

# Financial Results for H1 Fiscal Year Ending December 31, 2015

August 6, 2015

Suntory Beverage & Food Limited



# H1 Review and Future Challenges

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Nobuhiro Torii, President & CEO

# Performance Highlights of H1, FY2015

(Billions of yen)

Jan – Jun, FY2015

YoY Change

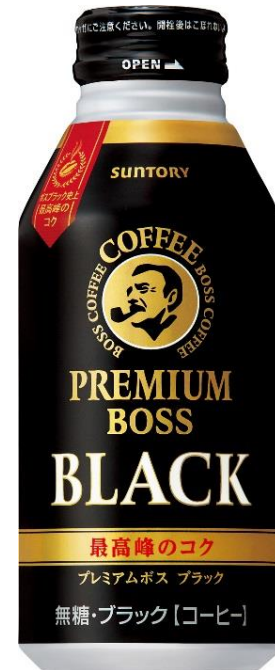
Net sales	622.3	+4.1%
Operating Income	38.0	+9.2%
Net Income	18.8	+26.4%

Reinforcing Core Brands

Strengthening Distribution

Reducing Manufacturing Cost

## Reinforcing Core Brands





## Strengthening Distribution



Strengthened businesses in Horeca (on-premise) channel in Spain



Started SBF's marketing activities in Malaysia and Hong Kong

## Reducing Manufacturing Cost



Started production of bottle-shaped  
canned coffee at Haruna Plant



Launched operation of PET bottle  
preform plant in Vietnam



## Our vision for value

A quest for the best tastes & quality  
to bring happiness & wellness into everyday life.

## Our vision for the company

To be the leading global soft drink company  
recognized for our premium and unique brands.



# **SUNTORY**

## **SUNTORY BEVERAGE & FOOD**

# Financial Results for H1, FY2015

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Kazuhiro Saito, Managing Executive Officer & CFO

# Financial Results for H1, FY2015

(Billions of yen)

	FY2014 Jan - Jun	FY2015 Jan - Jun	Change	
			YoY	% YoY
<b>Net Sales</b>	<b>598.1</b>	<b>622.3</b>	<b>+24.2</b>	<b>+4.1%</b>
<b>Operating Income</b>	<b>34.8</b>	<b>38.0</b>	<b>+3.2</b>	<b>+9.2%</b>
Ratio	5.8%	6.1%		
<b>Net Income</b>	<b>14.9</b>	<b>18.8</b>	<b>+3.9</b>	<b>+26.4%</b>
Ratio	2.5%	3.0%		
<b>EBITDA</b>	<b>72.0</b>	<b>76.4</b>	<b>+4.3</b>	<b>+6.0%</b>
Net income before amortization of goodwill	27.4	31.1	+3.7	+13.5%

\* EBITDA = operating income + depreciation and amortization + amortization of goodwill

# Japan: Invested in marketing to reinforce core brands

(Billions of yen)

