



Q2 2022 Financial Results (H1 Overview and Future Direction)

August 10, 2022

ASAHI GROUP HOLDINGS, LTD.



Executive Summary

◆ H1 Overview

<Results>

- Core Operating Profit on track despite worse-than-expected cost increases thanks to flexible pricing strategy and strengthened cost management
- Achieved steady topline growth centered on core brands by improved unit prices, including a recovery in on-premise, and strengthening investment in new value proposition

<Challenges>

- Further strengthen price competitiveness and cost efficiency to respond to steep and ongoing cost increases
- Promote flexible brand strategy that adapts to changing market structure and inflation impact; sustainable topline growth

◆ Future Direction

- Maintain premium strategy by more sophisticated brand management in each region; further strengthen cost management to maintain and improve profitability
- Strengthen foundation for sustainable growth by building business portfolio and improving effectiveness of core strategies under Medium- to Long-Term Management Policy



Improvement in Unit Sales Price (H1 Results)



(YoY)	Japan (Alcohol Beverages)	Europe	Australia (Alcohol Beverages)
Beer-Type Beverages Unit Price (Excluding Liquor Tax)	+1.9%	+13.6% <small>*Including non-alcohol category</small>	+2.8%
Ref: Overall Business Revenue (Excluding Liquor Tax)	+11.5%	+18.8%	+1.8%

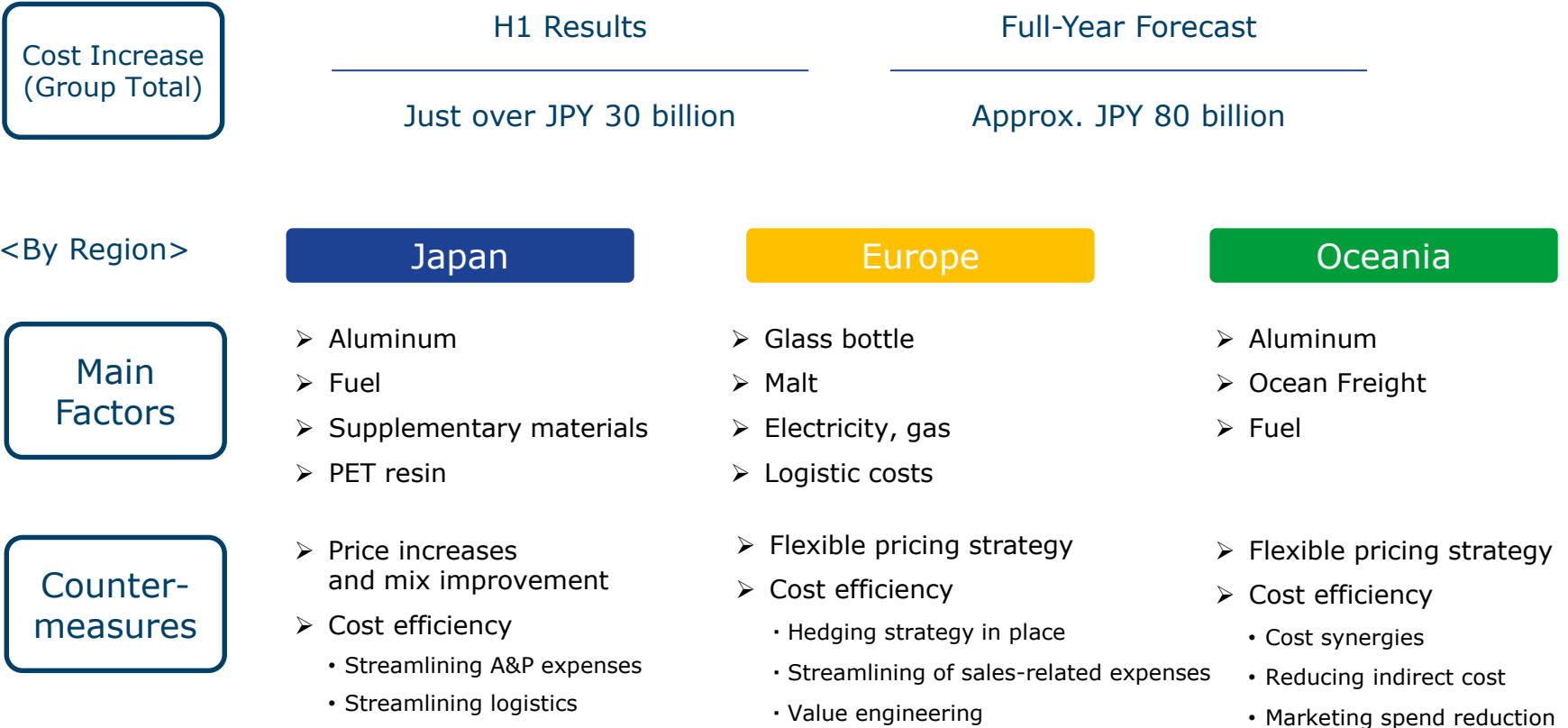
Main Drivers
*Numbers show YoY (Volume Basis)

- On-premise: +Low 40% range (Keg: +49%)
- Canned Beer: +26% (*Asahi Super Dry* can: +9%)

- On-premise: +60-70%
- Premium Category: approx. +15%
- Non-alcohol beer: approx. +15%
- Price increase effect

- On-premise: +Low single digit
- Craft beer category: +8%
- Price increase effect

Cost Increases and Countermeasures

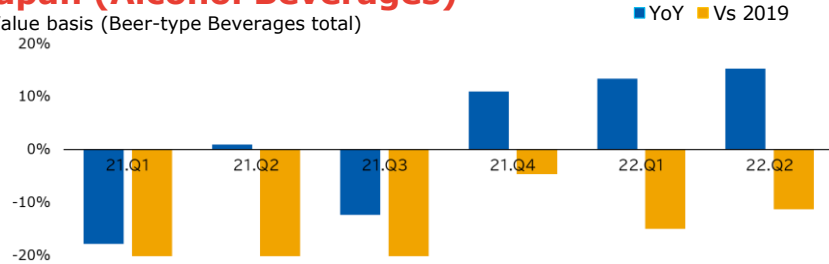


Sales Trend by Region



Japan (Alcohol Beverages)

*Value basis (Beer-type Beverages total)



