



# Annual Report

1 January – 31 December 2017

7 March 2017

# Results in high end of the outlook guidance

- Best result ever in spite of poor summer weather
  - Net revenue DKK 6.4bn (DKK 6.3bn)
  - EBIT DKK 1.069m (DKK 1.001)
  - EBIT margin 16,7% (15,8%)
- Reinforcement of our market position in most of the markets
- Strong cash flow development of DKK 950m (DKK 1,022m\*)
- ROIC excluding goodwill up from 28% to 32%
- DKK 934m cash returned to shareholders via dividend and SBB
- Dividend DKK 469m to be proposed to AGM, DKK 8,90 per share
- New share buy-back program of DKK 400m
- Increase in mid-term EBIT margin objective
- Acquisition of Terme di Crodo



\*incl. the sale of the brewery site in Aarhus of DKK 195 million

# Earnings in business segments

## Western Europe

- Volume +2%, NR -1% incl. snacks, EBIT +7%
- Denmark & Germany
  - gaining slightly market share. Strong commercial initiatives
  - increased focus on craft and specialty beer progressing well
- Italy
  - market increase driven by campaigns and good weather
  - integration work for Terme di Crodo on track

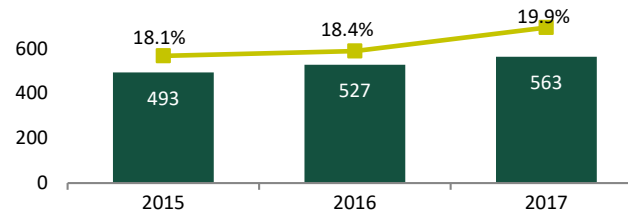
## Baltic Sea

- Volume -4%, NR +3%, EBIT +9%
- Finland
  - short term positive impact from changes in legislation
  - focus on value management
  - continuous efficiency improvements a part of daily operation
- Baltics
  - challenging market conditions caused by the excise increases
  - high focus on premium offering and development of Non alco portfolio

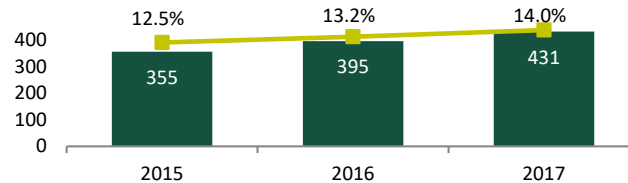
## Malt & Export

- Volume +3%, NR -1%, EBIT -2%
- EBIT slightly lower than last year due to negative exchange rate development and continued investment in the organization and sales/marketing
- Focus on deeper penetration and rotation in existing markets

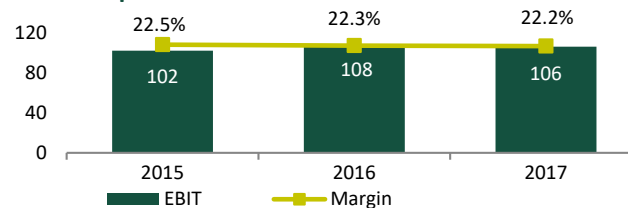
## Western Europe



## Baltic Sea



## Malt & Export



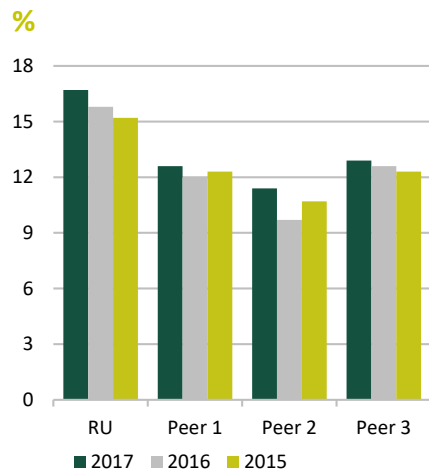
# Solid financial performance

mDKK	2017	2016	Change
<b>P&amp;L ITEMS</b>			
Net revenue	6,384	6,340	44
Gross margin	51.7%	51.8%	-0.1pp
EBITDA	1,362	1,306	56
EBITDA margin	21.3%	20.6%	0.7pp
EBIT	1,069	1,001	68
EBIT margin	16.7%	15.8%	0.9pp
Profit before tax	1,056	998	58
Net profit	831	784	47