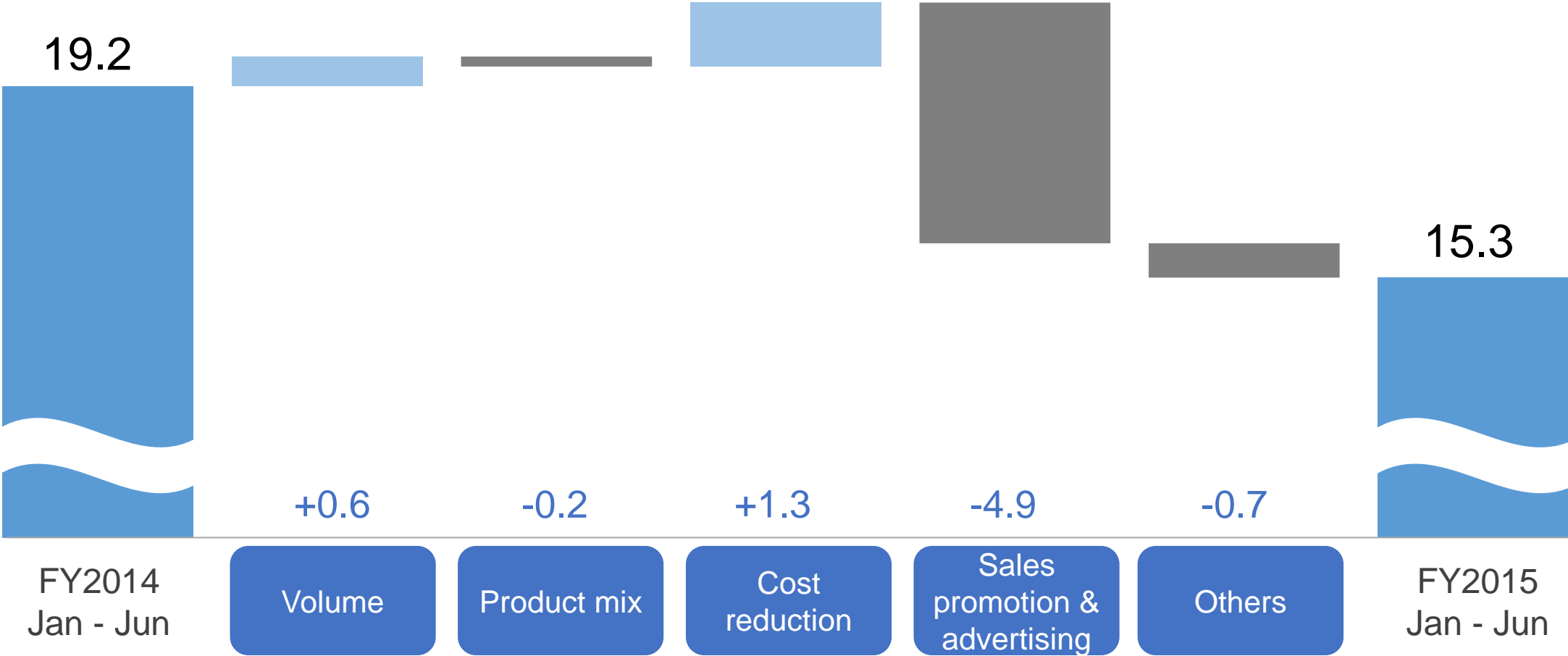
	FY2014 Jan - Jun	FY2015 Jan - Jun	Change	
			YoY	% YoY
<b>Sales</b>	343.7	350.5	+6.9	+2.0%
<b>Segment Profit</b>	19.2	15.3	-3.9	-20.3%



# Japan Segment: Results for H1, FY2015

## Breakdown of Changes in Segment Profit

(Billions of yen)





# Overseas Segment: Results for H1, FY2015

(Billions of yen)

Sales	FY2014 Jan - Jun	FY2015 Jan - Jun	Change		Currency neutral
			YoY	% YoY	
			Overseas	254.4	
Europe	129.4	122.8	-6.6	-5.1%	-4.5%
Asia	70.0	85.3	+15.3	+21.8%	+10.2%
Oceania	20.5	22.2	+1.7	+8.1%	+6.6%
Americas	34.5	41.5	+7.0	+20.3%	+2.5%

# Overseas Segment: Results for H1, FY2015

Segment Profit	FY2014 Jan - Jun	FY2015 Jan - Jun	(Billions of yen)		
			Change		Currency neutral
			YoY	% YoY	
Overseas	28.2	35.0	+6.9	+24.4%	+19.0%
Europe	18.5	21.2	+2.8	+15.0%	+17.1%
Asia	4.0	6.5	+2.5	+60.6%	+29.3%
Oceania	2.1	2.8	+0.7	+31.3%	+34.6%
Americas	3.5	4.5	+1.0	+27.6%	+7.3%

# Europe: Good sales in Horeca channel in Iberia

(Billions of yen)

	FY2014 Jan - Jun	FY2015 Jan - Jun	% Change		
			Currency neutral		
				Like-for-like*	
<b>Sales</b>	129.4	122.8	-5.1%	-4.5%	-1.6%
<b>Segment Profit</b>	18.5	21.2	+15.0%	+17.1%	



\* Like-for-like basis: Exclude the reclassification impact of recording sales of Lucozade and Ribena in Asia and Oceania to respective area in 2015, which were both included in Europe in 2014.

