ABInBev

Third Quarter 2019 Results

25 October 2019

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AGENDA

- 3Q19 Highlights
- SAB Combination: 3 Year Anniversary
- Risk Management Framework
- Financials
- Q&A

3Q19 HIGHLIGHTS & HEADWINDS

HIGHLIGHTS

- Strong **volume growth** from several of our major markets including Mexico, South Africa and Colombia
- Advances in our **smart affordability strategy** in some of our major markets in line with the category expansion framework
- Successful completion of the **listing of a minority stake** of Budweiser APAC on the HKEx
- **Better World Agenda** – Launched second cohort of our 100+ Accelerator and reinforced our commitment to the UNSDGs

HEADWINDS

- **Shipment phasing** driving volume declines in China
- **Higher cost of sales** resulting from significant commodity and transactional currency headwinds
- **Year-over-year phasing** of our sales and marketing investments as we cycle the 2018 FIFA World Cup Russia™
- **Price increases** implemented in South Korea and Brazil drove **volume declines**, which were exacerbated by softer consumer demand in light of difficult macroeconomic conditions

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3Q19 FINANCIAL SUMMARY

Total Revenue +2.7%

- Revenue per hl **+3.0%**
- Global Brands **+4.1%,**
  +5.2% outside of their home markets

Total Volumes -0.5%

- Own beer **-0.9%,** non-beer **+4.0%**

EBITDA 0.0% and EBITDA margin contracted by **107 bps** to **40.2%**

Normalized EPS increased by $0.45 to $1.22 in 3Q19

Underlying EPS decreased by $0.17 to $0.94 in 3Q19

Interim dividend of €0.80 per share

MAJOR MARKET HIGHLIGHTS

- **US: Revenue growth** despite volume declines; industry **positively impacted** by hard seltzer segment growth
- **Mexico: Continued strong top and bottom line growth** enhanced by ongoing premiumization
- **Colombia: Best quarterly volume growth** since SAB combination closed, with global brands up >50%
- **Brazil:** Beer volume declines of low single digits following a **price increase in line with inflation**
- **South Africa:** Double-digit revenue growth and **highest ever market share** in the premium segment
- **China:** Volume declines driven primarily by **shipment phasing**, while premiumization continues
- **Europe:** Volumes up by low single digits with **market share gains across most of our markets**

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WE ARE RAPIDLY EVOLVING OUR HARD SELTZER STRATEGY IN THE US, AND WE ARE EXCITED ABOUT THE SEGMENT’S POTENTIAL FOR THE MALT BEVERAGE CATEGORY

WITH AN AMAZING PORTFOLIO OF EXISTING BRANDS…

…AND THE UPCOMING LAUNCH OF BUD LIGHT SELTZER

BUD LIGHT® SELTZER

Global Brand Portfolio

3Q19 Revenue +4.1%

+5.2% outside of home markets

-0.1%

3Q19 Revenue Growth outside of the US

Challenging quarter in China; Launched in the Netherlands

-0.1%

3Q19 Revenue Growth outside of Belgium

Shipment phasing impact in the US ahead of summer activations

+21.1%

3Q19 Revenue Growth outside of Mexico

Corona grew by double-digits or more in >30 countries

We are expanding the local production of Corona to select markets, which allows us to better serve our consumers and customers while reducing our carbon footprint

WE ARE ADVANCING OUR SMART AFFORDABILITY STRATEGY IN LINE WITH THE CATEGORY EXPANSION FRAMEWORK

NEW AFFORDABLE BRANDS BREWED WITH LOCAL INGREDIENTS

PACKAGING INNOVATIONS AT AFFORDABLE PRICE POINTS

WE CONTINUE TO MAKE PROGRESS ON OUR BETTER WORLD AGENDA

Reinforced our commitment to the UN Sustainable Development Goals, leveraging the power and reach of our global brands

We launched the 2nd round of our 100+ Accelerator, partnering with entrepreneurs to solve environmental challenges

