

Heineken Holding N.V. reports 2022 full year results

Amsterdam, 15 February 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 2022 amounts to €1,343 million
- Revenue growth 30.4%
- Net revenue (beia) 21.2% organic growth; per hectolitre 13.9%
- Beer volume 6.9% organic growth; premium beer volume 11.4%; Heineken® volume 12.5%
- Gross savings at €1.7 billion, on-track to deliver ahead of €2 billion by 2023
- Operating profit €4,283 million; operating profit (beia) 24.0% organic growth
- Operating profit (beia) margin 15.7%
- Net profit €2,682 million; net profit (beia) 30.7% organic growth
- Full year 2023 outlook unchanged, operating profit (beia) expected to grow organically mid- to high-single-digit

Financial Summary¹

IFRS Measures	€ million	Total growth	BEIA Measures	€ million	Organic growth ²
Revenue	34,676	30.4%	Revenue (beia)	34,643	19.1%
Net revenue	28,719	30.9%	Net revenue (beia)	28,694	21.2%
Operating profit	4,283	-4.5%	Operating profit (beia)	4,502	24.0%
			Operating profit (beia) margin (%)	15.7%	
Net profit of Heineken Holding N.V.	1,343		Net profit (beia)	2,836	30.7%
Diluted EPS (in €)	4.66		Diluted EPS (beia) (in €)	4.92	38.9%
			Free operating cash flow	2,409	
			Net debt / EBITDA (beia) ³	2.1x	

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 13 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, as management believes that this measurement is the most relevant in evaluating the results.

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 2022 HEINEKEN accelerated the deployment of its EverGreen strategy, designed to future-proof HEINEKEN and deliver superior, balanced growth in a fast-changing world. HEINEKEN's dream is 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, we are stepping up on productivity to fund the investments required and improve profitability and capital efficiency.

HEINEKEN's superior and balanced growth ambition is grounded in its advantaged geographic footprint, its ability to scale strong premium beer brands, including non-alcoholic variants, and in developing winning beverage propositions in fast-growing segments.

Revenue for the full year 2022 was €34,676 million (2021: 26,583 million). **Net revenue (beia)** increased by 21.2% organically, with total consolidated volume growing by 6.4% and net revenue (beia) per hectolitre up 13.9%. The underlying price-mix on a constant geographic basis was up 14.3%, driven by pricing for inflation and by premiumisation. All regions contributed with double-digit organic growth. Currency translation positively impacted net revenue (beia) by €1,582 million or 7.2%, mainly driven by the Mexican Peso, Brazilian Real, Vietnamese Dong and the US Dollar. Consolidation changes positively impacted net revenue (beia) by €570 million or 2.6%, mainly from the consolidation of United Breweries Limited (UBL) in India.

Beer volume grew 6.9% organically for the full year and was ahead of 2019 by 2.7% on an organic basis. The growth was led by the sharp recovery of Asia Pacific in the second half of the year, the reopening of the on-trade in Europe in the first half following the COVID-related restrictions of last year and continued growth in the Americas and Africa, Middle East & Eastern Europe regions.

Beer volume

<i>(in mhl)</i>	4Q22	4Q21	Organic growth	FY22	FY21	Organic growth
Heineken N.V.	63.3	61.1	3.5%	256.9	231.2	6.9%

In the fourth quarter, net revenue (beia) grew organically by 17.4%, with double-digit growth across all regions. Total consolidated volume grew 3.0% and net revenue (beia) per hectolitre was up 14.0%. Price-mix on a constant geographic basis was up 14.5%, again driven by pricing and premiumisation. Beer volume grew 3.5%, driven by Asia Pacific and continued growth in Europe, more than offsetting lower volume in other regions.

Premium beer volume grew 11.4% versus last year and came 15.6% ahead of 2019, organically. HEINEKEN's premium brands outperformed the total portfolio in the majority of its markets and accounted for more than half of our total organic growth in beer volume in 2022.

