

**BREWING  
FOR A  
BETTER  
TODAY**

**&  
TOMORROW**

**Carlsberg**  
Malaysia

**47<sup>th</sup> Annual General Meeting**

20<sup>th</sup> April 2017

Share of loss  
**RM5mil**  
in 2016 against a  
RM16 million profit in 2015



**Sri Lanka**

**25%**

Lion Brewery Ceylon PLC



Revenue in 2016

**RM1,096mil**



**Malaysia**

**100%**

Carlsberg Marketing Sdn. Bhd.



**Singapore**

**100%**

Carlsberg Singapore Pte. Ltd.



**51%**

MayBev Pte. Ltd.





# 47<sup>TH</sup> ANNUAL GENERAL MEETING MD PRESENTATION

**Lars Lehmann**  
Managing Director  
20 April 2017

A group of people are sitting at a table in what appears to be a bar or restaurant. A woman on the left is smiling broadly and holding a glass of beer. A man in the center is also smiling and looking towards the right. A woman with long blonde hair is partially visible on the right. In the foreground, there is a green bottle of beer and a glass of beer. The background is slightly blurred, showing a window with a view of the outdoors.

# 2016 RESULTS

# 2016 was a difficult year....



**Share of losses  
from Lion Brewery  
(Ceylon) PLC**



**One-off tax  
adjustments &  
higher deferred  
tax expenses**



**Hefty hike in  
Excise Duties  
in Malaysia**



**Organic  
revenue  
growth**

# Profit After Tax drops 4% (organic up 5%)

- Organic growth in revenue grew by 5.7% to RM1.68 billion, after adjusting for the impact from the Luen Heng F&B Sdn. Bhd. divestment.
- PBT was flat at RM283.8 million as higher profit from operations was offset by a share of loss of RM5.1 million from Lion Brewery (Ceylon) PLC compared to a share of profit of RM16.1 million in 2015.
- Lower PAT due to one-of tax adjustments relating to prior periods and a higher deferred tax expense.
- Proposed dividend payout of 104.5% of PAT 2016.

Share of loss  
**RM5mil**  
 in 2016 against a  
 RM16 million profit in 2015



## Sri Lanka

**25%**

Lion Brewery Ceylon PLC

## Malaysia

**100%**

Carlsberg Marketing Sdn. Bhd.



Revenue in 2016

**RM1,096mil**

## Singapore

**100%**

Carlsberg Singapore Pte. Ltd.



Revenue in 2016

**RM583mil**

**51%**

MayBev Pte. Ltd.



## FY 2016

	<u>Reported</u>
<b>Revenue</b>	<b>1.2%</b>
<b>PBT</b>	<b>0.1%</b>
<b>PAT</b>	<b>- 4.3%</b>
<b>Earning per share</b>	<b>67.04 sen</b>
<b>Dividends</b>	<b>72 sen</b> (proposed & declared)

# Business disruption due to floods



- In May, Lion Brewery (Ceylon) PLC (LBCP) faced the worst floods in 30 years.
- Production was stopped for 7 months, only resumed on 23 November 2016.
- Plant equipment was severely damaged and affected stocks were written-off.
- Carlsberg Asia breweries in Laos, Myanmar and Cambodia helped LBCP address out-of-stock issues.
- LBCP received first insurance compensation for the write-down on fixed assets in end Dec 2016. Second payment of compensation is expected to be received in Q2.

