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MANAGEMENT DISCUSSION SECTION

Operator: Ladies and gentlemen, welcome to the Carlsberg Q1 2026 Trading Statement Conference Call. I am Healy, the chorus call operator. I would like to remind you that all participants will be in listen-only mode, and the conference is being recorded. The presentation will be followed by a Q&A session. [Operator Instructions] The conference must not be recorded for publication or broadcast.

At this time, it's my pleasure to hand over to Jacob Aarup-Andersen, CEO. Please go ahead.

Jacob Aarup-Andersen, Group CEO

Thank you very much, operator. And good morning, everyone, and welcome to Carlsberg's Q1 2026 conference call. As said, my name is Jacob Aarup-Andersen, and I have with me, as always, our CFO, Ulrica Fearn, and Vice President Investor Relations, Peter Kondrup.

Let me begin by summarizing the key headlines for the quarter. First of all, we delivered a good start to the year. Our growth categories delivered strong results. Our Asia region returned to solid growth, and we confirm our earnings guidance for the year. Finally, last week we reached another milestone with PepsiCo when we announced the takeover of the Pepsi franchises in Denmark, Finland, and the Baltics from 1st of January 2029.

Now, let's turn to slide 3 and the key Q1 figures for the group. As said, we had a good start to the year. We delivered 2.8% organic volume growth, and we delivered growth in all three regions, and that was supported by an aggregate growth of 7% for our growth categories. All three regions contributed to the 1% improvement in revenue per hectoliter.

Organic revenue grew by 3.6%. Reported growth was 3% as the positive acquisition impact related to Britvic, which was 2.7%, was offset by currencies, in particular the Chinese, Indian, and British currencies.

Let's go to slide 4 and an update on our growth categories and of course, our international brands. Premium beer volumes grew organically by 3%, with premium Carlsberg and Tuborg being particularly strong contributors. We saw good growth in all three regions with particularly strong growth in the Nordics, UK, the Baltics, and India. Our soft drinks portfolio grew strongly by 10% driven by really good growth across most markets, including the UK, Nordics, Switzerland, Laos and of course, Kazakhstan, where we are ramping up the Pepsi business. Excluding Kazakhstan, soft drinks still grew by an impressive 6%. Volume growth in the quarter was impacted by the SKU rationalization and exit of unprofitable contracts in France and Brazil in the latter part of Q1 and Q2 last year, when we took over the Britvic business.

Alcohol-free brews grew by double-digit in Western Europe. Growth was broad-based across markets with Poland standing out, delivering very strong performance. We also saw good growth in most markets in Central and Eastern Europe, including in Ukraine. Total alcohol-free brew volumes grew by 7%. In Beyond Beer, we saw solid growth for Garage, but that was offset by Somersby, which declined in markets such as Poland, Laos, and certain export and license markets.

The Carlsberg brand saw volume growth of 10%, driven by very good growth in premium markets such as China and India, and the mainstream UK market. Tuborg grew by 4%, and this was supported by strong growth in markets such as China, India, and Nepal. 1664 Blanc grew by 2%. That was driven by good growth across many markets, including for the alcohol-free version of the brand, partly offset by lower volumes in China.

Let's take slide 5 and a few words on the expanded partnership with Pepsi, which we announced last week. From the 1st of January 2029, we're going to take over the bottling rights in Denmark, including the German border trade, Finland, and the three Baltic states. We're very excited about the agreement, it makes sense on so many levels when you look at our partnership and how it has evolved over the years.

Carlsberg is already PepsiCo's largest bottler in Europe. This longstanding strategic partnership spans more than 25 years of successful bottling partnerships in markets across Europe, Central Asia, and Southeast Asia. The new agreement makes Carlsberg the sole Pepsi bottler in the Nordics and Baltics, and it further solidifies the partnership with PepsiCo. As part of the agreement, we've also extended the contracts in Norway and Sweden, giving us very long contracts in all four Nordic and the three Baltic markets.

Expanding our partnership with PepsiCo allows us to further benefit from its strong portfolio and the robust performance of the Pepsi brand, not least Pepsi Max, within the no sugar segment. We believe we can further accelerate the growth of the Pepsi portfolio via our strong route-to-market, especially in the on-trade channel. We also see long-term growth prospects and value creation opportunities from launching more products and future innovations from the Pepsi portfolio. Moreover, having one Nordic-Baltic Pepsi cluster will allow us to explore opportunities for cross-border synergies and scale benefits within areas such as production, new product launches, et cetera.

Before moving on, I want to make it very clear that we've had a very good partnership with Coca-Cola and we will remain a committed Coca-Cola bottler until expiration of the contract at the end of 2028.

And now slide 6, and our new ESG program, which we launched in early March. The new program is called Brewing Tomorrow, and it strengthens our commitment to sustainability. Built around four pillars, which is cutting carbon, protecting nature, empowering people, and inspiring choice, Brewing Tomorrow provides a simple and actionable roadmap. We raised our climate ambition by introducing updated absolute Scope 3 carbon reduction targets, in line with the requirements of the Science Based Targets initiative. We're also deepening our commitments to regenerative agriculture and recycled materials. And because of our increased exposure to soft drinks, we've added new sugar reduction targets. The program also introduces a new target, focused on employees' experience of inclusion, while maintaining the target on women in senior leadership position.

Brewing Tomorrow builds on our learnings from the past and decades of reducing our impacts, while updating our focus for the future and supporting business growth. As with the previous ESG program, it's embedded in how we run our operations, how we engage across our value chain, and how we develop our people and create more choice across our expanding portfolio.

Let's go to slide 7. Coinciding with the launch of Brewing Tomorrow, we launched our first ever consolidated Climate Transition Plan. This marks a milestone in our journey towards a low carbon future. Building on nearly a decade of progress, the plan lays out our decarbonization roadmap towards 2032, describing the key levers for reducing emissions across agriculture, processing, own operations, packaging, transportation, and distribution and cooling.

