



**AB InBev**

# Full Year 2015 Results

25 February 2016

# Forward Looking Statements

Certain statements contained in this report 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 of the Company's management with respect to, among other things, its proposal to the board of SABMiller and its strategic objectives, and involve known and unknown risks, uncertainties and other factors, including risks and uncertainties about SABMiller, 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; (ii) limitations on the Company's ability to contain costs and expenses; (iii) the Company's expectations with respect to expansion, premium growth, accretion to reported earnings, working capital improvements and investment income or cash flow projections; (iv) the Company's ability to continue to introduce competitive new products and services on a timely, cost-effective basis; (v) the effects of competition and consolidation in the markets in which the Company operates; (vi) changes in consumer spending; (vii) changes in applicable laws, regulations and taxes in jurisdictions in which the Company operates; (viii) changes in pricing environments; (ix) volatility in the prices of raw materials, commodities and energy; (x) difficulties in maintaining relationships with employees; (xi) the monetary and interest rate policies of central banks; (xii) continued availability of financing and the Company's ability to achieve its targeted coverage and debt levels and terms; (xiii) financial risks, such as interest rate risk, foreign exchange rate risk, commodity risk, asset price risk, equity market risk, counterparty risk, sovereign risk, liquidity risk, inflation or deflation; (xiv) regional or general changes in asset valuations; (xv) greater than expected costs (including taxes) and expenses; (xvi) the risk of unexpected consequences resulting from acquisitions; (xvii) tax consequences of restructuring and the Company's ability to optimize its tax rate; (xviii) the outcome of pending and future litigation and governmental proceedings; (xix) changes in government policies; (xx) natural and other disasters; (xxi) any inability to economically hedge certain risks; (xxii) inadequate impairment provisions and loss reserves; (xxiii) technological changes; (xxiv) continued geopolitical instability; and (xxv) the Company's success in managing the risks involved in the foregoing. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters and 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. Certain of the synergies information related to the combination with Grupo Modelo discussed herein constitute forward-looking statements and may not be representative of the actual synergies that will result from the combination with Grupo Modelo because they are based on estimates and assumptions that are inherently subject to significant uncertainties which are difficult to predict, and accordingly, there can be no assurance that these synergies will be realized. In respect of the proposal to the board of SABMiller, there can be no certainty that the approach in respect of the proposed transaction described herein will result in an offer or agreement, or as to the terms of any such agreement. 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.

## Future SEC Filings and This Filing: Important Information

In the event that the Company and SABMiller enter into a transaction, the Company may be required to file relevant materials with the SEC. Such documents, however, are not currently available. INVESTORS ARE URGED TO READ ANY DOCUMENTS REGARDING THE POTENTIAL TRANSACTION IF AND WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors will be able to obtain a free copy of such filings without charge, at the SEC's website (<http://www.sec.gov>) once such documents are filed with the SEC. Copies of such documents may also be obtained from the Company, without charge, once they are filed with the SEC.

# Highlights of the year

- Strong organic **top-line growth**
- Top-line growth remains our **No. 1 priority**
- Very strong volume and revenue results from our three **global brands**
- Continued **investment** behind our Focus Brands to drive **long term growth**
- Solid **EBITDA growth** and **margin enhancement**
- Proposed combination with SABMiller (“SAB”) would create the **first truly global brewer**

# Proposed Combination with SABMiller

- On 11 November 2015, the boards of AB InBev and SAB announced an agreement on the terms of a recommended acquisition of the entire issued and to be issued share capital of SAB by AB InBev
- Announcement included an agreement with MolsonCoors on the disposal of SAB's stake in MillerCoors, conditional on the closing of the main transaction
- Binding offer received from Asahi in January 2016, for the purchase of certain of SAB's European premium brands and their related businesses
- Pre-funding of approximately \$47 billion of the purchase price through US dollar bond issuances in January 2016. Cancelled \$42.5 billion of the \$75 billion Committed Senior Facilities
- Integration planning underway
- Focused on obtaining the necessary regulatory clearances. First country approval has been received (India)
- Continue to expect the transaction to close in the second half of 2016, subject to regulatory clearances, shareholder approvals and other terms and conditions

# FY15 Financial Summary

- **Total Revenue +6.3%**
  - Global brands **+12.6%**
  - Revenue per hl **+7.7%** on a constant geographic basis
- **Total volumes -0.6%**
  - Own beer **-0.1%** and non-beer **-4.7%**
  - Focus Brands **+0.4%** and Global Brands **+7.3%**
- **EBITDA +7.8%**
  - EBITDA margin **+55 bps** to **38.6%**
- **Normalized EPS of \$5.20**, down 4.2% from **\$5.43** in FY14. EBITDA growth and lower net finance costs offset by translational FX
- Proposed **Final Dividend of €2.00** per share, bringing total for FY15 to **€3.60** per share. Represents an increase of **20%** compared to FY14

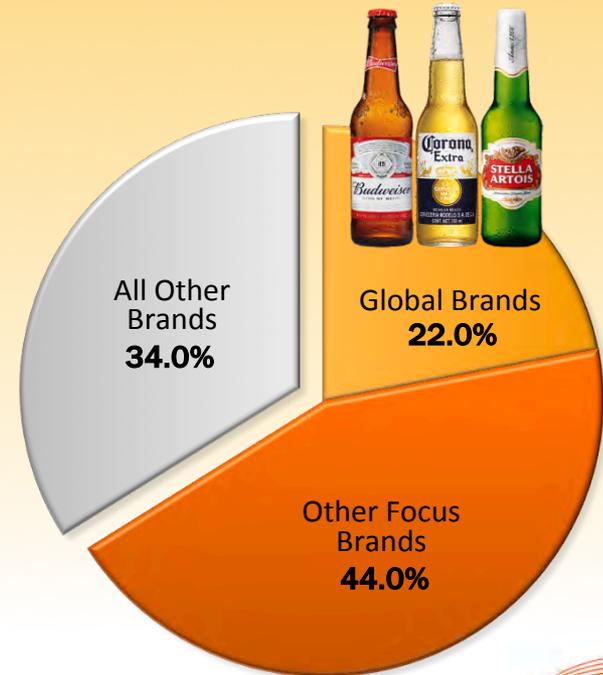
# Focused on brands with the greatest growth potential

