



## **Q3 2023 Financial Results Presentation**

---

**November 10, 2023**

**ASAHI GROUP HOLDINGS, LTD.**



# Executive Summary

## ◆ Overview of Q3 2023

- **Achieved 6.1% growth in revenue and 8.6% growth in core operating profit** (Q1-Q3 2023: constant currency basis)
  - Achieved a higher-than-planned increase in profit after the impact of higher revenue more than offset the considerable increase in costs. Greater cost efficiencies also played a part
  - Pressed ahead with our premiumization strategy while also enhancing our competitive advantage, and our efforts to achieve sustainable price realization

## ◆ Future direction

- **Aim to achieve 6.0% growth in revenue and 3.2% growth in core operating profit** (2023: constant currency basis)
  - Full-year business estimates remain unchanged from our latest forecast announced in August in view of inflationary impacts in all regions and our efforts to strengthen branding investment
  - Enhance our management platforms by continuing to invest in core strategies, human resources and other areas designed to generate sustainable growth



# Improvement in Unit Sales Price/Variable Cost Increases



## ◆ Improvement in Unit Sales Price (vs. Jan-Sep 2022)

	Japan (Alcohol Beverages)	Europe	Australia (Alcohol Beverages)
Beer-Type Beverages Unit Price (Excluding Liquor Tax)	+9.5%	+15.6%	+3.1%
		<small>*Including non-alcohol category</small>	<small>*Including non-alcohol category</small>
Ref: Overall Business Revenue (Excluding Liquor Tax)	+3.7%	+11.1%	+4.6%

## ◆ Cost Increases (Group Total)

Jan-Sep results	Just under JPY 80 billion	Annual forecast	Approx. JPY 100 billion
--------------------	------------------------------	--------------------	-------------------------

# Revenue/Core Operating Profit

(JPY billion)	Q3 (9 months)	(Constant Currency Basis)		2023 Revised Forecast*	(Constant Currency Basis)	
		Change	YoY		Change	YoY
Japan	1,006.2	36.9	3.8%	1,338.0	36.3	2.8%
Europe	524.4	37.7	8.6%	666.2	63.9	11.1%
Oceania	444.2	30.9	7.7%	630.4	48.1	8.2%
Southeast Asia	42.4	1.6	4.0%	54.3	2.4	4.6%
Other	14.9	8.3	133.3%	16.5	7.7	87.6%
Adjustment (corporate and elimination)	- 9.0	- 3.3	-	- 15.4	- 7.3	-
Revenue	2,023.0	112.1	6.1%	2,690.0	151.0	6.0%
Japan	101.0	15.5	18.1%	119.0	10.1	9.3%
Europe	69.0	- 0.1	- 0.2%	80.1	0.6	0.8%
Oceania	66.2	0.3	0.5%	108.8	1.9	1.7%
Southeast Asia	1.0	0.9	-	1.2	0.6	103.4%
Other	3.5	2.2	181.6%	2.4	0.9	65.9%
Adjustment (corporate and elimination)	- 13.7	- 3.1	-	- 22.2	- 5.6	-
Amortization of acquisition- related intangible assets	- 27.3	- 0.4	-	- 35.4	- 0.8	-
Core Operating Profit	199.6	15.3	8.6%	254.0	7.7	3.2%

\*The figures in the "Change" and "YoY" columns under Constant Currency Basis for Q1-Q3 are calculated by converting foreign currency amounts for the current year into yen using the previous year's exchange rate.

\*The comparative data for the forecasted 2023 figures under Constant Currency Basis are calculated by converting foreign currency amounts for the current year into yen based on the exchange rate used for the forecast.

\*The "2023 Revised Forecast" that appear here and on subsequent pages are the figures announced on August 10, 2023.

## Revenue

- +6.1% YoY overall. Revenue rose across all businesses, thanks primarily to the impact of price revisions and subsequent price realization
- Overall progress was in line with plan. While progress in Europe fell short of plan, Japan, Oceania and Other (mainly Korea) operations exceeded plan

## Core Operating Profit

- +8.6% YoY overall. While profit declined slightly in Europe, all operations outside Europe, especially Japan, reported higher profits
- While progress in Europe fell slightly short of plan, our Japan and Other operations exceeded plan, resulting in better-than-expected progress overall

