Morning Snapshot

SUNWAH KINGSWAY 新華滙富

09 May <u>2025</u>

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 is expected 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% |
| HSCE | | 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 Inc | lices | 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% |
| DAVEL | | | | 47.00/ |
| DAX Index | | 23,352 | 1.0% | 17.3% |
| DAX Index | | 23,352 | 1.0% | 17.3% |
| Commoditie | s | 23,352 CLOSE | 1.0% 1D | 17.3% YTD |
| | (US\$/oz.) | | | |
| Commoditie | (US\$/oz.) (US\$/oz.) | CLOSE | 1D | YTD |
| Commoditie GOLD STEEL SILVER | (US\$/oz.) (US\$/oz.) (US\$/oz.) | CLOSE 3,305 | 1D -1.7% | YTD 26.5% |
| Commoditie GOLD STEEL | (US\$/oz.) (US\$/oz.) | CLOSE 3,305 1,855 | 1D -1.7% -0.6% | YTD 26.5% 3.9% |
| Commoditie Gold Steel SILVER CRUDE OIL COPPER | (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/bbl) (US\$/oz.) | CLOSE 3,305 1,855 32 | 1D -1.7% -0.6% 0.0% | YTD 26.5% 3.9% 12.3% |
| Commoditie Gold Steel SILVER CRUDE OIL COPPER ALUMINIUM | (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/bbl) (US\$/oz.) (US\$/oz.) | CLOSE 3,305 1,855 32 59 | 1D -1.7% -0.6% 0.0% 3.2% | YTD 26.5% 3.9% 12.3% -16.4% |
| Commoditie GOLD STEEL SILVER CRUDE OIL COPPER ALUMINIUM PLATINUM | (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/bb) (US\$/oz.) (US\$/oz.) (US\$/oz) | CLOSE 3,305 1,855 32 59 9,431 2,412 984 | 1D -1.7% -0.6% 0.0% 3.2% -1.1% -0.6% 0.5% | YTD 26.5% 3.9% 12.3% -16.4% 7.6% -5.4% 8.5% |
| Commoditie Gold Steel SILVER CRUDE OIL COPPER ALLMINUM PLATINUM ZINC | (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/bbl) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) | CLOSE 3,305 1,855 32 59 9,431 2,412 | 1D -1.7% -0.6% 0.0% 3.2% -1.1% -0.6% | YTD 26.5% 3.9% 12.3% -16.4% 7.6% -5.4% |
| Commoditie Gold Steel SLVER CRUDE OIL COPPER ALLIMINUM PLATINUM ZINC WHEAT | (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/bbl) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) | CLOSE 3,305 1,855 32 59 9,431 2,412 984 2,619 513 | 1D -1.7% -0.6% 0.0% 3.2% -1.1% -0.6% 0.5% -0.5% -1.2% | YTD 26.5% 3.9% 12.3% -16.4% 7.6% -5.4% 8.5% -12.1% -7.0% |
| Commoditie GOLD STEEL SLVER CRUDE OIL COPPER ALUMINUM PLATNUM ZINC WHEAT CORN | (US\$/oz.) (US\$/oz.) (US\$/ob) (US\$/ob) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) | CLOSE 3,305 1,855 32 59 9,431 2,412 984 2,619 513 447 | 1D -1.7% -0.6% 0.0% 3.2% -1.1% -0.6% 0.5% -0.5% -1.2% -0.4% | YTD 26.5% 3.9% 12.3% -16.4% 7.6% -5.4% 8.5% -12.1% |
| Commoditie GOLD STEEL SILVER CRUDE OIL COPPER ALLUMINIUM PLATINUM ZINC WHEAT CORN SUGAR | (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/bb) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/bu) (US\$/bu) | CLOSE 3,305 1,855 32 59 9,431 2,412 984 2,619 513 447 NA | 1D -1.7% -0.6% 0.0% 3.2% -1.1% -0.6% 0.5% -0.5% -1.2% -0.4% N/A | YTD 26.5% 3.9% 12.3% -16.4% 7.6% -5.4% 8.5% -12.1% -7.0% -4.3% |
| Commoditie GOLD STEEL SILVER CRUDE OIL COPPER ALLMINUM PLATINUM ZINC WHEAT CORN SUGAR SOYBEAN | (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/ob) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/ob) (US\$/bu) (US\$/bu) (US\$/bu) | CLOSE 3,305 1,855 32 59 9,431 2,412 984 2,619 513 447 NA 1,045 | 1D -1.7% -0.6% 0.0% 3.2% -1.1% -0.6% -0.5% -0.5% -1.2% -0.4% NVA 0.6% | YTD 26.5% 3.9% 12.3% -16.4% 7.6% -5.4% 8.5% -12.1% -7.0% -4.3% 0.8% |
| Commoditie GOLD STEEL SILVER CRUDE OIL COPFER ALUMINUM PLATINUM ZINC WHEAT CORN SUGAR SOYBEAN PVC | (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/bb) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/bu) (US\$/bu) | CLOSE 3,305 1,855 32 59 9,431 2,412 984 2,619 513 447 NA 1,045 NA | 1D -1.7% -0.6% 0.0% 3.2% -1.1% -0.6% 0.5% -0.5% -1.2% -0.4% N/A 0.6% N/A | YTD 26.5% 3.9% 12.3% -16.4% 7.6% -5.4% -12.1% -7.0% -4.3% 0.8% -6.8% |
| Commoditie GOLD STEEL SILVER CRUDE OIL COPPER ALLMINUM PLATINUM ZINC WHEAT CORN SUGAR SOYBEAN | (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/ob) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/oz.) (US\$/ob) (US\$/bu) (US\$/bu) (US\$/bu) | CLOSE 3,305 1,855 32 59 9,431 2,412 984 2,619 513 447 NA 1,045 | 1D -1.7% -0.6% 0.0% 3.2% -1.1% -0.6% -0.5% -0.5% -1.2% -0.4% NVA 0.6% | YTD 26.5% 3.9% 12.3% -16.4% 7.6% -5.4% 8.5% -12.1% -7.0% -4.3% 0.8% |

