

What’s Hot Today:

► **Budweiser APAC (1876 HK, HK\$8.31, HK\$110bn)**

1Q25 results in line, though headwinds persist

Budweiser APAC 1Q25 results was largely meeting market expectations. Revenue amounted to US\$1.5bn, down 11% YoY, mainly due to weak performance in China. Gross profit decreased by 12% YoY to US\$745mn, with a stable GPM of 51%. The SG&A as % of sales increased by 1.8ppts YoY to 30%. As a result, the company recorded a net profit of US\$234mn and a NPM of 16%, down 19% and 1.5ppts YoY respectively.

Volume slump dragged revenue. Total volumes stood at 19.7mn hls in 1Q25, down 6.5% YoY, while Revenue per hl declined 4.9% YoY to US\$74. In terms of ASP, although Budweiser APAC slightly increased the price of its main products at the beginning of the year, it is expected that the increment would not likely impact the final price to consumer in the near term. The price adjustment was primarily due to higher costs rather than product upgrades.

China market was under pressure. Due to 9.2% YoY drop in volume and 3.9% decline in revenue per hls, revenue in China market decreased by 12.7% YoY during the quarter. We attribute the weakness to the sluggish consumer sentiment and it isexpected to continue weighing on mid-to-high-end beer. In India, both volume and revenue of the premium and super-premium product continued to grow. In APAC EAST, volume and revenue increased by 11.9% and 11.7% YoY, respectively. Revenue in South Korea market increased by double-digits, driven by the strong performance across both on-premises and in-home channels.

Our view: The company has experienced YoY declines in sales volume, revenue, and net profit for five consecutive quarters since 1Q24. Despite Bud APAC implementing a series of measures, such as optimizing inventory management, preimmunizing the in-home channel, and launching innovative products, we believe the headwinds remain due to the weakness in the China market. The company is trading at 19.5x FY25 P/E. (Ensley LIU)

China & HK Indices	CLOSE	1D	YTD
HSI	22,775	0.4%	13.5%
HSCBI	8,300	0.7%	13.9%
HSCCI	3,794	0.1%	0.4%
CSI300	3,852	0.6%	-2.1%
Shanghai A	3,513	0.3%	-2.7%
Shanghai B	260	0.0%	-2.7%
Shenzhen A	2,079	1.0%	1.6%
Shenzhen B	1,187	0.2%	-2.1%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	41,368	0.6%	-2.8%
S&P 500	5,663	0.6%	-3.7%
Nasdaq	17,928	1.1%	-7.2%
Nikkei Index	37,347	1.1%	-6.4%
FTSE Index	8,531	-0.3%	4.4%
CAC Index	7,694	0.9%	4.3%
DAX Index	23,352	1.0%	17.3%

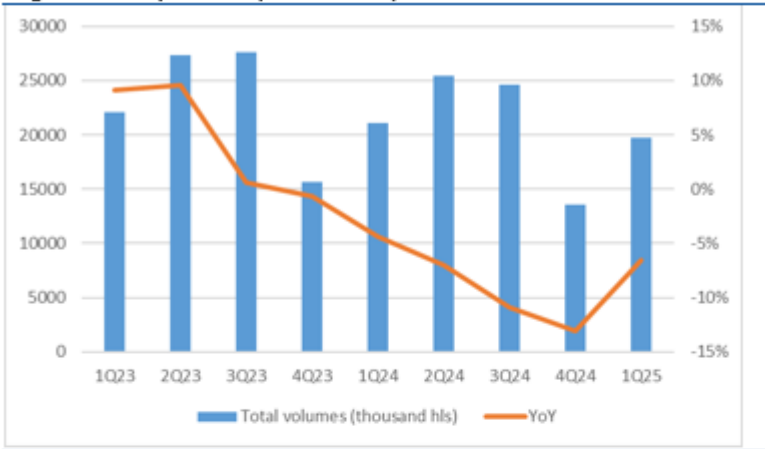
Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	3,305	-1.7%	26.5%
STEEL (US\$/oz.)	1,855	-0.6%	3.9%
SILVER (US\$/oz.)	32	0.0%	12.3%
CRUDE OIL (US\$/bbl)	59	3.2%	-16.4%
COPPER (US\$/oz.)	9,431	-1.1%	7.6%
ALUMINIUM (US\$/oz.)	2,412	-0.6%	-5.4%
PLATINUM (US\$/oz)	984	0.5%	8.5%
ZINC (US\$/oz.)	2,619	-0.5%	-12.1%
WHEAT (US\$/bu)	513	-1.2%	-7.0%
CORN (US\$/bu)	447	-0.4%	-4.3%
SUGAR (US\$/lb)	N/A	N/A	
SOYBEAN (US\$/bu)	1,045	0.6%	0.8%
PVC (US\$/t.)	N/A	N/A	-6.8%
CRB	292	-0.1%	3.0%
BDI			37.8%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.774	0.891	145.910	0.832	7.243
HKD	0.129		0.115	18.770	10.702	0.932
EUR	1.123	8.729		163.820	1.071	8.130
JPY	0.007	5.328	0.610		0.570	0.050
CHF	1.202	9.344	1.071	175.419		8.693
RMB	0.138	1.073	0.123	20.143	0.115	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	22	-8.6%

