



# Interim Report

1 January – 31 March 2018

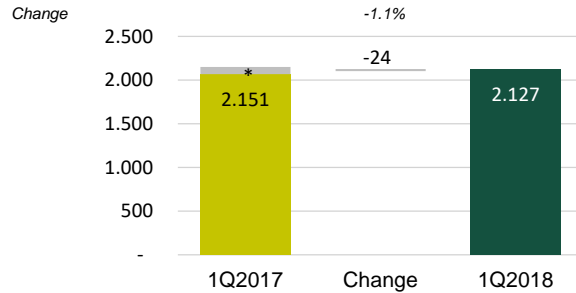
24 April 2018

# Solid Q1 – in line with outlook guidance

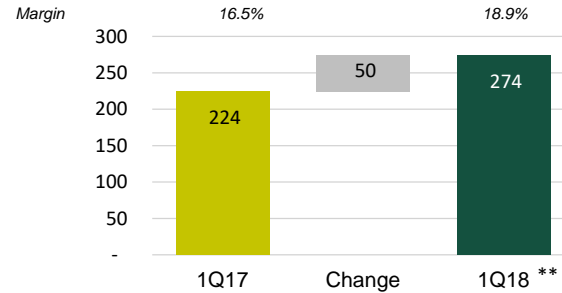
- Overall market position maintained
- Volume unchanged at 2.1 mHL
- Q1 positively impacted by full Easter effect
- Net revenue increased 7% by DKK 98m to DKK 1,452m – impacted by the Easter and Terme di Crodo
- EBIT increased DKK 43m to DKK 194m
- EBIT-margin increased from 11.2% to 13.3%
- Free cash flow at DKK -278m compared to DKK -54m in 1Q17
- Outlook 2018 maintained

