



Interim Report for 1 January - 30 June (H1) 2019

August 27, 2019

Company Announcement No 40/2019 – 27 August 2019

Interim Report for 1 January - 30 June (H1) 2019

Organic revenue growth and acquisitions drive solid EBIT growth of 11% in H1

Royal Unibrew delivered a solid financial result for the first half of 2019. EBIT increased by 11% and the higher result was driven by all segments. Net revenue increased by 8% of which 2 percentage points were organic growth, while acquisitions in H2 2018 and Q1 2019 added 6% to the net revenue. Q2 was positively affected by the timing of the Easter in 2019, but negatively affected by the weather compared to 2018. The EBIT-margin was 18.7% (H1 2018: 18.2%). Market shares were slightly improved.

Based on the solid H1 results we specify our outlook for 2019 to be in the upper end of the outlook announced in March 2019.

Financial highlights H1 2019

Net revenue for H1 2019 increased by 8% and amounted to 3,791 million compared to DKK 3,518 million for H1 2018 and was positively affected by the impact of acquisitions.

Earnings before interest and tax (EBIT) for H1 2019 were DKK 69 million higher than in 2018 and amounted to DKK 710 million (2018: DKK 641 million). The EBIT margin increased by 0.5 percentage points to 18.7%.

Volumes for H1 2019 showed a 5% increase of which 1 percentage point was organic and amounted to 5.5 million hectolitres compared to 5.2 million hectolitres in 2018.

Free cash flow for H1 2019 amounted to DKK 615 million compared to DKK 614 million for H1 2018. As expected the free cash flow was negatively affected by higher paid tax and higher working capital due to lower campaigns compared to H1 2018.

In H1 2019, net interest-bearing debt went up by DKK 478 million, of which DKK 292 million was due to the acquisition of Bev.Con ApS (Cult). DKK 796 million (H1 2018: DKK 772 million) was distributed to the shareholders. Calculated on a running 12 months basis, NIBD/EBITDA was 1.7x and ROIC excluding goodwill was 32%.

EPS increased by 10% in H1.

Acquisitions

The acquisition of Bev.Con ApS (CULT) was completed end February, and CULT merged with Royal Unibrew A/S in Q2 2019.

On 12 August Royal Unibrew acquired 100% of the share capital of the Bruce Ashley Group Inc. (BAG) in Canada.

In Q2 Royal Unibrew agreed to acquire the Latvian craft brewery SIA Bauskas Alus.

Outlook

We specified our outlook for 2019 to be in the upper end of the outlook announced in March 2019:

- Net revenue: DKK 7,575-7,650 million (March 2019: DKK 7,400-7,650 million)
- EBIT: DKK 1,440-1,465 million (March 2019: DKK 1,340-1,465 million)

SELECTED FINANCIAL HIGHLIGHTS AND KEY RATIOS

mDKK	H1 2019	H1 2018	Q2 2019	Q2 2018
Sales (thousand hectolitres)	5,462	5,226	3,236	3,099
Net revenue	3,791	3,518	2,270	2,066
EBITDA	879	800	584	526
EBITDA margin (%)	23.2	22.7	25.7	25.5
Earnings before interest and tax (EBIT)	710	641	499	447
EBIT margin (%)	18.7	18.2	22.0	21.6
Profit before tax	700	636	500	455
Net profit for the period	541	502	388	359
Free cash flow	615	614	771	892
Net interest-bearing debt	3,000	1,956		
ROIC incl. goodwill (%)*	20	22		
ROIC excl. goodwill (%)*	32	34		
NIBD/EBITDA (times)*	1.7	1.3		

Equity ratio (%) 30 34

* Running 12 months

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 Wednesday, 28 August 2019, at 9.00 am CEST by audiocast at the following telephone numbers:

Participants from Denmark: +45 32 72 80 42

Participants from the UK: +44 (0) 2071 928000

Participants from the USA: +1 6315 107 495

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

Financial Calendar for 2019

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

Attachment

- [RoyalUnibrew_Q2_2019_UK_print FINAL](#)