HEINEKEN

MEDIA RELEASE

Heineken N.V. reports on 2024 first-quarter trading

Amsterdam, 24 April 2024 – Heineken N.V. (EURONEXT: HEIA; OTCQX: HEINY) publishes its trading update for the first quarter of 2024.

Key Highlights

- Revenue €8,184 million, up 7.2%
- Net revenue (beia) organic growth 9.4%; per hectolitre 4.9%
- Beer volume organic growth 4.7%
- Premium beer volume organic growth 7.3%
- Heineken® volume growth 12.9%
- Gross merchandise value captured via eB2B platforms +17%
- Outlook for the full year unchanged; operating profit (beia) expected to grow organically low- to high-single-digit.

CEO Statement

Dolf van den Brink, Chairman of the Executive Board / CEO, commented:

"As we maintained focus on our EverGreen priorities, we had an encouraging start to 2024. All regions grew volume and net revenue, and we continued to see a sequential improvement in the performance of the business, growing in line or ahead of the category in the majority of our markets. This quarter was boosted by an earlier Easter and cycling negative one-off effects from last year. Top-line delivery was well-balanced between volume and value as more markets returned to volume growth and our underlying premiumisation trends remained strong.

Heineken® accelerated its growth to 12.9% in volume globally and became the #1 brand by value in Brazil. Our Low & No-Alcohol (LONO) portfolio grew volume in the mid-teens, led by the strong growth of Heineken® 0.0, further strengthening our global leadership position in the segment. Our eB2B platforms captured €2.7 billion in gross merchandise value this quarter, 17% more than last year. Continuing our journey to net zero, we opened a large scale solar thermal plant in Spain featuring cutting-edge technology.

We continue to see the economic environment as challenging and uncertain, and will remain agile and focused. We will continue to invest behind our brands, innovations, commercial capabilities and route-to-consumer. Our full year expectations remain unchanged."

Driving Superior Growth

Throughout this report figures refer to quarterly performance unless otherwise indicated.

Revenue in the first quarter was €8.2 billion, up 7.2%. **Net revenue (beia)** was €6.8 billion, up 9.4% organically. Total consolidated volume increased 4.3% and net revenue (beia) per hectolitre was up 4.9%. Price mix on a constant geographic basis increased by 6.0%, mainly driven by pricing and in line with inflation.

Currency translation reduced net revenue (beia) by €294 million or 4.6%, mainly driven by the devaluation of currencies in Africa, particularly the Nigerian Naira, and partially offset by a stronger Mexican Peso and Brazilian Real. Consolidation changes in net revenue (beia) contributed €164 million, driven by the integration of Distell and Namibia Breweries and partially offset by the sale of Vrumona in the Netherlands and our exit from Russia.

IFRS Measures	€ million	Total growth	BEIA Measures[1]	€ million	Organic growth
Revenue	8,184	7.2%	Revenue (beia)	8,184	8.8%
Net revenue	6,847	7.3%	Net revenue (beia)	6,847	9.4%

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. Page 5 includes a reconciliation versus IFRS metrics. These non-GAAP measures are included in internal management reports that are reviewed by the Executive Board of HEINEKEN, as management believes that this measurement is the most relevant in evaluating the results and in performance management.

Beer volume increased 4.7% organically with growth in all regions, a sequential improvement in the performance of the business, boosted by calendar and one-off effects. In particular, the Americas and Europe regions benefitted from the earlier timing of Easter and the Africa & Middle East and Asia Pacific regions from a soft comparable base last year due to one-off effects in Vietnam and Nigeria.

Beer volume

(in mhl or %)		1Q23	**1Q24**	Organic growth
Heineken N.V.		54.8	**55.4**	4.7%
	Africa & Middle East	9.0	**7.4**	3.5%
	Americas	20.3	**21.4**	5.0%
	Asia Pacific	10.3	**11.3**	9.4%
	Europe	15.2	**15.3**	1.6%

Driving premiumisation at scale, led by Heineken®

Premium beer volume grew by 7.3%, outperforming the total beer portfolio. The strong momentum in premiumisation was led by **Heineken®** and its line extensions, complemented by our international and local premium brands, including Tiger, Desperados, Birra Moretti and Kingfisher Ultra.

Heineken® grew volume by 12.9%, with double-digit growth in more than 30 markets. **Heineken® 0.0** grew volume in the high-teens, with double-digit growth in all regions, led by Brazil, Vietnam and China. **Heineken® Silver** grew volume by more than 50%, led by Vietnam and China.

