# AB InBev

# INVESTOR SEMINAR 2018

# Legal Disclaimers

Certain statements contained in these presentations 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.

Forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the Company's control and are difficult to predict, that may cause actual results or developments to differ materially from any future results or developments expressed or implied by the forward-looking statements. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among others: (i) local, regional, national and international economic conditions, including the risks of a global recession or a recession in one or more of the Company's key markets, and the impact they may have on the Company and its customers and its assessment of that impact; (ii) financial risks, such as interest rate risk, foreign exchange rate risk (in particular as against the U.S. dollar, the Company's reporting currency), commodity risk, asset price risk, equity market risk, counterparty risk, sovereign risk, liquidity risk, inflation or deflation; (iii) continued geopolitical instability, which may result in, among other things, economic and political sanctions and currency exchange rate volatility, and which may have a substantial impact on the economies of one or more of the Company's key markets; (iv) changes in government policies and currency controls; (v) continued availability of financing and the Company's ability to achieve its targeted coverage and debt levels and terms, including the risk of constraints on financing in the event of a credit rating downgrade; (vi) the monetary and interest rate policies of central banks; (vii) changes in applicable laws, regulations and taxes in jurisdictions in which the Company operates; (viii) limitations on the Company's ability to contain costs and expenses; (ix) the Company's expectations with respect to expansion plans, premium growth, accretion to reported earnings, working capital improvements and investment income or cash flow projections; (x) the Company's ability to continue to introduce competitive new products and services on a timely, cost-effective basis; (xi) the effects of competition and consolidation in the markets in which the Company operates; (xii) changes in consumer spending; (xiii) changes in pricing environments; (xiv) volatility in the prices of raw materials, commodities and energy; (xv) difficulties in maintaining relationships with employees; (xvi) regional or general changes in asset valuations; (xvii) greater than expected costs (including taxes) and expenses; (xviii) the risk of unexpected consequences resulting from acquisitions (including the combination with ABI SAB Group Holding Limited (formerly SABMiller Limited, and prior to that SABMiller plc) ("SAB")), joint ventures, strategic alliances, corporate reorganizations or divestiture plans, and the Company's ability to successfully and cost-effectively implement these transactions and integrate the operations of businesses or other assets it has acquired; (xix) an inability to realize synergies from the combination with SAB; (xx) the outcome of pending and future litigation, investigations and governmental proceedings; (xxi) natural and other disasters; (xxii) any inability to economically hedge certain risks; (xxiii) inadequate impairment provisions and loss reserves; (xxiv) technological changes and threats to cybersecurity; and (xxv) the Company's success in managing the risks involved in the foregoing. All subsequent written and oral forward-looking statements attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements referenced above. Forward-looking statements speak only as of the date on which such statements are made.

The Company's statements regarding financial risks are subject to uncertainty. For example, certain market and financial risk disclosures are dependent on choices about key model characteristics and assumptions and are subject to various limitations. By their nature, certain of the market or financial risk disclosures are only estimates and, as a result, actual future gains and losses could differ materially from those that have been estimated. Subject to the Company's obligations under Belgian and U.S. law in relation to disclosure and ongoing information, the Company undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any offer, solicitation or sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such jurisdiction. By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the above limitations.

## DAVID ALMEIDA

Chief People Officer & Interim Chief Sales Officer

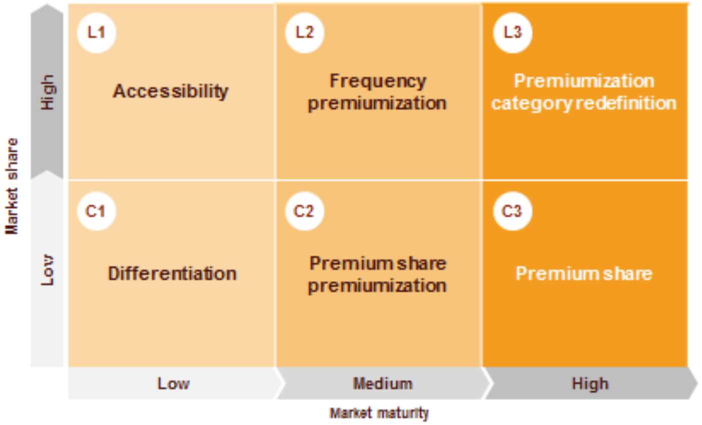
- Born in 1976
- 20 Years in our company
- Favourite Beer Hoegaarden
- I'm most proud of the Brahma to AB InBev Journey

# To Recap...

## Excitement


## Category Expansion Framework


## Market Maturity, Country Clusters




## Global & Local Brands, Consumer Connections

# Case for Change: What does this mean for Customers?


# From…

# To...


WOODPECKER CIDER
GUINNESS
Beer from Great Britain
STELLA ARTOIS
Hoegaarden
Leffe
Grolsch
Heineken
Heineken LIGHT
AMSTEL LIGHT
DOS EQUIS
Beer from Holland
PAULANER
BECK'S
SPATEN
Beer from Germany
Asahi
PERONI
Beer from Italy
BODDINGTONS PUB ALE
STRONGBOW
GUINNESS
Corona Extra
Corona Light
STELLA ARTOIS
Bass

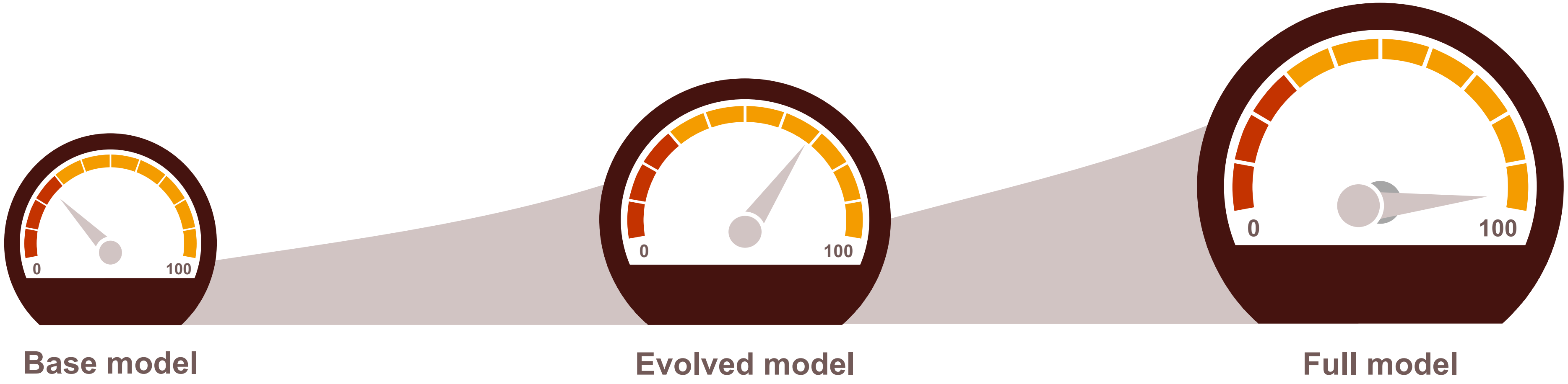
# Putting it all together…

| | From | To… |
|---|---|---|
| Customer | • **Limited Portfolio** of brands & suppliers<br>• Volume concentrated in **few packs** / sizes<br>• **Limited differentiation** by price / styles | • **Wide range** of brands & suppliers<br>• Volume **fragmented** in more different SKUs<br>• More price segments / beer styles |
| Cost to Sell | • **Simple** sales & distribution model<br>• **Fixed** routes, **high drop size**<br>• Mostly **transactional** activities | • **Specialized** distribution models<br>• More **fragmentation** & **lower drop size**<br>• Business **development** |
| Technology | • Focused on simple **trade assets**<br>• **Limited insights** & analytics | • **Experiences & digital** trade programs<br>• Leverage on **analytics** for insights |

# Customer Enablers

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Markets** | Cluster 1 | | | Cluster 2 | | Clusters 2 & 3 | |
| **Main Priority** | Penetration | | | Frequency | | Premiumization | |
| **Key Drivers** | Affordability | Availability | Coolers | In Home Occasion | Easy Drinking | Core+ | Premium Super Premium |

**Customer Enablers**



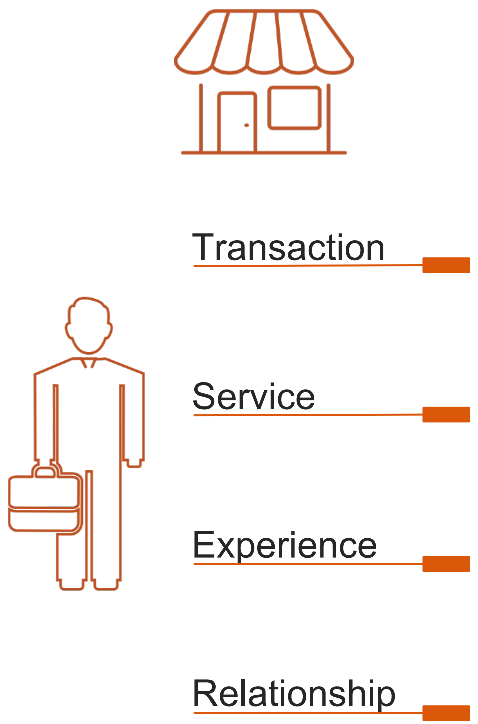
# Customer Enablers

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Markets** | Cluster 1 | | | Cluster 2 | | Clusters 2 & 3 | |
| **Main Priority** | Penetration | | | Frequency | | Premiumization | |
| **Key Drivers** | Affordability | Availability | Coolers | In Home Occasion | Easy Drinking | Core+ | Premium<br>Super Premium |

