

Carlsberg
Malaysia

FINANCIAL RESULTS

Q1'20



COVID-19: Impact on Revenue & Net Profit

Q1FY20 revenue down 10.6% to RM589.9 mil; net profit slipped 16.7% to RM73.0 mil



Q1'20 vs. Q1'19



MY: Timing of CNY, absence of trade loading in March, and lower sales during MCO



SG: Sales impacted by CNY timing and COVID-19 containment measures by govt.






Unprecedented level of uncertainty and volatility due to COVID-19 for 2H'20



Suspension of quarterly dividend payments for 2020

Lower Performance Across MY & SG



Results		Q1 '19 (RM million)	Q1 '20 (RM million)
Revenue		659.9	589.9 -10.6%
Net Profit		87.6	73.0 -16.7%
EPS (<i>sen</i>)		28.7	23.9 -16.7%

- Both revenues and net profit were impacted by COVID-19 and government movement restrictions as operations were suspended and on-trade sales were affected in both Malaysia and Singapore.
- **MY:** Q1FY20 organic revenue down 11.3%; lower profit from operations by 18.3% to RM74.2 mil mainly due to an earlier CNY trade loading in Dec '19, the absence of trade loading in Mar '20 and lower sales following the MCO that commenced on 18 Mar '20.
- **SG:** Q1FY20 revenue down 8.6% and lower profit from operations by 14.4% to RM17.7 mil due to the slowdown in on-trade sales caused by the 'circuit breaker'.

Our Strategy Remains with Revisions to Priorities



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 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 Kronenbourg 1664 Blanc, Somersby cider, Asahi Super Dry and Connor's Stout Porter



'Build New Revenue Streams' with innovations



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**

6% DECLINE IN CORE BEER

Q1'20 vs. Q1'19



CARLSBERG
SMOOTH DRAUGHT

-17%

- Lower volume due to earlier CNY trade loading in December 2019 and absence of trade loading in March this year.
- Closure of coffee shops and eateries during the Movement Control Order (MCO) in Malaysia and 'circuit breaker' (CB) in Singapore also took a toll on consumption.

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DANISH PILSNER

-4%



10% DROP IN PREMIUM

- All premium brands recorded a decline in volume except **1664 Blanc (+5%)**.
- 1664 Blanc hosted the first-ever virtual campaign launch in mid-May to amplify a two-month nationwide consumer promotion in off-trade and e-commerce.
- Marketing activities for other premium brands were suspended due to ban on mass gatherings.

Q1'20 vs. Q1'19



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OUTLOOK



COVID-19 OUTLOOK



- ❖ COVID-19-related limitations in sales and marketing will adversely impact our on-trade business in the 2nd half of the year, with very slow recovery anticipated due to reduced capacity and shorter operating hours.
- ❖ **SAIL'22 strategy** remains unchanged; committed to agility in implementing revised priorities, especially Fund the Journey cost-control initiatives.
- ❖ **Covid-19 Leadership Triangle:** situational leadership, defending operating profit and cash, and preparation for market rebound to guide the way we operate in the new normal.

THANK YOU



National Conference 2020
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