



Danske Bank Copenhagen Winter Seminar 4 December 2018

Royal Unibrew A/S
Hans Savonije, President & CEO



Strong development on our strategic agenda

- **Maintaining the good momentum in the business**
- **High level of M&A activities**
 - Integrations of Lorina and Terme di Crodo are progressing as planned
 - Distribution of Nohrlund cocktails for the on-trade segment commenced in Q4
 - Approval of CULT acquisition with the Danish competition authorities awaiting
- **Strong focus on price/pack strategies and premiumization**
 - Craft and specialty remain a key focus area with investments in new tap wall system at restaurants and bars and opening of our new Anarkist brewpub earlier this year
 - High level of new product line extensions launched both domestically and abroad
- **Investments in commercial initiatives to improve sales and brands**
 - Successful development within our sponsored events
 - Key brand initiatives with new packaging formats for our Crodo products in Italy, Supermalt Ginger beer in the UK, Jaffa low-sugar range in Finland and non/low alcohol products with Royal Organic 2.3% and Heineken 0.0%
 - Continued investments to increase our commercial presence internationally



Consistent commercial execution and historical warm summer drive solid earnings growth

Net revenue of DKKm 5,624 after 9 months 2018 (+16%)

EBIT margin improved to 19.4% after 9 months 2018

Volume up 10.5% to 8.4m HL from 7.6m HL last year

Overall market shares improved in the third quarter; mainly due to superior logistical agility in a fast-moving market

Strong cash flow after 9 months with DKKm 1,034

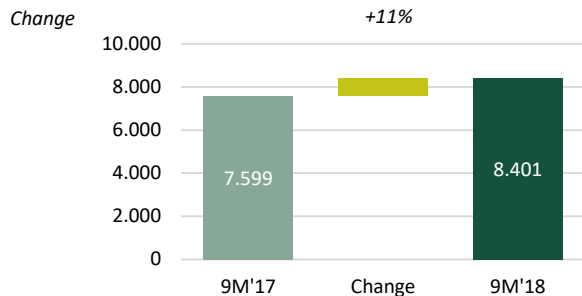
Full year outlook adjusted slightly upwards

- Net Revenue DKKm 7,200 - 7,300
- EBITDA DKKm 1,660 – 1,685
- EBIT DKKm 1,315 – 1,340

