ABG Sundal Collier Large Cap Seminar

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24 March 2021

ROYAL UNIBREW

Disclaimer

This 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 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, intro-duction 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.

Our strategy proved its strength in difficult times

- Strong performance in a difficult year
  - Agility and tight planning
  - Closeness to our customers
  - Increased value market shares across markets

- Financial highlights
  - Highest volumes ever
  - Highest operating profit and free cash flow ever
  - EPS up 5%

- Momentum intact and several growth opportunities
  - No and low sugar and alcohol
  - The energy drinks category
  - Additional commercial investments in growth categories

The agenda set for the future

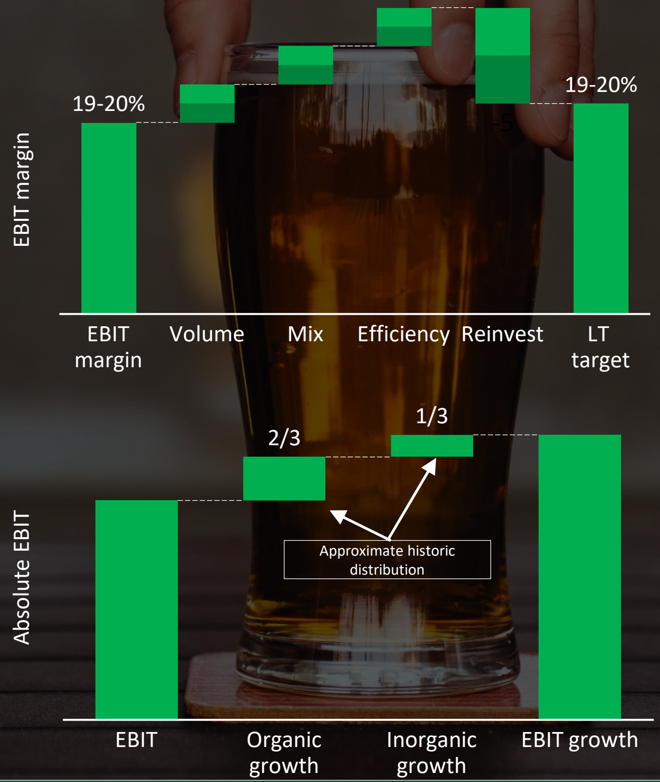
- New leadership team established
  - Strategy reworked with strong alignment from new team
  - Focus on commercial closeness, continuity and diversity
  - Continued focus on low/no as well as premiumisation
  - AND increased ambitions and growth expectations for energy drinks, enhanced waters and RTD/cocktails

- Managing Social Corporate Responsibility (CSR)
  - Most ST targets for 2020 met and on track to deliver on LT targets
  - New long-term sustainability strategy launched

- Outlook and cash distribution
  - EBIT in the range of DKK 1,475-1,625 millions
  - Dividends of DKK 13.50 per share proposed to the AGM
  - A share buy-back of DKK 250 millions initiated

The Preferred Choice for our…

Focus on absolute EBIT growth:
Illustrative graphs



Key KPIs **Volume growth*** 1.5 – 2.5% ► **Price/mix improvement*** 1.5 – 2.5% ► **Operational leverage** ► **Reinvest in growth** ► **EBIT margin** 19 – 20%

* Growth and improvement refers to EBIT contribution

New long-term sustainability strategy

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*	**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 are Royal Unibrew ambassadors by 2030	**100%** sustainability culture by 2025

Disclaimer: The targets apply to our current footprint. It is our ambition that potential acquisitions will be integrated, but a grace period may be required

*"Preferred choice", as related to the corporate vision; ** without distribution

Financial performance

- Volumes up from strong Off-Trade performance
- Restrictions in On-Trade impacted revenue – price/mix at -3%
- EBIT increased 3% to a record DKK 1,515 million
- FCF increased by 24% to DKK 1,414 million
  - NWC temporarily improved by beer campaigns and mix
  - CAPEX low as restrictions have impacted milestones
  - Underlying FCF in 2020 is estimated at around DKK 1,150 million

mDKK	2020	2019	Change
Selected financial highlights			
Volume (thousand hl)	11,093	11,024	1%
Net revenue	7,557	7,692	-2%
EBIT	1,515	1,469	3%
EBIT margin (%)	20.0%	19.1%	90bp
Free cash flow	1,414	1,140	24%

