

Bevco Lux S.à r.l.

Interim results, six months
ended June 30, 2019
Supplemental information

October 9, 2019

Disclaimer

This presentation may contain statements about future events and expectations that are forward-looking statements. These statements typically contain words such as "expects" and "anticipates" and words of similar import. Any statement in this presentation that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. None of the future projections, expectations, estimates or prospects (if any) in this presentation should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the presentation. The information and opinions contained in this presentation are provided at the date of this presentation and are subject to change without notice. Save as may be required by law, we do not intend to update any information contained herein and do not assume any obligation to do so.

Speakers



Alejandro Santo Domingo

Member, Board of Managers



Carlos Alejandro Perez Davila

Member, Board of Managers



Juan Carlos Garcia Canizares

Member, Board of Managers



Dominic Bursucanu

Finance Director

Agenda

- A. **Key Highlights and Portfolio Overview**
- B. Strategy
- C. Presentation of Financial Statements
- D. Credit Metrics Update
- E. Closing remarks
- F. Appendix



Alejandro Santo Domingo

Member, Board of Managers

A leading investment company:

As at June 30, 2019

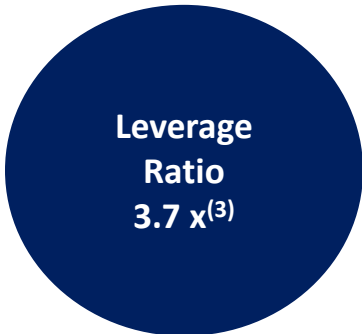
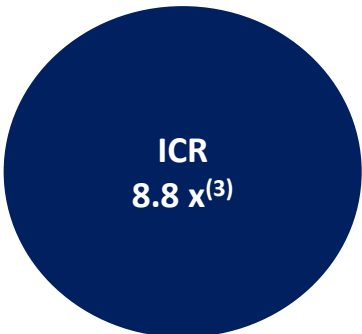
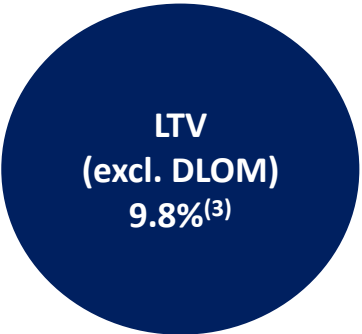


€10.0 bn excl. DLOM⁽¹⁾



Consistent credit profile:

As at June 30, 2019



As at September 30, 2019 ⁽⁴⁾: 8.5% excl. DLOM

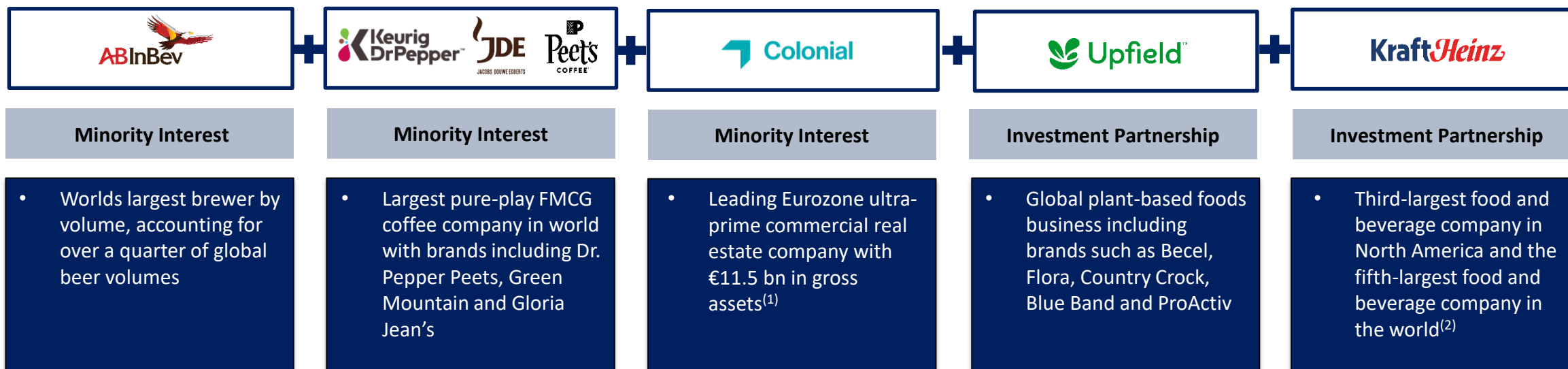
8.7x

3.5x

(1) June 30, 2019, excluding discount for lack of marketability ("DLOM") of €1.1bn on holding of AB InBev restricted shares (unaudited).
(2) 30 June 2019, excluding preferred equity certificates held by affiliates of €175m (unaudited)
(3) Bevco Lux S.à r.l. June 30, 2019. See page 18 for details
(4) As per subsequent events and management reporting as at 30 September 2019 for Bevco Lux S.à r.l. (unaudited) See page 18 for details