SUSTAINABLE DEVELOPMENT GOALS

WORLD CHANGING IDEAS 2019

Ethical Corporation Awards HIGHLY COMMENDED RESPONSIBLE BUSINESS AWARDS 2019

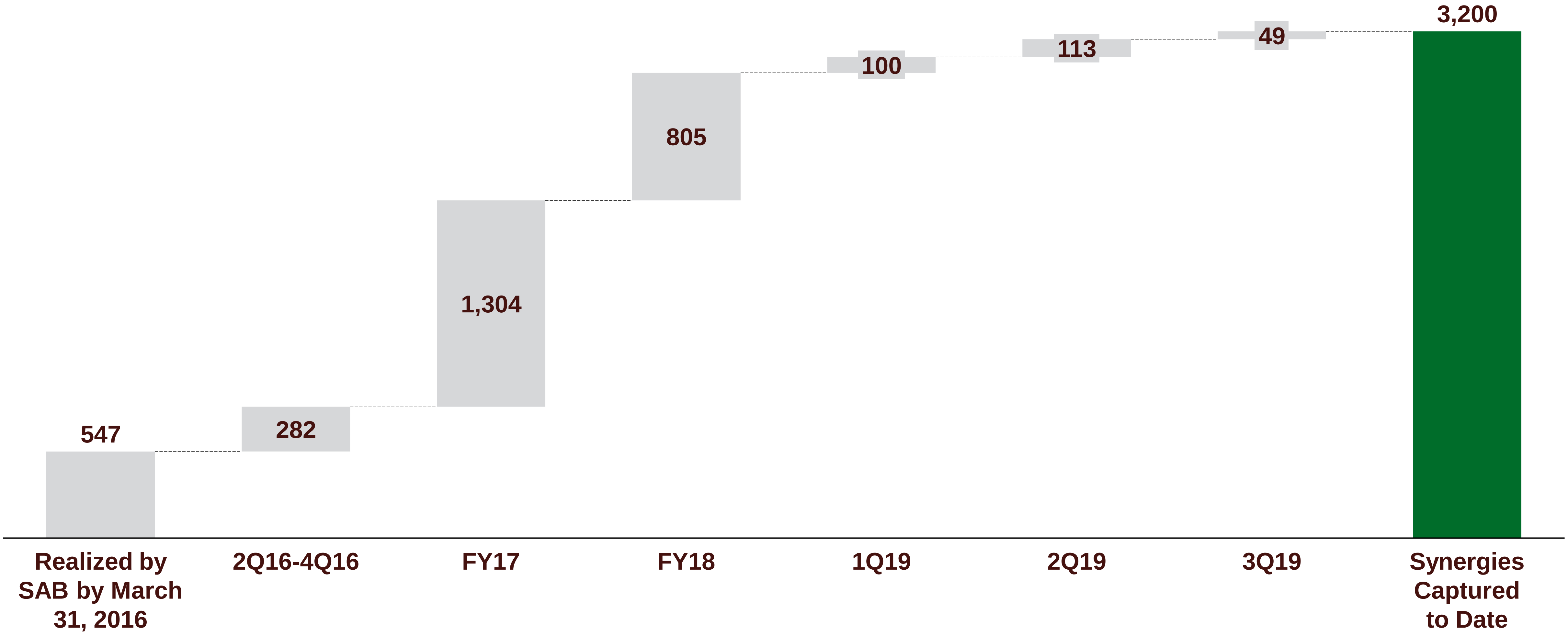
FORTUNE CHANGE THE WORLD 2019

WE SUCCESSFULLY COMPLETED THE MINORITY LISTING OF OUR APAC BUSINESS ON THE HONG KONG STOCK EXCHANGE

- Budweiser APAC represents a local champion in the consumer goods space
- It is one of the fastest growing and most profitable brewers in the region
- The listing also provides an attractive platform for potential M&A in the region
- The net proceeds from the transaction were used to repay debt

SAB COMBINATION: 3 YEAR ANNIVERSARY

WE HAVE COMPLETED THE CAPTURE OF OUR COST SYNERGIES THIS QUARTER



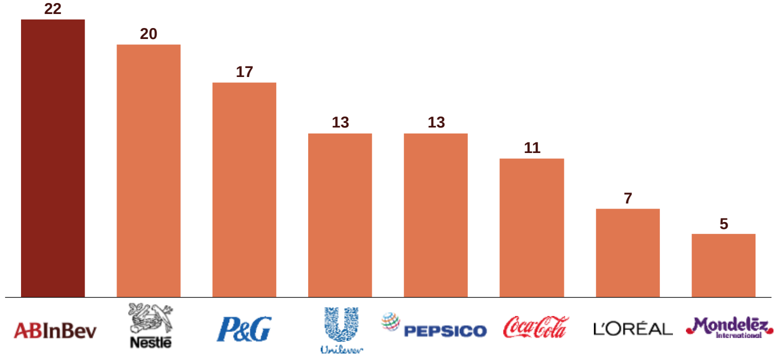
OUR TRANSFORMATIONAL COMBINATION WITH SAB HAS MADE US A SMARTER, MORE DIVERSIFIED, AND MORE STRATEGIC COMPANY THAN EVER BEFORE

WORLD'S LEADING BREWER

26%

2018 GLOBAL BEER SHARE*

LEADING FMCG COMPANY



2018 EBITDA ($B)

DIVERSE PORTFOLIO OF 500+ BRANDS

MORE DIVERSIFIED

5 → 10

2015 2018

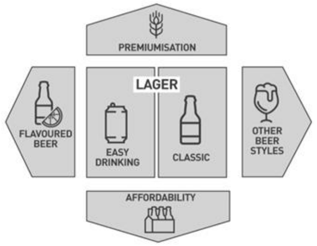
OF MARKETS = 80% EBITDA:

MORE EXPOSURE TO HIGH GROWTH EM MARKETS:

70%

% 2018 VOLUME FROM EM MARKETS**

INTELLECTUAL SYNERGIES



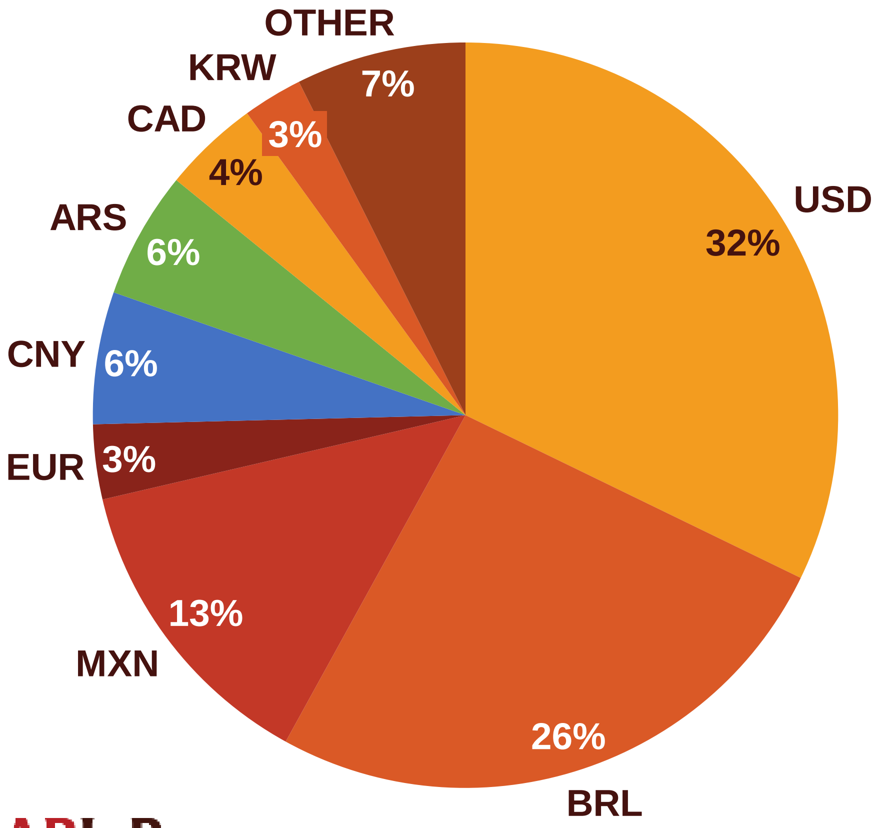
Source: Euromonitor, AB InBev annual reports
*According to Euromonitor, 2018 global beer industry share pro-forma for the sale of our Australia business
**Emerging markets defined as all markets outside of US, Canada, South Korea, Western Europe, Japan, South Korea, Hong Kong

RISK MANAGEMENT FRAMEWORK

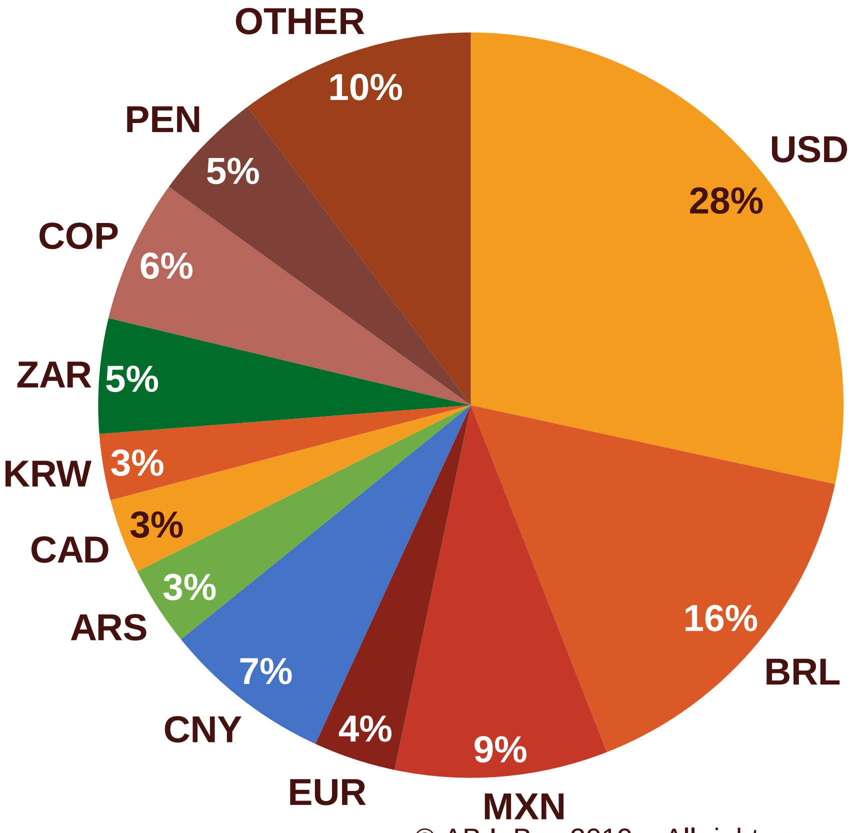
WITH OUR GLOBAL SCALE AND EXPANDED FOOTPRINT, WE HAVE SIGNIFICANTLY DIVERSIFIED OUR CURRENCY MIX

