



FINANCIAL STATEMENT 2019

4 February 2020

Carlsberg
Group

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A strong set of numbers

GROWING TOP- AND BOTTOM-LINE¹

+3.2%

Revenue

+10.5%

Operating profit

IMPROVING ROIC

+70bp
8.8%

DELIVERING STRONG CASH FLOW

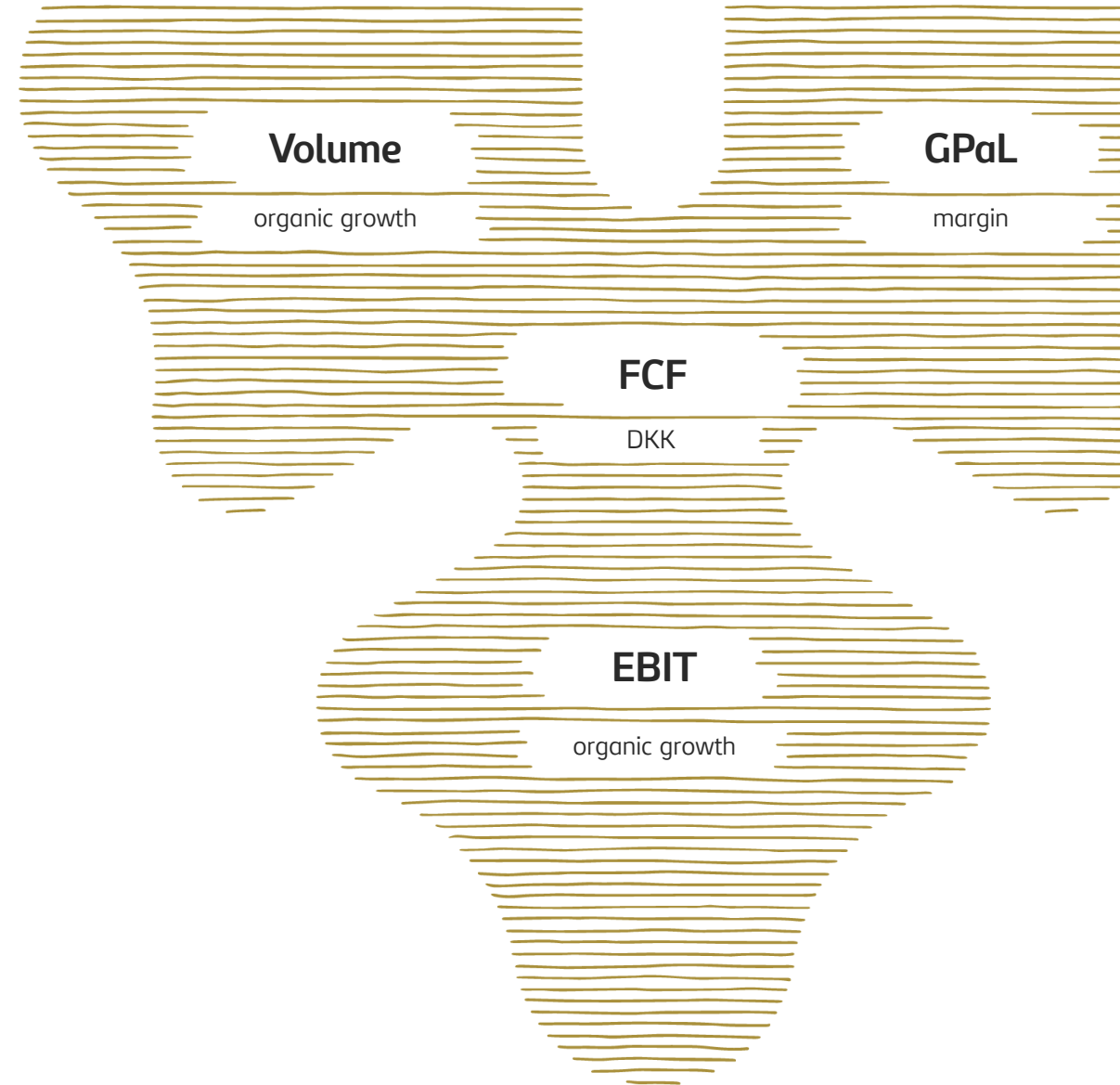
10.0bn

Free cash flow
DKK

SIGNIFICANT CASH RETURNS

7.2bn

Dividends and buybacks²
DKK



GOLDEN TRIANGLE

¹ Organic growth ² DKK 4.5bn share buy-back carried out February 2019 – January 2020

