



Interim Report

1 January – 30 June 2019

August 28, 2019



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



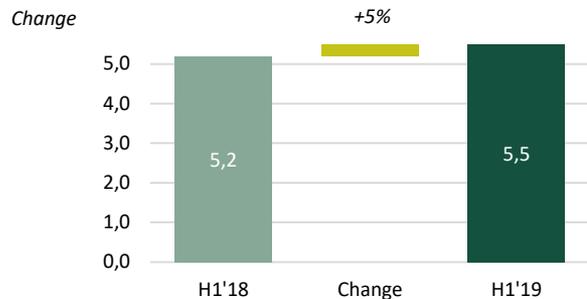
Consistent commercial execution and acquisitions drive solid earnings growth

- 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

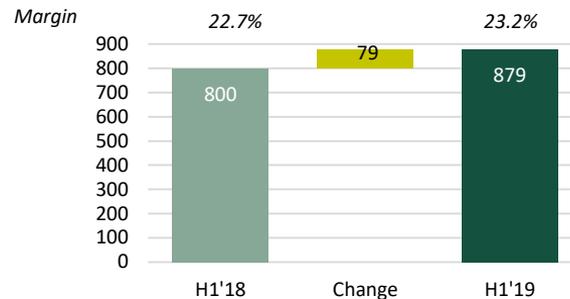


Positive development on all parameters

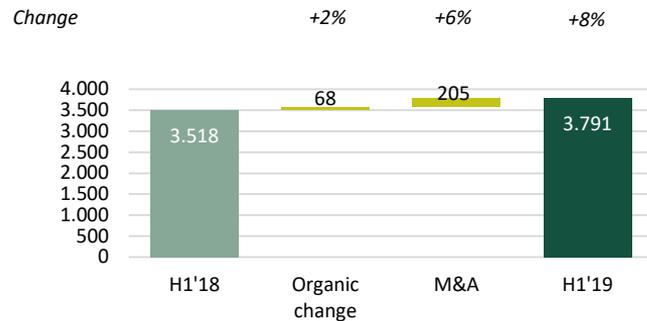
Volume million hl



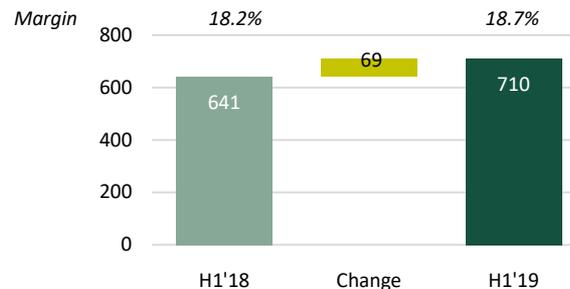
EBITDA DKKm



Net revenue DKKm



EBIT DKKm



Financial performance

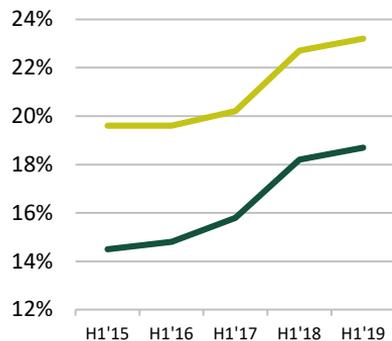
| mDKK | H1'19 | H1'18 | Change |
|----------------------|-------|-------|--------|
| P&L ITEMS | | | |
| Net revenue | 3,791 | 3,518 | 273 |
| Gross margin | 53.0% | 52.4% | 0.6pp |
| EBITDA | 879 | 800 | 79 |
| EBITDA margin | 23.2% | 22.7% | 0.5pp |
| EBIT | 710 | 641 | 69 |
| EBIT margin | 18.7% | 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

