

Asahi Group Holdings, Ltd.



FY2023 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 13, 2024.

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

Summary Report of Financial Results (Fiscal 2023)

February 13, 2024.

Asahi Group Holdings, Ltd.

Code number: 2502

Shares Listed: Prime Market of Tokyo Stock Exchange

Head Office: Tokyo

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US GAAP: Not applicable

1. Overview of Performance (From January 1, 2023 to December 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 ended December 31, 2023	2,769,091	10.3	263,680	8.1	244,999	12.9	166,031	9.4
Fiscal 2022 ended December 31, 2022	2,511,108	12.3	243,817	11.9	217,048	2.4	151,717	(1.4)

	Profit attributable to owners of parent		Total comprehensive income	
	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2023 ended December 31, 2023	164,073	8.3	460,504	27.3
Fiscal 2022 ended December 31, 2022	151,555	(1.3)	361,781	22.4

	Basic earnings per share	Diluted earnings per share	ROE	ROA	Operating profit margin
	(yen)	(yen)	(%)	(%)	(%)
Fiscal 2023 ended December 31, 2023	323.82	323.77	7.3	4.8	8.8
Fiscal 2022 ended December 31, 2022	299.10	299.06	7.9	4.4	8.6

(Reference)

Share of profit (loss) of entities accounted for using equity method	FY2023	875 millions of yen	FY2022	667 millions of yen
Core Operating Profit margin:	FY2023	9.5%	FY2022	9.7%
Profit before tax:	FY2023	241,871 millions of yen (17.4%)	FY2022	205,992 millions of yen (3.1%)
Adjusted profit attributable to owners of parent:	FY2023	165,632 millions of yen (0.1%)	FY2022	165,430 millions of yen (7.0%)
· Constant Currency Basis (Figures calculated by converting foreign currency amounts for the year to yen using the exchange rate of the previous year)	FY2023	Revenue 6.8% YoY	Core Operating Profit	3.9% 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.

(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 2023 ended December 31, 2023	5,285,913	2,465,781	2,460,548	46.5	4,856.22
Fiscal 2022 ended December 31, 2022	4,830,344	2,062,945	2,060,734	42.7	4,067.12

(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 2023 ended December 31, 2023	347,547	(117,713)	(226,746)	59,945
Fiscal 2022 ended December 31, 2022	265,991	(69,186)	(219,556)	37,438

2. Dividends

	Cash dividend per share					Total dividends	Payout Ratio	Dividends on equity attributable to owners of the company ratio (consolidated)
	Q1	Q2	Q3	Year-end	Total annual	(annual)	(Consolidated)	
	(yen)	(yen)	(yen)	(yen)	(yen)	(Millions of yen)	(%)	(%)
Fiscal 2022 ended December 31, 2022	-	55.00	-	58.00	113.00	57,270	37.8	3.0
Fiscal 2023 ended December 31, 2023	-	56.00	-	65.00	121.00	61,324	37.4	2.7
Fiscal 2024 ending December 31, 2024 (forecast)	-	66.00	-	66.00	132.00		35.1	

3. Forecast for Fiscal 2024 (January 1, 2024 to December 31, 2024)

	Revenue		Core Operating Profit		Operating profit		Profit	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal 2024 ending December 31, 2024	2,840,000	2.6	271,000	2.8	273,000	11.4	191,500	15.3

	Profit attributable to owners of parent		Basic earnings per share
	(Millions of yen)	(%)	(yen)
Fiscal 2024 ending December 31, 2024	190,500	16.1	375.98

(Reference)

- Profit before tax: FY2024 forecast 266,500 million yen (10.2%)
- Adjusted profit attributable to owners of parent: FY2024 forecast 176,000 million yen (6.3%)
- Constant Currency Basis (Figures calculated by converting foreign currency amounts for the year to yen using the exchange rate of the previous year)
FY2024 (Forecast) Revenue 3.6% YoY Core Operating Profit 4.2% 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: Yes
- (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, 2023	507,003,362 shares
Year ended December 31, 2022	507,003,362 shares
- (2) Treasury shares at period-end:

Year ended December 31, 2023	324,103 shares
Year ended December 31, 2022	322,338 shares
- (3) Average number of outstanding shares during the period:

Year ended December 31, 2023	506,680,848 shares
Year ended December 31, 2022	506,701,382 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, 2023: 132,505 shares, Year ended December 31, 2022: 135,468 shares)

