

Q1 2020 TRADING STATEMENT

30 April 2020

Disclaimer

FORWARD-LOOKING STATEMENTS

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COVID-19 impacting short-term performance and decisions, while long-term direction remains unchanged

- **SAIL'22 PRIORITIES UNCHANGED**
- **KEY PRIORITIES DURING COVID-19 CRISIS**
 - The health and safety of our employees
 - Protecting the commercial and financial health of our business
- **SHORT-TERM IMPACT**
 - Demand under pressure as on-trade customers severely impacted
 - Mix impacted by the declining on-trade
 - Supply chain challenged but managing changes



Framing our COVID-19 thinking

SITUATIONAL
LEADERSHIP

**COVID-19
LEADERSHIP
TRIANGLE**

DEFEND OPERATING
PROFIT AND CASH

PREPARE FOR
THE REBOUND



Q1 – Impact from COVID-19

- **TOTAL VOLUMES** impacted by COVID-19
 - Large variations between markets and regions
- **INTERNATIONAL BRAND VOLUMES** impacted by on-trade lockdowns
- **CRAFT & SPECIALITY** +1%
- **ALCOHOL-FREE BREWS** +5%

**ORGANIC TOTAL
VOLUMES**

-7.6%

PRICE/MIX

FLAT

**ORGANIC
REVENUE**

-7.4%

Supporting communities in the fight against COVID-19

- Carlsberg Foundation donations of more than DKK 100m in support of research, culture and civil society to help mitigate the challenges associated with COVID-19
- Partnerships to support the production of hand sanitizer by our breweries in markets such as Switzerland, Denmark, Poland, Sweden and Portugal
- Protective and test equipment donated in markets such as France and Russia
- Water, soft drinks and alcohol-free brews donated to health care institutions in markets such as Latvia, Estonia, Lithuania and Russia
- Financial donations to affected societies in markets such as China, Laos, Malaysia, Ukraine and the UK
- Supporting our on- and off-trade customers through initiatives such as adopt-a-keg in Denmark



Western Europe

THE NORDICS

- Volumes in Denmark and Norway impacted by lockdown and on-trade restrictions
- In addition, Denmark impacted by loss of CSD border trade
- Volume growth in Sweden, driven by off-trade

SWITZERLAND

- Volumes impacted by lockdown since mid-March

FRANCE

- Volumes impacted by lockdown since mid-March
- Off-trade performance impacted by lower promotional activity

POLAND

- Strong start to the year
- On-trade accounting for small part of our business

UK

- Slight volume decline impacted by changed consumer behaviour and lockdown from late March



**ORGANIC TOTAL
VOLUMES**

-6.0%

PRICE/MIX

-1%

**ORGANIC
REVENUE**

-6.9%

Asia

CHINA

- Strong January followed by very weak February and March
- Volume decline of ~20%, significantly less than market

INDIA AND NEPAL

- Weak start to the year in India due to duty increases, regulatory changes and weather, followed by closure of all alcohol shops from late March. Breweries closed since late March
- Challenging quarter in Nepal due to lack of tourists and import ban on energy drinks. Brewery closed since late March

LAOS, VIETNAM AND CAMBODIA

- Laos: Good growth of non-beer volumes while beer volumes impacted by the closed borders to China and partial lockdown in March
- Vietnam: Share gain. Volume decline due to lockdown
- Cambodia: Market severely impacted by lack of tourists

MALAYSIA AND SINGAPORE

- Good start to the year followed by lockdown from mid-March. Brewery closed from 18 March as per government order



**ORGANIC TOTAL
VOLUMES**

-15.5%

PRICE/MIX

+4%

**ORGANIC
REVENUE**

-12.4%

Eastern Europe

RUSSIA

- Slight market growth due to warm weather
- Low single-digit volume growth
- Negative price/mix due to high level of promotional activities, particularly in March
- Limited impact from COVID-19 in Q1

UKRAINE

- Strong start to the year leading to low single-digit volume growth for the quarter
- Positive price/mix
- Volumes in March impacted by some disruption due to lockdown

OTHER MARKETS

- Kazakhstan: Strong start to the year, partly due to phasing and pre-COVID-19 stocking. Strong price/mix due to growth of craft & speciality, alcohol-free brews and international premium brands
- Belarus: Good start to the year. Volume growth and positive price/mix supported by growth of premium products

ORGANIC TOTAL VOLUMES

+3.3%

PRICE/MIX

-1%

ORGANIC REVENUE

+2.2%



OUR MINDSET

HOPE FOR
THE BEST,
PLAN FOR
THE WORST

2020 guidance remains suspended

On 2 April 2020, Carlsberg suspended its full-year earnings expectations

- The uncertainty related to the impact of the COVID-19 pandemic to business performance was and remains significant
- We have launched several additional cost reduction initiatives to mitigate the earnings impact of the lost volume
- Our balance sheet and liquidity remain strong; no current refinancing needs
- We intend to continue the current first tranche of the share buy-back programme, while we will review the second tranche depending on further developments
- Market updates will be made as our visibility into the effects of the COVID-19 pandemic on our business improves

Q&A