# YTD Dec 2016 Income Statement



RM'000	YTD Dec 2016	YTD Dec 2015	% Reported	% Organic
Revenue	1,679,494	1,659,945	1%	6%
Excise duty	(754,320)	(682,955)	-10%	-11%
Other operating expenses	(640,033)	(714,908)	10%	1%
Other operating income	8,915	11,046	-19%	-22%
Operating Profit	294,056	273,128	8%	3%
Interest expense (net)	(5,157)	(5,635)	8%	12%
Profit/(Loss) from associate Co.	(5,056)	16,139	-131%	-131%
Profit Before Tax	283,843	283,632	0%	-4%
Profit After Tax	210,665	220,238	-4%	-10%

Increase in excise duties since March 2016

One-off items (GST refund and brand incentive gained) in 2015

Biz disruption in LBCP from May to Nov 2016

Exclude LHFB divestment impact

Contributed by Fund the Journey programme

One-off tax adjustment of RM3.8m and under provision of deferred taxation of RM2.4m

# YTD Dec 2016 Balance Sheet & Cash Flow



RM'000	2016	2015
<b>Balance Sheet:</b>		
Non-current Assets	252,792	251,024
Other Current Assets	408,730	410,741
Total Assets	661,522	661,765
Liabilities	331,475	319,177
Equity	330,047	342,588
Total Equity & Liabilities	661,522	661,765
<b>Cash Flow:</b>		
Net cash generated from operations activities	263,393	223,234

