

SOLID RESULTS IN A CHALLENGING ENVIRONMENT

FINANCIAL STATEMENT AS AT 31 DECEMBER 2023

Unless otherwise stated, comments and figures in this announcement refer to full-year performance of the continuing operations.

ACCELERATE SAIL – INCREASING LONG-TERM AMBITIONS

Increasing commercial investments to accelerate compounding, long-term growth

- Accelerate SAIL with a sharpened focus on designated growth levers.
- Increased growth ambitions: long-term organic revenue growth of 4-6% CAGR (previously 3-5%) and organic operating profit growth above that.

CONTINUED VOLUME GROWTH IN ASIA

Group organic volume development -0.5%

- Organic volume development in Asia +3.7%, Western Europe -2.3% and Central & Eastern Europe -4.0%.
- Premium volume growth of 1%.
- Total volume growth of international brands: Tuborg +3%, Carlsberg 0%, 1664 Blanc +3%, Brooklyn +34% and Somersby -6%.
- Alcohol-free brews +3%.

STRONG REVENUE GROWTH, DRIVEN BY ALL REGIONS

Organic revenue growth 9.2%

- Reported revenue growth of 4.7% to DKK 73,585m.
- Organic revenue/hl +10%, with all regions contributing.

SOLID ORGANIC OPERATING PROFIT GROWTH

Organic operating profit growth 5.2%

- Operating profit growth reflecting strong revenue growth, partly offset by cost inflation and increased commercial investments.
- Reported operating profit before special items development of -3.2% to DKK 11,105m, impacted by currencies.
- Adjusted net profit for continuing operations at DKK 7,425m (-5%), impacted by higher finance costs and currency movements.
- Adjusted earnings per share for continuing operations of DKK 54.6 (-2%).
- Free operating cash flow of DKK 7,469m.

REPORTED NET PROFIT IMPACTED BY NON-CASH RECLASSIFICATIONS

- Deconsolidation of the Russian business resulting in accumulated losses on currency translation and hedges for the period of 2004 to 2023 of DKK 41,504m and impairment of DKK 7,002m.
- Reported net profit of DKK -40,788m, reflecting the deconsolidation of the Russian business.

DRIVING SHAREHOLDER VALUE

Total share buy-back and dividend payment for the year DKK 6.9bn

- NIBD/EBITDA 1.47x (2022: 1.23x).
- The Supervisory Board will propose to the Annual General Meeting a dividend of DKK 27 per share, equal to a total dividend payout of DKK 3.6bn.
- On 26 January 2024, the Group concluded the 2023 DKK 3bn share buy-back programme, and a new quarterly share buy-back programme amounting to DKK 1.0bn will be launched today.

2024 EARNINGS EXPECTATIONS

While the macroeconomic environment and impact on consumer behaviour remain uncertain, inflationary pressure is moderating. Consequently, we expect a more moderate increase in our total cost base than in previous years. We intend to offset the higher total costs/hl in absolute terms through higher revenue/hl and continued tight cost control.

To position the Group for successful delivery of our increased long-term growth ambitions, we will step up commercial investments in 2024 in alignment with Accelerate SAIL. While keeping the ratio of SG&A to revenue flat, we intend to increase absolute sales and marketing investments, the latter by more than 10%. The majority of the incremental sales and marketing investments will be allocated to brand and route-to-market investments in China and Vietnam, premium brands in markets across our regions, digital capability projects and B2B e-commerce (eB2B).

Consequently, our earnings expectations for 2024 are:

- Organic operating profit growth of 1-5%.
- Based on the currency spot rates at 6 February, we assume a translation impact of around DKK -100m for the full year.

CEO Jacob Aarup-Andersen says: “We delivered a solid set of results for 2023, which were achieved despite a challenging consumer environment, significant inflationary pressure and currency headwinds.

“We’re excited about our strategy refresh – Accelerate SAIL – and its increased focus on, and commitment to, growth. The outperformance of our premium portfolio and our results in key Asian markets in 2023 are an affirmation that we have a strong platform to expand from. Benefiting from the continued strong financial health of the business, we have the capacity to increase our investments in the Accelerate SAIL growth initiatives and deliver on our updated, higher ambitions for compounding top-line and earnings growth and sustainable long-term value creation.”

