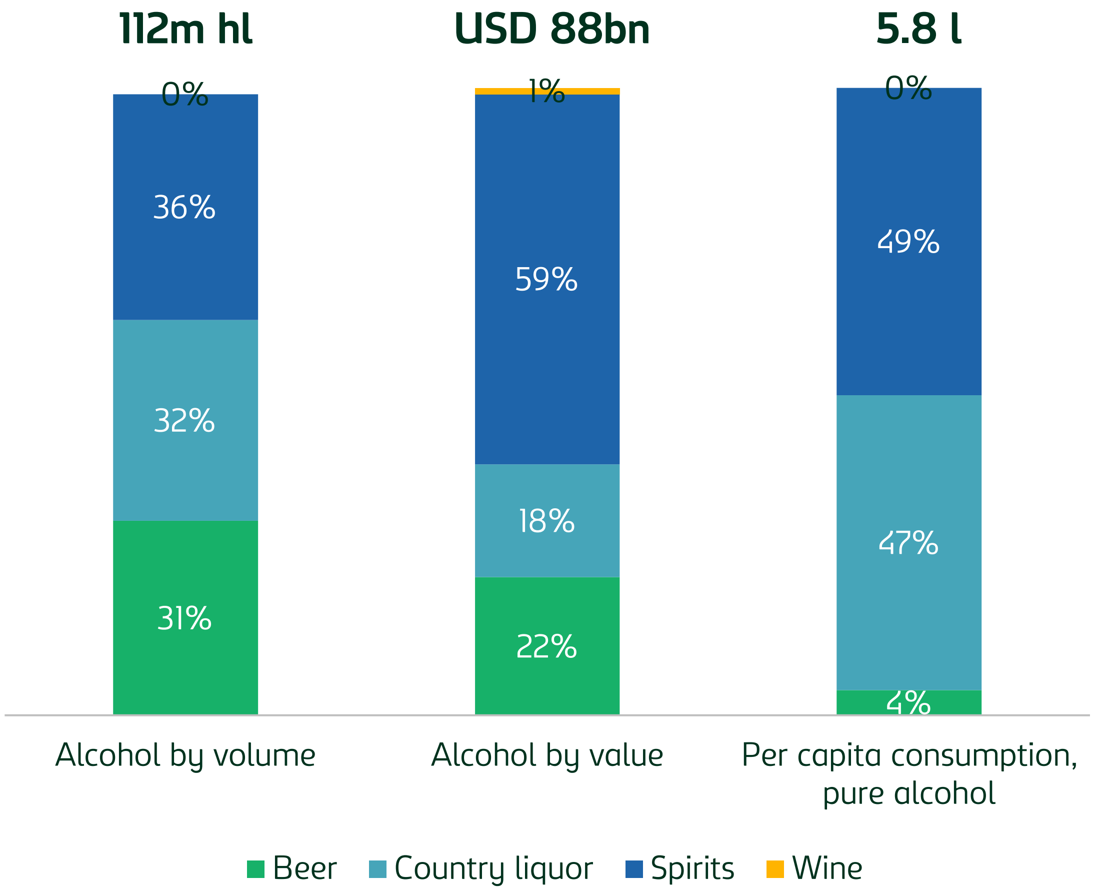
NILESH PATEL
MD, CARLSBERG INDIA

Continuing our positive trajectory in India, capturing market and share growth opportunities

Carlsberg Group

India is historically a spirits market, characterised by favourable liquor pricing versus beer



INDIAN-MADE FOREIGN LIQUOR. Pack size: 180 ml			
	Economy	**Mainstream**	**Premium**
ABV	42.8%	42.8%	40%
PRICE (INR)	150	160	605

COUNTRY LIQUOR. Pack size: 180 ml	
	No segmentation
ABV	42.8%
PRICE (INR)	70

BEER. Pack size: 650 ml			
	Economy	**Mainstream**	**Premium**
ABV	6.5%	6.2%	5.9%
PRICE (INR)	165	190	240

Alcohol is governed by state-specific policies covering route-to-market, pricing and taxes…

ROUTE-TO-MARKET ARCHETYPES

Government-controlled (62% of volumes)

- Brewers sell to corporations under excise oversight. Outlets collect goods from government depots

