

Asahi Group Holdings, Ltd.



FY2021 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 10, 2021. This translation was made for information only. The Company gives no warranty with respect to its correctness.

**Summary Report of Financial Results
(Fiscal 2021 Q3)**

November 10, 2021

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, 2021 to September 30, 2021)

(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 2021 Q3 ended September 30, 2021	1,620,303	10.1	154,300	22.5	172,268	52.3	124,899	64.2
Fiscal 2020 Q3 ended September 30, 2020	1,471,393	(5.1)	125,968	(22.6)	113,094	(29.2)	76,053	(32.6)

	Profit attributable to owners of parent		Total comprehensive income	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2021 Q3 ended September 30, 2021	124,576	63.7	206,700	422.8
Fiscal 2020 Q3 ended September 30, 2020	76,121	(32.6)	39,534	651.3

	Basic earnings per share	Diluted earnings per share
	(yen)	(yen)
Fiscal 2021 Q3 ended September 30, 2021	245.84	245.82
Fiscal 2020 Q3 ended September 30, 2020	165.14	165.12

(Reference) Profit before tax: FY2021 Q3 ended September 30, 2021 164,763 millions of yen (55.9%) FY2020 Q3 ended September 30, 2020 105,706 millions of yen (-32.9%)

*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)	(%)
Fiscal 2021 Q3 ended September 30, 2021	4,462,378	1,670,202	1,668,229	37.4
Fiscal 2020 ended December 31, 2020	4,439,378	1,517,816	1,516,124	34.2

2. Dividends

	Cash dividend per share				
	Q1	Q2	Q3	Year-end	Total annual
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal 2020 ended December 31, 2020	-	53.00	-	53.00	106.00
Fiscal 2021 ended December 31, 2021	-	54.00	-		
Fiscal 2021 ending December 31, 2021 (forecast)				55.00	109.00

Note: Changes to the latest dividend forecast announced: No

3. Forecast for Fiscal 2021 (January 1, 2021 to December 31, 2021)

	Revenue		Core Operating Profit		Operating Profit		Profit	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2021 ending December 31, 2021	2,246,000	10.8	214,000	27.5	211,500	56.5	148,500	60.4

	Profit attributable to owners of parent		Basic earnings per share (yen)
	(Millions of yen)	(%)	
Fiscal 2021 ending December 31, 2021	148,500	60.0	293.05

Note: Changes to the latest consolidated results forecast announced: Yes

(Reference) Profit before tax : FY2021 ending December 31, 2021 forecast 198,500 millions of yen (58.3%)

<Constant Currency Basis>

	Revenue		Core Operating Profit	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2021 ended September 30, 2021*	1,553,289	5.6	145,756	15.7
Fiscal 2021 ending December 31, 2021 (forecast)*	2,166,117	6.8	203,364	21.2

* The figures in FY2021 are converted by the previous year's local currency rates.

Notes

(1) Changes in status of material subsidiaries during the period (changes in specified subsidiaries due to changes in the scope of consolidation): No
New: - company (-), Excluded: - company (-)

(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, 2021	507,003,362 shares
Year ended December 31, 2020	507,003,362 shares

(2) Treasury shares at period-end:

Q3 ended September 30, 2021	261,584 shares
Year ended December 31, 2020	287,954 shares

(3) Average number of outstanding shares during the period:

Q3 ended September 30, 2021	506,730,344 shares
Q3 ended September 30, 2020	460,935,409 shares

(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 Custody Bank of Japan, Ltd. as trust property of the performance-lined stock compensation system for the Directors.

(Q3 ended September 30, 2021: 80,482 shares, Year ended December 31, 2020: 110,442 shares, Q3 ended September 30, 2020: 110,442 share)

* 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, 2020 and September 30, 2021)

(Millions of yen)

	As of December 31, 2020	As of September 30, 2021
(Assets)		
Current assets		
Cash and cash equivalents	48,460	54,281
Trade and other receivables	378,924	332,041
Inventories	183,166	209,821
Income tax receivables	24,403	1,643
Other financial assets	4,226	7,876
Other current assets	32,252	41,064
Subtotal	671,434	646,729
Assets held for sale	17,652	28,009
Total current assets	689,086	674,739
Non-current assets		
Property, plant and equipment	810,264	801,889
Goodwill and intangible assets	2,701,985	2,767,771
Investments accounted for using equity method	5,256	6,263
Other financial assets	160,064	142,754
Deferred tax assets	27,596	31,006
Net defined benefit assets	19,278	18,171
Other non-current assets	25,846	19,783
Total non-current assets	3,750,292	3,787,638
Total assets	4,439,378	4,462,378
(Liabilities and Equity)		
(Liabilities)		
Current liabilities		
Trade and other payables	477,098	482,120
Bonds and borrowings	924,760	483,351
Income tax payables	35,683	36,724
Provisions	12,019	13,393
Other financial liabilities	89,519	115,604
Other current liabilities	113,440	114,657
Subtotal	1,652,521	1,245,851
Liabilities directly related to assets held for sale	134	—
Total current liabilities	1,652,655	1,245,851
Non-current liabilities		
Bonds and borrowings	898,867	1,175,735
Net defined benefit liabilities	24,093	24,698
Deferred tax liabilities	205,275	202,143
Other financial liabilities	134,729	137,413
Other non-current liabilities	5,941	6,332
Total non-current liabilities	1,268,906	1,546,324
Total liabilities	2,921,562	2,792,175
(Equity)		
Issued capital	220,044	220,044
Share premium	161,783	161,715
Retained earnings	967,230	1,038,785
Treasury shares	(1,031)	(915)
Other components of equity	168,097	248,598
Total equity attributable to owners of parent	1,516,124	1,668,229
Non-controlling interests	1,691	1,972
Total equity	1,517,816	1,670,202
Total liabilities and equity	4,439,378	4,462,378

