



## Interim Report 1 January - 31 March 2017

April 27, 2017

### COMPANY ANNOUNCEMENT NO 20/2017 — 27 APRIL 2017

#### Good start to 2017 — earnings improvement

Earnings before interest and tax (EBIT) for Q1 2017 were DKK 13 million higher than in 2016 and amounted to DKK 151 million (2016: DKK 138 million). The higher earnings for Q1 were due to a favourable development in the breakdown of sales on markets, sales channels and products as well as lower costs. Net revenue for Q1 2017 was at the Q1 2016 level despite a significant part of 2017 Easter sales not occurring until in Q2, whereas total 2016 Easter sales occurred in Q1. Royal Unibrew generally maintained its market shares on branded products. Free cash flow amounted to a negative DKK 54 million compared to a positive DKK 5 million for 2016 which was positively affected by sale of the brewery site in Aarhus. Share buy-backs of DKK 97 million (2016: DKK 88 million) were made in Q1, and, as expected, net interest-bearing debt increased, amounting to DKK 1.1 billion at the end of Q1. The outlook for 2016 is maintained.

*"Q1 developments were positive and as expected. We saw a good increase in sales to, especially, Danish consumers, and across the Group we are maintaining our commercial focus on strengthening customer partnerships and consumer engagement by continuously launching new and interesting products. Q1 saw the launch of a number of new craft beer products, including new Kissmeyer products in the Danish market. Due to the positive development of Royal Unibrew, we launched in March 2017 our largest ever share buy-back programme of DKK 560 million, and at today's AGM dividend distribution of DKK 440 million will be proposed, corresponding to DKK 8.15 per share of DKK 2", says Jesper B. Jørgensen, CEO.*

#### Outlook

The previously announced outlook is maintained as follows:

- Net revenue: DKK 6,250-6,450 million
- EBITDA: DKK 1,285-1,385 million
- EBIT: DKK 980-1,080 million

#### Selected financial highlights and key ratios

mDKK	Q1 2017	Q1 2016	2016
Sales (thousand hectolitres)	2,069	2,081	9,678
Net revenue	1,354	1,35	6,34
EBITDA	224	212	1,306
EBITDA margin (%)	16.5	15.7	20.6
Earnings before interest and tax (EBIT)	151	138	1.001
EBIT margin (%)	11.2	10.2	15.8
Profit before tax	143	127	998

Net profit for the period	110	99	784
Free cash flow	-54	5	1,022
Net interest-bearing debt	1,142	1,269	991
NIBD/EBITDA (running 12 months)	0.9	1.0	0.8
Equity ratio (%)	47	45	48

**For further information on this Announcement:**

Lars Jensen, CFO, tel +45 29 23 00 44

It will be possible for investors and analysts to follow Royal Unibrew's presentation of the Interim Report on Friday, 28 April 2017, at 9.00 am by audiocast at one of the following dial-in numbers:

Danish participants: +45 32 71 16 58

United States participants: +1 646 254 3364

International number: +44 20 3427 1919

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

**Financial calendar for 2017**

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

The Interim Report has been prepared in Danish and English.

In case of discrepancy the Danish version shall prevail.

**Forward-looking statements**

This Interim Report contains forward-looking statements, including statements about the Group's sales, revenue, earnings, spending, margins, cash flows, inventories, 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 may 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.