



Welcome to Royal Unibrew's Capital Markets Day 2024

13 May 2024

Agenda for today

- 12:30–12:55: CEO
- 12:55–13:15: ESG
- 13:15–13:35: International
- 13:35–13:45: Q&A
- 13:45–14:00: Break
- 14:00–14:20: Norway
- 14:20–14:40: Netherlands
- 14:40–14:50: Q&A
- 14:50–15:20: CFO
- 15:20–15:25: CEO
- 15:25–15:35: Q&A
- 15:35–17:00: Site visit + socializing
- 17:00–17:15: Departure for store visits
- 17:30: Departure to airport

Lars Jensen
CEO

Agenda for today

1) CEO: Lars Jensen

- Strategy
- Growth framework
- Premiumization
- Opportunities for growth

2) ESG: Henriette Øllgaard

- Our ESG framework
- The road to 0 in manufacturing
- Priorities in the coming years

3) International: Michael Jensen

- The business
- Understanding the macro impact
- Growth and efficiency opportunities

4) Hansa Solera: Jakob Simmelsgaard

- The business
- Status on integration
- Growth and efficiency opportunities

5) Vrumona: Ilco Kwast

- The business
- Status on integration
- Growth and efficiency opportunities

6) CFO: Lars Vestergaard

- Operating model and efficiency
- M&A return requirements
- CAPEX
- Capital allocation

7) Wrap-up: Lars Jensen

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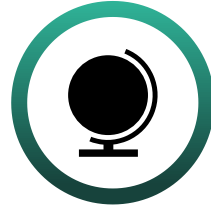
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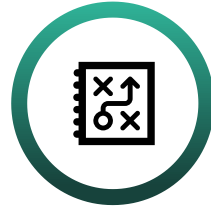
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Key topics for today



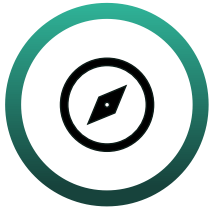
Geographic footprint with growth opportunities



Our strategy



Our growth framework



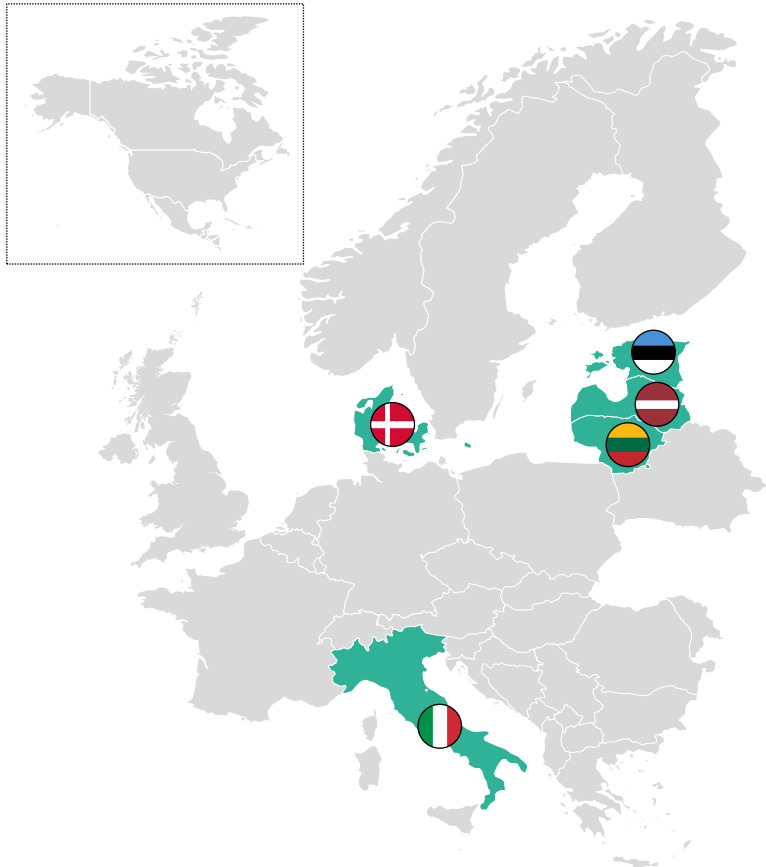
The importance of local scale



Increased opportunities for future organic EBIT growth

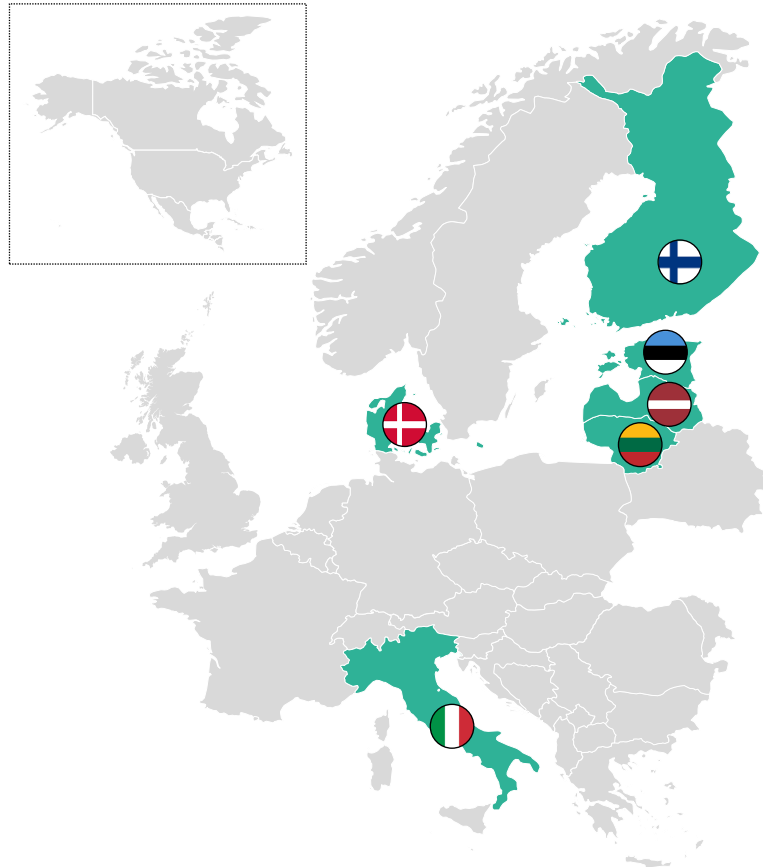
Royal Unibrew is successfully growing market shares within existing countries while expanding into new countries via acquisitions and partnerships

2013 (pre-Hartwall in Finland)



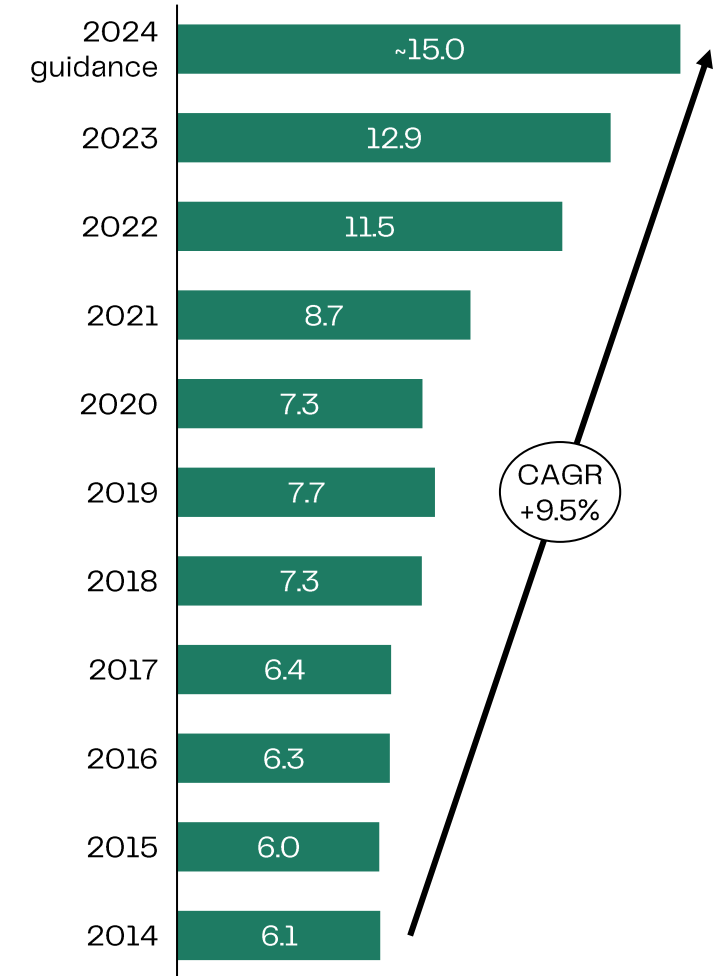
Royal Unibrew home markets in 2013:
Denmark, Italy, Estonia, Latvia and Lithuania

2013 (post-Hartwall in Finland)



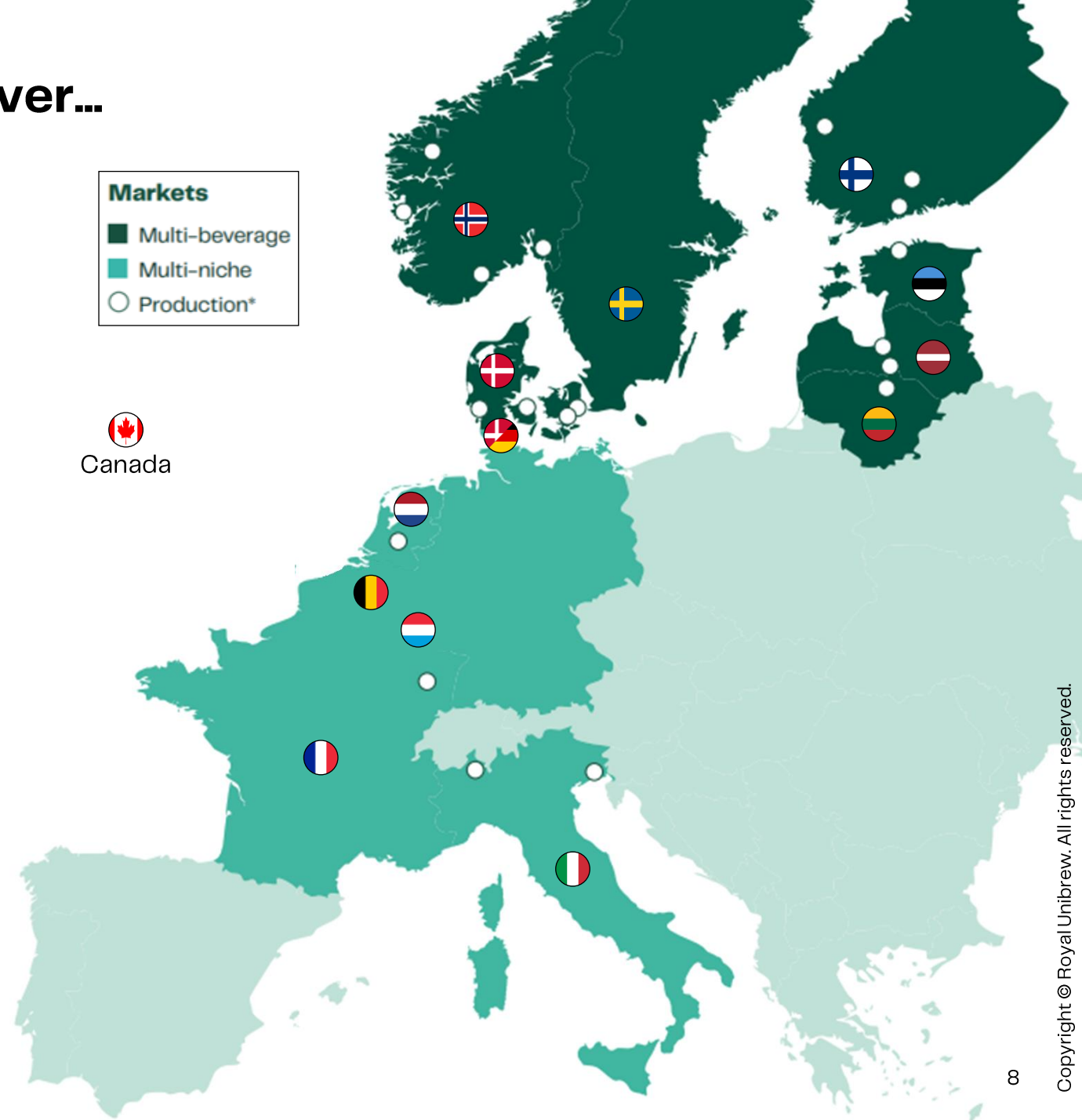
Royal Unibrew home markets in 2016:
Denmark, Italy, Estonia, Latvia, Lithuania and Finland

Net revenue (mDKK)



Royal Unibrew is stronger than ever...

