

CERVEJARIA
ambev

The background is a rustic wooden surface. In the top right, a burlap sack is filled with malted barley grains, with several green hop cones scattered nearby. On the left, a glass of golden beer with a thick white head of foam sits next to a bundle of wheat stalks. In the bottom right, a wooden bowl is filled with yellow corn kernels, with some scattered around it. The overall theme is beer-making ingredients.

CERVEJARIA **ambev**

4Q18 Results
February 28, 2019

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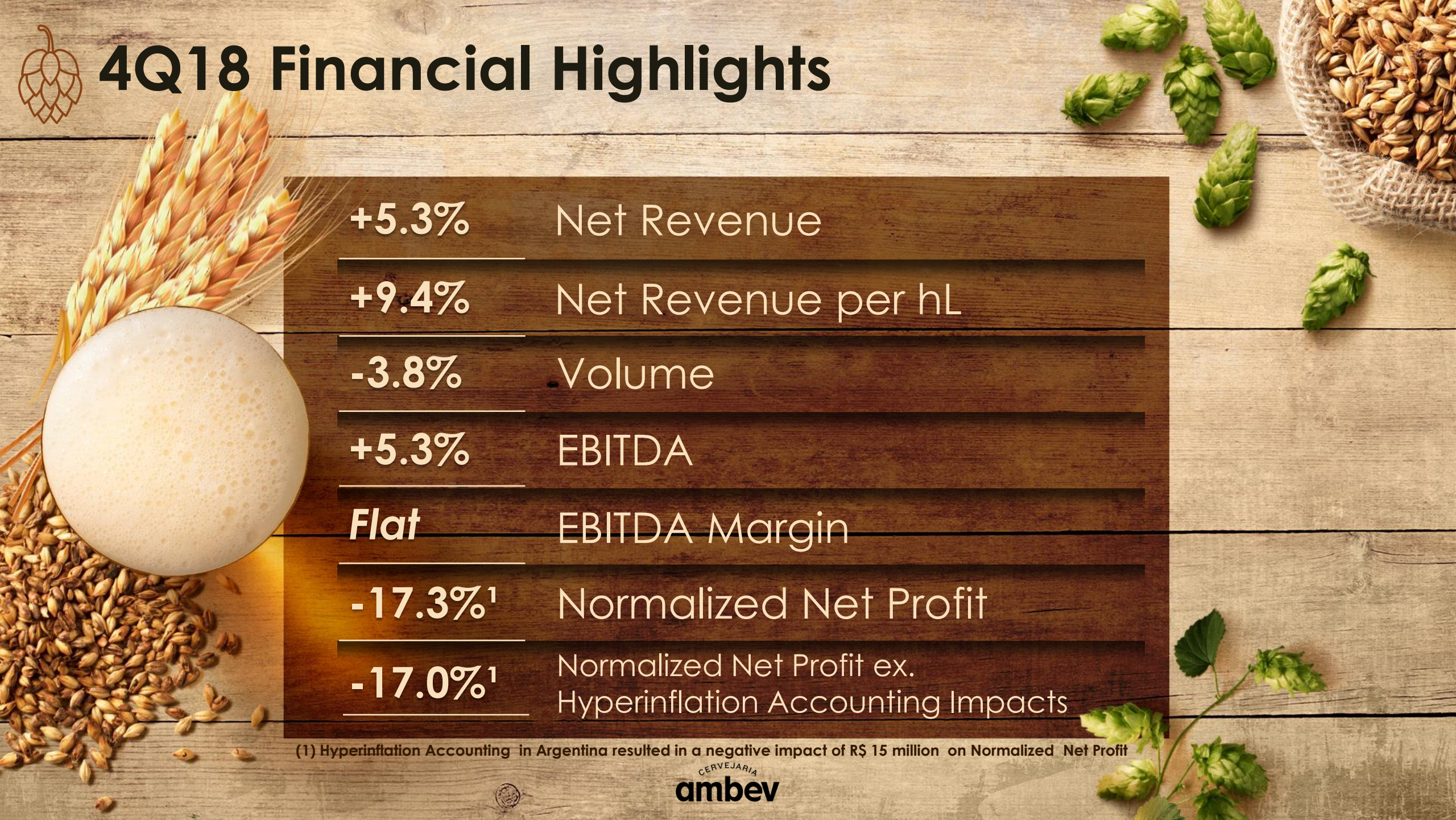
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This presentation segregates the impact of organic changes from those arising from changes in scope or currency translation. Scope changes represent the impact of acquisitions and divestitures, the start up or termination of activities or the transfer 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, without any impact resulting from Hyperinflation Accounting in Argentina.

