

SEB Nordic Seminar 2018

Royal Unibrew A/S

By CFO Lars Jensen

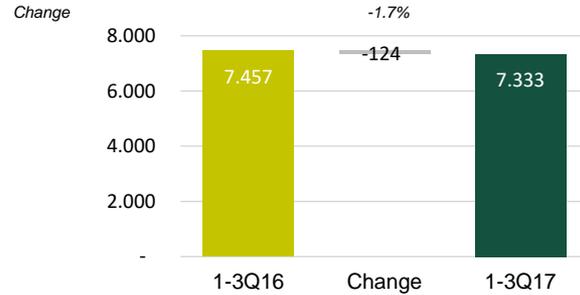
9 January 2018

Performance improvements in line with expectations

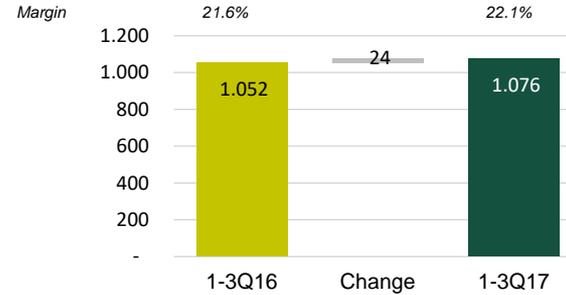
- Overall market positions maintained
- Volume 2% lower at 7.3 mHL
- Net revenue unchanged at DKK 4.9bn
- EBIT increased by 4% to DKK 862m
- EBIT-margin increase from 16.9% to 17.7%
- Free cash flow DKK 711m (DKK 835m including 1Q16 Aarhus sale DKK 160m)
- Acquisition of Italian Terme di Crodo – closing completed on 2 January 2018
- Outlook 2017 confirmed

Increasing earnings

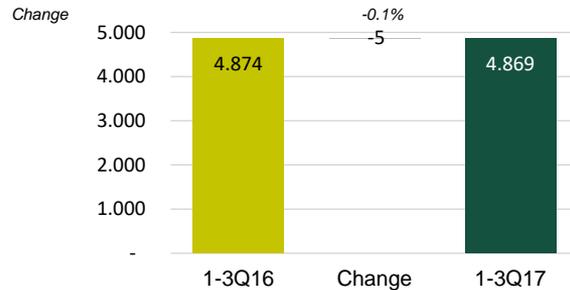
Volume '000 HL



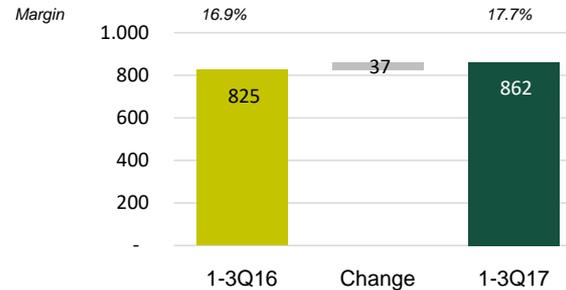
EBITDA mDKK



Net revenue mDKK



EBIT mDKK



Market position in Italy considerably reinforced by the acquisition of the Freedia Lemonsoda business from Gruppo Campari

- The acquisition of Freedia Lemonsoda doubles the number of must-stock products in the Italian business
- The acquisition leads to economies of scale in Royal Unibrew's total supply and value chain
- Gives access to the category of non-alcoholic products in Italy
- The acquisition is expected to strengthen Royal Unibrew's earnings per share (EPS) already in 2018
- Acquisition price based on an enterprise value of DKK 0.6 billion is financed through bank borrowings
- The acquisition was completed on 2 January 2018



Lemonsoda: The majority of the business



LEMONSODA IS the historical Italian lemonade.

Since 1940, Lemonsoda has quenched the Italian's thirst thanks to a unique and tasty recipe, which was able to seduce all generations of consumers.

In the 80's and 90's, thanks to a strong advertising, Lemonsoda acquired the status of iconic brand, entering deeply in daily life of the Italian people.

70 years later, Lemonsoda continues to be a strong player in the CSD market with 87% of Awareness and more than 3MM of regular consumers.



