



Interim Report

1 January – 30 September 2016

24 November 2016

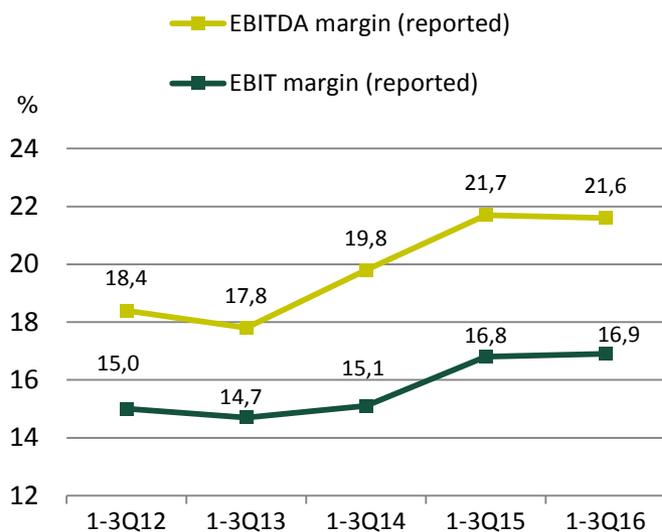
Performance as expected - strong commercial execution

- Market positions maintained
- Volume increase of 9% to 7.5mHL
- Net revenue increase of 6% to DKK 4.9bn
- EBIT increase of 6% to DKK 825m
- EBIT-margin increase from 16.8% to 16.9%
- Free cash flow incl. Aarhus sale up DKK 42m to DKK 835m
- Earning outlook 2016 specified to the upper end of intervals

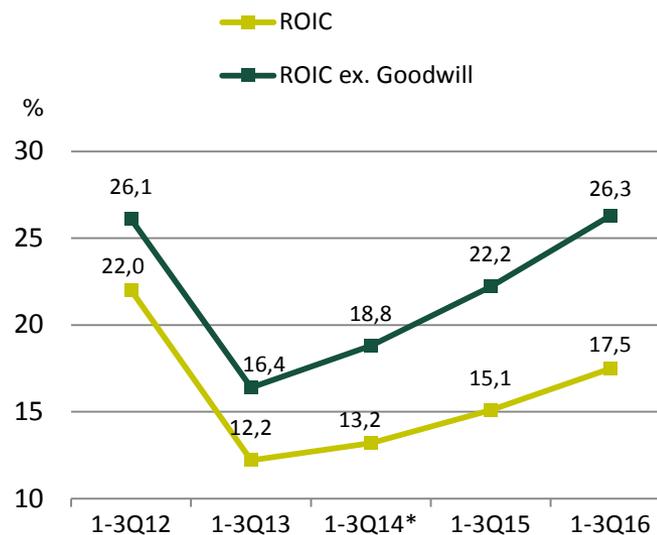


Strengthening of key performance figures

PROFIT MARGIN



RETURN ON INVESTED CAPITAL

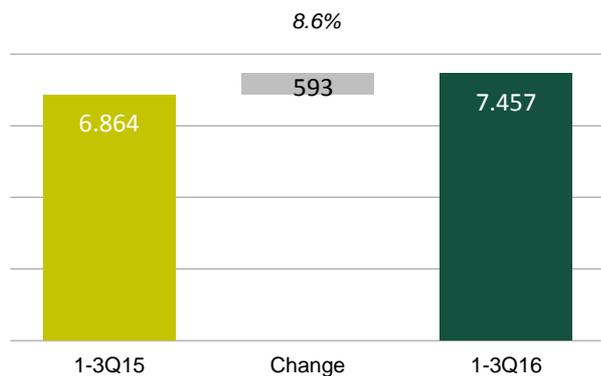


* 1-3Q14 proforma – incl. Hartwall from 1.7. – 22.8.2013

Higher results on higher level of activity

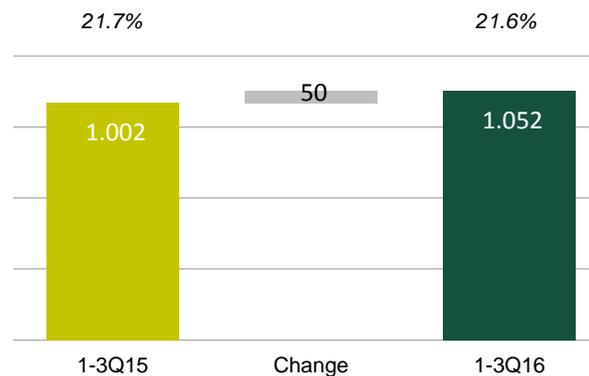
VOLUME – HL (000)

