

# Financial Results for Q2 Year Ending December 31, 2022

**August 9, 2022**  
**Suntory Beverage & Food Limited**

# Overview of First Half FY2022

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Kazuhiro Saito, CEO

# Financial Results for Q2 FY2022 (IFRS)

(JPY BN)

	FY2021 Jan-Jun	FY2022 Jan-Jun	Change				
			YoY	Currency Neutral		%YoY	Currency Neutral
Revenue	603.8 BN	679.0 BN	+75.2	+50.8	+12.4%	+8.1%	
Operating Income	60.4 BN	80.4 BN	+20.0	+16.3	+33.1%	+25.5%	
Operating Income (Organic basis*1)	60.2 BN	64.3 BN	+4.1	+0.5	+6.8%	+0.8%	
Net Income*2	32.2 BN	48.7 BN	+16.6	+15.1	+51.5%	+44.8%	

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

\*2 Profit attributable to owners of the Company

- **Global demand recovery and expansion**
- **Inflation**
- **Diversification of customer preferences and values**

# FY2022 Quarterly Revenue Trend (IFRS)

## Revenue

### Jan-Mar YoY

### Apr-Jun YoY

Japan	-0%	5%
APAC *	9%	13%
Europe	25%	19%
Americas	17%	7%
<b>Total *</b>	<b>8%</b>	<b>10%</b>

(reference) total revenue \*  
FY2022 vs FY2019

1%

6%

(currency neutral basis for overseas figures)

\*Organic basis: Revenue from transferred business deducted

# Our Initiative – Core Brands Innovation

## Japan

## Thailand

## France

*Tennensui*



**110%**

*lyemon*



**105%**

Health  
conscious  
products



**124%**

*BRAND'S  
Essence of  
Chicken*



**105%**

*Oasis*



**115%**

*Schweppes*



**111%**

**103%**

**97%**

**103%**

Brand  
growth rate  
YoY

Beverage  
market  
growth rate  
YoY

(Source) Brand growth rate of the Company: on a shipment basis (on a value basis for BRAND'S Essence of Chicken, the Essence of Chicken market)

Beverage market growth rate: Internal estimation on a off-premise sales volume basis

\* Cumulative total from January to June, 2022 (from January to May for Thailand)

\* Japan's rates are in terms of the actual number of cases

## Water



**35% reduction<sup>\*1</sup> of water consumption at the SBF plants worldwide**

**2021 result: 21% reduction**

## Greenhouse Gasses



**50% reduction<sup>\*2</sup> of GHG emissions from the SBF sites**

**2021 result: 7% reduction**

## Plastics



**100% replacement of PET bottles to sustainable bottles<sup>\*3</sup> globally**

**2021 result:<sup>\*4</sup> 19%  
Japan: 37%  
Overseas: 6%**

\*1 The goal of the Suntory Group (SBF's goal is 20% reduction). Baseline year: 2015

\*2 Common goal for the Suntory Group and Suntory Beverage & Food. Baseline year: 2019

\*3 PET bottles using recycled or plant-based materials 100%

\*4 Ratio of volume that are 100% sustainable bottles

## Leverage comprehensive capabilities in full value chain to achieve record-high revenue



RGM: Price, packs, mix management, etc.

S&OP: Supply demand forecasting and management



# Supplementary Explanation

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Kazushi Ishikawa, COO

# Financial Results for Q2 YTD FY2022 by Segment (IFRS)

(JPY BN)

	Revenue	Change				Segment Profit	Change			
		YoY	Currency Neutral	%YoY	Currency Neutral		YoY	Currency Neutral	%YoY	Currency Neutral
<b>Japan</b>	<b>305.9</b> BN	+7.9	—	+2.6%	—	<b>14.1</b> BN	-3.4	—	-19.6%	—
<b>APAC</b>	<b>174.6</b>	+25.8	+12.6	+17.4%	+7.8%	<b>41.3</b>	+17.7	+15.7	+74.8%	+61.2%
Organic *	<b>171.2</b>	+29.5	+16.8	+20.9%	+10.9%	<b>25.4</b>	+2.2	+0.2	+9.4%	+0.9%
<b>Europe</b>	<b>140.1</b>	+29.0	+24.3	+26.1%	+21.0%	<b>23.3</b>	+4.5	+3.6	+23.7%	+18.4%
Organic *						<b>23.1</b>	+4.3	+3.5	+22.9%	+17.6%
<b>Americas</b>	<b>58.5</b>	+12.5	+5.9	+27.1%	+11.3%	<b>7.4</b>	+1.6	+0.7	+26.8%	+11.0%
<b>Reconciliation</b>						<b>-5.7</b>	-0.3	-0.2		
<b>Total</b>	<b>679.0</b>	+75.2	+50.8	+12.4%	+8.1%	<b>80.4</b>	+20.0	+16.3	+33.1%	+25.5%
Organic *	<b>675.6</b>	+78.9	+54.9	+13.2%	+8.8%	<b>64.3</b>	+4.1	+0.5	+6.8%	+0.8%

