

Jacek Pastuszka
Executive Vice President Western Europe

GROWING MARGINS IN WESTERN EUROPE

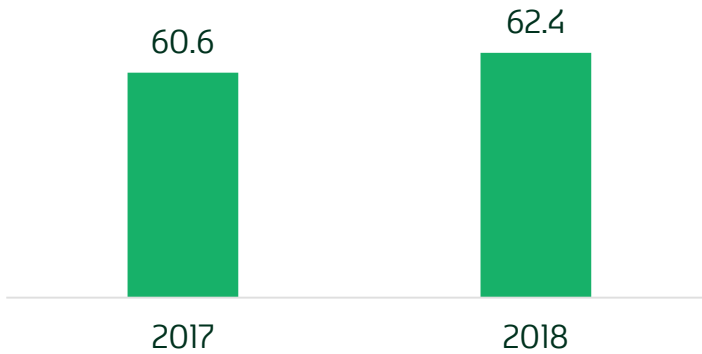
Western Europe – today's agenda

1. A strong business in a competitive and vibrant region
2. Continuing our premiumisation agenda
 - Restore core beer
 - Grow craft & speciality and alcohol-free brews
 - Gain on-trade momentum
3. Value management supporting positive price/mix development in a challenging pricing environment
4. Funding the Journey culture driving lower costs

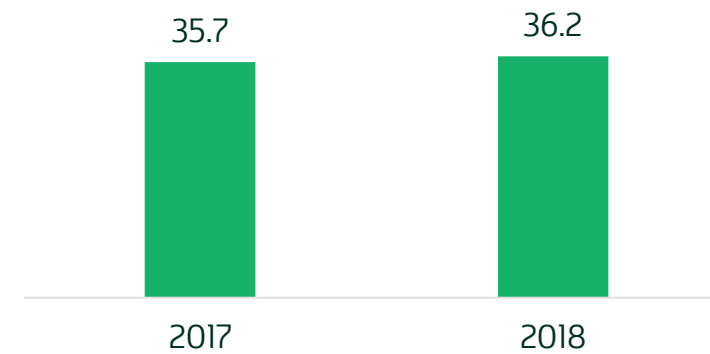


We have delivered solid progress in Western Europe

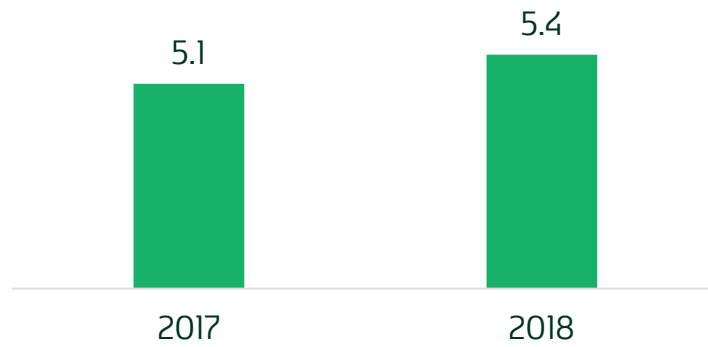
TOTAL VOLUMES (m.hl)



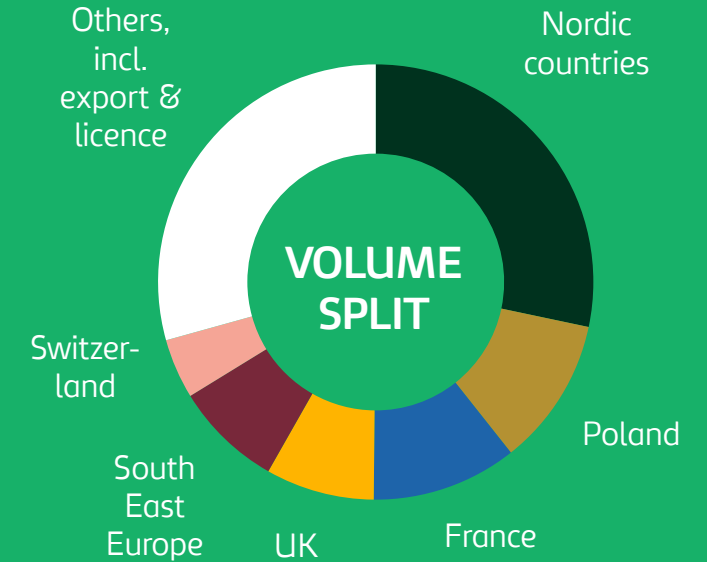
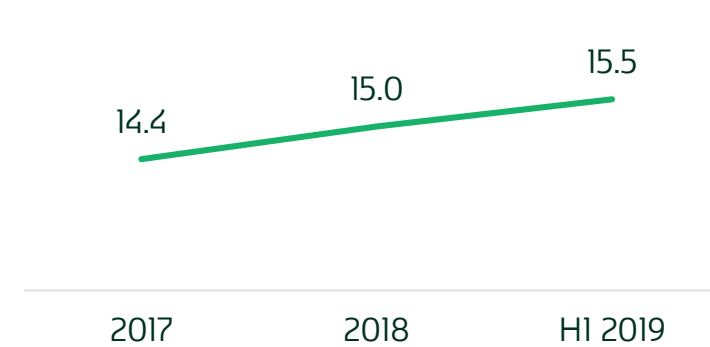
NET REVENUE (DKKbn)



OPERATING PROFIT (DKKbn)



OPERATING MARGIN (%)



Our footprint in Western Europe, # 1-2 position in 13 markets

NORDICS

Denmark, Sweden, Norway, Finland
#1 in the market
31-54% national market share
5 breweries



SWITZERLAND

Feldschlösschen
#1 in the market
40% national market share
1 brewery



FRANCE

Kronenbourg
#1 in the market
28% national market share
1 brewery



POLAND

Carlsberg Polska
#3 in the market
18% national market share
3 breweries



UK

Carlsberg UK
#4 in the market
10% national market share
1 brewery



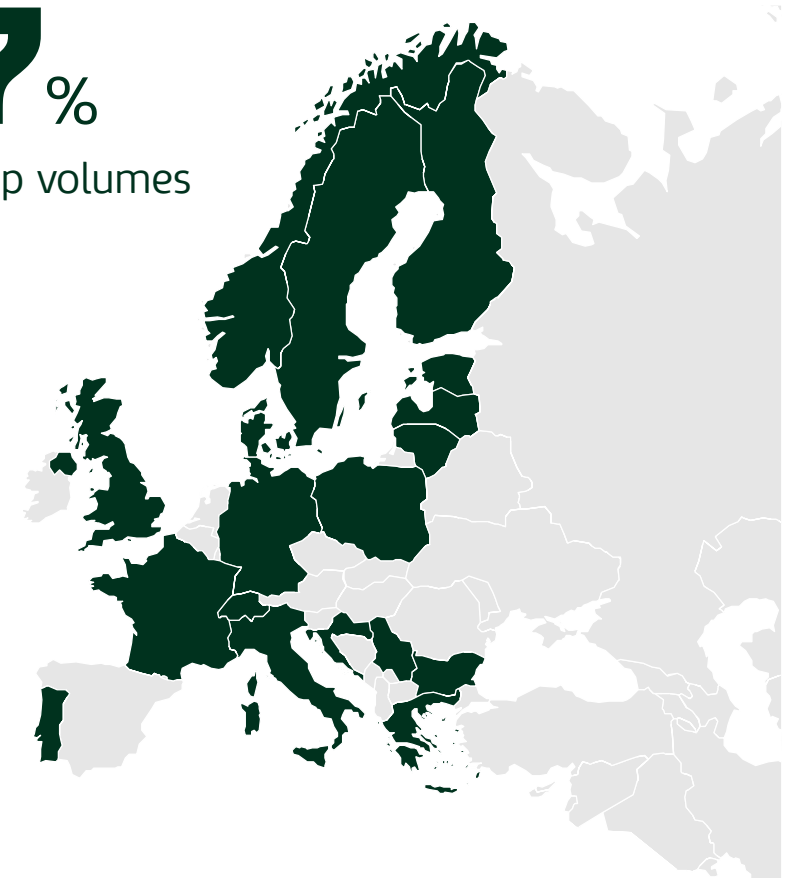
OTHER MARKETS

Italy, Germany, Portugal, Baltics, South East Europe
#1-2 in six markets with
17-47% national market share
12 breweries



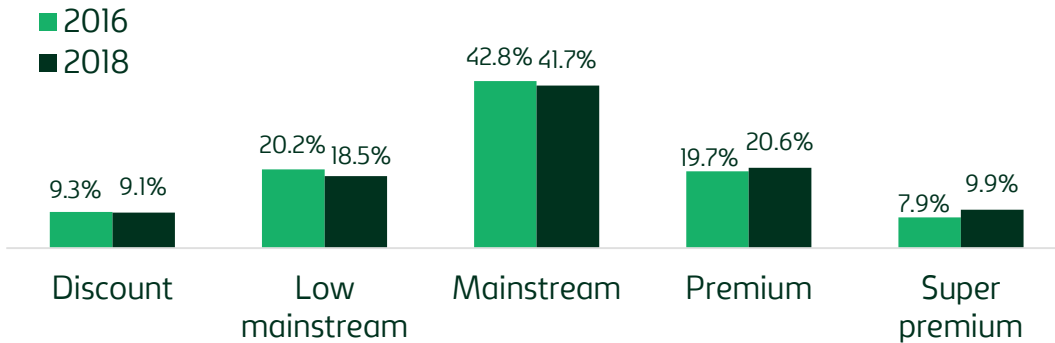
47%
of Group volumes

50%
of Group operating profit



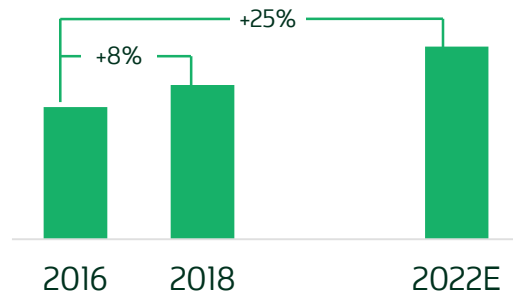
We see strong fundamentals for the beer category in Western Europe, supporting value growth...

