



ABInBev

First Quarter 2020 Results

07 May 2020

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Certain statements contained in this report that are not statements of historical fact constitute forward-looking statements, notwithstanding that such statements are not specifically identified. In addition, certain statements may be contained in the future filings of the Company with the competent securities regulators or other authorities, in press releases, and in oral and written statements made by or with the approval of the Company that are not statements of historical fact and constitute forward-looking statements.

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AB InBev
Bringing People Together for a Better World

AGENDA

- **1Q20 RESULTS**
- **BUSINESS UPDATE IN LIGHT OF THE COVID-19 PANDEMIC**
- **FINANCIALS**
- **Q&A**

1Q20 FINANCIAL SUMMARY

TOTAL VOLUMES -9.3%

- Own beer -10.5%, non-beer -0.2%
- Total volumes +1.9% in January and February excluding China, -3.6% in 1Q20 excluding China

TOTAL REVENUE -5.8%

- Revenue per hl +3.9%
- Global brands -11.0% and -17.5% outside of their home markets, with growth across most markets offset by declines in China

EBITDA -13.7% AND EBITDA MARGIN CONTRACTED BY 331 BPS TO 35.9%

NORMALIZED EPS DECREASED FROM \$1.21 TO -\$0.42

UNDERLYING EPS DECREASED FROM \$0.73 TO \$0.51

1Q20 KEY MARKET TAKEAWAYS



US: Top-line growth with strong performance of above core brands, including successful launch of Bud Light Seltzer



Mexico: Double-digit revenue growth, with volume growth ahead of the industry and continued OXXO expansion



Colombia: Started the year with strong momentum, with volume growth of high single digits in January and February



Brazil: Challenging quarter, with top-line decline due to unfavorable mix shift and the impact of COVID-19



South Africa: Balanced top-line growth despite COVID-19 impact, with a **full shutdown starting March 27**



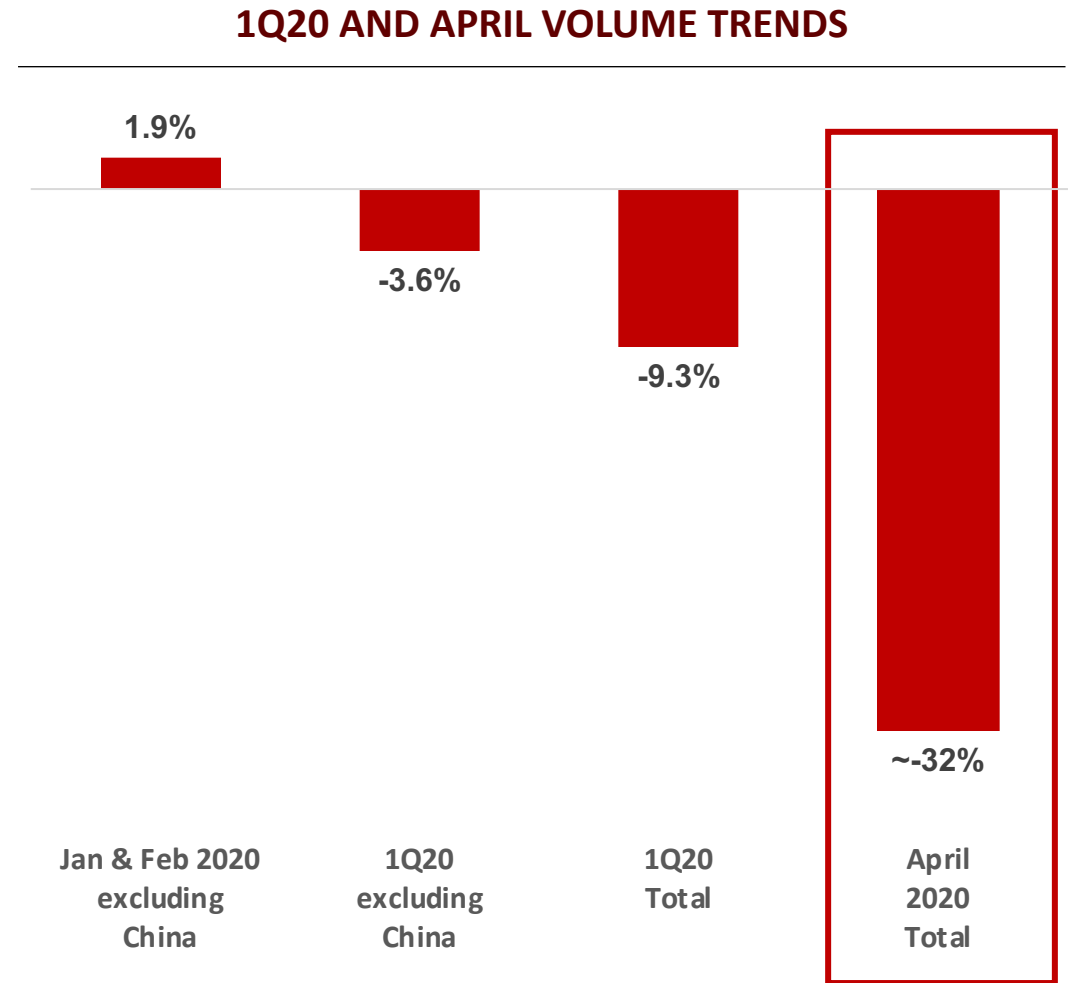
China: Top and bottom-line significantly impacted by COVID-19, though recovery rate improving since early March



