

Heineken Holding N.V. reports 2020 full year results

Amsterdam, 10 February 2021 – Heineken Holding N.V. (EURONEXT: HEIO; OTCQX: HKHHY) announces:

- The net result of Heineken Holding N.V.'s participating interest in Heineken N.V. for 2020 amounts to – €102 million
- 2020 full year results highlights:
 - Net revenue (beia) organic growth –11.9%; per hectolitre –2.4%
 - Consolidated beer volume –8.1% organically
 - Heineken® volume resilient –0.4%
 - Operating profit (beia) organic growth –35.6%, margin 12.3% (–455 bps)
 - Net profit (beia) €1,154 million, –49.4% organically
 - Diluted EPS (beia) €2.00 (2019: €4.38)

FINANCIAL SUMMARY¹

IFRS Measures	€ million	Total growth	BEIA Measures	€ million	Organic growth ²
Revenue	23,770	-16.7%	Revenue (beia)	23,770	-11.3%
Net revenue	19,715	-17.7%	Net revenue (beia)	19,724	-11.9%
Operating profit	778	-78.6%	Operating profit (beia)	2,421	-35.6%
			Operating profit (beia) margin (%)	12.3%	
Net (loss) of Heineken Holding N.V.	(102)	-109.4%	Net profit (beia)	1,154	-49.4%
Diluted EPS (in €)	(0.36)	-109.5%	Diluted EPS (beia) (in €)	2.00	-54.3%
			Free operating cash flow	1,513	
			Net debt / EBITDA (beia) ³	3.4x	

¹ Consolidated figures are used throughout this report, unless otherwise stated; please refer to the Glossary for an explanation of non-GAAP measures and other terms used throughout this report.

² Organic growth shown, except for Diluted EPS (beia) which is total growth.

³ Includes acquisitions and excludes disposals on a 12 month pro-forma basis

Heineken Holding N.V. engages in no activities other than its participating interest in Heineken N.V. and the management or supervision of and provision of services to that company.

UPDATE ON HEINEKEN'S RESPONSE TO COVID-19: NAVIGATING THE CRISIS WHILE BUILDING THE FUTURE

From the onset of the pandemic, people's health and safety has been HEINEKEN's highest priority. To support HEINEKEN employees in doing their jobs safely, HEINEKEN established robust COVID-19 preventive measures including working from home where possible, social distancing, strict personal hygiene and disinfection protocols, and providing adequate personal protective equipment.

HEINEKEN also supported its customers, suppliers and the communities most impacted by the pandemic. HEINEKEN assisted customers with advice, re-opening tools, stock returns and helped them set up online delivery. HEINEKEN supported them financially, for example, by waiving close to €50 million in rental payments. HEINEKEN raised over €10 million to support 50,000 outlets across 21 countries through its Back the Bars initiative. HEINEKEN continued to pay all suppliers on time and reduced payment terms to various small suppliers.

HEINEKEN provided twenty-three million Euros worth of pandemic relief to support front-line medical workers in the communities where it operates, including drinking water, non-alcoholic beverages, hand sanitiser, and monetary contributions. These included a €15 million donation to the International Red Cross. In Mexico, HEINEKEN announced a dry ice donation of 55 tons to help safely transport vaccines at low-temperatures. The de Carvalho-Heineken family together with their holding company donated €10 million to eight charities supporting the COVID-19 relief efforts.

HEINEKEN's people adapted quickly and took decisive actions to guarantee business continuity. HEINEKEN entered the crisis with a strong balance sheet and took immediate steps to strengthen its liquidity. HEINEKEN took action to swiftly reduce discretionary expenses and mitigate the impact on its business performance while protecting the future. The commercial teams reallocated resources across channels and brands, increasing their focus on off-trade customers. HEINEKEN accelerated the deployment of its e-commerce platforms, capitalising on digitalisation trends as consumers and customers shopped online. The supply chain teams demonstrated great agility to adapt to a radically different and volatile environment with excellent efficiency and minimum disruptions. As a result, HEINEKEN outperformed the market in most of HEINEKEN's key markets.

