

Company announcement 32/2023

16 August 2023

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# SOLID BUSINESS PERFORMANCE WITH CONTINUED STRONG ASIA AND PREMIUM PERFORMANCE

## FINANCIAL STATEMENT AS AT 30 JUNE 2023

Unless otherwise stated, comments in this announcement refer to H1 performance.

### CONTINUED VOLUME GROWTH, DRIVEN BY ASIA AND THE PREMIUM PORTFOLIO

#### Organic volume growth 0.8%

- Organic volume development in Western Europe -2.1%, Asia +4.8% and Central & Eastern Europe -1.9%.
- Premium portfolio volume growth of 3% driven by our international premium brands: Tuborg +3%, Carlsberg +1%, 1664 Blanc +5%, Brooklyn +52% and Somersby -7%.
- Alcohol-free brews -1%; growth in Q2 of 2%.

### STRONG REVENUE GROWTH IN ALL REGIONS

#### Organic revenue growth 11.2%

- Organic revenue growth in all regions: Western Europe +9.2%, Asia +11.7% and Central & Eastern Europe +16.3%.
- Reported revenue growth of 6.6% to DKK 37,788m, impacted by adverse foreign exchange movements.
- Revenue/hl +10%, with strong growth in all regions.

### SOLID ORGANIC OPERATING PROFIT

#### Organic operating profit growth 5.2%

- Operating profit growth reflecting strong revenue growth, partly offset by cost inflation and higher sales and marketing investments.
- Reported operating profit impacted by adverse foreign exchange movements, declining by 2.6% to DKK 6,272m.
- Reported net profit of DKK 3,495m (2022: DKK -5,276m). Adjusted net profit of DKK 4,749m (2022: DKK 5,059m).
- Adjusted earnings per share for continuing operations of DKK 29.3 (+0.2%).
- Free operating cash flow of DKK 4,346m.

### DRIVING SHAREHOLDER VALUE

#### Total share buy-back and dividend payment of DKK 5.0bn

- NIBD/EBITDA 1.46x.
- ROIC improvement of 30bp to 15.2%; excluding goodwill +50bp to 41.2%.
- New quarterly share buy-back programme, amounting to DKK 1bn, launched today.

## SUBSEQUENT EVENTS

- On 16 July, a presidential decree temporarily transferred the management of Baltika Breweries to the Russian Federal Agency for State Property Management, despite the announcement of the sale of the business on 23 June.

## 2023 EARNINGS EXPECTATIONS

On 15 August, we upgraded our earnings expectations for 2023. The upgrade was due to the continued solid business performance year to date and based on our expectations for the remainder of the year:

- Organic growth in operating profit of +4% to +7%.
- Based on the spot rates at 14 August, we assume a translation impact on operating profit of around DKK -900m for 2023.

CEO Cees 't Hart says: "We're satisfied with this solid set of results, which have been achieved in a challenging environment. This is the first year of executing our new strategy, SAIL'27, and we continued to invest in long-term health and growth opportunities despite significant inflation in our cost base. The strategic health of our business continues to improve, as seen from the growth of our international premium brands and continued growth in key markets in Asia.

"Thanks to the results for the first half year, we were able to upgrade our earnings expectations yesterday, and we're today initiating a new DKK 1bn share buy-back.

"In June, we were pleased to announce the sale of the Russian business. However, shortly afterwards, we were shocked that a presidential decree had temporarily transferred management of the business to a Russian federal agency. We're assessing the situation and the legal consequences of this highly unexpected move and will seek to protect our assets and the value of the business.

"After eight eventful years, this is my last results announcement as CEO of the Carlsberg Group. We're very proud of the results that we as a team have achieved, including in the turbulent times of the last few years. The long-term opportunities for Carlsberg remain significant, and I'm confident that the new CEO, Jacob Aarup-Andersen, the leadership team and our many dedicated employees will continue the value creation journey."

## Contacts

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Carlsberg will present the results at a conference call today at 9.30 a.m. CET. Dial-in information and a slide deck will be available on [www.carlsberggroup.com](http://www.carlsberggroup.com).

## KEY FIGURES AND FINANCIAL RATIOS

Key figures and financial ratios are presented for continuing activities unless otherwise stated.

DKK million		HI 2023	HI 2022	2022
<b>Volumes (million hl)</b>				
Beer		52.4	52.0	101.0
Other beverages		12.4	12.2	24.4
<b>Income statement</b>				
Revenue		37,788	35,447	70,265
Gross profit		16,882	16,401	32,067
EBITDA		8,229	8,570	15,657
Operating profit before special items		6,272	6,442	11,470
Special items, net		-169	-865	-784
Financial items, net		-332	-508	-725
Profit before tax		5,771	5,069	9,961
Income tax		-1,212	-1,115	-1,778
Profit from continuing operations		4,559	3,954	8,183
Net result from Russian operations held for sale		-404	-8,618	-8,075
Profit for the period		4,155	-4,664	108
<b>Attributable to:</b>				
Non-controlling interests		660	612	1,171
Shareholders in Carlsberg A/S (net profit)		3,495	-5,276	-1,063
Shareholders in Carlsberg A/S, adjusted <sup>1</sup>		4,749	5,059	9,694
Shareholders in Carlsberg A/S, continuing operations, adjusted		4,005	4,116	7,785
<b>Statement of financial position</b>				
Total assets		121,006	128,265	115,341
Invested capital		61,616	60,979	60,211
Invested capital excl. goodwill		23,280	21,579	21,758
Net interest-bearing debt (NIBD)		22,364	18,090	19,326
Equity, shareholders in Carlsberg A/S		28,286	34,968	31,902
<b>Statement of cash flows</b>				
Cash flow from operating activities		6,108	8,380	12,949
Cash flow from investing activities		-2,324	-1,086	-3,065
Free cash flow		3,784	7,294	9,884
<b>Financial ratios, continuing operations</b>				
Gross margin	%	44.7	46.3	45.6
EBITDA margin	%	21.8	24.2	22.3
Operating margin	%	16.6	18.2	16.3
Effective tax rate	%	21.0	22.0	17.9
Return on invested capital (ROIC)	%	15.2	14.9	15.2
ROIC excl. goodwill	%	41.2	40.7	41.6
NIBD/EBITDA	x	1.46	1.11	1.23
<b>Stock market ratios</b>				
Earnings per share (EPS)	DKK	25.5	-37.4	-7.6
Earnings per share, adjusted (EPS-A) <sup>1</sup>	DKK	34.7	35.9	69.3
EPS-A, continuing operations	DKK	29.3	29.2	55.7
Share price (B shares)	DKK	1,090.5	904.0	923.2
Weighted average number of shares, excl. treasury shares	1,000	136,836	140,954	139,835

<sup>1</sup> Adjusted for special items after tax and special items after tax in the Russian operations held for sale.

## **EMBARKING ON SAIL'27**

2023 marks the first year of our new strategy, SAIL'27. In light of the high level of uncertainty faced by our business, the objective for the year is to address the short-term challenges while staying on course to reach the long-term SAIL'27 ambitions and sustain the strategic, organisational and financial health of the Carlsberg Group. Consequently, we continue to invest in our SAIL'27 priorities. The strategic health of the business continues to improve, as seen from the growth for our international premium brands and continued growth in key markets in Asia.

## **PORTFOLIO**

### **PREMIUM PORTFOLIO**

Our premium brand portfolio includes both international and local premium brands and accounted for around 16% of total Group volumes in 2022. The premium portfolio grew by 3%, supported by mid-single-digit percentage growth in Asia and Central & Eastern Europe, while premium volumes in Western Europe were down by 2%, particularly impacted by lower volumes in Poland. The main drivers were Carlsberg and Tuborg in markets where they are positioned as premium, as well as 1664 Blanc and Brooklyn.

Carlsberg volumes were up by 1%. Double-digit growth in Asia, with particularly strong growth in China and India, was offset by lower volumes in Western Europe. Carlsberg volumes in Central & Eastern Europe, including the export & licence markets, were flat year on year.

Tuborg volumes grew by 3%, driven by Asia, notably China and Vietnam. In Central & Eastern Europe, Tuborg grew strongly in markets such as Ukraine, Serbia and Greece, although this was offset by lower volumes in Italy, Bulgaria and the significant volume decline in Turkey in Q1 following the devastating earthquake.

1664 Blanc continued to progress well and delivered 5% volume growth. We saw strong growth in many markets, such as Norway, Finland, Ukraine, Serbia and Vietnam. After a difficult start to the year, volumes in China grew in Q2.

Brooklyn continued its strong growth with volumes up by 52%, supported by very strong growth for Brooklyn Pilsner in the UK, which is the largest market for the brand, and in markets such as Denmark, Poland, Italy and the Baltics.

### **MAINSTREAM CORE BEER**

Our mainstream local power brands enjoy strong local presence. They are an important category in our beer portfolio, accounting for around 62% of total Group volumes in 2022.