● H1 2022 Results

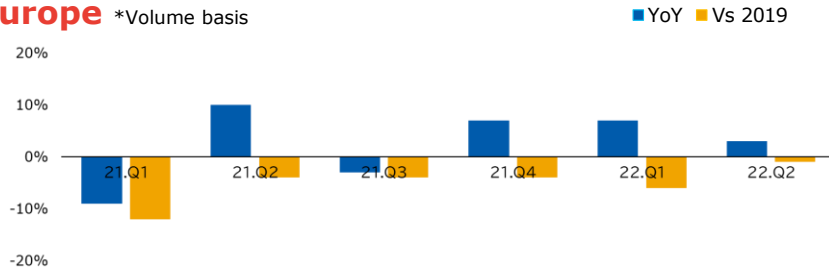
• Revenue +14.5% YoY (-13% vs 2019)

On-premise: +Low 40% range YoY (-High 40% range vs 2019)

Off-premise: +5% YoY (+2% vs 2019)

*Figures by channel are based on sales volume (beer-type total)

Europe *Volume basis



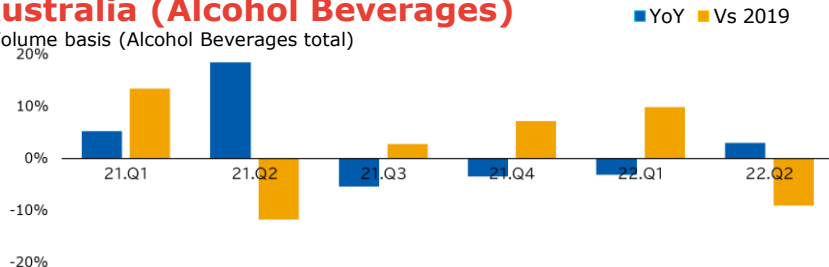
• Sales Volume +4.6% YoY (-3% vs 2019)

On-premise: +60 to +70% YoY (-10% to -15% vs 2019)

Off-premise: - Low single digit YoY (Flat vs 2019)

Australia (Alcohol Beverages)

*Volume basis (Alcohol Beverages total)



• Sales Volume 0% YoY (Flat vs 2019)

On-premise: +Low single digit YoY (-Mid single digit vs 2019)

Off-premise: Slight decrease (+Mid single digit vs 2019)

Japan: Overview and Direction



(JPY billion)	2022 H1	Change	YoY	2022 Revised Forecast	Change	YoY	Vs Initial Forecast
Revenue	599.9	44.0	7.9%	1,317.5	98.1	8.0%	- 14.1
Core OP	42.8	0.0	0.1%	111.4	7.9	7.6%	-

<H1 Overview>

Alcohol Beverages Business: Accelerate momentum recovery by increasing sales of canned beer, which have been exceeding expectations, and creating new markets

Non-Alcohol Beverages Business: Increase sales volume by strengthening investment in core brands and offering new value that anticipates changing needs

Food Business: Reinforce business structure by enhancing new value propositions and streamlining costs by optimizing inventory levels, etc.



<Future Direction>

Alcohol Beverages Business: Sustainable growth by strengthening core brands and new value offerings; earnings structure reforms such as SCM optimization

Non-Alcohol Beverages Business: Improve sales mix by strengthening areas of strength like carbonated drinks; strengthen earnings structure (including price revision effects)

Food Business: Improve profitability by increasing the value of core categories and enhancing efficiency in overall costs



Japan (Alcohol Beverages Business): Main Initiatives



● Strengthen Canned Beer

- Sales growing faster than market as a whole

YoY (volume basis)	Jan-Mar	Apr-Jun	Jan-Jun
Market	+Low 20% range	+Slight increase	Less than +10%
Asahi	+47%	+15%	+26%
(Of which, <i>Super Dry</i> canned beer)	+21%	+3%	+9%

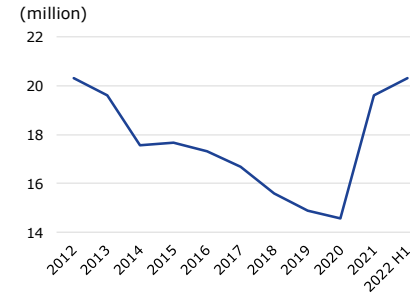
* Source: Asahi Group Holdings estimates for market

- Initiatives to strengthen *Asahi Super Dry* brand



Ran advertising and promotions with the start of year-round sales of *Asahi Super Dry Nama Jokki Can* from late July 2022

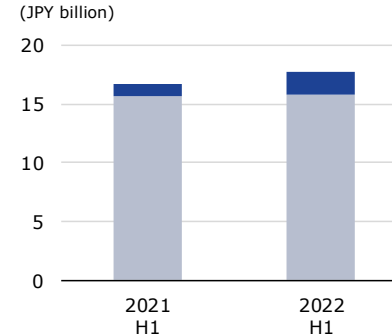
- Number of *Asahi Super Dry* consumers



As of June 30, 2022
20.31 million people

* Source: Asahi Group Holdings
* 12-month moving average

● Promote Smart Drinking



Including minimal alcohol category

+6% YoY

Excluding minimal alcohol category

+1% YoY

Non-alcohol beer/RTD
H1 FY2022
(YoY, value basis)

Japan (Non-Alcohol Beverages Business): Main Initiatives

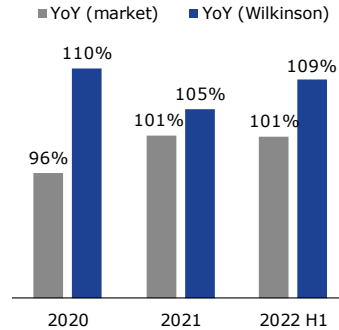


● Strengthened Sugar-Free Drinks in Response to Demand for Healthy Products

- Launched the #sober series of Wilkinson, targeting the sober-curious*



* "Sober-curious" is a new lifestyle of choosing not to drink alcohol.



