



INTERIM FINANCIAL STATEMENT

H1 2018

16 August 2018

Carlsberg
Group

A strong set of numbers

GROWING TOP- AND BOTTOM-LINE

Net revenue +5.1%*

Operating profit +14.2%*

Adjusted EPS +9.3%

DELIVERING STRONG CASH FLOW

Free cash flow of DKK 5.8bn

IMPROVING ROIC

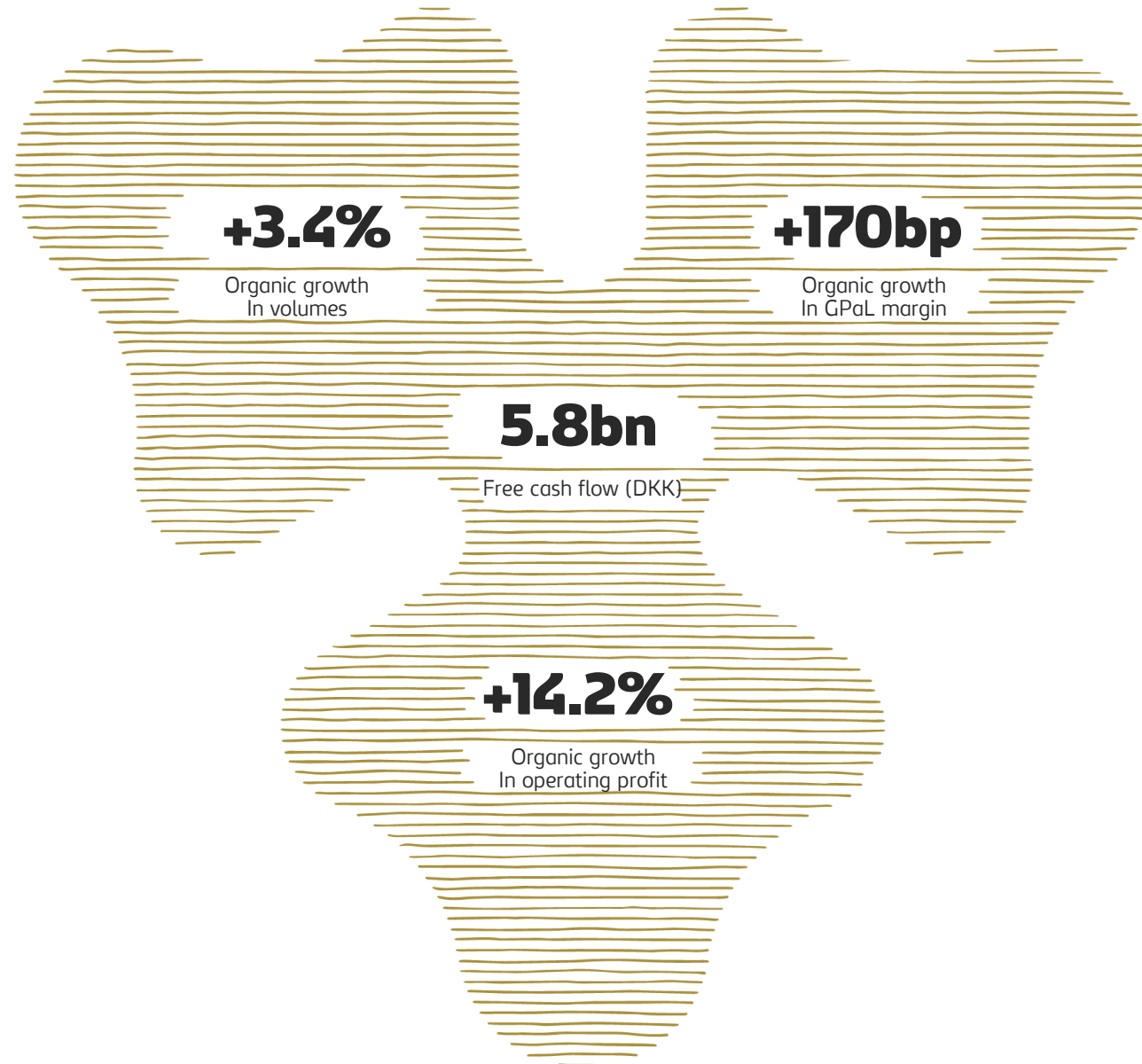
ROIC +110bp to 7.6%

REDUCING LEVERAGE

Net debt/EBITDA 1.29x

* Organic numbers

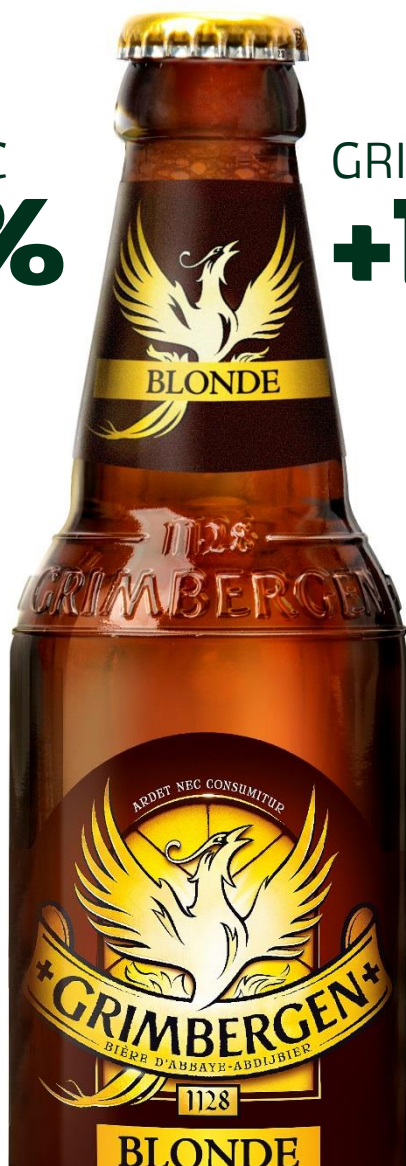
Balancing the Golden Triangle



Continued growth of key brands and categories



1664 BLANC
+55%



GRIMBERGEN
+11%



TUBORG
+8%



CARLSBERG
+4%

Strategic priorities update



CRAFT & SPECIALITY

+26%



ALCHOL-FREE BREWS
IN WESTERN EUROPE

+26%

GROW IN ASIA

International portfolio
growth in China

+15%



Income statement (1)

NET REVENUE

- DKK 31.0bn
- Organic growth of 5.1%
- Price/mix +2%

GROSS MARGIN

- Improvement of 90bp to 50.6%
 - Volume growth and solid price/mix
 - Efficiency improvements

OPEX

- Organic increase of 4%
 - Impacted by higher marketing expenses
- Excl. marketing expenses, reported opex down 3%
 - Positive impact from Funding the Journey, compounded by FX

OPERATING PROFIT

- DKK 4.4bn
- Organic growth of 14.2%
- Reported growth of 6.0%, impacted by FX of DKK -351m

Income statement (2)

SPECIAL ITEMS

- DKK -37m
- Mainly impacted by Funding the Journey measures in Western Europe

NET FINANCIALS

- Net financial costs DKK -330m (2017: DKK -351m)
- Net financial expenses excluding currency gains and fair value adjustments of DKK -380m (2017: DKK -518m)

