



CARLSBERG GROUP

The Carlsberg Group at a glance



133.3m hl
total beverages volumes

DKK c. 108bn
market cap

DKK 61.8bn
net revenue

DKK 8.9bn
operating profit

DKK 8.7bn
free cash flow

DKK 19.6bn
net debt

1.45x
NIDB/EBITDA

41,430
employees

Diversified footprint with strong positions in 25 markets across Europe and Asia

75% OF VOLUMES

Sold in #1 or 2 markets

TOP 5 MARKETS

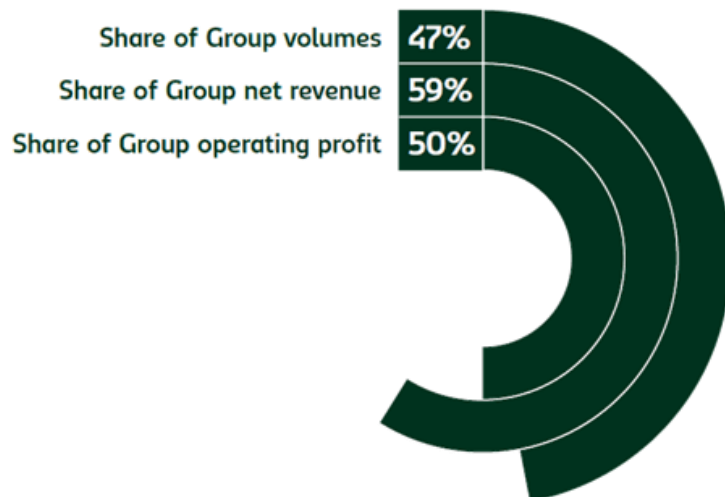
~50% of operating profit

TOP 10 MARKETS

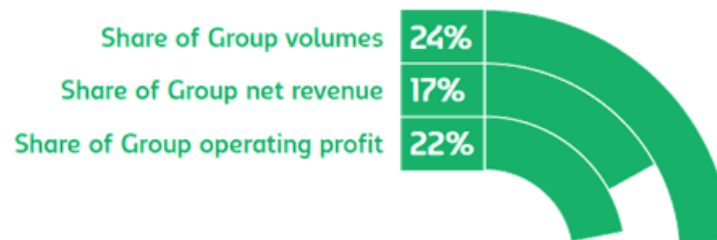
~70% of operating profit



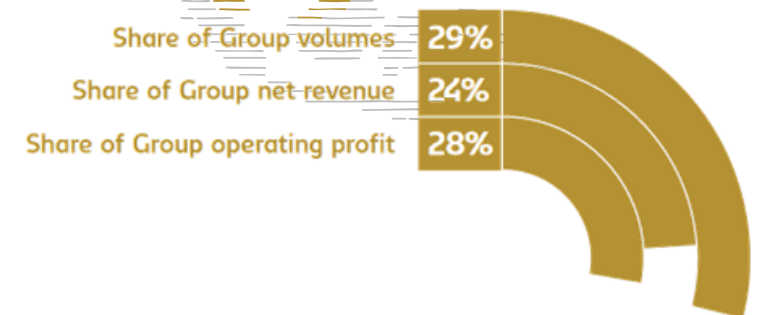
WESTERN EUROPE



EASTERN EUROPE



ASIA



The power of local identity is evident through our international and local power brands



EACH WITH A **CLOSE**
RELATIONSHIP WITH
LOCAL CONSUMERS
(HERITAGE AND HISTORY)

TUBORG IS OUR
LARGEST BRAND,
BECOMING
INCREASINGLY
POPULAR IN **ASIA**

A taste of the Carlsberg world of craft & specialty and alco-free brews

CRAFT & SPECIALTY AND ALCO-FREE BREWS ARE 5% OF VOLUMES AND 10% OF NET REVENUE



PORTFOLIO OF **ALCO-FREE BREWS** BUILD ON LOCAL POWER BRANDS AND STAND-ALONE BRANDS

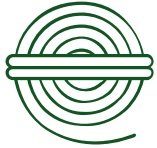


BROAD PORTFOLIO OF **CRAFT & SPECIALTY**



STRATEGIC PRIORITIES

SAIL'22 – a clear direction for the future



STRENGTHEN THE CORE

Leverage our strongholds
Excel in execution
Optimising efficiency and cost



POSITION FOR GROWTH

Win in growing categories
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
Contribute to a better society
Compass (applying our codes
and policies)

