

Royal Unibrew's acquisition of French lemonade business Etablissements Geyer Frères is now completed



COMPANY ANNOUNCEMENT NO 44/2018 – 12 JULY 2018

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Royal Unibrew A/S has today completed the acquisition of 100% of Etablissements Geyer Frères, which owns the brands LORINA craft lemonade, PureThé and InFreshhh with focus on organic, local products. The acquisition price is based on enterprise value and amounts to DKK 660 million financed by bank debt. The acquisition of Etablissements Geyer Frères will give Royal Unibrew increased access to the French soft drinks market and will further strengthen our export portfolio. Etablissements Geyer Frères has about 100 permanent employees and production facilities in Munster in the north-eastern part of France and has a significant presence in the retail channels in France and the USA.

The acquisition is in line with Royal Unibrew's strategy of being a focused and strong regional beverage provider holding market-leading positions within beverages in the Nordic and Baltic countries supplemented by strong niche positions in selected markets and the international malt beverage markets.

- The acquisition will establish a niche platform in France similar to our Italian business
- Focus on the Americas as a growth region through exports is strengthened
- A unique platform is established for further growth of Royal Unibrew's export portfolio
- The acquisition is expected to increase Royal Unibrew's earnings per share (EPS) during 2020
- The acquisition price based on an enterprise value of DKK 660 million is financed by bank debt

Etablissements Geyer Frères is market-leading in the lemonade category within Off-Trade in France holding a market share of about 33%, whereas its presence within On-Trade and Convenience is limited. The company exports to about 40 countries on a minor scale, whereas exports to the USA represent a significant part of the business. Overall, exports represent about 40% of the revenue. In 2017, the revenue was DKK 290 million and the sales volume amounted to 360,000 HL while earnings margins were at the same level as Royal Unibrew in 2017.

The acquisition price amounts to DKK 660 million on a debt-free basis. The valuation of Etablissements Geyer Frères has been based on the multiples applicable to national beverage positions.

Revenue and earnings outlook for the year 2018 is adjusted marginally upwards due to the acquisition and after reduction of transaction costs:

OUTLOOK 2018

Net revenue: DKK 6,900-7,100 million (previously: DKK 6,800-7,000 million)

EBITDA: DKK 1,560-1,635 million (previously: DKK 1,550-1,625 million)

EBIT: DKK 1,200-1,275 million (previously: DKK 1,190-1,265 million)

Other assumptions described in the Annual Report 2017, see Announcement No 14 of 6 March 2018, and as updated in Announcement No 38 of 21 June 2018 are expected to remain unchanged.

For further information on this Announcement:

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Royal Unibrew is a leading regional beverage provider in a number of markets – primarily in Northern Europe, Italy and in the international malt beverage markets.

We produce, market, sell and distribute quality beverages with focus on branded products within beer, malt beverages and soft drinks as well as cider and long drinks.

Our main markets are Denmark, Finland, Italy and Germany as well as Latvia, Lithuania and Estonia. To these should be added the international markets comprising a number of established markets in the Americas region and major cities in Europe and North America as well as emerging markets in for example Africa.

In all of our multi-beverage markets, we offer our customers strong and locally based brands. Based on continuous development and innovation, it is our objective to meet customer demand for quality beverages.

In addition to our own brands, we offer licence-based international brands of the PepsiCo and Heineken Groups.

The Announcement has been prepared in Danish and English. In case of discrepancy, the Danish version shall prevail.