

Company Update Report

Anheuser-Busch InBev SA/NV

Consumer Staple

Analyst thesis

Ticker	ANH-ZA
Share price	R1 258
Intrinsic value	R1 343
Upside/(Downside)	7%
Recommendation	Hold

As at: 07 September 2026

Our recommendation is based on:

- Anheuser-Busch InBev SA/NV (ANH) has a high-quality portfolio of global brands, supported by broad geographic diversification and one of the world's largest beer distribution networks.
- The group's premiumisation strategy and expanding product portfolio position it to respond to evolving consumer preferences, particularly the growing focus on health and moderated alcohol consumption. By broadening its product range, ANH can benefit from changing consumer behaviour rather than be adversely affected by it.
- Margins have recovered steadily despite volatile demand, while earnings quality remains high. This performance is driven by core operational delivery, with minimal impacts from once-off items and non-cash adjustments.
- Rand hedge characteristics (reports in and operates across foreign currency, with assets predominantly located outside of South Africa) provide exposure to global markets and a degree of protection against adverse movements in the local economy and rand depreciation. The key risk is that a stronger rand may impact reported performance and dividends when translated into local currency.
- NTM P:E levels are at a 4% and 12% discount to the five- and 10-year averages, respectively. Considering year-to-date performance and anticipated medium-term growth, we view ANH as fairly priced on a risk-adjusted, scenario-weighted basis and recommend a hold.

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Key highlights

In this report, we review ANH's 2Q26 results released in July 2026, and assess the impact on our outlook:

Financial results at a glance:

- Group organic revenue increased by 5.6%, while total volumes rose 0.9%. Beer volumes, which accounted for 88% of total volumes, grew by 1.1%, partly offset by a 1.1% decline in non-beer volumes. Group normalised EBITDA advanced by 5.6%, while the EBITDA margin contracted by 5 basis points (bps) to 35.6%. The marginal decline reflected higher marketing expenditure to support sales growth, with total selling and general administration costs expanding by 6.5%.
- North America organic revenue rose by 1.8%, with volumes down by 1.8% driven by intense competition. Normalised EBITDA increased by 0.6%, with the margin contracting 43bps to 33.7%.
- Middle Americas organic revenue edged up by 6%, with volumes up 4.7%. Volume growth was supported by improved demand across the region and premiumisation playing a vital role. Normalised EBITDA grew by 9.3%, with the margin declining 15bps to 49.7%.
- South America organic revenue expanded by 8.3%, while volumes rose by 0.5%. Despite weak consumer spending conditions across parts of South America, volumes remained in positive territory, and revenue growth remained healthy. Normalised EBITDA margin was up 120bps, driven by top-line growth outpacing the increase in expenses.
- Europe, Middle East and Africa organic revenue moved 3.8% higher, with volumes up 1.1%. Volume performance was supported by premiumisation and the performance of core beer brands across these regions. Normalised EBITDA was up 2.7%, with the margin down 36bps to 31.2%, dampened by a faster pace in growth of marketing expenses to drive sales.
- Asia Pacific organic revenue declined by 2.1%, while volumes declined by 2.8%. Overall performance was subdued by softer demand across the region, partly offset by premiumisation. Normalised EBITDA decreased by 10%, with the margin contracting by 277bps to 31.7%, owing to top-line revenue and increased costs.
- Earnings per share expanded by 23.4%, primarily driven by operational resilience and top-line growth, together with mark-to-market gains on derivative instruments held.

Management outlook

Management expects FY26's EBITDA growth to remain within its medium-term guidance range of between 4% and 8%, reflecting their current assessment of inflation and other macroeconomic conditions. Overall volume growth is improving and outpacing the decline in the alcoholic spirits segment. Premiumisation remains an integral part of ANH's growth plan in the medium- to long-term, combined with cost management, an improving mix and the continued development of its brand portfolio.

