

# Royal Unibrew Carnegie Small & Midcap Seminar

- 8 September 2021





# 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, 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 a prediction of actual results.

# 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.

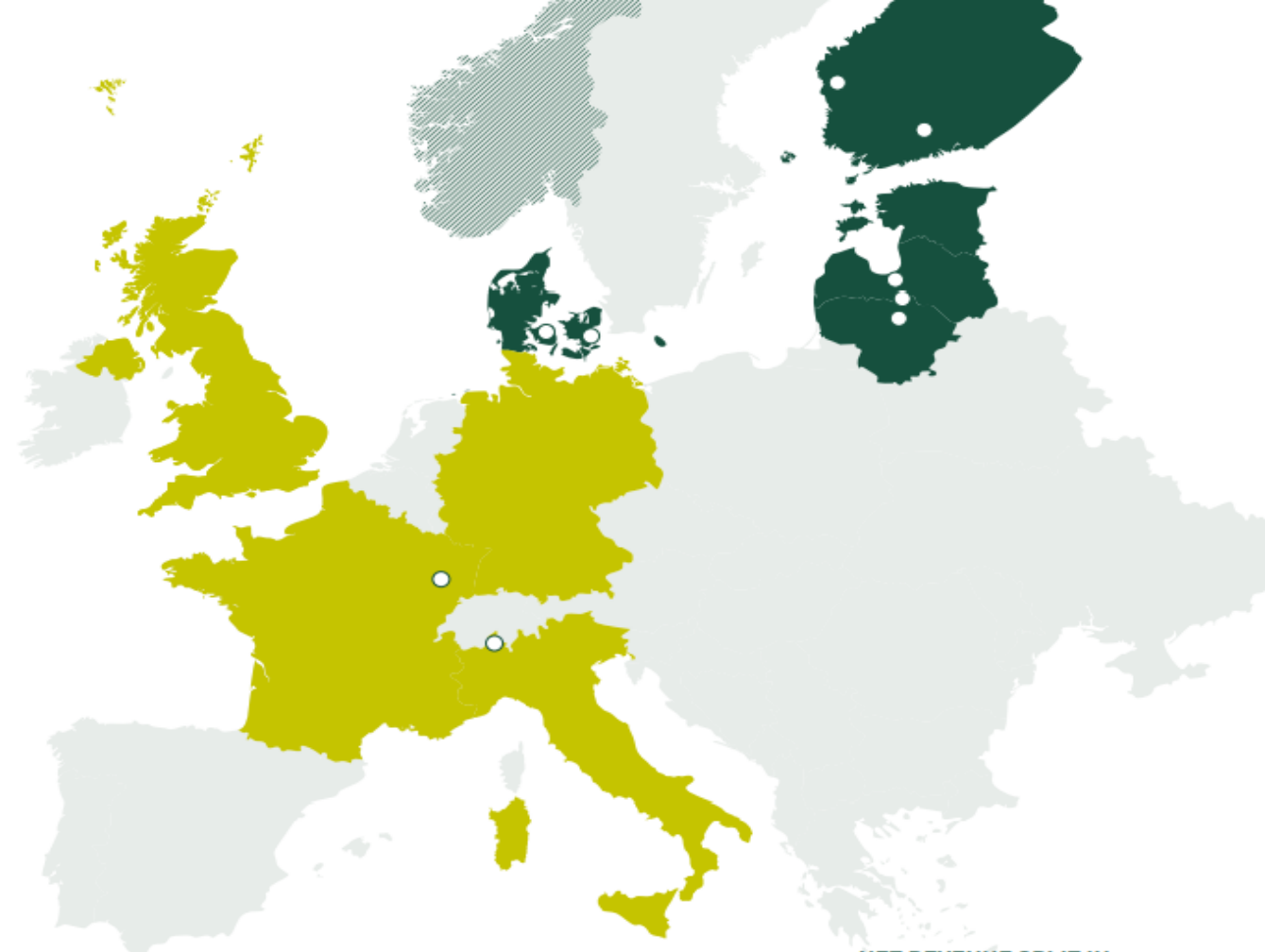
We serve our consumers by offering high quality beverages within beer, malt beverages, soft drinks as well as ciders, ready-to-drink, juice and water products.

