

A close-up photograph of several green hop cones, which are used in brewing beer. The cones are detailed with their overlapping scales and are set against a blurred background of more hops.

CERVEJARIA ambev

3Q19 Results
October 25, 2019

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This presentation segregates the impact of organic changes from those arising from changes in scope or currency translation. Scope changes represent the impact of acquisitions and divestitures, the start up or termination of activities or the transfer of activities between segments, curtailment gains and losses and year over year changes in accounting estimates and other assumptions that management does not consider as part of the underlying performance of the business. Organic growth and normalized numbers are presented applying constant year-over-year exchange rates to exclude the impact of the movement of foreign exchange rates.

Unless stated, percentage changes in this presentation are both organic and normalized in nature. Whenever used in this document, the term “normalized” refers to performance measures (EBITDA, EBIT, Profit, EPS) before exceptional items adjustments. exceptional items are either income or expenses which do not occur regularly as part of the normal activities of the Company. They are presented separately because they are important for the understanding of the underlying sustainable performance of the Company due to their size or nature. Normalized measures are additional measures used by management and should not replace the measures determined in accordance with IFRS as indicators of the Company’s performance. Comparisons, unless otherwise stated, refer to the third quarter of 2018 (3Q18). Values in this presentation may not add up due to rounding.

Financial Highlights 3Q19

+5.9% Net Revenue

+5.1% Net Revenue per hL

+0.8% Volume

-5.4% EBITDA

-450 bps EBITDA Margin

-15.8% Normalized Net Profit



Beer Brazil

3Q19 Financial Highlights

Revenue +1.1%

Revenue per hL +4.0%

Volume -2.8%

Industry growth of low single digits, according to Nielsen

Cash COGS/hL +26.5%

Driven mainly by FX and higher commodities prices

Cash SG&A -9.1%

Lower variable compensation accruals and savings in non-working money

EBITDA -7.0%

Margin **contraction of 350bps** to **40.3%**



Brazil NAB

3Q19 Financial Highlights

Revenue +13.6%

Revenue per hL +6.6%

Volume +6.5%

Industry growth of low single digits, according to Nielsen

Cash COGS/hL +53.7%

Mostly explained by a hard comparable in 3Q18

Cash SG&A +32.5%

Higher distribution expenses related to volume growth and investments in our brands

EBITDA -44.3%

Margin contraction of 2,640bps to 25.4%



Central America and the Caribbean

3Q19 Financial Highlights

Revenue +6.8%

Revenue per hL +3.8%

Volume +2.8%

Cash COGS/hL -1.4%

Cash SG&A -6.8%

Savings in non-working money and lower variable compensation accruals due to different phasing from 2018

EBITDA +20.1%

Margin **expansion of 470bps to 41.5%**



Central America and the Caribbean

3Q19 Commercial Highlights

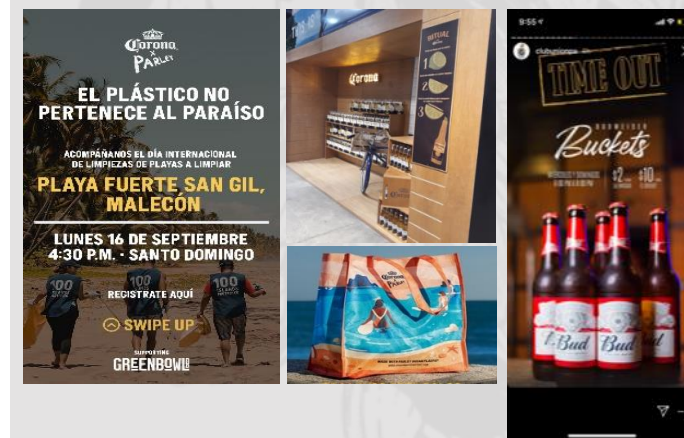
Dominican Republic

In the core segment, we launched the summer campaign “La Fría más Fría” for **Presidente**, our leading brand in the Dominican Republic, which consisted of an extensive experience platform and refreshing ritual.



Panama

We launched a multi-category campaign targeting consumers celebrating **Cerveceria Nacional's** 110th anniversary



Premiumization

Roll out of our premiumization strategy in the region, developing our brands **Corona**, **Stella Artois**, **Modelo** and **Budweiser** through customized execution and experiential events. Corona continues to engage consumers to act on the protection of the oceans against plastic.