Carlsberg will present the results at a conference call today at 9.30 a.m. CET. Dial-in information and a slide deck will be available on www.carlsberggroup.com.

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KEY FIGURES AND FINANCIAL RATIOS

Key figures and financial ratios in 2022-2023 are presented for continuing operations unless otherwise stated. 2021 figures have been restated accordingly.

DKK million		2023	2022	2021	2020 ¹	2019 ¹
Volumes (million hl)						
Beer		101.0	101.0	98.8	110.1	113.0
Other beverages		24.1	24.4	20.4	20.0	21.9
Income statement						
Revenue		73,585	70,265	60,097	58,541	65,902
Gross profit		32,832	32,067	28,569	28,361	32,638
EBITDA		15,179	15,657	14,367	14,085	15,007
Operating profit before special items		11,105	11,470	10,129	9,699	10,465
Special items, net		-431	-784	703	-247	501
Financial items, net		-844	-725	-385	-411	-738
Profit before tax		9,830	9,961	10,447	9,041	10,228
Income tax		-1,859	-1,778	-2,154	-2,233	-2,751
Profit for the period, continuing operations		7,971	8,183	8,293	6,808	7,477
Loss from discontinued operations		-47,748	-8,075	-284	-	-
Profit for the period		-39,777	108	8,009	6,808	7,477
Attributable to						
Non-controlling interests		1,011	1,171	1,163	778	908
Shareholders in Carlsberg A/S (net profit)		-40,788	-1,063	6,846	6,030	6,569
Shareholders in Carlsberg (net profit), continuing operations		6,960	7,012	8,293	6,808	7,477
Shareholders in Carlsberg A/S (net profit), continuing operations, adjusted ²		7,425	7,785	6,462	6,363	6,160
Statement of financial position						
Total assets		111,831	115,341	126,383	118,816	123,063
Invested capital		61,089	60,211	63,635	81,541	86,162
Invested capital excl. goodwill		22,774	21,758	23,743	31,049	33,032
Net interest-bearing debt (NIBD) ³		22,351	19,326	19,162	21,263	18,776
Equity, shareholders in Carlsberg A/S		23,234	31,902	45,497	39,308	43,449
Statement of cash flows						
Cash flow from operating activities		11,607	12,949	12,278	10,928	12,239
Cash flow from investing activities		-6,729	-3,065	-4,067	-5,871	-2,277
Free cash flow		4,878	9,884	8,211	5,057	9,962
Investments						
Acquisition of property, plant and equipment and intangible assets		-4,243	-4,018	-3,907	-4,396	-4,596
Acquisition and disposal of subsidiaries, net		-822	-	-621	-2,409	-
Financial ratios						
Gross margin	%	44.6	45.6	47.5	48.4	49.5
EBITDA margin	%	20.6	22.3	23.9	24.1	22.8
Operating margin	%	15.1	16.3	16.9	16.6	15.9
Effective tax rate	%	18.9	17.9	20.6	24.7	26.9
Return on invested capital (ROIC)	%	14.5	15.2	12.5	8.9	8.8
ROIC excl. goodwill	%	38.3	41.6	33.6	23.2	22.4
NIBD/EBITDA	x	1.47	1.23	1.37	1.51	1.25
Stock market ratios						
Earnings per share (EPS)	DKK	-299.7	-7.6	47.6	41.3	43.7
Earnings per share, continuing operations	DKK	51.1	50.1	49.6	41.3	43.7
EPS-A, continuing operations ²	DKK	54.6	55.7	44.9	43.6	41.0
Free cash flow per share (FCFPS)	DKK	35.8	70.5	61.5	34.5	65.9
Dividend per share (proposed)	DKK	27.0	27.0	24.0	22.0	21.0
Payout ratio	%	n.m.	n.m.	51	55	49
Payout ratio, adjusted ⁴	%	49	48	49	50	50
Share price (B shares)	DKK	846.8	923.2	1,129.5	975.2	993.8
Market capitalisation	DKKm	122,775	133,594	163,149	142,676	145,805
Number of issued shares at year-end	1,000	137,357	141,857	145,257	148,157	152,557
Number of shares at year-end, excl. treasury shares	1,000	134,114	137,341	141,892	145,102	147,996
Weighted average number of shares, excl. treasury shares	1,000	136,089	139,835	143,848	146,104	150,411

¹ Comparative figures for 2019-2020 include result from the discontinued operation in Russia.

