

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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ISIN: BE0974293251  
("AB InBev" or the "Company")

## Anheuser-Busch InBev Reports Fourth Quarter and Full Year 2020 Results Short Form Announcement

*"In an extremely challenging year, our teams rose to the occasion. We finished the year with momentum in our key markets by leveraging our fundamental strengths as a company and capturing the benefits of investments we have been making for several years in our portfolio and rapidly growing platforms, such as BEES and Zé Delivery. We are now more closely connected than ever to the 6 million+ customers and 2 billion+ consumers we serve worldwide through our clear commercial strategy, revamped innovation process, digital platforms and ongoing operational excellence."* – Carlos Brito, CEO

### KEY FIGURES

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- **Revenue:** In 4Q20, revenue grew by 4.5%, positively impacted by a continued volume recovery and revenue per hl growth of 2.7%. In FY20, revenue declined by 3.7% with revenue per hl growth of 2.1%.
- **Volume:** In 4Q20, total volumes grew by 1.6%, with own beer volumes up by 1.8% and non-beer volumes up by 1.7%. In FY20, total volumes declined by 5.7%, with own beer volumes down by 5.8% and non-beer volumes down by 3.8%. The decline was primarily driven by impact of the COVID-19 pandemic.
- **Global Brands:** In 4Q20, combined revenues of our global brands increased by 1.5% globally and by 1.3% outside of their respective home markets. In FY20, the combined revenues of our global brands Budweiser, Stella Artois and Corona decreased by 5.0% globally and by 5.3% outside of their respective home markets.
- **Cost of Sales (CoS):** In 4Q20, CoS increased by 7.9% and increased by 6.4% on a per hl basis. In FY20, CoS increased by 3.1% and increased by 9.8% on a per hl basis, driven primarily by operational deleveraging resulting from the impact of COVID-19 on our volumes and by supply chain adjustments implemented to meet evolving demand.
- **EBITDA:** In 4Q20, EBITDA of 5 066 million USD represents a decrease of 2.4% with EBITDA margin contraction of 261 bps to 39.7%. In FY20, EBITDA declined by 12.9% to 17 321 million USD and EBITDA margin contracted by 382 bps to 36.9%.
- **Net finance results:** Net finance costs (excluding non-recurring net finance results) were 422 million USD in 4Q20, compared to 2 309 million USD in 4Q19. Net finance costs (excluding non-recurring net finance results) were 5 959 million USD in FY20 compared to 4 355 million USD in FY19. The increase in FY20 was primarily driven by a mark-to-market loss of 1 211 million USD linked to the hedging of our share-based payment programs compared to a gain of 898 million USD in FY19, resulting in a swing of 2 109 million USD.
- **Income taxes:** In 4Q20, our normalized effective tax rate (ETR) increased from 24.5% in 4Q19 to 24.8%. Excluding the impact of gains and losses relating to the hedging of our share-based payment programs, our normalized ETR was 29.4% in 4Q20, compared to 17.2% in 4Q19. Normalized ETR increased from 23.0% in FY19 to 30.9% in FY20 and,

excluding the impact of gains and losses relating to the hedging of our share-based payment programs, normalized ETR increased from 24.9% in FY19 to 26.2% in FY20.

