



# 2Q23 Results

August 3, 2023



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# Agenda

## 01 2Q23 operating performance highlights

## 02 Update on our strategic pillars

- Lead and grow the category
- Digitize and monetize our ecosystem
- Optimize our business

## 03 Q&A



# Operating performance highlights



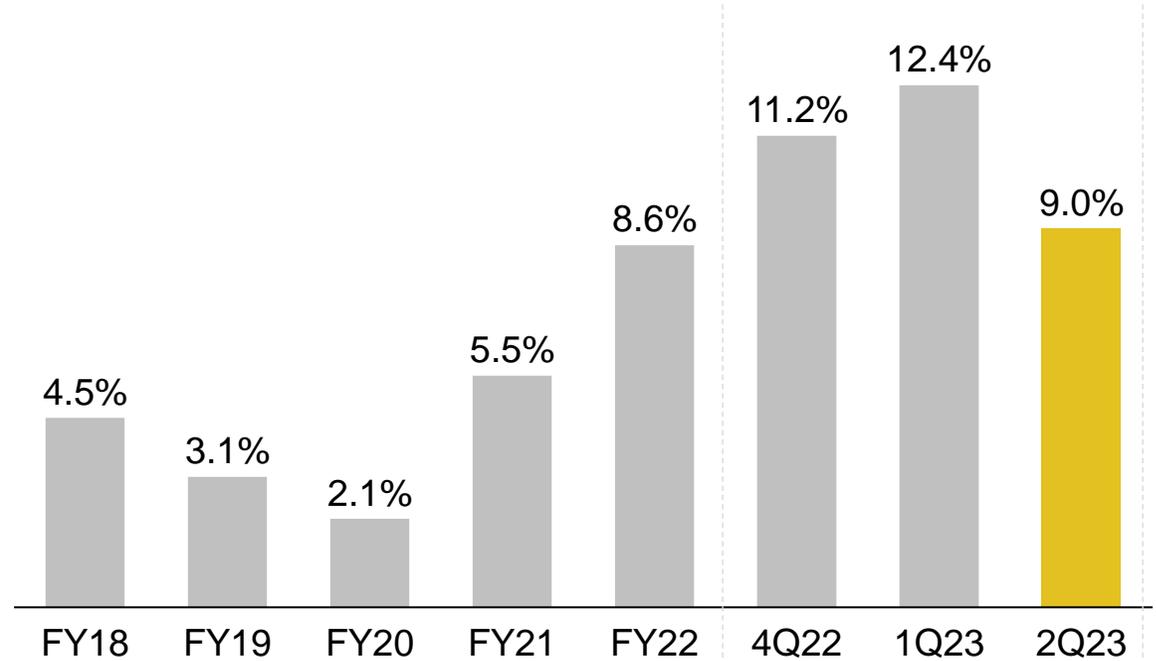
# 2Q23 operating performance

Total volumes **-1.4%**  
Own beer **-1.8%** and non-beer **+0.5%**

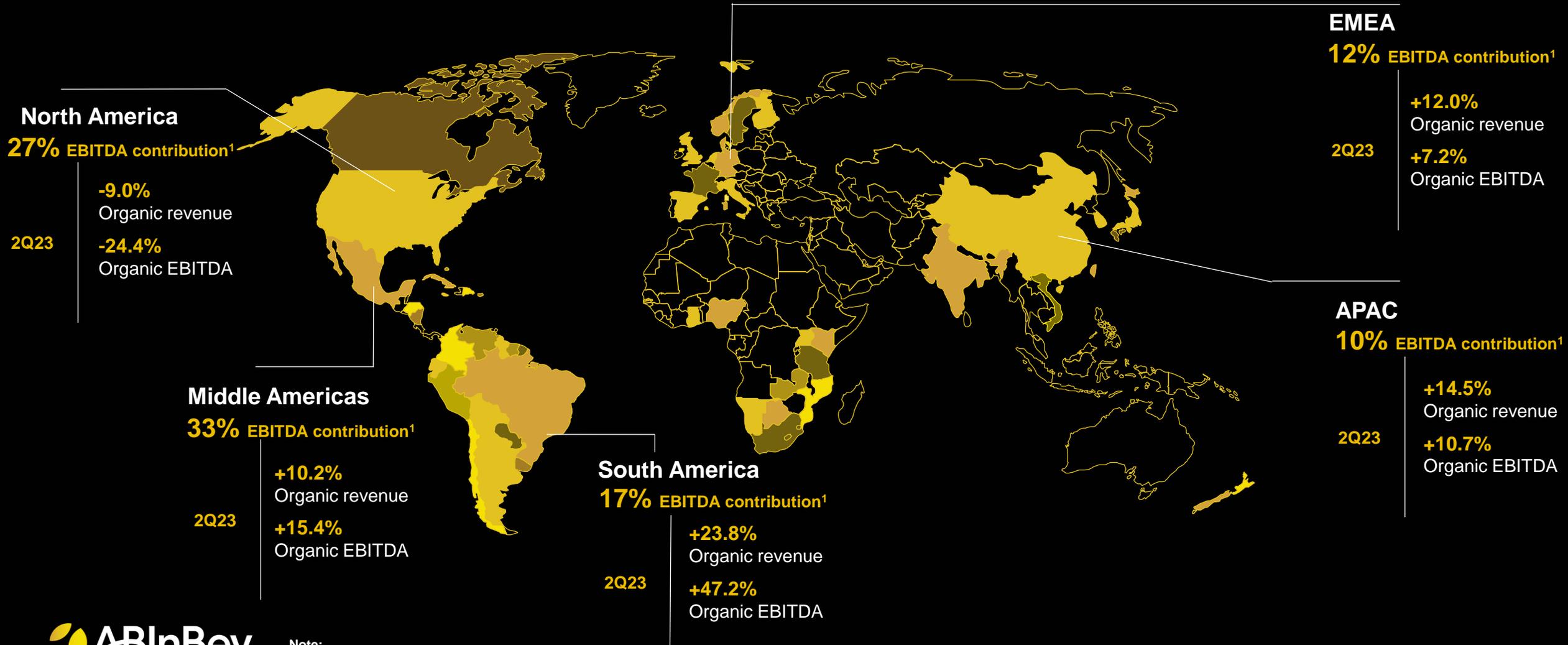
Total revenue **+7.2%**  
Revenue per hl **+9.0%**