² Adjusted for special items after tax.

³ Comparative figures for 2021 have not been restated.

⁴ Proposed dividend on number of shares at year-end as a percentage of net profit adjusted for special items after tax, and in 2022-2023 also adjusted for loss 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

ACCELERATE SAIL

The Group's strategy, SAIL'27, was developed by a broad group of leaders and employees in late 2021 and early 2022 – before the war in Ukraine and subsequent high inflation. These significant events, in addition to COVID-19, meant that the focus in the past few years has been on successfully navigating through these shorter-term challenges.

With the impact from these major disruptions decreasing, it is now time to sharpen the longer-term focus on, and ensure sufficient investments in, our future growth. Consequently, the Executive Committee and extended leadership team conducted a review of the SAIL'27 priorities in late 2023 and early 2024, leading to the refreshed Accelerate SAIL strategy.

SAIL'27 set the strategic frame for Carlsberg. Accelerate SAIL builds on this foundation, setting higher growth ambitions by increasing investments in and support for selected growth drivers within portfolio, geographies and capabilities, improving supply chain efficiency, developing a growth culture and continuing the well-embedded cost focus.

The key elements of Accelerate SAIL are explained in the following.

STEP UP PREMIUM GROWTH

The premium category remains attractive across our markets, where we see appealing growth and margin opportunities. Premium accounts for 20% of the Group's total volumes and is a key revenue growth driver. In recent years, our strong portfolio of international and local premium brands has outperformed our mainstream portfolio despite the significant external headwinds. By increasing investments in marketing and brand building and further developing our execution capabilities, we believe that we can accelerate growth of our premium portfolio and significantly increase the premium exposure.

ACCELERATE BEYOND BEER

Our opportunities in Beyond Beer will initially be captured through the Somersby and Garage brands, which are well established in many markets. The category currently accounts for 2% of our total volumes. We aim to grow the Beyond Beer category in our business through increased investments in brand building, innovation, footprint expansion and execution. We will also explore opportunities to expand our Beyond Beer portfolio through partnerships and local brand extensions, leveraging our strong route-to-market.

ACCELERATE GROWTH IN ASIA

Asia has been and remains a key volume and value growth driver for the Group. As part of Accelerate SAIL, we remain committed to growing in China, which is our largest market. We still see attractive volume and value growth opportunities in this market in the coming years for our strong premium portfolio of local and international beer and Beyond Beer brands, both in our strongholds in the western part of the country and in the big cities. We will strengthen our presence and market share in existing big cities by developing and advancing our route-to-market, while continuing to seed for the future in recently entered and new cities.

In Vietnam, we will continue the execution of our multi-year transformation strategy with its clear ambition to accelerate momentum by increasing investments and achieve growth through focus on key brands, regions and capabilities. In India, we will investigate an acceleration plan when possible.

DRIVE PROFITABLE GROWTH IN STRONGHOLDS

We will maintain our focus on driving profitable growth in our stronghold markets, such as the Nordics, Switzerland, France and Laos by leveraging our strong portfolios, our scale and leading route-to-market set-up.

DRIVE DIGITAL TRANSFORMATION

We have identified the key capabilities and enablers for the delivery of our Accelerate SAIL ambitions. These require improved tools, processes and digitisation in areas such as value management, sales execution and eB2B to drive revenue growth, and in the areas of supply chain management end to end and transactional processes to drive productivity. We will ensure the right investments behind these capabilities and enablers.

FUNDING OUR JOURNEY

Over the coming years, we intend to restore gross margins to pre-COVID levels to enable the step-up in investment levels required to capture the growth opportunities. The opportunities lie in supply chain areas such as procurement, value engineering and standardisation of raw and packaging materials across markets. The Group already has a very strong and well-embedded cost focus across the business, centred in particular around SG&A costs and enabled by the operating cost management (OCM) framework, which will be maintained.

BUILD A GROWTH CULTURE

Carlsberg has a strong performance- and cost-focused culture. Building on this strong foundation, we will develop our corporate culture to become more growth-oriented and reward calculated risk-taking. We will do that by developing our Leadership Charter to show how our values translate into behaviours, ways of working and leadership profiles, and design employee incentive programmes to support a growth culture. Our growth culture will also encompass a systematic approach to talent development across the Group and increase global mobility to ensure the right capabilities at the right time in the right place.