Beer segment value share development



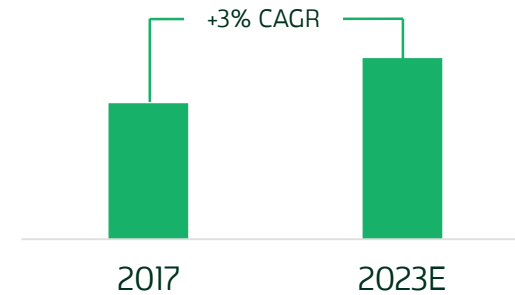
Source: Nielsen/IRI

Alcohol-free beer volume growth



Source: Global Data

Beer market value growth



- Stable markets in volume terms
- Value growth through price/mix
 - Growth of premium and super premium driven by mix and pack
 - Craft & speciality and alcohol-free important value growth drivers
- Moderation trend opening for growth opportunities in alcohol-free brews
 - Leveraging existing brand strongholds and innovations
- Consumer demand themes around authenticity, flavoured beer/mixes and sustainability expected to impact future category innovations
- Continued channel shift
 - Modern off-trade growth
 - Online, discount and convenience highest growing sub-channels

... and are well positioned in key markets with an attractive brand portfolio, driving margin expansion through brand mix and price

STRONG REGIONAL FOOTPRINT

- Well positioned for the continued premiumisation journey as well for capturing future category growth pockets

POWERFUL BRAND PORTFOLIO

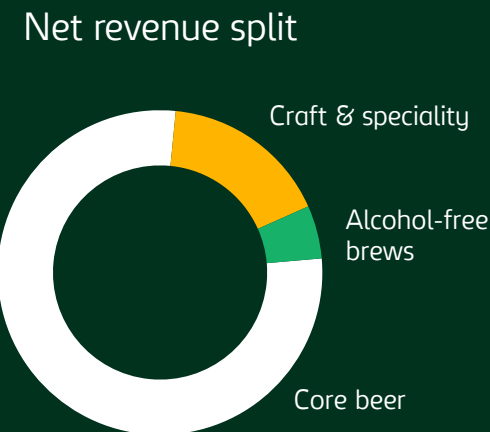
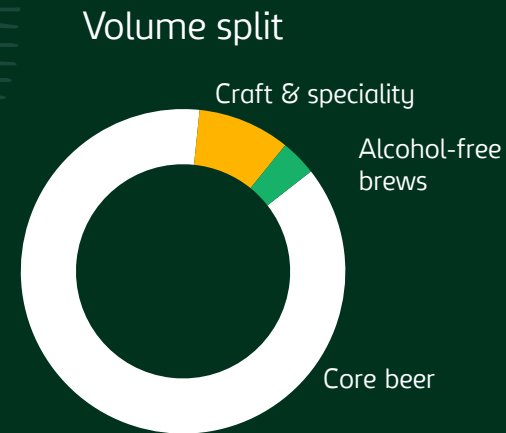
- Mix of high performing international and local power brand strongholds to secure growth in core, craft & speciality and alcohol-free brews

STRONG ROUTE-TO-MARKET

- High share of direct distribution leveraged to drive adjacent CSD products

INCREASING SHARE OF PREMIUM SEGMENTS

- Well executed value management and point-of-purchase execution



CORE BEER

+1%

Net revenue/hl
HI 2019

CRAFT & SPECIALITY

+10%

Volume
HI 2019

ALCOHOL-FREE BREWS

+14%

Volume
HI 2019

We revitalise core beer and protect our position with local power brands...

Over the last 3 years we have:

1. Clarified the roles of all local power brands in the portfolio
2. Sharpened their positionings
3. Reflected this in consistent and involving brand experience

This has resulted in healthy growth of almost all local power brands



New position as a bridge between mainstream and craft beer with consistent focus on food pairing

- Premiumisation (+24% gross brand contribution)
- Doubled market share in off-trade



Consistent renovation, move from mainstream to upper mainstream and the Demand Space

Knowing the Best

- Premiumation
- Strong, consistent value growth



... and drive premiumisation by accelerating craft & speciality and Somersby...

1664 Blanc
+7%



- Launched in 10 new markets
- Strong growth supported by South East Europe and Baltics (+132%) and relaunch in Denmark (+293%)

Grimbergen
+4%



- Five new World Beer awards across range
- New abbey brewery capturing world attention
- Growth supported by Denmark (+17%) and Poland (+106%)

Brooklyn
+14%



- Launch of Special Effects alcohol-free beer
- Bel Air Sour launched in five markets
- Strong growth across markets in Western Europe

Somersby
+8%



- Strong performance in Poland delivering +33% volume
- New look & feel launched in all markets
- New Somersby Spritz exceeding target in Finland

Local craft
Profitability up across markets



- Leading positions with local craft champions in four markets
- Supporting leadership through sustainability & industry events
- High innovation pace with +70 new beers YTD2019

Numbers are 2018 vs. 2017 unless otherwise stated

... as well as strengthening our share in alcohol-free brew segment

1m hl

- In Western Europe
- France and Poland are our largest Western European markets for alcohol-free brews

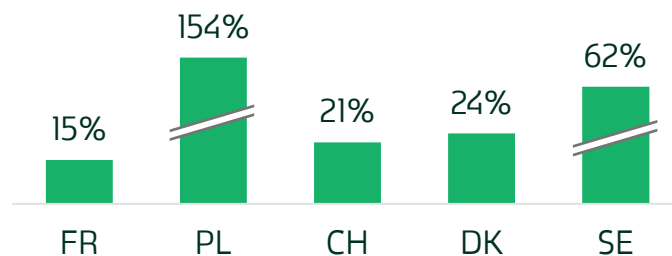
No. 1 AFB

- Market leader in alcohol-free brews*

+46%

- Volume growth H1 2017 - H1 2019

AFB volume growth H1'17-H1'19



BALTICS

- Alcohol-free brew under one GO brand
- +200% growth since 2017



FRANCE

- New variants – Framboises and Tourtel Botanics – in 2019, driving +25% growth



POLAND

- Okocim 0.0 radlers launched in 2017
- Significant contributor to AFB growth



SWEDEN

- AFB ~5% of beer market volumes
- Strong focus on AFB portfolio awareness
- Sampling and activation supporting growth
- Launch of Brooklyn Special effects



* Volume share; Nielsen MAT

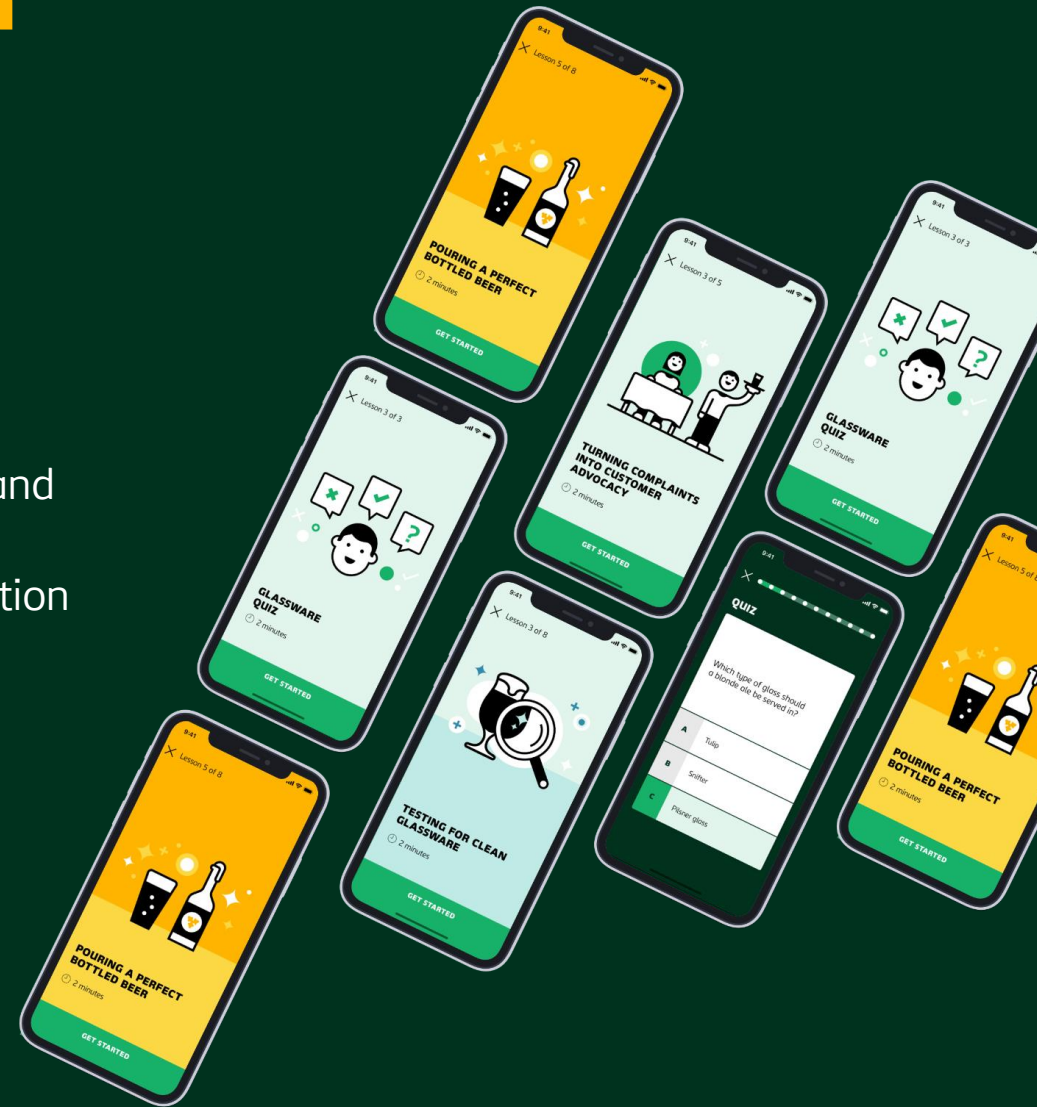
We are strengthening our position in on-trade through leveraging DraughtMaster and digital

DRAUGHTMASTER

- Key enabler for re-igniting on-trade growth
- Roll-out delivering compelling results*
 - +32% increase in range on tap
 - +17% mix shift towards craft & speciality
 - +7% volume growth
 - Digital solutions taking DraughtMaster to next level

DIGITAL BUSINESS TRANSFORMATION

- Step-changing the service to and convenience for customers
 - Impacting customer acquisition
 - Driving premiumisation
 - Building loyalty



* Based on on-trade sample in Denmark

Leveraging value management to drive sustainable and profitable growth for Carlsberg and our customers

Value management is helping to deliver...

... by consistently managing...

... through a structured set of enablers



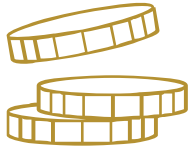
Category value growth



Optimal balance of Golden Triangle



Customer margin growth



Net sales growth



Assortment & mix



Price



Promo



Trade terms

Organisation and processes

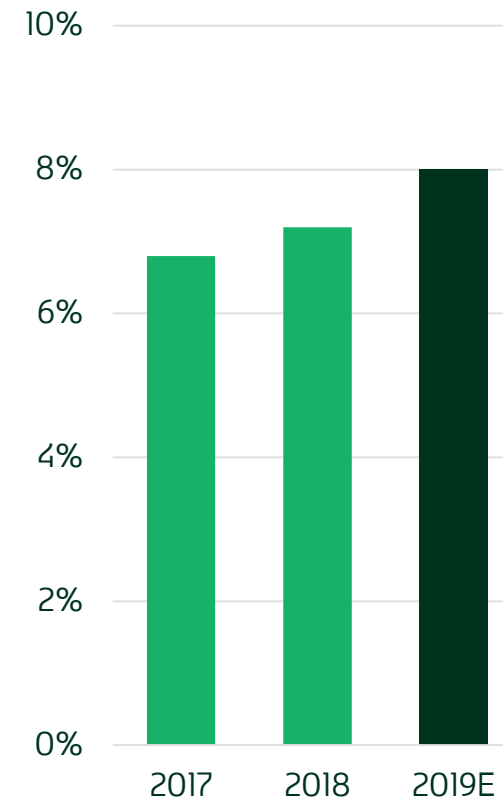
Capabilities

Tools and data

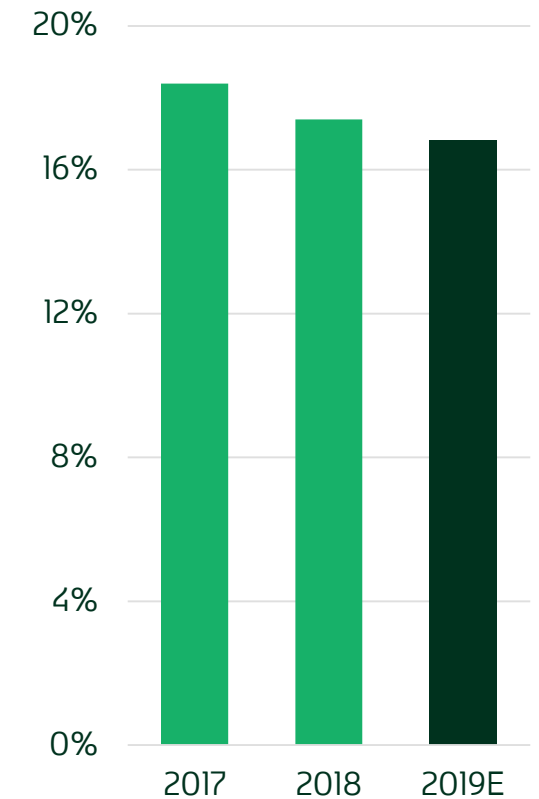
Funding the Journey culture continues with rigorous cost control