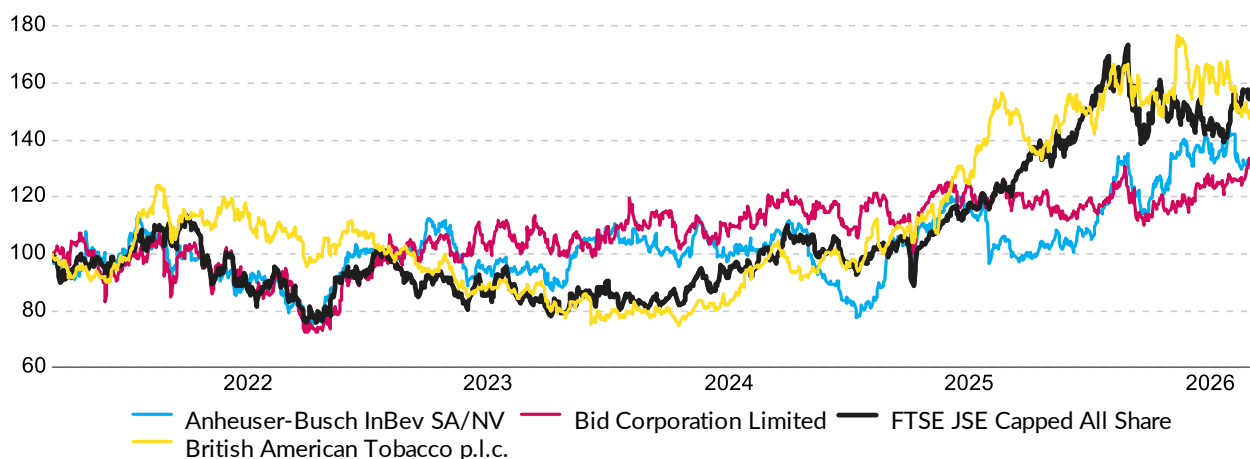


Table 1: Qualitative summary

Factor	Rating	Description
Growth	★★★★☆	Expected three-year revenue CAGR is 2.8% and expected three-year EPS CAGR is 13.2%. We expect earnings growth over the next three years to be driven by: Premiumisation across brands, expansion of existing products, cost control, and a volume trajectory pivot.
Valuation	★★★★☆	The share price is trading at a 7% discount to the intrinsic value (IV). The current NTM P:E of 16.4x is trading at a 4% discount to the five-year average NTM P:E of 16.9x.
Dividend	★★★★☆	LTM dividend yield of 1.3%. NTM dividend yield of 1.9%.
Issuance	★★★★☆	Shares in issue decreased by 1% over the past five years.
Catalyst		Execution of the brand premiumisation strategy. A pivot in the volume trajectory, supported by improving demand for beer across regions of operation. A more favourable mix of pricing and volumes supporting top-line and bottom-line growth.
Quality of earnings	★★★★☆	Five-year average ROE of 7.5%. Five-year average operating margin of 24.6%. The group has recorded positive earnings growth in seven of the past 10 years. The periods of earnings declines were mostly related to Covid-19 and a challenging operating environment. The bottom line is typically not affected by once-off items or non-cash adjustments.
Moat	★★★★☆	Brand/Intangible assets: ANH owns some of the world's most established beer brands and commands premium pricing globally. ANH's large marketing budget and scale support sales growth and help defend its brands against smaller competitors, reinforcing the existing brand moat. Licensing within the alcoholic-beverages segment across regions where ANH already operates may also create barriers to entry, as these licences can be costly and difficult for new entrants into the market to obtain. Scale: ANH's procurement and distribution scale helps lower input costs and supports the distribution of its brand portfolio, enabling it to secure shelf space and distribution networks globally.
Management and governance	★★★★☆	The management team has repeatedly demonstrated its ability to improve margins, integrate acquisitions into the business, execute on its premiumisation strategy and generate cash flow. This has included deleveraging following the SAB acquisition, improving cash generation and maintaining cost discipline. CEO, Michel Doukeris has been with the company for almost three decades, including the past five years as CEO. His long tenure and experience in various leadership positions give us confidence in his understanding of the business and ability to lead the company forward.
Balance sheet	★★★★☆	Net debt/EBITDA ratio is 2.8x, with the interest coverage ratio at 3.6x. Debt/assets ratio is 33.1%.
Risks		High competition; changing consumer behaviour towards moderating alcohol consumption, which can affect volumes; ZAR volatility affecting the performance of the South African-listed shares; slower-than-expected execution of the premiumisation strategy; regulatory changes and increases in excise taxes; the increasing popularity of alternative beverages; and cost inflation in the inputs used to manufacture its products.