| Excha | nge 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 | | |



30000 15% 25000 10% 20000 5% 15000 0% 10000 -5% -10% 5000 0 -15% 1Q23 2Q23 3Q23 4Q23 1Q24 2Q24 3Q24 4Q24 1Q25 Total volumes (thousand hls) -YoY

Fig 1: Quarterly volumes(thousand hls) and YoY

Source: Company Data, Sunwah Kingsway Research

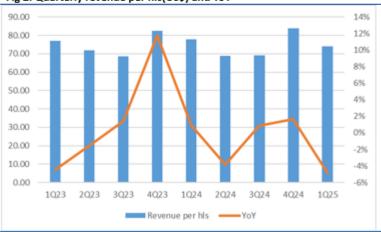
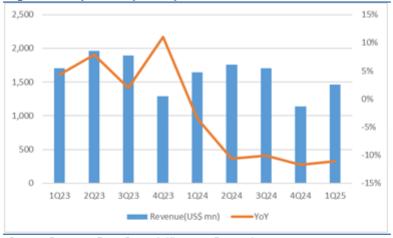


Fig 2: Quarterly revenue per hls(US\$) and YoY

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

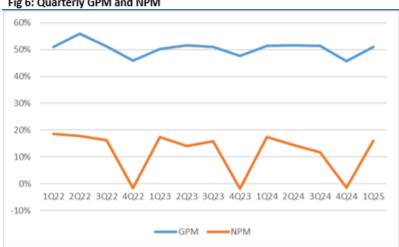
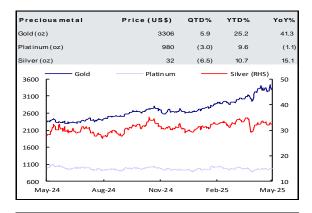


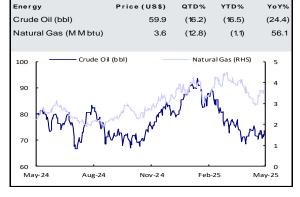
Fig 6: Quarterly GPM and NPM

Source: Company Data, Sunwah Kingsway Research

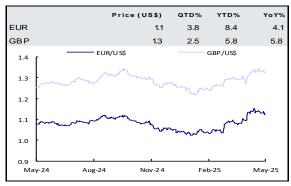




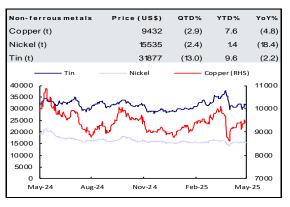
Market Watch – Major Commodities and Currencies

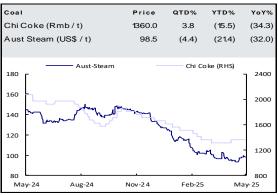


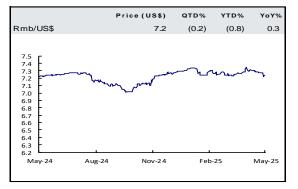




Source: Bloomberg









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US Economic Calendar

| Indicators | From | Obs Date | Expected Release Date |
|-----------------------------------|------|----------|--------------------------|
| | Freq | ODS Date | |
| Initial Jobless Claims | WoW | | 8-May-25 |
| Wholesale Inventories | MoM | | 8-May-25 |
| СРІ | 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 |
| СРІ | MoM | | 22-May-25 |
| Trade Balance | MoM | | 26-May-25 |
| Money Supply - M2 | MoM | | 30-May-25 |
| Retail Sales | MoM | | 2-Jun-25 |
| РМІ | 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