# Solid start on financial year

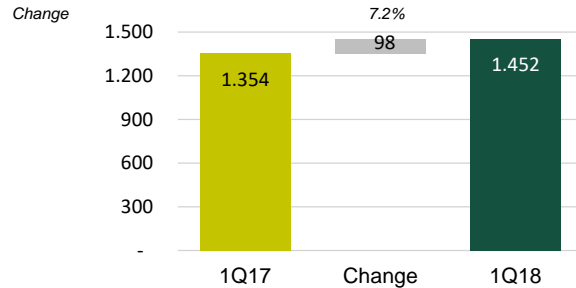
Volume '000 hl



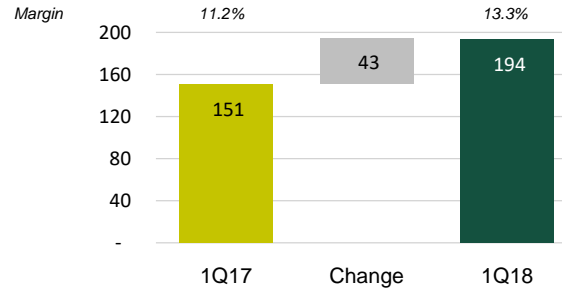
EBITDA mDKK



Net revenue mDKK



EBIT mDKK



\* License volume Russia = 82t hl

\*\* Positively effected by DKK 14m from IFRS 16 implementation

# Earnings increase in all segments

## Western Europe

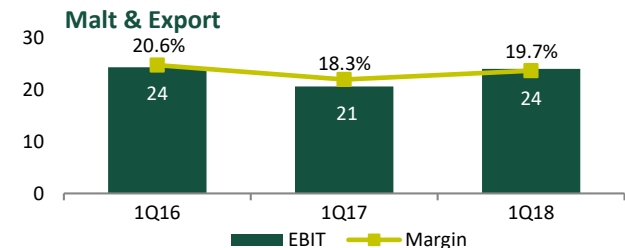
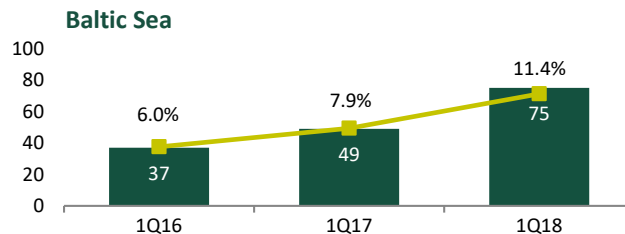
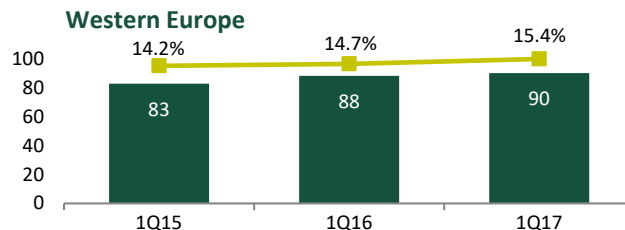
- Volume +5%, NR +9% incl. snacks, EBIT +14%
- Denmark & Germany
  - strong price/mix from various commercial initiatives
  - branded market increased slightly
- Italy
  - market down in Q1 by mid single digit, due to the weather and declining consumption
  - Terme di Crodo integration is developing as expected, with focus on the commercial agenda

## Baltic Sea

- Volume -8%, NR +6%, EBIT +53%
- Finland
  - market share up in the branded market (excl. SOK effect)
  - Positive NR/HL development from mix
- Baltics
  - continuing challenging market conditions with consumer price changes that makes it difficult to separate individual impact
  - market position maintained

## Malt & Export

- Volume +16%, NR +9%, EBIT +14%
- Sales from distributors to customer increased with mid single digit in Q1
- Negative impact from exchange rates
- Hard currency is still a challenge in Africa



# Improved financial performance

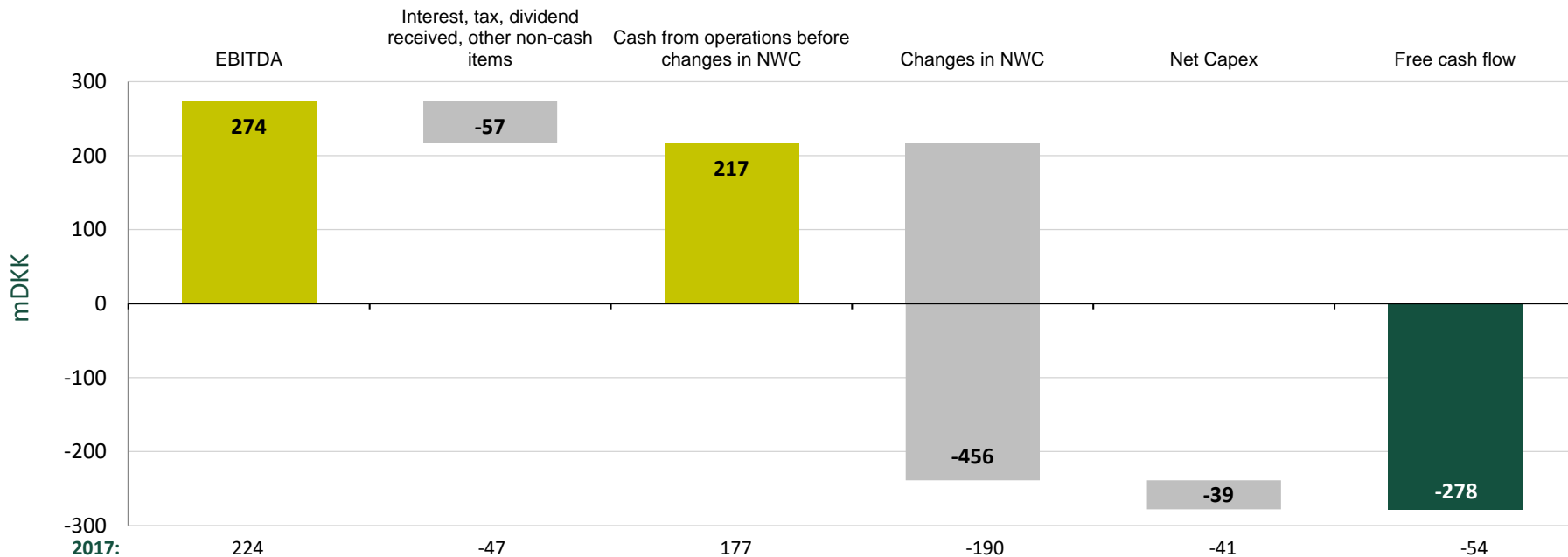
mDKK	1Q2018	1Q2017	Change
<b>P&amp;L ITEMS</b>			
Net revenue	1,452	1,354	98
Gross margin	50.9%	50.1%	0.8pp
EBITDA	274*	224	50
EBITDA margin	18.9%	16.5%	2.4pp
EBIT	194	151	43
EBIT margin	13.3%	11.2%	2.1pp
Profit before tax	181	143	38
Net profit	142	110	32