Source: FactSet

Graph 1: Five-year price (indexed to 100)



Source: FactSet

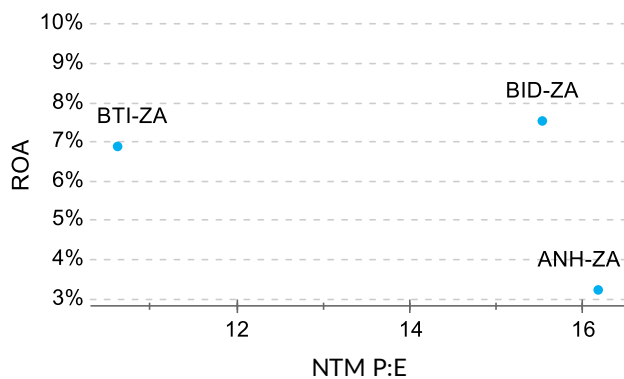


Table 2: Price performance versus benchmark and peers

Period	YTD	MTD	3M	6M	1Y	2Y	3Y	5Y	10Y
ANH-ZA	17.5%	-0.8%	-2.3%	3.4%	19.0%	12.5%	17.2%	47.2%	-30.2%
BID-ZA	4.7%	-2.2%	7.0%	5.4%	-0.5%	-1.1%	-0.6%	44.8%	56.5%
BTI-ZA	-5.9%	-1.1%	-8.4%	-7.0%	-9.8%	29.3%	43.2%	64.9%	-2.2%
Capped All Share	1.2%	0.6%	5.3%	0.1%	14.6%	43.7%	60.1%	75.8%	115.4%

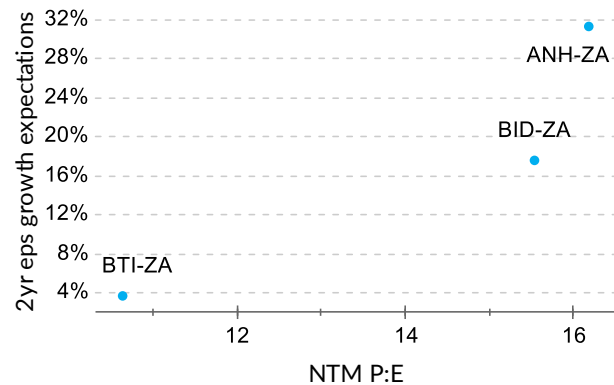
Source: FactSet

Graph 2: P:E vs 2Y average ROA



Source: FactSet

Graph 3: P:E vs EPS 2Y growth forecast



Source: FactSet

Valuation

We value ANH using a 12-month forward earnings estimate and apply an NTM P:E multiple across our scenarios. Our forward earnings estimates are broadly in line with consensus, although we differ in the multiple applied. From the current level of 16.1x, consensus assumes a 36% increase in the multiple on similar earnings estimates, compared with our scenario-weighted increase of 11%, which would move the multiple closer to the 18.5x 10-year average. Consensus estimates imply multiple more than one standard deviation above the five- and 10-year averages.

We use bear, base and bull multiples of 16x (current levels close to one standard deviation below the 10-year average), 18x (slightly below the 10-year average, assuming some mean reversion from current levels) and 21x (slightly below one standard deviation above the 10-year average, assuming growth beyond the medium-term guidance and sustained growth despite changing consumer trends in alcohol consumption), respectively.

While ANH remains a high-quality global consumer franchise, we believe the market has already priced in much of the expected operational improvement. In addition, structural uncertainty around long-term alcohol consumption trends, particularly among younger consumers, limits the extent of valuation expansion, as well as the multiple, we are willing to assume. Consequently, although the shares offer modest upside and our scenario weighting remains skewed towards the base and bull cases, on a scenario-weighted basis we arrive at an intrinsic value of R1 343 with a 7% upside.

