



## Q2 2023 Financial Results Presentation

(Overview of the First Half  
and Future Direction)

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August 10, 2023

**ASAHI GROUP HOLDINGS, LTD.**



# Executive Summary

## ◆ Overview of the First Half

- **Achieved 5.8% revenue growth and 9.0% core operating profit growth** (Constant currency basis)
  - Achieved higher-than-planned profit growth due to increased revenue and cost management exceeding cost increases
  - Continued to improve unit prices through appropriate pricing strategy and premium strategy while maintaining competitive advantage

## ◆ Future Direction

- **Aim to achieve 6.0% revenue growth and 3.2% core operating profit growth** (FY2023, constant currency basis)
  - Raise the core operating profit forecast, mainly for Alcohol Beverages in Japan, while closely monitoring the impact of inflation in all regions
  - Expand investment (in core strategies and human capital, etc.) for the next year and beyond and improve financial soundness
  - Optimize procurement functions through the establishment of a global procurement office and strengthen group governance



# Improvement in Unit Sales Price/Cost Increases



## ◆ Improvement in Unit Sales Price (H1 YoY)

	Japan (Alcohol Beverages)	Europe	Australia (Alcohol Beverages)
Beer-Type Beverages Unit Price (Excluding Liquor Tax)	+9.0%	+16.5%	+2.9%
		<small>*Including non-alcohol category</small>	<small>*Including non-alcohol category</small>
Ref: Overall Business Revenue (Excluding Liquor Tax)	+3.9%	+12.0%	+3.4%

## ◆ Cost Increases (Group Total)

H1 Results	Just below JPY 55.0 billion	Annual Forecast	Appx. JPY 100 Billion
	Slightly lower than expected level		Forecast unchanged given the risks

# Japan: Overview and Direction

(JPY billion)	2023 H1	Change	YoY	2023 Revised Forecast	Change	YoY	Vs Initial Forecast
Revenue	622.0	22.1	3.7%	1,338.0	36.3	2.8%	- 13.0
Core OP	52.9	10.1	23.7%	119.0	10.1	9.3%	7.0

## <H1 Overview>

- Achieved higher-than-planned profit growth through appropriate pricing strategy and strengthened cost management in response to cost increases
- Strengthened investment in core brands and new value propositions for sustained top-line growth

## <Future Direction>

- While expanding investment in anticipation of liquor tax revisions and other changes in the environment, raise the FY2023 core operating profit forecast, particularly for Alcohol Beverages
- Expand synergies by "One Asahi", promote structural reforms and enhance human capital and organizational functions

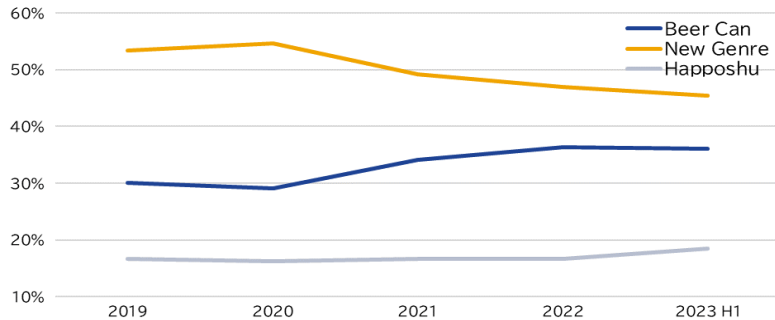


# Japan (Alcohol Beverages Business): Main Initiatives



## ● Return to Beer Trend Continues

<Can Market Composition Per Category>



Source: Data from Intage SRI+  
Composition of canned beer, happoshu and new genre product markets - Estimated sales scale (volume)  
January 2019 to June 2023  
Seven channels (Supermarkets, convenience stores, discount liquor stores, home improvement stores, drugstores, general liquor stores, wholesale liquor stores)

<Premium Beer>

- Launch of the "Asahi Shokusai" premium beer as the second product for the "Nama Jokki Can"



Launched July 11  
(Convenience stores only)

## ● Initiatives to Strengthen Beers

<Asahi Super Dry>

- Leverage sponsorship of Rugby World Cup France 2023 Worldwide Partner



<Asahi Nama Beer>

- Strengthen initiatives to expand new beer users



<New Beer Products>

- Launch new product to further stimulate beer demand after the liquor tax revisions



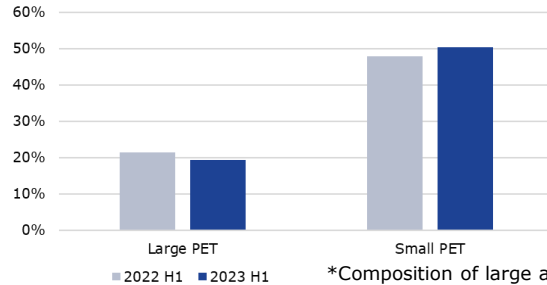
Details to be announced later

# Japan (Non-Alcohol Beverages Business): Main Initiatives



## ● Container Product Mix Enhancement

Strengthen sales of high profitability small PET bottles



## ● Strengthening New Value Propositions

New "Asahi Sou" brand of green tea with a gorgeous aroma

H1 sales volume  
2.66 million cases

2023 sales target  
Upward adjustment to  
6 million cases



## ● Strengthening of Response to Changing Consumer Needs

Active expansion of label-less products designed with consideration for the environment, particularly for E-commerce channels

Label-less

**+24%**

YoY in 2023 H1  
(volume basis)

E-commerce  
channels

**+9%**



Strengthening of value propositions based on health consciousness

Health drink\* total

**+9%**

YoY in 2023 H1  
(volume basis)



# Europe: Overview and Direction



\* Constant Currency Basis. Calculated by excluding the foreign exchange effects of local currencies to Euro.

