

**ANHEUSER-BUSCH INBEV INVESTOR DAY
NEW YORK CITY, USA
MONDAY, 21 MAY 2019
NORTH AMERICAN ZONE PRESIDENT & AB CEO – MICHEL DOUKERIS**

Thank you, Brito and good afternoon everyone!

For those of you I've met before, it's great to see you again. And for those I've not yet had the pleasure of meeting, I look forward to doing so over a cold Budweiser later this afternoon.

I last saw most of you in China back in 2015 when I was Zone President of our Asia Pacific business.

If you remember, we talked about how China was too big and too complex to be understood with averages... and how we had to look beyond averages by focusing on the right geographies, segments, channels and portfolio.

For example, we showed you how we were the first to invest in e-commerce and create a new channel for beer.

I introduced you to the concept of a Super Premium company, which we now call "The High End." Today, The High End company is present in 22 countries across the globe and represents 1/3 of the company's topline growth.

Most important of all, we shared how we were positioning and growing our portfolio to lead and shape the future of the China beer industry.

To this day, China continues to be a solid growth driver for ABI.

You know my background and experience, my bio is out there, but in the end, today, there are 3 things I hope you will remember about me.

Number one, I am a beer guy. I had a passion for Budweiser long before I was part of this company.

This is me helping my parents carry a few cases back when Budweiser was a small, aspirational brand in Brazil.

But not only do I love to drink Budweiser... I love to sell Budweiser, too!

When I moved to China in 2009, we were selling 40 million cases of Budweiser; and when I left in 2016, we were selling more than 200 million cases.

So, I am a beer guy. That's number one.

Something else you should know about me, is that I am a family man.

My family and I have lived all over the world... and, as you can appreciate, that is only possible when you have a supportive family.

My wife Patricia and I have been married for over 18 years and we have

two beautiful children.

My daughter, Valentina is 16 and is growing up too fast. She gets her love of math and Greek Mythology from me ... but thankfully, she gets everything else from her mother!

And my son, Vicente, is the most American of all of us having grown up in American schools everywhere we have lived. He is a big Rob Gronkowski fan and plays tight end for his school's football team.

Family is very important to me.

Finally, I want you to know that I am a simple guy. And by that, I mean I love simplicity.

Companies sometimes tend to overcomplicate things. One of my jobs here is to make sure we don't do that.

When I share more about our commercial strategy, you will see what I mean.

So three things for you to remember about me:

I'm a beer guy,

I'm a family guy,

and I love simplicity.

But today is not about me. It is about the company.

So, I would like to formally welcome you to New York, to the United States, and to the North American Zone. My team and I are excited to share with you our plans to return our business in the US to growth.

The US is ABI's largest market. We are responsible for about a quarter of the company's net revenue and EBITDA.

Anheuser-Busch has more than 18,000 colleagues, all united by a deep passion for brewing great beers.

We also have 24 breweries and more than 400 wholesalers.

But what makes the US special to me... is not only the numbers. It is what the country stands for and what it represents.

It's the spirit of America that makes it unique... the culture. The people.

I would like to use this video to better explain what I love about this country and the opportunity that it represents.

Allow me to review a few of the key themes about America:

First, the US is large. Like China, it is too big and too complex to be treated as one.

This chart shows the GDP of key countries compared to states in the US.

Texas alone is the size of Canada. The entire UK would fit in California.

Our Region 4, which is not even our biggest region, is the size of Mexico.

America is huge.

The US has a rich heritage. I've always admired how the US is a proud country that looks for opportunities to celebrate its traditions.

This is a diverse country, a beautiful collection of different demographics.

It is a mature and sophisticated market.

It is a trendsetter....

...and the birthplace of many innovations.

And finally... America is always rising to the challenge.

It is a country with great resilience, and one that is confident enough to stand up and face any obstacle in its way.

By the way, I couldn't resist the shameless plug for Budweiser Discovery Reserve... An American Red Lager, a limited-edition beer brewed with the finest barley and hops to celebrate the 50th anniversary of the Moon landing. Available now at the best retailers close to you.

