

# SHAPING OUR FUTURE

**During 2024, we took several steps to support the future of the Carlsberg Group and the achievement of our long-term growth ambitions.**

## OUR STRATEGY: ACCELERATE SAIL

Accelerate SAIL was launched in February 2024. It sets clear priorities for selected growth drivers within our portfolio, geographies and capabilities, and for how we want to improve supply chain efficiency, develop a growth culture and continue our well-embedded cost focus. It also re-emphasises our commitment to sustainable business practices through our Together Towards ZERO and Beyond programme.

With Accelerate SAIL, we are making a clear commitment to support our business and drive compounding earnings growth. This includes gradually restoring gross margins to pre-COVID levels and increasing investments in marketing and sales, capability building, and digital tools and systems.

Consequently, we have raised our long-term organic growth ambitions for revenue and operating profit for the business (with 2024 as the baseline):

- Organic revenue growth of 4-6% CAGR (previously 3-5%).
- Organic operating profit growth ahead of revenue growth.

Read more about the Accelerate SAIL priorities on pages 20-27.

## EXPANDING OUR SOFT DRINKS BUSINESS

For more than 30 years, the production, distribution and selling of soft drinks have been an integral and value-accretive part of the Group's business in several markets, providing many operational and financial synergistic benefits.

Our soft drinks portfolio includes both own and partner-owned brands. It mainly consists of beverages within the carbonated soft drinks, energy drinks and water categories.

PepsiCo is our largest soft drinks partner. Up until 2024, our partnership comprised five markets: Norway, Sweden, Switzerland, Laos and Cambodia. We also partner with Coca-Cola in Denmark and Finland.

In 2024, soft drinks accounted for 16% of total Group volumes.

## Strengthening our partnership with PepsiCo

In 2024, we were pleased to announce the expansion of the PepsiCo partnership to four new markets:

- The UK and Ireland, where we acquired Britvic plc in January 2025.
- Kazakhstan and Kyrgyzstan, where we will take over the soft drinks licences in these markets from 1 January 2026.

In addition, we extended our bottling agreements in Norway and Sweden, securing our long-term cooperation with PepsiCo in these two markets.

The extended partnership makes the Carlsberg Group the largest partner for PepsiCo in Europe and one of the biggest worldwide. The increased cooperation will bring longer-term opportunities to the benefit of both companies.

**“We’re happy to see our long-standing partnership with PepsiCo strengthening with the addition of four new markets, underlining the long-term potential in the collaboration between our two companies.”**

**Jacob Aarup-Andersen, Group CEO**



Britvic is a leading integrated soft drinks business in Europe, with a comprehensive portfolio of market-leading brands.

The company has been the bottling partner for PepsiCo in the UK since 1987 and in Ireland since 2007, with the Pepsi franchise accounting for around half of total revenue.

The other half is generated by a range of own brands in multiple soft drinks segments. Many of these own brands hold a no. 1 or 2 market position in their respective segments.

Britvic is the largest supplier of branded still soft drinks in the UK and the second-largest supplier of branded carbonated soft drinks.

Beyond the UK and Ireland, Britvic is established in France and Brazil, where it markets and sells owned brands in a smaller number of categories. In both markets, it is the leading supplier of dilutables, also called flavour concentrates.

The company has a proven track record of growing, expanding and revitalising its own brands, such as Robinsons, Tango, MiWadi, Ballygowan, Teisseire and Maguary.

## BRITVIC ACQUISITION DELIVERING COMPELLING SHAREHOLDER VALUE CREATION

The acquisition valued the ordinary share capital of Britvic plc at approximately GBP 3.3bn on a fully diluted basis.

The acquisition of Britvic plc is attractive for Carlsberg's shareholders:

- It is expected to become accretive to the Group's operating margin by 2027.
- Total synergies of GBP 100m are expected to be realised by 2029, of which GBP 80m are expected to be realised by 2027.
- Including synergies, the acquisition is expected to be accretive to adjusted earnings per share (EPS) by mid-single-digit percentages in 2025 and by double-digit percentages in 2027.
- Return on invested capital (ROIC) is expected to exceed the weighted average cost of capital (WACC) of 7.0% in 2027.
- The acquisition will be fully debt-financed. We expect to reach our net interest-bearing debt/EBITDA leverage target of below 2.5x by the end of 2027 at the latest.



