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Budweiser Brewing Company APAC Limited

百威亞太控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1876)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023 AND THE SECOND QUARTER 2023 FINANCIAL INFORMATION

The board of directors (the “**Board**”) of Budweiser Brewing Company APAC Limited (“**Bud APAC**” or the “**Company**”, together with its subsidiaries, the “**Group**”) announces the unaudited results of the Group for the six months ended 30 June 2023 as attached to this announcement.

The Board wishes to remind shareholders and potential investors that the unaudited results for the six months ended 30 June 2023 have been prepared based on the Group’s internal records and management accounts and have been reviewed but not audited by independent auditors.

Shareholders and potential investors are advised not to place undue reliance on the unaudited results and to exercise caution in dealing in the securities of the Company.

By Order of the Board
Budweiser Brewing Company APAC Limited
Bryan Warner
Joint Company Secretary

Hong Kong, 3 August 2023

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Jan Craps as Co-Chair and Executive Director, Mr. Michel Doukeris (Mr. John Blood and Mr. David Almeida as his alternates) as Co-Chair and Non-executive Director, Ms. Katherine Barrett and Mr. Nelson Jamel (Mr. John Blood and Mr. David Almeida as their alternates) as Non-executive Directors, and Mr. Martin Cubbon, Ms. Marjorie Mun Tak Yang and Ms. Katherine King-suen Tsang as Independent Non-executive Directors.



Bud APAC Reports Six Months 2023 Results

“We delivered double-digit top- and bottom-line growth in the first half of 2023 through our sustained recovery momentum in China and strong growth in India. Revenue and EBITDA in China were above pre-pandemic levels, driven by more than 20% Premium and Super Premium revenue growth for both the second quarter and first half of 2023. We are confident about our premiumization, digitization and expansion strategies, and the results confirmed we are disproportionately benefiting from China’s recovery this year.”

— Jan Craps, CEO and Co-Chair

Volume

49,456 thousand hl beer
+9.4%¹

Total volumes increased by 9.4% in 1H23, led by our sustained recovery momentum in China since February and healthy growth in India.

Cost of Sales (CoS)

1,799 million USD
+13.3%

CoS increased by 13.3%, or 5.8% on a reported basis. CoS per hl increased by 3.7% in 1H23, due to commodity price escalation, partially offset by cost initiatives.

Normalized Effective Tax Rate (ETR)

32.2%

Normalized ETR increased from 27.7% in 1H22 to 32.2% in 1H23, mainly due to higher withholding taxes on dividends and country mix.

Normalized EPS³

4.38 cents USD

Normalized EPS increased from 4.35 cents USD in 1H22 to 4.38 cents USD in 1H23. Basic EPS decreased from 4.73 cents USD in 1H22 to 4.35 cents USD in 1H23.

Revenue

3,666 million USD
+14.0%

Revenue grew by 14.0% or 6.2% on a reported basis. Revenue per hl grew 4.2% in 1H23, driven by ongoing premiumization and the reopening of the China market, partially offset by South Korea.

Normalized EBITDA²

1,173 million USD
+10.7%

Normalized EBITDA in 1H23 increased by 10.7%, driven by the ongoing business recovery and premiumization in China, partially offset by commercial investments. Normalized EBITDA margin declined by 93 bps to 32.0%.

Normalized Profit

579 million USD

Normalized profit attributable to equity holders of Bud APAC increased from 575 million USD in 1H22 to 579 million USD in 1H23. Profit attributable to equity holders of Bud APAC decreased from 625 million USD in 1H22 to 575 million USD in 1H23.

Please refer to page 2 of this press release for footnotes 1 to 3 and to the end of this press release for important notes and disclaimers.



MANAGEMENT COMMENTS

2Q23 was a strong quarter in China, where we outperformed the industry with double-digit volume and revenue growth driven by more than 20% revenue growth in our Premium and Super Premium segments. We continued to outperform the industry in India with strong double-digit revenue growth in our Premium and Super Premium portfolio. Despite facing transient challenges in South Korea due to a tough comparable as compared to reopening in 2Q22, we delivered double-digit top- and bottom-line growth in Bud APAC overall.

Figure 1. Consolidated performance (million USD)

	1H23	1H22	Organic growth ¹
Total volumes (thousand hls)	49,456	45,226	9.4%
Revenue	3,666	3,453	14.0%
Gross profit	1,867	1,752	14.5%
Gross margin	50.9%	50.7%	26 bps
Normalized EBITDA²	1,173	1,139	10.7%
Normalized EBITDA margin	32.0%	33.0%	-93 bps
Normalized EBIT	850	791	15.9%
Normalized EBIT margin	23.2%	22.9%	38 bps
Profit attributable to equity holders of Bud APAC	575	625	
Normalized profit attributable to equity holders of Bud APAC	579	575	
EPS (cent USD)	4.35	4.73	
Normalized EPS (cent USD)³	4.38	4.35	

¹ Unless otherwise stated, the growth rates presented in this document are based on organic growth figures and refer to unaudited 1H23 and unaudited 2Q23 versus the same period of last year. Please refer to Annex 1 for unaudited 2Q23 financial information, Annex 2 for further information on the calculation of organic growth figures and Annex 3 for a comparison between organic and reported (after including currency impacts and scope changes) growth figures. Please also refer to the end of this press release for important notes and disclaimers.

