FINANCIAL STATEMENT
H1 2021

18 August 2021

Carlsberg Group

Disclaimer

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements, including statements about the Group's sales, revenues, earnings, spending, margins, cash flow, inventory, products, actions, plans, strategies, objectives and guidance with respect to the Group's future operating results. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words "believe", "anticipate", "expect", "estimate", "intend", "plan", "project", "will be", "will continue", "will result", "could", "may", "might", or any variations of such words or other words with similar meanings. Any such statements are subject to risks and uncertainties that could cause the Group's actual results to differ materially from the results discussed in such forward-looking statements. Prospective information is based on management's then current expectations or forecasts. Such information is subject to the risk that such expectations or forecasts, or the assumptions underlying such expectations or forecasts, may change. The Group assumes no obligation to update any such forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements.

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A strong set of results

TOTAL VOLUMES
70.3 m.hl
+10.0%[1]

REVENUE
DKK 31.7bn
+9.6%[1]

OPERATING PROFIT
DKK 5.1bn
+15.6%[1]

OPERATING MARGIN
16.1%
+10bp

FREE CASH FLOW
DKK 5.3bn

CASH RETURNS
DKK 4.9bn[2]

[1] Organic growth [2] Share buy-back carried out January-August and dividend paid in March

Good execution of SAIL'22 core priorities

Core beer

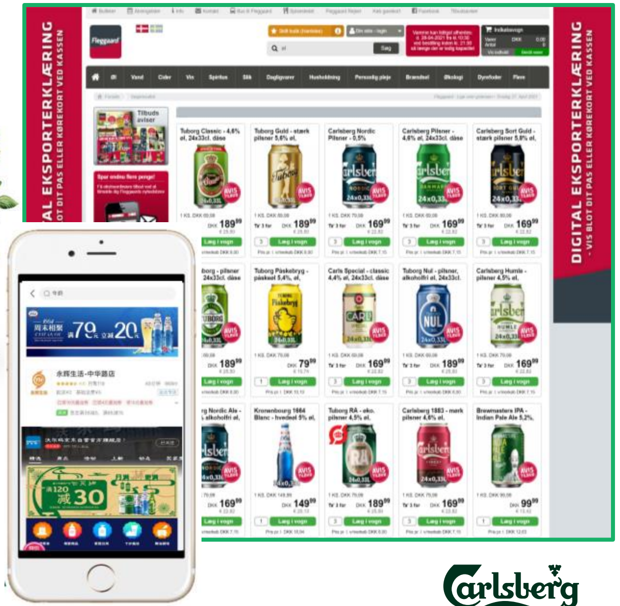
+8% volume growth

E-commerce

+25%
Carl's Shop - # of active customers

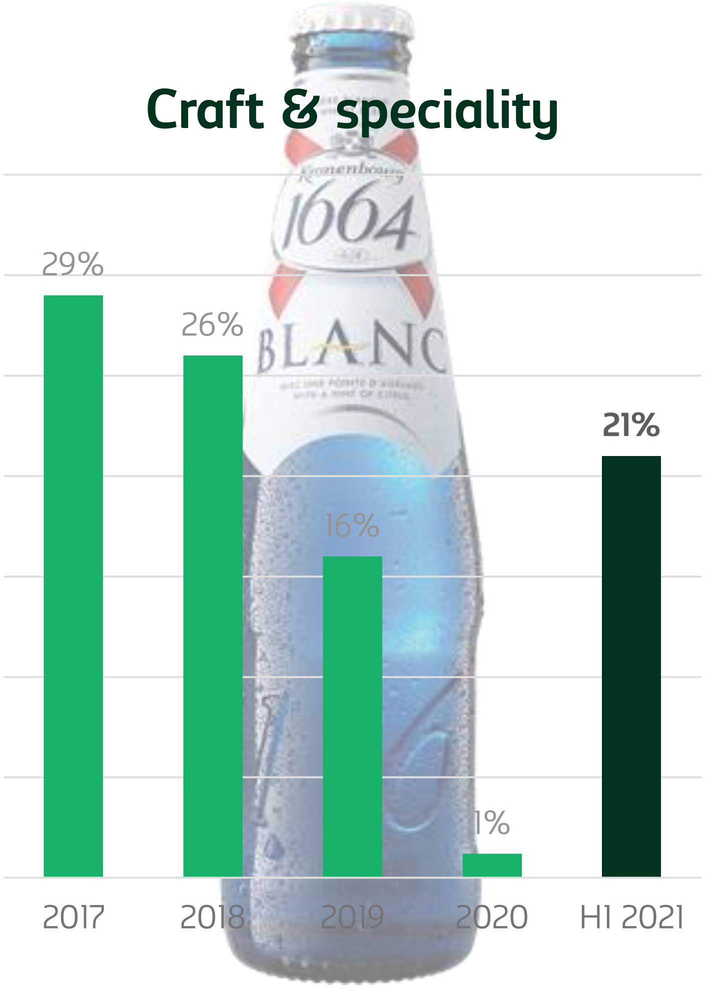
+30%
eCommerce revenue growth

+130%
China O2O revenue growth



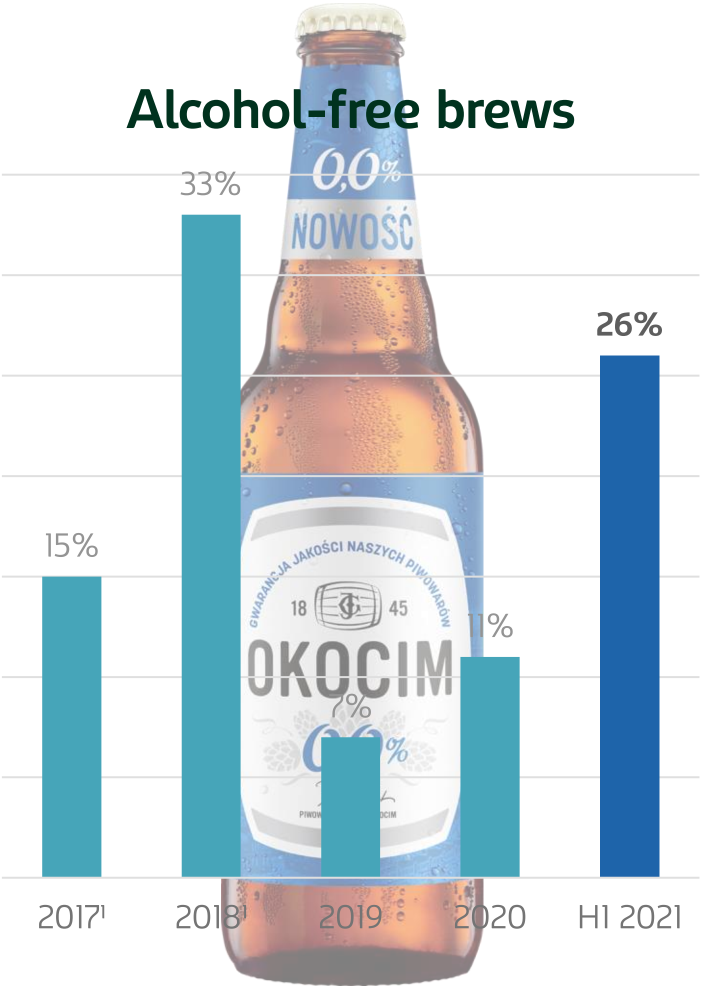
Continued progress for SAIL'22 growth priorities