This growth is led by **Heineken®**, up 12.5% versus last year (14.5% excluding Russia) and 31.5% relative to 2019, significantly outperforming the total beer market. The growth was broad-based with more than 50 markets growing double-digits in 2022. The strong growth was led by **Heineken® Original**, bolstered by the remarkable performance of its line extensions. **Heineken® Silver** more than doubled its volume, driven by excellent performances in Vietnam and China and its global rollout, reaching 28 markets in total by the end of 2022.

Heineken® volume

<i>(in mhl)</i>	4Q22	Organic growth	FY22	Organic growth
Total	14.8	11.2%	54.9	12.5%

Outlook 2023

For 2023, HEINEKEN expects operating profit (beia) to grow organically mid- to high-single-digit, subject to any significant unforeseen macroeconomic and geopolitical developments. This outlook is based on continued progress on HEINEKEN's EverGreen strategy, a challenging global economic environment and lower consumer confidence in certain markets.

HEINEKEN expects further progress towards building great brands, its digital route to consumer, strategic capabilities and HEINEKEN's Brew a Better World activities with commensurate investments. HEINEKEN also expects stable to modestly growing volume, increasing in developing markets and declining in Europe. HEINEKEN will continue the discipline to price responsibly as per local market conditions, aiming to cover most of the absolute impact of inflation in its cost base. HEINEKEN anticipates an increase in its input costs in the high teens per hectolitre and significantly higher energy costs, particularly in Europe. HEINEKEN will deliver on its gross savings ahead of the €2 billion target relative to the cost base of 2019, including an increased ambition of savings in Europe. Overall as a result, net revenue (beia) will grow organically ahead of operating profit (beia). Due to the phasing of marketing and selling expenses and input cost pressures, the operating profit (beia) organic growth will be skewed towards the second half.

HEINEKEN also expects in 2023 an average effective interest rate (beia) of around 3.1% (2022: 2.8%); an effective tax rate (beia) of around 27% (2022: 27.7%) and a significant increase in other net finance expenses, driven by the expected impact from foreign currencies in some emerging markets. As a result, net profit (beia) is expected to grow organically in line or below the operating profit (beia).

Finally, HEINEKEN expects investments in capital expenditure related to property, plant and equipment and intangible assets to amount to c.9% of net revenue (beia) (2022: c.7%)

Total Dividend For 2022

The Heineken N.V. dividend policy is to pay a ratio of 30% to 40% of full year net profit (beia). For 2022, a total cash dividend of €1.73 per share, representing an increase of 40% (2021: €1.24), and a payout ratio of 35.1%, in the middle of the range of Heineken N.V.'s policy, will be proposed to the Heineken N.V. Annual General Meeting on 20 April 2023. If approved, a final dividend of €1.23 per share will be paid on 2 May 2023, as an interim dividend of €0.50 per share was paid on 11 August 2022.

If Heineken N.V. shareholders approve the proposed dividend, Heineken Holding N.V. will, according to its Articles of Association, pay an identical dividend per share. A final dividend of €1.23 per share of €1.60 nominal value will be payable as of 2 May 2023.

Both the Heineken Holding N.V. shares and the Heineken N.V. shares will trade ex-dividend on 24 April 2023. The dividend payment will be subject to a 15% Dutch withholding tax.

Translational Calculated Currency Impact

The translational currency impact for 2022 was positive, amounting to €1,582 million on net revenue (beia), €258 million at operating profit (beia) and €198 million at net profit (beia).

Applying spot rates as of 13 February 2023 to the 2022 financial results as a base, the calculated currency translational impact would be negative, approximately €560 million in net revenue (beia), €80 million at operating profit (beia), and €40 million at net profit (beia).

Board of Directors Composition

Mrs C.L. de Carvalho-Heineken and Mr M.R. de Carvalho will have completed their four-year appointment term upon conclusion of the Heineken Holding N.V. Annual General Meeting on 20 April 2023 ('2023 AGM'). Mrs C.L. de Carvalho-Heineken and Mr M.R. de Carvalho are eligible for reappointment as executive member of the Board of Directors of Heineken Holding N.V. for a period of four years and non-binding recommendations shall be submitted to the 2023 AGM in this respect.