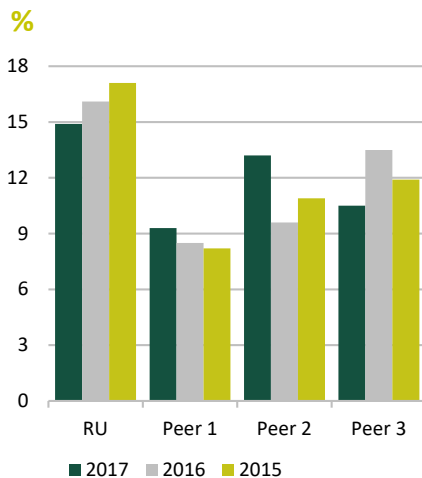
mDKK	2017	2016	Change
<b>BALANCE SHEET ITEMS</b>			
Net interest bearing debt	975	991	-16
Net working capital	-957	-881	-76
Total assets	6,778	6,076	702
Equity	2,814	2,911	-97
Equity ratio	42%	48%	-6pp
Invested capital	4,030	4,111	-81
ROIC ex. goodwill	32%	28%	4pp
ROIC incl. goodwill	21%	18%	3pp

# Performance to peers 2017

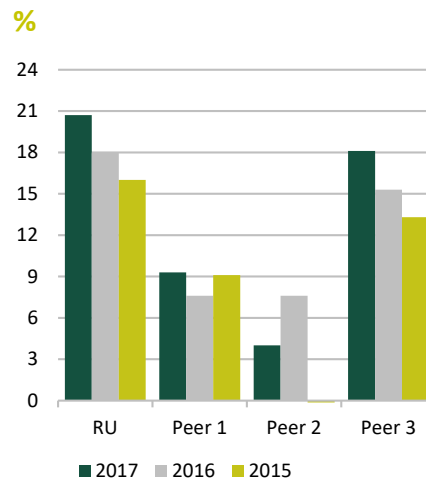
**EBIT margin  
(comparable region)**



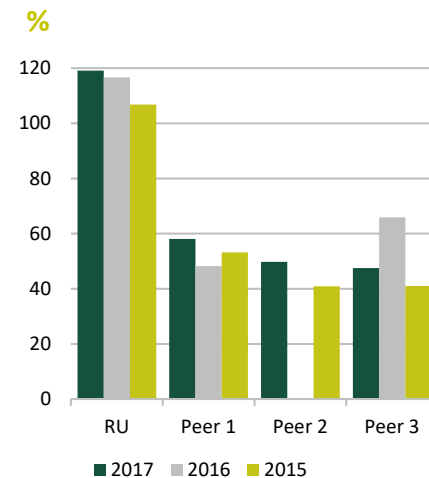
**Free cash flow  
% of revenue**



**Return on invested  
capital\***



**Cash return to  
shareholders\*\***



\* Based on average invested capital

\*\* Percentage of net profit the year before

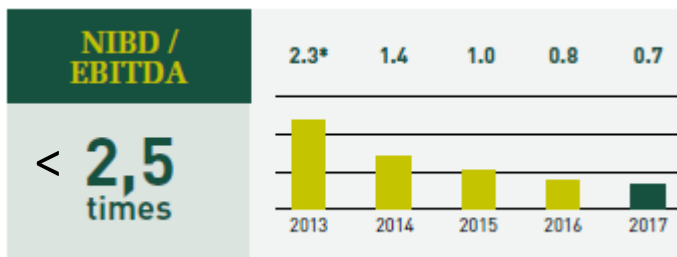
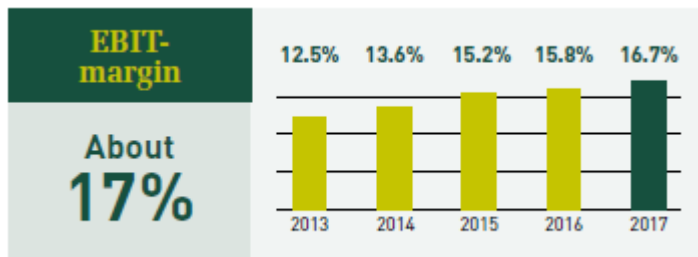
# Outlook 2018