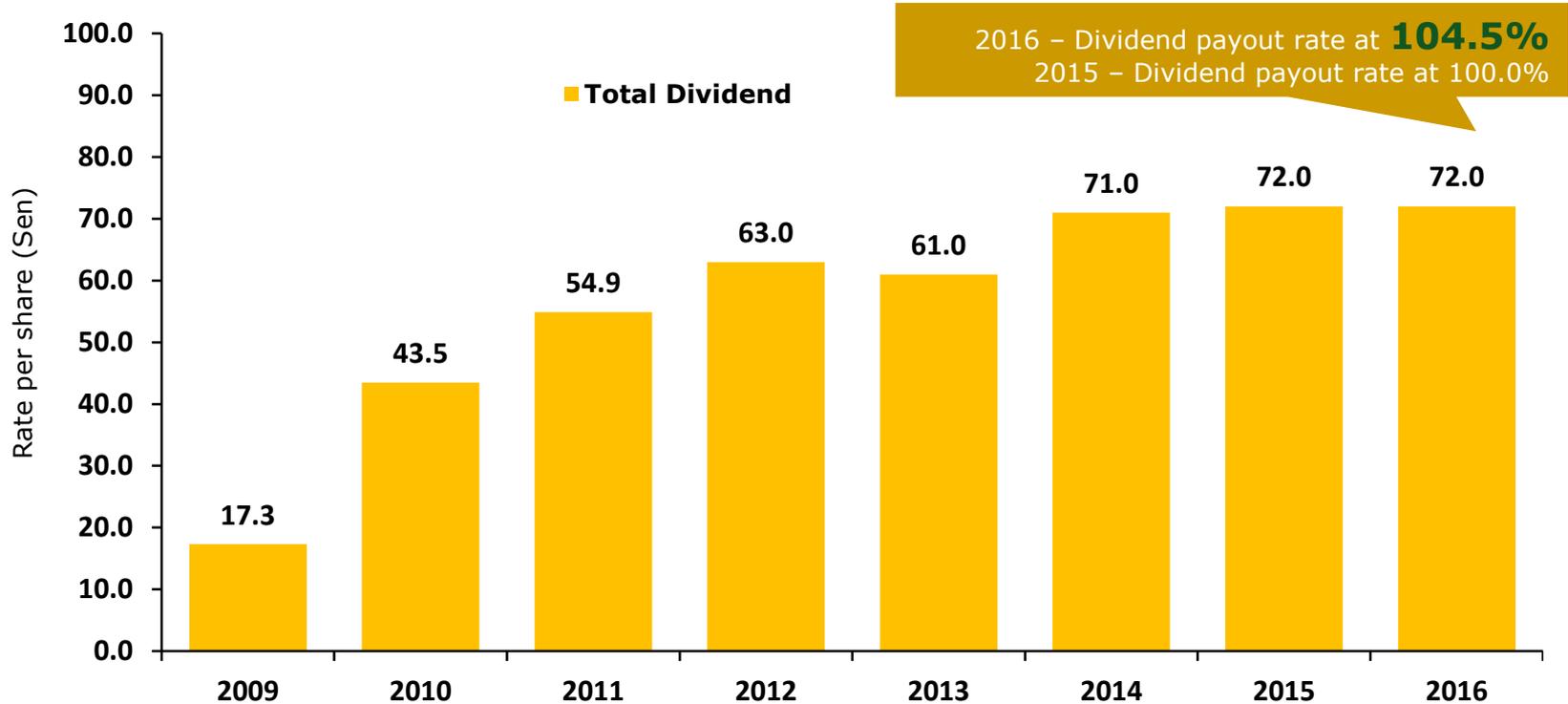
Consistent total assets base

Liabilities was higher due to higher payables on capex and production activities to cater for CNY

Equity was lower due to higher dividend payment ratio at 104.5% of PAT.

Net cash was higher due to improvement in working capital management

# Dividend from 2009-2016 (Net of Tax)





# 2016 BRANDS PERFORMANCE

# Probably the Best Beer in the World



- **Carlsberg Green Label** strengthened its brand engagement with core drinkers via ***Probably the Best Research*** national promotion in Malaysia and elevated digital reach with younger consumers via ***Probably the Best Job*** campaign in Singapore.
- **Carlsberg Smooth Draught**, available in 580ml bottle and 320ml can in Malaysia and Singapore, has expanded distribution in both on-and off-trade and gaining traction amongst consumers.



UEFA  
EURO2016  
FRANCE

Official Beer

Probably the Best Football Experience brought to life with the best seats in the stadium to watch **UEFA EURO 2016™ Semi-final match LIVE** and “**Play on Pitch™**” experience.

Winners were granted access to players' locker rooms, stepped foot on the same semi-final pitch - Stade de Lyon via players' tunnel and pitted their football skills against **football legends** like David James, Steve McManaman, Peter Schmelchel and others!

Limited edition  
**UEFA EURO 2016™**

design on 640ml bottle labels and 320ml cans

Carlsberg  
Malaysia

# OUR FLAGSHIP BRAND OF HIGH QUALITY AND STRONG ASSOCIATION WITH FOOTBALL **CARLSBERG**

**Strengthened brand equity** with Probably the Best Year [20一流一堪称最佳新年] Chinese New Year campaign, Probably the Best Research national promotion in Malaysia and the second edition of Probably the Best Job consumer engagement campaign in Singapore.

Probably

## SINGAPORE



## MALAYSIA



Our digital activities achieved great exposure with

Over **1.2 million** views of 4 EURO branded videos on social media in Malaysia and

Over **2.4 million** engagements on Singapore's social media platform during the tournament.

Malaysian YouTuber Reuben Kang Instagram posts with Man of the Match, Cristiano Ronaldo garnered over **9,000 likes** whilst

SGAG In Singapore achieved a total of **1.7 million** views and 11,500 engagements.

# OUR PROUD PRODUCT INNOVATION **CARLSBERG SMOOTH DRAUGHT**

## SINGAPORE



**Positive growth momentum** in Malaysia and Singapore since nationwide roll-out in April and July respectively



Brewed longer for a smoother beer with an **easy finish**

Its **cold hopping technique** enhances the brew's distinctive **aromatic flavour**

It offers the **smooth sensation** of a freshly tapped beer anytime anywhere!

**Massive sampling** to promote the new brew and engage with consumers

With **4.8%** ABV content, it is available in both 580ml bottles and 320ml cans

## MALAYSIA



Probably the **Smoothest Beer** in the World



# Double-digit growth in Premium brands



- Premium beer brands continued to enjoy **profitable growth**. Launch of can to Kronenbourg 1664 lager, Kronenbourg 1664 Blanc and Somersby Apple cider boost sales in off-trade.



# THE MOST SOLD FRENCH BEER IN THE WORLD **KRONENBOURG 1664**

Opening up **new  
drinking  
occasions**

with the launch of  
Kronenbourg 1664 Blanc  
320ml cans in Malaysia  
and Kronenbourg 1664  
lager 320ml cans in  
Singapore



Brought alive **"Taste the  
French Way of Life"** with  
**"Le Moment"** campaign and Office Soirée  
activations in 2016.

