



Q2

FINANCIAL RESULTS PRESS & ANALYST BRIEFING



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Strong Q2 results with revenue up 4.1%; Net Profit up 18.6%

1HFY17 growth in revenue of 7.4% and growth in net profit of 12.2%



**Trade loading
prior to price
adjustment in MY
in July 2016**



**One-off trade
discounts
adjustment in SG
in June 2017**



**6.8%
organic
revenue
growth**



**Effective
implementation
of SAIL'22
strategy**

Our Strategy – SAIL'22

- It consists of three levers:
 - Strengthen the Core
 - Position For Growth
 - Deliver Value For Shareholders
- Further cascaded down into seven strategic priorities
- Supported by two enablers:
 - Create a Winning Culture
 - Defend our License to Operate



Solid Growth Momentum in Q2 & 1H'17



Q2 2017 vs 2016

	<u>Reported</u>	<u>Organic*</u>
Revenue	4.1% ↑	6.8% ↑
Net Profit	18.6% ↑	20.3% ↑
Earning per share	41.97 sen (1H'17 FYE 30 June '17)	

* Adjusted for the impact of trade loading and trade discounts adjustment.

Highlights

- In Q2, reported revenue up 4.1% to RM412.1 million; If adjusted for the impact of trade loading in MY and trade discounts adjustment in SG of RM7.2 million, organic revenue grew by 6.8%.
- For 1HY17, revenue grew by 7.4% to RM914.8 million, profit from operations increased by 20.2% to RM177.0 million whilst net profit rose 12.2% to RM128.3 million.
- A strong growth in both top- and bottom-line amidst a soft consumer sentiment in both Malaysian and Singaporean markets.
- Higher share of profit from Lion Brewery (Ceylon) PLC, Sri Lanka of RM2.4 million, mainly on insurance compensation vs RM1.0 million in Q2'16.

Strong Balance Sheet & Cash Generation



Balance Sheet & Cash Flow

	RM'000 <u>30 June '17</u>	RM'000 <u>31 Dec'16</u>
<u>Balance Sheet:</u>		
Cash and Cash Equivalents	40,776	36,270
Total Assets	595,131	661,522
Total Liabilities	339,635	331,475
Net Assets	255,496	330,047
Net Assets per share	0.84	1.08
<u>Cash Flow:</u>	<u>1H'17</u>	<u>1H'16</u>
Net cash generated from operations activities	184,897	152,803

Highlights

- Lower inventories and receivables contributed to lower total assets.
- Higher bank borrowings led to higher total liabilities offset by lower payables.
- Lower net assets per share due to dividend payment in May of RM205 million.
- RM185 million generated from operation, reflecting excellent cash generating capability and working capital management.

Organic growth in mainstream



- Organic volume grew 6% in 1H'17 vs 1H'16 in both Malaysian and Singapore markets, if adjusted for the trade loading in MY in June 2016.
- Flagship brand Carlsberg Green Label and new product innovation Carlsberg Smooth Draught gained growth momentum through successful CNY campaign and #ProbablyTheBest campaign.
- **Carlsberg Green Label** celebrates 170 years of discoveries via ***Probably the Best Brewery Tour*** integrated national promotion in Malaysia.
- **Carlsberg Smooth Draught** continues to drive trials and samplings via activation and expanded distribution in Malaysia and Singapore.



22% growth in Premium brands



Business Priorities for 2H'17



Grow in mainstream



Go big in premium



Fund the journey

Outlook for 2H'17



- ❖ Continued growth of Carlsberg Smooth Draught and premium brands.
- ❖ Funding the Journey programme to deliver efficiencies for re-investment into our brands.
- ❖ Subdued consumer sentiment and challenging macroeconomics in both Malaysia & Singapore.
- ❖ Change of Legal Purchasing Age (LPA) to 21 years old in Dec '17 in Malaysia.

THANK YOU

Carlsberg
Malaysia

