

AGH Investor Relations Day

Oceania Business Briefing

Wednesday March 30 2022

Recap on Oceania Regional Business

We have regional scale across Oceania with strong positions in each of our markets and grew Core Operating Profit by 73% in F21¹

REGIONAL OVERVIEW

197,000+
customers across
Australia and
New Zealand

19
distribution centres and

3800+
employed across
Australia and
New Zealand

19
breweries/
manufacturing sites

\$4.5 billion
revenue 2021

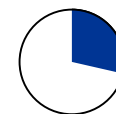
2.1 billion
litres produced
in 2021

% of
Regional
NSV

F21 Net Sales
Value Growth

Market
Share

Asahi
LIFESTYLE BEVERAGES



+6.3%²

21%

CB
Carlton & United
Breweries



+5.9%

48%³

Asahi
BEVERAGES NEW ZEALAND



+7.7%

14%

¹ See Asahi Group Holdings 2021 Financial Results Presentation [2021_4q_presentation.pdf](https://www.asahigroup-holdings.com/2021_4q_presentation.pdf) ([asahigroup-holdings.com](https://www.asahigroup-holdings.com))

² Represents Branded Label Net Sales Value growth, i.e. excludes retailer Private Label

³ CUB share represents ATO beer market share

Our clear, focused strategy provides our business with clarity on how we will deliver shareholder value

REGIONAL OVERVIEW



We have clear, sustainable competitive advantages versus our peer set that underpin our value proposition as the regional multi-beverage champion

REGIONAL OVERVIEW

Our Long-Term Value Proposition



Our engaged people and culture that harness a growth and sustainability mindset are our biggest strength and differentiator; we move with scale and speed



We are the **leading beverage company** in ANZ and one of the **largest** consumer goods companies in the region



Our **portfolio of loved & iconic brands**, with **strong positions in all key categories and beverage value pools**, is supported by our proven ability to innovate at scale to target new occasions and consumer trends



Customer-centric operating model & scaled multi-beverage offering provides a superior ability to partner with customers for mutual growth



Our **market-leading operational scale** provides superior efficiency & productivity opportunities, supply chain flexibility, and advanced route-to-market capabilities that underpins our long-term competitiveness



Our disciplined balance sheet management and robust free cash flow generation enables the **accelerated allocation of capital towards strategic growth investments** to drive improving return on invested capital



Our long history of **strong governance** and **unrelenting commitment to sustainability, safety & quality** provide the foundation for enduring success

We have an experienced and diverse leadership team collectively driving the growth of our region

REGIONAL OVERVIEW

Asahi Beverages Oceania Region



Robert Iervasi
Group CEO,
Asahi Beverages
Regional Hub



Danny Celoni
Carlton & United
Breweries,
Chief Executive
Officer



Nigel Parsons
Asahi Lifestyle
Beverages,
Chief Executive
Officer



Andrew Campbell
Asahi Beverages
New Zealand,
Chief Executive
Officer

Supply Chain



Sandra Gibbs
Group Chief Supply
Chain Officer

Digital & Disruption



Kellie Barnes
Group Chief Digital &
Disruption Officer

Procurement & Sustainability



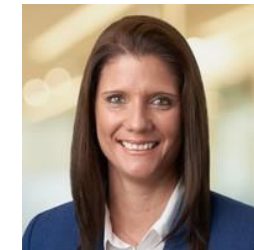
John Tortora
Group Chief Procurement &
Sustainability Officer

Finance



Amanda Sellers
Group Chief
Financial Officer

Human Resources



Roz Lever
Group Chief Human
Resources Officer

Strategy & Growth



Brian Phan
Group Chief Growth &
Strategy Officer



Re-Cap on our Oceania Mid-Term Strategy

We have made significant progress against our strategy, and our momentum is building as we continue to leverage our market-leading scale

STRATEGY OVERVIEW

Strategic Progress

Delight our Consumers & Customers

- ✓ **Market Share growth** across all Business Divisions¹
- ✓ Growth in Asahi Super Dry and Peroni **global brands**
- ✓ Investing for future growth to meet new consumer needs & occasions (including expanding into coffee via **Allpress** & **#1 Zero Alc Beer Share**)
- ✓ Accelerated development of key **commercial capabilities** (Revenue Growth Management, Customer Experience, Consumer Connections)

Build Resilience & Adaptability

- ✓ **Safety-first culture** driven across business
- ✓ Strong **supply chain resilience** through continued headwinds
- ✓ Exceptional **engagement across organisation** (> than benchmark)
- ✓ Progressive **Hybrid Future of Work** model supporting our people post-COVID

Leverage our Scale with Speed

- ✓ Year 1 **Alliance for Growth integration benefits** delivered on target
- ✓ **Establishment of regional capability centres of excellence** (commercial, growth, disruption) to accelerate organic growth
- ✓ **Sustainability Strategy** delivered and key initiatives progressed

Our strategy is winning in market and we are continuing to re-invest ahead of our peers to accelerate this advantage

STRATEGY OVERVIEW

Leading alcohol growth through CUB



Great Northern Zero expansion – including through Grocery



Continued Vodka Cruiser growth

Market out-performance through enhanced category & customer focus

Advantage

#3 of large suppliers



Building the right portfolio for growth in NZ



Expanding into new growth areas

ALLPRESS
ESPRESSO

We are proactively driving our Health & Wellbeing agenda

STRATEGY OVERVIEW

Our ambition



Consumers are looking to food and beverages as a means of managing **long-term health**

Health & Wellbeing is constantly changing, with new spaces emerging in **functional, mental & immune** health



As a business, Asahi is committed to building a **Health & Wellbeing portfolio** to respond to these evolving needs

Our initiatives



Our strategy will focus on:

- ✓ Reducing **sugar content** across our alc and non alc portfolios
- ✓ Building a range of **non-alc and low-alc alternatives**
- ✓ Providing healthier options including **low carb and low calorie**
- ✓ Ensuring a meaningful proportion of our portfolio is designed to meet emerging **Health & Wellbeing needs**

Our action



We plan to deliver this through:

- ✓ **Accelerating 'zero'** alternatives (zero sugar & zero alc) across our categories
- ✓ **Optimising our core range** to deliver against current health needs
- ✓ **Disruptive innovation** in emerging Health & Wellbeing horizons
- ✓ Creating a **health centred business**, both internally & externally

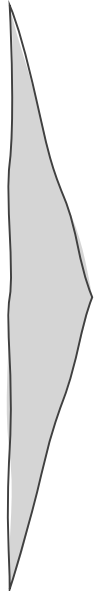
We are making progress against achieving our sustainability commitments

STRATEGY OVERVIEW

Asahi Beverages Oceania has a clear sustainability agenda

Asahi Beverages Responsible
ENVIRONMENT.

