

A large, diagonal collage of images in shades of green, orange, and red. The images include a family walking on a path, a microscope, laboratory glassware, and a person working at a desk.

# Investor Day 2022

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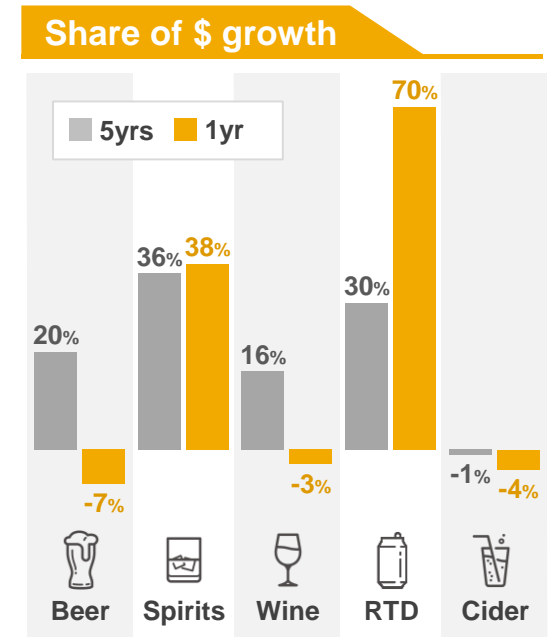
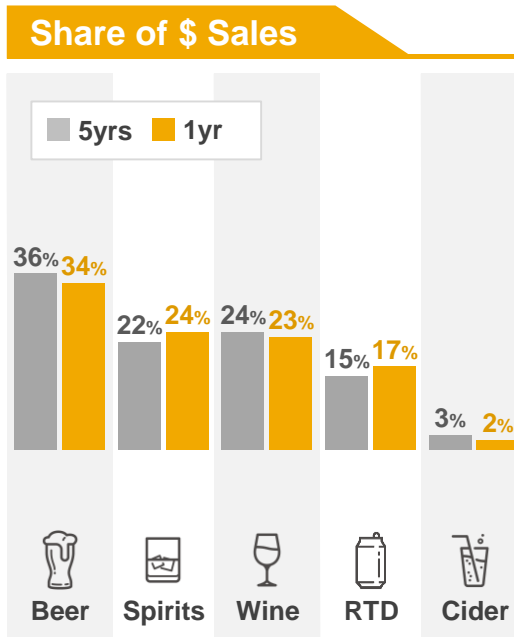
Lion's Transformation

June 28, 2022  
Kirin Holdings Company, Limited.

# Backgrounds: Australian Liquor Market Outlook

Over the last 5 years, Beer has contributed 20% of the growth within the Australian liquor category driven by Mainstream and Craft Beer.

