



Interim Report

1 January – 31 March 2019

25 April 2019



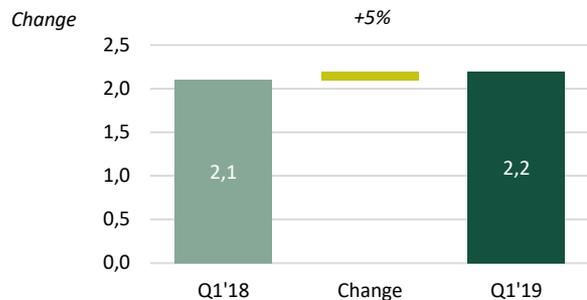
Solid start of 2019 in line with expectations

- **Higher financial result despite Easter sales not included in Q1 as last year.**
- **Financial highlights**
 - Net revenue amounted to DKK 1,521m compared to DKK 1,452m last year. An increase of 4.8% of which 0.4% was organic
 - EBIT increased DKK 17m to DKK 211m
 - Free cash flow at DKK -156m compared to DKK -278m in Q1-2018
 - Market shares generally increased slightly
- **M&A activities**
 - Acquisition of CULT concluded 28 February 2019 after a long approval process. CULT will be merged into Royal Unibrew in Q2
 - Integration of Lorina and Terme di Crodo are progressing as planned
- **Outlook**
 - The outlook from March 2019 is maintained

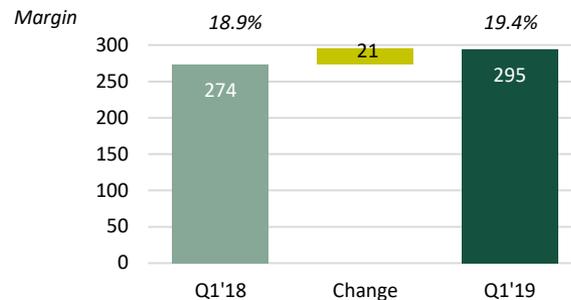


Positive development on all parameters

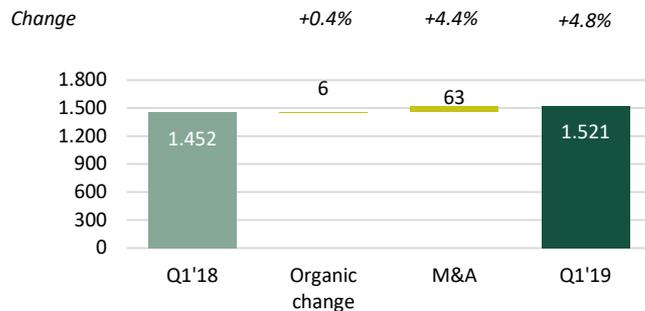
Volume million hl



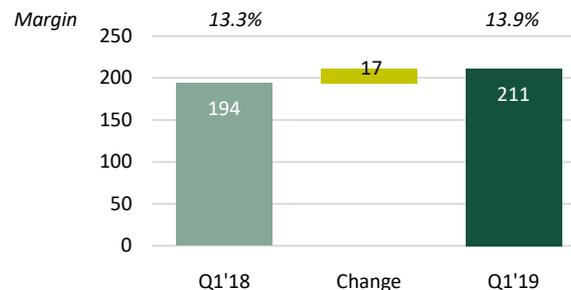
EBITDA DKKm



Net revenue DKKm



EBIT DKKm



Financial performance

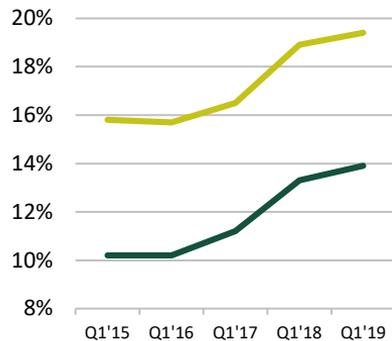
mDKK	Q1'19	Q1'18	Change
P&L ITEMS			
Net revenue	1,521	1,452	69
Gross margin	51.3%	50.9%	0.4pp
EBITDA	295	274	21
EBITDA margin	19.4%	18.9%	0.5pp
EBIT	211	194	17
EBIT margin	13.9%	13.3%	0.6pp
Profit before tax	200	181	19
Net profit	153	142	11

mDKK	Q1'19	Q1'18	Change
BALANCE SHEET ITEMS			
Net interest bearing debt	3,047	2,224	-823
Net working capital	-399	-488	-89
Total assets	8,735	7,347	1,388
Equity	3,001	2,791	210
Equity ratio	34%	38%	-4pp
Invested capital	6,503	5,324	1,179
ROIC ex. goodwill*	27%	27%	0pp
ROIC incl. goodwill*	18%	18%	0pp