- Launched *Wakocha* to attract demand for relaxing drinks
- Made from 100% Japanese tea leaves, helping to improve sustainability of Japanese tea growers



● Responding to New Lifestyles

- Offer more value by increasing lactic acid drink options

CALPIS

- Expanded extension products
- Began selling small-sized concentrate products



Brand total

+5%

H1 FY2022
(YoY, volume basis)

- Expanded label-less products mainly through EC channel

Label-less

+87%

H1 FY2022
(YoY, volume basis)

E-commerce channel

+32%



Europe: Overview and Direction



(JPY billion)	2022 H1	Change	YoY	2022 Revised Forecast	Change	YoY	Vs Initial Forecast
Revenue	265.2	38.1	17.6%	565.1	78.2	16.5%	- 12.1
Core OP	28.9	1.3	4.9%	74.4	- 2.8	- 3.7%	- 6.8

* Figures of the YoY change for Constant Currency Basis are calculated by converting foreign currency amounts for the current year to yen using the exchange rate of the previous year.

* Figures of the vs initial forecast for Constant Currency Basis are calculated by converting foreign currency amounts for the revised forecast to yen using the exchange rate of the initial forecast.

* Figures for Europe are calculated by excluding the foreign exchange effects of local currencies to Euro.

<H1 Overview>

- Outcome: We have increased unit prices by improving the various mix including on-premise recovery, and by raising prices.
- Issue: We need to continue responding to higher-than-expected commodity, energy, and other market price increases.

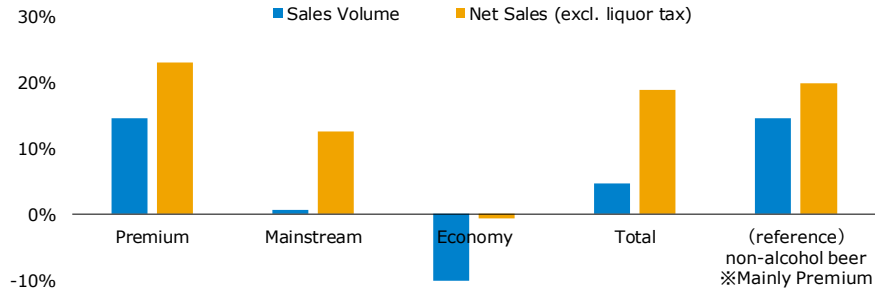
<Future Direction>

- We will accelerate sustainable top-line growth through growth investment in global brands, NAB and RTD.
- We will continue monitoring increases in input costs and pass them on to customers.



Europe: Premiumization Progress and Performance

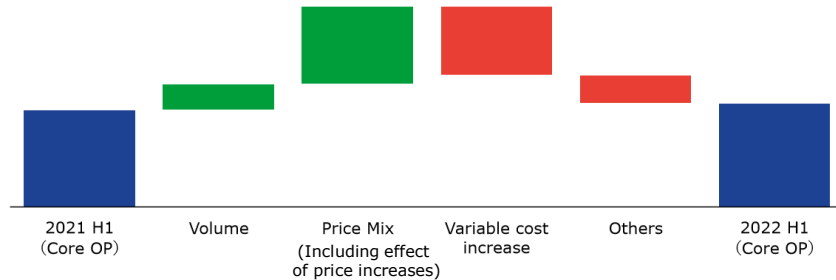
● H1: Growth Rate by Category



- In addition to appropriate price pass-through, sales volume in the premium category exceeded that of the overall business, resulting in a significant improvement in the unit price.



● H1: Profit Increase/Decrease Factors



- In H1 we were able to mitigate variable cost increases through favorable mix from on-trade recovery and aggressive price taking
- Although marketing, labor and other costs increased with the normalization of business activities and driven by inflation, we achieved growth in sales volume, resulting in a total increase in profit

Oceania: Overview and Direction



(JPY billion)	2022 H1	Change	YoY	2022 Revised Forecast	Change	YoY	Vs Initial Forecast
Revenue	261.1	6.6	2.8%	558.0	23.1	4.6%	- 9.2
Core OP	41.8	- 0.9	- 2.3%	103.5	13.9	16.8%	- 1.0

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* Part of Oceania's export business was transferred to Europe. Revised forecast of Core Operating profit for Oceania remains unchanged from the initial forecast, excluding the impact of the business transfer.

<H1 Overview>

- Enhancing growth foundation through strong performance of *Great Northern* and the promotion of the multi-beverage strategy
- Challenge: Further strengthening the earnings base, including addressing higher-than-expected cost increases

<Future Direction>

- Strengthen top-line growth with unit price improvement across the portfolio
- Accelerate integration synergies by expanding sales through the multi-beverage strategy and additional efficiency measures



Oceania: Overview and Main Initiatives



● Sustained Top-Line Growth

Sustained above-market growth of *Great Northern*

Brand total*

1st Half sales volume (YoY change) **+6%**

* Total of *Great Northern Super Crisp* and *Great Northern Original*



Great Northern Super Crisp

Enhanced presence in the craft beer market with the *Balter* brand

Craft Beer Category

1st Half sales volume (YoY change) **+8%**



Balter

● Integration Synergy Progress

Top line synergies:

Promote a multi-beverage strategy utilizing extensive sales network

Strengthen sales of *Asahi Super Dry* and *Peroni*

1st Half sales volume (YoY change) **+7%**



Cost synergies:

Strengthen the earnings base through various cost efficiency measures

Target in 2022: approx. 50 million AUD

*Revised up from approx. 40 million AUD of the initial plan

- Review of contracts for packaging materials
- Review and expansion of manufacturing sites and supply chain
- Increased utilization of shared business services

- Expansion of Global Brands

H1 Results of the 5 global brands YoY **+14%**



- *Asahi Super Dry*: YoY +14%

Campaign "Beyond Expected" and announced Partnership with City Football Group

- *Peroni Nastro Azzurro*: YoY +17%

Launched *Peroni Nastro Azzurro 0.0%* and activated with Aston Martin F1 team partnership.

*YoY are based on sales volume excluding the home market.



Southeast Asia: Overview and Direction

(JPY billion)	2022 H1	Change	YoY	2022 Revised Forecast	Change	YoY	Vs Initial Forecast
Revenue	25.1	0.3	1.2%	48.2	2.9	6.9%	- 4.6
Core OP	- 0.2	- 0.7	-	0.0	- 0.4	- 100.0%	- 1.6

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* Figures of the vs initial forecast for Constant Currency Basis are calculated by converting foreign currency amounts for the revised forecast to yen using the exchange rate of the initial forecast.