Craft & speciality



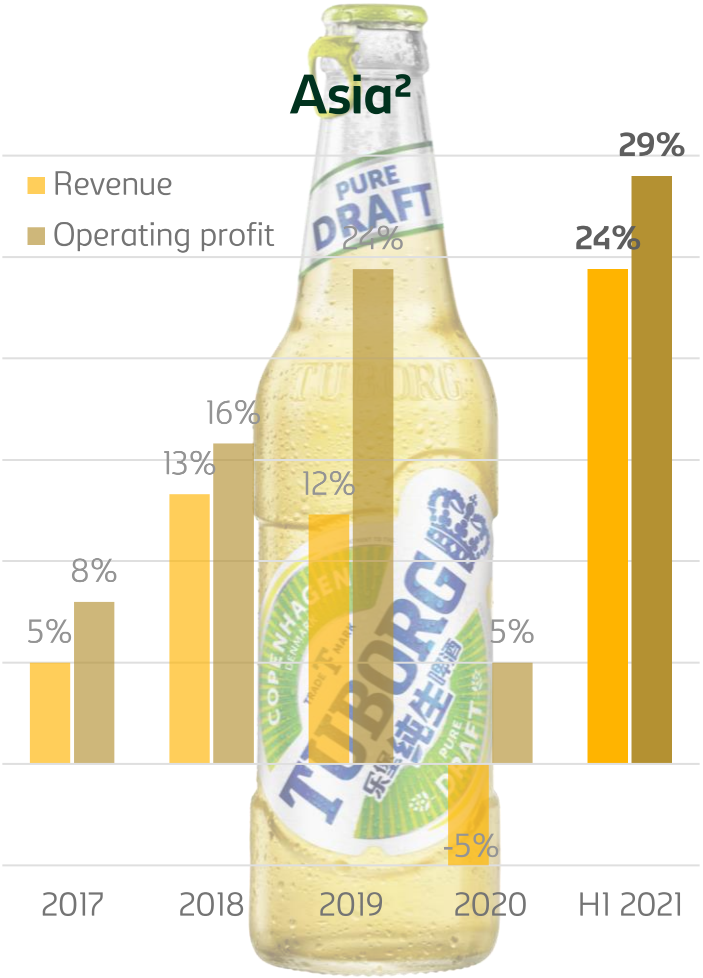
Q2 2021 **+27%**

Alcohol-free brews



Q2 2021 **+26%**

Asia[2]



Q2 2021[3] **+19%**

[1] Western Europe. [2] Organic growth. [3] Organic revenue growth.

Brewing for a better today and tomorrow

MyVoice showing strong commitment

- Participation rate 92%
- Employment engagement score 82%

On track to meet our SAIL'22 Together Towards ZERO targets

- Carbon emissions/hl[1] -39% (2015-2020)
- Water efficiency (hl/hl) -18% (2015-2020)

[1] Scope 1 & 2

Western Europe

TOTAL VOLUMES[1]

+1.1%

REVENUE[1]

+0.2%

OPERATING PROFIT[1]

+1.2%

OPERATING MARGIN

12.7%

REVENUE

- Strong recovery in Q2 following challenging Q1
- Gradual easing of restrictions in Q2
- Revenue/hl +6% in Q2

OPERATING PROFIT

- Improving trend during H1
- Significant increase in marketing investments

OPERATING MARGIN

- -110bp due to acquisitions
- Organic margin improvement

[1] Organic growth

Western Europe

MARKET COMMENTS

THE NORDICS

- Denmark: High-single-digit volume growth supported by reopening of on-trade and border
- Norway: Double-digit volume growth driven by off-trade
- Sweden: Good growth for AFB and Pepsi franchise
- Finland: Impacted by restrictions and less campaign volumes

POLAND

- Low-single-digit volume growth
- Revenue/hl up due to prices increases and brand mix

SWITZERLAND

- Good growth of off-trade, craft & speciality and AFB
- Business skewed to on-trade

FRANCE

- Volumes in Q2 up high-teens; in H1 up low single-digit
- Volumes impacted by prolonged closure of on-trade

UK

- Integration of Marston's progressing well
- Q2 volumes up organically by double-digit

Asia

TOTAL VOLUMES[1]

+19.7%

REVENUE[1]

+24.4%

OPERATING PROFIT[1]

+29.0%

OPERATING MARGIN

25.8%

REVENUE

- Price/mix +4%, accelerating in Q2 to +7%
- Volume growth driven by all markets, particularly China

OPERATING PROFIT

- Strong growth supported by revenue/hl and tight cost focus

OPERATING MARGIN

- +80bp

[1] Organic growth

Asia

MARKET COMMENTS

CHINA

- Volume growth of 23%, market share strengthened
- Growth drivers: continued expanded distribution of local premium brands, good growth of international portfolio and big city growth

INDIA

- Volatile half-year due to resurgence of COVID-19
- Strong volume growth on easy comps
- Market share gain led by Tuborg and Carlsberg Smooth Draft

LAOS, VIETNAM AND CAMBODIA

- Laos: Good start to the year but severe lock-down in Q2. Volumes up mid-single-digit
- Vietnam: Volumes up mid-teens driven by Huda, Halida and Carlsberg
- Cambodia: Good performance of CSD and Sting energy drink