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

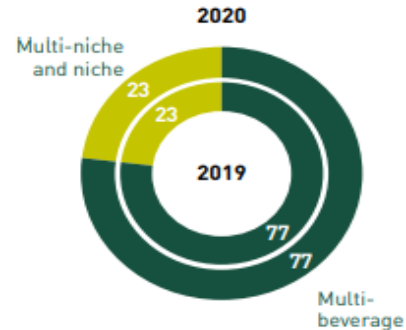
Together with our 2,631 employees, we are facilitating great moments and enjoyment for our consumers and creating valuable partnerships with our customers – always in a responsible way.

## MARKETS

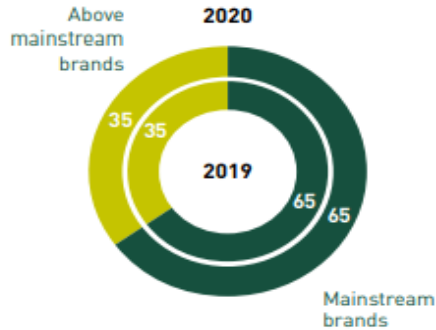
- Multi-beverage
- Multi-niche
- Production
- ▨ Associates



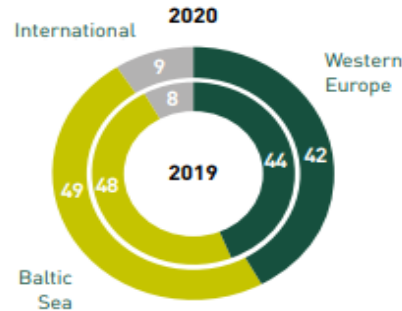
**NET REVENUE SPLIT**  
[%]



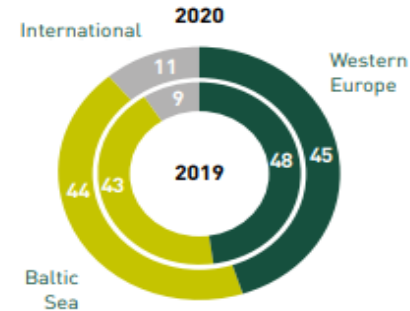
**NET REVENUE BY BRAND CATEGORY**  
[%]



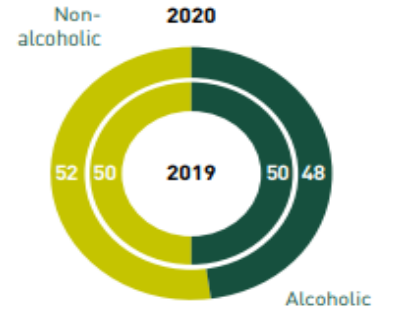
**VOLUME BY SEGMENT**  
[%]



**EBIT BY SEGMENT**  
[%]



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



# Royal Unibrew – Equity Story

## STRONG MARKET POSITION

- Leading European-based multi beverage company with strong local market positions

## LOCAL MULTI BEVERAGE

- Locally anchored multi beverage business model based on volume growth, premiumization and efficiency improvements

## ORGANIC GROWTH

- Targeting organic volume growth that exceeds market growth through focus on high growing categories and premiumization

## VERY CASH GENERATIVE

- Industry leading profitability supports strong cash flow generation

## SUSTAINABLE COMPANY

- Ambitious targets on CSR that will bring us up among the most sustainable beverage companies in the world



The Royal Unibrew purpose and ambition

# The Preferred Choice

We want to be the preferred choice of local beverage partner that challenge the status quo by doing better every day in a fun, agile and sustainable way

## Our consumers

Bringing people together and facilitating great moments and enjoyment is the heart of our business. We offer strong local beverage brands in combination with global brands – continuously striving to match consumers' changing preferences through meaningful innovations and by offering a broad range of refreshments that deliver choice.

## Our customers

We partner with our customers and strive to grow together by offering a portfolio of relevant brands and having a challenger mindset. With our local, decentralized setup we focus on agility and close collaboration – aiming to provide best-in-class service as well as pursuing extraordinary brand execution in all channels.

## Our people

We recruit, develop and retain entrepreneurial and empowered people thirsting for success and striving to do better every day. Our people drive our success and progress – and live and protect our values. We work as one team and find solutions to all challenges.