<H1 Overview>

- Topline growth on improved sales mix, due in part to expanding sales of own brand in Malaysia
- Challenge: Strengthening earnings structure by expanding portfolio, centered on high value-added brands, and logistics optimization



<Future Direction>

- Make topline growth more sustainable by strengthening investment in high value-added products and by expanding vending machine network
- Strengthen earnings base by further streamlining fixed costs and streamlining/improving productivity of SCM



Sustainability: Initiatives in Key Areas of Focus



Respond to climate change, Respond to plastic issue



Japan

- Participated in the "30 by 30 Alliance for Biodiversity," a coalition of industry-government-private sector, including the Ministry of the Environment
- The Asahi Forest won the Grand Prix "Minister of Agriculture, Forestry and Fisheries Award" in the "Forest x Decarbonization Challenge 2022" organized by the Forestry Agency in May.
- Aiming to obtain OECM* certification for the Asahi Forest, a company-owned forest that has been managed for more than 80 years

Europe (Czechia)

- Construction of a fully automated warehouse at Pilsen Brewery to be completed by the end of the year
- Saving inventory space, reducing transportation costs and CO2 emissions, and solar panels to be installed on the roof aiming to be energy neutral in the long term, rain water will be captured and used for cooling

Oceania

- All 450ml and 600ml soft drink bottles are now being produced using recycled plastic. This will result in an additional 111 million plastic bottles being produced using plastic bottles each year.
- Plans to switch to 100% recycled plastic for other sizes of soft drink bottles in the future

Sustainability: Initiatives in Key Areas of Focus



Realize sustainable communities through the creation of people-to-people connections



Japan

- Established a new company for sustainability business, Asahi You.Us, Ltd. on January 1
- Developing sustainable products such as "Tumbler in the Forest" using biomass materials
- In July, launched Toyota AMBER, the fifth sustainable craft beer product, which uses tea leaf stems from Toyota City, Aichi Prefecture.



Reduction in inappropriate drinking / Solution of social issues through creation of new drinking opportunities



Europe (Czechia) Oceania

- Developed activities for improving beer quality and supporting to attract customers, in order to recall and strengthen the connection between local communities and pubs in the process of recovering from the Covid-19 pandemic

<Example of efforts>
Czechia: "Villages" support program
Australia: "Ode to the Pub" campaign



Japan

- Opened "SUMADORI-BAR SHIBUYA," a bar where people who do not or cannot drink alcohol can also enjoy
- Launched a project to solve social issues such as nuisance behaviors caused by street drinking and intoxication, in collaboration with an affiliated organization of Shibuya-ku, Tokyo.



Summary of Q2 2022 Financial Results and Full-Year Forecast

Revenue / Core Operating Profit

(JPY billion)	(Constant Currency Basis)			2022 Revised Forecast	(Constant Currency Basis)		
	H1	Change	YoY		Change	YoY	Vs Initial Forecast
Japan	599.9	44.0	7.9%	1,317.5	98.1	8.0%	- 14.1
Europe	265.2	38.1	17.6%	565.1	78.2	16.5%	- 12.1
Oceania	261.1	6.6	2.8%	558.0	23.1	4.6%	- 9.2
Southeast Asia	25.1	0.3	1.2%	48.2	2.9	6.9%	- 4.6
Other	3.8	0.8	24.2%	7.6	1.8	29.8%	1.4
Adjustment (corporate and elimination)	- 3.9	- 1.2	-	- 46.3	- 40.0	-	- 32.4
Revenue	1,151.3	88.5	8.6%	2,450.0	164.1	7.3%	- 71.0
Japan	42.8	0.0	0.1%	111.4	7.9	7.6%	-
Europe	28.9	1.3	4.9%	74.4	- 2.8	- 3.7%	- 6.8
Oceania	41.8	- 0.9	- 2.3%	103.5	13.9	16.8%	- 1.0
Southeast Asia	- 0.2	- 0.7	-	0.0	- 0.4	- 100.0%	- 1.6
Other	0.7	- 0.1	- 12.1%	1.1	- 0.1	- 8.1%	0.2
Adjustment (corporate and elimination)	- 6.6	- 1.0	-	- 18.2	- 3.6	-	- 0.5
Amortization of acquisition- related intangible assets	- 16.4	- 0.1	-	- 32.2	0.1	-	- 0.0
Core Operating Profit	91.0	- 1.5	- 1.7%	240.0	15.1	6.9%	- 9.7

- * Figures of the YoY change for Constant Currency Basis are calculated by converting foreign currency amounts for the current year to yen using the exchange rate of the previous year.
- * Figures of the vs initial forecast for Constant Currency Basis are calculated by converting foreign currency amounts for the revised forecast to yen using the exchange rate of the initial forecast.
- * In addition to above, figures for Europe are calculated by excluding the foreign exchange effects of local currencies to Euro.
- * Part of Oceania's export business was transferred to Europe. Revised forecast of Core Operating profit for Oceania remains unchanged from the initial forecast, excluding the impact of the business transfer.

H1 Results

- Revenue: +8.6% YoY due to higher sales in all businesses resulted from recovery in the on-premise channel
- Core Operating Profit: -1.7% YoY due to significant cost increase despite the effect of increased revenue including higher unit price and improved cost efficiency
- Revenue was lower than planned due to the impact of the Omicron variant, but Core OP was in line with the plan due to strengthened cost increase measures

Full-Year Forecast

- Revenue: Downwardly revised to +7.3% YoY based on progress in the first half in each region
- Core Operating Profit: Downwardly revised to +6.9% YoY mainly due to a time lag between additional cost increases and price increases in Europe