- **Non-recurring items:** Normalized EBIT excludes negative non-recurring items of 215 million USD in 4Q20, and 1 184 million USD in FY20.
- **Profit:** Normalized profit attributable to equity holders of AB InBev was 2 154 million USD in 4Q20, compared to 962 million USD in 4Q19 and 3 807 million USD in FY20 versus 8 086 million USD in FY19. Underlying profit (normalized profit attributable to equity holders of AB InBev excluding mark-to-market gains and losses linked to the hedging of our share-based payment programs and the impact of hyperinflation) was 1 616 million USD in 4Q20, compared to 1 729 million USD in 4Q19 and was 5 022 million USD in FY20 compared to 7 196 million USD in FY19.
- **Earnings per share (EPS):** Normalized EPS in 4Q20, was 1.08 USD, an increase from 0.48 USD in 4Q19. Normalized EPS in FY20 was 1.91 USD, a decrease from 4.08 USD in FY19. Underlying EPS (normalized EPS excluding mark-to-market gains and losses linked to the hedging of our share-based payment programs and the impact of hyperinflation) was 0.81 USD in 4Q20, a decrease from 0.87 USD in 4Q19 and was 2.51 USD in FY20, a decrease from 3.63 USD in FY19 .
- **Impact of tax credits in Brazil:** In 4Q20, Ambev, our subsidiary, concluded the calculation of its tax credits on a judicial decision related to the exclusion of the Value-Added Tax (ICMS) from the taxable basis of the social contribution on gross revenues (PIS and COFINS). The decision refers to the period between November 2009 and April 2015. As a result of this judicial decision and other tax credit adjustments, Ambev recognized 481 million USD income in Other operating income for the year ended 31 December 2020. The impact is presented as a scope change. Additionally, Ambev recognized 315 million USD of interest income in Finance income for the year ended 31 December 2020. Ambev's tax credits and interest receivables are expected to be collected over a period exceeding 12 months after the balance sheet date. As of 31 December 2020, the total amount of such credits and interest receivables represented 997 million USD. Underlying profit attributable to equity holders and underlying EPS are positively impacted by 325 million USD after tax and non-controlling interest.
- **Dividend:** The AB InBev Board proposes a full year 2020 dividend of 0.50 EUR per share, subject to shareholder approval at the AGM on 28 April 2021. A timeline showing the ex-coupon dates, the record dates and the payment dates can be found on page 21 of the full results announcement.
- **Deleveraging:** Net debt to normalized EBITDA was 4.8x for the 12-month period ending 31 December 2020, as our results were substantially impacted by the COVID-19 pandemic.
- **2020 Full Year Financial Report** and **2020 ESG Report** are available on our website at [www.ab-inbev.com](http://www.ab-inbev.com).

## HEADLINE EARNINGS PER SHARE

Due to the secondary listing of the ordinary shares of AB InBev on the main board of the JSE Limited (JSE) in South Africa, the Group is required to present headline earnings per share and diluted headline earnings per share, as alternative measures of earnings per share, calculated in accordance with the circular entitled 'Headline Earnings' issued by the South African Institute of Chartered Accountants, as amended from time to time.

The calculation of headline earnings per share is based on the headline earnings and a weighted average number of ordinary and restricted shares outstanding (including deferred share instruments and stock lending) per end of the period, calculated as follows:

Million US dollar	FY20		FY19	
	Gross amount	Net of taxes & non-controlling interests	Gross amount	Net of taxes & non-controlling interests
Profit attributable to equity holders of AB InBev	-	1 405	-	9 171
After tax impairment of goodwill, PP&E and intangible assets	2 811	1 800	86	49
After tax net (gain)/loss on disposal of PP&E, intangible and other assets	(1 880)	(1 887)	(81)	(52)
Headline earnings		1 318		9 168
Weighted average number of ordinary and restricted shares (million)		1 998		1 984
Headline earnings per share (US dollar)		0.66		4.62
Weighted average number of ordinary and restricted shares (diluted) (million)		2 037		2 026
Diluted headline earnings per share (US dollar)		0.65		4.53

## DIVIDEND

The board of directors of AB InBev has proposed a full year 2020 dividend of €0.50 per share (the "Dividend"), subject to shareholder approval at the Annual General meeting to be held on Wednesday, 28 April 2021.

