Heineken Holding N.V. reports 2024 half year results

Amsterdam, 29 July 2024 – Heineken Holding N.V. (EURONEXT: HEIO; OTCQX: HKHHY) announces:

Key Highlights

- Revenue €17,823 million
- Net revenue (beia) 6.0% organic growth; per hectolitre 4.3%
- Beer volume organic growth 2.1%; Heineken® volume 9.2% growth
- Operating profit €1,542 million; operating profit (beia) organic growth 12.5%
- Outlook for the full year updated: operating profit (beia) expected to grow organically in the range of 4% to 8%.

Financial Summary[1]

IFRS Measures	€ million	Total growth	BEIA Measures	€ million	Organic growth[2]
Revenue	17,823	2.2%	Revenue (beia)	17,812	5.9%
Net revenue	14,824	2.1%	Net revenue (beia)	14,814	6.0%
Operating profit	1,542	-4.3%	Operating profit (beia)	2,079	12.5%
			Operating profit (beia) margin	14.0%	
Net profit of Heineken Holding N.V.*	-48		Net profit (beia)	1,204	4.4%
Diluted EPS (in €)*	-0.17		Diluted EPS (beia) (in €)	2.15	5.9%
*Includes non-cash impairments of €1,050 million in accordance with IFRS (IAS 28 and 36). For more details go to page 16.			Free operating cash flow	655	
			Net debt / EBITDA (beia)[3]	2.4x	

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 21 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.
2 Organic growth shown, except for Diluted EPS (beia), which is total growth.
3 Includes acquisitions and excludes disposals on a 12 month pro-forma basis.

Heineken Holding N.V. engages in no activities other than its participating interest in Heineken N.V. and the management or supervision of and provision of services to that company. The net result of Heineken Holding N.V.'s participating interest in Heineken N.V. for the first half year of 2024 amounts to €-48 million.

During the first half of 2024, HEINEKEN continued to execute the EverGreen strategy and restored balanced growth despite experiencing economic volatility in certain markets. Growth remains HEINEKEN's priority and HEINEKEN aspires to shape the future of beer and beyond to win the hearts of consumers. HEINEKEN also aims to become the best digitally connected brewer, raise the bar on sustainability and responsibility and evolve HEINEKEN's capabilities and culture to embrace future opportunities. To fund HEINEKEN's growth, and deliver on the EverGreen ambitions, HEINEKEN continues to drive productivity and capital efficiency in the pursuit of sustainable, long-term value creation.

HEINEKEN aims for balanced volume and value growth through building and scaling premium and strategic mainstream brands, supported by innovation in fast-growing consumer segments, excellent commercial execution and further developing HEINEKEN's geographic and portfolio footprint. In the first half of 2024, HEINEKEN saw encouraging signs of consumer demand stabilising and was able to restore balanced growth.

Revenue for the first half of 2024 was €17.8 billion, up 2.2%. **Net revenue (beia)** was €14.8 billion, up 6.0% organically, mainly driven by the growth of HEINEKEN's largest operating companies in Nigeria, Mexico, Brazil, Vietnam and India. Total consolidated volume increased 1.7% and net revenue (beia) per hectolitre was up 4.3% with a positive contribution from all regions, most notably in Africa & Middle East. The underlying price-mix on a constant geographic basis was up 4.9%. Currency translation reduced net revenue (beia) by €625 million or 4.3%, mainly driven by the 48% devaluation of the Nigerian naira versus the euro. Consolidation changes had a positive impact to net revenue (beia) of €51 million, the net result of the Distell and Namibia Breweries acquisitions, the sale of Vrumona in the Netherlands and HEINEKEN's exit from Russia.

Beer volume for the first half of 2024 increased organically 2.1% versus last year, with all regions contributing. HEINEKEN gained or held market share in more than half of its markets. Growth in the second quarter was lower as Easter fell in the first quarter in 2024 (versus the second quarter in 2023), competition intensified in the economy segment in Brazil and poor June weather in Europe.

Beer volume

(in mhl)	2Q23	**2Q24**	Organic growth	HY23	**HY24**	Organic growth
Heineken N.V.	65.3	**62.8**	-0.1%	120.1	**118.2**	2.1%

Premium beer volume was up 5.1%, ahead of the total beer portfolio in aggregate and in more than half of HEINEKEN's markets. The growth was again led by Heineken®, with further contributions from Kingfisher Ultra, Dos Equis, Desperados and Birra Moretti, amongst others.

Heineken® grew volume in the first half by 9.2% with the second quarter up 6.0%. The growth was broad-based, with more than 27 markets growing double-digit, most notably Brazil, China, Vietnam and the DRC. **Heineken® Silver** grew volume by more than 40%, led by Vietnam and China.

The **Heineken®** brand continues to be admired for its creativity, in both ideas and execution. The brand was recognised as the #1 most creative brand in the alcoholic drinks category and the #2 most creative brand across all categories at the prestigious Cannes Lions Festival of Creativity, taking home a record 22 awards. New campaigns included "The First Ahhh!", celebrating its dedication to the craft of brewing and the joy at the first sip from a fresh Heineken®, and "The Boring Phone", noting that the more refreshing your social life, the more rewarding it becomes.

Heineken® volume

(in mhl)	2Q23	**2Q24**	Organic growth	HY23	**HY24**	Organic growth
Total	**14.2**	**15.0**	6.0%	**26.3**	**28.7**	9.2%

Outlook Statements

HEINEKEN's EverGreen strategy is a multi-year journey, and HEINEKEN is pleased with the solid progress in the first half of 2024. While several key emerging markets had to navigate a volatile macroeconomic environment, overall, HEINEKEN achieved more balanced, volume- and value-led revenue growth, and good operating leverage. HEINEKEN also continues to deliver against its premiumisation, digital and sustainability ambitions, funded by gross savings and productivity gains.

HEINEKEN continues to expect variable costs to increase organically by a low-single-digit on a per hectolitre basis. While HEINEKEN expects to benefit from lower commodity and energy prices compared to 2023, this is more than offset by local input cost inflation and currency devaluations, particularly in Africa. HEINEKEN also expects higher than historical average wage inflation.

Across the company, HEINEKEN's markets and functions realized more than €300 million of gross savings in the first half. HEINEKEN has clear line of sight on its cost saving initiatives and is therefore confident to achieve its c.€500 million ambition for 2024, ahead of HEINEKEN's medium-term commitment of €400 million per year.

HEINEKEN is reinvesting a larger proportion of these savings into marketing and sales. In the second half, HEINEKEN will materially step-up investment in its brands focused on HEINEKEN's greatest opportunities for long-term sustainable growth. Notable increases will be in Mexico, Brazil, Vietnam, India, and South Africa.

