

**IPO FACT SHEET**

**Budweiser Brewing Company APAC Limited(1876)**

**ISSUE STATISTICS**

<b>Offer Size:</b>	HK\$65,061.04m – HK\$76,446.722m
<b>Placement Tranche:</b>	1,626.526m
<b>Price:</b>	HK\$40 – HK\$47
<b>Board lot:</b>	100
<b>Entry fee:</b>	HK\$4,747.37
<b>Historical PE</b>	39.4x – 46.3x
<b>Net tangible liabilities per share:</b>	HK\$1.14 – HK\$1.14
<b>Market Cap (post-IPO):</b>	HK\$423,981m – HK\$498,177m
<b>Open:</b>	5 Jul 2019
<b>Close:</b>	12.00 noon on 11 Jul 2019
<b>Trading:</b>	19 Jul 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 from continuing operations		
2017	7,790	N.A
2018	8,459	8.6%
Profit for the year		
2017	1,077	N.A
2018	1,409	30.8%

**BACKGROUND**

- The Group are the largest beer company in Asia Pacific by retail sales value in 2018, according to GlobalData.
- 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, Great Northern, Harbin and Victoria Bitter.
- They consider China, Australia, 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.
- Business transformation enabled by technology.
- Enhance reputation and license to operate.
- Continue to maintain operational excellence and drive operational leverage.
- Pursue regional M&A in Asia Pacific.
- Continue to invest in their people pipeline.

#### COMPETITIVE STRENGTHS

- Regional champion with a pan-Asian platform that covers the full spectrum of beer markets.
- 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 us closer to consumers.
- Leadership position and long-term commitment to China, Australia and South Korea.
- 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

- No fixed dividend policy.

#### USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
Satisfy loans due to AB InBev's subsidiaries to complete the Reorganization.	69,249.5	100.0%
<b>Total:</b>	<b>69,249.5</b>	<b>100.0%</b>

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