Latin America South

3Q19 Financial Highlights

Revenue +22.3%

Revenue per hL +15.3%

Volume +6.0%

Cash COGS/hL +28.6%

Mostly driven by unfavorable FX

Cash SG&A +32.4%

Mainly driven by inflation in Argentina

EBITDA +7.9%

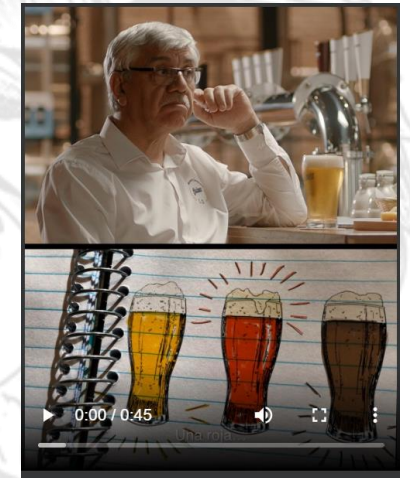
Margin **contraction of 530bps** to **38.2%**



Latin America South

3Q19 Commercial Highlights

- In Argentina, we maintain our strategy of **differentiating the core**.
 - **Quilmes**, our classic lager, continued the 360 campaign “Hecha con Cariño”.
 - **Brahma**, our easy drinking lager, activated a campaign in Friend’s day capturing attention of the legal drinking age younger public.
- The **core plus segment** posted strong growth in Argentina, driven by Andes Origen, with the launch of the single serve returnable glass bottle of the red lager.
- Our **premium portfolio** continues to show promising results in the whole region. In Argentina the premium portfolio grew double digits, led by Corona and Stella Artois. In Chile, the premium portfolio also grew double-digits, with Cusqueña growing triple-digits this quarter



Canada

3Q19 Financial Highlights

Revenue -3.2%

Revenue per hL +2.0%

Volume -5.1%

Mostly driven by a decline in the beer industry

Cash COGS/hL +7.6%

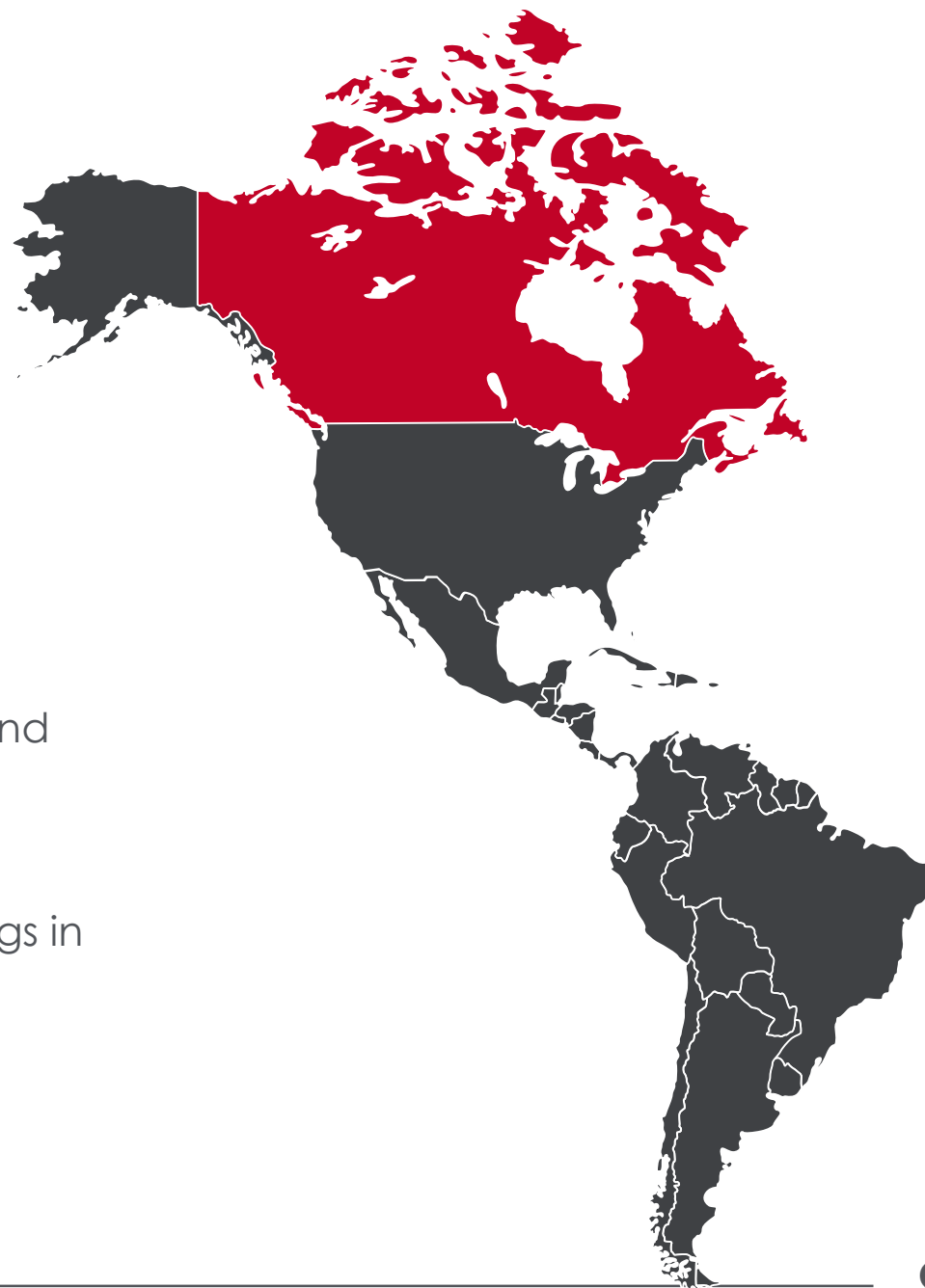
Increased commodities prices, higher mix of imported beers and lower dilution of fixed costs