# Operating Profit/Profit Attributable to Owners of Parent



(JPY billion)	Q3 (9 months)	(Actual Currency Basis)		2023 Revised Forecast	(Actual Currency Basis)	
		Change	YoY		Change	YoY
Revenue	2,023.0	173.1	9.4%	2,690.0	178.9	7.1%
Core Operating Profit	199.6	22.8	12.9%	254.0	10.2	4.2%
Adjustment item	- 10.3	3.1	-	- 19.5	7.3	-
Gain (loss) on sales and retirement of non current assets	- 1.2	- 8.8	-	- 1.9	- 11.4	-
Business integration expenses	- 6.1	- 2.1	-	- 4.3	11.2	-
Impairment loss	- 0.7	13.1	-	- 0.7	17.8	-
Others	- 2.3	0.9	-	- 12.6	- 10.2	-
Operating profit	189.4	25.8	15.8%	234.5	17.5	8.0%
Finance income or loss	- 6.0	1.0	-	- 8.0	1.6	-
Share of profit (loss) of investments accounted for using equity method	1.1	0.7	176.3%	0.5	- 0.2	- 28.0%
Others	0.8	1.9	-	- 1.0	1.1	-
Profit before tax	185.4	29.4	18.9%	226.0	20.0	9.7%
Income tax expense	- 51.0	- 9.7	-	- 65.0	- 10.7	-
Profit	134.4	19.8	17.2%	161.0	9.3	6.1%
Profit attributable to owners of parent	133.0	18.6	16.2%	161.0	9.4	6.2%
Profit attributable to non-controlling interests	1.3	1.2	805.7%	-	- 0.2	-
Adjusted profit attributable to owners of parent*	133.6	8.8	7.1%	161.5	- 3.9	- 2.4%

\*Calculated from profit attributable to owners of parent excluding one-off special factors such as business portfolio restructuring and impairment loss. 2022 results have been adjusted on an after-tax basis to reflect losses relating to SCM restructuring in Japan.

## Operating Profit

- +15.8% YoY. Rebounded compared to previous year's recording of impairment losses associated with supply chain management (SCM) restructuring in Japan

## Profit Attributable to Owners of Parent

- Profit attributable to owners of parent rose 16.2% YoY
- Adjusted profit attributable to owners of parent, which excludes impairment losses, etc., rose 7.1% YoY
- Operating profit and profit attributable to owners of parent both came in higher than planned

(JPY billion)	Q3 (9 months)	Change	YoY	2023 Revised Forecast	Change	YoY
Alcohol Beverages Business	593.2	8.1	1.4%	791.9	5.7	0.7%
Non-Alcohol Beverages Business	290.7	12.4	4.5%	375.5	8.2	2.2%
Food Business	95.2	2.1	2.3%	129.3	1.5	1.2%
Other/elimination in segment	27.2	14.2	109.2%	41.3	20.9	102.7%
<b>Revenue</b>	<b>1,006.2</b>	<b>36.9</b>	<b>3.8%</b>	<b>1,338.0</b>	<b>36.3</b>	<b>2.8%</b>
Alcohol Beverages Business	75.5	13.5	21.8%	93.0	13.8	17.4%
Non-Alcohol Beverages Business	26.7	3.1	13.2%	28.0	- 2.1	- 7.0%
Food Business	8.8	0.2	2.7%	12.3	0.4	3.8%
Other/elimination in segment	- 10.0	- 1.4	-	- 14.3	- 2.0	-
<b>Core Operating Profit</b>	<b>101.0</b>	<b>15.5</b>	<b>18.1%</b>	<b>119.0</b>	<b>10.1</b>	<b>9.3%</b>

## Revenue

- +3.8% YoY overall thanks to the on-premise recovery in the Alcohol Beverages Business and higher revenue from each business fueled by successful price revisions
- Overall performance slightly above plan, with the Food Business tracking our plan and the Alcohol Beverages and Non-Alcohol Beverages Businesses progressing slightly above plan

## Core Operating Profit

- +18.1% YoY overall. Significant profit growth in the Alcohol Beverages and Non-Alcohol Beverages Businesses generated by upward factors such as the impact of price revisions
- While the Food Business came in on plan, Alcohol Beverages and Non-Alcohol Beverages Businesses tracked above plan, resulting in a higher-than-expected overall performance

