



## SEB Enskilda Nordic Seminar

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12 January 2011

- **Introduction to Royal Unibrew**
- **Current trading highlights**
- **Strategies, priorities and financial targets**

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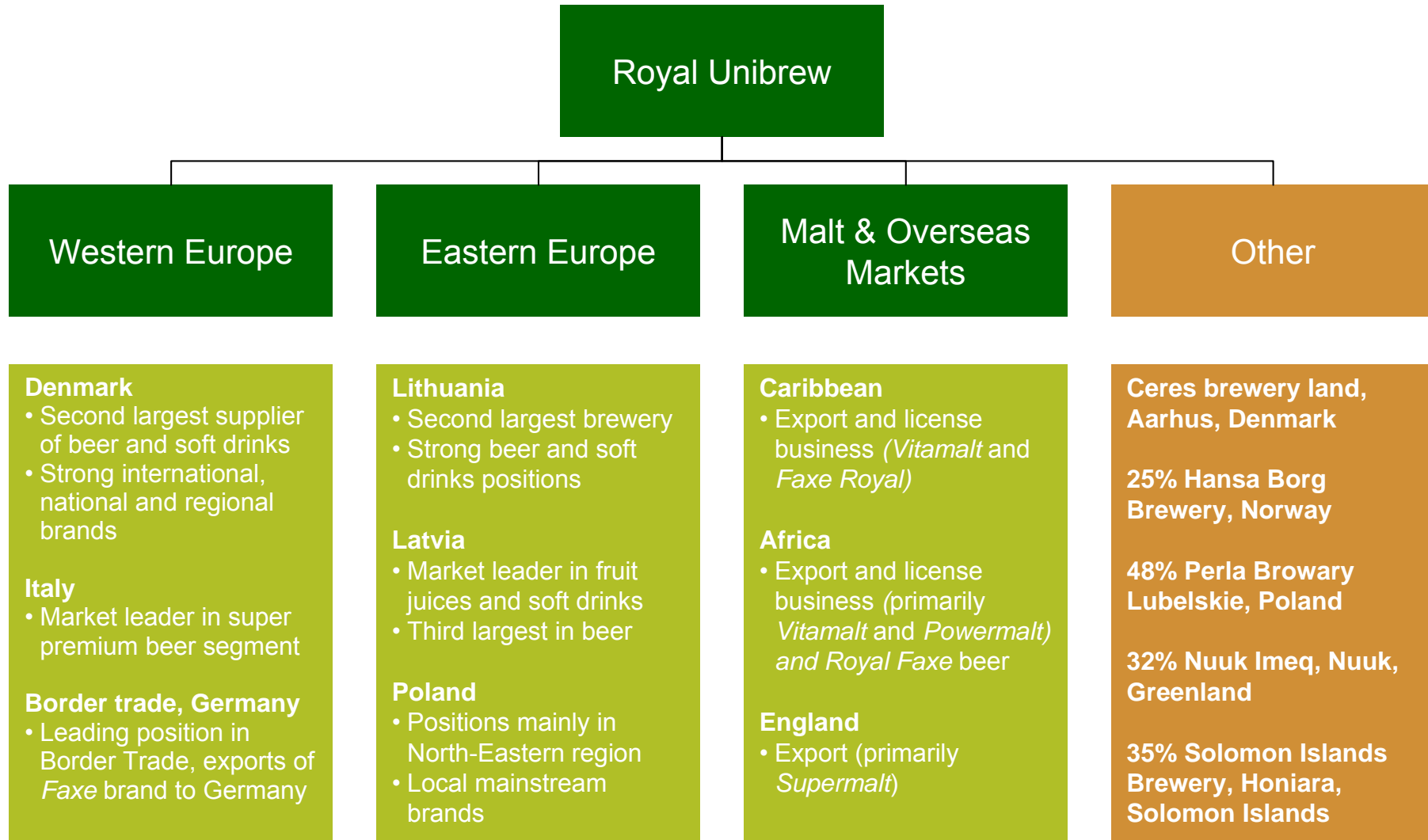
# History of Royal Unibrew