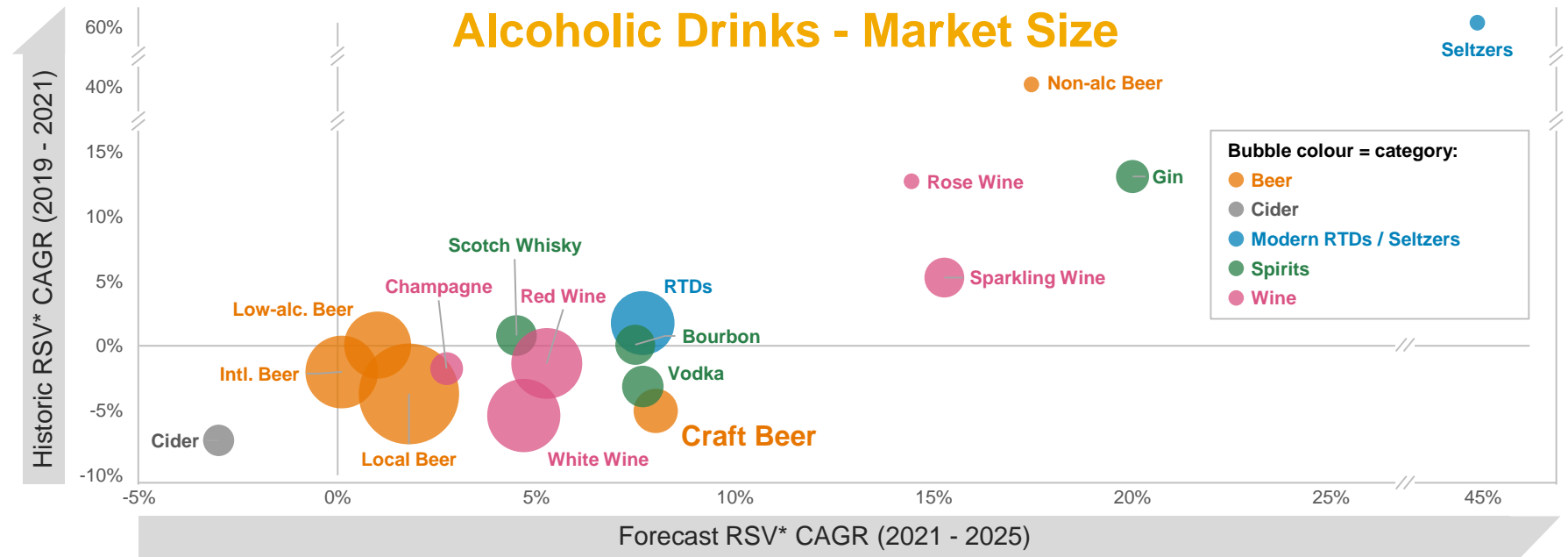
- Mid strength and a focus on refreshing liquids has been a driver of growth in the mainstream segment, while at the other end of the spectrum, Craft has driven engagement, offering consumers with flavourful alternatives
- Craft and premium spirits have been a driver of the strong growth in Spirits
- The introduction of Seltzers have delivered exceptional results for the RTD (Ready to Drink) category delivering 70% of the growth in the liquor market the year to Jan 2022



# Backgrounds: Australian Liquor Market Outlook



- While overall beer categories declined due to COVID-19, they're expected to slightly increase towards 2025. Craft Beer is especially expected to grow.
- Hard Seltzer, Spirits and Non-alc. are expected to drive growth in the future.



# Backgrounds: Changing Consumers

Consumer needs are changing with some long-term trends further accelerated by COVID-19.



## MORE DIVERSE AUSTRALIA

49% of Australians had either been born overseas or one or both parents had been born overseas, with nearly 20% of those arriving in the last 10 years



## GENZENIAL CONNECTION

82% of Australians say that finding a community who shares an interest/belief is important but 27% of millennials say they don't have close friends as online gaming becomes a social connection phenomenon



## AT HOME INDULGENCE

More consumers are enjoying more regular intimate social occasions at home with 45% saying POST COVID-19, they will entertain at home more frequently



## LOCAL AND AUSTRALIAN

30% of Aussies said they're making an effort to buy more Australian-made products than they did previously and 23% are more conscious about buying from businesses in their local area



## MODERATION ACCELERATING

As consumers become more health conscious almost a third of Australians plan to drink less alcohol in the next 12 months, whilst 1 in 4 haven't bought alcohol in the last 6 months