Europe: Market share gains across almost all markets, but results impacted by COVID-19 restrictions in March

2Q20 IS EXPECTED TO BE MATERIALLY WORSE THAN 1Q20

- Our **April volumes declined by ~32%**, primarily driven by:
 - The **closure of the on-premise channel in most markets**, which in 2019 represented ~1/3 of our global volume
 - **Full shutdown of our beer operations** in April in some key markets (e.g. Mexico, South Africa and Peru)






BUSINESS UPDATE IN LIGHT OF THE GLOBAL COVID-19 PANDEMIC



THE SAFETY OF OUR PEOPLE IS OUR TOP PRIORITY


SAFETY PROTOCOLS




STAY HOME IF YOU ARE SICK

COVID-19 SYMPTOMS


If you have **ANY** of the following symptoms



FEVER



COUGH




SHORTNESS OF BREATH

NO ENTRY


* If you are experiencing any other flu symptoms including headache, sore throat, tiredness, aches & pains, diarrhea, nausea, runny nose, with the presence of a fever – **Do not enter** and contact your people manager.

IF SYMPTOMS APPEAR WHILE ON SITE


NOTIFY YOUR SUPERVISOR AND YOU MUST LEAVE THE SITE




STAY AT HOME




AVOID CONTACT WITH OTHERS



COVER YOUR NOSE AND MOUTH WITH TISSUE OR ELBOW WHEN SNEEZING



PUT TISSUES IN THE TRASH BIN AND WASH HANDS



KEEP OBJECTS AND SURFACES CLEAN

SEEK MEDICAL TREATMENT IF NECESSARY

TEMPERATURE CHECKS



TEMPERATURE CHECK

EMPLOYEES CHECKED AT POINT OF ENTRY

LET'S SLOW THE SPREAD

TOGETHER WE CAN MAKE A DIFFERENCE

6 FEET



6 FEET



HAND SANITIZING STATIONS



FRIENDLY REMINDER



APPLY THE PRODUCT ON THE PALM OF ONE HAND



RUB HANDS TOGETHER



COVER ALL SURFACES UNTIL HANDS FEEL DRY (20 SEC)

COVID-19 PREVENTION



WASH HANDS WITH SOAP AND WATER FOR A MINIMUM OF 20 SECONDS.



AT ALL COST, AVOID TOUCHING YOUR EYES, NOSE AND MOUTH.



COVER YOUR COUGH OR SNEEZE WITH A TISSUE, THEN TOSS IT INTO THE TRASH.

SUPPORTING OUR COMMUNITY & CUSTOMERS

COMMUNITY INITIATIVES

- Production and donation of over **3 million bottles of hand sanitizer** in over 25 countries
- **Packaging and donating water**
- **Mobilized our fleet of trucks** to deliver food, water and medical supplies
- Donation of medical supplies, including over **3 million face shields that we are manufacturing**
- **Helping build public healthcare facilities** in Mexico, Colombia, Brazil and Peru
- Collaborated with our sports partners and the American Red Cross to create **temporary blood drive centers**

