

Financial Results for Q2 Year Ending December 31, 2019

Aug 5, 2019
Suntory Beverage & Food Limited

2019 First Half Review

Kazuhiro Saito, CEO

■ Financial Results for Q2, FY2019(6 months)

	(Billions of yen)					
	FY2018 Jan - Jun	FY2019 Jan - Jun	Change			
			YoY	Currency Neutral	%YoY	Currency Neutral
Revenue	613.9	627.8	+13.9	+21.9	+2.3%	+3.6%
Operating Income	56.4	50.9	-5.5	-4.8	-9.7%	-8.5%
Operating Income (Organic basis*1)	45.0	51.5	+6.4	+7.2	+14.3%	+16.2%
Net Income*2	41.3	31.8	-9.5	-9.0	-23.1%	-22.0%

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

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

FY2019 Forecast (IFRS)

(Billions of yen)

	FY2018 Results	FY2019 Forecast	Change		
			YoY	%YoY	Currency Neutral
Revenue	1,294.3	1,313.0	+18.7	+1.4%	+2.0%
Operating Income	113.6	110.0	-3.6	-3.1%	-2.5%
Operating Income (Organic basis*1)	108.4	111.0	+2.6	+2.4%	+3.0%
Net Income*2	80.0	66.5	-13.5	-16.9%	-16.4%

*1 Excluding factors related to extraordinary reasons such as M&A

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

Supplementary Explanation

Takayuki Sanno, CFO

Financial Results for Q2, FY 2019 by Segment(6 months)

(Billions of yen)

	Revenue	Change				Segment Profit	Change			
		YoY	Currency Neutral	%YoY	Currency Neutral		YoY	Currency Neutral	%YoY	Currency Neutral
Japan	336.0	+2.2	-	+0.7%	-	22.7	+3.8	-	+19.9%	-
Europe	111.1	-8.8	-2.3	-7.4%	-2.0%	14.7	-0.4	+0.4	-2.7%	+2.5%
Asia	115.3	+18.9	+19.2	+19.6%	+19.9%	12.7	-8.6	-8.7	-40.4%	-40.6%
Organic							+3.0	+2.9	+30.4%	+29.5%
Oceania	25.4	-0.9	+0.8	-3.3%	+3.0%	2.6	-0.3	-0.2	-11.3%	-5.8%
Americas	39.9	+2.6	+2.1	+6.9%	+5.6%	3.8	-0.0	-0.1	-0.4%	-1.7%
Reconciliation		-	-	-	-	-5.5	+0.1	+0.0	-	-
Total	627.8	+13.9	+21.9	+2.3%	+3.6%	50.9	-5.5	-4.8	-9.7%	-8.5%
Organic						51.5	+6.4	+7.2	+14.3%	+16.2%

(Billions of yen)

Revenue

336.0

%YoY

+0.7%

Segment Profit

22.7

%YoY

+19.9%

- 0.6% volume growth led by *BOSS* and *Green DAKARA*
- Price increase for large formats in May
- Further sales recovery of FOSHU drinks and Foods with Function Claims
- Profit growth supported by cost saving activities and sales promotion and advertising costs lower than last year



(Billions of yen)

Revenue

111.1

%YoY

-7.4%

Currency
Neutral

-2.0%

Segment Profit

14.7

%YoY

-2.7%

Currency
Neutral

+2.5%

Revenue

%YoY

Currency
Neutral

France

(*1)

47.9

-11.0%

-5.8%

Down due to market deterioration by bad weather

UK

(*2)

30.4

-0.7%

+4.3%

Up due to continued growth of *Lucozade Energy*

Spain

(*3)

22.5

-10.1%

-4.9%

Down due to continued on-premise market decline

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



(Billions of yen)

Revenue

115.3

%YoY

+19.6%

Currency
Neutral

+19.9%

Segment Profit

12.7

%YoY

-40.4%

Currency
Neutral

-40.6%

Organic

+30.4%

+29.5%

Revenue

42.3

%YoY

+14.6%

Currency
Neutral

+17.0%

Beverage
(Vietnam)Up due to market growth and continued strength of core brands such as *Sting* and *TEA+*Beverage*
(Thailand)

34.4

+93.0%

+89.7%

Up due to market growth and strong core brands such as *Pepsi*Health
Supplement

24.2

-5.0%

-6.7%

Down due to core brand weakness in *Essence of Chicken* and *Bird's Nest*

*Beverage (Thailand): Last year results consist of only 4 month (Business started operations in March last year)



(Billions of yen)

Oceania

Revenue

25.4

%YoY

-3.3%

Currency
Neutral

+3.0%

Segment Profit

2.6

%YoY

-11.3%

Currency
Neutral

-5.8%

Revenue

%YoY

Currency
Neutral

Frucor Suntory

19.0

-4.1%

+1.8%

Fresh Coffee Business

6.4

-1.4%

+6.3%

Americas

Revenue

39.9

%YoY

+6.9%

Currency
Neutral

+5.6%

Segment Profit

3.8

%YoY

-0.4%

Currency
Neutral

-1.7%

SUNTORY
SUNTORY BEVERAGE & FOOD

Financial Results for Q2, FY2019(3 months)