### Acquisition of Britvic plc

On 8 July, we announced the recommended offer to acquire Britvic plc, one of the leading integrated soft drinks businesses in Europe and a Pepsi bottler in the UK and Ireland. The transaction was completed on 16 January 2025.

The acquisition of Britvic plc is attractive for Carlsberg strategically, operationally and financially. It also brings on board a company with a highly talented workforce, a strong innovation track record and consistent sustainability performance, and the same strong commitment to science-based climate targets as the Carlsberg Group.

Incorporating Britvic into the Carlsberg Group will be supportive of our Accelerate SAIL growth ambitions, doubling our soft drinks exposure to around 30% of total volumes. While beer remains our core business, the increased exposure to structurally growing categories will improve the resilience of the Group, from both a market and brand portfolio perspective.

In Western Europe, the acquisition will improve the long-term revenue and operating profit growth opportunities, and enhance operating margin.

In the UK, we will create a single, integrated company, applying the same operating model that we have successfully set up in other markets with commercial and synergistic benefits. In so doing, we will transform the business into a leading supplier, offering customers a comprehensive portfolio of strong beer and soft drinks brands.

During the past decade, the share of low-calorie cola of the total cola segment in the UK has gone up by 18 percentage points. During the same period, Pepsi Max's share of the total cola segment has more than doubled to almost 31%. Compared with our experience with the cola

market in Norway and other Nordic markets, we believe that there is more growth potential for Pepsi Max in the UK, supported by continued growth of the low-calorie segment and market share gains.

Consequently, we intend to invest further in Britvic and the combined business to accelerate growth. The increased investments will mainly be in sales and marketing, and will be allocated to brands and categories for which we see attractive growth opportunities.

We will leverage the combined company's broad-based opportunities for cross-selling between beer and soft drinks, and for expanding the distribution reach for growth categories.

### Synergies

We expect to realise GBP 100m in synergies in the combined business across a number of areas, including direct and indirect procurement, supply chain, administration and overheads.

While we have also identified a number of revenue opportunities from the combination, these are not included in the announced synergy estimates.

### Taking over the Pepsi bottling franchise in Kazakhstan and Kyrgyzstan

As of 1 January 2026, we will take over the Pepsi bottling franchise in Kazakhstan and Kyrgyzstan.

Carlsberg Kazakhstan holds a no. 1 position in the beer market, with a market share of around 36%.

The new agreement will more than double our business in Kazakhstan, consolidating our presence in the market. It will also support us in further building our business in neighbouring Kyrgyzstan.

To facilitate the significant increase in volumes, during 2025 we intend to invest more than EUR

100m in building a new soft drinks facility in Kazakhstan. The investment is expected to deliver a double-digit ROIC from year 1 and be accretive to Group ROIC by year 3.

### Getting full control of India and Nepal

India is one of the key growth markets in Accelerate SAIL. It is an exciting beer market with a positive long-term outlook, driven by increasing disposable income, urbanisation, a growing on-trade and the increasing popularity of beer.

We first entered India in 2007 and have since built an attractive business. Today, we have a no. 2 market position and a market share of around 21%.

Up until November 2024, the holding company of the Indian business – Carlsberg South Asia Pte Ltd (CSAPL) – was owned 67% by the Carlsberg Group and 33.33% by CSAPL Holdings Pte Ltd (CSAPLH). CSAPL also owned 90% of the shares in Gorkha Brewery in Nepal.

On 2 August, following several years of negotiations, we signed an agreement to acquire CSAPLH's 33% shareholding in CSAPL and an additional 9.94% shareholding in Gorkha Brewery.

