# Heineken Holding N.V. reports on 2022 first-quarter trading

Amsterdam, 20 April 2022 – Heineken Holding N.V. (EURONEXT: HEIO; OTCQX: HKHHY) publishes its trading update for the first quarter of 2022.

## Key Highlights

- Revenue growth 35.9%
- Net revenue (beia) organic growth 24.9%; per hectolitre 18.3%
- Beer volume 5.2% organic growth; premium volume 6.3% organically
- Heineken® volume growth 12.9%
- Outlook for full year 2022 unchanged

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.

## Financial Summary

**Revenue** for the first quarter of 2022 was €6,989 million (2021: €5,145 million). Net revenue (beia) was €5,753 million and increased by 24.9% organically, with total consolidated volume growing by 5.7% and net revenue (beia) per hectolitre up 18.3%. The latter was driven by assertive pricing and premiumisation across all regions, as well as a positive channel mix effect, particularly in Europe. Currency translation positively impacted net revenue (beia) by €186 million or 4.3%, mainly driven by the Brazilian Real, the Mexican Peso and the Vietnamese Dong. The consolidation of United Breweries Limited (UBL) in India positively impacted net revenue (beia) by €200 million or 4.6%.

**Revenue**[1]

| *(in € million or %)* | **1Q22** | Total growth | Organic growth | 1Q21 |
|---|---|---|---|---|
| Revenue (IFRS) | **6,989** | 35.9% | | 5,145 |
| Net revenue (beia) | **5,753** | | 24.9% | 4,307 |

**Beer volume** grew 5.2% organically versus last year and came 2.8% ahead of 2019 on an organic basis. All regions contributed to the growth, especially Europe, given the low base last year due to the COVID-related restrictions in the on-trade. Asia Pacific returned to growth following the lockdown in the second part of last year. The Americas region recorded modest growth whilst Africa, Middle East & Eastern Europe continued its positive momentum.

**Beer volume**

| *(in mhl or %)* | **1Q22** | Organic growth | 1Q21 |
|---|---|---|---|
| Heineken N.V. | **56.4** | 5.2% | 50.3 |

**Premium beer** volume grew 6.3%, outperforming the portfolio in the majority of HEINEKEN's markets in the first three months of 2022. HEINEKEN's growth in premium is driven by Heineken®, which grew 12.9% in volume, significantly outperforming the total beer market and ahead of 2019 by close to one-third. Volume grew double-digits across all regions and in more than 45 markets. Growth was mainly driven by Brazil, China, the Netherlands, Spain, Ireland, Italy, the UK, Portugal, Nigeria, and the United Arab Emirates. **Heineken® 0.0** grew in the twenties with strong momentum in Brazil, Mexico, the USA, Chile and South Korea. **Heineken® Silver** continued its strong growth in Vietnam and China.

[1] Refer to the Glossary for an explanation of organic growth and other terms used throughout this report.

HEINEKEN also launched Heineken® Silver in Europe, reflecting its increased focus on consumers who are looking for more differentiated taste profiles and to drive further premiumisation. HEINEKEN kicked off in March with the first virtual beer launch in the Metaverse and in April HEINEKEN entered the next phase with the real launch, making Heineken® Silver available all over Europe. Overall, Heineken® Silver grew more than eighty percent.

**Heineken® volume**

| *(in mhl or %)* | **1Q22** | Organic growth |
|---|---|---|
| Heineken N.V. | **11.9** | 12.9% |

## Reported Net Profit of Heineken N.V.

The reported net profit of Heineken N.V. for the first three months of 2022 was €417 million (2021: €168 million). The net profit growth was driven by the top-line growth, with the partial recovery of the on-trade in Europe as the main factor. The reported net profit does not include the announced impairment and other non-cash exceptional charges of approximately €0.4 billion related to the decision to transfer the ownership of the business in Russia. A further update will follow with the half-year results.

## Business Outlook

The war in Ukraine has brought additional uncertainty to the global economic outlook and commodity markets. HEINEKEN expects mounting inflationary pressures to impact household disposable income and a consequent risk to beer consumption later in the year. While HEINEKEN benefits from hedges taken in 2021, further cost pressures are emerging from rising input costs, supply chain challenges, and from the decision to leave Russia. HEINEKEN will take additional actions and maintain its guidance of a stable to modest sequential improvement in operating profit margin (beia) in 2022.

## Translational Currency Calculated Impact

Based on the impact to date, and applying spot rates of 14 April 2022 to the 2021 financial results as a baseline for the remainder of the year, HEINEKEN calculates a positive currency translational impact of approximately €1,150 million in net revenue (beia), €160 million at operating profit (beia) and €100 million at net profit (beia).

## Reconciliation of non-GAAP measures

In the internal management reports, HEINEKEN uses the measure of net revenue (beia).

Reconciliation net revenue (beia)

| In millions of € | 1Q22 | 1Q21 |
|---|---|---|
| Revenue (IFRS) | 6,989 | 5,145 |
| Excise tax expense | (1,236) | (837) |
| Net revenue | 5,753 | 4,307 |
| Exceptional items included in net revenue | — | (1) |
| Net revenue (beia) | 5,753 | 4,307 |

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

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*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. With HEINEKEN's over 82,000 employees, HEINEKEN brews the joy of true togetherness to inspire a better world. HEINEKEN's dream is to shape the future of beer and beyond to win the hearts of consumers. HEINEKEN is 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. HEINEKEN operates breweries, malteries, cider plants and other production facilities in more than 70 countries. Most recent information is available on the websites: www.heinekenholding.com and www.theHEINEKENcompany.com and follow HEINEKEN on LinkedIn, Twitter and Instagram.

Market Abuse Regulation

This press release contains inside 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.

## GLOSSARY

### ®

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

### Beia

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

### 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.

**Premium beer**

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

**Consolidation changes**

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

**Licensed Beer 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.

**Digital sales value**

Value of the digital transactions with our customers for our products via our eB2B platforms at outlet level, including our net revenue and the margins captured by third party distributors.

**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.

**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.

**Non-Beer Volume**

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

**Organic Growth**

Organic growth in volume excludes the effect of consolidation changes.

**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.