SEB investor visit, Italy

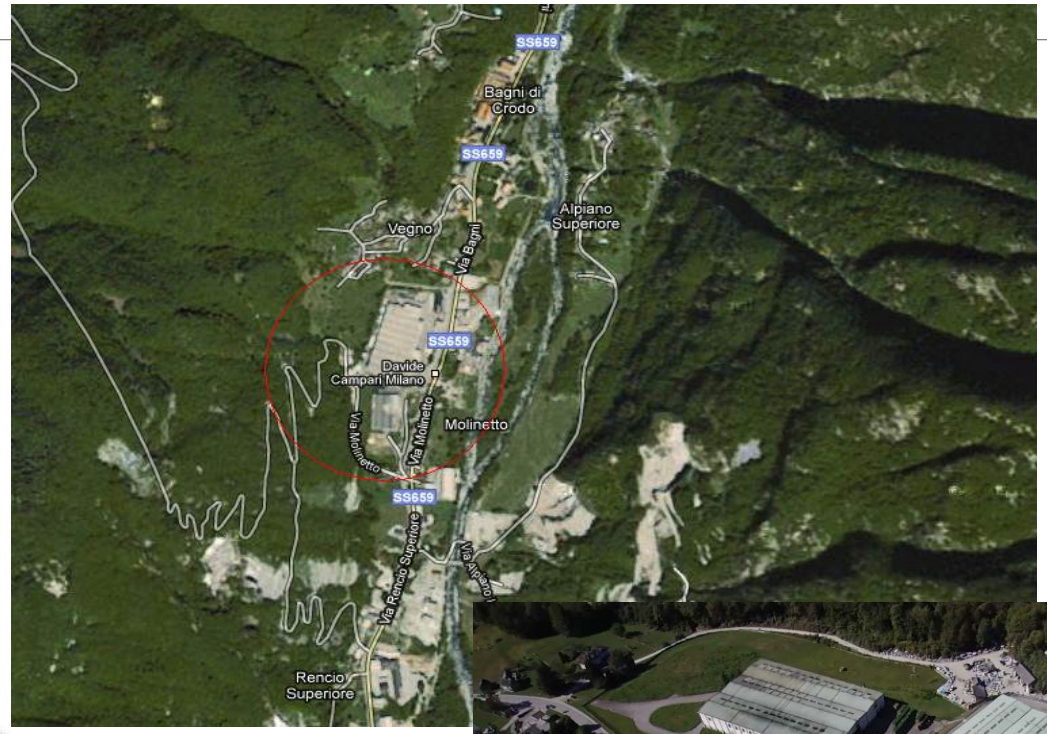
Terme di Crodo, 26/9/18

ROYAL
UNIBREW

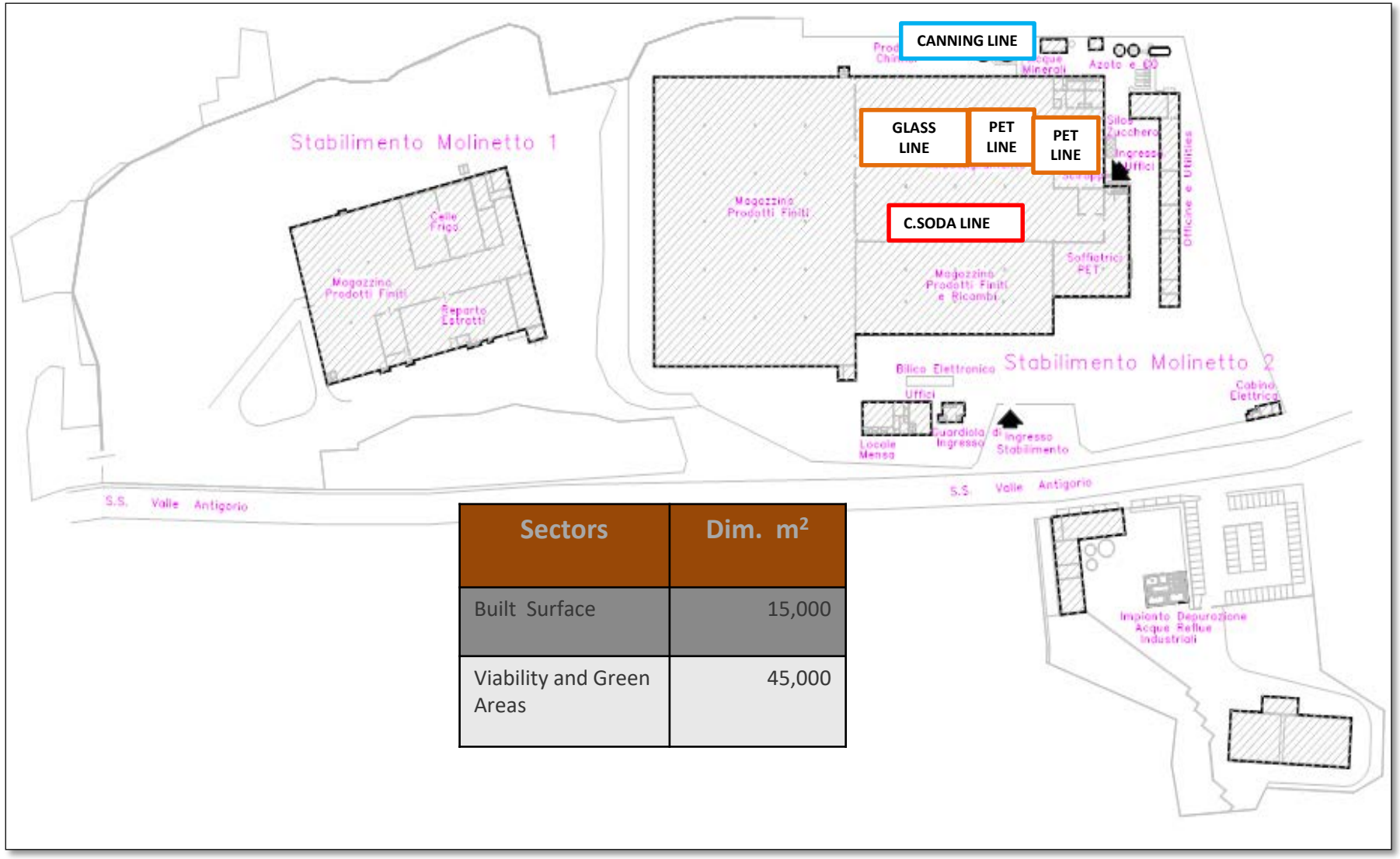
QUICK STORY

- 1931 – Establishment of Terme di Crodo
- 1964 – Launching Crodino brand on the market
- 1983 - Piero Ginocchi sells Terme di Crodo to Lucas Bols B.V.
- 1985 – New Crodo plant completed (started by Piero Ginocchi in 1983)
- 1994 - Lucas Bols sells Terme di Crodo to Campari Group
- 1997 - Campari Group starts production of Campari Soda at Crodo plant
- 2016 – Dismantling glass water bottling line (in returnable bottles) and installation of can line
- 2018 - Campari Group sells Terme di Crodo to Royal Unibrew A/S

