

Financial Results for Q2 Year Ending December 31, 2020

August 5, 2020
Suntory Beverage & Food Limited

Overview of First Half FY2020

Kazuhiro Saito, CEO

Financial Results for Q2 FY2020 (6 months)

(JPY BN)

	FY2019 Jan-Jun	FY2020 Jan-Jun	Change			
			YoY	Currency Neutral	%YoY	Currency Neutral
Revenue	627.8 BN	552.5 BN	-75.2	-65.5	-12.0%	-10.6%
Operating Income	50.9 BN	35.7 BN	-15.2	-14.3	-29.8%	-28.5%
Operating Income (Organic basis*1)	51.5 BN	36.1 BN	-15.4	-14.4	-29.9%	-28.5%
Net Income*2	31.8 BN	20.9 BN	-10.8	-10.3	-34.1%	-33.0%

*1 Excluding factors derived from extraordinary reasons from “Other income” and “Other expenses”

*2 Profit for the year attributable to owners of the Company

Revenue

Apr-May
YoYJun
YoY

Japan

-25%

-5%

Europe

-42%

-4%

Asia

-16%

-6%

Oceania

-14%

7%

Americas

-10%

-3%

*currency neutral basis for overseas figures

- **Major changes in business environment since March due to the COVID-19 outbreak**
- **Market trend recovering since June along with resumption of movement and traffic of people**
- **Transition to the “with-COVID” era**
- **Uncertainty over the second and third waves**

**Agility
to convert
change into opportunity**



X

**Resilience
to endure
the 2nd and 3rd waves**



First Mover

- Double down on core brands through innovation
- Innovate future categories

Game Changer

- Go beyond RTD (Ready To Drink)
- Expand into new markets

Way of Working

- “*Gemba*” centric
- Break down silos, build One Team

Supplementary Explanation

Takayuki Sanno, CFO

Financial Results for Q2 FY2020 by Segment (6 months)

(JPY BN)

	Revenue	Change				Segment Profit	Change			
		YoY	Currency Neutral	%YoY	Currency Neutral		YoY	Currency Neutral	%YoY	Currency Neutral
Japan	298.7 BN	-37.3	—	-11.1%	—	11.1 BN	-11.6	—	-51.2%	—
Europe	87.7	-23.5	-18.8	-21.1%	-17.6%	10.5	-4.1	-3.5	-28.2%	-25.2%
Organic							-4.6	-3.9	-29.9%	-26.9%
Asia	104.5	-10.8	-8.6	-9.3%	-7.6%	14.7	+2.0	+2.2	+15.5%	+17.3%
Organic							+2.0	+2.2	+15.5%	+17.4%
Oceania	23.1	-2.3	-0.2	-9.2%	-0.8%	1.9	-0.7	-0.5	-25.4%	-21.7%
Americas	38.6	-1.3	-0.7	-3.4%	-1.7%	2.9	-0.8	-0.8	-22.1%	-20.7%
Reconciliation						-5.4	+0.1	+0.0		
Total	552.5	-75.2	-65.5	-12.0%	-10.6%	35.7	-15.2	-14.3	-29.8%	-28.5%
Organic						36.1	-15.4	-14.4	-29.9%	-28.5%

		(JPY BN)	
Revenue	%YoY	Segment Profit	%YoY
298.7 BN	-11.1%	11.1 BN	-51.2%

- Beverage market impacted by the paralyzed movement and traffic of people following the requests to refrain from outings in late March. Recovery trend since June post lifting of such requests
- Sales volume fell by 8% despite *Iyemon* renewal's contribution by outperforming the market
- Revenue and Segment Profit plunged due to sales volume decrease in the vending machine channel, a major profit contributor



(JPY BN)

Revenue

87.7 BN

%YoY

-21.1%

Currency
Neutral

-17.6%

Segment Profit

10.5 BN

%YoY

-28.2%

Currency
Neutral

-25.2%

Revenue

%YoY

Currency
NeutralFrance
(*1)

39.7 BN

-17.0%

-13.5%

Recovery trend since June. Tough on-premise market in April and May led to weak sales of *Orangina* and *Oasis* and Revenue fall

UK
(*2)

25.5 BN

-16.1%

-12.3%

Lucozade Energy stayed steady. *Lucozade Sport* weakened due to self-restrained sporting activity

Spain
(*3)

13.3 BN

-41.2%

-38.7%

Steady off-premise. Lockdown led to weak on-premise market and revenue drop

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



				(JPY BN)	
Revenue	%YoY	Currency Neutral	Segment Profit	%YoY	Currency Neutral
104.5 BN	-9.3%	-7.6%	14.7 BN	+15.5%	+17.3%

