

**Q3 2020 Financial Results Digest**



**November 2020**

◆ **The core OP is above the forecast in all businesses, despite the YoY decline in revenue and profits due to the spread of COVID-19.**

- Alcohol : YoY decline in revenue and profits due to the sales decrease mainly in the on-premise channel, despite promoting sales for the off-premise channel and improving efficiency in overall costs.
- Soft Drinks : YoY decline in revenue and profits due to weak vending machine sales and the worsening mix, despite promoting control of advertising and other fixed costs.
- Food : YoY decline in revenue and profits due to the sales decrease of *Mintia* brand, despite the promoting control of overall fixed costs and sales to capture the staying-at-home demand.
- Overseas : YoY increase in revenue due to the consolidation of CUB business, and yet YoY decline in profits due to the sales decrease in the on-premise market and worsening mix.

◆ **The annual forecast is expected to be overachieved in the whole group, despite the risk of re-expansion of COVID-19.**

<Revenue and Core operating profit> \*constant currency basis (based on previous year's FX rates) (JPY billion)

	2020 Q3 (9 months ended September 30)			2020 forecast (announced on August 5)		
		YoY (Amount / %)			YoY (Amount / %)	
Alcohol Beverages Business	555.4	- 101.6	- 15.5%	765.6	- 121.2	- 13.7%
Soft Drinks Business	270.4	- 13.9	- 4.9%	356.0	- 20.9	- 5.5%
Food Business	89.9	- 4.6	- 4.8%	124.6	- 4.4	- 3.4%
Overseas Business	569.6	50.8	9.8%	781.0	82.5	11.8%
Other Business	69.4	- 2.9	- 4.0%	92.9	- 4.5	- 4.6%
Adjustmenet (corporate and elimination)	- 71.6	4.7	-	- 96.0	3.6	-
Revenue	1,483.1	- 67.4	- 4.3%	2,024.1	- 64.9	- 3.1%
Alcohol Beverages Business	59.9	- 18.1	- 23.2%	80.4	- 25.2	- 23.9%
Soft Drinks Business	24.2	- 1.7	- 6.7%	26.2	- 7.3	- 21.8%
Food Business	8.5	- 1.4	- 14.2%	10.9	- 2.8	- 20.4%
Overseas Business	70.4	- 9.1	- 11.4%	83.6	- 18.7	- 18.3%
Other Business	0.8	- 0.2	- 20.7%	0.2	- 1.1	- 86.2%
Adjustmenet (corporate and elimination)	- 16.3	- 0.2	-	- 24.0	- 1.9	-
Amortization of acquisition-related intangible assets	- 15.8	- 0.4	-	- 29.0	- 7.8	-
Core operating profit	131.7	- 31.1	- 19.1%	148.2	- 64.8	- 30.4%

# Financial Results Highlights (actual currency basis)



<Revenue and Core operating profit (actual currency basis) >

(JPY billion)

	2020 Q3 (9 months ended September 30)			2020 forecast (announced on August 5)		
		YoY (Amount / %)			YoY (Amount / %)	
Alcohol Beverages Business	555.4	- 101.6	- 15.5%	765.6	- 121.2	- 13.7%
Soft Drinks Business	270.4	- 13.9	- 4.9%	356.0	- 20.9	- 5.5%
Food Business	89.9	- 4.6	- 4.8%	124.6	- 4.4	- 3.4%
Overseas Business	557.9	39.1	7.5%	763.9	65.3	9.4%
Other Business	69.4	- 2.9	- 4.0%	92.9	- 4.5	- 4.6%
Adjustmenet (corporate and elimination)	- 71.6	4.7	-	- 96.0	3.6	-
Revenue	1,471.4	- 79.1	- 5.1%	2,007.0	- 82.0	- 3.9%
Alcohol Beverages Business	59.9	- 18.1	- 23.2%	80.4	- 25.2	- 23.9%
Soft Drinks Business	24.2	- 1.7	- 6.7%	26.2	- 7.3	- 21.8%
Food Business	8.5	- 1.4	- 14.2%	10.9	- 2.8	- 20.4%
Overseas Business	69.4	- 10.0	- 12.6%	82.0	- 20.2	- 19.8%
Other Business	0.8	- 0.2	- 20.7%	0.2	- 1.1	- 86.2%
Adjustmenet (corporate and elimination)	- 16.3	- 0.2	-	- 24.0	- 1.9	-
Amortization of acquisition-related intangible assets	- 15.6	- 0.2	-	- 28.7	- 7.5	-
Core operating profit	130.9	- 31.9	- 19.6%	147.0	- 66.0	- 31.0%
Operating profit	118.0	- 41.8	- 26.2%	124.0	- 77.4	- 38.4%
Profit attributable to owners of parent	79.6	- 33.3	- 29.5%	80.0	- 62.2	- 43.7%

## 【Revenue】

- 5.1% YoY decline in the total due to the YoY decline of the three domestic businesses, despite YoY increase of the overseas business due to the consolidation of CUB business since June 2020.
- The total progress is above the annual forecast, mainly due to excess achievement of the overseas business.

