

Interim Report 1 January – 31 March 2017

28 April 2017

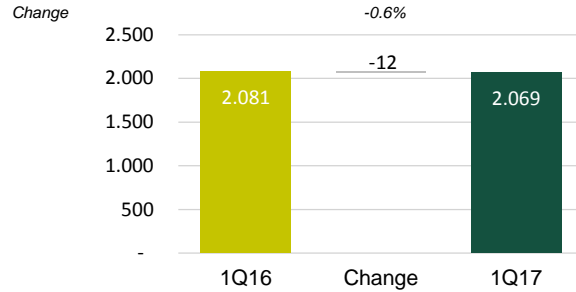


Performance improvements in line with expectations

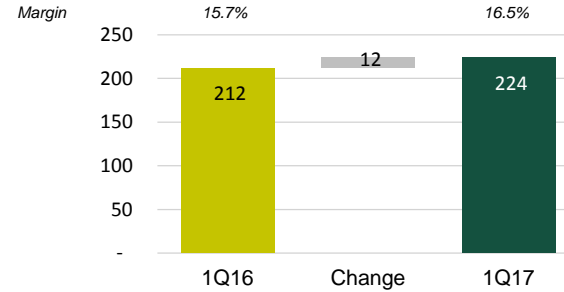
- Overall market positions maintained
- Realized volumes of 2.1 mHL (1Q16 2.1 mHL)
- Net revenue basically unchanged at DKK 1.4bn in spite of late Easter
- EBIT increase of DKK 13m to DKK 151m
- EBIT-margin increase from 10.2% to 11.2%
- Free cash flow at DKK -54m compared to DKK 5m incl. Aarhus in 1Q16
- Outlook 2017 maintained

Increasing first quarter results on unchanged net revenue

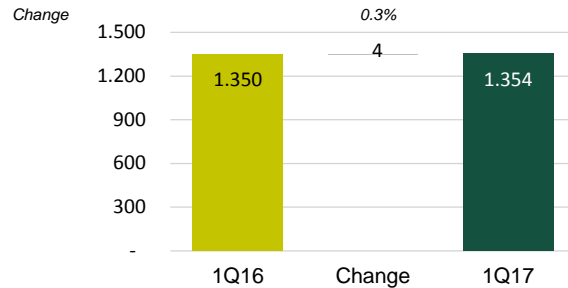
Volume '000 HL



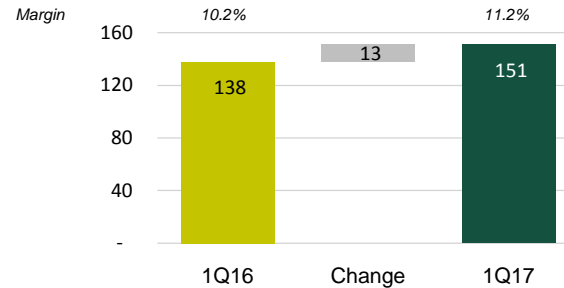
EBITDA mDKK



Net revenue mDKK



EBIT mDKK



Earnings increase in Western Europe and Baltic Sea

Western Europe

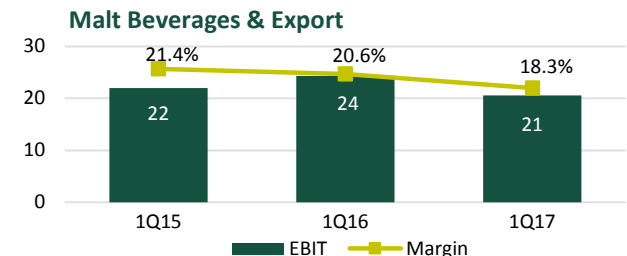
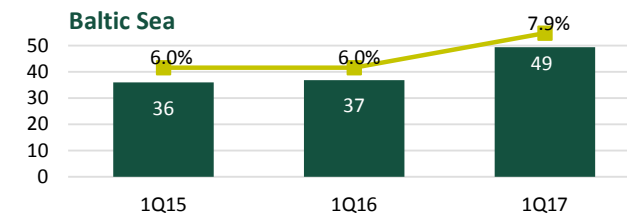
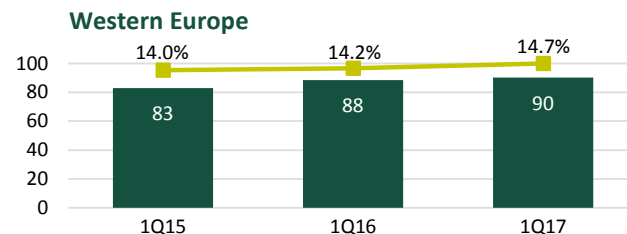
- Volume +5%, NR -1% incl. snacks, EBIT +2%
- Denmark & Germany – market positions strengthened. Positive product awareness from Royal Arena opening
- Easter adjusted Danish consumption unchanged
- PepsiCo snacks distribution in Denmark developing as planned
- Italy – market positions maintained

