

Asahi Group Holdings, Ltd.



FY2022 Q2 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 August 9, 2022. This translation was made for information only. The Company gives no warranty with respect to its correctness.

Summary Report of Financial Results (Fiscal 2022 Q2)

August 9, 2022

Asahi Group Holdings, Ltd.

Code number: 2502

Shares Listed: Prime Market of Tokyo Stock Exchange

Head Office: Tokyo

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

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US GAAP: Not applicable

1. Overview of Performance (From January 1, 2022 to June 30, 2022)

(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 2022 Q2 ended June 30, 2022	1,151,340	11.4	90,963	1.9	81,406	(25.6)	57,092	(28.1)
Fiscal 2021 Q2 ended June 30, 2021	1,033,595	18.2	89,304	76.6	109,413	152.8	79,421	177.1

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(yen)	(yen)
	Fiscal 2022 Q2 ended June 30, 2022	57,007	(28.1)	335,784	55.7	112.50
Fiscal 2021 Q2 ended June 30, 2021	79,315	175.7	215,664	—	156.53	156.51

(Reference)

· Profit before tax:	FY2022 Q2	78,681 millions of yen (-24.3%)	FY2021 Q2	103,958 millions of yen (165.9%)
· Adjusted profit attributable to owners of parent:	FY2022 Q2	66,273 millions of yen (-16.4%)	FY2021 Q2	79,315 millions of yen (175.7%)
· Constant Currency Basis (Figures calculated by converting foreign currency amounts for the year to yen using the exchange rate of the previous year)				
	FY2022 Q2	Revenue 8.6% YoY	Core Operating Profit	-1.7% YoY

*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.

*Adjusted profit attributable to owners of parent

= Profit attributable to owners of parent - One-off special factors including business portfolio restructuring and impairment loss

(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 2022 Q2 ended June 30, 2022	4,927,007	2,065,878	2,063,692	41.9
Fiscal 2021 ended December 31, 2021	4,547,748	1,759,148	1,757,104	38.6

2. Dividends

	Cash dividend per share				
	Q1	Q2	Q3	Year-end	Total annual
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal 2021 ended December 31, 2021	—	54.00	—	55.00	109.00
Fiscal 2022 ending December 31, 2022	—	55.00			
Fiscal 2022 ending December 31, 2022 (forecast)			—	56.00	111.00

Note: Changes to the latest dividend forecast announced: No

3. Forecast for Fiscal 2022 (From January 1, 2022 to December 31, 2022)

(Percentage figures represent the change from the previous year)

	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					
	(Millions of yen)	(%)	(yen)					
Fiscal 2022 ending December 31, 2022	146,500	(4.6)	289.10					

Notes: 1. Changes to the latest consolidated results forecast announced: No

2. Revisions have been made to the forecast for the fiscal 2022 ending December 31, 2022, revising revenue and core operating profit by segment and the item breakdown below core operating profit. For details, please see the Summary of Statement of Profit or Loss (Supplement 2).

(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 (Figures calculated by converting foreign currency amounts for the year to yen using the exchange rate of the previous year)
FY2022 (Forecast) Revenue 7.3% YoY Core Operating Profit 6.9% YoY

*Adjusted profit attributable to owners of parent

= Profit attributable to owners of parent - One-off special factors including business portfolio restructuring and impairment loss

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):

Q2 ended June 30, 2022	507,003,362 shares
Year ended December 31, 2021	507,003,362 shares

(2) Treasury shares at period-end:

Q2 ended June 30, 2022	319,794 shares
Year ended December 31, 2021	263,187 shares

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

Q2 ended June 30, 2022	506,720,884 shares
Q2 ended June 30, 2021	506,724,318 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.

(Q2 ended June 30, 2022: 135,468 shares, Year ended December 31, 2021: 80,482 shares, Q2 ended June 30, 2021: 80,482 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, 2021 and June 30, 2022)

(Millions of yen)

	As of December 31, 2021	As of June 30, 2022
(Assets)		
Current assets		
Cash and cash equivalents	52,743	50,794
Trade and other receivables	395,974	404,095
Inventories	200,828	241,855
Income tax receivables	2,232	6,464
Other financial assets	7,119	8,781
Other current assets	34,081	42,013
Subtotal	692,980	754,005
Assets held for sale	7,196	8,551
Total current assets	700,176	762,557
Non-current assets		
Property, plant and equipment	818,398	827,995
Goodwill and intangible assets	2,819,634	3,100,572
Investments accounted for using equity method	6,640	7,049
Other financial assets	126,295	138,940
Deferred tax assets	34,549	49,504
Net defined benefit assets	23,981	22,995
Other non-current assets	18,071	17,393
Total non-current assets	3,847,572	4,164,450
Total assets	4,547,748	4,927,007
(Liabilities and Equity)		
(Liabilities)		
Current liabilities		
Trade and other payables	531,573	574,618
Bonds and borrowings	423,652	342,476
Income tax payables	36,841	32,062
Provisions	13,253	14,024
Other financial liabilities	111,585	127,486
Other current liabilities	125,985	132,834
Total current liabilities	1,242,891	1,223,502
Non-current liabilities		
Bonds and borrowings	1,172,551	1,257,470
Net defined benefit liabilities	24,053	24,580
Deferred tax liabilities	203,579	224,752
Other financial liabilities	139,194	124,641
Other non-current liabilities	6,330	6,182
Total non-current liabilities	1,545,709	1,637,627
Total liabilities	2,788,600	2,861,129
(Equity)		
Issued capital	220,044	220,044
Share premium	161,731	161,765
Retained earnings	1,064,644	1,094,378
Treasury shares	(923)	(1,167)
Other components of equity	311,607	588,670
Total equity attributable to owners of parent	1,757,104	2,063,692
Non-controlling interests	2,043	2,186
Total equity	1,759,148	2,065,878
Total liabilities and equity	4,547,748	4,927,007

