



# Interim report

1 January - 31 March 2014

30 April 2014

# Results in line with expectations

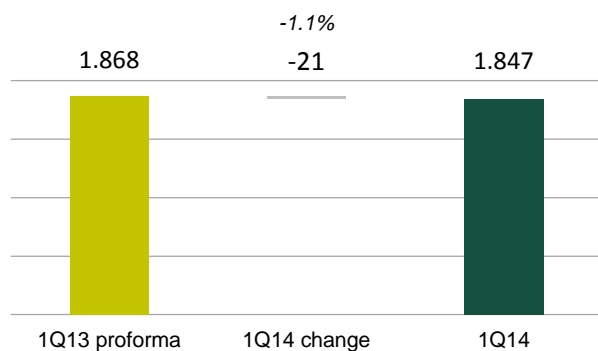
- Market positions generally maintained or improved
- Pro forma volume decrease of 1%
- Net revenue for the quarter was DKK 1.267m. Pro forma growth of 1%
- First quarter EBIT of DKK 43m. Pro forma growth DKK 5m
- Free cash flow of DKK -254m
- Continued growth in Malt Beverages
- Hartwall integration and reorganisation on track
- Outlook 2014 confirmed



# Pro forma increase in net revenue and EBIT

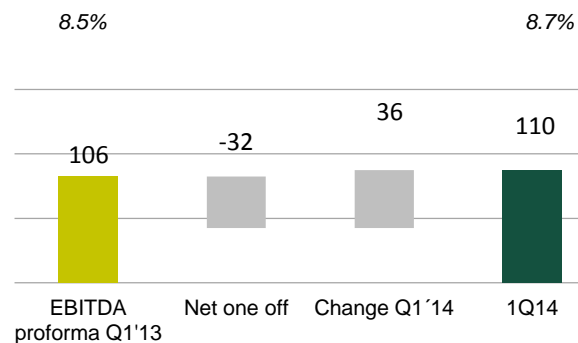
## VOLUME – HL (000)