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 special items adjustments. Special 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 fourth quarter of 2017 (4Q17). Values in this presentation may not add up due to rounding.



4Q18 Financial Highlights

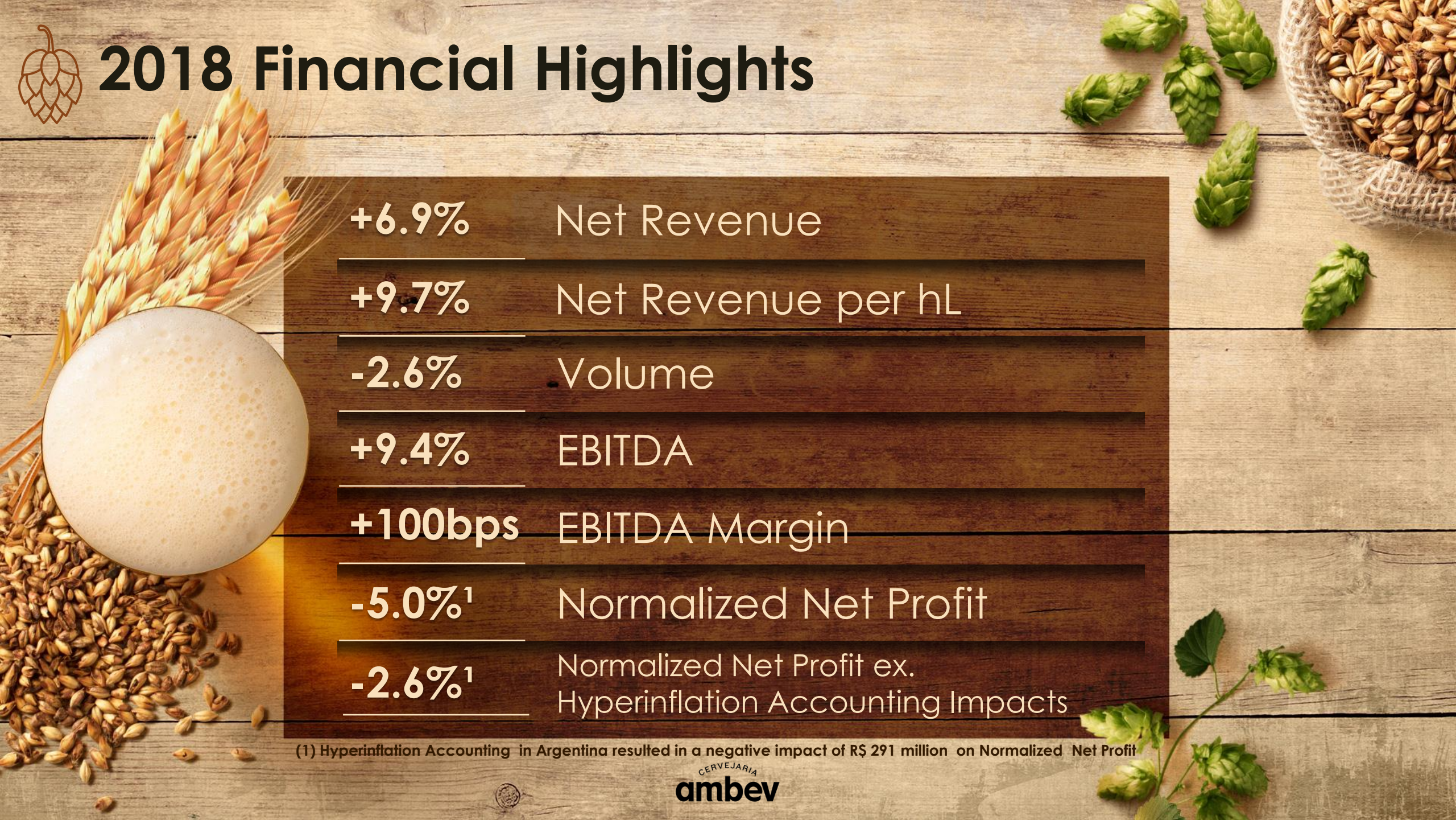


+5.3%	Net Revenue
+9.4%	Net Revenue per hL
-3.8%	Volume
+5.3%	EBITDA
Flat	EBITDA Margin
-17.3%¹	Normalized Net Profit
-17.0%¹	Normalized Net Profit ex. Hyperinflation Accounting Impacts

(1) Hyperinflation Accounting in Argentina resulted in a negative impact of R\$ 15 million on Normalized Net Profit



2018 Financial Highlights



+6.9%	Net Revenue
+9.7%	Net Revenue per hL
-2.6%	Volume
+9.4%	EBITDA
+100bps	EBITDA Margin
-5.0%¹	Normalized Net Profit
-2.6%¹	Normalized Net Profit ex. Hyperinflation Accounting Impacts

(1) Hyperinflation Accounting in Argentina resulted in a negative impact of R\$ 291 million on Normalized Net Profit



Brazil Beer

4Q18 / FY18 Financial Highlights

- **Net Revenue: + 0.9% / + 2.2%**
Net Revenue/hL: + 3.1% / + 5.4%
Impacted by geographic mix in the quarter.
- **Total Volume: - 2.1% / - 3.1%**
Industry: outperformed in the quarter, slightly below in the full year
- **EBITDA: - 0.6% / + 3.0%**
Margin: contraction of **80bps** to **50.4%** in the quarter, expansion of **40bps** to **45.0%** in the full year
- **Cash COGS/hL: + 27.9% / + 8.2%**
Higher commodities prices, specially aluminum and barley, marginally offset by favorable FX in the quarter.