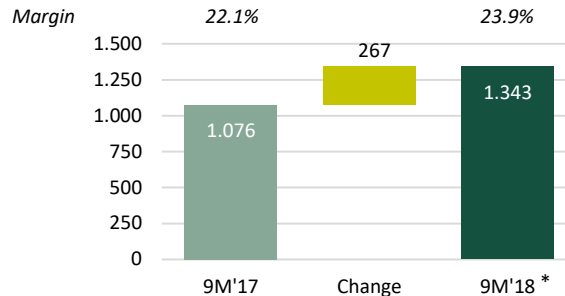


Positive development on all parameters

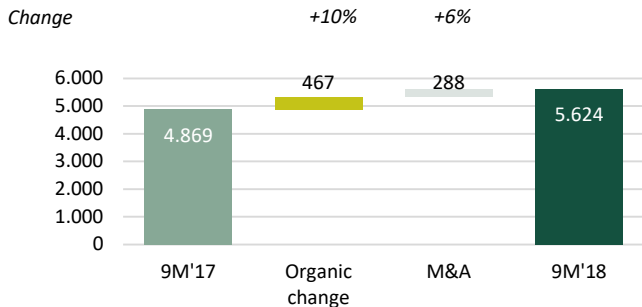
Volume '000 hl



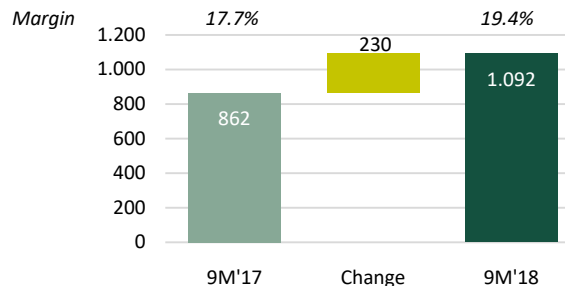
EBITDA DKKm



Net revenue DKKm



EBIT DKKm



* Positively effected by approx. DKK 40m from IFRS 16 implementation

Strong financial performance

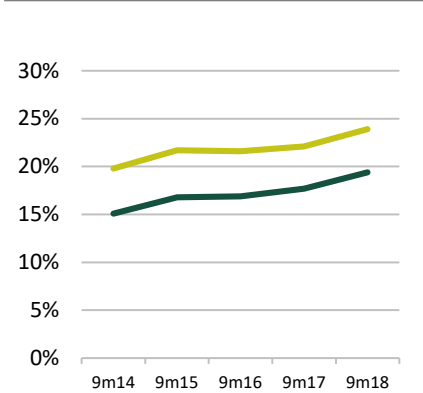
mDKK	9M2018	9M2017	Change
P&L ITEMS			
Net revenue	5,624	4,869	755
Gross margin	53.2%	52.5%	0.7pp
EBITDA	1,343*	1,096	267
EBITDA margin	23.9%	22.1%	1.8pp
EBIT	1,092	862	230
EBIT margin	19.4%	17.7%	1.7pp
Profit before tax	1,080	853	227
Net profit	852	668	184

mDKK	9M2018	9M2017	Change
BALANCE SHEET ITEMS			
Net interest bearing debt	2,397	1,062	1,335
Net working capital	-895	-802	-93
Total assets	8,161	6,130	2,032
Equity	2,767	2,800	-33
Equity ratio	34%	46%	-12pp
Invested capital	5,588	4,103	1,485
ROIC ex. goodwill	34%	30%	4pp
ROIC incl. goodwill	21%	20%	1pp

* Positively effected by approx. DKK 40m from IFRS 16 implementation

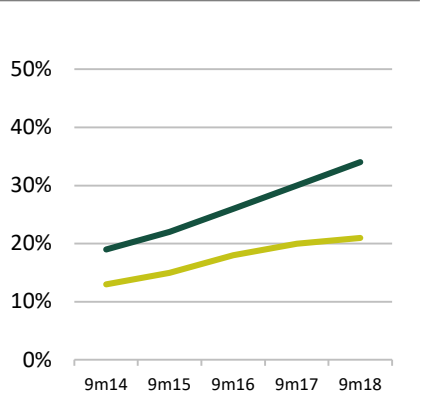
Strong key figure performance

Profit margins



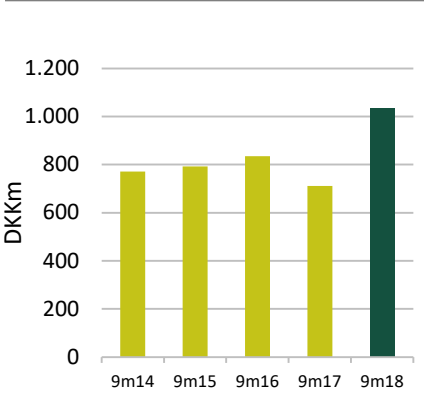
— EBITDA margin (reported)
— EBIT margin (reported)

ROIC

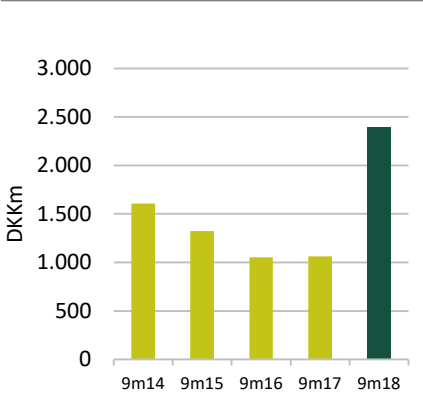


— ROIC
— ROIC ex. Goodwill

Free Cash Flow



NIBD



Earnings increase in all segments

Western Europe

- Volume +18% (Q3: +28%), Revenue +19% (Q3: +27%), EBIT growth +17%
- Denmark & Germany
 - Growth supported by a warm summer; underlying consumption estimated to remain unchanged
 - Increased value market shares across categories in Denmark
- South Europe
 - Adjusted for acquisitions revenue declined organically by 3% in the first nine months
 - Consumer cautiousness and poor summer weather slowed down beverage consumption in Italy

