

Heineken's Acquisition of FIFCO

Brewing Central American Dominance



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Transaction Highlights: On September 22, 2025, Heineken N.V. (Heineken) publicized its binding deal to acquire Florida Ice and Farm Company's (FIFCO) beverage and retail businesses in Central America for \$3.2 billion in cash. This move deepens a pre-existing relationship with FIFCO that began in 1986 and serves as one of Heineken's largest emerging market investments. It also reflects HEIA's EverGreen strategy to expand its portfolio and retail networks in emerging markets beyond alcohol.

By engaging in this transaction, Heineken is obtaining ownership or major stakes in various FIFCO brands. They will receive the remaining 75% of Costa Rica's Distribuidora La Florida, full control of Heineken Panamá, equal partnership in Nicaragua's largest beverage company, and a multi-category portfolio. Notable acquisitions include Costa Rica's national beer, Imperial, a soft drink business with PepsiCo licenses, and over 300 retail outlets. The \$3.2 billion figure reflects an acquisition multiple of around 11.6x EV/EBITDA on 2024 results for FIFCO and signals Heineken's confidence in Central America's growth potential. HEIA shares rose in line with the projections that the deal would immediately be accretive to operating margin and EPS.

On the buy side, Heineken was advised by UBS AG's London office. On the sell side, FIFCO was represented by Bank of America.

Rationale: The goal of this acquisition of FIFCO's beverage and retail businesses is twofold: to consolidate Heineken's position as a multi-category beverage leader in Central America and to accelerate growth in emerging markets. This transaction fits perfectly with this vision, as Heineken can enhance its scale, portfolio breadth, consumer experience. FIFCO's Costa Rican operations offer market-leading positions in beer, soft drink, and beyond with iconic brands like Imperial, Pilsen, and Tropical. Both the buy and sell sides maintain relationships with PepsiCo that will only deepen and develop with this transaction. HEIA will now have over 300 retail outlets through which it will have direct access to consumers.

Beyond Costa Rica, Heineken's reach across Panamá, Nicaragua, Guatemala, Honduras, and México will improve. FIFCO will hand over full ownership of Heineken Panamá, a brewer with a 20% CAGR from 2019 to 2024 and a considerable market share. HEIA will also attain controlling stakes in Compañía Cervecería de Nicaragua, which is a leading beer portfolio with over 250 outlets. They will also own a food and beverage platform in Guatemala, along with a growing portfolio of Mexican brands. Overall, this enables Heineken to deepen its touchpoints with consumers across categories and enhances the firm's profitability and resilience in Central America.

Valuation: Following this transaction, we expect the accretion/dilution of 4.5%.

Transaction value:	\$3.2bn
EPS Target:	\$4.91

Current EPS:	\$4.70
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Potential Accretion/Dilution:	4.5%
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Ticker:	SHEIA-NL
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Company Overviews

Acquirer (Heineken N.V.): one of the world's largest and most globally reaching beer companies. Founded and headquartered in Amsterdam, Heineken is an over 160-year-old brewer with a portfolio that spans international, regional, and craft brands. Notable labels include Heineken, Amstel, Moretti, Tiger, and Lagunitas. With operations in over 190 countries, HEIA has built a strong distribution network in global consumer beverages and is easily recognizable for its green-bottle branding. They emphasize premium offerings and sustainable growth, seen with their mission statement "Brew a Better World."

By volume, Heineken is the second-largest brewer globally, only behind Anheuser-Busch InBev. In its 2024 full-year results, the company generated around €36 billion in revenue with an EBITDA around €6.6 billion. Much of their success has come from increasing demand in emerging markets like APAC and the outperformance of premium and non-alcoholic options. The core brewing, marketing, and distribution activities are resilient and cash-generative, enabling Heineken to reinvest in product development and geographic expansion. With a strong cash flow and adequate liquidity, HEIA can pursue strategic acquisitions in premium beverages and emerging markets.

Target (Florida Ice and Farm Company S.A.): an established Costa Rican food and beverage company with deep roots in various Central American markets (as well as México and the United States) and a diversified portfolio spanning beer, soft drinks, retail, and adjacent consumer categories. Founded in 1908 and headquartered in Heredia, Costa Rica, FIFCO is one of the region's leading consumer companies, operating across various parts of the food and beverage value chain. Their core business focuses on beers like Imperial, soft-drink licensing with PepsiCo, and retail banners like Musmanni. Since the 1980s, FIFCO has had a long-standing, collaborative relationship with Heineken, with Heineken expanding in the region through minority stakes in FIFCO companies like Distribuidora La Florida.

The cash sale of FIFCO businesses, like the rest of Distribuidora La Florida, for \$3.2 billion reflects its strong performance and over \$1 billion revenue in 2024. As one of the most successful regional brewers and distributors, FIFCO has a strong presence and brand recognition that Heineken will immediately benefit from. Having operated for over a century, Florida Ice and Farm Company has built comprehensive supply chain operations and owns some of the most iconic drink labels, like the national beer of Costa Rica (Imperial). Even in an unstable and tariff-ridden environment, FIFCO has remained profitable and maintained leadership in a fast-growing consumer market.