Portfolio Overview

- Long term constructive investor and partner
- Highly professional investment teams with a consumer focus globally
- Value-adding shareholder for its investees, supporting management teams over the long term



(1) As per Inmobiliaria Colonial's First Half Results, published July 2019

(2) Company announcements

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Carlos Alejandro Perez Davila

Member, Board of Managers

Strategy: Long term, Value add

Constructive and long-term shareholder



Contribute to strategic thinking



Support growth ambitions



Support capital structure and corporate governance



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Juan Carlos Garcia Canizares

Member, Board of Managers



Dominic Bursucanu

Finance Director

Bevco Lux Financial Summary as of June 30, 2019

Bevco Lux Balance Sheet

Assets	Jun 30, 2019 <i>unaudited</i> € millions	Dec 31, 2018 € millions	Liabilities and Equity	Jun 30, 2019 <i>unaudited</i> € millions	Dec 31, 2018 € millions
Fair Value of Restricted ABI Shares (96.9 million shares) ^{(1) (2)}	6,416	4,500	Loans and Borrowings ⁽⁶⁾	1,170	1,165
Fair Value of Common ABI Shares (6.0 million shares) ⁽¹⁾	467	346	Other Current Liabilities	2	2
Fair Value of investment in Inmobiliaria Colonial, SOCIMI, S.A. ⁽⁷⁾	375	312	Equity	7,695	5,481
Fair Value of of private equity securities and partnerships	1,460	1,342	Total liabilities and equity	8,867	6,648
Loans Granted ⁽³⁾	136	136			
Other Assets ⁽⁴⁾	1	1			
Cash & Cash Equivalents	12	11			
Total Assets	8,867⁽⁵⁾	6,648			

Note: Totals may not match because of rounding adjustments.

(1) Fair value of shares as of June 30, 2019

(2) Fair value of restricted shares includes DLOM (Discount for lack of marketability) of € 1,124 million as of June 30, 2019 (€ 1,089 million as of December 31, 2018), representing a 14.91% (19.48%) discount applied to the restricted shares. The fair value of restricted shares excluding DLOM is € 7,540 million as of June 30, 2019 (€ 5,589 million as of December 31, 2018)

(3) Includes loans to affiliates Aguila Ltd. and Blue Clay S.à r.l.

(4) Includes intercompany, Luxembourg wealth tax advances, other foreign taxes and deferred charges

(5) Excluding DLOM, total Assets would be equal to € 9.991 million

(6) Includes Eurobond and drawn component of revolver loans

Source: Bevco Lux S.à r.l. Consolidated financial statements for the six months ended June 30, 2019.

Bevco Lux Financial Summary as of June 30, 2019

Bevco Lux Consolidated Profit and Loss

	For six months ended June 30, 2019 <i>unaudited</i> € millions	For six months ended June 30, 2018 <i>unaudited</i> € millions
Total net income	182	208
Expenses		
Administrative expenses	(1)	(1)
Operating income	181	207
Finance cost & Other losses	(14)	(15)
Profit before tax	167	192
Taxes	-	-
Profit for the year	167	192

Source: Bevco Lux S.à r.l. Consolidated financial statements for the six months ended June 30, 2019.

Note: Totals may not match because of rounding adjustments

Bevco Lux Financial Summary as of June 30, 2019

Bevco Lux Segment Reporting

	For the six months ended June 30, 2019 <i>unaudited</i> € millions					For the six months ended June 30, 2018 <i>unaudited</i> € millions			
	Brewery	Real Estate	Private equity securities and Partnerships	Total		Brewery	Real Estate	Private equity securities and Partnerships	Total
Total net income	104	-	78	182		208	-	-	208
Expenses									
Administrative expenses	(1)	-	-	(1)		(1)	-	-	(1)
Operating income	103	-	78	181		207	-	-	207
Finance cost & Other losses (IFRS 9)				(14)					(15)
Profit before tax				167					192
Taxes				-					-
Profit for the year				167					192

Source: Bevco Lux S.à r.l. Consolidated financial statements for the six months ended June 30, 2019.

Note: Totals may not match because of rounding adjustments

Bevco Lux Financial Summary as of June 30, 2019

Bevco Lux Consolidated Statement of Comprehensive Income

	For the six months ended June 30, 2019 <i>unaudited</i> € millions	For the six months ended June 30, 2018 <i>unaudited</i> € millions
Profit for the year	167	192
Other comprehensive income		
Net gain/(loss) on investments in equity instruments at fair value through other comprehensive income ⁽¹⁾	2,217	(739)
Other comprehensive (loss) for the year	2,217	(739)
Total comprehensive (loss) for the year	2,384	(547)

(1) Net gain/(loss) on investments in equity instruments at fair value through other comprehensive income consists of € 2,100 million related to equity securities and € 117 million related to private equity securities and partnerships

Source: Bevco Lux S.à r.l. Consolidated financial statements for the six months ended June 30, 2019.