Change



EBITDA - MDKK

Margin



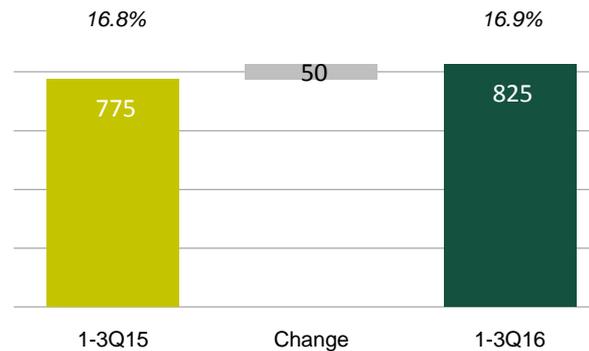
NET REVENUE - MDKK

Change



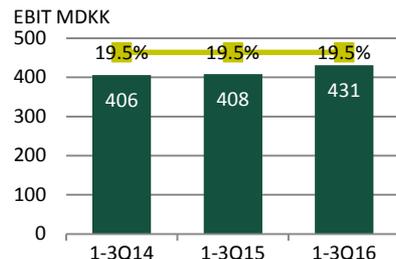
EBIT - MDKK

Margin



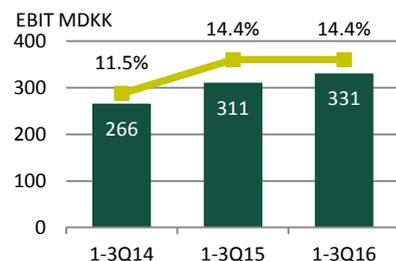
Earnings increase in all business segments

WESTERN EUROPE



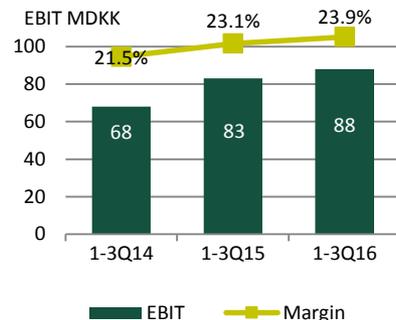
- Volume +3%, NR 5% incl. snacks, EBIT +6%
- Denmark & Germany – strengthened market position
- Increased consumer interest in craft/specialties
- PepsiCo snacks business developing as planned
- Italy – unchanged market if weather adjusted. Market positions maintained

BALTIC SEA



- Volume +14%, NR +6%, EBIT +6%
- Finland – positive effect from value management. Excluding the extraordinary campaign, which continues to Q1'17, market position declining
- Baltics - excise, deposit & collection fee leading to declining consumption
- The new PepsiCo soft drink business in the Baltic developing as planned

MALT & EXPORT



- Volume +0%, NR +3%, EBIT +6%
- Difficult macroeconomics and FX in Africa and certain parts of Americas
- Sell-out progressing as planned, while we see de-stocking at distributor level
- Continued investment in the organization and market positions
- Focus on deeper penetration and rotation in existing markets

Improved financial performance

MDKK

P&L ITEMS:

	1-3Q 2016	1-3Q 2015	Change	FY 2015
Net revenue	4,874	4,610	264	6,032
Gross margin	52,7%	53,6%	-0.9 pp	52.6%
EBIT	825	775	50	917
EBIT margin	16.9%	16.8%	0.1 pp	15.2%
Profit before tax	818	756	62	902
Consolidated profit	641	588	53	711

BALANCE SHEET ITEMS:

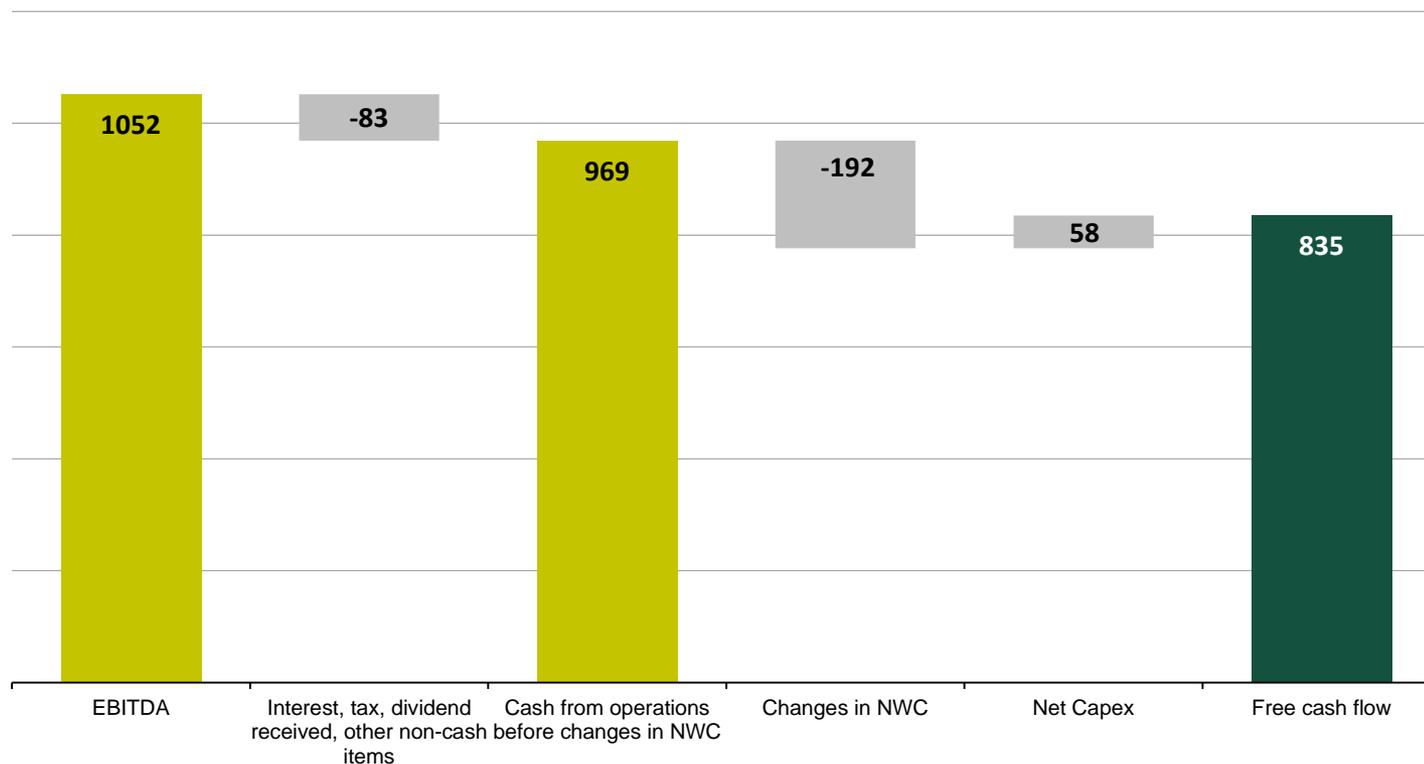
Net interest bearing debt	1,053	1,323	-270	1,184
Net working capital	-791	-742	-49	-990
Total assets	6,260	6,728	-468	6,748
Equity	2,895	2,896	-1	2,935
Equity ratio	46.2%	43.0%	3.2 pp	43.5%



Continued strong free cash flow performance

CASH FLOW – DKKM

1-3Q15: 1002 -93 909 -85 -31 793



August earnings outlook 2016 now specified to the upper end of the earnings intervals

mDKK	Updated outlook August 2016	Original outlook March 2016	Realized 2015	Realized 2014
Net revenue	6,275 – 6,450	6,150 – 6,400	6,032	6,056
EBITDA	1,240 – 1,290	1,190 – 1,290	1,225	1,130 *)
EBIT	935 – 985	885 – 985	917	826 *)

*) Incl. 50 mDKK one-time restructuring costs



Q&A



DISCLAIMER:

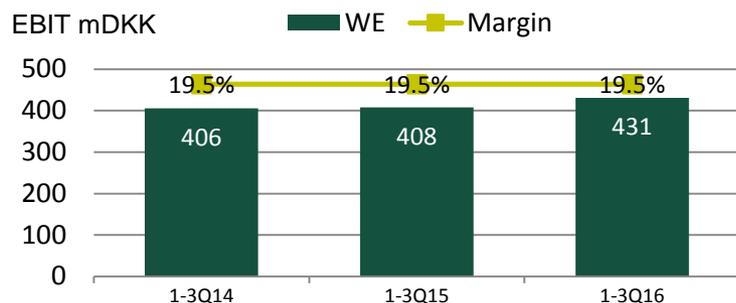
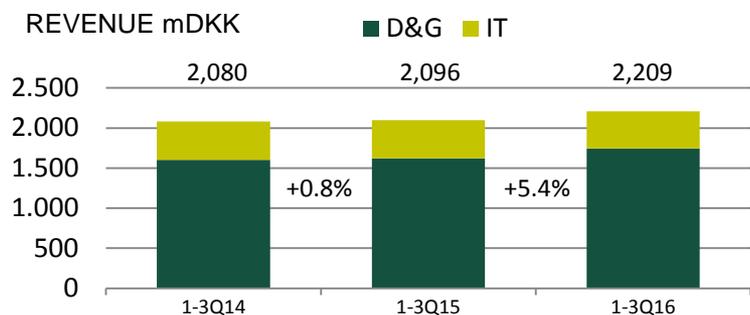
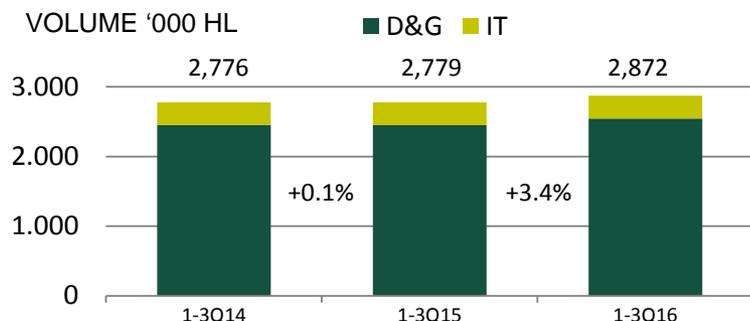
- This announcement contains forward-looking statements. Undue reliance should not be placed on forward-looking statements because they relate to and depend on circumstances that may or may not occur in the future and actual results may differ materially from those in forward-looking statements. Forward-looking statements include, without limitation, statements regarding our business, financial circumstances, strategy, results of operations, financing and other plans, objectives, assumptions, expectations, prospects, beliefs and other future events and prospects. We undertake no obligation, and do not intend to publicly update or revise any of these forward-looking statements, unless prescribed by law or by stock exchange regulations.

Status on Craft beer, premiumization and growth initiatives

- Increased focus on craft & speciality beer
 - Opening of new micro-brewery in 2017 - increased craft and specialty beer capacity
 - Craft and specialty beer organization adaptations and strengthening of know-how
 - Craft beer portfolio
- Premiumization and value enhancement
 - Continued development of premium and super-premium market positions and brands
 - Innovations and consumer activation
- **Malt & Beverages** – deeper penetration & rotation in existing markets (new & "heritage" markets)
- Extension of PepsiCo co-operation – delivering appr. 2% growth to NR in 1-3Q16

