



Facts Behind the Figures

PRESENTATION 2020



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.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Nigerian Breweries does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.

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

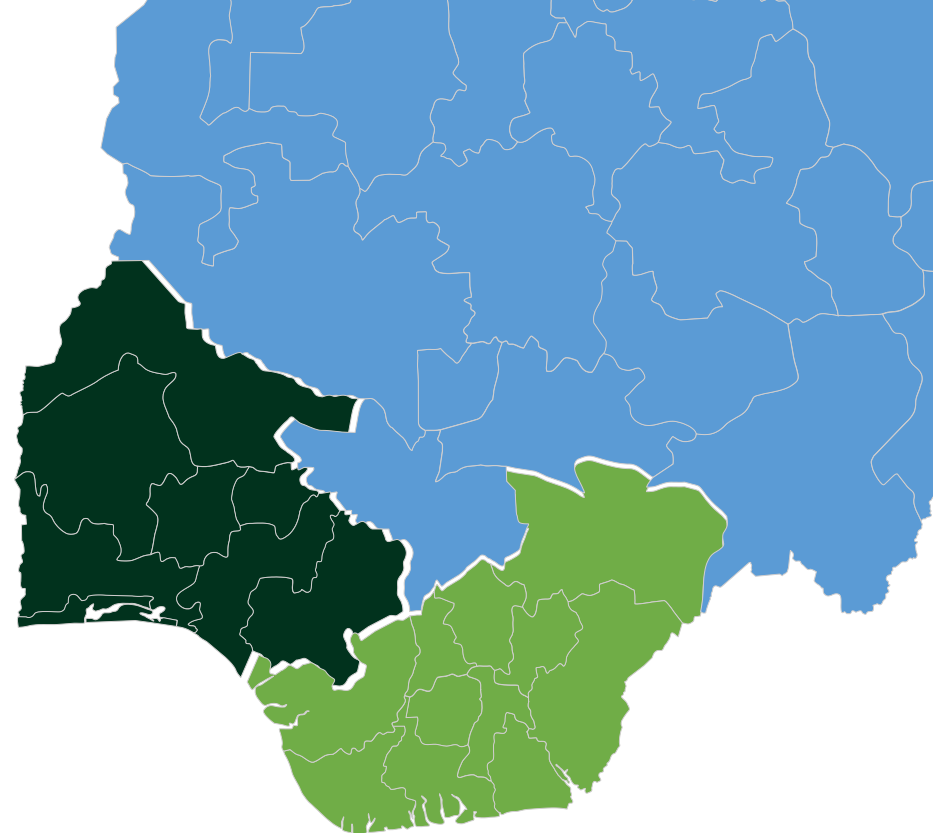


CONTENT

1. Nigerian Breweries Plc
2. Market Overview
3. Our strategy to win
4. Financial Results
5. 2021 Outlook



Nigerian Breweries Plc. at a glance



NGN 234.0bn

Net revenue

NGN 162.2bn

Net assets

NGN 22.6bn

Operating profit

1.6x

Net debt/EBITDA

c. 3,100

Employees

Figures as of 30th September 2020



...listed on The Nigerian Stock Exchange, with a strong Board and Corporate governance

Key Numbers

Market Capitalisation
(Naira)

₦391bn

Market Capitalisation
(US Dollar)

