



## Interim Report for 1 January - 30 September (9M) 2018

November 21, 2018

COMPANY ANNOUNCEMENT NO 65/2018 – 21 NOVEMBER 2018

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### Consistent commercial execution and historically warm summer drive solid earnings growth

Due to a wide range of commercial initiatives and a historically warm summer in Northern Europe in 2018, Royal Unibrew posted solid financial results for the first three quarters of 2018. Net revenue increased by 10% adjusted for M&A activities and 16% in total, while the EBIT margin ended at 19.4% compared to 17.7% for the same period last year.

Throughout 2018, we have seen a strong commercial execution in our core markets supported by our broad product offering, a high level of innovation and commercial activities. Furthermore, we have expanded our offerings into new product categories to help our customers meet a more diversified consumer demand across sales channels. Key brand initiatives have been the introduction of new packaging formats for our Crodo products, Supermalt Ginger Beer in the UK and a Jaffa low-sugar range in Finland. Lastly, we have seen the launch of beers with non-/low-alcohol content with the products Royal Organic 2.3% and Heineken 0.0%.

The results for the first three quarters are in line with our guidance updated in August 2018. The acquisition of Bev.Con ApS (CULT) is expected to be closed during December 2018 following approval from the Danish competition authorities. CULT is not expected to change the full-year guidance.

### Financial highlights Q1-Q3 2018

Net revenue for Q1-Q3 2018 amounted to DKK 5,624 million compared to DKK 4,869 million last year and was positively affected by solid organic growth and the impact from the acquired businesses Terme di Crodo and Etablissements Geyer Frères (Lorina) as well as the extraordinarily good weather in Northern Europe. Acquisitions contributed revenue of DKK 288 million during the first nine months.

EBIT for Q1-Q3 2018 was DKK 1,092 million compared to DKK 862 million last year. The improvement was driven by increased revenue, improved mix and efficiency gains through operational leverage. It is estimated that the extraordinarily good weather during the summer of 2018 has contributed to an increase in EBIT of approx. DKK 70-90 million. The newly acquired businesses in France and Italy also contributed positively to EBIT. Profitability increased in all segments.

Market shares slightly improved compared to the same period last year, mainly driven by an increase in market shares during Q3 as our total supply chain proved its agility in a fast-moving and demanding market.

Free cash flow amounted to DKK 1,034 million for the first nine months compared to DKK 711 million last year.

Net interest-bearing debt amounted to DKK 2,397 million, which is an increase of DKK 1,335 million from last year. The increase is primarily related to the acquisitions.

### Acquisitions

With the expected closing of the CULT acquisition in December 2018, four acquisitions will have been closed in less than 12 months.

### Outlook

The full-year outlook is narrowed and slightly upgraded.

- Net revenue: DKK 7,200-7,300 million (August 2018: 7,000-7,200 million)
- EBITDA: DKK 1,660-1,685 million (August 2018: 1,625-1,675 million)
- EBIT: DKK 1,315-1,340 million (August 2018: 1,275-1,325 million)

### Selected financial highlights and key ratios

	Q1-Q3 2018	Q1-Q3 2017	Q3 2018	Q3 2017
<b>mDKK</b>				
Sales (thousand hectolitres)	8,401	7,599	3,175	2,579
Net revenue	5,624	4,869	2,106	1,686
EBITDA	1,343	1,076	543	433
<i>EBITDA margin (%)</i>	23.9	22.1	25.8	25.7
Earnings before interest and tax (EBIT)	1,092	862	451	359
<i>EBIT margin (%)</i>	19.4	17.7	21.4	21.3
Profit before tax	1,08	853	444	355
Net profit for the period	852	668	351	278
Free cash flow	1,034	711	420	214

Net interest-bearing debt	2,397	1,062
ROIC incl. goodwill*	21	20
ROIC excl. goodwill*	34	30
NIBD/EBITDA*	1.5	0.8
Equity ratio (%)	34	46

\*(running 12 months)

#### For further information

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It will be possible for investors and analysts to follow Royal Unibrew's presentation of the Interim Report on Thursday, 22 November 2018, at 9 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 9105

Participants from the USA: +1 929-477-0402

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

#### Financial Calendar 2019

6 March 2019 Annual Report 2018

25 April 2019 Interim Report for the period 1 January - 31 March 2019

25 April 2019 Annual General Meeting 2019

27 August 2019 Interim Report for the period 1 January - 30 June 2019

13 November 2019 Interim Report for the period 1 January - 30 September 2019

#### Attachment

- [RU Q3 2018 UK print](#)