

# FINANCIAL STATEMENT

## 2022

Carlsberg  
Group



# Forward-looking statements

This presentation 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 then current expectations or forecasts. 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 fair 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.

# Strong results in a challenging year

- A challenging year due to the war in Ukraine, significant input cost increases and COVID-19
- The safety and well-being of our Ukrainian colleagues remains a key priority
- Divestment of the Russian business a difficult but unavoidable decision
- Strong top-line growth, profits and free cash-flow
- Increased cash returns to shareholders
- Well prepared for execution on SAIL'27 growth priorities

TOTAL VOLUME

**125.4 m.hl**

+5.7%<sup>1</sup>

REVENUE

**DKK 70.3bn**

+15.6%<sup>1</sup>

REVENUE/HL

+9%<sup>1</sup>

OPERATING PROFIT

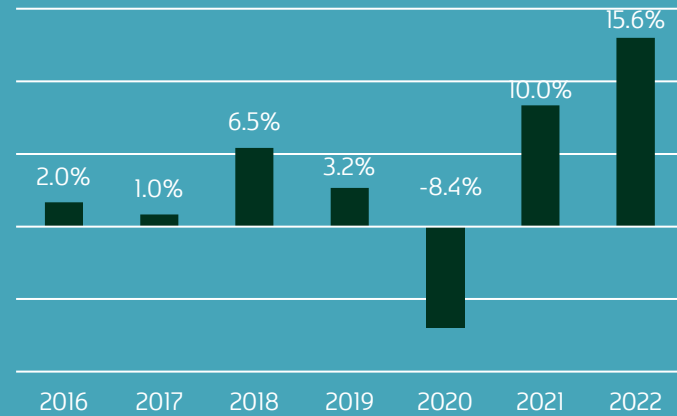