\$1bn

Number of
Shareholders

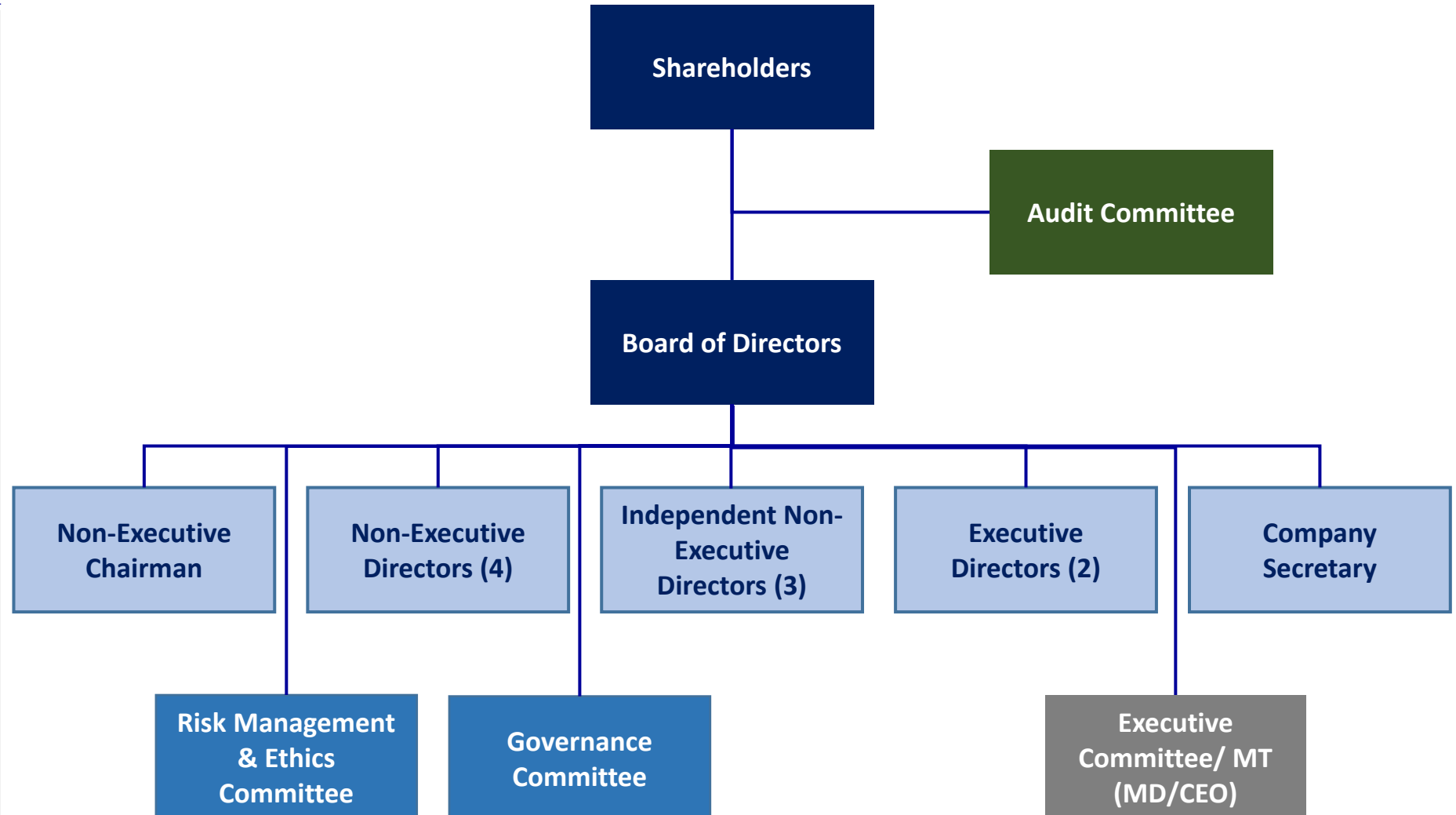
111,600

Heineken N.V.
Shareholding

56%

Institutional & Retail
Shareholders

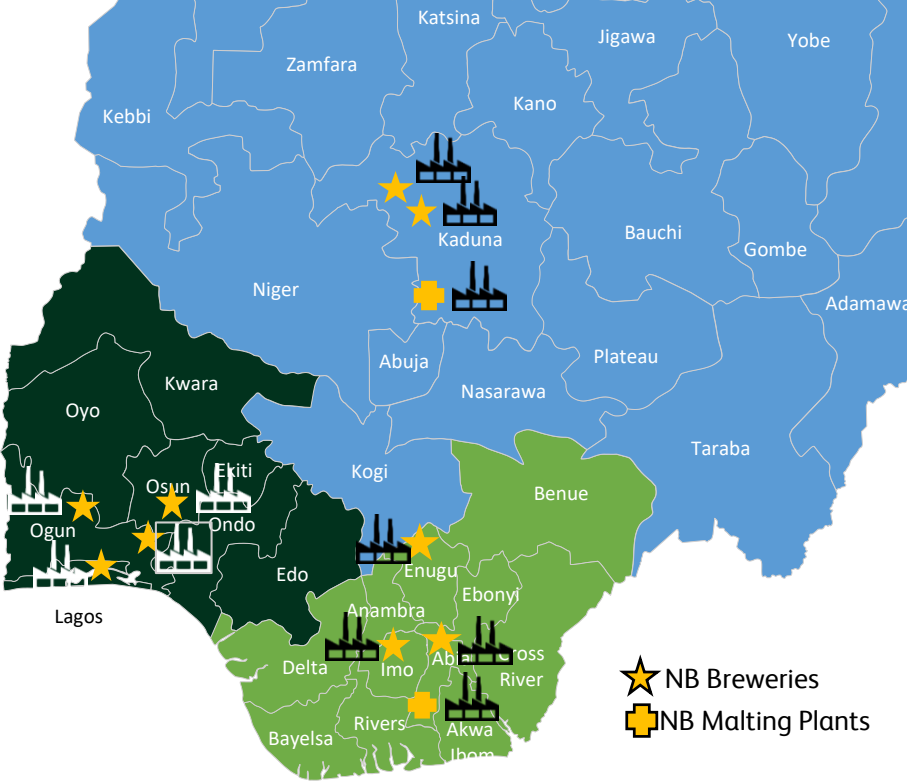
44%



Well diversified footprint

18 Sales regions

With National Coverage



WEST ZONE

#1 in Malt, #2 in Lager and Stout
4 breweries



EAST ZONE

#1 in Malt, #2 in Lager and Stout
3 breweries and 1 malting plant



NORTH ZONE

#1 Lager, Stout and Malt
2 breweries and 1 malting plant



NB Management Team | Diverse Experiences and Rich Perspectives



Jordi BORRUT BEL
Managing Director/CEO



Grace OMO-LAMAI
HR Director



Martin KOCHL
Supply Chain Director



Sade MORGAN
Corporate Affairs Director



Uaboi AGBEBAKU
*Company Secretary &
Legal Director*



Rob KLEINJAN
Finance Director



Phil ANEKE
Digital and Technology Director



Emmanuel ORIAKHI
Marketing Director



Uche UNIGWE
Sales Director

Nigeria, Africa's largest economy, is truly an attractive market

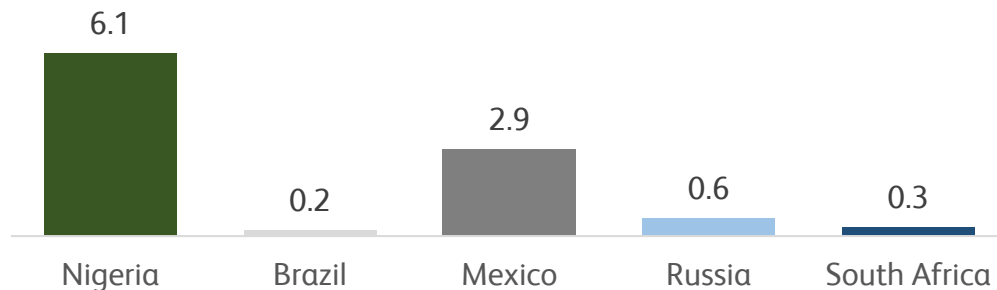
Population of Nigeria (2010 – 2020)

(million people)



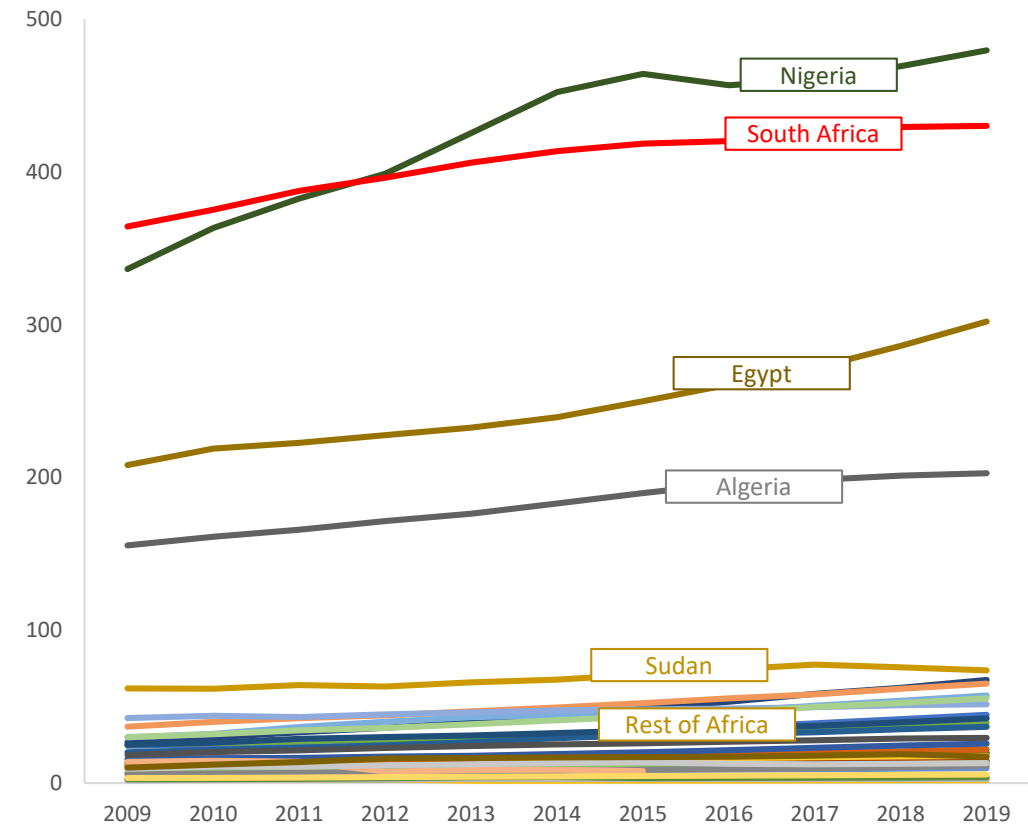
Remittance Inflows

(% of GDP)



