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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 2024
AND
THE SECOND QUARTER 2024 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 2024 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 2024 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, 1 August 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 Six Months 2024 Results

"While our performance in 1H24 was negatively impacted by a soft industry in China, our geographic footprint with strong growth in South Korea and India mostly offset our performance in China, resulting in flattish overall EBITDA with EBITDA margin expansion versus 1H23. As we look ahead to the second half of the year, we remain focused on the execution of our strategy and continue to invest in our brands and capabilities to drive long-term growth."

– Jan Craps, CEO and Co-Chair

Volume

46.6 million hl beer
-6.2%¹

Total volumes decreased by 6.2% in the first half of 2024 (1H24), impacted by a soft industry in China that was partially offset by our strong performance in South Korea and India.

Revenue

3,399 million USD
-4.3%

Revenue decreased by 4.3%, or 7.3% on a reported basis. Revenue per hl grew 2.0% in 1H24, mainly driven by revenue management initiatives in APAC East.

Cost of Sales (CoS)

1,648 million USD
-6.8%

CoS decreased by 6.8%, or 8.4% on a reported basis. CoS per hl decreased by 0.6% in 1H24, mainly driven by cost management initiatives and commodity tailwinds.

Normalized EBITDA²

1,100 million USD
-1.0%

Normalized EBITDA in 1H24 decreased by 1.0%, impacted by our topline performance. Normalized EBITDA margin increased by 109 bps to 32.4%, driven by gross profit margin expansion led by revenue management initiatives and cost efficiency.

Normalized Effective Tax Rate (ETR)

30.9%

Normalized ETR decreased from 32.2% in 1H23 to 30.9% in 1H24, mainly due to lower withholding tax on dividends.

Normalized Profit

552 million USD

Normalized profit attributable to equity holders of Bud APAC decreased from 579 million USD in 1H23 to 552 million USD in 1H24. Profit attributable to equity holders of Bud APAC decreased from 575 million USD in 1H23 to 541 million USD in 1H24.

Normalized EPS³

4.19 cents USD

Normalized EPS decreased from 4.38 cents USD in 1H23 to 4.19 cents USD in 1H24. Basic EPS decreased from 4.35 cents USD in 1H23 to 4.10 cents USD in 1H24.

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

In 2Q24, our performance in China was impacted by a soft industry, which cycled channel reopenings in 2Q23, and adverse weather in key regions of our footprint. We outperformed the industry in South Korea, with strong market share gains and cost efficiency measures driving double-digit top- and bottom-line growth and substantial EBITDA margin expansion. We also outperformed in India, driven by double-digit Premium and Super Premium revenue growth.

Figure 1. Consolidated performance (million USD)

	1H24	1H23	Organic growth ¹
Total volumes (thousand hls)	46,573	49,456	-6.2%
Revenue	3,399	3,666	-4.3%
Gross profit	1,751	1,867	-1.9%
Gross margin	51.5%	50.9%	127 bps
Normalized EBITDA²	1,100	1,173	-1.0%
Normalized EBITDA margin	32.4%	32.0%	109 bps
Normalized EBIT	776	850	-3.2%
Normalized EBIT margin	22.8%	23.2%	26 bps
Profit attributable to equity holders of Bud APAC	541	575	
Normalized profit attributable to equity holders of Bud APAC	552	579	
EPS (cent USD)	4.10	4.35	
Normalized EPS (cent USD)³	4.19	4.38	

¹ Unless otherwise stated, the growth rates presented in this document are based on organic growth figures and refer to unaudited 1H24 and unaudited 2Q24 versus the same periods of last year. Please refer to Annex 1 for unaudited condensed consolidated interim statements of cash flows, Annex 2 for unaudited 2Q24 financial information, Annex 3 for further information on the unaudited calculation of organic growth figures and Annex 4 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 (13,186,151,855 shares in 1H24 and 13,218,684,620 shares in 1H23).



In 2Q24, total volume and revenue decreased by 7.3% and 7.8% respectively. Revenue per hl was flattish, with our revenue management initiatives in APAC East offset by the performance in China. Our normalized EBITDA in 2Q24 decreased by 6.2%, while our normalized EBITDA margin expanded by 53 bps.

In 1H24, total volume decreased by 6.2%, while revenue decreased by 4.3%, driven by the topline decline in China. Revenue per hl grew by 2.0%, driven by revenue management initiatives in APAC East, as well as continued premiumization in China and India. Normalized EBITDA decreased by 1.0%, while our normalized EBITDA margin increased by 109 bps, driven by gross margin expansion.

