are among the key premium brands in Malaysia. Approximately 600 people work for the Company, selling our products in a responsible manner and business managed sustainability.

Find out more at www.carlsbergmalaysia.com.my