

# AB InBev (ABI BB)

## 1H18 Results; Much Ado About Nothing

### Key Takeaway

**The weak 2Q US EBITDA print (-7%) temporarily shifts the debate back to the US and away from ABI's footprint of leading market shares in EMs, which offer a source of long-term competitive advantage in our view. On an underlying basis, ABI is a business that is recovering with double digit 2H EBITDA growth expected. Co trades on cal 2019 PE 19.4x, premium multiple to become visible as confidence in med-term growth prospects (MSD+ sales) rebuilds.**

**2Q USA - Much Ado About Nothing.** In our [report](#), we highlighted that Street expectations on 2Q US were overly optimistic (cons 2QE EBITDA -1.4%). The weak 2Q US print (EBITDA -7.4%) owes in part to industry timing differences (worth 1.3pp to industry growth) and the temporary mismatch between STWs and STRs (worth -3.7% to 2Q EBITDA). On an underlying basis, company market share has shown another quarter of sequential improvement (2Q -35bps, 1Q -50bps, F17 -75bps) and whilst the business won't turn on a dime, the portfolio approach and fresh thinking from newish Zone President Michel Doukeris appears to be driving an inflection.

**New Organisational Structure - To Accelerate Growth.** Changes to the group's organisational structure should simplify reporting lines, with more best practice sharing in particular around digital marketing and scaling up disruptive innovation. These changes, in our view, are geared towards accelerating growth rather than cost cutting.

**Premium brand growth - very early stages of the journey.** Premium brands, outside of home markets, are about 10% of sales but represent close to a third of group growth. We believe that over time, premium brand's contribution to growth will continue to rise, which will help to underpin group top and bottom line growth.

**Re-rating as the market re-appraises company's growth prospects.** As growth reemerges, we see the market re-appraising the growth outlook of the business in terms of (a) better geographical diversification (b) EM recovery (c) marketing skillset (d) premium brand opportunity. As sentiment shifts more positive, we see the stock re-rating to a premium rating given the co's strong market positions in large, scalable profit pools, which are a source of durable competitive advantage.

**What keeps us awake at night?** EM FX volatility could put pressure on earnings through negative translation with market concerns around hard currency debt and EM cash flows also likely to resurface. However, the debt profile is robust, and with 93% of debt fixed and ave maturity close to 10 years, we see the dividend as secure.

USD	Prev.	2017A	Prev.	2018E	Prev.	2019E	Prev.	2020E
Rev. (MM)	--	56,444.0	55,564.0	55,760.0	56,409.0	56,896.0	58,660.0	59,187.0
Organic Rev Growth	--	5.1%	5.4%	5.3%	--	5.5%	--	5.5%
EBIT (MM) Adjusted	--	17,814.0	18,801.0	18,948.0	19,716.0	19,983.0	21,085.0	21,377.0
EBIT Margin	--	31.6%	33.8%	34.0%	35.0%	35.1%	35.9%	36.1%
<b>EPS Adjusted</b>								
FY Dec	--	4.04	4.57	4.59	5.22	5.28	5.73	5.79
FY P/E		25.2x		22.1x		19.3x		17.6x

**BUY**Price target €100.00  
Price €87.33^

### Financial Summary

Net Debt (MM): \$103,650.0

### Market Data

52 Week Range: €107.40 - €78.61

Total Entprs. Value (MM): €257,221.3

Market Cap. (MM): €168,870.0

Insider Ownership: 61.5%

Shares Out. (MM): 1,933.7

Float (MM): 776.3

Avg. Daily Vol.: 1,915,580

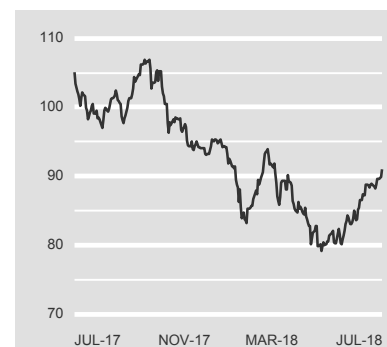
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### Price Performance



^Prior trading day's closing price unless otherwise noted.

## What's positive?

### 2H to see acceleration

We model 2H EBITDA growth +11.7% vs 1H +6.8%. 1H was held back by a number of items including shipment phasing in the USA (1H STWs -4.8%, STRs -3.2%), phasing of marketing spend towards 1H (amount undisclosed), and Trucker Strikes in Brazil (worth -3% to 2Q Brazil beer volumes). The company also faces an easier basis of comparison in key markets such as the US (3Q17 -6% given hurricane season in prior year), Brazil Beer (3Q17 -5%), S Africa (3Q17 -3%), Australia (-HSD). This drives FY EBITDA growth +9.5%.

**Exhibit 1: ABI - Organic Beer Volume growth per key country**

Organic Beer Volume (%)	% Group Volumes	% Group EBITDA	15Q1	15Q2	15Q3	15Q4	16Q1	16Q2	16Q3	16Q4	17Q1	17Q2	17Q3	17Q4	FY17	18Q1	1H18
<b>LatAm North</b>	<b>19%</b>	<b>19%</b>	<b>1.0%</b>	<b>-6.5%</b>	<b>2.1%</b>	<b>-2.6%</b>	<b>-7.3%</b>	<b>-4.7%</b>	<b>-4.5%</b>	<b>-6.6%</b>	<b>2.3%</b>	<b>-3.8%</b>	<b>-3.5%</b>	<b>3.0%</b>	<b>-0.3%</b>	<b>-9.2%</b>	<b>2.0%</b>
Brazil Beer			0%	-9%	4%	-3%	-10%	-5%	-4%	-7%	3%	-1%	-5%	5.1%	0.7%	-8%	1.7%
Brazil non-beer			-2%	-6%	-6%	-6%	-4%	-5%	-8%	-7%	flat	-14%	1%	-4%	-4%	-19%	1.0%
<b>LatAm South</b>	<b>6%</b>	<b>7%</b>	<b>-3.0%</b>	<b>5.5%</b>	<b>-3.2%</b>	<b>-3.5%</b>	<b>-5.0%</b>	<b>-13.9%</b>	<b>-1.7%</b>	<b>-2.0%</b>	<b>3.1%</b>	<b>12.2%</b>	<b>4.5%</b>	<b>5.8%</b>	<b>5.9%</b>	<b>5.6%</b>	<b>4.7%</b>
Argentina	4%	6%	LSD-	HSD+	LSD-	MSD-	HSD-	DD-	LSD-	LSD-	HSD+	20%	DD+	DD+	DD+	HSD+	MSD+
<b>LatAm West</b>	<b>18%</b>	<b>20%</b>									<b>-0.5%</b>	<b>3.1%</b>	<b>3.2%</b>	<b>0.5%</b>	<b>5.0%</b>	<b>8.4%</b>	<b>4.7%</b>
Mexico	8%	9%	2%	4%	12%	11%	13%	7%	10%	DD+	LSD+	MSD+	MSD+	MSD+	MSD+	mid-teen	HSD+
Colombia	4%	5%	LSD-	9%	9%	13%	13%	4%	LSD-	-3%	-8%	-1%	-1%	-2%	-4%	8%	1.1%
Peru	3%	4%	LSD+	3%	6%	1%	7%	3%	LSD+	flat	flat	4%	1%		0%	flat	LSD+
Ecuador	1%	1%	LSD+	-1%	3%	-1%	-9%	-20%	DD-	DD-	DD-	6%	7%		1%	DD+	HSD+
<b>North America</b>	<b>19%</b>	<b>29%</b>	<b>-5.6%</b>	<b>-0.9%</b>	<b>1.2%</b>	<b>-2.9%</b>	<b>-1.1%</b>	<b>0.4%</b>	<b>-2.4%</b>	<b>-3.5%</b>	<b>-4.4%</b>	<b>-1.0%</b>	<b>-6.1%</b>	<b>-1.4%</b>	<b>-3.3%</b>	<b>-4.1%</b>	<b>-4.9%</b>
US	17%	26%	-6%	-1%	1%	3%	-1%	1%	-3%	-4%	-5%	-1%	-6%	-2%	-4%	-4%	-5%
Canada	2%	3%	1%	2%	1%	3%	1%	-1%	-1%	-3%	LSD-	flat	LSD-	-1%	-1%	LSD+	LSD-
<b>EMEA</b>	<b>21%</b>	<b>15%</b>									<b>-4.1%</b>	<b>-2.7%</b>	<b>4.1%</b>	<b>-0.9%</b>	<b>2.5%</b>	<b>0.9%</b>	<b>1.8%</b>
South Africa	5%	5%	LSD+	1%	4%	2%	6%	2%	Soft	-5%	-2%	11%	-3%	-2%		LSD-	-mid teens
W. Europe											growth	growth	growth	growth	growth	LSD+	MSD+
E. Europe											decline	HSD-	HSD-	HSD-	HSD-	decline	
Tanzania	1%	1%	HSD-	-9%	19%	11%	7%	-16%	LSD+	LSD-	decline	DD+	DD+	DD+	DD+	DD+	decline
Mozambique	0%	0%	DD+	20%	18%	11%	11%	-12%	0%	LSD+	LSD-	LSD+	DD+		HSD+	DD+	DD+
Zambia	0%	0%	MSD-	2%	8%	19%	11%	-11%	MSD-	DD-	decline	HSD+	DD+	DD+	DD+	DD+	DD+
Uganda	0%	0%									DD+	DD+	DD+	DD+	DD+	DD+	decline
Nigeria	1%	1%	DD+	DD+	DD+	25%	DD+	25%	DD+	DD+	DD+	DD+	DD+	DD+	DD+	DD+	high teens
<b>Asia Pacific</b>	<b>17%</b>	<b>12%</b>									<b>-4.6%</b>	<b>1.9%</b>	<b>-0.1%</b>	<b>0.1%</b>	<b>0.4%</b>	<b>0.5%</b>	<b>2.5%</b>
China	12%	6%	5%	0%	-1%	0%	-1%	-2%	2%	LSD-	5%	1.0%	0%	-1.9%	1.1%	1.6%	3.0%
Australia	1%	4%	LSD-	-5%	0%	1%	5%	4%	LSD-	Soft	growth	MSD+	HSD-		MSD+	MSD+	LSD+

Source: Jefferies estimates, company data

### New organisational structure – simplify reporting lines and should drive best practice sharing

The company has made a number of changes to its organisational structure.

**1) Zone structure.** The company is simplifying its geographic structure, with a shift from nine to six management zones. Zone Presidents will own the commercial and external affairs agendas for their businesses. The principal aim, we believe, is to more closely align with consumers, make the company more agile and to pursue growth opportunities. It simplifies reporting lines and should lead to greater best practice sharing.

**2) Marketing and ZX Ventures – under one roof.** The company is bringing Marketing and ZX Ventures under a common global lead. We believe this should help to accelerate innovation, new disruptive brands, drive best practices on digital marketing and make these concepts more scalable.

**3) New growth opportunities.** The company has created two new roles, Chief Non-Alc Beverages Officer and Chief Owned-Retail Officer. Both will report to the CEO to bring greater focus at the leadership level.

**4) Evolution from EBM to ExCom.** The company is evolving from an Executive Board of Management to an Executive Committee. The ExCom will be a smaller group, (four members) with the Senior Leadership Team (ExCom, Zone Presidents and functional chiefs) driving the commercial and operational agenda.

#### Global brand growth – acceleration

Global brands grew +10.1% an acceleration from 1Q +7.9% helped by World Cup and easier comps (especially China). Global Bud sales +4.1% (vs 1Q -1.3%), Stella +9.0% (1Q +12.3%), Corona 21.9% (25.1%).

Whilst premiumisation won't happen overnight, more favourable revenue per hl on the premium brand portfolio will provide a boost to overall group revenue per hl and EBIT per hl. Bud, Stella and Corona are distributed between 10-20 markets, with low market shares. For Corona, market shares are generally <1% with only three export markets where market share is as high as 3% (Australia 5-6%). This represents a significant opportunity for premiumisation across ABI's portfolio.

## What's negative?

#### 1H net debt to EBITDA

Net debt to EBITDA was 4.87x as at 1H18 vs F17 4.8x and 1H17 5.3x. However this largely owes to cash seasonality and adverse FX. ABI working capital is H2 weighted with working capital outflows expected in H1 with working capital inflows in H2. Per the 1H18 conference call, the company indicated that 65-70% of total full year cashflow is generated in 2H, with cashflow expected to be at the higher end of the range in F18.

#### 2Q US 2Q EBITDA contraction -7.4%...however masks improving underlying trends

In 2Q, US volumes/sales/EBITDA declined -5.1%/-3.1%/-7.4% with N America -4.9%/-3.0%/-7.0%. We would highlight that company STRs (sales to retailers) declined -3.1% vs industry -2.4%, with the impact from timing of Easter and Fourth of July taking of 1.3pp of growth. Therefore, adjusting for these timing issues, STRs would have been closer to -1.8%. Whilst 2Q was a weak print, we would highlight that:

**1. Sequential improvement in market share.** Underlying performance continued to improve with -35bps share loss vs 1Q -50bps, F17 -75bps, F16 -50bps. 2Q represents one of the best market share quarters since 2012. See table below.