	Revenue	%YoY	Currency Neutral	
Beverage (Vietnam)	39.1 BN	-7.6%	-5.8%	Tough April under lockdown. Recovery trend since May
Beverage (Thailand)	33.1 BN	-3.8%	-2.2%	Limited revenue decrease with early lifting of lockdown and last year's price increase
Health Supplement	21.1 BN	-13.0%	-11.9%	Bird's Nest hit hard by decrease in the number of Chinese tourists



Oceania

Revenue

23.1 BN

%YoY

-9.2%

Currency
Neutral

-0.8%

Segment Profit

1.9 BN

%YoY

-25.4%

Currency
Neutral

-21.7%

(JPY BN)

Revenue

Frucor Suntory 17.6 BN

%YoY

-7.7%

Currency
Neutral

+0.8%

Fresh Coffee Business 5.4 BN

-14.4%

-6.5%

Revenue

38.6 BN

%YoY

-3.4%

Currency
Neutral

-1.7%

Segment Profit

2.9 BN

%YoY

-22.1%

Currency
Neutral

-20.7%

Americas

SUNTORY

SUNTORY BEVERAGE & FOOD

Results for Q2 FY2020 (3 months)

(JPY BN)

	FY2019 Apr-Jun	FY2020 Apr-Jun	Change			
			YoY	Currency Neutral	%YoY	Currency Neutral
Revenue	342.1 BN	275.3 BN	-66.8	-60.8	-19.5%	-18.1%
Operating Income	33.1 BN	15.9 BN	-17.2	-16.6	-52.1%	-51.1%
Operating Income (Organic basis *1)	33.4 BN	16.0 BN	-17.4	-16.7	-52.1%	-51.1%
Net Income *2	21.1 BN	8.2 BN	-12.9	-12.5	-61.1%	-61.0%

*1 Excluding factors derived from extraordinary reasons from "Other income" and "Other expenses"

*2 Profit for the year attributable to owners of the Company

FY2020 Quarterly Revenue

(JPY BN)

	Q1 (Jan-Mar)	Change				Q2 (Apr-Jun)	Change			
		YoY	Currency Neutral	%YoY	Currency Neutral		YoY	Currency Neutral	%YoY	Currency Neutral
Japan	146.8	-3.9	—	-2.6%	—	151.9	-33.4	—	-18.0%	—
Europe	44.0	-2.8	-0.9	-5.9%	-2.1%	43.6	-20.7	-17.8	-32.2%	-29.0%
Asia	55.1	-1.9	-1.4	-3.4%	-2.4%	49.4	-8.8	-7.2	-15.1%	-12.7%
Oceania	12.4	-0.5	0.6	-3.9%	+5.0%	10.7	-1.8	-0.8	-14.6%	-6.8%
Americas	19.0	0.7	0.9	+3.7%	+5.0%	19.6	-2.0	-1.6	-9.4%	-7.4%
Total	277.2	-8.5	-4.8	-3.0%	-1.7%	275.3	-66.8	-60.8	-19.5%	-18.1%

FY2020 Quarterly Segment Profit

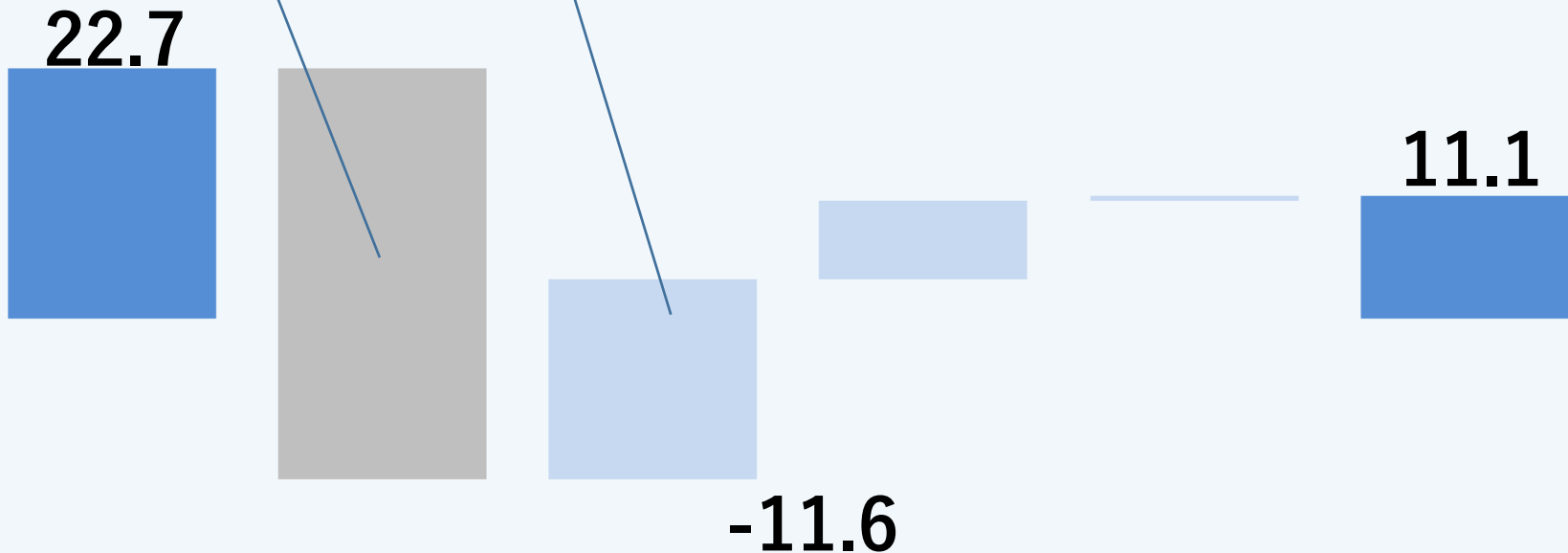
(JPY BN)

