



2022 Investors' Forum

Sep/2022



DISCLAIMER

This presentation contains forward-looking statements with regard to the financial position and results of Nigerian Breweries activities. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements.

Many of these risks and uncertainties relate to factors that are beyond Nigerian Breweries ability to control or estimate precisely, such as future market and economic conditions, the behaviour of other market participants, changes in consumer preferences, costs of raw materials, interest rate and foreign exchange fluctuations, change in tax rates, changes in law, changes in pension costs, the actions of government regulators and weather conditions.

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Market share estimates contained in this presentation are based on outside sources in combination with management estimates.

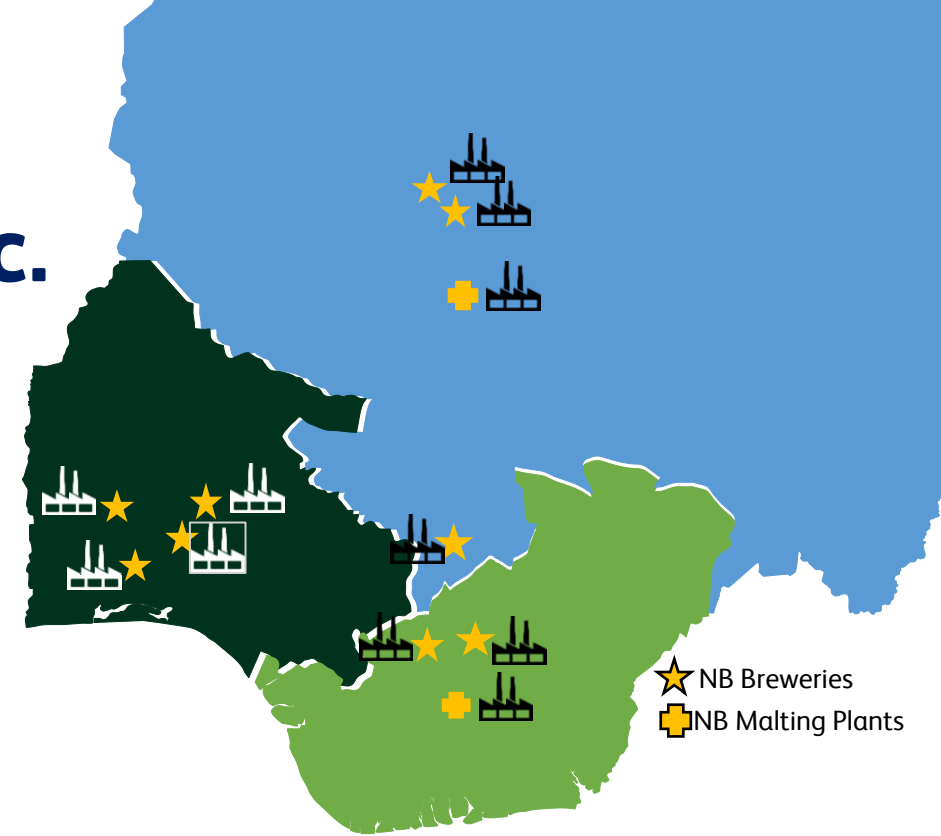
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2. Market Overview
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4. BaBW
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Nigerian Breweries Plc. at a glance



18 Sales regions
with National Coverage

9 Breweries
1 Malting Plant

#1 in Lager, #1 in Malt, #2 in Stout

2,797
Employees



Market Capitalisation
(Naira)

₦327bn

Market Capitalisation
(US Dollar)

\$743m

Number of Shareholders

111,364

Heineken N.V.
Shareholding

56.69%



Business continuity is impacted by social & economic headwinds



Forex scarcity



Currency devaluation



Volatile fiscal policies



Continued insecurity



Spiraling brain drain



Supply chain disruption

Latest Business Continuity Challenges

Flooding



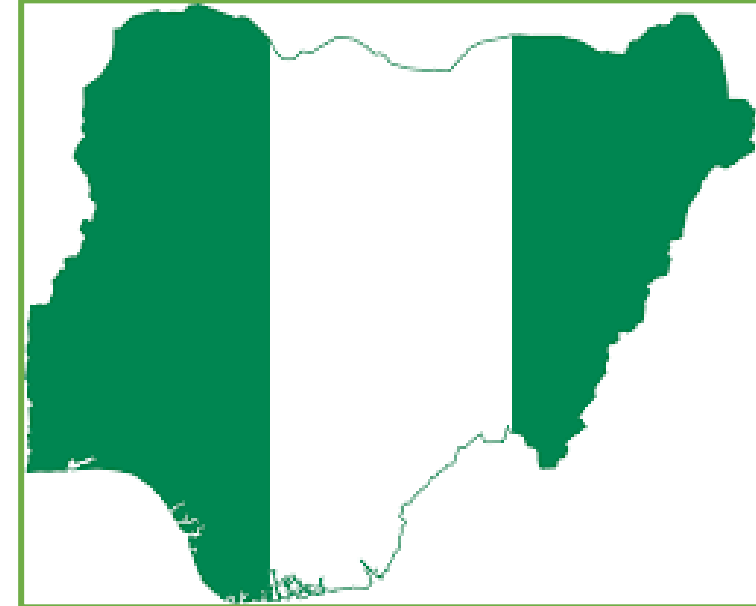
- Over 600 killed and 2 million people displaced across 27 states; this is Nigeria's worst floods in a decade.
- Severe damage to infrastructure and farmland in the affected areas, leading to loss of crops, and hindering access to these areas