**Exhibit 2: US volume and revenue progression (2010 - present)**

	FY10	FY11	FY12	FY13	FY14	FY15	16Q1	16Q2	16Q3	16Q4	FY16	17Q1	17Q2	17Q3	17Q4	FY17	18Q1	182Q
<b>N America volumes</b>	<b>-3.1%</b>	<b>-3.1%</b>	<b>0.6%</b>	<b>-2.6%</b>	<b>-1.4%</b>	<b>-1.9%</b>	<b>-1.2%</b>	<b>0.5%</b>	<b>-2.5%</b>	<b>-3.5%</b>	<b>-1.6%</b>	<b>-4.4%</b>	<b>-1.0%</b>	<b>-6.1%</b>	<b>-1.4%</b>	<b>-3.3%</b>	<b>-4.1%</b>	<b>-4.9%</b>
Company US STWs	-3.0%	-3.2%	0.7%	-2.7%	-1.5%	-2.2%	-1.2%	0.5%	-2.5%	-3.6%	-1.7%	-4.7%	-1.1%	-6.4%	-1.5%	-3.5%	-4.4%	-5.1%
Company US STRs	-3.2%	-3.0%	0.4%	-2.9%	-1.4%	-1.7%	-0.3%	-0.9%	-3.8%	-2.7%	-2.0%	-2.9%	-3.0%	-3.4%	-2.6%	-3.0%	-3.3%	-3.1%
<b>N America revenues</b>	<b>-1.6%</b>	<b>0.3%</b>	<b>5.1%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>-0.5%</b>	<b>0.0%</b>	<b>2.3%</b>	<b>-0.3%</b>	<b>-1.9%</b>	<b>0.1%</b>	<b>-2.1%</b>	<b>0.0%</b>	<b>-5.3%</b>	<b>0.6%</b>	<b>-1.8%</b>	<b>-2.2%</b>	<b>-3.0%</b>
US beer only revenue per hl	3.0%	3.1%	4.9%	3.1%	1.7%	1.4%	1.3%	1.8%	2.2%	growth	growth	2.2%	0.9%	0.9%	2.1%	1.5%	1.9%	2.1%
Mix impact	1.2%	0.3%	1.7%	0.9%	0.3%			1.6%										
Price impact	1.8%	2.8%	3.2%	2.2%	1.4%													
US industry STRs	-2.5%	-1.8%	0.8%	-1.8%	-0.6%	-0.3%	0.7%	flat	-2.6%	-1.6%	-1.0%	-1.6%	-0.7%	-1.7%	-1.4%	-1.3%	-2.3%	-2.4%
US Company STRs	-3.2%	-3.0%	0.4%	-2.9%	-1.7%	-1.7%	-0.3%	-0.9%	-3.8%	-2.7%	-2.0%	-2.9%	-3.0%	-3.4%	-2.6%	-3.0%	-3.3%	-3.1%
Market share	-50bp	-60bp	-15bp	-50bp	-50bp	-65bp	-45bp	-35bp	-55bp		-50bp	-60bp	-105bp	-80bp	-55bp	-75bp	-50bp	-35bp
Bud Light STRs					-1.6%	-LSD	-1%	-LSD	-MSD	-MSD	-MSD	-MSD	-MSD	-MSD	-MSD	-MSD	-MSD	-MSD
Bud Light family mkt share change	positive	flat	70bp	-15bp	-20bp	-40bp	-35bp	-40bp	-65bp		-50bp	-65bp	-90bp	-95bp	-85bp	-85bp	-70bp	-85bp
Budweiser mkt share change	negative	-30bp		-15bp	-30bp	-20bp	-25bp	-15bp	-20bp	-30bp	-25bp	-35bp	-40bp	-45bp	-35bp	-40bp	-35bp	-40bp
Ritas mkt share change				50bp	10bp													
Michelob Ultra & Above premium	positive	positive	positive	+20bp	+40bp	+30bp	+50bp	+50bp	+45bp		+45bp	+30bp	+35bp	+50bp	+60bp	+45bp	+80bp	+100bp

Source: Jefferies estimates, company data. Note: STR = underlying depletions while STW = shipments

## 2. Better reporting expected for 2H. We expect better reporting in 2H given

- **Shipment catch-up.** STWs in 1H were -4.8% vs STRs -3.2%. On a full year basis, STRs and STWs are expected to converge.
- **Soft comparatives.** 3Q faces a soft comps with 3Q17 N America vols -6.1% and US STWs -6.4%.
- **Margins.** Approximately half of the EBITDA contraction in 2Q owed to the phasing of shipments (difference between STWs and STRs). This will reverse into 2H. Further, the company will cycle adverse cost headwinds on commodities and higher distribution expenses which the company will cycle in 2H.

**Exhibit 3: Nielsen US Beer Data (consumption) for ABI by brand**

	Market Share (52 W)	07/14/18											Current YTD	Prior YTD
		4 Weeks	12 Weeks	52 Weeks	12/30/17	01/27/18	02/24/18	03/24/18	04/21/18	05/19/18	06/16/18	07/14/18		
<b>US Beer</b>		1.3%	2.6%	0.6%	-0.1%	0.3%	-1.0%	0.0%	-1.9%	3.3%	3.4%	1.3%	0.9%	1.1%
* Volumes		-0.5%	0.8%	-1.0%	-1.5%	-1.0%	-2.3%	-1.5%	-3.5%	1.5%	1.5%	-0.5%	-0.7%	-0.5%
* Price/mix		1.8%	1.8%	1.6%	1.5%	1.2%	1.4%	1.5%	1.6%	1.8%	1.9%	1.8%	1.6%	1.6%
<b>ABI</b>	45.6%	1.0%	2.4%	-0.9%	-2.3%	-2.1%	-3.1%	-1.5%	-3.6%	2.6%	3.5%	1.0%	-0.3%	-0.9%
* Volumes	50.0%	-0.5%	0.8%	-1.9%	-3.2%	-2.6%	-3.7%	-2.4%	-4.6%	1.1%	1.9%	-0.5%	-1.4%	-1.9%
* Price/mix		1.6%	1.6%	1.0%	0.8%	0.5%	0.6%	0.9%	1.0%	1.5%	1.6%	1.6%	1.1%	1.0%
<b>MillerCoors</b>	22.8%	-2.7%	-0.9%	-2.1%	-2.0%	-2.0%	-3.1%	-2.1%	-4.9%	0.7%	-0.5%	-2.7%	-2.1%	-1.4%
* Volumes	26.5%	-3.2%	-1.5%	-2.4%	-2.1%	-2.0%	-3.4%	-2.4%	-4.9%	0.3%	-1.3%	-3.2%	-2.4%	-1.9%
* Price/mix		0.5%	0.6%	0.4%	0.1%	0.0%	0.3%	0.3%	-0.1%	0.5%	0.8%	0.5%	0.3%	0.5%
<b>Constellation</b>	13.2%	12.4%	13.1%	12.1%	11.3%	14.2%	12.8%	10.2%	9.8%	12.8%	14.2%	12.4%	12.4%	13.8%
* Volumes	9.6%	10.5%	11.0%	10.1%	9.7%	12.8%	10.6%	7.6%	7.5%	10.5%	12.1%	10.5%	10.2%	12.2%
* Price/mix		1.9%	2.1%	2.0%	1.6%	1.4%	2.1%	2.6%	2.3%	2.3%	2.1%	1.9%	2.1%	1.6%
<b>Heineken</b>	4.6%	-5.1%	-4.3%	-3.7%	-1.7%	-2.3%	-5.5%	-5.9%	-5.7%	-3.2%	-4.3%	-5.1%	-4.6%	0.0%
* Volumes	3.6%	-6.7%	-5.6%	-4.9%	-3.4%	-2.8%	-6.2%	-8.0%	-6.4%	-4.7%	-5.4%	-6.7%	-5.8%	-1.4%
* Price/mix		1.6%	1.4%	1.2%	1.7%	0.4%	0.7%	2.1%	0.7%	1.5%	1.1%	1.6%	1.2%	1.4%
<b>Pabst</b>	1.5%	-4.7%	-2.5%	-3.0%	-2.9%	-2.5%	-4.2%	-3.2%	-4.8%	-0.6%	-2.0%	-4.7%	-3.2%	-0.4%
* Volumes	2.0%	-6.4%	-4.2%	-4.2%	-3.6%	-3.4%	-5.6%	-4.8%	-6.5%	-2.1%	-3.7%	-6.4%	-4.7%	-1.3%
* Price/mix		1.8%	1.7%	1.1%	0.6%	0.9%	1.3%	1.6%	1.8%	1.5%	1.7%	1.8%	1.5%	0.8%
<b>Boston Beer</b>	0.9%	-10.6%	-9.0%	-11.8%	-10.4%	-4.2%	-8.6%	-7.2%	-12.5%	-6.9%	-8.9%	-10.6%	-8.6%	-20.5%
* Volumes	0.6%	-11.9%	-10.2%	-12.2%	-11.6%	-4.4%	-9.6%	-7.8%	-13.5%	-7.6%	-10.5%	-11.9%	-9.5%	-20.1%
* Price/mix		1.3%	1.2%	0.4%	1.1%	0.2%	0.9%	0.6%	1.0%	0.8%	1.6%	1.3%	1.0%	-0.4%
<b>Yuengling</b>	1.3%	2.5%	1.8%	2.9%	4.6%	4.5%	2.5%	10.2%	-1.4%	2.8%	0.2%	2.5%	2.8%	7.0%
* Volumes	1.3%	0.6%	-0.4%	1.2%	3.5%	3.7%	1.5%	8.8%	-3.6%	0.3%	-2.1%	0.6%	1.0%	4.9%
* Price/mix		1.9%	2.2%	1.7%	1.1%	0.8%	1.1%	1.3%	2.2%	2.5%	2.3%	1.9%	1.8%	2.1%
<b>Sierra Nevada</b>	0.8%	0.7%	0.3%	-1.0%	-2.7%	0.0%	9.0%	3.1%	2.4%	1.2%	-1.1%	0.7%	2.1%	-7.9%
* Volumes	0.5%	-1.7%	-2.5%	-3.0%	-4.5%	-1.7%	6.3%	0.6%	0.6%	-1.9%	-3.7%	-1.7%	-0.4%	-9.0%
* Price/mix		2.5%	2.7%	2.0%	1.7%	1.6%	2.7%	2.5%	1.8%	3.1%	2.7%	2.5%	2.4%	1.2%
<b>New Belgium</b>	0.6%	-7.8%	-9.3%	-1.5%	5.8%	2.8%	-8.8%	-8.2%	-9.0%	-9.1%	-10.9%	-7.8%	-7.6%	8.2%
* Volumes	0.4%	-12.6%	-14.1%	-4.0%	4.1%	1.6%	-11.6%	-12.8%	-12.7%	-13.6%	-16.1%	-12.6%	-11.6%	7.3%
* Price/mix		4.8%	4.9%	2.6%	1.7%	1.2%	2.9%	4.6%	3.7%	4.5%	5.2%	4.8%	4.0%	0.9%
<b>Lagunitas</b>	0.6%	3.1%	4.3%	4.9%	6.1%	5.5%	2.6%	3.2%	5.2%	4.2%	5.7%	3.1%	4.2%	11.8%
* Volumes	0.4%	4.2%	5.4%	5.3%	5.8%	5.9%	1.9%	2.6%	6.7%	5.0%	7.0%	4.2%	4.8%	11.2%
* Price/mix		-1.1%	-1.1%	-0.4%	0.3%	-0.3%	0.7%	0.6%	-1.5%	-0.9%	-1.2%	-1.1%	-0.6%	0.6%
<b>Diageo</b>	0.4%	-1.8%	-0.8%	-0.3%	-1.1%	2.1%	-3.2%	1.0%	-2.5%	-1.7%	1.0%	-1.8%	-0.5%	-3.0%
* Volumes	0.3%	-3.0%	-2.6%	-2.2%	-3.2%	-1.0%	-5.9%	-0.9%	-4.9%	-3.8%	-0.9%	-3.0%	-2.6%	-3.3%
* Price/mix		1.2%	1.8%	1.9%	2.1%	3.1%	2.8%	1.9%	2.4%	2.2%	1.9%	1.2%	2.1%	0.4%
<b>Craft Brew</b>	0.4%	-2.4%	-2.4%	-3.5%	-2.9%	-2.0%	-5.6%	-6.6%	-5.0%	1.1%	-5.4%	-2.4%	-3.7%	-3.9%
* Volumes	0.3%	-4.4%	-5.0%	-6.4%	-5.4%	-6.0%	-9.3%	-10.7%	-8.3%	-1.7%	-8.7%	-4.4%	-6.9%	-6.3%
* Price/mix		2.0%	2.6%	2.9%	2.5%	4.0%	3.7%	4.2%	3.3%	2.7%	3.2%	2.0%	3.2%	2.5%
<b>US Beer</b>	92.7%													

Source: Jefferies, AC Nielsen

## What's Changed?

### Forex update adds c1% to EBIT, organic estimates broadly unchanged

Following 2Q reporting we make little change to our underlying estimates, we continue to see a 2H weighted growth profile with group organic volumes +1.8% (1H +0.3%), revenue +5.8% (1H +4.7%) and EBITDA +11.7% (1H +7.0%).