The Plant

- 3 water sources
- 5 filling lines

1 canning

2 PET

2 glass bottles (one dedicated and owned by Campari)

- 73 experienced employees
- 1 one premise warehouse
- A lot of spare capacity – room for growth
- Expected to bring operational synergies



Terme di Crodo

Pro-forma financial highlights and ratios 2016

Terme di Crodo

Volumes, thousand hectolitres	530
Revenue (DKK million)	245
EBITDA (DKK million)	45
EBIT (DKK million)	35
EBITDA margin (%)	18.4%
EBIT margin (%)	14.3%
Employees	73



Earnings increase in Western Europe and Baltic Sea

Western Europe

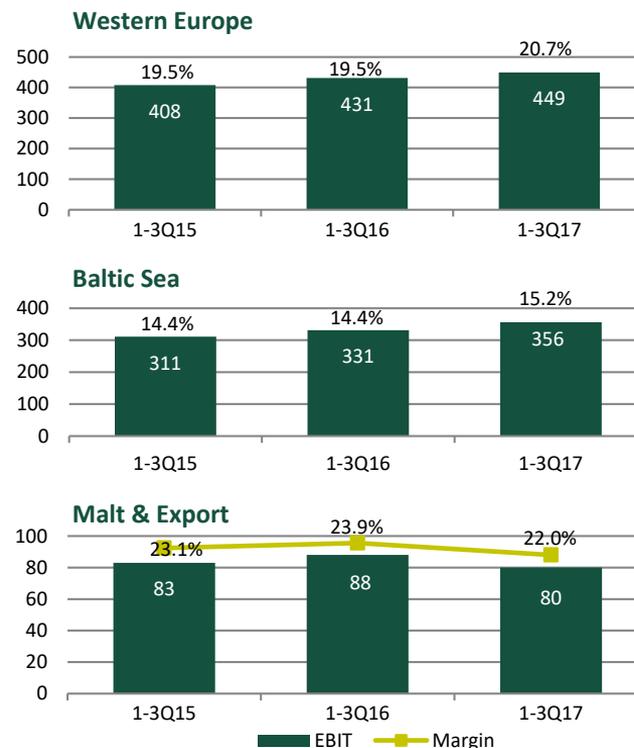
- Volume +3%, NR -2% incl. snacks, EBIT +4%
- Denmark & Germany – market positions strengthened
- PepsiCo snacks distribution in Denmark developing as planned
- Italy – increasing product offerings, market positions slightly weakened

Baltic Sea

- Volume -5%, NR +2%, EBIT +8%. Unfavorable high season weather
- Finland – positive effect from value management
- Finnish market positions declining on value focus. Investment in new specialty brewery
- Baltic consumer price increases and declining consumption on excise increase
- Baltic branded market positions strengthened. PepsiCo soft drink business developing as planned

Malt Beverages & Export

- Volume +3%, NR -1%, EBIT -9%
- Difficult macro-economics and FX in a number of markets
- Sell-out progressing as planned
- Continued investment in the organization and market positions
- Selective support of market positions where FX driven competitiveness under pressure



