

SABMiller to outline future growth in Latin America

Monday 22 June, 2015

Related Sectors:

Business & Finance :: Food & Drink ::

Scan Me:



At an investor seminar in London today, Karl Lippert, President of SABMiller Latin America, will outline the business's growth strategy across the region, setting out how SABMiller plans to make its portfolio of beers and soft drinks relevant to more consumers on a broader range of occasions.

In the year ended 31 March 2015, Latin America generated the largest proportion of SABMiller's EBITA, at \$2.22bn, representing 35% of the group's total. EBITA for the region has grown at a compound annual growth rate of 11% from 2011 to 2015. Per capita consumption of beer currently sits at around 43 litres per year in SABMiller's key markets of Colombia, Peru and Ecuador, and is less than half this rate in Honduras and El Salvador. In comparison with other markets in the region, such as Panama, Brazil and Mexico, where PCC sits between 65 and 70 litres, there is still considerable room for growth.

SABMiller believes the key to unlocking this growth is making beer the drink of choice on more occasions and for a wider group of consumers, and innovation plays an important role here. This is in line with the company's strategy to drive superior topline growth through expanding the beer category and strengthening its brand portfolios.

For the year ended 31 March 2015, 12% of Latin American net producer revenue was generated by product innovation such as affordable bulk packs, additional light beer brands, new variants and SABMiller's first non-alcoholic beer in the region, Aguila Cero in Colombia.

Karl Lippert said: "We have grown beer's share of total alcohol in our Latin American markets from 55% to 59% in the past four years. This has been achieved primarily by taking share from cheaper spirits, and untaxed and inexpensive illegal alcohol. Our beers provide a safe, attractive and affordable alternative to illegal alcohol, which represents more than a fifth of the total alcohol market in some Latin American countries.

"As we look to expand the beer category in Latin America, we plan to have an attractive beer choice for everyone, for men and for women, while having dinner with friends, relaxing at home, or out in a sophisticated high-end club.

"One of our greatest opportunities is to reach consumers when they're at home. We estimate that annual consumption of packaged beverages at home sits at around 100 million hectolitres in our core Latin American markets. We can do more to grow beer's appeal in this setting and the opportunity for us to grow the overall size, and the value of our beverage share of it is significant.

"We have successfully grown beer's presence in special occasions and when consumers are socialising out of the home. Premiumisation and developing new flavour variants and easier drinking lagers that appeal to a broad mixed gender audience, will be key drivers in growing beer's potential in these occasions."

Seminar

Randy Ransom (Senior Vice President, Marketing & Innovation SABMiller Latin America), Grant Harries (President SABMiller Colombia) and Fernando Zavala Lombardi (President SABMiller Peru) will also present alongside Karl Lippert at the seminar.

The event is being webcast live at 09:30 GMT today (22 June 2015) and can be accessed [here](#) along with the slides from the presentation. A replay of the webcast will be available shortly after the seminar has ended later this afternoon.

The management team will deliver the seminar again tomorrow, 23 June, in New York at 1pm local time.

SABMiller Latin America medium-term guidance to be given at the seminar¹

- Total volume growth: 3% - 6%
- Lager volume growth: 3% - 5%
- Soft drinks volume growth: 4% - 6%
- NPR per HL growth: 2% - 4%
- EBITA margin growth: 10-30bps

1 Notes on medium-term guidance:

- The seminar presentation provides guidance for the 3 to 5 year period from the date of the presentation.
- The presentation does not provide guidance or constitute a forecast (or similar) for any one specific year, nor can it be used to interpolate backwards to imply a forecast for any specific year.
- The guidance provided on volumes and revenue is guidance for the CAGR between the date of the presentation to the future period referred to.
- The guidance on margin improvement is guidance for the average annual rate of improvement between the date of the presentation and the future period referred to.
- The guidance assumes constant currency at the date of the presentation

ENDS

Enquiries

SABMiller plc

t: +44 20 7659 0100

Gary Leibowitz

Director, Investor Engagement
SABMiller plc
t: +44 20 7659 0119

Christina Mills

Director, Communications and Reputation
SABMiller plc
t: +44 7825 275 605

Richard Farnsworth

Business Media Relations Manager
SABMiller plc
t: +44 7734 776 317

Company Contact:

—

Pressat Wire

E. [support\[\]@pressat.co.uk](mailto:support[]@pressat.co.uk)

[View Online](#)

Newsroom: Visit our Newsroom for all the latest stories:
<https://www.wire.pressat.co.uk>