Business segments

Western Europe

Denmark, Germany, Italy and France

-3% VOLUME | **-4%** NET REV. | **-5%** EBIT

Baltic Sea

Finland, Latvia, Lithuania and Estonia

+3% VOLUME | **-2%** NET REV. | **+3%** EBIT

International

65 markets in Americas and EMEAA

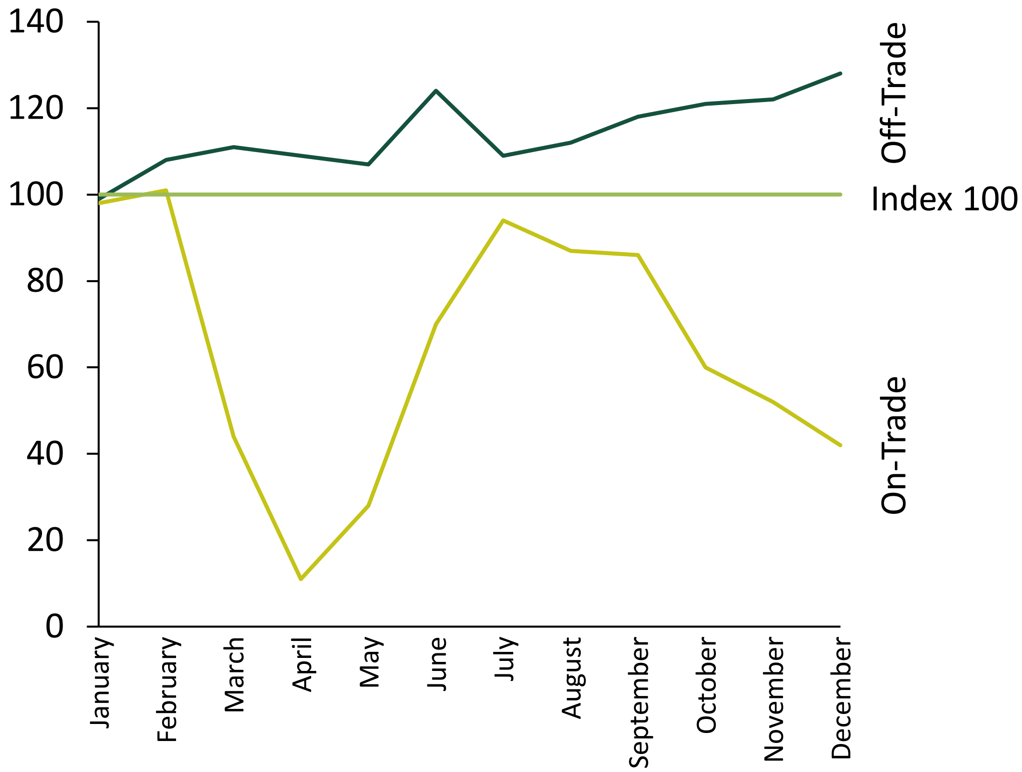
+6% VOLUME | **+11%** NET REV. | **+30%** EBIT

LOCAL BRANDS

LOCAL BRANDS

GLOBAL BRANDS

On/Off-Trade 2020 index vs 2019



- Italy significantly impacted
- Strong performance in Danish Off-Trade supported by closed borders