Real GDP by Country (2009 – 2019)

(Billion USD)

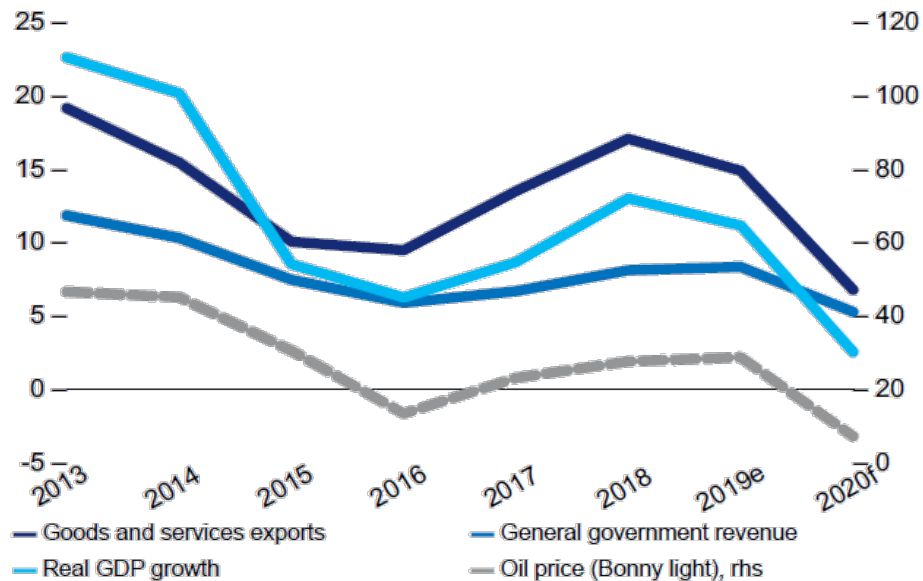


A country not without its challenges...

Oil prices (9% of total GDP) on the decline, impacting GDP growth

Oil price, GDP growth, exports and government revenues

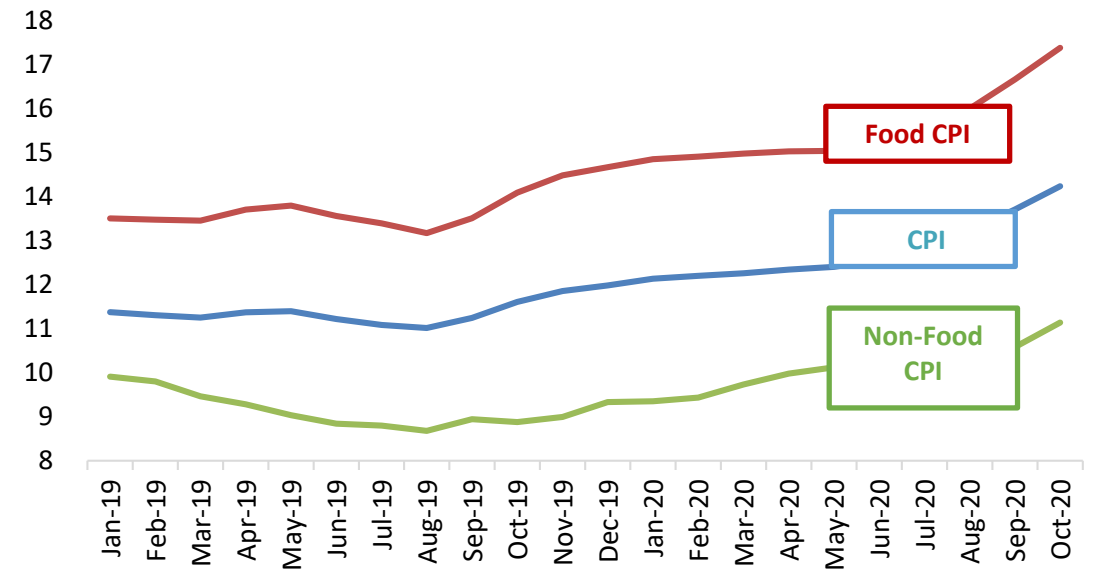
(Percent GDP)



Country inflation has hit a 29-month all time high of 14.23% in October 20, driven by food prices

Annual headline inflation

(y-o-y Percent)

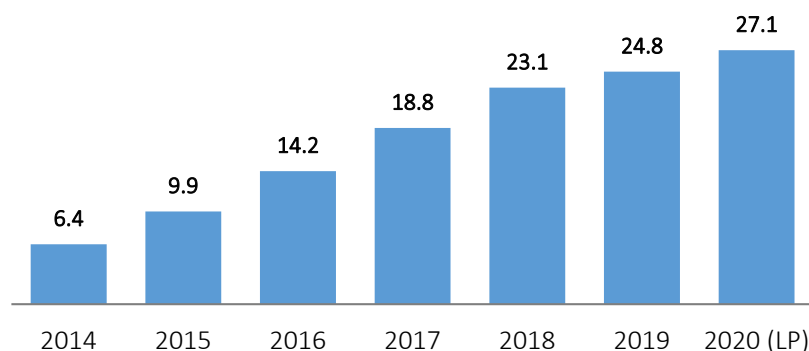


...with COVID-19 having far reaching effects

As unemployment accelerates...

