

AB InBev sells Carlton & United Breweries to Asahi Group

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Anheuser-Busch InBev has agreed to divest Carlton & United Breweries (CUB), its Australian subsidiary, to Asahi Group Holdings, Ltd. for 16.0 billion AUD, equivalent to approximately 11.3 billion USD, in enterprise value.

The transaction represents an implied multiple of 14.9x 2018 normalized EBITDA. As part of this transaction, AB InBev will grant Asahi Group Holdings, Ltd. rights to commercialize the portfolio of AB InBev's global and international brands in Australia.

The divestiture of CUB, once completed, will help AB InBev to accelerate its expansion into other fast-growing markets in the APAC region and globally. It will also allow the company to create additional shareholder value by optimizing its business at an attractive price while further deleveraging its balance sheet and strengthening its position for growth opportunities.

In addition, AB InBev continues to believe in the strategic rationale of a potential offering of a minority stake of Budweiser Brewing Company APAC Limited (Budweiser APAC), excluding Australia, provided that it can be completed at the right valuation.

Carlos Brito, Chief Executive Officer of AB InBev, said, “We continue to see great potential for our business in APAC and the region remains a growth engine within our company. With our unparalleled portfolio of brands, strong commercial plans and talented people, we are uniquely positioned to capture opportunities for growth across the APAC region.” Substantially all of the proceeds from the divestiture of the Australian business will be used by the company to pay down debt. AB InBev’s commitment to reach a net debt to EBITDA target ratio of below 4x by the end of 2020 is not dependent on the completion of this transaction.

Asahi Group Holdings, Ltd. has committed financing in place and the transaction is subject to customary closing conditions, including but not limited to regulatory approvals in Australia. The transaction is expected to close by the first quarter of 2020.