



PREFACE BY FABIO SALA – PRESIDENT AB INBEV BENEFRALUX

“As a brewer it is our purpose to bring people together for a better world. Yet, since March COVID-19 has tested us in a new reality, one which has had an impact on society, our industry and every department in our business. We adapted quickly, launching Café Courage to support our hospitality customers during lockdown and with “Café of the future”, offering digital solutions when reopening was safe again. Our field sales teams focused on supporting our customers to adapt to new consumer habits. Our Brewery Directors re-organized their production lines to protect our employees’ health and safety. Our Procurement colleagues sourced materials for our own production of mouth masks, our R&D center GiTEC made hand sanitizer using residual alcohol from our Non-Alcoholic beers and these are just a few examples of how our business adapted in recent months. At each stage, we supported our local communities, and I cannot be prouder of the team. This requires great agility from our people and shows that our purpose and impact has never been more relevant,” says Fabio Sala, President of AB InBev BeNeFraLux.

“However, in line with the trend announced by the Belgian Brewers, this did not translate in positive sales results and COVID-19 is having a significant impact in our Belgian business. We are very confident in the Belgium government, leading the country’s health and economic recovery. Belgium is our home, the Home of Beer, and we have been here for centuries, so it is with gratitude that we can give back to society in these challenge times. The Belgian beer industry is iconic, resilient and a huge part of our history and culture and we are determined to emerge stronger. ”

KEY INSIGHTS FOR BELGIAN MARKET

1. **Impact of COVID-19:** Since the beginning of the COVID-19 crisis, the entire Belgian beer sector has seen a drop in sales. Despite solid Q3 results for our global business, we face a bigger impact from COVID-19 in Belgium, mainly due to our presence in the on-premise channel, events and festivals. As renewed on-premise restrictions come into place in Belgium our outlook for Q4 remains cautious.
2. **Horeca:** Our Belgian beer culture, recognized by UNESCO, is closely linked to the hospitality industry. In April and May on-trade shutdowns brought beer sales to the hotel and catering industry close to zero. In the absence of festivals and events this summer, our partners in the hospitality industry were hit hard, as were we. We are directly dependent on a healthy, well-functioning hospitality industry and are focused on supporting the sector.

The Belgian brewers communicated a drop in sales to the horeca of -45% on 30 September, with spikes of -80 to -90% in April and May. As one of the biggest brewers in Belgium, we follow the decreasing trend for horeca sales. Despite this significant hit, we continue to invest and support On Trade Belgium in 2020: over 20 million euros in structural cash investments and support measures in horeca. For the re-opening after the lockdowns, we replaced obsolete beers free of charge, we looked at different ways to support our customers with cashflow issues, from extension of payment terms, to customized payment plans. We waived rent for all of our customers for the month of April 2020 and rent for May was postponed. To guarantee safety we provided over 1.500L hand sanitizers and 275.000 mouth masks to our customers after the end of the lockdown in June and July. We are an essential and proud partner of the horeca and we will continue to support the sector.

3. **Retail:** The resilience of the global beer category has been encouraging, as consumers adjusted their beer purchasing behaviors to adapt to the new reality, as new in-home consumption occasions emerged, such as meals and virtual gatherings with friends, volumes partially migrated to the retail channel.

4. **Digitalization:** We are seeing a rapid acceleration in trends, such as online customer service platforms, e-commerce and digital marketing. We have been investing in these capabilities for several years, as we advance our journey to be a truly customer- and consumer-centric organization. In Belgium we launched the Jupiler App for in-bar safe contactless ordering and the Jupiler Shop mid-April, our own direct to consumer platform, where both beer and mouth masks can be purchased and directly delivered at your home. In line with this, we see a high acceleration of our digital B2B ordering platform for customers.

5. **Investments:** Despite the impact of COVID-19, we continue to invest in Belgium. In addition to the €20 million on trade investments, we invest in our Belgian breweries almost €150 million per year. This year we opened a new filling line in Hoegaarden, a €50 million investment. We also invested, among others, in our own mouth mask production for our employees and partners. Per month we can produce 500.000 high quality mouth masks in Lokeren, in collaboration with local SME Somnis Bedding.

6. **Portfolio:** There are also positive signs for our brand portfolio. We are embracing our Belgian heritage and growing our Belgian pride, Stella Artois, all over the world. Stella Artois won the Best Beer Award 2019, as the best international lager. The domestic launch of the green bottle beginning of 2020 is really appreciated by Belgian beer lovers. This has translated in a staggering sales performance for Stella Artois for the year to date 2020. We also intensify our presence in Premium Beer Segments with the launch of Victoria, a Belgian strong blonde, bottle refermented and made with 100% natural ingredients. Our commitment to offer consumer choice and build a nation of smart drinkers drove us to introduce 2 new non-alcohol brands to our portfolio, with Stella Artois 0.0 and Leffe Brune 0.0 launching earlier this year.

PICTURES



Fabio Sala – President AB InBev BeNeFraLux



Stella Artois – staggering growth

CONTACT

Laure Stuyck – Spokesperson AB InBev Belgium – 0473 56 83 71