Heineken® volume

(in mhl or %)		1Q23	**1Q24**	Organic growth
Heineken N.V.		12.2	**13.8**	12.9%
	Africa & Middle East	1.3	**1.3**	-0.3%
	Americas	5.4	**6.0**	10.6%
	Asia Pacific	2.3	**3.2**	38.8%
	Europe	3.1	**3.2**	3.2%

Build a future-fit digital route-to-consumer

We continued to expand our **business-to-business digital (eB2B) platforms**. In the first quarter our platforms captured €2.7 billion in gross merchandise value (GMV), an increase of 17% versus last year, connecting more than 640,000 active customers in fragmented, traditional channels, up 28% compared to last year. We continue to build capabilities to enable better features at scale, resulting in an improved customer experience and better performance, helping customers to grow their business.

Regional Overview

Africa & Middle East

- **Net revenue (beia)** grew 32.9% organically, with total consolidated volume up 5.6% and net revenue (beia) per hectolitre up 25.8%. Price mix on a constant geographic basis increased by 26.7% driven by strong pricing across the region to offset inflation.
- **Beer volume** increased organically by 3.5% as some markets cycled significant disruptions from last year in a context of continued economic volatility and challenging consumer conditions across the region. Premium beer volume grew by a low-single-digit driven by Desperados.
- In **Nigeria**, net revenue (beia) grew organically by more than 80%, driven largely by the pricing required to mitigate the impact of continued inflation and the devaluation of the Naira. Total volume grew close to 20%, benefitting from cycling the prior year disruption to the supply of local banknotes which impacted consumer purchasing behaviour. The premium portfolio grew a high-single-digit, led by Desperados. In order to weather the current economic conditions, Nigerian Breweries announced in April a rights issue to strengthen its balance sheet. HEINEKEN will take up its rights in full in the forthcoming recapitalisation, as we believe in the long-term future for the business.

- In **South Africa**, the revenue of Heineken Beverages[1] grew by a high-single-digit, driven by pricing and positive mix effects. The beer volume was up by a low-single-digit, recovering further in the market, albeit still behind the total alcohol market. In February, we introduced Heineken® in returnable glass bottles to unlock the full potential of the brand in the market. The beyond beer portfolio grew revenue by close to 10%, driven by a strong performance of Savanna, Bernini and 4th Street from our cider, ready-to-drink and wine portfolios.
- In **Ethiopia**, net revenue (beia) grew organically in the high-teens, as inflation-led pricing more than offset a volume decline. Beer volume was down a high-single-digit, impacted during the first quarter by social unrest in a key region. Consumer purchasing power remains under pressure from the effects of hyperinflation.
- In **Egypt**, net revenue (beia) grew organically in the low-thirties, driven by pricing for significant inflation and volume growth. Total volume grew in the low-teens, led by the growth of the non-alcoholic portfolio. Beer volume grew by a high-single-digit, led by the premium segment.
- In the **Democratic Republic of Congo (DRC)**, net revenue (beia) grew organically more than 30%, driven by total volume growth in the mid-teens, ahead of the market, and pricing to partially mitigate inflation.

Americas

- **Net revenue (beia)** grew 6.5% organically, with total consolidated volume up 4.6% and net revenue (beia) per hectolitre up 2.1%. Price mix on a constant geographic basis was up by 3.4%, led by pricing and the continued premiumisation of the portfolio.
- **Beer volume** increased organically by 5.0%, with strong growth in Brazil, Mexico, Panama and Ecuador, benefitting from a strong carnival and earlier Easter. Our premium portfolio grew by a high-single-digit, led by Heineken® in Brazil.
- In **Mexico**, net revenue (beia) grew organically by a high-single-digit, driven by volume growth, pricing and premiumisation. Beer volume was up organically by a mid-single-digit, in line with the market, led by Tecate and Dos Equis. Our premium portfolio outperformed, driven by Bohemia.
- In **Brazil**, net revenue (beia) grew in the low-teens, driven by volume growth, premiumisation and pricing. Beer volume grew by a high-single-digit as our premium and mainstream beer portfolio continued its strong momentum and grew volume in the low-teens, led by Heineken® and Amstel. This quarter, Heineken® became the #1 brand by value in the market.
- In the **USA**, net revenue (beia) declined organically by a mid-single-digit. Depletions were down by a low-single-digit, outperforming the market in the quarter. Heineken® was ahead of the market and continues to grow brand power, aided by the launch of Heineken® Silver last year. Heineken® 0.0, the #1 alcohol-free beer brand in the market by value, grew depletions by a mid-single-digit. Dos Equis depletions were slightly up, driven by innovations like Dos Equis Michelada Original.