Source: Bloomberg

Fig 1: Quarterly volumes(thousand hls) and YoY



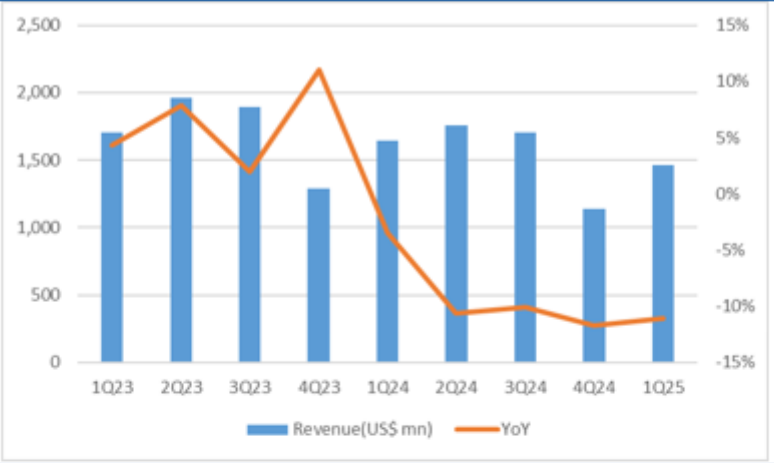
Source: Company Data, Sunwah Kingsway Research

Fig 2: Quarterly revenue per hls(US\$) and YoY



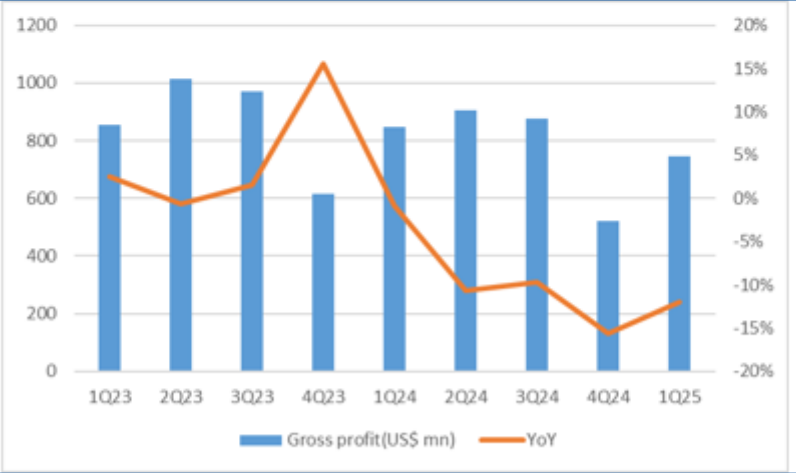
Source: Company Data, Sunwah Kingsway Research

Fig 3: Quarterly revenue (US\$ mn) and YoY



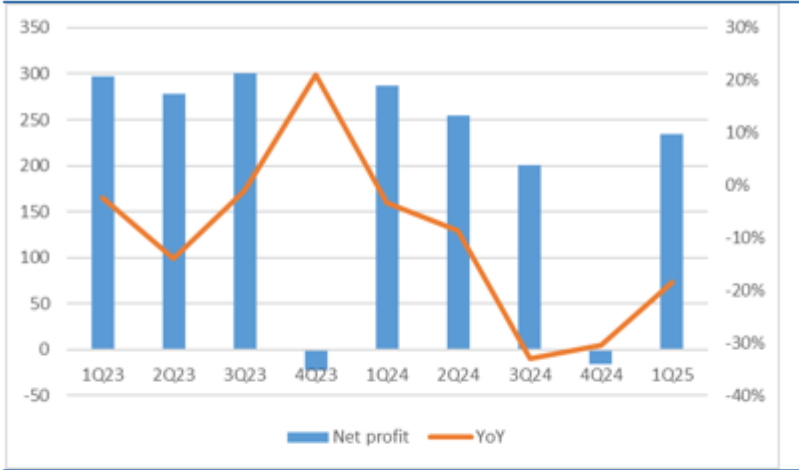
Source: Company Data, Sunwah Kingsway Research

