

Asahi Group Holdings, Ltd.



FY2020 Q3 Consolidated Financial Results (IFRS)

NOTE:

All information has been prepared in accordance with International Financial Reporting Standards (IFRS). Amounts shown in this accounting report and in the attached materials have been rounded down to omit fractions less than one million yen. This document is a partial English translation of the Japanese Financial Statement which was filed at Stock Exchanges in Japan on November 5, 2020. This translation was made for information only. The Company gives no warranty with respect to its correctness.

**Summary Report of Financial Results
(Fiscal 2020 Q3)**

November 5, 2020

Asahi Group Holdings, Ltd.

Code number: 2502

Shares Listed: First Section of Tokyo Stock Exchange

Head Office: Tokyo

Contact: Osamu Ishizaka, Head of Corporate Communications, Executive Officer

Tel: + 81 3 5608 5126 (<https://www.asahigroup-holdings.com/en/>)

US GAAP: Not applicable

1. Overview of performance (From January 1, 2020 to September 30, 2020)

(figures are rounded down to the million)

(1) Business performance

(percentage figures represent the change from the previous year)

	Revenue		Core Operating Profit		Operating Profit		Profit for the period	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2020 Q3 ended September 30, 2020	1,471,393	(5.1)	130,901	(19.6)	118,026	(26.2)	79,506	(29.6)
Fiscal 2019 Q3 ended September 30, 2019	1,550,534	(1.8)	162,801	(3.1)	159,844	(3.5)	112,880	(3.2)
	Profit attributable to owners of parent		Total comprehensive income					
	(Millions of yen)	(%)	(Millions of yen)	(%)				
Fiscal 2020 Q3 ended September 30, 2020	79,573	(29.5)	42,986	716.9				
Fiscal 2019 Q3 ended September 30, 2019	112,861	(3.1)	5,262	(94.3)				
	Basic earnings per share		Diluted earnings per share					
	(yen)	(yen)	(yen)	(yen)				
Fiscal 2020 Q3 ended September 30, 2020	172.64		172.61					
Fiscal 2019 Q3 ended September 30, 2019	246.38		246.36					

(Reference) Profit before tax: FY2020 Q3 ended September 30, 2020 110,639 millions of yen (29.8%) FY2019 Q3 ended September 30, 2019 157,615 millions of yen (2.7%)

*Core operating profit is the reference index for normalized business performance. Core operating profit = Revenue - (COGS + general administrative cost)

*Core operating profit is not the index defined in IFRS. We think this index is useful for financial statements users so that we disclose it spontaneously.

(2) Financial Condition

	Total assets		Total Equity		Equity attributable to owners of parent		Equity ratio attributable to owners of parent	
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)	(%)	
Fiscal 2020 Q3 ended September 30, 2020	4,308,484		1,404,779		1,402,894		32.6	
Fiscal 2019 ended December 31, 2019	3,140,788		1,248,279		1,246,314		39.7	

2. Dividends

	Cash dividend per share				
	Q1	Q2	Q3	Year-end	Total annual
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal 2019 ended December 31, 2019	-	52.00	-	48.00	100.00
Fiscal 2020 ended December 31, 2020	-	53.00	-	53.00	106.00
Fiscal 2020 ending December 31, 2020 (forecast)	-	-	-	53.00	106.00

Note: Changes to the latest dividend forecast announced: No

3. Forecast for Fiscal 2020 (January 1, 2020 to December 31, 2020)

	Revenue		Core Operating Profit		Operating Profit		Profit	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2020 ending December 31, 2020	2,007,000	(3.9)	147,000	(31.0)	124,000	(38.4)	79,500	(43.7)
	Profit attributable to owners of parent		Basic earnings per share					
	(Millions of yen)	(%)	(yen)	(yen)				
Fiscal 2020 ending December 31, 2020	80,000	(43.7)		169.36				

Note: Changes to the latest consolidated results forecast announced: No

(Reference) Profit before tax : FY2020 ending December 31, 2020 forecast 112,000 millions of yen (43.3%)