Operating Profit / Profit Attributable to Owners of Parent



(JPY billion)	(Actual Currency Basis)			2022 Revised Forecast	(Actual Currency Basis)		
	H1	Change	YoY		Change	YoY	Vs Initial Forecast
Revenue	1,151.3	117.7	11.4%	2,450.0	213.9	9.6%	-
Core Operating Profit	91.0	1.7	1.9%	240.0	22.1	10.1%	-
Adjustment item	- 9.6	- 29.7	-	- 22.5	- 16.5	-	-
Gain (loss) on sales and retirement of non current assets	8.1	- 25.6	- 76.1%	9.9	- 21.1	- 68.0%	3.9
Business integration expenses	- 2.3	6.6	-	- 2.3	12.5	-	- 2.3
Impairment loss	- 12.8	- 12.8	-	- 12.8	0.7	-	- 12.8
Others	- 2.6	2.1	-	- 17.4	- 8.5	-	11.1
Operating profit	81.4	- 28.0	- 25.6%	217.5	5.6	2.6%	-
Finance income or loss	- 4.2	0.9	-	- 9.4	0.4	-	0.9
Share of profit (loss) of investments accounted for using equity method	0.2	0.1	65.0%	0.4	- 0.3	- 41.9%	-
Others	1.2	1.8	-	- 3.0	- 0.0	-	- 0.9
Profit before tax	78.7	- 25.3	- 24.3%	205.5	5.7	2.8%	-
Income tax expense	- 21.6	2.9	-	- 59.0	- 13.0	-	-
Profit	57.1	- 22.3	- 28.1%	146.5	- 7.3	- 4.8%	-
Profit attributable to owners of parent	57.0	- 22.3	- 28.1%	146.5	- 7.0	- 4.6%	-
Profit attributable to non-controlling interests	0.1	- 0.0	- 19.4%	-	- 0.3	-	-
Adjusted profit attributable to owners of parent*	66.3	- 13.0	- 16.4%	156.5	1.9	1.2%	-

* Calculated from profit attributable to owners of parent excluding one-off special factors including business portfolio restructuring and impairment loss.

* 2022 forecast is adjusted on after-tax basis for the loss of SCM restructuring in Japan. 2021 results are adjusted on after-tax basis for the goodwill impairment in Europe and the lower tax expenses for restructuring in Southeast Asia.

H1 Results

- Operating profit: -25.6% YoY mainly due to the previous year's gain on sales of non current assets and impairment loss from SCM reorganization in Japan.
- Profit: -28.1% YoY mainly due to a decrease in operating profit despite improved financial income or loss.
- Adjusted profit excluding SCM reorganization losses was -16.4% YoY
- Operating profit and profit both exceeded the plan.

Full-Year Forecast

- Operating profit: +2.6% YoY, unchanged from the initial forecast, factoring reduction of non-operating assets in gain on sales and retirement of noncurrent assets and additional business integration expenses in others.
- Profit and adjusted profit excluding SCM restructuring losses are unchanged from the initial forecast.

Statement of Financial Position / Statement of Cash Flow



(JPY billion)	H1	Change	YoY	2022 Revised Forecast	Change	YoY	Vs Initial Forecast
Total assets	4,927.0	379.3	8.3%	4,700.0	152.3	3.3%	200.0
Total equity	2,065.9	306.7	17.4%	1,970.0	210.9	12.0%	200.0
Interest-bearing debt *1	1,599.9	3.7	0.2%	1,483.0	- 113.2	- 7.1%	-
Net DE ratio *2	-	-	-	0.61	- 0.12	-	- 0.06
Net Debt / EBITDA *2	-	-	-	3.60	- 0.64	-	- 0.04
(Reference) EBITDA	149.6	4.8	3.3%	356.2	27.7	8.4%	3.6

*1 Breakdown of change from the end of previous year: Repayment of interest-bearing debt -41.5 billion yen, foreign currency translation of foreign currency-denominated interest-bearing debt due to yen depreciation +45.2 billion yen

*2 Calculated after deducting 50% of outstanding subordinated debt (JPY 300 billion) from net debt

Operating cash flow	89.4	- 67.9	-	298.0	- 39.8	-	-
Investing cash flow	- 20.9	- 25.6	-	- 83.0	- 68.7	-	-
Financing cash flow	- 81.7	75.6	-	- 215.0	105.3	-	-
Free cash flow	68.5	- 89.7	-	215.0	- 104.1	-	-
Dividend per share (JPY)	55	1	-	111	2	-	-
Dividend payout ratio (%)	-	-	-	38.4%	2.4%	-	-
Adj. Dividend payout ratio (%) *3	-	-	-	35.9%	0.2%	-	-

*3 Calculated based on adjusted profit attributable to owners of parent

H1 Results

- B/S: Total assets increased by JPY 379.3 billion from the end of the previous year mainly due to an increase in goodwill and intangible assets resulting from yen depreciation.
- B/S: Interest-bearing debt remained at the same level as the end of the previous year due to the impact of translating foreign currency-denominated debt resulting from yen depreciation, despite higher-than-planned repayment.
- C/F and Dividend: Generated FCF of JPY 68.5 billion and continued to pay down interest-bearing debt and to increase dividends steadily.

Full-Year Forecast

- B/S: Total assets increased by 200.0 billion yen from the initial forecast due to the impact of yen depreciation.
- C/F and Dividend: Unchanged the plan for reducing interest-bearing debt and generating FCF of JPY 215.0 billion, due to profit generation and the sale of non-operating assets and securities.
- Dividend forecast remains unchanged from the initial forecast, with a plan to increase the annual dividend by 2 yen per share.

(JPY billion)	H1	Change	YoY	2022 Revised Forecast	Change	YoY	Vs Initial Forecast
Alcohol Beverages Business	356.0	39.5	12.5%	795.2	73.0	10.1%	- 14.1
Non-Alcohol Beverages Business	174.6	0.9	0.5%	373.9	16.1	4.5%	-
Food Business	61.4	0.6	1.0%	127.7	1.8	1.4%	-
Other/elimination in segment	7.8	3.1	65.6%	20.7	71.4	52.7%	-
Revenue	599.9	44.0	7.9%	1,317.5	1,122.0	8.0%	- 14.1
Alcohol Beverages Business	29.9	3.1	11.5%	78.0	7.2	10.2%	-
Non-Alcohol Beverages Business	13.3	- 3.1	- 18.8%	33.2	0.1	0.2%	-
Food Business	6.0	0.2	3.3%	12.3	0.9	7.4%	-
Other/elimination in segment	- 6.3	- 0.1	-	- 12.1	- 0.2	-	-
Core Operating Profit	42.8	0.0	0.1%	111.4	7.9	7.6%	-

H1 Results

- Revenue: +7.9% YoY mainly due to a recovery in on-premise sales of Alcohol Beverages Business and the strengthening of the *Super Dry* brand.
- Core Operating Profit: +0.1% YoY due to higher variable costs in Non-Alcohol Beverages Business, which were offset by Alcohol Beverages Business and Food Business
- Revenue was lower than planned mainly due to the Omicron variant, but Core Operating Profit was in line with the plan in each business segment, mainly due to strengthened cost-cutting measures.

