

Carlsberg  
Malaysia

# 49TH ANNUAL GENERAL MEETING

CARLSBERG BREWERY MALAYSIA BERHAD

Sime Darby Convention Centre  
Wednesday, 10 April 2019

PROBABLY  
**THE BEST  
YEAR**

ANNUAL REPORT 2018

Carlsberg  
Malaysia

**PRESENTATION**



**MANAGING  
DIRECTOR**

MR. LARS LEHMANN

# 2018 RESULTS





**14.6%**  
**REVENUE** to RM1.98 bil

**25.3%**  
**NET PROFIT** to RM277.2 mil

**7.4%**  
**FREE CASH FLOW** to RM328.0 mil

**FY18** delivered record growth  
and shareholder value

**Carlsberg**  
Malaysia



# SATISFACTORY PERFORMANCE IN **FY'18**



Outstanding performance from MY



Higher operating profit from SG

(partly due to one-off RM17.2 mil trade offer adjustments in FY17)



Share of Profits of RM21 mil from LBCP

(vs RM0.2 mil share of loss in FY17)



Dividend at 100.0 sen\*, 110.3% payout ratio of FY18 net profit

\*Incl. proposed FINAL and SPECIAL dividends subject to shareholders' approval at 49<sup>th</sup> AGM.



# PROBABLY THE BEST YEAR IN MY, SG & SL

**MALAYSIA** 100% Ownership  
Carlsberg Marketing Sdn. Bhd.



**+21.9%\***

Revenue in 2018  
**RM1.41 bil**

**+17.4%**

Profit from Operations in 2018  
**RM254.1 mil**

**RM235.2 mil**

Free cash flow in 2018

**SINGAPORE** 100% Ownership 51% Ownership  
Carlsberg Singapore Pte. Ltd. MayBev Pte. Ltd.



**-0.3%\***

Revenue in 2018  
**RM569.1 mil**

**+12.4%**

Profit from Operations in 2018  
**RM92.9 mil**

**RM92.8 mil**

Free cash flow in 2018

**SRI LANKA** 25% Ownership  
Lion Brewery (Ceylon) PLC

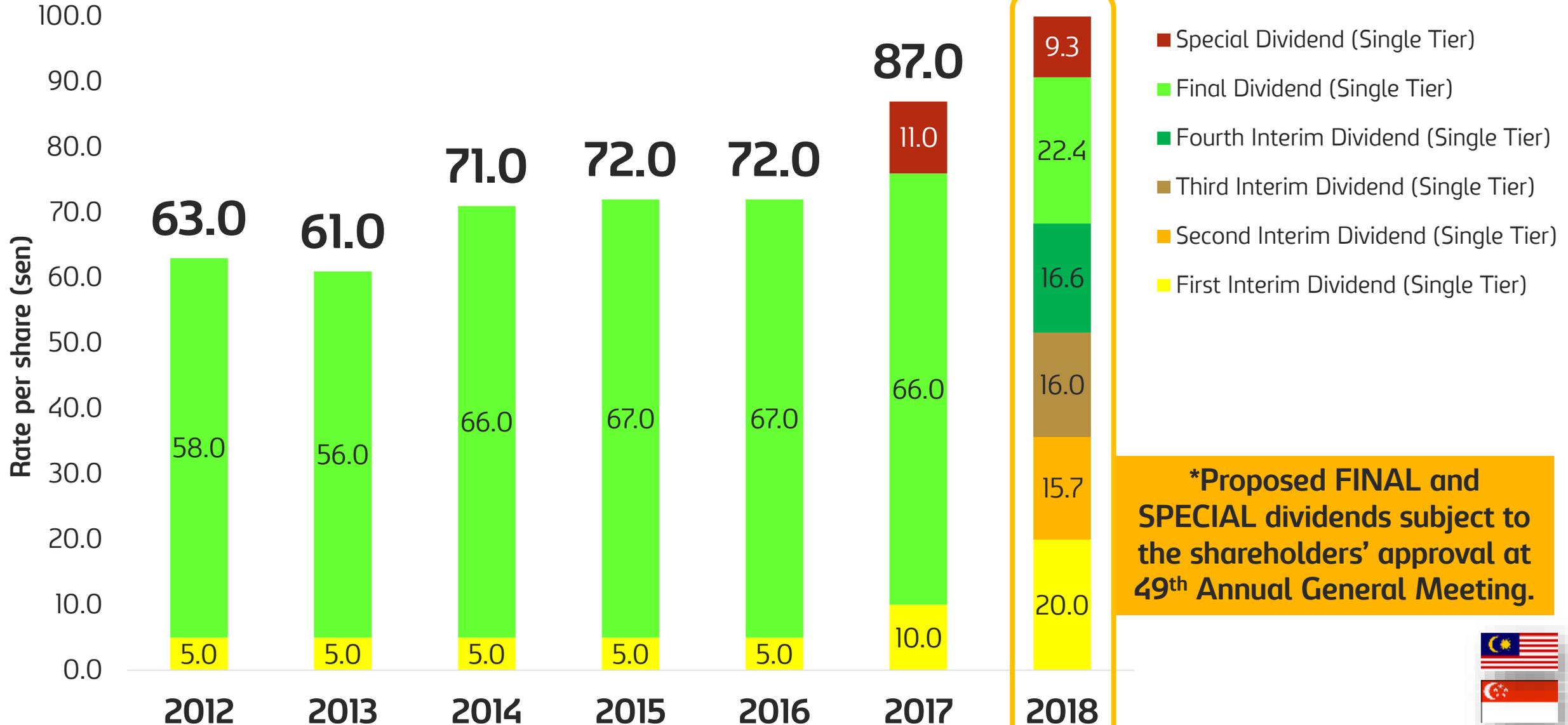


Share of Profits  
**RM21.0 mil**

in 2018 against a share of loss of  
RM0.2 mil in 2017



# DIVIDENDS FROM 2012 TO 2018





# FY2018 BRAND PERFORMANCE

**Carlsberg**  
Malaysia



# Outstanding Mainstream Growth from Carlsberg Smooth Draught

FY 2018 vs FY 2017

**+12%**  
IN VOLUME