EBITDA **+5.0%**  
EBITDA margin of **32.5%**  
Underlying EPS of **\$0.72**

## Revenue per hl growth



# Diversified footprint provides a unique platform to lead & grow the category, delivering revenue growth in over 85% of our markets



Note:

1. Percentage EBITDA contribution is based on share of AB InBev Worldwide LTM EBITDA, excluding GEHC as of 30-June-2023; numbers do not sum to 100% due to rounding

# North America



## United States

Revenue declined by 10.5% impacted by volume performance

- Performance impacted by volume decline of Bud Light
- Market share has been stable since late-April
- Continue to invest for the long-term in our brands and partners



## Canada

- Low-single digit revenue growth
- Volume declined by mid-single digits



### 2Q23

Total Volume - 14.1%

Net Revenue / hl + 5.9%

Net Revenue - 9.0%

EBITDA - 24.4%

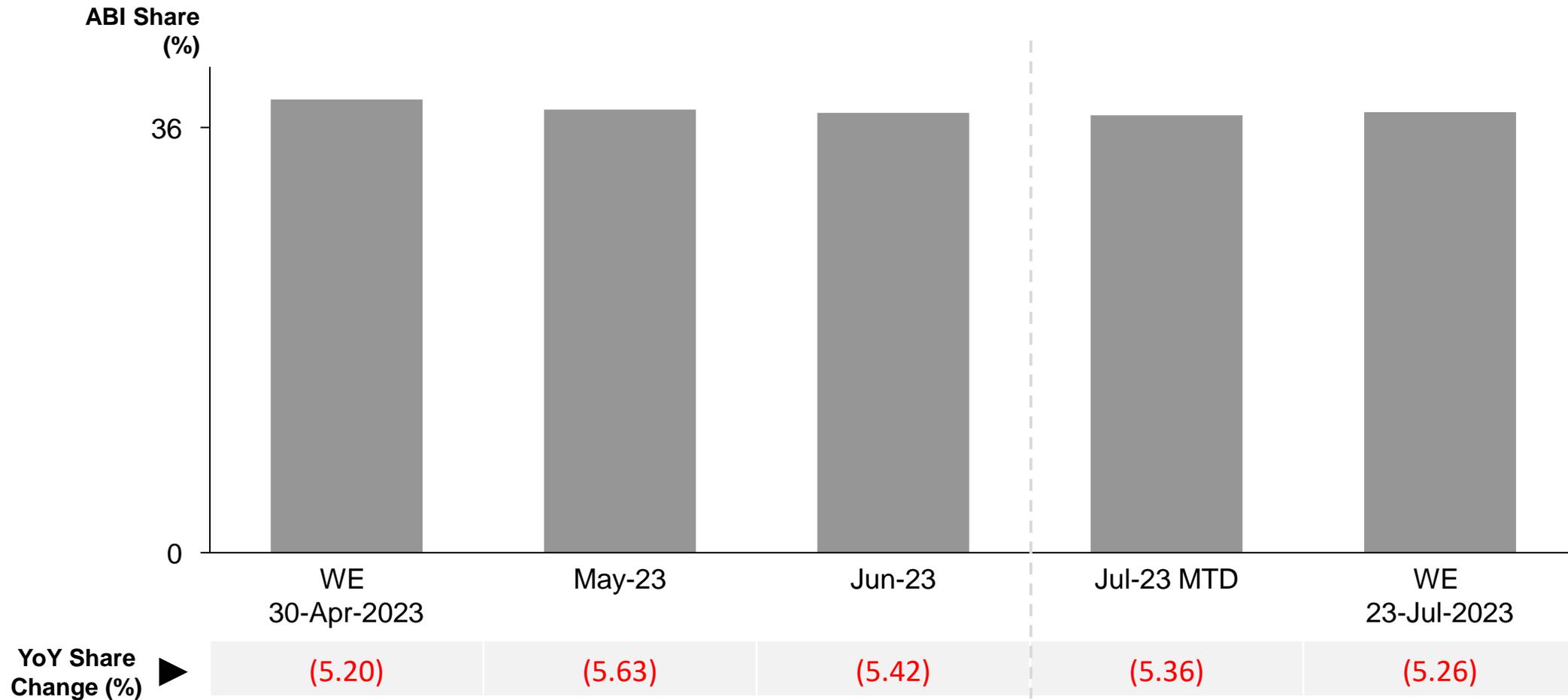
EBITDA Margin 30.1%

Actively engaging with thousands of consumers, regardless of favorability, most consumers agree they want:



- 1 Their **beer without a debate**
- 2 Bud Light to **focus on beer**
- 3 Bud Light to concentrate on **platforms that all our consumers love** – e.g., *NFL, Folds of Honor, Music*

