

# Financial Results for Q1 Year Ending December 31, 2024

May 13, 2024  
Suntory Beverage & Food Limited

This is Noriaki Otsuka.

Thank you very much for taking the time today.

I will now explain our financial results for the first quarter of FY2024.

Please turn to page 2.

(JPY BN)

	FY2024 Jan-Mar	Change			
		Incl. currency effect		Currency neutral	
		YoY	%YoY	YoY	%YoY
Revenue	371.7	34.4	10.2%	13.6	3.8%
Operating Income	33.9	7.5	28.5%	4.7	16.1%
Non-recurring items	-0.4	0.6	—	0.7	—
Operating Income (Organic basis*1)	34.3	6.9	25.0%	3.9	13.0%
Net Income*2	20.3	5.7	38.9%	4.0	24.7%

\*1 Extraordinary factors and profit/loss impact from transferred business deducted from operating income

\*2 Profit attributable to owners of the Company

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Revenue was 371.7 billion yen, up 10.2% year on year, and up 3.8% on a currency neutral basis.

Operating income was 33.9 billion yen, up 28.5% year on year, and up 16.1% on a currency neutral basis.

Operating income on an organic basis excluding non-recurring items was 34.3 billion yen, up 25.0% year on year, and up 13.0% on a currency neutral basis.

Net profit attributable to owners of the Company was 20.3 billion yen, up 38.9% year on year, and up 24.7% on a currency neutral basis.

In the first quarter, revenue increased in all segments as a result of steadily capturing the demand situation in key markets and thorough focused activities for our core brands.

Operating income increased at the Group level as a result of revenue growth and strict cost management, despite higher costs due to higher raw material prices and currency fluctuations, as well as increased marketing expenses in key markets.

The Company got off to a strong start, with both revenue and operating income exceeding our expectations.

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(JPY BN)

	Revenue	Change			
		Incl. currency effect		Currency neutral	
		YoY	YoY%	YoY	YoY%
Japan	153.3	7.5	5.2%	—	—
APAC	98.5	10.9	12.5%	4.3	4.5%
Europe	78.6	10.0	14.6%	0.1	0.2%
Americas	40.1	7.2	21.8%	3.1	8.4%
<b>Total</b>	<b>370.5</b>	<b>35.6</b>	<b>10.6%</b>	<b>15.0</b>	<b>4.2%</b>
<b>Segment Profit</b>					
Japan	7.9	4.3	121.3%	—	—
APAC	13.9	1.3	10.4%	0.4	2.9%
Europe	11.7	1.0	9.6%	-0.6	-5.0%
Americas	4.3	0.5	13.6%	0.0	1.2%
Reconciliation	-3.5	-0.3		-0.2	
<b>Total</b>	<b>34.3</b>	<b>6.9</b>	<b>25.0%</b>	<b>3.9</b>	<b>13.0%</b>

Organic basis; Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business. Reclassified 2023 figures are used in this table for year-on-year comparisons

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This slide shows the results by segment.

From here on, the commentary by segment will be provided on an organic basis, excluding non-recurring items, and on a currency neutral basis.

Revenue increased in all segments.

- Japan grew on higher sales volume and price revisions.
- Overseas grew due to a recovery in demand and RGM activities.

Segment profit increased in Japan, APAC and the Americas despite the expected impact of higher costs due to high raw material and other prices.

- Japan grew significantly with revenue growth and strict cost management.
- In the overseas segments, APAC and the Americas grew with increased marketing investments to drive volume growth. Europe was down as the prior year is a strong comparator.

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(JPY BN)

Revenue	%YoY		Segment Profit	%YoY	
	Incl. currency effect	Currency neutral		Incl. currency effect	Currency neutral
153.3 BN	5.2%	–	7.9 BN	121.3%	–

- Beverage market sales volume estimated at 100%, while SBF marked 101% YoY. Continued focused activities for core brands as weather conditions impacted the overall market including us.  
By brand, Suntory *Tennensui* and *Iyemon* trended well.  
*Tokucha* significantly improved its trend with renewed communication.
- Revenue outpaced volume growth, marking 105% YoY. Revenue increased due to volume growth and price revisions.
- Segment profit increased due to strict cost management.



Organic basis: Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business.

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First, Japan.

