

Asahi Group Holdings, Ltd.



FY2022 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, 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 Q3)

November 10, 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

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

US GAAP: Not applicable

1. Overview of Performance (From January 1, 2022 to September 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 Q3 ended September 30, 2022	1,849,944	14.2	176,867	14.6	163,552	(5.1)	114,615	(8.2)
Fiscal 2021 Q3 ended September 30, 2021	1,620,303	10.1	154,300	22.5	172,268	52.3	124,899	64.2

	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)	(yen)	(yen)
	Fiscal 2022 Q3 ended September 30, 2022	114,468	(8.1)	388,995	88.2	225.91		225.88
Fiscal 2021 Q3 ended September 30, 2021	124,576	63.7	206,700	422.8	245.84		245.82	

(Reference)

• Profit before tax:	FY2022 Q3	155,952 millions of yen (-5.3%)	FY2021 Q3	164,763 millions of yen (55.9%)
• Adjusted profit attributable to owners of parent:	FY2022 Q3	124,755 millions of yen (0.1%)	FY2021 Q3	124,576 millions of yen (63.7%)
• Constant Currency Basis (Figures calculated by converting foreign currency amounts for the year to yen using the exchange rate of the previous year)				
	FY2022 Q3	Revenue 10.3% YoY	Core Operating Profit	9.7% 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 Q3 ended September 30, 2022	4,906,523	2,090,660	2,088,440	42.6
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 (yen)
	(Millions of 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 7).

(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):

Q3 ended September 30, 2022	507,003,362 shares
Year ended December 31, 2021	507,003,362 shares

(2) Treasury shares at period-end:

Q3 ended September 30, 2022	320,810 shares
Year ended December 31, 2021	263,187 shares

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

Q3 ended September 30, 2022	506,708,098 shares
Q3 ended September 30, 2021	506,730,344 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, 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 September 30, 2022)

(Millions of yen)

	As of December 31, 2021	As of September 30, 2022
(Assets)		
Current assets		
Cash and cash equivalents	52,743	44,347
Trade and other receivables	395,974	408,622
Inventories	200,828	241,965
Income tax receivables	2,232	6,109
Other financial assets	7,119	12,095
Other current assets	34,081	37,032
Subtotal	692,980	750,173
Assets held for sale	7,196	9,060
Total current assets	700,176	759,233
Non-current assets		
Property, plant and equipment	818,398	821,677
Goodwill and intangible assets	2,819,634	3,092,981
Investments accounted for using equity method	6,640	7,305
Other financial assets	126,295	133,996
Deferred tax assets	34,549	49,209
Net defined benefit assets	23,981	22,687
Other non-current assets	18,071	19,430
Total non-current assets	3,847,572	4,147,289
Total assets	4,547,748	4,906,523
(Liabilities and Equity)		
(Liabilities)		
Current liabilities		
Trade and other payables	531,573	559,912
Bonds and borrowings	423,652	308,792
Income tax payables	36,841	33,567
Provisions	13,253	13,679
Other financial liabilities	111,585	141,575
Other current liabilities	125,985	141,893
Total current liabilities	1,242,891	1,199,421
Non-current liabilities		
Bonds and borrowings	1,172,551	1,237,653
Net defined benefit liabilities	24,053	24,709
Deferred tax liabilities	203,579	222,805
Other financial liabilities	139,194	125,180
Other non-current liabilities	6,330	6,092
Total non-current liabilities	1,545,709	1,616,441
Total liabilities	2,788,600	2,815,862
(Equity)		
Issued capital	220,044	220,044
Share premium	161,731	161,776
Retained earnings	1,064,644	1,124,055
Treasury shares	(923)	(1,171)
Other components of equity	311,607	583,735
Total equity attributable to owners of parent	1,757,104	2,088,440
Non-controlling interests	2,043	2,219
Total equity	1,759,148	2,090,660
Total liabilities and equity	4,547,748	4,906,523

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

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

<Consolidated Income Statements>

(Millions of yen)

	Previous year (From January 1 to September 30)	Current year (From January 1 to September 30)
Revenue	1,620,303	1,849,944
Cost of sales	(995,418)	(1,169,558)
Gross Profit	624,885	680,386
Selling, general and administrative expenses	(470,584)	(503,519)
Other operating income	42,292	12,059
Other operating expense	(24,325)	(25,374)
Operating Profit	172,268	163,552
Finance income	4,390	4,237
Finance costs	(12,221)	(12,222)
Share of profit (loss) of investments accounted for using equity method	325	385
Profit before tax	164,763	155,952
Income tax expense	(39,864)	(41,336)
Profit for the period	124,899	114,615
Attributable to:		
Owners of parent	124,576	114,468
Non-controlling interests	323	147
Total	124,899	114,615
Basic earnings per share (JPY)	245.84	225.91
Diluted earnings per share (JPY)	245.82	225.88

<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	124,899	114,615
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	8,370	4,570
Items that might be reclassified to profit or loss		
Cash flow hedges	1,281	(429)
Costs of hedging	155	8
Translation difference on foreign operations	71,784	269,879
Share of other comprehensive income of entities accounted for using equity method	209	350
Total other comprehensive income	81,801	274,379
Total comprehensive income	206,700	388,995
Total comprehensive income attributable to:		
Owners of parent	206,405	388,809
Non-controlling interests	295	186

(3) Condensed Consolidated Statement of Changes in Equity

Previous year (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						
Dividends			(54,220)			
Purchase of treasury shares				(18)		
Disposal of treasury shares		0		134		
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						
Dividends			—	(54,220)	(13)	(54,233)
Purchase of treasury shares			—	(18)		(18)
Disposal of treasury shares			—	135		135
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

(3) Condensed Consolidated Statement of Changes in Equity

Current year (from January 1 to September 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			114,468			
Other comprehensive income					4,570	(427)
Total comprehensive income	—	—	114,468	—	4,570	(427)
Transfer to non-financial assets						(1,531)
Transactions with owners						
Dividends			(55,738)			
Purchase of treasury shares				(256)		
Disposal of treasury shares		0		8		
Share-based payment transaction		44				
Transfer from other components of equity to retained earnings			680		(680)	
Other increase (decrease)						
Total contributions by owners and distribution to owners	—	45	(55,057)	(248)	(680)	—
Total transactions with owners	—	45	(55,057)	(248)	(680)	—
Balance as of September 30, 2022	220,044	161,776	1,124,055	(1,171)	41,865	5,527

	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				114,468	147	114,615
Other comprehensive income	8	270,188	274,340	274,340	39	274,379
Total comprehensive income	8	270,188	274,340	388,809	186	388,995
Transfer to non-financial assets			(1,531)	(1,531)		(1,531)
Transactions with owners						
Dividends			—	(55,738)	(15)	(55,753)
Purchase of treasury shares			—	(256)		(256)
Disposal of treasury shares			—	8		8
Share-based payment transaction			—	44		44
Transfer from other components of equity to retained earnings			(680)	—		—
Other increase (decrease)			—	—	4	4
Total contributions by owners and distribution to owners	—	—	(680)	(55,941)	(10)	(55,952)
Total transactions with owners	—	—	(680)	(55,941)	(10)	(55,952)
Balance as of September 30, 2022	(592)	536,935	583,735	2,088,440	2,219	2,090,660

(4) Notes to the Condensed Consolidated Financial Statements

(Notes Regarding Going Concern Assumptions)

None