Total core beer volumes were flat, with mid-single-digit percentage growth in Asia offset by lower volumes in Western Europe and Central & Eastern Europe. The growth in Asia was driven by brands such as Chongqing and Dali in China, Beerlao in Laos and Huda in Vietnam.

### **ALCOHOL-FREE BREWS**

Alcohol-free brew volumes were up by 2% in Q2, while volume development in H1 was -1%. The development was impacted by less promotional activity for Tourtel in France, lower volumes in the Middle East and declining volumes of Baltika 0.0 in Ukraine due to the delisting of the brand in 2022 following the outbreak of the war. Excluding Baltika 0.0, alcohol-free volumes grew by 4% in Q2 and by 1% in H1. In many markets in Western Europe and Central & Eastern Europe, we continued to see solid growth for the category, including good growth for alcohol-free variants of Somersby and Carlsberg.

**BEYOND BEER**

Somersby grew in markets such as the UK, Sweden, Laos and Ukraine, while total volumes were down by 7%, impacted by volume decline in some large markets, including Poland, Canada and South Korea.

**E-COMMERCE**

Our B2B e-commerce platform, Carl's Shop, continued its positive momentum. Revenue on the platform increased by 34%, along with 8% growth in active customers and user engagement on the site.

**RAISING OUR AMBITIONS WITH TOGETHER TOWARDS ZERO AND BEYOND**

In February, we reported strong progress for our Together Towards ZERO programme, exceeding targets for carbon and water. Our new and enhanced ESG programme, Together Towards ZERO and Beyond (TTZAB), focuses on the most material topics for our business, setting ambitious targets for areas such as carbon, water, sustainable agriculture, packaging, responsible drinking, diversity and health & safety.

In Lithuania, we entered into a novel energy-as-a-service power purchase agreement (PPA), which will provide renewable energy to the brewery and cover 100% of its annual demand with carbon-free electricity.

In line with our commitment to all human rights conventions as a signatory to the UN Global Compact, we are committed to the seven UN Women's Empowerment Principles. In March, we signed the guiding principles on women's empowerment and gender equity, further cementing the Group's Diversity, Equity & Inclusion commitment.

**STRUCTURAL CHANGES**

As of 1 June, Carlsberg Marston's Brewing Company took over the Kronenbourg 1664 brand in the UK, terminating Heineken's licensee agreement.

The acquisition of Waterloo Brewing Ltd. in Canada was completed in Q1. The business has been consolidated from March.

In July, the Group received the call option valuation related to CSAPL Holdings Pte Ltd's 33% shareholding in Carlsberg South Asia Pte Ltd – the holding company for the businesses in India (100%) and Nepal (90%). The Carlsberg Group is satisfied with the valuation outcome and the call option has been exercised. The put option related to the same shareholding has been referred to arbitration. The timing of Carlsberg's acquisition of the shares in CSAPL remains uncertain.

## 2023 EARNINGS EXPECTATIONS

On 15 August, we upgraded our earnings expectations for 2023. The upgrade was due to the continued solid business performance year to date and based on our expectations for the remainder of the year:

- Organic growth in operating profit of +4% to +7%.

Based on the spot rates at 14 August, we assume a translation impact on operating profit of around DKK -900m for 2023.

Other relevant assumptions are:

- Financial expenses, excluding foreign exchange losses or gains, are expected to be around DKK 700m.
- Reported effective tax rate of around 21%.
- Capital expenditure at constant currencies of around DKK 5.0bn.

### Forward-looking statements

Forward-looking statements are subject to risks and uncertainties that could cause the Group's actual results to differ materially from those expressed in the forward-looking statements. Accordingly, forward-looking statements should not be relied on as a prediction of actual results. Please see page 15 for the full forward-looking statements disclaimer.

## GROUP FINANCIAL REVIEW

HI	2022	Organic	Change		2023	Change	
			Acq., net	FX		Reported	
<b>Volumes (million hl)</b>							
Beer	52.0	0.6%	0.2%	-	52.4	0.8%	
Other beverages	12.2	1.5%	0.1%	-	12.4	1.6%	
<b>Total volume</b>	<b>64.2</b>	<b>0.8%</b>	<b>0.2%</b>	<b>-</b>	<b>64.8</b>	<b>1.0%</b>	
<b>DKK million</b>							
Revenue	35,447	11.2%	0.5%	-5.1%	37,788	6.6%	
Operating profit	6,442	5.2%	0.0%	-7.8%	6,272	-2.6%	
Operating margin (%)	18.2				16.6	-160bp	

Beer volumes grew organically by 0.6% (Q2: -0.8%), driven by solid growth in Asia. Other beverage volumes grew organically by 1.5% (Q2: +2.3%), and total volumes by 0.8% (Q2: -0.2%). The acquisition impact related to the acquisition of Waterloo Brewing in Canada.

Revenue/hl increased by 10% (Q2: +9%), resulting in strong organic revenue growth of 11.2% (Q2: +9.0%). The revenue/hl improvement was driven by the on-trade recovery in Q1, premium growth in Asia and Central & Eastern Europe, and price increases across most markets.

Reported revenue grew by 6.6% (Q2: +4.2%). The adverse currency impact mainly related to the Chinese, Laotian, Norwegian and Ukrainian currencies.

Gross profit increased organically by 7.8%. Cost of sales/hl increased organically by 13% due to higher input and energy costs and salaries. Gross profit/hl increased organically by 7%, as the higher revenue/hl offset the higher cost of sales/hl in absolute terms, but reported gross margin declined by 160bp to 44.7%.

We maintained our focus on costs, supporting our efforts to offset inflation and increase investments in brands and activities. Operating expenses increased organically by 7.3% due to higher sales and marketing expenses, while administrative expenses were flat. Total reported operating expenses to revenue improved by 60bp to 28.9%.

Operating profit before depreciation, amortisation and impairment losses (EBITDA) grew by 2.7% organically, but declined by 4.0% in reported terms due to the adverse currency impact.

Income from associates declined, mainly due to lower property income in Carlsberg Byen compared with last year and certain one-off expenses in associates in Asia.

Operating profit grew organically by 5.2% thanks to the solid revenue/hl improvement, continued cost focus and top-line growth in Asia more than offsetting the significant cost headwind from higher input and energy costs and salaries. All three regions delivered organic operating profit growth with Asia and Central & Eastern Europe the main drivers. A significant currency impact, particularly from the Chinese, Laotian, Norwegian and Ukrainian currencies, meant the reported operating profit declined by 2.6%. The reported operating margin development mirrored the gross margin development, contracting by 160bp to 16.6%.

Reported net profit was DKK 3,495m (2022: DKK -5,276m). The reported net result in both years was impacted by write-downs in the Russian business.

Adjusted net profit for continuing operations (adjusted for special items after tax) declined by 2.7% to DKK 4,005m, as the organic operating profit growth and lower financial expenses were offset by the adverse currency impact.

Adjusted earnings per share were DKK 34.7. Adjusted earnings per share for continuing operations (excluding Russian operations held for sale) increased by 0.2% to DKK 29.3, supported by a lower number of shares.

Return on invested capital (12-month average) improved by 30bp to 15.2% as a result of the lower effective tax rate and better trade working capital offsetting the negative currency impact on operating profit. ROIC excluding goodwill was 41.2% (2022: 40.7%).

Net interest-bearing debt was DKK 22,364m (2022: DKK 18,090m), impacted by the acquisition of Waterloo Brewing in Canada, cash returns to shareholders in H1 in the form of the share buy-back programme (DKK 1,289m), and dividends to shareholders and non-controlling interests (DKK 4.6bn). For continuing operations, net interest-bearing debt/EBITDA was 1.46x (1.23x at year-end 2022).

## REGIONAL PERFORMANCE

### WESTERN EUROPE

HI	2022	Organic	Change		2023	Change Reported
			Acq., net	FX		
<b>Volumes (million hl)</b>						
Beer	15.0	-3.9%	0.0%	-	14.3	-3.9%
Other beverages	7.1	1.7%	0.0%	-	7.3	1.7%
<b>Total</b>	<b>22.1</b>	<b>-2.1%</b>	<b>0.0%</b>	<b>-</b>	<b>21.6</b>	<b>-2.1%</b>
<b>DKK million</b>						
Revenue	17,228	9.2%	0.0%	-2.5%	18,382	6.7%
Operating profit	2,585	1.4%	0.0%	-2.7%	2,550	-1.3%
Operating margin (%)	15.0				13.9	-110bp

Total volumes declined organically by 2.1% (Q2: -2.9%), with some markets impacted by the challenging consumer environment and bad weather at the beginning of Q2. We gained volume and value market share across the region. Other beverages grew by 1.7% as a result of good soft drinks performance in the Nordics.

