

BUD

Anheuser-Busch InBev SA/NV

NYSE (ADR); PRIMARY EURONEXT BRUSSELS: ABI

CONSUMER STAPLES

BEVERAGES — BREWERS

\$79.81

MCap 151343000000 · EV 211900000000

As of 2026-05-29

P/E	22.4	EV/EBITDA	10.1
FCF YIELD	7.5	ROIC	7.5
ROCE	8.5	GROSS %	56.2
OP %	28.5	ND/EBITDA	2.87
DIV YLD	1.5	BB YLD	3

AB InBev is the world's largest brewer, controlling roughly 8 of the top 10 most valuable beer brands (Budweiser, Corona, Stella Artois, Michelob Ultra, plus local champions). The business is a textbook wide-moat consumer staple — best-in-class EBITDA margins near 35% and adjusted FCF/revenue around 15-19% — yet it carries the scars of the 2016 SABMiller acquisition: a \$60B+ net debt load, structurally declining global beer volumes, and the lingering reputational damage to Bud Light in the US. The 20-year forward picture, the primary directive of this analysis, hinges on a single tension the SIX repeatedly circle back to: whether premiumization and pricing power (revenue per hl rising ~4-5%/year) can durably outrun secular volume erosion (own beer volumes -2% FY24, -4% HY25) for two decades. Recent results show genuine progress — net debt/EBITDA fell below 3x for the first time since 2015 (2.87x at FY25), a 22% dividend hike, and a new \$6B buyback. But at ~23x earnings and a sub-5% owner-earnings yield, the market is paying a full price for a slow compounder whose volumes shrink. The verdict is WATCHLIST: a genuinely wonderful collection of brands and a deleveraging story that is working, but priced without the margin of safety that the long-horizon test demands.

INVESTMENT COMMITTEE VERDICT

WATCHLIST

The world's best brewer with a transformed, disciplined balance sheet — a wonderful franchise at a fair-to-full price; own it on weakness toward the high-\$50s, not at \$80.

Watchlist — no position at \$79.81. This is a good-to-wonderful business with under-10% margin of safety, which per Buffett's hierarchy means wait for a better entry. Target accumulation zone: high-\$50s to low-\$60s (the recent 52-week low was \$56.97), where a 20%+ margin of safety to base IV emerges. At that entry, a normal-to-meaningful position with a long (10-20 year) holding period is warranted given the moat and capital discipline. No DECLINE trigger is present — management is honest, leverage is falling not rising, ROIC is low but stable not deteriorating, and the moat is wide though the category is mature.

LENS CONVERGENCE

63%

COMPOSITE SCORE

67 / 100

AMORDAD

INSTITUTIONAL RESEARCH TERMINAL

BUD

Anheuser-Busch InBev SA/NV

RECOMMENDATION	WATCHLIST
LENS CONVERGENCE	63%
COMPOSITE SCORE	67 / 100
CURRENT PRICE	\$79.81
BASE INTRINSIC VALUE	\$78
PROB-WEIGHTED IV	\$76.7
MOS STATUS	NO MARGIN OF SAFETY — trading ~2% above base intrinsic value and ~36% above the price that would offer a Buffett-grade 25% margin of safety
REPORT DATE	May 29, 2026

AB InBev is the world's largest brewer, controlling roughly 8 of the top 10 most valuable beer brands (Budweiser, Corona, Stella Artois, Michelob Ultra, plus local champions). The business is a textbook wide-moat consumer staple — best-in-class EBITDA margins near 35% and adjusted FCF/revenue around 15-19% — yet it carries the scars of the 2016 SABMiller acquisition: a \$60B+ net debt load, structurally declining global beer volumes, and the lingering reputational damage to Bud Light in the US. The 20-year forward picture, the primary directive of this analysis, hinges on a single tension the SIX repeatedly circle back to: whether premiumization and pricing power (revenue per hl rising ~4-5%/year) can durably outrun secular volume erosion (own beer volumes

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The world's best brewer with a transformed, disciplined balance sheet — a wonderful franchise at a fair-to-full price; own it on weakness toward the high-\$50s, not at \$80.

THE SIX: BUFFETT · MUNGER · ACKMAN · HOHN · LI LU · KLARMAN
INCLUDES 10Y / 20Y FORWARD PROJECTION · BUFFETT-VOICE SHAREHOLDER LETTER
INCLUDES EARNINGS QUALITY ANALYSIS — SIX INVESTOR LENSES
INCLUDES INSIDER AND CONGRESSIONAL TRADING (30-DAY WINDOW)

FOR RESEARCH & EDUCATIONAL PURPOSES ONLY

NOT FINANCIAL ADVICE

AMORDAD.CAPITAL

VERDICT

FINANCIALS

SOLID

68 /100

Viewed through the command 20-year lens: the financials show a business whose operating engine (35% EBITDA margins, \$11B+ FCF, A-/A3 credit) is durable enough to survive two decades, but whose balance sheet history (the SABMiller debt mountain) and structural volume declines cap the score. The FY24 FCF step-change and sub-3x leverage are genuine improvements, but ROIC near 7-8% on goodwill-laden capital is mediocre. Strong cash generation, unremarkable returns on total capital.

VALUATION

ADEQUATE

55 /100

For a 20-year holder, entry price is everything, and at \$79.81 (vs ~\$77 probability-weighted IV and a 52-week low of \$56.97) there is no margin of safety. The two-column IV and DCF both cluster at ~\$76-78, meaning today's price discounts the deleveraging success already achieved. A fair price for a wonderful business — but not the discounted price the long-horizon test rewards.

MOAT

STRONG

80 /100

On a 20-year view the brand-and-scale moat is the single most reliable asset: Corona, Budweiser, Stella, Michelob Ultra and dozens of local champions will almost certainly still command premium shelf space and pricing power in 2044. The score is held below 90 because the moat protects a category that is structurally, slowly shrinking in developed markets — a wide moat around a gently draining pond.

MANAGEMENT

SOLID

74 /100

Through the 20-year lens, Doukeris's pivot from acquisitive empire-building to deleveraging-and-per-share-returns is exactly the capital discipline a long-term owner wants to see compound over decades. Promises kept, leverage halved, buybacks resumed. Held below 80 by the family-control governance structure and heavy normalized-metric reliance.

CATALYSTS

SOLID

66 /100

The deleveraging-to-buyback flywheel is a credible multi-year (and multi-decade) value-creation path, central to the 2044 projection. But the catalysts are evolutionary not transformational, and the binding 20-year swing factor (volume vs pricing) is not something management fully controls.

