

Financial Results for Q2 Year Ending December 31, 2021

August 12, 2021
Suntory Beverage & Food Limited

Overview of First Half FY2021

Kazuhiro Saito, CEO

Financial Results for Q2 YTD FY2021

(JPY BN)

	FY2020 Jan-Jun	FY2021 Jan-Jun	Change			
			YoY	Currency Neutral	%YoY	Currency Neutral
Revenue	552.5 BN	603.8 BN	+51.3	+37.9	+9.3%	+6.7%
Operating Income	35.7 BN	60.4 BN	+24.7	+23.3	+69.1%	+62.9%
Operating Income (Organic basis*1)	36.0 BN	60.6 BN	+24.6	+23.3	+68.5%	+62.4%
Net Income*2	20.9 BN	32.2 BN	+11.2	+10.4	+53.7%	+47.8%

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





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

Revenue	Jan-Mar YoY	Apr-Jun YoY
Japan	△9%	8%
APAC	6%	18%
Europe	△11%	43%
Americas	9%	30%
Total	△4%	18%
<hr/>		
(reference) total revenue FY2021 vs. FY2019	△6%	△4%

*currency neutral basis for overseas figures

- **Strength of core brands**
- **Convergence of digital and physical consumer experiences in purchasing**
- **Rising social demand and consumer awareness for sustainability**

Post-COVID Opportunities – Strength of Core Brands

	Japan	Vietnam	Oceania	France
	 <i>Iyemon</i>	 <i>TEA+</i>	 <i>V</i>	 <i>Schweppes</i>
YoY	111%	117%	119%	118%
Beverage market YoY	100%	103%	111%	107%

(Sources) Brand growth rate of the Company: on a shipping basis, Beverage market growth rate: internal estimation on a sales volume basis
 * Cumulative total from January to June 2021 (from January to May for Vietnam)
 * Japan on the basis of actual number of cases
 * Oceania and France's rates indicate the off-premise market only

CO2

- Switch to 100% renewable electricity in directly-owned manufacturing sites and R&D facilities in Japan, the Americas and Europe by 2022
- Introduction of internal carbon pricing

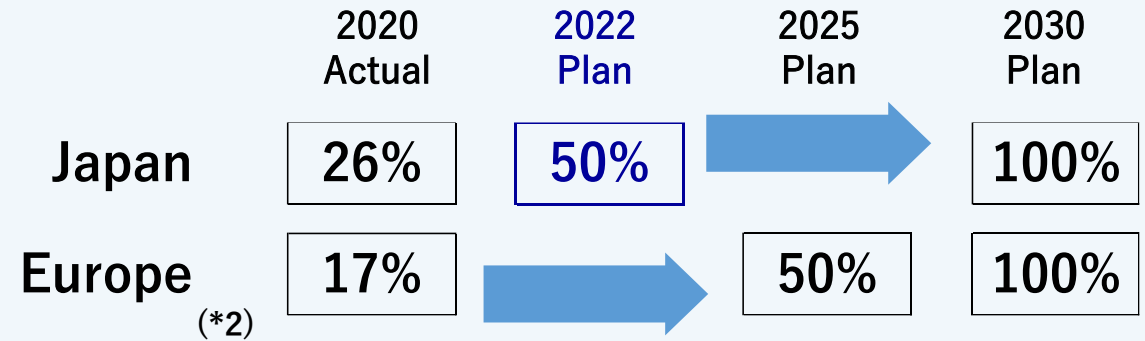


Suntory Tennensui Kita Alps Shinano-no-Mori Plant
Realization of “zero CO2 emissions plant”
(started operation in May) (*1)

- (*1) A plant which reduces CO2 emissions during its manufacturing processes to effectively zero by promoting energy conservation, introducing credits to offset fossil fuel-derived CO2 emissions, etc.
- (*2) Europe comprises of France, the UK and Spain

Plastics

- Goal 2030 - Promote 100% sustainable plastic bottles



Examples of sustainable bottles (*3)



- (*3) *Suntory Tennensui*: 30% plant-based materials used in some products
Iyemon, Craft Boss, GREEN DA · KA · RA, etc.: 100% recycled PET bottles used in some products
Yasashii Mugicha, Ribena, May Tea, and Lucozade Sport: 100% recycled PET bottles used in all products (from November 2021 for *Lucozade Sport*)