- **Denmark**
  - 1989: Merger of Faxe Brewery and Jyske Breweries (Ceres and Thor). Combined entity named *Bryggerigruppen A/S*
  - 2000: Acquisition of Albani
  - 2005: *Bryggerigruppen A/S* renamed *Royal Unibrew A/S*
- **Italy**
  - 1965: Ceres Spa established as joint venture of Royal Unibrew and Tulip
  - 1993: Acquisition of Tulip's 50% shareholding of Ceres Spa
- **Lithuania**
  - 1999: Acquisition of Vilnius Taurus
  - 2001: Acquisition of Kalnapilis
- **Latvia**
  - 2004: Acquisition of Cido and Lacplesis Alus
  - 2007: Acquisition of Livu Alus
- **Malt and Overseas Markets**
  - 2004: Acquisition of 51% Impec (Guadeloupe og Martinique)
  - 2007: Acquisition of the majority of the 3 Caribbean breweries and CSD manufacture in Antigua, Dominica and St. Vincent
  - 2010: Sale of shares in Caribbean breweries and CSD manufacturer
- **Poland**
  - 2005: Acquisition of Brok-Strzelec and Perla
  - 2007: Acquisition of Lomza
  - 2009: Sale of Koszalin brewery and associated brands
  - 2010: Merger with Van Pur SA – RU to maintain minority stake

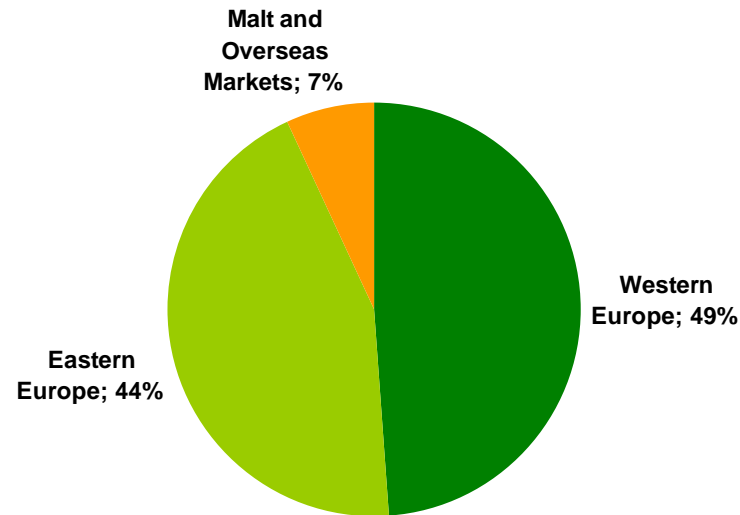




Royal Unibrew is a regional player in the beer, malt and soft drinks markets with leading positions in the markets and segments in which it operates

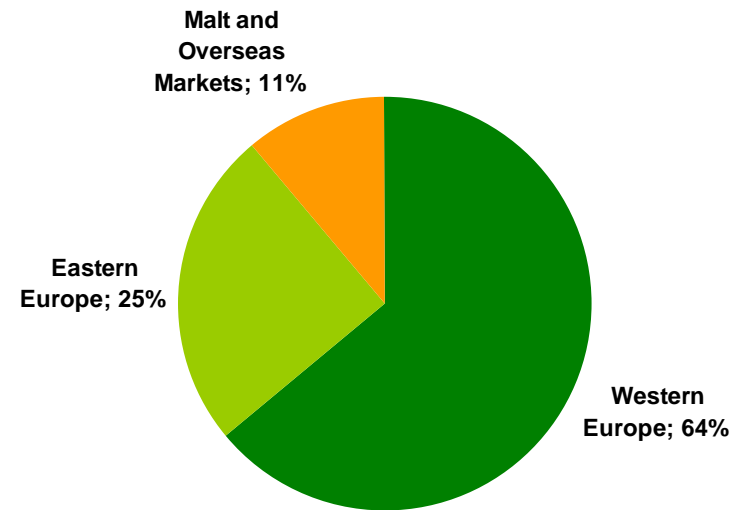


## Volume – Q1 2010



6.6m hl 2009

## Net revenue – Q1 2010



DKK 3.8bn 2009

## Alcoholic

## Non-alcoholic

Super premium



Premium



Mainstream



Discount



## Alcoholic

## Non-alcoholic

Super premium

Premium

Mainstream

Discount





# Key brands - Malt and Overseas Markets 11% Revenue

Alcoholic

Non-alcoholic

Super premium

Premium

Mainstream

Discount



## Largest shareholders

- Chr. Augustinus Fabrikker A/S – 10.4%
- ATP – 9.3%
- Stodir – 5.9%
- Skagen – 5.6%
- More than 15,000 shareholders in total