Unemployment rate

(y-o-y Percent)



27%
UNEMPLOYMENT
RATE
Q2 '20

79%
HOUSEHOLDS
REPORT INCOME
LOSS
(Between Jan and June '20)

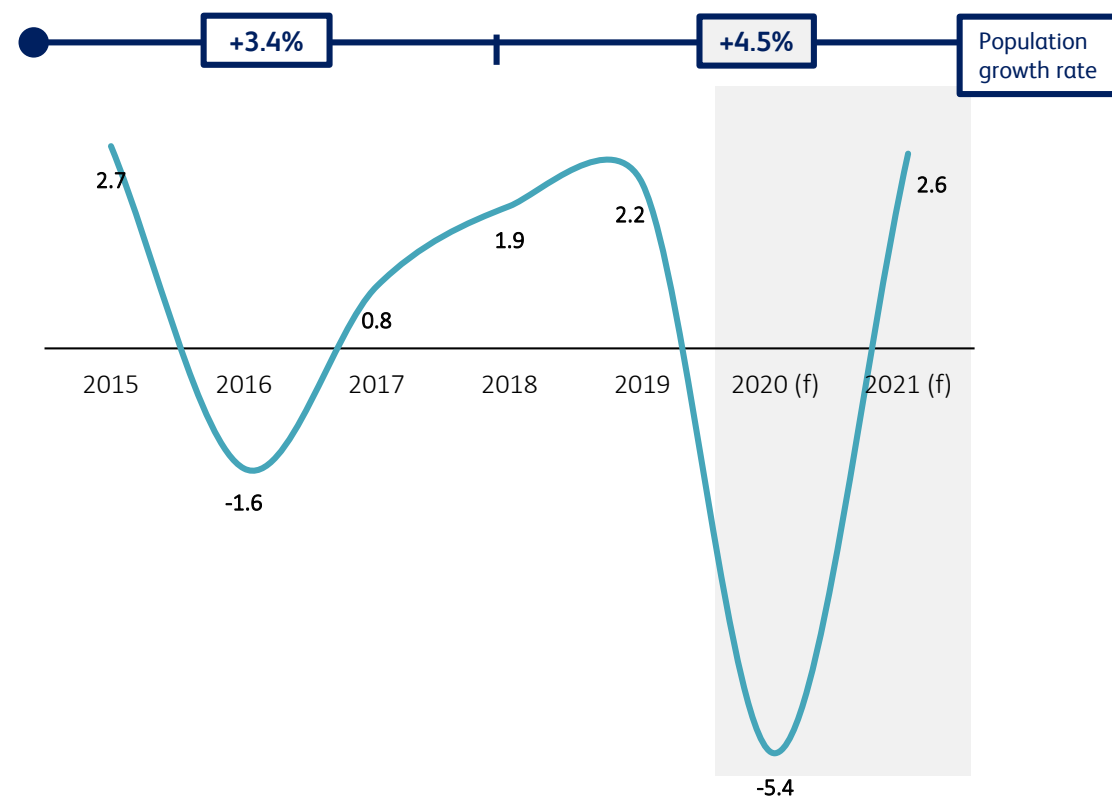
21.7M
UNEMPLOYED

55.7%
COMBINED
UNEMPLOYMENT/
UNDEREMPLOYMENT

... and population growth remains ahead of GDP growth rate

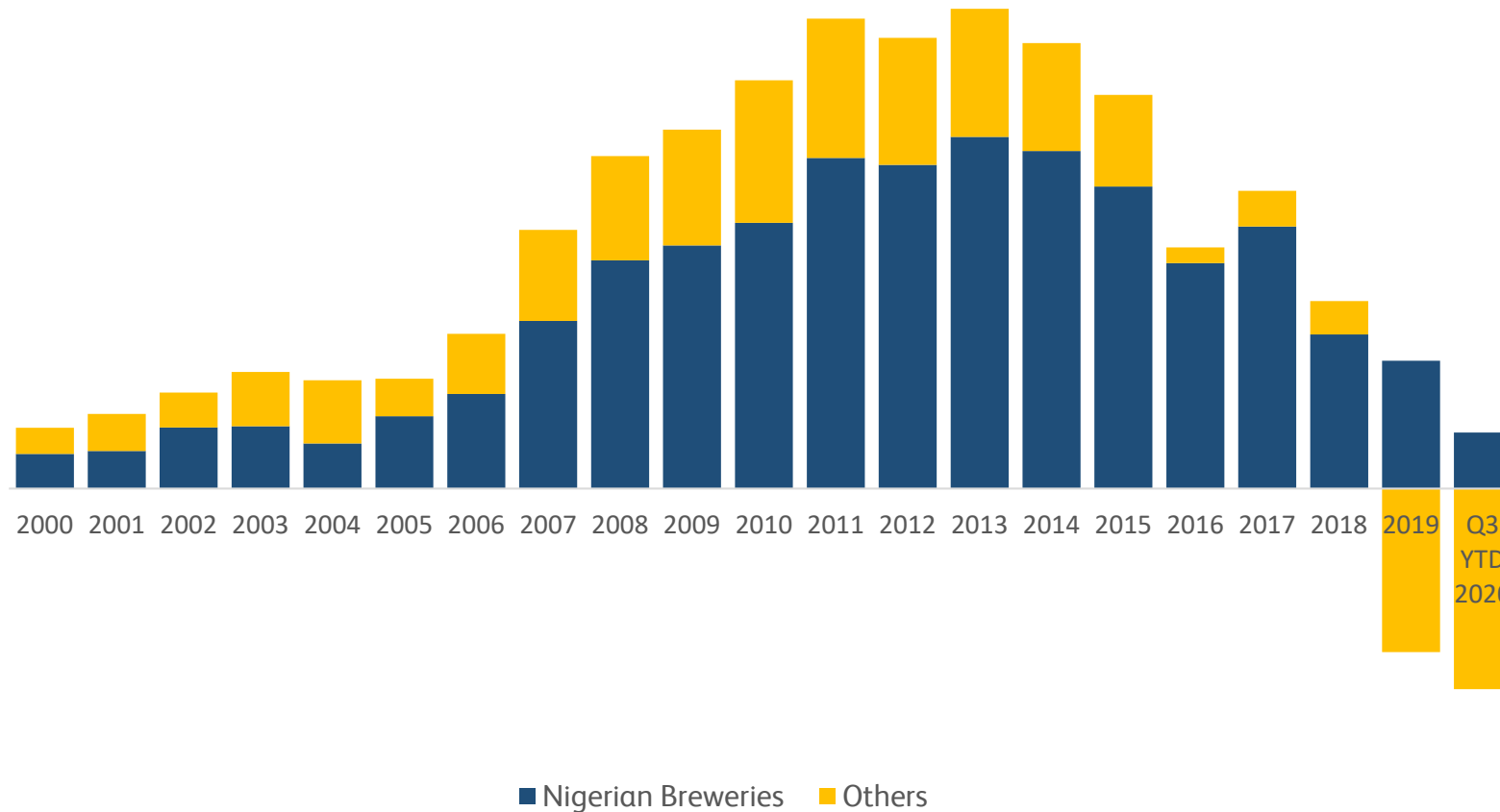
Nigerian Real GDP growth rate

(y-o-y Percent)



Beer sector profit pool under pressure

Nigerian Beer Market Profit Pool (Bln Naira)



Historically profit pool contracted due to:

- Higher taxes
- Currency devaluation
- Consumer down trading
- Material cost inflation
- Promotional intensity

2020: Driving growth amidst a pandemic



CREATE A WINNING CULTURE

- Stay safe; stay strong
- Workplace flexibility & adaptability
- No redundancy



COMMERCIAL AGILITY

- Leverage our strong digital strategy
- Optimized commercial spend
- Flexible sales contact method



