

Interim Report 1 January – 30 June 2017

22 August 2017

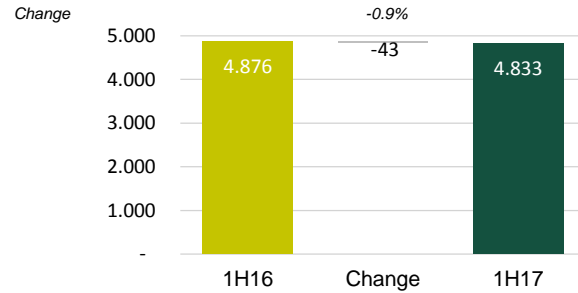


Performance improvements in line with expectations

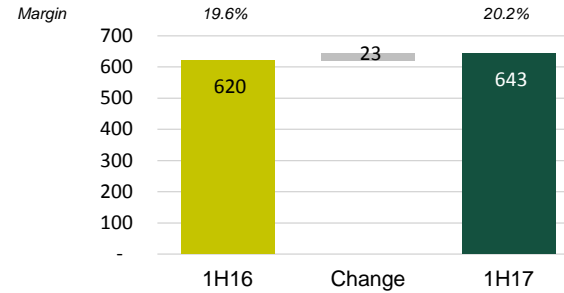
- Overall market positions maintained
- Volume 1% lower at 4.8 mHL
- Net revenue 1% higher at DKK 3.2bn
- EBIT increased by more than 7% to DKK 502m
- EBIT-margin increase from 14.8% to 15.8%
- Free cash flow DKK 497m (DKK 514m including 1Q16 Aarhus sale DKK 160m)
- Outlook 2017 confirmed - specified interval:
 - Net revenue in the low-end (due to poor summer weather)
 - EBIT in the upper half of interval

Increasing earnings

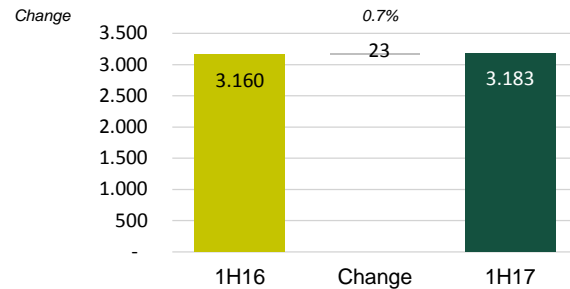
Volume '000 HL



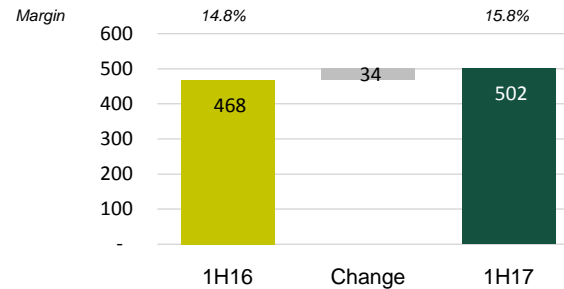
EBITDA mDKK



Net revenue mDKK



EBIT mDKK



Earnings increase in Western Europe and Baltic Sea

Western Europe

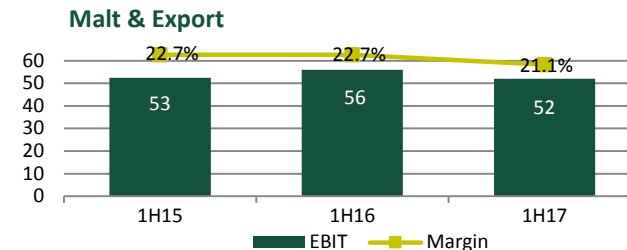
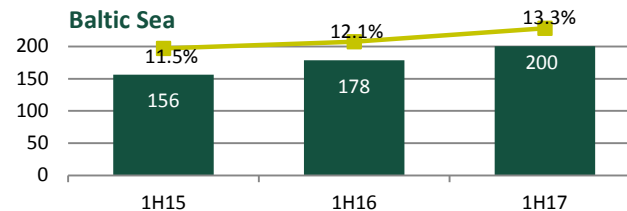
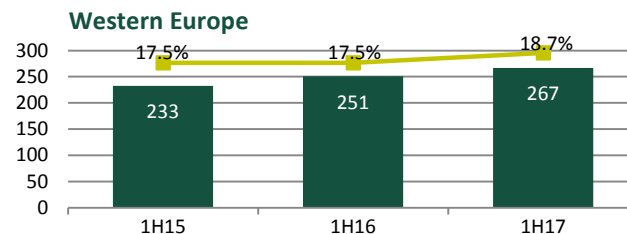
- Volume +4%, NR -1% excl. snacks, EBIT +6%
- Denmark & Germany – market positions strengthened. Increased product awareness from Royal Arena, Distortion & Tivoli
- PepsiCo snacks distribution in Denmark developing as planned
- Italy – increasing product offerings, market positions slightly down