Change



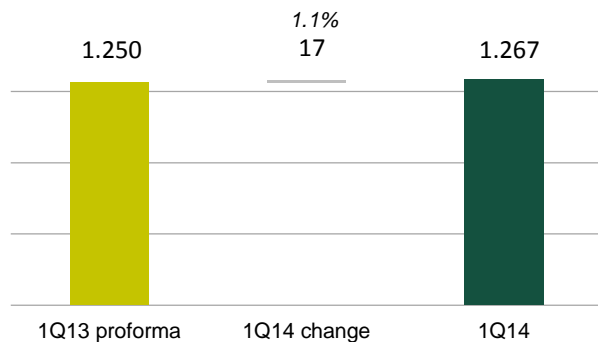
## EBITDA - DKKM

Margin



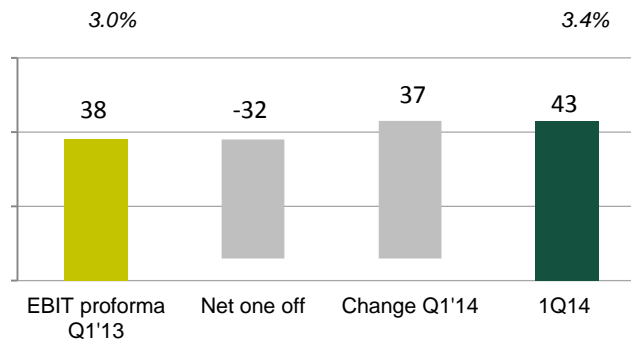
## NET REVENUE - DKKM

Change



## EBIT - DKKM

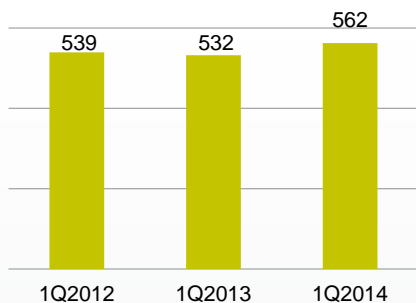
Margin



# EBIT up in Western Europe and Malt Beverages

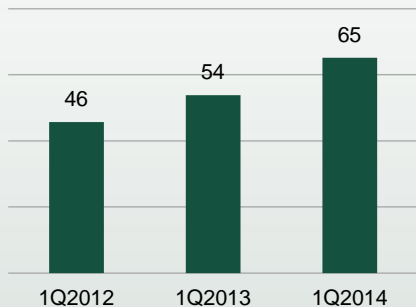
## WESTERN EUROPE

### NET REVENUE – DKKM



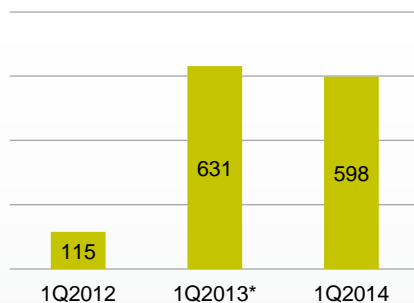
### EBIT DKKM

Margin 8.5%      10.1%      11.6%

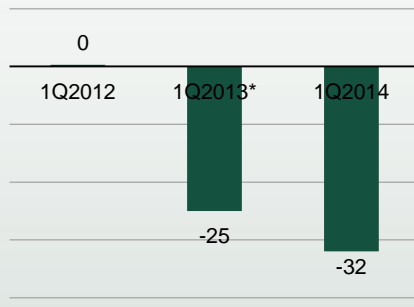


## NORTH EAST EUROPE

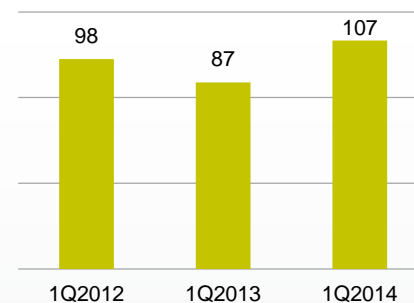
\* PRO FORMA FIGURES



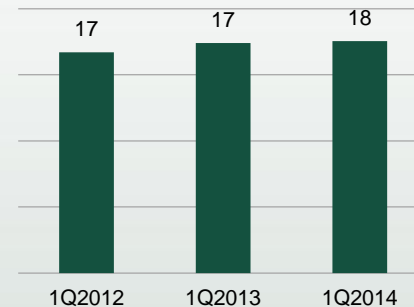
Margin 0.2%      -3,9%      -5,4%



## MALT BEVERAGES



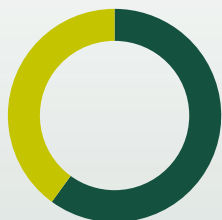
Margin 17.0%      20.0%      16.5%



# Market positions maintained or improved

## WESTERN EUROPE

- **North Western Europe** continued effect of Danish retail opportunities. Market position improved. Loss of private label contract.
- **Italian beer consumption** slightly increasing. Market positions maintained. Still volatile market with macro economic uncertainty
- **Commercial initiatives** – strong commercial execution and continued investments in sale and marketing initiatives



40% of net revenue

## NORTH EAST EUROPE

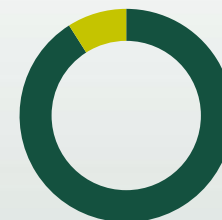
- **Finland** – as expected declining consumption of beer and soft drinks. Trough macro economics. Unchanged market positions.
- **Baltic consumption** – overall beer consumption declining. Juice, soft drink and still water more stable. Maintained market position. Focus on innovation and premiumisation. Increased product/package portfolio



51% of net revenue

## MALT BEVERAGES

- **Market coverage and product portfolio** increased as expected
- **Commercial initiatives** – further leverage of existing markets whilst also seeking selective geographic expansion
- **Sales and marketing** – trade and consumer investments
- **Organization** – continued investments into field organisational capability and capacity