## 【Core OP】

- YoY decline with -19.6% in the total due to the worsening mix and the sales decrease in the on-premise channel, despite the consolidation of CUB business.
- The total progress is above the annual forecast, mainly due to excess achievement of the Overseas business and the Soft Drink business.

(JPY billion)

	2020 Q3 (9 months ended September 30)			2020 forecast (announced on August 5)		
		YoY (Amount / %)			YoY (Amount / %)	
Revenue	1,471.4	- 79.1	- 5.1%	2,007.0	- 82.0	- 3.9%
Core operating profit	130.9	- 31.9	- 19.6%	147.0	- 66.0	- 31.0%
Adjustment item	- 12.9	- 9.9	-	- 23.0	- 11.5	-
Gain (loss) on sales and retirement of non current assets	2.6	3.9	-	0.9	4.8	-
Business integration expenses	- 3.0	- 1.8	-	- 2.1	3.3	-
Impairment loss	-	-	-	-	0.1	-
Others	- 12.5	- 12.0	-	- 21.8	- 19.6	-
Operating profit	118.0	- 41.8	- 26.2%	124.0	- 77.4	- 38.4%
Finance income or loss	- 4.2	- 1.7	-	- 8.2	- 3.9	-
Share of profit (loss) of investments accounted for using equity method	0.3	- 0.4	- 59.4%	0.0	- 0.9	- 98.8%
Gain (loss) on sales of investments accounted for using equity method	- 2.3	- 2.3	-	- 2.3	- 2.3	-
Others	- 1.2	- 0.8	-	- 1.5	- 0.9	-
Profit before tax	110.6	- 47.0	- 29.8%	112.0	- 85.4	- 43.3%
Income tax expense	- 31.1	13.6	-	- 32.5	23.6	-
Profit	79.5	- 33.4	- 29.6%	79.5	- 61.8	- 43.7%
Profit attributable to owners of parent	79.6	- 33.3	- 29.5%	80.0	- 62.2	- 43.7%
Profit attributable to non-controlling interests	- 0.1	- 0.1	-	- 0.5	0.4	-

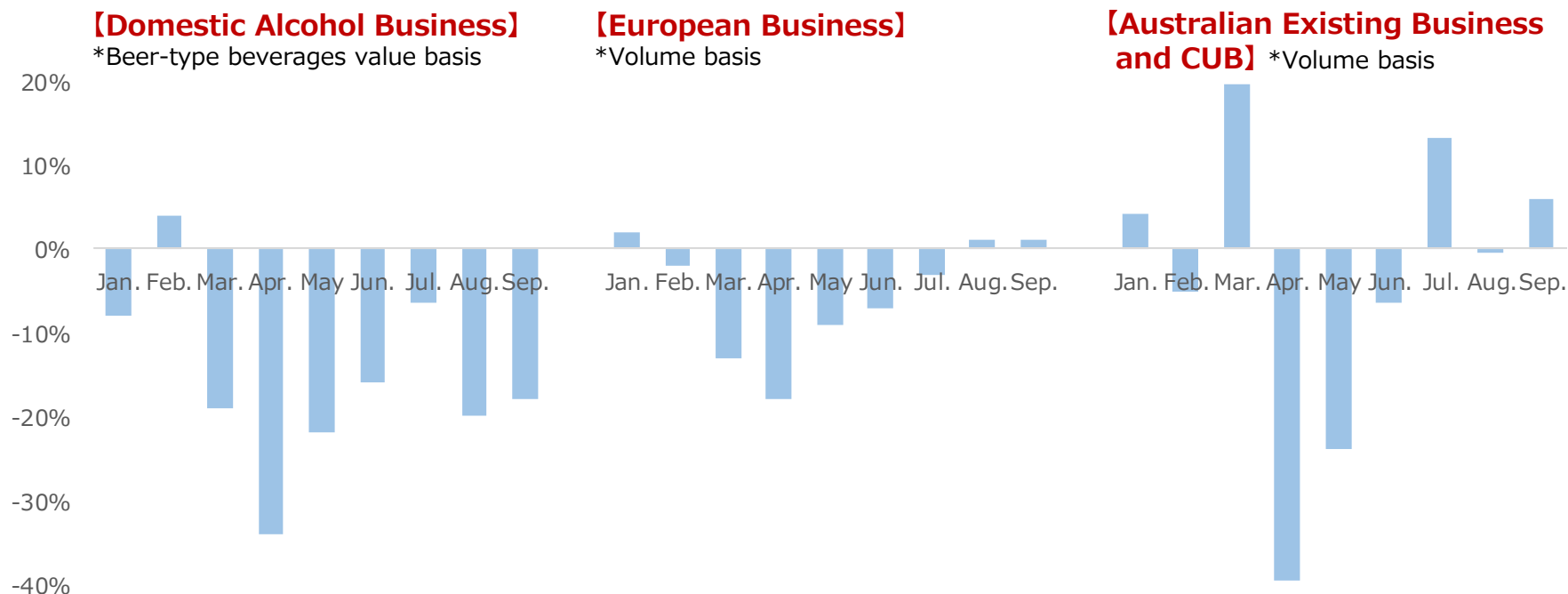
## 【Operating Profit】

- 26.2% YoY decline due to decrease of the core OP and the increase of expenses such as “Others” including temporary COVID-19 related expenses.