We maintained a sound balance sheet, in line with our disciplined financial practices and capital allocation priorities. As of 30 June 2024, our net cash position⁴ was 2.4 billion USD.

Sustainability

By the end of June 2024, our water usage for beer production in APAC has been reduced to 1.86 hl per hl, representing a 38% reduction against our 2017 baseline. In recognition of our efforts in driving sustainable growth, Bud APAC was included in S&P Global's 2024 Sustainability Yearbook (China).

We continued to proactively provide disaster relief to victims of recent disaster events in China. Since 2015, we have provided 2.6 million cans of emergency drinking water to 39 cities across China.

BUSINESS REVIEW

APAC WEST

In 2Q24, volumes decreased by 9.0%, while revenue and revenue per hl decreased by 13.2% and 4.6% respectively. Normalized EBITDA decreased by 16.3%.

In 1H24, volumes decreased by 7.2%, while revenue and revenue per hl decreased by 7.8% and 0.7% respectively. Normalized EBITDA decreased by 7.3%.

China

In 2Q24, volumes decreased by 10.3%, impacted by a soft industry, which cycled channel reopenings in 2Q23, and adverse weather in key regions of our footprint. Revenue declined by 15.2% and revenue per hl declined by 5.4%, resulting from heavy precipitation across the provinces of Guangdong and Fujian where a significant proportion of our premium geographic footprint is focused.

In 1H24, our EBITDA margin expanded back to pre-pandemic levels, driven by ongoing premiumization as well as cost management initiatives.

Revenue contribution from innovations within the Budweiser family, including Supreme and Magnum, continued to increase. In terms of channel expansion, revenue contribution from the in-home channel increased as a result of our continuing efforts to premiumize this channel as in-home consumption occasions continue to develop.

On the digitization front, BEES, our B2B wholesaler and customer engagement platform, has been expanded to 300 cities. With this successful scale up, we are focusing on leveraging technology to further enhance our commercial capabilities and drive value creation for all our stakeholders.

⁴ Our net cash position is calculated based on Cash and Cash Equivalents net of Bank Overdrafts on 30 June 2024.



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

Press Release

Hong Kong / 1 August 2024 / 7.00am HKT

From a portfolio perspective, we are connecting with consumers through our megabrands and mega platforms to drive growth:

- For Budweiser, we leverage summer sporting events to associate beer consumption with sports viewing and cheering on athletes and teams. These associations elevate and expand the reach of our ongoing “SPORTS, NOW IS OUR PARTY” summer campaign for Budweiser, launched alongside the nationwide introduction of Budweiser 0.0.
- In Super Premium, this summer we announced a strategic partnership between Corona and Ctrip that is building a strong association between the brand and “unwinding” travel experiences with consumers.
- In Core+, Harbin’s partnership with the NBA for the Playoffs in June, coupled with the growing health and wellness trend in China, supported the strong growth of our Core++ offering, Harbin Icy GD Zero Sugar. Its sales volumes more than doubled in 1H24 and 2Q24, with expanded reach and engagement among the LDA (legal drinking age) generation.

India

In 2Q24 and 1H24, our business in India continued to outperform the industry based on our estimates, with our Premium and Super Premium portfolio growing by double-digits in both periods and contributing more than two-thirds of our revenue.

APAC EAST

In 2Q24, volumes increased by 6.0%, with revenue and revenue per hl increasing by 21.2% and 14.4%, respectively. Normalized EBITDA increased by 69.6%, with EBITDA margin expanding by 899 bps.

In 1H24, volumes increased by 1.3%, with revenue and revenue per hl increasing by 13.5% and 12.1%, respectively. Normalized EBITDA increased by 43.1%, with EBITDA margin expanding by 633 bps.

South Korea

In 2Q24, volumes increased by mid-single-digits, while revenue increased by high-teens as we continued to lead the category through the strength of our brand portfolio. We outperformed the industry and achieved a strong overall total market share gain, supported by share gains in both the on-premise and in-home channels. Cass, HANMAC, and Stella Artois all grew their market shares.

Revenue per hl grew by mid-teens as we continued to benefit from our ongoing revenue management initiatives, as well as better package, channel and brand mix. Our EBITDA and EBITDA margin expanded substantially, thanks to our strong top-line performance and operating leverage.