Updating for recent forex moves, mainly reflecting changes in Brazilian Real, Mexican Peso and Argentinian Peso reduces negative forex impact to F18 -2.4% (previous -2.9%) and F19 -3.3% (previous -3.7%).

### FY18 EPS unchanged, FY19-20 +1%

Our FY18 adjusted EPS estimate remains unchanged as the small FX upgrade is offset by higher minority interests. For FY19 and FY20 we raise EPS by 1% respectively. We make no change to our DCF derived PT EUR100, this implies 22.2x CY19 PE and 4.8% FCF yield vs global staples 19.8x and 5.0%.

We reiterate ABI as a core holding in beer, given geographic footprint, market share dominance and a management team that are hard to rival within staples.

### Exhibit 4: ABI – Summary of Jefferies forecast changes

Group (\$m)	FY17	FY18E			FY19E			FY20E		
	Actual	NEW	OLD	% Diff	NEW	OLD	% Diff	NEW	OLD	% Diff
<b>Volume (m hl)</b>	<b>612.6</b>	<b>575.9</b>	<b>575.4</b>	<b>0%</b>	<b>581.4</b>	<b>580.9</b>	<b>0%</b>	<b>589.6</b>	<b>589.1</b>	<b>0%</b>
Organic (%)	0.2%	1.0%	1.0%		1.4%	1.4%		1.4%	1.4%	
<b>Revenue</b>	<b>56,444</b>	<b>55,760</b>	<b>55,564</b>	<b>0%</b>	<b>56,896</b>	<b>56,409</b>	<b>1%</b>	<b>59,187</b>	<b>58,660</b>	<b>1%</b>
Organic (%)	5.1%	5.3%	5.4%		5.5%	5.5%		5.5%	5.5%	
Price /mix	4.9%	4.2%	4.5%		4.1%	4.1%		4.1%	4.0%	
FX	1.1%	-2.4%	-2.9%		-3.3%	-3.7%		-1.5%	-1.5%	
<b>Adjusted EBITDA</b>	<b>22,084</b>	<b>23,132</b>	<b>22,975</b>	<b>1%</b>	<b>24,266</b>	<b>23,967</b>	<b>1%</b>	<b>25,860</b>	<b>25,530</b>	<b>1%</b>
Organic (%)	13.4%	9.5%	9.4%		8.3%	8.3%		8.2%	8.1%	
EBITDA margin	39.1%	41.5%	41.3%		42.7%	42.5%		43.7%	43.5%	
YoY margin (bps)	273bp	236bp	222bp		117bp	114bp		104bp	104bp	
<b>Adjusted EBIT</b>	<b>17,814</b>	<b>18,948</b>	<b>18,801</b>	<b>1%</b>	<b>19,983</b>	<b>19,716</b>	<b>1%</b>	<b>21,377</b>	<b>21,085</b>	<b>1%</b>
Organic (%)	16.5%	11.1%	10.9%		8.9%	8.8%		8.6%	8.5%	
EBIT margin	31.6%	34.0%	33.8%		35.1%	35.0%		36.1%	35.9%	
YoY margin (bps)	279bp	242bp	228bp		114bp	111bp		100bp	99bp	
Net Financing costs	(5,814)	(4,868)	(4,868)	0%	(4,312)	(4,312)	0%	(4,218)	(4,218)	0%
Taxation	(2,748)	(3,520)	(3,483)	1%	(3,761)	(3,697)	2%	(4,118)	(4,048)	2%
Associates	430	321	321	0%	372	372	0%	387	387	0%
Minorities	(1,187)	(1,820)	(1,754)	4%	(1,863)	(1,772)	5%	(2,001)	(1,900)	5%
<b>Adjusted Net income</b>	<b>7,967</b>	<b>9,060</b>	<b>9,017</b>	<b>0%</b>	<b>10,418</b>	<b>10,307</b>	<b>1%</b>	<b>11,426</b>	<b>11,305</b>	<b>1%</b>
NOSH	1,971	1,974	1,974		1,971	1,971		1,974	1,974	
<b>Adjusted EPS</b>	<b>4.04</b>	<b>4.59</b>	<b>4.57</b>	<b>0%</b>	<b>5.28</b>	<b>5.22</b>	<b>1%</b>	<b>5.79</b>	<b>5.73</b>	<b>1%</b>

Source: Jefferies estimates, company data

## ABI: Financial Model

## Exhibit 5: ABI - Summary Income Statement

AB InBev	2014	2015	2016	2016R	Q117	Q217	H117	Q317	Q417	H217	2017	Q118	Q218	H118	Q318E	Q418E	H218E	2018F	2019F	2020E
<b>Income Statement (USDm)</b>																				
<b>Net turnover</b>	47,063	43,604	45,517	53,937	12,922	14,182	27,105	14,740	14,601	29,339	56,444	13,073	14,014	27,088	14,094	14,580	28,672	55,760	56,896	59,187
Growth (%)	9%	-7%	4%		37%	31%	34%	33%	3%	16%	24%	1%	-1%	0%	-4%	0%	-2%	-1%	2%	4%
<b>EBITDA</b>	18,542	16,839	16,753	19,632	4,809	5,353	10,165	5,733	6,188	11,919	22,084	4,989	5,568	10,558	5,964	6,613	12,574	23,132	24,266	25,860
Growth (%)	8%	-9%	-1%		39%	33%	36%	42%	18%	28%	32%	4%	4%	4%	4%	7%	5%	5%	5%	7%
Margin (%)	39.4%	38.6%	36.8%	36.4%	37.2%	37.7%	37.5%	38.9%	42.4%	40.6%	39.1%	38.2%	39.7%	39.0%	42.3%	45.4%	43.9%	41.5%	42.7%	43.7%
Margin improvement (bps)	-39bp	-78bp	-181bp		39bp	63bp	52bp	261bp	543bp	397bp	232bp	94bp	198bp	148bp	342bp	297bp	323bp	236bp	117bp	104bp
D&A	3,234	3,071	3,477		1,088	1,016	2,105	1,053	1,113	2,164	4,269	1,054	1,059	2,114	1,016	1,055	2,070	4,184	4,284	4,483
% of sales	6.9%	7.0%	7.6%		8.4%	7.2%	7.8%	7.1%	7.6%	7.4%	7.6%	8.1%	7.6%	7.8%	7.2%	7.2%	7.2%	7.5%	7.5%	7.6%
<b>EBIT</b>	15,308	13,768	13,276	15,521	3,721	4,338	8,059	4,681	5,075	9,755	17,814	3,935	4,509	8,444	4,948	5,558	10,504	18,948	19,983	21,377
Growth (%)	8%	-10%	-4%		38%	35%	36%	46%	22%	33%	34%	6%	4%	5%	6%	10%	8%	6%	5%	7%
Margin (%)	32.5%	31.6%	29.2%	28.8%	28.8%	30.6%	29.7%	31.8%	34.8%	33.2%	31.6%	30.1%	32.2%	31.2%	35.1%	38.1%	36.6%	34.0%	35.1%	36.1%
Margin improvement (bps)	-35bp	-95bp	-241bp		15bp	77bp	46bp	283bp	555bp	416bp	239bp	130bp	159bp	144bp	335bp	336bp	339bp	242bp	114bp	100bp
Non recurring items above EBIT	(197)	136	(394)		(221)	(66)	(287)	(173)	(202)	(375)	(662)	(96)	(100)	(196)	(80)	(24)	(104)	(300)	(200)	0
Net Financing costs	(1,828)	(1,239)	(5,208)		(1,492)	(1,628)	(3,120)	(1,135)	(1,559)	(2,694)	(5,814)	(1,545)	(1,272)	(2,817)	(905)	(1,146)	(2,051)	(4,868)	(4,312)	(4,218)
Non-recurring net finance costs	509	(214)	(3,356)		99	(310)	(211)	177	(659)	(482)	(693)	(330)	(164)	(494)	(20)	64	44	(450)	0	0
<b>Normalized PTP</b>	13,480	12,529	8,068		2,229	2,710	4,939	3,546	3,516	7,061	12,000	2,390	3,237	5,627	4,043	4,411	8,453	14,080	15,671	17,159
<b>Pre-tax profit</b>	13,792	12,451	4,318		2,107	2,334	4,441	3,550	2,655	6,204	10,645	1,964	2,973	4,937	3,943	4,451	8,393	13,330	15,471	17,159
Taxation	(2,499)	(2,594)	(1,613)		(418)	(575)	(993)	(1,494)	567	(927)	(1,920)	(673)	(761)	(1,434)	(986)	(1,046)	(2,031)	(3,466)	(3,868)	(4,290)
Tax rate (%)	18.1%	20.8%	37.4%		19.8%	24.6%	22.4%	42.1%	-21.4%	14.9%	-18.0%	34.3%	25.6%	29.1%	25.0%	23.5%	24.2%	26.0%	25.0%	25.0%
Underlying tax	(2,393)	(1,686)			(456)	(577)	(1,033)	(592)	(1,123)	(1,715)	(2,748)	(676)	(803)	(1,479)	(970)	(1,071)	(2,041)	(3,520)	(3,761)	(4,118)
<b>Effective tax rate(%)</b>	19.1%	20.9%			20.4%	21.3%	20.9%	16.7%	31.9%	24.3%	22.9%	28.3%	24.8%	26.3%	24.0%	24.3%	24.1%	25.0%	24.0%	24.0%
Associates	9	10	16		54	70	124	88	218	306	430	57	37	94	90	137	227	321	372	387
Minorities	(2,086)	(1,594)	(1,528)		(366)	(327)	(693)	(89)	(405)	(494)	(1,187)	(329)	(311)	(640)	(423)	(757)	(1,180)	(1,820)	(1,863)	(2,001)
Discontinued operations			48		28	0	28	0	0	0	28	0	0	0	0	0	0	0	0	0
<b>Net income</b>	9,216	8,273	1,241		1,405	1,502	2,907	2,055	3,035	5,090	7,996	1,018	1,937	2,956	2,624	2,786	5,409	8,365	10,111	11,255
<b>Normalized net income</b>	8,865	8,513	4,853		1,458	1,871	3,329	2,582	2,056	4,638	7,967	1,443	2,163	3,606	2,739	2,715	5,454	9,060	10,418	11,426
Growth (%)	11.7%	-4.0%	-43.0%		72.6%	8.4%	29.5%	89.4%	123.7%	103.3%	64.2%	-1.0%	15.6%	8.3%	6.1%	32.1%	17.6%	13.7%	15.0%	9.7%
Weighted average shares	1,634	1,638	1,717		1,970	1,971	1,971	1,971	1,971	1,971	1,971	1,974	1,975	1,975	1,974	1,974	1,974	1,974	1,974	1,974
<b>EPS</b>	5.64	5.05	0.72		0.71	0.76	1.48	1.04	1.54	2.58	4.06	0.52	0.98	1.50	1.33	1.41	2.74	4.24	5.12	5.70
<b>Normalized EPS</b>	5.43	5.20	2.83		0.74	0.95	1.69	1.31	1.04	2.35	4.04	0.73	1.10	1.83	1.39	1.38	2.76	4.59	5.28	5.79
Growth (%)	10.5%	-4.2%	-45.6%		43.9%	-10.7%	7.8%	57.8%	140.9%	86.8%	43.0%	-1.2%	15.3%	8.1%	5.9%	31.9%	17.4%	13.6%	15.0%	9.7%
<b>DPS (USD)</b>	3.52	4.01	3.90					1.89		2.14	4.39				1.95		2.14	4.39	4.39	4.74
Dividend payout ratio	65%	77%	138%							109%								96%	83%	82%
Dividend growth	24.4%	14.0%	-2.8%							0.0%								0.0%	0.0%	8.0%
<b>DPS (EUR)</b>	3.00	3.60	3.60					1.60		2.00	3.60				1.60		2.00	3.60	3.60	3.89