Summer holidays are coming! Stock up now so you'll have a delicious and refreshing new lager for your Memorial Day BBQ.

Ok. Let's talk about our agenda for today. As we begin our journey to lead future growth, I want to share with you three things we need to accomplish.

One, we need to reframe the way we look at the market and the opportunity.

Two, we need to re-energize our stakeholders with a compelling dream and clear priorities.

Finally, we need to reconnect with consumers. In doing this, we will be acting like a true industry leader. So, let's talk about how we propose to do it.

I took over the Zone President role in January 2018 and I spent much of that year visiting different markets across the country. I made it to 32 states.

I did this because although I already had a strong understanding of the US through my role as Global Chief Sales Officer, there is no substitute for getting into the market... visiting directly with our wholesalers, retailers, and consumers... in order to gain a deeper understanding of the unique dynamics and trends that make the U.S. such an amazing opportunity for growth.

These travels helped give me a clear picture of the industry, and I came away with simple insights that helped shape our commercial priorities.

First, as we know, the alcohol industry is growing. It has increased by 7 percent in the past 10 years...but beer is not taking its fair share.

Beer has not kept up with the evolution of occasions.

Long ago, beer used to be all about one occasion: men drinking together in bars.

And traditionally, beer was linked to sports. The beer industry has done a phenomenal job over the years of strengthening this association.

But drinking occasions have evolved. We are seeing growing consumption around occasions that are co-ed, and involve relaxing, socializing and celebrating.

Other beverages, like wine and spirits, have done a much better job of keeping up with this occasion evolution so far.

There are a lot of trends out there, but I would like to show you how I see the most impactful ones on one simple page.

We see three unstoppable trends:

First, consumers care about Health and Wellness more than ever before

Secondly, consumers are trading up, and looking for goods and experiences with higher perceived value or more intrinsic worth.

Finally, today's consumers are looking for purpose driven brands.

We are also seeing huge demographic shifts. Tribes are much different than the mainstream consumer from the past, and we need to adapt for that by looking at consumers one to one to many.

These unstoppable trends are impacting the category. Premiumization is already here.

And, as you can see here, there is a massive opportunity for AB to accelerate its performance by taking advantage of these trends. And in premium it is all about the portfolio.

And if we look at the category from the consumer's perspective...It is cluttered... and confusing...And today, nobody is leading the category

A good representation of that is how we used to look at segments in the industry. Price is the number one decision point for consumers, and it is how they get educated about what is considered premium.

But our approach to industry segmentation was outdated and confusing. For example, Michelob Ultra was part of the same segment as Bud Light.

So... we have reframed our approach. From old and outdated segmentation... to more clear price partitions. We now have five price segments:

Super Premium...Premium...Core Plus...Core ...and...Value

I am spending time here because this is an important concept.

We are going to talk a lot about these price partitions today.

By reframing these price segments, it's easy to see what was happening in the market.

You see here, where the market is growing— in the premium segments— we under-index in share.

Meanwhile, we over-index in segments that are declining... and as a result... we were losing total market share. With this new look at price partitions, it is clear where our opportunities are and what gaps we need to close.

We enjoy a position that comes from our history and heritage... we are the industry leader because of our size.

However, the modern concept of leadership relates to our ability to grow. When you think about value creation, we are lagging behind the competition. We are no longer the growth champion in the industry.

Not surprisingly, key stakeholders like media and our wholesalers were not very engaged.

So... the question was... What could we do about it?

When I took over this role, it was clear that we had to change.

We had to do things differently. If we didn't, how could we expect different results?

The best definition of insanity I have seen is repeating the same things over and over and expecting a different outcome.

If we repeated the same things from the past... we knew how the future would look. We call this the present forward.

So, we have 5 key gaps to address to prevent the future from looking like the past.

Those gaps are:

1. Beer is losing share of throat
2. Consumers are trading up and our portfolio is not positioned for that trend
3. Our two biggest brands are losing share within their segments
4. There are untapped Opportunities in Beyond Beer
5. We are no longer contributing to category growth

By closing these gaps, we can once again become a true leader of the industry.