Cass has launched Olympic themed packaging of Cass Fresh and Cass 0.0, as we aim to bring people together to cheer on athletes at the Olympics. We created more business opportunities for wholesalers by introducing non-alcohol beverage offerings in the on-premise channel, including Cass 0.0 in a 330ml bottle which delivers the same crisp taste as Cass Fresh.



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

	<i>Notes</i>	30 June 2024	30 June 2023
		<i>US\$'million</i>	<i>US\$'million</i>
Revenue	2	3,399	3,666
Cost of sales		(1,648)	(1,799)
Gross profit		1,751	1,867
Distribution expenses		(251)	(268)
Sales and marketing expenses		(536)	(566)
Administrative expenses		(244)	(234)
Other operating income	3	56	51
Profit from operations before non-underlying items		776	850
Non-underlying items	4	(15)	(5)
Profit from operations		761	845
Finance cost		(17)	(26)
Finance income		37	28
Net finance income		20	2
Share of results of associates		14	16
Profit before tax		795	863
Income tax expense	5	(242)	(273)
Profit for the period		553	590
Profit for the period attributable to:			
Equity holders of Bud APAC		541	575
Non-controlling interests		12	15
Earnings per share from profit attributable to the equity holders of Bud APAC:			
Basic earnings per share (cent USD)	6	4.10	4.35
Diluted earnings per share (cent USD)	6	4.07	4.33



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Press Release

Hong Kong / 1 August 2024 / 7.00am HKT

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	30 June 2024	30 June 2023
	<i>US\$'million</i>	<i>US\$'million</i>
Profit for the period	553	590
Other comprehensive (loss)/income:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	(388)	(501)
Gain on cash flow hedges	14	4
Other comprehensive loss, net of tax	(374)	(497)
Total comprehensive income	179	93
Total comprehensive income of the period attributable to:		
Equity holders of Bud APAC	168	82
Non-controlling interests	11	11



UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2024	31 December 2023
		<i>US\$'million</i>	<i>US\$'million</i>
ASSETS			
Non-current assets			
Property, plant and equipment		2,758	2,986
Goodwill		6,169	6,435
Intangible assets		1,499	1,572
Land use rights		202	210
Investment in associates		484	481
Deferred tax assets		216	231
Trade and other receivables		46	49
Other non-current assets		11	11
Total non-current assets		11,385	11,975
Current assets			
Inventories		429	444
Trade and other receivables	7	892	609
Derivatives		34	23
Cash pooling deposits to AB InBev		89	25
Cash and cash equivalents		2,406	3,141
Other current assets		19	17
Total current assets		3,869	4,259
Total assets		15,254	16,234
EQUITY AND LIABILITIES			
Equity			
Issued capital		–	–
Share premium		43,591	43,591
Capital reserve		(36,230)	(36,225)
Treasury shares		(89)	(95)
Other reserves		(1,499)	(1,157)
Retained earnings		4,514	4,671
Equity attributable to equity holders of Bud APAC		10,287	10,785
Non-controlling interests		70	65
Total equity		10,357	10,850



UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

		30 June 2024	31 December 2023
	Notes	US\$'million	US\$'million
Non-current liabilities			
Interest-bearing loans and borrowings		79	94
Deferred tax liabilities		408	421
Trade and other payables		12	18
Provisions	10	94	96
Income tax payable		35	43
Employee benefits		53	61
Other non-current liabilities		3	2
Total non-current liabilities		684	735
Current liabilities			
Cash pooling loans from AB InBev		88	—
Interest-bearing loans and borrowings		244	237
Trade and other payables	8	2,490	2,638
Payables with AB InBev	8	80	104
Consigned packaging and contract liabilities	8	1,130	1,456
Derivatives		2	10
Provisions	10	9	71
Income tax payable		170	133
Total current liabilities		4,213	4,649
Total equity and liabilities		15,254	16,234



NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. General Information and Basis of Presentation

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 presentation

The interim results announcement has been presented in accordance with the applicable disclosure requirements of Appendix D2 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 2024, 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), 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 2024 and 2023

	Asia Pacific					
	East		West		Total	
	30 June		30 June		30 June	
	2024	2023	2024	2023	2024	2023
Volumes	5,732	5,660	40,841	43,796	46,573	49,456
Revenue⁵	649	593	2,750	3,073	3,399	3,666
Normalized EBITDA	199	144	901	1,029	1,100	1,173
Normalized EBITDA margin %	30.7%	24.3%	32.8%	33.5%	32.4%	32.0%
Depreciation, amortization and impairment					(324)	(323)
Normalized profit from operations (Normalized EBIT)					776	850
Non-underlying items (Note 4)					(15)	(5)
Profit from operations (EBIT)					761	845
Net finance income					20	2
Share of results of associates					14	16
Income tax expense					(242)	(273)
Profit for the period					553	590
Segment assets (non-current)	4,577	4,802	6,808	6,993	11,385	11,795
Gross capex	17	15	155	231	172	246

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.

