

# **Financial Results for Q3 Fiscal Year Ending December 31, 2018**

**November 5, 2018  
Suntory Beverage & Food Limited**

# Results for Q3, FY2018 (9 months)

(Billions of yen)

	FY2017 Jan - Sep	FY2018 Jan - Sep	Change		
			YoY	% YoY	Currency Neutral
Revenue	930.2	972.1	+41.8	+4.5%	+4.1%
Operating Income	93.1	94.4	+1.3	+1.4%	-0.0%
Net Income*	59.0	65.8	+6.8	+11.5%	+9.7%

\* Profit for the period attributable to owners of the Company

# Financial Results for Q3, FY 2018 by Segment (9 months)

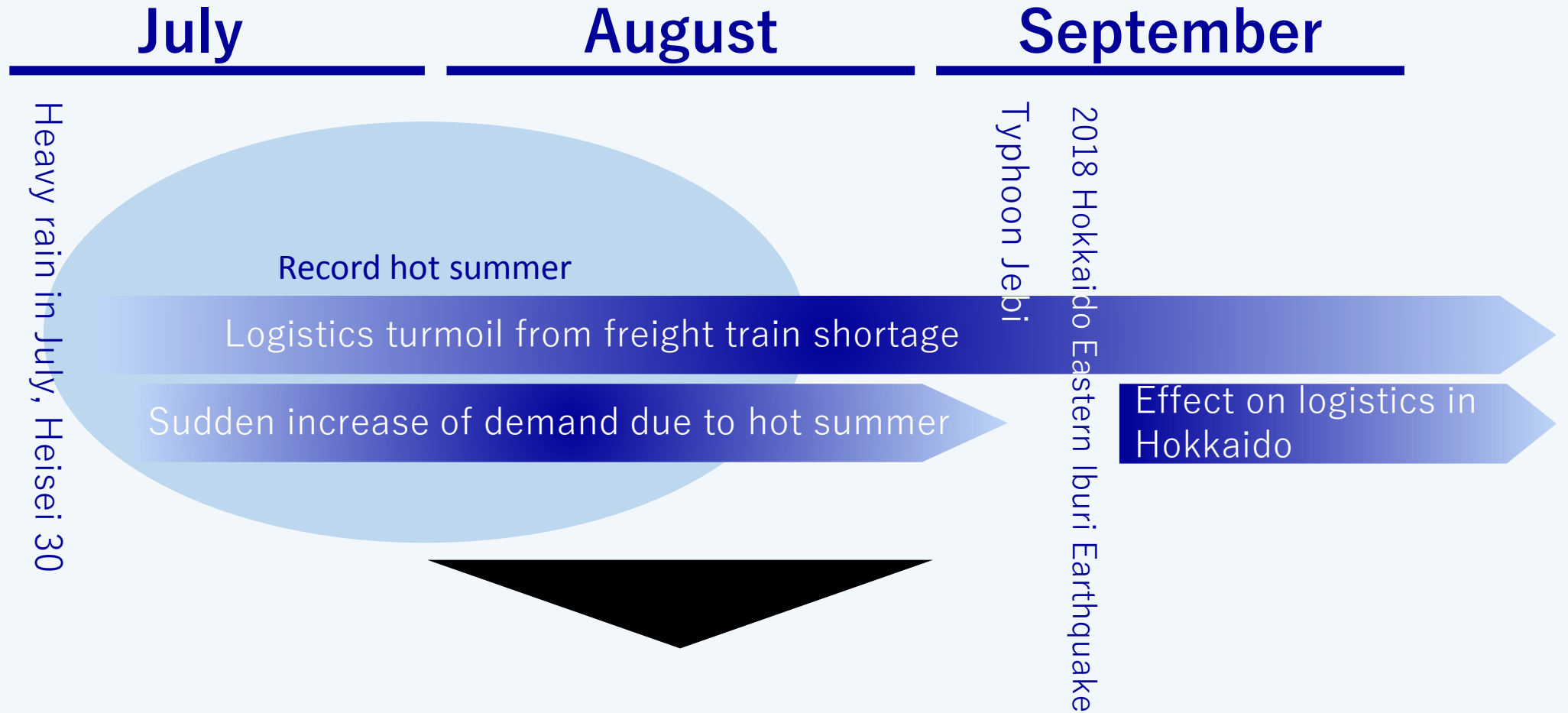
(Billions of yen)	Revenue	Change			Segment Profit	Change		
		YoY	%YoY	Currency Neutral		YoY	%YoY	Currency Neutral
Japan	536.8	+13.6	+2.6%	—	39.9	-5.7	-12.5%	—
Europe	193.6	+8.0	+4.3%	-0.1%	25.2	-3.6	-12.6%	-16.6%
Asia	143.3	+23.9	+20.0%	+21.6%	27.7	+12.2	+78.7%	+77.4%
Organic*	109.5	+5.0	+4.8%	+6.6%	14.4	+0.6	+4.7%	+4.1%
Oceania	38.8	-1.5	-3.7%	-0.2%	3.5	-0.4	-10.3%	-11.5%
Americas	59.5	-2.2	-3.5%	-1.5%	6.5	-0.7	-10.3%	-8.5%
Reconciliation	—	—	—	—	-8.4	-0.5	—	—
<b>Total</b>	<b>972.1</b>	<b>+41.8</b>	<b>+4.5%</b>	<b>+4.1%</b>	<b>94.4</b>	<b>+1.3</b>	<b>+1.4%</b>	<b>-0.0%</b>
Organic*	938.3	+23.0	+2.5%	+2.1%	81.8	-10.5	-11.4%	-12.6%