Appr. On- Trade share of market*

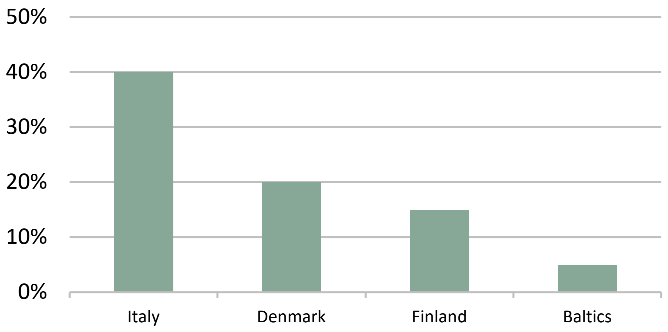


**Chart is showing the On-Trade share of the market – not Royal Unibrew share*

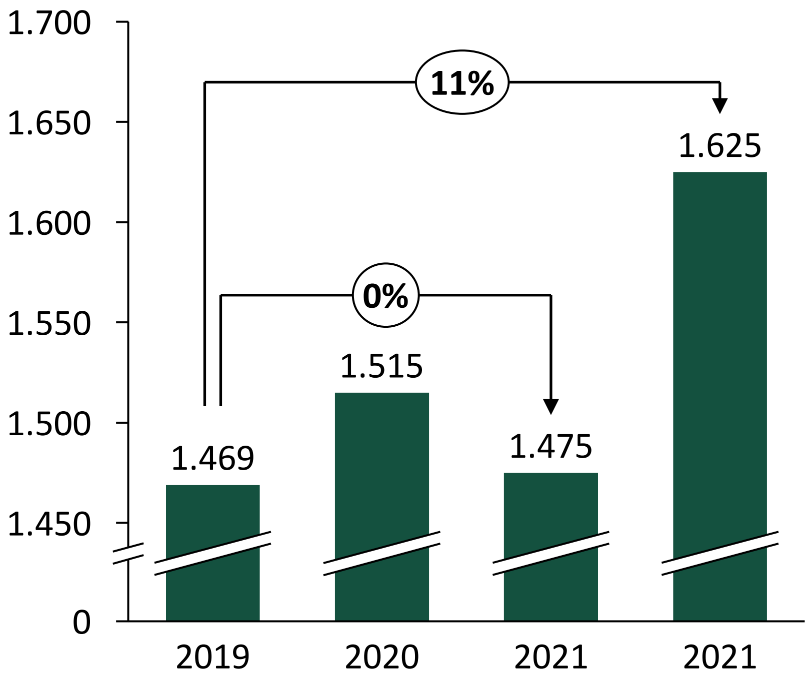
Outlook 2021

mDKK	Outlook 2021 (March 2021)	Actual 2020
EBIT	1,475-1,625	1,515

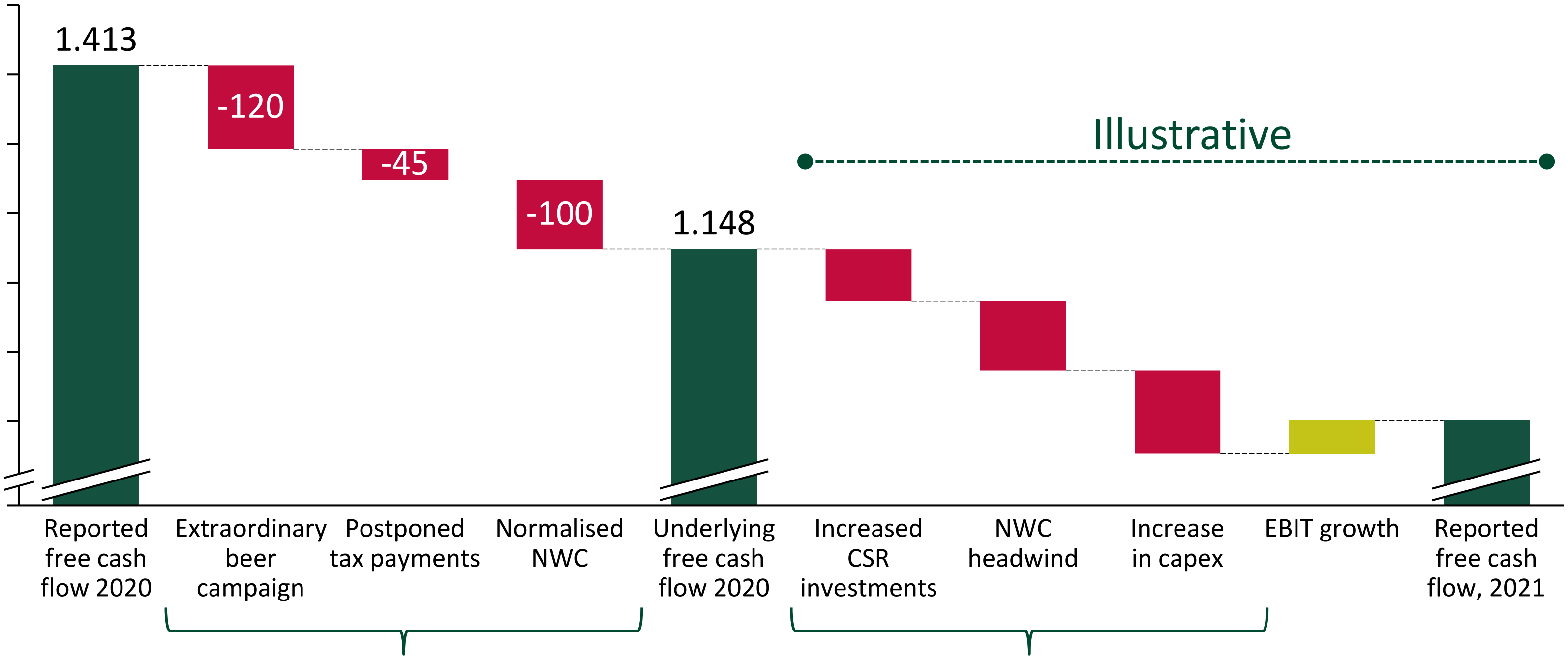
Assumptions

- Outlook includes performance up to the end of February
- We will increase investments in growth compared to 2019
- Outlook sensitivity highest regarding re-opening of On-Trade business and gathering restrictions
- High-end of guidance implicitly assumes a re-opening of On-Trade around 1 April 2021, as well as gathering restrictions gradually being lifted from the beginning of April. In the same