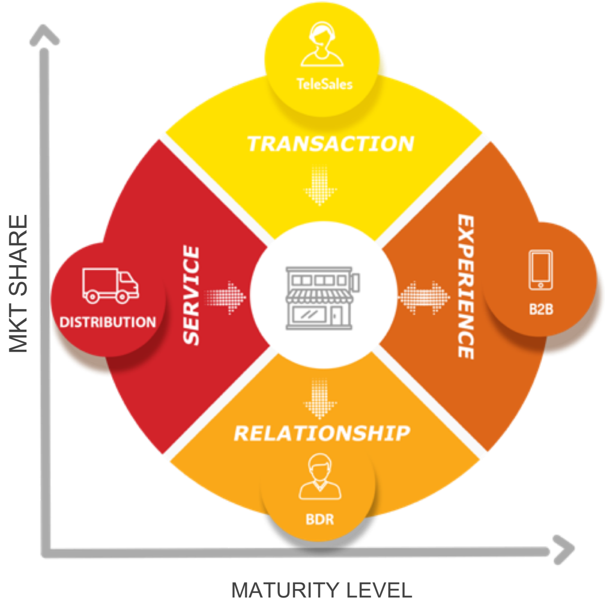
| | |
|---|---|
| **Customer Enablers** | Contact Strategy |
| | High End Company |
| | Retail Solutions |

# AB InBev is upgrading its sales approach - contact strategy 2.0

## Traditional model

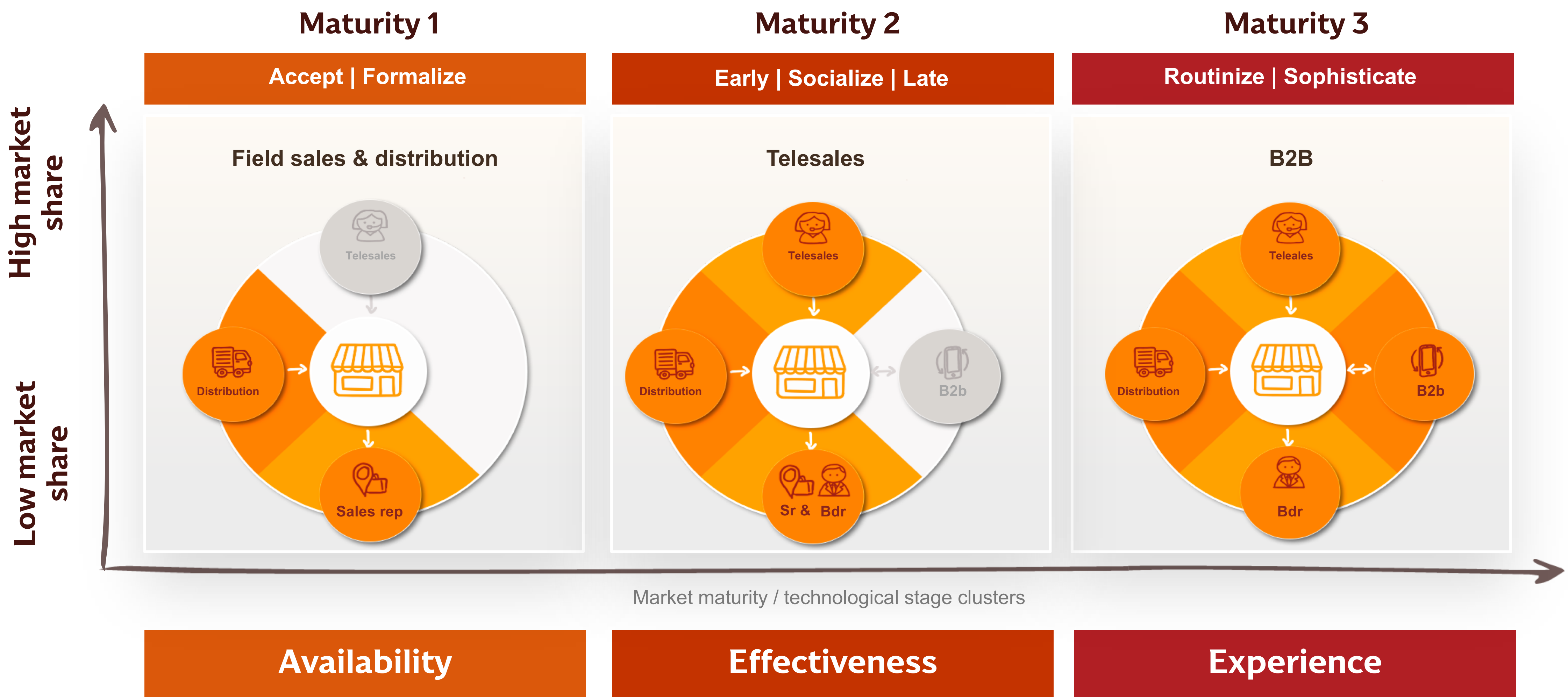



## Contact strategy 2.0




## Results

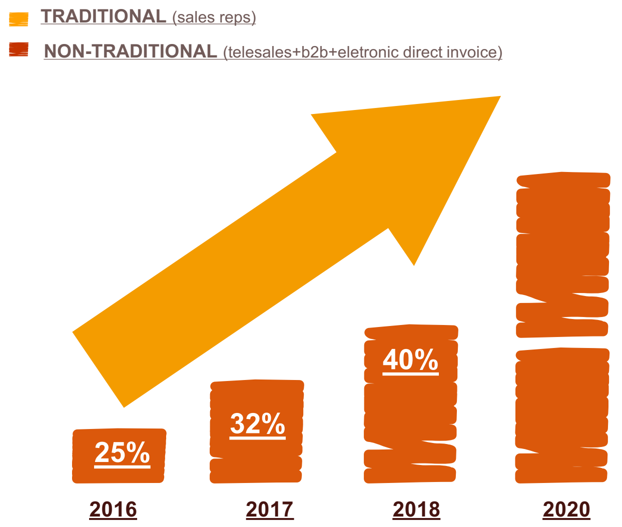
# Contact strategy evolves in line with market maturity model



# Contact strategy 2.0 achieved significant results and will continue to accelerate

## Effectiveness

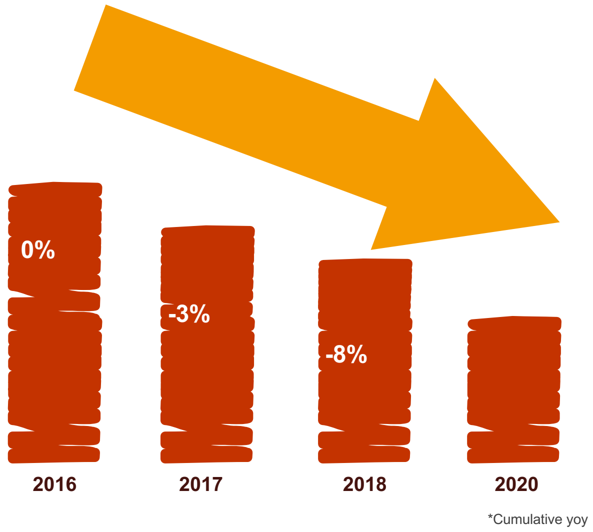
TT Revenue ($B)




More non-traditional order taking

## Cost to sell

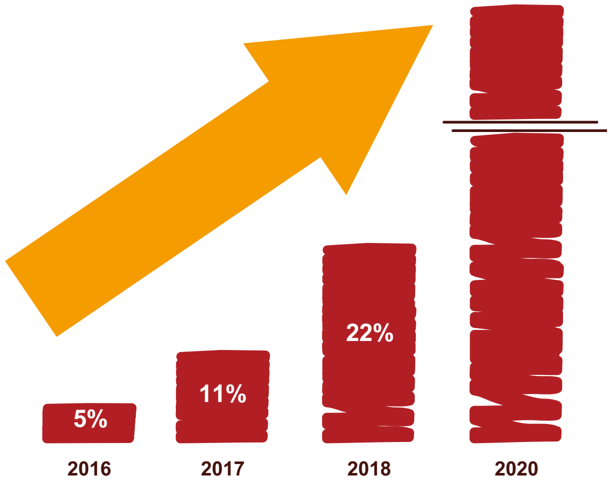
FTE $ / 100 hl




More cost efficient cts

## Service level

B2B users
(% Of total customer base)