In parallel, HEINEKEN colleagues in support functions adapted quickly to working from home, produced timely rolling-forecasts to inform decisions and managed eight, remotely supported, deployments of its standardised ERP platforms in Africa, Asia and the Caribbean.

Finally, HEINEKEN continued to shape its business for growth, with the entry into Peru, the acquisition of Strongbow in Australia, and the restructuring of the Philippines' business.

TOTAL DIVIDEND FOR 2020

The Heineken N.V. dividend policy is to pay a ratio of 30% to 40% of full year net profit (beia). For 2020, a total cash dividend of €0.70 per share, representing a decrease of 58.3% (2019: €1.68), and a payout ratio of 34.9%, in the middle of the range of the policy, will be proposed to the Annual General Meeting of Shareholders of Heineken N.V. on 22 April 2021 ("2021 AGM"). If approved, the full dividend will be paid on 6 May 2021, as no interim dividend was paid during 2020. The payment will be subject to a 15% Dutch withholding tax. Due to the reported net loss in 2020, the proposed dividend will be paid out of the equity reserves.

If Heineken N.V. shareholders approve the proposed dividend, Heineken Holding N.V. will, according to its articles of association, pay an identical dividend per share. A final dividend of €0.70 per share of €1.60 nominal value will be payable as of 6 May 2021.

Both the Heineken Holding N.V. shares and the Heineken N.V. shares will trade ex-dividend on 26 April 2021.

2021 OUTLOOK STATEMENTS

Overall the COVID-19 pandemic and governments' measures continue to have a material impact on HEINEKEN's markets and business. 2021 started with many restrictions across HEINEKEN's markets, including on-trade closures and restrictions to travel. In Europe in particular, HEINEKEN estimates that at the end of January 2021, less than 30% of on-trade outlets were operating. Product and channel mix is expected to continue to adversely impact results, especially in Europe.

According to the World Health Organisation, the effect of vaccines on the pandemic will depend on several factors including their effectiveness, speed of their approval, manufacturing and delivery and the number of people getting vaccinated. As such, HEINEKEN expects the pandemic to continue to impact its business in the first half of 2021 and market conditions to gradually improve in the second part of the year.

Input costs per hectolitre are expected to be volatile due to channel and product mix effects. Based on HEINEKEN's hedged positions for 2021, HEINEKEN expects a significant higher negative transactional currency impact on input costs.

The EverGreen programme, a strategic review update, will be in full deployment. For more details reference is made to the Heineken N.V. press release of 10 February 2021.

Overall HEINEKEN expects revenue, operating profit and operating profit margin to stay below the level of 2019.

HEINEKEN also anticipates:

- An average effective interest rate (beia) broadly in line with 2020 (2020: 3.0%)
- Capital expenditure related to property, plant and equipment and intangible assets of around €1.8 billion (2020: €1.6 billion).
- The effective tax rate (beia) to stay above 2019 level due to the effect of fixed cost components in the tax line.

BOARD OF DIRECTORS COMPOSITION

Mr M. Das will have completed his four-year appointment term upon conclusion of the Annual General Meeting of Shareholders of Heineken Holding N.V. on 22 April 2021. Mr M. Das is eligible for reappointment as non-executive member of the Board of Directors of Heineken Holding N.V. for a period of four years and a non-binding recommendation shall be submitted to the AGM in this respect.

Mr A.A.C. de Carvalho will have completed his four-year appointment term upon conclusion of the Annual General Meeting of Shareholders of Heineken Holding N.V. on 22 April 2021.

Mr A.A.C. de Carvalho is eligible for reappointment as non-executive member of the Board of Directors of Heineken Holding N.V. for a period of four years and a non-binding recommendation shall be submitted to the AGM in this respect.