Cash SG&A +0.9%

Driven by increased logistics expenses, partially offset by savings in non-working money

EBITDA -14.9%

Margin **contraction of 390bps to 28.4%**



Canada

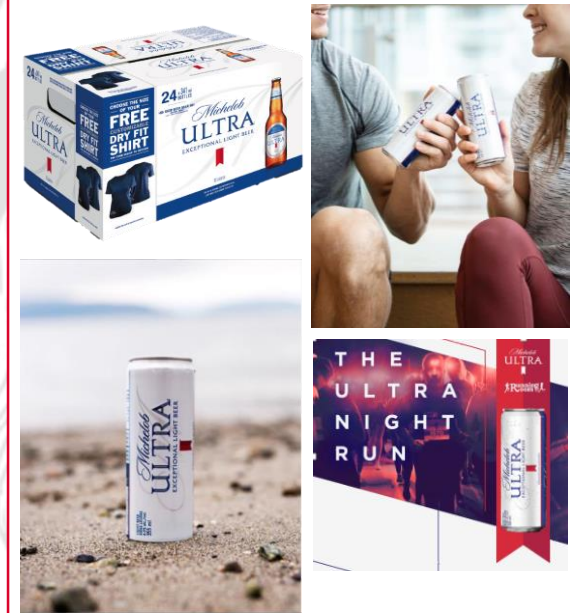
3Q19 Commercial Highlights

- Our **core and core plus** brands continued to deliver strong results:
 - **Michelob Ultra**, supported by the health and wellness platform, remains the **fastest growing brand** in Canada.
 - **Bud Light** maintained its momentum, **growing share**.
- In the **premium segment**, our portfolio grows ahead of the industry. **Corona** leads the way, being the **fastest growing premium** brand in the country.

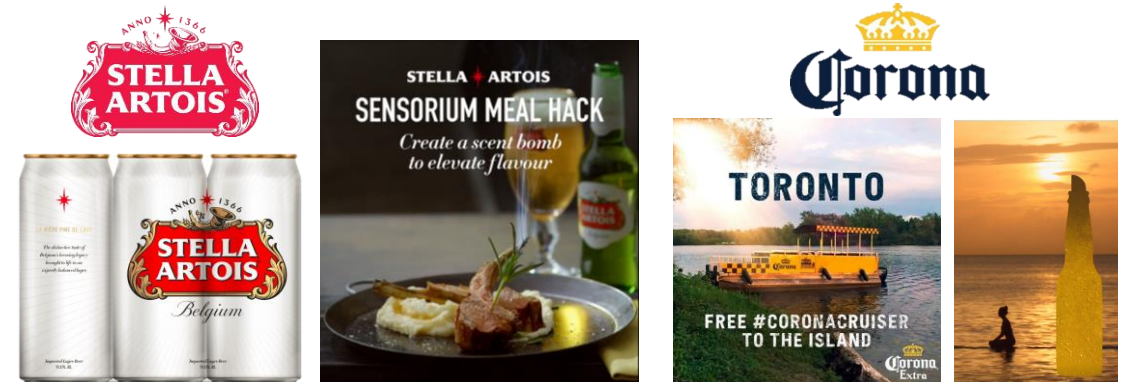
Bud Light



Michelob Ultra



Premium



3Q19 Financial Results

Net Financial Results totaled an **expense of 306 million reais**, **53.7% lower** than in 3Q18.

