

# **Anheuser-Busch InBev** **Investor Seminar** **2019**



**ABInBev**

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# Michel Doukeris

## North America Zone President

**Born: Lages, Brazil**  
**Time at ABI: 23 years**  
**Favorite Beer: Budweiser**



# WE HAVE MET BEFORE...



APAC ZONE INTRODUCTION: MICHEL DOUKERIS, ZONE PRESIDENT APAC (SEPTEMBER 1, 2015)

A close-up photograph of a glass of beer. The glass is filled with a golden-brown liquid, and a thick, creamy white head of foam sits on top. The background is dark and out of focus, with some blurred light sources. The text "LET'S GET TO KNOW EACH OTHER" is overlaid in white, bold, sans-serif capital letters.

**LET'S GET TO KNOW  
EACH OTHER**











परिचय



परिचय



A close-up photograph of a glass of beer. The glass is filled with a golden-brown liquid, and a thick, creamy head of white foam is visible at the top. The background is dark and out of focus.

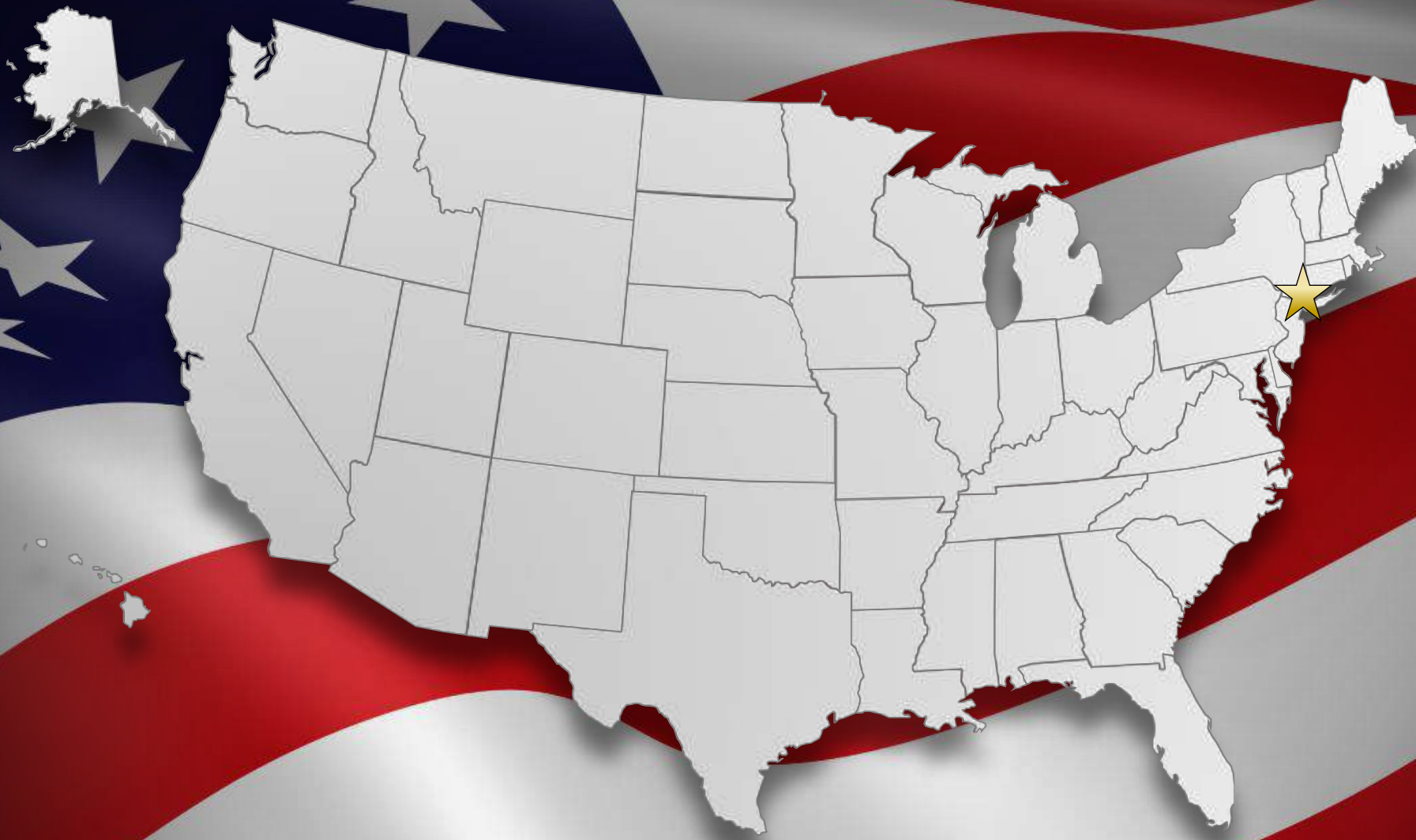
**I'M A BEER GUY**

**I'M A FAMILY MAN**

**I LOVE SIMPLICITY**



# WELCOME TO...





# WHY THE US?



**101MHL**  
VOLUME IN 2018



**\$13.6B**  
2018 NET REVENUE  
(25% of AB InBev)



**\$5.5B**  
2018 EBITDA  
(25% of AB InBev)



**18,000+**  
COLLEAGUES

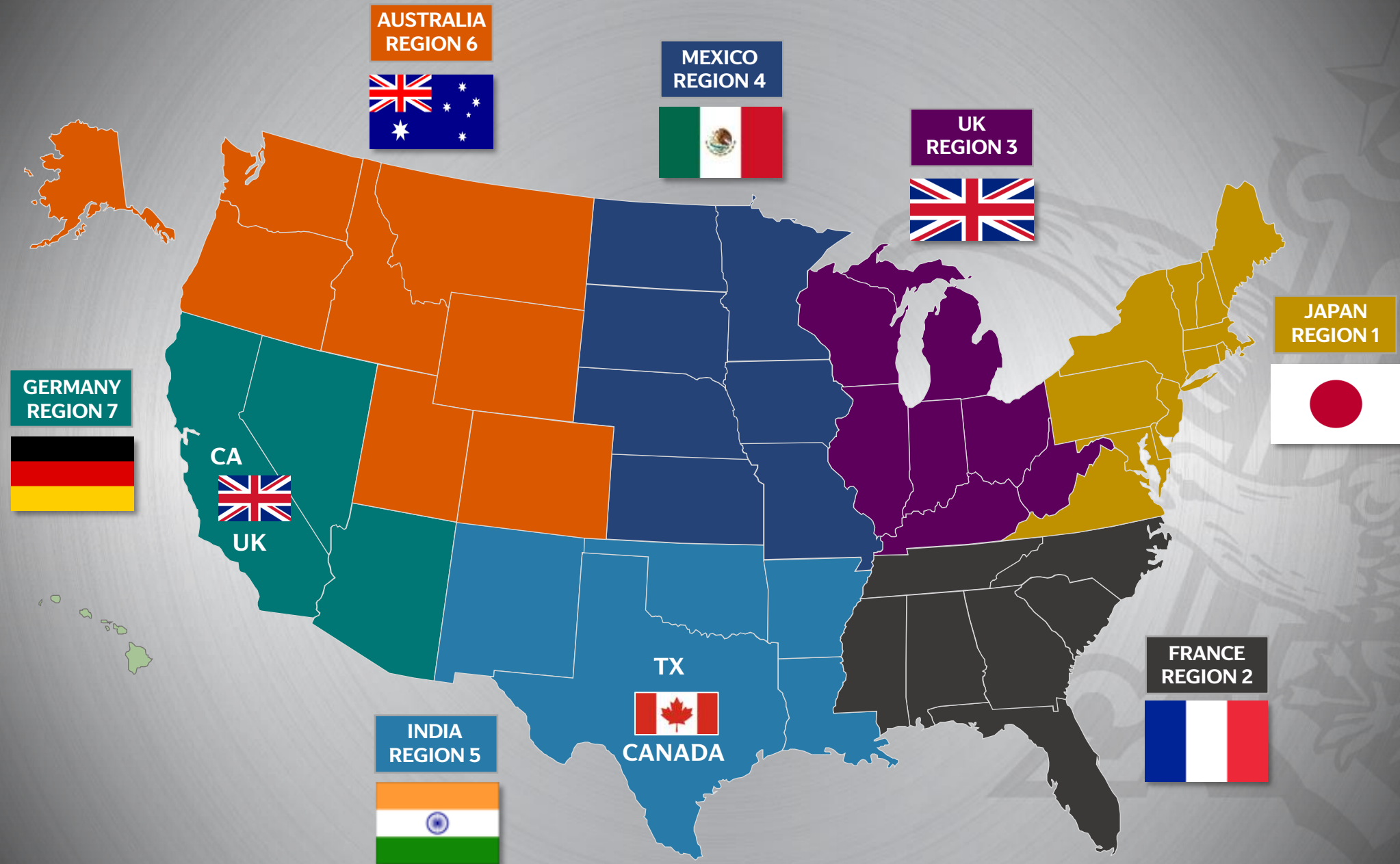


**430**  
WHOLESALEERS



**24**  
BREWERIES





Source: IMF, US Bureau of Productivity Analytics



# RICH HERITAGE



A high-angle, top-down photograph of a diverse group of approximately ten young adults, including men and women of various ethnicities, huddled together in a circle. They are all smiling broadly, showing their teeth, and looking towards the camera. The group is composed of individuals with different hair colors (blonde, brown, black), styles (straight, curly, beards), and clothing (plaid shirts, t-shirts, sweaters). The background is dark and out of focus. The word "DIVERSE" is superimposed in the center of the image in a large, white, bold, sans-serif font.

**DIVERSE**





SOPHISTICATED





A group of people are on a parade float, likely during a winter festival. In the center, a man wears a blue and grey jacket over a blue t-shirt that says "DILLY DILLY". To his right, a person is in a full blue armor suit with "BUD LIGHT" written on the chest. Other people are cheering and waving. The float has a teal and white sign that says "WORLD CHAMPION".