ENQUIRIES

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INVESTOR CALENDAR HEINEKEN N.V.

(events also accessible for Heineken Holding N.V. shareholders)

Combined financial and sustainability annual report publication	19 February 2021
Trading Update for Q1 2021	21 April 2021
Annual General Meeting of Shareholders	22 April 2021
Half Year 2021 Results	02 August 2021
Quotation ex-interim dividend 2021	04 August 2021
Interim dividend payable	11 August 2021
Trading Update for Q3 2021	27 October 2021

CONFERENCE CALL DETAILS

HEINEKEN will host an analyst and investor video webcast about its 2020 FY results combined with an update on the on-going strategic review at 14:00 CET/ 13:00 GMT/ 08.00 EST. This call will also be accessible for Heineken Holding N.V. shareholders. The live video webcast will be accessible via the Heineken N.V.'s website: <https://www.theheinekencompany.com/investors/results-reports-webcasts-and-presentations>. An audio replay service will also be made available after the webcast at the above web address. Analysts and investors can dial-in using the following telephone numbers:

United Kingdom (Local): 020 3936 2999

Netherlands: 085 888 7233

USA: 1 646 664 1960

All other locations: +44 20 3936 2999

Participation password for all countries: 293180

Editorial information:

Heineken Holding N.V. engages in no activities other than its participating interest in Heineken N.V. and the management or supervision of and provision of services to that company.

HEINEKEN is the world's most international brewer. It is the leading developer and marketer of premium and non-alcoholic beer and cider brands. Led by the Heineken® brand, the Group has a portfolio of more than 300 international, regional, local and specialty beers and ciders. HEINEKEN is committed to innovation, long-term brand investment, disciplined sales execution and focused cost management. Through "Brewing a Better World", sustainability is embedded in the business. HEINEKEN has a well-balanced geographic footprint with leadership positions in both developed and developing markets. HEINEKEN employs over 84,000 employees and operates breweries, malteries, cider plants and other production facilities in more than 70 countries. Heineken Holding N.V. and Heineken N.V. shares trade on the Euronext in Amsterdam. Prices for the ordinary shares may be accessed on Bloomberg under the symbols HEIO NA and HEIA NA and on Reuters under HEIO.AS and HEIN.AS . HEINEKEN has two sponsored level 1 American Depositary Receipt (ADR) programmes: Heineken Holding N.V. (OTCQX: HKHHY) and Heineken N.V. (OTCQX: HEINY). Most recent information is available on the websites: www.heinekenholding.com and www.theHEINEKENcompany.com and follow HEINEKEN on Twitter via @HEINEKENCorp.

Market Abuse Regulation:

This press release may contain price-sensitive information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

Disclaimer:

This press release contains forward-looking statements with regard to the financial position and results of HEINEKEN's activities. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond HEINEKEN's ability to control or estimate precisely, such as future market and economic conditions, developments in the ongoing COVID-19 pandemic and related government measures, the behaviour of other market participants, changes in consumer preferences, the ability to successfully integrate acquired businesses and achieve anticipated synergies, costs of raw materials, interest-rate and exchange-rate fluctuations, changes in tax rates, changes in law, change in pension costs, the actions of government regulators and weather conditions. These and other risk factors are detailed in HEINEKEN's publicly filed annual reports. You are cautioned not to place undue reliance on these forward-looking statements, which speak only of the date of this press release. HEINEKEN does not undertake any obligation to update these forward-looking statements contained in this press release. Market share estimates contained in this press release are based on outside sources, such as specialised research institutes, in combination with management estimates.