Source: Jefferies estimates, company data

## Exhibit 6: ABI - Summary Cash Flow Statement

AB InBev	2014A	2015A	2016A	2017A	2018E	2019E	2020E
<b>Cash flow (USD m)</b>							
<b>EBIT</b>	15,308	13,768	13,276	17,814	18,948	19,983	21,377
Depreciation and amortisation	3,234	3,071	3,477	4,276	4,184	4,284	4,483
Other operating	(669)	(562)	(882)	(1,039)	(700)	(700)	(700)
Net working capital moves	815	1,786	173	219	700	650	200
<b>Operating Cash flow</b>	18,688	18,063	16,044	21,270	23,132	24,216	25,360
Interest	(2,203)	(1,609)	(2,721)	(3,841)	(3,848)	(3,792)	(3,698)
Taxation	(2,371)	(2,355)	(3,256)	(2,141)	(2,946)	(3,481)	(3,861)
Dividends received	30	22	43	142	264	306	318
<b>Trading cash flow</b>	14,144	14,121	10,110	15,430	16,602	17,249	18,119
Capital investment	(4,122)	(4,337)	(4,768)	(4,124)	(4,000)	(4,267)	(4,439)
<b>Free cash flow</b>	10,022	9,784	5,342	11,306	12,602	12,982	13,680
Acquisitions / disposals	(6,700)	(918)	(55,309)	11,978	0	0	0
<b>Pre-dividend cash flow</b>	3,322	8,866	(49,967)	23,284	12,602	12,982	13,680
Dividends paid to shareholders	(4,743)	(6,300)	(6,650)	(8,570)	(8,583)	(8,583)	(9,270)
AMBEV minority dividends	(2,657)	(1,666)	(1,800)	(705)	(1,820)	(1,866)	(1,978)
IPO proceeds/buybacks	83	(995)	0	0	0	0	0
Other	691	45	(7,351)	(10,446)	(1,400)	(500)	(200)
<b>Net cash flow</b>	(3,304)	(50)	(65,768)	3,563	798	2,033	2,232
Opening net debt	(38,831)	(42,135)	(42,185)	(107,953)	(104,390)	(103,592)	(101,559)
<b>Closing net debt</b>	(42,135)	(42,185)	(107,953)	(104,390)	(103,592)	(101,559)	(99,326)
Ave net debt	(40,483)	(42,160)	(75,069)	(106,172)	(103,991)	(102,575)	(100,442)
<b>Free cash flow (less Ambev)</b>	7,365	8,118	3,542	10,601	10,781	11,116	11,702
EBITDA	18,542	16,839	16,753	22,084	23,132	24,266	25,860
<b>Net Debt EBITDA</b>	2.3x	2.5x	6.4x	4.7x	4.5x	4.2x	3.8x

Source: Jefferies estimates, company data

**Exhibit 7: ABI - Divisional Summary**

AB InBev																				
Divisional Summary (\$m)	FY16	F16R	Q117	Q217	H117	Q317	9M17	Q417	H217	FY17	Q118	Q218	H118	Q318E	9M18E	Q418E	H218E	FY18E	FY19E	FY20E
<b>Volumes (m hl)</b>																				
LY	502		143	151	293	163	456	159	322	616	148	157.7	305.6	161	467	146	307	613	576	581
Organic	(10)		(0.7)	1.5	0.8	(2.0)	(1.2)	2.4	0.4	1	(0.3)	1.2	0.9	4.1	5.1	1.4	5.5	6	8	8
Acq/Div	8		5.7	5.6	11.2	0.1	11.3	(15.9)	(16)	(5)	(12.8)	(15.2)	(27.9)	(14.1)	(42.0)	(1.1)	(15)	(43)	(3)	0
CY	<b>500</b>	<b>616</b>	<b>148</b>	<b>158</b>	<b>306</b>	<b>161</b>	<b>467</b>	<b>146</b>	<b>307</b>	<b>613</b>	<b>135</b>	<b>143.7</b>	<b>278.5</b>	<b>151</b>	<b>430</b>	<b>146</b>	<b>297</b>	<b>576</b>	<b>581</b>	<b>590</b>
<b>Organic %</b>	<b>-2.0%</b>	<b>-2.0%</b>	<b>-0.5%</b>	<b>1.0%</b>	<b>0.3%</b>	<b>-1.2%</b>	<b>-0.3%</b>	<b>1.5%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>-0.2%</b>	<b>0.8%</b>	<b>0.3%</b>	<b>2.6%</b>	<b>1.1%</b>	<b>0.9%</b>	<b>1.8%</b>	<b>1.0%</b>	<b>1.4%</b>	<b>1.4%</b>
<b>Sales</b>																				
LY	46,926		12,073	13,453	25,527	14,210	39,736	14,202	28,411	53,937	12,922	14,182	27,105	14,740	41,843	14,601	29,339	56,444	55,760	56,896
Organic	1,106		436	654	1,090	500	1,590	1,096	1,596	2,686	576	635	1,211	921	2,132	729	1,650	2,861	3,061	3,145
Acq/Div	271		109	100	209	(122)	87	(869)	(90)	(782)	(655)	(766)	(1,421)	(709)	(2,130)	(55)	(764)	(2,185)	(106)	0
FX	(2,853)		304	(25)	279	151	430	172	323	602	230	(37)	194	(858)	(664)	(695)	(1,553)	(1,359)	(1,819)	(853)
FX %	-6.1%		3%	0%	1%	1%	1%	1%	1%	1.1%	2%	0%	1%	-6%	-2%	-5%	-5%	-2.4%	-3.3%	-1.5%
CY	<b>45,517</b>	<b>53,937</b>	<b>12,922</b>	<b>14,182</b>	<b>27,105</b>	<b>14,740</b>	<b>41,843</b>	<b>14,601</b>	<b>29,339</b>	<b>56,444</b>	<b>13,073</b>	<b>14,014</b>	<b>27,088</b>	<b>14,094</b>	<b>41,181</b>	<b>14,580</b>	<b>28,672</b>	<b>55,760</b>	<b>56,896</b>	<b>59,187</b>
<b>Organic %</b>	<b>2.4%</b>	<b>2.4%</b>	<b>3.7%</b>	<b>5.0%</b>	<b>4.4%</b>	<b>3.6%</b>	<b>4.0%</b>	<b>8.2%</b>	<b>5.8%</b>	<b>5.1%</b>	<b>4.7%</b>	<b>4.7%</b>	<b>4.7%</b>	<b>6.6%</b>	<b>5.4%</b>	<b>5.0%</b>	<b>5.8%</b>	<b>5.3%</b>	<b>5.5%</b>	<b>5.5%</b>
Price/Mix	+4.4%	+4.4%	+4.2%	+4.0%	+4.1%	+4.8%	+4.3%	+6.7%	+5.7%	+4.9%	+4.9%	+4.0%	+4.4%	+4.0%	+4.3%	+4.1%	+4.0%	+4.2%	+4.1%	+4.1%
<b>EBITDA</b>																				
LY	18,146		4,490	4,856	9,347	5,039	14,385	5,248	10,285	19,632	4,809	5,353	10,165	5,733	15,896	6,188	11,919	22,084	23,132	24,266
Organic	(72)		4	233	237	357	594	673	1,030	1,267	148	168	316	566	882	586	1,152	1,468	1,693	1,743
Acq/Div	(183)		(46)	(57)	(103)	(50)	(153)	(220)	(270)	(373)	(169)	(138)	(307)	(121)	(428)	63	(59)	(365)	(10)	0
Synergies	60		252	335	587	336	923	381	717	1,304	160	199	359	148	507	86	234	593	237	237
FX	(1,200)		110	(13)	97	51	147	106	157	253	40	(15)	25	(362)	(337)	(310)	(672)	(647)	(787)	(386)
FX %	-7%		2%	0%	1%	1%	1%	0%	2%	1%	1%	0%	0%	-6%	-2%	0%	-6%	-3%	-3%	-2%
CY	<b>16,753</b>	<b>19,632</b>	<b>4,809</b>	<b>5,353</b>	<b>10,165</b>	<b>5,733</b>	<b>15,896</b>	<b>6,188</b>	<b>11,919</b>	<b>22,084</b>	<b>4,989</b>	<b>5,568</b>	<b>10,558</b>	<b>5,964</b>	<b>16,520</b>	<b>6,613</b>	<b>12,574</b>	<b>23,132</b>	<b>24,266</b>	<b>25,860</b>
<b>Organic excl synergies %</b>			0.1%	4.8%	2.5%	7.1%	4.1%	13.4%	10.3%	6.6%	3.2%	3.2%	3.2%	10.1%	5.7%	9.4%	9.7%	6.8%	7.3%	7.2%
<b>Organic %</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>5.8%</b>	<b>11.8%</b>	<b>8.8%</b>	<b>13.8%</b>	<b>10.5%</b>	<b>21.0%</b>	<b>17.4%</b>	<b>13.4%</b>	<b>6.6%</b>	<b>7.0%</b>	<b>6.8%</b>	<b>12.7%</b>	<b>9.0%</b>	<b>10.7%</b>	<b>11.7%</b>	<b>9.5%</b>	<b>8.3%</b>	<b>8.2%</b>
Margin	36.8%	36.4%	37.2%	37.7%	37.5%	38.9%	38.0%	42.4%	40.6%	39.1%	38.2%	39.7%	39.0%	42.3%	40.1%	45.4%	43.9%	41.5%	42.7%	43.7%
Margin development	-181bp	-227bp	2bp	165bp	88bp	343bp	179bp	543bp	442bp	273bp	94bp	198bp	148bp	342bp	213bp	297bp	323bp	236bp	117bp	104bp
<b>EBIT</b>																				
LY	14,881		3,517	3,862	7,378	3,995	11,374	4,148	8,142	15,521	3,721	4,338	8,059	4,681	12,740	5,075	9,755	17,814	18,948	19,983
Organic	(478)		(63)	233	170	360	530	667	1,027	1,196	188	84	272	500	772	583	1,083	1,355	1,445	1,477
Acq/Div	(216)		(77)	(83)	(159)	(31)	(191)	36	4	(155)	(144)	(100)	(244)	(86)	(330)	63	(23)	(267)	(6)	0
Synergies	60		252	335	587	336	923	381	717	1,304	160	199	359	148	507	86	234	593	237	237
FX	(971)		92	(9)	83	21	104	(156)	(135)	(52)	10	(13)	(3)	(295)	(298)	(250)	(545)	(547)	(642)	(319)
FX %	-6.5%		3%	0%	1%	1%	1%	-4%	-2%	-0.3%	0%	0%	0%	-6%	-2%	-5%	-6%	-3.1%	-3.4%	-1.6%
CY	<b>13,276</b>	<b>15,521</b>	<b>3,721</b>	<b>4,338</b>	<b>8,059</b>	<b>4,681</b>	<b>12,740</b>	<b>5,075</b>	<b>9,755</b>	<b>17,814</b>	<b>3,935</b>	<b>4,509</b>	<b>8,444</b>	<b>4,948</b>	<b>13,392</b>	<b>5,558</b>	<b>10,504</b>	<b>18,948</b>	<b>19,983</b>	<b>21,377</b>
<b>Organic excl synergies %</b>			-1.8%	6.0%	2.3%	9.0%	4.7%	15.9%	12.6%	7.8%	5.2%	2.0%	3.5%	10.9%	6.2%	11.4%	11.1%	7.7%	7.6%	7.4%
<b>Organic %</b>	<b>-2.8%</b>	<b>-2.8%</b>	<b>5.5%</b>	<b>15.0%</b>	<b>10.3%</b>	<b>17.4%</b>	<b>12.8%</b>	<b>25.0%</b>	<b>21.4%</b>	<b>16.5%</b>	<b>9.7%</b>	<b>6.7%</b>	<b>8.1%</b>	<b>14.1%</b>	<b>10.3%</b>	<b>13.0%</b>	<b>13.5%</b>	<b>11.1%</b>	<b>8.9%</b>	<b>8.6%</b>
Margin	29.2%	28.8%	28.8%	30.6%	29.7%	31.8%	30.4%	34.8%	33.2%	31.6%	30.1%	32.2%	31.2%	35.1%	32.5%	38.1%	36.6%	34.0%	35.1%	36.1%
Margin development	-241bp	-294bp	-34bp	188bp	83bp	364bp	182bp	555bp	459bp	279bp	130bp	159bp	144bp	335bp	207bp	336bp	339bp	242bp	114bp	100bp
Depreciation implied	3,477		1,088	1,016	2,105	1,053	3,156	1,113	2,164	4,269	1,054	1,059	2,114	1,016	3,128	1,055	2,070	4,184	4,284	4,483
D&A / sales	7.6%		8.4%	7.2%	7.8%	7.1%	7.5%	7.6%	7.4%	7.6%	8.1%	7.6%	7.8%	7.2%	7.6%	7.2%	7.2%	7.5%	7.5%	7.6%