**TRENDSETTER**

W O R L D

H A M P T O N

# INNOVATIVE





# ALWAYS RISING TO THE CHALLENGE





# OUR AGENDA FOR TODAY

## THE US JOURNEY TO **LEAD FUTURE GROWTH**

- ✓ **REFRAME** THE OPPORTUNITY
- ✓ **RE-ENERGIZE** OUR STAKEHOLDERS
- ✓ **RECONNECT** WITH CONSUMERS





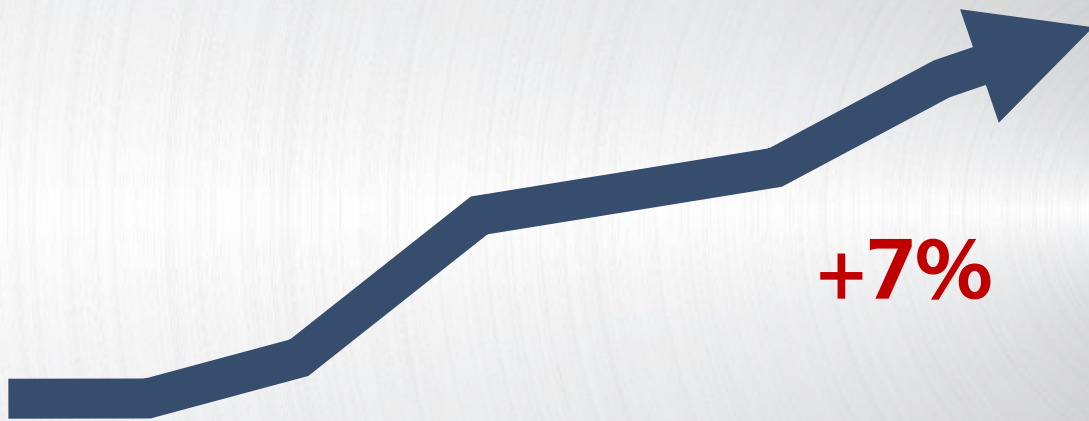
[illegible]

A close-up, slightly blurred photograph of a glass filled with beer. The beer is a dark, rich brown color, and the top is covered with a thick, white head of foam. The background is dark and out of focus, with some warm, golden light reflecting off the surface of the beer and the foam.

# **INDUSTRY OBSERVATIONS**



## TOTAL ALCOHOL INDUSTRY IS GROWING

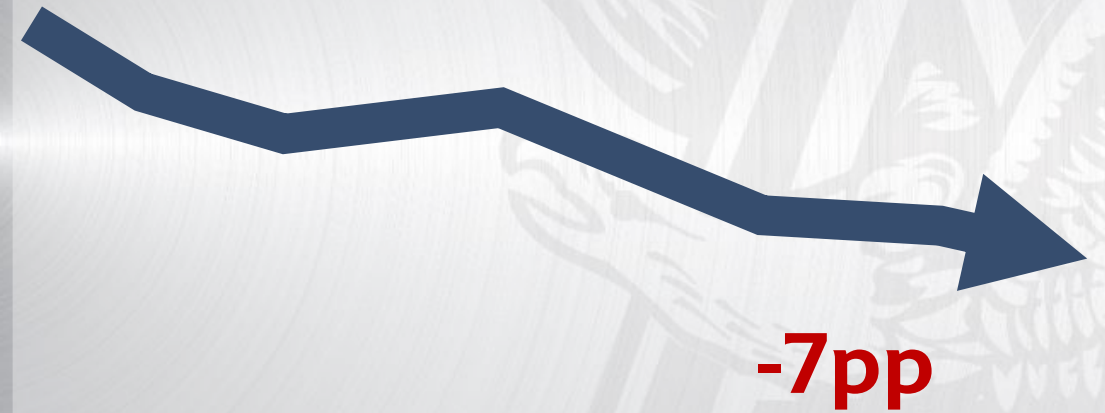


2008

2017

ALCOHOL VOLUME (LBE)

## BUT BEER IS NOT TAKING ITS FAIR SHARE



2008

2017

BEER SHARE OF THROAT (VOLUME)

A still life photograph of a picnic or wine-tasting setup. Two wine glasses filled with white wine are the central focus. In the foreground, there is a basket of green grapes and a single green apple. To the right, a woven basket contains dark grapes and a loaf of bread. The background is a patterned picnic blanket. The word "OCCASIONS" is written in large, white, sans-serif capital letters across the middle of the image.

OCCASIONS







# UNSTOPPABLE TRENDS AND KEY DEMOGRAPHIC SHIFTS

## UNSTOPPABLE TRENDS



**HEALTH & WELLNESS**



**PREMIUMIZATION**



**PURPOSE DRIVEN BRANDS**

## DEMOGRAPHIC SHIFTS



**AGING**



**MALE 28-49**



**HISPANICS**



**WOMEN**

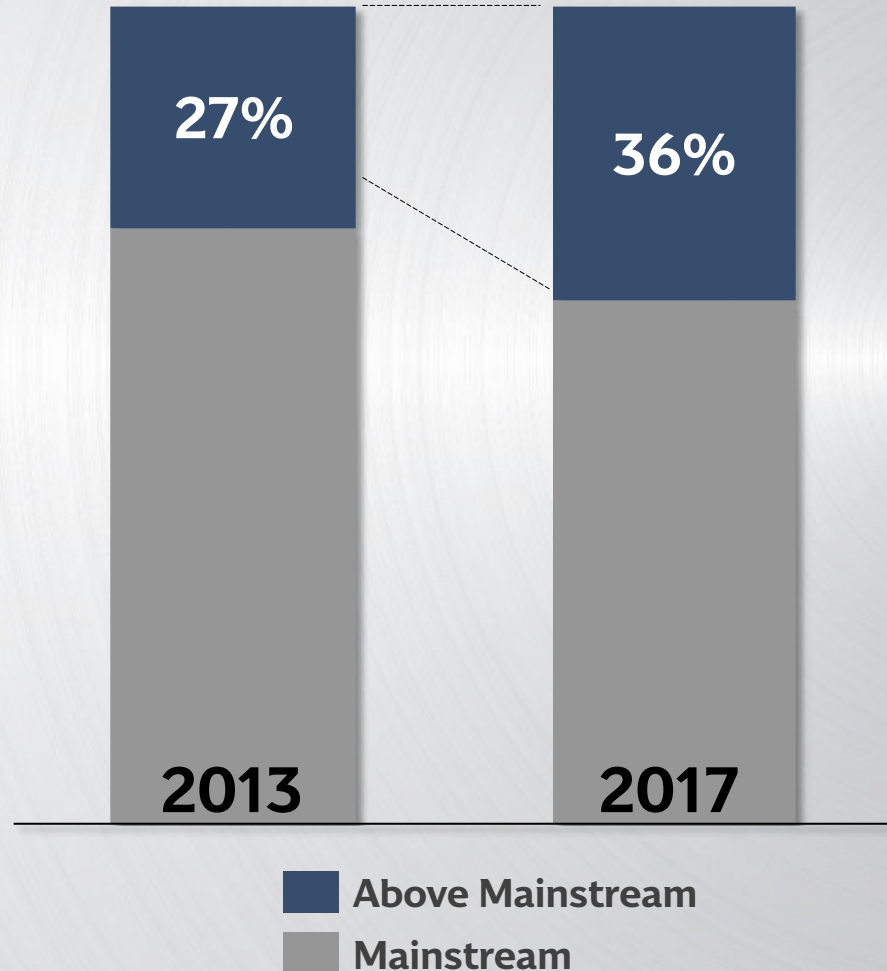


**LDAs**

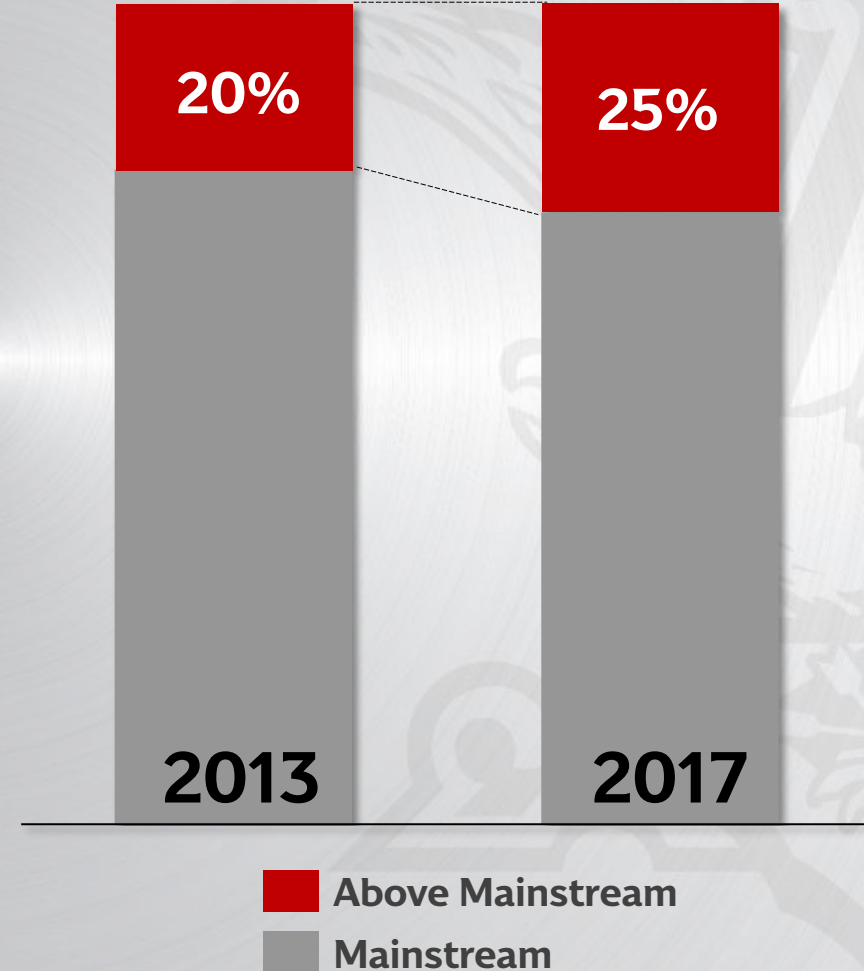


# THESE TRENDS ARE IMPACTING THE BEER INDUSTRY

## BEER INDUSTRY MIX



## AB MIX





# TO THE CONSUMER, THE CATEGORY IS CLUTTERED AND CONFUSING





# THE WAY WE WERE LOOKING AT THE CATEGORY WAS ALSO CLUTTERED

PREVIOUSLY...