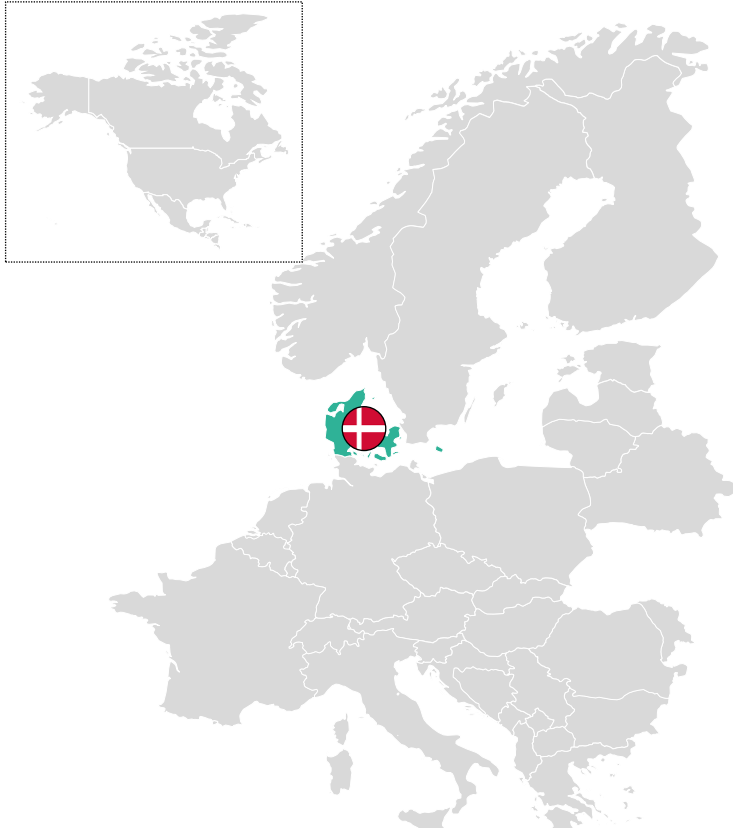
1. The totality of the completed M&A and partnerships has been **transformational to our business**
2. We have **expanded our geographic footprint** significantly in recent years
3. This has stepchanged our business and has unlocked significant **additional growth opportunities**
4. In terms of partnerships, we have become a **significantly more attractive partner** with our strong positions in Northern and Western Europe



Royal Unibrew's partnership with PepsiCo is growing even stronger

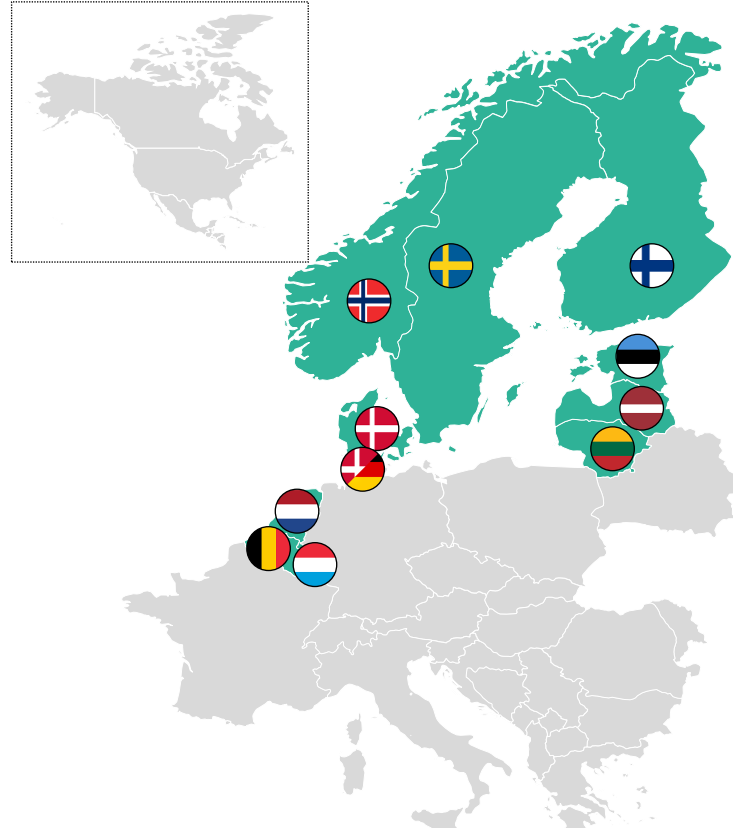


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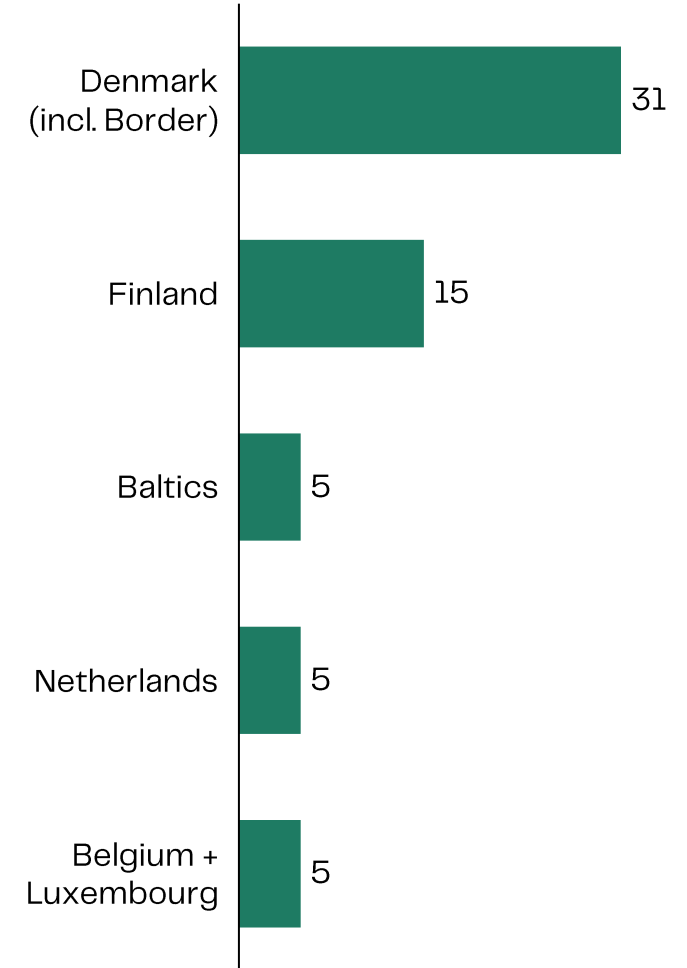
Royal Unibrew / Pepsi markets in 2013:
Denmark

2024



Royal Unibrew / Pepsi markets in 2024:
Denmark, Finland, Estonia, Latvia, Lithuania, Norway, Sweden, Danish/German border, the Netherlands, Belgium and Luxembourg

Liters per capita



Purpose and ambition

THE PREFERRED CHOICE

We want to be THE PREFERRED CHOICE of **local** beverage partner that challenges the status quo by doing better every day in a fun, **agile** and sustainable way

OUR CUSTOMERS

We partner with our customers and strive to grow together by offering a portfolio of relevant brands and having a **challenger** mindset. With our **local, decentralized** setup we focus on **agility** and close collaboration – aiming to provide best-in-class service as well as pursuing extraordinary brand execution in all channels.

OUR PEOPLE

We recruit, develop and retain **entrepreneurial** and empowered people thirsting for success and striving to do better every day. Our people drive our success and progress – and live and protect our values. We work as one team and find solutions to all challenges.

OUR SHAREHOLDERS

It is our main focus to create sustainable shareholder value by investing behind the categories and channels that grow the most, pushing premiumization and driving organic EBIT growth. We will do value accretive bolt-on, as well as strategic acquisitions if possible. We aim to increase distribution to shareholders over time through dividend and share buy-backs.

OUR CONSUMERS

Bringing people together and facilitating great moments and enjoyment is the heart of our business. We offer strong **local** beverage brands in combination with global brands – continuously striving to match consumers' changing preferences through meaningful innovations and by offering a broad range of refreshments that deliver choice.

THE FUTURE

We are deeply rooted in the communities where we work, and we partner with all our stakeholders to make a positive impact on society. Our focus is to build a long-term sustainable business and to minimize the environmental footprint of our operations from raw materials to the end consumption.

THE PREFERRED CHOICE for...



Succeeding through...

ZOOMING OUT

We support our employees in taking the time to zoom out and reflect on the long-term value and opportunities for our company to ensure that we focus on what really makes a difference in the long run. Zooming out involves the ability to adjust to new market trends, consumer behaviour changes or other external factors in the environment surrounding our company.

ZOOMING IN

Agile behavior and fast execution have always been the hallmarks of Royal Unibrew employees. Short-term focus in combination with the right empowerment of our people makes certain that we keep our agility and deliver excellent operational execution. Closeness to our business secures a faster response to changes in the market and customer preferences.

BRAVERY

We strive to nurture an entrepreneurial mindset, encouraging our employees to change the game instead of just playing the game. We want to foster a winning culture where high ambitions and daring decisions are allowed to thrive while at the same time respecting each other.

ROLE MODELING

We want our people to be role models by demonstrating proper behaviour in line with our values and expectations. Compliance with legal and other requirements is instrumental for our license to operate why we expect the highest level of business ethics from all our colleagues. Role modeling is not limited to leaders, every employee has the potential to act as a compelling role model within our company.

TEAM PLAY

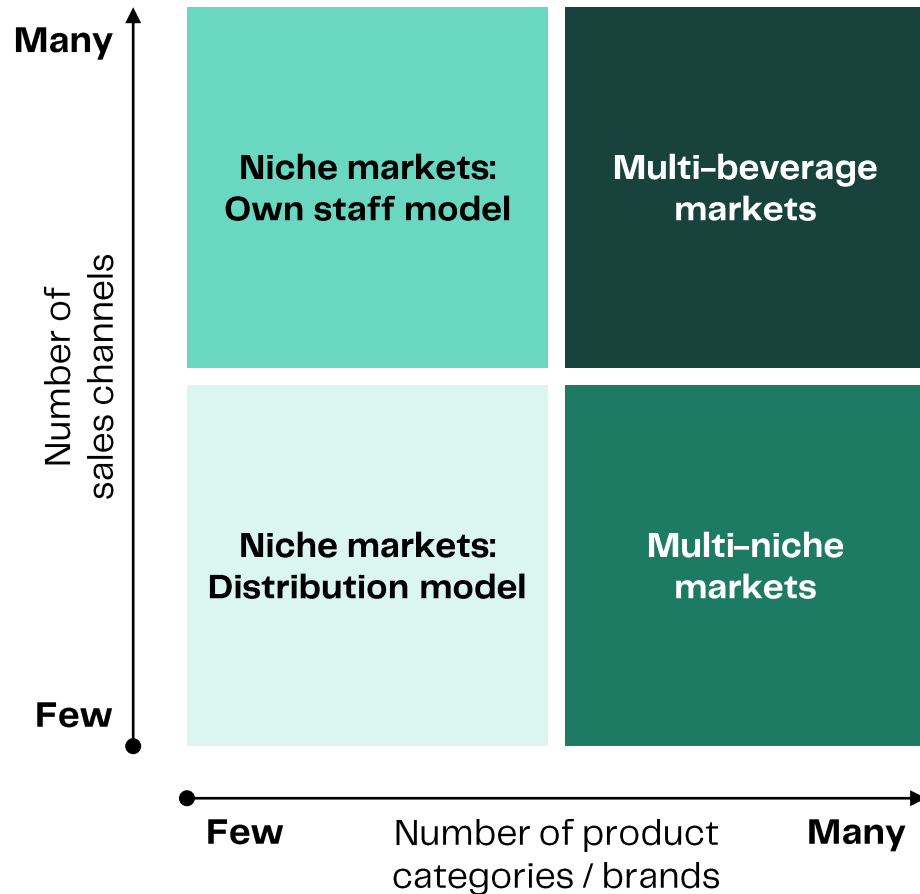
Collaboration is a cornerstone in our workplace culture. We all work hard every day to come up with the right solutions for our stakeholders. This underlines the importance of setting up our teams for success, and choosing the right people for the right roles. It is deeply rooted in our work place culture that everyone contributes to our collective success and that nobody is above the team.

Behaviors and values

EXPECTATIONS

To support our purpose and ambition of being THE PREFERRED CHOICE, we have developed a framework of expectations for our employees in line with our culture and values. Our Expectations constitute the foundation for leading our business

Royal Unibrew's market evolutions: Growing from niche markets to multi-niche markets to multi-beverage markets



Niche markets:

- Niche markets can be either niche distribution markets or niche markets with own staff depending on number of sales channels
- Portfolio consisting of “must stock brands”
- Develop marketing and sales excellence
- Support sell-in and sell-out (monitoring)

Multi-niche markets:

- Same as above but with more categories

Multi-beverage markets:

- Strong route-to-market
- Supply chain and production close by (economies of scale)
- Full focus on sell-out
- Solid presence in mainstream portfolio

Growth framework remains unchanged as growth and margins are higher than Group averages



