

Heineken N.V. 2018 full year BEIA measures

Amsterdam, 5 August 2019 – Heineken N.V. (EURONEXT: HEIA; OTCQX: HEINY) issues the following technical announcement:

2018 FULL YEAR BEIA METRICS (RESTATED FOR IAS 37)¹

HEINEKEN published its half year results on 29 July 2019, including a restatement of its half year 2018 beia financial metrics as well as of the balance sheet as of 31 December 2018 due to changes in accounting policies related to IAS 37. The present announcement includes the impact on the corresponding beia financial metrics for the full year of 2018 due to the restatement for IAS 37. These changes do not impact cash or free operating cash flow. For an explanation of the changed accounting policy on payments relating to contingent liabilities please refer to page 2.

Impact of restatement for IAS 37 on full year 2018 beia metrics

In €million unless otherwise stated & consolidated figures unless otherwise stated	FY18	IAS 37	FY18 restated
Africa, Middle East & Eastern Europe			
Net revenue (beia)	3,051		3,051
Operating profit (beia)	411		411
Operating profit (beia) margin	13.5%		13.5%
Americas			
Net revenue (beia)	6,781		6,781
Operating profit (beia)	1,178	-60	1,118
Operating profit (beia) margin	17.4%	-88 bps	16.5%
Asia Pacific			
Net revenue (beia)	2,919		2,919
Operating profit (beia)	943		943
Operating profit (beia) margin	32.3%		32.3%
Europe			
Net revenue (beia)	10,348		10,348
Operating profit (beia)	1,452		1,452
Operating profit (beia) margin	14.0%		14.0%
Head Office & Eliminations			
Net revenue (beia)	-628		-628
Operating profit (beia)	-116		-116
Heineken N.V.			
Net revenue (beia)	22,471		22,471
Total expenses (beia)	-18,603	-60	-18,663
Operating profit (beia)	3,868	-60	3,808
Operating profit (beia) margin	17.2%	-26 bps	16.9%
Share of net profit of associates / JVs (beia)	161		161
Net Interest income / (expenses) (beia)	-405	1	-404
Other net finance income / (expenses) (beia)	-57		-57
Income tax expense (beia)	-900	20	-880
Minority Interests (beia)	-244		-244
Net profit (beia)	2,424	-39	2,385
Diluted EPS (beia) (in €)	4.25	-0.07	4.18
Note: due to rounding, this table will not always cast			

¹ Please refer to the glossary for an explanation of non-GAAP measures

Payments relating to contingent liabilities (IAS 37)

Following the IFRS Interpretations Committee agenda decision in January 2019 regarding tax deposits, HEINEKEN has changed its accounting policy with regards to payments relating to contingent liabilities.

Payments relating to contingent liabilities are now, in accordance with the conceptual framework, recognised as an asset on the balance sheet when it is probable (>50%) that HEINEKEN will recover the payment. Previously, these payments were contingent assets under IAS 37, and recognized if the recovery was virtually certain (>95%). In all other cases, they were accounted for directly in the profit and loss statement, if and when cash was actually recovered.

Significant judgement is applied for identifying and accounting for payments relating to contingent liabilities. The change in accounting policy in relation to estimating the likelihood, determining the timing of potential cash inflows and the recoverability is complex and requires significant judgement.

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.

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.

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.

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.

Weighted average number of shares

Basic

Weighted average number of outstanding shares.

Diluted

Weighted average number of outstanding shares and the weighted average number of ordinary shares that would be issued on conversion of the dilutive potential ordinary shares into ordinary shares as a result of HEINEKEN's share-based payment plans.

ENQUIRIES

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Editorial information:

HEINEKEN is the world's most international brewer. It is the leading developer and marketer of premium 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. We are committed to innovation, long-term brand investment, disciplined sales execution and focused cost management. Through "Brewing 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.

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

Disclaimer:

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