

Company announcement 17/2021

28 April 2021

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TRADING STATEMENT AS AT 31 MARCH 2021

HIGHLIGHTS

- Total organic volume growth of 11.5%; reported growth of 12.8%.
 - Total organic volume development in Western Europe -5.8%, Asia +29.7% and Central & Eastern Europe +8.9%.
 - Tuborg volume +26%, Carlsberg -4%, 1664 Blanc +33%, Grimbergen -17% and Somersby +31%.
 - Craft & speciality volume growth of +13%, alcohol-free brews +24%.
- Organic revenue growth of 3.8% (Western Europe -14.9%, Asia +30.4% and Central & Eastern Europe +3.1%). Reported growth of 0.4% to DKK 13.0bn due to acquisitions (+2.1%) and currencies (-5.5%).
- Revenue/hl down organically by 7%, impacted by channel and country mix.
- Today, the Company will launch the second quarterly share buy-back programme, amounting to DKK 1bn.

2021 EARNINGS EXPECTATIONS

Uncertainty remains high. However, in light of the good start to the year, we raise the bottom end of the range in our earnings expectations for 2021:

- Organic growth in operating profit within the range of 5-10% (previously 3-10%).
- A translation impact of around DKK -250m is assumed for 2021 based on the spot rates at 27 April (previously DKK -200m).

CEO Cees 't Hart says: "COVID-19 continues to impact people across the world. As in 2020, our top priorities remain the health and wellbeing of our employees, supporting our customers to the best of our ability and safeguarding the financial health of the business."

"The Group had a strong start to the year in Asia and Central & Eastern Europe, while Western Europe was significantly impacted by the extensive lockdowns and restrictions across the region. With COVID-19 continuing to be a challenge in many of our markets, our geographical exposure showed its strength, as strong volume growth in several markets across all three regions more than offset challenging circumstances in other markets."

"Although the uncertainty as to how the pandemic will evolve in the coming quarters remains high, we're pleased that we can raise the bottom end of our earnings guidance and that we're today launching the second quarterly share buy-back programme."

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For more news, sign up at www.carlsberggroup.com/subscribe or follow @CarlsbergGroup on Twitter.

Carlsberg will present the results at a conference call today at 9.30 a.m. CET (8.30 a.m. GMT). Dial-in information and a slide deck are available on www.carlsberggroup.com.

FIRST-QUARTER REVIEW

In the first quarter of 2021, business performance continued to be impacted by the COVID-19 pandemic, although with significant differences between markets. We saw strong recovery in some markets while others were challenged by government-imposed lockdowns and restrictions.

The Chinese market in particular delivered very strong progress, partly supported by easy comparables as Q1 2020 was heavily impacted by the outbreak of COVID-19. Most markets in Western Europe were severely impacted by lockdowns and restrictions, while most of our large businesses in Central & Eastern Europe were less impacted due to their relatively small on-trade exposure.

Revenue grew organically by 3.8% as a result of organic volume growth of 11.5% and revenue/hl of approximately -7%, the latter due to negative channel and country mix. Reported revenue grew by 0.4% to DKK 13.0bn. The acquisition impact of +2.1% was due to last year's acquisition of Wernesgrüner Brewery and Marston's brewing activities. The currency impact was -5.5%, mainly as a result of emerging-market currencies.

The volume development of our international premium brands as well as craft & speciality and alcohol-free brews reflected the highly diverse market development across our regions. The Tuborg brand grew strongly by 26%, mainly due to China, India and the Turkish licence market. Strong growth of the Carlsberg brand in Asia was offset by Western Europe, and total brand volumes declined by 4%. 1664 Blanc grew by 33%, supported by growth in China and across Central & Eastern Europe, while the 31% growth for Somersby was broadly based across all three regions. Being skewed towards the markets in Western Europe, Grimbergen declined by 17%, mainly due to on-trade restrictions.

WESTERN EUROPE

Revenue in Western Europe declined organically by 14.9% as a result of total organic volume decline of 5.8% and revenue/hl of -10%. Reported revenue declined by 10.4% due to the acquisition impact.

