



華潤啤酒(控股)有限公司

China Resources Beer (Holdings) Company Limited

FY2024 Results Announcement

18 March 2025





1. Results Overview

2. Development Strategy of Beer Business

3. Development Strategy of Baijiu Business

4. Market Recognition

Solid Results Performance





Overall Results Summary – Solid Performance

| | 2H2024 | 2H2023 | Change | 2024 | 2023 | Change |
|--|---------------|---------------|-------------|---------------|---------------|------------|
| | <u>RMB m</u> | <u>RMB m</u> | | <u>RMB m</u> | <u>RMB m</u> | |
| Turnover | 14,891 | 15,061 | -1% | 38,635 | 38,932 | -1% |
| Gross profit | 5,336 | 5,112 | +4% | 16,475 | 16,103 | +2% |
| EBITDA (excl. special items) * | 1,158 | 986 | +17% | 8,694 | 8,442 | +3% |
| EBIT (excl. special items) * | (43) | (174) | +75% | 6,344 | 6,165 | +3% |
| Net cash from operating activities | | | | +6,928 | +4,149 | +67% |
| Additions to non-current assets ** | | | | 3,489 | 21,142 | -83% |
| Net cash from operating activities minus additions to non-current assets | | | | +3,439 | -16,993 | +120% |
| Net assets | | | | 35,585 | 34,174 | +4% |
| Net cash | | | | 2,011 | 426 | +372% |
| Shareholders return: | | | | | | |
| Basic EPS (RMB) | | | | 1.46 | 1.59 | -8% |
| DPS (RMB) (excl. special dividend) | | | | 0.760 | 0.636 | +19% |
| Dividend payout ratio (Proposed dividend/PAS) (excl. special dividend) | | | | 52% | 40% | +12 pct |
| ROE *** | | | | 15.3% | 18.0% | -2.7 pct |

Remarks:

- * **Special items:** 1. The impairment loss on fixed assets in relation to capacity optimisation and one-off staff compensation and settlement expenses of RMB36 million (2023: RMB141 million);
2. The special income of RMB266 million from government grants and profit on disposal of interests in leasehold land in the second half of the year (2023: RMB937 million)

** Additions to non-current assets included fixed assets, right-of-use assets, goodwill and other intangible assets. In 2023, the additions included assets arising from acquisition of Guizhou Jinsha.

*** ROE = PAS / Average of equity attributable to shareholders of the Company



Overall Results Summary – Solid Performance

| | 2H2024 | 2H2023 | Change | 2024 | 2023 | Change |
|---|---------------|---------------|-----------------|---------------|---------------|-----------------|
| | <u>RMB m</u> | <u>RMB m</u> | | <u>RMB m</u> | <u>RMB m</u> | |
| Turnover | 14,891 | 15,061 | -1.1% | 38,635 | 38,932 | -0.8% |
| - Beer business | 13,920 | 13,971 | -0.4% | 36,486 | 36,865 | -1.0% |
| - Baijiu business | 971 | 1,090 | -10.9% | 2,149 | 2,067 | +4.0% |
| EBITDA | 1,158 | 986 | +17.4% | 8,694 | 8,442 | +3.0% |
| (excl. special items) * | | | | | | |
| - Beer business (excl. special items) * | 722 | 630 | +14.6% | 7,881 | 7,697 | +2.4% |
| - Baijiu business (excl. special items) * | 434 | 370 | +17.3% | 847 | 785 | +7.9% |
| EBITDA margin | 7.8% | 6.5% | +1.3 pct | 22.5% | 21.7% | +0.8 pct |
| (excl. special items) * | | | | | | |
| - Beer business (excl. special items) * | 5.2% | 4.5% | +0.7 pct | 21.6% | 20.9% | +0.7 pct |
| - Baijiu business (excl. special items) * | 44.7% | 33.9% | +10.8 pct | 39.4% | 38.0% | +1.4 pct |

1. Despite the numerous uncertainties in the market, EBITDA margin of the Company's overall, beer and baijiu businesses in 2024 and second half of the year all increased by approximately 0.7 percentage point or above.
2. EBITDA in the second half of the year achieved double-digit growth.

Notes:

* Please refer to page 4 for details of special income



Beer business – Effective Premiumisation Strategy

| | 2H2024 RMB m | 2H2023 RMB m | Change | 2024 RMB m | 2023 RMB m | Change |
|---|-----------------|-----------------|----------|---------------|---------------|----------|
| Sales volume (million kl) | 4,526 | 4,580 | -1.2% | 10,874 | 11,151 | -2.5% |
| ASP (RMB/kl) | 3,076 | 3,050 | +0.9% | 3,355 | 3,306 | +1.5% |
| Turnover | 13,920 | 13,971 | - | 36,486 | 36,865 | -1% |
| Gross profit | 4,661 | 4,451 | +5% | 15,004 | 14,802 | +1% |
| EBITDA (excl. special items) * | 722 | 630 | +15% | 7,881 | 7,697 | +2% |
| <i>Gross profit margin</i> | 33.5% | 31.9% | +1.6 pct | 41.1% | 40.2% | +0.9 pct |
| <i>EBITDA margin</i> (excl. special items) * | 5.2% | 4.5% | +0.7 pct | 21.6% | 20.9% | +0.7 pct |

