



Interim Report

1 January – 30 June 2018

28 August 2018



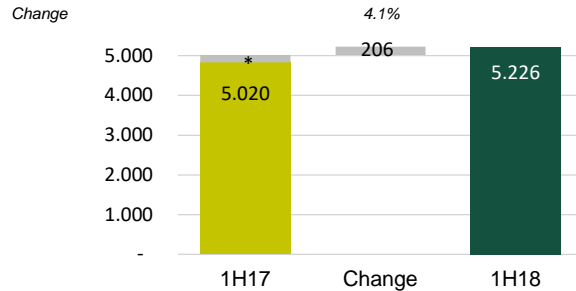
Consistent execution and extraordinarily good weather drive strong results

- Strong and results from consistent implementation
- Extraordinarily good weather in Northern Europe
- Overall market positions maintained
- Net revenue increased 11% by DKK 335m to DKK 5,226m
- EBIT increased DKK 139m to DKK 641m
- EBIT-margin increased 2.4pp from 15.8% to 18.2%
- Free cash flow at DKK 614m compared to DKK 497m in 1H17
- Three acquisitions concluded, Bev. Con awaiting approval by the Danish competition authorities
- Outlook increased further from excellent July and August weather

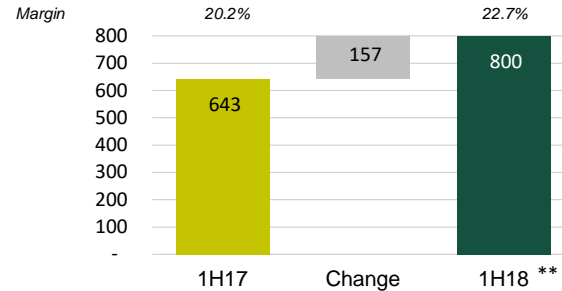


Solid positive development on all parameters

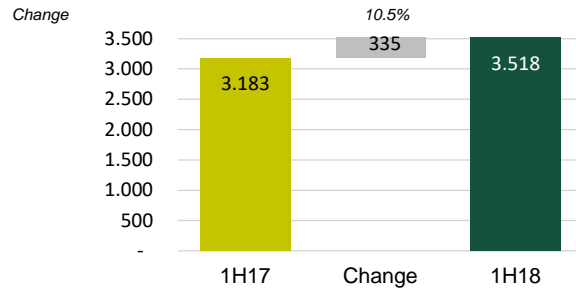
Volume '000 hl



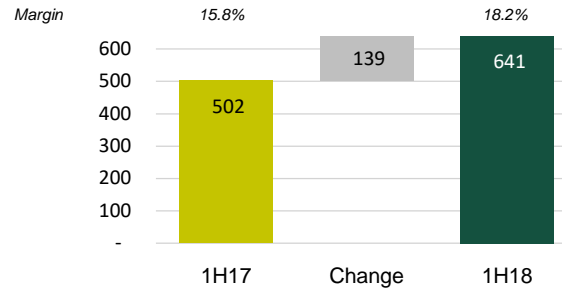
EBITDA mDKK



Net revenue mDKK



EBIT mDKK

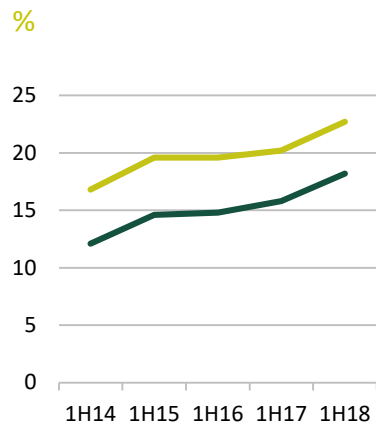


* License volume Russia = 179t hl

** Positively effected by DKK 27m from IFRS 16 implementation

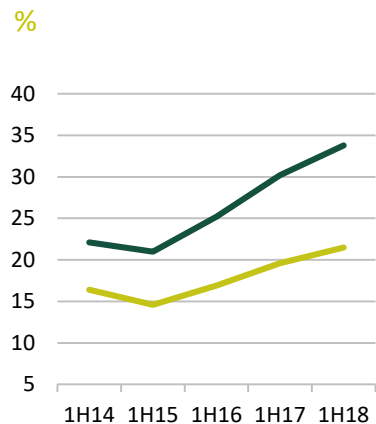
Key figure performance

Profit margins



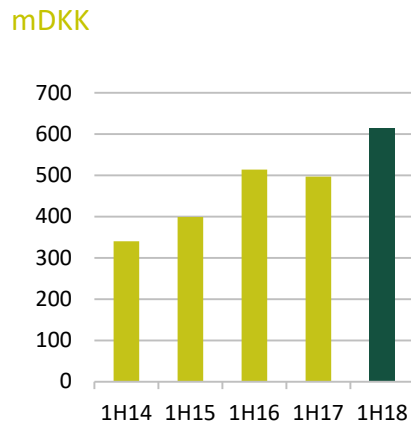
— EBITDA margin (reported)
— EBIT margin (reported)

ROIC