POSITION FOR GROWTH

- Drive Value growth
- Strengthen the core
- Innovate to penetrate
- Sustainability



COST EFFICIENCIES

- Deliver cost reduction across all departments
- Reduce direct and indirect cost / hl
- Optimizing efficiency



OUR COMMUNITY

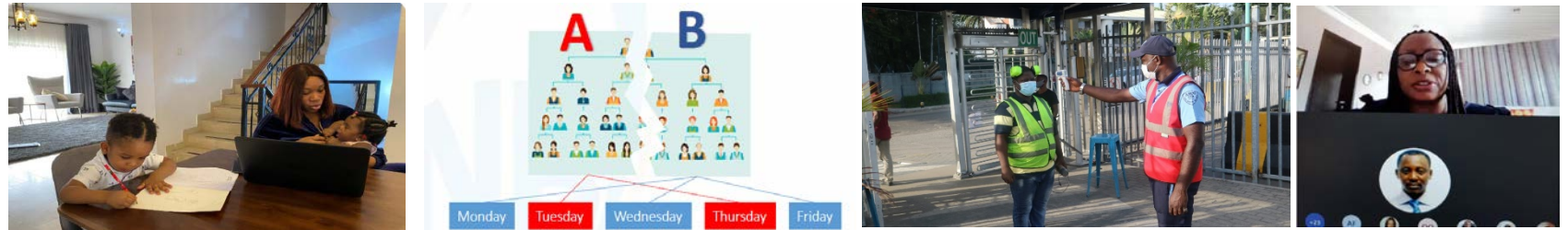
- Relief Aid to the community
- Donations to health workers
- Sustainable business

Our People : Poised to deliver now & in the future

Our employees display great resilience & remain high performing in the face of unique challenges

Adapting seamlessly to new ways of working driven by safe best practices and technology

Flexibility & Adaptability



Our culture delivered great levels of team-work and collaboration to ensure business continuity across all brewery locations and sales regions

Courage & Passion



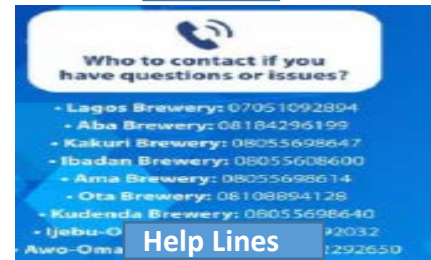
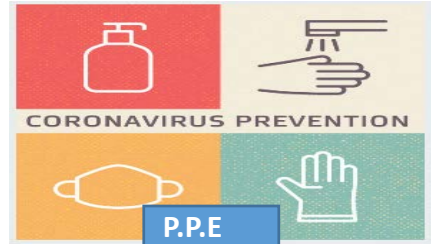
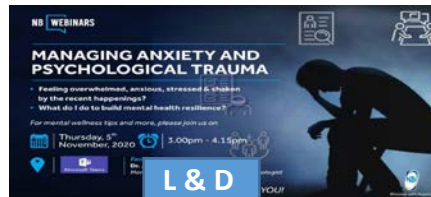
Organisational climate impacts positively on employee engagement

As a company; our efforts to sustainably engage and motivate our people yield positive results

Reward & Recognition



Provision of Resources



Transparent Communication



Union engagement



Organisational Climate

Engagement

Performance

My Manager

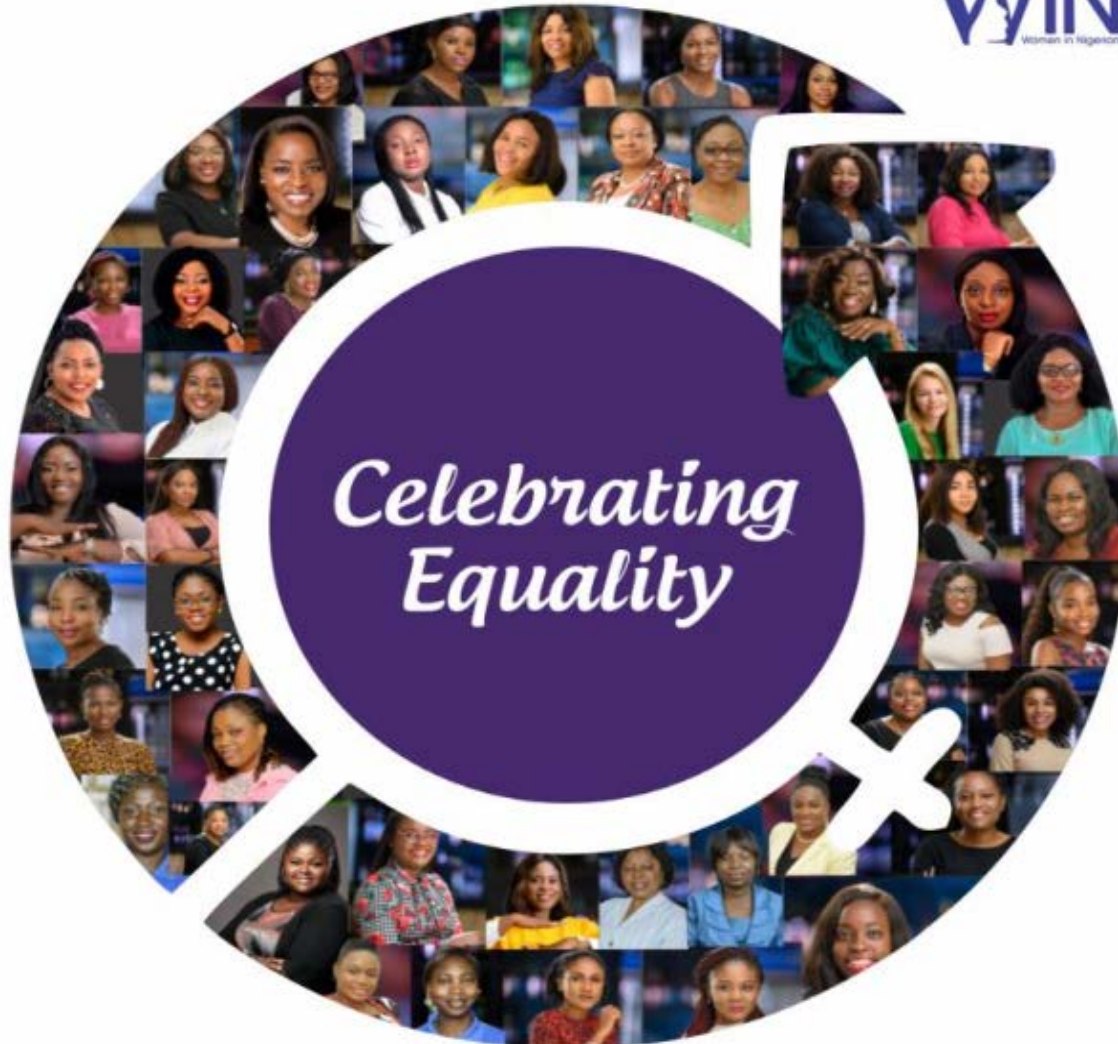
Innovation

Teamwork

Intent to stay

Nearly all aspects of our organisational climate are on the rise

An Inclusive & Diverse Workforce



We recognise the impact of an inclusive & diverse workforce and continue to take steps in that direction