Energy Crisis



- Global energy crisis resulting in escalating cost of operations
- National grid collapse
- Diesel prices have surged by 209% since January 2022

Investor/ Regulatory Uncertainty

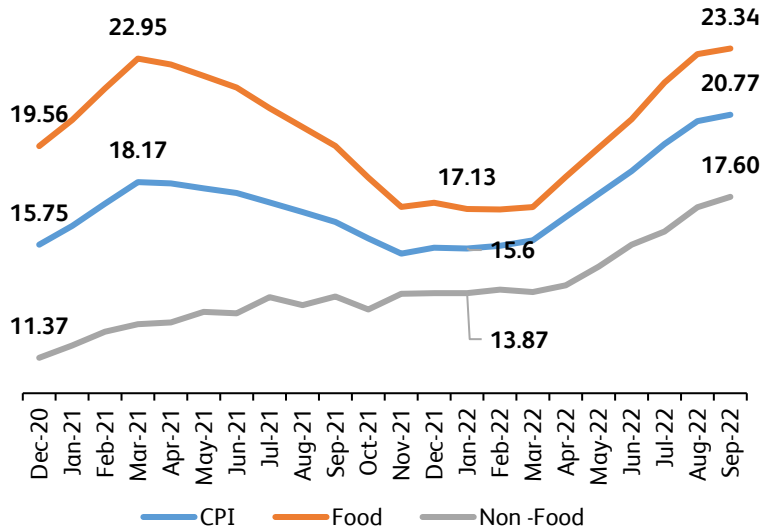


- Revised excise duty roadmap may lead to higher duties in 2023
- Increasing levies, rates and taxes

Despite the macro-economic challenges, there is still potential for growth

Annual headline inflation

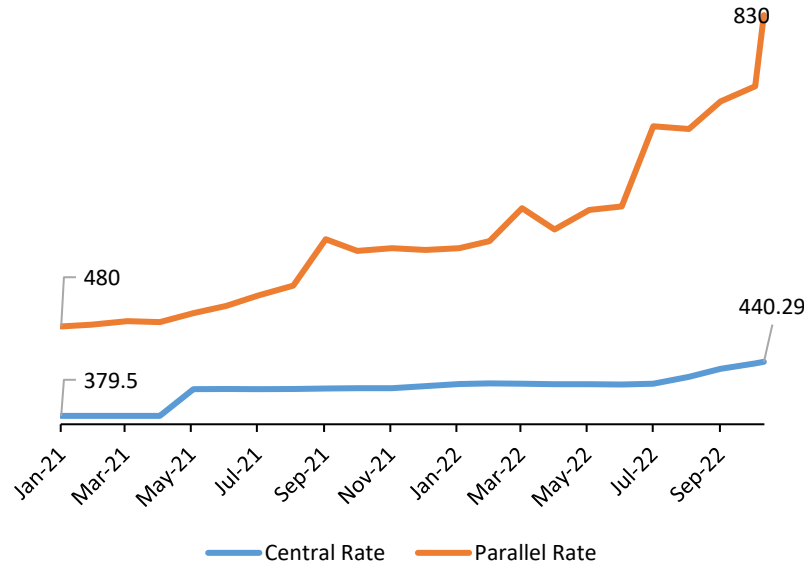
(y-o-y Percent)



Unprecedented rate of inflation with a decade long high in 2022

Naira vs dollar devaluation in 2022

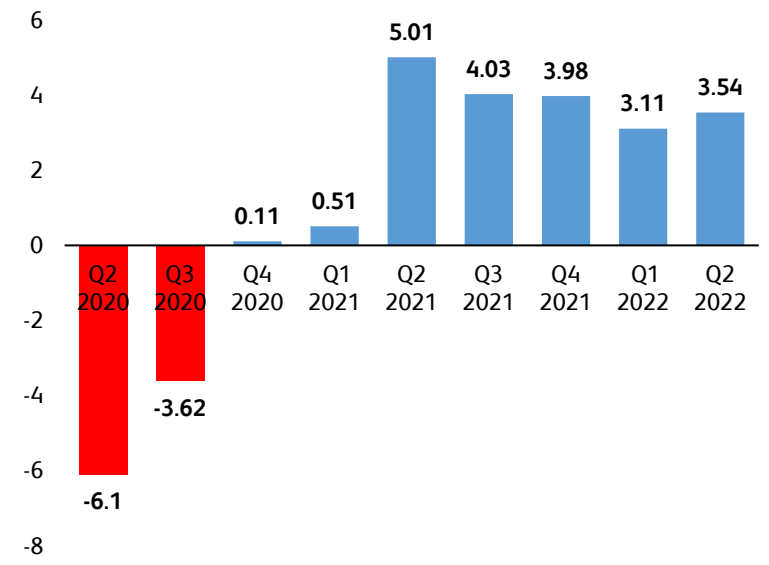
(Naira per 1 dollar)