Investment Theses

We believe this is a good deal for Heineken, with compelling strategic rationale and a 4.5% potential accretion of its EPS.

Supply Chain and Distribution Synergies: Acquiring FIFCO presents Heineken with various, immediate growth opportunities. Once the deal is processed in early 2026, FIFCO will hand Heineken a well-established platform across Costa Rica, Nicaragua, Panamá, and more, where their brands already enjoy deep cultural relevance. HEIA obtains instant market leadership and circumvents the process of building distribution networks, brand equity, and retail channels from scratch. This deal gives Heineken an anchor portfolio that it can use as a launchpad for its premium brands. In acquiring retail channels, not just breweries, Heineken will gain advantages over competitors in the form of point-of-sale control and consumer data. Central America's compact geography amplifies these synergies, allowing Heineken to run a more cost-effective network.

Preventative Measures: By acquiring complete control of FIFCO's beverage and retail businesses, Heineken is preventing competitors like AB InBev from securing a strategic foothold in Latin America through the same profitable brands. FIFCO's strong network had already been partnering with Heineken in several markets. If Florida Ice and Farm Company had decided to work with or sell to a competitor, HEIA risked losing access to the region that it had been relying on. Full control of FIFCO's complete or joint ownership of various companies undermines this possibility and allows Heineken to safeguard its value chain and brand presence. They will now directly set pricing and promotional strategies in markets where their power was vulnerable. This will allow for consistency across the acquirer and target brands and prevent competitors from crowding out Heineken labels by inserting themselves in FIFCO retail or distribution.

Value Creation: FIFCO's legacy beer brands have extremely sticky customer bases and high brand loyalty, which reduces the risk of post-transaction revenue nosedives. Beer demand remains predictable in Central American markets, and Heineken has a history of improving margins after acquisitions in other emerging markets. By implementing EverGreen's efficiency measures to all stages of the product cycle, Heineken can justify the acquisition multiple of 11.6x EV/EBITDA. They even signaled how profitable this deal is anticipated to be by stating that this \$3.2 billion deal would be immediately accretive. Heineken has issued €2 billion in bonds, but its balance sheet and global scale ensure confidence. FIFCO's extensive convenience-store network provides downside protection and strategic flexibility, allowing HEIA to have optionality in its balance of brewing and expansion of high-margin categories.

Projections

Acquirer Financial Profile		Target Financial Profile	
Fully Diluted Shares Outstanding	566.8	Fully Diluted Shares Outstanding	1
Current Share Price	\$80.78	Current Share Price	\$3,200.00
Equity Value	\$45,788	Equity Value	\$3,200
EPS (TTM)	\$4.70	EPS Estimate (2)	\$278.00
P/E Multiple	17.2x	P/E Multiple	11.5x
Transaction Assumptions		Form of Consideration	
Offer Price Per Share	\$3,200.00	% Stock	--
% Offer Premium	--	% Cash	100.0%
Offer Value (1)	\$3,200		
Pro Forma Financials		Pro Forma EPS	
Consolidated EBT	\$4,203	Pro Forma Net Income	\$2,785
Less: Interest Expense and Financing Fees	(141)	Pre-Deal Acquirer Shares Outstanding	567
Less: Transaction Fees	(80)	Plus: New Shares Issuances	--
Plus: Synergies, net	55	Pro Forma Diluted Shares	567
Less: Incremental Depreciation	(59)		
Pro Forma Adjusted EBT	\$3,978	Pro Forma EPS	\$4.91
Less: Taxes	(1,193)	% Accretion / (Dilution)	4.5%
Pro Forma Net Income	\$2,785		

Post-Merger Outlook

Heineken indicates that FIFCO's integration will be smooth, with a prime focus on maintaining the strong local brands and regional expertise that made the target company valuable in the first place. Initially, most of FIFCO's operating teams will continue running day-to-day business while gaining access to Heineken's global resources. This approach ensures minimized disruption and protection of relationships with previous stakeholders. Employees will likely undergo training, modernization activities, and investments in the digital capacity of company infrastructure. Heineken may also apply its category management capabilities and strategies to retailers like Musmanni.

This deal may trigger competitive responses from the like of AB InBev, Constellation Brands, and Molson Coors. As the largest brewer by volume, AB InBev may rely on its Latin American exposure to accelerate premium brand expansion to avoid losing share in Central America to Heineken. Constellation and Coors may follow suit and seek out strategic partnerships like pre-acquisition Heineken and FIFCO. There is also a possibility regional brewers double down on marketing spending to defend their home markets and highlight their unique, niche characters. There will likely be an overall attempt by all types of competitors to counter Heineken's strengthened access to Central American consumers, including securing exclusive distribution deals or on-premises channels.

