

## Heineken Holding N.V. reports on 2024 third-quarter trading

Amsterdam, 23 October 2024 – Heineken Holding N.V. (HEIO; HKHHY) publishes its third quarter 2024 trading update.

### Key Quarterly Highlights

- Revenue €9,072 million for the quarter, €26,895 million year to date
- Net revenue (beia) organic growth 3.3% for the quarter, 5.1% year to date
- Beer volume organic growth 0.7% for the quarter, 1.6% year to date
- Premium beer volume organic growth 4.5% for the quarter, 4.9% year to date
- Heineken® volume growth 8.7% for the quarter, 9.0% year to date
- 2024 full year expectations of 4% to 8% operating profit (beia) organic growth confirmed and reiterated

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 €9.1 billion (YTD: €26.9 billion). **Net revenue (beia)** increased organically by 3.3% (YTD: up 5.1%). Total consolidated volume increased by 0.7% (YTD: up 1.3%) and net revenue (beia) per hectolitre was up 2.6% (YTD: up 3.7%). Price-mix on a constant geographic basis was up 3.0% (YTD: up 4.3%), led by pricing to mitigate inflationary pressures and portfolio premiumisation.

Currency translation reduced net revenue (beia) by €471 million (YTD: €1,097 million), mainly from the devaluation of the Nigerian Naira, Mexican Peso, Brazilian Real, and Ethiopian Birr. Consolidation effects reduced net revenue (beia) by €132 million (YTD: €81 million), mainly from the disposal of Russia and Vrumona.

In HEINEKEN's **business-to-business digital (eB2B) platforms**, HEINEKEN captured €9.3 billion in gross merchandise value year to date, an organic increase of 26% versus last year. HEINEKEN is now connecting 683 thousand active customers in fragmented, traditional channels.

IFRS Measures	€ million	Total growth	BEIA Measures <sup>1</sup>	€ million	Organic growth
Revenue	9,072	-5.5%	Revenue (beia)	9,234	3.5%
Net revenue	7,557	-6.1%	Net revenue (beia)	7,679	3.3%

**Beer volume** increased organically by 0.7% (YTD: up 1.6%), with growth in Europe and Africa & Middle East more than compensating for slight declines in the Americas and Asia Pacific. HEINEKEN is gaining or holding volume market share in more than half of its markets year to date.

Beer volume (in mhl)	3Q23	3Q24	Organic growth	YTD 3Q23	YTD 3Q24	Organic growth
Heineken N.V.	63.2	61.9	0.7%	183.3	180.1	1.6%

**Premium beer** volume increased by 4.5% led by Brazil, South Africa, and India. **Heineken®** continued its favourable momentum and grew volume 8.7% with double-digit growth in 30 markets. **Heineken® 0.0** grew 3.4%, led by Brazil, USA, and Vietnam. **Heineken® Silver** grew in the high-twenties, with continued strong growth in China and Vietnam.

Heineken® volume (in mhl)	3Q23	3Q24	Organic growth	YTD 3Q23	YTD 3Q24	Organic growth
Heineken N.V.	14.6	15.8	8.7%	40.9	44.5	9.0%

<sup>1</sup>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 2 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 and in performance management.

## Business Outlook

HEINEKEN confirms and reiterates the key financial indicators of its 2024 guidance, including the full year expectations of 4% to 8% operating profit (beia) organic growth. As communicated at the first half year results, HEINEKEN is materially stepping up investments in its brands focused on its greatest opportunities for long-term sustainable growth.

## Translational Currency Calculated Impact

Based on the impact to date, and applying spot rates of 21 October 2024 to the 2023 financial results as a baseline for the remainder of the year, the calculated negative translational impact for the full year would be approximately €1,570 million in net revenue (beia), €220 million at consolidated operating profit (beia), and €50 million at net profit (beia).

## Reconciliation of non-GAAP measures

These tables contain a reconciliation between IFRS reported and certain Non-GAAP measures<sup>1</sup>