Source: Jefferies estimates, company data

## Exhibit 8: 44: ABI – North America

AB In Bev		PF																		
North America (\$m)	FY16	FY16	Q117	Q217	H117	Q317	9M17	Q417	H217	FY17	Q118	Q218	H118	Q318E	9M18E	Q418E	H218E	FY18E	FY19E	FY20E
<b>Volumes (m hl)</b>																				
LY	118.2		26.9	31.5	58.4	31.9	90.4	26.5	58.5	116.9	25.8	31.3	57.2	30.1	87.3	26.2	56.3	113.5	110.7	109.6
Organic	(1.9)		(1.2)	(0.3)	(1.5)	(1.9)	(3.4)	(0.4)	(2.3)	(3.8)	(1.1)	(1.5)	(2.6)	0.3	(2.3)	(0.5)	(0.2)	(2.8)	(1.1)	(0.5)
Acq/Div	0.7		0.1	0.1	0.2	0.1	0.3	0.1	0.2	0.4	0.0	0.0	0.1	0.0	0.1	(0.1)	(0.1)	0.0	0.0	0.0
<b>CY</b>	<b>116.9</b>	<b>116.9</b>	<b>25.8</b>	<b>31.3</b>	<b>57.2</b>	<b>30.1</b>	<b>87.3</b>	<b>26.2</b>	<b>56.3</b>	<b>113.5</b>	<b>24.8</b>	<b>29.8</b>	<b>54.6</b>	<b>30.4</b>	<b>85.0</b>	<b>25.6</b>	<b>56.0</b>	<b>110.7</b>	<b>109.6</b>	<b>109.0</b>
Organic %	-1.6%	-1.6%	-4.4%	-1.0%	-2.6%	-6.1%	-3.8%	-1.4%	-4.0%	-3.3%	-4.1%	-4.9%	-4.5%	1.0%	-2.6%	-2.1%	-0.4%	-2.5%	-1.0%	-0.5%
<b>Sales</b>																				
LY	15,603		3,532	4,263	7,795	4,287	12,082	3,616	7,903	15,698	3,514	4,271	7,785	4,120	11,905	3,683	7,803	15,588	15,512	15,564
Organic	19		(74)	1	(73)	(226)	(299)	22	(204)	(277)	(78)	(127)	(205)	124	(81)	3	127	(78)	78	156
Acq/Div	77		41	35	76	43	119	26	69	145	4	11	15	0	15	(15)	(15)	0	0	0
FX	(67)		15	(28)	(13)	16	3	19	35	22	19	26	45	(24)	22	(20)	(43)	2	(25)	0
FX %	0%		0%	-1%	0%	0%	0%	0%	0%	0%	1%	1%	1%	-1%	0%	-1%	-1%	0%	0%	0%
<b>CY</b>	<b>15,698</b>	<b>15,698</b>	<b>3,514</b>	<b>4,271</b>	<b>7,785</b>	<b>4,120</b>	<b>11,905</b>	<b>3,683</b>	<b>7,803</b>	<b>15,588</b>	<b>3,460</b>	<b>4,181</b>	<b>7,641</b>	<b>4,220</b>	<b>11,861</b>	<b>3,651</b>	<b>7,871</b>	<b>15,512</b>	<b>15,564</b>	<b>15,720</b>
Organic %	0.1%	0.1%	-2.1%	0.0%	-0.9%	-5.3%	-2.5%	0.6%	-2.6%	-1.8%	-2.2%	-3.0%	-2.6%	3.0%	-0.7%	0.1%	1.6%	-0.5%	0.5%	1.0%
Price/Mix	+1.8%	+1.8%	+2.3%	+1.0%	+1.6%	+0.8%	+1.3%	+2.1%	+1.4%	+1.5%	+1.9%	+1.9%	+1.9%	+2.0%	+1.9%	+2.2%	+2.1%	+2.0%	+1.5%	+1.5%
<b>EBITDA</b>																				
LY	6,172		1,384	1,732	3,116	1,741	4,857	1,393	3,134	6,250	1,371	1,778	3,149	1,724	4,873	1,456	3,180	6,329	6,266	6,382
Organic	125		(17)	52	38	(25)	13	68	43	81	(65)	(124)	(189)	103	(86)	22	126	(63)	125	128
Acq/Div	(18)		(1)	0	(1)	3	2	(12)	(10)	(10)	(1)	(4)	(5)	0	(5)	5	5	0	0	0
Synergies	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FX	(29)		5	(10)	(5)	6	1	7	13	8	4	10	14	(10)	5	(4)	(14)	1	(10)	0
FX %	0%		0%	-1%	0%	0%	0%	1%	0%	0%	0%	1%	0%	-1%	0%	0%	0%	0%	0%	0%
<b>CY</b>	<b>6,250</b>	<b>6,250</b>	<b>1,371</b>	<b>1,778</b>	<b>3,149</b>	<b>1,724</b>	<b>4,873</b>	<b>1,456</b>	<b>3,180</b>	<b>6,329</b>	<b>1,309</b>	<b>1,660</b>	<b>2,969.1</b>	<b>1,818</b>	<b>4,787</b>	<b>1,480</b>	<b>3,297</b>	<b>6,266</b>	<b>6,382</b>	<b>6,509</b>
Organic %	2.0%	2.0%	-1.2%	3.2%	1.2%	-1.4%	0.3%	4.9%	1.4%	1.3%	-4.7%	-7.0%	-6.0%	6.0%	-1.8%	1.5%	4.0%	-1.0%	2.0%	2.0%
Margin	39.8%	39.8%	39.0%	41.6%	40.4%	41.8%	40.9%	39.5%	40.8%	40.6%	37.8%	39.7%	38.9%	43.1%	40.4%	40.5%	41.9%	40.4%	41.0%	41.4%
Margin development	26bp	26bp	-17bp	99bp	47bp	123bp	73bp	101bp	110bp	79bp	-117bp	-193bp	-159bp	123bp	-57bp	99bp	114bp	-20bp	60bp	41bp
<b>EBIT</b>																				
LY	5,417		1,194	1,529	2,723	1,536	4,259	1,182	2,718	5,441	1,174	1,571	2,745	1,508	4,253	1,233	2,741	5,486	5,475	5,576
Organic	79		(22)	52	30	(34)	(4)	58	24	54	(64)	(109)	(173)	75	(98)	87	162	(11)	110	112
Acq/Div	(29)		(3)	(9)	(12)	1	(11)	(5)	(4)	(16)	(1)	(4)	(5)	0	(5)	5	5	0	0	0
Synergies	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FX	(26)		5	(1)	4	5	9	(2)	3	7	3	9	12	(9)	3	(2)	(11)	1	(9)	0
FX %	0%		0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	-1%	0%	0%	0%	0%	0%	0%
<b>CY</b>	<b>5,441</b>	<b>5,441</b>	<b>1,174</b>	<b>1,571</b>	<b>2,745</b>	<b>1,508</b>	<b>4,253</b>	<b>1,233</b>	<b>2,741</b>	<b>5,486</b>	<b>1,111</b>	<b>1,467</b>	<b>2,578.3</b>	<b>1,575</b>	<b>4,153</b>	<b>1,322</b>	<b>2,897</b>	<b>5,475</b>	<b>5,576</b>	<b>5,687</b>
Organic %	1.5%	1.5%	-1.9%	3.4%	1.1%	-2.2%	-0.1%	4.9%	0.9%	1.0%	-5.5%	-6.9%	-6.3%	5.0%	-2.3%	7.0%	5.9%	-0.2%	2.0%	2.0%
Margin	34.7%	34.7%	33.4%	36.8%	35.3%	36.6%	35.7%	33.5%	35.1%	35.2%	32.1%	35.1%	33.7%	37.3%	35.0%	36.2%	36.8%	35.3%	35.8%	36.2%
Margin development	-5bp	-7bp	-40bp	91bp	33bp	77bp	47bp	79bp	74bp	53bp	-129bp	-169bp	-152bp	71bp	-71bp	275bp	168bp	11bp	53bp	35bp
Depreciation implied	808	809	197	207	404	216	620	223	439	843	198	193	391	243	634	157	400	791	806	822
D&A / sales	5.1%	5.2%	5.6%	4.8%	5.2%	5.2%	5.2%	6.1%	5.6%	5.4%	5.7%	4.6%	5.1%	5.8%	5.3%	4.3%	5.1%	5.1%	5.2%	5.2%

Source: Jefferies estimates, company data



**Exhibit 9: ABI – LatAm West (Colombia & Mexico)**

LatAm West (\$m) Mexico & COPEC	FY16	FY16	Q117	Q217	H117	Q317	9M17	Q417	H217	FY17	Q118	Q218	H118	Q318E	9M18E	Q418E	H218E	FY18E	FY19E	FY20E
<b>Volumes (m hl)</b>																				
LY	61.1		25.7	26.9	52.5	27.2	79.7	29.3	56.5	109.0	25.5	27.7	53.2	28.0	81.2	29.4	57.4	110.6	116.2	121.4
Organic	3.6		(0.1)	0.8	0.7	0.9	1.6	0.1	1.0	1.7	2.2	1.3	3.4	1.1	4.6	1.0	2.1	5.5	5.2	5.5
Acq/Div	(1.1)		(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0
CY	63.6	109.0	25.5	27.7	53.2	28.0	81.2	29.4	57.4	110.6	27.7	28.9	56.6	29.1	85.7	30.4	59.5	116.2	121.4	126.8
Organic %	6.0%	6.0%	-0.5%	3.1%	1.3%	3.2%	2.0%	0.5%	1.8%	1.6%	8.4%	4.7%	6.5%	4.0%	5.6%	3.3%	3.6%	5.0%	4.5%	4.5%
<b>Sales</b>																				
LY	5,396		1,974	2,149	4,123	2,161	6,284	2,311	4,472	8,595	1,976	2,284	4,259	2,400	6,660	2,578	4,979	9,238	10,174	10,943
Organic	494		60	182	242	193	435	207	400	642	276	207	483	204	687	191	395	878	865	875
Acq/Div	(55)		(1)	1	0	0	0	(13)	(13)	(13)	(2)	0	(2)	0	(2)	2	2	0	0	0
FX	(648)		(57)	(49)	(106)	47	(59)	73	120	14	86	2	88	(104)	(16)	75	(29)	59	(95)	(110)
FX %	-12%		-3%	-2%	-3%	2%	-1%	3%	3%	0.2%	4%	0%	2%	-4%	0%	3%	-1%	0.6%	-0.9%	-1.0%
CY	5,188	8,595	1,976	2,284	4,259	2,400	6,660	2,578	4,979	9,238	2,336	2,493	4,828	2,500	7,329	2,846	5,346	10,174	10,943	11,709
Organic %	9.3%	9.3%	3.0%	8.5%	5.9%	8.9%	6.9%	9.0%	8.9%	7.5%	14.0%	9.1%	11.3%	8.5%	10.3%	7.4%	7.9%	9.5%	8.5%	8.0%
Price/Mix	+3.3%	+3.3%	+3.5%	+5.4%	+4.5%	+5.7%	+4.9%	+8.5%	+7.1%	+5.9%	+5.5%	+4.4%	+4.9%	+4.5%	+4.7%	+4.1%	+4.3%	+4.5%	+4.0%	+3.5%
<b>EBITDA</b>																				
LY	2,680		915	988	1,903	991	2,894	1,087	2,078	3,981	921	1,077	1,999	1,137	3,136	1,376	2,514	4,512	5,288	5,780
Organic	83		(55)	(13)	(68)	(39)	(107)	77	38	(30)	73	59	132	125	257	194	319	451	423	462
Acq/Div	(153)		(45)	(47)	(92)	(4)	(96)	(14)	(18)	(109)	(1)	1	1	0	1	(1)	(1)	0	0	0
Synergies	60		126	168	294	168	462	191	359	652	80	100	180	74	254	43	117	296	119	119
FX	(294)		(20)	(18)	(38)	21	(17)	35	56	18	36	3	39	(49)	(10)	39	(11)	29	(50)	(58)
FX %	-11%		-2%	-2%	-2%	2%	-1%	0%	3%	0%	4%	0%	2%	-4%	0%	0%	0%	1%	-1%	-1%
CY	2,376	3,981	921	1,077	1,998.5	1,137	3,136	1,376	2,514	4,512	1,110	1,240	2,350.2	1,287	3,637	1,651	2,938	5,288	5,780	6,303
Organic pre-synergies %			-6.0%	-1.3%	-3.6%	-3.9%	-3.7%	7.1%	1.8%	-0.8%	7.9%	5.5%	6.6%	11.0%	8.2%	14.1%	12.7%	10.0%	8.0%	8.0%
Organic incl synergies %	5.3%	5.3%	8.1%	15.6%	11.8%	13.1%	12.3%	24.6%	19.1%	16.0%	16.6%	14.7%	15.6%	17.5%	16.3%	17.2%	17.3%	16.6%	10.2%	10.1%
Margin	45.8%	46.3%	46.6%	47.2%	46.9%	47.4%	47.1%	53.4%	50.5%	48.8%	47.5%	49.8%	48.7%	51.5%	49.6%	58.0%	55.0%	52.0%	52.8%	53.8%
Margin development	-499bp	-335bp	27bp	121bp	77bp	153bp	103bp	634bp	402bp	252bp	90bp	258bp	175bp	410bp	255bp	464bp	447bp	313bp	84bp	101bp
<b>EBIT</b>																				
LY	2,256		760	829	1,589	835	2,424	946	1,781	3,370	769	927	1,696	981	2,677	1,219	2,200	3,896	4,646	5,092
Organic	63		(57)	(8)	(65)	(34)	(99)	62	28	(37)	72	46	117	118	235	194	312	429	372	407
Acq/Div	(149)		(45)	(48)	(93)	(5)	(98)	(9)	(14)	(107)	(1)	1	0	0	0	0	0	0	0	0
Synergies	60		126	168	294	168	462	191	359	652	80	100	180	74	254	43	117	296	119	119
FX	(241)		(14)	(15)	(29)	17	(12)	30	47	18	30	3	33	(43)	(10)	34	(8)	25	(44)	(51)
FX %	-10.7%		-2%	-2%	-2%	2%	-0.5%	3.2%	2.7%	0.5%	4%	0%	2%	-4%	-0.4%	2.8%	-0.4%	0.6%	-0.9%	-1.0%
CY	1,988	3,370	769	927	1,695.7	981	2,677	1,219	2,200	3,896	950	1,076	2,025	1,130	3,155	1,490	2,620	4,646	5,092	5,567
Organic pre-synergies %			-7.5%	-0.9%	-4.1%	-4.1%	-4.1%	6.5%	1.5%	-1.1%	9.3%	4.9%	6.9%	12.0%	8.8%	15.9%	14.2%	11.0%	8.0%	8.0%
Organic incl synergies %	5.5%	5.5%	9.5%	19.7%	14.4%	16.0%	15.0%	26.6%	21.7%	18.9%	19.7%	16.0%	17.5%	19.6%	18.2%	19.4%	19.5%	18.6%	10.6%	10.3%
Margin	38.3%	39.2%	38.9%	40.6%	39.8%	40.9%	40.2%	47.3%	44.2%	42.2%	40.7%	43.1%	41.9%	45.2%	43.1%	52.4%	49.0%	45.7%	46.5%	47.5%
Margin development	-394bp	-260bp	43bp	200bp	127bp	223bp	162bp	636bp	437bp	296bp	173bp	258bp	213bp	434bp	286bp	508bp	482bp	349bp	87bp	101bp
Depreciation implied	388	611	152	151	303	156	459	157	313	616	160	165	325	157	482	161	318	643	688	736
D&A / sales	7.5%	7.1%	7.7%	6.6%	7.1%	6.5%	6.9%	6.1%	6.3%	6.7%	6.9%	6.6%	6.7%	6.3%	6.6%	5.6%	5.9%	6.3%	6.3%	6.3%