PRICE RANGES		
HIGH END		13.99 ← → 19.99
IMPORTS		12.99 ← → 19.99
PREMIUM DOMESTIC		11.99 ← → 16.99
DOMESTIC VALUE		7.99 ← → 10.99

# WE REFRAMED THE WAY WE LOOK AT OUR CATEGORY AND BRANDS

PREVIOUSLY...

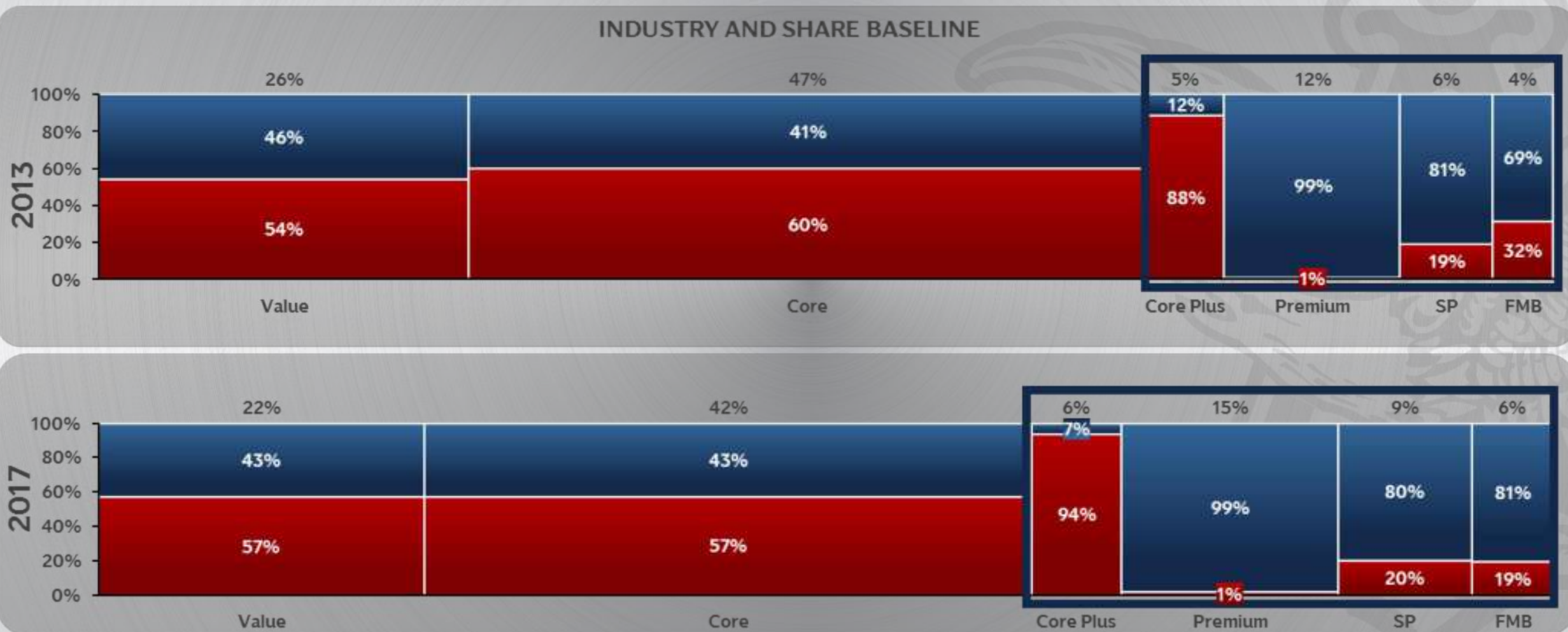
HIGH END	
IMPORTS	
PREMIUM DOMESTIC	
DOMESTIC VALUE	

NOW...

PRICE PARTITIONS	>160 SUPER PREMIUM	
	130 PREMIUM 160	
	110 CORE+ 130	
	90 CORE 110	
	<90 VALUE	

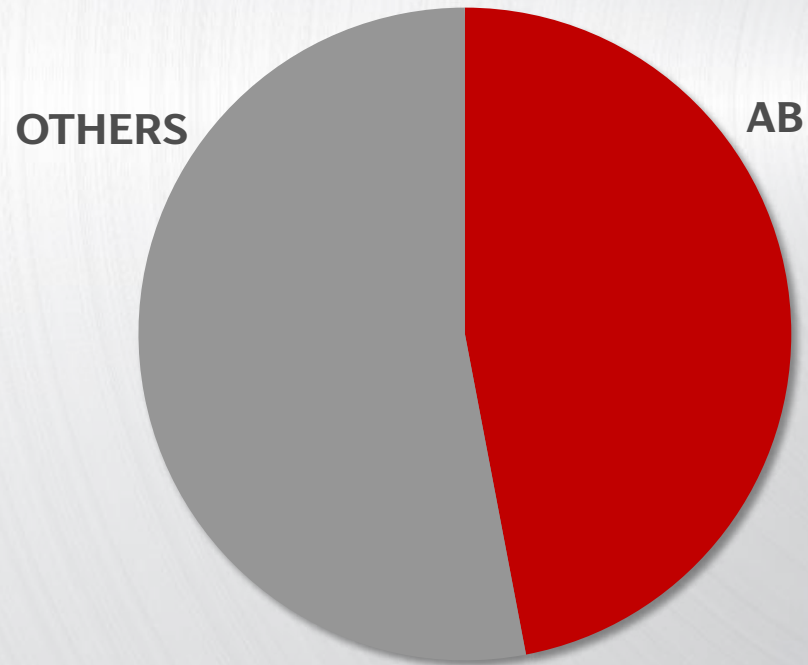


# THE NEW SEGMENTATION HIGHLIGHTS HOW WE UNDER-INDEX IN GROWING SEGMENTS

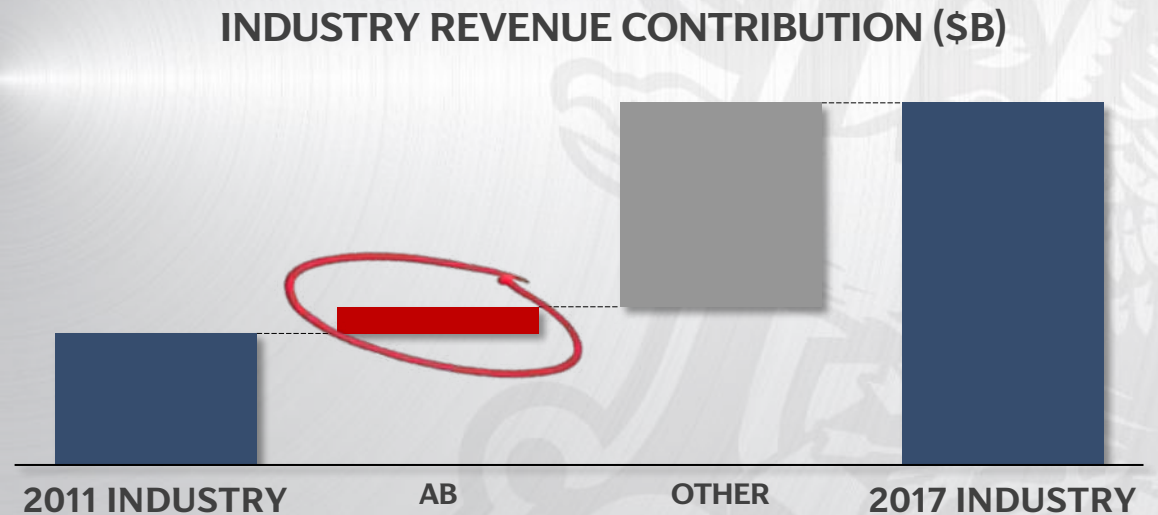


# WE ARE THE BEER INDUSTRY LEADER, BUT NOT DRIVING REVENUE GROWTH

**AB IS ALREADY THE INDUSTRY LEADER BY SIZE...**



**...BUT WE ARE FAR FROM BEING THE INDUSTRY GROWTH LEADER**





# AND STAKEHOLDERS WERE LESS ENGAGED

America is falling out of love with Budweiser  
Nov, 2017



Millennials' tastes brought about the downfall of one of  
America's most iconic beer brands  
Apr, 2018