At the same time, volatility remains a reality. Consumer confidence and economic sentiment in developed markets remain below their historical average. In the Africa & Middle East region there is a risk of material currency devaluation in Ethiopia and hyperinflation in Nigeria and Egypt. HEINEKEN is confident it is able to adapt, yet this continues to bring some short-term uncertainty.

Reflecting HEINEKEN's confidence in delivery and commitment to invest behind growth and in future-proofing its business, HEINEKEN updates its full year outlook to grow operating profit (beia) organically in the range of 4% to 8%.

For the full year of 2024, HEINEKEN further expects:

- An effective interest rate (beia) of around 3.5% (2023: 3.4%).
- As indicated at HEINEKEN's earlier outlook statement, other net finance expenses will increase compared to 2023. This is driven primarily by the impact from significant devaluations and hard currency scarcity in key emerging markets. HEINEKEN made progress in reducing hard currency exposures and is on track with the rights issue in

Nigerian Breweries Ltd. If current conditions prevail, HEINEKEN expects more stable other net financing expenses in the second half of the year.

- HEINEKEN has updated its view on the average effective tax rate (beia), and now expect this to land at around 28% (2023: 26.8%), an improvement relative to the previous guidance of 29%, including further insights into Brazil's 2024 tax law changes.

Given the factors above, HEINEKEN revises the expected organic net profit (beia) growth to be more closely in line with the expected operating profit (beia) growth.

Finally, HEINEKEN continues to expect investments in capital expenditure related to property, plant and equipment and intangible assets to be below 9% of net revenue (beia) (2023: 8.8%).

Translational Calculated Currency Impact

Based on the impact to date, and applying spot rates of 25 July 2024 to the 2023 financial results as a baseline for the remainder of the year, the calculated negative currency translational impact for the full year would be approximately €1.350 million in net revenue (beia), €170 million at consolidated operating profit (beia), and €30 million at net profit (beia).

Interim Dividend 2024

According to the Articles of Association of Heineken Holding N.V. both Heineken Holding N.V. and Heineken N.V. pay an identical dividend per share. HEINEKEN's dividends are paid in the form of an interim dividend and a final dividend. The interim dividend is fixed at 40% of the total dividend of the previous year. As a result, an interim dividend of €0.69 per share (2023: €0.69) will be paid on 8 August 2024. The shares will trade ex-dividend on 31 July 2024.

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Investor Calendar Heineken N.V.

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

Trading Update for Q3 2024	23 October 2024
Full Year 2024 Results	12 February 2025

Conference Call Details

HEINEKEN will host an analyst and investor conference call in relation to its 2024 Half Year results today at 14:00 CET/ 13:00 BST. This call will also be accessible for Heineken Holding N.V. shareholders. The call will be audio cast live via the website: www.theheinekencompany.com. An audio replay service will also be made available after the conference call at the above web address. Analysts and investors can dial-in using the following telephone numbers:

United Kingdom (Local): 020 3936 2999

Netherlands (Local): 085 888 7233

USA: 1 646 787 9445

For the full list of dial in numbers, please refer to the following link: Global Dial-In Numbers

Participation password for all countries: 939700

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 90,000 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 www.heinekenholding.com and www.theHEINEKENcompany.com and follow HEINEKEN on LinkedIn, Twitter and Instagram.

Market Abuse Regulation

This press release may contain price-sensitive information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

Disclaimer:

This press release contains forward-looking statements based on current expectations and assumptions with regard to the financial position and results of HEINEKEN's activities, anticipated developments and other factors. All statements other than statements of historical facts are, or may be deemed to be, forward-looking statements. Forward-looking statements also include, but are not limited to, statements and information in HEINEKEN's non-financial reporting, such as HEINEKEN's 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.

Introduction

This report contains the interim financial report of Heineken Holding N.V., headquartered in Amsterdam, the Netherlands.

The interim financial report for the six months ending 30 June 2024 consists of the report of the Board of Directors, the statement of the Board and the condensed consolidated interim financial statements.

Report of the Board of Directors

Heineken Holding N.V. has a 50.005% interest in the issued share capital (being 50.939% of the outstanding share capital) of Heineken N.V. Standing at the head of the HEINEKEN group, Heineken Holding N.V. is not an ordinary holding company. Since its formation in 1952, Heineken Holding N.V.'s object pursuant to its Articles of Association has been to manage or supervise the management of the HEINEKEN group and to provide services for Heineken N.V. Within the HEINEKEN group, the primary duties of Heineken N.V.'s Executive Board are to initiate and implement corporate strategy and to manage Heineken N.V. and its related enterprise. It is supervised in the performance of its duties by Heineken N.V.'s Supervisory Board. Because Heineken N.V. manages the HEINEKEN group companies, Heineken Holding N.V., unlike Heineken N.V., does not have an internal risk management and control system. Heineken Holding N.V. does not engage in any operational activities and employs no staff.

Further information regarding the developments during the financial half year 2024 of Heineken N.V. and its related companies, and the material risks Heineken N.V. is facing is given in Heineken N.V.'s half year report.

Pursuant to Article 5:25d Paragraph 4 Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht") we mention that Heineken Holding N.V.'s half year report has not been audited nor reviewed.

Statement of the Board of Directors

Statement ex Article 5:25d Paragraph 2 sub c Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht").

To our knowledge:

1. The condensed consolidated interim financial statements for the six-month period ended 30 June 2024, which have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU, give a true and fair view of the assets, liabilities, financial position, and profit or loss of Heineken Holding N.V. and the businesses included in the consolidation as a whole;
2. The report of the Board of Directors for the six-month period ended 30 June 2024 includes a fair review of the information required pursuant to article 5:25d paragraphs 8 and 9 of the Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht").