**DKK 11.5bn**

+12.2%<sup>1</sup>

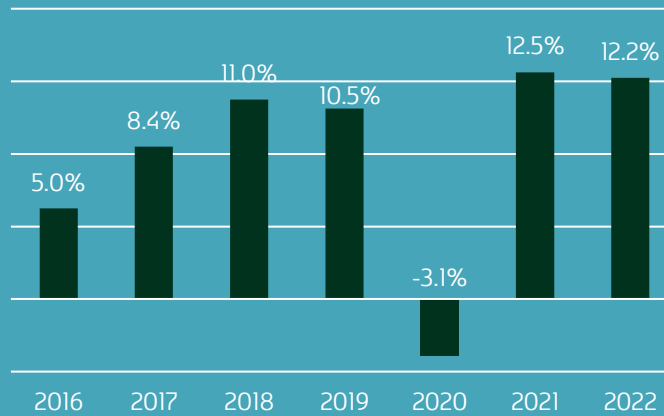
<sup>1</sup> Organic growth

# Seven years of strong and consistent delivery on our SAIL'22 financial priorities

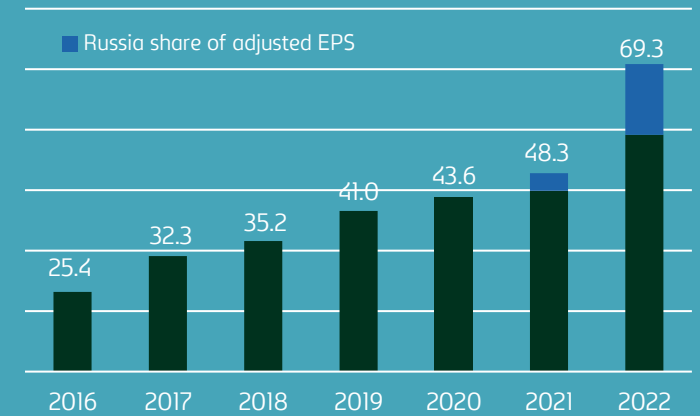
ORGANIC REVENUE GROWTH<sup>1</sup>



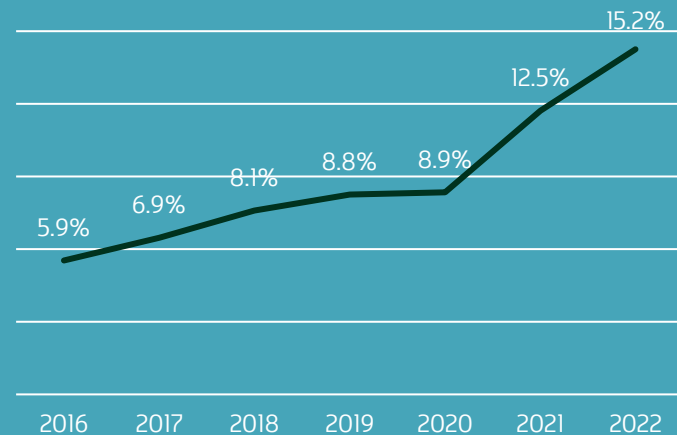
ORGANIC OPERATING PROFIT GROWTH<sup>1</sup>



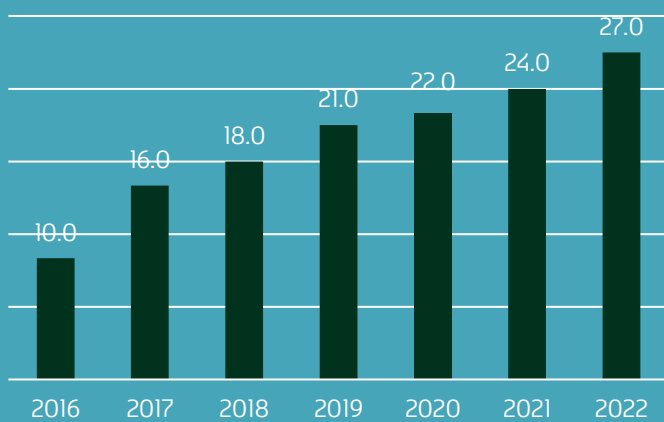
ADJUSTED EPS (DKK)



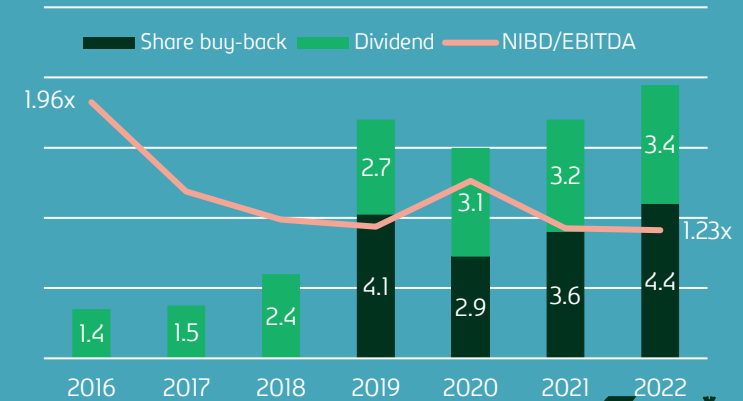
RETURN ON INVESTED CAPITAL (ROIC)<sup>1</sup>



DIVIDEND PER SHARE (DKK)



CASH RETURNS (DKKbn)



<sup>1</sup> Figures for 2016-2020 include profit from the Russian operations

# Stepping up in premium



CARLSBERG

**+14%**



TUBORG

**+9%**



BROOKLYN

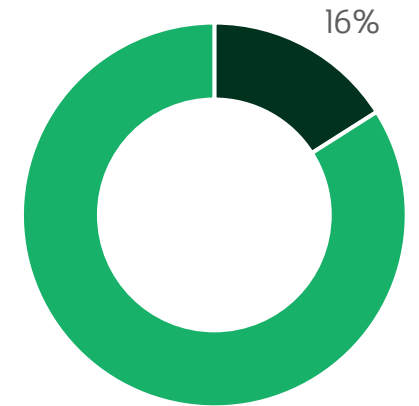
**+42%**



1664 BLANC

**-4%**

PREMIUM SHARE OF TOTAL VOLUME



# Accelerate alcohol-free brews and master digital



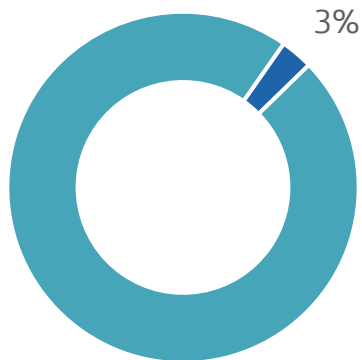
ALCOHOL-FREE  
BREWS IN  
WESTERN  
EUROPE