MALAYSIA

- Severe impact from lockdown

Central & Eastern Europe

TOTAL VOLUMES[1]

+8.7%

REVENUE[1]

+8.6%

OPERATING PROFIT[1]

+2.7%

OPERATING MARGIN

17.7%

REVENUE

- Sequential improvement in revenue/hl due to tough comps in Q1
- Q2 revenue/hl +4%

OPERATING PROFIT

- Impacted by transactional impact on input costs
- Tight opex control leading to decline in SG&A/revenue

OPERATING MARGIN

- -60bp

[1] Organic growth

Central & Eastern Europe MARKET COMMENTS

RUSSIA

- Good growth of craft & speciality, Tuborg and energy drink Flash up
- Flat revenue/hl in H1, significant improvement in Q2
- Continued challenging competitive environment

UKRAINE

- Slight volume growth
- Positive product mix driven by Garage, Baltika and Carlsberg

SOUTH-EAST EUROPE

- Challenging start to the year, recovery seen from March
- Strong volume growth and improved revenue/hl

EXPORT & LICENCE

- Volumes up by more than 20%
- Particularly strong growth in Q2

KEY **FINANCIALS** (1)

REVENUE

DKK 31,687m

- Volume growth and considerable improvement in revenue/hl in Q2 driving +9.6% organic revenue growth in H1
- Acquisition impact +4.3% due to Marston's and Wernesgrüner
- FX -4.0%, primarily RUB, UAH and LAK

OPERATING PROFIT

DKK 5,111m

- COGS/hl flat organically
- Reported gross margin 47.5%
- Excl. acquisitions and currencies, gross margin 48.3%
- Opex/revenue down 90bp
- Excl. marketing, opex/revenue down 160bp
- Operating margin 16.1% (+10bp)

NET PROFIT

DKK 3,027m

- Positively impacted by operating profit and lower tax rate
- Special items DKK -176m
- Excl. FX, financial items of DKK -271m
- Effective tax rate down 120bp to 24.8%

ADJUSTED EPS

DKK 21.9

- Up 12.3%
- Partly supported by the share buy-back

KEY **FINANCIALS** (2)

OPERATING CASH FLOW

DKK 6,684m

- Increase of DKK 1.6bn
- Main drivers were higher EBITDA and TWC
- TWC/revenue -18.7%
- Change in TWC (DKK +704m) impacted by higher activity level and supported by country mix

FREE CASH FLOW

DKK 5,281m

- Decline in capex due to last year's acquisition of Brooklyn brand rights
- Excl. Brooklyn, operational investments up by DKK 260m

NIBD

DKK 20,803m

- Decline of DKK 460m versus year-end 2020
- Strong free cash flow more than offsetting DKK 4.5bn cash returns to shareholders in H1

DELIVERING ON OUR **CAPITAL ALLOCATION PRIORITIES**

		H1 2021
01	Invest in our business to drive long-term value creation	Significant increase in marketing investments of more than 20% organically
02	NIBD/EBITDA < 2.0x	NIBD/EBITDA 1.43x
03	Dividend pay-out ratio (of adjusted net profit) of around 50%	Dividend pay-out ratio for 2020 of 50% (DKK 3.2bn) paid out in March
04	Excess cash to be redistributed through buy-backs and/or extraordinary dividends	Share buy-back programmes[1] amounting to DKK 1.75bn Third tranche of share buy-back amounting to DKK 1bn initiated today (18 August)
05	Deviating from the above only if value-enhancing acquisition opportunities arise	The acquisition of Wernesgrüner completed in January

[1] YTD 13 August

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Earnings expectations

In light of the good results for H1 and the start of Q3, we upgrade the earnings guidance for 2021:

Organic growth in operating profit within the range of 8-11% (previously 5-10%)

OTHER ASSUMPTIONS FOR 2021

- A translation impact on operating profit of around DKK -150m, based on the spot rates as at 17 August (previously DKK -250m)
- Net finance costs (excluding FX) of around DKK 600m
- Reported effective tax rate at around 25%
- Capital expenditures of around DKK 4.0-4.5bn at constant currencies

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Q&A