



Carnegie Small & Mid Cap Seminar 2019

5 September 2019

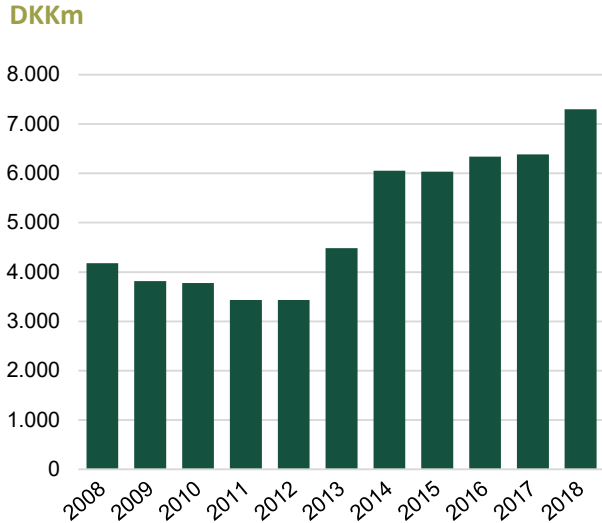
CFO Lars Jensen

Royal Unibrew A/S

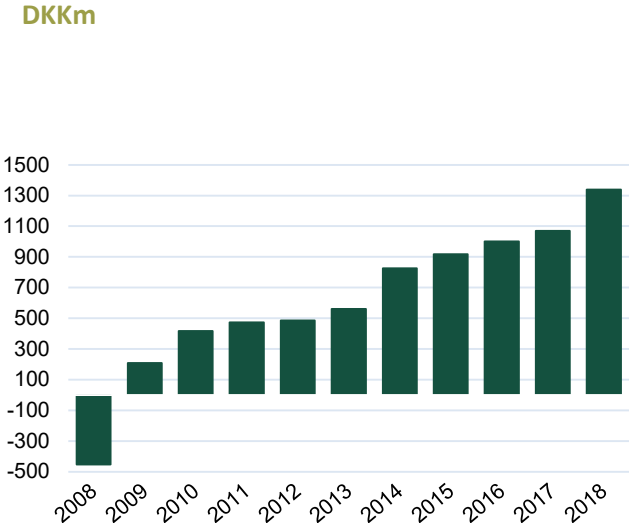


Financial Performance 2008-2018

Net revenue



EBIT

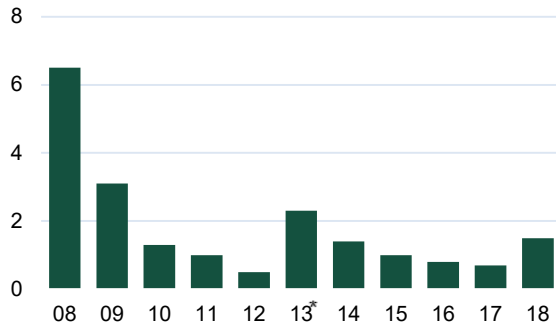


Financial Performance 2008-2018

Operating improvements and sale of non-core assets

NIBD/EBITDA

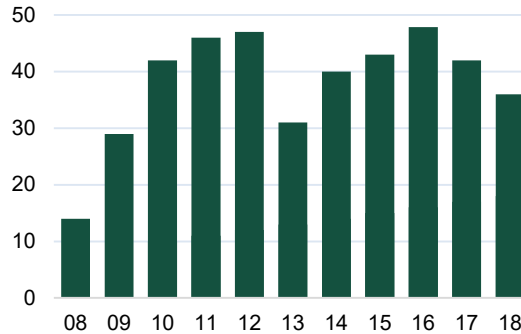
times



* Calculated pro forma with Hartwall's realized full-year EBITDA

Equity ratio

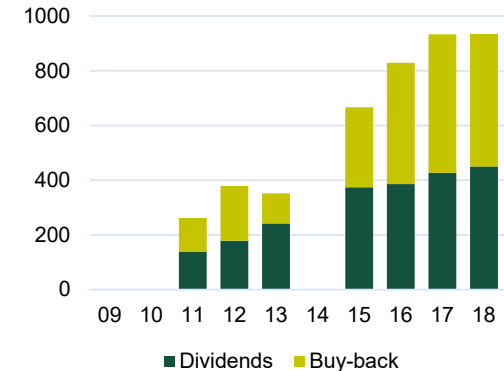
%



Creating shareholder value

Distribution

DKKm



Organic revenue growth and acquisitions drive solid result

- **Financial highlights**

- EBIT increased DKK 69m to DKK 710m up 11%
- Net revenue amounted to DKK 3,791m compared to DKK 3,518m last year. An increase of 8% of which 2% was organic
- Volumes increased 5% to 5.5 million hectoliters. Organic growth was 1%
- NR/HL increase organically by 1%, but more in the individual categories
- Market shares were slightly improved

