

## Heineken Holding N.V. reports 2023 full year results

Amsterdam, 14 February 2024 – Heineken Holding N.V. (EURONEXT: HEIO; OTCQX: HKHHY) announces:

### Key Highlights

- The net result of Heineken Holding N.V.'s participating interest in Heineken N.V. for 2023 amounts to €1,174 million
- Revenue €36,375 million, up 4.9%
- Net revenue (beia) 5.5% organic growth; per hectolitre 10.8%
- Beer volume -4.7% organic growth; Heineken® volume 2.5% (excluding Russia 3.4%)
- Gross savings €0.8 billion for 2023 and €2.5 billion cumulatively versus 2019
- Operating profit €3,229 million; operating profit (beia) 1.7% organic growth
- Operating profit (beia) margin 14.7%
- Net profit €2,304 million; net profit (beia) -4.3% organic growth
- Diluted EPS (beia) €4.67
- Full year 2024 outlook: low- to high-single-digit operating profit (beia) organic growth

### Financial Summary<sup>1</sup>

IFRS Measures	€ million	Total growth	BEIA Measures	€ million	Organic growth <sup>2</sup>
Revenue	36,375	4.9%	Revenue (beia)	36,310	4.6%
Net revenue	30,362	5.7%	Net revenue (beia)	30,308	5.5%
Operating profit	3,229	-24.6%	Operating profit (beia)	4,443	1.7%
			Operating profit (beia) margin (%)	14.7%	
Net profit of Heineken Holding N.V.	1,174		Net profit (beia)	2,632	-4.3%
Diluted EPS (in €)	4.12		Diluted EPS (beia) (in €)	4.67	-5.2%
			Free operating cash flow	1,759	
			Net debt / EBITDA (beia) <sup>3</sup>	2.4x	

<sup>1</sup> Consolidated figures are used throughout this report, unless otherwise stated. Please refer to the Glossary for an explanation of non-GAAP measures and other terms. Page 13 includes a reconciliation versus IFRS metrics. These non-GAAP measures are included in internal management reports that are reviewed by the Executive Board of HEINEKEN, as management believes that this measurement is the most relevant in evaluating the results and in performance management.

<sup>2</sup> Organic growth shown, except for Diluted EPS (beia), which is total growth.

<sup>3</sup> Includes acquisitions and excludes disposals on a 12-month pro-forma basis.

HEINEKEN's focus throughout 2023 required HEINEKEN to respond to challenging market conditions, whilst remaining focused on the deployment of HEINEKEN's EverGreen strategy. HEINEKEN does this to future-proof and deliver superior, balanced growth in a fast-changing world, with an ambition to become the best digitally connected brewer, raise the bar on sustainability and responsibility and evolve HEINEKEN's operating model, capabilities and culture. HEINEKEN also focuses on productivity to fund the investments required and progressively improve profitability and capital efficiency.

Over time, HEINEKEN aims for a healthy balance between volume and value growth, achieved by building and scaling premium and strategic core mainstream brands everywhere, innovating in fast-growing consumer segments and further developing HEINEKEN's geographic and portfolio footprint. This year, HEINEKEN had to prioritise pricing to offset unprecedented levels of commodity and energy inflation, often leading the market, which impacted consumer off-take. During the second half, HEINEKEN saw pricing moderate and volume trends sequentially improve in the majority of HEINEKEN's markets.

**Revenue** for the full year was €36.4 billion (2022: €34.7 billion) a total increase of 4.9%. **Net revenue (beia)** increased by 5.5% organically, with net revenue (beia) per hectolitre up 10.8% and total consolidated volume declining by 4.7%. The underlying price-mix on a constant geographic basis was up 10.2%, driven by pricing for inflation and positive mix effects. Currency translation negatively impacted net revenue (beia) by €864 million or 3.0%, mainly from the devaluation of currencies in emerging markets partially offset by a stronger Mexican Peso. Consolidation effects

positively impacted net revenue (beia) by €887 million or 3.1%, mainly from the consolidation of Distell and Namibia Breweries.

**Beer volume** declined 4.7% organically for the full year. Vietnam and Nigeria represented over 60% of the decline, with both markets affected by challenging economic conditions. HEINEKEN gained or held volume market share in more than half of HEINEKEN's markets in 2023.

### Beer volume

<i>(in mhl)</i>	4Q23	4Q22	Organic growth	FY23	FY22	Organic growth
Heineken N.V.	59.4	63.3	-3.2%	242.6	256.9	-4.7%

In the fourth quarter, net revenue (beia) grew organically by 4.8%. Total consolidated volume declined by 3.2%, improving sequentially relative to the third quarter. Beer volume declined organically by 3.2%, driven by declines in Asia Pacific, Africa and Europe, partially offset by modest volume growth in the Americas. HEINEKEN's exit volume momentum was a low-single-digit decline adjusted for the pre-Tet season trade loading at the end of 2022 that led to an overstock in the first quarter of 2023. More than half of HEINEKEN's markets grew volume in the last quarter. Net revenue (beia) per hectolitre was up 8.2% organically with price-mix on a constant geographic basis up 7.6%, driven by pricing and positive mix effects.

**Premium beer** volume declined by 5.9% organically, mainly driven by Vietnam and HEINEKEN's exit from Russia. Outside of these markets premium beer grew by 1.1%, outperforming the total portfolio in the majority of HEINEKEN's markets. This growth is led by **Heineken®**, complemented by HEINEKEN's international and local premium brands including El Aguila, Birra Moretti, Kingfisher Ultra and Bedele Special.

**Heineken®** continued to lead our portfolio and grew volume by 2.5% versus last year (3.4% excluding Russia). Growth was broad-based across 39 markets, most notably in China, Brazil, Ethiopia, Indonesia and Taiwan. **Heineken® Silver** is now present in 50 markets with a volume growth in the high thirties, led by China, Vietnam and the USA.

### Heineken® volume

<i>(in mhl)</i>	4Q23	Organic growth	FY23	Organic growth
Total	15.4	4.0%	56.3	2.5%

## Outlook 2024

As HEINEKEN continues to advance on HEINEKEN's EverGreen journey, HEINEKEN remains committed to its medium-term ambition to deliver superior growth, balanced between volume and value, and to drive continuous productivity improvements to fund investments behind EverGreen and enable operating profit (beia) to grow ahead of net revenue (beia) over time.