Board of Directors

Amsterdam, 26 July 2024

Mr M. Das, *non-executive director (chairman)*

Mrs C.L. de Carvalho-Heineken, *executive director*

Mr M.R. de Carvalho, *executive director*

Mrs C.M. Kwist, *non-executive director*

Mr A.A.C. de Carvalho, *non-executive director*

Mrs A.M. Fentener van Vlissingen, *non-executive director*

Mrs L.L.H. Brassey, *non-executive director*

Mr J.F.M.L. van Boxmeer, *non-executive director*

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six-month period ended 30 June

In millions of €	Note	**2024**	2023
Revenue	6	**17,823**	17,436
Excise tax expense	6	(2,999)	(2,912)
Net revenue	6	**14,824**	14,524
Other income		**26**	145
Raw materials, consumables and services		(9,674)	(9,704)
Personnel expenses		(2,267)	(2,110)
Amortisation, depreciation and impairments	7	(1,367)	(1,244)
Total other expenses		**(13,308)**	(13,058)
Operating profit	6	**1,542**	1,611
Interest income		47	46
Interest expenses		(342)	(295)
Other net finance expense		(142)	(186)
Net finance expenses		**(437)**	(435)
Share of profit/(loss) of associates and joint ventures	6, 7	(766)	100
Profit before income tax	6	**339**	1,276
Income tax expenses	11	(387)	(89)
Profit/(Loss)		**(48)**	1,187
Attributable to:			
Shareholders of Heineken Holding N.V. (net profit/(loss))		(48)	589
Non-controlling interests in Heineken N.V.		(47)	567
Non-controlling interests in Heineken N.V. group companies		47	31
Profit/(Loss)		**(48)**	1,187
Weighted average number of shares – basic	9	282,873,387	284,932,718
Weighted average number of shares – diluted	9	282,873,387	284,932,718
Basic earnings per share (€)		(0.17)	2.04
Diluted earnings per share (€)		(0.17)	2.04

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June

In millions of €	**2024**	2023
Profit/(Loss)	**(48)**	1,187
Other comprehensive income, net of tax:		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-retirement obligations	(24)	2
Net change in fair value through OCI investments - Equity investments	7	11
Items that may be subsequently reclassified to profit or loss:		
Currency translation differences	(73)	3
Change in fair value of net investment hedges	4	—
Change in fair value of cash flow hedges	101	(225)
Cash flow hedges reclassified to profit or loss	(1)	5
Net change in fair value through OCI investments - Debt investments	—	1
Cost of hedging	1	2
Share of other comprehensive income of associates/ joint ventures	45	(36)
Other comprehensive income/(expense), net of tax	**60**	(237)
Total comprehensive income/(loss)	**12**	950
Attributable to:		
Shareholders of Heineken Holding N.V.	(51)	547
Non-controlling interests in Heineken N.V.	(51)	524
Non-controlling interests in Heineken N.V. group companies	114	(121)
Total comprehensive income	**12**	950

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at

In millions of €	Note	**30 June 2024**	31 December 2023
Intangible assets	7	21,771	21,781
Property, plant and equipment	7	14,463	14,772
Investments in associates and joint ventures	7	3,452	4,130
Loans and advances to customers		270	239
Deferred tax assets		1,215	1,292
Equity instruments		155	167
Other non-current assets		988	978
Total non-current assets		**42,314**	43,359
Inventories		3,859	3,721
Trade and other receivables		5,385	5,019
Current tax assets		166	196
Derivative assets		143	58
Cash and cash equivalents		2,277	2,377
Assets classified as held for sale		40	28
Total current assets		**11,870**	11,399
Total assets		**54,184**	54,758

As at

In millions of €	Note	**30 June 2024**	31 December 2023
Heineken Holding N.V. shareholders' equity	9	9,414	9,733
Non-controlling interests in Heineken N.V.	9	9,614	9,928
Non-controlling interests in Heineken N.V. group companies	9	2,674	2,733
Total equity		**21,702**	22,394
Borrowings	10	13,792	14,046
Post-retirement obligations		628	586
Provisions		586	627
Deferred tax liabilities		2,105	2,213
Other non-current liabilities		81	67
Total non-current liabilities		**17,192**	17,539
Borrowings	10	4,705	4,192
Trade and other payables		9,401	9,432
Returnable packaging deposits		583	531
Provisions		201	206
Current tax liabilities		346	332
Derivative liabilities		54	132
Total current liabilities		**15,290**	14,825
Total equity and liabilities		**54,184**	54,758

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 30 June

In millions of €	**2024**	2023
Operating activities		
Profit/(Loss)	(48)	1,187
Adjustments for:		
Amortisation, depreciation and impairments	1,367	1,244
Net interest expenses	295	249
Other income	(5)	(103)
Share of profit of associates and joint ventures and dividend income on fair value through OCI investments	751	(107)
Income tax expenses	387	89
Other non-cash items	169	316
Cash flow from operations before changes in working capital and provisions	**2,916**	2,875
Change in inventories	(220)	(611)
Change in trade and other receivables	(469)	(869)
Change in trade and other payables and returnable packaging deposits	437	470
Total change in working capital	**(252)**	(1,010)
Change in provisions and post-retirement obligations	22	(30)
Cash flow from operations	**2,686**	1,835
Interest paid	(349)	(298)
Interest received	51	51
Dividends received	58	51
Income taxes paid	(503)	(607)
Cash flow related to interest, dividend and income tax	**(743)**	(803)
Cash flow from operating activities	**1,943**	1,032

For the six-month period ended 30 June

In millions of €	**2024**	2023
Investing activities		
Proceeds from sale of property, plant and equipment and intangible assets	51	84
Purchase of property, plant and equipment	(1,221)	(1,378)
Purchase of intangible assets	(81)	(90)
Loans issued to customers and other investments	(107)	(139)
Repayment on loans to customers and other investments	70	24
Cash flow (used in)/from operational investing activities	(1,288)	(1,499)
Free operating cash flow	**655**	(467)
Acquisition of subsidiaries, net of cash acquired	—	(821)
Acquisition of/additions to associates, joint ventures and other investments	(24)	(404)
Disposal of subsidiaries, net of cash disposed of	15	(1)
Disposal of associates, joint ventures and other investments	32	46
Cash flow (used in)/from acquisitions and disposals	**23**	(1,180)
Cash flow (used in)/from investing activities	**(1,265)**	(2,679)
Financing activities		
Proceeds from borrowings	1,973	5,492
Repayment of borrowings	(1,804)	(2,041)
Payment of lease commitments	(184)	(220)
Dividends paid	(638)	(840)
Purchase own shares and shares issued by Heineken N.V.	(36)	(928)
Acquisition of non-controlling interests	—	(288)
Cash flow (used in)/from financing activities	**(689)**	1,175
Net cash flow	**(11)**	(472)
Cash and cash equivalents as at 1 January	1,425	1,618
Effect of movements in exchange rates	(89)	(171)
Cash and cash equivalents as at 30 June	**1,325**	975