	(Billions of yen)					
	FY2018 Apr- Jun	FY2019 Apr - Jun	Change			
			YoY	Currency Neutral	%YoY	Currency Neutral
Revenue	336.7	342.1	+5.3	+9.8	+1.6%	+2.9%
Operating Income	29.8	33.1	+3.3	+3.7	+11.0%	+12.6%
Operating Income (Organic basis*1)	29.6	33.4	+3.8	+4.3	+13.0%	+14.6%
Net Income*2	20.8	21.1	+0.3	+0.8	+1.2%	+3.8%

*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 Results by Quarter (IFRS)

(Billions of yen)

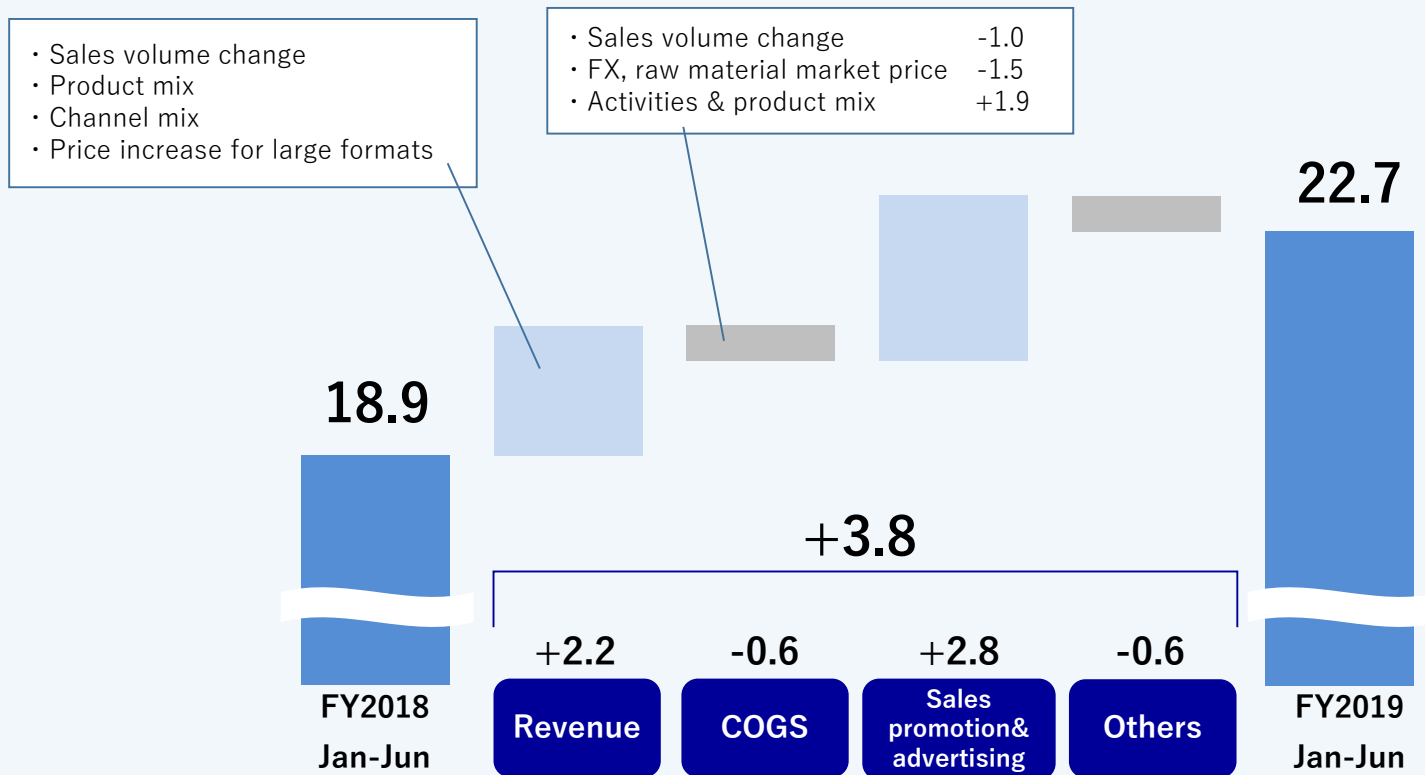
	Q1 (Jan-Mar)	Change				Q2 (Apr-Jun)	Change			
		YoY	Currency Neutral	%YoY	Currency Neutral		YoY	Currency Neutral	%YoY	Currency Neutral
Japan	150.7	+0.2	-	+0.2%	-	185.3	+1.9	-	+1.1%	-
Europe	46.8	-3.0	-0.2	-6.1%	-0.5%	64.3	-5.8	-2.1	-8.3%	-3.1%
Asia	57.0	+10.8	+11.0	+23.3%	+23.9%	58.2	+8.1	+8.2	+16.1%	+16.3%
Oceania	12.9	-0.7	+0.2	-4.9%	+1.4%	12.5	-0.2	+0.6	-1.5%	+4.8%
Americas	18.3	+1.3	+0.9	+7.4%	+5.5%	21.6	+1.3	+1.2	+6.5%	+5.6%
Total	285.7	+8.6	+12.1	+3.1%	+4.4%	342.1	+5.3	+9.8	+1.6%	+2.9%