Full-Year Forecast

- Revenue: Revised downward to +8.0% YoY, taking into account the progress made in the first half in Alcohol Beverages Business.
- Core Operating Profit: +7.6% YoY, unchanged from the initial forecast, due to the effects of price revisions and streamlining of fixed costs, despite the expected additional cost increase.

Japan (Alcohol Beverages: Revenue / Sales Volume)



(JPY billion) *Before rebate deduction	H1	Change	YoY
Beer-type beverages	264.2	33.4	14.5%
Whiskey and spirits	24.5	2.0	8.8%
RTD low-alcohol beverages	17.1	- 0.3	- 1.5%
Wine	20.0	0.7	3.5%
Shochu	9.7	- 0.1	- 0.6%
Non-alcohol beer/RTD	17.8	1.0	6.0%

2022 Revised Forecast	Change	YoY	Vs Initial Forecast
610.1	71.4	13.2%	8.1
52.2	2.8	5.7%	- 0.8
33.6	- 3.2	- 8.7%	- 17.4
42.4	- 0.2	- 0.5%	0.2
20.1	- 0.5	- 2.4%	1.1
39.1	- 1.3	- 3.1%	- 11.4

(Million of cases)	H1	Change	YoY
Super Dry	29.65	4.58	18.3%
Style Free	5.88	0.09	1.6%
Clear Asahi	6.67	- 0.71	- 9.6%

2022 Revised Forecast	Change	YoY	Vs Initial Forecast
71.60	10.78	17.7%	0.90
12.40	- 0.06	- 0.5%	- 0.60
14.20	- 1.27	- 8.2%	- 0.80

(YoY) *Volume basis	H1		
	Bottle	Can	Keg
Beer-type beverages	+28%	+5%	+48%
Beer	+28%	+26%	+49%

(YoY) *Volume basis	(Ref.) Beer-type market	
	H1	2022 Forecast
Beer-type	+2~3%	Approx. +2%
Beer	+19~20%	+16~17%
Happoshu	- 4~5%	- 4~5%
New Genre	- 9~10%	Approx. -10%

H1 Results

- Revenue from beer-type beverages sales increased +14.5% YoY due to a recovery in on-premise sales and strong sales of canned beer, despite a decrease in sales of new genre.
- Sales of whiskey and spirits, wine, and Non-alcohol beer/RTD were up from the previous year, but sales in other categories were down from the previous year, mainly due to the sluggish market.

Full-Year Forecast

- Revenue from beer-type beverages sales revised upward to +13.2% YoY due to improved sales momentum of canned beer, recovery in on-premise sales, and the effect of price revisions, despite a contraction in new genre sales.
- Continued growth in whiskey and spirits due to recovery in on-premise sales, but downward revision in RTD and Non-alcohol beer/RTD based on progress in the first half and market trends.

Japan (Alcohol Beverages: Breakdown of Changes in Profit)

(JPY billion)	H1	Change	YoY	2022 Revised Forecast	Change	YoY	Vs Initial Forecast
Change in sales, category and container mix	-	15.0		-	33.0		- 1.3
Cost reduction in manufacturing	-	0.8		-	1.0		- 0.3
Cost increase in manufacturing	-	- 4.2		-	- 14.9		- 5.5
Advertisement and Sales promotion expenses	-	- 8.6		-	- 9.2		3.0
Other expenses	-	0.1		-	- 2.6		4.2
Core Operating Profit	29.9	3.1	11.5%	78.0	7.2	10.2%	-

* "Other expenses" includes "Other and eliminations."

<H1: Factors Contributing to Increase/Decrease>

- Change in sales and others: +15.0 (Sales volume in beer-type +11.7, Sales in other alcohol beverages +2.3, Change in category and container mix and etc.)
- Cost reduction in manufacturing: +0.8 (Raw materials +0.2, Transportation +0.2, etc.)
- Cost increase in manufacturing: -4.2 (Raw materials -2.9, Utilities -0.9, Transportation -0.2, etc.)
- Change in sales promotion expenses: -8.6 (Advertisement -7.1, Promotion -1.5) (Beer-type -6.2, Other -2.4)

<2022 Forecast: Factors Contributing to Increase/Decrease>

- Change in sales and others: +33.0 (Sales volume in beer-type +31.1, Sales in other alcohol beverages +0.7, Change in category and container mix and etc.)
- Cost reduction in manufacturing: +1.0 (Other than beer-type +0.2, Transportation +0.3, etc.)
- Cost increase in manufacturing: -14.9 (Raw materials -10.7, In other than beer -2.0, Transportation -1.1, and etc.)
- Change in sales promotion expenses: -9.2 (Advertisement -7.2, Promotion expenses -2.0) (Beer-type -7.2, Other -2.0)

H1 Results

- +11.5% YoY due to the effect of higher sales and efficiency improvements in other fixed costs, despite higher variable costs due to market conditions and higher advertising and sales promotion expenses, mainly for beers such as *Super Dry* and *Asahi Nama Beer*.
- Core Operating Profit was in line with the plan, due to the efficiency improvement in advertising, sales promotion, and other expenses, although the change in sales and others fell short of the plan.

Full-Year Forecast

- Unchanged YoY forecast of +10.2% due to efficiency improvements in fixed costs in general, including advertising and sales promotion expenses, despite additional cost increases due to market conditions and other factors.

Japan (Non-Alcohol Beverages: Sales Volume)



(Millions of cases)	H1	Change	YoY	2022 Revised Forecast	Change	YoY	Vs Initial Forecast
Carbonated drinks	39.85	1.32	3.4%	83.80	3.48	4.3%	- 0.71
Lactic acid drinks	21.61	0.83	4.0%	44.00	1.82	4.3%	0.89
Coffee	16.34	- 1.14	- 6.5%	34.00	- 1.38	- 3.9%	- 1.22
Tea	18.51	1.60	9.5%	40.00	2.84	7.6%	1.08
Mineral Water	7.82	0.65	9.0%	16.70	1.12	7.2%	-
Fruit juice	7.17	0.31	4.5%	15.00	0.44	3.0%	1.26
Other drinks	12.06	- 0.25	- 2.0%	25.50	- 0.01	- 0.0%	- 5.80
Sales Volume	123.36	3.32	2.8%	259.00	8.32	3.3%	- 4.50

(JPY billion)	H1	Change	YoY	2022 Revised Forecast	Change	YoY	Vs Initial Forecast
Revenue	174.6	0.9	0.5%	373.9	16.1	4.5%	-

(YoY)	By channel		(YoY)	By container	
	*Volume basis	H1		*Volume basis	H1
Vending machine	- 2.8%		Can	- 2.4%	
CVS	3.9%		PET total	3.9%	
SM	0.7%		Large PET	0.6%	
			Small PET	5.5%	

(YoY)	(Ref) Market	
	*Volume basis	2022 Forecast
Total	3%	Approx. 2%

H1 Results

- Sales volume: +2.8% YoY due to growth in carbonated drinks and lactic acid drinks, mainly due to renewal of main brands and the effect of new products, despite a decrease in sales volume of coffee.
- Revenue: +0.5% YoY, mainly due to higher sales volume, despite a deterioration in unit price caused by a decrease in coffee.