## 【Profit attributable to owners of parent】

- 29.5% YoY decline due to the losses on sales of investments accounted for using equity method, despite the decrease of income tax expenses.
- The total progress is above the annual forecast, mainly due to excess achievement of the core OP.

## ◆ Monthly Beer Sales in the Key Businesses



### [Domestic Alcohol Business]

\*Beer-type beverages value basis

### [European Business]

\*Volume basis

### [Australian Existing Business and CUB]

\*Volume basis

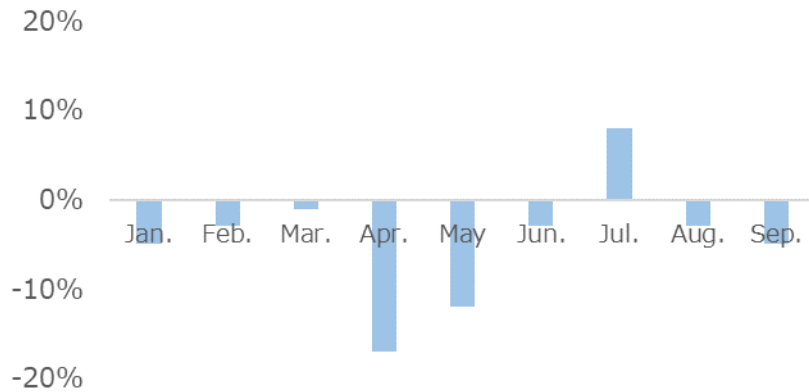
- Since March, sales had been sluggish due to the declaration of a state of emergency.
- After the end of the declaration in May, sales of on-premise market are recovering.
- Due to the re-spreading of COVID-19, since August, the Tokyo Metropolitan Government asked restaurants to refrain from late night operations.
- The above request was lifted on September 15, and the "Go To Campaign" was launched in October, showing signs of recovery for on-premise market.

- Lockdowns resulted in sluggish on-trade sales since March.
  - Improvements began slowly in May, as the on-trade channel re-opened and restrictions were gradually lifted across most European markets.
  - In August-Sept, year-on-year sales increased as Covid related restrictions were removed across most European markets, supported by good summer weather.
- (October and Q4 sales are expected to decrease driven by new restrictions impacting the closure of the on-trade, along with lockdowns re-implemented across Europe due to a recent resurgence in the numbers of Covid cases.)

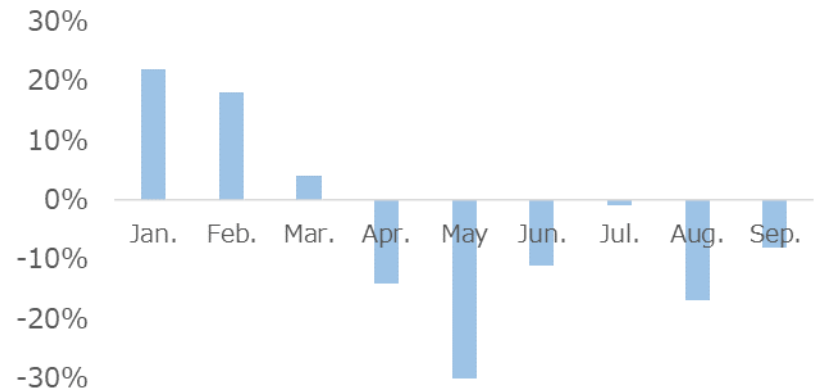
- Sales volumes decreased significantly in April due to the lockdown.
- Since May, the lockdown has been lifted, and the decline rate of sales volumes has been contracting.
- From July onwards, in addition to the expansion of off-premise market, on-premise market began to recover as a result of deregulation in each state except Victoria. (Restrictions in Victoria have already entered a phase of relaxation.)

# COVID-19 Impacts (Soft Drinks and Food)

**[Soft Drinks Business]** \*Volume basis



**[Food Business]** \*Value basis



• Overall sales volume has recovered, mainly in vending machines and convenience stores through the summer peak season.

(Vending machines) Apr.: -32% → Sep.: -10% (Approx.)  
 (Convenience store) Apr.: -13% → Sep.: -4% (Approx.)

• Gradual recovery for *Mintia* and growth in brands for the consumption from staying at home

(*Mintia*) Apr.: -48% → Sep.: -32% (Approx.)  
 (Freeze-dried miso soup) Apr.: +15% → Sep.: +6% (Approx.)

