HEINEKEN

MEDIA RELEASE

Heineken N.V. reports 2022 full year results

Amsterdam, 15 February 2023 – Heineken N.V. (EURONEXT: HEIA; OTCQX: HEINY) announces:

Key Highlights

- 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
- Diluted EPS (beia) €4.92 (2021: €3.54)
- Full year 2023 outlook unchanged, operating profit (beia) expected to grow organically mid- to high-single-digit

CEO Statement

Dolf van den Brink, Chairman of the Executive Board / CEO, commented:

"I am pleased that we delivered a strong set of results in 2022 in a continuously challenging and volatile environment, growing ahead of the beer category in the majority of our markets.

Our premium portfolio continued to outperform, led by the excellent momentum of the Heineken® brand and further propelled by the roll-out of Heineken® Silver. We are innovating to expand our leadership positions in non-alcoholic and in beyond beer. We are accelerating the deployment of our business-to-business digital platforms and continued the decarbonisation of our breweries. The progress on these and many other initiatives make us confident that our EverGreen strategy is on course to deliver long-term, sustainable value creation.

We delivered balanced growth as we priced responsibly, made a further step in our productivity programme and continued to invest in our brands and capabilities. Compared to 2019, volume has now fully recovered, net revenue (beia) is ahead by close to 18% and operating profit (beia) by over 11%, organically.

For the coming year, the global economic outlook will remain challenging. We will continue to invest, whilst staying disciplined on pricing and costs. Our outlook, as shared on 30 November 2022, remains unchanged."

Financial Summary[1]

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	2,682	-19.3%	Net profit (beia)	2,836	30.7%
Diluted EPS (in €)	4.65	-19.4%	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 24 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.

Operational Review

During 2022, we accelerated the deployment of our EverGreen strategy, designed to future-proof the company and deliver superior, balanced growth in a fast-changing world. Our dream is to shape the future of beer and beyond to win the hearts of consumers. We are also shaping the future with our ambition to become the best digitally connected brewer, raising the bar on sustainability and responsibility and evolving our 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.

SHAPE THE FUTURE OF BEER AND BEYOND

Superior and balanced growth

Our superior and balanced growth ambition is grounded in our advantaged geographic footprint, our 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 *(in mhl)*	**4Q22**	4Q21	Organic growth	**FY22**	FY21	Organic growth
Heineken N.V.	**63.3**	61.1	3.5%	**256.9**	231.2	6.9%
Africa, Middle East & Eastern Europe	**9.8**	10.1	-3.3%	**39.2**	38.9	1.5%
Americas	**23.8**	23.9	-0.5%	**88.5**	85.4	3.7%
Asia Pacific	**12.2**	10.0	22.9%	**48.0**	29.4	29.3%
Europe	**17.5**	17.1	1.9%	**81.2**	77.5	4.6%

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.

Driving premiumisation at scale, led by Heineken®

Premium beer volume grew 11.4% versus last year and came 15.6% ahead of 2019, organically. Our premium brands outperformed the total portfolio in the majority of our 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 *(in mhl)*	**4Q22**	Organic growth	**FY22**	Organic growth
Total	**14.8**	11.2%	**54.9**	12.5%
Africa Middle East & Eastern Europe	**1.7**	-9.5%	**6.4**	-2.7%
Americas	**6.4**	6.9%	**22.2**	13.5%
Asia Pacific	**2.9**	51.3%	**9.5**	33.4%
Europe	**3.7**	7.8%	**16.8**	8.0%

Heineken® connects with millions of consumers every year with world-class campaigns and sponsorships to share our brand DNA in a meaningful way to spark growth, and to contribute to our sustainability goals and responsibility initiatives. In 2022, we launched the 'Cheers to All Fans' campaign, tackling gender bias affecting football's players and fans. 2022 was Heineken®'s first year as a leading sponsor of the UEFA Women's EUROs, with the objective to become the most inclusive sponsor of the tournament.

We continued to successfully premiumise at scale via our **international brands portfolio,** complementing Heineken® by connecting with an even more diverse range of consumer needs. **Amstel** grew volume in the mid-twenties, with more than 15 markets growing double-digits, with a particularly strong performance in Brazil and continued momentum behind Amstel Ultra. **Birra Moretti** grew in the mid-teens versus last year, sharing the true taste of Italy across Europe, with outstanding growth in the Netherlands, Serbia, Romania, Switzerland and Ireland. In the UK, Birra Moretti more than doubled its volume versus 2019 and became the market leader of the premium segment by value. 2022 was the year of the **Tiger;** our brand roared back to volume growth of more than 40%, driven by the recovery in Southeast Asia, the success of Tiger Crystal and continued growth in Nigeria and Brazil.

Pioneer choice in low & no-alcohol

We believe in empowering consumers seeking to enjoy a lower or no-alcohol-content beverage by ensuring there is always a choice – everywhere and on any occasion. Meeting this consumer need, our **Low & No-Alcohol (LONO) portfolio** grew by low-single-digit as continued momentum in the majority of our markets was partially offset by declines in Egypt, Russia and Poland. Our non-alcoholic beer and cider portfolio grew by mid-single-digit, led by the growth of **Heineken® 0.0** in the low-teens in Europe and the Americas regions.

We continued to introduce consumer-inspired innovations to enhance our non-alcoholic beer and cider portfolio. For example, in the United States, Lagunitas launched Hoppy Refresher, an adult beverage proposition of hop-infused sparkling water that can compete with carbonated soft drinks. In Nigeria, we launched ZAGG, a malt-based energy drink, entering a new category in Nigeria with potential to scale beyond within the Region. In Mexico, we are currently introducing Tecate 0.0, a non-alcoholic variant to our second largest brand globally by volume, aiming to counter the stigma that beer cannot be enjoyed during mid-day meal occasions.

Explore beyond beer

As we expand our view of consumer demand, we see opportunities **beyond beer** for flavoured, innovative, natural and moderate propositions leveraging our industrial and route to market base. We are leveraging our scale as the second largest player in this segment outside of the United States to explore further this consumer space. Our overall volume of flavoured beer and beyond beer alcoholic propositions grew by a mid-single-digit to 12.9 million hectolitres (2021: 12.3 million hectolitres).

Desperados is the leading "spirit beer" for high energy occasions with a presence in more than 80 countries. It continued its growth momentum in 2022, doubling its volume in Nigeria, with continued growth in Europe (particularly in Germany, the UK, Spain and France) and boosted by Desperados cocktail inspired line extensions and Virgin 0.0.

We expanded our global leadership position in **Cider.** Global volume grew by a low-single-digit to 5.0 million hectolitres (2021: 4.9 million), mainly driven by the strong growth of Strongbow in South Africa. We launched Strongbow Ultra, a low-calorie, low-carb and natural proposition to renovate the brand and the overall cider category with strong early results. In the UK, Strongbow Ultra Dark Fruit reached c.70% of the size of the total hard seltzer category in its first year of launch.

In Mexico, we launched Sol Mangoyada, further strengthening our leadership position in beyond beer. In the United States, building on the success of Dos Equis Lime and Salt around rituals that consumers follow, we launched Dos Equis Classic Lime Margarita.