- **Cash SG&A: - 20.0% / - 3.2%**
Phasing of bonus accruals, and projects related to non-working money expenses



Brazil NAB

4Q18 / FY18 Financial Highlights

- **Net Revenue: - 9.1% / - 1.0%**
Net Revenue/hL: + 0.8% / + 8.4%
Impacted by geographic mix in the quarter.
- **Total Volume: - 9.8% / - 8.7%**
Industry: underperformed in the quarter and in the full year
- **EBITDA: - 44.5% / + 5.1%**
Margin: contraction of **2,080bps** to **31.9%** in the quarter, expansion of **210bps** to **37.1%** in the full year
- **Cash COGS/hL: + 31.9% / - 1.1%**
Volatility between quarters, which we anticipated in the 3Q18
- **Cash SG&A: + 0.5% / + 2.2%**
Phasing of bonus accruals, and projects related to non-working money expenses





Central America and the Caribbean

4Q18 / FY18 Financial Highlights

○ **Net Revenue: + 9.6% / + 12.6%**

Net Revenue/hL: + 1.5% / + 4.0%

○ **Total Volume: + 7.9% / + 8.3%**

○ **EBITDA: + 12.4% / + 14.1%**

Margin expansion of **110bps** to **41.5%** in the quarter, expansion of **50bps** to **39.4%** in the full year

○ **Cash COGS/hL: + 8.6% / + 6.6%**

Additional temporary costs in order to supply the market with no disruption in Panama after continued strong volume evolution since 2017

○ **Cash SG&A: - 18.8% / + 0.3%**

Lower sales and marketing and administrative expenses, mainly due to projects related to non-working money expenses and phasing of bonus accruals