Baltic Sea

- Volume -4%, NR +3%, EBIT +34%
- Finland – positive effect from value management. Market positions excl. the extraordinary campaign declining
- Baltics – excise increases for alcohol products leading to significantly increase in consumer prices and declining consumption
- PepsiCo soft drink business in Baltics developing as planned

Malt Beverages & Export

- Volume -2%, NR -5%, EBIT -15%
- Difficult macroeconomics and FX in a number of markets
- Destocking at distributor level, sell-out progressing as expected
- Continued investment in the organization and market positions



Improved financial performance

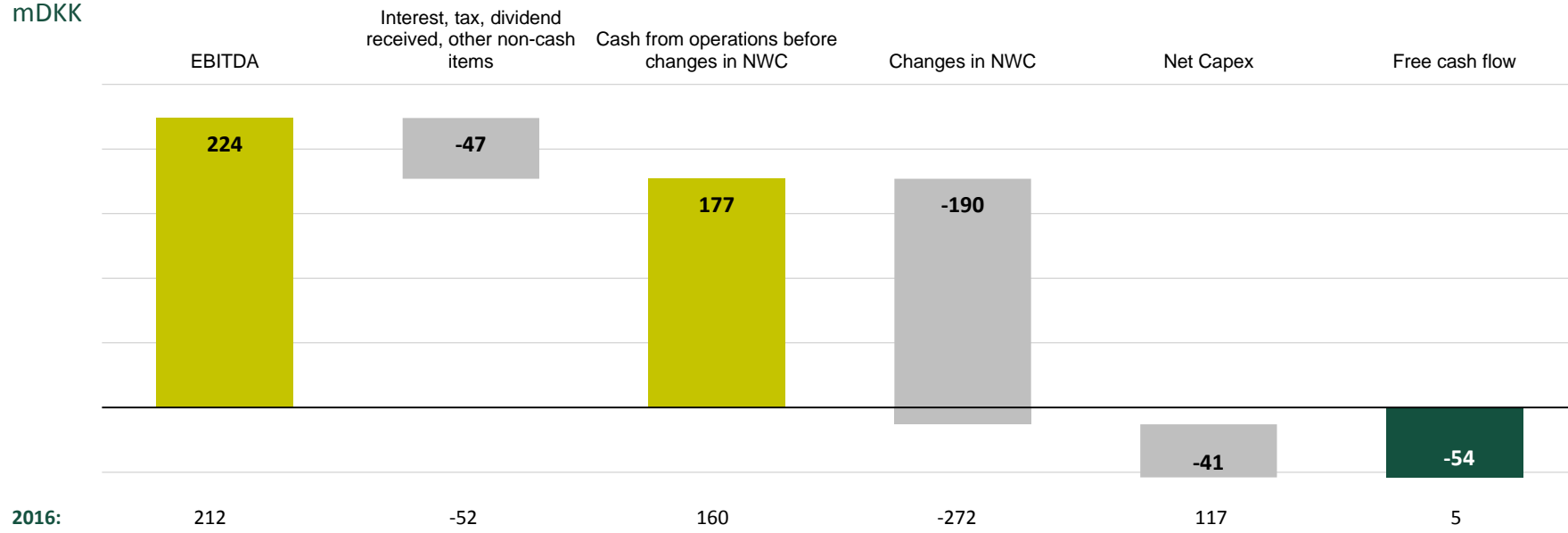
| mDKK | 1Q2017 | 1Q2016 | Change |
|----------------------|--------|--------|--------|
| P&L ITEMS | | | |
| Net revenue | 1,354 | 1,350 | 4 |
| Gross margin | 50.1% | 50.9% | -0.8pp |
| EBITDA | 224 | 212 | 12 |
| EBITDA margin | 16.5% | 15.7% | 0.8pp |
| EBIT | 151 | 138 | 13 |
| EBIT margin | 11.2% | 10.2% | 1.0pp |
| Profit before tax | 143 | 127 | 16 |
| Net profit | 110 | 99 | 11 |

