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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 2023

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 2023 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 2023 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, 4 May 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 Three Months 2023 Result

“We delivered double-digit top- and bottom-line growth in the first three months of 2023, supported by a strong recovery trend in China and continued growth in South Korea and India. Revenue per hl grew in all three major markets led by revenue management initiatives and ongoing premiumization, alongside healthy market share gains in each market.”

— Jan Craps, CEO and Co-Chair

Volume

22,075 thousand hl beer
+9.1%¹

Total volumes increased by 9.1% in the first quarter of 2023 (1Q23), led by strong recovery in China and continued growth in South Korea and India.

Cost of Sales (CoS)

848 million USD
+14.8%

CoS increased by 14.8% and CoS per hl increased by 5.2% in 1Q23 respectively, driven by anticipated commodities escalation partially offset by cost initiatives.

Normalized EPS³

2.27 cents USD

Normalized EPS decreased from 2.30 cents USD in the first quarter of 2022 (1Q22) to 2.27 cents USD in 1Q23. Basic EPS decreased from 2.28 cents USD in 1Q22 to 2.25 cents USD in 1Q23.

Revenue

1,702 million USD
+12.9%

Revenue grew by 12.9% and revenue per hl grew by 3.5% in 1Q23, respectively, driven by revenue management initiatives and ongoing premiumization.

Normalized EBITDA²

580 million USD
+10.4%

Normalized EBITDA improved by 10.4% in 1Q23, driven by business recovery. Normalized EBITDA margin dropped 78 bps and reached 34.1%, driven by commodity escalation and a one-off gains from divestment of assets in 1Q22.

Normalized Profit

300 million USD

Normalized profit attributable to equity holders of Bud APAC decreased from 304 million USD in 1Q22 to 300 million USD in 1Q23, representing a 1.3% reported decline. Profit attributable to equity holders of Bud APAC decreased from 302 million USD in 1Q22 to 297 million USD in 1Q23.

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

1Q23 results point to a promising start of an exciting year. China is back with a business rebound that supported a double-digit revenue expansion. Our volume, revenue and EBITDA in China all grew to above pre-pandemic levels. Our Premium and Super Premium revenue grew by double digits, confirming the premiumization trend. South Korea and India continued to deliver double-digit revenue growth and market share gains.

Figure 1. Consolidated performance (million USD)

	1Q23	1Q22	Organic growth ¹
Total volumes (thousand hls)	22,075	20,231	9.1%
Revenue	1,702	1,632	12.9%
Gross profit	854	833	11.1%
Gross margin	50.2%	51.0%	-81 bps
Normalized EBITDA²	580	570	10.4%
Normalized EBITDA margin	34.1%	34.9%	-78 bps
Normalized EBIT	418	394	15.1%
Normalized EBIT margin	24.6%	24.1%	46 bps
Profit attributable to equity holders of Bud APAC	297	302	
Normalized profit attributable to equity holders of Bud APAC	300	304	
Normalized basic earnings per share (cent USD)³	2.27	2.30	

Total volumes grew by 9.1% as our business in China recovered, further supported by performances in South Korea and India. Revenue increased by 12.9%, with revenue management initiatives and on-going premiumization supporting a 3.5% expansion of revenue per hl. Normalized EBITDA grew by 10.4%.

¹ Unless otherwise stated, the growth rates presented in this document are based on organic growth figures and refer to 1Q23 versus the same period of last year. Please refer to Annex 1 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 (13,217,495,956 shares in 1Q23 and 13,221,467,605 shares in 1Q22).



BUSINESS REVIEW

APAC WEST

Volumes grew by 9.0%, with revenue increasing by 12.7%. Revenue per hl increased by 3.4% while normalized EBITDA increased by 11.6%.

China

Volumes in China grew by 7.4%. Our performance in January was affected by the Chinese New Year phasing 10 days earlier than last year and progressive on-premise recovery at the start of the quarter. However, in February and March we saw a strong recovery of volumes in all channels and in all city tiers to well above pre-pandemic levels, while further expanding our market share. Our premiumization strategy continued to prove effective with our Premium and Super Premium segments increasing their volume weight.

Revenue grew by 10.9% while revenue per hl increased by 3.2%, benefiting from premiumization, with Budweiser and Super Premium revenues increasing by double digits as compared to last year, as well as revenue management initiatives. The top-line recovery enabled a 12.6% expansion in normalized EBITDA, well above pre-pandemic level.

On the digitization front, BEES, our B2B wholesaler and customer engagement platform, has been expanded to more than 180 cities and represented approximately 40% of our China revenue in March.

With respect of innovation, Budweiser innovations, including Supreme and Magnum, grew strong double digits. We recently launched our latest innovation, Harbin Icy Genuine Draft, a beer that brings instant icy refreshment to our consumers — another example of how we are catering to the rising demand for new product offerings and differentiated drinking experiences.

India

Volume grew by strong double digits as we continued to gain market share and lead the premium segment. Revenue increased by strong double digits with our Premium and Super Premium segments also seeing strong double-digit growth.

APAC EAST

Volumes grew by 10.0%, with revenue increasing by 13.8% and revenue per hl increasing by 3.5%. Normalized EBITDA grew by 2.6%.



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

Press Release

Hong Kong / 4 May 2023 / 7.00am HKT

South Korea

Volumes expanded by double digits as we gained market share in both the on-premise and in-home channels. Revenue grew by double digits, supported by mid-single-digit revenue per hl growth. As a result, EBITDA grew by mid-single digits, with top-line growth partially offset by raw material cost escalation and increased commercial investment. We launched a new campaign for Cass to maximize consumer empathy and bring people together, and the “Smooth, Smooth, Different” 360 marketing campaign for HANMAC.