Source: Jefferies estimates, company data

**Exhibit 10: ABI – LatAm North (Brazil)**

AB InBev Latam North - Brazil (\$m)	PF FY16	Q117	Q217	H117	Q317	9M17	Q417	H217	FY17	Q118	Q218	H118	Q318E	9M18E	Q418E	H218E	FY18E	FY19E	FY20E
<b>Volumes (m hl)</b>																			
LY		29.7	27.2	56.9	28.9	85.9	33.9	62.8	119.8	30.4	26.1	56.6	27.9	84.5	34.9	62.8	119.4	118.2	119.4
Organic		0.7	(1.0)	(0.4)	(1.0)	(1.4)	1.0	0.0	(0.4)	(2.8)	0.5	(2.3)	1.0	(1.3)	0.1	1.1	(1.2)	1.2	1.2
Acq/Div		0.0	(0.0)	(0.0)	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	0.0	(0.1)	0.1	0.1	0.0	0.0	0.0
<b>CY</b>	<b>119.8</b>	<b>30.4</b>	<b>26.1</b>	<b>56.6</b>	<b>27.9</b>	<b>84.5</b>	<b>34.9</b>	<b>62.8</b>	<b>119.4</b>	<b>27.6</b>	<b>26.6</b>	<b>54.1</b>	<b>28.9</b>	<b>83.1</b>	<b>35.1</b>	<b>64.0</b>	<b>118.2</b>	<b>119.4</b>	<b>120.6</b>
Organic %	-5.9%	2.3%	-3.8%	-0.6%	-3.5%	-1.6%	3.0%	0.0%	-0.3%	-9.2%	2.0%	-4.0%	3.5%	-1.5%	0.3%	1.7%	-1.0%	1.0%	1.0%
<b>Sales</b>																			
LY		1,900	1,920	3,820	2,081	5,901	2,730	4,811	8,631	2,335	2,031	4,366	2,276	6,642	3,133	5,409	9,775	9,344	9,368
Organic		38	(34)	4	167	171	353	520	524	(1)	207	206	159	365	123	283	489	561	562
Acq/Div		0	1	(1)	(1)	0	(4)	(5)	(4)	(8)	(8)	(16)	0	(16)	16	16	0	0	0
FX		397	144	541	29	570	54	83	624	(47)	(174)	(221)	(369)	(590)	(329)	(699)	(920)	(537)	(241)
FX %		21%	8%	14%	1%	10%	2%	2%	7%	-2%	-9%	-5%	-16%	-9%	-11%	-13%	-9%	-6%	-3%
<b>CY</b>	<b>8,631</b>	<b>2,335</b>	<b>2,031</b>	<b>4,366</b>	<b>2,276</b>	<b>6,642</b>	<b>3,133</b>	<b>5,409</b>	<b>9,775</b>	<b>2,279</b>	<b>2,056</b>	<b>4,335</b>	<b>2,067</b>	<b>6,401</b>	<b>2,943</b>	<b>5,010</b>	<b>9,344</b>	<b>9,368</b>	<b>9,689</b>
Organic %	-3.9%	2.0%	-1.8%	0.1%	8.0%	2.9%	12.9%	10.8%	6.1%	0.0%	10.2%	4.7%	7.0%	5.5%	3.9%	5.2%	5.0%	6.0%	6.0%
Price/Mix	+1.9%	-0.3%	+2.1%	+0.7%	+11.5%	+4.5%	+9.9%	+10.8%	+6.4%	+9.2%	+8.2%	+8.7%	+3.5%	+7.0%	+3.6%	+3.5%	+6.0%	+5.0%	+5.0%
<b>EBITDA</b>																			
LY		931	830	1,761	782	2,543	1,248	2,030	3,791	901	798	1,699	906	2,605	1,575	2,482	4,180	4,184	4,237
Organic		(175)	(77)	(253)	128	(124)	294	422	170	72	130	202	109	311	86	195	397	293	339
Acq/Div		(9)	(10)	(19)	(14)	(33)	(14)	(28)	(46)	(3)	(3)	(6)	0	(6)	6	6	0	0	0
Synergies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FX		154	56	209	10	219	47	57	267	(20)	(73)	(93)	(147)	(240)	(153)	(300)	(393)	(240)	(109)
FX %		16%	7%	12%	1%	9%	4%	3%	7%	-2%	-9%	-5%	-16%	-9%	-10%	-12%	-9%	-6%	-3%
<b>CY</b>	<b>3,791</b>	<b>901</b>	<b>798</b>	<b>1,699</b>	<b>906</b>	<b>2,605</b>	<b>1,575</b>	<b>2,482</b>	<b>4,180</b>	<b>949</b>	<b>852</b>	<b>1,801.4</b>	<b>868</b>	<b>2,670</b>	<b>1,515</b>	<b>2,383</b>	<b>4,184</b>	<b>4,237</b>	<b>4,466</b>
Organic %	-16.8%	-19.0%	-9.5%	-14.3%	16.7%	-4.9%	23.6%	20.8%	4.5%	8.0%	16.3%	11.9%	12.0%	11.9%	5.5%	7.9%	9.5%	7.0%	8.0%
Margin	43.9%	38.6%	39.3%	38.9%	39.8%	39.2%	50.3%	45.9%	42.8%	41.6%	41.5%	41.6%	42.0%	41.7%	51.5%	47.6%	44.8%	45.2%	46.1%
Margin development	-771bp	-1043bp	-393bp	-719bp	224bp	-387bp	458bp	369bp	-115bp	308bp	215bp	265bp	219bp	248bp	119bp	169bp	201bp	45bp	87bp
<b>EBIT</b>																			
LY		763	641	1,404	579	1,983	1,037	1,616	3,020	696	596	1,292	698	1,990	1,342	2,040	3,332	3,368	3,411
Organic		(177)	(74)	(252)	126	(126)	271	397	145	74	121	195	98	293	57	154	350	236	273
Acq/Div		(9)	(9)	(18)	(14)	(32)	245	231	213	(3)	(3)	(6)	0	(6)	6	6	0	0	0
Synergies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FX		119	39	158	8	165	(211)	(204)	(46)	(16)	(57)	(73)	(113)	(186)	(127)	(241)	(314)	(194)	(88)
FX %		16%	6%	11%	1%	8%	-20%	-13%	-2%	-2%	-10%	-6%	-16%	-9%	-9%	-12%	-9%	-6%	-3%
<b>CY</b>	<b>3,020</b>	<b>696</b>	<b>596</b>	<b>1,291.9</b>	<b>698</b>	<b>1,990</b>	<b>1,342</b>	<b>2,040</b>	<b>3,332</b>	<b>751</b>	<b>658</b>	<b>1,408.3</b>	<b>683</b>	<b>2,091</b>	<b>1,277</b>	<b>1,960</b>	<b>3,368</b>	<b>3,411</b>	<b>3,596</b>
Organic %	-22.1%	-23.5%	-11.8%	-17.9%	21.8%	-6.3%	26.1%	24.5%	4.9%	10.6%	20.4%	15.1%	14.0%	14.7%	4.2%	7.6%	10.5%	7.0%	8.0%
Margin	35.0%	29.8%	29.4%	29.6%	30.7%	30.0%	42.8%	37.7%	34.1%	32.9%	32.0%	32.5%	33.0%	32.7%	43.4%	39.1%	36.0%	36.4%	37.1%
Margin development	-905bp	-1037bp	-403bp	-716bp	286bp	-364bp	484bp	412bp	-90bp	315bp	263bp	290bp	237bp	270bp	57bp	141bp	196bp	36bp	70bp
Depreciation implied	771	205	202	407	208	615	234	442	848	199	195	393	185	578	237	423	816	826	871
D&A / sales	8.9%	8.8%	9.9%	9.3%	9.1%	9.3%	7.5%	8.2%	8.7%	8.7%	9.5%	9.1%	9.0%	9.0%	8.1%	8.4%	8.7%	8.8%	9.0%

