Heineken Holding N.V. reports 2023 half year results

Amsterdam, 31 July 2023 – Heineken Holding N.V. (EURONEXT: HEIO; OTCQX: HKHHY) announces:

Key Highlights

- The net result of Heineken Holding N.V.'s participating interest in Heineken N.V. for the first half year of 2023 amounts to €589 million
- Revenue growth 6.3%
- Net revenue (beia) 6.6% organic growth; per hectolitre 12.7%
- Beer volume organic growth -5.6%; Heineken® volume 1.7% growth (excluding Russia 3.7%)
- Operating profit growth -22.2%; operating profit (beia) organic growth -8.8%
- Net profit growth -8.6%; net profit (beia) organic growth -11.6%
- Diluted EPS €2.04; diluted EPS (beia) €2.03
- FY 2023 outlook updated. Operating profit (beia) stable to mid-single-digit organic growth.

Financial Summary[1]

IFRS Measures	€ million	Total growth	BEIA Measures	€ million	Organic growth[2]
Revenue	17,436	6.3%	Revenue (beia)	17,423	5.5%
Net revenue	14,524	7.7%	Net revenue (beia)	14,514	6.6%
Operating profit	1,611	-22.2%	Operating profit (beia)	1,939	-8.8%
			Operating profit (beia) margin	13.4%	
Net profit of Heineken Holding N.V.	589	-8.6%	Net profit (beia)	1,150	-11.6%
Diluted EPS (in €)	2.04	-7.3%	Diluted EPS (beia) (in €)	2.03	-12.0%
			Free operating cash flow	-467	
			Net debt / EBITDA (beia)[3]	2.7x	

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 15 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 N.V., as management believes that this measurement is the most relevant in evaluating the results. Heineken Holding N.V.'s half year report has not been audited nor reviewed by its external auditor.
2 Organic growth shown, except for Diluted EPS (beia), which is total growth.
3 Includes acquisitions and excludes disposals on a 12 month pro-forma basis.

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.

During the first half of 2023, HEINEKEN focused on executing its EverGreen strategy to deliver superior and balanced growth in a fast-changing world while transforming its business to be future-ready. HEINEKEN is making progress, albeit some short-term challenges given the volatile economic context, with the slowdown of the economy in some countries and unprecedented inflation levels.

HEINEKEN's focus has been on its EverGreen priorities, starting with its dream to shape the future of beer and beyond to win the hearts of consumers. HEINEKEN is also shaping the future with its ambition to become the best digitally connected brewer, raising the bar on sustainability and responsibility and evolving its culture, operating model and capabilities. At the same time, HEINEKEN is stepping up on productivity to fund the investments required for its brands, digitalisation, capabilities and sustainability, and improve profitability and capital efficiency.

HEINEKEN's ambition is to deliver sustained superior growth with a healthy balance between volume and value growth. HEINEKEN aims to achieve this through launching winning beverage propositions in fast-growing consumer segments, building and scaling strong premium brands everywhere and further developing its advantaged geographic and portfolio footprint. This year, HEINEKEN front-loaded significant price increases, often leading the market, to offset unprecedented levels of commodity and energy inflation, which impacted consumer off-take.

Revenue for the first half of 2023 was 17,436 million (2022: 16,401 million). **Net revenue (beia)** increased 6.6% organically; a combination of a 5.4% decline in total consolidated volume and a 12.7% increase in net revenue (beia) per hectolitre. The underlying price-mix on a constant geographic basis was up 11.8%, principally driven by the strong inflation-led pricing, whilst mix was slightly positive driven by premiumisation. Currency translation negatively impacted net revenue (beia) by €91 million or 0.7%, mainly driven by the Nigerian Naira, the Egyptian Pound, the South African Rand, the Indian Rupee and the UK Pound Sterling, partially offset by a strong Mexican Peso. Consolidation changes had a positive impact to net revenue (beia) of €231 million, mainly driven by Heineken Beverages in Southern Africa and Beavertown in the UK.

Beer volume for the first half of 2023 decreased 5.6% organically versus last year. The cumulative effect of pricing actions taken and a challenging economic backdrop led to a 7.6% organic decline in the second quarter. A disappointing performance in Vietnam and socio-economic volatility in Nigeria affecting consumer off-take accounted for over half of the decline in the first six months. The Americas region was impacted by a soft beer market, notably in the second quarter, combined with the continuing impact from OXXO mixing in Mexico. Volume in Europe performed broadly in line with HEINEKEN's expectations for the first six months. HEINEKEN gained or held market share in more than half of its markets.

Beer volume (in mhl)	**2Q23**	2Q22	Organic growth	**HY23**	HY22	Organic growth
Heineken N.V.	**65.3**	70.4	-7.6%	**120.1**	126.9	-5.6%

Premium beer volume declined by 6.5%, driven by Vietnam and Russia. Outside these markets, premiumisation trends remain strong as premium volume grew by a low-single-digit, ahead of the total beer portfolio in aggregate and in more than half of HEINEKEN's markets. The growth was driven by Heineken®, further supported by the growth of Desperados, Birra Moretti, Beavertown, Bedele Especial and El Águila among others.

Heineken® continued to lead HEINEKEN's portfolio and grew volume by 1.2% (2.1% excluding Russia) in the second quarter to close the first half with a 1.7% increase (3.7% excluding Russia). Growth was broad-based across 50 markets, most notably in China, Brazil, Mexico, Ethiopia, Panama, Portugal, Croatia and Algeria. **Heineken® Silver** is now present in 45 markets and grew volume by more than forty-five percent, led by China, Vietnam and Mexico. We continue to build Heineken® Silver across European markets and the launch in the USA shows promising early results as we scale distribution and reach more and more consumers.