# Asia: Strong performance in Vietnam

(Billions of yen)

	FY2014 Jan - Jun	FY2015 Jan - Jun	% Change		
			Currency neutral		
			Like-for-like*		
Sales	70.0	85.3	+21.8%	+10.2%	+6.2%
Segment Profit	4.0	6.5	+60.6%	+29.3%	



\* Like-for-like basis: Exclude the reclassification impact of recording sales of Lucozade and Ribena in Asia and Oceania to respective area in 2015, which were both included in Europe in 2014.

# Oceania: Incremental sales from V and new products

(Billions of yen)

	FY2014 Jan - Jun	FY2015 Jan - Jun	% Change		
			Currency neutral		
			Like-for-like*		
<b>Sales</b>	20.5	22.2	+8.1%	+6.6%	+1.8%
<b>Segment Profit</b>	2.1	2.8	+31.3%	+34.6%	



\* Like-for-like basis: Exclude the reclassification impact of recording sales of Lucozade and Ribena in Asia and Oceania to respective area in 2015, which were both included in Europe in 2014.



# Americas: Further improvement in business efficiency

(Billions of yen)

	FY2014 Jan - Jun	FY2015 Jan - Jun	% Change Currency neutral	
Sales	34.5	41.5	+20.3%	+2.5%
Segment Profit	3.5	4.5	+27.6%	+7.3%



- Completed acquisition of shares and brands by end of July 2015
- Impact on financial performance will be disclosed at financial results announcement for Q3, FY2015

# **SUNTORY**

## **SUNTORY BEVERAGE & FOOD**

# Forecast for FY2015

	(Billions of yen)			
	FY2014	FY2015	Change	
			YoY	% YoY
<b>Net Sales</b>	1,257.3	1,300.0	+42.7	+3.4%
<b>Operating Income</b>	85.9	92.0	+6.1	+7.0%
Ratio	6.8%	7.1%		
<b>Net Income</b>	36.2	42.0	+5.8	+15.9%
Ratio	2.9%	3.2%		
<b>EBITDA</b>	161.1	170.0	+8.9	+5.6%
Net income before amortization of goodwill	61.3	67.0	+5.7	+9.3%

\* EBITDA = operating income + depreciation and amortization + amortization of goodwill

# Japan Segment: Forecast for FY2015

(Billions of yen)

	FY2014	FY2015	Change	
			YoY	% YoY
Sales	722.3	735.0	+12.7	+1.8%
Segment Profit	46.6	48.0	+1.4	+2.9%