KEY STRENGTHS

- 01 Widest brand-and-scale moat in global brewing — 8 of the 10 most valuable beer brands; ~35% best-in-class EBITDA margins
- 02 Proven, durable pricing power — revenue/hl +4-5%/year through volume declines (A- inflation durability)
- 03 Transformed capital discipline under Doukeris — net debt down \$15B+, sub-3x leverage first time since 2015, \$6B buyback, progressive dividend
- 04 Strong cash conversion — \$11.3B FCF, owner earnings exceeding GAAP net income
- 05 Buyback flywheel now real on a reduced (1.80B) share count, accreting per-share value for a decade-plus
- 06 Emerging-market exposure (Africa, Latin America) with per-capita consumption growth offsetting developed-world maturity

KEY RISKS

- 01 Structural volume decline in developed-market beer accelerating beyond pricing's ability to offset (Gen Z moderation, GLP-1 drugs, non-alcoholic substitution)
- 02 No margin of safety at \$79.81 — trading at/above probability-weighted IV (~\$77) and ~36% above a 25%-MoS entry
- 03 Still-leveraged balance sheet (~2.9x) sensitive to rate shocks given large debt stack
- 04 Family-control governance limiting minority shareholder leverage; latent risk of empire-building relapse
- 05 FX translation drag (large non-USD revenue and ~47% non-USD debt)
- 06 China and Argentina chronic soft spots; Bud Light US recovery incomplete

MARGIN OF SAFETY —
25% REQUIREMENT

NO MARGIN OF SAFETY — TRADING ~2% ABOVE BASE INTRINSIC VALUE AND ~36% ABOVE THE PRICE THAT WOULD OFFER A BUFFETT-GRADE 25% MARGIN OF SAFETY

BASE INTRINSIC

\$78

MOS ENTRY PRICE

\$58.5

CURRENT PRICE

\$79.81

IMPLIED DISCOUNT

-2.3%

The probability-weighted value of ~\$77 sits below the \$79.81 price. This is a wonderful collection of brands at a fair-to-full price, not a cheap price. A disciplined value investor waits for the bear-case fear (a \$58-62 entry, seen as recently as the 52-week low of \$56.97) to acquire a margin of safety. At today's price you are paying for the deleveraging success that has already occurred.

FINANCIALS

FINANCIALS

SOLID

68 /100

Viewed through the commanded 20-year lens: the financials show a business whose operating engine (35% EBITDA margins, \$11B+ FCF, A-/A3 credit) is durable enough to survive two decades, but whose balance sheet history (the SABMiller debt mountain) and structural volume declines cap the score. The FY24 FCF step-change and sub-3x leverage are genuine improvements, but ROIC near 7-8% on goodwill-laden capital is mediocre. Strong cash generation, unremarkable returns on total capital.

METRIC	2021	2022	2023	2024	2025	5Y CAGR
Revenue	\$54,304	\$57,786	\$59,380	\$59,768	\$59,320	2.2%
Gross Profit	\$30,200	\$32,100	\$33,300	\$33,900	\$33,300	2.5%
Gross Margin	55.6%	55.5%	56.1%	56.7%	56.1%	—
Operating Income	\$13,900	\$15,000	\$15,500	\$16,400	\$16,900	5.0%
Operating Margin	25.6%	26.0%	26.1%	27.4%	28.5%	—
Net Income	\$4,670	\$5,969	\$5,350	\$7,100	\$7,600	12.9%
Net Margin	8.6%	10.3%	9.0%	11.9%	12.8%	—
Operating CF	\$14,000	\$13,298	\$13,265	\$15,055	\$15,500	2.6%
CapEx	\$5,400	\$4,800	\$4,500	\$3,700	\$4,200	-6.1%
Free Cash Flow	\$8,200	\$8,500	\$8,800	\$11,320	\$11,300	8.3%
FCF Margin	15.1%	14.7%	14.8%	18.9%	19.0%	—
Total Debt	\$88,300	\$82,800	\$78,100	\$73,000	\$69,000	-6.0%
Total Equity	\$78,000	\$76,000	\$79,000	\$82,000	\$84,000	1.9%
Debt / Equity	1.13	1.09	0.99	0.89	0.82	—
Return on Equity	6.0%	7.9%	6.8%	8.7%	9.0%	—
Diluted Shares	1,990	1,990	1,985	1,810	1,800	—

Figures in millions USD except shares (millions). Revenue reported flat-to-moderately-down on FX; organic growth positive (+2% FY25). The signature feature: FCF stepped up ~\$2.5B in FY24 to \$11.3B and held there in FY25. Net debt fell from a 2016 peak above \$100B to ~\$60.6B (FY24) and continued down in FY25. Share count fell with buybacks resuming. EBITDA margin expanded 101-179bps annually despite volume declines — premiumization + cost discipline doing the work.

VALUATION

VALUATION

ADEQUATE

55

 /100

For a 20-year holder, entry price is everything, and at \$79.81 (vs ~\$77 probability-weighted IV and a 52-week low of \$56.97) there is no margin of safety. The two-column IV and DCF both cluster at ~\$76-78, meaning today's price discounts the deleveraging success already achieved. A fair price for a wonderful business — but not the discounted price the long-horizon test rewards.

OWNER EARNINGS

LATEST	\$11,000
PER SHARE	\$6.1
5Y CAGR	7

Net income + D&A + non-cash items - maintenance capex - working capital needs (normalized)

Owner earnings track reported FCF closely (~\$11B) because AB InBev's reported FCF already nets net capex. Maintenance capex is well below total capex — the brewery base is mature and growth capex (BEES, premium capacity) is discretionary. Owner earnings per ADR roughly \$6.00-6.20 against an \$80 price = a ~7.6% owner-earnings yield, which is respectable but only modestly above the Treasury+4% hurdle. The five-year CAGR of ~7% in underlying EPS (management's own figure since FY21) is the honest growth signal.

DCF ASSUMPTIONS

GROWTH RATE	4.5
DISCOUNT RATE	8.5
TERMINAL GROWTH	2

INTRINSIC / SHARE

\$76

A two-stage DCF on ~\$11.3B FCF: 4-5% FCF growth for 10 years (pricing+premiumization+modest buyback accretion outrunning volume declines), tapering to 2% terminal, discounted at 8.5%. This yields an equity value near \$75-78/ADR. The model is highly sensitive to the volume-vs-pricing tension: if beer volumes decline faster than ~1.5%/year structurally and pricing can't fully offset, IV falls toward \$60; if premiumization compounds at the FY24-25 pace, IV approaches \$90. At \$79.81 the stock sits essentially at base-case fair value.

SCENARIO ANALYSIS

BEAR

0.3

\$56

-30

Secular volume decline accelerates to -3%/year as Gen Z drinks less alcohol; GLP-1 drugs suppress consumption; Bud Light never recovers; pricing power caps at CPI; China and Argentina remain drags. Multiple compresses to 15x.

BASE

0.45

\$78

-

Volumes decline -1% to -1.5%/year, fully offset by 4-5% revenue/hl growth; EBITDA grows mid-single digits; net debt continues toward ~2x; buybacks accrete ~2-3%/year to EPS; dividend grows progressively. ~20x earnings.

BULL

0.25

\$105

32

Premiumization + Beyond Beer + non-alc compound; emerging markets (Africa, Latin America) deliver per-capita consumption growth; deleveraging to 2x unlocks aggressive buybacks; multiple re-rates to 22-24x on improved volume stability. EPS compounds 9-10%.

PROBABILITY-WEIGHTED INTRINSIC VALUE

\$76.7

EARNINGS — QUALITY & THE SIX LENSES

EARNINGS — QUALITY, QUANTITY, AND THE SIX LENSES

Earnings are the most-discussed and most-misunderstood number in finance. Each of the six investors approaches earnings differently — Buffett distrusts GAAP and prefers owner earnings, Munger inverts to find what management is hiding, Ackman normalizes to find earnings power, Hohn demands per-share FCF growth, Li Lu judges decades-long durability, Klarman stress-tests against the worst case. Here is what they see.

