

Bevco Lux S.à r.l. Debt Investor Relations

October 23, 2024

Bevco Lux S.à r.l. Interim condensed financial statements for the six months period ended June 30, 2024

The below is a summary only for certain financial information of Bevco Lux S.à r.l. and should be considered together with the Interim condensed financial statements for the six months period ended June 30, 2024. All information is available online via the Bevco Lux S.à r.l. website, <http://www.bevcolux.lu>

The Board of Managers of Bevco Lux S.à r.l. (“Bevco” or “The Company”) continues to invest in a diverse portfolio of investments including its strategic holding in AB InBev, other publicly traded equity securities and partnerships, and private equity securities and partnerships to create shareholder value over the long term. The Company’s corporate purpose is making investments solely for capital appreciation or investment income or both, and Management continues to actively monitor the value drivers of the relevant industries in which it invests or may invest.

Business and financial performance

For the six months ended June 30, 2024 (the “period”), Bevco recorded a total net income of €71 million, a profit for the period of €55 million and other comprehensive loss net of tax of €351 million resulting in a total comprehensive loss for the period of €296 million driven by dividend income and profits from disposal of securities, offset by negative fair value change of Bevco’s core holding, AB InBev, and its other investments.

Bevco received proceeds of €223 million from the disposal of equity securities and made investments in private equity securities for an amount of €92 million. Bevco’s investment strategy remains unchanged with a focus on high-quality, defensive businesses.

Bevco received contributions from its parent company of €92 million in share capital and share premium increases, partially offset by €44 million in share capital and share premium redemptions. Additionally, Bevco made special reserve account reimbursements of €197 million.

As a result of its conservative investment and financing strategy, Bevco had a Loan to Value Ratio (LTV) of 15.1%¹, an Interest Coverage Ratio (ICR) of 5.3x² and a Leverage Ratio (LR) of 9.0x³ as of June 30, 2024.

Change of Company to Investment entity status

On December 4, 2023, Bevco determined that it qualified as an investment entity as defined by IFRS 10 ‘Financial Statements’. This change in classification stemmed from Bevco’s revised approach to presenting its investments and their performance in order to better reflect the nature of Bevco’s current and expected future activities. Bevco’s corporate purpose is making investments solely for capital appreciation, investment income or both and engages in no activities other than those in furtherance of its corporate purpose.

The change in investment entity status has been accounted for prospectively after December 4, 2023, in accordance with IFRS 10. Therefore Bevco presents its balance sheet and statement of cash flows on a non-consolidated basis as at June 30, 2024 and December 31, 2023. Statement of profit or loss

¹ Based on Bevco Lux S.à r.l. financial statements for the period ended June 30, 2024. Figures presented do not include USD Bevco. LTV is defined as gross debt (excluding preferred equity certificates) minus cash at hand, divided by Total Assets minus cash at hand and excluding DLOM.

² The June 30, 2024 Interest Coverage Ratio is calculated using dividend income of €107.5 million, interest and other income of €5.6 million, and less legal fees, administrative costs and other costs of €2.4 million divided by €24.3 million annualized interest expense (including coupon on Eurobond and interest on other borrowings) minus €0.9 million interests on preferred equity certificates. Annualized interest expenses include unused commitment fees and breakage fees on a LTM basis (Last Twelve Months).

³ Calculated as net debt / (total income less operating expenses)

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and statement of cash flows are presented on a non-consolidated basis for the period ended June 30, 2024 and on a consolidated basis for the comparative period ended June 30, 2023.

Further details can be found in Bevco's Interim condensed financial statements for the six months period ended June 30, 2024.

About Bevco

Bevco is an investment vehicle that manages a portfolio of globally diversified companies, mainly in the consumer goods sector. Bevco maintains a focused, long term global investment portfolio, leveraging over 80 years of investment expertise in the sector.


Bevco is one of a very limited number of investment grade-rated investment holding companies in Europe. Bevco intends to manage its portfolio and capital structure to preserve metrics consistent with investment grade ratings whilst continuing to have access to European debt capital markets.

The Bevco Portfolio and Segment Reporting

Bevco's portfolio comprises three reportable segments which are presented in the "Notes to the interim condensed financial statements".

