AB InBev

Full Year and Fourth Quarter 2018 Results

28 February 2019

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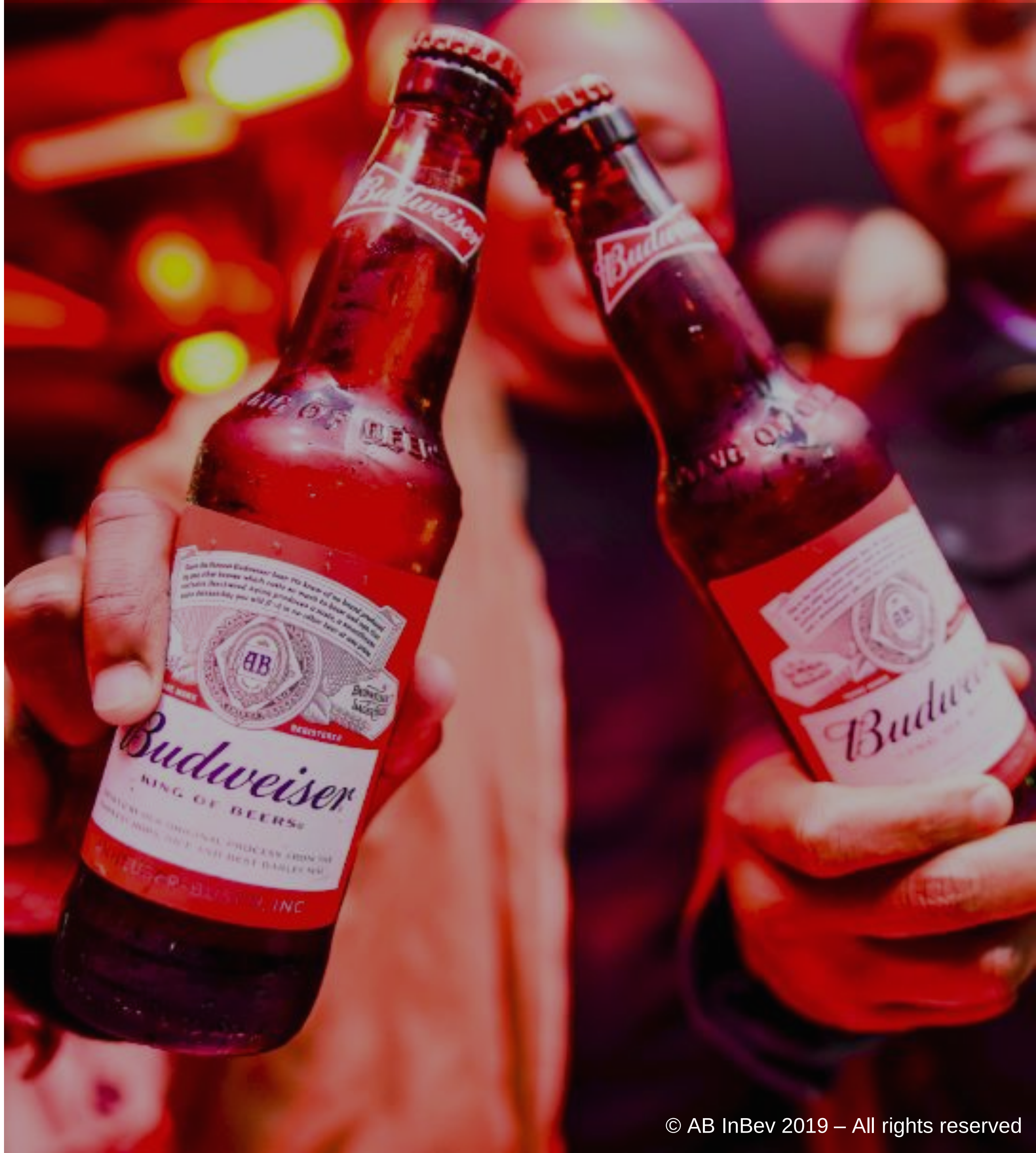
- 2018 Results
- Premiumization Strategy
- Better World Update
- Financials
- Q&A



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2018 Key Takeaways

HIGHLIGHTS

- Healthy **volume, revenue and market share growth** achieved in many important markets
- Best **market share trend performance** in the US since 2012
- **Double-digit growth** of our High End Company and global brand portfolio outside of their home markets
- **ZX Ventures** delivered 10% of our top-line growth
- Budweiser was the **most "talked about" brand** during the 2018 FIFA World Cup Russia™
- Continuing to deliver **balanced, profitable growth**
- Launched our **2025 Sustainability Goals**

HEADWINDS

- **Challenging macroeconomic** environments in Argentina, Brazil and South Africa
- **Unfavorable currency movements** in emerging markets impacted our cash flows, **slowing our anticipated deleveraging path**
- Increases in our **cost base,** especially aluminum globally and freight costs in the US

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FY18 Financial Summary

Total Revenue +4.8%

- Revenue per hl **+4.5%,** **+4.7%** on a constant geographic basis
- Global Brands **9.0%,** **13.1%** outside of their home markets

Total Volumes +0.3%

- Own beer **+0.8%,** non-beer **-3.6%**

EBITDA +7.9% and EBITDA margin expanded by **118 bps** to **40.4%**

Normalized EPS decreased by $0.60 from $4.04 in FY17 to $3.44 in FY18

Underlying EPS increased by $0.19 from $4.19 in FY17 to $4.38 in FY18

Net Debt to EBITDA ratio of 4.6x, down from 4.8x at the end of 2017

Proposed Final Dividend of **€1.00 per share,** with FY18 total of **€1.80 per share**

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4Q18 Financial Summary

Total Revenue +5.3%

- Revenue per hl +4.9%,
  +4.6% on a constant geographic basis
- Global Brands +9.8%,
  +12.6% outside of their home markets

Total Volumes +0.3%

- Own beer +1.2%, non-beer -4.9%

EBITDA +10.0% and EBITDA margin expanded by 190 bps to 43.3%

Normalized EPS decreased by $0.24 from $1.04 in 4Q17 to $0.80 in 4Q18

Underlying EPS increased by $0.02 from $1.24 in 4Q17 to $1.26 in 4Q18

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Major country highlights

- **US:** Best annual **market share trend** since 2012
- **Mexico: Market share gains** with growth in every region across all major brands
- **Colombia: Global brands** growing double-digits, led by Budweiser
- **Brazil: Further premiumization** and **successful affordability** initiatives
- **South Africa: Challenging year**, though we gained share in the premium segment
- **China: Balanced top-line growth** with strong volumes and premiumization