way, the lower end of guidance assumes a re-opening of On-Trade at 1 July 2021 at the earliest and some restrictions in H2.

EBIT guidance (mDKK)



Free cash flow dynamics 2021 (mDKK)



Positive impacts in 2020 turns into negative impacts in 2021

Management agenda

- Increase commercial spending to ensure strong underlying momentum
- Manage restrictions and ensure profitability is strong
- Manage CAPEX to ensure capacity and CSR to deliver on ambitions
- Support On-Trade customers when restrictions are lifted
- M&A

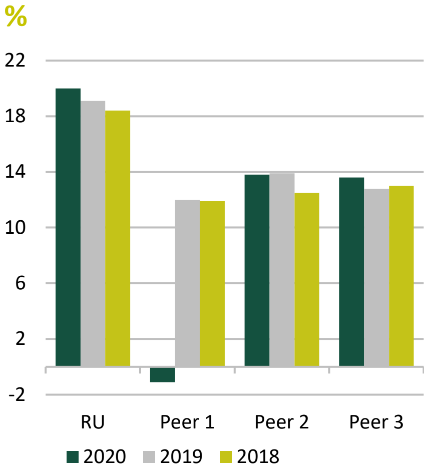
Q&A

Appendix

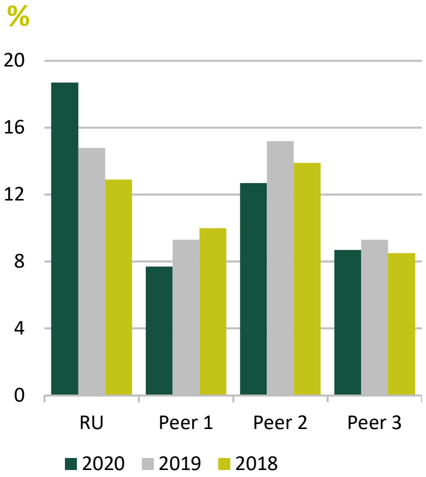
ROYAL UNIBREW

Performance to peers 2020

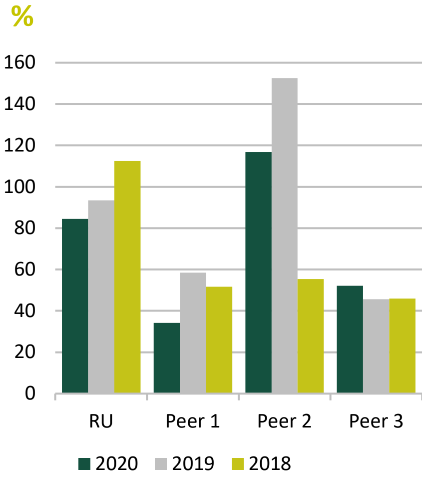
EBIT margin (comparable region)