Central America and the Caribbean

4Q18 Commercial Highlights

○ Core Segment

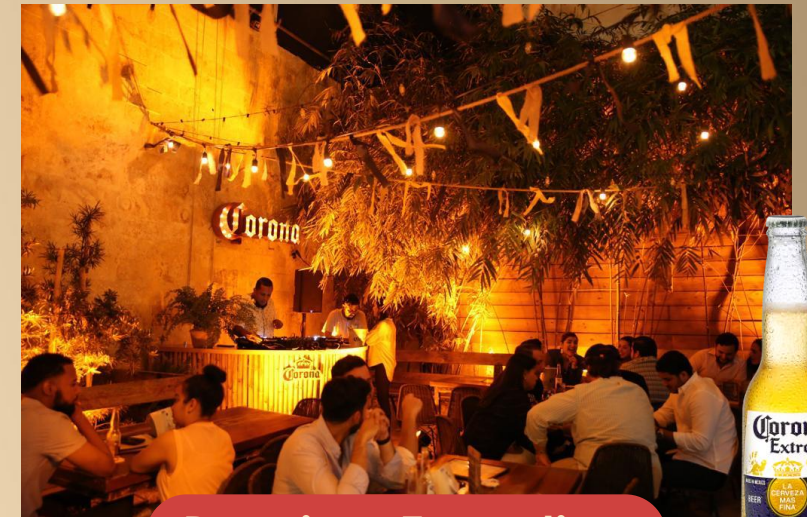
- Continue to invest in trade programs for **Presidente**, strengthening connection with consumers in **Dominican Republic**
- **Atlas Golden Light** proprietary events, creating experiences for consumers in **Panama**



Panama

○ Premium

- Development of **Corona**, **Stella Artois** and **Budweiser** through customized execution both for the on-premise and off-premise channels



Premium Execution



Latin America South

4Q18 / FY18 Financial Highlights

- **Net Revenue: + 21.8% / + 21.5%**
Net Revenue/hL: + 30.3% / +22.1%
- **Total Volume: - 7.3% / - 0.8%**
Challenging economic environment in Argentina leading to consumption contraction in the short term
- **EBITDA: + 38.9% / +29.8%**
Margin: expansion of **700bps** to **51.4%** in the quarter, expansion of **310bps** to **45.5%** in the full year
- **Cash COGS/hL: + 9.1% / + 10.8%**
Below period inflation in the quarter
- **Cash SG&A: + 16.8% / + 22.2%**
Below period inflation in the quarter





Latin America South

4Q18 Commercial Highlights

- We are elevating the core through the **differentiation of Quilmes**, our Classic Lager, and **Brahma**, our Easy Drinking Lager in Argentina
- Continued investment in **single serve packaging**: launch of **Brahma** sleek can
- In the **Core Plus Segment in Argentina**, we continue to promote **Budweiser**, embracing the music platform with **BUDx** and launched **Andes Origen** limited edition IPA
- Our **premium** brands outpaced the beer industry in all countries



Core Differentiation



Core Plus



Canada

4Q18 / FY18 Financial Highlights

- **Net Revenue: - 2.2% / -0.9%**
Net Revenue/ hL + 1.5% / + 1.0%
- **Total Volume: - 3.6% / - 1.9%**
Impacted by a slowdown in beer industry
- **EBITDA: - 3.4% / - 8.1%**
Margin: contraction of **40bps** to **34.5%** in the quarter, contraction of **250bps** to **31.4%** in the full year
- **Cash COGS/hL: + 1.4% / + 9.6%**
Impacted mainly by commodities, specially aluminum prices
- **Cash SG&A: - 2.5% / - 2.0%**
Lower administrative costs that benefited from savings initiatives and lower variable compensation accruals