Notes

(1) Changes in status of material subsidiaries during the period (changes in specified subsidiaries due to changes in the scope of consolidation): Yes

New: 9 companies (company name) Fosters Group Pty Ltd, CUB Pty Ltd, New Crest Investments Pty Ltd, Dismin Investments Pty Ltd, FBG Finance Pty Ltd, CUB Australia Holding Pty Ltd (Company name changed from ABI Australia Holding Pty Ltd on August 7, 2020.), SAB Beverage Investments Pty Ltd, SAB Australia Beverage Holdings LLP, SAB Financing Southern LLP

Excluded: No

(2) Changes in accounting policies, or changes in accounting estimates

(1) Changes in accounting policies required by IFRS: No

(2) Changes in accounting policies other than item (1) above: No

(3) Changes in accounting estimates: No

(3) Number of shares (common stock):

(1) Issued share at period-end (including treasury shares):

Q3 ended September 30, 2020	504,461,562 shares
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Year ended December 31, 2019	483,585,862 shares
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(2) Treasury shares at period-end:

Q3 ended September 30, 2020	286,556 shares
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Year ended December 31, 2019	25,509,372 shares
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(3) Average number of outstanding shares during the period:

Q3 ended September 30, 2020	460,935,409 shares
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Q3 ended September 30, 2019	458,078,289 shares
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(Note) The treasury shares which are excluded from calculations of the number of treasury shares at the end of the fiscal period and the average number of shares during the period under review include the Company's shares held by Japan Trustee Services Bank, Ltd. as trust property of the performance-lined stock compensation system for the Directors.

(Q3 ended September 30, 2020: 110,442 shares, Year ended December 31, 2019: 35,742 shares, Q3 ended September 30, 2019: 35,742 shares)

*** This Consolidated Financial Results for the quarter is not subject to quarterly review procedures**

*** Forward-looking statements and other special instructions**

The forward-looking statements that reflect Asahi's forecasts for consolidated and unconsolidated results in this document are based on information available at the time of the release of these materials and reasonable assumptions made by Asahi.

Certain risks and uncertainties could cause the results of Asahi to differ materially from any projections presented herein.

4. Consolidated Financial Statements (Unaudited)

(1) Consolidated Statement of Financial Position (As of December 31, 2019 and September 30, 2020)

(Millions of yen)

	As of December 31, 2019	As of September 30, 2020
(Assets)		
Current assets		
Cash and cash equivalents	48,489	122,755
Trade and other receivables	407,621	358,212
Inventories	171,717	195,739
Income tax receivables	24,940	2,784
Other financial assets	51,277	5,976
Other current assets	31,067	36,895
Total current assets	735,113	722,364
Non-current assets		
Property, plant and equipment	735,022	788,618
Goodwill and intangible assets	1,398,422	2,547,550
Investments accounted for using equity method	8,755	5,278
Other financial assets	198,657	175,228
Deferred tax assets	15,734	22,759
Net defined benefit assets	20,655	19,486
Other non-current assets	28,424	27,197
Total non-current assets	2,405,674	3,586,119
Total assets	3,140,788	4,308,484
(Liabilities and Equity)		
(Liabilities)		
Current liabilities		
Trade and other payables	423,810	434,851
Bonds and borrowings	408,259	1,566,842
Income tax payables	39,555	31,181
Provisions	14,407	10,546
Other financial liabilities	56,265	62,430
Other current liabilities	133,375	122,604
Total current liabilities	1,075,673	2,228,456
Non-current liabilities		
Bonds and borrowings	534,955	391,035
Net defined benefit liabilities	24,778	25,191
Deferred tax liabilities	147,969	124,354
Other financial liabilities	106,240	105,322
Other non-current liabilities	2,890	29,344
Total non-current liabilities	816,835	675,248
Total liabilities	1,892,509	2,903,704
(Equity)		
Issued capital	182,531	215,967
Share premium	119,163	157,689
Retained earnings	918,523	950,383
Treasury shares	(77,011)	(1,025)
Other components of equity	103,107	79,880
Total equity attributable to owners of parent	1,246,314	1,402,894
Non-controlling interests	1,965	1,885
Total equity	1,248,279	1,404,779
Total liabilities and equity	3,140,788	4,308,484

