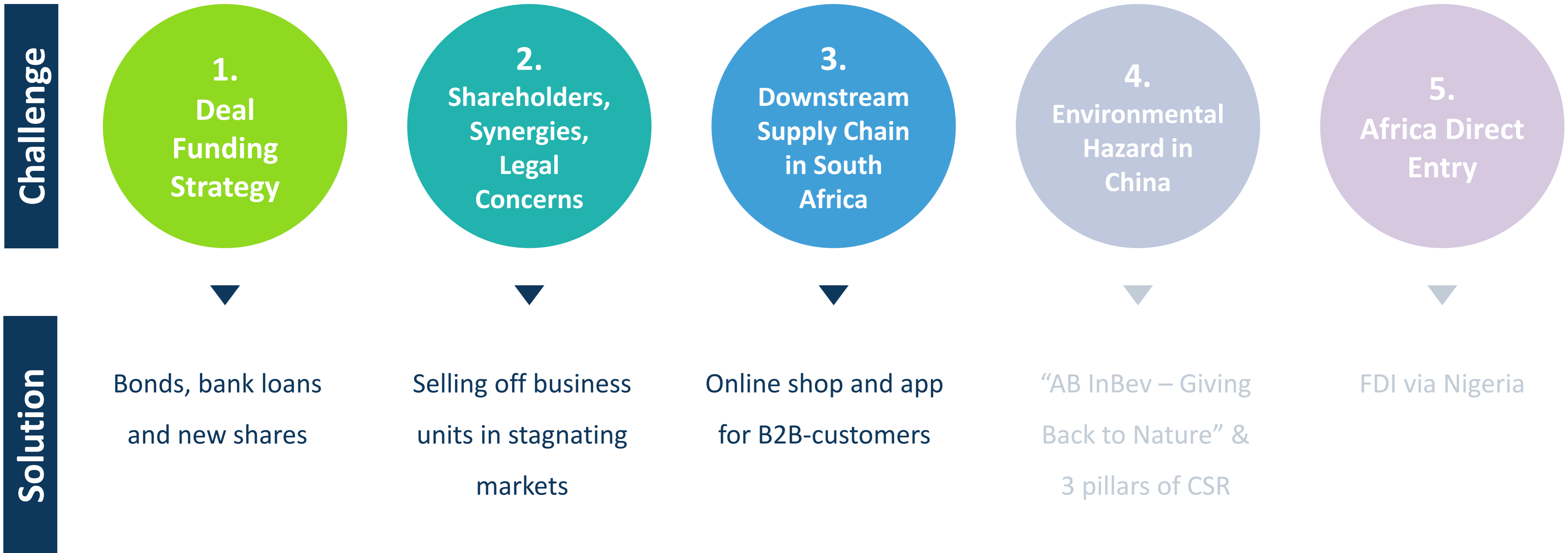
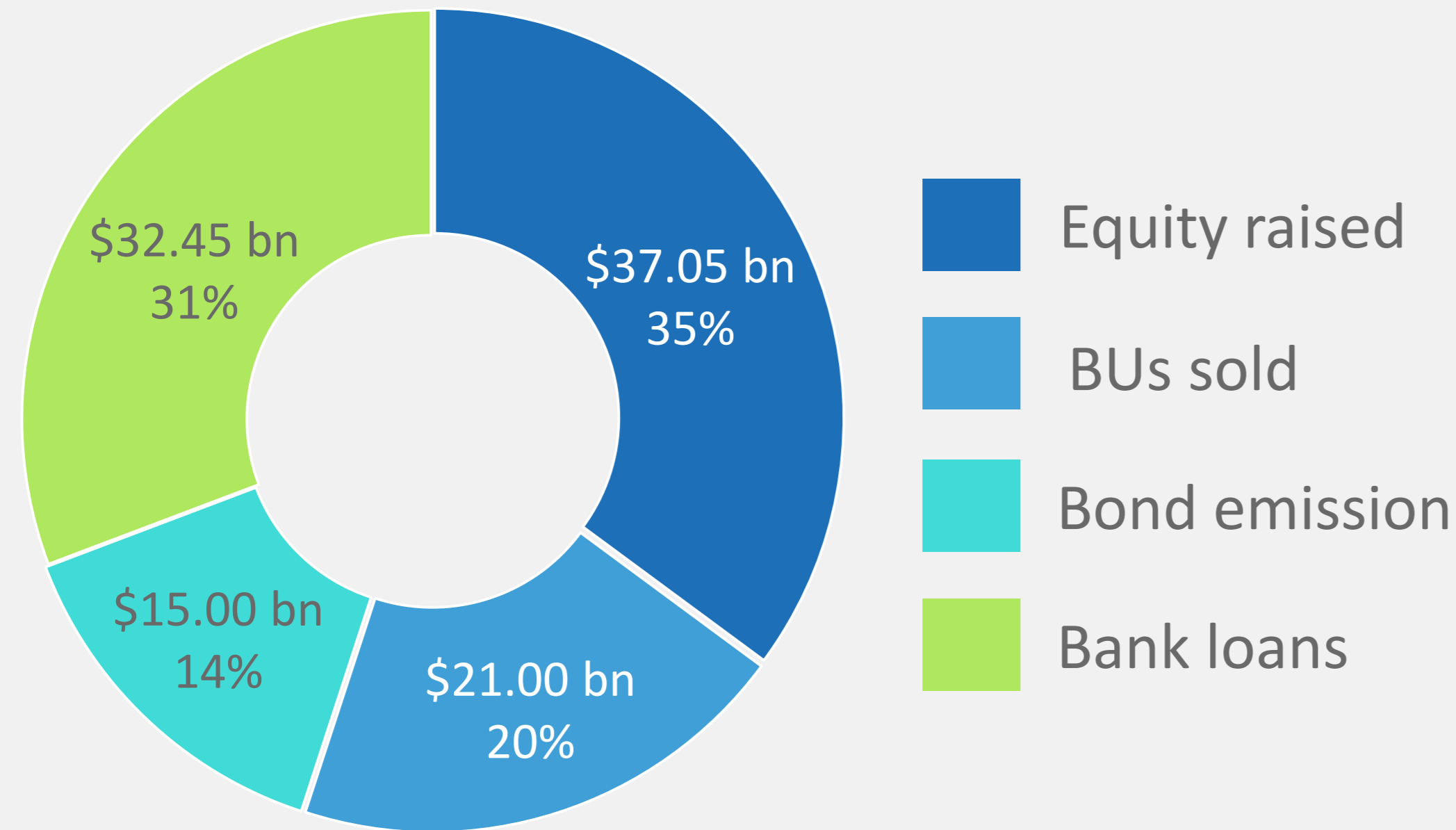