TOGETHER TOWARDS ZERO AND BEYOND

We remain committed to our ESG programme - Together Towards ZERO and Beyond - and our ambitious targets for carbon emissions, regenerative farming, packaging, water, irresponsible drinking, accidents and diversity.

RAISING OUR FINANCIAL AMBITIONS

As a result of Accelerate SAIL, we are raising our long-term growth ambitions (with 2024 as baseline):

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

The financial health of the business is strong and provides a good foundation for Accelerate SAIL. In the coming years, we will increase our commercial investments to support our growth ambitions. Consequently, we expect marketing/revenue to reach around 9%. We will increase sales expenses, but aim to keep SG&A/revenue flat through continued tight G&A cost control. The higher commercial investments will be financed by gradually restoring the gross margin to pre-COVID levels through supply chain productivity improvements.

Our capital allocation priorities – in place since 2016 – remain unchanged:

1. Invest in the business to drive long-term value creation.
2. Maintain a conservative balance sheet with NIDB/EBITDA below 2x.
3. Maintain a payout ratio of approx. 50%.
4. Distribute excess cash to shareholders through share buy-backs and/or extraordinary dividends.
5. If value-enhancing acquisition opportunities arise, we may deviate temporarily from the above.

SOLID PERFORMANCE IN A CHALLENGING ENVIRONMENT

In 2023, the Group delivered solid performance despite the challenging consumer environment. The strategic health of the business is good, as evidenced by good development on several of our key strategic priorities, including premium beer, alcohol-free brews and key markets in Asia.

PORTFOLIO

PREMIUM PORTFOLIO

Our premium brand portfolio outperformed our core beer portfolio, which in the current consumer environment is a testament to the strength of our brands. We gained market share in the premium beer category in most markets.

Total premium volumes grew by 1%, mainly driven by Carlsberg and Tuborg. Premium Carlsberg volumes were up by 12%, while total volumes were flat. Strong growth in Asia was offset by lower volumes in Europe. Premium Tuborg volumes were up by 8%, and total volumes grew by 3%. We saw strong growth in Asia, notably in China, India and Vietnam, and in many markets in Central & Eastern Europe. 1664 Blanc grew by 3%, supported by growth in markets such as Ukraine, Italy, Switzerland and Finland as well as the launch in Vietnam. Brooklyn is progressing very well, with volume growth of 34%. We saw strong growth in many markets – albeit from a low base – and with the UK being the main contributor. The growth of the international premium brands was partly offset by decline in some of our local premium brands.

MAINSTREAM CORE BEER

Our local power brands provide scale and a solid backbone for our local businesses. We saw good growth for mainstream brands in Asia, such as Chongqing, Wusu, Dali, Beerlao and Huda, but this was offset by the overall market weakness across Europe, and total core beer volumes declined by 2%.

ALCOHOL-FREE BREWS

Total alcohol-free brews grew by 3%. Growth was broadly based across most Western and Central & Eastern European markets with particularly strong growth in markets such as Ukraine, Greece, Serbia, Denmark, Sweden and the UK, and for brands such as Carlsberg, Brooklyn, Garage, Okocim and Fix.

BEYOND BEER

The Beyond Beer category mainly consists of the Somersby and Garage brands. Garage delivered good growth, driven by markets, such as Poland, Finland, Sweden and Kazakhstan, but total category volumes declined by 3% due to lower Somersby volumes in markets such as Poland and Export & License markets.

DELIVERING TOWARDS ZERO AND BEYOND

Our ESG programme, Together Towards ZERO and Beyond (TTZAB), is an integrated part of Accelerate SAIL. As part of TTZAB, we have set bold ambitions – from targeting a net ZERO value chain and sourcing all raw materials from regenerative agricultural practices by 2040 to replenishing all the water we consume at our breweries in areas with high water risk by 2030.

In 2023, we completed the latest three-year analysis of our value chain carbon emissions, based on 2022 data. The analysis confirmed that at 16%, we slightly exceeded our target to cut value chain emissions per hl of beer produced by 15% by 2022 from the 2015 baseline. To reach our target of a net ZERO value chain by 2040, we will continue to work closely with our suppliers, as they play a critical role in helping us reduce our carbon footprint at every stage of the value chain.

