



Annual Report 2017

March 6, 2018

Company Announcement No. 14/2018 — 6 March 2018

Annual Report 2017

Efficient strategy execution delivers continued progress

- Best results ever in spite of poor summer weather
- Positive development in net revenue and earnings
- Royal Unibrew generally maintained its market shares in 2017
- EBITDA-margin and EBIT-margin increases
- ROIC excluding goodwill up from 28% to 32%
- DKK 934 million was distributed to the shareholders in 2017
- It has been decided to launch as soon as possible a share buy-back programme of DKK 400 million
- The Board of Directors proposes the distribution of dividend of DKK 8.90 per share, corresponding to a total of DKK 469 million
- Royal Unibrew maintain the strategic flexibility

"2017 showed continued progress for Royal Unibrew in spite of poor summer weather in Northern Europe. The positive development is due, not least, to a reinforcement of our market positions in most of the markets in which we operate. We achieved our best results ever in the past year, and revenue increased in all parts of our business adjusting for the effect of changed customer agreements and a negative exchange rate effect in our malt business. As a result of the earnings improvement combined with our outlook, we are increasing our medium-term EBIT target from 16% to about 17%. At the same time, we are continuing our distributions to shareholders by way of a share buy-back programme of up to DKK 400 million and the distribution of ordinary dividend of DKK 8.90 per share, corresponding to a 9% increase on 2016. With this distribution of a total of DKK 870 million we maintain our strategic flexibility", says Hans Savonije, President & CEO.

Selected Financial Highlights and Ratios

	Q1-Q4		Q4	
	2017	2016	2017	2016
MDKK				
Sales (thousand hectolitres)	9,556	9,678	2,223	2,221
Net revenue	6,384	6,340	1,516	1,466
EBITDA	1,362	1,306	286	254
EBITDA-margin (%)	21.3	20.6	18.9	17.3
Earnings before interest and tax (EBIT)	1,069	1,001	208	176
EBIT-margin (%)	16.7	15.8	13.7	12.1
Profit before tax	1,056	998	203	180
Net profit for the year	831	784	163	143
Free cash flow	950	1,022	239	187

MDKK	Q4 2017	Q4 2016	Q4 2015	Q4 2014
Net interest-bearing debt	975	991	1,184	1,553
NIBD/EBITDA (current 12 months)	0.7	0.8	1.0	1.4
Equity ratio (%)	42	48	43	40

Outlook for 2018

MDKK	Outlook	Actual	Actual
	2018	2017	2016

Net revenue	6,650-6,900	6,384	6,340
EBITDA	1,450-1,550*	1,362	1,306
EBIT	1,090-1,190	1,069	1,001

*Approx. DKK 50 million impact from implementing IFRS 16 (operational leasing)

The Annual Report has been published via Nasdaq Copenhagen A/S and is enclosed with this announcement. The Annual report is also available on www.royalunibrew.com.

For further information on this announcement:

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It will be possible for investors and analysts to follow Royal Unibrew's presentation of the Annual Report on Wednesday, 7 March 2018, at 9 am by audiocast at one of the following dial-in numbers

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United States of America: + 323 794 2093

Financial Calendar 2018

24 April 2018 Interim Report for the period 1 January — 31 March 2018

24 April 2018 Annual General Meeting at the Bella Center in Copenhagen

27 August 2018 Interim Report for the period 1 January — 30 June 2018

21 November 2018 Interim Report for the period 1 January — 30 September 2018

Disclaimer

This announcement contains forward-looking statements, including statements about the Group's sales, revenues, earnings, spending, margins, cash flow, inventory, products, actions, plans, strategies, objectives and guidance with respect to the Group's future operating results. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the following words or phrases "believe, anticipate, expect, estimate, intend, plan, project, will be, will continue, likely to result, could, may, might", or any variations of such words or other words with similar meanings. Any such statements involve known and unknown risks, estimates, assumptions and uncertainties that could cause the Group's actual results, performance, or industry results to differ materially from the results expressed or implied in such forward-looking statements. The Group assumes no obligation to update any such forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements.

Some important risk factors that may have direct bearing on the Group's actual results include, but are not limited to: economic and political uncertainty (including interest rates and exchange rates), financial and regulatory developments, development in the demand for the Group's products, introduction of and demand for new products, the competitive environment and the industry in which the Group operates, changes in consumer preferences, increasing industry consolidation, the availability and pricing of raw materials and packaging materials, cost of energy, production- and distribution-related issues, information technology failures, breach or unexpected termination of contracts, price reductions resulting from market-driven price reductions, determination of fair value in the opening balance sheet of acquired entities, litigation, environmental issues and other unforeseen factors.

New risk factors can emerge in the future, which the Group cannot predict. Furthermore, the Group cannot assess the impact of each factor on the Group's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.

The Annual Report has been prepared in Danish and English. In case of discrepancy the Danish version shall prevail.