REPORT OF THE BOARD OF DIRECTORS

Heineken Holding N.V. has a 50.005% interest in the issued share capital (being 50.029% (2019: 50.065%) of the outstanding share capital) of Heineken N.V. Standing at the head of HEINEKEN, Heineken Holding N.V. is not an ordinary holding company. Since its formation in 1952, Heineken Holding N.V.'s object pursuant to its Articles of Association has been to manage or supervise the management of HEINEKEN and to provide services for Heineken N.V. Within HEINEKEN, the primary duties of Heineken N.V.'s Executive Board are to initiate and implement corporate strategy and to manage Heineken N.V. and its related enterprise. It is supervised in the performance of its duties by Heineken N.V.'s Supervisory Board. Because Heineken N.V. manages the HEINEKEN group companies, Heineken Holding N.V., unlike Heineken N.V., does not have an internal risk management and control system. Heineken Holding N.V. does not engage in any operational activities and employs no staff.

Further information regarding the developments during the financial year 2020 of Heineken N.V. and its related companies, and the material risks Heineken N.V. is facing is given in Heineken N.V.'s press release.

Board of Directors

Mr M. Das, non-executive director (chairman)
Mrs C.L. de Carvalho-Heineken, executive director
Mr M.R. de Carvalho, executive director
Mr J.A. Fernández Carbajal, non-executive director
Mrs C.M. Kwist, non-executive director
Mr A.A.C. de Carvalho, non-executive director
Mrs A.M. Fentener van Vlissingen, non-executive director
Mrs L.L.H. Brassey, non-executive director
Mr. J.F.M.L. van Boxmeer, non-executive director

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FULL YEAR 2019**

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The 2020 financial information included in the primary statements attached to this press release are derived from the Annual Report 2020. This Annual Report has been authorised for issue. The Annual Report has not yet been published by law and still has to be adopted by the Annual General Meeting of Shareholders on 22 April 2021.

In accordance with section 393, Title 9, Book 2 of the Netherlands Civil Code, Deloitte Accountants B.V. has issued an unqualified Independent auditors' report on the Financial Statements.

The full Annual Report will be available for download on the website (www.heinekenholding.com) as of 19 February 2021.

Consolidated Income Statement

	2020	2019
For the year ended 31 December		
<i>In millions of €</i>		
Revenue	23,770	28,521
Excise tax expense	(4,055)	(4,552)
Net revenue	19,715	23,969
Other income	56	95
Raw materials, consumables and services	(12,450)	(14,592)
Personnel expenses	(3,669)	(3,880)
Amortisation, depreciation and impairments	(2,874)	(1,959)
Total other expenses	(18,993)	(20,431)
Operating profit	778	3,633
Interest income	50	75
Interest expenses	(497)	(529)
Other net finance expenses	(143)	(59)
Net finance expenses	(590)	(513)
Share of profit/(loss) of associates and joint ventures	(31)	164
Profit before income tax	157	3,284
Income tax expense	(245)	(910)
Profit/(Loss)	(88)	2,374
Attributable to:		
Shareholders of Heineken Holding N.V. (net (loss)/profit)	(102)	1,087
Non-controlling interests in Heineken N.V.	(102)	1,079
Non-controlling interests in Heineken N.V. group companies	116	208
Profit/(Loss)	(88)	2,374
Weighted average number of shares – basic	288,030,168	288,030,168
Weighted average number of shares – diluted	288,030,168	288,030,168
Basic earnings per share (€)	(0.36)	3.77
Diluted earnings per share (€)	(0.36)	3.77

Consolidated Statement of Comprehensive Income

	2020	2019
For the year ended 31 December		
<i>In millions of €</i>		
Profit/(Loss)	(88)	2,374
Other comprehensive income/(loss), net of tax:		
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement of post-retirement obligations	62	(210)
Net change in fair value through OCI investments	(98)	9
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Currency translation differences	(2,114)	369
Change in fair value of net investment hedges	76	(43)
Change in fair value of cash flow hedges	45	64
Cash flow hedges reclassified to profit or loss	4	21
Net change in fair value through OCI investments	(1)	1
Cost of hedging	(6)	(5)
Share of other comprehensive income of associates/joint ventures	16	(20)
Other comprehensive income/(loss), net of tax	(2,016)	186
Total comprehensive income/(loss)	(2,104)	2,560
Attributable to:		
Shareholders of Heineken Holding N.V.	(1,064)	1,168
Non-controlling interests in Heineken N.V.	(1,063)	1,160
Non-controlling interests in Heineken N.V. group companies	23	232
Total comprehensive income/(loss)	(2,104)	2,560