HEINEKEN's volume performance at the closing of 2023 was under pressure from external factors, with a moderate sequential improvement quarter by quarter. For 2024, HEINEKEN expects the macroeconomic environment and geopolitical developments to remain a factor of uncertainty that may impact HEINEKEN's business. In this context, HEINEKEN's focus going forward will be on restoring its volume growth by continuing to invest behind its brands, innovations, commercial capabilities and route-to-consumer.

HEINEKEN expects its variable costs to increase by a low-single-digit on a per hectolitre basis, benefitting from lower commodity and energy prices, but more than offset by local input cost inflation and currency devaluations, particularly in Africa. HEINEKEN also expects higher than historical average wage inflation to impact its cost base.

HEINEKEN's continuous productivity programme will deliver at least €500 million of gross savings in 2024, ahead of HEINEKEN's medium term commitment of €400 million for the near-term, enabling investments behind HEINEKEN's growth agenda, its digital transformation, strategic capabilities and HEINEKEN's Brew a Better World activities.

Overall, HEINEKEN expects to grow operating profit (beia) organically in the range of a low- to high-single-digit. The wide range corresponds to the volatility in geo-political and economic conditions HEINEKEN has also witnessed in the past months and the fact that HEINEKEN will continue to invest behind EverGreen for long-term sustained value creation.

HEINEKEN also expects:

- An average effective interest rate (beia) of around 3.5% (2023: 3.4%)
- Other net finance expenses to further increase, mainly due to the impact from significant devaluations and the scarcity of hard currency in some key emerging markets, like HEINEKEN is experiencing currently in Nigeria
- An increase in HEINEKEN's effective tax rate (beia) to around 29%, mainly driven by changes in tax laws in Brazil (2023: 26.8%).

The factors above result in a net profit (beia) organic growth that is lower than the operating profit (beia) organic growth.

Finally, HEINEKEN expects investments in capital expenditure related to property, plant and equipment and intangible assets to be below 9% of net revenue (beia) (2023: 8.8%)

## Total Dividend For 2023

The Heineken N.V. dividend policy is to pay a ratio of 30% to 40% of full year net profit (beia). For 2023, a total cash dividend of €1.73 per share, a similar amount to last year (2022: €1.73), representing a payout ratio of 36.8%, within the range of Heineken N.V.'s policy, will be proposed to the Heineken N.V. Annual General Meeting on 25 April 2024. If approved, a final dividend of €1.04 per share will be paid on 7 May 2024, as an interim dividend of €0.69 per share was paid on 10 August 2023.

If Heineken N.V. shareholders approve the proposed dividend, Heineken Holding N.V. will, according to its Articles of Association, pay an identical dividend per share. A final dividend of €1.04 per share of €1.60 nominal value will be payable as of 7 May 2024.

Both the Heineken Holding N.V. shares and the Heineken N.V. shares will trade ex-dividend on 29 April 2024. The dividend payment will be subject to a 15% Dutch withholding tax.

## Translational Calculated Currency Impact

The translational currency impact for 2023 was negative on net revenue (beia) by €864 million and on operating profit (beia) by €102 million and positive on net profit beia by €6 million.

Applying spot rates as of 12 February 2024 to the 2023 financial results as a base, the calculated currency translational impact would be negative, approximately €440 million in net revenue (beia), €60 million at operating profit (beia), and positive by €40 million at net profit (beia).

## Board of Directors Composition

Mr J.F.M.L. van Boxmeer will have completed his four-year appointment term upon conclusion of the Heineken Holding N.V. Annual General Meeting on 25 April 2024 ('2024 AGM'). Mr J.F.M.L. van Boxmeer is eligible for reappointment. A non-binding recommendation, drawn up by the Board of Directors, will be submitted to the 2024 AGM to reappoint Mr J.F.M.L. van Boxmeer as non-executive director of the Board of Directors, for the maximum period of four years (i.e. until the end of the Annual General Meeting of Shareholders to be held in 2028).

## Enquiries

Media Heineken Holding N.V.

**Kees Jongsma**

tel. +31 6 54 79 82 53

E-mail: [cjongsma@spj.nl](mailto:cjongsma@spj.nl)

Media

**Joris Evers**

Director of Global Communication

**Michael Fuchs**

Corporate & Financial Communications Manager

E-mail: [pressoffice@heineken.com](mailto:pressoffice@heineken.com)

Tel: +31-20-5239355

Investors

**José Federico Castillo Martinez**

Investor Relations Director

**Mark Matthews / Chris Steyn**

Investor Relations Manager / Senior Analyst

E-mail: [investors@heineken.com](mailto:investors@heineken.com)

Tel: +31-20-5239590

## Investor Calendar Heineken N.V.

*(events also accessible for Heineken Holding N.V. shareholders)*

Combined financial and sustainability annual report publication	22 February 2024
Trading Update for Q1 2024	24 April 2024
Annual General Meeting of Shareholders	25 April 2024
Quotation ex-final dividend 2023	29 April 2024
Final dividend 2023 payable	7 May 2024
Half Year 2024 Results	29 July 2024
Quotation ex-interim dividend 2024	31 July 2024
Interim dividend payable	8 August 2024
Trading Update for Q3 2024	23 October 2024

## Conference Call Details

HEINEKEN will host an analyst and investor video webcast about its 2023 FY results today, 14 February, at 14:00 CET/ 13:00 GMT/ 08.00 EST. This call will also be accessible for Heineken Holding N.V. shareholders. The live video webcast will be accessible via the Heineken N.V.'s website: <https://www.theheinekencompany.com/investors/results-reports-webcasts-and-presentations>.

