

# Anheuser-Busch InBev SA/NV (BUD)

April 23, 2026

Consumer Staples - Beverages

Stock Rating

BUY

## Investment Thesis

AB InBev (BUD) is the world's largest brewer with ~25% global market share. We issue a BUY with a \$87 target (21% upside to \$72.16). Structural emerging market growth is replacing declining developed market volumes, while unrivaled brand pricing power, development of BEES platform, and a rapidly expanding Beyond Beer portfolio support long-term earnings growth.

### Drivers of Thesis

- Emerging market structural dominance.** ~70% of EBITDA generated in developing markets, projected to account for 80%+ of global beer volume growth through 2029.
- Unrivaled brand portfolio and premiumization.** Owns 8 of the 10 largest beer brands globally; mega-brand revenue at 10% CAGR since 2021; no-alcohol and Beyond Beer delivering 34%+ growth.
- Deleveraging unlocking shareholder returns.** Net Debt/EBITDA from 5x+ to ~3.3x; \$6B buyback underway; dividend up 15% YoY; 2026E EPS of \$4.74.
- BEES ecosystem expanding addressable revenue.** \$3.5B marketplace GMV, +61% YoY; 1.5–2x revenue expansion from third-party B2B/B2C platform.

### Risks to Thesis

- Secular developed market volume decline.** Health trends structurally reducing consumption in North America and Europe; North America now only 24% of revenue.
- Emerging market execution and FX risk.** FX reduced FY2025 revenue by \$1.3B; Brazil volumes fell 4.6%, demonstrating how quickly EM tailwinds can reverse.
- Debt burden constraining flexibility.** ~\$73B total debt at ~3.3x Net Debt/EBITDA; \$4.9B interest expense in FY2025; downgrade risk would constrain capital returns.

## Target Price

\$87

Henry Fund DCF	\$83 - \$94
Henry Fund DDM	\$72 - \$86
Relative Multiple	\$55 - \$68

### Price Data

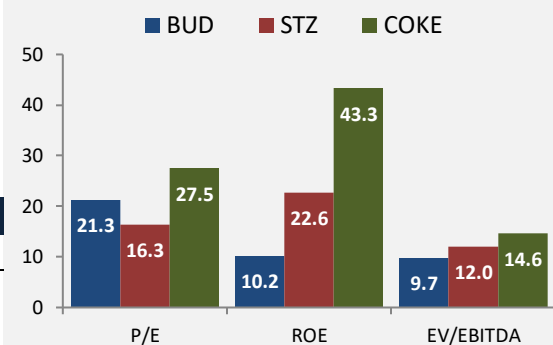
Current Price	\$72.16
52wk Range	\$56.97 – 81.56
Consensus 1yr Target	\$88.89

### Key Statistics

Market Cap (B)	\$140.6
Shares Outstanding (B)	1.95
Institutional Ownership	5.88%
Beta	0.79
Dividend Yield	1.80%
Est. 5yr Growth	12.4%
Price/Earnings (TTM)	21.29
Price/Earnings (FY1)	16.92
Price/Sales (TTM)	2.45
Price/Book (mrq)	1.6

### Profitability

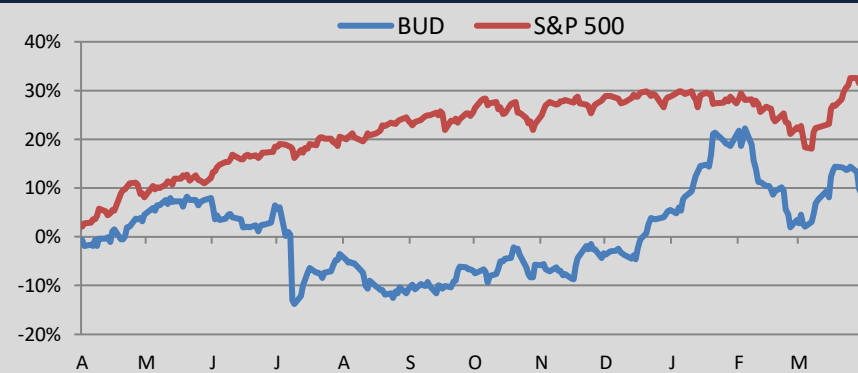
Operating Margin	25.97%
Profit Margin	14.29%
Return on Assets (TTM)	3.99%
Return on Equity (TTM)	10.24%