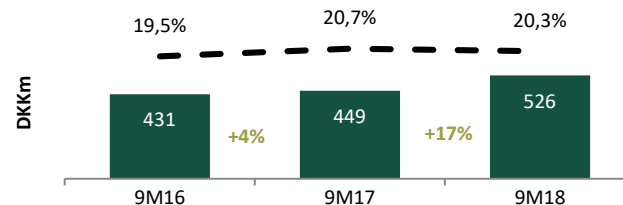
Baltic Sea

- Volume +5% (Q3: +18%), Revenue +12% (Q3: +20%), EBIT growth +38%
- Finland
 - Strong product/mix changes in Finland and an extraordinary warm summer supported strong growth
 - Increased demand in retail due to recent changes in alcohol legislation
 - Earnings benefitted from better product mix
- Baltics
 - Growth in non-alcohol segment and new product innovation supported strong growth
 - Market shares are estimated to have increased in non-alcohol, while beer market share remains unchanged
 - Beer consumption in the Baltics continues to be in decline due to recent years' legislation changes

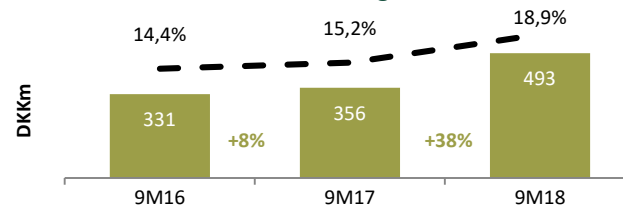
International

- Volume +16% (Q3: +35%), Revenue +18% (Q3: +44%), EBIT growth +23%
- Excluding Lorina and Terme di Crodo acquisitions revenue grew by 12% (Q3: +31%)
- Good growth in malt and beer due to better market mix; currencies remain a challenge

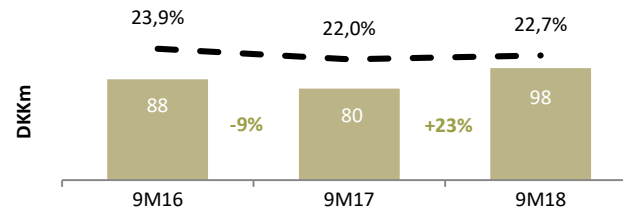
Western Europe EBIT and EBIT margin



Baltic Sea EBIT and EBIT margin



International EBIT and EBIT margin



Outlook 2018

mDKK	Outlook Nov 2018	Outlook Aug 2018	Outlook July 2018	Outlook June 2018	Outlook March 2018	Actual 2017
Net revenue	7,200 – 7,300	7,000 - 7,200	6,900 - 7,100	6,800 - 7,000	6,650 - 6,900	6,384
EBITDA*	1,660 – 1,685	1,625 - 1,675	1,560 - 1,635	1,550 - 1,625	1,450 - 1,550	1,362
EBIT	1,315 – 1,340	1,275 - 1,325	1,200 - 1,275	1,190 - 1,265	1,090 - 1,190	1,069

* Implementation of IFRS 16 is expected to effect the EBITDA result positively in 2018 with approx. DKK 50m

Management



Hans Savonije

President & CEO

BA Business administration

Joined the Executive Board on 29 September 2008

Past experience

Beverage Partners Worldwide, Coca-Cola & Nestlé, CEO
SVP Global Markets, Remy Cointreau Associés, CEO,
France
World Lotteries Association, CEO, Switzerland



Lars Jensen

CFO

Diploma in Business Economics, Informatics and
Management Accounting. Joined Royal Unibrew in 1993

Joined the Executive Board on 30 November 2011

Past experience

Head of Finance, Royal Unibrew A/S

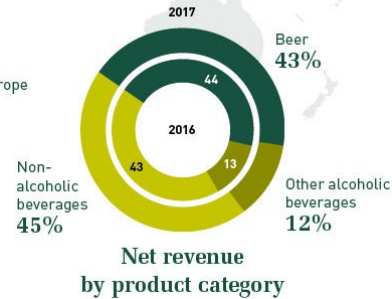
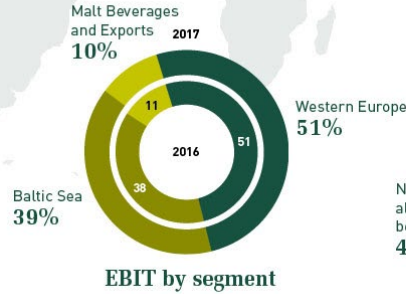
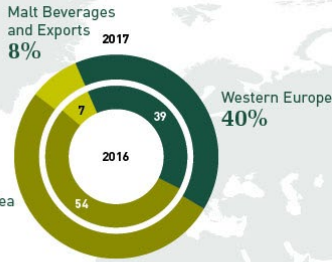
Q&A