CARLSBERG  
GREEN LABEL

**+8%**

CARLSBERG  
SMOOTH DRAUGHT

**+58%**

Carlsberg  
Malaysia



# PROBABLY THE MOST VICTORIOUS YEAR

The first-ever festive  
**red tabs and caps**  
on Carlsberg and  
Carlsberg Smooth Draught  
was eye-catching and  
well-received by consumers



**88,000**  
consumers engaged at  
our through-the-line  
campaign activations



**Over 5,500**  
winners of nationwide  
promotions, including the  
"I Shop, Carlsberg Pays" contest,  
which was back by  
popular demand for the  
2<sup>nd</sup> consecutive year



**2 mil**  
consumers  
reached through  
digital activities  
and social media  
platforms



Special-edition festive packaging sizes  
in Singapore boosted consumption. The  
Carlsberg 48-can trolley bag promotion  
received overwhelming response!

新年快樂  
恭喜發財

Probably The Most  
Victorious Year!  
Gong Xi Fa Cai.



# PROBABLY THE BEST FOOTBALL BEER



BUY CARLSBERG AND  
ENJOY THE MATCH!

Collect merchandise from  
your favourite team

## Country-themed packaging

on Carlsberg and  
Carlsberg Smooth  
Draught as well as  
collectible merchandise  
fuelled passions for  
the football event of  
the year



Over  
**200,000**  
consumers participated  
at Probably The Best  
football viewing parties



**15.5 mil** online users  
reached through  
digital campaigns



Over **1 mil** prizes and  
merchandise given out



**Carlsberg** Probably the best football beer in the world.

PROBABLY  
THE SMOOTHEST BEER  
IN THE WORLD  
**CARLSBERG SMOOTH  
DRAUGHT**

**NOW YOU CAN**  
**+58%**  
Volume Growth  
in 2018  
**POP**  
A DRAUGHT  
ANYWHERE



**Pull-off POP Cap**

One-of-its-kind innovation,  
launched to offer the smoothness of  
draught beer with ease and fun

**Probably The  
Best POP  
Music Video**

with a catchy jingle  
featuring the cap's  
distinctive "POP"!