Higher adoption of b2b platform

*FTE = Full time employee

# Scaling of contact strategy 2.0

## Key Figures

**#160** Operations in 25 different business units implemented

**40%** Non-traditional TT Revenue ($23 Bio) in 2018

**20** Customer interaction centers with **3,050** Telesales representatives

## Main Results

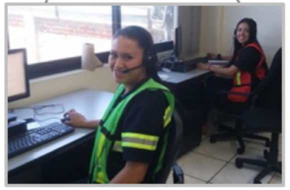
| Volume Uplift | Cost to Sell | SKU / POC |
|---|---|---|
| +1.9% | -12.1% | +0.2% |

# From telesales to customer interaction center

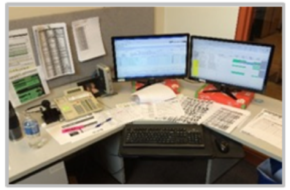
**FROM** LOCAL OFFICES

LOCAL LOCAL LOCAL LOCAL LOCAL LOCAL

MEXICO — Telesales local agents



CANADA — Local low tech stations

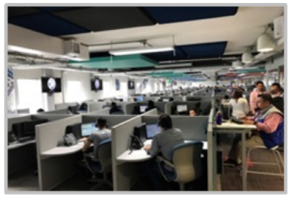


**TO** CUSTOMER CENTERS (CIC 2.0)

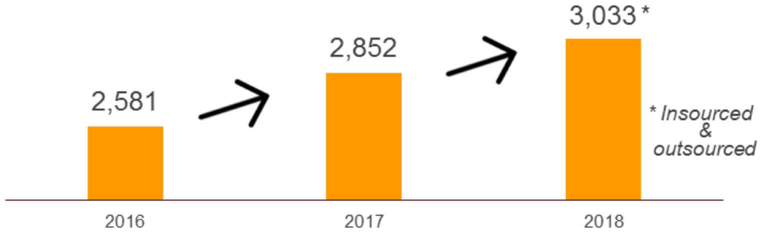
CENTRALIZED

UNITED STATES — Analytics war room CIC 2.0

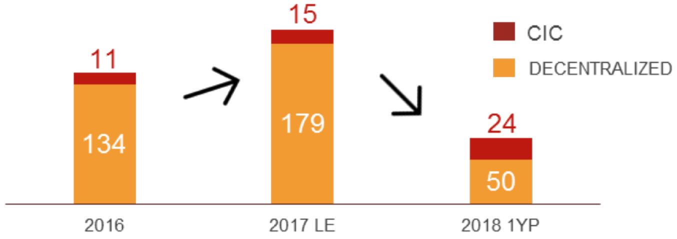
COLOMBIA — CIC agents office



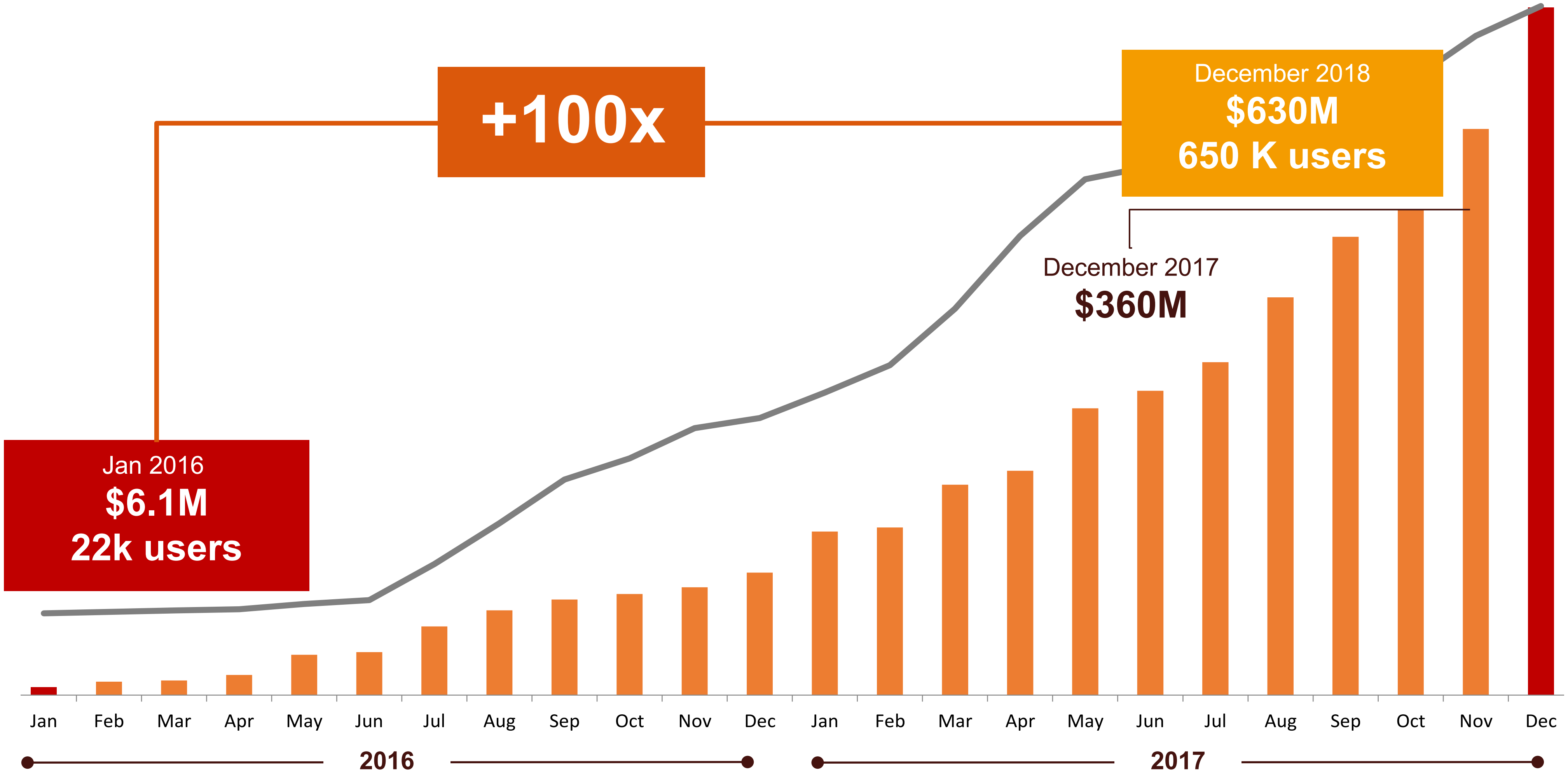
# TELESALES FTES INCREASING…




…IN CENTRALIZED OFFICES - CIC



# Increasing relevance of B2B solution



# Evolution of B2B experience

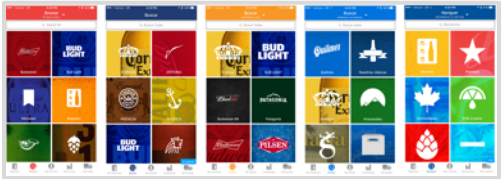
## $ Transaction

### Phase 1
(2015-2016)

Minimum Viable Product

## Experience

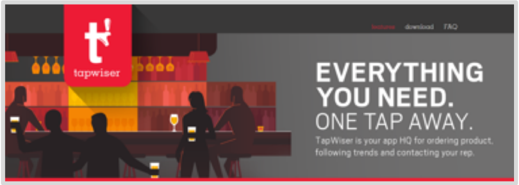
### Phase 2
(2017-2018)