# Writing AB InBev's Success Story About the Merger With SABMiller



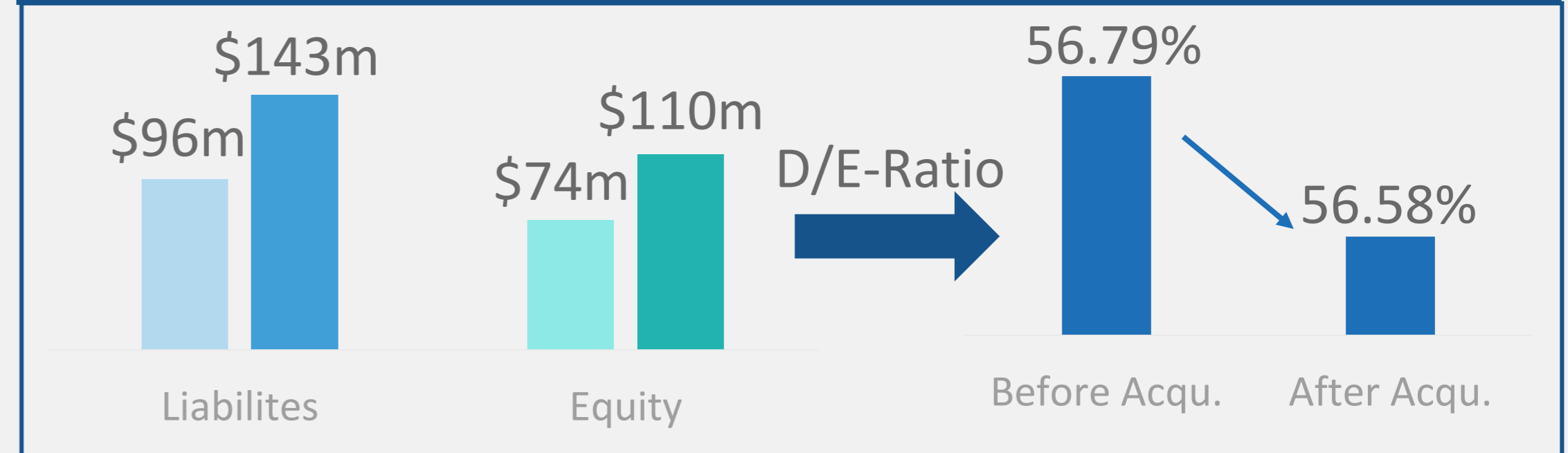
# Ensure Sustainability Through Balanced Funding