Optimise efficiency & costs – Improve performance through Funding the Journey

1. Value management

Improve price/mix

2. Supply chain efficiencies

Deliver efficiency improvements across the supply chain, reducing material and non-material cost per hl

3. Operating cost efficiencies

Reduce sales and admin. costs

4. Right-sizing

Ensure an efficient Group structure

DKK 1.7bn

(FtJ benefits delivered by 2017)

Optimise efficiency & costs – Improve cash performance

1. Optimise financial costs

Ensure a diversified funding structure

2. Optimise tax position

Simplify legal and debt structures

3. Disciplined trade working capital management

Ensure granular optimization by country and category

4. Maintain strict capex policy

Keep capex at 6-7% of net revenue

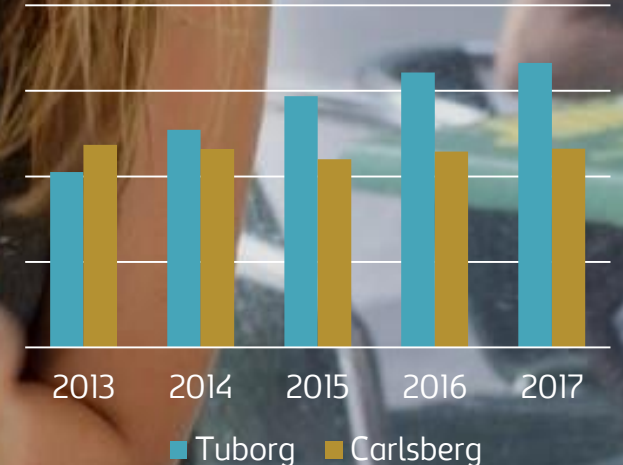
TRADE WORKING CAPITAL
(% to net revenue)



Leverage strongholds & excel in execution

- 1. Strengthen core** local power brands (+3% GBC in 2017)
- 2. Drive international brands:** Tuborg and Carlsberg
- 3. Improve execution**, e.g. driving value management initiatives, implementing demand space model, rolling out DraughtMaster, utilizing digital, etc.

CARLSBERG AND TUBORG VOLUMES



Craft & Speciality

1. **Accessible crafty extensions**
(price index 120+)
2. **Imported specialities**
(price index 150+)
3. **Authentic craft champions**
(price index 200+)

+29%
(2017)



Alcohol-Free Brews

1. Line extensions of strong local power brands
2. Stand-alone brands
3. Driving category growth



LIVE MORE

+15%

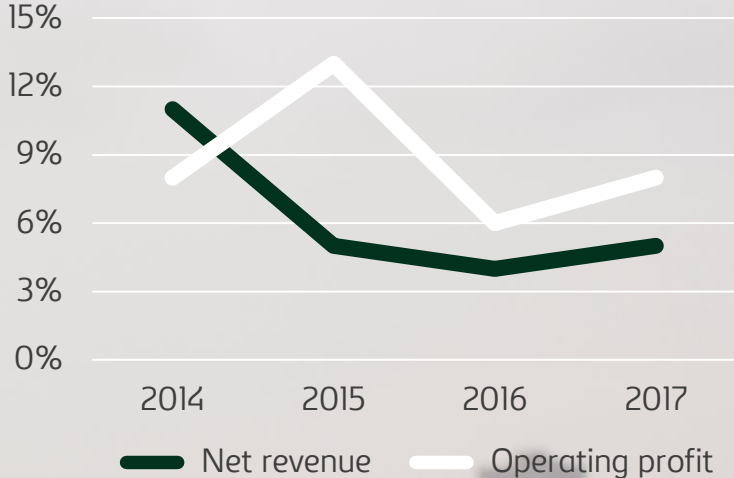
(in Western Europe, 2017)