BUSINESS  
INSIDER

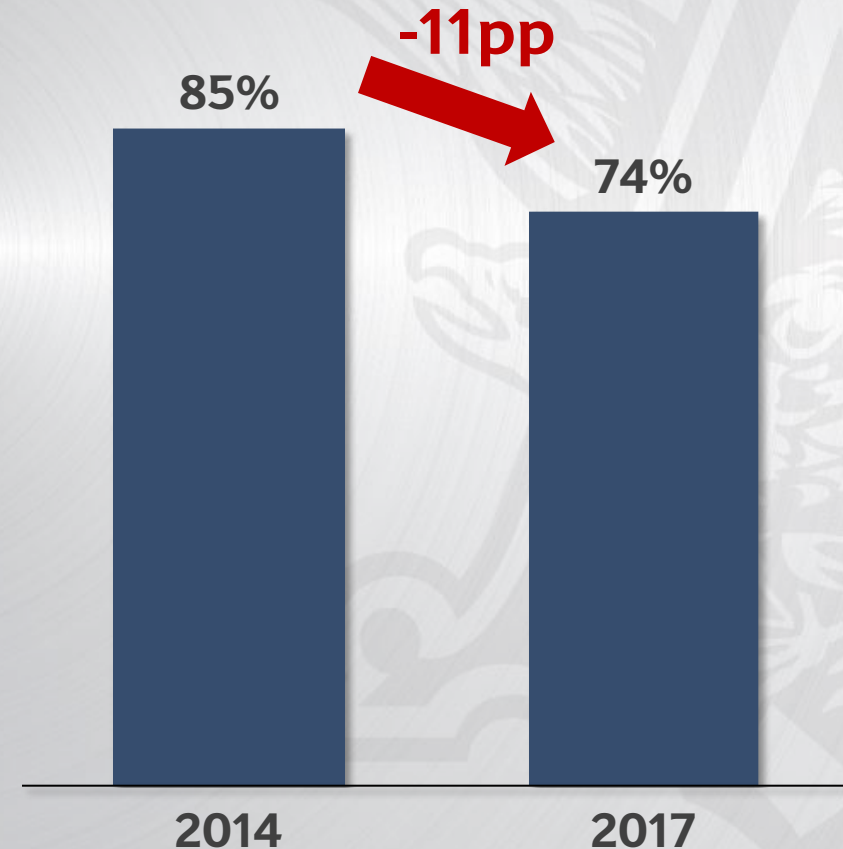
Drinkers **don't care about Anheuser-Busch** anymore  
Oct, 2017

**NEW YORK POST**

Latest Earnings Hint That **Bud and Bud Light Might  
Not Ever Get Groove Back**  
Oct, 2017

Forbes

## VOICE OF THE WHOLESALER



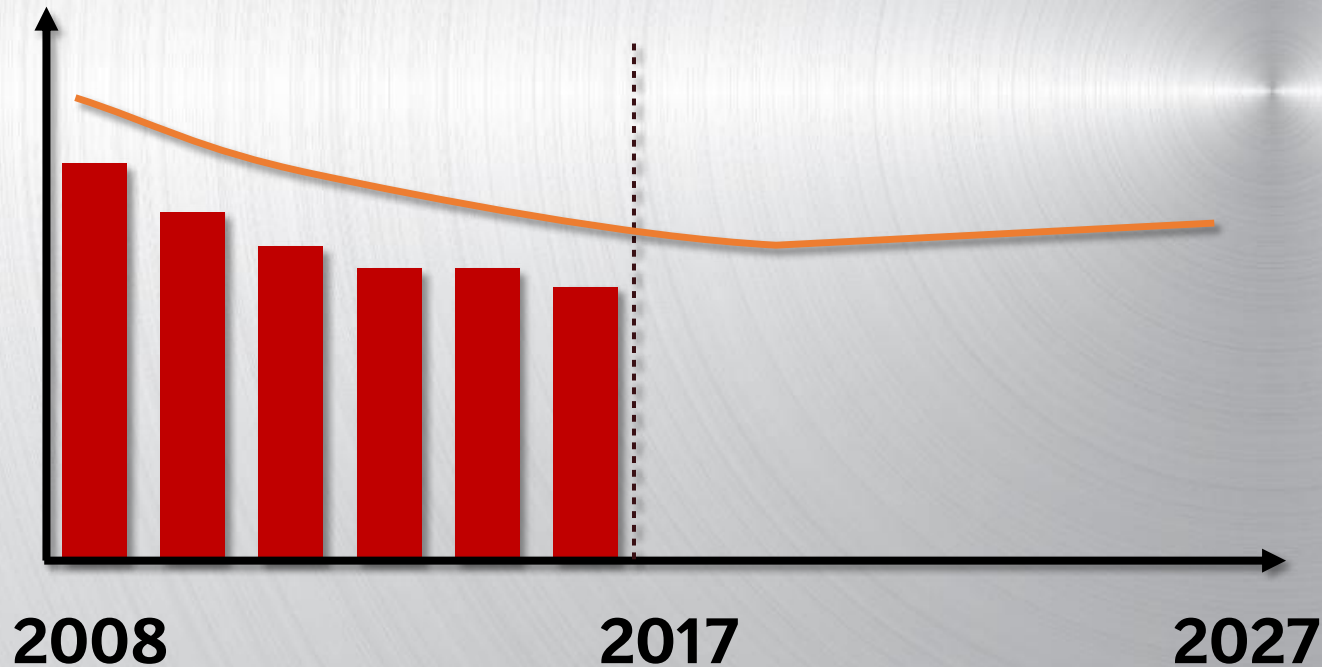
# WHAT COULD WE DO ABOUT IT?

*“Insanity is doing the same thing over and over again and expecting different results.”*



# IF WE DO NOT ADDRESS THESE GAPS, THE “PRESENT FORWARD” WILL BE MORE OF THE SAME

## PRESENT FORWARD AB REVENUE



ILLUSTRATIVE

## GAPS TO BE ADDRESSED

BEER IS LOSING SHARE OF THROAT

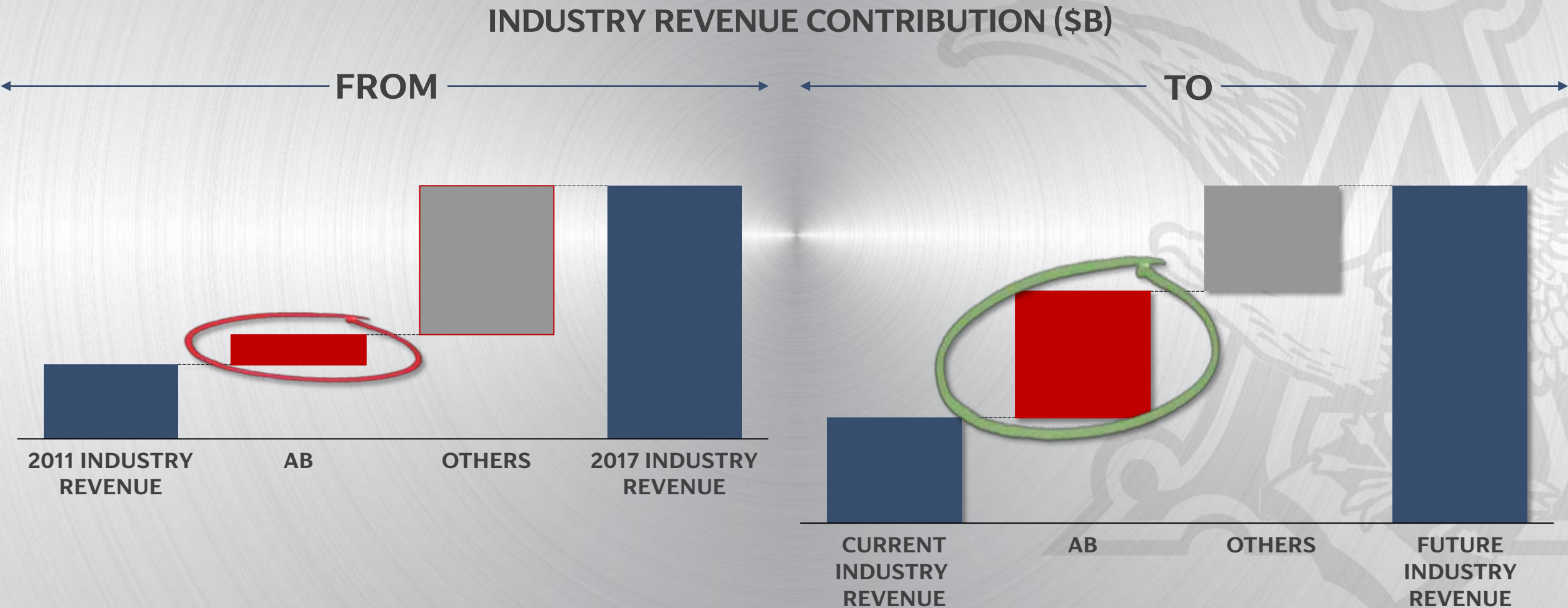
TRADE-UP

BUD & BUD LIGHT LOSING SHARE IN  
MAINSTREAM

POSITION WITHIN BEYOND BEER  
SEGMENT

AB HAS LOST THE STATUS OF “GROWTH  
CHAMPION”

# FROM “PRESENT FORWARD” TO RESHAPING THE FUTURE



ILLUSTRATIVE



A close-up photograph of three glasses of beer. The glass on the left is filled with a golden beer and has a thick head of white foam. The middle glass is filled with a dark red beer. The glass on the right is filled with a dark beer and is partially obscured. The text "LEAD FUTURE GROWTH" is overlaid in white, bold, sans-serif capital letters across the center of the image.