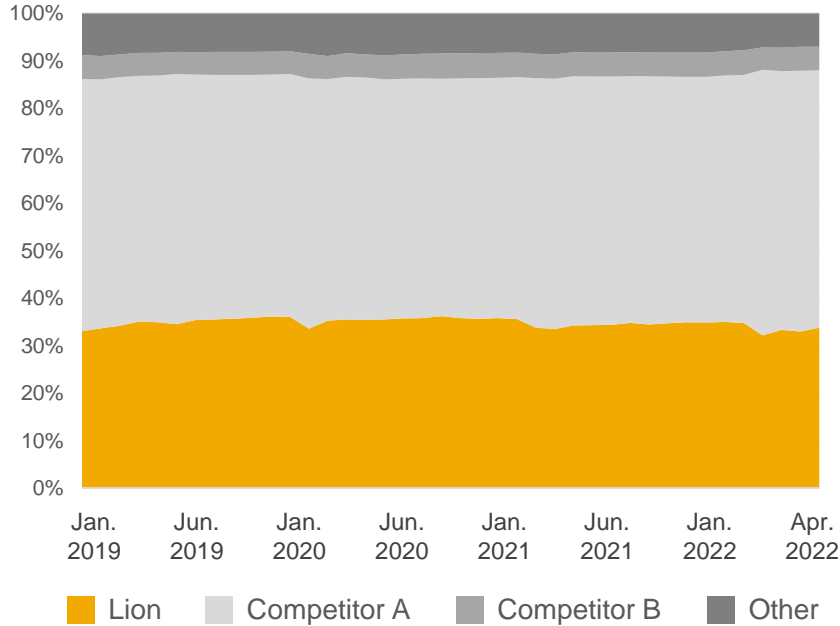
## SUSTAINABILITY

97% of consumers are saying they are adopting sustainable behaviours with 60% of genzennials saying environmental friendly is of equal importance to product quality of a brand

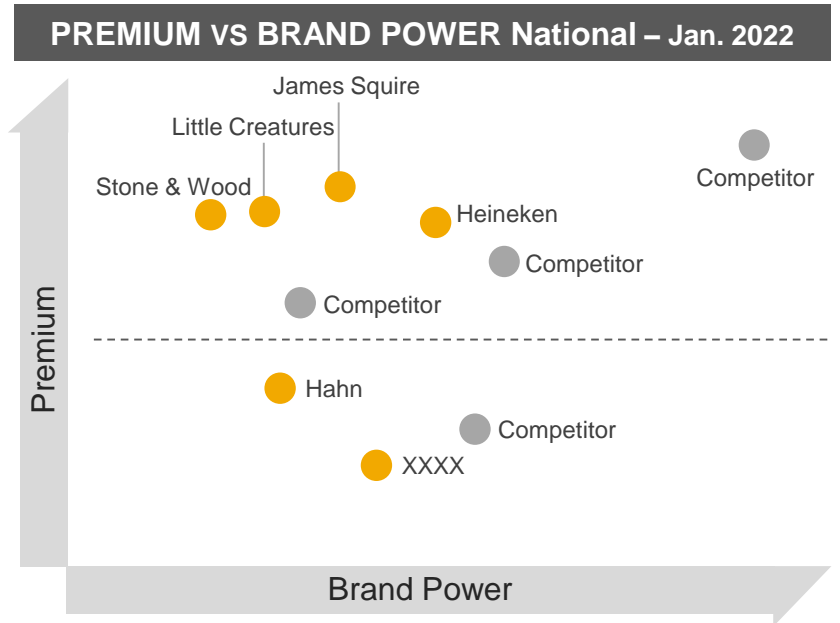
# Current Situation



Our brands are not where they need to be and reinforces the urgency of the transformation required.



Source: IRI data January 2019 - April 2022



Source: Kantar brand tracking 2022

# Our Vision

Joy brings us together



Transforming the consumer marketing organization to growth architects for our business today and tomorrow.

To be a world class **consumer centric** organization that fuels consumer desire for our portfolio of **distinctive brands** and surrounds them with **culturally meaningful, integrated value added experiences.**

