

Carlsberg Case

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Overview

- About Carlsberg
- Carlsberg in Russia
- Impact of War on Carlsberg
- Current Situation



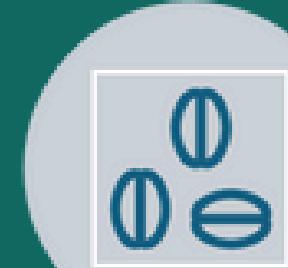
Introduction



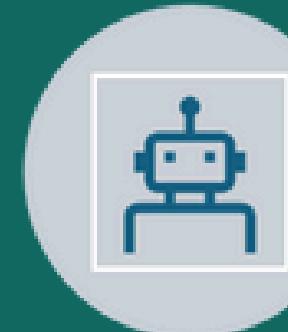
- Founded in 1847 in Denmark.



- Known for its flagship brand, Carlsberg Beer.



- One of the largest brewing companies in the world.



- Operates in over 150 countries.



Carlsberg's Global Strategy



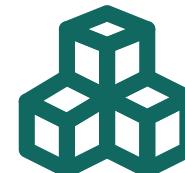
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Why Eastern Europe ?



Cultural Potential



- Russia was one of the world's largest beer consumers.
- Ukraine had a strong beer-drinking culture

Emerging Market



- Carlsberg saw Eastern Europe as a key growth area.
- Russia's beer industry was highly profitable in the 2000s.

Economic Liberalization



- Russia and Ukraine opened their markets to foreign investments in the 1990s.
- Consumers embraced Western brands.

Carlsberg in Russia

2000

**Joint Venture with
Orkla**

Carlsberg entered a 60-40 venture with Orkla which owned 50% of BBH.

2004

Bought out Orkla

Carlsberg bought out Orkla from the joint venture to gain full control.

2008

**Carlsberg bought
Scottish & Newcastle
(S&N)**

Carlsberg pulled off a complex merger with S&N by collaborating Heineken.

2011

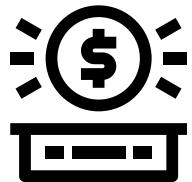
**Increased stake in
Alivaria**

Carlsberg increased its stake in Alivaria (Belarus) to 90%, strengthening its regional dominance.

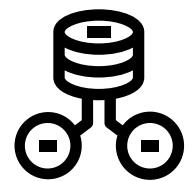
CHALLENGES IN RUSSIA



Unpredictable Government Policies

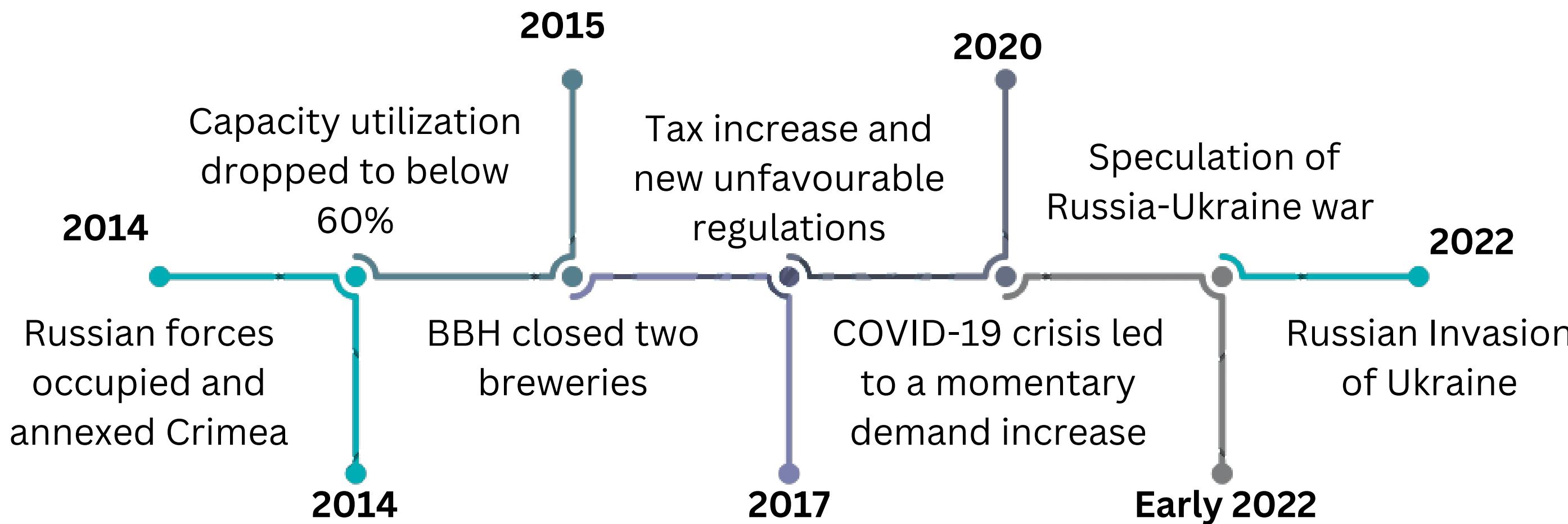


Economic Volatility



Tariffs & Local Sourcing Requirements

The onset of the Russian aggression



The sanctions resulted in export and import losses of \$1.5 and \$12.6 billion, respectively.