NORMALIZED EBITDA BY CURRENCY

2015



2018

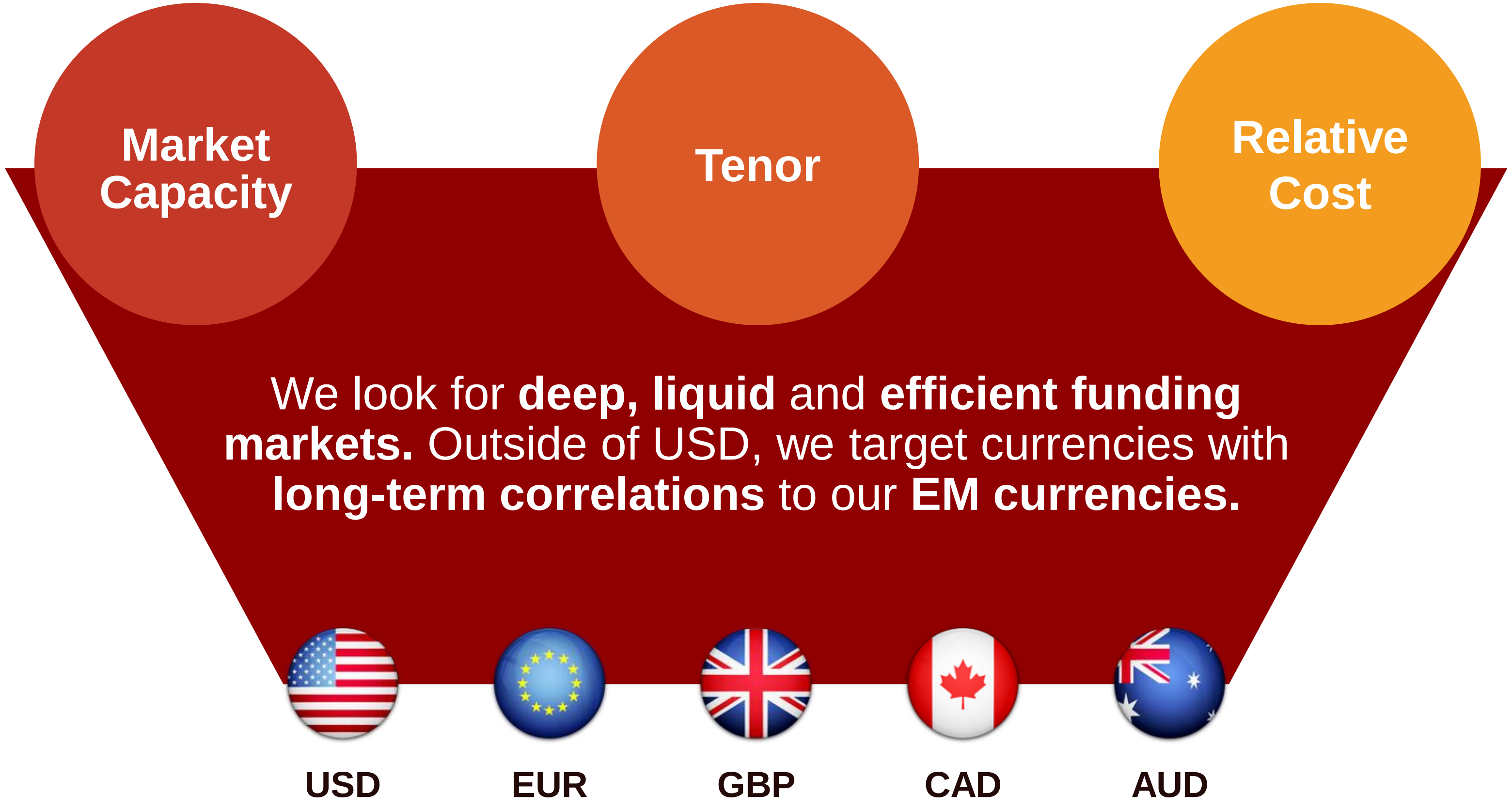


IN A PERFECT WORLD, WE WOULD MATCH OUR DEBT CURRENCIES EXACTLY WITH OUR EBITDA, BUT PRACTICAL CONSTRAINTS RULE OUT FUNDING IN EMERGING MARKETS

On an unconstrained basis, **optimal portfolios** consist of high proportions of debt in EM currencies to match our earnings profile

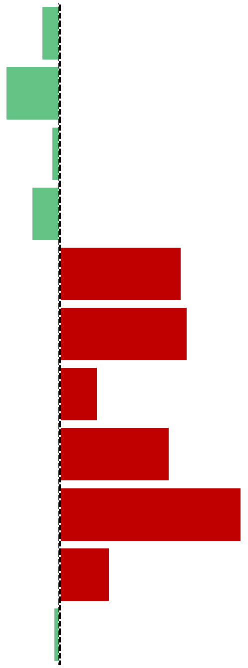
However, **EM capital markets cannot provide the quantum nor tenor of debt we require**, and the cost is prohibitively expensive