## MALAYSIA



## SINGAPORE



Brewed with the caviar of noble  
hops - **Strisselspelt**  
Hops, Kronenbourg  
1664 Lager offers  
exquisite aromatic flavour.

**+25.6%**  
volume growth in  
2016 vs 2015



INSPIRED BY ORIGINAL  
**BRITISH STOUT PORTER**  
RECIPE

**CONNOR'S**



**Carlsberg**  
Malaysia

OUR PREMIUM  
DRAUGHT STOUT  
**CONNOR'S**  
STOUT PORTER

**+71.9%**

volume growth  
in 2016 vs 2015

MALAYSIA



Extensive sampling with  
**"PAY WHAT'S RIGHT"**  
activation and promotion



**Brewed locally**

for greater freshness,  
it delivers a crisp texture,  
creamy head and gentle  
roasty undertones

A taste that's

**JUST MADE RIGHT**

for discerning stout drinkers

SINGAPORE



# OUR PREMIUM JAPANESE BEER **ASAHI SUPER DRY**

Carlsberg  
Malaysia



**JAPAN'S No.1**  
PREMIUM BEER AND  
BEST-SELLING FOR  
**17 CONSECUTIVE YEARS**  
IN JAPAN

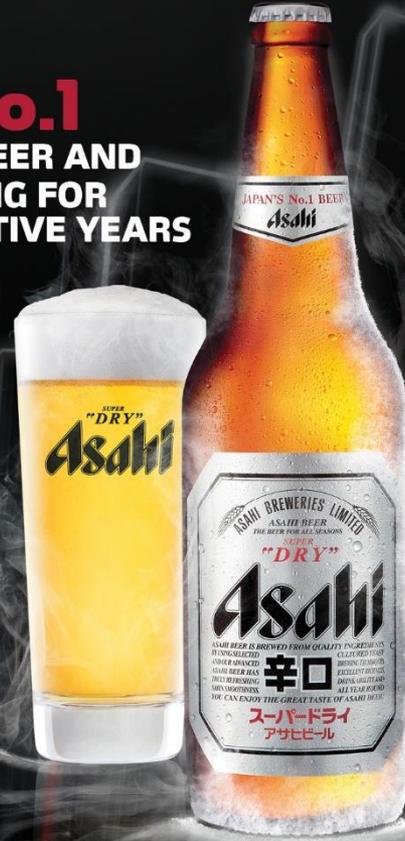


**+6.5%**  
Volume growth in 2016 vs 2015

Igniting Possibilities  
by spearheading  
electronic dance music



Brewed in a unique  
**"Karakuchi"**  
style that gives a clean, crisp,  
refreshing taste with no bitter  
aftertaste



# Leading and Fastest Growing Cider



- Massive sampling and launch of can packaging of Somersby Apple Cider contributed to the **strong growth**.
- **Somersby Blackberry** cider launched in MY. **Somersby Blueberry** cider in SG in Q4 as seasonal variant.

# MALAYSIA AND SINGAPORE BEST SELLING CIDER

## MALAYSIA



**+26.7%**

volume growth in 2016  
vs 2015

**156,000**

people sampled in Malaysia  
in 2016

## Somerita

is a fun and quirky drinking ritual  
of Somersby in a bottle served  
upside down over crushed ice



