



Royal Unibrew: 2023 Results Presentation

Presented by Lars Jensen (President and CEO) and Lars Vestergaard (CFO)

February 2024

Disclaimer

This annual report presentation 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 words or phrases like 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.

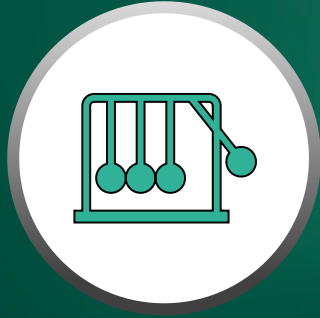
Any such statements involve known and unknown risks, estimates, assumptions and uncertainties that could cause the Group's actual results, performance or industry results to differ materially from the results expressed or implied in such forward-looking statements.

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 prediction of actual results.

2023 highlights



Building momentum through the year



Business scope significantly expanded



Solid performance in multi-beverage markets



Leader in ESG



Successful product launches



Continued expansion of partnerships



ESG highlights

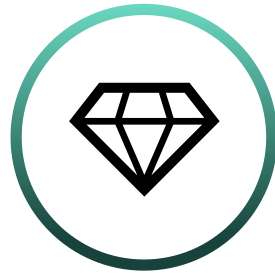
- **Market leading in no/low:**
 - Volume increase for no/low alcoholic and non-alcoholic beverages (CSD, Energy and Water) **outperform beverages with regular sugar and alcohol levels as well as strong beer**
- **Reducing all Scope 3 emissions per HL compared to base year 2019:**
 - **Currently 44% renewable energy in Scope 1 and 2**
 - **Plans/capex in place for 92%**
- **Delivering on circularity:**
 - **96% of packaging material is recycled, recyclable or reused**
- **Investing in filling lines:**
 - **Enabling replacement/elimination of plastics with paper-based solutions**
- **Improving the gender ratio:**
 - **Improvement in underrepresented gender in international management teams; 32% in 2023 compared to 28% in 2022**
- **Strong sustainability culture maintained at Royal Unibrew**