PRACTICAL CONSTRAINTS



GIVEN THESE CONSTRAINTS, WE INSTEAD RELY ON PROXY CURRENCIES WITH DEMONSTRATED LONG-TERM CORRELATIONS TO OUR PRIMARY EBITDA CURRENCIES

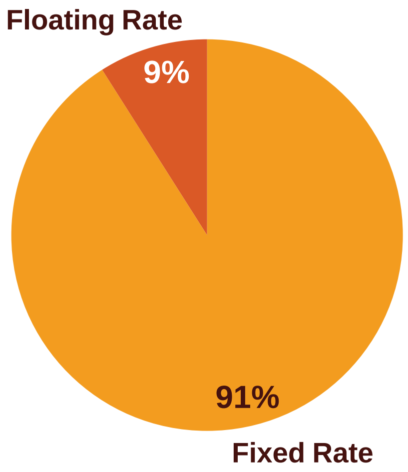
	Market	**Normalized EBITDA by currency (%)**	**Gross Debt by currency *(after hedging)* (%)**	**Estimated Market Capacity (USD)**	**Tenors Available**	**Rate Differential vs. USD**
Current Core Financing Markets	United States	28%	61%			
	Australian Dollar	-	2%			
	Euro	4%	30%			
	Canadian Dollar	3%	2%			
	Sterling	1%	3%			
Emerging and Other Markets	Brazilian Real	16%	0%			
	Mexican Peso	9%	-			
	Renminbi	7%	-			
	Colombian Peso	6%	-			
	South African Rand	5%	-			
	Peruvian Sol	5%	-			
	South Korean Won	3%	1%			



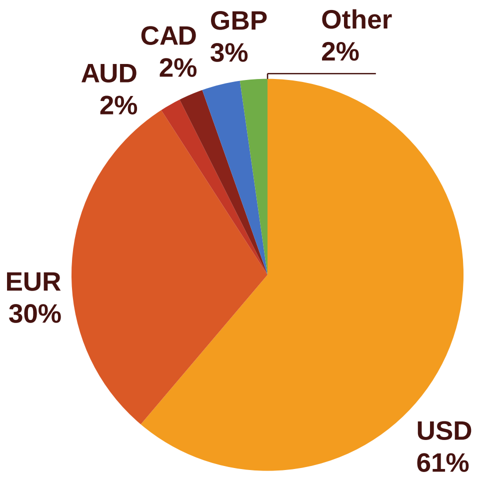
Note: Based on reported figures as of 31 December 2018 and AB InBev estimates. Rate differential based on 10-year benchmark rates from Bloomberg.

OUR DEBT PROFILE CONTINUES TO PROTECT US AGAINST INTEREST RATE AND CURRENCY RISK, WITH LONG WEIGHTED AVERAGE MATURITY

~91% OF OUR GROSS 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

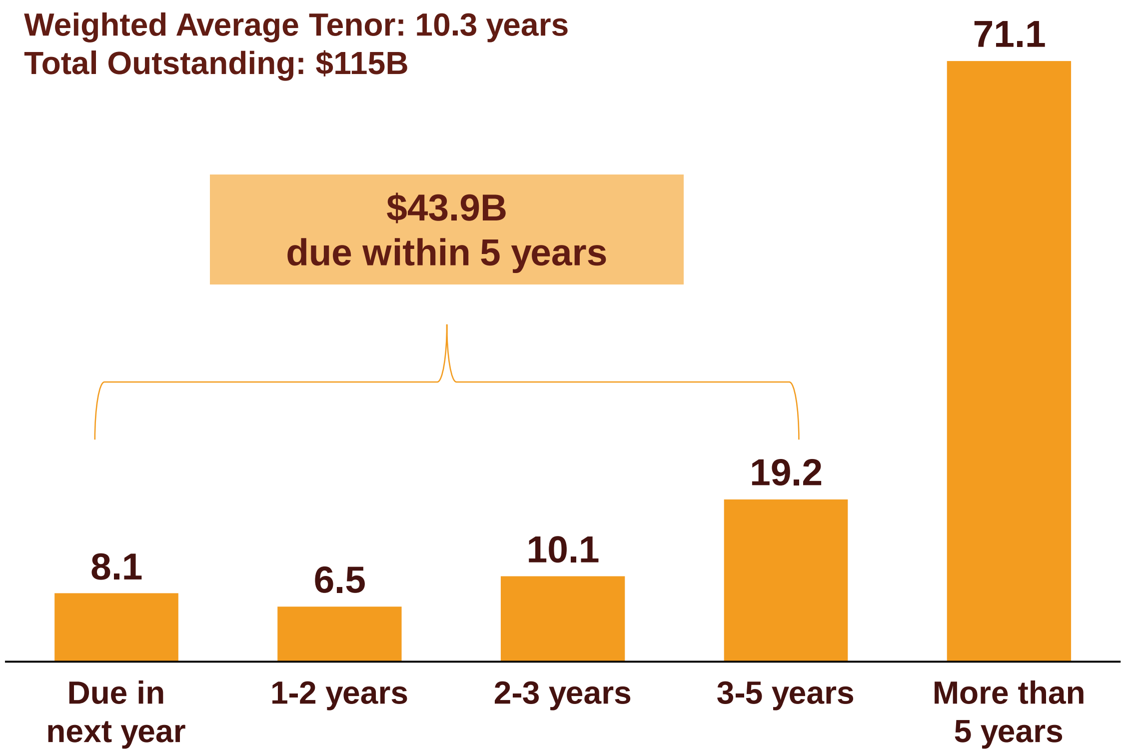
VERY MANAGEABLE PRE-TAX GROSS DEBT COUPON