The proposed timetable for the Dividend is as follows:

	2021
Dividend declaration announcement released on SENS	Thursday, 25 February
Annual General Meeting of shareholders to approve the Dividend	Wednesday, 28 April
Currency conversion announcement released on SENS (by 11h00 SA time)	Monday, 3 May
Last day to trade on Johannesburg Stock Exchange (JSE) to qualify for the Dividend	Tuesday, 4 May
Ex-Dividend on Euronext from commencement of trading on	Tuesday, 4 May
Ex-Dividend on JSE from commencement of trading on	Wednesday, 5 May
Record date (Euronext)	Wednesday, 5 May
Dividend payable (Euronext)	Thursday, 6 May
Record date (JSE)	Friday, 7 May
Dividend payable (JSE)	Monday, 10 May

## Additional information required by the JSE Listings Requirements

1. No transfers of shareholdings to and from South Africa will be permitted between Tuesday, 4 May 2021 and Friday, 7 May 2021 (both dates inclusive). No dematerialisation or rematerialisation orders will be permitted between Wednesday, 5 May 2021 and Friday, 7 May 2021 (both dates inclusive).
2. The gross amount of the Dividend will be subject to a Belgian withholding tax of 30%. Such withholding tax may be reduced to 15% in terms of the double tax treaty in force between Belgium and South Africa. A rebate of the additional Belgian withholding tax imposed must be claimed in accordance with the relevant reimbursement process noted below. The Dividend will also be subject to South African dividends tax at the rate of 20% unless a shareholder qualifies for an exemption. Any shareholder who receives a dividend which is subject to South African dividends tax (i.e., where no exemption is available) will qualify for a 15% reduction in dividends tax. The ultimate result in such a case is that a dividend will be subject to a reduced Belgian withholding tax rate of 15% and subject to South African dividends tax at a rate of 5%.
3. At Thursday, 25 February 2021, being the declaration announcement date of the Dividend, the Company had a total of 1,980,669,990 shares in issue (excluding treasury shares). The Company held 38,764,678 ordinary shares in treasury giving a total issued share capital of 2,019,241,973 shares (of which 1,693,242,156 ordinary shares are listed and 325,999,817 restricted shares are unlisted).
4. The Dividend will be paid out of the Company's operating results for 2020, increased with the profits carried over, without drawing on any capital reserves.
5. The Dividend is payable in South African Rand to shareholders whose shares are held through Central Securities Participants and brokers traded on the JSE.

## South African income tax and dividends tax consequences

The Dividend should be regarded as a 'foreign dividend' for South African income tax and South African dividends tax purposes.

Foreign dividends received in respect of shares which are dual listed on the JSE are, however, exempt from income tax. Consequently, no South African income tax should be incurred by the shareholders in respect of the Dividend received.

The Dividend may, however, be subject to South African dividends tax at 20%. There is though, amongst others, an exemption from South African dividends tax if the Dividend is paid to a South African resident corporate shareholder. This exemption operates in a manner similar to other local shares listed on the JSE and the dividends paid in respect thereof to resident corporate shareholders and retirement funds. Intermediaries may only allow an exemption from South African dividends tax, provided shareholders have completed and lodged a valid exemption form, which is obtainable from their intermediary.

## Belgian withholding tax

The gross amount of the Dividend will as a rule be subject to a Belgian withholding tax of 30%. Such withholding tax can under certain circumstances be reduced.

Belgian dividend withholding tax can be reduced to 15% pursuant to the Belgian-South African double tax treaty in force. Such reduced rate can be applied provided that Form N°/NR. 276 Div.-Aut. is filed by the shareholder with the Bureau Central de Taxation de Bruxelles-Etranger, boulevard du Jardin Botanique 50 boîte 3429, 1000 Brussels, Belgium (hereinafter the "Central Bureau of Taxation") before the expiry of a period of five years from January 1st of the year in which the withholding tax was paid, in which case the differential between the standard withholding tax rate of 30% and the reduced treaty rate of 15% will be reimbursed.