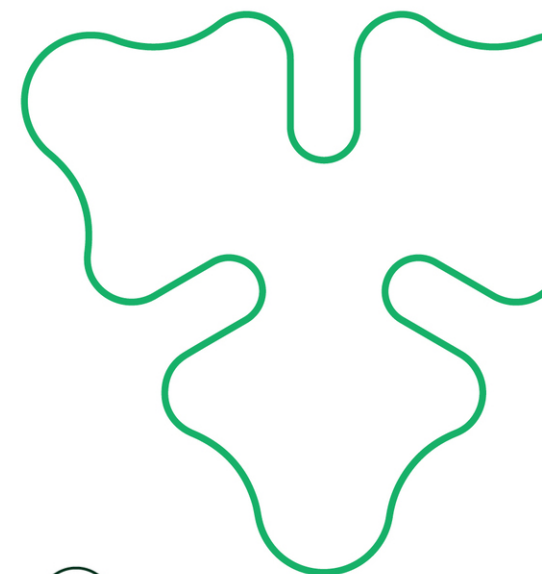
Following the final closure of the deal on 29 November, the Group now owns 100% of the Indian business and 99.94% of the Nepalese business.

The full ownership enables us to accelerate investments in India with the aim of increasing capacity, expanding and developing the brand portfolio, and increasing distribution to capture the long-term volume and value growth opportunities in this exciting growth market.

# CAPITAL ALLOCATION

## OUR PRIORITIES

We reconfirm our commitment to our capital allocation principles – in place since 2016 – albeit we revised our leverage target in 2024.



1

### INVESTING IN OUR BUSINESS TO DRIVE LONG-TERM SUSTAINABLE GROWTH **+6%**

Our first priority is to ensure the right investments in our business to drive sustainable, compounding organic earnings growth. In 2024, we invested in commercial tools and capabilities, including within marketing, where investments increased by 6% organically in support of our growth categories and markets. Marketing investments/revenue increased by 30bp to 8.7%.

2

### TARGETTING NET INTEREST- BEARING DEBT (NIBD)/ EBITDA OF BELOW 2.5x **1.73x**

Our second priority is our leverage target of NIBD/EBITDA below 2.5x. In 2024, we revised our leverage target from below 2.0x to below 2.5x due to the increased exposure to stable, hard currency cash flows following the exit from Russia and the acquisition of Britvic plc. As our leverage increased to above our target following completion of the acquisition, we are committed to reaching our target by the end of 2027 at the latest.

3

### TARGETTING AN ADJUSTED PAYOUT RATIO OF AROUND 50% **49%**

Our third priority is to ensure a consistent dividend payout to our shareholders. We target a payout ratio of around 50% of adjusted net profit. At the Annual General Meeting on 17 March 2025, the Supervisory Board will propose a dividend be paid for 2024 of DKK 27.0 per share, or a total of DKK 3.6bn. This equals an adjusted payout ratio of 49%.

4

### DISTRIBUTING EXCESS CASH TO SHAREHOLDERS THROUGH SHARE BUY- BACKS **2.0bn**

Our fourth priority is to return excess cash to shareholders if we do not engage in value-accretive M&A. Since 2019, we have bought back shares amounting to DKK 20bn, of which shares worth DKK 2.0bn were bought back in 2024. We stopped the share buy-back programme following the announcement of the acquisition of Britvic plc. When we reach our leverage target, we will again return any excess cash to shareholders.

5

### VALUE- ENHANCING M&A **2024**

We will carry out value-enhancing M&A if relevant opportunities arise. In 2024, we announced two major deals. In July, we announced the acquisition of Britvic plc, which was completed in January 2025. In November, the acquisition of our partners' shareholdings in the Indian and Nepalese businesses was completed. Read more about these acquisitions on pages 6-7.