- Recyclable Reuseable Compostable by 2025** (Sustainable Packaging)
- Supporting Ethical & Sustainable Growers** (Sustainable Raw Materials)
- Using & sourcing water sustainably** (Sustainable Water Resources)
- Zero waste to landfill by 2030** (Circular Economy)
- Net Zero CO₂ emissions by 2050** (Climate Change)



12-year renewable PPA in place for the entire CUB electricity usage! (74k MWh)



VB Solar Exchange – beer for solar!



Victoria Bitter, brewed with 100% off set solar electricity since 2020!



\$45m r PET recycling & production Joint Venture – Asahi, CCEP, Pact & Cleanaway



First Volvo Electric truck in Australia delivering packaged beer (July 7, 2021)



On site solar across 5 sites – 7,547 MWh



Do Good. Feel Good.
100% RECYCLED PLASTIC BOTTLE

Championing r PET with consumers with Cool Ridge



Signatory to the ANZPAC Plastics PACT & Commenced integrating sustainability into JBP sessions with customers

We are focussed on ensuring a diverse and inclusive environment for our people and are making good progress against our agenda

STRATEGY OVERVIEW

Our Diversity, Equity & Inclusion Vision

Asahi Oceania continuously **aspires to be a diverse organisation where everyone can be their authentic self.**

We believe **inclusion is an expression of our culture.** We strive to be as **diverse as the communities we serve**, and we are better when **everyone feels empowered to flourish and thrive.**

We believe **everyone has an important role to play.**

Asahi
Beverages
Yourself

shine
AS YOU ARE

Our progress in 2021

- 85% of **our employees are inspired** by our Diversity and Inclusion (D&I) agenda
- 41% **female representation** in our Senior Leadership Group
- Established and maintained **proud partnerships** with Diversity Council of Australia, Pride in Diversity and the Australian Network on Disability
- Partnered with the Australian Network on Disabilities (AND), and piloted an **internship program at Asahi**
- Launched a new **domestic and family violence leave policy**

In 2022, we will build on our strong foundations and expand our employee education and broader organisational initiatives to deliver on our vision

[All Abilities@Asahi](#)

[Multiculturalism@Asahi](#)

[Gender@Asahi](#)

[Pride@Asahi](#)

We are achieving strong employee engagement through investing behind our People and their safety

STRATEGY OVERVIEW

Oceania People Ambition

ZERO HARM



SUSTAINABLE ENGAGEMENT



A GREAT PLACE TO BE



BUILD OUR COLLECTIVE STRENGTH



Our progress in 2021

- 85% **Employee Engagement Score**, with over 2,700 employees participating
- Continued to focus on **safety education and mental health education** through learning events, Safe Work Month and specialised programs.
- 273% increase in **hazard reporting** and more than 8500 **Behavioural Based Safety Interactions** (WALKs) in 2021.
- Hosted the first annual '**Leadership Week**' with over 1600 employees attending events
- Launched our **leadership capabilities** across the business, enabling a capability assessment with 89% of our employees attending
- Launched our **talent and succession planning** process across the business with over 130 sessions held to enable future talent planning
- Welcomed 10 graduates and 10 interns in our first year of the **Asahi Graduate Program**

In 2022, we will continue to improve and evolve our employee experience across engagement, development and learning and talent management

We have five clear priorities for our region that will unlock delivery of our 2022 objectives and accelerate our growth strategy over the mid-term plan period

STRATEGY OVERVIEW



Deliver our financial commitments & drive sustainable growth – underpinned by premiumisation, excellence in execution and cost leadership through our Alliance for Growth integration



Continue to drive the commercial momentum of our Business Divisions



Unlock our Multi-Beverage value proposition



Drive accelerated investment behind development of our leading consumer & customer capabilities

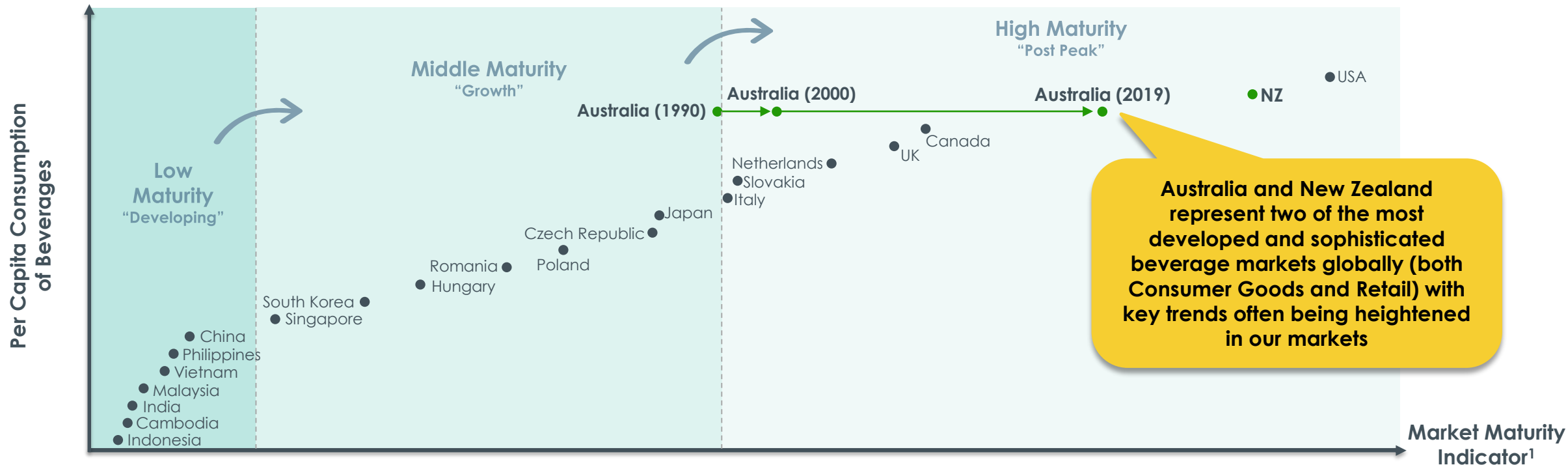


Ensure the ongoing health, safety and well-being of our people



Delivering superior growth through our
multi-beverage portfolio

In mature markets (like Oceania) growth becomes highly dependent on premiumisation, mix and participation in segments which meet emerging needs



