



Trading Statement

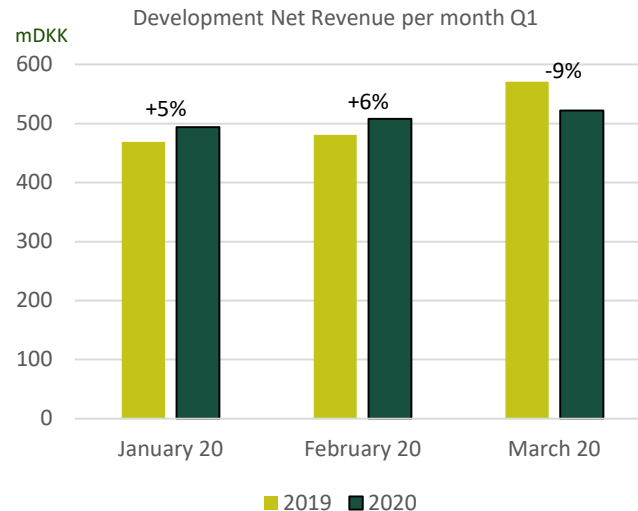
1 January – 31 March 2020

29 April 2020


ROYAL
UNIBREW

Strong start of 2020

- EBIT in line with Q1 2019
- January and February started out strong across all regions
- Innovations driving growth
- COVID-19
 - Closure of On-Trade in March
 - Initiatives to manage cost and cash
 - Drinking occasions are changing



Baltic Sea Segment

Baltic Sea Segment

- The Baltic Sea segment comprises the markets in Finland and the Baltic countries (Lithuania, Latvia and Estonia) as well as a license business in Russia

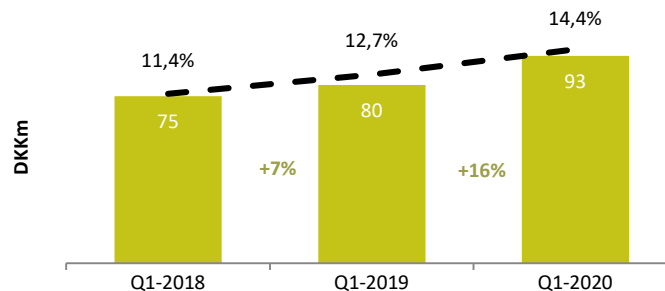
Financial result

- Net revenue increased by 3%
- Total volume increased by 1%
- EBIT increased 16% and EBIT-margin improved 1.7 percentage point
- Positive volume development in all countries with a good price/mix development

COVID-19

- The impact from COVID-19 effected the Baltic Sea segment relatively late as the On-Trade business remained open till late March

Baltic Sea EBIT and EBIT margin



Western Europe

Western Europe Segment

- The Western Europe segment comprises the markets in Denmark, Germany, Italy (incl. the Balkan countries) and France

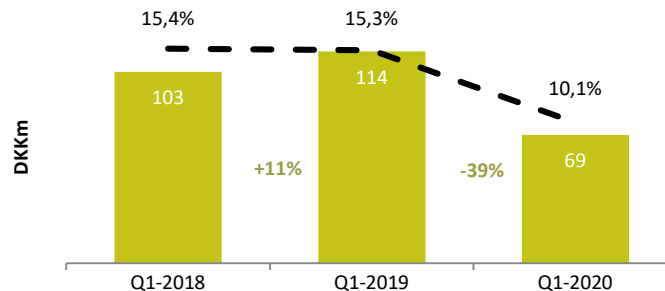
Financial result

- Net revenue decreased by 7%
- Total volume decreased by 6%
- EBIT decreased 39% and EBIT-margin declined 5.2 percentage point
- Negative impact from product mix, provisions from bad debts and lower operational leverage and limited cost savings

COVID-19

- The impact from COVID-19 effected the Western Europe segment with Italy and Denmark (incl. Boarder) closing down early March

Western Europe EBIT and EBIT margin



International

International Segment

- The International segment comprises the export and license business to international markets outside Denmark (incl. Germany), Finland, Italy (incl. the Balkan countries), France and the Baltic countries

