

Asahi Group Holdings, Ltd.



FY2021 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 February 15, 2022. This translation was made for information only. The Company gives no warranty with respect to its correctness.

Summary Report of Financial Results (Fiscal 2021)

February 15, 2022

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 December 31, 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 ended December 31, 2021	2,236,076	10.3	217,940	29.9	211,900	56.8	153,823	66.1
Fiscal 2020 ended December 31, 2020	2,027,762	(2.9)	167,823	(21.2)	135,167	(32.9)	92,584	(34.5)

	Profit attributable to owners of parent		Total comprehensive income	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2021 ended December 31, 2021	153,500	65.4	295,622	100.1
Fiscal 2020 ended December 31, 2020	92,826	(34.7)	147,763	(1.3)

	Basic earnings per share	Diluted earnings per share	ROE	ROA	Operating profit margin
	(yen)	(yen)	(%)	(%)	(%)
Fiscal 2021 ended December 31, 2021	302.92	302.89	9.4	4.4	9.5
Fiscal 2020 ended December 31, 2020	196.52	196.49	6.7	3.3	6.7

(Reference)

Share of profit (loss) of entities accounted for using equity method	FY2021	687 millions of yen	FY2020	285 millions of yen
Core Operating Profit margin:	FY2021	9.7%	FY2020	8.3%
Profit before tax:	FY2021	199,826 millions of yen (59.4%)	FY2020	125,399 millions of yen (-36.5%)

*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	BPS
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)	(%)
Fiscal 2021 ended December 31, 2021	4,547,748	1,759,148	1,757,104	38.6	3,467.47
Fiscal 2020 ended December 31, 2020	4,439,378	1,517,816	1,516,124	34.2	2,992.06

(3) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the end of the period
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal 2021 ended December 31, 2021	337,812	(14,348)	(320,325)	52,743
Fiscal 2020 ended December 31, 2020	275,859	(1,243,372)	956,759	48,460

2. Dividends

	Cash dividend per share					Total dividends (annual)	Payout Ratio (Consolidated)	Dividends on equity attributable to owners of the company ratio (consolidated)
	Q1	Q2	Q3	Year-end	Total annual			
	(yen)	(yen)	(yen)	(yen)	(yen)	(Millions of yen)	(%)	(%)
Fiscal 2020 ended December 31, 2020	-	53.00	-	53.00	106.00	51,141	53.9	3.7
Fiscal 2021 ended December 31, 2021	-	54.00	-	55.00	109.00	55,243	36.0	3.4
Fiscal 2022 ending December 31, 2022 (forecast)	-	55.00	-	56.00	111.00		38.4	

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 2022 ending December 31, 2022	2,450,000	9.6	240,000	10.1	217,500	2.6	146,500	(4.8)

	Profit attributable to owners of parent		Basic earnings per share (yen)
	(Millions of yen)	(%)	
Fiscal 2022 ending December 31, 2022	146,500	(4.6)	289.10

(Reference) Profit before tax: FY2022 forecast 205,500 million yen (2.8%)
Adjusted profit attributable to owners of parent: FY2022 forecast 156,500 million yen (1.2%)

<Constant Currency Basis>

	Revenue		Core Operating Profit	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2021 ended December 31, 2021 *1	2,151,671	6.1	206,579	23.1
Fiscal 2022 ending December 31, 2022 (forecast) *2	2,471,963	10.5	242,825	11.4

*1 Foreign currency amounts in 2021 converted to yen at the exchange rate in 2020.

*2 Foreign currency amounts in 2022 converted to yen at the exchange rate in 2021.