An explanatory note is available through this link, or through the Belgian Tax authorities' official website: <https://eservices.minfin.fgov.be/mym-api-rest/finform/pdf/2575>

The current version of Form N°/NR. 276 Div.-Aut. is available through this link, or through the Belgian Tax authorities' official website: <https://eservices.minfin.fgov.be/mym-api-rest/finform/pdf/2599>

A Belgian withholding tax exemption is also applicable to dividends paid to South African corporate shareholders that hold a participation of less than 10% in the capital of AB InBev but with an acquisition value of at least €2.5 million. This regime is subject to the cumulative conditions that (i) the company is treated as a body corporate for tax purposes in the meaning of Article 3, 1), d) of the Double Tax Treaty between Belgium and South Africa and has a legal form considered similar to the ones listed in Annex I, Part A, to the Council Directive 2011/96/EU of 30 November 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States, as amended by Directive 2014/863/EU of 8 July 2014; (ii) it is subject to corporate income tax or a similar tax without benefiting from a tax regime that deviates from the ordinary domestic tax regime; (iii) the dividends relate to AB InBev shares which it has held or will hold in full legal ownership for an uninterrupted period of at least one year; and (iv) it cannot in principle credit the Belgian withholding tax paid on the AB InBev dividends or obtain a refund thereof according to the legal provisions in force on December 31 of the year preceding the year of the payment or attribution of the dividends.

In order to benefit from this reduced withholding tax, the shareholder must provide the Central Bureau of Taxation with a South African residency certificate confirming that it fulfils the abovementioned conditions and indicating to what extent the Belgian withholding tax is in principle creditable or reimbursable on the basis of the South African laws applicable on 31 December of the year preceding the one during which the Dividend is paid or attributed.

### **South African dividends tax rebate in respect of Belgian withholding tax**

A rebate must, for South African dividends tax purposes, be deducted from any South African dividends tax payable in respect of the Dividend (i.e. where no exemption is available). This rebate will be equal to the amount of any Belgian withholding tax paid in respect of the Dividend, without any right of recovery, and must not exceed the amount of the South African dividends tax imposed in respect of the Dividend.

The CSDPs and/or brokers, in their capacity as the regulated intermediaries, must obtain proof of any Belgian withholding tax paid and deducted from the South African tax payable, as above, in the form and manner prescribed by the South African Revenue Service.

For the avoidance of doubt, the income tax and dividends tax information provided above is only relevant to shareholders whose shares are held through CSDPs and brokers and are traded on the JSE.

Any shareholder who is in any doubt as to their tax position should seek independent professional advice.

## **SHORT FORM ANNOUNCEMENT**

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The consolidated financial statements of AB InBev for the year ended 31 December 2020 have been audited by our statutory auditors PwC Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL in accordance with International Standards on Auditing as adopted by the European Union, and they have issued an unqualified audit report on these consolidated financial statements.

Shareholders should refer to the full audit report for an overview of the audit engagement and for the key audit matters identified by the group's statutory auditors during the audit engagement. The annual report containing the auditors' full audit report can be accessed at the following link: <https://www.ab-inbev.com/investors/annual-reports.html> from close of business today.

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 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/2021/jse/isse/anhe/Q42020.pdf>

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

Copies may be requested from the Company and the Johannesburg office of the Company's JSE Sponsor at no charge during business hours for a period of 30 calendar days following the date of this announcement.

## ANHEUSER-BUSCH INBEV CONTACTS

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### Investors

**Lauren Abbott**

Tel. : +1 212 573 9287

E-mail : [lauren.abbott@ab-inbev.com](mailto:lauren.abbott@ab-inbev.com)

**Maria Glukhova**

Tel. : +32 16 276 888

E-mail : [maria.glukhova@ab-inbev.com](mailto:maria.glukhova@ab-inbev.com)

**Jency John**

Tel: +1 646 746 9673

E-mail: [jency.john@ab-inbev.com](mailto:jency.john@ab-inbev.com)

### Media

**Ingvild Van Lysebetten**

Tel. : +32 16 276 608

E-mail : [ingvild.vanlysebetten@ab-inbev.com](mailto:ingvild.vanlysebetten@ab-inbev.com)

**Fallon Buckelew**

Tel. : +1 310 592 6319

E-mail : [fallon.buckelew@ab-inbev.com](mailto:fallon.buckelew@ab-inbev.com)

### Fixed Income Investors

**Daniel Strothe**

Tel: +1 646 746 9667

E-mail: [daniel.strothe@ab-inbev.com](mailto:daniel.strothe@ab-inbev.com)

25 February 2021

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).*