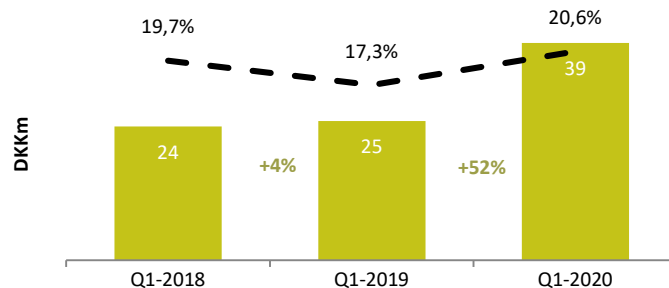
Financial result

- Net revenue increased by 28%
- Total volume increased by 21%
- EBIT increased 52% and EBIT-margin increased 3.3 percentage point
- The international segment was positively impacted by a strong push to ensure that sufficient products are available in case the supply chains will be disrupted
- It is estimated that the distributors' sales to their customers increased by about 10%

COVID-19

- Strong push to ensure that sufficient products are available in case the supply chain will be disrupted

International EBIT and EBIT margin



On-Trade is impacted by restrictions

- Main impact from COVID-19 is in On-Trade
- Generally Royal Unibrew share of On-Trade is higher than the overall market as discount products and private label are not sold in On-Trade
- Timing of restrictions
 - Italy impacted from beginning of March
 - Denmark impacted from mid March
 - Finland and Baltics impacted from late March



Supply Chain and Sourcing

- All breweries and plants have been in operation throughout COVID-19
- Great work by all employees
- Significant changes to our forecasting on a daily basis to adjust needs
- Logistics working close to 100%, few delays
- Adjusting short term to the demand situation

Sourcing

- All critical suppliers are operating



Maximizing flexibility

Limited impact in Q1 of cost and cash initiatives

Our business model works despite expected changes to the market

- No need for major adjustments
- Temporary need to manage cost and cash

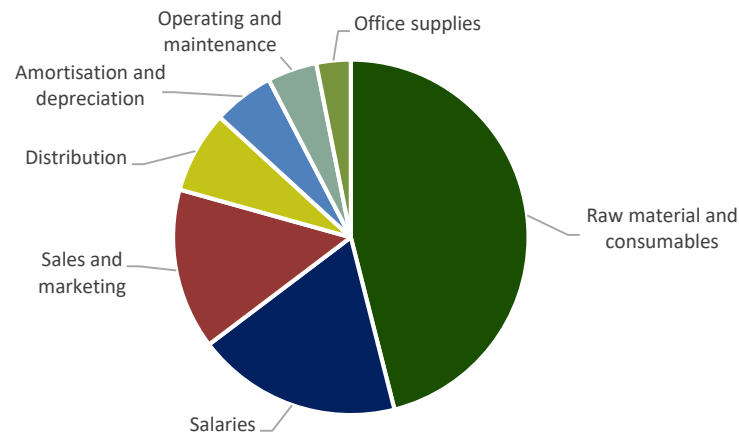
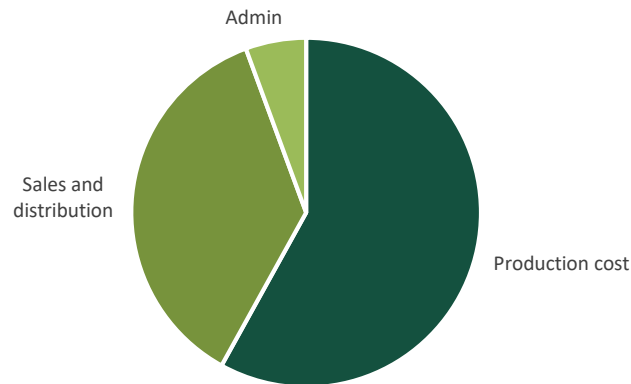
Production cost is partly variable

- Raw material and consumables is fully variable
- Salary partly variable (temp workers and government schemes)
- Depreciation charge is fixed, but CAPEX variable (timing)

Sales and distribution cost

- Agreements with customers create some fixed cost (sponsorships etc.)
- Marketing savings will take some time to materialise as some cost is committed
- Salary partly variable (temp workers and government schemes)
- Distribution is partly outsourced (variable), but warehouse cost and own/leased trucks are fixed