Heineken® volume *(in mhl)*	**2Q23**	Organic growth	**HY23**	Organic growth
Total	**14.2**	1.2%	**26.3**	1.7%

Outlook Statements

HEINEKEN's EverGreen strategy is a multi-year and multi-faceted journey to future-proof the company and deliver superior, balanced growth for long-term value creation. HEINEKEN has executed its plans in line with its EverGreen priorities and HEINEKEN is making clear progress in building a premium portfolio, driving consumer-centric innovation, digitisation, sustainability and in improving productivity.

In the second half of 2023, HEINEKEN expects significantly improved operating profit (beia) growth inclusive of:

- Lower pressure from inflation in input costs, transport and energy & water, from mid-teens in the first-half to low-teens in the second-half on a per hectolitre basis
- Pricing starting to moderate with volume trends gradually improving to a low-single-digit decline
- An improved outlook in Vietnam and Nigeria, relative to the significant disruption in the first half
- A similar absolute level of investment in marketing and sales when compared to the first half
- Productivity savings delivering at least €300 million, cumulatively well-ahead of the €2 billion gross savings target.

Overall, HEINEKEN's updated expectation for the full year of 2023 is stable to a mid-single-digit operating profit (beia) organic growth. HEINEKEN also anticipate an average interest rate for the year of around 3.2% (2022: 2.8%). Other assumptions on CAPEX and effective tax rate are unchanged.

Looking ahead, the unprecedented commodity and energy cost inflation in recent years will be partially reversed next year, easing the pressure on pricing. Together with the structural changes HEINEKEN is making with EverGreen, HEINEKEN is confident this will set HEINEKEN up for a balanced growth delivery in 2024, while HEINEKEN remains cautious about the macroeconomic and geopolitical environment. HEINEKEN's strong cost and productivity efforts will continue and enable further support behind its growth agenda, fund investments behind EverGreen and contribute to operating profit growth. Therefore, HEINEKEN's medium-term guidance of superior, balanced growth with operating leverage over time remains unchanged.

Translational Calculated Currency Impact

Based on the impact to date, and applying spot rates of 27 July 2023 to the 2022 financial results as a baseline for the remainder of the year, the calculated negative currency translational impact would be approximately €780 million in net revenue (beia), €110 million at consolidated operating profit (beia), and €30 million at net profit (beia).

Interim Dividend 2023

According to the Articles of Association of Heineken Holding N.V. both Heineken Holding N.V. and Heineken N.V. pay an identical dividend per share. HEINEKEN's dividends are paid in the form of an interim dividend and a final dividend. In accordance with its dividend policy, HEINEKEN fixes the interim dividend at 40% of the total dividend of the previous year. As a result, an interim dividend of €0.69 per share (2022: €0.50) will be paid on 10 August 2023. Both the Heineken Holding N.V. shares and the Heineken N.V. shares will trade ex-dividend on 2 August 2023.

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Investor Calendar Heineken N.V.

(events also accessible for Heineken Holding N.V. shareholders)

Trading Update for Q3 2023	25 October 2023
Full Year 2023 Results	14 February 2024

Conference Call Details

HEINEKEN will host an analyst and investor conference call in relation to its 2023 Half Year results today at 14:00 CET/ 13:00 GMT. This call will also be accessible for Heineken Holding N.V. shareholders. The call will be audio cast live via the 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 (Local): 020 3936 2999

Netherlands (Local): 085 888 7233

USA: 1 646 664 1960

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

Participation password for all countries: 394664

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 90,000 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 www.heinekenholding.com and www.theHEINEKENcompany.com and follow HEINEKEN 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.

Introduction

This report contains the interim financial report of Heineken Holding N.V., headquartered in Amsterdam, the Netherlands.

The interim financial report for the six months ending 30 June 2023 consists of the report of the Board of Directors, the statement of the Board and the condensed consolidated interim financial statements.

Report of the Board of Directors

Heineken Holding N.V. has a 50.005% interest in the issued share capital (being 50.940% of the outstanding share capital) of Heineken N.V. Standing at the head of the HEINEKEN group, Heineken Holding N.V. is not an ordinary holding company. Since its formation in 1952, Heineken Holding N.V.'s object pursuant to its Articles of Association has been to manage or supervise the management of the HEINEKEN group and to provide services for Heineken N.V. Within the HEINEKEN group, the primary duties of Heineken N.V.'s Executive Board are to initiate and implement corporate strategy and to manage Heineken N.V. and its related enterprise. It is supervised in the performance of its duties by Heineken N.V.'s Supervisory Board. Because Heineken N.V. manages the HEINEKEN group companies, Heineken Holding N.V., unlike Heineken N.V., does not have an internal risk management and control system. Heineken Holding N.V. does not engage in any operational activities and employs no staff.

Further information regarding the developments during the financial half year 2023 of Heineken N.V. and its related companies, and the material risks Heineken N.V. is facing is given in Heineken N.V.'s half year report.

Pursuant to Article 5:25d Paragraph 4 Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht") we mention that Heineken Holding N.V.'s half year report has not been audited nor reviewed.

Statement of the Board of Directors

Statement ex Article 5:25d Paragraph 2 sub c Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht").

To our knowledge:

1. The condensed consolidated interim financial statements for the six-month period ended 30 June 2023, which have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU, give a true and fair view of the assets, liabilities, financial position, and profit or loss of Heineken Holding N.V. and the businesses included in the consolidation as a whole;
2. The report of the Board of Directors for the six-month period ended 30 June 2023 includes a fair review of the information required pursuant to article 5:25d paragraphs 8 and 9 of the Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht").