(JPY billion)	2023 H1	Change	YoY	2023 Revised Forecast	Change	YoY	Vs Initial Forecast
Revenue	315.3	25.2	9.5%	666.2	63.9	11.1%	- 27.7
Core OP	34.5	2.0	7.0%	80.1	0.6	0.8%	-

\* 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 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 >

- Achieved sustainable unit prices improvement through price increases and better relative performance of Premium segment
- Deployed cost management capabilities to respond to changes in the business environment, including hedging strategies

## < Future Direction >

- Achieve sustainable top-line growth through Profitable Revenue Growth Management strategy
- Accelerate growth of global brands by expanding innovative products\*<sup>1</sup> and leveraging sponsorships\*<sup>2</sup>

\*1 "Asahi Super Dry 0.0%", "Peroni Nastro Azzurro Stile Capri" etc.

\*2 "Asahi Super Dry" : Partnership with City Football Group centered on Manchester City, Official Beer of Rugby World Cup 2023 France

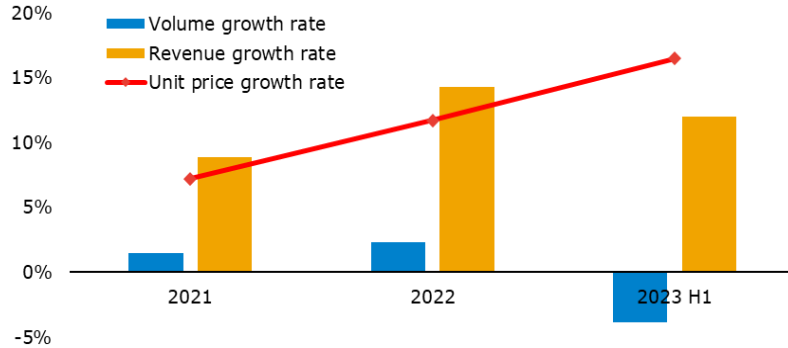
"Peroni Nastro Azzurro" : Partnership with F1 Team Aston Martin, Official Beer of the 2023 Ryder Cup



# Europe: Premiumization Progress and Performance



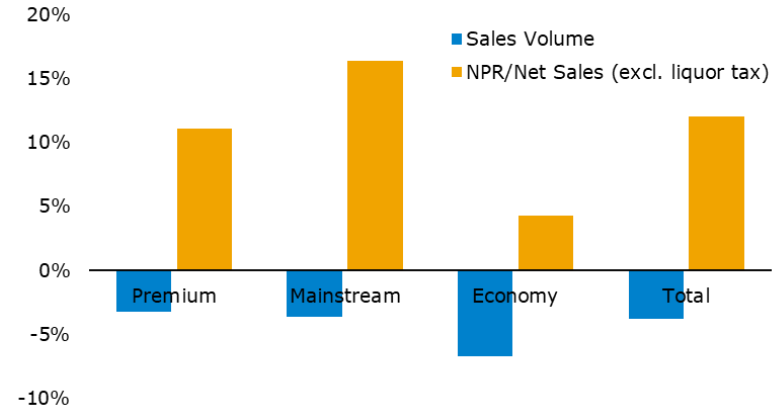
## ● Trends in Unit Price Growth



## ● H1: Profit Increase/Decrease Factors



## ● H1: Growth Rate by Segment



<Non-Alcohol Beverages Growth Rate>

YoY in 2023 H1

(volume basis) -3%

(value basis) +15%





# Oceania: Overview and Direction



\* Constant Currency Basis

(JPY billion)	2023 H1	Change	YoY	2023 Revised Forecast	Change	YoY	Vs Initial Forecast
Revenue	286.5	16.8	6.5%	630.4	48.1	8.2%	2.0
Core OP	42.2	- 0.8	- 1.9%	108.8	1.9	1.7%	-

\* 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 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.

\* Calculated by excluding the foreign exchange effects of local currencies

## <H1 Overview>

- Enhance competitive advantage through expansion of main brands, etc., and promote a multi-beverage strategy
- Improve ability to respond to cost increases, including strengthening cost management

## <Future Direction>

- Realize continuous improvement of unit price by upgrading Revenue Growth Management, including appropriate price revisions
- Start new profit structure reforms in anticipation of changes in consumption trends due to the macroeconomic slowdown



# Oceania: Main Initiatives



## ● Top-Line Growth

*Great Northern*

H1 sales volume  
(YoY change) **+5%**

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



Promotion of premiumization  
through active development of  
high-end products  
(craft beer, RTD, etc.)