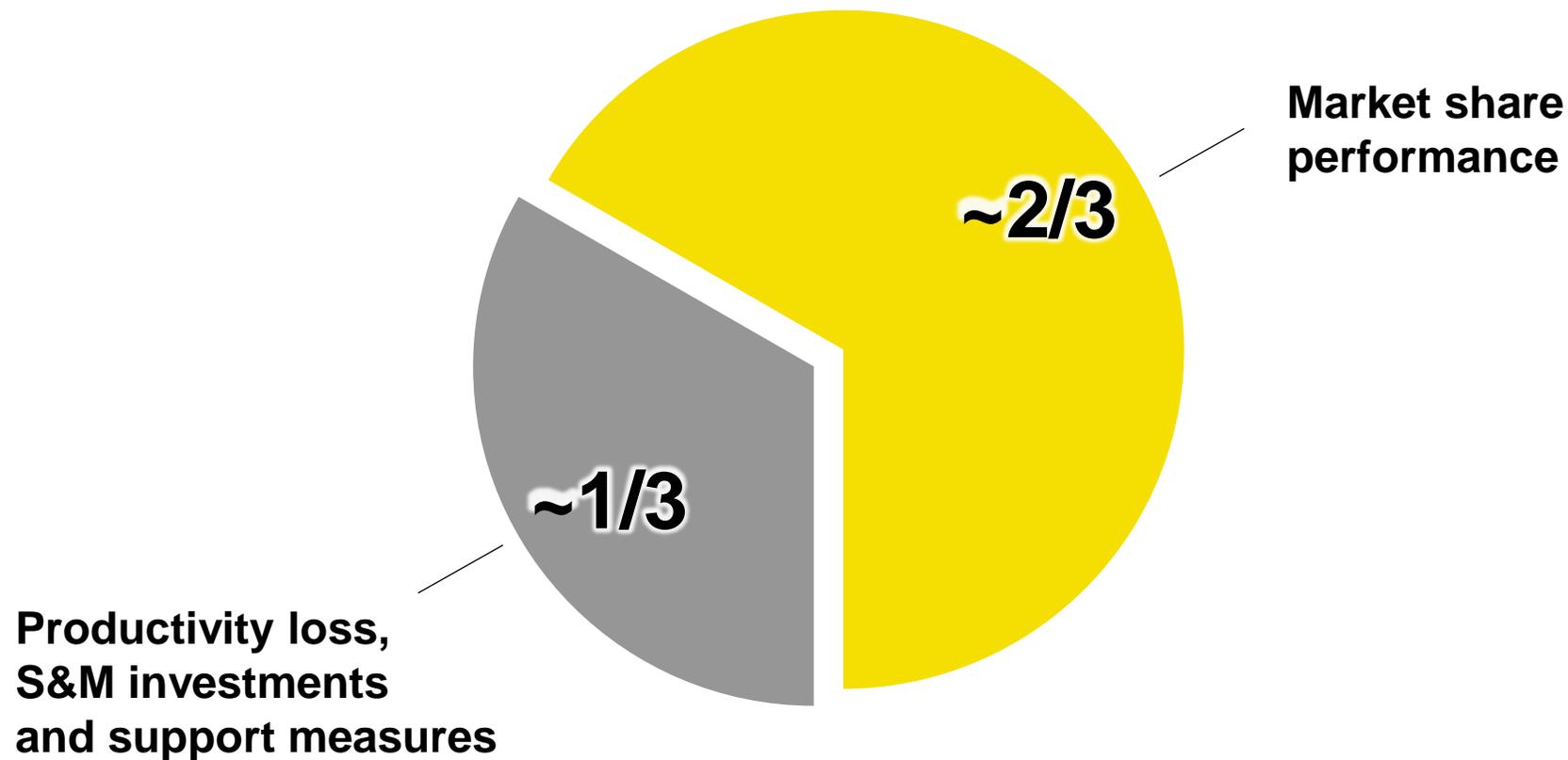
# Market share has been stable since late-April



# Approximately two thirds of US EBITDA decline driven by market share performance



## US EBITDA decline



# Middle Americas



## Mexico

*Double-digit top- and bottom-line growth with continued market share gain*

- Above core portfolio grew revenue by mid-teens



## Colombia

*High-single digit top- and double-digit bottom-line growth*

- Mainstream portfolio delivered double-digit top-line growth
- Beer portfolio continued to gain share of total alcohol



### 2Q23

Total Volume

+ 0.3%

Net Revenue / hl

+ 9.9%

Net Revenue

+ 10.2%

EBITDA

+ 15.4%

EBITDA Margin

46.9%

# South America



## Brazil

*High-single digit top-line and double-digit bottom-line growth with margin expansion*

- Performance led by premium and super premium brands, growing volumes in the mid-thirties



## Argentina

- Revenue increased by high-single digits on a reported USD basis and by over 100% on an organic basis



**2Q23**

**Total Volume**

**- 1.9%**

**Net Revenue / hl**

**+ 26.2%**

**Net Revenue**

**+ 23.8%**

**EBITDA**

**+ 47.2%**

**EBITDA Margin**

**26.9%**

# EMEA



## Europe

*High single digit top- and bottom-line growth*

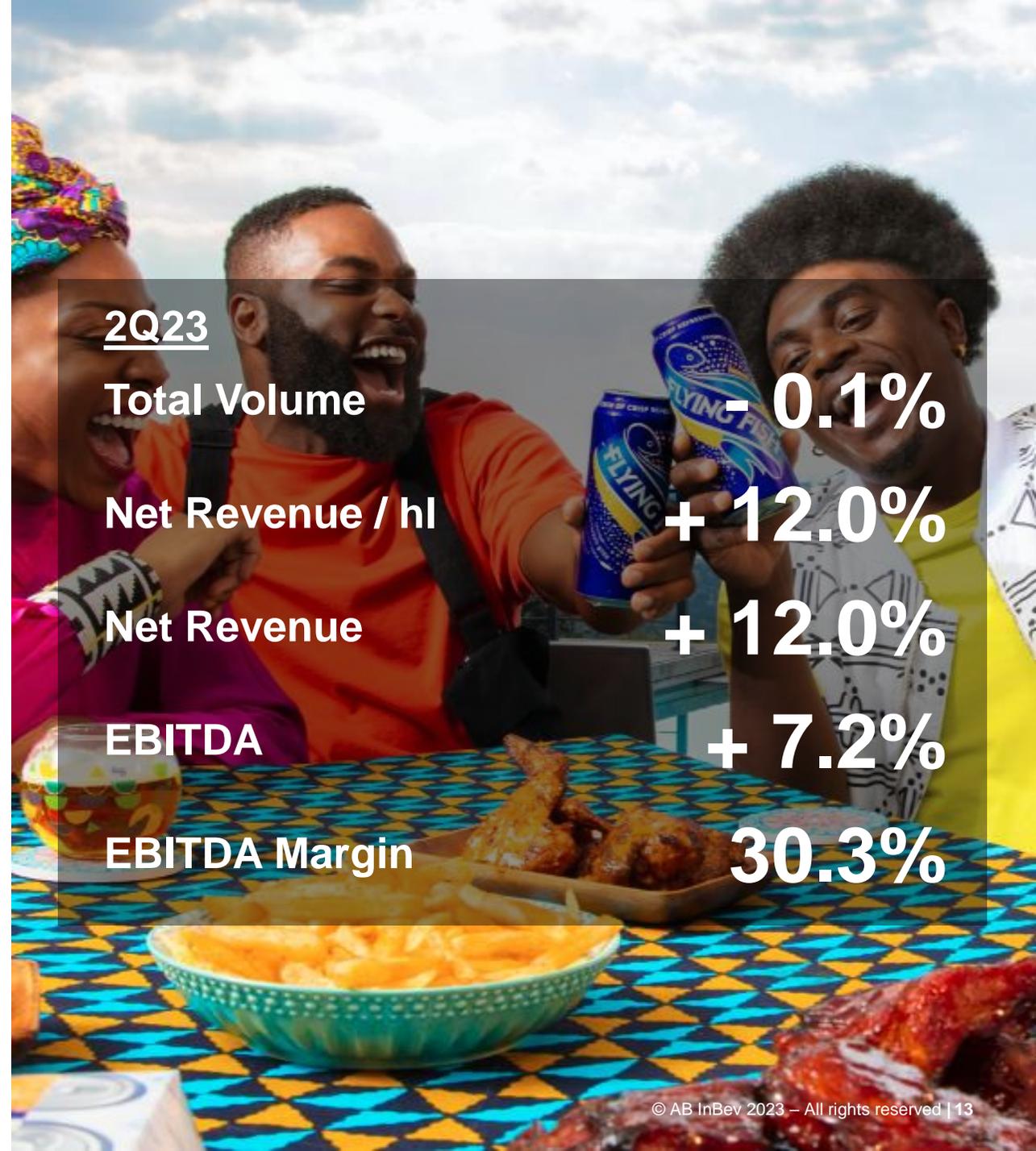
- Premium and super premium portfolio delivered double-digit revenue growth