Board of Directors

Amsterdam, 28 July 2023

Mr M. Das, *non-executive director (chairman)*

Mrs C.L. de Carvalho-Heineken, *executive director*

Mr M.R. de Carvalho, *executive director*

Mrs C.M. Kwist, *non-executive director*

Mr A.A.C. de Carvalho, *non-executive director*

Mrs A.M. Fentener van Vlissingen, *non-executive director*

Mrs L.L.H. Brassey, *non-executive director*

Mr J.F.M.L. van Boxmeer, *non-executive director*

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

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CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six-month period ended 30 June

In millions of €	Note	**2023**	2022
Revenue	7	**17,436**	16,401
Excise tax expense	7	(2,912)	(2,916)
Net revenue	7	**14,524**	13,485
Other income		**145**	31
Raw materials, consumables and services		(9,704)	(8,580)
Personnel expenses		(2,110)	(1,934)
Amortisation, depreciation and impairments	8	(1,244)	(932)
Total other expenses		**(13,058)**	(11,446)
Operating profit	7	**1,611**	2,070
Interest income		46	29
Interest expenses		(295)	(214)
Other net finance (expense)/income		(186)	37
Net finance expenses		**(435)**	(148)
Share of profit of associates and joint ventures	7	100	80
Profit before income tax	7	**1,276**	2,002
Income tax expenses	15	(89)	(547)
Profit		**1,187**	1,455
Attributable to:			
Shareholders of Heineken Holding N.V. (net profit)		589	633
Non-controlling interests in Heineken N.V.		567	632
Non-controlling interests in Heineken N.V. group companies		31	190
Profit		**1,187**	1,455
Weighted average number of shares – basic	12	284,932,718	288,030,168
Weighted average number of shares – diluted	12	284,932,718	288,030,168
Basic earnings per share (€)		2.04	2.20
Diluted earnings per share (€)		2.04	2.20

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June

In millions of €	**2023**	2022
Profit	**1,187**	1,455
Other comprehensive income, net of tax:		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-retirement obligations	2	155
Net change in fair value through OCI investments - Equity investments	11	1
Items that may be subsequently reclassified to profit or loss:		
Currency translation differences	3	1,209
Change in fair value of net investment hedges	0	(73)
Change in fair value of cash flow hedges	(225)	(130)
Cash flow hedges reclassified to profit or loss	5	17
Net change in fair value through OCI investments - Debt investments	1	(1)
Cost of hedging	2	(1)
Share of other comprehensive income of associates/joint ventures	(36)	21
Other comprehensive (expense)/income, net of tax	**(237)**	1,198
Total comprehensive income	**950**	2,653
Attributable to:		
Shareholders of Heineken Holding N.V.	547	1,188
Non-controlling interests in Heineken N.V.	524	1,187
Non-controlling interests in Heineken N.V. group companies	(121)	278
Total comprehensive income	**950**	2,653

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at

In millions of €	Note	**30 June 2023**	31 December 2022
Intangible assets	8	22,653	21,408
Property, plant and equipment	8	14,299	13,623
Investments in associates and joint ventures		4,242	4,296
Loans and advances to customers		251	216
Deferred tax assets		871	618
Equity instruments	14	187	145
Other non-current assets		1,155	1,085
Total non-current assets		**43,658**	41,391
Inventories		4,370	3,250
Trade and other receivables		5,715	4,531
Current tax assets		180	84
Derivative assets		37	70
Cash and cash equivalents		2,168	2,765
Assets classified as held for sale	10	374	315
Total current assets		**12,844**	11,015
Total assets		**56,502**	52,406

As at

In millions of €	Note	**30 June 2023**	31 December 2022
Heineken Holding N.V. shareholders' equity	12	9,393	9,694
Non-controlling interests in Heineken N.V.	12	9,597	9,857
Non-controlling interests in Heineken N.V. group companies	12	2,662	2,369
Total equity		**21,652**	21,920
Borrowings	13	14,441	12,893
Post-retirement obligations		533	568
Provisions		651	572
Deferred tax liabilities		2,403	2,138
Other non-current liabilities		75	125
Total non-current liabilities		**18,103**	16,296
Borrowings	13	5,416	3,484
Trade and other payables		9,744	9,283
Returnable packaging deposits		578	545
Provisions		174	226
Current tax liabilities		322	352
Derivative liabilities		251	119
Liabilities associated with assets classified as held for sale	10	262	181
Total current liabilities		**16,747**	14,190
Total equity and liabilities		**56,502**	52,406

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 30 June

In millions of €	**2023**	2022
Operating activities		
Profit	1,187	1,455
Adjustments for:		
Amortisation, depreciation and impairments	1,244	932
Net interest expenses	249	185
Other income	(103)	(31)
Share of profit of associates and joint ventures and dividend income on fair value through OCI investments	(107)	(85)
Income tax expenses	89	547
Other non-cash items	316	97
Cash flow from operations before changes in working capital and provisions	**2,875**	3,100
Change in inventories	(611)	(611)
Change in trade and other receivables	(869)	(1,150)
Change in trade and other payables and returnable packaging deposits	470	1,545
Total change in working capital	**(1,010)**	(216)
Change in provisions and post-retirement obligations	(30)	(100)
Cash flow from operations	**1,835**	2,784
Interest paid	(298)	(236)
Interest received	51	17
Dividends received	51	60
Income taxes paid	(607)	(456)
Cash flow related to interest, dividend and income tax	**(803)**	(615)
Cash flow from operating activities	**1,032**	2,169