Organic net revenue growth



Energy

+5%



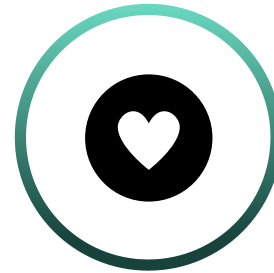
Premium

0%



Low / No Sugar

+32%



Low / No Alcohol

+4%



RTDs, Ciders,
Cocktails

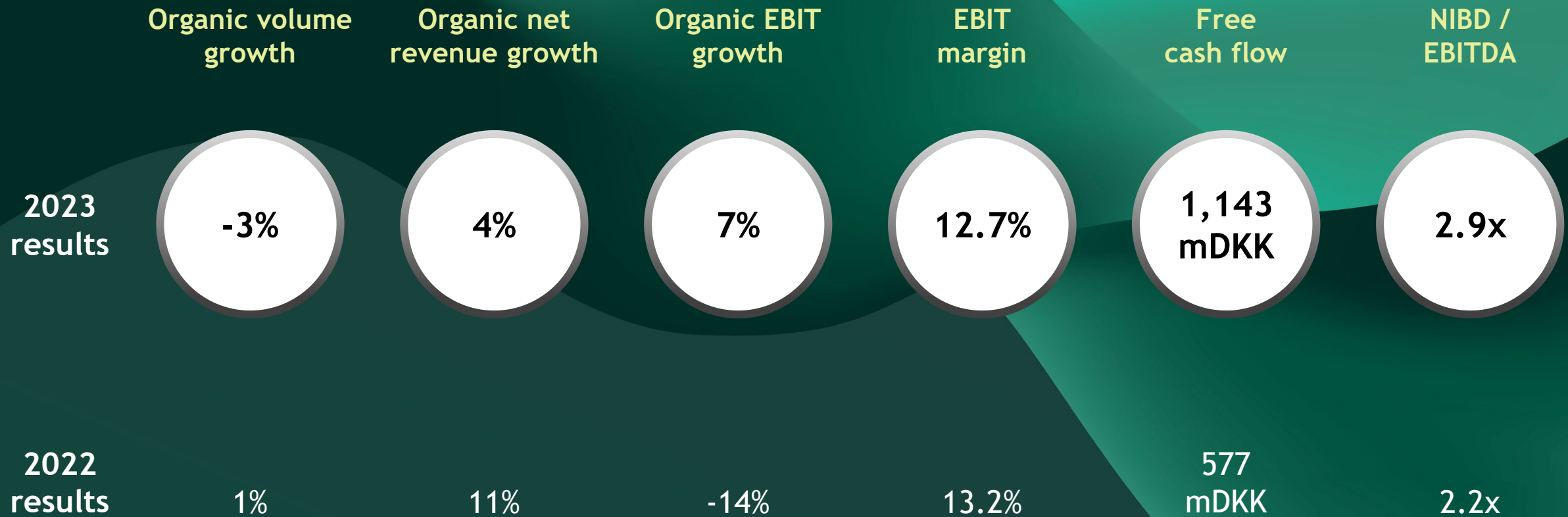
+1%



Enhanced Waters

+3%

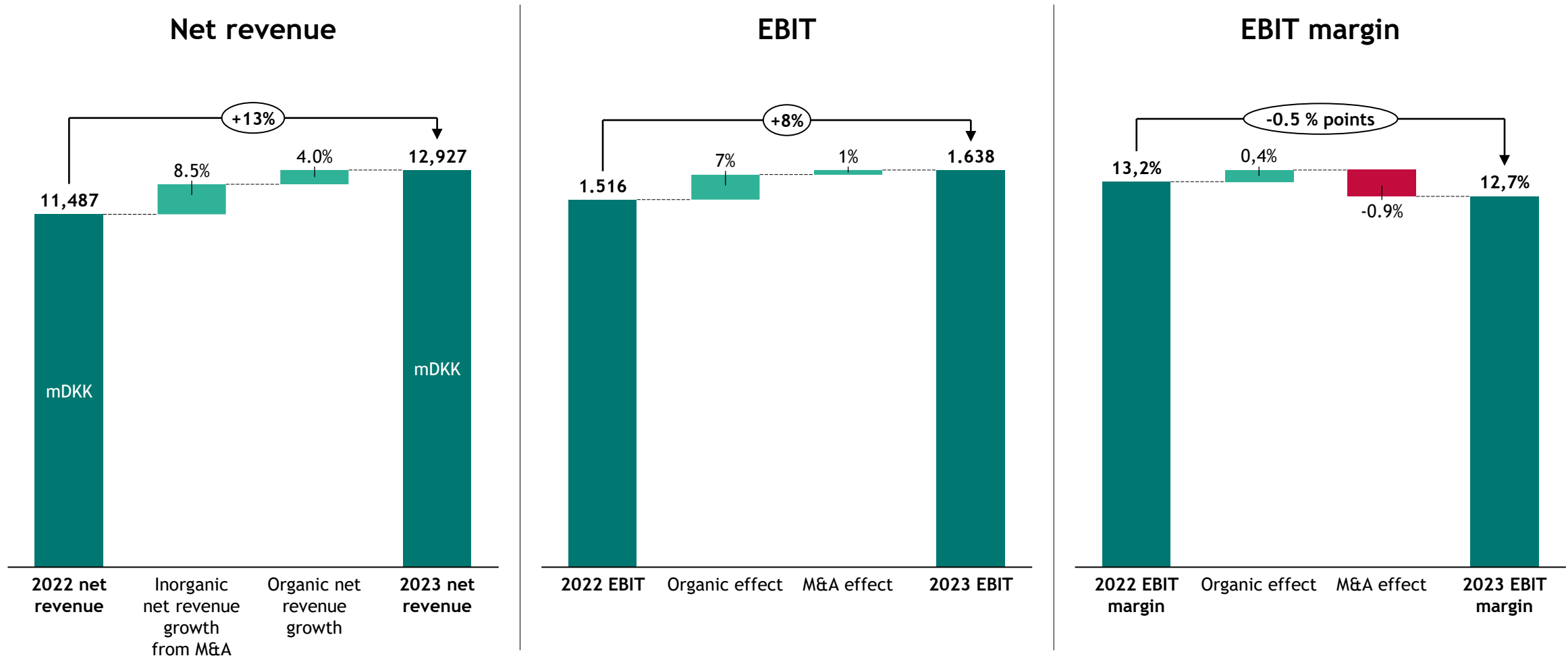
2023 results



2023 results continued

	2023	2022	Change %
Volumes (mhl)	14.1	13.4	4%
Net revenue	12,927	11,487	12%
EBITDA	2,208	1,997	11%
EBIT	1,638	1,516	8%
Net financial expenses	-232	-91	155%
Remeasurement of Hansa Borg	...	360	N.M.
Tax	-311	-294	6%
Net profit	1,095	1,491	-27%
EPS	21.9	30.5	-28%
Adjusted EPS	21.9	23.1	-5%