3Q22	Reported	Total growth %	Eia <sup>2</sup>	Beia	Currency translation	Consolidation impact <sup>2</sup>	Organic growth	Organic growth %
Revenue	9,414	27.5%	—	9,414	605	137	1,290	17.5%
Excise tax expense	-1,627	-20.2%	—	-1,627	-75	-101	-96	-7.1%
Net revenue	7,788	29.2%	—	7,788	530	36	1,194	19.8%
3Q23	Reported	Total growth %	Eia <sup>2</sup>	Beia	Currency translation	Consolidation impact <sup>2</sup>	Organic growth	Organic growth %
Revenue	9,604	2.0%	-37	9,567	-519	371	301	3.2%
Excise tax expense	-1,559	4.1%	7	-1,552	123	-95	47	2.9%
Net revenue	8,044	3.3%	-30	8,015	-397	276	347	4.5%
3Q24	Reported	Total growth %	Eia <sup>2</sup>	Beia	Currency translation	Consolidation impact <sup>2</sup>	Organic growth	Organic growth %
Revenue	9,072	-5.5%	162	9,234	-487	-182	337	3.5%
Excise tax expense	-1,515	2.8%	-40	-1,554	16	50	-69	-4.4%
Net revenue	7,557	-6.1%	122	7,679	-471	-132	268	3.3%
YTD 3Q22	Reported	Total growth %	Eia <sup>2</sup>	Beia	Currency translation	Consolidation impact <sup>2</sup>	Organic growth	Organic growth %
Revenue	25,816	33.4%	—	25,816	1,299	1,196	3,967	20.5%
Excise tax expense	-4,543	-37.1%	—	-4,543	-132	-706	-352	-10.5%
Net revenue	21,273	32.6%	—	21,273	1,168	490	3,615	22.6%
YTD 3Q23	Reported	Total growth %	Eia <sup>2</sup>	Beia	Currency translation	Consolidation impact <sup>2</sup>	Organic growth	Organic growth %
Revenue	27,040	4.7%	-51	26,989	-707	675	1,206	4.7%
Excise tax expense	-4,471	1.6%	10	-4,461	220	-168	30	0.7%
Net revenue	22,569	6.1%	-41	22,529	-488	507	1,236	5.8%
YTD 3Q24	Reported	Total growth %	Eia <sup>2</sup>	Beia	Currency translation	Consolidation impact <sup>2</sup>	Organic growth	Organic growth %
Revenue	26,895	-0.5%	151	27,046	-1,159	-149	1,364	5.1%
Excise tax expense	-4,514	-1.0%	-38	-4,552	62	68	-221	-5.0%
Net revenue	22,381	-0.8%	113	22,493	-1,097	-81	1,143	5.1%

1. Due to rounding, this table will not always cast

2. HEINEKEN applies hyperinflation accounting in Ethiopia and Haiti. Fixed assets are revalued for the inflation from the time of acquisition to date. The prior year impact from depreciation resulting from the revaluation of previous years is recorded as a change in consolidation and is excluded from the organic growth calculation. At the same time, all metrics in the income statement are restated to reflect the inflation level as per the reporting date. These impacts are recorded as exceptional items.

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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 2024 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](http://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: 702767

*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 350 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](http://www.heinekenholding.com) and [www.theHEINEKENcompany.com](http://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 emission reduction and other climate change related matters (including actions, potential impacts and risks associated therewith). These forward-looking statements are identified by 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 external sources, such as specialised research institutes, in combination with management estimates. HEINEKEN undertakes no responsibility for the accuracy or completeness of such external sources.

## GLOSSARY

®

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

### **Beia**

Before exceptional items and amortisation of acquisition-related intangible assets. Whenever used in this report, the term “beia” refers to performance measures before exceptional items and amortisation of acquisition related intangible assets. Next to the reported figures, management evaluates the performance of the business on a beia basis across several performance measures as it considers this enhances their understanding of the underlying performance. Managerial incentives are set mostly on beia performance measures and the dividend is set relative to the net profit (beia).

### **Consolidation changes**

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

### **Depletions**

Sales by third-party 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. As part of its objective to become the best connected brewer, management has set as a key priority to scale up its eB2B platforms to better serve customers and improve sales force productivity. External stakeholders can assess the progress relative to this ambition and to the scale of other eB2B platforms.

### **HEINEKEN**

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

### **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, excluding inter-company transactions.

### **Organic growth**

Growth excluding the effect of foreign currency translational effects, consolidation changes, exceptional items and amortisation of acquisition-related intangible assets. Whenever used in this report, the term refers to the organic growth of the related performance measures. Management evaluates the organic performance of operating companies as it reflects their performance in local currency. External stakeholders can separately assess the performance in local currency, the translational effects into euros and the consolidation changes.

### **Organic growth %**

Organic growth divided by the related prior year beia amount. Whenever used in this report, the term “organically” refers to the organic growth % of the related performance measures.

### **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. The metric allows management and external stakeholders a clearer understanding of the underlying development of price-mix, a lever of value creation, which can be affected at a segment-level when combining operations that have structurally different net revenue per hectolitre, due to differences in value chains, business models and economic conditions.

### **Region**

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

### **Volume (all volume metrics exclude inter-company transactions)**

#### *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.

*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.