FULL-YEAR RESULTS 2017

7 February 2018

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Strong execution

GROWING TOP-& BOTTOM-LINE

Net revenue +1% (organic)
Operating profit +8.4% (organic)
Adjusted EPS +27%

IMPROVING CASH FLOW

Free operating cash flow +38%

INCREASING ROIC

ROIC +100bp to 6.9%

REDUCING LEVERAGE

Net debt/EBITDA 1.45x

Balancing the Golden Triangle

-2%
Organic growth pro rata volumes

+40bp
Organic growth GPaL margin

8.7bn
Free cash flow (DKK)

+8.4%
Organic growth operating profit

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Turning our strategy into reality

FUNDING THE JOURNEY

- Well on track to deliver upgraded benefits of around DKK 2.3bn
- Around DKK 1.2bn delivered in 2017
- Funding the Journey governance structure and processes incorporated into daily routines and standard business operations

SAIL'22

- Execution of SAIL'22 priorities on-going
  - Strengthening of core business
  - Driving future top-line growth
- DKK 0.5bn reinvestment in 2017
- Craft & speciality +29%
- Alcohol-free brews in Western Europe +15%
- Launch of Together Towards ZERO with ambitious sustainability targets

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Good growth of key brands

1664 BLANC +46%

GRIMBERGEN +15%

TUBORG +3%

CARLSBERG +1%

FINANCIAL RESULTS

Income statement (1)

NET REVENUE

- DKK 61.8bn
- Organic growth of 1%, driven by Asia
- Price/mix +3% with strong contribution from Asia and Eastern Europe

GROSS MARGIN

- Improvement of 70bp to 50.9%
- COGS/hl up by 3%, impacted by overall cost inflation, mix and volume decline in Eastern Europe

OPEX

- Organic decline of 2%
  - Admin costs positively impacted by Funding the Journey
  - Marketing spend to revenue broadly in line with 2016
- Central costs of DKK 1.3bn, impacted by one-offs and SAIL'22 investments

OPERATING PROFIT

- DKK 8.9bn
- Organic growth of 8.4%
- Reported growth of 7.7%, impacted by disposals, partly offset by FX

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Income statement (2)

SPECIAL ITEMS	• DKK -4.6bn • Mainly impacted by impairment of the Baltika brand
NET FINANCIALS	• Net financial expenses DKK -788m • Financial expenses excluding currency gains and fair value adjustments, net DKK -980m • Net interest costs DKK -631m - Down by DKK 251m driven by lower average net debt and GBP bond maturing Nov. '16 and EUR bond maturing on Oct. 2017
TAX	• Effective tax rate impacted by impairment charge; excluding this, effective tax rate of 29%

NON-CONTR. INTEREST	• DKK 806m (2016: DKK 371m), impacted by Chongqing
	  - Higher earnings in 2017
	  - Impairment and restructuring in 2016

NET PROFIT	• Reported DKK 1.3bn • Adjusted net profit of DKK 4.9bn; adj. EPS DKK 32.3 (+27%)