Baltic Sea

- Volume -5%, NR +2%, EBIT +12%
- Finland – Market positions excl. the extraordinary campaign declining from value management focus. Investment in new specialty brewery
- Baltics – increasing consumer prices and declining consumption on regulatory tightening for alcohol products
- PepsiCo soft drink business in Baltics developing as planned

Malt & Export

- Volume +5%, NR 0%, EBIT -7%
- Difficult macro-economics and FX in a number of markets
- Sell-out a low single digit increase
- Continued investment in the organization and market positions



Improved financial performance

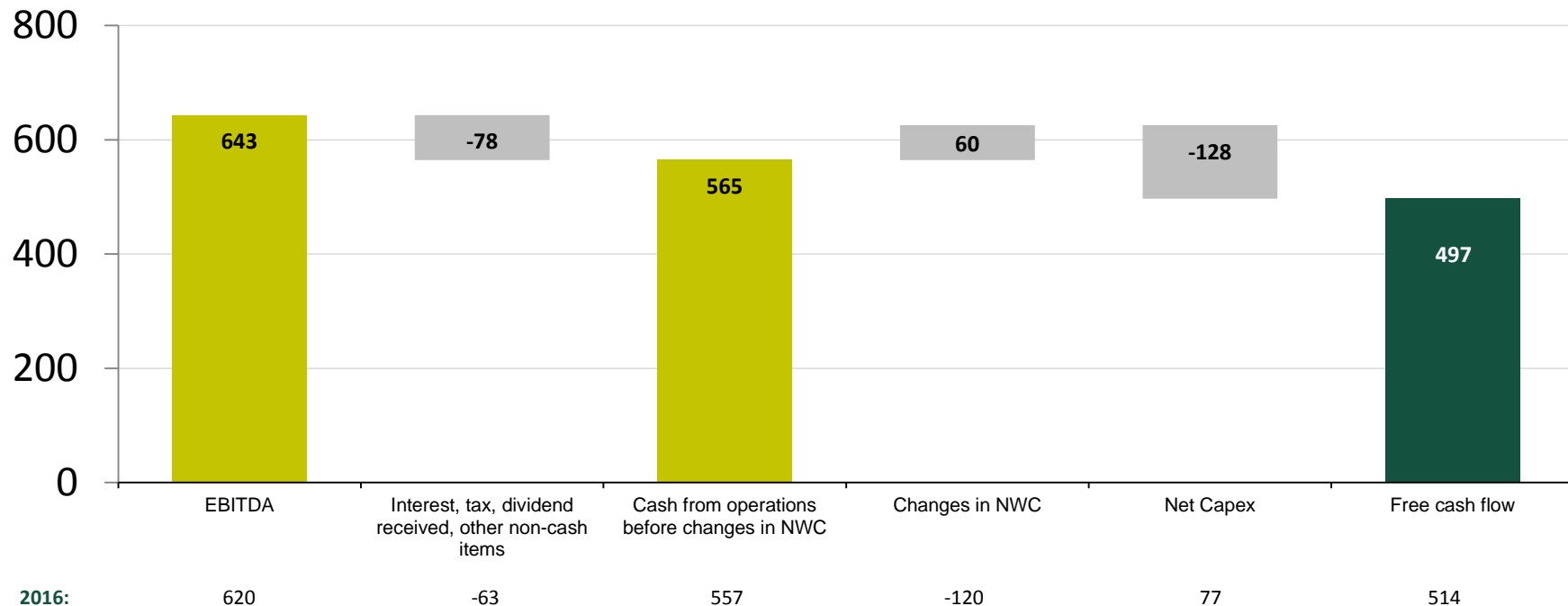
mDKK	1H17	1H16	Change
P&L ITEMS			
Net revenue	3,183	3,160	23
Gross margin	51.6%	52.0%	-0.4pp
EBITDA	643	620	23
EBITDA margin	20.2%	19.6%	0.6pp
EBIT	502	468	34
EBIT margin	15.8%	14.8%	1.0pp
Profit before tax	498	462	36
Net profit	390	364	26