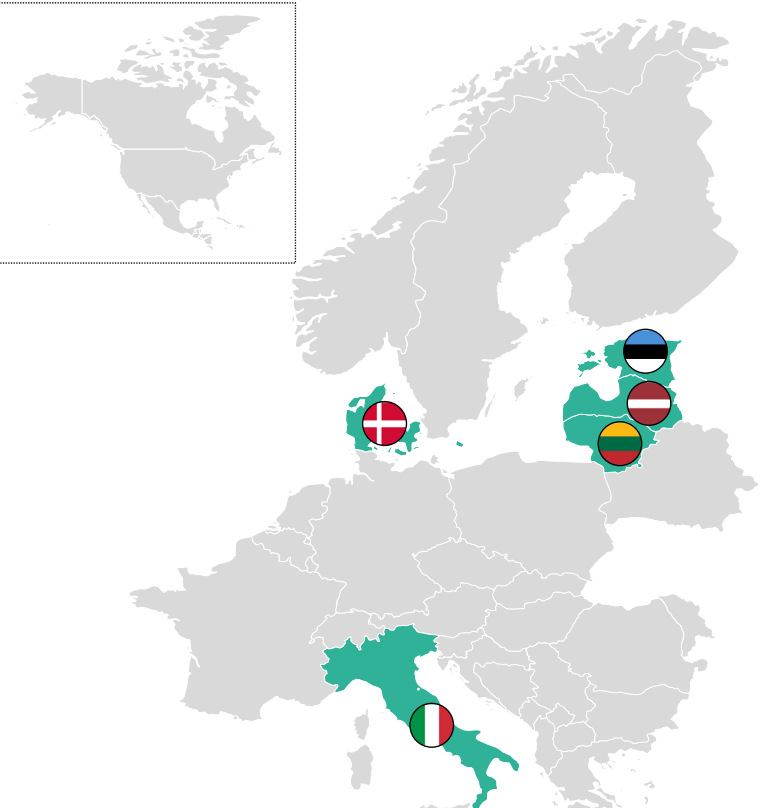
Significant net revenue growth unlocked by a combination of organic and inorganic growth activities and organic EBIT margin expansion



New long-term target and focus

The transformation has led to significant additional growth potential

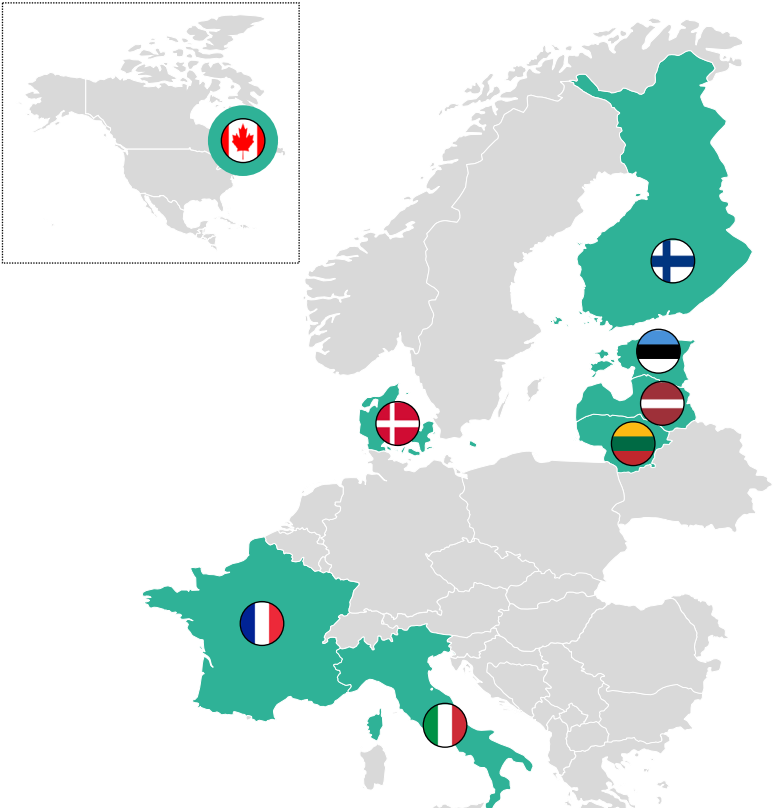
2012: Pre-Hartwall acquisition in Finland