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):	
Year ended December 31, 2021	507,003,362 shares
Year ended December 31, 2020	507,003,362 shares
(2) Treasury shares at period-end:	
Year ended December 31, 2021	263,187 shares
Year ended December 31, 2020	287,954 shares
(3) Average number of outstanding shares during the period:	
Year ended December 31, 2021	506,732,965 shares
Year ended December 31, 2020	472,359,740 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.
(Year ended December 31, 2021: 80,482 shares, Year ended December 31, 2020: 110,442 shares)

(Reference)

1. Non-consolidated Financial Results for Fiscal 2021 (From January 1, 2021 to December 31, 2021)

(1) Business performance

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2021 ended December 31, 2021	210,060	9.8	172,598	8.5	165,891	13.7	173,574	17.4
Fiscal 2020 ended December 31, 2020	191,290	(4.8)	159,075	(4.3)	145,848	(10.3)	147,806	(7.6)

	Net income per share (Primary)	Net income per share (Diluted)
	(yen)	(yen)
Fiscal 2021 ended December 31, 2021	342.54	342.51
Fiscal 2020 ended December 31, 2020	312.91	312.87

(2) Financial Condition

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(yen)
Fiscal 2021 ended December 31, 2021	3,045,652	1,229,747	40.4	2,426.78
Fiscal 2020 ended December 31, 2020	3,088,810	1,113,536	36.1	2,197.56

(Reference) Equity: FY2021 1,229,747 millions of yen FY2020 1,113,536 millions of yen

* 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 December 31, 2021)

(Millions of yen)

	As of December 31, 2020	As of December 31, 2021
(Assets)		
Current assets		
Cash and cash equivalents	48,460	52,743
Trade and other receivables	378,924	395,974
Inventories	183,166	200,828
Income tax receivables	24,403	2,232
Other financial assets	4,226	7,119
Other current assets	32,252	34,081
Subtotal	671,434	692,980
Assets held for sale	17,652	7,196
Total current assets	689,086	700,176
Non-current assets		
Property, plant and equipment	810,264	818,398
Goodwill and intangible assets	2,701,985	2,819,634
Investments accounted for using equity method	5,256	6,640
Other financial assets	160,064	126,295
Deferred tax assets	27,596	34,549
Net defined benefit assets	19,278	23,981
Other non-current assets	25,846	18,071
Total non-current assets	3,750,292	3,847,572
Total assets	4,439,378	4,547,748
(Liabilities and Equity)		
(Liabilities)		
Current liabilities		
Trade and other payables	477,098	531,573
Bonds and borrowings	924,760	423,652
Income tax payables	35,683	36,841
Provisions	12,019	13,253
Other financial liabilities	89,519	111,585
Other current liabilities	113,440	125,985
Subtotal	1,652,521	1,242,891
Liabilities directly related to assets held for sale	134	-
Total current liabilities	1,652,655	1,242,891
Non-current liabilities		
Bonds and borrowings	898,867	1,172,551
Net defined benefit liabilities	24,093	24,053
Deferred tax liabilities	205,275	203,579
Other financial liabilities	134,729	139,194
Other non-current liabilities	5,941	6,330
Total non-current liabilities	1,268,906	1,545,709
Total liabilities	2,921,562	2,788,600
(Equity)		
Issued capital	220,044	220,044
Share premium	161,783	161,731
Retained earnings	967,230	1,064,644
Treasury shares	(1,031)	(923)
Other components of equity	168,097	311,607
Total equity attributable to owners of parent	1,516,124	1,757,104
Non-controlling interests	1,691	2,043
Total equity	1,517,816	1,759,148
Total liabilities and equity	4,439,378	4,547,748

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

(From January 1 to December 31, 2020 and 2021)

<Consolidated Income Statements>

(Millions of yen)

	Previous year (From January 1 to December 31)	Current year (From January 1 to December 31)
Revenue	2,027,762	2,236,076
Cost of sales	(1,283,150)	(1,383,195)
Gross Profit	744,612	852,881
Selling, general and administrative expenses	(576,789)	(634,940)
Other operating income	14,870	46,055
Other operating expense	(47,526)	(52,096)
Operating Profit	135,167	211,900
Finance income	7,230	5,754
Finance costs	(14,982)	(18,516)
Share of profit (loss) of investments accounted for using equity method	285	687
Gain (loss) on sales of investments accounted for using equity method	(2,300)	—
Profit before tax	125,399	199,826
Income tax expense	(32,815)	(46,003)
Profit for the period	92,584	153,823
Attributable to:		
Owners of parent	92,826	153,500
Non-controlling interests	(241)	322
Total	92,584	153,823
Basic earnings per share (JPY)	196.52	302.92
Diluted earnings per share (JPY)	196.49	302.89