9% of net revenue



# Financial performance as expected

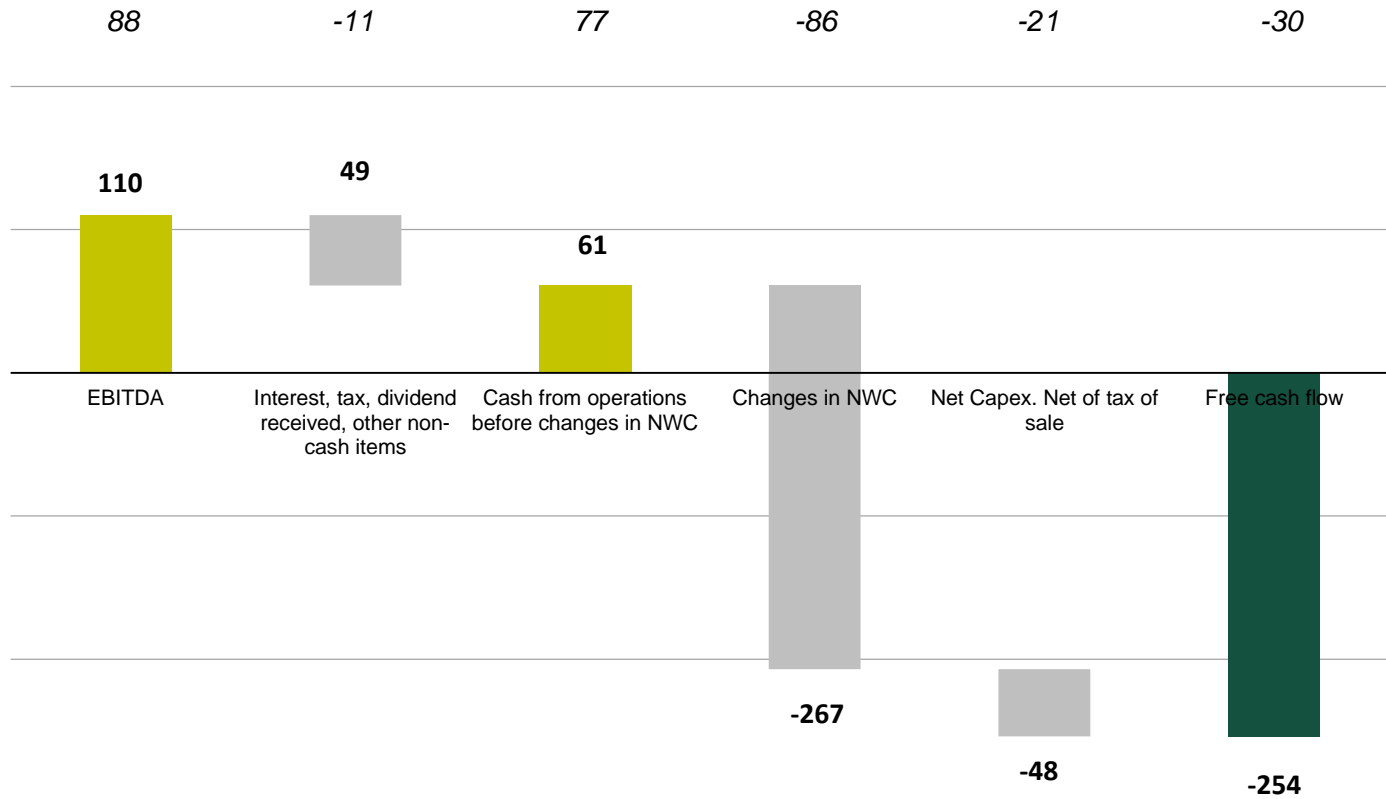
DKKm	1Q2014	Pro forma 1Q2013	Pro forma % change	Reported 1Q2013
<b>P&amp;L ITEMS:</b>				
Net revenue	<b>1,267</b>	1,250	1%	751
Gross margin	<b>50.0%</b>	50.6%	-1%	48.9%
EBIT before Hartwall restructuring	<b>93</b>	56	66%	61
EBIT	<b>43</b>	38	13%	61
EBIT margin before Hartwall restructuring	<b>7.3%</b>	4.5%	64%	8.2%
EBIT margin	<b>3.4%</b>	3.0%	11%	8.2%
Profit before tax	<b>20</b>	30	-33%	55
Consolidated profit	<b>14</b>	22	-40%	41
<b>BALANCE SHEET ITEMS:</b>				
Net interest bearing debt	<b>2,638</b>			401
Net working capital	<b>-567</b>			-87
Total assets	<b>6,995</b>			2,873
Equity	<b>2,157</b>			1,338
Equity ratio	<b>30.8%</b>			46.6%