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| Notice of interest disclosure filed by substantial shareho Name of listed corporation | Name of substantial share holder | No. of shares bought/sold/involved | Average price per sha |
|--|------------------------------------|------------------------------------|-----------------------|
| | | | |
| China Shengmu Organic Milk Ltd. | Zhang Jiaw ang | 1,855,000(L) | HKD 0.0000 |
| long Kong Exchanges and Clearing Ltd. | Tong Carlson | 3,000(L) | HKD 369.6000 |
| oncord Healthcare Group Co., Ltd H Shares | YANG Jianyu | 45,600(L) | HKD 6.8400 |
| engan International Group Co. Ltd. | HUI CHING LAU | 300,000(L) | HKD 21.7368 |
| KBN Ltd. | TPG Asia GenPar VI, L.P. | 228,627,451(L) | HKD 5.2300 |
| KBN Ltd. | | | |
| | TPG GP A, LLC | 228,627,451(L) | HKD 5.2300 |
| KBN Ltd. | TPG Group Holdings (SBS), L.P. | 228,627,451(L) | HKD 5.2300 |
| KBN Ltd. | TPG Inc. | 228,627,451(L) | HKD 5.2300 |
| KBN Ltd. | TPG Operating Group I, L.P. | 228,627,451(L) | HKD 5.2300 |
| KBN Ltd. | TPG Operating Group II, L.P. | 228,627,451(L) | HKD 5.2300 |
| KBN Ltd. | TPG Wireman, L.P. | | |
| | | 228,627,451(L) | HKD 5.2300 |
| nperium Technology Group Ltd. | Cheng Ting Kong | 8,460,000(L) | HKD 0.6500 |
| nperium Technology Group Ltd. | Diamond State Holdings Limited | 8,460,000(L) | HKD 0.6500 |
| leilleure Health International Industry Group Ltd. | Shunda Investment Limited | 2,832,000(L) | HKD 0.2961 |
| leilleure Health International Industry Group Ltd. | Zhongjia U-Home Investment Limited | 2,832,000(L) | HKD 0.2961 |
| leilleure Health International Industry Group Ltd. | Zhou Xuzhou | | HKD 0.2961 |
| | | 2,832,000(L) | |
| T International Development Corporation Ltd. | Ching Man Chun Louis | 1,800(L) | HKD 0.1750 |
| T International Development Corporation Ltd. | MARCHING GREAT LIMITED | 1,800(L) | HKD 0.1750 |
| handong Molong Petroleum Machinery Co. Ltd H Shares | 山东智梦控股有限公司 | 31,937,200(L) | HKD 5.9100 |
| ino Land Co. Ltd. | Ng Chee Siong | 20,000(L) | HKD 8.1010 |
| | | | |
| unshine 100 China Holdings Ltd. | FAN XIAOCHONG | 3,000,000(L) | HKD 0.0100 |
| unshine 100 China Holdings Ltd. | FAN XIA OHUA | 3,000,000(L) | HKD 0.0100 |
| Sunshine 100 China Holdings Ltd. | YI XIAODI | 3,000,000(L) | HKD 0.0100 |
| Sunshine Insurance Group Co. Ltd H Shares | SHI Yuzhu | 840,000(L) | HKD 3.5200 |
| Sunshine Insurance Group Co. Ltd H Shares | 上海健特生命科技有限公司 | 840,000(L) | HKD 3.5200 |
| | | | |
| Sunshine Insurance Group Co. Ltd H Shares | 巨人投资有限公司 | 840,000(L) | HKD 3.5200 |
| UU Holding Ltd. | Autumn Harvest Ltd | 303,695,400(L) | HKD 0.7000 |
| UU Holding Ltd. | Cheng Yu | 303,695,400(L) | HKD 0.7000 |
| UU Holding Ltd. | Ma Xiaoxia | 303,695,400(L) | HKD 0.7000 |
| | | | |
| VellCell Holdings Co., Ltd. | Cheer Partners Limited | 45,000,000(L) | HKD 6.0000 |
| VellCell Holdings Co., Ltd. | Shine Dynasty Limited | 45,000,000(L) | HKD 6.0000 |
| VellCell Holdings Co., Ltd. | WellCell Group Co., Limited | 45,000,000(L) | HKD 6.0000 |
| VellCell Holdings Co., Ltd. | 林启豪 | 45,000,000(L) | HKD 6.0000 |
| | | | |
| WellCell Holdings Co., Ltd. | 贾正屹 | 45,000,000(L) | HKD 6.0000 |
| NellCell Holdings Co., Ltd. | 郑莉 | 45,000,000(L) | HKD 6.0000 |
| WellCell Holdings Co., Ltd. | 钟舒敏 | 45,000,000(L) | HKD 6.0000 |
| VuXi Biologics (Cayman) Inc. | Chen Zhisheng | 5,180,000(L) | HKD 22.5657 |
| tan biologios (caynan) no: | on on Entoning | 0,100,000(E) | THE LEIGOOT |
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Source: HKEx



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