4. Consolidated Financial Statements (Unaudited)
(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of December 31, 2022	As of December 31, 2023
(Assets)		
Current assets		
Cash and cash equivalents	37,438	59,945
Trade and other receivables	415,676	465,633
Inventories	234,969	267,317
Income tax receivables	7,354	2,930
Other financial assets	10,028	10,469
Other current assets	32,062	40,655
Total current assets	737,529	846,953
Non-current assets		
Property, plant and equipment	834,721	888,070
Goodwill and intangible assets	3,027,929	3,283,948
Investments accounted for using equity method	6,722	11,081
Other financial assets	125,780	151,168
Deferred tax assets	54,888	48,544
Net defined benefit assets	24,004	36,515
Other non-current assets	18,767	19,629
Total non-current assets	4,092,815	4,438,960
Total assets	4,830,344	5,285,913
(Liabilities and Equity)		
(Liabilities)		
Current liabilities		
Trade and other payables	591,869	714,781
Bonds and borrowings	367,267	389,848
Income tax payables	30,906	26,263
Provisions	14,103	17,429
Other financial liabilities	135,983	113,642
Other current liabilities	125,816	134,984
Total current liabilities	1,265,946	1,396,950
Non-current liabilities		
Bonds and borrowings	1,130,042	1,020,950
Net defined benefit liabilities	20,349	17,242
Deferred tax liabilities	213,494	233,190
Other financial liabilities	131,792	143,156
Other non-current liabilities	5,774	8,642
Total non-current liabilities	1,501,452	1,423,181
Total liabilities	2,767,399	2,820,131
(Equity)		
Issued capital	220,044	220,044
Share premium	161,793	161,867
Retained earnings	1,165,542	1,282,432
Treasury shares	(1,178)	(1,190)
Other components of equity	514,532	797,393
Total equity attributable to owners of parent	2,060,734	2,460,548
Non-controlling interests	2,210	5,233
Total equity	2,062,945	2,465,781
Total liabilities and equity	4,830,344	5,285,913

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

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

<Consolidated Income Statements>

(Millions of yen)

	Previous year (From January 1 to December 31)	Current year (From January 1 to December 31)
Revenue	2,511,108	2,769,091
Cost of sales	(1,589,272)	(1,770,157)
Gross Profit	921,835	998,933
Selling, general and administrative expenses	(678,018)	(735,252)
Other operating income	16,850	8,300
Other operating expense	(43,619)	(26,981)
Operating Profit	217,048	244,999
Finance income	5,498	14,118
Finance costs	(17,221)	(18,121)
Share of profit (loss) of investments accounted for using equity method	667	875
Profit before tax	205,992	241,871
Income tax expense	(54,275)	(75,840)
Profit for the period	151,717	166,031
Attributable to:		
Owners of parent	151,555	164,073
Non-controlling interests	162	1,957
Total	151,717	166,031
Basic earnings per share (JPY)	299.10	323.82
Diluted earnings per share (JPY)	299.06	323.77

<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	151,717	166,031
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	(991)	13,370
Remeasurements of defined benefit plans	3,776	10,599
Items that might be reclassified to profit or loss		
Cash flow hedges	(2,865)	(1,599)
Costs of hedging	122	53
Translation difference on foreign operations	209,867	271,916
Share of other comprehensive income of entities accounted for using equity method	155	133
Total other comprehensive income	210,063	294,473
Total comprehensive income	361,781	460,504
Total comprehensive income attributable to:		
Owners of parent	361,604	458,266
Non-controlling interests	177	2,238

(3) Condensed Consolidated Statement of Changes in Equity

Fiscal 2022 (from January 1 to December 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	Remeasurements of defined benefit plans	Cash flow hedges
Balance as of January 1, 2022	220,044	161,731	1,064,644	(923)	37,975	—	7,486
Comprehensive income							
Profit			151,555				
Other comprehensive income					(991)	3,765	(2,866)
Total comprehensive income	—	—	151,555	—	(991)	3,765	(2,866)
Transfer to non-financial assets							(2,042)
Transactions with owners							
Dividends			(55,738)				
Purchase of treasury shares				(263)			
Disposal of treasury shares		0		8			
Share-based payment transaction		61					
Transfer from other components of equity to retained earnings			5,081		(1,316)	(3,765)	
Other increase (decrease)							
Total contributions by owners and distribution to owners	—	62	(50,657)	(255)	(1,316)	(3,765)	—
Total transactions with owners	—	62	(50,657)	(255)	(1,316)	(3,765)	—
Balance as of December 31, 2022	220,044	161,793	1,165,542	(1,178)	35,667	—	2,577