1. The sales volume and turnover performance outperformed some of the peers. The ongoing premiumisation strategy drove an increase in the average selling price (“ASP”).
2. The Company’s gross profit margin increased steadily as benefitted from the reduced costs in raw materials. The gross profit margin in 2024 and second half of the year both increased by 1 percentage point or above.
3. In the first two months of 2025, the Group achieved single-digit growth in beer sales volume despite a high base, with its continued development in premiumisation. Among which, sales volume of Heineken® maintained a strong double-digit growth. Benefiting from the growth in turnover and efforts in cost reduction and efficiency enhancement, the Group’s unaudited EBIT for the first two months is expected to grow at a faster pace than turnover.
4. The performance in the first two months laid a solid foundation for its full-year performance. With steady economic growth, a lower sales volume base in the following months, and a firm commitment to the “Three Refinements” cost and expense management strategy, the Company is increasingly confident in achieving turnover growth and a relatively fast recovery in profits for its beer business in 2025. The Company maintains a cautiously optimistic outlook for its overall performance.

Notes:

* Please refer to page 4 for details of special income



Beer business – Effective Premiumisation Strategy

Sales volume of **premium beer segment and above** increased by over **+9%**

Among which, sales volume of **Heineken®** grew nearly **+20%**

Sales volume of **Lao Xue**、**Amstel** basically grew **+100%**

Sales volume of **sub-premium beer segment and above** achieved **single-digit growth**

For the first time on an annual basis, the proportion of sales volume of **mid-end beer segment and above** exceeded **50%**