Bevco's reportable segments are:

1. Anheuser-Busch InBev;
2. Other publicly traded equity securities
3. Private equity securities and partnerships

	Publicly traded equity securities		Private equity securities and partnerships
Key Investments	 ABInBev	Other	
% of investment securities	76%	6%	18%
Description	Globally leading beer manufacturer	Diversified minority interests in leading companies	Diversified minority interests in private companies

Source: Bevco Lux S.à r.l. Interim condensed financial statements for the six months period ended June 30, 2024

Bevco currently holds restricted and non-restricted shares in AB InBev. The restricted shares were obtained as a result of the merger between SABMiller and AB InBev in October 2016 and were restricted for five years. All such lockup restrictions expired in October 2021. Although these shares are still referred to as "restricted" shares, they are no longer subject to the lockup and can be freely converted into listed, common shares and sold. These restricted shares have equal ranking regarding dividends and voting rights to AB InBev common shares and carry the right to appoint directors to the Board of Directors of AB InBev, subject to certain ownership thresholds.

Overview of Financials

As of June 30, 2024, Total Assets were €7.3 billion and Total Liabilities were €1.3 billion.

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Bevco's total net income of €71 million for the period was primarily driven by dividend and interest income, along with net changes in the fair value of the portion of its investment portfolio, which is measured at fair value through profit or loss (FVPL). Operating expenses amounted to €1 million (including legal fees, administrative costs and other expenses), financing costs to €12 million and taxes withholding on dividend income to €2 million, resulting in a profit for the period of €55 million.

Other comprehensive loss net of tax of €351 million represents the net unrealised loss on equity investments of €384 million and the net realised gain from disposal of equity investments of €33 million. The result was a total comprehensive loss for the period of €296 million.

Additionally, as it relates to statements of changes in equity, Bevco received contributions from its parent company of €92 million in share capital and share premium increases, partially offset by €44 million in share capital and share premium redemptions. Additionally, Bevco made special reserve account reimbursements of €197 million.

Capital Structure Strategy

Bevco management oversees a prudent, conservative capital structure. It intends to maintain its capital structure consistent with its investment grade credit metrics.

S&P classifies Bevco as a core subsidiary of Aguila Ltd. and as an investment holding company. As of June 30, 2024, Bevco's rating is BBB (negative). The two outstanding Bevco Senior Unsecured Eurobonds were rated Investment Grade rating BBB.

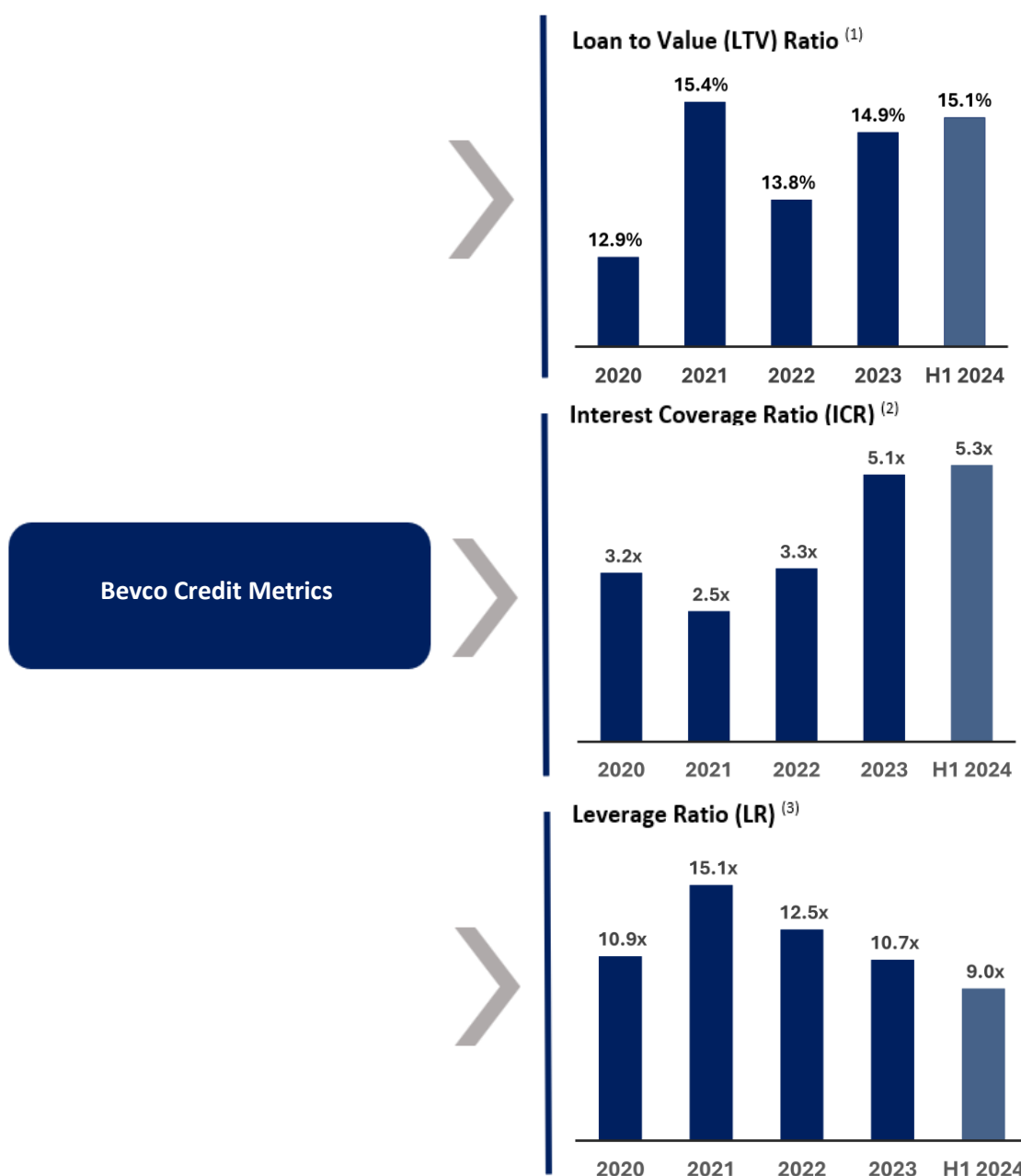
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Key Credit Metrics (as of June 30, 2024)

