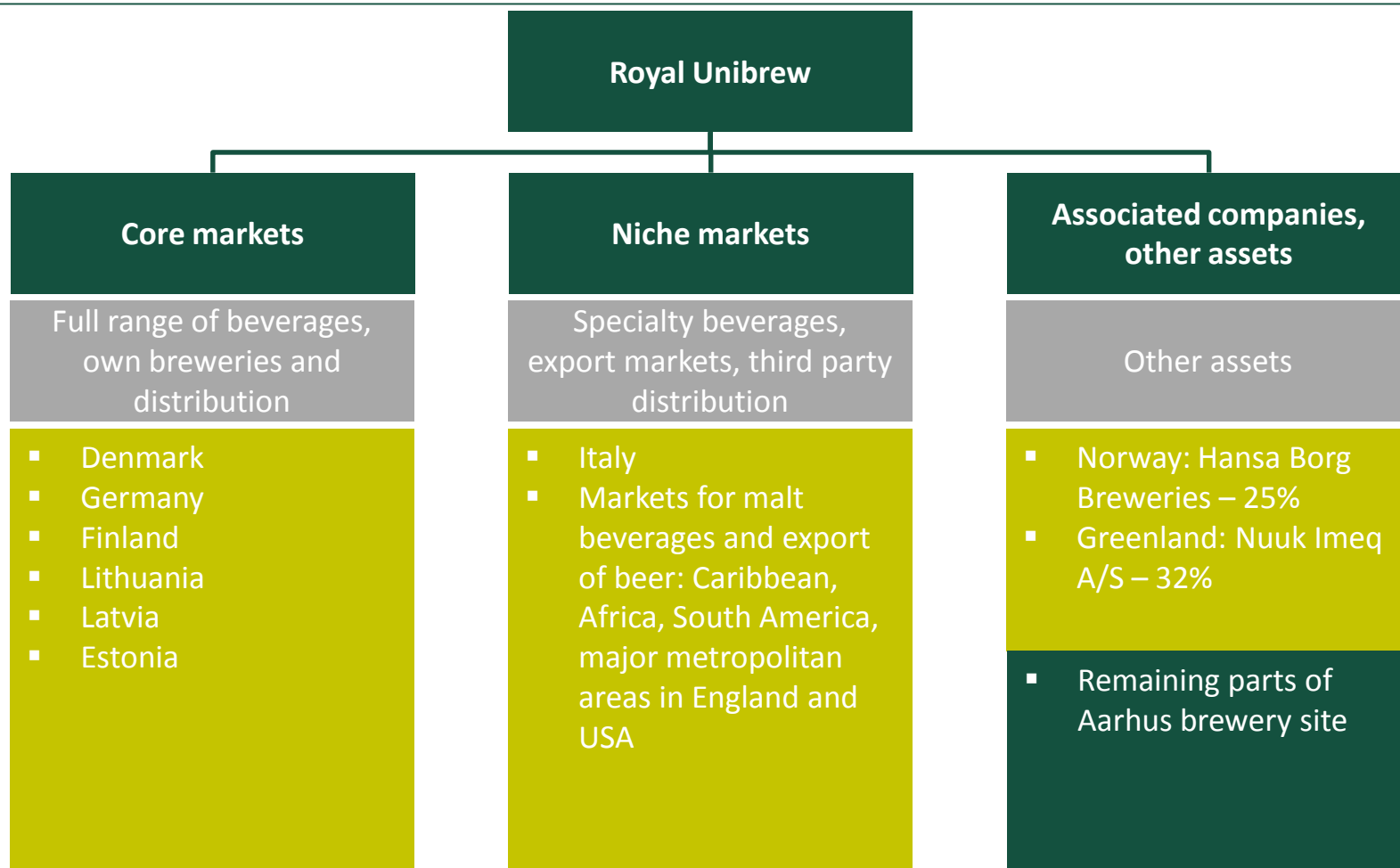




# SEB Nordic Seminar 2017

By Lars Jensen, CFO  
10 January 2017

# A Leading Regional Beverage Group



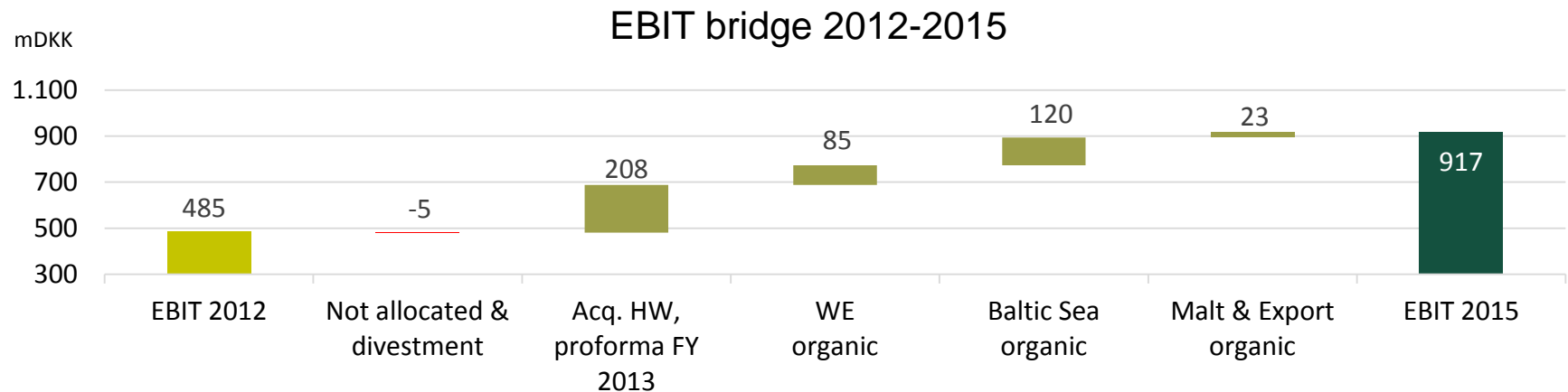
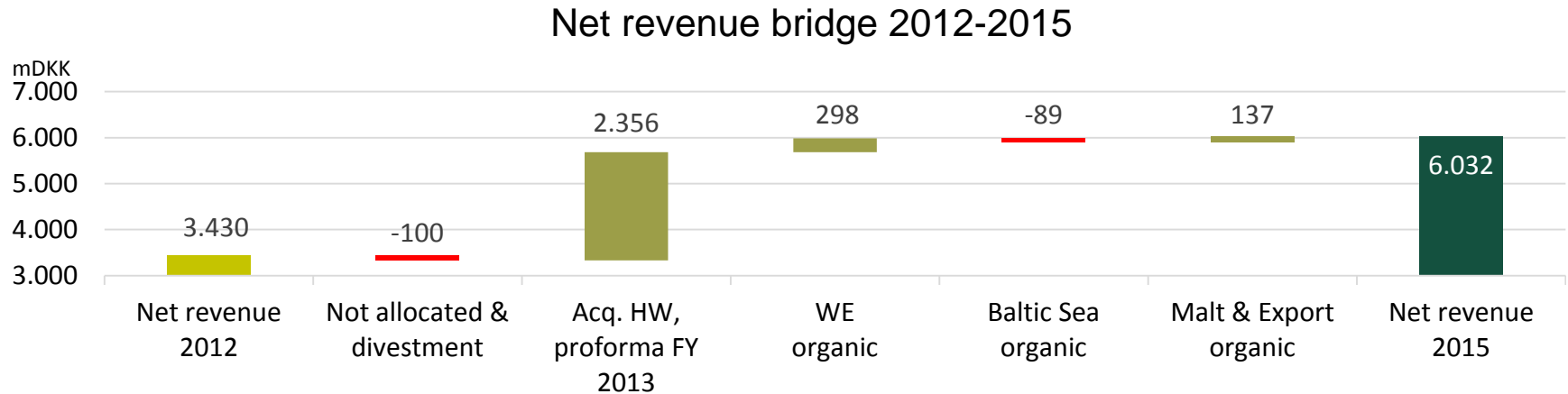
**Royal Unibrew is a leading regional beverage group**

# 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



# Significant organic improvement from 2012 to 2015 in all segments – EBIT growth of 89%



# Status on Craft beer, premiumization and growth initiatives

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- Increased focus on craft & speciality beer
  - Opening of new micro-brewery in 2017 - increased craft and specialty beer capacity
  - Craft and specialty beer organization adaptations and strengthening of know-how
  - Craft beer portfolio
- Premiumization and value enhancement
  - Continued development of premium and super-premium market positions and brands
  - Innovations and consumer activation
- **Malt & Beverages** – deeper penetration & rotation in existing markets (new & "heritage" markets)
- Extension of PepsiCo co-operation – delivering appr. 2% growth to NR in 1-3Q16