	Low & Middle Maturity Markets	High Maturity Markets
Market Dynamics	High growth, focus on margin expansion	Lower growth – but stable cash generation and high profitability
Share of Throat²	"Traditional" categories compete strongly (e.g. Beer & CSD)	Beer & CSDs share reduces as occasions fragment & consumer repertoires expand; new segments emerge which better meet needs
Category Drivers	Availability and affordability key growth drivers	Volume growth plateaus – category growth focused on consumption expansion and premiumisation

1. Market Maturity Indicator is an internal measure, generated as a measure of drinks consumed per capita and household expenditure on goods & services.
 2. Share of Throat (SoT) – Proportion of typical beverage consumption by category

Our position as the leading regional multi-beverage champion provides us with a unique value proposition for both our consumers and customers

MULTI-BEVERAGE

Create Demand

We have an **unmatched portfolio** that meets consumer needs across **all consumption occasions**

Capture Demand

Our **superior customer partnerships** provide an enhanced ability to capture demand

Drive Growth

This positions us with strength to **capitalise on growing market segments and channels** (e.g. Premium, Zero Alc, Coffee, RECA¹)



Our strategy: There are three key levers to how we will unlock incremental value from this unique multi-beverage proposition

MULTI-BEVERAGE



1

Deliver superior topline growth through our multi-beverage portfolio, meeting current, evolving and new consumer needs & occasions



2

Leverage our scale & modern business model to drive **sustainable productivity & efficiency** benefits, unlocking best-in-class operational leverage



3

Re-invest for growth in **differentiated capabilities** that deliver sustainable competitive advantage

Our progress to date: We are growing our multi-beverage categories while reinvesting efficiency benefits into differentiated capabilities to drive future growth

MULTI-BEVERAGE

TOP LINE GROWTH



1. **Portfolio cross-sell penetration** on track with expectations
2. Developed a deep, **proprietary understanding of consumer behaviours** & total beverage consumption trends
3. Now #1 in **Zero Alc** and leading position in **Low & No Sugar CSDs**
4. Expanded into **Coffee** with Allpress Espresso
5. Accelerated **momentum of Seltzer & RTDs (inc. Ginger Beer)**

PRODUCTIVITY & EFFICIENCY



1. Resilience in spite of headwinds: **>300bps margin enhancement** across region ('21 vs '20)
2. Significant **benefits from multi-category procurement scale** (cans, raw materials, utilities)
3. Regional **shared business service model** consolidation well progressed

INVEST FOR GROWTH



1. Enhanced **Revenue Growth Management** capabilities
2. Significant investment in **digitisation of customer experience** (B2B, CRM)
3. Establishment of **commercial centre of excellence inc. innovation hub**
4. Investment in **leading beverage & packaging technology**

Looking forward: We will lead and expand our categories to create value for our consumers and customers, with focused resource allocation to enable growth

MULTI-BEVERAGE

TOP LINE GROWTH



1. Accelerate **cross-sell of our leading multi-bev portfolio**
2. Leverage our multi-beverage portfolio & advantaged distribution network to **target the fast growing RECA channel**
3. Execute on our **coffee strategy through new venue growth and cross-sell**
4. Augment our strong position within **zero-alc and “beyond beer”** via outlet and channel expansion

PRODUCTIVITY & EFFICIENCY



1. Supply Chain benefits via **make location and efficiency optimisation**
2. **Scale driven procurement benefits** across our direct and indirect input costs
3. Consolidate regional **shared business service model**

INVEST FOR GROWTH



1. Multi-year **Revenue Growth Management** execution plan
2. CRM enhancement to enable a **single view of customer** across our multi-beverage landscape
3. Best practices for **optimising our SKUs and innovation pipeline**
4. Enhancement of our **consumer connections capability** (digital, experiential, media)
5. Investment tailored to **pack and beverage differentiation**

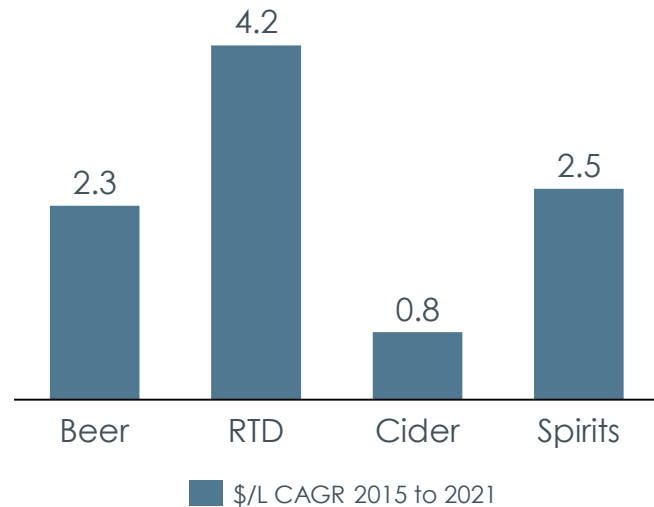


Background on the CUB Alcohol Business Division & Growth Strategy

Premiumisation is the dominant theme of growth across beer in AUS, and CUB's portfolio is well positioned to capitalize on this