Note: Totals may not match because of rounding adjustments.

Bevco Lux Financial Summary as of June 30, 2019

Bevco Lux Consolidated Cash Flow Statement Page 1 of 2

	For the six months ended June 30, 2019 <i>unaudited</i> € millions	For the six months ended June 30, 2018 <i>unaudited</i> € millions
Cash flows from operating activities		
Profit before tax for the year	167	192
<i>Adjustments for:</i>		
Interest income	(2)	(2)
Dividend income	(181)	(206)
Finance costs & Other losses	15	15
	(1)	(1)
<i>Changes in:</i>		
Other current assets	1	1
Other current liabilities	1	(1)
Cash used in operating activities	1	(1)
Other taxes paid	(1)	-
Net cash generated used in operating activities	-	(1)

Source: Bevco Lux S.à r.l. Consolidated financial statements for the six months ended June 30, 2019.

Note: Totals may not match because of rounding adjustments

Bevco Lux Financial Summary as of June 30, 2019

Bevco Lux Consolidated Cash Flow Statement Page 2 of 2

	For the six months ended June 30, 2019 <i>unaudited</i> € millions	For the six months ended June 30, 2018 <i>unaudited</i> € millions
Cash flows from investing activities		
Additional capital contribution to a private investee	(1)	-
Loans granted	-	(305)
Reimbursement of loans and other advances	1	-
Interest received	1	1
Dividend received	181	206
Net cash used in investing activities	182	(98)
Cash flows from financing activities		
Distributions for the year	(170)	(18)
Proceeds from bond issuance	-	792
Proceeds from borrowings (credit institutions)	120	100
Repayment of borrowings (credit institutions)	(110)	(764)
Finance costs paid	(21)	(9)
Net cash generated from financing activities	(181)	101
Net increase in cash and cash equivalents	1	2
Cash and cash equivalents at the beginning of the period	11	5
Effects of foreign currency translation differences	-	-
Cash and cash equivalents at the end of the period	12	7

Source: Bevco Lux S.à r.l. Consolidated financial statements for the six months ended June 30, 2019.

Note: Totals may not match because of rounding adjustments

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Juan Carlos Garcia Canizares

Member, Board of Managers

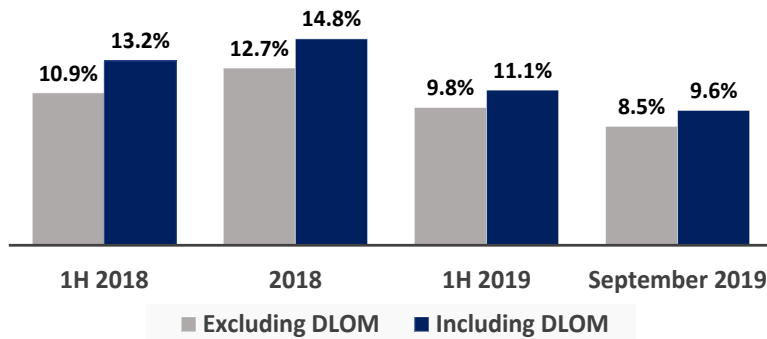
Credit Metrics Update

- In FY 2018 earnings release, Bevco Lux communicated **its prudent approach to managing the capital structure**, including **guidance of expected improvement to credit metrics**
- In October 2019, Bevco reports **results of its deleveraging objective** in accordance with prior guidance
- Taken together, debt pay-down through Q3, 2018 and asset appreciation has **reduced Bevco Lux LTVs by ~400 bps from 12.7% to 8.5% (excl. DLOM)** from FY2018 to September 30, 2019⁽¹⁾
- As a long-term investor, Bevco Lux **has positioned itself to capitalize on future market conditions** to deploy capital and **generate stakeholder value**:
 - **Increased financial flexibility**, including **expansion of unsecured CRCF** program and debt repayment
 - **Able to pursue incremental capital allocation** on a prudent basis

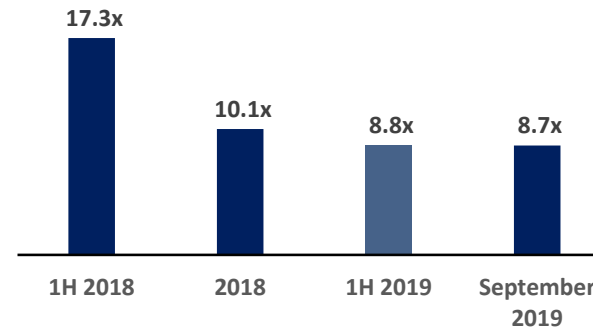
(1) Bevco Lux S.à r.l. as at September 30, 2019 (unaudited) and on an excl. DLOM basis (see next page for details)