The economic effects of the invasion:

- Continuous de-valuation of rubel.
- The market economy reforms of the 1990s were affected.
- Economic slowdown lead to lower consumption

Regulations were imposed on the restriction on the sales of 1.5L bottles(2017).

Carlsberg's Strategic Transformation

– Then vs. Now

2022: Crisis & Uncertainty

- High Exposure to Russia → 9.8% of global sales, making Carlsberg highly vulnerable.
- Geopolitical Turmoil → Russia's invasion of Ukraine led to supply chain disruptions, financial instability, and reputational risks.
- Difficult Choices → Faced pressure to exit but risked asset nationalization and job losses for 8,400 employees in Russia.
- Financial Setback → Stock price declined amid investor concerns over long-term market stability.
- Reactive Strategy → Formed crisis management teams to navigate sanctions, cybersecurity threats, and operational risks.

Recurring Customers

- Complete Russia Exit → Eliminated political risk while preserving ethical brand integrity.
- Market Diversification → Strengthened presence in Western Europe, Asia, and non-alcoholic beer markets.
- Financial Recovery → Stabilized revenue with a more balanced global portfolio.
- Brand Reinvention → Positive global reputation after responsible disengagement from Russia.
- Proactive Risk Management → Cautious approach to high-risk regions, ensuring long-term sustainability.

Exit possibilities and government response

The government and the public sentiment were firmly against Russian aggression and wanted Danish companies to divest as soon as possible.

However, the company had a large number of employees in Russia who had the job as their only source of income, and they were largely not associated with the war.

There were three exit possibilities for them to explore,

Complete disengagement

- In accordance with the public opinion
- Loyal employees.

Shut down its operations

- Possibility of Russian government taking the assets in their control

Selling it to a local or a third country investors

- Likely being affiliated with the Russian government.



THANK YOU

Financial Report

Revenue Growth

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Return on Investment

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Customer Satisfaction

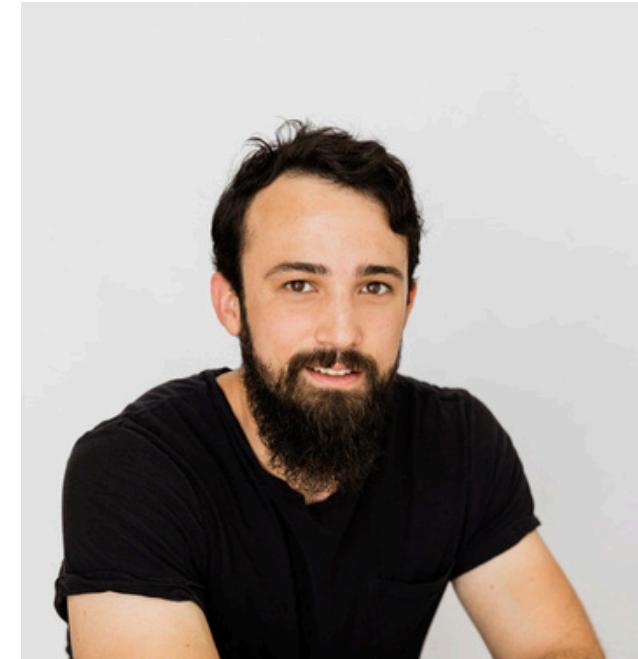
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Our Team

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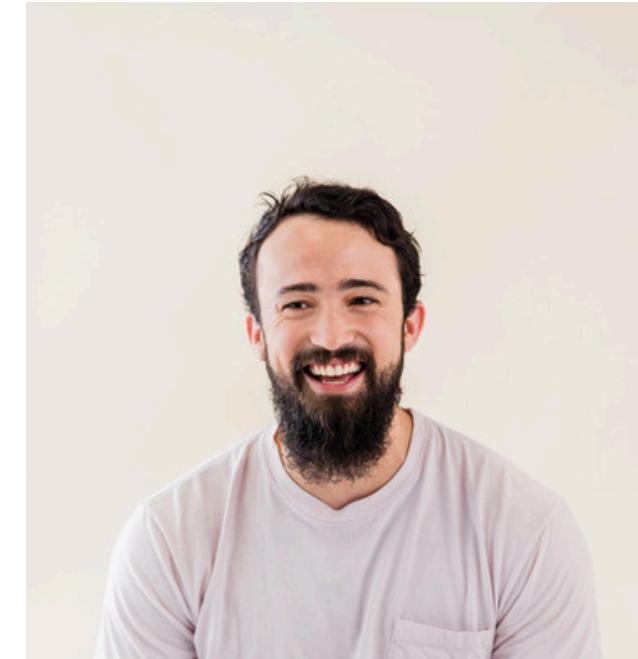
Claudia Alves
Business Head