# Japan (Alcohol Beverages: Revenue/Sales Volume)



(JPY billion) *Before rebate deduction	Q3 (9 months)	Change	YoY	2023 Revised Forecast	Change	YoY
Beer-type beverages	446.2	3.4	0.8%	596.3	2.9	0.5%
Whiskey and spirits	46.9	8.1	20.8%	65.9	10.6	19.2%
RTD	27.3	0.8	2.9%	35.6	- 0.2	- 0.5%
Wine	31.7	1.5	4.8%	46.6	2.5	5.6%
Shochu	16.9	2.1	14.6%	23.2	2.3	11.0%
Non-alcohol beer/ Non-alcohol RTD	31.0	0.9	3.1%	40.4	0.4	1.0%

(Millions of cases)	Q3 (9 months)	Change	YoY	2023 Revised Forecast	Change	YoY
Super Dry	51.26	0.06	0.1%	69.70	0.82	1.2%
Style Free	9.45	- 0.10	- 1.1%	12.20	- 0.28	- 2.3%
Clear Asahi	11.27	0.21	1.9%	14.00	- 0.34	- 2.4%

(YoY) *Volume basis	Q3 (9 months)		
	Bottle	Can	Keg
Beer-type beverages	+22%	-11%	+20%
Beer	+22%	-14%	+19%

(YoY) *Volume basis	(Ref.) Beer-type market	
	Q3(9 months)	2023 Forecast
Beer-type	-2~3%	-3~4%
Beer	Approx. +2%	Approx. +1%
Happoshu	+10~11%	Approx. +12%
New Genre	-11~12%	Approx. -14%

## Beer-Type Beverages

- +0.8% YoY. While off-premise sales volumes declined, overall revenue was boosted by the impact of price revisions and a recovery in on-premise sales
- While new genre fell short of plan, beer-type beverages exceeded plan thanks to a stronger-than-expected recovery in on-premise sales

## Other than Beer-Type Beverages

- Revenue increased YoY in all categories, including whiskey and spirits, wine, and shochu, thanks to the recovery in on-premise sales
- Slightly exceeded plan overall on higher-than-expected performances by RTD, shochu, non-alcohol beer/non-alcohol RTD

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

(JPY billion)	Q3 (9 months)	Change	YoY	2023 Revised Forecast	Change	YoY
Change in sales, category and container mix	-	23.3		-	29.5	
Cost reduction in manufacturing	-	1.9		-	2.5	
Cost increase in manufacturing	-	- 14.0		-	- 18.1	
Advertisement and sales promotion expenses	-	2.9		-	0.9	
Other expenses	-	- 0.5		-	- 1.0	
<b>Core Operating Profit</b>	<b>75.5</b>	<b>13.5</b>	<b>21.8%</b>	<b>93.0</b>	<b>13.8</b>	<b>17.4%</b>

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

## <Q1-Q3: Factors Contributing to Increase/Decrease>

- Change in sales and other factors: +23.3 (Sales volume in beer-type +19.7, Sales in other alcohol beverages +6.5, category and container mix, etc.)
- Cost reduction in manufacturing: +1.9 (Raw materials +0.9, Transportation +0.3, etc.)
- Cost increase in manufacturing: -14.0 (Raw materials -10.7, Utilities -0.3, Transportation -0.8, etc.)
- Change in advertisement and sales promotion expenses: +2.9 (Advertisement +5.2, Promotion -2.3) (Beer-type +0.9, Other +2.0)

## <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, 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)

## Factors Contributing to Profit Increase/Decrease

- +21.8% YoY. While variable costs and other expenses increased, revenue was boosted by price revisions and other factors, and the efficiency of advertisement and sales promotion expenses also improved
- While all costs progressed to plan, the increase in revenue outweighed any cost increases, resulting in a higher-than-expected overall profit gain



# Japan (Non-Alcohol Beverages: Sales Volume)



(Millions of cases)	Q3 (9 months)	Change	YoY	2023 Revised Forecast	Change	YoY
Carbonated drinks	67.40	1.98	3.0%	83.00	0.50	0.6%
Lactic acid drinks	33.63	- 1.50	- 4.3%	41.90	- 2.58	- 5.8%
Coffee	21.58	- 2.56	- 10.6%	30.30	- 2.48	- 7.6%
Tea	31.72	0.95	3.1%	41.30	2.13	5.4%
Mineral water	14.35	1.34	10.3%	18.00	1.06	6.3%
Fruit juice	12.06	0.40	3.4%	15.50	- 0.38	- 2.4%
Other drinks	19.88	0.54	2.8%	25.60	- 0.67	- 2.5%
<b>Sales Volume</b>	<b>200.62</b>	<b>1.14</b>	<b>0.6%</b>	<b>255.60</b>	<b>- 2.40</b>	<b>- 0.9%</b>

  

(JPY billion)	Q3 (9 months)	Change	YoY	2023 Revised Forecast	Change	YoY
Revenue	290.7	12.4	4.5%	375.5	8.2	2.2%

\*Q1-Q3 2023 results include the impact of the business alliance with DyDo (sales volume: no impact, revenue: approx. -13.0 billion yen).