An audio replay service will also be made available after the webcast at the above web address. Analysts and investors can dial-in using the following telephone numbers:

United Kingdom (local): +44 20 3936 2999

Netherlands (local): +31 85 888 7233

United States: +1 646 787 9445

All other locations: +44 20 3936 2999

For the full list of dial in numbers, please refer to the following link: [Global Dial-In Numbers](#)

Participation password for all countries: 022498

*Editorial information:*

Heineken Holding N.V. engages in no activities other than its participating interest in Heineken N.V. and the management or supervision of and provision of services to that company. HEINEKEN is the world's most international brewer. It is the leading developer and marketer of premium and non-alcoholic beer and cider brands. Led by the Heineken® brand, the Group has a portfolio of more than 350 international, regional, local and

specialty beers and ciders. With HEINEKEN's over 90,000 employees, we brew the joy of true togetherness to inspire a better world. HEINEKEN's dream is to shape the future of beer and beyond to win the hearts of consumers. HEINEKEN is committed to innovation, long-term brand investment, disciplined sales execution and focused cost management. Through "Brew a Better World", sustainability is embedded in the business. HEINEKEN has a well-balanced geographic footprint with leadership positions in both developed and developing markets. HEINEKEN operates breweries, malteries, cider plants and other production facilities in more than 70 countries. The most recent information is available on [www.heinekenholding.com](http://www.heinekenholding.com) and [www.theheinekencompany.com](http://www.theheinekencompany.com) and follow HEINEKEN on LinkedIn, Twitter and Instagram.

*Market Abuse Regulation:*

This press release may contain price-sensitive information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

*Disclaimer:*

This press release contains forward-looking statements based on current expectations and assumptions with regards to the financial position and results of HEINEKEN's activities, anticipated developments and other factors. All statements other than statements of historical facts are, or may be deemed to be, forward-looking statements. Forward-looking statements also include, but are not limited to, statements and information in HEINEKEN's non-financial reporting, such as HEINEKEN's emissions reduction and other climate change related matters (including actions, potential impacts and risks associated therewith). These forward-looking statements are identified by their use of terms and phrases such as "aim", "ambition", "anticipate", "believe", "could", "estimate", "expect", "goals", "intend", "may", "milestones", "objectives", "outlook", "plan", "probably", "project", "risks", "schedule", "seek", "should", "target", "will" and similar terms and phrases. These forward-looking statements, while based on management's current expectations and assumptions, are not guarantees of future performance since they are subject to numerous assumptions, known and unknown risks and uncertainties, which may change over time, that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond HEINEKEN's ability to control or estimate precisely, such as but not limited to future market and economic conditions, the behaviour of other market participants, changes in consumer preferences, the ability to successfully integrate acquired businesses and achieve anticipated synergies, costs of raw materials and other goods and services, interest-rate and exchange-rate fluctuations, changes in tax rates, changes in law, environmental and physical risks, change in pension costs, the actions of government regulators and weather conditions. These and other risk factors are detailed in HEINEKEN's publicly filed annual reports. You are cautioned not to place undue reliance on these forward-looking statements, which speak only of the date of this press release. HEINEKEN assumes no duty to and does not undertake any obligation to update these forward-looking statements contained in this press release. Market share estimates contained in this press release are based on outside sources, such as specialised research institutes, in combination with management estimates.

## Report of the Board of Directors

Heineken Holding N.V. has a 50.005% interest in the issued share capital (being 50.94% (2022: 50.064%) of the outstanding share capital) of Heineken N.V. Standing at the head of HEINEKEN, Heineken Holding N.V. is not an ordinary holding company. Since its formation in 1952, Heineken Holding N.V.'s object pursuant to its Articles of Association has been to manage or supervise the management of HEINEKEN and to provide services for Heineken N.V. Within HEINEKEN, the primary duties of Heineken N.V.'s Executive Board are to initiate and implement corporate strategy and to manage Heineken N.V. and its related enterprise. It is supervised in the performance of its duties by Heineken N.V.'s Supervisory Board. Because Heineken N.V. manages the HEINEKEN group companies, Heineken Holding N.V., unlike Heineken N.V., does not have an internal risk management and control system. Heineken Holding N.V. does not engage in any operational activities and employs no staff.

Further information regarding the developments during the financial year 2023 of Heineken N.V. and its related companies, and the material risks Heineken N.V. is facing is given in Heineken N.V.'s press release.

### Board of Directors

Mr M. Das, *non-executive director (chairman)*

Mrs C.L. de Carvalho-Heineken, *executive director*

Mr M.R. de Carvalho, *executive director*

Mrs C.M. Kwist, *non-executive director*

Mr A.A.C. de Carvalho, *non-executive director*

Mrs A.M. Fentener van Vlissingen, *non-executive director*

Mrs L.L.H. Brassey, *non-executive director*

Mr J.F.M.L. van Boxmeer, *non-executive director*

# CONSOLIDATED FINANCIAL STATEMENTS FOR THE FULL YEAR 2023

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*The 2023 financial information included in the primary statements attached to this press release is derived from the Annual Report 2023. This Annual Report has been authorised for issue. The Annual Report has not yet been published by law and still has to be adopted by the Annual General Meeting of Shareholders on 25 April 2024.*

*In accordance with section 393, Title 9, Book 2 of the Netherlands Civil Code, Deloitte Accountants B.V. has issued an unqualified Independent auditors' report on the Financial Statements.*

*The full Annual Report will be available for download on the website ([www.heinekenholding.com](http://www.heinekenholding.com)) as of 22 February 2024.*

## Consolidated Income Statement

For the year ended 31 December

<i>In millions of €</i>	2023	2022
<b>Revenue</b>	<b>36,375</b>	34,676
Excise tax expense	(6,013)	(5,957)
<b>Net revenue</b>	<b>30,362</b>	28,719
<b>Other income</b>	<b>393</b>	147
Raw materials, consumables and services	(20,077)	(18,618)
Personnel expenses	(4,353)	(4,079)
Amortisation, depreciation and impairments	(3,096)	(1,886)
<b>Total other expenses</b>	<b>(27,526)</b>	(24,583)
<b>Operating profit</b>	<b>3,229</b>	4,283
Interest income	90	74
Interest expenses	(640)	(458)
Other net finance income/(expenses)	(375)	48
<b>Net finance expenses</b>	<b>(925)</b>	(336)
Share of profit of associates and joint ventures	218	223
<b>Profit before income tax</b>	<b>2,522</b>	4,170
Income tax expense	(121)	(1,131)
<b>Profit</b>	<b>2,401</b>	3,039
Attributable to:		
Shareholders of Heineken Holding N.V. (net profit)	1,174	1,343
Non-controlling interests in Heineken N.V.	1,130	1,339
Non-controlling interests in Heineken N.V. group companies	97	357
<b>Profit</b>	<b>2,401</b>	3,039
Weighted average number of shares – basic	283,965,488	288,030,168
Weighted average number of shares – diluted	283,965,488	288,030,168
Basic earnings per share (€)	4.12	4.66
Diluted earnings per share (€)	4.12	4.66