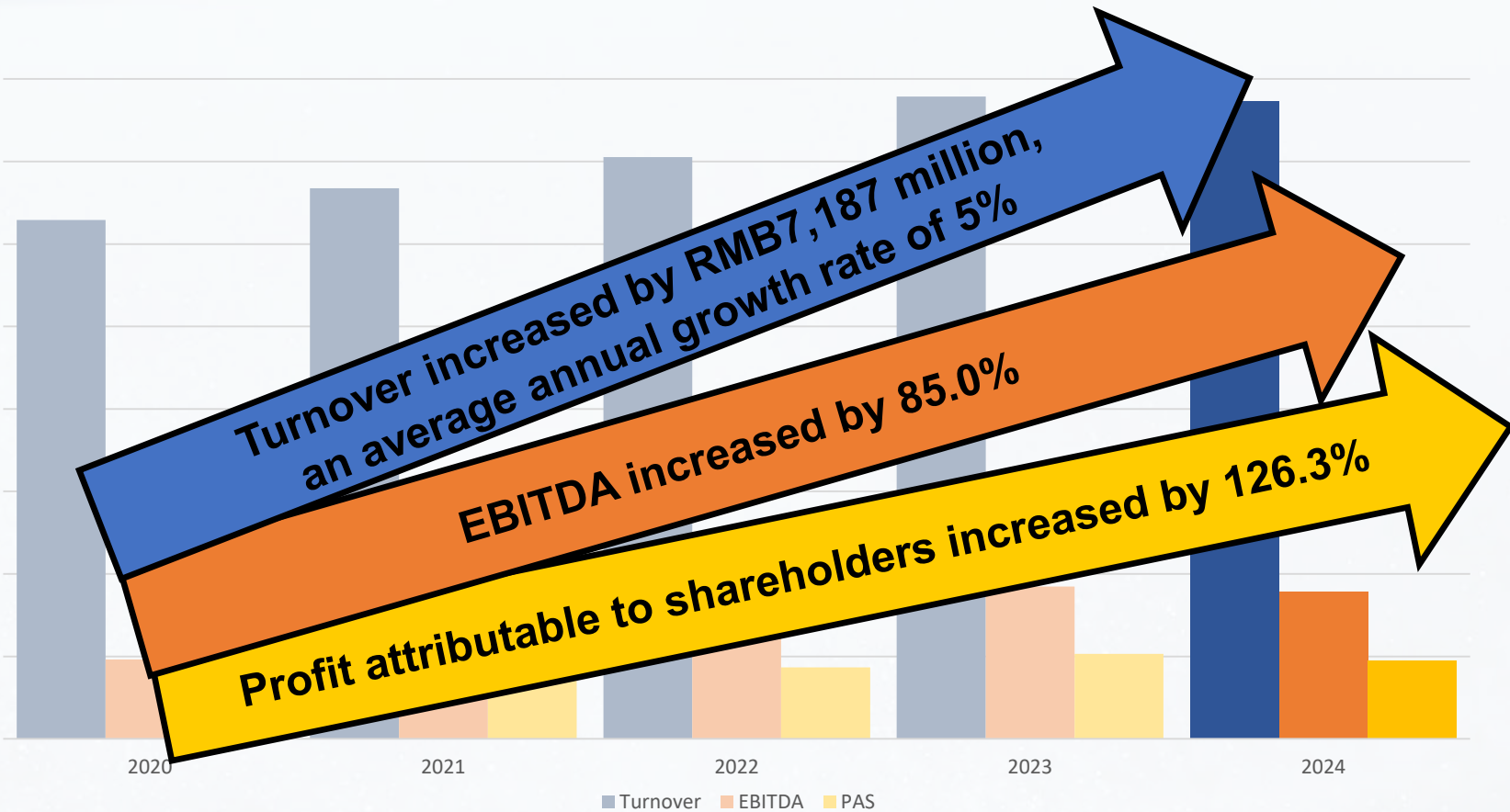


The Group will launch a wider range of high-quality, niche, diverse, personalised, and health-conscious new products. The Group will also revitalise select regional classic brands and products and actively explore the development of customised beers.



Beer business – Fruitful Results under the 14th Five-Year Plan

in RMB million



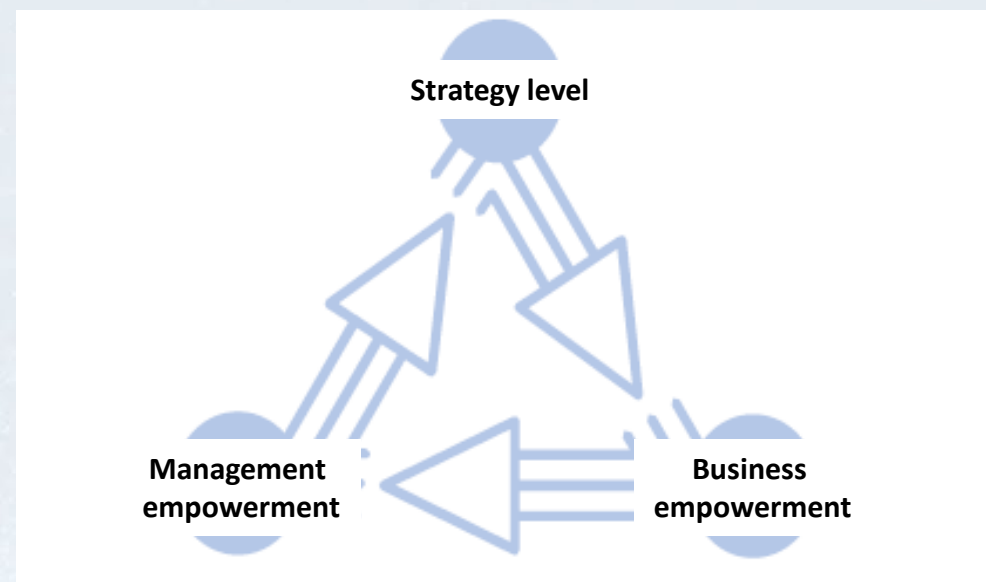
1. The company has been growing steadily and its market share in the beer business has increased during the 14th Five-Year Plan period (compared to 2020). Sales volume of the sub-premium beer segment and above increased by over 1,000,000 kilolitres. Notably, sales volume of “Heineken®” increased more than two-fold.
2. The Company's overall cash generating capacity has improved significantly, where it's net cash from operating activities increased by over 55% to RMB6,928 million.



Beer business – Effective Premiumisation Strategy

4 main advantages and 3-pronged driving force

- Leverage of the 4 main advantages established by CR Beer: **development experience, resources, management mechanisms, and listed platforms**
- Utilise the **respective strengths of CR Beer, China Resources Snow, and China Resources Wine** to form a 3-pronged driving force
- To achieve mutual empowerment and synergies across several areas, cultivating **new core competitive advantages**



