

Heineken Holding N.V. reports on 2023 third-quarter trading

Amsterdam, 25 October 2023 – Heineken Holding N.V. (HEIO; HKHHY) publishes its third quarter 2023 trading update.

Key Quarterly Highlights

- Revenue growth 2.0% for the quarter, 4.7% year to date
- Net revenue (beia) organic growth 4.5% for the quarter, 5.8% year to date
- Net revenue (beia) per hectolitre organic growth 9.7% for the quarter, 11.6% year to date
- Beer volume organic growth -4.2% for the quarter, -5.1% year to date
- Premium beer volume organic growth -5.7% for the quarter, -6.1% year to date¹
- Heineken® volume growth 2.3% for the quarter, 1.9% year to date
- 2023 full year expectations of stable to mid-single-digit operating profit (beia) organic growth 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

Throughout this report figures refer to quarterly performance unless otherwise indicated.

Revenue in the quarter was €9.6 billion (YTD: €27.0 billion). **Net revenue (beia)** increased organically by 4.5% (YTD: 5.8%). Total consolidated volume declined by 4.8% (YTD: 5.2% decline) and net revenue (beia) per hectolitre was up 9.7% (YTD: up 11.6%). Price mix on a constant geographic basis was up 9.5% (YTD up 10.9%), driven by pricing to mitigate inflationary pressures and premiumisation effects.

Currency translation impacted revenue by €397 million (YTD: €488 million), mainly from the devaluation of currencies in Africa and partially offset by a stronger Mexican Peso. Consolidation effects contributed €276 million (YTD: €507 million) mainly from the integration of Distell and Namibian Breweries.

Revenue²

(in € million or %)	3Q23	Total growth	Organic growth	YTD 3Q23	Total growth	Organic growth
Revenue (IFRS)	9,604	2.0%		27,040	4.7%	
Net revenue (beia)	8,015		4.5%	22,529		5.8%

Beer volume declined organically by 4.2% (YTD: 5.1% decline), given the challenging economic conditions in many of HEINEKEN's markets and lower consumer demand following inflation-led pricing. Around half of HEINEKEN's markets sequentially improved volume into the third quarter and into September in the case of Europe. HEINEKEN is gaining or holding volume market share in just over half of its markets year to date.

Beer volume

(in mhl or %)	3Q23	Total growth	Organic growth	YTD 3Q23	Total growth	Organic growth
Heineken N.V.	63.2	-5.4%	-4.2%	183.3	-5.4%	-5.1%

¹ Excluding Russia -4.4% in the quarter and -4.3% year to date

² Refer to the Glossary for an explanation of organic growth and other terms used throughout this report.

Premium beer volume declined by 5.7% mainly driven by Vietnam and HEINEKEN's exit from Russia. Outside these markets, premium beer volume was down 2.0% (YTD: up 0.4%). HEINEKEN's premium portfolio outperformed the total portfolio in the majority of HEINEKEN's markets, showing that premiumisation trends continue. **Heineken®** continued its favourable momentum and grew volume 2.3% with double-digit growth in 28 markets. **Heineken® 0.0** grew 3.5%, driven by the Americas. **Heineken® Silver** grew close to forty percent, with continued strong growth in China, Vietnam and the launch in the USA this year.

Heineken® volume

<i>(in mhl or %)</i>	3Q23	Organic growth	YTD 3Q23	Organic growth
Heineken N.V.	14.6	2.3%	40.9	1.9%

Reported Net Profit of Heineken N.V.

The reported net profit of Heineken N.V. for the first nine months of 2023 was €1,924 million (2022: €2,199 million), including the effects from exceptional items from HEINEKEN's exit from Russia and the sale of Vrumona among others. Following the sell-down by FEMSA of its shareholding in HEINEKEN earlier this year, HEINEKEN will align its disclosure of financial information to the requirements of the Transparency Directive of the EU and as of 2024 will only disclose the reported net profit as part of its half-year and full-year results.

Translational Currency Calculated Impact

Based on the impact to date, and applying spot rates of 23 October 2023 to the 2022 financial results as a baseline for the remainder of the year, HEINEKEN calculates a negative currency translational impact of approximately €790 million in net revenue (beia), €110 million at operating profit (beia) and €30 million at net profit (beia).

Reconciliation of non-GAAP measures

Reconciliation net revenue (beia)

<i>In millions of €</i>	3Q23	3Q22	YTD 3Q23	YTD 3Q22
Revenue (IFRS)	9,604	9,415	27,040	25,816
Exceptional items	-37	—	-51	—
Excise duties (beia)	(1,552)	(1,627)	(4,461)	(4,543)
Net revenue (beia)	8,015	7,788	22,529	21,273

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Conference Call Details

HEINEKEN will host an analyst and investor conference call with Harold van den Broek, Chief Financial Officer of Heineken N.V., in relation to its Third Quarter 2023 Trading Update 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 (Local): 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: 499434

Editorial information:

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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 the websites: 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.

GLOSSARY

®

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

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.

Consolidation changes

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

Depletions

Sales by distributors to the retail trade.

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.

Gross merchandise value

Value of all products sold via HEINEKEN's eB2B platforms. This includes HEINEKEN's own and third-party products, including all duties and taxes.

HEINEKEN

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

Net profit

Profit after deduction of non-controlling interests (profit attributable to shareholders' of the Company).

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.

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.

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 beer 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 or total volume

The sum of beer volume, non-beer volume and third-party products volume.