# Free cash flow – NWC influenced by phasing from Q1 2013 and increased activity

## CASH FLOW – DKKM

2013:



# Hartwall integration

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- Organisational restructuring progressing as planned – one off DKK 50m as expected
- Aim is to increase competitive power in a agile and efficient organisation
- Focus on the commercial agenda
- Focus on efficiency drive across the board
- Disentanglements of IT, Export and Procurement from previous owner has been concluded



# Outlook 2014 – re-iterated

DKKM	Outlook 2014	Outlook 2014 before one off restructuring	Pro forma realized 2013*	Actual 2013**
Net revenue	5.750 - 6.050	5.750 - 6.050	6,050	4,481
EBITDA	965 - 1.015	1.015 - 1.065	1.015	732
EBIT	665 – 715	715 - 765	730	560

\* Including Hartwall full year 2013 excluding transaction cost.

\*\* Including Hartwall as from 23 August 2013; net revenue DKK 787m, EBITDA DKK 94m and EBIT DKK 38m including transaction cost



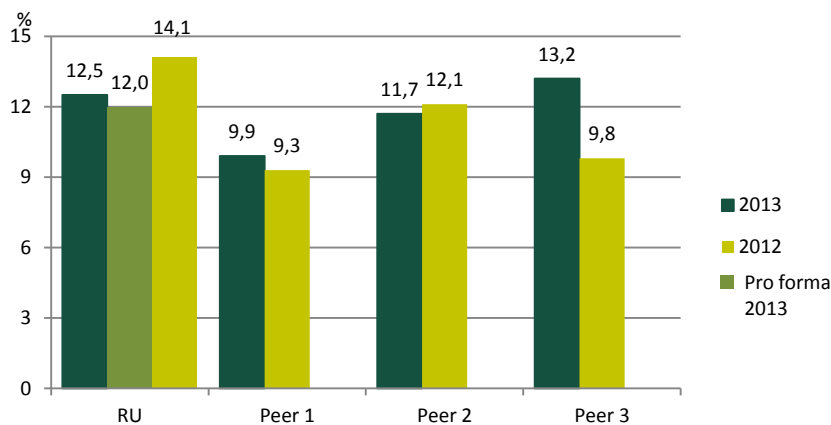
# Q&A

## DISCLAIMER:

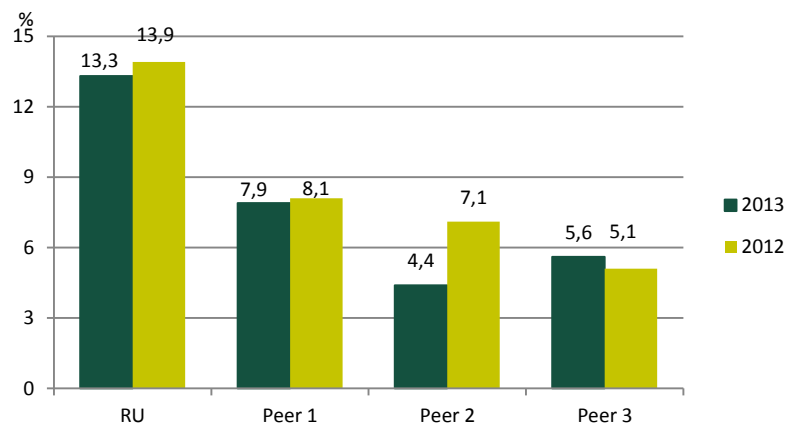
This announcement contains forward-looking statements. Undue reliance should not be placed on forward-looking statements because they relate to and depend on circumstances that may or may not occur in the future and actual results may differ materially from those in forward-looking statements. Forward-looking statements include, without limitation, statements regarding our business, financial circumstances, strategy, results of operations, financing and other plans, objectives, assumptions, expectations, prospects, beliefs and other future events and prospects. We undertake no obligation, and do not intend to publicly update or revise any of these forward-looking statements, unless prescribed by law or by stock exchange regulations.