Bevco Lux Core Ratios⁽¹⁾

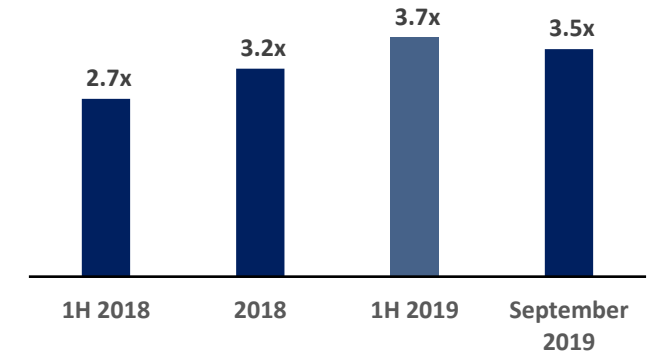
Loan To Value (LTV)



Interest Coverage Ratio (ICR) ⁽²⁾



Leverage Ratio (LR) ⁽³⁾



Source: Company filings.

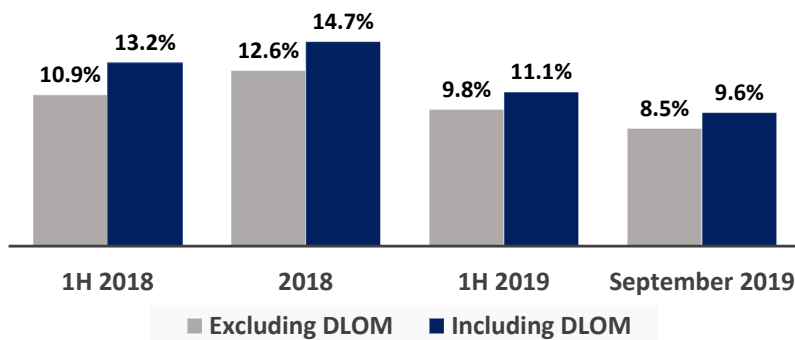
(1) Based on Bevco Lux S.à r.l. consolidated financials statements as of June 30, 2019 and, as applicable from disclosed subsequent events in Note 20 (unaudited financials statements). Figures presented do not include USD Bevco. September 2019 ratios are pro forma.

(2) The June 2019 Interest Coverage Ratio calculated using dividend income from ABI of €185.2 million, Private equity securities and partnerships of €78.8 million, other interest receivables and similar income of €6.3 million, and less administrative costs of €2.5 million divided by interest expense (including coupon on Eurobond and interest on other borrowings) of €30.6 million p.a. Includes unused commitment fees and breakage fees on a LTM basis (Last Twelve Months).

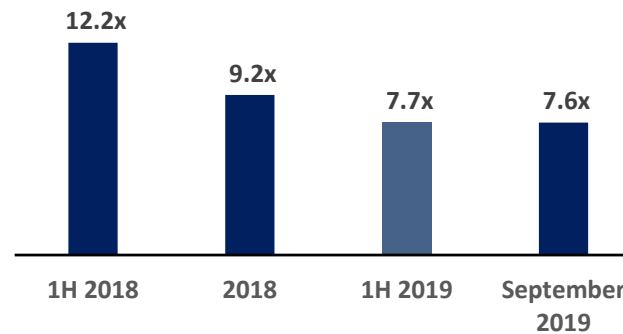
(3) Calculated as net debt / (total income less operating expenses) on a LTM basis.

Bevco Lux and USD Bevco Core Ratios⁽¹⁾

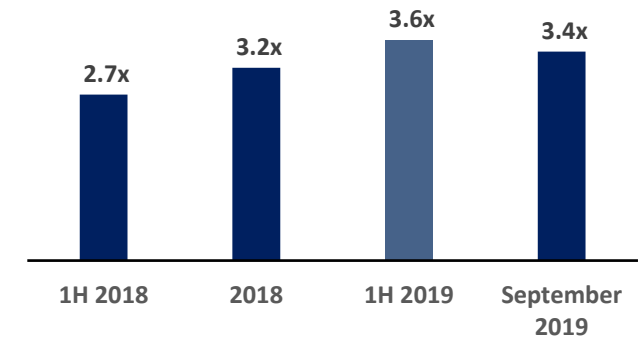
Consolidated LTV



Consolidated ICR ⁽²⁾



Consolidated LR ⁽³⁾



Source: Company filings

(1) Based on USD Bevco S.à r.l. consolidated financials statements as of June 30, 2019 and, as applicable from disclosed subsequent events in Note 20 (unaudited financials statements). September 2019 ratios are pro forma.