## Consolidated Statement of Other Comprehensive Income

For the year ended 31 December

<i>In millions of €</i>	2023	2022
<b>Profit</b>	<b>2,401</b>	3,039
<b>Other comprehensive income, net of tax:</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Remeasurement of post-retirement obligations	(66)	63
Net change in fair value through OCI investments	(5)	15
<b>Items that may be subsequently reclassified to profit or loss:</b>		
Currency translation differences	(170)	437
Change in fair value of net investment hedges	(28)	(62)
Change in fair value of cash flow hedges	(135)	(142)
Cash flow hedges reclassified to profit or loss	12	38
Net change in fair value through OCI investments - debt investments	1	—
Cost of hedging	2	(1)
Share of other comprehensive income of associates/joint ventures	(75)	(46)
<b>Other comprehensive income, net of tax</b>	<b>(464)</b>	302
<b>Total comprehensive income</b>	<b>1,937</b>	3,341
Attributable to:		
Shareholders of Heineken Holding N.V.	1,032	1,521
Non-controlling interests in Heineken N.V.	995	1,518
Non-controlling interests in Heineken N.V. group companies	(90)	302
<b>Total comprehensive income</b>	<b>1,937</b>	3,341



## Consolidated Statement of Financial Position

**As at 31 December**

<i>In millions of €</i>	<b>2023</b>	<b>2022</b>
Intangible assets	21,781	21,408
Property, plant and equipment	14,772	13,623
Investments in associates and joint ventures	4,130	4,296
Loans and advances to customers	239	216
Deferred tax assets	1,292	618
Equity instruments	167	145
Other non-current assets	978	1,085
<b>Total non-current assets</b>	<b>43,359</b>	<b>41,391</b>
Inventories	3,721	3,250
Trade and other receivables	5,019	4,531
Current tax assets	196	84
Derivative assets	58	70
Cash and cash equivalents	2,377	2,765
Assets classified as held for sale	28	315
<b>Total current assets</b>	<b>11,399</b>	<b>11,015</b>
<b>Total assets</b>	<b>54,758</b>	<b>52,406</b>

**As at 31 December**

<i>In millions of €</i>	<b>2023</b>	<b>2022</b>
Heineken Holding N.V. shareholders' equity	9,733	9,694
Non-controlling interests in Heineken N.V.	9,928	9,857
Non-controlling interests in Heineken N.V. group companies	2,733	2,369
<b>Total equity</b>	<b>22,394</b>	<b>21,920</b>
Borrowings	14,046	12,893
Post-retirement obligations	586	568
Provisions	627	572
Deferred tax liabilities	2,213	2,138
Other non-current liabilities	67	125
<b>Total non-current liabilities</b>	<b>17,539</b>	<b>16,296</b>
Borrowings	4,192	3,484
Trade and other payables	9,432	9,283
Returnable packaging deposits	531	545
Provisions	206	226
Current tax liabilities	332	352
Derivative liabilities	132	119
Liabilities associated with assets classified as held for sale	—	181
<b>Total current liabilities</b>	<b>14,825</b>	<b>14,190</b>
<b>Total equity and liabilities</b>	<b>54,758</b>	<b>52,406</b>

## Consolidated Statement of Cash Flows

For the year ended 31 December

<i>In millions of €</i>	2023	2022
<b>Operating activities</b>		
Profit	2,401	3,039
Adjustments for:		
Amortisation, depreciation and impairments	3,096	1,886
Net interest expenses	550	384
Other income	(352)	(147)
Share of profit of associates and joint ventures and dividend income on fair value through OCI investments	(226)	(230)
Income tax expenses	121	1,131
Other non-cash items	537	284
<b>Cash flow from operations before changes in working capital and provisions</b>	<b>6,127</b>	<b>6,347</b>
Change in inventories	(4)	(793)
Change in trade and other receivables	(42)	(668)
Change in trade and other payables and returnable packaging deposits	(100)	981
<b>Total change in working capital</b>	<b>(146)</b>	<b>(480)</b>
Change in provisions and post-retirement obligations	(32)	(207)
<b>Cash flow from operations</b>	<b>5,949</b>	<b>5,660</b>
Interest paid	(624)	(439)
Interest received	118	46
Dividends received	147	177
Income taxes paid	(1,160)	(948)
<b>Cash flow related to interest, dividend and income tax</b>	<b>(1,519)</b>	<b>(1,164)</b>
<b>Cash flow from operating activities</b>	<b>4,430</b>	<b>4,496</b>

<i>In millions of €</i>	2023	2022
<b>Investing activities</b>		
Proceeds from sale of property, plant and equipment and intangible assets	154	112
Purchase of property, plant and equipment	(2,434)	(1,791)
Purchase of intangible assets	(243)	(220)
Loans issued to customers and other investments	(244)	(219)
Repayment on loans to customers and other investments	96	31
<b>Cash flow used in operational investing activities</b>	<b>(2,671)</b>	<b>(2,087)</b>
<b>Free operating cash flow</b>	<b>1,759</b>	<b>2,409</b>
Acquisition of subsidiaries, net of cash acquired	(806)	(171)
Acquisition of/additions to associates, joint ventures and other investments	(409)	(45)
Disposal of subsidiaries, net of cash disposed of	257	9
Disposal of associates, joint ventures and other investments	53	8
<b>Cash flow used in acquisitions and disposals</b>	<b>(905)</b>	<b>(199)</b>
<b>Cash flow used in investing activities</b>	<b>(3,576)</b>	<b>(2,286)</b>
<b>Financing activities</b>		
Proceeds from borrowings	6,751	644
Repayment of borrowings	(4,614)	(1,934)
Payment of lease commitments	(390)	(304)
Dividends paid	(1,335)	(1,099)
Purchase own shares and shares issued	(942)	(43)
Acquisition of non-controlling interests	(286)	(391)
<b>Cash flow used in financing activities</b>	<b>(816)</b>	<b>(3,127)</b>
<b>Net cash flow</b>	<b>38</b>	<b>(917)</b>
Cash and cash equivalents as at 1 January	1,618	2,556
Effect of movements in exchange rates	(231)	(21)
<b>Cash and cash equivalents as at 31 December</b>	<b>1,425</b>	<b>1,618</b>

