

Financial Results for Q1 Year Ending December 31, 2018

May 9, 2018
Suntory Beverage & Food Limited



Financial Results for Q1, FY2018

Revenue increased driven by Asia.

With gain on sale of food and instant coffee business, profit increased.

(Billions of yen)

	FY2017 Jan - Mar	FY2018 Jan - Mar	Change		
			YoY	% YoY	Currency Neutral
Revenue	268.3	277.1	8.8	+3.3%	+2.3%
Operating Income	20.9	26.6	5.7	+27.0%	+24.3%
Net Income*	13.1	20.5	7.4	+57.0%	+53.0%

* Profit for the period attributable to owners of the Company

Financial Results for Q1, FY2018 (by Segment)

	(Billions of yen)							
	Revenue	Change			Segment Profit	Change		
		YoY	% YoY	Currency Neutral		YoY	% YoY	Currency Neutral
Japan	150.5	+3.2	+2.1%	—	5.2	-3.0	-36.6%	—
Europe	51.8	+2.3	+4.6%	-3.1%	3.7	-1.2	-24.4%	-30.1%
Asia	44.3	+5.0	+12.7%	+13.5%	17.5	+10.1	+136.5%	+131.2%
Oceania	13.6	-0.1	-0.7%	+0.4%	1.5	+0.1	+7.6%	+5.4%
Americas	17.0	-1.5	-8.2%	-3.7%	1.5	+0.0	+0.2%	+5.1%
Reconciliation	—	—	—	—	-2.8	-0.4	—	—
Total	277.1	+8.8	+3.3%	+2.3%	26.6	+5.7	+27.0%	+24.3%

Revenue increased due to core brands. Profit within expectation.

(Billions of yen)

Revenue

150.5

Change

+2.1%

Segment Profit

5.2

Change

-36.6%

- Volume increased by 3% due to focus on water, coffee, and sugar-free tea categories
- Product mix change, incurrence of costs for preparation of the peak season, etc. had negative effects on profit. But scale of profit decrease was within expectation.





*Suntory
Tennensui*

Jan-Mar Volume
(+8% v.s. LY)



Boss

Jan-Mar Volume
(+6% v.s. LY)



Sugar-free
tea

Jan-Mar Volume
(+3% v.s. LY)

New Products of Q2



Launched
April 24

*Suntory Minami-Alps Tennensui
Sparkling*



Launch
June 19

Craft Boss Brown



Launched
April 3

*Ruru-cha -
For Better Digestive Health*

*Foods with Function Claims

Market deceleration due to cold weather and UK *Lucozade Energy's* soft performance caused both revenue and profit to decrease.

		(Billions of yen)	
Revenue	% YoY (Currency Neutral)	Segment Profit	% YoY (Currency Neutral)
51.8	-3.1%	3.7	-30.1%

	Revenue	% YoY (Currency Neutral)	
France (*1)	21.6	+0.1%	Market deceleration due to cold weather resulted some core brands decreased YoY, MayTea remained strong.
UK (*2)	13.6	-9.0%	In addition to cold weather, Lucozade Energy continued to decrease YoY.
Spain (*3)	10.2	-6.2%	Cold weather and competition caused revenue decrease.



(*1) France, Belgium (*2) UK, Ireland (*3) Spain, Portugal

MayTea

- Brand expanded smoothly as planned
- Along with introduction of new flavors in France, official launches in Belgium (Jan) and Spain (Mar)

Lucozade Energy

- UK Sugar tax implemented on Apr 6 as scheduled. Market trend remains uncertain after implementation.
- Lucozade will continue proactive promotions to enhance the brand by acquiring new users.



Revenue increased driven by Beverage Business.
 Profit increased due to gain on sale of food and instant coffee business.

		(Billions of yen)	
Revenue	% YoY (Currency Neutral)	Segment Profit	% YoY (Currency Neutral)
44.3	+13.5%	17.5	+131.2%

	Revenue	% YoY (Currency Neutral)	
Beverage (Vietnam)	17.5	+11.2%	Increased due to strong sales in core CSD products
Health Supplement	13.8	-3.6%	Revenue impacted by temporary increase last year due to distributor change



- The new joint venture in Thailand, Suntory PepsiCo Beverage (Thailand) Co., Ltd. started operation on Mar 5.
- JV with PepsiCo Inc. SBF holds 51% shares
- Utilize the know-hows acquired from Vietnam JV to strive for growth in revenue and profit



《Oceania》

Both Frucor Suntory and fresh coffee business recorded firm sales

	Revenue	% YoY (Currency Neutral)	Segment Profit	% YoY (Currency Neutral)	(Billions of yen)
	13.6	+0.4%	1.5	+5.4%	
	Revenue	% YoY (Currency Neutral)			
Frucor Suntory	10.5	+0.2%	Energy drinks grew		
Fresh coffee business	3.1	+1.1%	Recorded firm sales		

