

A close-up photograph of several green hop cones, which are used in brewing beer. The cones are in sharp focus in the center, with others blurred in the foreground and background. The lighting is soft, highlighting the texture of the hop scales.

CERVEJARIA
ambev

4Q19 and FY19 Results
February 27, 2020

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Financial Highlights 4Q19

+5.7% Net Revenue

+2.2% Net Revenue per hL

+3.4% Volume

-2.7% EBITDA

-370 bps EBITDA Margin

+24.4% Normalized Net Profit



Financial Highlights FY19

+7.9% Net Revenue

+5.0% Net Revenue per hL

+2.7% Volume

+1.5% EBITDA

-260 bps EBITDA Margin

+8.5% Normalized Net Profit



Beer Brazil

4Q19 | FY19 Financial Highlights

Revenue +1.2% | +5.6%

Revenue per hL -0.2% | +2.4%

Volume +1.4% | +3.2%

Cash COGS/hL +17.5% | +22.4%

Driven mainly by FX and higher commodities prices

Cash SG&A +6.4% | +0.2%

Higher variable compensation accruals in the quarter and in the year, partially compensated by savings in non-working money

EBITDA -12.5% | -6.5%

Margin **contraction of 710bps** to **44.9%** in the quarter,
contraction of 530 bps to **41.6%** in the year



Brazil NAB

4Q19 | FY19 Financial Highlights

Revenue +13.0% | +16.1%

Revenue per hL -2.5% | +4.4%

Volume +16.0% | +11.3%

Cash COGS/hL -19.9% | +4.5%

In the quarter, mostly explained by an easy comparable in 4Q18, while in the year unfavorable FX was partially offset by lower sugar prices

Cash SG&A +23.0% | +25.7%

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

EBITDA +51.8% | +9.5%

Margin **expansion of 1,160bps to 45.3%** in the quarter,
contraction of 230 bps to 37.0% in the year



Central America and the Caribbean

4Q19 | FY19 Financial Highlights

Revenue +9.8% | +10.0%

Revenue per hL +5.3% | +4.4%

Volume +4.3% | +5.3%

Cash COGS/hL +4.4% | +4.4%

Cash SG&A +0.8% | -6.6%

Savings in non-working money

EBITDA +19.1% | +22.0%

Margin **expansion of 350bps to 45.3%** in the quarter,
expansion of 440 bps to 43.8% in the year



Latin America South

4Q19 | FY19 Financial Highlights

Revenue +13.8% | +15.1%

Revenue per hL +13.7% | +19.0%

Volume +0.1% | -3.5%

Cash COGS/hL +18.7% | +15.0%

Mostly driven by unfavorable FX

Cash SG&A +37.5% | +27.1%

Mainly driven by inflation in Argentina

EBITDA +2.2% | +12.3%

Margin contraction of 540 to 46.9% in the quarter,
contraction of 110 bps to 43.8% in the year



Canada

4Q19 | FY19 Financial Highlights

Revenue -0.5% | -1.9%

Revenue per hL +1.0% | +1.7%

Volume -1.5% | -3.6%

Mostly driven by a soft the beer industry

Cash COGS/hL +17.8% | +7.8%

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

Cash SG&A +4.0% | +0.4%

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

EBITDA -16.4% | -10.7%

Margin **contraction of 560** to **29.3%** in the quarter,
contraction of 290 bps to **29.0%** in the year



Financial Results

In FY19 Net Financial Results totaled an **expense of 3,110 million reais**, **22.8% lower** than in FY18.

Financial Results (R\$ Million)	4Q19	FY19
Interest Income	151	1,068
Interest Expenses	-346	-1,514
Derivative Instruments	-576	-1,286
Non-derivative Instruments	-537	-952
Taxes on Financial Transactions	-72	-202
Other	-183	-551
Exceptional financial income / expenses	-93	-18
Impact of Hyperinflation Accounting	92	346
Total	-1,564	-3,110

2019 and 2020 overview

Ambev FY19 Highlights & Headwinds

HIGHLIGHTS

- **Volume** resumed growth in Beer Brazil
- **Premium** grew double digits in Brazil
- **Innovation** gained relevance
- **NAB Brazil performance** in the year
- **CAC** maintained **strong momentum**
- **Beyond beer innovation** in Canada
- **Transformation journey:** customer and consumer centric



HEADWINDS

- **FX and commodities headwinds** on COGS
- **Volatile macroeconomic environments**, such as in Argentina and Bolivia
- **Challenging H2** in Brazil
- **Canada soft industry**

BEER BRAZIL

Beer volumes back to growth in the year

- **Skol** family grew in 4Q19, and was stable in the year,

with the launch of Skol Puro Malte



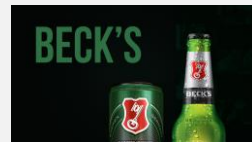
- Higher **Brahma brand power** and launch of

Brahma Duplo Malte



- **Premium** double digits growth: global and domestic

- **Beck's debut** in the Brazilian market



- **Smart affordability** performance, mainly Magnífica



NAB BRAZIL

Outstanding performance in the year

- **Double digits** volume and top line growth
- **Premiumization** has further developed
- Successful **smart affordability** initiatives
- Dedicated **innovation team**, having launched **Natu**
- New **Guaraná Antarctica Visual Brand Identity**



