Revenue Management

Fabricio Zonzini
VP Disruptive Growth APAC
Dream: #1 in Asia

- Brands
- Bonding with Consumers & Trade Up
- Expansion
- Maximize Strongholds
- Sales Machine
- Disruptive Growth
- Operational Efficiency
- Better World
- People Pipeline
Personal Introduction

Name: Fabricio Zonzini

Education: Civil Engineer, Six sigma Black belt

Hire date: 01/2001 (GMT Brazil)

Working Location: Shanghai Headquarters

Position: VP Disruptive Growth APAC

Career Path:
- 2001 – 2002: Trainee Ambev Brazil
- 2003 – 2004: Sales Manager Rio de Janeiro DDC
- 2004 – 2006: HILA Pricing Manager
- 2006 – 2008: Canada Pricing manager
- 2008 – 2009: Canada Commercial planning and performance Director
- 2009 – 2010: Global Revenue Management head
- 2010 – 2014: China Commercial Planning and Performance Director
- 2014 – 2015: VP PPM China & Commercial strategy APAC
- 2014 – Current: VP Disruptive Growth APAC
Revenue management is a driver of both revenues and market share in a sustainable way.

**Grow NR/HL ahead of CPI**

**Growth Index Evolution**

- Maximize revenue potential in comparison to CPI

**Volume Share Evolution**

- Drive aggressive expansion plan while still maintaining a strong revenue management agenda

**Allocate resources for market share expansion**
Revenue Management – Strategic Priorities

Mix Designed for Trade-Up

- Rate: 10%
- Mix: 90%
- Key mechanism for supporting trade up and mix strategy.
- Rate increase coupled with strict investment controls.

Right portfolio/price in the right channel

- Distribution and investment type align with channel focus

Support Market Share Expansion

- Align with distribution expansion approach

Centralization & Process Control

- Strengthen controls in order to build competitiveness in portfolio, channel and geographic coverage
Strategic Priorities – Mix designed for Trade-up

- Portfolio built with clear price architecture

- Build PTC laddering to facilitate trading up
- Continuously lifting the premium ceiling premiumness through innovation and pricing

Mix contribution to Net revenue / Hectoliter growth
(Actual 1H12 – 1H15)
Strategic Priorities – Right portfolio/price in the right channel

Distribution and Investment Type Align with Channel Focus

<table>
<thead>
<tr>
<th>Channel</th>
<th>Distribution and Investment Type</th>
<th>Promotional Pricing</th>
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</thead>
<tbody>
<tr>
<td>NL</td>
<td></td>
<td>NO</td>
</tr>
<tr>
<td>AB</td>
<td></td>
<td>NO</td>
</tr>
<tr>
<td>CD</td>
<td></td>
<td>YES</td>
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<tr>
<td>TT</td>
<td></td>
<td>YES</td>
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</tbody>
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Product placement and investment guidelines by channel to protect premiumization objectives

- **BRAND** (communication)
- **PACK** (lead)
- Promotional pricing (Y/N)

- Alum. bottle
- Small Bottle
- Big bottle
- Big bottle
- Cans
Strategic priorities – Support market share expansion

Support Market Share Expansion

Resource allocation to support right brand growth

Investment Level

Channels

Support Market Share Expansion

Expansion direction

NO PRESENCE

HIGHLY DISTRIBUTED
Strategic priorities – Centralization and process control

- Core Segment Image Commands Premium Price
- Core Segment Requires clear pricing strategies
- Pricing strategy specific to segment and brand positioning

Discount Declining (% of revenue)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td></td>
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Rate as % of CPI (H1 all years)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>19%</td>
<td>27%</td>
<td>50%</td>
<td>80%</td>
</tr>
</tbody>
</table>

Rate contribution to Net revenue / Hectoliter growth (Actual 1H12– 1H15)
Continuous improvement – Journey

1. 2010
2. 2012
3. 2015
4. FUTURE

- CONFUSION
- VALUE CREATION
- SUB-OPTIMIZATION
- CONTROL

DE-CENTRALIZED
CENTRALIZED
OPERATIONAL