\*Excluding incomes and expenses due to extraordinary factors such as M&A

(Billions of yen)

Revenue	%YoY	Segment Profit	%YoY
536.8	+2.6%	39.9	-12.5%

- Good performance of core brands such as *Suntory Tennensui* and *Boss* caused revenue increase.
- Profit decreased due to adverse product mix and SC cost increase
- Effect of hot summer and natural disasters



**Increased demand and one-off cost related to logistics turmoil incurred.**

Revenue flat v.s. last year (currency neutral)  
On top of investment for *MayTea*, supply chain cost increase in France, deceleration of market in Spain also affected, profit decreased.

(Billions of yen)

Revenue

%YoY

Currency  
Neutral

Segment Profit

%YoY

Currency  
Neutral

193.6

+4.3% -0.1%

25.2

-12.6% -16.6%

Revenue

%YoY

Currency  
Neutral

France

(\*1)

82.5

+11.1%

+5.8%

Good performance of core brands and *MayTea*

UK

(\*2)

47.4

+0.8%

-2.9%

Since summer, the sales trend of Lucozade Energy had been positive

Spain

(\*3)

43.0

-2.3%

-7.0%

Continued decreasing due to on-premise market deceleration.

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

## France

- Hot weather results in good performance of core brands & *MayTea*.
- With chronic shortage of truck drivers and increased demand due to hot weather, turmoil in logistics occurred, resulting SC cost to increase.
- *MayTea* investment continues.

## UK

- Confusion after sugar tax implementation calmed.
- In addition to good weather, enhanced promotional activities also helps, the sales trend of *Lucozade Energy* became positive.

## Spain

- The weather recovered from the bad weather in First Half, but on-premise market's down-trend continued. Although market share is maintained, the sales volume decreased.
- Spain also proactively invests on *MayTea*.

On top of the new JV in Thailand, Vietnam also grew, revenue increased.  
With gain on sale of food and instant coffee business, profit increased.