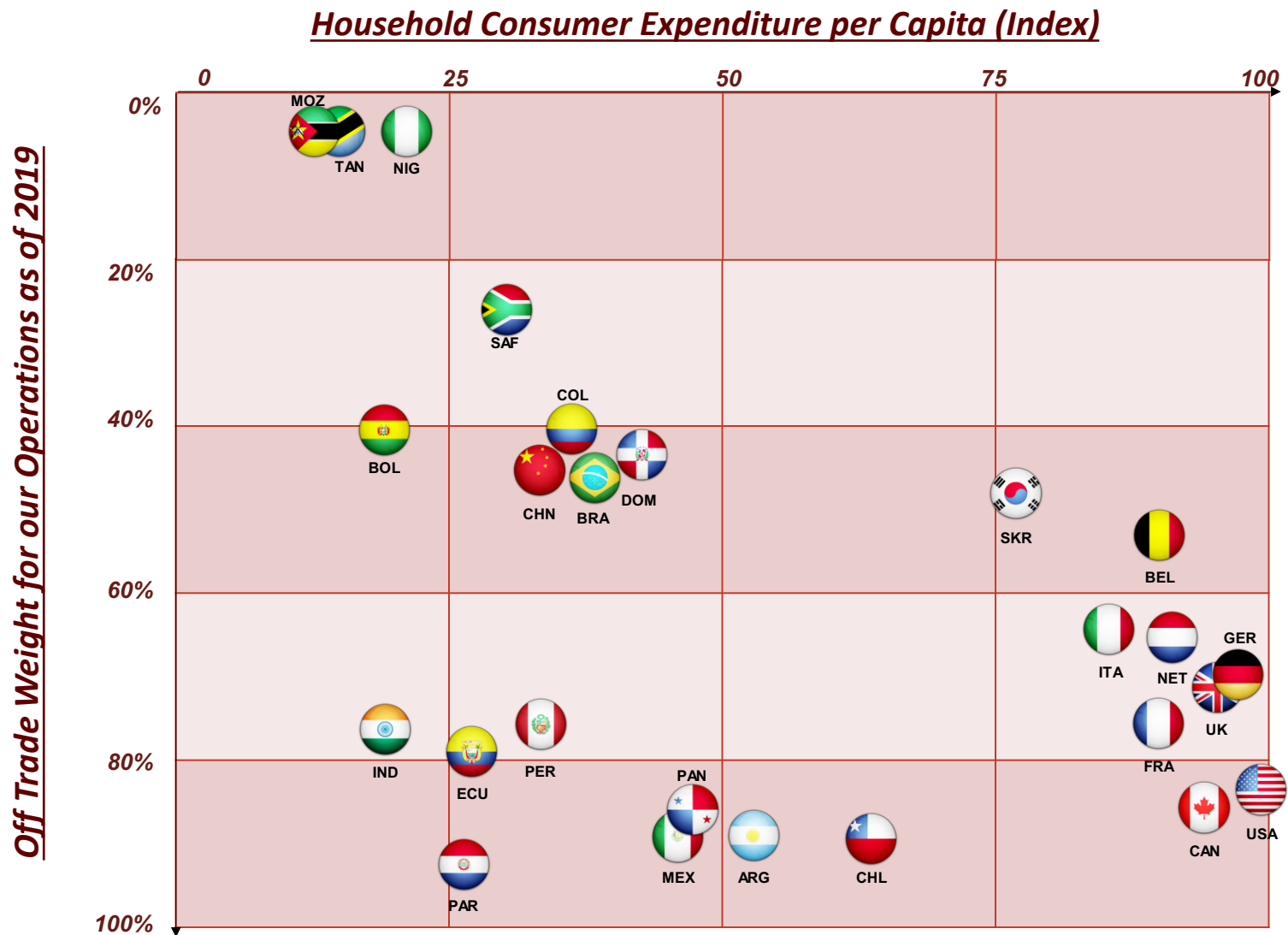
CUSTOMER INITIATIVES

Tailored initiatives in support of our customers and the hospitality industry across 20 of our markets, including:

- In the **US**, “Open for Take Out” with Bud Light
- In the **UK**, “Save Pub Life”
- In **Belgium**, “Café Courage” (subsidizing beer vouchers for future use by consumers)
- In **Brazil**, “Apoie um Restaurante” with Stella Artois
- In **Mexico**, “Academia de Meseros Modelo” (to support 4 000 waitstaff)
- In **Colombia**, “Tienda Cerca” (bicycle delivery for neighborhood stores)

OUR ON-PREMISE EXPOSURE VARIES WIDELY BY MARKET

At a global level, we had 33% exposure to the on-premise channel in 2019



OUR MARKETS CAN GENERALLY BE GROUPED INTO FOUR CLUSTERS, DEPENDING ON THE STAGE OF THE PANDEMIC, MATURITY CHARACTERISTICS AND EXTENT OF RESTRICTIONS ON OUR OPERATIONS

Four Clusters of our Markets*

<u>Cluster</u>	<u>Description</u>	<u>Key Markets</u>
Recovering Markets	Showing early signs of recovery , seeing re-openings of many of our customers since mid-March	China, South Korea
Less Restrictive Developed Markets	Effective shutdown of on-premise channel, but seeing an uplift in the off-premise channel	US, Canada and Western Europe
Less Restrictive Developing Markets	Strict social distancing measures resulting in a significant impact to our volumes given the relevance of the on-premise channel	Brazil, Colombia
More Restrictive Developing Markets	Our brewery operations have been severely restricted. We continue to work with governments in this fast-changing environment and are doing our part in the fight against COVID-19. We look forward to resuming our operations when appropriate	Mexico, South Africa, Peru