## ◆ Regulatory status with re-spreading of COVID-19 in major countries (As of Nov. 2)

	Regulatory Status
Japan	The Tokyo Metropolitan Government had requested restaurants to close by 10 p.m. since Aug. 3, but the request was lifted on Sept. 15.
Czech	Restaurants and pubs will not be open from Oct. 14 to Nov. 20. (Take-away is available)
Poland	Restricted restaurant hours from Oct. 17 and shut down restaurants for two weeks from Oct. 24
Italy	Restricted restaurant hours from Oct. 13
UK	Partial restrictions during Oct, with lockdown implemented from Nov. 5 until Dec. 2. (Pubs and restaurants closed, take-away available)
Australia	Melbourne metropolitan area deregulation to allow restaurants to operate from Oct. 28

# Alcohol Beverages Business (Revenue of Beer-typed/Sales Volume by Brands)



## <Sales Volume by Brands>

	2020 Q3 (9 months ended September 30)		
	YoY (Amount / %)		
Super Dry	46.02	- 15.17	- 24.8%
Style Free	8.61	0.34	4.2%
Clear Asahi	13.71	- 0.38	- 2.7%

※ Super Dry by container type (glass bottle -44%, can -9%, keg -39%)

(Millions of cases)

	2020 forecast (announced on August 5)		
	YoY (Amount / %)		
	66.40	- 17.15	- 20.5%
	11.40	0.32	2.9%
	17.90	- 0.94	- 5.0%

## <Market Trend>

(Volume basis)

	Q3 YoY	Full-year Est. YoY
Beer	-25~26%	-23~24%
Happoshu	-2~3%	Approx. -3%
New Genre	+7~8%	+6~7%
Total	-9~10%	-8~9%

## <Revenue of Beer-type beverages>

(JPY billion)

	2020 Q3 (9 months ended September 30)		
	YoY (Amount / %)		
Beer-type beverages total	410.4	- 80.5	- 16.4%

	2020 forecast (announced on August 5)		
	YoY (Amount / %)		
	574.0	- 92.0	- 13.8%

### [Market Total]

- YoY contraction by -9 to -10% in the volume due to the slump in the on-premise market and the scale reduction of traditional events during the summer season, despite increased consumption in the off-premise market and tentative demand in September for the New Genre before the liquor tax change on October 1.

### [Revenue/Sales Volume by Brands]

- YoY decline with -16.4% due to the decrease of beer in the on-premise market, despite the strong sales of Happoshu and New Genre.

**<Asahi Super Dry>** YoY decline with -24.8% due to the decrease in the on-premise market and the scale reduction of traditional events, despite strengthening sales promotion for the off-premise market.

**<Style Free>** YoY increase with 4.2% due to the effective promotion to meet the growing health consciousness.

**<Clear Asahi>** YoY decline with -2.7% due to the decrease in the on-premise market and competitive new products, despite strengthening sales promotion linked to meals.

**<The Rich>** Total shipments reached 6.24 million cases, and the annual sales target was revised up again to 9.5 million cases, which is 2.4 times higher than the original one.

- The total progress is below the annual forecast due to the unachieved sales in Beer and New Genre, despite excess achievement of sales in Happoshu.

## <Revenue>

(JPY billion)

	2020 Q3 (9 months ended September 30)		
	YoY (Amount / %)		
Asahi Breweries Revenue	546.9	- 93.0	- 14.5%
Other/elimination in segment	8.5	- 8.7	- 50.5%
Revenue total	555.4	- 101.6	- 15.5%

	2020 forecast (announced on August 5)		
	YoY (Amount / %)		
	754.3	- 109.1	- 12.6%
	11.3	- 12.2	- 51.9%
	765.6	- 121.2	- 13.7%

## <Reference: Revenue by category (before rebate deduction)>

Whiskey and spirits	37.7	- 4.9	- 11.4%
RTD low-alcohol beverages	35.1	0.8	2.4%
Wine	26.8	- 2.3	- 8.0%
Shochu	17.0	- 2.2	- 11.5%
Non-alcohol beverages	23.7	- 1.1	- 4.5%

	51.8	- 6.3	- 10.9%
	47.0	1.6	3.4%
	37.7	- 4.4	- 10.4%
	22.9	- 3.5	- 13.4%
	31.7	- 1.4	- 4.3%

### **[Revenue of Other Alcohol Beverages]**

- YoY decline in total due to the sales decrease in each category in the on-premise market, despite the sales increase of RTD by strengthening "Zeitakushibori" brand.
- -4.5% YoY decline in Non-alcohol beverages due to the sales decrease in the on-premise market and backlash from new products in the previous year.
- The total progress is above the annual forecast, mainly due to the increased sales in the off-premise market in each category beyond expectations.