## Our shareholders

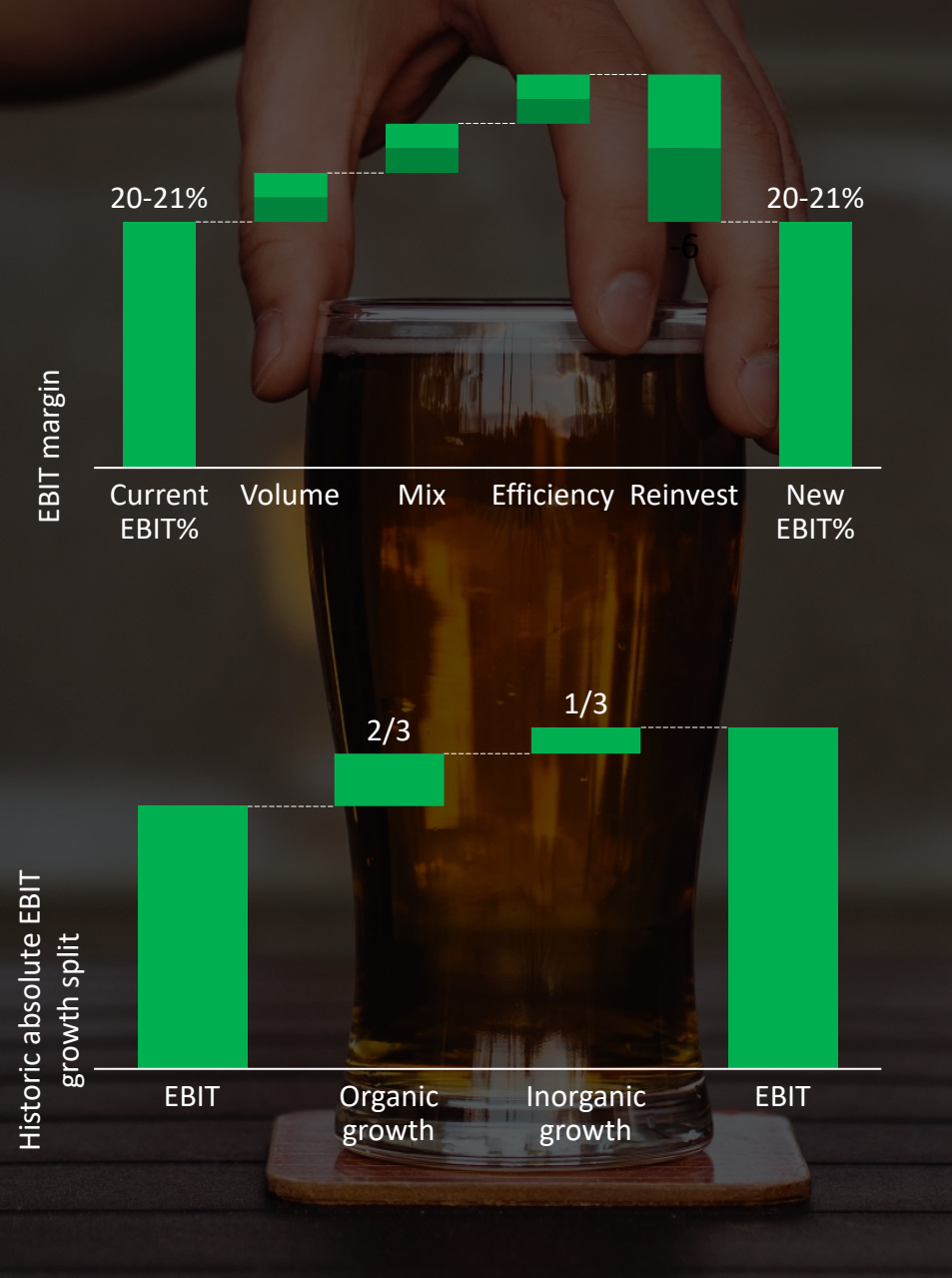
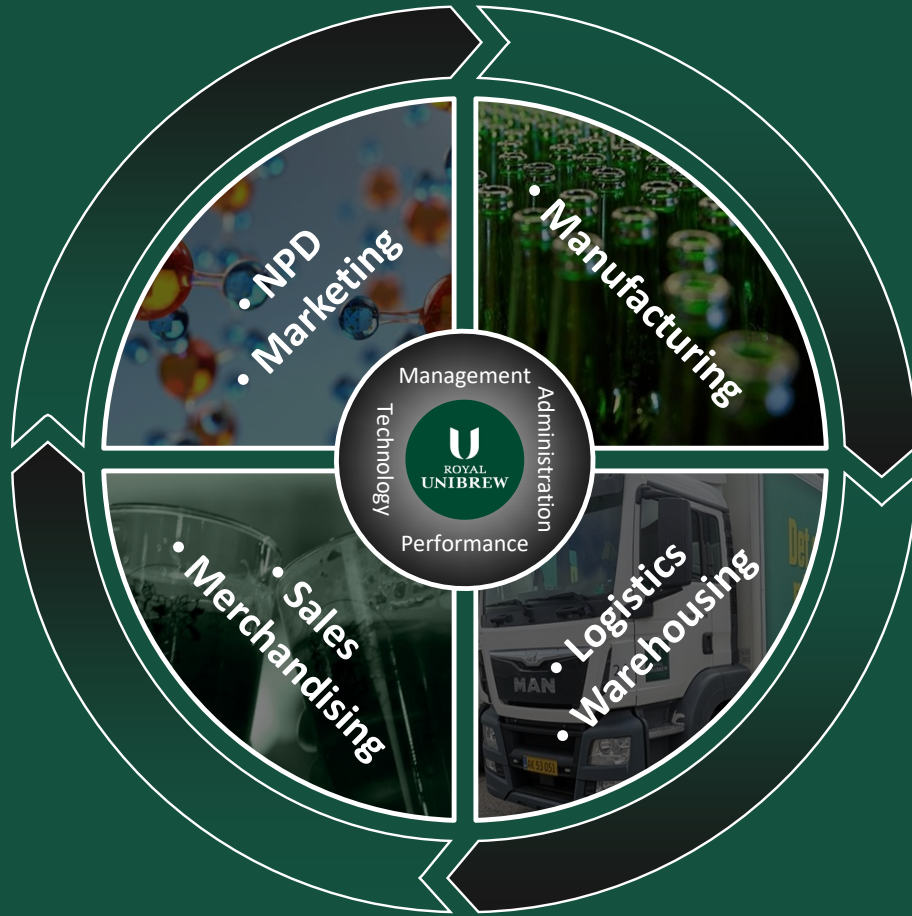
Our main focus is to invest behind the categories and channels that grow the most, pushing premiumization and driving organic EBIT growth. On top of this, we will do value accretive bolt-on, as well as strategic acquisitions if possible. We aim to increase distribution to shareholders over time through dividend and share buy-backs.