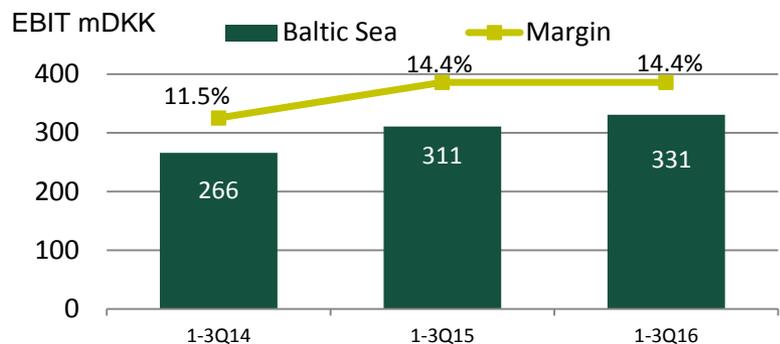
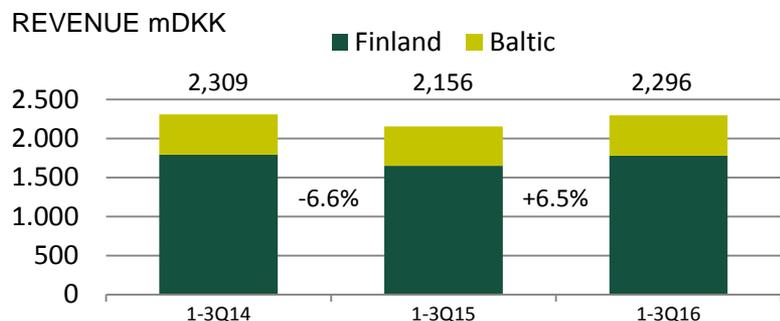
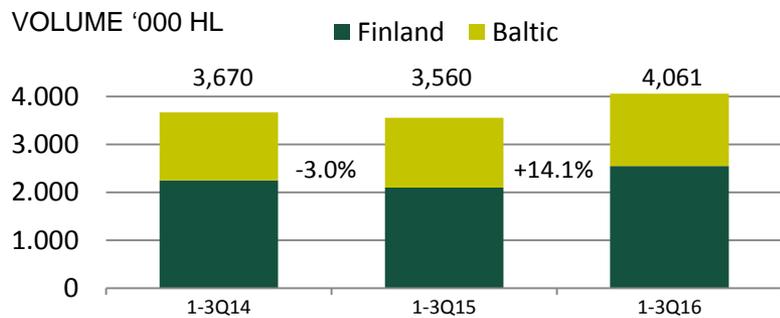
From August '16 presentation

Western Europe – revenue & earnings growth



- **Denmark and Germany** - continued strengthening of market position
- **Consumer preferences** - increasing interest in craft & speciality beer. Shift towards branded products continues but at a slower rate
- **Commercial focus on craft & specialty beer** - establishment of micro-brewery in Denmark & strengthening of know-how
- **Innovations** – focus on premiumization including craft & speciality beer
- **PepsiCo** distribution of snacks in Denmark progressing as planned
- **Italy** - overall beer consumption unchanged. Market position maintained

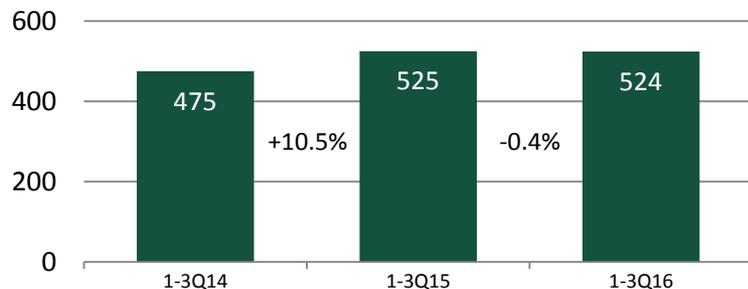
Baltic Sea – revenue & earnings growth



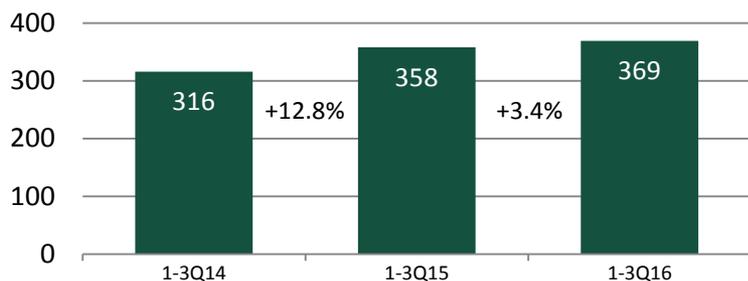
- **Finland** - weather adjusted consumption unchanged. Consumer confidence remain weak
- Value management - NR/HL is up excluding extraordinary campaign
- Branded market positions excl. extraordinary campaign down
- Commercial agenda – value management and focus on relationship with the trade, in-store execution and innovations
- Continuous efficiency improvements and operational leverage
- **Baltic** - market position maintained
- Declining consumption. Increased consumer prices from excise increases, can deposit and collection fee
- PepsiCo distribution of soft drink in Baltics progressing as planned