Status of Operations*

<u>Top 10 Markets by 2019 Volume</u>	<u>Brew</u>	<u>Distribute</u>
Brazil	✓	✓
US	✓	✓
China	✓	✓
Mexico	✗	✗
Western Europe	✓	✓
South Africa	✗	✗
Colombia	✓	✓
Argentina	✓	✓
Peru	✗	✓
South Korea	✓	✓

* All information presented here is updated as of May 6, 2020



ACTIONS WE ARE TAKING TO POSITION OURSELVES FOR A STRONG RECOVERY



WE IMPLEMENTED A COVID-19 TASK FORCE

- **Cross-functional team** with key functional leaders
- **Daily meetings** and regular touchpoints with the senior leadership team
- **Key priorities include:**
 - Safety of our people
 - Support of our communities and our partners
 - Safeguarding business continuity (including production and distribution, critical support functions, technology infrastructure)
- **Best practice sharing**– quickly learn from the evolution of one market to apply to others
- **Agility & speed are key** – we are acting as soon as we have new information

WE ARE LEVERAGING LEARNINGS FROM RECOVERING MARKETS

Our People's Health & Safety is #1 Priority

Leveraging best practices regarding the health & safety of our employees



Staying connected with our teams



ABInBev

Supporting Our Communities & Partners

Donating masks, disinfectant and sanitizers to hospitals

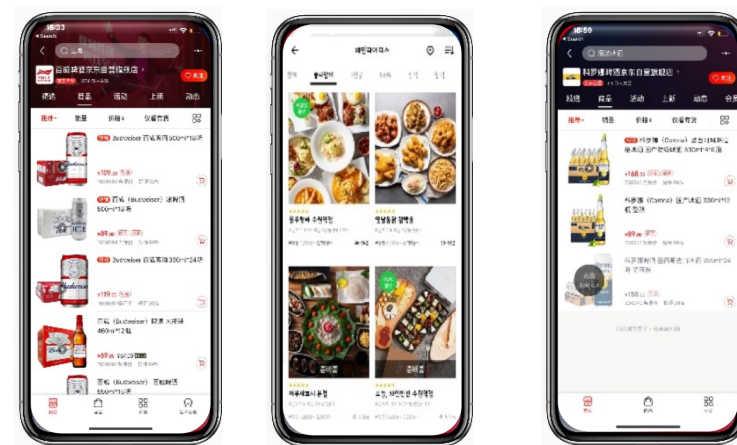


Ensuring excellent customer service, with proactive communication



Adjusting commercial strategy and preparing for recovery

Consumers shifting to off-trade and e-commerce



Act Quickly and Plan for Recovery

30 days ----- > 100 days ----- > 180 days

Immediate Situation

Summer

End of Year

FINDING NEW WAYS TO CONNECT WITH OUR CONSUMERS

CHINA

Budweiser’s E-Clubbing Platform



BRAZIL

Brahma’s Virtual Country Music Concert Series

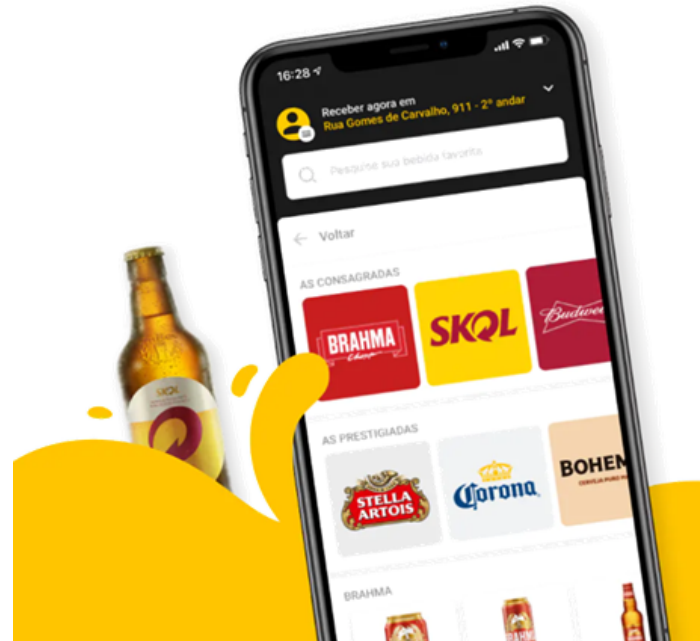


US

Michelob Ultra’s Livestream At-Home Workouts

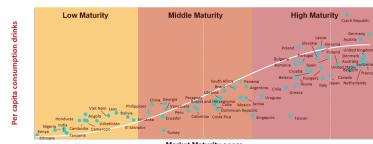
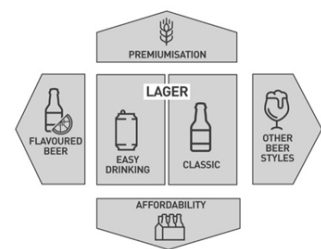