Our advantaged footprint

We continue to develop and expand our **geographical and portfolio footprint** to enhance our long-term, sustained growth advantage.

Between 18 and 24 January 2023 the Competition Tribunal of South Africa held the hearings related to the transaction with Distell Group Holdings Limited and Namibia Breweries Limited, and we are awaiting their final decision. We remain very excited with the opportunity to bring together strong businesses to create a regional beverage champion, and we are committed to being a strong partner for growth and to make a positive impact in the communities in which we operate. We continue to expect the transaction to close in the coming months.

We continue to make progress to transfer the ownership of our business in Russia whilst dealing with frequently changing regulations. We remain optimistic in our ability to reach an agreement in the coming months. Based on our current assessment, an impairment of €88 million is recorded for the period ended 31 December 2022. See page 14 for more details.

On 19 October 2022, we acquired 28.2% of the shares of Grupa Zywiec (GZ) and, on 20 December 2022, concluded a mandatory tender bid for the remaining 6.6% of the shares. On 19 January 2023, we acquired the remaining shares of GZ through a squeeze-out process, becoming the sole owner of the company. GZ has filed an application to delist from the Warsaw Stock Exchange.

BECOME THE BEST-CONNECTED BREWER

HEINEKEN wants to become the best-connected, most relevant brewer for customers living in the digital age. To achieve this, we are digitally transforming our business and modernising our technology landscape at the same time.

Digitise our route-to-consumer

We continue to deploy our **business-to-business digital (eB2B)** platforms, supported by the eBusiness team, which is driving this capability globally. By the end of 2022, the platforms captured €9.2 billion in gross merchandise value, 2.5x the value of last year. We now connect more than half a million customers, over 50% more than last year. The growth was driven by Vietnam, Nigeria, Mexico, Brazil, the UK, Ireland, France, Italy and Cambodia.

The digitisation of customer relationships unlocks new growth with more and better services and data insights, increasing sales and productivity. For example, with AIDDA, an artificial intelligence application, we support our sales representatives to help our customers grow, making our sales organisation more effective and efficient.

We will start migrating our eB2B platforms under a single brand name and identity: **eazle**, business made easy. The transition will enable better features at scale resulting in improved customer experience with increased efficiency, helping them to grow their business.

FUND THE GROWTH, FUEL THE PROFIT

Our growth algorithm aims to deliver superior, balanced growth enabled by incremental investments behind the power of our brands, digital transformation, capabilities and sustainability objectives. We are bringing balance to our growth, investing behind the power of our brands which enables us to price responsibly. To fund the growth and offset inflationary pressures, we are structurally addressing our cost base and building a cost-conscious culture. We are embedding this into an ongoing continuum of productivity improvements to fuel profit growth ahead of revenue growth over time.

During 2022, we made significant progress in the delivery of our productivity programme, targeting €2 billion of structural gross savings by 2023, relative to our cost base of 2019. By the end of 2022, we captured €1.7 billion of these gross savings and are well on track to deliver ahead of our target in 2023.

We are improving our performance on cost and embedding cost management in the capabilities of the organisation. Our teams are advancing thousands of initiatives across all our operating companies and the head office. We are also accelerating large-scale transformation programmes, such as the transition to a network model for our supply chain in Europe. These achievements gave us the confidence to declare our new ambition to deliver ongoing productivity gains of €400 million year on year.

We continued to invest in our business and in addition, we reversed the significant cost mitigation actions undertaken in 2021 to partially offset the financial impact of COVID-related restrictions. Last year, these represented a reduction of expenses (beia) of circa €0.5 billion for the full year relative to 2019.

Operating profit (beia) grew 24.0% organically driven by the volume recovery in Asia Pacific and Europe, pricing for inflation, premiumisation and the delivery of our productivity programme, partially offset by inflationary pressures in our cost base and incremental investments behind our growth agenda. Currency translation positively impacted operating profit (beia) by €258 million, or 7.6%, mainly driven by the Mexican Peso, Vietnamese Dong and Brazilian Real. Operating profit declined by 4.5% as the strong profit recovery this year was offset by lower exceptional gains, which in the previous year included the €1.3 billion remeasurement to fair value of the previously held equity interest in United Breweries (UBL) in India.

Net profit (beia) grew 30.7% organically to €2,836 million (2021: €2,041 million), ahead of the growth in operating profit (beia) due to a lower effective tax rate. Currency translation positively impacted net profit (beia) by €198 million or 9.7%, driven mainly by the Mexican Peso, Vietnamese Dong and Brazilian Real. **Net profit** after exceptional items and amortisation of acquisition-related intangibles was €2,682 million (2021: €3,324 million), lower than last year due to the exceptional gains in 2021 as explained above.

For more details, please refer to the Financial Review.

RAISE THE BAR ON SUSTAINABILITY AND RESPONSIBILITY

Brew a Better World is our 2030 strategy to drive progress towards a net zero, fairer and more balanced world. We are making good progress across all three pillars and are building executional momentum to deliver our ambitions.

Environmental: Path to net zero impact

Our ambition is to reach net zero carbon emissions across our value chain by 2040, with an intermediate 2030 goal to reach net zero in scope 1 and 2, reduce our emissions in scope 3 by 21%, and across our value chain (scope 1, 2 and 3) by 30%. Since 2018, we have reduced our absolute carbon emissions in scope 1 and 2 by 18% (2021: 16%). We also increased the percentage of combined renewable energy to 37% (2021: 27%). We are driving progress in scope 3 by engaging our top packaging, cooling and raw material partners globally to set science-based targets and unlock low-carbon solutions. We also achieved an “A” score for Climate from the Carbon Disclosure Project (CDP) in 2022.

We continue to focus on healthy watersheds via water efficiency, water circularity and water balancing. Our 2030 ambition is to reduce water usage to 2.6 hectolitre per hectolitre (hl/hl) in water-stressed areas and 2.9 hl/hl worldwide. In 2022, we reached 3.0 hl/hl and 3.3 hl/hl (2021: 3.1 and 3.4), respectively. 26 of our 31 sites in water-stressed areas have begun watershed protection programmes and 29% of these sites are fully balanced. 97% of our total wastewater volume is now treated before discharge.

When it comes to circularity, more than 75% of our production sites are now landfill-free, meaning 99% of our total waste volume globally was reused or recycled in 2022.

Social: Path to an inclusive, fair and equitable world

We are making progress when it comes to gender diversity. Over the last 5 years, we increased the percentage of senior management positions held by women from 19% to 27% (2021: 25%). Our ambition is to achieve 30% by 2025 and 40% by 2030 on the path to gender balance.

We also aim for equal pay for equal work between female and male colleagues and want to ensure that all employees worldwide earn at least a fair wage by 2023. By the end of 2022, 100% of operating companies have been assessed on equal pay and have detailed action plans to drive year-on-year progress. Regarding fair wage, 100% of operating companies have been assessed and over 99% of direct employees earn at least a fair wage, as defined by the Fair Wage Network.[1]

As part of our ambition to create a positive impact in our communities, we reached our annual target of having a social impact initiative in place in 100% of our in-scope markets. We also increased the volume of locally sourced agricultural raw materials in Africa by 26% compared to a 2020 baseline, meaning we are halfway to our goal of 50% by 2025.