CONDENSED CONSOLIDATED INTERIM 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 Heineken Holding N.V.	Non-controlling interests in Heineken N.V.	Non-controlling interests in Heineken N.V. group companies	Total equity
Balance as at 1 January 2023	461	1,257	(1,822)	(22)	(5)	36	623	—	9,166	9,694	9,857	2,369	21,920
Hyperinflation restatement to 1 January 2023[1]	—	—	—	—	—	—	—	—	7	7	6	—	13
Balance as at 1 January 2023 after restatement	461	1,257	(1,822)	(22)	(5)	36	623	—	9,173	9,701	9,863	461	21,933
Profit	—	—	—	—	—	—	47	—	542	589	567	31	1,187
Other comprehensive income/(loss)	—	—	60	(111)	2	6	—	—	1	(42)	(43)	(152)	(237)
Total comprehensive income/(loss)	—	—	60	(111)	2	6	47	—	543	547	524	(121)	950
Realised hedge results from non-financial assets	—	—	—	46	—	—	—	—	—	46	45	—	91
Transfer to retained earnings	—	—	(1)	—	—	1	3	—	(3)	—	—	—	—
Dividends to shareholders	—	—	—	—	—	—	—	—	(349)	(349)	(345)	(237)	(931)
Purchase/reissuance own/non-controlling shares by Heineken N.V.	—	—	—	—	—	—	—	—	(480)	(480)	(463)	14	(929)
Purchase own shares	—	—	—	—	—	—	—	(390)	—	(390)	—	—	(390)
Dilution	—	—	—	—	—	—	—	—	170	170	(170)	—	—
Share-based payments by Heineken N.V.	—	—	—	—	—	—	—	—	2	2	2	—	4
Acquisition of non-controlling interests in Heineken N.V. group companies by Heineken N.V.[2]	—	—	—	—	—	—	—	—	(109)	(109)	(105)	(8)	(222)
Hyperinflation impact	—	—	—	—	—	—	—	—	33	33	32	—	65
Changes in consolidation by Heineken N.V.[2]	—	—	—	—	—	—	—	—	178	178	171	732	1,081
Balance as at 30 June 2023	461	1,257	(1,763)	(87)	(3)	43	673	(390)	9,158	9,349	9,554	380	21,652

1 Includes impairment related to the hyperinflationary impact on the opening balance

2 Revised

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

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 Heineken Holding N.V.	Non-controlling interests in Heineken N.V.	Non-controlling interests in Heineken N.V. group companies	Total equity
Balance as at 1 January 2024	**461**	**1,257**	**(1,866)**	**(6)**	**(4)**	**34**	**999**	**(390)**	**9,248**	**9,733**	**9,928**	**2,733**	**22,394**
Profit/(Loss)	—	—	—	—	—	—	(52)	—	4	(48)	(47)	47	(48)
Other comprehensive income/(loss)	—	—	(47)	51	—	5	—	—	(12)	(3)	(4)	67	60
Total comprehensive income/(loss)	**—**	**—**	**(47)**	**51**	**—**	**5**	**(52)**	**—**	**(8)**	**(51)**	**(51)**	**114**	**12**
Realised hedge results from non-financial assets	—	—	—	7	—	—	—	—	—	7	6	—	13
Transfer to retained earnings	—	—	—	—	—	(2)	7	—	(5)	—	—	—	—
Dividends to shareholders	—	—	—	—	—	—	—	—	(294)	(294)	(289)	(173)	(756)
Purchase/reissuance own/non-controlling shares by Heineken N.V.	—	—	—	—	—	—	—	—	(18)	(18)	(18)	—	(36)
Negative dilution	—	—	—	—	—	—	—	—	(2)	(2)	2	—	—
Share-based payments by Heineken N.V.	—	—	—	—	—	—	—	—	2	2	1	—	3
Acquisition of non-controlling interests in Heineken N.V. group companies by Heineken N.V.	—	—	—	—	—	—	—	—	—	—	—	—	—
Hyperinflation impact	—	—	—	—	—	—	—	—	37	37	35	—	72
Balance as at 30 June 2024	**461**	**1,257**	**(1,913)**	**52**	**(4)**	**37**	**954**	**(390)**	**8,960**	**9,414**	**9,614**	**2,674**	**21,702**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. REPORTING ENTITY

Heineken Holding N.V. (the 'Company') is a public company domiciled in the Netherlands, with its head office in Amsterdam. The condensed consolidated interim financial statements of the Company as at and for the six month period ended 30 June 2024, includes the financial statements of Heineken Holding N.V., Heineken N.V., its subsidiaries (together referred to as 'HEINEKEN') and HEINEKEN's interest in joint ventures and associates.

The consolidated financial statements of Heineken Holding N.V. as at and for the year ended 31 December 2023 are available at www.heinekenholding.com.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements are:

- Prepared in accordance with IAS 34 'Interim Financial Reporting' of the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The condensed consolidated interim financial statements do not meet the full requirements for annual financial statements required by IFRS and should be read in conjunction with the consolidated financial statements of HEINEKEN as at and for the year ended 31 December 2023. Heineken Holding N.V.'s consolidated financial statements as at and for the year ended 31 December 2023 were adopted by the Annual General Meeting of shareholders on 25 April 2024 and an unqualified auditor's opinion was issued by Deloitte Accountants B.V. thereon.
- These condensed consolidated interim financial statements were approved by the Board of Directors on 26 July 2024.
- Prepared on a historical cost basis unless otherwise stated.
- Presented in Euro, which is the Company's functional currency.
- Rounded to the nearest million unless stated otherwise.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the condensed consolidated interim financial statements in accordance with IFRS requires management to make estimates, judgements and assessments that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

The areas that involve significant estimates and judgements are described in the consolidated financial statements of HEINEKEN for the year ended 31 December 2023. There has been no material change to these areas during the six-month period ended 30 June 2024, except relating to the identification of a trigger for impairment for an investment in associates and joint ventures.

Area involving significant estimates and judgements	Note
Judgement used in assessing significant or prolonged decline in the fair value of the investment for indication of impairment.	7 Impairment

4. SIGNIFICANT ACCOUNTING POLICIES

(a) General

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in HEINEKEN's consolidated financial statements for the year ended 31 December 2023. HEINEKEN has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(b) Income tax

Income tax expenses are recognised based on the expected full year effective tax rate per country.

(c) IFRS standards and interpretations effective on or after 1 January 2024

IFRS standards and interpretations effective for accounting periods beginning on or after January 1, 2024, do not have a material impact on the condensed consolidated interim financial statements of HEINEKEN.

IFRS 18, Presentation and Disclosure in Financial Statements, was issued in April 2024, replacing IAS 1, Presentation of Financial Statements. The standard will be effective on 1 January 2027. HEINEKEN is in the process of reviewing the impact of this new standard.

5. SEASONALITY

The performance of HEINEKEN is usually subject to seasonal fluctuations for example as a result of weather conditions. HEINEKEN's full-year results and volumes are dependent on the performance in the peak-selling seasons (May to August and December). The impact from this seasonality is also noticeable in several working capital related items such as inventory, trade receivables and payables.