Financial Results (R\$ Million)	3Q19
Interest Income	626
Interest Expenses	-394
Derivative Instruments	-312
Non-derivative Instruments	-291
Taxes on Financial Transactions	-58
Other	-121
Exceptional financial income	174
Impact of Hyperinflation Accounting	70
Total	-306



Strategic Platforms



BRAZIL BEER

Strategic Platforms

Category Framework & Portfolio Strategy



Premiumize
at Scale



Differentiate
the Core



Drive Smart
Affordability



Sustainability



Drive Operational
Excellence



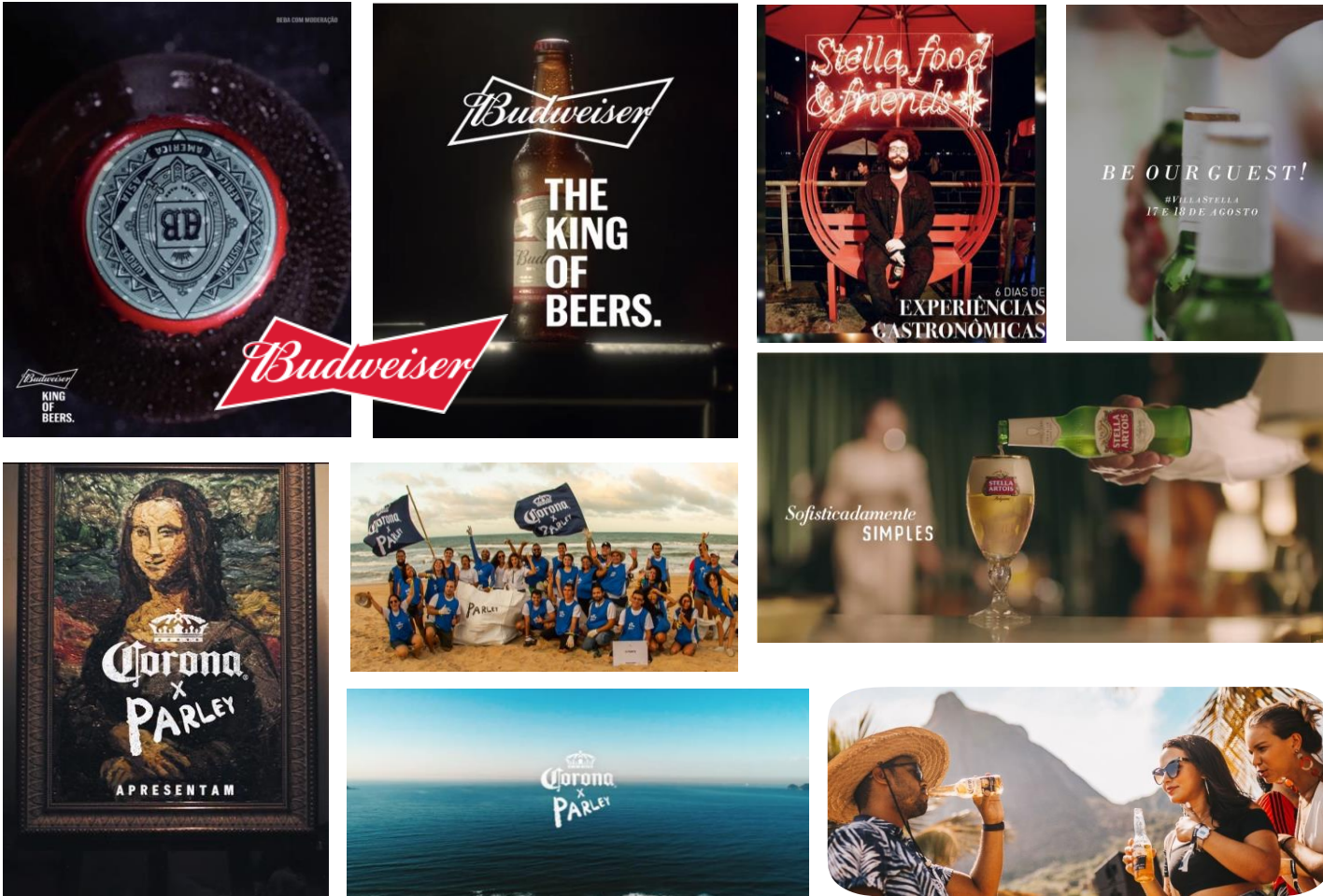
Business Transformation
Enabled by Technology



