

# Q3 2022 Trading Statement Presentation

By Lars Jensen (CEO) and Lars Vestergaard (CFO)

# Disclaimer

This Trading Statement 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.

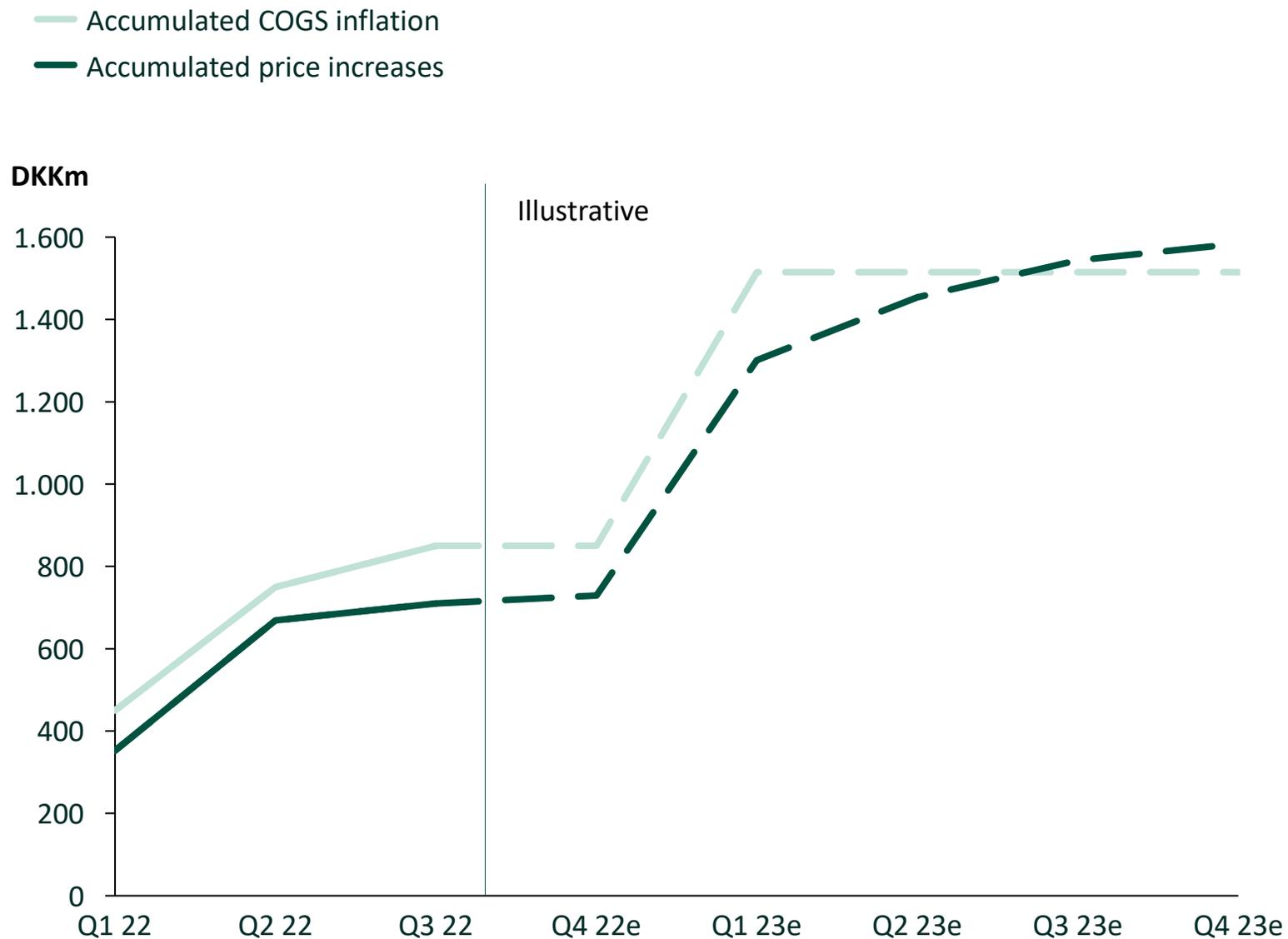
New risk factors may emerge in the future, which the Group cannot predict. Furthermore, the Group cannot assess the impact of each factor on the Group's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.