- Applying OCM rigorously across the region
 - Reducing SG&A/net revenue consistently
- Increased marketing spend but applying OCM to improve effectiveness of spend
 - Harmonising media buying
- Reduced SKU portfolio complexity
 - Low performing SKUs removed or improved, leading to reduced complexity and higher profitability
 - All SKUs tracked vs. GPaL thresholds
 - Q2 2019 share of SKUs below thresholds dropped by 12% vs. last year
 - Average tail* GPaL margin improved by 4%
- Cooler and draught equipment management focus

Marketing/net revenue



SG&A/net revenue



* Tail = SKUs contributing to bottom 1% GPaL

In summary, we are well positioned to drive value growth and margin expansion in Western Europe

01

Our premiumisation agenda has delivered positive results

- Improved performance of core beer
- Consistent growth of craft & speciality
- Protecting and growing our no. 1 position in alcohol-free brews

03

Value management supporting positive price/mix development in a challenging pricing environment

02

Gaining on-trade momentum

- Rolling out DraughtMaster
- Leveraging digital to enhance customer experience

04

Internalising Funding the Journey culture driving efficiencies and lower costs

Appendix

Driving premiumisation through bringing betterments to beer with the global relaunch of Carlsberg Pilsner

- Relunched in 11 out of 15 key Western Europe markets with a full range of betterments to drive premiumness and substantiate Probably the best
 - +50% increase in quality perception*
 - +15% increase in findability on shelf*
- Renewal of Liverpool and Mads Mikkelsen contract
- Early UK results in on-trade**
 - Value sales: +2.4% (segment -2.4%)
 - Price per litre: +3.7% (segment +2.6%)
 - Value rate of sale: +3.9% (segment -1.8%)



* Pre-launch consumer research 2017 ** CGA OPS, data to w/e 13/07/2019

Graham Fewkes
Executive Vice President Asia

GROWING TOP-LINE IN **ASIA**

ASIA

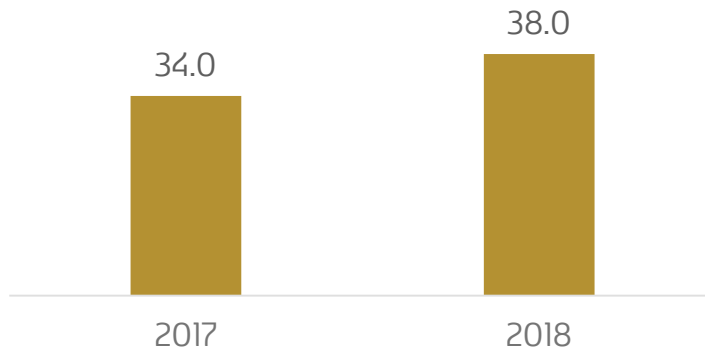
today's agenda

1. Strong top- and bottom-line growth
2. A diverse portfolio of complementary businesses
3. Head- and tailwinds for our positive revenue growth outlook
4. Case studies from China
5. Premiumisation and new geographic and channel expansion will continue

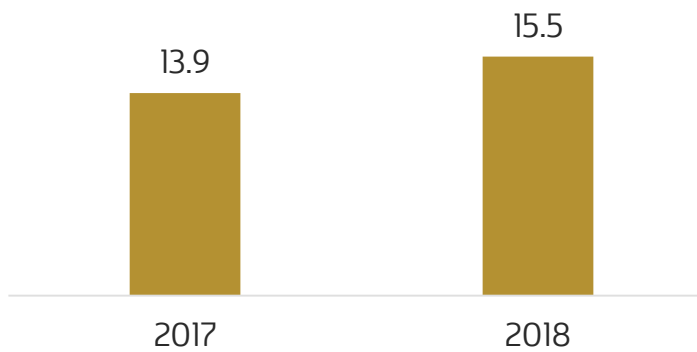


We have delivered strong results in Asia

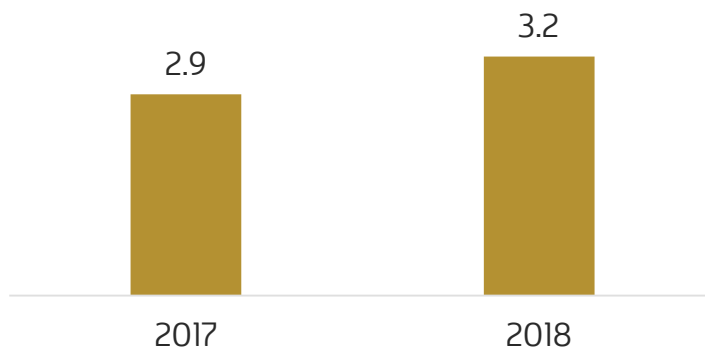
TOTAL VOLUMES (m.hl)



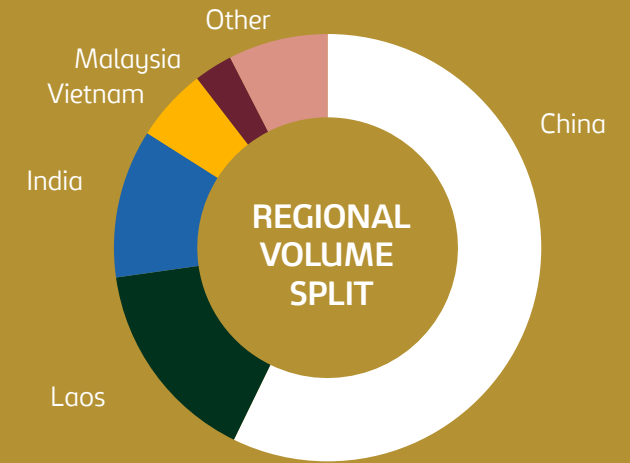
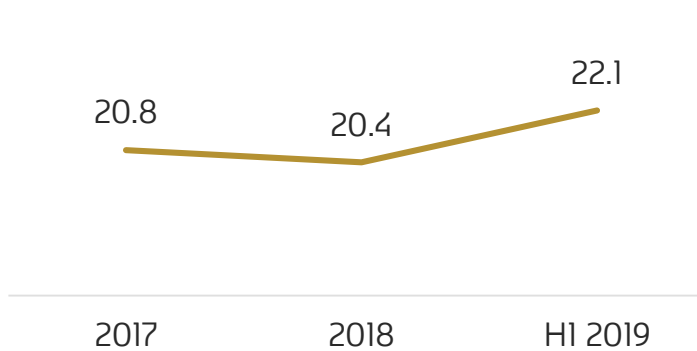
NET REVENUE (DKKbn)



OPERATING PROFIT (DKKbn)



OPERATING MARGIN (%)



29%
of Group volumes

29%
of Group operating profit

1-2 position in 7 Asian markets and strong top- and bottom-line growth in our biggest markets

CHINA

Market share ↑
Volume +9%
Net rev./hl +9%
Operating margin ↑



VIETNAM

Market share ↑
Volume +15%
Net rev./hl +5%
Operating margin ↑



HONG KONG

Market share ↑
Volume -5%
Net rev./hl +1%
Operating margin ↔



LAOS

Market share ↑
Volume +8%
Net rev./hl +3%
Operating margin ↑



INDIA

Market share ↔
Volume +5%
Net rev./hl +7%
Operating margin ↑



CAMBODIA

Market share ↓
Volume +1%
Net rev./hl -4%
Operating margin ↓



NEPAL

Market share ↔
Volume +5.1%
Net rev./hl +1%
Operating margin ↔



MYANMAR

Market share ↔
Volume +4%
Net rev./hl +17%
Operating margin ↑



MALAYSIA

Market share ↑
Volume +9%
Net rev./hl +2%
Operating margin ↓



SINGAPORE

Market share ↑
Volume +4%
Net rev./hl +5%
Operating margin ↑



Turning our SAIL'22 strategy into results

FUNDING THE JOURNEY

Cost savings & working capital savings ...

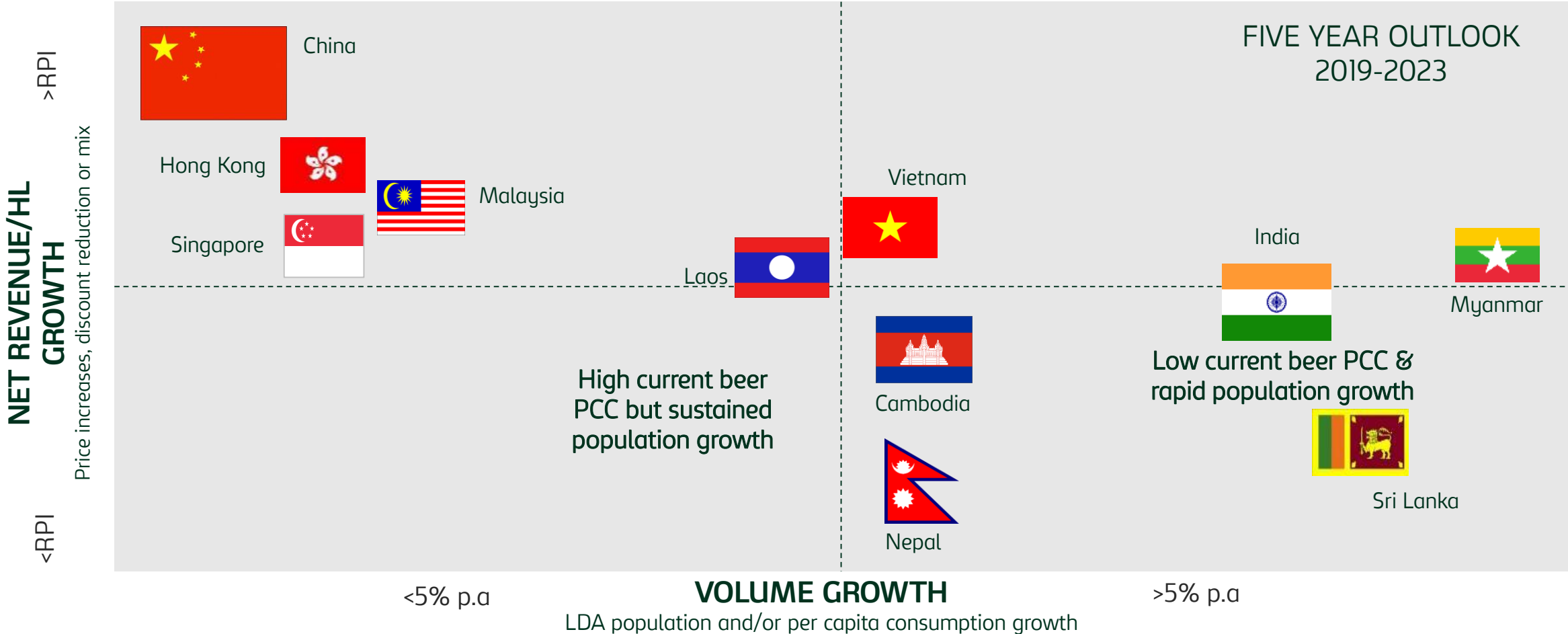
2014 = Index 100

	2014	2017	2019 H1
COGS % of net revenue	100	96	95
SG&A % of net revenue	100	96	88
TWC % of net revenue	100	5,380	5,878
Brands marketing	100	132	142
Premium volumes	100	148	195
NS/hl	100	115	139
Net Revenue	100	112	147
Operating margin	17.6%	20.8%	22.1%