Energy



Premium



Low / No Sugar



Low / No Alcohol



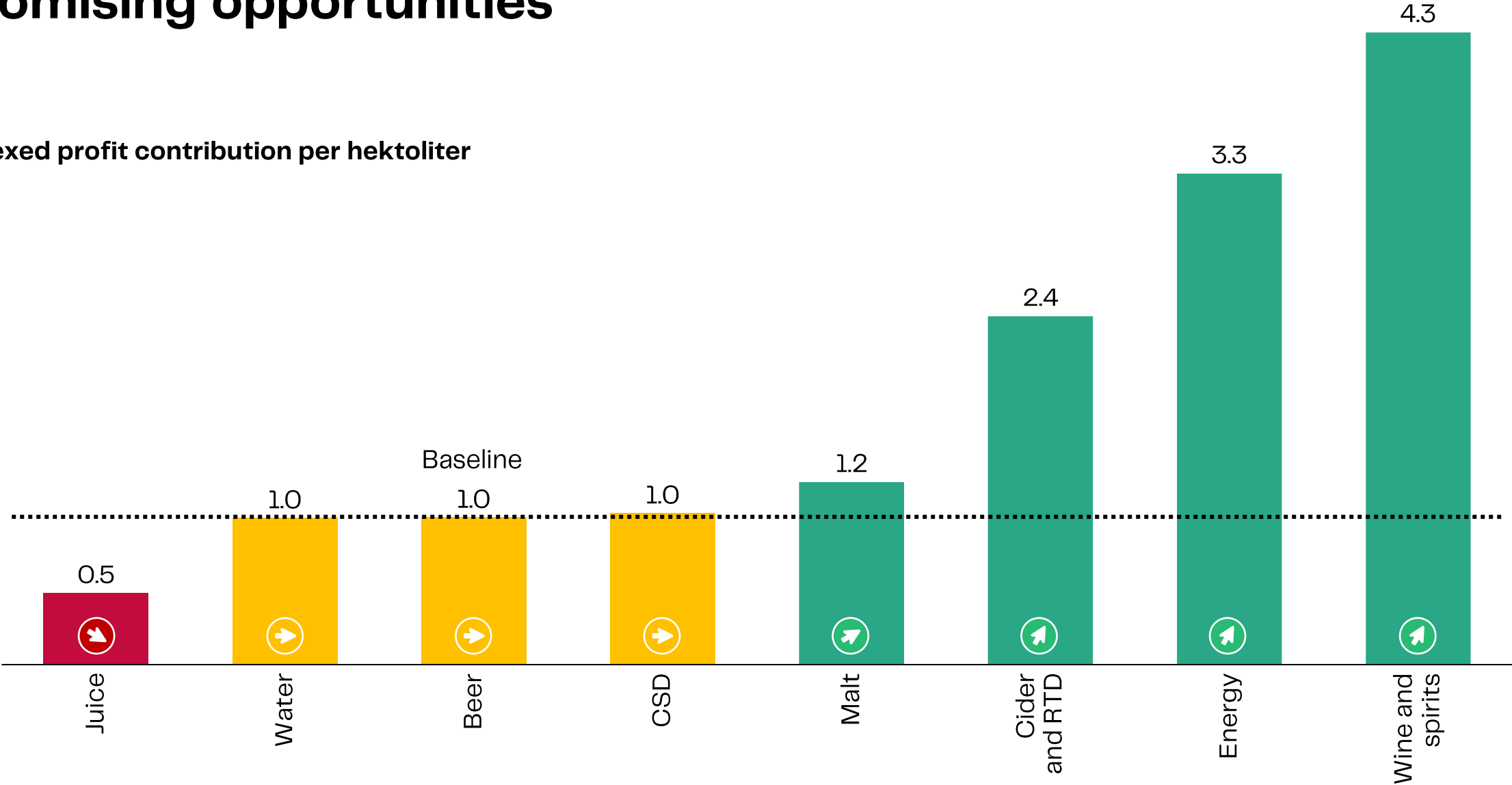
RTDs, Ciders,
Cocktails



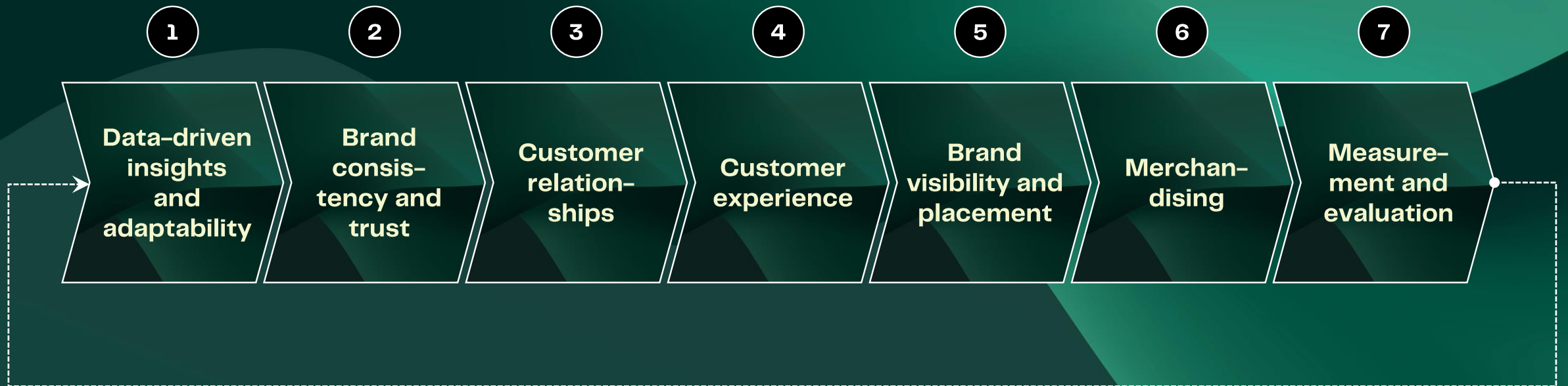
Enhanced Waters

Our multi-beverage model enables us to focus on the most promising opportunities

Indexed profit contribution per hektoliter



In-outlet value creation











E LA CURVA
ACQUISTA ALMENO 10€
DI CERES PER VINCERE
OGNI SETTIMANA
IL TITOLO DEL
PUBBLICITÀ DEL TITO
E LA CURVA
CON NEVI FREDDI
DI SOSTITUIRE LA NEVE

**TIFO
ROVENTE
E CERES
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Unlocking more growth opportunities by having larger scale

Premiumization

Volume growth

Operational efficiency

Share buy-backs

Mergers & acquisitions

EPS growth

1,5-2%

2-4%

2-4%

1-2%

2%

>

10-14%

Long-term organic EBIT growth target of 6-8%

Key take-aways

- ✓ Our strategy and growth framework remain unchanged
- ✓ The toolbox used in new platforms is the same as we have successfully deployed in other markets
- ✓ Higher growth potential from partnerships
- ✓ We are in a stronger position than ever

End:
Lars Jensen
CEO



Henriette Øllgaard
Vice President, Group CSR

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Key topics for today



The importance of sustainability at Royal Unibrew



Update on sustainability performance



Next steps

Purpose and ambition

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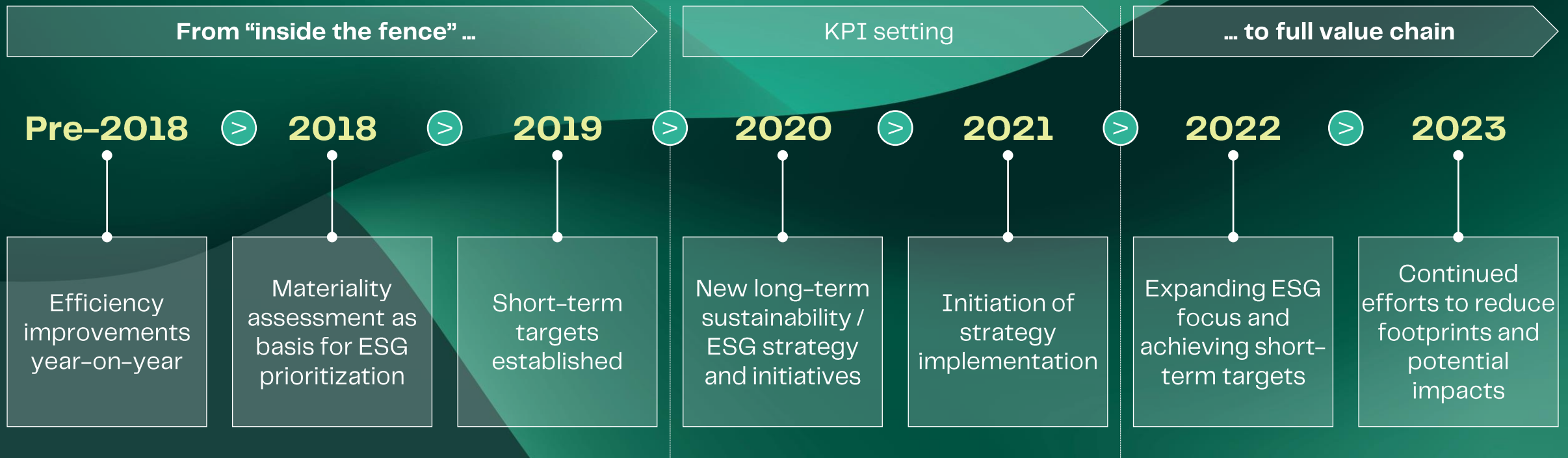
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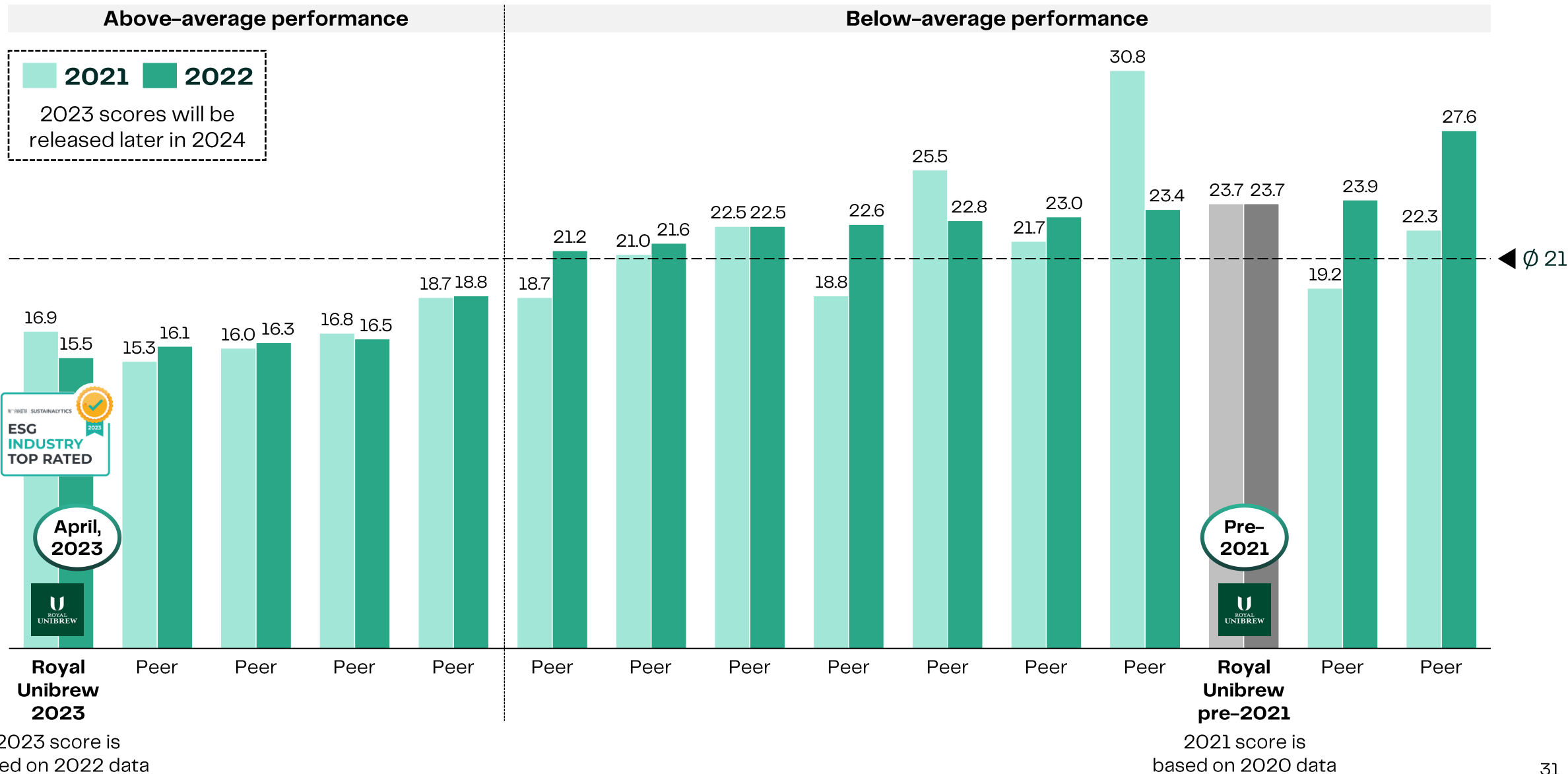
Our ESG track-record and achievements



Our ESG aspiration:

Royal Unibrew is globally recognized as a leader in sustainable beverages – delivering strong financial performance together with strong local engagement and a neutral CO₂ footprint

In April 2023, Royal Unibrew was rated #1 in the world in beer, spirits and wine (subsector of overall food products category)



Overall KPIs



Our consumers & customers



No/Low

growing faster than average on the portfolio - and faster than market (YoY)



#1

partner of choice for customers as sustainable beverage supplier by 2030
Not measured yet in all markets

40%

of marketing budget allocated to brands/ campaigns with a sustainability position by 2025



Our products



100%

carbon emission free by 2025 in scope 1 and 2*

92%

50%

reduction in supply chain emissions (scope 1, 2, 3) by 2030

10-12%

100%

recycled, recyclable or reusable packaging by 2025

96%



Our people



100%

safety culture

67%

80%

of employees are Royal Unibrew ambassadors by 2030

76%

100%

sustainability culture by 2025



Disclaimer: The targets apply to our current footprint. It is our ambition that our acquisitions will be integrated, but a grace period may be required
* without distribution and biogenic emissions



Expanding focus from inside the fence to entire value chain



Raw materials

- Recipe changes
- Optimize production processes – use of enzymes
- Partnerships with to reduce footprint, while improving water resilience and biodiversity
- Establishing target on sustainable agriculture, incl. biodiversity

Packaging materials

- Continue down gauging where possible
- Increasing the recycled content of our main materials, while maintaining technical performance
- Transitioning from plastics to biobased fiber solutions
- Staying on top of innovations

Distribution

- Continue moving production closer to the market Canada, Italy & China
- Continue pilots on EV and biogas fuelled trucks and company cars
- Establish super chargers for trucks where possible
- Moving selected transportation lanes to more eco-efficient modes such as train

- SBTi approved long-term Net-Zero targets for 2040 and near-term targets for scope 1, 2 and 3
- **Performance improvements driven by**
 - Improvements in raw material/malting mainly driven by change in product mix
 - Effect of decarbonization projects are kicking in (Faxe, Lahti, Baltics Crodo)
 - Increased recycled content in packaging material drives reduction in CO₂ footprint
 - 2022–2023 CO₂ transportation emissions reduced – mainly due to destocking in Italy
 - Life span replacements for refrigeration with more efficient units drives CO₂ reduction

Key take-aways



We are well underway to become 100% CO₂ emission free in 2025 for scope 1 and 2*



ESG agenda driven by more than compliance and efficiency improvements



Main challenges to the CO₂ reduction journey are access to electricity and getting supplier commitments



Co-operating and co-developing with our suppliers and other business partners is essential



We are number one!