Auction (24% of volumes)

- Retail licences are auctioned off annually. Goods must pass through a government-sanctioned warehouse

Free trade (14% of volumes)

- Alcohol moves from brewers to distributors to retailers

LIMITED NUMBER OF OUTLETS

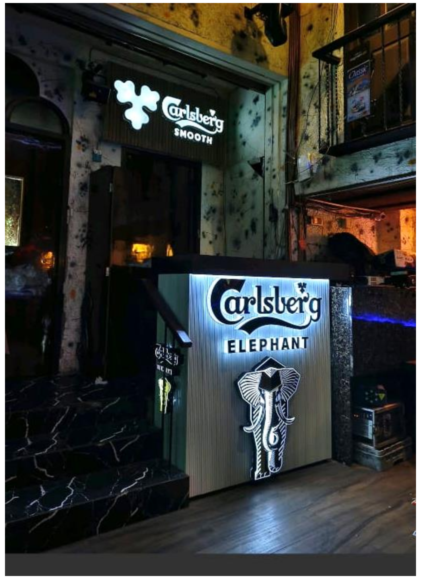
100,000 licensed outlets selling alcohol

- 71 outlets / 1 million people
- Laos: 3,500 outlets / 1 million people
- Vietnam: 25,000 outlets / 1 million people

TOP 8 STATES 83% of industry	State 1	State 2	State 3	State 4	State 5	State 6	State 7	State 8
Route-to-market	Free	Govt	Hybrid	Auction	Auction	Govt	Govt	Govt
Pricing flexibility	√	√	X	X	X	X	X	X
Consumer price (INR)	**190**	**180**	**135**	**130**	**150**	**160**	**160**	**200**
State govt. taxes	65%	60%	65%	62%	55%	64%	5%	57%
Trade margin	12%	9%	9%	15%	20%	18%	28%	26%
Carlsberg NSR	**23%**	**31%**	**26%**	**22%**	**25%**	**19%**	**16%**	**17%**
RTM stability	√	√	X	√	√	√	√	√
Export/import duty	Ranges from INR 200-1,923 per hl for imports & INR 100-628 per hl for exports							
Trade licence cost	Ranges from USD 2.5k to 3m per licence across states.							

… with overall restricted communication towards consumers

- TV or social media alcohol ads
- Advertising of non-alcoholic brand extensions (restricted by size of extensions business)
- Merchandising in on- and off-trade
- Branding inside the outlet
- Branding outside the outlet (except West Bengal)



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The outlet universe is changing, but still dominated by traditional trade…

38,000 of a total of 83,000 outlets in Carlsberg states account for 90% of Carlsberg volume

TRADITIONAL OFF-TRADE

22,000 outlets (57%)

TRADITIONAL ON-TRADE

12,000 outlets (31%)

MODERN OFF-TRADE

1,000 outlets (3%)

MODERN ON-TRADE

3,400 outlets (9%)

95% of Carlsberg and industry volume is sold through traditional outlets

TRADITIONAL OFF-TRADE

Counter - 50%

Grilled – 28%

ON-TRADE

17%

MODERN OFF-TRADE

4%

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… and 650 ml bottles are the most popular packaging format in the market

31%
500 ml

3%
330 ml

66%
650 ml

India is undergoing significant changes, with an attractive outlook for the beer category

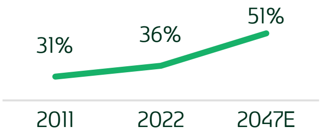
INDIA: A YOUNG COUNTRY

Population Below 35	1.4bn 2/3
Legal drinking age Added every year	800m 20m
Beer drinking population	150m
Reported per capita beer consumption	2.5 l
"Real" per cap. (beer drinking cohort)	14.0 l

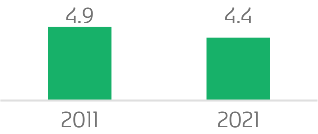
THE EVOLVING INDIAN CONSUMER

1 Rapid urbanisation and declining family size

URBANISATION RATE

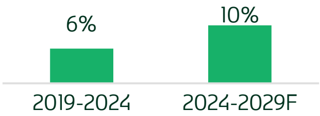


AVG. FAMILY SIZE



2 Increasing disposable income per capita

DISPOSABLE INCOME P.C. (CAGR)