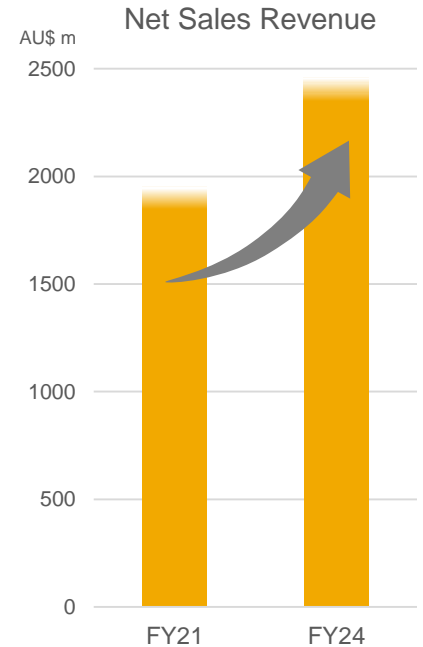
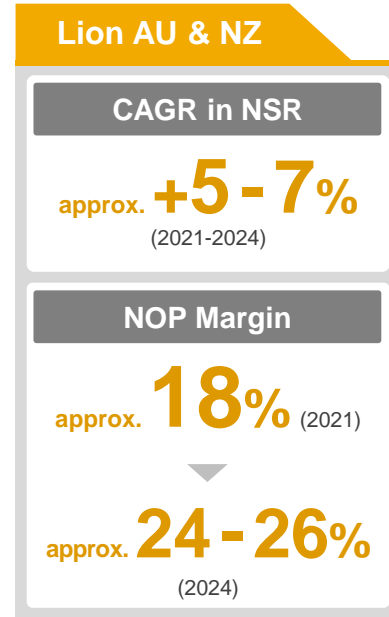
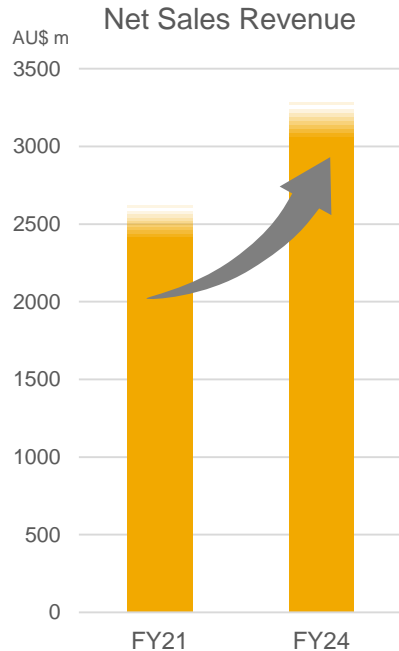
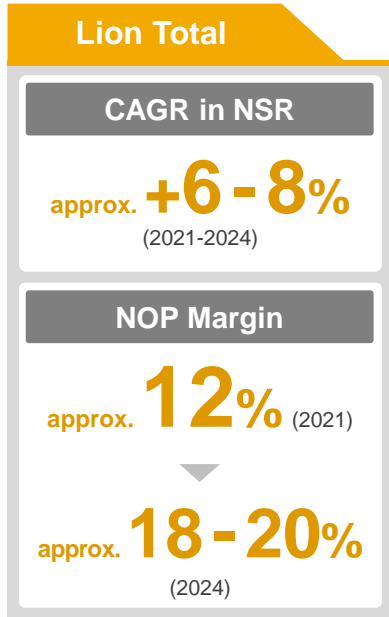
We will be known as a thought leading innovative **demand generator** amongst our customers/peers and industry.



# 2022 - 2024 MTBP Financial Targets



Lion has a solid organic growth plan by accelerating premiumisation strategy, in addition to the U.S. Craft growth.



# Path to Lion's Marketing Transformation

We have been on a clear path towards consumer centric transformation.

2020 - 2021

## Lay the Foundation

- Deep foundational consumer understanding
- KIRIN transformation team established
- Marketing and Demand led restructure
- New capabilities established and embedded
- Consumer led sprints to create portfolio strategy and focus



2022 and beyond

## Execute and Deliver

- Execute and deliver MTBP
- Sharpen future portfolio focus beyond beer
- Consumer insight led omni channel engagement

# Overview of Lion's Marketing Transformation

- Internal diagnosis highlighted that our business transformation is a marketing led transformation.
- 3 year growth plan has evolved by sharpening choices to create a consumer-led 'One Demand' plan.