\* Positively effected by DKK 14m from IFRS 16 implementation

mDKK	1Q2018	1Q2017	Change
<b>BALANCE SHEET ITEMS</b>			
Net interest bearing debt	2,224	1,142	1,082
Net working capital	-488	-690	202
Total assets	7,347	6,294	1,053
Equity	2,791	2,935	-144
Equity ratio	38%	47%	-9pp
Invested capital	5,324	4,316	1,008
ROIC ex. goodwill	27.3%	27.0%	0.3pp
ROIC incl. goodwill	18.2%	18.0%	0.2pp

# Cash flow in line with expectations

## Cash Flow



# Outlook 2018

mDKK	Outlook 2018	Actual 2017	Outlook August 2017	Outlook March 2017
Net revenue	6,650 - 6,900	6,384	6,250 - 6,350	6,250 - 6,450
EBITDA*	1,450 - 1,550	1,362	1,320 - 1,370	1,285 - 1,385
EBIT	1,090 - 1,190	1,069	1,030 - 1,080	980 - 1,080

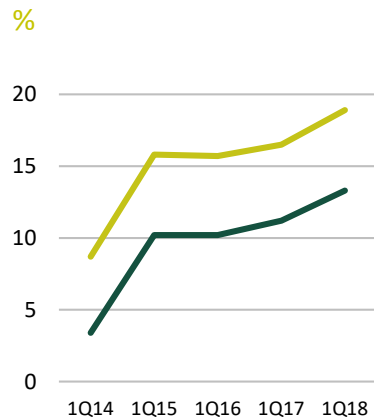
\* Implementation of IFRS 16 is expected to effect the EBITDA result positively in 2018 with approx. DKK 50m





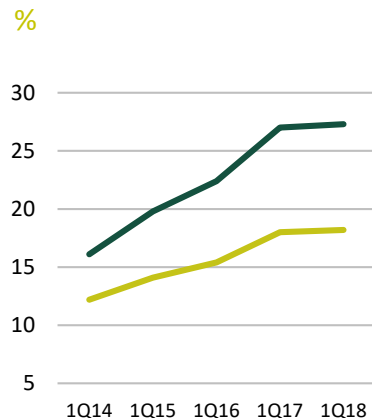
# Key figures in line with expectations

## Profit margins



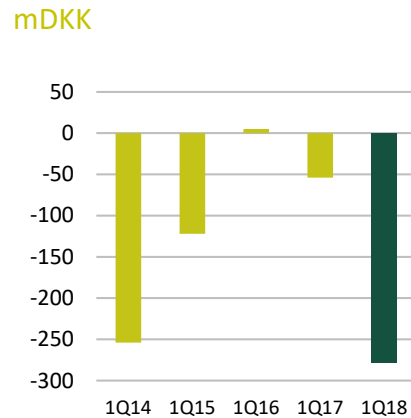
— EBITDA margin (reported)  
— EBIT margin (reported)

