

**Asahi Group Holdings, Ltd.**  
**Q1 2024 Financial Results Briefing: Summary of Conference Call (1)**

Date: Tuesday, May 14, 2024, 18:00-19:00

Presenter: Atsushi Katsuki, President and Group Chief Executive Officer,  
Representative Director

**◆ Executive Summary** (P1)

- In the three months from January to March 2024, the Asahi Group Holdings was able to achieve 5.1% growth in revenue and an 8.4% increase in Core Operating Profit despite a generally tough business environment burdened by continued global inflationary pressures and high costs.
- We have been pursuing appropriate pricing strategies since 2022 to address significant cost increases. That pricing strategy, in addition to our efforts to strengthen our global brands and progress our premium strategy, helped generate an increase in revenue that was in line with our plan.
- We achieved a higher-than-planned increase in Core Operating Profit in the first quarter of 2024. While profit contracted in Oceania in the face of a greater deterioration in the market environment than we had anticipated, our operations in Japan and Europe helped drive the overall profit increase on the back of improved unit sales prices and greater efficiencies.
- Looking at overall progress in the first quarter, we noted some specific strengths and weaknesses in each region. However, we aim to achieve our overall plan by further improving our competitive advantage and reforming our earnings structures while also keeping a close eye on demand trends associated with inflationary outlooks.
- Furthermore, we will accelerate our quest to achieve true globalization under our new Group governance structure launched in April and will work to further enhance corporate value by ensuring financial soundness and optimal cash allocations.

**◆ Premium Strategy Progress** (P2)

- To illustrate the progress made on our premium strategy, here we have displayed first quarter unit sales prices for our Beer-Type Beverages and Non-Alcohol Beer Categories

and sales volumes for our global brands.

- In the first quarter, unit sales prices continued to increase steadily across all three regions, despite the decline in sales volume in Oceania.
- Unit sales prices were mainly boosted by the impact of price revisions from fiscal 2023. Our efforts to expand premium categories and propose new value in each region also contributed to the increase in unit prices.
- Looking specifically at our global brands, sales volume of *Peroni Nastro Azzurro* declined by 7% YoY due to sluggish conditions in the U.K. and Australia. Meanwhile, sales volume of *Asahi Super Dry* rose 34% YoY on the back of sponsorship activities, which are helping to expand the label's global presence as a flagship brand.
- While the market environment in Oceania deteriorated in the first quarter, overall profitability in Japan and Europe increased as we maintained, and even improved, our competitive advantage.
- We must consider the impact of inflation from the second quarter of 2024 and the risk of not achieving our targets in Oceania. For that reason, we have decided not to change our full-year forecasts at this stage. Instead, we will keep a keen eye on sales trends in Japan and Europe, which are entering their peak demand period, and consider reviewing our plans for each business following the announcement of our first half results.
- At this stage, we believe that the downturn in the Oceania market environment will prove temporary and will not significantly impact our competitive advantage.
- To help achieve our plan for the Group as a whole, we will enhance efforts to use our AGPRO procurement organization that went into full-scale operation in January to strengthen our global procurement function, and accelerate specific initiatives designed to reform profit frameworks in each region.
- In addition to achieving our performance targets for each business year, we strive to maximize corporate value by reaping the full benefits of investments in our premium and core strategies and rewarding our shareholders, employees, and all other stakeholders accordingly.