EARNINGS VERDICT

WATCHLIST

High-quality, cash-rich earnings (owner EPS > GAAP) compounding ~7-10%, but priced at ~23x with the volume-vs-pricing tension unresolved — own it cheaper.

QUALITY SCORE

70 / 100

THE OWNER EARNINGS GAP — BUFFETT'S TRUTH TEST

GAAP EPS (LATEST)

\$4.22

OWNER EARNINGS / SHARE

\$6.28

GAP

Owner EPS exceeds GAAP EPS by ~\$2.06, driven by large non-cash D&A from acquisition accounting (SABMiller/Modelo intangibles) that depresses GAAP but not cash

Favorable gap: the business generates substantially more cash than GAAP earnings suggest because acquisition-related amortization is a non-cash charge. This is the key reason the stock looks more expensive on P/E (~23x) than on FCF yield (~7.5%). For owner-earnings purposes, the cash machine is healthier than the income statement implies.

HISTORICAL EARNINGS RECORD

YEAR	GAAP EPS	Adjusted EPS	Owner EPS	YoY Growth	Quality
2021	\$2.35	\$3.00	\$4.10	n/a	62/100
2022	\$3.00	\$3.21	\$4.27	+7%	65/100
2023	\$2.70	\$3.06	\$4.43	-5% reported / underlying flat-ish	64/100
2024	\$3.92	\$3.53	\$6.25	+15.4% underlying	72/100
2025	\$4.22	\$3.73	\$6.28	+6% underlying	73/100

AGGREGATE EARNINGS METRICS

EPS 5Y CAGR

OWNER EARNINGS 5Y CAGR

~7% (underlying EPS, management's own figure since FY21)

VOLATILITY

Moderate — reported EPS swings on FX and non-recurring (impairment/hyperinflation) items; underlying EPS is steadier

RETURN ON RETAINED

~9-11% — adequate; much retained cash serviced/retired debt rather than directly compounding per-share earnings

~9-10%, driven heavily by the FY24 FCF step-change

PREDICTABILITY

68/100

✔ EARNINGS GREEN FLAGS

- 01 FCF consistently exceeds net income (heavy non-cash D&A)
- 02 Resumed and scaled buybacks reducing share count
- 03 Major deleveraging — credit upgrades to A3/A-
- 04 Best-in-class EBITDA margin and cash conversion among FMCG peers

⚠ EARNINGS RED FLAGS

- 01 Persistent reliance on 'normalized/underlying' metrics — adjusted EPS sometimes below reported (2024-25) due to non-cash gains, sometimes above
- 02 Volume declines repeatedly attributed to weather/cycling
- 03 Hyperinflation accounting distortions from Argentina

QUALITY ASSESSMENT — DETAIL

CASH CONVERSION

Strong — FCF ~\$11.3B on net income ~\$7.6B; FCF exceeds reported net income, a green flag reflecting heavy D&A from acquisition accounting

ACCRUALS QUALITY

Low-to-moderate; working-capital swings (US wholesaler credit terms in 2023) create some noise

SHARE COUNT TREND

Improving — count fell from ~1.99B to ~1.80B as buybacks resumed after years of dilution/stasis

NON-RECURRING ITEMS

Frequent — hyperinflation (Argentina) accounting, FX, and periodic impairments create a persistent gap between reported and underlying; well-disclosed but requires adjustment

TAX RATE NOTES

Normalized effective tax rate historically mid-to-high teens to ~20s; complex multi-jurisdiction structure

RESTRUCTURING FREQUENCY

Periodic optimization charges; not egregious

 THE SIX LENSES ON EARNINGS

Six investors. Six distinct frameworks for understanding what these earnings actually mean.

WB

Warren Buffett

OWNER EARNINGS OVER GAAP

"The earnings I care about are owner earnings, and here they tell a kinder story than GAAP. AB InBev throws off ~\$11B of real cash — more than its reported net income — because the income statement is weighed down by non-cash amortization of brands it acquired. On owner-earnings terms the business yields ~7.6% and has grown that figure ~9-10% over five years. That's a genuinely good cash engine. My only quarrel is that I'm asked to pay 23x reported earnings for it, and that much of the five-year progress went to digging out of the SABMiller debt hole rather than into my pocket as an owner."

CM

Charlie Munger

INVERSION — WHAT IS HIDDEN

"The earnings are honest enough, but they require translation — and any time a company asks me to look past 'reported' to 'underlying,' I check why. Here the reason is legitimate: acquisition amortization and Argentine hyperinflation accounting. Fine. But the volume line doesn't lie, and it's been negative. Quality of earnings is good; durability of the volume base is the question."

BA

Bill Ackman

EARNINGS POWER, NORMALIZED

"Earnings quality is high where it counts: cash conversion exceeds 100% of net income, the share count is finally shrinking, and underlying EPS compounds mid-to-high single digits. The FY24 FCF step-change to \$11.3B is the inflection that makes the buyback flywheel real. The blemish is the perennial reported-vs-underlying gap, but it's well-disclosed and directionally favorable to owners."

CH

Chris Hohn

PER-SHARE FCF GROWTH & ROIRE

"From a capital-discipline standpoint the earnings trajectory is exactly right: FCF stepped up and held, leverage fell below 3x, buybacks resumed, dividend rising progressively. Per-share FCF growth is now the operative metric and it's positive. The earnings base is predictable enough to underwrite a decade of capital returns."

LL

Li Lu

MULTI-DECADE EARNINGS DURABILITY

"The earnings are understandable and the cash conversion is reassuringly strong — owner earnings above GAAP, low risk of nasty surprises. The volatility is mostly FX and accounting, not operational deterioration. This is a steady, knowable earnings stream; the question is growth rate, not quality."

SK

Seth Klarman

STRESS-TESTED EARNINGS — WORST CASE

"I trust the cash more than the GAAP line, and the cash is real. But I note the earnings depend on continued pricing power offsetting volume declines — a fragile equilibrium if the category turns down hard. Quality: good. Margin of safety on the price you pay for those earnings: absent at 23x."

AB InBev's earnings quality is solidly above-average for the price paid: cash conversion exceeds 100% of GAAP net income because heavy acquisition-amortization depresses reported earnings without touching cash, the share count is finally declining, and the FY24 step-change to \$11.3B FCF underwrites a credible capital-return flywheel. The persistent reported-vs-underlying gap and recurring FX/hyperinflation noise require adjustment but are well-disclosed and net favorable to owners. The single soft spot is that underlying EPS growth (~7%) leans on pricing/premiumization offsetting structural volume declines — durable for now, but the variable to watch. A high-quality earnings stream priced richly.

ASYMMETRY CHECK

ABOUT THIS ANALYSIS

+

AMORDAD ASYMMETRY SCORE

42 /100

NEUTRAL. NO STRUCTURAL EDGE IDENTIFIED.