WE HAVE BEEN INVESTING BEHIND EMERGING TRENDS THAT ARE NOW MORE RELEVANT THAN EVER



OUR FUNDAMENTAL STRENGTHS HAVE NOT CHANGED, POSITIONING US FOR A STRONG RECOVERY

CLEAR COMMERCIAL STRATEGY



MOST VALUABLE BEER BRANDS



DIVERSE GEOGRAPHIC FOOTPRINT



INDUSTRY-LEADING PROFITABILITY

40.1%

2019 EBITDA MARGIN

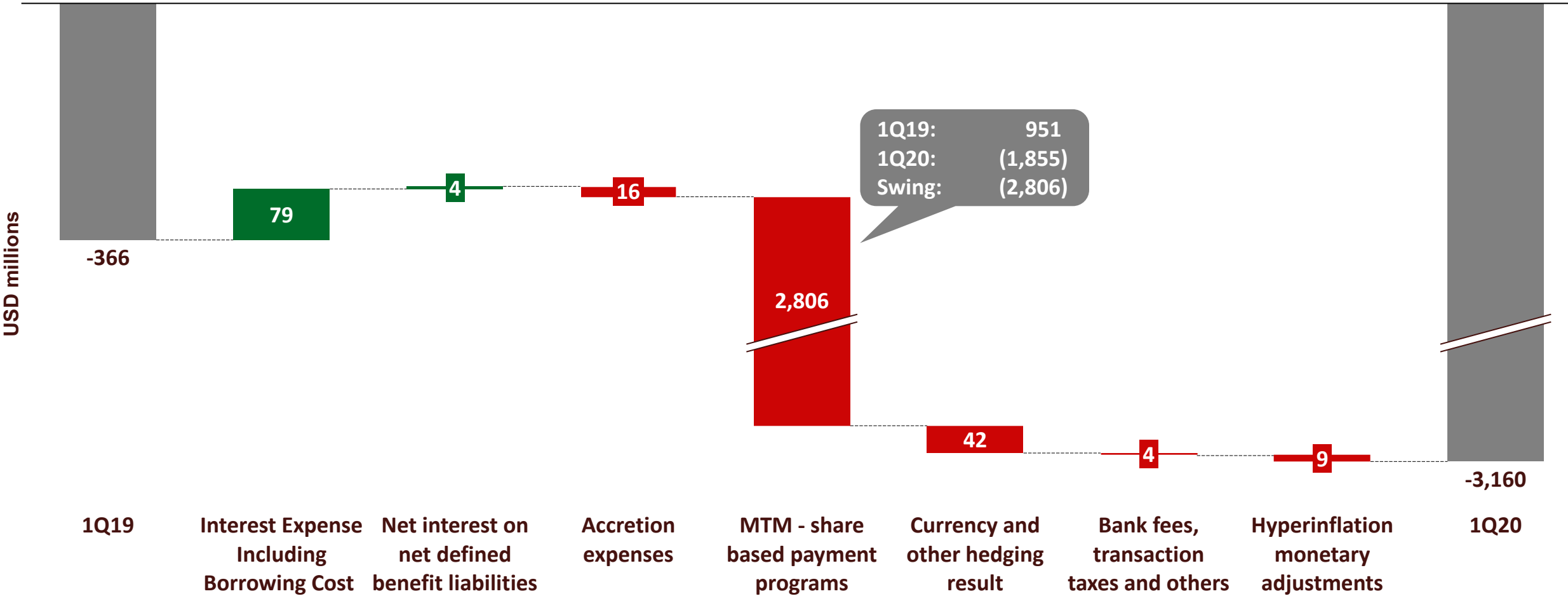
DEEP TALENT POOL



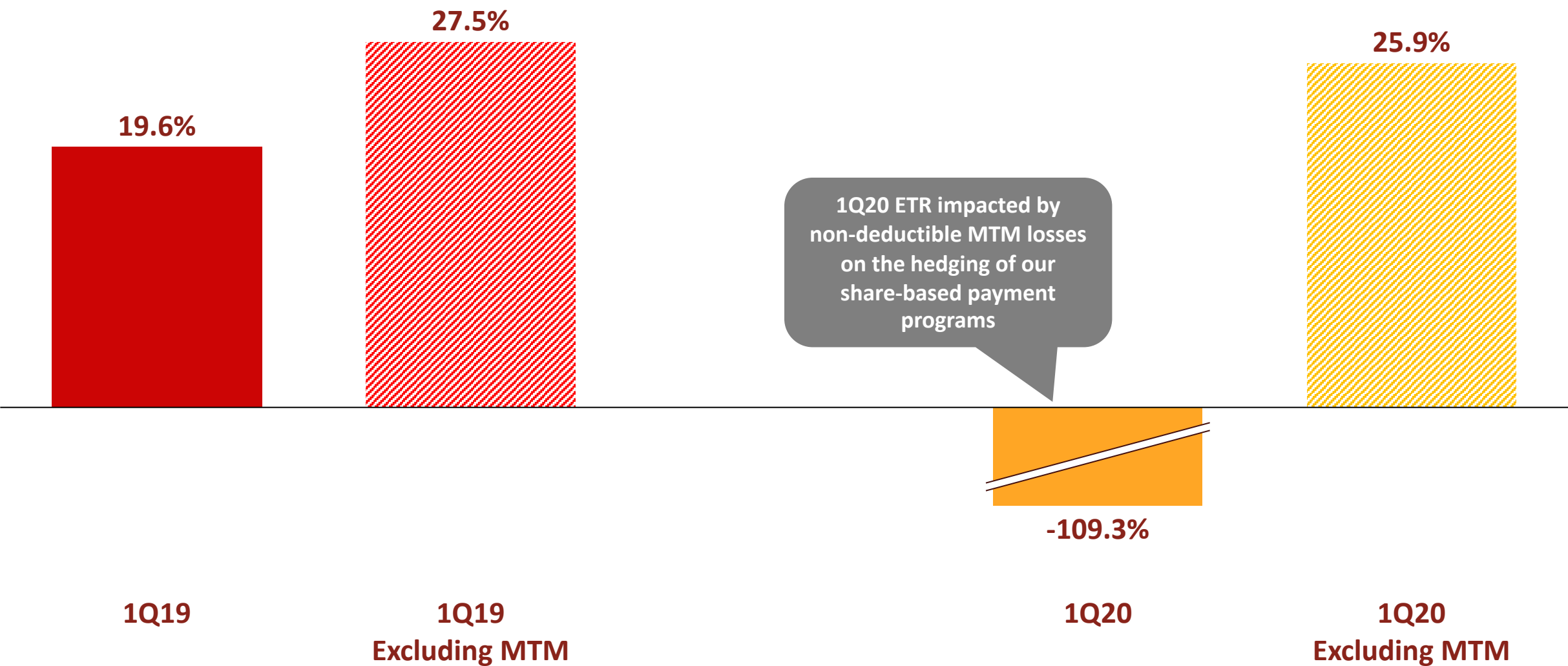
FINANCIALS



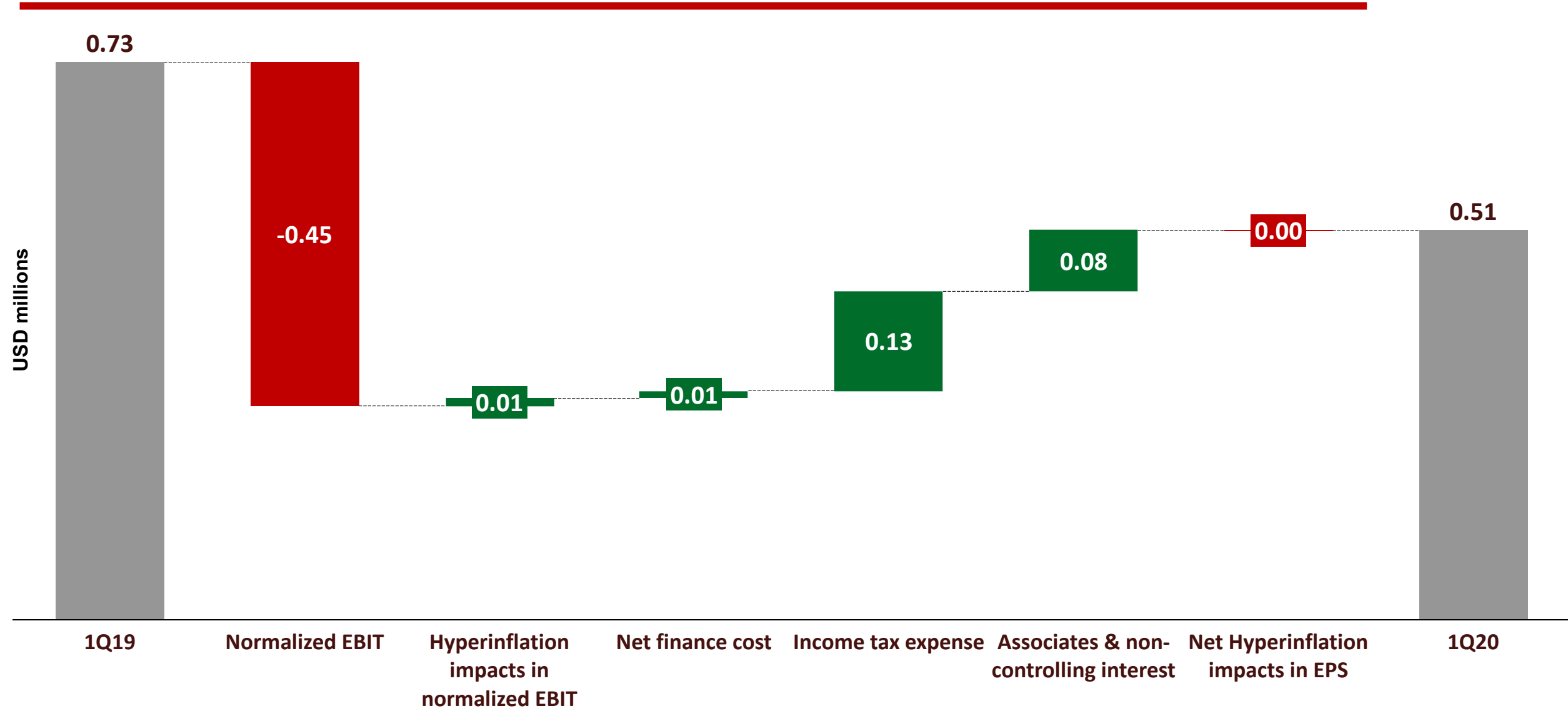
INCREASE IN NET FINANCE COST DRIVEN PRIMARILY BY THE SWING IN MTM OF THE SHARE-BASED PAYMENT PROGRAMS