Malt Beverages & Export – revenue & earnings growth

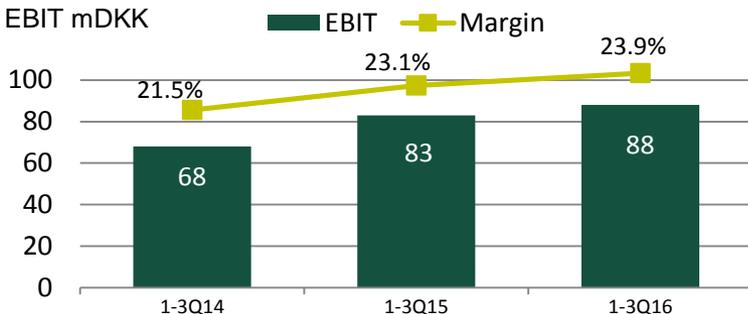
VOLUME '000 HL



REVENUE mDKK



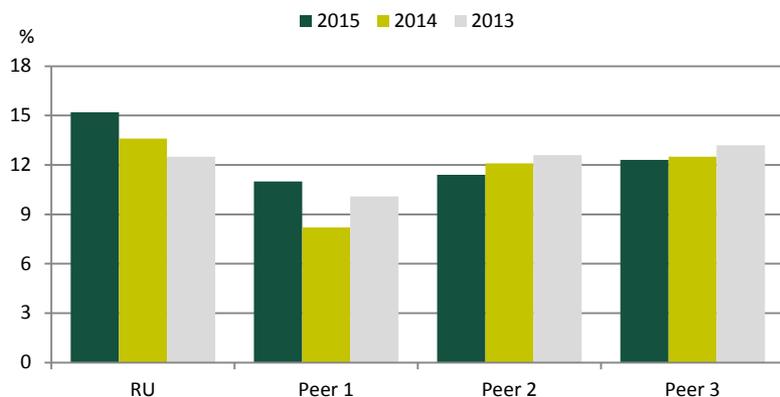
EBIT mDKK



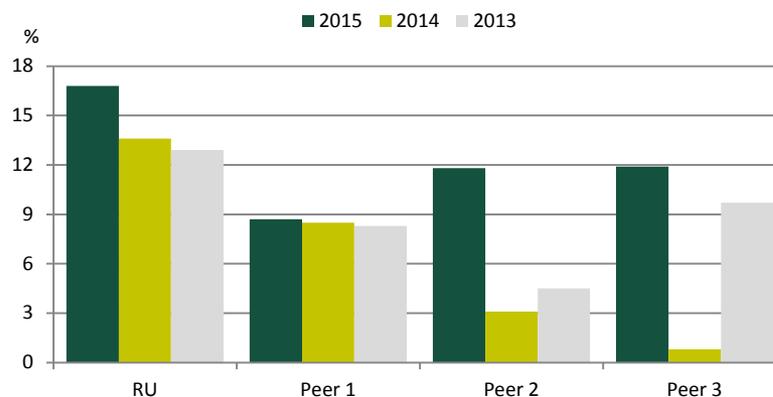
- Continued growth
- Sell-out progressing as planned – continued destocking at distributor level
- Developing countries challenged by low commodity demand and energy prices:
 - Macroeconomics – negative impact
 - Hard currency – restricted access
 - Purchasing power – FX depreciation
- Increased penetration – continued revenue growth in spite of challenges
- Deeper penetration – leverage on existing markets and distributors
- Marketing and organizational investment continues as planned.