## Split of shareholders

- Foreign owners – 30%
- Large Danish – 32%
- Not registered - 19%
- Private Danish – 18%
- Own shares – 1%

- **One share class**
- **No restrictions in ability to pay dividend or buy back shares**

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# Organic increase in volume and net revenue

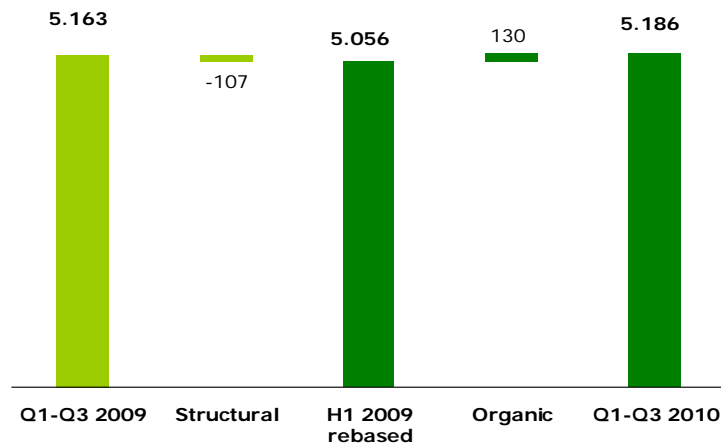
## Organic sales volume increase of 2.6%

- Divestitures reduced volume by 2.1%
- Volume on West and Eastern European markets still trending down in the quarter; effect mitigated by market share gains and new product launches
- Growth of Malt and Overseas Markets area

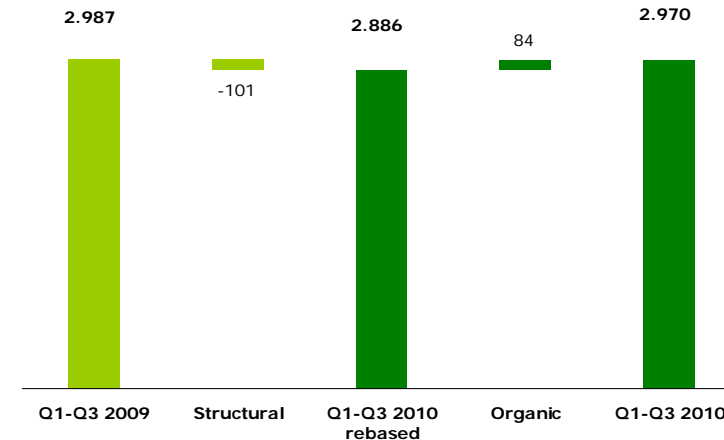
## Organic net revenue increase of 2.9%

- Divestiture reduced net revenue by 3.5%
- 1% of organic net revenue increase caused by positive FX
- Better product and market mix and rebound of several markets in Malt and Overseas Market area

Volume – hl (000)

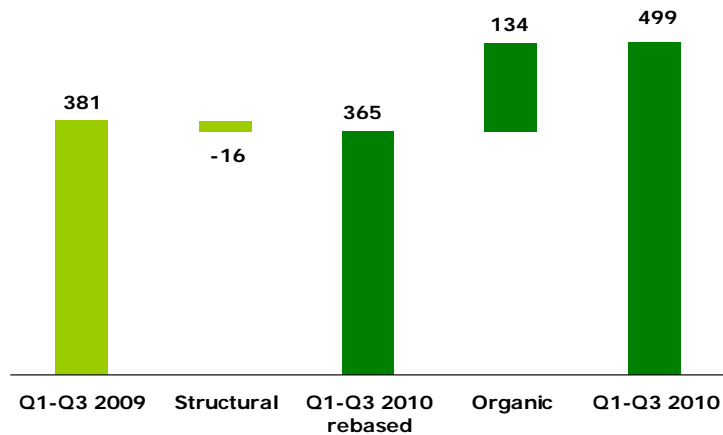


Net revenue - DKKm



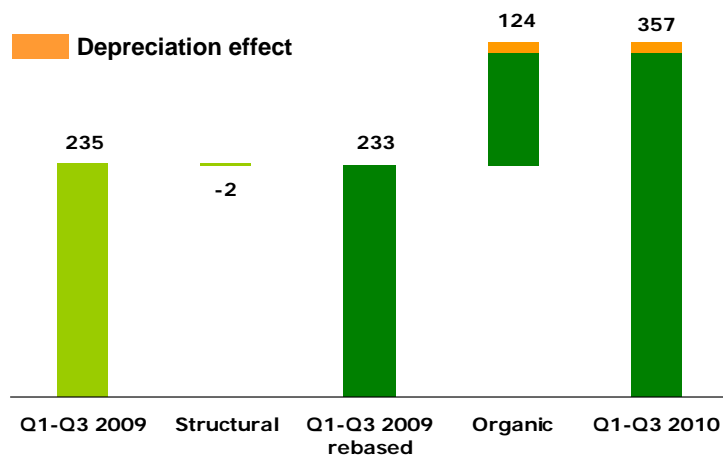
# Significant improvement in operating profit