## South Africa

*Double digit top-line growth with continued market share gain*

- Carling Black Label delivered high-teens volume growth
- Global brands grew volumes by more than 50%



**2Q23**

**Total Volume**

**- 0.1%**

**Net Revenue / hl**

**+ 12.0%**

**Net Revenue**

**+ 12.0%**

**EBITDA**

**+ 7.2%**

**EBITDA Margin**

**30.3%**

# Asia Pacific



## China

*Double-digit top- and bottom-line growth*

- Volume growth across all segments of our portfolio, led by premium and super premium, which grew mid-twenties



## South Korea

- Volumes declined low-single digits as we cycled strong performance in 2Q22 which was supported by post-COVID recovery



### 2Q23

Total Volume	+ 9.5%
Net Revenue / hl	+ 4.6%
Net Revenue	+ 14.5%
EBITDA	+ 10.7%
EBITDA Margin	32.7%



# Sustainability highlights

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# Advancing our sustainability priorities to support our commercial vision

## Climate Action



Reduction in Scopes 1 & 2 emissions since 2017\*

## Smart Agriculture



Direct farmers skilled

## Water Stewardship



Improvement in water efficiency since 2017

## Circular Packaging



Products in packaging that was returnable or made from majority recycled content

### Examples of local initiatives in 2023 to deliver towards our 2025 Sustainability Goals:

Lowering emissions with a biomass processor in Belgium to produce thermal energy from malt husks

Provided technical and financial training to over 900 smallholder barley farmers in Uganda

Piloting vacuum pump technology to reduce water usage in bottle fillers

Launched a returnable bottle campaign in Brazil that promotes affordability and sustainability

# Update on our strategic pillars

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# Lead and grow the category

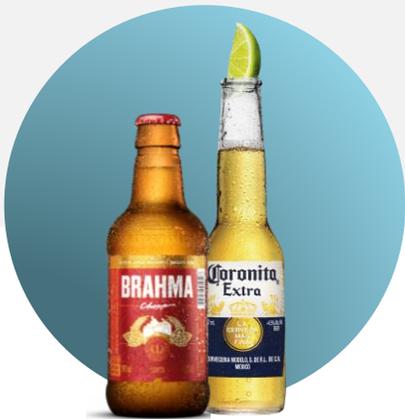


# Lead and grow the category: 5 category expansion levers

1

## Inclusive Category

Participation increased across key markets in Latin America and Africa



2

## Core Superiority

Mainstream portfolio delivered **mid-single digit** revenue growth



3

## Occasions Development

~30% revenue growth of our no-alcohol beer portfolio



4

## Premiumization

Above core portfolio delivered revenue growth **above 10%**



5

## Beyond Beer

Contributed **over \$385m** of revenue



# Our global brands delivered 18.4% revenue growth in 2Q23

Outside of their home markets, where they command a premium price



vs. 2Q22  
**+23.7%**

2Q23 revenue outside Mexico<sup>1</sup>



vs. 2Q22  
**+14.5%**

2Q23 revenue outside Belgium



vs. 2Q22  
**+16.9%**

2Q23 revenue outside the US

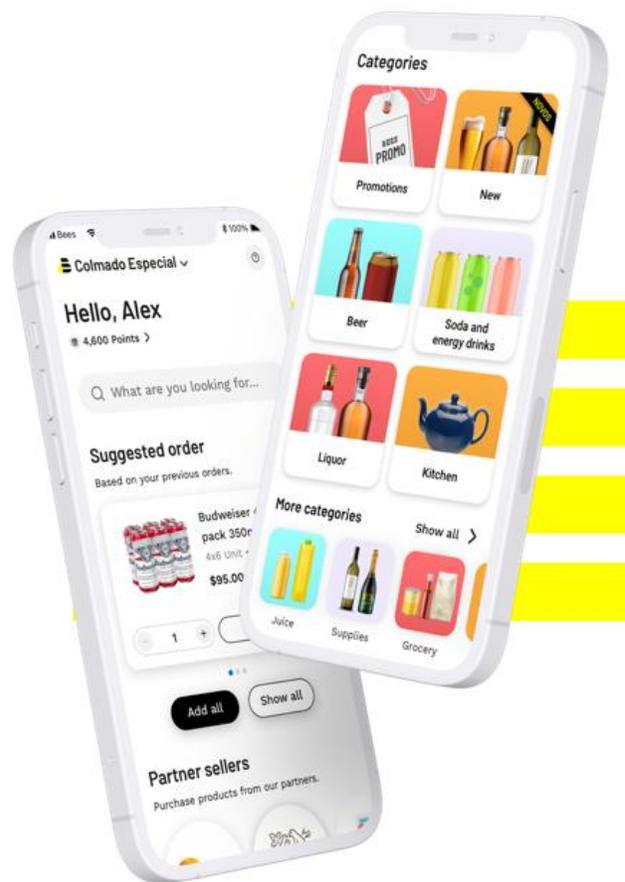
Notes

1. Excludes exports to Australia for which a perpetual license was granted to a third party upon disposal of the Australia operations

# Digitize and monetize our ecosystem



# BEES continues to expand and empower our customers



	<u>June 2022</u>	<u>June 2023</u>	<u>YoY</u>
Monthly Active Users ("MAU")	2.9m	3.3m >98% digital retention <sup>2</sup>	+15%
Gross Merchandise Value ("GMV")	~\$7.4bn 2Q22	~\$9.2bn 2Q23	+30%
Net Promoter Score ("NPS") <sup>1</sup>	+50	+60	+10
Marketplace Markets	12	15	+3
Marketplace buyers % of current BEES buyers	40%	63%	+23pts
Marketplace GMV	\$265m 2Q22	\$340m 2Q23	+41% <sup>3</sup>