Asia Pacific

- **Net revenue (beia)** increased 11.3% organically, with total consolidated volume up 8.9% and net revenue (beia) per hectolitre up 2.1%. Price mix on a constant geographic basis was up 3.1%, mainly driven by pricing and positive mix effects.
- **Beer volume** increased organically by 9.4% in the quarter, benefitting from the destocking effects in Vietnam last year and lunar new year timing. The premium portfolio was up by the low-teens driven by Vietnam, India and Laos.
- In **Vietnam**, we estimate the beer market declined by a mid-single-digit in the first quarter as it continues to be impacted by a soft consumer environment and stricter enforcement of zero tolerance whilst driving regulations. Our net revenue (beia) was up in the mid-teens, driven by volume growth in the low-teens, cycling the destocking effect from last year. Heineken® had a strong performance, driven by the momentum of Heineken® Silver.
- In **India**, net revenue (beia) grew by 20% organically, driven by volume and positive price mix. Beer volume grew in the low-teens, ahead of the market, cycling route-to-market changes from last year. To celebrate International Women's day, we introduced Queenfisher, an all-women initiative. Our premium portfolio grew volume in the low-twenties, led by Kingfisher Ultra and Heineken® Silver.
- In **China**, Heineken® grew volume by more than 40%, with a strong performance of both Heineken® Original and Heineken® Silver.
- In **Cambodia**, net revenue (beia) declined organically by a mid-single-digit, driven by an adverse price mix effect that more than offset a small growth in volume, in a challenging economic environment.
- In **Malaysia**, beer volume increased by a mid-single-digit versus last year, led by Tiger. The premium portfolio also grew by a mid-single-digit, led by Heineken®.

[1] Revenue indicated for Heineken Beverages considers the acquired business of Distell as from the start of 2023.

- In **Indonesia**, net revenue (beia) declined in the low-teens, as the positive effect from pricing and product mix was more than offset by an increase in excise duties as of 1 January 2024 and a decline in volume. Beer volume was down in the mid-teens, performing ahead of the market on a sell-out basis.

Europe

- **Net revenue (beia)** grew 0.4% organically, with total consolidated volume up 0.5%. Net revenue (beia) per hectolitre increased by 1.7%. Price mix on a constant geographic basis was up 1.7%, mainly driven by moderate pricing partially offset by an adverse channel mix and a normalised level of our promotional activities. Net revenue (beia) was impacted by lower intercompany exports.
- **Beer volume** increased organically by 1.6%, with growth across the majority of our markets, supported by calendar effects, including an earlier Easter. The growth was driven by the off-trade, up by a low-single-digit, as on-trade volume was down by a low-single-digit. We outperformed the category in the majority of our markets. Our premium portfolio outpaced the total portfolio, driven by Heineken®, Birra Moretti, Desperados, Messina, El Aguila and Texels.
- In the **UK**, net revenue (beia) grew organically by a low-single-digit, driven by volume. Total volume was up organically by a low-single-digit, ahead of the market. Our premium portfolio outperformed, led by Birra Moretti.
- In **France**, net revenue (beia) grew by a mid-single-digit, driven by volume and mix. Total volume was up by a low-single-digit, led by the growth of our premium beer portfolio, particularly Desperados and Pélican.
- In **Spain**, net revenue (beia) was broadly stable as small volume growth, ahead of the market, and pricing were offset by adverse channel mix effects. The momentum of our premium portfolio continued and El Águila grew volume in the high-teens.
- In **Italy**, net revenue (beia) grew by a low-single-digit, as a low-single-digit volume decline, in line with the market, was more than offset by price mix. The beer volume growth was led by Birra Moretti in the mainstream segment.
- In **Poland**, net revenue (beia) declined by a mid-single-digit. We outperformed the market with beer volume down a low-single-digit.
- In the **Netherlands**, net revenue (beia) declined by a low-single-digit, driven by a lower price mix due to channel and pack type effects and normalised promotional activity relative to last year. Beer volume outperformed the market. Our premium portfolio was up in the low-teens, led by Texels.

