

**ANHEUSER-BUSCH INBEV INVESTOR DAY**  
**NEW YORK CITY, USA**  
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**US CHIEF SALES OFFICER – BRENDAN WHITWORTH &**  
**US VP CATERGORY LEADERSHIP – AMANDA TILLEY**

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Hello everyone. I'm very excited to be here and be part of this Investor Seminar. Last year, I had the pleasure of traveling to South Africa to be a part of our last Investor Seminar. Today, I only had to travel a few blocks and get to focus deeply on our business here in the US.

As Michel shared, our Commercial strategy drives everything that we do. The areas I'll be talking about in more detail are Consumer Insights & Data Analytics and our Regional Approach. I'll also invite up Amanda Tilley, our VP of Category Leadership, and she will talk about our evolution in Leading Category Growth.

Our Commercial Strategy is the foundation of our plans to Lead Future Growth. To help chart a clear course on how we deliver on this dream – we've introduced our 5 clear priorities. We view our plans through the lens of these five priorities, and by doing this, we keep our strategy embedded into our actions.

To bring our plans to life and create impact, we know that alignment across our industry's ecosystem is of the utmost importance.

We work with our wholesaler partners, we work with our retailers, and we obviously work with our fine AB sales team. In order to maximize every opportunity, listening needs to be one of our most important skills.

In the course of listening and not just hearing, we've learned we need to act with Simplicity, Agility, and with a Regional Approach. SIMPLICITY is at the heart of our decision-making, as overly complex programs and plans run the risk of causing more confusion than leading to impactful action.

Acting with AGILITY allows us to be flexible and react with speed when the environment around us changes.

And while the US is one incredible country, there are many market realities as we look across our map – from the bustling urban center of NYC to the American Heartland.

Our wholesaler partners and sales teams in the field know their markets better than we in one office ever could. Our REGIONAL APPROACH allows us to build plans that capitalize on this local expertise supported by our insights, technology, and analytics.

The combination of our collective strategy and acting through those 3 principles of SIMPLICITY, AGILITY & REGIONAL APPROACH has resulted in portfolio highlights that we are proud of, as they all work together to drive balanced growth.

As you've heard today, we have success stories across our business.

Michelob Ultra has been the #1 share gainer for the past 4 consecutive years, as well as in Q1 of this year.

Our craft brands are collectively up 19% in the first quarter, well outpacing the Industry.

Michelob Ultra Pure Gold has an annualized revenue of approximately \$100 million dollars, and is contributing to our category expansion, as 10% of Pure Gold shoppers are incremental to the beer category.

We are gaining share of mainstream with our core and value brand portfolio.

And in the beyond beer space, Bon & Viv is seeing triple digit growth. While triple digits is and sounds impressive, we remain unsatisfied and are driving to get much more out of this segment.

Transitioning to our Sales Organization, I have 5 main areas to talk about here today.

I would love to spend more time getting into all the exciting things to share in each, but with limited time, I'm going to quickly touch on 3, spend a little more time talking Trade & Tech, and then you'll hear from Amanda on some exciting details behind our journey in Category Leadership.

First and foremost, we can't accomplish our collective dream without the right people and structure in place.

Over the last year our Sales Leadership team has seen some exciting changes, and I'm very proud of the team we have in place.

We have an experienced and diverse team with unique backgrounds from both within and outside the company, all dedicated to delivering our dream.

Together, our sales team brings over 200 years of relevant experience, and is organized with intentional structural overlap with our marketing team behind our key growth enablers.

This creates a fully collaborative Commercial Organization and helps us develop truly integrated plans.

Spread across the country, our 7 Region Vice Presidents drive regional empowerment, proximity with our wholesaler partners, and localized decision-making.

As I mentioned, the US is one incredible country with many market realities. Because of this, we know our national plans must be supplemented with localized programming that leverage local insights and market knowledge with portfolio plays relevant to each market.

Part of this approach comes to life in our annual Wholesaler Joint Business Plans. During this process, our field sales teams and our wholesaler partners come together to build collaborative 1-to-1 business plans around our shared annual goals. Wholesalers are able to plan strategically around portfolios and brands most relevant to their markets, and design the executional programs to help them deliver.

Our current plans are much more simple and localized than ever before. Whereas the list of KPIs within these plans used to be quite extensive and complicated, made up of 30 centrally-defined KPIs, we are now collectively focused at a higher level and on what matters most, with only 10 locally-customized KPIs that are linked directly back to our Commercial Strategy. This has been very well received by our wholesaler partners and really opened up the space to build those locally relevant plans. And the most important thing is that it is working.

As you look at results over the first quarter, it's clear that the execution of these plans are driving results. In this simple visual, we see that the wholesalers who are hitting a greater number of their Wholesaler Joint Business Plan KPIs are enjoying the best results, as defined by market share performance.