In 2023, we continued our efforts to eliminate water waste across our breweries through efficiency measures and water recycling. Our 16 breweries in high-risk areas collectively cut their water use by 45% since 2015, to reach 2.2 hl/hl on average. Of these, the Dazhulin brewery achieved the major milestone of 1.7 hl/hl.

We provide full disclosure of our achievements and actions Towards ZERO and Beyond in our ESG Report, which will be published later today.

STRUCTURAL CHANGES

As of 1 June, Carlsberg Marston's Brewing Company took over the Kronenbourg 1664 brand in the UK, terminating Heineken's licensee agreement.

The acquisition of Waterloo Brewing Ltd. in Canada was completed in Q1. The business has been consolidated from March.

SHAREHOLDER VALUE

The Supervisory Board will recommend to the Annual General Meeting a dividend per share of DKK 27.0 (2022: DKK 27.0).

Share buy-backs are an important tool for the Group to return excess capital to shareholders. In 2023, the share buy-back amounted to DKK 3.2bn, and since 2019 the company has returned around DKK 18bn through share buy-backs. Based on its continued strong financial position, the Group will today initiate a new quarterly share buy-back programme amounting to DKK 1.0bn.

CHANGES TO THE EXECUTIVE COMMITTEE AND THE SUPERVISORY BOARD

On 1 September, Jacob Aarup-Andersen joined the Carlsberg Group as CEO, replacing Cees 't Hart, who retired. On 1 January 2023, Ulrica Fearn joined the Group as CFO, replacing Heine Dalsgaard, who left the company at the end of 2022. In November, CHRO Joris Huijsmans left the company. Ulrica Fearn is acting as interim CHRO until a replacement is appointed.

At the Annual General Meeting on 11 March, the Supervisory Board will propose Bob Kunze-Concewitz, currently CEO of Campari Group, as a new member.

2024 EARNINGS EXPECTATIONS

While the macroeconomic environment and impact on consumer behaviour remain uncertain, inflationary pressure is moderating. Consequently, we expect a more moderate increase in our total cost base than in previous years. We intend to offset the higher total costs/hl in absolute terms through higher revenue/hl and continued tight cost control.

To position the Group for successful delivery of our increased long-term growth ambitions, we will step up commercial investments in 2024 in alignment with Accelerate SAIL. While keeping the ratio of SG&A to revenue flat, we intend to increase absolute sales and marketing investments, the latter by more than 10%. The majority of the incremental sales and marketing investments will be allocated to brand and route-to-market investments in China and Vietnam, premium brands in markets across our regions, digital capability projects and B2B e-commerce (eB2B).

Consequently, our earnings expectations for 2024 are:

- Organic operating profit growth of 1-5%.

Based on the spot rates at 6 February, we assume a translation impact on operating profit of around DKK -100m for 2024.

Other relevant assumptions are:

- Financial expenses, excluding foreign exchange losses or gains, of DKK 1.1bn.
- Reported effective tax rate of around 21%.
- Capital expenditure of around DKK 5bn, impacted by capacity expansion in Asia, commercial investments across the Group, sustainability and digital investments.

Forward-looking statements

Forward-looking statements are subject to risks and uncertainties that could cause the Group's actual results to differ materially from those expressed in the forward-looking statements. Accordingly, forward-looking statements should not be relied on as a prediction of actual results. Please see page 21 for the full forward-looking statements disclaimer.

GROUP FINANCIAL REVIEW

	2022	Change Organic	Change Acq., net	Change FX	2023	Change Reported
FY						
Volumes (million hl)						
Beer	101.0	-0.4%	0.3%	-	101.0	-0.1%
Other beverages	24.4	-0.9%	0.0%	-	24.1	-0.9%
Total volume	125.4	-0.5%	0.2%	-	125.1	-0.3%
DKK million						
Revenue	70,265	9.2%	0.6%	-5.1%	73,585	4.7%
Operating profit	11,470	5.2%	-0.2%	-8.2%	11,105	-3.2%
Operating margin (%)	16.3				15.1	-120bp
H2						
Volumes (million hl)						
Beer	49.0	-1.4%	0.3%	-	48.6	-1.1%
Other beverages	12.2	-3.3%	0.0%	-	11.7	-3.3%
Total volume	61.2	-1.8%	0.3%	-	60.3	-1.5%
DKK million						
Revenue	34,818	7.2%	0.8%	-5.2%	35,797	2.8%
Operating profit	5,028	5.1%	-0.2%	-8.8%	4,833	-3.9%
Operating margin (%)	14.4				13.5	-90bp

Beer volumes declined organically by 0.4%, as volume growth in Asia was offset by lower volumes in Western Europe and Central & Eastern Europe. Other beverage volumes grew in Western Europe, Central & Eastern Europe and Laos, but total volume development was -0.9%, impacted by lower volumes in Cambodia. Total organic volume development was -0.5% and total reported development was -0.3%.