## EBITDA before special items - DKKm



- Gross profit increase of DKK 171m driven by product and market mix improvements, higher efficiencies at breweries and lower raw materials costs
- Gross margin up by 6.0 PP to 49%
- Increased marketing investment and new product launches in line with 2010 agenda partly balanced by reduced distribution costs

## EBIT before special items - DKKm



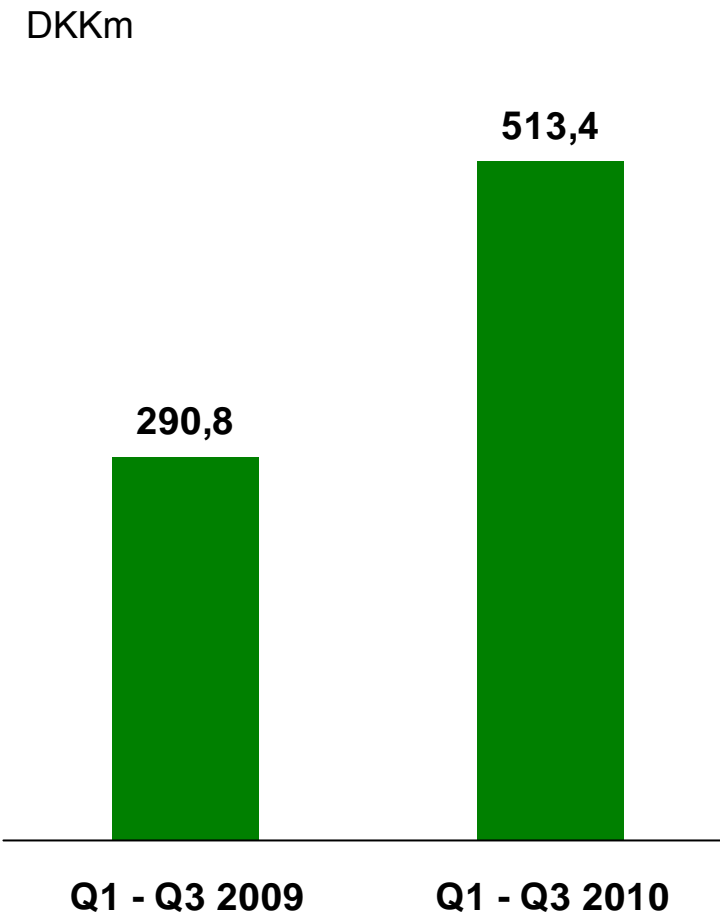
- EBITDA before special items up by DKK 118 to DKK 499m (DKK 381m)
- EBIT before special items up by DKK 122m to 357m (DKK 235m) – DKK 10m from changed depreciation in Q3
- Profit margin of 12.0% (7.9%)

# Substantial increase in free cash flow

Cash flow from operations before working capital, but after interest, dividends and taxes of DKK 402.3m (DKK 263.1m)

Positive net working capital driven cash flow of DKK 137.6m (DKK 155.5m)

Net investments of DKK -26.5m (DKK -127.8m)



# Balance sheet

DKKm	30 September 2010	30 September 2009	31 December 2009
<b>Intangible assets</b>	<b>402.4</b>	484.0	479.9
<b>Fixed assets</b>	<b>1,794.3</b>	2,056.6	2,013.7
<b>Financial assets</b>	<b>186.9</b>	168.3	180.5
<b>Current assets</b>	<b>813.8</b>	1,060.3	815.6
<b>Total assets</b>	<b>3,197.4</b>	3,769.2	3,489.7
<b>Equity</b>	<b>1,170.1</b>	611.2	995.1
<b>Non-current liabilities</b>	<b>934.3</b>	2,204.9	1,680.7
<b>Current liabilities</b>	<b>1,093.0</b>	953.1	813.9
<b>Total equity and liabilities</b>	<b>3,197.4</b>	3,769.2	3,489.7
<b>Net interest bearing debt</b>	<b>719.1</b>	1,894.8	1,416.3
<b>Solvency</b>	<b>36.6%</b>	16.2%	28.5%
<b>Net working Capital</b>	<b>-250.2</b>	-41.7	-84.6

