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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 RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2024

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 three months ended 31 March 2024 as attached to this announcement.

The Board wishes to remind shareholders and potential investors that the unaudited results for the three months ended 31 March 2024 have been 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 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, 8 May 2024

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 Three Months 2024 Results

“We delivered EBITDA growth with margin expansion despite a soft industry. Net revenue per hl grew across all our key markets as we continue to premiumize and drive our revenue management initiatives. Our gross margin expanded by more than 200 bps driven by premiumization and cost efficiency.”

– Jan Craps, CEO and Co-Chair

Volume

21,115 thousand hl beer
-4.8%¹

Total volumes decreased by 4.8% in the first quarter of 2024 (1Q24), impacted by a soft industry in China and South Korea.

Revenue

1,643 million USD
-0.4%

Revenue decreased by 0.4%, while revenue per hl grew by 4.6% in 1Q24, driven by continued premiumization in China and India, as well as revenue management initiatives in APAC East.

Cost of Sales (CoS)

797 million USD
-4.4%

CoS decreased by 4.4% and CoS per hl increased by 0.4% in 1Q24, respectively, mainly driven by productivity initiatives, cost efficiency management and commodity tailwinds.

Normalized EBITDA²

572 million USD
+4.2%

Normalized EBITDA increased by 4.2% and normalized EBITDA margin expanded by 153 bps to 34.8% in 1Q24, driven by gross profit margin expansion.

Normalized EPS³

2.26 cents USD

Normalized EPS decreased from 2.27 cents USD in the first quarter of 2023 (1Q23) to 2.26 cents USD in 1Q24. Basic EPS decreased from 2.25 cents USD in 1Q23 to 2.18 cents USD in 1Q24.

Normalized Profit

297 million USD

Normalized profit attributable to equity holders of Bud APAC decreased from 300 million USD in 1Q23 to 297 million USD in 1Q24, representing a 1.0% reported decline, fully driven by foreign currency translation. Profit attributable to equity holders of Bud APAC decreased from 297 million USD in 1Q23 to 287 million USD in 1Q24.



MANAGEMENT COMMENTS

In 1Q24, continued premiumization, combined with cost efficiencies, drove gross profit and EBITDA margin expansion in China. In South Korea, we gained market share and delivered strong EBITDA growth with significant margin expansion, driven by the power of our brand portfolio and effective revenue management. We continued to outperform the industry in India, with Premium and Super Premium revenue growing by double-digits.

Figure 1. Consolidated performance (million USD)

	1Q24	1Q23	Organic growth ¹
Total volumes (thousand hls)	21,115	22,075	-4.8%
Revenue	1,643	1,702	-0.4%
Gross profit	846	854	3.8%
Gross margin	51.5%	50.2%	206 bps
Normalized EBITDA²	572	580	4.2%
Normalized EBITDA margin	34.8%	34.1%	153 bps
Normalized EBIT	408	418	3.9%
Normalized EBIT margin	24.8%	24.6%	103 bps
Profit attributable to equity holders of Bud APAC	287	297	
Normalized profit attributable to equity holders of Bud APAC	297	300	
Normalized basic earnings per share (cent USD)³	2.26	2.27	

Total volumes decreased by 4.8% as we faced a soft industry in China and South Korea. Revenue decreased by 0.4% as a result of this volume decline, while revenue per hl grew by 4.6% driven by continued premiumization in China and India, as well as revenue management initiatives in APAC East. Normalized EBITDA increased by 4.2% while our normalized EBITDA margin increased by 153 bps, driven by gross margin expansion.

¹ Unless otherwise stated, the growth rates presented in this document are based on organic growth figures and refer to 1Q24 versus the same period of last year. Please refer to Annex 1 for the calculation of organic growth figures, Annex 2 for segment information and Annex 3 for a comparison between (i) organic and (ii) 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 EPS calculation uses the normalized profit attributable to equity holders of Bud APAC divided by the weighted average number of shares outstanding (13,184,465,745 shares in 1Q24 and 13,217,495,956 shares in 1Q23).



SUSTAINABILITY

We have achieved an over 25% carbon emission reduction across our value chain for China, two years ahead of the Climate Action target for Bud APAC in our 2025 Sustainability Goals.

As an Official Partner of Shanghai Climate Week, we celebrated a series of sustainable packaging related events that showcased our commitments to Reduce, Reuse, Recycle and Recover, as well as our lightweight packaging innovations and the low carbon transition support programs we have initiated with our suppliers.

We welcome you to join our Sustainability Webcast at 4 pm HKT on Tuesday, 14 May 2024. Please refer to details on our website at <https://www.budweiserapac.com/Upcoming/index.html>.

BUSINESS REVIEW

APAC WEST

Volumes decreased by 4.9%, with revenue decreasing by 1.5%. Revenue per hl increased by 3.6%, while normalized EBITDA increased by 2.0%.