- **M&A activities**

- In August 2019 Royal Unibrew acquired 100% of the share capital of the Bruce Ashley Group Inc. in Canada.
- During H1 Royal Unibrew entered into an agreement to acquire the Latvian craft brewery SIA Bauskas Alus.
- Bev.Con ApS and CULT has been merged with Royal Unibrew A/S

- **Outlook**

- The outlook from March 2019 is specified to be in the upper end of the interval



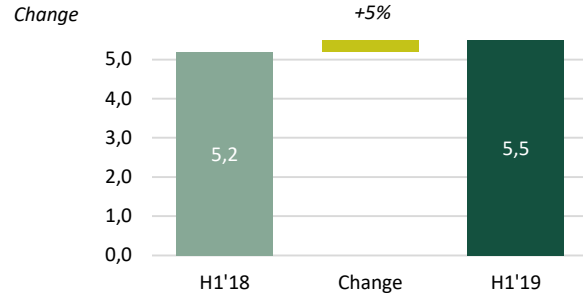
Consistent commercial execution and acquisitions drive solid earnings growth

- Market shares slightly improved
- Solid revenue improvement by 8% (organic +2%)
- Both EBITDA margin and EBIT margin increased by a half percentage point
- Earnings per share up from DKK 9.9 to DKK 10.9 (+10%)
- Strong free cash flow
- The share buy-back is on track
- We maintain our strategic flexibility

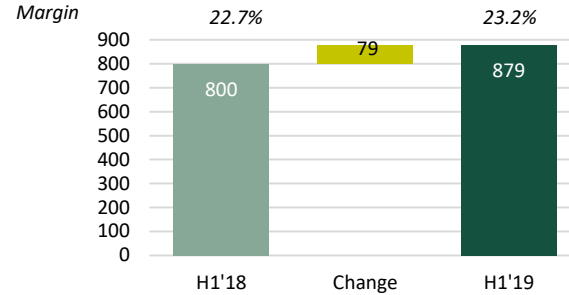


Positive development on all parameters

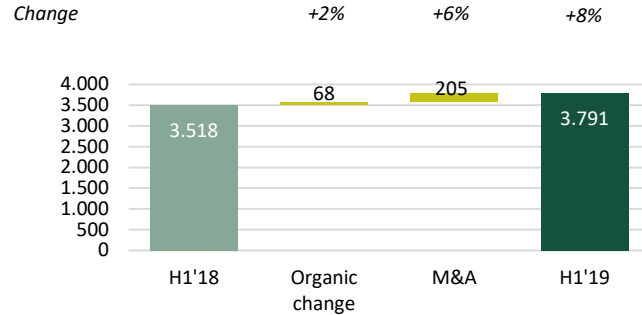
Volume million hl



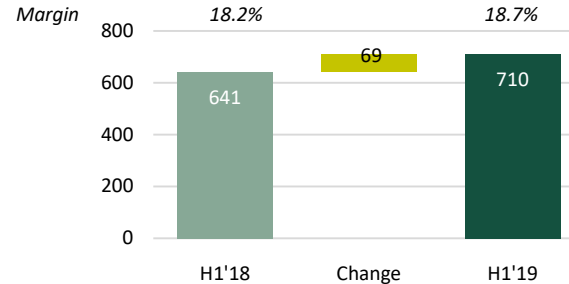
EBITDA DKKm



Net revenue DKKm



EBIT DKKm



Financial performance

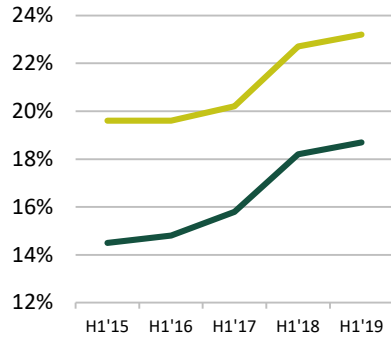
mDKK	H1'19	H1'18	Change
P&L ITEMS			
Net revenue	3,791	3,518	273
Gross margin	53.0%	52.4%	0.6pp
EBITDA	879	800	79
EBITDA margin	23.2%	22.7%	0.5pp
EBIT	710	641	69
EBIT margin	18.7%	18.2%	0.5pp
Profit before tax	700	636	64
Net profit	541	502	39

