Financial Results for Q2
Year Ending December 31, 2024

August 8, 2024
Suntory Beverage & Food Limited

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Overview of First Half FY2024

Makiko Ono, President & Chief Executive Officer

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Financial Results for Q2 YTD FY2024 (IFRS)

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(JPY BN)

	FY2024 Jan-Jun	Change			
		Incl. currency effect		Currency neutral	
		YoY	%YoY	YoY	%YoY
Revenue	817.4	68.2	9.1%	23.1	2.9%
Operating Income	80.9	12.1	17.6%	5.9	7.8%
Extraordinary Items	-1.3	0.3	—	0.5	—
Operating Income (Organic basis*1)	82.2	11.8	16.7%	5.4	7.1%
Net Income*2	46.5	8.1	21.2%	4.6	11.0%

*1 Extraordinary factors and profit/loss impact from transferred business deducted from operating income
*2 Profit attributable to owners of the Company

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Financial Results for Q2 YTD FY2024 (IFRS)

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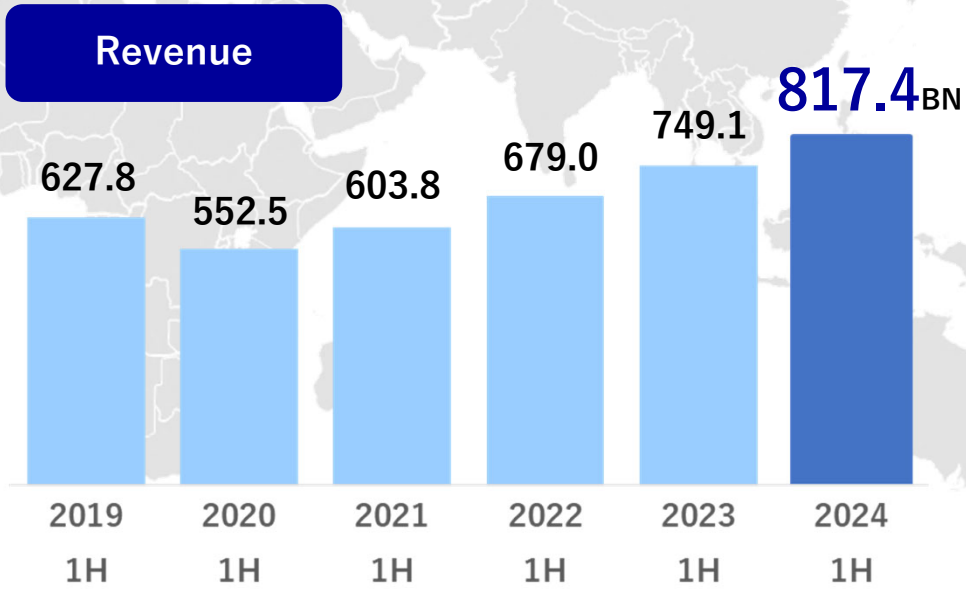
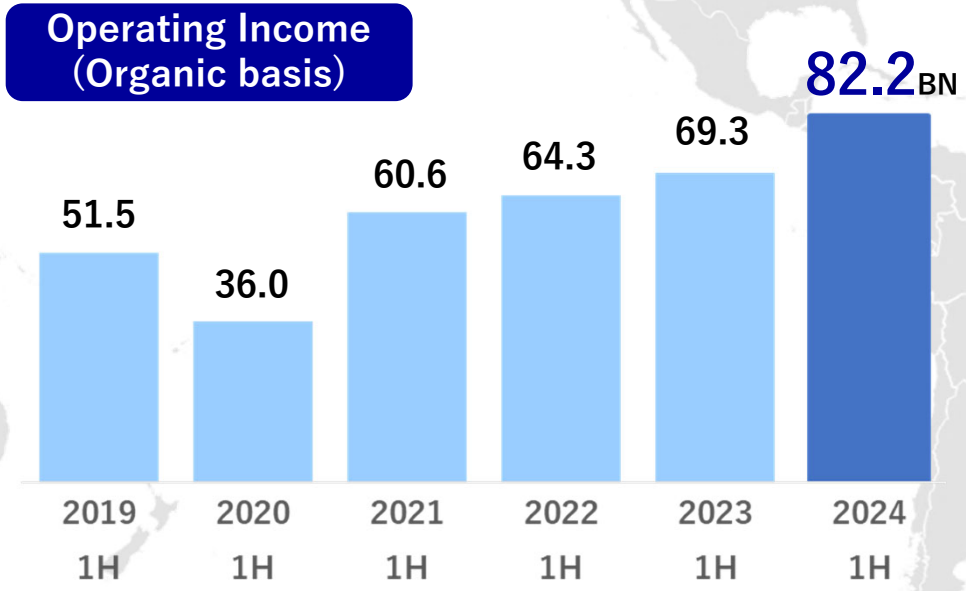
Both revenue and operating income (organic basis) exceeded expectations, despite the continued challenging business environment.