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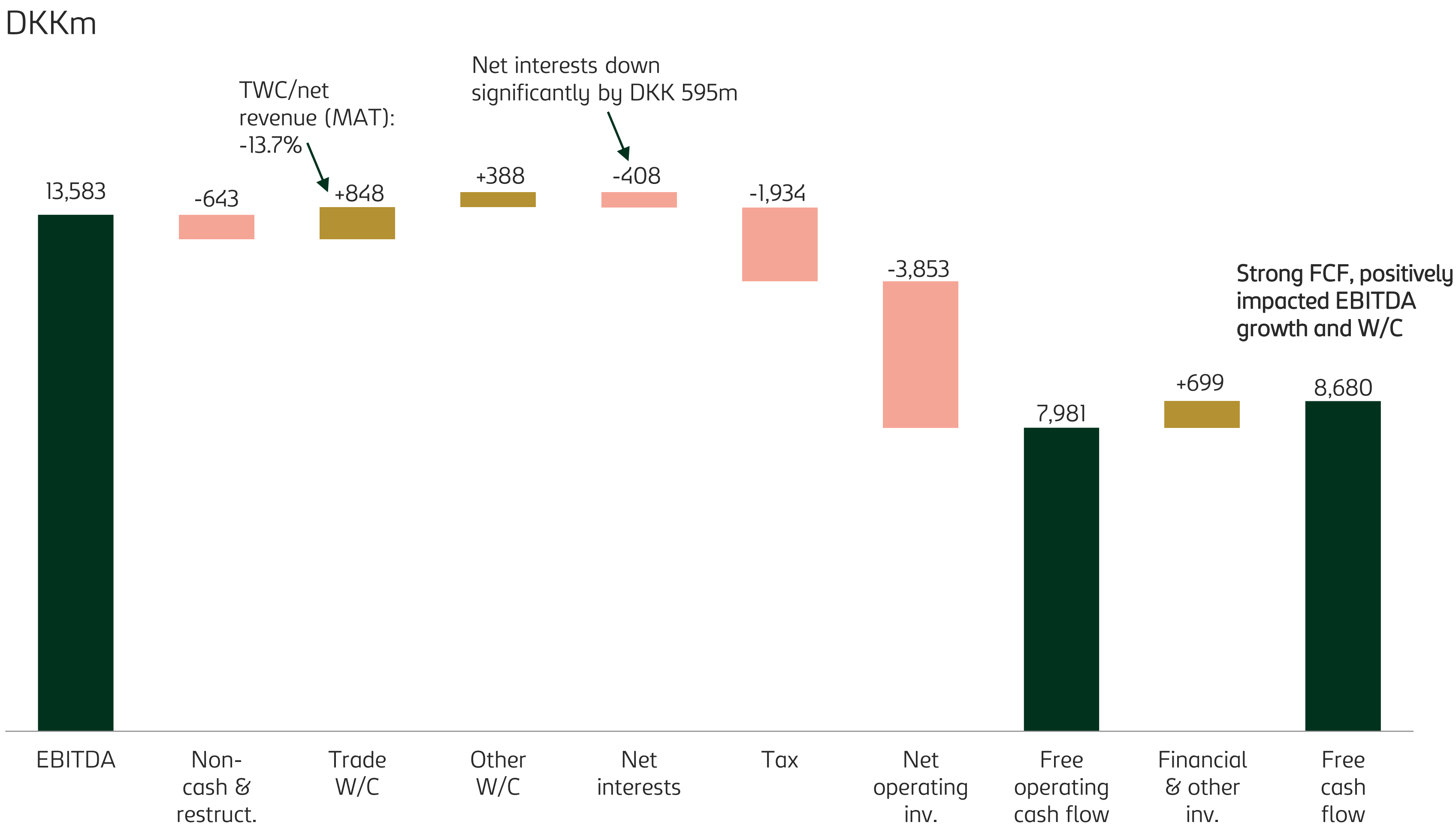
