

# Calbee Group Financial Results

**Third quarter of fiscal year ending March 31, 2021**

April 1, 2020 – December 31, 2020

TSE code : 2229

**Calbee, Inc.**

2021.1.28

# FY2021/3 Q3: Results highlights

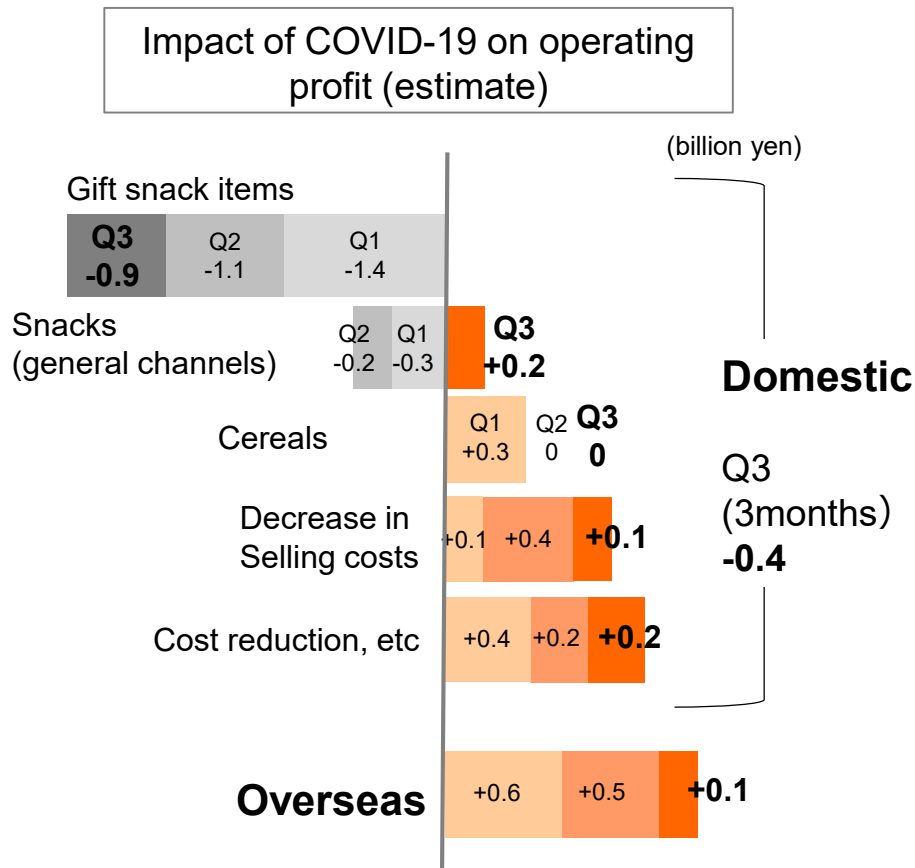
## Summary vs. last fiscal year (3 months)

- **Sales:** (Domestic) Decrease in existing business excluding Potato Kaitsuka on lower sales of gift snack items  
(Overseas) Increases in all four key regions
- **Operating profit:** Continued to rise on effect higher sales and cost reduction in overseas business

	FY2021/3 Q3 (3 months)		Change (YoY)	FY2021/3 Q3 (9 months)		Change (YoY)
	(billion yen)	Ratio to net sales (%)	(%)	(billion yen)	Ratio to net sales (%)	(%)
<b>Net sales</b>	<b>70.3</b>	100.0	+5.1	<b>201.2</b>	100.0	+4.7
Domestic (Domestic existing business)	56.8 (54.7)	80.8	+2.1 (-1.7)	161.0 (156.2)	80.0	+1.5 (-1.6)
Overseas	13.5	19.2	+19.8	40.2	20.0	+20.3
<b>Operating profit</b>	<b>8.8</b>	12.6	+2.4	<b>21.8</b>	10.9	-0.2
Domestic	8.1	14.3	-4.5	19.5	12.1	-7.6
Overseas	0.7	5.1	+600.6	2.3	5.8	+206.7
<b>Ordinary profit</b>	<b>8.7</b>	12.3	-3.3	<b>21.4</b>	10.6	-1.7
Extraordinary income/loss	-0.1		-	-0.2		-
Profit attributable to non-controlling interests	-0.1		-	-0.5		-
<b>Net profit*</b>	<b>5.8</b>	8.3	-0.6	<b>14.0</b>	7.0	-4.3