《Americas》

Revenue decreased due to weather and competition, but able to achieve profit growth with cost management

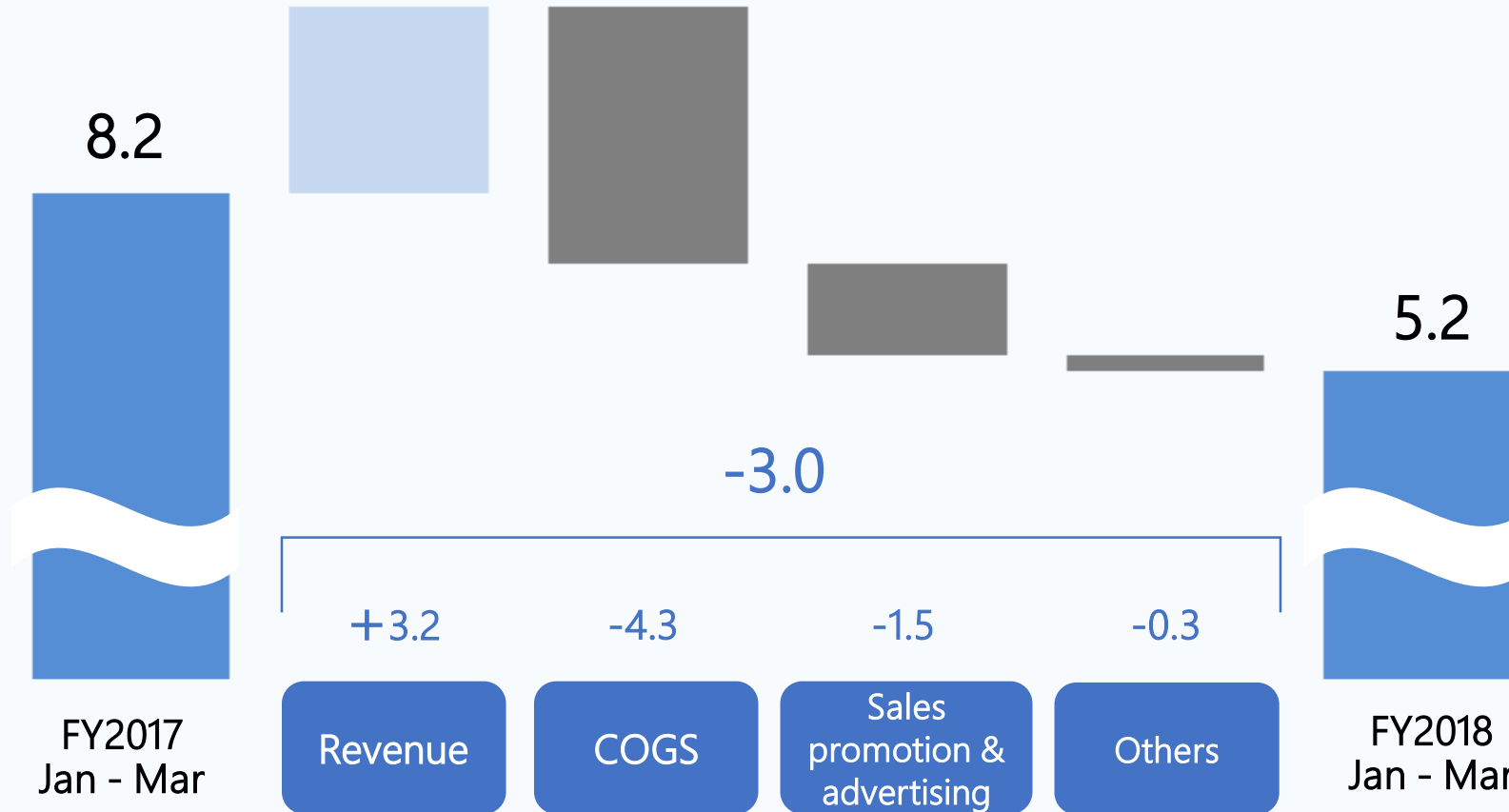
	Revenue	% YoY (Currency Neutral)	Segment Profit	% YoY (Currency Neutral)	(Billions of yen)
	17.0	-3.7%	1.5	+5.1%	