*Balter*

H1 sales volume  
(YoY change) **+25%**

## ● Initiatives to Upgrade Profit Structure Base

### <Top Line Synergies>

Promote a multi-beverage strategy  
utilizing extensive sales network

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

H1 sales volume  
(YoY change) **+13%**



### <Commencement of New Profit Structure Reforms>

- Launch of innovative high-end products
- Refine SKUs and focus marketing expenditures
- Strengthening and driving efficiencies at manufacturing sites and across the supply chain
- Improvement of inventory management

# Expansion of Global Brands

- Scale Initiatives to Drive Fame and Adoption



- **Asahi Super Dry: YoY + 24%**

Partnership with City Football Group centered on Manchester City

The official beer of Rugby World Cup France 2023

Launched *Asahi Super Dry 0.0%*

Launched *Nama Jokki Can* in Korea

※Results are based on sales volume excluding the home markets

- **Peroni Nastro Azzurro: YoY + 3%**

Partnership with Aston Martin Aramco Cognizant Formula One® team

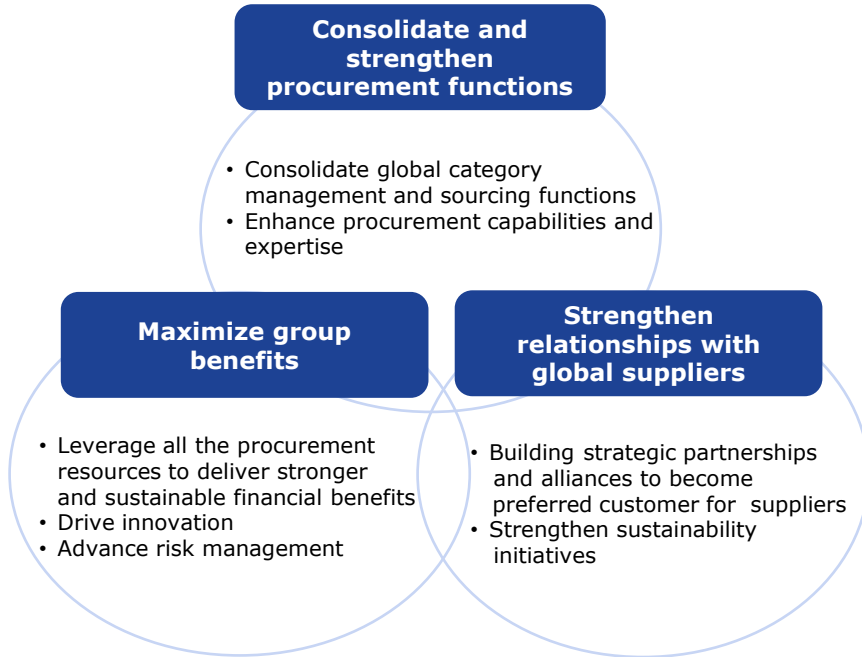
The official beer of 2023 Ryder Cup in Rome

Expansion of *Peroni Nastro Azzurro 0.0%*

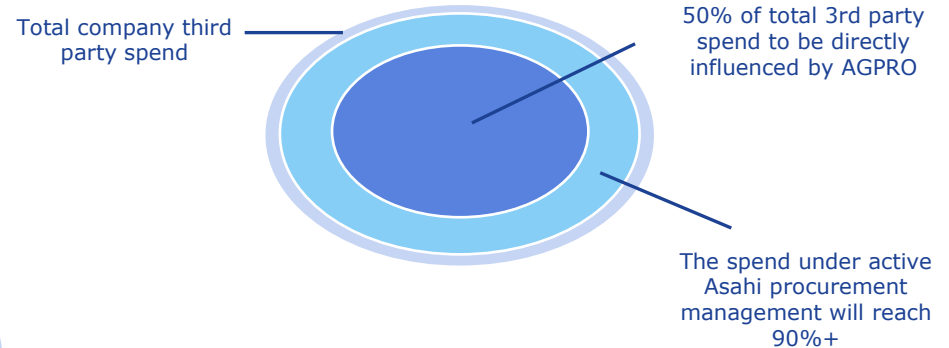
Launched *Peroni Nastro Azzurro Stile Capri*

# Establishment of Asahi Global Procurement

## Enhance financial and non-financial value by advancing the procurement function of the entire group (Operation to begin in January 2024)



### <Procurement Total Spend Coverage Ratio (2028 target)>



### <Financial Benefits (5 Years Period from 2024)>

100M+ USD per year on average  
(Cost reduction + Cost increase control effect\*)

\*Cost avoidance, Value enabler



Initiatives for climate change, response to plastic issues

## Japan



- Three plants in the Kyushu region switched their electricity purchases to renewable energy
- Achieved 100% renewable energy for purchased electricity at all 31 plants in Japan and reduced annual CO<sub>2</sub> emissions by 128,000 tons

## Europe



- AEI signed new Virtual Power Purchase Agreements in Italy, the UK, Romania and the Netherlands to supply our breweries with renewable electricity for the production of beer
- In Poland, RWE\*'s newly launched wind farm, LECH Nowy Staw III, began supplying power in February, furthering the green energy transition

\*RWE AG, Germany's leading power company.