China

Volumes and revenue declined by 6.2% and 2.7% respectively, impacted by the cycling of channel reopenings in 1Q23 and adverse weather in March. However, revenue per hl increased by 3.7% driven by a favorable brand mix. Normalized EBITDA increased by 1.0%, with a margin expansion of 145 bps.

Our Premium and above portfolio revenue continued to grow, despite a high base last year. Budweiser innovations, including Supreme and Magnum, grew by double-digits. The revenue contribution of Budweiser and Super Premium expansion cities to total revenue continued to increase. From a channel perspective, we continued to premiumize within each of our channels. As a result, our combined Premium and above volume weight increased by 2.5 pp.

On the digitization front, we have expanded BEES, our B2B wholesaler and customer engagement platform, to more than 265 cities. With the successful scale up, we are focusing on leveraging technology to further enhance our commercial capabilities and drive value creation for all our stakeholders.

Looking forward, we continue to leverage our megabrands and mega platforms to further connect with consumers and drive growth. We will launch our “SPORTS, NOW IS OUR PARTY” summer campaign alongside the nationwide introduction of Budweiser 0.0, starting with our partnership with the Olympic Qualifiers Series Part 1 – Shanghai.

Blue Girl will continue to sponsor Hong Kong celebrity concerts and leverage its “Explore more, Taste more” summer campaign to further elevate its vibrant Hong Kong positioning and connect with more consumers.

Corona will strategically partner with Ctrip to connect with Chinese consumers over their passion for travel and provide “unwinding” travel experiences. This summer, we will launch Corona Cero, a non-alcohol beer, as well as Corona Light, growing the Corona brand portfolio to further accelerate Corona’s expansion and extend our leadership in the Super Premium segment.



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

Press Release
Hong Kong / 8 May 2024 / 7.00am HKT

In 2024, Harbin became a partner of the National Basketball Association (NBA) with Klay Thompson, an NBA champion and All-Star, as the brand spokesperson. Furthermore, we introduced Harbin Icy GD Zero Sugar, targeting the new LDA (legal drinking age) generation and the growing health and wellness trend. Since its launch, Harbin Icy Genuine Draft has gained popularity, with volumes more than doubling.

India

Our India business continued to outperform the industry, based on our estimates, with volume and revenue growing by double-digits. The revenue of our Premium and Super Premium portfolio grew by double-digits.

APAC EAST

Volumes decreased by 4.0%, with revenue and revenue per hl increasing by 5.2% and 9.6% respectively. Normalized EBITDA increased by 18.7%, with a margin expansion of 334 bps.

South Korea

Volumes declined by mid-single digits, impacted by a soft industry. Revenue grew by mid-single-digits, while revenue per hl increased by high-single-digits driven by our revenue management initiatives.

We continued to lead the category through the strength of our brand portfolios. We gained total market share, with Cass, HANMAC, and Stella Artois all growing their market share in both the in-home and on-premise channels.

In 1Q24, we launched Cass Light “Zero Sugar”, targeting the increasing demand for health and wellness. We also responded to great consumer interest with the permanent addition to our portfolio of Cass Lemon Squeeze and Cass Lemon Squeeze 0.0, two popular limited editions from last summer. This summer, we will launch Cass Zero in the on-premise channel, and will leverage our partnership with the Korean Sports & Olympic Committee.



Bud APAC Consolidated Financial Information

Figure 2. Bud APAC consolidated income statement (million USD)

	1Q24	1Q23	Organic growth
Total volumes (thousand hls)	21,115	22,075	-4.8%
Revenue	1,643	1,702	-0.4%
Cost of sales	(797)	(848)	4.4%
Gross profit	846	854	3.8%
SG&A	(463)	(466)	-3.0%
Other operating income	25	30	-6.7%
Normalized profit from operations (normalized EBIT)	408	418	3.9%
Non-underlying items above EBIT	(13)	(4)	
Net finance income	14	2	
Share of results of associates	1	4	
Income tax expense	(117)	(115)	
Profit for the period	293	305	
Profit attributable to non-controlling interests	6	8	
Profit attributable to equity holders of Bud APAC	287	297	
Normalized EBITDA	572	580	4.2%
Normalized profit attributable to equity holders of Bud APAC	297	300	

Volumes

Total volumes decreased by 4.8% in 1Q24, mainly attributable to a soft industry in China and South Korea.

Revenue

Revenue decreased by 0.4% in 1Q24, while revenue per hl grew by 4.6%, driven by continued premiumization in China and India, as well as revenue management initiatives in APAC East.

Cost of Sales (CoS)

CoS decreased by 4.4% and increased by 0.4% on a per hl basis in 1Q24, mainly due to productivity initiatives, cost efficiency management and commodity tailwinds.



Selling, General and Administrative Costs (SG&A)

SG&A increased by 3.0% in 1Q24, driven by an increase in commercial investment.