Lead Innovation

Premiumize at Scale

Occasion and Brand Experience



3Q19 Highlights



Premiumization is a continuous trend and our strength is a **superior** portfolio



Premium **portfolio** grew **double digits** in the quarter, led by global brands



Very excited with latest launches: **Beck's** and **Colorado Ribeirão Lager**

Differentiate the Core

Bohemia posted triple-digit growth for the 3rd consecutive quarter



Family

SKOL

Family

BOHEMIA



A PURO
MALTE
que desce redondo.



SKOL



Drive Smart Affordability

PACKAGING



REGIONAL BRANDS



Drive Operational Excellence



7K
TERRITORIES BY MATURITY LEVEL



LOWER MARKET MATURITY



HIGHER MARKET MATURITY



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Drive Operational Excellence

CUSTOMERS CAN OPEN REQUESTS IN ALL CHANNELS



REQUESTS WILL BE SOLVED ON THE CXC - CENTRALISED

EMPOWERED TEAM READY TO SOLVE ALL CUSTOMER'S REQUESTS

SOLVE ALL REQUESTS



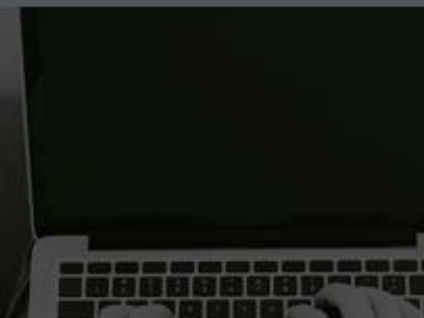
CONNECTED TO THE CUSTOMER AND
TO OUR OPERATIONS

Business Transformation enabled by Technology



VENDA CERTA

Big Data and sales algorithm fueled by machine learning to provide the ideal portfolio.



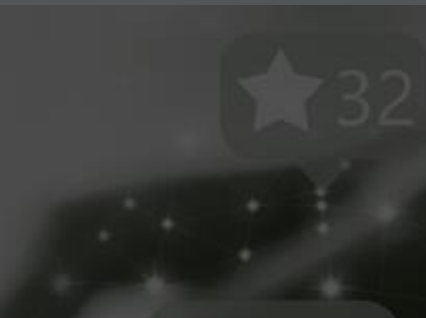
parceiro ambev

Enabling time to our sales team to focus even more in costumes experience. In September, Parceiro Ambev surpassed 200 thousand clients, compared to 66 thousand in January.



HBSIS

We continued with HBSIS integration, expanding and improving technology to other areas of Ambev with more agility and scale. HBSIS ended the quarter with more than 500 developers.



draftline®

Improving consumer intimacy, building a proprietary audience base, extracting real time consumer insights and delivering, thus, precise media.

Sustainability 2025 Goals



Water



Smart
agriculture



Climate
action



Circular
packaging



Entrepreneurship

100%

of our
communities

in high-stress areas will
have measurably
improved water
availability and quality



100%

of our
direct farmers

will be skilled,
connected, and
financially
empowered



100%

of our
purchased
electricity

will be from renewable
sources and a 25%
reduction in CO2 emissions
across our value chain
(science-based)



100%

of our
products

will be in
packaging that is
returnable or made
from majority
recycled content



100%

of our
entrepreneurs

will be skilled with the
necessary tools to
evolve



A long, horizontal row of various beer bottles and cans, including brands like Patagonia, Leffe, Hoegaarden, Corona Extra, Beck's, Stella Artois, Budweiser, Appia, Pilsner, and Serramalte, displayed against a white background. The bottles and cans are arranged in a single line, showcasing a wide variety of beer styles and packaging designs. The background is plain white, making the colorful labels and condensation on the bottles stand out. The lighting is even, highlighting the textures of the glass and metal. The overall composition is clean and professional, typical of a product catalog or advertisement.

