



Q1 2020 Trading Statement

April 28, 2020

Company Announcement No 22/2020 – 28 April 2020

Q1 2020 Trading Statement

Q1 2020 in line with last year – challenging Q2 ahead

Royal Unibrew delivered a financial result for the first quarter in 2020 in line with the result of last year despite the negative impact from the COVID-19 virus. The year started strongly and ahead of last year in both January and February. The initial momentum was driven by great innovation initiatives such as the launch of new Royal 0,0% beer in Denmark and Jaffa Juicy in Finland. In March, the On-Trade business particularly in Italy and Denmark was impacted by COVID-19 regulations leading to a performance below last year. We have seen a change in the consumer behavior as social drinking occasions disappeared, resulting in a negative impact for alcoholic beverages, whereas non-alco consumption is less impacted. During the beginning of March, the sale in supermarkets was very strong, but lost speed towards the end of the month being in line with last year.

Royal Unibrew is continuously following the development of the COVID-19 pandemic. In order to first and foremost secure our employees and their families and to reduce the risk of spreading the COVID-19 virus, Royal Unibrew has taken necessary precautions by implementing various measures as recommended by Government Agencies and health authorities.

The regulations imposed by authorities relating to COVID-19 is impacting our markets negatively. Whilst this is ongoing, we have taken actions to manage our cost base and increased the focus on cash flow. Our ambition is to implement short term activities to secure that Royal Unibrew maneuvers safely through these difficult times and provides the flexibility to make the right commercial decisions for the long-term health of our company. The severity of COVID-19 was recognized towards the end of the quarter and therefore the impact of the cost initiatives has limited impact in Q1.

Financial highlights Q1-2020

Net revenue for Q1 2020 amounted to 1,524 million compared to DKK 1,521 million for Q1 2019. Net revenue and earnings of a beverage business for the first quarter of the year do not reflect a proportional share of net revenue and results for the year. The period represents the winter season when sales and earnings are usually at a lower level compared to other quarters of the year.

Earnings before interest and tax (EBIT) for Q1 2020 was DKK 11 million lower than in 2019 and amounted to DKK 200 million (2019: DKK 211 million). The EBIT margin decreased by 0.8 percentage point to 13.1%. The quarter is negatively impacted by a bad debt provision related to COVID-19 pandemic.

Volumes for Q1 2020 were in line with Q1 2019 and amounted to 2.2 million hectoliters.

Net interest-bearing debt increased by DKK 127 million compared to year end 2019. Calculated on a running 12 months' basis, NIBD/EBITDA was 1.6x.

Outlook

As announced in March 2020 the situation on the COVID-19 pandemic reduces financial visibility and the 2020 outlook is consequently suspended.

SELECTED FINANCIAL HIGHLIGHTS AND KEY RATIOS

mDKK	Q1 2020	Q1 2019	FY 2019
Volume (thousand hl)	2,216	2,226	11,024
Net revenue	1,524	1,521	7,692
EBITDA	287	295	1,814
EBITDA margin (%)	18.8	19.4	23.6
EBIT	200	211	1,469
EBIT margin (%)	13.1	13.9	19.1
Profit before tax	188	200	1,458
Net profit for the period	145	153	1,114
Free cash flow	-72	-163	1,156
Net interest-bearing debt	2,832	3,047	2,705
NIBD/EBITDA (times)*	1.6	1.8	1.5
Equity ratio (%)	37	34	37
Earnings per share (EPS)	3.0	3.1	23.0

* 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 trading statement on Wednesday, 29 April 2020, 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

Confirmation code: 6991226

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

Financial Calendar for 2020

24 August 2020

17 November 2020

Interim Report for the period 1 January - 30 June 2020

Trading statement for the period 1 January - 30 September 2020

Attachment

- [Royal Unibrew Q1 2020 trading statement UK final](#)