Revenue/hl increased organically by 10%, resulting in strong organic revenue growth of 9.2%. The revenue/hl improvement was primarily driven by price increases across markets to offset the significant cost increases and supported by a positive product mix.

Reported revenue grew by 4.7%. The negative currency impact related to the strengthening of the Danish currency against, in particular, the Chinese, Laotian, Indian, Ukrainian, Norwegian and Swedish currencies. The small acquisition impact related to the acquisition of Waterloo Brewing in Canada.

Cost of sales/hl increased organically by 11% as a result of higher input and energy costs, and higher salaries. Thanks to the increase in revenue/hl, gross profit/hl increased organically by 8% and gross profit increased organically by 7.4%. The reported gross margin was 44.6%, a decline of 100bp.

We maintained our focus on costs, supporting our efforts to offset inflation and increase investments in brands and activities. Consequently, marketing investments were up organically by 10% and by 7% in reported terms. As a percentage of revenue, reported marketing investments increased slightly to 8.4%, with a larger increase in H2 following the Q3 decision to accelerate commercial investments. Total reported operating expenses increased by 4.0%, supported by lower administrative costs. As a percentage of revenue, reported operating expenses excluding marketing improved by 30bp to 22.1%.

Other operating activities increased by DKK 56m, while profit from associates declined by DKK 320m, mainly due to lower property income in Carlsberg Byen and certain one-off expenses in associates in Asia.

Operating profit before depreciation, amortisation and impairment losses (EBITDA) grew organically by 3.9%, but declined by 3.1% in reported terms due to adverse currencies.

Operating profit/hl increased organically by 6%. Total operating profit grew organically by 5.2%, with positive contributions from all three regions. The reported operating profit before special items development of -3.2% was impacted by strengthening of the Danish krone against, in particular, the Chinese, Laotian, Ukrainian and Norwegian currencies. The small acquisition impact related to the acquisition of Waterloo Brewing in Canada. The reported operating margin decreased by 120bp to 15.1%, mainly due to the lower gross margin and increased marketing investments.

Reported net profit was impacted by the deconsolidation of the Russian business, leading to recognition of accumulated currency translation and hedge losses for the period of 2004 to 2023 of DKK 41,504m and impairment losses of DKK 7,002m, giving a total net result from the Russian operation of DKK -47,748m. Consequently, reported net profit amounted to DKK -40,788m.

Adjusted net profit, continuing operations (adjusted for special items after tax), was impacted by currencies and higher financial items and declined by 4.6% to DKK 7,425m. Supported by the share buy-back, adjusted earnings per share, continuing operations, declined by 2.0% to DKK 54.6.

Operating free cash flow was DKK 7,469m, impacted by the lower EBITDA, a smaller positive impact from trade working capital compared with year-end 2022 and higher operational investments. TWC/revenue was -20.3% (2022: -21.5%).

ROIC was 14.5% (2022: 15.2%), mainly impacted by the lower reported operating profit before special items due to currencies. ROIC excluding goodwill was 38.3% (2022: 41.6%).

Net interest-bearing debt was DKK 22.4bn, an increase of DKK 3.0bn. The free cash flow was offset by the continued cash returns to shareholders in the form of the share buy-back programme (DKK 3.2bn) and dividends to shareholders and non-controlling interests (DKK 4.8bn), and acquisitions. Net interest-bearing debt/EBITDA was 1.47x (2022: 1.23x).