## Where does the money come from?

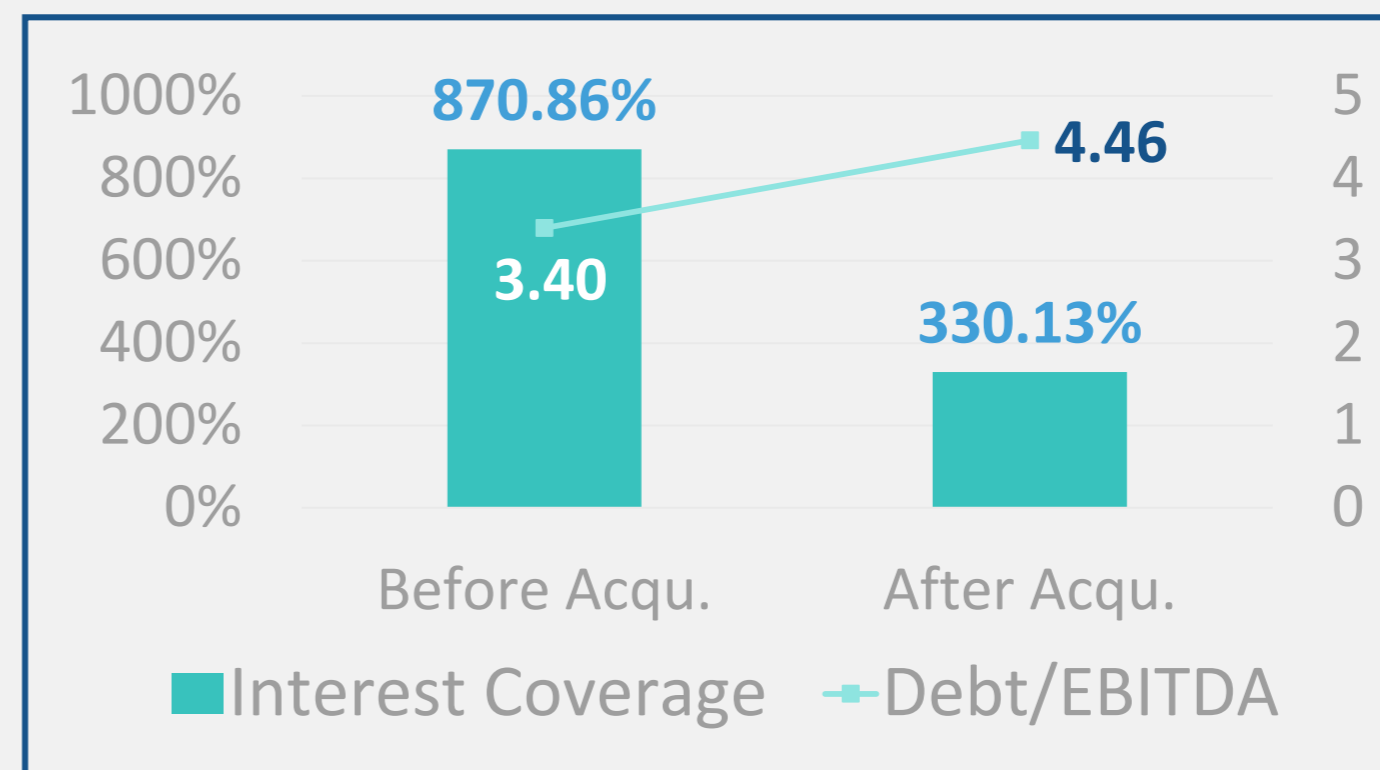


➔ **Diversed funding-portfolio** reduces indebtedness

## Why is this beneficial?



➔ **Gearing will be slightly decreased**



➔ **Financial Stability KPIs remain in a sustainable range**

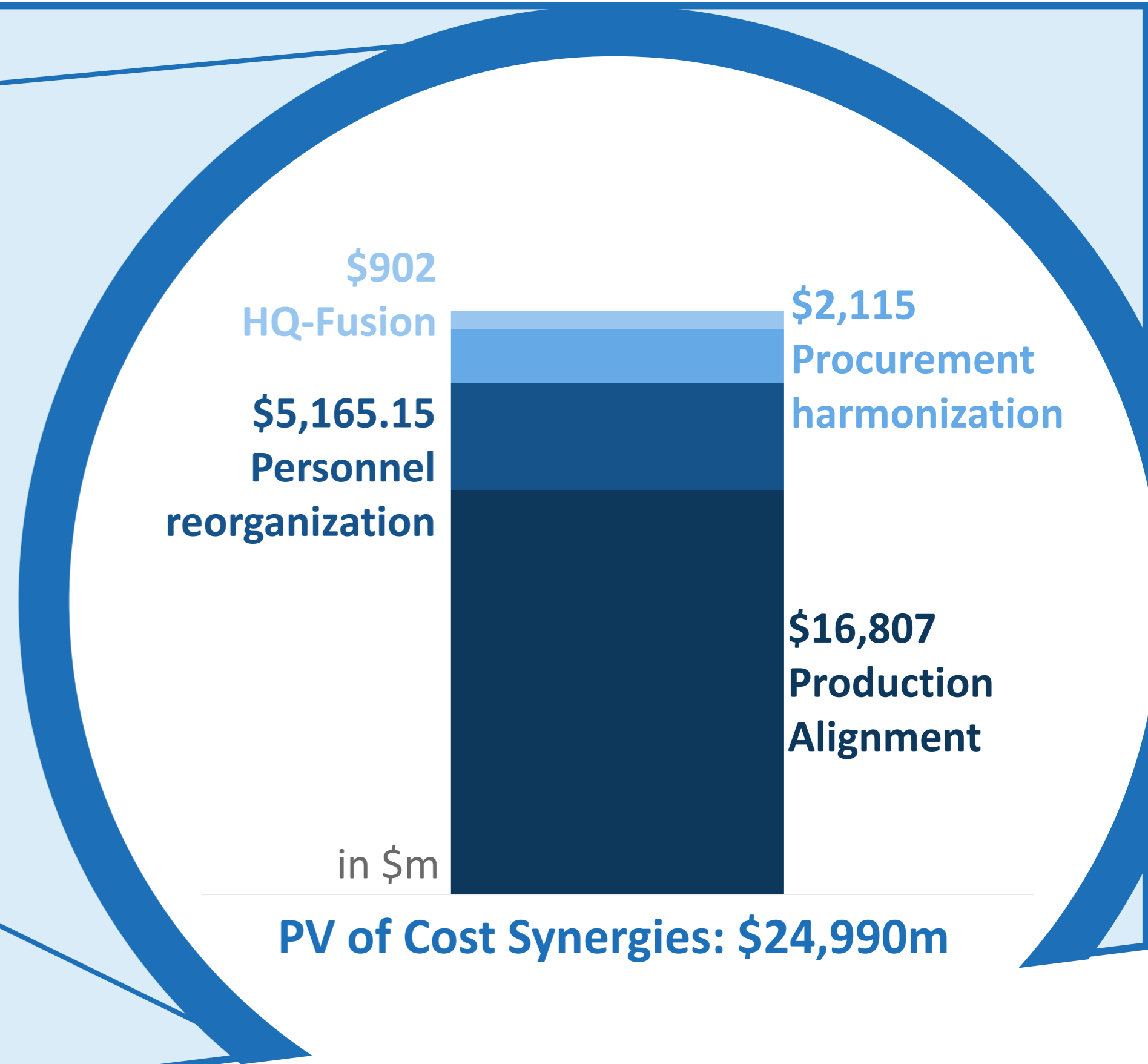
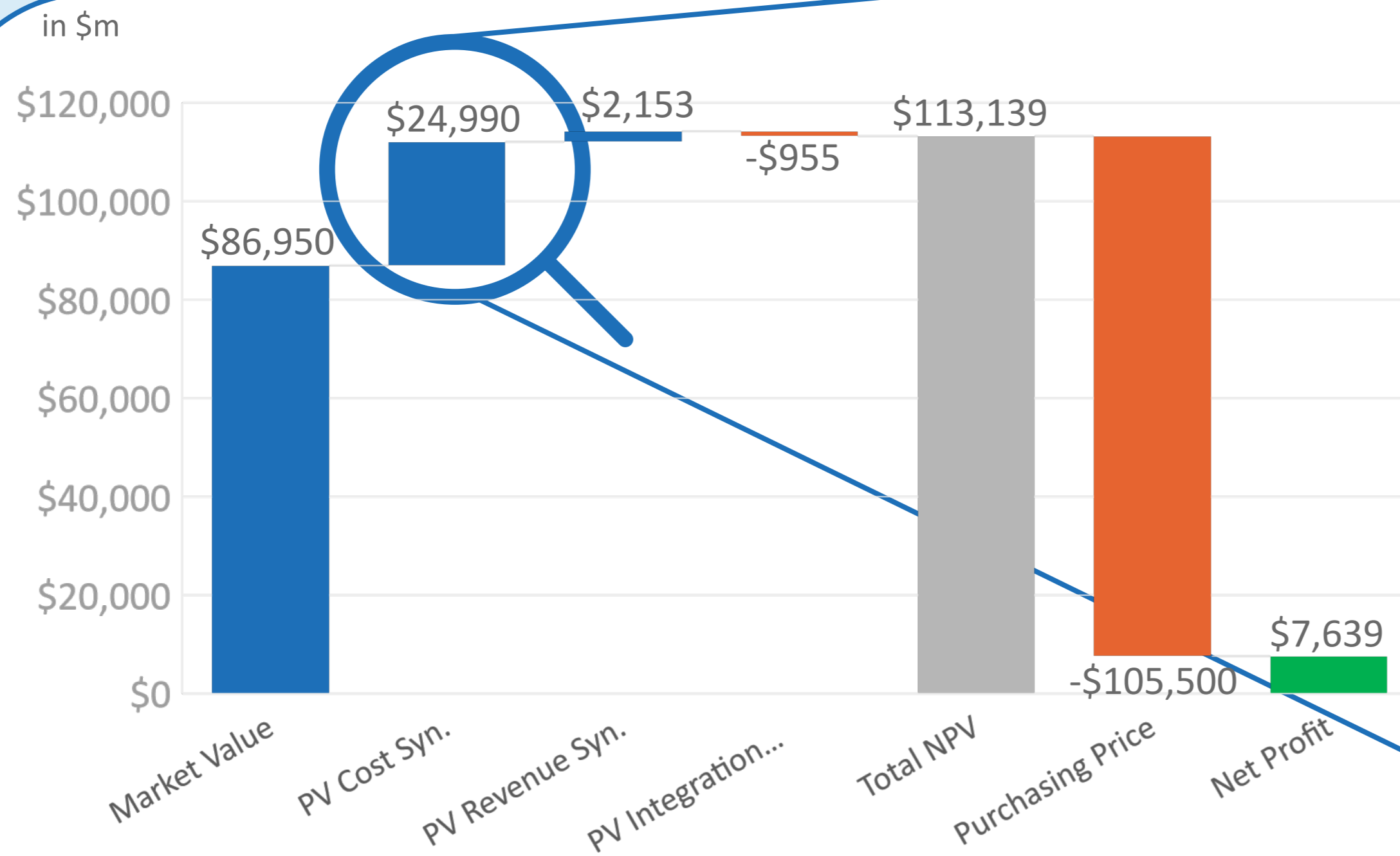
➔ Higher financial stability means **decreased insolvency risk & cost of capital**