\* Revenue from transferred business deducted from revenue. Extraordinary factors and profit/loss impact from transferred business deducted from segment profit.

(JPY BN)

Revenue

305.9 BN

%YoY

+2.6%

Currency  
neutral

-

Segment  
Profit

14.1 BN

%YoY

-19.6%

Currency  
neutral

-

- Beverage market sales volume is estimated at 103% YoY, while SBF Japan marked 107% YoY. Continued focused activities for core brands resulted in record-high sales volume and expanded market share in the first half.  
*Suntory Tennensui, Iyemon and GREEN DA·KA·RA* posted record-highs in sales volume. FOSHU and products with functional claims recovered in trend with a volume growth effect of *Iyemon Koi Aji* and renewal effect of *Tokucha*.
- Revenue recovered to the expected progress and increased. Channel mix deterioration due to slow recovery of the vending machine and CVS channels was mitigated by volume growth.
- Segment profit was down due to significant impact from foreign exchange and soaring raw material prices especially in Q2 despite thorough supply chain cost reduction activities, etc.



(JPY BN)

Revenue

174.6 BN

%YoY

+17.4%

Currency  
neutral

+7.8%

Segment  
Profit

41.3 BN

%YoY

+74.8%

Currency  
neutral

+61.2%

Revenue

%YoY

Currency  
neutralBeverage  
(Vietnam)

61.5 BN

+34.6%

+17.3%

Beverage  
(Thailand)

38.7 BN

+10.6%

+6.0%

Health  
Supplement  
(\*1)

17.3 BN

+7.9%

+3.4%

Beverage  
(Oceania)

27.4 BN

+13.1%

+6.7%

Demand growth in full swing. Double-digit growth in *TEA+* and *Sting*. Gained market share.

Trend recovered in Q2 and *Pepsi* brand performed steadily despite remaining COVID impact. Maintained market share.

Positive outcome from focused activities for *BRAND'S Essence of Chicken*

Continued focused activities for energy drink category. *V* trended strongly.



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

(JPY BN)

Revenue

140.1 BN

%YoY

+26.1%

Currency  
neutral

+21.0%

Segment  
Profit

23.3 BN

%YoY

+23.7%

Currency  
neutral

+18.4%

Revenue

54.0 BN

%YoY

+16.9%

Currency  
neutral

+13.0%

France

Strong recovery in on-premise market. Major growth in *Oasis*, *Schweppes*, and *Orangina*. Gained market share.

UK  
(\*1)

40.4 BN

+27.8%

+20.0%

Continued demand growth. Steady *Lucozade Energy* and notable growth contribution from *Lucozade Sport*.

Spain  
(\*2)

26.0 BN

+53.2%

+48.1%

On-premise market recovery in full swing. *Schweppes* continued double-digit growth.



(\*1) UK and Ireland

(\*2) Spain and Portugal

(JPY BN)

Revenue

58.5 BN

%YoY

+27.1%

Currency  
neutral

+11.3%

Segment  
Profit

7.4 BN

%YoY

+26.8%

Currency  
neutral

+11.0%

- Continued steady trend in both on- and off-premise.
- Revenue grew with volume increase and price revision effects.
- Segment profit increased, absorbing soaring raw material prices and personnel expenses.