Countdown to  
**Probably The  
Smoothest Hour**  
sampling at high-traffic  
bus stops in Singapore

Probably The Best

# Golf



## Tournament

Celebrated **25<sup>th</sup> Anniversary** in 2018 as the **biggest and longest-running amateur golf tournament** in Malaysia



**3,200 players** "popped" a Carlsberg Smooth Draught right on the green



More prizes, fun activities, and novelty shots plus samples of refreshing **Somersby cider!**



**34 qualifying legs** held throughout 9 states over 4 months

**RM2.6 mil** value in partner sponsorships and prizes – the biggest on record!



**Carlsberg** **golf** Probably the best beer in the world.



# PROBABLY THE BEST FUNDRAISING PLATFORM

Top Ten Charity Campaign

Perlis 玻璃市  
RM800,000

Kedah 吉打  
RM14,994,632

Penang 檳城  
RM24,164,074

Kelantan 吉兰丹  
RM6,517,388

Perak 霹靂  
RM73,086,203

Terengganu 丁加奴  
RM3,629,836

Selangor 雪兰莪  
RM102,232,525

Pahang 彭亨  
RM35,642,045

Kuala Lumpur 吉隆坡  
RM103,326,283

Negeri Sembilan 森美兰  
RM20,497,857

Melaka 马六甲  
RM26,257,638

Johor 柔佛  
RM90,859,872



More than **600**  
vernacular **schools**  
supported over  
**30 years**



南洋商報  
中國報

冲破五亿，再接再厉！

**RM520.8 mil**

in total proceeds from 1987 to 2018



**RM18.7 mil**  
raised in 2018 alone



Sabah 沙巴  
RM14,648,020

Sarawak 砂撈越  
RM4,147,211



Recognised by the  
**Malaysia Book  
Of Records** as the  
longest-running Chinese  
charity concert with the  
highest funds raised!



Probably the best fundraising platform.

# Strong DOUBLE-DIGIT Growth for Premium Brands

FY 2018 vs FY 2017



# +20%

IN VOLUME



Carlsberg  
Malaysia



# NO.1 CIDER IN MALAYSIA AND SINGAPORE

**+24%**  
Volume Growth  
in 2018

## Somertime, Anytime!

Iconic Somersby Kombis toured the country offering the taste of Somersby to over **160,000** consumers



**Somersby Elderflower Lime**, a new variant launched with floral notes combined with a twist of lime and available in 330ml pint bottles and 320ml cans



**Somersby Sparkling Rosé**  
First cider dedicated to ladies, turning ordinary moments elegantly pink



# TASTE THE FRENCH WAY OF LIFE **KRONENBOURG 1664 BLANC**

**+40%**  
Volume Growth  
in 2018



**Pause for a  
Blue Treat**  
promotion offered  
chilled 1664 Blanc to  
consumers' doorsteps



**Pause for a  
Blue Christmas**  
dressed up bars and  
pubs with over 100  
Christmas trees of  
iconic-blue bottles

Limited edition festive pack -  
perfect for gifting!



# JAPAN'S NO.1 PREMIUM BEER ASAHI SUPER DRY

**+8%**  
Volume Growth  
in 2018

Limited-edition  
**Asahi Mini Can**  
promotion highlighted  
the unique miniaturisation  
in Japanese culture



Asahi is now  
available in  
**550 Japanese  
eateries in  
Malaysia and  
Singapore**



..... **SINGAPORE**

**3 seasonal  
variants in  
convenience  
stores**



# DRAUGHT STOUT "JUST MADE RIGHT" **CONNOR'S STOUT PORTER**



**+42%**  
Volume Growth  
in 2018



Over  
**30,000**  
Stout Drinkers  
participated in the  
challenge and learned to  
pour a perfect pint



**96%**  
satisfaction rate  
achieved from blind-taste test  
of Connor's Stout

3 wins at the  
**Loyalty & Engagement  
Awards 2018**  
by Marketing magazine in Singapore

1. **GOLD** for Best Engagement Strategy for a Male Audience
2. **SILVER** for Best Customer Experience
3. **SILVER** for Best Use of Experiential/Live Marketing



# Craft Beer Growing as New Revenue Stream

FY 2018 vs FY 2017

# +178%

IN VOLUME



Launch of flagship Brooklyn Bar in MY



Seasonal variants in SG





1H 2019  
BIZ FOCUS

FOCUSED EXECUTION ON  
**INNOVATION,  
QUALITY &  
CONSUMERS**

Jan-Feb '19

鸿运当头  
-POP- 万赢

Prosperity  
Begins With A  
POP!