	Q1 (Jan-Mar)	Change				Q2 (Apr-Jun)	Change			
		YoY	Currency Neutral	%YoY	Currency Neutral		YoY	Currency Neutral	%YoY	Currency Neutral
Japan	7.1	+0.6	-	+9.4%	-	4.0	-12.2	-	-75.3%	-
Europe	4.8	+0.7	+0.8	+17.2%	+21.5%	5.7	-4.8	-4.4	-45.7%	-43.3%
Organic		+0.6	+0.7	+13.7%	+17.9%		-5.1	-4.7	-47.2%	-44.9%
Asia	7.8	+0.7	+0.7	+9.7%	+10.5%	6.9	+1.3	+1.4	+22.7%	+26.0%
Organic		+0.7	+0.7	+9.7%	+10.5%		+1.3	+1.4	+22.9%	+26.2%
Oceania	1.4	+0.1	+0.1	+3.8%	+9.4%	0.5	-0.7	-0.7	-57.5%	-55.6%
Americas	1.5	-0.0	+0.0	-1.0%	+0.2%	1.4	-0.8	-0.8	-36.3%	-35.0%
Reconciliation	-2.7	+0.3	+0.0			-2.7	+0.4	+0.2	-	-
Total	19.8	+2.1	+2.3	+11.6%	+13.2%	15.9	-17.2	-16.6	-52.1%	-51.1%
Organic	20.1	+2.0	+2.3	+11.3%	+13.0%	16.0	-17.4	-16.7	-52.1%	-51.1%

(JPY BN)

- Sales volume change
- Product mix
- Channel mix

- Sales volume change +11.0
- FX and raw material market price -0.3
- Activities and product mix +7.4



FY2019
Jan-Jun

Revenue

COGS

Sales promotion & advertising

Others

FY2020
Jan-Jun

Sales Volume of Major Brands

Japan

(Million cases)	6 months ended June 30th 2019		6 months ended June 30th 2020	
	Actual	YoY	Actual	YoY
<i>Suntory Tennensui</i>	53.2	-2%	52.7	-1%
<i>BOSS</i>	53.8	5%	49.5	-8%
<i>Iyemon</i>	24.8	-3%	25.1	1%
<i>Suntory Oolong Tea</i>	11.7	-7%	9.5	-18%
<i>PEPSI</i>	9.8	2%	7.9	-20%
<i>Green DAKARA</i>	17.6	19%	18.3	4%
FOSHU drinks and Foods with Function Claims	11.3	-1%	10.6	-6%
Total	215.8	1%	198.8	-8%

* On the basis of shipment volume

* The portions of the sales volume that were supplied from other soft drink manufacturers such as Japan Beverage Holdings Inc. are not included in the above figures.

Europe

(Million liters)	6 months ended June 30th 2019		6 months ended June 30th 2020	
	Actual	YoY	Actual	YoY
<i>Orangina</i> (France)	85	-1%	74	-12%
<i>Oasis</i> (France)	139	-7%	124	-11%
<i>Schweppes</i> (Spain, Portugal)	60	1%	44	-27%
<i>Lucozade</i> (UK, Ireland)	200	9%	181	-10%
<i>Ribena</i> (UK, Ireland)	44	-16%	36	-17%

(JPY, average of period)

	FY2019 Jan-Jun	FY2020 Jan-Jun	FY2020 Forecast
U.S. Dollar	110.1	108.2	109
Euro	124.3	119.3	122
British Pound	142.5	136.4	143
Singapore Dollar	81.0	77.4	81
Thai Baht	3.5	3.4	3.6
Vietnam Dong	0.0047	0.0046	0.0047
New Zealand Dollar	74.0	67.8	73
Australian Dollar	77.8	71.2	76

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