



# Royal Unibrew: 2022 Results Presentation

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

2 March 2023

# 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

# 2022 highlights



Unprecedented and unexpected inflation in input prices



Solid brand portfolio and strong business momentum



Strategy and business model intact; consolidating market shares across geographies



Positive price/mix effect primarily from pricing initiatives



Successful expansion of partnerships



Short-term ESG targets achieved and significant projects underway



## ESG highlights

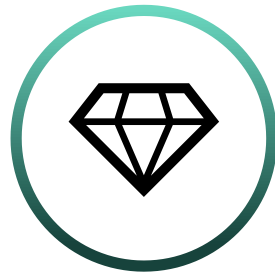
- ✓ **Short-term ESG targets achieved**
  - At least 40% of our marketing budget allocated to sustainability
  - 42% organic reduction of 2015 CO<sub>2</sub> emissions per hectoliter
  - Targets achieved on recycled content of our packaging material
  
- ✓ **We continue our transition to become fossil free**
  
- ✓ **CO<sub>2</sub> reduction targets submitted to SBTi for validation**
  - Expected during 2023
  
- ✓ **Materiality assessment reviewed and updated in 2022**
  - Now including biodiversity/regenerative agriculture
  - Now including ESG risk management and mitigation
  
- ✓ **We are on-track to deliver on our 2025 and 2030 targets**

# Organic net revenue growth: Significant growth demonstrated across all key product categories; particular growth achieved in the Energy Drinks category