Business Outlook

We continue to see the economic environment as challenging and uncertain, and will remain agile and focused on strengthening our business in line with our EverGreen strategy. Despite the solid start to the year, we cannot extrapolate the reported top-line growth to the rest of the year. As planned, we will increase our investment behind our brands, innovations, commercial capabilities and route-to-consumer. All in all, we continue to expect operating profit (beia) to grow organically by a low- to high-single-digit and net profit (beia) organic growth lower than the operating profit (beia) organic growth.

Translational Currency Calculated Impact

Based on the impact to date, and applying spot rates of 22 April 2024 to the 2023 financial results as a baseline for the remainder of the year, the calculated negative currency translational impact for the full year of 2024 would be approximately €640 million in net revenue (beia), €90 million at operating profit (beia) and positive €20 million at net profit (beia).

Reconciliation of non-GAAP measures

In internal managerial reports, HEINEKEN uses the metrics net revenue (beia) and net revenue (beia) organic growth.

Reconciliation net revenue (beia) and net revenue (beia) organic growth

1Q22	Reported	Eia	Beia	Currency translation	Consolidation impact	Organic Growth	Organic Growth %
Revenue	6,989	—	6,989	200	432	1,213	23.6%
Excise tax expense	-1,236	—	-1,236	-13	-243	-142	-17.0%
Net revenue	5,753	—	5,753	186	189	1,071	24.9%

1Q23	Reported	Eia	Beia	Currency translation	Consolidation impact	Organic Growth	Organic Growth %
Revenue	7,632	-1	7,631	89	12	540	7.7%
Excise tax expense	-1,253	—	-1,253	14	-3	-28	-2.3%
Net revenue	6,379	-1	6,378	103	10	512	8.9%

1Q24	Reported	Eia	Beia	Currency translation	Consolidation impact	Organic Growth	Organic Growth %
Revenue	8,184	—	8,184	-328	209	672	8.8%
Excise tax expense	-1,337	—	-1,337	34	-45	-73	-5.8%
Net revenue	6,847	—	6,847	-294	164	599	9.4%

Note: due to rounding, this table will not always cast

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Conference Call Details

HEINEKEN will host an analyst and investor conference call with Harold van den Broek, Chief Financial Officer, in relation to its First Quarter 2024 Trading Update at 14:00 CET/13:00 GMT. The call will be audio cast live via the company's website: www.theheinekencompany.com. An audio replay service will also be made available after the conference call at the above web address. Analysts and investors can dial-in using the following telephone numbers:

United Kingdom: +44 203 936 2999

Netherlands: +31 85 888 7233

United States: +1 646 787 9445

All other locations: +44 203 936 2999

For the full list of dial in numbers, please refer to the following link: Global Dial-In Numbers

Participation password for all countries: 655905

Consolidated Metrics: First Quarter 2024

In mhl or €million unless otherwise stated & consolidated figures unless otherwise stated	1Q23	Currency translation	Consolidation Impact	Organic Growth	**1Q24**	Organic Growth %
Africa & Middle East						
Net revenue (beia)	875	-382	182	288	**965**	32.9%
Total Consolidated Volume	11.1		-0.2	0.6	**11.5**	5.6%
Beer Volume	9.0		-1.9	0.3	**7.4**	3.5%
Non-Beer Volume	2.1		1.6	0.3	**4.0**	13.6%
Third-Party Products Volume	—		—	—	**0.1**	133.9%
Licensed Beer Volume	*0.6*				***0.4***	
Group Beer Volume	*9.7*				***7.9***	
Americas						
Net revenue (beia)	2,299	116	—	150	**2,565**	6.5%
Total Consolidated Volume	20.8		—	0.9	**21.8**	4.6%
Beer Volume	20.3		—	1.0	**21.4**	5.0%
Non-Beer Volume	0.5		—	-0.1	**0.4**	-18.5%
Third-Party Products Volume	—		—	—	**—**	—
Licensed Beer Volume	*0.8*				***0.8***	
Group Beer Volume	*23.2*				***24.2***	
Asia Pacific						
Net revenue (beia)	977	-50	11	110	**1,048**	11.3%
Total Consolidated Volume	10.5		0.1	0.9	**11.5**	8.9%
Beer Volume	10.3		0.1	1.0	**11.3**	9.4%
Non-Beer Volume	0.2		—	—	**0.2**	-8.1%
Third-Party Products Volume	—		—	—	**—**	—
Licensed Beer Volume	*1.3*				***1.7***	
Group Beer Volume	*15.9*				***17.3***	
Europe						
Net revenue (beia)	2,445	22	-30	10	**2,448**	0.4%
Total Consolidated Volume	18.5		-0.7	0.1	**17.9**	0.5%
Beer Volume	15.2		-0.1	0.2	**15.3**	1.6%
Non-Beer Volume	1.8		-0.7	—	**1.0**	-1.6%
Third-Party Products Volume	1.6		0.1	-0.1	**1.5**	-8.1%
Licensed Beer Volume	*0.1*				***0.1***	
Group Beer Volume	*15.8*				***15.9***	
Heineken N.V.						
Net revenue (beia)	6,378	-294	164	599	**6,847**	9.4%
Total Consolidated Volume	61.0		-0.9	2.6	**62.7**	4.3%
Beer Volume	54.8		-1.9	2.5	**55.4**	4.7%
Non-Beer Volume	4.5		0.9	0.2	**5.6**	3.4%
Third-Party Products Volume	1.7		0.1	-0.1	**1.7**	-6.2%
Licensed Beer Volume	*2.8*				***3.1***	
Group Beer Volume	*64.5*				***65.3***	