App / Web Frontend

## Personalization

### Phase 3
(2019-2020)




Behavioral Data

# AB InBev must evolve digitally and is uniquely positioned to do so

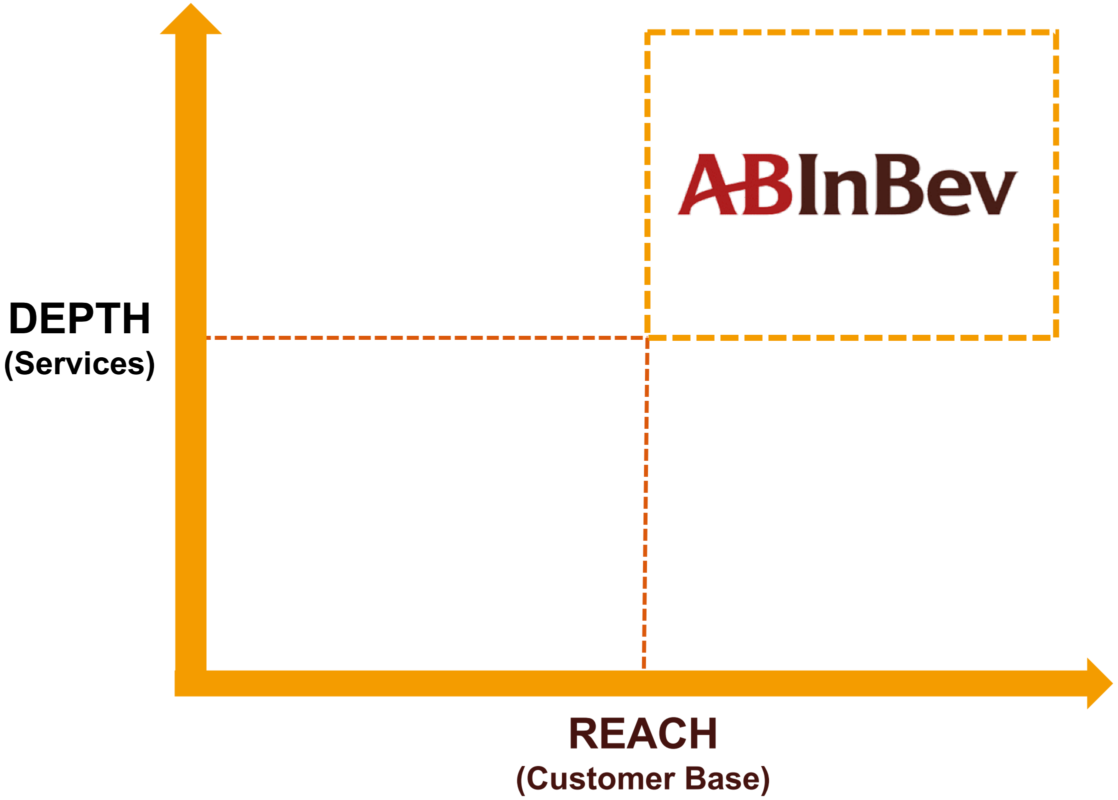
## New distribution space


How Amazon Plans To Dominate The Private Label Market

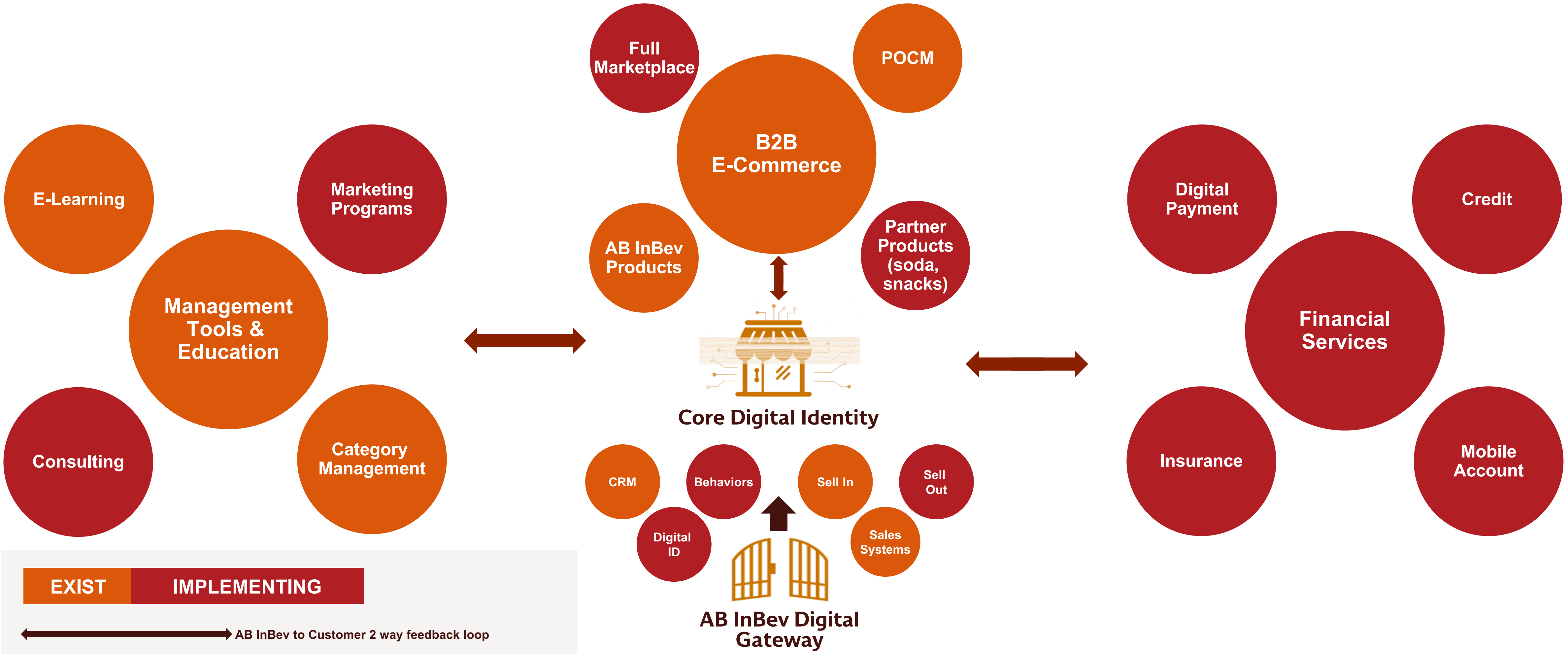
Amazon's sales total $35.7 billion in Q1, and marketplace sales increase



## Unique position to leverage



# Current digital structure to be complemented with new products and services



## CONTACT STRATEGY 2.0

## SALES TRANSFORMATION

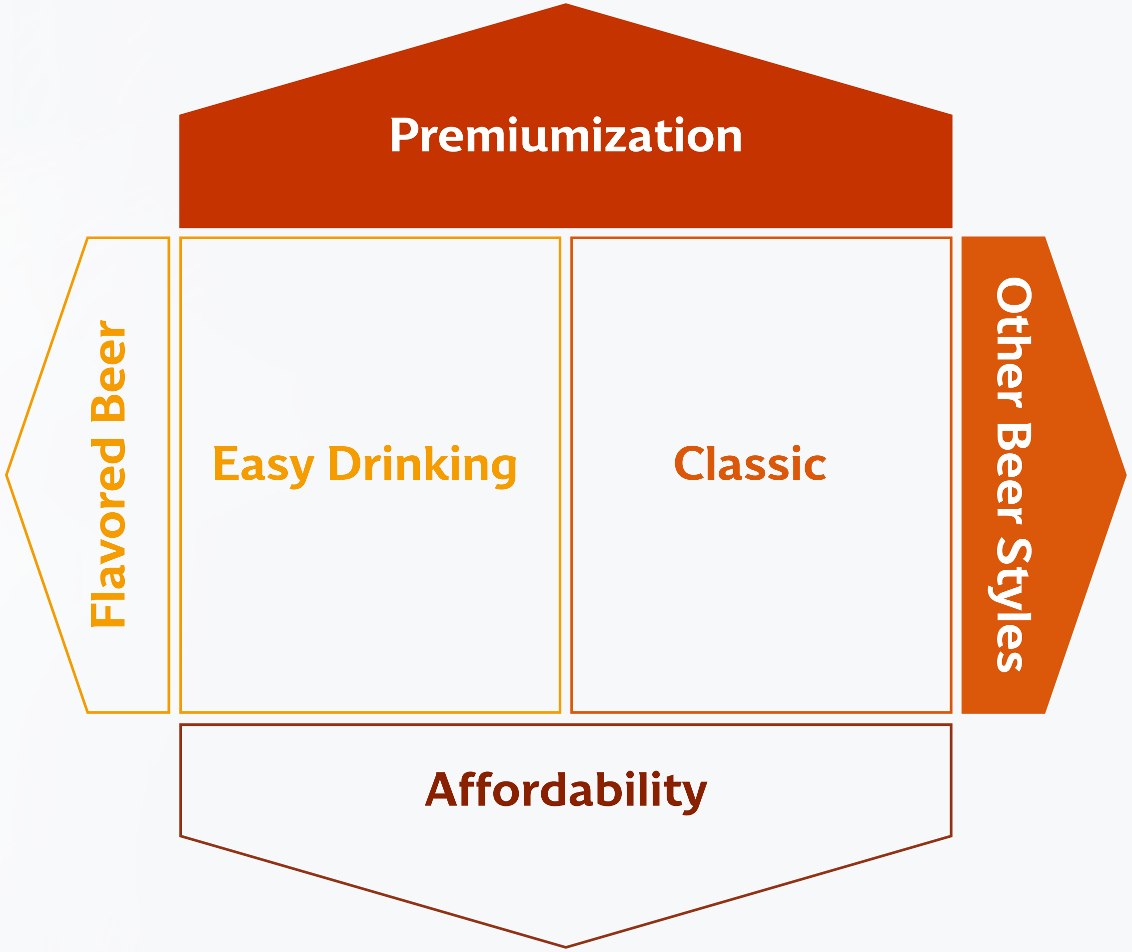
# Customer Enablers

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Markets | Cluster 1 | | | Cluster 2 | | Clusters 2 & 3 | |
| Main Priority | Penetration | | | Frequency | | Premiumization | |
| Key Drivers | Affordability | Availability | Coolers | In Home Occasion | Easy Drinking | Core+ | Premium Super Premium |