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Strategic Theme – Brand Strategy

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Continued focused activities for core brands

Japan

Suntory Tennensui



1H Sales volume YoY: **103%**

Iyemon



1H Sales volume YoY: **99%**

Thailand

BRAND'S Essence of Chicken



1H Sales volume YoY: **109%**

Australia

V



1H Sales volume YoY: **103%**

France

Oasis



1H Sales volume YoY: **104%**

Portfolio expansion

UK

CELSIUS



-196



(source) Sales volume YoY: Japan on actual number of cases

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CAPEX and business portfolio expansion for future growth

Capacity expansion for future growth

Japan



May 2024

Kita Alps Shinano-no-Mori: added a new line

Spring 2026 (scheduled)

Takasago: Add a new line
and an automated warehouse

APAC



October 2025 (scheduled)

Vietnam: A new plant

Thailand: Add new lines

Business portfolio expansion

APAC



A new plant in Australia

2H 2024 Start beverage production

1H 2025 (scheduled) Start RTD production





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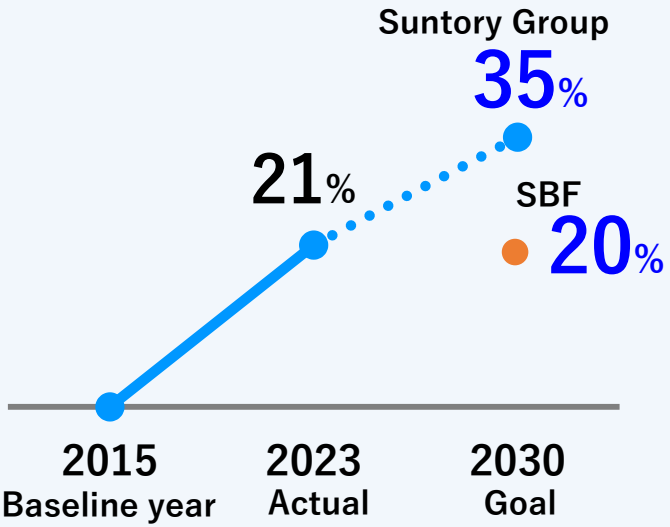
Activities in full swing to achieve 2030 goals

Water

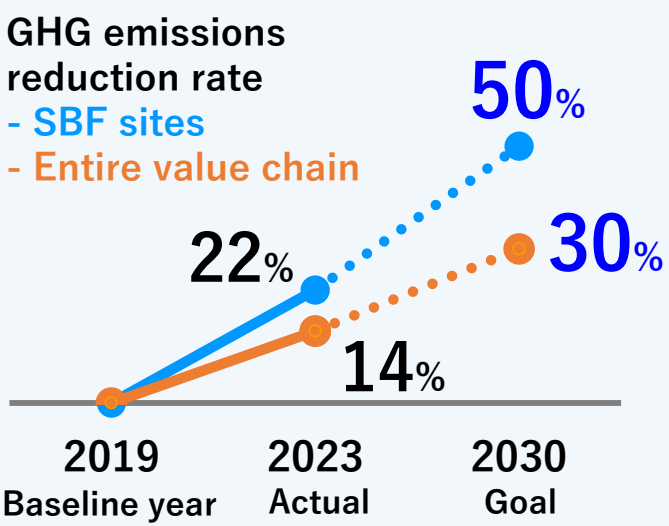
35% reduction[*1] **of water consumption at the SBF plants worldwide**