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Premiumization Strategy

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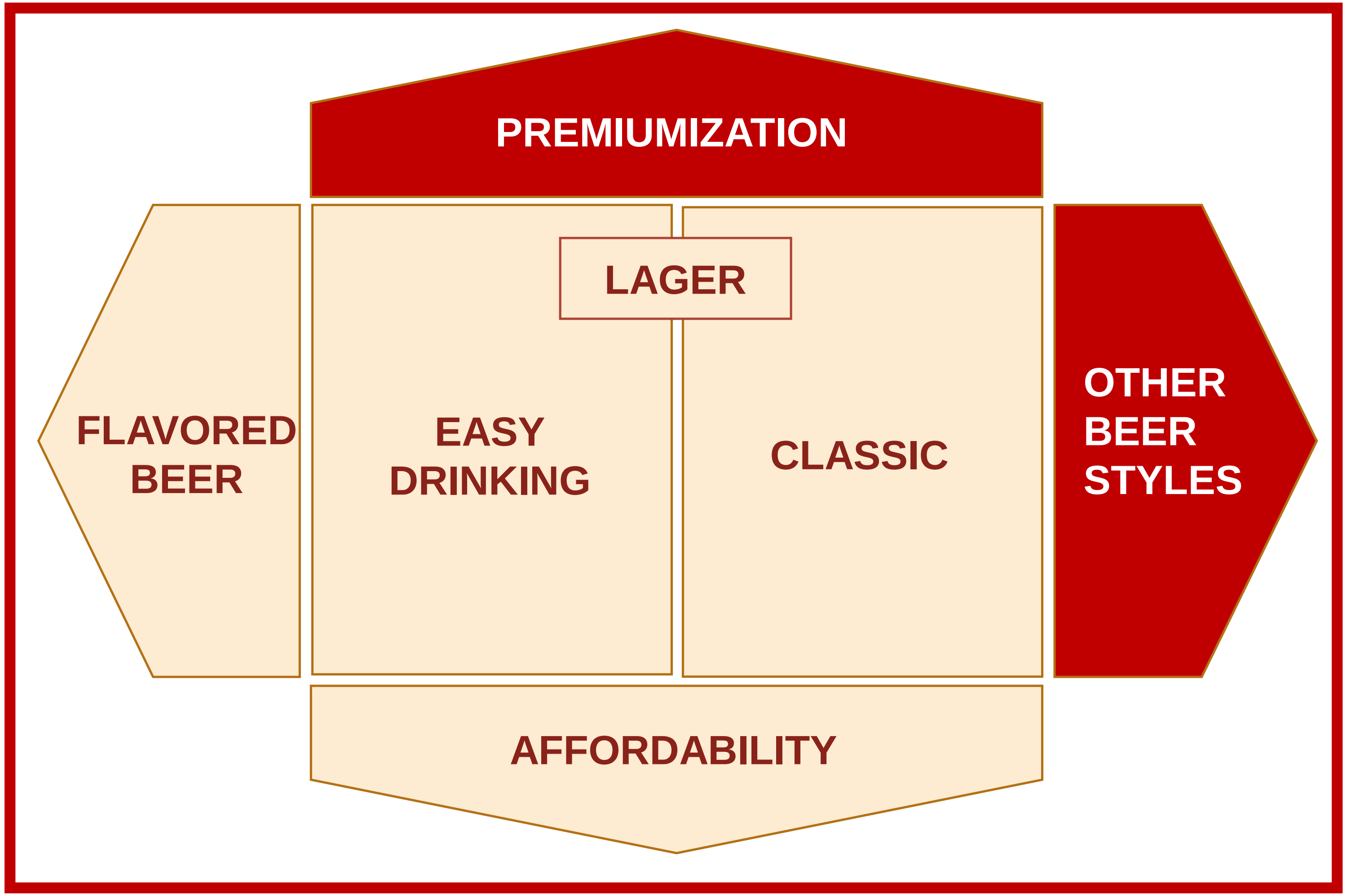
Premiumization plays a key role in expanding the beer category



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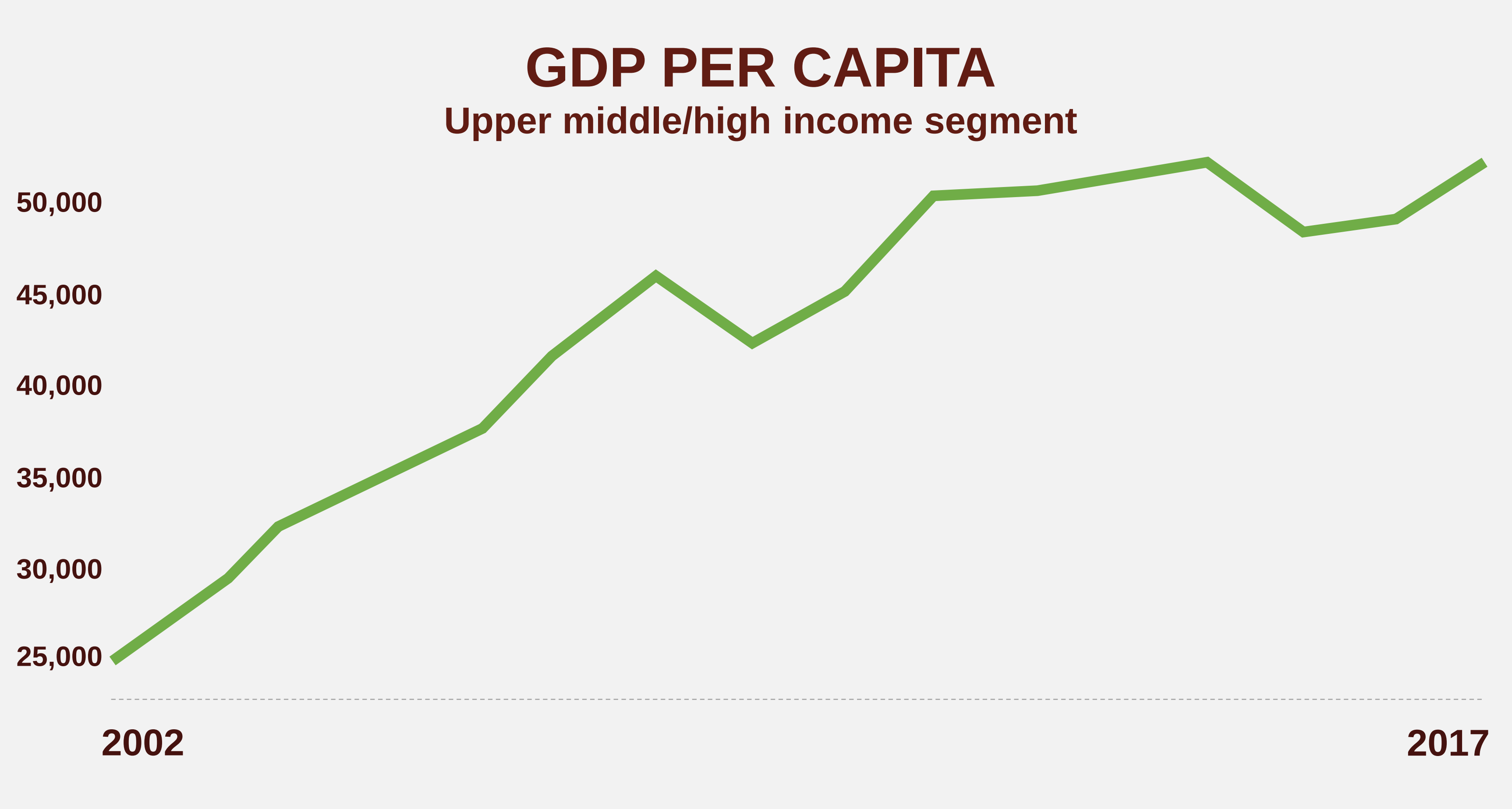
Disposable income is growing, and expected to nearly double in the next 13 years

$43 TRILLION

2030

$24 TRILLION

2017



Source: WorldBank OpenData , Euromonitor Discretionary Income, World (Disposable income less base household expenses)

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The beer category has a significant opportunity for premiumization versus other categories

% of category volume priced >1.6x the largest brand in the market

	Beer	Spirits	Wine
Early Maturity Markets	**0%**	7%	18%
Mid-Maturity Markets	**3%**	17%	70%
Late Maturity Markets	**6%**	30%	85%