mDKK	H1'19	H1'18	Change
BALANCE SHEET ITEMS			
Net interest bearing debt	3,000	1,956	-1,044
Net working capital	-750	-928	-178
Total assets	8,907	7,445	1,462
Equity	2,663	2,554	109
Equity ratio	30%	34%	-4pp
Invested capital	6,068	4,814	1,254
ROIC ex. goodwill*	32%	34%	-2pp
ROIC incl. goodwill*	20%	22%	-2pp

* Running 12 months – EBIT not full year for acquisitions

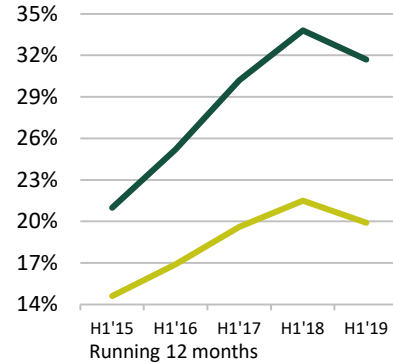
Key figure performance

Profit margins



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

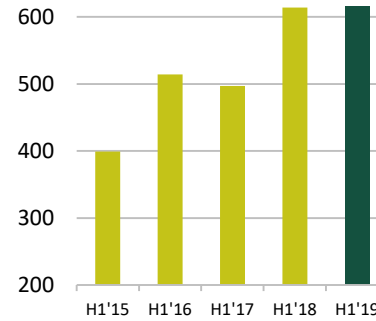
ROIC



— ROIC incl. goodwill
— ROIC ex. goodwill

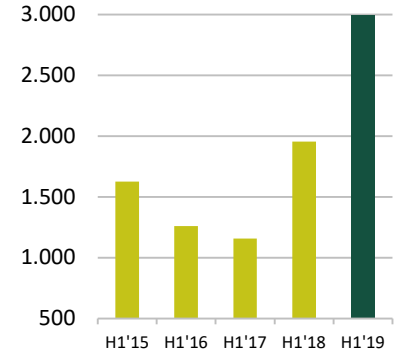
Free Cash Flow

mDKK



NIBD

mDKK



Development in segments

Western Europe

- Volume +9%, Revenue +12%, EBIT growth +15%
- Denmark & Germany
 - Market development as expected.
 - The average NR/HL was higher due to price pack execution and product mix.
- Southern Europe
 - Organically volumes increased by 5% and net revenue by 2% in spite a very bad May, where market was down 10% in Italy compared to last year
 - Integration of the Lorina business in France is progressing as planned. The ERP system SAP was successfully implemented in Q2

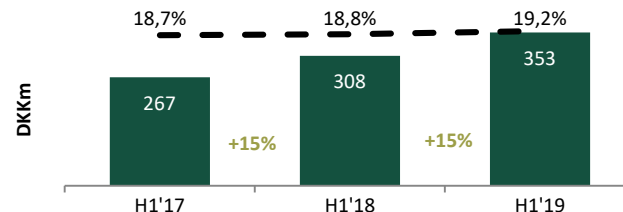
Baltic Sea

- Volume -1%, Revenue 0%, EBIT growth +7%
- Finland
 - No extraordinary beer campaign in Q2 in Finland compared to last year affects volumes and net revenue negatively
- Baltics
 - Beer market remains challenging, which is offset by the positive development in non-alcoholic categories
 - We have gained in the non-alcohol segment and maintained our market share in the beer