mDKK	1H17	1H16	Change
BALANCE SHEET ITEMS			
Net interest bearing debt	1,158	1,261	-103
Net working capital	-949	-867	-82
Total assets	6,405	6,531	-126
Equity	2,637	2,712	-75
Equity ratio	41.2%	41.5%	-0.3pp
Invested capital	4,041	4,207	-166
ROIC ex. goodwill	30.2%	25.2%	5.0pp
ROIC incl. goodwill	19.6%	16.9%	2.7pp

Cash flow in line with expectations

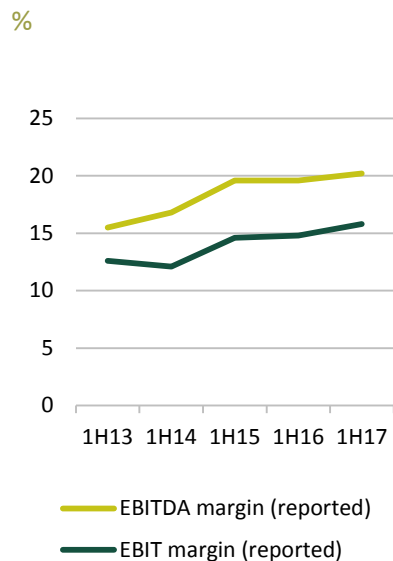
Cash Flow

mDKK

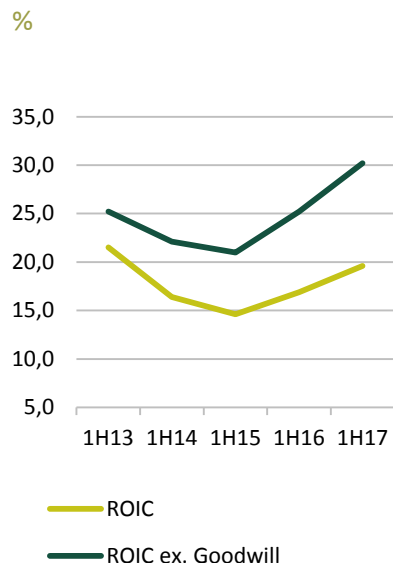


Strong key figure performance

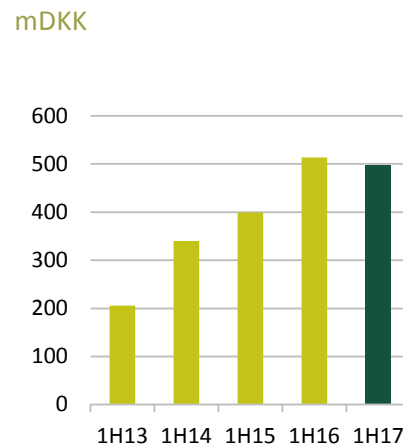
Profit margins



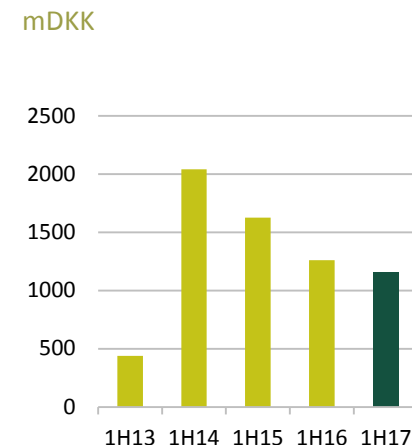
ROIC



Free Cash Flow



NIBD



Outlook 2017 reiterated and specified

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



Q&A-session



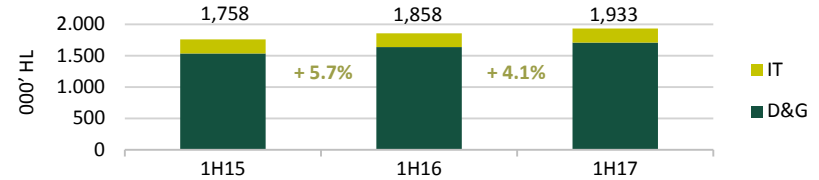
Appendix



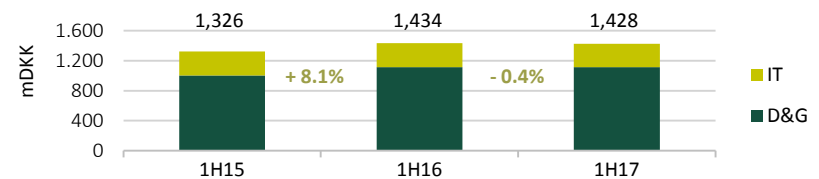
Western Europe: Continued earnings increase