## 5-YEAR KEY FIGURES

	2024	2023	2022	2021	2020 <sup>1</sup>
<b>Volumes (million hl)</b>					
Beer	101.2	101.0	101.0	98.8	110.1
Other beverages	24.5	24.1	24.4	20.4	20.0
<b>DKK million</b>					
<b>Income statement</b>					
Revenue	75,011	73,585	70,265	60,097	58,541
Gross profit	34,380	32,832	32,067	28,569	28,361
EBITDA	15,781	15,179	15,657	14,367	14,085
Operating profit before special items	11,411	11,105	11,470	10,129	9,699
Special items, net	-519	-431	-784	703	-247
Financial items, net	-905	-844	-725	-385	-411
Profit before tax	9,987	9,830	9,961	10,447	9,041
Income tax	-1,982	-1,859	-1,778	-2,154	-2,233
Profit for the period, continuing operations	8,005	7,971	8,183	8,293	6,808
Net result from discontinued operations	2,258	-47,748	-8,075	-284	-
Profit for the period	10,263	-39,777	108	8,009	6,808
<b>Attributable to</b>					
Non-controlling interests	1,147	1,011	1,171	1,163	778
Shareholders in Carlsberg A/S (net profit)	9,116	-40,788	-1,063	6,846	6,030
Shareholders in Carlsberg A/S (net profit), continuing operations	6,858	6,960	7,012	8,293	6,808
Shareholders in Carlsberg A/S (net profit), continuing operations, adjusted <sup>2</sup>	7,280	7,425	7,785	6,462	6,363
<b>Statement of financial position</b>					
Total assets	113,328	111,831	115,341	126,383	118,816
Invested capital	65,723	61,089	60,211	63,635	81,541
Invested capital excl. goodwill	24,105	22,774	21,758	23,743	31,049
Net interest-bearing debt (NIBD) <sup>3</sup>	27,357	22,351	19,326	19,162	21,263
Equity, shareholders in Carlsberg A/S	27,771	23,234	31,902	45,497	39,308
<b>Statement of cash flows</b>					
Cash flow from operating activities	11,312	11,607	12,949	12,278	10,928
Cash flow from investing activities	-1,518	-6,729	-3,065	-4,067	-5,871
Free cash flow	9,794	4,878	9,884	8,211	5,057

	2024	2023	2022	2021	2020 <sup>1</sup>
<b>Investments</b>					
Acquisition of property, plant and equipment, including right-of-use assets	-5,843	-4,987	-4,616	-4,319	-3,823
Acquisition and disposal of subsidiaries, net	227	-822	-	-621	-2,409
<b>Financial ratios</b>					
Gross margin	% 45.8	44.6	45.6	47.5	48.4
EBITDA margin	% 21.0	20.6	22.3	23.9	24.1
Operating margin	% 15.2	15.1	16.3	16.9	16.6
Effective tax rate	% 19.8	18.9	17.9	20.6	24.7
Return on invested capital (ROIC)	% 13.8	14.5	15.2	12.5	8.9
ROIC excl. goodwill	% 35.5	38.3	41.6	33.6	23.2
NIBD/EBITDA	x 1.73	1.47	1.23	1.37	1.51
<b>Stock market ratios</b>					
Earnings per share (EPS)	DKK 68.7	-299.7	-7.6	47.6	41.3
Earnings per share, continuing operations	DKK 51.7	51.1	50.1	49.6	41.3
EPS-A, continuing operations <sup>2</sup>	DKK 54.9	54.6	55.7	44.9	43.6
Free cash flow per share (FCFPS)	DKK 73.7	35.8	70.5	61.5	34.5
Dividend per share (proposed)	DKK 27.0	27.0	27.0	24.0	22.0
Payout ratio	% 39	n.m.	n.m.	51	55
Payout ratio, adjusted <sup>4</sup>	% 49	49	48	49	50
Share price (B shares)	DKK 690.0	846.8	923.2	1,129.5	975.2
Market capitalisation	DKKm 95,313	122,775	133,594	163,149	142,676
Number of issued shares at year-end	1,000 134,257	137,357	141,857	145,257	148,157
Number of shares at year-end, excl. treasury shares	1,000 132,079	134,114	137,341	141,892	145,102
Weighted average number of shares, excl. treasury shares	1,000 132,626	136,089	139,835	143,848	146,104

<sup>1</sup> Comparative figures for 2020 include the result from the discontinued operation in Russia.

<sup>2</sup> Adjusted for special items after tax.

<sup>3</sup> Comparative figures for 2021 have not been restated.

<sup>4</sup> Proposed dividend on number of shares at year-end as a percentage of net profit adjusted for special items after tax, and in 2022-2024 also adjusted for net result from the discontinued operation in Russia. Please refer to section 9.2 General accounting policies in the consolidated financial statements for definition and calculation of key figures and ratios.