⁵ Revenue represents sales of beer products recognized at a point of time.



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 2024	30 June 2023
	<i>US\$’million</i>	<i>US\$’million</i>
Profit attributable to equity holders of Bud APAC	541	575
Non-controlling interests	12	15
Profit for the period	553	590
Income tax expense	242	273
Share of results of associates	(14)	(16)
Net finance income	(20)	(2)
Non-underlying items above EBIT	15	5
Normalized EBIT	776	850
Depreciation and amortization	324	323
Normalized EBITDA	1,100	1,173

3. Other operating income

	30 June 2024	30 June 2023
	<i>US\$’million</i>	<i>US\$’million</i>
Grants and incentives	23	25
Net gain on disposal of property, plant and equipment and intangible assets	21	17
Other operating income	12	9
Other operating income	56	51



4. Non-underlying items

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

	30 June 2024	30 June 2023
	<i>US\$'million</i>	<i>US\$'million</i>
Restructuring	(15)	(5)
Impact on profit from operations	(15)	(5)
Tax impact on non-underlying items	4	1
Net impact on profit	(11)	(4)

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.

5. Income tax expense

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

	30 June 2024	30 June 2023
	<i>US\$'million</i>	<i>US\$'million</i>
Current year	(239)	(271)
Over/(underprovided) in prior years	5	(24)
Current tax expense	(234)	(295)
Deferred tax (charge)/credit	(8)	22
Total income tax expense	(242)	(273)
Effective tax rate (ETR)	31.0%	32.2%
Normalized ETR⁶	30.9%	32.2%

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.

⁶ 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 2024	30 June 2023
Profit attributable to equity holders of Bud APAC (Million US Dollar)	541	575
Weighted average number of ordinary shares in issue	13,186,151,855	13,218,684,620
Basic earnings per share (cent USD)	4.10	4.35

	30 June 2024	30 June 2023
Profit attributable to equity holders of Bud APAC (Million US Dollar)	541	575
Weighted average number of ordinary shares (diluted)	13,284,329,577	13,283,240,782
Diluted earnings per share (cent USD)	4.07	4.33

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

	30 June 2024	30 June 2023
Normalized profit attributable to equity holders of Bud APAC (Million US Dollar)	552	579
Weighted average number of ordinary shares in issue	13,186,151,855	13,218,684,620
Normalized basic earnings per share (cent USD)	4.19	4.38

	30 June 2024	30 June 2023
Normalized profit attributable to equity holders of Bud APAC (Million US Dollar)	552	579
Weighted average number of ordinary shares (diluted)	13,284,329,577	13,283,240,782
Normalized diluted earnings per share (cent USD)	4.16	4.36

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 2024	30 June 2023
Basic earnings per share	4.10	4.35
Non-underlying items, before tax	0.11	0.04
Non-underlying taxes	(0.02)	(0.01)
Normalized basic earnings per share	4.19	4.38



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

Press Release

Hong Kong / 1 August 2024 / 7.00am HKT

	30 June 2024	30 June 2023
Diluted earnings per share	4.07	4.33
Non-underlying items, before tax	0.11	0.04
Non-underlying taxes	(0.02)	(0.01)
Normalized diluted earnings per share	4.16	4.36

7. Trade and other receivables

	30 June 2024	31 December 2023
	<i>US\$'million</i>	<i>US\$'million</i>
Trade receivables and accrued income	711	419
Trade receivables with AB InBev	7	8
Indirect tax receivable	88	102
Prepayments	73	72
Other receivables	13	8
Current trade and other receivables	892	609

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 4 million US dollar were recognized for the six months ended 30 June 2024 and 2023 respectively.