## Earnings Estimates

Year	2023	2024	2025	2026E	2027E	2028E
EPS	\$2.65	\$2.92	\$3.45	\$4.26	\$4.76	\$5.32
HF est.				\$4.74	\$5.34	\$6.06
growth	-10.8%	10.2%	18.2%	23.5%	11.7%	11.8%

## 12 Month Performance



## Company Description

Anheuser-Busch InBev SA/NV (NYSE: BUD) is the world's largest brewer by revenue and volume, headquartered in Leuven, Belgium. The company brews, markets, and distributes more than 500 brands across 50+ countries, owning 8 of the world's 10 largest beer brands including Budweiser, Corona, Stella Artois, and Michelob Ultra. Organized across six geographic segments, AB InBev generated \$59.3 billion in revenue and \$3.45 in basic EPS in fiscal year 2025, while expanding its portfolio into no-alcohol beverages, hard seltzers, and spirits-based ready-to-drink products through its Beyond Beer strategy.

## COMPANY DESCRIPTION

Anheuser-Busch InBev SA/NV (NYSE: BUD) is the world's largest beer company by revenue and volume, headquartered in Leuven, Belgium. The company was formed through a series of transformative mergers, most notably the 2008 combination of InBev and Anheuser-Busch and the landmark \$107 billion acquisition of SABMiller in 2016, which created a near-unrivaled global beer platform. AB InBev brews, markets, and distributes more than 500 brands of beer and non-beer beverages across over 50 countries, employing approximately 155,000 people worldwide. In fiscal year 2025, the company generated \$59.3 billion in revenue, \$15.4 billion in EBIT, and basic EPS of \$3.45.

The company is organized into six geographic reporting segments: North America, Middle Americas, South America, EMEA (Europe, Middle East, and Africa), Asia Pacific, and Global Export and Holding Companies. Its portfolio spans every price tier from premium global brands such as Budweiser, Corona, and Stella Artois to above-core brands like Michelob Ultra and Hoegaarden, and mass-market local leaders such as Bud Light (US), Brahma and Skol (Brazil), and Harbin (China). Non-beer activities — primarily soft drinks, seltzers, spirits-based beverages, and energy drinks — account for approximately 11% of revenue and represent one of the company's fastest-growing categories.

### North American Segment

North America generated \$14.2 billion in FY2025 revenue, representing 24.0% of consolidated revenue, down from 25.4% in 2023. Volumes declined 3.5% in FY2025, primarily driven by continued weakness in the Bud Light brand following a high-profile marketing controversy in 2023. Despite volume headwinds, the segment benefits from a premium-heavy portfolio anchored by Michelob Ultra — now the top-selling beer in the US by volume — and a growing above-core brand lineup. We forecast North America revenue growth of +1.2% in 2026E, turning slightly negative in 2027E (-0.4%) before stabilizing toward flat growth by 2031–2032. The premiumization trend and ongoing Bud Light brand

recovery are the primary near-term catalysts for this segment. While North America remains structurally challenged, the segment generates the company's highest absolute margins and continues to throw off significant cash flow.

### Middle Americas Segment

Middle Americas is AB InBev's largest and fastest-growing segment, generating \$17.4 billion in FY2025 revenue (29.3% of total), up from 27.5% of the mix in 2023. The segment encompasses Mexico, Colombia, Peru, Ecuador, Panama, and Central American markets. Mexico contributes substantially through the Modelo and Corona brands (outside the US), and Colombia has become one of the company's highest-margin markets globally. We project Middle Americas revenue growing approximately 11.4% in 2026E, moderating toward a sustainable 4.5–6% range through 2035E, driven by continued premiumization, favorable demographics, and rising per-capita beer consumption. This segment is the cornerstone of our investment thesis — it demonstrates that the emerging market playbook is already working and that AB InBev's geographic diversification is generating real, compounding revenue growth that more than offsets North American weakness.