Continued progress of strategic priorities

CORE BEER¹

+3%

CRAFT & SPECIALITY²

+16%

ALCOHOL-FREE BREWS²

+7%

GROW IN ASIA²

+6%



¹ Organic revenue and gross brand contribution growth

² Organic volume growth

Progressing towards our targets



13%

Reduction in relative carbon emissions

3%

Reduction in relative water usage

15%

Reduction in lost-time accidents

Draught Master

Now offering alcohol-free brews on tap

Western Europe

TOTAL VOLUMES¹

-0.8%

REVENUE¹

+0.3%

OPERATING PROFIT¹

+12.8%

OPERATING MARGIN

17.0%

REVENUE

- Price/mix +1% due to premiumisation and value management
- Organic volumes impacted by tough comparables

OPERATING PROFIT

- Premiumisation and value management
- Cost control

OPERATING MARGIN

- +200bp



¹ Organic growth

Western Europe

MARKET COMMENTS

THE NORDICS

- Growth of craft & speciality and alcohol-free brews
- Summer campaign at major retailer in Finland led to strong volume growth but negative price/mix

SWITZERLAND

- Volumes impacted by bad weather
- Growth of craft & speciality and alcohol-free brews

FRANCE

- Growth of premium brands, while mainstream Kronenbourg brand declined

POLAND

- Growth of upper-mainstream, craft & speciality, alcohol-free brews and Somersby

UK

- Volume decline
- Strong profit improvement



Asia

TOTAL VOLUMES¹

+6.0%

REVENUE¹

+12.3%

OPERATING PROFIT¹

+23.4%

OPERATING MARGIN

21.3%

REVENUE

- Price/mix +6%, mainly driven by premiumisation
- Organic volume growth driven by all major markets

OPERATING PROFIT

- Revenue growth
- Strong cost control

OPERATING MARGIN

- +90bp



¹ Organic growth

Asia

MARKET COMMENTS

CHINA

- Growth of premium portfolio, including premium local power brands
- Good progress of big city expansion

INDIA AND NEPAL

- Soft volumes in India impacted by excise taxes and regulation in a few states
- Challenging year in Nepal due to a weakening consumer sentiment and import ban on energy drinks

VIETNAM, LAOS AND CAMBODIA

- Continued positive momentum for our Lao business
- Double-digit volume growth in Vietnam
- Rebuilding of Cambodia business continued; relaunch of Angkor brand unsuccessful due to changed promotional structure

MALAYSIA AND SINGAPORE

- Growth of premium portfolio



Eastern Europe

TOTAL VOLUMES¹

-5.2%

REVENUE¹

-0.4%

OPERATING PROFIT¹

-17.9%

OPERATING MARGIN

17.0%

REVENUE

- Price/mix +5%, mainly driven by price increases and positive mix
- Volume decline impacted by challenging competitive dynamics

OPERATING PROFIT

- Decline in Russia, improvement in all other markets

OPERATING MARGIN

- -360bp



¹ Organic growth

Eastern Europe

MARKET COMMENTS

RUSSIA

- Very challenging competitive environment
- Positive price/mix driven by growth of craft & speciality and low presence in low-priced offerings
- Market share down

UKRAINE

- Strong price/mix compensating for lower volumes
- Growth of premium brands, including 1664 Blanc and Somersby

OTHER MARKETS

- Good results in Kazakhstan and Belarus
- Strong growth of craft & speciality and alcohol-free brands



INCOME STATEMENT (1)

REVENUE

- DKK 65,902m (+5.4%)
- Organic growth of 3.2%
- Price/mix +3%

GROSS MARGIN

- 49.5% (-50bp)
- Impacted by higher input costs, declining volumes in Russia and consolidation of Cambrew
- Organic gross profit growth of 3%

OPEX

- Organic decline of 1%
- Marketing expenses +1%
- Marketing expenses/revenue 8.5%
- Excluding marketing expenses, organic decline of 2%

OPERATING PROFIT

- DKK 10,465m (+12.2%)
- Organic growth of 10.5%
- Operating margin 15.9% (+100bp)

INCOME STATEMENT (2)