Improved financial performance

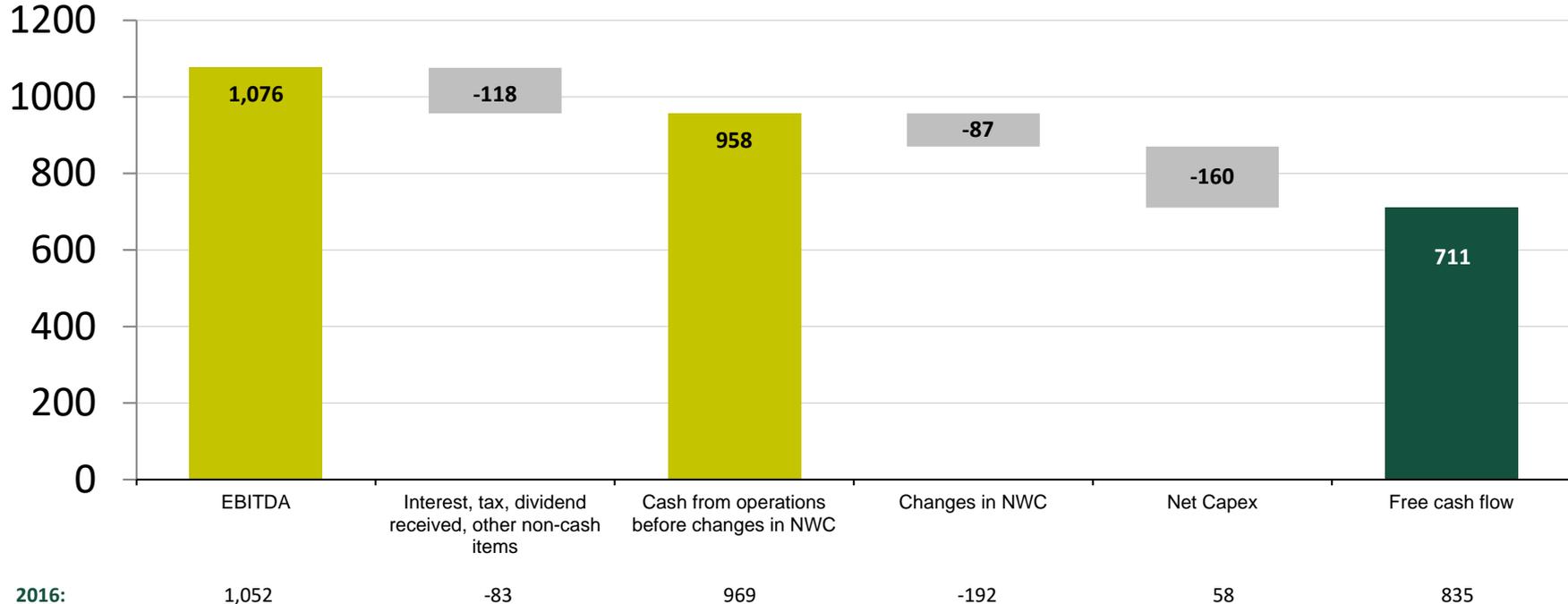
mDKK	1-3Q17	1-3Q16	Change
P&L ITEMS			
Net revenue	4,869	4,874	-5
Gross margin	52.5%	52.7%	-0.2pp
EBITDA	1,076	1,052	24
EBITDA margin	22.1%	21.6%	0.5pp
EBIT	862	825	37
EBIT margin	17.7%	16.9%	0.8pp
Profit before tax	853	818	35
Net profit	668	641	27

mDKK	1-3Q17	1-3Q16	Change
BALANCE SHEET ITEMS			
Net interest bearing debt	1,062	1,053	9
Net working capital	-802	-791	-11
Total assets	6,130	6,260	-130
Equity	2,800	2,895	-95
Equity ratio	45.7%	46.2%	-0.5pp
Invested capital	4,103	4,170	-67
ROIC ex. goodwill	30.1%	26.3%	3.8pp
ROIC incl. goodwill	19.6%	17.5%	2.1pp

Cash flow in line with expectations

Cash Flow

mDKK



Outlook 2017 confirmed

mDKK	Outlook August 2017	Outlook March 2017	Realised 2016
Net revenue	6,250-6,350	6,250-6,450	6,340
EBITDA	1,320-1,370	1,285-1,385	1,306
EBIT	1,030-1,080	980-1,080	1,001



Strategic priorities

Innovation

Identifying trends for products, brands, packaging, preferences & moment of consumption



Craft Beer

Tapping into craft value. Establishing a new craft brewery & craft brew organisation



Consumer Activation

Engaging the consumer on shared passions & common goals supportive of brand equity



Operational Efficiency

Continuous efficiency improvements



Q&A-session



Appendix



Facts about Royal Unibrew

- Royal Unibrew is the second biggest brewer in the Nordic and Baltic region
- Revenue in 2016 of DKK 6.340 billion
- EBITDA in 2016 of DKK 1,306 million
- Approximately 2,350 employees worldwide
- Export to approx. 85 countries worldwide
- 5 breweries and 2 soft drink/water facilities
- Market Cap end December 2016 of DKK 14.7 billion or EUR 2.0 billion
- Daily average liquidity last 12 months approx. DKK 29 million or EUR 3.9 million