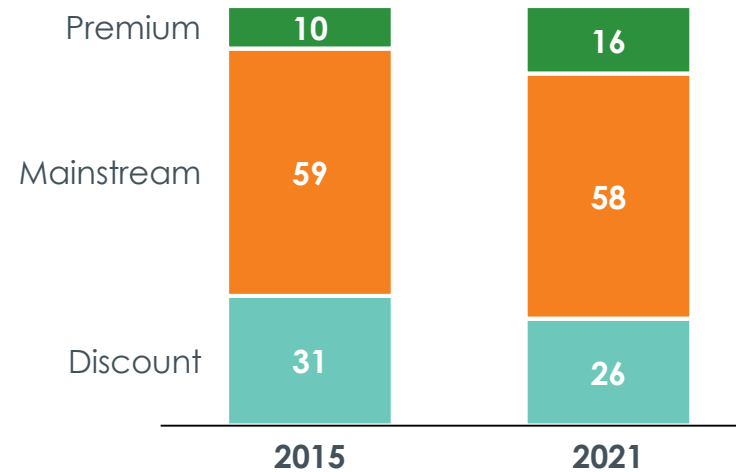
CUB REVIEW

Premiumisation is occurring across all liquor categories



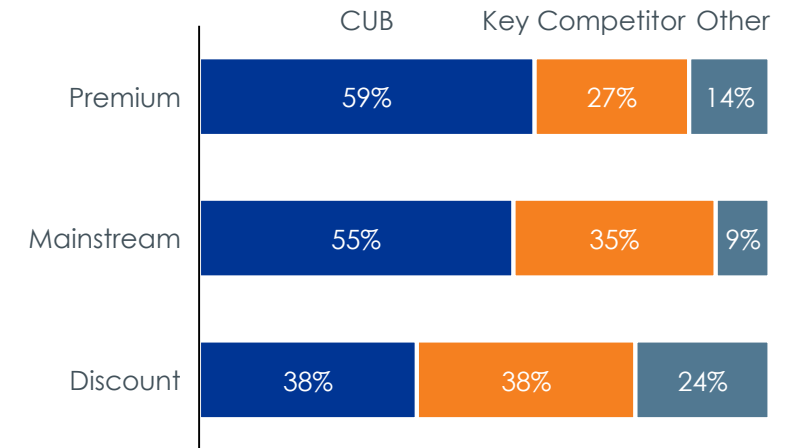
Total Category \$/L Growth

The Australian beer market is premiumising driven by market maturity and consumption habits



Beer Category by Price Tier¹

CUB's portfolio is well positioned across the Premium segment vs peers



Beer Price Tier by Supplier

1 IRI Liquor Weighted to 30/06/2021

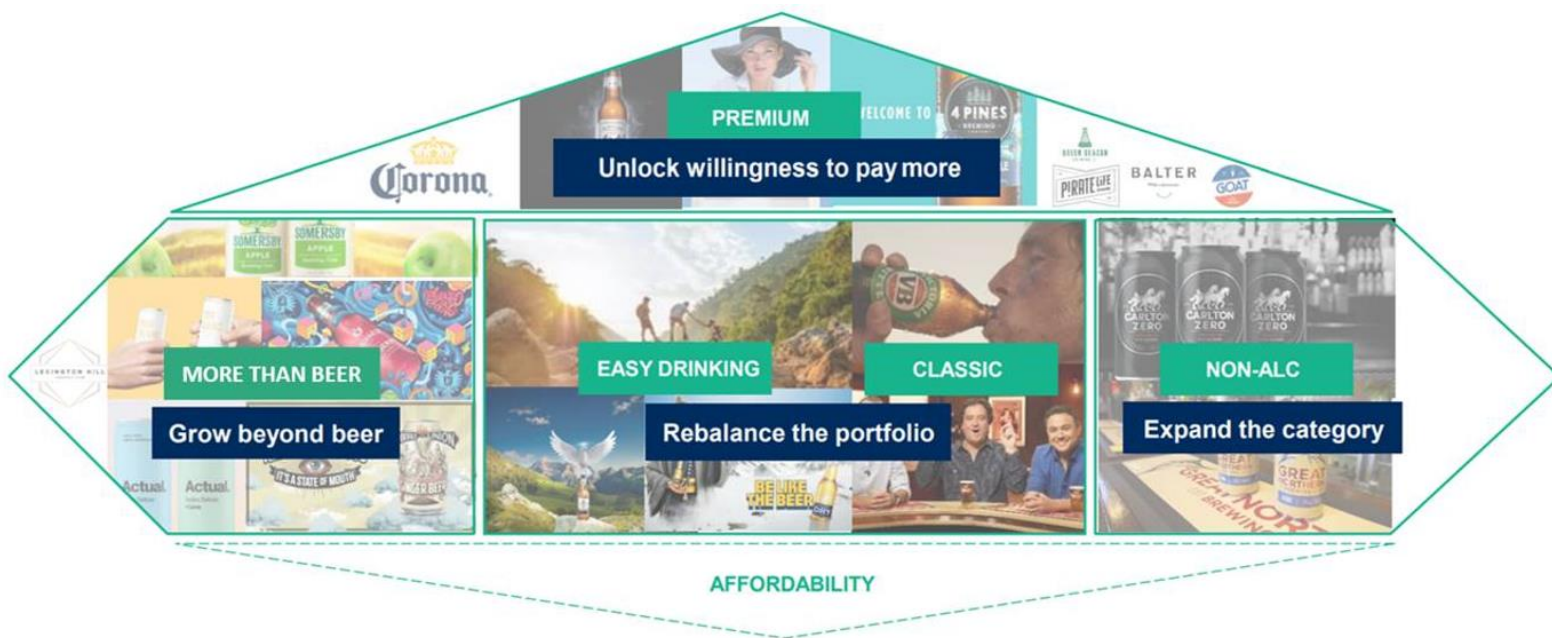
2 IRI Liquor Weighted – March 2021

Excludes Stella Artois, Beck's, Strongbow, Little Green and Bonamy's

Note: Reliable competitor data is not reliable beyond June 2021 due to a material reduction in the source IRI data set

Our portfolio strategy is underpinned by iconic, loved brands across a range of consumer needs & price points – with sustained growth since 2015

CUB REVIEW



+700bps Market Share since 2015 (Total Beer)