Greenhouse Gasses

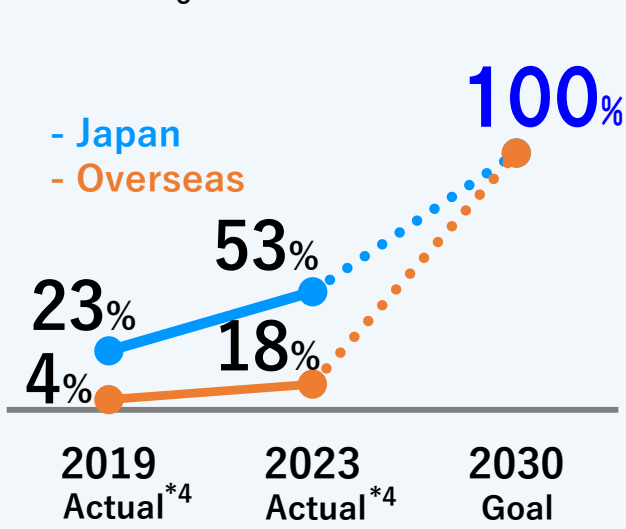
50% reduction[*2] **at the SBF sites**

30% reduction[*2] **in entire value chain**



Plastics

100% replacement of PET bottles to sustainable bottles globally[*3]



*1 The goal of the Suntory Group (SBF's goal is 20% reduction). Baseline year: 2015
*2 Common goal for the Suntory Group and SBF. Baseline year: 2019
*3 PET bottles using recycled or plant-based materials 100%
*4 Ratio of sustainable (recycled or plant-based) materials used (by weight)

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Medium-term Management Plan (2024-2026)

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Aim to achieve high-quality growth as a true global beverage company

Organic growth

Revenue	Operating income	Operating income margin	Free cash flow (*2)
CAGR Mid-single digit (*1)	CAGR High-single digit (*1)	10%+ by 2026	¥140BN+ in 2026

Growth investment

¥300-600BN

M&A / Strategic CAPEX (incl. sustainable investment) / global expansion of strategic brands

Dividend policy

Target payout ratio of 40% or higher from FY2024 onwards (*3)

(*1) Baseline year: 2023. Currency neutral basis.
(*2) Free cash flow = cash flows from operating activities – cash flows from investment activities
(*3) Approximate consolidated dividend payout ratio as a percentage of net income attributable to owners of the Company