Growth Strategy

First Mover – Organic Growth

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

Game Changer – Inorganic Growth

- Expand into new markets
- Accelerate M&A investment

Enablers

- Accelerate “Centers of Excellence” and “DX”
- Establish Asia-Pacific Region (APAC) to unlock growth

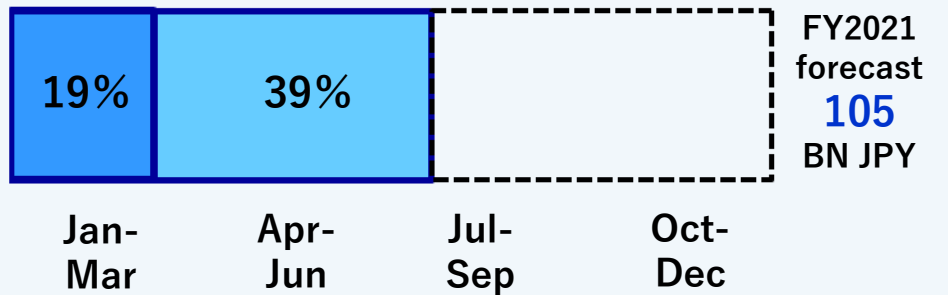
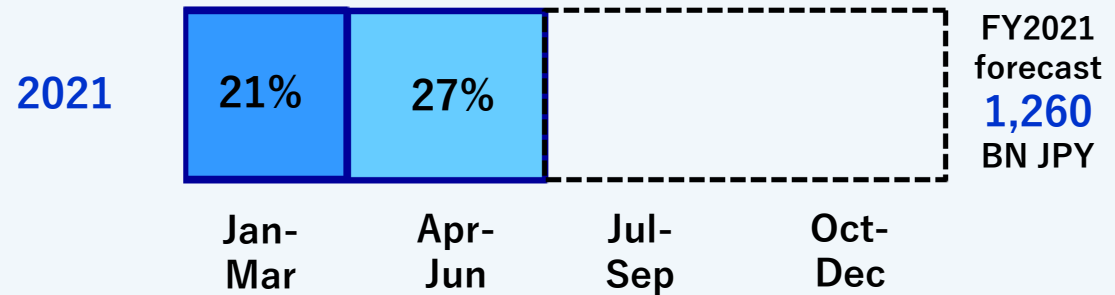
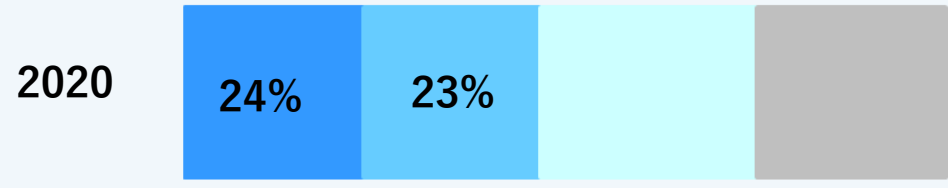
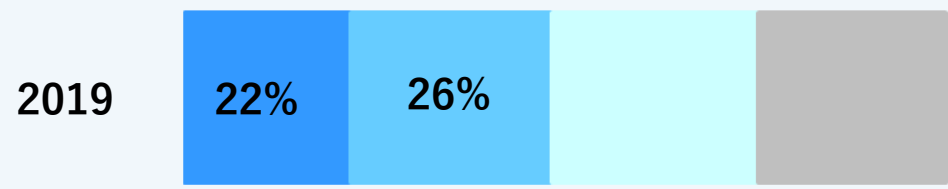
Structural Transformation

- Vending machine business transformation in Japan
- On-premise business transformation in Europe

Q2 YTD Progress against Full Year Forecast

Revenue

Operating Income



Jan-Mar Apr-Jun Jul-Sep Oct-Dec

Jan-Mar Apr-Jun Jul-Sep Oct-Dec

* Currency neutral basis for overseas figures
* Quarterly progresses are against full year results for FY2019 and FY2020, while that of FY2021 is against full year forecast.