Our Focus Brands accounted for 2/3rds of our volume and revenue in 2015

Focus Brand Volumes = 62.4 % of FY15 Volume

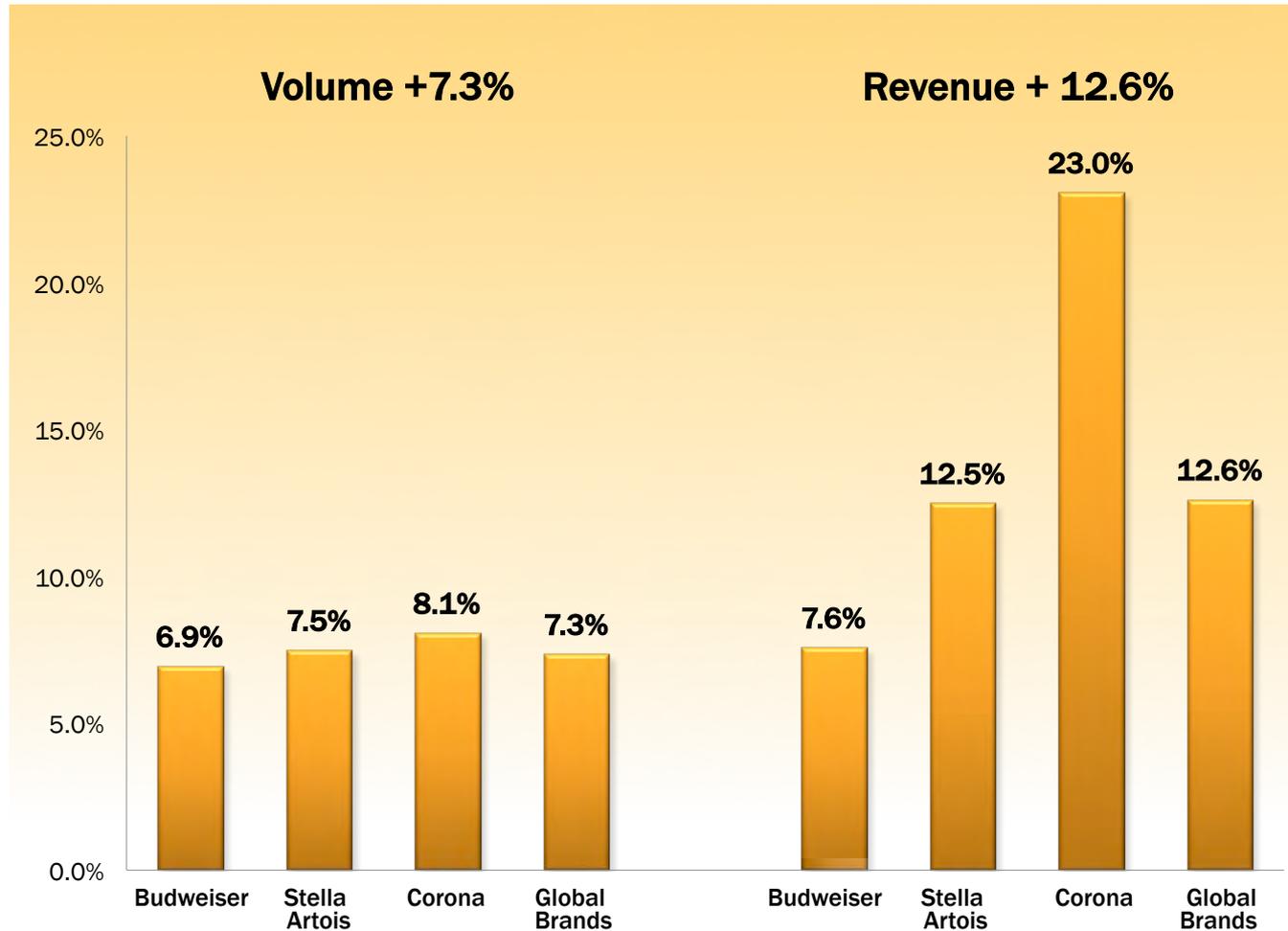


Focus Brand Revenues = 66.0% of FY15 Revenue



Note: Global Brands include Budweiser, Corona (ex-US), Stella Artois.  
Focus Brands and Global Brands Volumes and Revenues exclude licensing agreements.

# Growth of all three global brands accelerated in FY15



Note: 2015 Revenue growth for Corona includes the benefit of bringing the brand into the ABI distribution network in a number of markets.

# Consistent global commercial priorities but with tailored local market emphasis

## Growing our global brands

Leveraging the strength of **Budweiser, Stella Artois and Corona** to form strong connections

- Distinct **image and consumer positioning**
- Increasing our **investments** in sales and marketing

## Premiumizing and invigorating beer

Creating more **excitement and aspiration** around beer, especially among millennial consumers

- Bringing **new vigor and energy** to the consumer's experience with beer
- **Craft** development

## Elevating the core

Raising the **perception and relevance** of our core beers

- Compelling, **differentiated** messaging
- Programs conveying the **unique character and quality** of our brands
- Large **scale** activations

## Developing the near beer segment

Our near beer offerings are responding to **consumer demand** for more **choice** and **excitement**

- **Innovative products** that offer malt beverage alternatives
- Competing for **share of total alcohol**

# US – FY15 summary

## Industry

- STRs **down 30 bps in FY15** and **marginally up** in 4Q15
- Expect industry volumes to continue to improve in FY16

## AB InBev

- STRs **-1.7%**
- Market share decline of **65 bps**
- Sales to wholesalers (STWs) **-2.2%**
- Beer Revenue per hl **+1.6%** helped by brand mix from Above Premium
- EBITDA **-4.3%** with **margin contraction** of **149 bps**
- Wholesaler network: **“Winning Together”**

# US: Commercial Priorities

## Growing our global brands



## Premiumizing and invigorating beer



## Elevating the core



## Developing the near beer segment



# US - Elevating the Core

New campaign and a refreshed visual brand identity in FY16



Encouraging performance in FY15 with campaigns emphasizing quality and heritage credentials



Fastest growing brand in the US, up more than 15% in FY15 with great momentum



# US – Premiumizing and Invigorating Beer

Stella Artois  
Double Digit Volume Growth



Lucia wakes up at  
**4 AM**  
EVERY DAY  
to collect water



Buy a Lady a Drink  
Coca-Cola Generation



1 Limited Edition Chalice = 5 Years Clean Water

\$6.25 per 16.9 oz. clean drinking water to 1 person for 5 years. Stella Artois will donate \$6.25 for each chalice in the US, up to 20000 chalices.