CRODO PLANT


SS659
Bagni di Crodo
SS659
Vegno
Via Bagni
Alpiano Superiore
SS659
Davide Campari Milano
Via Molinetto
Molinetto
Via Molinetto
SS659
Via Rencio Superiore
Via Alpiano
Rencio Superiore

CRODO PLANT - LAYOUT



Sectors	Dim. m²
Built Surface	15,000
Viability and Green Areas	45,000

Terme di Crodo

Italy macroeconomics indicators Q2 2018

G.D.P. ITALY: + 1,1%

Employment: + 1,3%

Souce: ISTAT Q2 '18

Inflation: + 1,6%

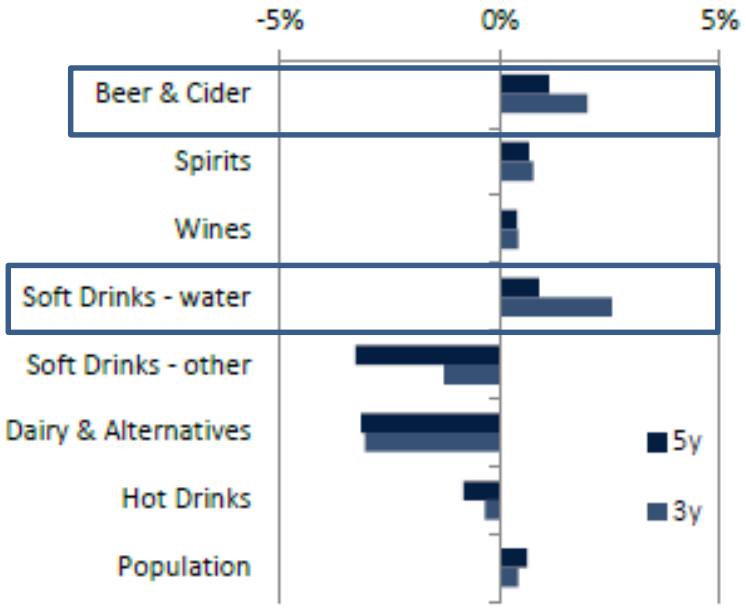
Souce: ISTAT Q2 '18

Consumption trend: + 0,9%

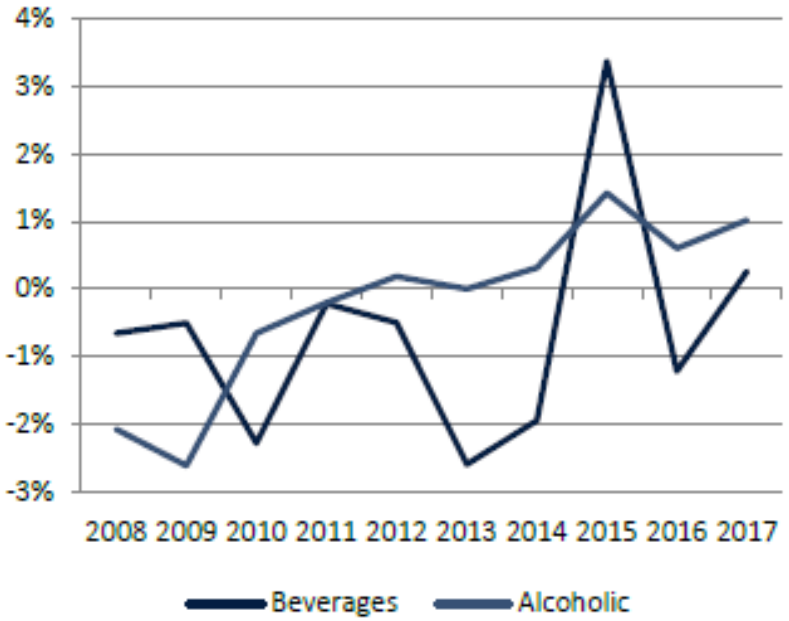
Souce: ISTAT Q2 '18

The beverage market in Italy

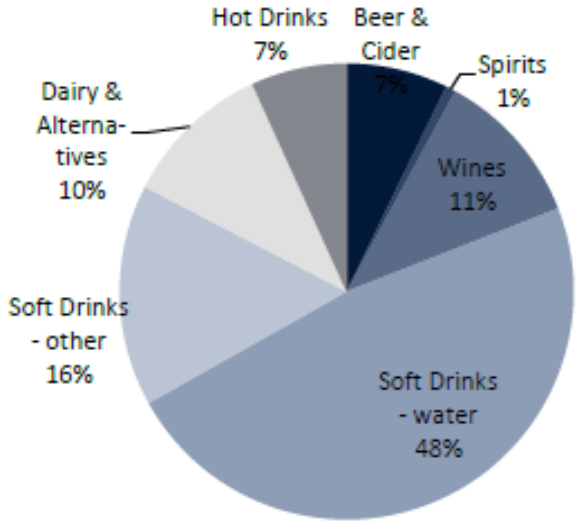
- The beverage market has shown a growth of 0,8% in the last 3 years.
- Only two categories recorded growth in the last five years in the beverage market: water and beer.



Italy - beverages market growth by volume, CAGR 5y and CAGR 3y



Italy - beverages market, alcoholic drinks vs total beverages, by volume , 2008-2017