Markets such as Norway and Poland continued last year's growth trajectory, while markets with a high on-trade exposure declined, particularly the UK and Switzerland. Regional volumes grew in March, cycling easy comparables, as March 2020 was severely impacted by lockdowns across all markets.

Revenue/hl was impacted by channel mix, as the on-trade channel was subject to restrictions, and country mix, as Poland, with revenue/hl below the regional average, delivered solid volume growth as opposed to higher-priced markets such as Switzerland and France.

ASIA

Asia had a very good start to the year thanks to very strong performance in China. Development in the region's other markets was more mixed. Organic revenue grew organically by 30.4%, mainly driven by +29.7% organic volume growth. Revenue/hl grew organically by 1%. Reported revenue grew by 23.1% due to a currency effect of -7.3%.

Our Chinese business delivered more than 50% organic volume growth. This was driven by good execution of the Chinese New Year activities, continued growth of our premium brands and easy comparables, as Q1 last year was very weak due to the outbreak of COVID-19.

Excluding China, the rest of Asia reported organic volume growth of 5%. We saw a good start to the year in India and Vietnam, while other markets, such as Nepal and Malaysia, were impacted by lockdowns and restrictions.

The positive revenue/hl was due to ongoing premiumisation, especially in China, partly off-set by a negative country mix.

CENTRAL & EASTERN EUROPE

Central & Eastern Europe delivered a solid start to the year. Revenue grew organically by 3.1% as a result of 8.9% organic volume growth and revenue/hl of -5%. Reported revenue declined by 9.3% due to a currency impact of -12.4%, mainly because of the depreciation of Eastern European currencies in H2 2020.

Almost all markets in Central & Eastern Europe reported volume growth. Russia in particular achieved strong mid-teens organic volume growth, primarily as a result of our changed commercial priorities leading to a higher market share than in Q1 last year. The markets in the southern European part of the region had a difficult start to the quarter but recovered strongly in March, mainly because of easy comparables due to the strict lockdowns in March last year.

Revenue/hl was mainly the result of a higher level of promotions in Russia compared with the same quarter last year and, in some markets, a negative channel mix due to the on-trade restrictions.

MANAGEMENT CHANGES

From 1 July, Chris Warmoth, Executive Vice President, Group Strategy, will retire after seven years with the Carlsberg Group in various executive roles across the Group. Søren Brinck will succeed Chris in a new role as Executive Vice President, Strategy and Digital. Søren joined the Carlsberg Group in 2005 and has since held various roles, including as Managing Director in Greece, Norway and Denmark. Søren is currently Senior Vice President, Asia, with responsibility for Vietnam, Cambodia and Myanmar.

2021 EARNINGS EXPECTATIONS NARROWED

The COVID-19 pandemic continues to impact business performance. The uncertainty related to the extent and length of the pandemic, further government actions, consumer reactions and macroeconomic developments remains high and may have significant implications for business performance.

However, in light of the good start to the year, we are able to raise the bottom end of the range in our earnings expectations for 2021, and we are now expecting:

- Organic growth in operating profit within the range of 5-10% (previously 3-10%).

Based on the spot rates at 27 April, we assume a translation impact of around DKK -250m for 2021 (previously DKK -200m).

All other assumptions are unchanged.

SHARE BUY-BACK

Due to the business uncertainty related to the COVID-19 pandemic, the Group will execute the 2021 share buy-back as quarterly programmes.

On 5 February, the Group launched the first quarterly share buy-back programme. The buy-back was concluded on 23 April, when the Company had bought a total of 749,879 shares at a total value of DKK 750m.

Today, the Group initiates the second quarterly buy-back, with the intention to buy back Carlsberg B shares amounting to DKK 1bn up until 13 August.

The size of subsequent share buy-backs will be determined on a quarterly basis, with information on the next quarterly share buy-back programme being provided on 18 August in connection with the H1 results announcement.