**+7%**

Excl. Ukraine

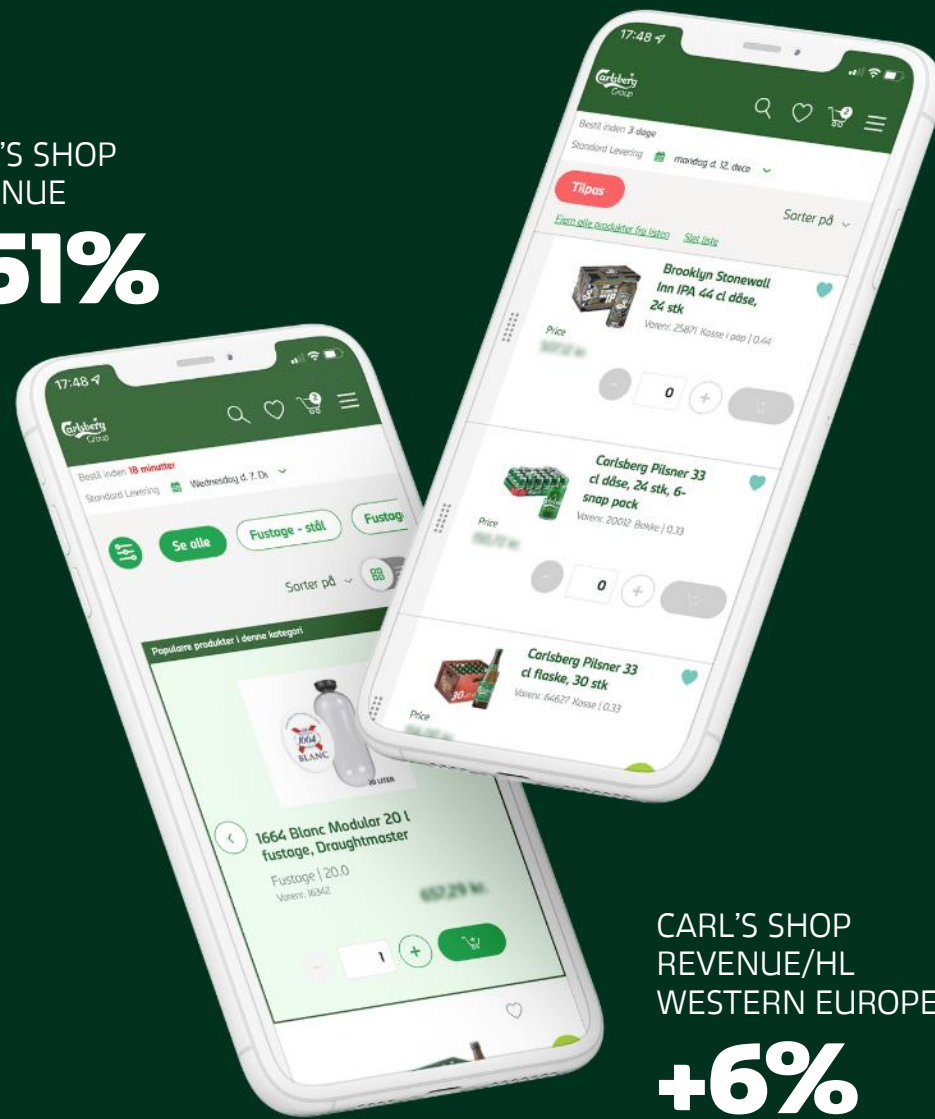
**+1%**

ALCOHOL-FREE BREWS  
SHARE OF TOTAL VOLUME



CARL'S SHOP  
REVENUE

**+51%**



CARL'S SHOP  
REVENUE/HL  
WESTERN EUROPE

**+6%**

## UPDATED TARGETS



### **ZERO** Carbon Footprint

#### ACHIEVED IN 2022

- **-57%** carbon emissions at our breweries since 2015

#### 2030 TARGETS

- **ZERO** carbon emissions at our breweries
- **30%** reduction in beer-in-hand carbon footprint
- **All** renewable electricity must come from new assets (e.g. via Power Purchase Agreements)