# Determination of Acquisition's Financial Impact

## Profitability Analysis of SAB Millers' Value for AB InBev

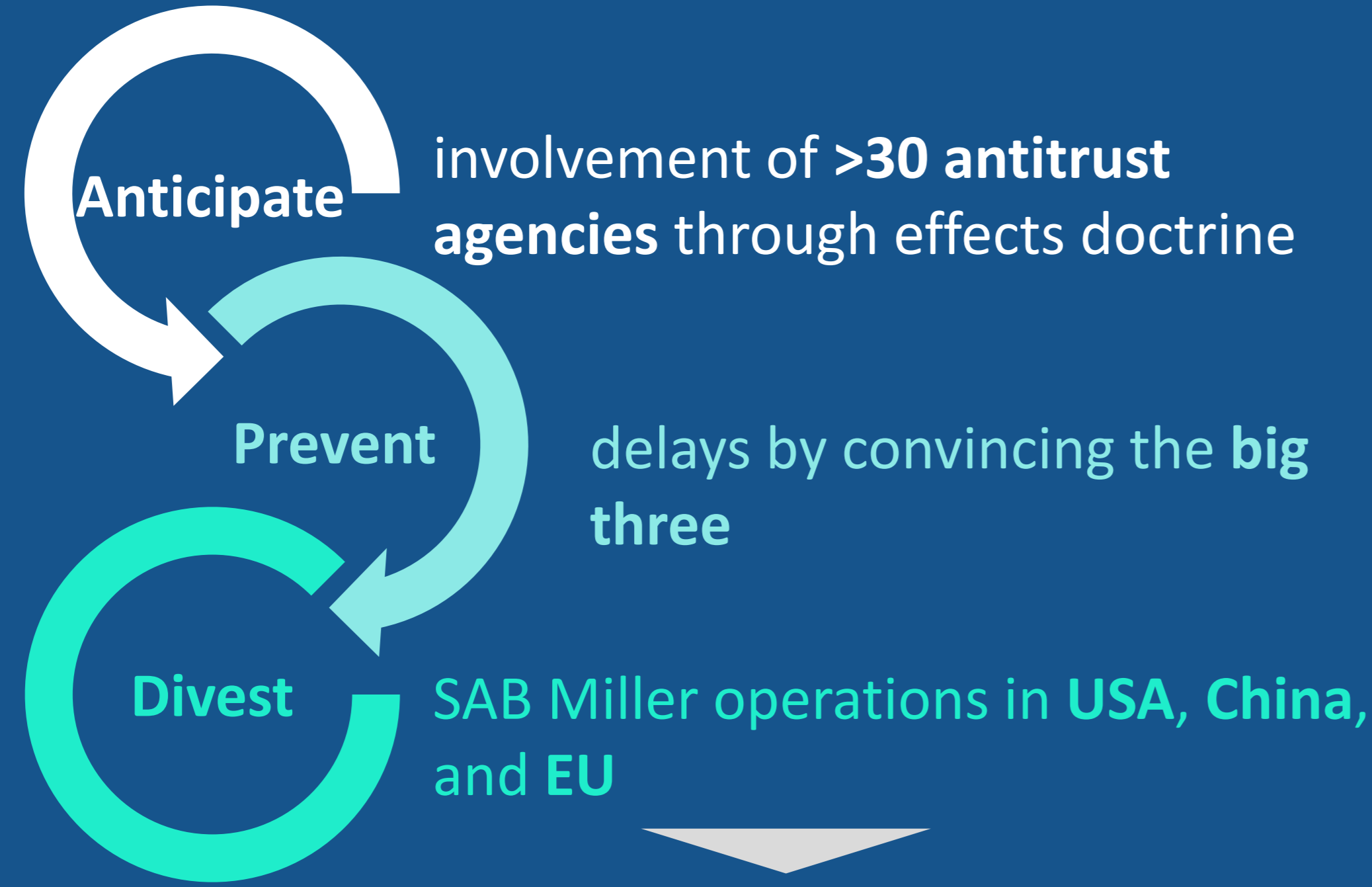
### Assumptions

- 7% WACC
- \$105.5bn Price
- 8y to realize synergies



➔ Cost synergies make the SAB Miller-acquisition **highly profitable** for AB InBev

# Handling Antitrust Agencies & Governments



	Market share <b>before</b>		and <b>after</b> divesting
<b>USA</b> (\$12 bn)	70%	▶	<b>43%</b>
<b>China</b> (\$3 bn)	27%	▶	<b>19%</b>
<b>EU</b> (\$6 bn)	55%	▶	<b>30%</b>

Lower revenue, **higher** profit margin

- South Africa as a special case
- SAB Miller's **biggest stronghold** in Africa
- Foster **government relations** by investing...
- ...\$50 mil in the **upstream supply chain**
- ...\$50 mil in **supporting downsized staff**

