

Heineken N.V. reports on 2019 third quarter trading

Amsterdam, 23 October 2019 – Heineken N.V. (EURONEXT: HEIA; OTCQX: HEINY) today publishes its trading update for the third quarter of 2019.

KEY HIGHLIGHTS

- Beer volume +2.3% organically with double digit growth in Asia Pacific.
- Heineken® volume +7.4% with double digit growth in Africa, Middle East & Eastern Europe and the Americas.

CEO STATEMENT

Jean-François van Boxmeer, Chairman of the Executive Board / CEO, commented:

"During the third quarter, our beer portfolio delivered solid volume growth of 2.3% in the context of a challenging comparison base given a very good summer last year. The growth of Heineken® accelerated to 7.4%. We are seeing increased volatility across a number of our markets, which we assume to continue for the rest of the year. We continue to invest for the long term benefit of all our stakeholders. We expect to grow operating profit organically around 4%."

THIRD QUARTER AND YEAR TO DATE VOLUME BREAKDOWN

Beer volume* <i>(in mhl or %)</i>	3Q19	Total growth %	Organic growth %	YTD 3Q19	Total growth %	Organic growth %
Heineken N.V.	64.2	2.6	2.3	180.3	2.9	2.8
Africa, Middle East & Eastern Europe	10.6	1.6	1.6	32.1	5.5	5.3
Americas	21.5	-0.2	-0.5	62.3	1.8	1.7
Asia Pacific	7.5	6.2	13.9	22.7	7.0	11.6
Europe	24.6	4.5	1.6	63.2	1.3	-0.3

Heineken® volume* <i>(in mhl or %)</i>	3Q19	Organic growth %	YTD 3Q19	Organic growth %
Heineken N.V.	11.2	7.4	30.6	7.0
Africa, Middle East & Eastern Europe	1.8	12.0	5.1	14.0
Americas	3.4	12.5	9.6	12.5
Asia Pacific	1.6	-1.0	4.3	0.2
Europe	4.3	4.8	11.5	2.8

Heineken® volume grew by 7.4% in the third quarter. The main markets contributing with double digit growth included Brazil, South Africa, the UK, Nigeria, Romania and Germany.

* Refer to the Definitions section for an explanation of organic growth and updated volume definitions. For main consolidation changes please refer to the 2019 half year results press release of 29 July 2019.

REGIONAL REVIEW

Africa, Middle East & Eastern Europe

- Beer volume grew organically by 1.6%.
- In **Nigeria**, beer volume grew low-single digit. The premium portfolio grew double digit, driven by Heineken®.
- In **Russia**, beer volume declined mid-single digit due to a cool summer and a high comparable basis due to the football World Cup last year.
- In **South Africa**, total consolidated volume grew high-single digit, driven by Heineken®.
- In **Ethiopia**, beer volume was flat due to a price increase at the beginning of the year and continued social unrest.
- In the **DRC**, beer volume grew high-single digit. The overall economy remains fragile.
- In **Egypt**, total consolidated volume grew double digit, driven by the non-alcoholic beverage portfolio.

Americas

- Beer volume declined organically by 0.5%.
- In **Mexico**, beer volume grew low-single digit. The premium portfolio grew double digit driven by the national roll-out of Amstel Ultra. The impact of the renewed OXXO contract is in line with expectations as announced on 26 February 2019.
- In **Brazil**, beer volume declined slightly. The premium and mainstream portfolios grew double digit, driven by Heineken®, Amstel and Devassa. The economy portfolio declined double digit, following a price increase at the beginning of the second quarter.
- Beer volume in the **USA** declined high-single digit due to the negative impact of the phasing of sales last year, the continuous decline of Tecate and shortages of 24 oz cans, partially offset by a better underlying trend in Heineken®.
- In **Haiti**, our largest operation in the Caribbean, beer volume declined double digit as social unrest since the middle of September caused business interruption.