Goose Island IPA is on fire,  
up over 150% in FY15



Shock Top  
Exciting plans in place



# Mexico – FY15 summary

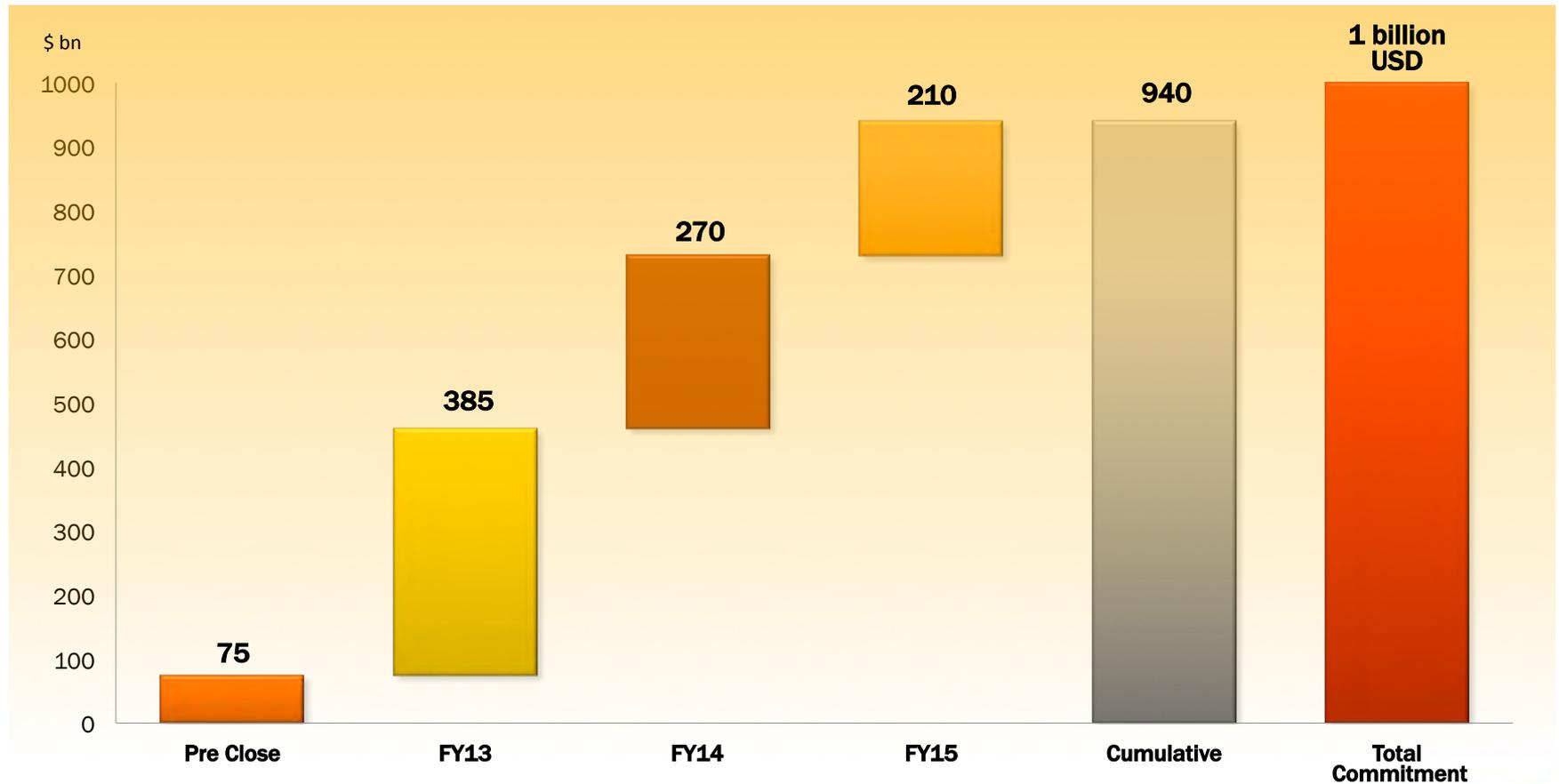
## Industry

- Beer category healthy
  - Good volume growth in all regions of the country
  - Beer continues to gain share of total alcohol

## AB InBev

- Revenue **+11.1%**
- Revenue per hl growth of **+3.5%**
- Volume **+7.3%** with strong contribution from **Focus Brands**
- Market share marginally up in FY15, reaching a level of just over **58%**
- EBITDA growth of **+18.2%**
- EBITDA margin grew **308 bps** to **50.8%**

# 94% of \$1 billion synergy commitment now delivered



# Mexico: Commercial Priorities

Growing our global brands



Premiumizing and invigorating beer

**BEERHOUSE**<sup>®</sup>  
by MODELO



CERVEZA



Michelob  
**ULTRA**



Elevating the core



Developing the near beer segment



# Mexico: Elevating the Core

Maintain Corona as the undisputed leader in Mainstream



Develop Victoria while emphasizing heritage and quality credentials



Fuel growth of Bud Light across the country



# Mexico: Premiumizing and Invigorating Beer

Develop the Modelo family  
as our premium  
local champion



Enhance premium portfolio  
with our international brands  
and craft products



# Brazil – FY15 summary

## Industry

- Beer industry volumes down due to challenging macroeconomic environment

## AB InBev

- Revenue **+8.0%**
- Beer revenue per hl growth **+11.7%** benefitting from revenue management, increase in own distribution and premium brand mix
- Beer volumes **-1.8%**, non-beer volumes **-5.2%**
- Beer market share of **67.5%**, based on Nielsen
- Total Premium volume up **double digits**
- Strong EBITDA growth of **10.6%**
- Margin expansion of **128 bps to 53.6%**

# Brazil: Commercial Priorities

Growing our global brands

*Budweiser*



Premiumizing and invigorating beer



Elevating the core

**SKOL**



Developing the near beer segment



# Brazil: Growing global brands

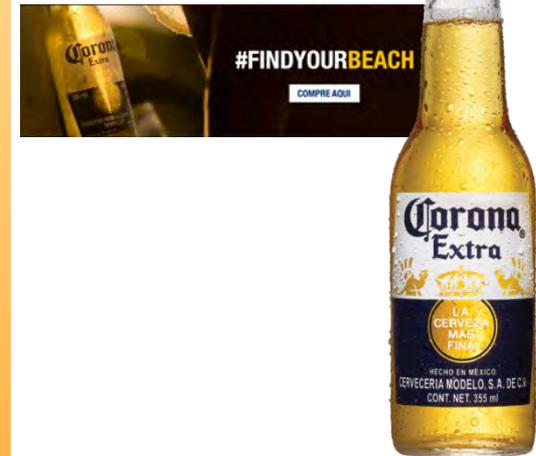
**Budweiser: Maintain leadership in the premium segment; +30% volume growth in FY15**

The Budweiser logo, featuring the brand name in a white, cursive script on a red, ribbon-like banner.