<Consolidated Statement of Comprehensive Income>

(Millions of yen)

	Previous year (From January 1 to December 31)	Current year (From January 1 to December 31)
Profit for the period	92,584	153,823
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	(22,267)	(8,080)
Remeasurements of defined benefit plans	710	4,607
Items that might be reclassified to profit or loss		
Cash flow hedges	(42,088)	5,071
Costs of hedging	351	172
Translation difference on foreign operations	118,458	139,707
Share of other comprehensive income of entities accounted for using equity method	13	319
Total other comprehensive income	55,178	141,799
Total comprehensive income	147,763	295,622
Total comprehensive income attributable to:		
Owners of parent	148,151	295,255
Non-controlling interests	(388)	366

(3) Condensed Consolidated Statement of Changes in Equity

Fiscal 2020 (from January 1 to December 31, 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	Remeasurements of defined benefit plans	Cash flow hedges
Balance as of January 1, 2020	182,531	119,163	918,523	(77,011)	63,354	—	32,797
Comprehensive income							
Profit			92,826				
Other comprehensive income					(22,267)	668	(42,088)
Total comprehensive income	—	—	92,826	—	(22,267)	668	(42,088)
Transfer to non-financial assets							11,816
Transactions with owners							
Issuance of new shares	37,513	37,513					
Dividends			(46,265)				
Purchase of treasury shares				(309)			
Disposal of treasury shares		5,018		76,289			
Changes through sales of consolidated subsidiaries							
Share-based payment transaction		88					
Transfer from other components of equity to retained earnings			2,151		(1,482)	(668)	
Other increase (decrease)		(0)	(6)				
Total contributions by owners and distribution to owners	37,513	42,620	(44,120)	75,979	(1,482)	(668)	—
Total transactions with owners	37,513	42,620	(44,120)	75,979	(1,482)	(668)	—
Balance as of December 31, 2020	220,044	161,783	967,230	(1,031)	39,605	—	2,526

	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			—	92,826	(241)	92,584
Other comprehensive income	351	118,659	55,325	55,325	(146)	55,178
Total comprehensive income	351	118,659	55,325	148,151	(388)	147,763
Transfer to non-financial assets			11,816	11,816		11,816
Transactions with owners						
Issuance of new shares			—	75,027		75,027
Dividends			—	(46,265)	(23)	(46,289)
Purchase of treasury shares			—	(309)		(309)
Disposal of treasury shares			—	81,307		81,307
Changes through sales of consolidated subsidiaries			—	—	(62)	(62)
Share-based payment transaction			—	88		88
Transfer from other components of equity to retained earnings			(2,151)	—		—
Other increase (decrease)			—	(6)	200	194
Total contributions by owners and distribution to owners	—	—	(2,151)	109,842	114	109,956
Total transactions with owners	—	—	(2,151)	109,842	114	109,956
Balance as of December 31, 2020	(773)	126,739	168,097	1,516,124	1,691	1,517,816

(3) Condensed Consolidated Statement of Changes in Equity

Fiscal 2021 (from January 1 to December 31, 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	Remeasurements of defined benefit plans	Cash flow hedges
Balance as of January 1, 2021	220,044	161,783	967,230	(1,031)	39,605	—	2,526
Comprehensive income							
Profit			153,500				
Other comprehensive income					(8,080)	4,584	5,072
Total comprehensive income	—	—	153,500	—	(8,080)	4,584	5,072
Transfer to non-financial assets							(111)
Transactions with owners							
Issuance of new shares							
Dividends			(54,220)				
Purchase of treasury shares				(26)			
Disposal of treasury shares		0		134			
Changes through sales of consolidated subsidiaries							
Share-based payment transaction		(52)					
Transfer from other components of equity to retained earnings			(1,865)		6,450	(4,584)	
Other increase (decrease)							
Total contributions by owners and distribution to owners	—	(52)	(56,085)	108	6,450	(4,584)	—
Total transactions with owners	—	(52)	(56,085)	108	6,450	(4,584)	—
Balance as of December 31, 2021	220,044	161,731	1,064,644	(923)	37,975	—	7,486