## ROIC

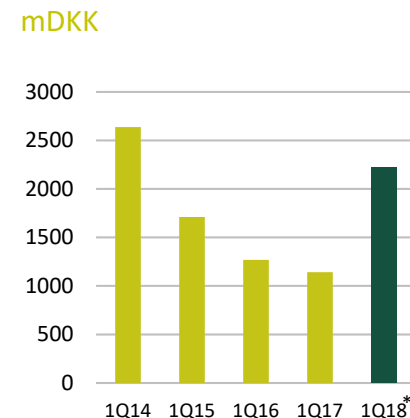


— ROIC  
— ROIC ex. Goodwill

## Free Cash Flow



## NIBD

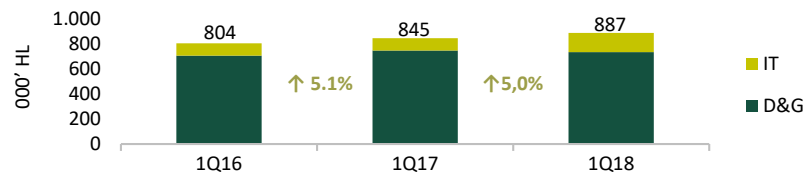


\* Including DKK 208m in leasing

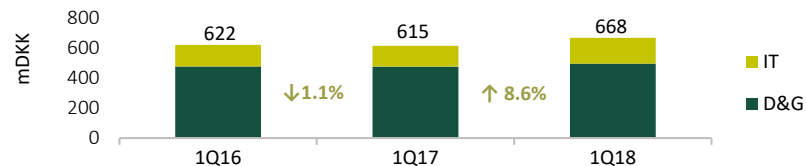
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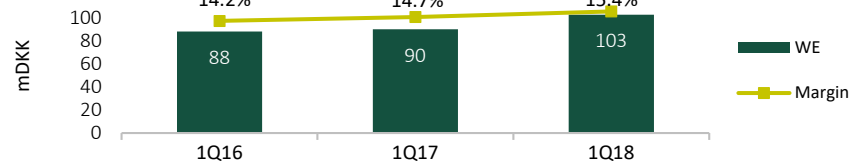
## Volume



## Revenue



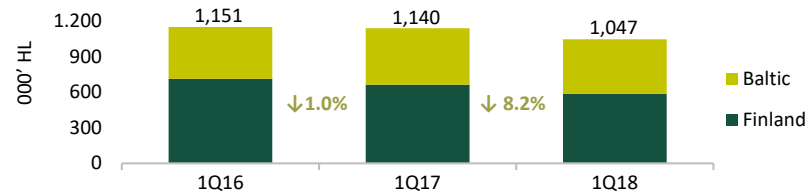
## EBIT



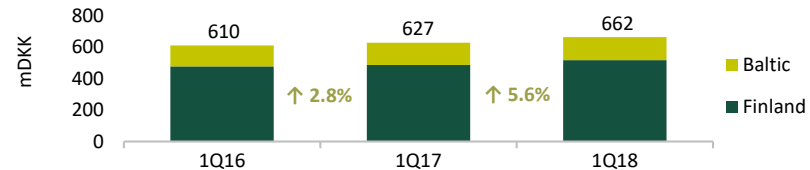
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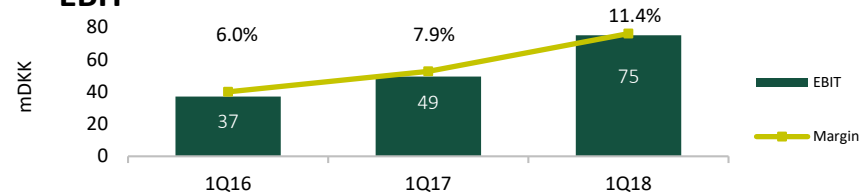
## Volume