For the six-month period ended 30 June

In millions of €	**2023**	2022
Investing activities		
Proceeds from sale of property, plant and equipment and intangible assets	84	51
Purchase of property, plant and equipment	(1,378)	(958)
Purchase of intangible assets	(90)	(68)
Loans issued to customers and other investments	(139)	(89)
Repayment on loans to customers and other investments	24	17
Cash flow (used in)/from operational investing activities	(1,499)	(1,047)
Free operating cash flow	**(467)**	1,122
Acquisition of subsidiaries, net of cash acquired	(821)	(7)
Acquisition of/additions to associates, joint ventures and other investments	(404)	(37)
Disposal of subsidiaries, net of cash disposed of	(1)	—
Disposal of associates, joint ventures and other investments	46	—
Cash flow (used in)/from acquisitions and disposals	**(1,180)**	(44)
Cash flow (used in)/from investing activities	**(2,679)**	(1,091)
Financing activities		
Proceeds from borrowings	5,492	301
Repayment of borrowings	(2,041)	(986)
Payment of lease commitments	(220)	(148)
Dividends paid	(840)	(652)
Purchase own shares and shares issued by Heineken N.V.	(928)	(23)
Acquisition of non-controlling interests	(288)	(8)
Cash flow (used in)/from financing activities	**1,175**	(1,516)
Net cash flow	**(472)**	(438)
Cash and cash equivalents as at 1 January	1,618	2,556
Effect of movements in exchange rates	(171)	28
Cash and cash equivalents as at 30 June	**975**	2,146

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

In millions of €	Share capital	Share premium	Translation reserve	Hedging reserve	Cost of hedging reserve	Fair value reserve	Other legal reserves	Retained earnings	Shareholders of Heineken Holding N.V.	Non-controlling interests in Heineken N.V.	Non-controlling interests in Heineken N.V. group companies	Total equity
Balance as at 1 January 2022	461	1,257	(2,014)	30	(4)	29	566	8,268	8,593	8,763	2,344	19,700
Profit	—	—	—	—	—	—	41	592	633	632	190	1,455
Other comprehensive income/(loss)	—	—	534	(56)	(1)	—	—	78	555	555	88	1,198
Total comprehensive income/(loss)	—	—	534	(56)	(1)	—	41	670	1,188	1,187	278	2,653
Realised hedge results from non-financial assets	—	—	—	(12)	—	—	—	—	(12)	(11)	—	(23)
Transfer to retained earnings	—	—	—	—	—	—	(58)	58	—	—	—	—
Dividends to shareholders	—	—	—	—	—	—	—	(277)	(277)	(276)	(208)	(761)
Purchase/reissuance own/non-controlling shares by Heineken N.V.	—	—	—	—	—	—	—	(12)	(12)	(11)	—	(23)
Negative dilution	—	—	—	—	—	—	—	(1)	(1)	1	—	—
Share-based payments by Heineken N.V.	—	—	—	—	—	—	—	8	8	8	—	16
Acquisition of non-controlling interests in Heineken N.V. group companies by Heineken N.V.	—	—	—	—	—	—	—	(2)	(2)	(2)	(2)	(6)
Balance as at 30 June 2022	461	1,257	(1,480)	(38)	(5)	29	549	8,712	9,485	9,659	2,412	21,556

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

In millions of €	Share capital	Share premium	Translation reserve	Hedging reserve	Cost of hedging reserve	Fair value reserve	Other legal reserves	Reserve for own shares	Retained earnings	Shareholders of Heineken Holding N.V.	Non-controlling interests in Heineken N.V.	Non-controlling interests in Heineken N.V. group companies	Total equity
Balance as at 1 January 2023	**461**	**1,257**	**(1,822)**	**(22)**	**(5)**	**36**	**623**	**—**	**9,166**	**9,694**	**9,857**	**2,369**	**21,920**
Hyperinflation restatement to 1 January 2023[1]	—	—	—	—	—	—	—	—	7	7	6	—	13
Balance as at 1 January 2023 after restatement	**461**	**1,257**	**(1,822)**	**(22)**	**(5)**	**36**	**623**	**—**	**9,173**	**9,701**	**9,863**	**2,369**	**21,933**
Profit	—	—	—	—	—	—	47	—	542	589	567	31	1,187
Other comprehensive income/(loss)	—	—	60	(111)	2	6	—	—	1	(42)	(43)	(152)	(237)
Total comprehensive income/(loss)	**—**	**—**	**60**	**(111)**	**2**	**6**	**47**	**—**	**543**	**547**	**524**	**(121)**	**950**
Realised hedge results from non-financial assets	—	—	—	46	—	—	—	—	—	46	45	—	91
Transfer to retained earnings	—	—	(1)	—	—	1	3	—	(3)	—	—	—	—
Dividends to shareholders	—	—	—	—	—	—	—	—	(349)	(349)	(345)	(237)	(931)
Purchase/reissuance own/non-controlling shares by Heineken N.V.	—	—	—	—	—	—	—	—	(480)	(480)	(463)	14	(929)
Purchase own shares	—	—	—	—	—	—	—	(390)	—	(390)	—	—	(390)
Dilution	—	—	—	—	—	—	—	—	170	170	(170)	—	—
Share-based payments by Heineken N.V.	—	—	—	—	—	—	—	—	2	2	2	—	4
Acquisition of non-controlling interests in Heineken N.V. group companies by Heineken N.V.	—	—	—	—	—	—	—	—	113	113	109	(8)	214
Hyperinflation impact	—	—	—	—	—	—	—	—	33	33	32		65
Changes in consolidation by Heineken N.V.	—	—	—	—	—	—	—	—	—	—	—	645	645
Balance as at 30 June 2023	**461**	**1,257**	**(1,763)**	**(87)**	**(3)**	**43**	**673**	**(390)**	**9,202**	**9,393**	**9,597**	**2,662**	**21,652**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. REPORTING ENTITY

Heineken Holding N.V. (the 'Company') is a public company domiciled in the Netherlands, with its head office in Amsterdam. The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2023, includes the financial statements of Heineken Holding N.V., Heineken N.V., its subsidiaries (together referred to as 'HEINEKEN') and HEINEKEN's interest in joint ventures and associates.

