

Supplementary Material on Consolidated Financial Results
for the Fiscal Year Ended December 31, 2020

<Results for the Year Ended December 31, 2020>

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Suntory Beverage & Food Limited

February 9, 2021

<Results for the Year Ended December 31, 2020>

1. Summary of Consolidated Statement of Profit or Loss, Indices, etc.

(1) Summary of Consolidated Statement of Profit or Loss

(Billions of yen with fractional amounts rounded off)

	Year ended December 31, 2019		Year ended December 31, 2020		Increase (decrease)	
		Ratio to revenue		Ratio to revenue		
Revenue	1,299.4	100.0%	1,178.1	100.0%	(121.2)	(9.3)%
Gross profit	536.1	41.3%	483.9	41.1%	(52.2)	(9.7)%
Selling, general and administrative expenses	414.8	31.9%	382.3	32.5%	(32.5)	(7.8)%
Gain on investments accounted for using the equity method	0.0	0.0%	(0.1)	(0.0)%	(0.1)	(1,542.3)%
Other income	1.7	0.1%	3.3	0.3%	1.7	98.7%
Other expenses	9.0	0.7%	8.6	0.7%	(0.4)	(4.8)%
Operating income	113.9	8.8%	96.2	8.2%	(17.8)	(15.6)%
Finance income	1.4	0.1%	0.9	0.1%	(0.6)	(39.6)%
Finance costs	3.2	0.2%	2.9	0.2%	(0.3)	(10.0)%
Profit before tax	112.2	8.6%	94.2	8.0%	(18.0)	(16.1)%
Income tax expense	32.1	2.5%	29.9	2.5%	(2.2)	(7.0)%
Profit for the year	80.1	6.2%	64.3	5.5%	(15.8)	(19.7)%
Profit for the year attributable to non-controlling interests	11.2	0.9%	12.1	1.0%	0.9	8.0%
Profit for the year attributable to owners of the Company	68.9	5.3%	52.2	4.4%	(16.7)	(24.2)%

(2) Other Indices

(Billions of yen)

	Year ended December 31, 2019		Year ended December 31, 2020		Increase (decrease)		
Depreciation	71.0		70.7		(0.4)	(0.5)%	
Operating income	113.9		96.2		(17.8)	(15.6)%	
Profit for the year attributable to owners of the Company	68.9		52.2		(16.7)	(24.2)%	
EBITDA *1	EBITDA margin	192.3	14.8%	172.1	14.6%	(20.2)	(10.5)%

*1 EBITDA is calculated as operating income - other income + other expenses + depreciation.

EPS (Yen)	222.94	168.97	(53.97)	(24.2)%
Operating margin	8.8%	8.2%		
ROE	9.4%	6.8%		
Dividend payout ratio *2	35.0%	46.2%		

*2 Dividend payout ratio for each year is calculated by dividing, for each year, total cash dividends by profit attributable to owners of the Company.

(Billions of yen)

	As at December 31, 2019		As at December 31, 2020		Increase (decrease)	
Total assets	1,567.3		1,574.3		7.0	0.4%
Total equity	837.6		859.6		22.0	2.6%
Capital expenditures	81.5		68.8		(12.7)	(15.6)%
D/E ratio (Times) *3	0.1		0.1			

*3 D/E ratio is calculated as (interest-bearing debt - cash and deposits ± valuation difference from adopting hedge accounting, etc.) / total equity.

(3) Exchange Rates for the Consolidation of Profit or Loss of the Major Overseas Companies

(Yen, average exchange rate)

	Year ended December 31, 2019		Year ended December 31, 2020	
USD	109.0		106.8	
EUR	122.1		121.9	
GBP	139.2		137.0	
SGD	80.0		77.4	
THB	3.5		3.4	
VND	0.0047		0.0046	
NZD	71.9		69.4	
AUD	75.8		73.7	

2. Revenue Details

(Billions of yen)

	Year ended December 31, 2019	Year ended December 31, 2020	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	704.3	633.0	(71.3)	(10.1)%	–	
Europe	222.5	190.0	(32.5)	(14.6)%	(14.1)%	
Asia	231.7	212.0	(19.7)	(8.5)%	(6.2)%	
Oceania	53.2	53.0	(0.2)	(0.4)%	2.8%	
Americas	87.8	90.1	2.4	2.7%	4.9%	
Reconciliations	–	–	–	–	–	
Consolidation total	1,299.4	1,178.1	(121.2)	(9.3)%	(8.6)%	

3. Profit Details

(1) EBITDA

(Billions of yen)

	Year ended December 31, 2019	Year ended December 31, 2020	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	94.3	76.4	(17.9)	(19.0)%	–	
Europe	47.7	39.4	(8.3)	(17.4)%	(16.9)%	
Asia	37.7	41.3	3.6	9.5%	11.3%	
Oceania	9.0	9.9	0.9	10.2%	12.7%	
Americas	12.4	13.2	0.8	6.4%	8.7%	
Reconciliations	(8.8)	(8.2)	0.6	–	–	*1
Consolidation total	192.3	172.1	(20.2)	(10.5)%	(9.9)%	

*1 “Reconciliations” to segment EBITDA represents overhead costs incurred by the Company to manage the Group’s operations and is not allocated to each reportable segment.