### South America Segment

South America generated \$12.0 billion in FY2025 revenue (20.2% of total). Brazil — the world's third-largest beer market by volume — is the dominant country through Ambev (61.73% owned). The segment experienced a 3.8% revenue decline in 2025 partly due to hyperinflationary effects in Argentina and unfavorable FX translation from a strengthening US dollar. Volumes in Brazil fell 4.6% amid macroeconomic softness and currency pressure. However, the no-alcohol beer category grew 30% in the region and the non-beer portfolio continues to expand. We forecast a recovery to approximately 7% revenue growth in 2026E as base effects normalize, moderating to a 3–4% long-run rate as the Brazilian economy stabilizes. Brazil remains one of the highest-potential beer markets in the world by volume and AB

InBev's dominant market position through Ambev provides structural competitive advantages.

## EMEA Segment

EMEA generated \$9.5 billion in FY2025 revenue (16.0% of total), growing 5.5% over 2024 and representing one of the most consistently improving segments in the portfolio. The segment encompasses Western Europe, Sub-Saharan Africa, the Middle East, and Eastern Europe. Africa has been a particular bright spot — South Africa, Nigeria, and Ethiopia represent high-growth markets where beer penetration is rising rapidly with urbanization and income growth, validating the emerging market thesis in real time. We forecast EMEA revenue growth of 8.2% in 2026E supported by continued African expansion and Western European premiumization, moderating to approximately 4.5% annually through 2030E and beyond. The African opportunity in particular remains in early innings — per-capita beer consumption across Sub-Saharan Africa sits at a fraction of European levels, and AB InBev's early mover advantage with brands like Castle, Carling Black Label, and Flying Fish provides a durable platform for multi-decade growth.

## Asia Pacific Segment

Asia Pacific generated \$5.7 billion in FY2025 revenue (9.6% of total), declining 8.1% from 2024. China, the world's largest beer market by volume, has been a significant drag as consumer sentiment softened post-COVID and local competition from CR Beer and Tsingtao intensified. AB InBev controls this segment through Budweiser APAC (87.22% owned, listed on the Hong Kong Stock Exchange). We forecast a modest -2.0% in 2026E, improving toward positive growth by 2027–2028 as China's consumer environment stabilizes and the company's premiumization strategy, led by Budweiser, Corona, and Hoegaarden, gains renewed traction in the above-core and premium tier. The long-term opportunity in China remains intact; the current weakness is cyclical rather than structural, and management has maintained pricing discipline rather than chasing volume at the expense of margins.

## Cost Structure Analysis

AB InBev's cost structure has improved meaningfully since the SABMiller acquisition, as synergies were realized and the Zero-Based Budgeting (ZBB) culture became embedded across the organization. Gross margins improved from 54.5% in 2022 to 55.9% in 2025, reflecting a premiumization mix shift and disciplined revenue management. Cost of sales declined 3.3% in FY2025 despite flat revenues, demonstrating meaningful operational leverage. Distribution expenses as a percentage of revenue have remained stable at approximately 10%, while sales and marketing spend has been held roughly flat in absolute terms even as revenues have grown, driving operating margin expansion toward 26%.

We forecast gross margins expanding modestly to approximately 56.5% by 2026E and 58.6% by 2030E, driven by continued premiumization, favorable commodity cost trends, and the increasing contribution of higher-margin markets in the Middle Americas and EMEA. Operating margins are projected to expand from 26.0% in 2025 to approximately 29.5% by 2029E as SG&A leverage continues and distribution network efficiencies from the BEES platform compound over time. One of AB InBev's most underappreciated financial characteristics is its cash conversion cycle of approximately -180 days. The company collects cash from customers long before it is required to pay suppliers, effectively operating with supplier-financed working capital. This structural advantage, which is vastly superior to most global consumer goods peers, provides a natural funding mechanism for growth investment and debt repayment without requiring external capital.

## Additional Company Analysis

AB InBev generates revenue through three primary mechanisms: volume-driven sales growth, revenue-per-hectoliter improvement through premiumization and price increases, and geographic mix shift toward the fastest-growing markets. The company differentiates itself from peers through scale — it is the lowest-cost brewer globally — brand portfolio

depth with 8 of the 10 largest brands in the world, and increasingly through its digital infrastructure. Its BEES platform has now reached approximately 4 million retailer points of sale across Latin America, Africa, and Asia, effectively creating a proprietary data layer on top of its distribution network that competitors cannot easily replicate. This platform reduces the cost of serving small retailers, improves sell-through visibility, and enables more precise revenue management at the local market level.