# Making Unprofitable Customers Profitable with Direct Retailing

## Key Problems

Inadequate shelf space

High bargaining power of customers

Inaccurate sales forecasts

High cost of servicing

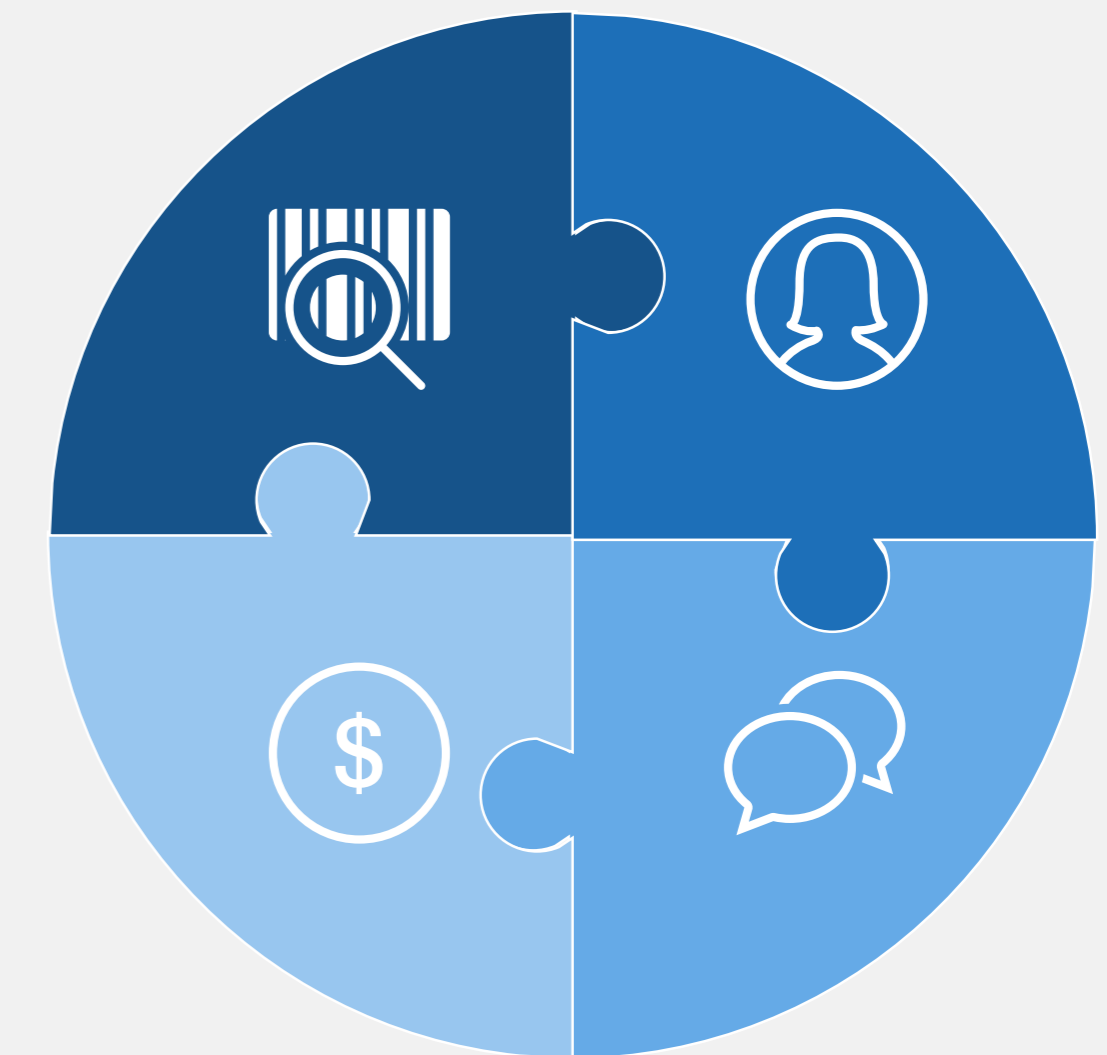
Unprofitable customers

## Solving Strategies

- ① No servicing of unprofitable customers ✕
- ② Supermarkets **reduce** number of **cost-generating activities** ✕
- ③ **Direct retailing** to customers ✓
- ④ Introduce **new technologies** to reduce cost ✕