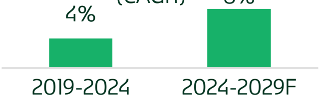


Disposable income in 2024:
USD 2,770
Expected to increase to
USD 4,460 by 2029

3 Increase in eating out and spend on alcohol

90% of Indians dine out;
~56% at least once a week
38% spend > INR 1,000 per person

ALCOHOL SPEND BY CONSUMER (CAGR)



4 Increase in number of women drinkers

Women's alcohol expected to grow by 25% for next 5 years

5 Increasing popularity of beer

56% urbans have tried beer, 24% prefer it
(46 and 16% respectively in case of whisky)
Gen Z and millennials favour beer
(Gen X prefer whisky)

POSITIVE BEER MARKET OUTLOOK

Economic growth, urbanisation and rising income

Rapidly increasing entertainment venues and eating out

65% population is under 35

Next-generation households changing attitude towards alcohol

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Carlsberg India is present across segments in a market dominated by mainstream strong beer

	TOTAL	MILD BEER (< 5%) ~20% OF MARKET					STRONG BEER (> 5-8%) ~80% OF MARKET				
(PRICE INDEX)	SHARE OF MARKET	INDUSTRY		CARLSBERG INDIA			INDUSTRY		CARLSBERG INDIA		
		Share of market	Growth 2024		Share of segment	Position	Share of market	Growth 2024		Share of segment	Position
SUPER PREMIUM (~180)	~0.5%	~0.5%	+15%		~1%	n.a.	0%	-		-	-
PREMIUM (~125)	~20%	~6%	+22%		~10%	#3	~13%	+20%		31%	#2
MAINSTREAM (100)	~80%	~10%	+1%		~7%	#2	~60%	+6%		26%	#2
ECONOMY (~80)	~10%	~1%	+27%		-	-	~9%	+29%		-	-

Thanks to a comprehensive bottom-up, outlet-level strategy for each state...

Applying a cluster approach based on size of opportunity and ease of doing business

	1 CLUSTER 1 (9 states)	2 CLUSTER 2 (6 states)	3 4 CLUSTERS 3 & 4 (6 states)
KEY STATES	4 key states accounting for ~90% of total cluster volume	2 key states accounting for ~65% of total cluster volume	3 states accounting for ~95% of total cluster volume
SHARE OF REVENUE	Cluster 1 accounting for 67% of Carlsberg India revenue 4 key states accounting for 60% of Carlsberg India revenue	Cluster 2 accounting for 15% of Carlsberg India revenue 2 key states accounting for 9% of Carlsberg India revenue	Clusters 3 & 4 accounting for 18% of Carlsberg India revenue 3 key states accounting for 20% of Carlsberg India revenue
KEY IMPERATIVES	Grow across portfolio (premium and mainstream) Accelerate modern on-trade with launch of draught beer and K1664 Establish defensive play in growing economy segment	Grow profitable premium Advocate for brewer net sales improvement Solve capacity constraints to protect cluster growth	Grow profitable premium Advocate for brewer net sale improvement Current capacity to serve existing volume goals except for one state

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… and disciplined in-market execution…

