# Q3 2019 AIDE MEMOIRE

A number of events in 2018 and 2019 have an impact on the year-on-year comparison for Q3 2019. 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 Q3 2019 versus the same periods last year.

## FACTORS IMPACTING COMPARATIVE FIGURES

### Western Europe

In the Q3 2018 announcement, we made the following statement concerning Western Europe:

*"Several markets in the northern part of the region benefited from the warm summer…"*

### Asia

At the Q2 2019 conference call, we commented on Chinese volume growth:

*"We continued our strong performance in China, growing volumes by 9% in a flat market. The volume growth was driven by several factors. Firstly, we saw a 9% growth of our premium portfolio due to the ongoing premiumization trend in the market. Secondly, our expansion into big cities outside our western footprint showed good progress. Thirdly, our local power brands, Wusu and Dali, achieved double digit growth rates due to good weather, market share gains, and more tourism."*

…and continued:

*"The growth of the Carlsberg brand was curbed by reduced volumes in the night-entertainment channel that was impacted by the government's anti-crime campaign."*

In the Q3 2018 announcement, we commented on India:

*"Our Indian volumes grew by 15%, supported by strong growth of the Carlsberg brand."*

### Eastern Europe

When asked at the Q4 2018 conference call about the Russian market outlook in 2018, we answered:

*"… in 2018, [the Russian market] grew by an estimated 3%. And we think that is due to good weather in June and World Cup in Q3."*

In the Q2 2019 announcement we wrote:

*"In Russia, the competitive environment intensified in 2019. As a result, our total volumes declined organically by 3%."*

…and further elaborated on Russia at the Q2 2019 conference call:

*"Then with regard to Russia, so, basically, we assume that the current competitive environment will continue, and therefore, our margins this year will remain under pressure for both the second half of the year."*

### Acquisitions

At 13 August, 2018 we announced:

"*Carlsberg has increased its ownership in the Cambodian brewer Cambrew Limited (Cambrew) by 25%, as a result of which the Carlsberg Group now owns 75% of Cambrew.*"

## OUTLOOK

In the Q2 2019 announcement, we commented:

*"On 8 August, we increased our operating profit outlook for the year due to the strong financial performance in the first six months of 2019. Consequently, for the full year we expect to deliver:*

*• High-single-digit percentage organic growth in operating profit.*

*Based on the spot rates at 14 August, we assume a translation impact of around DKK +100m for 2019 (previously DKK +150m).*

*Other relevant assumptions are updated below:*

*Financial expenses, excluding currency losses or gains, are expected to be around DKK 700m (previously DKK 700-750m).*

*The reported effective tax rate is expected to be below 28%.*

*Capital expenditure at constant currencies is expected to be around DKK 4.5bn."*

At the Q2 2019 conference call, we further elaborated on the full-year outlook:

*"As you can see from the outlook, we expect less strong earnings improvement in second half compared to first half. In Eastern and Western Europe, we have tough comps in Q3 as last year was very strong due to weather and the football world cup. Moreover, in Eastern Europe, we don't expect any changes in the competitive environment in Russia and Ukraine. And as we've stepped up our promotional activities, the pressure on price/mix and margins will continue. Finally, we will continue to invest in Asia and our marketing spend will be more skewed towards second half."*

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