Research Update:

BevCo Lux S.a.r.l. Outlook Revised To Stable From Negative On Lower Group Leverage; 'BBB' Ratings Affirmed

September 19, 2025

Primary Contact

Iuliana Tornea
Stockholm
46-84-40-5937
iuliana.tornea
@spglobal.com

Secondary Contacts

Mikaela Hillman
Stockholm
46-84-40-5917
mikaela.hillman
@spglobal.com

Florent Blot, CFA
Paris
33-1-40-75-25-42
florent.blot
@spglobal.com

Rating Action Overview

- Luxembourg-based investment holding company BevCo Lux S.a.r.l. realized about €667 million of asset sales in 2024, distributing the proceeds to its parent company Aguila Ltd., which mainly allocated them toward debt reduction. At the same time, distributions to Aguila's ultimate shareholders have moderated in 2024 from 2023.
- As a result, we estimate that Aguila's reported loan to value (LTV) improved to 11.4% as of Dec. 31, 2024, from about 15% as of Dec. 31, 2023, despite unfavorable equity market conditions. On an S&P Global Ratings-adjusted basis including investment commitments to third-party investment funds, Aguila's leverage improved to 15.2% as of Dec. 31, 2024, from about 18% as of Dec. 31, 2023.
- While the portfolio remains exposed to fluctuations in key asset Anheuser-Busch InBev (ABI's) share price, we believe the group's recent asset disposals demonstrate a clear commitment to maintaining prudent financial leverage. We expect the current deleveraging trajectory to continue at both BevCo Lux and Aguila in 2025-2026, leading to increased LTV headroom, particularly at Aguila.
- We therefore revised our outlook on BevCo Lux to stable from negative and affirmed our 'BBB' long-term issuer credit and issue ratings on its unsecured debt.
- The stable outlook reflects our expectation that the group will continue to proactively manage its leverage, including through additional asset sales if necessary, such that BevCo Lux will maintain its LTV ratio well below 20%, while Aguila's LTV ratio including investment commitments will continue to improve and stay well below 15%.

Rating Action Rationale

BevCo Lux's parent company Aguila improved its financial flexibility during 2024 through asset sales, despite a significant decline in ABI's share price. In 2024, BevCo Lux sold most of its stake in KDP and fully divested its stakes in Inmobiliaria Colonial and Kraft Heinz, realizing proceeds of €667 million, which were largely transferred to Aguila via dividend payments and share capital redemptions for net debt reduction at the parent level. Coupled with more restrained distributions to the group's ultimate shareholders compared to 2023, this translated into lower leverage at the parent level. Aguila's reported LTV--excluding investment commitments to third-party investment funds--decreased to 11.4% as of Dec. 31, 2024 from about 15% as of Dec. 31, 2023, despite a 17% decline in ABI's share price during 2024. Including the investment commitments at the parent level, Aguila's S&P Global Ratings-adjusted LTV improved to 15.2% as of Dec. 31, 2024 from about 18% as of Dec. 31, 2023.

At the same time, BevCo Lux received some support from Aguila in the form of in-kind asset contributions, partly offsetting the distributions to its parent funded via the asset sales. As a result, its S&P Global Ratings-adjusted LTV stood at 16.1% as of Dec. 31, 2024, compared with 15.0% the previous year. We think this still represents adequate headroom relative to its 20% LTV downside threshold despite its portfolio value declining by about 15%, primarily due to the weaker ABI share price and the asset disposals.

We anticipate that the group will prioritize LTV headroom, regardless of future ABI share price volatility. ABI continues to represent a significant portion of the portfolio, accounting for 76% of BevCo Lux's and 41% of Aguila's S&P Global Ratings-adjusted portfolio value at year-end 2024, while the exposure to other listed assets declined further after the disposals realized in 2024. However, we believe the group has demonstrated its willingness to take remedial actions, such as asset disposals and lower shareholder distributions at the group level, to address pressure on the LTV from share price volatility of the ABI stock.

The investment holding company’s financial policy framework includes a commitment to maintain an investment-grade rating. We understand that management aims to keep its S&P Global Ratings-adjusted LTV (including investment commitments to third-party investment funds) well below 20% at BevCo Lux and 15% at Aguila, respectively. We therefore anticipate that the group will continue to proactively manage its leverage through additional asset sales or by adjusting distributions to the group’s ultimate shareholders in case of further weakening of ABI's share price or lower dividend and interest income from ABI and other portfolio assets.