| mDKK | 1Q2017 | 1Q2016 | Change |
|----------------------------|--------|--------|--------|
| BALANCE SHEET ITEMS | | | |
| Net interest bearing debt | 1,142 | 1,269 | -127 |
| Net working capital | -690 | -731 | 41 |
| Total assets | 6,294 | 6,506 | -212 |
| Equity | 2,935 | 2,945 | -10 |
| Equity ratio | 46.6% | 45.3% | 1.3pp |
| Invested capital | 4,316 | 4,444 | -128 |
| ROIC ex. goodwill | 27.0% | 22.4% | 4.6pp |
| ROIC incl. goodwill | 18.0% | 15.4% | 2.6pp |

Cash flow in line with expectations

Cash Flow

mDKK



Outlook 2017

| mDKK | Outlook 2017 | Realised 2016 | Realised 2015 |
|-------------|-----------------|------------------|------------------|
| Net revenue | 6,250-6,450 | 6,340 | 6,032 |
| EBITDA | 1,285-1,385 | 1,306 | 1,225 |
| EBIT | 980-1,080 | 1,001 | 917 |



Q&A-session

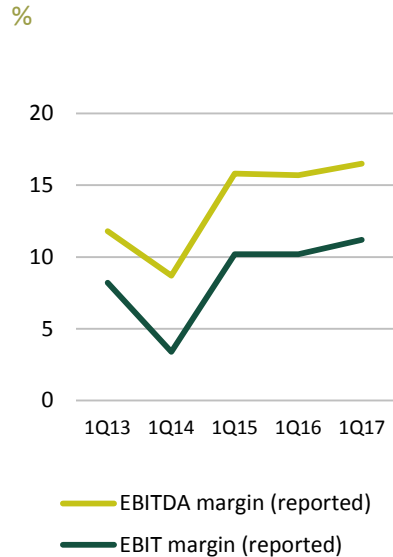


Appendix