Diverse views make great brews



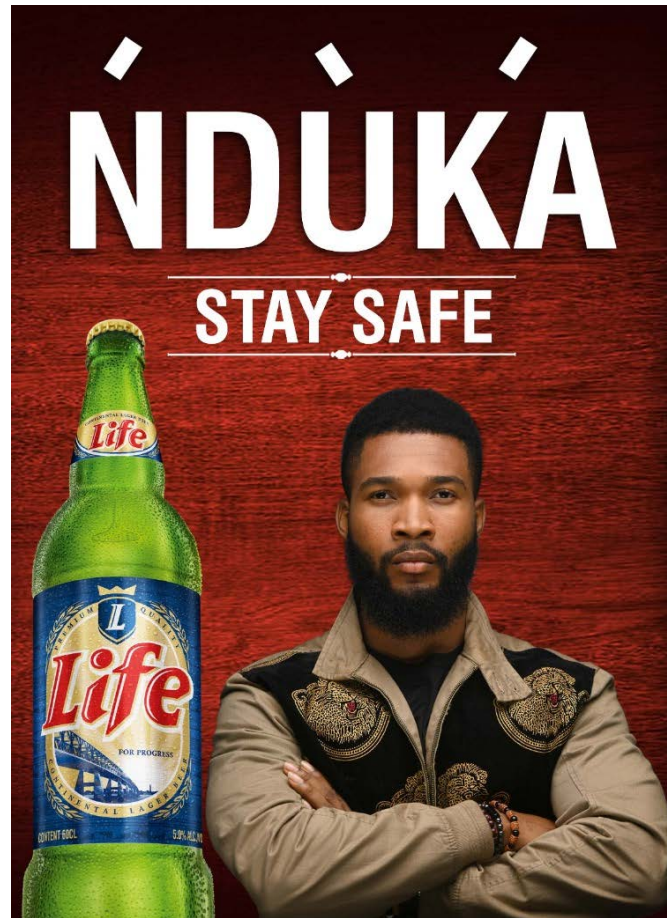
During COVID
Lock down,
we inspired and
uplifted our
consumers and
customers with
relevant brand
communication



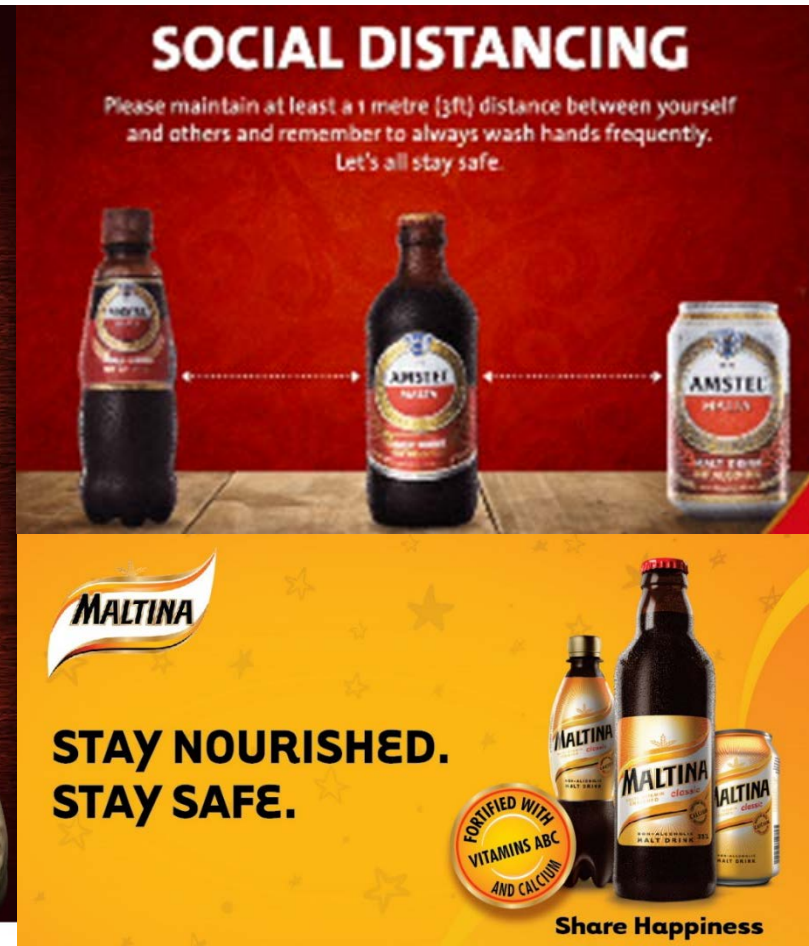
STAY STRONG!