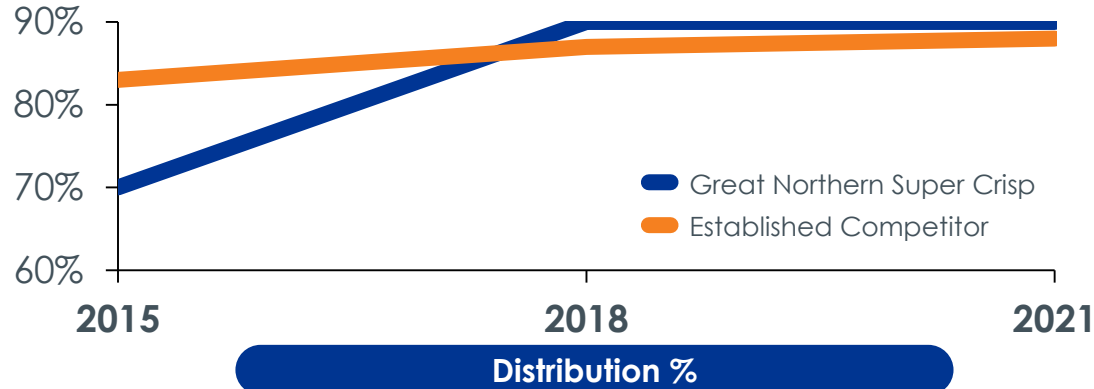
We have a strong portfolio of brands with leading market positions¹

	Brand	RSV Share
1	Great Northern Super Crisp Lager	8.4%
2	Victoria Bitter	6.9%
3	XXXX Gold	6.4%
4	Carlton Dry	5.8%
5	Corona Extra	5.3%
6	Great Northern Original Lager	5.1%
7	Tooheys New	3.7%
8	Carlton Draught	2.7%
9	Tooheys X-dry	2.6%
10	Pure Blonde Premium	2.2%

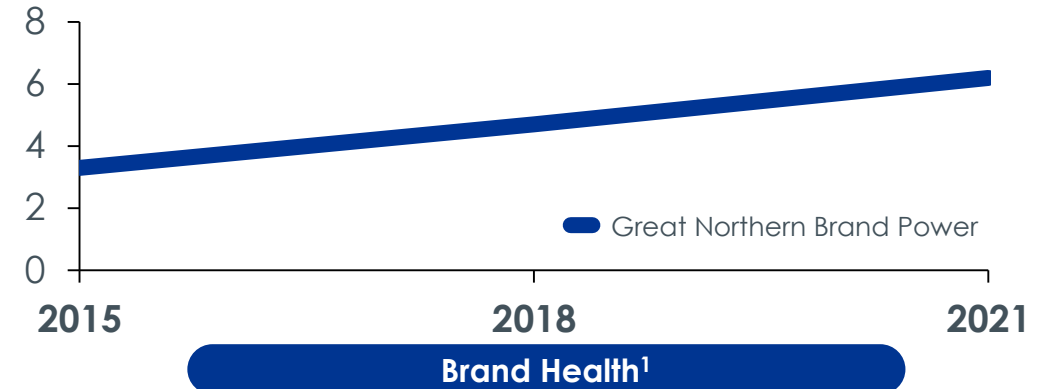
Through our distribution and scale, we have successfully grown Great Northern into the leading national beer brand and remain well positioned for sustained growth

CUB REVIEW

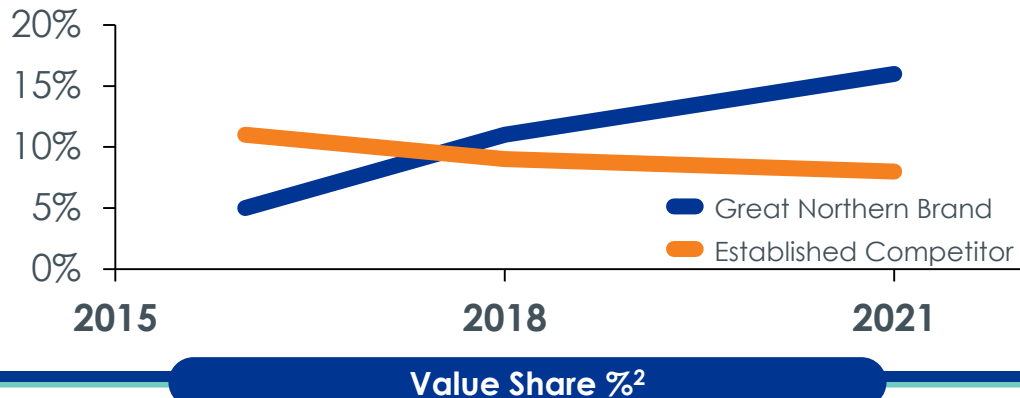
1 We have leveraged our scale to quickly gain national distribution



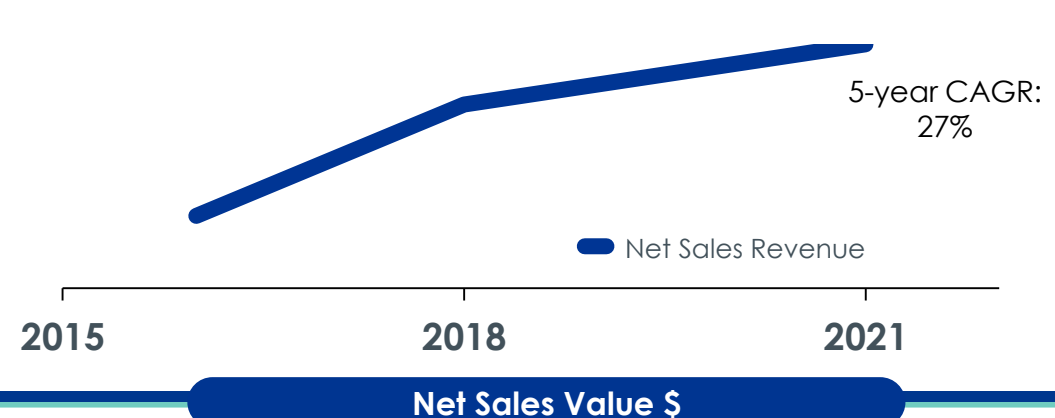
2 We supported our expansion with a strong media plan to grow brand health and awareness – now #2 behind Corona



3 This has resulted in Great Northern sustainably growing value share ahead of the competition



4 Driving a 3x increase in Net Sales Value since the brand launched in 2015



We have strong momentum across all facets of the portfolio

CUB REVIEW



- Maintain **#1 market share** by growing value and power of our iconic brands
- Accelerate GNBCs position as **#1 brand in market**
- **Innovate** to renew and differentiate our portfolio
- Capitalise on **H&W** trends and lead Zero Alc