From August '16 presentation

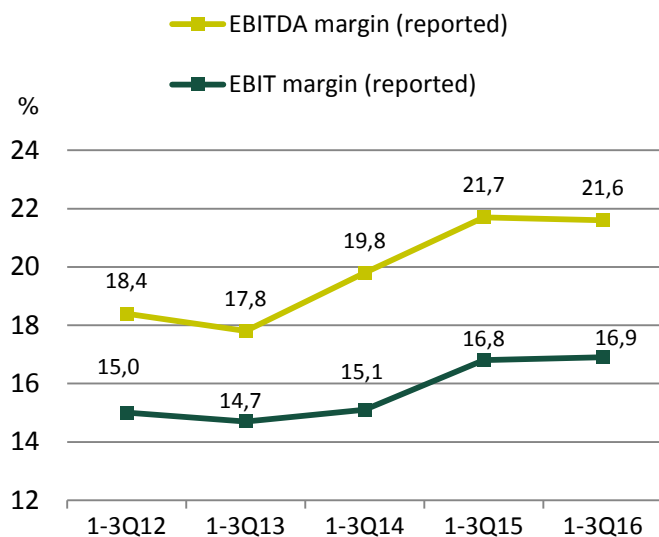
# Performance as expected - strong commercial execution

- Market positions maintained
- Volume increase of 9% to 7.5mHL
- Net revenue increase of 6% to DKK 4.9bn
- EBIT increase of 6% to DKK 825m
- EBIT-margin increase from 16.8% to 16.9%
- Free cash flow incl. Aarhus sale up DKK 42m to DKK 835m
- Earning outlook 2016 specified to the upper end of intervals