Responsible: Path to moderate and no harmful use

Our ambition is to make 0.0 alcohol options available for consumers everywhere so that there is always a choice. Heineken® 0.0 is now available in close to 110 markets and, by 2023, we aim for a zero-alcohol option to be available for at least two strategic brands in the majority of our operating companies, accounting for 90% of our business by volume. By the end of 2022, we were at 46% (2021: 43%).

[1] A fair wage is often higher than the minimum wage and should be sufficient for a decent standard of living, covering the basic needs for the employee and their family: from food, housing and education to healthcare, transportation and some discretionary income and savings. Data on fair wages is obtained from the Fair Wage Network.

We continue to use the power of our flagship brand to advance responsible consumption and make moderation cool. In 2022, our operating companies invested over 10% of Heineken® media spend reaching at least 1.2 billion unique consumers worldwide.

In addition to this, 100% of our in-scope markets had a partnership with governments and society to address alcohol-related harm.

Governance

In 2022, we continued to raise the bar on our ways of working, governance and transparent reporting. Given the importance of sustainability and responsibility for long-term value creation:

- We introduced three ESG metrics in our long-term incentive plan for senior managers, representing 25% of total remuneration. This proposal was approved for the Executive Board at the 2022 AGM in April;
- We further integrated sustainability & responsibility into our existing planning processes, including ring-fencing the required investments;
- We are enhancing our reporting capabilities to meet emerging requirements such as the Corporate Sustainability Reporting Directive (CSRD). We also completed our first TCFD analysis and the outcomes are included in the Annual Report.

UNLOCKING THE FULL POTENTIAL OF OUR PEOPLE AND ORGANISATION

Critical to the success of our multi-year EverGreen strategy is the evolution of our culture. Since the launch of EverGreen, we have been focused on this shift towards disciplined entrepreneurship with more agility, external focus, and clear accountability. Throughout the organisation, we have redesigned processes to facilitate horizontal learning and codified new behaviours that support EverGreen in our ambition to shape the future of beer and beyond.

Our Employee Engagement scores rank in the top quartile of the benchmark of high performing companies and we aspire to maintain this. In 2022, we scored even higher whilst our teams were dealing with uncertainty and change, a clear sign of the strength and commitment of our people.

Outlook 2023

On 30 November 2022, ahead of our Capital Markets Event, we reconfirmed our guidance to our outlook statements. These expectations remain unchanged and are included here as a reminder with further details.

For 2023, we expect 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 EverGreen, a challenging global economic environment and lower consumer confidence in certain markets.

We expect further progress towards building great brands, our digital route to consumer, strategic capabilities and our Brew a Better World activities with commensurate investments. We also expect stable to modestly growing volume, increasing in developing markets and declining in Europe. We will continue the discipline to price responsibly as per local market conditions, aiming to cover most of the absolute impact of inflation in our cost base. We anticipate an increase in our input costs in the high teens per hectolitre and significantly higher energy costs, particularly in Europe. We will deliver on our 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.

We also expect 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, we expect 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 our policy, will be proposed to the Annual General Meeting on 20 April 2023 ("2023 AGM"). 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. The payment will be subject to a 15% Dutch withholding tax. The ex-dividend date for Heineken N.V. shares will be 24 April 2023.

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).

Regional Overview

Net revenue (beia)

(in € million)	**FY22**	FY21	Organic growth
Heineken N.V.	**28,694**	21,901	21.2%
Africa Middle East & Eastern Europe	**4,005**	3,159	21.8%
Americas	**9,421**	7,226	15.2%
Asia Pacific	**4,652**	2,764	37.4%
Europe	**11,362**	9,494	19.2%
Head Office & Eliminations	**-746**	-744	

Operating profit (beia)

(in € million)	**FY22**	FY21	Organic growth
Heineken N.V.	**4,502**	3,414	24.0%
Africa Middle East & Eastern Europe	**554**	442	31.5%
Americas	**1,391**	1,215	1.8%
Asia Pacific	**1,235**	753	45.3%
Europe	**1,221**	1,160	5.0%
Head Office & Eliminations	**101**	-155	

Developing markets FY22

(in mhl or € million unless otherwise stated)	Group beer volume	Group net revenue (beia)	Group operating profit (beia)[1]
Developing markets in:	203.2	17,136	3,057
Africa Middle East & Eastern Europe	41.1		
Latin America & the Caribbean	82.5		
Asia Pacific	71.6		
Europe	7.9		
% of Group	67%	54%	64%

[1] Excludes Head Office & Eliminations

Africa, Middle East & Eastern Europe (AMEE)

Key financials

(in mhl or € million unless otherwise stated)	**FY22**	FY21	Total growth	Organic growth
Net revenue (beia)	**4,005**	3,159	26.8%	21.8%
Operating profit (beia)	**554**	442	25.4%	31.5%
Operating profit (beia) margin	**13.8%**	14.0%	-15 bps	
Total consolidated volume	**50.8**	50.3	1.0%	1.9%
Beer volume	**39.2**	38.9	0.9%	1.5%
Non-Beer volume	**11.5**	11.3	1.5%	3.7%
Third party products volume	**0.1**	0.1	-24.2%	-24.2%
Licensed beer volume	*2.5*	*2.4*		
Group beer volume	*42.2*	*41.7*		

Africa has strong category fundamentals to fuel future growth due to its growing, young population and urbanisation trends, albeit in a volatile operating environment. We are capturing more value from this large long-term growth potential by delivering balanced and profitable growth. We are scaling our premium propositions, unlocking new consumer opportunities beyond beer, strengthening our grip on our route to consumer, while improving profitability and capital efficiency.

Beer volume grew 1.5% organically, with double-digit growth in South Africa and Ethiopia partially offset by volume contraction in Nigeria. Relative to 2019, beer volume grew 1.6% organically. The premium portfolio declined by a low-single-digit, where a particularly strong performance in Nigeria, South Africa and Ethiopia was offset by a steep volume drop in Russia following our decision to stop the production and sale of Heineken®.

Net revenue (beia) grew 21.8% organically, with total consolidated volume increasing 1.9% and net revenue (beia) per hectolitre 19.4%. Price mix was up 19.7% on a constant geographic basis, driven largely by pricing for inflation and further boosted by premiumisation. Currency translation positively impacted net revenue by €225 million.

Operating profit (beia) grew 31.5% driven by the strong revenue growth and disciplined cost management, with most of our operations growing by double-digits. Currency translation positively impacted operating profit by €21 million. Operating profit (beia) margin improved on an organic basis, but declined slightly on a reported basis, due to dilutive translational currency effects and consolidation changes. See page 12 for more details.

In **Nigeria,** net revenue (beia) grew in the mid-twenties, driven by assertive pricing to mitigate inflation and by the strong performance of our premium portfolio. Total volume declined by a mid-single-digit, outperforming in a market reflecting the pressure on consumer disposable income. The premium portfolio grew in the twenties, led by Tiger and Desperados and the continued momentum of Heineken®. The low- and non-alcoholic portfolio was broadly stable.

In **South Africa,** net revenue (beia) grew close to 30%, driven by the volume recovery from the COVID-related restrictions last year and price increases. Total volume is now ahead of 2019, despite supply chain challenges. The volume growth was broad-based across our portfolio.

