

## Heineken Holding N.V. reports on 2020 first quarter trading

Amsterdam, 22 April 2020 – Heineken Holding N.V. (EURONEXT: HEIO; OTCQX: HKHHY) today publishes its trading update for the first quarter of 2020.

### KEY HIGHLIGHTS

- Beer volume –2.1% organically for the quarter.
- Heineken® volume +5.0% in the quarter.
- March volume significantly impacted by Covid-19.

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.

### FIRST QUARTER VOLUME BREAKDOWN

<b>Beer volume<sup>1</sup></b> <i>(in mhl or %)</i>	<b>1Q20</b>	Organic growth %	March organic growth %	Total growth %	<b>1Q19</b>
Consolidated beer volume	<b>51.6</b>	-2.1%	-14.0%	-2.1%	<b>52.7</b>

<b>Heineken® volume<sup>1</sup></b> <i>(in mhl or %)</i>	<b>1Q20</b>	Organic growth %
Heineken N.V.	<b>9.4</b>	5.0%

<sup>1</sup> Refer to the Definitions section for an explanation of organic growth and volume metrics.

### FIRST QUARTER VOLUME REVIEW

With the spread of the Covid-19 crisis to all geographies, multiple countries have taken far-reaching containment measures such as restrictions of movement for populations and outlet closures, sometimes combined with the mandatory lockdown of production facilities. This is having a significant impact on HEINEKEN's markets and on its business in 2020 and is already visible in the volume reported for the first quarter. In most cases these measures were implemented in the last weeks of March. By exception, specific reference is made to the volume performance in March to improve transparency.

### Heineken® brand

- **Heineken®** volume grew by 5.0% in the quarter, with a decline of 2.4% in March.
- Volume grew double digit in Brazil, China, Mexico, the UK, Poland, Mozambique, Ivory Coast and South Korea among other markets.
- Heineken® 0.0 was introduced in Vietnam in March and is now present in 58 countries.

## BUSINESS IMPACT AND MITIGATING ACTIONS

The initial impact of the Covid-19 crisis is visible in the volume performance of this quarter and is expected to worsen in the second quarter of 2020. The second half of the year is also expected to be impacted, as lockdowns may be lifted but the impact on the economy is likely to remain. HEINEKEN's results in 2020 will be impacted by lower volumes and other effects, including:

- A significant risk of negative transactional and translational currency impacts due to the devaluation of emerging markets currencies versus the US dollar and the Euro.
- The increased risks on credit losses from customers, business continuity of small suppliers, impairments and non-effective hedge contracts.

Since the beginning, crisis management teams have been in place at a global, regional and local level, to ensure a coordinated response in regards to the health & safety of HEINEKEN's employees, business continuity and the implementation of mitigating actions.

All discretionary expenses are being reduced. In particular, international travel, corporate events and hiring for all positions have been suspended. All non-committed CAPEX has also been suspended, unless absolutely necessary for the immediate business continuity or safety. Projects and technology upgrade programmes are being temporarily paused or scaled down and will be reevaluated. Furthermore, bonuses for 2020 will be cancelled for Senior Managers, including the Executive Board and the Executive Team.

Operating companies are reducing and reallocating marketing expenses and continuously assessing effectiveness under the current environment. Consumer communication is being adapted to support activities that help on-trade customers and reflect social distancing.

Teams are quickly reacting to business changes. Service levels to modern retailers have increased, focusing on key SKUs and shelf replenishment, including outside-store hours service and direct store delivery. Business-to-consumer initiatives are accelerated to capture the growth of e-commerce channels.

The lack of visibility on the end date of the Covid-19 pandemic and the duration of its impact on the economy has led HEINEKEN to withdraw all guidance for 2020.

## FINANCING UPDATE

HEINEKEN entered the crisis with a strong balance sheet and an undrawn committed revolving credit facility of €3.5 billion maturing in 2024. There are no financial covenants in the outstanding debt. In recent weeks, HEINEKEN has successfully secured additional financing by issuing new bonds.

- On 18 March 2020, Heineken N.V. placed CHF 100 million of 5-year Notes with a coupon of 0.6375% privately.
- On 25 March 2020, HEINEKEN placed €600 million of 5-year Notes with a coupon of 1.625% and €800 million of 10-year Notes with a coupon of 2.25%. The notes were issued under the Company's Euro Medium Term Note Programme and are listed on the Luxembourg Stock Exchange. The proceeds from the Notes issuance will be used for general corporate purposes. The maturity dates of the Notes are 30 March 2025 and 30 March 2030.

HEINEKEN is well prepared to meet its financial commitments, including the €1 billion bond maturing on 4 August 2020 and the final dividend for 2019 corresponding to €1.04 per share on 7 May 2020, subject to the approval of the Annual General Meeting on 23 April 2020.

HEINEKEN will deviate from its dividend policy and will not pay an interim dividend following its half year results in August 2020.

## REPORTED NET PROFIT OF HEINEKEN N.V.

Reported net profit of Heineken N.V. for the first three months of 2020 was €94 million (2019: €299 million), impacted by the volume drop in March due to Covid-19 and limited benefit from the mitigation actions.

## TRANSLATIONAL CURRENCY UPDATE

HEINEKEN regularly provides an update of translational currency impacts using its latest estimates available on operating profit (beia) and net profit (beia) for the full year in local currencies and the spot rates close to the date of the publication. Since the latest update on 12 February 2020 many currencies have devaluated significantly versus the Euro, especially the Mexican Peso, Brazilian Real and Indonesian Rupiah. However, given the uncertainty in profit estimations for this year it is not possible to provide a reliable estimate of the translational currency impact.

## DEFINITIONS

### **Brand specific volume (Heineken® Volume)**

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.

### **HEINEKEN or "the Group"**

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

### **Organic Growth**

Organic growth in volume excludes the effect of consolidation changes.

**ENQUIRIES**

*Media Heineken Holding N.V.*

**Kees Jongsmā**

E-mail: [cjongsmā@spj.nl](mailto:cjongsmā@spj.nl)

tel. +31 6 54 79 82 53

*Media Heineken N.V.*

**Tim van der Zanden**

Director of Global Communication

**Michael Fuchs**

Corporate & Financial Communication Manager

E-mail: [pressooffice@heineken.com](mailto:pressooffice@heineken.com)

Tel: +31-20-5239355

*Investors*

**José Federico Castillo Martinez**

Director of Investor Relations

**Janine Ackermann / Robin Achten**

Investor Relations Manager / Senior Analyst

E-mail: [investors@heineken.com](mailto:investors@heineken.com)

Tel: +31-20-5239590

*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 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 85,000 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](http://www.HeinekenHolding.com) and [www.theHEINEKENcompany.com](http://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, 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.