Solid performance to peers 2015

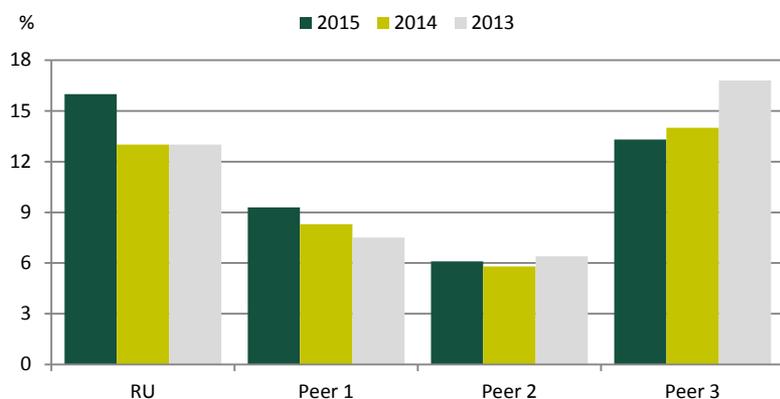
EBIT MARGIN (COMPARABLE REGION)*



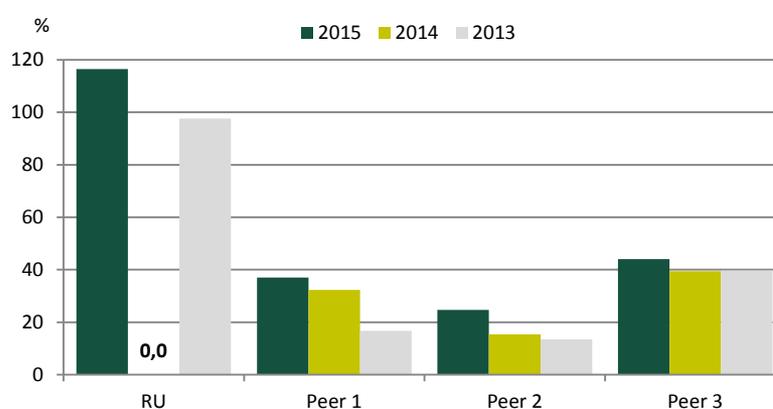
FREE CASH FLOW – % OF REVENUE



RETURN ON INVESTED CAPITAL**



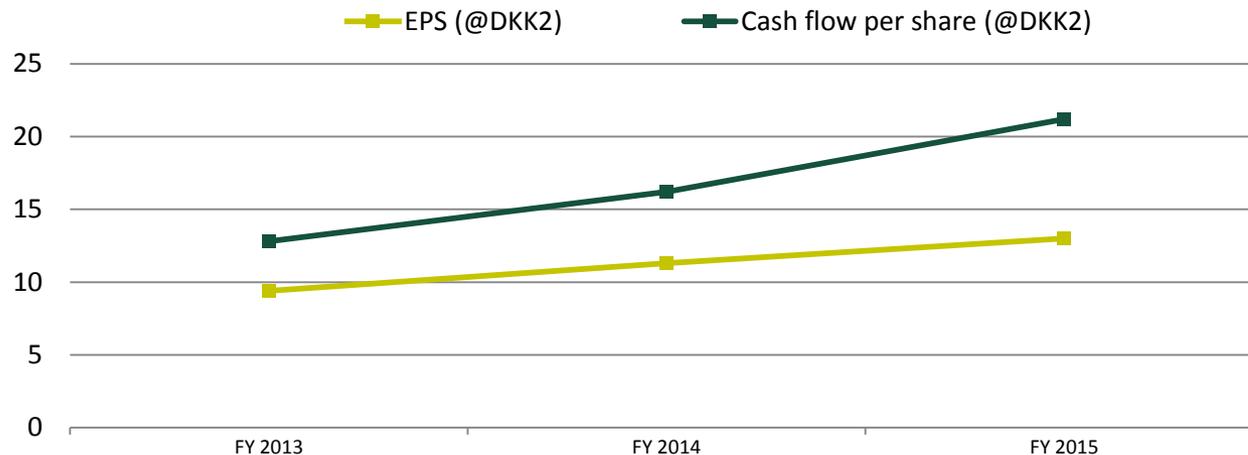
CASH RETURN TO SHAREHOLDERS



* Based on FY2013 and FY2014 results on comparable basis. RU proforma 2013 EBIT margin 12,0%

** Based on average invested capital vs. previously on year end figures

Shareholder distribution



- Dividend for 2015 of DKK 400m, DKK 7,20 share
- A new share buy-back program under safe harbor worth DKK 450m initiated March 2016 for a maximum period of 12 month
- Share buy-back as per 30.9.16 (existing and previous program): 1,068,554 shares bought at a total value of DKK 318m

Financial targets - History

	November 2015 revised target	August 2014 revised target	Post Hartwall acquisition target**	Pre Hartwall acquisition target*
EARNINGS	EBIT margin 15%	EBIT margin 14%	EBIT margin 13%	EBIT margin 14%
EQUITY RATIO	Minimum 30%	Minimum 30%	Minimum 30%	Minimum 30%
NIBD/EBITDA	Maximum 2.5x	Maximum 2.5x	Maximum 2.5x	Maximum 2.5x

- Dividends and share buy-backs resumed in 2015
- Distribution policy:
 - Dividends 40-60% of group net result
 - Share buy-back to adjust capital structure

* Basically no amortization

** Amortization from the acquisition decreased EBIT-margin by approx. 50bp