



Royal Unibrew

Conference call for the first nine months of 2019

1 January – 30 September 2019

November 14, 2019



A balanced execution drives growth in Net Revenue and EBIT

• Financial highlights

- EBIT increased DKK 110m to DKK 1,202m up 10%
- Net revenue amounted to DKK 5,905m compared to DKK 5,624m last year.
- Adjusting for the beer campaign in Finland, we delivered organic quality revenue growth
- Volumes increased 1% to 8.5 million hectoliters. Acquisitions added a 3% increase, while the organic development reduced volumes by 2% (incl. Beer campaign in Finland)
- Market shares were slightly improved

• M&A activities

- In August 2019, we acquired 100% of the share capital of the Bruce Ashley Group Inc. in Canada
- In the beginning of November, we acquired the Latvian craft brewery SIA Bauskas Alus
- Bev.Con ApS and CULT have been merged with Royal Unibrew A/S

• Outlook

- We specify our outlook for 2019 to be in the top end of the outlook announced in August 2019



Delivering on our CSR objectives

- Application to join the UN Global Compact was submitted in September
- We continue implementation of initiatives identified in our materiality assessment from 2018 (presented in the annual report)
- Examples of some of our achievements in 2019
 - Egekilde still water will be launched in a 100% R-PET* bottle
 - We have improved the sustainability profile of our Royal Organic beer
 - In our core markets we are steadily increasing usage of recycled PET in our PET bottles
 - Launched many new products within no/low sugar
- The methodology to calculate our baseline for our CO₂ emissions is expected to be finalized in Q4 and will be presented in the annual report
- We have strengthened our governance structures incl. hiring a new Group CSR



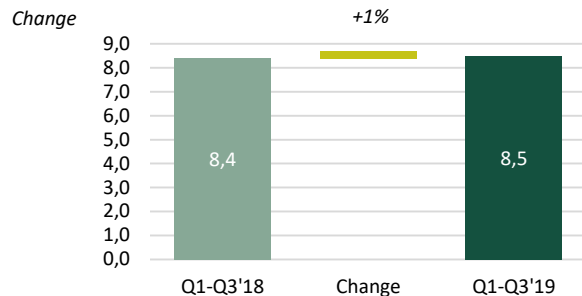
Balanced execution and acquisitions drive solid earnings growth

- Market shares slightly improved
- Solid revenue improvement by 5%
- Both EBITDA margin and EBIT margin increased
- Earnings per share up from DKK 16.9 to DKK 18.7 (+11%)
- Strong free cash flow
- The share buy-back program was completed at the end of October
- We maintain our strategic flexibility