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Toward 2H FY2024

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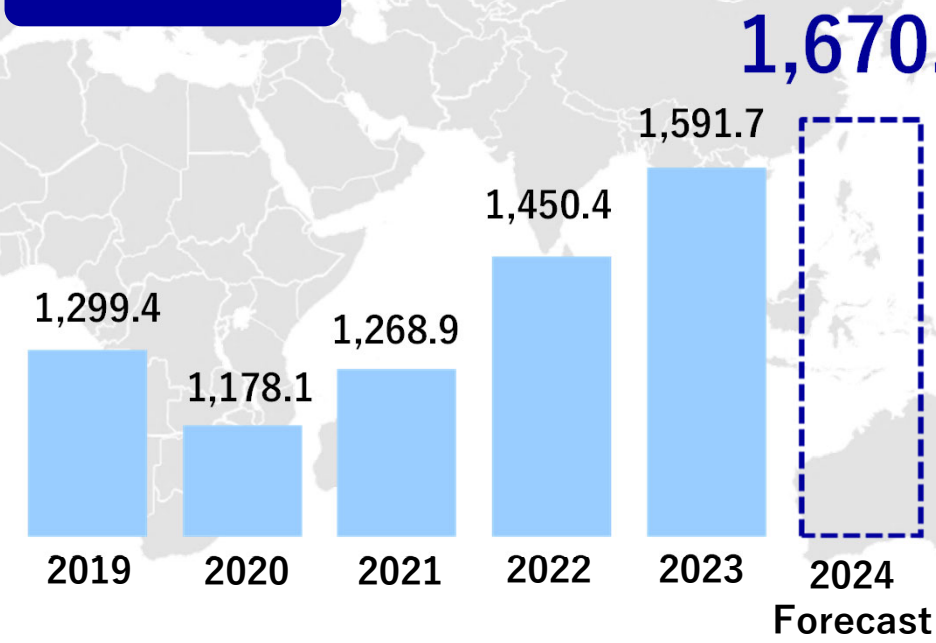
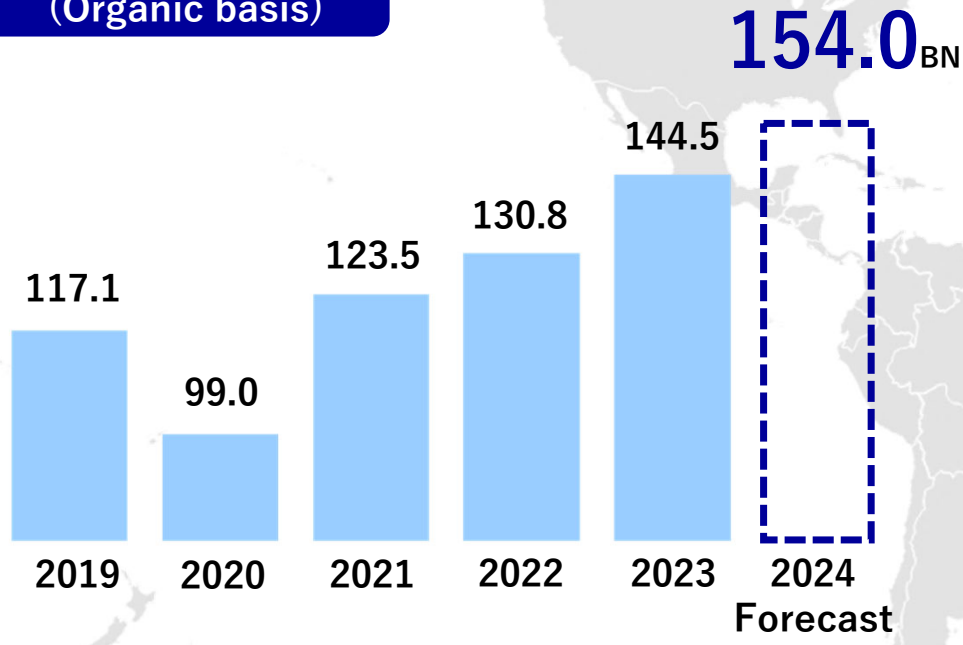
Aim to achieve and exceed the forecast set at the beginning of the year by continuing to increase revenue and profit, while assuming that the competitive environment will remain fierce.

Revenue



Operating Income (Organic basis)



Organic basis = Revenue from transferred business deducted from revenue. Extraordinary factors and profit/loss impact from transferred business deducted from segment profit.

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Supplementary Explanation

Noriaki Otsuka, Managing Executive Officer

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Financial Results for Q2 YTD FY2024 (IFRS, by Segment) – Organic basis

(JPY BN)

		Change			
		Incl. currency effect		Currency neutral	
Revenue		YoY	%YoY	YoY	%YoY
Japan	343.4	15.2	4.6%	—	—
APAC	201.1	23.9	13.5%	10.9	5.7%
Europe	182.5	18.1	11.0%	-4.1	-2.2%
Americas	89.1	15.3	20.7%	5.8	6.9%
Total	816.2	67.0	8.9%	27.7	3.5%
Segment Profit					
Japan	22.5	5.5	32.3%	—	—
APAC	28.2	4.4	18.5%	2.8	11.1%
Europe	28.2	1.7	6.3%	-2.1	-6.9%
Americas	11.0	1.6	17.2%	0.4	3.8%
Reconsiliation	-7.8	-1.4		-1.2	
Total	82.2	11.8	16.7%	5.4	7.1%

Organic basis: Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business.