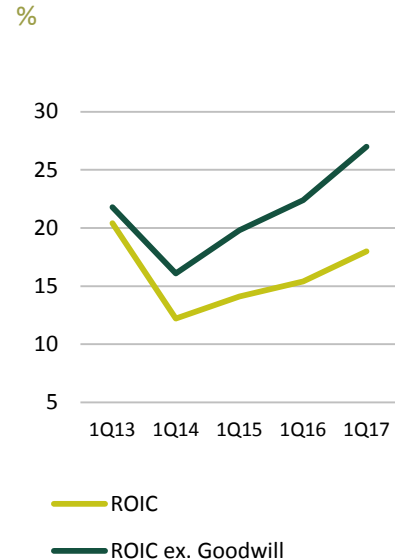


Strong key figure performance

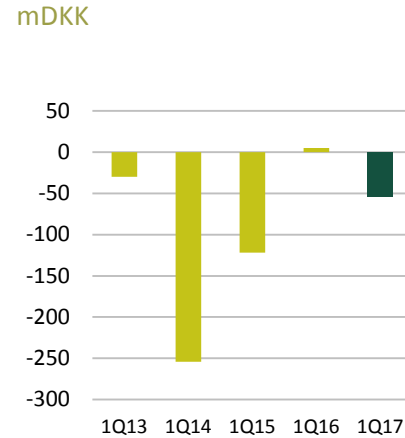
Profit margins



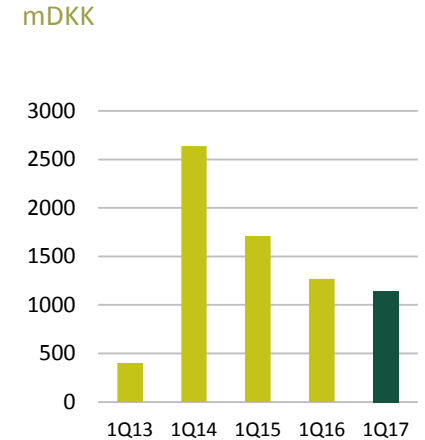
ROIC



Free Cash Flow



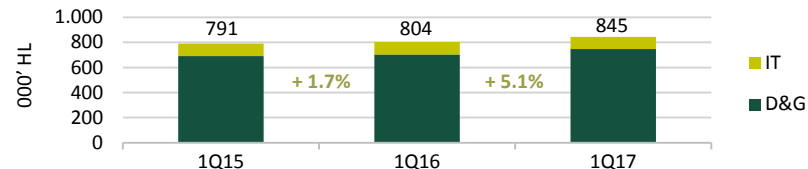
NIBD



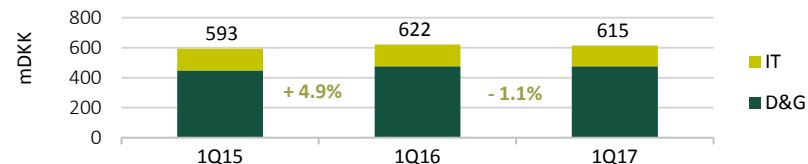
Western Europe: Continued earnings increase

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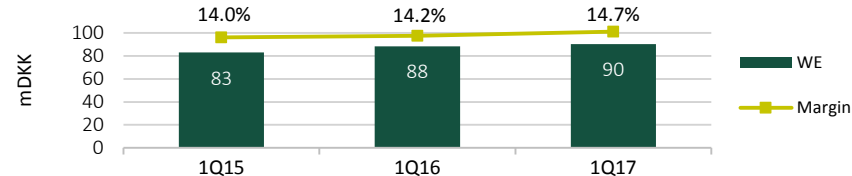
Volume



Revenue



EBIT

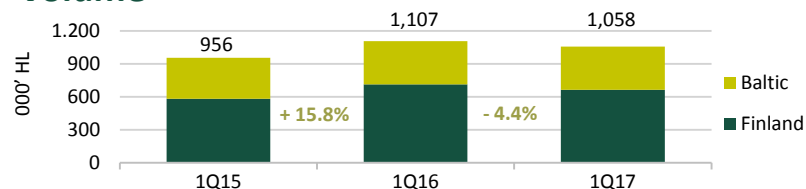


Baltic Sea:

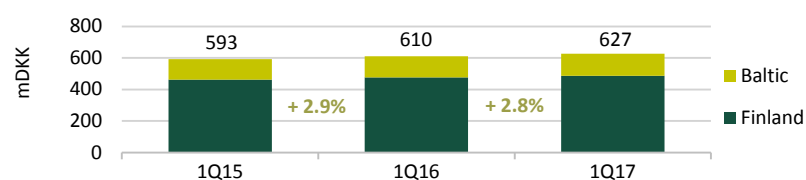
Earnings increase on efficiencies & commercial focus

- Volume -4%, NR +3%, EBIT +34%
- Finland – positive effect from value management. Market positions excl. the extraordinary campaign declining
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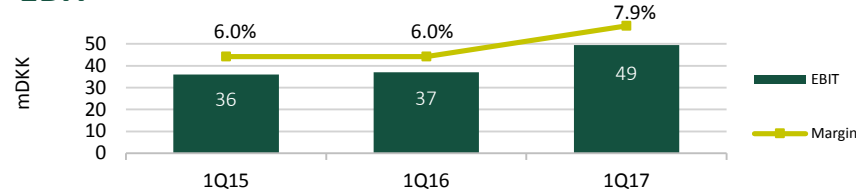
Volume