The group’s deleveraging efforts and the lower ABI share price at the end of 2024 increased its exposure to unlisted assets. BevCo Lux's investments in various private businesses amounted to €1.3 billion as of Dec. 31, 2024, from €1.2 billion at Dec. 31, 2023, and about €600 million as of Dec. 31, 2022, which includes new investments, divestments, and changes in mark-to-market, while the value of its stake in ABI declined to €5.0 billion from €6.0 billion in 2023. This, alongside the disposal of most of the stake in KDP, as well as the full stake in Kraft Heinz, resulted in the holding company’s share of listed assets decreasing to about 80% as of Dec. 31, 2024, from 85% as of Dec. 31, 2023. At the same time, a large majority of Aguila's assets other than those coming from BevCo Lux's perimeter are invested in debt and equity securities issued by private businesses, resulting in an overall group portfolio exposure to listed assets of about 50%.

Although private investments offer diversification and more uncorrelated return opportunities to traditional listed securities, we believe that they reduce portfolio liquidity and are typically associated with weaker creditworthiness and lower recurring dividend income prospects. Overall, we still view the group's portfolio liquidity and creditworthiness to be adequate, mainly supported by ABI (A-/Positive/A-2). That said we estimate that a further decline in ABI's share price or portfolio rotation to private securities could lead to the group's share of listed assets falling under 40% and lead us to lower the rating.

We also estimate that listed assets representing about 16% of BevCo Lux’s portfolio are currently pledged as collateral for its secured revolving credit facilities (RCFs) and a modest proportion of Aguila's other listed assets are pledged to secured financing at the parent level. While this could incrementally weaken portfolio liquidity, we believe the risk is partially mitigated by BevCo Lux's efforts to shift its funding mix toward unsecured financings. Unsecured RCFs represented about 60% of the total committed RCFs in 2024 compared with 20% in 2021, while the secured RCFs remained fully undrawn at the end of both 2024 and 2023.

Higher dividend income from ABI will partly offset the lost dividend income from divested assets. Following the disposals of the other listed assets, we expect that BevCo Lux's recurring income will primarily rely on dividend distributions from ABI. For 2025, ABI announced a dividend of €1.0 per share, a 22% increase from €0.82 in 2024. The global brewing company has been steadily increasing its dividend payout since 2022, after a reduction during the pandemic to €0.50 in 2020 from €2.80 in 2018, which was also reflected in BevCo Lux's cash flow adequacy. We forecast a cash flow adequacy ratio of 3.8x in 2025, roughly in line with 2024, as we expect the higher dividend inflows from ABI will partly compensate for the dividend income from divested assets. Aguila's income stream is more diversified thanks to its larger portfolio, and we forecast that dividends from ABI will account for approximately one-third of the total dividend and interest income to be received by the group in 2025.

We continue to assess Aguila's credit profile at 'bbb', supporting our final rating on BevCo Lux. We still view parent company Aguila's creditworthiness as one notch higher than BevCo Lux's 'bbb-' stand-alone credit profile due to its bigger and less concentrated investment portfolio as well as its financial policy commitment to keep a more conservative LTV than the upper target of BevCo Lux's LTV of 20%. Despite a gradual increase of Aguila's reported LTV (excluding investment commitments) toward 15% over the past few years, leverage has been maintained below these upper target levels before 2023 for both entities, with BevCo Lux's adjusted debt broadly stable at €1.0 billion-€1.2 billion since 2018, which has historically supported the rating. We estimate that Aguila's S&P Global Ratings-adjusted portfolio value is about 1.8x higher than that of BevCo Lux, which reduces its reliance on ABI to 41% as of Dec. 31, 2024, compared with about 76% for BevCo Lux. The parent company's individual investments, excluding the stake in ABI, consist of multiple third-party public, private equity, and credit funds, all of which were below $1 billion in value as of Dec. 31, 2024. As a result, we estimate that Aguila's top three assets represented about 55% of the total portfolio, against about 86% for BevCo Lux. Aguila fully owns BevCo Lux, which we view as a core subsidiary because it was incorporated to carry out the parent's investment and financing strategy, particularly for its European investments. We therefore believe BevCo Lux is essential to the group's strategy and equalize our final issuer credit rating on BevCo Lux with our group credit profile assessment of Aguila.

Outlook

The stable outlook reflects our expectation that BevCo Lux will maintain LTV well below 20%, while Aguila's LTV including investment commitments will continue to improve and stay well below 15%. In our opinion, management would, if necessary, take measures to maintain LTV at these levels. We expect that Aguila's investment portfolio will retain a share of listed assets above 40% on a structural basis. We also assume that BevCo Lux will remain the largest and most important entity within the Aguila group, implying support to BevCo Lux under all foreseeable circumstances.