To Become the Leader
of the New World of
the Beer Industry





To Become the Leader of the New World of the Beer Industry

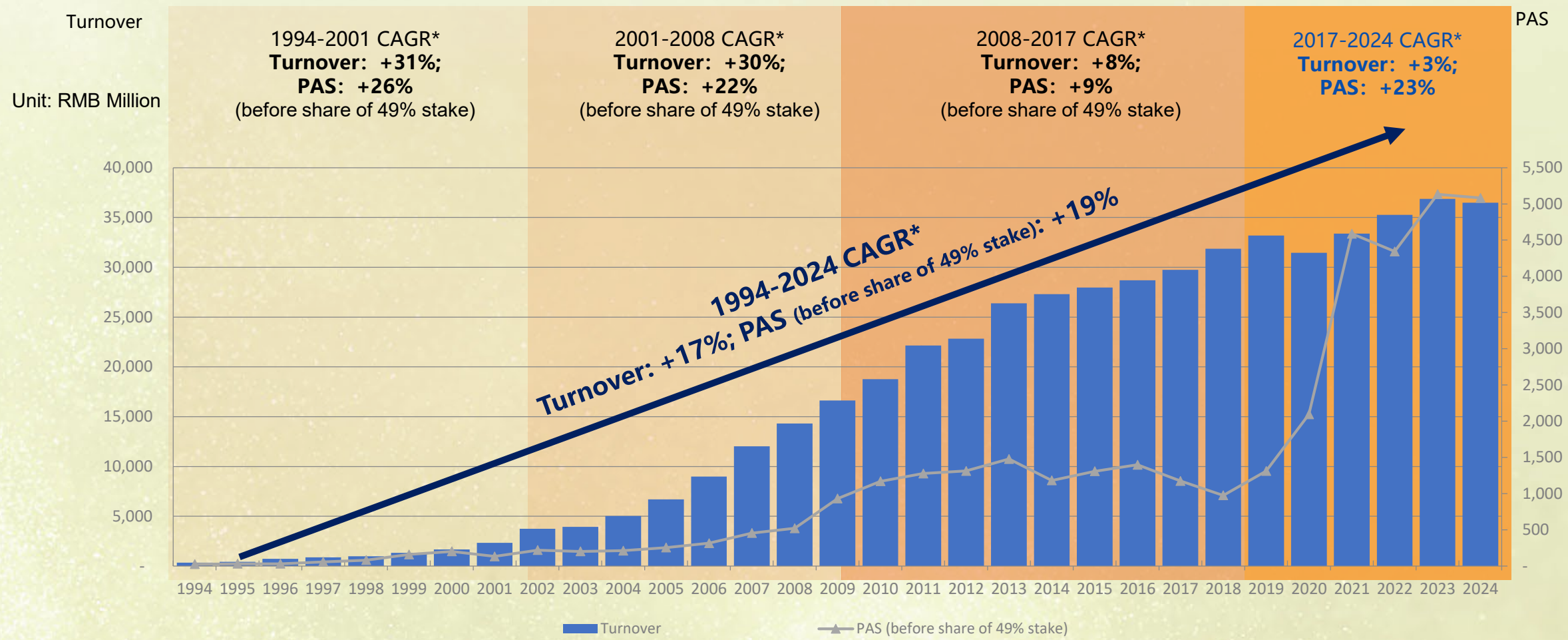
- 1 High Product Quality**
Production equipment, technology and craftsmanship and product quality have reached international standards
- 2 High Standard Production Process**
First-class equipment, modern logistics, exploration of digital factory, etc.
- 3 High Income**
A track of high speed and quality growth on industry revenue, profit, ROE and enterprise value
- 4 Good Brand**
Co-existence of various Chinese brands and international brands; more renowned brands and large single products emerge with increasing brand value
- 5 Premiumisation**
Gradual increase in price gradient and category value returns, and breakthrough in price ceiling
- 6 Product Diversification**
Expand into other alcoholic beverage categories while deeply cultivating core business
- 7 CR5 Competition**
Stable competitive landscape with high concentration of 92% market share in the hands of the top 5 players
- 8 Together We Build a Community with Shared Interest**
All parties across the industry chain shall work together to achieve mutual benefit and develop a sustainable industry order with shared prosperity





Proven Growth Track Records with “3+3+3” Strategic Roadmap

Profit margin of beer business achieved phased and significant growth



* CAGR: Compound Annual Growth Rate



Join Hands to Expand China's Premium Market

Sales volume of Heineken® increased by nearly 20% y-o-y

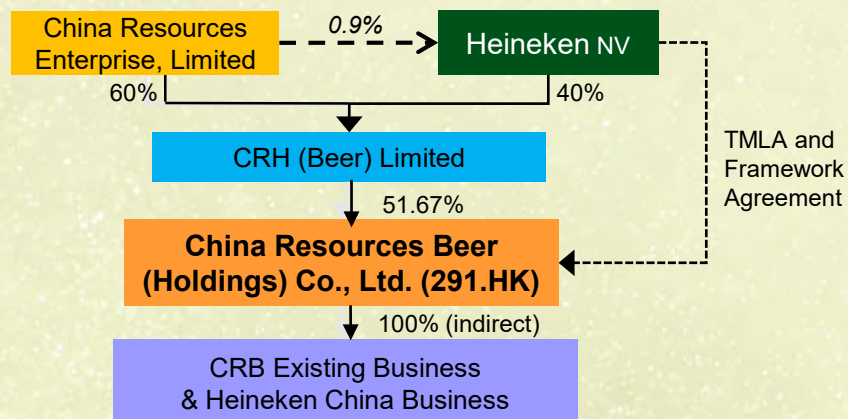


- China's leading beer enterprise
- Comprehensive brand portfolio covering various age groups and price segments
- Successful experience in creating large single brand
- Beer production capacity covers the nation with the best distribution network
- Deep understanding of China's beer market
- Strong supports from China Resources Group