- Volume +4%, NR -1% excl. snacks, EBIT +6%
- Denmark & Germany – market positions strengthened.
- Increased product awareness from Royal Arena, Distortion & Tivoli
- PepsiCo snacks distribution in Denmark developing as planned
- Italy – increasing product offerings, market positions slightly down

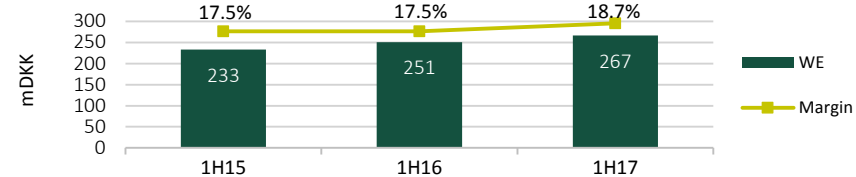
Volume



Revenue



EBIT

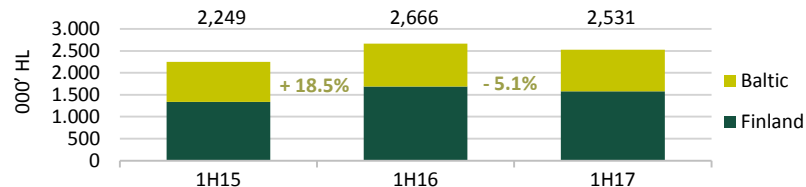


Baltic Sea:

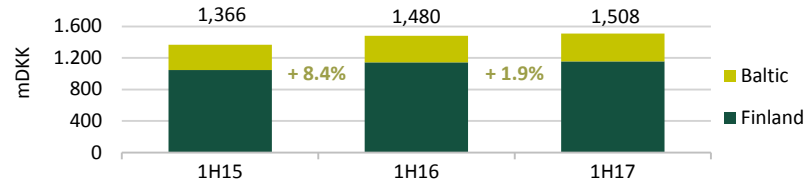
Earnings increase on efficiencies & price/mix

- Volume -5%, NR +2%, EBIT +12%
- Finland – Market positions excl. the extraordinary campaign declining from value management focus.
- Investment in new Finnish specialty beer brewery
- Baltics – increasing consumer prices and declining consumption on regulatory tightening for alcohol products
- PepsiCo soft drink business in Baltics developing as planned