Source: GlobalData, PlatoLogic, IWSR, Nielsen, IRI

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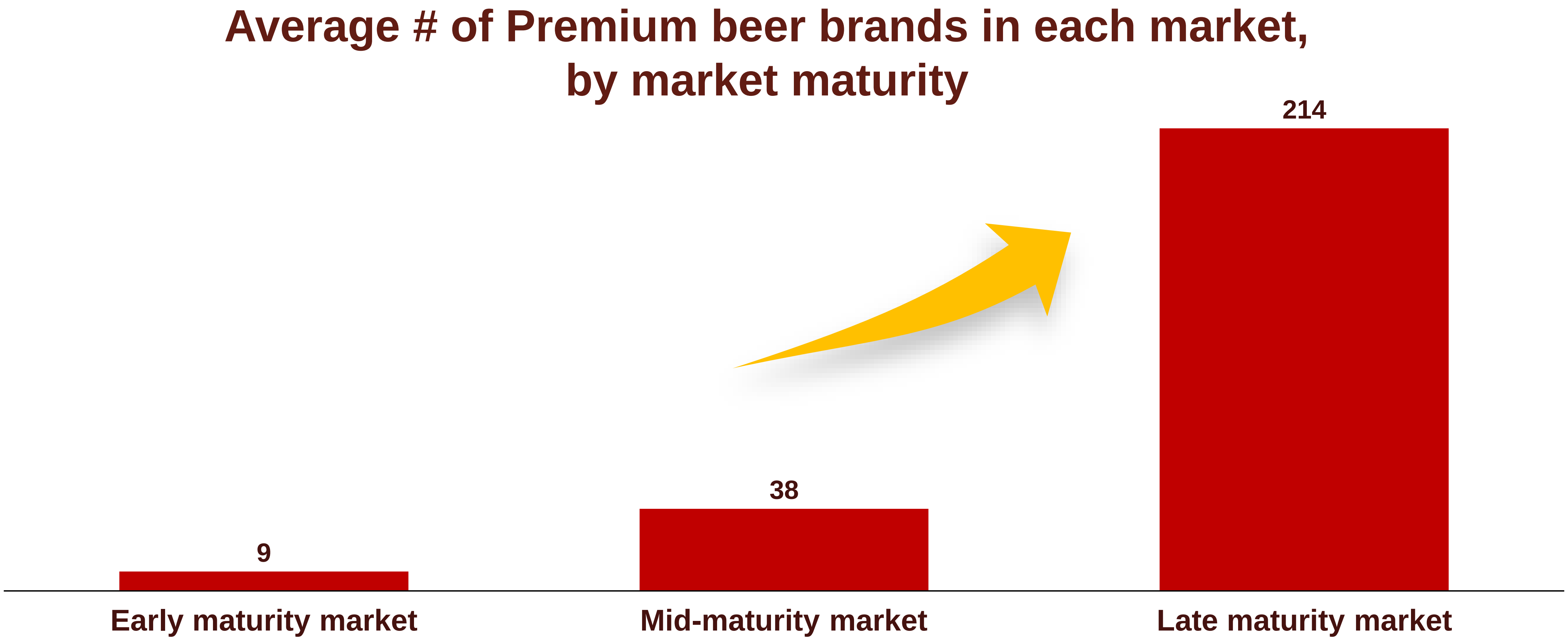
Premiumization is a portfolio game, especially as markets mature



Source: Canadean 2018 Data

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Unparalleled portfolio of Premium brands, comprised of our global, international, craft and specialty brands

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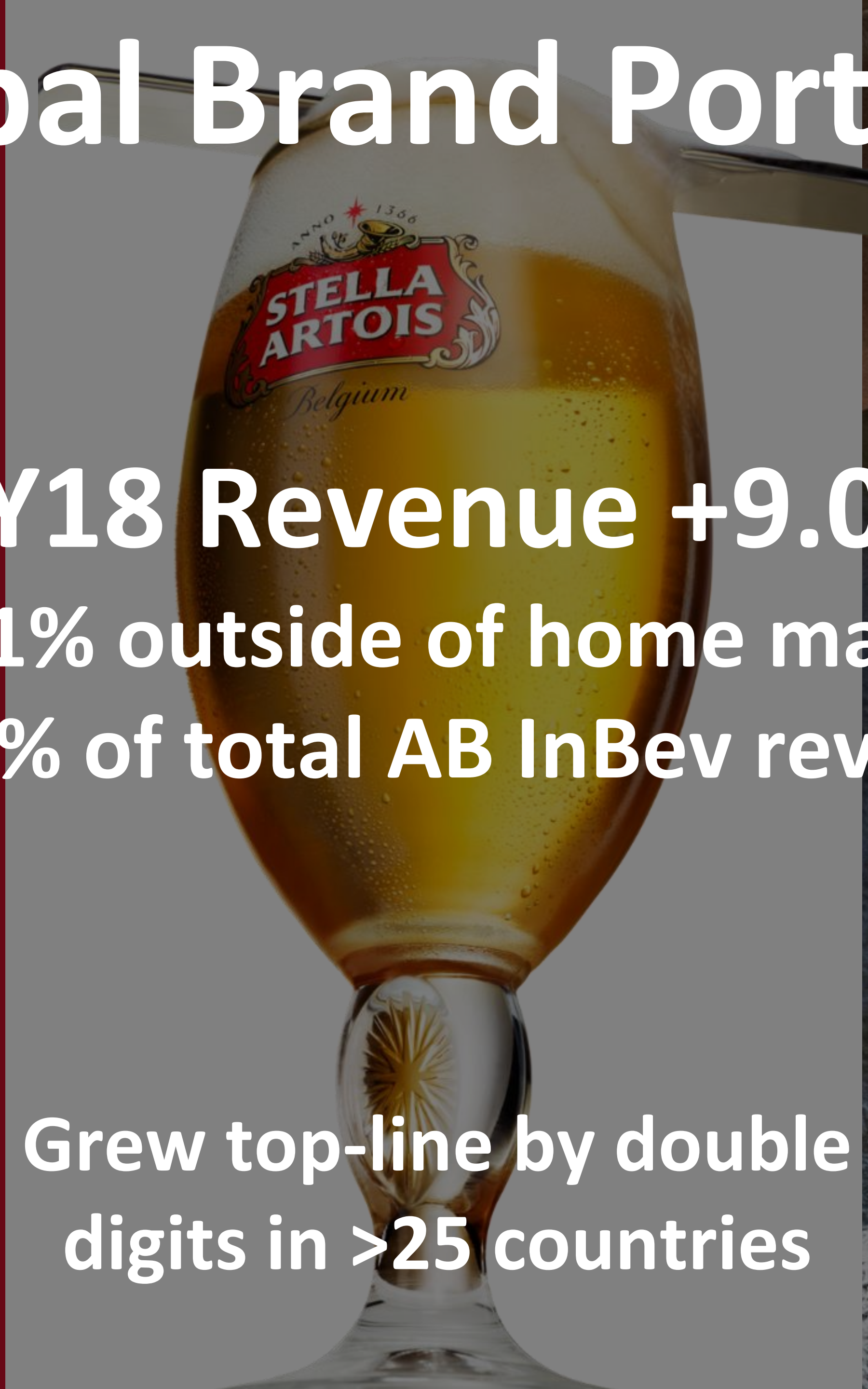
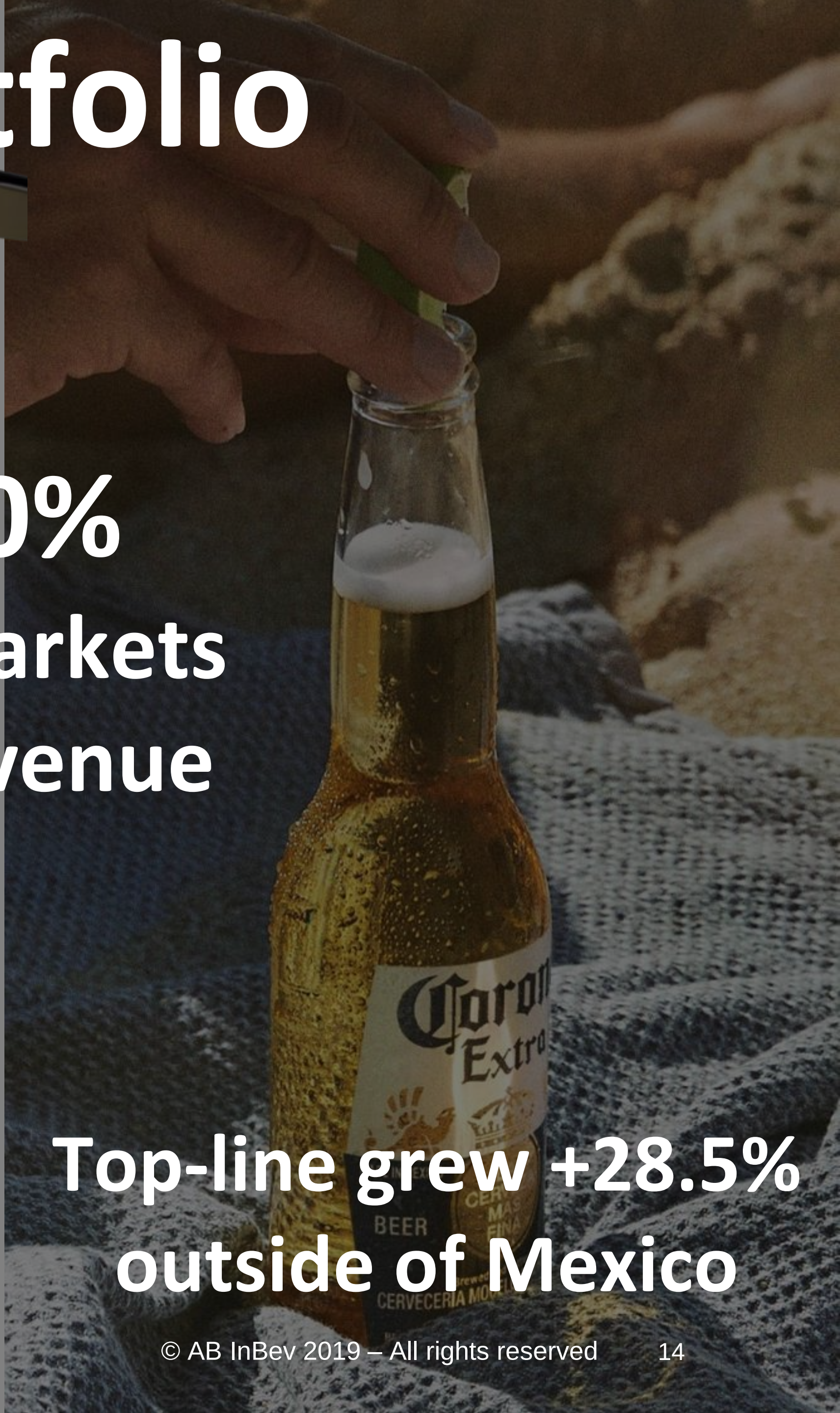
Global Brand Portfolio