3.75 - 4.00%

*As of September 2019

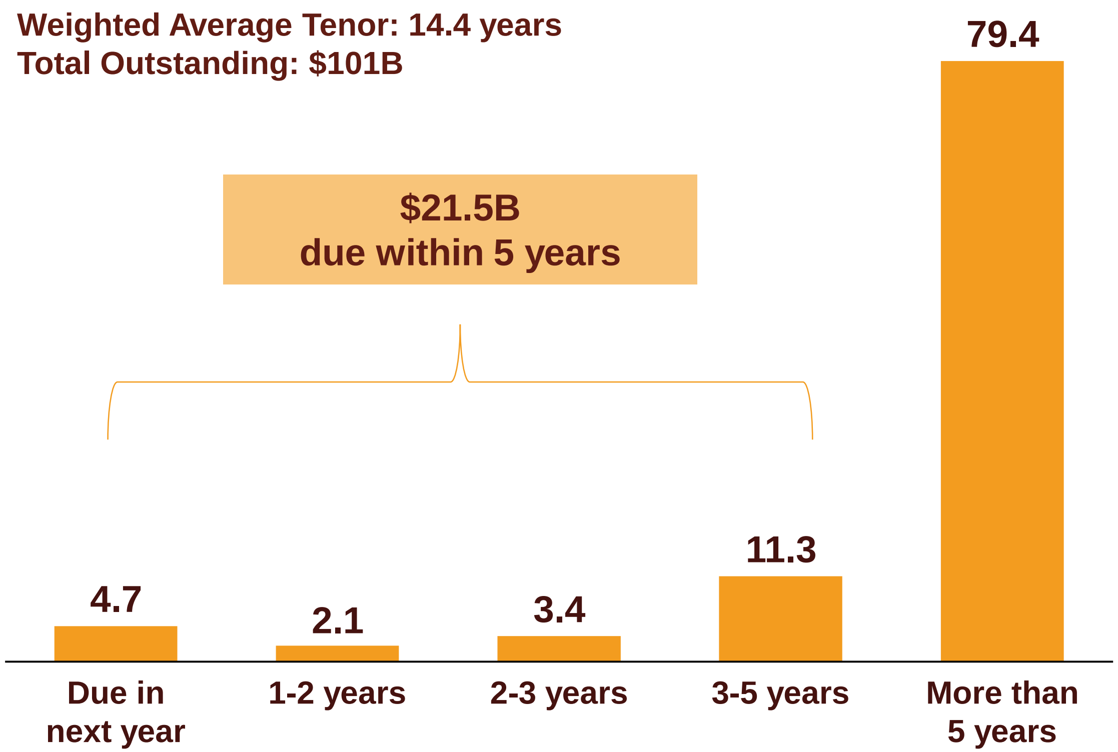
SINCE CLOSING THE SAB COMBINATION, WE HAVE REDUCED GROSS DEBT AND EXTENDED MATURITIES SIGNIFICANTLY TO ELIMINATE ANY REFINANCING RISKS IN THE NEAR TO MEDIUM TERM