Our emission reduction targets are approved by the Science Based Targets initiative, and it raises our climate ambition by introducing updated absolute Scope 3 reduction targets. While we recognize that global macroeconomic conditions and the pace of supplier decarbonization, which is often outside our direct influence, may affect how we quickly progress towards our goals, our focus remains clear. We want to deliver on our climate commitments to secure a sustainable future for our business, our people, our consumers, and for society as a whole. If you want to know more, the full plan is available on carlsberggroup.com.

And now over to Ulrica who will go through the regions and the outlook.

Ulrica Fearn, CFO

Thank you, Jacob, and good morning, everyone. Please go to slide 8 and for Western Europe. Before we go into details here, remember that Q1 is the smallest quarter in this region. But nonetheless, we had a solid start to the year and delivered 1.2% organic volume growth, driven by 5% aggregate organic growth for our growth categories. And in Western Europe, these account for around 70% of total volumes. And the growth was supported by the earlier sell-in to the Easter than last year. Reported total volume growth was 6.6%, and this was due to the positive acquisition impact from Britvic of 5.4%.

Organic revenue growth was 1.5%, and reported revenue growth was 5.6%. And this with the Britvic acquisition contributed by 4.6% and partly offset by small currency impact by minus 0.5%. Revenue per hectoliter grew slightly, positively impacted by price increases and mix in beer, partly countered by category mix, and this is due to mid-single-digit growth in soft drinks.

Looking at the markets in the region, our UK business continued the good momentum from last year, delivering strong growth ahead of the market in both beer and soft drinks, and the latter was supported by good results for the Pepsi portfolio, while the growth in beer was driven by very positive figures for Carlsberg, 1664, and Poretti. Total volumes grew by mid-single-digits, also supported by the sell-in to Easter, which was earlier than last year.

The Nordics saw high-single-digit volume growth, which was supported by the sell-in to Easter. Our growth categories, including soft drinks, premium beer, and alcohol-free brews, saw very good growth rates and mainstream beer also saw positive growth rates in all markets except Finland.

So, in a slightly growing beer market in France, we strengthened our beer market share driven by our premium brands. Volume in Teisseire, the former Britvic business in France, were down significantly due to last year's portfolio optimization actions and exits from unprofitable customer contracts.

Our business in Switzerland was, in the beginning of Q1, impacted by the customer conflict in Q4 last year. On-trade remained under pressure but our business caught up, and total volumes for the quarter grew by low-single-digits, mainly driven by the local Feldschlösschen and Valaisanne brand. And we also saw continued positive momentum for Pepsi.

The Polish beer market was weak in Q1 and that was impacted by cold weather. In addition, our volumes were impacted by price increases ahead of the market and stocking prior to the implementation of a deposit return system in December. We were encouraged to see good results for our growth categories, albeit this was not enough to offset lower volumes for mainstream beer.

So now let's go to slide 9 and Asia. And here we saw solid organic volume growth of 3.4%, driven by 6% growth of our growth categories, which account for more than 40% of volumes, but also positive development of mainstream volumes. Revenue per hectoliter improved by 1%, resulting in organic revenue growth of 4.4%. And due to a negative currency impact of minus 6.3%, reported revenue development was minus 1.9%. The revenue per hectoliter improvement was driven by positive category mix and price increases and partly offset by country mix. And we did not see any impact from the conflict in the Middle East in the quarter.

In China, we continued to grow in the big cities, driven by the premium brands such as Carlsberg, Tuborg, and Wind Flower Snow Moon and also Jing A, while mainstream volumes in some of our Western strongholds were under pressure, impacted by the soft macro economy and tough competition. Our premium volumes grew 3%, and we also saw good initial traction of a local soft drinks launch. Total volumes and revenue per hectoliter were up slightly, the latter mainly due to a positive product mix.

In Laos, our volumes grew by high-single-digits supported by market growth and stabilization of the economy in January and February and sell-in in March ahead of the Pi Mai celebrations in April despite the increasing fuel shortage. Growth was particularly strong for soft drinks, being in the mid-teens, and volume growth for beer was low-single-digits.

Our business in Vietnam delivered very strong growth on the back of easy comps and good momentum during the festive season. The growth was in particular supported by very strong growth of the local Huda brand on the back of strong market demand in its stronghold in the central part of the country. And we saw very good growth of 1664 Blanc, supported by good performance in the modern channel during the festive season.

And now slide 10 and CEEI, which delivered a set of strong figures for the first quarter. Volumes grew organically by 4.6%, with 14% aggregate growth posted by growth categories. Revenue per hectoliter improved by 3%, leading to organic revenue growth of 8.1%. Reported revenue growth was 3.1% due to the depreciation of the currencies in India, Ukraine, and Nepal.

Revenue per hectoliter was positively impacted by price increases and solid growth of premium beer and alcohol-free brews, partly offset by category mix due to the strong growth of soft drinks in Kazakhstan.

And we continued our strong performance in India, seeing double-digit volume growth supported by strong growth for Tuborg Strong and Carlsberg Elephant. And the business delivered solid revenue per hectoliter growth due to premium growth and a positive sales mix. And in February, we said that we are exploring different options for increasing shareholder value, which may potentially include an IPO of our business in India, but no final decision has been made, and this remains the situation.

Our business in Nepal also saw strong volume growth with the local Gorkha brand and Tuborg being the main drivers. We did not see any impact from the conflict in the Middle East in India and Nepal in Q1.

Our business in Ukraine continued to be impacted by the war, leading to double-digit volume decline, and the volume decline decreased towards the end of the quarter as the intensity of large-scale attacks decreased.

In Kazakhstan, the growth was around 70% due to the ramp up of the Pepsi business in Kazakhstan and Kyrgyzstan. The team in Kazakhstan is doing a fantastic job building our Pepsi business, and we have achieved incredible results in just six months. And we're looking forward to the peak season in Q2 and Q3 and also finalizing the construction of our facility later this year.

Our volumes in Brazil declined due to last year's SKU rationalization and business optimization. And volume in our export and license businesses declined slightly, and this was mainly due to lower Tuborg volumes in licensed markets. And we continued to build new businesses and added a number of new licensed markets, both in Central Europe and Africa.