FY18 Revenue +9.0%

+13.1% outside of home markets

20.8% of total AB InBev revenue

Top-line grew +10.0% outside of the US

Grew top-line by double digits in >25 countries

Top-line grew +28.5% outside of Mexico

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We have expanded our portfolio to >35 craft brands in 30 countries

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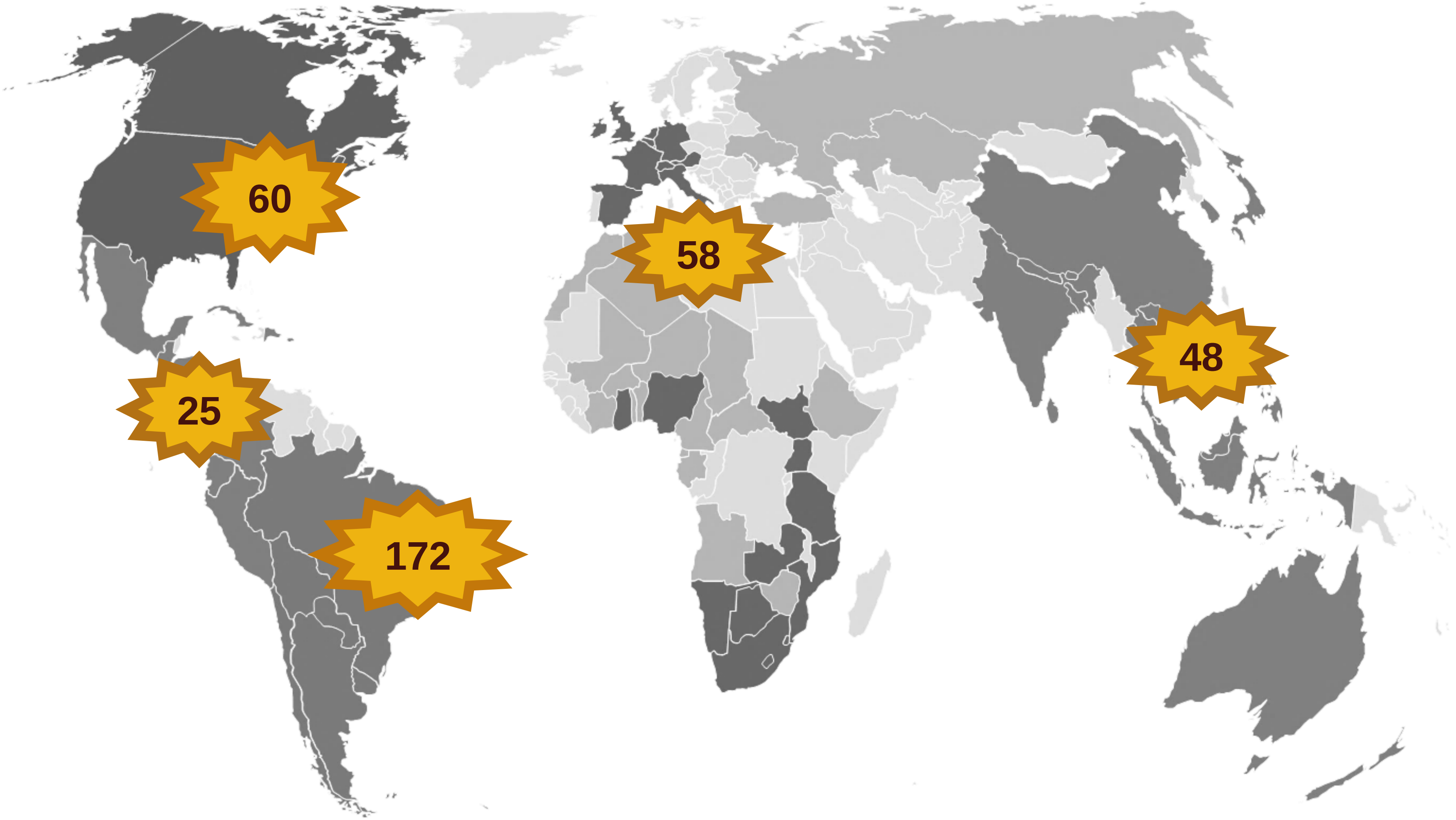
Our Craft & Specialties brands earned unprecedented recognition in 2018, with 363 awards at the world's top 15 most prestigious competitions



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Execution of our premium portfolio is led by the High End Company, a specialized structure with a highly focused approach

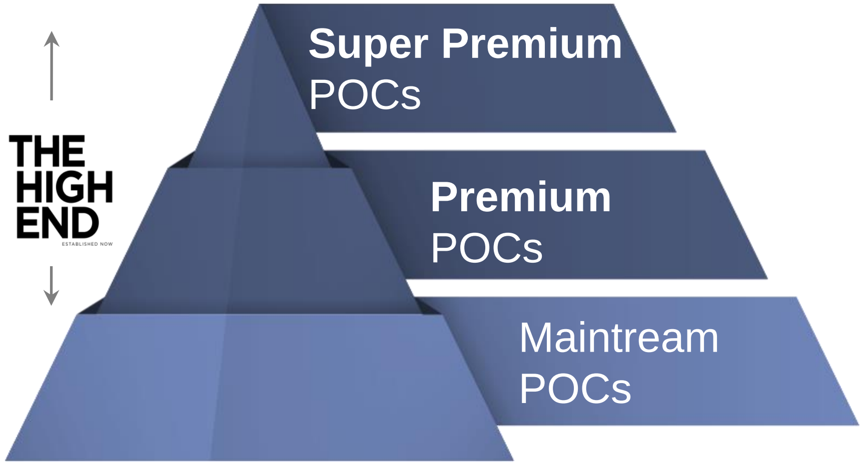
THE HIGH END
ESTABLISHED NOW

22
Countries

Focus →

Urban Centers

Targeting →



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THE HIGH END COMPANY

#1 GROWTH ENGINE OF AB INBEV

10% of Global Revenue

30% of Global Revenue Growth

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Premiumization represents our single biggest opportunity for profitable growth

Faster Growth

5x
faster than Core

More Profitable

2x
more profitable than Core

Source: PlatoLogic. Release Jun ‘16 & extrapolation based on Zones Subm. 1YP ‘17 on Nov / Dec ‘16 to reflect Price Points where our HE Co plays in (ie: ~>=130% index)

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Better World
FY18 Results

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2025 Sustainability Goals




Smart Agriculture

100% of our direct farmers are skilled, connected and financially empowered

Water Stewardship

100% of our communities in high stress areas have measurably improved water availability & quality

Circular Packaging

100% of our products will be in packaging that is returnable or made from majority recycled content

Climate Action

100% of our purchased electricity comes from renewable sources & 25% reduction of carbon emissions across our value chain

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Our 100+ Accelerator puts us at the forefront of sustainable innovation

03.21.18

AB InBev Wants Startups To Help Reach Its Sustainability Goals By 2025

The world's largest brewer has set new sustainability goals to reach by 2025, and hopes to use a startup accelerator to do it.