Consolidated Statement of Financial Position

	2020	2019		2020	2019
As at 31 December			As at 31 December		
<i>In millions of €</i>			<i>In millions of €</i>		
Intangible assets	15,767	17,769	Heineken Holding N.V. shareholders' equity	6,604	7,993
Property, plant and equipment	11,551	13,269	Non-controlling interests in Heineken N.V.	6,788	8,154
Investments in associates and joint ventures	4,437	4,868	Non-controlling interests in Heineken N.V. group companies	1,000	1,164
Loans and advances to customers	194	277	Total equity	14,392	17,311
Deferred tax assets	779	647	Borrowings	14,616	13,366
Other non-current assets	884	1,255	Post-retirement obligations	938	1,189
Total non-current assets	33,612	38,085	Provisions	688	756
Inventories	1,958	2,213	Deferred tax liabilities	999	1,422
Trade and other receivables	2,807	4,123	Other non-current liabilities	131	153
Current tax assets	154	123	Total non-current liabilities	17,372	16,886
Derivative assets	77	28	Borrowings	3,580	3,686
Cash and cash equivalents	4,000	1,821	Trade and other payables	6,107	7,520
Assets classified as held for sale	24	111	Returnable packaging deposits	454	565
Total current assets	9,020	8,419	Provisions	416	184
			Current tax liabilities	259	283
			Derivative liabilities	52	69
			Total current liabilities	10,868	12,307
Total assets	42,632	46,504	Total equity and liabilities	42,632	46,504

Consolidated Statement of Cash Flows

	2020	2019
For the year ended 31 December		
<i>In millions of €</i>		
Operating activities		
Profit/(Loss)	(88)	2,374
Adjustments for:		
Amortisation, depreciation and impairments	2,874	1,959
Net interest expenses	447	454
Other income	(56)	(95)
Share of (profit)/loss of associates and joint ventures and dividend income on fair value through OCI investments	21	(173)
Income tax expenses	245	910
Other non-cash items	231	240
Cash flow from operations before changes in working capital and provisions	3,674	5,669
Change in inventories	(18)	(257)
Change in trade and other receivables	1,124	(245)
Change in trade and other payables and returnable packaging deposits	(759)	510
Total change in working capital	347	8
Change in provisions and post-retirement obligations	211	(121)
Cash flow from operations	4,232	5,556
Interest paid	(481)	(528)
Interest received	45	52
Dividends received	89	181
Income taxes paid	(749)	(924)
Cash flow related to interest, dividend and income tax	(1,096)	(1,219)
Cash flow from operating activities	3,136	4,337

	2020	2019
For the year ended 31 December		
<i>In millions of €</i>		
Investing activities		
Proceeds from sale of property, plant and equipment and intangible assets	150	177
Purchase of property, plant and equipment	(1,501)	(1,915)
Purchase of intangible assets	(139)	(186)
Loans issued to customers and other investments	(177)	(249)
Repayment on loans to customers and other investments	44	64
Cash flow (used in)/from operational investing activities	(1,623)	(2,109)
<i>Free operating cash flow</i>	<i>1,513</i>	<i>2,228</i>
Acquisition of subsidiaries, net of cash acquired	(26)	(183)
Acquisition of/additions to associates, joint ventures and other investments	(9)	(2,875)
Disposal of subsidiaries, net of cash disposed of	(29)	244
Disposal of associates, joint ventures and other investments	249	50
Cash flow (used in)/from acquisitions and disposals	185	(2,764)
Cash flow (used in)/from investing activities	(1,438)	(4,873)
Financing activities		
Proceeds from borrowings	6,037	2,288
Repayment of borrowings	(3,714)	(2,150)
Payment of lease commitments	(281)	(259)
Dividends paid	(811)	(1,223)
Purchase own shares and shares issued	11	428
Acquisition of non-controlling interests	(4)	(103)
Other	—	3
Cash flow (used in)/from financing activities	1,238	(1,016)
Net cash flow	2,936	(1,552)
Cash and cash equivalents as at 1 January	687	2,248
Effect of movements in exchange rates	(104)	(9)
Cash and cash equivalents as at 31 December	3,519	687