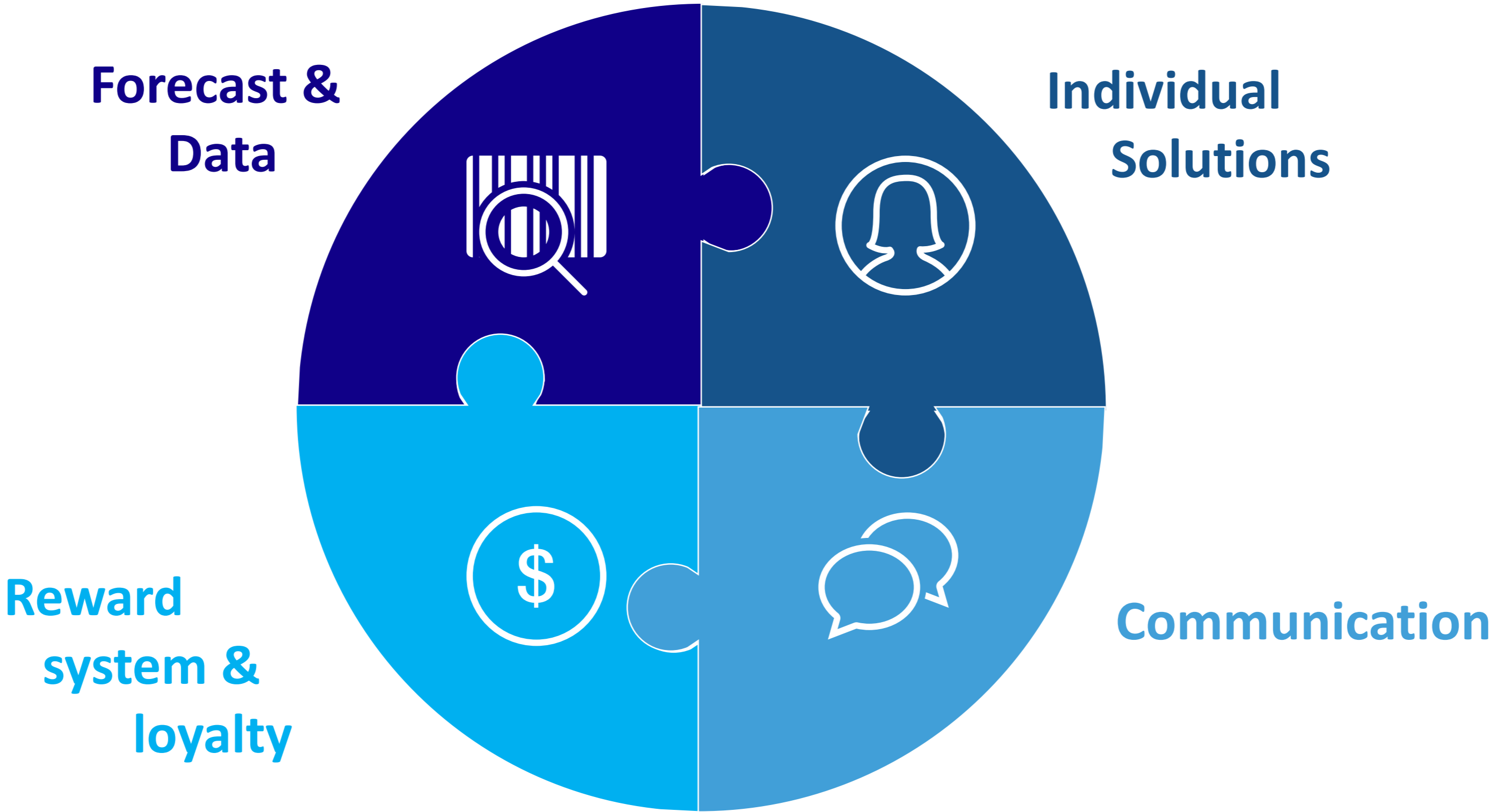
## Entering the B2B eCommerce Market

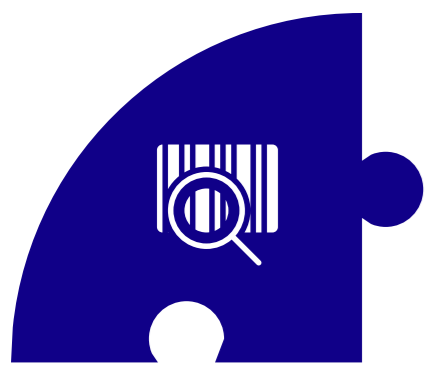
Online Shop & Mobile App



4-Dimensional Implementation Strategy

# Entering the B2B eCommerce Market





## Accurate Forecasts Improve Profitability

- ✓ Introduces **individual** purchasing system
- ✓ **Minimizes** the **number** of cost-generating activities

- ✓ **Larger** orders will be placed
- ✓ Adequate **shelf space** is given to AB InBev's products

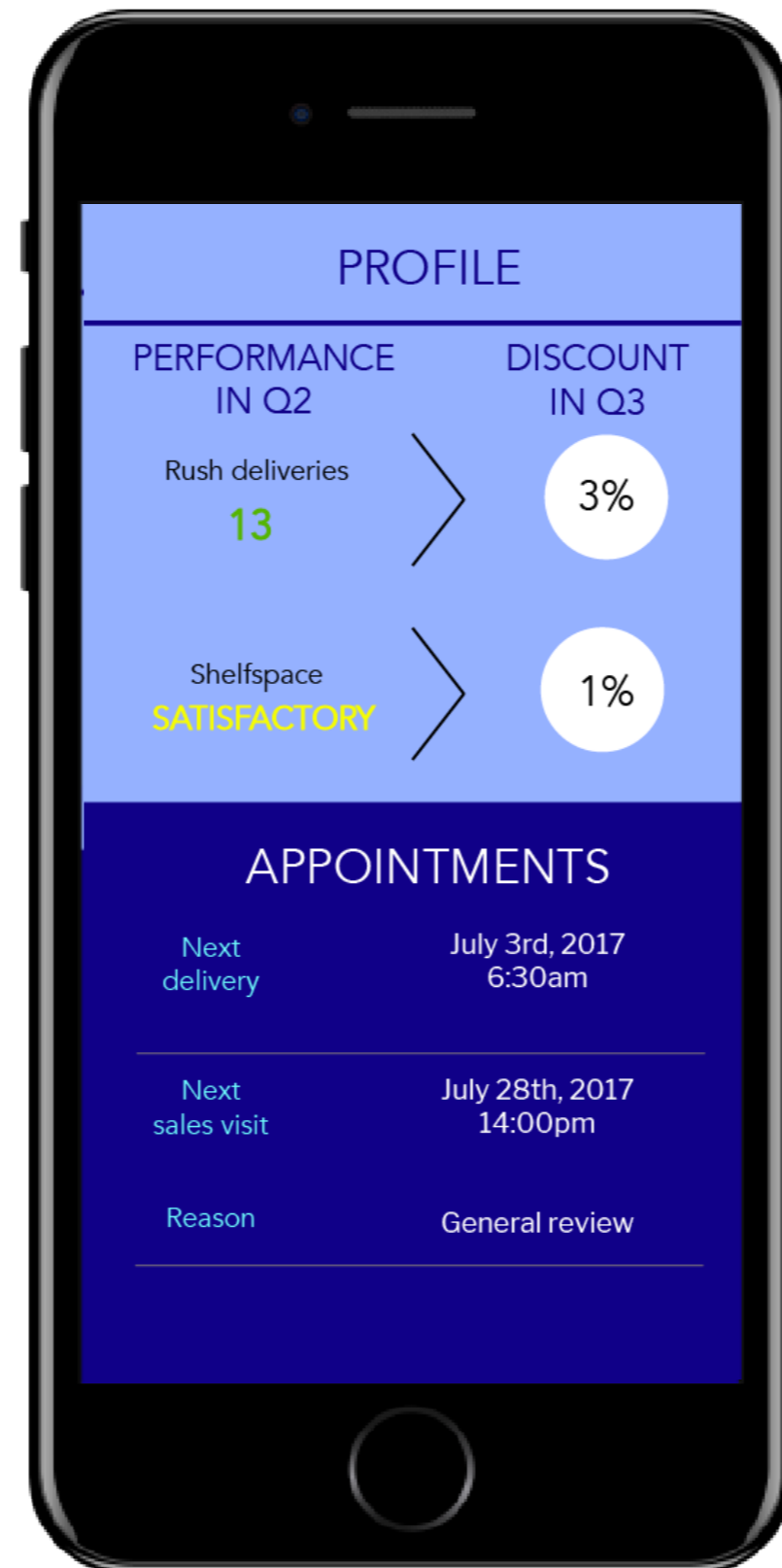


## Reward System Leads To Stronger Customer Loyalty

## Individual Solutions Improve Customer's Business

- ✓ **Systemizes** the procurement process
- ✓ Customers receive **discounts** for favorable behavior