In addition to the Wholesaler Joint Business Plans, we have another layer of locally empowered plans we call Region Growth Labs. Sometimes Growth Labs deliver plans requiring incremental investment and sometimes they organize collective and consistent executional efforts towards a shared goal in a specific geography. Regardless of the type, they are built on local insights by our region teams and wholesaler partners – those that are closest to the market.

As a simple example, in our Southwest Region, the team built and is executing a 'White Out' plan behind Michelob Ultra, with the goal of making this brand the #2 brand in that Region, behind Bud Light.

With simple and local actions put towards this plan, the team has gained incremental displays, shelf space, taps, and overall has resulted in our Southwest Region growing Michelob Ultra market share at twice the rate of the Total United States. Considering the current strong position of Ultra in that market, that type of incremental growth is outstanding and a testament to the Region Growth Labs approach.

Shifting gears, let's now look briefly at Revenue Management

We are taking a strategic look at our revenue principles as they work together towards our refined Revenue Strategy, while continuing to drive a focus on the balance across volume, rate, and mix.

As we've discussed, we've organized our portfolio into market partitions, defined by each brand's price index to Bud Light. This allows us to keep pricing structure top of mind as we analyze our portfolio.

We're also bringing to market 'magic' price points, those price points that we know resonate with consumers. As we evolve our price increase strategies, we're keeping a close eye on beer's local CPI and its relationship with category substitutes, including wine & spirits.

And we're staying cognizant of our portfolio's mix shifts, as we focus on profitable brands and packages within our business strategy. As we move forward we'll continue to drive transformation through digital analytics for our promotional activity.

While we've already talked about our region teams, we also have an incredible retail team focused on driving our chain business and strategies across our 3 main channels.

As we look across the major segments of our channel performance, we see steady progression in the Large Format and On Premise segments.

While Small Format has been somewhat slower to respond, we understand the opportunities and have robust action plans in place built behind channel-specific solutions across all levers of the business.

Planning and collaboration have been major factors in the turn-around of our retail business. Across 2018 and leading into 2019, we brought our retailers into our planning process much earlier than ever before.

Because what matters most is their timelines, not ours. We've been able to elevate our joint planning process, build plans that work for our collective strategies, and collaborate more deliberately on our innovation platforms.

By providing a better understanding our strategy for the beer category and Anheuser-Busch's role within that strategy, our retail partners have responded very positively.

For example, in the most recent spring reset season, with latest information available, we're seeing almost a 5% increase in our overall points of distribution, which is much more than we saw last year. Innovation SKUs are front and center in those additions and we're also excited with space gains on our key brands like Michelob Ultra.

Anheuser Busch is the #1 beer company in the US and we obviously want to be the best in everything we do. In 2018's Kantar Power Rankings of Top Manufacturers, we were the highest ranked beer company. While I was excited by the improvement from our ranking in 2017 and happy to crack the top 10, we are by no means the best...and that is where we belong. There is a sizeable gap between us and Pepsi, which happens to be my former employer, who took the top spot. They were evaluated as 8 TIMES higher than we were.

As a company, we often times talk about 'opening gaps'. As far as we're concerned, the gap is already opened and I'm very energized by the plans to close it.

As the biggest beer company in the US, it is incumbent upon us to elevate the entire category. A key piece of this effort is our work behind Category Leadership which you will hear about shortly.

But, before discussing Category, I want to cover one more topic – Trade & Tech – as this area is a critical enabler to achieving our dream.

While this area encompasses multiple topics, I'm going to limit my comments to just technology and provide an illustrative example of our commitment to this space.

Selling and executing today in the alcohol industry, or any FMCG, is much different than it was 20 or even 5-10 years ago.

Consumers are more diverse in what they want, information is more readily available, and more options are available across different points of purchase.

We are leveraging technology through a multitude of digital solutions that work to embrace this current reality, organize its implied complexity, and position ourselves for the future as the industry continues to evolve.

They are interconnected to the specific initiative I want to discuss today, which is what we call LOLA – the Locally Optimized Learning Algorithm.

As I just mentioned, and as you all know, our business is complex – brands, SKUs, points of purchase, wholesaler partners, retailer stakeholders, different legislative realities by state...the list goes on.

We also have an amazing amount of data at our disposal to help us make smart decisions. To effectively harness and operationalize this trove of data, we've developed a machine learning capability.

Through LOLA, we can take our complex network with all its touchpoints, capture all of the data available on a store-level basis, vet this through findings of similar stores, and arrive at clear recommendations on how to optimize individual store performance.

It's the information we collect that allows us to make a science out of finding out how our consumers are engaging with our brands at retail and why. This information allows us to paint a picture of what is working well across our accounts at a granular level and what greater opportunities exist.

Through LOLA, we are revolutionizing our approach with enhanced technical and analytical capabilities.