For the half year, revenue/hl increased organically by 12% (Q2: +11%) due to a positive channel mix in Q1 from last year's on-trade restrictions, price increases and a positive country mix. Organic revenue growth was 9.2%. Organic revenue growth in Q2 was less strong at 7.6% due to the aforementioned Q1 year-on-year benefit from the on-trade restrictions in 2022. Reported revenue growth was 6.7% (Q2: +5.5%), with the adverse currency impact coming from the Swedish, Norwegian and UK currencies.

The region was able to offset the significant commodity, packaging and energy cost increases through higher revenue/hl and continued cost focus, and operating profit grew organically by 1.4%. Reported operating profit declined by 1.3% due to a negative currency impact from the Norwegian and Swedish currencies. As a consequence of the inflationary pressure, operating profit margin declined by 110bp to 13.9%.

### MARKET COMMENTS

The Nordics delivered solid volume growth of low single-digit percentages, mainly driven by good performance for the soft drinks portfolio. In Sweden, growth was driven by premium, alcohol-free brews and soft drinks. In Norway, the Somersby brand and the soft drinks portfolio did particularly well. In Finland, our premium beer volumes grew, driven by 1664 Blanc and Brooklyn, while mainstream volumes were under pressure. Soft drinks developed positively. In Denmark, we strengthened our market share, supported by solid performance for Tuborg and growth for alcohol-free brews and Beyond Beer products.

In France, consumer off-take was impacted by high inflation and bad weather. While our volumes declined by low single-digit percentages, our market share developed favourably due to good results for our local premium portfolio, Kronenbourg 1664 and Grimbergen.

In Switzerland, 1664 Blanc was relaunched with initially good results. We saw solid growth for our local premium brand Valaisanne, Grimbergen and alcohol-free brews, but total volumes declined by low single-digit percentages.

The Polish beer market declined by 7% (YTD May) as consumers were impacted by declining disposable income. In addition, the mainstream category took share from premium and flavoured

beers. Our volumes declined by high single-digit percentages, as we had to take significant price increases to offset the considerable inflation in our cost base.

In the UK, the weak consumer sentiment impacted the beer market, which was down by an estimated 6-7% (YTD May). We outperformed the market in both the on-trade and off-trade channels. Our volumes were down by low single-digit percentages, but with a solid end to the half-year due to very warm weather in June. We saw good growth for brands such as Brooklyn, Poretti and Somersby.

## ASIA

HI	2022	Organic	Change Acq., net	FX	2023	Change Reported
<b>Volumes (million hl)</b>						
Beer	23.4	5.3%	0.0%	-	24.7	5.3%
Other beverages	3.4	1.4%	0.0%	-	3.4	1.4%
<b>Total</b>	<b>26.8</b>	<b>4.8%</b>	<b>0.0%</b>	<b>-</b>	<b>28.1</b>	<b>4.8%</b>
<b>DKK million</b>						
Revenue	12,670	11.7%	0.0%	-8.7%	13,051	3.0%
Operating profit	3,257	8.1%	0.0%	-10.8%	3,168	-2.7%
Operating margin (%)	25.7				24.3	-140bp

Our Asia region continued its strong delivery with another set of good results. Total volumes grew by 4.8% (Q2: +4.7%) with particularly good performance in China, Laos, Vietnam and India.

Revenue grew organically by 11.7% (Q2: +11.1%). Revenue/hl increased organically by 7% (Q2: +6%) due to solid growth for international premium brands and price increases. Reported revenue growth was 3.0% (Q2: +0.9%), impacted by the weaker Laotian and Chinese currencies.

Operating profit increased organically by 8.1%, while adverse foreign exchange movements, mainly in China and Laos, led to a reported decline of 2.7%. Despite the strong top-line growth, the operating margin declined by 140bp to 24.3% due to a significant increase in sales and marketing investments, particularly in Vietnam.

## MARKET COMMENTS

In China, our business continued to deliver good progress. Increased domestic travel supported growth in our strongholds in the western part of the country. Early in the year, we expanded our Big Cities to 91 cities, where volume growth continued. Carlsberg, Tuborg and key local mainstream brands such as Chongqing and Dali grew. Despite increased price competition, 1664 Blanc grew in Q2, but volumes for the half year were impacted by soft volumes in the night-life channel in Q1.

Our volumes in India grew by mid-single-digit percentages in a market benefiting from a strong economy, increased tourism and warm weather. We grew less than the market due to capacity constraints. The growth was mainly driven by the Carlsberg brand.

Our volumes in Vietnam grew by low double-digit percentages. While the beer market was flat YTD June, the market weakened considerably during Q2 because of the macroeconomic slowdown. Consequently, our volume growth slowed down in Q2. Our international premium brands – 1664 Blanc, Carlsberg and Tuborg – delivered strong growth, although from a low base. Our local mainstream brand Huda also continued to grow.

In Laos, volumes grew by double-digit percentages driven by all categories: beer, soft drinks and water. We made significant price increases to offset the significant inflationary pressure. Our premium portfolio, including 1664 Blanc, Somersby and the Beerlao crafty line, did particularly well.

Beer volumes grew in Cambodia. Total volumes were impacted by weaker energy and soft drinks volumes and declined by low double-digit percentages.

Volumes in Malaysia and Singapore declined due to weakening consumer spending and tough comparables in H1 2022.

## CENTRAL & EASTERN EUROPE

HI	2022	Organic	Change Acq., net	FX	2023	Change Reported
<b>Volumes (million hl)</b>						
Beer	13.6	-2.3%	0.7%	-	13.4	-1.6%
Other beverages	1.7	1.3%	0.3%	-	1.7	1.6%
<b>Total</b>	<b>15.3</b>	<b>-1.9%</b>	<b>0.6%</b>	<b>-</b>	<b>15.1</b>	<b>-1.3%</b>
<b>DKK million</b>						
Revenue	5,542	16.3%	3.0%	-4.7%	6,349	14.6%
Operating profit	1,149	7.6%	-0.2%	-7.3%	1,150	0.1%
Operating margin (%)	20.7				18.1	-260bp

The beer markets in Central & Eastern Europe were impacted by bad weather in Q2 and high inflation, impacting consumer off-take. Consequently, our volumes declined organically by 1.9% (Q2: -3.6%). We gained market share in most markets in the region.

Revenue grew organically by 16.3% (Q2: +9.1%). The strong revenue/hl organic growth of 19% (Q2: +13%) was driven by price increases, supported by easy comparables in Ukraine, a positive product and channel mix, and a positive country mix due to lower volumes in the Turkish licence market in Q1 following the earthquake in February.

Operating profit grew organically by 7.6% due to very good cost control and the strong increase in revenue/hl, which more than offset significant inflation in the cost base. Reported operating profit growth was 0.1%, mainly because of the depreciation of the Ukrainian currency. The operating margin was 18.1%, a decline of 260bp.

## MARKET COMMENTS

In Ukraine, the health and safety of our colleagues remain our first priority. Volume growth benefited from easy comparables in Q1, while volumes in Q2 were impacted by intensified competitive activities and bad weather. Revenue/hl improved strongly, mainly due to high inflation and consequent price increases. We saw very strong growth for our international premium brands such as Tuborg, 1664 Blanc and Grimbergen, and good growth for the local power brand Lvivske.

Our markets in south-eastern Europe saw mixed results. Volumes grew in Greece and Serbia while in other markets, such as Italy, Bulgaria and Croatia, volumes were impacted by inflation affecting consumer behaviour and bad weather. Revenue/hl showed strong improvement across all markets thanks to price increases and a positive mix, supported by international premium brands, including Tuborg, Carlsberg and 1664 Blanc.

In our export & licence business, we saw good growth for the premium portfolio, particularly for 1664 Blanc and Brooklyn.

### CENTRAL COSTS (NOT ALLOCATED)

Central costs, net, were DKK 582m (2022: DKK 582m). Central costs are incurred for ongoing support of the Group's overall operations and strategic development. In particular, they cover the costs of running central functions, including marketing.

### OTHER ACTIVITIES (NON-BEVERAGE)

The operation of the Carlsberg Research Laboratory and the non-controlling holding in the Carlsberg Byen company in Copenhagen are reported separately from the beverage activities. The non-beverage activities generated DKK -14m (2022: DKK +33m). The decline compared with last year was mainly due to 2022 being positively impacted by disposals of properties in Carlsberg Byen.

## COMMENTS ON THE FINANCIAL STATEMENTS

### ACCOUNTING POLICIES

The present interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and Danish regulations governing the presentation of interim reports by listed companies.

Except for the changes described below, the consolidated financial statements have been prepared using the same accounting policies for recognition and measurement as those applied to the consolidated financial statements for 2022.

As of 1 January 2023, the following amendments came into force:

- Amendments to IAS 1 Presentation of Financial Statements; IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; IAS 12 Income Taxes; and IFRS 17 Insurance Contracts, effective for financial years beginning on or after 1 January 2023.

The above-mentioned amendments did not have any impact on the Group's accounting policies.

### INCOME STATEMENT

Please see pages 6-7 for a review of operating profit.