**Note**

1. Reflects weighted average NPS from eight BEES markets (Argentina, Brazil, Colombia, Dominican Republic, Ecuador, Mexico, Peru, South Africa)
2. Digital retention defined as active buyers that ordered via BEES in current quarter as % of active buyers that ordered via BEES in previous quarter
3. YoY GMV variation calculated organically

# DC Scaling our digital direct-to-consumer products

Over

**\$115m** 2Q23 revenue

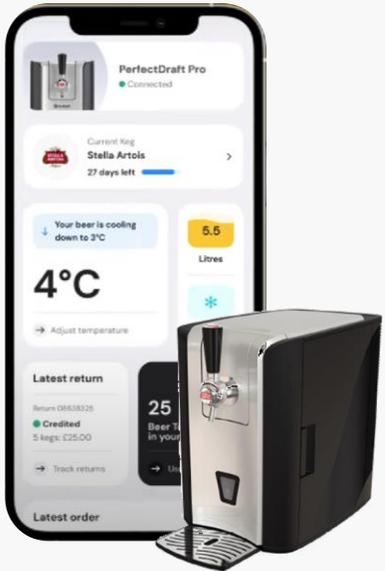
Over

**16.5m** 2Q23 online orders

Reaching

**9.8m** Active Consumers R12M

## PerfectDraft



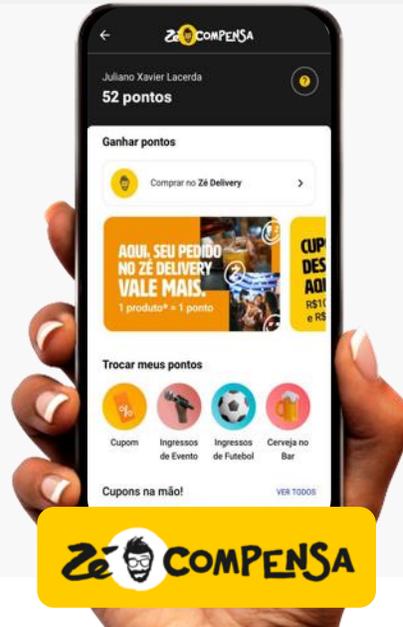
**~300k**  
2Q23  
Active households  
(-7% YoY)



## On-Demand



## Zé Delivery



Rewards Program  
Launched in April  
**1.6m**  
Rewards members in  
first 45 days



## TaDa Delivery



**~2m**  
2Q23 Orders  
(+116%YoY)

# Optimize our business



# Maximizing value

Optimized resource allocation

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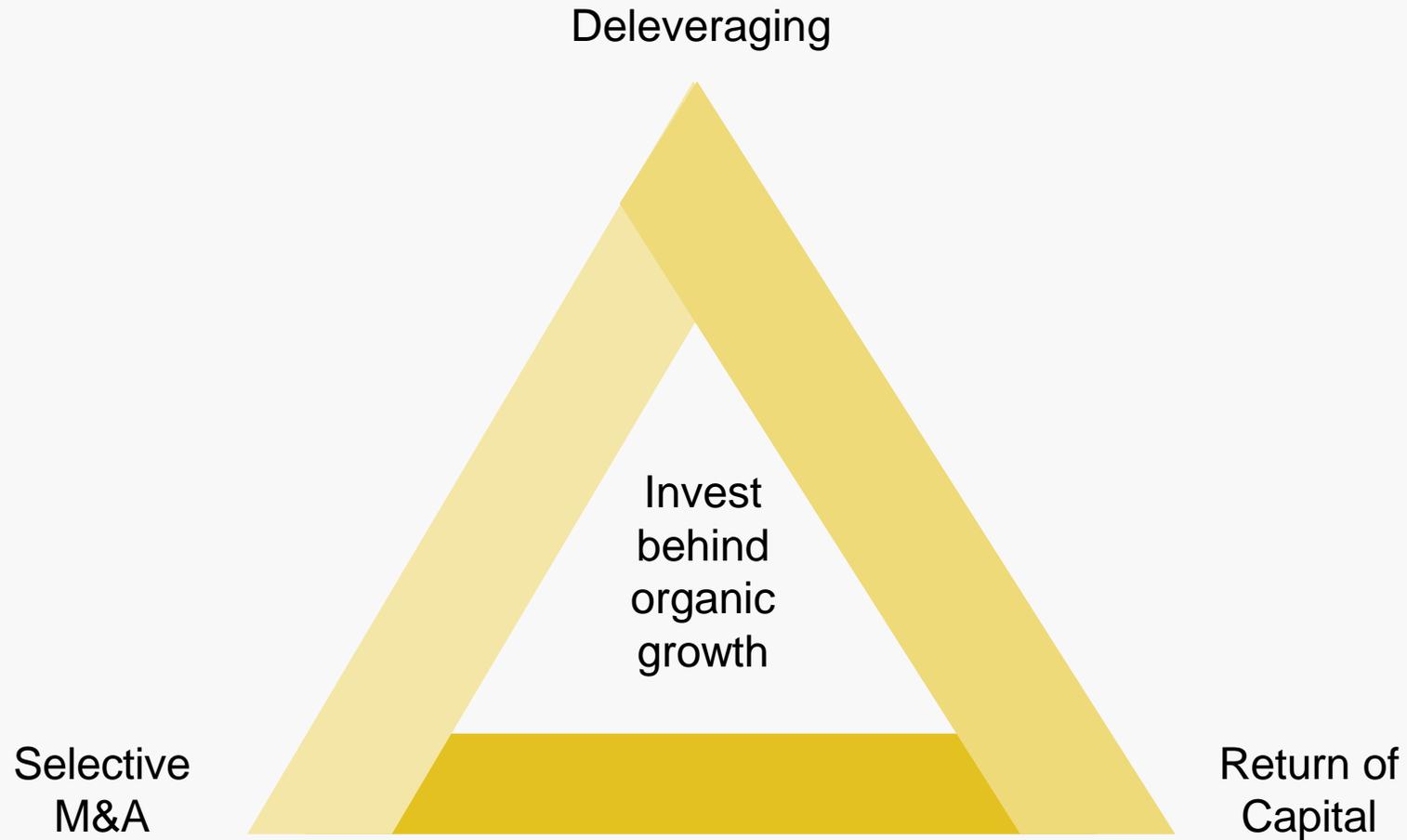
Robust risk management