DIVIDED

0

FAVORABLE

5

NEUTRAL

1

UNFAVORABLE

WB

Warren Buffett*Owner Earnings vs. Permanent Loss*

NEUTRAL

OWNER EARNINGS YIELD	HURDLE (BOND + 4%)	IMPAIRMENT RISK (10Y)
7.6%	8.5%	12%

Run the numbers plainly. Owner earnings of roughly \$11 billion against a \$151 billion market cap give a 7.6% owner-earnings yield. With the ten-year Treasury around 4.5%, my hurdle is about 8.5% — so the yield falls just short of where I'd want it before counting growth. Return on tangible operating capital is wonderful, north of 40% pre-tax, firmly Tier 1; but return on total capital, dragged by \$60 billion of SABMiller goodwill, is a mediocre 7-8%. My two-column intrinsic value lands near \$76-78 against a \$79.81 price — no margin of safety, a fair price not a cheap one. There is a small, effectively free working-capital float but no insurance-style engine. The ten-year-closed-market test is where I land on neutral rather than favorable. I'd be genuinely comfortable owning the brewer of Corona and Budweiser for twenty years — the brands and the ~35% margins will endure, and management has finally behaved like owners, cutting net debt \$15 billion and resuming buybacks. But I'm being asked to pay full freight for a business whose own beer volumes fell 2% in FY24 and 4% in HY25, and pricing must carry the load every single year. I put the probability of permanent capital impairment at a modest 12% — beer is forever, but this price doesn't pay me enough to ignore the draining pond. Wait for the high-\$50s.

CM

Charlie Munger*Inversion Stress Test*

NEUTRAL

SECULAR CATEGORY DECLINE — GEN Z MODERATION + GLP-1 APPETITE DRUGS + NON-ALCOHOLIC SUBSTITUTION SHRINK DEVELOPED-MARKET BEER FASTER THAN PREMIUMIZATION OFFSETS

Medium × Serious

EMPIRE-BUILDING RELAPSE — MANAGEMENT REVERTS TO 3G/SABMILLER DNA AND DOES A LARGE DEBT-FUNDED ACQUISITION AT A HIGH PRICE

Low × Serious

BRAND SELF-IMMOLATION — ANOTHER BUD LIGHT-STYLE MARKETING MISSTEP DESTROYING A MEGABRAND'S EQUITY

Low × Manageable

RATE/FX SHOCK ON THE STILL-LARGE ~\$60B DEBT AND ~47% NON-USD EXPOSURE RAISING FINANCING COST AND TRANSLATION DRAG

Medium × Manageable

EMERGING-MARKET SHOCKS — CHINA CONTINUED WEAKNESS, ARGENTINA HYPERINFLATION, REGULATORY/TAX STRIKES IN KEY MARKETS

Medium × Manageable

Invert the whole thing: how does an owner lose money on the world's largest brewer over twenty years? The honest enumeration produces one Medium-Serious item — the secular category decline — and a cluster of Medium-Manageable risks around debt, FX, and emerging markets. No item is High-and-Terminal; the brands and scale are too durable for that. That keeps me out of unfavorable territory but the single serious item, plus the leverage, keeps me out of favorable. The thing I respect is that the worst historical failure mode — value-destructive empire-building — has been actively suppressed since 2021; they paid down debt instead of buying something. The thing I distrust is corporate genetics; the muscle memory for a big deal is in this company's DNA, and twenty years is a long time to stay disciplined. Net it out: a fine business, rationally managed today, fairly priced, with one real long-term worry. Neutral. The big money would be in waiting for a price that pays me for that worry.

BA

Bill Ackman*Concentrated Conviction Asymmetry*

NEUTRAL

BULL CASE (3Y)	BEAR CASE (3Y)	UPSIDE/DOWNSIDE
\$108	\$60	1.4:1

CATALYST

Deleveraging to ~2x unlocking sustained buybacks on a reduced share count + US/global volume stabilization driving a re-rating from ~23x toward 20-22x on stabilized EPS

Build the three-year bracket. Bull case: volumes stabilize, premiumization compounds, the \$6B buyback shrinks the count, EPS pushes toward \$4.50-4.80, and the multiple re-rates to ~22x on demonstrated stability — call it \$108, roughly +35%. Bear case: the secular volume worry bites, organic growth stalls, the multiple compresses to ~16x, and the stock revisits the high-\$50s it printed within the past year — call it \$60, roughly -25%. That's a ratio of about 1.4:1, below the 2:1 minimum I require and well below the 3:1 I want for a concentrated bet. There is a credible catalyst within 24 months — the deleveraging-to-buyback flywheel is real and visible. The franchise quality is exactly my type: simple, predictable, FCF-generative, high barriers. But asymmetry is about price, and at \$79.81 the market has already paid management for the deleveraging they delivered. I don't get paid enough on the upside relative to the volume risk on the downside. Neutral — I'd want this in the low-\$60s before sizing it up.

CH

Chris Hohn*Moat-Protected Asymmetry*

NEUTRAL

MOAT QUALITY	DISRUPTION RISK	CAPITAL DISCIPLINE
8/10	5/10	8/10

Score the three dimensions TCI cares about. Moat: an 8 — eight of the ten most valuable beer brands per Kantar, ~35% best-in-class EBITDA margins, procurement and distribution scale, and the BEES platform creating switching costs across ~6 million retailers. Capital discipline: an 8, and rising — net debt cut \$15B+, leverage below 3x for the first time since 2015, progressive dividend, a \$6B buyback, and crucially the restraint to not do a megadeal. Disruption risk: a 5, the swing factor — not a technology threat but a demand threat: GLP-1 drugs, generational moderation, and non-alcoholic substitution eroding the category's volume base. Under my framework, favorable requires moat ≥ 8 , disruption ≤ 3 , and capital discipline ≥ 7 . We clear moat and capital discipline handily but the disruption score of 5 — the structurally maturing-to-declining category — lands this in neutral. The downside is well protected by the brands and the balance-sheet transformation; what's missing is the secular growth tailwind I usually demand. I'd own it as an infrastructure-like cash compounder, but I'd insist on a sensible entry rather than ~23x, and I'd watch the family-control structure doesn't impede continued capital returns.

LL

Li Lu

Depth-Compounds Asymmetry

NEUTRAL

OWN UNDERSTANDING	MARKET UNDERSTANDING	INFORMATION EDGE
8/10	7/10	+1 pts

The depth question: do we understand this materially better than consensus, and does that edge shrink the downside? Our understanding is genuinely high — an 8. The unit economics (revenue per hl, premiumization mix at 62% of revenue, BEES monetization, regional dynamics in Brazil, Mexico, China, Africa) are knowable and we know them. The business sits squarely inside the circle of competence; consumer staples with durable brands are about as understandable as enterprises get. But the market's depth is also high — a 7. This is one of the most thoroughly covered staples on the planet; the volume-versus-pricing debate, the deleveraging story, the Bud Light saga are all fully priced and discussed. There is no meaningful informational asymmetry for us to exploit — we understand it well, but so does everyone else. Without a genuine edge, and with the upside capped by category maturity, this is a tolerable hold but not the fat pitch. Neutral: in the circle, low impairment risk, but no special edge and no compelling discount. Charlie would say wait.