SAIL'22

...for reinvestment into premium brands & new growth opportunities at higher margins

Revenue growth outlook varies by market type

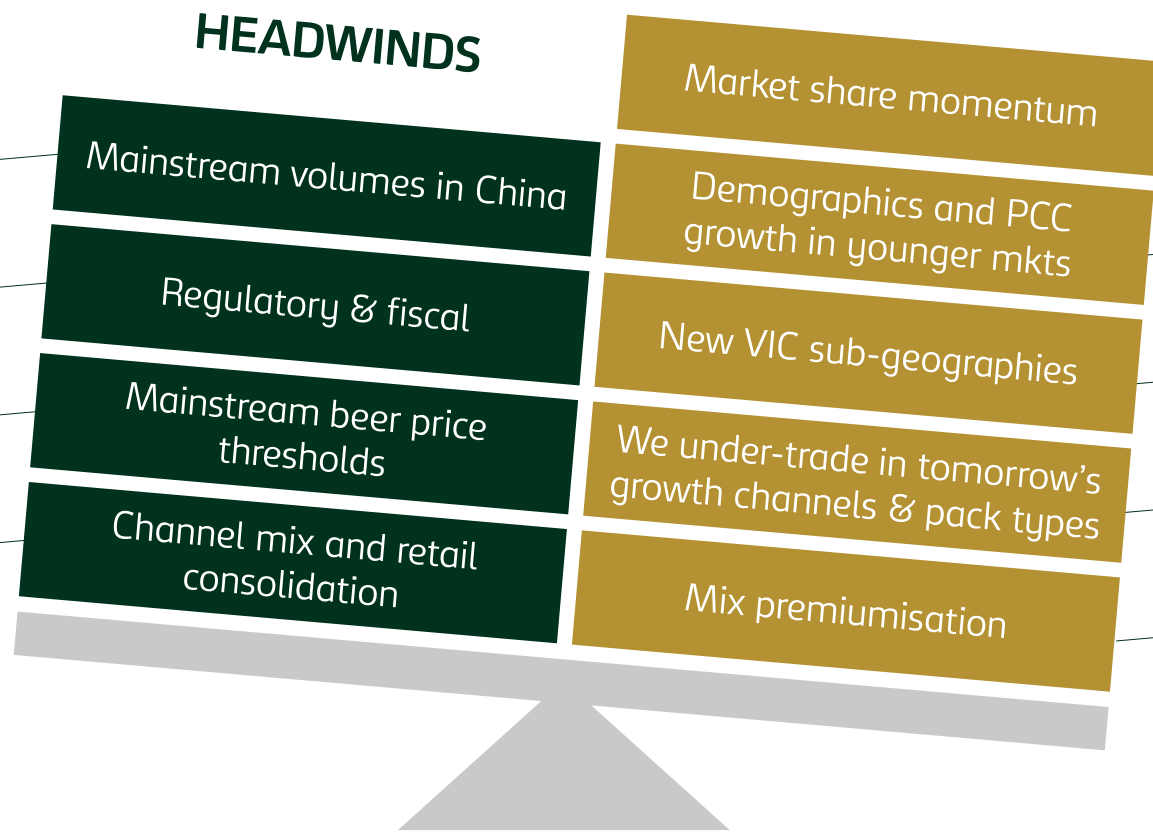


Positive topline outlook for Carlsberg's Asian footprint, facing tail- and headwinds

Outlook 2020-22

HEADWINDS

- Now < 1/3rd of current Asia volumes
- e.g. EU FTA in Singapore, excise increases in Indian states, AP moving to full govt control, full 2020 alcohol tax review in China
- Constrained list price increases in markets where we have high market share and high existing pricing.
- Recently eroding ~1/2th of our annual brand mix gains



TAILWINDS

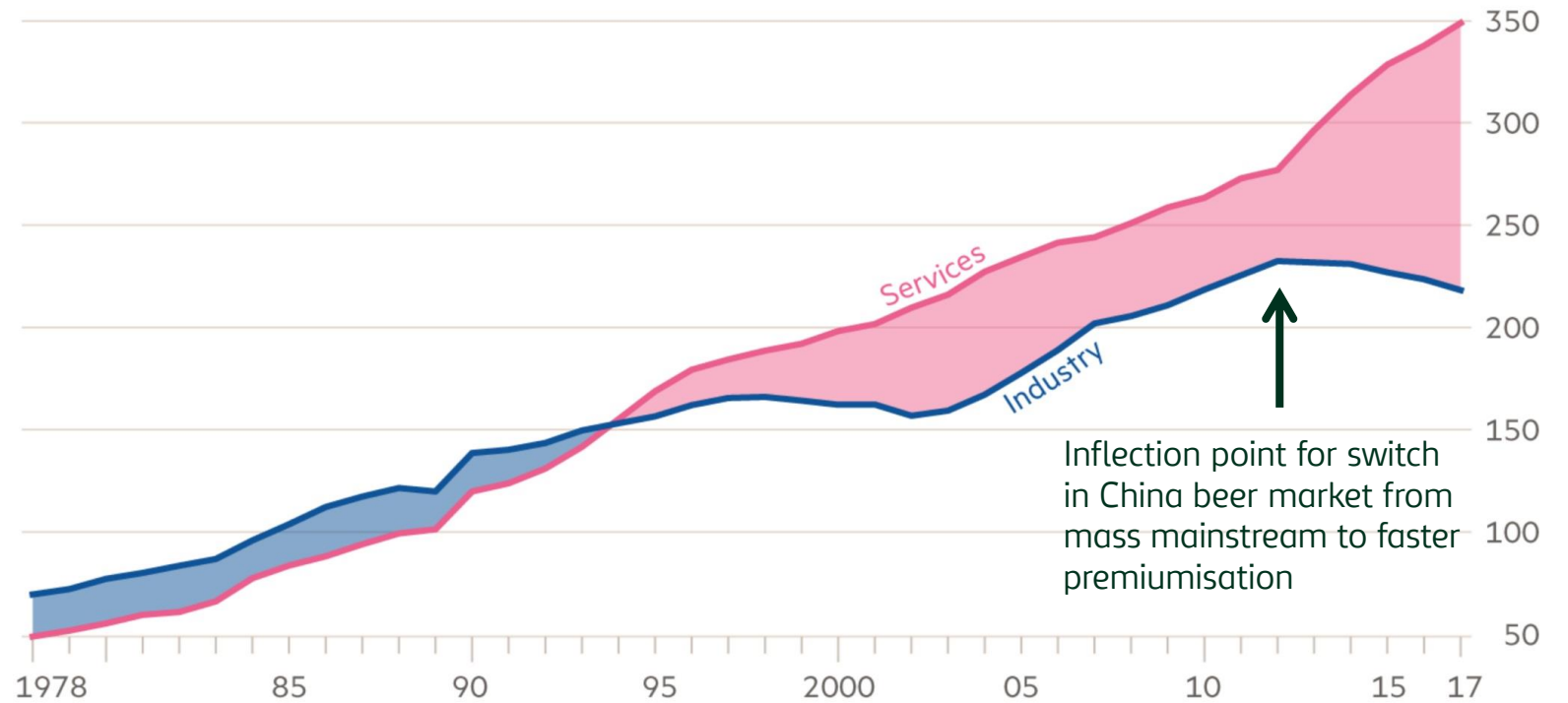
- Key brands winning mkt share in markets representing >75% of Asia revenue
- India, Myanmar, Nepal, with potential left in Indochina
- China big cities & Southern India
- Fair share of MOFT, MONT, eComm
- Driving 1/2th of our annual NS/hl gains

China remains >60% of our Asian footprint



We remain bearish
on volume vs bullish
on value outlook for
China beer market

China's workforce shifts from industry to services Number of employees (m)



Inflection point for switch
in China beer market from
mass mainstream to faster
premiumisation

Source: China Ministry of Human Resources and Social Security; graph from FT

New geographic sources of growth

We grow fast but under-index in bigger provinces in our two biggest markets

Big Cities – China

	2017	2018	2019 H1
City build-up	9 cities	+22 cities	+5 cities
% of China net revenue	7%	15%	20%
GPaL/ht index	107	111	115

- 2020: Extra 5 cities planned with focus-switch to building concentric suburbs around existing cities
- Brand mix shifting towards local specialty brands

Big City sales mix



Southern India

Carlsberg grows fast in the bigger southern India states of AP, TEL, KAR, KER, where PCC is highest. We currently significantly under-trade

	2017	2018
South as % of all India – industry	38	40
South as % of Carlsberg India	17	21
South – Carlsberg market share %	8	9.5
South - Industry volume growth %	+2%	+18%
South – Carlsberg volume growth%	+2%	+40%

Source: Excise and Industry estimates. All figs %. Nos YTD and excl TN.