**Stella Artois: Solidifying its status as one of the most aspirational brands within our portfolio**



**Corona: Strong launch in FY15, focusing on brand essence and brand experience**

The Corona Extra logo, featuring a crown above the brand name "Corona." in a blue, serif font, with "Extra" in a smaller, blue, serif font below it.

# Brazil: Elevating the Core

Driving demand through relevant platforms and innovation

**Carnival,**  
world's biggest street party



# SKOL

**Most valuable Latin American brand for the first time**

Skol Ultra launch



Delivering memorable experiences to consumers with music and sports



**Tomorrowland**



**Barretos**

# China – FY15 summary

## Industry

- Beer industry volumes down approximately **6%** in FY15, driven by economic headwinds, with most of the impact being felt in the **value and core segments**

## AB InBev

- Revenue **+9.8%**
- Beer volume **+0.4%**
- The combined volumes of our **Core+, Premium and Super Premium** Brands **grew by double digits** in the year
- Market share growth of **100 bps** to **18.6%**, on an organic basis
- Revenue per hl **+9.4%**, driven mainly by **brand mix**
- EBITDA growth of **+33.7%** with margin up **411 bps** to **22.6%**

# China: Commercial Priorities

Growing our global brands



Premiumizing and invigorating beer



Elevating the core



Developing the near beer segment



# China: Global brands and Premiumization

Budweiser delivered double digit volume growth



Continue to develop the Super Premium segment with Corona, Stella Artois and Hoegaarden



# China: Elevating the Core

Protect regional strongholds



Harbin Ice is the flagship brand in the Core+ segment and seeks to win with LDAs



# Best Beer Company Bringing People Together For a Better World



# Better World: Smart Drinking Goals

## GLOBAL SMART DRINKING GOALS 2015 -2025

Our vision is to foster a culture of smart drinking globally to reduce the harmful use of alcohol

### CHANGING BEHAVIORS THROUGH SOCIAL NORMS

#### MULTI-YEAR PILOTS

10%



Reduce the harmful use of alcohol by at least 10% in six cities by the end of 2020.

Implement the best practices globally by the end of 2020.

#### SOCIAL NORMS



Influence social norms and individual behaviors to reduce harmful alcohol use by investing at least 1 billion USD across our markets in dedicated social marketing campaigns and related programs by the end of 2025.

### EMPOWERING CONSUMERS THROUGH CHOICE

#### PRODUCT PORTFOLIO



Ensure **No- or Lower- Alcohol beer products** represent at least 20% of AB InBev's global beer volume by the end of 2025.

#### ALCOHOL HEALTH LITERACY



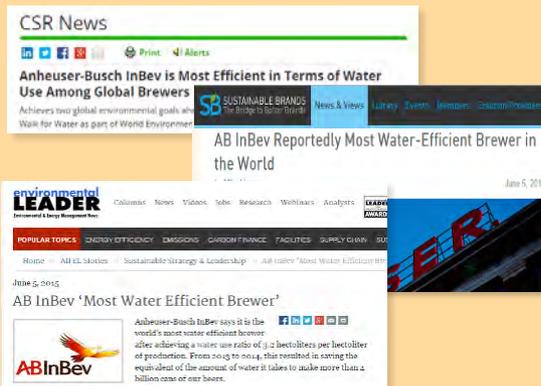
Place a **Guidance Label** on all of our beer products in all of our markets by the end of 2020.

Increase **alcohol health literacy** by the end of 2025.

# Better World: Water Stewardship

**Our Water Strategy focuses on collective action and stakeholder engagement to manage our water risk, invest in effective partnerships and ensure long-term sustainability of water supplies**

- At 3.2 hl/hl, we became the most water efficient global brewer in 2015
- We are planning to ramp up our water stewardship efforts outside of AB InBev



## Supply Chain

- Scaling up SmartBarley programs to improve water productivity and create value for our growers and supply chain

## Watershed Protection

- Collaborating with local authorities, NGO partners and other water users to improve the health of watersheds

## Water Policy Engagement

- Partnering with local authorities to build capacity and influence governance

## Water Access

- Helping provide access to water in developing countries through *Water.org* partnership