# Q3 2022 key highlights

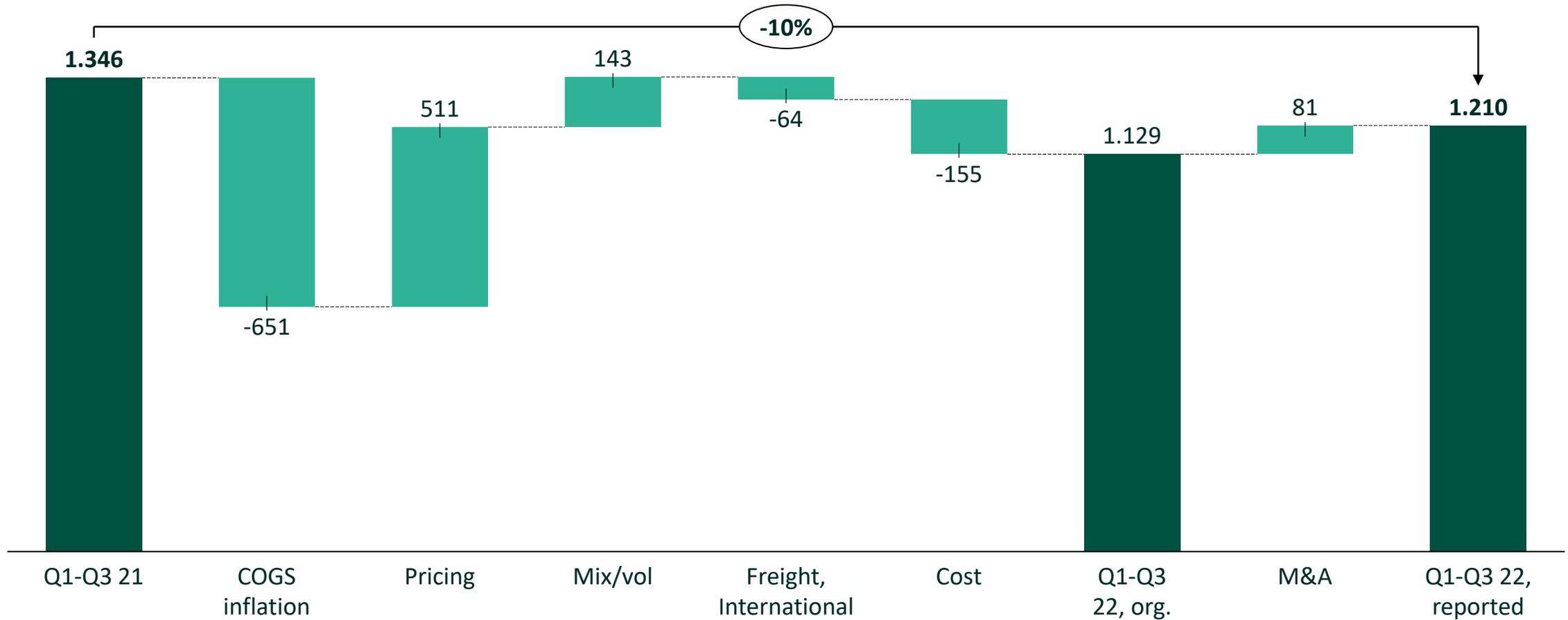
- Strong underlying business momentum
- Our growth formula works
- Our key brands are gaining market shares
- We will continue to invest to drive growth
- EBIT outlook still imply a solid growth of 9% compared to pre-COVID levels in 2019
  - Customer destocking in Italy towards the end of Q3
  - Tougher pricing environment across the business
  - Changed consumer behavior driving negative mix
- We will stick to our overall strategy, but adjust discretionary spending to current circumstances and drive efficiencies even harder