**Customer Enablers**

- Contact Strategy
- High End Company
- Retail Solutions

# Where does High End Company fit?



# High End: Expected to grow faster and more profitable than core

**4.3%**

CAGR
HIGH END

&

**2x**

Revenue per hl

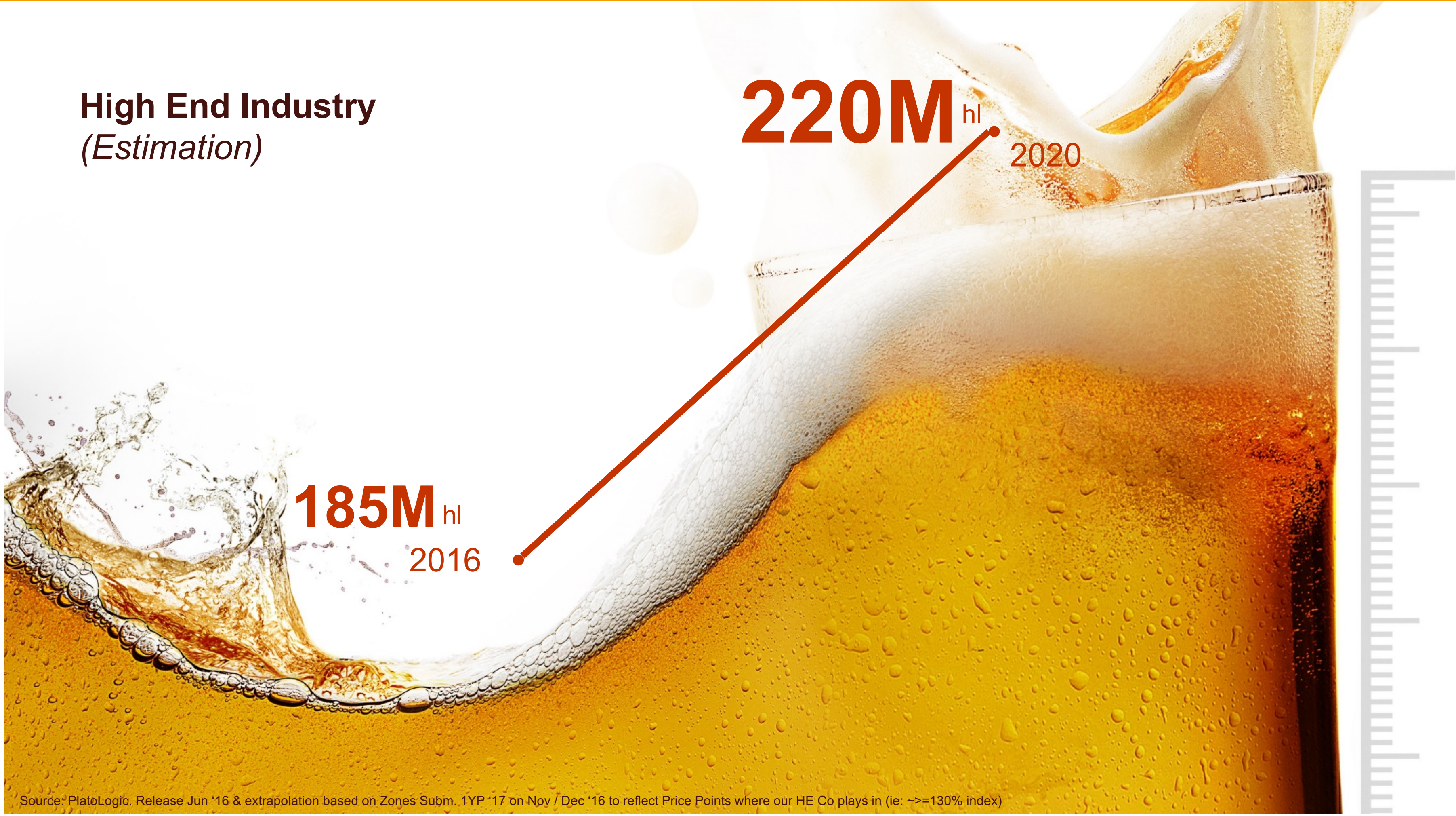
**5x**
**Faster growth than core**

**~2x**
**More profitable than core**

Source: 1) Industry Growth expectation based on Industry Volume from PlatoLogic (Release June 2016); Growth rate = CAGR 2014 – 2020. 2) Profitability based on NR/HI; ABI Internal data for closing ACT 2017 from OneSt for 22 Countries vs all other Markets & Brands not included in High End Co

# High end expected to reach over 200M hl by 2020

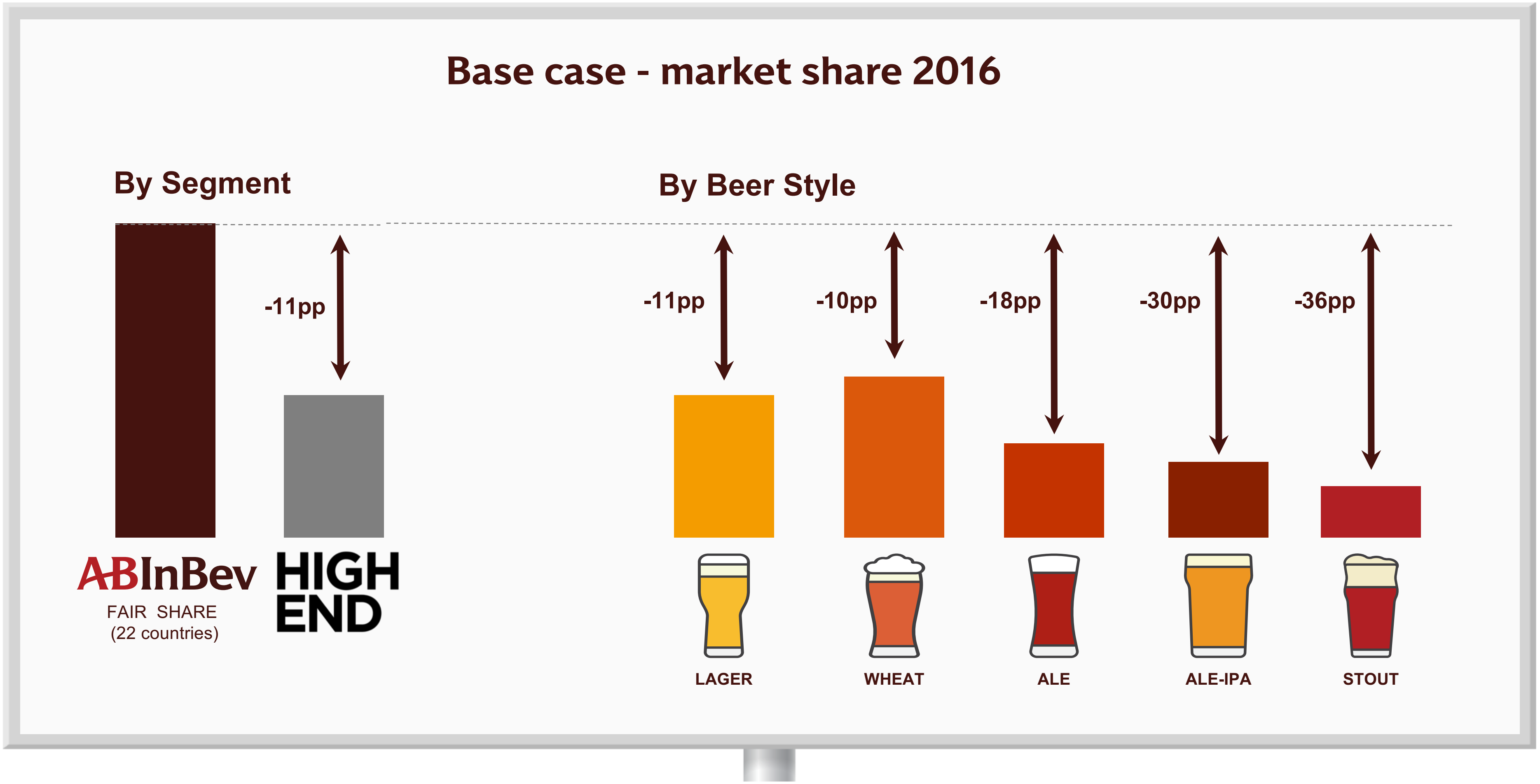
**High End Industry**
*(Estimation)*




*Source: Internal data

# Identified 22 markets that account for ~70% of the opportunity

# Opportunity to grow share across beer styles




*Source: Market Submission during 3YP 2018 (April-May 2018) + USA & BEL are based on original 2020 Plan. Calculation method: MS Fixed Country mix based on 2018 ABI HE Volumes to reflect Organic Growth*