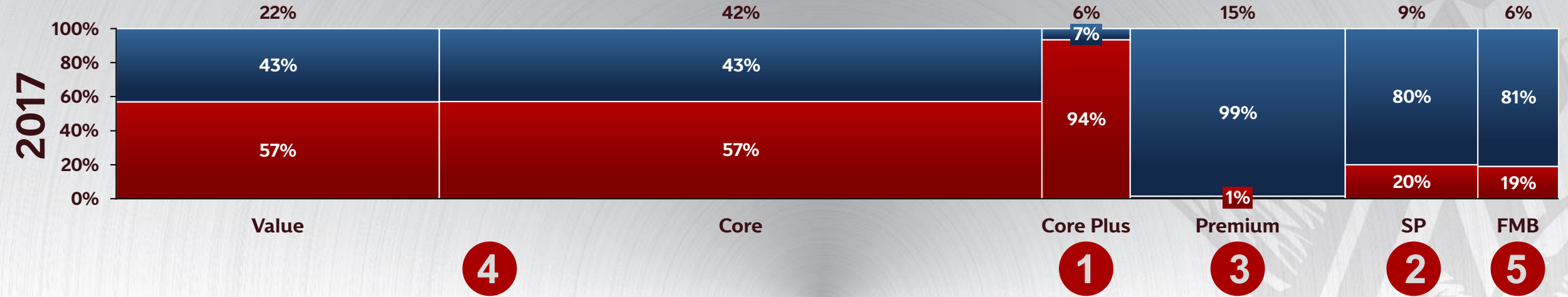
**LEAD  
FUTURE  
GROWTH**

# WE HAVE EVOLVED OUR STRATEGY





# WITH 5 CLEAR COMMERCIAL PRIORITIES



## PRIORITY

- 1 EXPAND CORE PLUS
- 2 LEAD & DEVELOP SUPER PREMIUM
- 3 DISRUPT PREMIUM
- 4 STABILIZE SHARE OF MAINSTREAM
- 5 CAPTURE GROWTH BEYOND BEER

## AMBITION

- DOUBLE INDUSTRY SEGMENT MIX
- DOUBLE SHARE OF SEGMENT
- 10X VOLUME GROWTH
- FLAT SHARE OF SEGMENT
- CAPTURE +\$1B NET REVENUE

# WE RE-ALIGNED OUR TEAM WITH THE STRATEGY



**Michel Doukeris**  
**PRESIDENT  
AND CEO**



**Fabricio Zonzini**  
**STRATEGY**



**Marina Hahn**  
**BEYOND BEER**



**Marcel Marcondes**  
**MARKETING**



**Brendan Whitworth**  
**SALES**



**Bob Tallett**  
**WHOLESALE  
DEVELOPMENT**



**Marcelo Michaelis**  
**BREWERS  
COLLECTIVE**



**Kyle Norrington**  
**CANADA**



**Ingrid De Ryck**  
**PROCUREMENT**



**Cesar Vargas**  
**LEGAL AND  
CORP AFFAIRS**



**Dave Taylor**  
**SUPPLY**



**Nelson Jamel**  
**FINANCE AND  
SOLUTIONS**



**Agostino De Gasperis**  
**PEOPLE**



**Katie Barrett**  
**GENERAL  
COUNSEL**



**Elito Siqueira**  
**LOGISTICS**



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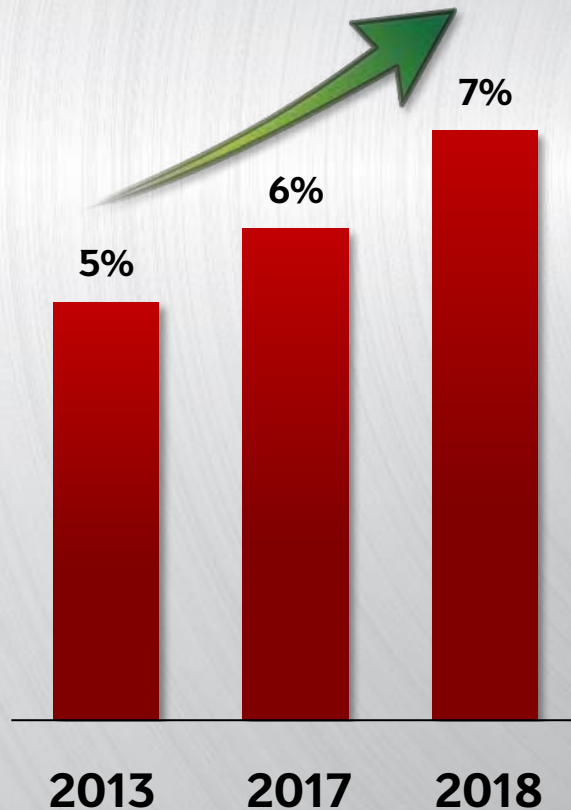




# **REASONS TO BELIEVE**

# 1 EXPAND CORE PLUS

CORE PLUS SEGMENT MIX  
OF TOTAL INDUSTRY  
IS GROWING



## #1 SHARE GAINER

FOR 4 CONSECUTIVE YEARS  
(AND STILL #1 in Q1)  
**+19%** 3-yr CAGR



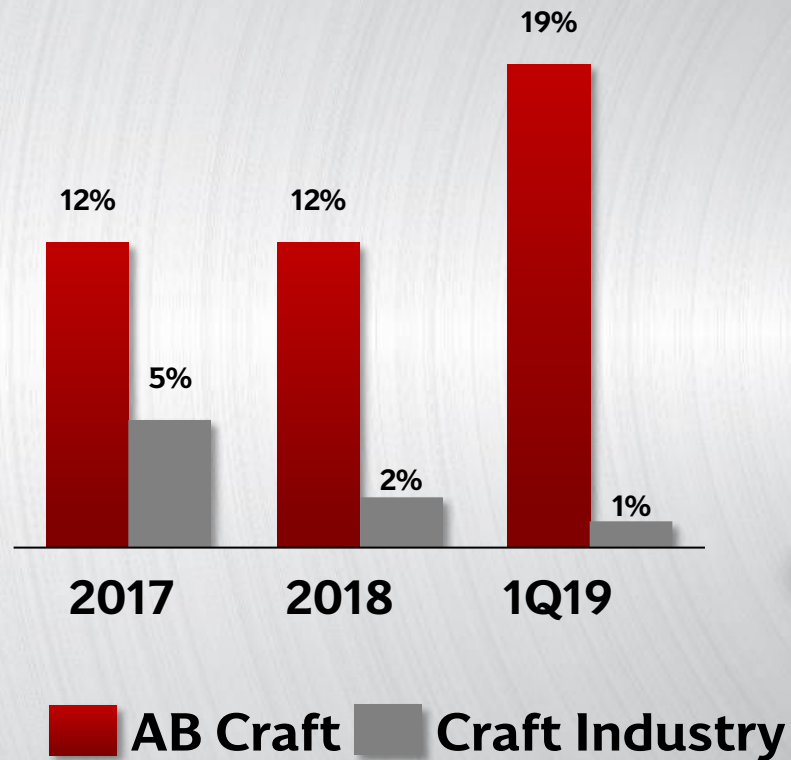
## TOP 15 SHARE GAINERS

LINE EXTENTIONS ARE  
ENABLING CONSUMERS  
TO TRADE-UP





## 2 LEAD AND DEVELOP SUPER PREMIUM



**CRAFT +19% IN Q1,  
WELL ABOVE THE SEGMENT**



### 3 DISRUPT PREMIUM

## TOP 10 SHARE GAINER IN 2018 AND Q1 2019

~\$100M  
ANNUALIZED REVENUE

10%  
INCREMENTAL TO THE BEER CATEGORY





## 4 STABILIZE MAINSTREAM

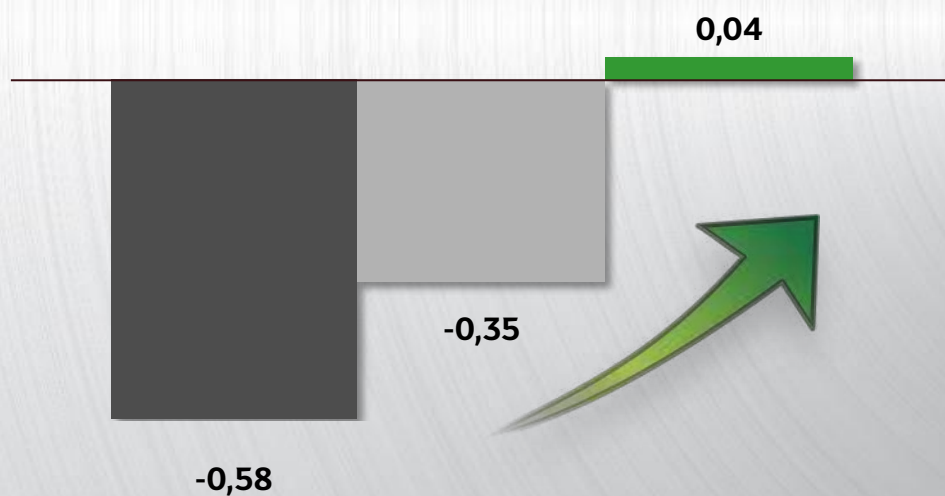
### SHARE TREND OF MAINSTREAM (CORE + VALUE)