Consolidated Statement of Changes in Equity

<i>In millions of €</i>	Share capital	Share premium	Translation reserve	Hedging reserve	Cost of hedging reserve	Fair value reserve	Other legal reserves	Reserve for own shares	Retained earnings	Shareholders of Heineken Holding N.V.	Non-controlling interests in Heineken N.V.	Non-controlling interests in Heineken N.V. group companies	Total equity
Balance as at 31 December 2018	461	1,257	(1,657)	(18)	5	173	550	—	6,471	7,242	7,283	1,183	15,708
Changes in accounting policy*	—	—	—	—	—	—	—	—	2	2	1	—	3
Balance as at 1 January 2019*	461	1,257	(1,657)	(18)	5	173	550	—	6,473	7,244	7,284	1,183	15,711
Profit	—	—	—	—	—	—	86	—	1,001	1,087	1,079	208	2,374
Other comprehensive income	—	—	144	43	(3)	5	—	—	(108)	81	81	24	186
Total comprehensive income	—	—	144	43	(3)	5	86	—	893	1,168	1,160	232	2,560
Realised hedge results from non-financial assets	—	—	—	(33)	—	—	—	—	—	(33)	(33)	—	(66)
Transfer to retained earnings	—	—	2	—	—	(20)	(76)	—	94	—	—	—	—
Dividends to shareholders	—	—	—	—	—	—	—	—	(475)	(475)	(474)	(272)	(1,221)
Cancellation own shares	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase own shares by Heineken N.V.	—	—	—	—	—	—	—	—	209	209	209	11	429
Negative dilution	—	—	—	—	—	—	—	—	(64)	(64)	64	—	—
Share-based payments by Heineken N.V.	—	—	—	—	—	—	—	—	7	7	7	—	14
Acquisition of non-controlling interests in Heineken N.V. group companies	—	—	—	—	—	—	—	—	(63)	(63)	(63)	5	(121)
Changes in consolidation by Heineken N.V.	—	—	—	—	—	—	—	—	—	—	—	5	5
Balance as at 31 December 2019	461	1,257	(1,511)	(8)	2	158	560	—	7,074	7,993	8,154	1,164	17,311

Consolidated Statement of Changes in Equity (continued)

<i>In millions of €</i>	Share capital	Share premium	Translation reserve	Hedging reserve	Cost of hedging reserve	Fair value reserve	Other legal reserves	Retained earnings	Share-holders of Heineken Holding N.V.	Non-controlling interests in Heineken N.V.	Non-controlling interests in Heineken N.V. group companies	Total equity
Balance as at 1 January 2020	461	1,257	(1,511)	(8)	2	158	560	7,074	7,993	8,154	1,164	17,311
Profit/(loss)	—	—	—	—	—	—	43	(145)	(102)	(102)	116	(88)
Other comprehensive income/(loss)	—	—	(965)	25	(3)	(50)	—	31	(962)	(961)	(93)	(2,016)
Total comprehensive income/(loss)	—	—	(965)	25	(3)	(50)	43	(114)	(1,064)	(1,063)	23	(2,104)
Realised hedge results from non-financial assets	—	—	—	(1)	—	—	—	—	(1)	(1)	—	(2)
Transfer to retained earnings	—	—	(7)	—	—	(80)	(15)	102	—	—	—	—
Dividends to shareholders	—	—	—	—	—	—	—	(300)	(300)	(297)	(228)	(825)
Purchase own shares by Heineken N.V.	—	—	—	—	—	—	—	(3)	(3)	(2)	20	15
Negative dilution	—	—	—	—	—	—	—	(9)	(9)	9	—	—
Share-based payments by Heineken N.V.	—	—	—	—	—	—	—	(13)	(13)	(12)	—	(25)
Acquisition of non-controlling interests in Heineken N.V. group companies	—	—	—	—	—	—	—	—	—	—	—	—
Changes in consolidation by Heineken N.V.	—	—	—	—	—	—	—	1	1	—	21	22
Balance as at 31 December 2020	461	1,257	(2,483)	16	(1)	28	588	6,738	6,604	6,788	1,000	14,392