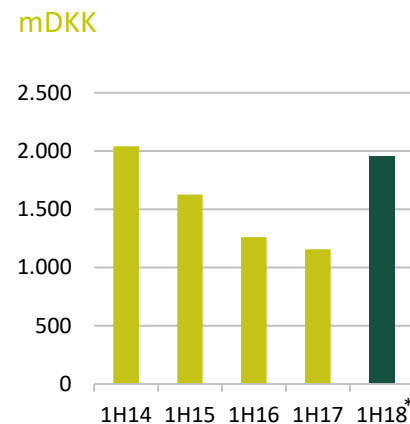


— ROIC
— ROIC ex. Goodwill

Free Cash Flow



NIBD



* Including DKK 196m in leasing

Earnings increase in all segments

Western Europe

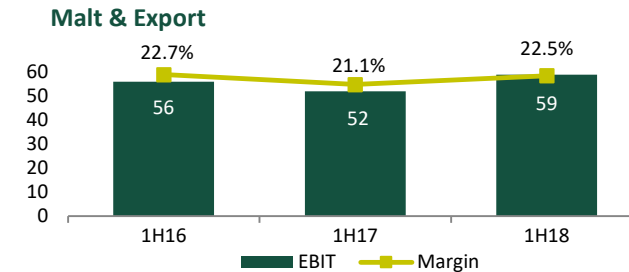
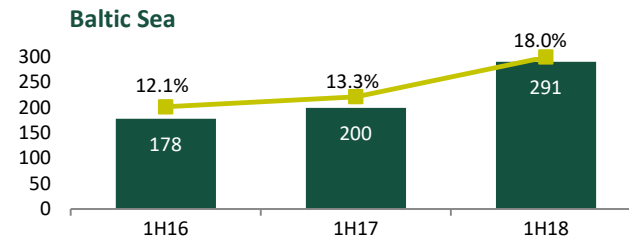
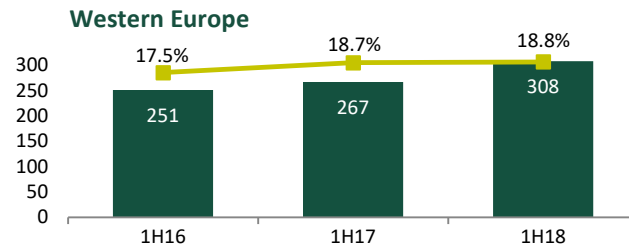
- Volume +12%, NR +15% incl. snacks, EBIT +15%
- Denmark & Germany
 - Brew pub ‘Anarkist’ at Albani Odense opened end of Q2
 - Strong price/mix from various initiatives and extraordinarily good weather
- Italy
 - Market negatively impacted by weather compared to last year
 - Terme di Crodo development as expected. New launch of 1 liter PET bottle and Tonic Soda

Baltic Sea

- Volume -2%, NR +7%, EBIT +46%
- Finland
 - Highly impacted by very good weather in May and June
 - Continued positive product mix
 - Market share within branded product improved (excl. SOK)
- Baltics
 - Market still affected by excise increases and restrictions
 - Market position maintained

Malt & Export

- Volume +8%, NR +6%, EBIT +13%
- Hard currency still a challenge and currency still lower than last year, but has improved the last 6 month
- Investment in commercial strengthening progressing as planned
- Terme di Crodo products – current market delivering as expected



