



Annual Report 2016

March 9, 2017

Company Announcement No. 11/2017 — 8 March 2017

Annual Report 2016

Strategy delivers earnings increase once again based on entrepreneurship, commercial focus and high efficiency

- Record-high earnings and earnings per share
- Royal Unibrew generally maintained its market shares in 2016
- Sales went up by 6% and net revenue by 5%
- EBITDA showed a DKK 81 million increase to DKK 1,306 million
- EBIT showed a DKK 84 million increase to DKK 1,001 million, and EBIT margin showed a 0.6 percentage point increase to 15.8%
- Free cash flow amounted to DKK 1,022 million, representing 16% of net revenue
- DKK 829 million was distributed to the shareholders in 2016
- It has been decided to launch as soon as possible a share buy-back programme of DKK 560 million
- The Board of Directors proposes the distribution of dividend of DKK 8.15 per share, corresponding to a total of DKK 441 million
- Jesper B. Jørgensen will join as new CEO on 1 April 2017

"2016 was yet another good year for Royal Unibrew. Despite challenging market conditions in several of our markets, our earnings continued to increase, which should be viewed in light of, not least, many innovative measures across our organisation and our local presence with our consumers and customers. In recent years, we have focused intensively on developing the craft beer market, launching many exciting, new products which have been received well by our consumers - and in 2017 we will open our craft beer brewery in Denmark. As a result of the earnings improvement combined with our outlook for the years ahead, we are increasing our medium-term EBIT target from about 15% to about 16%. At the same time, we are increasing distributions to DKK 1 billion as a combination of a higher dividend and the most extensive share buy-back programme in our history" says Henrik Brandt, CEO.

Selected Financial Highlights and Ratios

MDKK	Q1-Q4		Q4	
	2016	2015	2016	2015
Sales (thousand hectolitres)	9,678	9,100	2,221	2,236
Net revenue	6,340	6,032	1,466	1,423
EBITDA	1,306	1,225	254	223
EBITDA-margin (%)	20.6	20.3	17.3	15.7
Earnings before interest and tax (EBIT)	1,001	917	175	142
EBIT-margin (%)	15.8	15.2	12.0	10.1
Profit before tax	998	902	179	146
Net profit for the year	784	711	143	123
Free cash flow	1,022	1,032	187	239

MDKK	Q4 2016	Q4 2015	Q4 2014	Q4 2013
Net interesting-bearing debt	991	1,184	1,553	2,379

NIBD/EBITDA (current 12 months)	0.8	1.0	1.4	2.3*
Equity ratio (%)	48	43	40	31

* calculated proforma with Hartwall's realised full-year EBITDA

Outlook for 2017

	Forventet	Realiseret	Realiseret
MDKK	2017	2016	2015
Net revenue	6,250-6,450	6,340	6,032
EBITDA	1,285-1,385	1,306	1,225
EBIT	980-1,080	1,001	917

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 Thursday, 9 March 2017, at 9 am by audiocast at one of the following dial-in numbers

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United States of America: +1212 444 0896

Financial Calendar 2017

27 April 2017 Interim Report for the period 1 January — 31 March 2017

27 April 2017 Annual General Meeting at Ceres Park & Arena i Aarhus

21 August 2017 Interim Report for the period 1 January — 30 June 2017

22 November 2017 Interim Report for the period 1 January — 30 September 2017

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.