Now, please go to slide 11 and a few comments on the current situation in the Middle East. To date, we have not seen any significant impact from the conflict on consumer sentiment or on our business. That said, we are monitoring the situation closely. So let me provide some context on how we are managing the situation and preparing the business, should the conflict be prolonged and begin to impact consumers and/or our operations.

So we have considerable experience in successfully mitigating negative impacts from uncertainty and substantial changes in the operating environment in a fast and disciplined manner. Examples include COVID-19 and the war in Ukraine and the subsequent inflationary and commodity shocks. And these experiences have strengthened our processes and our preparedness for managing unforeseen large-scale risk and disruptions. Our focus is centered around three areas: consumer behavior, commodity developments, and potential supply chain disruptions.

With respect to consumer behavior, we have prepared a range of commercial initiatives that can be deployed should we see meaningful changes in the consumer dynamics across our markets. And those initiatives are centered around price and pack initiatives, as well as certain brand initiatives.

On commodities, the situation remains highly volatile, and we follow our usual practices for hedging with hedges in place for 2026 and into 2027 for key commodities such as aluminium, barley, sugar, and energy. We are a bit more opportunistic in hedging than usual and trying to take advantages when the market prices dip. Our policy is to offset cost increases through increasing our revenue per hectoliter by utilizing the full value management toolbox, including levers such as prices, promo, and pack sizes, et cetera.

On supply chain disruption, we have mapped our key risk exposures, including the availability of critical raw and packaging materials and energy. We have mitigation plans in place such as alternative supplier and energy sources, which can be activated if required. So overall, we're in a good place and believe that we are well prepared. However, if the conflict were to continue for an extended period, it would inevitably make mitigation increasingly challenging over time.

Now, please go to slide 12 and the earnings outlook for the year. We had a good start of the year. But, of course, we still have the important summer months ahead of us. We maintain a full year expectation of flattish cost of sales per hectoliter for the group, albeit with variations between regions and markets.

We confirm our earnings expectations for 2026 of an organic operating profit MPM growth of 2% to 6%, and we started the year with good momentum across most markets, have good commercial plans in place, we maintain tight cost discipline, and the Britvic synergies are coming through.

Based on yesterday's FX rates, we assume a translation impact on operating profit of around zero for 2026 compared to the previous expectations of minus DKK 100 million.

Other relevant assumptions are unchanged. We expect financial expenses, excluding FX, of around DKK 2.2 billion, reported effective tax rate of around 23%, and CapEx of around DKK 6-7 billion.

And with that, back to you, Jacob.

Jacob Aarup-Andersen, Group CEO

Thank you, Ulrica. And let's turn to slide 13. Before opening up for Q&A, let me just summarize the first quarter. First of all, as Ulrica also evidenced here, we delivered a good start to the year. Our growth categories delivered strong results across the board, and our Asia region returned to solid growth. That also means we can firmly confirm our earnings guidance for the year. Finally, last week, we reached another milestone with PepsiCo when we announced the takeover of the Pepsi franchises in Denmark, Finland, and the Baltic states from the 1st of Jan 2029.

On that happy note, let's now begin the Q&A session. As usual, we will limit the number of questions to two per person to ensure that as many as possible get a chance to get through. After your questions, you are, of course, very welcome to join the queue again.

With that, handing over to you, operator.

QUESTION AND ANSWER SECTION

Operator: We will now begin the question-and-answer session. [Operator Instructions] The first question comes from the line of Andrea Pistacchi from Bank of America. Please go ahead.

<Q – Andrea Pistacchi Analyst, BofA Securities>: Yes. Thank you. Good morning, Jacob, Ulrica, and Peter. So, I have two questions. The first one is this. I mean, there's been a lot of discussion in recent weeks about potential higher COGS inflation next year and the uncertain environment in Europe. Now, you commented a bit on this in your last slide. I just wanted to ask you how you feel about your ability to take enough price, particularly in Europe? How do you assess pricing power, say in soft drinks versus beer, and differences in your ability to take price across different markets in Europe potentially, I don't know, easier in Scandinavia for example?

The second question is a bit about the phasing and technical effects impacting Q1. Some were positive, like the Easter timing, first-time inclusion of Pepsi Kazakhstan, but also I think some negatives like the phasing you alluded to in Poland or discontinuation of some of Britvic's businesses. Where do you reckon all of this nets out? What do you think is the sort of underlying volume of sales growth for Q1? And how should we think about phasing effects impacting Q2? Thanks.

<A – Jacob Aarup-Andersen – Carlsberg A/S>: Hi, Andrea. Thank you so much. Now, so on your detailed question here around higher cost COGS inflation next year, so, of course, I think it's, given I think for all companies, that if you extrapolate the current spot prices and you expect those to continue throughout 2027 as well, it's, of course, higher prices than what everyone has on their current hedges. That's mathematically given result. So you are right. If that continues, it will have a cost impact on a business like ours. So, Ulrica just laid out very nicely how we're fully hedged in 2026, and of course, monitoring the situation. If this continues in 2027, there will be extra cost to cover.

I think I would refer back to what Ulrica said, which is very clearly that we have a very, very well-drilled value management playbook that we have utilized again and again. And you've seen that year in, year out how we manage these types of external shocks. And we deliver earnings growth to our shareholders every single year. We are confident that that playbook is very well built for this situation as well. It involves everything around price, pack, promo, as you would expect.

You asked specifically in that context around price increases, and you are fully aware, I know, that we cannot be specific around price increases on a call like this, and unfortunately, I cannot go into the details you ask around different countries versus each other and different categories versus each other. What I can say with confidence is that the Carlsberg way has always been that if we see additional costs coming through, we will ensure that we utilize value management tool to cover that cost and protect our earnings. One of those tools is, of course, price increases. That has been the case all along, and it continues to be the case.

We also expect that there will be a clear understanding if we see that scenario you referred to, if that continues to play out, there will also be a clear understanding by everyone, all participants in the value chain, that these costs are coming through, and they need to be addressed. So, that's our expectation. Let's see, we're sitting here end of April. So, I think it's too early to have a firm view on where commodity prices are in a year's time. But, of course, I can guarantee you that we are monitoring on a daily basis, and we have all the tools in the toolbox to ensure we protect our profitability.

