

**IPO FACT SHEET**
**Budweiser Brewing Company APAC Limited (1876)**
**ISSUE STATISTICS**

<b>Offer Size:</b>	HK\$34,083.5m – HK\$37,870.5m
<b>Placement Tranche:</b>	1,262,350,000 Shares
<b>Price:</b>	HK\$27 – HK\$30
<b>Board lot:</b>	100
<b>Entry fee:</b>	HK\$3,030.23
<b>Historical PE</b>	47.56x – 52.85x
<b>Net tangible liabilities per share:</b>	HK\$0.35 – HK\$0.35
<b>Market Cap (post-IPO):</b>	HKD352,459.2m - HKD391,621.4m
<b>Open:</b>	18 Sep 2019
<b>Close:</b>	12.00 noon on 23 Sep 2019
<b>Trading:</b>	30 Sep 2019
<b>Sponsor:</b>	J.P. Morgan Securities (Far East) Limited, Morgan Stanley Asia Limited

<b>Year ended 31 Dec</b>	<b>(USD\$ m)</b>	<b>yoy % chg</b>
Revenue		
2017	6,099	N.A
2018	6,740	10.5%
Profit for the period		
2017	572	N.A
2018	959	67.7%

**BACKGROUND**

- They are Budweiser Brewing Company APAC Limited, part of the AB InBev Group.
- They are the largest and a fast growing beer company in Asia Pacific.
- They are also one of the most profitable Asia-based beer companies in terms of Normalized EBITDA in 2018.
- They produce, import, market, distribute and sell a portfolio of more than 50 beer brands, which they own or have licensed, including Budweiser, Stella Artois and Corona, their global brands, along with their multi-country brands and local brands, such as Hoegaarden, Cass and Harbin.
- They consider China, South Korea, India and Vietnam to be their principal markets.

**BUSINESS STRATEGIES**

- Driving top line growth through their four main commercial strategies:
- Premiumize at scale – they will continue to leverage their brands to grow by exploring new ways of packaging and routes to market to target specific consumer trends.
- Differentiating the Core – they see significant potential to grow their brands in their Core and Core+ category.
- Growth via adjacencies – they will continue to create and identify new products by leveraging their core assets and resources to address evolving consumer needs.
- Commercial expansion – they have developed and will continue to deploy their commercial expansion model to address opportunities in new markets.
- Inorganic growth through regional M&A in Asia Pacific growth markets.
- Business transformation enabled by technology.
- Enhance reputation and license to operate.
- Continue to maintain operational excellence and drive operational leverage.
- Continue to invest in their people pipeline.

**COMPETITIVE STRENGTHS**

- Pan-Asian brewing champion positioned for high growth and increased profitability.
- Broad portfolio of brands that enables growth through category expansion.
- Best positioned to capture premiumization and trading-up trends across Asia Pacific.
- Marketing capabilities driven by consumer insights and product innovation.
- Exceptional routes to market that bring them closer to consumers.
- Driving industry premiumization through their leadership positions and long-term commitment in China, South Korea and India.
- A culture that is focused on delivering results through operational excellence and financial discipline, ownership and long-term sustainability.
- A highly experienced senior management team with a focus on delivering consistently strong business results and building high quality teams.
- Mutually beneficial relationship with their controlling shareholder and strategic partner, AB InBev.

**KEY RISKS**

- Their business and results of operations are affected by changes in regional and global economic conditions and certain risks common to the beer industry.
- They are exposed to political and regulatory risks associated with operating in highly regulated markets across Asia Pacific.
- Competition and changing consumer preferences could lead to a reduction in their margins, increase costs and adversely affect their profitability.
- They rely on the reputation of their brands, including brands licensed from AB InBev, and their marketing efforts may be restricted by regulations.
- AB InBev, their controlling shareholder, is currently involved in many aspects of their business, including the licensing of intellectual property rights, the export and production of AB InBev products for sale in the Asia Pacific region, and the negotiation of global procurement and strategic services agreements, and they are subject to risks associated with AB InBev's global business.
- They have significant amounts of goodwill and intangible assets recorded on their balance sheet. An impairment of goodwill or other intangible assets would adversely affect their financial condition and results of operations.
- They are subject to risks from their participation in certain Cash Pooling Arrangements with the AB InBev Group.

**DIVIDEND POLICY**

- Their current dividend policy is to declare a dividend representing in aggregate at least 25% of their consolidated profit attributable to their equity holders.

**USE OF PROCEEDS**

	HK mn	As a percentage of gross proceeds from the Invitation
Will be used immediately to repay loans due to AB InBev subsidiaries to complete the Reorganization.	36,848.8	100.0%
<b>Total:</b>	<b>36,848.8</b>	<b>100.0%</b>

## Disclosures/Disclaimers

This report is prepared by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is a licensed corporation providing securities brokerage and securities advisory services in Hong Kong.

This report is provided for information only and is not an offer or a solicitation to deal in securities or to enter into any legal relations, nor an advice or a recommendation with respect to such securities.

**This report is prepared for general circulation.** It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. Advice should be sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before the person makes a commitment to purchase the investment product.

This report is confidential. This report may not be published, circulated, reproduced or distributed in whole or in part by any recipient of this report to any other person without the prior written consent of UOBKHHK. This report is not directed to or intended for distribution to or use by any person or any entity who is a citizen or resident of or located in any locality, state, country or any other jurisdiction as UOBKHHK may determine in its absolute discretion, where the distribution, publication, availability or use of this report would be contrary to applicable law or would subject UOBKHHK and its associates (as defined in the Securities and Futures Ordinance, Chapter 571 of Hong Kong) to any registration, licensing or other requirements within such jurisdiction.