## Oceania



- Victoria State has appointed VicReturn, a NPO established by Asahi Beverages Pty Ltd with competitors, as the scheme coordinator for its new container deposit scheme
- It contributes to the reduction of waste in the state and to the transition toward a circular economy with beverage containers

# Sustainability: Key Initiatives



Realize Sustainable Communities through the Creation of People-to-People Connection

## Japan



- Asahi YOU.US, Ltd strengthens development of reusable eco-cups "Mori no Tumbler" and eco-bottles "Mori no My Bottle"
- Contributing to local consumption of resources by developing products using materials from various local regions in Japan ("Mori no My Bottle" was also used as "Summit Bag" for the G7 Hiroshima Summit)



Reduction in Inappropriate Drinking Solution of Alcohol-Related Issues through Creation of New Drinking Opportunities

## Europe (UK)




- *Asahi Super Dry* strengthens partnership with UK football club Manchester City
- Non-alcohol beer *Asahi Super Dry 0.0%* is featured on the Manchester City's training kit, and AR technology is utilized to enhance the appeal of the product

## Oceania



- *Carlton Draught* Launches "Long Live the Keg" campaign to support pubs
- It provides an impetus for people to return to restaurants, helping the on-premise market recover after COVID-19 and continuing the community of the pub culture



# **Summary of Q2 2023 Financial Results and Full-Year Forecast**

# Revenue / Core Operating Profit

(JPY billion)	(Constant Currency Basis)			2023 Revised Forecast	(Constant Currency Basis)		
	H1	Change	YoY		Change	YoY	Vs Initial Forecast
Japan	622.0	22.1	3.7%	1,338.0	36.3	2.8%	- 13.0
Europe	315.3	25.2	9.5%	666.2	63.9	11.1%	- 27.7
Oceania	286.5	16.8	6.5%	630.4	48.1	8.2%	2.0
Southeast Asia	27.9	1.4	5.4%	54.3	2.4	4.6%	- 0.4
Other	6.3	2.4	63.3%	16.5	7.7	87.6%	6.3
Adjustment (corporate and elimination)	- 5.1	- 1.1	-	- 15.4	- 7.3	-	- 4.3
Revenue	1,253.0	66.8	5.8%	2,690.0	151.0	6.0%	- 37.2
Japan	52.9	10.1	23.7%	119.0	10.1	9.3%	7.0
Europe	34.5	2.0	7.0%	80.1	0.6	0.8%	-
Oceania	42.2	- 0.8	- 1.9%	108.8	1.9	1.7%	-
Southeast Asia	0.5	0.7	-	1.2	0.6	103.4%	-
Other	0.8	0.1	7.8%	2.4	0.9	65.9%	1.2
Adjustment (corporate and elimination)	- 10.1	- 3.6	-	- 22.2	- 5.6	-	- 2.9
Amortization of acquisition- related intangible assets	- 17.9	- 0.3	-	- 35.4	- 0.8	-	- 0.8
Core Operating Profit	102.9	8.2	9.0%	254.0	7.7	3.2%	4.6

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

## <H1 Results>

- Revenue: +5.8% YoY as revenue increased in all business, mainly due to unit price increases resulting from price revisions
- Core Operating Profit: +9.0% YoY mainly due to increased revenue and enhanced cost management, despite impact of cost increases
- Revenue was almost in line with the plan  
Core operating profit exceeded the plan due to higher unit prices and cost efficiencies

## <Full-Year Forecast>

- Revenue: Downwardly revised to +6.0% YoY based on the progress in each region in H1
- Core Operating Profit: Upwardly revised to +3.2% YoY in total, mainly due to strong progress in Alcohol Beverages Business in Japan



# Operating Profit / Profit Attributable to Owners of Parent



(JPY billion)	(Actual Currency Basis)			2023 Revised Forecast	(Actual Currency Basis)		
	H1	Change	YoY		Change	YoY	Vs Initial Forecast
Revenue	1,253.0	101.7	8.8%	2,690.0	178.9	7.1%	-
Core Operating Profit	102.9	12.0	13.2%	254.0	10.2	4.2%	9.0
Adjustment item	- 6.9	2.7	-	- 19.5	7.3	-	- 1.5
Gain (loss) on sales and retirement of non current assets	- 0.4	- 8.5	-	- 1.9	- 11.4	-	1.3
Business integration expenses	- 4.3	- 2.0	-	- 4.3	11.2	-	- 4.3
Impairment loss	- 0.7	12.0	-	- 0.7	17.8	-	- 0.7
Others	- 1.5	1.1	-	- 12.6	- 10.2	-	2.2
Operating profit	96.1	14.7	18.0%	234.5	17.5	8.0%	7.5
Finance income or loss	- 3.9	0.3	-	- 8.0	1.6	-	- 1.0
Share of profit (loss) of investments accounted for using equity method	0.3	0.0	21.3%	0.5	- 0.2	- 28.0%	-
Others	0.0	- 1.2	- 97.1%	- 1.0	1.1	-	- 0.5
Profit before tax	92.5	13.8	17.6%	226.0	20.0	9.7%	6.0
Income tax expense	- 26.5	- 4.9	-	- 65.0	- 10.7	-	- 2.5
Profit	66.0	8.9	15.5%	161.0	9.3	6.1%	3.5
Profit attributable to owners of parent	65.8	8.8	15.4%	161.0	9.4	6.2%	3.5
Profit attributable to non-controlling interests	0.2	0.1	98.8%	-	- 0.2	-	-
Adjusted profit attributable to owners of parent*	66.4	0.1	0.1%	161.5	- 3.9	- 2.4%	4.0

\* 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.