Revenue



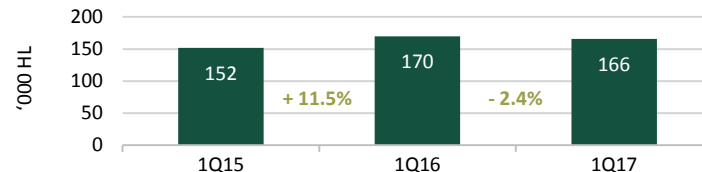
EBIT



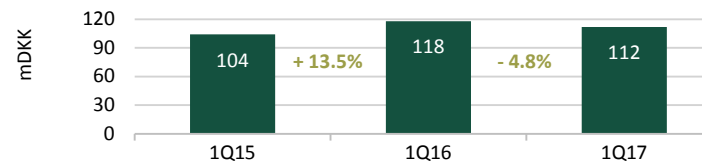
Malt Beverages and Exports: Performance in line with expectations

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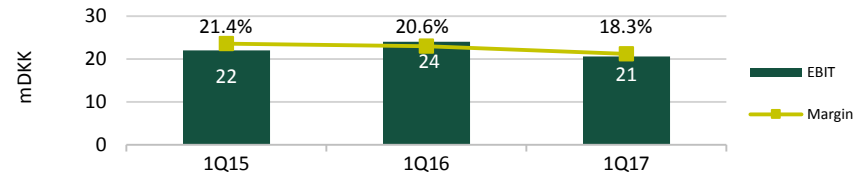
Volume