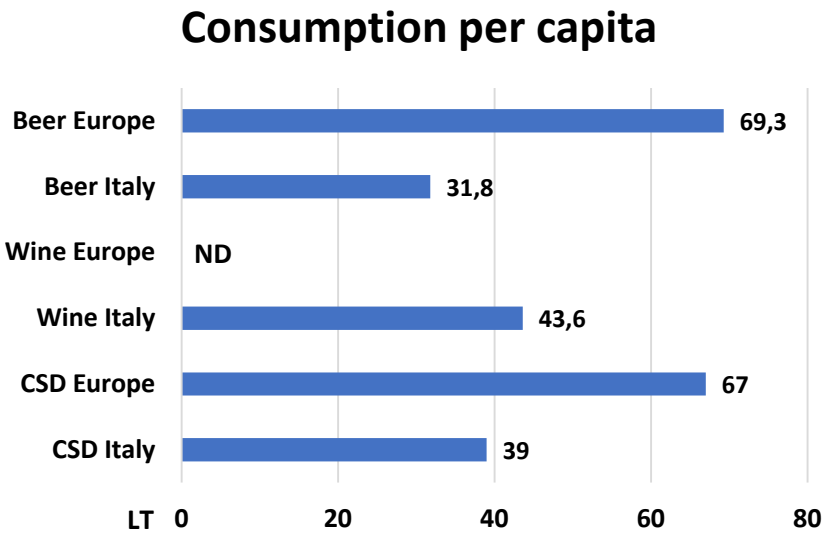


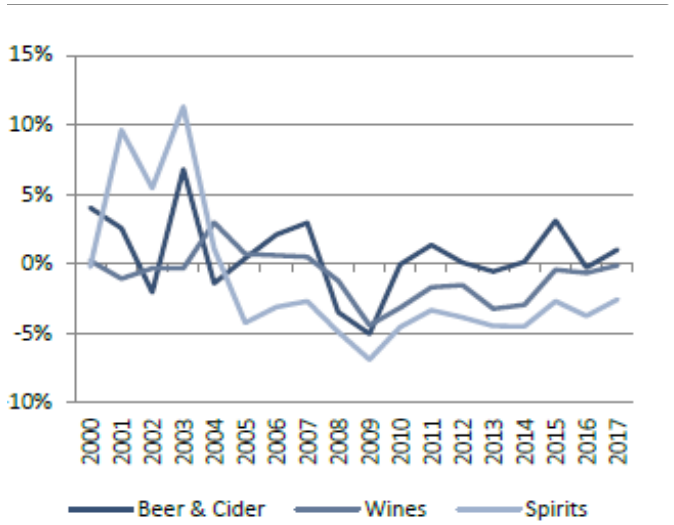
Italy - beverages market, 2017 by volume

Source: Globaldata, Volumes, 2017

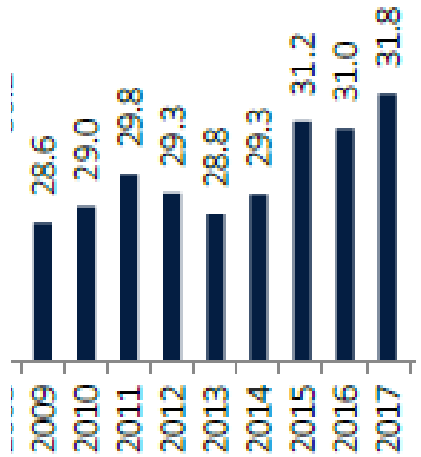
The beer market in Italy

Year by year, the Italian market has an increase in beer consumption per capita, where 2017 increased by +2,5%





Italy - alcoholic beverages market growth by segment and by volume (2000 - 2017)

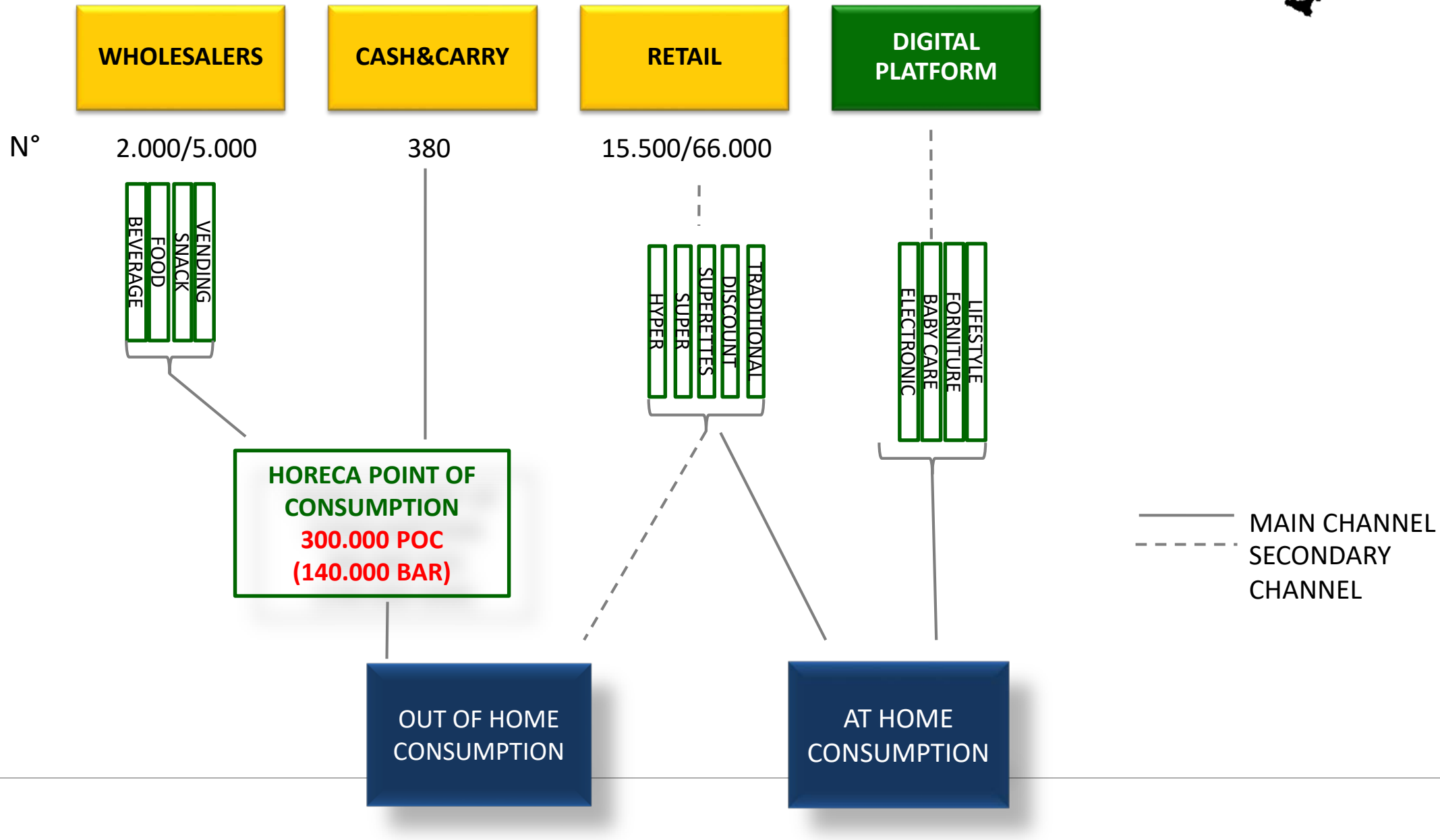


Italian beer market - consumption per capita (l)

Source: Canadean – Heineken, Bryan Garnier Estimates – OIV – Assobibe

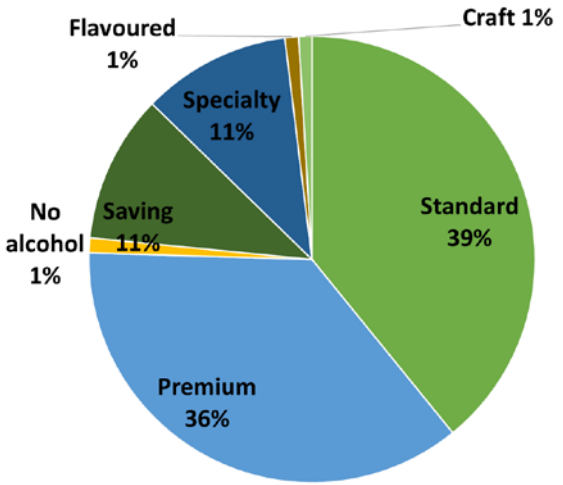
Italian distribution set-up is very complex and fragmented