	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			—	153,500	322	153,823
Other comprehensive income	172	140,006	141,755	141,755	43	141,799
Total comprehensive income	172	140,006	141,755	295,255	366	295,622
Transfer to non-financial assets			(111)	(111)		(111)
Transactions with owners						
Issuance of new shares			—	—		—
Dividends			—	(54,220)	(13)	(54,233)
Purchase of treasury shares			—	(26)		(26)
Disposal of treasury shares			—	135		135
Changes through sales of consolidated subsidiaries			—	—		—
Share-based payment transaction			—	(52)		(52)
Transfer from other components of equity to retained earnings			1,865	—		—
Other increase (decrease)			—	—		—
Total contributions by owners and distribution to owners	—	—	1,865	(54,163)	(13)	(54,177)
Total transactions with owners	—	—	1,865	(54,163)	(13)	(54,177)
Balance as of December 31, 2021	(601)	266,746	311,607	1,757,104	2,043	1,759,148

(4) Consolidated Statement of Cash Flows

(From January 1 to December 31, 2020 and 2021)

(Millions of yen)

	Previous year (From January 1 to December 31)	Current year (From January 1 to December 31)
Cash flows from operating activities		
Profit before tax	125,399	199,826
Depreciation and amortization	123,277	134,815
Impairment loss	8,819	13,442
Interest and dividends income	(3,536)	(2,880)
Interest expenses	11,164	12,700
Share of profit (loss) of entities accounted for using equity method	(285)	(687)
Loss (gain) on sales of investments accounted for using equity method	2,300	—
Loss (gain) on sales and retirement of non-current assets	(1,839)	(31,083)
Increase (decrease) in trade and other receivables	48,666	(11,812)
Increase (decrease) in inventories	3,306	(14,566)
Decrease (increase) in trade and other payables	(3,302)	9,598
Decrease (increase) in accrued liquor tax payables	(16,609)	9,106
Increase (decrease) in defined benefit assets and liabilities	1,627	2,084
Other	37,994	75,992
Subtotal	336,982	396,535
Interest and dividends received	4,182	3,116
Interest paid	(10,049)	(11,224)
Income tax paid	(55,256)	(50,615)
Cash flows from operating activities	275,859	337,812
Cash flows from investing activities		
Purchase of property, plant and equipment	(80,775)	(80,803)
Proceeds from sales of property, plant and equipment	12,095	46,321
Purchase of intangible assets	(9,968)	(11,832)
Proceeds from intangible assets	—	18,740
Purchase of investment securities	(10,237)	(464)
Proceeds from sales of investment securities	11,869	30,159
Gain from sales of investments accounted for using equity method	1,552	—
Purchase of subsidiaries and others relating to the change of scope of consolidation	(1,165,974)	(14,762)
Proceeds from sales of subsidiaries and others relating to the change of scope of consolidation	83	396
Other	(2,017)	(2,103)
Cash flows from investing activities	(1,243,372)	(14,348)

(Continued)

(Millions of yen)

	Previous year (From January 1 to December 31)	Current year (From January 1 to December 31)
Cash flows from financing activities		
Decrease (increase) in short-term borrowings	489,155	(440,775)
Repayments of lease obligations	(21,238)	(25,215)
Proceeds from long-term loans payables	—	191,000
Repayment of long-term loans payables	(100,076)	(183,688)
Proceeds from issuance of bonds	607,600	282,048
Redemption of bonds	(125,000)	(88,328)
Proceeds from issuance of shares	75,027	—
Purchase of treasury shares	(309)	(26)
Proceeds from sales of treasury shares	81,307	135
Dividends paid	(46,265)	(54,220)
Proceeds from share issuance to non-controlling interests	201	—
Other	(3,642)	(1,254)
Cash flows from financing activities	956,759	(320,325)
Effect of exchange rate changes on cash and cash equivalents	10,725	1,144
Decrease (increase) in cash and cash equivalents	(29)	4,283
Cash and cash equivalents at the beginning of period	48,489	48,460
Cash and cash equivalents at the end of period	48,460	52,743