Revenue

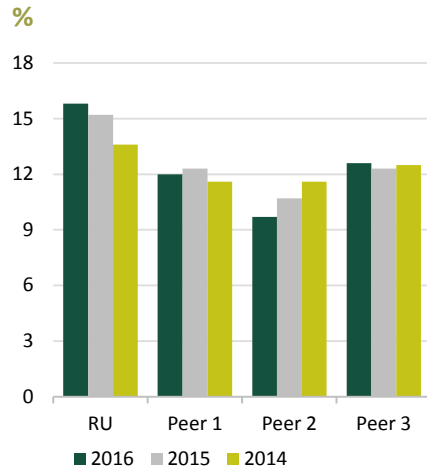


EBIT

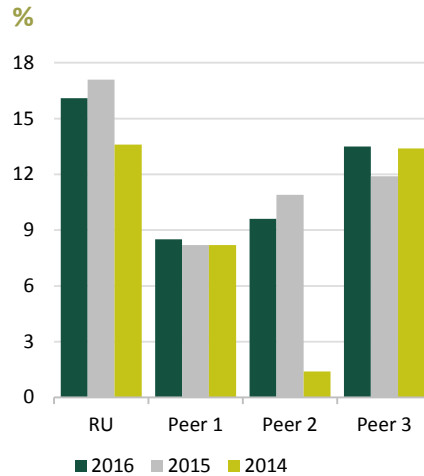


Solid performance to peers 2016

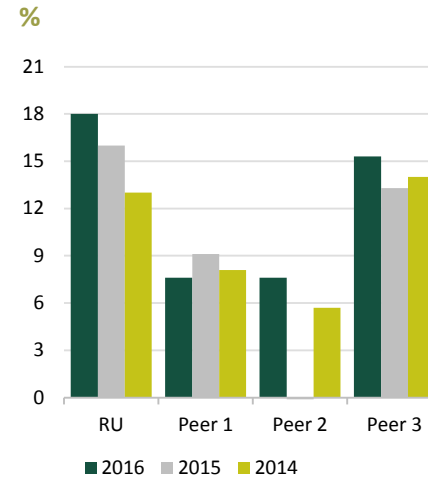
**EBIT margin
(comparable region)**



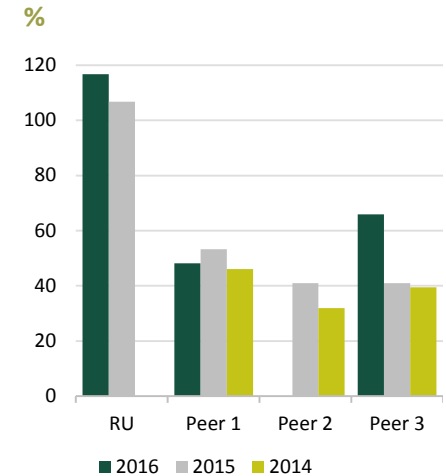
**Free cash flow
- % of revenue**



**Return on invested
capital***



**Cash return to
shareholders****



* Based on average invested capital

** Percentage of net profit the year before

Shareholder distribution

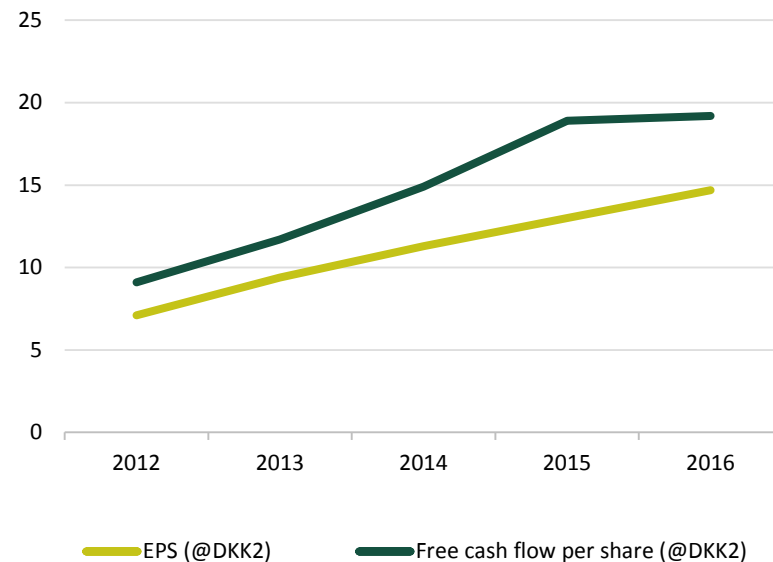
Dividend of DKK 440m approved at the AGM

- Dividend of DKK 8.15 per share

DKK 560m share buy-back initiated March 8

- Safe harbour program
- Maximum 12 month period

EPS and free cash flow per share



Financial targets

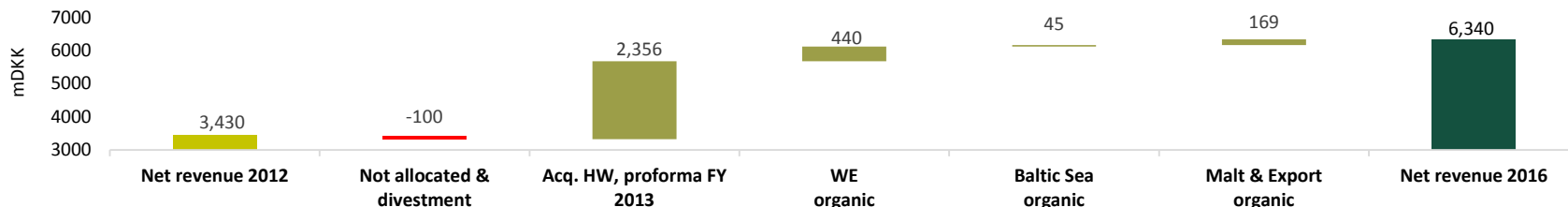
| | March 2017 revised target | November 2015 revised target | August 2014 revised target | Post Hartwall acquisition target* |
|--------------|---------------------------|------------------------------|----------------------------|-----------------------------------|
| Earnings | EBIT margin 16% | EBIT 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