\*Profit attributable to owners of parent

# Impact of COVID-19 in FY2021/3 Q3



## <Domestic>

- **Gift snack items :**  
Significant decrease in sales of products such as *Jaga Pokkuru* continued (effect of Go-To-Travel campaigns was limited)
- **Snacks (general channels) :**  
Turned profitable on resumption of sales of *Potato Chips*
- **Cereals:** Nesting demand calmed
- **Expenses:** Continued to reduce in sales promotions and control expenses including travelling and commuting

## <Overseas>

Proactively invested in selling costs

# FY2021/3 Q3: Results highlights

## Summary vs. revised plan (as of the Q2)

*Potato Chips* were strong domestically, and both net sales and operating profit exceeded the revised plan

(Billion yen)

	FY'21/3 Target Full year (Revised plan*)	FY'21/3 Q3 Revised plan based Target (3 months)	FY'21/3 Q3 Results (3 months)	vs.revised plan Change(YoY)	vs.revised plan Ratio
<b>Net sales</b>	265.0	69.1	<b>70.3</b>	+1.2	101.7%
Domestic	211.1	55.1	56.8	+1.7	
Overseas	53.9	14.0	13.5	-0.5	
<b>Operating profit</b>	26.5	7.7	<b>8.8</b>	+1.2	115.0%
Domestic	23.9	7.2	8.1	+1.0	
Overseas	2.6	0.5	0.7	+0.2	

\* Revised plan as of Q2 of FY 2021/3

# FY2021/3 Q3: Domestic business



Harvest the Power of Nature.

(Billion yen)

	FY2021/3 Q3			FY2021/3 Q3			
	(3months)	Change(YoY)		(9months)	Change(YoY)		
<b>Domestic net sales</b>	<b>56.8</b>	<b>+1.2</b>	<b>+2.1%</b>	<b>161.0</b>	<b>+2.3</b>	<b>+1.5%</b>	
Snacks	<b>47.2</b>	<b>-1.1</b>	<b>-2.4%</b>	<b>132.0</b>	<b>-5.6</b>	<b>-4.0%</b>	
By products	Potato Chips	24.4	+1.1	+4.6%	65.4	+1.7	+2.7%
	Jagarico	9.0	-0.5	-5.4%	25.6	-2.5	-9.0%
	Jaga Pokkuru	0.6	-0.8	-57.1%	1.3	-3.1	-70.4%
	Other snacks than that above	13.3	-0.9	-6.2%	39.8	-1.7	-4.1%
By channels	Snacks (general channels)	45.6	+0.5	+1.2%	128.6	+0.9	+0.7%
	Gift snack items	1.6	-1.7	-50.5%	3.4	-6.5	-65.5%
Cereals	<b>6.3</b>	<b>+0.3</b>	<b>+4.7%</b>	<b>21.6</b>	<b>+3.0</b>	<b>+16.1%</b>	
(for domestic consumption)	5.5	+0.2	+3.1%	19.3	+2.1	+12.2%	
(for overseas consumption included in domestic sales)	0.8	+0.1	+17.3%	2.3	+0.9	+65.0%	
Other domestic foods (Sweet potatoes, Potatoes) *Including Potato Kaitsuka	2.6	+2.1	+482.1%	6.2	+5.1	+486.1%	
<b>Domestic operating profit</b> (Operating margin)	<b>8.1</b> (14.3%)	<b>-0.4</b>	<b>-4.5%</b> (-1.0pts)	<b>19.5</b> (12.1%)	<b>-1.6</b>	<b>-7.6%</b> (-1.2pts)	

# FY2021/3 Q3: Domestic business

## Q3 (3 months)

### Snacks

#### ■ Potato Chips

- Increased supplies through increasing the number of production shift, incorporated nesting demand
- Sales were driven by large bag products and *Kata-Age Potato*