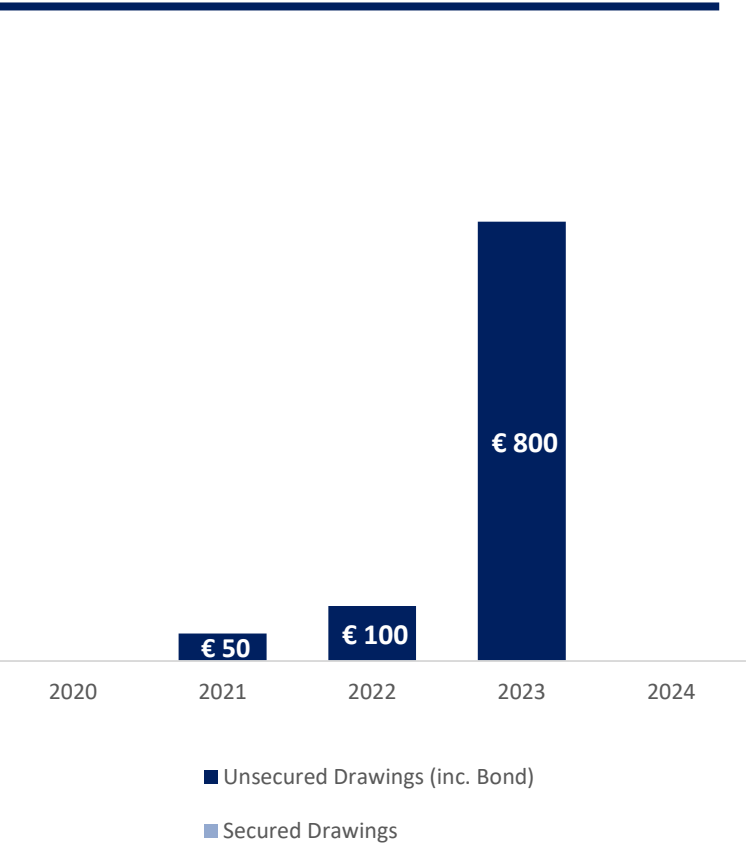
(2) The June 2019 Interest Coverage Ratio calculated using dividend income from ABI of €185.2 million, Private equity securities and partnerships of €78.8 million, other interest receivables and similar income of €10.8 million, and less administrative costs of €3.4 million divided by interest expense (including coupon on Eurobond and interest on other borrowings) of €35.4 million p.a. Includes unused commitment fees and breakage fees. For 30 September 2019 (H1 2019, 2018, H1 2018), US dollar amounts corresponding to P&L items are translated at the average of the trailing 12 month exchange rate of USD/EUR 1.1281 (1.1297, 1.1798, 1.1930); For 30 September 2019 (H1 2019, 2018, H1 2018), US dollar amounts corresponding to balance sheet items are translated into Euro using the spot rate as at 30 September 2019 (H1 2018, 31 December 2017) of USD/EUR 1.0889 (1.1380, 1.1450, 1.1658). All on a LTM basis.

(3) Calculated as net debt / (total income less operating expenses) on a LTM basis. FX translations are conducted as per footnote 2.

