

# BURSA INSTI CORPORATE SERIES

## SPRITZER BERHAD

Bursa Malaysia and MIRA had invited Spritzer as one of our companies for our MIDS Gems 2020 live webinar series. During the webinar, Spritzer shared some insightful updates on the company in the webinar, with key takeaways as below.

- Spritzer is the most integrated and largest bottled water producer in Malaysia with more than 40% market share.
- The Spritzer brand is Malaysia's number one natural mineral water brand followed by the Cactus brand, which is owned by Spritzer Berhad. It has three bottled water plants with 16 production lines and one plastic manufacturing plant with an annual capacity of about 750m litres.
- Spritzer's range of products:



- The difference between Natural Mineral water and Drinking water:

	Natural Mineral Water	Drinking-Water
<b>Producer</b>	More than ten active producers with many brands	More than 200 producers with many brands
<b>Source</b>	Underground	Tap water
<b>Regulatory requirement</b>	Very stringent	Stringent
<b>Entry barrier</b>	High	Low
<b>Margins</b>	High	Low
<b>Health benefits</b>	Yes	No
<b>Cap colour</b>	Assorted colour	White

- **Financial highlights:** Spritzer's revenue is on a rising trend with annual sales of about RM350m, of which 93% of sales come from bottled products and the remaining 7% from non-bottled products. However, 2Q revenue was down by 41% due to the Covid-19 lockdown.
- **Outlook:** Management expects a challenging macro environment due to the Covid-19 pandemic resulting in the weak consumer sentiment and volatile MYR. However, they expect a better 2H as sales recover.

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- Automated storage and retrieval system (ASRS) warehouse: Spritzer have invested RM60m on the ASRS warehouse, which uses the Automated Guided Vehicle (AGV) technology to improve operational efficiency and to reduce carbon footprint. The ASRS has a capacity of about 15,000 pallet space.