mDKK	Outlook 2018	Actual 2017	Outlook August 2017	Outlook March 2017
Net revenue	6,650 - 6,900	6,384	6,250 - 6,350	6,250 - 6,450
EBITDA	1,450 - 1,550	1,362	1,320 - 1,370	1,285 - 1,385
EBIT	1,090 - 1,190	1,069	1,030 - 1,080	980 - 1,080

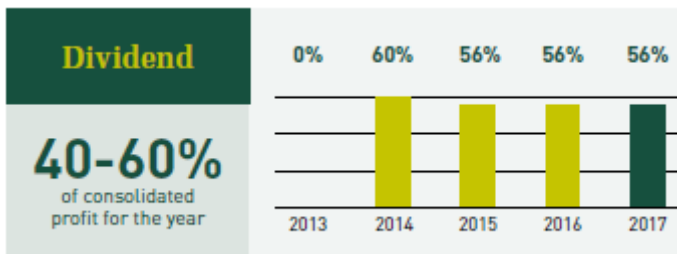
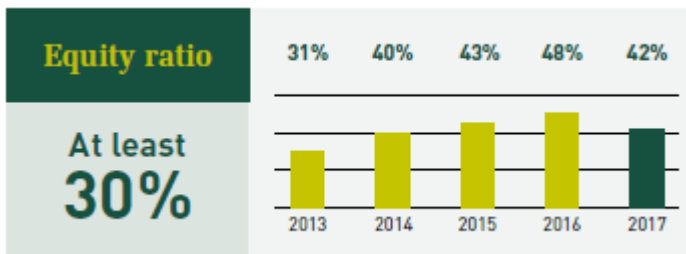
## Outlook assumptions

- Based on a normal summer
- We expect slight net price increases to compensate for higher input cost
- Terme di Crodo is expected to generate some DKK 265mio in Net revenue
- Costs is expected to follow inflation, plus we expect to continue to grow our commercial investment to grow our business
- Input price expected to go up and as usual most have been hedged/secured at the moment of time for 2018
- Net investments between DKK 315-335mio including the change in the bookkeeping related to operational leasing which is DKK 50mio hereof.