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Financial Results for Q2 YTD FY2024 (IFRS) – Organic basis

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(JPY BN)

Revenue	%YoY		Segment Profit	%YoY	
	Incl. currency effect	Currency neutral		Incl. currency effect	Currency neutral
343.4 BN	4.6%	–	22.5 BN	32.3%	–

- Beverage market sales volume estimated at 100%. SBF Japan marked 100% YoY.
  Among brands, *Suntory Tennensui* performed well.
  Tokucha also performed well, continuing the steady trend seen in Q1.
- Revenue was 105% YoY, outpacing sales volume growth.
  Revenue increased due to prioritized activities for brands and each channel, as well as mix improvement and the effect of price revisions.
- Segment profit increased due to revenue growth and strict cost management.



Organic basis: Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business.

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APAC

Financial Results for Q2 YTD FY2024 (IFRS) – Organic basis

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(JPY BN)

Revenue	%YoY		Segment Profit	%YoY	
	Incl. currency effect	Currency neutral		Incl. currency effect	Currency neutral
201.1 BN	13.5%	5.7%	28.2 BN	18.5%	11.1%

	Revenue	%YoY		
		Incl. currency effect	Currency neutral	
Beverage (Vietnam)	80.5 BN	10.4%	3.9%	Sales trend recovered through focused activities for core brands.
Beverage (Thailand)	55.3	18.5%	11.1%	Demand trended steadily. *PEPSI* brand and *TEA+* grew sales volume.
Health Supplement (*)	18.3	20.6%	13.1%	Continued sales trend recovery for *BRAND'S Essence of Chicken* and *BRAND'S Bird's Nest*.
Beverage (Oceania)	35.8	12.8%	2.5%	Continued focused activities for *V* in energy category amid intensifying competition.



(*) Health Supplement results consist of Thailand and Indochina Peninsula
Organic basis: Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business.

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Health Supplement Business

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Health supplement market demand is on a gradual recovery. Increased promotions contributed to our sales trend recovery. Aiming to accelerate growth through further marketing investment.

BRAND'S Essence of Chicken



1H(Jan-Jun)
Volume YoY
109%(*1)

Increased promotions
- Benefit claim (Carnosine)(*2)
- Marketing to younger audiences (BRAIN CAMP)



BRAND'S Bird's Nest



1H(Jan-Jun)
Volume YoY
141%(*1)

Increased promotions
- Gift appeal
- Inbound appeal



(*1) Thailand alone (*2) A type of ingredient said to be effective in stimulating the brain

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Europe Financial Results for Q2 YTD FY2024 (IFRS) – Organic basis

(JPY BN)

Revenue	%YoY		Segment Profit	%YoY	
	Incl. currency effect	Currency neutral		Incl. currency effect	Currency neutral
182.5 BN	11.0%	-2.2%	28.2 BN	6.3%	-6.9%

	Revenue	%YoY		
		Incl. currency effect	Currency neutral	
France	69.5 BN	12.0%	-0.8%	Thorough focused activities for core brands amid challenging competitive environment. *Oasis* grew.
UK (*1)	50.3	5.7%	-8.6%	Continued focused activities for *Lucozade* amid the impact of lower capacity utilization.
Spain (*2)	32.7	12.2%	-0.6%	Continued focused activities for *Schweppes*.



(*1) UK and Ireland (*2) Spain and Portugal

Organic basis: Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business.

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Europe Overview

Revenue growth rate

(%YoY, currency neutral basis)

	2023 Oct-Dec	2024 Jan-Mar	2024 Apr-Jun
Europe (*1)	4%	0%	-4%
France	0%	2%	-3%
UK (*2)	6%	-2%	-14%
Spain (*3)	5%	-4%	2%

(*1) Revenue growth rate on an organic basis
(*2) UK and Ireland
(*3) Spain and Portugal

Current status and actions in 2H and beyond

Current status

Declining demand, intensifying competition, PB acceleration and unfavorable weather conditions

France: Intensifying competition, PB acceleration

UK: Supply chain affected by lower capacity utilization

Spain: Declining demand in on-premise channel, intensifying competition

Actions in 2H and beyond

Focus on core brands and portfolio expansion (energy/RTD)