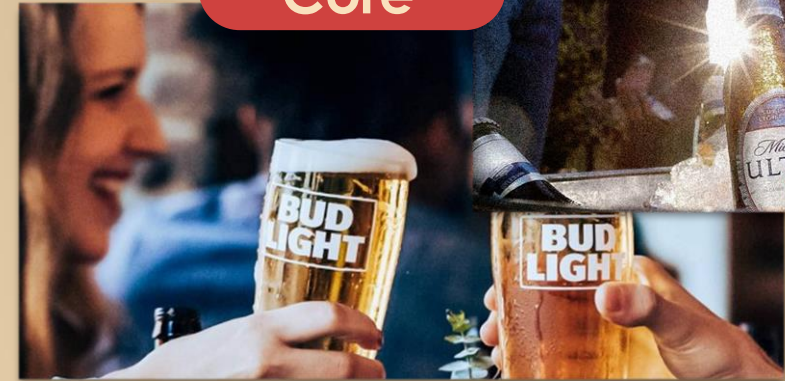


Canada

4Q18 Commercial Highlights

○ Core Segment

- **Bud Light** maintained its momentum and **Michelob Ultra** has continued its fast start, accelerating growth in the quarter



Core



○ Premium

- **Stella Artois** and **Corona** volume ramped up, enabling us to sustain our leadership position in the country
- Local **Craft Partners** also had a great quarter, posting double digits volume growth



Premium



Craft





4Q18 / FY18 Financial Results

- Expense of R\$ 1.6 billion in the quarter, increasing by 29.8% vs 4Q17

Financial Results (R\$ Million)	4Q18	FY18
Interest Income	152	454
Interest Expenses	-345	-1,281
Derivative Instruments	-586	-1,181
Non-derivative Instruments	-360	-872
Taxes on Financial Transactions	-103	-338
Other	-265	-609
Exceptional Financial Expenses	-179	-179
Impact of Hyperinflation Accounting	67	182
Total	-1,619	-3,823



GROWTH PLATFORMS BRAZIL



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Growth Platforms

Dream: bring people together for a better world

CONSUMER DRIVEN PORTFOLIO STRATEGY



Accelerate Premium



Elevate the Core



Drive Smart Affordability



Shape IH | Boost OOH

Excellence in
Client Service

Better World

Live and
Breathe:
Dream, People
and Culture



Accelerate Premium

Double digits premium beer volume growth in 4Q18

COMPLETE PORTFOLIO COMPRISED OF GLOBAL AND DOMESTIC BRANDS



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Accelerate Premium



Premium segment brand leader



International Sports



Official Sponsor

Music



Official Sponsor



Stella Artois volume grew more than 50% in 4Q18



Food



Sophisticated
& High quality



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Corona volume grew more than doubled in 4Q18



Gabriel Medina sponsorship



Lifestyle

Parley partnership





Accelerate Premium

Original and Serramalte: new cans of Serramalte driving growth

DOMESTIC BRANDS



Serramalte grew more than 50% in the 4Q18



Elevate the Core

Core: the most important segment of the Brazilian market



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Elevate The Core



Brahma 130 years celebration campaign in 2H18 reinforced brand's tradition and Brahma's beer knowledge while interacting real time with consumers, increasing even further brand relevance.

Strong portfolio with 7 different liquids anchored in passion points, such as **Soccer** and **Sertanejo**





Elevate The Core

SKOL

*Skol is the most powerful beer brand in Brazil**
Skol main pillars are **lightness, innovation and youth**

Skol Hops is an **innovative beer** brewed with **exclusive aromatic hops** providing a unique combination of **lightness, freshness** and **slightly bitter flavor**

Skol Pure Malte is an unique **pure malt beer** that maintains the **drinkability** of Skol and brings the **signature flavor** of a pure malt





Drive Smart Affordability

Offering affordable propositions in a smart way

Nossa posted strong growth in 4Q18, gaining 5pp of market share in Pernambuco state

Launch of **Magnífica** in Maranhão state, also brewed with cassava from local farmers

Nossa and Magnífica foster social engagement, promote local economy development and enhance regional culture





Strong Portfolio