² Normalized EBITDA is a key financial measure regularly monitored by management in managing the Group's performance, capital and funding structure. Normalized EBITDA is calculated by excluding the following effects from profit attributable to equity holders of Bud APAC: (i) non-controlling interests; (ii) income tax expense; (iii) share of results of associates; (iv) net finance income; (v) non-underlying items above EBIT (including non-underlying costs) and (vi) depreciation, amortization and impairment. Please refer to the "Reconciliation between profit attributable to equity holders and normalized EBITDA" section of this press release for further information.

³ Normalized basic earnings per share (Normalized EPS) calculation uses the normalized profit attributable to equity holders of Bud APAC divided by the weighted average number of shares outstanding deducting the shares held in trust held by a trustee (13,218,684,620 shares in 1H23 and 13,222,389,042 shares in 1H22).



In 1H23, total volume increased by 9.4% as our business in China continued to recover, further supported by strong growth in India. Revenue increased by 14.0% with ongoing premiumization and the reopening of the China market, supported by a 4.2% revenue per hl increase that was partially offset by South Korea's performance. Normalized EBITDA grew by 10.7% and our normalized EBITDA margin was 32.0%.

- In **China**, we have seen a strong recovery of volumes in all channels and in all city tiers starting from February. We outperformed the industry based on our estimates. The growth momentum was led by channel reopening and strong sales of our Premium and Super Premium brands, with Budweiser and our Super Premium volumes growing by double-digits. Overall, volume grew 9.4% in 1H23, supporting a top- and bottom-line performance that was above pre-pandemic levels.
- In **South Korea**, volume and revenue grew by low-single-digits in 1H23 while revenue per hl declined slightly amidst a tough comparable and excise tax increase. EBITDA in 1H23 was further affected by increased commercial investments and commodity cost escalation.
- In **India**, we continued to outperform the industry, with strong double-digit volume growth in our Premium and Super Premium portfolio combined, leading to strong double-digit growth in overall revenue in 1H23.

In 2Q23, total volume increased by 9.5%, supported by our momentum in China and India. Company-wide revenue increased by 14.9%, exceeding pre-pandemic levels while revenue per hl increased by 4.9%. Our EBITDA in 2Q23 increased by 11.1%, driven by strong revenue growth in China. Our EBITDA margin was 30.2%.

We affirmed our disciplined financial and cash management practices, allowing us to maintain a solid balance sheet. As of 30 June 2023, our net cash position was 2.4 billion USD.



Sustainability

We have launched a new sustainability program to reduce our Scope 3 emissions, reinforcing our commitment to empowering our value chain partners in their low carbon transition journey. It is a critical step for us to realize our own net zero ambition across our value chain by 2040. Under this initiative, we will provide training on the GHG Protocol, TCFD, CDP, and PAS 2060 and introduce the concept of science-based target setting to our suppliers. As of 30 June 2023, we have completed the program at 48 manufacturing sites for 26 suppliers, helping them develop a site-specific carbon footprint map. After starting with China, we will expand the initiative to our suppliers in other APAC markets gradually.

We also made further progress in water efficiency and RE100 coverage. Our average water usage for beer production in APAC is 2.03 hl/hl, which represents a 32.1% reduction versus our baseline year of 2017. We accelerated our expansion of RE100 with 10 breweries qualified as of 30 June 2023, more than double the coverage compared to 2022.

Bud APAC has been included in Sustainalytics' 2023 Top-Rated ESG Companies list for the first time, recognizing us as one of the top performers in our industry. Sustainalytics' Risk Ratings cover more than 14,000 companies across 42 industries and measure the degree to which a company's economic value is put at risk by a diverse list of factors. Bud APAC is classified as "Low Risk", ranking us 4th out of the 84 beer, wine and spirits companies and 10th out of the 618 food product companies evaluated by Sustainalytics globally.



BUSINESS REVIEW

APAC WEST

In 2Q23, volumes grew by 11.2%, while revenue and revenue per hl increased by 20.2% and 8.0% respectively. Normalized EBITDA increased by 20.3%.

In 1H23, volumes grew by 10.2%, while revenue and revenue per hl increased by 16.6% and 5.8% respectively. Normalized EBITDA increased by 15.8%.

China

In 2Q23, volumes increased by 11.0% as we effectively drove growth in our Premium and Super Premium segments. Revenue expanded by 19.6%, led by a high-single-digit expansion in revenue per hl benefiting from a stronger brand mix and channel reopening.