*Excluding acquisitions Amsterdam, Vrumona and San Giorgio

End:
Henriette Øllgaard
Vice President, Group CSR



Michael Jensen
Senior Vice President
International

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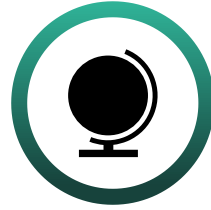
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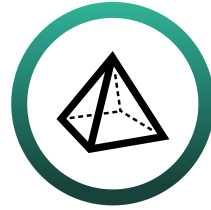
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Key topics for today



Our International business unit in brief



The business model of International



Current status on International



Mid-term key initiatives

Introduction to our business unit “International”



“International” consists of 5 overall markets

Europe

- Key brands: Supermalt, Vitamalt, LemonSoda

Canada

- Key brands: Amsterdam, Faxe

Americas

- Key brands: Vitamalt, lemonade

Africa

- Key brands: Faxe, Powermalt

Asia

- Key brand: Tempt



We work closely with our partners

- Low-risk partnership model to drive growth with specific products in specific pockets of growth in the markets
- Local partners sell and distribute our products in their home markets only
- In some markets our local partners produce our products on license



We leverage the existing Royal Unibrew assets

- Focused approach
- The International business unit benefits from Royal Unibrew’s existing assets
- Small agile organization, which benefits relatively more from Group functions

The business model of “International”

Business model



- Limited local set-up
- Working through partners
- Focused approach in pursuing pockets of growth
- Focus on niche positions

Low fixed cost structure



- Benefiting from existing assets primarily in Denmark and France
- The relocation of production from Denmark to Canada, the Caribbean and Asia has reduced transportation costs
- Sales and distribution excellence locally secured by partners

Product portfolio anchored in local customer/consumer strongholds; potential to further leverage route-to-market synergies

Beer

Strong beer penetration in prioritized geographies including local production and license partnerships in Canada



Malt

Market-leading premium Malt propositions anchored in large Afro-Caribbean and African communities



Cider / RTD / FAB

Strong niche propositions exploring relevant regional profit pools



CSD

Strong penetration in selected niche markets including private label partnership with market leading retailers

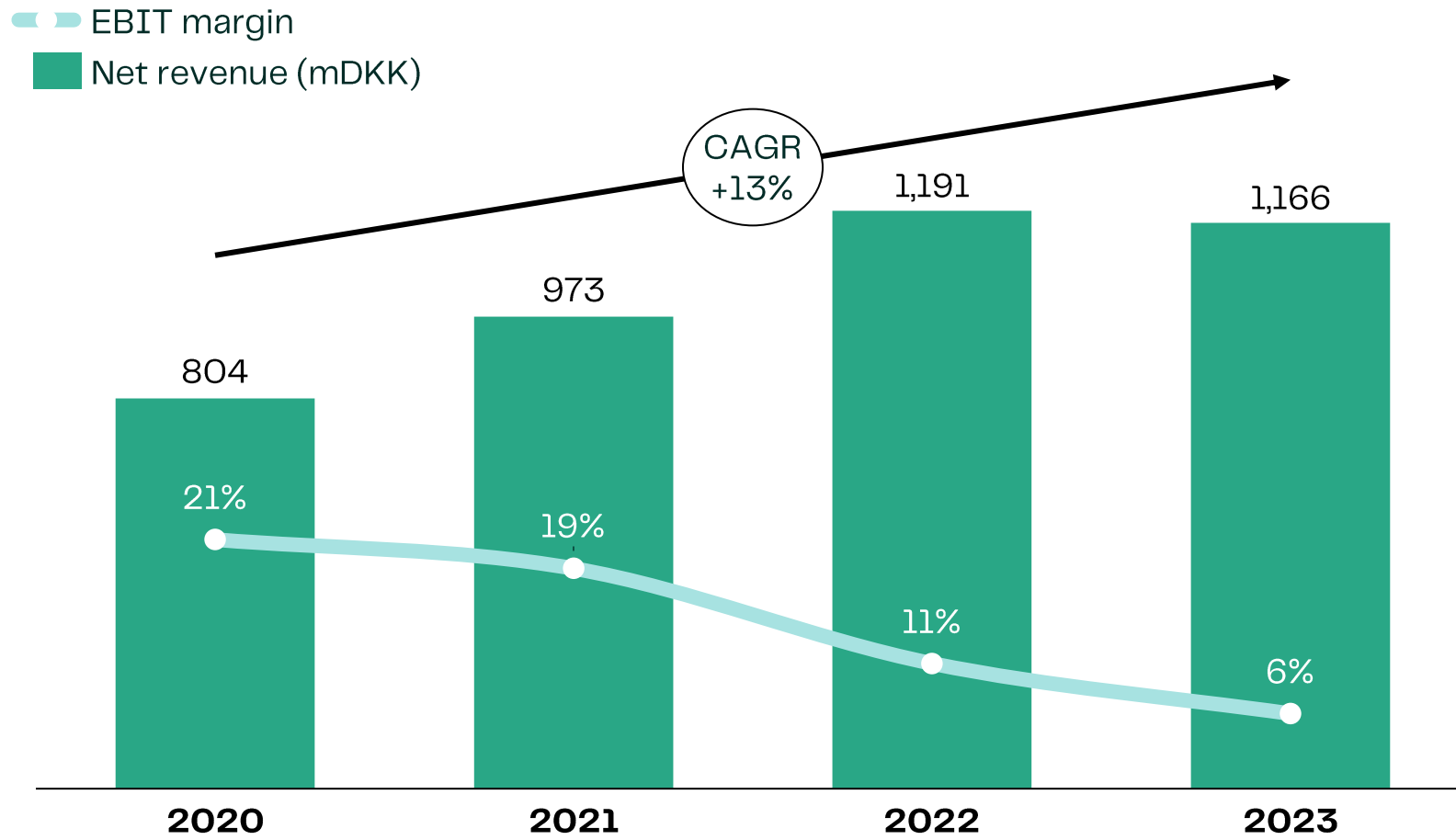


Energy

Exploring regional white spots for brand or route-to-market synergies



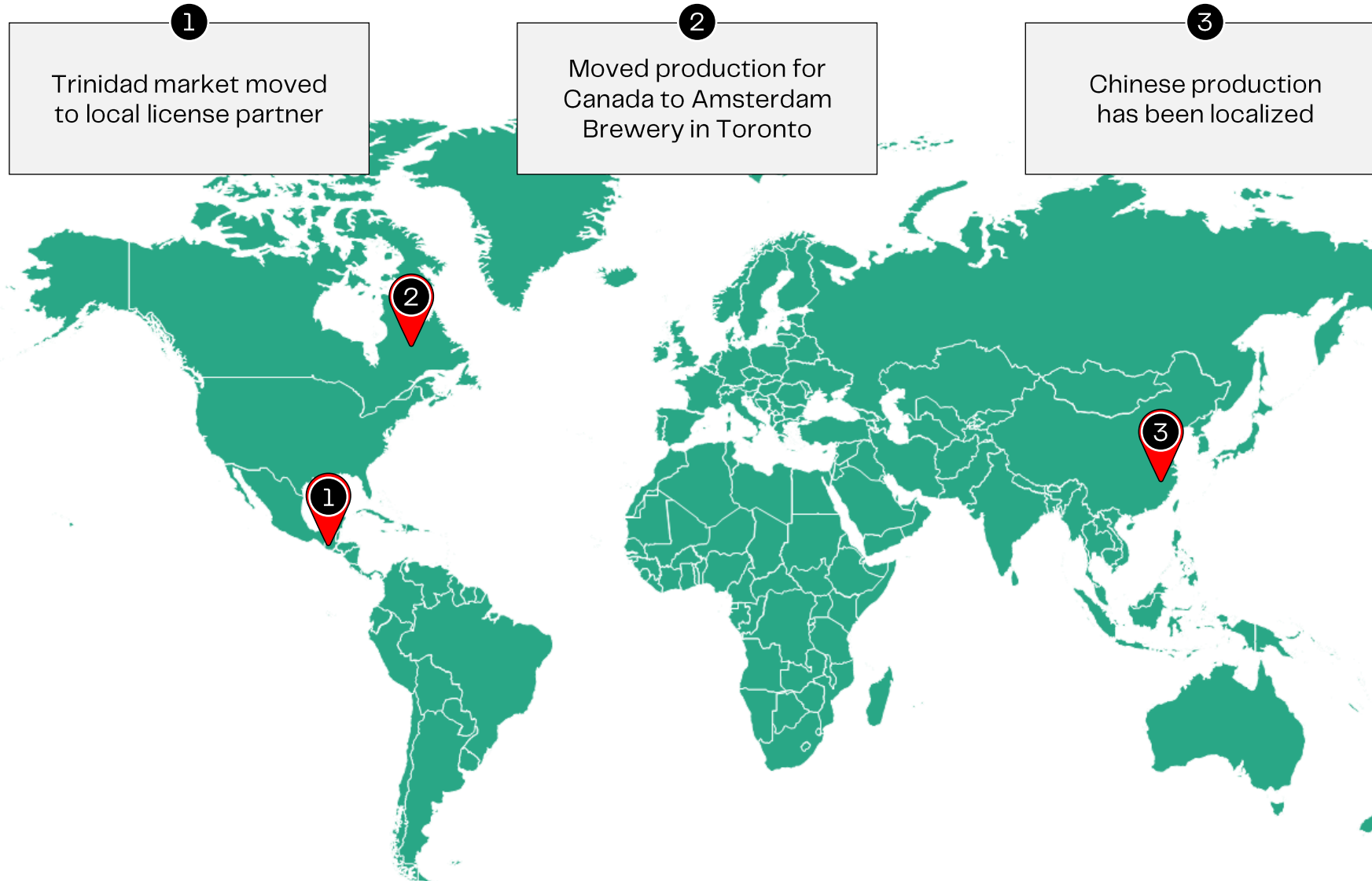
In recent years, International has been negatively impacted by external factors such as COGS and shipping costs in addition to production capacity constraints



Good current momentum

- Decline in 2024 shipping rates expected
- Production moved from Denmark to Canada to eliminate overseas shipping costs
- Production of Tempt to China has been localized
- Acquisitions free up capacity to serve International better
- Net revenue organically up by 47% in Q1
- Significant organic improvement in EBIT in Q1

The business model of International has been strengthened to become more resilient – and has been moved closer to local consumers





Local production of Tempt in China unlocks both financial and environmental efficiencies

- **Profit upside from establishing local production**
 - ✓ Elimination of import duties
 - ✓ Mitigation of higher European COGS
 - ✓ Elimination of overseas shipping costs
- **Freeing up capacity** in Faxe, Denmark, which yields increased flexibility in production planning and forecasting

Mid-term key initiatives



Overall: Optimizing route-to-market



Canada: Expand market position



Asia: Continued expansion of cider



Malt: Keep building category leadership



CSD: Accelerate growth in key markets

Key take-aways

- International has been **negatively impacted by external factors** (variable costs and freight costs) in recent years
- From a sourcing perspective, International has been less of a priority in 2022 and 2023 – **full supply for 2024 expected**
- Net revenue organically up by 47% in Q1
- Significant organic improvement in EBIT in Q1

End:
Michael Jensen
Senior Vice President
International

Q&A session

Break

Jakob Simmelsgaard
General Manager
Norway

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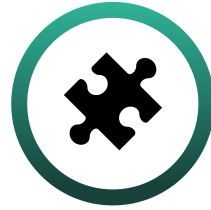
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Key topics for today



Hansa Solera in brief



Key development areas



Growth opportunities



Key take-aways

Royal Unibrew Norway: Footprint recap



2002

- Royal Unibrew acquires 25% of Hansa Borg
- Long-term knowledge of the Norwegian market and business via 25% minority share in Hansa Borg



2021

- Royal Unibrew acquires 100% of Solera Beverage Group
- Solera Beverage Group is a leading importer and distributor of a strong portfolio of international imported wines, beers, soft drinks and other beverages across Norway, Sweden and Finland
- 150 employees
- Normalized EBITDA of DKK 70 million



2022

- Royal Unibrew acquires the remaining 75% of Hansa Borg
- Hansa Borg Bryggerier is Norway's second largest brewery and beverage company with four breweries and one bottling plant
- +300 employees
- Normalized EBITDA of DKK 210 million

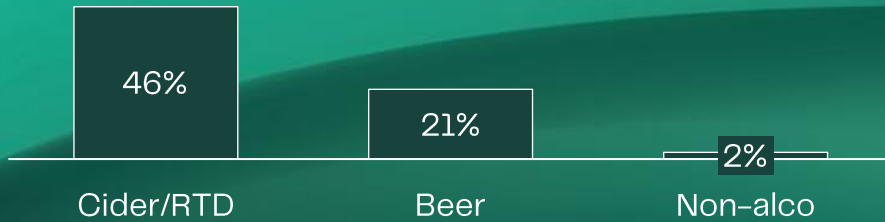


2024

- A joint multi-beverage engine

Current state of Royal Unibrew Norway is solid market positions across channels and categories...

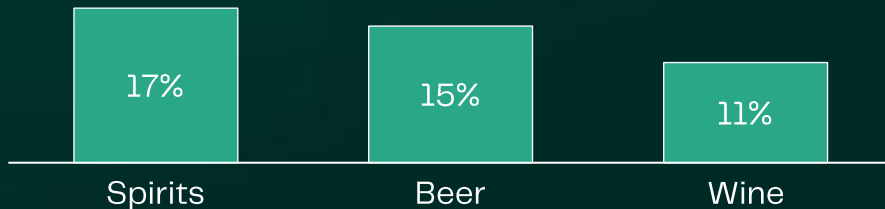
Off-trade market shares



On-trade market shares



Vinmonopolet market shares



...supported by local production, strong route-to-market and sales force








Royal Unibrew Norway production sites;



Logistics:

Our logistics company Cuveco is a leading logistics operator serving both Royal Unibrew and other importers with full service (accounting, order handling etc.) with strong access to Vinmonopolet and On-Trade

Strong multi-beverage portfolio consisting of local and international brands

| Beer | Cider / FAB / RTD | Energy | Wine / Spirits | Coffee/Tea/Snacks | Water | CSD |
|---|--|--|---|--|---|--|
| <p>Beer in any format (tank, keg, bottle, can) for any occasion and adapted to any consumer</p>  | <p>Market leaders and category winners at a level where consumers turn away if they are not offered</p>  | <p>Fastest growing category challenger</p>  | <p>With Norway's widest wine and spirits portfolio, we cover everything from hotels, restaurants, bars, nightclubs and fine dining</p>  | <p>High end in categories that complement any restaurant, pub, bar and otherwise all segments</p>  | <p>From premium international to local</p>  | <p>CSD – biggest beverage category and opportunity to challenge category status quo</p> <p>Strong premium and mixer portfolio</p>  |

Key development areas



Performance model



Route-to-market



Operational effectiveness



A winning mindset

> Performance model

Delivered

- IT infrastructure
- Adapting Royal Unibrew policies
- HR tools
- Finance- and accounting infrastructure
- Data quality improvements
- Data-driven decisions
- SAP pre-study

Upcoming

- Royal Unibrew standard SAP implementation
- New ways of working
- Harvest Royal Unibrew system transparency
- Data-driven decisions – faster

> Route-to-market

Delivered

- Integrating sales forces into one per channel
- Consolidation of 3rd party logistics
- Kristiansand brewery closed and site sold
- Increased efficiency

Upcoming

- One front-end invoicing
- Joint logistics
- Synergies from cross selling

> Operational effectiveness

Delivered

- Procurement
- Sales and operations planning
- Performance management
- One management team
- Leadership structure