And if we quantify how much we can capture of these opportunities,

we know we can reshape the future.

Therefore, at the beginning of our JOURNEY last year, we established one clear, simple dream.

LEAD. FUTURE. GROWTH.

Looking at the gaps and considering the areas of opportunity, we developed our long-term commercial strategy.

This strategy has 5 key pillars and 5 enablers. The pillars are:

Build winning brands

We connect with beer drinkers through our brands... one portfolio, our most valuable asset.

Lead the Trade Up

I spoke earlier about premiumization. We must play a leading role in offering beer drinkers the products and experiences they desire as they look for more premium options.

Stabilize Mainstream

We need to keep our mainstream lager brands healthy, as they play an important role as the entry point for new drinkers to the category.

Capture Growth Beyond Beer

To take advantage of the growth opportunities here, we need to innovate, stay ahead of the curve, and have the right go-to-market strategy.

Lead Category Growth

The category is cluttered...Innovation is not incremental...Execution is below standards...And as the LEADER of the U.S. beer category, we know that we need to play a role and lead category development. And if we do so, we know that it will benefit consumers, retailers and wholesalers. This strategy is our north star and will guide our way in the coming years.

To execute this strategy, we need go back to the price segments I described earlier...to give us a simple way to guide our commercial priorities.

They are organized according to the potential incremental net revenue growth in order to lead future growth

One... Expand Core Plus

The core plus segment in the US is only one half the size of what it is in other developed mature markets. Therefore, our number 1 priority is to double the size of the core plus segment in the U.S.

Second, Lead and Develop Super premium.

We have to be relevant here if we want to gain share of throat and take advantage of the premiumization trend. Therefore our #2 priority is to double our share of the Super Premium segment.

Our third priority is to Disrupt the Premium segment.

This segment is primarily a one player game. We currently hold a very small share of this segment. When you are such a small player, the mission is to disrupt. Our goal is to deliver 10x our current volume in the next 5 years.

Fourth is to Stabilize our Share of the Mainstream Segment, with an ambition of reaching flat share of segment.

Finally, we want to Capture Growth Beyond Beer.

This segment has doubled in volume since 2011. It behaves very differently from beer, with innovation and trade execution as key levers. We think there is a huge runway for growth and our capabilities can be used here... so our ambition is to capture one billion dollars in Revenue.

I understand that our strategy will only be as effective as the leadership team that is driving it. I saw an immediate opportunity to reshape our leadership structure to better align with our commercial strategy.

In order to address some functional gaps on the Management Committee, we created or elevated several positions:

Bob Tallett has been with us for 40 years. He is our connection to our wholesalers... and we wanted our wholesalers to be well-represented when we make decisions for our company, so we asked Bob to join our management committee last year.

Fabricio Zonzini is responsible for strategy, ensuring we maintain a long-term view.

Marina Hahn is focused on Beyond Beer, where we have so much room for growth.

Finally, we further specialized in the Super Premium category with a standalone craft business unit called the Brewers Collective.

Mika Michaelis leads this unit.

Also, I took the opportunity to rebalance our leadership team. It now includes a diverse and representative team with global expertise, and deep roots and experience in the U.S.

More than half of our management committee are native North Americans.

With our clear commercial strategy and leadership team in place, we are already seeing some encouraging results.

We talked about our goal to double the size of Core Plus. Michelob Ultra is the fastest growing brand in the market. And we have introduced

Core Plus line extensions like our Budweiser Jim Beam collaboration, and

Bud Light Orange that are already bringing incremental GROWTH to this segment.

The segment grew one percentage point in the 5 years from 2013 to 2017.

In 2018 alone, we grew the segment an additional percentage point.

We want to double our share of the Super Premium segment. The growth in our craft portfolio is accelerating...

and I continue to be impressed with how our craft partners are constantly finding new, innovative ways to connect with their loyal consumers

Our third priority is to Disrupt Premium, with a goal of growing our volume in this segment by 10x.