The Beyond Beer strategy deserves particular attention. While non-beer beverages currently represent approximately 3% of revenue, the growth trajectory is compelling. The no-alcohol beer category is growing 30%+ annually globally, driven by health-conscious consumers, Muslim-majority market expansion, and the normalization of non-alcoholic socializing occasions. AB InBev leads this category globally with Budweiser Zero, Corona Cero, and Stella Artois Unfiltered. Simultaneously, the company is building positions in hard seltzers, spirit-based ready-to-drink beverages, and energy drinks through brands like Cutwater in the US and various regional plays across its global footprint. These categories carry higher growth rates and, in many cases, superior margin profiles relative to core beer, making the Beyond Beer mix shift a structural earnings quality improvement over the medium term.

## Debt Maturity Analysis

AB InBev carries approximately \$73.0 billion in total long-term debt as of December 31, 2025, a legacy of the \$107 billion SABMiller acquisition in 2016. While the absolute debt level remains significant, the deleveraging trajectory has been impressive — Net Debt/EBITDA has declined from over 5x at the time of the SABMiller close to approximately 3.3x today, driven by strong EBITDA growth and disciplined free cash flow allocation. Management has set a medium-term target of approximately 2.0x Net Debt/EBITDA, and we believe this is achievable within the next 3–5 years given the company's free cash flow generation capacity of \$13–15 billion annually.

Near-term annual maturities of \$3.2–\$6.4 billion through 2030 are well within this free cash flow envelope and do not represent a liquidity concern. The vast majority of the debt (\$48.3 billion) matures in later years, providing ample runway for organic deleveraging. Interest expense is forecast to decline from \$4.9 billion in FY2025 toward \$4.1 billion by 2030E as the company applies excess cash to early debt repayment. As this deleveraging progresses, the freed-up cash flow is being systematically redirected toward shareholder returns — first through the \$6 billion buyback program announced in October 2025, and increasingly through dividend recovery as the payout ratio normalizes from today's subdued 23.7% back toward historical levels.

## ESG Analysis

**Environmental:** AB InBev has committed to 100% renewable electricity globally and has achieved this target in several key markets. Water stewardship programs operate in 100% of high-stress water markets — a critical focus given beer production's water intensity and the company's operations in water-scarce regions of Africa and Latin America. Carbon emissions reduction remains a work-in-progress, with Scope 3 supply chain emissions representing the largest remaining challenge as the company works with agricultural suppliers to reduce the carbon footprint of barley and other raw materials.

**Social:** The BEES platform is generating a positive social impact by formalizing small retailer relationships across Latin America and Africa, providing hundreds of thousands of micro-entrepreneurs with access to digital payment infrastructure and working capital tools for the first time. Employee safety metrics have improved consistently, and the company has made public commitments around gender diversity in senior leadership.

**Governance:** The Board comprises 15 non-executive directors, with 8 nominated by the Stichting — the vehicle through which the founding Brazilian and Belgian families exercise control. While this concentration provides long-term strategic stability

and alignment, it limits the influence of independent shareholders on major capital allocation decisions. Executive compensation is heavily performance-linked through RSUs and performance stock units tied to total shareholder return versus a consumer goods peer group. Outstanding LTI stock options are predominantly deeply out of the money at current price levels, representing minimal dilution risk to current shareholders.

## RECENT DEVELOPMENTS

### \$6 Billion Share Buyback

On October 29, 2025, the Board approved a \$6 billion share buyback program, following the completion of the previous \$2 billion buyback. As of December 31, 2025, \$400 million had been executed under the new program, repurchasing approximately 6.4 million shares. This program represents a significant acceleration of capital returns and is a direct signal from management that shares are undervalued at current levels. The prior \$2 billion buyback was completed in full, demonstrating the company's commitment to execution rather than just announcement. As deleveraging continues and free cash flow generation improves, we expect the pace of buyback execution to accelerate through 2026 and 2027.