#CELEBRATERESPONSIBLY

**Carlsberg** Probably the best beer in the world.

WIN A VALENTINE'S DATE  
WORTH RM20,000!

Feb '19



LIVE AN UNFORGETTABLE VALENTINE'S DAY WITH 1664 BLANC

Submit your entries on Facebook and Instagram now!

Find out more:  KronenbourgMY  KronenbourgMY

*Taste the French way of life*



# SOMERSBY SPARKLING WHITE. INSPIRED BY WHITE WINE.



**NEW**

Mar '19

Mar '19



CHALLENGE

TAKE THE  
CONNOR'S

# PERFECT POUR CHALLENGE

POUR THE PERFECT PINT,  
WIN **FREE** STOUT!\*



# RISING COSTS OF RAW MATERIALS

1. Escalating production costs:
  - Malt prices up by 15% to 20% due to bad barley harvests in Europe and Australia
  - Prices of glass bottles increased by 4% in 2019 vs. 2018's prices.
  - Utilities costs up 6.6% in July 2018.
2. To mitigate the cost, we adjusted the price of certain products to distributors and retailers between **3% to 6%** effective **1 April 2019**.

We are mindful of the impact of any price adjustment and have kept this a minimum to ensure our products remain affordable and competitive in the marketplace.



# REGULATORY DEVELOPMENTS



1. **Smoking ban:** negative impact on consumption in eateries.



2. **Import licences:** stricter issuance for alcohol, benefitting local brewers in the long-run.



3. **Duty-free islands:** purchase restrictions on alcohol lifted from 27 March 2019.



4. **Greater enforcement:** crackdown on contraband alcohol products saw roughly +30% increase in excise duty on duty-paid production in Jan to Feb 2019.



5. **“Sugar Tax”:** postponement until 1 July 2019.



6. **EU-Singapore Trade Agreement:** implementation in Q4 2019 will see tougher competition from imports.



# CHANGES TO MANAGEMENT TEAM



Carlsberg  
Malaysia



# **THEODORE "TED" AKISKALOS**

## **- MANAGING DIRECTOR effective 1 May 2019**



- Replacing Lars Lehmann, who has been promoted to ExCom of Carlsberg A/S and CEO of Baltika Russia effective 1 May 2019.
- A Greek aged 40, the current Managing Director of Carlsberg Sweden.
- Throughout his 9 years with the Carlsberg Group, Ted has led various transformational projects, served as MD of Carlsberg Sweden: made the biz returned to growth in top- and bottom-line as well as MD of Carlsberg Hong Kong which became the market leader.
- Prior to joining the Carlsberg Group, Akiskalos was Associate Principal of McKinsey & Company based in Boston, USA.

# CAROLINE MOREAU

## NEW MARKETING DIRECTOR



- Replaced Charles Wong as of 7 January 2019.
- Caroline is responsible for brand and channel marketing and market research.
- She has been with the Carlsberg Group since 2007 where her last role was as Commercial Director of Global Craft and Specialty Beer.
- She has 19 years of international experience in the Fast-Moving Consumer Goods (FMCG) industry.



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# 2019 OUTLOOK



# OUTLOOK FOR 2019



- ❖ Continue our focused execution of SAIL'22 strategy in MY and SG.
- ❖ Rising prices for raw and packaging materials will have a negative impact on our production costs, but offset by price adjustments in April.
- ❖ Invest in great innovations, excellent product quality and relevant consumer activations.
- ❖ In Malaysia, ongoing cooperation with the authorities for greater enforcement against contraband.

# THANK YOU



KEEP WINNING

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