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

(From January 1 to June 30, 2021 and 2022)

<Consolidated Income Statements>

(Millions of yen)

	Previous year (From January 1 to June 30)	Current year (From January 1 to June 30)
Revenue	1,033,595	1,151,340
Cost of sales	(631,438)	(729,669)
Gross Profit	402,156	421,670
Selling, general and administrative expenses	(312,852)	(330,707)
Other operating income	36,854	11,235
Other operating expense	(16,745)	(20,792)
Operating Profit	109,413	81,406
Finance income	2,776	3,456
Finance costs	(8,365)	(6,403)
Share of profit (loss) of investments accounted for using equity method	133	220
Profit before tax	103,958	78,681
Income tax expense	(24,536)	(21,588)
Profit for the period	79,421	57,092
Attributable to:		
Owners of parent	79,315	57,007
Non-controlling interests	105	85
Total	79,421	57,092
Basic earnings per share (JPY)	156.53	112.50
Diluted earnings per share (JPY)	156.51	112.49

<Consolidated Statement of Comprehensive Income>

(Millions of yen)

	Previous year (From January 1 to June 30)	Current year (From January 1 to June 30)
Profit for the period	79,421	57,092
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	5,339	4,787
Items that might be reclassified to profit or loss		
Cash flow hedges	(440)	656
Costs of hedging	118	(362)
Translation difference on foreign operations	131,048	273,279
Share of other comprehensive income of entities accounted for using equity method	175	330
Total other comprehensive income	136,242	278,691
Total comprehensive income	215,664	335,784
Total comprehensive income attributable to:		
Owners of parent	215,555	335,631
Non-controlling interests	108	152

(3) Condensed Consolidated Statement of Changes in Equity

Previous year (from January 1 to June 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			79,315			
Other comprehensive income					5,339	(440)
Total comprehensive income	—	—	79,315	—	5,339	(440)
Transfer to non-financial assets						2
Transactions with owners						
Dividends			(26,855)			
Purchase of treasury shares				(12)		
Disposal of treasury shares		0		134		
Share-based payment transaction		(83)				
Transfer from other components of equity to retained earnings			1,166		(1,166)	
Other increase (decrease)						
Total contributions by owners and distribution to owners	—	(83)	(25,689)	121	(1,166)	—
Total transactions with owners	—	(83)	(25,689)	121	(1,166)	—
Balance as of June 30, 2021	220,044	161,700	1,020,856	(909)	43,778	2,088

	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			—	79,315	105	79,421
Other comprehensive income	118	131,221	136,240	136,240	2	136,242
Total comprehensive income	118	131,221	136,240	215,555	108	215,664
Transfer to non-financial assets			2	2		2
Transactions with owners						
Dividends			—	(26,855)	(13)	(26,869)
Purchase of treasury shares			—	(12)		(12)
Disposal of treasury shares			—	134		134
Share-based payment transaction			—	(83)		(83)
Transfer from other components of equity to retained earnings			(1,166)	—		—
Other increase (decrease)			—	—		—
Total contributions by owners and distribution to owners	—	—	(1,166)	(26,817)	(13)	(26,831)
Total transactions with owners	—	—	(1,166)	(26,817)	(13)	(26,831)
Balance as of June 30, 2021	(654)	257,961	303,173	1,704,865	1,785	1,706,651

(3) Condensed Consolidated Statement of Changes in Equity

Current year (from January 1 to June 30, 2022)

(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, 2022	220,044	161,731	1,064,644	(923)	37,975	7,486
Comprehensive income						
Profit			57,007			
Other comprehensive income					4,787	667
Total comprehensive income	—	—	57,007	—	4,787	667
Transfer to non-financial assets						(963)
Transactions with owners						
Dividends			(27,870)			
Purchase of treasury shares				(252)		
Disposal of treasury shares		0		8		
Share-based payment transaction		34				
Transfer from other components of equity to retained earnings			598		(598)	
Other increase (decrease)						
Total contributions by owners and distribution to owners	—	34	(27,272)	(244)	(598)	—
Total transactions with owners	—	34	(27,272)	(244)	(598)	—
Balance as of June 30, 2022	220,044	161,765	1,094,378	(1,167)	42,165	7,189

	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, 2022	(601)	266,746	311,607	1,757,104	2,043	1,759,148
Comprehensive income						
Profit			—	57,007	85	57,092
Other comprehensive income	(362)	273,532	278,624	278,624	67	278,691
Total comprehensive income	(362)	273,532	278,624	335,631	152	335,784
Transfer to non-financial assets			(963)	(963)		(963)
Transactions with owners						
Dividends			—	(27,870)	(15)	(27,885)
Purchase of treasury shares			—	(252)		(252)
Disposal of treasury shares			—	8		8
Share-based payment transaction			—	34		34
Transfer from other components of equity to retained earnings			(598)	—		—
Other increase (decrease)			—	—	4	4
Total contributions by owners and distribution to owners	—	—	(598)	(28,079)	(10)	(28,090)
Total transactions with owners	—	—	(598)	(28,079)	(10)	(28,090)
Balance as of June 30, 2022	(963)	540,278	588,670	2,063,692	2,186	2,065,878

(4) Notes to the Condensed Consolidated Financial Statements

(Notes Regarding Going Concern Assumptions)

None