SK

Seth Klarman

Explicit Margin of Safety

ASYMMETRIC UNFAVORABLE

CONSERVATIVE IV	DISCOUNT TO IV	STRESSED DISCOUNT
\$65	-23.0%	-40.0%

Margin of safety first. Building conservative intrinsic value — low-end DCF, no terminal-growth optimism, full weight on the secular volume threat and the still-substantial \$60 billion net debt — I arrive at roughly \$65 per ADR. At \$79.81 the stock trades about 23% ABOVE my conservative value, not below it. There is no discount to stress-test; there is a premium. That alone makes this asymmetric unfavorable under my framework. Stress the three critical assumptions pessimistically and it worsens: faster volume decline, a rate shock on the leveraged balance sheet, and recessionary trade-down would push conservative IV toward \$55-58, deepening the premium to roughly -40%. I acknowledge the deleveraging genuinely reduces the catastrophic tail, and the brands are real assets. But I do not pay full price — let alone a premium to my conservative line — for a business whose core volumes shrink and which still carries 2.9x leverage. The stock printed \$56.97 within the past year; that is where a margin of safety lived. Today there is no asymmetry in my favor. Pass and wait.

AMORDAD — SIX MINDS. ONE ASSET. THE SHAPE OF THE BET.

MOAT

MOAT

STRONG

80 /100

On a 20-year view the brand-and-scale moat is the single most reliable asset: Corona, Budweiser, Stella, Michelob Ultra and dozens of local champions will almost certainly still command premium shelf space and pricing power in 2044. The score is held below 90 because the moat protects a category that is structurally, slowly shrinking in developed markets — a wide moat around a gently draining pond.

MOAT RATING

 **Wide**

DURABILITY

High on brands and scale; medium on the category itself

TRAJECTORY

Stable-to-eroding – the brand moat is intact and premiumization is strengthening per-unit economics, but the underlying beer category faces secular headwinds (declining per-capita alcohol consumption in developed markets, Gen Z moderation, GLP-1 drugs, NA-beer substitution). The Bud Light episode proved the moat is durable but not impregnable to self-inflicted brand wounds.

SOURCES OF COMPETITIVE ADVANTAGE

UNMATCHED GLOBAL BRAND PORTFOLIO — 8 OF THE WORLD'S 10 MOST VALUABLE BEER BRANDS PER KANTAR BRANDZ 2024; CORONA #1, BUDWEISER #2

MASSIVE SCALE ECONOMIES IN PROCUREMENT, BREWING, AND LOGISTICS — BEST-IN-CLASS ~35% EBITDA MARGIN VS PEERS

DISTRIBUTION DOMINANCE — CONTROL OF ROUTE-TO-MARKET IN KEY MARKETS; BEES DIGITAL B2B PLATFORM WITH GROWING GMV CREATING SWITCHING COSTS FOR ~6M RETAILERS

REGULATORY/DISTRIBUTION MOATS IN THE US THREE-TIER SYSTEM AND ENTRENCHED SHELF POSITIONS

LOCAL CHAMPION BRANDS (AGUILA, BRAHMA, CASS, CASTLE, HARBIN, MODELO ESPECIAL EX-US) WITH DEEP CULTURAL ROOTS AND PRICING POWER

ANALYST COMMENTARY

AB InBev possesses one of the widest brand-and-scale moats in consumer staples. Charlie Munger would note the moat clearly exists — try replicating Corona's brand equity or AB InBev's procurement scale with any amount of capital. But the inversion question (how does this lose?) points not at the moat's width but at the size of the moat-protected territory: if the global beer pond is slowly draining, owning the biggest fish in it is a diminishing prize unless premiumization keeps raising the value of each fish. The evidence so far is that it can — revenue per hl has grown ~4-5%/year through volume declines.

MANAGEMENT

MANAGEMENT

SOLID

74 /100

Through the 20-year lens, Doukeris's pivot from acquisitive empire-building to deleveraging-and-per-share-returns is exactly the capital discipline a long-term owner wants to see compound over decades. Promises kept, leverage halved, buybacks resumed. Held below 80 by the family-control governance structure and heavy normalized-metric reliance.

CHIEF EXECUTIVE

Michel Doukeris

CEO since July 2021 (~5 years); 28-year AB InBev veteran

CAPITAL ALLOCATION

MARKEDLY IMPROVED UNDER DOUKERIS. THE DEFINING ACHIEVEMENT IS DELEVERAGING: NET DEBT CUT BY ~\$15.3B AND NET DEBT/EBITDA BELOW 3X (2.87X FY25) FOR THE FIRST TIME SINCE THE 2016 SABMILLER DEAL — AND BELOW 3.0X FOR THE FIRST TIME IN A DECADE. PROGRESSIVE DIVIDEND (22% HIKE IN FY24, 15% IN FY25), RESUMED AND SCALED BUYBACKS (\$3.2B COMPLETED + NEW \$6B PROGRAM OVER 24 MONTHS), AND PROACTIVE BOND MANAGEMENT (\$6B REPURCHASES FY25). THIS IS A RETURN TO PER-SHARE VALUE CREATION AFTER YEARS WHERE ALL CASH WENT TO THE DEBT MOUNTAIN.

INSIDER OWNERSHIP

Very high alignment via the founding-family/Stichting control structure (the Belgian/Brazilian families and the 3G/restricted-share legacy hold a large controlling stake). This is a double-edged sword: aligned long-term ownership but limited public-float governance leverage.

📄 PROMISES VS. DELIVERY

Strong. Hit EBITDA growth at or above medium-term ambition in every quarter for 3+ years; delivered the FY24 FCF step-change it guided; reached sub-3x leverage on schedule.

👍 CANDOR AND TRANSPARENCY

Good. Management is transparent about the volume/pricing dynamic, China and Argentina drags, and the Bud Light episode. Heavy reliance on 'normalized' and 'underlying' metrics requires scrutiny but the adjustments are well-documented and reconcilable.

📅 5-YEAR CAPITAL ALLOCATION REVIEW

2021-2025: revenue +\$5.5B, EBITDA +\$1.7B, FCF +\$2.0B, underlying EPS CAGR ~7% in USD. Net debt down \$15B+. This is solid execution of a deleveraging-and-premiumization playbook, but it is not high-octane compounding — the legacy debt and FX drag have absorbed much of the operating progress.

CATALYSTS

CATALYSTS

SOLID

66 /100

The deleveraging-to-buyback flywheel is a credible multi-year (and multi-decade) value-creation path, central to the 2044 projection. But the catalysts are evolutionary not transformational, and the binding 20-year swing factor (volume vs pricing) is not something management fully controls.

⚡ CATALYST MAP SUMMARY

The catalyst set is unusually clean for AB InBev: the story is no longer 'will the debt crush them' but 'how fast does the deleveraging flywheel convert into per-share returns.' The binding swing factor remains whether premiumization can durably outrun secular volume decline — the 20-year question this analysis centers on.

MATERIAL NEWS FLOW (12M)



FORWARD CATALYSTS TO MONITOR

- 01 Continued deleveraging toward ~2x unlocking larger, sustained buybacks
- 02 Buyback accretion on a now-lower share count (1.80B vs ~1.99B)
- 03 Premiumization mix shift (62% of revenue from premium/super-premium) lifting margins further
- 04 Beyond Beer and non-alcoholic (33%+ on-premise growth) as new volume engines
- 05 Potential US volume stabilization as Bud Light damage anniversaries fully cycle

THE SIX

 **THE SIX MENTAL MODELS**

Six master capital allocators evaluate this investment through their own distinct lens — the compounder frame of Buffett, the inversion of Munger, the activist thesis of Ackman, the franchise discipline of Hohn, the depth requirement of Li Lu, and the risk-first absolute return of Klarman.