- ✓ #1 market leadership and growing market share
- ✓ Premiumization driving growth
- ✓ GNBC #1 beer share
- ✓ #1 in Zero Alc Beer, inc. successful Great Northern Zero national launch



- Upweight investment to **build brand power**
- Lead premium activation and **distribution in On-Premise**
- Establish **clear premium positioning** in market
- Deliver leading **innovation**

- ✓ Positive momentum of Brand Power over last QTR
- ✓ Strong on-premise distribution growth (+29% and +42% vs 2020 for PNA and ASD)
- ✓ Local production to enhance quality & freshness



- Maintain leadership in **cider**
- Accelerate our **share of emerging seltzer segment**
- Be the **#1 contributor to RTD category growth**

- ✓ Somersby remains most desirable cider brand in market
- ✓ Strengthening position in seltzer through NPDP
- ✓ Vodka Cruiser is the #1 contributor to category growth



- Execute our craft **portfolio strategy**
- Grow **brand awareness**
- **Grow at a price premium**

- ✓ Balter brand power leading craft category performance
- ✓ Extremely strong volume growth in 2021, growing 83% vs 2020

We are supporting our CUB premiumization ambitions through enhanced RGM capability

CUB REVIEW

RGM @ ASAHI

Optimising sustainable, profitable revenue growth for Asahi and our customers through strategic investment choices



PORTFOLIO PRICING STRATEGY

Capturing the full value of our brands sustainably



PACK PRICE ARCHITECTURE

Right packs and prices to tap into shopper missions and consumption occasions



ACTIVE MIX MANAGEMENT

Maximising our portfolio & channel mix to deliver revenue and profit growth



PROMOTION MANAGEMENT

Ensuring that our promotions deliver against our revenue objectives



TRADE TERMS MANAGEMENT

Incentivising customers to support our growth objectives



Alliance for Growth integration update

Our Alliance for Growth Program is delivering in line with our synergy plan and we remain on track meet our 2024 target



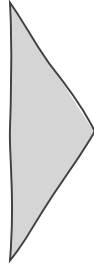
RECENT MAJOR ACHIEVEMENTS

2022 PRIORITIES

Accelerate Alcohol Commercial Growth



- **Multi-beverage value creation** through cross-sell of joint portfolio
- **Extended leadership in beer** through strong performance across all beer categories
- Unlocking **benefit within Premium International Beer**
- Accelerated **non-beer revenue growth**

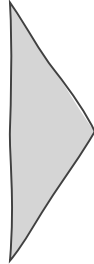


- Continue to leverage **regional multi-beverage growth** opportunities
- Drive **premiumisation** through craft and international offerings
- Further strengthen position in **'Beyond Beer'**
- **Grow share in Zero-Alc** category
- Accelerate **growth of Allpress**

Leverage Operating Model Scale



- Sourcing scale benefits driven through **centralised procurement**
- Make location¹ and efficiency benefits unlocked through **Supply Chain optimisation**
- **Centralisation of shared business services & IT infrastructure** is on track
- **FTE synergies realised** through removal of duplicate roles



- **Supply Chain cost reduction** via further optimising make location across combined footprint & logistics efficiencies
- Additional **procurement synergies** through leveraging combined scale
- Accelerate **shared business services integration & IT infrastructure simplification**



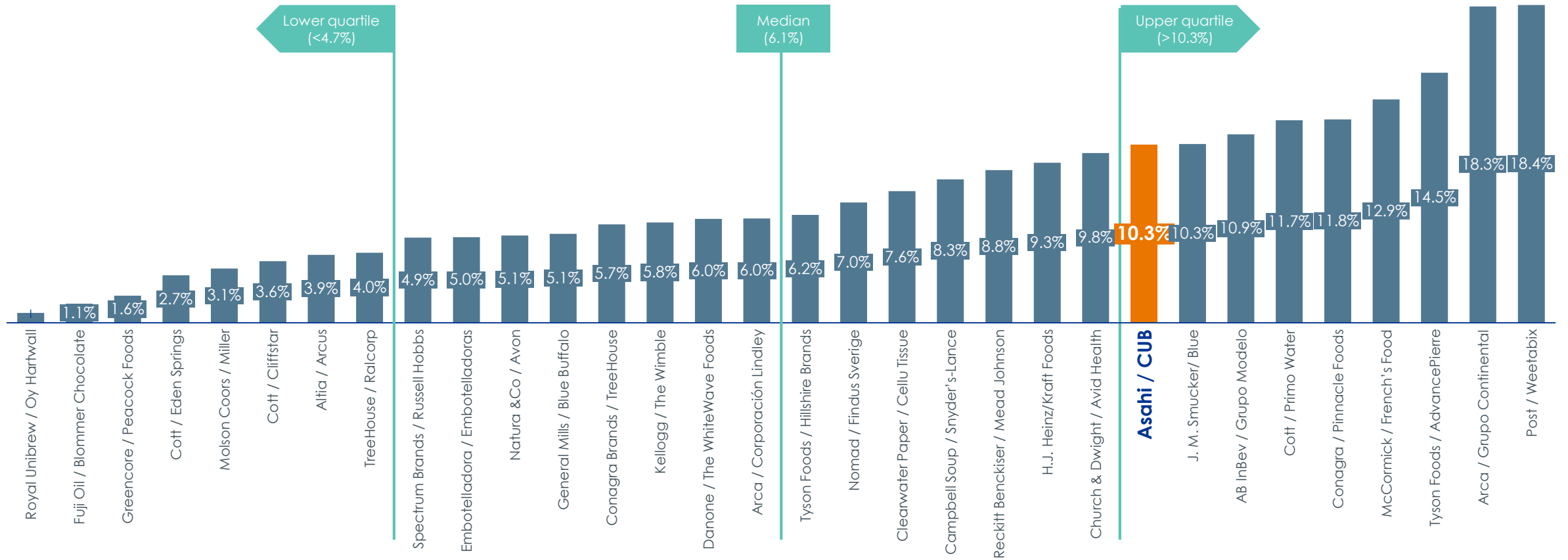
¹ Make Location benefits are derived through leveraging our expanded manufacturing footprint to optimise the location in which our products are made to reduce logistics costs and increase manufacturing efficiencies at our sites