(Billions of yen)

Revenue

%YoY

Currency  
Neutral

Segment Profit

%YoY

Currency  
Neutral

143.3

+20.0% +21.6%

27.7

+78.7% +77.4%

Organic \*

109.5

+4.8% +6.6%

14.4

+4.7% +4.1%

\*Excluding incomes and expenses due to extraordinary factors such as M&amp;A

Revenue

%YoY

Currency  
NeutralBeverage  
(Vietnam)

55.8

+8.9% +12.2%

Good performance in carbonated drinks, RTD tea, and water.  
2-digit revenue increased on currency neutral basis

Beverage  
(Thailand)

30.5

- -

Post-M&amp;A integration goes well

Health  
Supplement

38.4

-3.1% -3.9%

Regardless of good performance in Taiwan and Myanmar,  
core *Essence of Chicken* struggles in Thailand, decreased



《Oceania》 Revenue flat on currency neutral basis.  
With effect of increased raw material price, profit decreased

(Billions of yen)

Revenue	%YoY	Currency Neutral	Segment Profit	%YoY	Currency Neutral
38.8	-3.7%	-0.2%	3.5	-10.3%	-11.5%

	Revenue	%YoY	Currency Neutral	
Frucor Suntory	28.9	-4.7%	-1.1%	Although enery drink is good, juice struggles, revenue slightly decreased
Fresh Coffee Business	9.9	-0.7%	+2.5%	All brands steadily grew, revenue increased on currency neutral.

《Americas》 Revenue slightly decreased due to struggle of the core CSD products.  
With effect of increased raw material price, profit decreased

(Billions of yen)

Revenue	%YoY	Currency Neutral	Segment Profit	%YoY	Currency Neutral
59.5	-3.5%	-1.5%	6.5	-10.3%	-8.5%

# Revision of FY2018 Forecast

(Billions of yen)

	FY 2017	FY2018 Forecast (Revised)	Change from Previous	Change		
				YoY	%YoY	Currency Neutral
Revenue	1,234.0	1,293.0	+0.0	+59.0	+4.8%	+4.6%
Operating Income	118.0	118.0	-9.0	+0.0	+0.0%	-0.8%
Net Income*	78.1	80.0	+0.0	+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 from Previous	Change			Segment Profit	Change from Previous	Change		
			YoY	%YoY	Currency Neutral			YoY	%YoY	Currency Neutral
Japan	704.5	+11.5	+15.3	+2.2%	—	52.0	-6.5	-5.3	-9.2%	—
Europe	248.5	-6.5	+9.6	+4.0%	+0.9%	31.0	-3.0	-3.6	-10.4%	-13.4%
Asia	200.0	+0.0	+36.5	+22.3%	+24.0%	33.0	+2.0	+10.8	+48.7%	+48.9%
Organic*	153.0	—	+9.3	+6.5%	+8.3%	20.0	—	+1.9	+10.5%	+11.1%
Oceania	55.0	-3.0	-1.4	-2.4%	+1.6%	6.0	-0.7	-0.0	-0.0%	-0.5%
Americas	85.0	-2.0	-1.0	-1.2%	+0.2%	8.0	-1.3	-1.3	-14.1%	-12.9%
Reconciliation	—	—	—	—	—	-12.0	+0.5	-0.6	—	—
<b>Total</b>	<b>1,293.0</b>	<b>+0.0</b>	<b>+59.0</b>	<b>+4.8%</b>	<b>+4.6%</b>	<b>118.0</b>	<b>-9.0</b>	<b>+0.0</b>	<b>+0.0%</b>	<b>-0.8%</b>
Organic*	1,246.0	—	+31.7	+2.6%	+2.5%	106.0	—	-10.1	-8.7%	-9.4%

\*Excluding incomes and expenses due to extraordinary factors such as M&A

# ■ Details of FY2018 Segment Profit Revision

<b>Japan</b>	On top of adverse product mix and supply chain cost from First Half, one-off cost due to logistics turmoil from hot weather and natural disaster incurred. Raw material's price also increased.
<b>Europe</b>	Turmoil in logistics resulting additional cost in France. Spain's market trend also unable to recover.
<b>Asia</b>	Gain on sale of food and instant coffee business above estimate, pushing up the profit
<b>Oceania</b>	Affected by lower sales and raw material price increase
<b>Americas</b>	Price of raw materials such as aluminum increased