The consolidated financial statements of Heineken Holding N.V. as at and for the year ended 31 December 2022 are available at www.heinekenholding.com.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements are:

- Prepared in accordance with IAS 34 'Interim Financial Reporting' of the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The condensed consolidated interim financial statements do not meet the full requirements for annual financial statements required by IFRS and should be read in conjunction with the consolidated financial statements of HEINEKEN as at and for the year ended 31 December 2022. Heineken Holding N.V.'s consolidated financial statements for the year ended 31 December 2022 were adopted by the Annual General Meeting of shareholders on 20 April 2023 and an unqualified auditor's opinion was issued by Deloitte Accountants B.V. thereon.
- These condensed consolidated interim financial statements were approved by the Board of Directors on 28 July 2023.
- Prepared on a historical cost basis unless otherwise stated.
- Presented in Euro, which is the Company's functional currency.
- Rounded to the nearest million unless stated otherwise.

3. SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

On 28 March 2022, HEINEKEN announced its decision to leave Russia. An impairment loss of €113 million was recognised in relation to the Russia disposal group classified as held for sale. For more information refer to note 10 'Russia disposal group classified as held for sale'.

HEINEKEN applied hyperinflation accounting for its operations in Haiti and Ethiopia. In 2023, the three-year cumulative inflation in Haiti exceeded 100% and as a result, hyperinflation accounting was applied for the first time for the six-month period ended 30 June 2023.

Heineken N.V. purchased shares in Heineken N.V. and Heineken Holding N.V. from Fomento Económico Mexicano, S.A.B. de C.V. (FEMSA), former shareholder with significant influence. For more information refer to note 14 'Transactions with related party FEMSA'.

HEINEKEN has assessed the impact of its main risks including continued exposure to risks related to supply chain continuity, climate change impact, foreign exchange volatility, commodity prices and macro-economic downturn in general, on its estimates and judgements. Areas containing the most significant estimates and judgements are referred to in note 4 'Significant accounting estimates and judgements'.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the condensed consolidated interim financial statements in accordance with IFRS requires management to make estimates, judgements and assessments that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

The areas that involve significant estimates and judgements are described in the consolidated financial statements of HEINEKEN for the year ended 31 December 2022. There has been no material change to these areas during the six-month period ended 30 June 2023, except relating to the judgement used in the identification and valuation of acquired assets and liabilities in Distell and Namibian Breweries.

Area involving significant estimates and judgements	Note
Judgement used in the identification and valuation of acquired assets and liabilities	9 Acquisition of Distell and Namibian Breweries

5. SIGNIFICANT ACCOUNTING POLICIES

(a) General

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in HEINEKEN's consolidated financial statements for the year ended 31 December 2022. HEINEKEN has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(b) Income tax

Income tax expenses are recognised based on the expected full year effective tax rate per country.

(c) IFRS standards and interpretations effective on or after 1 January 2023

IFRS standards and interpretations effective for accounting periods beginning on or after January 1, 2023, do not have a material impact on the condensed consolidated interim financial statements of HEINEKEN.

6. SEASONALITY

The performance of HEINEKEN is usually subject to seasonal fluctuations for example as a result of weather conditions. HEINEKEN's full-year results and volumes are dependent on the performance in the peak-selling seasons (May to August and December). The impact from this seasonality is also noticeable in several working capital related items such as inventory, trade receivables and payables.

7. OPERATING SEGMENTS

For the six-month period ended 30 June

	Europe		Americas		Africa, Middle East & Eastern Europe		Asia Pacific		Heineken N.V. Head Office & Other/eliminations		Consolidated	
In millions of €	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Third party revenue	6,945	6,506	4,996	4,372	2,413	2,235	3,053	3,278	29	10	17,436	16,401
Interregional revenue	429	405	3	14	—	—	—	—	(432)	(419)	—	—
Revenue	**7,374**	6,911	**4,999**	4,386	**2,413**	2,235	**3,053**	3,278	**(403)**	(409)	**17,436**	16,401
Excise tax expense[2]	(1,337)	(1,393)	(99)	(98)	(442)	(379)	(1,034)	(1,046)	—	—	(2,912)	(2,916)
Net revenue	**6,037**	5,518	**4,900**	4,288	**1,971**	1,856	**2,019**	2,232	**(403)**	(409)	**14,524**	13,485
Other income	**81**	14	**48**	15	**15**	2	**1**	—	**—**	—	**145**	31
Operating profit	**599**	588	**565**	586	**49**	282	**309**	592	**89**	22	**1,611**	2,070
Net finance expenses											(435)	(148)
Share of profit of associates and joint ventures	10	10	32	25	9	16	49	29	—	—	100	80
Income tax expense											(89)	(547)
Profit											**1,187**	1,455
Operating profit reconciliation												
Operating profit	599	588	565	586	49	282	309	592	89	22	1,611	2,070
Eia[1]	22	37	38	(4)	173	(3)	91	45	4	10	328	85
Operating profit (beia)[1]	**621**	625	**603**	582	**222**	279	**400**	637	**93**	32	**1,939**	2,155

For the six-month period ended 30 June 2023 and as at 31 December 2022

	Europe		Americas		Africa, Middle East & Eastern Europe		Asia Pacific		Heineken N.V. Head Office & Other/eliminations		Consolidated	
Total segment assets	**17,049**	15,751	**13,321**	12,585	**6,951**	4,723	**15,989**	16,645	**1,970**	1,873	**55,280**	51,577
Unallocated assets											**1,222**	829
Total assets											**56,502**	52,406

[1] Note that this is a non-GAAP measure. Due to rounding, this balance will not always cast.
[2] In addition to the €2,912 million of excise tax expense included in revenue (30 June 2022: €2,916 million €1,032 million of excise tax expense is collected on behalf of third parties and excluded from revenue (30 June 2022: €1,081 million).