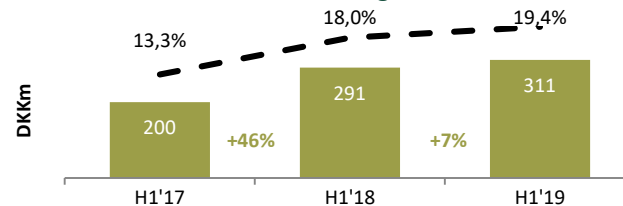
International

- Volume +19%, Revenue +30%, EBIT growth +5%
- Double digit organic revenue growth
- Positive impact from currency development
- EBIT has been negatively impacted by a challenging environment in the UK

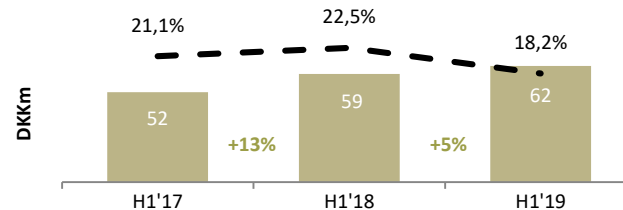
Western Europe EBIT and EBIT margin



Baltic Sea EBIT and EBIT margin

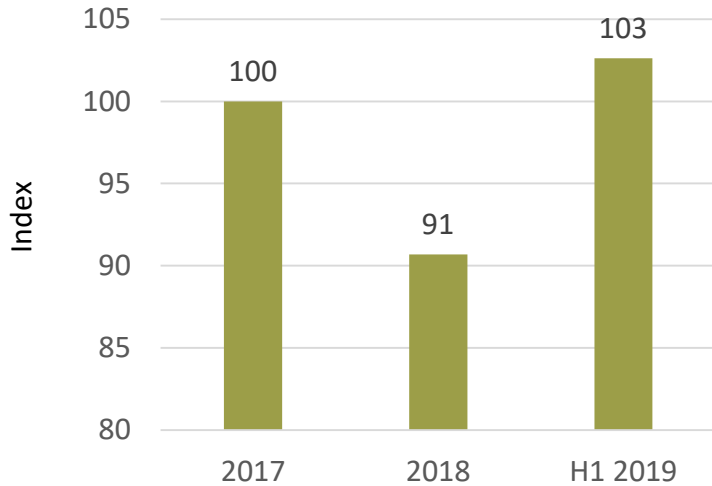


International EBIT and EBIT margin

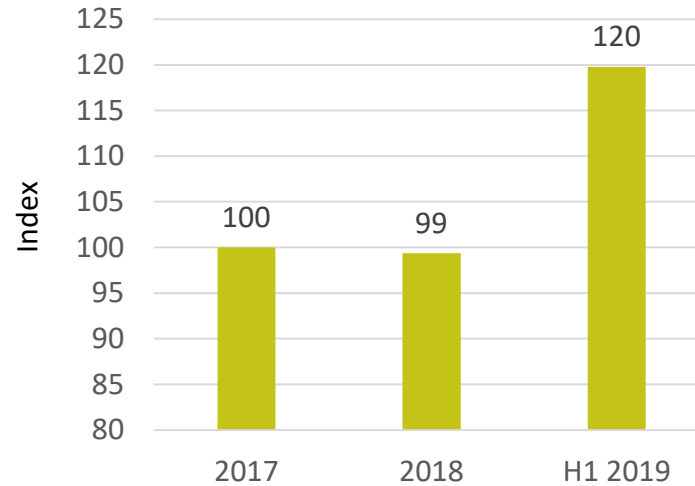


CRODO SOFT DRINKS development

Volume



Net revenue

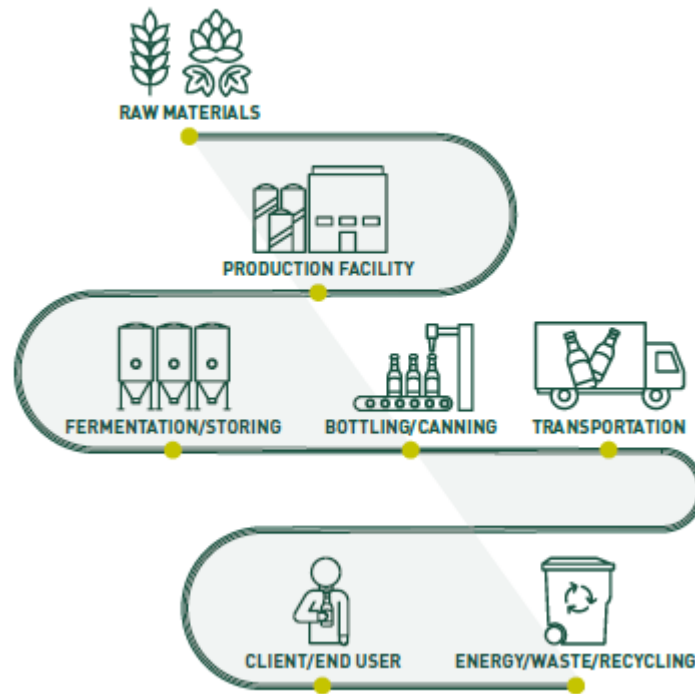


2017 = acquired baseline

Working with CSR

- Working with CSR is an integrated part of Royal Unibrew's business
- In 2019 Royal Unibrew will establish a baseline for our total green house gas emissions with the aim to set goals in our endeavors to become CO₂ neutral