### FIFA World Cup Partnership

AB InBev holds a long-standing official sponsorship with the FIFA World Cup, and the 2026 tournament being held across the United States, Canada, and Mexico represents one of the most significant near-term brand and volume catalysts in the company's marketing calendar. Budweiser has been the official beer of the FIFA World Cup for decades, and the tournament's first North American hosting since 1994 places AB InBev's flagship brands directly in front of one of the largest and most engaged sports audiences in the world. With the US market representing AB InBev's highest-margin segment and still recovering from the Bud Light controversy, the World Cup provides a meaningful opportunity to accelerate brand equity rebuilding and capture above-trend

consumption volume. Management has invested heavily in activations around the tournament, and combined with the Super Bowl and Winter Olympics earlier in 2026, the World Cup completes an unprecedented concentration of major sporting events that we expect to drive measurable volume uplift in North America through the back half of 2026.

## INDUSTRY TRENDS

### AI Integration

Artificial intelligence is rapidly reshaping how global consumer goods companies operate, and AB InBev has been an early and aggressive adopter. The company is integrating AI across its full value chain — from demand forecasting and brewery operations to marketing personalization and supply chain optimization. AB InBev's BEES platform, which connects approximately 4 million retailer points of sale, generates an enormous proprietary data set on purchasing patterns, inventory levels, and consumer preferences that is increasingly being analyzed through AI-powered tools to optimize pricing, route-to-market efficiency, and product mix recommendations at the individual retailer level. In marketing, AI-enabled personalization is being deployed to improve digital advertising effectiveness across its brand portfolio, with early results suggesting meaningful improvements in marketing ROI versus traditional broad-based campaigns. On the manufacturing side, AI-driven predictive maintenance in breweries has reduced unplanned downtime, and the company is piloting AI-assisted quality-control systems across several facilities. The competitive implication is significant. AB InBev's scale means it can generate training data for AI models that smaller regional brewers simply cannot replicate, creating a widening operational advantage over time. Competitors like Heineken and Molson Coors are pursuing similar strategies but lack the data volume and platform infrastructure that gives AB InBev a structural head start.

### Consumer Health & Wellness Trends

Consumer preferences across developed markets are shifting meaningfully toward healthier lifestyles,

## MARKETS AND COMPETITION

creating both a structural headwind for traditional alcohol volumes and a significant opportunity for companies positioned to capitalize on the low and no-alcohol category. Per-capita alcohol consumption has been in secular decline across North America and Western Europe for over a decade, driven by growing health consciousness, the rise of mindful drinking culture, and younger demographics who consume alcohol at materially lower rates than prior generations. Industry volumes in 2025 were below trend globally, reflecting the cumulative effect of these behavioral shifts compounding over time. The consumer response is not simply abstinence from alcohol but rather a migration toward beverages that fit an active, health-conscious lifestyle without sacrificing the social experience associated with drinking occasions. This has driven explosive growth in no-alcohol beer, low-calorie beer, low-carbohydrate options, and spirits-based ready-to-drink beverages with cleaner ingredient profiles. The no-alcohol beer category is growing at over 30% annually on a global basis and is projected to continue outpacing the overall beer category for the foreseeable future.

AB InBev is the global category leader in no-alcohol beer and has invested aggressively to build a portfolio that directly addresses this consumer shift. Corona Cero, Budweiser Zero, and Stella Artois Unfiltered anchor the no-alcohol offering globally, while Ultra Zero in the United States carries only 29 calories. In South Korea, AB InBev launched the country's first zero-calorie, zero-sugar, gluten-free beer, demonstrating its ability to innovate rapidly for local market preferences. Creating the innovative and tasty flavor first then utilizing the name brand to grab significant market share. The company estimates it will gain market share in 70% of the top 14 no-alcohol beer markets globally. Michelob Ultra, which now holds the top-selling beer position in the United States by volume, is the clearest evidence that low-calorie, active-lifestyle beer positioning can not only retain health-conscious consumers within the beer category but convert them into premium spenders. The companies that fail to build credible no-alcohol and low-calorie portfolios risk permanent volume loss to competitors who do.