Our premiumization strategy continued to prove effective with our Premium and Super Premium segments increasing their volume weight, and their combined volume growing by mid-twenties year-on-year in 2Q23. In 2Q23, Budweiser revenue grew more than 20%. Budweiser innovations, including Bud Supreme and Magnum, grew revenues by strong-double-digits, and our Super Premium segment — which we see as the next “blue ocean” in China — also demonstrated strong double-digit revenue growth. As a result, our normalized EBITDA in China expanded by 22.0% in 2Q23.

In 1H23, volumes grew by 9.4%, while revenue and revenue per hl increased by 15.4% and 5.5%, respectively. Normalized EBITDA increased by 17.2%. Our top- and bottom-line performance for 1H23 exceeded pre-pandemic levels.

On the digitization front, BEES, our B2B wholesaler and customer engagement platform, has been expanded to more than 220 cities and represented more than 45% of our China revenue in June.

Our creativity and innovation continued to be recognized with Corona China’s Extra Lime Project winning a Titanium Lion at the 70th edition of the Cannes Lions International Festival of Creativity — the first-ever Titanium win for China across all industries. The awards honored Corona’s creation of a sustainable business model to produce high-quality limes which support farmers’ livelihood in Sichuan while providing Chinese consumers with a unique Corona “Lime Ritual” experience. We provided end-to-end support to the farmers in the program from seed selection, soil improvement and cultivation to final procurement, which is recognized as a replicable “Lime Model” for China’s rural revitalization.

India

In 2Q23 and 1H23, our business in India continued to outperform the industry based on our estimates, with strong double-digit revenue growth in our Premium and Super Premium portfolio, supporting a double-digit expansion in overall volume and revenue. India is now the 4th largest market globally for the Budweiser brand.



Budweiser Brewing Company APAC Limited
百威亞太控股有限公司

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APAC EAST

In 2Q23, volumes declined by 2.4%, with revenue and revenue per hl declining by 7.1% and 4.8%, respectively. Normalized EBITDA declined by 29.5% due to increased commercial investment and operational deleverage.

In 1H23, volumes grew by 3.0%, while revenue increased by 1.9%. Revenue per hl declined by 1.1% and normalized EBITDA declined by 15.9%.

South Korea

2Q23 was a challenging quarter. In 2Q23, sales volumes in South Korea declined by low-single-digits amidst a tough comparable with 2Q22 which benefited from the lifting of COVID restrictions in April 2022. Revenue per hl declined by mid-single-digits due to an unfavorable package mix and an excise tax increase of 3.57% effective from 1 April 2023.

In 2Q23, we launched the “CassCool” summer campaign along with the introduction of the limited-edition “Cass Lemon Squeeze” – an innovation that further boosted Cass’ brand power which has been expanding for four consecutive quarters.



Bud APAC Unaudited Condensed Consolidated Interim Financial Information

The financial information of the Group has been reviewed by the Audit and Risk Committee of the Company and extracted from the Group's unaudited condensed consolidated interim financial statements, which have been reviewed by the Group's external auditor, PricewaterhouseCoopers, in accordance with International Standards on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

UNAUDITED CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

	Notes	30 June 2023	30 June 2022
		<i>US\$'million</i>	<i>US\$'million</i>
Revenue	2	3,666	3,453
Cost of sales		(1,799)	(1,701)
Gross profit		1,867	1,752
Distribution expenses		(268)	(266)
Sales and marketing expenses		(566)	(540)
Administrative expenses		(234)	(222)
Other operating income	3	51	67
Profit from operations before non-underlying items		850	791
Non-underlying items	4	(5)	(5)
Profit from operations		845	786
Finance cost		(26)	(12)
Finance income		28	20
Net finance income		2	8
Share of results of associates		16	12
Profit before tax		863	806
Income tax expense	5	(273)	(166)
Profit for the period		590	640
Profit for the period attributable to:			
Equity holders of Bud APAC		575	625
Non-controlling interests		15	15
Earnings per share from profit attributable to the equity holders of Bud APAC:			
Basic earnings per share (cent USD)	6	4.35	4.73
Diluted earnings per share (cent USD)	6	4.33	4.72



Budweiser Brewing Company APAC Limited
百威亞太控股有限公司

Press Release

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UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	30 June 2023	30 June 2022
	<i>US\$'million</i>	<i>US\$'million</i>
Profit for the period	590	640
Other comprehensive (loss)/income:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	(501)	(763)
Gain/(loss) on cash flow hedges	4	(26)
Other comprehensive loss, net of tax	(497)	(789)
Total comprehensive income/(loss)	93	(149)
Total comprehensive income/(loss) of the period attributable to:		
Equity holders of Bud APAC	82	(160)
Non-controlling interests	11	11



UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	30 June 2023	31 December 2022
		<i>US\$'million</i>	<i>US\$'million</i>
ASSETS			
Non-current assets			
Property, plant and equipment		2,992	3,181
Goodwill		6,301	6,624
Intangible assets		1,531	1,605
Land use rights		208	227
Investment in associates		466	464
Deferred tax assets		238	233
Trade and other receivables		48	46
Other non-current assets		11	10
Total non-current assets		11,795	12,390
Current assets			
Inventories		479	488
Trade and other receivables	7	822	561
Derivatives		18	18
Cash pooling deposits to AB InBev		39	67
Cash and cash equivalents		2,410	2,458
Other current assets		16	14
Total current assets		3,784	3,606
Total assets		15,579	15,996
EQUITY AND LIABILITIES			
Equity			
Issued capital		–	–
Share premium		43,591	43,591
Capital reserve		(36,219)	(36,213)
Treasury shares		(14)	(6)
Other reserves		(1,390)	(930)
Retained earnings		4,400	4,322
Equity attributable to equity holders of Bud APAC		10,368	10,764
Non-controlling interests		77	69
Total equity		10,445	10,833



UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	30 June	31 December
<i>Notes</i>	2023	2022
	<i>US\$'million</i>	<i>US\$'million</i>
Non-current liabilities		
Interest-bearing loans and borrowings	80	77
Deferred tax liabilities	410	427
Trade and other payables	17	22
Provisions	95	100
Income tax payable	43	51
Employee benefits	48	68
Other non-current liabilities	2	3
Total non-current liabilities	695	748
Current liabilities		
Interest-bearing loans and borrowings	226	147
Trade and other payables	<i>8</i> 2,762	2,629
Payables with AB InBev	<i>8</i> 100	74
Consigned packaging and contract liabilities	<i>8</i> 1,123	1,405
Derivatives	26	27
Provisions	10	11
Income tax payable	192	122
Total current liabilities	4,439	4,415
Total equity and liabilities	15,579	15,996



NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. General Information and Basis of Preparation

1.1 General information

The Company was incorporated in the Cayman Islands on 10 April 2019 as an exempted company with limited liability under the laws of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681 Grand Cayman, KY1-1111, Cayman Islands. The Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 30 September 2019.

The Company is an investment holding company. The Group is principally engaged in the brewing and distribution of beer in the Asia Pacific region.

The immediate parent company of the Group is AB InBev Brewing Company (APAC) Limited which is a private company incorporated in the United Kingdom.

The ultimate parent company of the Group is Anheuser-Busch InBev SA/NV (referred to as "AB InBev"), which is a publicly traded company (Euronext: ABI) based in Leuven, Belgium, with secondary listings on the Mexico (MEXBOL: ANB) and South Africa (JSE: ANH) stock exchanges and with American Depositary Receipts on the New York Stock Exchange (NYSE: BUD).

1.2 Basis of preparation

The interim results announcement has been presented in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities of the Stock Exchange.

The Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2023, prepared in accordance with the International Accounting Standard 34 Interim Financial Reporting issued by the International Accounting Standard Board (the "IASB"), from which this interim financial information has been extracted, will be published as soon as practicable.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

A number of new or amended standards became applicable for the current reporting period. These standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

In line with many other Fast Moving Consumer Goods companies, the Group intentionally maintains a net current liabilities position as part of its business model despite strong operating cash flows. Therefore, the Group's net current liabilities position is not indicative of any going concern issues, and the unaudited condensed consolidated interim financial statements have been prepared on a going concern basis.



2. Segment information

Segment information is presented by geographical segments, consistent with the information that is available and evaluated regularly by the chief operating decision maker.

The Group operates its business through two geographic regions: Asia Pacific East (primarily South Korea, Japan and New Zealand) and Asia Pacific West (China, India, Vietnam and exports elsewhere in Asia Pacific), which are the Group's two reportable segments for financial reporting purposes. Regional and operating Group management is responsible for managing performance, underlying risks and effectiveness of operations. Management uses performance indicators such as Normalized EBITDA as measures of segment performance and to make decisions regarding allocation of resources.

All figures in the tables below are stated in million US dollar, except volumes (thousand hectoliter) and Normalized EBITDA margin (in%).

For the six months ended 30 June 2023 and 2022

	Asia Pacific					
	East		West		Total	
	30 June		30 June		30 June	
	2023	2022	2023	2022	2023	2022
Volumes	5,660	5,494	43,796	39,732	49,456	45,226
Revenue ⁴	593	619	3,073	2,834	3,666	3,453
Normalized EBITDA	144	182	1,029	957	1,173	1,139
Normalized EBITDA margin%	24.3%	29.4%	33.5%	33.8%	32.0%	33.0%
Depreciation, amortization and impairment					(323)	(348)
Normalized profit from operations (Normalized EBIT)					850	791
Non-underlying items (Note 4)					(5)	(5)
Profit from operations (EBIT)					845	786
Net finance income					2	8
Share of results of associates					16	12
Income tax expense					(273)	(166)
Profit for the period					590	640
Segment assets (non-current)	4,802	4,871	6,993	7,625	11,795	12,496
Gross capex	15	11	231	202	246	213

⁴ Revenue represents sales of beer products recognized at a point of time.