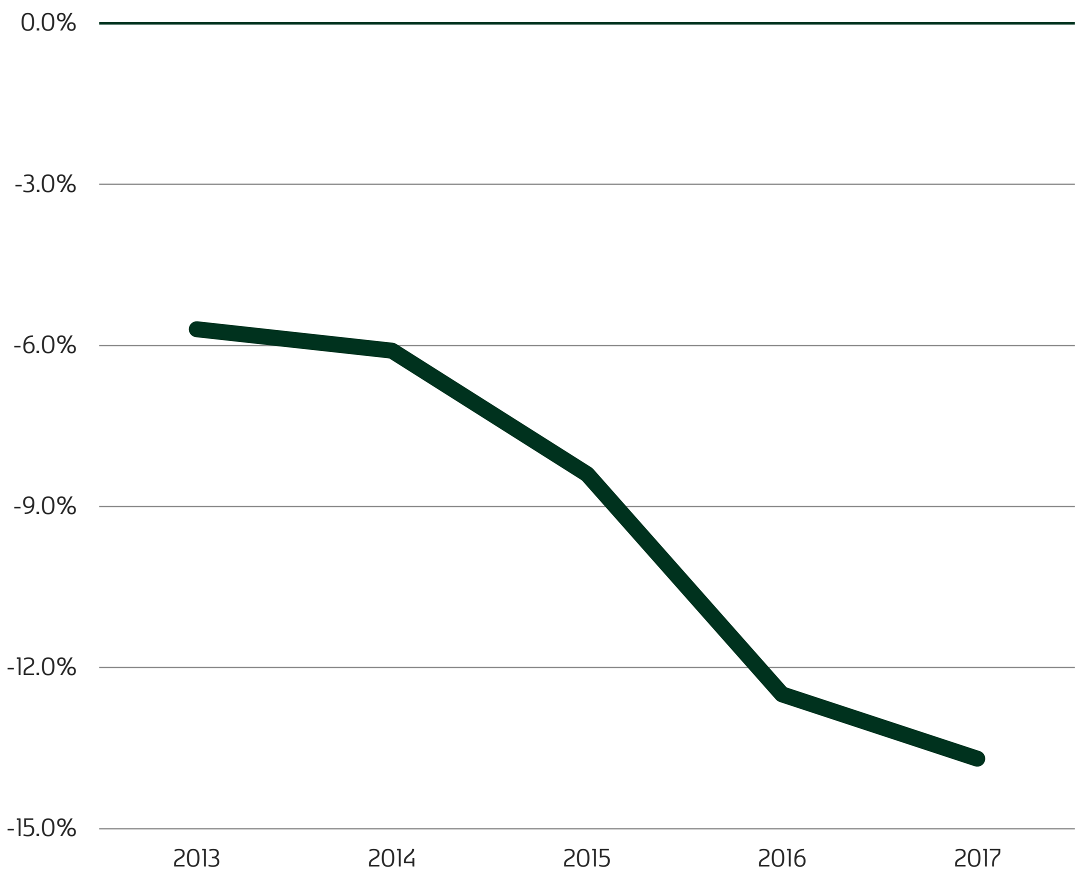
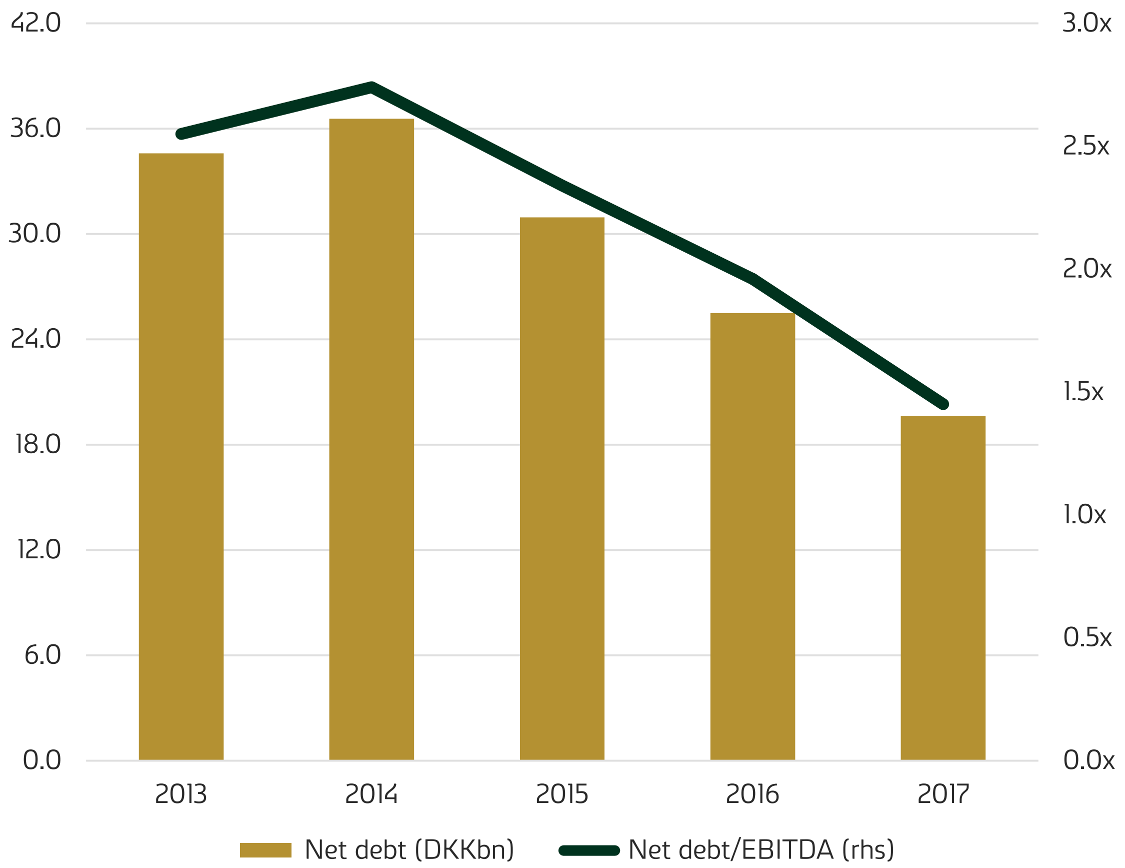
Strong cash flow



