

Deutsche Bank Global Consumer Conference

12 June 2019



Carlsberg
Group

The Carlsberg Group at a glance

133.1m hl

total beverages volumes

DKK c. 135bn

market cap (EUR ~18bn)

DKK 62.5bn

net revenue (EUR ~8.3bn)

DKK 9.3bn

operating profit (EUR ~1.25bn)

DKK 6.2bn

free cash flow (EUR ~825m)

DKK 17.3bn

net debt (EUR ~2.3bn)

1.29x

NIDB/EBITDA

40,500

employees

Note: 2018 numbers

Strong market positions and well-diversified geographical exposure



25 MARKETS

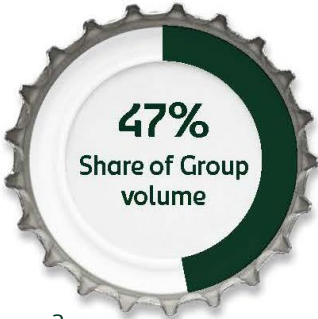
With #1 or 2 markets

75% OF VOLUMES

Sold in #1 or 2 markets

Western Europe

#1-2 position in 13 markets
22 breweries
Operating margin: 15.0%
3yr organic revenue growth (CAGR): +1%
3yr organic operating profit growth (CAGR): +6%



Asia

#1-2 position in 7 markets
40 breweries
Operating margin: 20.4%
3yr organic revenue growth (CAGR): +7%
3yr organic operating profit growth (CAGR): +10%



Eastern Europe

#1-2 position in 5 markets
14 breweries
Operating margin: 20.6%
3yr organic revenue growth (CAGR): +5%
3yr organic operating profit growth (CAGR): +12%



A strong portfolio within core beer and growing categories

10%
volume
growth
in 2018

5%
volume
growth
in 2018

CORE BEER



INTERNATIONAL BRANDS



LOCAL POWER BRANDS



14%
volume
growth
in 2018

49%
volume
growth
in 2018

GROWING CATEGORIES



ALCOHOL-FREE BREWS

BREWING
FOR A BETTER
TODAY &
TOMORROW



Our ambition

SUCCESSFUL

Delivering sustainable organic top- and bottom-line growth

PROFESSIONAL

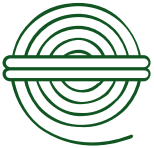
Being the preferred supplier of our customers

ATTRACTIVE

Delivering value for shareholders, employees and the society

SAIL'22

– Our strategy to deliver shareholder value



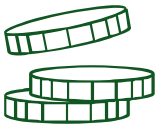
STRENGTHEN THE CORE

Leverage our strongholds
Excel in execution
Optimising efficiency and cost



POSITION FOR GROWTH

Win in growing categories (craft & speciality and alcohol-free brews)
Grow in Asia
Target big cities



DELIVER VALUE FOR SHAREHOLDERS

Organic growth in operating profit
ROIC improvement
Optimal capital allocation



CREATE A WINNING CULTURE

Team-based performance
Together Towards Zero – our sustainability programme
Compass (applying our codes and policies)



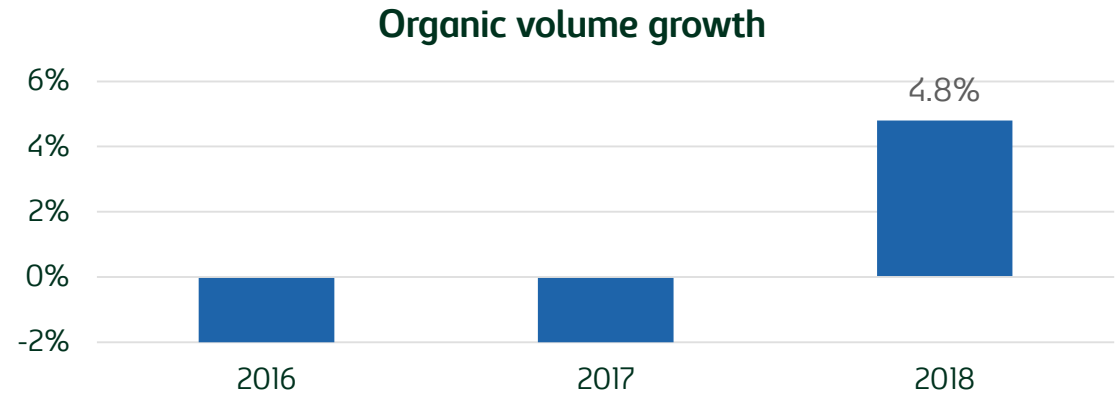
Deliver value for shareholders through organic top-line growth by:

Volume growth

- Category growth across regions, mainly within craft & speciality and alcohol-free
- Asian market growth
- International premium brands growth in Asia

Price/mix improvements

- Premiumisation
 - ✓ International premium brands
 - ✓ Craft & speciality
 - ✓ Alcohol-free brews
- Value management, incl. price increases

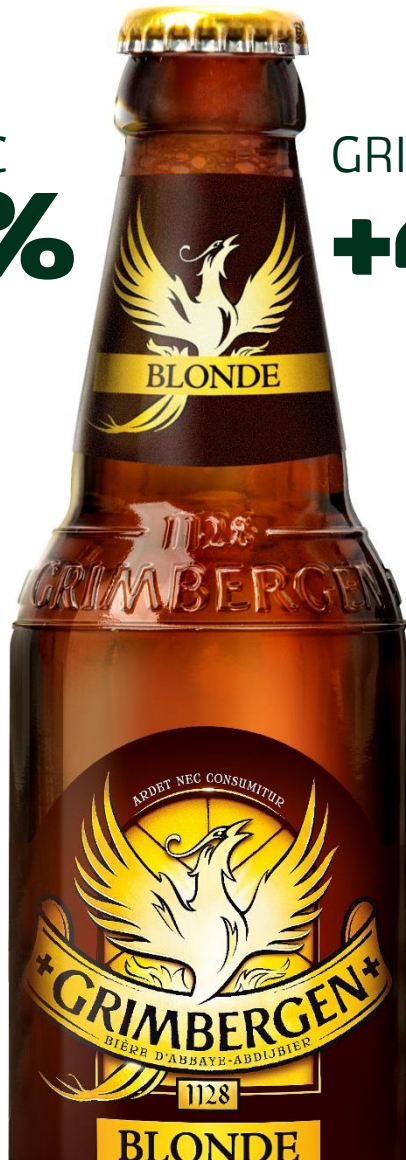


Q1 strategic proof points

Strong growth of key international brands



1664 BLANC
+30%



GRIMBERGEN
+4%



TUBORG
+7%



CARLSBERG
+2%

Q1 strategic proof points

Strong growth of strategic priorities



CRAFT & SPECIALITY
+18%



+15%
ALCOHOL-FREE BREWS

DRAUGHTMASTER™
NOW WITH ALCOHOL-FREE BREWS
AND SOMERSBY CIDER

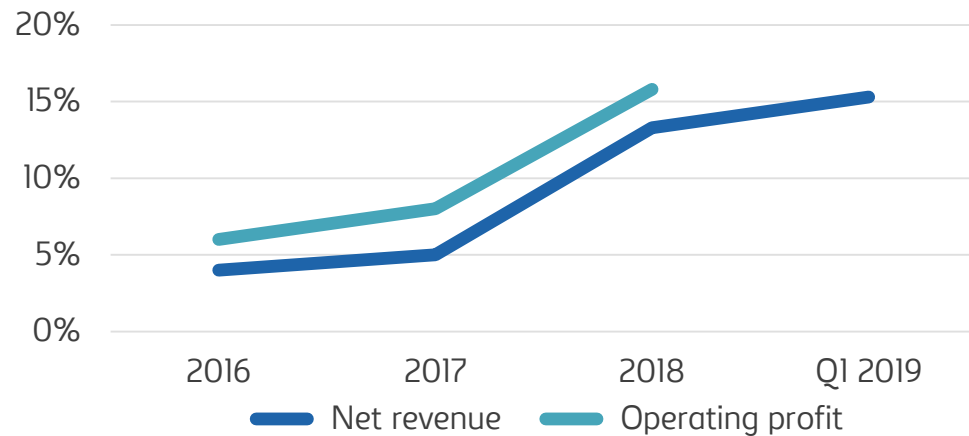


Q1 strategic proof points

Strong growth in Asia

- Leverage strong geographic footprint