## Revenue



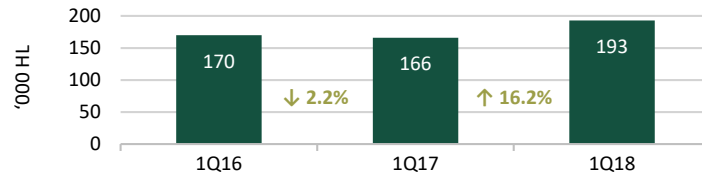
## EBIT



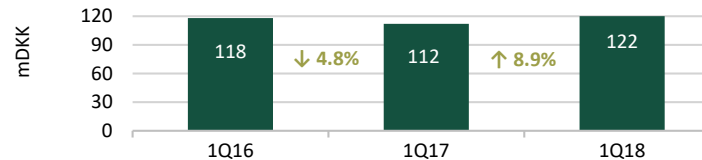
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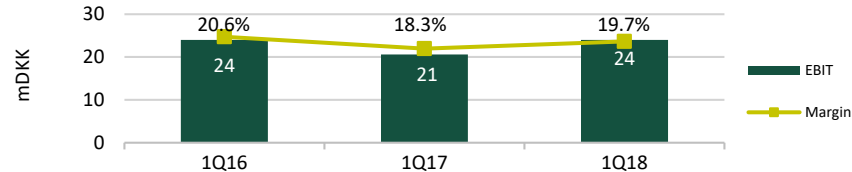
## Volume