Trade working capital
- further strengthened in % of net revenue



Net debt and financial leverage
- significantly reduced

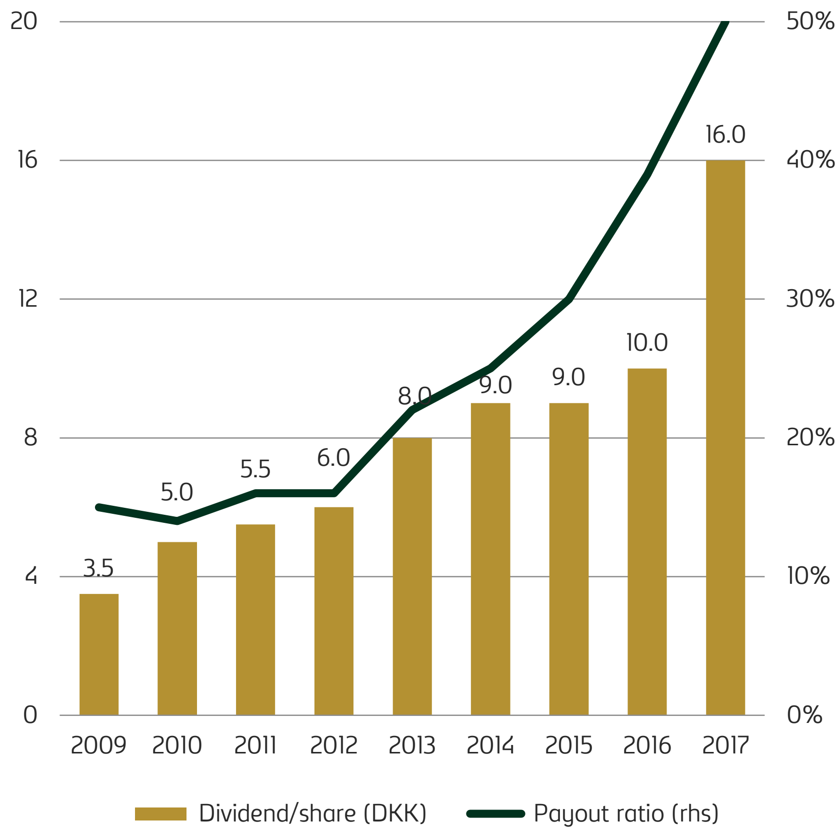


Continued reduction of financial leverage

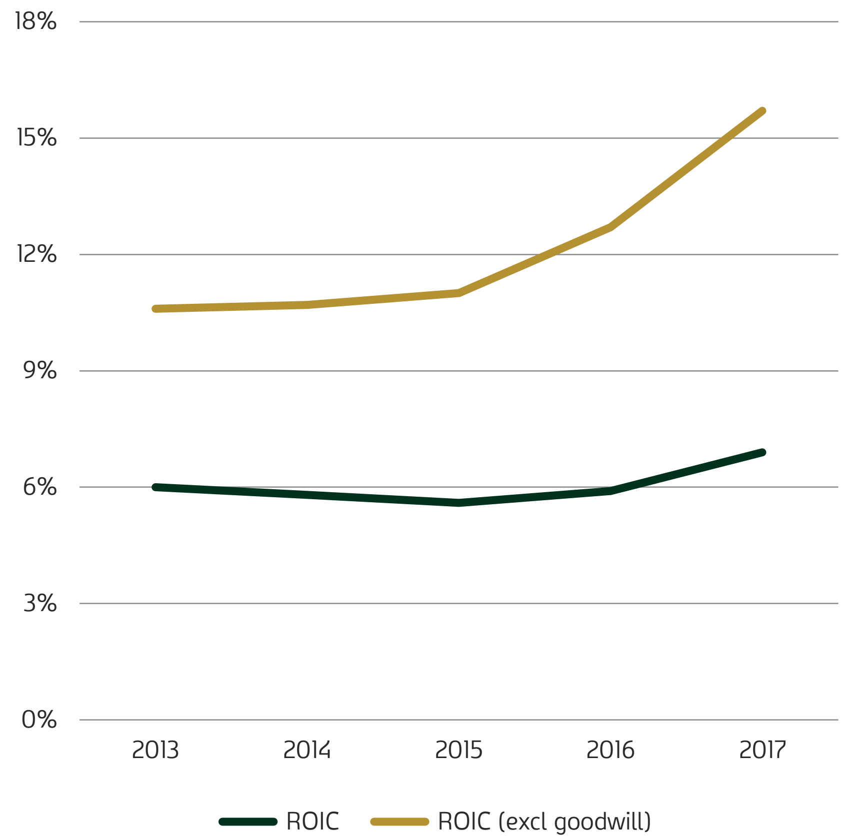
- In line with SAIL'22 capital allocation priorities (target: well below 2.0x)
- NIBD reduced by DKK 5.9bn
- NIBD/EBITDA reduced to 1.45x, mainly driven by:
  - Earnings growth
  - Working capital improvement

Increase in dividends and ROIC
- pay-out ratio of 50%

Dividend/share & payout ratio



ROIC



2018 outlook

KEY FOCUS

- **Accelerate revenue growth**
- **Deliver the remaining Funding the Journey benefits**
- **Maintain strict financial discipline**
- **Regional priorities**

2018 FINANCIAL EXPECTATIONS

- **Mid-single-digit percentage organic growth in operating profit**

Other assumptions

- A translation impact on operating profit of around DKK -450m, based on the spot rates as at 6 February
- Financial expenses, excluding currency losses or gains and fair value adjustments, of around DKK 800m
- Effective tax rate below 29%.
- Capital expenditures at constant currencies of around 4.5bn

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Changes to reporting
- implementation from January 2018

IFRS 15

- Net revenue impact of DKK 1.2bn
- No impact on profits or cash flow

Reclassification of certain costs

- Impact on administrative expenses of DKK -314m, reallocated to COGS and sales and distribution expenses