— #Omoluabi —

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



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



We stayed connected, engaging our consumers through digital

Leveraging strong brand platforms, brand Ambassadors and micro influencers



#HeinekenDesignContest



#UncageYourHome



#ShineShineBobo



#BeYourBest



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



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





Our strategy to win

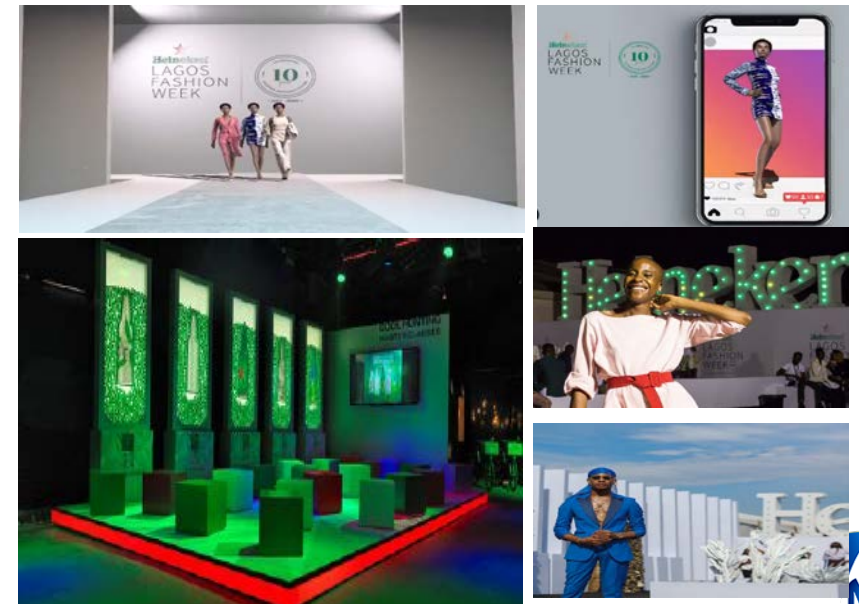
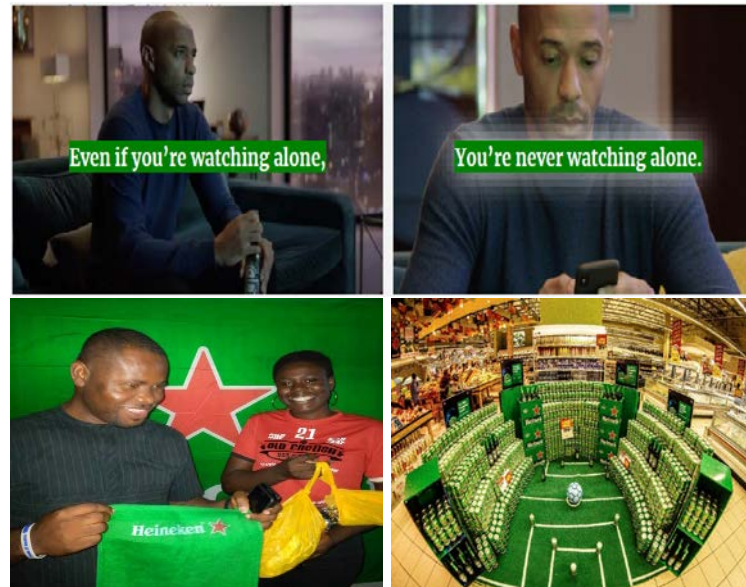
- 1. Drive premium growth** with Heineken and Tiger
- 2. Strengthen the core**, our mainstream brands
- 3. Innovate in beer and beyond** to drive penetration
- 4. Sustainability** at the heart of our business

Drive value growth with Heineken® & Tiger

1. **Leverage global platforms** to connect with young consumers
2. **Engaging** consumers with relevant content
3. **Drive penetration** with Gen Zs



Connecting with consumers through premium platforms...



And uncaging Gen Z with unconventional collaborations

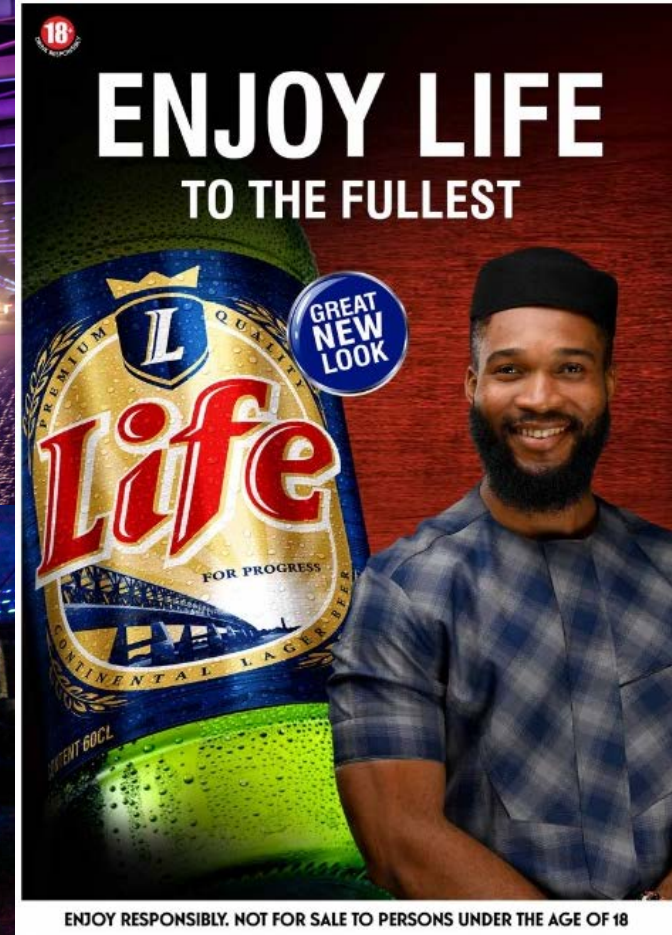
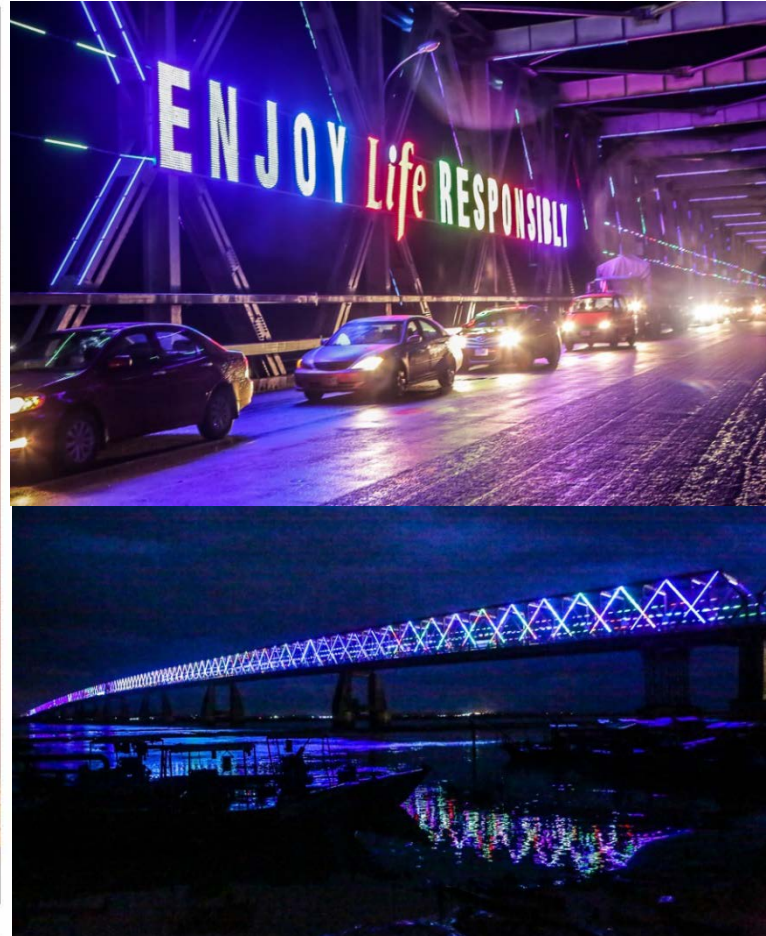




Strengthen the core

- 1. Leverage regional strongholds** with our mainstream brands
- 2. Rejuvenate Leading mainstream brands:** Life and Goldberg
- 3. Supporting our customers** with back to bar initiatives

We relaunched Life with an epic bridge light up ceremony and community engagement...