Close Gaps	Widen Network	Scale Solutions
We will leverage new partners & technologies to reach our 2025 Sustainability Goals	Introduces new suppliers & new voices, bringing fresh ideas	Identify scalable solutions to the world's most pressing issues

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Our global brands continued to pave a sustainable path with their Better World campaigns

Budweiser US took wind power to the Super Bowl, with markets around the world unveiling the 100% renewable electricity logo

Stella Artois achieved 1.6 million people provided with clean water access through its Water.Org partnership

Corona became the first global beer brand to pilot plastic-free rings on its 6 packs with the ambition to scale

Smart Drinking: 8% of our global beer volumes are from no- and low-alcohol beers and we aim to reach 20% by 2025

No- and low-alcohol beers already make up

>20%

of our beer volume in

6

of our markets


Australia


China


Ecuador


Colombia


Panama


Honduras

In 2018, we launched

12

no- and low-alcohol beers for a total of

76

brands in our portfolio

>20

no-alcohol beer brands

across many key markets

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Earnings, cash flow and capital allocation

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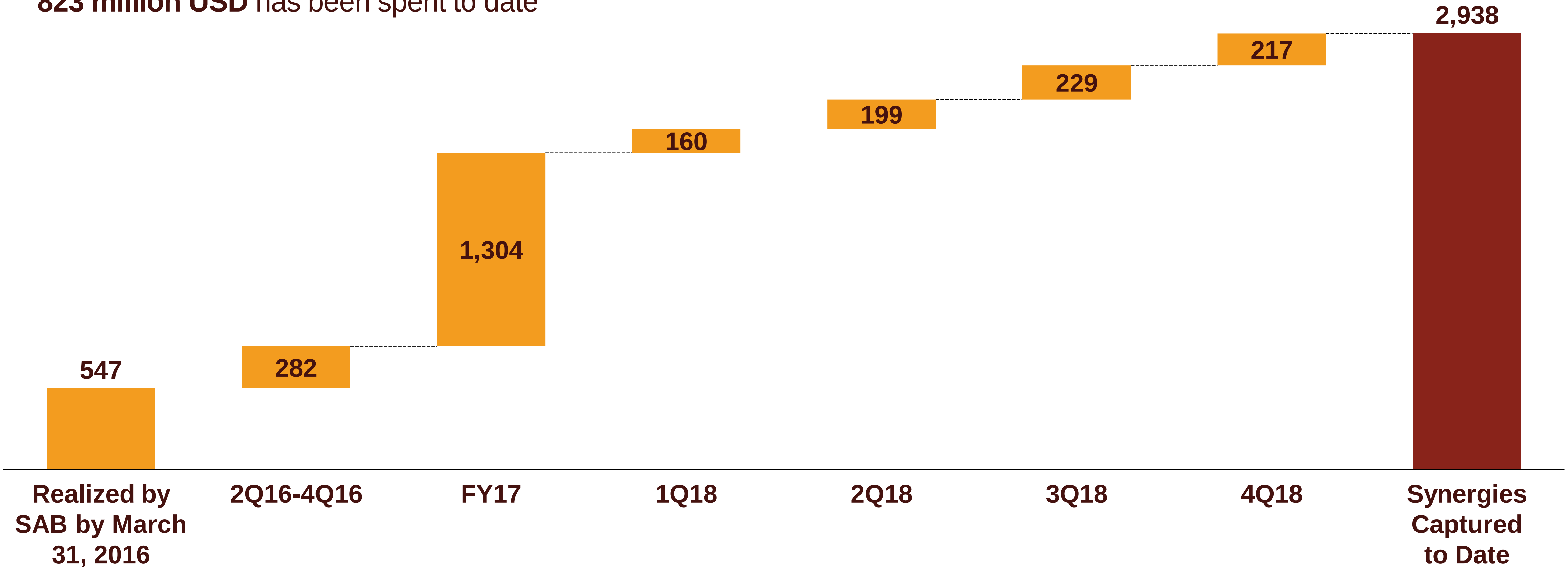
Synergy capture continues

- Continue to expect estimated incremental pre-tax synergies of **3.2 billion USD per annum** (on a constant currency basis as of August 2016), including the 1.05 billion USD cost and efficiency savings identified by SAB, to be **delivered by the end of 2019**. These figures do not include any top line or working capital synergies
- Estimated one-off cash costs of **~1 billion USD** over the first 3 years following the close of the combination, of which **823 million USD** has been spent to date



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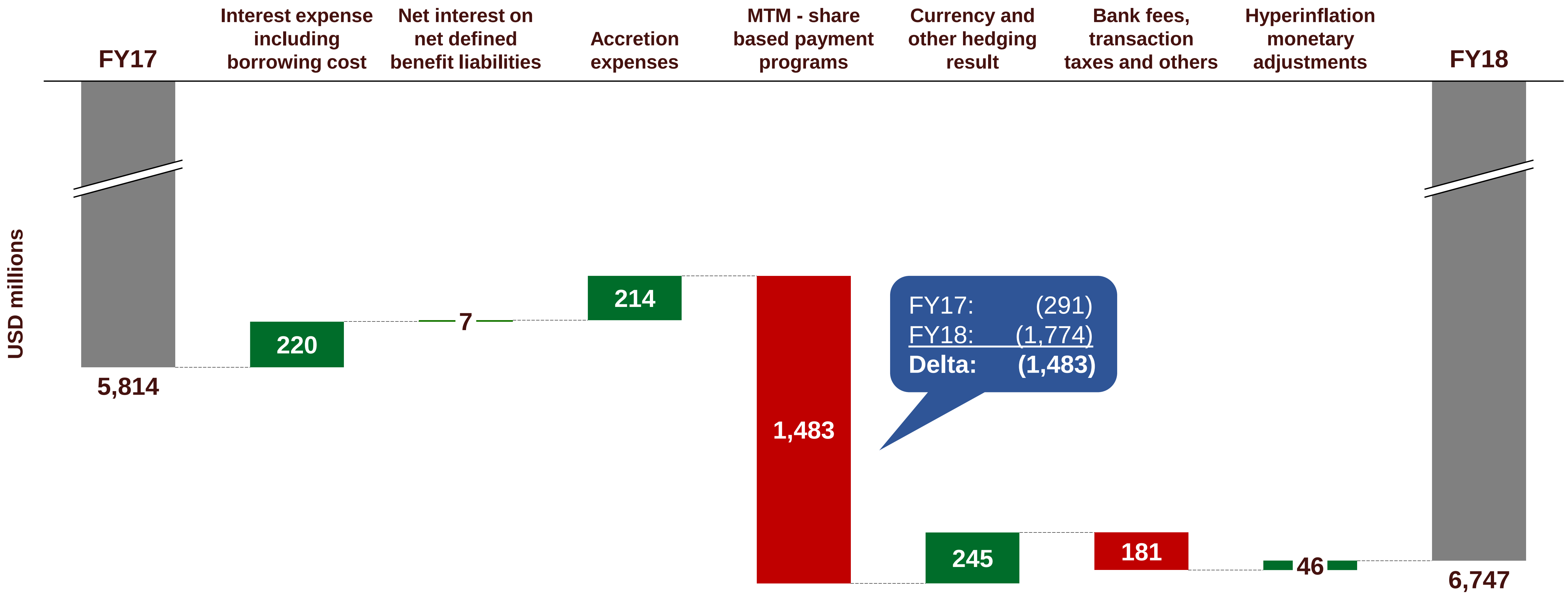
Increase in Net Finance Costs driven primarily by the swing in MTM on the share-based payment programs