* Running 12 months – EBIT not full year for acquisitions

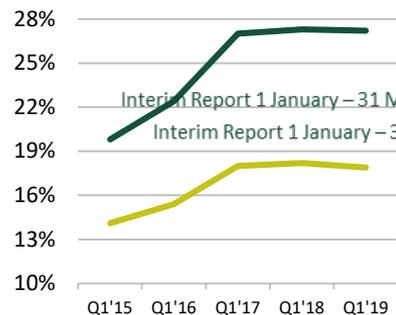
Key figure performance

Profit margins



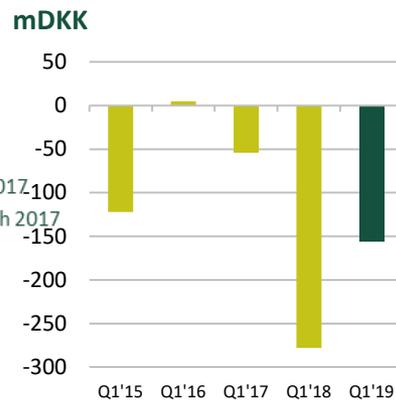
— EBITDA margin (reported)
— EBIT margin (reported)

ROIC

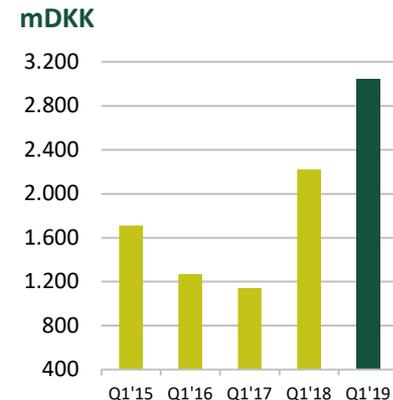


— ROIC incl. goodwill
— ROIC ex. goodwill

Free Cash Flow



NIBD



Development in segments

Western Europe

- Volume +11%, Revenue +11%, EBIT growth +11%
- Denmark & Germany
 - Sales value per volume unit was higher due to improved price/pack execution.
 - We continue to gain market share from the low end of the market.
- Southern Europe
 - Organically volumes increased by 14% and net revenue 9% supported by growth from the Terme di Crodo portfolio
 - Integration of the Lorina business in France is proceeding according to plan.

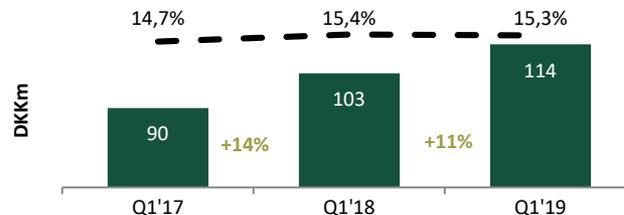
Baltic Sea

- Volume 0%, Revenue -5%, EBIT growth +7%
- Finland
 - Lower activity in Q1 2019 compared to last year where Easter and changes in the alcohol legislations affected positively
- Baltics
 - Beer market remains challenging due to legislative changes
 - We have maintained our market share in the beer segment but gained in the non-alcohol segment

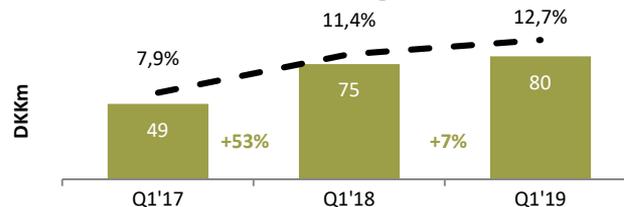
International

- Volume +4%, Revenue +20%, EBIT growth +4%
- Excluding Lorina acquisition revenue grew by 4%
- Slightly positive impact from exchange rates
- BREXIT and increased sugar tax put an extraordinary pressure on our malt business in UK