- Established in 1864, famous brand with a long history
- Heineken® is one of the most recognised international beer brands in China
- The 2nd largest brewer in the world that distributes products to over 190 countries
- Extensive brewing experience in premium beer and cider
- Long-term investment in brand building with a brand image deeply tied to various sport events
- Exclusively owns the only brewery in Hainan Province

Structure



Targets



To establish premium attributes of international brands in China



To gain an influential position for Heineken® in the market segment of RMB12-15



Portfolio of “Domestic Brands + International Brands” to achieve a relatively high market share in the overall premium beer market in China



Digital Upgrade

Reduce costs and increase efficiency, and explore new growth drivers of businesses by data empowerment

Construct a procurement mall, synchronise the control of procurement and financial management, and assist business decision-making through digital tools

Smart Procurement

Deepen the construction of operation digitalisation system to realise the digital management of supply chain business execution; promote the digitalised closed-loop management of the supply chain business from planning to execution

Supply chains control tower

Deepen the financial sharing operation, strengthen the ability to analyse and apply financial and human resources business data, and enhance the management level and efficiency by empowering the business management through data, as well as empowering the baijiu project company through the shared ability

Shared Operation

Intelligent Manufacturing

Accelerate the landing of blueprint of intelligent manufacturing, construct intelligent factory, and build a production operation command center; promote the synergy between the environmental safety monitoring system and the industrial internet platform, and improve the equipment, spare parts management and system connectivity

Digital Marketing

Optimise and enhance the CRM system to support terminal stores to be "always new"; optimise the marketing expense management system to set up an expense early warning and evaluation system; optimise the applet, data analysis and consumer data platform to assist marketing activities and brand premiumisation

Baijiu +

Taking into account the current situation of the project company and the experience in beer business, the strategy is to first establish functional management capabilities and the digitalisation of business foundations, and then combine it with the development strategy and gradually improve the front-office business applications. Focus on production and functional areas to accelerate empowerment and improve system coverage, implement the establishment of supply chain finance, code and middle platform system

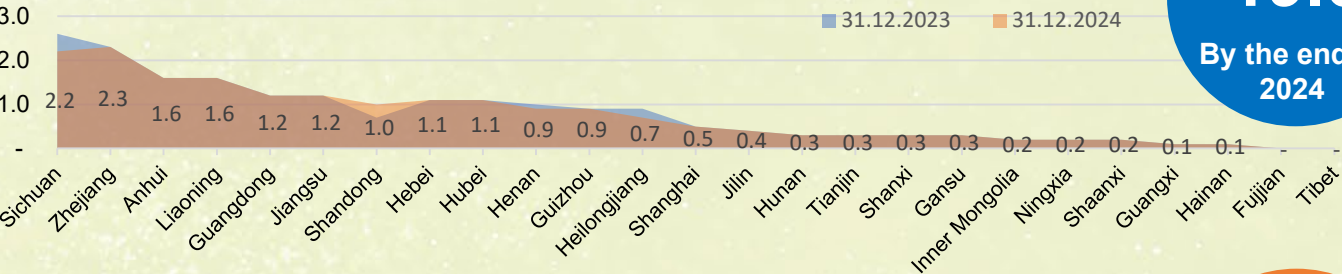


Improve cost efficiency via various measures

Concentrated capacity and advantageous procurement scale

Capacity

Unit: million kl



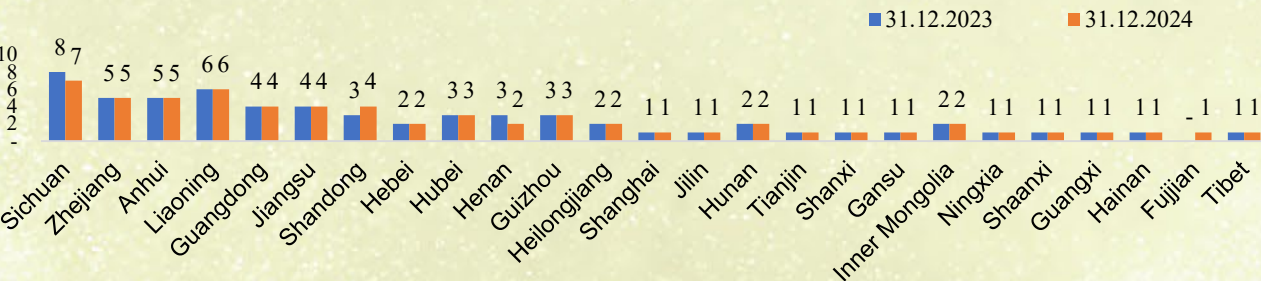
Approx.
19.0
By the end of
2024

Annual
production
capacity
(million kl)