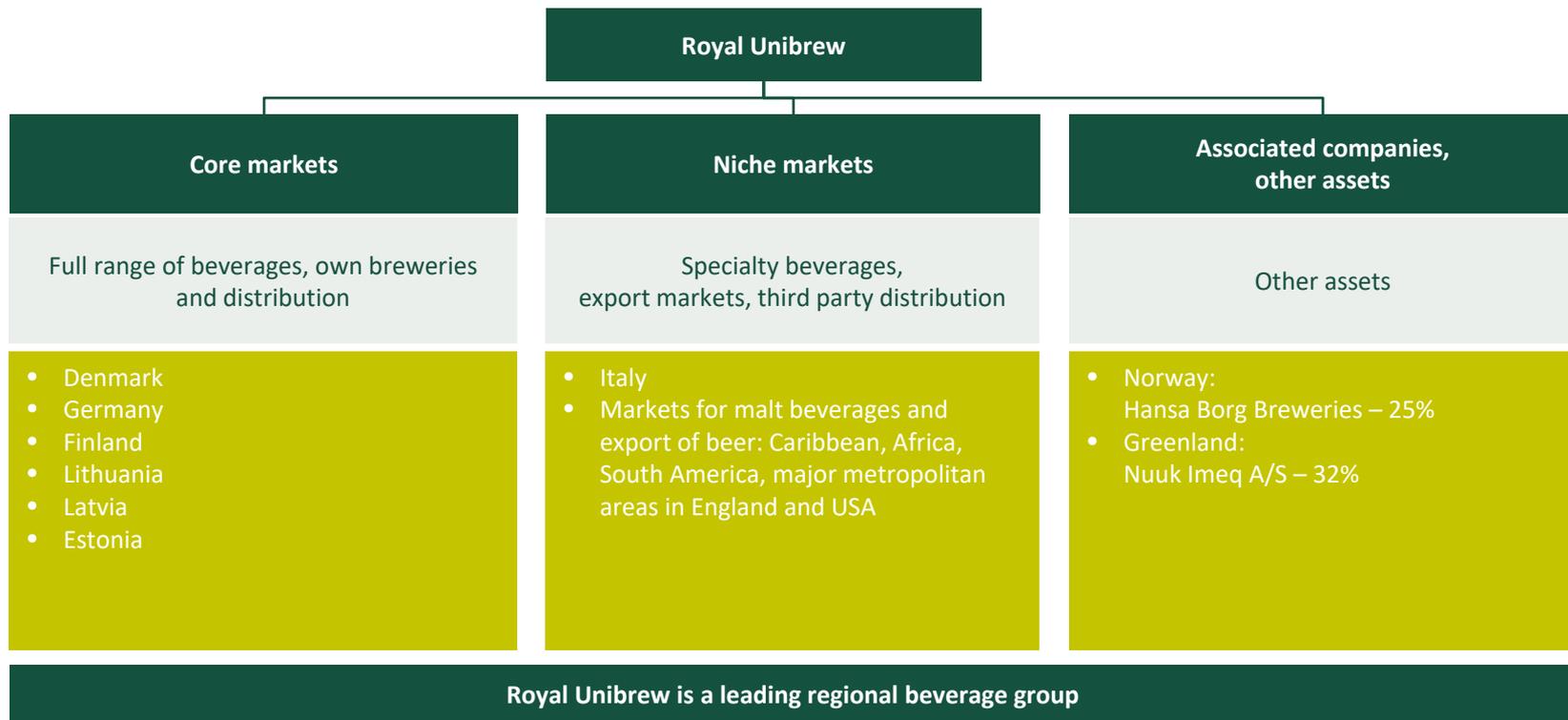
Royal Unibrew's goal is to be an efficient regional beverage player



- Positions, mainstream and niche
- Category, brands and international partnerships
- Growth agenda
- Commercial agenda
- Efficiency agenda
- Financial, competitive and strategic flexibility – and capital structure
- Our Leadership DNA

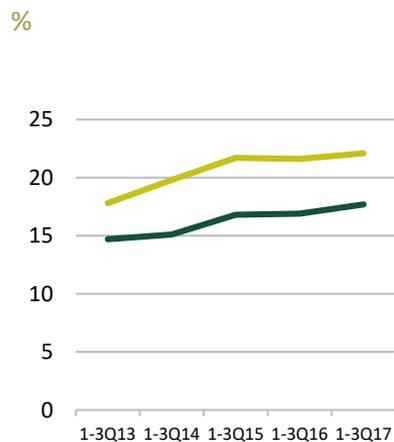


A Leading Regional Beverage Group



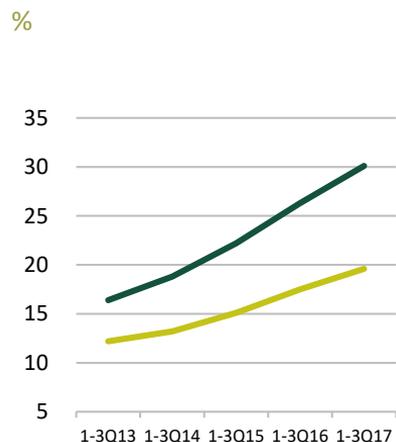
Strong key figure performance

Profit margins



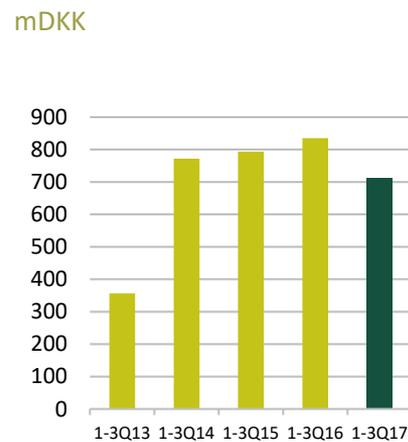
— EBITDA margin (reported)
— EBIT margin (reported)