\*2023 revised forecasts include the impact of the business alliance with DyDo (sales volume: no impact, revenue: -17.0 billion yen).

(YoY)	By channel	(YoY)	By container	(YoY)	(Ref) Market	
*Volume basis	Q3 (9 months)	*Volume basis	Q3 (9 months)	*Volume basis	Q3 (9 months)	2023 Forecast
Vending machine	+4.5%	Can	-7.0%	Total	Approx. -1%	Approx. -3%
CVS	+8.2%	PET total	+2.7%			
SM	-8.6%	Large PET	-8.2%			
		Small PET	+7.7%			

## Sales volume

- +0.6% YoY. Despite lower sales of lactic acid drinks and coffee, volumes of carbonated drinks, mineral water and tea, etc. increased following product renewals and new product releases
- Overall volume came in above plan as favorable weather during peak times and recovering people flows boosted sales of mineral water and other products

## Revenue

- +4.5% YoY. Mainly due to higher sales volume and successful price revisions
- Overall increase was slightly higher than planned thanks to higher-than-expected sales volume and a better-than-expected improvement in unit sales price

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



(JPY billion)	Q3 (9 months)	Change	YoY	2023 Revised Forecast	Change	YoY
Change in sales, category and container mix	-	8.4		-	8.4	
Cost reduction in manufacturing	-	1.7		-	2.6	
Cost increase in manufacturing	-	- 14.4		-	- 22.9	
Advertisement and Sales promotion expenses	-	- 0.7		-	- 0.8	
Other expenses	-	8.1		-	10.6	
<b>Core Operating Profit</b>	<b>26.7</b>	<b>3.1</b>	<b>13.2%</b>	<b>28.0</b>	<b>- 2.1</b>	<b>- 7.0%</b>

\*The 2023 H1 results and revised 2023 forecasts include the impact of the business alliance with DyDo under "Change in sales, category and container mix" and "Other expenses."

## <Q1-Q3: Factors Contributing to Increase/Decrease>

- Change in sales and others: +8.4 (Sales volume +8.7, Change in category and container mix, etc.)
- Cost reduction in manufacturing: +1.7 (Raw materials +0.6, Packages +0.9, Operational efficiency/in-house production +0.2, etc.)
- Cost increase in manufacturing: -14.4 (Raw materials -6.2, Packages -6.1, etc.)
- Change in advertisement and sales promotion expenses : -0.7 (Advertisement -1.4, Promotion +0.7)

## <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)

## Factors Contributing to Profit Increase/Decrease

- +13.2% YoY. While variable costs and advertisement and sales promotion expenses increased, revenue also increased on the back of higher sales volume and price realization, including the impact of price revisions
- Overall progress was stronger than planned thanks to a bigger-than-expected increase in revenue, restricted increases in variable costs and more efficient fixed costs

(Khl./million Euro)	Q3 (9 months)	Change *1	YoY *1	2023 Revised Forecast	Change *1	YoY *1
Revenue	3,501	277	8.6%	4,495	462	11.1%
Core OP*1	461	- 1	-0.2%	532	5	0.8%
Sales Volume	31,884	- 1,287	-3.9%	41,046	- 1,159	-2.7%
Net Sales (excl. liquor tax)	2,916	291	11.1%	3,709	440	13.0%

\*Excluding the impact of translating local currencies into Euro.