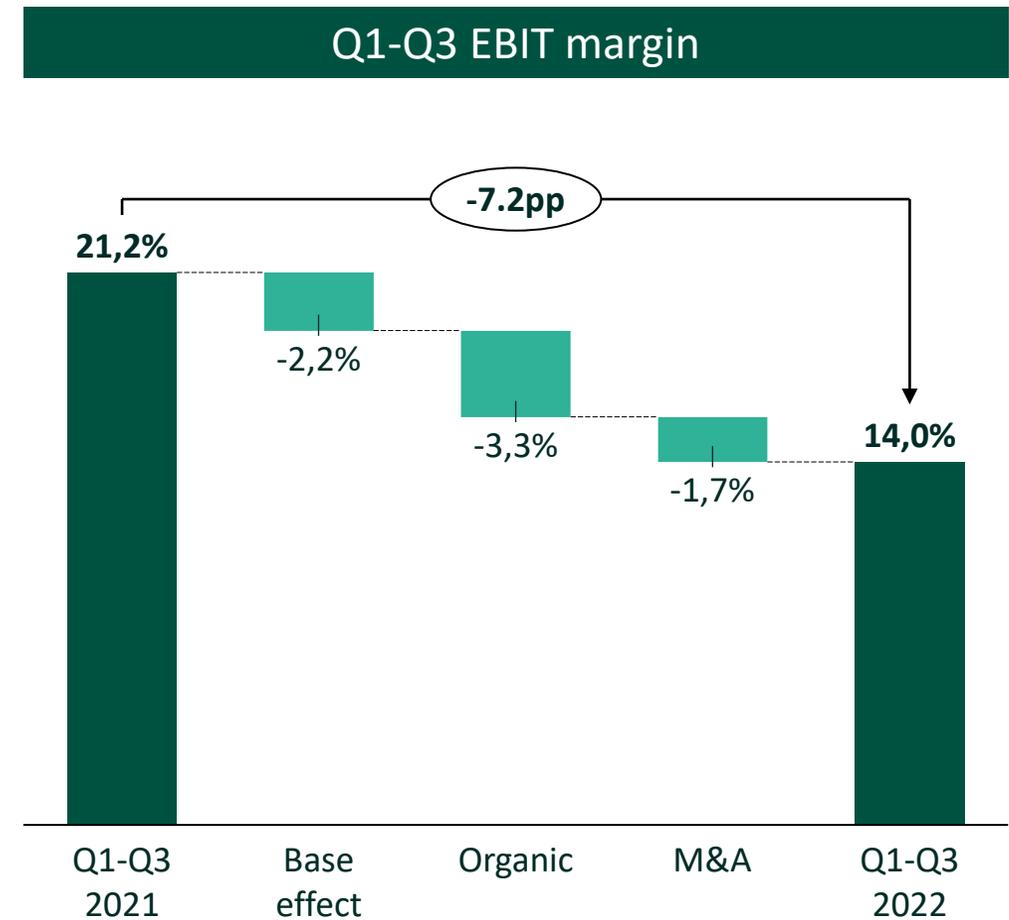
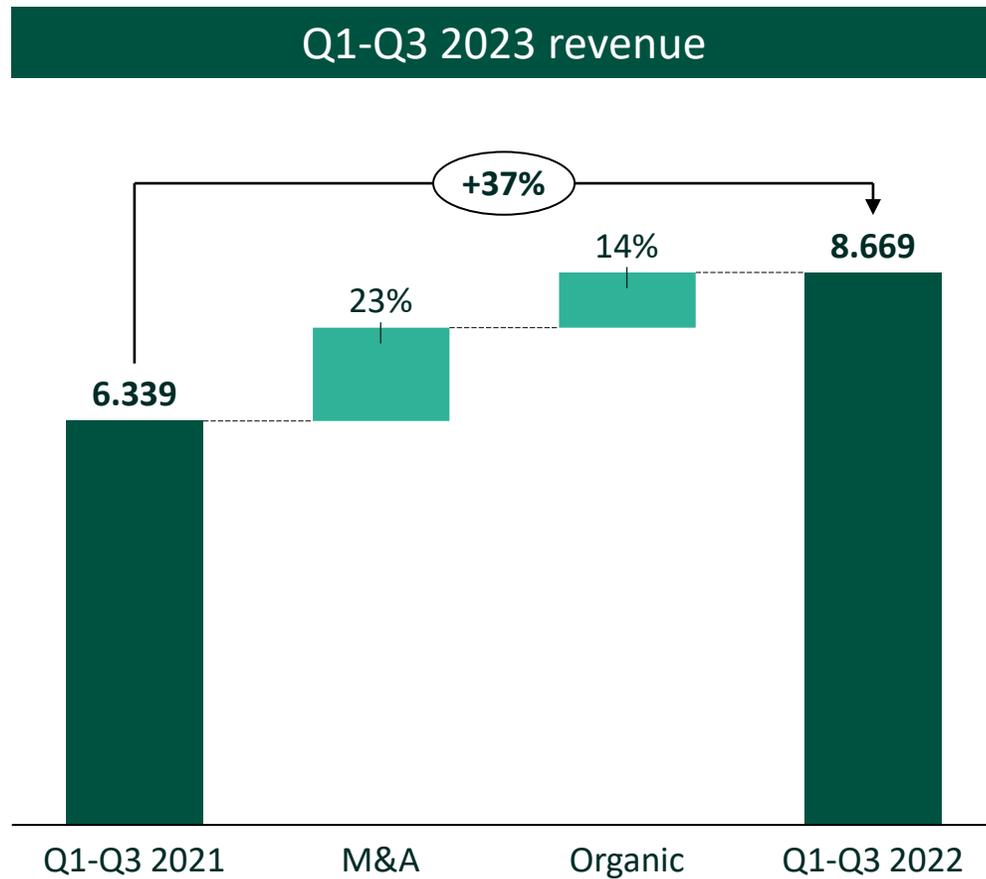
Accumulated COGS inflation outpacing accumulated price increases at the moment



