



Annual Report 2021

March 1, 2022

COMPANY ANNOUNCEMENT NO 3/2022 – 1 MARCH 2022

Annual Report 2021

Statement by Royal Unibrew's CEO Lars Jensen:

"Our strategic framework yielded very satisfactory results in a very eventful 2021. It was the first year with our new strategic framework, THE PREFERRED CHOICE, which forms a very strong foundation for our business. We continue to bring relevant products to the market, expanding the choices for our consumers resulting in increasing market shares across our business. As part of THE PREFERRED CHOICE strategy, we identified six growth areas for the medium-to-long-term – energy drinks, cider/RTD, enhanced drinks, low and no sugar products, no and low alcohol products and premium products in general. I am very pleased that we have made strong progress in all areas during 2021.

We succeeded in acquiring several businesses in 2021 in line with our strategy and to strengthen our platform. Each individual acquisition is not transformational to Royal Unibrew in itself, but the totality is. Together with our commercial execution, we enter 2022 as a stronger company. We have expanded our geographic footprint, strengthened most of our market positions and even added new market leading positions to our business portfolio.

We continue to work hard on our target to be among the world's most sustainable beverage companies. In all parts of Royal Unibrew and every day we are looking for ways to reduce our environmental footprint, to find more sustainable solutions for our customers and more sustainable and healthier products to our consumers. We therefore continue to support UN Global Compact initiative and in addition, we have decided to also enroll in the Task Force on Climate-Related Financial Disclosure (TCFD) as well as the Science Based Targets initiative (SBTi). Our impact on the world and our willingness to reduce the negative part of it is strong and can be felt throughout our company."

Strong performance in both On-Trade and Off-Trade resulted in increased market shares in our key markets and the highest EBIT ever. Earnings per share increased by 10% and we delivered a strong free cash flow of DKK 1,296 million, down 8% when compared to an extraordinary high free cash flow in 2020. The Board recommends distributing a dividend of DKK 14.50 per share (2020: DKK 13.50 per share) in combination with a share buy-back program of up to DKK 300 million. Later in the year, it will be decided whether an additional share buy-back will be initiated depending on our financial flexibility at that point.

Despite continued high uncertainty in relation to current geopolitical issues, raw material prices and COVID-19, we expect to deliver an EBIT in the range of DKK 1,650-1,800 million in 2022.

Income statement

Selected financial highlights and ratios

mDKK	2021	2020	Q4 2021	Q4 2020
Volumes (thousand hectolitres)	12,332	11,093	2,971	2,647
Net revenue	8,746	7,315	2,407	1,658
EBITDA	2,020	1,861	397	329
EBITDA margin (%)	23.1%	25.4%	16.5%	19.7%
Earnings before interest and tax (EBIT)	1,652	1,515	306	252
EBIT margin (%)	18.9%	20.7%	12.7%	15.2%
Profit before tax	1,647	1,505	298	254
Net profit for the period	1,298	1,198	230	218

mDKK	2021	2020	2019	2018
Net interest-bearing debt	3,536	2,193	2,705	2,522
NIBD/EBITDA (x)	1.7	1.2	1.5	1.5
Equity Ratio (%)	31%	40%	37%	36%

Outlook for 2022

mDKK	Outlook	2021	2020
Revenue	10,000-11,000	8,746	7,315
EBIT	1,650-1,800	1,652	1,515

The expected EBIT range has been lowered by DKK 100 million due to increased inflationary risk from the geopolitical developments during the last week of February.

The general uncertainty is much higher than normal due to the effects from the geopolitical situation. Royal Unibrew's total direct sales to Russia, Belarus and Ukraine contributes around 1% of earnings and is thereby not material

The Annual Report 2021 has been published via Nasdaq Copenhagen A/S and is enclosed with this announcement. The Annual Report 2021 is also available on www.royalunibrew.com.

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It will be possible for investors and analysts to follow Royal Unibrew's presentation of the Annual Report 2021 on Wednesday, 2 March 2022, at 9 am (CET) by audiocast at one of the below dial-in numbers followed by the confirmation code.

Denmark: +45 35 44 55 77

UK/international: +44 (0) 3333 00 08 04

USA: +1 63 19 13 14 22

Confirmation Code: 39846496#

Financial Calendar for 2022:

1 March 2022	Annual Report 2021
28 April 2022	Trading Statement for 1 January – 31 March 2022
28 April 2022	Annual General Meeting 2022
17 August 2022	Interim Report for 1 January – 30 June 2022
8 November 2022	Trading Statement for 1 January - 30 September 2022

Forward-looking statements:

This Annual 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, 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.

Attachments

- [ROYAL-2021-12-31](#)
- [Royal AR21 UK WEB](#)