Asia Pacific

- Beer volume was up organically by 13.9%.
- In **Vietnam**, beer volume grew double digit, driven by Tiger and Larue.
- In **Indonesia**, beer volume declined mid-single digit due to the phasing of deliveries.
- In **Cambodia**, beer volume was up high-double digit, driven by Anchor and Tiger.
- In **China**, HEINEKEN has now fully transferred its operations to China Resources Beer (CR Beer).

Europe

- Beer volume grew organically by 1.6%
- In the **UK**, total volume grew slightly. Beer volume grew mid-single digit. The premium beer portfolio grew high-single digit led by Heineken® and Birra Moretti.
- In **France**, beer volume was up slightly despite summer weather comparables. The off-trade environment remains challenging. Our premium portfolio grew double digit.
- In **Italy**, beer volume grew high-single digit, driven by the continued positive performance of Ichnusa and the roll-out of Messina.

- In the **Netherlands**, beer volume was down mid–single digit against a challenging comparable.
- In **Spain**, beer volume was flat impacted by a partial delisting at a large retailer.
- In **Poland**, beer volume was down mid–single digit organically mainly due to summer weather comparables.

REPORTED NET PROFIT

Reported net profit for the nine months was €1,667 million (2018: €1,596 million restated for IAS 37). For more details on the restatement, please refer to our technical announcement of 5 August 2019.

TRANSLATIONAL CURRENCY UPDATE

Using spot rates as of 16 October 2019 for the remainder of this year, the calculated positive currency translational impact for the full year would be approximately €80 million at operating profit level (beia) and €45 million at net profit level (beia).

DEFINITIONS

As of the first quarter of this year, HEINEKEN has updated its definitions of volume metrics as below. 2018 figures have been restated accordingly:

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 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.

Organic Volume Growth

Organic growth in volume excludes the effect of consolidation changes.

Volume Metrics: Third Quarter 2019*

<i>In million hectolitres</i>	3Q18	Consolidation Impact	Organic Growth	3Q19	Organic Growth %
Africa, Middle East & Eastern Europe					
Beer Volume	10.4	—	0.2	10.6	1.6
Non-Beer Volume	1.8	—	—	1.8	-0.7
Third Party Products Volume	—	—	—	—	—
Total Consolidated Volume	12.2	—	0.2	12.4	1.3
<i>Licensed Beer Volume</i>	<i>0.6</i>			<i>0.5</i>	
<i>Group Beer Volume</i>	<i>11.4</i>			<i>11.2</i>	
Americas					
Beer Volume	21.6	0.1	-0.1	21.5	-0.5
Non-Beer Volume	2.5	—	-0.5	2.0	-19.6
Third Party Products Volume	0.1	—	—	0.1	-44.8
Total Consolidated Volume	24.2	0.1	-0.6	23.6	-2.7
<i>Licensed Beer Volume</i>	<i>0.4</i>			<i>0.3</i>	
<i>Group Beer Volume</i>	<i>23.1</i>			<i>23.2</i>	
Asia Pacific					
Beer Volume	7.1	-0.5	1.0	7.5	13.9
Non-Beer Volume	0.1	—	—	0.2	15.0
Third Party Products Volume	—	—	—	—	—
Total Consolidated Volume	7.2	-0.5	1.0	7.7	13.9
<i>Licensed Beer Volume</i>	<i>0.7</i>			<i>0.7</i>	
<i>Group Beer Volume</i>	<i>9.7</i>			<i>18.1</i>	
Europe					
Beer Volume	23.5	0.7	0.4	24.6	1.6
Non-Beer Volume	3.2	—	-0.1	3.1	-3.2
Third Party Products Volume	2.4	—	—	2.3	-0.8
Total Consolidated Volume	29.1	0.7	0.3	30.0	0.9
<i>Licensed Beer Volume</i>	<i>0.2</i>			<i>0.2</i>	
<i>Group Beer Volume</i>	<i>24.4</i>			<i>25.5</i>	
Heineken N.V.					
Beer Volume	62.6	0.2	1.4	64.2	2.3
Non-Beer Volume	7.7	—	-0.6	7.1	-7.6
Third Party Products Volume	2.5	—	-0.1	2.4	-2.4
Total Consolidated Volume	72.7	0.2	0.8	73.7	1.1
<i>Licensed Beer Volume</i>	<i>1.9</i>			<i>1.7</i>	
<i>Group Beer Volume</i>	<i>68.6</i>			<i>78.0</i>	

