



Royal Unibrew to acquire Amsterdam Brewery Co. Ltd.

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Royal Unibrew has today entered into an agreement to acquire 100% of the Toronto-based company Amsterdam Brewery Co. Ltd. The Canadian craft brewing company Amsterdam Brewery Co. Ltd. was founded 1986 and is based in Toronto and is a large-scale craft brewery with a potential to increase both capabilities and capacities during the coming years.

CEO of Royal Unibrew, Lars Jensen, says "the acquisition we are doing today is very important for the future growth of Royal Unibrew in the Americas region. We are adding capacity in Canada, which is also close to our US business and over time we expect to serve most of Canada and partly US from Amsterdam Brewery Co. Ltd., which will reduce transportation costs and our CO2 footprint. On top of that, we will service the market much better and thereby protect ourselves against out of stock and transport congestions which have increased significantly the last 18 months. Further, we will free up capacity on our current facilities in Denmark which will postpone certain capex needs".

Our export business model in the Americas has grown over recent years, but is currently challenged by high freight costs and longer and more unpredictable logistical supply chains. The export business model has had natural limitations on both breadth and depth of the offered product portfolio and local production capacity will make us a more flexible supplier.

From a product portfolio point of view Amsterdam Brewery Co. Ltd. is bringing a more premium offering to our current above mainstream portfolio in Canada and in particular in Ontario which is the largest region for our business in Canada. Further, Amsterdam Brewery Co. Ltd. has a solid position in On-Trade in Toronto both through two own operated Brewpub restaurants and through traditional On-Trade outlets which we believe will bring further synergies during the coming years.

The acquisition is also supporting our sustainability strategy, as it will reduce our CO2 footprint significantly by reducing the transportation needs for products sold in the US and Canada.

The acquisition of Amsterdam Brewery Co. Ltd. is based on an enterprise value of CAD 44 million (around DKK 300 million) on a debt free basis. Amsterdam Brewery Co. Ltd. has normalized revenue of around CAD 34 million (around DKK 200 million) and a normalised annual EBITDA of around CAD 5 million (around DKK 28 million).

The acquisition is expected to be EPS accretive within the first year of ownership, parts of the benefits will only be harvested after some investments have been made.

Closing is expected to take place during Q3/2022 and is only subject to customary closing preparations.

For further information on this Announcement:

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Attachment

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