# Two main focus areas to capture opportunities and close gaps

## ONE HIGH END PORTFOLIO


**THE HIGH END**

ESTABLISHED NOW


## SPECIALIZATION FOR HIGH END SEGMENT

- PROFILE
- SKILLS
- TRAINING
- TOOLS

# Our Dream

| Revenue | Contribution to AB InBev growth | Leadership by beer style | People & capabilities |
| --- | --- | --- | --- |
|  |  |  |  |
| **Revenue**<br>by 2020<br>(vs. 2016 Base Case) | **#1**<br>Contributor to revenue growth | **#1**<br>Leader in every relevant beer style | **#1**<br>Talent & capabilities for AB InBev |

# “Outside-in” approach to high-end company design

THE HIGH END

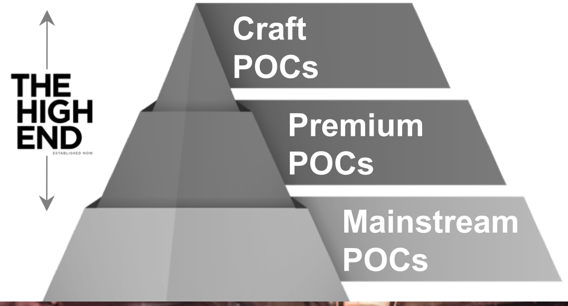
OUTSIDE

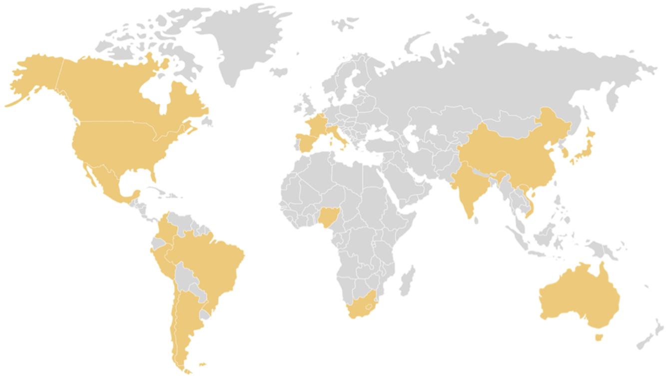
IN

**22**
**Countries**

**Focus**
**Tier 1**
**Regions**

**Targeting**



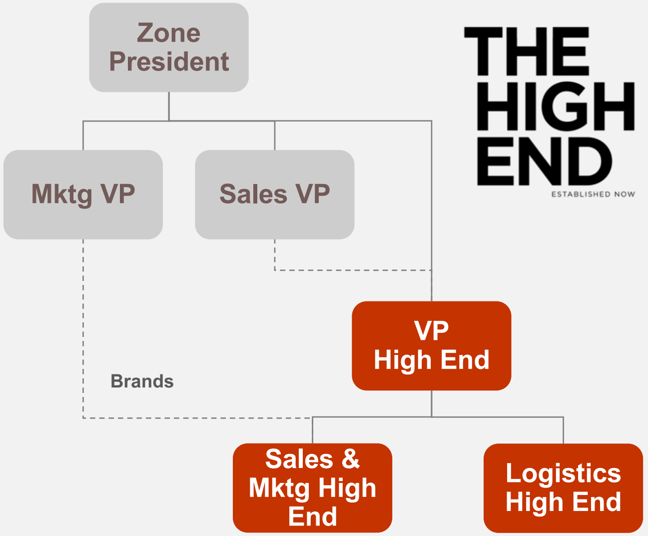
# Specialized structure to build and develop brands

OUTSIDE

IN

## Dedicated Owners


## Company within Company




THE HIGH END
ESTABLISHED NOW

# Portfolio Strategy informed by market maturity model

## Illustrative example

| Market Maturity Stage | Lager | Wheat | Ale | Ale - IPA | Stout | Lifestyle / Origin / Prestige |
|---|---|---|---|---|---|---|
| L1 / C1 | Order of Priority<br>Budweiser, Corona | | | | | |
| L2 / C2 Early | Order of Priority<br>Budweiser, Corona, Stella Artois | Hoegaarden | Leffe | | | |
| L2 / C2 Late | Order of Priority<br>Budweiser, Corona, Stella Artois | Hoegaarden | Leffe | Goose IPA | Local Brands | |
| L3 / C3 | Order of Priority<br>Budweiser, Corona, Stella Artois | Hoegaarden | Leffe | Goose IPA | Local Brands | Camden Town Brewery, birradelborgo, Deus, Tripel Karmeliet, Kwak |

# High End Company: Platform to deploy and build brands via global toolkits


THE BEER
BRAND POSITIONING
EQUITY DESIGN
CONNECTIONS EXPERIENTIAL
COMMERCIAL PROGRAMS
BETTER WORLD

# Knowledge and creativity unleashed by integrating craft breweries

**35** Brands

**15** Countries

## AWARDED ALMOST 200 MEDALS

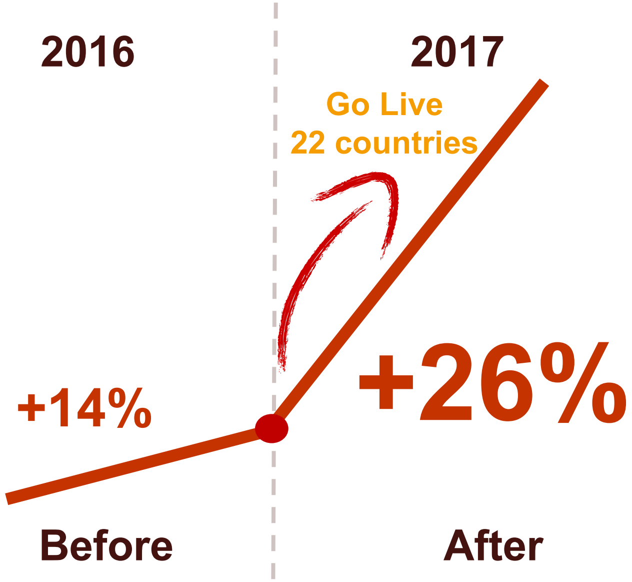
Source: # of Medals based on Major International Beer Competitions as reported in 2017 20-F SEC filing.

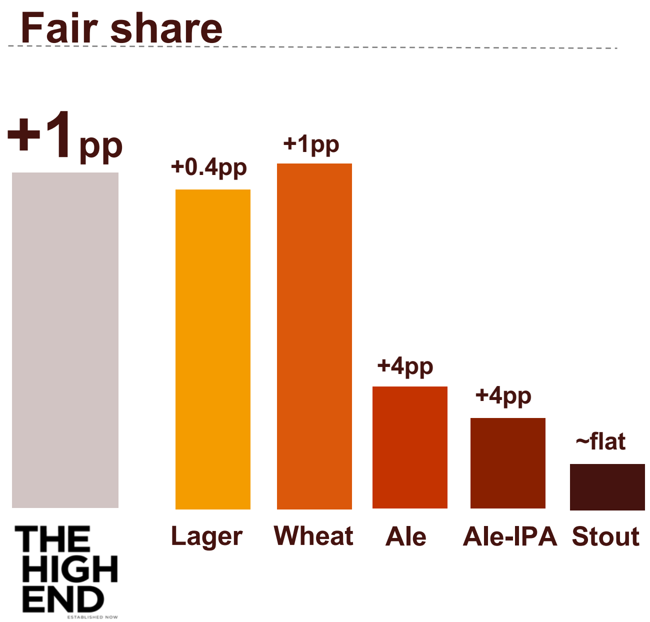

# 2017 foundational and transformational year

# Successful roll out delivering strong commercial performance

**Roll out in 22 markets** | **Revenue growth acceleration** | **Closing gap vs. fair share**


Experienced owners
& specialized teams



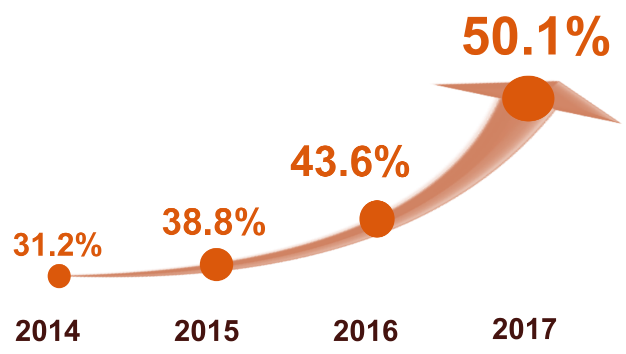



# Success stories across several markets

## China

**"Developing super premium with consistent share growth"**

Corona Hoegaarden Stella Artois




## Colombia

**"18 months after, we're leading international premium segment"**


**Before High End Co. Roll Out**
(Dec 2016)


**After High End Co. Roll Out**
(Jun 2018)

## South Africa

**"Growing triple digit, gaining share by doing things differently"**

Position in Premium / Super premium
(Volume market share May 2018)

- Budweiser **#2**
- Corona **#4**
- Stella Artois **#5**

Source: China: SEEMA, based on Total Imported Brand volume for ABI portfolio / Total Import SP industry. COL: ACNielsen International Premium Brands. SA: ACNielsen Premium & SP.

