



Q3 2024 Trading Statement - Strong earnings improvement and EBIT margin expansion

November 12, 2024 at 4:59 PM CET

Company Announcement No 18/2024 – November 12, 2024

Key highlights in Q3 2024

- Organic volume growth 8% in Q3. Total volume growth of 35%
- Organic net revenue increased by 8% to DKK 4,083m in Q3. Total revenue growth of 22%
- Market shares were gained or maintained in most countries
- Organic EBIT growth 25%. EBIT from acquisitions DKK 41m in Q3. Total EBIT growth 33%
- EBIT margin increased to 16.5% in Q3 (Q3 2023: 15.2%)
- PepsiCo's beverage business in Belgium and Luxembourg was transferred to Royal Unibrew on October 1, 2024
- Agreement signed on October 17, 2024 to acquire Pernod Ricards portfolio of local Nordic brands within spirits, liqueurs and local wine in Finland
- Agreement to sell shareholdings in Perla Browary Lubelskie S.A and Ferell sp. Z.o.o. resulting in a tax-free gain of DKK 207m recognized as financial income in Q3
- Full year guidance narrowed
- Financial leverage of 2.1x

Lars Jensen, CEO comments: "I am very pleased with the performance delivered in the third quarter. It confirms the strong momentum we have seen over the past quarters and that we are on track to deliver on our full-year guidance. The profitability improvement was not only driven by strong performance in our beer businesses in 'International' and Italy, but also by continued improvements in efficiency.

I am especially proud of how the organization has stayed focused and managed to drive profitable growth across the entire Group. We will continue to drive efficiency improvements, and we have a pipeline of initiatives that will be implemented in the coming years. Also, we continue to strengthen our portfolio of high-quality brands through investments and innovation, which is reinforcing our market position, and it gives me confidence that we have built a strong foundation for future growth and value creation"

	Q3 2024	Q3 2023	Change	Q1-Q3 2024	Q1-Q3 2023	Change	FY 2023
Volume (million hL)	4.7	3.5	34%	13.2	10.1	31%	14.1
Organic volume growth (%)	8	-8		5	-5		-3
Net revenue	4,083	3,336	22%	11,462	9,483	21%	12,927
Organic net revenue growth (%)	8	-1		7	3		4
EBITDA	843	651	29%	2,04	1,627	25%	2,208
EBITDA margin (%)	20.6	19.5		17.8	17.2		17.1
EBIT	675	507	33%	1,541	1,218	27%	1,638
Organic EBIT growth (%)	25	2		19	1		7
EBIT margin (%)	16.5	15.2		13.4	12.8		12.7
Free cash flow	470	210	124%	1,032	755	37%	1,143
NIBD/EBITDA (times)*				2.1	3.1		2.9

*Measured on the past 12 months

Full year outlook 2024 (narrowed)

The expectation of net revenue of at least DKK 15bn is maintained. M&A contribution from Vrumona and San Giorgio is expected to be around DKK 1.5bn.

The outlook is based on unchanged market conditions from previous quarters and supported by an expected positive value management impact.

The EBIT margin is expected to expand organically. Full-year organic The EBIT growth guidance has been narrowed to 15-19% (previously: 14-19%). The acquisitions of Vrumona and San Giorgio are expected to contribute with around DKK 85m to EBIT (previously: DKK >80m), resulting in an expected reported EBIT of around DKK 1,965-2,025m (previously: DKK 1,950-2,025m).

The current year is progressing according to plan, and following several years with extraordinary external impacts on the business, 2024 is on track to become a normal year without de-stocking, extraordinary weather, etc.

Net financial expenses are now expected to be around DKK 90m (previously: DKK maximum DKK 300m) including the tax-free net financial income from the sale of shareholdings in Poland.

The underlying tax rate is still expected to be around 21% before the tax-free net financial income of DKK 207m from the sale of shareholdings in Poland.

Capex is expected to be DKK 850-950m in 2024 (previously: DKK 850-1,000m).

Please see the attached file for a full version of the Q3 2024 Trading Statement.

For further information on this announcement:

Investor.Relations@royalunibrew.com

Telephone conference

Investors and analysts can register for a conference call on Wednesday, November 13, 2024, at 09.00 am CET at the following link:
<https://register.vevent.com/register/BI644bc82f6a514c0596a8b9d84bdf6ad9>

Webcast player

URL: <https://edge.media-server.com/mmc/p/jh7hoxto>

Financial calendar for 2025

February 25	Annual report 2024
April 29	Trading statement for January 1 - March 31, 2025
April 29	Annual General Meeting 2025
August 26	Interim report for January 1 – June 30, 2025
November 12	Trading statement for January 1 – September 30, 2025

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

- [Q3 2024 Trading Statement](#)