Supplementary Explanation

Takayuki Sanno, CFO

Financial Results for Q2 YTD FY2021 by Segment

(JPY BN)

	Revenue	Change				Segment profit	Change			
		YoY	Currency Neutral	%YoY	Currency Neutral		YoY	Currency Neutral	%YoY	Currency Neutral
Japan	298.0 BN	-0.7		-0.2%		17.6 BN	+6.5		+58.7%	
APAC	148.7	+21.1	+15.5	+16.5%	+11.6%	23.6	+7.0	+6.5	+42.1%	+37.9%
Organic						23.6	+7.0	+6.5	+42.0%	+37.8%
Europe	111.1	+23.4	+15.5	+26.7%	+16.2%	18.8	+8.3	+7.3	+78.8%	+63.5%
Organic						18.8	+8.3	+7.3	+78.4%	+63.2%
Americal	46.0	+7.4	+7.5	+19.2%	+19.6%	5.8	+2.9	+2.9	+97.8%	+98.5%
Reconcillation						-5.4	+0.0	+0.1		
Total	603.8	+51.3	+37.9	+9.3%	+6.7%	60.4	+24.7	+23.3	+69.1%	+62.9%
Organic						60.6	+24.6	+23.3	+68.5%	+62.4%

(JPY BN)

Revenue

298.0 BN

%YoY

-0.2%

Currency
Neutral

-

Segment Profit

17.6 BN

%YoY

+58.7%

Currency
Neutral

-

- Beverage market sales volume is estimated at 100% YoY, while SBF Japan marked at 103% YoY, in terms of the actual number of cases.
The market remained flat YoY under the intermittent declarations of a state of emergency. We kept on expanding our market share, driven by core brands.
- Revenue recovered to offset the decline through March by boosting activities from April. While the impact from channel mix deterioration due to decline in the vending machine and convenience store channels continued, renewals of *Iyemon* and *Craft Boss* contributed to product mix improvement.
- Segment profit increased significantly as a result of revenue growth since April and continuous cost reduction.



(Reference) Sales volume (in syrup conversion): 100% YoY for the beverage market, 102% for the Company

(JPY BN)

Revenue

148.7 BN

%YoY

+16.5%

Currency
Neutral

+11.6%

Segment Profit

23.6 BN

%YoY

+42.1%

Currency
Neutral

+37.9%

Revenue

%YoY

Currency
NeutralBeverage
(Vietnam)

45.7 BN

+17.0%

+15.0%

Market under impact from tightened restrictions since May. Kept momentum led by *TEA+* and *Sting*. Gained market share

Beverage
(Thailand)

35.0 BN

+6.0%

+3.9%

Pepsi brand trended steadily amid continued intermittent restrictions. Gained market share

Health
Supplement
(*1)

16.0 BN

+11.2%

+9.0%

BRAND'S Essence of Chicken on recovery trend since March underpinned by continuous, boosted activities

Frucor
Suntory

24.2 BN

+37.8%

+19.6%

Considerable growth in *V* driven by boosted activities and demand rise for energy drinks. Gained market share



(*1) Health Supplement results consist of Thailand and Indochina Peninsula

(JPY BN)

Revenue

111.1 BN

%YoY

+26.7%

Currency
Neutral

+16.2%

Segment Profit

18.8 BN

%YoY

+78.8%

Currency
Neutral

+63.5%

Revenue

%YoY

Currency
NeutralFrance
(*1)

46.2 BN

+30.4% +19.8%

Strong trend sustained in off-premise channel. On-premise on recovery with restriction easing. Double-digit growth in each *Orangina*, *Oasis*, and *Schweppes*

UK
(*2)

31.6 BN

+24.1% +12.9%

Strengthened marketing activities following progress in restriction easing. Growth in both *Lucozade* and *Ribena*

Spain
(*3)

16.9 BN

+27.8% +17.4%

On-premise channel recovered as well due to restriction easing. Double-digit growth in *Schweppes*

(*1) France includes French data only from this fiscal year on

(*2) UK and Ireland

(*3) Spain and Portugal



(JPY BN)

Revenue

%YoY

Currency
Neutral

46.0 BN

+19.2%

+19.6%

Segment Profit

%YoY

Currency
Neutral

5.8 BN

+97.8%

+98.5%

- Supermarkets and convenience stores continued to perform well due to progress in vaccination and lifting of restrictions on on- and off-premise channels. Off-premise has been on a rapid recovery since April.
- Segment profit increased significantly driven by robust revenue growth.