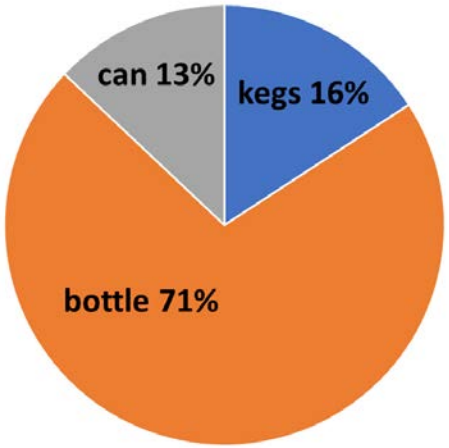
ROYAL UNIBREW



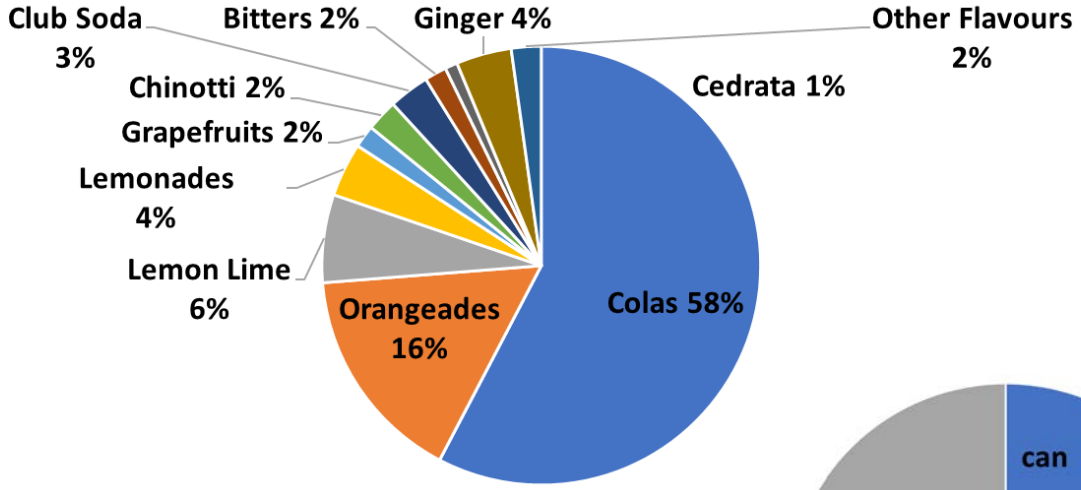
The beverage market in sell-out numbers YTD 2018

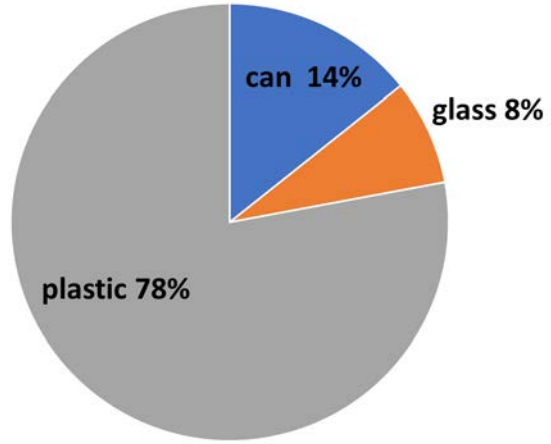
The beer market slightly increased its volumes (+ 0,1%) thanks to the positive performance of Premium (+2%) and Specialities (+3,7%).





CSD market YTD -4,4%, impacted by season and downsizing to uptimize price/pack strategies