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

(From January 1 to September 30, 2020 and 2021)

<Consolidated Income Statements>

(Millions of yen)

	Previous year (From January 1 to September 30)	Current year (From January 1 to September 30)
Revenue	1,471,393	1,620,303
Cost of sales	(926,973)	(995,418)
Gross Profit	544,419	624,885
Selling, general and administrative expenses	(418,450)	(470,584)
Other operating income	7,797	42,292
Other operating expense	(20,672)	(24,325)
Operating Profit	113,094	172,268
Finance income	4,241	4,390
Finance costs	(9,628)	(12,221)
Share of profit (loss) of investments accounted for using equity method	301	325
Gain (loss) on sales of investments accounted for using equity method	(2,300)	—
Profit before tax	105,706	164,763
Income tax expense	(29,653)	(39,864)
Profit for the period	76,053	124,899
Attributable to:		
Owners of parent	76,121	124,576
Non-controlling interests	(67)	323
Total	76,053	124,899
Basic earnings per share (JPY)	165.14	245.84
Diluted earnings per share (JPY)	165.12	245.82

<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	76,053	124,899
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	(13,732)	8,370
Items that might be reclassified to profit or loss		
Cash flow hedges	(43,475)	1,281
Costs of hedging	275	155
Translation difference on foreign operations	20,437	71,784
Share of other comprehensive income of entities accounted for using equity method	(25)	209
Total other comprehensive income	(36,519)	81,801
Total comprehensive income	39,534	206,700
Total comprehensive income attributable to:		
Owners of parent	39,728	206,405
Non-controlling interests	(194)	295

(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
Comprehensive income						
Profit			76,121			
Other comprehensive income					(13,732)	(43,475)
Total comprehensive income	—	—	76,121	—	(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	946,930	(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
Comprehensive income						
Profit				76,121	(67)	76,053
Other comprehensive income	275	20,540	(36,392)	(36,392)	(127)	(36,519)
Total comprehensive income	275	20,540	(36,392)	39,728	(194)	39,534
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	1,399,442	1,885	1,401,327

(3) Condensed Consolidated Statement of Changes in Equity

Fiscal 2021 (from January 1 to September 30, 2021)

(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, 2021	220,044	161,783	967,230	(1,031)	39,605	2,526
Comprehensive income						
Profit			124,576			
Other comprehensive income					8,370	1,281
Total comprehensive income	—	—	124,576	—	8,370	1,281
Transfer to non-financial assets						(128)
Transactions with owners						
Issuance of new shares						
Dividends			(54,220)			
Purchase of treasury shares				(18)		
Disposal of treasury shares		0		134		
Changes through sales of consolidated subsidiaries						
Share-based payment transaction		(68)				
Transfer from other components of equity to retained earnings			1,199		(1,199)	
Other increase (decrease)						
Total contributions by owners and distribution to owners	—	(67)	(53,020)	116	(1,199)	—
Total transactions with owners	—	(67)	(53,020)	116	(1,199)	—
Balance as of September 30, 2021	220,044	161,715	1,038,785	(915)	46,776	3,679

	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, 2021	(773)	126,739	168,097	1,516,124	1,691	1,517,816
Comprehensive income						
Profit				124,576	323	124,899
Other comprehensive income	155	72,021	81,829	81,829	(27)	81,801
Total comprehensive income	155	72,021	81,829	206,405	295	206,700
Transfer to non-financial assets			(128)	(128)		(128)
Transactions with owners						
Issuance of new shares			—	—		—
Dividends			—	(54,220)	(13)	(54,233)
Purchase of treasury shares			—	(18)		(18)
Disposal of treasury shares			—	135		135
Changes through sales of consolidated subsidiaries			—	—		—
Share-based payment transaction			—	(68)		(68)
Transfer from other components of equity to retained earnings			(1,199)	—		—
Other increase (decrease)			—	—		—
Total contributions by owners and distribution to owners	—	—	(1,199)	(54,171)	(13)	(54,185)
Total transactions with owners	—	—	(1,199)	(54,171)	(13)	(54,185)
Balance as of September 30, 2021	(617)	198,761	248,598	1,668,229	1,972	1,670,202

(4) Notes to the Condensed Consolidated Financial Statements

(Notes Regarding Going Concern Assumptions)

None