France: Portfolio expansion (energy: *CELSIUS*)

UK: Supply chain rebuilding
Portfolio expansion (energy: *CELSIUS*)
(new category: *-196*)

Spain: Expansion of drinking occasions
Promotion of the range of flavors

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Financial Results for Q2 YTD FY2024 (IFRS) – Organic basis

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(JPY BN)

Revenue	%YoY		Segment Profit	%YoY	
	Incl. currency effect	Currency neutral		Incl. currency effect	Currency neutral
89.1 BN	20.7%	6.9%	11.0 BN	17.2%	3.8%

- Sales volume trended positively due to increased activities in carbonated (*PEPSI*) and non-carbonated (*GATORADE* and *CELSIUS*) categories.
- Revenue increased due to sales volume growth and RGM (*) activities including price revisions.
- Segment profit increased as revenue growth offset the impact of raw material prices and rising logistics and labor costs.



(*) RGM (Revenue growth management): Pricing, pack price architecture, mix management, etc.
Organic basis: Revenue excludes revenue from transferred business.
Segment profit excludes extraordinary factors and profit/loss impact from transferred business.

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Details of Non-recurring Items in Q2 YTD FY2024 (IFRS)

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(JPY BN)

	FY2024 Jan-Jun	Descriptions
Operating Income	80.9	
Non-recurring items	-1.3	APAC: -0.5, Japan: -0.2, Europe: -0.5
Operating Income (Organic basis) *	82.2	

* Extraordinary factors and profit/loss impact from transferred business deducted from operating income

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FY2024 Quarterly Results (IFRS, by Segment) – Organic basis

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(JPY BN)

	Q1 (Jan-Mar)	Change				Q2 (Apr-Jun)	Change			
		Incl. currency effect		Currency neutral			Incl. currency effect		Currency neutral	
		YoY	%YoY	YoY	%YoY		YoY	%YoY	YoY	%YoY
Revenue										
Japan	153.3	7.5	5.2%	-	-	190.1	7.7	4.2%	-	-
APAC	98.5	10.9	12.5%	4.3	4.5%	102.6	13.0	14.4%	6.6	6.9%
Europe	78.6	10.0	14.6%	0.1	0.2%	103.9	8.1	8.4%	-4.2	-3.9%
Americas	40.1	7.2	21.8%	3.1	8.4%	49.0	8.1	19.9%	2.7	5.7%
Total	370.5	35.6	10.6%	15.0	4.2%	445.7	31.4	7.6%	12.7	2.9%
Segment Profit										
Japan	7.9	4.3	121.3%	-	-	14.6	1.2	8.6%	-	-
APAC	13.9	1.3	10.4%	0.4	2.9%	14.3	3.1	27.5%	2.4	20.5%
Europe	11.7	1.0	9.6%	-0.6	-5.0%	16.5	0.6	4.1%	-1.5	-8.2%
Americas	4.3	0.5	13.6%	0.0	1.2%	6.8	1.1	19.7%	0.4	5.6%
Reconciliation	-3.5	-0.3		-0.2		-4.3	-1.1		-1.0	
Total	34.3	6.9	25.0%	3.9	13.0%	47.9	4.9	11.4%	1.5	3.2%

Organic basis: Revenue excludes revenue from transferred business. Segment profit excludes extraordinary factors and profit/loss impact from transferred business.

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Financial Results for Q2 YTD FY2024 (IFRS) by Segment

(JPY BN)

	Revenue	Change			
		Incl. currency effect		Currency neutral	
		YoY	%YoY	YoY	%YoY
Japan	343.4	15.2	4.6%	-	-
APAC	202.3	19.6	10.7%	6.2	3.2%
Europe	182.5	18.1	11.0%	-4.1	-2.2%
Americas	89.1	15.3	20.7%	5.8	6.9%
Total	817.4	68.2	9.1%	23.1	2.9%
Segment Profit					
Japan	22.3	5.3	30.9%	-	-
APAC	27.7	5.2	23.1%	3.7	15.5%
Europe	27.7	1.4	5.4%	-2.3	-7.7%
Americas	11.0	1.6	17.2%	0.4	3.8%
Reconciliation	-7.8	-1.4		-1.2	
Total	80.9	12.1	17.6%	5.9	7.8%