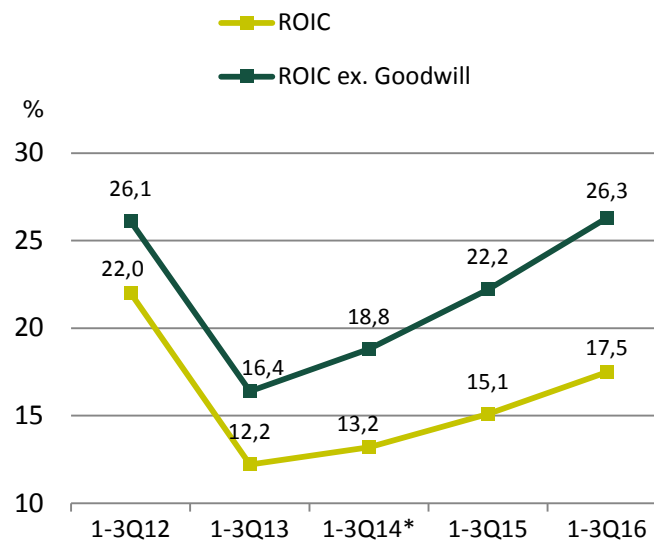


# Strengthening of key performance figures

## PROFIT MARGIN



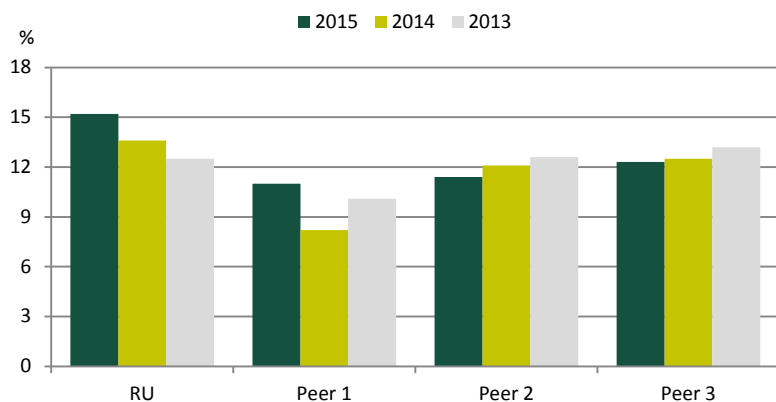
## RETURN ON INVESTED CAPITAL



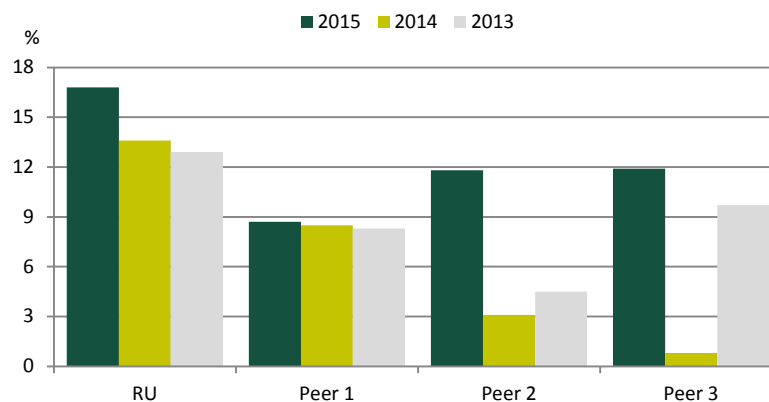
\* 1-3Q14 proforma – incl. Hartwall from 1.7. – 22.8.2013

# Solid performance to peers 2015

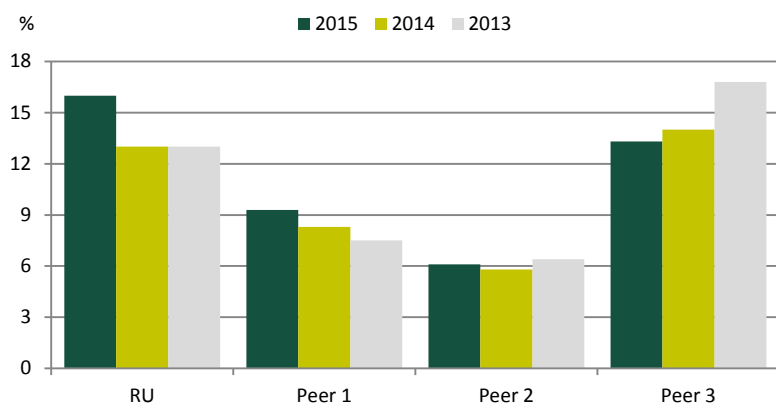
## EBIT MARGIN (COMPARABLE REGION)\*



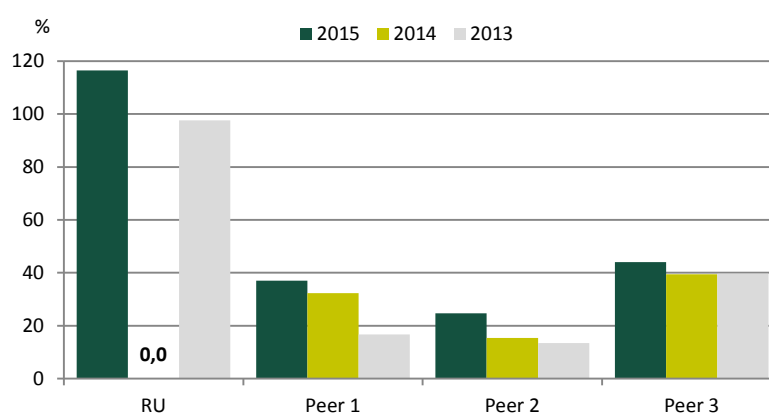
## FREE CASH FLOW – % OF REVENUE



## RETURN ON INVESTED CAPITAL\*\*



## CASH RETURN TO SHAREHOLDERS



\* Based on FY2013 and FY2014 results on comparable basis. RU proforma 2013 EBIT margin 12,0%

\*\* Based on average invested capital vs. previously on year end figures



# August earnings outlook 2016 now specified to the upper end of the earnings intervals

mDKK	Updated outlook August 2016	Original outlook March 2016	Realized 2015	Realized 2014
Net revenue	6,275 – 6,450	6,150 – 6,400	6,032	6,056
EBITDA	1,240 – 1,290	1,190 – 1,290	1,225	1,130 *)
EBIT	935 – 985	885 – 985	917	826 *)

\*) Incl. 50 mDKK one-time restructuring costs



# Financial targets - History

	<b>November 2015 revised target</b>	<b>August 2014 revised target</b>	<b>Post Hartwall acquisition target**</b>	<b>Pre Hartwall acquisition target*</b>
EARNINGS	EBIT margin 15%	EBIT margin 14%	EBIT margin 13%	EBIT margin 14%
EQUITY RATIO	Minimum 30%	Minimum 30%	Minimum 30%	Minimum 30%
NIBD/EBITDA	Maximum 2.5x	Maximum 2.5x	Maximum 2.5x	Maximum 2.5x