# Financial targets



\* calculated proforma with Hartwall's realised full-year EBITDA



Share buy-back is used to adjust the capital structure



# Q&A-session





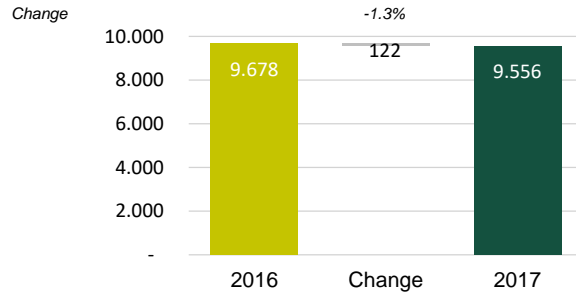


## Appendix

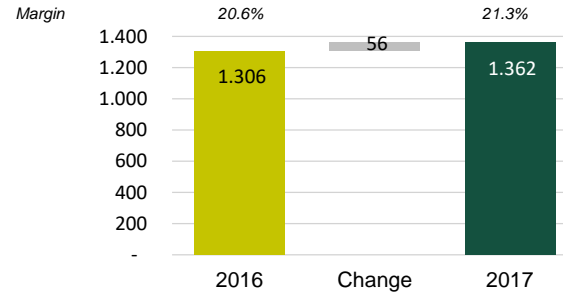


# Increasing earnings

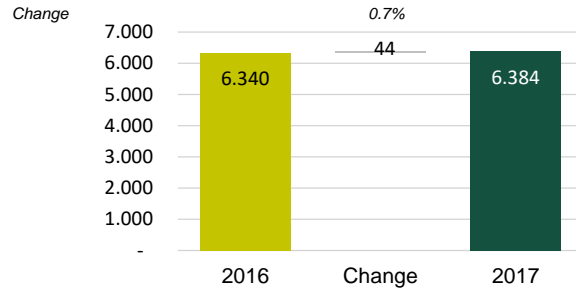
Volume '000 hl



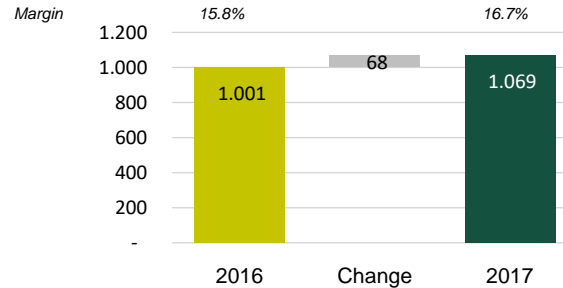
EBITDA mDKK



Net revenue mDKK

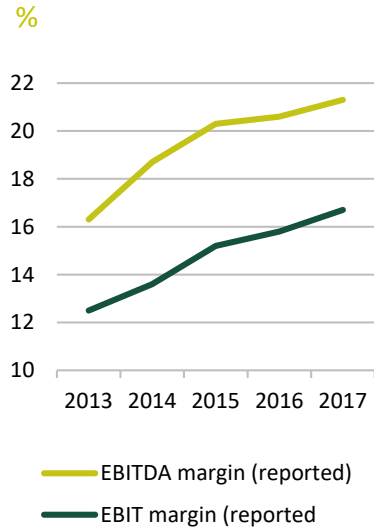