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FY2024 Quarterly Results (IFRS) by Segment

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(JPY BN)

	Q1 (Jan-Mar)	Change				Q2 (Apr-Jun)	Change			
		Incl. currency effect		Currency neutral			Incl. currency effect		Currency neutral	
		YoY	%YoY	YoY	%YoY		YoY	%YoY	YoY	%YoY
Revenue										
Japan	153.3	7.5	5.2%	-	-	190.1	7.7	4.2%	-	-
APAC	99.7	9.8	10.9%	2.9	3.0%	102.7	9.9	10.6%	3.3	3.4%
Europe	78.6	10.0	14.6%	0.1	0.2%	103.9	8.1	8.4%	-4.2	-3.9%
Americas	40.1	7.2	21.8%	3.1	8.4%	49.0	8.1	19.9%	2.7	5.7%
Total	371.7	34.4	10.2%	13.6	3.8%	445.7	33.8	8.2%	9.5	2.2%
Segment Profit										
Japan	7.8	4.2	116.7%	-	-	14.6	1.1	8.1%	-	-
APAC	13.6	1.8	15.4%	1.0	7.6%	14.1	3.4	31.6%	2.8	24.3%
Europe	11.8	1.3	12.7%	-0.3	-2.3%	15.9	0.1	0.6%	-2.0	-11.2%
Americas	4.3	0.5	13.6%	0.0	1.2%	6.8	1.1	19.7%	0.4	5.6%
Reconciliation	-3.5	-0.3		-0.2		-4.3	-1.1		-1.0	
Total	33.9	7.5	28.5%	4.7	16.1%	47.1	4.6	10.8%	1.2	2.6%

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Japan

Segment Profit Bridge for Q2 YTD FY2024 (IFRS)

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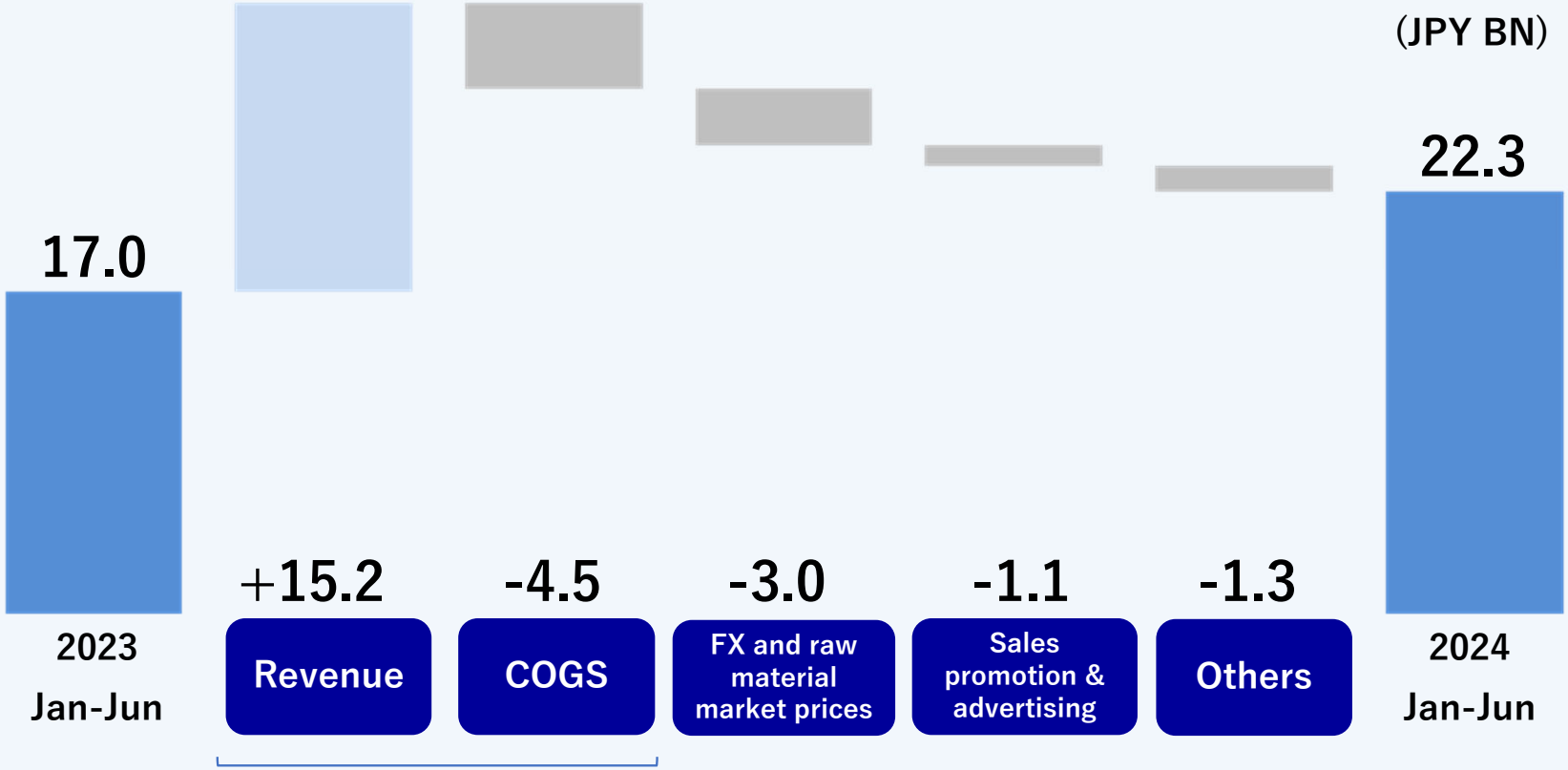