...with recent relaunch of Goldberg consistently delivering growth

Double digit
Organic growth Vs LY



Strong performance of stout brands in the midst of the pandemic



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



Innovate for growth

1. Differentiate in the Malt Category
2. Innovate with new beer styles
3. Reinforce our status as a multi-category company



Sustain leadership in Malt

Excite and disrupt the category with differentiated malt propositions to give consumers choice



Increase participation in Energy

Play in high value category to protect profit pool



Creating & shaping the beer mixes/FAB category

Making beer cool again and addressing unmet consumer needs in beer



Brewing a Better World



When You Drive, Never Drink Campaign



97% packaging materials and over 53% of raw materials sourced locally



Significant CSR investment in Education, Health and Poverty Alleviation

N100M spent on directly supplied Community palliatives.



Installation of telematics in all vehicles and driver trainings



Water treatment plants in 7 out of our 10 production sites



70% thermal energy from renewable energy sources by 2030

Zero Waste to Landfill

Sustainable Packaging practices



Winning With Nigeria Through Our COVID-19 CSR Interventions

In line with our corporate philosophy of Winning with Nigeria, we made a commitment to support the country in the effort to combat the spread of COVID-19. This we have done via:

- Ensuring the safety and wellbeing of our employees, third party workers and business partners.
- Donating N600 million to support FG and States to fight the spread of COVID-19
- Supporting the most vulnerable people within our host communities, media and industry



Lagos



Kaduna



Enugu

Growing with Communities – NB Empowerment Programme

Starting October 2020, we are empowering over 475 Women and Youth in five host communities through skill acquisition, entrepreneurship & empowerment opportunities:

- Ama (Enugu State)
- Awo-Omamma (Imo State)
- Ijebu Ode(Ogun State)
- Ota (Ogun state)
- Kaduna



Empowerment Programme

Empowering our Women and Youth for Growth



Financial results

Financial Overview Q3 YTD 2020

P&L Key financials	Q3 YTD 2020 (N' billion)	Q3 YTD 2019 (N' billion)	Change (%)
Revenue	234.0	235.7	-0.7
Cost of Goods Sold	144.1	139.5	-3.3
Gross Profit	89.9	96.2	-6.5
Result from Operating activities	22.6	25.2	-10.1
Operating Profit Margin	9.7%	10.7%	-101bps
Net Finance Expenses	11.6	8.0	-44.6
Net Profit	7.1	12.2	-42.4
EPS (kobo)	88	153	-42.4

Financial Overview Q3 2020

P&L Key financials	Q3 YTD 2020 (N' billion)	Q3 YTD 2019 (N' billion)	Change (%)
Revenue	82.2	65.5	25.5
Cost of Goods Sold	51.4	41.0	25.5
Gross Profit	30.8	24.5	25.6
Result from Operating activities	7.5	0.7	954.9
Operating Profit Margin	9.1%	1.1%	804bps
Net Finance Expenses	4.8	2.9	65.7
Net Profit	1.4	1.1	232.0
EPS (kobo)	17	13	232.0

Cost leadership agenda mitigating the pressure on margins

Revenue Management

- Promotion optimisation
- Discount and trade terms
- Brand portfolio and mix management

Consumer Value Engineering

- Packaging optimisation
- Trade Marketing / POS rationalisation

Cost Optimisation

- Raw material strategy and local sourcing
- Brewery footprint and fleet management
- Financing / funding strategy
- ICT cost license and infrastructure

Volume impact partially mitigated

Operating profit bridge	(¥ billion)
Operating profit 2019	25.2
Decrease in net revenue	-1.7
Increase in cost of sales	-4.6
Decrease in marketing & distribution expenses	5.3
Increase in administrative expenses	-1.4
Net decrease in others	-0.2
Operating profit 2020	22.6

Finance costs optimised, however impacted by FX and crisis

Net profit bridge	(¥ billion)
Net profit 2019	12.2
Decrease in operating profit	-2.5
Decrease in income tax expense	0.9
Increase in interest and fx losses	-0.8
Shift from distribution to lease expense	-2.7
Other	-0.0
Net profit 2020	7.1

Financial Overview Q3 2020

Key balance sheet items	Q3 2020 (N' billion)	Q3 2019 (N' billion)	Change (%)
Property, Plant & Equipment	198.7	193.8	2.5
Right of Use Assets	43.2	9.3	362.0
Inventories	42.8	41.6	3.0
Accounts Receivable	24.2	30.5	-20.6
Cash	53.7	2.0	2603.0
Other Assets	103.9	104.8	-0.9
TOTAL ASSETS	466.5	382.0	22.1
Non Current Liabilities	32.7	39.6	-17.5
Borrowings	133.5	72.8	83.4
Trade and Other Payables	110.4	83.0	33.0
Other Liabilities	27.6	22.5	22.8
Equity	162.2	164.0	-1.1
TOTAL EQUITY AND LIABILITIES	466.5	382.0	22.1

Cash Flow

(N' billion unless otherwise stated)	2020	2019	Change
Cash flow from operations (before changes in working capital)	49.1	49.5	-0.5
Cash generated from operating activities	54.6	19.5	35.1
Net cash from operating activities	36.4	1.0	35.5
Net cash used in investing activities	-21.4	-23.6	2.2
Net cash used in financing activities	32.3	9.8	22.6
Net increase in cash and cash equivalents	47.3	-12.9	60.2
Cash and cash equivalents @ 1 st January	6.4	14.8	-8.4
Cash and cash equivalents @ 31 st December	53.7	1.9	51.8
Net debt / EBITDA ratio*	1.6x	1.0x	
Interest coverage ratio**	2.0x	3.1x	

* Note: interest coverage is calculated as operating profit over interest expense.

Key Messages

- The Nigerian beer market fundamentals are very attractive with a high growth potential.
- The year started with a promising 1st quarter and heavily impacted in Q2. The Nigerian market has rebounded after the first impact of COVID, however the full sector still remains under pressure.
- Nigerian Breweries has the history, footprint, brand portfolio and people to capture the expected growth in Nigeria.
- NB remains committed to long term value creation for its shareholder and have the right strategy to achieve this

Outlook for 2021

In 2020, the results of Nigerian Breweries, were adversely impacted by COVID, VAT increase, FX devaluation and scarcity of foreign exchange. Our position in the market enabled us to mitigate this impact in Q3 with growth versus last year

For 2021, we will strive to sustain the performance of the 2nd half of 2020, driving premiumisation and growth, however we still expect to have a challenging operating environment with devaluation, inflation and affordability.

The capabilities of our people, focus on our consumers combined with a commercial agility and position for growth gives us confidence to continue to Winning with Nigeria

Q & A