* HEINEKEN has updated its definitions of volume metrics. For more details please refer to the Definitions section in page 3 of this press release. Due to rounding, this table will not always cast

Volume Metrics: First nine months 2019*

<i>In million hectolitres</i>	3Q18	Consolidation Impact	Organic Growth	3Q19	Organic Growth %
Africa, Middle East & Eastern Europe					
Beer Volume	30.5	0.1	1.6	32.1	5.3
Non-Beer Volume	4.6	—	0.0	4.6	-0.4
Third Party Products Volume	0.1	—	0.0	0.1	5.6
Total Consolidated Volume	35.2	0.1	1.6	36.8	4.5
<i>Licensed Beer Volume</i>	1.5			1.7	
<i>Group Beer Volume</i>	33.2			34.1	
Americas					
Beer Volume	61.2	0.1	1.0	62.3	1.7
Non-Beer Volume	7.2	—	-0.5	6.7	-6.7
Third Party Products Volume	0.4	—	-0.3	0.1	-71.0
Total Consolidated Volume	68.8	0.1	0.3	69.1	0.4
<i>Licensed Beer Volume</i>	0.9			1.0	
<i>Group Beer Volume</i>	65.6			67.1	
Asia Pacific					
Beer Volume	21.2	-1.0	2.5	22.7	11.6
Non-Beer Volume	0.4	—	0.1	0.5	21.5
Third Party Products Volume	—	—	—	—	—
Total Consolidated Volume	21.6	-1.0	2.5	23.2	11.7
<i>Licensed Beer Volume</i>	1.1			1.2	
<i>Group Beer Volume</i>	27.8			37.5	
Europe					
Beer Volume	62.4	1.0	-0.2	63.2	-0.3
Non-Beer Volume	8.3	—	-0.1	8.2	-1.7
Third Party Products Volume	6.2	0.1	-0.1	6.2	-1.0
Total Consolidated Volume	77.0	1.0	-0.4	77.6	-0.5
<i>Licensed Beer Volume</i>	0.5			0.6	
<i>Group Beer Volume</i>	64.7			65.5	
Heineken N.V.					
Beer Volume	175.3	0.1	4.9	180.3	2.8
Non-Beer Volume	20.6	—	-0.6	20.1	-2.7
Third Party Products Volume	6.7	0.1	-0.4	6.4	-5.5
Total Consolidated Volume	202.6	0.2	4.0	206.8	2.0
<i>Licensed Beer Volume</i>	4.0			4.5	
<i>Group Beer Volume</i>	191.4			204.3	

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Editorial information:

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We employ over 85,000 employees and operate breweries, malteries, cider plants and other production facilities in more than 70 countries. Heineken N.V. and Heineken Holding N.V. shares trade on the Euronext in Amsterdam. Prices for the ordinary shares may be accessed on Bloomberg under the symbols HEIA NA and HEIO NA and on Reuters under HEIN.AS and HEIO.AS. HEINEKEN has two sponsored level 1 American Depositary Receipt (ADR) programmes: Heineken N.V. (OTCQX: HEINY) and Heineken Holding N.V. (OTCQX: HKHHY). Most recent information is available on HEINEKEN's website: www.theHEINEKENcompany.com and follow us on Twitter via @HEINEKENCorp.

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