

## South African Competition Tribunal approves HEINEKEN acquiring control of Distell and Namibia Breweries

### Key highlights

- Decision marks the final regulatory approval
- Transaction expected to be implemented from April
- Acquisition paves the way for the establishment of a regional beverage champion

Amsterdam, 9 March 2023 – HEINEKEN N.V. ('HEINEKEN') (EURONEXT: HEIA; OTCQX: HEINY) today announced that the South African Competition Tribunal has approved its offer to acquire control of Distell Group Holdings Limited ('Distell'). The decision marks the final regulatory approval, following those received from the Namibia Competition Commission, the Common Market of Eastern & Southern Africa and all other relevant jurisdictions. It paves the way for the creation of a regional African beverage champion.

In November 2021, HEINEKEN announced its intention to acquire control of Distell and Namibia Breweries Limited ('NBL'), which were to be combined with HEINEKEN South Africa ('HSA') into a new HEINEKEN majority-owned business (Newco).

HEINEKEN's CEO and Chairman of the Executive Board Dolf van den Brink said: "We are delighted the Competition Tribunal has approved the deal. We are very excited to bring together three strong businesses to create a regional beverage champion, with a unique multi-category offer to better serve consumers, customers and create shared societal value across Southern Africa. We are committed to being a strong partner for growth and making a positive impact in the communities in which we operate, and the proactive and comprehensive public interest package we've put forward is testament to that."

Today's approval gives the green light to an ambitious package of public interest commitments, including ongoing business investment, broad-based black economic empowerment, job creation, localisation and supplier development, talent development and contribution to the economic development of the region.

### Next steps

Earlier today, a Transaction Update Announcement (TUA) was published outlining the remaining scheme details and Distell shareholder election process, including the remaining salient dates and times relating to the Transaction. The Transaction is expected to be implemented from April. The TUA is available on the HEINEKEN website ([Distell deal](#)).

**Recap of financial terms and expected accretion**

HEINEKEN's total investment in Newco will be approximately €2.4 billion, in return for a 65% shareholding. This comprises:

- A cash pay-out of approximately €1.2 billion to be funded from bonds, existing cash resources and committed credit facilities; and
- The contribution of its currently owned assets, including 75% of HSA, 100% of its export businesses in certain other African markets, and its minority interest in NBL.

The Transaction is expected to be EPS (beia) accretive this year by a low-single-digit and, on realisation of significant revenue and cost synergies, margin accretive over the medium term. Upon completion HEINEKEN's pro-forma net debt to EBITDA (beia) ratio is expected to increase marginally.

-ENDS-

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**About HEINEKEN**

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. With HEINEKEN's over 85,000 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](#).



**About Distell**

Distell is Africa's leading producer of spirits, wines, ciders and ready-to-drinks (RTDs) as well as the world's second-biggest producer of ciders. Some of the company's top brands include Amarula, Hunter's, Savanna, 4th Street, Klipdrift, Nederburg, Richelieu, Viceroy, and J.C. Le Roux. Distell employs 4500 people worldwide

**About Namibia Breweries Limited**

Established on 29 October 1920, NBL is one of the leading beverage manufacturing companies in Namibia and indeed in Southern Africa. Based in Windhoek, and employing more than 800 people, NBL leads the domestic beer market in Namibia and has significant share of the premium beer category in Southern Africa. Its portfolio includes a range of soft beverages, as well as low and non-alcoholic products. NBL's beer brands are brewed in strict accordance with the Reinheitsgebot "Purity Law" – which only uses three ingredients: malted barley, hops and water. It's brands Windhoek Lager, Tafel Lager and Windhoek Draught have earned international recognition for quality and purity. NBL's products are exported to 19 countries outside of Namibia and South Africa.