Revenue was 153.3 billion yen. Segment profit was 7.9 billion yen.

- We estimate the sales volume in the beverage market was on par with the previous year due to the continued effect of price revisions and favorable weather conditions in January and February.
- Our sales volume was impacted by the same factors as the beverage market, but was higher year on year due to the continued strengthening of activities for our core brands, new product launches and increased sales efforts.
- Revenue increased due to volume growth and price revisions.
- Segment profit increased significantly due to revenue growth and strict cost management, which more than offset the impact of high raw material prices and currency fluctuations.

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## Achieve pre-COVID profit levels through profitable business growth

### Core brands innovation

- Further expansion of brand portfolio (*Suntory Tennensui, BOSS*)
- Green tea category returns to growth (*Iyemon*)
- Bold entry into high-profit categories and new domains (*Tokucha*)

### Structural transformation in the vending machine business

- Further reorganization for stronger corporate sales, greater operational efficiency, and more retail appeal

### Supply chain structural innovation

- More resilient, end-to-end, overall optimized supply chain
- Promotion of a better balance between supply and demand in each area to address logistical challenges and to ensure stable supply

### RGM activities

- RGM activities based on assessment of economic situation and consumption trends
- **Fourth round of price revisions in October to absorb cost increases (Large/small PET bottle products, etc.)**

Let me give you an update on Japan's key business strategies.

In the core brands innovation, the sales trend of *Tokucha* has improved significantly with the communication reform, and the condition of *Iyemon*, which was renewed in March, has improved, steadily producing results toward a return to the growth trend of the green tea category.

In the structural transformation in the vending machine business, organizational restructuring has been implemented in April as planned. We have created a structure that will enable us to provide higher quality and more attentive services to our customers at a faster pace.

Supply chain structural innovation is also progressing as planned with the expansion of production lines at the Shinano-no-Mori plant in May.

Finally, RGM activities have been thoroughly implemented with an eye on consumption trends. In order to absorb further cost increases, we will implement the fourth round of price revisions announced on April 23, effective October 1.

We will continue to pursue our key business strategies to achieve profitable growth in Japan.

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(JPY BN)

	Revenue	%YoY		Segment Profit	%YoY	
		Incl. currency effect	Currency neutral		Incl. currency effect	Currency neutral
	<b>98.5</b> BN	<b>12.5%</b>	<b>4.5%</b>	<b>13.9</b> BN	<b>10.4%</b>	<b>2.9%</b>
	<b>Revenue</b>	<b>%YoY</b>			<b>%YoY</b>	
		Incl. currency effect	Currency neutral		Incl. currency effect	Currency neutral
Beverage (Vietnam)	<b>39.6</b> BN	<b>8.7%</b>	<b>0.9%</b>	Sales trend recovered due to focused activities for core brands.		
Beverage (Thailand)	<b>25.7</b>	<b>23.1%</b>	<b>15.4%</b>	Steady trend in demand. <i>PEPSI</i> brand and <i>TEA+</i> grew in sales volume.		
Health Supplement <sup>(*)</sup>	<b>8.9</b>	<b>11.4%</b>	<b>4.5%</b>	Sales trend recovered for <i>BRAND'S Essence of Chicken</i> and <i>BRAND'S Bird's Nest</i> with more promotional activities.		
Beverage (Oceania)	<b>18.3</b>	<b>10.8%</b>	<b>2.2%</b>	Continued focused activities for energy category <i>V</i> amid the increasingly competitive environment.		

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

Organic basis: Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business.



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Next, Asia-Pacific.

Revenue was 98.5 billion yen. Segment profit was 13.9 billion yen.

- In APAC, we continued focused activities for our core brands in the beverage and health supplement businesses. Revenue grew with a rebound in sales trends in Vietnam and the health supplement business as a result of continued marketing efforts, as well as steady performance in Thailand and Oceania.
- Segment profit increased as revenue growth more than offset increases in raw material and other costs and marketing investments.
- In Vietnam, sales volume increased due to strong performance of the mainstay *PEPSI* brand and *Aquafina* amid a moderate economic recovery.
- In Thailand, sales volume increased due to strong performance of *PEPSI* brand, including low-sugar products, and *TEA+*.
- In Oceania, sales volume increased year on year as a result of strengthened marketing activities for the mainstay energy drink *V*, despite the highly competitive situation in the energy category.
- In the health supplement business, the sales trend of *BRAND'S Essence of Chicken* recovered as a result of steadily capturing the recovery in demand, communication reforms and strengthened marketing activities. In addition, sales volume of *BRAND'S Bird's Nest* was significantly higher than the same period of the previous year due to a recovery in inbound demand.