LENS CONVERGENCE MATRIX

<p>WB 62 WARREN</p>	<p>CH 60 CHARLIE</p>
<p>BA 58 BILL</p>	<p>CH 70 CHRIS</p>
<p>LL 63 LI</p>	<p>SK 48 SETH</p>



Warren Buffett

BERKSHIRE HATHAWAY

Wonderful businesses at fair prices. Long compounders, low turnover.

62/100

On the 20-year question — would I own this with the market closed until 2044 — my answer is a cautious 'at the right price, yes; at this price, I'd wait.' This is genuinely a wonderful business: for every dollar of tangible operating capital (working capital plus net PPE, stripping out the SABMiller goodwill), AB InBev earns well north of 40 cents pre-tax — that's a Tier 1 castle. The trouble is the moat surrounds a pond that's slowly draining: own beer volumes fell 2% in FY24 and 4% in HY25. By 2044 I expect this company to still be the world's brewer, earning \$14-16 per share with a far smaller share count and minimal debt — but I'm paying ~23x today for a business whose owner-earnings yield (~7.6%) only modestly beats my Treasury+4% burdle. The deleveraging story Doukeris executed — sub-3x for the first time since 2015 — is exactly the kind of capital discipline I admire, but the market has already paid him for it. I want Corona and Budweiser in my portfolio; I just want them at \$58, not \$80.

CM

Charlie Munger

BERKSHIRE HATHAWAY

Multidisciplinary mental models. Invert, always invert.

60/100

Looking out to 2044, invert: how does this business destroy capital over twenty years? Three ways stand out, and I'd watch all of them. One, the young don't drink — Gen Z moderation, GLP-1 appetite drugs, and non-alcoholic substitution could turn a -1.5% volume drift into a -3% rout, and no amount of premiumization fully offsets a structurally shrinking category. Two, management reverts to the 3G empire-building DNA and does another debt-fueled megadeal at the top — they've shown discipline since 2021, but the institutional muscle memory is there. Three, brand self-immolation, as Bud Light proved is possible. Against that, the moat is real and the current team is behaving rationally. The big money is in the waiting, and at 23x for a flat-volume brewer I'd happily wait for Mr. Market to offer it back at the price he did just months ago.

BA

Bill Ackman

PERSHING SQUARE

Concentrated positions. Clear thesis. Catalysts. Contrarian.

58/100

This is a simple, predictable, free-cash-flow-generative business with a fortress brand portfolio and high barriers — exactly my kind of franchise. On a 20-year canvas the thesis is clean: deleveraging from ~3x to ~2x converts the cash flow into a buyback machine on a share count already cut from 1.99B to 1.80B, and premiumization keeps margins climbing. My problem is the three-year asymmetry at \$79.81. Bull case to ~\$105 (+32%) requires multiple re-rating and volume stabilization; bear case to ~\$58 (-27%) needs only the secular volume worry to bite. That's barely better than 1:1 — not the 3:1 I demand. There's a real catalyst (the \$6B buyback, deleveraging milestones), but the entry price doesn't pay me for the volume risk. Wonderful business, wrong price for a concentrated bet today.

CH

Chris Hohn

TCI FUND MANAGEMENT

Quality activist. Capital discipline. Pricing power. Secular growth.

70/100

For TCI this scores well on the structural dimensions that matter over decades: the moat is wide (8 of the 10 most valuable beer brands, ~35% best-in-class margins, distribution and procurement scale), the cash flows are predictable (\$11B+ FCF), and crucially, capital discipline has transformed — net debt down \$15B+, sub-3x leverage, progressive dividend, \$6B buyback. This is now the disciplined per-share-FCF-growth story I look for. The reservation, and it's material on a 20-year horizon, is that beer is a slow-growth-to-no-growth category in the developed world; the secular growth box I usually require is only half-checked, leaning on emerging-market per-capita growth and premiumization. I'd own this as a high-quality, low-volatility infrastructure-like compounder — but I'd insist on the family-control governance not blocking continued capital returns, and I'd want a better entry than 23x.

LL

Li Lu

HIMALAYA CAPITAL

Circle of competence. Concentrated compounders. Long-term rationality.

63/100

The depth question: do we understand AB InBev better than the market, and does that shrink the downside? Honestly, the beer business itself is highly knowable — unit economics, premiumization mix, BEES platform, regional dynamics. Our understanding is good (7-8). But the market understands this too; it's one of the most-covered staples on earth, so there's no genuine informational edge to exploit. Over 20 years the business will compound modestly and survive — beer has been bringing people together for millennia and Corona will outlive us all — but permanent-capital-impairment risk is low while the upside is capped by the category's maturity. Munger taught me to wait for the fat pitch in my circle of competence. This is in the circle, it's not a fat pitch at \$80. Tolerable to hold, not compelling to buy.

SK

Seth Klarman

BAUPOST GROUP

Margin of safety. Capital preservation. Contrarian. Absolute return.

48/100

Margin of safety first, always. My conservative intrinsic value — low-end DCF, no terminal optimism, full weight on the secular volume threat and the still-substantial \$60B net debt — lands around \$62-68 per ADR. At \$79.81 the stock trades at or slightly above that conservative line, which means there is no margin of safety and, under pessimistic stress (faster volume decline, FX, rate shock on the debt), the discount turns negative. The deleveraging is real and reduces the catastrophic tail, but I don't pay full price for a business whose core volumes shrink and whose balance sheet, while improving, is still leveraged ~2.9x. I'd note the stock printed \$56.97 within the last year — that is the neighborhood where a margin of safety appears. Patience is a position. No asymmetry here today — pass and wait.



CONCLUSION OF THE SIX

SYNTHESIS & CLOSING ARGUMENT

Centering the 2044 question that drives this entire analysis: THE SIX broadly agree on what AB InBev becomes over twenty years — the still-dominant global brewer, debt largely retired, share count materially lower from buybacks, EPS roughly doubled to the \$14-16 range via the steady arithmetic of premiumization plus repurchase accretion, with the brand moat fully intact and Corona/Budweiser/Michelob Ultra still commanding the shelf. Where they diverge is on whether that 2044 endpoint justifies today's \$79.81, and on the single binding variable: can ~4-5% annual revenue-per-hectoliter growth durably outrun a structurally declining beer category (own beer volumes -2% to -4% recently, pressured by Gen Z moderation, GLP-1 drugs, and non-alcoholic substitution) for two full decades. Buffett, Munger, and Li Lu conclude the business will compound modestly and safely but the price offers no margin of safety, so they wait; Hohn is the most constructive, prizing the transformed capital discipline (sub-3x leverage, \$6B buyback) and treating it as an infrastructure-like compounder worth owning despite category maturity; Ackman wants the 3:1 asymmetry the current price won't give him; Klarman, the strictest, finds the stock at or above his conservative IV and passes outright. The synthesis is a clean WATCHLIST: a genuinely wonderful, wide-moat franchise executing a credible decade-plus deleveraging-and-return flywheel, but trading at full value with the volume-versus-pricing tension unresolved — the right business to own in 2044, acquired in 2026 only if Mr. Market again offers the high-\$50s he showed within the past year.

THE INVESTMENT COMMITTEE — BUD

FINAL RECOMMENDATION — WATCHLIST

PROJECTION — 10 TO 20 YEAR FORWARD

LONG-HORIZON PROJECTION — THROUGH SIX LENSES

Where will this business stand 10 and 20 years from now? Each investor projects forward through their own mental model — Buffett on compounding durability, Munger through inversion, Ackman on catalysts, Hohn on franchise trajectory, Li Lu on long-arc compounding, Klarman on downside survival.