#### 2040 TARGET

- **Net ZERO** value chain

## UPDATED TARGETS



### **ZERO** Water Waste

#### ACHIEVED IN 2022

- **-31%** in brewery water use globally since 2015, ahead of our 2022 target of -25%

#### 2030 TARGETS

- Water usage efficiency of **2.0 hl/hl** globally and **1.7 hl/hl** at breweries in high-risk areas
- **100%** replenishment of water consumption at breweries in high-risk areas

## UPDATED TARGETS



### **ZERO** Irresponsible Drinking

#### ACHIEVED IN 2022

- **98%** of our primary packaging includes ingredient information

#### 2030 TARGETS

- **100%** responsible drinking messaging through packaging and brand activations
- **100%** of our markets run partnerships to support responsible consumption
- **100%** availability of alcohol-free brews
- **35%** of our brews globally are low-alcohol or alcohol-free

## TARGET MAINTAINED



### **ZERO** Accidents Culture

#### ACHIEVED IN 2022

- **41%** reduction in lost-time accidents since 2015

#### 2030 TARGET

- **ZERO** lost-time accidents

## NEW FOCUS AREA AND TARGETS



### **ZERO** Farming Footprint

#### 2030 TARGET

- **30%** of our raw materials are from regenerative agricultural practices and are sustainably sourced

#### 2040 TARGET

- **100%** of our raw materials are from regenerative agricultural practices and are sustainably sourced

## NEW FOCUS AREA AND TARGETS



### **ZERO** Packaging Waste

#### 2030 TARGETS

- **100%** recyclable, reusable, or renewable packaging
- **90%** collection and recycling rate for bottles and cans
- **50%** reduction of virgin fossil-based plastic
- **50%** recycled content in bottles and cans

# Western Europe

## THE NORDICS

- Mid-single-digit volume growth driven by Denmark and Sweden
- Volumes in Norway negatively impacted by re-opening of the borders

## FRANCE

- Double-digit volume growth
- Solid growth of premium brands and alcohol-free brews

## SWITZERLAND

- Strong recovery due to large on-trade exposure
- Growth of alcohol-free brews and soft-drinks

## POLAND

- Volume growth in a tough environment
- Significant price increases to offset cost inflation

## UK

- Mid-single-digit volume growth, mainly due to a strong H1
- H2 impacted by a more challenging consumer environment



TOTAL VOLUMES<sup>1</sup>

**+5.4%**

REVENUE/HL<sup>1</sup>

**+8%**

REVENUE<sup>1</sup>

**+13.8%**

OPERATING PROFIT<sup>1</sup>

**+12.6%**

OPERATING MARGIN

**14.2%**

<sup>1</sup> Organic growth



# Asia

## CHINA

- Good performance in a slightly declining market
- Market share improvement due to the big city expansion and international premium brand growth

## VIETNAM

- Volume growth of more than 25%
- High investments in marketing and route-to-market in H2

## INDIA

- Strong volume growth
- Strong performance of Carlsberg

## LAOS AND CAMBODIA

- Laos: Strong growth across categories
- Cambodia: Continued good momentum for soft drinks and beer volume growth

## MALAYSIA AND SINGAPORE

- Good performance following removal of restrictions
- Improved revenue/hl due to on-trade recovery



TOTAL VOLUMES<sup>1</sup>  
**+10.3%**

REVENUE/HL<sup>1</sup>  
**+8%**

REVENUE<sup>1</sup>  
**+18.8%**

OPERATING PROFIT<sup>1</sup>  
**+11.2%**

OPERATING MARGIN  
**22.9%**

<sup>1</sup> Organic growth

# Central & Eastern Europe

## UKRAINE

- Significant impact from the war
- The health & safety of our employees remains our highest priority
- 20% volume decline

## SOUTH-EASTERN EUROPE

- Double-digit growth in Greece, Italy, Serbia and Croatia
- Strong revenue/hl due to price increases and channel mix

## EASTERN EUROPE

- Low-single-digit growth in Kazakhstan and Belarus
- Significant price increases due to high inflation