(2) Segment Profit

(Billions of yen)

	Year ended December 31, 2019	Year ended December 31, 2020	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	53.5	37.0	(16.5)	(30.8)%	–	
Europe	33.0	27.2	(5.8)	(17.5)%	(17.0)%	
Asia	25.2	27.9	2.7	10.8%	13.5%	
Oceania	6.1	6.5	0.3	5.2%	7.0%	
Americas	8.2	9.1	0.9	10.4%	12.8%	
Reconciliations	(12.1)	(11.5)	0.6	–	–	*2
Consolidation total	113.9	96.2	(17.8)	(15.6)%	(14.8)%	

*2 “Reconciliations” to segment profit represents overhead costs incurred by the Company to manage the Group’s operations and is not allocated to each reportable segment.

(3) Breakdown of Increase (Decrease) in Segment Profit for Japan Business Segment

(Billions of yen)

Segment profit for the year ended December 31, 2019	53.5
Decrease in revenue	(71.3)
Decrease in cost of goods sold	37.3
Decrease in sales promotion and advertising costs	13.4
Decrease in other expenses	4.1
Segment profit for the year ended December 31, 2020	37.0

4. Summary of Consolidated Statement of Financial Position

(Billions of yen)

	As at December 31, 2019	As at December 31, 2020	Increase (decrease)	Reference
Cash and cash equivalents	143.6	167.5	23.9	
Trade and other receivables	191.2	196.2	5.0	
Other financial assets	6.2	0.7	(5.5)	
Inventories	84.9	79.3	(5.7)	
Other current assets	20.3	23.5	3.2	
Subtotal	446.2	467.2	21.0	
Assets held for sale	0.1	–	(0.1)	
Current assets	446.3	467.2	20.9	
Property, plant and equipment	372.0	360.4	(11.7)	
Right-of-use assets	47.4	50.8	3.3	
Goodwill	247.9	250.4	2.6	
Intangible assets	411.4	405.2	(6.2)	
Investments accounted for using the equity method	1.1	0.9	(0.2)	
Other financial assets	17.2	14.5	(2.6)	
Deferred tax assets	14.4	15.5	1.0	
Other non-current assets	9.6	9.4	(0.2)	
Non-current assets	1,121.0	1,107.1	(13.9)	
Total assets	1,567.3	1,574.3	7.0	
Bonds and borrowings	74.7	83.4	8.7	
Trade and other payables	322.5	308.4	(14.1)	*1
Other financial liabilities	38.4	33.5	(4.9)	
Accrued income taxes	18.8	14.6	(4.2)	
Provisions	1.5	1.6	0.1	
Other current liabilities	6.0	5.0	(1.0)	
Current liabilities	461.9	446.5	(15.4)	
Bonds and borrowings	132.7	120.3	(12.4)	*2
Other financial liabilities	45.8	52.9	7.1	
Post-employment benefit liabilities	15.4	15.1	(0.3)	
Provisions	2.6	2.3	(0.3)	
Deferred tax liabilities	65.8	71.7	5.9	
Other non-current liabilities	5.6	6.0	0.4	
Non-current liabilities	267.8	268.2	0.3	
Total liabilities	729.7	714.7	(15.0)	
Total equity attributable to owners of the Company	756.6	781.8	25.2	
Non-controlling interests	81.0	77.8	(3.2)	
Total equity	837.6	859.6	22.0	
Total liabilities and equity	1,567.3	1,574.3	7.0	

*1 The decrease is mainly due to the impact of decreases in accounts payable–trade and accounts payable–facilities.

*2 The decrease is mainly due to the transfer from non-current liabilities (long-term borrowings) to current liabilities (current portion of long-term borrowings).