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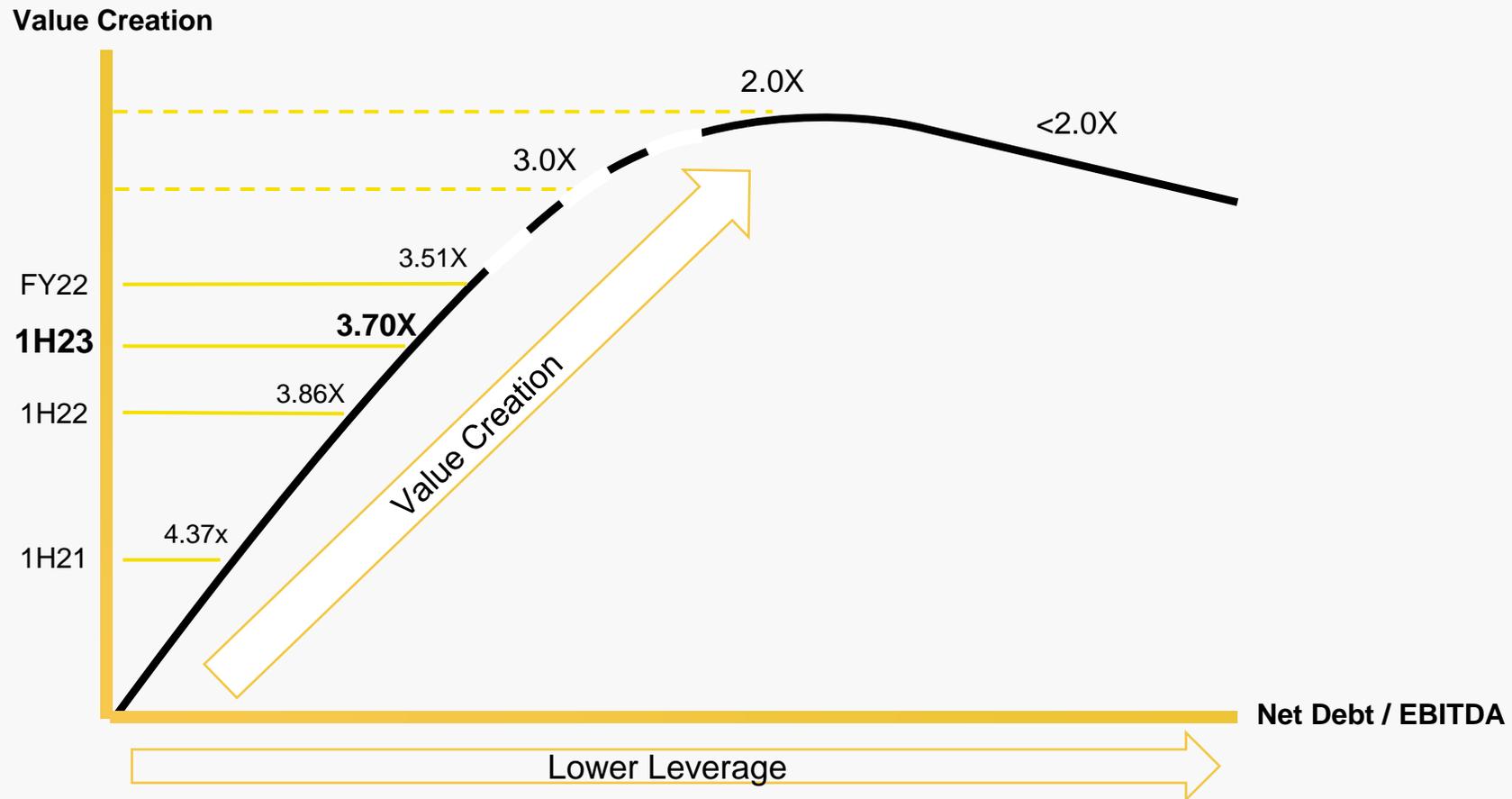
Efficient capital structure



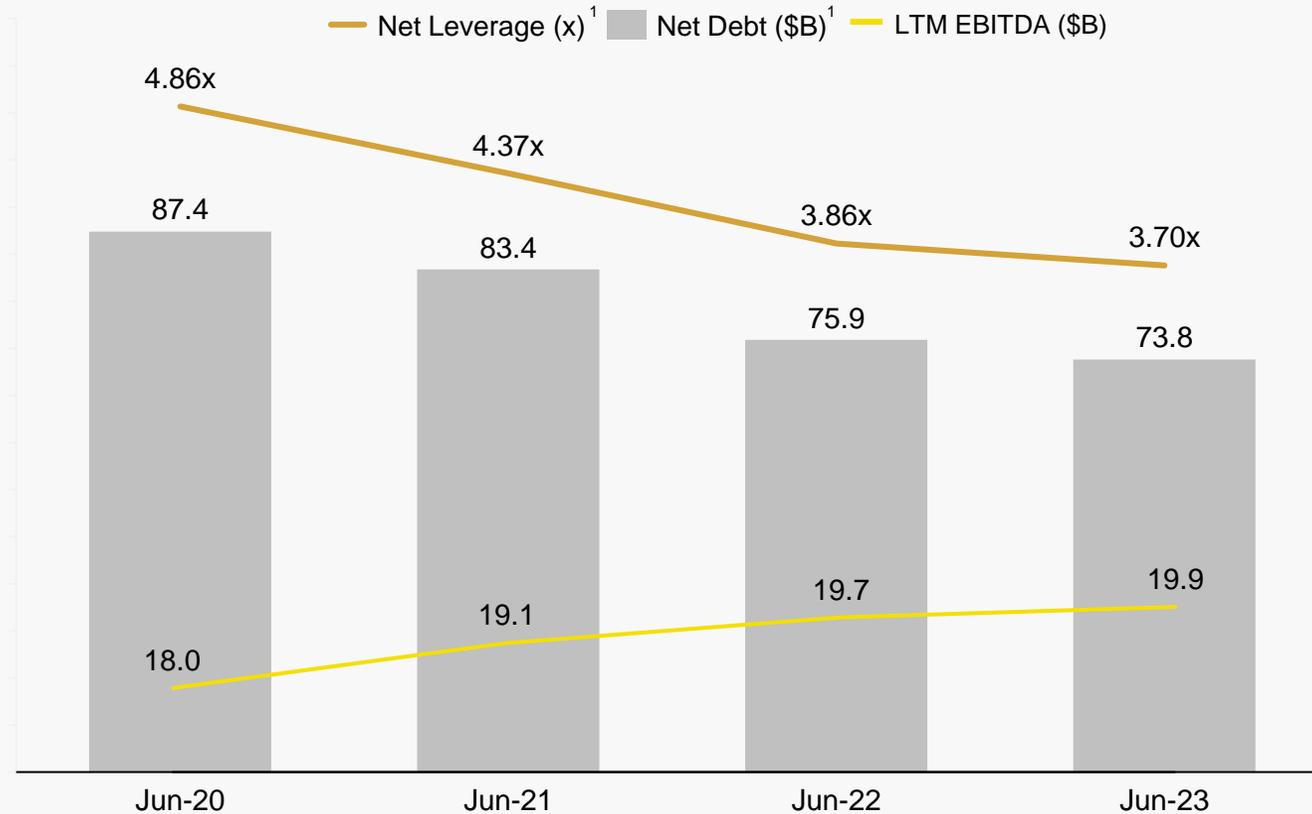
# Dynamically balancing capital allocation priorities to maximize value creation



