

Supplementary Material on Consolidated Financial Results for the First Six Months of the Year Ending December 31, 2021

<Results for the First Six Months of the Year Ending December 31, 2021>

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Suntory Beverage & Food Limited

August 12, 2021

<Results for the First Six Months of the Year Ending December 31, 2021>

1. Summary of Consolidated Statement of Profit or Loss, Indices, etc.

(1) Summary of Consolidated Statement of Profit or Loss

(Billions of yen with fractional amounts rounded off)

	Six months ended June 30, 2020		Six months ended June 30, 2021		Increase (decrease)	
		Ratio to revenue		Ratio to revenue		
Revenue	552.5	100.0%	603.8	100.0%	51.3	9.3%
Gross profit	225.2	40.8%	253.6	42.0%	28.4	12.6%
Selling, general and administrative expenses	188.6	34.1%	192.7	31.9%	4.0	2.1%
Gain on investments accounted for using the equity method	(0.1)	(0.0)%	0.0	0.0%	0.1	(124.5)%
Other income	1.5	0.3%	1.0	0.2%	(0.5)	(35.5)%
Other expenses	2.3	0.4%	1.5	0.3%	(0.7)	(32.2)%
Operating income	35.7	6.5%	60.4	10.0%	24.7	69.1%
Finance income	0.6	0.1%	0.3	0.0%	(0.3)	(55.8)%
Finance costs	1.2	0.2%	1.3	0.2%	0.1	11.1%
Profit before tax for the period	35.1	6.4%	59.3	9.8%	24.2	69.0%
Income tax expense	8.6	1.5%	18.8	3.1%	10.3	120.1%
Profit for the period	26.6	4.8%	40.5	6.7%	14.0	52.5%
Profit for the period attributable to non-controlling interests	5.6	1.0%	8.3	1.4%	2.7	48.2%
Profit for the period attributable to owners of the Company	20.9	3.8%	32.2	5.3%	11.2	53.7%

(2) Other Indices

(Billions of yen)

		Six months ended June 30, 2020		Six months ended June 30, 2021		Increase (decrease)	
Depreciation		35.3		34.5		(0.8)	(2.2)%
Operating income	Operating margin	35.7	6.5%	60.4	10.0%	24.7	69.1%
EBITDA *1	EBITDA margin	71.8	13.0%	95.5	15.8%	23.7	33.1%

*1 EBITDA is calculated as operating income - other income + other expenses + depreciation.

(Billions of yen)

	As at December 31, 2020	As at June 30, 2021	Increase (decrease)	
Total assets	1,574.3	1,672.3	98.1	6.2%
Total equity	859.6	915.7	56.2	6.5%
D/E ratio (Times) *2	0.1	0.0		

*2 D/E ratio is calculated as (interest-bearing debt - cash and cash equivalents ± valuation difference from adopting hedge accounting, etc.) / total equity.

(3) Exchange Rates for the Consolidation of Profit or Loss of the Major Overseas Companies

(Yen, average exchange rate)

	Six months ended June 30, 2020	Six months ended June 30, 2021
USD	108.2	107.9
EUR	119.3	129.9
GBP	136.4	149.9
SGD	77.4	80.9
THB	3.4	3.5
VND	0.0046	0.0047
NZD	67.8	77.3
AUD	71.2	83.2

2. Revenue Details

(Billions of yen)

	Six months ended June 30, 2020	Six months ended June 30, 2021	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	298.7	298.0	(0.7)	(0.2)%	–	
Asia Pacific	127.6	148.7	21.1	16.5%	11.6%	
Europe	87.7	111.1	23.4	26.7%	16.2%	
Americas	38.6	46.0	7.4	19.2%	19.6%	
Reconciliations	–	–	–	–	–	
Consolidation total	552.5	603.8	51.3	9.3%	6.7%	

* Due to the organizational changes, the previous segments of “Asia” and “Oceania” were merged and are now presented as “Asia Pacific.”

3. Profit Details

(1) EBITDA

(Billions of yen)

	Six months ended June 30, 2020	Six months ended June 30, 2021	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	30.7	35.9	5.2	17.0%	–	
Asia Pacific	23.9	31.0	7.0	29.5%	26.9%	*1
Europe	16.2	24.6	8.4	51.8%	38.9%	
Americas	4.7	7.7	3.0	63.8%	64.3%	
Reconciliations	(3.8)	(3.8)	0.1	–	–	*2
Consolidation total	71.8	95.5	23.7	33.1%	29.5%	

*1 Due to the organizational changes, the previous segments of “Asia” and “Oceania” were merged and are now presented as “Asia Pacific.”

*2 “Reconciliations” to segment EBITDA represents overhead costs incurred by the Company to manage the Group’s operations and is not allocated to each reportable segment.

(2) Segment Profit

(Billions of yen)

	Six months ended June 30, 2020	Six months ended June 30, 2021	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	11.1	17.6	6.5	58.7%	–	
Asia Pacific	16.6	23.6	7.0	42.1%	37.9%	*1
Europe	10.5	18.8	8.3	78.8%	63.5%	
Americas	2.9	5.8	2.9	97.8%	98.5%	
Reconciliations	(5.4)	(5.4)	0.0	–	–	*2
Consolidation total	35.7	60.4	24.7	69.1%	62.9%	

*1 Due to the organizational changes, the previous segments of “Asia” and “Oceania” were merged and are now presented as “Asia Pacific.”