As a result of its investment and financing strategy, Bevco maintains the following credit metrics on a standalone basis:



Source: Company filings

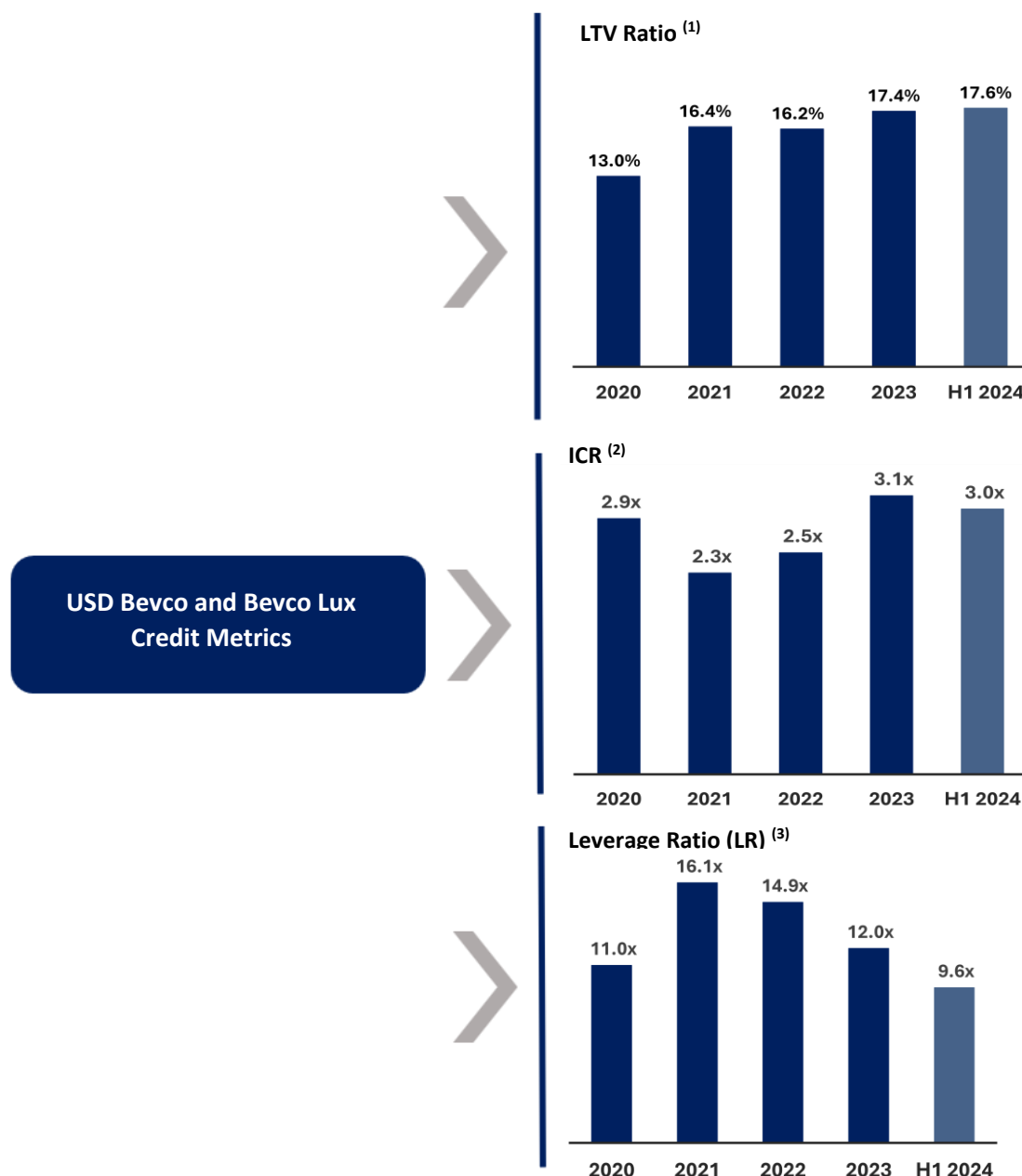
- (1) Based on Bevco Lux S.à r.l. interim condensed financial statements as of June 30, 2024. Figures presented do not include USD Bevco. LTV is defined as gross debt (excluding preferred equity certificates) minus cash at hand, divided by Total Assets minus cash at hand.
- (2) Based on Bevco Lux S.à r.l. and subsidiaries interim condensed financial statements as of June 30, 2024. The 2023 Interest Coverage Ratio is calculated using dividend income of €107.5 million, interest and other income of €5.6 million, and less legal fees, administrative costs and other costs of €2.4 million divided by €24.3 million annualized interest expense (including coupon on Eurobond and interest on other borrowings) minus €0.9 million interests on preferred equity certificates. Annualized interest expenses include unused commitment fees and breakage fees on a LTM basis (Last Twelve Months).
- (3) Calculated as net debt / (total income less operating expenses).

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Bevco Lux is 100% owned by USD Bevco S.à r.l. (“USD Bevco”) which is a Luxembourg investment vehicle used to manage USD denominated CRCFs. Some AB InBev restricted shares owned by Bevco Lux are pledged to collateralise the USD facility in which USD Bevco and Bevco Lux are joint borrowers. Bevco Lux and USD Bevco credit metrics ratios are as follows:



Source: Company filings