New channels & geographies for our regional Chinese jewels

Specialties with exceptional provenance & story-telling accelerated China growth in H1 2019

A masculine brand from a mysterious place, multiplied by word of mouth



- Richer, stronger beer in a bigger bottle
- Wusu challenge: social media phenomenon
- New distribution in 26k BBQ outlets across 30 new cities
- Our #1 brand via eComm
- +650kh YTD growth outside Xinjiang
- Price index 200 (outside Xinjiang)



An indulgent brand from a romantic place, multiplied by domestic tourism



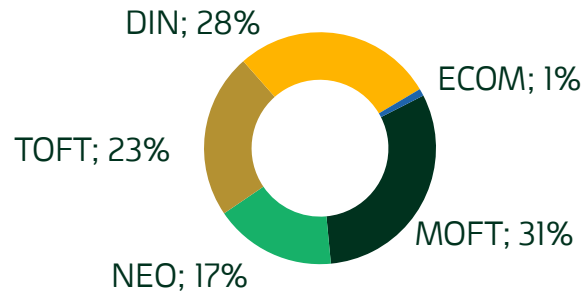
- From mythical Shangri-La in Yunnan...
- ...the original 'unwind & unplug' demand space
- Delicate jasmine-infused recipe
- Volume sales +16% YTD
- 1150 image outlets in 10 Big Cities
- Price index 400



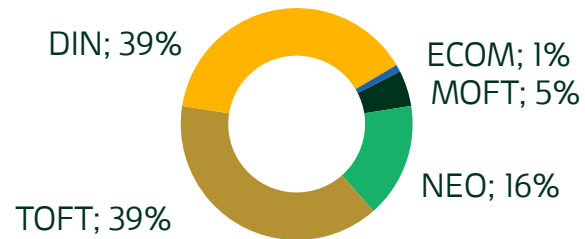
We grow share in fastest-growing channels in China with significant headroom for growth as we invest in new capacity and route-to-market solutions

Channel mix opportunities remain for Carlsberg

Beer category sales by channel



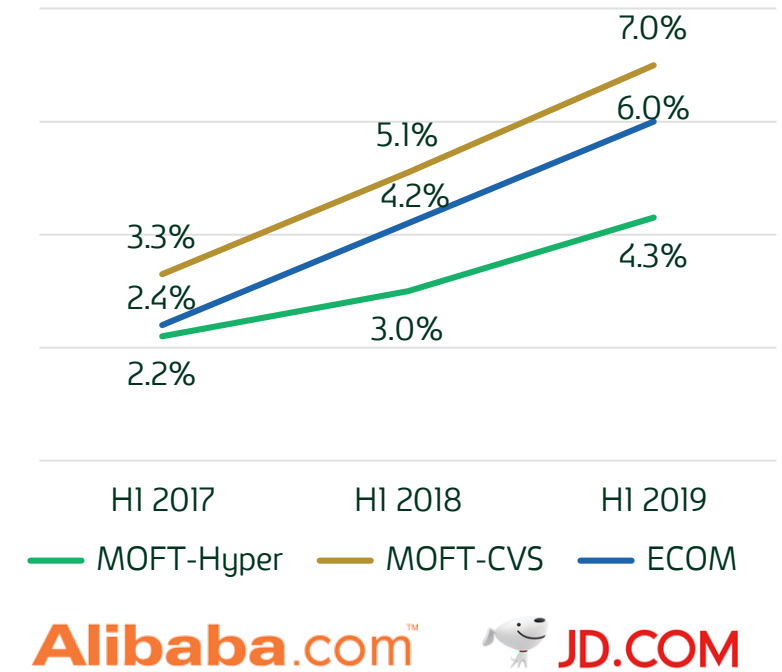
Carlsberg sales by channel



Volume growth H1 2019

CHANNEL	INDUSTRY	CARLSBERG CHINA
MOFT	+2%	+46%
ECOM	+60%	+131%
TOFT	-2%	+6%
NEO	-3%	+5%
DINING	-1%	+10%













Winning market share in high-growth channels



Mix premiumisation driving net revenue/hl in China

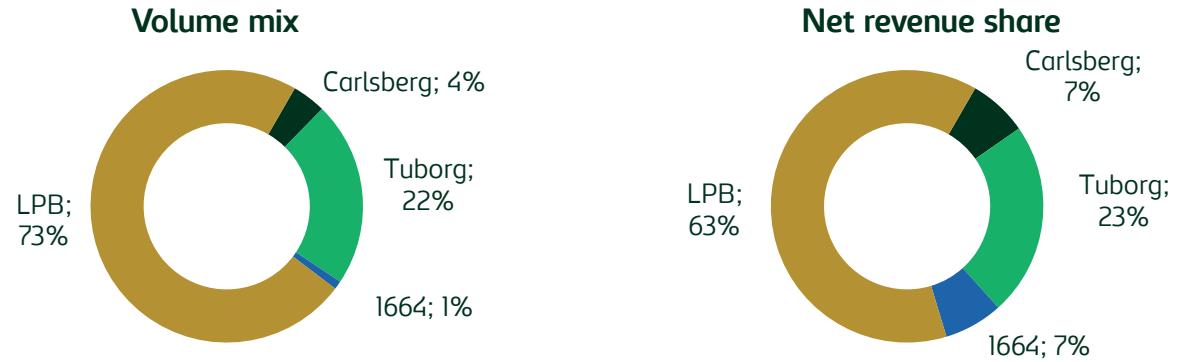
Stronger and tighter portfolio

More investment focused on top 3 brands

SUPER PREMIUM	  
PREMIUM	 
SUB-PREMIUM	 
MAIN-STREAM +	 
MAIN-STREAM	 
DISCOUNT	

International brands driving revenue and margin gains ...

Off-setting adverse channel mix impact on margins as modern off-trade and e-commerce grow

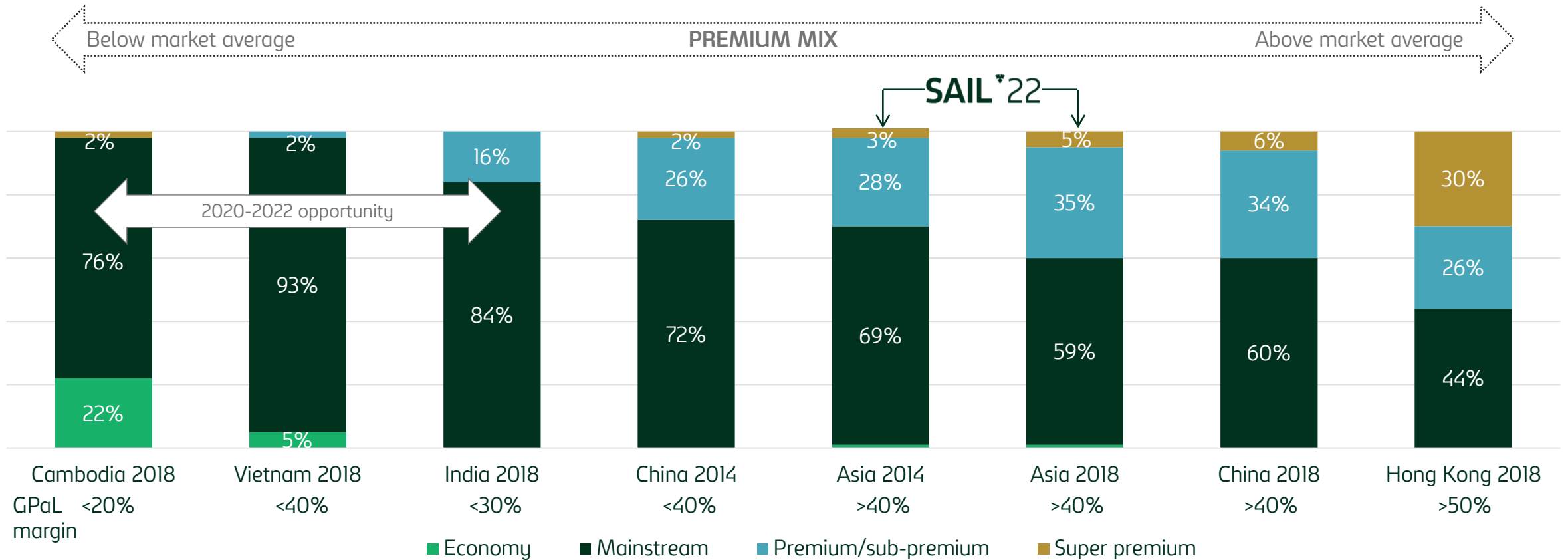


... whilst improving local brand margins by +110bps via up-trading ladders within the brand families, including white beer & crafty line extensions for local power-brands



Significant long-term premiumisation potential as various key businesses still under-trade in premium segments

Carlsberg Asia businesses ranked by price segment mix



**In summary,
we are well
positioned to
sustain volume
& value growth
in Asia**

01

Enviably footprint of
market-leading businesses
across Asia

02

Well-integrated region with
tight cost control and
process discipline

03

Tight, winning portfolio of
well-funded premium
brands

04

Well-exposed to a blend of
category consumption
growth, mix premiumisation
and tomorrow's winning
channels

Lars Lehmann
Executive Vice President Eastern Europe

REBALANCING VOLUMES IN EASTERN EUROPE

We have strong positions in all markets in Eastern Europe

RUSSIA

Baltika Breweries
#1 in the market
29% market share*
8 breweries



UKRAINE

Carlsberg Ukraine
#1/2 in the market
31% market share
3 breweries



KAZAKHSTAN

Carlsberg Kazakhstan
№ 2 in the market
35% market share
1 brewery



BELARUS

Alivaria Brewery
#1 in the market
30% market share
1 brewery



AZERBAIJAN

Carlsberg Azerbaijan
#1 in the market
63% market share
1 brewery



24%
of Group volumes

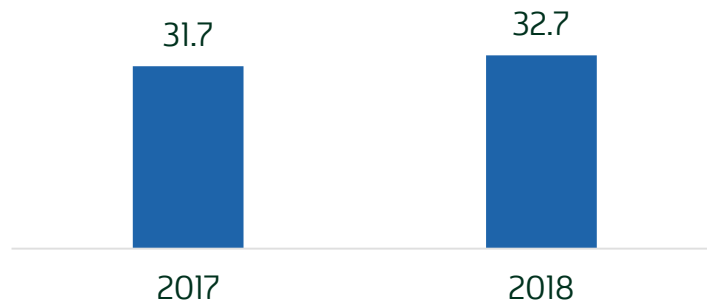
21%
of Group operating profit



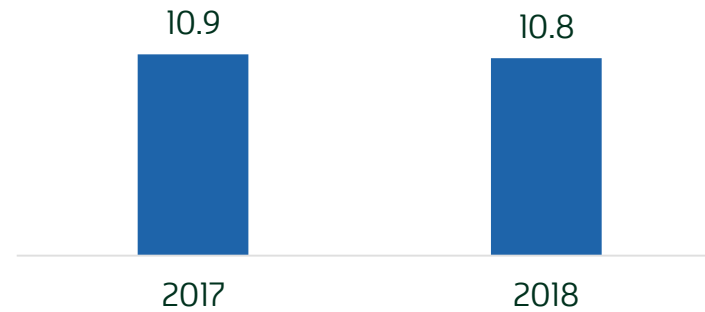
* Volume market share, RTM June 2019, Nielsen/internal estimate

We have a strong business in Eastern Europe, despite current challenges

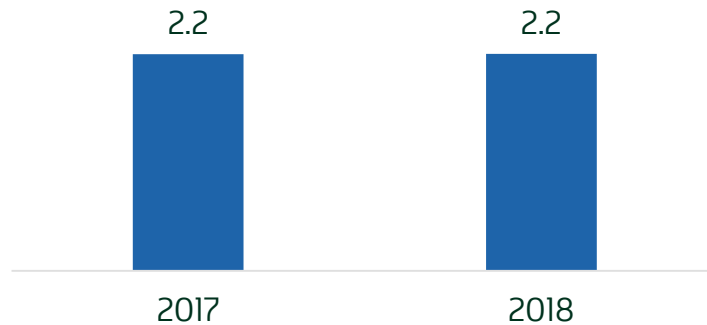
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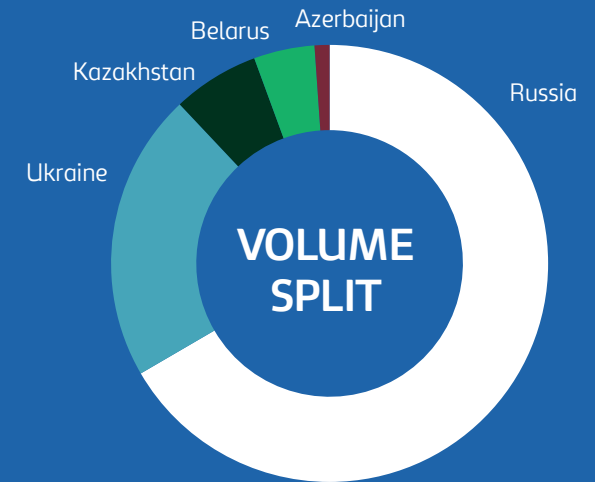
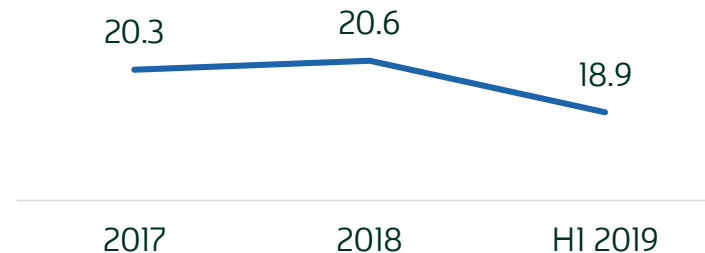
NET REVENUE (DKKbn)