Strong financial performance

mDKK	1H2018	1H2017	Change
P&L ITEMS			
Net revenue	3,518	3,183	335
Gross margin	52.4%	51.6%	0.8pp
EBITDA	800*	643	157
EBITDA margin	22.7%	20.2%	2.5pp
EBIT	641	502	139
EBIT margin	18.2%	15.8%	2.4pp
Profit before tax	636	498	138
Net profit	502	390	112

* Positively effected by DKK 27m from IFRS 16 implementation

mDKK	1H2018	1H2017	Change
BALANCE SHEET ITEMS			
Net interest bearing debt	1,956	1,158	798
Net working capital	-928	-949	21
Total assets	7,445	6,405	1,040
Equity	2,554	2,637	-83
Equity ratio	34%	41%	-7pp
Invested capital	4,814	4,041	773
ROIC ex. goodwill	33.8%	30.2%	3.6pp
ROIC incl. goodwill	21.5%	19.6%	1.9pp

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%)



Outlook 2018

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

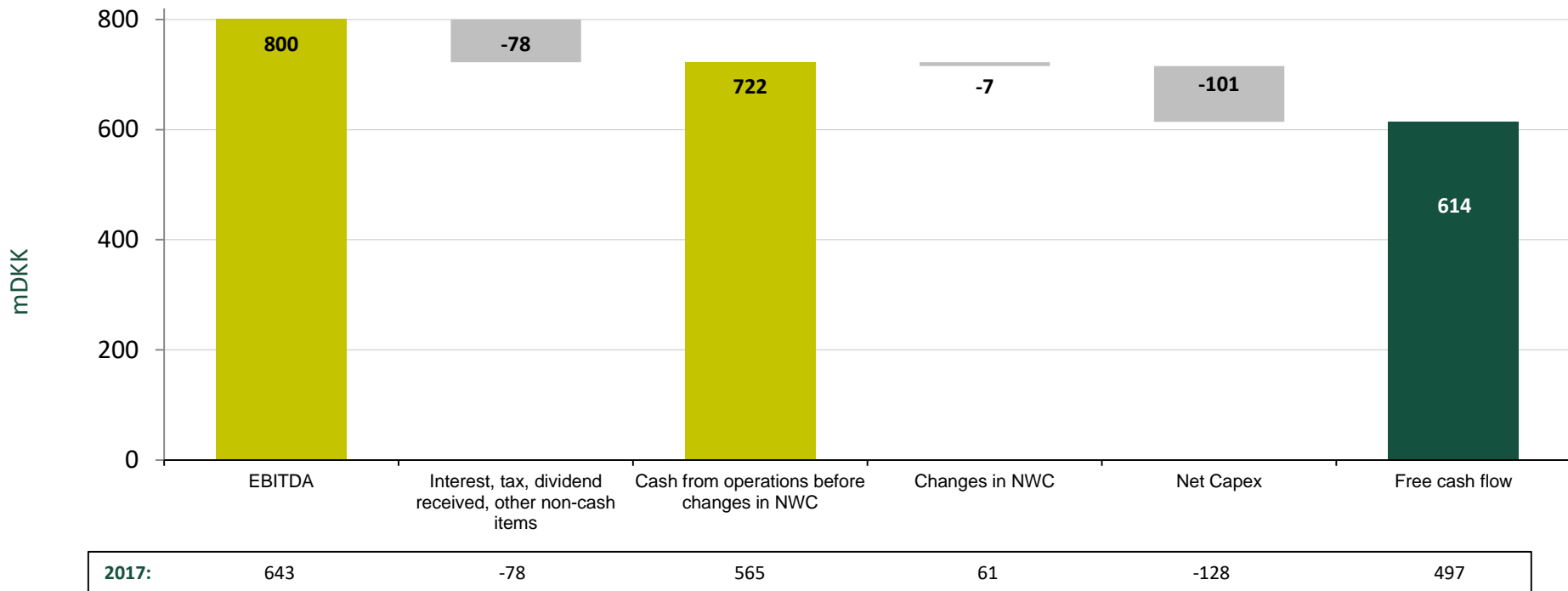
* Implementation of IFRS 16 is expected to effect the EBITDA result positively in 2018 with approx. DKK 50m

