

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

Amsterdam, 19 April 2023 – Heineken Holding N.V. (EURONEXT: HEIO; OTCQX: HKHHY) publishes its trading update for the first quarter of 2023.

Key Highlights

- Revenue growth 9.2%
- Net revenue (beia) organic growth 8.9%; per hectolitre 12.3%
- Beer volume -3.0% organic growth
- Heineken® volume growth 2.3% (5.7% excluding Russia)
- Gross merchandise value captured via eB2B platforms +51%
- Outlook for the full year unchanged; operating profit (beia) expected to grow organically mid- to high-single-digit

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

Revenue for the first quarter of 2023 was €7,632 million (2022: €6,989 million). **Net revenue (beia)** was €6,378 million and increased by 8.9% organically, with total consolidated volume declining by 3.1% and net revenue (beia) per hectolitre up 12.3%. Price mix on a constant geographic basis increased by 12.1%, driven by pricing to offset inflation across all regions and revenue and mix management. Currency translation positively impacted net revenue (beia) by €104 million or 1.8%, mainly driven by the Mexican Peso and the Brazilian Real. Consolidation changes had a small positive impact in net revenue (beia) of €10 million.

Revenue¹

(in € million or %)	1Q23	Total growth	Organic growth	1Q22
Revenue (IFRS)	7,632	9.2%		6,989
Net revenue (beia)	6,378		8.9%	5,753

Beer volume declined 3.0% organically versus last year. The Americas region continued positive growth momentum, offset by declines in the Africa, Middle East and Eastern Europe and Asia Pacific regions driven by temporary external factors in our key markets of Vietnam and Nigeria. Volume in Europe performed ahead of our expectations for the quarter.

Beer volume

(in mhl or %)	1Q23	Organic growth	1Q22
Heineken N.V.	54.8	-3.0%	56.4

Premium beer volume fell by 5.7%, driven by the decline in Vietnam and stopping sales of Heineken® in Russia. Strong underlying momentum in premiumisation continued elsewhere, led by **Heineken®**, which grew 2.3% in volume, significantly outperforming HEINEKEN's portfolio. **Heineken®** grew by double-digits in more than 25 markets. Growth was mainly driven by Brazil and China, and was partially offset by the decline in Russia. **Heineken® 0.0** declined by a low-single-digit, with strong growth momentum in Brazil, the USA, the UK, Spain and the Netherlands, offset by the decline in Russia. Notably, HEINEKEN's consumer-centric innovation **Heineken® Silver** continued its strong growth, including double-digit growth in Vietnam and China. HEINEKEN also continued the global expansion and launched **Heineken® Silver** in the USA, with a taste proposition specially designed for US consumers. Overall, Heineken® Silver grew by 47%.

Heineken® volume

(in mhl or %)	1Q23	Organic growth
Heineken N.V.	12.2	2.3%

¹ Refer to the Glossary for an explanation of organic growth and other terms used throughout this report.

Reported Net Profit of Heineken N.V.

The reported net profit of Heineken N.V. for the first three months of 2023 was €403 million (2022: €417 million).

Outlook

HEINEKEN continues to experience the effects of a volatile global economy and remain cautious about the impact this has on consumer demand. At the same time, HEINEKEN is focused on strengthening its business in line with its EverGreen strategy, including investing behind its brands and innovations, and delivering upon its gross savings ambitions.

Following the start of the year, HEINEKEN sees signals of a relatively resilient Europe and risks of slower economic growth in Asia Pacific, thus performance across markets may be different than anticipated. All in all, HEINEKEN's full year outlook remains unchanged and HEINEKEN expects operating profit (beia) to grow organically mid- to high-single-digit. HEINEKEN also expects that the growth in operating profit (beia) will come mainly, if not fully, in the second half of the year.

Translational Currency Calculated Impact

Based on the impact to date, and applying spot rates of 17 April 2023 to the 2022 financial results as a baseline for the remainder of the year, the calculated negative currency translational impact for the full year of 2023 would be approximately €640 million in net revenue (beia), €90 million at operating profit (beia) and €40 million at net profit (beia).

Reconciliation of non-GAAP measures

In the internal management reports, HEINEKEN uses the measure of net revenue (beia).

Reconciliation net revenue (beia)

<i>In millions of €</i>	1Q23	1Q22
Revenue (IFRS)	7,632	6,989
Excise tax expense	(1,253)	(1,236)
Net revenue	6,379	5,753
Exceptional items included in net revenue	(1)	—
Net revenue (beia)	6,378	5,753

Note: due to rounding, this table will not always cast

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Conference Call Details

HEINEKEN will host an analyst and investor conference call with Harold van den Broek, Chief Financial Officer, in relation to its First 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 company's 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

All other locations: +44 203 936 2999

Participation password for all countries: 683288

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 85,000 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 contains inside 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 our eB2B platforms. This includes our own and third-party products, including all duties and taxes.

HEINEKEN or "the Group"

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.

Newco

New unlisted company incorporated and headquartered in South Africa.

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

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.

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.

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.