Carlsberg Group

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PRELIMINARY H1 HEADLINE FIGURES

The figures in this announcement are preliminary, subject to adjustments and reviews. The full interim financial statement for H1 2020 will be published as planned on 13 August 2020.

The COVID-19 pandemic continues to create significant challenges for our businesses across the three regions. Due to the volatile and uncertain sales development this year and the suspension of guidance, the Carlsberg Group has decided to disclose preliminary headline figures for Q2 and H1 ahead of the scheduled H1 2020 announcement date.

For H1, total volumes declined organically by 7.7% (Q2: -7.8%), and Group revenue declined organically by 11.6% (Q2: -14.6%).

Based on preliminary earnings figures from our markets, the Group expects an organic decline in operating profit of 8.9% for H1.

The Western European region had a very difficult start to Q2, but saw improved performance towards the end of the quarter due to the gradual reopening of the on-trade channel and subsequent restocking in many markets, as well as good weather in June. Price/mix continued to be negatively impacted by channel mix.

In Asia, our Chinese business rebounded strongly in Q2, and profits improved significantly, driven by cost reductions and the fact that many marketing activities were postponed to H2. Sales in the other markets in Asia were significantly impacted by the lockdowns, especially our businesses in India and Nepal. Price/mix was impacted by negative country and channel mix.

In Eastern Europe, our businesses have so far been less impacted by the pandemic due to our limited on-trade exposure. Our market share in Russia strengthened further compared with the beginning of the year, but at the expense of price/mix, primarily due to the continued difficult competitive environment.

Our balance sheet and liquidity remain strong. At the end of 2019, net interest-bearing debt/EBITDA was 1.25x. In March, we placed a 10-year EUR 500m bond with a coupon of 0.625% and in June a 7-year EUR 500m bond with a coupon of 0.375%. In addition, we have an undrawn EUR 2bn committed revolving credit facility. We do not have any upcoming material refinancing needs. The next bond maturity is in November 2022. There are no covenants associated with any of the debt or credit facilities.

As stated earlier, we have proceeded with the current first tranche of the DKK 2.5bn share buy-back programme as described in the 2019 Financial Statement. As at 6 July, the Company had bought 2,383,047 shares at a value of DKK 2,024m. In connection with the H1 announcement, the

Supervisory Board will review the second tranche of the programme, balancing this with the need for cash for acquisitions and the Company's dividend policy.

On 2 April, the Group suspended its outlook for 2020 due to the significantly increased uncertainty concerning the impact of the COVID-19 pandemic on business performance. Although government lockdowns are gradually being lifted, the sales development across our regions in the coming months continues to be volatile and uncertain, not least during the important summer months. Consequently, the 2020 guidance remains suspended.

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