Foreign currency remains Scarce, and various FX windows promoting arbitrage

Nigerian Real GDP growth rate

(q-o-q Percent)



The Nigerian economy continues to experience growth although at a slower pace



Our strategy to win

Lead and Accelerate Premium Lager
led by Heineken®

Create Value in Mainstream Lager with our Regional Brands

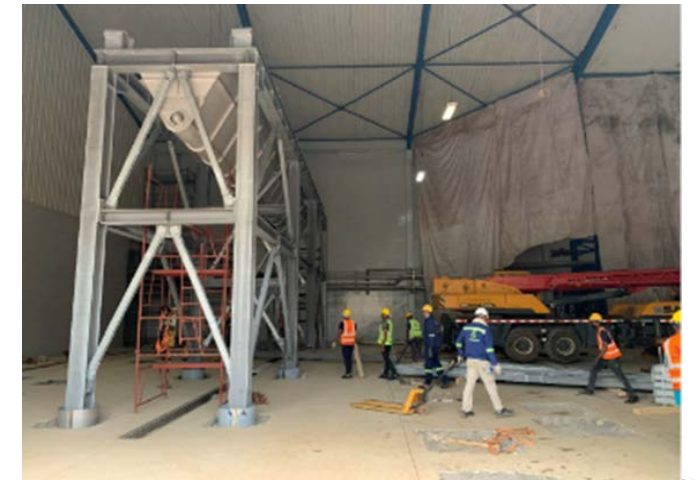
Intentionally Expand Beyond Beer
(NADs and Adjacencies)

Enhance RtC whilst improving Customer Experience

Build Compliant Value Creating
Digital Eco-System

The Ama (Enugu) Brewery Expansion Project – Commissioned in April 2022

- Executed the AMA Brewery Expansion
- Will improve our production capacity from 3million hectolitres to 4.8mhl
- Expansion will increase revenue and improve economic activities to the state
- Expansion work is in full compliance with international safety standards to protect our environment and our people



Our Route to Consumer continues to expand

B2B (Quickdrinks)



Customer Convenience

Most of our digitally savvy customers will use B2B as their **first point of contact** with NB, engaging with us at their convenience 24/7 and have access to all services

Coverage

2022 Actuals = 108k (19%)



Telesales



Customer Care

Become modal touchpoint and provide full suite of issue management services that **seamless resolves customer issues**

Coverage

2022 Actuals = 142k (27%)



Presales (Sales Rep)



Customer Success

Our front-line will become trusted **business advisors to drive customer growth** leveraging data driven recommendations & digital tools

Coverage

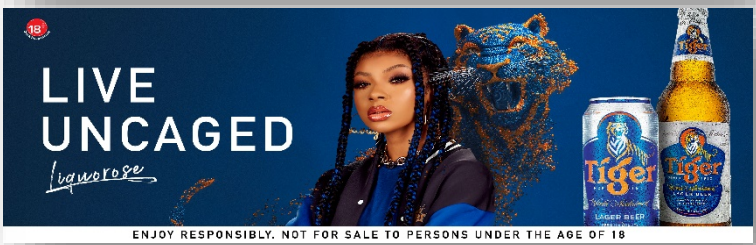
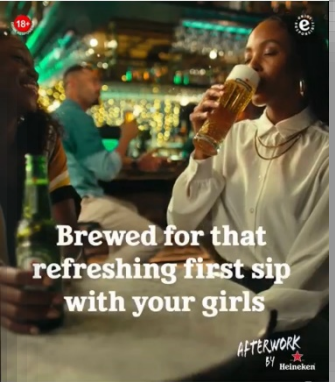
**2022 Actuals = 275k
SR & TSR No. = 2,115**



Our Premium offerings continue to explore relevant passion points

Excite the youthful population by bringing beer and fashion together

Drive penetration in key premium outlets and premium occasions with the launch of draught and 44CL Can



Our regional mainstream brands continue to explore cultural cues blended with modernity