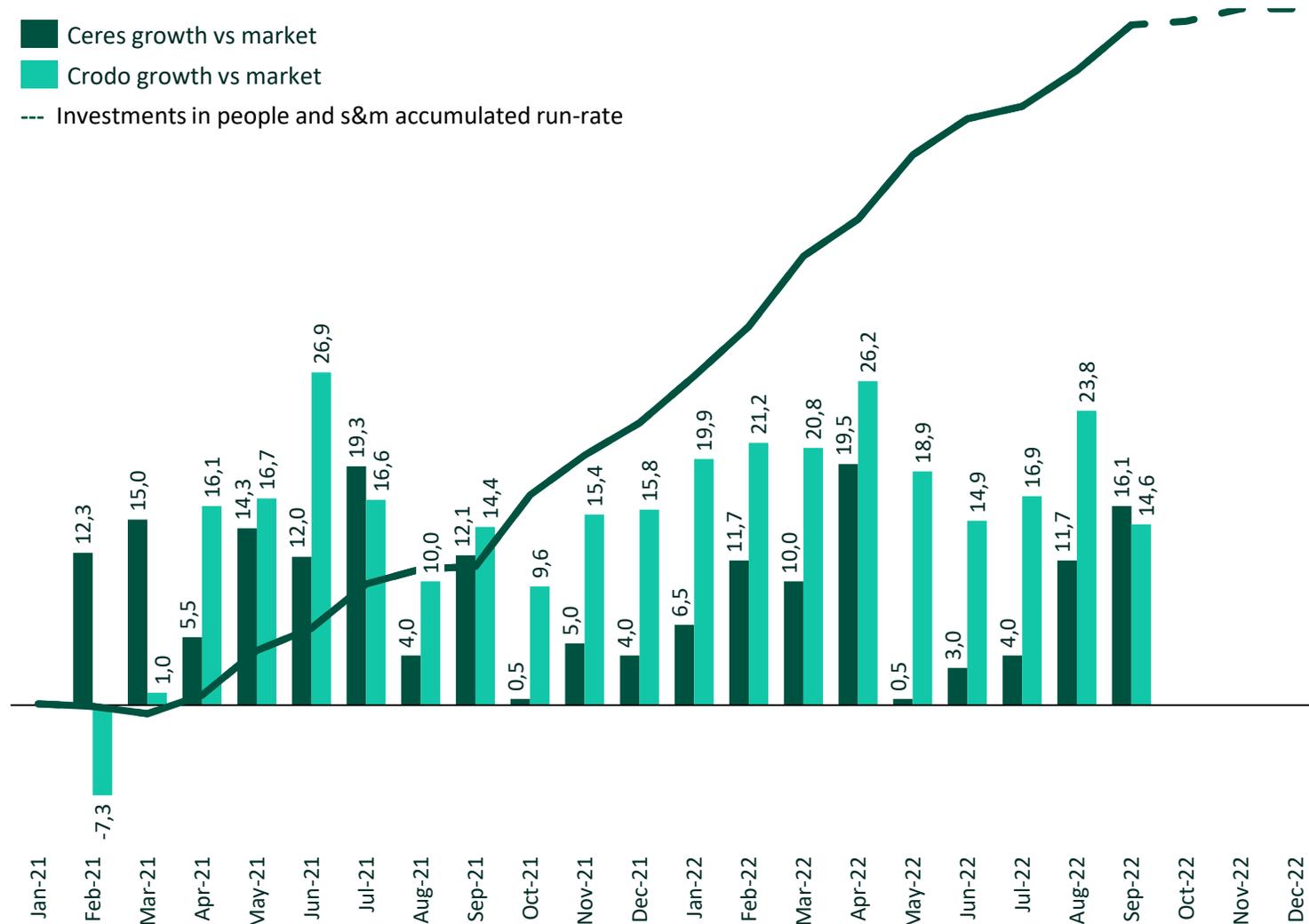
# EBIT bridge Q1-Q3 2022 (DKKm)