## Thought Leadership

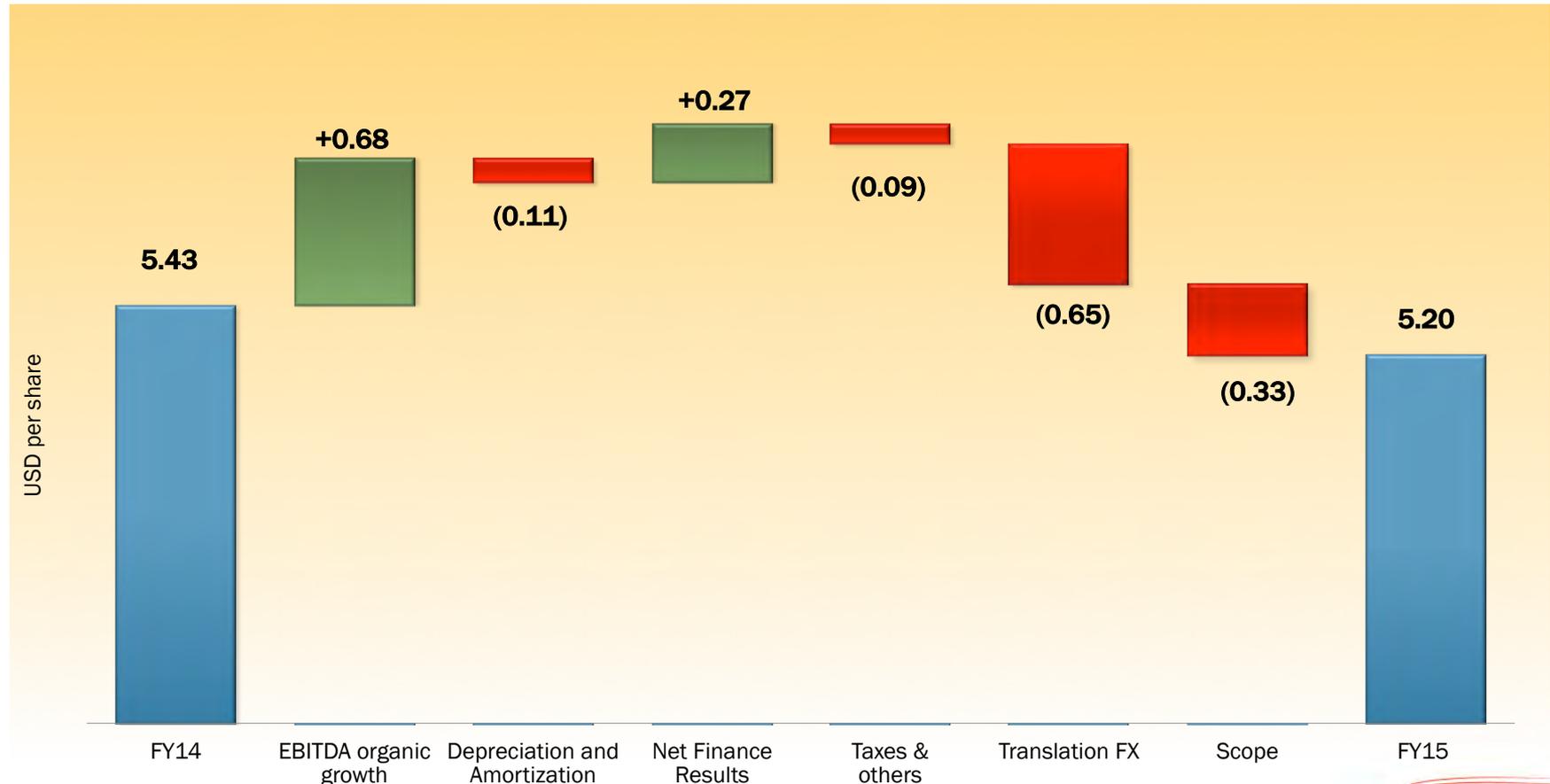
- Leading the global debate on water stewardship and sharing learnings on collective action



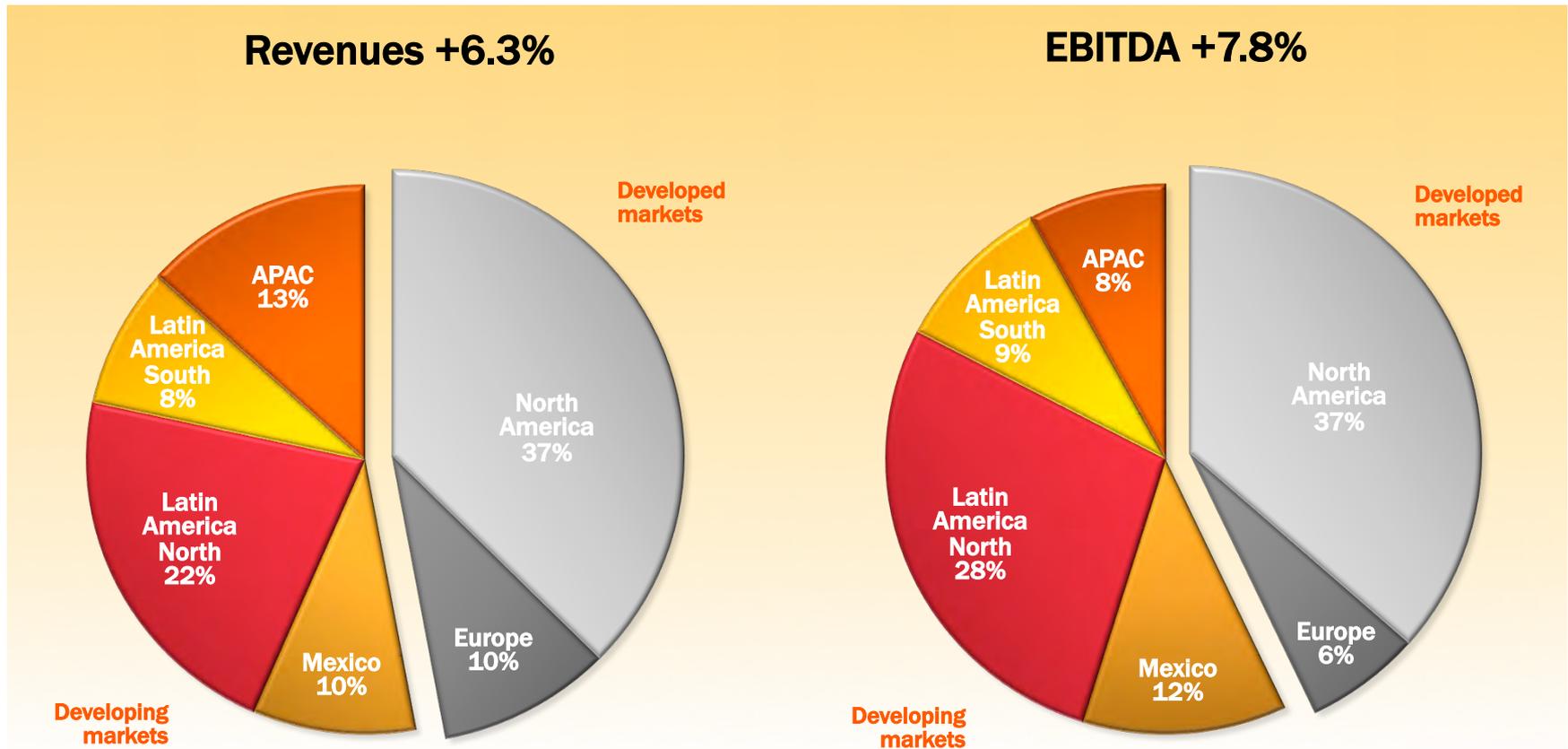
# Earnings, Cash Flow and Capital Allocation

Full Year 2015 Results

# Normalized EPS decreased to \$5.20 in FY15, with EBITDA growth and lower net finance results offset by unfavorable currency translation