6. OPERATING SEGMENTS

For the six-month period ended 30 June

	Europe		Americas		Africa & Middle East[3]		Asia Pacific		Heineken N.V. Head Office & Other/eliminations		Consolidated	
In millions of €	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Third party revenue	6,871	6,945	5,355	4,996	2,379	2,413	3,185	3,053	33	29	17,823	17,436
Interregional revenue	393	429	3	3	—	—	—	—	(396)	(432)	—	—
Revenue	**7,264**	7,374	**5,358**	4,999	**2,379**	2,413	**3,185**	3,053	**(363)**	(403)	**17,823**	17,436
Excise tax expense[2]	(1,353)	(1,337)	(104)	(99)	(456)	(442)	(1,086)	(1,034)	—	—	(2,999)	(2,912)
Net revenue	**5,911**	6,037	**5,254**	4,900	**1,923**	1,971	**2,099**	2,019	**(363)**	(403)	**14,824**	14,524
Other income	**2**	81	**23**	48	**1**	15	**—**	1	**—**	—	**26**	145
Operating profit	**519**	599	**640**	565	**64**	49	**290**	309	**29**	89	**1,542**	1,611
Net finance expenses											(437)	(435)
Share of profit/(loss) of associates and joint ventures	9	10	39	32	9	9	(823)	49	—	—	(766)	100
Income tax expense											(387)	(89)
Profit/(Loss)											**(48)**	1,187
Operating profit reconciliation												
Operating profit	519	599	640	565	64	49	290	309	29	89	1,542	1,611
Eia[1]	95	22	214	38	105	173	119	91	5	4	537	328
Operating profit (beia)[1]	**614**	621	**854**	603	**169**	222	**409**	400	**34**	93	**2,079**	1,939

For the six-month period ended 30 June 2024 and as at 31 December 2023

	Europe 2024	Europe 2023	Americas 2024	Americas 2023	Africa & Middle East 2024	Africa & Middle East 2023	Asia Pacific 2024	Asia Pacific 2023	Head Office & Other 2024	Head Office & Other 2023	Consolidated 2024	Consolidated 2023
Total segment assets	**16,463**	15,611	**12,936**	13,516	**6,231**	6,340	**15,019**	15,710	**1,954**	1,874	**52,603**	53,051
Unallocated assets											**1,581**	1,707
Total assets											**54,184**	54,758

[1] Note that this is a non-GAAP measure. Due to rounding, this balance will not always cast.
[2] In addition to the €2,999 million of excise tax expense included in revenue (30 June 2023: €2,912 million) €1,031 million of excise tax expense is collected on behalf of third parties and excluded from revenue (30 June 2023: €1,032 million).
[3] Note that the name has been updated to exclude Eastern Europe, following the sale of Russia disposal group in 2023.

Reconciliation of segment profit or loss

Operating segments are reported consistently with the internal reporting provided to the Executive Board of Heineken N.V., which is considered to be HEINEKEN's chief operating decision-maker. HEINEKEN measures its segmental performance primarily based on operating profit and operating profit beia (before exceptional items and amortisation of acquisition-related intangible assets) as included in internal management's reports.

Exceptional items are defined as items of income and expenses 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, past service costs and curtailments, hyperinflation accounting adjustments, the tax impact on exceptional items and tax rate changes (the one-off impact on deferred tax positions).

Operating profit beia is a non-GAAP measure not calculated according to IFRS. Beia adjustments are also applied to other metrics. The exclusion of exceptional items allows for better understanding and prediction of the results that are under control of HEINEKEN management.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. Wherever appropriate and practical, HEINEKEN provides a reconciliation for relevant GAAP measures. The non-GAAP financial measures are unaudited. The presentation of these non-GAAP financial measures may not be comparable to similarly titled measures reported by other companies due to differences in the ways the measures are calculated.

The table below presents the reconciliation of operating profit before exceptional items and amortisation of acquisition-related intangibles (operating profit beia) to profit before income tax.

For the six-month period ended 30 June

In millions of €	**2024**	2023
Operating profit (beia)	**2,079**	1,939
Amortisation of acquisition-related intangible assets included in operating profit	(171)	(156)
Exceptional items included in operating profit	(366)	(172)
Share of profit/(loss) of associates and joint ventures	(766)	100
Net finance expenses	(437)	(435)
Profit before income tax	**339**	1,276
Profit attributable to:		
Shareholders of Heineken Holding N.V. (net profit)	(48)	589
Non-controlling interests in Heineken N.V.	(47)	567
Amortisation of acquisition-related intangible assets included in operating profit	171	156
Exceptional items included in operating profit	366	172
Exceptional items included in net finance income/ expenses	(28)	81
Exceptional items and amortisation of acquisition-related intangible assets included in share of profit of associates and joint ventures	900	20
Exceptional items included in income tax expense	(77)	(356)
Allocation of exceptional items and amortisation of acquisition-related intangibles to non-controlling interests	(33)	(79)
Net profit (beia)	**1,204**	1,150

The exceptional items and amortisation of acquisition-related intangibles in net profit for the six-month period ended 30 June 2024 amounts to €1,299 million expenses (2023: €6 million benefit). This amount consists of:

- €171 million (2023: €156 million) of amortisation of acquisition-related intangibles recorded in operating profit.
- €366 million of exceptional net expenses recorded in operating profit (2023: €172 million). This includes €176 million of impairments, of which €158 million relates to Haiti (2023: €175 million of impairments, of which €113 million relates to Russia), €28 million of net restructuring expenses (2023: €39 million of net restructuring expenses), €21 million exceptional net expenses recorded relating to hyperinflation accounting adjustment (2023: €25 million exceptional net expenses), nil exceptional items recorded in other income (2023: €38 million exceptional net benefit recorded in other income related to tax credits in Brazil) and €141 million other exceptional net expenses (2023: €29 million other exceptional net benefits).
- €28 million of exceptional net finance income, mainly related to €42 million of exceptional net benefit related to the net monetary gain resulting from hyperinflation and €14 million other exceptional net expenses (2023: €81 million of exceptional net finance expenses, mainly related to €125 million of exceptional net expense related to the one-off impact of the devaluation of the Nigerian Naira, €24 million of exceptional net benefit related to the net monetary gain resulting from hyperinflation, €25 million of exceptional net benefit mainly related to interest on tax credits in Brazil and €5 million other exceptional net expenses).
- €900 million of exceptional net expenses included in share of profit of associates and joint ventures, mainly related to impairment of the investment in CR Beer of €874 million (2023: €20 million).
- €77 million of exceptional net benefit, mainly related to the tax benefit on exceptional items and amortization of acquisition-related intangibles (2023 €356 million exceptional net benefit, mainly related to the recognition of previously unrecognised deferred tax assets in Brazil.
- Total exceptional net benefit allocated to non-controlling interest amounts to €33 million (2023: €79 million).

