



## Interim Report for 1 January - 30 June (H1) 2018

August 27, 2018

Company Announcement No 52/2018 – 27 August 2018

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### Consistent execution and extraordinarily good weather conditions drive strong Royal Unibrew H1 results

Due to extraordinarily good weather in Northern Europe in Q2, increased business volumes following the acquisition of Terme di Crodo and generally good momentum in the total business, Royal Unibrew has achieved the best half-year results in the Group's history. The results are in accordance with the upwards adjustment of the outlook announced in July 2018. In line with Royal Unibrew's strategy, four acquisitions were made in 2018, one of which is awaiting the approval of the Danish competition authorities.

### Financial performance

- Earnings before interest and tax (EBIT) for H1 2018 were DKK 139 million higher than in 2017 and amounted to DKK 641 million (2017: DKK 502 million).
- EBIT margin increased by 2.4 percentage points to 18.2%.
- The higher earnings are substantially due to the extraordinarily good weather in Northern Europe in May and June, and earnings were driven by all segments.
- It is estimated that the extraordinarily good weather for the entire summer, including Q3 has increased EBITDA by approx. DKK 70-90 million.
- Net revenue for H1 2018 showed an 11% increase and amounted to 3,518 million compared to DKK 3,183 million for H1 2017.
- Sales for H1 2018 showed an 4% increase and amounted to 5.2 million hectolitres compared to 5.0 million hectolitres in 2017. For Q2 the sales increased 8% compared to 2017.
- Royal Unibrew generally maintained its market shares.
- Free cash flow for H1 2018 amounted to DKK 614 million compared to DKK 497 million for H1 2017 and is extraordinarily positively affected by the early start to the summer season.
- In H1 2018, dividend of DKK 772 million (2017: DKK 663 million) was distributed to shareholders, and net interest-bearing debt went up by DKK 981 million (including DKK 607 million relating to the acquisition of Terme di Crodo) to DKK 1,956 million (30 June 2017: DKK 1,158 million). Calculated on a running 12-month basis, NIBD/EBITDA was 1.3, and ROIC excluding goodwill was 34%.

### Business activities

- The integration of Terme di Crodo, which was acquired as of 2 January 2018, is progressing faster than expected. Focus is on generating value for both Royal Unibrew and customers.
- Royal Unibrew has great focus on improving partnerships with its customers and on developing new products and activities to meet consumer demands.
- In late Q2, the brew pub Anarkist was opened in connection with the specialty beer brewery at Albani in Odense, where consumers may witness the production of – and sample – new craft beer products such as for example Kissmeyer and Anarkist.
- In late Q2, Royal Unibrew entered into an agreement to acquire Bev.Con ApS, which owns the brands CULT Energy, SHAKER and MOKAÎ, among others. The realisation of the acquisition is awaiting the approval of the Danish competition authorities.
- Moreover, through the acquisition of a majority interest in Nohlund ApS, Royal Unibrew has entered into a strategic alliance on the distribution of ready-to-drink organic cocktails with focus on the on-trade segment.
- In July 2018, Royal Unibrew acquired the French lemonade business Etablissements Geyer Frères, which focuses on high-quality lemonade products with special emphasis on good raw materials and organic principles and owns the brands LORINA, Pure Thé and InFreshhh.
- The acquired activities are expected to increase Royal Unibrew's earnings per share (EPS) within a relatively short time frame.

### Outlook

Due to continued extraordinarily good weather in Q3 until mid August, the outlook announced in July 2018 for net revenue, EBITDA and EBIT is increased. The outlook is now as follows:

- Net revenue: DKK 7,000-7,200 million (July 2018: DKK 6,900-7,100 million)
- EBITDA: DKK 1,625-1,675 million (July 2018: DKK 1,560-1,635 million)
- EBIT: DKK 1,275-1,325 million (July 2018: DKK 1,200-1,275 million)

#### Selected financial highlights and key ratios

mDKK	H1 2018	H1 2017	Q2 2018	Q2 2017
Sales (thousand hectolitres)	5,226	5,02	3,099	2,869
Net revenue	3,518	3,183	2,066	1,829
EBITDA	800	643	526	419
<i>EBITDA margin (%)</i>	22.7	20.2	25.5	22.9
Earnings before interest and tax (EBIT)	641	502	447	351
<i>EBIT margin (%)</i>	18.2	15.8	21.6	19.2
Profit before tax	636	498	455	355
Net profit for the period	502	390	359	280
Free cash flow	614	497	892	551
Net interest-bearing debt	1,956	1,158		
NIBD/EBITDA (running 12 months)	1.3	0.9		
Equity ratio (%)	34	41		

#### 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 Interim Report on Tuesday, 28 August 2018, at 9.00 am CET by audiocast at the following telephone numbers:

Participants from Denmark: +45 35 15 80 49

Participants from the UK: +44 (0) 330 336 9125

Participants from the USA: +1 929-477-0324

The presentation may also be followed at Royal Unibrew's website [www.royalunibrew.com](http://www.royalunibrew.com).

#### Financial Calendar for 2018

21 November 2018

Interim Report for the period 1 January - 30 September 2018

#### Attachment

- [RU\\_Q2\\_2018\\_UK\\_print\\_FINAL](#)