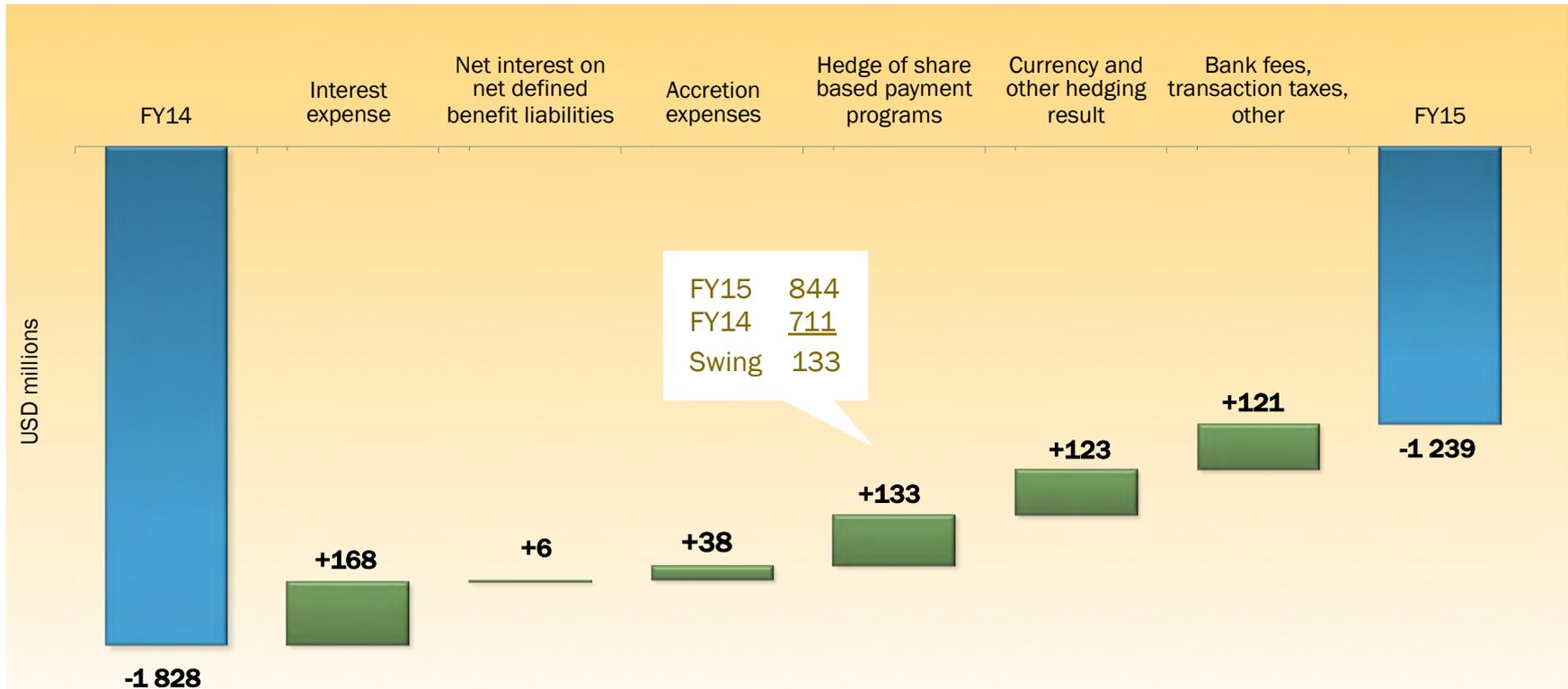


# Globally diversified company with a healthy balance between developed and developing markets



Note: Excludes Global Export and Holding Companies (GEHC), for simplicity

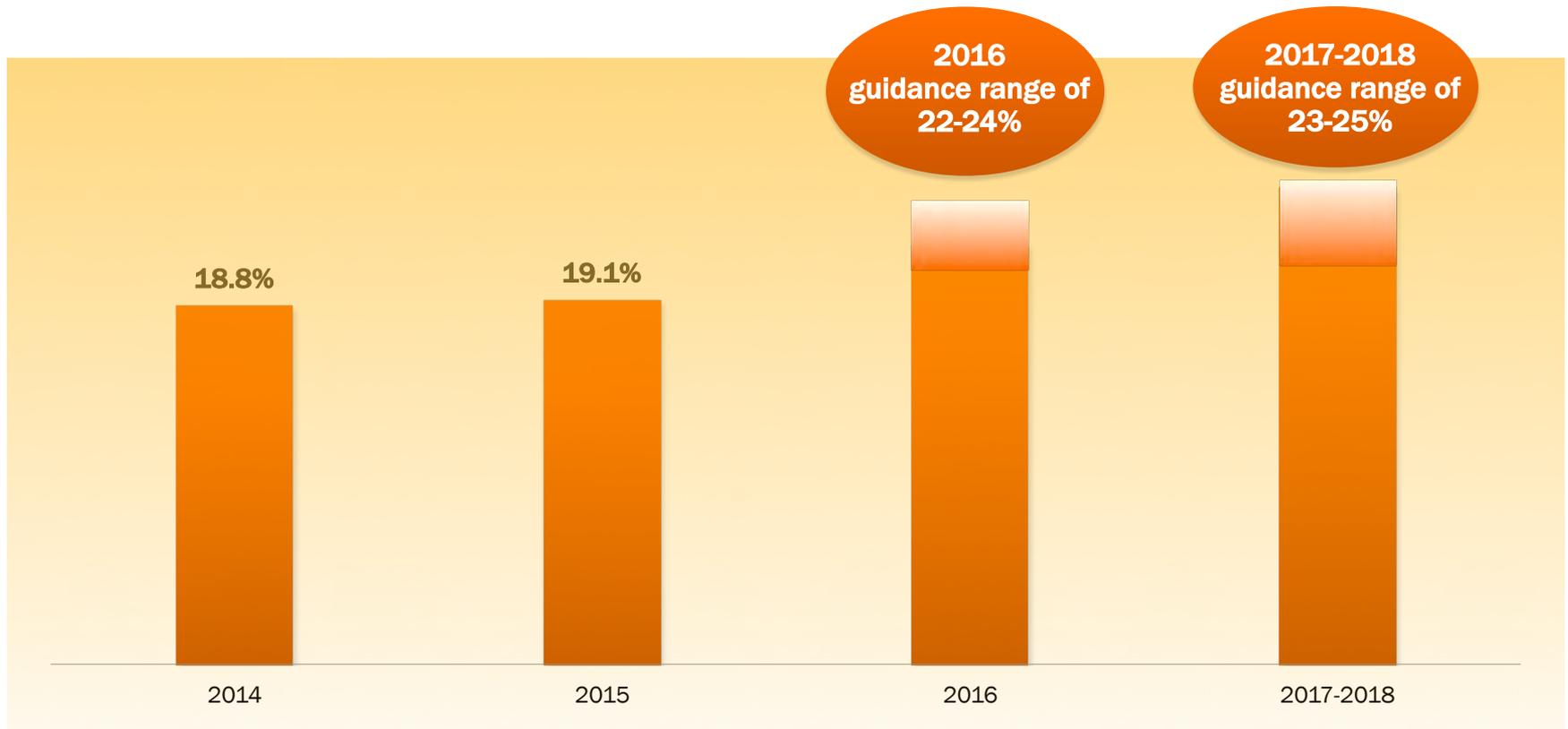
# Net Finance costs decreased to **-1.2bn USD** in FY15