Upcoming

- Supply chain tools and optimization
- Better data and more streamlined processes
- Commercial tools

> A winning mindset

Delivered

- Royal Unibrew leadership expectations
- Common policies
- Aligning employment contracts
- HR tools
- Removing silos
- Bonus systems

Upcoming

- Implement Royal Unibrew growth framework
- Increase profit focus

Growth opportunities

- **Lead Cider/RTD** through expansion in on-trade and accelerated growth of the market
- Maintain **volume scale in Beer category** and increase value via innovation
- Developing **our partnerships**
- **Win in on-trade:** Succeed with cross-selling
- Increase market share in **Wine and Spirits**
- Establishing strong footprint in **non-alco beverages**

Key take-aways

- ✓ Strong multi-beverage starting point
 - **Deliver on short-term development areas:**
 - Performance model
 - Route-to-market
 - Operational effectiveness
 - A winning mindset
 - Capture growth opportunities

End:
Jakob Simmelsgaard
General Manager
Norway

Ilco Kwast
Managing Director
Vrumona

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- Premiumization
- Opportunities for growth

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- Our ESG framework
- The road to O in manufacturing
- Priorities in the coming years

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- CAPEX
- Capital allocation

7) Wrap-up: Lars Jensen

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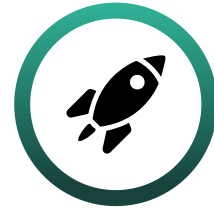
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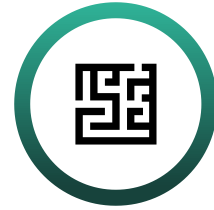
Key topics for today



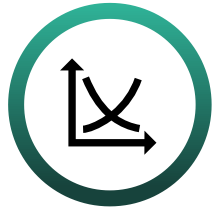
Vrumona in brief



Creating a growth company



Growth opportunities



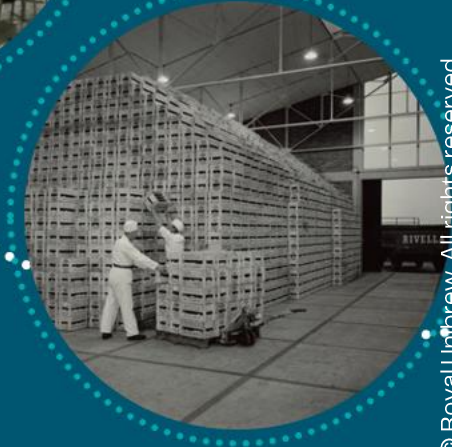
Margin management



Efficiency improvements

A rich history full of entrepreneurship

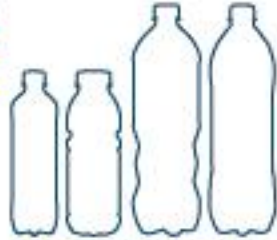
- 1945: Establishment of N.V. Vitam- Fruit Products Company
- 1947: Vitam becomes K.A.D., production of 1.5 million bottles reached
- 1949: One-year license for Pepsi Cola production, start of construction of new factory
- 1950: Start of cooperation with Heineken
- 1951: Opening of modern new factory 1953 - From K.A.D. to Vrumona
- 1968: Vrumona becomes part of Heineken
- 2023: Vrumona becomes part of Royal Unibrew



HEAT RECOVERY
IN FACTORY



100% RPET



100% GERECYCLED PET

218 MLN



LESS SUGAR CUBES IN 2023
(IN COMPARISON TO 2022)*

Did you know that less sugar also lowers our CO2 footprint?

NEW SUGAR FREE FLAVORS

SVW 0% NEW FLAVOR
50cl PET



SISI TROPICAL TASTE
150cl PET



ROCKSTAR STRAWBERRY/LIME NO SUGAR
25cl can



NEW BIB RECIPES

7UP FREE

SISI SINAS 0%

PEPSI REGULAR FUTURE PROOFING



10L

COOLCULATOR
DETERMINE COOLING CAPACITY NEEDED



TETHERED CAPS

CAP ATTACHED TO PACKAGING



INTRODUCTION DEPOSIT ON CANS



april 2023

TRANSPORT OPTIMALISATION
CONTINUOUS PROCESS



0% suiker
100% genieten



PROMOTIONS IN RETAIL



85% ATL/BTL ON SUGAR FREE

Also ATL/BTL on Rivella with only 5 kcal per 100 ml

SUGAR COMPETITION
IN CO-OPERATION WITH SPORTS CLUBS



MAX THE MAX

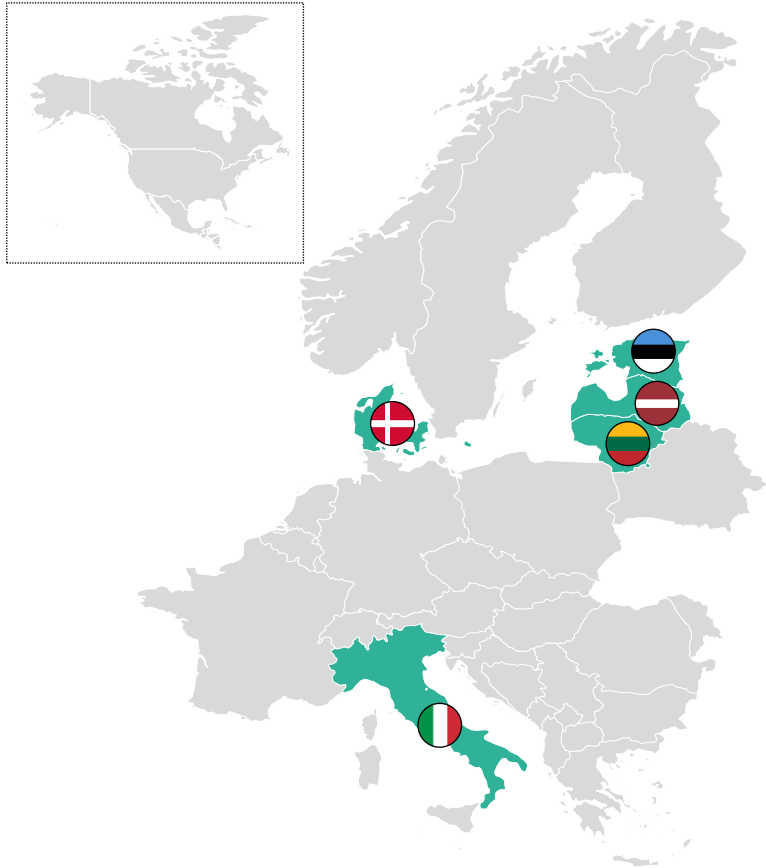
PEPSI MAX DEFAULT COLA IN OUT OF HOME



* Annually

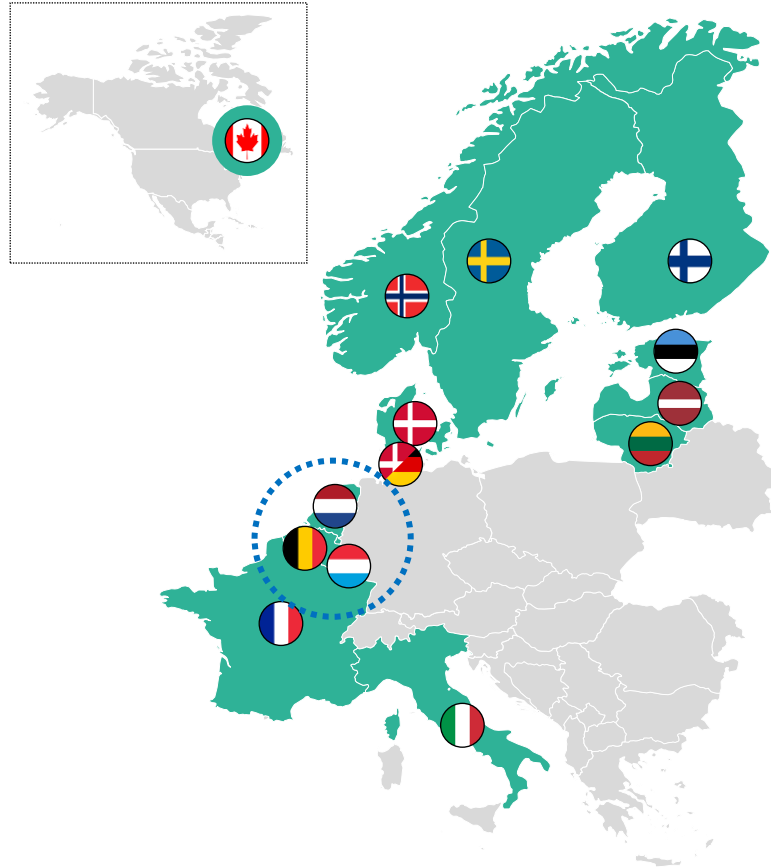
The Benelux region is the most recent addition to our overall footprint

2013 (pre-Hartwall in Finland)



Royal Unibrew home markets in 2013:
Denmark, Italy, Estonia, Latvia and Lithuania

2024



Royal Unibrew home markets in 2024:
Denmark, Italy, Estonia, Latvia, Lithuania, Finland, France, Canada, Norway, Sweden, Danish/German border, the Netherlands, Belgium and Luxembourg



The Netherlands

vrumonaⁱ










Vrumona address:
Vrumonaweg 2, 3981 HT Bunnik, Netherlands

Vrumona has a solid #2 position in the Dutch soft drinks market – and is especially focused on the low/no sugar category



Product portfolio focused on non-alcoholic drinks; opportunity to grow within these categories and expand the footprint to new categories

| CSD | Special soft drinks | Energy | Water / functional | Mixers | Other | RTD |
|--|---|--|---|---|--|--|
| <p>Competitive portfolio in mainstream soft drinks with more opportunity to capture share</p>  | <p>Leading and innovating in the adult soft drink category</p>  | <p>Growing the brand in a segment dominated by one brand in the Netherlands</p>  | <p>Large volume category with multiple sub segments in Water, functional, flavored, still, carbonated offers opportunity to challenge the leaders. Functional water is attractive in value</p>  | <p>Leading in mixers for premium on-trade and mainstream in all channels</p>  | <p>Incubator for new segments like Kombucha, lemonades and other categories like syrups</p>  | <p>Growing category adjacent to our mixers portfolio provides great opportunity</p>  |

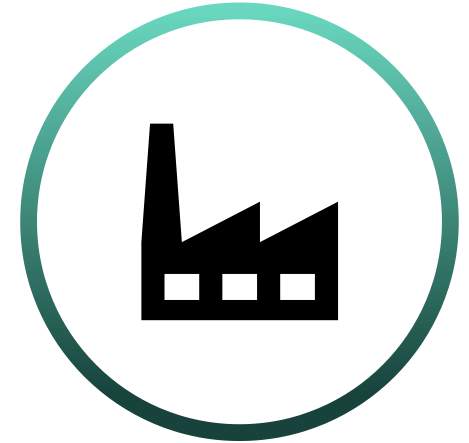
Main steps taken in first phase of Vrumona's new journey



Separation from Heineken almost completed

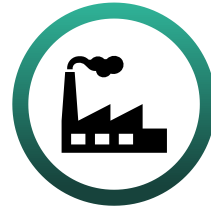


Change of focus during retailer negotiations to become a real challenger and gain distribution



Capacity and capability expansion; Border production started to support the Royal Unibrew network

Creating a growth company



Update production capacities to service the market better:



Can line to service market with right products, drive efficiencies and increase capacity to service Belgium and Luxembourg



Glass line to premiumize portfolio and drive efficiencies



Focus on **growth through better distribution** and **in-store execution** with a growth mindset



Integrate **Belgium** and **Luxembourg**

Organic earnings growth opportunities

Margin management

- Sales force to drive higher margin products and cold availability
- Drive better mix through data and opportunities from updated production capabilities

Efficiency

- Strong platform: Growth will deliver operating leverage
- From capex investments
- Carve-out from Heineken

Key priorities identified in order to unlock the full growth potential of Vrumona

Carve-out

Progressing as planned

- Carve out Vrumona from Heineken and integrate in Royal Unibrew
 - IT Systems
 - Finance
 - Procurement
 - HR

Unlock full commercial potential

Progressing as planned

- More occasions served with price/pack architecture
- Pepsi growth
- Customer contact – field sales
- Data-driven sales
- Cold availability
- New channels and segments

Supply chain capacity and capabilities

Progressing as planned

- New canning line
- Bottle sorting
- Euro pallets
- Sustainability and growth enablement – electricity and water

People

Progressing as planned

- Become a real challenger in the market
- Organize for faster decision-making and action
- Performance culture
- Attract and develop talent

Belgium

Progressing as planned

- Same growth potential and toolbox as in the Netherlands

Key take-aways

- **Strong starting point** with a good portfolio and good (but under-invested) assets
- **Capable organization**; however, needs to be transformed to become more growth-oriented
- **Clear building blocks to improve profitability:**
 - In-store execution
 - Growth framework
 - Upgrade of production capabilities
 - Better mix through better data
 - Production for other entities
 - Expansion into Belgium and Luxembourg