# **SUNTORY**

## **SUNTORY BEVERAGE & FOOD**

# Quarterly Results for Q2 FY2022

(JPY BN)

	FY2021 Apr-Jun	FY2022 Apr-Jun	Change			
			YoY	Currency Neutral	%YoY	Currency Neutral
Revenue	334.0 BN	383.0 BN	+49.0	+30.5	+14.7%	+8.7%
Operating Income	40.6 BN	58.7 BN	+18.1	+15.4	+44.7%	+35.5%
Operating Income (Organic basis*1)	40.5 BN	43.0 BN	+2.4	-0.3	+6.0%	-0.7%
Net Income*2	21.5 BN	36.4 BN	+14.9	+13.8	+69.3%	+61.0%

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

\*2 Profit attributable to owners of the Company



# FY2022 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	134.0	-0.2	-	-0.1%	-	171.9	+8.1	-	+4.9%	-
APAC	83.0	+9.4	+6.2	+12.8%	+8.1%	91.6	+16.4	+6.4	+21.8%	+7.6%
Organic*	79.7	+9.5	+6.4	+13.6%	+8.7%	91.5	+20.0	+10.4	+28.0%	+12.9%
Europe	53.2	+11.5	+10.5	+27.5%	+24.5%	86.9	+17.5	+13.9	+25.2%	+19.0%
Americas	25.9	+5.5	+3.8	+27.1%	+17.1%	32.6	+7.0	+2.1	+27.1%	+7.1%
<b>Total</b>	<b>296.0</b>	<b>+26.2</b>	<b>+20.2</b>	<b>+9.7%</b>	<b>+7.3%</b>	<b>383.0</b>	<b>+49.0</b>	<b>+30.5</b>	<b>+14.7%</b>	<b>+8.7%</b>
Organic*	292.8	+26.3	+20.4	+9.9%	+7.5%	382.8	+52.6	+34.5	+15.9%	+9.9%

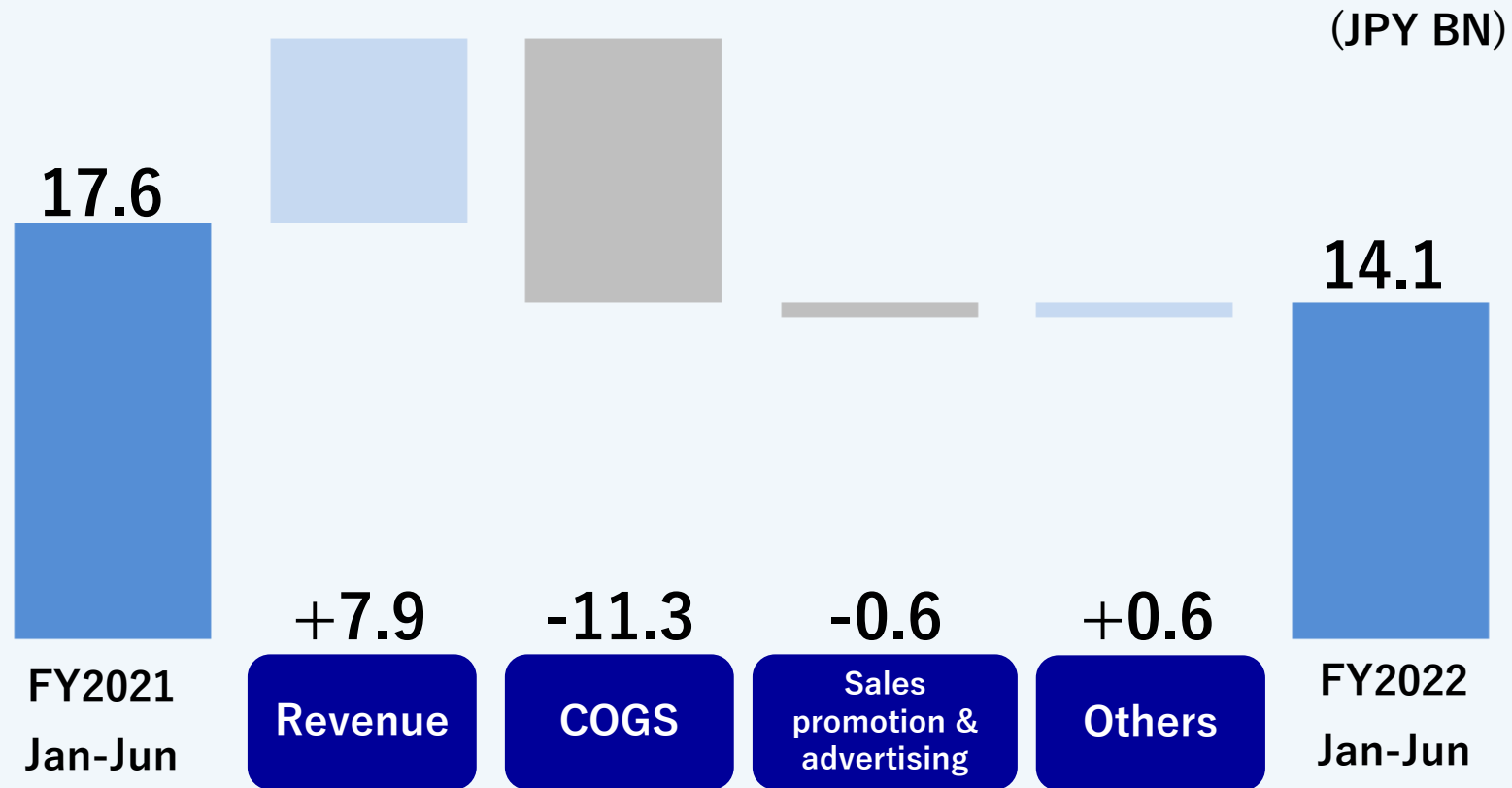
\* Revenue from transferred business deducted