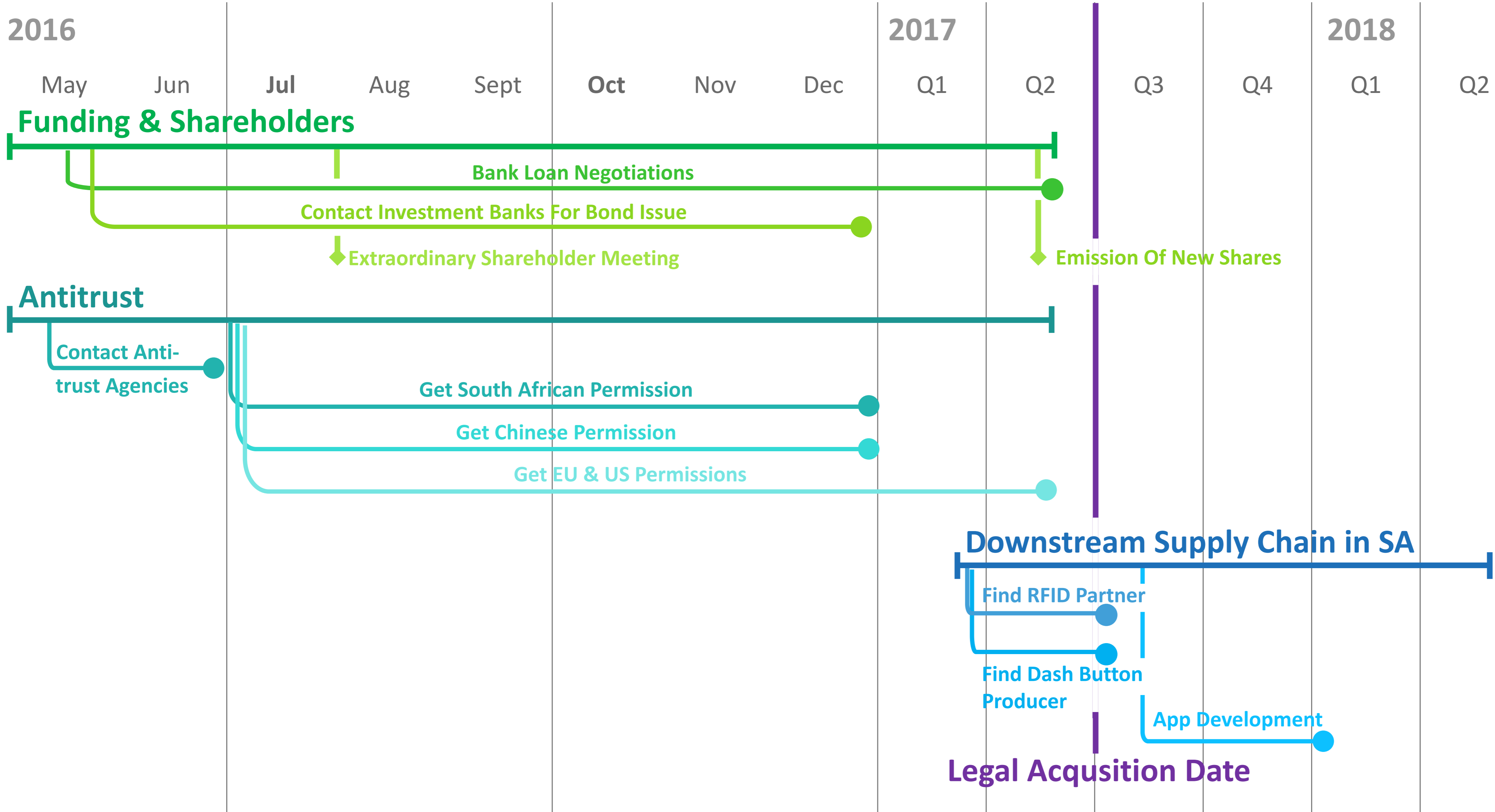
- ✓ Valuable **market research** data
- ✓ Quick **assistance** available
- ✓ **Individual** contact person