Free cash flow % of revenue



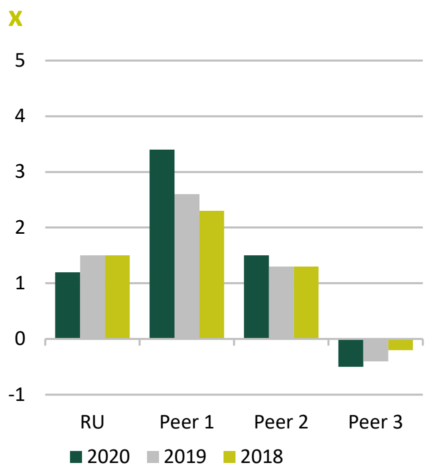
Cash return to shareholders*



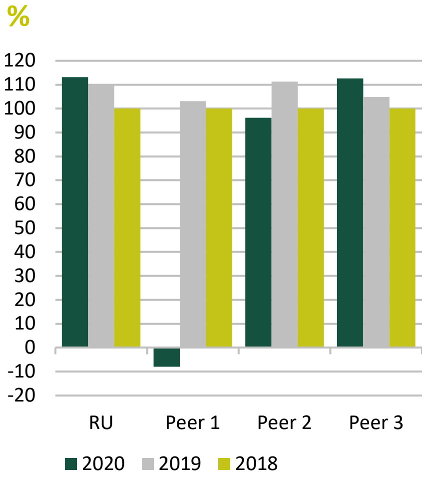
* Percentage of net profit the year before

Performance to peers 2021

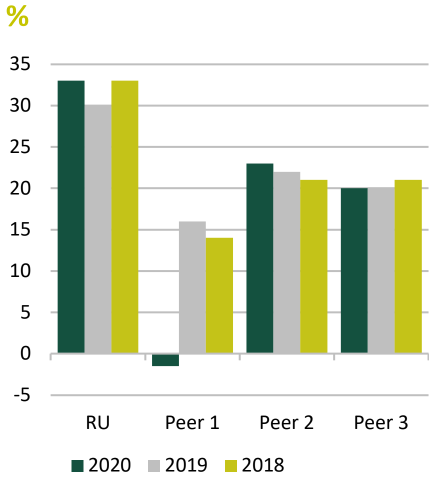
Operational leverage NIBD/EBITDA



EBIT comparable region (2018=100)