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(JPY BN)

	Revenue	%YoY		Segment Profit	%YoY	
		Incl. currency effect	Currency neutral		Incl. currency effect	Currency neutral
	<b>78.6</b> BN	14.6%	0.2%	<b>11.7</b> BN	9.6%	-5.0%
	<b>Revenue</b>	<b>%YoY</b>			<b>%YoY</b>	
		Incl. currency effect	Currency neutral		Incl. currency effect	Currency neutral
France	<b>28.8</b> BN	15.5%	1.7%	Implemented thorough focused activities for core brands in the face of competition and a sluggish economy. <i>Oasis</i> and <i>Schweppes</i> grew.		
UK (*1)	<b>23.9</b>	14.4%	-2.4%	<i>Lucozade</i> performed in line with last year under the impact of a sluggish economy due to continued inflation.		
Spain (*2)	<b>12.5</b>	8.6%	-4.3%	Continued focused activities for <i>Schweppes</i> amid a reactionary impact YoY as the prior year is a strong comparator.		

(\*1) UK and Ireland (\*2) Spain and Portugal

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Moving on to Europe.

Revenue was 78.6 billion yen. Segment profit was 11.7 billion yen.

- In Europe, sales volume in France, the UK and Spain was slightly down year on year due to a deterioration in business confidence, and the prior year is a strong comparator, while focused activities for our core brands have been underway since the beginning of the year.
- Revenue stayed flat year on year due to the contribution of RGM activities including price revisions.
- Segment profit decreased due to increased raw material costs and marketing expenses.
- In France, *Oasis* and *Schweppes* grew as a result of a rigorous implementation of focused activities for our core brands in the face of increased competition and a sluggish economy.
- In the UK, our mainstay brand *Lucozade* performed well despite the partial impact of the factory strike.
- In Spain, sales volume was almost the same as last year due to active promotion of our mainstay *Schweppes* products.
- growth. Please turn to page 8.

(JPY BN)

Revenue	%YoY		Segment Profit	%YoY	
	Incl. currency effect	Currency neutral		Incl. currency effect	Currency neutral
40.1 BN	21.8%	8.4%	4.3 BN	13.6%	1.2%

- Sales volume trended positively due to increased activities in both carbonated and non-carbonated categories and channel expansion for *Gatorade*.
- Revenue increased due to RGM activities including price revisions.
- Segment profit increased as revenue growth offset the impact of raw material prices and rising logistics and labor costs.

(\*)



(\*) RGM (Revenue growth management): Pricing, pack price architecture, mix management, etc.

Organic basis: Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business.

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Finally, the Americas.

Revenue was 40.1 billion yen. Segment profit was 4.3 billion yen.

- Amid continued strong demand, sales volume trended positively due to increased activities in mainstay carbonated and non-carbonated categories and channel expansion for *Gatorade*.
- Revenue increased as a result of RGM activities including price revisions.
- Segment profit increased as revenue growth offset the impact of raw material prices and rising labor costs.

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(currency neutral basis)					(currency neutral basis)					
By segment					By business					
2023				2024	2023				2024	
Q1	Q2	Q3	Q4	Q1	Q1	Q2	Q3	Q4	Q1	
Japan	9%	6%	11%	8%	5%					
APAC	6%	0%	-0%	-1%	5%					
Europe	20%	2%	1%	4%	0%					
Americas	12%	18%	16%	3%	8%					
Total	10%	5%	7%	4%	4%					
					<b>APAC</b>					
					Beverage (Vietnam)	23%	1%	-6%	-5%	1%
					Beverage (Thailand)	9%	14%	12%	11%	15%
					Health Supplement	-18%	-20%	-2%	-9%	4%
					Beverage (Oceania)	17%	8%	18%	7%	2%
					<b>Europe</b>					
					France	15%	1%	1%	0%	2%
					UK	16%	10%	-5%	6%	-2%
					Spain	39%	-12%	4%	5%	-4%

Organic basis: Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business.  
Africa has been reclassified from APAC to Europe in 2023. Reclassified 2022 figures are used in this table for year-on-year comparisons.