- No impact on net revenue or operating profit

Changed volume reporting

- Changing from pro-rata volumes to consolidated volumes to ensure better link between net revenue and volume number
- Main impact from by Portugal and Cambodia

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REGIONAL PERFORMANCE

Western Europe

- Flat organic net revenue
  - Regional price/mix flat due to country mix
  - Flat volumes
- Operating profit up organically +7.5%
  - Positive price/mix in most markets
  - Funding the Journey benefits, including OCM, reducing operating expenses
- +130bp improvement in operating margin

m.hl / DKKbn	2016	Org.	Acq. Net	FX	2017
Beer volume	48.4	-1%	-1%		47.7
Other bev. volume	16.3	+2%	-7%		15.5
Total bev. volume	64.7	0%	-2%		63.2
Net revenue	37.6	0%	-2%	-1%	36.3
Operating profit	4.9	+7.5%	-0.7%	-0.9%	5.1
Operating margin	12.9%				14.2%

Western Europe
- market comments

The Nordics
- Flat volumes impacted by poor weather during the summer
- Positive price/mix
- Improved profitability

France
- Good performance of premium portfolio
- Market share loss in mainstream
- Flat price/mix

Switzerland
- Very solid performance
- Positive price/mix driven by Feldschlösschen brand, craft & speciality and alcohol-free brews

Poland
- 5% volume growth
- Growth of upper-mainstream and premium brands
- Positive price/mix

The UK
- 6% volume decline due to tough comparables
- Continued focus on strengthening premium offerings

