

Asahi Group Holdings, Ltd.



FY2023 Q1 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 May 12, 2023.

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

Summary Report of Financial Results (Fiscal 2023 Q1)

May 12, 2023

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, 2023 to March 31, 2023)

(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 2023 Q1 ended March 31, 2023	556,335	12.0	32,339	31.0	32,013	254.0	19,981	358.4
Fiscal 2022 Q1 ended March 31, 2022	496,863	8.8	24,687	(12.8)	9,044	(82.7)	4,358	(86.8)

	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 2023 Q1 ended March 31, 2023	19,969	359.4	77,486	(64.5)	39.41		39.41	
Fiscal 2022 Q1 ended March 31, 2022	4,346	(86.9)	218,493	31.5	8.58		8.58	

(Reference)

· Profit before tax:	FY2023 Q1	28,601 millions of yen (279.8%)	FY2022 Q1	7,530 millions of yen (-84.6%)
· Adjusted profit attributable to owners of parent:	FY2023 Q1	19,969 millions of yen (50.0%)	FY2022 Q1	13,308 millions of yen (-59.9%)
· Constant Currency Basis (Figures calculated by converting foreign currency amounts for the year to yen using the exchange rate of the previous year)				
	FY2023 Q1	Revenue 7.9% YoY	Core Operating Profit	24.3% 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 2023 Q1 ended March 31, 2023	4,908,873	2,110,591	2,108,363	43.0
Fiscal 2022 ended December 31, 2022	4,830,344	2,062,945	2,060,734	42.7

2. Dividends

	Cash dividend per share				
	Q1	Q2	Q3	Year-end	Total annual
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal 2022 ended December 31, 2022	—	55.00	—	58.00	113.00
Fiscal 2023 ended December 31, 2023	—				
Fiscal 2023 ending December 31, 2023(forecast)		56.00	—	59.00	115.00

Note: Changes to the latest dividend forecast announced: No

3. Forecast for Fiscal 2023 (From January 1, 2023 to December 31, 2023)

(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 2023 ending December 31, 2023	2,690,000	7.1	245,000	0.5	227,000	4.6	157,500	3.8
	Profit attributable to owners of parent		Basic earnings per share					
	(Millions of yen)	(%)	(yen)					
Fiscal 2023 ending December 31, 2023	157,500	3.9	310.85					

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

(Reference)

- Profit before tax: FY2023 forecast 220,000 million yen (6.8%)
- Adjusted profit attributable to owners of parent: FY2023 forecast 157,500 million yen (-4.8%)
- Constant Currency Basis (Figures calculated by converting foreign currency amounts for the year to yen using the exchange rate of the previous year)
FY2023 (Forecast) Revenue 7.5% YoY Core Operating Profit 1.3% 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):

Q1 ended March 31, 2023	507,003,362 shares
Year ended December 31, 2022	507,003,362 shares
- (2) Treasury shares at period-end:

Q1 ended March 31, 2023	322,817 shares
Year ended December 31, 2022	322,338 shares
- (3) Average number of outstanding shares during the period:

Q1 ended March 31, 2023	506,680,740 shares
Q1 ended March 31, 2022	506,739,867 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.

(Q1 ended March 31, 2023: 135,468 shares, Year ended December 31, 2022: 135,468 shares, Q1 ended March 31, 2022: 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, 2022 and March 31, 2023)

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
(Assets)		
Current assets		
Cash and cash equivalents	37,438	42,480
Trade and other receivables	415,676	388,417
Inventories	234,969	260,326
Income tax receivables	7,354	7,731
Other financial assets	10,028	9,426
Other current assets	32,062	42,997
Total current assets	737,529	751,378
Non-current assets		
Property, plant and equipment	834,721	837,215
Goodwill and intangible assets	3,027,929	3,084,722
Investments accounted for using equity method	6,722	10,099
Other financial assets	125,780	126,420
Deferred tax assets	54,888	56,858
Net defined benefit assets	24,004	23,460
Other non-current assets	18,767	18,716
Total non-current assets	4,092,815	4,157,495
Total assets	4,830,344	4,908,873
(Liabilities and Equity)		
(Liabilities)		
Current liabilities		
Trade and other payables	591,869	540,922
Bonds and borrowings	367,267	470,518
Income tax payables	30,906	21,225
Provisions	14,103	14,327
Other financial liabilities	135,983	91,603
Other current liabilities	125,816	107,785
Total current liabilities	1,265,946	1,246,383
Non-current liabilities		
Bonds and borrowings	1,130,042	1,176,361
Net defined benefit liabilities	20,349	19,034
Deferred tax liabilities	213,494	217,342
Other financial liabilities	131,792	133,311
Other non-current liabilities	5,774	5,849
Total non-current liabilities	1,501,452	1,551,899
Total liabilities	2,767,399	2,798,282
(Equity)		
Issued capital	220,044	220,044
Share premium	161,793	161,816
Retained earnings	1,165,542	1,156,333
Treasury shares	(1,178)	(1,180)
Other components of equity	514,532	571,348
Total equity attributable to owners of parent	2,060,734	2,108,363
Non-controlling interests	2,210	2,228
Total equity	2,062,945	2,110,591
Total liabilities and equity	4,830,344	4,908,873