In **Ethiopia,** net revenue (beia) increased in the sixties with beer volume growth significantly ahead of the industry, sustaining the leadership position we reached earlier this year. The growth was led by our full mainstream portfolio, with Harar, Bedele, Walia and Sofi Malt all performing strongly.

In **Egypt,** net revenue (beia) grew in the mid-teens, driven by pricing and positive mix effects. Our beer, wine and spirits portfolio grew by a low-single-digit, in line with the market, led by the low-teens growth of Heineken®. in the premium segment. The non-alcoholic portfolio declined in the low-teens.

In the **DRC,** net revenue (beia) increased by a high-single-digit led by pricing and the strong performance of Primus in the mainstream segment and Heineken® in the premium segment. The operating environment in the country remains very volatile.

The strong performance in the region was also supported by strong growth in **Tunisia**, **Rwanda**, **Burundi** and other markets.

Americas

Key financials

(in mhl or € million unless otherwise stated)	**FY22**	FY21	Total growth	Organic growth
Net revenue (beia)	**9,421**	7,226	30.4%	15.2%
Operating profit (beia)	**1,391**	1,215	14.5%	1.8%
Operating profit (beia) margin	**14.8%**	16.8%	-205 bps	
Total consolidated volume	**90.6**	89.4	1.3%	1.3%
Beer volume	**88.5**	85.4	3.7%	3.7%
Non-Beer volume	**1.9**	3.9	-50.6%	-50.6%
Third party products volume	**0.1**	0.1	3.8%	3.8%
Licensed beer volume	*3.2*	*3.1*		
Group beer volume	*99.6*	*97.1*		

The **Americas** represents the most valuable region in the global beer market. We aim to capture a larger share of the profit pool by capitalising on our momentum, scaling premium led by Heineken®, stepping up innovation, digitising our route-to-consumer and improving profitability via local sourcing and returnable packaging.

Beer volume grew 3.7% organically, mainly driven by the strong performance in Brazil. Relative to 2019, beer volume grew 3.7% organically. The premium portfolio grew in the low-teens, led by Heineken® and Amstel Ultra. The low- and non-alcoholic portfolio grew by a high-single-digit due to the strong performance of Heineken® 0.0 and Sol mixes. Non-beer volume declined 50.6% following the de-listing of low-margin pack types in Brazil at the end of 2021.

Net revenue (beia) increased 15.2% organically, with total consolidated volumes up 1.3% and net revenue (beia) per hectolitre growing 14.4%. Price mix was up 15.6% on a constant geographic basis, mainly driven by pricing to offset input cost inflation and continued premiumisation of our portfolio. Currency translation positively impacted net revenue by €1,095 million.

Operating profit (beia) grew 1.8% organically. The incremental revenues from pricing were offset by the significant impact of higher input and logistic costs, especially from the imports of packaging materials into Brazil and ocean freight into the USA. Furthermore, we saw disruption of our business in Haiti and made incremental investments for growth in Brazil and Mexico. Currency translation positively impacted operating profit by €133 million. Operating profit margin declined due to the significant increase in costs.

In **Mexico**, net revenue (beia) grew in the mid-teens, mostly driven by pricing ahead of the industry and revenue management, complemented by premiumisation and modest volume growth. The latter was affected by the planned loss of exclusivity in the Oxxo retail chain. Premium beer volume increased in the high-teens, led by Amstel ULTRA, Bohemia and Heineken®. We strengthened our leadership position in beyond beer propositions, with continued double-digit growth of the Sol "Mezclas" and Strongbow. Our SIX stores continue to accelerate their growth, closing the year with c.1,700 more stores to break through the 16,000 stores mark. Our eB2B platform now covers close to 90% of our fragmented, traditional channels.

In **Brazil,** net revenue (beia) grew organically in the low-thirties for the full year, driven by premiumisation, pricing ahead of the industry and volume growth. Beer volume grew by a high-single-digit, outperforming the market. Our premium and mainstream beer portfolio grew in the twenties, led by Heineken® and Amstel, and reached record market share positions at the end of the year. Our economy beer portfolio declined in the high-teens. We continue to digitise our route to consumer and now connect more than 160,000 active customers through our eB2B platform.

In the **USA**, net revenue (beia) declined by a low-single-digit, following severe supply chain disruptions leading to a mid-single-digit beer volume decline, behind the market. Despite this challenging context, our innovations continue to drive growth. Heineken® 0.0 grew and strengthened its position as the #1 non-alcoholic beer in the market. Dos Equis continues to build on the success of Lime & Salt and expanded beyond beer with Classic Lime Margarita, with more to come during 2023. During the last quarter of 2022 we rebuilt inventories to restore service levels across our portfolio and prepare for the large-scale launch of Heineken® Silver in 2023.

The performance in the region was also supported by strong growth in **Panama**, **Jamaica** and **Ecuador** and from our joint venture partners in **Colombia**, **Argentina** and **Costa Rica.**

Asia Pacific

Key financials

(in mhl or € million unless otherwise stated)	FY22	FY21	Total growth	Organic growth
Net revenue (beia)	**4,652**	2,764	68.3%	37.4%
Operating profit (beia)	**1,235**	753	64.1%	45.3%
Operating profit (beia) margin	**26.5%**	27.2%	-68 bps	
Total consolidated volume	**49.0**	30.4	61.1%	28.4%
Beer volume	**48.0**	29.4	63.1%	29.3%
Non-Beer volume	**0.8**	0.9	-2.9%	-2.9%
Third party products volume	**0.1**	0.1	20.9%	20.9%
Licensed beer volume	*4.7*	*3.7*		
Group beer volume	*75.4*	*59.3*		

The **Asia Pacific** region offers a large growth potential, and we are well-positioned to capture it given our strong market positions. Our ambition is to seize a larger share of the expected growth at attractive profit margins by premiumising our portfolio, shaping the category to excite young adults, digitising our route-to-consumer and leveraging a continuous cost mindset.

Beer volume increased organically by 29.3%, led by a strong recovery from the COVID-related restrictions last year, particularly in Vietnam, Cambodia, Indonesia and Malaysia. Relative to 2019, beer volume grew 9.3% organically.

Net revenue (beia) increased 37.4% organically, with net revenue (beia) per hectolitre up 7.3%. Price mix was up 12.6% on a constant geographic basis, mostly driven by pricing, most noticeably in Vietnam and Malaysia, and premiumisation. Currency translation positively impacted net revenue by €256 million.

Operating profit (beia) increased 45.3% organically, driven by Vietnam, Malaysia and Indonesia. Positive currency movements impacted operating profit by €86 million, mainly from Vietnam. Operating profit (beia) margin declined 68 bps, due to the dilutive effect of the first-time consolidation of UBL in India, more than offsetting the organic improvement in margin.

In **Vietnam**, net revenue (beia) grew organically in the sixties, driven by the strong volume recovery in the second half of the year, outperforming the market, and pricing ahead of the industry. Our premium portfolio continued its strong momentum with Heineken® Silver and Tiger Crystal. Bia Viet grew volume by more than 60%, driving our expansion in regions outside of our strongholds. In September, we announced the expansion of Vung Tau, South-East Asia's largest brewery.