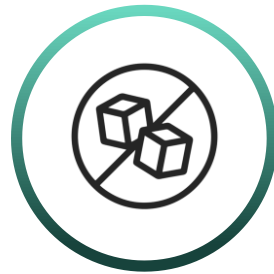
Energy

+34%



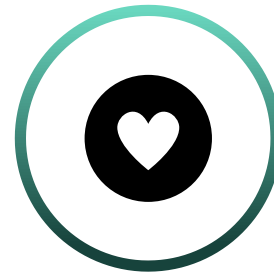
Premium

+12%



Low / No Sugar

+10%



Low / No Alcohol

+10%



RTDs, Ciders,  
Cocktails

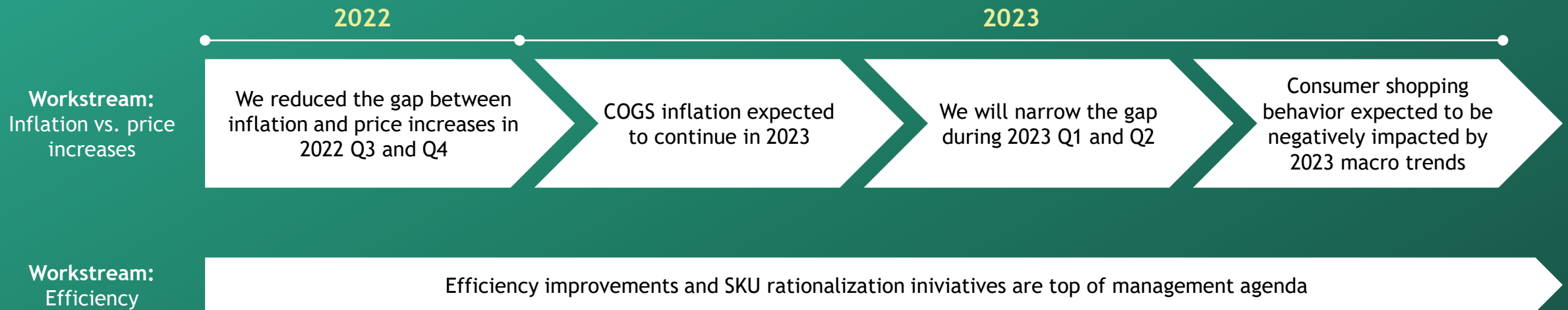
+9%



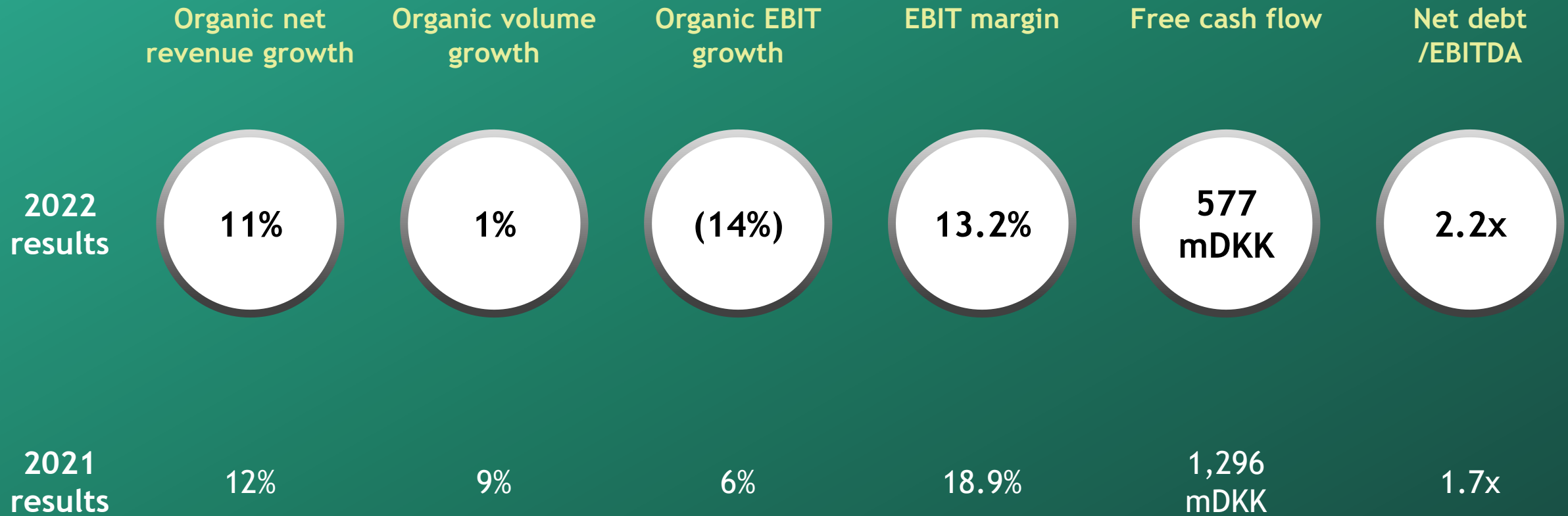
Enhanced Waters

+9%

# Input price inflation will be continuously mitigated by a combination of price increases and efficiency improvements; at the same time ensure we continue to grow



# 2022 results



## Northern Europe

DENMARK, GERMANY, FINLAND, NORWAY, SWEDEN,  
LATVIA, LITHUANIA AND ESTONIA

**10.4** mhl

**VOLUME**  
(up by 7%)

**8.9** bnDKK

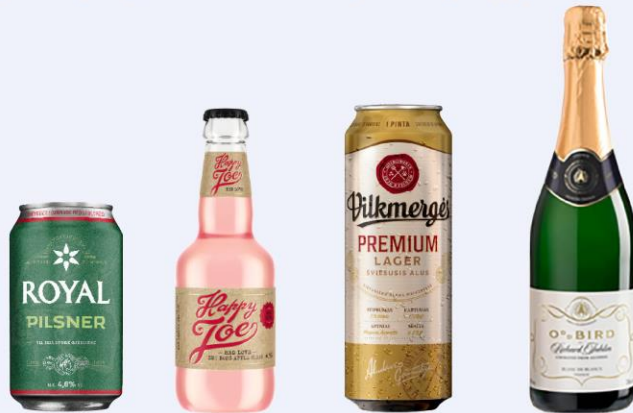
**NET REVENUE**  
(up by 35%)