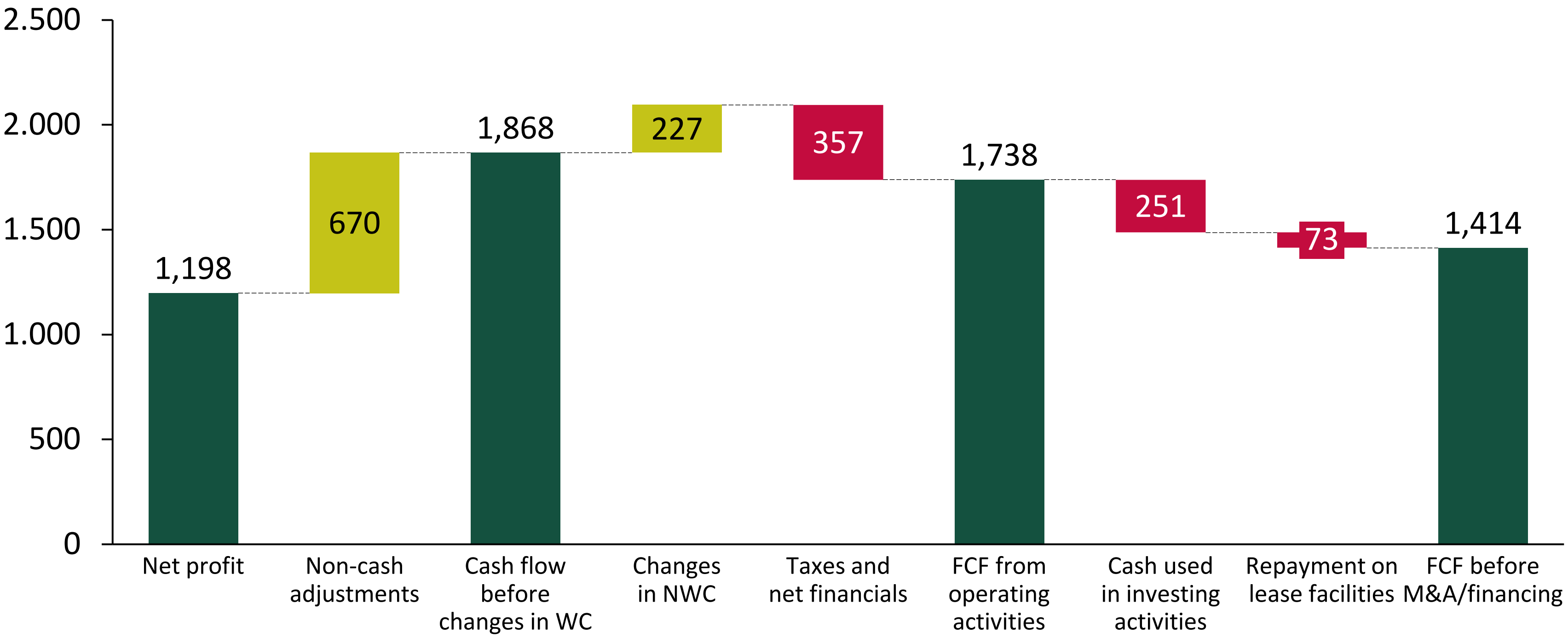


Return on invested capital excl. goodwill*



* Based on average invested capital

Free cash flow 2020 (mDKK)



2019:	1,140	680	1,820	-43	-375	1,402	-207	-62	1,140

Royal Unibrew in brief

Royal Unibrew in brief

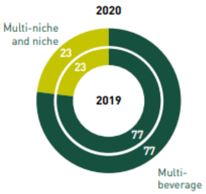
Royal Unibrew is a leading regional multi-beverage company providing strong brands to our main markets Denmark, Finland, Italy, Germany, France and the Baltics, and to 65+ countries in the rest of the world.

We serve our consumers by offering high quality beverages within beer, malt beverages, soft drinks as well as ciders, ready-to-drink, juice and water products.

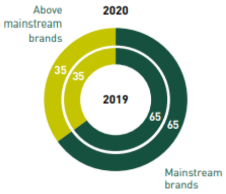
In addition to our own brands, we offer license based international brands from PepsiCo and Heineken in Northern Europe.

Together with our 2,631 employees, we are facilitating great moments and enjoyment for our consumers and creating valuable partnerships with our customers – always in a responsible way.

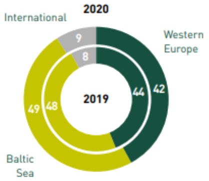
NET REVENUE SPLIT
[%]



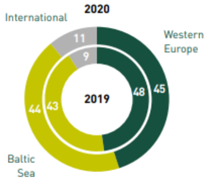
NET REVENUE BY BRAND CATEGORY
[%]



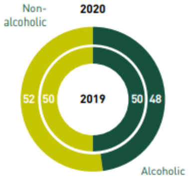
VOLUME BY SEGMENT
[%]



EBIT BY SEGMENT
[%]

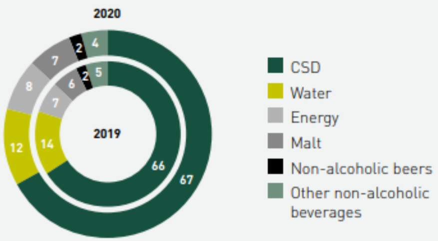


NET REVENUE SPLIT IN ALCOHOLIC VS. NON-ALCOHOLIC
[%]

