

Heineken sells 100% shares in Russia for €1

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Heineken announces completion of the transaction to sell its Russia operations to Arnest Group. The transaction has received all the required approvals and concludes the process Heineken initiated in March 2022 to exit Russia, incurring an expected total cumulative loss of €300m.

Arnest Group owns a major can packaging business and is the largest Russian manufacturer of cosmetics, household goods and metal packaging for the Moving Consumer Goods (FMCG) sector.

According to the company statement, the purchase price for the Heineken Russia business is €1 for 100 per cent of the shares. All remaining assets including 7 breweries in Russia will transfer to the new owners. Arnest Group has taken responsibility for the 1,800 Heineken employees in Russia, providing employment guarantees for the next three years.

In addition to the Heineken® brand which was removed from Russia in 2022, production of Amstel will be phased out within 6 months.

No other international brands will be licensed in Russia except a 3-year licence for some smaller regional brands which are required to ensure business continuity and secure transaction approval. Heineken will provide no brand support and will receive no proceeds, royalties or fees from Russia.

As a result of exiting Russia, Heineken expects total non-cash exceptional losses amounting to €300m including cumulative foreign exchange losses relating to Russia currently recorded in equity. This includes a commitment from Arnest Group to repay the historical intercompany debt of the Russian business of approximately €100m due to Heineken in instalments.

The transaction will have a negligible impact on diluted EPS (beia) and Heineken's full-year 2023 outlook is unchanged from the sale.

Dolf van den Brink Heineken CEO and Chairman of the Executive Board said, "We have now completed our exit from Russia. Recent developments demonstrate the significant challenges faced by large manufacturing companies in exiting Russia. While it took much longer than we had hoped, this transaction secures the livelihoods of our employees and allows us to exit the country in a responsible manner."