



## Q1 2021 Trading Statement

April 28, 2021

Company Announcement No 21/2020 – 28 April 2021

### Q1 2021 Trading Statement

#### Q1 2021 Strong start in Off-Trade

Statement by Royal Unibrew's CEO Lars Jensen:

"We are off to a solid start to the year with strong execution in the Off-Trade business, especially in Denmark and Italy. We are once again delivering record high volumes, net revenue and EBIT driven by an Off-Trade business where all key markets have outperformed last year. The organization has exploited the opportunities that the markets have offered, and we have continued to win market shares across most markets and categories. Our On-Trade and Border businesses have been negatively affected by the restrictions imposed as a result of the pandemic throughout the quarter, and in March our On-Trade business was down by more than 60% compared to 2019. Under these difficult circumstances our teams' execution has been extraordinary. The results are positively impacted by sell-in to Easter, which was in March this year compared to April last year.

Strong performance in Denmark is driven by strong growth in CSD and energy drinks, including strong growth in our Faxe Kondi brand, which celebrates its 50 years anniversary this year. In Italy we have seen significant growth in our beer business and late in the quarter, we launched an energy drink, LemonSoda Energy Activator, which comes in three fruit-based flavors. In Finland, our craft beer brand Lahden Erikoiis grew by double-digit percentages in Q1 21 thereby supporting the price/mix development in the region. The new alcohol-free Original Long Drink version helped to drive earnings growth and profitability in the quarter, and also further improved the brand's market leading position. Volume growth in Africa and Asia in brands like Faxe, Tempt, Power Malt and Crodo was the main driver behind the strong results in International."

#### Financial highlights Q1-2021

We have reassessed the IFRS 15 accounting policy concerning customer contracts and, on that background, we have changed our treatment of some customer contract-related costs. This means that some sales costs are reclassified to rebates, and as a consequence revenue and sales costs are reduced by the same amount, whereas EBIT is unchanged. As a consequence, all figures in this Trading Statement therefore refers to restated figures, unless otherwise stated.

Net revenue for Q1 2021 amounted to DKK 1,605 million compared to DKK 1,478 million for Q1 2020. 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. Moreover, the first quarter in both 2020 and 2021 were significantly impacted by COVID-19.

Earnings before interest and tax (EBIT) for Q1 2021 was DKK 29 million higher than in 2020 and amounted to DKK 229 million (2020: DKK 200 million). The EBIT margin increased by 0.8 percentage point to 14.3%. The EBIT margin was negatively impacted by channel mix. EBIT in Q1 2020, was negatively impacted by bad debt provisions related to COVID-19. Loss on debtors are at relatively normal levels, however, we see a potential future risk as On-Trade customers continues to be affected by restrictions.

Volumes for Q1 2021 increased by 14% compared to Q1 2020 and amounted to 2.5 million hectoliters.

Net interest-bearing debt decreased by DKK 255 million compared to year end 2020. Calculated on a running 12 months' basis, NIBD/EBITDA was 1.3x.

#### SELECTED FINANCIAL HIGHLIGHTS AND KEY RATIOS

mDKK	Q1 2021	Q1 2020 <sup>1</sup>	FY 2020 <sup>1</sup>
Volume (thousand hl)	2,536	2,216	11,093
Net revenue	1,605	1,478	7,315
EBITDA	318	287	1,861
EBITDA margin (%)	19.8	19.4	25.4
EBIT	229	200	1,515
EBIT margin (%)	14.3	13.5	20.7
Profit before tax	223	188	1,505
Net profit for the period	177	145	1,198
Free cash flow	-102	-72	1,414
Net interest-bearing debt	2,448	2,832	2,193
NIBD/EBITDA (times) <sup>2</sup>	1.3	1.6	1.2
Equity ratio (%)	39	37	40
Earnings per share (EPS)	3.7	3.0	24.1

<sup>1</sup> Figures are restated as described in the attached Trading Statement

<sup>2</sup> Running 12 months

## Outlook

Following the strong Q1 2021 results, and as we continue to expect a slowly reopening of the On-Trade business during Q2 2021 and a positive contribution from staycation this summer we have lifted the bottom of our EBIT outlook for the full-year. Increasing raw material prices and the later and weaker reopening of the On-Trade means that uncertainty continues to be elevated.

mDKK	Outlook (April 2020)	Previous (March 2020)	2020 realised
EBIT	1,525-1,625	1,475-1,625	1,515

The Q1 2021 Trading Statement has been published via Nasdaq Copenhagen A/S and is enclosed with this announcement. The Q1 2021 Trading Statement is also available on [www.royalunibrew.com](http://www.royalunibrew.com).

## For further information on this announcement:

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## Financial Calendar for 2020

23 August 2021

Interim Report for the period 1 January - 30 June 2021

17 November 2021

Trading statement for the period 1 January - 30 September 2021

## Forward-looking statements:

This Trading Statement 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, pandemic, 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.

## Attachment

- [Q1 2021 Trading Statement](#)