TAX

- Effective tax rate 28%

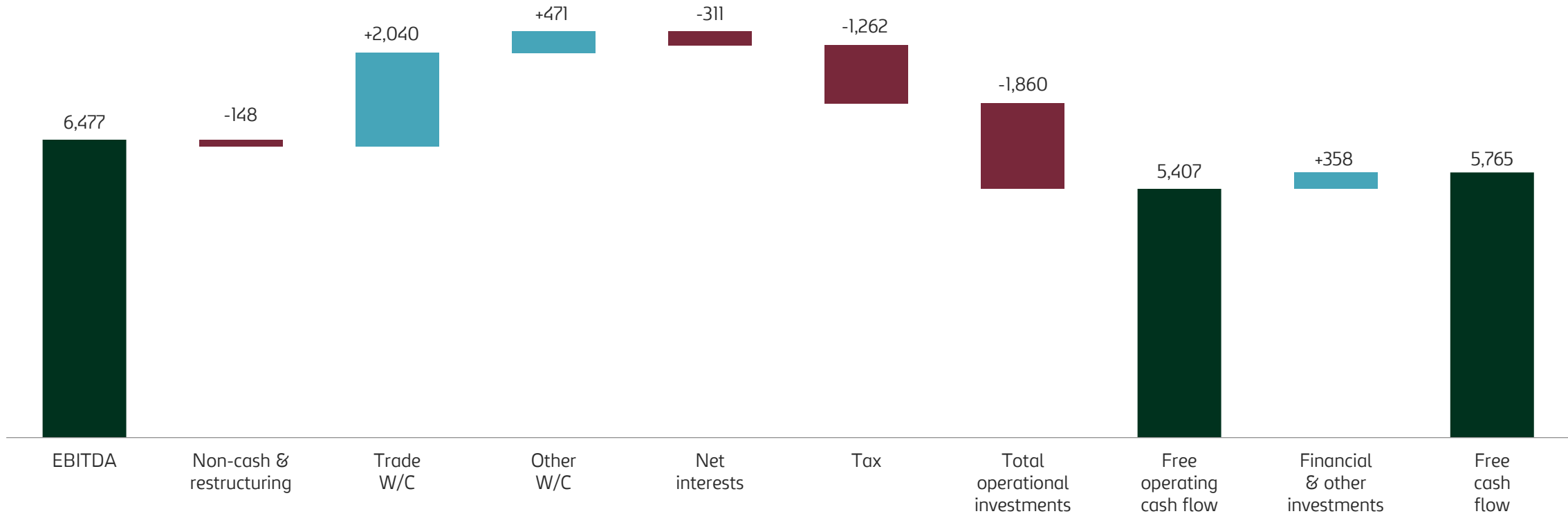
NON-CONTROLLING INTERESTS

- DKK 413m (2017: DKK 403m)

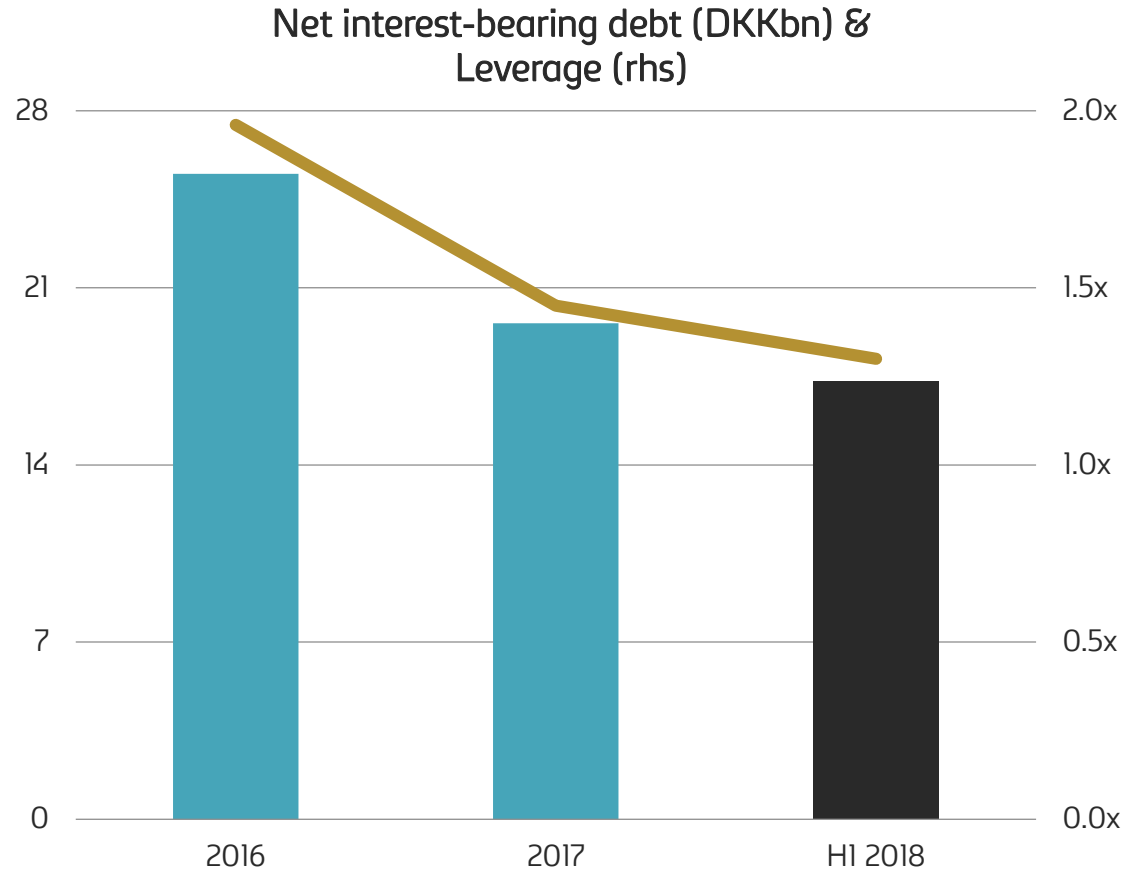
NET PROFIT

- Reported DKK 2,471bn (+7.2%)
- Adjusted EPS DKK 16.4 (+9.3%)