SUNTORY

SUNTORY BEVERAGE & FOOD

Quarterly results for Q2 FY2021

			(JPY BN)			
	FY2020 Apr-Jun	FY2021 Apr-Jun	Change			
			YoY	Currency Neutral	%YoY	Currency Neutral
Revenue	275.3 BN	334.0 BN	+58.8	+49.8	+21.3%	+17.5%
Operating Income	15.9 BN	40.6 BN	+24.7	+23.8	+155.8%	+141.6%
Operating Income (Organic basis*1)	15.9 BN	40.7 BN	+24.8	+23.8	+156.3%	+141.0%
Net Income*2	8.2 BN	21.5 BN	+13.3	+12.8	+162.2%	+146.7%

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

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

FY2021 Quarterly Revenue (IFRS)

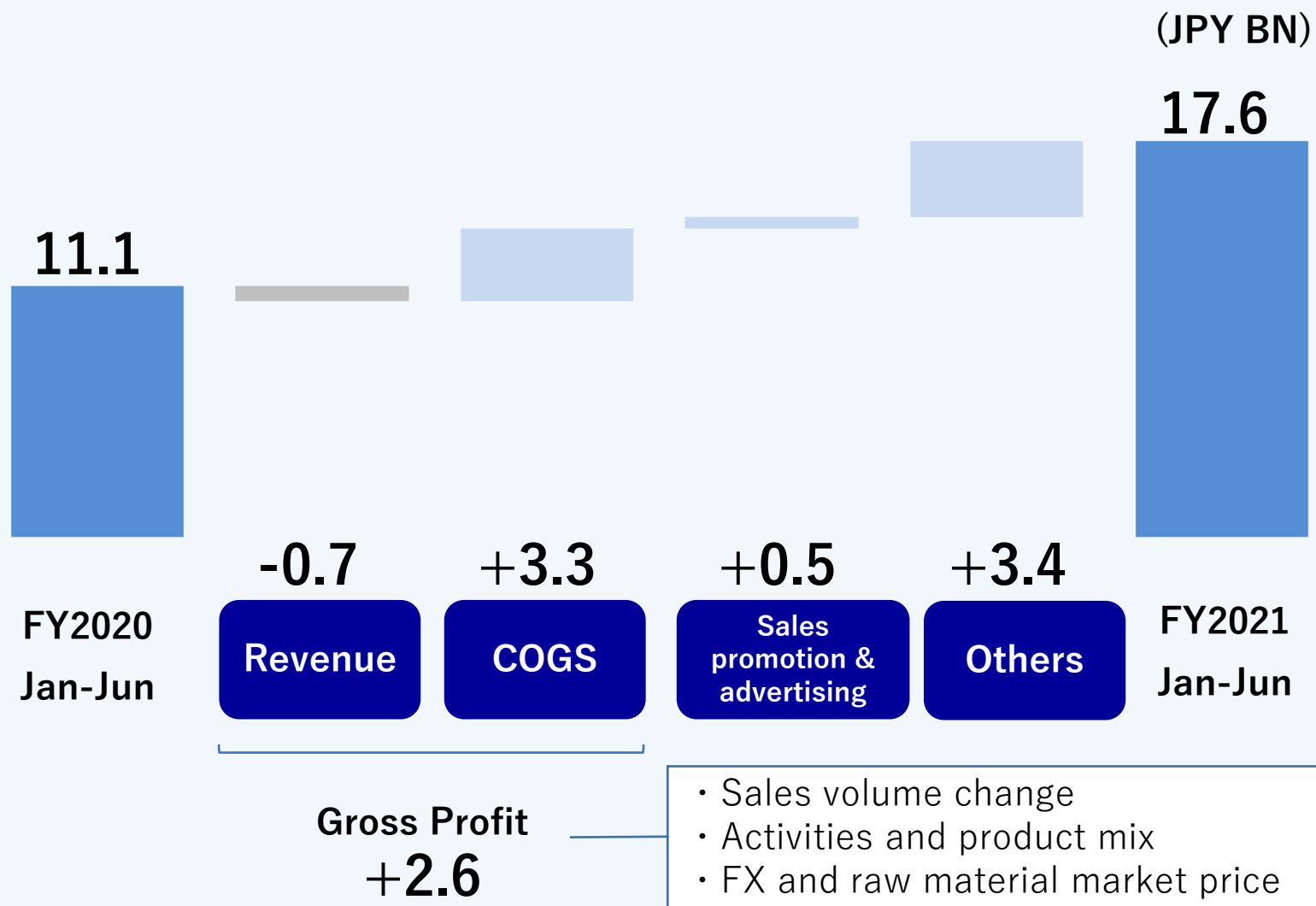
(JPY BN)