*In p.p.*

2017

2018

2019 Q1



HIGHEST  
CONSIDERATION  
SINCE 2017



PENETRATION AND  
'HIGH QUALITY  
BRAND' NEAR THREE-  
YEAR HIGHS

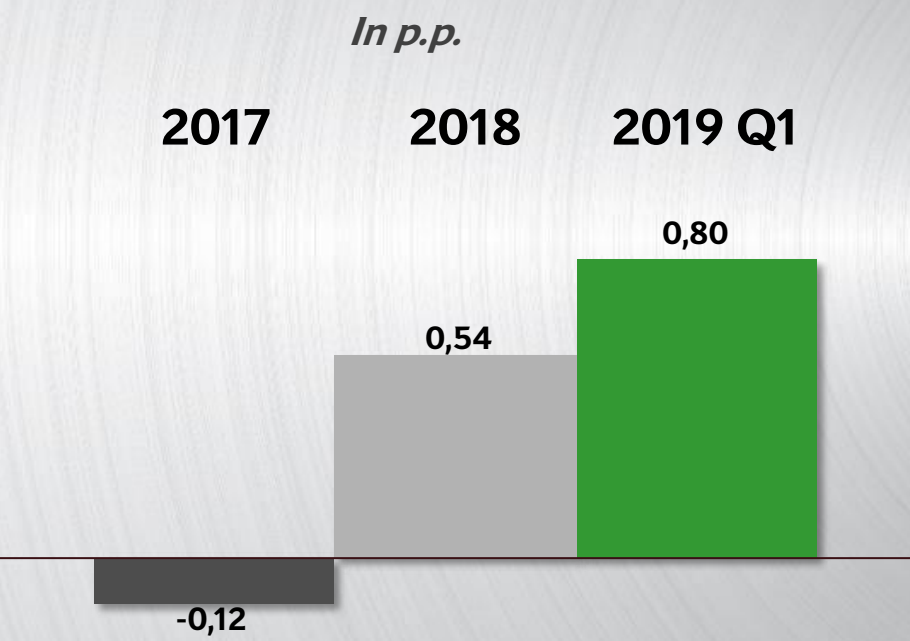


VALUE GREW  
OVERALL SHARE IN  
Q1 FOR THE FIRST  
TIME SINCE 2017



# SHARE OF LIGHT BEERS

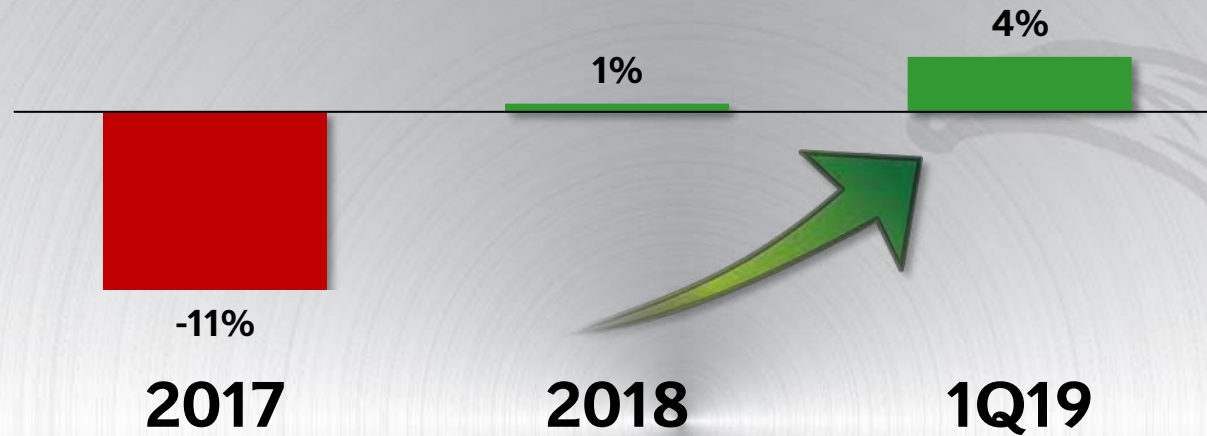
## SHARE TREND OF LIGHT BEERS





## 5 CAPTURE GROWTH BEYOND BEER

### VOLUME GROWTH



### TRIPLE DIGIT VOLUME GROWTH



### STRONG INNOVATIONS PIPELINE



### CAPTURING GROWTH IN WINE & SPIRITS



# ACROSS THE COMMERCIAL PRIORITIES, WE DELIVERED 9 OF THE TOP 15 SHARE GAINERS IN THE INDUSTRY

Q1 TOP 15 SHARE GAINERS	RANK	SHARE CHANGE
<b>MICHELOB ULTRA</b>	<b>1</b>	<b>0.63pp</b>
MODELO ESPECIAL	2	0.58pp
WHITE CLAW HARD SELTZER ASSORTED	3	0.29pp
CORONA PREMIER	4	0.24pp
TRULY ASSORTED	5	0.19pp
<b>MICHELOB ULTRA PURE GOLD</b>	<b>6</b>	<b>0.19pp</b>
<b>NATTY DADDY LAGER</b>	<b>7</b>	<b>0.14pp</b>
WHITE CLAW HARD SELTZER BLACK CHERRY	8	0.11pp
<b>NATURAL LIGHT</b>	<b>9</b>	<b>0.11pp</b>
<b>BUDWEISER RESERVE SEASONAL</b>	<b>10</b>	<b>0.10pp</b>
CORONA FAMILIAR	11	0.10pp
<b>NATURAL LIGHT NATURDAYS</b>	<b>12</b>	<b>0.06pp</b>
<b>MICHELOB ULTRA LIME CACTUS</b>	<b>13</b>	<b>0.06pp</b>
<b>BUD LIGHT ORANGE</b>	<b>14</b>	<b>0.05pp</b>
<b>SPIKED SELTZER ASSORTED</b>	<b>15</b>	<b>0.05pp</b>

Source: IRI TUS MULC



# AND THERE IS MORE INNOVATION TO COME...



**FROM**

**2 YEARS TO MARKET**

**APPROVAL OF 30+ STAKEHOLDERS**

**LARGE-SCALE NATIONAL LAUNCH**

**REVAMPED  
INNOVATION  
FRAMEWORK**

**TO**

**100 DAYS TO MARKET**

**AUTONOMOUS, DEDICATED TEAMS**

**LOCAL PILOTS**



A photograph of a safari scene. In the background, a white safari vehicle with a canopy is filled with tourists. In the foreground, a male lion stands in tall, golden grass. The image is used as a background for a text overlay.

# WE NEED MORE THAN “CONSUMER SAFARIS”

THIS IS A HUMAN BUSINESS  
BEER BRINGS PEOPLE TOGETHER



# WE HAVE UNIQUE CAPABILITIES TO CONNECT WITH MORE PEOPLE IN REAL TIME



**FROM** TRADITIONAL RESEARCH

**FROM DOZENS OF PEOPLE**



**TO** ONLINE PANEL POWERED  
BY ARTIFICIAL INTELLIGENCE

**TO +6,500 PEOPLE ON DEMAND**

# WITH RELEVANT CONSUMER CONNECTIONS AND REGIONALIZATION AS KEY PILLARS OF OUR STRATEGY



**+1.6B EARNED  
IMPRESSIONS**

**+1.81 SHARE OF  
CORE LIGHT SEGMENT  
IN PHILLY (1Q19)**



**3X GROWTH IN SOCIAL  
MENTIONS VS LY**

**VOLUME UP 1.3% YTD,  
COMPARED TO DOWN 1.4%  
IN THE PAST 52 WEEKS**



**MOST COMMENTS ON  
YOUTUBE VIDEO AMONG  
SUPER BOWL ADVERTISERS**

**AWARENESS INCREASED  
12% FOLLOWING  
THE SPOT**



**+560M EARNED  
IMPRESSIONS**

**+3% VS LY STR TREND  
IN MIAMI (APRIL 9  
THROUGH CURRENT)**



# OUR AGENCY PARTNERS ARE ENGAGED



*"Dear Budweiser Geniuses:*

*When we took our group licensing rights back, my vision was to give the power back to the players; the power to build new and authentic relationships for themselves and to tell their own stories on their own terms. I wanted to help them find partners that they could trust - partners that understood and acknowledged their complexity as human beings, not just their skill as athletes.*

*The ads that you have done for our players - most especially the Wade retirement ad - are exactly what I hoped for. I could not imagine a greater tribute to Dwyane and I am grateful that you recorded it and shared it with us all. **I couldn't be prouder that these are the first commercials to carry our marks. It is evident that you value and respect our players the way that I do and I am glad to have you as a partner.**"*



Michele Roberts Executive Director,  
National Basketball Players Association



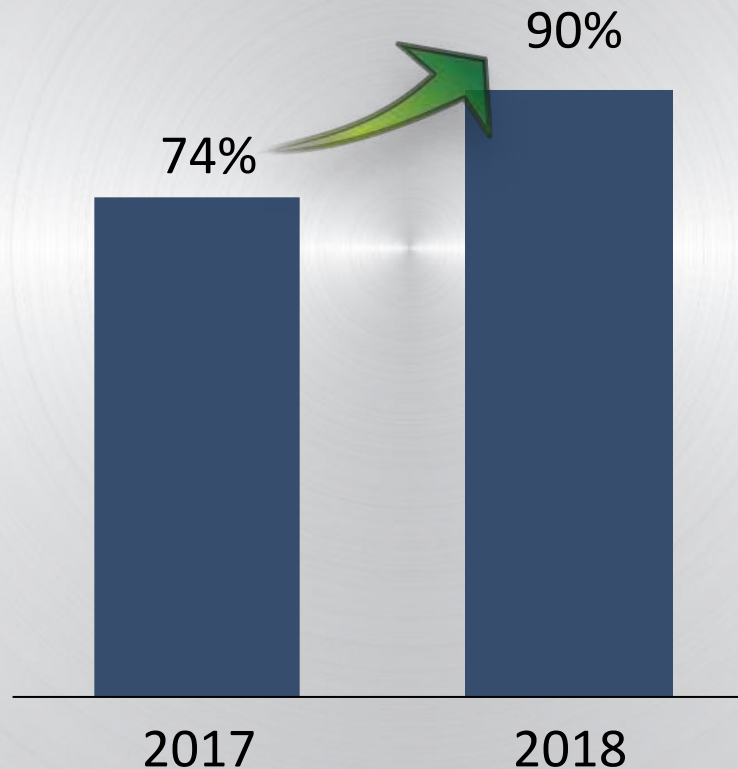
# AND OUR WHOLESALERS ARE RE-ENERGIZED!