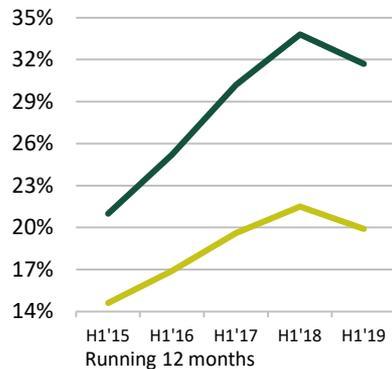
Key figure performance

Profit margins



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

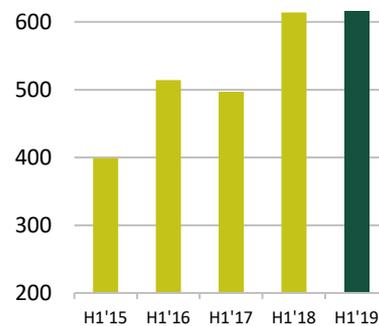
ROIC



— ROI incl. goodwill
— ROI ex. goodwill

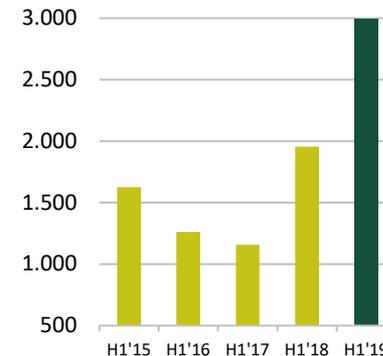
Free Cash Flow

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

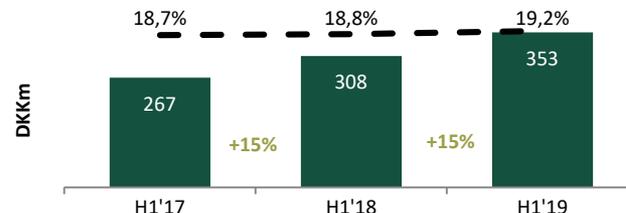
Baltic Sea

- 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

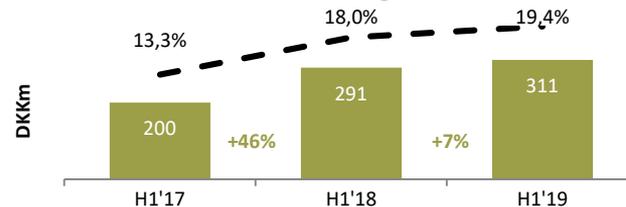
International

- 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

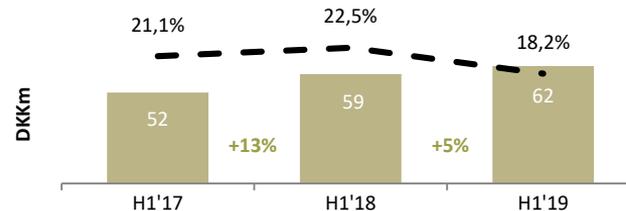
Western Europe EBIT and EBIT margin



Baltic Sea EBIT and EBIT margin

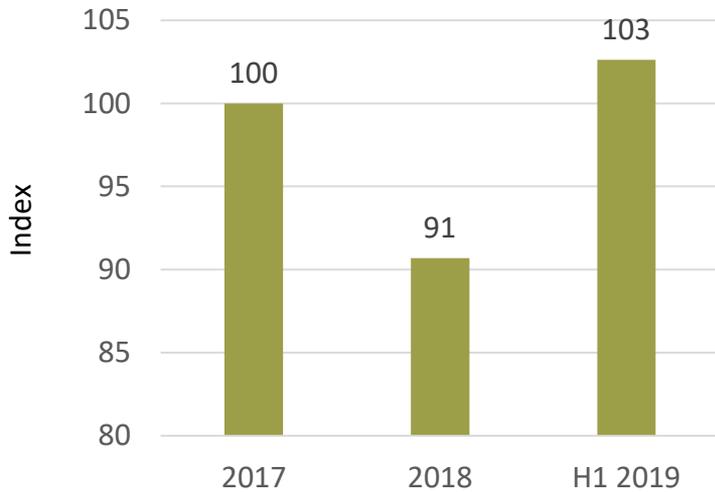


International EBIT and EBIT margin

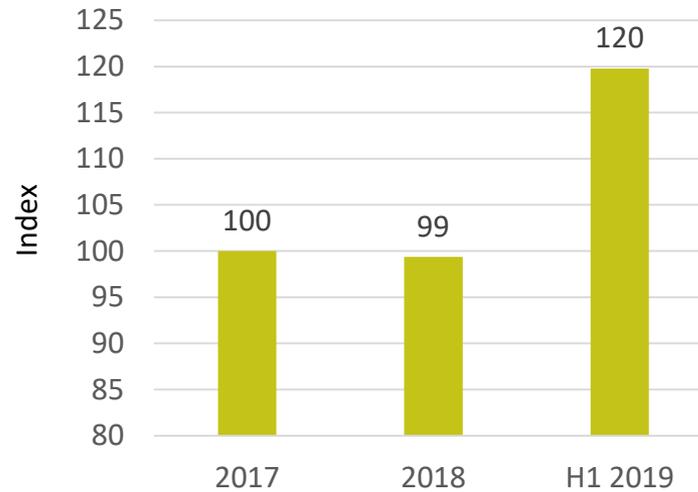


CRODO SOFT DRINKS development

Volume



Net revenue



2017 = acquired baseline

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