Other markets
- Solid top-line growth in Portugal, Italy and Bulgaria
- Solid earnings improvement in the Baltics, Greece and Germany

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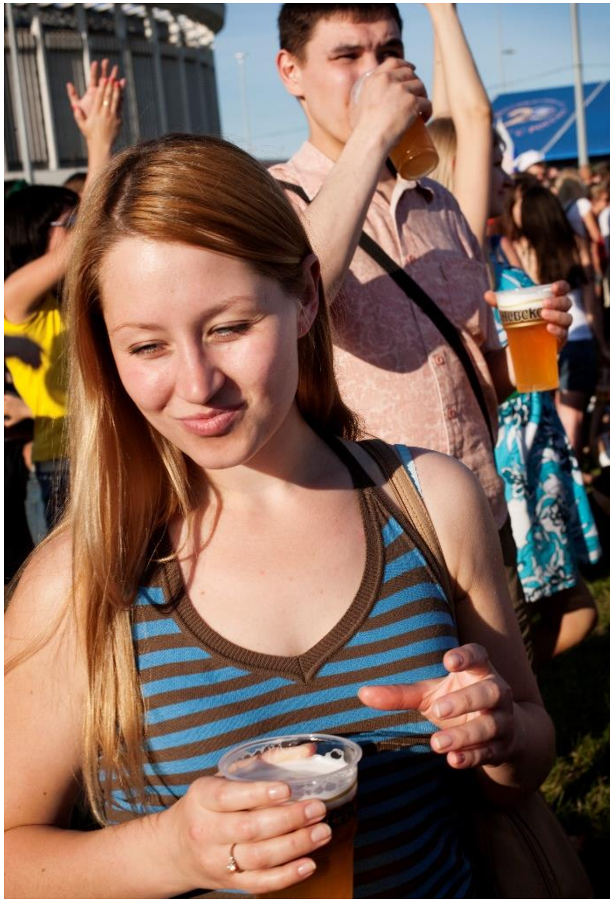
Eastern Europe

- Organic net revenue decline of 1%
  - Price/mix +8%
  - Volume -8%
- Operating profit up organically +12.2%
  - Price/mix improvement from premiumisation efforts and price increases in Russia
  - Funding the Journey benefits
- Strong +240bp improvement in operating margin

m.hl / DKKbn	2016	Org.	Acq. Net	FX	2017
Beer volume	32.4	-8%	0%		29.8
Other bev. volume	2.0	-3%	0%		1.9
Total bev. volume	34.4	-8%	0%		31.7
Net revenue	10.2	-1%	0%	+8%	10.9
Operating profit	1.8	+12.2%	-0.5%	+9.5%	2.2
Operating margin	18.0%				20.4%



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Eastern Europe
- market comments

Russia

- Estimated 4-5% market decline impacted by PET downsizing
- Volume decline of 14% due to market share loss in PET segment
- Very solid +7% price/mix
- Strong profit growth and margin uplift

Ukraine

- Market share gains in a slightly growing market
- Price/mix improvement driven by continued good performance of premium portfolio

Other markets

- Earnings improvement in Belarus, Kazakhstan and Azerbaijan
- Particularly strong performance in Kazakhstan

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Asia

- Organic net revenue growth of +5%
  - Price/mix +5%
  - Volumes flat
- Operating profit up organically +8.1%
  - International premium portfolio driving price/mix
  - Supply chain savings and good operating cost management
- +90bp improvement in operating margin

m.hl / DKKbn	2016	Org.	Acq. Net	FX	2017
Beer volume	36.1	0%	-3%		34.9
Other bev. volume	3.6	+8%	-10%		3.5
Total bev. volume	39.7	0%	-3%		38.4
Net revenue	14.7	+5%	-3%	-3%	14.6
Operating profit	2.8	+8.1%	-1.6%	-2.8%	2.9
Operating margin	19.1%				20.0%

Asia
- market comments

China

- Our largest market by volume
- +8% organic revenue growth driven by +5% price/mix and +3% volume growth
- +12% growth of international premium portfolio

Indochina

- Continued growth and margin improvement in Laos
- Vietnam impacted by management changes and later sell-in to Têt
- Strong growth in Myanmar
- Market share loss in Cambodia