Note: due to rounding, this table will not always cast

Editorial information

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 350 international, regional, local and specialty beers and ciders. With HEINEKEN's over 90,000 employees, we brew the joy of true togetherness to inspire a better world. Our dream is to shape the future of beer and beyond to win the hearts of consumers. We are committed to innovation, long-term brand investment, disciplined sales execution and focused cost management. Through "Brew 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. We operate breweries, malteries, cider plants and other production facilities in more than 70 countries. Most recent information is available on our Company's website and follow us on LinkedIn, Twitter and Instagram.

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 based on current expectations and assumptions with regard to the financial position and results of HEINEKEN's activities, anticipated developments and other factors. All statements other than statements of historical facts are, or may be deemed to be, forward-looking statements. Forward-looking statements also include, but are not limited to, statements and information in HEINEKEN's non-financial reporting, such as HEINEKEN's emissions reduction and other climate change related matters (including actions, potential impacts and risks associated therewith). These forward-looking statements are identified by their use of terms and phrases such as "aim", "ambition", "anticipate", "believe", "could", "estimate", "expect", "goals", "intend", "may", "milestones", "objectives", "outlook", "plan", "probably", "project", "risks", "schedule", "seek", "should", "target", "will" and similar terms and phrases. These forward-looking statements, while based on management's current expectations and assumptions, are not guarantees of future performance since they are subject to numerous assumptions, known and unknown risks and uncertainties, which may change over time, that could cause actual results to differ materially from those expressed or implied 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 but not limited to future market and economic conditions, 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 and other goods and services, interest-rate and exchange-rate fluctuations, changes in tax rates, changes in law, environmental and physical risks, 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 assumes no duty to and 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.

Glossary

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

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. Whenever used in this report, the term "beia" refers to performance measures before exceptional items and amortisation of acquisition related intangible assets.

Beyond beer
Alcoholic and non-alcoholic beverage propositions beyond core beer, which leverage natural ingredients and/or beer production process. This includes for example flavoured beer, ciders, RTDs (Ready-To-Drink) and malt-based drinks.

Consolidation changes
Changes as a result of acquisitions, disposals, internal transfer of businesses or other reclassifications.

Depletions
Sales by third-party distributors to the retail trade.

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.

Gross merchandise value
Value of all products sold via our eB2B platforms. This includes our own and third-party products, including all duties and taxes.

Net profit
Profit after deduction of non-controlling interests (profit attributable to shareholders' of the Company).

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, excluding inter-company transactions.

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

Organic growth %
Organic growth divided by the related prior year beia amount. Whenever used in this report, the term "organically" refers to the organic growth % of the related performance measures.

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.

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

Volume (all volume metrics exclude inter-company transactions)

Beer volume
Beer volume produced and sold by consolidated companies.

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.

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

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

LONO
Low- and non-alcoholic beer, cider & brewed soft drinks with an ABV<=3.5%.

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

Premium beer
Beer sold at a price index equal or greater than 115 relative to the average market price of beer.

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.