ROIC

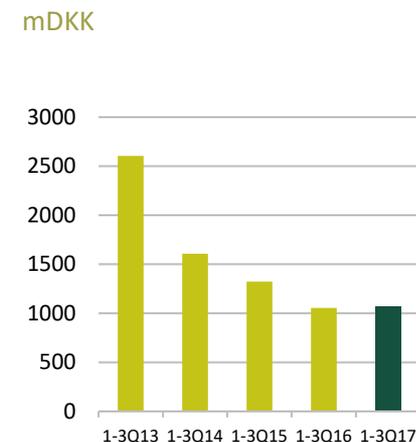


— ROIC
— ROIC ex. Goodwill

Free Cash Flow



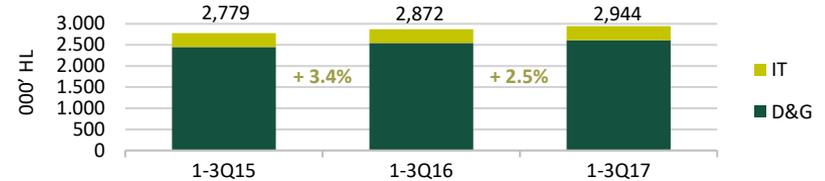
NIBD



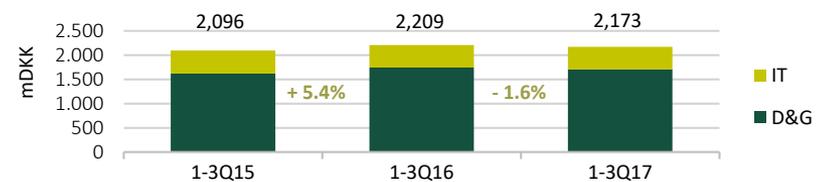
Western Europe: Continued earnings increase

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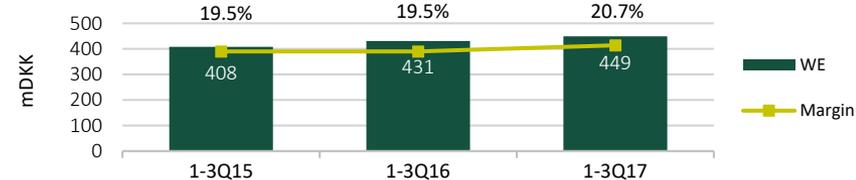
Volume



Revenue



EBIT

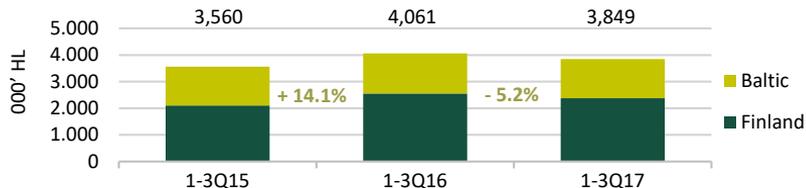


Baltic Sea:

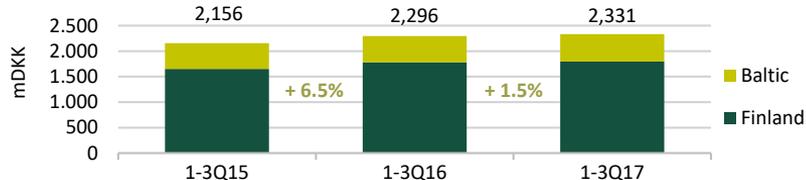
Earnings increase on value & efficiency focus

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PepsiCo soft drink business developing as planned