ROUTE-TO-MARKET GRIP…
OUTLET SEGMENTATION

PLATINUM	GOLD	SILVER	BRONZE
28%	7%	14%	51%

IN-STORE VISIBILITY

1. Focused discounts

2. Innovative trade programmes

3. Consumer promotions

4. Excellent FIT

… AND BRAND PULL
CONSUMER TRIALS AND DIGITAL AMPLIFICATION

IN-STORE VISIBILITY

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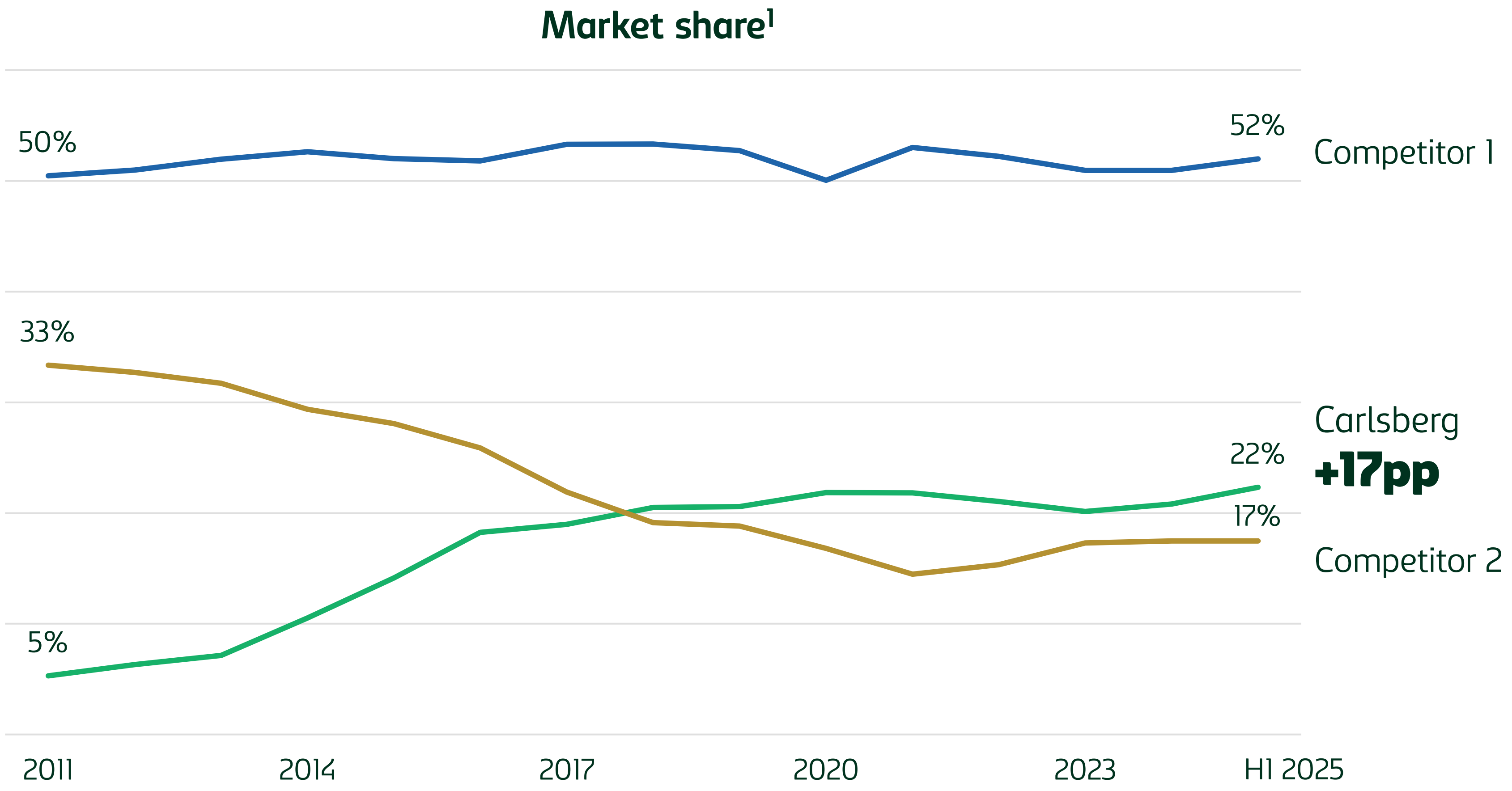
... we have significantly improved our market position in our Indian footprint...



9x
Carlsberg volume increase 2011-2024 (industry 2x)