## Consolidated Statement of Changes in Equity

<i>In millions of €</i>	Share capital	Share premium	Translation reserve	Hedging reserve	Cost of hedging reserve	Fair value reserve	Other legal reserves	Retained earnings	Shareholders of Heineken Holding N.V.	Non-controlling interests in Heineken N.V.	Non-controlling interests in Heineken N.V. group companies	Total equity
<b>Balance as at 1 January 2022</b>	461	1,257	(2,014)	30	(4)	29	566	8,268	8,593	8,763	2,344	19,700
Hyperinflation restatement to 1 January 2022	—	—	—	—	—	—	—	123	123	122	—	245
<b>Balance as at 1 January 2022 after restatement</b>	461	1,257	(2,014)	30	(4)	29	566	8,391	8,716	8,885	2,344	19,945
Profit	—	—	—	—	—	—	104	1,239	1,343	1,339	357	3,039
Other comprehensive income/(loss)	—	—	192	(52)	(1)	7	—	32	178	179	(55)	302
<b>Total comprehensive income/(loss)</b>	—	—	192	(52)	(1)	7	104	1,271	1,521	1,518	302	3,341
Realised hedge results from non-financial assets	—	—	—	—	—	—	—	—	—	—	—	—
Transfer to/from retained earnings	—	—	—	—	—	—	(47)	47	—	—	—	—
Dividends to shareholders	—	—	—	—	—	—	—	(421)	(421)	(419)	(263)	(1,103)
Purchase own shares or contributions received from Heineken N.V. NCI shareholders by Heineken N.V.	—	—	—	—	—	—	—	(22)	(22)	(21)	—	(43)
Dilution	—	—	—	—	—	—	—	2	2	(2)	—	—
Share-based payments by Heineken N.V.	—	—	—	—	—	—	—	25	25	24	—	49
Acquisition/disposal of non-controlling interests in Heineken N.V. group companies by Heineken N.V.	—	—	—	—	—	—	—	(187)	(187)	(186)	(18)	(391)
Hyperinflation impact	—	—	—	—	—	—	—	58	58	58	—	116
Changes in consolidation by Heineken N.V.	—	—	—	—	—	—	—	2	2	—	4	6
<b>Balance as at 31 December 2022</b>	461	1,257	(1,822)	(22)	(5)	36	623	9,166	9,694	9,857	2,369	21,920

## Consolidated Statement of Changes in Equity (continued)

<i>In millions of €</i>	Share capital	Share premium	Translation reserve	Hedging reserve	Cost of hedging reserve	Fair value reserve	Other legal reserves	Reserve for own shares	Retained earnings	Shareholders of Heineken Holding N.V.	Non-controlling interests in Heineken N.V.	Non-controlling interests in Heineken N.V. group companies	Total equity
<b>Balance as at 1 January 2023</b>	<b>461</b>	<b>1,257</b>	<b>(1,822)</b>	<b>(22)</b>	<b>(5)</b>	<b>36</b>	<b>623</b>	<b>—</b>	<b>9,166</b>	<b>9,694</b>	<b>9,857</b>	<b>2,369</b>	<b>21,920</b>
Hyperinflation restatement to 1 January 2023	—	—	—	—	—	—	—	—	20	20	20	—	40
<b>Balance as at 1 January 2023 after restatement</b>	<b>461</b>	<b>1,257</b>	<b>(1,822)</b>	<b>(22)</b>	<b>(5)</b>	<b>36</b>	<b>623</b>	<b>—</b>	<b>9,186</b>	<b>9,714</b>	<b>9,877</b>	<b>2,369</b>	<b>21,960</b>
Profit	—	—	—	—	—	—	104	—	1,070	1,174	1,130	97	2,401
Other comprehensive income/(loss)	—	—	(44)	(63)	1	(2)	—	—	(34)	(142)	(135)	(187)	(464)
<b>Total comprehensive income/(loss)</b>	<b>—</b>	<b>—</b>	<b>(44)</b>	<b>(63)</b>	<b>1</b>	<b>(2)</b>	<b>104</b>	<b>—</b>	<b>1,036</b>	<b>1,032</b>	<b>995</b>	<b>(90)</b>	<b>1,937</b>
Realised hedge results from non-financial assets	—	—	—	79	—	—	—	—	—	79	77	—	156
Transfer to/from retained earnings	—	—	—	—	—	—	272	—	(272)	—	—	—	—
Dividends to shareholders	—	—	—	—	—	—	—	—	(545)	(545)	(535)	(270)	(1,350)
Purchase own shares or contributions received from Heineken N.V. NCI shareholders by Heineken N.V.	—	—	—	—	—	—	—	—	(480)	(480)	(463)	1	(942)
Purchase own shares	—	—	—	—	—	—	—	(390)	—	(390)	—	—	(390)
Dilution	—	—	—	—	—	—	—	—	170	170	(170)	—	—
Share-based payments by Heineken N.V.	—	—	—	—	—	—	—	—	1	1	1	—	2
Acquisition/disposal of non-controlling interests in Heineken N.V. group companies by Heineken N.V.	—	—	—	—	—	—	—	—	(109)	(109)	(105)	(9)	(223)
Hyperinflation impact	—	—	—	—	—	—	—	—	83	83	80	—	163
Changes in consolidation by Heineken N.V.	—	—	—	—	—	—	—	—	178	178	171	732	1,081
<b>Balance as at 31 December 2023</b>	<b>461</b>	<b>1,257</b>	<b>(1,866)</b>	<b>(6)</b>	<b>(4)</b>	<b>34</b>	<b>999</b>	<b>(390)</b>	<b>9,248</b>	<b>9,733</b>	<b>9,928</b>	<b>2,733</b>	<b>22,394</b>

## Non-GAAP Measures

In the internal management reports, HEINEKEN consistently measures its segmental performance primarily based on operating profit and operating profit beia (before exceptional items and amortisation of acquisition-related intangible assets).