The share buy-back programme will be executed in accordance with Article 5 of Regulation No 596/2014 of the European Parliament and Council of 16 April 2014 (MAR) and the Commission Delegated Regulation (EU) 2016/1052, also referred to as the Safe Harbour Regulation. Carlsberg is entitled to suspend or terminate the programme at any time. Any such decision will be disclosed to the public by a Company announcement.

In line with our capital allocation principles, the purpose of the programme is to return excess cash to our shareholders and subsequently reduce the Company's share capital. At the Annual General Meeting in 2022, the Supervisory Board intends to propose that shares not used for hedging of the incentive programmes be cancelled.

The Carlsberg Foundation will participate in the share buy-back on a pro rata basis at around 30%. The Foundation will transfer shares on a weekly basis at a price equal to the volume-weighted average weekly share price of B shares repurchased by Carlsberg under the share buy-back programme. The price shall not deviate by more than 10% from the price quoted on Nasdaq Copenhagen at the time of purchase.

The Carlsberg Group has appointed Skandinaviska Enskilda Banken, Danmark, filial af Skandinaviska Enskilda Banken AB (publ), Sverige ("SEB"), as lead manager to execute the programme independently and without influence from Carlsberg, as required by the Safe Harbour Regulation. Under the agreement, SEB will repurchase B shares during the trading period, which runs from 28 April 2021 to 13 August 2021. The maximum number of shares that may be repurchased on a single business day is 25% of the average daily trading volume of Carlsberg B shares over the 20 trading days prior to the date of purchase at the trading venue on which the

purchase is carried out. A maximum of 13 million Carlsberg B shares can be bought during the trading period. The Group will disclose the transactions under the share buy-back programme at least once every seven trading days.

FINANCIAL CALENDAR

The financial year follows the calendar year, and the following schedule has been set for the remainder of 2021:

18 August	H1 interim financial statement
28 October	Q3 trading statement

FORWARD-LOOKING STATEMENTS

This Company announcement contains forward-looking statements, including, but not limited to, guidance, expectations, strategies, objectives and statements regarding future events or prospects with respect to the Group's future financial and 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 words such as "expect", "estimate", "intend", "will be", "will continue", "will result", "could", "may", "might" or any variations of such words or other words with similar meanings. Forward-looking 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 materials used by the Group, cost of energy, production- and distribution-related issues, IT failures, market-driven price reductions, litigation, environmental issues and other unforeseen factors. The nature of the Group's business means that risk factors and uncertainties may 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.

VOLUME AND REVENUE DATA

Q1	2020	Change			2021	Change Reported
		Organic	Acq., net	FX		
Beer (million hl)						
Western Europe	5.6	-9.9%	6.1%	-	5.4	-3.8%
Asia	7.8	34.0%	0.0%	-	10.4	34.0%
Central & Eastern Europe	9.0	8.3%	0.0%	-	9.7	8.3%
Total	22.4	12.6%	1.5%	-	25.5	14.1%
Non-beer (million hl)						
Western Europe	2.5	3.8%	0.0%	-	2.5	3.8%
Asia	1.3	4.5%	0.0%	-	1.4	4.5%
Central & Eastern Europe	0.7	16.4%	0.0%	-	0.9	16.4%
Total	4.5	6.1%	0.0%	-	4.8	6.1%
Total beverages (million hl)						
Western Europe	8.1	-5.8%	4.3%	-	7.9	-1.5%
Asia	9.1	29.7%	0.0%	-	11.8	29.7%
Central & Eastern Europe	9.7	8.9%	0.0%	-	10.6	8.9%
Total	26.9	11.5%	1.3%	-	30.3	12.8%
Revenue (DKK million)						
Western Europe	5,613	-14.9%	4.7%	-0.2%	5,029	-10.4%
Asia	4,052	30.4%	0.0%	-7.3%	4,989	23.1%
Central & Eastern Europe	3,275	3.1%	0.0%	-12.4%	2,971	-9.3%
Not allocated	6	n.m.	n.m.	n.m.	4	n.m.
Total	12,946	3.8%	2.1%	-5.5%	12,993	0.4%