From		To
<ul style="list-style-type: none"><li>➤ Unclear choices on where to play based on consumer needs.</li><li>➤ Sub-optimal allocation of resource investments – “a bit of everything”</li></ul>	<b>1 Strategic Focus</b>	<ul style="list-style-type: none"><li>➤ Clear delineation of activation brands vs investment brands</li></ul>
<ul style="list-style-type: none"><li>➤ Insufficient key consumer capabilities and deep insight</li></ul>	<b>2 Consumer Journey Adaptation</b>	<ul style="list-style-type: none"><li>➤ Relentless focus on consumer.</li><li>➤ “One Demand” plan by integrated marketing and sales teams.</li></ul>
<ul style="list-style-type: none"><li>➤ Narrow focus on growth levers</li><li>➤ Focused only on advertising and communication</li></ul>	<b>3 Brand Owner Approach</b>	<ul style="list-style-type: none"><li>➤ Focused on managing full brand P&amp;L and every lever.</li></ul>

# 1. Strategic Focus

Our four strategies are defined with market attractiveness and ability to win.

## Revitalize Mainstream Beer



- Accounts for **approx.30% volume** of Lion's business
- XXXX is **No.1** in brand power in QLD
- XXXX has **144 years** of heritage

## Deliver Better for Your Choices



- Growing market
- Hahn is **No.1** Better for you Beer in AU
- Lion Zero alcohol portfolio **No .1**

## Premiumise & Accelerate Craft



- Growing and profitable market
- Category leading position with the **No.1 & 2** craft brands

## Accelerate Modern RTD



- Rapidly growing market
- White Claw is the **No.1** hard seltzer brand
- James Squire Ginger Beer is the **No.1** Alcoholic Ginger Beer

# 2. Consumer journey adaptation



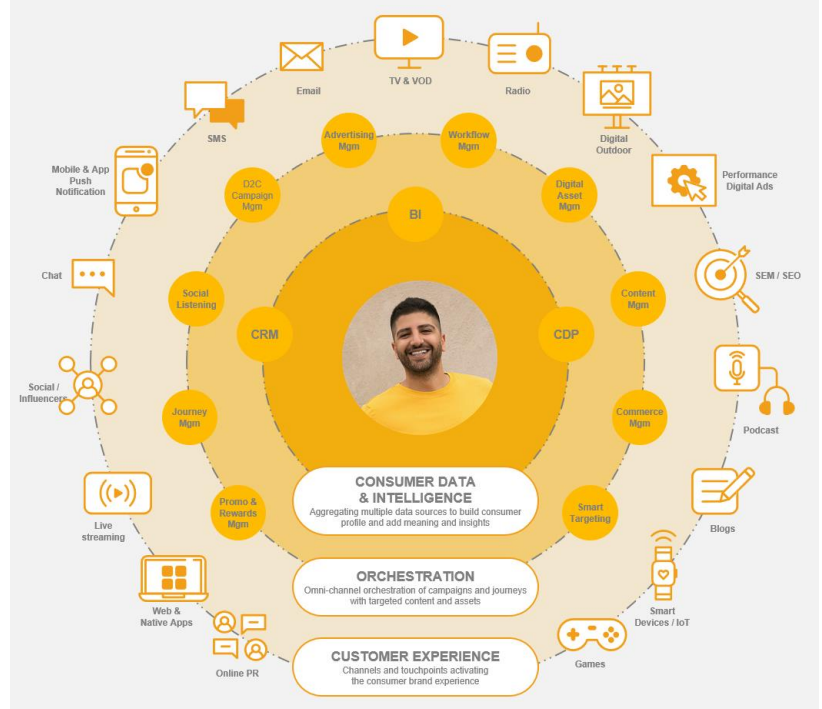
Leveraging power of data and digital approach to drive powerful application of 4 moments.