Ulrica, over to you.

<A – Ulrica Fearn – Carlsberg A/S>: Yeah. So, the question around phasing and the many ups and downs, and you referred to Easter in Poland and also the couple of comments I made around Brazil and our French business from Britvic. There are many ups and downs, and all I can say is that, of course, Easter is a movement between March and April, and I can also comment on the Britvic businesses in Brazil and France. They did have an impact in Q1 and that impact will be less in Q2 as we took the action of taking away unprofitable volume growth, volumes in both Brazil and Teisseire in Q1, that – those volumes were still there in Q1. So, we saw a negative year-on-year growth from them and that would not be there in Q2 because the actions were already taken. But all in all, I can say that it was good results this quarter. And we're looking into Q2 where we're seeing growth as well.

<Q – Andrea Pistacchi Analyst, BofA Securities>: Thank you very much.

Operator: The next question comes from the line of Olivier Nicolai from GS. Please go ahead.

<Q – Olivier Nicolai Analyst, Goldman Sachs International>: Hi. Good morning, Jacob, Ulrica, and Peter. Two question, please. First of all, can you give a bit more detail on the current trends you see in Asia? I mean, China was back to growth in Q1. Do you expect sustainable growth for the market this year? And then on Vietnam, Laos, and India, I know it's not in Asia for you, but do you see an impact on packaging supply due to the Middle East conflict? And then, obviously, going back to last week announcements on the expansion of your presence for Pepsi in the Nordics and Baltics, could you perhaps go through a little bit more detail on the synergies you will get from being the main Pepsi bottler for your region? And would you effectively expect the EBIT contribution from the new Pepsi license to be higher than what you get from Coca-Cola today once you take into account the synergies? Thank you.

<A – Jacob Aarup-Andersen – Carlsberg A/S>: Thank you, Olivier. Let me take both of those. Well, you were just starting in Asia, so let's start there. And thanks for the recognition that India is not in Carlsberg Asia. We do recognize it's probably in Asia in real world. If we look at it, it's been a good start for all the countries you mentioned. So, it's great to see a broad-based growth in Q1 across our Asian markets, including India and Nepal in the CEEI region.

If we take them, you asked about China, so China – yes, China started in growth, not significant growth, but slight growth in the first quarter. When we look at the year, we do expect low-single-digit growth in China. We expect a relatively stable market. We're not seeing the consumer behavior change significantly in China, but we saw a relatively stable Q1 from a market perspective. And our current forecast is that that continues for the rest of the year, which also means that we should be up low-single-digit growth in China.

On Vietnam, strong recovery. You know we worked incredibly hard in the second half of last year on our distribution of route-to-market and refocused also some of our brand strategies there. We're seeing a good result of that, especially the Huda brand doing incredibly well in the central region. We're growing in Q1 by more than 30%. And when we look at the rest of the year, we expect continued growth in Vietnam, not those types of growth rates, but we expect positive growth for year to go in Vietnam as well.

On Laos, same. I think we sat here a quarter ago and told you that we expected Vietnam and Laos to return to growth in 2026. You saw it in Q1. We also expect Laos to be delivering growth for the rest of the year, both of them recovering after a tougher 2025 for different reasons, but both of them clearly executing on their plans. And also in Laos, we're also seeing a stabilizing consumer helping out. So generally, good developments across these key Asian markets.

And you asked about India. Listen, India and Nepal, those two markets both delivering double-digit growth in the quarter. And as we look at the rest of the year, we are, of course, restricted on how we talk about India given the potential IPO we are considering. But generally, we see good developments in these markets.

The question specifically was then on packaging you said in India. We have on supply chain – I think the only place where we have had to do extra work around suppliers, et cetera, has been in India and Nepal, where some suppliers have been under pressure in the short term. We have swiftly operated around that given our global supply chain organization. So we do not have a concern around supply chain constraints in India and Nepal as we have secured alternative suppliers and are also working very well with our local Indian and Nepalese supply chain, who have also worked up different ways of securing their energy supplies. So overall, supply chain constraints are not a – that's not a limiting factor for our growth in these markets.

Then your other question was on the Pepsi announcement last week. So listen, we're super excited about that. And if you look at it, what it gives us is that we believe that the combined business will drive higher growth rates as we kick off from 2029 and onwards. We believe we can drive higher growth. We can do that because we have a stronger route-to-market. And especially on-trade, it's clearly more synergistic for us and for Pepsi. So, we will create one system across the Nordic region and the Baltics. That one system has significant synergies over time both in terms of production, distribution, sales, et cetera, and it gives us a different level of flexibility around how we manage and build scale. So, we see some clear synergies and also an ability to now be one system around product innovation across markets.

So I'm not going to comment on EBIT. I think that would be – sitting here commenting on our EBIT three years, four years out, that would be a little bit too aggressive. But overall, we're not doing this because we want to do something that's dilutive to us, of course. This is something that truly creates value for our shareholders. It also really consolidates and increases the partnership with Pepsi, which we also think will deliver more value-enhancing partnerships in other markets over the next couple of years.

<Q – Olivier Nicolai Analyst, Goldman Sachs International>: Thank you very much.

Operator: We now have a question from the line of Simon Hales from Citi. Please go ahead.

<Q – Simon Hales Analyst, Citigroup Global Markets Ltd.>: Thanks. Good morning, Jacob. Good morning, Ulrica. Good morning, Peter. So a couple then. So, can I just start on Kazakhstan and the 70% growth you saw in Q1 there clearly contributes about 4% percentage points to your group's offerings volumes in the quarter. How do we think about the performance of that business as we head into Q2 and Q3? I think obviously, seasonality-wise, they're more important quarters. So now, should we expect to step up in the contribution of growth from Kazakhstan going forward? And are we still on track to open the plants on the ground in Q3? That was my first, sort of, question.