Downside scenario

We could lower our rating on BevCo Lux if its LTV ratio stays above 20% or if Aguila's LTV remains above 15%, without prospects for rapid deleveraging. This could occur if there were a sharp downward correction in the equity markets or in ABI's share price. We also believe this could stem from sizable distributions to the group's ultimate shareholders that outpace the income received from investee assets or the portfolio value evolution. We could also lower our rating if the share of listed assets in Aguila's portfolio falls below 40%.

Upside scenario

We do not expect to raise the rating within the next 12-24 months. We may consider an upgrade if management meaningfully improves diversification in BevCo Lux and Aguila's investment portfolios, while maintaining the LTV at BevCo Lux comfortably below 20% and at Aguila comfortably below 15%, on a sustainable basis.

Company Description

BevCo Lux is an investment holding company ultimately owned by the Santo Domingo family. Based on asset values as of Dec. 31, 2024, we estimate its portfolio is worth about €6.6 billion. The company's main investments include:

- ABI, the world's largest brewing company with a portfolio of more than 500 beer brands worldwide including Budweiser, Stella Artois, and Corona. BevCo Lux has a 5.2% stake in ABI and the asset represents about 75.5% of the portfolio.
- Other publicly traded securities, representing 4.4% of the portfolio.
- Private equity securities, composed of various private investments representing about 20.1% of the portfolio.

Our Base-Case Scenario

Assumptions

- Estimated annual dividend inflow and interest income of €100 million-€110 million in 2025 and €110 million-€120 million in 2026, compared with €100 million in 2024.
- Low annual operating expense of €2.0 million-€4.0 million.
- Stable annual interest expenses of €25 million-€27 million in 2025-2026 from €23.9 million in 2024. All of BevCo Lux's debt is fixed rate, with no refinancing needs before 2027.

- Portfolio rotation remaining marginal in 2025, with potential capital deployment being mainly opportunistic or to support the group's deleveraging efforts.
- Dividend payments to BevCo Lux's direct shareholder of €70 million-€80 million prior to additional proceeds from asset sales, after €286 million in 2024, which were used to upstream proceeds from asset sales for debt reduction at parent level, €58 million in 2023, and €51 million in 2022. We assume a broadly stable payout for next year, with any increase likely depending on BevCo Lux's dividend inflow or asset monetization.
- We do not assume material capital redemption or reimbursements in 2025 excluding asset sales, after €389 million in 2024, €492 million in 2023, and €21 million in 2022. We anticipate that potential share buybacks, if any, would be funded by asset sales or excess cash.
- Potential contributions from Aguila to BevCo Lux via equity injection or the inter-company loan facility to ensure continued credit metrics management.

Key metrics

BevCo Lux Sarl—Key metrics

Period ending	2019a	2020a	2021a	2022a	2023a	2024a	2025f	2026f
(Mil. €)								
LTV	9.8	14.6	16.5	14.1	15.0	16.1	<20	<20
Dividend and interest income	273	90	81	91	111	100	100-110	110-120
Cash flow adequacy (x)	9.2	2.4	1.7	3.2	4.8	3.7	3.5-4.0	4.0-4.5

All figures adjusted by S&P Global Ratings. We treat the €176 million of preferred equity certificates (PECs), which are subordinated to all outstanding debt, as equity. The PECs have a long-dated maturity profile and, although there is an optional redemption, we believe that the issuer at any time could extend the maturity date of the non-common equity financing to at least 30 days after all the other debt matures. a--Actual. f--Forecast. LTV--Loan to value.

Liquidity

We assess BevCo Lux's liquidity as strong, with a ratio of sources to uses of about 10.3x over the 12 months from Dec. 31, 2024, and 8.2x over the subsequent 12 months. The company has limited short-term debt and sizable undrawn revolving credit facilities (RCFs). The first major debt repayment is in 2027, when the €500 million unsecured bond is due.

We believe BevCo Lux's relationships with core banks are well established, and that it has a satisfactory standing in the credit markets. This was demonstrated by its recent bond issuances and negotiated unsecured RCFs with several financial institutions. We limit our liquidity assessment to strong, even though the high coverage ratio could warrant a higher assessment. This reflects BevCo Lux's heavy dependence on ABI's financial performance, which we see as a key rating constraint, especially considering that the share pledges and related margin-call ratios could limit availability under the RCFs.