Ariya Omoluabi '22



Anikulapo Premiere '22



Goldberg Osun Osogbo Festival '22



Hi Life Fest '22

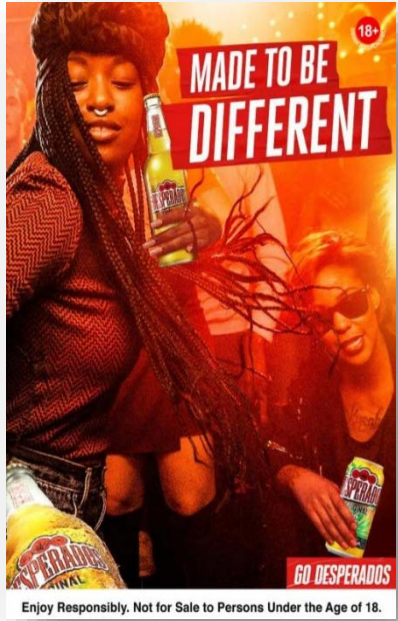


Brand Relaunch with new Liquid



ENJOY RESPONSIBLY. NOT FOR SALE TO PERSONS UNDER AGE OF 18

Beyond Beer, we continue to win At Scale With Diverse Tastes & Powerful Brands that excite consumers

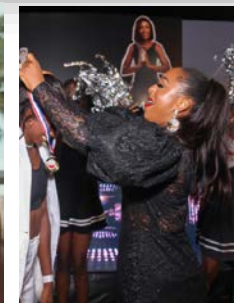


Our Non-Alcoholic portfolio remains vibrant with consumer connections and innovations

Dialing up meaningfulness in the north with a new Northern Specific TVC

Leveraging global assets to drive awareness for Amstel Ultra

Exciting consumers with the launch of Zagg our new Energy Malt Drink





Brew a Better World Progress

We are making steady progress against our Brew a Better World strategy focusing on three areas:

1. Raising the bar on **climate action**
2. Accelerating our **social sustainability** agenda through community impact
3. Advocating the **moderate consumption** of alcohol



PROGRESS EXAMPLES



Carbon

26

Carbon & Water-reducing initiatives completed in 2022



Water

61,024

trees planted in 2022 at Olokemeji Forest Reserve



Gender

1

NGX- listed Company with highest number of female board members



Responsible

16,914

students educated against alcohol abuse

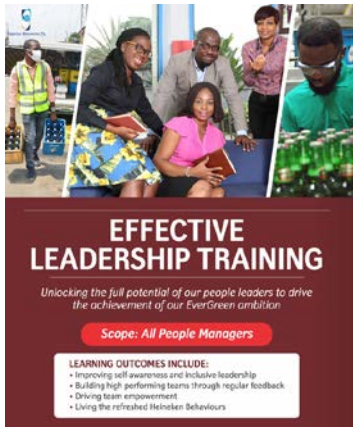


HydroPower Agreement with Konexa for Kudenda and Kakuri Breweries in Kaduna

Unlocking the Full Potential of Our People

We are investing in targeted capability building across different leadership categories and employee groups to guarantee business continuity.

Leadership (People Managers)



EFFECTIVE LEADERSHIP TRAINING

Unlocking the full potential of our people leaders to drive the achievement of our EverGreen ambition

Scope: All People Managers

LEARNING OUTCOMES INCLUDE:

- Improving self awareness and inclusive leadership
- Building high performing teams through regular feedback
- Driving team empowerment
- Living the refreshed Heineken Behaviours

Functional (All Employees - Sales & Supply Chain Academies)



Health & Wellbeing (All Employees)



FOSTERING MENTAL WELLBEING IN THE WORKPLACE

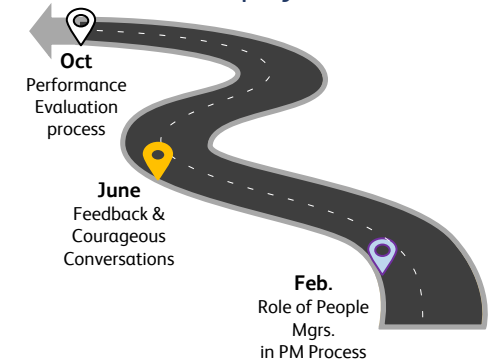
11TH OCT. 3.00PM - 4.30PM

SPEAKER: Fatimah Irekoya, Clinical Psychologist, Pinnacle Medical Services

SPEAKER: Dr. Deborah Okunwusi, Medical Officer, Pinnacle Medical Services

HOST: Dr. Olutomi Kamigboje, Company Medical Advisor

Performance Mgt. Capabilities (All Employees)



Talent Development (Successors)



Developing Women in NB

Objective: To unlock the full potential of the Women in Nigerian Breweries through platforms that help them to connect and engage



Capability Development

- Bi Monthly learning courses
- WINB Mentoring Programme
- Building Your Network

Celebration & Inspiration

- 2022 IWD Panel Discussion
- WIMBIZ IWD Programme
- Workplace recognitions of WINB achievements
- Launch of WINB Newsletter

Knowledge Sharing

- Articles on Workplace

Professional Networking

- Creation of WINB Teams Channel and continuous engagement on Workplace
- WINB onboarding of new female hires
- WIMBOARD Mentoring

Upcoming activities:

- Public Speaking Masterclass
- Women Interactive Network
- 2022 SHE Conference

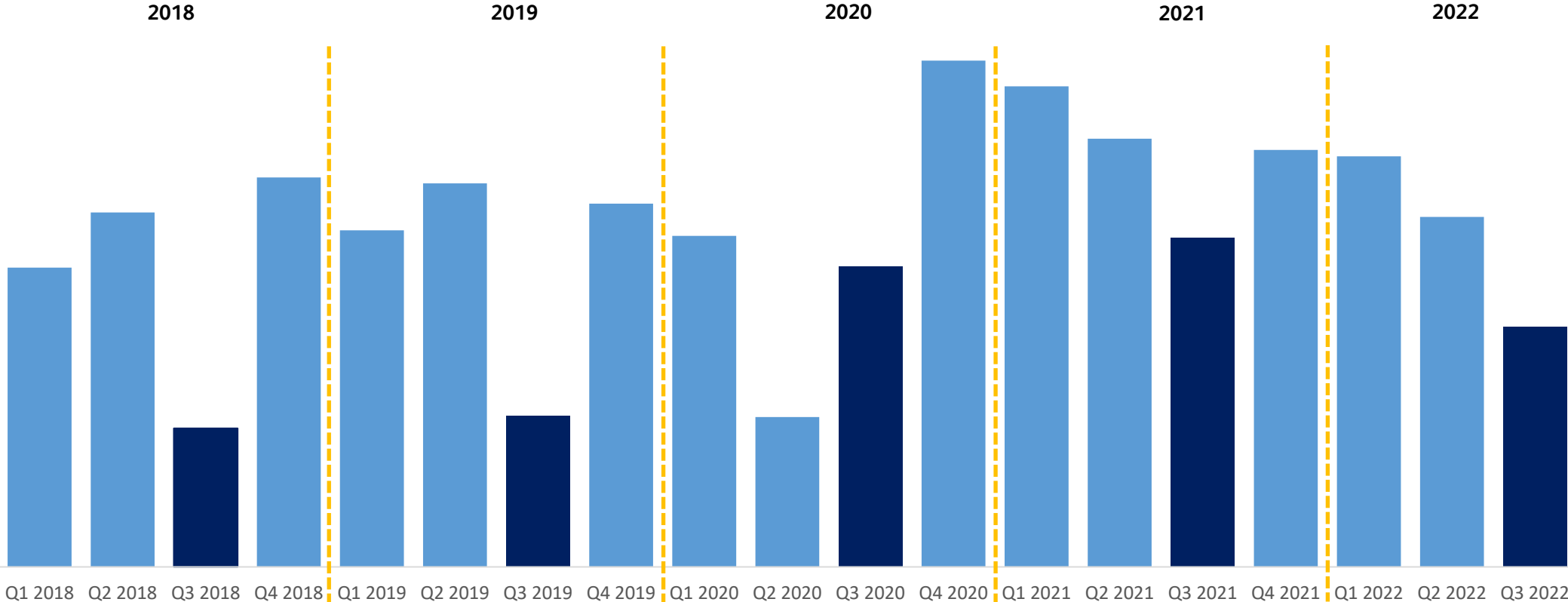
...Including globally mandatory courses from HEINEKEN for all employees (Code of Business Conduct (COBC) training, All Inclusive e-learning, Data Privacy, Life Saving Commitments, etc.)