And then going back to China, I mean, Jacob, could you sort of just provide a bit more color on what gives you the confidence in that move up towards low-single-digit growth as we look forward over the next few quarters and think about the full year trend, given the difference in performance we're seeing between premium and mainstream on the ground there?

<A – Jacob Aarup-Andersen – Carlsberg A/S>: Yeah. Ulrica, do you want to start in Kazakhstan?

<A – Ulrica Fearn – Carlsberg A/S>: Yes, I will start with Kazakhstan. Yes, as you said, we saw clearly good momentum in Kazakhstan in Q1. And a lot of it was, of course, the selling also of the soft drinks portfolio. Your question around how that will phase into the next quarter, we are, of course, standing in front of the two big quarters for Kazakhstan, Q2 and Q3. So, the volumes will be a little bit bigger in those two quarters. So overall, I think it will be a little bit bigger overall at the impact. However, I will also say that those are also two quarters that are bigger for the rest of the portfolio. So, along the lines of what we've been seeing now, but maybe a little bit higher. And in terms of the production facilities and where we are, we are still, as I said before, very much up and pushing to get our facility up and running by the end of Q3 2026 and then start ramping up throughout the rest of the year. And that's what we're still planning to do and are pushing to do and see the main scenarios. Absolutely, that will happen.

<A – Jacob Aarup-Andersen – Carlsberg A/S>: Simon, let me then talk to China. Thanks, Ulrica. So a little bit more color on China, of course. So, you're right when we've seen over the first quarter and which is a continuation of what we've seen for a number of quarters is that premium. We continue to see good premium growth for the business. You, of course, know fully the fabric of our business, this bifurcation between the big cities and strongholds. And as we look at the performance again this quarter, we're seeing big cities do well. We see 4% growth in big cities. So basically mid-single digit. And then we see the strongholds being down a little bit, so single-digit, a little bit more than 1%. And that mix is along the lines of what we've seen over the last couple of quarters.

What we're seeing is – for the rest of the year, we see a continuation of strong growth in e-commerce, in O2O, and in convenience in off-trade, which is where we have continued growth vectors given the positioning of our portfolio. At the same time, we're also seeing that the new formats continued to drive significant growth. I look at the one-liter cans in our numbers. They continue to grow very, very fast, so we're adding more lines to the business. And if you look at our premium brands, I look at Carlsberg growing by more than 20%, I look at Tuborg with strong growth and Wusu with good growth. So all of that continuing good growth in the market. So there is growth to be had in this market despite a relatively constrained consumer.

What we expect for the rest of the year is that big cities will continue to deliver this type of growth mid-single-digit, probably a little bit better than at the moment. And then it's our strongholds which have been under pressure for a little while because of broader macro economy, but also some tough competition in some of the big cities in our strongholds. And, of course, we're not sitting on our hands. So we're also looking at very hard and working very hard on our route-to-market, our distribution, and also our more tactical initiatives around some of these stronghold cities to make sure that we regain momentum. So overall, I would expect as we look through the year that our strongholds pick up the performance a bit, while the big cities continue their good growth.

Thanks, Simon.

Operator: The next question comes from the line of Søren Samsøe from SEB. Please go ahead.

<Q – Søren Samsøe Analyst, Skandinaviska Enskilda Banken AB>: Yes. Good morning, Jacob, Ulrika, and Peter. So just if you zoom in a little bit on the soft drink business in Q1, maybe you can just break down how much of the growth is coming from your Pepsi franchise and how much is coming from Coca-Cola? And also maybe sort of give an indication of how much the non-sugar part of the portfolio is growing and the part with sugar how much is that growing? Thank you.

<A – Jacob Aarup-Andersen – Carlsberg A/S>: Hey, Søren. Thanks for the questions. Unfortunately we cannot comment on the difference between Pepsi and Coke performance for contractual reasons. But we are growing in both – with both. So when you look at the numbers here, there is there is growth in both the Coke portfolio and the Pepsi portfolio in Q1. Of course, as you know, at this stage, the Pepsi portfolio is significantly bigger than the Coke portfolio after the addition of Britvic, so UK and Ireland and Kazakhstan, et cetera. But the Coke portfolio in the Danish and Finnish market is also providing growth in Q1. But I can't give you the specific numbers.

When you look at the sugar, non-sugar, it's going to be somewhat the same. We don't give the split for competitive reasons. But what we – it's very clear is that the non-sugar portfolio is growing significantly faster than the sugar portfolio. So we're seeing significant growth in non-sugar versus sugar. And, of course, on a like-for-like basis, and, of course, that's also one of the reasons why we continue to expand our market presence with especially Pepsi Max, which is a very strong winning formula in markets. And that's also when you look at the conversations we're having around potential additional markets in the coming years, it's especially that Pepsi Max proposition that is one of the key value drivers as well.

Adding in Kazakhstan – the reason why I said like-for-like adding in Kazakhstan, Kazakhstan is, compared to the western markets we have, Kazakhstan is higher, has a higher starting point on sugar and they are earlier in the journey on moving towards non-sugar. And that, by the way, we see is a great growth opportunity in Kazakhstan as well. So sorry about not being able to give you concrete numbers because we would breach contract. But I can – hopefully, the direction helps you a little bit.

<Q – Søren Samsøe Analyst, Skandinaviska Enskilda Banken AB>: Yes. Yes, thank you. Maybe I can just throw in one more question, which is if you can talk a little bit about the opportunities it will give you to have Pepsi products in the portfolio in these five new countries?

<A – Jacob Aarup-Andersen – Carlsberg A/S>: Yeah. Yeah, happy to. Peter is allowing another question because the other one was a sort of one question. So we will go with it. No. But if you look at it, first of all, of course, we are in no way diminishing the Coke portfolio we have in Denmark and Finland, so it's a good portfolio. So we're not saying that the Pepsi portfolio introduces many new categories or anything like that. But we do believe that we have a very strong proven model around how we work with the Pepsi brands across markets and we also have a very strong innovation model with Pepsi, which is especially one of the key advantages when we look at product portfolio going forward. First of all, we think Pepsi Max has a very strong momentum also in the two markets you're talking about. It's an underlying structural momentum which is more driven by consumer preference on the longer term. But the other element is that we see the partnership we have with Pepsi in a number of markets, and, of course, especially post the UK entering our portfolio,. We see a lot of innovation collaborations, a lot of innovations around future portfolio that we can then extend to these markets as well, which can give us a competitive advantage.