India

- Market share gain to 17%
- Overall market decline impacted by high-way ban and GST

Malaysia/Singapore

- Continued solid performance
- Growth of Carlsberg Smooth Draught

Nepal

- Strong performance in Nepal

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Concluding remarks
– strong execution on 2017 priorities

2017 PRIORITIES

- Funding the Journey execution ✓
- SAIL'22 investments ✓
- Delivery on regional priorities ✓

SAIL'22 FINANCIAL PRIORITIES

- Organic growth in operating profit ✓
- ROIC improvement ✓
- Optimal capital allocation ✓

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Q&A

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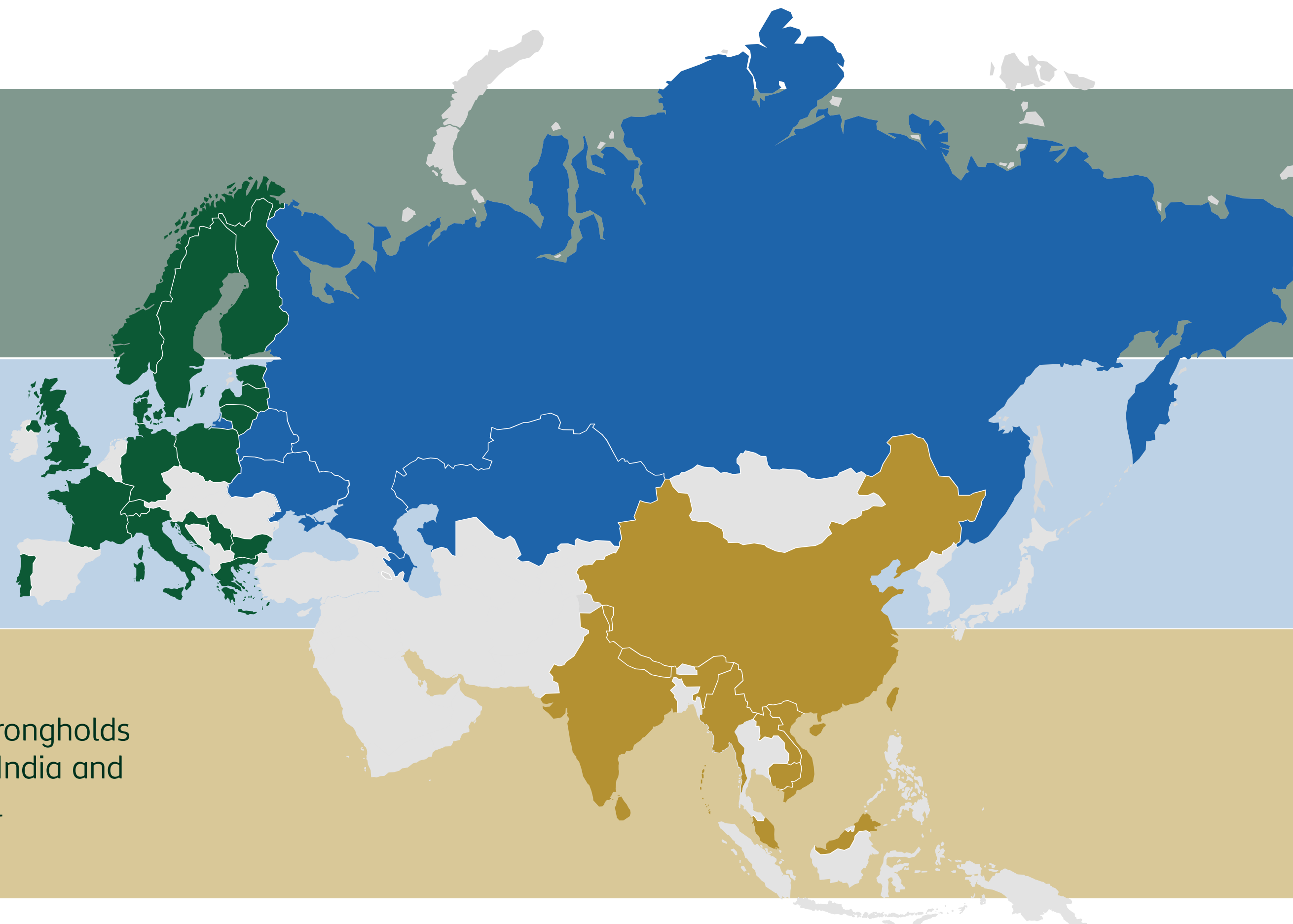
Financial calendar