### Heineken N.V.

Heineken is the world's second-largest brewer, with approximately 12% global market share. It operates in more than 190 countries through its flagship Heineken lager and a portfolio of over 300 brands, including Amstel, Dos Equis, Tecate, and Tiger. The company is particularly strong in Western Europe, Africa, and Southeast Asia, where it competes directly with AB InBev across multiple price tiers. Heineken's African operations, spanning Nigeria, South Africa, and Ethiopia, represent its most direct competitive overlap with AB InBev's EMEA growth strategy. The company trades at 12.9x 2026E EPS with a net margin of 8.1%, significantly below AB InBev's 14.3%, reflecting Heineken's higher cost base and less efficient capital structure. While Heineken is a formidable operator, it lacks AB InBev's scale advantages in Latin America and has been slower to invest in digital distribution capabilities like BEES. We view Heineken as the closest true global peer, but believe AB InBev's emerging market positioning and margin profile are structurally superior.

### Molson Coors Beverage Company

Molson Coors is the world's third-largest brewer by volume, with a portfolio concentrated in North America and Western Europe through brands including Coors Light, Miller Lite, Blue Moon, and Carling. The company has essentially no meaningful presence in high-growth emerging markets, making it primarily a developed-market play exposed to the same secular volume decline pressures facing AB InBev's North America segment, without the offsetting emerging market growth engine. Molson Coors trades at just 9.3x 2026E EPS with a net margin of 6.4%, reflecting both the challenged volume environment and a less premium brand mix. The company has been investing in Beyond Beer through hard seltzers and spirits-based beverages, but has struggled to gain meaningful share against better-capitalized competitors. We view Molson Coors as a direct cautionary tale for what AB InBev's North America segment would look like without the global

diversification that makes BUD a compelling investment at current prices.

## Constellation Brands

Constellation Brands is a premium beverage alcohol company with approximately \$9–10 billion in annual beer revenue, operating exclusively in the United States through the exclusive perpetual license to sell Corona, Modelo Especial, and related Mexican import brands in the US market — brands originally owned by AB InBev's Grupo Modelo before the US Department of Justice required their divestiture as a condition of the SABMiller acquisition. Modelo Especial has become the best-selling beer in the US by dollar sales, a remarkable achievement that illustrates both the strength of the brand equity AB InBev built and the ongoing structural shift toward premium imports among US consumers. Constellation trades at 13.0x 2026E EPS with a net margin of 10.8% and competes with AB InBev in the premium US import segment. The relationship is unique. Constellation is simultaneously AB InBev's most direct US premium competitor and a licensee of AB InBev-built brand equity.

## Carlsberg Group

Carlsberg is a Danish brewer with approximately 6–7% global market share, operating primarily across Western Europe, Eastern Europe, and Asia through its flagship Carlsberg lager and brands including Tuborg, Kronenbourg 1664, and Grimbergen. The company has a particularly strong position in Eastern Europe and Central Asia, where it competes with AB InBev's EMEA segment, and in China through its Chongqing Beer subsidiary. Carlsberg trades at 12.5x 2026E EPS with a net margin of 7.3%. The company has been more aggressive than most peers in pursuing no-alcohol product development and has made meaningful progress in the Nordic markets, where non-alcoholic beer penetration is among the highest in the world. Carlsberg lacks AB InBev's Latin American exposure and scale advantages but is a well-

managed operator with a disciplined capital allocation track record.

## ECONOMIC OUTLOOK

### Inflation

The macroeconomic backdrop for consumer spending remains complex heading into 2026. In the United States, the Personal Consumption Expenditures (PCE) index, the Federal Reserve's preferred inflation gauge, has proven sticky above the Fed's 2% target, remaining in the 2.8–3.0% range through early 2026. While headline inflation has moderated significantly from its 2022 peak, the "last mile" of disinflation has been elusive, driven primarily by persistent services inflation and, increasingly, by renewed pressure from energy prices. For AB InBev, the US inflation environment matters primarily through its effect on North American consumer spending on discretionary items like premium beer. When consumers face real income pressure from elevated prices across food, shelter, and energy, trading down from premium to value-tier beer, or substituting beer consumption with lower-cost alternatives becomes more likely. We embed a modest volume headwind in our North America forecasts on this basis, though premiumization trends among higher-income consumers provide a partial offset.