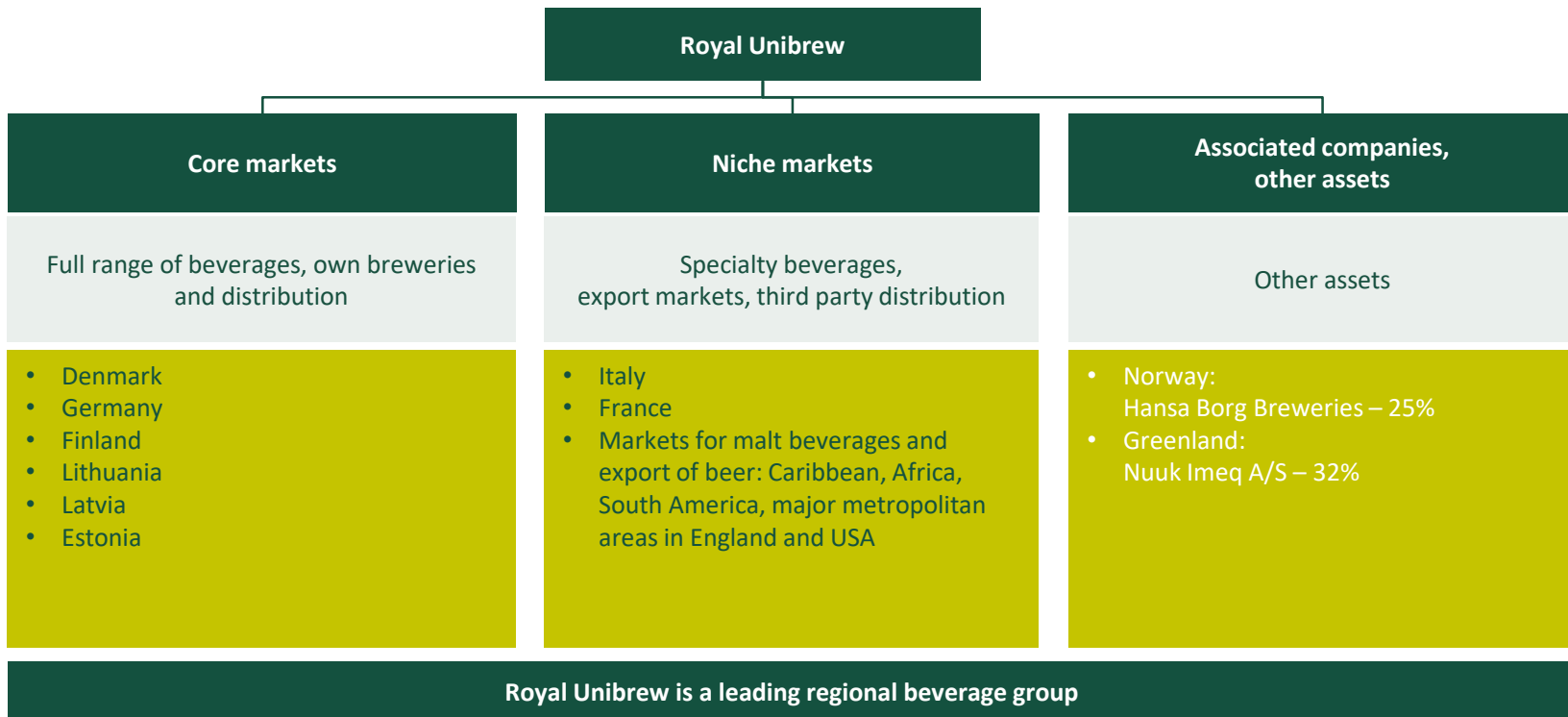
APPENDIX



Royal Unibrew in brief



A Leading Regional Beverage Group



Acquisition of Etablissements Geyer Frères

Commercial

- Niche platform in France similar to our Italian business but in another category
- Strong brands and in particular LORINA craft lemonade
- Expansion of French offering through channel expansion and portfolio in the long run
- A unique platform is established for future growth of Royal Unibrew's export portfolio, with a focus on the Americas as growth region through exports is strengthened

Acquisition details

- An acquisition in line with our strategy
- Balanced acquisition price of the asset
- Financed by bank debt
- Production facility in Munster in north-eastern part of France



Normalised key figures and ratios 2017

mDKK	2017
Volumes (tHL)	360
Revenue	290
EBITDA	-
EBITDA margin	-
EBIT	-
EBIT margin	-
Employees	100

