



Accounting impact of developments in Russia and Ukraine, and new earnings guidance

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On 28 March, the Carlsberg Group announced its decision to seek a full divestment of its Russian business, following Russia's invasion of Ukraine.

The divestment of the Russian business may take up to 12 months and will have multiple implications for the presentation of the Group's financial statements.

The war is severely impacting our activities in Ukraine, where our first priority remains the safety and wellbeing of our employees. The extraordinary business situation impacts the presentation of the Ukrainian business in the financial statements.

In the attached announcement, we provide an overview of the most significant accounting changes. The figures presented in the announcement are subject to change as we proceed with the carve-out and divestiture process.

2022 earnings expectation

On 9 March, the Group suspended its outlook for 2022 due to the very high uncertainty related to Ukraine and Russia and the possible indirect impact on the rest of the Group.

Following the decision to divest the Russian business and the subsequent changes to the accounting treatment of this business, the interim changes to the accounting treatment of the business in Ukraine as described above, and further transparency on the indirect consequences from higher input costs, the Group is now able to reinstate its full-year guidance.

Based on the restated 2021 operating profit of DKK 10,129m, which excludes the business in Russia, and including operating profit of DKK 0 from Ukraine from 24 February 2022, we now expect:

- Organic operating profit development of around -5% to +2%.

Fully excluding the Ukrainian business in 2021 and 2022, the above guidance would change to:

- Organic operating profit development of around -1% to +7%.

It must be emphasised that the earnings expectation is significantly more uncertain than usual, as the development of the war in Ukraine; continued uncertainty on input costs; the COVID-19 pandemic, including possible government actions, particularly in China; consumer sentiment; and the macroeconomic development may have significant implications for business performance during the remainder of the year.

Based on the spot rates at 20 April, we assume a translation impact of around DKK +400m for 2022.

Other relevant assumptions are:

- Financial expenses, excluding currency losses or gains, are expected to be around DKK 550-600m.
- The reported effective tax rate is expected to be around 22-23%.
- Capital expenditure at constant currencies is expected to be around DKK 4.5bn.

Further details will be provided in connection with the Q1 2022 trading statement, which will be published on 28 April at 8.00 a.m. (CET).

Attachments

- [23 21042022 Changes in accounting treatment and new guidance.pdf](#)