SUNTORY

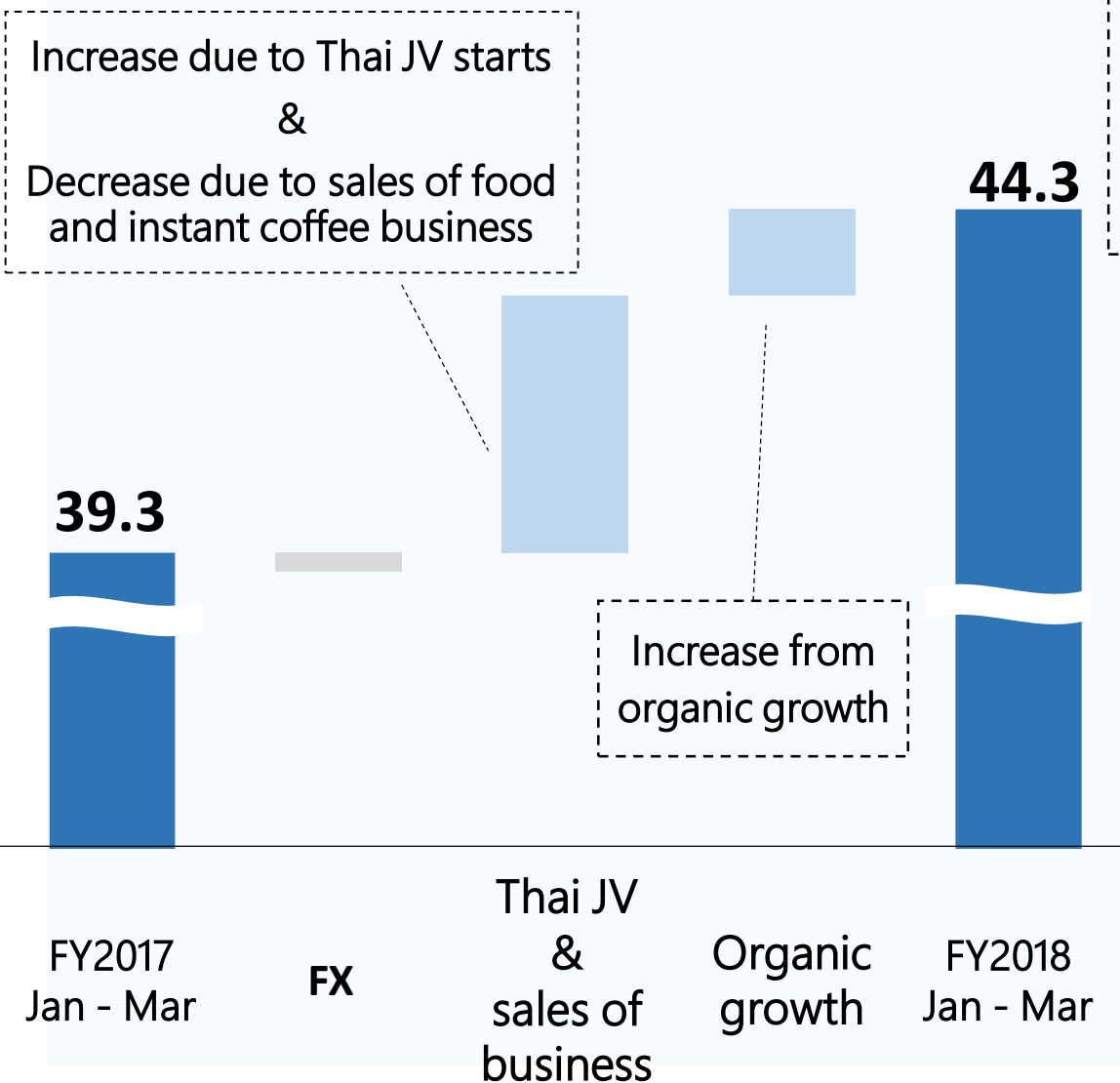
SUNTORY BEVERAGE & FOOD

Profit Bridge

(Billions of yen)