## FY15 Net Finance Result driven by:

- Lower interest expense
- Positive impact of the mark-to-market adjustment linked to the hedging of our share-based payment programs
- Positive currency gains on US dollar cash balances held in Mexico

# Normalized Effective Tax Rate (ETR)



## Increase in normalized ETR in FY15 mainly due to:

- Changes in country profit mix, partially offset by the favorable impact of the gain linked to the hedging of our share-based payment programs

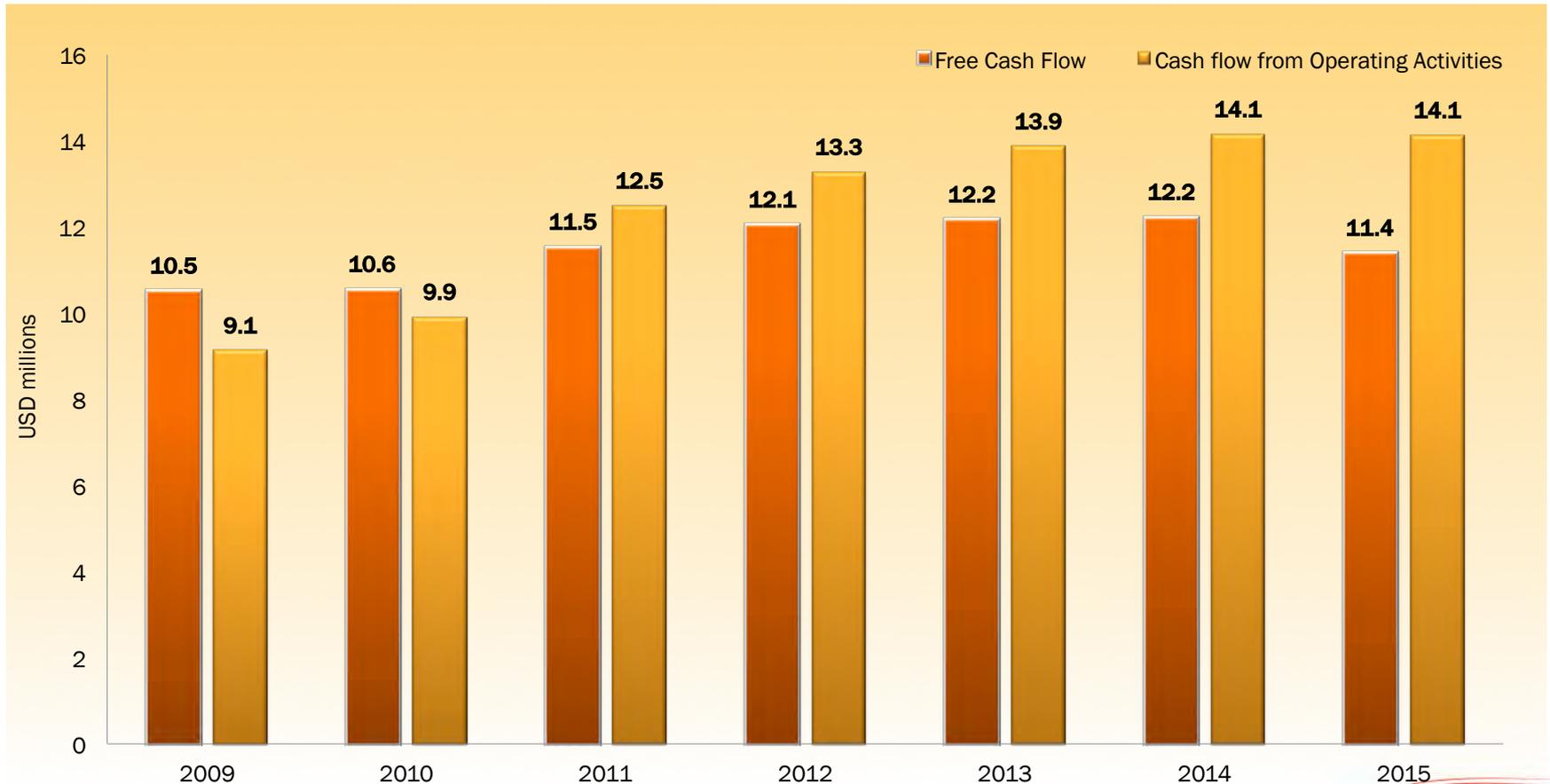
## Guidance for FY16 reflects an increase versus FY15 mainly due to:

- Lower deductibility of goodwill amortization going forward, country mix and the assumption of zero future gains or losses on the hedging of our share-based payment programs

# Currency movements had a negative impact of 0.65 USD on our normalized EPS

- We take a **long term view** of our markets, and are focused on the **organic growth** of the business
- **Currency volatility** is part of doing business as a global company
- **Hedging strategy:** Focused on transactional exposures, principally cost of sales
- Continuous monitoring of our **debt-currency mix** in light of ongoing developments in our core business and financial markets