Net special items (pre-tax) amounted to DKK -169m (2022: DKK -865m). In particular, special items were impacted by the cost of terminating the Kronenbourg 1664 licensee agreement in the UK. A specification of special items is included in note 4.

Financial items, net, amounted to DKK -332m against DKK -508m in 2022. The decline year on year was the result of significant foreign exchange losses last year. Excluding foreign exchange gains and losses, financial items, net, amounted to DKK -311m (2022: DKK -230m). The increase was mainly driven by other financials, as net interests was DKK 4m higher than in 2022. A specification of net financial items is included in note 5.

Tax totalled DKK -1,212m against DKK -1,115m in 2022. The effective tax rate was 21.0% versus 22.0% in H1 2022.

The net result from Russian operations held for sale amounted to DKK -404m (2022: DKK -8,618m). A specification of the net result from the Russian operations is included in note 9.

Non-controlling interests were DKK 660m (2022: DKK 612m).

The Carlsberg Group's share of consolidated profit (net profit) was DKK 3,495m (2022: DKK -5,276m). Adjusted net profit for continuing operations (adjusted for special items after tax) declined

by 2.7% to DKK 4,005m, as the organic operating profit growth and lower financial expenses were offset by the adverse currency impact.

## STATEMENT OF FINANCIAL POSITION

### ASSETS

Total assets amounted to DKK 121.0bn at 30 June 2023 (31 December 2022: DKK 115.3bn).

Total non-current assets amounted to DKK 80.7bn at 30 June 2023 (31 December 2022: DKK 81.1bn). Intangible assets amounted to DKK 49.0bn (31 December 2022: DKK 49.2bn), property, plant and equipment totalled DKK 23.6bn (31 December 2022: DKK 23.7bn), and financial assets were DKK 8.1bn (31 December 2022: DKK 8.2bn).

Current assets were impacted by seasonality. Inventories and trade receivables amounted to DKK 14.6bn, an increase of DKK 3.8bn from 31 December 2022. Cash and cash equivalents amounted to DKK 11.2bn (31 December 2022: DKK 8.2bn). The increase of DKK 3.1bn was driven by the free cash flow of DKK 3.8bn and the EUR 750m term loan obtained in May, partly offset by the dividend payout to shareholders and share buy-back of DKK -5.0bn.

Assets in disposal group held for sale (DKK 10.1bn) related to the net assets in the Russian business.

### EQUITY AND LIABILITIES

Total equity amounted to DKK 30.7bn at 30 June 2023 (31 December 2022: DKK 34.7bn), DKK 28.3bn of which was attributed to shareholders in Carlsberg A/S and DKK 2.4bn to non-controlling interests.

The net change in equity of DKK -4.0bn is mainly explained by the profit for the period of DKK 4.2bn, foreign exchange adjustments of DKK -2.5bn, total dividends paid of DKK -4.6bn and share buy-back of DKK -1.3bn.

Total liabilities increased to DKK 90.3bn against DKK 80.6bn at 31 December 2022, primarily due to seasonality and higher current borrowings.

Long- and short-term borrowings amounted to DKK 34.8bn (31 December 2022: DKK 28.6bn): long-term borrowings were DKK 21.2bn (31 December 2022: DKK 22.9bn) and short-term borrowings were DKK 13.6bn (31 December 2022: DKK 5.8bn). The increase in short-term borrowings was due to the reclassification of a EUR 1bn bond, which matures in May 2024, while long-term borrowings were impacted by the issuance of a EUR 750m bond in May.

Tax liabilities, retirement benefit obligations etc. were DKK 8.4bn (31 December 2022: DKK 9.0bn). The decrease was mainly due to reclassification of a provision related to the conclusion of a competition case in Germany to other payables and lower pension liabilities.

Current liabilities excluding short-term borrowings increased to DKK 47.1bn (31 December 2022: DKK 43.0bn), impacted by normal seasonality. The most significant increase was trade payables, which rose by DKK 3.1bn compared with 31 December 2022.

Liabilities in disposal group held for sale totalled DKK 4.4bn (31 December 2022: DKK 4.1bn) and related to the Russian business.

### CASH FLOW

Free cash flow amounted to DKK 3,784m versus DKK 7,294m in 2022. The development was mainly due to the impact of adverse foreign exchange movements on EBITDA, a small negative

contribution from the change in total working capital compared with a positive contribution in 2022 and the acquisition of Waterloo Brewing in Canada.

Net cash flow amounted to DKK 3,484m (2022: DKK 5,046m). The change compared with 2022 was due to the lower free cash flow and higher dividend payment, partly offset by the issuance of a EUR 750m bond in May and a more limited share buy-back compared with 2022.

### **CASH FLOW FROM OPERATING ACTIVITIES**

Cash flow from operating activities amounted to DKK 6,108m against DKK 8,380m in 2022.

EBITDA was DKK 8,229m (2022: DKK 8,570m). The decline was due to adverse foreign exchange movements, with organic EBITDA up by 2.7%.

The change in total working capital was DKK -105m (2022: DKK 2,085m). Average trade working capital to revenue (MAT) remained strong at -21.0%. The change in trade working capital at 30 June 2023 was DKK 685m (2022: DKK 2,707m). The change in other working capital was DKK -790m (2022: DKK -622m), impacted by other payables related to pensions and VAT.

Restructuring costs and other special items amounted to DKK -294m (2022: DKK -97m), impacted by the cost of terminating the Kronenbourg 1664 licensee agreement in the UK. Net interest etc. paid amounted to DKK -349m (2022: DKK -666m). The decline was due to the settlement of financial instruments in 2022. Corporation tax paid was DKK -1,130m (2022: DKK -1,080m).

### **CASH FLOW FROM INVESTING ACTIVITIES**

Cash flow from investing activities was DKK -2,324m against DKK -1,086m in 2022.

Operational investments totalled DKK -1,762m (2022: DKK -1,380m). Acquisition of property, plant and equipment and intangible assets amounted to DKK -1,792m (2022: DKK -1,606m) and included investments in a new brewery in China.

Total financial investments amounted to DKK -562m (2022: DKK +294m). The change versus 2022 was mainly due to the acquisition of Waterloo Brewing in Canada.

### **FINANCING**

At 30 June 2023, gross financial debt amounted to DKK 34.8bn and net interest-bearing debt to DKK 22.4bn. The difference of DKK 12.4bn mainly comprised cash and cash equivalents of DKK 11.2bn.

Net interest-bearing debt/EBITDA was 1.46x (1.23x at year-end 2022).

Of the gross financial debt, 61% (DKK 21.2bn) was long term, i.e. with maturity of more than one year from 30 June 2023. At the end of June 2023, the duration was 3.8 years.

### **SUBSEQUENT EVENTS**

On 23 June, Carlsberg announced the conditional sale of Baltika Breweries in Russia.

On 16 July, the Russian government issued a presidential decree, temporarily transferring the management of our Russian business – Baltika Breweries – to the Russian Federal Agency for State Property Management. According to the presidential decree, Carlsberg retains title to the shares in Baltika Breweries, but otherwise no longer has any control over, or influence on, the management of the business. It is unclear what direct and indirect implications the transfer will have on the sales process.

The Carlsberg Group has been operating in accordance with local rules and regulations in Russia and has protested to the Russian government against this highly unexpected and unwarranted intervention. We will continue to investigate the situation and assess all options, including legal steps, and take action to protect our assets and the value of the business.

As a result of the presidential decree, Baltika Breweries will be deconsolidated from July. This will result in non-cash reclassification adjustments to the income statement of accumulated currency translation losses of DKK 41.9bn and hedge losses of DKK 0.5bn in H2 2023. There will be no impact on the Group's total equity. Further information can be found on pages 32-33 in this announcement.

### **CHANGES TO THE EXECUTIVE COMMITTEE**

CEO Cees 't Hart will retire from Carlsberg on 31 August. He is succeeded by Jacob Aarup-Andersen, who will join Carlsberg on 1 September.

### **SHARE BUY-BACK**

On 27 April, the Group launched the first quarterly share buy-back programme of 2023. This was concluded on 4 August, when the Company had bought a total of 925,940 shares at a total value of DKK 1bn.

Based on its continued strong financial position, the Group will today initiate a new quarterly buy-back programme, with the intention of buying back Carlsberg B shares amounting to DKK 1bn up until 20 October.

The share buy-back programme will be executed in accordance with Article 5 of Regulation No 596/2014 of the European Parliament and Council of 16 April 2014 (MAR) and the Commission Delegated Regulation (EU) 2016/1052, also referred to as the Safe Harbour Regulation. Carlsberg is entitled to suspend or terminate the programme at any time. Any such decision will be disclosed to the public in a Company announcement.

The purpose of the programme is primarily to reduce the Company's share capital and, in addition, meet obligations relating to the Group's share-based incentive programmes. At the Annual General Meeting in 2024, the Supervisory Board intends to propose that shares not used for hedging of the incentive programmes be cancelled.