EBIT mDKK

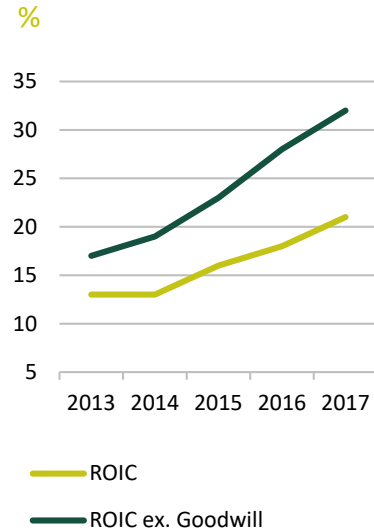


# Strong key figure performance

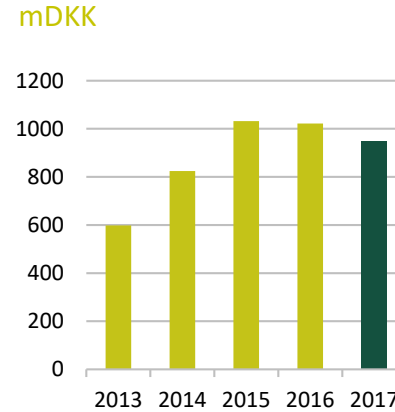
## Profit margins



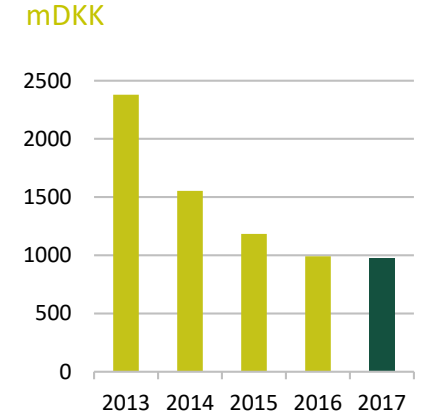
## ROIC



## Free Cash Flow

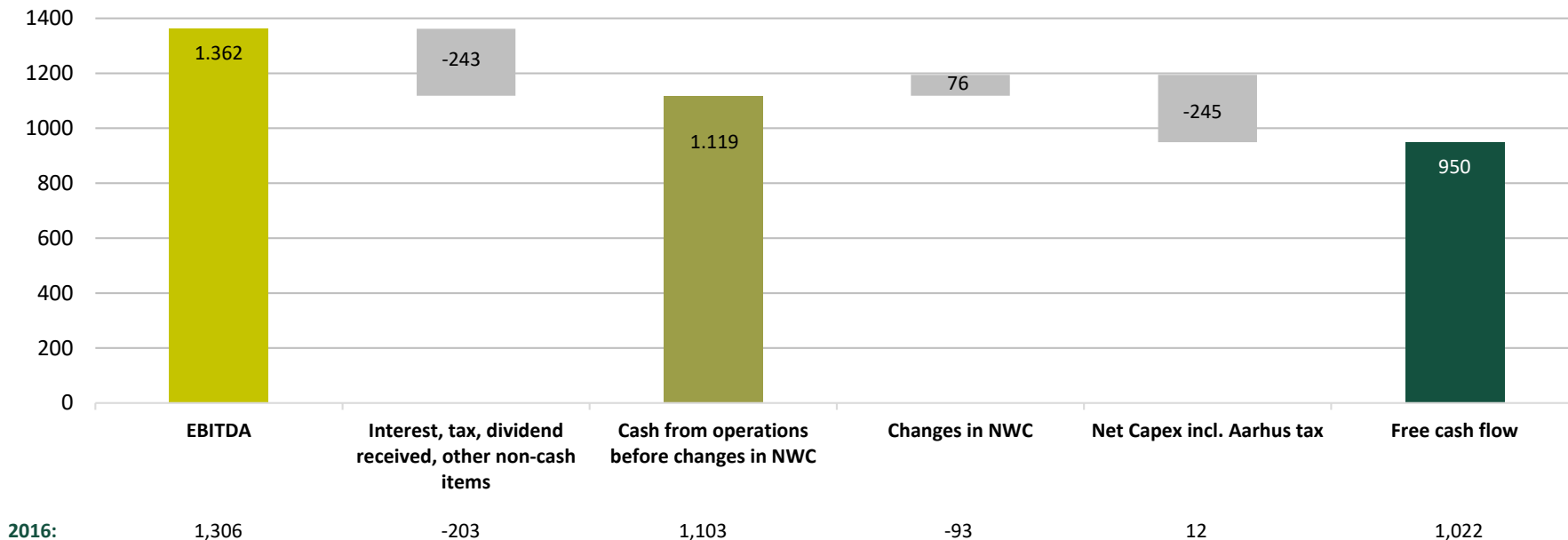


## NIBD



# Strong Cash flow development

## Cash Flow



# Shareholder distribution

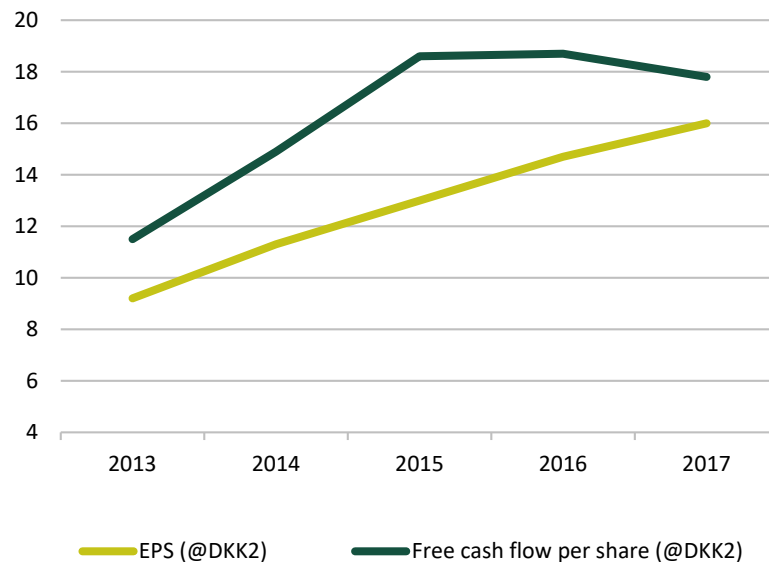
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- Dividend DKK 8,90 per share