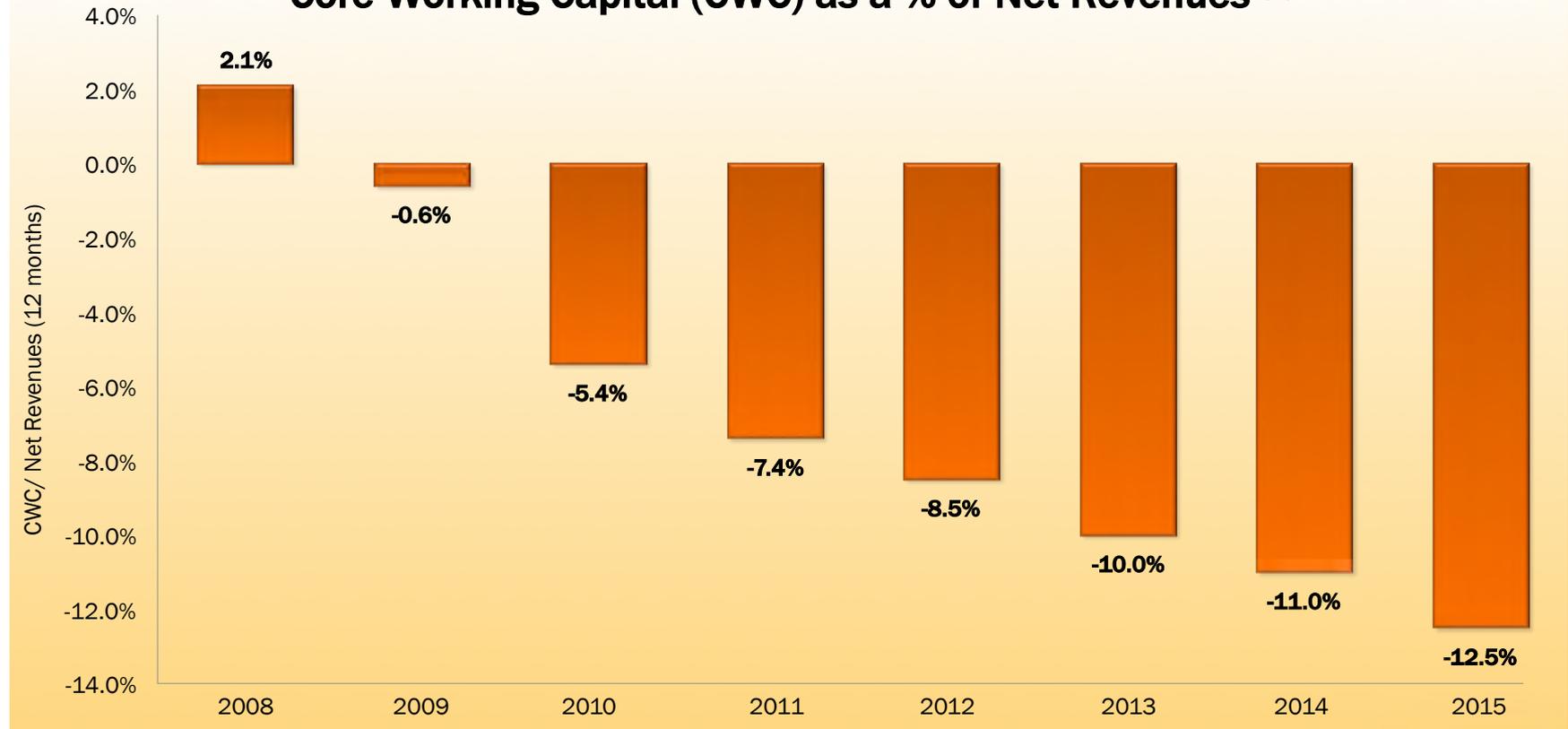
# Robust and consistent track record of Cash Flow generation



Definition: Note: Free Cash Flow (FCF) defined as Cash Flow from Operating Activities adding back Net Interest, less Net Capex. FCF represents cash available for distribution to equity holders of AB InBev before debt service and debt pay down, and before adjusting for Ambev minorities. Cash Flow from Operating Activities is defined in Figure 17 of the FY15 press release.

# Continued improvement in Core Working Capital

Core Working Capital (CWC) as a % of Net Revenues <sup>(1)</sup>



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).

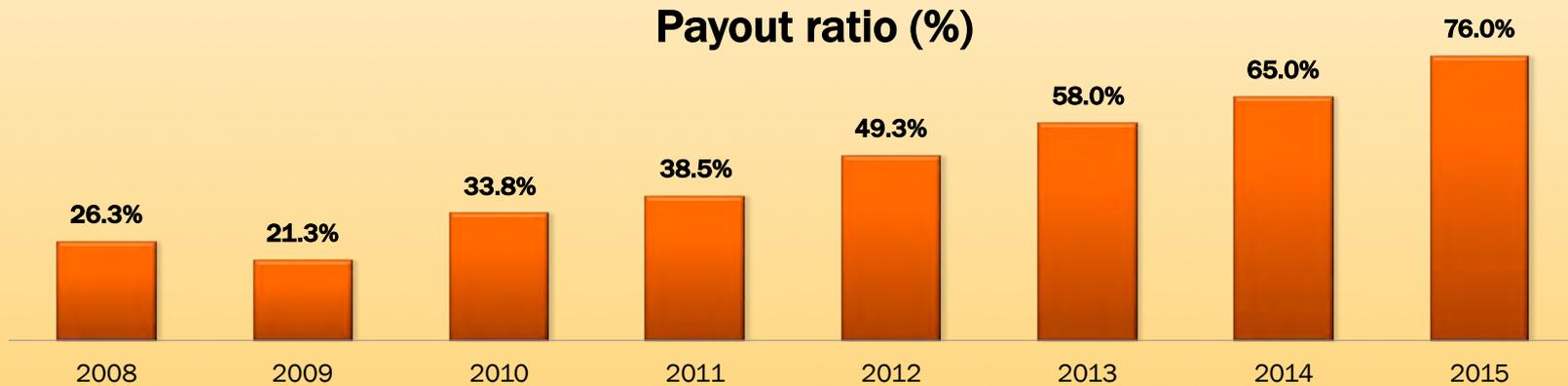
2) 2008 NA includes only 6 weeks of the legacy AB business. Results prior to 2013 exclude Grupo Modelo.

# Growing dividends over time

## Dividend per share (EUR)



## Payout ratio (%)



# Capital Allocation objectives unchanged

- **Investment in organic growth** of the business
- **Selective M&A**, strict financial discipline
- **Dividend yield** comparable with other consumer goods companies (3% - 4%)
- **Optimal capital structure** of approximately 2x Net Debt/EBITDA
- At a level of around 2x, the return of cash to shareholders is expected to be comprised of both **dividends** and **share buybacks**

# Q&A

THIS  
BUD'S  
FOR  
YOU