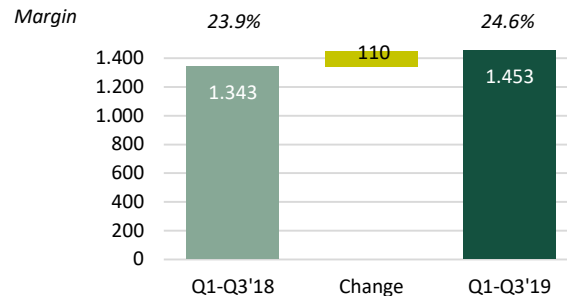


Positive development on all parameters

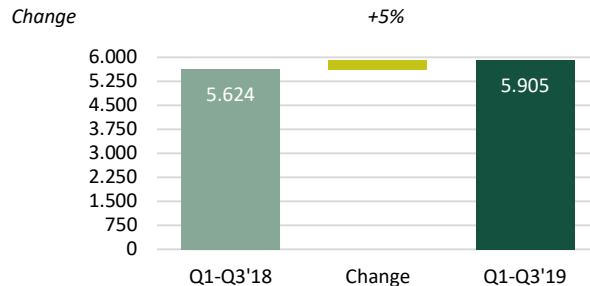
Volume million hl



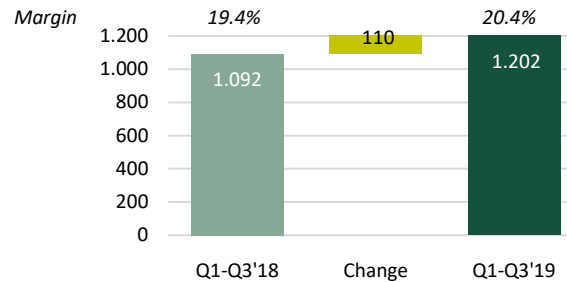
EBITDA DKKm



Net revenue DKKm



EBIT DKKm



Financial performance

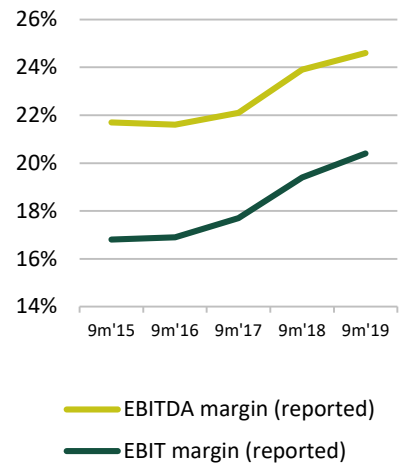
mDKK	Q1-Q3'19	Q1-Q3'18	Change
P&L ITEMS			
Net revenue	5,905	5,624	281
Gross margin	53.7%	53.2%	0.5pp
EBITDA	1,453	1,343	110
EBITDA margin	24.6%	23.9%	0.7pp
EBIT	1,202	1,092	110
EBIT margin	20.4%	19.4%	1pp
Profit before tax	1,191	1,080	111
Net profit	918	852	66

mDKK	Q1-Q3'19	Q1-Q3'18	Change
BALANCE SHEET ITEMS			
Net interest bearing debt	2,681	2,397	-284
Net working capital	-695	-895	-200
Total assets	8,594	8,161	433
Equity	2,934	2,776	158
Equity ratio	34%	34%	-
Invested capital	6,018	5,588	430
ROIC ex. goodwill*	31%	34%	-3pp
ROIC incl. goodwill*	19%	21%	-2pp

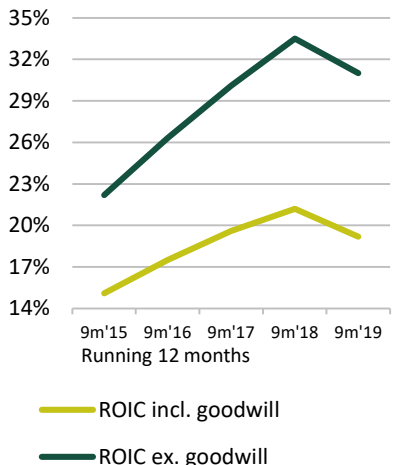
* Running 12 months – EBIT not full year for acquisitions

Key figure performance

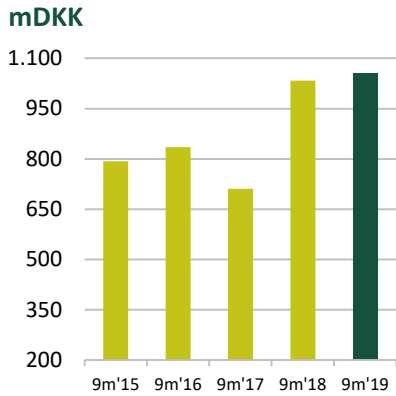
Profit margins



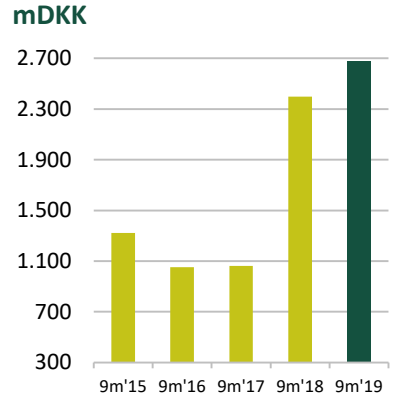
ROIC



Free Cash Flow



NIBD



Development in segments

Western Europe

- Volume +7%, Revenue +10%, EBIT growth +12%
- Denmark & Germany
 - Market development as expected
 - The average selling price per volume continues to be above the 2018 due to a good price pack execution and strong mix
- Southern Europe
 - Organically volumes increased by 6% and net revenue by 7% compared to last year
 - Integration of the Lorina business in France is progressing as planned