APPENDIX



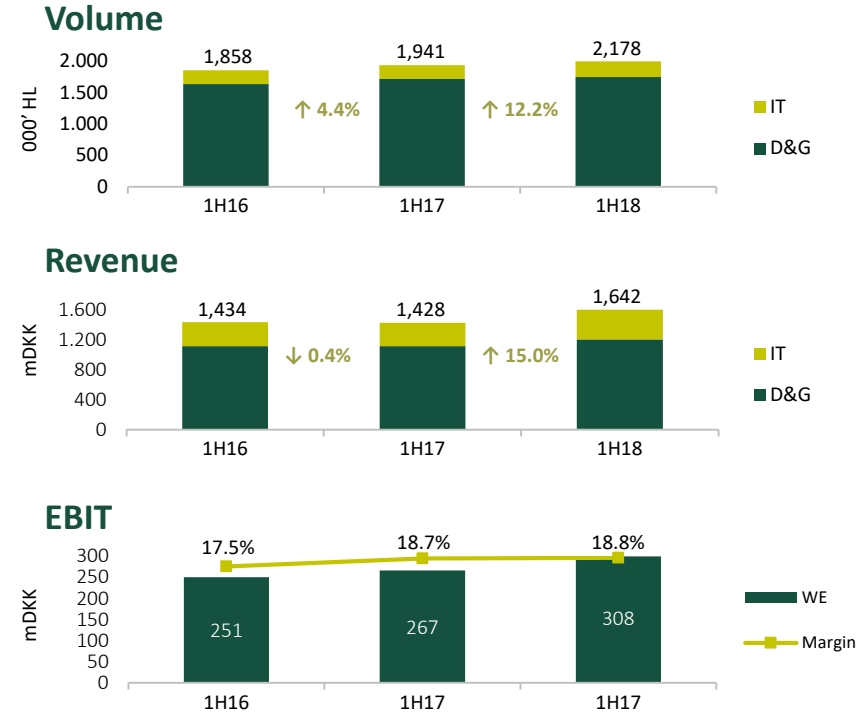
Strong cash flow generation

Cash Flow



Western Europe

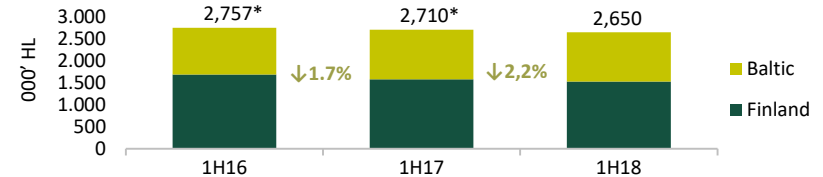
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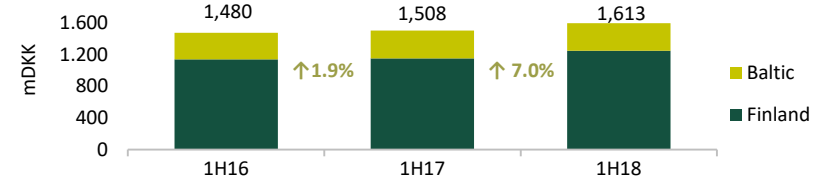
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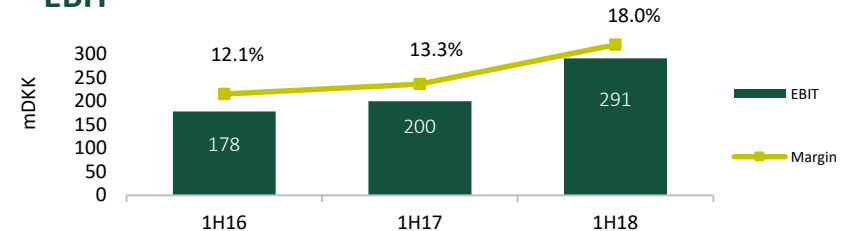
Volume