The maximum number of shares that may be repurchased on a single business day is 25% of the average daily trading volume of Carlsberg B shares over the 20 trading days prior to the date of purchase at the trading venue on which the purchase is carried out. A maximum of 12 million Carlsberg B shares can be bought during the trading period. The Group will disclose the transactions under the share buy-back programme at least once every seven trading days.

The Carlsberg Foundation will continue to participate on a 30.33% pro rata basis regarding the shares purchased in the share buy-back programme as separate transactions outside Safe Harbour. The Foundation will transfer shares on a weekly basis at a price equal to the volume-weighted average weekly share price of B shares repurchased by Carlsberg under the share buy-back programme. The price shall not deviate by more than 10% from the price quoted on Nasdaq Copenhagen at the time of purchase.

The Carlsberg Group has appointed Nordea Danmark, filial af Nordea Bank Abp, Finland ("Nordea"), as lead manager to execute the programme independently and without influence from

Carlsberg, as required by the Safe Harbour Regulation. Under the agreement, Nordea will repurchase B shares during the trading period, which runs from 16 August to 20 October 2023.

## **FINANCIAL CALENDAR**

The financial year follows the calendar year, and the following schedule has been set for the remainder of 2023:

27 October      Q3 trading statement

## **FORWARD-LOOKING STATEMENTS**

This Company announcement contains forward-looking statements, including, but not limited to, guidance, expectations, strategies, objectives and statements regarding future events or prospects with respect to the Group's future financial and 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 words such as "expect", "estimate", "intend", "will be", "will continue", "will result", "could", "may", "might" or any variations of such words or other words with similar meanings. Forward-looking 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.

Some important risk factors that could cause the Group's actual results to differ materially from those expressed in its forward-looking statements include, but are not limited to: economic and political uncertainty (including interest rates and exchange rates), financial and regulatory developments, demand for the Group's products, increasing industry consolidation, competition from other breweries, the availability and pricing of materials used by the Group, cost of energy, production- and distribution-related issues, IT failures, market-driven price reductions, litigation, environmental issues and other unforeseen factors. The nature of the Group's business means that risk factors and uncertainties may arise, and it may not be possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on the Group's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.

## MANAGEMENT STATEMENT

The Supervisory Board and Executive Board have discussed and approved the interim report of the Carlsberg Group for the period 1 January – 30 June 2023.

The interim report, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and additional Danish interim reporting requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the Carlsberg Group's assets, liabilities and financial position at 30 June 2023, and the results of the Carlsberg Group's operations and cash flow for the period 1 January – 30 June 2023. Further, in our opinion the Management's review (pages 1-15) includes a fair review of the development in the Carlsberg Group's operations and financial matters, the result for the period, and the financial position as a whole, as well as describing the most significant risks and uncertainties affecting the Group.

Besides what has been disclosed in the interim report, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the consolidated financial statements for 2022.

**Copenhagen, 16 August 2023**

### Executive Board of Carlsberg A/S

Cees 't Hart  
CEO

Ulrica Fearn  
CFO

### Supervisory Board of Carlsberg A/S

Henrik Poulsen  
Chair

Majken Schultz  
Deputy Chair

Mikael Aro

Magdi Batato

Lilian Fossum Biner

Richard Burrows

Eva Vilstrup Decker

Punita Lal

Erik Lund

Ivan Nielsen

Olayide Oladokun

Søren-Peter Fuchs Olesen

Tenna Skov Thorsted

## FINANCIAL STATEMENTS

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## INCOME STATEMENT

DKK million	HI 2023	HI 2022	2022
Revenue	37,788	35,447	70,265
Cost of sales	-20,906	-19,046	-38,198
<b>Gross profit</b>	<b>16,882</b>	<b>16,401</b>	<b>32,067</b>
Sales and distribution expenses	-8,896	-8,419	-17,337
Administrative expenses	-2,037	-2,055	-4,229
Other operating activities, net	37	38	68
Share of profit after tax of associates	286	477	901
<b>Operating profit before special items</b>	<b>6,272</b>	<b>6,442</b>	<b>11,470</b>
Special items, net	-169	-865	-784
Financial income	149	118	347
Financial expenses	-481	-626	-1,072
<b>Profit before tax</b>	<b>5,771</b>	<b>5,069</b>	<b>9,961</b>
Income tax	-1,212	-1,115	-1,778
<b>Profit from continuing operations</b>	<b>4,559</b>	<b>3,954</b>	<b>8,183</b>
Net result from Russian operations held for sale	-404	-8,618	-8,075
<b>Profit for the period</b>	<b>4,155</b>	<b>-4,664</b>	<b>108</b>
<b>Attributable to</b>			
Non-controlling interests	660	612	1,171
Shareholders in Carlsberg A/S (net profit)	3,495	-5,276	-1,063
<b>DKK</b>			
<b>Earnings per share of DKK 20 (EPS)</b>	<b>25.5</b>	<b>-37.4</b>	<b>-7.6</b>
Continuing operations	28.5	23.7	50.1
Russian operations held for sale	-3.0	-61.1	-57.7
<b>Diluted earnings per share of DKK 20 (EPS-D)</b>	<b>25.5</b>	<b>-37.4</b>	<b>-7.6</b>
Continuing operations	28.4	23.7	50.0
Russian operations held for sale	-2.9	-61.1	-57.6

## STATEMENT OF COMPREHENSIVE INCOME

DKK million	HI 2023	HI 2022	2022
<b>Profit for the period</b>	<b>4,155</b>	<b>-4,664</b>	<b>108</b>
<b>Other comprehensive income</b>			
Retirement benefit obligations	-47	191	586
Share of other comprehensive income in associates	-	2	-
Income tax	-	-2	-73
<b>Items that will not be reclassified to the income statement</b>	<b>-47</b>	<b>191</b>	<b>513</b>
Foreign exchange adjustments of foreign entities	-2,516	627	-3,926
Fair value adjustments of hedging instruments	142	-1,314	-759
Income tax	-12	138	100
<b>Items that will be reclassified to the income statement</b>	<b>-2,386</b>	<b>-549</b>	<b>-4,585</b>
<b>Other comprehensive income</b>	<b>-2,433</b>	<b>-358</b>	<b>-4,072</b>
<b>Total comprehensive income</b>	<b>1,722</b>	<b>-5,022</b>	<b>-3,964</b>
<b>Attributable to</b>			
Non-controlling interests	500	218	603
Shareholders in Carlsberg A/S	1,222	-5,240	-4,567
<b>Total comprehensive income for the period arises from</b>			
Continuing operations	3,543	4,035	6,944
Russian operations held for sale	-1,821	-9,057	-10,908
<b>Total comprehensive income</b>	<b>1,722</b>	<b>-5,022</b>	<b>-3,964</b>

## STATEMENT OF FINANCIAL POSITION

DKK million	30 June 2023	30 June 2022	31 Dec. 2022
<b>ASSETS</b>			
Intangible assets	49,029	50,248	49,223
Property, plant and equipment	23,591	23,669	23,679
Financial assets	8,097	7,859	8,190
<b>Total non-current assets</b>	<b>80,717</b>	<b>81,776</b>	<b>81,092</b>
Inventories	6,700	5,674	5,718
Trade receivables	7,923	7,382	5,067
Other receivables	4,344	3,623	3,683
Cash and cash equivalents	11,237	13,287	8,163
<b>Current assets</b>	<b>30,204</b>	<b>29,966</b>	<b>22,631</b>
Assets in disposal group held for sale	10,085	16,523	11,618
<b>Total current assets</b>	<b>40,289</b>	<b>46,489</b>	<b>34,249</b>
<b>Total assets</b>	<b>121,006</b>	<b>128,265</b>	<b>115,341</b>
<b>EQUITY AND LIABILITIES</b>			
Equity, shareholders in Carlsberg A/S	28,286	34,968	31,902
Non-controlling interests	2,429	2,737	2,820
<b>Total equity</b>	<b>30,715</b>	<b>37,705</b>	<b>34,722</b>
Borrowings	21,175	22,705	22,865
Tax liabilities, provisions, retirement benefit obligations etc	8,395	9,699	9,007
<b>Total non-current liabilities</b>	<b>29,570</b>	<b>32,404</b>	<b>31,872</b>
Borrowings	13,620	10,019	5,781
Trade payables	25,054	24,373	21,917
Deposits on returnable packaging materials	1,905	1,839	1,627
Other liabilities	15,754	15,022	15,322
<b>Current liabilities</b>	<b>56,333</b>	<b>51,253</b>	<b>44,647</b>
Liabilities in disposal group held for sale	4,388	6,903	4,100
<b>Total current liabilities</b>	<b>60,721</b>	<b>58,156</b>	<b>48,747</b>
<b>Total liabilities</b>	<b>90,291</b>	<b>90,560</b>	<b>80,619</b>
<b>Total equity and liabilities</b>	<b>121,006</b>	<b>128,265</b>	<b>115,341</b>

The Russian operations are presented as assets/liabilities in disposal group held for sale. For more information, see note 9.