## In-range narrowing of full year earnings estimate \*

DKKm	Outlook 2010 November 2010**	Outlook 2010 August 2010	2009
Net revenue	3,750 – 3,800	3,700 – 3,850	3,816
EBITDA before special items	590 – 610	575 – 625	461
EBIT before special items	410 – 430	375 – 425	243
Profit before tax	355 – 375	310 – 360	76
NIBD	Approx. 850	Approx. 900	1,416
NIBD/EBITDA before special items	Approx. 1.4x	1.4x – 1.6x	3.1x

\*2010 figures only include January for Caribbean breweries, which annually (2009) contributed net revenue of DKK 150m; EBITDA of DKK 30m

\*\* Changed accounting estimates, depreciation periods adjusted, impact DKK 20 million

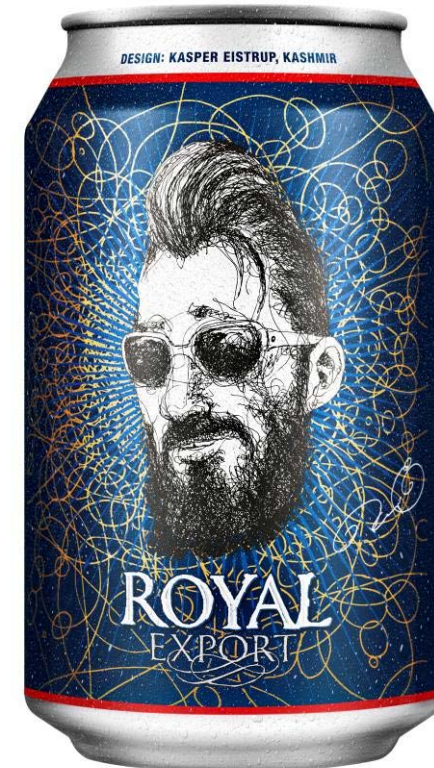


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# Royal Unibrew's goal is to be an efficient regional beverage player

## Focus on:

- Markets and segments in which Royal Unibrew holds or may achieve a considerable position
- Innovation and development of Royal Unibrew's products and brands
- Operational efficiency
- Maintaining Royal Unibrew's financial flexibility, competitiveness and strategic maneuverability through an appropriate capital structure



- **Development of product and brand platforms**
  - Maintaining a high innovation level
  - Leveraging the individual brands and brand portfolios
  - Optimizing product and channel mix
- **Strengthening cooperation with customers and consumer loyalty**
  - Expanding cooperation with customers
  - Increasing consumer involvement and engagement
  - Increasing market coverage
- **Continued focus on operational efficiency**
  - Maintaining efficiency and achieved operational leverage
  - Complete the merger between RU Polska and Van Pur
- **Optimization of capital resources**
  - Continued focus on optimizing investments and working capital
  - Realizing values from non-operational assets
  - Returning capital to shareholders