We are delivering on a best practice synergy plan that will place in the upper quartile for value creation benchmarks



Announced cost synergy as a % of target company cost base (opex)

Sample of Consumer deals 2010-20, all figures in AUD millions¹



Source: EY Consumer cost synergy benchmarks



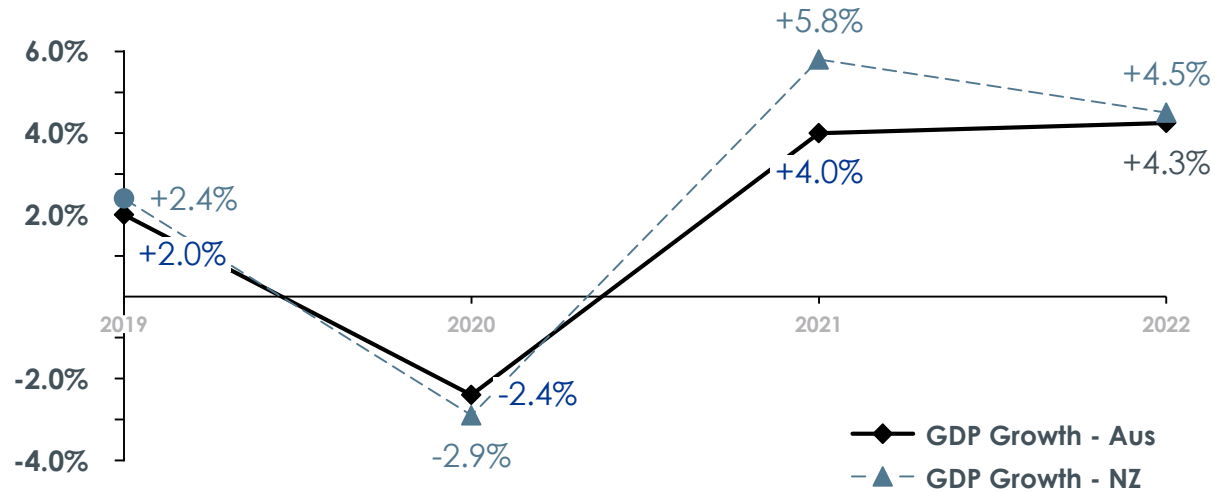
Market Outlook Update

Long term outlook remains strong as ANZ recovers from COVID-19, however rebound has been impacted by sporadic outbreaks and lockdowns

Projected GDP growth during COVID-19 period

Annual growth % p.a., 2019-2022

Source: Reserve Bank of Australia, Westpac



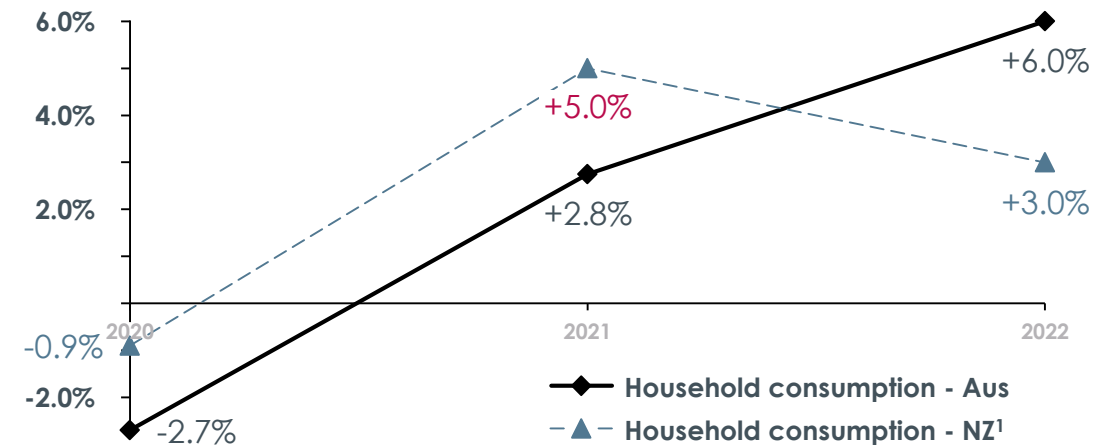
Strong economic rebound expected after initial decline

- Significant government stimulus (e.g. JobKeeper) and low rates of infection have enabled the economy to be resilient through the pandemic
- Some uncertainty in the near-term however remains, driven by sporadic lockdowns (e.g. NSW, Victoria) in response to new sources of infection and relatively slow vaccine roll-out

Projected household consumption growth

Annual growth % p.a., 2020-2022

Source: Reserve Bank of Australia, NZ Treasury



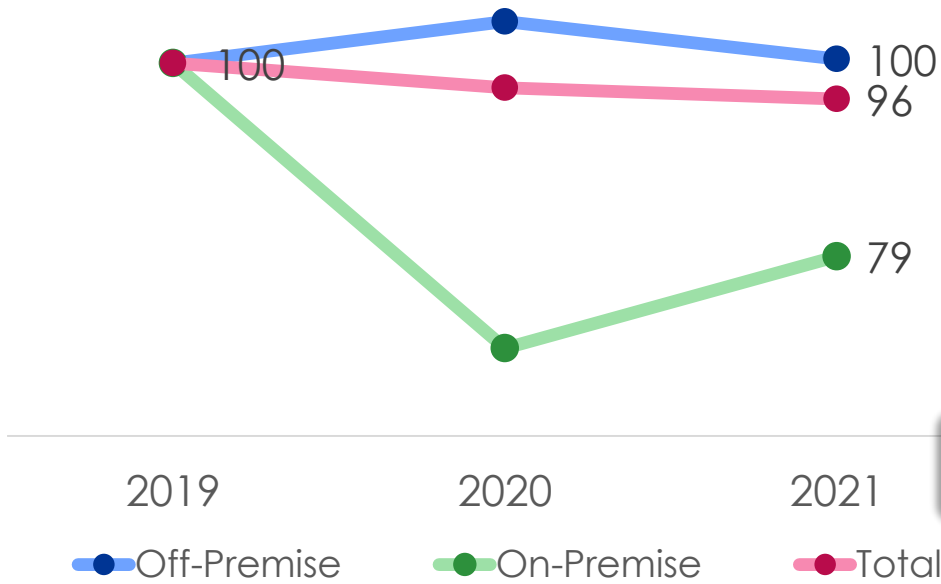
Household spending to rise as consumer confidence grows