7. IMPAIRMENTS OF NON-CURRENT ASSETS

(a) Property, plant and equipment

Impairments of €165 million on owned property, plant and equipment, €8 million on intangible assets with finite useful life and €3 million on right of use (ROU) assets were recorded for the six-month period ended 30 June 2024 (2023: €192 million, net impairment). The impairments mainly relate to Brasserie Nationale d'Haiti S.A. (Haiti) of €158 million, which is included in the Americas operating segment. Impairments are recorded on the line 'amortisation, depreciation and impairments' in the income statement.

The impairment for Haiti is primarily driven by the country's deteriorated economic outlook due to political unrest and insecurity, and the continued application of hyperinflation accounting.

The determination of the recoverable amount of the assets of Haiti is based on a value-in-use valuation, which is based on a discounted 10-year cash flow forecast. The key assumptions used to determine the cash flows are based on market expectations and management's best estimate. Cash flows thereafter are extrapolated using a perpetual growth rate equal to the expected 30-year compounded average inflation, in order to calculate the terminal recoverable amount.

See the table below for the key assumptions:

For the six-month period ended 30 June	Haiti			
	2024		2023	
In %	**2024-2027**	**2028-2033**	2023-2026	2027-2032
Pre-tax WACC (in local currency)	36.9	36.9	33.5	33.5
Expected annual long-term inflation	13.2	13.2	5.9	5.9
Expected volume growth	0.1	2.7	5.5	4.4

(b) Investments in associates and joint ventures

The table below represents the share of profit or losses of associates and joint ventures:

For the six-months ended 30 June	2024	2023
Share of profit of associates and joint ventures before impairment	108	100
Impairment of associates and joint ventures	(874)	—
Share of profit/(loss) of associates and joint ventures	**(766)**	100

HEINEKEN holds a shareholding of 40% in CRH (Beer) Limited ('CBL') since 29 April 2019. CBL holds a controlling interest of 51.67% in China Resources Beer (Holdings) Co. Ltd. ('CR Beer'), a company incorporated in Hong Kong and listed on the Main Board of The Stock Exchange of Hong Kong Limited, operating in the beer business in China. Consequently, HEINEKEN has an effective 20.67% economic interest in CR Beer. Based on the closing share price of HKD26.25 as at 30 June 2024 (31 December 2023: HKD34.20), the fair value of this economic interest in CR Beer amounts to €2,106 million (31 December 2023: €2,657 million).

In accordance with IFRS, a significant or prolonged decline in the fair value of the investment below its cost is considered in assessing for any indication of impairment. If any such indication exists, an impairment test should be performed. At 31 December 2023, the fair value of the investment in CR Beer, based on the share price, was below its cost. The lower valuation was, however, not considered significant nor prolonged. At 30 June 2024, a significant decline in the fair value of the investment below its cost was identified. The decline was driven by concerns on the macroeconomic environment in China and a negative view on consumer goods companies seen as more exposed to soft consumer demand.

The recoverable amount of a cash generating unit is based on the higher of the fair value less costs of disposal (FVLCD) and value-in-use (VIU). The determination of the recoverable amount of CBL is based on a FVLCD valuation, which is based on the share price (level 1 hierarchy) of CR Beer.

An impairment of €874 million was recognised against the carrying amount of CBL, which is included in the Asia Pacific operating segment. The impairment charge is recorded on the line 'share of profit of associates and joint ventures' in the income statement. The carrying amount of CBL as at 30 June 2024 amounts to €2,106 million (31 December 2023: €2,832 million).

8. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

(a) Financial risk management

The consolidated financial statements of HEINEKEN for the year ended 31 December 2023 describe the financial risks that HEINEKEN is exposed to in the normal course of business, as well as the policies and processes that are in place for managing these risks. Those risks, policies and processes remain valid and should be read in conjunction with these condensed consolidated interim financial statements.

(b) Fair value

For bank loans and other interest-bearing liabilities, the carrying amount is a reasonable approximation of fair value. The fair value of the unsecured bond issued as at 30 June 2024 was €12,934 million (31 December 2023: €13,640 million) and the carrying amount measured at amortised cost was €13,776 million (31 December 2023: €14,209 million).

(c) Fair value hierarchy

During the six-month period ended 30 June 2024, there have been no material changes related to the fair value hierarchy.

9. EQUITY

(a) Reserves

Reserves consist of a translation reserve, hedging reserve, fair value reserve, other legal reserves and reserve for own shares. The main variance in comparison to prior year is driven by foreign currency translation in the translation reserve, change in fair value of cash flow hedges in the hedging reserve, and the legal reserve for share of profit of joint ventures and associates over the distribution of which HEINEKEN does not have control.

(b) Weighted average number of shares

For the six-month period ended 30 June	2024	2023
Total number of shares issued	288,030,168	288,030,168
Effect of own shares held	(5,156,781)	(3,097,450)
Weighted average number of basic shares outstanding	282,873,387	284,932,718
Weighted average number of diluted shares outstanding	282,873,387	284,932,718

In 2023, Heineken Holding N.V. entered into a cross-holding agreement with Heineken N.V., which, amongst other conditions, includes a waiver by Heineken N.V. of payment of any dividends on the Heineken Holding N.V. shares held by Heineken N.V. as well as by Heineken Holding N.V. on an equivalent number of Heineken N.V. shares held by Heineken Holding N.V. The Heineken N.V. shares for which dividend is waived by Heineken Holding N.V. are therefore not part of the number of outstanding ordinary shares of Heineken N.V.

(c) Dividends

The following dividends have been declared and paid by Heineken Holding N.V.:

For the six-month period ended 30 June *In millions of €*	2024	2023
Final dividend previous year €1.04, respectively €1.23 per qualifying share	**294**	349

After the reporting date, the Board of Directors announced the following interim dividend that has not yet been provided for:

For the six-month period ended 30 June *In millions of €*	2024	2023
Interim dividend per qualifying share €0.69 (2023: €0.69)	**195**	195

10. BORROWINGS

As at *In millions of €*	30 June 2024	31 December 2023
Unsecured bond issues	13,776	14,209
Lease liabilities	1,332	1,267
Bank loans	768	526
Other interest-bearing liabilities	1,109	793
Deposits from third parties[1]	560	491
Bank overdrafts	952	952
Total borrowings	**18,497**	18,238
Market value of cross-currency interest rate swaps	12	(3)
Other investments	(58)	(23)
Cash and cash equivalents	(2,277)	(2,377)
Net debt	**16,174**	15,835

[1]Mainly employee deposits

Other interest-bearing liabilities includes €783 million of centrally issued commercial paper (31 December 2023: €500 million).