*"For the first time in a long time I believe we are on the right track to growth and success."*

*"We are optimistic about the 'Lead Future Growth' strategy ..."*

*"The new direction lined out within planning meetings has me optimistic about our continued relationship."*

## VOICE OF THE WHOLESALER TOTAL SCORE



## KEY QUESTION SCORES 2018 VS 2017

**+25pp** STRATEGIC DIRECTION

**+24pp** MARKETING EFFORTS

**+15pp** RELATIONSHIP WITH YOU

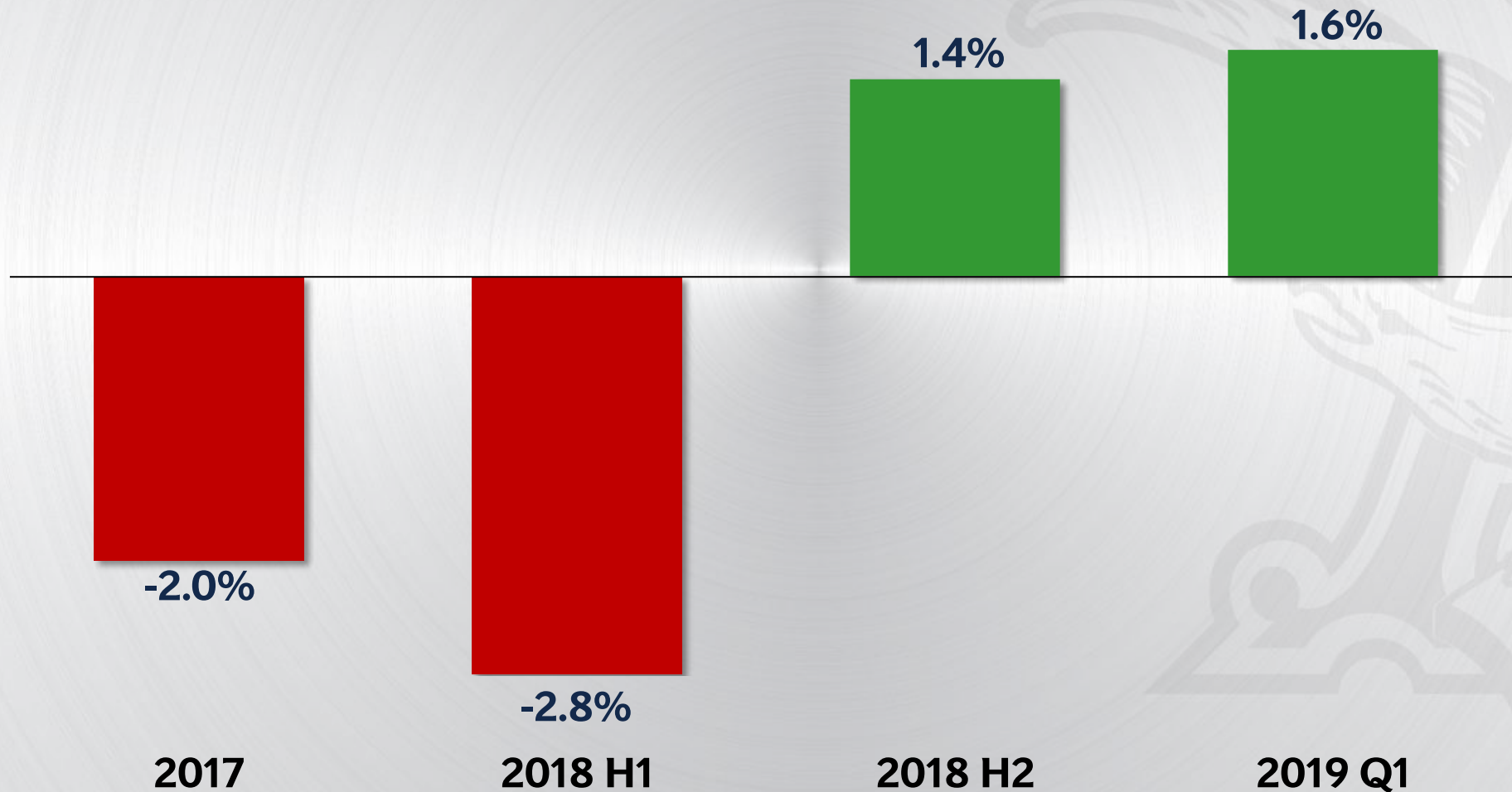
**+14pp** OVERALL SELLING EFFORTS

**+10pp** COMMUNICATION WITH YOU



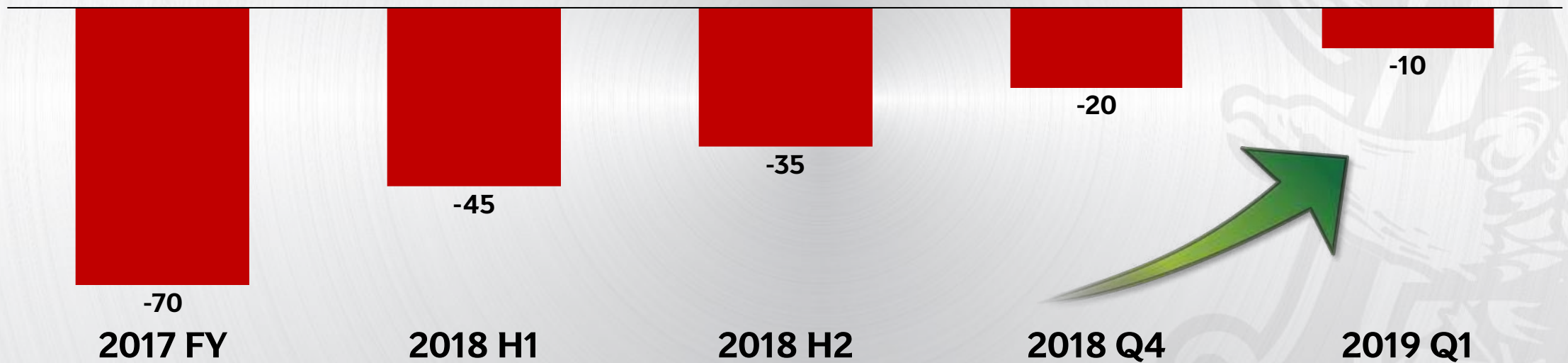
# ALL IN ALL, WE ARE BUILDING TOP LINE MOMENTUM

TOTAL US REVENUE GROWTH VS. YA



# OUR SHARE PERFORMANCE IS WHERE OUR STRATEGY COMES TO LIFE...

TOTAL AB SHARE CHANGE VS. YA (BPS)