- Dividends and share buy-backs resumed in 2015
- Distribution policy:
  - Dividends 40-60% of group net result
  - Share buy-back to adjust capital structure

\* Basically no amortization

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

# Q&A



## DISCLAIMER:

- This announcement contains forward-looking statements. Undue reliance should not be placed on forward-looking statements because they relate to and depend on circumstances that may or may not occur in the future and actual results may differ materially from those in forward-looking statements. Forward-looking statements include, without limitation, statements regarding our business, financial circumstances, strategy, results of operations, financing and other plans, objectives, assumptions, expectations, prospects, beliefs and other future events and prospects. We undertake no obligation, and do not intend to publicly update or revise any of these forward-looking statements, unless prescribed by law or by stock exchange regulations.

# Appendix

# Facts about Royal Unibrew

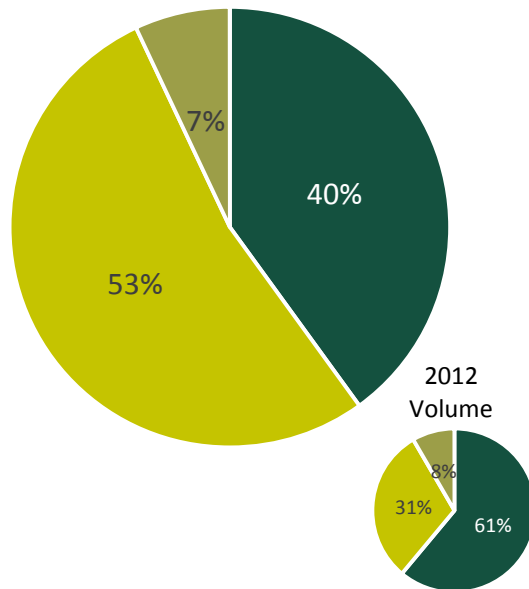
- Royal Unibrew is the second biggest brewer in the Nordic and Baltic region
- Revenue in 2015 of DKK 6.032 billion
- EBITDA in 2015 of DKK 1,225 million
- Approximately 2,300 employees worldwide
- Export to approx. 85 countries worldwide
- 5 breweries and 2 soft drink/water facilities
- Market Cap end December 2015 of DKK 15.5 billion or EUR 2.0 billion
- Daily average liquidity L12 months approx. DKK 25 million or EUR 3.4 million