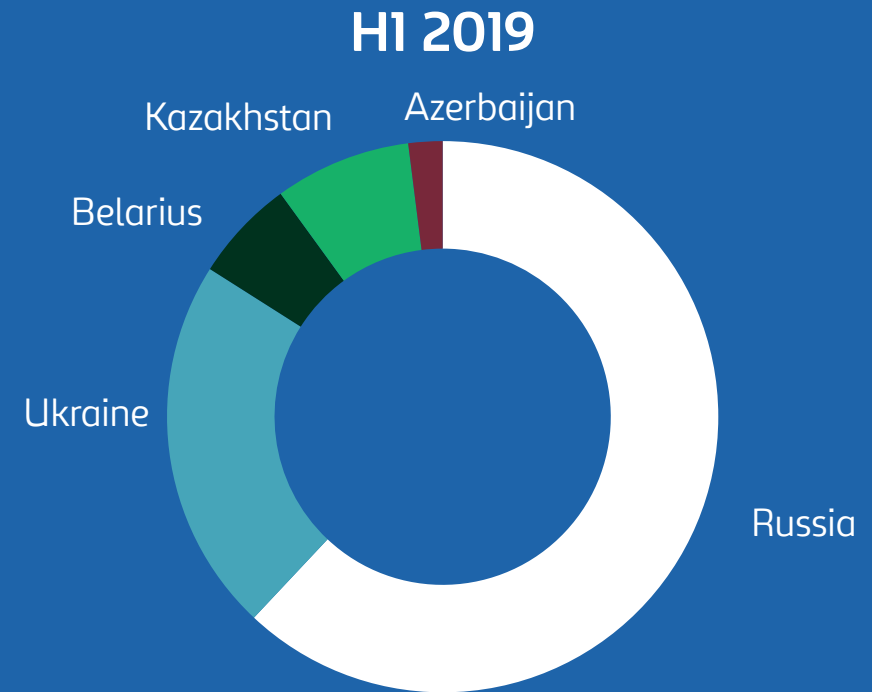
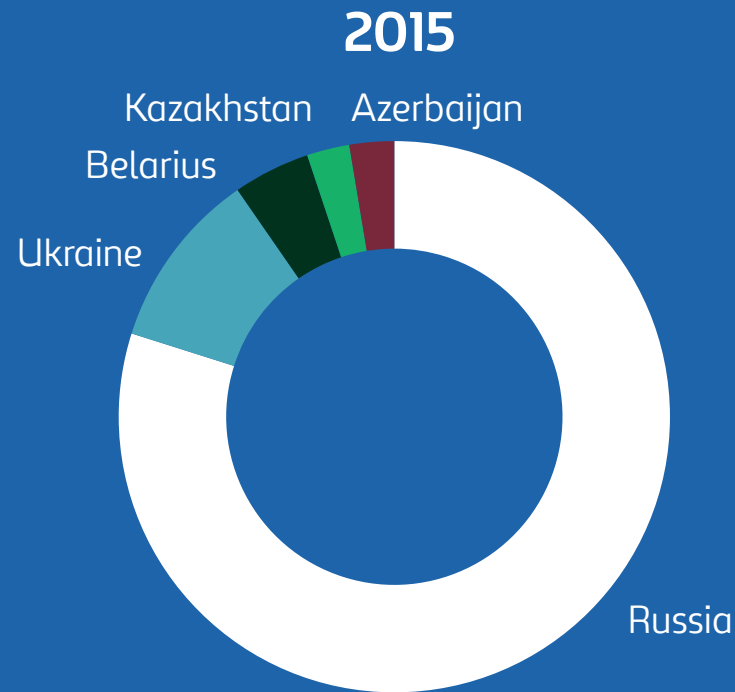
OPERATING PROFIT (DKKbn)



OPERATING MARGIN (%)



Ukraine, Kazakhstan and Belarus have increased their share of regional profit, though Russia remains the largest market



We have been driving value through premiumisation with international premium brands, craft & speciality and alcohol-free brews...



+7%



+27%



+113%



+88%



+25%

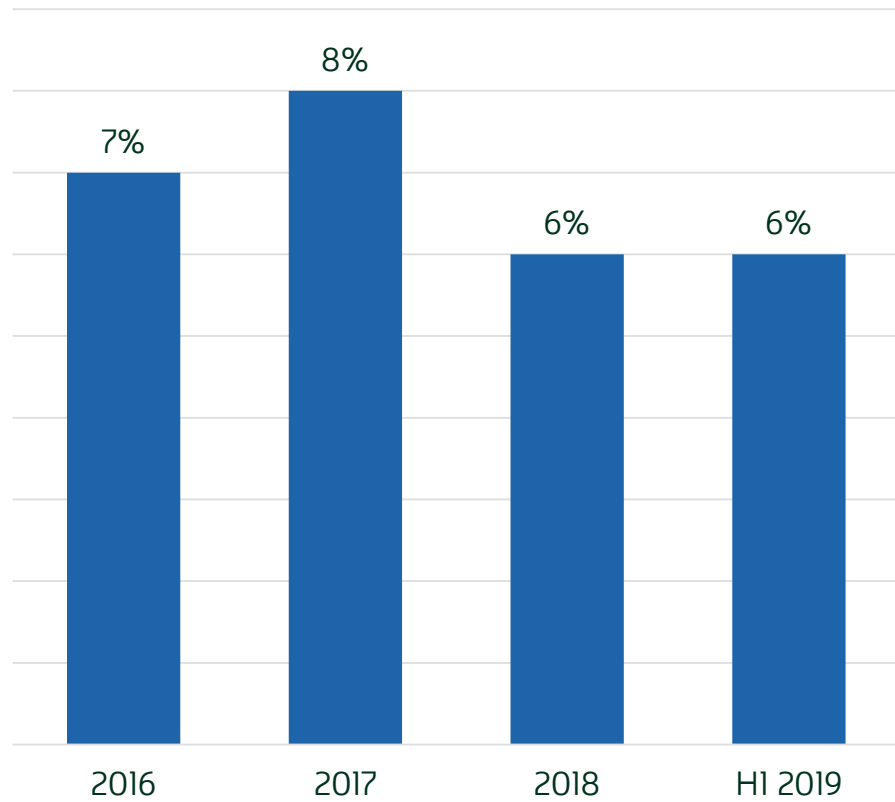


+12%

Numbers refer to growth in 2018

... and pricing, leading to strong price/mix...