5. Summary of Consolidated Statements of Cash Flows

(Billions of yen)

	Year ended December 31, 2019	Year ended December 31, 2020	Increase (decrease)
Profit before tax	112.2	94.2	(18.0)
Depreciation and amortization	71.0	70.7	(0.4)
Other	(12.6)	(30.8)	(18.2)
Cash flows from operating activities	170.6	134.0	(36.6)
Payments for capital expenditures	(58.8)	(62.5)	(3.7)
Payments for purchase of shares of subsidiaries	(0.9)	–	0.9
Other	0.3	1.3	0.9
Cash flows from investing activities	(59.4)	(61.2)	(1.8)
Increase (decrease) in interest-bearing debt	(77.3)	(11.0)	66.3
Dividends paid to owners of the Company	(24.1)	(24.1)	0.0
Dividends paid to non-controlling interests	(13.6)	(11.7)	2.0
Other	(0.1)	(0.0)	0.1
Cash flows from financing activities	(115.2)	(46.8)	68.4
Net increase (decrease) in cash and cash equivalents	(3.9)	26.0	30.0
Effects of exchange rate changes	1.0	(2.1)	(3.1)

6. Other Information

<Sales Volume of Major Brands in Japan Business> * On the basis of shipment volumes

(Million cases)

	Year ended December 31, 2019		Year ended December 31, 2020	
	Actual	Increase (decrease)	Actual	Increase (decrease)
<i>Suntory Tennensui</i>	113.1	(4)%	112.9	(0)%
<i>Boss</i>	111.8	4%	102.7	(8)%
<i>Iyemon</i>	51.2	(5)%	55.6	9%
<i>Green DAKARA</i>	42.3	12%	42.1	(0)%
<i>Suntory Oolong Tea</i>	25.0	(6)%	20.3	(19)%
<i>Pepsi</i>	20.2	0%	16.9	(16)%
FOSHU drinks and functional beverages	23.4	0%	22.3	(5)%
Total	456.5	(1)%	427.2	(6)%

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

<Sales Volume of Major Brands in Europe Business>

(Million liters)

	Year ended December 31, 2019		Year ended December 31, 2020	
	Actual	Increase (decrease)	Actual	Increase (decrease)
<i>Oasis (France)</i>	276	(4)%	258	(7)%
<i>Schweppes (France)</i>	159	(6)%	158	(0)%
<i>Orangina (France)</i>	164	(0)%	155	(5)%
<i>Lucozade (UK, Ireland)</i>	406	7%	380	(6)%
<i>Ribena (UK, Ireland)</i>	86	(14)%	79	(8)%
<i>Schweppes (Spain, Portugal)</i>	134	2%	104	(22)%

<Earnings Forecast for the Year Ending December 31, 2021>

1. Summary of Consolidated Statement of Profit or Loss, Indices, etc.

(1) Summary of Consolidated Statement of Profit or Loss

(Billions of yen with fractional amounts rounded off)

	Year ended December 31, 2020, Actual		Year ending December 31, 2021, Forecast		Increase (decrease)	
		Ratio to revenue		Ratio to revenue		
Revenue	1,178.1	100.0%	1,260.0	100.0%	81.9	6.9%
Gross profit	483.9	41.1%	523.5	41.5%	39.6	8.2%
Selling, general and administrative expenses	382.3	32.5%	414.5	32.9%	32.2	8.4%
Gain on investments accounted for using the equity method	(0.1)	(0.0)%	–	–	0.1	(100.0)%
Other income	3.3	0.3%	2.0	0.2%	(1.3)	(40.1)%
Other expenses	8.6	0.7%	6.0	0.5%	(2.6)	(30.3)%
Operating income	96.2	8.2%	105.0	8.3%	8.8	9.2%
Finance income	0.9	0.1%	1.1	0.1%	0.2	27.6%
Finance costs	2.9	0.2%	2.6	0.2%	(0.3)	(9.4)%
Profit before tax	94.2	8.0%	103.5	8.2%	9.3	9.9%
Income tax expense	29.9	2.5%	30.0	2.4%	0.1	0.4%
Profit for the year	64.3	5.5%	73.5	5.8%	9.2	14.3%
Profit for the year attributable to non-controlling interests	12.1	1.0%	13.0	1.0%	0.9	7.6%
Profit for the year attributable to owners of the Company	52.2	4.4%	60.5	4.8%	8.3	15.9%

(2) Other Indices

(Billions of yen)

		Year ended December 31, 2020, Actual		Year ending December 31, 2021, Forecast		Increase (decrease)	
Depreciation		70.7		74.0		3.3	4.7%
Operating income		96.2		105.0		8.8	9.2%
Profit for the year attributable to owners of the Company		52.2		60.5		8.3	15.9%
EBITDA *1	EBITDA margin	172.1	14.6%	183.0	14.5%	10.9	6.3%

*1 EBITDA is calculated as operating income - other income + other expenses + depreciation.

EPS (Yen)	168.97	195.79	26.82	15.9%
Operating margin	8.2%	8.3%		
ROE	6.8%	7.5%		
Dividend payout ratio *2	46.2%	39.8%		

*2 Dividend payout ratio for each year is calculated by dividing, for each year, total cash dividends by profit attributable to owners of the Company.