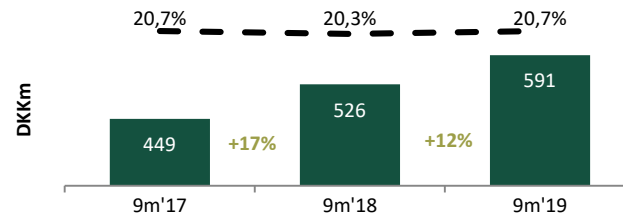
Baltic Sea

- Volume -6%, Revenue -3%, EBIT growth +7%
- Finland
 - No extraordinary beer campaign in Q2 and Q3 affects volumes and net revenue negatively compared to last year
- Baltics
 - Beer market remains challenging, however, we see a start of recovery
 - The Latvian craft brewery Bauskas Alus was acquired in the beginning of November 2019

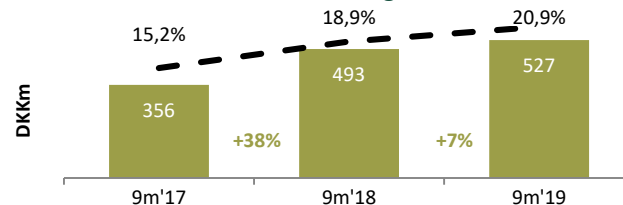
International

- Volume +15%, Revenue +21%, EBIT growth +10%
- Double digit sales growth
- Positive impact from currency development
- Challenging development in the Malt business with focus on BREXIT

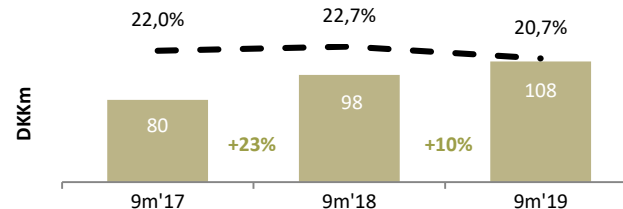
Western Europe EBIT and EBIT margin



Baltic Sea EBIT and EBIT margin



International EBIT and EBIT margin



Outlook 2019

mDKK	Outlook August 2019	Outlook March 2019	Actual 2018	Actual 2017
Net revenue	7,575 – 7,650	7,400 – 7,650	7,298	6,384
EBIT	1,440 – 1,465	1,340 – 1,465	1,339	1,069

The outlook announced in August 2019 is specified to be in the top end of the intervals