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Next, I will explain the quarterly trend in revenue growth rate.

In Japan, the strong trend from the previous year continued due to the effects of focused activities for our core brands and price revisions, as well as favorable weather conditions.

In APAC, revenue trends improved in Vietnam and in the health supplement business due to the effects of recovering sales trends and ongoing marketing activities.

In Europe, although the prior year is a strong comparator, revenue was flat year on year as a result of focused activities for our core brands and RGM activities.

In the Americas, revenue kept on growing due to continued strong demand.

Based on the situation in each segment, we will work to resolve each issue and further strengthen our activities, aiming to exceed the forecast for each segment.

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**Gradual demand recovery in health supplement market.  
Our sales trend recovered with increased promotions.  
Aiming to accelerate growth through more marketing investment.**

### BRAND'S Essence of Chicken



Q1 (Jan-Mar)

Volume YoY

**103%**<sup>(\*)1</sup>

**Increased promotions**

- Benefit claim (Carnosine)<sup>(\*)2</sup>
- Sample distribution

### BRAND'S Bird's Nest



Q1 (Jan-Mar)

Volume YoY

**127%**<sup>(\*)1</sup>

**Increased promotions**

- Gift appeal (Songkran Festival)<sup>(\*)3</sup>
- Inbound appeal



(\*)1 Thailand alone

(\*)2 A type of ingredient said to be effective in stimulating the brain

(\*)3 Thai New Year

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I would like to give you an update on the health supplement business in Thailand.

The market is gradually recovering with the return of inbound demand.

In the first quarter, the mainstay *BRAND'S Essence of Chicken* and *BRAND'S Bird's Nest* performed better than last year and are delivering steady outcomes as a result of renewed communication and enhanced marketing activities.

- *BRAND'S Essence of Chicken* recovered from a downward trend and performed better than the same period last year by promoting the benefits of carnosine, which is said to be effective in stimulating the brain, and by conducting in-store sampling.
- *BRAND'S Bird's Nest* sold well due to activities such as gift promotions and a rapid recovery in inbound demand.

We will continue to strengthen our core brand activities in order to return to the growth trend in the health supplement business.

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## Expanding the business portfolio (Energy/RTD) in addition to focused activities for core brands in a highly competitive environment.

### France



- Strengthen activities for core brands (*Oasis*, *Schweppes*). (Introduction of new communication)
- Develop strategic category (Energy: *CELSIUS*).

### UK



- Strengthen activities for core brands (*Lucozade Energy*).
- Develop new category (RTD: *-196*).
- Develop strategic category (Energy: *CELSIUS*).

### Spain



- Strengthen activities for core brand (*Schweppes*).
- Strengthen on-premise promotions.

This page is about Europe.

In Europe, we conducted focused activities for our core brands in key markets, in particular new communications such as TV commercials. In the strategic energy category, we work with *CELSIUS* to develop the brand in Europe.

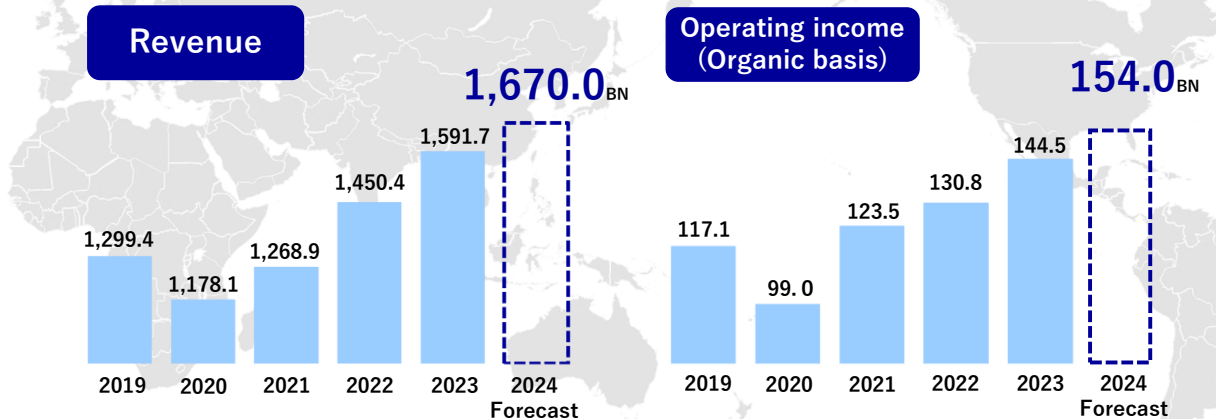
In the UK, we have begun to expand our business portfolio by launching initiatives in the new RTD category in pursuit of maximizing sales in key markets.