Admin cost is not volume dependent – but project work can be postponed



Financial performance

mDKK	Q1 2020	Q1 2019	FY 2019
Volume (thousand hl)	2,216	2,226	11,024
Net revenue	1,524	1,521	7,692
EBITDA	287	295	1,814
EBITDA margin (%)	18.8	19.4	23.6
EBIT	200	211	1,469
EBIT margin (%)	13.1	13.9	19.1
Profit before tax	188	200	1,458
Net profit	145	153	1,140
Free cash flow	-72	-163	1,156
Net interest-bearing debt	2,832	3,047	2,705
NIBD/EBITDA (times)*	1.6x	1.8x	1.5x
Equity ratio (%)	37	34	37

* Running 12 months



Balance sheet risk

Liquidity risk

- Suspension of the share buy-back program and dividend improve our cash flow with close to DKK 1 billion at the end of 2020
- Leverage level end of Q1 at 1.6 times EBITDA
- Undrawn committed RCF facilities of DKK 2.2 billion available the next 12 month and the main part with maturity end of 2023

Currency and commodity risk

- Main currencies DKK and EUR, USD almost naturally hedged
- Limited FX hedging contracts and limited risk of non-effective hedging contracts.
- Current hedge of aluminium with maturity of up to 18 month

Balance sheet risk

- Credit risk related to risk on customers and prepayments
- Inventory risk manageable
- Recently acquired companies are performing well



Management priorities

- Safety of our people
- Maximize flexibility
- Agility and follow consumer demand
- Stay very close to markets and follow the opportunities
- Evaluate the consequences and opportunities after COVID-19



Appendix



Financial performance

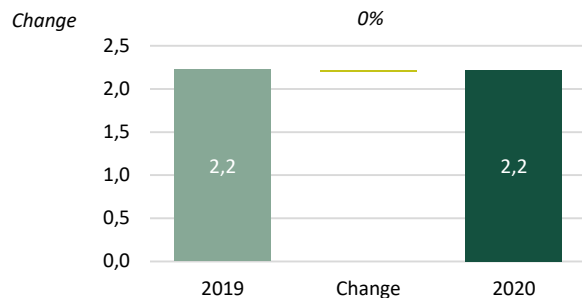
mDKK	Q1'20	Q1'19	Change
P&L ITEMS			
Net revenue	1,524	1,521	3
Gross margin	51.3%	51.3%	
EBITDA	287	295	-8
EBITDA margin	18.8%	19.4%	-0.6pp
EBIT	200	211	-11
EBIT margin	13.1%	13.9%	-0.8pp
Profit before tax	188	200	-12
Net profit	145	153	-8

mDKK	Q1'20	Q1'19	Change
BALANCE SHEET ITEMS			
Net interest bearing debt	2,832	3,047	215
Net working capital	-465	-399	66
Total assets	8,518	8,735	-217
Equity	3,181	3,001	180
Equity ratio	37%	34%	3pp
Invested capital	6,430	6,503	-73
ROIC ex. goodwill*	27%	27%	0pp
ROIC incl. goodwill*	18%	18%	0pp

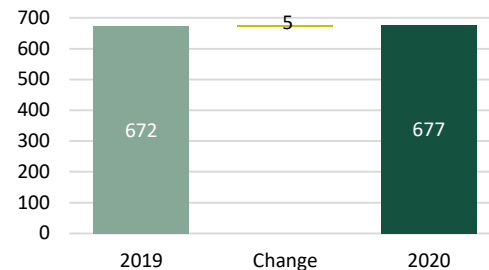
* Running 12 months – EBIT not full year for acquisitions

Development on key figures

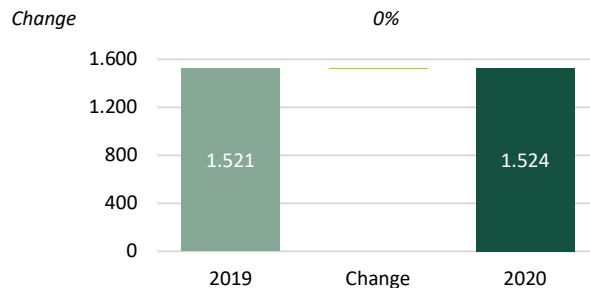
Volume million hl



Net revenue /HL



Net revenue DKKm



EBIT DKKm