NET SPECIAL ITEMS

- DKK +501m
- Impacted by sale of properties and restructuring costs

NET FINANCIALS

- DKK -738m
- DKK -650m excl. FX

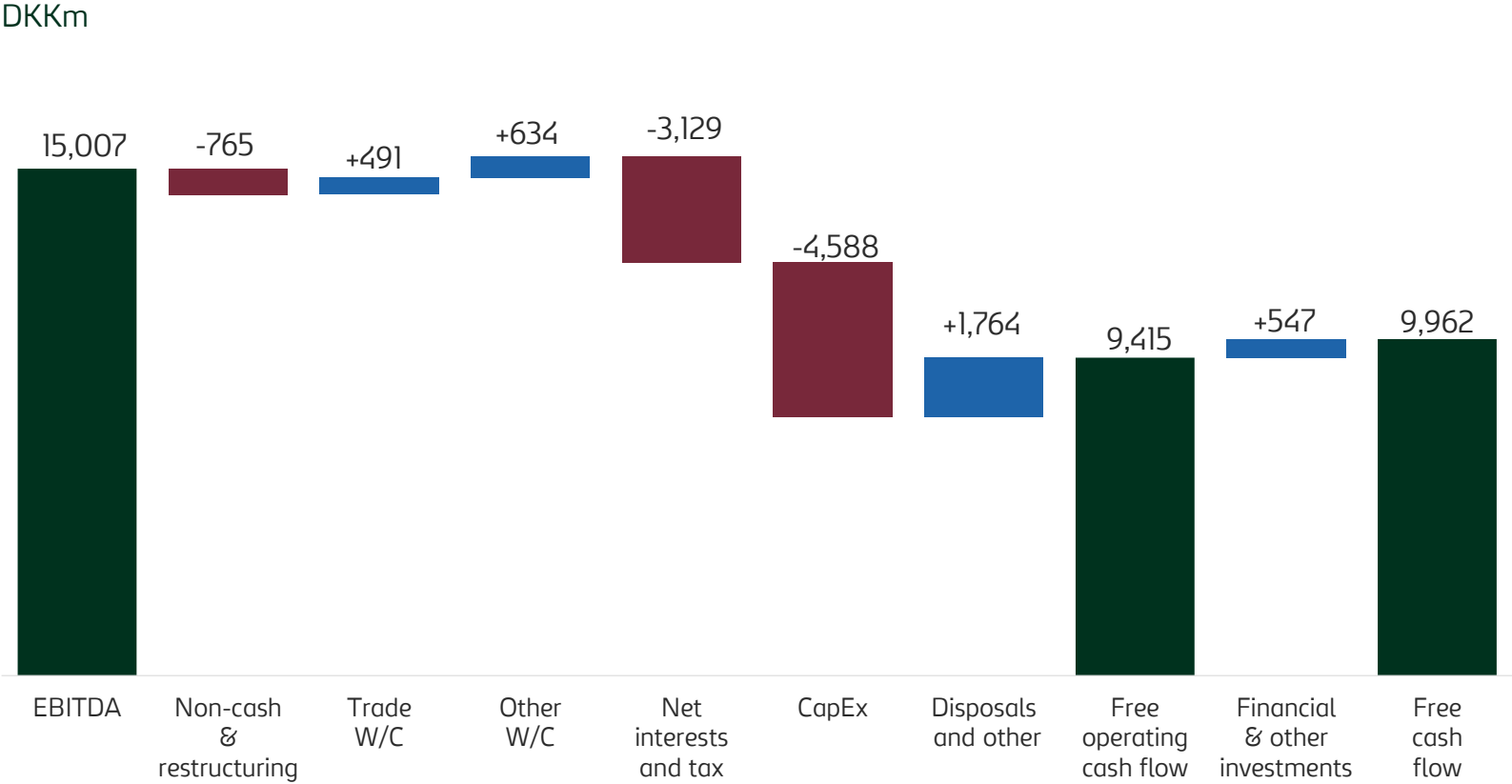
TAX

- Effective tax rate 26.9%
- -110bp

NET PROFIT

- DKK 6,569m (+23.7%)
- Non-controlling interests DKK 908bn
- Adjusted EPS DKK 41.0 (+16.5%)

