



Royal Unibrew A/S' acquisition of Vrumona in the Netherlands is finalized and full-year EBIT outlook maintained

September 29, 2023 at 1:00 PM CEST

COMPANY ANNOUNCEMENT NO 27/2023 - SEPTEMBER 29, 2023

In continuation of Company Announcement no 20/2023 published on July 3, 2023, we are pleased to announce that the acquisition of Vrumona is now finalized.

Royal Unibrew A/S today announces the closing of the acquisition of Vrumona, the second largest soft drink company in the Netherlands, from Heineken. Vrumona is located near Utrecht and employs more than 300 people. The company has a strong portfolio of own brands and partner brands supporting the health and sustainability agenda.

Lars Jensen, CEO of Royal Unibrew A/S, states: "I am happy to welcome the dedicated and talented people from Vrumona to the Royal Unibrew family. We are eager to onboard the strong organization and get started on the exciting journey to establish the company as a multi-beverage platform in Central Europe that will deliver organic earnings growth for years to come."

As previously announced, Royal Unibrew A/S is acquiring 100% of Vrumona at an enterprise value of EUR 300 million on a debt free basis. In 2022, Vrumona realized net revenue of EUR 200 million and an EBITDA of around EUR 25 million, resulting in an acquisition multiple (EV/EBITDA) of 12x.

The acquisition is expected to be EPS accretive in 2024, and ROIC on the acquisition is expected to exceed WACC within three years.

Vrumona fits very well into Royal Unibrew A/S' operating model of strong local businesses with strong local brands with its solid positions in On-Trade and Off-Trade. The company has been a front runner in creating healthy and functional beverages for years for which reason the majority of its business is within the no/low sugar and calories segment. With the acquisition, we establish a new growth platform and expand our geographical footprint while we also expand our longstanding relationship with PepsiCo as Vrumona is operating the full beverage portfolio from PepsiCo on a license agreement in a partnership dating back to 1949.

The Vrumona production facility in Bunnik includes seven lines with a current annual output of around 3.1 million hectoliters. The production facility is in a good condition; however, additional long-term investments are needed to improve efficiency as well as to expand capabilities and capacities. It is therefore expected that it will take some years before the platform is able to exploit its full organic growth potential.

Outlook for 2023 and the long-term EBIT margin target

Vrumona is expected to contribute around DKK 0.3 billion to net revenue for the remainder of the year, whereas the earnings contribution is expected to be insignificant due to transaction- and integration-related costs.

As a consequence, we are raising the expectations for full-year net revenue to approximately DKK 13.3 billion (previously: around DKK 13 billion), while maintaining full-year expectations for EBIT in the range of DKK 1,600-1,750 million.

As set out in the Annual report for 2022, our long-term EBIT margin target was dependent on no further large margin dilutive acquisitions and declining input costs in the coming years.

Vrumona will be dilutive to margins in the short- to medium-term.

We will in connection with the annual report for 2023 review our long-term EBIT margin target as part of the normal strategy process with the Board of Directors.

For further information on this announcement:

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About Vrumona

The soft drinks company from Bunnik, where around 325 people work, has been a wholly owned subsidiary of Heineken since 1968. Today, Vrumona has a strong position in both retail and Horeca. It is the second-largest player in the Dutch soft drink market and a frontrunner in healthier soft drinks with a range of established brands such as Royal Club, Sisi, Sourcy, Vitamin Water, and licensed brands such as 7 Up, Pepsi, and Rivella.

About Royal Unibrew A/S

Royal Unibrew is a leading regional multi-beverage company with strong local brand portfolios in its main markets in the Nordic region, the Baltic countries, Italy, France and Canada. In addition, its products are sold in more than 70 countries in the rest of the world. Royal Unibrew wants to be THE PREFERRED CHOICE as local beverage partner that challenge the status quo by doing better every day in a fun, agile and sustainable way.

Attachment

- [Fond-RU-27-2023-uk-Vrumona-closing_FINAL](#)