Revenue



EBIT

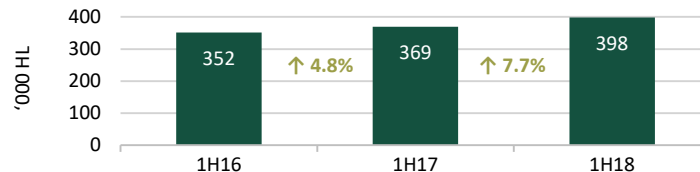


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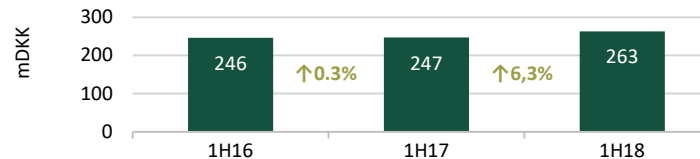
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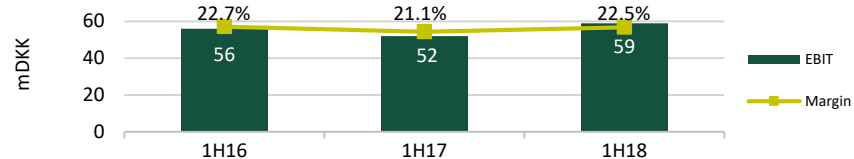
Volume