## STATEMENT OF CHANGES IN EQUITY

DKK million

2023	Shareholders in Carlsberg A/S						Non-controlling interests	Total equity
	Share capital	Currency translation <sup>1</sup>	Hedging reserves <sup>1</sup>	Total reserves	Retained earnings	Total		
<b>Equity at 1 January</b>	<b>2,837</b>	<b>-40,889</b>	<b>-822</b>	<b>-41,711</b>	<b>70,776</b>	<b>31,902</b>	<b>2,820</b>	<b>34,722</b>
<b>Profit for the period</b>	-	-	-	-	<b>3,495</b>	<b>3,495</b>	<b>660</b>	<b>4,155</b>
<b>Other comprehensive income</b>	-	<b>-2,263</b>	<b>35</b>	<b>-2,228</b>	<b>-45</b>	<b>-2,273</b>	<b>-160</b>	<b>-2,433</b>
<b>Total comprehensive income for the period</b>	-	<b>-2,263</b>	<b>35</b>	<b>-2,228</b>	<b>3,450</b>	<b>1,222</b>	<b>500</b>	<b>1,722</b>
Cancellation of treasury shares	-90	-	-	-	90	-	-	-
Share-based payments	-	-	-	-	58	58	-	58
Dividends paid to shareholders	-	-	-	-	-3,695	-3,695	-891	-4,586
Share buy-back	-	-	-	-	-1,289	-1,289	-	-1,289
Non-controlling interests	-	-	-	-	88	88	-	88
<b>Total changes in equity</b>	<b>-90</b>	<b>-2,263</b>	<b>35</b>	<b>-2,228</b>	<b>-1,298</b>	<b>-3,616</b>	<b>-391</b>	<b>-4,007</b>
<b>Equity at 30 June</b>	<b>2,747</b>	<b>-43,152</b>	<b>-787</b>	<b>-43,939</b>	<b>69,478</b>	<b>28,286</b>	<b>2,429</b>	<b>30,715</b>

<sup>1</sup> The currency translation and hedging reserves within equity related to Russian operations held for sale represent losses of DKK 41.9bn and DKK 0.5bn respectively (30 June 2022: losses of DKK 36.3bn and DKK 0.4bn). Upon completion of the disposal, the accumulated currency translation and hedging reserves within equity related to the Russian operations will be reclassified from equity to the income statement and included in the net result from the Russian operations held for sale.

DKK million

2022	Shareholders in Carlsberg A/S						Non-controlling interests	Total equity
	Share capital	Currency translation <sup>1</sup>	Hedging reserves <sup>1</sup>	Total reserves	Retained earnings	Total		
<b>Equity at 1 January</b>	<b>2,905</b>	<b>-37,198</b>	<b>-493</b>	<b>-37,691</b>	<b>80,283</b>	<b>45,497</b>	<b>3,259</b>	<b>48,756</b>
<b>Profit for the period</b>	-	-	-	-	<b>-5,276</b>	<b>-5,276</b>	<b>612</b>	<b>-4,664</b>
<b>Other comprehensive income</b>	-	<b>639</b>	<b>-794</b>	<b>-155</b>	<b>191</b>	<b>36</b>	<b>-394</b>	<b>-358</b>
<b>Total comprehensive income for the period</b>	-	<b>639</b>	<b>-794</b>	<b>-155</b>	<b>-5,085</b>	<b>-5,240</b>	<b>218</b>	<b>-5,022</b>
Cancellation of treasury shares	-68	-	-	-	68	-	-	-
Share-based payments	-	-	-	-	67	67	-	67
Dividends paid to shareholders	-	-	-	-	-3,389	-3,389	-740	-4,129
Share buy-back	-	-	-	-	-1,967	-1,967	-	-1,967
<b>Total changes in equity</b>	<b>-68</b>	<b>639</b>	<b>-794</b>	<b>-155</b>	<b>-10,306</b>	<b>-10,529</b>	<b>-522</b>	<b>-11,051</b>
<b>Equity at 30 June</b>	<b>2,837</b>	<b>-36,559</b>	<b>-1,287</b>	<b>-37,846</b>	<b>69,977</b>	<b>34,968</b>	<b>2,737</b>	<b>37,705</b>

## STATEMENT OF CASH FLOWS

DKK million	HI 2023	HI 2022	2022
Operating profit before special items	6,272	6,442	11,470
Depreciation, amortisation and impairment losses	1,957	2,128	4,187
<b>Operating profit before depreciation, amortisation and impairment losses</b>	<b>8,229</b>	<b>8,570</b>	<b>15,657</b>
Other non-cash items	-243	-432	-867
Change in trade working capital	685	2,707	1,908
Change in other working capital	-790	-622	-465
Restructuring costs and other special items paid	-294	-97	-171
Interest etc. received	130	32	213
Interest etc. paid	-479	-698	-1,223
Income tax paid	-1,130	-1,080	-2,103
<b>Cash flow from operating activities</b>	<b>6,108</b>	<b>8,380</b>	<b>12,949</b>
Acquisition of property, plant and equipment and intangible assets	-1,792	-1,606	-4,018
Disposal of property, plant and equipment and intangible assets	50	151	412
Change in on-trade loans	-20	75	129
<b>Total operational investments</b>	<b>-1,762</b>	<b>-1,380</b>	<b>-3,477</b>
<b>Free operating cash flow</b>	<b>4,346</b>	<b>7,000</b>	<b>9,472</b>
Acquisition and disposal of subsidiaries, net <sup>1</sup>	-802	-	-
Acquisition and disposal of associates, net	-	-31	-48
Acquisition and disposal of financial investments, net	-1	-	-20
Change in financial receivables	-14	53	196
Dividends received	255	272	282
<b>Total financial investments</b>	<b>-562</b>	<b>294</b>	<b>410</b>
Other investments in real estate	-	-	2
<b>Total other activities</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Cash flow from investing activities</b>	<b>-2,324</b>	<b>-1,086</b>	<b>-3,065</b>
<b>Free cash flow</b>	<b>3,784</b>	<b>7,294</b>	<b>9,884</b>
Shareholders in Carlsberg A/S	-3,695	-3,389	-3,389
Share buy-back	-1,289	-1,967	-4,400
Non-controlling interests	-891	-740	-1,042
External financing	5,575	3,848	-1,128
<b>Cash flow from financing activities</b>	<b>-300</b>	<b>-2,248</b>	<b>-9,959</b>
<b>Net cash flow from continuing operations</b>	<b>3,484</b>	<b>5,046</b>	<b>-75</b>
Net cash flow from Russian operations held for sale <sup>2</sup>	2,026	515	1,771
<b>Net cash flow</b>	<b>5,510</b>	<b>5,561</b>	<b>1,696</b>
Cash and cash equivalents at 1 January	8,163	8,344	8,344
Foreign exchange adjustment of cash and cash equivalents	179	391	-683
Cash and cash equivalents included in disposal group held for sale <sup>2</sup>	-2,627	-1,009	-1,194
<b>Cash and cash equivalents at period-end<sup>3</sup></b>	<b>11,225</b>	<b>13,287</b>	<b>8,163</b>

<sup>1</sup> See note 8.

<sup>2</sup> See note 9.

<sup>3</sup> Cash and cash equivalents less bank overdrafts.

## NOTE 1 (PAGE 1 OF 2)

### SEGMENT REPORTING BY REGION

	Q2 2023	Q2 2022	HI 2023	HI 2022	2022
<b>Beer (million hl)</b>					
Western Europe	8.4	8.9	14.3	15.0	29.9
Asia	12.8	12.2	24.7	23.4	42.0
Central & Eastern Europe	8.1	8.4	13.4	13.6	29.1
<b>Total</b>	<b>29.3</b>	<b>29.5</b>	<b>52.4</b>	<b>52.0</b>	<b>101.0</b>
<b>Other beverages (million hl)</b>					
Western Europe	4.1	4.1	7.3	7.1	14.5
Asia	1.8	1.7	3.4	3.4	6.3
Central & Eastern Europe	1.0	1.0	1.7	1.7	3.6
<b>Total</b>	<b>6.9</b>	<b>6.8</b>	<b>12.4</b>	<b>12.2</b>	<b>24.4</b>
<b>Revenue (DKK million)</b>					
Western Europe	10,831	10,269	18,382	17,228	34,888
Asia	6,704	6,647	13,051	12,670	23,682
Central & Eastern Europe	3,847	3,591	6,349	5,542	11,679
Not allocated	1	4	6	7	16
<b>Beverages, total</b>	<b>21,383</b>	<b>20,511</b>	<b>37,788</b>	<b>35,447</b>	<b>70,265</b>
Non-beverage	-	-	-	-	-
<b>Total</b>	<b>21,383</b>	<b>20,511</b>	<b>37,788</b>	<b>35,447</b>	<b>70,265</b>
<b>Operating profit before depreciation, amortisation and special items (EBITDA, DKK million)</b>					
Western Europe			3,425	3,447	6,801
Asia			3,844	4,172	7,020
Central & Eastern Europe			1,467	1,449	2,884
Not allocated			-491	-536	-1,221
<b>Beverages, total</b>			<b>8,245</b>	<b>8,532</b>	<b>15,484</b>
Non-beverage			-16	38	173
<b>Total</b>			<b>8,229</b>	<b>8,570</b>	<b>15,657</b>
<b>Operating profit before special items (DKK million)</b>					
Western Europe			2,550	2,585	4,966
Asia			3,168	3,257	5,435
Central & Eastern Europe			1,150	1,149	2,282
Not allocated			-582	-582	-1,370
<b>Beverages, total</b>			<b>6,286</b>	<b>6,409</b>	<b>11,313</b>
Non-beverage			-14	33	157
<b>Total</b>			<b>6,272</b>	<b>6,442</b>	<b>11,470</b>
<b>Operating margin (%)</b>					
Western Europe			13.9	15.0	14.2
Asia			24.3	25.7	22.9
Central & Eastern Europe			18.1	20.7	19.5
Not allocated			-	-	-
<b>Beverages, total</b>			<b>16.6</b>	<b>18.1</b>	<b>16.1</b>
Non-beverage			-	-	-
<b>Total</b>			<b>16.6</b>	<b>18.2</b>	<b>16.3</b>