(2) Consolidated Statement of Profit or Loss and Comprehensive Income

(From January 1 to September 30, 2019 and 2020)

<Consolidated Income Statements>

(Millions of yen)

	Previous year (From January 1 to September 30)	Current year (From January 1 to September 30)
Revenue	1,550,534	1,471,393
Cost of sales	(951,602)	(924,586)
Gross Profit	598,931	546,807
Selling, general and administrative expenses	(436,130)	(415,905)
Other operating income	3,041	7,797
Other operating expense	(5,998)	(20,672)
Operating Profit	159,844	118,026
Finance income	9,520	4,241
Finance costs	(12,491)	(9,628)
Share of profit (loss) of investments accounted for using equity method	741	301
Gain (loss) on sales of investments accounted for using equity method	—	(2,300)
Profit before tax	157,615	110,639
Income tax expense	(44,734)	(31,133)
Profit for the period	112,880	79,506
Attributable to:		
Owners of parent	112,861	79,573
Non-controlling interests	18	(67)
Total	112,880	79,506
Basic earnings per share (JPY)	246.38	172.64
Diluted earnings per share (JPY)	246.36	172.61

<Consolidated Statement of Comprehensive Income>

(Millions of yen)

	Previous year (From January 1 to September 30)	Current year (From January 1 to September 30)
Profit for the period	112,880	79,506
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Changes in fair value of financial instruments measured at fair value through other comprehensive income	(381)	(13,732)
Items that might be reclassified to profit or loss		
Cash flow hedges	2,849	(43,475)
Costs of hedging	255	275
Translation difference on foreign operations	(110,001)	20,437
Share of other comprehensive income of entities accounted for using equity method	(340)	(25)
Total other comprehensive income	(107,618)	(36,519)
Total comprehensive income	5,262	42,986
Total comprehensive income attributable to:		
Owners of parent	5,497	43,181
Non-controlling interests	(234)	(194)

(3) Condensed Consolidated Statement of Changes in Equity

Fiscal 2019 (from January 1 to September 30, 2019)

(Millions of yen)

	Equity attributable to owners of parent					
	Issued capital	Share premium	Retained earnings	Treasury shares	Other components of equity	
					Changes in fair value of financial instruments measured at fair value through OCI	Cash flow hedges
Balance as of January 1, 2019	182,531	119,128	821,120	(76,997)	53,015	(641)
Cumulative effects of changes in accounting policies			(1,993)			
Restated Balance as of January 1, 2019	182,531	119,128	819,126	(76,997)	53,015	(641)
Comprehensive income						
Profit			112,861			
Other comprehensive income					(381)	2,836
Total comprehensive income	—	—	112,861	—	(381)	2,836
Transfer to non-financial assets						(315)
Transactions with owners						
Issuance of new shares						
Dividends			(48,556)			
Purchase of treasury shares				(20)		
Disposal of treasury shares		5		9		
Changes through sales of consolidated subsidiaries						
Share-based payment transaction		24				
Transfer from other components of equity to retained earnings			2,995		(2,995)	
Other increase (decrease)						
Total contributions by owners and distribution to owners	—	29	(45,561)	(11)	(2,995)	—
Total transactions with owners	—	29	(45,561)	(11)	(2,995)	—
Balance as of September 30, 2019	182,531	119,158	886,426	(77,008)	49,638	1,879