	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			—	151,555	162	151,717
Other comprehensive income	122	210,019	210,048	210,048	15	210,063
Total comprehensive income	122	210,019	210,048	361,604	177	361,781
Transfer to non-financial assets			(2,042)	(2,042)		(2,042)
Transactions with owners						
Dividends			—	(55,738)	(15)	(55,753)
Purchase of treasury shares			—	(263)		(263)
Disposal of treasury shares			—	8		8
Share-based payment transaction			—	61		61
Transfer from other components of equity to retained earnings			(5,081)	—		—
Other increase (decrease)			—		4	4
Total contributions by owners and distribution to owners	—	—	(5,081)	(55,931)	(10)	(55,941)
Total transactions with owners	—	—	(5,081)	(55,931)	(10)	(55,941)
Balance as of December 31, 2022	(478)	476,765	514,532	2,060,734	2,210	2,062,945

Current year (from January 1 to December 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	Remeasurements of defined benefit plans	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			164,073				
Other comprehensive income					13,370	10,626	(1,600)
Total comprehensive income	—	—	164,073	—	13,370	10,626	(1,600)
Transfer to non-financial assets							(752)
Transactions with owners							
Dividends			(57,762)				
Purchase of treasury shares				(25)			
Disposal of treasury shares		0		13			
Changes through business combinations							
Share-based payment transaction		74					
Transfer from other components of equity to retained earnings			10,578		48	(10,626)	
Other increase (decrease)							
Total contributions by owners and distribution to owners	—	74	(47,183)	(12)	48	(10,626)	—
Total transactions with owners	—	74	(47,183)	(12)	48	(10,626)	—
Balance as of December 31, 2023	220,044	161,867	1,282,432	(1,190)	49,086	—	224

	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			—	164,073	1,957	166,031
Other comprehensive income	53	271,742	294,192	294,192	281	294,473
Total comprehensive income	53	271,742	294,192	458,266	2,238	460,504
Transfer to non-financial assets			(752)	(752)		(752)
Transactions with owners						
Dividends			—	(57,762)	(16)	(57,779)
Purchase of treasury shares			—	(25)		(25)
Disposal of treasury shares			—	13		13
Changes through business combinations			—	—	800	800
Share-based payment transaction			—	74		74
Transfer from other components of equity to retained earnings			(10,578)	—		—
Other increase (decrease)			—	—	0	0
Total contributions by owners and distribution to owners	—	—	(10,578)	(57,700)	784	(56,916)
Total transactions with owners	—	—	(10,578)	(57,700)	784	(56,916)
Balance as of December 31, 2023	(425)	748,508	797,393	2,460,548	5,233	2,465,781

(4) Consolidated Statement of Cash Flows

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

(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	205,992	241,871
Depreciation and amortization	140,419	147,992
Impairment loss	18,490	2,183
Interest and dividends income	(2,656)	(7,450)
Interest expenses	12,306	14,269
Share of profit (gain) of entities accounted for using equity method	(667)	(875)
Loss (gain) on sales and retirement of non-current assets	(9,540)	3,564
Increase (increase) in trade and other receivables	(826)	(23,608)
Increase (increase) in inventories	(27,957)	(24,447)
Decrease (decrease) in trade and other payables	25,737	32,898
Decrease (decrease) in accrued liquor tax payables	(4,062)	2,984
Increase (decrease) in defined benefit assets and liabilities	1,441	1,073
Other	3,369	36,027
Subtotal	362,049	426,484
Interest and dividends received	3,344	7,624
Interest paid	(10,839)	(12,646)
Income tax paid	(88,562)	(73,914)
Cash flows from operating activities	265,991	347,547

(Continued)

(Millions of yen)