19.1
2023

Number of plants

Unit: plant



62*
By the end of
2024

Number of
brewery plants
in China

62*
2023

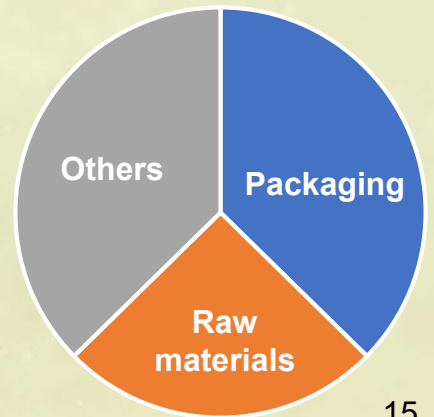
* Excluding the breweries
that ceased operation and
those that management
decided to close

Production cost structure

2024



2023



To Become an Explorer of the New World of the Baijiu Industry





To Become an Explorer of the New World of the Baijiu Industry

Successfully entered phase 2 - "Development"



Build valuable brands

- "Each to their own beauty, sharing this beauty together". Based on the characteristics of each brand, draw out the value of each brand, and meet diverse needs.
- Evaluate baijiu brand resources and determine baijiu brand portfolio and positioning planning.
- Develop a national promotional strategies.
- Promote baijiu brand remodeling, optimise product packaging and quality upgrading.



Establish a working mechanism

- Establish a working mechanism for baijiu business, where the headquarters can promote, integrate, learn from experiences, and facilitate knowledge sharing. For key projects, project teams should be formed to conduct joint research and drive progress.
- Regularly hold business work meetings to review major business activities, summarise and share experiences, and establish a review mechanism to enhance business capabilities.



Enhance business management

- Standardise the business management system and process of baijiu, including sales management, brand promotion and product management.
- Explore general methods, manuals, tools, etc. for Baijiu sales and promotion.



Implement dual empowerment in business

- Deeply implement the "dual empowerment model for beer and baijiu businesses" and optimise its operation model, methods, process, tools and guidelines, enhancing the professionalism and effectiveness of implementation.



Explore group buying business

- Establish and improve a group buying resource database and promote the follow-up and implementation of group buying resources.