Mrs C.M. Kwist will have completed her four-year appointment term upon conclusion of the 2023 AGM. Mrs Kwist is eligible for reappointment as non-executive member of the Board of Directors of Heineken Holding N.V. for a period of four years and a non-binding recommendation shall be submitted to the 2023 AGM in this respect.

Mr C.A.G. de Carvalho has informed the Company that he will step down as a non-executive member of the Board of Directors at the end of the 2023 AGM. Mr de Carvalho accepted a job offer at McKinsey that is incompatible with a board position at Heineken Holding N.V. due to potential conflicts of interest with clients that McKinsey serves. The Board of Directors would like to thank Mr de Carvalho for his contribution to the Board of Directors over the past year and wishes him the best in his future business endeavours.

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Investor Calendar Heineken N.V.

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

Combined financial and sustainability annual report publication	23 February 2023
Trading Update for Q1 2023	19 April 2023
Annual General Meeting of Shareholders	20 April 2023
Quotation ex-final dividend 2022	24 April 2023
Final dividend 2022 payable	2 May 2023
Half Year 2023 Results	31 July 2023
Quotation ex-interim dividend 2023	2 August 2023
Interim dividend payable	10 August 2023
Trading Update for Q3 2023	25 October 2023

Conference Call Details

HEINEKEN will host an analyst and investor video webcast about its 2022 FY results at 14:00 CET/ 13:00 GMT/ 08.00 EST. This call will also be accessible for Heineken Holding N.V. shareholders. The live video webcast will be accessible via the Heineken N.V.'s website: <https://www.theheinekencompany.com/investors/results-reports-webcasts-and-presentations>.

An audio replay service will also be made available after the webcast at the above web address. Analysts and investors can dial-in using the following telephone numbers:

United Kingdom (Local): 020 3936 2999

Netherlands: 085 888 7233

USA: 1 646 664 1960

All other locations: +44 20 3936 2999

Participation password for all countries: 589454

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 85,000 employees, we brew 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.

Report of the Board of Directors

Heineken Holding N.V. has a 50.005% interest in the issued share capital (being 50.064% (2021: 50.040%) of the outstanding share capital) of Heineken N.V. Standing at the head of HEINEKEN, 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 HEINEKEN and to provide services for Heineken N.V. Within HEINEKEN, 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 year 2022 of Heineken N.V. and its related companies, and the material risks Heineken N.V. is facing is given in Heineken N.V.'s press release.

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*
Mr J.A. Fernández Carbajal, *non-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*
Mr C.A.G. de Carvalho, *non-executive director*

CONSOLIDATED FINANCIAL STATEMENTS FOR THE FULL YEAR 2022

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The 2022 financial information included in the primary statements attached to this press release is derived from the Annual Report 2022. This Annual Report has been authorised for issue. The Annual Report has not yet been published by law and still has to be adopted by the Annual General Meeting of Shareholders on 20 April 2023.

In accordance with section 393, Title 9, Book 2 of the Netherlands Civil Code, Deloitte Accountants B.V. has issued an unqualified Independent auditors' report on the Financial Statements.

The full Annual Report will be available for download on the website (www.heinekenholding.com) as of 23 February 2023.

Consolidated Income Statement

For the year ended 31 December

<i>In millions of €</i>	2022	2021
Revenue	34,676	26,583
Excise tax expense	(5,957)	(4,642)
Net revenue	28,719	21,941
Other income	147	1,521
Raw materials, consumables and services	(18,618)	(13,535)
Personnel expenses	(4,079)	(3,485)
Amortisation, depreciation and impairments	(1,886)	(1,959)
Total other expenses	(24,583)	(18,979)
Operating profit	4,283	4,483
Interest income	74	49
Interest expenses	(458)	(462)
Other net finance income/(expenses)	48	14
Net finance expenses	(336)	(399)
Share of profit of associates and joint ventures	223	250
Profit before income tax	4,170	4,334
Income tax expense	(1,131)	(799)
Profit	3,039	3,535
Attributable to:		
Shareholders of Heineken Holding N.V. (net profit)	1,343	1,663
Non-controlling interests in Heineken N.V.	1,339	1,661
Non-controlling interests in Heineken N.V. group companies	357	211
Profit	3,039	3,535
Weighted average number of shares – basic	288,030,168	288,030,168
Weighted average number of shares – diluted	288,030,168	288,030,168
Basic earnings per share (€)	4.66	5.77
Diluted earnings per share (€)	4.66	5.77

