

H1 2024 AIDE MEMOIRE

A number of events in 2023 and 2024 have an impact on the year-on-year comparison for H1 and FY 2024. These include the following items, which you may wish to consider in your modelling. Please note that the items listed below are not exhaustive and that other factors may affect the comparisons for H1 and FY 2024 versus the same period last year.

FACTORS IMPACTING COMPARATIVE FIGURES

Western Europe

In the Q1 2024 announcement, we commented on the YTD revenue/hl:

“Revenue/hl grew in all markets, supported by the rollover of last year’s price increases and price actions taken in Q1 2024. In addition, revenue/hl was positively impacted by around 180bp from the inclusion of excise duties in the UK following the termination of the Kronenbourg 1664 licensee agreement in June 2023.”

At the Q1 2024 conference call, we commented on France:

“It was a bit of a tough start to the year in France where the market is in decline and we are seeing intensified competitive behavior in the market.”

At the Q1 2024 conference call, we commented on the volume outlook for the year:

“We do think there is some sort of element of positive volume growth coming out of Western Europe this summer from both easy weather comps and the sport events.”

Asia

At the H1 2023 conference call, we commented on China:

“...we continued our growth trajectory and delivered 5% organic volume growth and 7% organic revenue growth.”

In the H1 2023 announcement, we commented on Vietnam:

“Our volumes in Vietnam grew by low double-digit percentages. While the beer market was flat YTD June, the market weakened considerably during Q2 because of the macroeconomic slowdown.”

At the Q1 2024 conference call, we commented on Vietnam:

“The Vietnamese beer market remains difficult, with an estimated mid-single-digit decline. On the back of very strong comps, our volumes were flat.”

At the Q1 2024 conference call we commented on non-beer development in Cambodia:

“...in Cambodia, total volumes declined due to the slowdown of non-beer products, particularly energy drinks.”

Central Eastern Europe & India

At the Q1 2024 conference call, we commented on Ukraine:

“...our volumes increased by low-single digits. The growth was driven by strong results for premium beer and alcohol-free brews, including for brands such as Tuborg, 1664 Blanc, Carlsberg, Garage, Lvivske, and also benefited revenue per hectoliter.”

At the Q1 2024 conference call, we commented on India:

“It wasn’t an even quarter in the way that there was weakness at the end of the quarter north simply due to poor weather, which you may have noticed, especially three of our regions, Utar Pradesh, Haryana and Rajasthan. But otherwise, definitely a quarter that was approved with that growth profile. In terms of capacity constraints, no, we didn’t feel that in the quarter. It’s of course, holding back some growth on the margin. But, overall, we expect to continue to see strong growth...”

OUTLOOK

In the Q1 2024 trading statement, we maintained the FY outlook:

“The key assumptions and the outlook for the year remain unchanged.

Although inflationary pressures have been moderating across most markets, consumer behaviour remains uncertain in many of our markets ahead of the important summer months.

We continue to expect a more moderate increase in our total cost base than in recent years.

To position the Group for successful delivery of our increased long-term growth ambitions, we are increasing our commercial investments in alignment with Accelerate SAIL. While keeping the ratio of SG&A to revenue flat, we intend to increase absolute sales and marketing investments, the latter by more than 10%.

Consequently, we maintain our earnings expectations for 2024:

- Organic operating profit growth of 1-5%.

Based on the spot rates at 29 April, we assume a translation impact on operating profit of around DKK -250m for 2024 (previously DKK -100m).

Other relevant assumptions remain:

- Financial expenses, excluding foreign exchange losses or gains, of DKK 1.1bn.
- Reported effective tax rate of around 21%.
- Capital expenditure of around DKK 5bn, impacted by capacity expansion in Asia, commercial investments across the Group, sustainability and digital investments.”

At the Q1 conference call, we added:

“But as we sit where we are at the moment, there are many risks and opportunities that we see for the remainder of the year. And we’re just sitting in front of the big summer months, and the consumer behavior in Europe is still a big question mark. Macro economy in China and Southeast Asia is still moving sideways. And of course, as Jacob mentioned before, there is the weather. So there are many, many moving parts. But as an example, you know, warm and sunny summer would get us to the top end of that, whereas cold and wet and some of these big activations and drivers that we’ve got won’t get the effect that we are aiming for and takes us to the other side of the range. So the 1% to 5% is still a realistic view of the year.”

At the FY 2023 conference call we commented on the increase in marketing:

“...we increased marketing investments during the year with an additional acceleration in Q4. For the year, marketing investments increased organically by 10%.”

DISCLAIMER

This aide memoire contains forward-looking statements, including statements about the Group’s sales, revenues, earnings, spending, margins, cash flow, inventory, products, actions, plans, strategies, objectives and guidance with respect to the Group's future operating results. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words "believe", "anticipate", "expect", "estimate", "intend", "plan", "project", "will be", "will continue", "will result", "could", "may", "might", or any variations of such words or other words with similar meanings. Any such statements are subject to risks and uncertainties that could cause the Group's actual results to differ materially from the results discussed in such forward-looking statements. Prospective information is based on management’s expectations or forecasts at the time. Such information is subject to the risk that such expectations or forecasts, or the assumptions underlying such expectations or forecasts, may change. The Group assumes no obligation to update any such forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements.

Some important risk factors that could cause the Group's actual results to differ materially from those expressed in its forward-looking statements include, but are not limited to: economic and political uncertainty (including interest rates and exchange rates), financial and regulatory developments, demand for the Group's products, increasing industry consolidation, competition from other breweries, 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, market acceptance of new products, changes in consumer preferences, launches of rival products, stipulation of market value in the opening balance sheet of acquired entities, litigation, environmental issues and other unforeseen factors. New risk factors can arise, and it may not be possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on the Group's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.