Grow in Asia

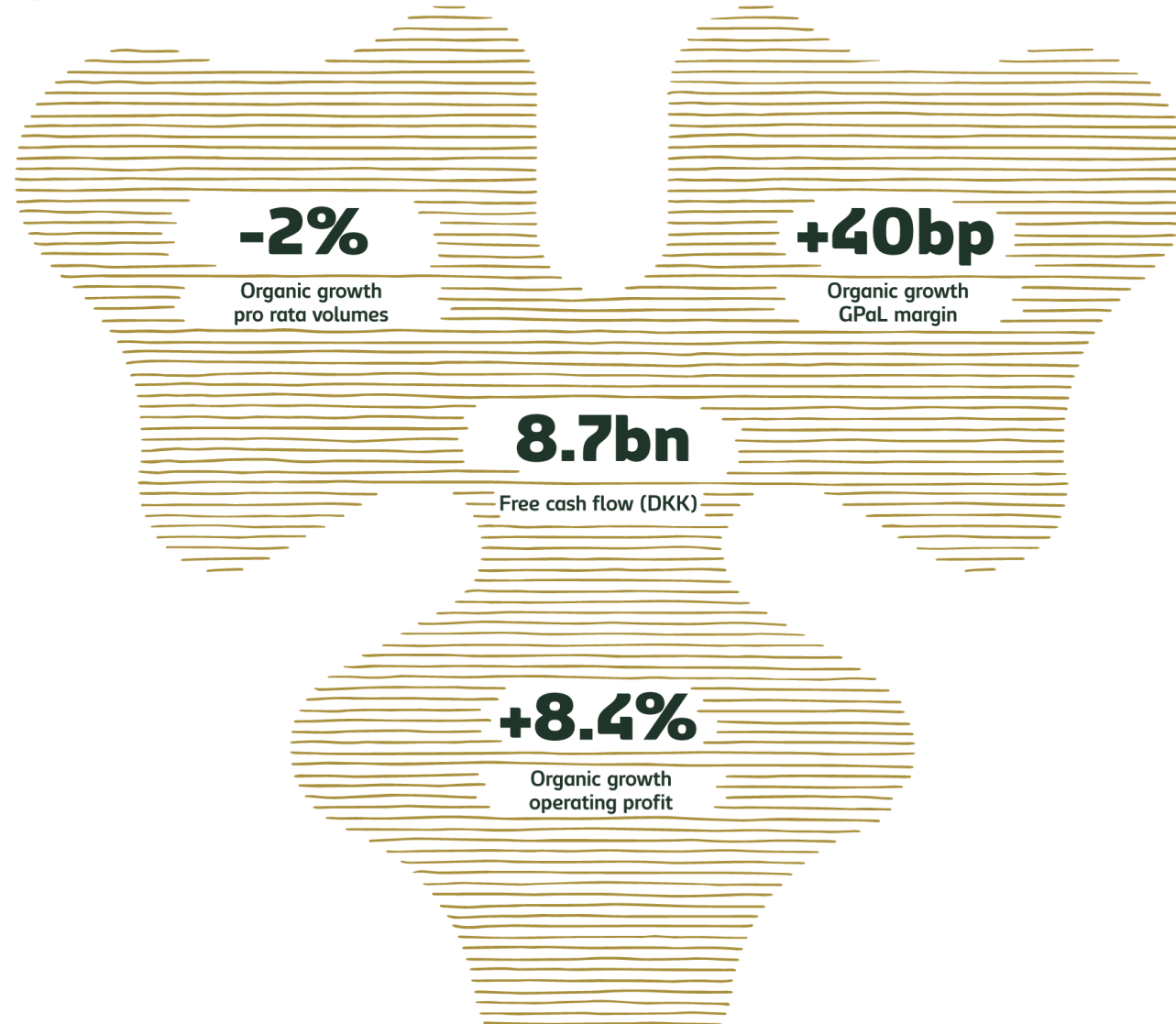


ANNUAL ORGANIC GROWTH RATES ASIA



1. Leverage strong geographic footprint
2. Capture market growth
3. Accelerate premiumisation

Performance management – balancing the golden triangle





FINANCIAL ACHIEVEMENTS

Moving towards consistent and continuous value creation

COMMITTMENT	ACHIEVEMENT		
	2016	2017	2018
Organic growth in operating profit	+5%	+8.3%	+MSD%
ROIC improvement	+130bp	+100bp	n.a.
Optimal capital allocation	1.96x leverage 39% pay-out ratio	1.45x leverage 50% pay-out ratio	n.a.