QUANTITATIVE FORWARD PROJECTION

10-YEAR HORIZON

REVENUE	\$70-75B
EPS	\$9.00-10.00
FREE CASH FLOW	\$14-15B

SHARE PRICE RANGE

LOW	MID	HIGH
\$130.00	\$175.00	\$210.00

20-YEAR HORIZON

REVENUE	\$80-90B
EPS	\$14.00-16.00
FREE CASH FLOW	\$17-20B

SHARE PRICE RANGE

LOW	MID	HIGH
\$190.00	\$270.00	\$340.00

PROJECTION CONFIDENCE — BY FRAMEWORK FIT

WB

62

WARREN

BA

55

BILL

LL

63

LI

CH

58

CHARLIE

CH

68

CHRIS

SK

50

SETH

WB

Warren Buffett

10-YEAR PROJECTION

"By 2036 I'd expect AB InBev to look materially cleaner than today: net debt down from ~\$60B toward \$35-40B (near its ~2x target), share count below 1.6B from a decade of buybacks, EBITDA margin pushing 37-38% on relentless premiumization. Revenue roughly \$70-75B (low-single-digit organic, FX-neutral), owner earnings ~\$14-15B, EPS ~\$9-10. The pond keeps draining slowly but each fish is worth more. At a fair 18-20x, that's a \$160-200 ADR — a ~7-9% annual return from today including dividends. A good, not spectacular, outcome."

20-YEAR PROJECTION

"By 2044 the debt mountain from SABMiller is essentially history, share count perhaps near 1.3-1.4B, and the business is a lean cash machine throwing off \$16-19B in owner earnings on \$80-90B revenue. EPS ~\$14-16. Emerging-market per-capita growth (Africa, Latin America) partly offsets developed-market category decline. This is a business I'd be comfortable owning blind for twenty years — but only because I'd have insisted on buying it with a margin of safety. At today's price the twenty-year compound rate is merely adequate, around 7-8% with dividends reinvested."

CM

Charlie Munger

10-YEAR PROJECTION

"Ten years out, the rational base case is a modestly larger, far less leveraged brewer that has bought back ~20% of its shares. But invert: the live risk by 2036 is that GLP-1 drugs and generational moderation have compressed developed-market beer volumes more than premiumization could offset, leaving revenue stagnant and the multiple de-rated to 15x. I'd assign that meaningful probability. Most likely outcome: a boringly fine compounder returning high-single digits, having avoided the catastrophic megadeal."

20-YEAR PROJECTION

"By 2044 only two scenarios really matter. In the good one, AB InBev is a debt-free, buyback-shrunk cash fountain still owning the world's great beer brands — a wonderful annuity. In the bad one, the category has genuinely contracted and the company has, true to its DNA, levered back up for an ill-timed acquisition. I'd bet on the good one if and only if management's post-2021 discipline holds for two decades — a long time for any management gene pool. The brands survive regardless; the question is whether per-share value compounds or stagnates."

BA

Bill Ackman

10-YEAR PROJECTION

"Ten-year base case: the deleveraging flywheel works, buybacks shrink the count ~20%, EPS compounds ~7-9% to ~\$9, and a re-rating to 20-22x on demonstrated volume stability produces a ~\$180-200 ADR — roughly a double with dividends. That's an attractive decade IF bought right. Bought at \$80, the multiple-expansion portion of the thesis is doing too much of the work."

20-YEAR PROJECTION

"Over twenty years this becomes a high-conviction quality-compounder story: dominant brands, fortress balance sheet, disciplined returns, a share count perhaps a third lower. A \$250-350 ADR is plausible in the bull path. The entire question is entry price and whether the family-control structure ever forces a value-destructive move. I'd want this at a price giving me 3:1 — which means waiting for fear."

CH

Chris Hohn

10-YEAR PROJECTION

"By 2036 I'd expect the per-share FCF growth I prize: \$11B FCF growing mid-single digits to ~\$15B, spread over far fewer shares, with leverage at ~2x giving maximum buyback firepower. This is an infrastructure-like cash compounder. A \$170-210 ADR is a reasonable decade outcome, and the downside is structurally protected by the moat — exactly the asymmetry TCI seeks, provided we enter sensibly."

20-YEAR PROJECTION

"Twenty years out, AB InBev is in my view most likely a debt-light, highly cash-generative global beverage utility — the kind of predictable, moat-protected, capital-disciplined compounder I'd hold indefinitely. FCF \$17-20B, share count materially reduced, EPS ~\$15. The secular category risk caps the growth rate but the moat caps the downside. A \$250-320 ADR range, driven mostly by relentless buybacks and progressive dividends rather than heroic growth."

LL

Li Lu

10-YEAR PROJECTION

"My ten-year view is quietly positive but unburied: a stronger balance sheet, premiumized mix, and BEES-enabled distribution efficiency producing EPS near \$9-10 and a low-risk ~7-9% total return. The business will be eminently understandable and eminently durable. Permanent impairment risk stays low; explosive upside stays absent. A compounder to own patiently, bought patiently."

20-YEAR PROJECTION

"By 2044 beer will still bring people together, and AB InBev will still brew the world's most valuable brands. Emerging markets — where per-capita consumption can still grow — become a larger share of the mix, partly offsetting developed-world decline. I'd expect a durable, debt-light franchise compounding intrinsic value at high-single digits, EPS ~\$14-16, with near-zero risk of permanent capital loss. The kind of business Charlie would call a fine place to park capital for a generation — at a sensible price."

SK

Seth Klarman

10-YEAR PROJECTION

"My ten-year projection is risk-first: in the conservative case, secular volume decline keeps revenue roughly flat in real terms, premiumization preserves margins, and the value comes almost entirely from debt paydown and buybacks — EPS ~\$8-9, an ADR in the \$130-160 range. The downside scenario (accelerated category decline + rate shock on the debt) caps it near \$90-110. Asymmetry only becomes attractive on a much lower entry."

20-YEAR PROJECTION

"Twenty years out I can construct a wide outcome cone: a debt-free buyback-shrunk cash machine worth \$250+ in the good case, or a stagnant, gently shrinking brewer worth little more than today in the bad case where the category contracts faster than pricing can offset. Because I can't rule out the adverse path, I require a steep discount to conservative IV before committing. At \$80, that discount doesn't exist. Wait."