# Business segment overview – significant change since 2012

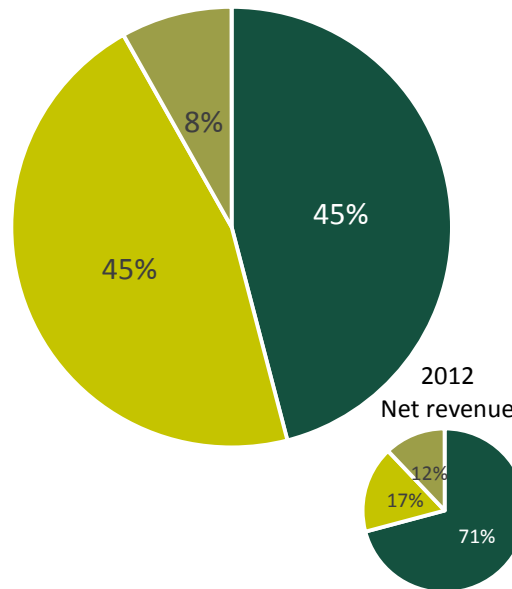
## 2015 Volume

- Western Europe
- Baltic Sea
- Malt Beverages & Export



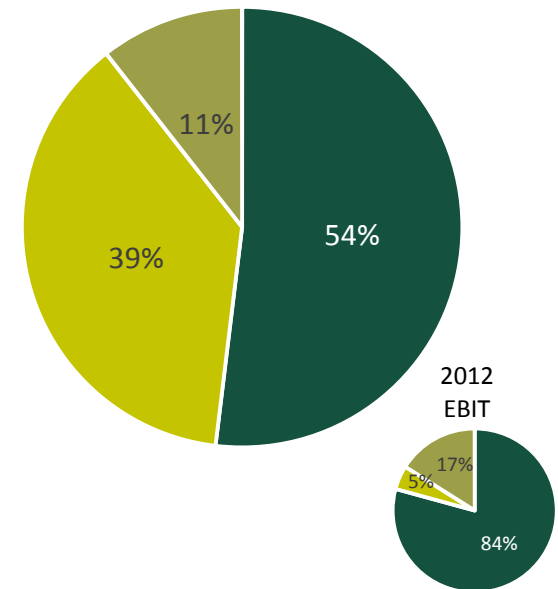
## 2015 Net revenue

- Western Europe
- Baltic Sea
- Malt Beverages & Export

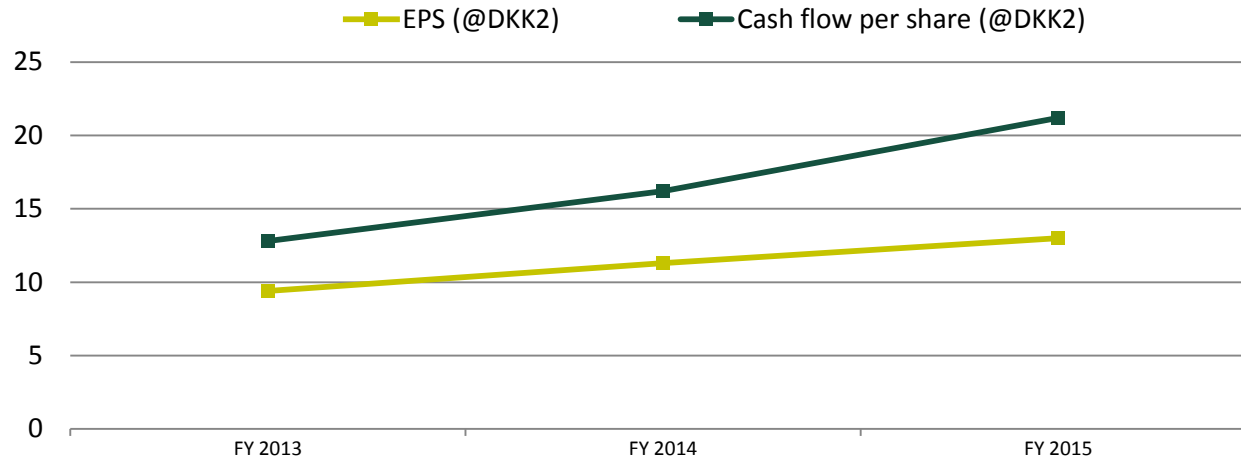


## 2015 EBIT

- Western Europe
- Baltic Sea
- Malt Beverages & Export



# FY 2015: Shareholder distribution



- Dividend for 2015 of DKK 400m, DKK 7,20 share
- A new share buy-back program under safe harbor worth DKK 450m initiated March 2016 for a maximum period of 12 month
- Share buy-back as per 30.9.16 (existing and previous program): 1,068,554 shares bought at a total value of DKK 318m

# Shareholder Structure

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## Largest shareholders

- Chr. Augustinus Fabrikker A/S – 10.4% (notified 11 December 2009)
- Hartwall Capital Oy Ab – 7.1% (notified 6 May 2015)
  