Other operating income

Other operating income decreased by 6.7% in 1Q24, driven by lower disposals of non-core assets.

Non-underlying items above EBIT

Figure 3. Non-underlying items above EBIT (million USD)

	1Q24	1Q23
Restructuring	(13)	(4)
Impact on profit from operations	(13)	(4)

Normalized profit and profit

Figure 4. Normalized profit attributable to equity holders of Bud APAC (million USD)

	1Q24	1Q23
Profit attributable to equity holders of Bud APAC	287	297
Non-underlying items, before taxes	13	4
Non-underlying taxes	(3)	(1)
Normalized profit attributable to equity holders of Bud APAC	297	300

Earnings per share

Figure 5a. Basic earnings per share (cent USD)

	1Q24	1Q23
Basic earnings per share	2.18	2.25
Non-underlying items, before tax	0.10	0.03
Non-underlying taxes	(0.02)	(0.01)
Normalized basic earnings per share	2.26	2.27

Figure 5b. Diluted earnings per share (cent USD)

	1Q24	1Q23
Diluted earnings per share	2.16	2.24
Non-underlying items, before tax	0.10	0.03
Non-underlying taxes	(0.02)	(0.01)
Normalized diluted earnings per share	2.24	2.26



Reconciliation between profit attributable to equity holders and normalized EBITDA

Figure 6. Reconciliation of normalized EBITDA to profit attributable to equity holders of Bud APAC (million USD)

	1Q24	1Q23
Profit attributable to equity holders of Bud APAC	287	297
Non-controlling interests	6	8
Profit for the period	293	305
Income tax expense (excluding non-underlying)	120	116
Share of results of associates	(1)	(4)
Net finance income	(14)	(2)
Non-underlying items income tax benefit	(3)	(1)
Non-underlying items above EBIT	13	4
Normalized EBIT	408	418
Depreciation, amortization and impairment	164	162
Normalized EBITDA	572	580

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 IFRS accounting and 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 EBITDA and normalized EBIT do not have a standard calculation method and Bud APAC's definition of normalized EBITDA and normalized EBIT may not be comparable to that of other companies.



NOTES

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, the exports to regions outside of APAC, 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 and normalized EBIT are not accounting measures under IFRS. 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 EBITDA and normalized EBIT 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 risks and uncertainties relating to Bud APAC as described in the prospectus of Bud APAC dated 18 September 2019, 2023 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, 2023 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.



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

Press Release
Hong Kong / 8 May 2024 / 7.00am HKT

CONFERENCE CALL

Wednesday, 8 May 2024

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 24,000 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 Composite 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 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, the exports to regions outside of APAC, 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	1Q23	Scope	Currency Translation	Organic Growth	1Q24	Organic Growth
Total volumes (thousand hls)	22,075	94	–	(1,054)	21,115	-4.8%
Revenue	1,702	10	(63)	(6)	1,643	-0.4%
Cost of sales	(848)	(16)	29	38	(797)	4.4%
Gross profit	854	(6)	(34)	32	846	3.8%
Normalized EBIT	418	(8)	(18)	16	408	3.9%
Normalized EBITDA	580	(8)	(24)	24	572	4.2%
Normalized EBITDA margin	34.1%				34.8%	153 bps



ANNEX 2 – SEGMENT INFORMATION

Segment information is presented by geographical segments, consistent with the information available to and regularly evaluated 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, Southeast Asia and exports), 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 periods ended 31 March 2024 and 2023

	East		Asia Pacific West		Total	
	1Q24	1Q23	1Q24	1Q23	1Q24	1Q23
Volumes	2,556	2,663	18,559	19,412	21,115	22,075
Revenue	291	287	1,352	1,415	1,643	1,702
Normalized EBITDA	86	75	486	505	572	580
Normalized EBITDA margin %	29.6%	26.1%	35.9%	35.7%	34.8%	34.1%
Depreciation, amortization and impairment					(164)	(162)
Normalized profit from operations (Normalized EBIT)					408	418
Non-underlying items					(13)	(4)
Profit from operations (EBIT)					395	414
Net finance income					14	2
Share of results of associates					1	4
Income tax expense					(117)	(115)
Profit for the period					293	305



ANNEX 3 – ORGANIC AND REPORTED GROWTH FIGURES

Growth %	BUD APAC		APAC West		APAC East		China	
	Organic	Reported	Organic	Reported	Organic	Reported	Organic	Reported
1Q24								
Volume	-4.8%	-4.3%	-4.9%	-4.4%	-4.0%	-4.0%	-6.2%	-6.2%
Revenue per hl	4.6%	0.9%	3.6%	-0.1%	9.6%	5.6%	3.7%	-0.4%
Revenue	-0.4%	-3.5%	-1.5%	-4.5%	5.2%	1.4%	-2.7%	-6.5%
Normalized EBITDA	4.2%	-1.4%	2.0%	-3.8%	18.7%	14.7%	1.0%	-3.2%