**1,247** mDKK

**EBIT**  
(down by 0%)

**13.9%**

**EBIT-MARGIN**  
(down by 5.0pp)



## Western Europe

ITALY AND FRANCE

**1.6** mhl

**VOLUME**  
(up by 21%)

**1.4** bnDKK

**NET REVENUE**  
(up by 16%)

**157** mDKK

**EBIT**  
(down by 35%)

**11.6%**

**EBIT-MARGIN**  
(down by 9.1pp)



## International

MORE THAN 70 MARKETS IN AMERICAS AND EMEA

**1.4** mhl

**VOLUME**  
(up by 7%)

**1.2** bnDKK

**NET REVENUE**  
(up by 22%)

**128** mDKK

**EBIT**  
(down by 30%)

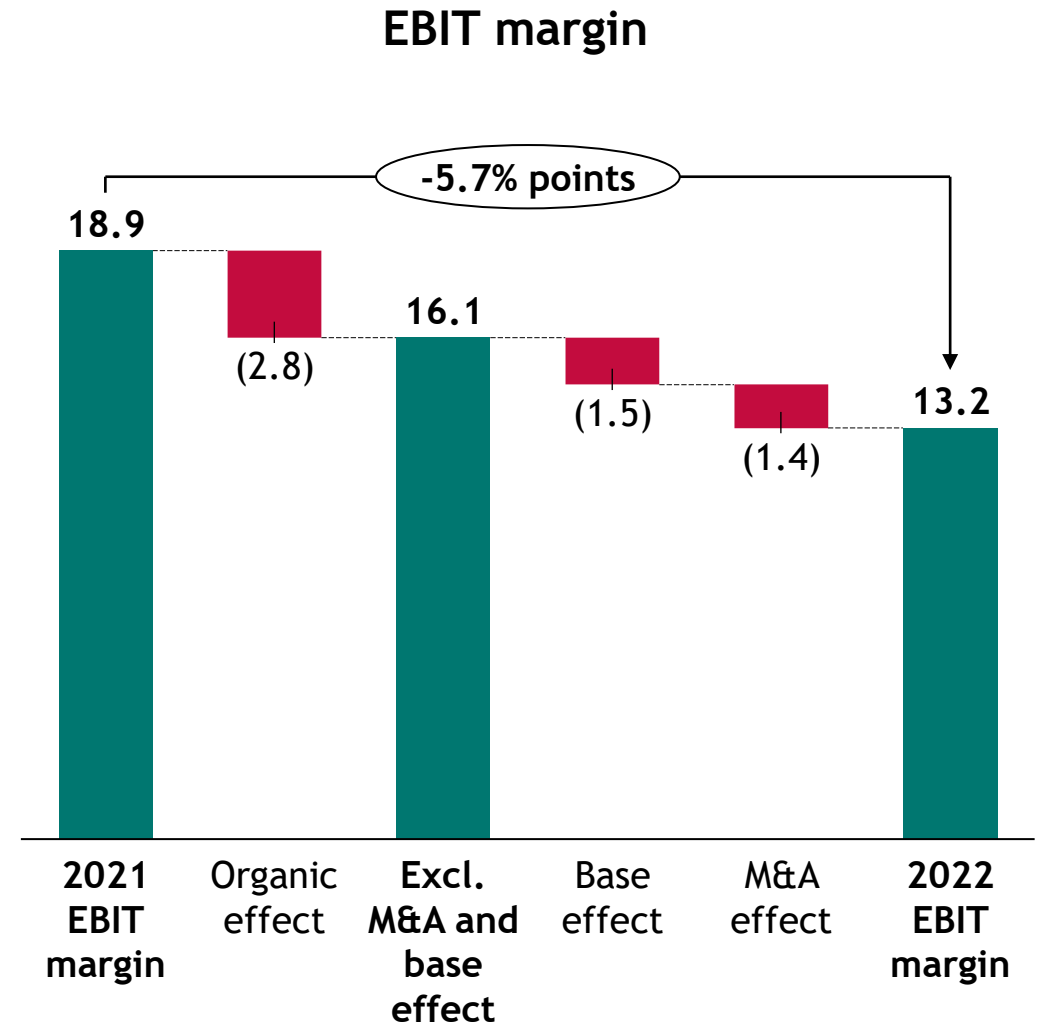
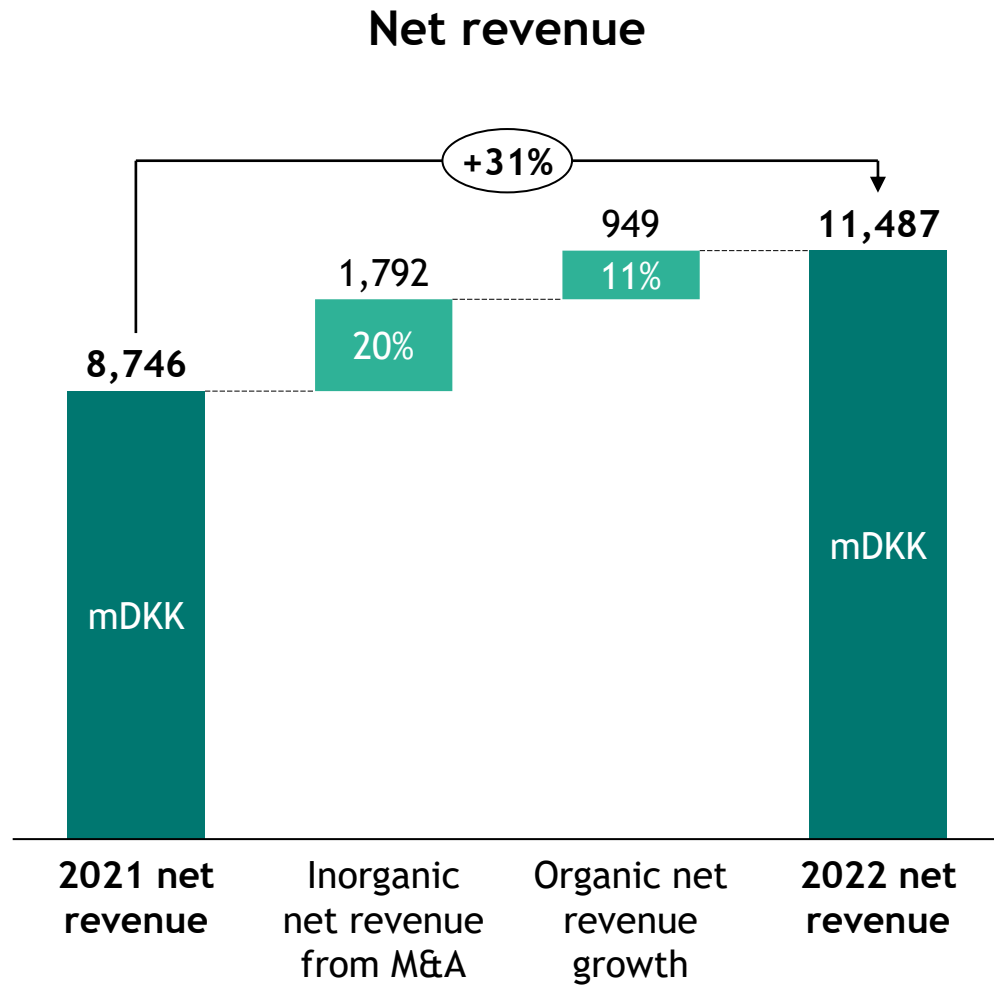
**10.7%**