- Approx 15,000 shareholders in total

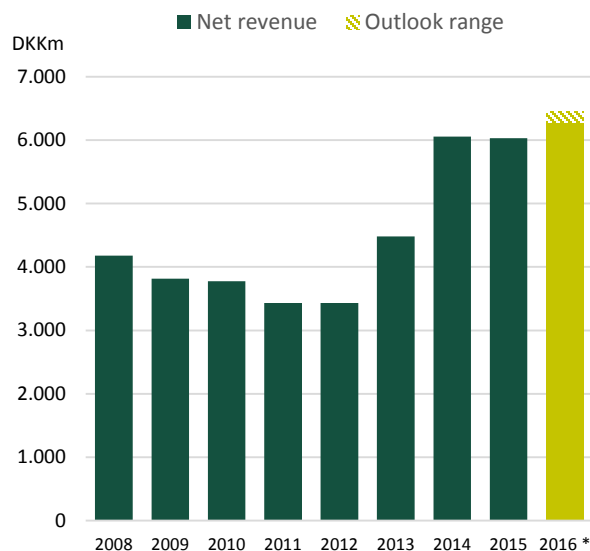
## One share class

**No restrictions in ability to pay dividend or buy back shares**



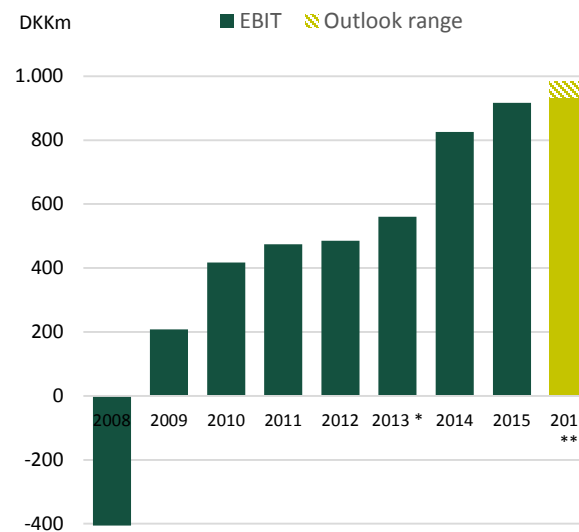
# Financial Performance 2008-2015/2016

## Net revenue



\*) Net revenue 2016: Outlook range DKK 6,275m – DKK 6.450m

## EBIT



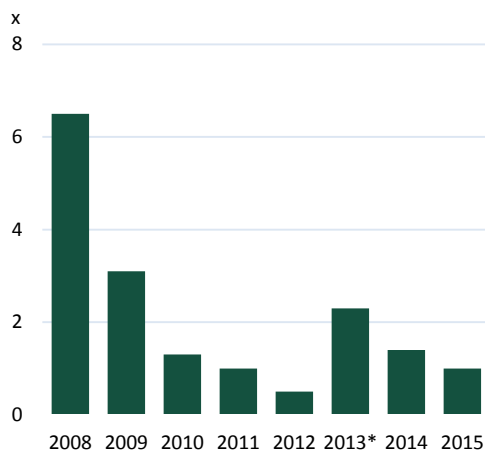
\*) Hartwall contribution DKK 38m

\*\*\*) EBIT 2016: Outlook range DKK 935m – 985m

# Financial Performance 2008-2015/2016

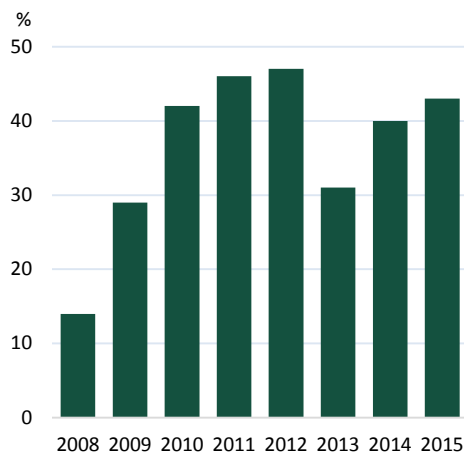
## OPERATING IMPROVEMENTS AND SALE OF NON-CORE ASSETS

### NIBD/EBITDA



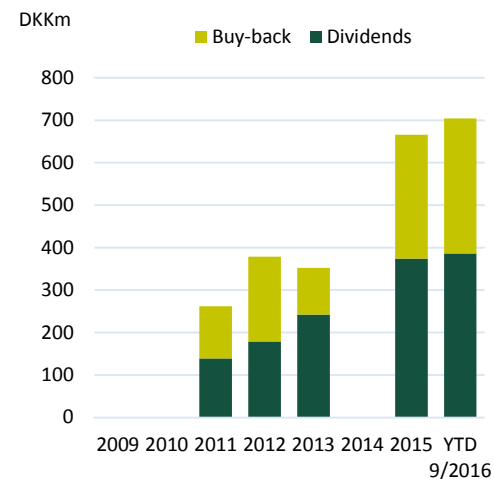
\* Calculated pro forma with Hartwall's realized full-year EBITDA

### EQUITY RATIO



## CREATING SHAREHOLDER VALUE

### DISTRIBUTION



# Improved financial performance

## MDKK

### P&L ITEMS:

	1-3Q 2016	1-3Q 2015	Change	FY 2015
Net revenue	4,874	4,610	264	6,032
Gross margin	52,7%	53,6%	-0.9 pp	52.6%
EBIT	825	775	50	917
EBIT margin	16.9%	16.8%	0.1 pp	15.2%
Profit before tax	818	756	62	902
Consolidated profit	641	588	53	711