The biggest long-term concern for Heineken will be if it can balance the integration of its global operations with FIFCO's local brand equity. If five years out, FIFCO's premier labels remain culturally rooted and supported by Heineken's global portfolio and efficiencies, then the acquisition will have successfully developed a hybrid model. This means global in scale, yet authentic and local. There remains a risk heavy standardization erodes consumer loyalty in markets like these where national identity is tied to specific brands. A perception of brands like Imperial being "foreign" could open the door for local competitors to usurp FIFCO's authentic and local associations.

Risks

Regulatory Overhang: By acquiring a dominant regional player in FIFCO Heineken faces a potential anti-trust obstacle in the transaction process. While the beer markets in Central American countries are already somewhat consolidated, competition authorities in Costa Rica, Nicaragua, and Panamá could still bring attention to a multinational corporation's obtainment of FIFCO's strong market share in beer and beverages. Because of Heineken's new control of various points in the value chain (breweries and retail outlets), regulators may worry that competitors could be disadvantaged by pricing, shelf-space allocation, and distribution access. Heineken has undergone similar acquisitions like this in the past, but there remains a chance that remedies are imposed and dilute deal value. The approval process for FIFCO's retail assets invites a new regulatory lens, which involves consumer protection, franchising, and food safety. Any of these could prolong the approval process and integration across Central America.

Integration Downside: Absorbing a multi-category portfolio presents various challenges to integration. Heineken is responsible for the harmonization of supply chains, modernization of breweries, unification of ERP systems, and integration of thousands of retail employees under unfamiliar operating standards. Balancing the acquirer and target cultures is also difficult; over-integration will erode FIFCO's brand authenticity and under-integration could mean missing out on efficiencies. Inventory disruptions or strained relationships can hinder early momentum. FIFCO's iconic brands enjoy national loyalty, but a perception that they have "gone foreign" could trigger chur in markets where beer is strongly related to national identity. FIFCO outlets' many suppliers may also perceive this deal as a threat to their shelf access in hundreds of locations across the region, leading to competitors exploiting sentimental uncertainty by accelerating promotional activity.

About SHEIA-NL and FIFCO

Heineken N.V. (SHEIA-NL), founded in 1864, operates as a Dutch multinational brewing company focused on worldwide beer and beverage production and distribution. The firm oversees an expansive portfolio of over 300 labels that features the premium Heineken brand and strong local champions while running operations across Europe, the Americas, Africa, the Middle East, and Asia-Pacific. HEIA's goal is to maintain profitable growth through its EverGreen strategy, which combines sustainable brand-building and disciplined capital allocation.

Florida Ice and Farm Company S.A. (FIFCOa), founded in 1908, operates as a food, beverage, and retail company and trades publicly on the Costa Rican stock exchange (BNV). FIFCO is responsible for producing a large portfolio of beers, soft drinks, and other packaged goods throughout Central America and beyond, and boasts strength through iconic brands like Imperial and various real estate operations in retail and hospitality. FIFCO operates as a leader in the ESG space, spearheading the movement towards sustainable growth in the food and beverage industry.

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Appendix

Merger Model			
(\$ in millions except per share figures)			
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Transaction Assumptions		Form of Consideration	
Offer Price Per Share	\$3,200.00	% Stock	–
% Offer Premium	–	% Cash	100.0%
Offer Value (1)	\$3,200	Cash/ Debt Toggle	1
Cash Consideration (All-Debt Funded)		Stock Consideration	
Offer Value	\$3,200	Offer Value	\$3,200
% Cash	100.0%	% Stock	–
Total Debt Financing	\$3,200	Stock Consideration	–
Financing Fee	\$64	Number of Acquirer Shares Issued	–
Financing Fee % Total Debt	2.0%		
Borrowing Term	5 Years		
Financing Fee Amortization	\$13	Deal Assumptions	
% Interest Rate (3)	4.0%	Synergies, net (4)	\$55
Annual Interest Expense	\$128	Transaction Fees	\$80
		Transaction Fees % Offer Value	2.5%
Purchase Price Accounting		Asset Write-Ups	
Offer Value	\$3,200	% Allocation to PP&E (6)	15.0%
Less: Net Tangible Book Value (5)	(570)	Useful Life Assumption	20 Years
Purchase Premium	\$2,630	Incremental Depreciation	\$20
Less: PP&E Write-Up	(395)		
Less: Intangibles Write-Up	(789)	% Allocation to Intangibles (6)	30.0%
Plus: Deferred Tax Liability (DTL)	355	Useful Life Assumption	20 Years
Goodwill Created	\$1,802	Incremental Amortization	\$39
Accretion/Dilution Analysis			
Acquirer Standalone Net Income	\$2,664	Target Standalone Net Income	\$278
% Tax Rate	30.0%	% Tax Rate	30.0%
Earnings Before Taxes (EBT)	\$3,806	Earnings Before Taxes (EBT)	\$397