## <H1 Results>

- Operating Profit: +18.0% YoY, mainly due to the rebound from the impact of impairment loss due to SCM reorganization in Japan in the previous year
- Profit Attributable to Owners of Parent: +15.4% YoY
- Adjusted Profit Attributable to Owners of Parent excluding the effects such as impairment loss: +0.1% YoY
- Operating Profit and Profit Attributable to Owners of Parent both exceeded the plan

## <Full-Year Forecast>

- Operating profit: Upwardly revised to +8.0% YoY, mainly due to the increase in Core OP
- Profit Attributable to Owners of Parent: Upwardly revised to +6.2% YoY, Adjusted Profit Attributable to Owners of Parent excluding losses, etc. due to SCM reorganization was revised upward to -2.4% YoY

# Statement of Financial Position / Statement of Cash Flow



(JPY billion)	H1	Change	YoY	2023 Forecast	Change	YoY	Vs Initial Forecast
Total assets	5,265.5	435.1	9.0%	5,000.0	169.7	3.5%	120.0
Total equity	2,378.8	315.9	15.3%	2,240.0	177.1	8.6%	80.0
Interest-bearing debt *1	1,571.1	73.8	4.9%	1,467.0	- 30.3	- 2.0%	40.0
Net DE ratio *2	-	-	-	0.53	- 0.06	-	- 0.01
Net Debt / EBITDA *2	-	-	-	3.38	- 0.23	-	-
(Reference) EBITDA	164.4	14.8	9.9%	378.4	16.0	4.4%	12.2

\*1 Breakdown of change from the end of previous year: Repayment of interest-bearing debt +15.4 billion JPY, foreign currency translation of foreign currency-denominated interest-bearing debt due to JPY depreciation +58.4 billion JPY

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

Operating cash flow	94.9	5.5	-	295.0	29.0	-	-
Investing cash flow	- 61.4	- 40.5	-	- 137.0	- 67.8	-	-
Financing cash flow	- 26.4	55.3	-	- 158.0	61.6	-	-
Free cash flow	55.7	- 12.8	-	177.0	- 24.1	-	-
Dividend per share (JPY)	5.6	0.1	-	11.5	0.2	-	-
Dividend payout ratio (%)	-	-	-	36.2%	- 1.6%	-	- 0.8%
Adj. Dividend payout ratio (%) *3	-	-	-	36.1%	1.5%	-	- 0.9%

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

## <H1 Results>

- B/S: Total assets increased JPY 435.1 billion from the end of the previous year due to an increase in goodwill and intangible assets due to depreciation of the JPY
- B/S: Interest-bearing debt increased JPY 73.8 billion from the end of the previous year due to the impact of translation of foreign currency-denominated debt resulting from JPY depreciation, despite progress in repayment as planned
- C/F and Dividend: Generated FCF of JPY 55.7 billion by profit generation and increased the interim dividend by JPY 1 per share

## <Full-Year Forecast>

- B/S: Total assets increased by JPY 120.0 billion from the initial forecast due to depreciation of the JPY
- B/S: Interest-bearing debt is expected to decrease by JPY 30.3 billion from the end of the previous year, despite the impact of foreign exchange rates, and Net Debt/EBITDA is expected to decrease to 3.38x.
- C/F and Dividend: Plan to generate FCF of JPY 177.0 billion as the initial forecast, and plan to increase the annual dividend by JPY 2 per share

(JPY billion)	H1	Change	YoY	2023 Revised Forecast	Change	YoY	Vs Initial Forecast
Alcohol Beverages Business	363.3	7.3	2.1%	791.9	5.7	0.7%	2.1
Non-Alcohol Beverages Business	177.5	2.9	1.7%	375.5	8.2	2.2%	- 15.1
Food Business	63.3	1.8	3.0%	129.3	1.5	1.2%	-
Other/elimination in segment	17.9	10.1	129.8%	41.3	20.9	102.7%	0.0
Revenue	622.0	22.1	3.7%	1,338.0	36.3	2.8%	- 13.0
Alcohol Beverages Business	40.3	10.4	34.8%	93.0	13.8	17.4%	7.0
Non-Alcohol Beverages Business	14.0	0.7	5.1%	28.0	- 2.1	- 7.0%	-
Food Business	5.8	- 0.2	- 2.9%	12.3	0.4	3.8%	-
Other/elimination in segment	- 7.1	- 0.8	-	- 14.3	- 2.0	-	0.0
Core Operating Profit	52.9	10.1	23.7%	119.0	10.1	9.3%	7.0

## <H1 Results>

- Revenue: +3.7% YoY in total due to increased sales including the effect of price revisions in each business
- Core Operating Profit: +23.7% YoY in total due to higher profit in Alcohol Beverages Business and Non-Alcohol Beverages Business, despite lower profit in Food Business due to higher variable costs
- Revenue was almost in line with the plan, but total business profit exceeded the plan due to higher sales of Alcohol Beverages Business and Non-Alcohol Beverages Business

## <Full-Year Forecast>

- Revenue: Downwardly revised to +2.8% YoY, mainly because the sales volume of Non-Alcohol Beverages Business was revised
- Core Operating Profit: Upwardly revised to +9.3% YoY due to the price revision in Alcohol Beverages Business and improved efficiency of various costs

# Japan (Alcohol Beverages: Revenue / Sales Volume)



(JPY billion) *Before rebate deduction	H1	Change	YoY	2023 Revised Forecast	Change	YoY	Vs Initial Forecast
Beer-type beverages	268.9	4.7	1.8%	596.3	2.9	0.5%	- 15.6
Whiskey and spirits	30.8	6.3	25.8%	65.9	10.6	19.2%	10.4
RTD	17.1	0.1	0.3%	35.6	- 0.2	- 0.5%	- 0.4
Wine	21.4	1.4	6.9%	46.6	2.5	5.6%	1.2
Shochu	10.7	1.0	9.9%	23.2	2.3	11.0%	5.2
Non-alcohol beer/ Non-alcohol RTD	18.2	0.4	2.2%	40.4	0.4	1.0%	- 2.8