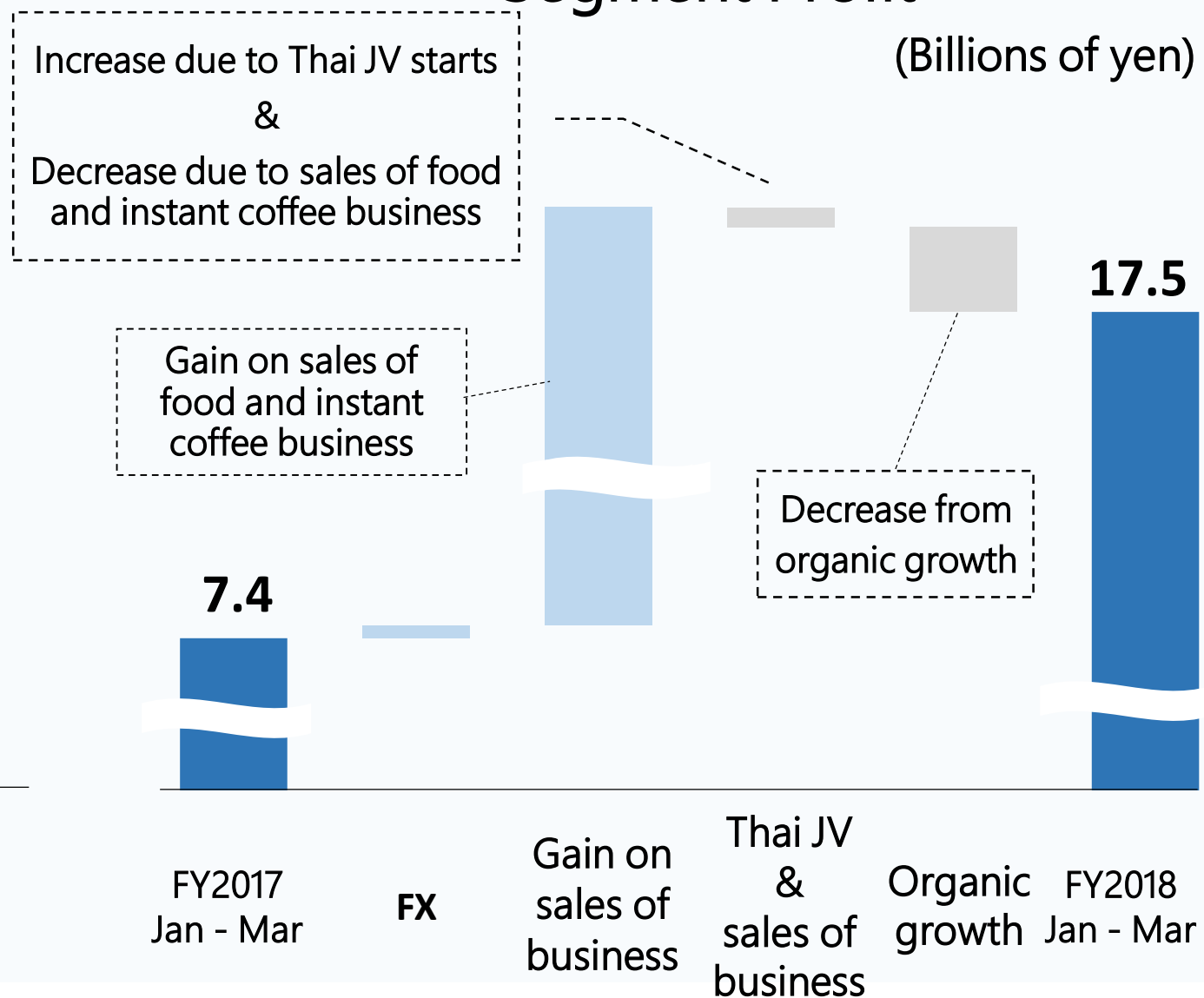


Revenue



Segment Profit

(Billions of yen)



	(Billions of yen)				
	FY2017	FY2018 Forecast	Change		
			YoY	% YoY	Currency Neutral
Revenue	1,234.0	1,293.0	59.0	+4.8%	+4.6%
Operating Income	118.0	127.0	9.0	+7.7%	+7.3%
Net Income*	78.1	80.0	1.9	+2.4%	+2.0%

* Profit for the period attributable to owners of the Company

FY2018 Forecast (by Segment)

	(Billions of yen)							
	Revenue	Change			Segment Profit	Change		
		YoY	% YoY	Currency Neutral		YoY	% YoY	Currency Neutral
Japan	693.0	+3.8	+0.6%	—	58.5	+1.2	+2.1%	—
Europe	255.0	+16.1	+6.7%	+4.5%	34.0	-0.6	-1.7%	-3.5%
Asia	200.0	+36.5	+22.3%	+23.6%	31.0	+8.8	+39.8%	+40.4%
Oceania	58.0	+1.7	+3.0%	+2.6%	6.7	+0.7	+11.4%	+8.9%
Americas	87.0	+1.0	+1.1%	+3.1%	9.3	+0.0	+0.0%	+2.0%
Reconciliation	—	—	—	—	-12.5	-1.1	—	—
Total	1,293.0	+59.0	+4.8%	+4.6%	127.0	+9.0	+7.7%	+7.3%

Exchange Rates

	FY2017 Jan - Mar	FY 2018 Jan - Mar	FY 2018 Forecast
U. S. Dollar	113.6	108.2	110
Euro	121.0	133.1	131
British Pound	140.7	150.8	142
Singapore Dollar	80.2	82.1	81
Thai Baht	3.2	3.4	3.3
Vietnam Dong	0.0050	0.0048	0.0048
New Zealand Dollar	80.9	78.8	79
Australian Dollar	86.2	85.2	87

■ Forward Looking Statement

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.

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