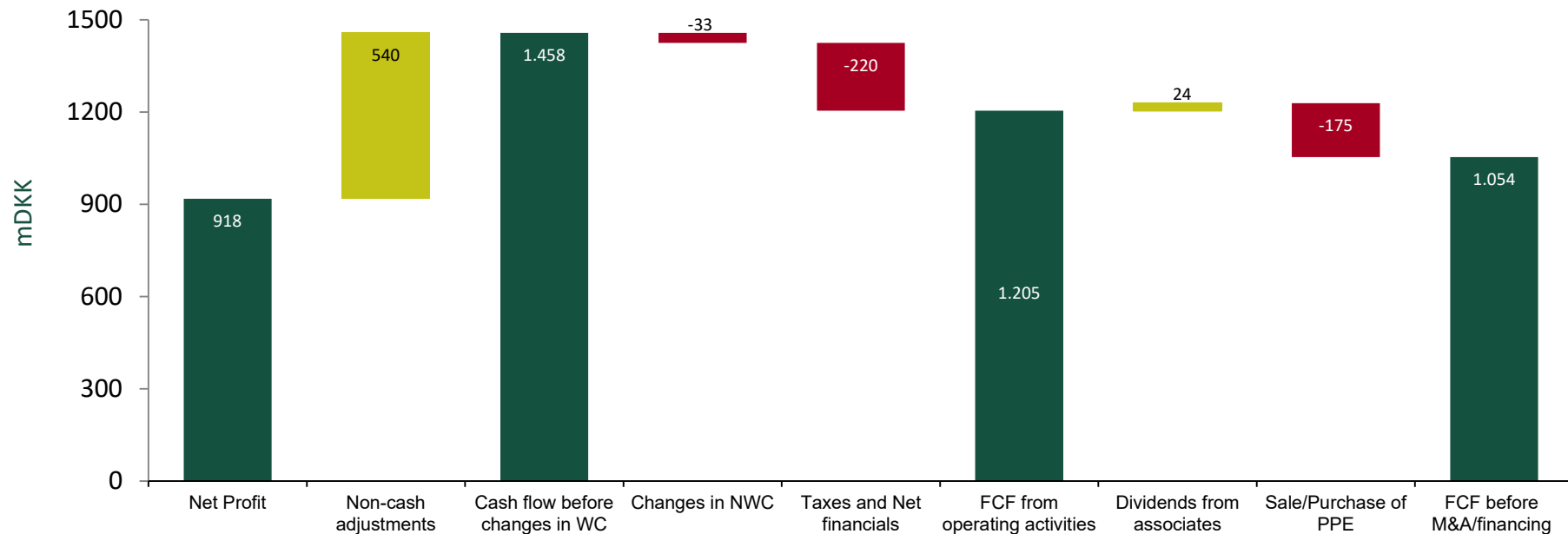


APPENDIX



Cash flow generation

Cash Flow Q1-Q3'19



Q1-Q3'18:	852	497	1,349	-22	-134	1,193	20	-179	1,034
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Shareholder distribution

Dividend for 2018 of DKK 538 million paid to shareholders

- Dividend DKK 10,80 per share

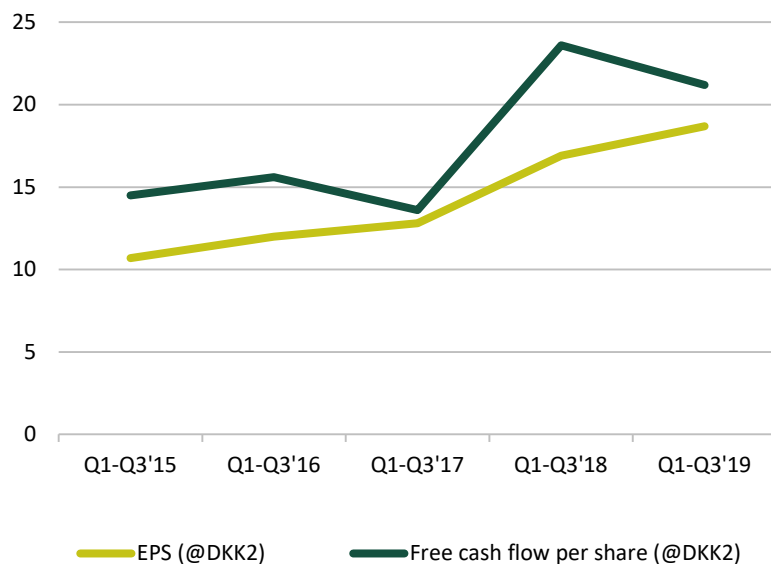
DKK 400m share buy-back initiated in March 2019

- Safe Harbour program
- The program completed 31 October 2019
- 790,000 shares

Share buy-back program 2019
(existing and previous program)

- 860.112 shares bought at a total value of DKK 433 million

EPS and free cash flow per share



Disclaimer

This Interim Report 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.