# Revenue and EBIT margin bridge Q1-Q3 2022



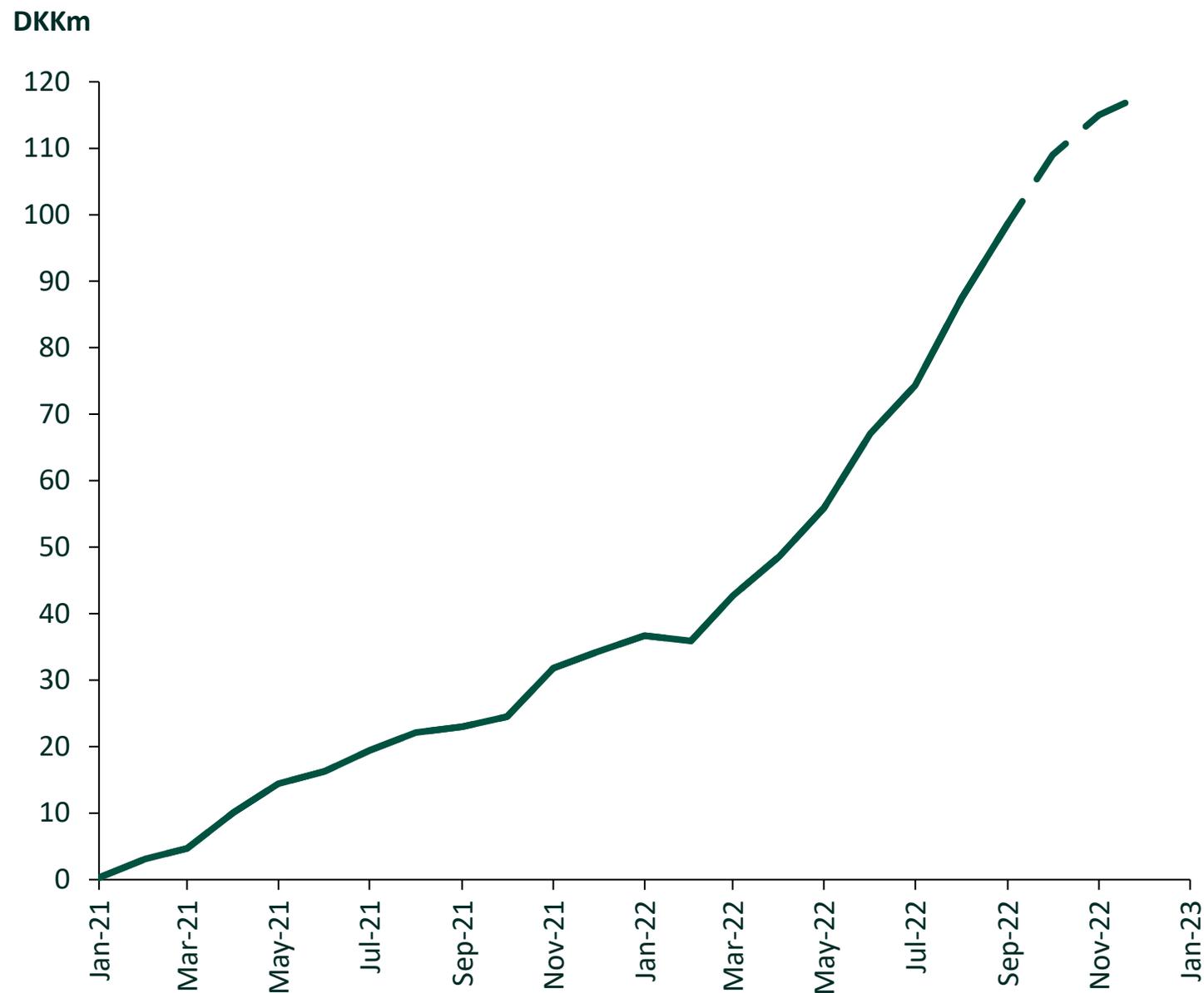
# Investments in people and sales & marketing into the Italian organization



Source: IRI Data, Off-Trade

# Increased freight costs in International business unit

(accumulated y/y changes)



# 2022 outlook

- Net revenue now in the upper-half of the range of DKK 10,700 – 11,700 million
- EBIT of around DKK 1,600 million
- More prudent expectation for the development in consumers' general out-of-home spend rest of year
- Fully open On-Trade for the remainder of the year
- Mainstream and below mainstream expected to take share in the market from above mainstream