## The future

We are deeply rooted in the communities where we work, and we partner with all our stakeholders to make a positive impact on society. Our focus is to build a long-term sustainable business and to minimize the environmental footprint of our operations from raw materials to the end consumption.



# The Royal Unibrew Multi Beverage Model enables efficiency, premiumization and volume



Key KPIs

Volume growth  
1.5 – 2.5%



Price/mix improvement  
1.5 – 2.5%



Operational leverage



Reinvest in growth



EBIT margin  
20 – 21%

# Key principles of the RU model

Local ownership

Lean HQ

Transparency and simplicity

Very little matrix – clear ownership

Agile



# Multi Beverage model benefits

Volume  
growth



- More sales people
- More customers
- More competitive

Premium-  
isation



- Innovations focused on premium products
- Insight and competence
- Packaging capabilities
- Ability to down-prioritise low margin

Efficiency

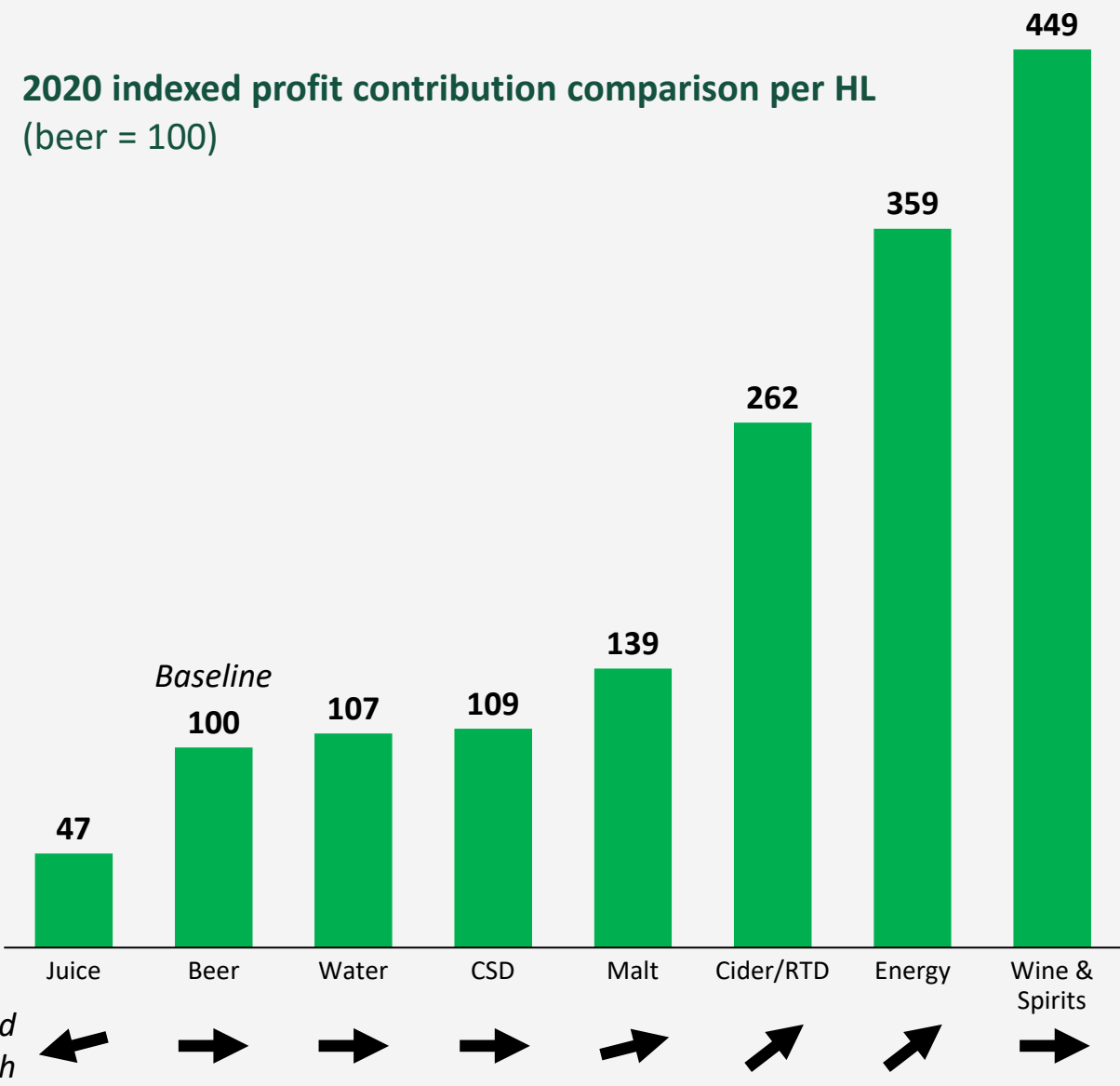
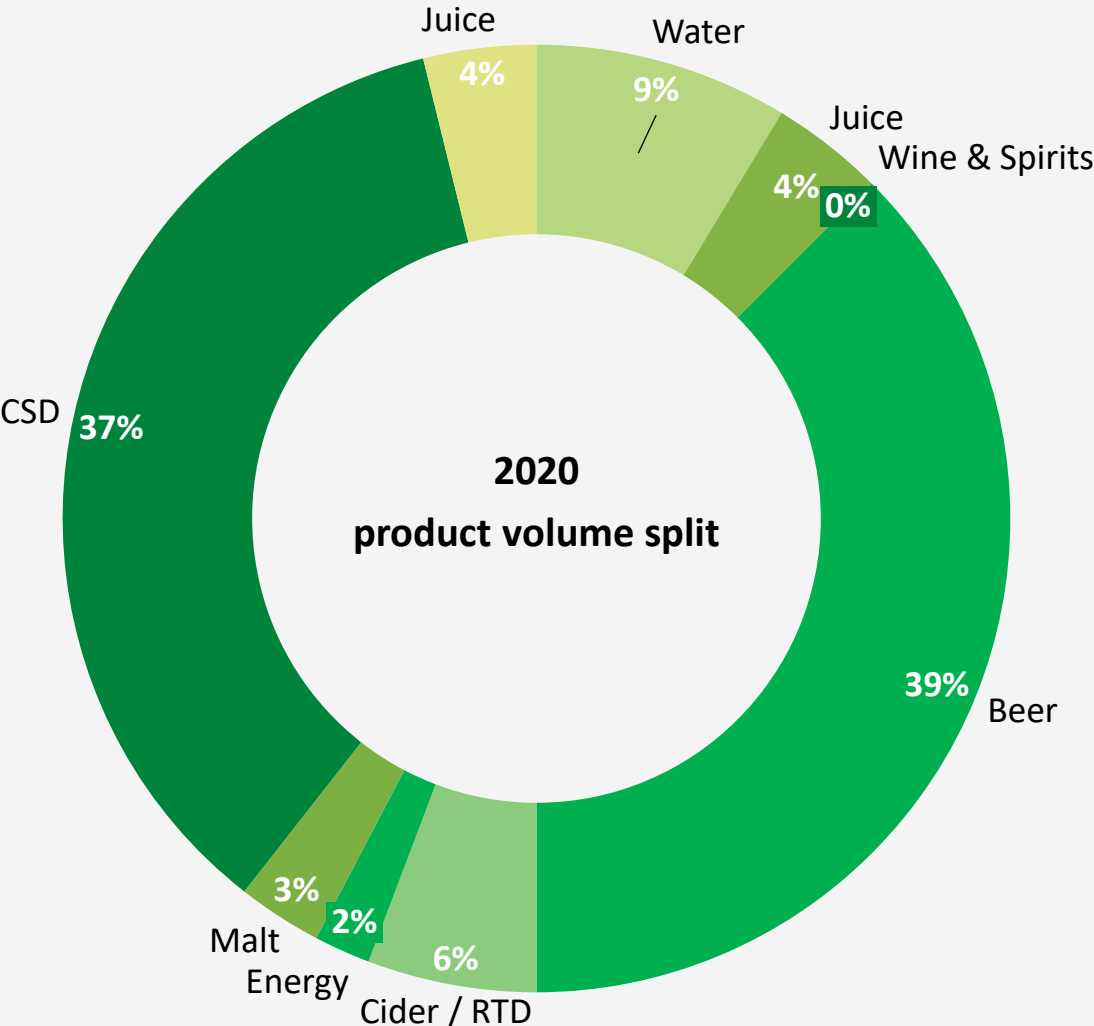