#### ■ Jagarico

Weak sales continued due to lower demand for going out/from offices

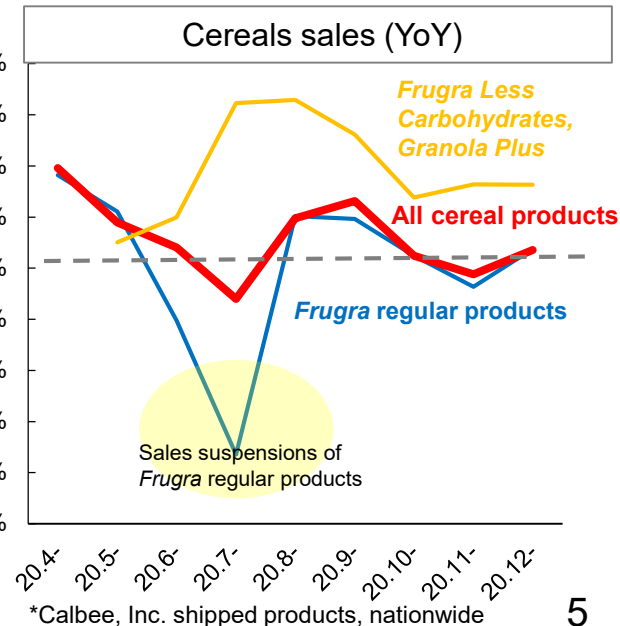
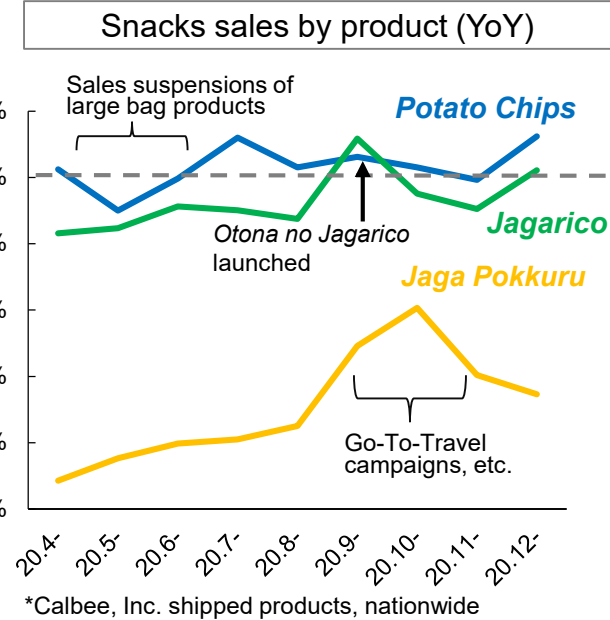
#### ■ Jaga pokkuru

Sales fell again from Nov. on rise in COVID-19 cases despite temporary recovery in Oct. due to Go-To-Travel campaigns, sales activities at exhibition of products, etc.

### Cereals

■ Regular product *Frugra* was steady YoY

■ Strong sales continued for cereals with appeal in terms of health and nutrition such as *Frugra Less Carbohydrates* and *Granola Plus 'Protein-in'*



# FY2021/3 Q3 : Overseas business



Harvest the Power of Nature.

(Billion yen)

<Business results by region>	FY2021/3 Q3				Change ex. forex in %	FY2021/3 Q3			
	(3months)	Change(YoY)		(9months)		Change(YoY)		Change ex. forex in %	
<b>Overseas net sales</b>	<b>13.5</b>	<b>+2.2</b>	<b>+19.8%</b>	<b>+23.0%</b>	<b>40.2</b>	<b>+6.8</b>	<b>+20.3%</b>	<b>+23.7%</b>	
North America	3.4	+1.2	+51.9%	+59.5%	10.9	+3.7	+52.7%	+57.3%	
Greater China	3.9	+0.3	+9.6%	+10.3%	11.8	+2.1	+21.6%	+23.7%	
United Kingdom	1.6	+0.1	+4.6%	+7.4%	4.9	+0.4	+8.0%	+9.9%	
Indonesia	1.0	+0.1	+8.9%	+13.4%	3.0	-0.4	-12.3%	-6.2%	
Other regions	3.6	+0.6	+19.6%	+22.2%	9.7	+1.0	+11.4%	+15.0%	
<b>Overseas operating profit (Operating margin)</b>	<b>0.68 (5.1%)</b>	<b>+0.59</b>	<b>+600.6% (+4.2pts)</b>	<b>—</b>	<b>2.33 (5.8%)</b>	<b>+1.57</b>	<b>+206.7% (+3.5pts)</b>	<b>—</b>	
North America	0.30	+0.71	—	—	0.69	+1.10	—	—	
Greater China	0.04	-0.28	-87.1%	—	0.69	-0.05	△6.6%	—	
United Kingdom	0.07	+0.10	—	—	0.13	+0.13	+2480.7%	—	
Indonesia	-0.08	+0.04	—	—	-0.23	+0.17	—	—	
Other regions	0.35	+0.01	+3.6%	—	1.05	+0.22	+26.6%	—	