I think the Pepsi portfolio is moving in very exciting ways at the moment. There's a lot of exciting innovations coming through in the coming years, and part of them are also innovations that we are working with Pepsi on, and that makes us excited. Much more focus also on adding categories – into categories of especially in the functional area where we see a lot of growth. You saw us adding for first market outside of the US, we were the first ones to add poppi in the UK, which has so far been off to a great start in the UK. Poppi, of course, is truly functional with a prebiotic soft drinks and I think poppi is a great example of some of the innovation that will be coming through in the coming years.

Operator: The next question comes from the line of Edward Mundy from Jefferies. Please go ahead.

<Q – Edward Mundy Analyst, Jefferies International Ltd.>: Morning, Jacob, Ulrika, Peter. So two questions, please. The first is coming back to the Middle East. Appreciate that you haven't seen a change of behavior in Q1 in any of your markets. But since the end of the quarter, which markets you're monitoring most closely? And has there been any evolution in that? I mean, as part of that same question, appreciate your key guidance 2% to 6% is unchanged. But as part of that, you're looking at flattish cost of sales per hectoliter. Appreciate you're well hedged, but clearly there are some conversion costs within your COGS. Is that sort of still broadly achievable to get the flattish COGS per hectoliter given your hedging and supply chain efficiencies? It's my first question.

And then my second question is just philosophically, I'd love to sort of pick your brains on sort of how you're thinking about the 4% to 6% medium-term revenue. It's pretty clear that your growth categories, premium soft drinks, AFB and Beyond are flying growing plus 7% and that's roughly half your business. But the other sort of quite non-growth categories, is there an opportunity to crank those up a little bit, innovation and multi-bev, how are you thinking philosophically about sort of the balance of getting to that 4% to 6% either through doing more with your growth or bringing up the non-growth?

<A – Jacob Aarup-Andersen – Carlsberg A/S>: Thank you so much. Ed, I think Ulrika will start, and then I will be philosophical with you afterwards.

<A – Ulrica Fearn – Carlsberg A/S>: We will start with the Middle East conflict. Yeah, as you heard, Ed, we have and as you mentioned as well, we have not seen any material impact on consumer behavior. And the reasons Jacob mentioned a little bit of action we took around India, Nepal, around supply chain scenarios, which we've now got under control. And in terms of areas that we're looking at with growth continuing across the whole world, understanding what happens as this goes on. But, of course, Asia is one that we're looking very closely at making sure that that is also continuing to run. But we have mapped the different scenarios, we've understood where the risks lay. We have strong processes in place to ensure that we do have the transparency to see when things happen and then we can take action quickly at the same way as we did with COVID and the war in Ukraine as both of those hare unfortunately set us up in a good way in this scenario to make sure that we react quickly should something come up. That's how we're addressing it.

And maybe then link back to your flattish cost of sales hectoliter comment. As I said, we have seen minimal supply chain disruption so far, but, of course, looking at our commodities are being very volatile at the moment and moving specifically aluminium and energy are moving up. But we're well hedged in 2026. And we do, of course also, as we always do, take a lot of action to make sure that the impact remains as low as it can be and by taking all the actions we do around supply chain efficiencies, driving efficiencies through the breweries. But overall, there is a pressure on the way up, but we're confident we can hit our flattish cost of sales per hectoliter when we talk about that specifically. I should say, though, as well that generally overall, costs are going up and we will also make sure that we use our full armory around, also Jacob mentioned it earlier, on our value management actions as well when it comes to making sure we've got the right net revenue per hectoliter in this environment. We'll use the full range of pack, price, et cetera, to make sure that we mitigate on that line as well.

<A – Jacob Aarup-Andersen – Carlsberg A/S>: Thanks, Ulrika. Just echoing what Ulrika says, you're hearing a confident team because we know exactly what the playbook is and we've unfortunately had to play this playbook a number of years in a row now given the external environment.

Just on your philosophical question of the 4 to 6%, I think you're spot, Ed, around the fact that we are really seeing the growth categories powering ahead. As you also know, it's now more than half of our business and seeing these growth rates, it's very nice to see. And we do expect them to continue to grow nicely for the coming years, we don't see any reason why they shouldn't. Of course, quarters can be quarters and you're probably not going to deliver 10% soft drinks growth every quarter. But we do expect continued good growth.

And that leaves the philosophical question around the other part of the business being the more mainstream beer business. And actually just a data point because I think the depth of – the news of the depth of Western European beers is sometimes a little bit exaggerated. We look at Western Europe and we take out Poland, which for all players has been a very, very tough market, of course, for all the reasons we all know. If you take out Poland, our Western European beer business grows by 2.5% in the quarter, and that's the mainstream beer business. And, of course, we are fully aware there's an Easter impact in there.

But it's just to say that Western European beer is a category that still has real potential in it. What we're doing at the moment is, and we talked about that at the Capital Markets Day as well, we have a significant amount of work going into what we call reimagine beer in Carlsberg. I know our competitors have similar types of programs because we're all working incredibly hard on innovations around the core beer category. We think there's a lot of value to be had, and we also believe that we can bring core beer back to growth. Some of it will be beer being – mainstream beer volumes being converted into premium and alcohol-free and functional, the types of alcohol products, et cetera. But that's completely fine. But we don't buy into the notion that the mainstream beer category is just a category in some type of terminal decline. It's definitely not and you saw it also here in Q1.

So I think there's a lot of innovation happening in the industry, and there's a lot of innovation coming out of us as well. And combine that with all the work on the growth categories, I think that all supports quite a healthy growth picture for the coming years. You saw a good Q1. And when we look across the rest of the year, we expect that we can continue to grow volumes, even in an environment with the uncertainty from the Middle East.

