



Interim Report 1 January - 30 June 2017

August 22, 2017

COMPANY ANNOUNCEMENT NO 41/2017 — 21 AUGUST 2017

Interim Report for 1 January - 30 June (H1) 2017

Commercial initiatives lead to earnings improvement

Earnings before interest and tax (EBIT) for H1 2017 were DKK 34 million higher than in 2016 and amounted to DKK 502 million (2016: DKK 468 million). EBIT margin increased by one percentage point to 15.8%. The increase reflects higher earnings in Western Europe and Baltic Sea. Net revenue for H1 2017 showed a 1% increase and amounted to DKK 3,183 million compared to DKK 3,160 million for 2016. The net revenue development was positively affected by the expanded cooperation with PepsiCo in Denmark and the Baltic countries, whereas it was negatively affected by poorer weather in Northern Europe than in 2016. Royal Unibrew generally maintained its market shares. Free cash flow for H1 2017 amounted to DKK 497 million compared to DKK 514 million for H1 2016, which was positively affected by approx DKK 160 million from the sale of the brewery site in Aarhus. In H1 2017, dividend of DKK 663 million (2016: DKK 592 million) was distributed to shareholders, and net interest-bearing debt went up by DKK 167 million to DKK 1,158 million (30 June 2016: DKK 1,261 million). NIBD/EBITDA calculated on a running 12-month basis was 0.9. The previously announced net revenue range is specified to the lower half of the range as a result of the summer weather, which is overall poorer than normal, whereas EBIT is specified to the upper half of the range.

"In H1, we realised a large number of commercial initiatives, including the launch of many new interesting products as well as consumer engagement in all of our markets. This has resulted in a continued positive business development, an additional earnings improvement as well as a satisfactory cash flow development. Among other things, we launched several new specialty beer products, including new Kissmeyer products in the Danish market. The new specialty beer brewery at Albani in Odense was put into operation in late Q2, and we launched the establishment of a specialty beer brewery adjacent to the Lahti brewery in Finland. The establishment of the new facilities is pivotal to our commitment in the specialty beer segment, which is showing handsome growth. Due to the strong developments, we are now expecting EBIT for 2017 to be in the upper half of the range announced previously, whereas the weather is generally affecting our outlook negatively", says Jesper B. Jørgensen, CEO.

Outlook

The previously announced net revenue range is specified to the lower half of the range as a result of the summer weather, which is overall poorer than normal, whereas EBIT is specified to the upper half of the range, as follows:

- Net revenue: DKK 6,250-6,350 million, (previously DKK 6,250-6,450 million)
- EBITDA: DKK 1,320-1,370 million, (previously DKK 1,285-1,385 million)
- EBIT: DKK 1,030-1,080 million, (previously: DKK 980-1,080 million)

Selected financial highlights and key ratios

mDKK	H1 2017	H1 2016	Q2 2017	Q2 2016
Sales (thousand hectolitres)	4,833	4,876	2,764	2,795
Net revenue	3,183	3,16	1,828	1,81
EBITDA	643	620	419	408
EBITDA margin (%)	20.2	19.6	22.9	22.6

Earnings before interest and tax (EBIT)	502	468	351	329
<i>EBIT margin (%)</i>	<i>15.8</i>	<i>14.8</i>	<i>19.2</i>	<i>18.2</i>
Profit before tax	498	462	355	335
Net profit for the period	390	364	280	266
Free cash flow	497	514	551	509
Net interest-bearing debt	1,158	1,261		
NIBD/EBITDA (running 12 months)	0.9	1.0		
Equity ratio (%)	41	42		

For further information on this Announcement:

Jesper B. Jørgensen, President & CEO, tel +45 22 20 80 17.

It will be possible for investors and analysts to follow Royal Unibrew's presentation of the Interim Report on Tuesday 23 August 2017, at 9.00 am by audiocast at one of the following dial-in numbers:

Danish participants: +45 32 71 16 59

United States participants: +1 212 444 0895

International number: +44 20 3427 0503

The presentation may also be followed at Royal Unibrew's website www.royalunibrew.com.

Financial calendar for 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. Royal Unibrew assumes no obligation to update or adjust any such forward-looking statements (except for as required under the disclosure requirements for listed companies) 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, changes in 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.