In **India**, net revenue (beia) in the fourth quarter grew organically by a mid-single-digit, driven by volume and revenue management, following the volume recovery during the year ahead of pre-pandemic levels. The premium portfolio performed ahead of total volume, led by Kingfisher Ultra and Heineken®. Heineken® Silver was launched at the end of the year.

In **China**, Heineken® Original and Heineken® Silver continued their strong momentum. Heineken® Original grew volume in the thirties and Heineken® Silver in the forties, despite COVID-related restrictions in parts of the country. China is now the third largest market for the Heineken® brand globally.

In **Cambodia**, net revenue (beia) grew in the forties, mainly driven by volume, ahead of the industry and boosted by the recovery from the COVID-related restrictions last year, pricing and premiumisation. Our premium portfolio outperformed, led by Tiger.

In **Malaysia**, beer volume increased organically in the high-thirties and is ahead of pre-pandemic levels, as the on-trade reopened in the second quarter. The premium portfolio outperformed, led by Heineken®.

In **Indonesia**, net revenue (beia) grew organically in the twenties, driven by volume recovery, ahead of the market, and revenue management. The premium and mainstream portfolio continued to perform strongly, led by Heineken® and Bintang.

The growth in the region was also supported by the double-digit net revenue (beia) growth in **Singapore**, **Myanmar**, **Laos** and **Japan**.

Europe

Key financials

(in mhl or € million unless otherwise stated)	**FY22**	FY21	Total growth	Organic growth
Net revenue (beia)	**11,362**	9,494	19.7%	19.2%
Operating profit (beia)	**1,221**	1,160	5.3%	5.0%
Operating profit (beia) margin	**10.7%**	12.2%	-147 bps	
Total consolidated volume	**98.1**	91.8	6.8%	6.6%
Beer volume	**81.2**	77.5	4.8%	4.6%
Non-Beer volume	**9.3**	9.0	4.0%	4.0%
Third party products volume	**7.6**	5.4	40.5%	40.5%
Licensed beer volume	*0.7*	*0.7*		
Group beer volume	*84.2*	*80.4*		

The beer market in **Europe** shows sustained value growth whilst facing significant short-term challenges with declining consumer confidence and mounting inflation, led by energy costs. We see a unique opportunity to leverage our leadership position and shape the future of our business, growing value share and improving profitability and capital efficiency. To achieve this, we are focused on winning in premium, digitally transforming our route-to-consumer and leveraging our network to transform our supply chain end-to-end.

Consolidated beer volume grew organically by 4.6%, returning to broadly the same level as 2019, driven by a recovery in the first half year from the COVID-related restrictions last year. Premium beer volume grew by a high-single-digit, boosted by the launch of Heineken® Silver and the performance of our portfolio of next generation brands, including Desperados, Birra Moretti and El Aguila among others. The non-alcoholic portfolio outperformed, led by the growth of Heineken® 0.0. On-trade beer volume grew in the low-thirties, remaining below 2019 by a high-single-digit. Off-trade beer volume declined by a mid-single-digit and is ahead of 2019 by a mid-single-digit. Over two-thirds of our markets grew or held market share. Third-party volume grew by 40.5% driven by the recovery of our wholesale operations.

Net revenue (beia) increased by 19.2% organically with net revenue (beia) per hectolitre up 12.9%. Price mix was up 11.8% on a constant geographic basis, with growth across all markets due to positive channel mix, premiumisation, and pricing, largely offsetting inflation.

Operating profit (beia) grew 5.0% organically. The growth was driven by the partial on-trade volume recovery as the gains in channel mix, premiumisation, pricing and substantial cost savings were more than offset by a material increase in input costs, incremental brand support and significantly higher central digital and technology charges. Consequently, operating profit (beia) margin declined 147 bps.

In the **UK**, net revenue (beia) grew organically in the high-teens, driven by the partial recovery of the on-trade, premiumisation and pricing. Total volume increased by a mid-single-digit driven by the premium portfolio growing in the mid-teens. Birra Moretti became the largest premium brand in the market by value. On 7 September 2022, we acquired the remaining shares of Beavertown Brewery, further expanding our premium portfolio.

In **France**, net revenue (beia) grew in the mid-twenties, driven by the volume recovery of the on-trade and industry leading pricing to partially offset cost inflation. On 15 November 2022, we announced our intentions to close or sell one of our three breweries in the country over the next three years.

In **Spain**, net revenue (beia) grew in the high-teens, driven by volume growth as the on-trade partially recovered, positive mix effects and pricing to offset inflationary pressures. The premium portfolio outperformed, led by El Aguila.

In **Italy**, net revenue (beia) grew in the high-teens, driven by the recovery of on-trade and pricing to offset inflation. Ichnusa became the #1 brand in the market in brand power. The non-alcoholic beer and cider portfolio volume grew by a high-single-digit, led by Heineken® 0.0 and Birra Moretti Zero.

In **Poland**, net revenue (beia) grew organically in the low-teens, driven by pricing to offset higher excise duties and inflationary pressures. Beer volume was broadly stable. Heineken® volume grew in the low-teens, boosted by the introduction of Heineken® Silver. On 7 February 2023, we announced the intention to close the Leżajsk brewery.

In the **Netherlands**, net revenue (beia) grew in the low-thirties, driven by volume growth as the on-trade recovered, positive channel mix effects, premiumisation and revenue management. Our premium portfolio grew volume in the low-teens, led by Birra Moretti, Affligem and Texels.

Financial Review

Key figures

(in mhl or € million unless otherwise stated)	FY21	Currency translation	Consolidation impact	Organic growth	**FY22**	Organic growth
Revenue (beia)	26,583	1,740	1,247	5,072	**34,643**	19.1%
Excise tax expense (beia)	-4,683	-159	-677	-431	**-5,949**	-9.2%
Net Revenue (beia)	21,901	1,582	570	4,642	**28,694**	21.2%
Total net other expenses (beia)	-18,487	-1,324	-558	-3,824	**-24,192**	-20.7%
Operating profit (beia)	3,414	258	12	818	**4,502**	24.0%
Net interest income/(expenses) (beia)	-403	-7	2	27	**-380**	6.8%
Other net finance income/(expenses) (beia)	-94	4	16	12	**-63**	12.3%
Share of net profit of assoc./ JVs (beia)	238	29	-32	29	**263**	12.1%
Income tax expense (beia)	-872	-61	-11	-180	**-1,124**	-20.7%
Non-controlling interests (beia)	-241	-26	-17	-79	**-363**	-32.5%
Net profit (beia)	2,041	198	-30	627	**2,836**	30.7%
Eia	1,283				-155	
Net profit	3,324				**2,682**	

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

Main changes in consolidation

As part of the organisational redesign of EverGreen, HEINEKEN merged its export business units of Europe and Africa, Middle East & Eastern Europe into a single unit, which is now reported under Europe as of 1 April 2021.

On 23 June 2021, HEINEKEN acquired additional ordinary shares in UBL, taking its shareholding in UBL from 46.5% to 61.5%. On 29 July 2021, HEINEKEN obtained control and consolidated UBL as of that date, following the changes to certain provisions in the Articles of Association of UBL.