NORMALIZED EFFECTIVE TAX RATE (ETR)



UNDERLYING EPS DECREASED FROM \$0.73 TO \$0.51 IN 1Q20



Notes:
(1) Underlying EPS refers to Normalized EPS excluding the impact of mark-to-market related to our share-based programs and hyperinflation adjustment in Argentina
(2) 1Q19 and 1Q20 calculated based upon weighted average number of shares of 1 979 and 1 990 million respectively

WE ARE EXERCISING FINANCIAL DISCIPLINE IN LIGHT OF THE CRISIS

Efficient utilization of our resources



- Suspension or cancellation of any **non-committed discretionary capex**
- Significant **reduction of variable administrative** expenses
- Freeze on packaging renovations
- **Reevaluation** of sales and marketing investments
- **Renegotiation of commercial contracts**, including sponsorships
- **Voluntary reduction of 20% of base salaries of the Senior Leadership Team** for the rest of the year

Revision of final 2019 dividend proposal



- Revision to our proposal of a final 2019 dividend payment from EUR 1.00 per share to **EUR 0.50 per share**
- **Prudent decision in the best interests of the company**, consistent with our financial discipline, deleveraging commitments and other actions taken to navigate this environment

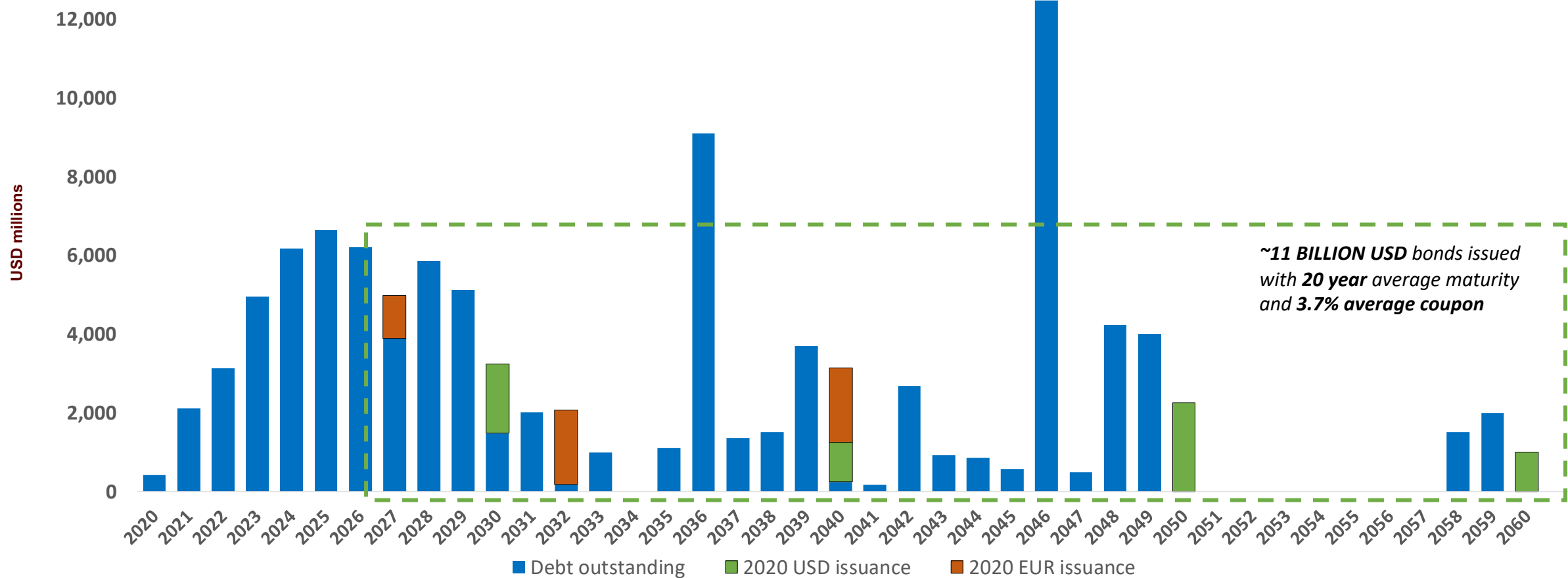
Maintaining a strong liquidity position



- Drawdown on our **9 billion USD revolving credit facility in full**
- **Successful bond issuances** of 4.5 billion EUR and 6.0 billion USD in April 2020
- **We agreed to sell our Australian subsidiary** to Asahi for 16 billion AUD, equivalent to **approximately 11 billion USD**. The transaction will close on 1 June 2020