Acquisition of Bev. Con / Cult



Commercial

- Reinforce Royal Unibrew's market position
- One of the leaders in RTD/Cider and Energy
- Strong brands as CULT Energy, CULT SHAKER and CULT MOKAÏ
- Strengthening of the On-Trade business and in particular night-life

Acquisition details

- Subject to approval by the Danish competition authorities, German authorities have approved
- Bold-on acquisition
- Acquisition price amount to DKK 350 million on a debt-free basis
- Financed by bank debt
- Expected to enhance earnings per share already in 2019

Normalised key figures and ratios 2017

mDKK	2017
Volumes (tHL)	113
Revenue	200
EBITDA	31
EBITDA margin	15.5%
EBIT	28
EBIT margin	14.0%
Employees	42

Acquisition of Nohrlund

Commercial

- Start-up company with great entrepreneurial spirit
- Strategic alliance on distribution
- Ready-to-drink organic cocktails focusing on Nordic ingredients
- Focus on the on-trade segment

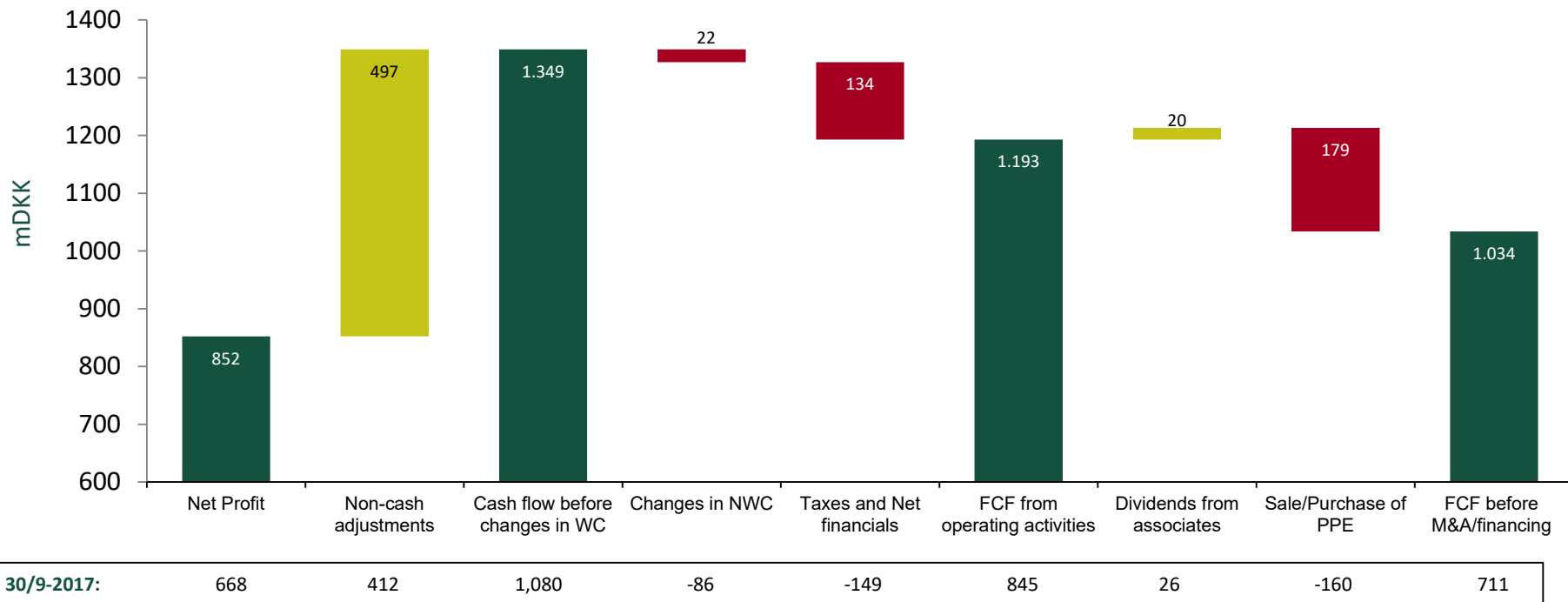
Acquisition details

- 50.5% acquired of the share capital at a price of DKK 10 million
- Acquisition price is based on an enterprise value of DKK 25 million (100%)



Strong cash flow generation

Cash Flow Sept 30th 2018



Disclaimer

This Interim Report contains forward-looking statements, including statements about the Group's sales, revenues, earnings, spending, margins, cash flow, inventory, 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. The Group assumes no obligation to update any such forward-looking statements 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, 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, environmental issues and other unforeseen factors.

New risk factors can 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.