BOND MATURITY PROFILE END OF 2016



BOND MATURITY PROFILE PRO FORMA 3Q19

Pro forma to reflect the proceeds of IPO

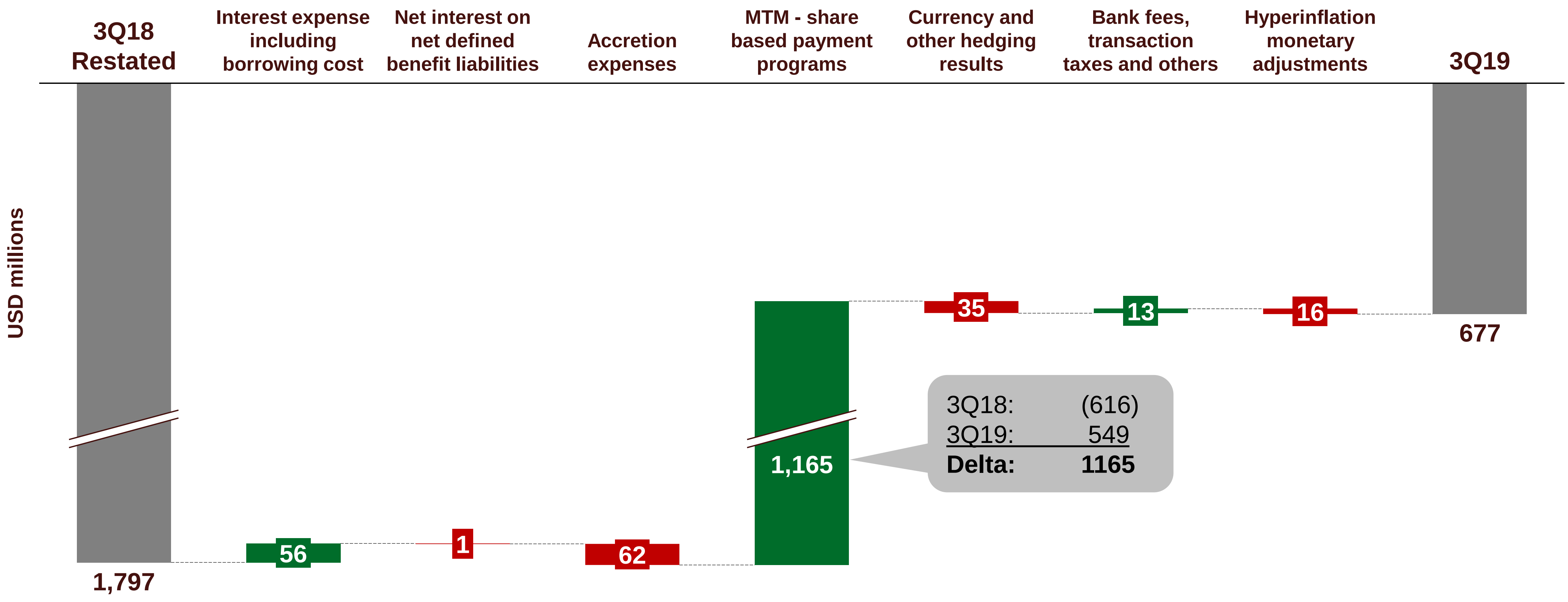


Proceeds from divestment of Australia to generate incremental bond redemptions post closing and a further extension of the weighted average tenor (not reflected above)

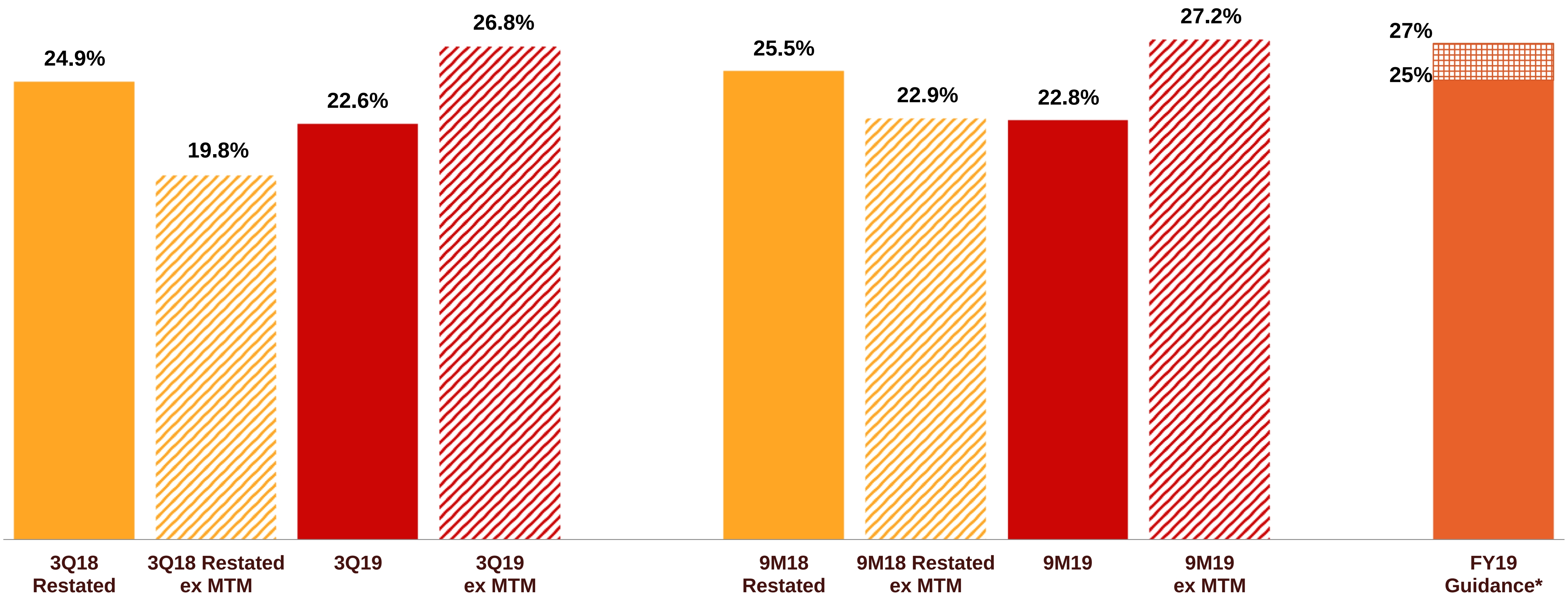
Note: Represents bond portfolio only and values all bonds at par. Portfolio statistics and maturity profile as of September 30, 2019 are pro forma for bond redemptions announced on September 30, 2019 and October 11, 2019.