Capital allocation principles

- communicated as part of SAIL'22

OPTIMAL CAPITAL ALLOCATION¹

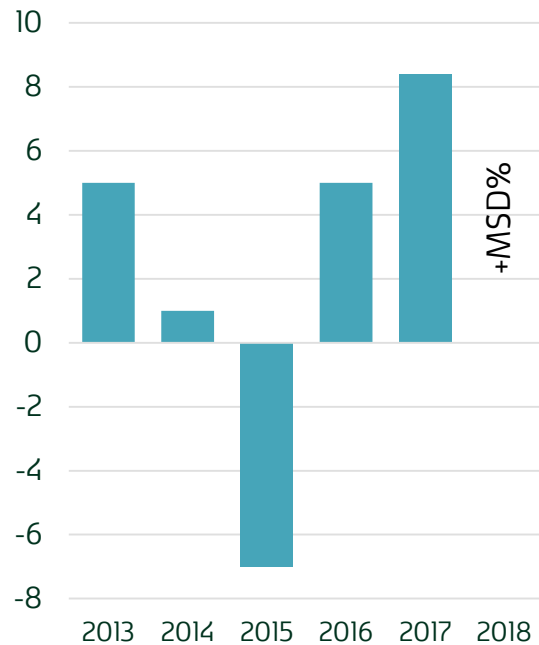
STATUS

- | | | |
|---|---|--|
| 1. Invest in to our business to drive long-term value creation |  | Significant SAIL'22 investments and DKK 4.5bn capex for 2018 |
| 2. NIBD/EBITDA < 2.0x |  | 1.45x reached at end-2017 |
| 3. Dividend pay-out ratio of 50% |  | 50% reached for 2017 |
| 4. Excess cash to be redistributed through buy-backs and/or extraordinary dividends | | External announcement latest in Feb 2019 |
| 5. Deviating from the above only if value-enhancing acquisition opportunities arise | | Subject to finding the right, value-enhancing opportunities |