Reconciliation of segment profit or loss

Operating segments are reported consistently with the internal reporting provided to the Executive Board of Heineken N.V., which is considered to be HEINEKEN's chief operating decision-maker. HEINEKEN measures its segmental performance primarily based on operating profit and operating profit beia (before exceptional items and amortisation of acquisition-related intangible assets) as included in internal management's reports.

Exceptional items are defined as items of income and expenses 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. Exceptional items include, amongst others, impairments (and reversal of impairments) of goodwill and fixed assets, gains and losses from acquisitions and disposals, redundancy costs following a restructuring, past service costs and curtailments, hyperinflation accounting adjustments, the tax impact on exceptional items and tax rate changes (the one-off impact on deferred tax positions).

Operating profit beia is a non-GAAP measure not calculated according to IFRS. Beia adjustments are also applied to other metrics. The presentation of these financial measures may not be comparable to similarly titled measures reported by other companies due to differences in the ways the measures are calculated.

The table below presents the reconciliation of operating profit before exceptional items and amortisation of acquisition-related intangibles (operating profit beia) to profit before income tax.

For the six-month period ended 30 June

In millions of €	**2023**	2022
Operating profit (beia)	**1,939**	2,155
Amortisation of acquisition-related intangible assets included in operating profit	(156)	(161)
Exceptional items included in operating profit	(172)	76
Share of profit of associates and joint ventures	100	80
Net finance expenses	(435)	(148)
Profit before income tax	**1,276**	2,002
Profit attributable to:		
Shareholders of Heineken Holding N.V. (net profit)	589	633
Non-controlling interests in Heineken N.V.	567	632
Amortisation of acquisition-related intangible assets included in operating profit	156	161
Exceptional items included in operating profit	172	(76)
Exceptional items included in net finance expenses	81	(13)
Exceptional items and amortisation of acquisition-related intangible assets included in share of profit of associates and joint ventures	20	23
Exceptional items included in income tax expense	(356)	(27)
Allocation of exceptional items and amortisation of acquisition-related intangibles to non-controlling interests	(79)	(7)
Net profit (beia)	**1,150**	1,326

The exceptional items and amortisation of acquisition-related intangibles in net profit for the six-month period ended 30 June 2023 amounts to €6 million benefit (2022: €61 million expenses). This amount consists of:

- €156 million (2022: €161 million) of amortisation of acquisition-related intangibles recorded in operating profit.
- €172 million of exceptional net expenses recorded in operating profit (2022: €76 million). This includes €175 million of impairments, of which €113 million relates to Russia (2022: €25 million net reversal of impairments), €39 million of net restructuring expenses (2022: €2 million), €25 million exceptional net expenses recorded relating to hyperinflation accounting adjustment (2022: nil), €38 million exceptional net benefit recorded in other income related to tax credits in Brazil (2022: €44 million net benefit recorded as a reduction in marketing expenses related to tax credits in Brazil) and €29 million other exceptional net benefits (2022: €9 million).
- €81 million of exceptional net finance expenses, mainly related to €125 million of exceptional net expense related to the one-off impact of the devaluation of the Nigerian Naira, €24 million of exceptional net benefit related to the net monetary gain resulting from hyperinflation, €25 million of exceptional net benefit mainly related to interest on tax credits in Brazil and €5 million other exceptional net expenses (2022: €13 million, mainly related to the recognition of interest over tax receivables).
- €20 million of exceptional net expenses included in share of profit of associates and joint ventures (2022: €23 million).
- €356 million of exceptional net benefit in income tax expense, mainly related to the recognition of previously unrecognised deferred tax assets in Brazil (2022: €27 million exceptional net benefit, mainly related to the tax benefit on exceptional items and amortisation of acquisition-related intangibles).
- Total exceptional net benefit allocated to non-controlling interest amounts to €79 million (2022: €7 million).

8. IMPAIRMENTS OF NON-CURRENT ASSETS

Impairments of €68 million on goodwill, €117 million on owned property, plant and equipment, €5 million on intangible assets with finite useful life and €3 million on right of use (ROU) assets were recorded for the six-month period ended 30 June 2023 (2022: €25 million net reversal of impairment). The impairments mainly relate to Brasserie Nationale d'Haiti S.A. (Haiti) for €139 million which is included in the Americas operating segment.

The impairment for Haiti relates to hyperinflation accounting, which was applied for the first time for the six-month period ended 30 June 2023. Fixed assets are revalued for the inflation since they were acquired, which resulted in an increase in the carrying value of fixed assets.

The determination of the recoverable amount of the assets of Haiti is based on a VIU valuation, which is based on a discounted 10-year cash flow forecast. The key assumptions used to determine the cash flows are based on market expectations and management's best estimate. Cash flows thereafter are extrapolated using a perpetual growth rate equal to the expected 30-year compounded average inflation, in order to calculate the terminal recoverable amount.

IAS 29 requires entities that apply hyperinflation accounting for the first time to recognise impairment related to prior periods in opening equity. The impairment for Haiti related to prior periods (€135 million) is recorded in the retained earnings balance as at 1 January 2023. The charge relating to the current year (€4 million) and other impairments are recorded on the line 'amortisation, depreciation and impairments' in the income statement.