FINANCIAL CALENDAR 2018	
Annual Report 2017	12 February
Annual General Meeting	14 March
Q1 trading statement	1 May
H1 interim financial statement	16 August
Q3 trading statement	1 November

Each region provides differentiated opportunities for development



WESTERN EUROPE

- Market leading positions
- Strong portfolio of brands
- Price/mix and margin opportunities

EASTERN EUROPE

- Strong no. 1 positions
- Unique local, regional and national brands
- Well placed for market rebound

ASIA

- Highly profitable positions in strongholds
- Attractive foothold in Vietnam, India and China but clear upside potential
- Premiumisation opportunities

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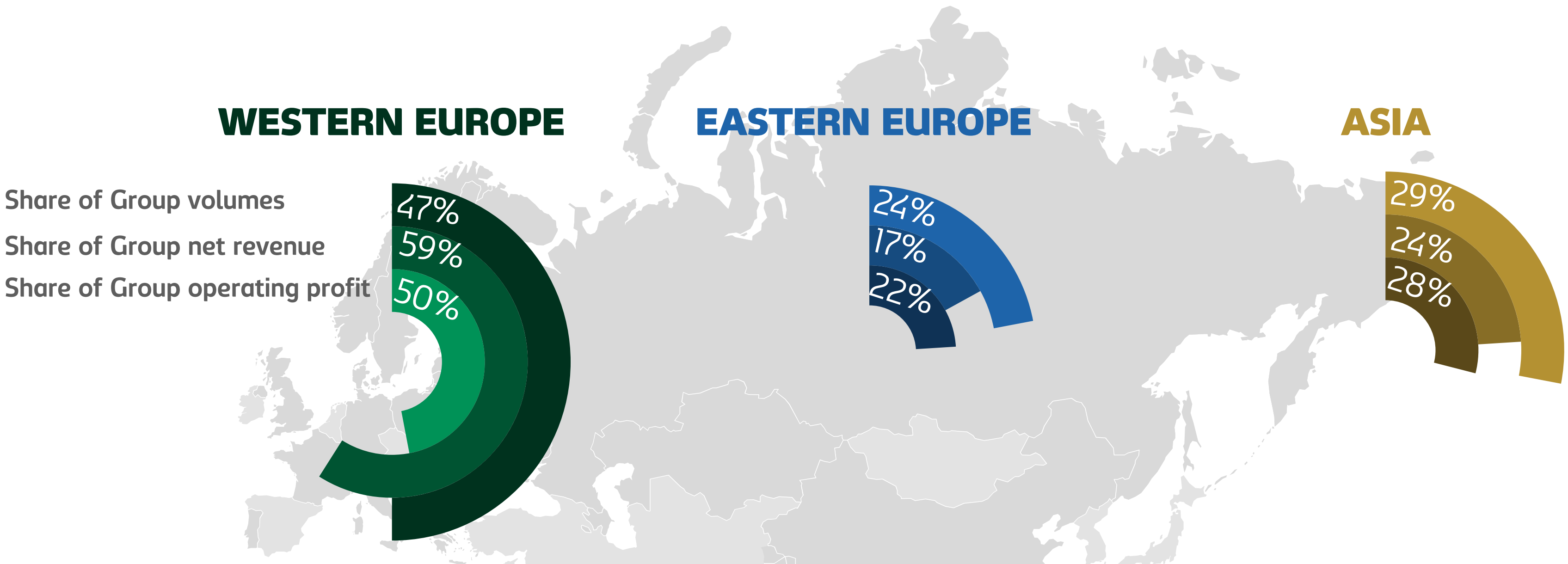
A diversified regional footprint



	Western Europe	Eastern Europe	Asia
# 1-2 positions:	**13 markets**	**5 markets**	**7 markets**

#1-2 positions: ~75% of volumes

Disclaimer

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