## Easy Communication Ensures Trusted Relationship

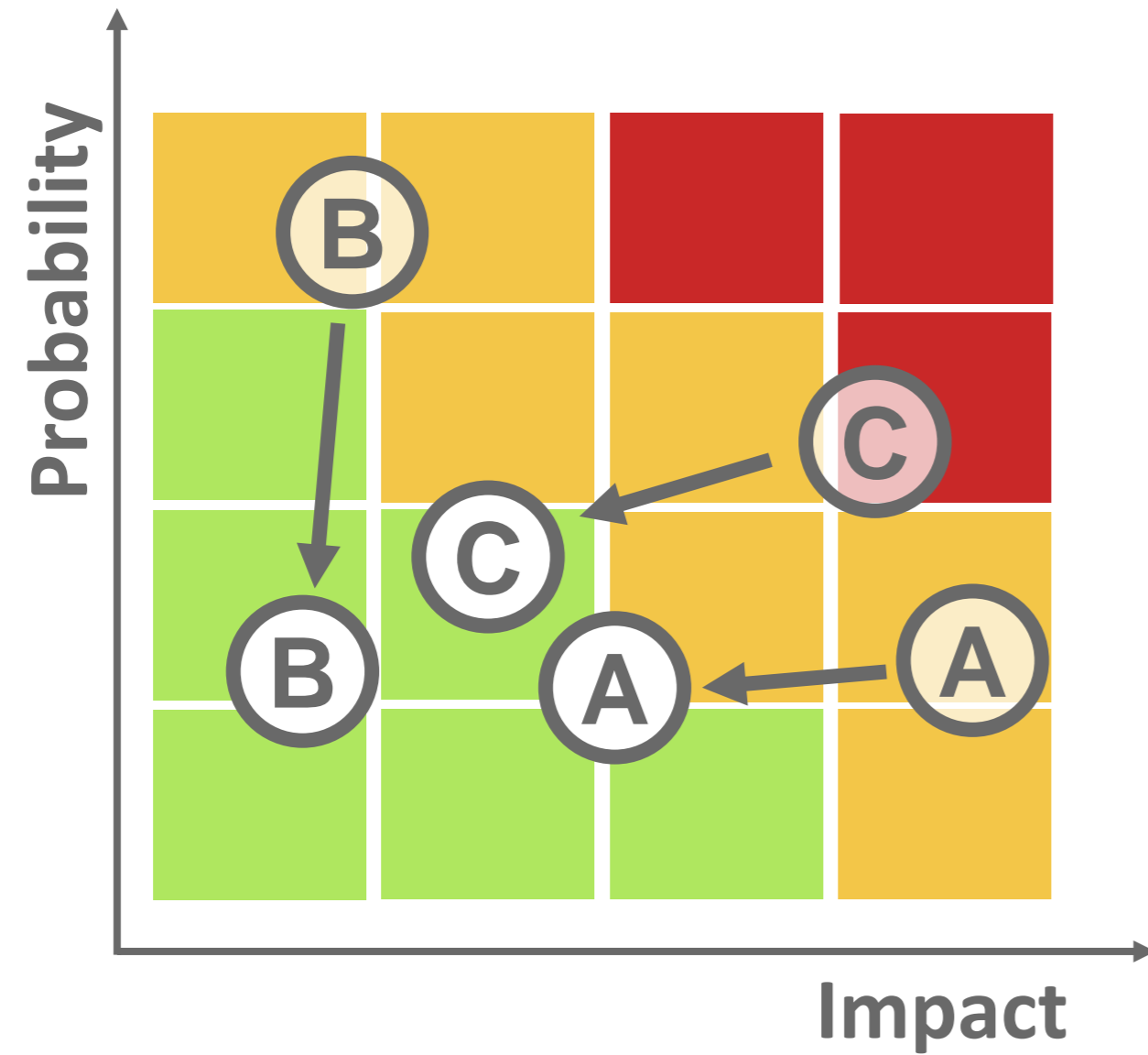


# The Acquisition Strategy at a Glance: Action Timeline





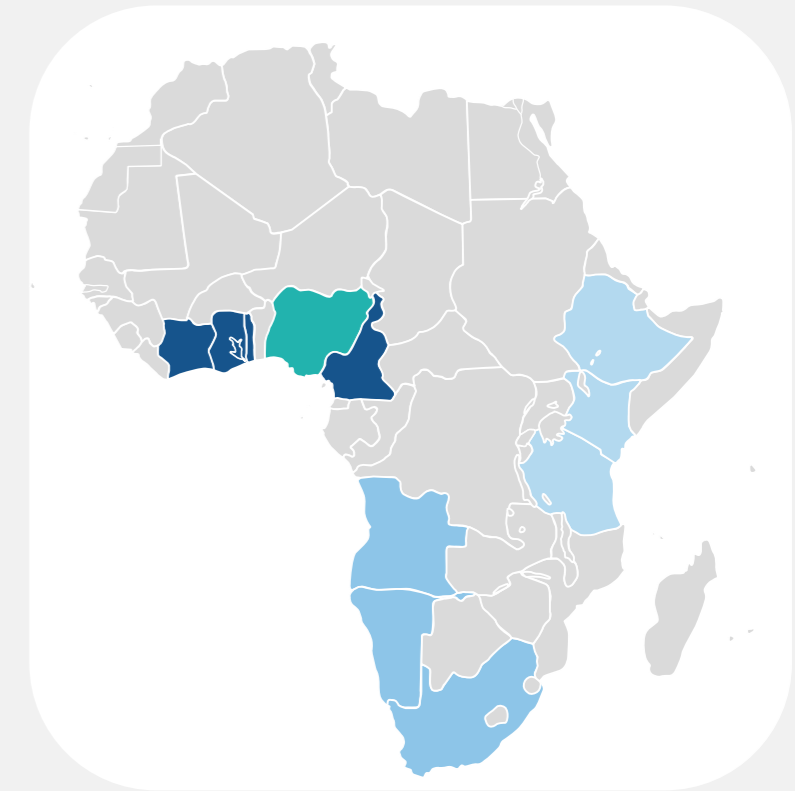
# Risks Are Evaluated and Mitigated Based on Relevance



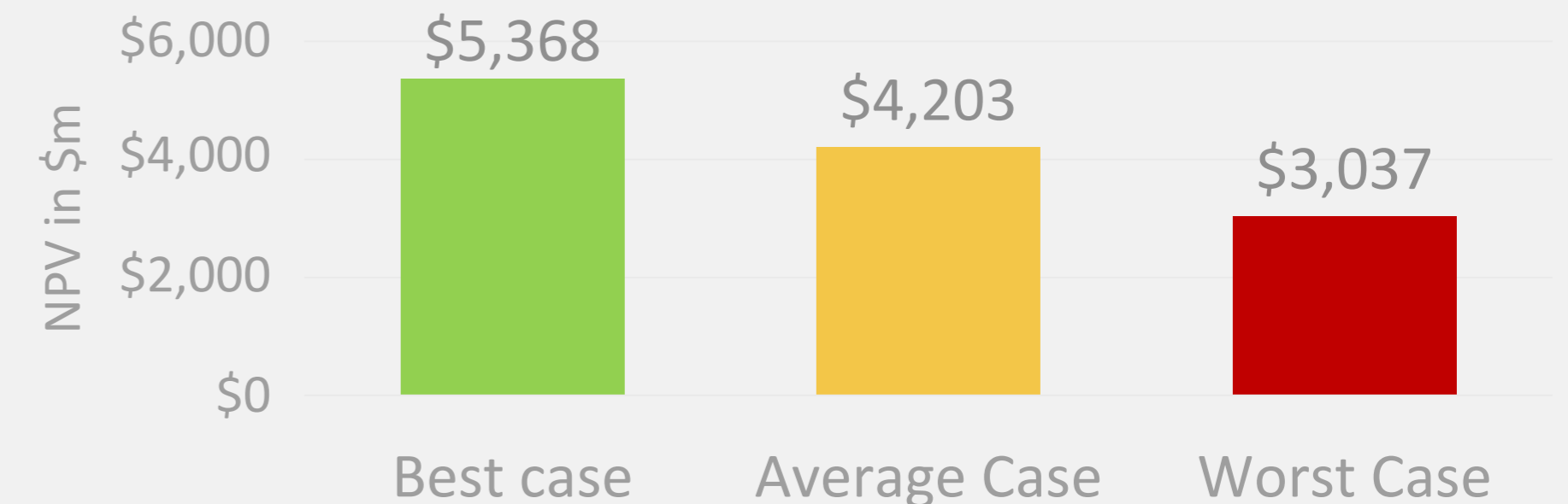
	Risks	Countermeasures
<b>A</b>	Failing acquisition of SAB Miller	Enter African market via <b>Nigeria</b>
<b>B</b>	Longer integration process than expected	Engage an IT-consultancy
<b>C</b>	Customers <b>don't accept</b> B2B online shop	Offer <b>discounts</b> on purchases via online shop

## 3-Wave Expanding strategy...

Entry market	NGR	Imme- diately
1 <sup>st</sup> Wave	TG, GHN, IVC, CMR	<1 year
2 <sup>nd</sup> Wave	AO, NMB, ZA	<2.5 years
3 <sup>rd</sup> Wave	ET, KEN, TZA	<4 years



...results in a clearly positive NPV for all scenarios.



# Implementing a Successful Merger With the Right Strategy...

10

## 1. Funding

- **Focus on equity** to ensure long-term financial sustainability
- **Insolvency risk reduction** lowers average cost of capital

## 2. Synergies & Anti-trusts

- **Cost synergies** making the acquisition of SABMiller **highly profitable**
- Avoiding complications with antitrust divisions by **reducing market share** of divisions in **USA, EU and China**

## 3. Supply Chain

- Making the downstream supply chain in South Africa **efficient and profitable**
- Development of **B2B online shop + app** to systemize and simplify the purchasing process of supermarkets

...keeping AB InBev where it belongs – on top!