Principal liquidity sources for the 12 months started Jan. 1, 2025, include:

- Cash balance of €42 million.
- About €918 million available under the secured and unsecured RCFs maturing beyond 12 months, including our downward adjustment to the secured facilities' availability.
- Annual dividend and interest income of €100 million-€110 million.

Principal liquidity uses for the same period include:

- No debt maturities at BevCo Lux over the next 24 months.

- Operating expense of about €2 million-€4 million per year.
- Annual interest expense of €25 million-€27 million per year.
- Annual dividend payment to BevCo Lux's direct shareholder of €70 million-€80 million per year.

Environmental, Social, And Governance

We regard governance factors as moderately negative for BevCo Lux's credit profile, reflecting the group's private ownership and lower breadth and independency of its board than its publicly listed peers. We believe this can translate into more lumpy shareholder distributions and leverage at both the BevCo Lux and Aguila levels. In addition, in our view, BevCo Lux's publicly listed peers have a less complex and more transparent group structure.

Environmental and social factors are an overall neutral consideration in our credit rating analysis of BevCo Lux. This mirrors our view that brewing company ABI, which represents about 76% of BevCo Lux's portfolio value, is exposed to social factors that are neutral and in line with other food and beverage companies. We acknowledge that the alcoholic beverage sector is regulated, with possible industry risks associated with government interventions, including restricting sales and marketing practices, and imposing higher taxes. Alcohol abuse and underage consumption are additional social concerns. ABI is implementing initiatives, such as educational programs and a marketing code of conduct, to address these issues.

Issue Ratings--Subordination Risk Analysis

Capital structure

BevCo Lux's capital structure mainly constitutes a €500 million unsecured bond due September 2027 and a €600 million unsecured bond due January 2030. As of Dec. 31, 2024, the group has drawn about €121 million under its unsecured RCFs at the USD BevCo S.a.r.l. level, to which BevCo Lux is a guarantor, and none under its secured RCFs.

Analytical conclusions

We rate the unsecured bonds 'BBB', in line with our long-term issuer credit rating on BevCo Lux, because no significant elements of subordination risk are present in the capital structure. This is also supported by the group's low leverage and our view of modest financial risk.

Rating Component Scores

Rating Component Scores	
Issuer credit rating	BBB/Stable/--
Business risk	Fair
Country risk	Very low
Industry risk	Intermediate
Competitive position	Fair
Financial risk	Modest
Cash flow/leverage	Modest
Anchor	bbb-
Modifiers	
Liquidity	Strong (no impact)
Management and governance	Moderately negative (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	bbb-
Group credit profile	bbb
Entity status within group	Core (+1 notch from SACP)

Related Criteria

- Criteria | Corporates | General: Methodology For Assessing Financing Contributed By Controlling Shareholders, May 15, 2025
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- Criteria | Corporates | Industrials: Methodology: Investment Holding Companies, Dec. 1, 2015
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating, Oct. 1, 2010

Related Research

- Industry Credit Outlook Update Europe: Consumer Products, July 17, 2025
- Global Economic Outlook Q3 2025: Unpredictable U.S. Policy Clouds Global Growth Prospects, June 25, 2025
- EMEA Consumer Goods And Retail: U.S. Tariffs Will Hit Alcohol And Luxury Goods Hardest, April 7, 2025
- Anheuser-Busch InBev S.A./N.V. Outlook Revised To Positive On Strong Free Cash Flow Generation And Deleveraging Momentum; 'A-/A-2' Ratings Affirmed, March 14, 2025
- BevCo Lux 'BBB' Ratings Affirmed On Some Deleveraging Expectations; Outlook Negative, Dec. 23, 2024
- Anheuser-Busch InBev S.A./N.V., Dec. 10, 2024
- Consumer Product Companies: The Road To Volume Growth Remains Elusive, Oct. 15, 2024
- SLIDES PUBLISHED: EMEA Investment Holding Companies: Conservative Leverage Underpins Stable Outlooks, July 11, 2024
- Outlook On BevCo Lux Revised To Negative On Higher Group Leverage And Shareholder Distributions; 'BBB' Ratings Affirmed, Dec. 22, 2023

Ratings List

Ratings List		
Ratings Affirmed; Outlook Action		
	To	**From**
BevCo Lux S.a.r.l.		
Issuer Credit Rating	BBB/Stable/--	BBB/Negative/--
Ratings Affirmed		
BevCo Lux S.a.r.l.		
Senior Unsecured	BBB	