# **SUNTORY**

## **SUNTORY BEVERAGE & FOOD**

# Revenue Results by Quarter

	(Billions of yen)	Change			Q2 (Apr-Jun)	Change			Q3 (Jul-Sep)	Change		
		Q1 (Jan-Mar)	YoY	%YoY		Currency Neutral	YoY	%YoY		Currency Neutral	YoY	%YoY
Japan	150.5	+3.2	+2.1%	—	183.4	+3.5	+1.9%	—	202.9	+7.0	+3.6%	—
Europe	51.8	+2.3	+4.6%	-3.1%	71.7	+2.6	+3.7%	-2.5%	70.2	+3.1	+4.7%	+5.0%
Asia	44.3	+5.0	+12.7%	+13.5%	48.6	+9.6	+24.4%	+24.6%	50.4	+9.3	+22.7%	+26.5%
Oceania	13.6	-0.1	-0.7%	+0.4%	12.7	-0.4	-3.4%	-1.6%	12.6	-0.9	-7.0%	+0.5%
Americas	17.0	-1.5	-8.2%	-3.7%	20.3	-0.9	-4.4%	-2.5%	22.2	+0.3	+1.4%	+1.2%
	—	+0.0	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>277.1</b>	<b>+8.8</b>	<b>+3.3%</b>	<b>+2.3%</b>	<b>336.7</b>	<b>+14.3</b>	<b>+4.4%</b>	<b>+3.2%</b>	<b>358.2</b>	<b>+18.8</b>	<b>+5.5%</b>	<b>+6.3%</b>