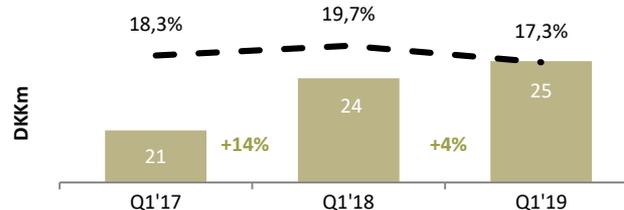
Western Europe EBIT and EBIT margin



Baltic Sea EBIT and EBIT margin



International EBIT and EBIT margin



Outlook 2019

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

Outlook assumptions

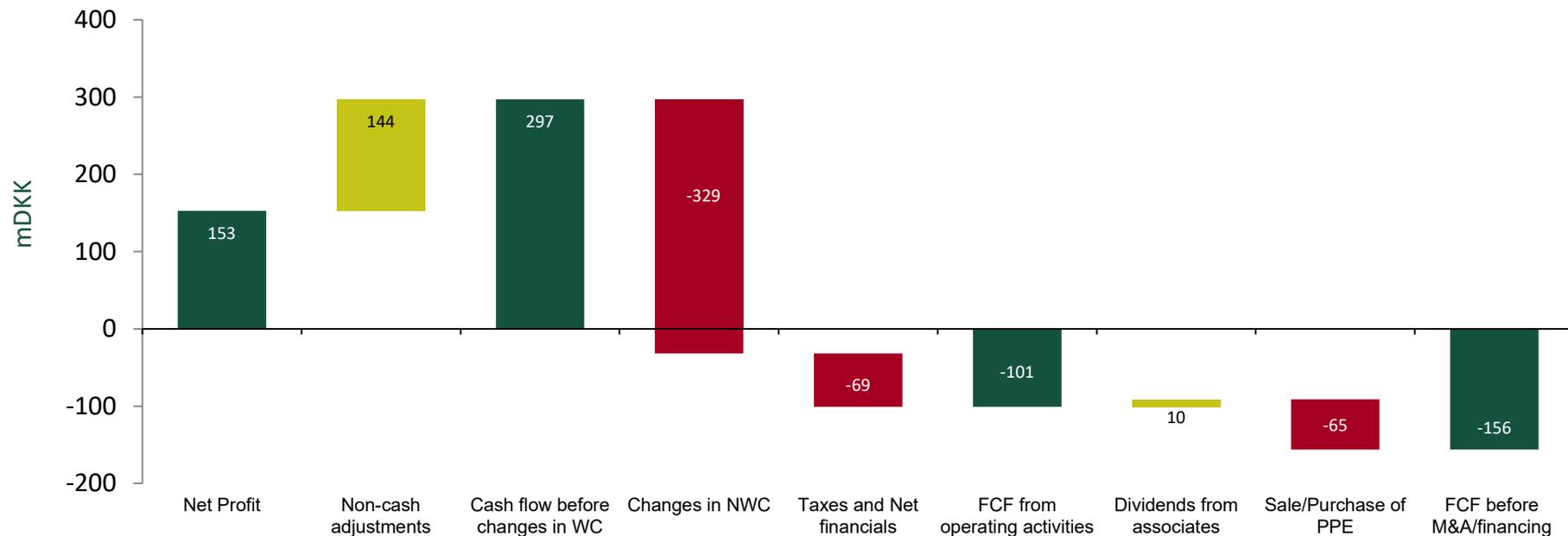
- Based on a normal summer
- We expect slight net price increases to compensate for higher input cost
- Key raw and packaging material have been hedged for 2019
- The acquisition of Lorina and CULT are expected to affect net revenue positively
- Costs are expected to follow inflation in 2019
- Gross investments, including operating leases are expected to stay around 4.7% of net revenue