<Q – Edward Mundy Analyst, Jefferies International Ltd.>: Thanks, Jacob. And just to follow-up on mainstream beer. Do you feel that the multi-bev model, given your multi-bev in lots of markets, does that give you a bit of an edge to sort of provide a boost to that mainstream beer but more balanced to mainstream beer as you're trying to kick-start that?

<A – Jacob Aarup-Andersen – Carlsberg A/S>: Yeah. So, and before I answer, Peter signaling that you owe him a beer now because this is your third question. But the question is very, very spot on because what we do see is every market where we have a full multi-bev platform, we are not just driving good growth in those new multi-bev categories, we are also enhancing the value of our beer business. This creates true moats around our beer business, and it improves the beer performance. Why? Because our portfolio becomes significantly more relevant to our customers and in the end, that means it becomes more relevant to the consumer. So we get better listings, we have a stronger and more important scale when we discuss listings with our major retail customers, et cetera, et cetera. So it is – multi-bev is not just around adding growth categories, it's also around enhancing the value of our beer businesses.

<Q – Edward Mundy Analyst, Jefferies International Ltd.>: Great. Thank you.

Operator: We now have a question from the line of Richard Withagen from Kepler Cheuvreux. Please go ahead.

<Q – Richard Withagen Analyst, Kepler Cheuvreux SA (Netherlands)>: Yeah. Morning, Jacob, Ulrika, Peter. Two questions for me as well, please. And first of all on Vietnam, I mean, it's good to see you're back to growth and the growth outlook you gave for the rest of the year, Jacob. But it's been volatile in the last few years. So what are your – what are the main strategic initiatives you're deploying to make the growth less volatile in Vietnam? And then the other question is on PepsiCo on the new contracts, what are the implications for the multi-beverage business model in the Nordics markets and the new Nordics markets for you as you need to convince your customers to swap the Coke portfolio for the Pepsi portfolio? And the Pepsi portfolio is probably a little bit less diversified than the Coke portfolio. So your thoughts on this, please.

<A – Jacob Aarup-Andersen – Carlsberg A/S>: Thanks, Richard. Happy to. So let me just talk to the two. So on Vietnam, you're spot on. It's definitely been a volatile both market but also performance over the last 9 months to 12 months from our business. And when you look at it, first of all, of course, the overall market first went through strong growth for a decade, then a couple of very tough years, also as new legislation came in at the same time as you saw economic downturn. So, you had both the drink driving legislation at the same time as you had the macroeconomic downturn.

And then we've seen growth return to the market now as things have stabilized. In that period, we've grown a lot. And then last year, we had a significant setback, especially in the first half of the year. The work we've done especially starting in Q2 and then work through second half, and we are continuing to work on that, is that we could see that we had simply grown too fast with too many distributors and being too dispersed, not having critical mass in a proper way within – throughout our value chain. So, we have scaled back on distributors. We've been more focused on the value management of a distributor. And at the same time, we've also adjusted our go-to-market around our main brands. We focus more on Huda, our Vietnamese power brand, and a little bit less on the international power brands as we've been rechecking the go-to-market. Overall we see that play out, we see good growth in central Vietnam, which is our stronghold for Huda, and we actually see the brand strategies around south of Vietnam play out a little bit better than expected so far around the rechecked approach to Tuborg and 1664 Blanc in the South.

So, this is a continuous improvement journey for the team. We've had new leadership in for a bit more than a year, and we see the team performing quite well in this. We're not saying that the Vietnamese business will now grow at the growth rates of Q1, but we're confident that we have a more solid and a well-developed growth model from here. So, I think, we have acquired confidence around the continued growth of Vietnam.

Then on PepsiCo. So, yeah, no, listen, of course, every time you change a brand like we do here, there's a conversion and there's a lot of customer conversations. Of course, we have a ton of respect for the power of the Coke portfolio, just like we see a lot of opportunities in the Pepsi portfolio. In many of the – your reference, of course, goes mainly towards the on-trade environment, because, of course, in off-trade, both Pepsi and Coke are on the shelf. So, it's not a major debate as to whether one should be there or one should not be there. But in the on-trade environment and of course, there's a lot of conversations to be had.

We believe there's a great power to that portfolio and especially on-trade. There are fewer SKUs that are important so then the broader portfolio. Of course, with the very strong go-to market and – sorry, route-to-market and market share we have in general in Denmark and Finland, we believe that we can leverage that into creating a strong position, but more on that later. For now, it's two and a half years out. For now, we will – as we've said many times, we'll stay committed to delivering on our commitments towards what has been a good partner in Coca-Cola. And then we will, of course, in a respectful way, gradually make our plans for how we address 2029. But we are, of course, doing this from a position of strength and a very strong knowledge around how we deploy the Pepsi portfolio.

<Q – Richard Withagen Analyst, Kepler Cheuvreux SA (Netherlands)>: Thanks, Jacob.

Operator: We now have a question from the line of Gen Cross from BNP Paribas. Please go ahead.

<Q – Gen Cross Analyst, BNP Paribas Exane>: Poland, Jacob, I think, you kind of called out that Western European beer volumes would have been positive in the quarter were it not for the significant decline in Poland. Could you give us a bit more color on just what's going on kind of on an underlying basis in the market? And whether you think that potentially sell-out should improve through the course of the year as consumers get a bit more used to the DRS scheme? And then the second question just on France. I mean, comment on market share gain in Q1, just a bit more color on what's driving that positive share trend and whether you think you can sustain this as retailer shelves are reset? Thank you.

<A – Jacob Aarup-Andersen – Carlsberg A/S>: Thank you so much. Again, just on Poland, because you cut out just in the beginning of your question. But I assume the question was specifically on Poland, right?

<Q – Gen Cross Analyst, BNP Paribas Exane>: Yes, specifically about Poland.

<A – Jacob Aarup-Andersen – Carlsberg A/S>: Yeah, okay, good, good, good. Thank you so much. And then the other one was on France. On Poland, listen, last year was a tough year. The beginning of this year has been a tough year. It is of course, there is the DRS. There's been the -there's been also been some pre-stocking ahead of those changes, et cetera. We then also look at a quarter which had quite cold weather and snow in January. But underlying, it also has quite an intense price competition.