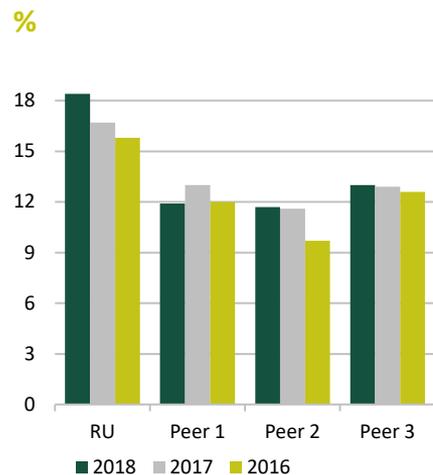
Cash Flow H1'19



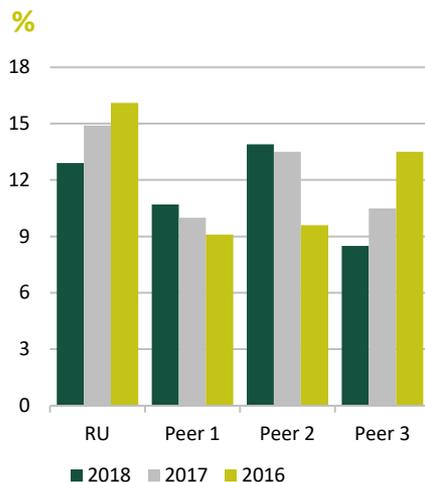
| | | | | | | | | | |
|---------------|------------|-----|-----|----|-----|-----|----|------|-----|
| H1'18: | 502 | 302 | 804 | -7 | -97 | 700 | 15 | -101 | 614 |
|---------------|------------|-----|-----|----|-----|-----|----|------|-----|

Performance to peers 2018

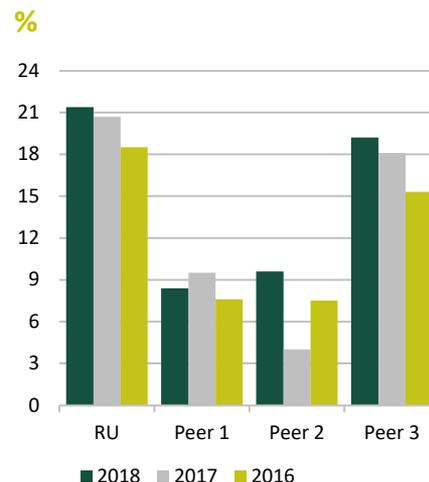
**EBIT margin
(comparable region)**



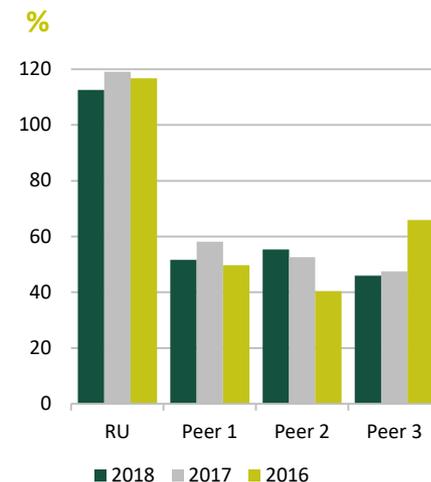
**Free cash flow
% of revenue**



**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

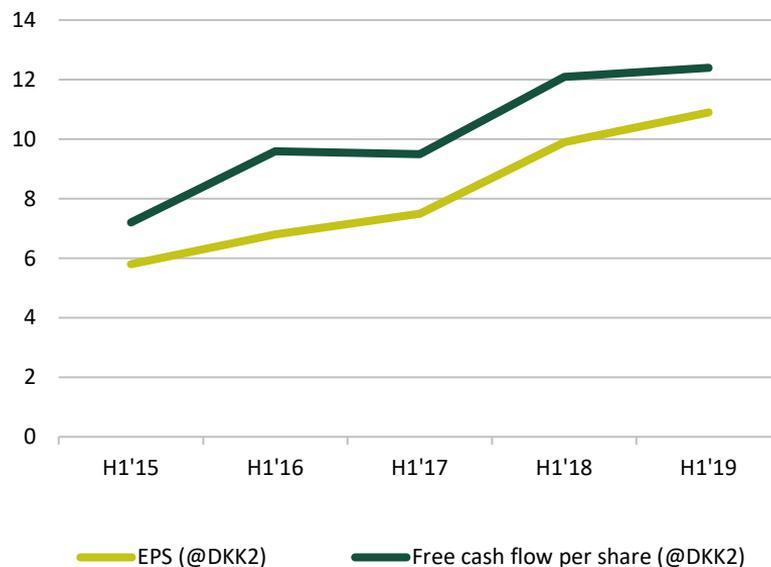
- Safe Harbour program
- Duration until 31 October 2019

Share buy-back program as per June 30, 2018

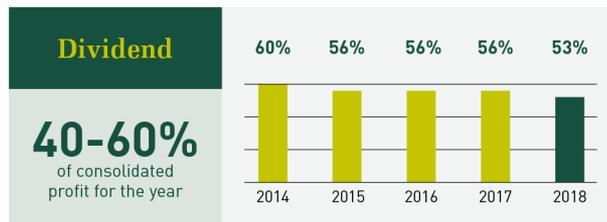
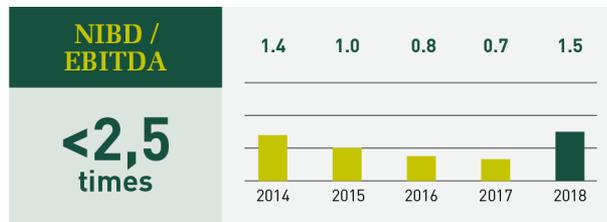
(existing and previous program)

- 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

Disclaimer

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