#2
Tuborg position in India

9
States with #1-2 position

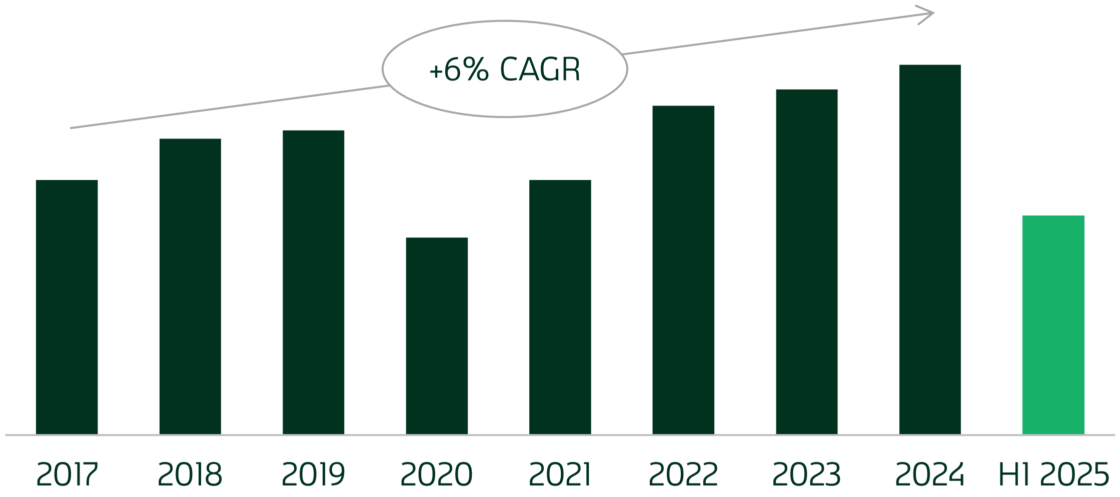
65
Cities out of 101 with #1-2 position

22
States with significant growth potential in premium

[1] Carlsberg India states (~80% of industry volumes)

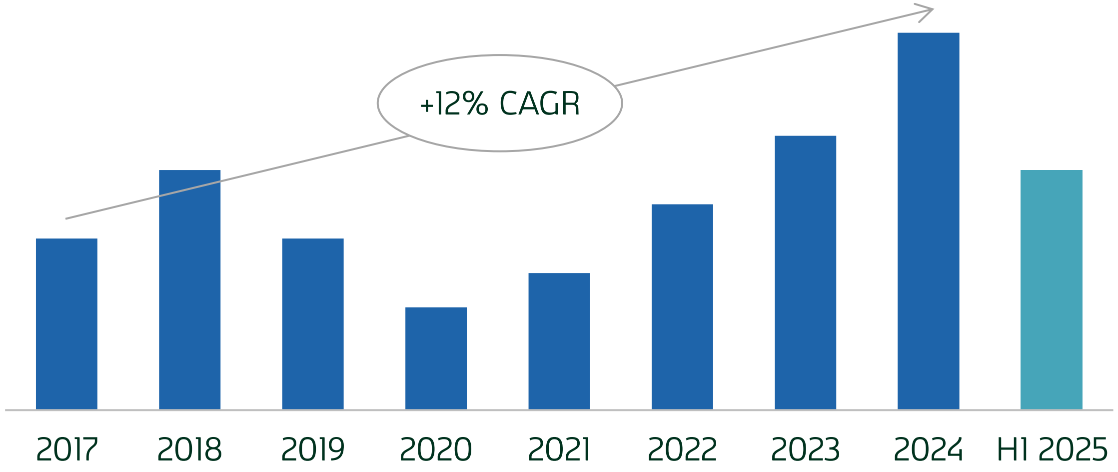
… delivering excellent growth for the iconic Tuborg and Carlsberg brands…

Tuborg



Tuborg appeals to the large population of younger-generation Indian consumers with fewer social constraints

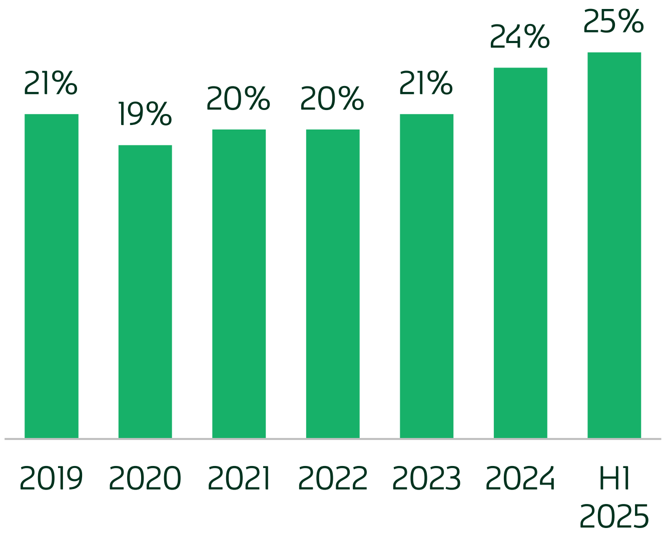
Carlsberg



Carlsberg appeals to the rising middle-class population seeking its aspirational international premium brand appeal – smooth and sophisticated