We are able to convert LOLA's account-level insights into meaningful selling stories that make our sales reps more relevant and valuable to their accounts.

Let's take a look at a short video that will give us a closer look at LOLA in action.

LOLA has been rolled out to a few pilot wholesalers so far, and to our Great Lakes Region based in Chicago. Our pilot areas are showing 1.5 percentage point lift in LOLA compliant accounts, vs. control, and that is just the start. While we are very excited with LOLA's current capabilities, we have a clear roadmap for its continued development and integration of future capabilities into multiple aspects of our business.

Lastly and briefly, I'd like to introduce Category Leadership before bringing Amanda to the stage.

Category Leadership is one of my top priorities, if not THE top priority. As illustrated by the Kantar rankings, I firmly believe beer as a category is behind where it should be.

Whether it's a reluctance to evolve, capability gap, or self-serving approaches, beer as a category is behind other FMCG categories. As the largest beer company in the US, Anheuser-Busch is changing that.

We are fully committed to bringing objective insights and strategies that we believe will optimize total category growth in an ever-changing consumer and retail environment.

As I mentioned, what has been available across the industry most recently is predominantly inward-looking and self-serving. The narrative also hasn't changed that much – beer is big, beer drives trips, and beer builds baskets. All of that is true, but it isn't new and doesn't really reach the threshold of searing insights.

We're relentless about understanding shoppers' needs and putting them at the center of everything we do. There is so much headroom for beer and it has enormous value to brick and mortar retailers.

For example, while other categories have migrated more quickly to e-commerce – like diapers and personal care – beer is more 'sticky' to brick and mortar. This creates a huge opportunity as retailers are making category



bets and seeking to improve the in-store experience for their high-value shoppers.

We also know the shopper isn't binary between brick-and-mortar and e-commerce. And we are partnering with retailers to delight shoppers wherever they are – in-store or on-line.

People are changing, retail is changing, and we're changing. That's why we've launched IGNITE, our retail category strategy.

We're so serious about taking this category approach that we've significantly increased our investment and resources, built a sizeable category center of excellence, and added a VP of Category Leadership in Amanda to lead our efforts.

As I mentioned, she is here today to tell you more about the IGNITE platform and how we're fueling category growth. So, please welcome Amanda to the stage.

Good afternoon everyone. This is my very first Investor Seminar and it's fantastic to be here.

Whilst I am new to the US business having joined in the role as VP – Category Leadership in July of last year, I am not new to our business as I have expatriated from Australia, having joined ABInbev through the SABMiller acquisition.

As you've seen today, our Commercial Strategy drives our actions and the plans we put in place to deliver on our dream. Leading Category Growth is such a pivotal piece to our strategy, and I am thrilled to be here today to have the opportunity to talk to you about our Category agenda at AB, and our Ignite platform.

As Brendan touched on, the world as we know it is changing.

By 2020, 85% of the US population will reside in Urban centers, changing the homes people live in, what people buy and even the way they cook meals.

With the evolution of ecommerce, there is more consumer choice than ever before and people expect brands and retailers to curate that choice, giving them a bespoke and tailored experience.

With that digital evolution, people are also now universally connected and more informed than ever before.

The way people see themselves is evolving. Long-gone are the days of simple demographic groupings. In today's environment of dynamic identities, brands and retailers must connect on a deeper level with their consumers who place a greater focus on the impact they are having on the world and expect the same from companies.

Retailers are also in a massive state of change as they are trying to evolve to meet consumers where they are going.

For example, Walmart is investing \$11b to remodel their stores and has built a technology enabled retail lab

Kroger is rolling out digital aisle displays that connect directly to shoppers' phones.

Many others are experimenting with new store formats, like 7-11's sit down café and Food Lion's urban small format concept.

In response to this changing environment, retailers are now asking Category Partners more sophisticated questions.

And these questions go beyond how to drive trips and baskets.

- Food Lion have asked us what services they should put in those urban stores

- Target is trying to make alcohol a destination category and is looking for ideas on how to win.
- 7-Eleven asked about home delivery
- And Circle K wants to know how to get more women to shop the beer cave

As the biggest brewer in the industry it is our responsibility to bring thought leadership to our Partners. This starts with having an unparalleled understanding of the shopper.

We have stepped up our investment behind studying the needs of more than 10,000 shoppers across the US. We have looked at who and where people are drinking, in what occasions and what is motivating behavior.

For example, did you know that meals is the largest alcohol consumption occasion in the US? And that volume in meals has grown over 22% in the past three years, driven by people in their 30's and 40's?

Whilst beer has the dominant share in casual meals, by better understanding the changing needs of consumer and shoppers we can ensure our category evolves to remain relevant and to unlock future growth.

