



Anheuser-Busch InBev SA/NV  
(Incorporated in the Kingdom of Belgium)  
Register of Companies Number: 0417.497.106  
Euronext Brussels Share Code: ABI  
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JSE Share Code: ANH  
ISIN: BE0974293251  
("AB InBev" or the "Company")

## Anheuser-Busch InBev reports First Quarter 2020 Results Short Form Announcement

### BUSINESS UPDATE IN LIGHT OF THE GLOBAL COVID-19 PANDEMIC

- The COVID-19 pandemic presents unprecedented challenges for societies, governments and businesses across the world. The health and safety of our colleagues continues to be our first priority and we are doing our part globally to help our communities, support our partners and connect with our consumers in new ways.
- Our business started the year with good momentum and delivered volume growth of 1.9% in the first two months of the year excluding China, where the COVID-19 outbreak began in late January.
- The impact of COVID-19 on our global results increased significantly toward the end of the quarter. Consequently, in 1Q20 our total volume declined by 9.3% and by 3.6% excluding China. Revenue declined by 5.8% while revenue per hl grew by 3.9%. EBITDA of 3 949 million USD represents a decline of 13.7%, with margin contraction of 331 bps to 35.9%.
- We expect that the impact on our 2Q20 results will be materially worse than in 1Q20. This has already become evident in our April 2020 global volumes, which declined by approximately 32%, primarily driven by the closure of the on-premise channel in most markets and government restrictions imposed on certain operations of ours in connection with the COVID-19 pandemic.
- Our diverse geographic footprint allows us to apply best practices from our experiences in China and South Korea to the rest of our markets, as they move through different stages of the crisis and into eventual recovery. For context, in China, our volumes declined by approximately 17% in April, an improvement from the 1Q20 decline of 46.5%.
- We have been investing in new capabilities for several years to better connect with our customers and consumers by leveraging technology, such as B2B sales and e-commerce platforms, which provide us with a structural advantage in these unique circumstances.
- We have exercised prudent financial discipline with several proactive measures, including optimizing our cost base, revising our final 2019 dividend proposal and maintaining a strong liquidity position.

### KEY FIGURES

- Revenue: Revenue declined by 5.8%, materially impacted by lower volumes resulting from the COVID-19 pandemic. Revenue per hl grew by 3.9%, driven by ongoing premiumization and revenue management initiatives.
- Volume: Total volumes declined by 9.3%, with own beer volumes down 10.5% and non-beer volumes down 0.2%. Excluding China, our volumes declined by 3.6% in 1Q20 despite initial growth of 1.9% in January and February.
- Global Brands: Combined revenues of our three global brands, Budweiser, Stella Artois and Corona, declined by 11.0% globally and by 17.5% outside of their respective home markets. Growth across the majority of our markets was more than offset by declines in China, which is the largest market for both Budweiser and Corona outside of their respective home markets.
- Cost of Sales (CoS): CoS was flat in 1Q20 and increased by 10.3% on a per hl basis, driven primarily by operational deleverage resulting from the impact of COVID-19 on our volumes and transactional currency headwinds.
- EBITDA: EBITDA of 3 949 million USD represents a decrease of 13.7% in the quarter, with EBITDA margin contraction of 331 bps to 35.9%.
- Net finance results: Net finance costs (excluding non-recurring net finance results) were 3 160 million USD in 1Q20 compared to 366 million USD in 1Q19. The increase was predominantly due to a mark-to-market loss of 1 855 million USD in 1Q20 linked to the hedging of our share-based payment programs, compared to a gain of 951 million USD in 1Q19, resulting in a swing of 2 806 million USD.



- Income taxes: Normalized effective tax rate (ETR) decreased to -109.3% in 1Q20 from 19.6% in 1Q19, impacted by non-deductible mark-to-market losses linked to the hedging of our share-based payment programs. Excluding the mark-to-market impact linked to the hedging of our share-based payment programs, our normalized ETR was 25.9% in 1Q20 as compared to 27.5% in 1Q19.
- Profit: Normalized profit attributable to equity holders of AB InBev was -845 million USD in 1Q20 versus 2 395 million USD in 1Q19. Underlying profit (normalized profit attributable to equity holders of AB InBev excluding mark-to-market losses linked to the hedging of our share-based payment programs and the impact of hyperinflation) was 1 015 million USD in 1Q20 as compared to 1 449 million USD in 1Q19.
- Earnings per share (EPS): Normalized EPS in 1Q20 was -0.42 USD, a decrease from 1.21 USD in 1Q19, negatively impacted by a lower profit and mark-to-market losses linked to the hedging of our share-based payment programs. Underlying EPS (normalized EPS excluding mark-to-market losses linked to the hedging of our share-based payment programs and the impact of hyperinflation) was 0.51 USD in 1Q20, a decrease from 0.73 USD in 1Q19.

## SHORT FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the board of directors of AB InBev and is a summary of the information in the detailed financial results announcement released on SENS on 7 May 2020 and does not contain full or complete details. Any investment decision in relation to the Company's shares should be based on the full announcement.

The full announcement may be downloaded from

<https://senspdf.jse.co.za/documents/2020/jse/isse/anhe/Q12020.pdf>

or from the Company's website at [www.ab-inbev.com](http://www.ab-inbev.com)

Copies may be requested, at no charge, from the Company's JSE Sponsor by calling +2711 011 9200 during business hours for a period of 30 calendar days following the date of this announcement.

7 May 2020

JSE Sponsor: Questco Corporate Advisory Proprietary Limited

*Anheuser-Busch InBev is a publicly traded company (Euronext: ABI) based in Leuven, Belgium, with secondary listings on the Mexico (MEXBOL: ANB) and South Africa (JSE: ANH) stock exchanges and with American Depositary Receipts on the New York Stock Exchange (NYSE: BUD).*