Full-Year Forecast

- Sales volume: +3.3% YoY due mainly to strengthened sales of existing products, especially carbonated drinks, tea, and lactic acid drinks, as well as sales expansion of extended products.
- Revenue: +4.5% YoY due to an increase in sales volume and an improvement in unit prices since October following the price revision.

Japan (Non-Alcohol Beverages: Breakdown of Changes in Profit)



(JPY billion)	H1	Change	YoY	2022 Revised Forecast	Change	YoY	Vs Initial Forecast
Change in sales, category and container mix	-	0.4		-	10.3		2.2
Cost reduction in manufacturing	-	0.9		-	1.8		0.3
Cost increase in manufacturing	-	- 4.4		-	- 10.8		- 3.9
Advertisement and Sales promotion expenses	-	- 0.2		-	- 0.4		0.2
Other expenses	-	0.2		-	- 0.8		1.2
Core Operating Profit	13.3	- 3.1	- 18.8%	33.2	0.1	0.2%	-

* "Other expenses" includes "Other and eliminations."

<H1: Factors Contributing to Increase/Decrease>

- Change in sales and others: +0.4 (Sales volume +0.7, Change in category and container mix, etc.)
- Cost reduction in manufacturing: +0.9 (Raw materials +0.1, Packages +0.5, Operational efficiency / in-house production +0.2 and etc.)
- Cost increase in manufacturing: -4.4 (Raw materials -1.7, Packages -1.7, etc.)
- Change in sales promotion expenses: -0.2 (Advertisement 0.0, Promotion -0.2)

<2022 Forecast: Factors Contributing to Increase/Decrease>

- Change in sales and others: +10.3 (Sales volume +10.0, Change in category and container mix, etc.)
- Cost reduction in manufacturing: +1.8 (Raw materials +0.2, Packages +0.9, Operational efficiency / in-house production +0.6 and etc.)
- Cost increase in manufacturing: -10.8 (Raw materials -4.1, Packages -5.3 and etc.)
- Change in sales promotion expenses: -0.4 (Advertisement +0.1, Promotion -0.5)

H1 Results

- -18.8% YoY due to the impact of higher raw material costs, etc., despite the effect of increased sales and improved category mix, as well as the promotion of capacity utilization, etc.
- Core Operating Profit was in line with the plan, despite higher-than-expected raw material costs, due to streamlining of fixed costs, etc.

Full-Year Forecast

- Unchanged forecast of +0.2% YoY due to the effect of increased revenue, including an improved mix, and efficiency improvements in fixed costs in general, despite additional cost increases expected for raw materials and other items.

(Khl/million Euro)	H1	Change *1	YoY *1	2022 Revised Forecast	Change *1	YoY *1	Vs Initial Forecast *2
Revenue (Incl. liquor tax)	1,974	293	17.6%	4,217	602	16.5%	△ 94
Core OP*1	215	10	4.9%	555	△ 21	-3.7%	△ 53
Sales Volume	20,594	897	4.6%	43,186	1,924	4.7%	△ 1,625
Net Sales (excl. liquor tax)	1,598	250	18.8%	3,413	507	17.3%	△ 33

*Excluding the impact of currency translation of local currencies into Euro

*1 Comparison in FX rate of the same period of the previous year

*2 Comparison in budget FX rate

<Overview by Channel>

(YoY)	H1		
	Off-premise	On-premise	Total
YoY(volume basis)	- low single digit	+ 60-70%	4.6%

H1 Results

- Sales Volume: +4.6% YoY due to significant recovery of on-premise, comparing to strict restrictions in European countries in 2021
- Revenue: +17.6% YoY due to the recovery of on-premise sales improving channel mix, but also implementation of price increases.
- Core Operating Profit: +4.9% YoY due to sales increase despite cost increases in raw materials, energy costs or labor expenses, etc.
- Sales volume, revenue, and Core Operating Profit all progressed slightly lower than planned.

Full-Year Forecast

- Sales Volume: +4.7% YoY due to the recovery of on-premise operations and strengthening Global Brands and NAB.
- Revenue: Downwardly revised to +16.5% YoY based on progress in H1.
- Core Operating Profit : Downwardly revised to -3.7% YoY mainly due to a time lag between additional cost increases and price increases.

(million AUD)	H1	Change	YoY	2022 Revised Forecast	Change	YoY	Vs Initial Forecast
Revenue	2,950	79	2.8%	6,340	280	4.6%	-114
Core Operating Profit	472	-11	-2.3%	1,176	169	16.8%	-12
Net Sales (exc liquor tax) *1	2,050	73	3.7%	4,377	227	5.5%	-56
(Alcohol Beverages) *1	1,431	11	0.8%	3,145	179	6.0%	-40
(Non-Alcohol Beverages) *1, 2	619	62	11.2%	1,232	48	4.0%	-16
Net Core OP *3	472	-24	-4.8%	1,176	139	13.4%	-12

*1 Based on net sales value excluding container deposite.

*2 Including the impact of newly consolidated Allpress.

*3 Core OP before deduction of one-off cost.

Note: Part of Oceania's export business was transferred to Europe. Revised forecast of Core Operating profit for Oceania remains unchanged from the initial forecast, excluding the impact of the business transfer.

<Overview by Channel (Australian Alcohol Beverages)>

(YoY)	H1		
	Off-premise	On-premise	Total
Sales Volume	Slight decrease	+Low single digit	0%

* Sales value (total): +2% YoY

H1 Results

- Revenue: +2.8% YoY due to sales growth in core categories such as contemporary beer and carbonated soft drinks.
- Core Operating Profit: -2.3% YoY due to higher costs for raw materials and logistics, despite the sales increase and enhancing cost efficiency.
- Both revenue and Core Operating Profit progressed in line with the plan.