(Million of cases)	H1	Change	YoY	2023 Revised Forecast	Change	YoY	Vs Initial Forecast
Super Dry	30.77	1.12	3.8%	69.70	0.82	1.2%	-
Style Free	5.74	- 0.14	- 2.4%	12.20	- 0.28	- 2.3%	- 0.3
Clear Asahi	6.74	0.07	1.1%	14.00	- 0.34	- 2.4%	0.5

(YoY) *Volume basis	H1		
	Bottle	Can	Keg
Beer-type beverages	+31%	-11%	+27%
Beer	+31%	-14%	+27%

(YoY) *Volume basis	(Ref.) Beer-type market	
	H1	2023 Forecast
Beer-type	Approx. -1%	-3~4%
Beer	Approx. +6%	Approx. +1%
Happoshu	Approx. +10%	Approx. +12%
New Genre	-12~13%	Approx. -14%

## <H1 Results>

- Revenue from Beer-type beverages sales were +1.8% YoY due to an increase in beer sales resulting from a recovery in on-premise sales etc., despite a decrease in Happoshu and New Genre sales
- Revenue of non-beer-type beverages increased from the previous year, mainly Whiskey and spirits and Shochu, due to a recovery in on-premise sales
- Total progressed in line with the plan, as off-premise Beer-type beverages fell short of the plan, but Whiskey and spirits and Shochu exceeded the plan

## <Full-Year Forecast>

- Revenue from Beer-type beverages sales revised downward to +0.5% YoY due to revision of sales volume, etc., despite expected effect of price revision starting in October
- Revenue from non-beer-type beverages sales revised upward based on strong sales of Whiskey and spirits, Wine, and Shochu

# Japan (Alcohol Beverages: Breakdown of Changes in Profit)

(JPY billion)	H1	Change	YoY	2023 Revised Forecast	Change	YoY	Vs Initial Forecast
Change in sales, category and container mix	-	14.9		-	29.5		3.0
Cost reduction in manufacturing	-	1.1		-	2.5		0.7
Cost increase in manufacturing	-	- 8.8		-	- 18.1		2.9
Advertisement and sales promotion expenses	-	4.1		-	0.9		- 2.7
Other expenses	-	- 1.0		-	- 1.0		3.1
<b>Core Operating Profit</b>	<b>40.3</b>	<b>10.4</b>	<b>34.8%</b>	<b>93.0</b>	<b>13.8</b>	<b>17.4%</b>	<b>7.0</b>

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

## <H1: Factors Contributing to Increase/Decrease>

- Change in sales and others: +14.9 (Sales volume in beer-type +13.2, Sales in other alcohol beverages +4.1, Change in category and container mix and etc.)
- Cost reduction in manufacturing: +1.1 (Raw materials +0.5, Transportation +0.2, etc.)
- Cost increase in manufacturing: -8.8 (Raw materials -6.5, Utilities -0.6, Transportation -0.6, etc.)
- Change in advertisement and sales promotion expenses: +4.1 (Advertisement +4.4, Promotion -0.3) (Beer-type +3.2, Other +0.9)

## < 2023 Forecast: Factors Contributing to Increase/Decrease >

- Change in sales and others: +29.5 (Sales volume in beer-type +22.6, Sales in other alcohol beverages +9.5, Change in category and container mix and etc.)
- Cost reduction in manufacturing: +2.5 (Raw materials +1.4, Transportation +0.4, etc.)
- Cost increase in manufacturing: -18.1 (Raw materials -14.8, Transportation -1.1, etc.)
- Change in advertisement and sales promotion expenses: +0.9 (Advertisement +3.8, Promotion -3.0) (Beer-type -0.7, Other +1.6)

## <H1 Results>

- +34.8% YoY due to the effect of increased revenue, including price revisions, as well as efficiency improvements in advertisement and sales promotion expenses, despite cost increases in variable costs and other expenses
- Exceeded the plan due to curbing of variable costs and other expenses, as well as partial transfer of advertisement and sales promotion expenses to H2

## <Full-Year Forecast>

- Upwardly revised to +17.4% YoY due to the effect of price revisions and containment of variable cost increases, despite an increase in advertisement and sales promotion expenses from the initial forecast due to brand enhancement and new product launches

# Japan (Non-Alcohol Beverages: Sales Volume)



(Millions of cases)	H1	Change	YoY	2023 Revised Forecast	Change	YoY	Vs Initial Forecast
Carbonated drinks	39.88	0.03	0.1%	83.00	0.50	0.6%	- 4.70
Lactic acid drinks	19.95	- 1.66	- 7.7%	41.90	- 2.58	- 5.8%	- 2.20
Coffee	15.25	- 1.09	- 6.7%	30.30	- 2.48	- 7.6%	- 1.40
Tea	18.82	0.32	1.7%	41.30	2.13	5.4%	- 4.70
Mineral water	8.55	0.73	9.3%	18.00	1.06	6.3%	0.50
Fruit juice	7.42	0.25	3.4%	15.50	- 0.38	- 2.4%	1.30
Other drinks	12.19	0.13	1.1%	25.60	- 0.67	- 2.5%	- 0.40
<b>Sales Volume</b>	<b>122.06</b>	<b>- 1.30</b>	<b>- 1.1%</b>	<b>255.60</b>	<b>- 2.40</b>	<b>- 0.9%</b>	<b>- 11.60</b>

(JPY billion)	H1	Change	YoY	2023 Revised Forecast	Change	YoY	Vs Initial Forecast
Revenue	177.5	2.9	1.7%	375.5	8.2	2.2%	- 15.1

\* H1 2023 results include the impact of the business alliance with DyDo (Sales Volume: no impact, Revenue: approx. -8.0 billion JPY).