### BALANCE SHEET ITEMS:

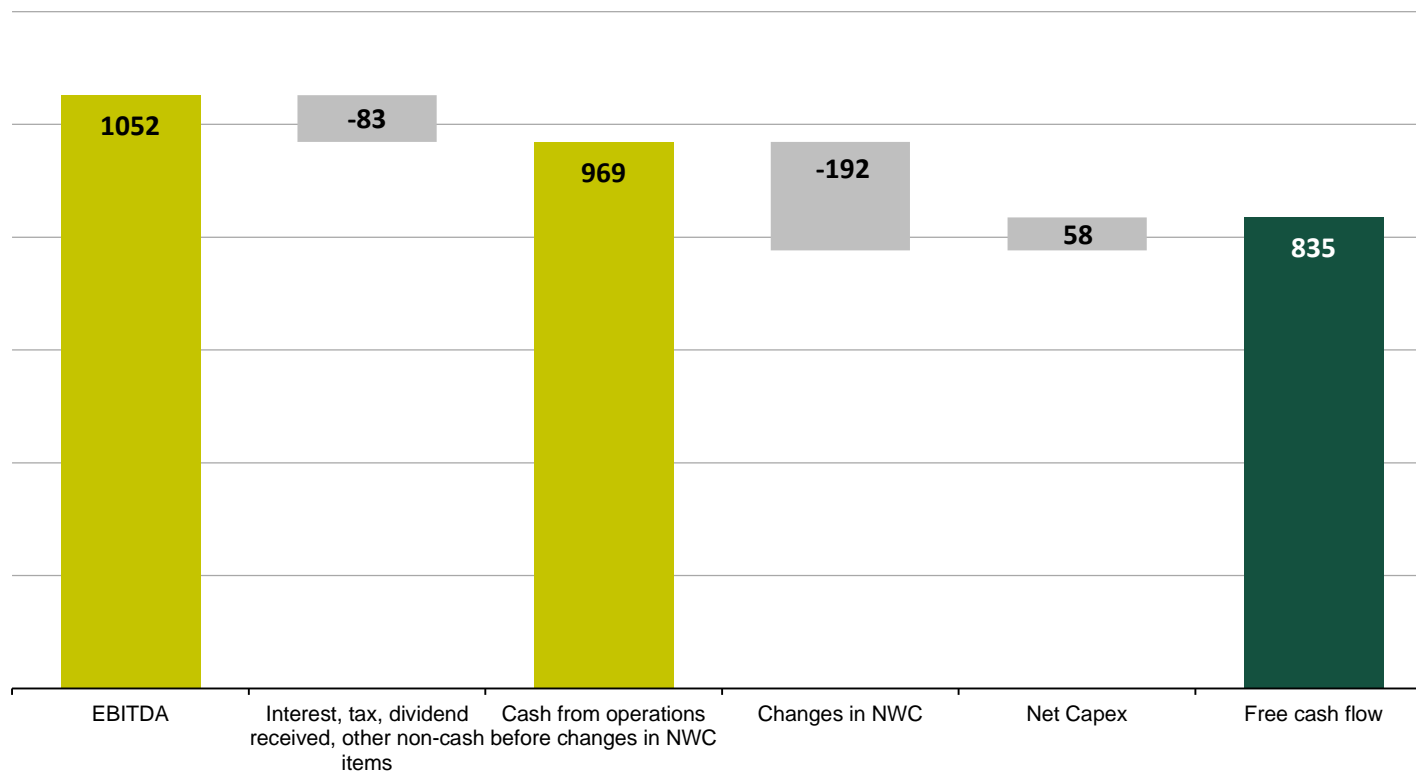
Net interest bearing debt	1,053	1,323	-270	1,184
Net working capital	-791	-742	-49	-990
Total assets	6,260	6,728	-468	6,748
Equity	2,895	2,896	-1	2,935
Equity ratio	46.2%	43.0%	3.2 pp	43.5%



# Continued strong free cash flow performance

## CASH FLOW – DKKM

1-3Q15:            1002                    -93                    909                    -85                    -31                    793



# Management



## **Henrik Brandt** President & CEO

MSc (Economics and Business Administration), MBA Stranford University, US

Joined as CEO on 1 November 2008

### **Past experience**

Unomedical A/S, CEO

Sophus Berendsen, CEO

House of Prince (Scandinavian Tobacco), CEO



## **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



## **Hans Savonije** COO

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