HEINEKEN has cash pooling arrangements with legally enforceable rights to offset cash and overdraft balances. As at 30 June 2024, Bank overdrafts and Cash and cash equivalents both include an amount of €672 million with legally enforceable rights to offset (31 December 2023: €512 million).

Centrally available financing headroom

The centrally available financing headroom at Group level was approximately €2.7 billion as at 30 June 2024 (31 December 2023: €3.2 billion) and consisted of the undrawn part of the committed €3.5 billion revolving credit facility and centrally available cash minus centrally issued commercial paper and short-term bank borrowings at group level.

11. TAX

For the six-month period ended 30 June 2024, the effective tax rate was 35.0% (2023: 7.6%). The effective tax rate was primarily impacted by additional tax provisions recognised for tax audits and exceptional items in operating profit for which no tax benefit could be recognised. The significantly lower effective tax rate in 2023 was primarily due to the recognition of previously unrecognised deferred tax assets in Brazil.

12. SUBSEQUENT EVENTS

On 24 June 2024, HEINEKEN placed € 900 million of notes for which the proceeds were received on 4 July 2024. The notes, which are listed on the Luxembourg Stock Exchange, have a maturity date on 4 July 2036 and have a coupon of 3.812%. The proceeds are to be used for general corporate purposes, including debt repayments.

NON-GAAP MEASURES

Throughout this report several measures are used which are not defined by generally accepted accounting principles (GAAP). HEINEKEN believes this information is useful to all external stakeholders because it provides a clear and consistent view of the underlying operational performance of the company's primary business activities and the execution of its strategy.

The Executive Board of Heineken N.V., HEINEKEN's chief operation decision maker, uses these financial measures, along with the most directly comparable GAAP financial measures, in evaluating HEINEKEN's operating performance and value creation.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. Wherever appropriate and practical, HEINEKEN provides a reconciliation to relevant IFRS measures. The presentation of these financial measures may not be comparable to similarly titled measures reported by other companies due to differences in the ways the measures are calculated. The non-GAAP measures are unaudited.

Please refer to the glossary on page 24 for more details on specific measures and definitions.

Capital expenditure related to PP&E and intangible assets (capex)

(in € million unless otherwise stated)	HY23	**HY24**
Purchase of property, plant and equipment	1,378	1,221
Purchase of intangible assets	90	81
Capital expenditure related to PP&E and intangible assets (capex)	1,468	**1,302**

Reconciliation of comparative figures

Key figures[1]

(in € million unless otherwise stated)	HY 2023 Reported	HY 2023 Eia	HY 2023 Beia	HY 2024 Reported	HY 2024 Total growth %	HY 2024 Eia	HY 2024 Beia	HY 2024 Currency translation	HY 2024 Consolidation impact	HY 2024 Organic growth	HY 2024 Organic growth %
Revenue	17,436	-13	17,423	**17,823**	**2.2%**	**-11**	**17,812**	**-672**	**34**	**1,027**	**5.9%**
Excise tax expense	-2,912	3	-2,909	-2,999	-3.0%	1	-2,998	46	17	-152	-5.2%
Net revenue	14,524	-11	14,514	**14,824**	**2.1%**	**-10**	**14,814**	**-625**	**51**	**874**	**6.0%**
Marketing and selling expenses	-1,457	0	-1,457	-1,469	-0.8%	0	-1,469	45	-2	-55	-3.8%
Personnel expenses	-2,110	46	-2,064	-2,267	-7.4%	32	-2,235	36	-39	-168	-8.1%
Amortisation, depreciation and impairments	-1,244	350	-895	-1,367	-9.9%	437	-930	30	-19	-47	-5.2%
Other net (expenses)/income	-8,102	-56	-8,159	-8,179	-1.0%	78	-8,101	452	-31	-363	-4.4%
Total net other (expenses)/income	-12,913	339	-12,575	-13,282	-2.9%	547	-12,735	563	-91	-633	-5.0%
Operating profit	1,611	328	1,939	**1,542**	**-4.3%**	**537**	**2,079**	**-62**	**-40**	**242**	**12.5%**
Interest income	46	0	46	47	2.2%	0	47	-3	0	3	7.5%
Interest expense	-295	-6	-301	-342	-15.9%	11	-331	53	-8	-75	-25.0%
Net interest income/(expenses)	-249	-6	-255	-295	-18.5%	11	-284	51	-8	-72	-28.2%
Other net finance income/(expenses)	-186	86	-100	-142	23.7%	-39	-180	77	4	-161	-161.6%
Share of profit of associates and joint ventures	100	20	120	-766	-866.0%	900	134	-2	3	12	10.1%
Income tax expense	-89	-356	-444	-387	-334.8%	-77	-465	-15	12	-17	-3.9%
Non-controlling interests	-31	-79	-110	-47	-51.6%	-33	-80	-16	0	47	42.6%
Net profit	1,156	-6	1,150	**-95**	**-108.2%**	**1,299**	**1,204**	**33**	**-29**	**50**	**4.4%**
EBITDA[2]	2,955	-1	2,954	**2,142**	**-27.5%**	**1,001**	**3,143**				
Effective tax rate[3]	7.6%		28.0%	**35.0%**			**28.8%**				

[1] This table will not always cast due to rounding. This table contains a reconciliation between IFRS reported and certain Non-GAAP measures. Please refer to page 20 for an explanation of the use of Non-GAAP measures.
[2] EBITDA is calculated as earnings before interest, taxes, net finance expenses, depreciation, amortisation and impairment. EBITDA includes HEINEKEN's share in net profit of joint ventures and associates.
[3] Income tax expense expressed as a percentage of the profit before income tax, adjusted for share of profit of associates and joint ventures.

Key figures[1]