*2 “Reconciliations” to segment profit represents overhead costs incurred by the Company to manage the Group’s operations and is not allocated to each reportable segment.

(3) Breakdown of Increase (Decrease) in Segment Profit for Japan Business Segment

(Billions of yen)

Segment profit for the six months ended June 30, 2020	11.1
Decrease in revenue	(0.7)
Decrease in cost of goods sold	3.3
Decrease in sales promotion and advertising costs	0.5
Decrease in other expenses	3.4
Segment profit for the six months ended June 30, 2021	17.6

4. Summary of Consolidated Statement of Financial Position

(Billions of yen)

	As at December 31, 2020	As at June 30, 2021	Increase (decrease)	Reference
Cash and cash equivalents	167.5	162.3	(5.2)	
Trade and other receivables	196.2	233.0	36.7	*1
Other financial assets	0.7	1.0	0.3	
Inventories	79.3	96.5	17.2	
Other current assets	23.5	25.8	2.3	
Current assets	467.2	518.6	51.4	
Property, plant and equipment	360.4	377.6	17.3	*2
Right-of-use assets	50.8	52.5	1.7	
Goodwill	250.4	255.7	5.3	
Intangible assets	405.2	428.1	22.9	
Investments accounted for using the equity method	0.9	0.9	0.0	
Other financial assets	14.5	14.2	(0.3)	
Deferred tax assets	15.5	17.0	1.6	
Other non-current assets	9.4	7.7	(1.7)	
Non-current assets	1,107.1	1,153.8	46.7	
Total assets	1,574.3	1,672.3	98.1	
Bonds and borrowings	83.4	37.6	(45.8)	*3
Trade and other payables	308.4	369.7	61.3	*1
Other financial liabilities	33.5	44.4	10.9	
Accrued income taxes	14.6	18.1	3.5	
Provisions	1.6	1.1	(0.5)	
Other current liabilities	5.0	8.8	3.8	
Current liabilities	446.5	479.6	33.1	
Bonds and borrowings	120.3	120.0	(0.3)	
Other financial liabilities	52.9	55.6	2.7	
Post-employment benefit liabilities	15.1	15.6	0.5	
Provisions	2.3	2.4	0.1	
Deferred tax liabilities	71.7	78.3	6.6	
Other non-current liabilities	6.0	5.2	(0.8)	
Non-current liabilities	268.2	277.0	8.8	
Total liabilities	714.7	756.6	41.9	
Total equity attributable to owners of the Company	781.8	830.0	48.3	
Non-controlling interests	77.8	85.7	7.9	
Total equity	859.6	915.7	56.2	
Total liabilities and equity	1,574.3	1,672.3	98.1	

*1 The increase is mainly due to the impact of seasonal fluctuations on December 31 and June 30.

*2 The increase is mainly due to the impact of new construction of buildings.

*3 The decrease is mainly due to the impact of a decrease in commercial papers.

5. Summary of Consolidated Statements of Cash Flows

(Billions of yen)

	Six months ended June 30, 2020	Six months ended June 30, 2021	Increase (decrease)
Profit before tax for the period	35.1	59.3	24.2
Depreciation and amortization	35.3	34.5	(0.8)
Other	(26.5)	(4.9)	21.6
Cash flows from operating activities	43.9	89.0	45.1
Payments for capital expenditures	(31.1)	(22.5)	8.7
Payments for acquisition of businesses	–	(2.2)	(2.2)
Other	0.5	0.5	0.0
Cash flows from investing activities	(30.7)	(24.2)	6.5
Increase (decrease) in interest-bearing debt	43.9	(56.5)	(100.4)
Dividends paid to owners of the Company	(12.1)	(12.1)	–
Dividends paid to non-controlling interests	(3.0)	(4.0)	(1.1)
Cash flows from financing activities	28.9	(72.6)	(101.4)
Net increase (decrease) in cash and cash equivalents	42.1	(7.8)	(49.9)
Effects of exchange rate changes	(2.4)	2.6	4.9

6. Other Information

<Sales Volume of Major Brands in Japan Business> * On the basis of shipment volumes

(Million cases)

	Six months ended June 30, 2020		Six months ended June 30, 2021	
	Actual	Increase (decrease)	Actual	Increase (decrease)
<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	12%
<i>Green DAKARA</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 functional beverages	10.6	(6)%	10.1	(4)%
Total	198.8	(8)%	203.5	2%

* Syrup products are converted to 8oz; shipment basis.

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

* For reference: year-on-year change in total sales volume on an actual box basis
Six months ended June 30, 2020: -6%; Six months ended June 30, 2021: +3%

<Sales Volume of Major Brands in Europe Business>

(Million liters)

	Six months ended June 30, 2020		Six months ended June 30, 2021	
	Actual	Increase (decrease)	Actual	Increase (decrease)
<i>Oasis (France)</i>	124	(11)%	145	17%
<i>Schweppes (France)</i>	76	(3)%	90	18%
<i>Orangina (France)</i>	74	(12)%	88	19%
<i>Lucozade (UK, Ireland)</i>	181	(10)%	192	6%
<i>Ribena (UK, Ireland)</i>	36	(17)%	45	23%
<i>Schweppes (Spain, Portugal)</i>	44	(27)%	51	16%