Royal Unibrew home markets in 2012:
Denmark, Italy, Estonia, Latvia and Lithuania

Net revenue
4,481 mDKK

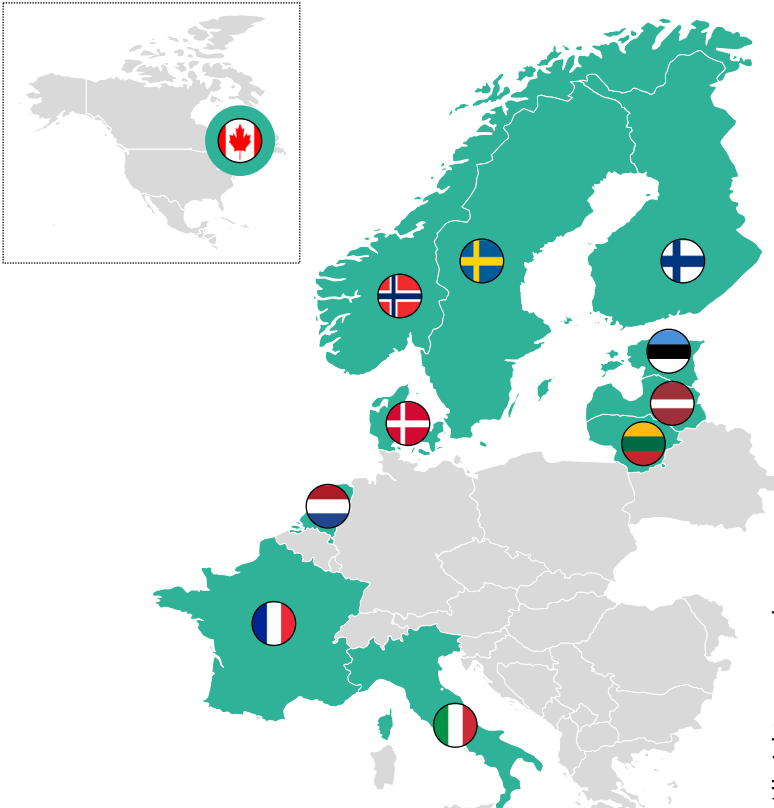
2020 (Lars Jensen becomes CEO): High market shares with limited growth opportunities



Royal Unibrew home markets in 2020:
Denmark, Italy, Estonia, Latvia, Lithuania, Finland, France and Canada

Net revenue
7,315 mDKK

2023: Significant growth potential; new markets added and RU becoming more attractive to partners



Royal Unibrew home markets in 2023:
Denmark, Italy, Estonia, Latvia, Lithuania, Finland, France, Canada, Norway, Sweden, Danish/German border and the Netherlands

Net revenue
12,927 mDKK

Our capacity to manage growth has been strengthened



2.5x

more people in
Group Finance
(2019-2024)



2.2x

more people in
Group Procurement
(2019-2024)