## <Core Operating Profit>

(JPY billion)

	2020 Q3 (9 months ended September 30)		
		YoY (Amount / %)	
Change in sales, category and container mix	-	- 31.0	
Cost reduction in manufacturing	-	1.7	
Cost increase in manufacturing	-	- 2.4	
Advertisement and Sales promotion expenses	-	7.1	
Other expenses	-	8.6	
Asahi Breweries	61.9	- 16.0	- 20.6%
Other/elimination in segment	- 1.9	- 2.1	-
Core Operating Profit	59.9	- 18.1	- 23.2%

	2020 forecast (announced on August 5)		
		YoY (Amount / %)	
	-	- 34.5	
	-	2.2	
	-	- 2.5	
	-	6.5	
	-	6.5	
	83.1	- 21.8	- 20.8%
	- 2.7	- 3.3	-
	80.4	- 25.2	- 23.9%

## **【Factors Contributing to Increase/Decrease】** (JPY billion)

- -23.2% YoY decline in total due to the sales decrease of Beer-type beverages, despite improved the efficiency of other expenses such as advertising and promotional ones.
- The total progress is above the annual forecast mainly due to controlling advertising and promotional expenses, though the impact of changes in sales was larger than planned.

## <Breakdown of main factors>

- Change in sales and others : -31.0  
(Sales decrease in beer-type -27.8, Sales decrease in other alcohol beverages -4.8, Change in category and container mix, and others)
- Cost reduction in manufacturing: +1.7 (Raw materials +0.3, Utilities+0.3, Transportation +0.4, etc. )
- Cost increase in manufacturing: -2.4 (Raw materials -0.3, In other than beer -0.6, Transportation -0.7, etc.)
- Decrease in sales promotion expenses : +7.1 (Advertisement +2.6, Promotion +4.4) (Beer-type +2.6, Other +4.5)
- Other expenses : +8.6 (HR +0.4, Depreciation +0.4, Equipment for selling +1.2, Others +6.6)

# Soft Drinks Business (Sales Volume)



## <Sales Volume>

	2020 Q3 (9 months ended September 30)		
	YoY (Amount / %)		
Carbonated drinks	61.80	4.98	8.8%
Lactic acid drinks	34.38	- 3.44	- 9.1%
Coffee	25.73	- 3.83	- 12.9%
Tea	27.19	- 3.33	- 10.9%
Mineral Water	12.95	- 2.23	- 14.7%
Fruit juice	10.66	- 3.59	- 25.2%
Other drinks	19.00	2.12	12.6%
Sales Volume	191.71	- 9.31	- 4.6%

(Millions of cases)

	2020 forecast (announced on August 5)		
	YoY (Amount / %)		
	78.71	5.73	7.9%
	45.00	- 3.88	- 7.9%
	36.08	- 5.06	- 12.3%
	36.75	- 3.21	- 8.0%
	17.88	- 2.04	- 10.3%
	15.43	- 3.80	- 19.7%
	25.96	2.91	12.6%
	255.80	- 9.34	- 3.5%

## <Market Trend>

Jan. - Sep. YoY
-4~5%
-10~11%
-10~11%
-6~7%
-1~2%
-9~10%
-
-6~7%

## <Sales Volume by Brands>

	2020 Q3 (9 months ended September 30)		
	YoY (Amount / %)		
MITSUYA CIDER	32.74	1.46	4.7%
WILKINSON	22.85	2.60	12.8%
CALPIS	29.67	- 2.73	- 8.4%
WONDA	24.29	- 4.04	- 14.3%
Asahi Juroku-cha	16.88	- 0.68	- 3.9%
OISHII MIZU	12.95	- 2.23	- 14.7%

## <By container type>

Jan. - Sep.	YoY
Can	- 4.1%
PET total	- 3.2%
Large PET	- 4.9%
Small PET	- 2.3%
Glass bottle	- 38.3%
Others	- 15.0%

## <By channel>

Jan. - Sep.	YoY
Vending machine	- 15.0%
CVS	0.0%
SM	3.0%
Others	- 17.0%

### [Market Total]

- 6 to -7% YoY decline in total volume mainly due to the sales decrease in vending machines, despite sales expanding in supermarkets caused by consumption from staying at home demand.

### [Asahi Soft Drinks Sales Volume]

- 4.6% YoY decline due to the sales decrease of Coffee and Fruit juice drinks, despite the sales increase in Carbonated drinks.
- The total progress is below the annual forecast mainly due to the negative impacts of the sales decrease in Fruit juice and Mineral Water drinks, despite the sales increase in Carbonated drinks.