- September 2022
Financial results

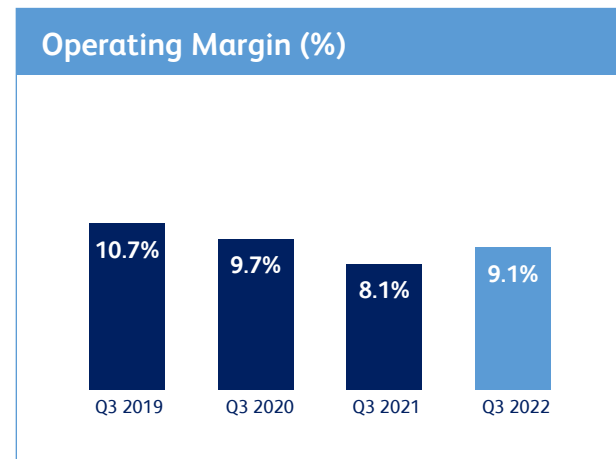
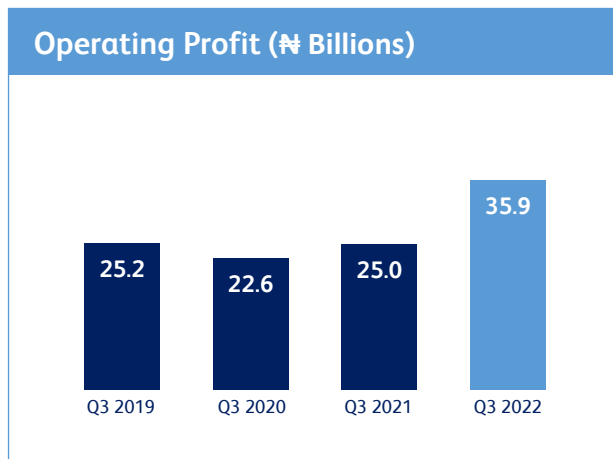
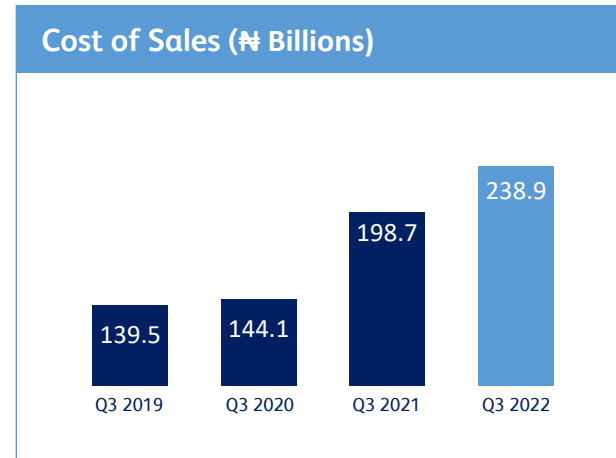
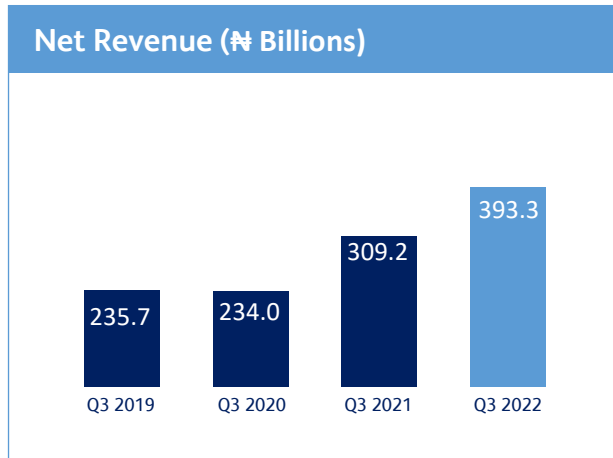


Volume seasonality has returned after 2021

Volume Development (mHL)



Key Financial Indicators

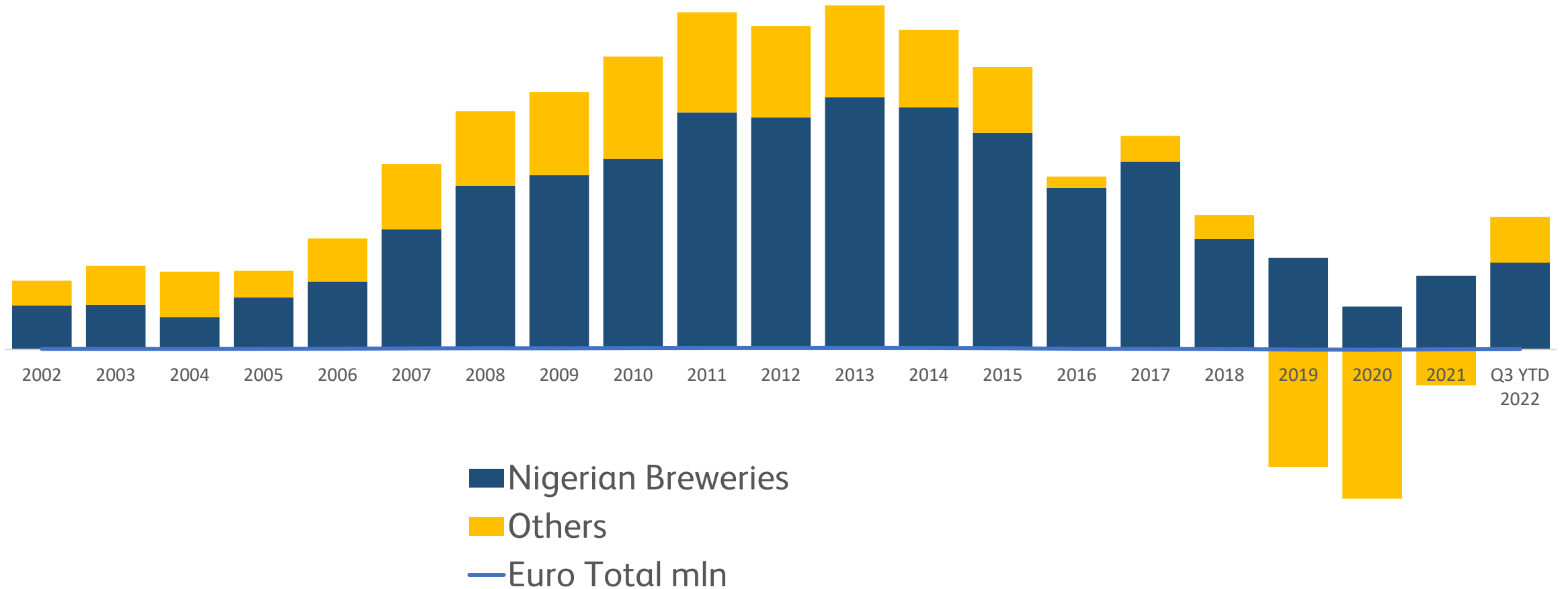


Highlights

- Pricing strategy has moderated margin pressures from input costs
- Cost leadership strategy has secured Cost of Sales growth below inflation
- Margins continue to be under pressure mainly from lower disposable income, inflationary pressure on input costs and naira devaluation