Environmental, Social, and Governance

Our RE100 coverage reached approximately 50% in APAC. We accelerated our progress by connecting solar energy generated at our breweries to the state grid in China, with the Nanchang and Nantong breweries being the newest to do so in the first quarter of 2023. Three of our breweries in China have also received National Water Efficiency Awards jointly issued by the Ministry of Industry and Information Technology, the Ministry of Water Resources, the National Development and Reform Commission, and the State Administration for Market Regulation, showing further recognition of our water management leadership in the beer industry.

We leveraged our iconic brand Corona to create a novel closed-loop model of “Rural Revitalization,” supporting local farmers in Anyue of Sichuan province to grow limes with over 235,000 kgs harvested for the Corona Extra Lime initiative, while also providing Chinese consumers with the Corona “Drinking with Lime” experience. This initiative has won multiple social impact and brand influence awards, including most recently the Creative Commerce Grand Prix award at the 2023 Spikes Asia Awards.

In February, we also evolved our Board Audit Committee to an Audit and Risk Committee and launched a management-level Risk Committee.

We welcome you to join our ESG Webcast at 3pm HKT on Monday, 15 May 2023. Please refer to details on our website at <https://www.budweiserapac.com/Upcoming/index.html>.



Bud APAC Consolidated Financial Information

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

	1Q23	1Q22	Organic growth
Total volumes (thousand hls)	22,075	20,231	9.1%
Revenue	1,702	1,632	12.9%
Cost of sales	(848)	(799)	-14.8%
Gross profit	854	833	11.1%
SG&A	(466)	(479)	-5.5%
Other operating income	30	40	-17.5%
Normalized profit from operations (normalized EBIT)	418	394	15.1%
Non-underlying items above EBIT	(4)	(3)	
Net finance income	2	1	
Share of results of associates	4	1	
Income tax expense	(115)	(85)	
Profit for the period	305	308	
Profit attributable to non-controlling interests	8	6	
Profit attributable to equity holders of Bud APAC	297	302	
Normalized EBITDA	580	570	10.4%
Normalized profit attributable to equity holders of Bud APAC	300	304	

Volumes

Total volumes increased by 9.1% in 1Q23, mainly attributed to a recovery in China and continued growth in South Korea and India.

Revenue

Revenue increased by 12.9% in 1Q23 with revenue per hl growing by 3.5%, driven by revenue management initiatives and ongoing premiumization.

Cost of Sales (CoS)

CoS increased by 14.8% and increased by 5.2% on a per hl basis in 1Q23, impacted by commodities escalation, partially offset by continued cost management initiatives and optimized sourcing.

Selling, General and Administrative Costs (SG&A)

SG&A decreased by 5.5% in 1Q23, driven by the Chinese New Year campaign phasing 10 days earlier than last year and leading to lower sales and marketing investment in the period.



Other operating income

Other operating income decreased by 17.5% in 1Q23, due to a one-off brewery asset divestment in 2022.

Non-underlying items above EBIT

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

	<u>1Q23</u>	<u>1Q22</u>
Restructuring	(4)	(3)
Impact on profit from operations	(4)	(3)

Normalized profit and profit

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

	<u>1Q23</u>	<u>1Q22</u>
Profit attributable to equity holders of Bud APAC	297	302
Non-underlying items, before taxes	4	3
Non-underlying taxes	(1)	(1)
Normalized profit attributable to equity holders of Bud APAC	300	304

Earnings per share

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

	<u>1Q23</u>	<u>1Q22</u>
Basic earnings per share	2.25	2.28
Non-underlying items, before tax	0.03	0.02
Non-underlying taxes	(0.01)	–
Normalized basic earnings per share	2.27	2.30

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

	<u>1Q23</u>	<u>1Q22</u>
Diluted earnings per share	2.24	2.28
Non-underlying items, before tax	0.03	0.02
Non-underlying taxes	(0.01)	–
Normalized diluted earnings per share	2.26	2.30



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)

	1Q23	1Q22
Profit attributable to equity holders of Bud APAC	297	302
Non-controlling interests	8	6
Profit for the period	305	308
Income tax expense (excluding non-underlying)	116	86
Share of results of associates	(4)	(1)
Net finance income	(2)	(1)
Non-underlying items income tax benefit	(1)	(1)
Non-underlying items above EBIT	4	3
Normalized EBIT	418	394
Depreciation, amortization and impairment	162	176
Normalized EBITDA	580	570

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, 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 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.



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

Press Release

Hong Kong / 4 May 2023 / 7.00am HKT

CONFERENCE CALL

Thursday, 4 May 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 25,000 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 – ORGANIC AND REPORTED GROWTH FIGURES

Growth %	BUD APAC		APAC West		APAC East		China	
	Organic	Reported	Organic	Reported	Organic	Reported	Organic	Reported
1Q23								
Volume	9.1%	9.1%	9.0%	9.0%	10.0%	10.0%	7.4%	7.4%
Revenue per hl	3.5%	-4.4%	3.4%	-4.8%	3.5%	-2.6%	3.2%	-5.0%
Revenue	12.9%	4.3%	12.7%	3.7%	13.8%	7.1%	10.9%	2.0%
Normalized EBITDA	10.4%	1.8%	11.6%	2.4%	2.6%	-2.6%	12.6%	3.5%