## <Core Operating Profit>

(Millions of cases / JPY billion)

	2020 Q3 (9 months ended September 30)			2020 forecast (announced on August 5)		
		YoY (Amount / %)			YoY (Amount / %)	
Sales Volume Total	191.71	- 9.31	- 4.6%	255.80	△ 9.34	- 3.5%
Revenue Total	270.4	- 13.9	- 4.9%	356.0	- 20.9	- 5.5%
Change in sales, category and container mix	-	- 5.3		-	- 10.2	
Cost reduction in manufacturing	-	3.7		-	5.1	
Cost increase in manufacturing	-	- 0.5		-	- 0.9	
Advertisement and Sales promotion expenses	-	1.5		-	0.9	
Other expenses	-	- 1.1		-	- 2.2	
Asahi Soft Drinks	24.2	- 1.7	- 6.7%	26.2	- 7.3	- 21.8%
Other/elimination in segment		-	-		-	-
Core Operating Profit	24.2	- 1.7	- 6.7%	26.2	- 7.3	- 21.8%

### **[Factors Contributing to Increase/Decrease]** (JPY billion)

- -6.7% YoY decline in total mainly due to the sales decrease, despite cost reduction measures of variable costs, including improvement in capacity utilization and control of advertising and promotional expenses.
- The total progress is above the annual forecast mainly due to the recovery in sales volume and mix with controlling advertising and promotional expenses.
- <Breakdown of main factors>
- Change in sales and others : -5.3  
(Sales volume decrease -3.9, Change in category and container mix, and others)
- Cost reduction in manufacturing: +3.7  
(Raw materials +0.2, Packages +2.0, Operational efficiency/in-house production +1.5, etc. )
- Cost increase in manufacturing: -0.5, (Raw materials -0.2, Packages -0.3, etc.)
- Change in sales promotion expenses : +1.5 (Advertisement +0.8, Promotion +0.7 )

## <Revenue>

(JPY billion)

	2020 Q3 (9 months ended September 30)		
		YoY (Amount / %)	
Asahi Group Foods	81.7	- 4.0	- 4.6%
Other / elimination	8.2	- 0.6	- 6.8%
Revenue	89.9	- 4.6	- 4.8%

	2020 forecast (announced on August 5)		
		YoY (Amount / %)	
	113.3	- 4.4	- 3.7%
	11.3	0.0	0.0%
	124.6	- 4.4	- 3.4%

## <Core Operating Profit>

(JPY billion)

	2020 Q3 (9 months ended September 30)		
		YoY (Amount / %)	
Asahi Group Foods	7.8	- 2.0	- 20.1%
Other / elimination	0.7	0.6	374.8%
Core Operating Profit	8.5	- 1.4	- 14.2%

	2020 forecast (announced on August 5)		
		YoY (Amount / %)	
	9.9	- 2.6	- 20.7%
	1.0	- 0.2	- 17.5%
	10.9	- 2.8	- 20.4%

### **[Revenue]**

- -4.8% YoY decline mainly due to the sales decrease of *Mintia* brand, despite the sales increase of freeze-dried foods caused by consumption from staying at home.
- Total progress is on track to the annual forecast due to strong sales of *Dianatura*, which offset the sales decline of *Mintia*.

### **[Core OP]**

- -14.2% YoY decline due to the sales decrease and the worsening product mix, despite promoting to control overall fixed costs such as advertisement and sales promotion expenses.
- Total progress is above the annual forecast by controlling fixed costs.

# Overseas Business (Revenue)

<Revenue>

(JPY billion)

	2020 Q3 (9 months ended September 30)			2020 forecast (announced on August 5)		
		YoY (Amount / %)			YoY (Amount / %)	
Europe business	277.9	- 29.0	- 9.5%	342.7	- 45.6	- 11.7%
Oceania business	201.2	87.3	76.6%	309.4	130.5	73.0%
Southeast Asia business	32.8	- 1.4	- 4.1%	41.7	- 3.1	- 7.0%
Asahi International	60.0	- 12.4	- 17.1%	85.9	- 18.4	- 17.6%
Other / elimination	△ 14.1	- 5.4	-	- 15.8	1.9	-
Revenue	557.9	39.1	7.5%	763.9	65.3	9.4%

<Revenue \*constant currency basis (based on previous year's FX rates)>

(JPY billion)

	2020 Q3 (9 months ended September 30)			2020 forecast (announced on August 5)		
		YoY (Amount / %)			YoY (Amount / %)	
Europe business	281.7	- 25.1	- 8.2%	348.5	- 39.8	- 10.2%
Oceania business	207.0	93.0	81.6%	317.2	138.3	77.3%
Southeast Asia business	33.9	- 0.3	- 1.0%	43.6	- 1.2	- 2.7%
Asahi International	60.9	- 11.5	- 15.9%	87.4	- 16.9	- 16.2%
Other / elimination	△ 14.0	- 5.3	-	- 15.7	2.0	-
Revenue	569.6	50.8	9.8%	781.0	82.5	11.8%

※ For the CUB business, described the result and the forecast from June 1st to December 31st.

## [Revenue (constant currency basis)]

- Europe: -8.2% YoY decline due to the sales decrease in the on-premise channel despite the solid sales volume in the off-premise channel.
- Oceania : +81.6% YoY growth driven by the consolidation of the CUB business and the sales increase of alcohol beverages and carbonated drinks in the off-premise channel.
- Southeast Asia : -1.0% YoY decline due to the sales decrease of beverages except for dairy products in Malaysia.
- Asahi International : -15.9% YoY decline due to the lower sales volume mainly in UK and Asia despite higher sales in EMEA&LATAM.
- Total progress is above the annual forecast mainly due to the excess achievement of Oceania business and Europe businesses.