Normalized EBITDA is a key financial measure regularly monitored by management in managing the Group's performance, capital and funding structure. Normalized EBITDA is calculated by excluding the following effects from profit attributable to equity holders of Bud APAC: (i) non-controlling interests; (ii) income tax expense; (iii) share of results of associates; (iv) net finance income; (v) non-underlying items above EBIT (including non-underlying costs) and (vi) depreciation, amortization and impairment.

Normalized EBITDA and normalized EBIT are not accounting measures under International Financial Reporting Standards (the "IFRS") by the IASB and should not be considered as an alternative to profit attributable to equity holders of Bud APAC as a measure of operational performance, or an alternative to cash flow as a measure of liquidity. Normalized EBITDA and normalized EBIT do not have a standard calculation method and the Group's definition of normalized EBITDA and normalized EBIT may not be comparable to that of other companies.

The reconciliation between profit attributable to equity holders of Bud APAC and normalized EBITDA is as follows:

	30 June 2023	30 June 2022
	<i>US\$'million</i>	<i>US\$'million</i>
Profit attributable to equity holders of Bud APAC	575	625
Non-controlling interests	15	15
Profit for the period	590	640
Income tax expense	273	166
Share of results of associates	(16)	(12)
Net finance income	(2)	(8)
Non-underlying items above EBIT	5	5
Normalized EBIT	850	791
Depreciation and amortization	323	348
Normalized EBITDA	1,173	1,139



3. Other operating income

	30 June 2023	30 June 2022
	<i>US\$'million</i>	<i>US\$'million</i>
Grants and incentives	25	29
Net gain on disposal of property, plant and equipment and intangible assets	17	33
Other operating income	<u>9</u>	<u>5</u>
Other operating income	<u>51</u>	<u>67</u>

4. Non-underlying items

The non- underlying items included in the unaudited condensed consolidated interim income statement are as follows:

	30 June 2023	30 June 2022
	<i>US\$'million</i>	<i>US\$'million</i>
Restructuring	<u>(5)</u>	<u>(5)</u>
Impact on profit from operations	(5)	(5)
Tax impact on non-underlying items	1	1
Non-underlying income tax credit	<u>–</u>	<u>54</u>
Net impact on profit	<u>(4)</u>	<u>50</u>

The non-underlying restructuring charges primarily relate to organizational alignments. These changes aim to eliminate overlapping organizations or duplicated processes, taking into account the right match of employee profiles with the new organizational requirements. These one-time expenses, as a result of the series of decisions, provide the Group with a lower cost base in addition to a stronger focus on the Group's core activities, quicker decision-making and improvements to efficiency, service and quality.

Refer to Note 5 for further information on non-underlying income tax.



5. Income tax expense

Income taxes recognized in the unaudited condensed consolidated interim income statement are as follows:

	30 June 2023	30 June 2022
	<i>US\$'million</i>	<i>US\$'million</i>
Current year	(271)	(224)
(Under)/overprovided in prior years	(24)	41
Current tax expense	(295)	(183)
Deferred tax credit	22	17
Total income tax expense	(273)	(166)
Effective tax rate (ETR)	32.2%	20.9%
Normalized ETR⁵	32.2%	27.7%

The Group held provisions to cover a potential exposure related to tax in India associated with asset transfers that were challenged by the Indian Tax authorities. During the six months ended 30 June 2022, the Company received confirmation that the matter was resolved in favor of the Group and the provision of 54 million US dollar was released. The reversal of the provision has been disclosed as non-underlying income tax in Note 4.

Normalized ETR is not an accounting measure under IFRS and should not be considered as an alternative to the ETR. Normalized ETR method does not have a standard calculation method and the Group's definition of normalized ETR may not be comparable to other companies.

⁵ Normalized ETR refers to ETR adjusted for non-underlying items and non-underlying income tax credit.



6. Earnings per share

The calculation of basic and diluted earnings per share are computed in the tables below.

	30 June 2023	30 June 2022
Profit attributable to equity holders of Bud APAC (Million US Dollar)	575	625
Weighted average number of ordinary shares in issue	13,218,684,620	13,222,389,042
Basic earnings per share (cent USD)	4.35	4.73

	30 June 2023	30 June 2022
Profit attributable to equity holders of Bud APAC (Million US Dollar)	575	625
Weighted average number of ordinary shares (diluted)	13,283,240,782	13,237,661,636
Diluted earnings per share (cent USD)	4.33	4.72

The calculation of normalized basic and diluted earnings per share are computed in the tables below.

	30 June 2023	30 June 2022
Normalized profit attributable to equity holders of Bud APAC (Million US Dollar)	579	575
Weighted average number of ordinary shares in issue	13,218,684,620	13,222,389,042
Normalized basic earnings per share (cent USD)	4.38	4.35



	30 June 2023	30 June 2022
Normalized profit attributable to equity holders of Bud APAC (Million US Dollar)	<u>579</u>	<u>575</u>
Weighted average number of ordinary shares (diluted)	13,283,240,782	13,237,661,636
Normalized diluted earnings per share (cent USD)	4.36	4.34

The difference between the weighted average number of ordinary shares in issue and the diluted weighted average number of ordinary shares in issue is attributable solely to the effect of share options and restricted stock units.