<Net sales by product>	FY2021/3 Q3		
	(3months)	Change(YoY)	
Snacks	11.7	+2.2	+23.6%
Cereals	1.8	+0.0	+0.4%

FY2021/3 Q3		
(9months)	Change(YoY)	
34.6	+6.3	+22.3%
5.5	+0.4	+8.8%

Cereals overseas real consumption	2.6	+0.1	+5.0%	7.8	+1.4	+21.0%
(of which, overseas consumption included in domestic sales)	0.8	+0.1		2.3	+0.9	

# FY2021/3 Q3 : Overseas business

## Q3 (3 months)

### North America

#### ■ Sales

- Strong sales of Warnock PB products
- Continued strong sales for ethnic foods area (*Kappa Ebisen, Potato Chips, Jagarico*)
- Conducted Harvest Snaps promotion at a major customer

#### ■ Operating profit

Profit rose on higher sales, cost reductions, etc.

### Greater China

#### ■ Sales

(Snacks)

- Expanded product line-up of *Potato Chips*
- Expanded *Jaga Pokkuru* exports from Japan to help recovery from the decline in domestic gift snack items

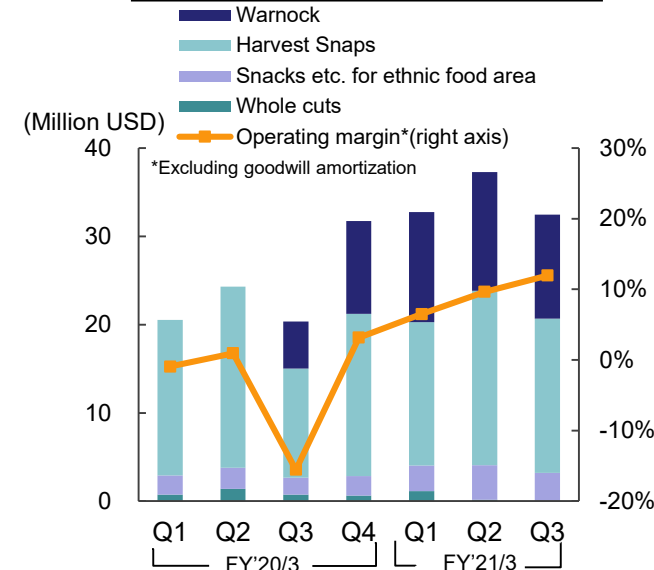
(Cereals)

- In W11 (Singles' Day) competition sales rose while maintaining prices
- Demand weakened from Dec. because of sluggish market due to oversupply as a result of discounts by competitors

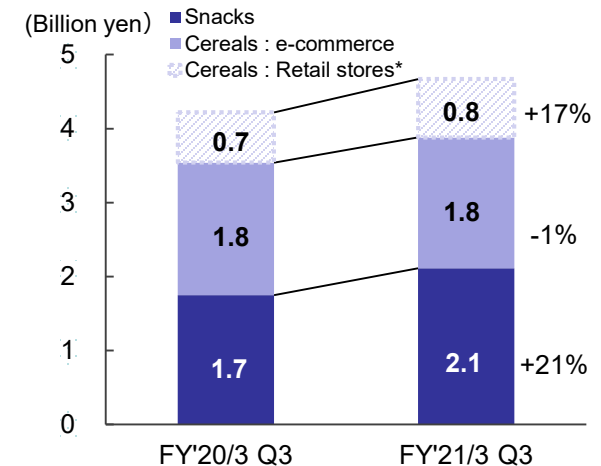
#### ■ Operating profit

Promotional expenses rose on continuation of promotions leveraging KOLs, etc.