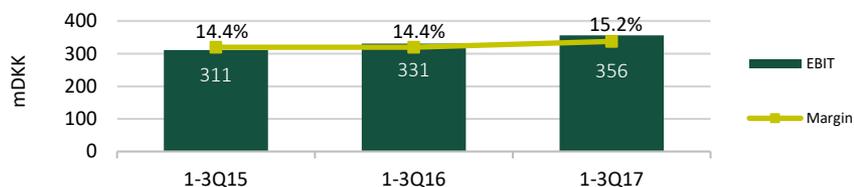
Volume



Revenue



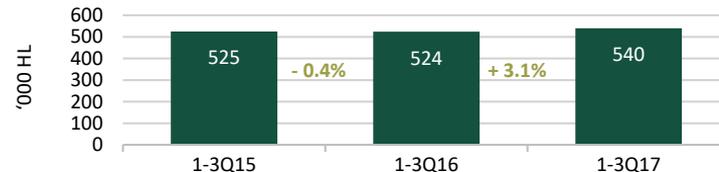
EBIT



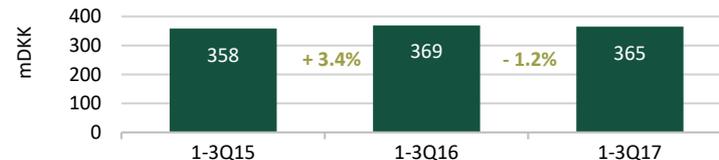
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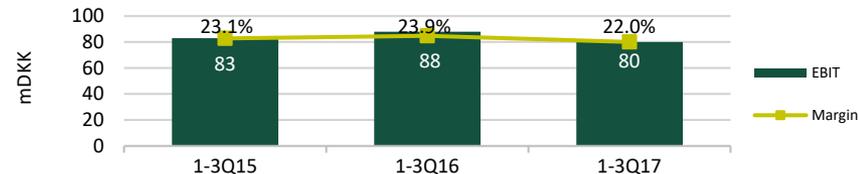
Volume