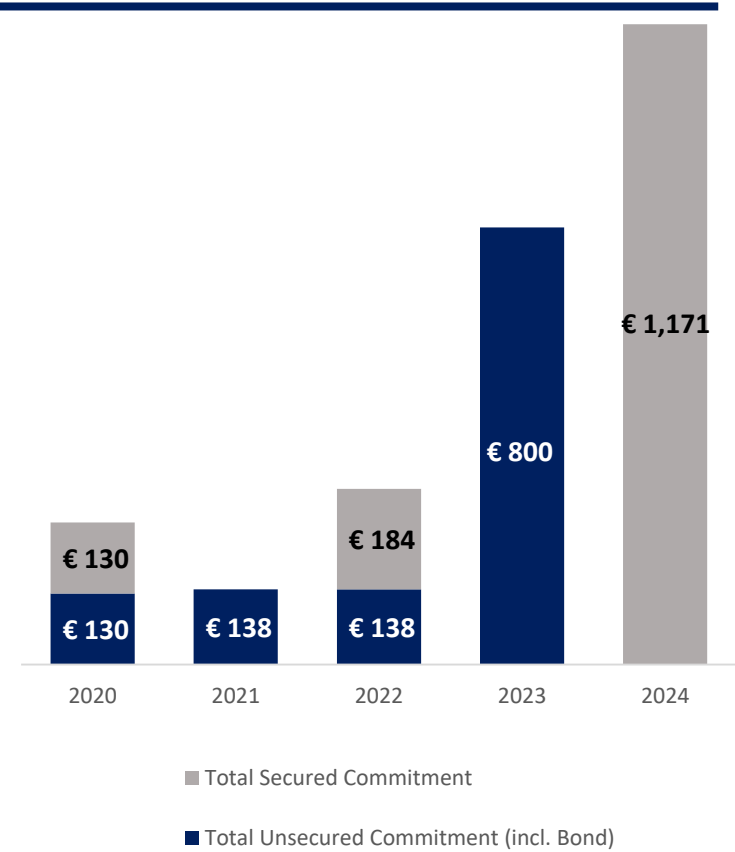
Debt update

Debt maturity profile

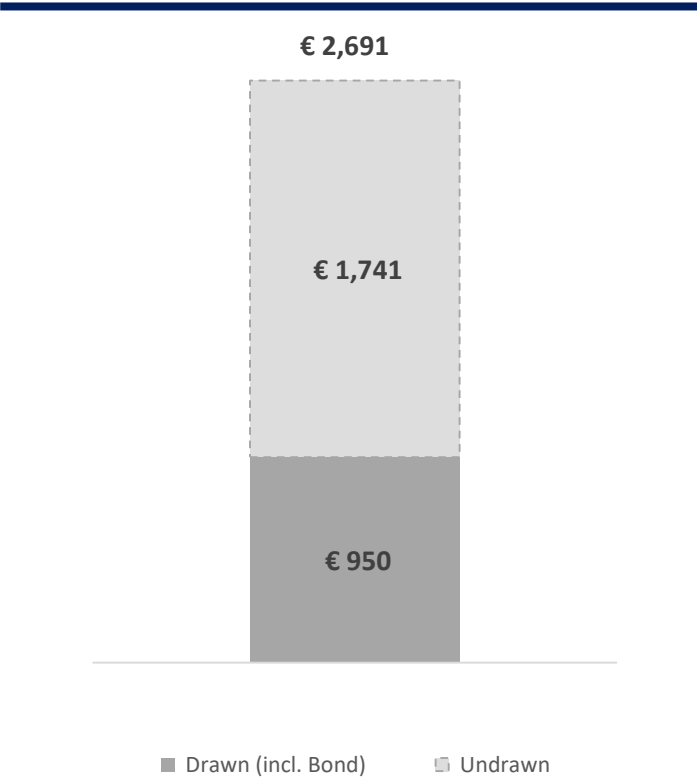
Current drawdowns (€m) ⁽¹⁾



Available facilities (€m) ⁽¹⁾



Aggregate availability and drawings (€m) ⁽¹⁾



(1) Profile shown as at September 30, 2019 as per internal management accounts. FX used to convert USD drawings to EUR: 1.0889

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Alejandro Santo Domingo

Member, Board of Managers

Outlook

- Bevco Lux continues to be a world class **investment holding company** with **a long-term investment horizon** and **focus on shareholder value**
- Management has built **considerable financial flexibility** via a seasoned **CRCF program** with secured and unsecured lines diversified across lenders and tenors, as well as **access to debt capital markets**
- **Credit metrics have improved** and LTVs are within the expectations
- As patient stewards of capital, Bevco Lux **will continue to assess market conditions and selectively deploy capital in long term investment theses**

Ongoing commitment

Conservative Capital Structure

**Excellent
financial
disclosures**



**Engaged with
investors &
stakeholders**



**Access to
European Debt
Capital Markets**



**Preserve
investment
grade credit
metrics**



**Continue
transition from
secured to
unsecured
funding model**



Q&A

Via Conference call & Webcast



Bevco Lux Contacts

Name	Contact details
Juan Carlos García <i>Member, Board of Managers</i> Bevco Lux S.à r.l.	Tel: +1 646-282-2644 Email: JuanCarlos.Garcia@sni-international.lu or: jcgarcia@qcai.com
Dominic Bursucanu <i>Finance Director</i> Bevco Lux S.à r.l.	Tel: +352 2733 5510 Email: Dominic.Bursucanu@sni-international.lu



Appendix

Bevco Lux S.à r.l. – Board of Managers

Name	Background	Principal Outside Activity
Alec R. Anderson	Tax and Corporate Law	Senior Partner at Conyers Dill & Pearman
Valery Beuken	Accountancy & Corporate Secretary	Senior Manager at alterDomus
Delphine Danhoui	Tax and Corporate Law	Avocat at Stibbe Luxembourg
Christophe Davezac	Accountancy & Corporate Secretary	Director at alterDomus
Juan Carlos Garcia Canizares	Financier	Managing Director at Quadrant Capital Advisors, Inc.
Carlos Alejandro Perez Davila	Financier	Managing Director at Quadrant Capital Advisors, Inc.
Alejandro Santo Domingo	Financier	Managing Director at Quadrant Capital Advisors, Inc.
Melanie Wilkin	Accountancy & Corporate Secretary	Senior Manager at alterDomus