Full-Year Forecast

- Revenue: Downwardly revised to +4.6% YoY due to sales increase in the premium categories and in reaction to the lockdown in the second half of last year, despite the negative impact of the spread of Covid-19 in New Zealand.
- Core Operating Profit: +16.8% YoY, unchanged from the initial forecast excluding the impact of the business transfer, due to sales growth and creating additional integration synergies, despite additional cost increases.

Reference

FX Impact (H1 Results)



(JPY billion)	H1	Prev. Year	(Actual Currency Basis)		FX Impact	(Constant Currency Basis)	
			Change	YoY		Change	YoY
Japan	599.9	555.9	44.0	7.9%	-	44.0	7.9%
Europe	265.2	216.0	49.2	22.8%	11.1	38.1	17.6%
Oceania	261.1	238.7	22.5	9.4%	15.9	6.6	2.8%
Southeast Asia	25.1	22.5	2.6	11.6%	2.3	0.3	1.2%
Other	3.8	3.1	0.7	23.2%	- 0.0	0.8	24.2%
Adjustment (corporate and elimination)	- 3.9	- 2.6	- 1.3	-	- 0.1	- 1.2	-
Revenue	1,151.3	1,033.6	117.7	11.4%	29.3	88.5	8.6%
Japan	42.8	42.8	0.0	0.1%	-	0.0	0.1%
Europe	28.9	26.1	2.7	10.5%	1.5	1.3	4.9%
Oceania	41.8	40.2	1.6	4.0%	2.5	- 0.9	- 2.3%
Southeast Asia	- 0.2	0.5	- 0.7	-	- 0.0	- 0.7	-
Other	0.7	0.8	- 0.1	- 11.7%	0.0	- 0.1	- 12.1%
Adjustment (corporate and elimination)	- 6.6	- 5.5	- 1.0	-	0.0	- 1.0	-
Amortization of acquisition- related intangible assets	- 16.4	- 15.5	- 0.9	-	- 0.8	- 0.1	-
Core Operating Profit	91.0	89.3	1.7	1.9%	3.2	- 1.5	- 1.7%

<Exchange Rate Trends>

(Yen)	H1 2022	H1 2021
Euro	134.4	129.9
AUD	88.5	83.1

*Figures of the YoY change for Constant Currency Basis are calculated by converting foreign currency amounts for the current year to yen using the exchange rate of the previous year.

*In addition to above, figures for Europe are calculated by excluding the foreign exchange effects of local currencies to Euro.

FX Impact (Full-Year Forecast *Aug 9 Released)



(JPY billion)	2022 Revised Forecast	(Actual Currency Basis)			(Constant Currency Basis)		
		2021 Results	Change	YoY	FX Impact	Change	YoY
Japan	1,317.5	1,219.4	98.1	8.0%	-	98.1	8.0%
Europe	565.1	474.4	90.7	19.1%	12.5	78.2	16.5%
Oceania	558.0	500.0	58.0	11.6%	34.9	23.1	4.6%
Southeast Asia	48.2	42.7	5.5	12.9%	2.6	2.9	6.9%
Other	7.6	6.0	1.6	27.2%	- 0.2	1.8	29.8%
Adjustment (corporate and elimination)	- 46.3	- 6.3	- 40.0	-	-	- 40.0	-
Revenue	2,450.0	2,236.1	213.9	9.6%	49.8	164.1	7.3%
Japan	111.4	103.5	7.9	7.6%	-	7.9	7.6%
Europe	74.4	75.5	- 1.1	- 1.4%	1.7	- 2.8	- 3.7%
Oceania	103.5	83.1	20.4	24.6%	6.5	13.9	16.8%
Southeast Asia	0.0	0.4	- 0.4	- 100.0%	0.0	- 0.4	- 100.0%
Other	1.1	1.2	- 0.1	- 8.9%	- 0.0	- 0.1	- 8.1%
Adjustment (corporate and elimination)	- 18.2	- 14.6	- 3.6	-	-	- 3.6	-
Amortization of acquisition-related intangible assets	- 32.2	- 31.1	- 1.1	-	- 1.2	0.1	-
Core Operating Profit	240.0	217.9	22.1	10.1%	7.0	15.1	6.9%

<Exchange Rate Trends>

(Yen)	2022 Forecast	2021 Results
Euro	134.0	129.9
AUD	88.0	82.5

<Exchange Rate Sensitivity for 2022>

(JPY billion)	Revenue	Core OP
Euro	± 4.2	± 0.6
AUD	± 6.3	± 1.2

- * Impact of 1 yen change (full year)
- * Figures do not include the effect of exchange rates on amortization of intangible assets.
- * FX impact shows the impact of converting local currency results into yen excluding trade impact.

*Figures of the YoY change for Constant Currency Basis are calculated by converting foreign currency amounts for the current year to yen using the exchange rate of the previous year.

*In addition to above, figures for Europe are calculated by excluding the foreign exchange effects of local currencies to Euro.

<Reference> Recovery and Outlook (vs 2019)



● Recovery by Region *Compared to 2019, Constant Currency Basis

Japan (Alcohol Beverages)

	2020	2021	2022 FC
Revenue	-15%	-19%	-10%
Core OP	-24%	-33%	-26%

Europe

	2020	2021	2022 FC
Revenue	-11%	-4%	+13%
Core OP	-27%	-15%	-18%

Oceania

	2020	2021	2022 FC
Revenue	±0%	+4%	+10%
Core OP	-20%	-5%	+8%

*2019: Reference figures calculated by adding the former CUB before acquisition

*2020: Figures calculated by adding the former CUB before acquisition

● Sales Volume by Channel for 2022 Forecast

On-premise: Just under -40% vs 2019
(+Low 30% range YoY)

Off-premise: +Low single digit vs 2019
(+Mid single digit YoY)

On-premise: -Low single digit vs 2019
(+30% - +40% YoY)

Off-premise: Flat vs 2019
(-Low single digit YoY)

On-premise: -High single digit vs 2019
(+Approx. 20% YoY)

Off-premise: +High single digit vs 2019
(+Slight increase YoY)

*Reference for Australian Alcohol Beverages only



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