## Deeper connections through the consumer journey

Zero Moment	First Moment	Second Moment	Third Moment
<b>The moment that consumers come into touch with brand information</b>	<b>The moment the consumer purchases the brand</b>	<b>The moment the consumer actually uses and assesses the brand</b>	<b>the moment the consumer seeks further connections with the brand</b>
Get Queenslanders to see that XXXX give's a XXXX about QLD	Prompt consumers to purchase XXXX at, during or when planning to watch the SOO	XXXX gives a XXXX about QLD and SOO. XXXX is easy to drink.	Get more beer drinkers to make XXXX their first choice when looking for a modern everyday easy drinking beer
<i>XXXX is outdated and pretty old school. It's reliable but not very in the now.</i>	<i>XXXX is a brand my Dad drinks. I'm not sure it's right for me.</i>	<i>XXXX isn't easy to drink and my friends will think I'm a bogan if I order it.</i>	<i>XXXX is an outdated brand that doesn't represent me and my mates of today.</i>
<i>XXXX is showing up and giving back during SOO. It seems to be a bit more modern these days.</i>	<i>XXXX is all about QLD and SOO, I'm going to give it go/buy a round for my mates</i>	<i>XXXX goes down easy. I'm happy for this to be my 'go to' when it's my turn to shout the round with mates.</i>	<i>XXXX is a brand for people like me. It's showing up in unexpected relevant ways and I like that.</i>



## Frameworks & tech to go deep with each consumer



## 2. Consumer Journey Adaptation: Channel Strategy

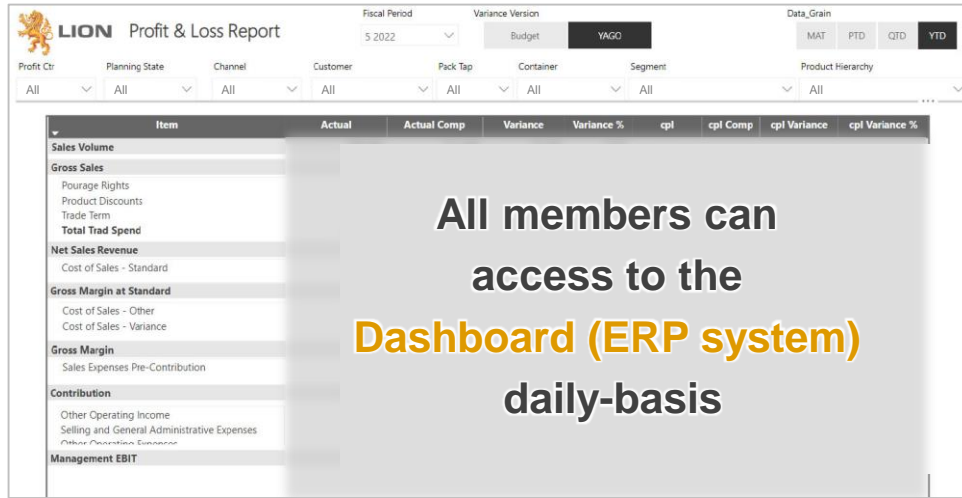
CHALLENGES	KEY TRENDS	CHANNEL IMPLICATIONS		INITIATIVES	
		ON PREMISE	OFF PREMISE		
<b>CONSUMER LANDSCAPE</b>	CHANGING CONSUMPTION:	Decreasing customer traffic and lost occasions	Emergence of new formats in line with new consumption occasions	<b>PORTFOLIO ENHANCEMENT</b> Innovation across formats, categories and channels.	
	EVOLVING DEMOGRAPHICS:	Aging population – Younger demographic more diverse	Culturally relevant communication to reach new consumers		
<b>CATEGORY DYNAMICS</b>	MACRO SPACE PRESSURE:	Growing market presence of non-beer liquor products	Retailers rationalising space for beer, placing pressure on position / placement in store		<b>REVENUE GROWTH MANAGEMENT</b> Maximising portfolio value across all occasions and channels
	GROWTH VIA INNOVATION:	Innovation is required at the tap bank to increase socialisation	Opportunities maximised via pack format differentiation and tailored innovation by sub-channel		
<b>TRADING CONTEXT</b>	CHANNEL MIGRATION:	Decreasing customer traffic is placing increased pressure	Shoppers reverting to familiar, trusted products, drive & innovate around brands with high awareness		<b>PROMOTIONAL EFFICIENCY</b> Aligning promotional outcomes & channel mix to achieve revenue growth targets and objectives.
	ACCELERATION OF DIGITAL:	Increased need for digital solutions that accelerate engagement	Must align online strategies across retailer and supplier		
				<b>DISTRIBUTION PRIORITIES</b> Enhanced in-store execution with a regional specific lens to drive incremental	