Financials

DECREASE IN NET FINANCE COSTS EXCLUDING NON-RECURRING ITEMS DRIVEN PRIMARILY BY THE SWING IN MTM ON THE SHARE-BASED PAYMENT PROGRAMS

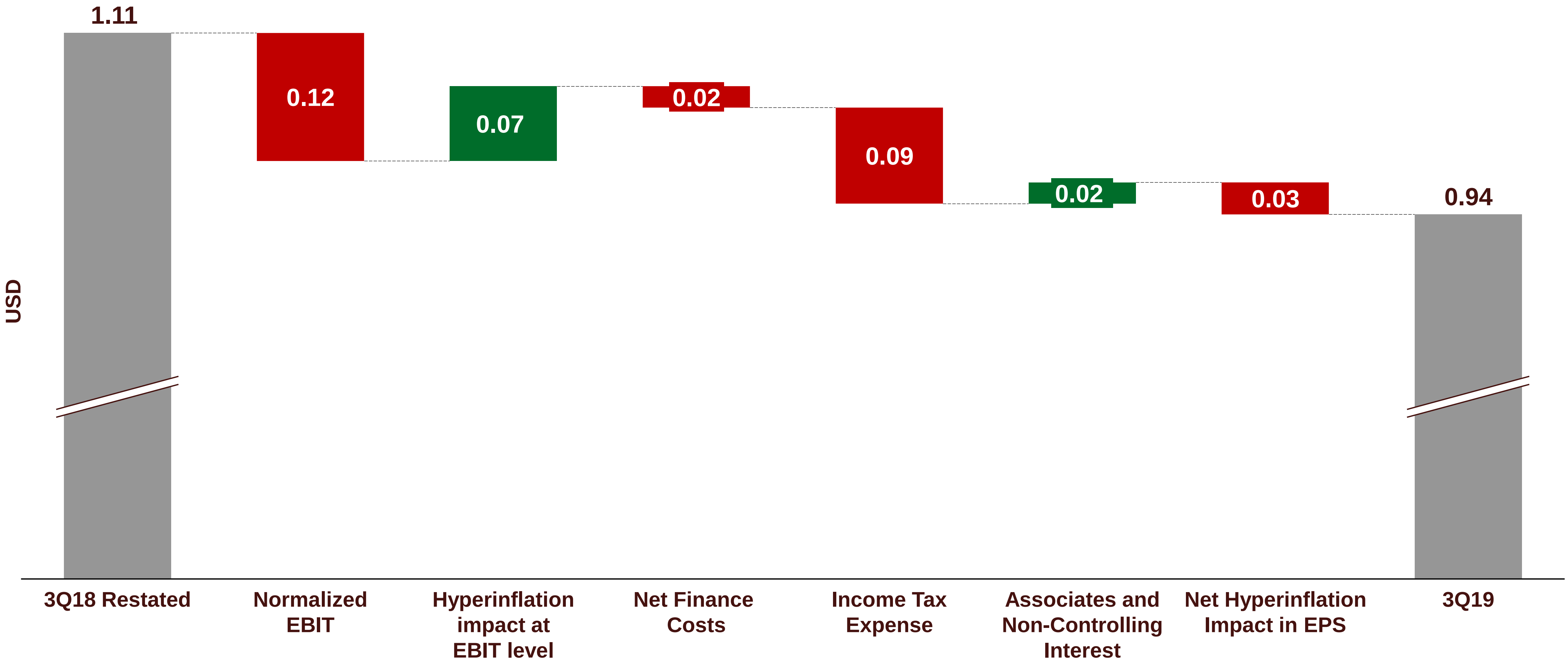


NORMALIZED EFFECTIVE TAX RATE (ETR)



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

UNDERLYING EPS DECREASED FROM $1.11 TO $0.94 IN 3Q19



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) 3Q19 and 3Q18 calculated based upon weighted average number of shares of 1 982 and 1 975 million respectively

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. After the successful completion of the listing of Budweiser APAC and accounting for the proceeds expected to be received from the divestment of the Australian operations (while excluding the last 12 months EBITDA from the Australian operations), our net debt to EBITDA ratio would be below 4x by the end of 2019, one year earlier than our prior guidance.

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

Q&A