Consolidated Statement of Comprehensive Income

For the year ended 31 December

<i>In millions of €</i>	2022	2021
Profit	3,039	3,535
Other comprehensive income, net of tax:		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-retirement obligations	63	210
Net change in fair value through OCI investments	15	9
Items that may be subsequently reclassified to profit or loss:		
Currency translation differences	437	1,033
Change in fair value of net investment hedges	(62)	(54)
Change in fair value of cash flow hedges	(142)	97
Cash flow hedges reclassified to profit or loss	38	(3)
Cost of hedging	(1)	(6)
Share of other comprehensive income of associates/joint ventures	(46)	54
Other comprehensive income, net of tax	302	1,340
Total comprehensive income	3,341	4,875
Attributable to:		
Shareholders of Heineken Holding N.V.	1,521	2,284
Non-controlling interests in Heineken N.V.	1,518	2,278
Non-controlling interests in Heineken N.V. group companies	302	313
Total comprehensive income	3,341	4,875

Consolidated Statement of Financial Position

As at 31 December

<i>In millions of €</i>	2022	2021
Intangible assets	21,408	20,762
Property, plant and equipment	13,623	12,401
Investments in associates and joint ventures	4,296	4,148
Loans and advances to customers	216	209
Deferred tax assets	618	682
Other non-current assets	1,230	1,070
Total non-current assets	41,391	39,272
Inventories	3,250	2,438
Trade and other receivables	4,531	3,662
Current tax assets	84	97
Derivative assets	70	96
Cash and cash equivalents	2,765	3,248
Assets classified as held for sale	315	37
Total current assets	11,015	9,578
Total assets	52,406	48,850

As at 31 December

<i>In millions of €</i>	2022	2021
Heineken Holding N.V. shareholders' equity	9,694	8,593
Non-controlling interests in Heineken N.V.	9,857	8,763
Non-controlling interests in Heineken N.V. group companies	2,369	2,344
Total equity	21,920	19,700
Borrowings	12,893	13,640
Post-retirement obligations	568	668
Provisions	572	636
Deferred tax liabilities	2,138	1,971
Other non-current liabilities	125	141
Total non-current liabilities	16,296	17,056
Borrowings	3,484	3,233
Trade and other payables	9,283	7,750
Returnable packaging deposits	545	476
Provisions	226	301
Current tax liabilities	352	268
Derivative liabilities	119	46
Liabilities associated with assets classified as held for sale	181	20
Total current liabilities	14,190	12,094
Total equity and liabilities	52,406	48,850

Consolidated Statement of Cash Flows

For the year ended 31 December

<i>In millions of €</i>	2022	2021
Operating activities		
Profit	3,039	3,535
Adjustments for:		
Amortisation, depreciation and impairments	1,886	1,959
Net interest expenses	384	413
Other income	(147)	(1,326)
Share of profit of associates and joint ventures and dividend income on fair value through OCI investments	(230)	(256)
Income tax expenses	1,131	799
Other non-cash items	284	30
Cash flow from operations before changes in working capital and provisions	6,347	5,154
Change in inventories	(793)	(308)
Change in trade and other receivables	(668)	(697)
Change in trade and other payables and returnable packaging deposits	981	1,268
Total change in working capital	(480)	263
Change in provisions and post-retirement obligations	(207)	(290)
Cash flow from operations	5,660	5,127
Interest paid	(439)	(456)
Interest received	46	43
Dividends received	177	184
Income taxes paid	(948)	(717)
Cash flow related to interest, dividend and income tax	(1,164)	(946)
Cash flow from operating activities	4,496	4,181