End:
Ilco Kwast
Managing Director
Vrumona

Q&A session

Lars Vestergaard

CFO

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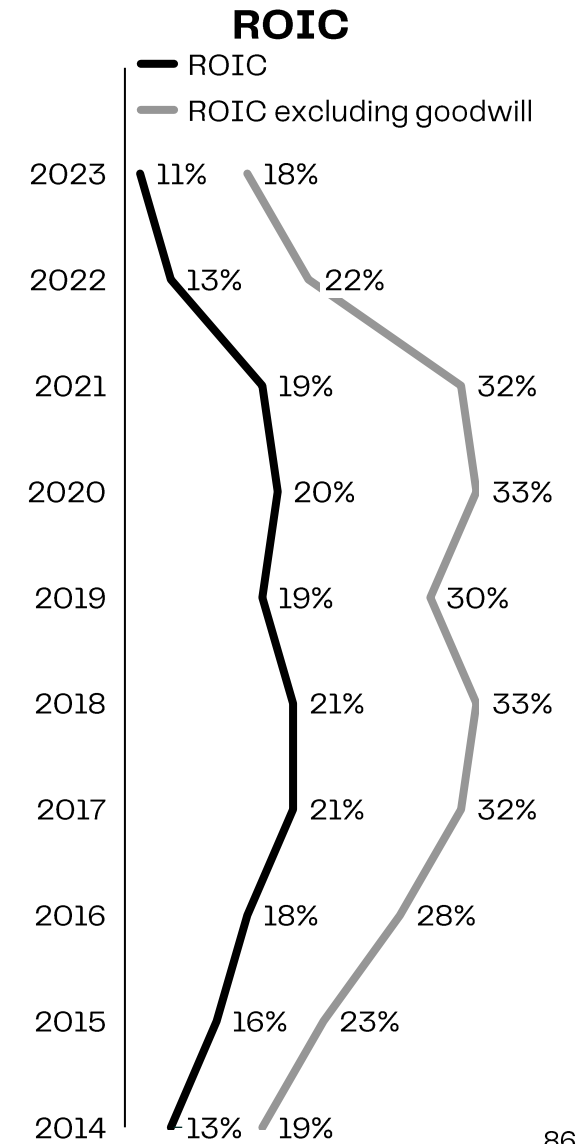
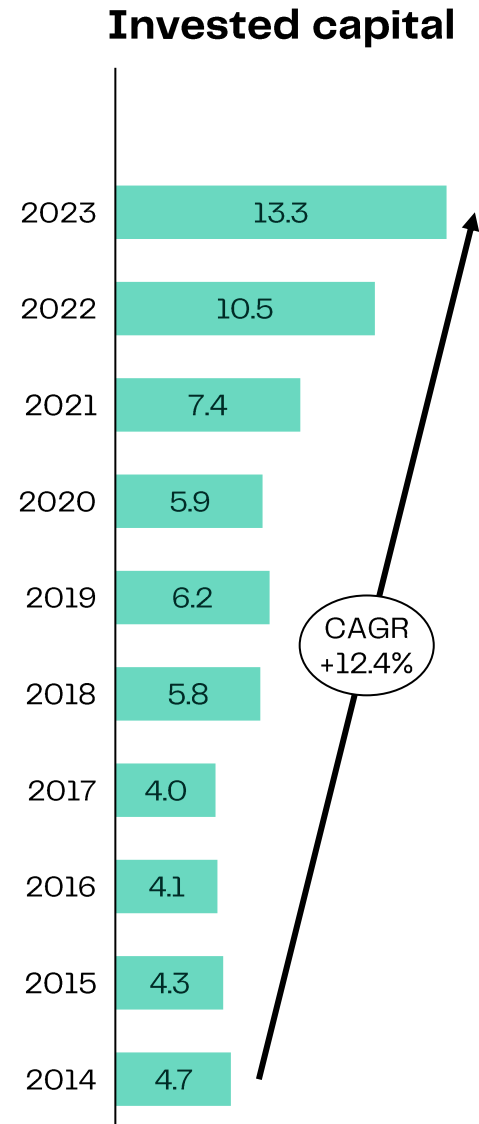
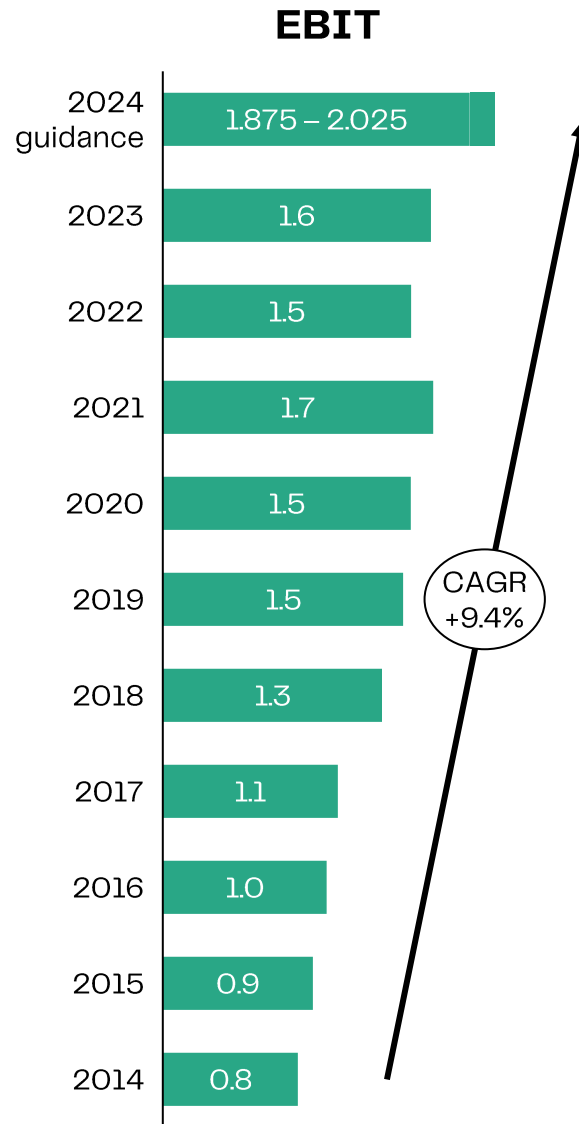
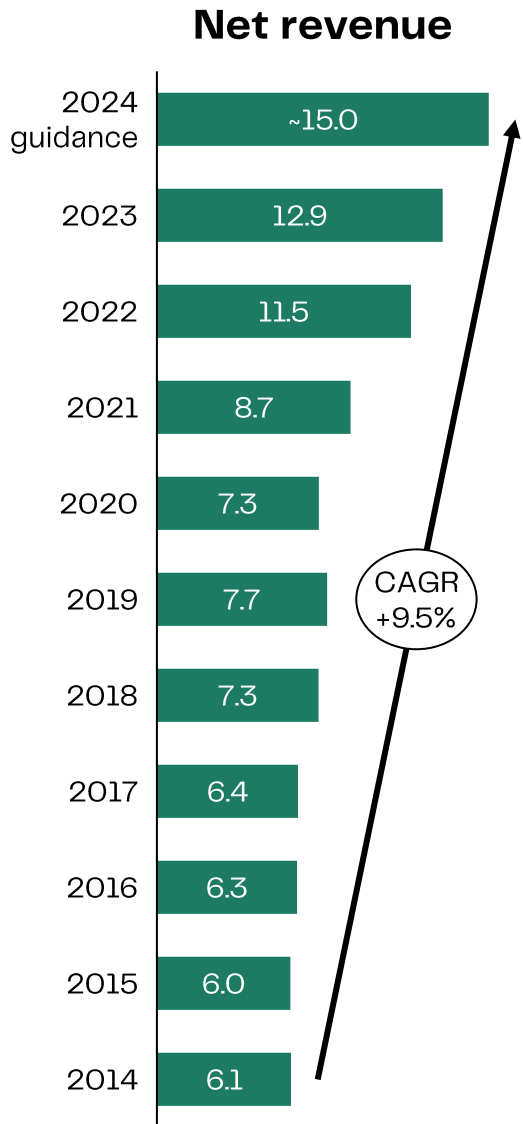
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Financial development in prior years impacted by COVID, acquisitions and inflation

(figures in mDKK)



Unlocking more growth opportunities by having larger scale

Premiumization

1,5-2%

Volume growth

2-4%

Operational efficiency

2-4%

Share buy-backs

1-2%

Mergers & acquisitions

2%

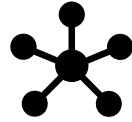
EPS growth

10-14%

Long-term organic EBIT growth target of 6-8%

The Royal Unibrew business model

Clear alignment of functions and responsibilities



- ✓ **Local ownership**
 - People, business, P/L and NWC
 - Performance driven through monthly business reviews and data
 - 5 year plans



- ✓ **One IT platform**
 - Clear performance model
 - One version of the truth



- ✓ **Shared IT and procurement function**



- ✓ **Incentive model aligned with key metrics**
 - Group/local EBIT, FCF and ESG

Efficiency agenda

1

Operating leverage

Unlocked from a scalable business platform

2

Procurement excellence

A key driver of value creation

3

Local efficiencies

Tracking tool to ensure progress and idea generation

4

Eliminating inefficiencies

Secure optimal utilization of assets

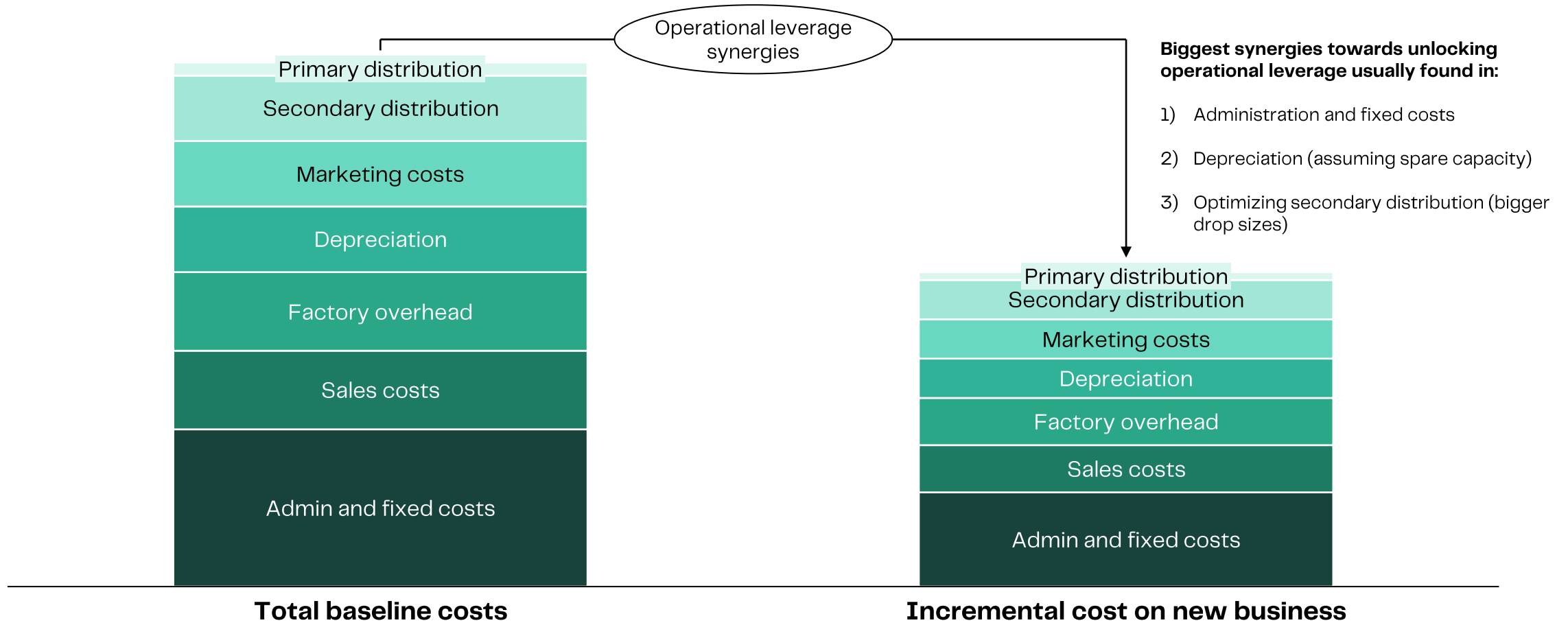
5

Unlocking synergies

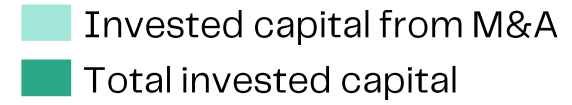
Integration excellence in terms of acquisitions

Illustrative: Establishing a strong business platform is costly; but it is highly scalable and growth gives substantial operational leverage

In the markets where the business platform is up and running, more products can be added with little additional costs

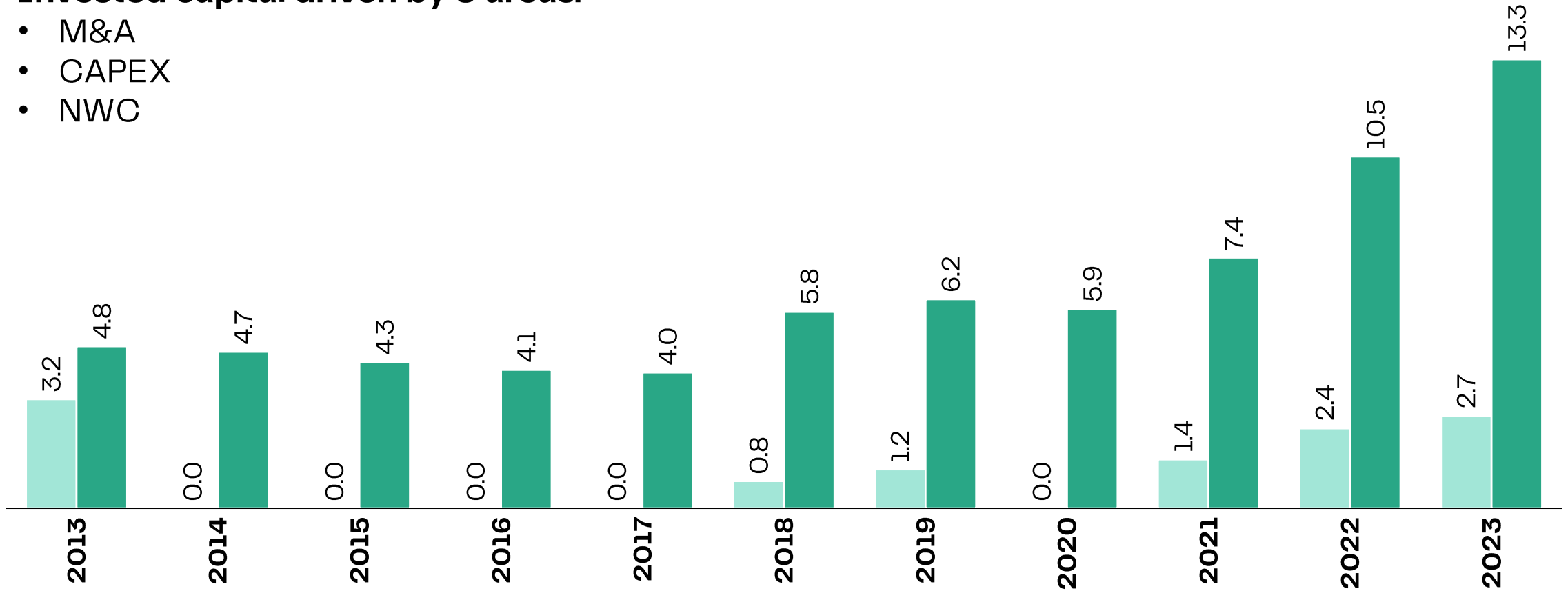


Invested capital development (bDKK)