- (1) Based on Bevco Lux S.à r.l. interim condensed financial statements as of June 30, 2024. LTV is defined as Gross Debt (Bevco Lux issued bonds and total CRCF drawdowns by Bevco Lux and USD Bevco; excludes preferred equity certificates) minus cash at hand (at Bevco Lux and USD Bevco) divided by Total Assets (calculated as Bevco Lux Total Assets, plus USD Bevco Total Assets minus Bevco Lux Net Equity Value as reported in USD Bevco's Assets) minus cash at hand at Bevco Lux and USD Bevco.
- (2) Based on Bevco Lux S.à r.l., USD Bevco Lux S.à r.l. and subsidiaries interim condensed financial statements as of June 30, 2024. The June 30, 2024, Interest Coverage Ratio is calculated using dividend income of €107.5 million, interest and other income of €16.5 million, and less legal fees, administrative costs and other costs of €3.1 million divided by €46.0 million annualized interest expense (including coupon on Eurobond and interest on other borrowings) minus €0.9 million interests on preferred equity certificates expenses. Annualized interest expenses include unused commitment fees and breakage fees on a LTM basis (Last Twelve Months). For June 30, 2024 (2023, 2022, 2021, 2020), US dollar amounts corresponding to P&L items are translated at the average of the trailing 12/12 month (12/12 month for June 30, 2024, 2023, 2022, 2021, 2020) exchange rate of USD/EUR 1.0813 (1.0810, 1.0506, 1.1827, 1.1422); For June 30, 2024 (2023, 2022, 2021, 2020), US dollar amounts corresponding to balance sheet items are translated into Euro using the spot rate as of June 30, 2024 (December 31, 2023, December 31, 2022, December 31, 2021, December 31, 2020) of USD/EUR 1.0705 (1.1050, 1.0666, 1.1326, 1.2271).
- (3) Calculated as net debt / (total income less operating expenses). FX translations are conducted as per footnote 2.