Gross profit*
+10.7

- Sales volume change -0.5
- Activities and product/channel mix +11.1

* Gross Profit excluding impact of FX and raw material market prices

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Sales Volume of Major Brands

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Japan

(Million cases)	Q2 YTD FY2023		Q2 YTD FY2024		FY2024	
	Actual	YoY	Actual	YoY	Forecast	YoY
Suntory Tennensui	62.9	3%	65.1	3%	139.5	1%
Boss	50.7	-0%	47.2	-7%	101.5	-1%
Iyemon	26.3	-11%	26.2	-1%	55.5	-3%
GREEN DA・KA・RA	21.8	4%	21.1	-3%	48.5	-4%
FOSHU drinks and Foods with Function Claims	18.5	45%	20.1	9%	37.6	-5%
Total	210.8	1%	210.1	-0%	448.5	-1%

* The portions of the sales volume that were supplied from other soft drink manufacturers such as Japan Beverage Holdings Inc. are not included in the above figures.

Europe

(Million liters)	Q2 YTD FY2023		Q2 YTD FY2024	
	Actual	YoY	Actual	YoY
Oasis (France)	169	1%	175	4%
Schweppes (France)	95	-5%	92	-3%
Orangina (France)	96	-1%	93	-3%
Lucozade (UK, Ireland)	221	7%	198	-10%
Ribena (UK, Ireland)	43	-1%	38	-11%
Schweppes (Spain, Portugal)	62	-1%	59	-4%

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Exchange Rates

(JPY, average of period)

	FY2023 Jan-Jun	FY2024 Jan-Jun	FY2024 Forecast
U.S. dollar	135.0	152.4	145.0
Euro	145.9	164.8	158.0
Sterling	166.7	192.9	184.0
Singapore dollar	101.0	113.1	108.0
Thai baht	4.0	4.2	4.2
Vietnam dong	0.0057	0.0061	0.0060
New Zealand dollar	84.2	92.8	87.0
Australian dollar	91.3	100.3	94.0

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Forward Looking Statement

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These forward-looking statements are projections made based on the currently available information and are subject to risks and uncertainties including, but not limited to, economic trends, competition in the industry in which the Company and the Group operate, market needs, exchange rates, as well as tax and other systems.

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