## Revenue

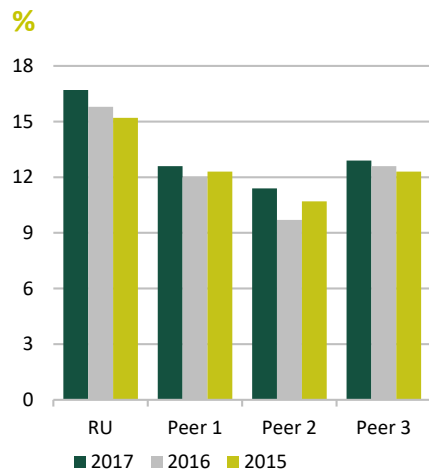


## EBIT

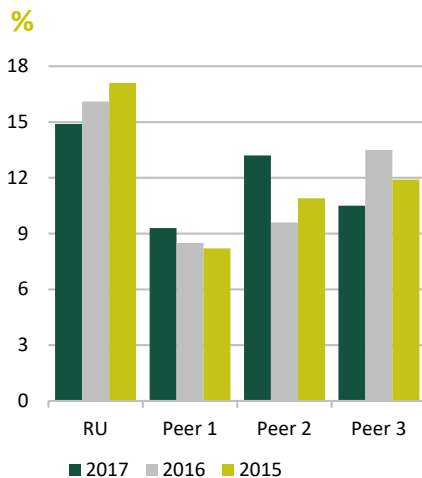


# Performance to peers 2017

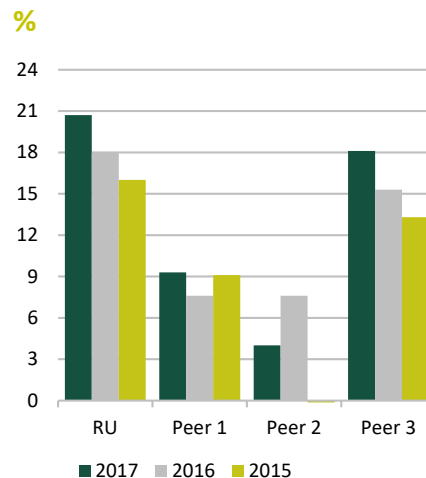
**EBIT margin  
(comparable region)**



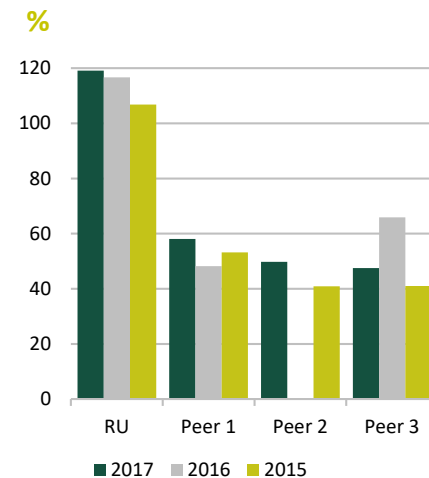
**Free cash flow  
% of revenue**



**Return on invested  
capital\***



**Cash return to  
shareholders\*\***



\* Based on average invested capital

\*\* Percentage of net profit the year before

# Shareholder distribution

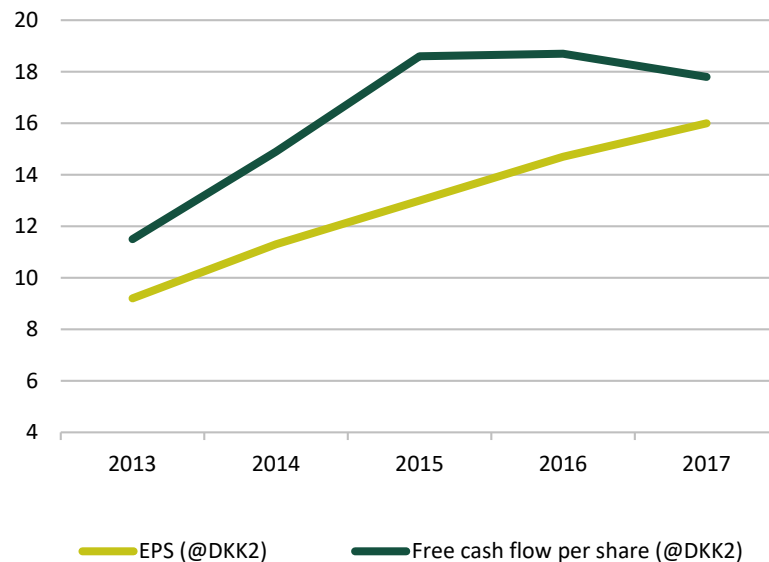
Dividend of DKK 469m to be proposed at the AGM

- Dividend DKK 8,90 per share

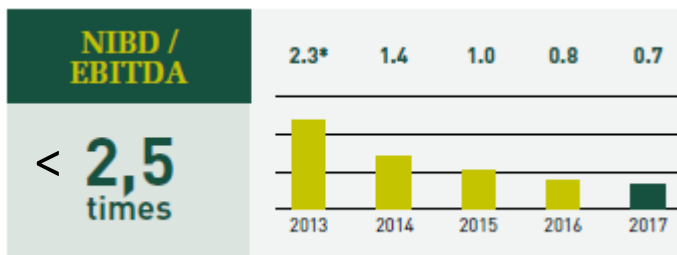
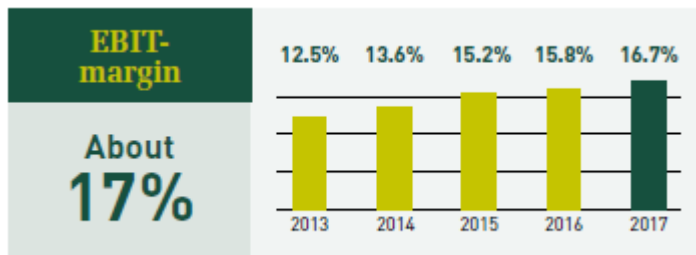
DKK 400m share buy-back initiated

- Safe Harbour program
- Duration until March 2019

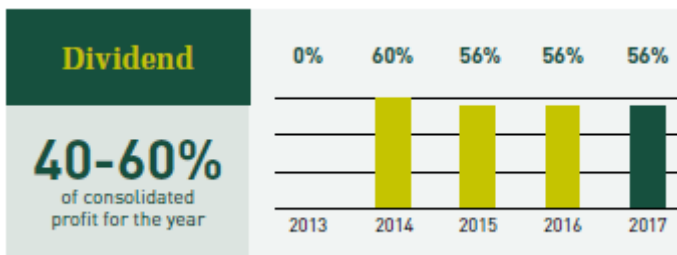
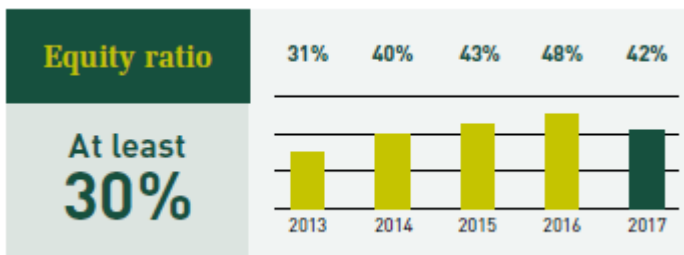
## EPS and free cash flow per share



# Financial targets



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



Share buy-back is used to adjust the capital structure