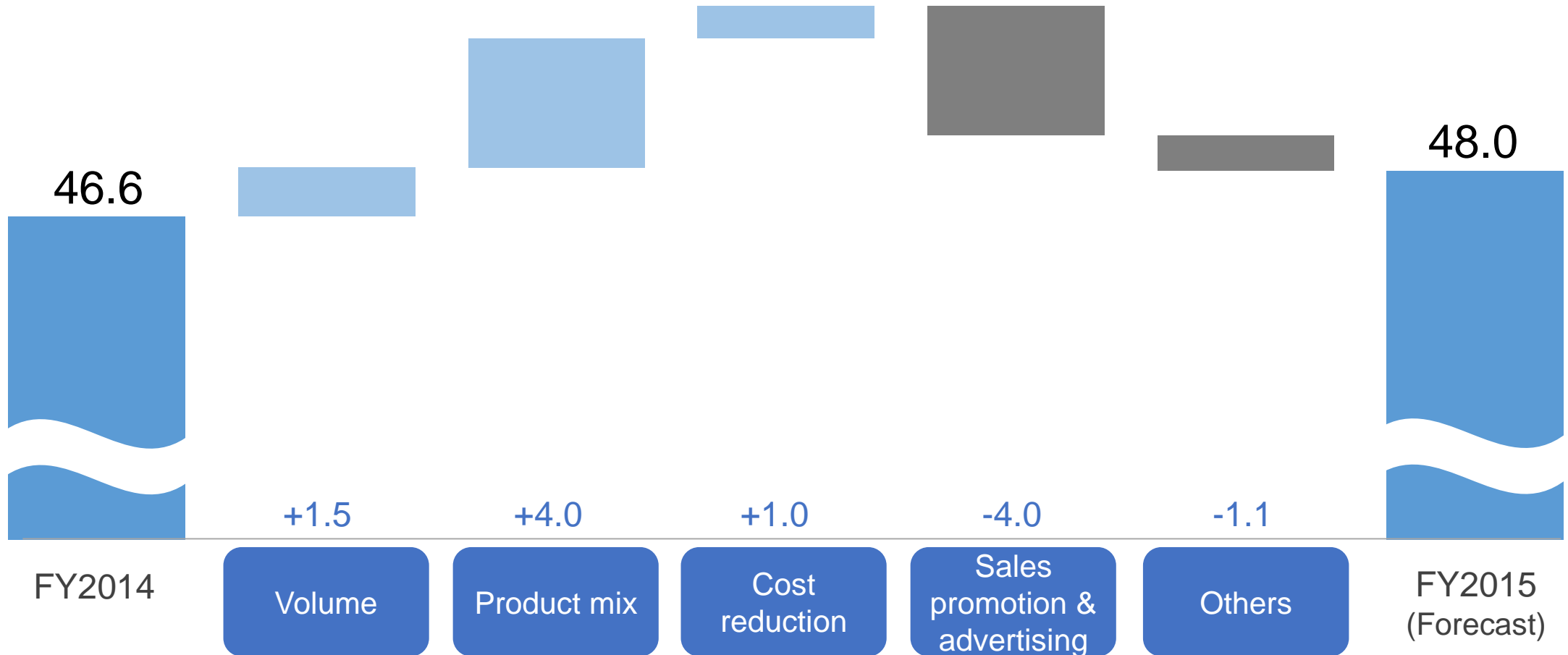




# Japan Segment: Forecast for FY2015

## Breakdown of Changes in Segment Profit

(Billions of yen)



# Overseas Segment: Forecast for FY2015

(Billions of yen)

Sales	FY2014	FY2015	Change		
			YoY	% YoY	
				Currency neutral	
Overseas	535.0	565.0	+30.0	+5.6%	+4.8%
Europe	256.5	252.0	-4.5	-1.7%	+1.2%
Asia	154.5	173.0	+18.5	+12.0%	+12.0%
Oceania	44.5	49.0	+4.5	+10.2%	+7.4%
Americas	79.5	91.0	+11.5	+14.4%	+0.9%

# Overseas Segment: Forecast for FY2015

Segment Profit	FY2014	FY2015	(Billions of yen)		
			Change		
			YoY	% YoY	Currency neutral
Overseas	64.4	69.0	+4.6	+7.1%	+7.2%
Europe	39.5	41.0	+1.5	+3.7%	+7.3%
Asia	10.4	12.0	+1.6	+15.1%	+14.3%
Oceania	5.6	5.8	+0.2	+3.8%	+4.5%
Americas	8.8	10.2	+1.4	+15.3%	+0.7%

# Exchange Rates

	(Yen)		
	FY2014 Jan - Jun	FY2015 Jan - Jun	FY2015 (Forecast)
U.S. Dollar	102.5	120.3	120.0
Euro	140.4	134.1	135.0
British Pound	171.0	183.3	172.0
Singapore Dollar	81.3	89.1	86.0
New Zealand Dollar	87.0	89.1	90.0
Australian Dollar	93.8	94.0	98.0
Indonesian Rupiah	0.0088	0.0093	0.0087

\* Average exchange rate

# Forward-Looking Statements

This document contains forward-looking statements related to business and financial performance of the Company or the Group.

These forward-looking statements are projections made based on the currently available information and are subject to risks and uncertainties including, but not limited to, economic trends, competition in the industry in which the Company and the Group operate, market needs, exchange rates, as well as tax and other systems.

Therefore, actual business results and other outcomes published in the future may vary due to these factors. The Company accepts no liability for any loss or damage arising from the use of the information contained in this document.