Strong cash flow



Significant net debt reduction; further acquisitions carried out



- Further reduction of net interest-bearing debt
 - DKK 17.3bn
 - Net debt/EBITDA 1.29x
- M&A transactions in 2018
 - 49% of Olympic Brewery in Greece, leading to full ownership of business
 - 25% of Cambrew in Cambodia, increasing ownership share to 75%

2018 outlook



Higher Funding the Journey benefits

- Total Funding the Journey benefits expected to exceed DKK 2.3bn (previously around DKK 2.3bn)

2018 FINANCIAL EXPECTATIONS

- High-single-digit percentage organic growth in operating profit (previously mid-single-digit)

Assumptions

- A translation impact on operating profit of around DKK -425m based on the spot rate on 15 August (previously around DKK -550m)
- All other assumptions kept unchanged

Western Europe

- Flat organic net revenue
 - Price/mix +1%
 - Positive price/mix across markets due to premiumisation and price increases
- Operating profit up organically by 7.8%
 - Premiumisation and value management
 - Funding the Journey benefits and lower depreciation
- +120bp improvement in operating margin

HI m.hl / DKKbn	2017	Organic	Acquisition, net	FX	2018
Total volumes	30.6	-0.5%	-1.2%	-	30.1
Net revenue	18,243	0.2%	-1.3%	-1.6%	17,755
Operating profit	2,326	+7.8%	+0.5%	-1.9%	2,473
Operating margin	12.7%				13.9%



Western Europe

- market comments



THE NORDICS

- Volume growth of 4% and positive price/mix
- Scandinavian markets positively impacted by warm weather in Q2, delivering strong numbers
- Good growth of craft & speciality and alcohol-free brews

SWITZERLAND

- Strong growth of beer portfolio, including key Feldschlösschen brand, regional brands and alcohol-free brews
- Positive price/mix

UK

- Double-digit growth of premium brands
- Continued challenges for the mainstream Carlsberg brand
- Exit of portering business now completed

FRANCE

- Flat market impacted by bad weather
- Double-digit growth of craft & speciality brands and alcohol-free brews
- Total volume decline due to Kronenbourg brand
- Price/mix slightly positive

POLAND

- Recovery in Q2 after a challenging start
- Strong price/mix
- Growth of brands in upper mainstream brands and flavoured beer

OTHER MARKETS

- Strong growth of craft & speciality and alcohol-free brews, supporting positive price/mix
- Good momentum in the Balkan markets

Asia

- Organic growth in net revenue of 14.3%
 - Price/mix +4%
 - Broadly based volume growth
- Operating profit up organically by 17.4%
 - Mainly driven by strong top-line
 - Significant SAIL'22 investments to further strengthen the Asian business
- 10bp of operating margin improvement

HI m.hl / DKKbn	2017	Organic	Acquisition, net	FX	2018
Total volumes	17.7	+10.4%	0.0%	-	19.5
Net revenue	7,400	+14.3%	0.0%	-7.3%	7,915
Operating profit	1,494	+17.4%	+0.3%	-10.1%	1,608
Operating margin	20.2%				20.3%



Asia

- market comments



CHINA

- Market growth of c. 1%
- International portfolio growth +15%
- Good growth of local power brands
- Price/mix +7% and total beer volume growth +10%

INDIA

- 16% volume growth
- Strong price/mix supported by good growth of the Carlsberg brand and price increases

LAOS

- Double-digit volume growth
- Growing premium portfolio
- Price/mix negatively impacted by growth of non-beer beverages

MALAYSIA

- Solid performance driven by successful Chinese new-year activations
- Popular football campaign in Q2: *Probably the Best Football Beer*

NEPAL

- Strong volume, net revenue and earnings growth
- 30% excise tax increase by end of Q2 leading to retail price increases of c. 15%

OTHER MARKETS

- Ownership of Cambrew increased to 75%
- Volume growth in Vietnam and flat market share
- Strong volume growth in Myanmar