<Core OP>

(JPY billion)

	2020 Q3 (9 months ended September 30)			2020 forecast (announced on August 5)		
		YoY (Amount / %)			YoY (Amount / %)	
Europe business	51.4	- 13.9	- 21.3%	55.7	- 22.0	- 28.3%
Oceania business	16.3	10.1	161.8%	23.2	8.0	52.4%
Southeast Asia business	1.2	- 0.5	- 27.0%	1.3	- 0.9	- 41.7%
Asahi International	1.5	- 4.9	- 76.1%	2.7	- 4.4	- 61.7%
Other / elimination	- 1.0	- 0.8	-	- 0.9	- 1.0	-
Revenue	69.4	- 10.0	- 12.6%	82.0	- 20.2	- 19.8%

<Core OP \*constant currency basis (based on previous year's FX rates)>

(JPY billion)

	2020 Q3 (9 months ended September 30)			2020 forecast (announced on August 5)		
		YoY (Amount / %)			YoY (Amount / %)	
Europe business	52.1	- 13.2	- 20.2%	56.7	- 21.1	- 27.1%
Oceania business	16.5	10.3	165.6%	23.7	8.5	55.8%
Southeast Asia business	1.3	- 0.4	- 25.9%	1.3	- 0.8	- 39.1%
Asahi International	1.6	- 4.9	- 75.8%	2.8	- 4.3	- 61.0%
Other / elimination	- 1.0	- 0.9	-	- 0.9	- 1.0	-
Revenue	70.4	- 9.1	- 11.4%	83.6	- 18.7	- 18.3%

※ For the CUB business, described the result and the forecast from June 1st to December 31st.

## 【Core Operating Profit (constant currency basis)】

- Europe: -20.2% YoY decline due to the on-premise sales decrease and a deteriorated mix despite the premiumization in the off-premise channel.
- Oceania : +165.6% YoY growth driven by the consolidation of the CUB business while the worsening mix in the existing business by the on-premise sales decrease.
- Southeast Asia : -25.9% YoY decline due to the sales decrease, the worsening mix and rising prices of raw materials.
- Asahi International : -75.8% YoY decline due to the sales decrease in on-premise channel and the worsening mix mainly in the UK and Asia.
- The progress is above the annual forecast due to the excess achievement by each of the businesses mainly in Europe and Oceania.

## ◆ Europe Business

<Results for Jan. to Sep. and Annual Forecast (constant currency basis)>

khl, million Euro	Q3 (9 months ended September 30)	YoY*2	2020 Revised Target	YoY*3
Sales Volume	31,714	-6%	39,831	-6%
Net Sales (exc liquor tax)	1,897	-7%	2,382	-8%
Core OP*1	425	-18%	465	-25%

\*1 Core OP before deduction of one-off cost

\*2 Comparison in FX rate of Q3 (9 months) 2019

\*3 Comparison in FX rate of 2019

## ◆ Asahi International Ltd

<Results for Jan. to Sep. and Annual Forecast (constant currency basis)>

khl, million Euro	Q3 (9 months ended September 30)	YoY*2	2020 Revised Target	YoY*3
Sales Volume	3,134	-7%	4,283	-4%
Net Sales (exc liquor tax)	369	-15%	517	-17%
Core OP*1	13	-76%	23	-64%

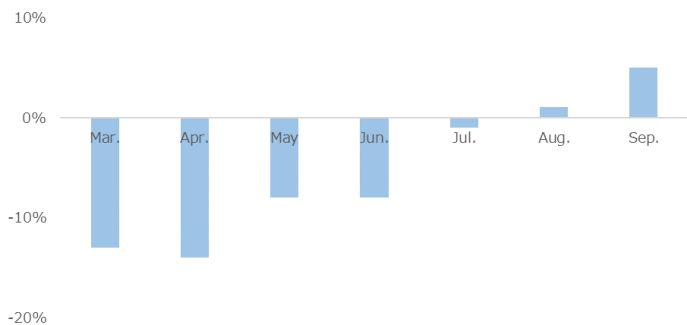
\*1 Core OP before deduction of one-off cost

\*2 Comparison in FX rate of Q3 (9 months) 2019

\*3 Comparison in FX rate of 2019

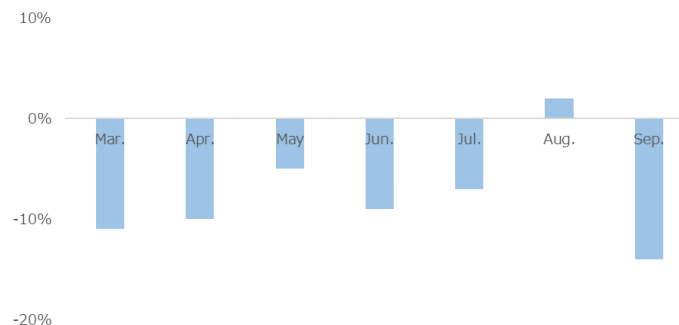
# Reference: COVID-19 Impacts (Europe)

