

AB INBEV'S CAPITAL MARKETS DAY 2023 MEXICO CITY, MEXICO

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Chief Strategy & Technology Officer, David Almeida - Reground on Strategy

Hello, my name is David Almeida, and I have been the Chief Strategy & Technology officer since 2020.

A little bit about myself: I Joined the company in 1998 and had the privilege to take on various roles across multiple geographies.

Of note, I led the acquisition and integration of Anheuser Busch, and subsequently the integration of SAB Miller.

This coming Friday will be my 25th anniversary with AB InBev.

As Michel recapped for you, 2 years ago we evolved and simplified our strategy into three pillars that dictate the conscious choices we make to maximize long-term value.

In the next 15 minutes, I'll go into a bit more detail on how we execute this strategy.

Starting with where we play and how we win.

To deliver our strategy, we simplified the way we manage our business through our four geographic Clusters, which have been prioritized by size of opportunity and our ability to win in each cluster.

This is our "where to play" approach.

This simplified geographic framework makes it easier to leverage our global scale, and to develop and share replicable tools such as our 5 Category Expansion levers, which we use to win in our markets. This is our "how to win".

We simplified the way we apply the Category Expansion Model across markets with different levels of maturity.

This model is powerful in two big ways.

First: Similarities in maturity and characteristics across markets- means many of the lessons learned in one market can be transferred and improved upon in another.

This is a competitive advantage of our global footprint and scale.

Second: As Michel mentioned, by applying and executing our tools across markets in a consistent way, we have been able to 'bend the consumption curve' and grow the category across all stages of market maturity.

This framework also applies at the cluster level – While we have a unique role in each cluster, our significant presence in all clusters gives us our uniquely advantaged footprint and growth algorithm.

Developing Markets is our highest priority cluster, in which we expect to see growth across all segments. We will come back to Developing Markets in a moment.

In China, our leadership in the premium and super premium segment- positions us- to benefit from the remarkable expected growth of the middle and upper economic classes over the coming decade.

In Developed Markets we expect to see continued dollar growth of the beer category, underpinned by premiumization, and high cash conversion.

Finally, Emerging Markets.

This cluster represents a sizeable population that is growing fast, resulting in a big, multi-decade opportunity for beer.

Let's drill down- into each of these geographic clusters.

China contributes 9% of our global EBITDA and because of its size and unique operating environment it is a priority cluster on its own.

While the premium and super premium segment in China is estimated to account for only 10% of the total beer category today, it is projected to account for around 40% of the category's growth over the next decade.

This is largely driven by the unparalleled growth of the number of middle-income households, which is projected to become 2 times the size of that population in the US by 2030.

We are well positioned to benefit from these premiumization trends given two of our main advantages.

First: with an estimated 45% share of the premium and super premium beer segment, we hold leadership within this attractive market.

Second: we have a compelling portfolio of megabrands to lead growth.

Budweiser is the driving force behind the premium segment growth in China, which, by the way, is the largest market in the world for Budweiser.

And in the super premium segment, we positioned our brands like Blue Girl, Corona, and Hoegaarden to further elevate the category.

Developed Markets contribute 30% of our global EBITDA.

This cluster includes mostly North America and Western Europe.

This cluster is attractive to us in several ways.

First, because consumer trends-
in these regions-
are CONSTANTLY evolving, we are always innovating and finding opportunities for incremental value uplift-
in areas such as Premiumization and Beyond Beer.

Euromonitor projects beer value in developed markets to grow 6% annually over the next 4 years.

Second, the scale of our operations in Developed Markets enabled us to optimize our business to one that is highly cash generative.

Across our Developed Markets, we have been successful in growing our Above Core portfolio's contribution-
by 10 percentage points over the past 5 years to reach 40% last year.

Emerging Markets contribute 7% of our global EBITDA.

These are markets such as India, Nigeria, Zambia, and Mozambique.

The combination of a sizeable and growing population, and growing beer per capita consumption points to a multi-decade growth opportunity for the beer category in this cluster.

But its early stage of economic development can also mean relatively high levels of volatility.

This is where our category expansion model helps us navigate and identify the most attractive segments and markets.

A good example is India.

In India we are over-indexed in the fast-growing premium and super premium segment, where we hold almost 70% share.

Budweiser volume in India has tripled over the past 5 years, and now India is Budweiser's 3rd largest market by volume outside of the US.

And there's still a lot of headroom to grow here.

While India is now the largest country in the world by population- per capita beer consumption today is only at 2 liters.

We believe there is massive potential to be unlocked there.

Developing Markets is our largest cluster, contributing 54% of our global EBITDA.

These are markets like Mexico, Brazil, Colombia, and South Africa.

It's also the most profitable for us in terms of EBITDA margin.

With an EBITDA of around \$10 billion, our business in this cluster alone is comparable to the entire EBITDA of many CPG companies in our peer group.

In Developing Markets, we are seeing fast growth across all segments within beer.

And, because we hold significant share in this cluster, we are well-positioned to lead the continued growth of the category.

Speaking of share, it is noteworthy that we were able to both grow volume and maintain or grow market share in the largest markets within the Developing cluster despite an evolving competitive environment over the past five years.

We believe this is a testament to the resilience of our business and the consistent execution of our strategy.

Our financial performance in the Developing cluster demonstrates the resilience of our business.

Over the past 4 years, we've maintained consistent volume growth ahead of the category thereby growing our share.

And, by carefully balancing price and mix, we've delivered NR/HL growth ahead of a high inflationary environment.

We also managed our costs tightly to deliver high-single-digit EBITDA growth above pre-COVID levels despite the inflationary cost environment.

Let's come back to our replicable growth drivers- and look at how they work within our Developing Markets cluster.

This chart illustrates the various tools- across our strategic pillars- and how effectively they are applied in each market.

Green being most effective to red being least.

A couple of points stand out here.

First, our replicable toolkits are consistently executed across multiple markets. They travel well.

Second, there is a clear correlation between the disciplined implementation of these toolkits and our desired strategic goals: share of throat, market share, and organic EBITDA growth.

And where we have gaps, we have a clear view of what levers we need to work on-

allowing us to drive our results even further.

In summary...

Our strategy is clear and simple.

Our “where to play” and “how to win” approaches are clear.

We are executing this strategy across all our geographic clusters at scale.

And this is enabled by consistently applying our replicable toolkits to lead and grow the category, expand our share, and grow our business organically.

Our strategy in action is exemplified in our Developing Markets cluster business.

A large, growing, and profitable business that is also resilient against external headwinds.

Mexico is the largest market by EBITDA within Developing Markets, and we are excited to be hosting you here where you will have the opportunity to see this strategy, our replicable toolkits, and our strengths come to life over the next two days.

Next, I want to invite our partner Ricardo Tadeu, Chief Growth Officer, who's going to introduce the Growth Group and dive into the details of the "How to win" part of our strategy.

Welcome Ricardo...