North America net sales and operating margin



Sales by products in Greater China





# FY2021/3 Q3 : Overseas business

## Q3 (3 months)

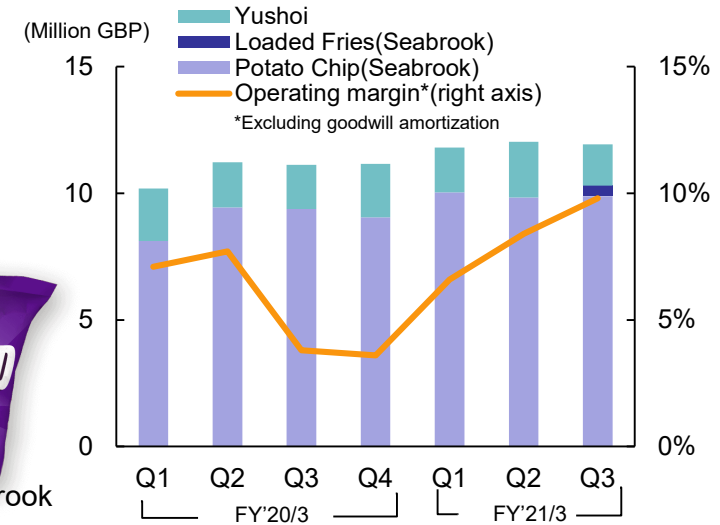
### UK

- Strong demand for Seabrook's potato chips multi-packs
- Launched new Seabrook brand products using *Yushoi* production line



Loaded Fries by Seabrook

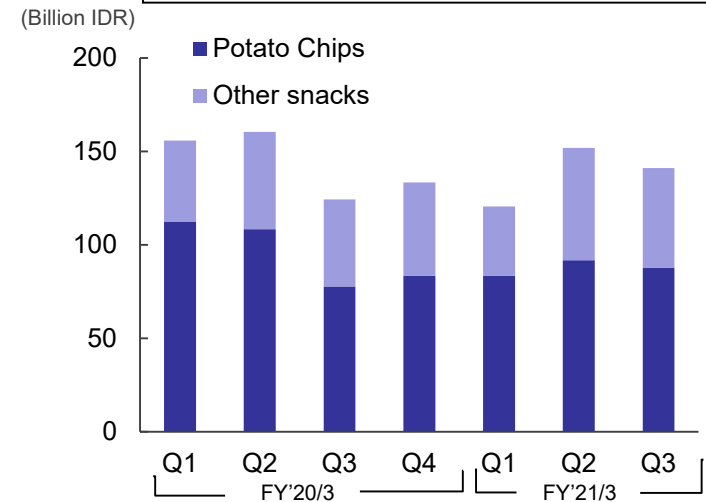
Sales by products and operation margin in UK



### Indonesia

- Conducted promotions amid continuing weakness in snack market due to worsened income environment from COVID-19