On 23 December 2021, HEINEKEN reduced its shareholding in Brasserie Almaza in Lebanon to a minority position.

On 7 September 2022, HEINEKEN has purchased the remaining shares in Beavertown Brewery, achieving full ownership.

At the closing of 2022, HEINEKEN applied hyperinflation accounting in Ethiopia. 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.

Revenue

Revenue was €34,676 million, an increase of 30.4% (2021: €26,583 million). Revenue (beia) increased 19.1% organically to €34,643 million.

Net revenue increased 30.9% to €28,719 million (2021: €21,941 million). Net revenue (beia) increased by 21.2% organically to €28,694 million, with total consolidated volume increasing 6.4% and an increase in net revenue (beia) per hectolitre of 13.9%. Translational currency developments positively impacted net revenue (beia) by €1,582 million, mainly driven by the Mexican Peso, Brazilian Real, Vietnamese Dong and the US Dollar. The positive impact of consolidation changes was €570 million, related primarily to UBL.

Expenses

Total net other expenses (beia) were €24,192 million, up 20.7% on an organic basis, driven by the increase in volume, inflationary pressures, incremental investments and the reversal of the cost mitigation actions from last year, partially offset by cost savings from our productivity programme.

Input costs increased organically in the high-teens on a per hectolitre basis. The increase was mainly driven by the inflation in commodity prices, higher energy costs and premiumisation, partially mitigated by channel mix effects in the first half of the year from the re-opening of the on-trade and by structural cost savings.

Marketing and selling (beia) expenses increased organically by 22.4%, bringing the absolute level of investment ahead of pre-pandemic levels, mainly driven by consumer-facing expenses. The investment represented 9.5% of net revenue (beia) (2021: 9.5%).

Personnel expenses (beia) increased organically by 9.1% to €4,005 million (2021: €3,489 million) driven by the expansion of our route-to-consumer in Brazil, the discontinuation of furlough schemes in Europe and the increase in salaries.

Depreciation & amortisation expenses (beia) increased organically by 1.6% to €1,679 million (2021: €1,539 million). The relatively low growth was due to the partial suspension of CAPEX in 2020 due to COVID.

Operating profit

Operating profit declined slightly to €4,283 million (2021: €4,483 million) as the performance of last year included the remeasurement to fair value of the previously-held equity interest in UBL in India. Operating profit (beia) was €4,502 million, up 24.0% organically, driven by the volume recovery in Asia Pacific and Europe, pricing for inflation, premiumisation and the delivery of our productivity programme, partially offset by inflationary pressures in our cost base and incremental investments behind our growth agenda.

The operating profit (beia) organic growth in the head office was driven by the increase in general proceeds from license fees and services, in line with the growth of the business. In addition, we revised the charging rate in 2022 for significantly increased global digital and technology investments, with an offsetting impact in the regions, particularly in Europe.

Currency translation had a positive impact of €258 million, mainly from Mexico, Vietnam and Brazil. Consolidation changes had a small positive impact of €12 million.

Net finance expenses (beia)

Net interest expenses (beia) decreased organically by 6.8% to €380 million, reflecting a lower average net debt position. The average effective interest rate (beia) in 2022 was 2.8% (2021: 2.7%).

Other net finance expenses (beia) amounted to €63 million, down 12.3% on an organic basis, driven by a one-off positive mark-to-market gain of long-term green-energy contracts linked to the surge in market pricing for energy.

Share of net profit of associates and joint ventures (beia)

The share of net profit of associates and joint ventures (beia) amounted to €263 million, including the attributable profit from China Resources Beer (CRB) with a two-month delay (November 2021 to October 2022). The organic increase was €29 million, mainly driven by the strong performance of CRB.

Income tax expense (beia)

The effective tax rate (beia) was 27.7% (2021: 29.9%). The decrease is mainly driven by the increase of the profit before tax base, more effective use of tax credits and lower non-deductible expenses.

Net profit and loss

The net profit for 2022 was €2,682 million (2021: €3,324 million). Net profit (beia) increased organically by €627 million to €2,836 million. The impact on net profit (beia) of currency translation was positive €198 million, and of consolidation changes negative €30 million.

Exceptional items & amortisation of acquisition-related intangibles (eia)

Exceptional items are defined as 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. Exceptional items include, amongst others, impairments (and reversal of impairments) of goodwill and fixed assets, gains and losses from acquisitions and disposals, redundancy costs following a restructuring, hyperinflation accounting adjustments, the tax impact on exceptional items and tax rate changes (the one-off impact on deferred tax positions).

The impact of eia on net profit amounted to a net expense of €155 million (2021: €1,283 million, net benefit). On operating profit, the impact of eia amounted to a net expense of €219 million (2021: €1,069 million, net benefit). Amortisation of acquisition-related intangibles recorded in operating profit amounted to €333 million (2021: €286 million). Net exceptional benefit items recorded in operating profit amounted to €114 million (2021: €1,355 million, net benefit), of which:

- Net reversal of impairments of €132 million, including €234 million reversal of impairment 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 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 net exceptional expenses (2021: €1,308 million other exceptional net benefit, including €1,270 million gain on previously-held equity interest in UBL)

On 28 March 2022, HEINEKEN announced its decision to leave Russia. At that moment, HEINEKEN expected an impairment and other non-cash exceptional charges of approximately €0.4 billion. Based on current assessment an impairment of €88 million is recorded for the period ended 31 December 2022. At the moment of disposal, the cumulative foreign exchange losses relating to Russia currently recorded in equity (€0.2 billion as per 31 December 2022) will be recognised in the income statement.

Please refer to page 25 for a description of the exceptional items and amortisation of acquisition-related intangibles below operating profit.

Capital expenditure and cash flow

HEINEKEN's priority in allocating capital is in the organic growth and expansion of the business. Capital expenditure related to property, plant and equipment and intangible assets (CAPEX) amounted to €2,011 million (2021: €1,597 million) representing 7.0% of net revenue (beia). The investments in the year amounted to €2,183 million (2021: €1,769 million) and include capacity expansions in Brazil, Vietnam and Nigeria.

Free operating cash flow amounted to €2,409 million (2021: €2,514 million) and is behind 2021, mainly because higher cash flow from operations was offset by the negative change in working capital from a higher inventory position, higher CAPEX and income taxes paid.

Financial structure

Total gross debt amounted to €16,377 million (2021: €16,873 million). Net debt decreased slightly to €13,531 million (2021: €13,658 million) as the positive free operating cash flow exceeded the cash outflow for dividends, acquisitions and the negative foreign currency impact on debt. Including the effect of cross-currency swaps, 74% of net debt is Euro-denominated, and 17% is US dollar and US dollar proxy currencies.

The pro-forma 12 month rolling net debt/EBITDA (beia) ratio was 2.1x on 31 December 2022 (2021: 2.6x), in line with the Company's long-term target net debt/EBITDA (beia) ratio of below 2.5x. HEINEKEN expects this ratio to reduce further, in line with operational performance. At the same time, HEINEKEN could deploy capital for purposes beyond the organic growth and expansion of its business which could taper this development.