	HY 2022			HY 2023							
(in € million unless otherwise stated)	Reported	Eia	Beia	Reported	Total growth %	Eia	Beia	Currency translation	Consolidation impact	Organic growth	Organic growth %
Revenue	16,401	0	16,401	**17,436**	**6.3%**	**-13**	**17,423**	**-188**	**304**	**905**	**5.5%**
Excise tax expense	-2,917	0	-2,917	-2,912	0.2%	3	-2,909	97	-73	-16	-0.6%
Net revenue	13,485	0	13,485	**14,524**	**7.7%**	**-10**	**14,514**	**-91**	**231**	**889**	**6.6%**
Marketing and selling expenses	-1,228	-44	-1,272	-1,457	-18.6%	0	-1,457	11	-16	-178	-14.0%
Personnel expenses	-1,934	4	-1,930	-2,110	-9.1%	46	-2,064	7	-41	-100	-5.2%
Amortisation, depreciation and impairments	-932	137	-795	-1,244	-33.5%	350	-895	-1	-34	-65	-8.1%
Other net (expenses)/income	-7,321	-13	-7,333	-8,102	-10.7%	-58	-8,159	63	-154	-735	-10.0%
Total net other (expenses)/income	-11,415	84	-11,330	-12,913	-13.1%	338	-12,575	79	-246	-1,078	-9.5%
Operating profit	2,070	84	2,155	**1,611**	**-22.2%**	**328**	**1,939**	**-12**	**-14**	**-189**	**-8.8%**
Interest income	28	0	28	46	64.3%	0	46	-1	0	19	69.0%
Interest expense	-213	0	-213	-295	-38.5%	-6	-301	12	-19	-81	-38.0%
Net interest income/(expenses)	-185	0	-185	-249	-34.6%	-6	-255	11	-19	-62	-33.3%
Other net finance income/(expenses)	37	-12	24	-186	-602.7%	86	-100	0	-2	-122	-499.2%
Share of profit of associates and joint ventures	80	23	103	100	25.0%	20	120	1	1	15	14.6%
Income tax expense	-547	-27	-574	-89	83.7%	-356	-444	1	3	125	21.8%
Non-controlling interests	-190	-7	-197	-31	83.7%	-79	-110	4	3	79	40.3%
Net profit	1,265	62	1,326	**1,156**	**-8.6%**	**-6**	**1,150**	**5**	**-29**	**-153**	**-11.6%**
EBITDA[2]	3,081	-29	3,053	**2,955**	**-4.1%**	**-1**	**2,954**				
Effective tax rate[3]	28.5%		28.8%	**7.6%**	**7.8%**		**28.0%**				

[1] This table will not always cast due to rounding. This table contains a reconciliation between IFRS reported and certain Non-GAAP measures. Please refer to page 20 for an explanation of the use of Non-GAAP measures.
[2] EBITDA is calculated as earnings before interest, taxes, net finance expenses, depreciation, amortisation and impairment. EBITDA includes HEINEKEN's share in net profit of joint ventures and associates.
[3] Income tax expense expressed as a percentage of the profit before income tax, adjusted for share of profit of associates and joint ventures.

Board of Directors

Mr M. Das, *non-executive director (chairman)*
Mrs C.L. de Carvalho-Heineken, *executive director*
Mr M.R. de Carvalho, *executive director*
Mrs C.M. Kwist, *non-executive director*
Mr A.A.C. de Carvalho, *non-executive director*
Mrs A.M. Fentener van Vlissingen, *non-executive director*
Mrs L.L.H. Brassey, *non-executive director*
Mr J.F.M.L. van Boxmeer, *non-executive director*

Amsterdam, 26 July 2024

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.

Average effective interest rate

Net interest income and expenses related to the net debt position divided by the average net debt position calculated on a quarterly basis.

Beia

Before exceptional items and amortisation of acquisition-related intangible assets. Whenever used in this report, the term "beia" refers to performance measures (EBITDA, net profit, effective tax rate, etc) 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).

Beyond beer

Alcoholic and non-alcoholic beverage propositions beyond core beer, which leverage natural ingredients and/or beer production process. This includes for example flavoured beer, Ciders, RTDs (Ready-To-Drinks) and malt based drinks.

Capital expenditure related to PP&E and intangible assets (capex)

Sum of 'Purchase of property, plant and equipment' and 'Purchase of intangible assets' as included in the consolidated statement of cash flows

Cash conversion ratio

Free operating cash flow/net profit (beia) before deduction of non-controlling interests, calculated on an annual basis only.

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 cash

Represents cash after the deduction of overdraft balances in the group cash pooling structure and other cash and cash equivalents owned at group level

Centrally available financing headroom

This consists of the undrawn part of the committed €3.5 billion revolving credit facility and centrally available cash, minus centrally issued commercial paper and short-term bank borrowings at group level.

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).

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

Total of cash flow from operating activities and cash flow from operational investing activities.

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.

Gross savings

Structural cost reductions resulting from targeted initiatives to improve efficiency and productivity, relative to the baseline of expenses of a previous period adjusted for inflation. The gross savings exclude cost-to-achieve, consolidation changes and decisions to reinvest. Gross savings is the leading metric used by management to measure productivity gains across the business in line with one of the top priorities of the EverGreen strategy and provide evidence to our external stakeholders of the progress at HEINEKEN to build a cost-conscious capability.

Group net revenue (beia)

Consolidated net revenue (beia) plus attributable share of net revenue (beia) from joint ventures and associates.

Group operating profit

Net revenue less total net other expenses.

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.

Group operating profit margin

Operating profit represented as a percentage of net revenue.

HEINEKEN

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

Net debt

Non-current and current interest-bearing borrowings (incl. lease liabilities), bank overdrafts and market value of cross-currency interest rate swaps less cash, cash equivalents and other investments.

Net interest expenses

Total interest expense incurred minus interest income earned.

Net profit

Profit after deduction of non-controlling interests (profit attributable to shareholders of Heineken Holding N.V.).

Net revenue

Revenue as defined in IFRS 15 (after discounts) minus the excise tax expense for those countries where the excise is borne by HEINEKEN.

Net revenue per hectolitre

Net revenue divided by total consolidated volume.

Organic growth

Growth excluding the effect of foreign currency translational effects and consolidation changes. Whenever used in this report, the term refers to the organic growth of the related performance measures (revenue, operating profit, net profit, etc). 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 (revenue, operating profit, net profit, etc).

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.

Profit

Total profit of HEINEKEN before deduction of non-controlling interests.

Pro-forma 12-month rolling net debt/EBITDA (beia) ratio

Net debt divided by the 12-month rolling pro-forma EBITDA (beia), which includes acquisitions and excludes disposals on a 12-month pro-forma basis. Reconciliations of net debt and EBITDA (beia) are provided separately in the release, but it's impracticable to reconcile the ratio since it's calculated on a 12 month pro-forma basis. Management uses this ratio to assess the overall levels of net debt in respect to the cash generation potential from the business, with the objective to be below 2.5x. The ratio is useful to external stakeholders to assess the financial profile of the business.

®

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.

Total borrowings

Sum of 'Non-current borrowings' and 'current borrowings' as included in the consolidated statement of financial position.

Total net other expenses

The sum of marketing & selling expenses, personnel expenses, amortisation, depreciation and impairments and other net expenses.

Variable cost

Includes input costs (raw material, packaging material and inventory movements), transport and energy & water.

Volume

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.

LONO

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

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.

Weighted average number of shares

Basic

Weighted average number of outstanding shares.

Diluted

Weighted average number of shares outstanding, adjusted for the weighted average number of own shares purchased or held.

Working capital

The sum of inventories and trade and other receivables less trade and other payables and returnable packaging deposits.