- Capture market growth
- Accelerate premiumisation

Organic growth, Asia



Deliver value for shareholders through strengthening operating margin by:

Continued efficiency improvements

- Further strengthening of systems and processes

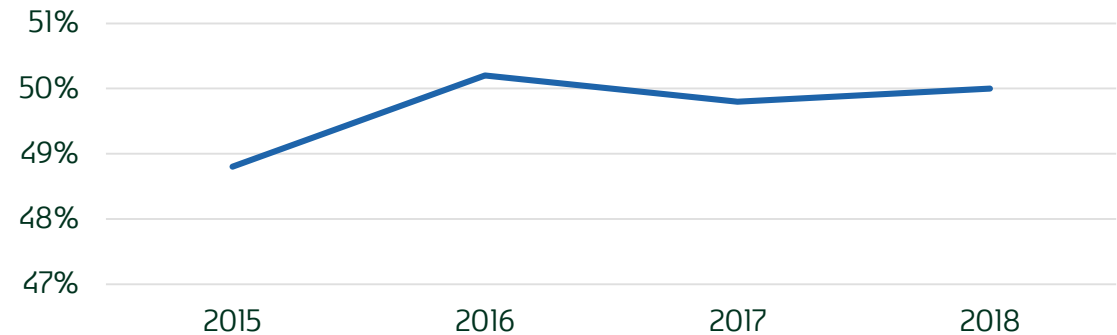
Gross profit after logistics (GPaL) improvement

- Increase exposure to high-margin markets and categories
- Drive further supply chain savings
 - Increased line efficiency
 - Complexity reduction
 - Digitalisation
 - Improved utilisation of integrated supply chain set-up

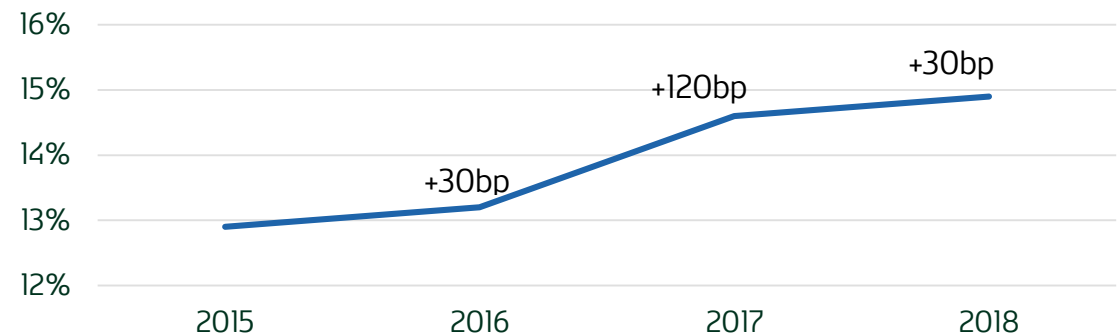
SG&A

- Drive strict cost control through OCM
- Accelerate shared services

Gross profit margin progression



Operating margin progression



Deliver value for shareholders through ROIC improvement by:

Organic operating profit growth

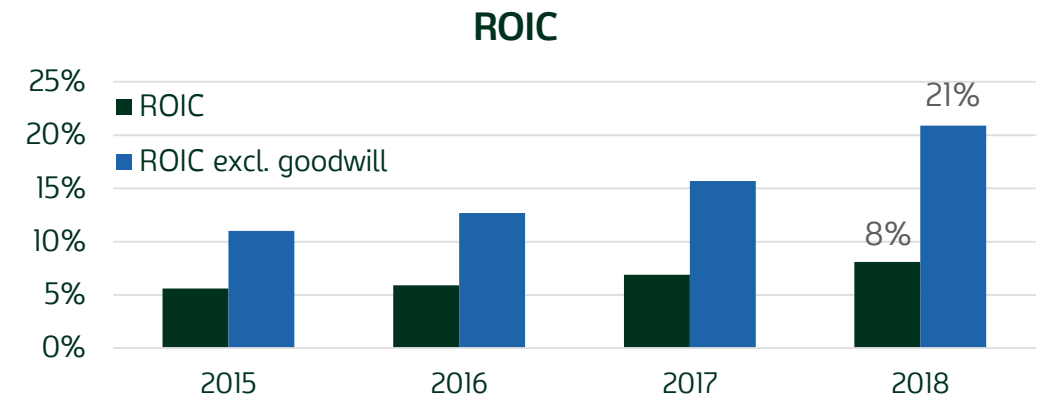
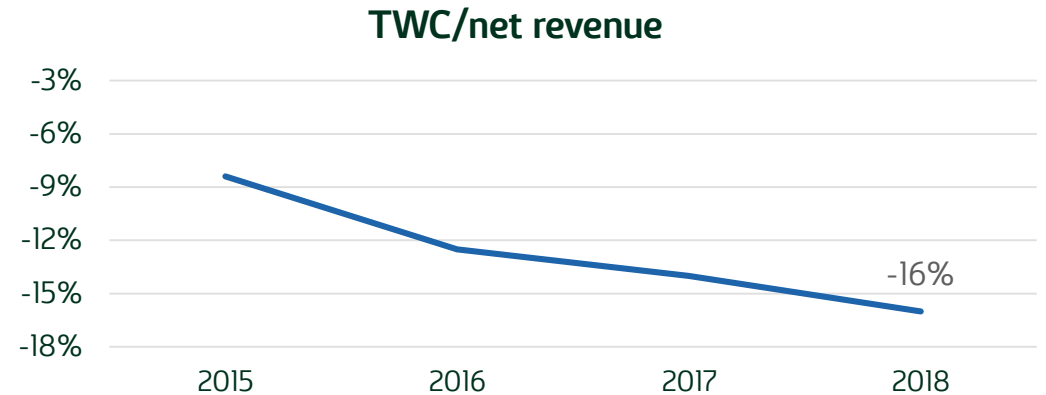
Best-in-class trade working capital

- Sharing of best practices
- Setting clear and ambitious targets
- Ensure tight follow-up