# Creating value through deleveraging, with ~90% of value to be captured as we progress towards 3.0x



# Continued focus on deleveraging as net leverage reached 3.70x



## Net Debt impacted by:

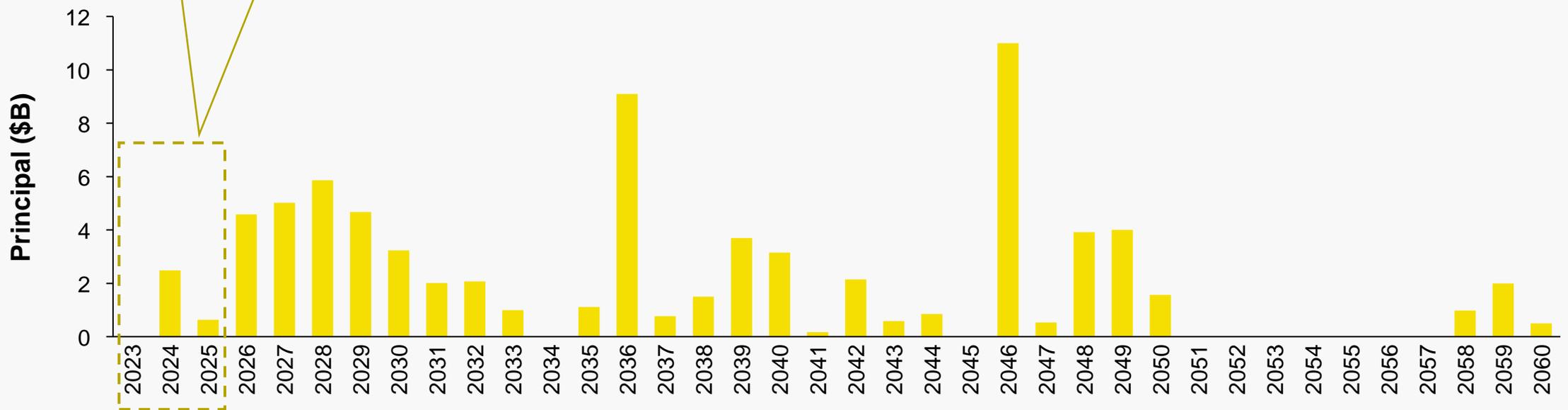
- 1 Seasonality of cash flows
- 2 Higher dividend payment
- 3 FX headwinds