… and strengthening our position in the premium segment…

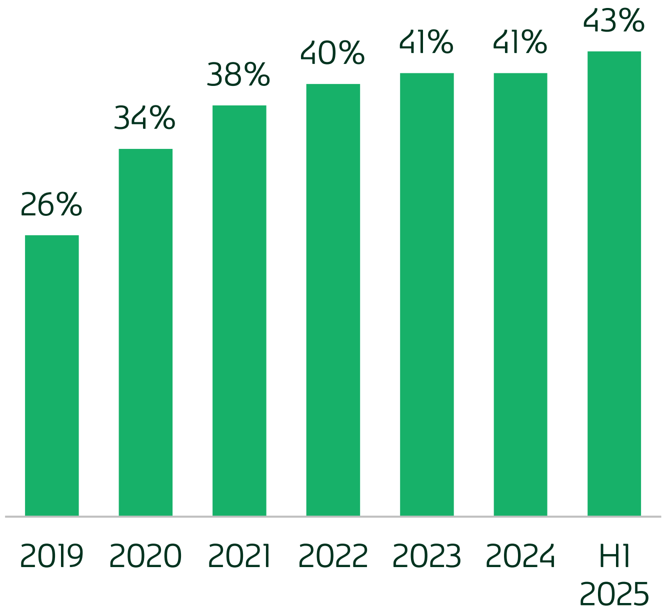
Premium market share India



22 focused markets in India

Population: 1.0bn (70% of the total population of 1.4bn)

Premium market share Maharashtra

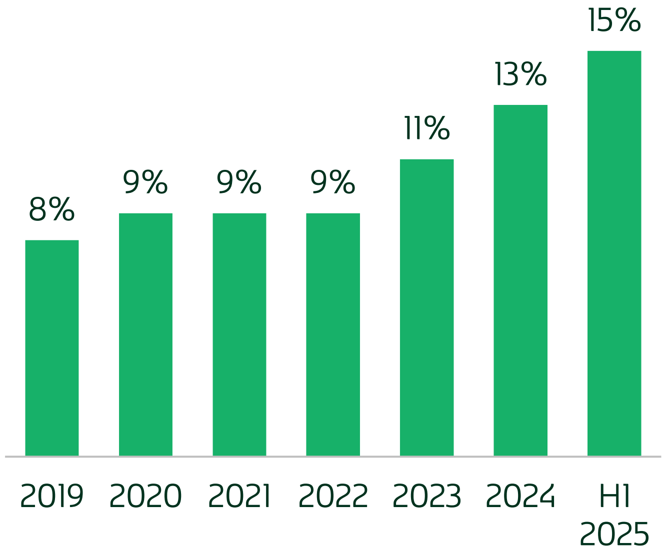


Population: 130m

Richest state in India

Capital: Mumbai

Premium market share Karnataka



Population: 70m

IT “capital”