✓ KEY ASSUMPTIONS

- 01 Beer volumes decline -1% to -1.5%/year structurally in developed markets, partly offset by emerging-market per-capita growth
- 02 Revenue per hl grows ~4-5%/year via premiumization (already 62% of revenue from premium/super-premium)
- 03 Net debt/EBITDA reaches ~2x within ~5 years, unlocking sustained buybacks
- 04 Management retains post-2021 capital discipline and avoids another large debt-funded acquisition
- 05 GLP-1 drugs and Gen Z moderation are headwinds but not category-collapsing
- 06 EBITDA margins expand toward 37-38% over the decade

⚠ WATCH LIST — PROJECTION INVALIDATORS

- 01 Quarterly own-beer volume trend — the master variable; sustained worse-than -2% would break the thesis
- 02 GLP-1 / non-alcoholic substitution data on total alcohol consumption
- 03 Net debt/EBITDA trajectory toward 2x and pace of the \$6B buyback execution
- 04 Any signal of a return to large M&A (empire-building relapse)
- 05 US share trend (Bud Light stabilization; Michelob Ultra/Busch Light momentum)
- 06 China and Argentina stabilization
- 07 FX, given ~47% of debt and large revenue in non-USD

 20-YEAR CONSOLIDATED THESIS

IF BOUGHT TODAY AND HELD

The 2044 picture THE SIX converge on: AB InBev as a debt-light, buyback-shrunk (share count from 1.80B toward ~1.3-1.4B), highly cash-generative global brewer earning \$14-16 EPS on \$80-90B revenue, with its brand-and-scale moat fully intact. The compound rate over twenty years is most likely high-single-digits including dividends — good, durable, low-impairment-risk, but not explosive, because the wide moat surrounds a developed-world category in gentle secular decline that premiumization and emerging markets only partly offset. The single binding variable across every investor's model is the same: revenue-per-hectoliter growth (~4-5%) versus volume decline (-1% to -4%). Buy this for 2044 only with a margin of safety the current \$79.81 does not provide.

THE FORWARD COMMITTEE — BUD

HORIZON — TWO DECADES

A LETTER FROM WARREN BUFFETT

✉ THE AMORDAD CAPITAL LETTER — BUFFETT TRADITION

A shareholder letter from the AMORDAD CAPITAL Investment Office, written in the tradition of Warren Buffett's annual letters. The brain applies sixty years of Buffett's investing principles — owner earnings, circle of competence, the castle and the moat, the distinction between price and value — to this specific company. The letter takes an independent position. It may endorse, decline, or refuse the stock. Honesty is the entire value.

AMORDAD CAPITAL
INVESTMENT OFFICE — IN THE TRADITION OF WARREN BUFFETT

On Owning the World's Brewer for Twenty Years — A Letter to the Owners of AMORDAD CAPITAL

“WATCHLIST”

SHAREHOLDER LETTER — 2026

TO THE SHAREHOLDERS OF AMORDAD CAPITAL

To my fellow owners:

If you asked me whether I would buy Anheuser-Busch InBev today and lock the certificate in a drawer until 2044 with the market closed the entire time, my honest answer is this: I would be comfortable owning the business — but not at this price. That single sentence is the whole letter, and everything that follows merely explains it.

Begin with the only question that matters over twenty years: what will this enterprise look like in 2044? My answer is encouraging. AB InBev owns, by a wide margin, the finest collection of beer brands on earth — eight of the world's ten most valuable, with Corona and Budweiser sitting at numbers one and two. Two decades from now I expect those brands to still command the best shelf in the cooler, the company's crushing debt from the SABMiller adventure to be largely a memory, its share count meaningfully smaller, and its owner earnings grown from roughly \$11 billion today toward \$17-20 billion. That is a castle whose moat will not be filled in by 2044. The trouble is not the castle; it is that the surrounding land — the developed-world beer category — is slowly, gently draining, and I must pay attention to that.

Now the tangible-capital framing, which is where this business reveals its true nature. For every dollar of tangible operating capital employed — working capital plus net plant and equipment, before the accountants' goodwill — this business earns well north of 40 cents pre-tax. That places it firmly in the wonderful tier; few enterprises on earth turn tangible capital that hard. The catch, and it is the central fact of AB InBev, is that the balance sheet groans under roughly \$60 billion of acquisition goodwill, so the return on total capital is a pedestrian 7 to 8 percent. The operating business is wonderful; the price paid for SABMiller a decade ago was not.

On float: this is not an insurance company, and I will not pretend otherwise. There is a modest, effectively free working-capital float from wholesaler advances and the BEES distribution platform — perhaps three to four billion dollars at no cost — but it is a footnote, not an engine. Owners should expect their returns from cash earnings and buybacks, not hidden float.

On inflation durability I grade this business an A-minus. The evidence is plain: revenue per hectoliter has climbed four to five percent annually even as volumes fell, because consumers will pay up for Corona and Michelob Ultra. A business that raises price through a volume decline has genuine pricing power.

On the return management has earned on the earnings it kept rather than paid you: roughly nine to eleven percent. Respectable, not dazzling — and candor requires noting that much of that retained cash went to filling the debt hole rather than into your pocket. That chapter, happily, is closing.

On value: my two-column estimate — per-share net investments and cash, plus ten times pre-tax operating earnings, less the heavy per-share debt — lands intrinsic value near \$76 to \$78. The stock trades at \$79.81. That is a fair price for a wonderful business, but it is not a margin of safety; it is a full payment for the deleveraging success management has already delivered. I would note, without embarrassment, that this very stock changed hands at \$56.97 within the past year. That is the neighborhood where an owner gets paid to take the volume risk.

Three capital-allocation decisions of the past five years deserve credit. First, management cut net debt by more than fifteen billion dollars and pushed leverage below three times EBITDA for the first time since 2015 — costing them the temptation to do deals, returning them credit upgrades and flexibility. Second, they raised the dividend 22 percent and then 15 percent and resumed buybacks totaling over three billion dollars,

with a fresh six-billion-dollar program now running — converting cash flow into per-share value. Third, and most telling, they did not make a large acquisition when the old corporate DNA surely whispered to. Restraint is itself an allocation decision, and a good one.

Charlie would have me invert: how does this lose over twenty years? Three ways — the young drink less and the appetite drugs spread, shrinking the category faster than price can offset; management relapses into a debt-fueled megadeal at the top; or a brand wounds itself, as Bud Light did. None is fatal, but the first is the one I'd lose sleep over.

The structural shape of this bet is neutral, because a genuinely wonderful brand-and-scale franchise is being offered at fair value rather than at the discount that would pay an owner to accept two decades of a slowly shrinking beer pond. We will keep AB InBev on our list and stand ready to buy with conviction when Mr. Market, in one of his gloomier moods, offers us the brewer of the world at the high-\$50s he showed us not long ago.

Sincerely,

The AMORDAD CAPITAL Investment Office, after the manner of Warren Buffett.

AMORDAD CAPITAL — INVESTMENT OFFICE

This letter is an AI-generated synthesis applying the investing principles of Warren Buffett. It is not investment advice, not a recommendation to buy or sell any security, and not a statement by Mr. Buffett or Berkshire Hathaway. All figures are estimates drawn from public sources and may contain errors. Do your own work and consult a qualified advisor.

INSIDER & CONGRESS SHARES — PAST 30 DAYS

INSIDER AND CONGRESSIONAL TRADING — PAST 30 DAYS

Two of the most informed groups of investors in the world: corporate insiders, who have direct knowledge of their own businesses, and members of the U.S. Congress, who have access to legislative briefings and committee information. When they buy with their own money, the signal deserves attention. When they sell heavily, that deserves attention too. Below: every disclosed transaction in this stock for the past 30 days.



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INSTITUTIONAL OWNERSHIP — FORM 13F

FORM 13F — INSTITUTIONAL OWNERSHIP

Quarterly · 10+ Year History · US Listed

Investment managers with over \$100M in AUM must disclose equity holdings quarterly via SEC Form 13F. This section shows the latest reported institutional ownership: top holders, net share changes, put/call ratios, and aggregate ownership as a percentage of float.



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