Source: Hybrid Ex-Brewery Projected 2021-2025; IRI AU Weighted, Total Packaged Beer, P5Y to Jun 2021; IRI and Growth Scope, Liquor Market Moves 2022

Positive implication
  Negative implication
  Neutral implication

# 3. Brand Owner Approach

- Brand tracking is down to contribution level.
- Profit roadmaps are in place for key brands.
- Value initiatives (profit improvement measures) are led by the brand team together with supply chain to drive efficiency and maximize profitability.
- Commercial and financial capability curriculum is foundational for all brand managers.



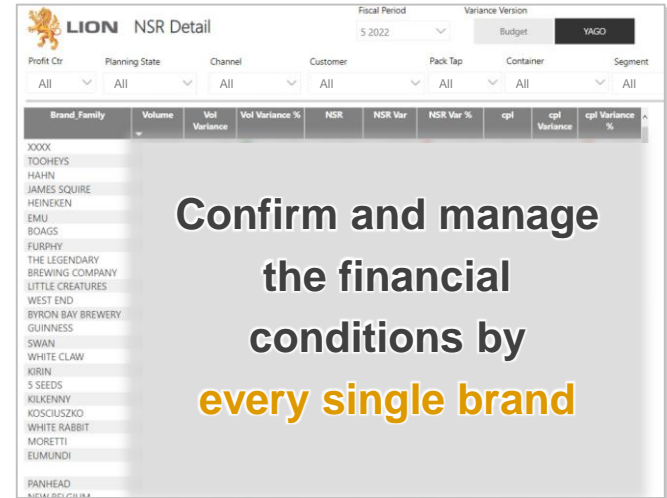
**LION Profit & Loss Report**

Fiscal Period: 5 2022 | Variance Version: Budget | YAGO | Data\_Grain: MAT, PTD, QTD, YTD

Profit Ctr: All | Planning State: All | Channel: All | Customer: All | Pack Tap: All | Container: All | Segment: All | Product Hierarchy: All

Item	Actual	Actual Comp	Variance	Variance %	cpl	cpl Comp	cpl Variance	cpl Variance %
<b>Sales Volume</b>								
<b>Gross Sales</b>								
Pourage Rights								
Product Discounts								
Trade Term								
<b>Total Trad Spend</b>								
<b>Net Sales Revenue</b>								
Cost of Sales - Standard								
<b>Gross Margin at Standard</b>								
Cost of Sales - Other								
Cost of Sales - Variance								
<b>Gross Margin</b>								
Sales Expenses Pre-Contribution								
<b>Contribution</b>								
Other Operating Income								
Selling and General Administrative Expenses								
Other Provision Expense								
<b>Management EBIT</b>								

**All members can access to the Dashboard (ERP system) daily-basis**



**LION NSR Detail**

Fiscal Period: 5 2022 | Variance Version: Budget | YAGO

Profit Ctr: All | Planning State: All | Channel: All | Customer: All | Pack Tap: All | Container: All | Segment: All

Brand Family	Volume	Vol Variance	Vol Variance %	NSR	NSR Var	NSR Var %	cpl	cpl Variance	cpl Variance %
XXXX									
TOOHEYS									
HAHN									
JAMES SQUIRE									
HEINEKEN									
EMU									
BOAGS									
FURPHY									
THE LEGENDARY BREWING COMPANY									
LITTLE CREATURES									
WEST END									
BYRON BAY BREWERY									
GUINNESS									
SWAN									
WHITE CLAW									
KIRIN									
S SEEDS									
KILKENNY									
KOSCIUSZKO									
WHITE RABBIT									
MORETTI									
EUMUNDI									
PANHEAD									
NSM-SD-CUM									

**Confirm and manage the financial conditions by every single brand**

# Early Signs: Mainstream Beer - Easy Drinking

## Strategy

Recruit consumers by delivering on easy drinking needs with a focus on local 'heartland' market first.