Sales by products in Indonesia

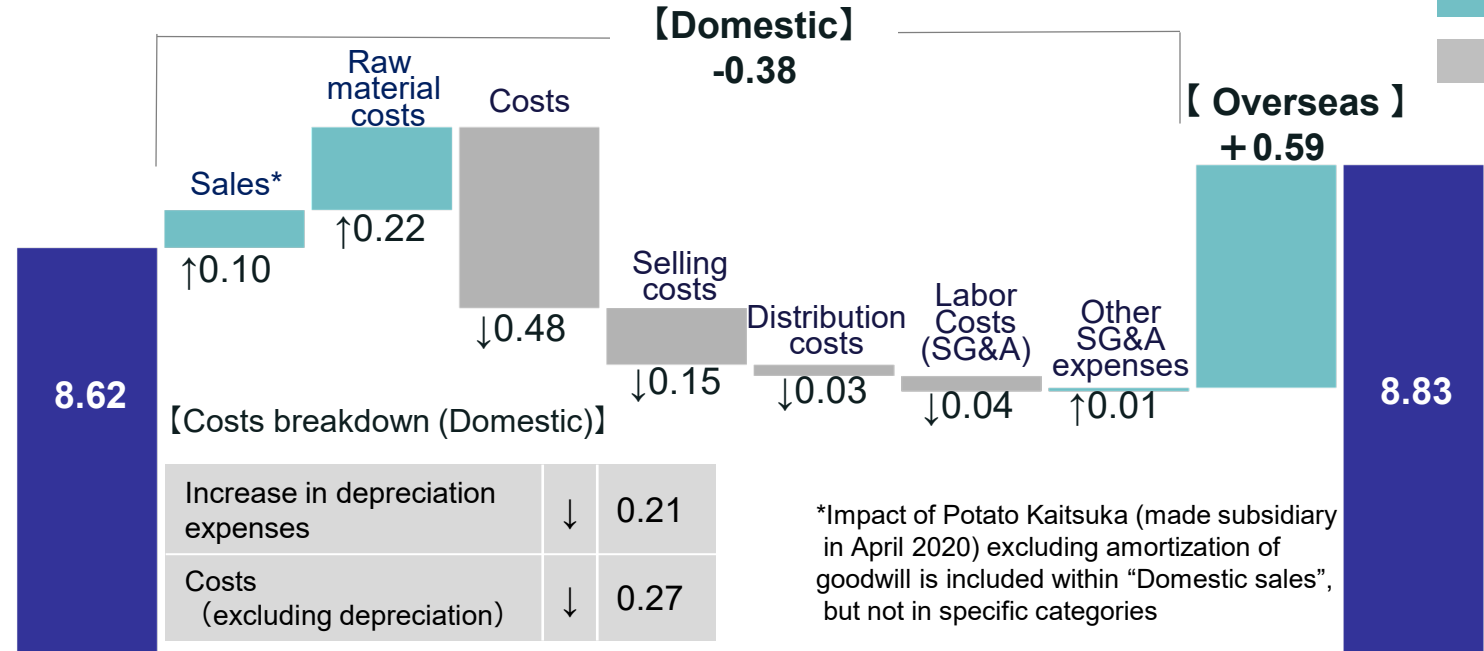


# FY2021/3 Q3 (3 months) : Factors increasing operating profit

## Change in operating profit (3 months) (YoY)

(Billion yen)

■ Increase  
■ Decrease



FY2020/3 Q3  
(3months)

FY2021/3 Q3  
(3months)

**【Domestic】**

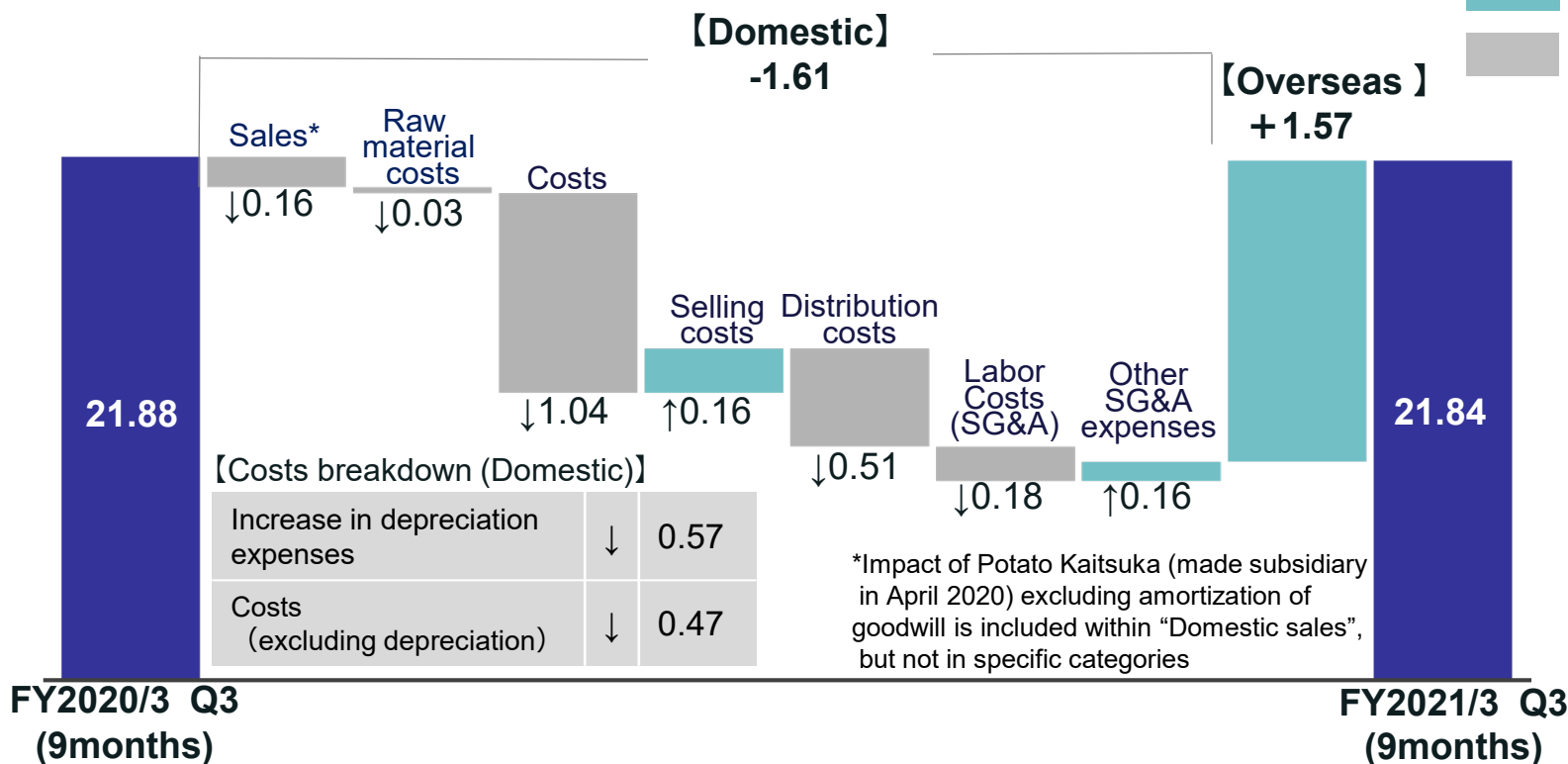
Sales: Impacted by decrease in gift snack items, but general channels rose  
 Raw material costs: Improved upon last year's potato costs related poor quality  
 Costs (excl. depreciation): Effect of lower production of gift snack items, etc.  
 Selling costs: Gift snack items sales down affected in cost ratio and advertising expenses increased, despite promotion cost control  
 Other SG&A expenses: Despite increased amortization of goodwill, curtailed expenses for travel and commuting