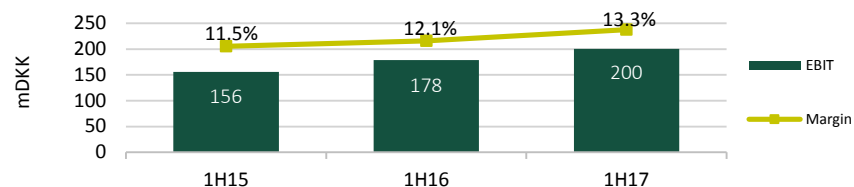
Volume



Revenue



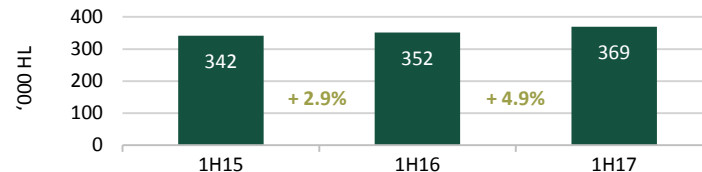
EBIT



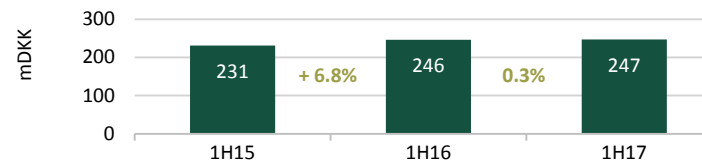
Malt Beverages and Exports: Growth rate declining from macro

- Volume +5%, NR 0%, EBIT -7%
- Difficult macro-economics and FX in a number of markets
- Sell-out a low single digit increase
- Continued investment in the organization and market positions