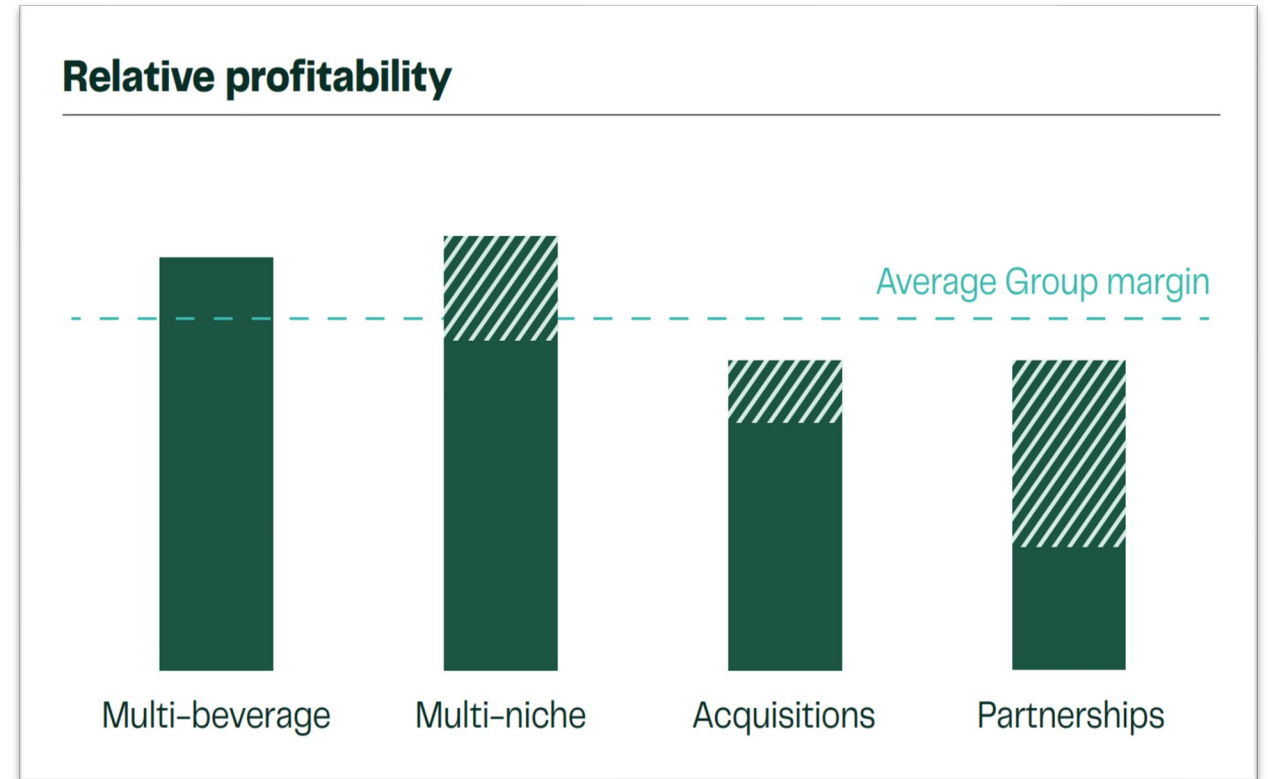


3.4x

more people in
Group IT
(2019-2024)

We have refined our operating model:

- Royal Unibrew's commercial success is built on a combination of own local power brands and partnership brands
- Key partnerships allow Royal Unibrew to offer a more complete multi-beverage portfolio in all core markets
- A complete multi-beverage portfolio will help drive the sales of high-margin local power brands in addition to partnership brands across our key markets
- New platforms have unlocked new growth opportunities for us



New long-term target

6-8% organic EBIT growth

- We expect to increase the EBIT margin during the period
- Net interest-bearing debt to EBITDA of less than 2.5x
- Dividend pay-out ratio of 40-60% of consolidated net profit for the year



- Potential to unlock additional growth in new markets
- Royal Unibrew has become a “gateway to the Nordics” and is much more attractive to existing and new partners
- Keep building capacity
- Synergies from acquisitions will be materialized over the coming years
- We believe that organic growth in EBIT will deliver higher returns than focusing on EBIT margin alone

Short-term outlook

- Net revenue of around DKK 15 billion
- Organic EBIT growth of 5-15% equal to DKK 1,800-1,950 million including acquisitions
- 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
- It is proposed to pay a dividend for 2023 of up to DKK 14.50 per share later this year (2022: DKK 14.50)

Management agenda

- ✓ **Execute on integration of acquisitions:** Continued integration of Norway, Netherlands and Italy
- ✓ **Drive efficiency improvements** across all operations
- ✓ **Expanding and optimizing production set-up**
- ✓ **Monitor and react to possible changes in consumer behavior**
- ✓ **Investing to secure future top line growth**
- ✓ **Pursue our ambitious ESG targets**

Q&A Session



End: Royal Unibrew: 2023 Results Presentation

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