Source: Jefferies estimates, company data

## Exhibit 11: ABI - LatAm South

Latam South (\$m)	FY16	FY16	Q117	Q217	H117	Q317	9M17	Q417	H217	FY17	Q118	Q218	H118	Q318E	9M18E	Q418E	H218E	FY18E	FY19E	FY20E
<b>Volumes (m hj)</b>																				
LY	34.0		8.8	6.0	14.8	7.5	22.3	9.9	17.3	32.2	9.1	6.7	15.8	7.8	23.6	10.4	18.2	34.1	35.4	36.3
Organic	(1.9)		0.3	0.7	1.0	0.3	1.3	0.6	0.9	1.9	0.5	0.3	0.8	0.2	1.1	0.3	0.5	1.4	0.9	0.7
Acq/Div	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	0.0	0.0	0.0
CY	32.2	32.2	9.1	6.7	15.8	7.8	23.6	10.4	18.2	34.1	9.6	7.1	16.7	8.0	24.7	10.7	18.8	35.4	36.3	37.0
Organic %	-5.6%	-5.6%	3.1%	12.2%	6.8%	4.5%	6.0%	5.8%	5.2%	5.9%	5.6%	4.7%	5.2%	3.0%	4.5%	2.9%	2.9%	4.0%	2.5%	2.0%
<b>Sales</b>																				
LY	3,331		727	504	1,231	677	1,908	940	1,617	2,848	872	650	1,523	764	2,287	1,076	1,840	3,363	3,349	3,528
Organic	565		199	179	378	150	527	216	366	743	213	164	377	176	553	254	430	807	603	635
Acq/Div	5		0	1	1	0	1	0	0	1	2	1	3	0	3	(3)	(3)	0	0	0
FX	(1,051)		(53)	(33)	(86)	(62)	(149)	(81)	(143)	(230)	(132)	(142)	(274)	(260)	(534)	(287)	(547)	(821)	(423)	(203)
FX %	-32%		-7%	-7%	-7%	-9%	-8%	-9%	-9%	-8%	-15%	-22%	-18%	-34%	-23%	-27%	-30%	-24%	-13%	-6%
CY	2,850	2,848	872	650	1,523	764	2,287	1,076	1,840	3,363	956	673	1,630	680	2,310	1,039	1,719	3,349	3,528	3,960
Organic %	17.0%	17.0%	27.4%	35.4%	30.7%	22.1%	27.6%	23.0%	22.6%	26.1%	24.4%	25.2%	24.6%	23.0%	24.2%	23.6%	23.4%	24.0%	18.0%	18.0%
Price/Mix	+22.5%	+22.5%	+24.3%	+23.2%	+23.9%	+17.6%	+21.6%	+17.2%	+17.4%	+20.2%	+18.8%	+20.5%	+19.5%	+20.0%	+19.7%	+20.7%	+20.4%	+20.0%	+15.5%	+16.0%
<b>EBITDA</b>																				
LY	1,592		366	218	584	332	917	515	847	1,432	399	267	666	359	1,025	570	929	1,595	1,684	1,775
Organic	372		60	66	126	57	184	103	161	287	100	116	216	108	323	155	263	479	303	319
Acq/Div	3		0	(3)	(3)	(1)	(4)	(4)	(5)	(8)	1	(13)	(12)	0	(12)	12	12	0	0	0
Synergies	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FX	(537)		(28)	(13)	(42)	(30)	(72)	(43)	(73)	(115)	(65)	(72)	(137)	(122)	(258)	(131)	(253)	(389)	(213)	(102)
FX %	-32%		-8%	-6%	-7%	-9%	-8%	-9%	-9%	-8%	-17%	-27%	-20%	-34%	-25%	-27%	-27%	-24%	-13%	-6%
CY	1,431	1,432	399	267	666.1	359	1,025	570	929	1,595	436	298	733.8	344	1,078	606	951	1,684	1,775	1,992
Organic %	23.4%	26.3%	16.4%	30.4%	21.6%	17.3%	20.1%	20.1%	19.0%	20.1%	25.1%	43.3%	32.4%	30.0%	31.6%	27.2%	28.3%	30.0%	18.0%	18.0%
Margin	50.2%	50.3%	45.7%	41.1%	43.7%	46.9%	44.8%	53.0%	50.5%	47.4%	45.6%	44.3%	45.0%	50.7%	46.7%	58.3%	55.3%	50.3%	50.3%	50.3%
Margin development	425bp	247bp	-468bp	-212bp	-374bp	-215bp	-325bp	-172bp	-188bp	-283bp	-15bp	320bp	129bp	372bp	187bp	531bp	480bp	286bp	0bp	0bp
<b>EBIT</b>																				
LY	1,411		326	170	496	287	784	457	744	1,241	349	216	565	305	870	518	823	1,388	1,480	1,559
Organic	286		48	58	107	45	152	105	150	257	90	103	193	95	288	143	237	430	266	281
Acq/Div	3		0	(2)	(2)	(2)	(4)	(4)	(6)	(8)	1	(13)	(12)	0	(12)	12	12	0	0	0
Synergies	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FX	(460)		(25)	(11)	(36)	(25)	(61)	(40)	(65)	(101)	(58)	(61)	(119)	(104)	(223)	(116)	(220)	(339)	(187)	(90)
FX %	-32%		-8%	-6%	-7%	-9%	-8%	-9%	-9%	-8%	-17%	-28%	-21%	-34%	-26%	-22%	-27%	-24%	-13%	-6%
CY	1,240	1,241	349	216	564.8	305	870	518	823	1,388	383	245	627.2	296	923	556	852	1,480	1,559	1,750
Organic %	20.3%	20.3%	14.8%	34.4%	21.5%	15.7%	19.4%	23.0%	20.2%	20.9%	25.8%	47.8%	34.2%	31.0%	33.1%	27.5%	28.8%	31.0%	18.0%	18.0%
Margin%	43.5%	43.6%	40.1%	33.1%	37.1%	39.9%	38.0%	48.2%	44.8%	41.3%	40.0%	36.3%	38.5%	43.6%	40.0%	53.5%	49.6%	44.2%	44.2%	44.2%
Margin development	322bp	120bp	-483bp	-58bp	-323bp	-249bp	-303bp	-44bp	-127bp	-228bp	-2bp	320bp	140bp	361bp	193bp	537bp	484bp	290bp	0bp	0bp
Depreciation implied	191	191	49	52	101	53	155	52	106	207	53	54	107	48	155	50	98	205	216	242
D&A / sales	6.7%	6.7%	5.7%	8.0%	6.6%	7.0%	6.8%	4.9%	5.7%	6.2%	5.5%	8.0%	6.5%	7.1%	6.7%	4.8%	5.7%	6.1%	6.1%	6.1%

Source: Jefferies estimates, company data

## Exhibit 12: ABI – EMEA

EMEA (\$m)	FY16		FY17		FY18		FY19		FY20		FY21		FY22		FY23		FY24				
Europe & Africa	FY16	FY17	Q117	Q217	H117	Q317	9M17	Q417	H217	FY17	Q118	Q218	H118	Q318E	9M18E	Q418E	H218E	FY18E	FY19E	FY20E	
<b>Volumes (m hl)</b>																					
LY	89.2		28.0	29.8	57.7	35.9	93.6	41.2	77.1	134.8	32.9	36.7	69.6	35.8	105.5	26.2	62.1	131.7	90.2	89.0	
Organic	(1.7)		(0.8)	1.2	0.5	(0.3)	0.2	1.0	0.7	1.2	0.4	(0.3)	0.1	1.1	1.1	0.5	1.6	1.6	1.4	0.9	
Acq/Div	7.9		5.7	5.7	11.4	0.2	11.7	(16.0)	(15.8)	(4.3)	(12.7)	(15.1)	(27.8)	(14.1)	(41.8)	(1.3)	(15.3)	(43.1)	(2.6)	0.0	
CY	75.3	134.8	32.9	36.7	69.6	35.8	105.5	26.2	62.1	131.7	20.5	21.3	41.9	22.9	64.7	25.5	48.3	90.2	89.0	89.9	
Organic %	-2.4%	-2.4%	-2.7%	4.1%	0.8%	-0.9%	0.2%	2.5%	0.9%	0.9%	1.8%	-0.8%	0.1%	3.0%	1.1%	1.9%	2.6%	1.3%	1.5%	1.0%	
<b>Sales</b>																					
LY	5,638		1,885	2,257	4,142	2,648	6,790	2,909	5,557	9,698	2,341	2,805	5,145	2,876	8,021	2,323	5,199	10,344	8,736	8,784	
Organic	237		93	227	320	119	439	127	246	565	71	45	116	144	260	102	246	362	568	527	
Acq/Div	420		328	332	660	(5)	655	(783)	(788)	(128)	(659)	(800)	(1,459)	(709)	(2,168)	(17)	(726)	(2,185.0)	(106)	0	
FX	(286)		35	(11)	24	114	138	69	183	207	166	126	292	(82)	210	5	(77)	215	(414)	(220)	
FX %	-5%		2%	0%	1%	4%	2%	2%	3%	2%	7%	4%	6%	-3%	3%	0%	-1%	2%	-5%	-2%	
CY	6,010	9,698	2,341	2,805	5,145	2,876	8,021	2,323	5,199	10,344	1,919	2,175	4,094	2,229	6,323	2,413	4,642	8,736	8,784	9,091	
Organic %	4.2%	4.2%	4.9%	10.0%	7.7%	4.5%	6.5%	6.0%	5.2%	6.3%	4.2%	1.6%	2.3%	5.0%	3.2%	4.4%	4.7%	3.5%	6.5%	6.0%	
Price/Mix	+6.6%		+7.7%	+5.9%	+6.9%	+5.4%	+6.3%	+3.5%	+4.2%	+5.4%	+2.4%	+2.5%	+2.2%	+2.0%	+2.2%	+2.5%	+2.2%	+2.3%	+5.0%	+5.0%	
<b>EBITDA</b>																					
LY	1,723.0		521	688	1,209	778	1,987	918	1,696	2,905	664	826	1,490	969	2,458	891	1,860	3,349	3,291	3,451	
Organic	65		(4)	(18)	(22)	26	4	(41)	(15)	(37)	(58)	(46)	(104)	39	(65)	65	104	0	230	242	
Acq/Div	71		41	29	70	(8)	62	(175)	(182)	(112)	(113)	(106)	(219)	(121)	(340)	(25)	(146)	(365.0)	(10)	0	
Synergies	0		101	134	235	134	369	152	287	522	64	80	144	59	203	34	94	237	95	95	
FX	(85)		5	(7)	(3)	38	36	37	75	73	54	49	103	(28)	76	(6)	(34)	70	(156)	(86)	
FX %	-5%		1%	-1%	0%	5%	2%	4%	4%	2%	8%	6%	7%	-3%	3%	-1%	-2%	2%	-5%	-2%	
CY	1,774	2,905	664	826	1,490	969	2,458	891	1,860	3,349	611	803	1,413	918	2,331	960	1,878	3,291	3,451	3,701	
Organic pre-synergies %			-0.7%	-2.6%	-1.8%	3.3%	0.2%	-4.5%	-0.9%	-1.3%	-10.6%	-5.5%	-7.0%	4.0%	-2.7%	7.3%	5.6%	0.0%	7.0%	7.0%	
Organic incl synergies %	3.7%	3.7%	18.6%	16.9%	17.6%	20.8%	18.8%	15.0%	17.9%	17.9%	1.0%	4.7%	3.1%	11.6%	6.5%	11.5%	11.5%	7.9%	9.9%	9.7%	
Margin	29.5%	30.0%	28.3%	29.5%	29.0%	33.7%	30.6%	38.4%	35.8%	32.4%	31.8%	36.9%	34.5%	41.2%	36.9%	39.8%	40.5%	37.7%	39.3%	40.7%	
Margin development	234bp	-61bp	70bp	-103bp	-24bp	431bp	138bp	681bp	526bp	243bp	347bp	745bp	557bp	750bp	622bp	141bp	468bp	529bp	161bp	142bp	
<b>EBIT</b>																					
LY	1,305		357	517	874	586	1,460	701	1,287	2,161	462	619	1,081	755	1,836	671	1,426	2,507	2,480	2,652	
Organic	17		(15)	(28)	(43)	12	(32)	(52)	(40)	(83)	(70)	(68)	(138)	30	(107)	57	87	(50)	200	196	
Acq/Div	48		14	2	16	(9)	7	(160)	(169)	(153)	(88)	(68)	(156)	(86)	(241)	(25)	(111)	(266.5)	(6)	0	
Synergies	0		101	134	235	134	369	152	287	522	64	80	144	59	203	34	94	237	95	95	
FX	(67)		5	(6)	(1)	32	31	29	61	60	37	40	77	(21)	56	(3)	(25)	52	(118)	(66)	
FX %	-5%		1%	-1%	0%	5%	2%	4%	5%	3%	7%	6%	7%	-3%	3%	-1%	-2%	2%	-5%	-2%	
CY	1,302	2,161	462	619	1,081	755	1,836	671	1,426	2,507	405	603	1,008	737	1,745	734	1,472	2,480	2,652	2,877	
Organic pre-synergies %			-4.3%	-5.4%	-4.9%	2.0%	-2.2%	-7.4%	-3.1%	-4.1%	-18.7%	-10.9%	-12.7%	4.0%	-5.9%	8.5%	6.1%	-2.0%	8.1%	7.4%	
Organic incl synergies %	1.3%	1.3%	24.0%	20.5%	21.9%	24.9%	23.1%	18.6%	22.6%	21.8%	-1.6%	2.2%	0.6%	13.4%	6.0%	14.2%	13.8%	8.3%	11.9%	11.0%	
Margin	21.7%	22.3%	19.7%	22.1%	21.0%	26.3%	22.9%	28.9%	27.4%	24.2%	21.1%	27.7%	24.6%	33.1%	27.6%	30.4%	31.7%	28.4%	30.2%	31.6%	
Margin development	303bp	-86bp	78bp	-83bp	-10bp	412bp	138bp	480bp	428bp	195bp	139bp	565bp	362bp	682bp	472bp	153bp	426bp	415bp	181bp	145bp	
Depreciation implied	471	744	202	207	409	214	623	220	434	842	205	200	405	181	586	225	406	812	799	824	
D&A / sales	7.8%	7.7%	8.6%	7.4%	7.9%	7.4%	7.8%	9.5%	8.3%	8.1%	10.7%	9.2%	9.9%	8.1%	9.3%	9.3%	8.8%	9.3%	9.1%	9.1%	