DKK 400m share buy-back initiated

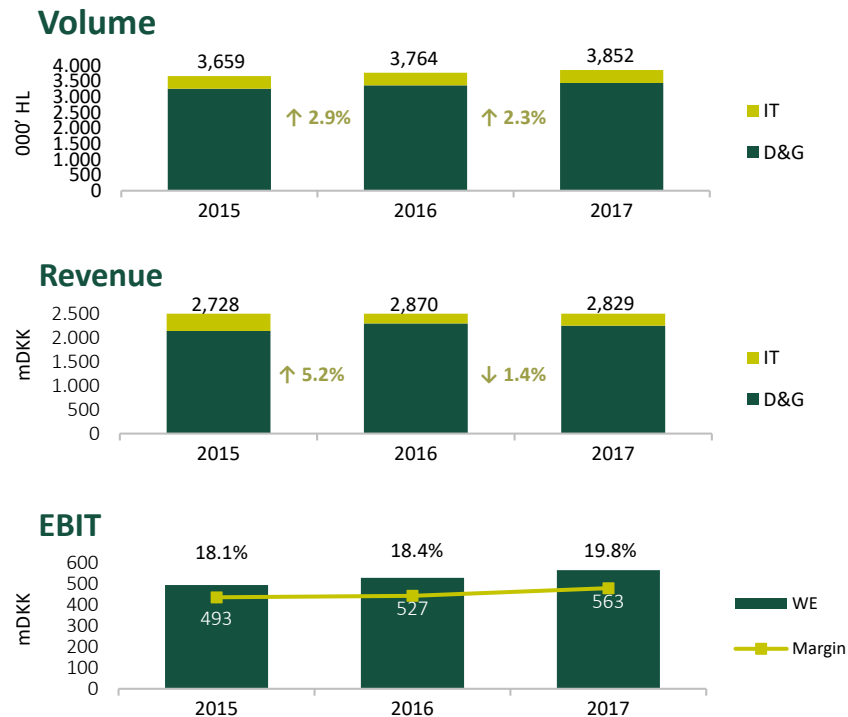
- Safe Harbour program
- Duration until March 2019

## EPS and free cash flow per share



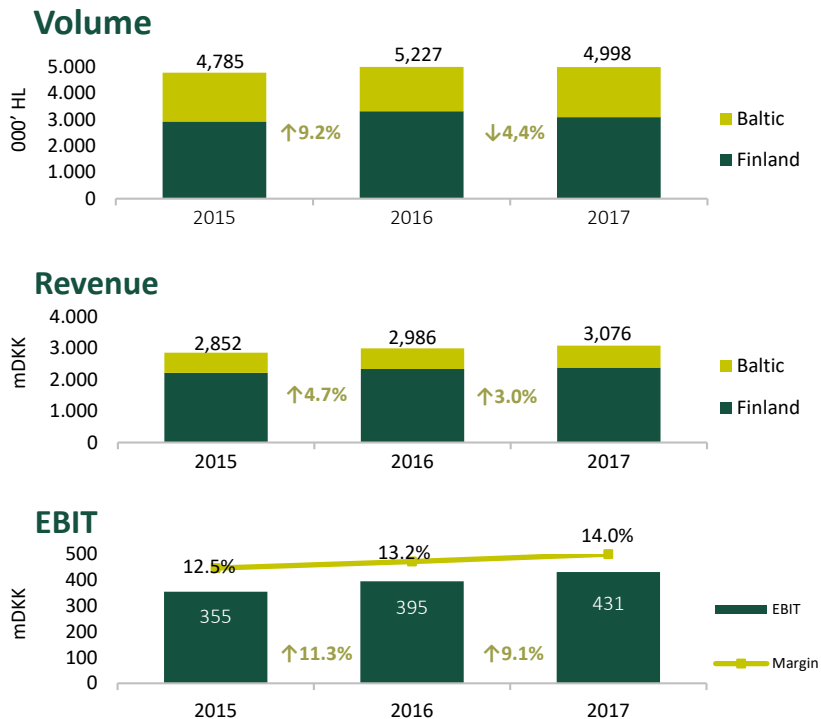
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