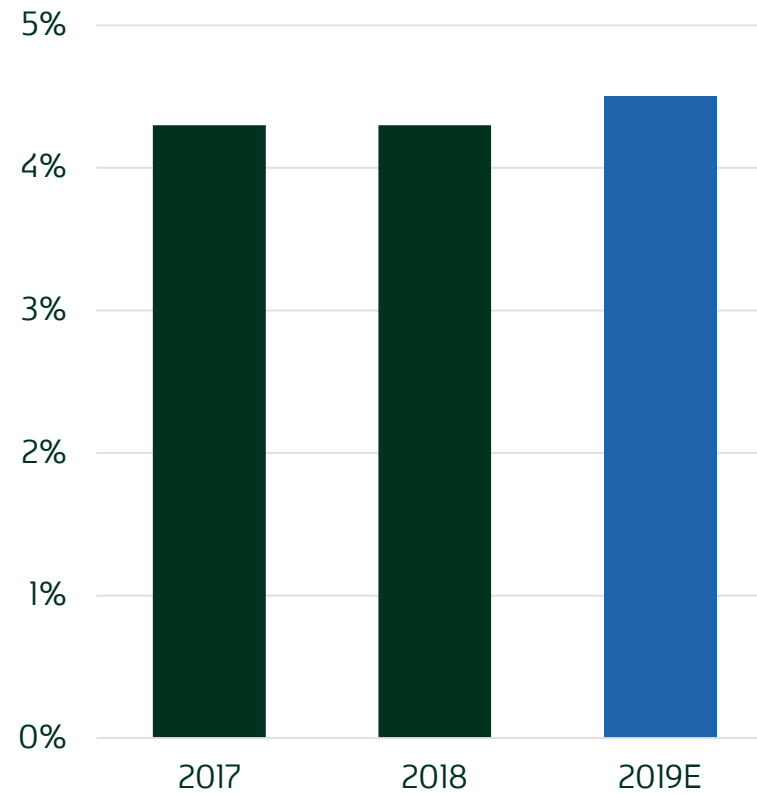
Price/mix



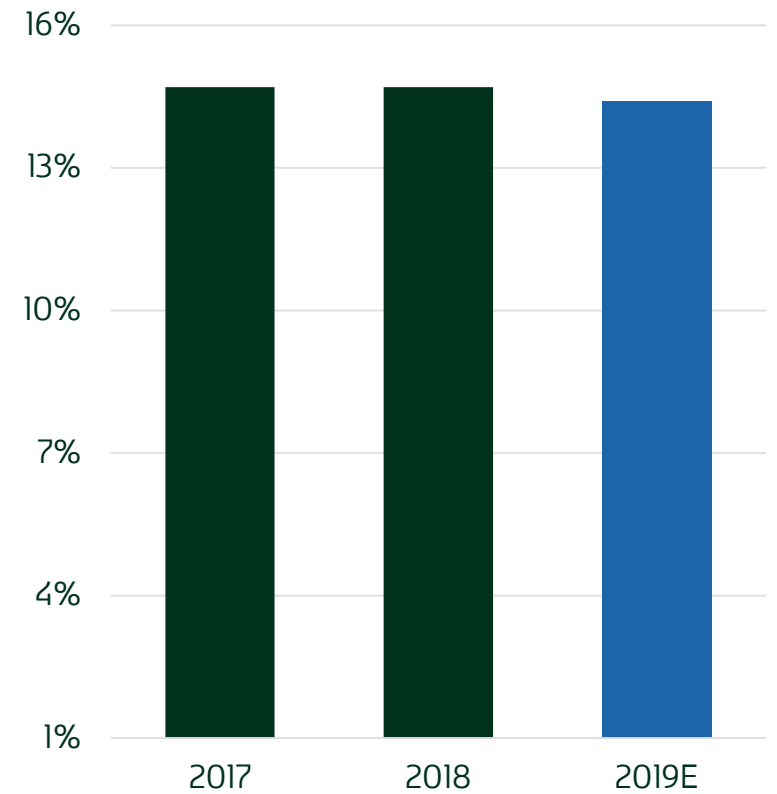


... while maintaining cost control through Funding the Journey culture

Marketing/revenue



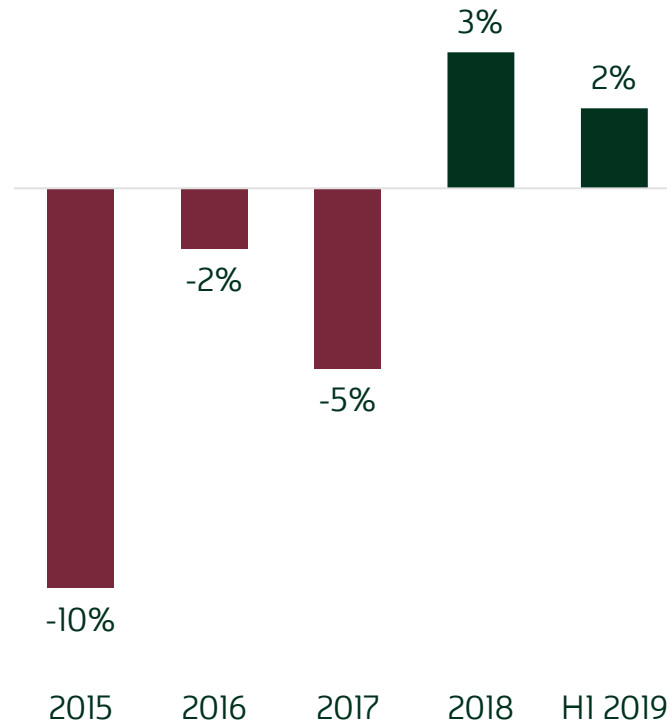
SG&A/revenue



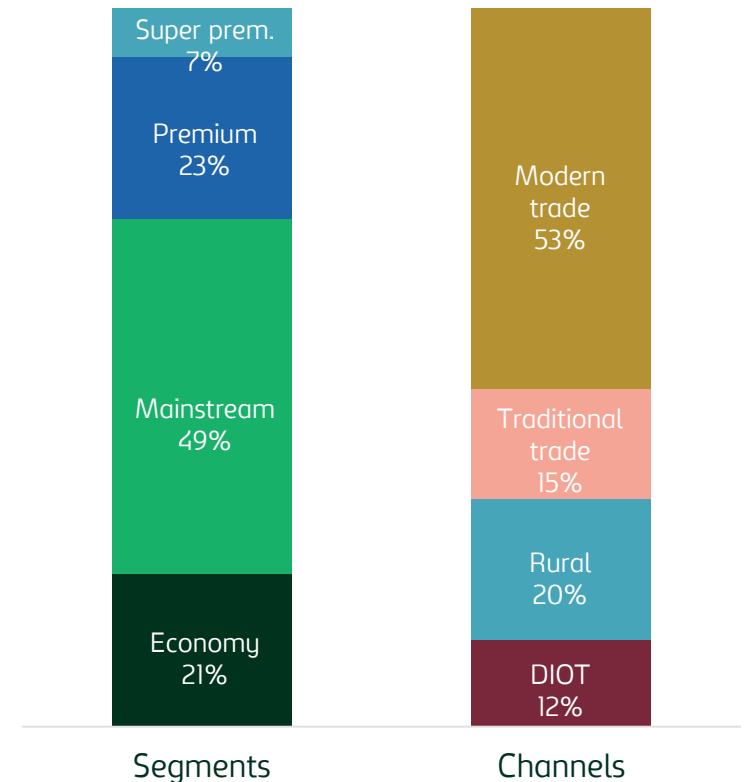
The Russian beer market has stabilised after many years of decline

- Growing modern trade and growing specialised DIOT stores. Traditional trade continue to decline
- Current regulatory environment more predictable
 - Excise duties stable at RUB 21 per litre beer in 2017-19
 - RUB 1 increase in 2020 and 2021 respectively
- Market growth in 2018 driven by:
 - Warm and dry summer
 - Football world cup
 - Craft & speciality and alcohol-free beer
 - Expansion of specialised DIOT stores
- In H1 2019, beer market volume increased helped by high level of promotions

Beer market volumes

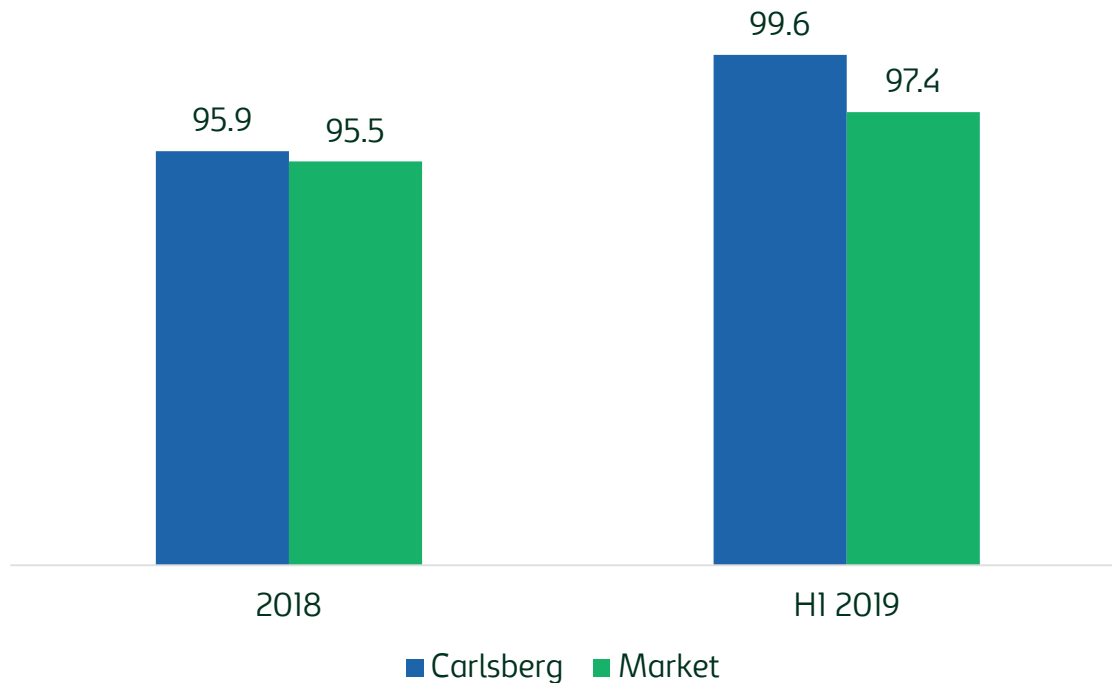


Market characteristics

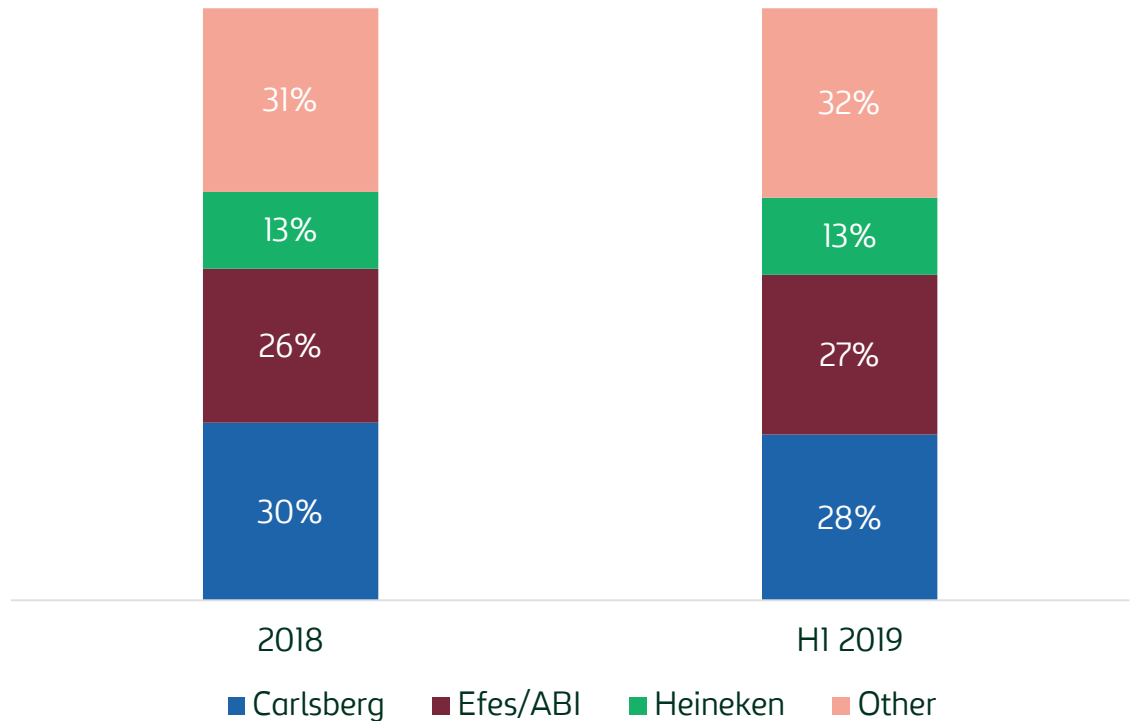


Our market share in Russia has been under pressure due to our value focus...

Price/litre



Market share



... and we will rebalance the Golden Triangle in Russia, while pursuing our SAIL'22 priorities

STRENGTHEN THE CORE

- Drive core beer brands
 - Turn around the Baltika brand through innovations and focus on execution
 - Continue growth and premiumisation of Carlsberg brand
 - Strengthen Zatecky Gus brand
 - Simplify and upgrade regional portfolio to drive share growth
- Strengthen capabilities and execution
 - Grow market share in modern trade
 - Defend market share in traditional trade
 - Increase share in growing sub-channels and segments
 - Improve commercial efficiencies

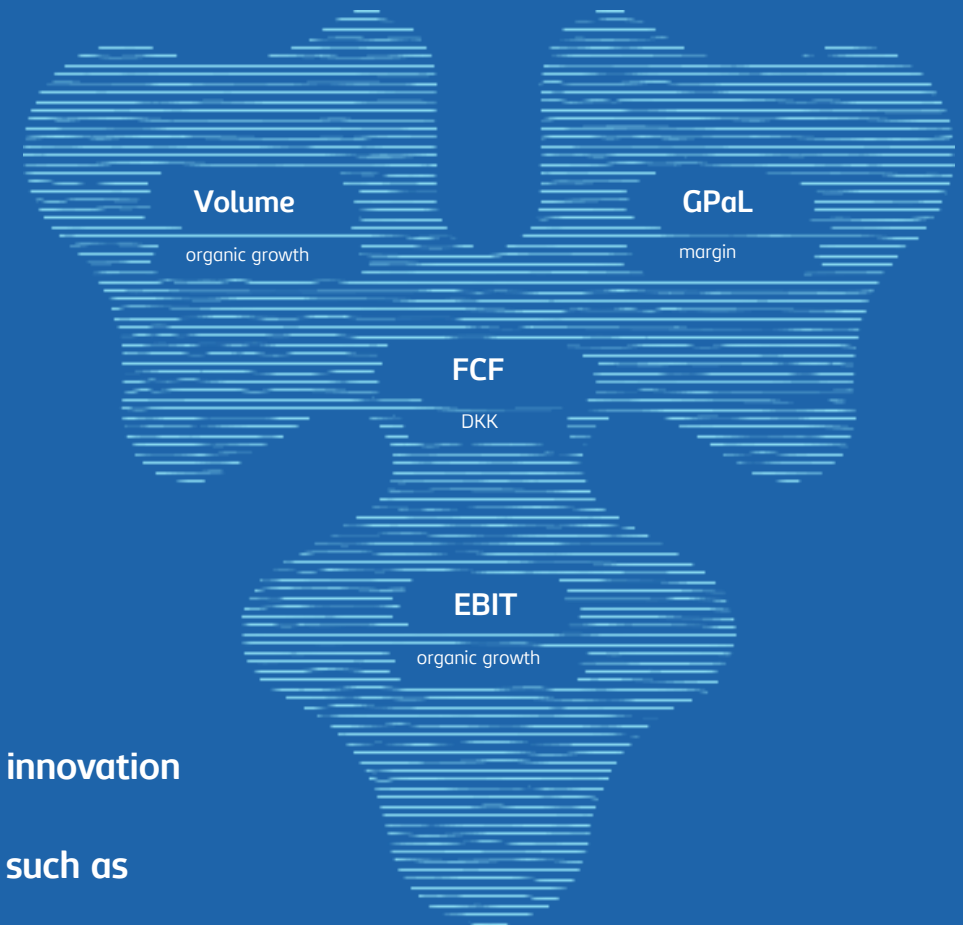
POSITION FOR GROWTH

- Continue to drive penetration and innovation of Baltika 0
- Scale up craft & specialty brands, such as 1664 Blanc and Grimbergen