- In France, we strengthened activities for the core *Oasis* and *Schweppes* brands, and we have a plan to launch the energy drink *CELSIUS* in the fourth quarter.
- In the UK, in addition to the strong core brand *Lucozade*, we will launch *CELSIUS*, in the second quarter to grow the business, and launch a new alcohol RTD *-196*.
- In Spain, in addition to the core brand *Schweppes*, we will step up the on-premise promotions.

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FY2024 Forecast

Strive to meet and exceed earnings forecast by maintaining the trend of increasing revenue and profits under the assumption that highly uncertain conditions will continue.



That is all for the explanation of our financial results for the first quarter of FY2024.

In the second quarter and beyond, we expect the competitive environment to intensify in key markets and costs to increase due to currency fluctuations and higher raw material prices. We will strive to maintain top- and bottom-line growth and aim to exceed our full-year forecast by rigorously implementing focused activities for our core brands and cost management, including SCM activities, across all segments.

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## Board of Directors



**Makiko Ono**  
Representative Director  
President  
(CEO)



**Shekhar Mundlay**  
Director  
(SBF COO)



**Hachiro Naiki**  
Director  
(Japan CEO)



**Peter Harding**  
Director  
(International CEO)



**Hachiro Naiki**  
Director  
(Japan CEO)



**Takayuki Sanno**  
APAC



**Hiroshi Miyamori**  
Director



**Hideki Kanda**  
Director  
(Member of the Full-Time Audit  
and Supervisory Committee)



**Maki Nakamura**  
Outside Director



**Mika Masuyama**  
Outside Director  
(Member of the Audit and  
Supervisory Committee)



**Mariko Mimura**  
Outside Director  
(Member of the Audit and  
Supervisory Committee)



**Pierre Decroix**  
Europe



**Derek Hill**  
Americas

Finally, I would like to introduce our new management team for FY2024.

In addition to the members of the Board of Directors approved at the Annual General Meeting of Shareholders in March, Pierre Decroix, previously COO of France, has been appointed as the new CEO of the Europe Region. Under his leadership, we will continue to drive business growth in the Europe region.

With this stronger management team, we will work to implement our management strategies and achieve our management plan.

This concludes my presentation. Thank you.

# **SUNTORY**

**SUNTORY BEVERAGE & FOOD**

(JPY BN)

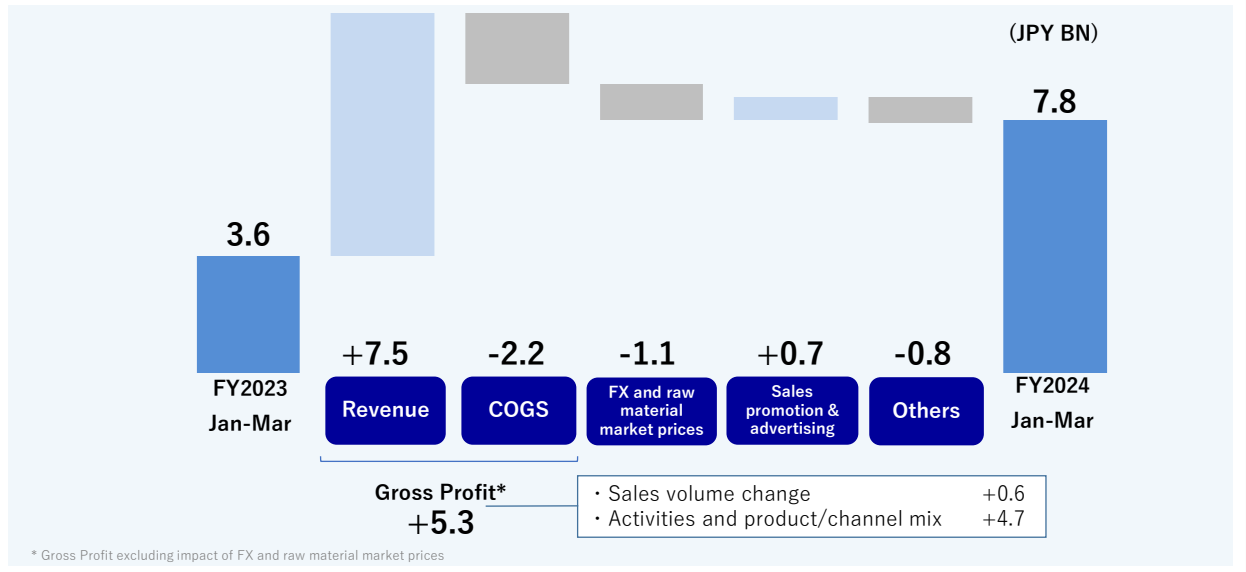
	FY2024 Jan-Mar	Descriptions
Operating Income	<b>33.9</b>	
Non-recurring items	<b>-0.4</b>	APAC: -0.3, Japan; -0.15, Europe: 0.05
Operating Income (Organic basis)*	<b>34.3</b>	