## EXPORT AND LICENCE MARKETS

- Growth driven by Carlsberg and Tuborg
- Strengthening position in Canada following (pending) Waterloo acquisition

TOTAL VOLUMES<sup>1</sup>

**-0.1%**

REVENUE/HL<sup>1</sup>

**+15%**

REVENUE<sup>1</sup>

**+14.7%**

OPERATING PROFIT<sup>1</sup>

**+0.1%**

OPERATING MARGIN

**19.5%**

<sup>1</sup> Organic growth

# Russian operations held for sale

- Intention to sell the Russian business announced on 28 March 2022
- Separation process has involved more than 150 separation work streams
- Sales process progressing
- Russia presented separately in the accounts
- Impairment charge of DKK 9.9bn
- Net result: DKK -8.1bn
- Net asset value: DKK 7.5bn
  - Decrease of DKK 2.1bn compared with 30 June mainly due to depreciation of RUB

# KEY FINANCIALS (1)

## REVENUE

DKK 70,265m

- Organic growth of 15.6%
- Revenue/hl +9%, driven by on-trade recovery in H1, brand mix and pricing
- Acquisition impact -0.9% due to deconsolidation of Gorkha Brewery in Nepal
- FX +2.2%, particularly from RMB and CHF

## OPERATING PROFIT

DKK 11,470m

- Organic growth of 12.2%; reported +13.2%
- COGS/hl +13%<sup>1</sup>
- Gross profit/hl +5%<sup>1</sup>
- Gross profit +11.3%
- Opex/revenue down 70bp
- Marketing investments +19%<sup>1</sup>
- Operating margin 16.3%

<sup>1</sup> Organic growth

## NET PROFIT

DKK -1,063m

- Impacted by special items of DKK -784m and write-downs in Russia (DKK 9.9bn)
- Adjusted net profit DKK 9,694m (+39.6%)
- Excl. FX, financial items of DKK -506m
- Effective tax rate 17.9%

## ADJUSTED EPS

DKK 69.3

- Up 43.5%
- Adj. EPS, continuing operations DKK 55.7 (+23.9%)
- Supported by the share buy-back

# KEY FINANCIALS (2)

## OPERATING CASH FLOW

DKK 12,949m

- Increase of DKK 671m
- Main drivers were higher EBITDA and TWC, partly offset by other working capital
- Change in TWC  
DKK +1,908m
- TWC/revenue -21.5%

## FREE CASH FLOW

DKK 9,884m

- CapEx DKK 4,018

## NIBD

DKK 19,326m

- On par with 2021
- Strong free cash flow offset by DKK 7.8bn cash returns to shareholders (dividends and share buy-back)

# DELIVERING ON OUR CAPITAL ALLOCATION PRIORITIES

**01** Invest in our business to drive long-term value creation

19% organic growth in marketing investments  
Acceleration of marketing investments in H2, particularly in Vietnam and China

**02** NIBD/EBITDA < 2.0x

NIBD/EBITDA 1.23x

**03** Dividend pay-out ratio (of adjusted net profit) of around 50%

Dividend/share of DKK 24 paid out in March (49% pay-out ratio)  
Proposed dividend/share for 2022 +13% to DKK 27 (48% pay-out ratio)

**04** Excess cash to be redistributed through buy-backs and/or extraordinary dividends

Share buy-back amounting to DKK 4.4bn

**05** Deviating from the above only if value-enhancing acquisition opportunities arise

Acquisition of Waterloo Brewery in Canada in December (closing expected in Q1)  
Possible acquisition of shares belonging to partner in India

# 2023 Earnings expectations

Organic operating profit development of -5% to +5%

## WIDE GUIDANCE RANGE REFLECTING UNCERTAINTIES FOR 2023

- Pricing and possible impact of consumer sentiment on resilient beer category
- The war in Ukraine
- COVID-19 recovery in China, including consumer offtake during the Chinese New Year celebrations

## OTHER ASSUMPTIONS

- Translation impact on operating profit: around DKK -550m, based on the spot rates at 6 February
- Net finance costs (excluding FX): around DKK 600m
- Reported effective tax rate: around 21%
- Capital expenditures at constant currencies: around DKK 5.0bn



# Q&A