To Become an Explorer of the New World of the Baijiu Industry

Establishing a single brand matrix

Create a "1" premium and leading baijiu brand nationwide



Create a "1" brand in the national mid-low range



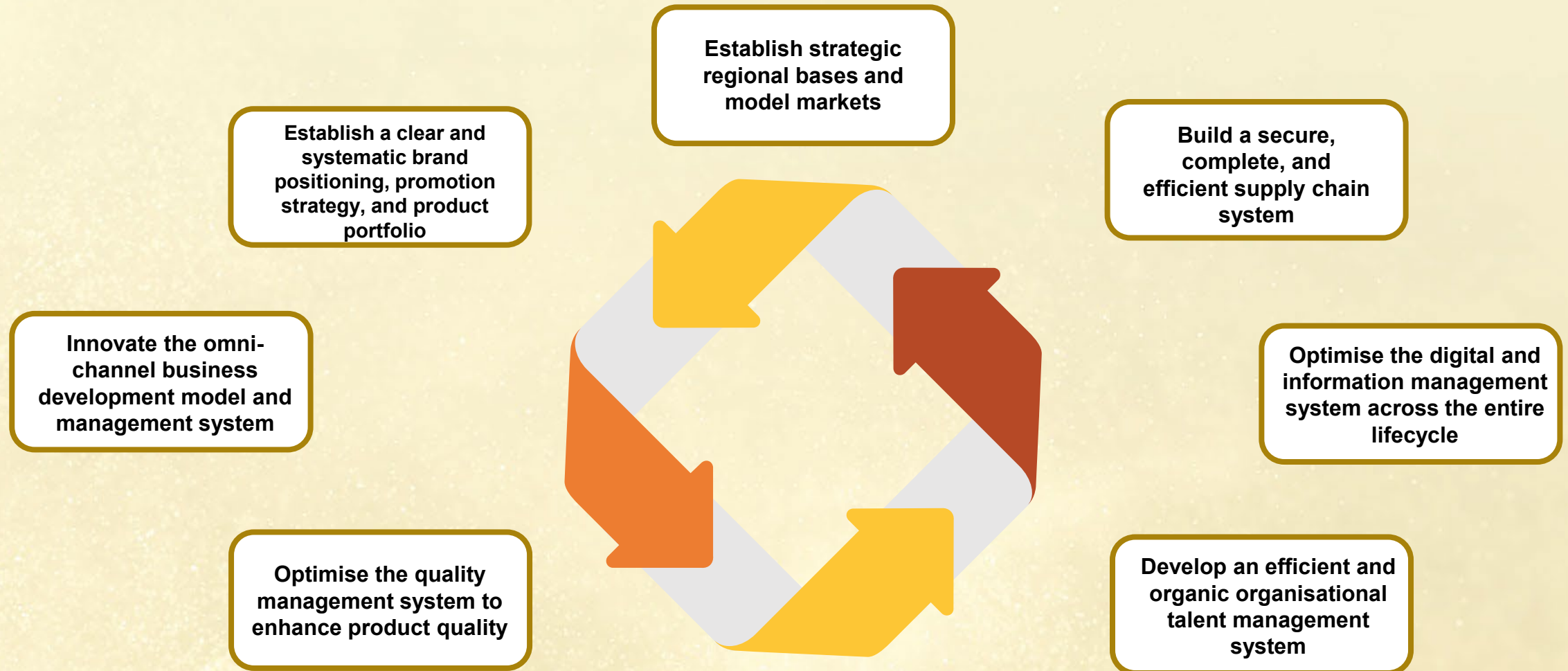
Create "N" valuable regional brands





To Become an Explorer of the New World of the Baijiu Industry

7 key business strategies driving high-quality development





Continuously improve ESG levels

The “14th Five-Year Plan” goals for the Group’s EHS management, with most of the indicators have been achieved ahead of schedule:

| | Unit | 2025 Targets | 2024 Progress | 2020 Baseline | 2024 vs 2020 |
|---|---|-----------------|------------------|------------------|-----------------|
| Environment (8 items) | | | | | |
| Consolidated Energy consumption intensity per unit | Tonnes of standard coal / kilolitre output | 0.019 | 0.020 | 0.021 | -4% |
| Water consumption intensity per unit | Cubic metres / kilolitre output | 2.68 | 2.88 | 2.69 | +6% |
| Greenhouse gas emissions intensity per unit | Tonnes of CO2 equivalent / kilolitre output | 0.075 | 0.066 | 0.084 | -21% |
| Total greenhouse gas emissions | 1,000 tonnes CO2 equivalent | 825 | 731 | 914 | -20% |
| Sulphur dioxide (SO ₂) | Tonnes | 20 | 7 | 23 | -70% |
| Nitrogen oxides (NO _x) | Tonnes | 100 | 62 | 117 | -47% |
| Recycling rate of dried distiller’s grains | % | 100% | 100% | 100% | - |
| Recycling rate of dried waste yeast | % | 100% | 100% | 100% | - |
| Social (4 items) | | | | | |
| Average training hours for each full-time employee in full year | Hours | 36.1 | 46.2 | 29.3 | +58% |
| Total training hours for full-time employee | Thousand hours | 866 | 1,203 | 779 | +54% |
| Average training cost for each full-time employee | RMB | 426 | 1,121 | 341 | +229% |
| Number of work related fatalities | People | 0 | 0 | 0 | - |

Other highlights:

- 2 breweries received carbon-neutral certification, and 6 plants were awarded the “National Green Plant” designation, bringing the total number of National Green Plant designations to 11
- MSCI rating has been upgraded to “A”, bringing it closer to the standards of world-class enterprises
- The premium national barley product “Ken 14” was launched to promote “Chinese Barley, Chinese Beer”, demonstrating the Group's corporate social responsibility



Major Awards

| Organiser | Awards / Recognition | Details |
|--|---|--|
| The Hong Kong Institute of Directors | The HKIoD Award Series for Director Excellence 2024 | <ul style="list-style-type: none"> Directors Of The Year Awards (Listed Companies Boards) Climate Governance Awards (Listed Companies Boards)   |
| The Chamber of Hong Kong Listed Companies (CHKLC) and the Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University (CCGFP) | The Hong Kong Corporate Governance and ESG Excellence Awards 2024 | <ul style="list-style-type: none"> Award of Excellence in ESG (Hang Seng Index Constituent Companies)  |
| Institutional Investor | 2024 Asia Executive Team | <ul style="list-style-type: none"> Most Honored Company (Consumer Staples Sector) Best CEO (Consumer Staples Sector) Best CFO (Consumer Staples Sector) Best Investor Relations Professional (Consumer Staples Sector) Best Investor Relations Team (Consumer Staples Sector) Best Investor Relations Program (Consumer Staples Sector) Best ESG Program (Consumer Staples Sector) Best Company Board (Consumer Staples Sector)  |
| IR Magazine | IR Magazine Awards - Greater China 2024 | <ul style="list-style-type: none"> Best Overall Investor Relations (Large Cap) Best in Sector: Consumer Staples Best International IR  |