# High End is our single biggest opportunity...

THE HIGH END
ESTABLISHED NOW

=

## SINGLE BIGGEST OPPORTUNITY

| Segment is growing faster | Is more profitable | We under-index |
| --- | --- | --- |
| **5x** Faster than core | **2x** More profitable than Core | **10pp** Gap vs. fair share |

# … and we're on track to deliver our Dream!

## Revenue dream

**Revenue**
by 2020
(vs. 2016 Base Case)

## Contribution to AB InBev growth

**#1**
Contributor to revenue growth

## Leadership by beer style


**#1**
Leader in every relevant beer style

## People & capabilities

**#1**
Talent & capabilities for AB InBev

# Customer Enablers

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Markets** | Cluster 1 | | | Cluster 2 | | Clusters 2 & 3 | |
| **Main Priority** | Penetration | | | Frequency | | Premiumization | |
| **Key Drivers** | Affordability | Availability | Coolers | In Home Occasion | Easy Drinking | Core+ | Premium<br>Super Premium |

**Customer Enablers**

- Contact Strategy
- High End Company
- Retail Solutions

# Different solutions for different market maturities

## 1 Base Model

**Basic trade infrastructure to increase penetration**


## 2 Evolved Model

**Retail integration to boost frequency and premiumization**


## 3 Full Model

**Digital trade programs to grow category and premiumize**

# In low maturity markets focus on the basics to gain penetration

1 Basic trade infrastructure to increase penetration

2 Retail integration to boost frequency and premiumization

3 Digital trade programs to grow category and premiumize


## USING COOLERS FOR PENETRATION AND AVAILABILITY


## TRADE PROGRAMS CREATING THE RIGHT INFRASTRUCTURE


Tabernitas
17,832
Feb 2018
+50%
# of on premise
POC's
+170 khl
vs. 2016
CADA PATA
PONE
UNA RONDA

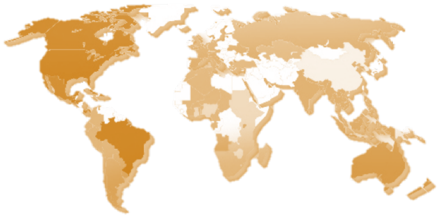
# In medium maturity markets drive frequency and shape the category

1 Basic trade infrastructure to increase penetration

**2 Retail Integration to boost frequency and premiumization**

3 Digital Trade Programs to grow category and premiumize

## 11,000
**OWNED & FRANCHISED STORES WORLDWIDE**



- OFF-TRADE BEER STORES
- MAINSTREAM BARS
- SCALABLE PUBs, MINI-PUBs,
- BREWPUBS

**HIGHLIGHTS**



**MEXICO**
**MODELORAMAS:**
**Franchised off trade beer store focused on convenience**

---

**COLOMBIA**
**BBC BODEGAS:**
**Small beer-focused scalable model with food offering and intimate, urban environment**

*BBC – Bogoda beer company

ABInBev

# Better and more convenient locations

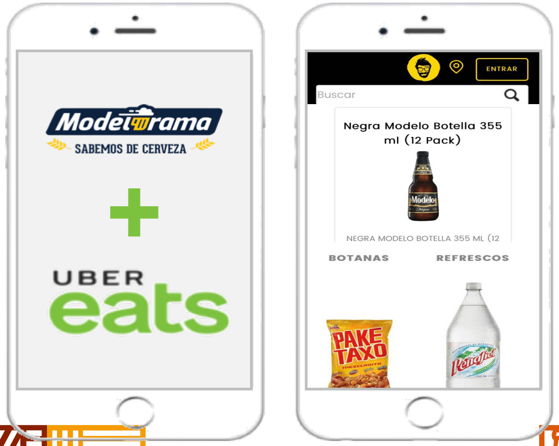

Growth Zones


City Center


Now on Google Maps!


Premium


Beer Trucks




Beer Store delivery via Uber Eats

Pepe Delivery connecting POCs w/ consumers

ABInBev

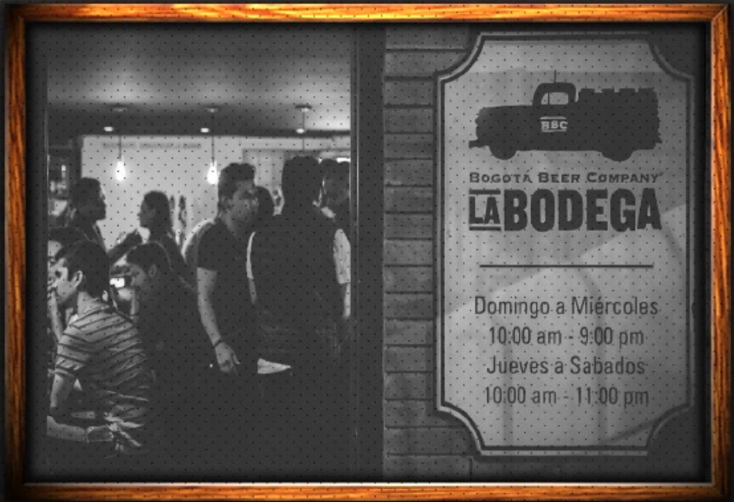
# Pit Stops in Brazil


Container


Piloting C-Store Concept


Returnable Glass Bottle Shop





BBC PUB

BBC BODEGA

BBC CONTAINER

# A sound retail strategy can drive growth

1 Basic trade infrastructure to increase penetration

**2 Retail Integration to boost frequency and premiumization**

3 Digital Trade Programs to grow category and premiumize


## Incremental distribution

- Whitespace regions
- Geolocation -> high potential areas

**Highly scalable**

## Consumer experience

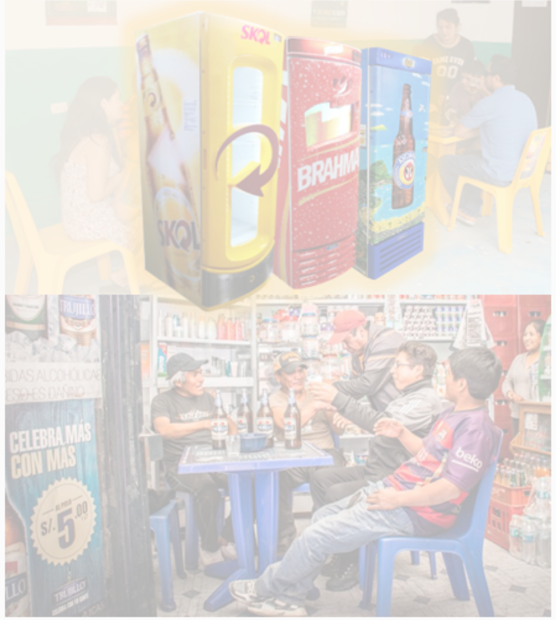
- Controlled execution
- Experiential format
- Elevation of category

**Premiumize**

# Data-driven Trade Programs in high maturity markets

## 1 Base Model

Basic Trade Infrastructure to increase penetration




## 2 Evolved Model

Retail Integration to boost frequency and premiumization


## 3 Full Model

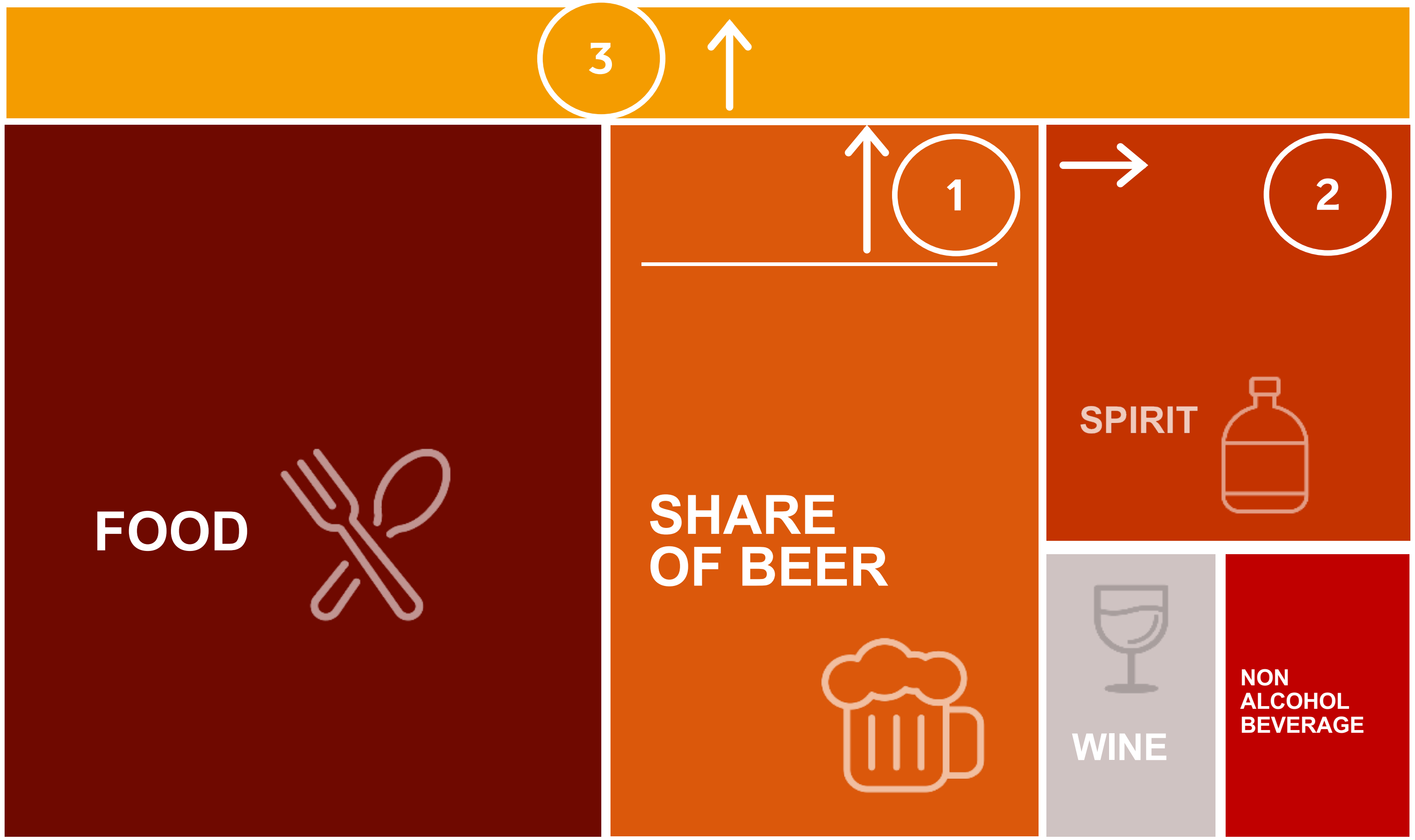
Digital Trade Programs to grow category and premiumize