Eastern Europe

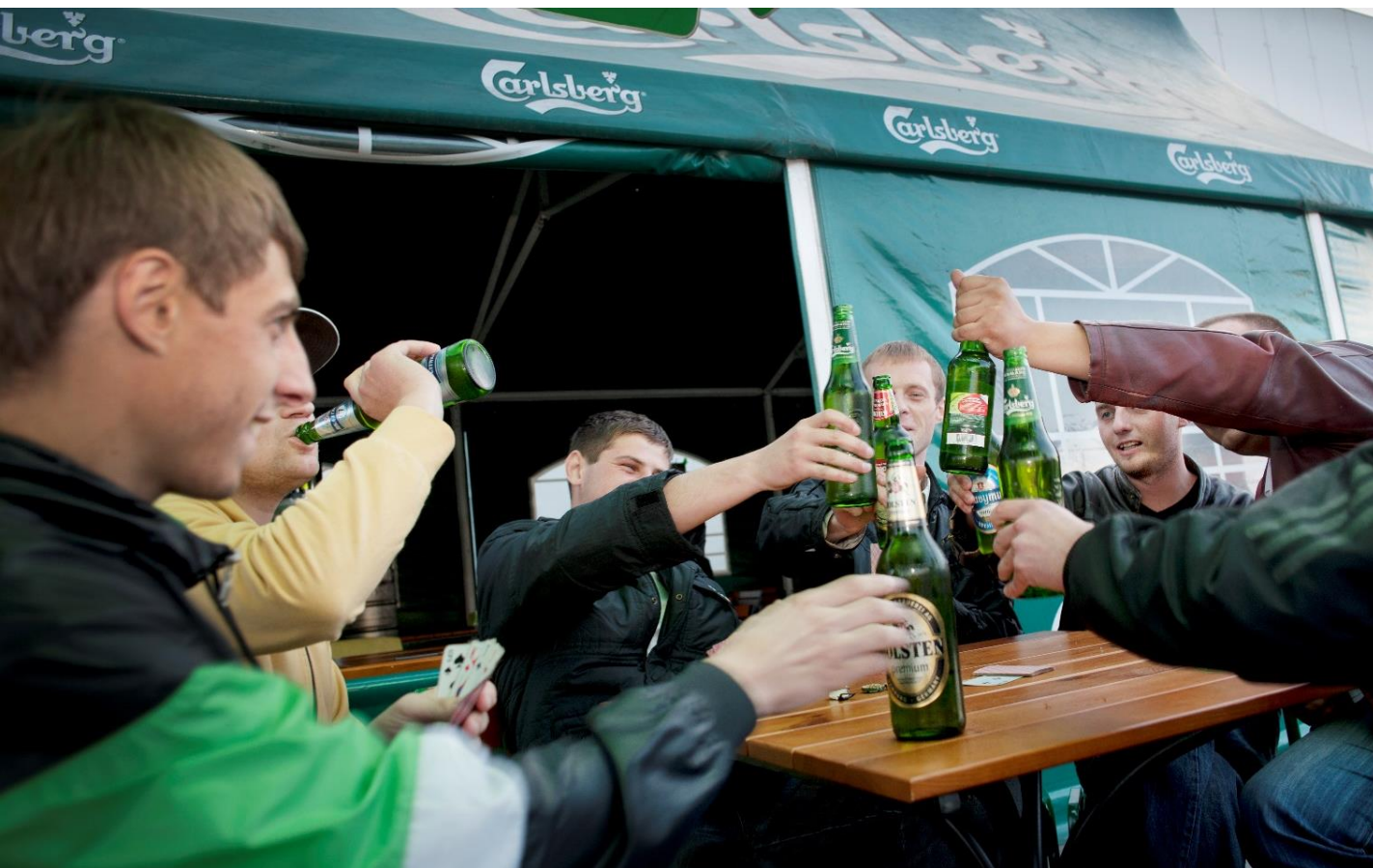
- Organic growth in net revenue of 9%
 - Price/mix +6%, driven by price
 - Volume growth +3%, positive in all markets
- Operating profit up organically 17.0%
 - Supported by top-line growth
- +130bp improvement in operating margin

HI m.hl / DKKbn	2017	Organic	Acquisition, net	FX	2018
Total volumes	15.5	+3.4%	0.0%	-	16.0
Net revenue	5,502	+9.1%	0.0%	-13.3%	5,273
Operating profit	1,047	+17.0%	0.0%	-14.8%	1,071
Operating margin	19.0%				20.3%



Eastern Europe

- market comments



RUSSIA

- 1-2% est. market growth driven by warm weather and World Cup
- H1 volume growth of 1% driven by +10% growth in Q2
- 70bp market share improvement in Q2 over Q1
- Flat price/mix due to successful promotional activities in economy PET segment

UKRAINE

- Slight market growth, supported by weather
- 10% volume growth
- Strong price/mix

OTHER MARKETS

- Market growth in Kazakhstan with our business delivering volume growth, positive price/mix and improved earnings
- Strong volume, top-line and earnings growth in Belarus

Concluding remarks

– on track to deliver on 2018 and SAIL'22 priorities

2018 PRIORITIES

- ✓ Strengthen the focus on revenue growth
- ✓ Deliver the remaining Funding the Journey benefits
- ✓ Maintain strict cash flow discipline

SAIL'22 FINANCIAL PRIORITIES

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



Q&A

Disclaimer

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