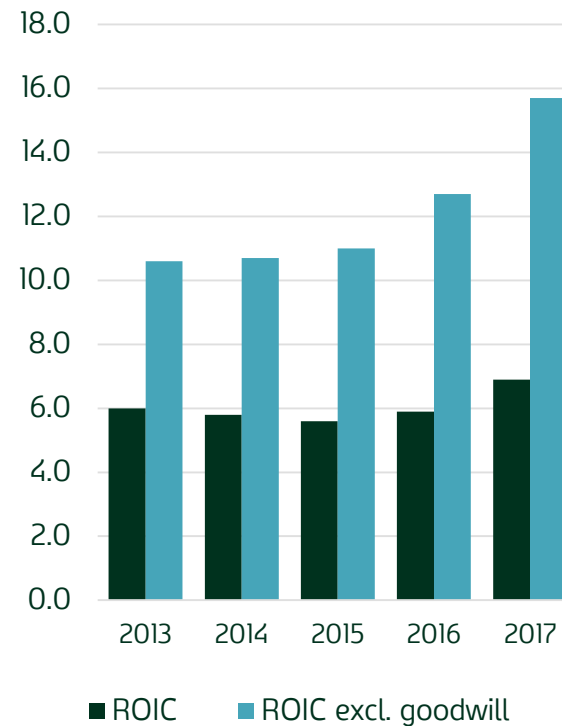
¹ In prioritised order

Delivery on financial priorities

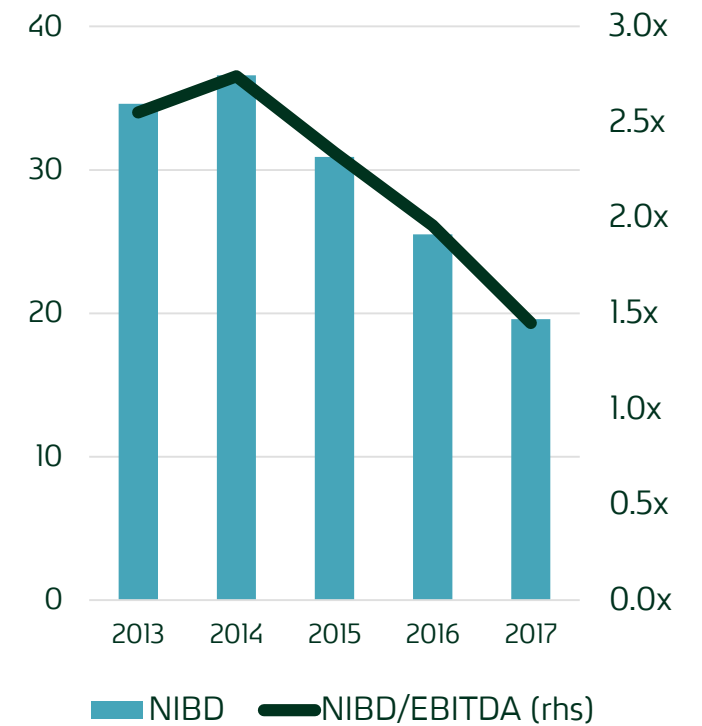
Organic operating profit growth (%)



ROIC (%)

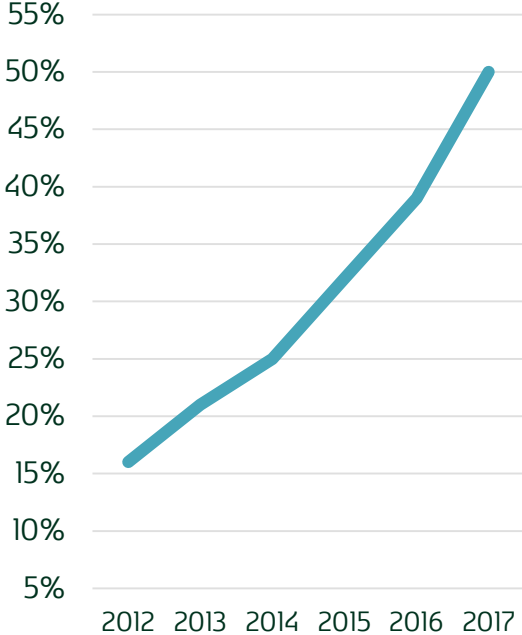


NIBD (DKKbn) and NIBD/EBITDA

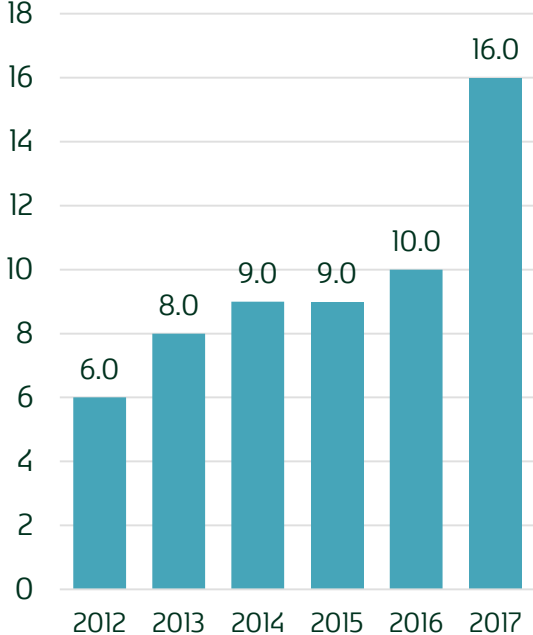


Delivery on financial priorities

Pay-out ratio



Dividend per share (DKK)



2018 Outlook

KEY FOCUS

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

2018 FINANCIAL EXPECTATIONS

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

Other assumptions

- A translation impact on operating profit of around DKK -550m, based on the spot rates as at 30 April
- 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



Conclusion

ACCELERATE TOP-LINE GROWTH

- Leverage strongholds
- Expand in growing categories
- Grow Asian business

IMPROVE MARGINS

- Execute Funding the Journey and embed ways-of-working
- Execute on value management initiatives
- Grow in high-margin categories
- Grow in high-margin geographies

MAINTAIN STRICT FINANCIAL DISCIPLINE

- Optimise financial costs
- Optimise tax position
- Disciplined trade working capital management
- Maintain strict capex policy

ENSURE OPTIMAL CAPITAL ALLOCATION



BREWING
FOR A BETTER
TODAY &
TOMORROW





**THANK
YOU**

Disclaimer

FORWARD-LOOKING STATEMENTS

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