See the table below for the key assumptions:

	Haiti	
In %	**2023-2026**	**2027-2032**
Pre-tax WACC (in local currency)	33.5	33.5
Expected annual long-term inflation	5.9	5.9
Expected volume growth	5.5	4.4

9. ACQUISITION OF DISTELL AND NAMIBIA BREWERIES

On 14 April 2023, HEINEKEN obtained a controlling stake of 59.4% in Namibia Breweries Limited (NBL) and on 26 April 2023, HEINEKEN fully acquired the remaining operations of Distell Group Holdings Limited (Distell) post the carve-out of their whiskey and gin activities. NBL and Distell have been combined with Heineken South Africa into a new HEINEKEN majority-owned business 'Heineken Beverages'. HEINEKEN has a 65% shareholding in Heineken Beverages. Distell and NBL are consolidated within HEINEKEN as from those dates.

Distell is Africa's leading producer and marketer of ciders, flavoured alcoholic beverages, wines and spirits, and NBL is the beer market leader in Namibia. Heineken Beverages will have a significantly strengthened and complementary route to market in South Africa and Namibia with further growth opportunities across Southern Africa.

The Savanna and Windhoek brands represent the majority of the intangible assets valued at Distell and NBL respectively. The goodwill is mainly attributable to a strategic premium included in the transaction and earnings beyond the period over which intangible assets are amortised. None of the goodwill recognised is expected to be deductible for income tax purposes.

Upon obtaining control, the existing equity interest in NBL was revalued to fair value, which resulted in a gain in previously-held equity interest of €14 million (net of gain in previously held equity interest and recycling of currency exchange differences from translation reserve), recorded in 'Other income' in the income statement.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

In millions of €	Distell	NBL
Property, plant and equipment	513	84
Intangible assets	611	164
Investments in associates and joint ventures	58	—
Inventories	566	30
Trade and other receivables	285	26
Cash and cash equivalents	88	83
Other assets	46	—
Assets acquired	**2,167**	**387**
Current liabilities	(556)	(133)
Deferred tax liabilities	(280)	(71)
Other non-current liabilities	(20)	(5)
Liabilities assumed	**(856)**	**(209)**
Total net identifiable assets	**1,311**	**178**

In millions of €		
Consideration transferred	1,230	358
Non-controlling interests	481	76
Net identifiable assets acquired	1,311	178
Goodwill on acquisition	**400**	**256**

No material acquisition-related costs have been recognised in the income statement for the six-month period ended 30 June 2023.

HEINEKEN considers the measurement period for acquiring control of Distell and NBL to be closed as at 30 June 2023. Any adjustments afterwards will be recognised in the consolidated income statement.

The amount of revenue recognised for Distell and NBL after obtaining control amounts to €241 million; the amount of loss recognised after obtaining control amounts to €2 million. If control was obtained on 1 January 2023, revenue and profit for HEINEKEN would have been €18,027 million and €1,185 million respectively, for the six-month period ended 30 June 2023.

10. RUSSIA DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 28 March 2022, HEINEKEN announced its decision to leave Russia. A further impairment loss of €113 million (31 December 2022: €88 million) was recognised in relation to the Russia disposal group classified as held for sale, bringing the net carrying value to nil as of 30 June 2023. Determining the fair value less cost of disposal as of 30 June 2023 involved judgement and consideration of the increasing uncertainties around the Russia disposal group.

11. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

(a) Financial risk management

The consolidated financial statements of HEINEKEN for the year ended 31 December 2022 describe the financial risks that HEINEKEN is exposed to in the normal course of business, as well as the policies and processes that are in place for managing these risks. Those risks, policies and processes remain valid and should be read in conjunction with these interim financial statements.

(b) Fair value

For bank loans and other interest-bearing liabilities, the carrying amount is a reasonable approximation of fair value. The fair value of the unsecured bond issued as at 30 June 2023 was €12,771 million (31 December 2022: €11,564 million) and the carrying amount measured at amortised cost was €13,780 million (31 December 2022: €12,766 million).

(c) Fair value hierarchy

During the six-month period ended 30 June 2023, there have been no material changes related to the fair value hierarchy.

12. EQUITY

(a) Reserves

Reserves consist of a translation reserve, hedging reserve, fair value reserve, other legal reserves and reserve for own shares. The main variance in comparison to prior year is driven by foreign currency translation in the translation reserve and the purchase of own shares in the reserve for own shares.

(b) Weighted average number of shares

For the six-month period ended 30 June	2023	2022
Total number of shares issued	288,030,168	288,030,168
Effect of own shares held	(3,097,450)	—
Weighted average number of basic shares outstanding	284,932,718	288,030,168
Weighted average number of diluted shares outstanding	284,932,718	288,030,168

Heineken Holding N.V. entered into a cross-holding agreement with Heineken N.V., which, amongst other conditions, includes a waiver by Heineken N.V. of payment of any dividends on the Heineken Holding N.V. shares held by Heineken N.V. as well as by Heineken Holding N.V. on an equivalent number of Heineken N.V. shares held by Heineken Holding N.V. The Heineken N.V. shares for which dividend is waived by Heineken Holding N.V. are therefore not part of the number of outstanding ordinary shares of Heineken N.V. The shares were acquired during 2023, refer to note 14 'Transactions with related party FEMSA'.

(c) Dividends

The following dividends have been declared and paid by Heineken Holding N.V.:

For the six-month period ended 30 June	2023	2022
In millions of €		
Final dividend previous year €1.23, respectively €0.96 per qualifying share	**349**	277

After the reporting date, the Board of Directors announced the following interim dividend that has not yet been provided for:

For the six-month period ended 30 June	2023	2022
In millions of €		
Interim dividend per qualifying share €0.69 (2022: €0.50)	**195**	144

13. BORROWINGS

As at *In millions of €*	30 June 2023	31 December 2022
Unsecured bond issues	13,780	12,766
Lease liabilities	1,250	1,241
Bank loans	673	311
Other interest-bearing liabilities	2,361	355
Deposits from third parties[1]	600	557
Bank overdrafts	1,193	1,147
Total borrowings	**19,857**	16,377
Market value of cross-currency interest rate swaps	(28)	(17)
Other investments	(16)	(64)
Cash and cash equivalents	(2,168)	(2,765)
Net debt	**17,645**	13,531

[1]Mainly employee deposits

Other interest-bearing liabilities includes €1,987 million of centrally issued commercial paper (2022: nil).