CREATE A WINNING CULTURE

- Reduce layers, faster decision making
- Drive performance management

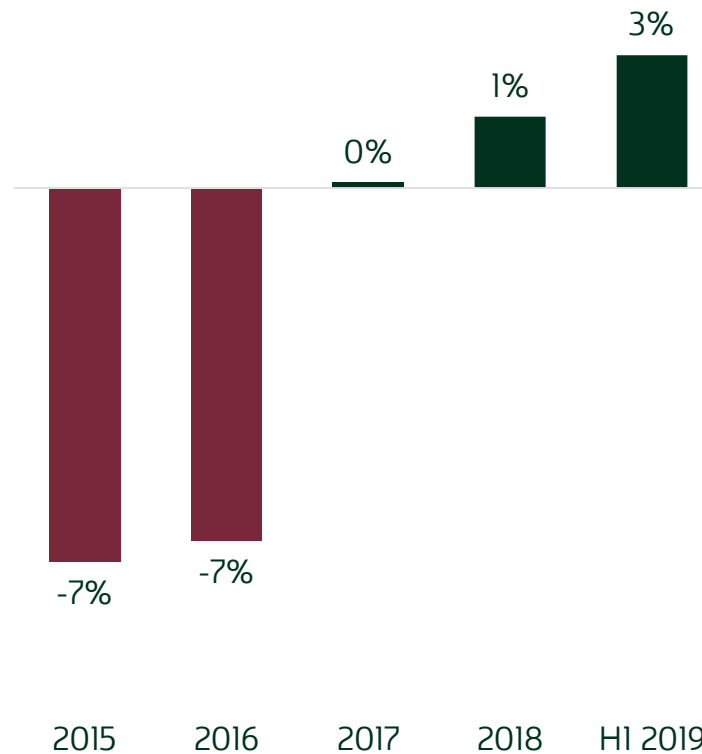
GOLDEN TRIANGLE



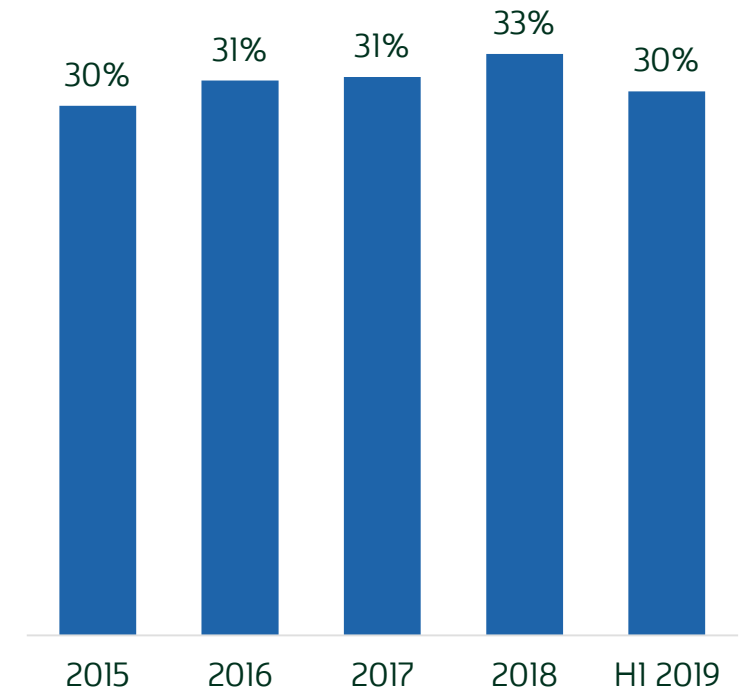
The Ukrainian beer market has shown small volume growth following many years of decline

- Beer market growth in 2018 supported by
 - Good summer
 - Better macro-economy
- Beer market volume dynamics remained positive in H1 2019
 - Launch of competing brands with high marketing and sales support
 - High level of promotional activity in the market
 - Continuation of balanced regulatory policy
- Carlsberg Ukraine lost market share in H1 2019 due to value focus

Beer market volumes



Carlsberg market share

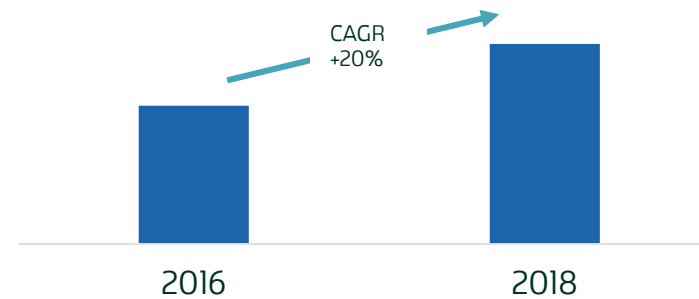


Carlsberg Ukraine has grown value through pricing, innovations, good execution and cost control

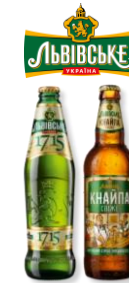
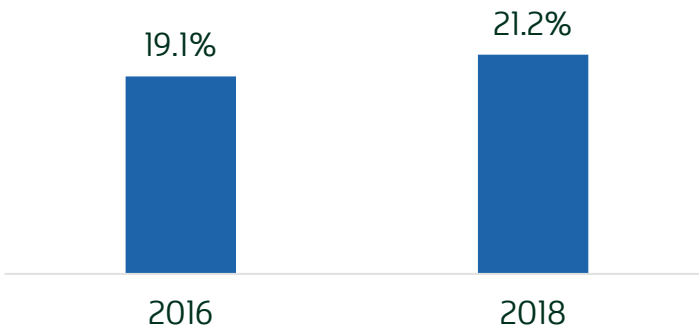
- Volume & value growth driven by

- Core beer brands: Lvivske and Baltika
- Successful launches of Garage, 1664 and Somersby
- Leadership in alcohol-free brews with Baltika 0 and no. 1 market position in Kvass
- Value management via innovations, mix improvements and pricing

Net revenue



Operating margin



16%
market share

- Lvivske – the oldest brand in Ukraine from 1715
- Strong local power brand # 1/2 in market



4%
market share

- Ukraine – #1 global market for Garage

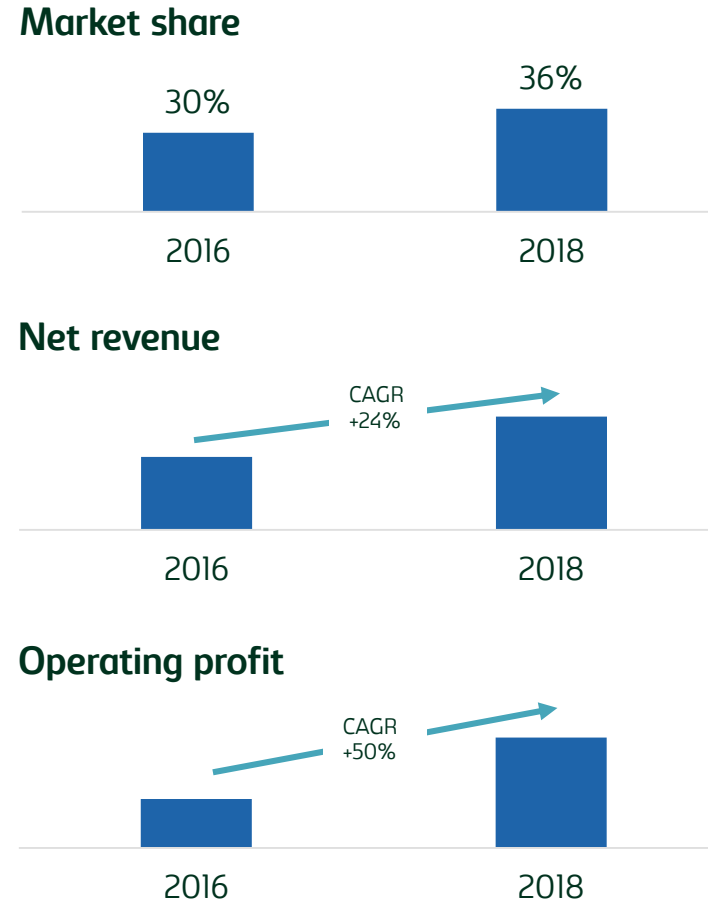


59%
market share in cider

- Ukraine - #2 global market for Somersby

Carlsberg Kazakhstan has delivered strong growth in market share, top- and bottom-line

- Net revenue growth driven by volume, price and positive mix
- Strong portfolio and value management
 - Delivering positive results for core beer, craft & speciality and alcohol-free brews
- Good exposure to growing DIOT and modern trade channels
- Very good cost control
- Strong execution culture



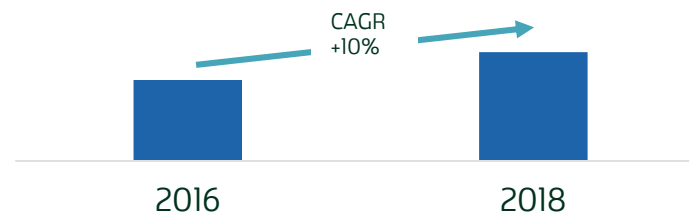
In Belarus, strong local power brand and execution have delivered share growth and good financial results

- Focus on local power brand – Alivaria – driving volume & value growth
- Building alcohol-free brew category successfully with strong growth in H1 2019
 - +36% growth of Baltika 0
 - +20% growth of kvass brand
- Developing craft & speciality category with Grimbergen and 1664 Blanc
 - +251% growth of craft & speciality portfolio in H1 2019
- Investing in point-of-sales equipment (coolers and draught)
- Strong route-to-market and exposure to all key channels, regions and segments

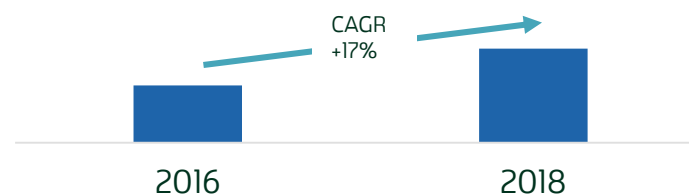
Market share



Net revenue



Operating profit



18%
market share

Alivaria – #1 brand in Belarus



Disclaimer

FORWARD-LOOKING STATEMENTS

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