Revenue

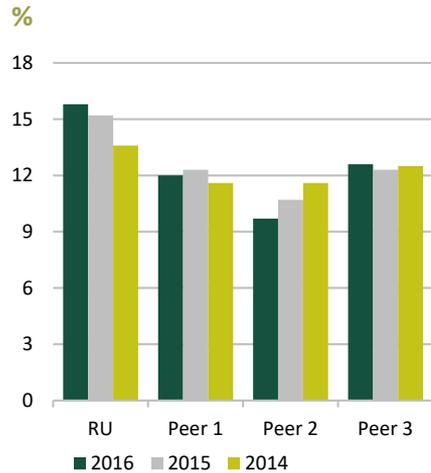


EBIT

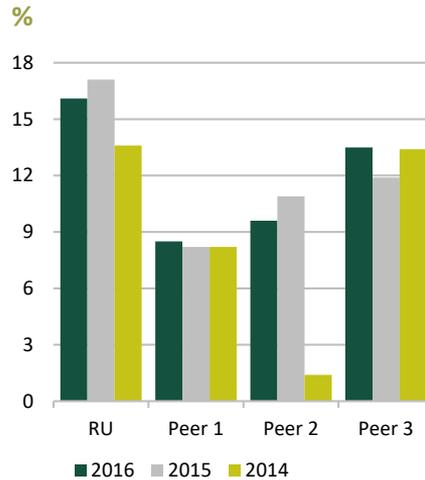


Solid performance to peers 2016

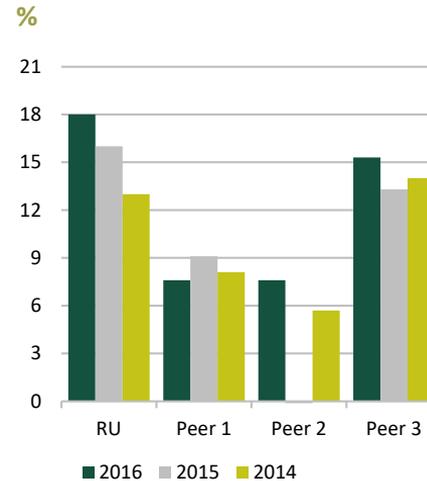
**EBIT margin
(comparable region)**



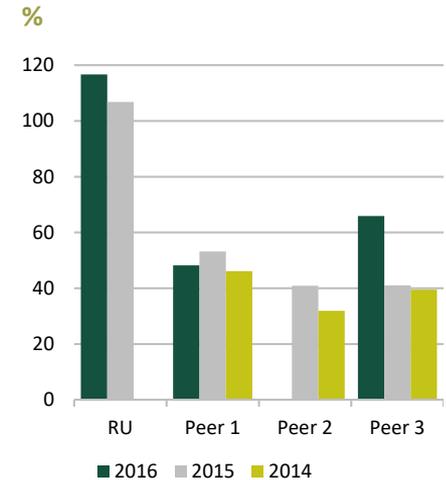
**Free cash flow
- % of revenue**



**Return on invested
capital***



**Cash return to
shareholders****



* Based on average invested capital

** Percentage of net profit the year before

Shareholder distribution

Dividend for 2016 of DKK 427m paid to shareholders

- Dividend of DKK 8.15 per share

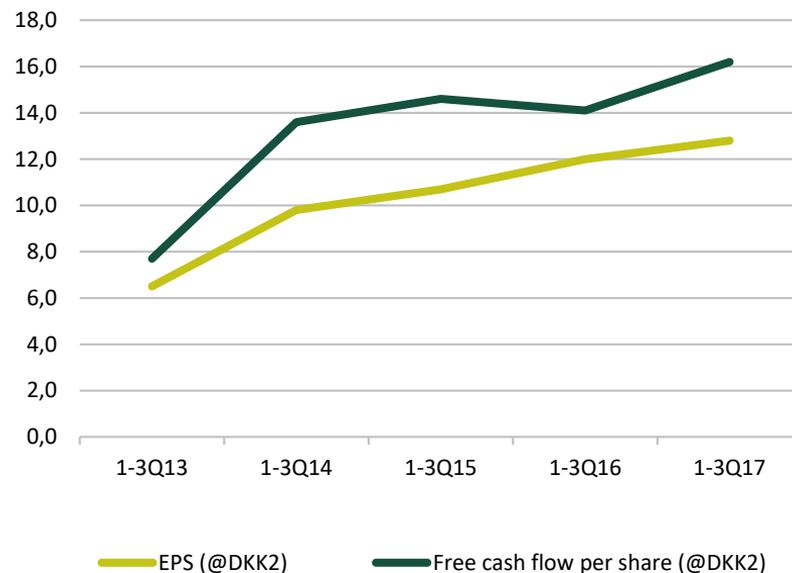
DKK 560m share buy-back initiated on March 8, 2017

- Safe harbour program
- Maximum 12 month period

Share buy-back as per September 30, 2017 (existing and previous program)

- 1,181,378 shares bought at at total value of DKK 356m

EPS and free cash flow per share



Financial targets

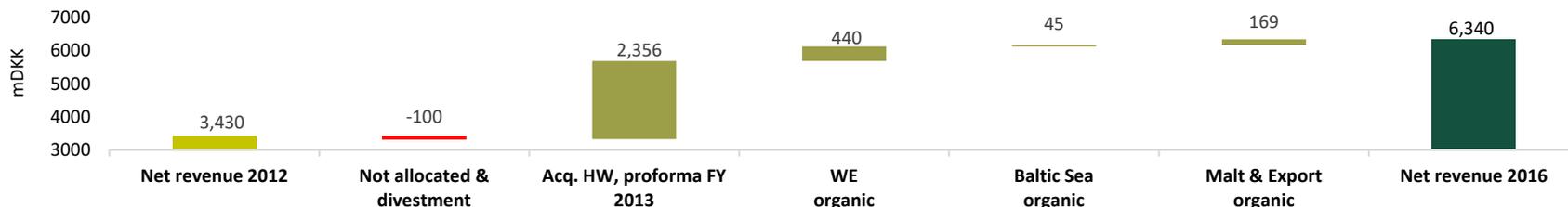
	March 2017 revised target	November 2015 revised target	August 2014 revised target	Post Hartwall acquisition target*
Earnings	EBIT margin 16%	EBIT margin 15%	EBIT margin 14%	EBIT margin 13%
Equity ratio	Minimum 30%	Minimum 30%	Minimum 30%	Minimum 30%
NIBD/EBITDA	Maximum 2.5x	Maximum 2.5x	Maximum 2.5x	Maximum 2.5x

- Distribution policy:
 - Dividends 40-60% of net profit
 - Share buy-back to adjust capital structure