CAC

Sustained its exceptional momentum



Canada

Soft industry, with premium and core plus growth

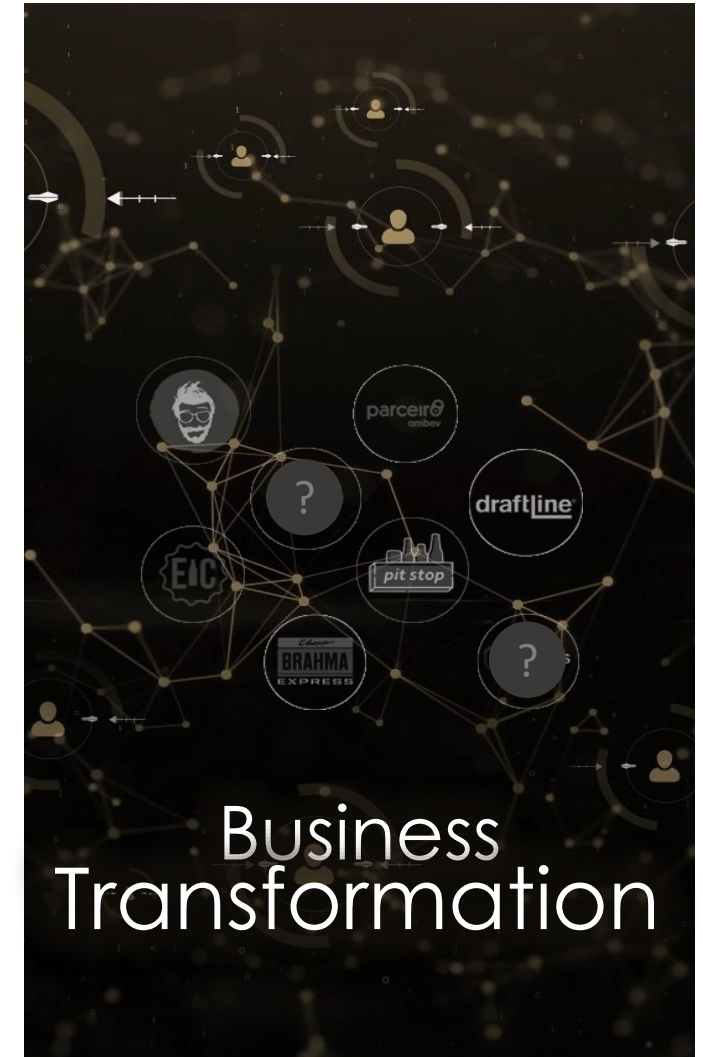
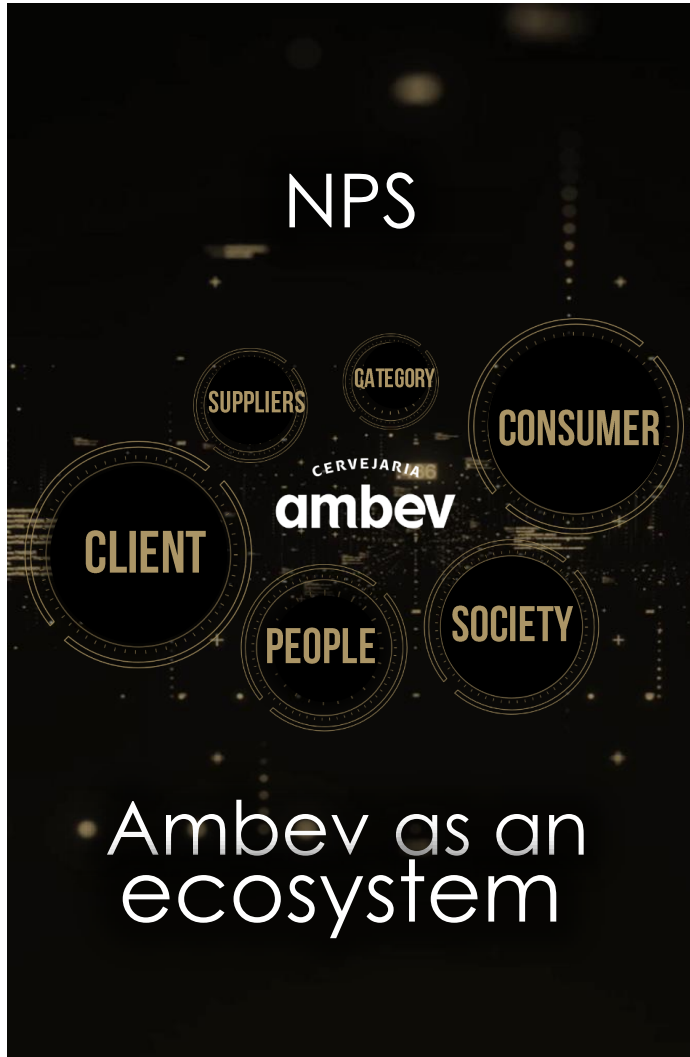


LAS

Challenging markets, with a healthy portfolio



Priorities going forward



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Q&A