- During 2019, we commit ourselves to joining the UN Global Compact and the UN Guiding Principles on Business and Human Rights. Further, during 2019 we will establish a baseline for our total greenhouse gas emission in order to set targets for our journey towards a neutral carbon footprint.

ROYAL UNIBREW'S VALUE CHAIN/PROCESS FLOW



Outlook 2019

mDKK	Outlook August 2019	Outlook March 2019	Actual 2018	Actual 2017
Net revenue	7,575 – 7,650	7,400 – 7,650	7,298	6,384
EBIT	1,440 – 1,465	1,340 – 1,465	1,339	1,069

The outlook announced in March 2019 is specified to the upper end of the intervals

APPENDIX



Cash flow generation

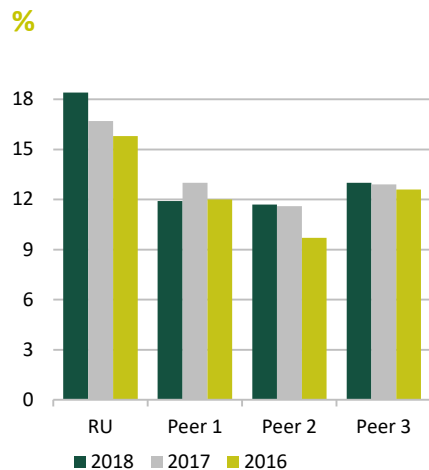
Cash Flow H1'19



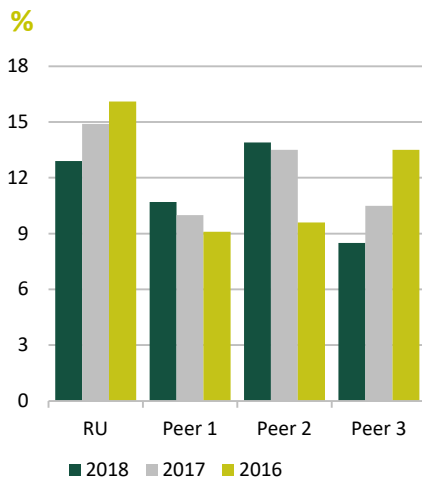
H1'18:	502	302	804	-7	-97	700	15	-101	614
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Performance to peers 2018