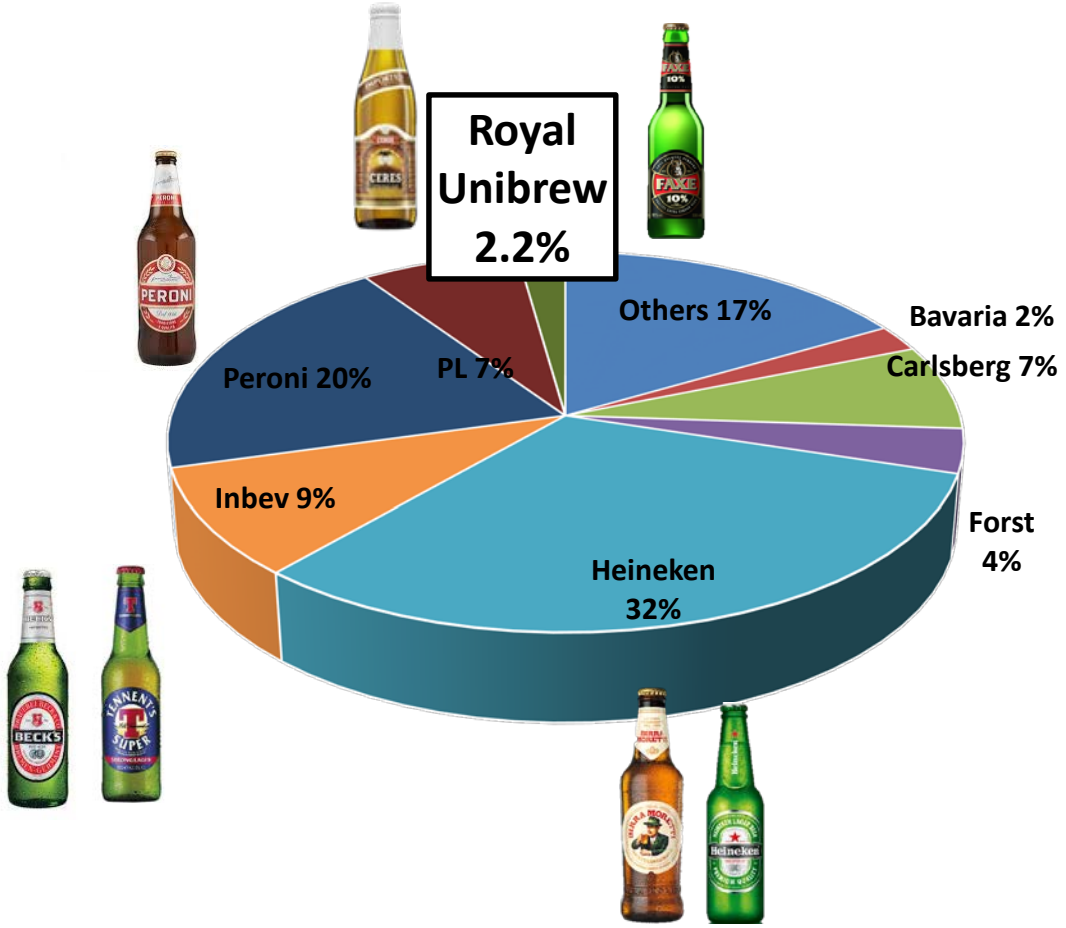




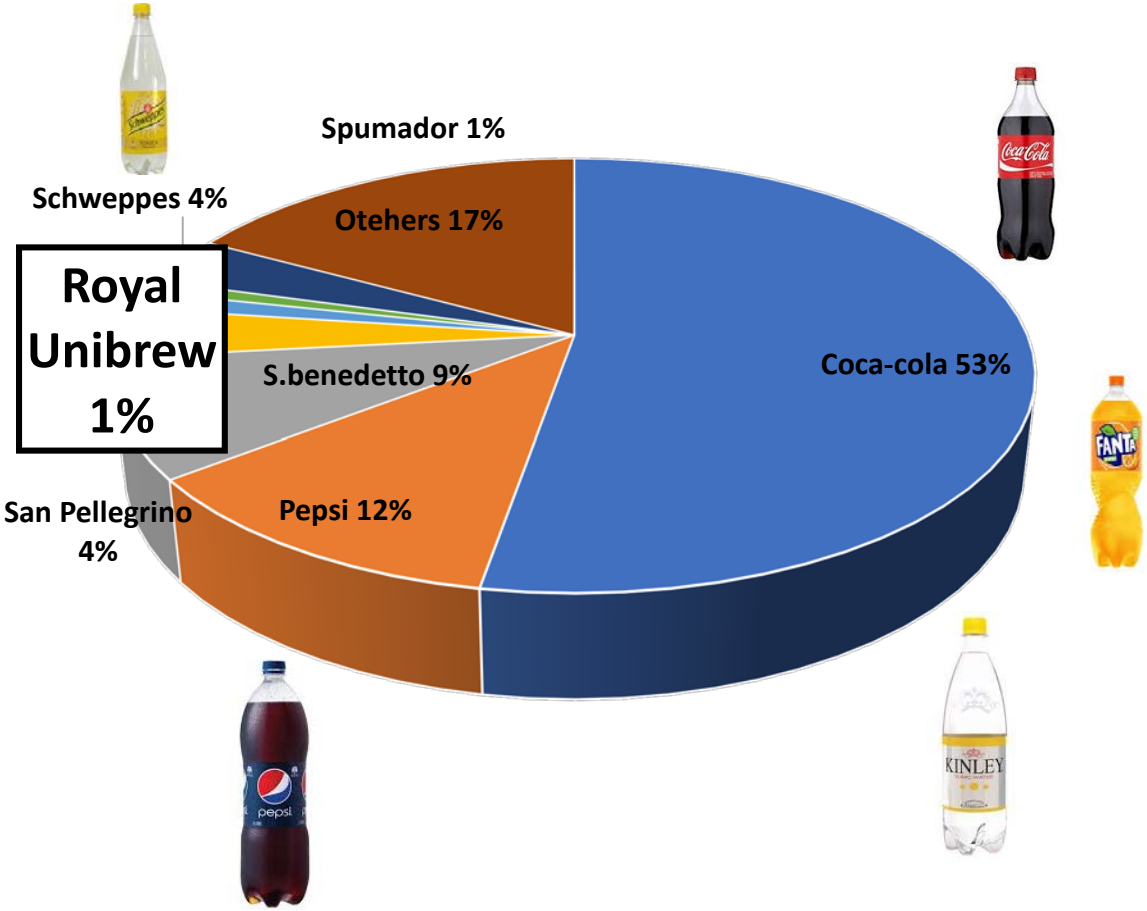
Source: IRI, Total Italy+ discount, C&C, WHS, Volumes, YTD June '18

The key players in the beverage market

Royal Unibrew, has a market share in total beer market of about 2.2%



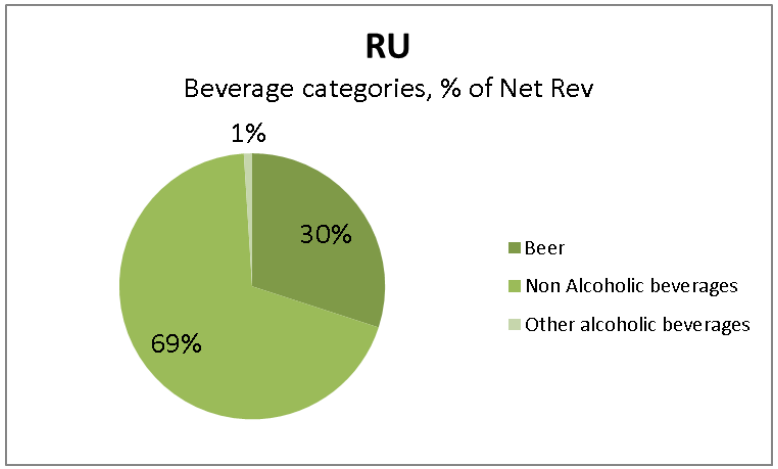
Royal Unibrew (LemonSoda, OranSoda, PelmoSoda, MojitoSoda) has a market share in the CSD market of 1.2%