## Recent Results

Share position and gains

XXXX **+1.43pts YoY\***  
Byron Bay **+0.09pts YoY\***

Sales Volume

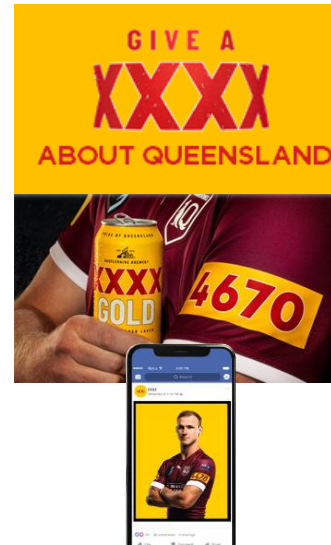
XXXX **+23% YoY\***  
Byron Bay **+27% YoY\***

Brand equity gains

**XXXX Brand power**  
**+4pts gain to be QLD No.1\*\***

## Recent / Upcoming Promotions

New Communication  
XXXX & Passion  
Point Activation



Byron Bay  
Continued  
Acceleration



# Early Signs: Better for You

Joy brings us together



## Strategy

Be the leading player within the better for you segment with offerings across low carb, zero and future innovation

## Recent Results

Share position and gains

Hahn	Flat
Zero portfolio	<b>+0.08pts YoY</b>

Sales Volume

Hahn	<b>+6% YoY</b>
Zero portfolio	<b>+ &gt;100% YoY</b>

Zero portfolio includes Heineken Zero, James Squire Zero, and XXXX Zero etc.  
Source: IRI data April 2022 vs April 2021

## Recent / Upcoming Promotions

Launch  
XXXX  
Zero



Restage Hahn



## Strategy

Drive premiumisation through acceleration of growing need for quality craft with Australia's No.1 craft portfolio

## Recent Results

Share position and gains

Little Creatures **+0.08pts YoY**  
Stone & Wood **+0.15pts YoY**

Sales Volume

Little Creatures **+22% YoY**  
Stone & Wood **+22% YoY**

Source: IRI data April 2022 vs April 2021

## Recent / Upcoming Promotions

### Little Creatures



### Stone & Wood



## Strategy

Accelerate value by delivering on evolving consumer needs for high quality, easy drinking that reflects young adult lifestyles

## Recent Results

Share position and gains	White Claw	<b>+9.9pts YoY</b>
	J.S. Ginger Beer	<b>+2.2pts YoY</b>
Sales Volume	White Claw	<b>+290% YoY</b>
	J.S. Ginger Beer	<b>+135% YoY</b>

Source: IRI data April 2022 vs April 2021

## Recent / Upcoming Promotions

Accelerate Seltzers  
Launch White Claw  
Summer Pineapple &  
White Claw Surge



Accelerate James  
Squire Ginger Beer &  
Launch James  
Squire Low Sugar  
Ginger Beer





- **We are focused on executing our consumer led growth strategy as the foundation for our transformation with the right capabilities and strategic prioritization**
- **We are seeing early signs of progress in revitalizing mainstream beer led by XXXX**
- **We are well poised to lead the next phase of growth in Better For You with Hahn being the leading brand**
- **We will continue to lead the acceleration of Craft growth as we further integrate Stone & Wood and the Fermentum business**
- **We continue to accelerate our growth in Modern RTD's led by Seltzer and Ginger Beer**

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