Capital: Bangalore

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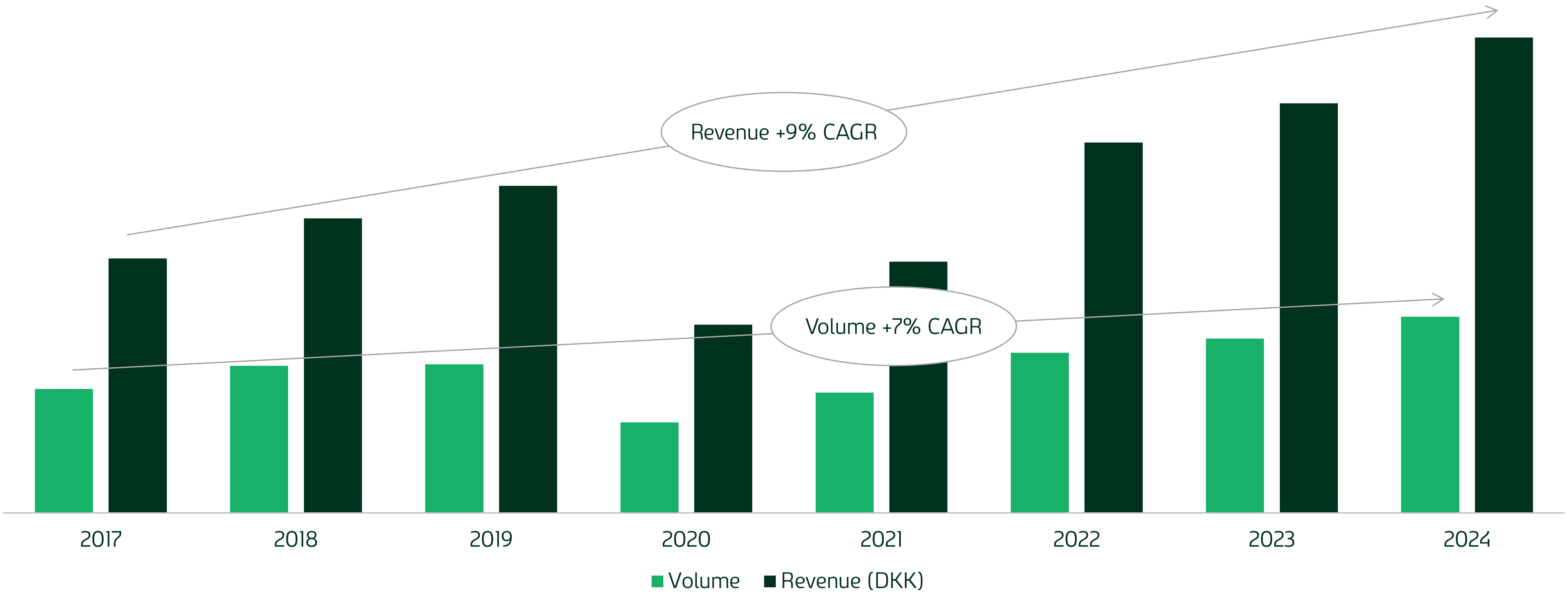
... leading to strong volume and revenue growth, despite the setback caused by the pandemic