The reconciliation of basic and diluted earnings per share to normalized basic and diluted earnings per share is shown in the tables below.

	30 June 2023	30 June 2022
Basic earnings per share	4.35	4.73
Non-underlying items, before tax	0.04	0.04
Non-underlying taxes	<u>(0.01)</u>	<u>(0.42)</u>
Normalized basic earnings per share	<u>4.38</u>	<u>4.35</u>

	30 June 2023	30 June 2022
Diluted earnings per share	4.33	4.72
Non-underlying items, before tax	0.04	0.04
Non-underlying taxes	<u>(0.01)</u>	<u>(0.42)</u>
Normalized diluted earnings per share	<u>4.36</u>	<u>4.34</u>



7. Trade and other receivables

	30 June 2023	31 December 2022
	<i>US\$'million</i>	<i>US\$'million</i>
Trade receivables and accrued income	642	401
Trade receivables with AB InBev	15	13
Indirect tax receivable	111	93
Prepaid expenses	48	47
Other receivables	6	7
	<u>622</u>	<u>561</u>
Current trade and other receivables	<u>822</u>	<u>561</u>

Trade receivables and trade receivables with AB InBev are due on average less than 90 days from the date of invoicing. There is limited credit risk as the Group does not have significant uncollected amounts. Impairment losses on trade receivables of 4 million US dollar and 3 million US dollar were recognized for the six months ended 30 June 2023 and 2022 respectively.

As of 30 June 2023 and 31 December 2022, the aging analysis of current trade receivables and trade receivables with AB InBev, based on due date, is as follows:

	30 June 2023	31 December 2022
	<i>US\$'million</i>	<i>US\$'million</i>
Not past due	622	388
Past due as of reporting date:		
Less than 30 days	23	14
Between 30 and 59 days	2	1
Between 60 and 89 days	5	4
More than 90 days	5	7
	<u>657</u>	<u>414</u>
Net carrying amount of trade receivables and trade receivables with AB InBev	<u>657</u>	<u>414</u>



8. Trade and other payables, payables with AB InBev, consigned packaging and contract liabilities

	30 June 2023	31 December 2022
	<i>US\$'million</i>	<i>US\$'million</i>
Trade payables and accrued expenses	2,069	1,944
Payroll and social security payables	92	115
Indirect taxes payable	384	360
Contingent consideration on acquisitions	7	7
Other payables	210	203
Current trade and other payables	2,762	2,629
	30 June 2023	31 December 2022
	<i>US\$'million</i>	<i>US\$'million</i>
Payables with AB InBev	100	74

The Group pays the outstanding balances to the creditors according to the credit terms. Trade payables and payables to AB InBev are on average due within 120 days from the invoice date. As of 30 June 2023 and 31 December 2022, trade payables and payables to AB InBev were 2,169 million US dollar and 2,018 million US dollar respectively.

As of 30 June 2023 and 31 December 2022, the aging analysis of current trade payables and payable with AB InBev, based on due date, is as follows:

	30 June 2023	31 December 2022
	<i>US\$'million</i>	<i>US\$'million</i>
Not past due	2,073	1,917
Past due as of reporting date:		
Less than 30 days	65	44
Between 30 and 89 days	5	23
More than 90 days	26	34
Net carrying amount of trade payables and payables with AB InBev	2,169	2,018



	30 June 2023	31 December 2022
	<i>US\$'million</i>	<i>US\$'million</i>
Consigned packaging	399	347
Contract liabilities	724	1,058
Consigned packaging and contract liabilities	1,123	1,405

Consigned packaging represents deposits paid by the Group's customers for use of the Group's returnable packaging which are assets controlled by the Group.

The majority of the contract liabilities balance at the beginning of the period was recognized as revenue for the year ended 31 December 2022 or has been recognized as revenue during the six months ended 30 June 2023.

9. Dividends

On 8 May 2023, a final dividend of US dollar 3.78 cents per share (equivalent to HK dollar 29.61 cents per share) was approved by the shareholders at the annual general meeting of the Company. This final dividend was paid out on 21 June 2023. The total dividend payment for the 2022 fiscal year of approximately 500 million US dollar was recognized during the six months ended 30 June 2023 in the unaudited condensed consolidated financial statements.

On 6 May 2022, a final dividend of US dollar 3.02 cents per share (equivalent to HK dollar 23.68 cents per share) was approved by the shareholders at the annual general meeting of the Company. This final dividend was paid out on 22 June 2022. The total dividend payment for the 2021 fiscal year of 399 million US dollar was recognized during the six months ended 30 June 2022 in the unaudited condensed consolidated financial statements.

No dividends were declared or proposed during the six months ended 30 June 2023.



CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our shareholders. The Company has complied with the Code Provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the six months ended on 30 June 2023, save for code provision C.2.1 which provides that the roles of chair and chief executive should be separate and should not be performed by the same individual, as disclosed in further detail in the Corporate Governance Report in the Company's 2022 Annual Report.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

For the six months ended 30 June 2023, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

FURTHER INFORMATION

To facilitate the understanding of Bud APAC's underlying performance, the analyses of growth, including all comments in this press release, unless otherwise indicated, are based on organic growth and normalized numbers. In other words, financials are analyzed eliminating the impact of changes in currencies on translation of foreign operations, and scope changes. Scope changes represent the impact of acquisitions and divestitures, the start or termination of activities or the transfer of activities between segments, curtailment gains and losses and year over year changes in accounting estimates and other assumptions that management does not consider as part of the underlying performance of the business.

Whenever presented in this document, all performance measures (EBITDA, EBIT, profit, tax rate, EPS) are presented on a "normalized" basis, which means they are presented before non-underlying items, unless otherwise indicated. Non-underlying items are either income or expenses which do not occur regularly as part of the normal activities of Bud APAC. They are presented separately because they are important for the understanding of the underlying sustainable performance of Bud APAC due to their size or nature. Normalized measures are additional measures used by management and should not replace the measures determined in accordance with IFRS as an indicator of Bud APAC's performance.

In particular, normalized EBITDA, normalized EBIT and normalized effective tax rate are not accounting measures under IFRS accounting. Normalized EBITDA and normalized EBIT should not be considered as an alternative to profit attributable to equity holders as a measure of operational performance, or an alternative to cash flow as a measure of liquidity. Normalized effective tax rate should not be considered as an alternative to the effective tax rate. Normalized EBITDA, normalized EBIT and normalized effective tax rate do not have a standard calculation method and the Group's definition may not be comparable to that of other companies.

Values in the figures and annexes may not add up, due to rounding.



Legal disclaimer

This release contains “forward-looking statements”. These statements are based on the current expectations and views of future events and developments of the management of Bud APAC and are naturally subject to uncertainty and changes in circumstances. Forward-looking statements include statements typically containing words or phrases such as “will likely result”, “are expected to”, “will continue”, “is anticipated”, “anticipate”, “estimate”, “project”, “may”, “might”, “could”, “believe”, “expect”, “plan”, “potential”, “we aim”, “our goal”, “our vision”, “we intend” or similar expressions that are forward-looking statements. All statements other than statements of historical facts are forward-looking statements. You should not place undue reliance on these forward-looking statements, which reflect the current views of the management of Bud APAC, are subject to numerous risks and uncertainties about Bud APAC and are dependent on many factors, some of which are outside of Bud APAC’s control. There are important factors, risks and uncertainties that could cause actual outcomes and results to be materially different, including but not limited to, the effects of the COVID pandemic and uncertainties about its impact and duration and the risks and uncertainties relating to Bud APAC as described in the prospectus of Bud APAC’ dated 18 September 2019, 2022 Annual Report and other documents that Bud APAC has made public. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

The forward-looking statements should be read in conjunction with the other cautionary statements that are included elsewhere, including Bud APAC’s prospectus dated 18 September 2019, 2022 Annual Report and any other documents that Bud APAC has made public. Any forward-looking statements made in this communication are qualified in their entirety by these cautionary statements and there can be no assurance that the actual results or developments anticipated by Bud APAC will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Bud APAC or its business or operations. Except as required by law, Bud APAC undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or developments or otherwise.

The Second Quarter of 2022 (2Q22) and 2023 (2Q23) financial data set out in Annex 1 of this press release and the calculation of organic growth figures set out in Annex 2 of this press release are unaudited and prepared based on the Group’s internal records and management accounts and have not been reviewed or audited by independent auditors. Shareholders and potential investors are advised not to place undue reliance on the unaudited results.

The Half-Year (1H23) financial data set out in this press release is unaudited and prepared based on the Group’s internal records and management accounts and has been reviewed but not audited by independent auditors. Shareholders and potential investors are advised not to place undue reliance on the unaudited results.



Budweiser Brewing Company APAC Limited
百威亞太控股有限公司

Press Release

Hong Kong / 3 August 2023 / 7.00am HKT

CONFERENCE CALL

Thursday, 3 August 2023

11:30am Hong Kong

Please refer to dial-in details on our website at <https://budweiserapac.com/Upcoming/index.html>

About Budweiser Brewing Company APAC Limited

Budweiser Brewing Company APAC Limited (“Bud APAC”) is the largest beer company in Asia Pacific, with leadership positions in Premium and Super Premium beer segments. It brews, imports, markets, distributes and sells a portfolio of more than 50 beer brands, including Budweiser®, Stella Artois®, Corona®, Hoegaarden®, Cass® and Harbin®. Bud APAC has expanded beyond beer into new categories such as ready-to-drink, energy drinks and spirits in recent years. Through its local subsidiaries, Bud APAC operates in its principal markets, including China, South Korea, India and Vietnam. Headquartered in Hong Kong SAR, China, Bud APAC operates 47 breweries and employs more than 26,000 colleagues across APAC.