Capital expenditure discipline

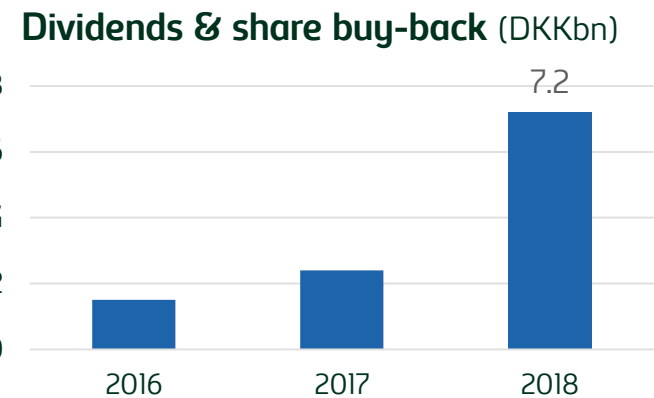
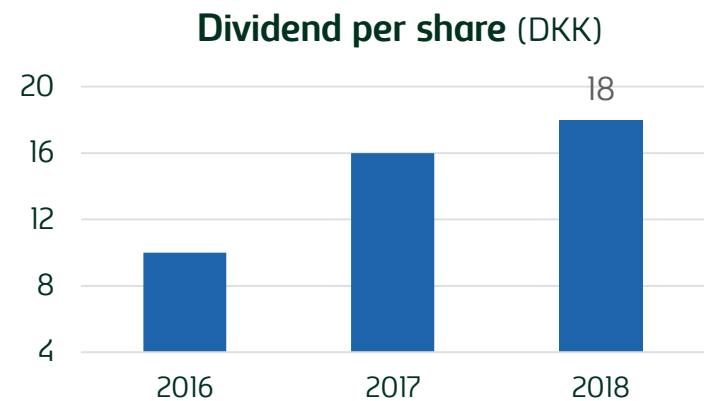
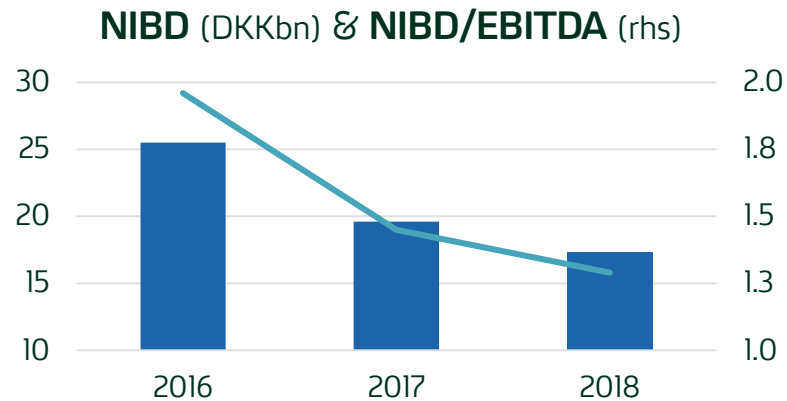
- Maintain strict capex approval policy
- Capex/net revenue c. 6-7%

Disposals of idle and non-core assets



Deliver value for shareholders through optimal capital allocation by:

1. Invest in to our business to drive long-term value creation
2. NIBD/EBITDA between 1.5x and 2.0x
3. Maintain dividend pay-out ratio of 50%
4. Surplus cash to be redistributed through share buy-backs
5. Deviating from the above only if value-enhancing acquisitions



Deliver value for shareholders through a winning, team-based performance culture

The golden triangle to ensure the right balance

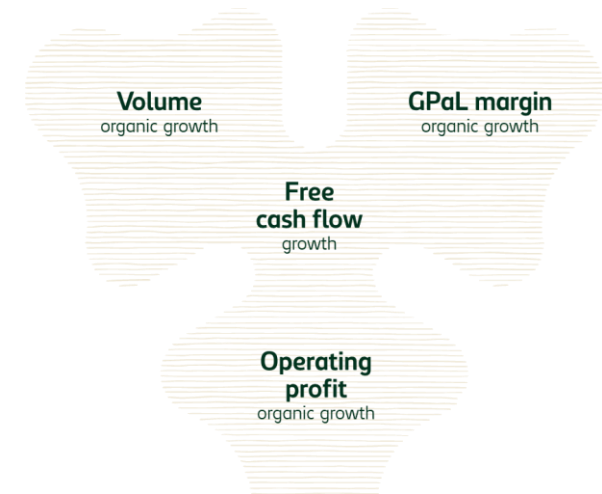
- Our key performance management tool

Performance management based on “Triple A”

- Alignment
- Accountability
- Action

STI/LTI incentive programmes aligned with SAIL’22 priorities

- Aligned with shareholder interests
- Setting ambitious targets
- Supporting a team-based culture



Deliver value for shareholders through setting ambitious sustainability targets

TOGETHER TOWARDS ZERO



ZERO
CARBON
FOOTPRINT



ZERO
ACCIDENTS
CULTURE



ZERO
WATER
WASTE



ZERO
IRRESPONSIBLE
DRINKING



BREWING
FOR A BETTER
TODAY &
TOMORROW



Disclaimer

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