## VALUATION

### Cost Assumptions

Cost of sales is modeled as a declining percentage of revenue as premiumization compounds, with gross margins expanding from 55.9% in 2025 to approximately 56.5% in 2026E and 58.6% by 2030E. Distribution expenses are held at approximately 10% of revenue, consistent with historical averages. Sales and marketing spend is held roughly flat in absolute terms at approximately \$7.5 billion in 2026E, consistent with the company's \$7 billion annual average since 2021. We forecast operating margins expanding from 26.0% in 2025 to approximately

29.5% by 2030E as the company continues to scale and higher-margin BEES marketplace revenue grows as a share of total revenue.

## CapEx Assumptions

Management guided capital expenditures of \$3.5 to \$4.0 billion for 2026, expressing confidence in their ability to maintain operations within that range. Our 2026E capex of \$3.9 billion is consistent with that guidance. Historically capex as a percentage of revenue has trended downward from approximately 10.9% in 2016 toward 6.2% in 2025, reflecting the maturation of the global brewery footprint following SABMiller integration. Given the consistency of the 6.3% capex rate over the two most recent fiscal years and management's guidance, we hold that rate constant across our five year forecast horizon, producing estimates that remain comfortably within the guided range without requiring a step-change in physical infrastructure investment.

## WACC Calculation

Our WACC of 6.78% reflects AB InBev's improving capital structure and investment-grade credit profile. We use a beta of 0.79, a risk-free rate of 4.35%, and an equity risk premium of 5.0%, producing a cost of equity of 8.30%. Our pre-tax cost of debt of 5.21% is derived from AB InBev's YTM on its 10-year non-callable corporate bond. Applying a marginal tax rate of 26.5% produces an after-tax cost of debt of approximately 3.83%. As deleveraging continues and equity value appreciates toward our target price, the increasing equity weight in the capital structure would exert modest upward pressure on WACC over time, which we view as appropriately conservative.

## DCF/EP

Our DCF and Economic Profit models produce a consistent intrinsic value of \$87.76 as of today. Free cash flow grows from \$12.4 billion in 2026E to \$15.1

billion in 2029E. The continuing value is calculated using a CV NOPLAT growth rate of 2.5% and CV year ROIC of 9.17%. After adding excess cash of \$3.7 billion and subtracting total debt of \$73.0 billion and non-controlling interest of \$10.4 billion from our operating asset value of \$250.5 billion, and dividing by 1,984 million shares outstanding, we arrive at our intrinsic value. Sensitivity analysis across WACC and CV growth assumptions produces a valuation range of \$83 to \$94.

## DDM

Our DDM produces an intrinsic value of \$78.71 using a cost of equity of 8.30%, CV EPS growth of 2.5%, and a CV year ROE of 11.66%. We discount projected dividends of \$1.14 in 2026E, \$1.27 in 2027E, \$1.44 in 2028E, and \$1.57 in 2029E, plus a terminal value from a 13.5x P/E multiple on our CV year EPS of \$7.39. With the payout ratio at a subdued 23.7%, there is meaningful capacity to grow dividends at or above the earnings growth rate as deleveraging continues. Sensitivity analysis produces a range of \$72 to \$86.

## Relative Multiple

Applying the peer average forward P/E of 13.9x to our 2026E EPS of \$4.74 yields an implied price of \$65.86. This method intentionally uses the average peer P/E rather than BUD's current trading multiple, meaning the implied price reflects what BUD would be worth if it traded in line with its peer group rather than at its current premium. BUD trades at approximately 15.1x 2026E EPS, a premium to peers that we believe is justified given its superior scale, emerging market positioning, and brand portfolio depth. The peer group P/E multiples are as follows: Heineken at 12.9x, Molson Coors at 9.3x, Asahi at 12.4x, Constellation Brands at 13.0x, Carlsberg at 12.5x, Boston Beer at 24.3x, and China Resources Beer at 12.9x. Because BUD justifiably trades at a premium to this peer average, the relative multiple method produces the most conservative of our three valuation outputs, and gave it little weight in our blended valuation, treating

it as a floor reference rather than a primary valuation tool.

## REFERENCES

1.

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