OUR APRIL ISSUANCES OF ~11 BILLION USD FURTHER STRENGTHENED OUR LIQUIDITY AND EXTENDED OUR WEIGHTED AVERAGE MATURITY BY 5 MONTHS

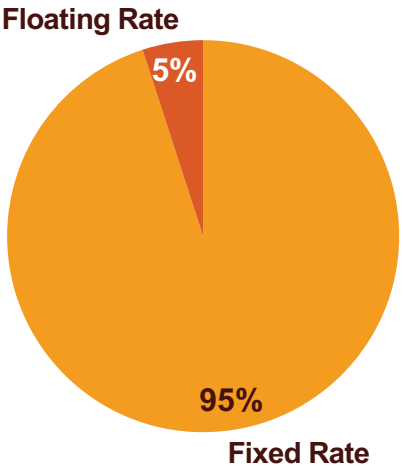
Pro forma AB InBev Bond Maturity Profile as of April 2020*



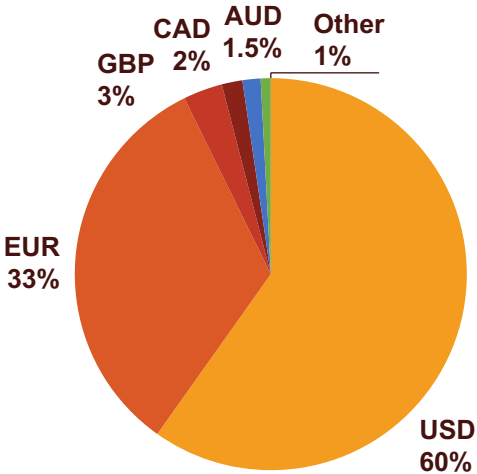
Note: Represents full bond portfolio, before hedging, valuing all bonds at par as of 31 March 2020, pro forma for 1H20 bond issuances which settled in April 2020

OUR BOND PORTFOLIO REMAINS LARGELY PROTECTED AGAINST INTEREST RATE AND CURRENCY RISK, WITH A LONG-WEIGHTED AVERAGE MATURITY, AND HOLDS NO FINANCIAL COVENANTS

~95% OF OUR
BOND PORTFOLIO
IS FIXED RATE



DIVERSE CURRENCY MIX
REDUCES RISK



ADDRESSED NEAR TERM
MATURITIES TO REDUCE
REFINANCING PRESSURE

~15
years
*weighted average
maturity*

VERY MANAGEABLE
PRE-TAX COUPON

~4.0%

Note: Represents full bond portfolio, after hedging, valuing all bonds at par as of 31 March 2020, pro forma for 1H20 bond issuances which settled in April 2020

CAPITAL ALLOCATION OBJECTIVES

Our **optimal capital structure** calls for a Net Debt/EBITDA ratio of approximately 2x.

1. **Organic growth:** Investing in the organic growth of our business
2. **Deleveraging:** Deleveraging to around the 2x level remains our commitment
3. **Selective M&A:** Non-organic, external growth is a core competency and we will continue to consider suitable opportunities when and if they arise, subject to our strict financial discipline and deleveraging commitment
4. **Return of cash to shareholders:** Returning excess cash to our shareholders in the form of dividends and/or share buybacks



Q&A



THANK YOU