As of 30 June 2024 and 31 December 2023, the aging analysis of current trade receivables and trade receivables with AB InBev, based on due date, is as follows:

	30 June 2024	31 December 2023
	<i>US\$'million</i>	<i>US\$'million</i>
Not past due	655	391
Past due as of reporting date:		
Less than 30 days	25	15
Between 30 and 59 days	13	8
Between 60 and 89 days	7	5
More than 90 days	18	8
Net carrying amount of trade receivables and trade receivables with AB InBev	718	427



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

	30 June 2024	31 December 2023
	<i>US\$'million</i>	<i>US\$'million</i>
Trade payables and accrued expenses	1,861	1,997
Payroll and social security payables	89	118
Indirect taxes payable	363	335
Contingent consideration on acquisitions	7	7
Other payables	170	181
Current trade and other payables	2,490	2,638

	30 June 2024	31 December 2023
	<i>US\$'million</i>	<i>US\$'million</i>
Payables with AB InBev	80	104

The Group pays the outstanding balances to the creditors according to the credit terms. As of 30 June 2024 and 31 December 2023, trade payables and payables to AB InBev were 1,941 million US dollar and 2,101 million US dollar respectively.

As of 30 June 2024 and 31 December 2023, the aging analysis of current trade payables and payable with AB InBev, based on due date, is as follows:

	30 June 2024	31 December 2023
	<i>US\$'million</i>	<i>US\$'million</i>
Not past due	1,822	1,908
Past due as of reporting date:		
Less than 30 days	91	147
Between 30 and 89 days	17	15
More than 90 days	11	31
Net carrying amount of trade payables and payables with AB InBev	1,941	2,101

	30 June 2024	31 December 2023
	<i>US\$'million</i>	<i>US\$'million</i>
Consigned packaging	400	360
Contract liabilities	730	1,096
Consigned packaging and contract liabilities	1,130	1,456



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 2023 or has been recognized as revenue during the six months ended 30 June 2024.

9. Dividends

On 14 May 2024, a final dividend of US dollar 5.29 cents per share (equivalent to HK dollar 41.28 cents per share) was approved by the shareholders at the annual general meeting of the Company. This represents 82% of the profit attributable to equity holders of Bud APAC for the year ended 31 December 2023. This final dividend was paid out on 20 June 2024. The total dividend payment for the 2023 fiscal year of approximately 698 million US dollar attributable to equity holders of Bud APAC was recognized during the six months ended 30 June 2024 in the unaudited condensed consolidated financial statements.

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 attributable to equity holders of Bud APAC was recognized during the six months ended 30 June 2023 in the unaudited condensed consolidated financial statements.

No dividends were declared or proposed during the six months ended 30 June 2024.

10. Provision

	Restructuring	2024 Disputes and others	Total
	<i>US\$'million</i>	<i>US\$'million</i>	<i>US\$'million</i>
Balance as of 1 January 2024	15	152	167
Effect of changes in foreign exchange rates	–	(4)	(4)
Provisions made	6	1	7
Provisions used	(12)	(54)	(66)
Provisions reversed	–	(1)	(1)
Balance as of 30 June 2024	9	94	103

During the year ended 31 December 2023, Oriental Brewery Co., Ltd in South Korea, received a tax audit claim related to customs duties covering transactions from 2018. Under South Korean Law, an assessment must be pre-paid prior to appealing an assessment. A 56 million US dollar provision was set up in 2023 related to the tax assessment and was paid in January 2024. Oriental Brewery Co., Ltd has appealed.



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 C1 to the Listing Rules during the six months ended on 30 June 2024, 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 2023 Annual Report.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

For the six months ended 30 June 2024, 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, 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, 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, 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.

The Second Quarter of 2023 (2Q23) and 2024 (2Q24) financial data set out in Annex 2 of this press release and the calculation of organic growth figures set out in Annex 3 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 (1H24) 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 / 1 August 2024 / 7.00am HKT

CONFERENCE CALL

Thursday, 1 August 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®, Harbin®, Hoegaarden® and Cass®. 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 Index. 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 CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2024