The centrally available financing headroom at Group level was approximately €3.6 billion at 31 December 2022 (2021: €4.6 billion) and consisted of the undrawn committed revolving credit facility and centrally available cash.

Average number of shares

HEINEKEN has 576,002,613 shares in issue. In the calculation of basic EPS, the weighted average number of shares outstanding was 575,563,505 (2021: 575,740,269).

In the calculation of 2022 diluted EPS (beia), shares to be delivered under the employee incentive programme (462,616 shares) are added to the weighted average shares outstanding. The weighted average diluted number of shares outstanding was 576,026,120 (2021: 575,969,395).

Full Year 2022 Consolidated Metrics

In mhl or €million unless otherwise stated & consolidated figures unless otherwise stated	FY21	Currency translation	Consolidation impact	Organic growth	**FY22**	Organic growth
Africa, Middle East & Eastern Europe						
Net revenue (beia)	3,159	225	-66	687	**4,005**	21.8%
Operating profit (beia)	442	21	-48	139	**554**	31.5%
Operating profit (beia) margin	14.0%				**13.8%**	
Total consolidated volume	50.3		-0.5	1.0	**50.8**	1.9%
Beer volume	38.9		-0.2	0.6	**39.2**	1.5%
Non-beer volume	11.3		-0.3	0.4	**11.5**	3.7%
Third party products volume	0.1		—	—	**0.1**	-24.2%
Licensed beer volume	*2.4*				*2.5*	
Group beer volume	*41.7*				*42.2*	
Americas						
Net revenue (beia)	7,226	1,095	—	1,100	**9,421**	15.2%
Operating profit (beia)	1,215	133	21	22	**1,391**	1.8%
Operating profit (beia) margin	16.8%				**14.8%**	
Total consolidated volume	89.4		—	1.1	**90.6**	1.3%
Beer volume	85.4		—	3.1	**88.5**	3.7%
Non-beer volume	3.9		—	-2.0	**1.9**	-50.6%
Third party products volume	0.1		—	—	**0.1**	3.8%
Licensed beer volume	*3.1*				*3.2*	
Group beer volume	*97.1*				*99.6*	
Asia Pacific						
Net revenue (beia)	2,764	256	597	1,035	**4,652**	37.4%
Operating profit (beia)	753	86	56	341	**1,235**	45.3%
Operating profit (beia) margin	27.2%				**26.5%**	
Total consolidated volume	30.4		9.9	8.6	**49.0**	28.4%
Beer volume	29.4		9.9	8.6	**48.0**	29.3%
Non-beer volume	0.9		—	—	**0.8**	-2.9%
Third party products volume	0.1		—	—	**0.1**	20.9%
Licensed beer volume	*3.7*				*4.7*	
Group beer volume	*59.3*				*75.4*	
Europe						
Net revenue (beia)	9,494	3	41	1,824	**11,362**	19.2%
Operating profit (beia)	1,160	-1	5	58	**1,221**	5.0%
Operating profit (beia) margin	12.2%				**10.7%**	
Total consolidated volume	91.8		0.2	6.1	**98.1**	6.6%
Beer volume	77.5		0.2	3.5	**81.2**	4.6%
Non-beer volume	9.0		—	0.4	**9.3**	4.0%
Third party products volume	5.4		—	2.2	**7.6**	40.5%
Licensed beer volume	*0.7*				*0.7*	
Group beer volume	*80.4*				*84.2*	
Head Office & Eliminations						
Net revenue (beia)	-744	3	-1	-4	**-746**	n.a.
Operating profit (beia)	-155	19	-21	258	**101**	n.a.
Heineken N.V.						
Net revenue (beia)	21,901	1,582	570	4,642	**28,694**	21.2%
Total expenses (beia)	-18,487	-1,324	-558	-3,824	**-24,192**	-20.7%
Operating profit (beia)	3,414	258	12	818	**4,502**	24.0%
Operating profit (beia) margin	15.6%				**15.7%**	
Share of net profit of associates /JVs (beia)	238	29	-32	29	**263**	12.1%
Net Interest income / (expenses) (beia)	-403	-7	2	27	**-380**	6.8%
Other net finance income / (expenses) (beia)	-94	4	16	12	**-63**	12.3%
Income tax expense (beia)	-872	-61	-11	-180	**-1,124**	-20.7%
Minority Interests	-241	-26	-17	-79	**-363**	-32.5%
Net profit (beia)	2,041	198	-30	627	**2,836**	30.7%
Total consolidated volume	262.0		9.6	16.8	**288.4**	6.4%
Beer volume	231.2		9.9	15.9	**256.9**	6.9%
Non-beer volume	25.1		-0.3	-1.2	**23.6**	-4.9%
Third party products volume	5.7		—	2.2	**7.9**	38.5%
Licensed beer volume	*9.9*				*11.1*	
Group beer volume	*278.5*				*301.4*	

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

Fourth Quarter 2022 Metrics

In mhl unless otherwise stated & consolidated figures unless otherwise stated	4Q21	Currency translation	Consolidation impact	Organic growth	**4Q22**	Organic growth
Africa, Middle East & Eastern Europe						
Net revenue (beia)	873	36	29	158	**1,096**	18.1%
Total consolidated volume	13.0		-0.2	-0.2	**12.5**	-1.8%
Beer volume	10.1		—	-0.3	**9.8**	-3.3%
Non-beer volume	2.9		-0.2	0.1	**2.7**	3.5%
Third party products volume	—		—	—	**—**	—
Licensed beer volume	*0.7*				*0.8*	
Group beer volume	*10.9*				*10.6*	
Americas						
Net revenue (beia)	2,034	355	—	228	**2,617**	11.2%
Total consolidated volume	24.8		—	-0.5	**24.3**	-2.1%
Beer volume	23.9		—	-0.1	**23.8**	-0.5%
Non-beer volume	0.8		—	-0.4	**0.5**	-46.1%
Third party products volume	—		—	—	**—**	—
Licensed beer volume	*1.0*				*1.0*	
Group beer volume	*27.4*				*27.2*	
Asia Pacific						
Net revenue (beia)	898	34	33	327	**1,292**	36.4%
Total consolidated volume	10.2		—	2.3	**12.5**	22.3%
Beer volume	10.0		—	2.3	**12.2**	22.9%
Non-beer volume	0.2		—	—	**0.2**	-4.8%
Third party products volume	—		—	—	**—**	—
Licensed beer volume	*0.9*				*1.3*	
Group beer volume	*16.5*				*19.0*	
Europe						
Net revenue (beia)	2,276	-12	17	298	**2,579**	13.1%
Total consolidated volume	20.6		0.1	0.5	**21.2**	2.7%
Beer volume	17.1		0.1	0.3	**17.5**	1.9%
Non-beer volume	2.1		—	—	**2.1**	1.4%
Third party products volume	1.4		—	0.2	**1.6**	13.7%
Licensed beer volume	*0.2*				*0.1*	
Group beer volume	*17.8*				*18.1*	
Heineken N.V.						
Net revenue (beia)	5,901	414	80	1,026	**7,422**	17.4%
Total consolidated volume	68.7		-0.2	2.1	**70.6**	3.0%
Beer volume	61.1		—	2.2	**63.3**	3.5%
Non-beer volume	6.0		-0.2	-0.3	**5.5**	-4.5%
Third party products volume	1.5		—	0.2	**1.7**	12.0%
Licensed beer volume	*2.8*				*3.3*	
Group beer volume	*72.5*				*75.0*	

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

Supervisory Board Composition

On 20 December 2022, HEINEKEN announced the nomination of Mrs. Beatriz Pardo and Mr. Lodewijk Hijmans van den Bergh for appointment as members of the Supervisory Board at the Annual General Meeting of Shareholders (AGM) on 20 April 2023 for a four-year term.