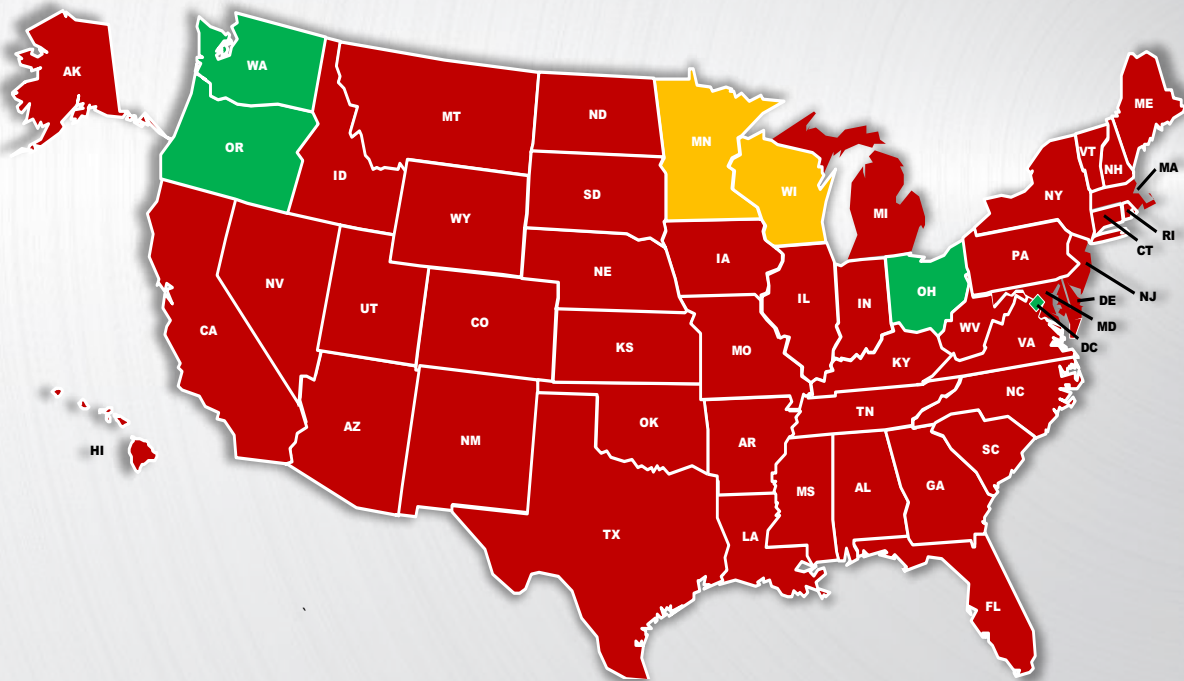


Source: Internal estimates, BIR

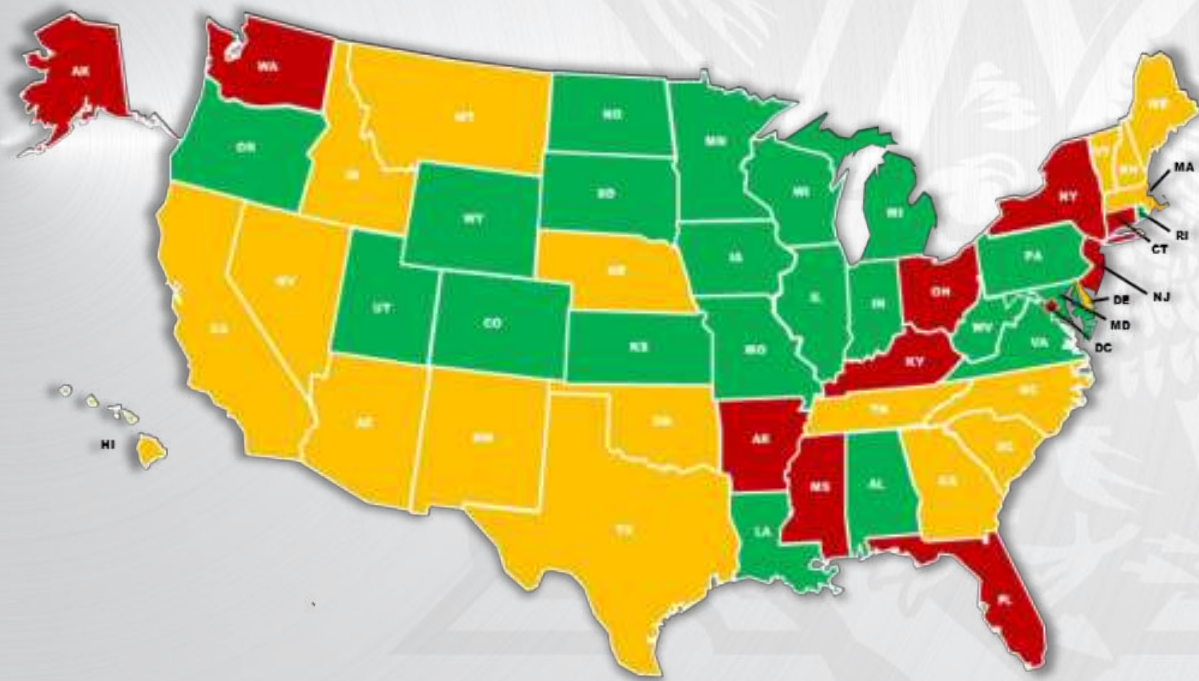


# AND THE POCKETS OF GROWTH HAVE CONSISTENTLY INCREASED

2017 SHARE PERFORMANCE



2018 SHARE PERFORMANCE



**Growing vs. LY**  
**Declining vs. LY but improvement in trend**  
**Declining vs LY**

Source: Internal estimates, BIR



**IN SUMMARY**



# IT IS ABOUT...



**REFRAME**



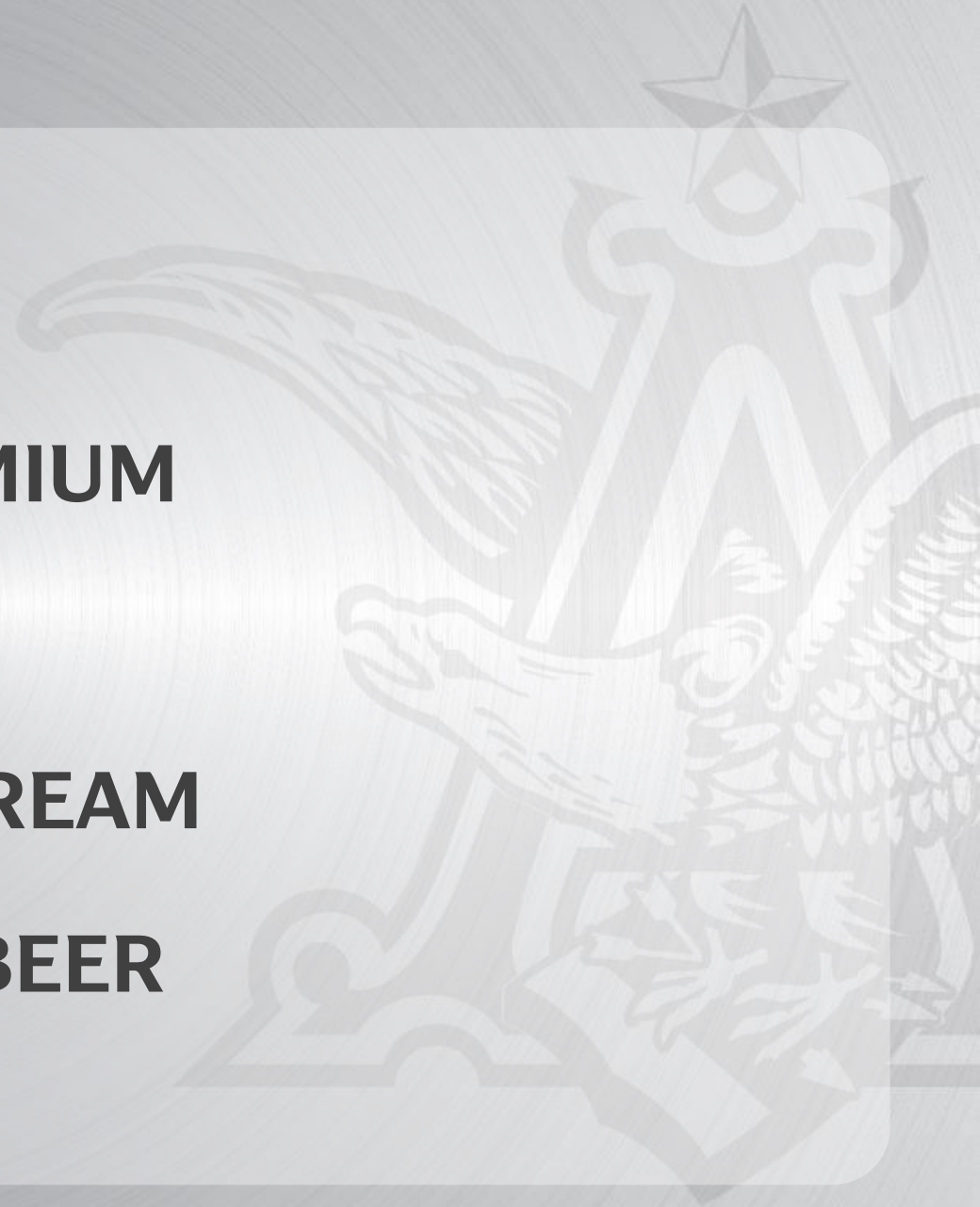
**RE-ENERGIZE**



**RECONNECT**

# WITH 5 CLEAR PRIORITIES

- 1 EXPAND CORE PLUS**
- 2 LEAD & DEVELOP SUPER PREMIUM**
- 3 DISRUPT PREMIUM**
- 4 STABILIZE SHARE OF MAINSTREAM**
- 5 CAPTURE GROWTH BEYOND BEER**

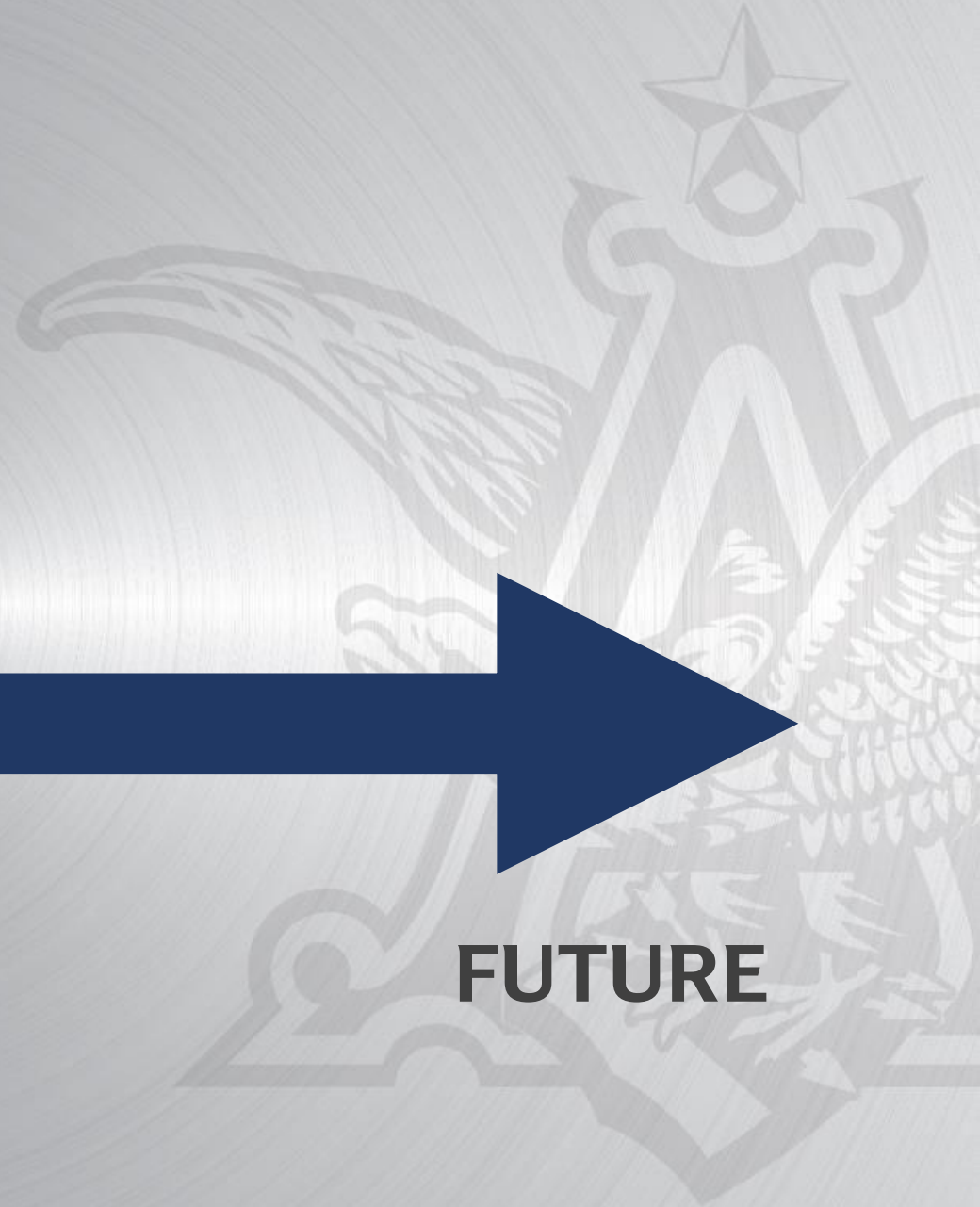




# **WE CAN RESHAPE THE FUTURE**

**TODAY**

**FUTURE**



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**TODAY**

**FUTURE**