# Solid performance to peers

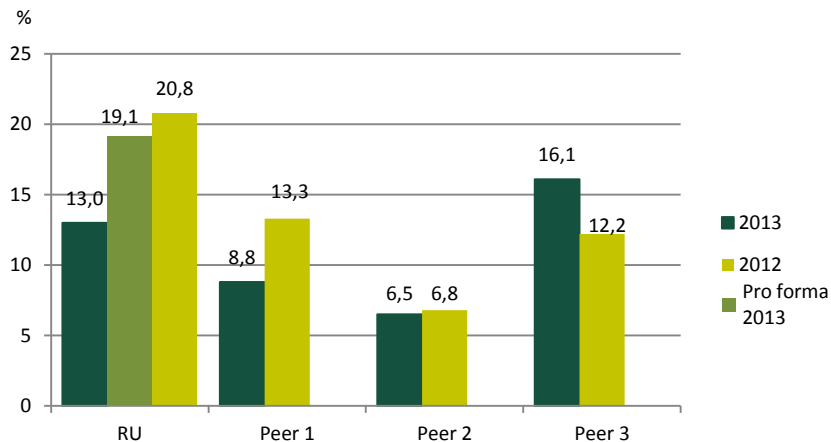
## EBIT MARGIN (COMPARABLE REGION)



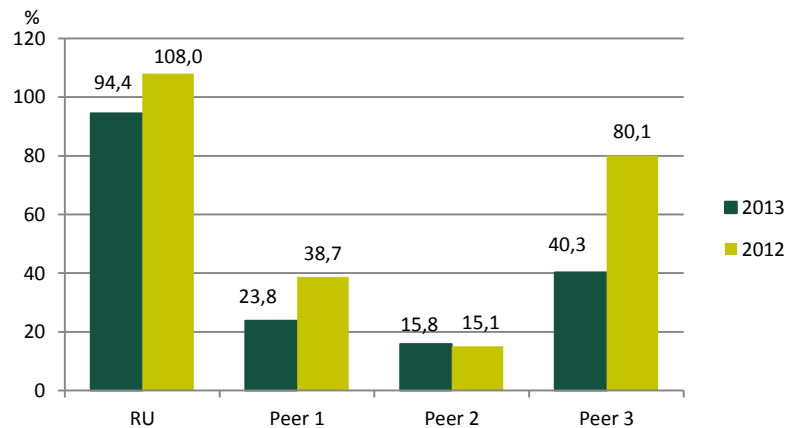
## FREE CASH FLOW – % OF REVENUE



## RETURN ON INVESTED CAPITAL



## CASH RETURN TO SHAREHOLDERS



# Mid-term financial implications of the Hartwall acquisition

- Acquisition to boost revenue and operating profit
- Acquisition expected to lift net profit and earnings per share before integration costs from 2014
- Dividends and share buy-backs on hold until calendar year 2015 to accelerate debt reduction
- Future distributions to be based on higher earnings and larger cash flow

	Targets before transaction	Targets after transaction
Equity ratio	Minimum 30%	Minimum 30%
NIBD/EBITDA	Maximum 2.5x	Maximum 2.5x
Earnings	EBIT margin of 14%	EBIT margin of 13%