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

(From January 1 to March 31, 2022 and 2023)

<Consolidated Income Statements>

(Millions of yen)

	Previous year (From January 1 to March 31)	Current year (From January 1 to March 31)
Revenue	496,863	556,335
Cost of sales	(319,066)	(363,997)
Gross Profit	177,797	192,338
Selling, general and administrative expenses	(153,109)	(159,999)
Other operating income	720	2,227
Other operating expense	(16,364)	(2,552)
Operating Profit	9,044	32,013
Finance income	1,914	2,133
Finance costs	(3,514)	(5,541)
Share of profit (loss) of investments accounted for using equity method	86	(4)
Profit before tax	7,530	28,601
Income tax expense	(3,171)	(8,620)
Profit for the period	4,358	19,981
Attributable to:		
Owners of parent	4,346	19,969
Non-controlling interests	12	11
Total	4,358	19,981
Basic earnings per share (JPY)	8.58	39.41
Diluted earnings per share (JPY)	8.58	39.41

<Consolidated Statement of Comprehensive Income>

(Millions of yen)

	Previous year (From January 1 to March 31)	Current year (From January 1 to March 31)
Profit for the period	4,358	19,981
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	1,072	1,438
Items that might be reclassified to profit or loss		
Cash flow hedges	7,022	(1,033)
Costs of hedging	40	(33)
Translation difference on foreign operations	205,815	57,076
Share of other comprehensive income of entities accounted for using equity method	183	56
Total other comprehensive income	214,134	57,505
Total comprehensive income	218,493	77,486
Total comprehensive income attributable to:		
Owners of parent	218,394	77,452
Non-controlling interests	98	34

(3) Condensed Consolidated Statement of Changes in Equity

Previous year (from January 1 to March 31, 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			4,346			
Other comprehensive income					1,072	7,026
Total comprehensive income	—	—	4,346	—	1,072	7,026
Transfer to non-financial assets						(401)
Transactions with owners						
Dividends			(27,870)			
Purchase of treasury shares				(2)		
Disposal of treasury shares		0		0		
Share-based payment transaction		17				
Transfer from other components of equity to retained earnings			499		(499)	
Other increase (decrease)						
Total contributions by owners and distribution to owners	—	17	(27,370)	(1)	(499)	—
Total transactions with owners	—	17	(27,370)	(1)	(499)	—
Balance as of March 31, 2022	220,044	161,748	1,041,620	(925)	38,548	14,112

	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			—	4,346	12	4,358
Other comprehensive income	40	205,907	214,047	214,047	86	214,134
Total comprehensive income	40	205,907	214,047	218,394	98	218,493
Transfer to non-financial assets			(401)	(401)		(401)
Transactions with owners						
Dividends			—	(27,870)	(15)	(27,885)
Purchase of treasury shares			—	(2)		(2)
Disposal of treasury shares			—	0		0
Share-based payment transaction			—	17		17
Transfer from other components of equity to retained earnings			(499)	—		—
Other increase (decrease)			—	—		—
Total contributions by owners and distribution to owners	—	—	(499)	(27,855)	(15)	(27,870)
Total transactions with owners	—	—	(499)	(27,855)	(15)	(27,870)
Balance as of March 31, 2022	(560)	472,654	524,754	1,947,242	2,127	1,949,370

Current year (from January 1 to March 31, 2023)

(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, 2023	220,044	161,793	1,165,542	(1,178)	35,667	2,577
Comprehensive income						
Profit			19,969			
Other comprehensive income					1,438	(1,043)
Total comprehensive income	—	—	19,969	—	1,438	(1,043)
Transfer to non-financial assets						(457)
Transactions with owners						
Dividends			(29,387)			
Purchase of treasury shares				(2)		
Disposal of treasury shares		0		0		
Share-based payment transaction		23				
Transfer from other components of equity to retained earnings			208		(208)	
Other increase (decrease)						
Total contributions by owners and distribution to owners	—	23	(29,178)	(2)	(208)	—
Total transactions with owners	—	23	(29,178)	(2)	(208)	—
Balance as of March 31, 2023	220,044	161,816	1,156,333	(1,180)	36,896	1,077

	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, 2023	(478)	476,765	514,532	2,060,734	2,210	2,062,945
Comprehensive income						
Profit			—	19,969	11	19,981
Other comprehensive income	(33)	57,120	57,482	57,482	22	57,505
Total comprehensive income	(33)	57,120	57,482	77,452	34	77,486
Transfer to non-financial assets			(457)	(457)		(457)
Transactions with owners						
Dividends			—	(29,387)	(16)	(29,404)
Purchase of treasury shares			—	(2)		(2)
Disposal of treasury shares			—	0		0
Share-based payment transaction			—	23		23
Transfer from other components of equity to retained earnings			(208)	—		—
Other increase (decrease)			—	—	0	0
Total contributions by owners and distribution to owners	—	—	(208)	(29,366)	(16)	(29,382)
Total transactions with owners	—	—	(208)	(29,366)	(16)	(29,382)
Balance as of March 31, 2023	(511)	533,885	571,348	2,108,363	2,228	2,110,591

(4) Notes to the Condensed Consolidated Financial Statements

(Notes Regarding Going Concern Assumptions)

None