## NOTE 1 (PAGE 2 OF 2)

### SEGMENT REPORTING BY REGION

DKK million	30 June 2023	30 June 2022	2022
<b>Invested capital, period-end</b>			
Western Europe	34,626	34,562	34,098
Asia	17,690	19,412	18,910
Central & Eastern Europe	8,321	7,019	6,625
Not allocated	50	-1,035	-474
<b>Beverages, total</b>	<b>60,687</b>	<b>59,958</b>	<b>59,159</b>
Non-beverage	929	1,021	1,052
<b>Total</b>	<b>61,616</b>	<b>60,979</b>	<b>60,211</b>
<b>Invested capital excl. goodwill, period-end</b>			
Western Europe	14,258	14,277	13,857
Asia	3,263	3,245	3,652
Central & Eastern Europe	4,780	4,071	3,671
Not allocated	50	-1,035	-474
<b>Beverages, total</b>	<b>22,351</b>	<b>20,558</b>	<b>20,706</b>
Non-beverage	929	1,021	1,052
<b>Total</b>	<b>23,280</b>	<b>21,579</b>	<b>21,758</b>
<b>Return on invested capital, ROIC (%), 12-month average</b>			
Western Europe	11.1	11.4	11.1
Asia	21.7	21.6	20.9
Central & Eastern Europe	25.9	26.7	27.7
Not allocated	-	-	-
<b>Beverages, total</b>	<b>14.9</b>	<b>15.2</b>	<b>15.2</b>
Non-beverage	-	-	-
<b>Total</b>	<b>15.2</b>	<b>14.9</b>	<b>15.2</b>
<b>Return on invested capital excl. goodwill (%), 12-month average</b>			
Western Europe	26.6	26.0	26.2
Asia	116.0	130.4	112.4
Central & Eastern Europe	45.5	51.2	49.7
Not allocated	-	-	-
<b>Beverages, total</b>	<b>41.8</b>	<b>42.5</b>	<b>43.0</b>
Non-beverage	-	-	-
<b>Total</b>	<b>41.2</b>	<b>40.7</b>	<b>41.6</b>

## NOTE 2

### SEGMENT REPORTING BY ACTIVITY

DKK million	HI 2023			HI 2022		
	Beverages	Non-beverages	Total	Beverages	Non-beverages	Total
<b>Revenue</b>	<b>37,788</b>	<b>-</b>	<b>37,788</b>	<b>35,447</b>	<b>-</b>	<b>35,447</b>
Operating profit before special items	6,286	-14	6,272	6,409	33	6,442
Special items, net	-154	-15	-169	-875	10	-865
Financial items, net	-326	-6	-332	-509	1	-508
<b>Profit before tax</b>	<b>5,806</b>	<b>-35</b>	<b>5,771</b>	<b>5,025</b>	<b>44</b>	<b>5,069</b>
Income tax	-1,217	5	-1,212	-1,104	-11	-1,115
<b>Profit from continuing operations</b>	<b>4,589</b>	<b>-30</b>	<b>4,559</b>	<b>3,921</b>	<b>33</b>	<b>3,954</b>
Net result from Russian operations held for sale	-404	-	-404	-8,618	-	-8,618
<b>Profit for the period</b>	<b>4,185</b>	<b>-30</b>	<b>4,155</b>	<b>-4,697</b>	<b>33</b>	<b>-4,664</b>
<b>Attributable to:</b>						
Non-controlling interests	660	-	660	612	-	612
Shareholders in Carlsberg A/S (net profit)	3,525	-30	3,495	-5,309	33	-5,276

## NOTE 3

### SEGMENT REPORTING BY HALF-YEAR

DKK million	HI 2023	HI 2022	2022
<b>Revenue</b>			
Western Europe	18,382	17,228	34,888
Asia	13,051	12,670	23,682
Central & Eastern Europe	6,349	5,542	11,679
Not allocated	6	7	16
<b>Beverages, total</b>	<b>37,788</b>	<b>35,447</b>	<b>70,265</b>
Non-beverages	-	-	-
<b>Total</b>	<b>37,788</b>	<b>35,447</b>	<b>70,265</b>
<b>Operating profit before special items</b>			
Western Europe	2,550	2,585	4,966
Asia	3,168	3,257	5,435
Central & Eastern Europe	1,150	1,149	2,282
Not allocated	-582	-582	-1,370
<b>Beverages, total</b>	<b>6,286</b>	<b>6,409</b>	<b>11,313</b>
Non-beverages	-14	33	157
<b>Total</b>	<b>6,272</b>	<b>6,442</b>	<b>11,470</b>
Special items, net	-169	-865	-784
Financial items, net	-332	-508	-725
<b>Profit before tax</b>	<b>5,771</b>	<b>5,069</b>	<b>9,961</b>
Income tax	-1,212	-1,115	-1,778
<b>Profit from continuing operations</b>	<b>4,559</b>	<b>3,954</b>	<b>8,183</b>
Net result from Russian operations held for sale	-404	-8,618	-8,075
<b>Profit for the period</b>	<b>4,155</b>	<b>-4,664</b>	<b>108</b>
<b>Attributable to:</b>			
Non-controlling interests	660	612	1,171
Shareholders in Carlsberg A/S (net profit)	3,495	-5,276	-1,063

## NOTE 4

### Special items

DKK million	H1 2023	H1 2022	2022
<b>Special items, income</b>			
Reversal of provisions made in purchase price allocations in prior years	-	-	217
Reversal of provisions made in prior years	100	17	37
Reversal of impairment losses	-	10	10
Gain on disposal of entities	11	-	-
<b>Income</b>	<b>111</b>	<b>27</b>	<b>264</b>
<b>Special items, expenses</b>			
Goodwill impairment	-	-700	-700
Impairment of trade receivables, inventories and commercial assets in Ukraine	-	-139	-79
Cost related to the war in Ukraine	-7	-	-
Impairment of property, plant and equipment	-	-	-74
Cost of termination of the Kronenbourg 1664 licensee agreement in the UK	-196	-	-
Restructuring projects and provisions	-43	-13	-76
Costs related to acquisition of entities etc.	-	-	-92
Donations	-	-31	-27
Miscellaneous, net	-34	-9	-
<b>Expenses</b>	<b>-280</b>	<b>-892</b>	<b>-1,048</b>
<b>Special items, net</b>	<b>-169</b>	<b>-865</b>	<b>-784</b>

## NOTE 5

### NET FINANCIAL EXPENSES

DKK million	HI 2023	HI 2022	2022
<b>Financial income</b>			
Interest income	146	83	220
Interest on plan assets, defined benefit plans	-	-	120
Reversal of impairments of financial assets	-	12	-
Other	3	23	7
<b>Total</b>	<b>149</b>	<b>118</b>	<b>347</b>
<b>Financial expenses</b>			
Interest expenses	-315	-248	-519
Capitalised financial expenses	3	-	2
Foreign exchange losses, net	-21	-278	-219
Interest expenses on obligations, defined benefit plans	-25	-19	-158
Interest expenses, lease liabilities	-13	-6	-23
Other	-110	-75	-155
<b>Total</b>	<b>-481</b>	<b>-626</b>	<b>-1,072</b>
<b>Financial items, net, recognised in the income statement</b>	<b>-332</b>	<b>-508</b>	<b>-725</b>
<b>Financial items excluding foreign exchange, net</b>	<b>-311</b>	<b>-230</b>	<b>-506</b>

## NOTE 6

### DEBT AND CREDIT FACILITIES

DKK million

Time to maturity for non-current borrowings,  
30 June 2023

	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Issued bonds	-	3,713	9,280	-	6,659	19,652
Bank borrowings	74	42	26	12	-	154
Lease liabilities	348	99	89	78	633	1,247
Other non-current borrowings	104	-	1	2	15	122
<b>Total</b>	<b>526</b>	<b>3,854</b>	<b>9,396</b>	<b>92</b>	<b>7,307</b>	<b>21,175</b>
<b>Financial liabilities, 30 June 2022</b>	<b>11,551</b>	<b>199</b>	<b>83</b>	<b>65</b>	<b>10,807</b>	<b>22,705</b>

DKK million

Currency split of net financial debt<sup>1</sup>

	30 June 2023	30 June 2022
EUR	18,897	19,261
USD	2,857	2,870
CHF	2,029	1,371
Other currencies	-225	-4,048
<b>Total</b>	<b>23,558</b>	<b>19,454</b>

<sup>1</sup>After currency swap.