<i>In millions of €</i>	2022	2021
Investing activities		
Proceeds from sale of property, plant and equipment and intangible assets	112	86
Purchase of property, plant and equipment	(1,791)	(1,324)
Purchase of intangible assets	(220)	(273)
Loans issued to customers and other investments	(219)	(196)
Repayment on loans to customers and other investments	31	40
Cash flow used in operational investing activities	(2,087)	(1,667)
Free operating cash flow	2,409	2,514
Acquisition of subsidiaries, net of cash acquired	(171)	54
Acquisition of/additions to associates, joint ventures and other investments	(45)	(678)
Disposal of subsidiaries, net of cash disposed of	9	3
Disposal of associates, joint ventures and other investments	8	11
Cash flow used in acquisitions and disposals	(199)	(610)
Cash flow used in investing activities	(2,286)	(2,277)
Financing activities		
Proceeds from borrowings	644	1,571
Repayment of borrowings	(1,934)	(3,362)
Payment of lease commitments	(304)	(298)
Dividends paid	(1,099)	(796)
Purchase own shares and shares issued	(43)	12
Acquisition of non-controlling interests	(391)	(10)
Cash flow used in financing activities	(3,127)	(2,883)
Net cash flow	(917)	(979)
Cash and cash equivalents as at 1 January	2,556	3,519
Effect of movements in exchange rates	(21)	16
Cash and cash equivalents as at 31 December	1,618	2,556

Consolidated Statement of Changes in Equity

<i>In millions of €</i>	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 2021	461	1,257	(2,483)	16	(1)	28	588	6,738	6,604	6,788	1,000	14,392
Profit	—	—	—	—	—	—	121	1,542	1,663	1,661	211	3,535
Other comprehensive income/(loss)	—	—	468	47	(3)	5	—	104	621	617	102	1,340
Total comprehensive income/(loss)	—	—	468	47	(3)	5	121	1,646	2,284	2,278	313	4,875
Realised hedge results from non-financial assets	—	—	—	(33)	—	—	—	—	(33)	(32)	—	(65)
Transfer to retained earnings	—	—	1	—	—	(4)	(143)	146	—	—	—	—
Dividends to shareholders	—	—	—	—	—	—	—	(282)	(282)	(282)	(238)	(802)
Purchase own shares by Heineken N.V.	—	—	—	—	—	—	—	(7)	(7)	(7)	28	14
Dilution	—	—	—	—	—	—	—	4	4	(4)	—	—
Share-based payments by Heineken N.V.	—	—	—	—	—	—	—	28	28	27	—	55
Acquisition of non-controlling interests in Heineken N.V. group companies	—	—	—	—	—	—	—	(5)	(5)	(5)	—	(10)
Changes in consolidation by Heineken N.V.	—	—	—	—	—	—	—	—	—	—	1,241	1,241
Balance as at 31 December 2021	461	1,257	(2,014)	30	(4)	29	566	8,268	8,593	8,763	2,344	19,700

Consolidated Statement of Changes in Equity (continued)

<i>In millions of €</i>	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
Hyperinflation restatement to 1 January 2022	—	—	—	—	—	—	—	123	123	122	—	245
Balance as at 1 January 2022 after restatement	461	1,257	(2,014)	30	(4)	29	566	8,391	8,716	8,885	2,344	19,945
Profit	—	—	—	—	—	—	104	1,239	1,343	1,339	357	3,039
Other comprehensive income/(loss)	—	—	192	(52)	(1)	7	—	32	178	179	(55)	302
Total comprehensive income/(loss)	—	—	192	(52)	(1)	7	104	1,271	1,521	1,518	302	3,341
Realised hedge results from non-financial assets	—	—	—	—	—	—	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	—	(47)	47	—	—	—	—
Dividends to shareholders	—	—	—	—	—	—	—	(421)	(421)	(419)	(263)	(1,103)
Purchase own shares by Heineken N.V.	—	—	—	—	—	—	—	(22)	(22)	(21)	—	(43)
Dilution	—	—	—	—	—	—	—	2	2	(2)	—	—
Share-based payments by Heineken N.V.	—	—	—	—	—	—	—	25	25	24	—	49
Acquisition of non-controlling interests in Heineken N.V. group companies	—	—	—	—	—	—	—	(187)	(187)	(186)	(18)	(391)
Hyperinflation impact	—	—	—	—	—	—	—	58	58	58	—	116
Changes in consolidation by Heineken N.V.	—	—	—	—	—	—	—	2	2	—	4	6
Balance as at 31 December 2022	461	1,257	(1,822)	(22)	(5)	36	623	9,166	8,593	9,857	2,369	21,920

Non-GAAP Measures

In the internal management reports, HEINEKEN measures its segmental performance primarily based on operating profit and operating profit beia (before exceptional items and amortisation of acquisition-related intangible assets).