The information or views in the report ("Information") has been obtained or derived from sources believed by UOBKHHK to be reliable. However, UOBKHHK makes no representation as to the accuracy or completeness of such sources or the Information and UOBKHHK accepts no liability whatsoever for any loss or damage arising from the use of or reliance on the Information. UOBKHHK and its associates may have issued other reports expressing views different from the Information and all views expressed in all reports of UOBKHHK and its associates are subject to change without notice. UOBKHHK reserves the right to act upon or use the Information at any time, including before its publication herein.

Except as otherwise indicated below, (1) UOBKHHK, its associates and its officers, employees and representatives may, to the extent permitted by law, transact with, perform or provide broking, underwriting, corporate finance-related or other services for or solicit business from, the subject corporation(s) referred to in this report. (2) UOBKHHK, its associate and its officers, employees and representatives may also, to the extent permitted by law, transact with, perform or provide broking or other services for or solicit business from, other persons in respect of dealings in the securities referred to in this report or other investments related thereto. (3) the officers, employees and representatives of UOBKHHK may also serve on the board of directors or in trustee positions with the subject corporation(s) referred to in this report. (All of the foregoing is hereafter referred to as the "Subject Business"). and (4) UOBKHHK may otherwise have an interest (including a proprietary interest) in the subject corporation(s) referred to in this report.

As of the date of this report, no analyst responsible for any of the content in this report has any proprietary position or material interest in the securities of the corporation(s) which are referred to in the content they respectively author or are otherwise responsible for.

### IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report is prepared by UOBKHHK, a company authorized, as noted above, to engage in securities activities in Hong Kong. UOBKHHK is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution by UOBKHHK (whether directly or through its US registered broker dealer affiliate named below) to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). All US persons that receive this document by way of distribution from or which they regard as being from UOBKHHK by their acceptance thereof represent and agree that they are a major institutional investor and understand the risks involved in executing transactions in securities.

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through UOB Kay Hian (U.S.) Inc ("UOBKHUS"), a registered broker-dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through UOBKHHK.

UOBKHUS accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to and intended to be received by a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of UOBKHUS and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

### Analyst Certification/Regulation AC

Each research analyst of UOBKHHK who produced this report hereby certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject corporation(s) and securities in this report. (2) the report was produced independently by him/her. (3) he/she does not carry out, whether for himself/herself or on behalf of UOBKHHK or any other person, any of the Subject Business involving any of the subject corporation(s) or securities referred to in this report. and (4) he/she has not received and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. However, the compensation received by each such research analyst is based upon various factors, including UOBKHHK's total revenues, a portion of which are generated from UOBKHHK's business of dealing in securities.

Reports are distributed in the respective countries by the respective entities and are subject to the additional restrictions listed in the following table.

General	This report is not intended for distribution, publication to or use by any person or entity who is a citizen or resident of or located in any country or jurisdiction where the distribution, publication or use of this report would be contrary to applicable law or regulation.
Hong Kong	This report is distributed in Hong Kong by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is regulated by the Securities and Futures Commission of Hong Kong. Neither the analyst(s) preparing this report nor his associate, has trading and financial interest and relevant relationship specified under Para. 16.4 of Code of Conduct in the listed corporation covered in this report. UOBKHHK does not have financial interests and business relationship specified under Para. 16.5 of Code of Conduct with the listed corporation covered in this report. Where the report is distributed in Hong Kong and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKHHK (and not the relevant foreign research house) in Hong Kong in respect of any matters arising from, or in connection with, the analysis or report. and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Hong Kong who is not a professional investor, or institutional investor, UOBKHHK accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Indonesia	This report is distributed in Indonesia by PT UOB Kay Hian Securities, which is regulated by Financial Services Authority of Indonesia (OJK). Where the report is distributed in Indonesia and contains research analyses or reports from a foreign research house, please note recipients of the analyses or reports are to contact PT UOBKH (and not the relevant foreign research house) in Indonesia in respect of any matters arising from, or in connection with, the analysis or report.
Malaysia	Where the report is distributed in Malaysia and contains research analyses or reports from a foreign research house, the recipients of the analyses or reports are to contact UOBKHM (and not the relevant foreign research house) in Malaysia, at +603-21471988, in respect of any matters arising from, or in connection with, the analysis or report as UOBKHM is the registered person under CMSA to distribute any research analyses in Malaysia.
Singapore	This report is distributed in Singapore by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser regulated by the Monetary Authority of Singapore. Where the report is distributed in Singapore and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKH (and not the relevant foreign research house) in Singapore in respect of any matters arising from, or in connection with, the analysis or report. and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, UOBKH accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Thailand	This report is distributed in Thailand by UOB Kay Hian Securities (Thailand) Public Company Limited, which is regulated by the Securities and Exchange Commission of Thailand.
United Kingdom	This report is being distributed in the UK by UOB Kay Hian (U.K.) Limited, which is an authorised person in the meaning of the Financial Services and Markets Act and is regulated by The Financial Conduct Authority. Research distributed in the UK is intended only for institutional clients.
United States of America ('U.S.')	This report cannot be distributed into the U.S. or to any U.S. person or entity except in compliance with applicable U.S. laws and regulations. It is being distributed in the U.S. by UOB Kay Hian (US) Inc, which accepts responsibility for its contents. Any U.S. person or entity receiving this report and wishing to effect transactions in any securities referred to in the report should contact UOB Kay Hian (US) Inc. directly.

Copyright 2019, UOB Kay Hian (Hong Kong) Ltd. All rights reserved.

<http://www.utrade.com.hk>