DKK million

Committed credit facilities

	30 June 2023	30 June 2022
< 1 year	14,769	11,164
1-2 years	531	11,572
2-3 years	18,749	199
3-4 years	9,396	14,964
4-5 years	92	65
> 5 years	7,307	10,807
<b>Total</b>	<b>50,844</b>	<b>48,771</b>
Current	14,769	11,164
Non-current	36,075	37,607

## NOTE 7

### NET INTEREST-BEARING DEBT

DKK million	HI 2023	HI 2022	2022
Issued bonds	19,652	21,473	21,470
Bank borrowings	154	46	70
Lease liabilities	1,247	954	1,203
Other non-current borrowings	122	232	122
<b>Total non-current borrowings</b>	<b>21,175</b>	<b>22,705</b>	<b>22,865</b>
Issued bonds	11,159	5,577	3,714
Bank borrowings	335	3,975	271
Lease liabilities	392	359	390
Other current borrowings	1,734	108	1,406
<b>Total current borrowings</b>	<b>13,620</b>	<b>10,019</b>	<b>5,781</b>
<b>Gross financial debt</b>	<b>34,795</b>	<b>32,724</b>	<b>28,646</b>
Cash and cash equivalents	-11,237	-13,287	-8,163
<b>Net financial debt</b>	<b>23,558</b>	<b>19,437</b>	<b>20,483</b>
Loans to associates, interest-bearing portion	-281	-276	-275
On-trade loans, net	-473	-505	-492
Other receivables, net	-440	-566	-390
<b>Other interest-bearing assets, net</b>	<b>-1,194</b>	<b>-1,347</b>	<b>-1,157</b>
<b>Net interest-bearing debt</b>	<b>22,364</b>	<b>18,090</b>	<b>19,326</b>

#### Changes in net interest-bearing debt

	HI 2023	HI 2022	2022
<b>Net interest-bearing debt at beginning of period</b>	<b>19,326</b>	<b>19,162</b>	<b>19,162</b>
Net interest-bearing debt reclassified to disposal group held for sale	-	29	29
Cash flow from operating activities	-6,108	-8,380	-12,949
Cash flow from investing activities, excl. acquisition of entities, net	1,521	1,055	2,997
Cash flow from acquisition of entities etc., net	803	31	68
Dividends to shareholders and non-controlling interests	4,586	4,129	4,431
Share buy-back	1,289	1,967	4,400
Acquired net interest-bearing debt	366	-	-
Change in interest-bearing lending	99	66	63
Effect of currency translation	461	95	431
Lease liabilities, net	-90	123	629
Other	111	-187	65
<b>Total change</b>	<b>3,038</b>	<b>-1,072</b>	<b>164</b>
<b>Net interest-bearing debt, end of period</b>	<b>22,364</b>	<b>18,090</b>	<b>19,326</b>

## NOTE 8

### ACQUISITIONS AND DISPOSALS

On 7 March 2023, the Group completed the acquisition of Waterloo Brewing, Canada, which was fully consolidated as of the acquisition date. The acquisition is not material to the Group's financial statements.

The purpose of the acquisition was to strengthen the Group's market position in Canada with local production for the existing Carlsberg business in Canada and Waterloo Brewing's brands, and to deliver supply chain and other synergies.

The purchase price allocation of the fair value of the identified assets, liabilities and contingent liabilities is ongoing. Adjustments are therefore expected to be made to several items in the opening balance, including brands and property, plant and equipment. The accounting treatment of the acquisition will be completed within the 12-month period required by IFRS.

DKK million	Waterloo Brewing
Consideration paid	734
<b>Total cost of acquisition</b>	<b>734</b>
<b>Acquired assets and liabilities</b>	
Intangible assets	659
Property, plant and equipment	234
Right-of-use assets	155
Inventories	99
Trade and other receivables	99
Borrowings and lease liabilities	-366
Provisions	-6
Deferred tax liabilities	-26
Trade payables	-83
Other payables	-31
<b>Acquired assets and liabilities attributable to shareholders in Carlsberg A/S</b>	<b>734</b>
<b>Elements of cash consideration paid and received</b>	
Bank overdrafts acquired	-72
Consideration paid	-734
<b>Cash flow from acquisition</b>	<b>-806</b>
Consideration received for disposal of a minor dormant entity	4
<b>Acquisition and disposal of subsidiaries, net</b>	<b>-802</b>

## NOTE 9

### DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE

Reported revenue in Russia amounted to DKK 4,305m (2022: DKK 4,340m). The net result was DKK -404m (2022: DKK -8,618m), impacted by the write-down of net assets to fair value of DKK -1,169m (2022: DKK -9,562m).

The fair value of disposal group held for sale was reassessed at 30 June 2023 and amounted to DKK 5,697m (31 December 2022: DKK 7,518m).

#### Analysis of net result from Russian operations held for sale

DKK million	H1 2023	H1 2022	2022
Revenue	4,305	4,340	10,207
Costs	-3,330	-3,501	-8,228
<b>Profit before tax from Russian operations held for sale</b>	<b>975</b>	<b>839</b>	<b>1,979</b>
Income tax	-210	105	-105
<b>Profit for the period from Russian operations held for sale</b>	<b>765</b>	<b>944</b>	<b>1,874</b>
Impairment loss recognised on the remeasurement to fair value less costs to sell	-1,169	-9,562	-9,949
<b>Net result for the period from Russian operations held for sale</b>	<b>-404</b>	<b>-8,618</b>	<b>-8,075</b>

#### Major classes of assets and liabilities in disposal group held for sale

DKK million	H1 2023	H1 2022	2022
Intangible assets	3,512	8,071	5,483
Property, plant and equipment	2,001	4,006	2,989
Inventories	878	1,479	1,015
Receivables	1,067	1,958	937
Cash and cash equivalents <sup>1</sup>	2,627	1,009	1,194
<b>Assets in disposal group held for sale</b>	<b>10,085</b>	<b>16,523</b>	<b>11,618</b>
Borrowings	87	22	101
Tax liabilities, retirement benefit obligations etc.	675	1,591	1,144
Trade payables	2,132	3,104	1,892
Other liabilities	1,494	2,186	963
<b>Liabilities in disposal group held for sale</b>	<b>4,388</b>	<b>6,903</b>	<b>4,100</b>
<b>Net assets in disposal group held for sale</b>	<b>5,697</b>	<b>9,620</b>	<b>7,518</b>

<sup>1</sup> Cash and cash equivalents are not available for general use in the Group because of currency restrictions.

#### Net cash flow from Russian operations held for sale

DKK million	H1 2023	H1 2022	2022
Cash flow from operating activities	2,055	835	1,952
Cash flow from investing activities	-92	-117	-376
Cash flow from financing activities	63	-203	195
<b>Cash flow from Russian operations held for sale</b>	<b>2,026</b>	<b>515</b>	<b>1,771</b>

## SUBSEQUENT EVENTS

On 16 July, the Russian government issued a presidential decree, temporarily transferring the management of our Russian business – Baltika Breweries – to the Russian Federal Agency for State Property Management. According to the presidential decree, Carlsberg retains title to the shares in Baltika Breweries, but no longer has any control or influence over the company, as it is unable to direct the relevant activities and does not have access to the information required to manage the company.

As a result of the presidential decree, Baltika Breweries will be deconsolidated from July. This will result in non-cash reclassification adjustments to the income statement of accumulated currency translation losses of DKK 41.9bn and hedge losses of DKK 0.5bn in H2 2023. There will be no impact on the Group's total equity. The losses will be included in the net result from Russian operations held for sale.

It is unclear what direct and indirect implications the loss of control will have on the conditional sale announced on 23 June. The valuation of the investment is subject to significant estimation uncertainty due to the loss of control of the business. The Group still considers it probable that it can achieve a disposal of the business, though the conditions are currently very uncertain. The loss of control of Baltika and the terms of its disposal could also have direct and indirect negative impacts on parts of the continuing business and structures outside Russia. The unclear situation means the financial impact of the loss of control is currently subject to significant uncertainty and cannot be reliably estimated.