Invested capital driven by 3 areas:

- M&A
- CAPEX
- NWC





Capex

1-2%
of net
revenue

Strategic capex (Max 6–10 years payback)

- Investment in capacity and capability
- CSR investments

<1%
of net
revenue

Efficiency projects (Max 3–4 years payback)

Recurring capex:

- Maintenance
- Commercial
- IT
- Leasing

~3-4%
of net
revenue

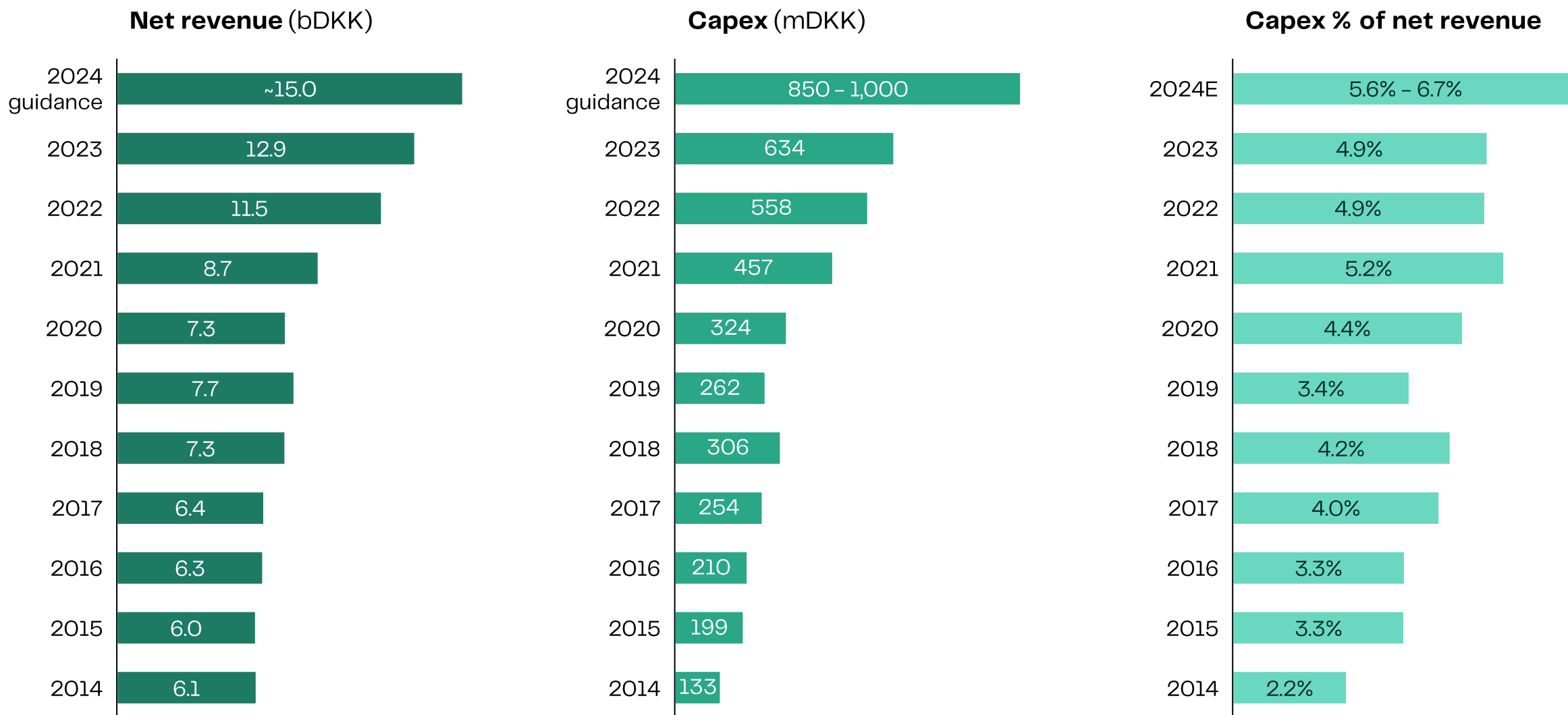
High capacity utilization in Denmark is partly mitigated by acquisition of San Giorgio and Vrumona

Capacity and capability investments in **Vrumona** will be high in 2025 and 2026

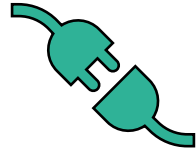
In the next years, CAPEX will be higher than normal as **we invest to remove capacity constraints**

This will drive **higher EBIT growth** and **lower net working capital**

We are invested to above historical average to optimize capacity utilization and build new capability



Royal Unibrew operates with 4 distinct types of Mergers & Acquisitions

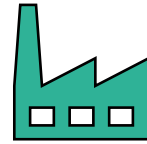


Bolt-on acquisitions

- Minor businesses with operations within an area where Royal Unibrew is already present through the multi-beverage model
- The acquired business is relatively simple to integrate
- Significant value creation potential as synergies are relatively large

Examples include
Nørrebro Bryghus

Payback in 2–3 years



Asset acquisitions

- Acquisition of additional production capacity close to consumers
- Accelerates development of additional capacity and people skills
- Is often less expensive than building new capacity
- Logistics synergies and CSR improvements by optimized route-to-market

Examples include
San Giorgio

Payback in 3–6 years



Brand/category acquisitions

- Acquisitions of brands, which will give Royal Unibrew exposure to brands/categories in existing niche/multi-niche markets
- Includes acquisitions of brands in categories where we are already established...
- ...but where we significantly improve our market position through the acquisition of complementary brands

Examples include
Amsterdam

**Cash ROIC aspiration:
10% in year 2**



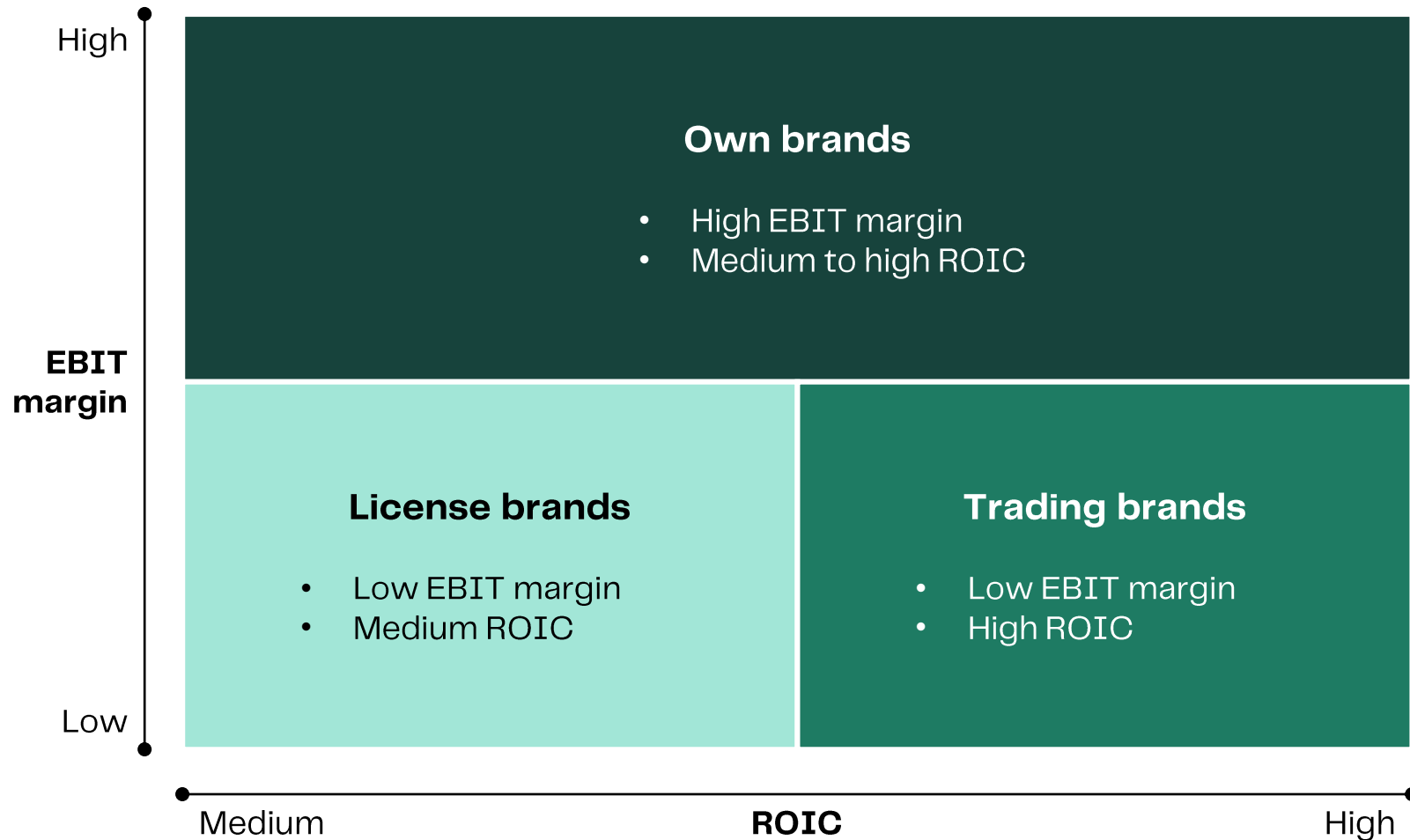
Platform acquisitions

- Businesses in markets where we have limited or no presence
- Provides us with a strong market position within one or more categories
- Normally more demanding in terms of integration
- Cost synergies are lower in the short run, but over the long run these acquisitions offer significant potential

Examples include
Vrumona

**EPS accretive in year 1
Cash ROIC aspiration:
10% within 3 years**

ROIC vs EBIT margin



Own brands

- Existing brands in own portfolio
- “Local hero brands”

License brands

- Often cross-border international brands

Trading brands

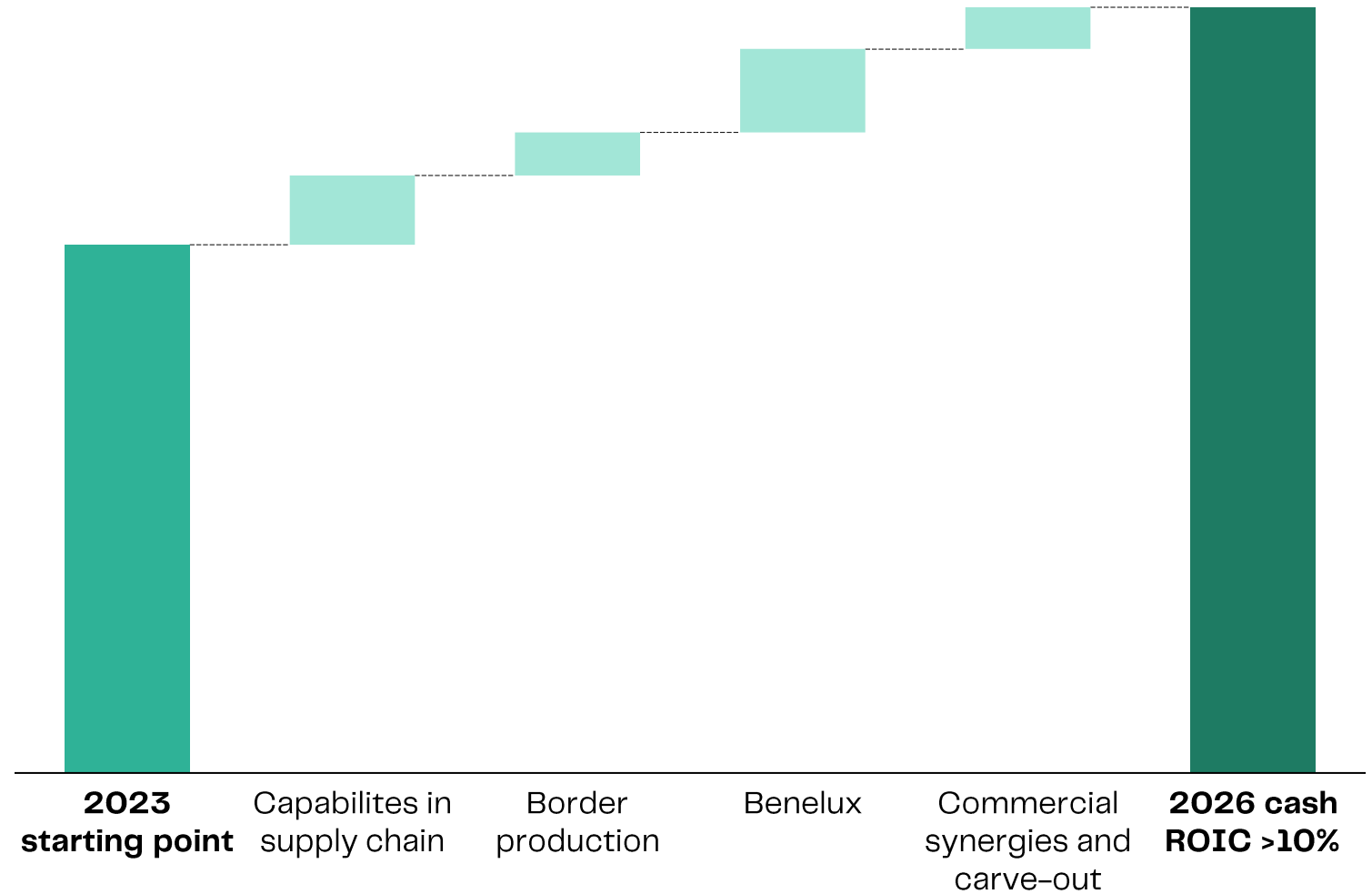
- Often obtained from platform acquisitions
- Helps consolidate total portfolio to create attractive combined offering
- Opens doors in on-trade and off-trade



The Netherlands: **Vrumona**

Starting point:

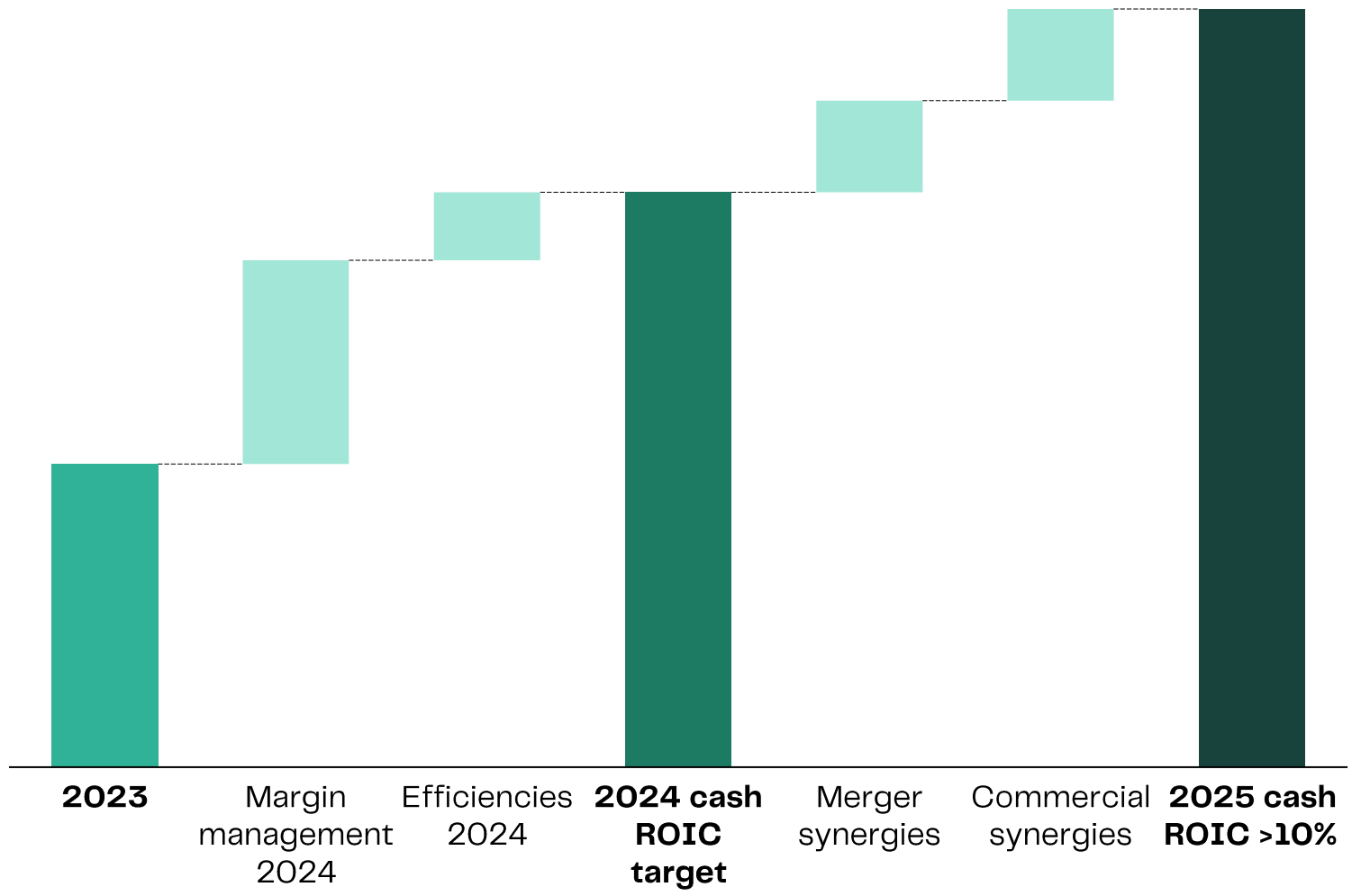
- Ample organizational talent
- Strong platform with untapped growth potential





Norway: HansaSolera

- **2023 impacted by FX and inflation**
- **Merger synergies**
 - IT platform
 - Logistics consolidation
 - Supply chain excellence
- **Commercial synergies**
 - Margin management
 - Cross-selling
 - Common order execution
- **Other benefits**
 - Solera Finland
 - Production for Denmark

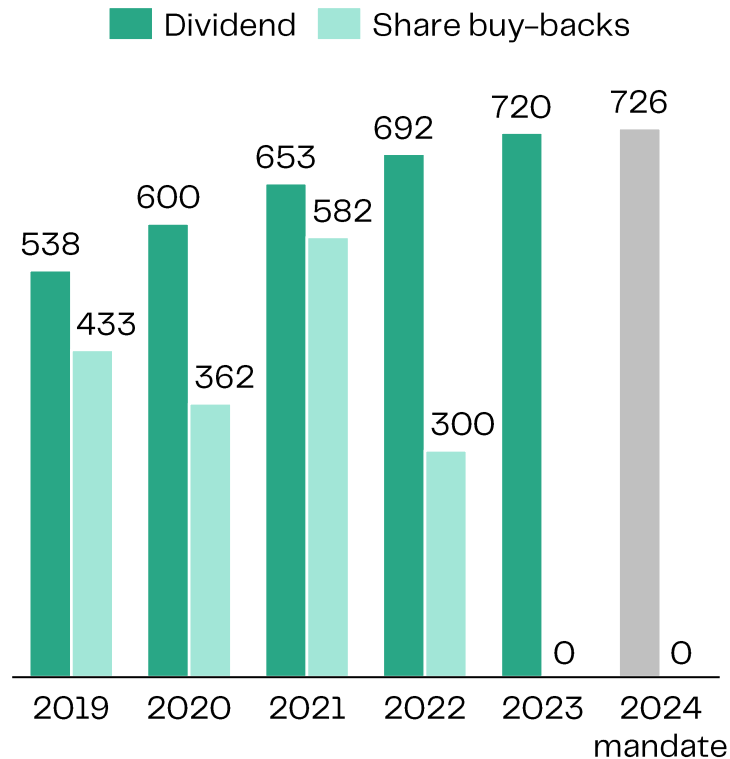


**Our priorities
for capital
allocation
remain
unchanged**

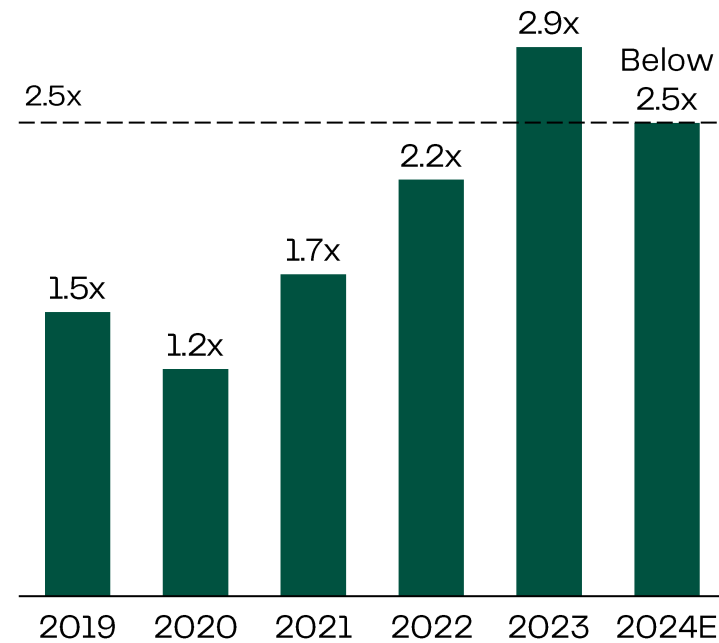
- ✓ Maintain financial flexibility; net debt/EBITDA below 2.5x
- ✓ Invest in organic growth
- ✓ Acquisitions
- ✓ Stable dividend pay-out ratio (40-60%)
- ✓ Share buy-backs to adjust capital structure

Dividend and share buy-backs

Total distribution for the year (DKK)



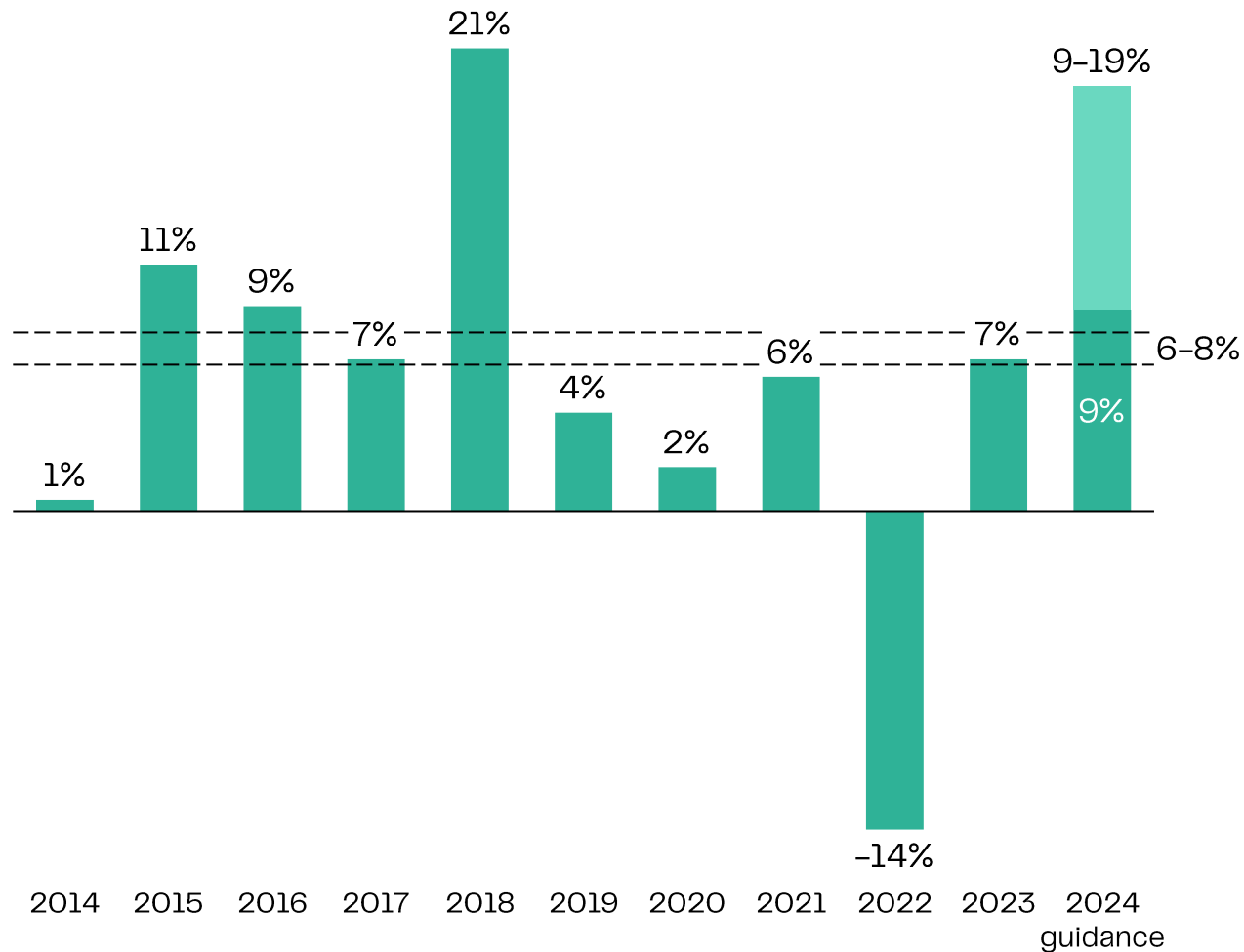
NIBD/EBITDA



- The objective of our capital structure policy is to secure flexibility to develop the business in line with our strategic priorities.
- It remains our target to have a net interest-bearing debt below 2.5 times EBITDA.
- At the end of 2023, we were above this target, and therefore, our focus in the coming period is to bring the financial leverage down in accordance with our target.
- We expect to be below 2.5x in the **second half of 2024**
- The board has a mandate to pay up to **14.5 DKK per share in extraordinary dividend**

The Royal Unibrew value creation framework

Organic EBIT growth (%)



- **Delivering EBIT growth**
 - Growth initiatives
 - Efficiency
- **High cash conversion**
 - NWC
 - CAPEX
 - Tax
- **Discipline in M&A**
- **Clear capital allocation principle**
- All delivered through “Preferred Choice” framework and “proven business model” over multiple years.

Key take-aways

- ✓ Operating model is unchanged and with clear alignment of functions and responsibilities
- ✓ Will deliver organic EBIT growth through growth initiatives and efficiency improvements
- ✓ Operational leverage will be a key component in coming years
- ✓ Clear unchanged capital allocation principles
- ✓ Our growth algorithm is stronger than before

Q1 2024: Strong start to the year

Organic volume growth

6%

- Strong rebound in International volumes
- Normalized Italian market
- Solid performance in Northern Europe

Organic net revenue growth

10%

- Good momentum in Northern Europe
- Strong product mix in Western Europe
- Negative country mix in International

Organic EBIT growth

13%

- Efficiency improvements delivering more than planned
- Consumers remain resilient
- Acquisitions contribute as expected

Outlook for 2024

- Net revenue of around DKK 15 billion
- Organic EBIT growth of 9–19% (up from 5–15%) equal to total EBIT of DKK 1,875–2,025 million including acquisitions
 - Upgrade driven by efficiencies stemming from integration, sourcing and other acquisition-related efficiencies
- M&A is expected to contribute around DKK 80 million to EBIT
- Net financial expenses, excluding currency-related losses or gains, of around DKK 350 million
- Effective tax rate of around 21%
- Capex in the range of DKK 850–1,000 million

End:
Lars Vestergaard
CFO

Lars Jensen
CEO

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> 7) Wrap-up: Lars Jensen

Royal Unibrew is stronger than ever

1

Larger platform

Unlocks multiple advantages

2

ESG

We are the best-performing beverage company

3

International business unit

Profitability on-track to be re-established

4

Norway and Netherlands

On-track to deliver +10% ROIC

5

Efficiency agenda

Large potential to be unlocked

Q&A session

Next steps

- 12:30–12:55: CEO
- 12:55–13:15: ESG
- 13:15–13:35: International
- 13:35–13:45: Q&A
- 13:45–14:00: Break
- 14:00–14:20: Norway
- 14:20–14:40: Netherlands
- 14:40–14:50: Q&A
- 14:50–15:20: CFO
- 15:20–15:25: CEO
- 15:25–15:35: Q&A
- 15:35–17:00: Site visit + socializing
- 17:00–17:15: Departure for store visits
- 17:30: Departure to airport

Thank you



End: Royal Unibrew Capital Markets Day 2024

13 May 2024