	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity			Total equity attributable to owners of parent		
	Costs of hedging	Translation difference on foreign operations	Total other components of equity			
Balance as of January 1, 2019	(1,839)	50,103	100,637	1,146,420	3,227	1,149,647
Cumulative effects of changes in accounting policies			—	(1,993)		(1,993)
Restated Balance as of January 1, 2019	(1,839)	50,103	100,637	1,144,426	3,227	1,147,653
Comprehensive income						
Profit			—	112,861	18	112,880
Other comprehensive income	255	(110,074)	(107,364)	(107,364)	(253)	(107,618)
Total comprehensive income	255	(110,074)	(107,364)	5,497	(234)	5,262
Transfer to non-financial assets			(315)	(315)		(315)
Transactions with owners						
Issuance of new shares			—	—		—
Dividends			—	(48,556)	(167)	(48,723)
Purchase of treasury shares			—	(20)		(20)
Disposal of treasury shares			—	15		15
Changes through sales of consolidated subsidiaries			—	—		—
Share-based payment transaction			—	24		24
Transfer from other components of equity to retained earnings			(2,995)	—		—
Other increase (decrease)			—	—		—
Total contributions by owners and distribution to owners	—	—	(2,995)	(48,537)	(167)	(48,704)
Total transactions with owners	—	—	(2,995)	(48,537)	(167)	(48,704)
Balance as of September 30, 2019	(1,583)	(59,970)	(10,036)	1,101,070	2,825	1,103,895

(3) Condensed Consolidated Statement of Changes in Equity

Fiscal 2020 (from January 1 to September 30, 2020)

(Millions of yen)

	Equity attributable to owners of parent					
	Issued capital	Share premium	Retained earnings	Treasury shares	Other components of equity	
					Changes in fair value of financial instruments measured at fair value through OCI	Cash flow hedges
Balance as of January 1, 2020	182,531	119,163	918,523	(77,011)	63,354	32,797
Cumulative effects of changes in accounting policies						
Restated Balance as of January 1, 2020	182,531	119,163	918,523	(77,011)	63,354	32,797
Comprehensive income						
Profit			79,573			
Other comprehensive income					(13,732)	(43,475)
Total comprehensive income	—	—	79,573	—	(13,732)	(43,475)
Transfer to non-financial assets						11,723
Transactions with owners						
Issuance of new shares	33,435	33,435				
Dividends			(46,265)			
Purchase of treasury shares				(303)		
Disposal of treasury shares		5,018		76,288		
Changes through sales of consolidated subsidiaries						
Share-based payment transaction		72				
Transfer from other components of equity to retained earnings			(1,442)		1,442	
Other increase (decrease)		(0)	(6)			
Total contributions by owners and distribution to owners	33,435	38,526	(47,714)	75,985	1,442	—
Total transactions with owners	33,435	38,526	(47,714)	75,985	1,442	—
Balance as of September 30, 2020	215,967	157,689	950,383	(1,025)	51,064	1,045

	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity			Total equity attributable to owners of parent		
	Costs of hedging	Translation difference on foreign operations	Total other components of equity			
Balance as of January 1, 2020	(1,125)	8,080	103,107	1,246,314	1,965	1,248,279
Cumulative effects of changes in accounting policies			—	—		—
Restated Balance as of January 1, 2020	(1,125)	8,080	103,107	1,246,314	1,965	1,248,279
Comprehensive income						
Profit				79,573	(67)	79,506
Other comprehensive income	275	20,540	(36,392)	(36,392)	(127)	(36,519)
Total comprehensive income	275	20,540	(36,392)	43,181	(194)	42,986
Transfer to non-financial assets			11,723	11,723		11,723
Transactions with owners						
Issuance of new shares			—	66,871		66,871
Dividends			—	(46,265)	(23)	(46,289)
Purchase of treasury shares			—	(303)		(303)
Disposal of treasury shares			—	81,307		81,307
Changes through sales of consolidated subsidiaries			—	—	(62)	(62)
Share-based payment transaction			—	72		72
Transfer from other components of equity to retained earnings			1,442	—		—
Other increase (decrease)			—	(6)	200	194
Total contributions by owners and distribution to owners	—	—	1,442	101,676	114	101,790
Total transactions with owners	—	—	1,442	101,676	114	101,790
Balance as of September 30, 2020	(849)	28,620	79,880	1,402,894	1,885	1,404,779

(4) Notes to the Condensed Consolidated Financial Statements

(Notes Regarding Going Concern Assumptions)

None