With this robust understanding in hand, we know we have to elevate the conversations we're having with retailers about consumers and their shoppers and partner with them to create tailored solutions that make sense for a Retailers business strategy.

To do this, we had to step change our focus and investment in our Category function.

We've invested in resources to support a 1:1 contact model which has greater reach to Retailers across the US.

We've built a 25-person Center of Excellence, which serves as the category thought leadership hub for the organization. This team is also focused on

building our Category Management training programs, evolving our technology capabilities, and improving ways of working with our Partners.

And as I said we are investing to best understand our shoppers across all channels

This powerhouse of an organization is now poised to help us change our conversations with retailers – moving from tactical, to strategic.

By leveraging the great insights we have about consumer trends, demographics and occasions along with our knowledge of how the category landscape is changing – we have built upon our strategy to create one simple, cohesive, powerful blueprint that explains exactly how to unlock growth across beer.

We need a strong point of view that we consistently take to Retailers on how to unlock growth across ALL segments and delight shoppers across ALL channels. This will allow us to deliver against the responsibility we have in being the thought leader.

We call this blueprint our Retailer Category Growth Strategy.

And we have proudly branded this playbook **IGNITE**.

Meeting shopper needs is at the heart of **IGNITE**. Because to lead future growth, we must win in 2 key moments –

One is the **MOMENT OF USE** which is when a consumer drinks beer

The second is the **MOMENT OF CHOICE** which is when shoppers choose beer.

To win with shoppers across all channels we are using our deep understanding of their behavior to determine the right Category product assortment which is a balance of high velocity SKU's as well as a tailored range of styles and different types of beer.

To address what shoppers tell us is often a confusing shopping experience that lacks inspiration, we are working with our Retailers to evolve how the category is segmented, the overall shelf flow and to introduce education that helps shoppers to easily navigate the increased product variety in a way that encourages exploration or an efficient shopping trip.

And we are also using these insights to shape channel specific guidelines that define their instore marketing programs as well as recommendations on price and promotion strategies.

IGNITE also outlines how to fuel category growth through a focus on 6 growth drivers:

The first is aimed at recruiting new drinkers into the category with sessionable and sweeter tasting products. These products are responsible for +22% of total beer category growth and we believe will continue to drive growth as they draw women and consumers of Legal Drinking Age into the category

Two drivers are tied to Premiumization.

Consumers are trading up across all of alcohol, and now 100% of the growth in beer and wine, and 85% of the growth in Spirits is coming from the higher price tiers.

These growth drivers are aimed at accelerating the trade up in beer across two critical life stages – The 20's who have the highest propensity to premiumize and mid-life males who have one of the highest beer share of throat

IGNITE is also working to expand consumption frequency by winning with more styles in more occasions.

We know when people drink more styles, they drink more beer.

Someone who drinks three styles of beer - say light lager, wheat and an IPA - drinks 3.4x more beer than someone who only drinks 1 style, like a light lager.

Hence we believe we can expand the category by introducing people to more styles and win in the occasions where they don't necessarily consider beer.

Specifically we want to grow beer's share of both the Meals and Relax occasions

Finally, the growth driver to address the most important trend of health & wellness.

This mega trend is a key driver of consumer choices across all categories, so much so that it has become a \$1.9T industry alone in the US.

As a category we MUST offer consumers options that meet their health and wellness needs. This of course includes low carb, low calorie, low sugar offerings . . . . But it's more than that.

It's also about giving consumer more of what they are asking for – organic and ancient grains as just two examples.

And it's about giving them options for moderation such as portion control or lower ABV.

The IGNITE strategy is an objective, shopper-centric way to approach growth for the beer category.

And the good news is we have already started deploying these strategies in market through partnerships with our Retailers.

We've done several aisle reinvention projects which work on improving the category fundamentals. These pilots have proven very successful, with evidence of a 7% category uplift driven by a 40% increase in shopper conversion.

We're also bringing the growth drivers to life in retail. We are working closely with the 9th largest US beer retailer to carve out a permanent space for the smarter choice options in the category.

We're also creating an entirely new flavored Ready To Drink category. And we'll be piloting a beer education program that helps introduce shoppers to more styles of beer and educate them on the category.

This will have a lasting impact on sales, because we know that the more styles of beer a person drinks, the more occasions they will consider beer.

As Brendan said, best in class companies know how to navigate the ever-changing market with a clear strategy and strong growth mindset.

They have the right insights, resources and people, to achieve strategic partnerships with retailers. As you can see, AB has all of this, and more.

We're very excited about IGNITE and driving an industry change that will

elevate the category appeal and bring in new shoppers, expand beer's role and win in more occasions with more styles, trade people up to better drinking experiences and, most importantly ensure every moment of choice by a shopper results in someone enjoying a great beer.

Thank you for allowing me to share our evolution on this exciting journey!

I look forward to seeing you all in the Immersion area.

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