	30 June 2024	30 June 2023
	<i>US\$'million</i>	<i>US\$'million</i>
Operating activities		
Profit for the period	553	590
Interest, taxes and other non-cash items included in profit	565	614
Cash flow from operating activities before changes in working capital and use of provisions	1,118	1,204
Change in working capital	(659)	(225)
Pension contribution and use of provision	(80)	(31)
Net interest and taxes (paid)/received	(167)	(197)
Dividends received	11	11
Cash flow from operating activities	223	762
Investing activities		
Net cash flow from (acquisition) / sale of property, plant and equipment and intangible assets	(166)	(231)
Acquisition of subsidiaries, net of cash acquired	(9)	(8)
Net cash flow from (acquisition)/sale of other investments	(11)	(12)
(Placement of)/proceeds from cash pooling deposits to AB InBev	(64)	28
Cash flow used in investing activities	(250)	(223)
Financing activities		
Dividends paid	(704)	(503)
Proceeds from cash pooling loans from AB InBev	88	–
Net proceeds from borrowings	15	80
Payments of lease liabilities	(31)	(26)
Other financing cash flows	(13)	(21)
Cash flow used in financing activities	(645)	(470)
Net (decrease)/increase in cash and cash equivalents	(672)	69
Cash and cash equivalents less bank overdrafts at beginning of period	3,141	2,458
Effect of exchange rate fluctuations	(63)	(117)
Cash and cash equivalents less bank overdrafts at end of period	2,406	2,410



ANNEX 2 – UNAUDITED 2Q24 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 2023 (2Q23) and 2024 (2Q24) 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)

	2Q24	2Q23	Organic growth
Total volumes (thousand hls)	25,458	27,381	-7.3%
Revenue	1,756	1,964	-7.8%
Gross profit	905	1,013	-6.8%
Gross margin	51.5%	51.6%	57 bps
Normalized EBITDA	528	593	-6.2%
Normalized EBITDA margin	30.1%	30.2%	53 bps
Normalized EBIT	368	432	-10.1%
Normalized EBIT margin	21.0%	22.0%	-54 bps
Profit attributable to equity holders of Bud APAC	254	278	
Normalized profit attributable to equity holders of Bud APAC	255	279	



ANNEX 3 – 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.

Bud APAC	1H23	Scope	Currency Translation	Organic Growth	1H24	Organic Growth
Total volumes (thousand hls)	49,456	180	–	(3,063)	46,573	-6.2%
Revenue	3,666	15	(123)	(159)	3,399	-4.3%
Cost of sales	(1,799)	(29)	57	123	(1,648)	6.8%
Gross profit	1,867	(14)	(66)	(36)	1,751	-1.9%
Normalized EBIT	850	(15)	(32)	(27)	776	-3.2%
Normalized EBITDA	1,173	(17)	(44)	(12)	1,100	-1.0%
Normalized EBITDA margin	32.0%				32.4%	109 bps

Bud APAC	2Q23	Scope	Currency Translation	Organic Growth	2Q24	Organic Growth
Total volumes (thousand hls)	27,381	86	–	(2,009)	25,458	-7.3%
Revenue	1,964	5	(60)	(153)	1,756	-7.8%
Cost of sales	(951)	(13)	28	85	(851)	8.9%
Gross profit	1,013	(8)	(32)	(68)	905	-6.8%
Normalized EBIT	432	(7)	(14)	(43)	368	-10.1%
Normalized EBITDA	593	(9)	(20)	(36)	528	-6.2%
Normalized EBITDA margin	30.2%				30.1%	53 bps



ANNEX 4 – ORGANIC AND REPORTED GROWTH FIGURES

Growth %	BUD APAC		APAC West		APAC East		China	
	Organic	Reported	Organic	Reported	Organic	Reported	Organic	Reported
Volume								
2Q24	-7.3%	-7.0%	-9.0%	-8.6%	6.0%	6.0%	-10.3%	-10.3%
1H24	-6.2%	-5.8%	-7.2%	-6.7%	1.3%	1.3%	-8.5%	-8.5%
Revenue per hl								
2Q24	-0.5%	-3.8%	-4.6%	-7.7%	14.4%	10.4%	-5.4%	-9.1%
1H24	2.0%	-1.5%	-0.7%	-4.0%	12.1%	8.1%	-1.0%	-4.9%
Net revenue								
2Q24	-7.8%	-10.6%	-13.2%	-15.7%	21.2%	17.0%	-15.2%	-18.5%
1H24	-4.3%	-7.3%	-7.8%	-10.5%	13.5%	9.4%	-9.4%	-13.0%
Normalized EBITDA								
2Q24	-6.2%	-11.0%	-16.3%	-20.8%	69.6%	63.8%	-17.2%	-20.5%
1H24	-1.0%	-6.2%	-7.3%	-12.4%	43.1%	38.2%	-8.3%	-12.1%