- Better utilisation of people
- Better utilisation of assets
- Larger drops

- Local ownership of 3 drivers
- Proven performance management system
- Shared IT system
- Shared procurement structure



# Focus on growth categories with above-average PC/HL



# Ambitious KPIs drive our daily performance

## 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



# Three acquisitions in 2021

- **Fuglsang** – a strong regional Danish brewery with a very interesting brand portfolio, which we believe we can leverage into rest of Denmark
- **Crazy Tiger** – a French energy drinks brand with an around 10% market share in France. A step in transforming our French business from a niche business to a multi-niche business
- **Solera Beverage Group** – a leading importer and distributor of beverages across Norway, Sweden and Finland, thereby creating a strong platform to expand sales of our own product range into Norway and Sweden in line with our multi-beverage strategy



Not yet approved,  
expected in Q3

# Outlook 2021

mDKK	Outlook 2021 (August 2021)	Outlook 2021 (April 2021)	Outlook 2021 (March 2021)	Actual 2020
EBIT	1,625-1,700	1,525-1,625	1,475-1,625	1,515

## Assumptions

- Outlook includes performance up to 19 August 2021
- We will increase investments in growth compared to 2019
- Outlook sensitivity highest regarding short-to-medium term impact from potential restrictions
- The top end of guidance includes that no further restrictions are imposed and that the re-opening continues throughout the year. It also includes a quick approval of the Solera Beverage Group acquisition and no further deterioration of raw material prices
- The low end of guidance includes re-introduction of restrictions and/or full lockdowns related to COVID-19 towards the end of the year, as well as higher raw material prices than the current level seen in the spot market