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Bond Holder and Financing Information

Bevco's business model is to primarily invest directly in strong, defensive global companies, with a bias towards consumer goods focused businesses, solely for capital appreciation, investment income or both.

As an investor, Bevco receives dividend income proceeds from its investee companies. Bevco uses these cash flows to maintain a prudent capital structure, as well as grow and diversify its investment holdings.

As of June 30, 2024, Bevco had access to a total of €1.5 billion of CRCFs from financial institutions. As of June 30, 2024, Bevco had drawn €20 million on these CRCFS, while USD Bevco had drawn €143 million. In addition, Bevco had access to €500 million through a CRCF agreement with Aguila Ltd. As of June 30, 2024, Bevco had not utilized this facility. The bank facilities, including the Eurobond, have a weighted average duration of 3.43 years (2.69 years only considering bank facilities, which includes 3.79 years for secured bank facilities and 1.66 years for unsecured bank facilities).

As of June 30, 2024, Bevco had 26,082,180 AB InBev restricted shares pledged. The pledge is a continuing security until the Pledgee is satisfied that all present and future obligations and liabilities have been irrevocably paid in full and only then the Pledgee will grant the release and discharge of the pledged shares.

Related Party Transactions

Excess USD/EUR cash is efficiently managed at a group level via transactions between legal entities. All cash is managed at an 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.
- Interest rates set based on transfer pricing analysis.

Aguila Ltd., Bevco and USD Bevco have all entered into two-way evergreen CRCFs to manage cash flows both upstream (from Bevco and USD Bevco to Aguila Ltd.) and downstream from Aguila Ltd. to the Bevco entities.

Bevco calls upstream related party transactions those in which Bevco lends excess cash to Aguila, its parent company, on an arm's length basis. Separately, downstream related party transactions are sources of funds made available to Bevco by Aguila in order to manage intra-year cyclicity of cash flows.

Details and outstanding balances of related party transactions are included in the supplemental information and the company financial statements.

Corporate Governance

Bevco is overseen by its Board of Managers, who are required to approve all decisions with the primary goal to maximize investment returns in furtherance of its corporate purpose. A full list of the Board of Managers can be found on Bevco's website.

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As at June 30, 2024, the Board had representatives in the following investees:

AB InBev - Bevco is represented by one non-executive director in the Boards of Directors, although, Management believes this does not clearly establish significant board influence given Bevco has the right to appoint only one out of fifteen members of the Board of Directors subject to certain conditions and requirements.

Inmobiliaria Colonial SOCIMI S.A. - Bevco is represented by one non-executive director on the Board of Directors. Management believes this does not clearly establish significant board influence as SDG can appoint only one out of twelve members of the Board of Directors.

The Board of Managers believes that Bevco alone cannot absolutely or relatively, at a certain level, influence the financial and operating policy decisions to be taken by the investees.

No conference call for 2024 interim results

No conference call will be held in conjunction with this release. Full details of Bevco's financial results, in the form of Bevco Lux S.à r.l. Interim condensed financial statements for the six months period ended June 30, 2024, are available on Bevco's website at <http://www.bevcolux.lu/investor-relations/financial-reports>

Questions regarding the interim results are welcomed and can be submitted via emails to the below Bevco Contacts.

Bevco Contact Details:

Juan Carlos García
Bevco – Member - Board of Managers
JuanCarlos.Garcia@bevcolux.lu

Dominic Bursucanu
Bevco – Finance Director, Member - Board of Managers
Dominic.Bursucanu@bevcolux.lu

Genevieve Ryan
H/Advisors Maitland - IR Advisor
bevco-maitland@h-advisors.global

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