Here, we have brought a truly differentiated proposition with Michelob Ultra Pure Gold, the first USDA premium certified organic beer...

a top 10 share gainer this year that is attracting new consumers to the category.

We talked about our desire to Stabilize Share of Mainstream Segment, with an ambition of reaching flat share of segment.

The trends here are promising. Budweiser is enjoying the highest consideration since 2017. On Bud Light, key brand health metrics are near three-year highs. And our value portfolio is also performing very well.

So, in Quarter 1, 2019, we are positive in share of segment.

And, because I know when we talk about our core business the first thing that comes to your mind is Bud Light,

I will talk about that. But before that let me highlight that we are also delivering a strong performance in the light beer segment.

We are gaining share in total Light Beers. However, Bud Light is still not where we want it to be. While brand health performance is improving...

Market share is not there yet. But we must remember, this is a portfolio game. And in Light beers,

Our portfolio is winning.

We have turned around our Beyond Beer business and we have a lot of exciting things in the pipeline in our JOURNEY to capture one billion dollars of revenue.

This includes

Bon & Viv,

DrinkWorks,

Babe, our Canned wine,

and the newest addition to our family,

Cutwater Spirits...

and much more to come.

As a result, We have 9 of the top 15 share gainers in the industry this quarter.

This is a clear demonstration of the potential of delivering on our commercial priorities.

I spoke earlier about our pipeline of innovation. We have completely revamped our innovation capabilities and process. We are bringing products to market much quicker, so we can test and learn, and then make decisions on how to scale.

It used to take us 2 years to bring a product from concept to shelves.

We can now do it in 100 days. This helps us achieve our objective of reconnecting with the consumer.

Our increased speed to market allows us to quickly take advantage of evolving consumer trends and tastes.

Talking about reconnecting...I often hear people talking about going on a "consumer safari" to see what consumers are doing. But observing is not connecting. Connecting means speaking with consumers.

Engaging with them, understanding what they want and what their needs are.

We built an interactive panel of 6,500 people that allows us to connect on a daily basis, get real-time feedback, and understand their preferences.

Our marketing teams continue to break into mainstream conversation.

They are mastering the art of making our brands relevant, through creative advertising... tapping into cultural moments... and coming up with activations that celebrate regional pride, like with campaigns such as Bud Light "Philly Philly" and Cleveland Browns Victory Fridges.

To give you a better view of what we are doing to connect with consumers, let's watch this video showing how this has come to life in the last 12 months.

Finally, our business partners... including the agencies, leagues and teams we work with... are an unbelievable asset to our journey...and are excited like never before...

This slide shows our partners participating in our creative process and celebrating our recent achievements.

This is a great example of how our business partners are energized.

And we are also very proud of the progress we've made in our relationship with our wholesaler system. Looking at the results of our annual wholesaler survey, it is clear that our system is fully committed to our strategic direction and optimistic about our potential for growth.

This excites me because if we have an energized system, we can unleash the power of a united and inspired wholesaler network.

And if you look at the numbers... we are building topline momentum... and we have resumed revenue growth.

As we announced just a few weeks ago, we just experienced our best overall quarterly share performance in 7 years.

We are also very encouraged by the success we're seeing in more pockets around the country.

At the end of 2017, we were gaining share or flat in 4 states. At the end of 2018, we were gaining share or flat in 21 states. And, at the end of Q1 2019, we increased to 28 states!

so... as we wrap up, there are a few things i'd like you to take away...

we are reframing the way we look at the opportunity.

we are re-energizing our stakeholders.

and we are reconnecting with our consumers

We have 5 clear commercial priorities

- Expand Core Plus
- Lead and Develop Super Premium
- Disrupt Premium
- Stabilize Share of Mainstream Segment
- Capture Growth Beyond Beer

Let's be clear.

The strategy is a JOURNEY. It is a long-term play. And it is about making choices. We must be clear about our ambition, and at the same time, we need to be nimble, flexible and agile.

As we reframe, re-energize and reconnect...

We know that we can... LEAD. FUTURE. GROWTH.

I'll now pass it over to our Chief Marketing Officer and my friend, Marcel Marcondes.

Thank you.