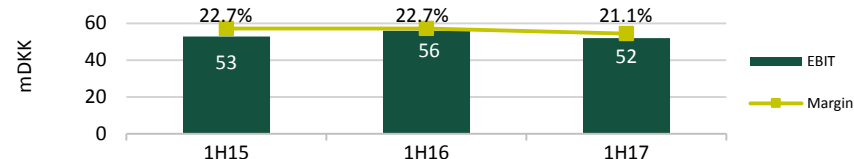
Volume



Revenue

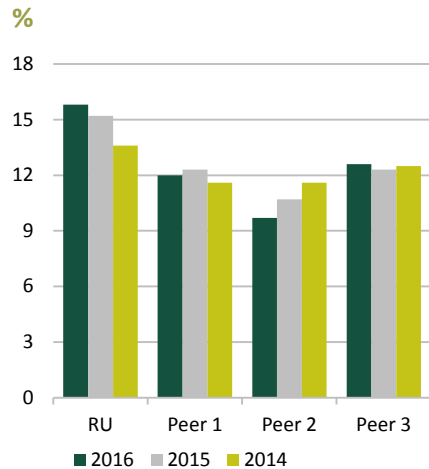


EBIT

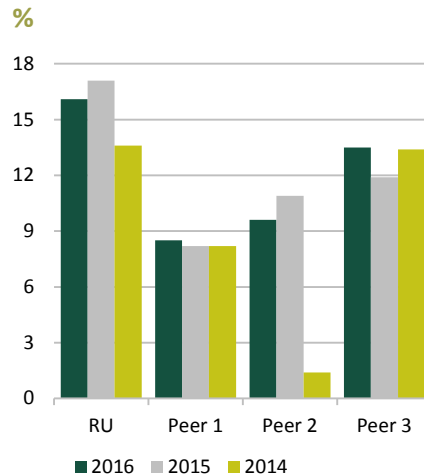


Solid performance to peers 2016

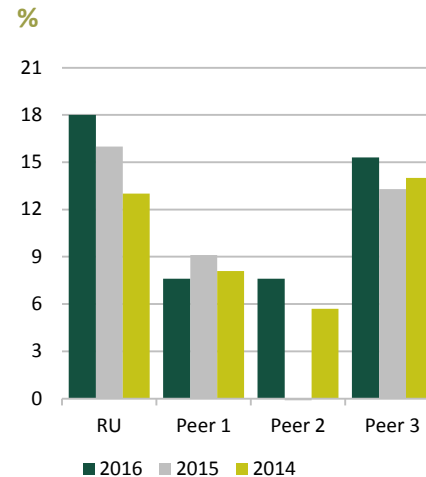
**EBIT margin
(comparable region)**



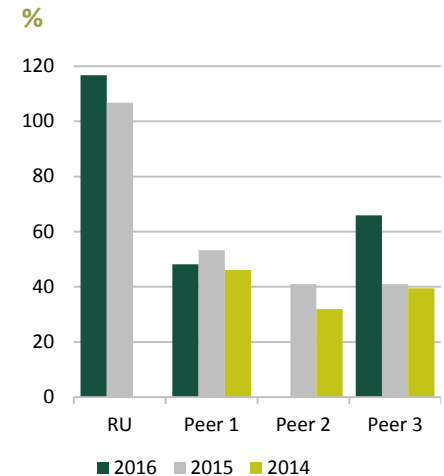
**Free cash flow
- % of revenue**



**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 426m paid to shareholders

- Dividend of DKK 8.15 per share

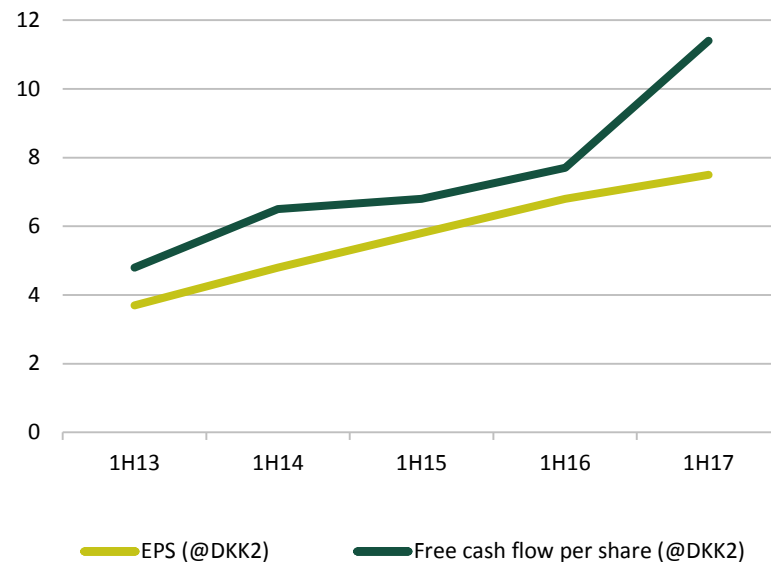
DKK 560m share buy-back initiated on March 8, 2017

- Safe harbour program
- Maximum 12 month period

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

- 811,569 shares bought at at total value of DKK 237m

EPS and free cash flow per share



Financial targets

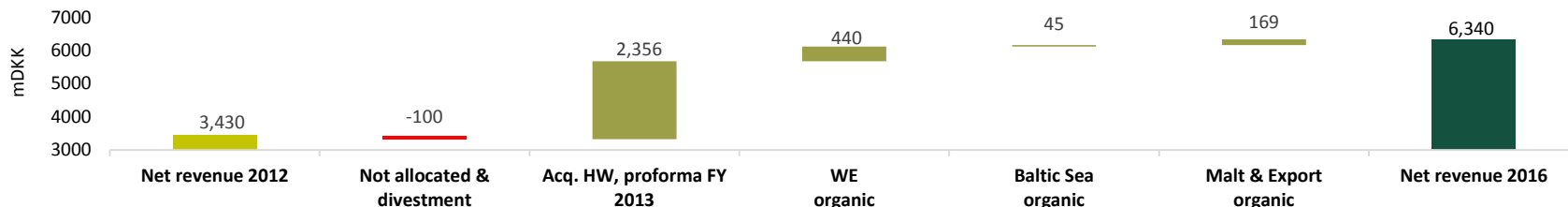
	March 2017 revised target	November 2015 revised target	August 2014 revised target	Post Hartwall acquisition target*
Earnings	EBIT margin 16%	EBIT margin 15%	EBIT margin 14%	EBIT margin 13%
Equity ratio	Minimum 30%	Minimum 30%	Minimum 30%	Minimum 30%
NIBD/EBITDA	Maximum 2.5x	Maximum 2.5x	Maximum 2.5x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