Table 3: Valuation table

	Bear	Base	Bull	Weighted	Consensus
Scenario weight	20%	55%	25%	100%	-
NTM forward EPS	4.56	4.56	4.56	4.56	4.66
NTM P:E	16	18	21	18	22
Intrinsic value (\$)	73.01	82.13	95.82	83.73	-
USD/ZAR	16.05	16.05	16.05	16.05	16.05
Intrinsic value (ZAR)	1 171	1 318	1 537	1 343	1 680
Share price (ZAR)	1 258	1 258	1 258	1 258	1 258
Upside/(downside)	-7%	5%	22%	7%	34%

Sources: PSG Wealth Research, FactSet

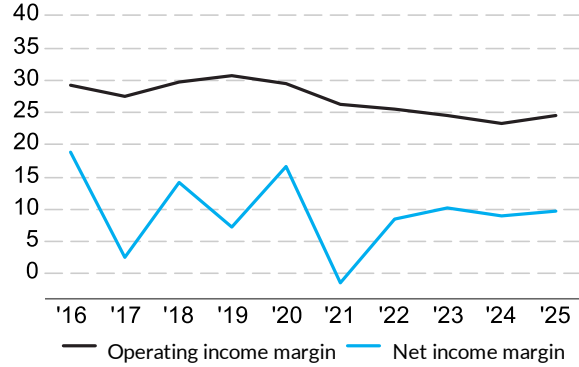


Graph 4: NTM P:E relative to benchmark



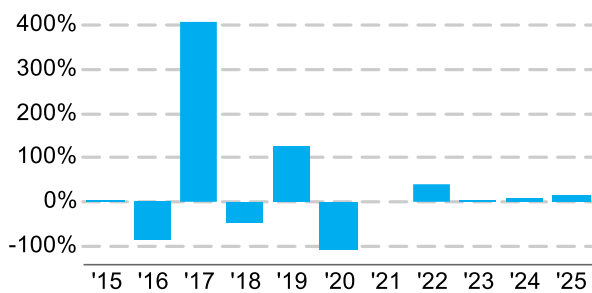
Source: FactSet

Graph 5: Profit margins (%)



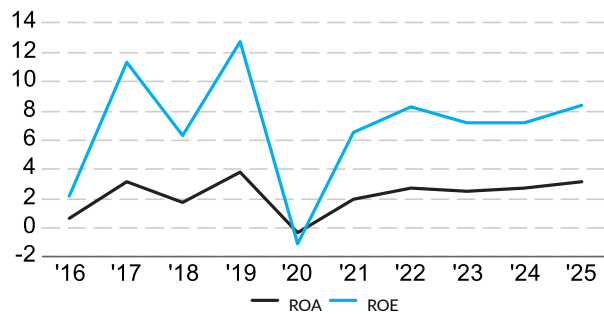
Source: FactSet

Graph 6: 10Y EPS year-on-year change



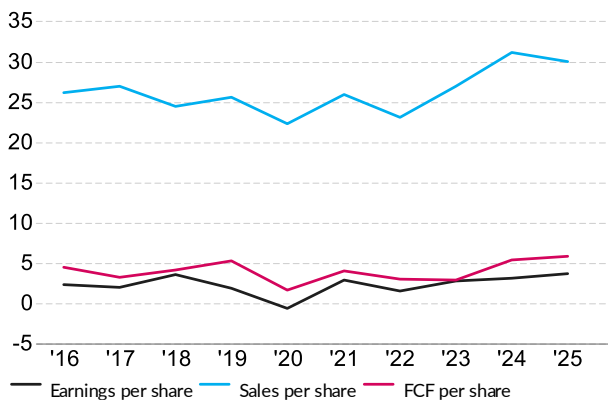
Source: FactSet

Graph 7: ROA and ROE (%)



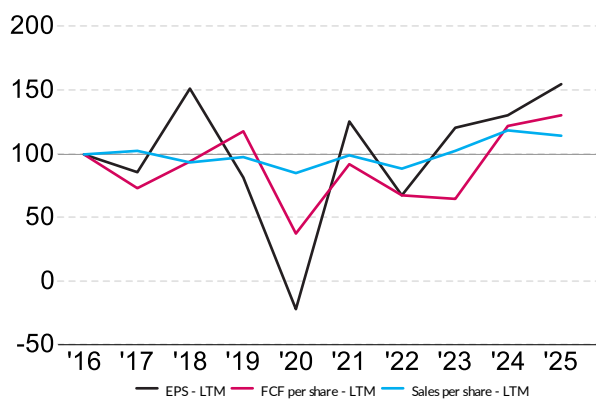
Source: FactSet

Graph 8: Sales, earnings and FCF per share (\$)