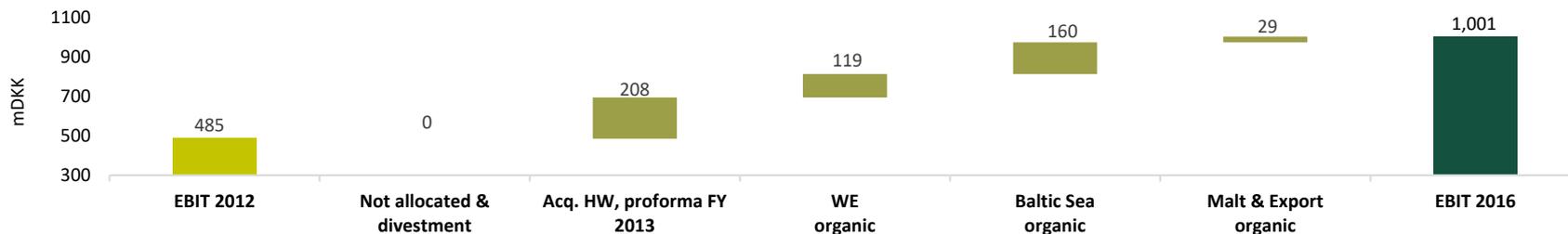
* Amortization from the acquisition decreased EBIT-margin by approx. 50bp

Significant organic improvement 2012 to 2016

Net revenue bridge 2012-2016

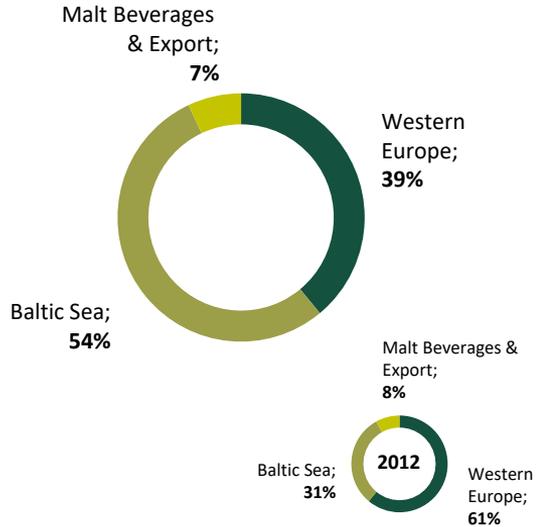


EBIT bridge 2012-2016

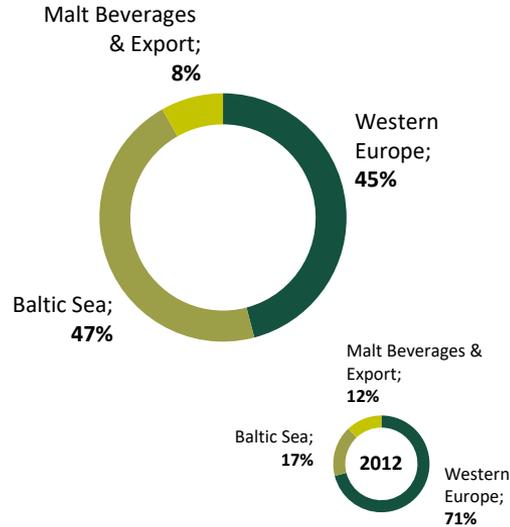


Business segment overview

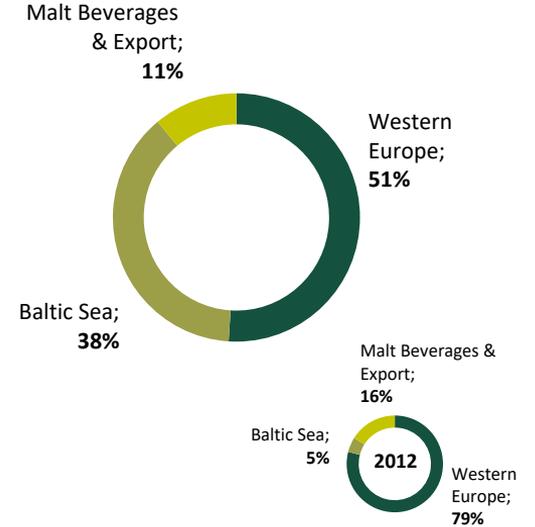
FY 2016 Volume



FY 2016 Net revenue



FY 2016 EBIT



Management



Hans Savonije

President & CEO

BA Business administration

Joined the Executive Board on 29 September 2008

Past experience

Beverage Partners Worldwide, Coca-Cola & Nestlé, CEO
 SVP Global Markets, Remy Cointreau Associés, CEO,
 France
 World Lotteries Association, CEO, Switzerland



Lars Jensen

CFO

Diploma in Business Economics, Informatics and
 Management Accounting. Joined Royal Unibrew in 1993

Joined the Executive Board on 30 November 2011

Past experience

Head of Finance, Royal Unibrew A/S

Disclaimer

This Presentation 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.