So, we have a combination of a market where the consumer is under pressure. The starting point is a high consumption per hectoliter, and competition is quite tough on the price side. And it is tough on the price side because we've been through a period of overall market decline, which of course, hurts everyone's fixed cost absorption and therefore, the response is often that you see even tougher price competition because people want to drive volume growth.

So, overall it's been a little bit of a perfect storm. We should also remember it's a small quarter. We do expect Poland to see gradually improving trends during the year. We are not calling Poland going back to growth in the near future, but we can have a slight – well, we can have a mild expectation that the worst negative growth rates are behind us in Poland. But it's going to be a tough year in the Polish market overall. The effects year-on-year effect, et cetera, will gradually ease during the year. So, of course, we can hope that the year-on-year effect was the worst in Q1. But it's – I'm not going to be the one be a CEO that calls the turnaround of the Polish market in the short-term. I think, we're all watching a tough market for the rest of the year.

I think, you asked for more color on France as well. You are right, we had some market share growth in – slight market share gain in the first quarter. We're basically seeing all of our focus brands growing share, which is great to see. So, the three key stronghold brands, being 1664, Grimbergen and Tourtel, they're all gaining a bit of share in the quarter. So, that's good to see. We have a quite a focused strategy under the new leadership of France. We have a quite a focused strategy around developing the three stronghold brands and then opportunistically driving our scale-up brands. And the one brand that we are seeing continuing under pressure is Kronenbourg Red & White, our economy brand, which has been in structural decline for – as you know, for a very long time because the category, the economy category is in decline and is a very price sensitive category as well due to the economy segment being very often small glass bottles, which have a higher sensitivity to energy prices, et cetera.

So, overall, the focus brands for us are all developing well. When we look at France as an overall market, of course, we've just gone through customer negotiations, they've all been concluded. And they have concluded without any major disruptions, which we are, of course, pleased with. They were tough as you would expect them to be. So, listen, we are constructive around France for this year. It's been approved first quarter. And we think the market will be relatively benign for the rest of the year. We're not seeing any disruption from the Middle East as well. Hopefully that was a little bit of color on France for you.

And at the same time, I'm being asked – thank you so much. Operator, I'm being asked that the next one is the last question. Thank you.

Operator: We now have a question from Sanjeet Aujla from UBS. Please go ahead.

<Q – Sanjeet Aujla Analyst, UBS AG (London Branch)>: Hey. Morning, everyone. Just a quick couple for me. Can we just dig into the Britvic UK performance, please? A year in now and what's working, what's not working? Where is the room for improvement? How would you assess the execution of the off-trade versus the on-trade? And then just a technical one on the revenue per hectoliter in Europe. I appreciate there was a big negative category impact from the strong growth in soft drinks. Can you just help us understand the magnitude of that and just how pricing has landed now with through all of the retailer negotiations in Western Europe? Thanks.

<A – Jacob Aarup-Andersen – Carlsberg A/S>: Hey, Sanjeet. Thanks for those. So, just starting on Britvic UK. So, of course, as you're fully aware, we're now running one business. But let me comment on especially on the Britvic part of the business – so the soft drinks part of the business. So, overall very pleased. We're more than a year in. First of all, we had a first year of 2025, where I think a lot of people had expected commercial momentum to suffer from the fact that we were doing a lot of integration work. The team did phenomenally well and continued very strong commercial momentum through 2025 and that momentum has continued in Q1, which is great to see.

When we look at CSD overall, we have mid-single digit growth in the quarter. It's driven by solid market share improvement, strong off-trade development with volume and value share growth, and quite a strong Pepsi performance, again, with value growth well ahead of volume growth. So, it's not a price-driven performance. In flavored CSDs, we see strong 7UP. We saw a soft Tango in the quarter, but a strong 7UP. On the Pepsi performance, I should mention that we see Pepsi Max taking share again in Q1, so that's great. And then a strong performance from J2O as well. On top of that, we had a very successful initial launch of poppi, which I referenced earlier as well, which is of course, so far, only out with a couple of banners, key banners and will gradually be expanded to more customers over time. But it's had a very, very strong launch. So, overall, I think the team has done very well commercially across a number of categories and key brands. So, of course, are there things we could – so the overall assessment is definitely very well approved quarter again from the team.

Pluses and minuses, of course, there are always things that we want to do fast or want to do more of. I think, one brand that we – where we have more potential to go, it's Tango. Tango has had a little bit of a weakness in last couple of quarters, and we have a lot of great plans on the Tango brand. So, I have no doubt that you're going to see Tango bounce back. But that's definitely more than compensated by such a strong performance from many of the other brands.

I know you asked about Britvic. What I would say for the UK, it's also great to see that the beer business delivers high-single-digit growth. We again take market share in off-trade, and we see a continued good growth in both Carlsberg, 1664, and Poretti. And then we have launched Mythos, our Greek power brand, with quite a strong launch, we have to say, in the market as well. So, if you're missing a summer beer on your terrace then indeed, you should try Mythos. It's a great alternative to so many other great beers. So, good performance from the UK all around.

You asked, specifically around the net revenue per hectoliter. Of course, you're spot on. There is a category mix effect here when you can say overall beer is down. We talked about the nuances of that beer performance in Western Europe, but overall beer in Western Europe is down, and CSD is growing strongly. So, that does impact net revenue per hectoliter. That's a given, given the lower revenue per hectoliter for CSD. That's a given and then we're also seeing of course on-trade being soft versus off-trade. And that also has an impact on net revenue per hectoliter. You asked specifically around price. No, we don't see any step change in price as such, this is not driven by a weakness in price in certain markets or anything like that. So, I think, the pricing environment remains roughly the same as it's been for the last couple of years. So, this is a category mix in a quarter where we saw really strong growth in soft drinks and overall beer being a bit weak.

All right. And on that note, as that was the last question, thank you for listening in. And thank you for your questions as always. Looking forward to meeting some of you during the coming days and weeks. And until then, have a nice day. Thank you so much.

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