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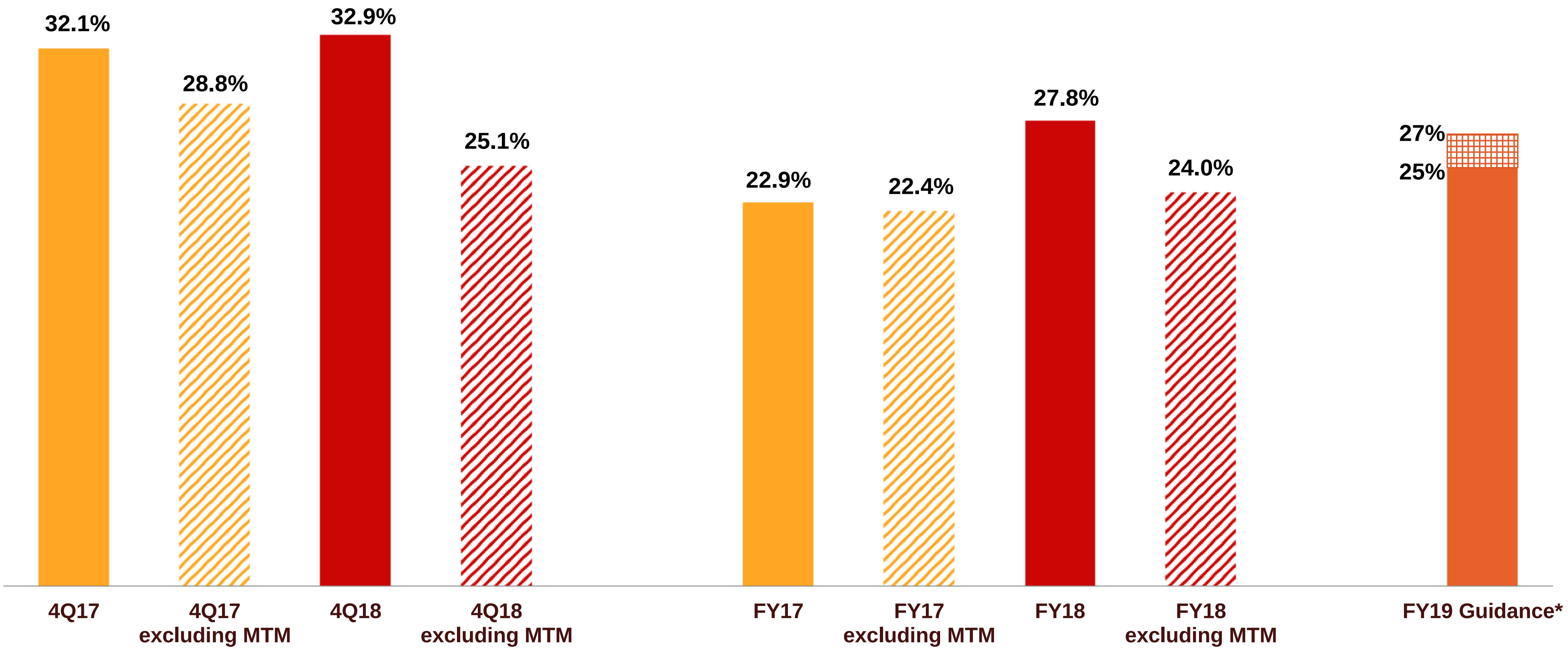
Normalized Effective Tax Rate (ETR)



*Reflects our normalized ETR guidance, excluding any gains and losses relating to the hedging of our share-based payment programs

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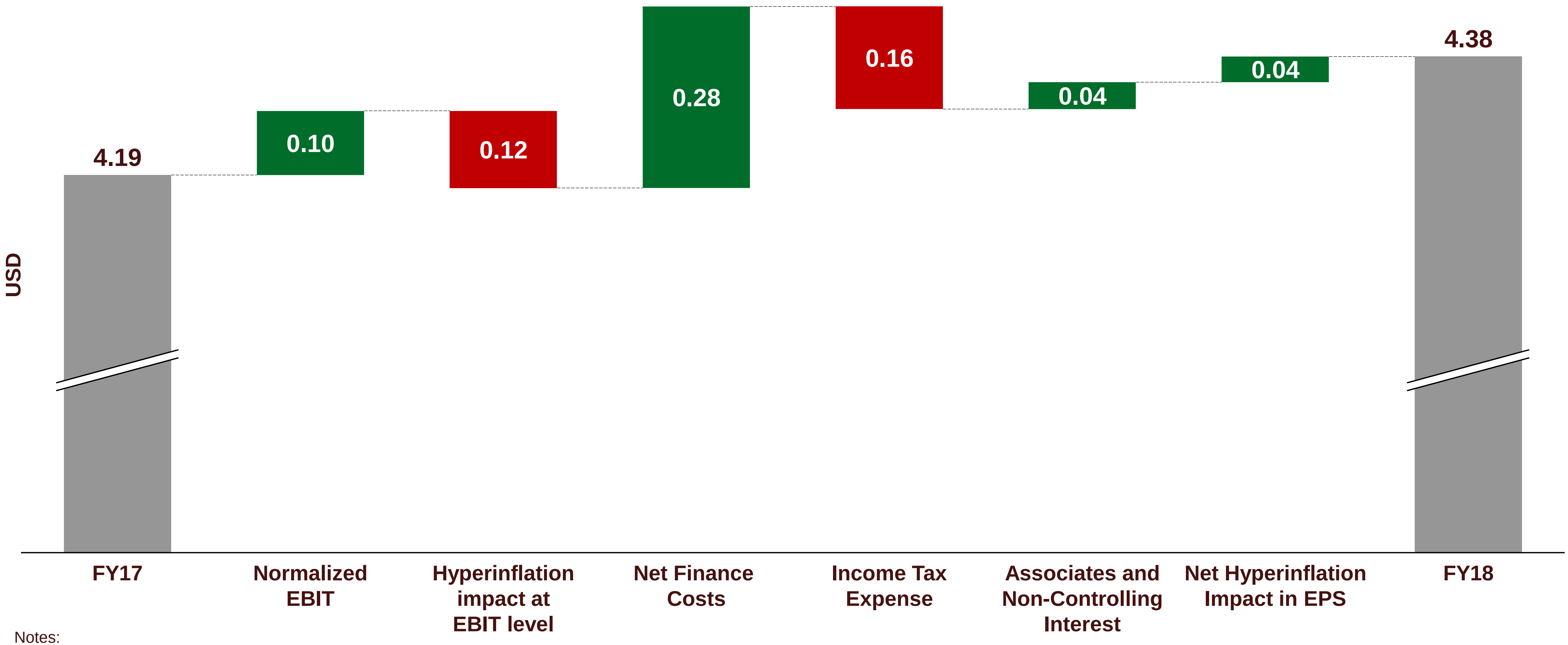
Underlying EPS increased from $4.19 to $4.38 in FY18



Notes:

(1) Underlying EPS refers to Normalized EPS excluding the impact of mark-to-market related to our share-based programs and hyperinflation adjustment in Argentina

(2) FY17 and FY18 calculated based upon weighted average number of shares of 1 971 and 1 975 million respectively