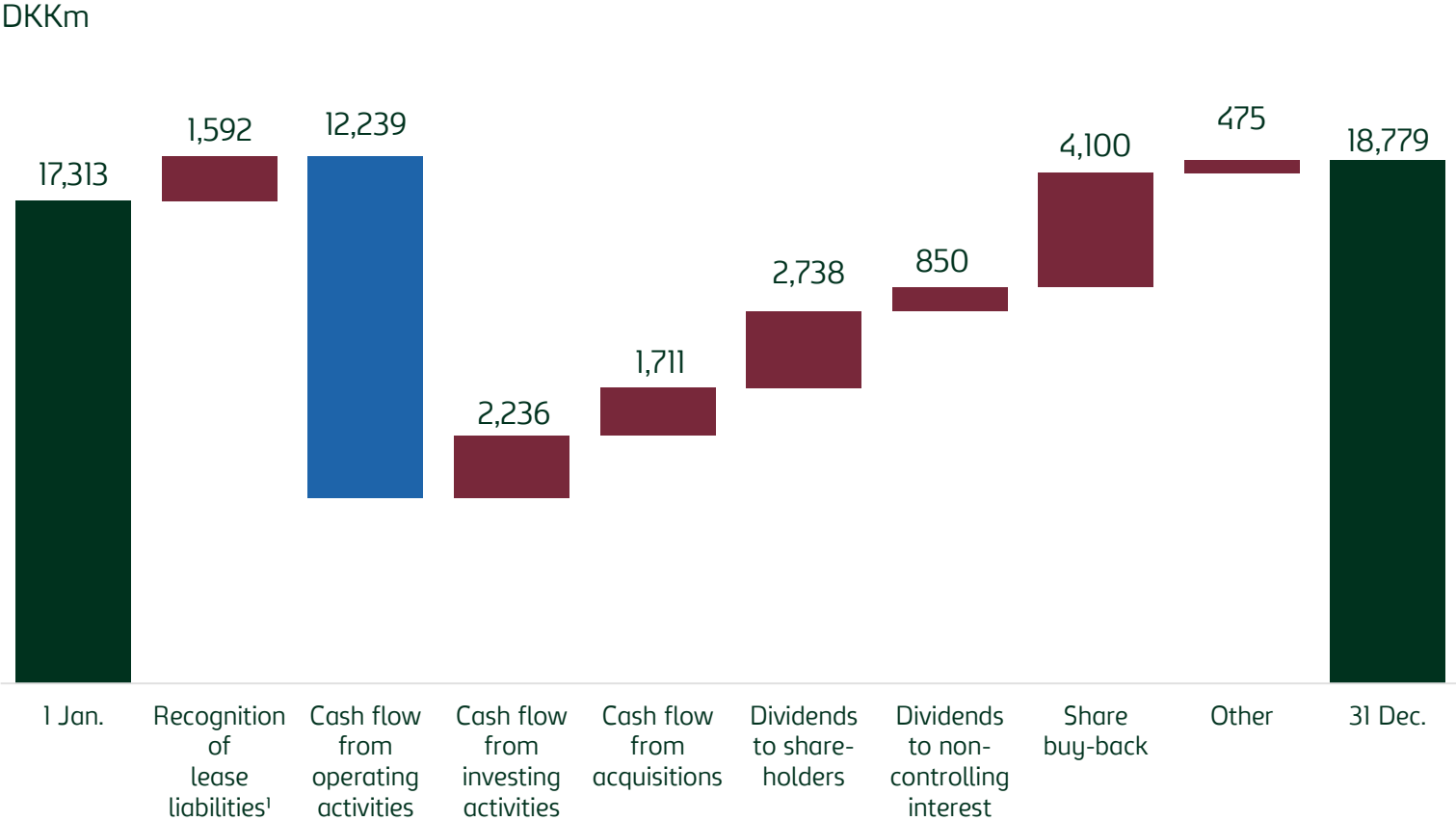
Strong cash flow



DKK
10.0bn
 FREE CASH FLOW

+12%
 EBITDA GROWTH

Net interest-bearing debt



DKK

6.8bn

DIVIDEND AND SHARE BUY-BACK¹

1.25x

NET DEBT/
EBITDA

¹ Fiscal 2019

Cash returns to shareholders

- 17% dividend increase to DKK 21 per share
- 2019 share buy-back finalised on 30 January
 - 4.9m shares bought back at an amount of DKK 4.5bn
- Continued healthy development of business
- New share buy-back programme initiated on 4 February
 - DKK 5.0bn during 12 months
 - Split into two tranches of approx. six months each
 - First tranche of DKK 2.5bn
- Programme to be carried out according to Safe Harbour Regulation
- The Carlsberg Foundation participating pro rata



DKK
4.5bn



2020 OUTLOOK

At full sail in 2020

We will continue to drive organic revenue and operating profit growth by

- Executing our SAIL'22 priorities, including the growth priorities of craft & speciality, alcohol-free brews and Asia
- Reinforcing our Funding the Journey culture with its strict cost control and cash discipline

We expect:

- **Mid-single-digit percentage organic growth in operating profit**

Other assumptions

- A translation impact on operating profit of around DKK +50m, based on the spot rates as at 3 February
- Net finance costs (excluding FX) of DKK 600-650m
- Reported effective tax rate at 26-27%
- Capital expenditures of around DKK 5bn at constant currencies

CONCLUDING REMARKS



2019 GROUP PRIORITIES

- ✓ Drive organic revenue growth
- ✓ Maintaining tight cost control
- ✓ Strict cash discipline



SAIL'22 FINANCIAL PRIORITIES

- ✓ Organic growth in operating profit
- ✓ ROIC improvement
- ✓ Optimal capital allocation

DELIVERING ON 2019 AND SAIL'22 PRIORITIES

Q&A