# Well-distributed bond maturity profile with very manageable coupon and limited medium-term refinancing needs

**~\$3Bn**  
*maturing through 2025*

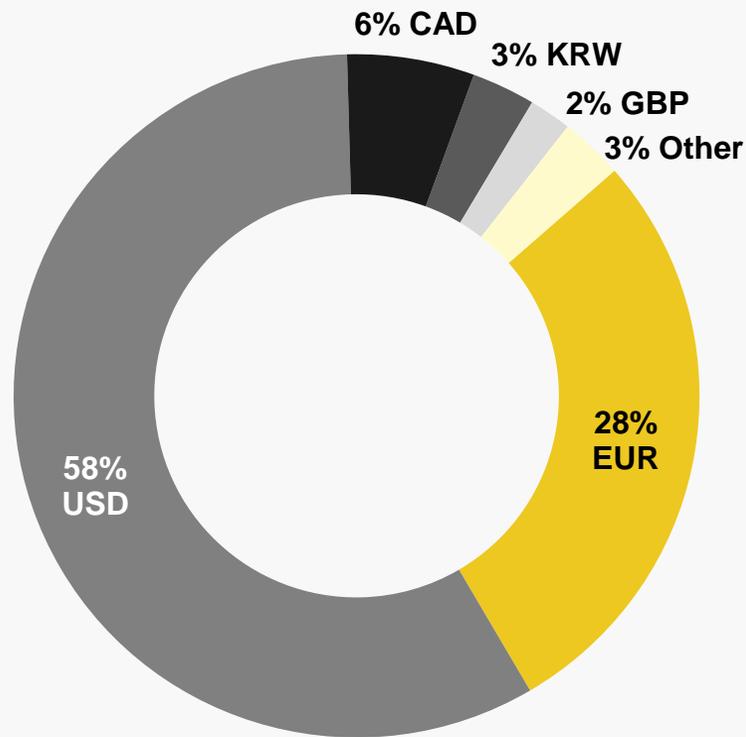
**~4%**  
*Pre-tax coupon*

**~14 yrs**  
*weighted average maturity*

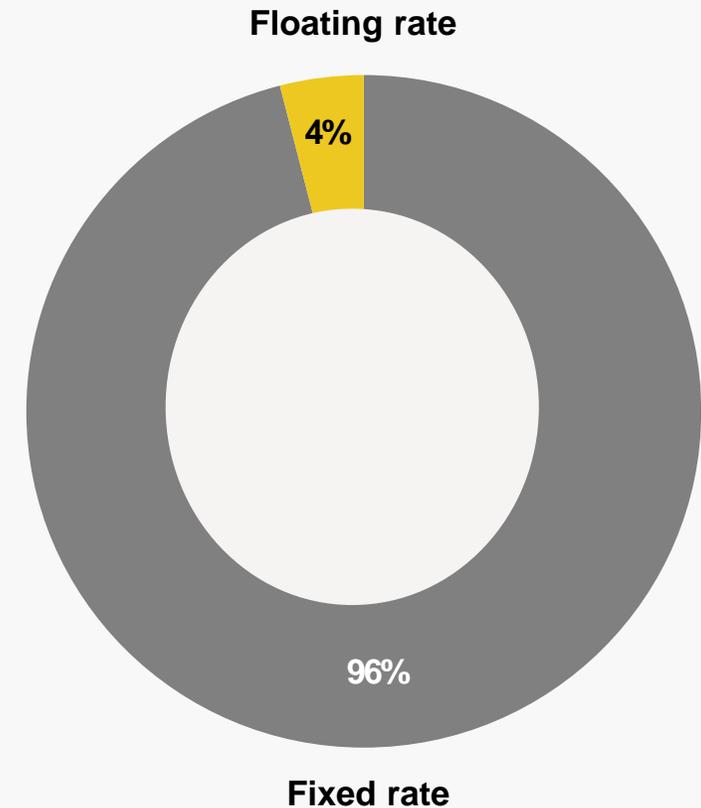


# Bond portfolio is diversified across currencies and 96% fixed rate

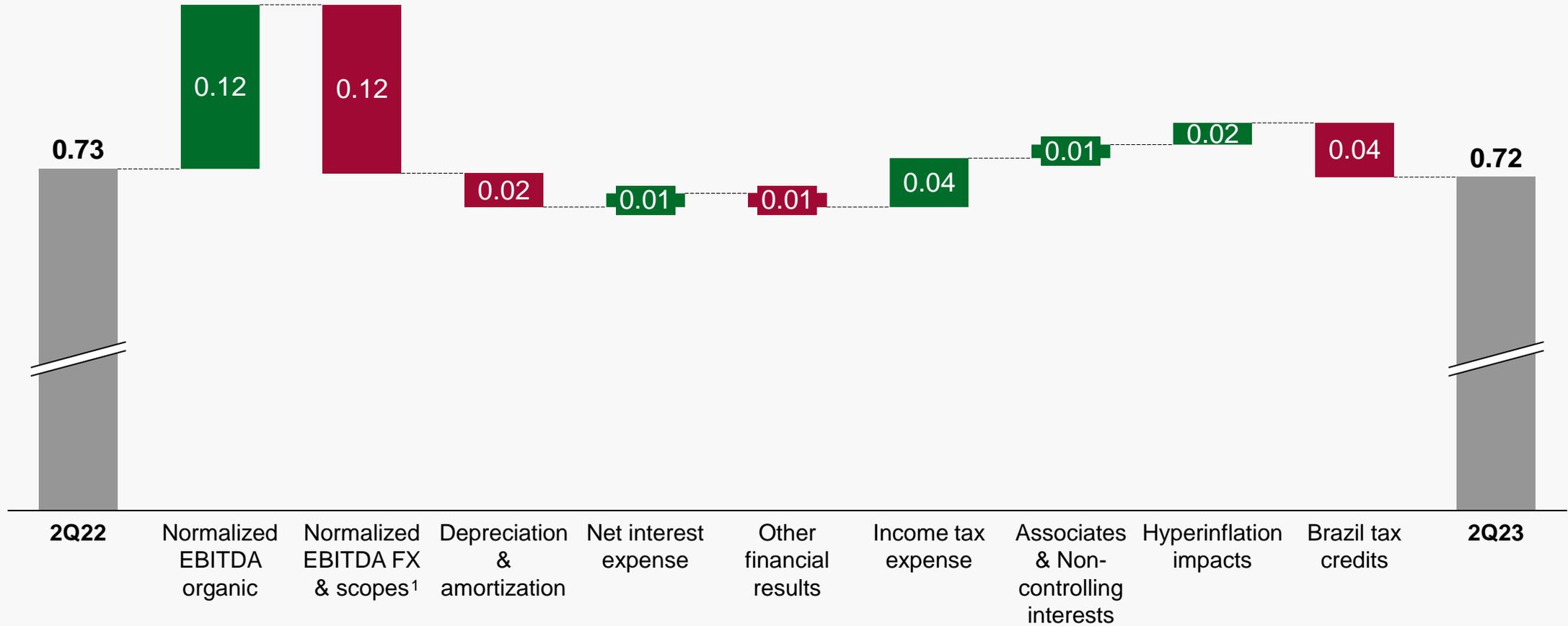
Diverse currency mix reduces risk



96% of our bond portfolio is fixed rate



# Underlying EPS remained stable at \$0.72

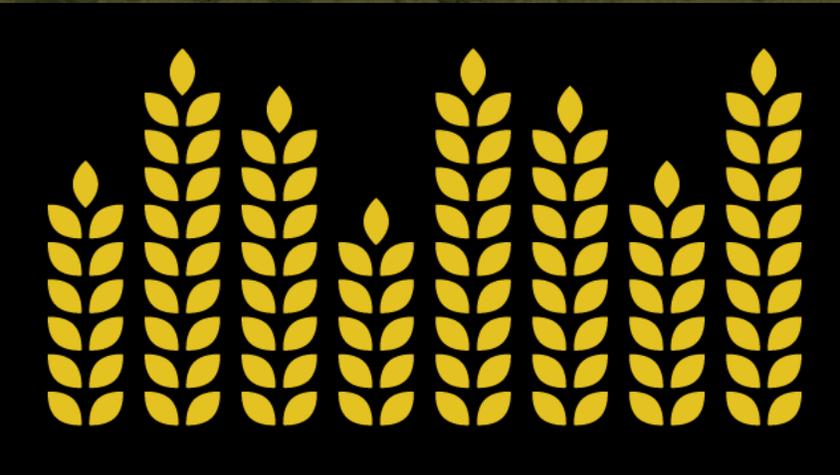


**Note**

1. Translational FX & scopes impact on Normalized EBITDA organic, excluding Brazil tax credits of 2Q22



# 2Q23 Takeaways



# Superior platform to deliver long-term value creation

## Another quarter of profitable growth

- 5.0% organic EBITDA growth
- \$0.72 Underlying EPS
- \$2.1 billion invested in capex and \$3.5 billion in sales and marketing in 1H23



## Global leader in big, profitable and growing beer category

- Double-digit top-line growth in four of five operating regions
- Volume growth in majority and revenue growth in over 85% of our markets
- 9.0% revenue per hl growth

## Accelerated digital transformation

- ~ 64% of our revenues are digital with \$9.2 billion GMV
- BEES Marketplace: ~\$1.3 billion annualized GMV
- ~\$385 million DTC Net Revenue

# Q&A

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