Wherever appropriate and practical, HEINEKEN provides reconciliations for relevant GAAP measures. The non-GAAP measures are unaudited.

<i>In millions of €</i>	<b>2023</b>	<b>2022</b>
<b>Operating profit (beia)</b>	<b>4,443</b>	4,502
Amortisation of acquisition-related intangible assets and exceptional items recorded in operating profit	(1,214)	(219)
Share of profit of associates and joint ventures	218	223
Net finance expenses	(925)	(336)
<b>Profit before income tax (IFRS)</b>	<b>2,522</b>	4,170
<b>Profit attributable to shareholders of the Company (net profit) (IFRS)</b>	<b>1,174</b>	1,343
<b>Non-controlling interests in Heineken N.V.</b>	<b>1,130</b>	1,339
	<b>2,304</b>	2,682
Amortisation of acquisition-related intangible assets recorded in operating profit	385	333
Exceptional items recorded in operating profit	829	(114)
Exceptional items recorded in net finance expenses/ (income)	30	(106)
Exceptional items and amortisation of acquisition-related intangible assets recorded in share of profit of associates and joint ventures	52	40
Exceptional items recorded in income tax expense	(831)	8
Allocation of exceptional items and amortisation of acquisition-related intangibles to non-controlling interests in Heineken N.V. group companies	(136)	(6)
<b>Net profit (beia)</b>	<b>2,632</b>	2,836

Due to rounding, this table will not always cast.

The 2023 exceptional items and amortisation of acquisition-related intangibles on net profit and loss amount to €329 million net expense (2022: €155 million net expense). This amount consists of:

- €385 million (2022: €333 million) of amortisation of acquisition-related intangibles and inventory recorded in operating profit, of which €317 million in amortisation, depreciation and impairments (2022: €333 million) and €68 million in raw material consumables and services (2022: nil).
- €829 million net exceptional expense (2022: €114 million net benefit) recorded in operating profit. This includes:
  - a net impairment of €683 million recorded in amortisation, depreciation and impairments, including impairment of €491 million for Heineken Beverages (total net impairment reversal in 2022: €132 million).
  - €209 million exceptional expense related to the recycling of foreign currency translation reserve upon selling the Russia disposal group recorded in amortisation, depreciation and impairments and €195 million of exceptional gain on sale of Vrumona B.V. (Vrumona) recorded in other income.
  - net restructuring expenses recorded in personnel expenses of €130 million (2022: €70 million).
  - €40 million exceptional benefit recorded in other income related to tax credits in Brazil (2022: €44 million net benefit as reduction recorded in marketing expense related to tax credits in Brazil).
  - €50 million net exceptional expense relating to hyperinflation accounting adjustments (2022: €44 million), of which €55 million income recorded in revenue (2022: €25 million), €69 million expense in raw materials consumables and services (2022: €54 million), €32 million expense in amortisation, depreciation and impairments (2022: €13 million) and €4 million in personnel expenses (2022: €2 million)
  - €8 million of other exceptional net benefits (2022: €52 million of other exceptional net benefits).
- €30 million of exceptional net finance expenses, mainly related to €125 million of exceptional net expense related to the one-off impact of the devaluation of the Nigerian Naira, €76 million of exceptional net benefit related to the net monetary gain resulting from hyperinflation, €30 million of exceptional net benefit mainly related to interest on tax credits in Brazil and €11 million other exceptional net finance expenses (2022: €106 million,

exceptional net finance benefit, mainly related to the net monetary gain resulting from hyperinflation of €94 million).

- €52 million of exceptional net expense (2022: €40 million net expense) included in the share of profit of associates and joint ventures, mainly relating to the amortisation of acquisition-related intangible assets.
- €831 million of exceptional net benefit in income tax expense, mainly related to the recognition of previously unrecognised deferred tax assets in Brazil of €661 million (2022: €8 million of exceptional net expense in income tax expense).
- Total amount of eia allocated to non-controlling interests in Heineken N.V. group companies amounts to €136 million net benefit (2022: €6 million, net benefit).

### Net debt

<i>(in € million unless otherwise stated)</i>	<b>FY23</b>	<b>FY22</b>
Non-current borrowings	14,046	12,893
Current borrowings	4,192	3,484
<b>Total borrowings</b>	<b>18,238</b>	<b>16,377</b>
Market value of cross-currency interest rate swaps	(3)	(17)
Other investments	(23)	(64)
Cash and cash equivalents	(2,377)	(2,765)
<b>Net debt</b>	<b>15,835</b>	<b>13,531</b>

### Capital expenditure related to PP&E and intangible assets (capex)

<i>(in € million unless otherwise stated)</i>	<b>FY23</b>	<b>FY22</b>
Purchase of property, plant and equipment	2,434	1,791
Purchase of intangible assets	243	220
<b>Capital expenditure related to PP&amp;E and intangible assets (capex)</b>	<b>2,677</b>	<b>2,011</b>