Related Party Transactions

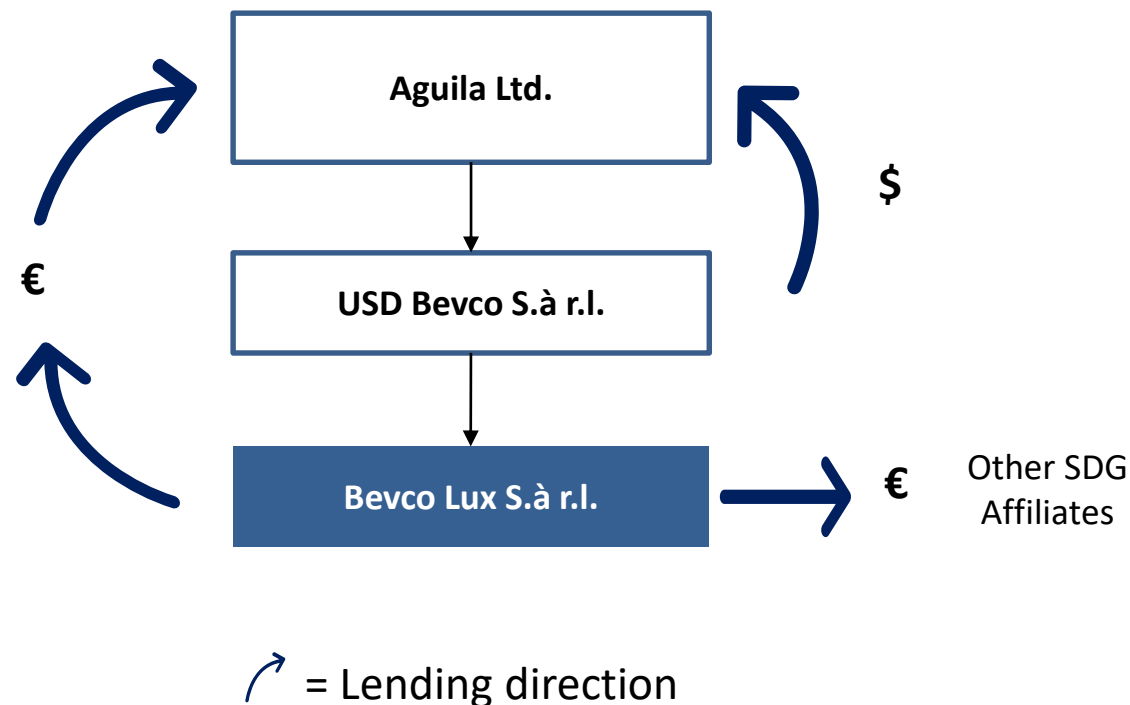
Efficient use of cash

- **Excess USD/EUR cash efficiently used at a group level via transactions between legal entities**
- **All at arm's length basis;**
 - Lending and borrowing between entities treated as separate legal entities within group
 - All transactions are regularly reviewed and approved by respective Board of Managers (Lux entities)/Board of Directors (other entities), as applicable
 - Interest rate set based on independently reviewed transfer pricing analysis by a Big 4 company
- **Aguila, Bevco Lux and USD Bevco have all entered into two-way evergreen Committed Revolver Credit Facilities (CRCF) to manage cash flows**

Upstream Related party transaction

Efficient cash management

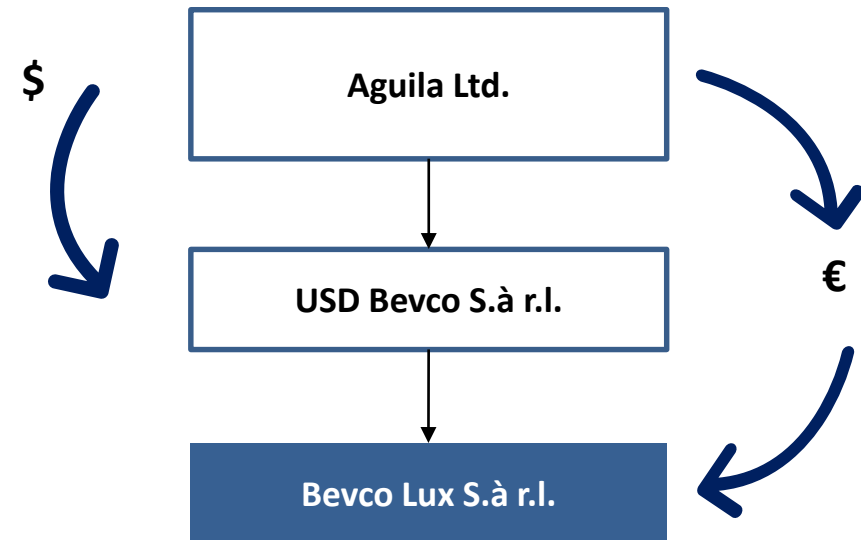
- Bevco Lux, as group financing centre, extends loans on an arm's length basis with a spread to Aguila Ltd. or other SDG affiliate companies
- All transactions are in accordance with the group companies' transfer pricing policy
- Excess cash in EUR held by Bevco Lux is lent to Aguila Ltd. on an arm's length basis
- Excess cash in USD held by USD Bevco is lent to Aguila Ltd. on an arm's length basis