APPENDIX



Cash flow generation

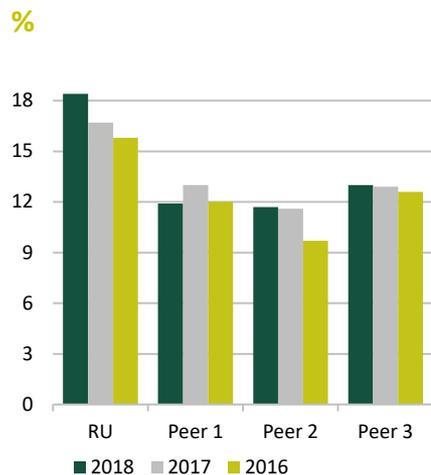
Cash Flow Q1'19



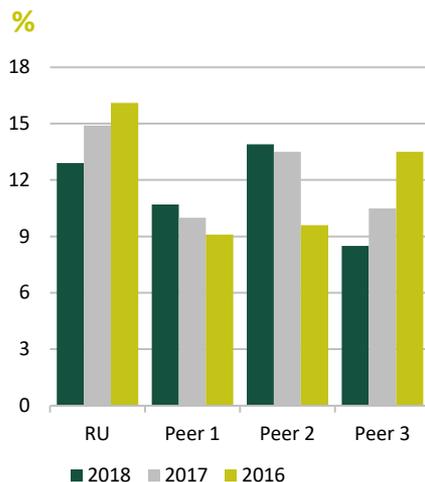
Q1'18:	142	135	277	-456	-70	-249	11	-40	-278
---------------	------------	-----	-----	------	-----	------	----	-----	------

Performance to peers 2018

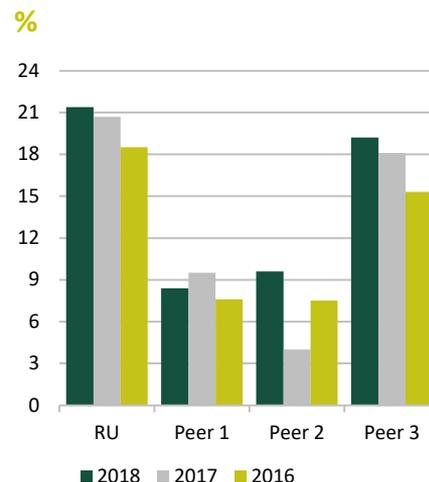
**EBIT margin
(comparable region)**



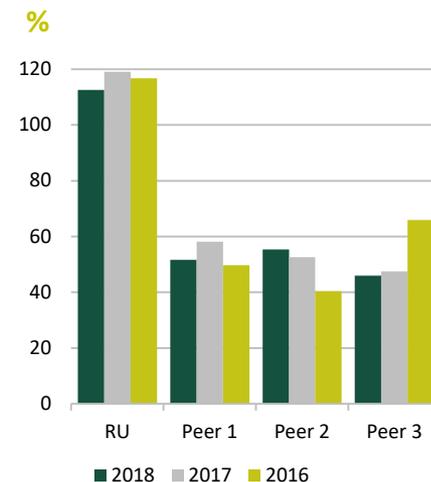
**Free cash flow
% of revenue**



**Return on invested
capital***



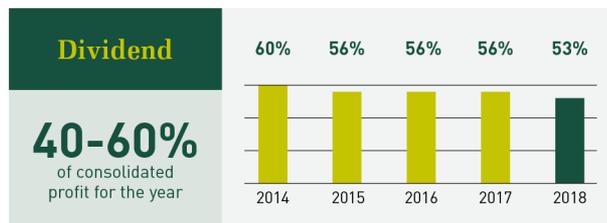
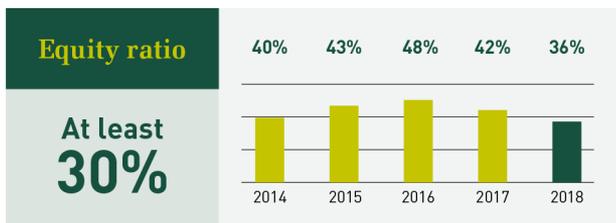
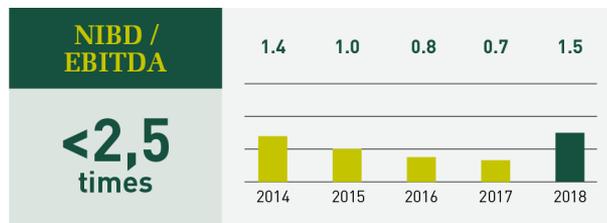
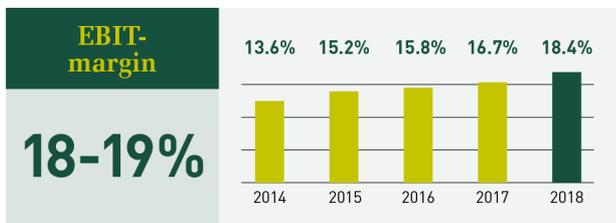
**Cash return to
shareholders****



* Based on average invested capital

** Percentage of net profit the year before

Financial targets



Share buy-back is used to adjust the capital structure

Disclaimer

This Interim Report contains forward-looking statements, including statements about the Group's sales, revenues, earnings, spending, margins, cash flow, inventory, 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. The Group assumes no obligation to update any such forward-looking statements 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, 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.