# FY2021/3 Q3 (9 months) : Factors decreasing operating profit

## Change in operating profit (9 months) (YoY)

(Billion yen)

■ Increase  
■ Decrease



## Reference material

For detailed figures for sales by product, sales by overseas country/region, etc., please refer to FY2021/3 Q3 Supplementary Information.  
<https://www.calbee.co.jp/en/ir/library/shiryou/>

# Consolidated profit and loss statement

**Calbee**

Harvest the Power of Nature.

(Million yen)

	FY2021/3 Q3 (3 months)				FY2021/3 Q3 (9 months)			
		Percent of total(%)	YoY(%)	vs. Revised plan*(%)		Percent of total(%)	YoY(%)	vs. Revised plan*(%)
<b>Net sales</b>	70,256	100.0	+5.1	101.7	201,203	100.0	+4.7	100.6
<b>Gross profit</b>	32,173	45.8	+4.9	103.0	89,388	44.4	+3.1	101.1
<b>SG&amp;A</b>	23,345	33.2	+5.8	99.1	67,546	33.6	+4.2	99.7
Selling	10,810	15.4	+8.2	98.7	30,650	15.2	+2.2	99.6
Distribution	4,931	7.0	+3.0	101.5	14,557	7.2	+5.7	100.5
Labor	4,925	7.0	+6.5	98.5	14,397	7.2	+6.5	99.5
Others	2,678	3.8	+0.7	97.3	7,941	3.9	+5.3	99.1
<b>Operating profit</b>	8,827	12.6	+2.4	115.0	21,841	10.9	-0.2	105.6
<b>Ordinary profit</b>	8,652	12.3	-3.3	114.4	21,401	10.6	-1.7	105.4
Extraordinary loss	-125	—	—	—	-204	—	—	—
Profit attributable to non-controlling interests	-60	—	—	—	-482	—	—	—
<b>Net profit**</b>	5,825	8.3	-0.6	116.7	14,048	7.0	-4.3	106.3

