

SAB tie-up exceeds AB InBev's expectations

By [Robert Laing](#)

2 Mar 2018

"The combination with SAB has exceeded our expectations," Anheuser-Busch InBev CEO Carlos Brito said in the Belgium brewer's results released on Thursday morning. The acquisition of the South African brewer helped the group grow its revenue 5.1% to \$45.5bn during the year to end-December.



©foodandmore via [123RF](#)

AB InBev did not provide a breakdown of revenue from different countries, but did provide growth figures. "Our beer revenues in SA grew by 6% in the 2017 financial year, with revenue per hectolitre growth of 5% and volume growth of 0.9%.

"In the fourth quarter we saw a more muted performance, with beer revenues up 2.7%, revenue per hectolitre growth of 4.6% and volume declines of 1.8%, driven by challenging market conditions," the results statement said.

"Our high-end portfolio, led by Stella Artois, Corona and the recent [seeding of Budweiser](#), showed consistent growth in volumes and market share gains throughout 2017, finishing the year with triple-digit growth. In the near beer segment, Flying Fish recorded over 60% growth during 2017. In the core plus segment, Castle Lite had another year of consistent growth."

AB InBev said in Africa, excluding SA, its "own beer" volumes grew in the mid-teens.

"Our own beer volumes grew double digit in the majority of the countries in which we operate, including Nigeria, Tanzania, Uganda and Zambia, as we continue to expand our offerings to consumers through both affordability and premiumisation strategies."

Brito said that of the total \$3.2bn savings the group expected to achieve by acquiring SAB, it had already recorded \$2.1bn since the deal was completed in October 2016.

"Cost synergies are not only greater than originally expected, but they are also being delivered at a faster pace. Revenue synergies, although not externally quantified, are well underway through the successful launch of our global brands into new territories, among other activities," Brito said.

"We have also adopted a new way of looking at the beer category that recognises different market maturities and the role of brand portfolios in driving category growth. As we look forward, we are excited about the growth opportunities in our expanded footprint for both developed and developing markets."

AB InBev declared a final dividend of EUR2, taking its total for 2017 to EUR3.60.

Source: BDpro

For more, visit: <https://www.bizcommunity.com>