## SINGAPORE

### Somersby Blackberry cider

was launched as a permanent  
variant in Malaysia



### Somersby Apple cider

in 320ml cans launched in  
Malaysia and Singapore

### Somersby Blueberry cider

was launched as a festive variant in Singapore

# OUR LEADING AND FASTEST GROWING CIDER SOMERSBY



Carlsberg  
Malaysia



# 2017 OUTLOOK



# CHANGES TO MANAGEMENT TEAM

# 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



## STRENGTHEN THE CORE



Grow in mainstream



Win in store



Fund the journey



## POSITION FOR GROWTH



Go big in premium



Build new revenue streams



## DELIVER VALUE FOR SHAREHOLDERS



Organic growth in operating profit



High and stable dividend yield



CREATE A WINNING CULTURE



DEFEND OUR LICENSE TO OPERATE



JIA2  
SS \*  
**SAIL**  
v'22

# Business Priorities for 1H 2017



Grow in mainstream



Go big in premium



Fund the journey



Recovery of Lion Brewery (Ceylon) PLC



凡购买任何 **3** 大瓶  
With purchase of any **3** big bottles



**附送 FREE**

1 罐 Carlsberg 500ml 500ml CAN

Carlsberg 堪称全球最佳啤酒  
Probably the best beer in the world.

Launch 500ml can &  
**CONSUMER TRIALS**

凡购买 **2** 瓶  
Buy **2** bottles  
获取 **RM** 折扣  
get **RM** off



Carlsberg 啤酒  
SMOOTH DRAUGHT

Carlsberg SMOOTH DRAUGHT  
1847 COPENHAGEN PREMIUM BEER

Carlsberg 堪称全球最佳啤酒  
Probably the best beer in the world.

7-ELEVEN

Carlsberg SMOOTH DRAUGHT

SMOOTH DRAUGHT

NOW AVAILABLE  
**500ML CAN**



**RM20**  
For 2 cans

Normal Price: RM14.60 (per 500ml can)

Carlsberg 堪称全球最佳啤酒  
Probably the best beer in the world.



**Carlsberg**  
SMOOTH DRAUGHT

GET YOUR  
**DRAUGHT**  
EXPERIENCE  
ANYWHERE

Carlsberg SMOOTH DRAUGHT

Probably the smoothest beer in the world.



TREAT YOURSELF TO THE BEST-SELLING CIDER IN MALAYSIA!\*

**25,000 FREE ONES!**  
~~APRIL FOOL'S?~~ NO! IT'S APPLEFULL.

A month-long  
**CONSUMER  
ENGAGEMENT**



\*Source: National Key Retailers' Scanned Data: Jan' 15 - Aug 16



CONNOR'S  
STOUT PORTER

# CHALLENGE

TRY IT NOW! EVERY PINT IS GUARANTEED TO SATISFY, OR  
**GET YOUR MONEY BACK.\***

PROMO VALID FROM 17 - 30 APRIL 2017. Please visit [f](#) ConnorsMY for more info.

**17 to 30 APRIL 2017**

**Drink Responsibly.**

CARLSBERG MARKETING SDN BHD (140534-M)

\*Each consumer is entitled for one claim only on the first (1<sup>st</sup>) full pint (600ml) or half pint (250ml) within 1 hour from the time of purchase. Visuals are for illustration purposes.

Terms & conditions apply.

# In conjunction with Carlsberg's 170<sup>th</sup> Birthday, you are invited to a **BREWERY TOUR**



- It is open to the first **200 shareholders**, who register via on Carlsberg Malaysia corporate website – 'Visit Online Booking'.



- It is on first come first served basis, before 31 May 2017.
- Each shareholder can bring **ONLY** one guest, and choose a visit date from **7, 8, 9, 14 & 15 Nov 2017**.
- For more info, please contact Ms. Fazleen Oii on 03 – 5510 1333.

# Outlook for 2017



- ❖ Subdued consumer sentiment and challenging macroeconomics in both Malaysia & Singapore.
- ❖ Sustain growth momentum of Carlsberg Smooth Draught in mainstream segment.
- ❖ Robust advertising campaign to drive growth of premium brands, especially Somersby cider.
- ❖ Funding the Journey programme to deliver efficiencies for re-reinvestment into our brands.
- ❖ Any changes to the product pricing, should there be any on business needs, will be in compliance with the Price Control and Anti-Profitteering Regulations 2016.



THANK  
YOU