\* Revised plan as of Q2 of FY 2021/3

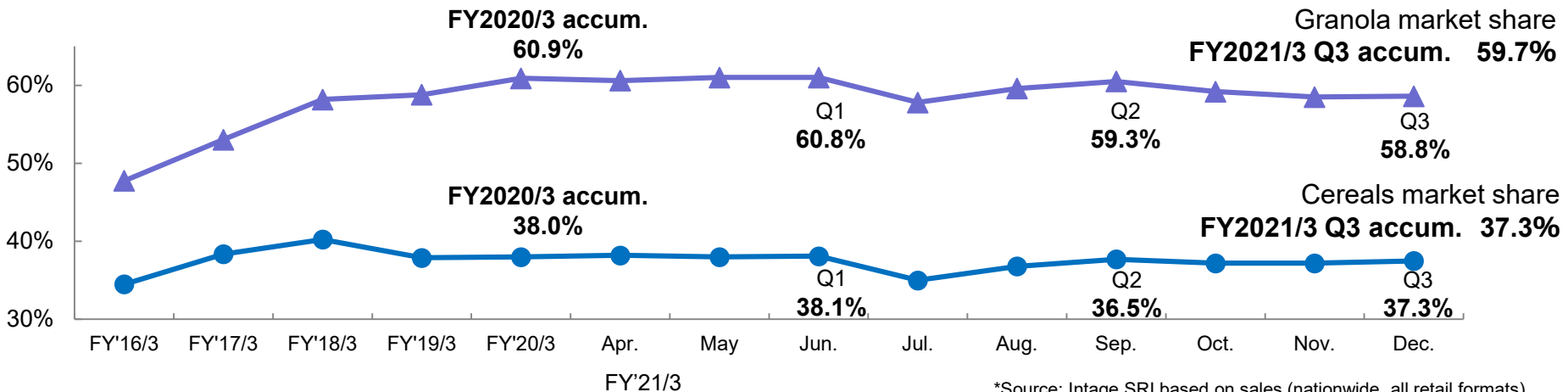
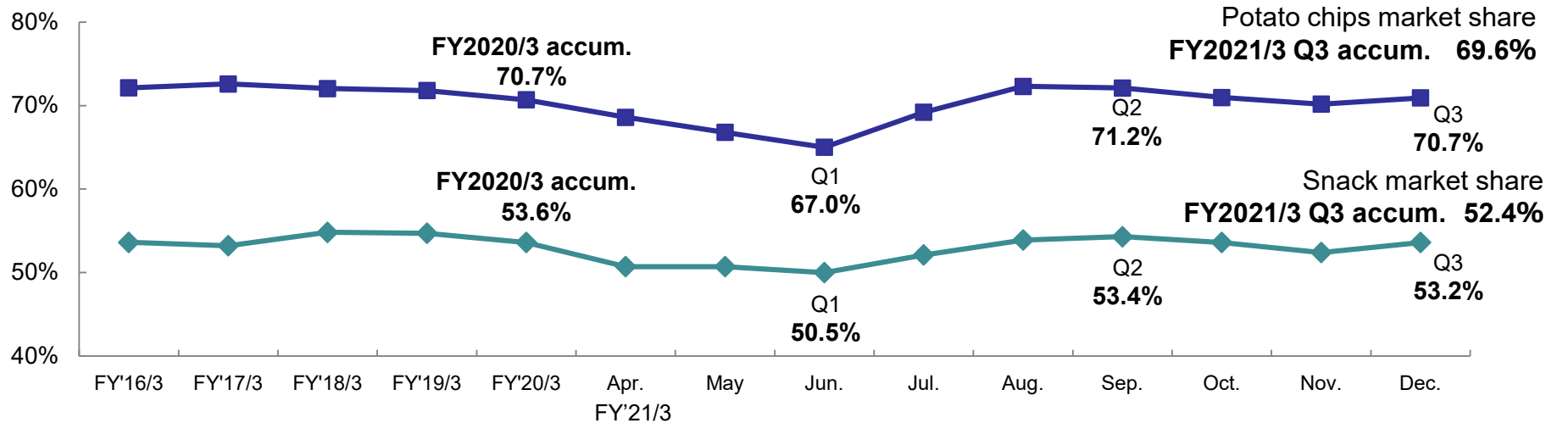
\*\* Profit attributable to owners of parent

# Domestic business



Harvest the Power of Nature.

## ■ Market share\*



\*Source: Intage SRI based on sales (nationwide, all retail formats)  
 FY'21/3 Q3 total :April 2020 – December 2020  
 FY'16/3-FY'21/3: April 2015 – March 2021  
 Snack market share  
 Total of Calbee and Japan Frito-Lay  
 Potato chips: Total of potato chips  
 (thick- and thin-sliced), shoestring and kettle types;  
 includes private brand products

Contact details for IR inquiries:

Calbee, Inc. IR Group

E-mail: [2229ir@calbee.co.jp](mailto:2229ir@calbee.co.jp)

<https://www.calbee.co.jp/en/ir/>

- The Company's fiscal year ends on March 31. The fiscal year ending March 31, 2021 is referred to throughout this report as "FY2021/3," and other fiscal years are referred to in a corresponding manner. References to years not specified as being fiscal years to calendar years.
- This document contains Calbee's current plans, outlook and strategies. Items which are not historical facts are forecasts pertaining to future performance, and are discretionary and based on information currently available to Calbee. This document does not purport to provide any guarantee of actual results. Actual results may differ significantly from forecasts due to various factors.
- This document also contains unaudited figures for reference purposes only.