*Restated for IFRS 16.

Non-GAAP Measures

In the internal management reports, HEINEKEN measures its segmental performance primarily based on operating profit and operating profit beia (before exceptional items and amortisation of acquisition-related intangible assets).

<i>In millions of €</i>	2020	2019
Operating profit (beia)	2,421	4,020
Amortisation of acquisition-related intangible assets and exceptional items included in operating profit	(1,643)	(387)
Share of profit/(loss) of associates and joint ventures	(31)	164
Net finance expenses	(590)	(513)
Profit before income tax	157	3,284
Profit/(Loss) attributable to shareholders of Heineken Holding N.V. (net profit/(loss))	(102)	1,087
Non-controlling interests in Heineken N.V.	(102)	1,079
	(204)	2,166
Amortisation of acquisition-related intangible assets included in operating profit	273	309
Exceptional items included in operating profit	1,370	78
Exceptional items included in net finance expenses/ (income)	(26)	16
Exceptional items and amortisation of acquisition-related intangible assets included in share of profit of associates and joint ventures	178	64
Exceptional items included in income tax expense	(347)	(64)
Allocation of exceptional items and amortisation of acquisition-related intangibles to non-controlling interests	(89)	(52)
Net profit (beia)	1,154	2,517

Due to rounding, this table will not always cast.

The 2020 exceptional items and amortisation of acquisition-related intangibles on net profit and loss amount to €1,358 million (2019: €351 million). This amount consists of:

- €273 million (2019: €309 million) of amortisation of acquisition-related intangibles recorded in operating profit.
- €1,370 million (2019: €78 million) of exceptional items recorded in operating profit. This includes nil exceptional items on revenue (2019: €78 million exceptional benefit on revenue, mainly relating to tax credits in Brazil), €8 million exceptional excise tax expenses (2019: €2 million), €331 million of restructuring expenses, largely associated with the EverGreen programme (2019: €91 million), €963 million of impairments (net of reversal) mainly in Papua New Guinea, Lagunitas, Jamaica and various UK Pubs (2019: €85 million), €35 million net loss on disposals (2019: €57 million gain on disposals, mainly related to the sale of operating entities in China and Hong Kong) and €33 million of other net exceptional expenses (2019: €35 million).
- €26 million of exceptional net finance income, mainly related to the release of tax provisions (2019: €16 million of exceptional net finance expense).
- €178 million of exceptional net expenses (2019: €64 million) included in the share of profit of associates and joint ventures, mainly relating to impairments of associates and joint ventures of €139 million (2019: €30 million)
- €347 million (2019: €64 million) in income tax expense, of which the tax impact on exceptional items and amortisation of acquisition-related intangible assets of €363 million (2019: €57 million) and the exceptional income tax net loss of €16 million (2019: €7 million exceptional income tax benefit).
- Total amount of eia allocated to non-controlling interests amounts to €89 million (2019: €52 million).

GLOSSARY

Acquisition-related intangible assets

Acquisition-related intangible assets are assets that HEINEKEN only recognises as part of a purchase price allocation following an acquisition. This includes, among others, brands, customer-related and certain contract-based intangibles.