(5) Notes to the Condensed Consolidated Financial Statements

(Segment Information)

Fiscal 2020 (January 1 to December 31, 2020)

(Millions of yen)

	Alcohol Beverages	Soft Drinks	Food	Overseas	Other	Total	Adjustments	Consolidated total
Revenue								
To outside customers	721,000	345,345	122,543	792,865	46,007	2,027,762	—	2,027,762
Inter-segment revenue	25,956	8,036	943	90	58,678	93,705	(93,705)	—
Total	746,956	353,381	123,486	792,956	104,685	2,121,467	(93,705)	2,027,762
Segment profit (loss)	72,037	28,901	11,178	52,089	(5,012)	159,194	(24,027)	135,167
Segment assets	612,810	290,872	100,078	3,277,221	37,132	4,318,115	121,263	4,439,378
Others								
Depreciation and amortization	22,636	21,024	4,211	65,300	5,700	118,873	4,403	123,277
Impairment loss	6,253	407	—	—	2,158	8,819	—	8,819
Equity in net income (loss) of affiliates	63	—	(200)	461	0	324	(39)	285
Investments accounted for using equity method	769	—	175	3,601	0	4,546	710	5,256
Payments added to non-current assets (excluding financial instruments and deferred tax assets)	30,188	19,425	5,088	48,351	6,168	109,222	7,353	116,576

Adjustment of segment profit (loss) of -24,027 million yen includes corporate expenses of -24,482 million yen which is not allocated to reporting segment and the elimination of inter-segment transactions, etc. of 454 million yen. The corporate expenses are mainly Group management expenses generated by the Company in its role as a pure holding company. The prices applied to the internal transactions among the segments are equivalent to those for the outside customers.

Adjustment of segment assets of 121,263 million yen includes corporate assets of 144,667 million yen which is not allocated to reporting segment and the elimination of inter-segment transactions (receivables and payables), etc. of -23,404 million yen. The corporate assets are mainly the Company assets in its role as a pure holding company.

Fiscal 2021 (January 1 to December 31, 2021)

(Millions of yen)

	Alcohol Beverages	Soft Drinks	Food	Overseas	Other	Total	Adjustments	Consolidated total
Revenue								
To outside customers	696,867	350,852	125,073	1,017,447	45,835	2,236,076	—	2,236,076
Inter-segment revenue	25,258	6,956	825	138	60,154	93,334	(93,334)	—
Total	722,126	357,809	125,898	1,017,586	105,990	2,329,410	(93,334)	2,236,076
Segment profit (loss)	56,781	64,115	10,493	111,076	106	242,574	(30,673)	211,900
Segment assets	623,922	263,967	99,429	3,436,375	39,977	4,463,672	84,076	4,547,748
Others								
Depreciation and amortization	22,173	20,325	3,797	77,293	6,747	130,338	4,476	134,815
Impairment loss	1,703	—	133	11,413	191	13,442	—	13,442
Equity in net income (loss) of affiliates	80	—	(181)	660	—	558	129	687
Investments accounted for using equity method	1,166	—	84	4,605	—	5,856	783	6,640
Payments added to non-current assets (excluding financial instruments and deferred tax assets)	22,506	15,644	4,587	60,670	7,419	110,828	7,575	118,404

Adjustment of segment profit (loss) of -30,673 million yen includes corporate expenses of -30,649 million yen which is not allocated to reporting segment and the elimination of inter-segment transactions, etc. of -24 million yen. The corporate expenses are mainly Group management expenses generated by the Company in its role as a pure holding company. The prices applied to the internal transactions among the segments are equivalent to those for the outside customers.

Adjustment of segment assets of 84,076 million yen includes corporate assets of 138,594 million yen which is not allocated to reporting segment and the elimination of inter-segment transactions (receivables and payables), etc. of -54,518 million yen. The corporate assets are mainly the Company assets in its role as a pure holding company.