	Previous year (From January 1 to December 31)	Current year (From January 1 to December 31)
Cash flows from investing activities		
Purchase of property, plant and equipment	(83,049)	(89,580)
Proceeds from sales of property, plant and equipment	25,109	11,710
Purchase of intangible assets	(16,796)	(20,248)
Proceeds from intangible assets	868	—
Purchase of investment securities	(552)	(1,292)
Proceeds from sales of investment securities	8,483	3,387
Gain from sales of investments accounted for using equity method	676	—
Purchase of subsidiaries and others relating to the change of scope of consolidation	(2,661)	(3,551)
Payments for contingent consideration	(2,357)	(18,574)
Other	1,091	434
Cash flows from investing activities	(69,186)	(117,713)
Cash flows from financing activities		
Decrease (decrease) in short-term borrowings	(8,527)	(200,705)
Repayments of lease obligations	(23,307)	(24,555)
Proceeds from long-term loans payables	—	50,000
Repayment of long-term loans payables	(51,460)	(43,062)
Proceeds from issuance of bonds	60,000	150,000
Redemption of bonds	(140,000)	(100,000)
Purchase of treasury shares	(263)	(25)
Dividends paid	(55,738)	(57,761)
Other	(258)	(635)
Cash flows from financing activities	(219,556)	(226,746)
Effect of exchange rate changes on cash and cash equivalents	7,447	20,004
Decrease (decrease) in cash and cash equivalents	(15,304)	23,093
Cash and cash equivalents at the beginning of period	52,743	37,438
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	(586)
Cash and cash equivalents at the end of period	37,438	59,945

(5) Notes to the Condensed Consolidated Financial Statements

(Segment Information)

Fiscal 2022 (January 1 to December 31, 2022)

(Millions of yen)

	Japan	Europe	Oceania	Southeast Asia	Other	Total	Adjustments	Consolidated total
Revenue								
To outside customers	1,297,197	572,662	580,845	51,639	8,764	2,511,108	–	2,511,108
Inter-segment revenue	4,534	1,213	2,321	40	–	8,110	(8,110)	–
Total	1,301,731	573,875	583,167	51,680	8,764	2,519,219	(8,110)	2,511,108
Segment profit (loss)	96,417	55,163	80,177	633	1,257	233,647	(16,599)	217,048
Segment assets	997,249	1,798,105	1,918,822	45,472	9,025	4,768,675	61,669	4,830,344
Others								
Depreciation and amortization	54,175	49,184	32,580	2,128	596	138,665	1,754	140,419
Impairment loss	18,304	–	–	185	–	18,490	–	18,490
Equity in net income (loss) of affiliates	171	467	28	–	–	667	–	667
Investments accounted for using equity method	2,217	3,455	1,051	–	–	6,724	(1)	6,722
Payments added to non-current assets (excluding financial instruments and deferred tax assets)	55,429	56,422	24,195	931	204	137,183	1,281	138,465

Adjustment of segment profit (loss) of -16,599 million yen includes corporate expenses of -17,505 million yen which is not allocated to reporting segment and the elimination of inter-segment transactions, etc. of 905 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 61,669 million yen includes corporate assets of 86,216 million yen which is not allocated to reporting segment and the elimination of inter-segment transactions (receivables and payables), etc. of -24,547 million yen. The corporate assets are mainly the Company assets in its role as a pure holding company.

Fiscal 2023 (January 1 to December 31, 2023)

(Millions of yen)

	Japan	Europe	Oceania	Southeast Asia	Other	Total	Adjustments	Consolidated total
Revenue								
To outside customers	1,353,194	687,637	649,513	57,204	21,542	2,769,091	–	2,769,091
Inter-segment revenue	9,656	1,088	2,641	602	–	13,988	(13,988)	–
Total	1,362,850	688,725	652,154	57,806	21,542	2,783,080	(13,988)	2,769,091
Segment profit (loss)	111,266	59,437	89,673	1,009	5,174	266,561	(21,562)	244,999
Segment assets	1,025,461	2,006,197	2,084,718	54,872	15,226	5,186,476	99,436	5,285,913
Others								
Depreciation and amortization	52,278	58,616	32,923	1,850	481	146,150	1,841	147,992
Impairment loss	1,492	–	–	691	–	2,183	–	2,183
Equity in net income (loss) of affiliates	427	446	1	–	–	875	–	875
Investments accounted for using equity method	5,910	3,632	1,541	–	–	11,083	(1)	11,081
Payments added to non-current assets (excluding financial instruments and deferred tax assets)	61,401	65,166	19,501	510	895	147,475	1,814	149,290

Adjustment of segment profit (loss) of -21,562 million yen includes corporate expenses of -21,732 million yen which is not allocated to reporting segment and the elimination of inter-segment transactions, etc. of 169 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 99,436 million yen includes corporate assets of 119,822 million yen which is not allocated to reporting segment and the elimination of inter-segment transactions (receivables and payables), etc. of -20,385 million yen. The corporate assets are mainly the Company assets in its role as a pure holding company.