Mrs. Beatriz Pardo, a Spanish national, is Vice President General Manager of Starbucks Reserve in the United States at the Starbucks Coffee Company. She joined Starbucks in 2018 from Grupo Vips where she was Division CEO. Prior to this, Mrs. Pardo held executive positions in Carrefour, Canelafoods and Monitor Deloitte. During her international career, she built up extensive experience in brand strategy, retail concept innovation and operations. She graduated in Economics and Business Administration from the Universidad Pontificia de Comillas of Madrid.

Mr. Lodewijk Hijmans van den Bergh, a Dutch national, currently serves as chairman of the Supervisory Board of BE Semiconductor Industries (until its AGM in April 2023). He is also a member of the Supervisory Board of ING and vice-chairman of the Supervisory Board of HAL Holding. He is a lawyer and was partner at the law firm De Brauw Blackstone Westbroek. He was also Chief Corporate Governance Counsel and member of the Executive Board of Royal Ahold. He has vast expertise in corporate governance, corporate law and sustainability. He holds a master's degree in law from Utrecht University.

Furthermore, non-binding nominations for the reappointment of Mr. Michel de Carvalho and Mrs. Rosemary Ripley for a period of four years shall be submitted to the AGM on 20 April 2023 for approval. Mrs. Ingrid–Helen Arnold's term at the Supervisory Board will end at the AGM. The Supervisory Board is grateful for Mrs. Arnold's commitment and contributions to the Supervisory Board and its Audit Committee over the past years.

Enquiries

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Investor Calendar Heineken N.V.

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. The live video webcast will be accessible via the company'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 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. Our dream is to shape the future of beer and beyond to win the hearts of consumers. We are 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. We operate breweries, malteries, cider plants and other production facilities in more than 70 countries. Most recent information is available on our Company's website and follow us 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.

Consolidated Financial Statements for the full year 2022

CONTENTS	PAGE

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 HEINEKEN website (www.theheinekencompany.com) as of 23 February 2023.

HEINEKEN

Consolidated Income Statement

For the year ended 31 December

In millions of €	**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 the Company (net profit)	2,682	3,324
Non-controlling interests	357	211
Profit	**3,039**	3,535
Weighted average number of shares – basic	575,563,505	575,740,269
Weighted average number of shares – diluted	576,026,120	575,969,395
Basic earnings per share (€)	4.66	5.77
Diluted earnings per share (€)	4.65	5.77

Consolidated Statement of Comprehensive Income

For the year ended 31 December

In millions of €	**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 the Company	3,039	4,562
Non-controlling interests	302	313
Total comprehensive income	**3,341**	4,875

HEINEKEN

Consolidated Statement of Financial Position

As at 31 December

In millions of €	**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

In millions of €	**2022**	2021
Shareholders' equity	19,551	17,356
Non-controlling interests	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

HEINEKEN

Consolidated Statement of Cash Flows

For the year ended 31 December

In millions of €	**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

In millions of €	**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

HEINEKEN

Consolidated Statement of Changes in Equity

In millions of €	Share capital	Share premium	Translation reserve	Hedging reserve	Cost of hedging reserve	Fair value reserve	Other legal reserves	Reserve for own shares	Retained earnings	Shareholders of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2021	922	2,701	(4,940)	28	(2)	54	1,171	(25)	13,483	13,392	1,000	14,392
Profit	—	—	—	—	—	—	242	—	3,082	3,324	211	3,535
Other comprehensive income/(loss)	—	—	935	93	(6)	9	—	—	207	1,238	102	1,340
Total comprehensive income/(loss)	—	—	935	93	(6)	9	242	—	3,289	4,562	313	4,875
Realised hedge results from non-financial assets	—	—	—	(65)	—	—	—	—	—	(65)	—	(65)
Transfer to retained earnings	—	—	2	—	—	(7)	(285)	—	290	—	—	—
Dividends to shareholders	—	—	—	—	—	—	—	—	(564)	(564)	(238)	(802)
Purchase own shares or contributions received from NCI shareholders	—	—	—	—	—	—	—	(14)	—	(14)	28	14
Own shares delivered	—	—	—	—	—	—	—	2	(2)	—	—	—
Share-based payments	—	—	—	—	—	—	—	—	55	55	—	55
Acquisition of non-controlling interests	—	—	—	—	—	—	—	—	(10)	(10)	—	(10)
Changes in consolidation	—	—	—	—	—	—	—	—	—	—	1,241	1,241
Balance as at 31 December 2021	922	2,701	(4,003)	56	(8)	56	1,128	(37)	16,541	17,356	2,344	19,700

In millions of €	Share capital	Share premium	Translation reserve	Hedging reserve	Cost of hedging reserve	Fair value reserve	Other legal reserves	Reserve for own shares	Retained earnings	Shareholders of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2022	**922**	**2,701**	**(4,003)**	**56**	**(8)**	**56**	**1,128**	**(37)**	**16,541**	**17,356**	**2,344**	**19,700**
Hyperinflation restatement to 1 January 2022	—	—	—	—	—	—	—	—	245	245	—	245
Balance as at 1 January 2022 after restatement	**922**	**2,701**	**(4,003)**	**56**	**(8)**	**56**	**1,128**	**(37)**	**16,786**	**17,601**	**2,344**	**19,945**
Profit	—	—	—	—	—	—	208	—	2,474	2,682	357	3,039
Other comprehensive income/(loss)	—	—	384	(103)	(1)	14	—	—	63	357	(55)	302
Total comprehensive income/(loss)	**—**	**—**	**384**	**(103)**	**(1)**	**14**	**208**	**—**	**2,537**	**3,039**	**302**	**3,341**
Realised hedge results from non-financial assets	—	—	—	—	—	—	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	—	(94)	—	94	—	—	—
Dividends to shareholders	—	—	—	—	—	—	—	—	(840)	(840)	(263)	(1,103)
Purchase own shares or contributions received from NCI shareholders	—	—	—	—	—	—	—	(43)	—	(43)	—	(43)
Own shares delivered	—	—	—	—	—	—	—	20	(20)	—	—	—
Share-based payments	—	—	—	—	—	—	—	—	49	49	—	49
Acquisition of non-controlling interests	—	—	—	—	—	—	—	—	(373)	(373)	(18)	(391)
Hyperinflation impact	—	—	—	—	—	—	—	—	116	116	—	116
Changes in consolidation	—	—	—	—	—	—	—	—	2	2	4	6
Balance as at 31 December 2022	**922**	**2,701**	**(3,619)**	**(47)**	**(9)**	**70**	**1,242**	**(60)**	**18,351**	**19,551**	**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)	**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 Head Office and eliminations.

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 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.

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