

FOR IMMEDIATE RELEASE

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Page 1 of 2

9MFY19 Revenue up 15.5% and Net Profit grew 5.9%

Q3FY19 net profit grew 6.5% on the back of revenue growth of 10.0% driven by higher sales in Malaysia and Singapore and higher share of profits from Sri Lanka; third quarter interim dividends of 17.0 sen declared

SHAH ALAM, 26 November 2019 – Carlsberg Brewery Malaysia Berhad (“the Group”) continued to report a solid top- and bottom-line growth with revenue growing 15.5% to RM1.68 billion and net profit up 5.9% to RM222.0 million for the 9 months ended 30 September 2019 (9MFY19) as compared to the same period last year.

Adjusting for the impact of the Sales and Services Tax (“SST”) regime which came into effect on 1 September 2018, the Group’s organic revenue for 9MFY19 grew by 10.7%. Net profit also grew organically by 8.3% after excluding a non-recurring insurance compensation in its associate company Lion Brewery (Ceylon) PLC (“LBCP”) last year. Profit from operations grew 7.3% to RM282.0 million driven by higher sales and lower other operating expenses, partially offset by higher marketing investments.

For the quarter ended 30 September 2019 (Q3FY19), the Group’s net profit increased by 6.5% to RM69.2 million whilst revenue grew 10.0% to RM542.2 million as compared to the corresponding quarter last year. This was sustained by higher sales and premiumisation in both the Malaysia and Singapore operations. The Group also recorded higher share of profits of 42.0% to RM5.3 million from LBCP contributed by its better operational performance in Sri Lanka in Q3FY19 versus the same quarter last year.

Organically, the Group’s revenue for the quarter increased by 6.0% after adjusting for the abovementioned SST impact. Profit from operations grew 5.3% to RM87.4 million mainly driven to the higher sales and lower other operating expenses, partially offset by higher commercial investments behind the Carlsberg brand’s new improved packaging launch in July in Malaysia and Singapore.

Malaysia revenue for 9MFY19 increased by 19.1% to RM1.23 billion, while profit from operations improved by 6.6% to RM212.2 million. Revenue for Q3FY19 grew 11.5% to RM390.7 million and profit from operations increased by 5.0% to RM62.6 million. The organic revenue growth for 9MFY19 and Q3FY19 were 12.4% and 5.9% respectively, if excluding the effect of SST.

Singapore revenue was up 6.7% to RM449.7 million and profit from operations increased by 9.4% to RM69.8 million for 9MFY19 versus the same period last year. For the quarter under review, revenue grew by 6.5% to RM151.5 million and profit from operations increased by 5.9% to RM24.8 million compared to Q3FY18.

Earnings per share (EPS) for 9MFY19 was 72.6 sen as compared to 68.6 sen for the nine-month period last year. EPS for Q3FY19 was 22.6 sen versus 21.3 sen for the prior corresponding quarter.

In line with its current dividend policy, the Board declared a THIRD quarter single tier interim dividend of 17.0 sen per ordinary share. Together with the FIRST quarter single tier interim dividend declared in respect of Q1FY19 of 21.5 sen per ordinary share and the SECOND quarter single tier interim dividend in respect of Q2FY19 of 16.1 sen per ordinary share, total 9MFY19 interim dividends stand at 54.6 sen per ordinary share, which represents a pay-out ratio of 75.2% of the Group's net profit for 9MFY19.

Newly-appointed Managing Director Stefano Clini said: "For Q3FY19, we are pleased to report the 7th consecutive corresponding quarter-on-quarter growth in top- and bottom-line results. This is attributed to the higher sales performance driven by effective consumer-facing activities when we rolled out Carlsberg's betterments promotions nationwide in July, and continued steady growth in Carlsberg Smooth Draught, Kronenbourg 1664 Blanc and Connor's."

"We are committed to continue investing in Carlsberg's new improved packaging and to intensify our consumer activations to drive further premiumisation in both Malaysia and Singapore while keeping costs under control. The early responses towards Carlsberg's practical improvements in visibility, packaging and amenities have been very encouraging. The recently concluded Probably The Best Oktoberfest campaigns and Connor's Perfect Pour Challenge also boosted sales and drove traffic in the trade," Clini explained.

The brewery applauds the Government's decision not to raise excise duties on beer in the recent Budget 2020 as any further increases will exacerbate contraband activity. The Group is expected to sustain the current growth momentum for the rest of the year in anticipation of an early Chinese New Year in January next year whilst staying committed to deliver the strategic priorities of its SAIL'22 strategy.

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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, Probably The Smoothest Beer In The World – Carlsberg Smooth Draught and Probably The Best Strong Beer – Carlsberg Special Brew. This Carlsberg trio is complemented by international premium brews including France's premium wheat beer Kronenbourg 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.