Segment Profit Results by Quarter (IFRS)

(Billions of yen)

	Q1 (Jan-Mar)	Change				Q2 (Apr-Jun)	Change				
		YoY	Currency Neutral		%YoY		YoY	Currency Neutral		%YoY	Currency Neutral
Japan	6.5	+1.3	-	+24.8%	-	16.2	+2.5	-	+18.0%	-	
Europe	4.1	-0.1	+0.1	-1.8%	+3.7%	10.6	-0.3	+0.2	-3.0%	+2.0%	
Asia	7.1	-9.9	-9.8	-58.4%	-58.2%	5.6	+1.3	+1.1	+30.2%	+25.7%	
Organic		+1.3	+1.4	+23.6%	+25.5%		+1.6	+1.5	+40.2%	+35.0%	
Oceania	1.4	-0.1	-0.1	-9.7%	-4.1%	1.2	-0.2	-0.1	-13.1%	-7.7%	
Americas	1.5	-0.0	-0.0	-0.4%	-2.2%	2.3	-0.0	-0.0	-0.4%	-1.3%	
Reconciliation	-2.7					-2.8					
Total	17.8	-8.8	-8.5	-33.1%	-32.2%	33.1	+3.3	+3.7	+11.0%	+12.6%	
Organic		+2.6	+2.9	+16.8%	+19.3%		+3.8	+4.3	+13.0%	+14.6%	

(Billions of yen)



Sales Volume of Major Brands

Japan

*On the basis of shipment volumes

(Million cases)	Six months ended June 30, 2018		Six months ended June 30, 2019	
	Actual	Increase (decrease)	Actual	Increase (decrease)
<i>Suntory Tennensui</i>	54.2	9%	53.2	-2%
<i>Boss</i>	51.4	9%	53.8	5%
<i>Iyemon</i>	25.6	-6%	24.8	-3%
<i>Suntory Oolong Tea</i>	12.5	4%	11.7	-7%
<i>Pepsi</i>	9.6	-9%	9.8	2%
<i>Green DAKARA</i>	14.8	16%	17.6	19%
FOSHU drinks and Foods with Function Claims	11.4	-12%	11.3	-1%
Total	214.5	4%	215.8	1%

*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)	Six months ended June 30, 2018		Six months ended June 30, 2019	
	Actual	Increase (decrease)	Actual	Increase (decrease)
<i>Orangina</i> (France)	86	1%	85	-1%
<i>Oasis</i> (France)	148	6%	139	-7%
<i>Schweppes</i> (Spain, Portugal)	60	-7%	60	1%
<i>Lucozade</i> (UK, Ireland)	184	-7%	200	9%
<i>Ribena</i> (UK, Ireland)	52	-3%	44	-16%

FY2019 Forecast (IFRS) (by Segment)

(Billions of yen)

	Revenue	Change				Segment Profit	Change				
		YoY	Currency Neutral		%YoY		Currency Neutral		YoY	Currency Neutral	
Japan	709.0	+0.3	—	+0.0%	—	53.0	+0.3	—	+0.6%	—	
Europe	245.0	+6.1	+9.1	+2.5%	+3.9%	31.5	+2.4	+2.9	+8.1%	+10.1%	
Organic						33.0	+0.1	+0.6	+0.2%	+1.7%	
Asia	219.0	+11.6	+13.8	+5.6%	+6.7%	22.5	-6.7	-6.6	-22.9%	-22.6%	
Organic						22.5	+2.8	+2.9	+14.3%	+14.6%	
Oceania	53.0	-1.2	+0.8	-2.2%	+1.6%	6.5	+0.1	+0.3	+2.0%	+4.1%	
Americas	87.0	+2.0	+1.5	+2.3%	+1.8%	8.5	+0.0	-0.0	+0.1%	-0.4%	
Reconciliation	—	—	—	—	—	-12.0	+0.3	—	—	—	
Total	1,313.0	+18.7	+25.6	+1.4%	+2.0%	110.0	-3.6	-2.9	-3.1%	-2.5%	
Organic						111.0	+2.6	+3.2	+2.4%	+3.0%	

(Yen, average exchange rate)

	FY2018 Jan - Jun	FY2019 Jan - Jun	FY2019 Forecast
U.S. Dollar	108.7	110.1	111
Euro	131.6	124.3	129
British Pound	149.6	142.5	144
Singapore Dollar	81.9	81.0	81
Thai Baht	3.4	3.5	3.4
Vietnam Dong	0.0048	0.0047	0.0048
New Zealand Dollar	77.8	74.0	73
Australian Dollar	83.9	77.8	80

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