Beia

Before exceptional items and amortisation of acquisition-related intangible assets.

Cash conversion ratio

Free operating cash flow/net profit (beia) before deduction of non-controlling interests.

Cash flow (used in)/from operational investing activities

This represents the total of cash flow from sale and purchase of Property, plant and equipment and Intangible assets, proceeds and receipts of Loans to customers and Other investments.

Centrally available financing headroom

This consists of the undrawn part of revolving credit facility and cash minus commercial paper and other short-term borrowings.

Consolidation changes

Changes as a result of acquisitions and disposals.

Depletions

Sales by distributors to the retail trade.

Dividend payout

Proposed dividend as percentage of net profit (beia).

Earnings per share (EPS)

Basic

Net profit/(loss) divided by the weighted average number of shares – basic – during the year.

Diluted

Net profit/(loss) divided by the weighted average number of shares – diluted – during the year.

EBITDA

Earnings before interest, taxes, net finance expenses, depreciation and amortisation. EBITDA includes HEINEKEN's share in net profit of joint ventures and associates.

Effective tax rate

Income tax expense expressed as a percentage of the profit before income tax, adjusted for share of profit of associates and joint ventures.

Eia

Exceptional items and amortisation of acquisition-related intangible assets.

Exceptional items

Items of income and expense of such size, nature or incidence, that in the view of management their disclosure is relevant to explain the performance of HEINEKEN for the period.

Free operating cash flow

This represents the total of cash flow from operating activities and cash flow from operational investing activities.

HEINEKEN

Heineken Holding N.V., Heineken N.V., its subsidiaries and interests in joint ventures and associates

Net debt

Non-current and current interest-bearing borrowings (incl. lease liabilities), bank overdrafts and market value of cross-currency interest rate swaps less cash and cash equivalents.

Net profit/(loss)

Profit/(loss) after deduction of non-controlling interests (profit attributable to shareholders of Heineken Holding N.V.).

Net revenue

Revenue as defined in IFRS 15 (after discounts) minus the excise tax expense for those countries where the excise is borne by HEINEKEN.

Net revenue per hectolitre

Net revenue divided by total consolidated volume.

Organic growth

Growth excluding the effect of foreign currency translational effects, consolidation changes, exceptional items and amortisation of acquisition-related intangible assets.

Organic volume growth

Growth in volume, excluding the effect of consolidation changes.

Price mix on a constant geographic basis

Refers to the different components that influence net revenue per hectolitre, namely the changes in the absolute price of each individual sku and their weight in the portfolio. The weight of the countries in the total revenue in the base year is kept constant.

Profit / (Loss)

Total profit / (loss) of HEINEKEN before deduction of non-controlling interests.

®

All brand names mentioned in this report, including those brand names not marked by an ®, represent registered trademarks and are legally protected.

Region

A region is defined as HEINEKEN's managerial classification of countries into geographical units.

Volume

Brand specific volume (Heineken® volume, Amstel® volume, etc.)

Brand volume produced and sold by consolidated companies plus 100% of brand volume sold under licence agreements by joint ventures, associates and third parties.

Beer volume

Beer volume produced and sold by consolidated companies.

Non-beer volume

Cider, soft drinks and other non-beer volume produced and sold by consolidated companies.

Third party products volume

Volume of third party products (beer and non-beer) resold by consolidated companies.

Total consolidated volume

The sum of beer volume, non-beer volume and third party products volume.

Licensed volume

100% of volume from HEINEKEN's beer brands sold under licence agreements by joint ventures, associates and third parties.

Group beer volume

The sum of beer volume, licensed beer volume and attributable share of beer volume from joint ventures and associates.

Weighted average number of shares*Basic*

Weighted average number of outstanding shares.

Diluted

Weighted average number of shares outstanding, adjusted for the weighted average number of own shares purchased or held.