# FY2022 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	2.6	-1.4	—	-34.8%	—	11.5	-2.1	—	-15.2%	—
APAC	11.8	-0.9	-1.5	-7.2%	-11.2%	29.5	+18.6	+17.2	+170.5%	+139.4%
Organic*	11.7	-0.8	-1.4	-6.6%	-10.6%	13.7	+3.0	+1.6	+28.2%	+13.4%
Europe	6.9	+2.9	+2.8	+72.1%	+66.4%	16.4	+1.6	+0.9	+10.6%	+5.6%
Organic*	6.7	+2.7	+2.6	+68.1%	+62.5%	16.4	+1.6	+0.9	+10.7%	+5.6%
Americas	3.1	+1.0	+0.8	+50.0%	+38.2%	4.3	+0.5	-0.1	+14.1%	-2.7%
Reconciliation	-2.7	+0.2	+0.2			-3.0	-0.5	-0.4		
<b>Total</b>	<b>21.6</b>	<b>+1.8</b>	<b>+0.9</b>	<b>+9.2%</b>	<b>+4.6%</b>	<b>58.7</b>	<b>+18.1</b>	<b>+15.4</b>	<b>+44.7%</b>	<b>+35.5%</b>
Organic*	21.4	+1.7	+0.8	+8.5%	+3.9%	43.0	+2.4	-0.3	+6.0%	-0.7%

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



Gross Profit  
-3.4

- Sales volume change +9.6
- Activities and product/channel mix -3.6
- FX and raw material market prices -9.4

# Sales Volume of Major Brands

## Japan

(Million cases)	Q2 YTD FY2021		Q2 YTD FY2022	
	Actual	YoY	Actual	YoY
<i>Suntory Tennensui</i>	55.4	5%	60.7	10%
<i>Boss</i>	50.0	1%	50.9	2%
<i>Iyemon</i>	28.0	12%	29.4	5%
<i>Green DAKARA</i>	18.5	1%	21.0	14%
<i>Suntory Oolong Tea</i>	6.8	-13%	6.6	-3%
<i>PEPSI</i>	7.2	23%	8.3	15%
FOSHU drinks and Foods with Function Claims	10.1	-4%	12.6	24%
<b>Total</b>	<b>195.2</b>	<b>3%</b>	<b>208.1</b>	<b>7%</b>

\* Changed to actual number of cases and arrival basis from FY2022.

\* 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)	Q2 YTD FY2021		Q2 YTD FY2022	
	Actual	YoY	Actual	YoY
<i>Oasis</i> (France)	145	17%	166	15%
<i>Schweppes</i> (France)	90	18%	100	11%
<i>Orangina</i> (France)	88	19%	97	10%
<i>Lucozade</i> (UK, Ireland)	192	6%	207	8%
<i>Ribena</i> (UK, Ireland)	45	23%	43	-4%
<i>Schweppes</i> (Spain, Portugal)	51	16%	62	23%

(JPY, average of period)

	FY2021 Jan-Jun	FY2022 Jan-Jun	FY2022 Forecast*
U.S. dollar	107.9	123.2	115.0
Euro	129.9	134.4	130.0
Sterling	149.9	159.6	154.0
Singapore dollar	80.9	90.2	84.0
Thai baht	3.5	3.7	3.4
Vietnam dong	0.0047	0.0054	0.0050
New Zealand dollar	77.3	81.6	78.0
Australian dollar	83.2	88.6	82.0

\* Forecast at the beginning of the year, announced February 14, 2022

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