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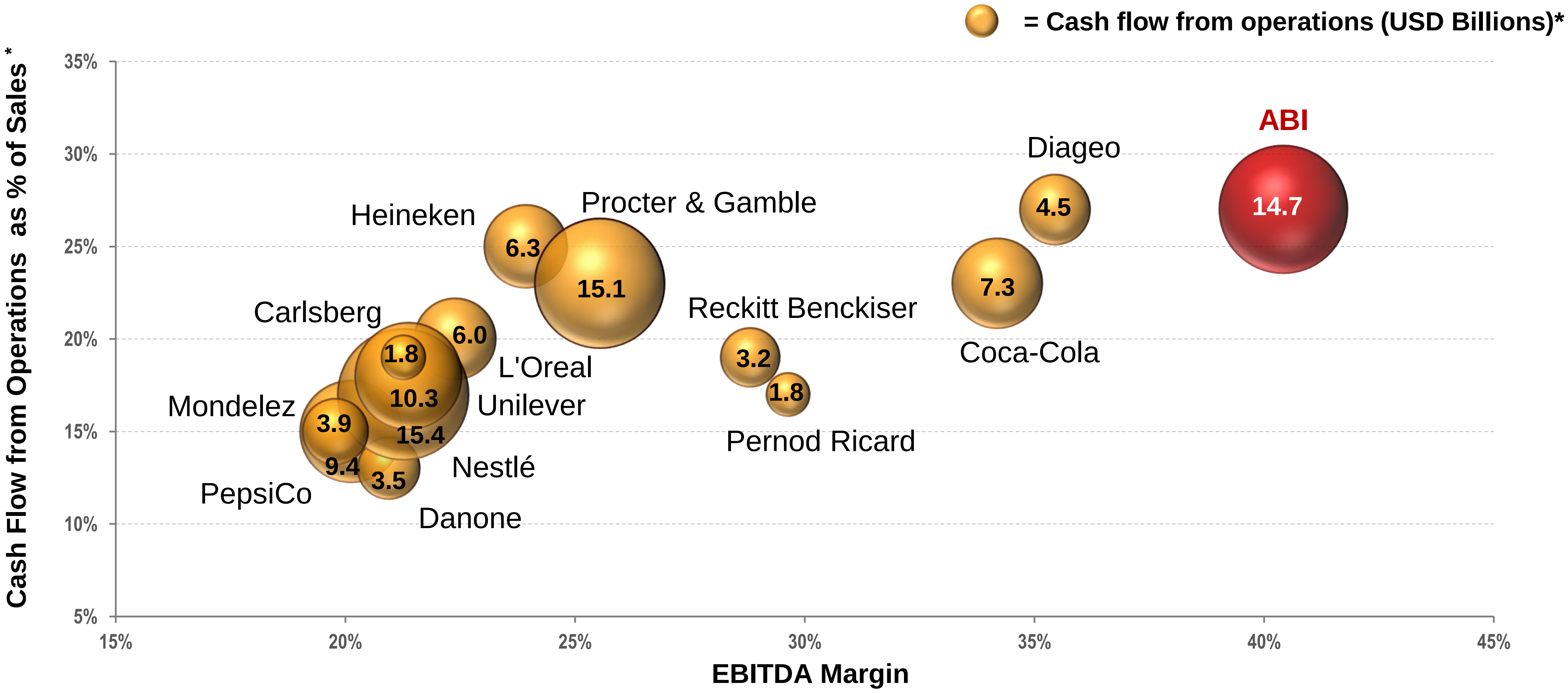
Our margins and cash generation remain best-in-class



Source: Based on company reports and presentations as well as Wall Street estimates.
Note: Based on fiscal year ending December 31, 2018, except for Diageo, Pernod Ricard and Procter & Gamble, which have June 30 fiscal years and are based on LTM figures as of their December interim report; figures not adjusted for acquisitions / disposals or differences in accounting standards.
*Figures calculated based on publicly available information relating to cash flow from operations line item per cash flow statement. Converted to USD at 2/15/2019 spot rates.

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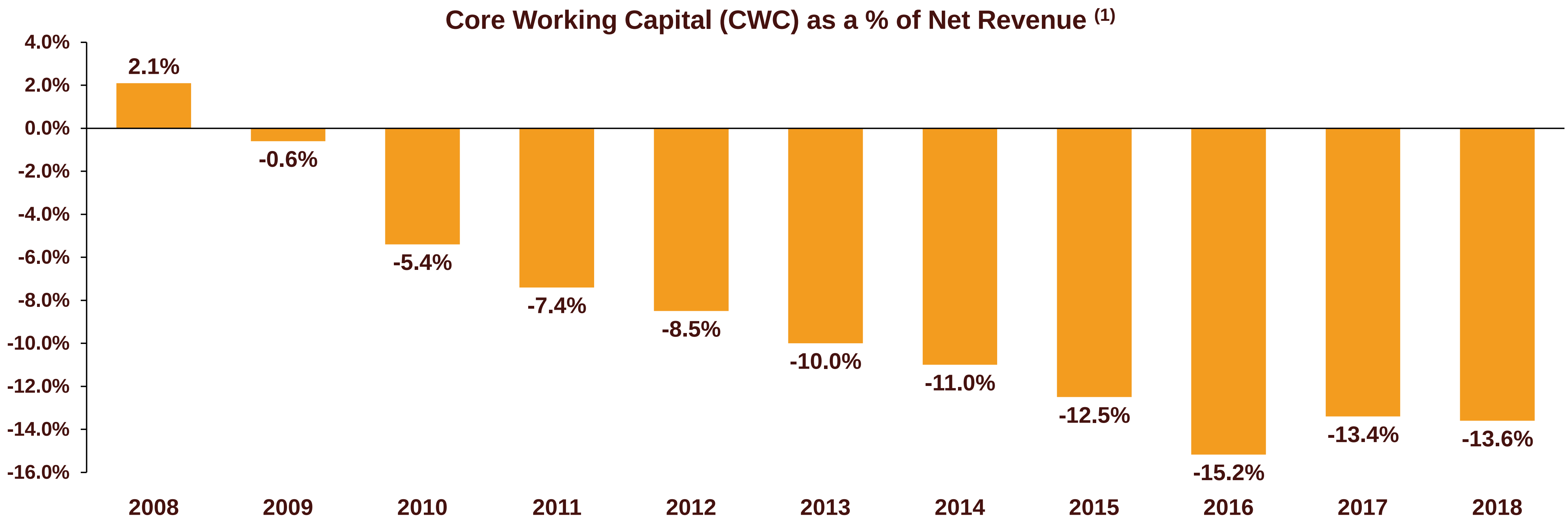
Core Working Capital remains strong and improving, although impacted by country mix following combination with SAB



1) Yearly average (on a rolling 12 month basis). CWC includes elements considered "core" to the operations. For example, core receivables would include items such as trade receivables, other receivables (i.e. marketing prepayments), cash guarantees, loans to customers, non-income tax receivables, packaging deposits, and excludes derivatives, payroll-related receivables, deferred consideration on sales of assets, dividend receivables, interest receivables. Core payables includes items such as trade and other payables, non-income tax payables, packaging deposits, and cash guarantees but excludes derivatives, payroll-related payables, deferred consideration on acquisition, dividend payables, interest payable. There is no change to the calculation of Inventories, we include the same amounts for CWC as for Working Capital (as defined in our Financial Statements).
2) 2008 NA includes only 6 weeks of the legacy AB business. Results prior to 2013 exclude Grupo Modelo. Results prior to 2017 exclude SAB.