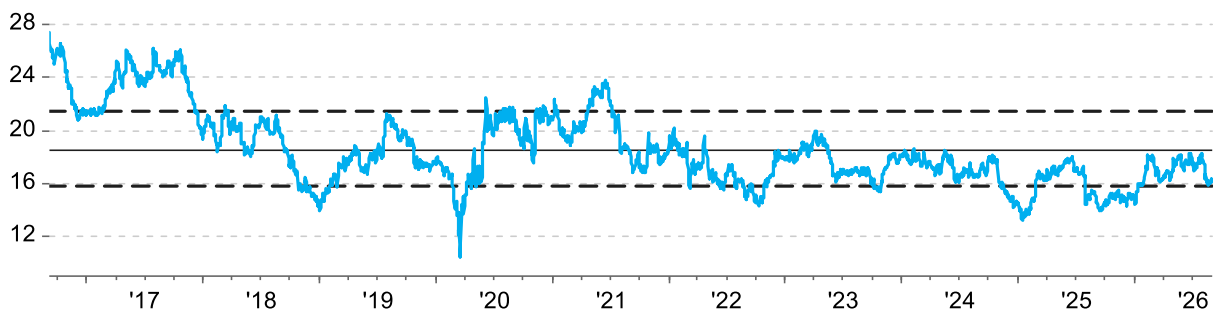
Source: FactSet

Graph 9: Sales, earnings and FCF per share indexed



Source: FactSet

Graph 10: NTM P:E



Source: FactSet



Table 4: Financials and ratios

Income statement (\$Mn)	Dec 21	Dec 22	Dec 23	Dec 24	Dec 25	1Y Growth	3Y CAGR	5Y CAGR
Revenue	54 305	57 787	59 381	59 767	59 320	-1%	1%	5%
Cost of sales	23 097	26 305	27 396	26 744	26 141	-2%	0%	6%
Gross income	31 208	31 482	31 985	33 023	33 179	0%	2%	4%
EBIT	13 825	14 517	13 966	15 487	15 405	-1%	2%	10%
EBITDA	18 877	19 595	19 377	21 031	21 057	0%	2%	8%
Net income	6 114	7 596	6 890	7 415	8 477	14%	4%	125%
EPS (\$)	2.3	3.0	2.7	2.9	3.5	18%	5%	38%
Balance sheet (\$Mn)	Dec 21	Dec 22	Dec 23	Dec 24	Dec 25	1Y Growth	3Y CAGR	5Y CAGR
Total assets	217 627	212 943	219 340	206 637	218 808	6%	1%	-1%
Total shareholders' equity	79 340	84 278	92 676	88 700	97 736	10%	5%	5%
Total liabilities	138 287	128 665	126 664	117 937	121 072	3%	-2%	-4%
Ratios	Dec 21	Dec 22	Dec 23	Dec 24	Dec 25	5Y Avg		
Net debt/EBITDA	4.4	3.8	3.5	3.1	2.8	3.5		
Interest coverage	3.1	3.1	2.9	3.3	3.6	3.2		
Debt/assets (%)	40.5	37.2	35.4	34.6	33.1	36.1		

Source: FactSet

Table 5: Standard finance and investment abbreviations

Abbreviation	Definition
ANH-ZA	Anheuser-Busch InBev SA/NV
AVI-ZA	AVI Limited
Bps	Basis points
BID-ZA	Bid Corporation Limited
CAGR	Compound annual growth rate
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
FCF	Free cash flow
FY	Financial year
GP	Gross profit
LTM	Last 12 months (also known as trailing)
M	Month
MTD	Month-to-date
NTM	Next 12 months (also known as forward)
P:E	Price to earnings
ROA	Return on assets
ROE	Return on equity
USD/\$	United States dollar
Y/y	Year(s)
YTD	Year-to-date
ZAR/R	South African rand



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*Share price as at closing.

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