**Key figures<sup>1</sup>**

<i>(in € million unless otherwise stated)</i>	2022						2023			
	Reported	Eia	Beia	Reported	Eia	Beia	Currency translation	Consolidation impact	Organic growth	Organic growth
<b>Revenue</b>	34,676	-33	34,643	<b>36,375</b>	<b>-65</b>	<b>36,310</b>	<b>-1,168</b>	<b>1,253</b>	<b>1,582</b>	<b>4.6%</b>
Excise tax expense	-5,957	8	-5,949	-6,013	12	-6,001	305	-366	9	0.1%
<b>Net revenue</b>	<b>28,719</b>	<b>-25</b>	<b>28,694</b>	<b>30,362</b>	<b>-54</b>	<b>30,308</b>	<b>-864</b>	<b>887</b>	<b>1,591</b>	<b>5.5%</b>
Marketing and selling expenses	-2,692	-43	-2,735	-2,767	1	-2,766	76	-52	-54	-2.0%
Personnel expenses	-4,079	74	-4,005	-4,353	139	-4,214	69	-150	-128	-3.2%
Amortisation, depreciation and impairments	-1,886	207	-1,679	-3,096	1,268	-1,828	41	-64	-126	-7.5%
Other net (expenses)/income	-15,779	6	-15,773	-16,917	-141	-17,058	576	-656	-1,204	-7.6%
Total net other (expenses)/income	-24,436	244	-24,192	-27,133	1,268	-25,865	762	-922	-1,513	-6.3%
<b>Operating profit</b>	<b>4,283</b>	<b>219</b>	<b>4,502</b>	<b>3,229</b>	<b>1,214</b>	<b>4,443</b>	<b>-102</b>	<b>-35</b>	<b>78</b>	<b>1.7%</b>
Interest income	74	-1	73	90	0	90	-6	0	23	31.8%
Interest expense	-458	6	-452	-640	-4	-644	57	-55	-193	-42.7%
<b>Net interest income/(expenses)</b>	<b>-384</b>	<b>5</b>	<b>-380</b>	<b>-550</b>	<b>-4</b>	<b>-554</b>	<b>51</b>	<b>-55</b>	<b>-170</b>	<b>-44.8%</b>
Other net finance income/(expenses)	48	-111	-63	-375	34	-343	68	-12	-336	-537.3%
Share of profit of associates and joint ventures	223	40	263	218	52	270	-7	3	11	4.3%
Income tax expense	-1,131	8	-1,124	-121	-831	-952	-2	26	148	13.2%
Non-controlling interests	-357	-6	-363	-97	-136	-233	-2	-14	146	40.2%
<b>Net profit</b>	<b>2,682</b>	<b>155</b>	<b>2,836</b>	<b>2,304</b>	<b>329</b>	<b>2,632</b>	<b>6</b>	<b>-87</b>	<b>-123</b>	<b>-4.3%</b>
<b>EBITDA<sup>2</sup></b>	<b>6,392</b>	<b>52</b>	<b>6,444</b>	<b>6,543</b>	<b>-2</b>	<b>6,541</b>				

<sup>1</sup> This table will not always cast due to rounding.

<sup>2</sup> EBITDA is derived from 'operating profit' less 'amortisation, depreciation and impairments' plus 'share of profit of associates and joint ventures'.

**Key figures<sup>1</sup>**

<i>(in € million unless otherwise stated)</i>	2021						2022			
	Reported	Eia	Beia	Reported	Eia	Beia	Currency translation	Consolidation impact	Organic growth	Organic growth
<b>Revenue</b>	26,583	0	26,583	<b>34,676</b>	<b>-33</b>	<b>34,643</b>	<b>1,740</b>	<b>1,247</b>	<b>5,072</b>	<b>19.1 %</b>
Excise tax expense	-4,642	-41	-4,683	-5,957	8	-5,949	-159	-677	-431	-9.2 %
<b>Net revenue</b>	21,941	-40	21,901	<b>28,719</b>	<b>-25</b>	<b>28,694</b>	<b>1,582</b>	<b>570</b>	<b>4,642</b>	<b>21.2 %</b>
Marketing and selling expenses	-2,091	0	-2,091	-2,692	-43	-2,735	-150	-27	-467	-22.4 %
Personnel expenses	-3,485	-4	-3,489	-4,079	74	-4,005	-160	-40	-316	-9.1 %
Amortisation, depreciation and impairments	-1,959	420	-1,539	-1,886	207	-1,679	-81	-35	-24	-1.6 %
Other net (expenses)/income	-9,923	-1,445	-11,368	-15,779	6	-15,773	-933	-456	-3,016	-26.5 %
Total net other (expenses)/income	-17,458	-1,029	-18,487	-24,436	244	-24,192	-1,324	-558	-3,824	-20.7 %
<b>Operating profit</b>	4,483	-1,069	3,414	<b>4,283</b>	<b>219</b>	<b>4,502</b>	<b>258</b>	<b>12</b>	<b>818</b>	<b>24.0 %</b>
Interest income	49	-1	48	74	-1	73	6	0	18	37.2 %
Interest expense	-462	11	-451	-458	6	-452	-13	2	9	2.1 %
<b>Net interest income/(expenses)</b>	-413	10	-403	<b>-384</b>	<b>5</b>	<b>-380</b>	<b>-7</b>	<b>2</b>	<b>27</b>	<b>6.8 %</b>
Other net finance income/(expenses)	14	-108	-94	48	-111	-63	4	16	12	12.3 %
Share of profit of associates and joint ventures	250	-12	238	223	40	263	29	-32	29	12.1 %
Income tax expense	-799	-73	-872	-1,131	8	-1,124	-61	-11	-180	-20.7 %
Non-controlling interests	-211	-30	-241	-357	-6	-363	-26	-17	-79	-32.5 %
<b>Net profit</b>	3,324	-1,283	2,041	<b>2,682</b>	<b>155</b>	<b>2,836</b>	<b>198</b>	<b>-30</b>	<b>627</b>	<b>30.7 %</b>
<b>EBITDA<sup>2</sup></b>	6,692	-1,501	5,191	<b>6,392</b>	<b>52</b>	<b>6,444</b>				

<sup>1</sup> This table will not always cast due to rounding

<sup>2</sup> EBITDA is derived from 'operating profit' less 'amortisation, depreciation and, impairments' plus 'share of profit of associates and joint ventures'



## GLOSSARY

### Acquisition-related intangible assets

Acquisition-related intangible assets are assets that HEINEKEN only recognises as part of a purchase price allocation following an acquisition. This includes, among others, brands, customer-related and certain contract-based intangibles.

### Average effective interest rate

Net interest income and expenses related to the net debt position divided by the average net debt position calculated on a quarterly basis.

### Beia

Before exceptional items and amortisation of acquisition-related intangible assets. Whenever used in this report, the term “beia” refers to performance measures (EBITDA, net profit, effective tax rate, etc) before exceptional items and amortisation of acquisition related intangible assets.