\* 2023 Forecast includes the impact of the business alliance with DyDo (Sales Volume: no impact, Revenue: -17.0 billion JPY).

(YoY)	By channel	(YoY)	By container	(YoY)	(Ref) Market	
*Volume basis	H1	*Volume basis	H1	*Volume basis	H1	2023 Forecast
Vending machine	+4.8%	Can	-4.9%	Total	Approx. -2%	Approx. -3%
CVS	+7.1%	PET total	-0.4%			
SM	-9.9%	Large PET	-10.6%			
		Small PET	+4.2%			

## <H1 Results>

- Sales Volume: -1.1% YoY due to decline in Lactic acid drinks and Coffee, despite increase in Mineral water and Tea due to renewal and new product effects
- Revenue: +1.7% YoY due to the effect of price revisions, etc., despite a decrease in sales volume
- Revenue was lower than planned due to lower-than-expected sales volume, although unit sales price exceeded the plan

## <Full-Year Forecast>

- Sales Volume: Downwardly revised to -0.9% YoY based on progress in the H1
- Revenue: Downwardly revised to +2.2% YoY due to a review of sales volume and other factors, despite an expected further improvement in unit sales price

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



(JPY billion)	H1	Change	YoY	2023 Revised Forecast	Change	YoY	Vs Initial Forecast
Change in sales, category and container mix	-	2.5		-	8.4		- 6.4
Cost reduction in manufacturing	-	1.1		-	2.6		1.3
Cost increase in manufacturing	-	- 9.8		-	- 22.9		-
Advertisement and Sales promotion expenses	-	0.7		-	- 0.8		1.5
Other expenses	-	6.2		-	10.6		3.6
<b>Core Operating Profit</b>	<b>14.0</b>	<b>0.7</b>	<b>5.1%</b>	<b>28.0</b>	<b>- 2.1</b>	<b>- 7.0%</b>	<b>-</b>

\* "Change in sales, category and container mix" and "Other expenses" of H1 2023 Results and Forecast include the impact of the business alliance with DyDo

## < H1: Factors Contributing to Increase/Decrease >

- Change in sales and others: +2.5 (Sales volume +2.1, Change in category and container mix, etc.)
- Cost reduction in manufacturing: +1.1 (Raw materials +0.4, Packages +0.7, Operational efficiency / in-house production ±0, etc.)
- Cost increase in manufacturing: -9.8 (Raw materials -3.8, Packages -4.4, etc.)
- Change in advertisement and sales promotion expenses: +0.7 (Advertisement -0.3, Promotion +1.0)

## < 2023 Forecast: Factors Contributing to Increase/Decrease >

- Change in sales and others: +8.4 (Sales volume +7.6, Change in category and container mix, etc.)
- Cost reduction in manufacturing: +2.6 (Raw materials +0.6, Packages +1.3, Operational efficiency / in-house production +0.7, etc.)
- Cost increase in manufacturing: -22.9 (Raw materials -10.8, Packages -9.5, etc.)
- Change in advertisement and sales promotion expenses: -0.8 (Advertisement -2.2, Promotion +1.4)

## <H1 Results>

- +5.1% YoY, despite higher variable costs, due to revenue increase including the effect of price revisions, and efficiency improvements in advertisement and sales promotion expenses, and other expenses
- Exceeded the plan due to better-than-expected improvement in unit price, as well as curbing of variable cost increases and streamlining of advertisement and sales promotion expenses

## <Full-Year Forecast>

- Unchanged forecast of -7.0% YoY due to downward revision of sales volume and other factors, despite efforts to generate effects of price revisions and various cost efficiencies

(Khl/million Euro)	H1	Change *1	YoY *1	2023 Revised Forecast	Change *1	YoY *1	Vs Initial Forecast *2
Revenue	2,161	187	9.5%	4,495	462	11.1%	- 198
Core OP*1	236	15	7.0%	532	5	0.8%	-
Sales Volume	19,805	- 789	-3.8%	41,046	- 1,159	-2.7%	- 347
Net Sales (excl. liquor tax)	1,792	192	12.0%	3,709	440	13.0%	- 122

\*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	Q1	Q2	H1
On-premise	+ low double digit	+ low single digit	+ mid single digit
Off-premise	- high single digit	- mid single digit	- mid single digit
Total	-3.4%	-4.0%	-3.8%

## <H1 Results>

- Sales Volume: -3.8% YoY, mainly due to the impact of inflation
- Revenue: +9.5% YoY due to the effect of price revisions and strengthening of the premium category
- Core Operating Profit: +7.0% YoY due to higher unit prices and various cost containment measures
- In line with the plan for Core Operating Profit, although Revenue fell short of the plan due to lower-than-expected volume and other factors

## <Full-Year Forecast>

- Sales volume: Downwardly revised to -2.7% YoY based on progress in the H1
- Revenue: Downwardly revised to +11.1% YoY, reflecting the impact of lower volume, etc., despite continued improvement in unit price
- Core Operating Profit: Unchanged from the initial forecast. Remains +0.8% YoY due to the overall effect of increased revenue and strengthened cost management



(million AUD)	H1	Change	YoY	2023 Revised Forecast	Change	YoY	Vs Initial*2 Forecast
Revenue	3,141	190	6.5%	6,927	523	8.2%	22
Core Operating Profit	463	-9	-1.9%	1,195	20	1.7%	-
Net Sales (exc liquor tax) *1	2,161	111	5.4%	4,725	293	6.6%	51
(Alcohol Beverages) *1	1,499	58	4.1%	3,259	192	6.3%	-2
(Non-Alcohol Beverages) *1	663	53	8.7%	1,466	101	7.4%	54

\*Excluding the impact of currency translation of local currencies

\*1 Based on net sales value excluding container deposit. Combined value for Australia and NZ

\*2 Including the impact of newly consolidated Allpress.