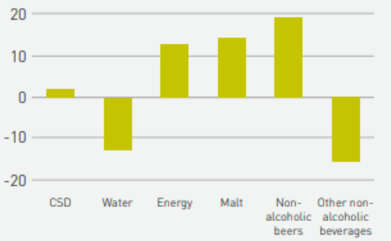


Categories

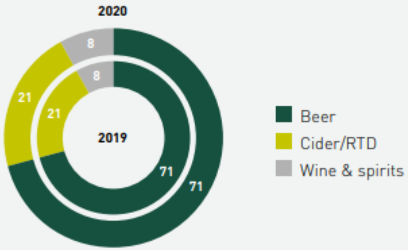
REVENUE SPLIT, NON-ALCOHOLIC BEVERAGES
(%)



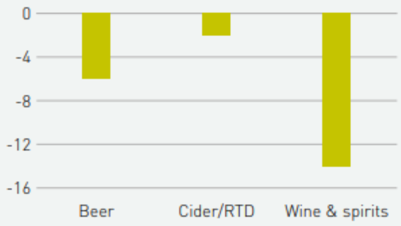
NON-ALCOHOLIC REVENUE GROWTH RATES (2020 VS 2019)
(%)



REVENUE SPLIT, ALCOHOLIC BEVERAGES
(%)



ALCOHOLIC REVENUE GROWTH RATES (2020 VS 2019)
(%)



Financial targets, capital structure and distribution policy

Our financial targets are based both on creating shareholder value and developing the business for the benefit of all stakeholders. To achieve this, we aim to create financial flexibility to develop the business over the medium to long term.

The capability of achieving the financial targets is conditional on continuous business development through focus on growth opportunities, partnerships, innovation, sales and marketing, and on continuous efficiency measures. The positive development in recent years has enabled us to increase our EBIT margin target and to make considerable distributions to our shareholders.

EBIT margin

Our medium-term EBIT margin target is 19-20%.

In 2020, we achieved an EBIT margin of 20%. The year was very unusual as the margin over the year varied significantly from a normal year due to COVID-19 and cost level was unusually low.

The EBIT margin is best in class when compared to other beverage companies in Europe and has increased substantially over recent years due to strong strategic and commercial execution and cost management. The profit growth formula has worked well in recent years and will be continued in alignment with the same principles.

Our focus is to stay within the EBIT margin target and focus on growing the absolute EBIT by securing funds to invest in supporting the organic growth opportunities that arise in our markets.

Capital structure and distribution policy

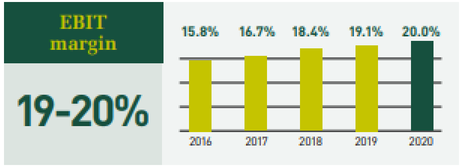
The objective of our capital structure policy is to secure enough flexibility to develop the business in line with our strategic priorities. It remains the target that net interest-bearing debt is not to exceed 2.5 times EBITDA and that an equity ratio of at least 30% is to be maintained at year-end. Given the current composition of the balance sheet, the equity ratio is the ratio that determines the pay-out capabilities. We may depart from the targeted ratios for a certain period of time if structural business opportunities arise.

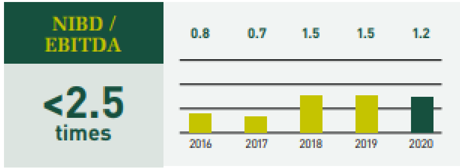
Our priorities for capital allocation are as follows:

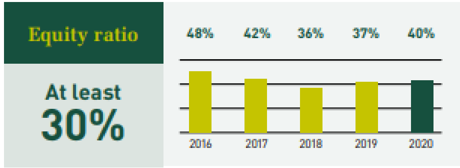
1. Maintain financial flexibility
   - Net debt/EBITDA less than 2.5
   - Equity ratio of more than 30%
2. Invest in organic growth
3. Acquisitions
4. Stable dividend pay-out ratio (40-60%)
5. Share buy-backs to adjust capital structure

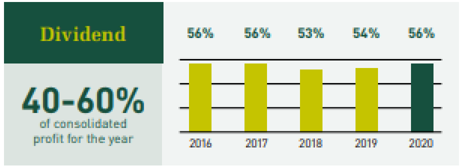
Our annual investments including repayment on lease facilities (IFRS 16) are expected to be around 5% of net revenue.

Management evaluates on an ongoing basis if the capital structure is to be adjusted by launching share buy-back programs. It is generally the intention that shares bought back will be cancelled.









High uncertainty for 2021