

FOR IMMEDIATE RELEASE

Press Statement 20/2023

15 August 2023

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Carlsberg Malaysia reports Revenue of RM507mil and Net Profit of RM88mil in Q2FY23

Financial Highlights for the quarter ended 30 June 2023 (Q2FY23):

- Group revenue declined by 11.8% to RM506.7 million (Q2FY22: RM574.2 million)
 - Malaysia revenue declined by 13.4% to RM371.7 million (Q2FY22: RM429.0 million)
 - Singapore revenue declined by 7.0% to RM135.0 million (Q2FY22: RM145.2 million)
- Group profit from operations declined by 13.0% to RM109.2 million (Q2FY22: RM125.5 million)
 - Malaysia profit from operations declined by 16.7% to RM82.5 million (Q2FY22: RM99.1 million)
 - Singapore profit from operations up 1.0% to RM26.7 million (Q2FY22: RM26.4 million)
- Group net profit marginally lower by 0.8% to RM88.2 million (Q2FY22: RM88.9 million)
- Group earnings per share (EPS) at 28.86 sen (Q2FY22: 29.09 sen)

Financial Highlights for the first half ended 30 June 2023 (1H FY23):

- Group revenue declined by 5.0% to RM1.17 billion (1H FY22: RM1.23 billion)
 - Malaysia revenue declined by 4.8% to RM841.0 million (1H FY22: RM883.2 million)
 - Singapore revenue declined by 5.5% to RM325.9 million (1H FY22: RM344.9 million)
- Group profit from operations declined by 8.8% to RM218.2 million (1H FY22: RM239.3 million)
 - Malaysia profit from operations declined by 10.7% to RM171.4 million (1H FY22: RM191.9 million)
 - Singapore profit from operations declined by 1.3% to RM46.8 million (1H FY22: RM47.4 million)
- Group net profit declined by 4.0% to RM173.3 million (1H FY22: RM180.5 million)
- Group earnings per share (EPS) at 56.67 sen (1H FY22: 59.05 sen)
- Proposed interim dividend per share at 22 sen (Q2FY22 dividends per share: 22 sen)

SHAH ALAM, 15 August 2023 – Carlsberg Brewery Malaysia Berhad (“the Group”) has reported revenue lower by 11.8% to RM506.7 million and a flat net profit of RM88.2 million for the second quarter ended 30 June 2023 (Q2FY23) versus the same quarter last year as a result of a weaker trading environment.

The Group’s lower performance is also attributed to the higher base observed in Q2FY22 driven by the higher trade demand ahead of the price increase in July 2022, coupled with the post-Omicron recovery and pent-up consumer demand.

The Group’s earnings per share (EPS) for Q2FY23 were 28.86 sen, compared to 29.09 sen in Q2FY22.

The Board of Directors is pleased to announce an interim dividend of 22 sen per share for the second quarter ended 30 June 2023 (Q2FY23). This brings the total first half interim dividend per share of 43 sen.

For the cumulative six months ended 30 June 2023 (1HFY23), the Group's revenue decreased by 5.0% to RM1.17 billion, while its net profit declined by 4.0% to RM173.3 million against the same period last year. The subdued performance is due to the earlier timing and shorter sales period for the Chinese New Year (CNY) celebrations this year as outlined in the Q1FY23 announcement as well as the weaker consumer sentiment. Earnings were also impacted by higher input costs and increased marketing expenses.

The Group's Sri Lankan-based associate company Lion Brewery (Ceylon) PLC saw a higher share of profit in 1HFY23 due to the absence of one-off surcharge tax expense of RM3.7 million.

Carlsberg Malaysia's Managing Director Stefano Clini elaborated: "Our second-quarter results were mainly affected by a decline in consumer off-take, driven by growing concerns over the escalating cost of living, especially the rising food prices amidst the backdrop of global economic uncertainty. Additionally, consumer sentiment has been impacted by the higher interest rates in Malaysia and Singapore, which further exacerbated the weak consumer spending during this period," he added.

Under the mainstream segment, the Group has increased investments behind Carlsberg with the '*Raikan Kebanggaan Sabah & Sarawak*' campaign in the Borneo islands as well as Carlsberg Smooth Draught's '*#BestWithCarlsberg*' campaign in Peninsular Malaysia. In Singapore, Carlsberg brands took part in two major consumer events namely the Southeast Asia debut Sneaker Con and Gastrobeats.

On premiumisation, 1664's third consecutive year of the '*Bon Appetit-lah*' campaign in Malaysia and the '*Good Taste with a Twist*' activation in Singapore have solidified its leadership in the premium wheat beer segment. For Somersby, the Group has executed sampling events for its non-alcoholic beverage – Somersby Apple 0.0 in two of Klang Valley's hotspots – Pavilion Bukit Jalil and Sunway Pyramid malls in Malaysia.

Committing to our ZERO Irresponsible Drinking programme, the Group had reached out to over 3,000 consumers in the first half of this year to raise awareness on responsible consumption via its eight **#CELEBRATERESPONSIBLY** activations in Malaysia. On community engagement, the Group has also announced the resumption of its three-decade-long fundraising platform for vernacular schools in Malaysia – Top Ten Charity campaign after a 3-year hiatus during the pandemic.

Moving forward, the Group observes a cautious outlook as the anticipated higher inflationary pressures and geopolitical tensions will continue to pose challenges and dampen consumer spending. However, the end of Prosperity Tax 2022 will positively impact the Group's net profit.

"Guided by Group's SAIL'27 strategies, the Group will continue to strengthen its mainstream beers, step up on premiumisation, drive alcohol-free brews as an alternative for consumers who prefer non-alcoholic beverages and stay focused on both revenue and cost optimisation initiatives," concluded Clini.

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For more communication materials, scan here:



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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 Hong Kong, Taiwan, Laos, Cambodia and Thailand.

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