In millions of €	2022	2021
Operating profit (beia)	4,502	3,414
Amortisation of acquisition-related intangible assets and exceptional items recorded in operating profit	(219)	1,069
Share of profit of associates and joint ventures	223	250
Net finance expenses	(336)	(399)
Profit before income tax (IFRS)	4,170	4,334
Profit attributable to shareholders of the Company (net profit) (IFRS)	1,343	1,663
Non-controlling interests in Heineken N.V.	1,339	1,661
	2,682	3,324
Amortisation of acquisition-related intangible assets recorded in operating profit	333	286
Exceptional items recorded in operating profit	(114)	(1,355)
Exceptional items recorded in net finance expenses/ (income)	(106)	(99)
Exceptional items and amortisation of acquisition-related intangible assets recorded in share of profit of associates and joint ventures	40	(12)
Exceptional items recorded in income tax expense	8	(73)
Allocation of exceptional items and amortisation of acquisition-related intangibles to non-controlling interests	(6)	(30)
Net profit (beia)	2,836	2,041

Due to rounding, this table will not always cast.

The 2022 exceptional items and amortisation of acquisition-related intangibles on net profit and loss amount to €155 million net expense (2021: €1,283 million net benefit). This amount consists of:

- €333 million (2021: €286 million) of amortisation of acquisition-related intangibles recorded in operating profit.
- €114 million net benefit (2021: €1,355 million net benefit) of exceptional items recorded in operating profit. This includes:
 - a net reversal of impairments of €132 million, including impairment reversal of €234 million for Papua New Guinea and €88 million impairment for Russia (total net impairments in 2021: €108 million).
 - net restructuring expenses of €70 million (2021: €32 million).
 - €44 million exceptional net benefit recorded as reduction in marketing expense related to tax credits in Brazil (2021: €187 million exceptional net benefit recorded in other income related to tax credits in Brazil).
 - €44 million exceptional net expense recorded relating to hyperinflation accounting adjustment in Ethiopia (2021: nil).
 - €52 million of other exceptional net benefit (2021: €1,308 million other exceptional net benefit, including €1,270 million gain on previously-held equity interest in UBL).
- €106 million of exceptional net finance benefit, mainly related to the net monetary gain resulting from hyperinflation in Ethiopia of €94 million (2021: €99 million, exceptional net finance benefit, mainly related to interest on tax credits in Brazil).
- €40 million of exceptional net expense (2021: €12 million net benefit) included in the share of profit of associates and joint ventures, mainly relating to the amortisation of acquisition-related intangible assets.
- €8 million of exceptional net expense in income tax expense (2021: €73 million exceptional income tax benefit), mainly relating to the tax impact on exceptional items and amortisation of acquisition-related intangible assets.
- Total amount of eia allocated to non-controlling interests amounts to €6 million net benefit (2021: €30 million).

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.

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 percentage of net profit (beia).

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 margin captured by third party distributors.

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.

Earnings per share (EPS)

Basic

Net profit/(loss) divided by the weighted average number of shares – basic – during the year.

Diluted

Net profit/(loss) 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 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.

Free operating cash flow

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

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 Heineken N.V. 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

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.

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 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.

LONO

Low- and non-alcoholic beer, cider & brewed soft drinks with an ABV <=3.5%.

Flavoured alcoholic beverages (FAB)

All flavoured alcoholic beverages in the segments of alcoholic soft drinks, pre-mixed spirits, wine coolers, beer mixes, flavoured beer and cider.

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.