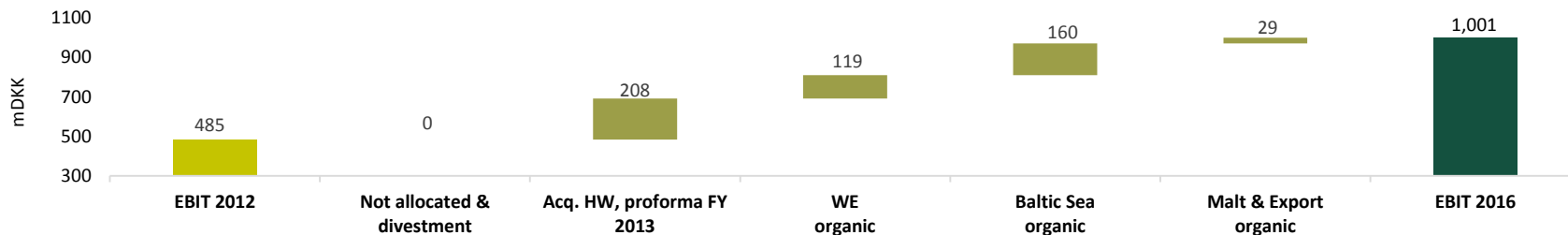
* Amortization from the acquisition decreased EBIT-margin by approx. 50bp

Significant organic improvement 2012 to 2016

Net revenue bridge 2012-2016

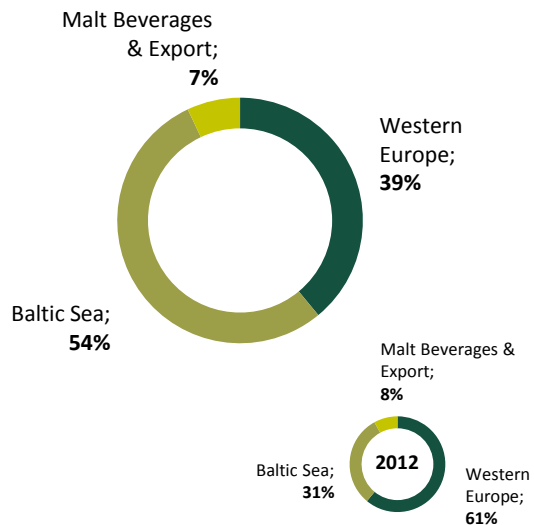


EBIT bridge 2012-2016

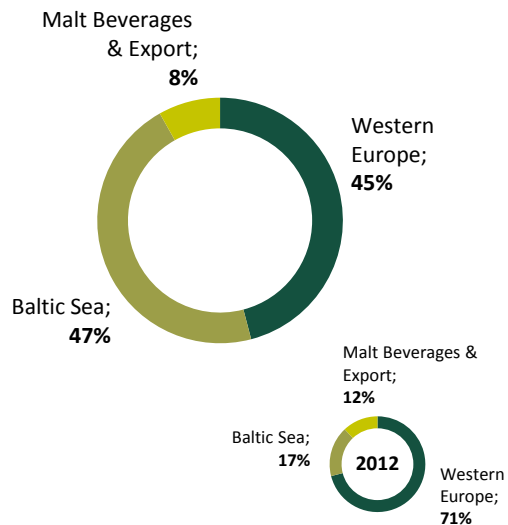


Business segment overview

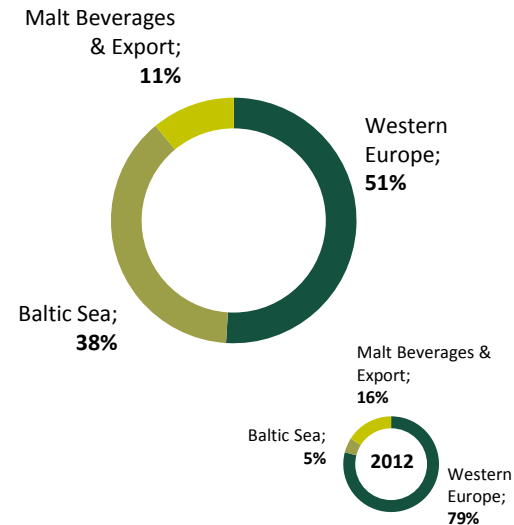
FY 2016 Volume



FY 2016 Net revenue



FY 2016 EBIT



Disclaimer

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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.

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