Fig 4: Quarterly gross profit (US\$ mn) and YoY



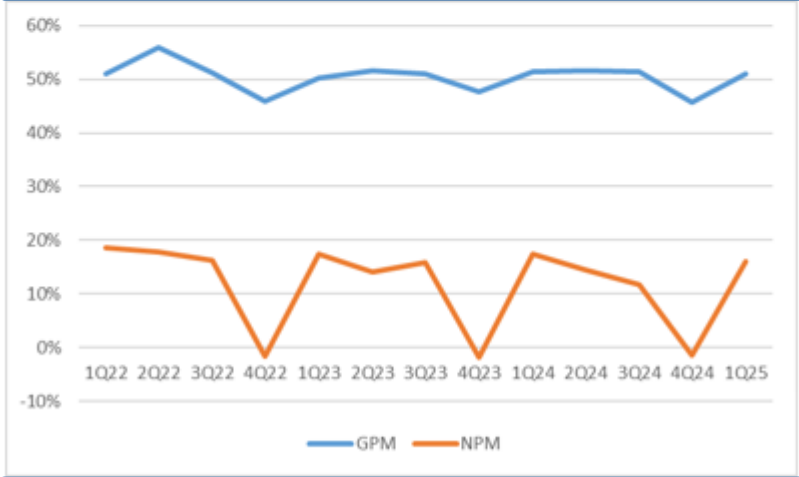
Source: Company Data, Sunwah Kingsway Research

Fig 5: Quarterly net profit (US\$ mn) and YoY



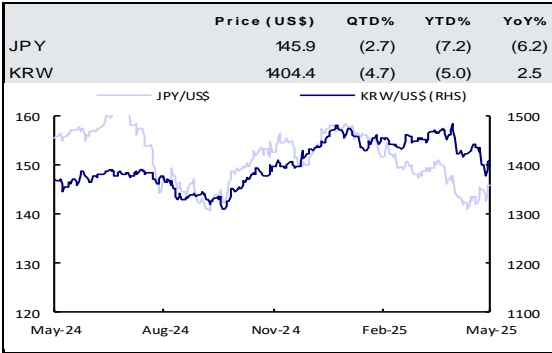
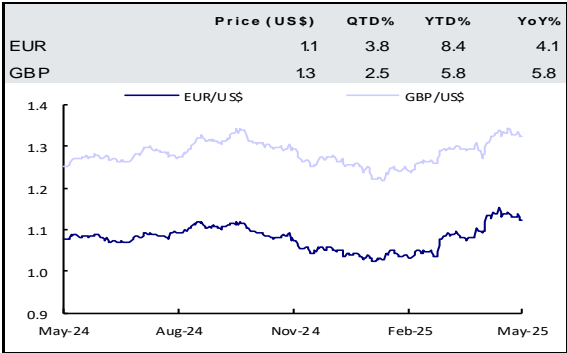
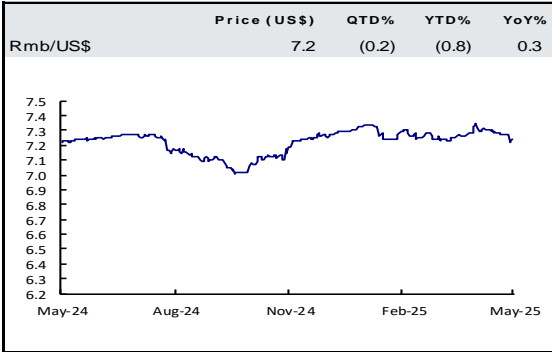
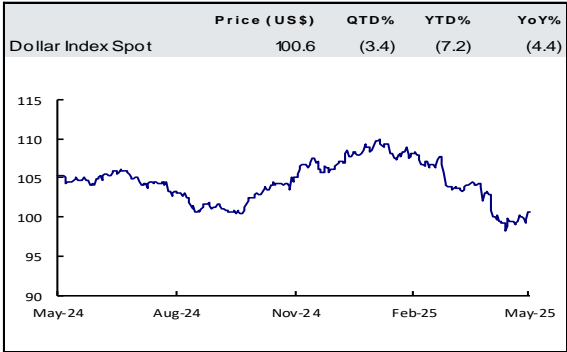
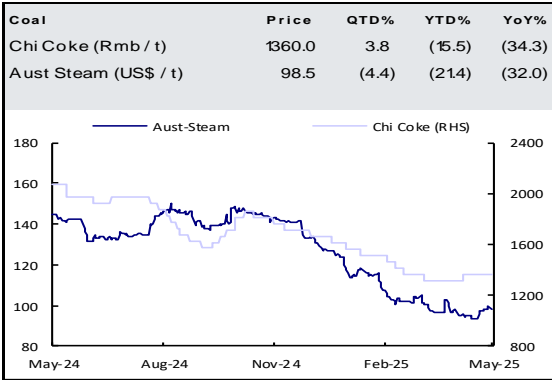
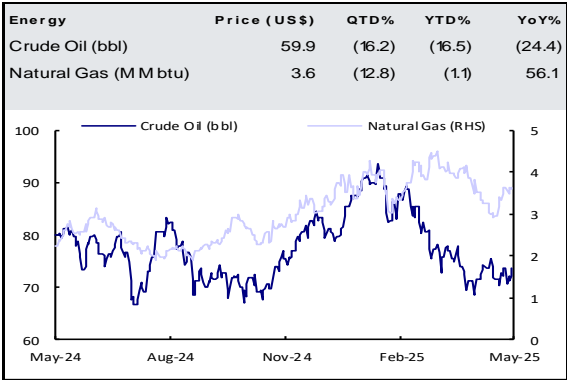
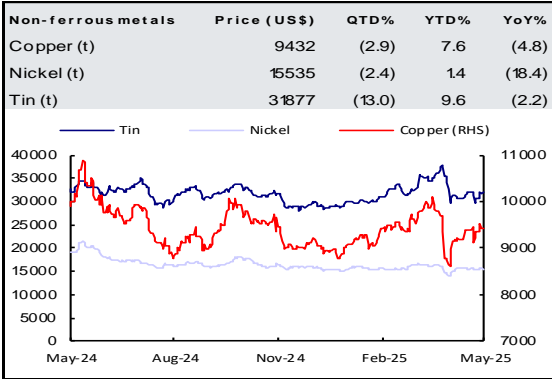
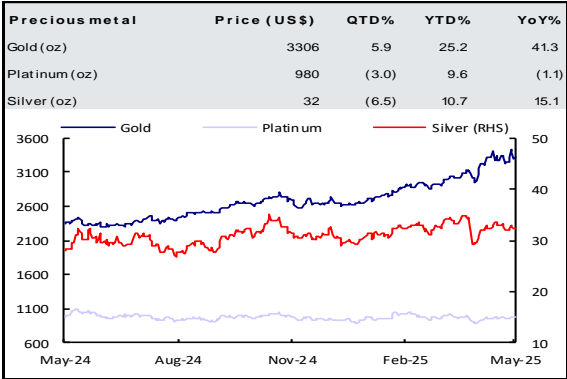
Source: Company Data, Sunwah Kingsway Research