\* Extraordinary factors and profit/loss impact from transferred business deducted from operating income

(JPY BN)

	Revenue	Change			
		Incl. currency effect		Currency Neutral	
		YoY	YoY%	YoY	YoY%
Japan	153.3	7.5	5.2%	—	—
APAC	99.7	9.8	10.9%	2.9	3.0%
Europe	78.6	10.0	14.6%	0.1	0.2%
Americas	40.1	7.2	21.8%	3.1	8.4%
<b>Total</b>	<b>371.7</b>	<b>34.4</b>	<b>10.2%</b>	<b>13.6</b>	<b>3.8%</b>
<b>Segment Profit</b>					
Japan	7.8	4.2	116.7%	—	—
APAC	13.6	1.8	15.4%	1.0	7.6%
Europe	11.8	1.3	12.7%	-0.3	-2.3%
Americas	4.3	0.5	13.6%	0.0	1.2%
Reconciliation	-3.5	-0.3		-0.2	
<b>Total</b>	<b>33.9</b>	<b>7.5</b>	<b>28.5%</b>	<b>4.7</b>	<b>16.1%</b>





## Japan

(Million cases)	Q1 FY2023		Q1 FY2024		FY2024	
	Actual	YoY	Actual	YoY	Forecast	YoY
<i>Suntory Tennensui</i>	26.6	2%	28.1	6%	139.5	1%
<i>Boss</i>	24.6	2%	22.6	-8%	101.5	-1%
<i>Iyemon</i>	11.8	-7%	12.5	5%	55.5	-3%
<i>GREEN DA·KA·RA</i>	7.2	10%	7.0	-3%	48.5	-4%
<b>FOSHU drinks and Foods with Function Claims</b>	8.3	55%	11.8	10%	37.6	-5%
<b>Total</b>	<b>91.0</b>	<b>3%</b>	<b>91.7</b>	<b>1%</b>	<b>448.5</b>	<b>-1%</b>

\* 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)	Q1 FY2023		Q1 FY2024	
	Actual	YoY	Actual	YoY
<i>Oasis</i> (France)	73	13%	74	2%
<i>Schweppes</i> (France)	38	4%	40	4%
<i>Orangina</i> (France)	40	9%	36	-10%
<i>Lucozade</i> (UK, Ireland)	99	5%	98	-1%
<i>Ribena</i> (UK, Ireland)	20	2%	18	-11%
<i>Schweppes</i> (Spain, Portugal)	26	25%	25	-3%

(JPY, average during period)

	FY2023 Jan-Mar	FY2024 Jan-Mar	FY2024 Forecast
U.S. dollar	132.4	148.7	145.0
Euro	142.2	161.4	158.0
Sterling	161.0	188.6	184.0
Singapore dollar	99.4	110.9	108.0
Thai baht	3.9	4.2	4.2
Vietnam dong	0.0056	0.0061	0.0060
New Zealand dollar	83.4	91.0	87.0
Australian dollar	90.6	97.7	94.0

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