	Q1 (Jan-Mar)	Change				Q2 (Apr-Jun)	Change			
		YoY	Currency Neutral	%YoY	Currency Neutral		YoY	Currency Neutral	%YoY	Currency Neutral
Japan	134.2	-12.6		-8.6%		163.8	+11.9		+7.8%	
APAC	73.5	+6.0	+4.3	+8.9%	+6.2%	75.2	+15.1	+11.2	+25.1%	+17.5%
Europe	41.7	-2.3	-5.3	-5.3%	-11.3%	69.4	+25.8	+20.8	+59.1%	+42.8%
Americas	20.4	+1.4	+1.7	+7.4%	+9.0%	25.6	+6.0	+5.9	+30.7%	+29.7%
Total	269.8	-7.5	-11.9	-2.7%	-4.2%	334.0	+58.8	+49.8	+21.3%	+17.5%

FY2021 Quarterly Segment Profit (IFRS)

(JPY BN)

	Q1 (Jan-Mar)	Change				Q2 (Apr-Jun)	Change			
		YoY	Currency Neutral	%YoY	Currency Neutral		YoY	Currency Neutral	%YoY	Currency Neutral
Japan	4.0	-3.1		-44.0%		13.6	+9.6		+239.9%	
APAC	12.7	+3.5	+3.4	+38.5%	+36.0%	10.9	+3.5	+3.1	+46.6%	+40.2%
Organic		+3.5	+3.4	+38.4%	+35.9%		+3.5	+3.1	+46.6%	+40.1%
Europe	4.0	-0.8	-1.1	-16.2%	-21.6%	14.8	+9.1	+8.4	+157.9%	+131.7%
Organic		-0.9	-1.3	-18.8%	-24.1%		+9.2	+8.5	+163.4%	+136.5%
Americas	2.0	+0.5	+0.6	+36.3%	+38.4%	3.8	+2.3	+2.3	+162.1%	+159.8%
Reconciliation	-2.9	+0.3	+0.0			-2.5	+0.4	+0.2	-	-
Total	19.8	+0.0	-0.5	-0.2%	-2.3%	40.6	+24.7	+23.8	+155.8%	+141.6%
Organic	19.9	-0.2	-0.5	-1.0%	-2.7%	40.7	+24.8	+23.8	+156.3%	+141.0%



Sales Volume of Major Brands

Japan

(Million cases)	Q2 YTD FY2020		Q2 YTD FY2021	
	Actual	YoY	Actual	YoY
<i>Suntory Tennensui</i>	52.7	-1%	55.4	5%
<i>BOSS</i>	49.5	-8%	50.0	1%
<i>Iyemon</i>	25.1	1%	28.0	11%
<i>GREEN DA · KA · RA</i>	18.3	4%	18.5	1%
<i>Suntory Oolong Tea</i>	9.5	-18%	8.3	-13%
<i>PEPSI</i>	7.9	-20%	9.1	16%
FOSHU drinks and Foods with Function Claims	10.6	-6%	10.1	-4%
Total	198.8	-8%	203.5	2%

* 8oz equivalent for syrup products. 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.

(Reference) YoY changes in sales volume on the basis of actual number of cases

Q2 YTD FY2020: -6%, Q2 YTD FY2021: +3%

Europe

(Million liters)	Q2 YTD FY2020		Q2 YTD FY2021	
	Actual	YoY	Actual	YoY
<i>Oasis</i> (France)	124	-11%	145	17%
<i>Shweppes</i> (France)	76	-3%	90	18%
<i>Orangina</i> (France)	74	-12%	88	19%
<i>Lucozade</i> (UK, Ireland)	181	-10%	192	6%
<i>Ribena</i> (UK, Ireland)	36	-17%	45	23%
<i>Shweppes</i> (Spain, Portugal)	44	-27%	51	16%

(JPY, average of period)

	FY2020 Jan-Jun	FY2021 Jan-Jun	FY2021 Forecast
U.S. dollar	108.2	107.9	106.0
Euro	119.3	129.9	127.0
Sterling	136.4	149.9	142.0
Singapore dollar	77.4	80.9	78.0
Thai baht	3.4	3.5	3.4
Vietnam dong	0.0046	0.0047	0.0046
New Zealand dollar	67.8	77.3	71.0
Australian dollar	71.2	83.2	78.0

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