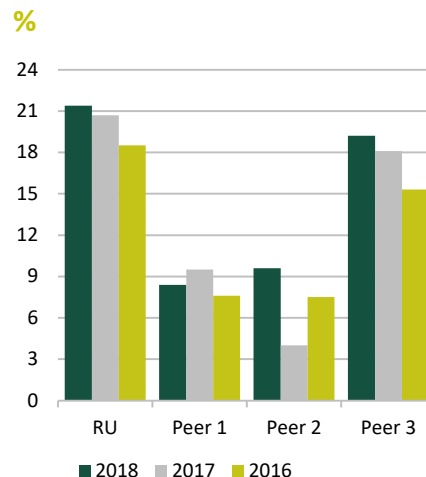
**EBIT margin
(comparable region)**



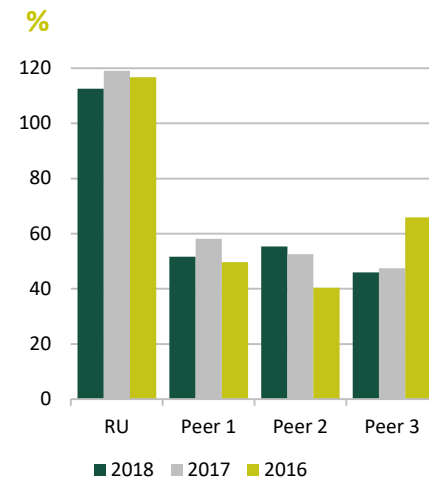
**Free cash flow
% of revenue**



**Return on invested
capital***



**Cash return to
shareholders****



* Based on average invested capital

** Percentage of net profit the year before

Shareholder distribution

Dividend for 2018 of DKK 538 million paid to shareholders

- Dividend DKK 10,80 per share

DKK 400m share buy-back initiated in March 2019

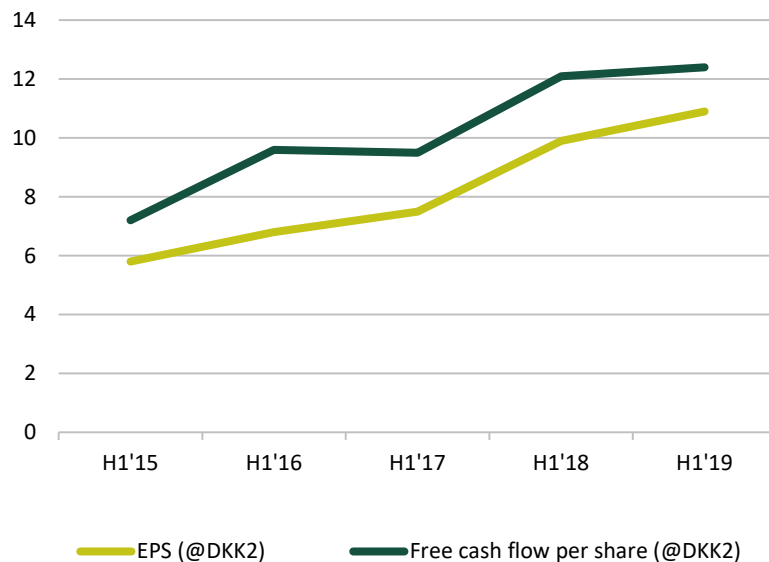
- Safe Harbour program
- Duration until 31 October 2019

Share buy-back program as per June 30, 2018

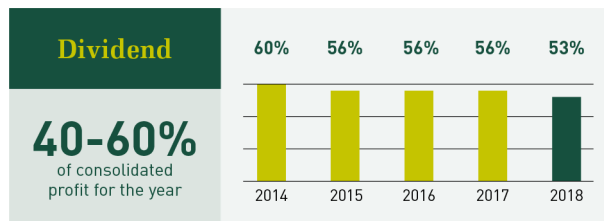
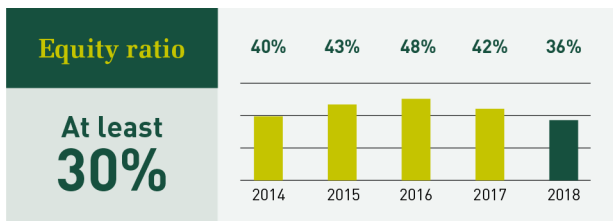
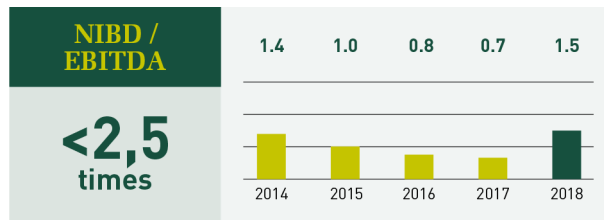
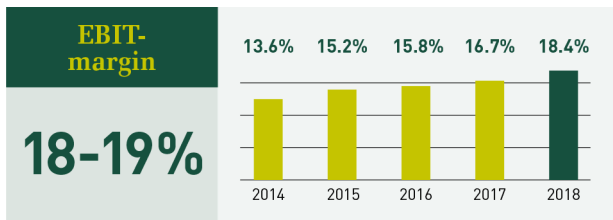
(existing and previous program)

- 535.425 shares bought at a total value of DKK 258 million

EPS and free cash flow per share



Financial targets



Share buy-back is used to adjust the capital structure

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

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.