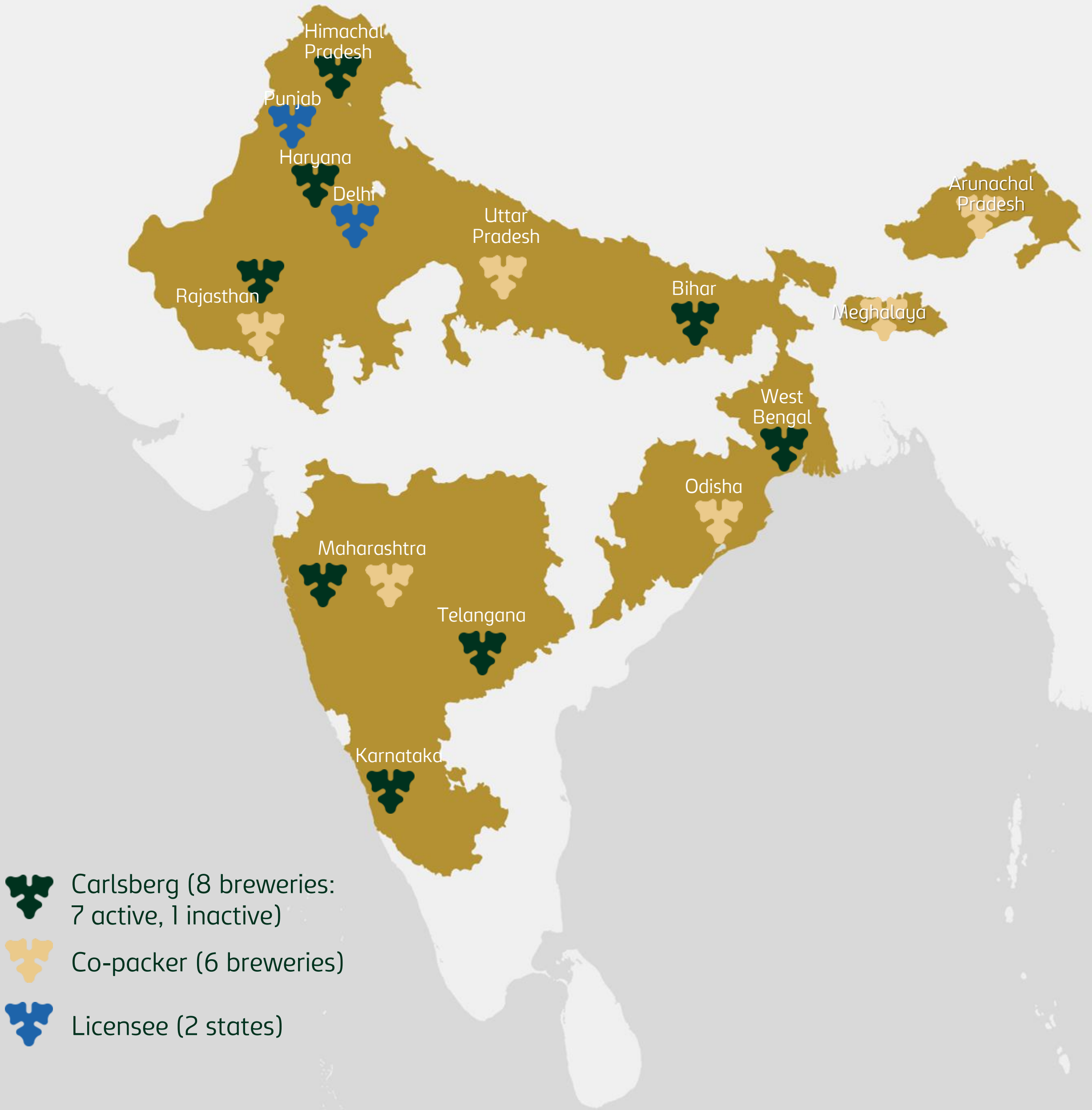


Strong volume growth has led to tight capacity

63%
Total volume growth
2017-2024

20%
Capacity increase
2017-2024

- Own capacity flat since 2018
- New co-packers added in 2023 and 2024
- Capacity utilisation at peak ~90%
- Greenfield and brownfield expansions in the coming years



We are continuing our growth journey in line with Accelerate SAIL

PORTFOLIO FOCUS

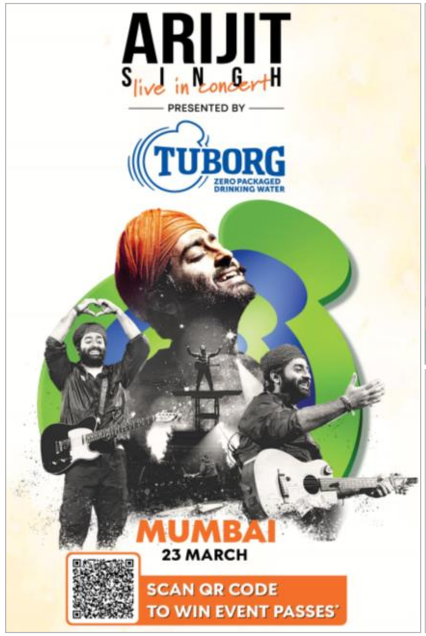
- Build on the momentum of our flagship brands and variants

- Accelerate premium range

- Lead category growth in super premium segment

MARKET EXECUTION

- Navigate the complexity of the dynamic state-by-state regulatory environment
- State cluster approach with targeted priorities, actions and KPIs for each cluster
- Leverage cluster approach: 106 key cities, outlet segmentation based on potential
- Trade- and consumer-facing activation in outlets/music events/ festivals
- Technology-led execution to drive KPIs and field incentives/rewards



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FILM

KEY TAKE-AWAYS
CARLSBERG INDIA

1.

Complex Indian beer market with state-by-state regulation

- Route-to-market
- Pricing
- Alcohol tax regimes
- Import and export duties

2.

Beer market growth opportunities driven by

- Demographics
- Urbanisation
- Increased disposable income
- Increasing popularity of beer

3.

Carlsberg India has consistently outperformed the market

- Targeted approach to states, applying a cluster strategy
- Lean portfolio and favourable brand mix
- Disciplined in-market sales execution

4.

Growth journey to continue

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Disclaimer

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