Fig 6: Quarterly GPM and NPM



Source: Company Data, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Initial Jobless Claims	WoW		8-May-25
Wholesale Inventories	MoM		8-May-25
CPI	MoM		13-May-25
PPI	MoM		15-May-25
Business Inventories	MoM		15-May-25
Retail Sales	MoM		15-May-25
Industrial Production	MoM		15-May-25
Housing Starts / Building Permits	MoM		16-May-25
Existing Home Sales	MoM		22-May-25
New home Sales	MoM		23-May-25
Durable Goods Orders	MoM		27-May-25
Consumer Confidence	MoM		27-May-25
GDP	QoQ		29-May-25
Personal Income & Spending	MoM		30-May-25
ISM Manufacturing PMI	MoM		2-Jun-25
Factory Orders	MoM		3-Jun-25
Trade Balance	MoM		5-Jun-25
Employment Report	MoM		6-Jun-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Money Supply - M2	MoM		9-May-25
Trade Balance	MoM		9-May-25
PPI	MoM		10-May-25
CPI	MoM		10-May-25
Retail Sales	MoM		19-May-25
Industrial Production	MoM		19-May-25
PMI Manufacturing	MoM		31-May-25
Foreign Exchange Reserves	QoQ		7-Jun-25
GDP	YoY		15-Jul-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
GDP	QoQ		16-May-25
Unemployment Rate	MoM		20-May-25
CPI	MoM		22-May-25
Trade Balance	MoM		26-May-25
Money Supply - M2	MoM		30-May-25
Retail Sales	MoM		2-Jun-25
PMI	MoM		4-Jun-25
Foreign Currency Reserve	MoM		6-Jun-25
Producer Prices Index	QoQ		12-Jun-25
Industrial Production	QoQ		12-Jun-25
Composite Interest Rate	MoM		

Kingsway Research Team

Analyst
Howard Wong
Ensley Liu

Email
Howard.wong@sunwahkingsway.com
Ensley.liu@sunwahkingsway.com

Phone No.
(852) 2283 7307
(852) 2283 7618

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Head Office

Hong Kong
Kingsway Financial Services Group Limited
7/F, Tower One, Lippo Centre,
89 Queensway, Hong Kong
Tel: 852-2283-7000
Fax: 852-2877-2665

Guangdong
廣東新華滙富商業保理有限公司
2701, Dongshan Plaza,
69 Xianlie Middle Road, Yuexiu District
Guangzhou, 510095

Affiliated & Overseas Offices

Vietnam
Sunwah Kingsway Vietnam Services Limited
Representative Office
Sunwah Tower, Mezzanine Floor
115 Nguyen Hue
District 1
Ho Chi Minh City
Vietnam