AB InBev

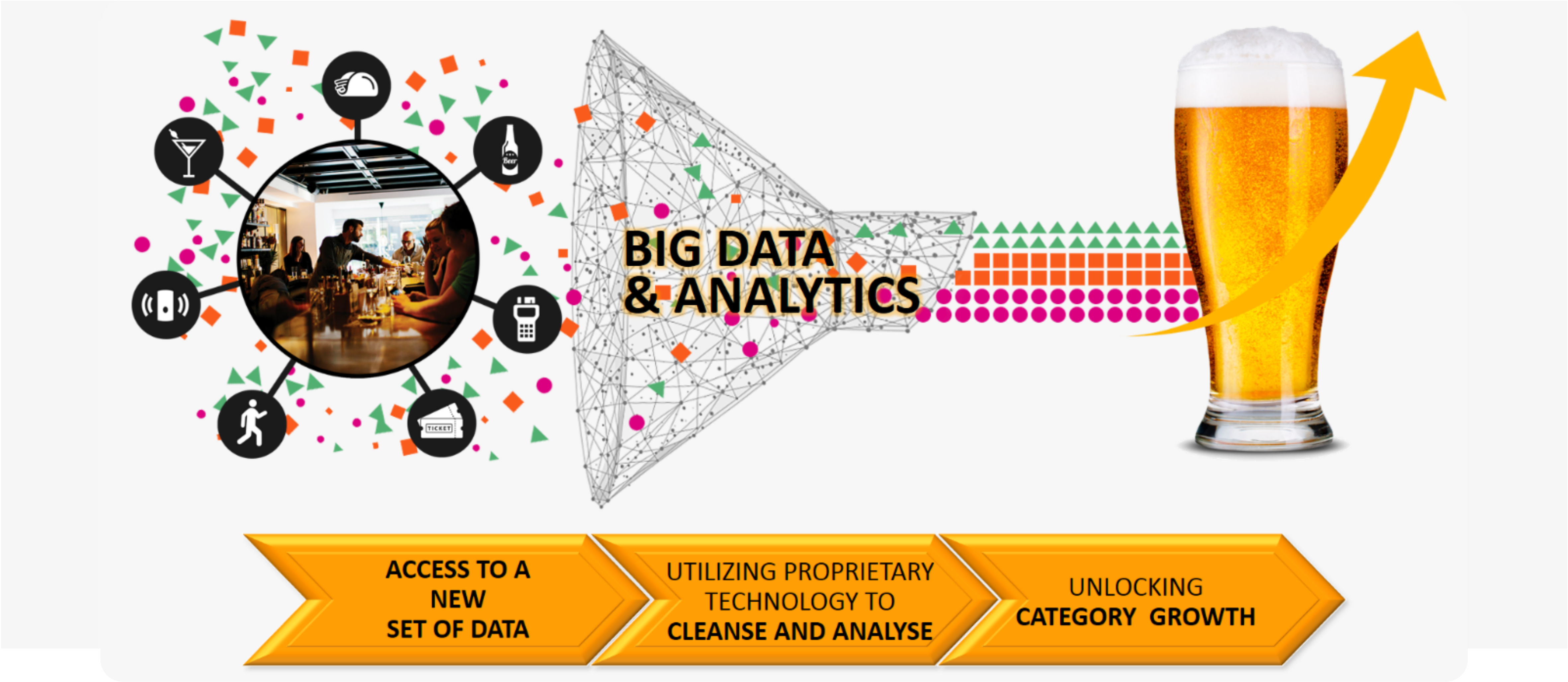
# Online category management approach

1. Increase AB InBev market share
2. Increase beer penetration and share of throat
3. Upsize on trade business / expanding occasions

**On Trade** Industry Landscape Example - Illustrative



# Connected POC: technology driving growth



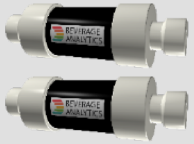
# 3 key pillars of Connected POC

## 1 Data acquisition & cleansing

Integrate with POS transaction data

POS integration

Capture data through LOT technologies



Smart flowmeter

3G hub

## 2 Data analytics

Strategic

Tactical

Operational

salesforce

OnCall

## 3 Data driven activities

1 3 5

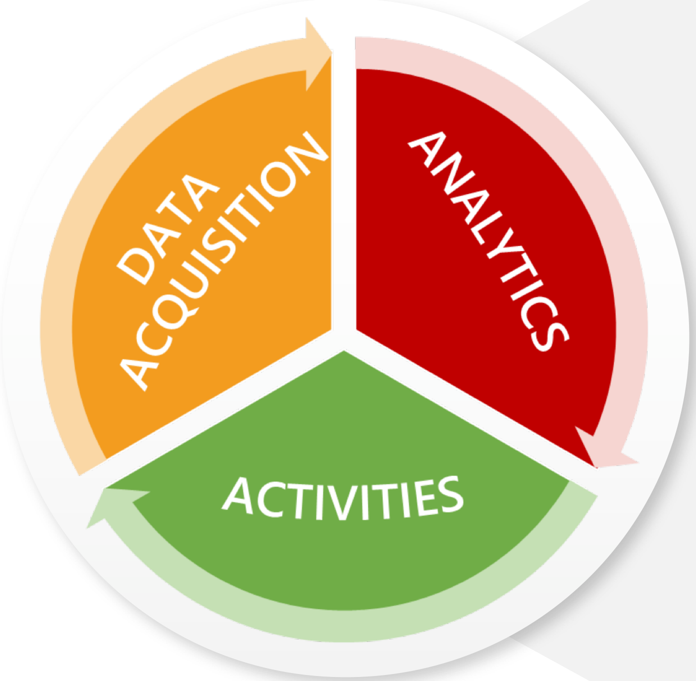
Key insights

Possible solutions

Test & learn in POC's

ABInBev

# The Connected POC: data-driven platform for high-maturity markets




## Unprecedented industry data

- Full industry data, beyond beer
- High granularity of transactional data
- Nearly real time to enable fast action

## Drive category expansion

- Crack the code for category driver metrics
- Actionable insights to enable better business strategies

## Unrivaled customer relationship

- From transactional relationship to unrivaled service to POCs
- Data driven customer service (e.g. out of stock)

# Different solutions for different market maturities

## 1 Base Model

Basic trade infrastructure to increase penetration


## 2 Evolved Model

Retail integration to boost frequency and premiumization


## 3 Full Model

Digital trade programs to grow category and premiumize


AB InBev

# Customer Enablers

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Mkts | Cluster 1 | | | Cluster 2 | | Clusters 2 & 3 | |
| Main Priority | Penetration | | | Frequency | | Premiumization | |
| Key Drivers | Affordability | Availability | Coolers | In Home Occasion | Easy Drinking | Core+ | Prem / S Prem |
| Customer Enablers | Contact Strategy | | | | | | |
| | High End Company | | | | | | |
| | Retail Solutions | | | | | | |

# In Summary…

## Contact Strategy

"Driving digital sales transformation for the future"

## High End Company

"Strong portfolio & specialized teams to win in High End"


SPECIALIZATION FOR HIGH END SEGMENT

- PROFILE
- SKILLS
- TRAINING
- TOOLS

## Retail Solutions

"From Hardware to full online CatMan & analytics"

# Thanks!