## <Overview by Channel (Australian Alcohol Beverages)>

*YoY	Q1	Q2	H1
On-premise	+20-30%	Slight increase	+10% approx.
Off-premise	Slight increase	-Low single digit	Slight decrease
Total	+3% approx.	-3% approx.	+1% approx.

### <H1 Results>

- Revenue: +6.5% YoY due to the increase in sales volume of main brands (Australian Alcohol Beverages), as well as the effect of price revisions and higher unit prices resulting from the recovery of on-premise
- Core Operating Profit: -1.9% YoY due to the cost increases in variable expenses, etc., despite the increased revenue and efficiency of fixed costs
- In line with the plan for both Revenue and Core Operating Profit

### <Full-Year Forecast>

- Revenue: Upwardly revised to +8.2% due to the continued unit price improvement by price revision effects, premiumization, etc.
- Core Operating Profit: Unchanged the forecast of +1.7% YoY at the beginning of the year

# Reference

# FX Impact (H1 Results)



(JPY billion)	H1	Prev. Year	(Actual Currency Basis)		FX Impact	(Constant Currency Basis)	
			Change	YoY		Change	YoY
Japan	622.0	599.9	22.1	3.7%	-	22.1	3.7%
Europe	315.3	265.2	50.1	18.9%	24.9	25.2	9.5%
Oceania	286.5	261.1	25.4	9.7%	8.5	16.8	6.5%
Southeast Asia	27.9	25.1	2.8	11.2%	1.5	1.4	5.4%
Other	6.3	3.8	2.5	64.9%	0.1	2.4	63.3%
Adjustment (corporate and elimination)	- 5.1	- 3.9	- 1.2	-	- 0.1	- 1.1	-
Revenue	1,253.0	1,151.3	101.7	8.8%	34.9	66.8	5.8%
Japan	52.9	42.8	10.1	23.7%	-	10.1	23.7%
Europe	34.5	28.9	5.6	19.5%	3.6	2.0	7.0%
Oceania	42.2	41.8	0.4	1.1%	1.3	- 0.8	- 1.9%
Southeast Asia	0.5	- 0.2	0.7	-	0.0	0.7	-
Other	0.8	0.7	0.1	11.3%	0.0	0.1	7.8%
Adjustment (corporate and elimination)	- 10.1	- 6.6	- 3.6	-	0.0	- 3.6	-
Amortization of acquisition-related	- 17.9	- 16.4	- 1.5	-	- 1.2	- 0.3	-
Core Operating Profit	102.9	91.0	12.0	13.2%	3.7	8.2	9.0%

## <Exchange Rate Trends>

(Yen)	2023 H1 Results	2022 H1 Results
Euro	145.9	134.4
AUD	91.2	88.5

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

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



(JPY billion)	2023 Revised Forecast	Prev. Year	(Actual currency basis)		FX Impact	(Constant currency basis)	
			Change	YoY		Change	YoY
Japan	1,338.0	1,301.7	36.3	2.8%	-	36.3	2.8%
Europe	666.2	573.9	92.3	16.1%	28.4	63.9	11.1%
Oceania	630.4	583.2	47.2	8.1%	- 0.9	48.1	8.2%
Southeast Asia	54.3	51.7	2.6	5.1%	0.2	2.4	4.6%
Other	16.5	8.8	7.8	88.8%	0.1	7.7	87.6%
Adjustment (corporate and	- 15.4	- 8.1	- 7.3	-	-	- 7.3	-
Revenue	2,690.0	2,511.1	178.9	7.1%	27.8	151.0	6.0%
Japan	119.0	108.9	10.1	9.3%	-	10.1	9.3%
Europe	80.1	76.0	4.1	5.4%	3.5	0.6	0.8%
Oceania	108.8	107.1	1.7	1.6%	- 0.2	1.9	1.7%
Southeast Asia	1.2	0.6	0.6	104.3%	0.0	0.6	103.4%
Other	2.4	1.4	1.0	70.2%	0.1	0.9	65.9%
Adjustment (corporate and elimination)	- 22.2	- 16.6	- 5.6	-	-	- 5.6	-
Amortization of acquisition-related	- 35.4	- 33.6	- 1.8	-	- 1.0	- 0.8	-
Core Operating Profit	254.0	243.8	10.2	4.2%	2.4	7.7	3.2%

## <Exchange Rate Trends>

(Yen)	2023	
	Revised Forecast	2022 Results
Euro	146.0	138.1
AUD	91.0	91.1

## <Exchange Rate Sensitivity for 2023>

(JPY billion)	Revenue	Core OP
Euro	± 4.6	± 0.5
AUD	± 6.9	± 1.2

- \* Impact of 1 JPY 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 JPY excluding trade impact.

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



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