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

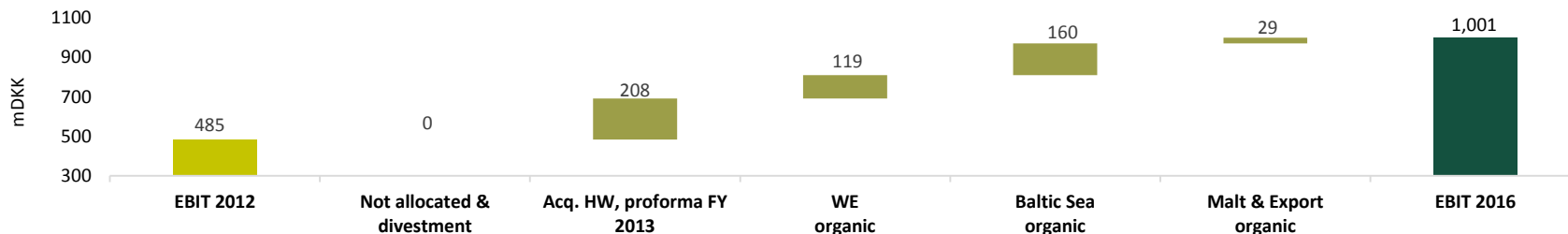
* Amortization from the acquisition decreased EBIT-margin by approx. 50bp

Significant organic improvement 2012 to 2016

Net revenue bridge 2012-2016

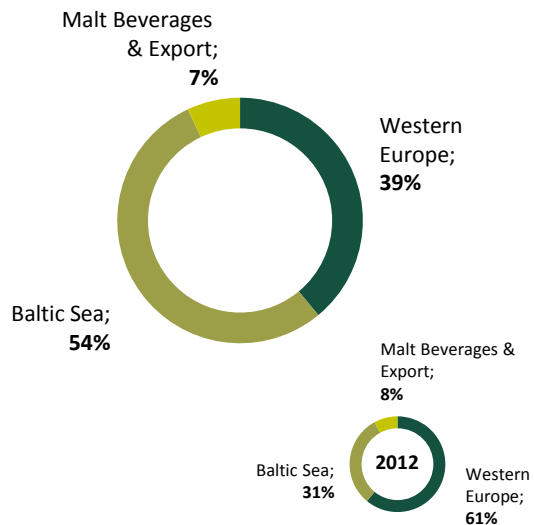


EBIT bridge 2012-2016

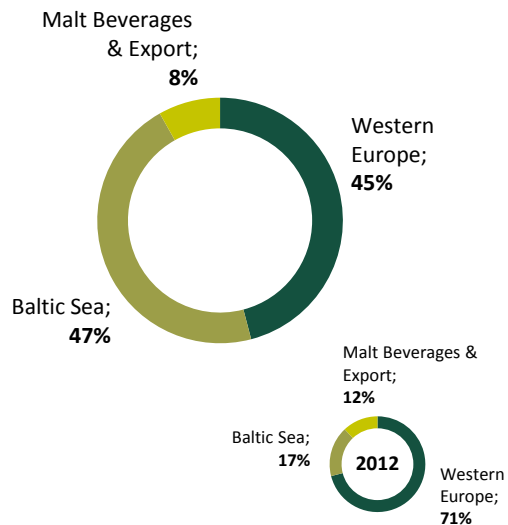


Business segment overview

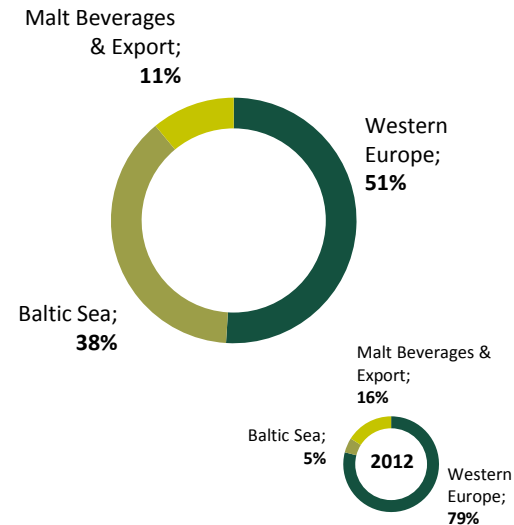
FY 2016 Volume



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, changes in 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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