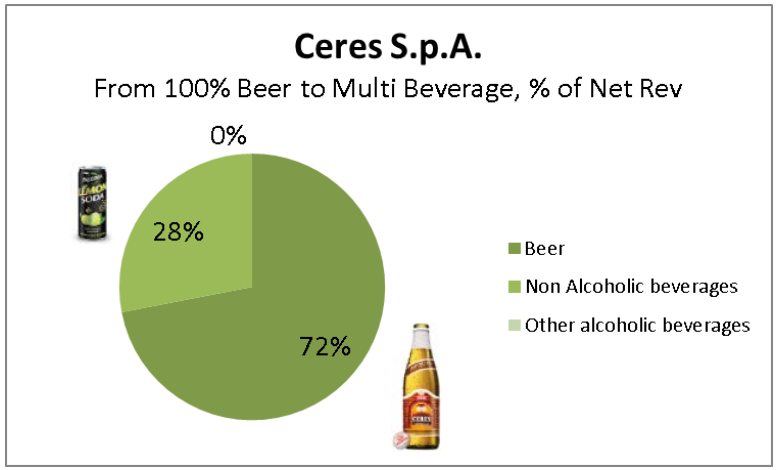


Source: IRI, Total Italy+ discount, C&C, WHS, Volumes, YTD June '18

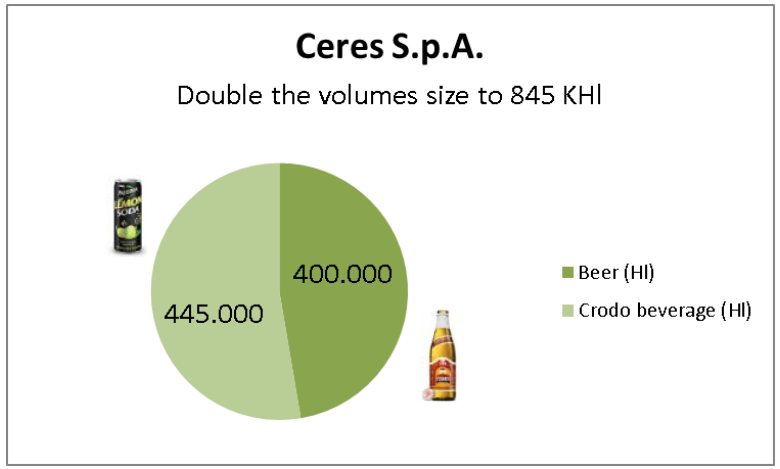
Terme di Crodo acquisition

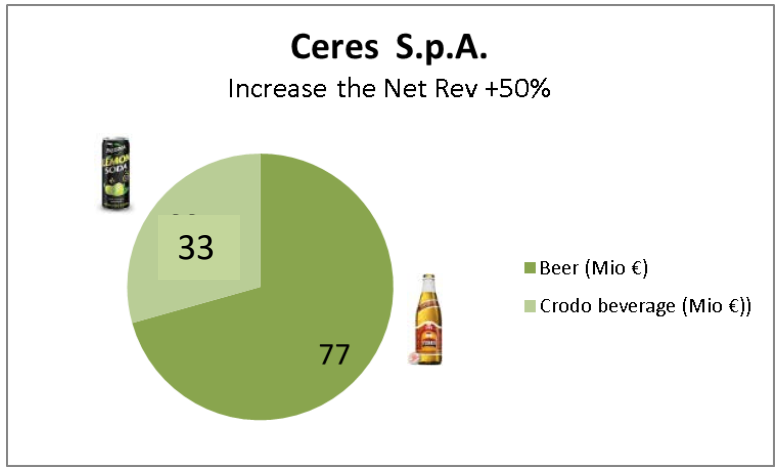
Italy enter into no alco





Transformational





Reinforce Italy and RU

- 2 iconic brands instead of 1
- Reinforce Ceres brand
- Italian Heritage Brand
- Export opportunity
- Production site in Italy

3 key focus areas for Crodo integration

1. Create value for the trade and the company

2. Increase the distribution and activation

3. Exploit synergies (Ceres+Crodo) and gain relevance and weight in the trade

#1

WHO IS CERES

TOP 3 SKU's IN VALUE IN BEER MARKET FOR WHOLESALERS

CERES IS A STRONG LAGER LEADER IN VALUE IN ITALY IN SUPERPREMIUM SEGMENT WITH A STRONG, DISTINCTIVE & UNCONVENTIONAL BRAND POSITIONING

TOP 3 BRAND IN ITALY FOR ADV RECALL WITH MORETTI & HEINEKEN

THE MOST REBELLIOUS AND NON-TRADITIONAL BEER BRAND IN ITALY

CERES – STRONG «BRAND»

87% BRAND AWARENESS

5 MM CONSUMERS OUT OF HOME

1.3 MM CONSUMERS AT HOME

60% WD ON TRADE

96% WD OFF TRADE

78% WD DAILY BAR

TOP 10 SKU In WHS Portfolio ON TRADE

Top 5 SKU IN VALUE PREMIUM SEGMENT 33cl OFF TRADE

Sources: IRI Census YTD Aug '18 – Gfk On trade YE sept '17 – Gkf consumer scan YE sept '17 – Progettica 2017- Kantar Tracking Q1 2018

CERES MARKETING MIX

EQUITY

CONVERSION

TV

- 83% OF BRAND LINKAGE
- TOP 3 BRAND FOR RECALL (#8 for INVESTMENTS)

DIGITAL

- #1 BRAND for ENGAGEMENT
- 47% OF BUZZ SHARE IN BEER MKT
- 720.000 FAN/FOLLOWERS

HORECA

- FOCUS ON HIGH SELLING POC (3500)
- VIA VISIBILITY + POC ACTIVATIONS

RETAIL

- FOCUS ON VISIBIITY AND HOME CONSUMPTION INCREASE
- ONLY 25% OF HORECA USERS DRINK CERES ALSO AT HOME

TRIAL 18-24

FREQUENCY 25-44

1° APRILE.
HANNO UN MESE DI TEMPO PER FINIRE I LAVORI DELL'EXPO.
(NON È UNO SCHERZO).
SE NON SAPETE BERE, STATEVENE A CASA.
BEERMAN
...ALLORA LA CERES È ANALCOLICA.
È BUIO. USCIAMO A BERE?
OGGI MERCOLEDÌ 15 APRILE TUTTI IN FILA ALL'HOME FESTIVAL
[PARTNER UFFICIALI HEINEKEN E JACK DANIEL'S]
ORE 20.15 VIA TORTONA, 10/12 MILANO
200 POST PER YEAR
>60 MM CONTACTS
POST WEEKEND
CERES RITIENE ALTAMENTE IMPROBABILE CHE QUALCUNO DEI SUOI BEVITORI POSSA CONOSCERE L'ORA ESATTA. ALMENO DOPO LE 22.00.
BRUTTO
BELLO
MAGGIO E BEVO
TRAMBUSTO
#1 BRAND
FOR SOCIAL ENGAGEMENT
PULL&BEER
LIBERTÉ, ÉGALITÉ, CERES.
1° PREMIO
IL PIÙ CERES
IL FOTOMONTATO
DAJE, STAPPATELO 'STO COLOSSEO.
STRONG TONE OF VOICE
FOCUSED ON INSTANT MKG
Dai Angela, a birra e würstel siete ancora forti.
CAMBIO DI STAGIONE. TOGLI LA CERES, METTI LA CERES.
VIENI A GIOCARE CON NOI.
CHIEDICI LA LUNA. MA ANCHE TUTTO IL RESTO.
HOUSE of BEERS
TAGGA UN AMICO ZOMBIE.

DON'T DRINK
& LA SCALA.

HEINEKEN
TI SIAMO VICINI.

MORETTI

Nothing to do for Alessandra *Moretti* at the regional elections in Veneto.
A suggestion for the *Democratic party...*

11.000 **Likes**

10.000 **SHARE**

1.600.000 **CONTACTS**

The next time try with CERES.

EVEN BEYOND SOCIAL MEDIA

Coverage of main newspaper

Matteo Salvini, leader of the right party.

Fb page: 4milion fans

«No Moretti in Rovigo, just CERES!»