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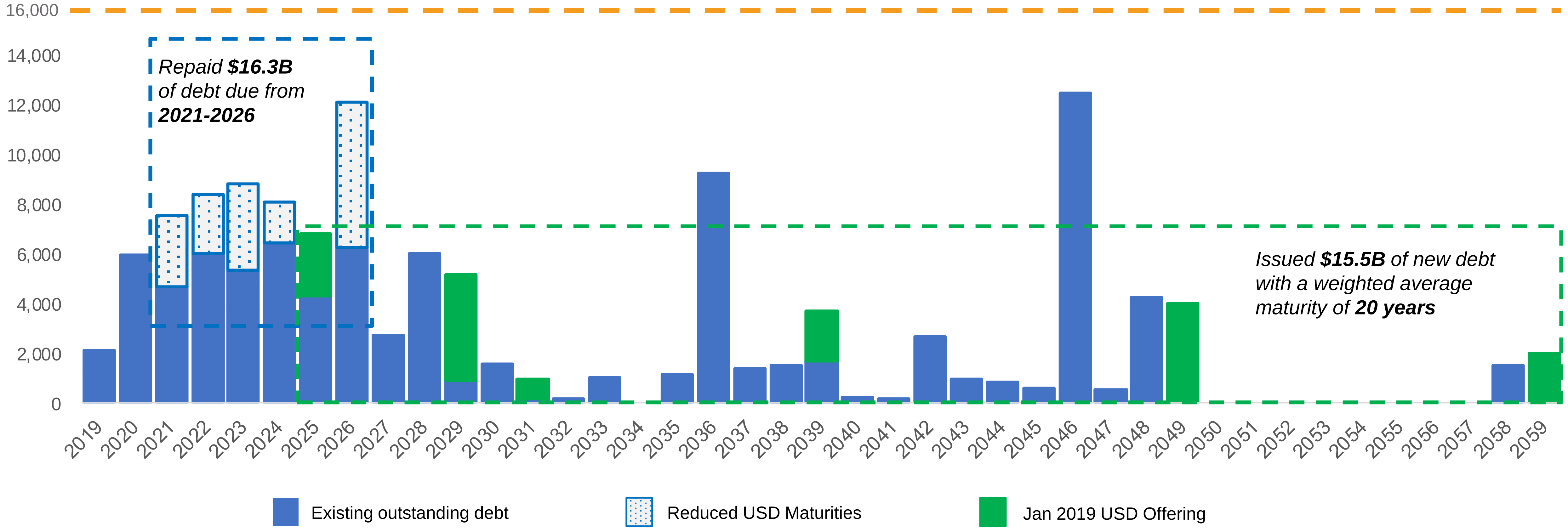
We replaced a significant portion of our near term bond maturities with longer-dated debt, eliminating any refinancing pressure

AB InBev Bond Maturity Profile

Pro forma for 1Q19 USD Offering and Tender

$9B RCF Capacity + $7B Cash & Cash Equivalents = $16B Total Liquidity, far exceeding debt maturities in any given year



Note: Chart reflects bonds only, which comprise over 98% of our total debt outstanding

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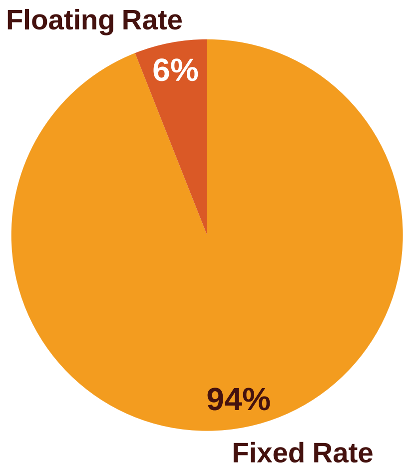
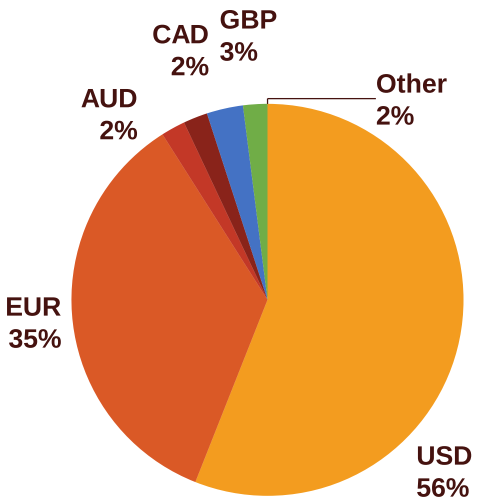
Our resulting debt profile continues to protect us against interest rate and currency risk, with longer average weighted maturity

~94% of our debt is fixed rate



Diverse currency mix of our debt reduces risk



Addressed near term maturities to reduce refinancing pressure

~14 years

weighted average maturity

Very manageable pre-tax gross debt coupon

3.75 - 4.0%

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Capital Allocation Objectives

Our **optimal capital structure** is a Net Debt/EBITDA ratio of approximately 2x.

The priorities for the use of cash are as follows:

1. **Organic growth:** Investing in the organic growth of our business

2. **Deleveraging:** Deleveraging to around the 2x level remains our commitment. We expect our net debt to EBITDA ratio to be below 4x by the end of 2020

3. **Selective M&A:** Non-organic, external growth is a core competency and we will continue to consider suitable opportunities when and if they arise, subject to our strict financial discipline and deleveraging commitment

4. **Return of cash to shareholders:** Our goal is for dividends to be a growing flow over time from the rebased level in line with the non-cyclical nature of our business. Given the importance of deleveraging, dividend growth is expected to be modest

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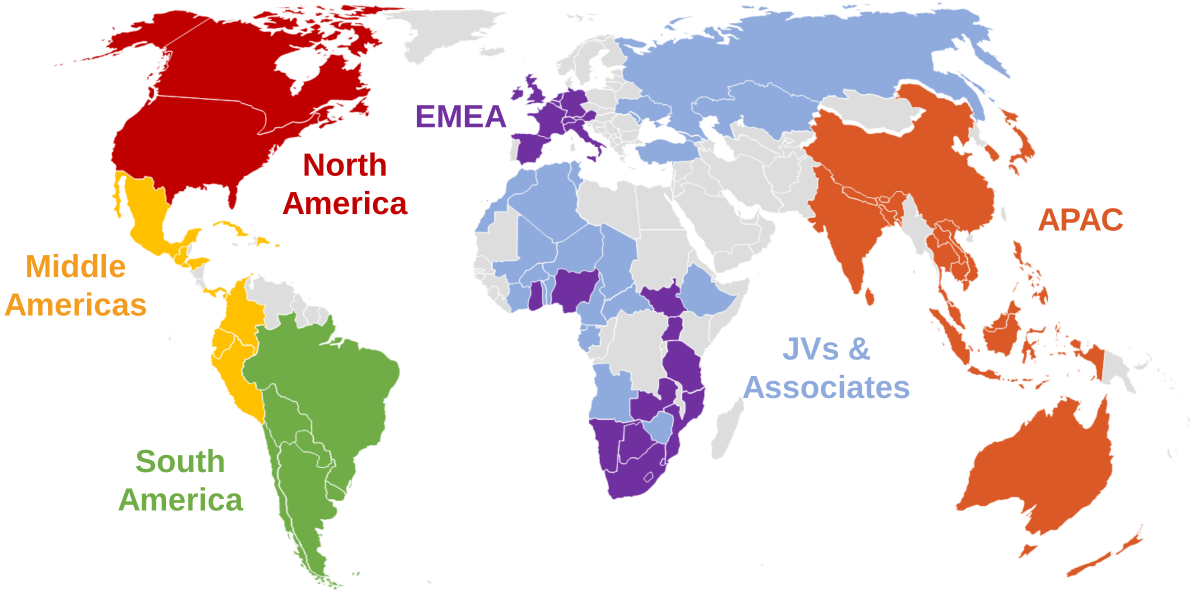
We have published a reference base for 2018

The reference base published on pages 28-29 of our FY18 earnings press release reflects the following changes:

1. New regional results presentation
2. Impact of hyperinflation accounting
3. IFRS adjustments (lease reporting)



2018 Line Item	IAS 17 (old)	IFRS 16 (new)	Delta
Normalized EBITDA	22 080	22 592	+ 512
Depreciation	- 4 260	- 4 688	- 428
Normalized EBIT	17 821	17 904	+ 84
Finance Cost	6 747	6 865	- 118

Lease liability to be reflected in net debt beginning in 2019 (year-end 2018 lease liability of 1 782 million USD)

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Q&A

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