### Beyond Beer

Alcoholic and non-alcoholic beverage propositions beyond core beer, which leverage natural ingredients and/or beer production process. This includes for example flavoured beer, Ciders, RTDs (Ready-To-Drinks) and malt based drinks.

### Capital expenditure related to PP&E and intangible assets (capex)

Sum of ‘Purchase of property, plant and equipment’ and ‘Purchase of intangible assets’ as included in the consolidated statement of cash flows.

### Cash conversion ratio

Free operating cash flow/net profit (beia) before deduction of non-controlling interests, calculated on an annual basis.

### Cash flow (used in)/from operational investing activities

This represents the total of cash flow from sale and purchase of Property, plant and equipment and Intangible assets, proceeds and receipts of Loans to customers and Other investments.

### Centrally available cash

Represents cash after the deduction of overdraft balances in the group cash pooling structure and other cash and cash equivalents owned at group level.

### Centrally available financing headroom

This consists of the undrawn part of the committed €3.5 billion revolving credit facility and centrally available cash, minus centrally issued commercial paper and short-term bank borrowings at group level.

### Consolidation changes

Changes as a result of acquisitions and disposals.

### Depletions

Sales by distributors to the retail trade.

### Dividend payout

Proposed dividend as percentage of net profit (beia).

### Earnings per share (EPS)

#### *Basic*

Net profit/(loss) divided by the weighted average number of shares – basic – during the year.

#### *Diluted*

Net profit/(loss) divided by the weighted average number of shares – diluted – during the year.

### EBITDA

Earnings before interest, taxes, net finance expenses, depreciation, amortisation and impairment. EBITDA includes HEINEKEN’s share in net profit of joint ventures and associates.

### Effective tax rate

Income tax expense expressed as a percentage of the profit before income tax, adjusted for share of profit of associates and joint ventures.

### Eia

Exceptional items and amortisation of acquisition-related intangible assets.

### Exceptional items

Items of income and expense of such size, nature or incidence, that in the view of management their disclosure is relevant to explain the performance of HEINEKEN for the period.

**Free operating cash flow**

Total of cash flow from operating activities and cash flow from operational investing activities.

**Gross merchandise value**

Value of all products sold via our eB2B platforms. This includes our own and third-party products, including all duties and taxes.

**Gross savings**

Structural cost reductions resulting from targeted initiatives to improve efficiency and productivity, relative to the baseline of expenses of a previous period adjusted for inflation. The gross savings exclude cost-to-achieve, consolidation changes and decisions to reinvest.

**Group net revenue (beia)**

Consolidated net revenue (beia) plus attributable share of net revenue (beia) from joint ventures and associates.

**Group operating profit (beia)**

Consolidated operating profit (beia) plus attributable share of operating profit (beia) from joint ventures and associates, excluding Heineken N.V. Head Office and eliminations.

**HEINEKEN**

Heineken Holding N.V., Heineken N.V., its subsidiaries and interests in joint ventures and associates

**Net debt**

Non-current and current interest-bearing borrowings (incl. lease liabilities), bank overdrafts and market value of cross-currency interest rate swaps less cash, cash equivalents and other investments.

**Net profit**

Profit after deduction of non-controlling interests (profit attributable to shareholders of Heineken Holding N.V.).

**Net revenue**

Revenue as defined in IFRS 15 (after discounts) minus the excise tax expense for those countries where the excise is borne by HEINEKEN.

**Net revenue per hectolitre**

Net revenue divided by total consolidated volume.

**Organic growth**

Growth excluding the effect of foreign currency translational effects, consolidation changes, exceptional items and amortisation of acquisition-related intangible assets.

**Organic Growth %**

Organic growth divided by the related prior year beia amount. Whenever used in this report, the term “organically” refers to the organic growth % of the related performance measures (revenue, operating profit, net profit, etc).

**Organic volume growth**

Growth in volume, excluding the effect of consolidation changes.

**Price mix on a constant geographic basis**

Refers to the different components that influence net revenue per hectolitre, namely the changes in the absolute price of each individual SKU and their weight in the portfolio. The weight of the countries in the total revenue in the base year is kept constant.

**Profit**

Total profit of HEINEKEN before deduction of non-controlling interests.

Pro-forma 12-month rolling net debt/EBITDA (beia) ratio

Net debt divided by the 12-month rolling pro-forma EBITDA (beia), which includes acquisitions and excludes disposals on a 12-month pro-forma basis.

®

All brand names mentioned in this report, including those brand names not marked by an ®, represent registered trademarks and are legally protected.

**Region**

A region is defined as HEINEKEN's managerial classification of countries into geographical units.

**Total borrowings**

Sum of 'Non-current borrowings' and 'current borrowings' as included in the consolidated statement of financial position.

**Variable cost**

Includes input costs (raw material, packaging material and inventory movements), transport and energy & water.

**Volume***Beer volume*

Beer volume produced and sold by consolidated companies.

*Brand specific volume (Heineken<sup>®</sup> volume, Amstel<sup>®</sup> volume, etc.)*

Brand volume produced and sold by consolidated companies plus 100% of brand volume sold under licence agreements by joint ventures, associates and third parties.

*Group beer volume*

The sum of beer volume, licensed beer volume and attributable share of beer volume from joint ventures and associates.

*Licensed volume*

100% of volume from HEINEKEN's beer brands sold under licence agreements by joint ventures, associates and third parties.

*LONO*

Low- and non-alcoholic beer, cider & brewed soft drinks with an ABV  $\leq$  3.5%.

*Non-beer volume*

Cider, soft drinks and other non-beer volume produced and sold by consolidated companies.

*Premium beer*

Beer sold at a price index equal or greater than 115 relative to the average market price of beer.

*Third-party products volume*

Volume of third-party products (beer and non-beer) resold by consolidated companies.

*Total consolidated volume*

The sum of beer volume, non-beer volume and third-party products volume.

**Weighted average number of shares***Basic*

Weighted average number of outstanding shares.

*Diluted*

Weighted average number of shares outstanding, adjusted for the weighted average number of own shares purchased or held.