# Management agenda

- Passing on COGS increases
- Reduce discretionary spending, while supporting growth
- Retain solid underlying growth
- Securing right capacity levels to support growth
- Planning to insource volumes to Amsterdam Brewery in Q2 2023
- Integration of Norway
- Expansion of PepsiCo deal 1 January 2023



# Q&A

# Appendix

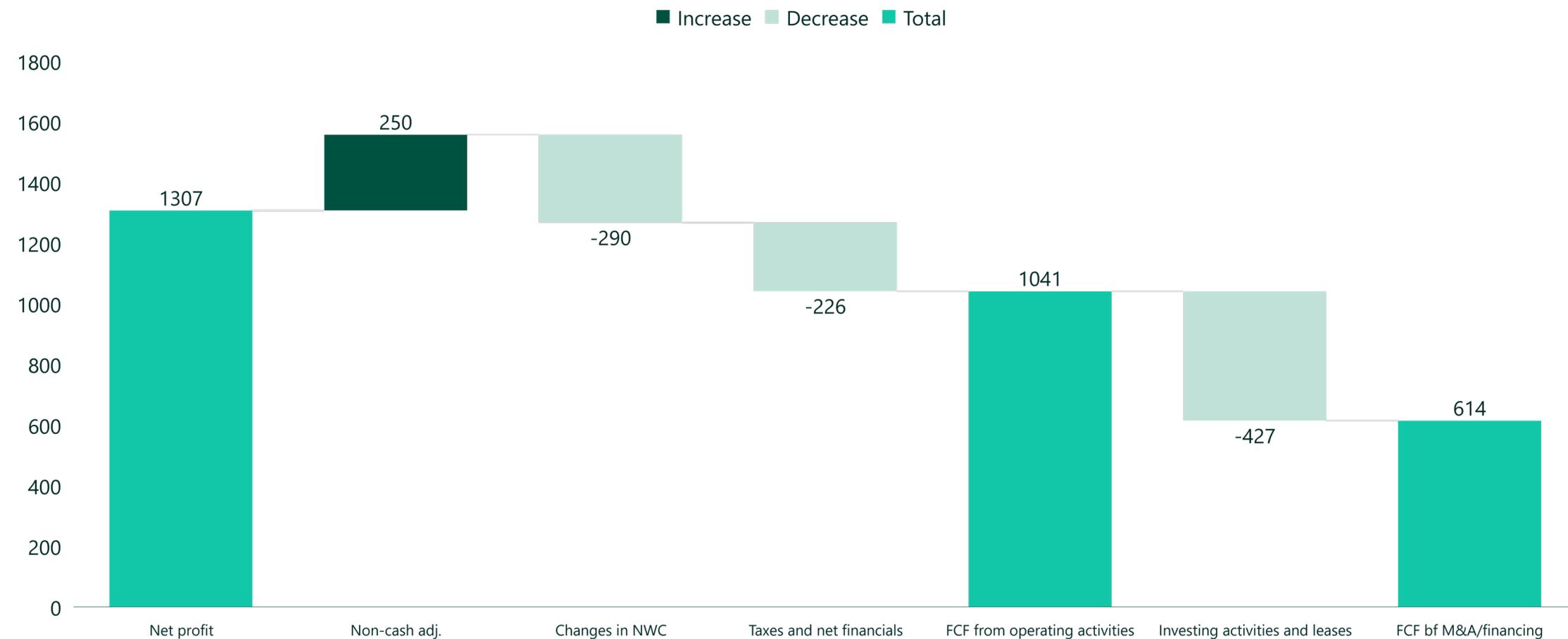
# Resilient volumes and solid pricing

## Strong top-line growth

- Strong topline development with 2% (Q1-Q3: 2%) organic volume growth and 12% (Q1-Q3: 14%) organic revenue growth
- Organic EBIT decline of 20% (Q1-Q3: -16%) driven by input price increases and investments in the organization
- Acquisitions contributed around DKK 80 million to EBIT in the first three quarters of the year
- Free cash flow of DKK 304 million (Q3 2021: DKK 551 million)
- Full-year outlook for net revenue in the upper-half of DKK 10,700-11,700 million and an EBIT of around DKK 1,600 million



# Free cash flow Q1-Q3 2022 (mDKK)



Q1-Q3 2021:

1,068

560

42

-166

1,504

-270

1,234



Thank you for your attention