Everest Cantu
Ceo Founder



Olivia Wilson
Marketing Head



Aaron Loeb
Graphic Design



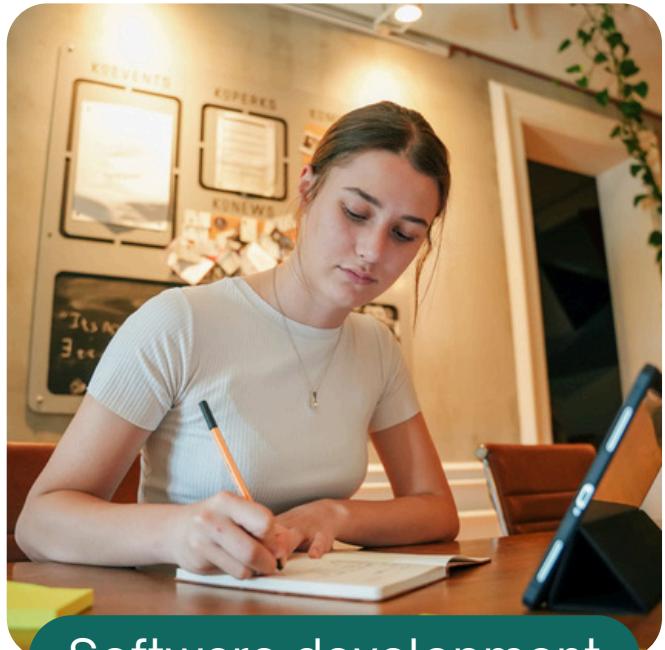
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For watching this presentation

Everest Cantu

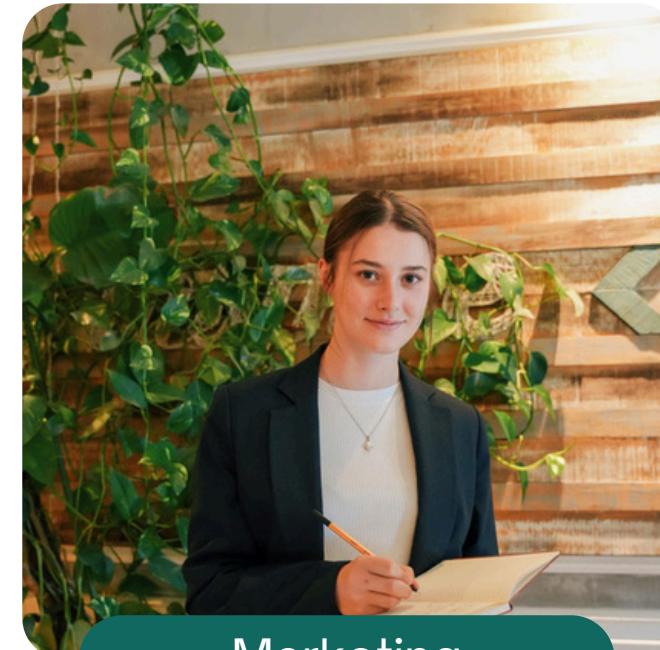
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Our Services



Software development

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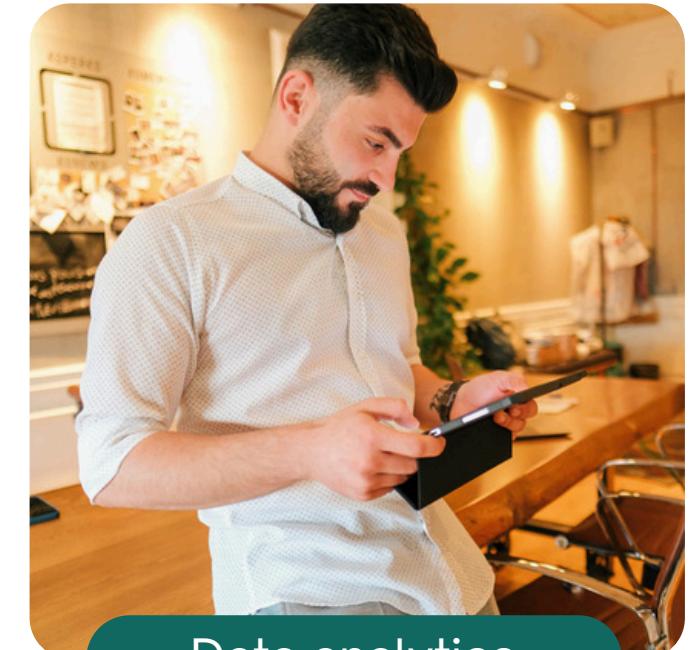
Marketing

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IT consulting

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Data analytics

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Resource Page