- The initial shockwave of COVID-19 led households to reduce consumption, as they chose to save while disposable income remained strong
- Consumer spending has rebounded strongly, underpinned by increased disposable income and low unemployment

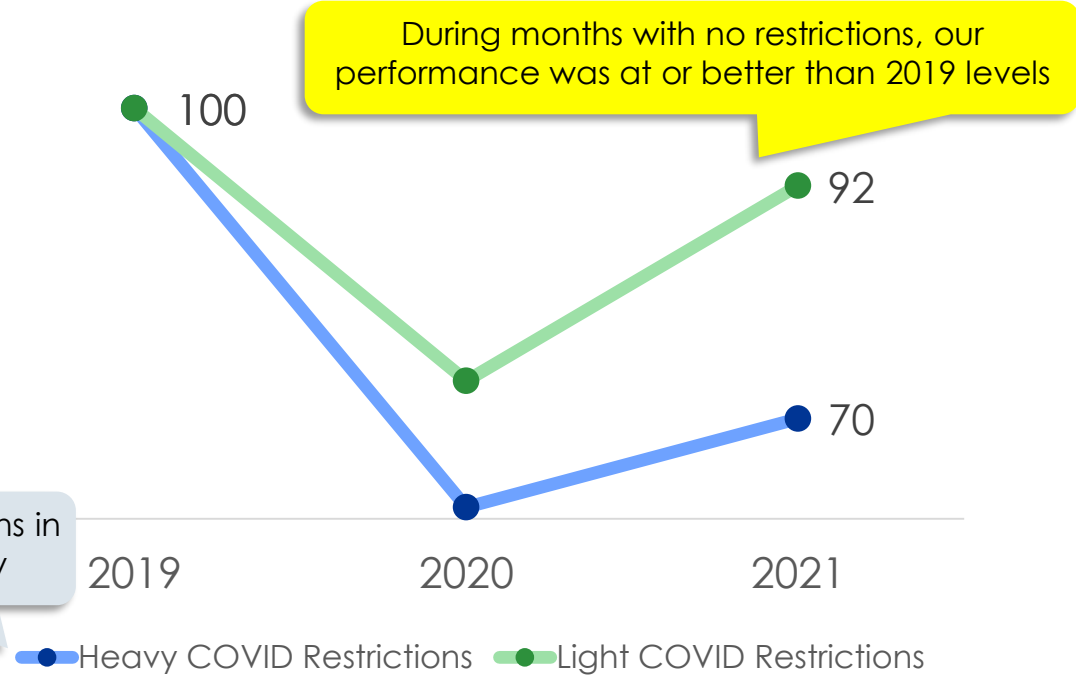
Australian on-premise beer volumes have continued to recover as COVID restrictions ease in each State and Territory

While total beer volumes remain slightly below pre-pandemic levels, we are seeing a recovery in the on-premise segment

Australian States & Territories that experienced the lowest levels of COVID government restrictions have recovered quickest



Total Category Volume (Indexed to 2019)



Total On-Premise Category Volume (Indexed to 2019)

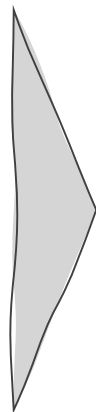


1. Data represents Total Category ATO beer volume indexed to 2019. On-Premise = Bulk Beer; Off-Premise = Packaged Beer
2. "Heavy COVID Restriction" States = Victoria, New South Wales, Queensland; "Light COVID Restriction" States = Western Australia, South Australia, Tasmania, Northern Territory

We are actively managing input cost pressures through regional management initiatives, however this is becoming more challenging

Market and cost headwinds impacting the business

1. **Commodity price pressures** driving up supply side raw material costs, in particular for key inputs such as aluminum and sugar
2. **Supply Chain costs rising** (eg, international shipping, local freight cost pressures, increased diesel prices, higher labour costs)
3. **Extraordinary impact of natural disasters and global geopolitical climate** (eg, QLD and NSW floods, Ukraine invasion)



We have strategies in place; however, it is becoming increasingly difficult to mitigate mounting headwinds

1. Revenue Growth Management is enhancing our ability to **strategically leverage Revenue Growth Management levers**, protecting and growing our margins. We are seeing this across the entire beverage industry in the Oceania region
2. A sharp **focus on discretionary spend** across the region
3. Our **Alliance for Growth synergy program is helping manage heightened business costs** through leveraging our enhanced procurement scale and flexible supply chain footprint

We reaffirm our outlook for revenue and profit growth in 2022

(JPY billion)	2021 Results	Change	YoY	vs Forecast	2022 Forecast	Change	YoY
Revenue	446.6	107.5	31.7%	1.9	532.5	32.5	6.5%
Core OP	74.2	41.2	125.1%	0.1	98.0	15.0	18.0%

*constant currency basis (based on previous year's FX rates)

(AUD million)	2021 Results	YoY *3	vs Forecast	2022 Forecast	YoY
Alcohol Beverages *1	2,966	41%	0%	3,185	7%
Non-alcohol Beverages *1	1,185	7%	1%	1,248	5%
Net Sales (exc liquor tax) *1	4,150	29%	0%	4,433	7%
Core OP *2	1,037	73%	0%	1,188	15%

*1 Based on net sales value excluding container deposit

*2 Core OP before deduction of one-off cost

*3 Figures for the prev. year of the former CUB reflect from Jun to Dec 2020 results after the acquisition

Reaffirming our direction for 2022

- Continue to promote multi-beverage strategy including Revenue Growth Management and creation of integration growth synergies
- Creation of new revenue opportunities by strengthening investment in growing categories such as non-alcohol beer, strengthening our health and wellbeing agenda

Bring enjoyment & connection to everyday moments in life

Our five key priorities to deliver superior shareholder value in 2022

01

Deliver F22: premiumisation, relentless execution & cost leadership

02

Commercial momentum across each business division

03

Multi-beverage growth opportunities



04

Creating competitive advantage through our consumer & customer capabilities

05

Safety, highly engaged team

Thank You