TERME DI CRODO 1931

CRODO

LÉMON SODA

PÉLMO SODA

MOJÍTO SODA
il Mojito analcolico

ÓRAN SODA

TERME DI CRODO 1931

TRADITION

TERRITORY

WHAT IS TERME DI CRODO?

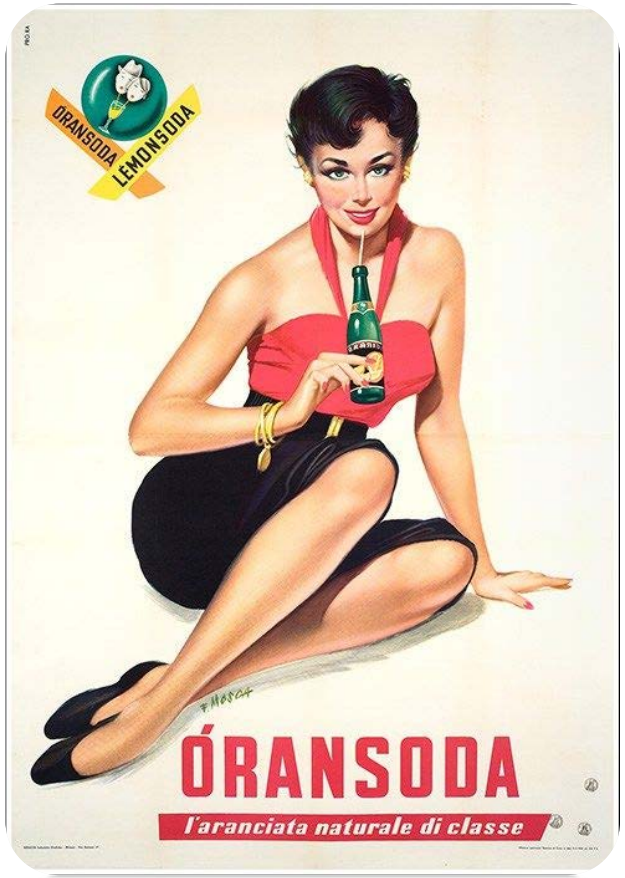
TERME DI CRODO INCLUDES:

CSD Brands: LemonSoda (Lemonade), OranSoda (Orangeade), MojitoSoda (alchol-free mojito flavoured cocktail) & PelmoSoda (Grapefruit)

Crodo Brand : Water

The plant located in Crodo, a little town in the Nord-West of Italy (Piemonte) well known for its thermal water and for its springs.
Around 70 people are currently working at the plant which includes 5 filling lines.

LEMONSODA/ORANSODA STRONG HERITAGE - LAUNCHED IN 1940

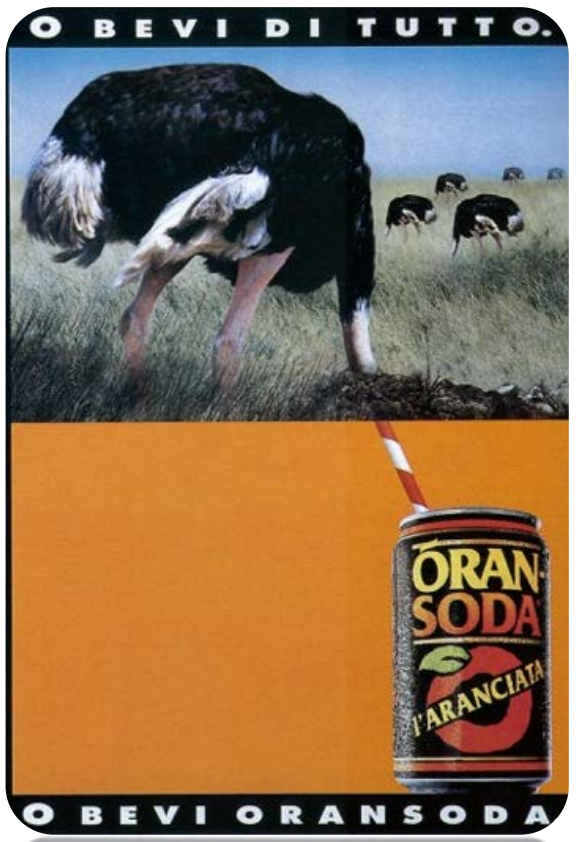


WITH A CONSISTENTLY «DIFFERENT» tone of voice

1978

1979

1989



1995

TERME DI CRODO 1931

LEMONSODA KPI'S

#1 LEMONADE IN ITALY

96% DISTRIBUTION

3MM CONSUMERS

Sources: IRI Census 2018 – GFK 2018

ITALIAN RANGE

- #1 Lemonade in Italy
- PREMIUM RECIPE (only italian Fruit+ Pulp)

- #4 Orangeade
- The only Real Orangeade (20% fruit) with San Pellegrino

- The only «Brand» Grapefruit soda

- Zero CSD Segment

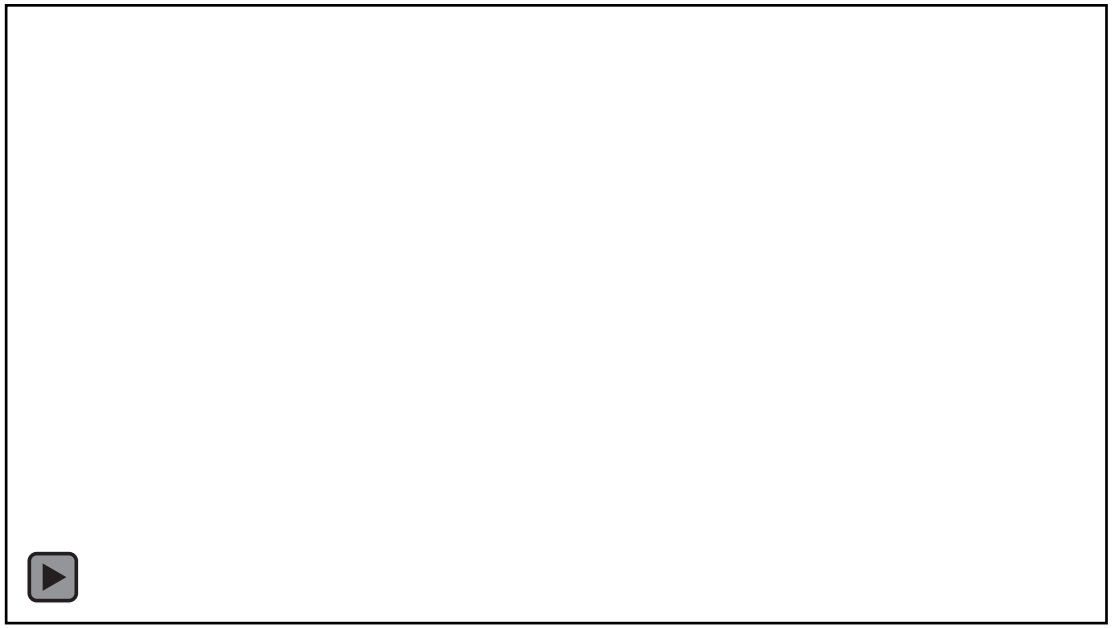
- PREMIUM RECIPE (Lemonsoda with mint)
- Unique proposition