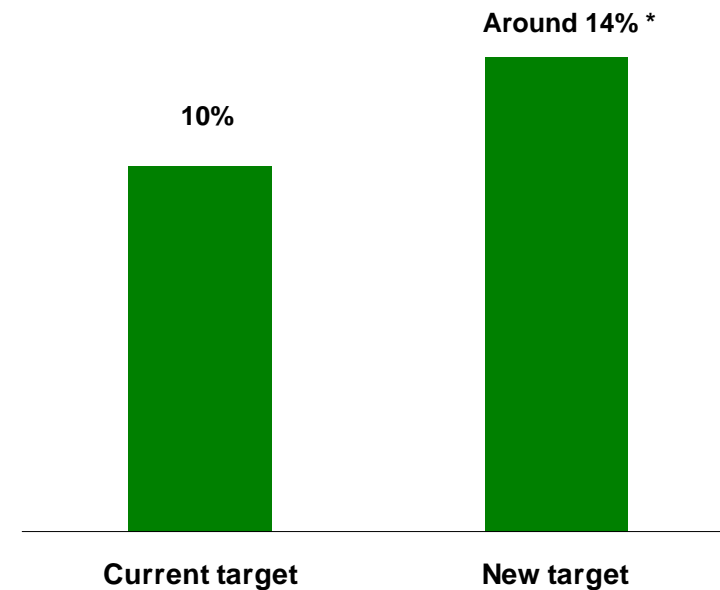
# Margin target lifted

## December 2009 targets

- EBIT margin of 10%
- NIBD/EBITDA  $\leq$  2.5x

## New medium-term targets

- EBIT margin of around 14%
  - NIBD/EBITDA  $\leq$  2.5x
  - Solvency  $\geq$  30%
- 2011 pay-out of DKK 200m relating to 2010 result; intended Supervisory Board recommendation to the AGM

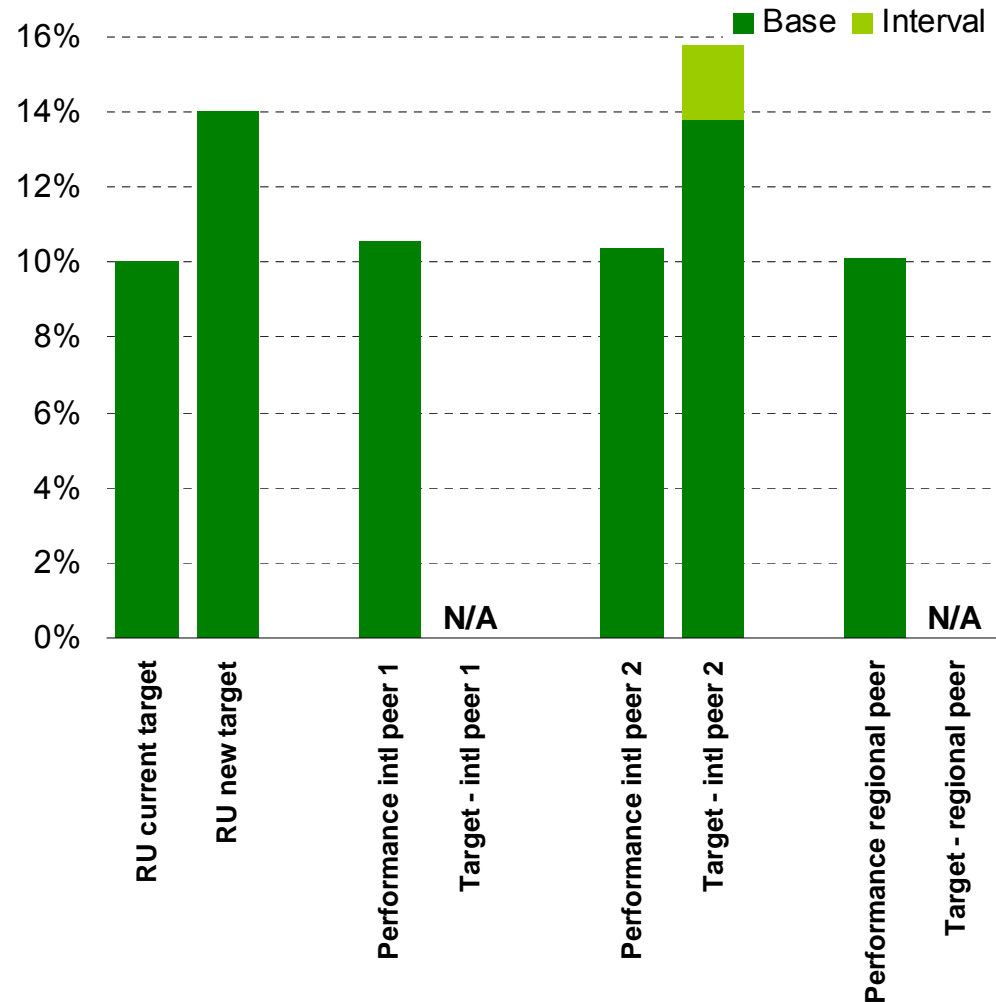


### Note:

- Change to accounting estimates contributes 1%
- Merger of RU Polska & Van Pur contributes 1%

- Peer group with comparable regional exposure identified\*
- Several global brewers treat profit from associated companies as a component of EBIT; Royal Unibrew's EBIT margin would increase by 0.6% if profits from associated companies was included in reported EBIT

• Where relevant, performance figures have been adjusted to eliminate differences caused by non-allocation of central costs  
 Note: Peer performance = 2009 figures





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