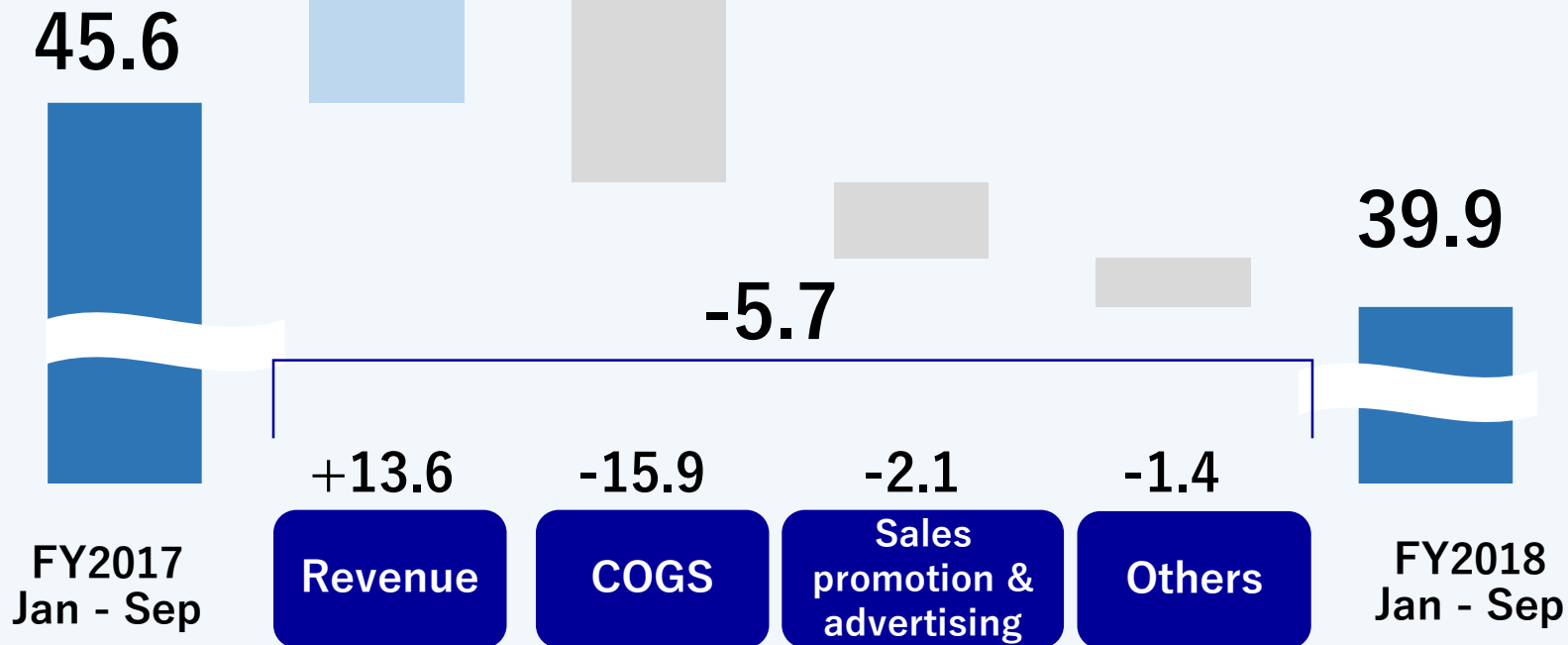
# Segment Profit Results by Quarter

	(Billions of yen)	Change			Q2 (Apr-Jun)	Change			Q3 (Jul-Sep)	Change		
		Q1 (Jan-Mar)	YoY	%YoY		Currency Neutral	YoY	%YoY		Currency Neutral	YoY	%YoY
Japan	5.2	-3.0	-36.6%	-	13.7	-2.9	-17.4%	-	21.0	+0.2	+0.8%	-
Europe	3.7	-1.2	-24.4%	-30.1%	10.5	-1.2	-10.5%	-16.3%	10.9	-1.2	-9.9%	-11.1%
Asia	17.5	+10.1	+136.5%	+131.2%	4.7	+0.7	+18.7%	+19.2%	5.6	+1.4	+33.7%	+35.1%
Oceania	1.5	+0.1	+7.6%	+5.4%	1.4	-0.0	-0.9%	-1.7%	0.6	-0.5	-45.5%	-46.2%
Americas	1.5	+0.0	+0.2%	+5.1%	2.3	-0.4	-16.2%	-14.1%	2.7	-0.3	-10.4%	-10.1%
Reconciliation	-2.8	-0.4	-	-	-2.8	+0.1	-	-	-2.8	-0.2	-	-
<b>Total</b>	<b>26.6</b>	<b>+5.7</b>	<b>+27.0%</b>	<b>+24.3%</b>	<b>29.8</b>	<b>-3.7</b>	<b>-11.2%</b>	<b>-13.0%</b>	<b>38.0</b>	<b>-0.6</b>	<b>-1.6%</b>	<b>-2.0%</b>



- Sales volume change
  - Product mix
- Sales volume change
  - FX, raw material market price
  - Activities & product mix (incl. logistics turmoil due to natural disasters and hot summer)

(Billions of yen)



## Revenue

Increase due to Thai JV starts  
&  
Decrease due to sale of food  
and instant coffee business

Increase from  
organic growth

Increase due to Thai JV  
starts  
&  
Decrease due to sale of food  
and instant coffee business... etc.

Gain on sale of  
food and  
instant coffee  
business

Increase from  
organic growth

## Segment Profit

FY2017  
Jan - Sep

FX

Thai JV &  
Sale of  
Business

Organic

FY2018  
Jan - SepFY2017  
Jan - Sep

FX

Gain on  
sale of  
businessThai JV &  
Sale of  
Business

Organic

FY2018  
Jan - Sep

	FY 2017 Jan-Sep	FY 2018 Jan-Sep	FY 2018 Forecast	2018年 Initial Forecast
U.S. Dollar	111.9	109.6	111	110
Euro	124.6	130.9	131	131
British Pound	142.6	148.1	148	142
Singapore Dollar	80.5	81.8	82	81
Thai Baht	3.3	3.4	3.4	3.3
Vietnam Dong	0.0049	0.0048	0.0048	0.0048
New Zealand Dollar	80.1	76.7	76	79
Australian Dollar	85.7	83.1	83	87

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