Source: Jefferies estimates, company data

## Exhibit 13: ABI – Asia Pacific

Asia Pacific (\$m)	FY16	Q117	Q217	H117	Q317	9M17	Q417	H217	FY17	Q118	Q218	H118	Q318E	9M18E	Q418E	H218E	FY18E	FY19E	FY20E
<b>China, Australia &amp; Korea</b>																			
<b>Volumes (m hl)</b>																			
LY		23.3	28.9	52.2	31.1	83.3	18.1	49.2	101.3	23.7	28.9	52.6	31.0	83.6	18.4	49.4	102.0	104.0	104.5
Organic		0.4	(0.0)	0.4	0.0	0.4	0.1	0.1	0.5	0.6	0.9	1.5	0.5	1.9	0.1	0.6	2.0	0.5	0.5
Acq/Div		(0.0)	0.0	(0.0)	(0.1)	(0.1)	0.3	0.2	0.1	0.0	0.1	0.1	0.0	0.1	(0.1)	(0.1)	0.0	0.0	0.0
<b>CY</b>	<b>101.3</b>	<b>23.7</b>	<b>28.9</b>	<b>52.6</b>	<b>31.0</b>	<b>83.6</b>	<b>18.4</b>	<b>49.4</b>	<b>102.0</b>	<b>24.3</b>	<b>29.8</b>	<b>54.1</b>	<b>31.5</b>	<b>85.6</b>	<b>18.4</b>	<b>49.9</b>	<b>104.0</b>	<b>104.5</b>	<b>105.1</b>
Organic %	-1.2%	1.9%	-0.1%	0.8%	0.1%	0.5%	0.4%	0.2%	0.5%	2.5%	3.0%	2.8%	1.5%	2.3%	0.6%	1.2%	2.0%	0.5%	0.5%
<b>Sales</b>																			
LY		1,699	1,959	3,658	2,107	5,765	1,483	3,590	7,248	1,801	2,055	3,856	2,221	6,077	1,727	3,948	7,804	8,300	8,349
Organic		135	116	252	97	348	198	294	546	94	136	230	111	341	49	160	390	373	376
Acq/Div		0	27	27	11	38	7	18	45	8	11	19	0	19	(19)	(19)	0	0	0
FX		(33)	(48)	(81)	7	(74)	39	46	(35)	138	126	264	(19)	244	(139)	(158)	106	(325)	(79)
FX %		-2%	-2%	-2%	0%	-1%	3%	1%	0%	8%	6%	7%	-1%	4%	-8%	-4%	1%	-4%	-1%
<b>CY</b>	<b>7,248</b>	<b>1,801</b>	<b>2,055</b>	<b>3,856</b>	<b>2,221</b>	<b>6,077</b>	<b>1,727</b>	<b>3,948</b>	<b>7,804</b>	<b>2,040</b>	<b>2,328</b>	<b>4,368</b>	<b>2,313</b>	<b>6,681</b>	<b>1,619</b>	<b>3,932</b>	<b>8,300</b>	<b>8,349</b>	<b>8,646</b>
Organic %	1.5%	8.0%	5.9%	6.9%	4.6%	6.0%	13.3%	8.2%	7.5%	5.2%	6.6%	6.0%	5.0%	5.6%	2.8%	4.1%	5.0%	4.5%	4.5%
Price/Mix		+6.1%	+6.0%	+6.1%	+4.5%	+5.5%	+12.9%	+8.0%	+7.0%	+2.7%	+3.6%	+3.2%	+3.5%	+3.3%	+2.3%	+2.9%	+3.0%	+4.0%	+4.0%
<b>EBITDA</b>																			
LY		533	648	1,181	668	1,849	263	931	2,112	655	758	1,413	755	2,168	527	1,282	2,695	3,006	3,237
Organic		108	109	217	62	279	235	297	513	40	30	70	83	153	62	145	216	325	259
Acq/Div		(8)	(15)	(23)	(15)	(38)	(26)	(41)	(64)	(1)	2	1	0	1	(1)	(1)	0	0	0
<b>Synergies</b>		<b>25</b>	<b>34</b>	<b>59</b>	<b>34</b>	<b>92</b>	<b>38</b>	<b>72</b>	<b>130</b>	<b>16</b>	<b>20</b>	<b>36</b>	<b>15</b>	<b>51</b>	<b>9</b>	<b>23</b>	<b>59</b>	<b>24</b>	<b>24</b>
FX		(4)	(17)	(21)	8	(14)	16	24	2	51	47	98	(7)	91	(55)	(61)	36	(118)	(30)
FX %		-1%	-3%	-2%	1%	-1%	6%	3%	0%	8%	6%	7%	-1%	4%	-10%	-5%	1%	-4%	-1%
<b>CY</b>	<b>2,112</b>	<b>655</b>	<b>758</b>	<b>1,413</b>	<b>755</b>	<b>2,168</b>	<b>527</b>	<b>1,282</b>	<b>2,695</b>	<b>760</b>	<b>857</b>	<b>1,617</b>	<b>847</b>	<b>2,464</b>	<b>542</b>	<b>1,389</b>	<b>3,006</b>	<b>3,237</b>	<b>3,489</b>
Organic pre-synergies %		20.3%	14.0%	18.3%	9.3%	15.1%	89.3%	31.9%	25.1%	6.1%	4.0%	5.0%	11.0%	7.1%	11.8%	11.3%	8.0%	10.8%	8.0%
Organic incl synergies %	5.4%	25.2%	21.9%	23.3%	14.4%	20.1%	115.0%	41.4%	31.2%	8.6%	6.6%	7.5%	13.1%	9.4%	13.5%	13.2%	10.2%	11.6%	8.7%
Margin	29.1%	36.3%	36.9%	36.6%	34.0%	35.7%	30.5%	32.5%	34.5%	37.2%	36.8%	37.0%	36.6%	36.9%	33.5%	35.3%	36.2%	38.8%	40.4%
Margin development	301bp	496bp	381bp	435bp	231bp	360bp	1277bp	654bp	539bp	91bp	-7bp	39bp	260bp	120bp	299bp	285bp	169bp	255bp	158bp
<b>EBIT</b>																			
LY		334	482	816	490	1,306	71	561	1,377	437	622	1,059	612	1,671	364	976	2,035	2,346	2,548
Organic		82	126	209	96	305	266	362	571	98	(9)	89	86	175	49	135	224	270	217
Acq/Div		(5)	(8)	(13)	6	(7)	(46)	(40)	(53)	(1)	2	1	0	1	(1)	(1)	0	0	0
<b>Synergies</b>		<b>25</b>	<b>34</b>	<b>59</b>	<b>34</b>	<b>92</b>	<b>38</b>	<b>72</b>	<b>130</b>	<b>16</b>	<b>20</b>	<b>36</b>	<b>15</b>	<b>51</b>	<b>9</b>	<b>23</b>	<b>59</b>	<b>24</b>	<b>24</b>
FX		1	(12)	(11)	(14)	(25)	36	22	11	39	35	74	(5)	69	(41)	(46)	28	(92)	(24)
FX %		0%	-2%	-1%	-3%	-2%	50%	4%	1%	9%	6%	7%	-1%	4%	-11%	-5%	1%	-4%	-1%
<b>CY</b>	<b>1,377</b>	<b>437</b>	<b>622</b>	<b>1,059</b>	<b>612</b>	<b>1,671</b>	<b>364</b>	<b>976</b>	<b>2,035</b>	<b>589</b>	<b>670</b>	<b>1,259</b>	<b>707</b>	<b>1,966</b>	<b>379</b>	<b>1,087</b>	<b>2,346</b>	<b>2,548</b>	<b>2,764</b>
Organic pre-synergies %		24.6%	26.2%	25.6%	19.7%	23.4%	374.1%	64.5%	43.1%	22.5%	-1.4%	8.4%	14.0%	10.5%	13.5%	13.8%	11.0%	11.5%	8.5%
Organic incl synergies %	2.8%	32.6%	33.2%	32.8%	26.5%	30.4%	427.7%	77.3%	53.0%	26.1%	1.8%	11.8%	16.4%	13.5%	15.9%	16.2%	13.9%	12.5%	9.4%
Margin	19.0%	24.3%	30.3%	27.5%	27.6%	27.5%	21.1%	24.7%	26.1%	28.9%	28.8%	28.8%	30.6%	29.4%	23.4%	27.6%	28.3%	30.5%	32.0%
Margin development	302bp	460bp	568bp	516bp	430bp	485bp	1629bp	909bp	708bp	461bp	-149bp	136bp	302bp	193bp	236bp	292bp	219bp	225bp	145bp
Depreciation implied	735	218	136	353	143	497	163	306	659	171	187	358	140	497	163	302	660	689	725
D&A / sales	10.1%	12.1%	6.6%	9.2%	6.5%	8.2%	9.4%	7.8%	8.4%	8.4%	8.0%	8.2%	6.0%	7.4%	10.0%	7.7%	8.0%	8.3%	8.4%

Source: Jefferies estimates, company data

## Company Description

### AB InBev

AB InBev is the leading global brewer and one of the world's top five consumer product companies.

## Company Valuation/Risks

### AB InBev

Our €100 PT is DCF derived. Risks: 1) FX / macro, 2) regulation, 3) US & Brazil.

## Analyst Certification:

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## Investment Recommendation Record

### (Article 3(1)e and Article 7 of MAR)

Recommendation Published , 16:49 ET. July 26, 2018  
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## Company Specific Disclosures

Jefferies Group LLC makes a market in the securities or ADRs of Anheuser-Busch InBev.

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Buy - Describes securities that we expect to provide a total return (price appreciation plus yield) of 15% or more within a 12-month period.

Hold - Describes securities that we expect to provide a total return (price appreciation plus yield) of plus 15% or minus 10% within a 12-month period.

Underperform - Describes securities that we expect to provide a total return (price appreciation plus yield) of minus 10% or less within a 12-month period.

The expected total return (price appreciation plus yield) for Buy rated securities with an average security price consistently below \$10 is 20% or more within a 12-month period as these companies are typically more volatile than the overall stock market. For Hold rated securities with an average security price consistently below \$10, the expected total return (price appreciation plus yield) is plus or minus 20% within a 12-month period. For Underperform rated securities with an average security price consistently below \$10, the expected total return (price appreciation plus yield) is minus 20% or less within a 12-month period.

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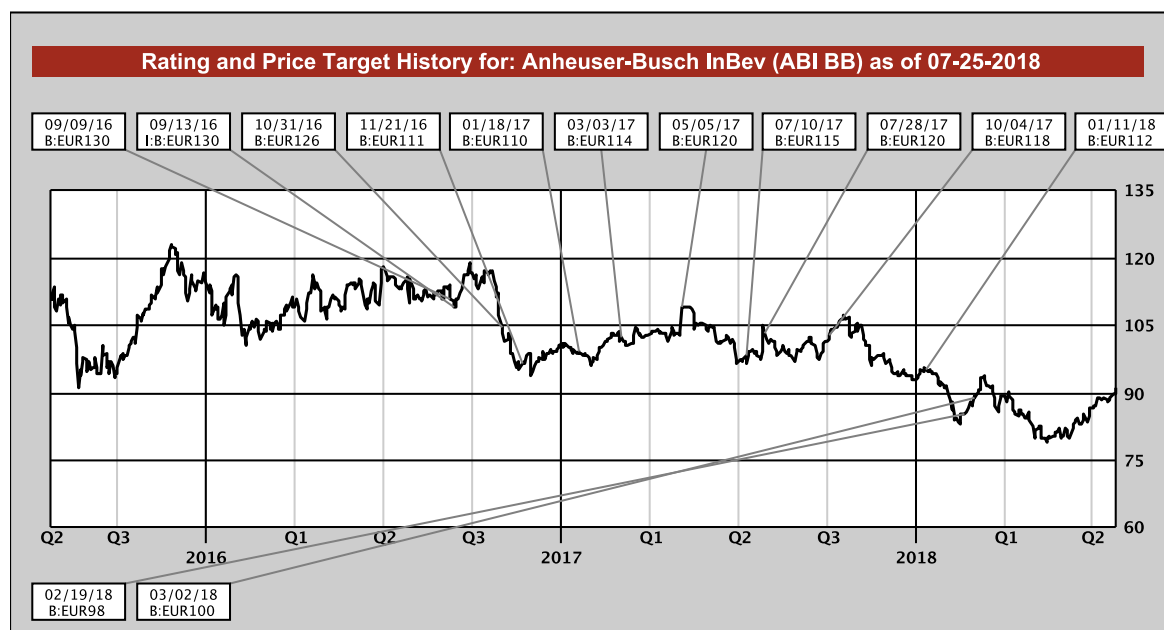
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**Notes:** Each box in the Rating and Price Target History chart above represents actions over the past three years in which an analyst initiated on a company, made a change to a rating or price target of a company or discontinued coverage of a company.

Legend:

- I: Initiating Coverage
- D: Dropped Coverage
- B: Buy
- H: Hold
- UP: Underperform

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## Distribution of Ratings

Rating	Count	Percent	IB Serv./Past 12 Mos.		JIL Mkt Serv./Past 12 Mos.	
			Count	Percent	Count	Percent
<b>BUY</b>	1119	53.54%	73	6.52%	12	1.07%
<b>HOLD</b>	844	40.38%	19	2.25%	1	0.12%
<b>UNDERPERFORM</b>	127	6.08%	1	0.79%	0	0.00%

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