Bud APAC is listed on the Hong Kong Stock Exchange under the stock code “1876” and is a constituent stock of the Hang Seng Index that is incorporated under the laws of the Cayman Islands. The company is a subsidiary of Anheuser-Busch InBev, the public company based in Leuven, Belgium and listed on Euronext which has over 600 years of brewing heritage and an extensive global presence.

For more details, please visit our website at: <http://www.budweiserapac.com>.



ANNEX 1 — UNAUDITED 2Q23 FINANCIAL INFORMATION

The information below is prepared based on the Group's internal records and management accounts to provide additional information on our second quarter of 2022 (2Q22) and 2023 (2Q23) financial data. These data have not been reviewed or audited by independent auditors. Shareholders and potential investors are advised not to place undue reliance on the unaudited results.

Consolidated performance (million USD)

	2Q23	2Q22	Organic growth
Total volumes (thousand hls)	27,381	24,995	9.5%
Revenue	1,964	1,821	14.9%
Gross profit	1,013	919	17.7%
Gross margin	51.6%	50.5%	121 bps
Normalized EBITDA	593	569	11.1%
Normalized EBITDA margin	30.2%	31.2%	-103 bps
Normalized EBIT	432	397	16.7%
Normalized EBIT margin	22.0%	21.8%	34 bps
Profit attributable to equity holders of Bud APAC	278	323	
Normalized profit attributable to equity holders of Bud APAC	279	271	



ANNEX 2 — UNAUDITED CALCULATION OF ORGANIC GROWTH FIGURES

The information below is prepared based on the Group's internal records and management accounts to provide additional information on the calculation of organic growth figures included in the press release. This calculation has not been reviewed or audited by independent auditors. Shareholders and potential investors are advised not to place undue reliance on the unaudited results.

To facilitate the understanding of Bud APAC's underlying performance, the analyses of growth, including all comments in this press release, unless otherwise indicated, are based on organic growth and normalized numbers. In other words, financials are analyzed eliminating the impact of changes in currencies on translation of foreign operations, and scope changes. Scope changes represent the impact of acquisitions and divestitures, the start or termination of activities or the transfer of activities between segments, curtailment gains and losses and year over year changes in accounting estimates and other assumptions that management does not consider as part of the underlying performance of the business.

All figures in the tables below are stated in million US dollar, except volumes (thousand hectoliter), organic growth (in % or bps) and Normalized EBITDA margin (in%).

Bud APAC	1H22	Scope	Currency Translation	Organic Growth	1H23	Organic Growth
Total volumes (thousand hls)	45,226	–	–	4,230	49,456	9.4%
Revenue	3,453	(6)	(262)	481	3,666	14.0%
Cost of sales	(1,701)	–	129	(227)	(1,799)	-13.3%
Gross profit	1,752	(6)	(133)	254	1,867	14.5%
Normalized EBIT	791	(3)	(63)	125	850	15.9%
Normalized EBITDA	1,139	(3)	(85)	122	1,173	10.7%
Normalized EBITDA margin	33.0%				32.0%	-93 bps

Bud APAC	2Q22	Scope	Currency Translation	Organic Growth	2Q23	Organic Growth
Total volumes (thousand hls)	24,995	–	–	2,386	27,381	9.5%
Revenue	1,821	(2)	(126)	271	1,964	14.9%
Cost of sales	(902)	–	60	(109)	(951)	-12.1%
Gross profit	919	(2)	(66)	162	1,013	17.7%
Normalized EBIT	397	(1)	(30)	66	432	16.7%
Normalized EBITDA	569	(1)	(38)	63	593	11.1%
Normalized EBITDA margin	31.2%				30.2%	-103bps



ANNEX 3 – ORGANIC AND REPORTED GROWTH FIGURES

Growth %	BUD APAC		APAC West		APAC East		China	
	Organic	Reported	Organic	Reported	Organic	Reported	Organic	Reported
Volume								
2Q23	9.5%	9.5%	11.2%	11.2%	-2.4%	-2.4%	11.0%	11.0%
1H23	9.4%	9.4%	10.2%	10.2%	3.0%	3.0%	9.4%	9.4%
Revenue per hl								
2Q23	4.9%	-1.5%	8.0%	1.4%	-4.8%	-10.6%	7.8%	1.3%
1H23	4.2%	-2.9%	5.8%	-1.6%	-1.1%	-7.0%	5.5%	-1.9%
Net revenue								
2Q23	14.9%	7.9%	20.2%	12.8%	-7.1%	-12.8%	19.6%	12.4%
1H23	14.0%	6.2%	16.6%	8.4%	1.9%	-4.2%	15.4%	7.3%
Normalized EBITDA								
2Q23	11.1%	4.2%	20.3%	12.9%	-29.5%	-34.3%	22.0%	14.7%
1H23	10.7%	3.0%	15.8%	7.5%	-15.9%	-20.9%	17.2%	9.0%