(Billions of yen)

	As at December 31, 2020 Actual	As at December 31, 2021 Forecast	Increase (decrease)	
Total assets	1,574.3	1,626.5	52.2	3.3%
Total equity	859.6	897.0	37.4	4.4%
Capital expenditures	68.8	66.5	(2.3)	(3.4)%
D/E ratio (Times) *3	0.1	0.1		

*3 D/E ratio is calculated as (interest-bearing debt - cash and deposits ± valuation difference from adopting hedge accounting, etc.) / total equity.

(3) Exchange Rates for the Consolidation of Profit or Loss of the Major Overseas Companies

(Yen, average exchange rate)

	Year ended December 31, 2020, Actual	Year ending December 31, 2021, Forecast
USD	106.8	106.0
EUR	121.9	127.0
GBP	137.0	142.0
SGD	77.4	78.0
THB	3.4	3.4
VND	0.0046	0.0046
NZD	69.4	71.0
AUD	73.7	78.0

2. Revenue Details

(Billions of yen)

	Year ended December 31, 2020, Actual	Year ending December 31, 2021, Forecast	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	633.0	654.0	21.0	3.3%	–	
Asia Pacific	265.0	292.0	27.0	10.2%	9.6%	*
Europe	190.0	222.0	32.0	16.9%	12.3%	
Americas	90.1	92.0	1.9	2.1%	2.8%	
Reconciliations	–	–	–	–	–	
Consolidation total	1,178.1	1,260.0	81.9	6.9%	6.2%	

* Due to the organizational changes, the previous segments of “Asia” and “Oceania” were merged and are now presented as “Asia Pacific.”

3. Profit Details

(1) EBITDA

(Billions of yen)

	Year ended December 31, 2020, Actual	Year ending December 31, 2021, Forecast	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	76.4	82.0	5.6	7.3%	–	
Asia Pacific	51.2	52.5	1.3	2.4%	2.3%	*1
Europe	39.4	45.5	6.1	15.4%	11.0%	
Americas	13.2	13.5	0.3	2.2%	2.9%	
Reconciliations	(8.2)	(10.5)	(2.3)	–	–	*2
Consolidation total	172.1	183.0	10.9	6.3%	5.4%	

*1 Due to the organizational changes, the previous segments of “Asia” and “Oceania” were merged and are now presented as “Asia Pacific.”

*2 “Reconciliations” to segment EBITDA represents overhead costs incurred by the Company to manage the Group’s operations and is not allocated to each reportable segment.

(2) Segment Profit

(Billions of yen)

	Year ended December 31, 2020, Actual	Year ending December 31, 2021, Forecast	Increase (decrease)		Increase (decrease) currency neutral	Reference
Japan	37.0	41.0	4.0	10.9%	–	
Asia Pacific	34.4	37.0	2.6	7.7%	7.1%	*3
Europe	27.2	31.5	4.3	15.7%	11.2%	
Americas	9.1	9.3	0.2	2.2%	2.9%	
Reconciliations	(11.5)	(13.8)	(2.3)	–	–	*4
Consolidation total	96.2	105.0	8.8	9.2%	7.9%	

*3 Due to the organizational changes, the previous segments of “Asia” and “Oceania” were merged and are now presented as “Asia Pacific.”

*4 “Reconciliations” to segment profit represents overhead costs incurred by the Company to manage the Group’s operations and is not allocated to each reportable segment.

(3) Breakdown of Increase (Decrease) in Segment Profit for Japan Business Segment

(Billions of yen)

Segment profit for the year ended December 31, 2020, Actual	37.0
Increase in revenue	21.0
Increase in cost of goods sold	(8.9)
Increase in sales promotion and advertising costs	(5.8)
Increase in other expenses	(2.3)
Segment profit for the year ending December 31, 2021, Forecast	41.0

4. Other Information

<Sales Volume of Major Brands in Japan Business> * On the basis of shipment volumes

(Million cases)

	Year ended December 31, 2020		Year ending December 31, 2021	
	Actual	Increase (decrease)	Forecast	Increase (decrease)
<i>Suntory Tennensui</i>	112.9	(0)%	115.5	2%
<i>Boss</i>	102.7	(8)%	106.5	4%
<i>Iyemon</i>	55.6	9%	60.0	8%
<i>Green DAKARA</i>	42.1	(0)%	45.0	7%
<i>Suntory Oolong Tea</i>	20.3	(19)%	21.5	6%
<i>Pepsi</i>	16.9	(16)%	18.2	8%
FOSHU drinks and Foods with Function Claims	22.3	(5)%	22.3	0%
Total	427.2	(6)%	445.0	4%

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