Downstream Related party transaction

Managing intra-year cyclicity

- Aguila Ltd. has evergreen CRCF in both EUR and USD for the benefit of Bevco Lux and USD Bevco, respectively
- All transactions are in accordance with the group companies' transfer pricing policy
- At year end, dividend is decided to mitigate outstanding balances and preserve credit metrics



↷ = Lending direction

All related party transactions year ended June 30, 2019

Record of all material related party transactions, as of June 30, 2019

Upstream Related Party Transactions:

1. As at June 30, 2019 Bevco Lux acts as lender for loans outstanding of **€136m** to Aguila Ltd. under the evergreen loan facility at a combination of EURIBOR / applicable financial institutional funding cost + margin
2. Bevco Lux acts as a guarantor for a related entity in a transaction entered into in Q4, 2016, for the sum of **€119m** to secure seller's finance for an acquisition originally made by Park S.à r.l., which was subsequently transferred to a related entity in July 30, 2018 as part of the reorganization. **On March 21, 2019, the guarantee has been cancelled and terminated.**
3. Bevco Lux acts as a guarantor for USD Bevco on a Letter of Credits ("SBLCs") to secure working capital loans of a related investment entity. The maximum exposure which the Bevco Lux could potentially become liable amounts to **€5.8 m** as of June 30, 2019.

Bond Holder Information

Bond Program to date:

Bevco Lux					
Issue date ⁽¹⁾	Original amount issued	Amount outstanding	Coupon ⁽²⁾	Maturity	ISIN
February 9, 2018	Euro €800m	Euro €800m	1.75%	February 9, 2023	XS1767050351

Bevco Lux maintains periodic communication with Standard and Poor’s rating services (S&P) to provide historical financials and forward looking developments which may affect Bevco Lux credit metrics

(1) Listed on Luxembourg Stock Exchange
(2) Step up coupon to protect debt investor

Reflective of this credit quality, S&P rates Bevco Lux bonds as ‘BBB’






Entity	Agency	Long-term	Outlook	Last update
Bevco Lux S.à r.l.	S&P	BBB	Stable	July 10, 2018

Security	Agency	Long-term	Outlook	Last update
Senior Unsecured Bond	S&P	BBB	-	July 10, 2018

Current S&P Credit Rating:

Bond Credit Rating:

Detailed Portfolio Holdings

				
Minority Interest	Minority Interest	Minority Interest	Investment Partnership	Investment Partnership
<ul style="list-style-type: none">• Direct holding in ABInBev - 5.09%• Worlds largest brewer by volume, accounting for over a quarter of global beer volumes⁽¹⁾• €171bn Market Cap⁽²⁾	<ul style="list-style-type: none">• Held via Acorn Holdings B.V – holding company of Jacobs Douwe Egberts, Peet’s Coffee and Keurig Green Mountain• Largest pure-play FMCG coffee company in world• Net equity contributed to Bevco Lux: €1,321m⁽³⁾	<ul style="list-style-type: none">• Held via Park S.à r.l. - holding in Inmobiliaria Colonial, a Spanish-listed REIT (SOCIMI)• Leading Eurozone real estate company• €5.6bn Market Cap⁽⁴⁾	<ul style="list-style-type: none">• Held via KKR co-investment partnership which indirectly holds an interest in Flora Food Group.• Global spread business including brands such as Becel, Flora, Country Crock, Blue Band and ProActiv	<ul style="list-style-type: none">• Held via two 3G co-Investment partnerships which indirectly hold interests in Kraft Heinz Company• Fifth-largest food and beverage company in world ⁽⁵⁾• \$33.3bn Market Cap⁽⁶⁾

(1) Euromonitor

(2) Source: S&P Capital IQ as at October 1, 2019

(3) The fair market value of Quercus B.V. which is attributable to shares in Acorn Holdings B.V. amounted to € 1,321m as of June 30, 2019

(4) Source: S&P Capital IQ as at October 1, 2019

(5) Company announcements

(6) Source: S&P Capital IQ as at October 1, 2019