## **[Czech]** \*Volume basis On-premise ratio: mid-double digit



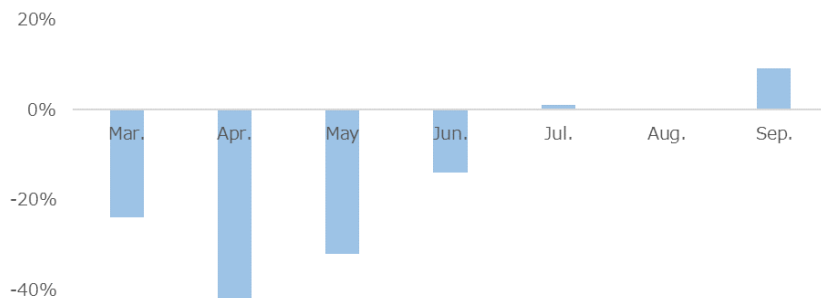
- On-trade: Moderate increase over summer period as restrictions were lifted, however expected to decline in October due to the new lockdown.
- Off-trade: Steady demand, although slowing down with new restrictions.
- Total Business: Strong performance in Q3, however expected to decline in October due to the lockdown.

## **[Poland]** \*Volume basis On-premise ratio: mid single digit



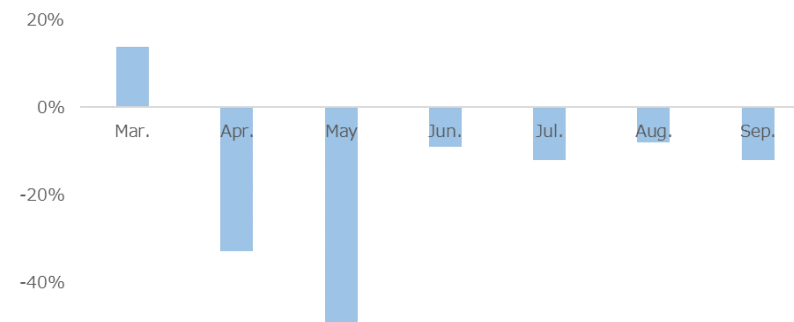
- On-trade: Small channel with adverse impact due to restrictions earlier in the year. Outlets reopened in late May, closed again in mid-Oct.
- Off-trade: Year-on-year decline due to cycling good weather in prior year. Sept impacted by phasing.
- Total Business: Solid demand but new restrictions expected to impact Oct.

## **[Italy]** \*Volume basis On-premise ratio: mid-double digit



- On-trade: Improvements from mid-May as restrictions lifted, but expected decline in Oct due to new increased restrictions.
- Off-trade: Steady demand with increase in home consumption.
- Total Business: Solid Q3 but Oct expected to be adversely impacted by new restrictions.

## **[UK]** \*Volume basis On-premise ratio: mid-double digit \*Including the effect from the acquisition of Fuller's from Apr 2019



- On-trade: Reopened in July, but restrictions increased from late September.
- Off-trade: Increased market share through key customers.
- Total Business: Heavily impacted by restrictions in the On-trade which will also impact Q4 as lockdown implemented from beg Nov.



## ◆ Breakdown

<Revenue and Core Operating Profit> \*constant currency basis (based on previous year's FX rates) (JPY billion)

	2020 Q3 (9 months ended September 30)			2020 forecast (announced on August 5)		
		YoY (Amount / %)			YoY (Amount / %)	
Existing business	124.6	10.6	9.3%	181.0	2.1	1.2%
CUB business (from June 2020)	82.4	82.4	-	136.2	136.2	-
Revenue	207.0	93.0	81.6%	317.2	138.3	77.3%
Existing business	5.1	- 1.1	- 17.9%	11.8	- 3.8	- 24.2%
CUB business (from June 2020)	19.1	19.1	-	23.6	23.6	-
Temporary expenses	- 7.6	- 7.6	-	- 11.6	- 11.3	-
Core Operating Profit	16.5	10.3	165.6%	23.7	8.5	55.8%

## ◆ CUB Non-consolidated Performance (June-Sep.) and Forecast (June-Dec.)

\*Local Currency Basis

khl, million AUD	Q3 (June-Sep.)	Refrence YoY*	Forecast (June-Dec.)	Refrence YoY*
Sales Volume	2,405	3%	4,130	- 8%
Revenue (exl. Alcohol tax)	689	4%	1,165	- 7%
Core Operating Profit	262	24%	326	- 26%
Temporary expenses	- 105	-	- 160	-

\*Approximate values are used for the previous year's results.

# Asahi

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