**EBIT-MARGIN**  
(down by 8.1pp)

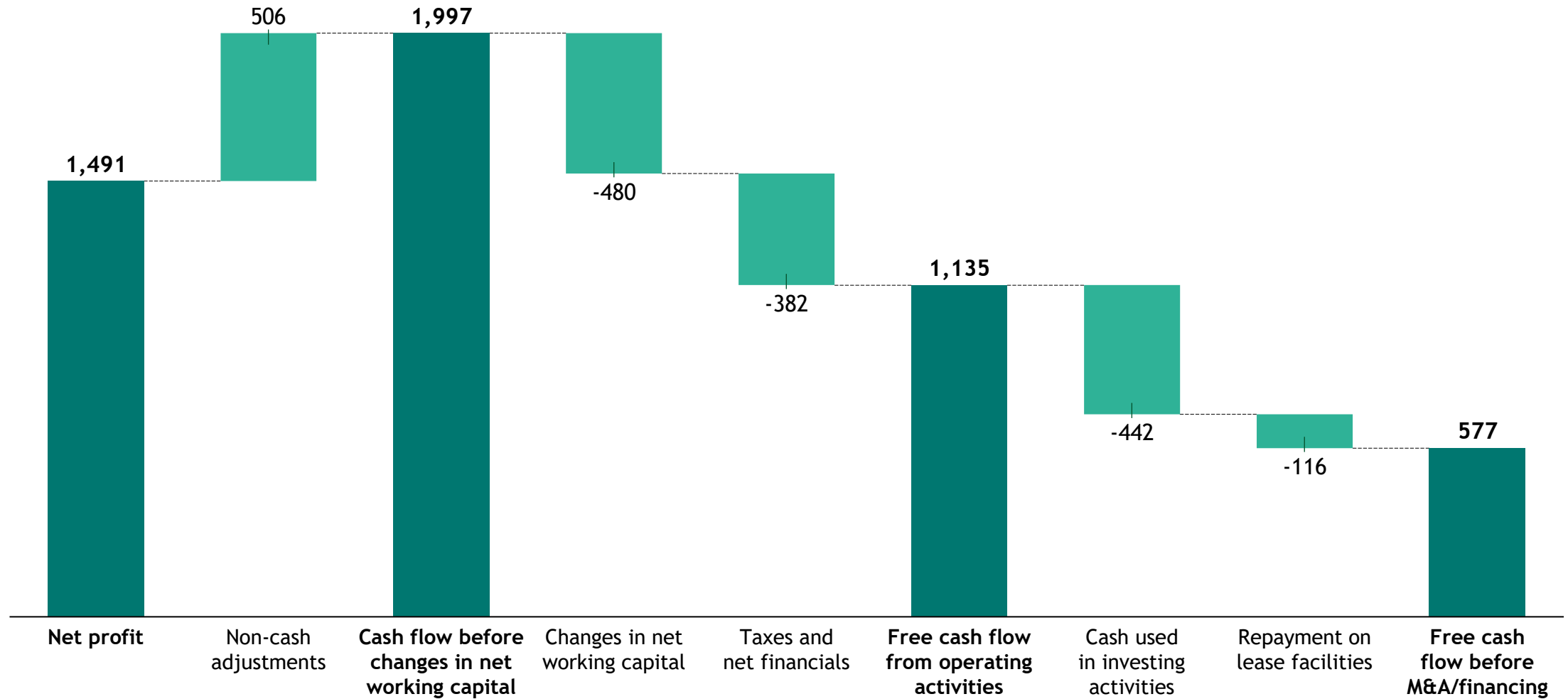




# Significant net revenue growth unlocked by a combination of organic and inorganic growth activities



## 2022 free cash flow (mDKK)



2021 figures

1,298

726

2,024

104

-375

1,753

-389

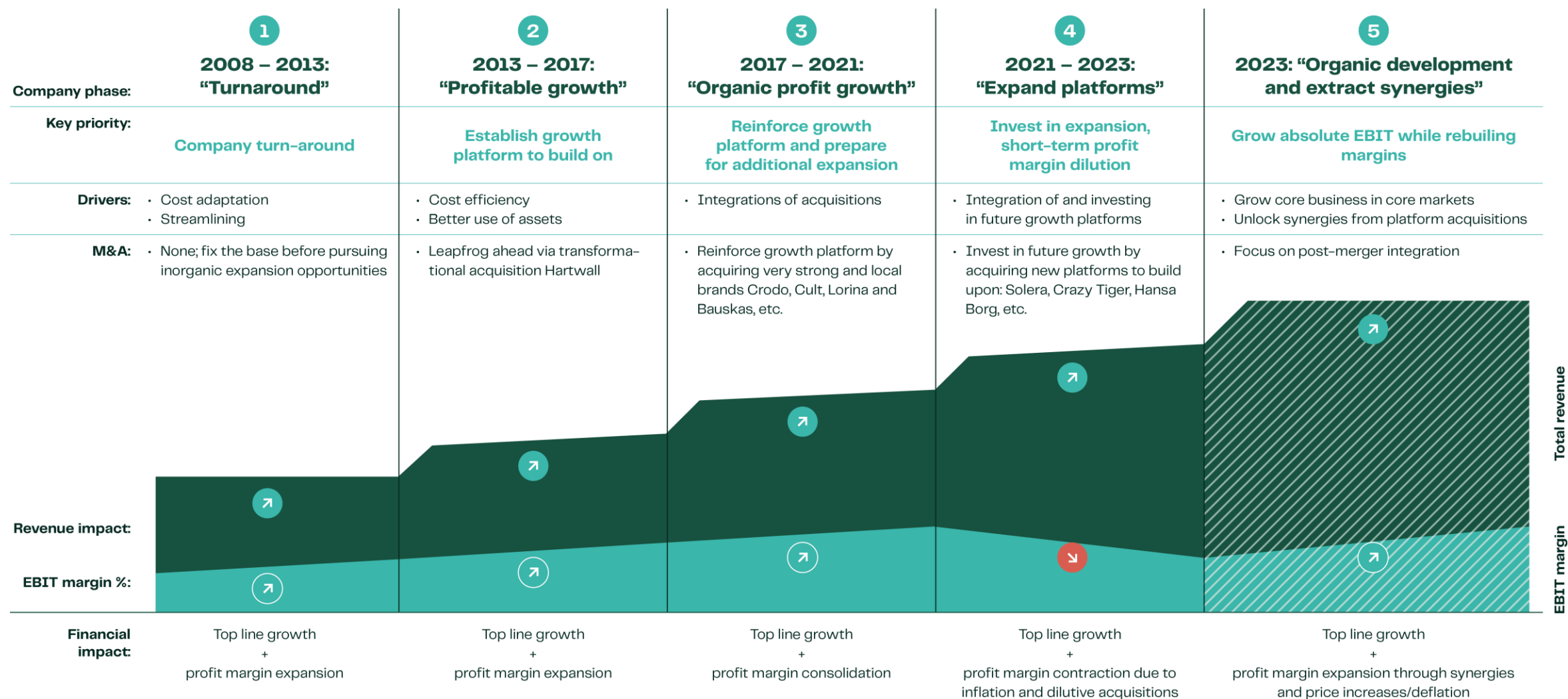
-68

1,296

## 2023 outlook

- In 2023, we expect an EBIT in the range of DKK 1,550-1,750 million based on a net revenue of DKK 13-14 billion
- Guided revenue growth comes from acquisitions, extended partnerships and price/mix
- We will safeguard profitability on a per hectoliter basis
- Main factors impacting profitability:
  - Commodity pricing development and supply situation
  - Consumer behavior and impact on channel mix
  - Customer reactions to price increases
- **Financial assumptions:**
  - Acquisitions will add app. DKK 0.5 billion in net revenue with single-digit EBIT margin
  - Normal summer weather and travel activities
  - Capex expected to be 5-6% of net revenue
  - Corporate income tax rate is expected at around 21%

# Illustrative: Phases in Royal Unibrew's development



Total revenue

EBIT margin

# Overall ESG 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\*



**50%**

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



**100%**

recycled, recyclable or reusable packaging by 2025



## Our people



**100%**

safety culture

**80%**

of employees being Royal Unibrew ambassadors by 2030



**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

## Management agenda

- Make sure that we **close the gap** between input price inflation and price increases
- **Monitor consumer behavior and market developments** following price increases
- **Reduce discretionary spending** while supporting growth
- **Execute on integration of acquisitions**; integration of Norway and insourcing of volumes to Amsterdam Brewery in Canada
- **Manage the top line expansion**
- **Secure production capacity and fulfilment of ESG ambitions through focused capex investments**

# Q&A Session



# End: Royal Unibrew: 2022 Results Presentation

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

2 March 2023