Major Awards (Cont'd)

| Organiser | Awards / Recognition | Details |
|--|--------------------------------------|--|
| Hong Kong Investor Relations Association | HKIRA 10th Investor Relations Awards | <ul style="list-style-type: none">Overall Best IR Company Awards - Large CapGrand ESG Award - Large CapBest IR by Chairman/CEO - Large CapBest IR by CFO - Large CapBest IRO (Investor Relations Officer) - Large CapBest IR Company - Large CapBest IR Team - Large CapBest ESG (E) - Large CapBest ESG (S) - Large CapBest ESG (G) - Large CapBest Investor Meeting - Large CapBest Investor Presentation Material - Large CapBest Annual Report - Large Cap  |
| Corporate Governance Asia | Asian Excellence Award 2024 | <ul style="list-style-type: none">Asia's Best CEO (Investor Relations)Asia's Best CFO (Investor Relations)Best Investor Relations CompanyBest Corporate CommunicationsBest Investor Relations Professional  |
| Forbes | Global 2000 | <ul style="list-style-type: none">Ranked 1580th |
| KPMG | The Second KPMG ESG 50 Awards•2024 | <ul style="list-style-type: none">Green Low-Carbon Pioneers Award |
| Master Insight and Hang Seng University of Hong Kong | 3rd ESG Awards | <ul style="list-style-type: none">ESG Disclosure Award |
| Ming Pao | ESG Award 2024 | <ul style="list-style-type: none">Outstanding ESG Corporate Award - Listed Company (Brewing)  |



Major Awards (Cont'd)

| Organiser | Awards / Recognition | Details |
|--|--|--|
| am730 | ESG Green Development & Carbon Neutrality Awards 2023 | <ul style="list-style-type: none">Outstanding Sustainable Enterprise Award - Listed Company (Beverage)  |
| TVB | Environment, Social and Governance Awards 2024 | <ul style="list-style-type: none">ESG Special Recognition Award |
| National Business Daily | 2024 The 9th Golden Goblet Awards of China Liquor Industry | <ul style="list-style-type: none">ESG Pioneer Awards of the Year for Listed Companies in China's Liquor Industry |
| National Business Daily | The Reputation List of Listed Companies 2024 | <ul style="list-style-type: none">Most Growing Listed Company in Consumer Goods Sector |
| National Business Daily, Shenzhen Economic Daily and Tsinghua SEM China Business Research Center | The 8th China Listed Company Brand Value | <ul style="list-style-type: none">Overall Top 100Grater Bay Area Top 100 |
| Yazhou Zhoukan | 36th Anniversary and Awards Presentation Ceremony | <ul style="list-style-type: none">2023 Asia Excellence Brand Award2022-2023 ESG Award |
| Metro Finance | GBA ESG Achievement Awards 2024 | <ul style="list-style-type: none">GBA ESG Achievement Awards 2024Outstanding Social Sustainable Development AwardsOutstanding Green Sustainable Development AwardsOutstanding Corporate Governance Awards  |
| Capital | Environmental Social and Governance Awards 2024 | <ul style="list-style-type: none">Environmental Social and Governance Awards |



Major Awards (Cont'd)

| Organiser | Awards / Recognition | Details |
|---|---|---|
| The Hong Kong Institute of Financial Analysts and Professional Commentators Limited | Outstanding Listed Companies Award 2024 | <ul style="list-style-type: none">Outstanding Listed Companies Award  |
| The Greater Bay Area Association of Listed Companies | GBA Listed Companies ESG Green Achievement Awards | <ul style="list-style-type: none">Value Champion Award |
| am730, PR Asia and IFENG HK STOCKS | Listed Company Excellence Awards 2024 | <ul style="list-style-type: none">Listed Company Excellence Awards |
| Hong Kong Commercial Daily, PR Asia and Think ESG | The Outstanding Award of ESG 2024 | <ul style="list-style-type: none">The Outstanding Award of ESG  |
| League of American Communications Professionals LLC (LACP) | 2023 Vision Awards Annual Report Competition | <ul style="list-style-type: none">Top 50 Chinese Reports of 2023Excellence within industry: GoldTechnical Achievement Award  |
| Hong Kong Commercial Times | HKCT Business Awards 2024 | <ul style="list-style-type: none">Most Outstanding Alcoholic Beverages Manufacturing and Distribution Business of the Year  |
| The Hong Kong Council of Social Service | Caring Company Scheme 2023/24 | <ul style="list-style-type: none">Certificate for the Caring Company Logo Award  |

**Packing Its Bag and Setting Off Again
Tomorrow Will Be Better**





Disclaimer

Data and information contained in this presentation is provided for informational purposes only. Neither China Resources Beer (Holdings) Company Limited nor any of its subsidiaries shall be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

This presentation and subsequent discussion may contain forward-looking statements that are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of China Resources Beer (Holdings) Company Limited about its business and the industry and markets in which it operates. These forward-looking statements include, without limitation, statements relating to revenues, earnings and stock performance. The words “believe”, “intend”, “expect”, “anticipate”, “project”, “estimate”, “predict” and similar expressions are also intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, including but not limited to price fluctuations, actual demand, exchange rate fluctuations, development outcomes, market shares, competition, environmental risks, changes in legal, financial and regulatory frameworks, international economic and financial market conditions, political risks, project delay, project approval, cost estimates and other risks, which are beyond the control of China Resources Beer(Holdings) Company Limited and are difficult to predict. Consequently, actual results could differ materially from those expressed or forecasted in the forward-looking statements.