\*1 Compared to prevailing foreign exchange rate in the previous year

## <Overview by Channel (sales volume)>

(YoY %)	H1	Q3	Q1-Q3
On-premise	+ mid single digit	+ low single digit	+ low single digit
Off-premise	- mid single digit	- mid single digit	- mid single digit
Total	-3.8%	-4.0%	-3.9%

## Sales volume

- -3.9% YoY as sales volumes were impacted by inflation and deteriorating weather conditions during peak times

## Revenue

- +8.6% YoY thanks to successful price realization supported by the impact of price revisions and continued progress on our premiumization strategy
- Sales volumes and revenue both came in lower than planned

## Core Operating Profit

- -0.2% YoY. Impacted by increases in the cost of raw materials, labor, marketing spend and other factors
- Progress slightly slower than planned primarily due to failure to achieve targeted sales volumes

(million AUD)	Q3 (9 months)	Change	YoY	2023 Revised Forecast	Change	YoY
Revenue	4,808	342	7.7%	6,927	523	8.2%
Core Operating Profit	716	4	0.5%	1,195	20	1.7%
Net Sales (exc liquor tax) *1	3,304	207	6.7%	4,725	293	6.6%
(Alcohol Beverages) *1	2,240	108	5.1%	3,259	192	6.3%
(Non-Alcohol Beverages) *1	1,065	98	10.2%	1,466	101	7.4%

\*Excluding the impact of currency translation of local currencies.

\*1 Based on Australia and New Zealand combined net sales value, excluding container deposits.

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

(YoY %)	H1	Q3	Q1-3
On-premise	Approx. +10%	Slight increase	+ High single digit
Off-premise	Slight decrease	+ Low single digit	Same level as previous year
Total	Approx. +1%	Approx. +3%	Approx. +1%

### Revenue

- +7.7% YoY. Sales volumes centered around mainstay brands increased. Also, unit sales prices improved thanks to the impact of price revisions and the recovery in on-premise sales
- Sales volumes and revenue both proceeded to plan

### Core Operating Profit

- +0.5% YoY. Despite an increase in variable costs, core operating profit rose on higher revenue generated by improved product mixes, and greater cost efficiencies across the board
- In line with plan as measures to improve the efficiency of various costs proceeded as expected

# Reference

# FX Impact (Q1-Q3 Results)



(JPY billion)	Q3 (9 months)	Prev. Year	(Actual Currency Basis)		FX Impact	(Constant Currency Basis)	
			Change	YoY		Change	YoY
Japan	1,006.2	969.4	36.9	3.8%	-	36.9	3.8%
Europe	524.4	436.8	87.6	20.1%	49.9	37.7	8.6%
Oceania	444.2	404.2	40.0	9.9%	9.1	30.9	7.7%
Southeast Asia	42.4	39.1	3.3	8.5%	1.7	1.6	4.0%
Other	14.9	6.2	8.7	140.0%	0.4	8.3	133.3%
Adjustment (corporate and elimination)	- 9.0	- 5.6	- 3.4	-	- 0.1	- 3.3	-
Revenue	2,023.0	1,849.9	173.1	9.4%	60.9	112.1	6.1%
Japan	101.0	85.5	15.5	18.1%	-	15.5	18.1%
Europe	69.0	61.3	7.7	12.6%	7.9	- 0.1	- 0.2%
Oceania	66.2	64.4	1.7	2.7%	1.4	0.3	0.5%
Southeast Asia	1.0	0.0	0.9	-	0.0	0.9	-
Other	3.5	1.2	2.3	194.3%	0.2	2.2	181.6%
Adjustment (corporate and elimination)	- 13.7	- 10.6	- 3.1	-	0.0	- 3.1	-
Amortization of acquisition-related	- 27.3	- 25.0	- 2.4	-	- 1.9	- 0.4	-
Core Operating Profit	199.6	176.9	22.8	12.9%	7.5	15.3	8.6%

## <Exchange Rate Trends>

(Yen)	Q3 2023 (9 months)	Q3 2022 (9 months)
Euro	149.8	136.1
AUD	92.4	90.6

\*The figures in the "Change" and "YoY" columns under Constant Currency Basis are calculated by converting foreign currency amounts for the current year into yen using the previous year's exchange rate.

# FX Impact (Revised 2023 Forecasts)



(JPY billion)	2023 Revised Forecast	(Actual currency basis)			FX Impact	(Constant currency basis)	
		Prev. Year	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%

\*The figures in the "Change" and "YoY" columns under Constant Currency Basis are calculated by converting foreign currency amounts for the current year into yen using the previous year's exchange rate.

## <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 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 the trade impact)



Information in this material is not intended to solicit the sale or purchase of shares in Asahi Group Holdings. The views, estimates and other information expressed in this document are based on the company's judgment at the time of publication, and no guarantees are provided regarding the accuracy of such information. This information is subject to change without notice. The company and its officers and representatives accept no responsibility or liability for any damage or inconvenience that may be caused by or in conjunction with any part of these materials.