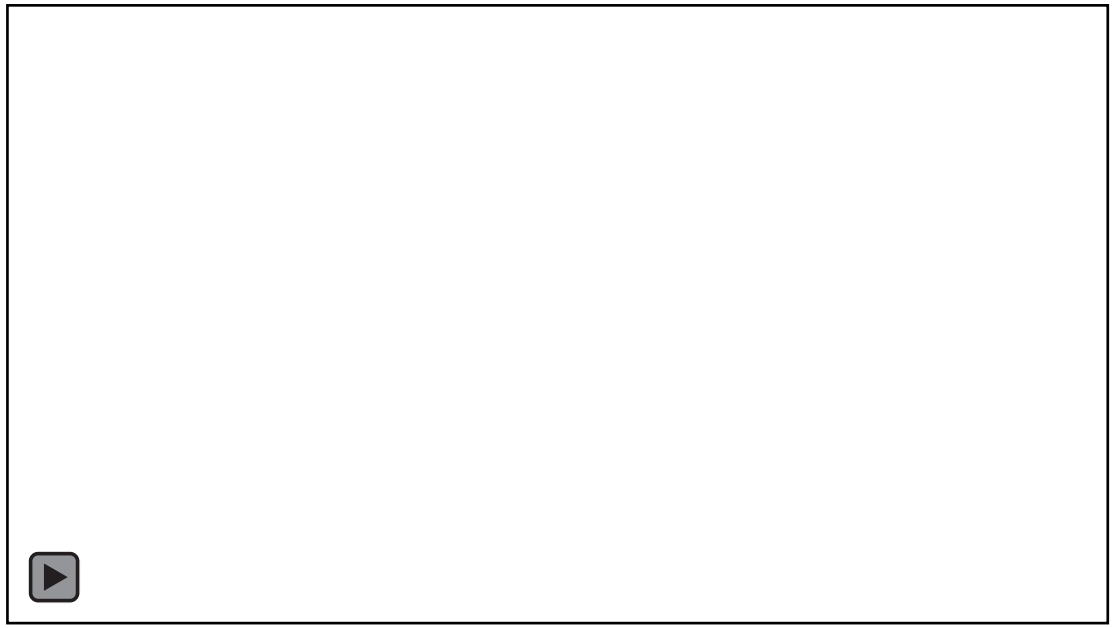
- New Launch 2018

EXPORT RANGE

VIDEO - STRATEGY

Video



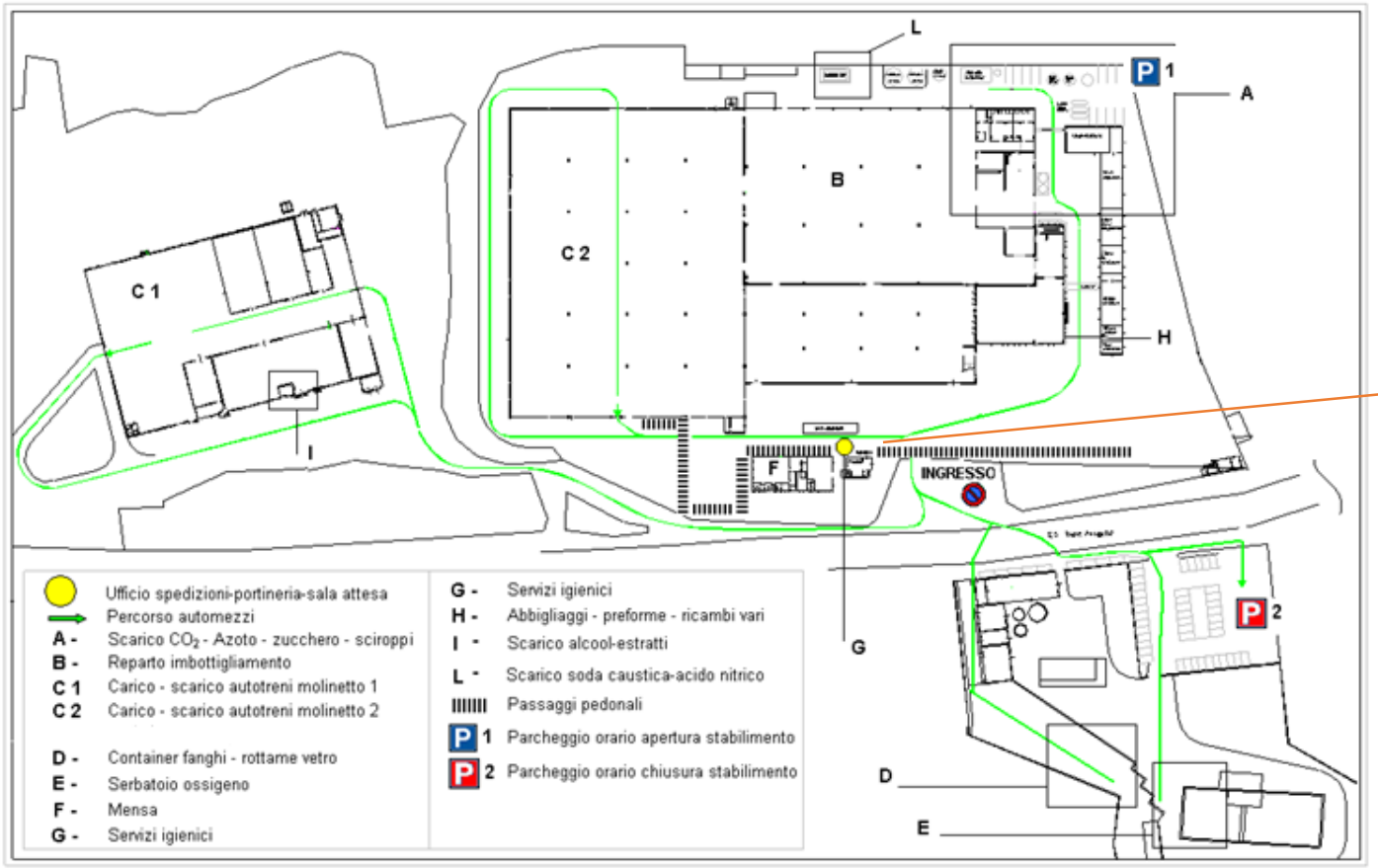


LEMON SODA

ORAN SODA

TERME DI CRODO 1931

Security regulations



EMERGENCY PHONE NUMBER	
BY PHONE	**8000**
BY CELL PHONE OR EXTERNAL LINE	**334.6603924**

Thank you