Revenue

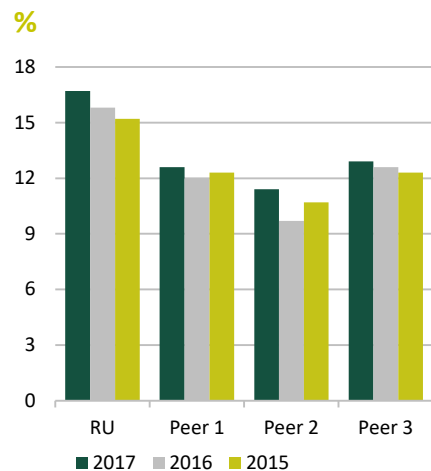


EBIT

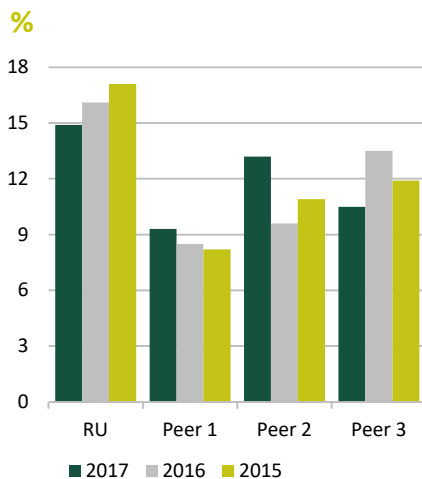


Performance to peers 2017

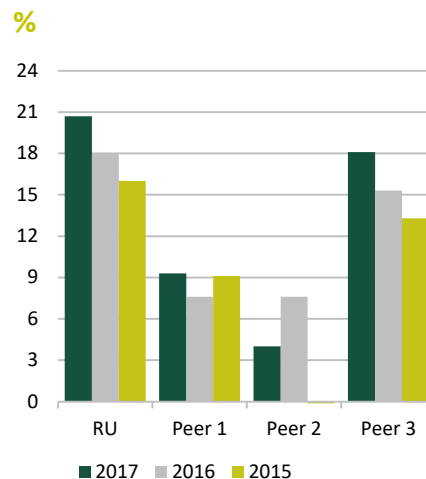
**EBIT margin
(comparable region)**



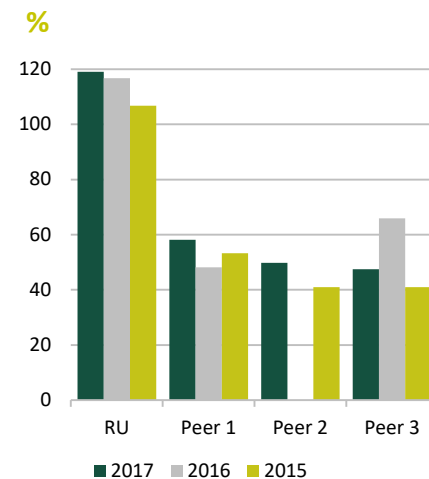
**Free cash flow
% of revenue**



**Return on invested
capital***



**Cash return to
shareholders****



* Based on average invested capital

** Percentage of net profit the year before

Shareholder distribution

Dividend for 2017 of DKK 451m paid to shareholders

- Dividend DKK 8,90 per share

DKK 400m share buy-back initiated in March 2018

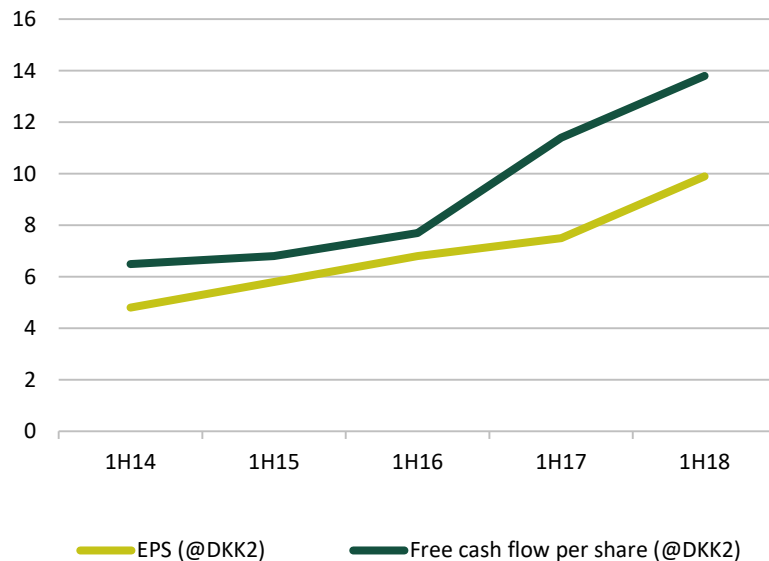
- Safe Harbour program
- Duration until 22 February 2019

Share buy-back program as per June 30, 2018

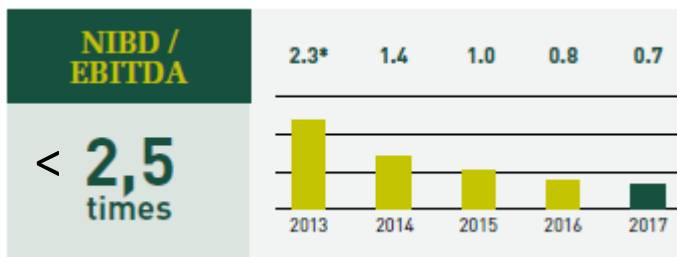
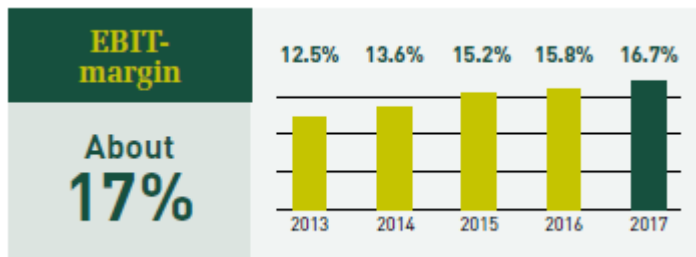
(existing and previous program)

- 805.422 shares bought at a total value of DKK 321m

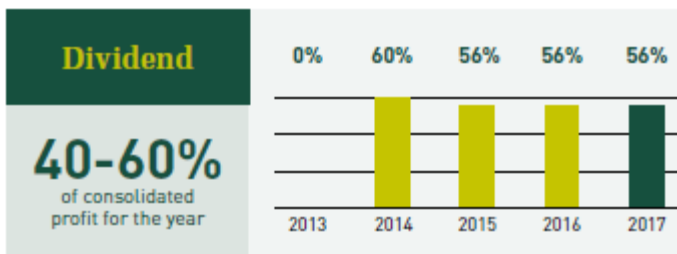
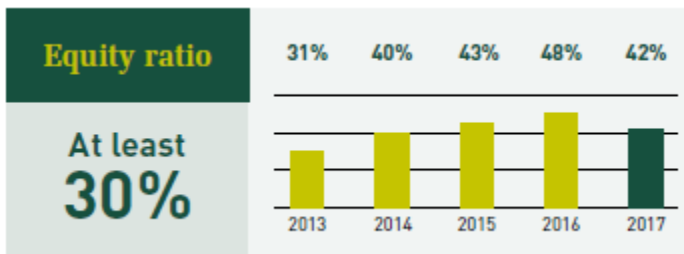
EPS and free cash flow per share



Financial targets



* calculated proforma with Hartwall's realised full-year EBITDA



Share buy-back is used to adjust the capital structure

Disclaimer

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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.