HEINEKEN has cash pooling arrangements with legally enforceable rights to offset cash and overdraft balances. As at 30 June 2023, Bank overdrafts and Cash and cash equivalents both include an amount of €706 million with legally enforceable rights to offset (31 December 2022: €792 million).

Financing headroom

The committed financing headroom at Group level was approximately €1.5 billion as at 30 June 2023 (31 December 2022: €3.6 billion) and consisted of the undrawn revolving credit facility and centrally available cash minus commercial paper in issue and short-term bank borrowings.

In March 2023, HEINEKEN refinanced its €3.5 billion revolving credit facility. The new revolving credit facility is set to mature in May 2028 and has two 1-year extension options. The facility is committed by a group of 18 banks.

New financing

During the six-month period ended 30 June 2023, HEINEKEN secured additional financing by issuing the following notes, which are included in the unsecured bond issues:

Date of	Note	Date of maturity
9 March 2023	€500 million of 1.5-year Notes with a coupon of 3.875%	23 September 2024
9 March 2023	€750 million of 7.5-year Notes with a coupon of 3.875%	23 September 2030
9 March 2023	€750 million of 12-year Notes with a coupon of 4.125%	23 March 2035

14. TRANSACTIONS WITH RELATED PARTY FEMSA

During the six-month period ended 30 June 2023, Heineken N.V. purchased approximately 10.3 million Heineken N.V. shares and approximately 5.2 million Heineken Holding N.V. shares from FEMSA as part of the accelerated bookbuild offering.

The shares Heineken Holding N.V. which are being held by Heineken N.V. are recognised as treasury shares by Heineken Holding N.V. For further information, refer to note 12 'Equity'.

Following the completion of the purchase, FEMSA no longer holds any shares in HEINEKEN except for any shares retained underlying FEMSA's outstanding Bonds, exchangeable into ordinary shares of Heineken Holding N.V., and has ceased to be a shareholder with significant influence.

15. TAX

For the six-month period ended 30 June 2023, the effective tax rate was 7.6% (2022: 28.5%). The effective tax rate decreased mainly due to the recognition of previously unrecognised deferred tax assets in Brazil during the six-month period ended 30 June 2023.

16. SUBSEQUENT EVENTS

No material subsequent events have occurred.

Board of Directors

Mr M. Das, *non-executive director (chairman)*
Mrs C.L. de Carvalho-Heineken, *executive director*
Mr M.R. de Carvalho, *executive director*
Mrs C.M. Kwist, *non-executive director*
Mr A.A.C. de Carvalho, *non-executive director*
Mrs A.M. Fentener van Vlissingen, *non-executive director*
Mrs L.L.H. Brassey, *non-executive director*
Mr J.F.M.L. van Boxmeer, *non-executive director*

Amsterdam, 28 July 2023

GLOSSARY

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.

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-Drinks) and malt based drinks.

Cash conversion ratio

Free operating cash flow/net profit (beia) before deduction of non-controlling interests.

Cash flow (used in)/from operational investing activities

This represents the total of cash flow from sale and purchase of Property, plant and equipment and Intangible assets, proceeds and receipts of Loans to customers and Other investments.

Centrally available financing headroom

This consists of the undrawn part of revolving credit facility and cash minus commercial paper and other short-term borrowings.

Consolidation changes

Changes as a result of acquisitions and disposals.

Depletions

Sales by distributors to the retail trade.

Dividend payout

Proposed dividend as a percentage of net profit (beia).

Earnings per share (EPS)

Basic

Net profit divided by the weighted average number of shares – basic – during the year.

Diluted

Net profit divided by the weighted average number of shares – diluted – during the year.

EBITDA

Earnings before interest, taxes, net finance expenses, depreciation, amortisation and impairment. EBITDA includes HEINEKEN's share in net profit of joint ventures and associates.

Effective tax rate

Income tax expense expressed as a percentage of the profit before income tax, adjusted for share of profit of associates and joint ventures.

Eia

Exceptional items and amortisation of acquisition-related intangible assets.

Exceptional items

Items of income and expenses 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.

Free operating cash flow

This represents the total of cash flow from operating activities and cash flow from operational investing activities.

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.

Group net revenue (beia)

Consolidated net revenue (beia) plus attributable share of net revenue (beia) from joint ventures and associates.

Group operating profit (beia)

Consolidated operating profit (beia) plus attributable share of operating profit (beia) from joint ventures and associates, excluding Head Office and eliminations.

HEINEKEN

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

Net debt

Non-current and current interest-bearing borrowings (incl. lease liabilities), bank overdrafts and market value of cross-currency interest rate swaps less cash, cash equivalents and other investments.

Net profit

Profit after deduction of non-controlling interests (profit attributable to shareholders of Heineken Holding N.V.).

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.

Organic growth

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

Organic volume growth

Growth in volume, excluding the effect of consolidation changes.

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.

Profit

Total profit of HEINEKEN before deduction of non-controlling interests.

®

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

Region

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

Volume

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 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.

Weighted average number of shares

Basic

Weighted average number of outstanding shares.

Diluted

Weighted average number of shares outstanding, adjusted for the weighted average number of own shares purchased or held.