* All indicators are related to 9 months of each year displayed i.e. YTD Q3

Profit pool recovering, despite input cost pressure

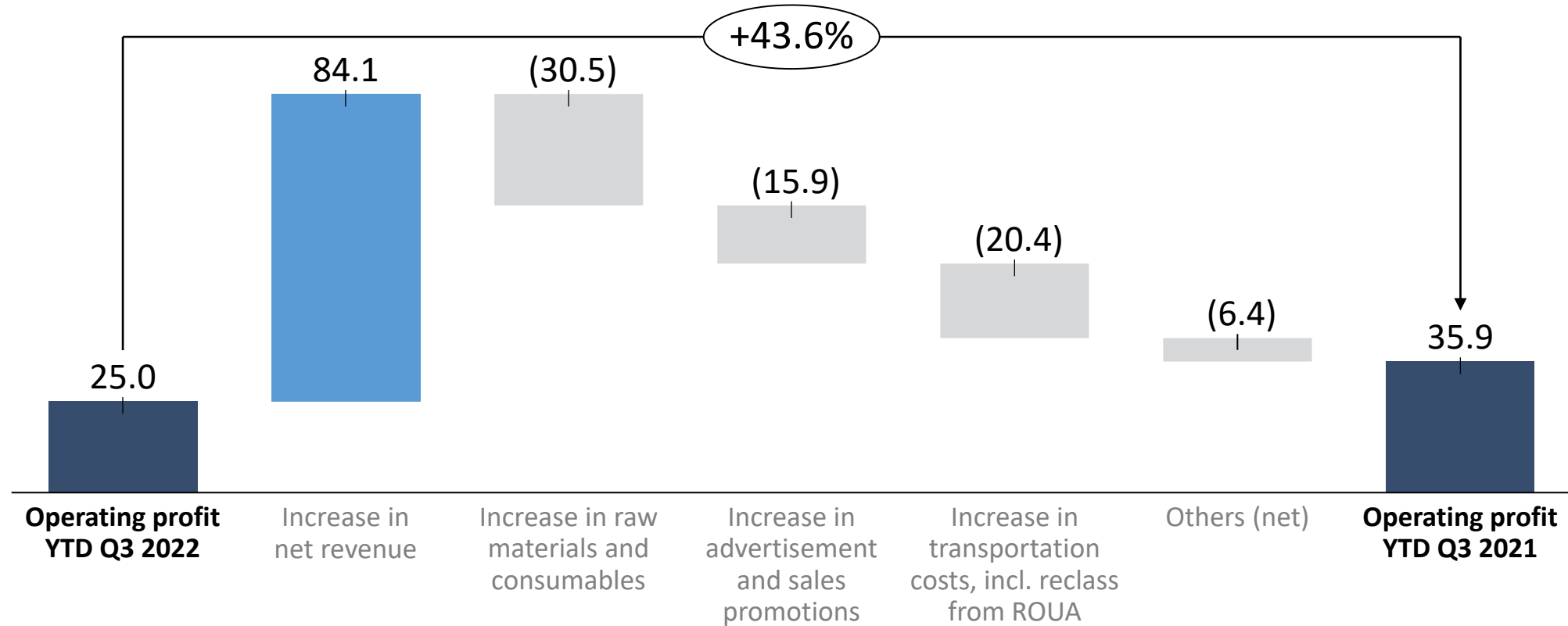


Financial Overview

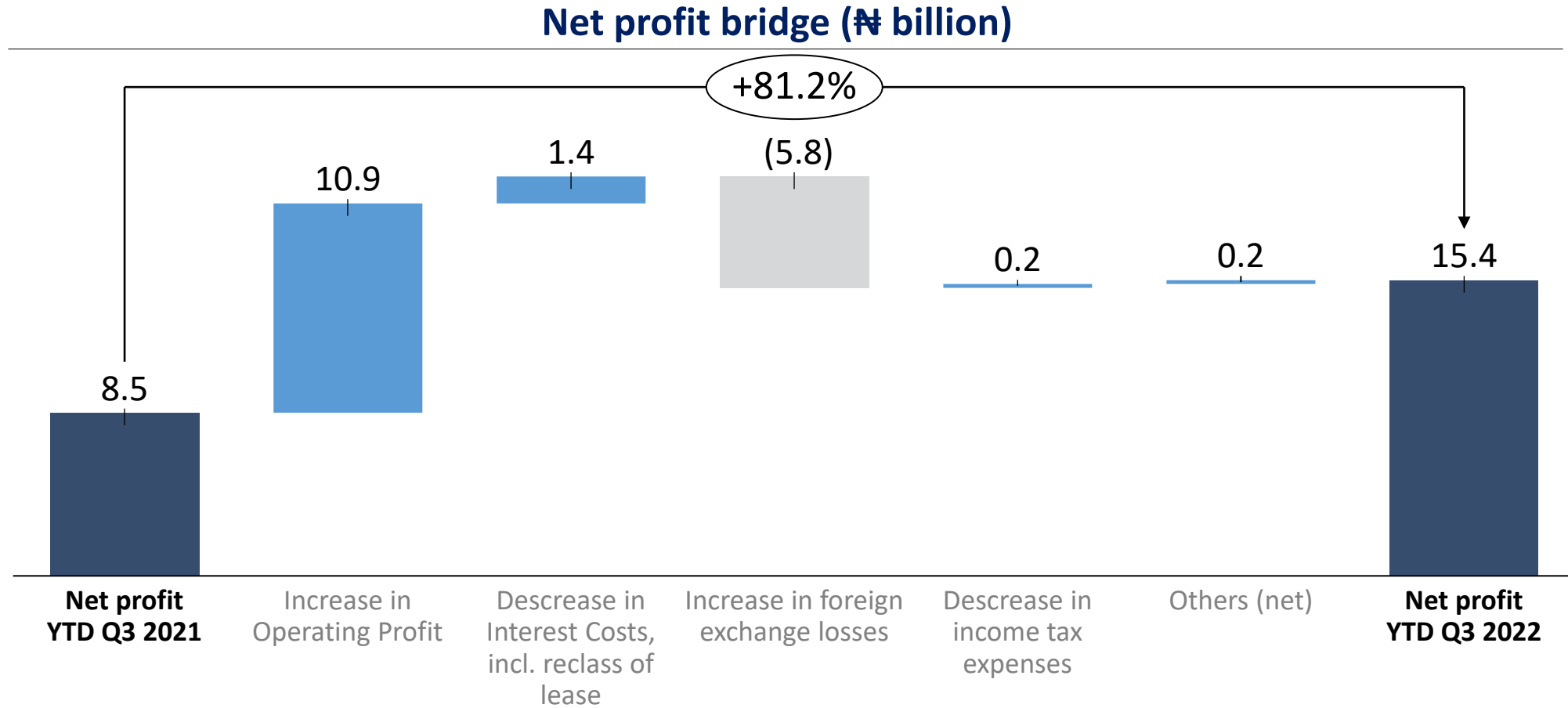
Summary of Profit or Loss (₦ Billions)	Q3 YTD 2022	Q3 YTD 2021	Change in %
Revenue	393.3	309.2	27.2%
Cost of Sales	(238.9)	(200.0)	19.5%
Gross Profit	154.4	109.3	41.3%
Operating Profit	35.9	25.0	43.6%
Net financing expenses	(16.3)	(12.1)	35.4%
Profit Before Tax	19.6	13.0	51.1%
Taxation	(4.4)	(4.5)	-3.4%
Results after Tax	15.3	8.5	80.1%
EBITDA	91.7	54.7	67.7%
Operating Profit Margin %	9.1%	8.1%	104 bps
EPS (kobo)	189.0	105.0	80.0%

Pricing mitigating the increase in input costs

Operating profit bridge (€ billion)



Naira devaluation pressuring net profit



Financial Position

Summary of Financial Position	Sep-22	Sep-21	Change in %
Property, Plant & Equipment	290.9	213.2	36.4%
Right of Use Asset	9.6	39.2	-75.6%
Inventories	94.1	57.5	63.8%
Trade and Other Receivables	38.0	22.2	70.9%
Cash	14.7	11.8	24.7%
Other Assets	105.6	113.0	-6.5%
TOTAL ASSETS	552.9	456.8	21.0%
Non Current Liabilities	39.6	68.3	42.0%
Borrowings	108.1	43.7	-147.4%
Trade and Other Payables	202.1	158.7	-27.3%
Other Liabilities	18.0	18.5	2.9%
Equity	185.2	167.7	10.4%
TOTAL EQUITY AND LIABILITIES	552.9	456.8	21.0%
Interest Cover	5.6	3.2	
Net debt / EBITDA ratio	1.1	1.2	

Key messages

- The Nigerian beer market fundamentals remain strong with a high growth potential.
- Country volatility remains a high risk on macro-economic indicators, security and infrastructure. For the remaining of 2022, the impact increased activities during pre-elections is yet to be seen and the impact of the CBN initiative to change bank notes is not yet known.
- Lower disposable income and high input costs as a result of inflation and naira devaluation are putting margins under pressure.
- We have the pricing strategy as well as the Cost & Value agenda to maintain leadership in the market, including driving profitability.
- We have the history, footprint, brand portfolio and people to capture the expected growth in Nigeria. With the capacity expansion in AMA, we are ready to capture the movements of the market.
- We remain committed to long term value creation for our Shareholders and have the right strategy to achieve this.

Q & A