REGIONAL PERFORMANCE

WESTERN EUROPE

	2022	Change			2023	Change Reported
		Organic	Acq., net	FX		
FY						
Volumes (million hl)						
Beer	29.9	-3.8%	0.0%	-	28.7	-3.8%
Other beverages	14.5	0.7%	0.0%	-	14.7	0.7%
Total	44.4	-2.3%	0.0%	-	43.4	-2.3%
DKK million						
Revenue	34,888	8.9%	0.0%	-1.9%	37,317	7.0%
Operating profit	4,966	3.3%	0.0%	-3.0%	4,981	0.3%
Operating margin (%)	14.2				13.3	-90bp
H2						
Volumes (million hl)						
Beer	14.9	-3.7%	0.0%	-	14.4	-3.7%
Other beverages	7.4	-0.3%	0.0%	-	7.4	-0.3%
Total	22.3	-2.6%	0.0%	-	21.8	-2.6%
DKK million						
Revenue	17,660	8.5%	0.0%	-1.3%	18,935	7.2%
Operating profit	2,381	5.4%	0.0%	-3.3%	2,431	2.1%
Operating margin (%)	13.5				12.8	-70bp

It was a challenging year for Western Europe, with significant cost increases, weakening consumer sentiment and bad weather during the high season in Q3.

We gained market shares in the majority of our markets in the region thanks to good commercial execution, but the overall declining market meant beer volumes declined organically by 3.8%. Other beverage volumes grew by 0.7%, thanks to growth of the soft drinks businesses in the Nordics. Consequently, total volume development was -2.3%.

Revenue/hl improved organically by 11%, mainly impacted by price increases. In addition, revenue/hl improved as a result of the inclusion of excise duties in the UK following the termination in June of the Kronenbourg 1664 licensee agreement. The full-year and H2 impact on revenue/hl was 1 percentage point and 2 percentage points respectively. Organic revenue growth was 8.9%, while reported growth was 7.0%, mainly due to the depreciation of the Norwegian and Swedish currencies.

Organic operating profit growth was 3.3%, as the business was able to offset the significant commodity, packaging and energy cost increases through higher revenue/hl and continued cost focus. The organic operating profit growth was offset by currencies, and reported operating profit growth was 0.3%. The operating margin contracted by 90bp to 13.3%.

THE NORDICS

Volumes in the Nordics were flat, as declining beer volumes were offset by solid growth in the soft drinks portfolio.

In Denmark, total volumes were slightly up. We strengthened our beer market share in a market that was under pressure. We saw solid performance for Tuborg, alcohol-free brews and Beyond Beer products.

In Norway, we grew volumes slightly in a flat market, gaining market share in both beer and soft drinks. Our local premium brand, Frydenlund, and the Pepsi portfolio performed well.

In a slightly declining Swedish market, we grew volumes by low-single-digit percentages. Despite downtrading being observed in the market, our premium brands Eriksberg and 1664 Blanc both grew. We gained market share, driven by premium beer, alcohol-free brews and soft drinks.

In Finland, volumes declined by low-single-digit percentages. Our premium portfolio delivered strong growth, supported by good results for 1664 Blanc and Brooklyn, and alcohol-free brews also grew, while mainstream core beer and other beverages declined.

FRANCE

We gained market share in France, despite our volumes being down by mid-single-digit percentages. Our premium portfolio outperformed the market, supported by Grimbergen, Brooklyn and local speciality brands. We also saw good performance of 1664. Tourtel declined as a result of lower promotional activity.

SWITZERLAND

The Swiss market was impacted by negative consumer sentiment, declining by an estimated low-single-digit percentage. Our volume development was in line with the market. The premium Valaisanne and 1664 Blanc brands did well, and our alcohol-free portfolio grew strongly. We continued to develop the Pepsi portfolio and see appealing long-term opportunities.

POLAND

After a challenging start to the year in Poland, our performance improved during the second half-year. Our volumes declined by mid-single-digit percentages for the full year, in line with the market. Revenue/hl improved significantly by high-teens percentages, as we took several price increases to mitigate significant cost price inflation.

THE UK

In a challenging environment, our UK business delivered solid performance ahead of the market. We saw good growth for premium brands such as Poretti and Brooklyn, and for the alcohol-free versions of Carlsberg and Brooklyn. Total volumes declined by low-single-digit percentages, impacted by the loss of a licence brand.

ASIA

	2022	Change			2023	Change Reported
		Organic	Acq., net	FX		
FY						
Volumes (million hl)						
Beer	42.0	5.1%	0.0%	-	44.1	5.1%
Other beverages	6.3	-5.8%	0.0%	-	5.9	-5.8%
Total	48.3	3.7%	0.0%	-	50.0	3.7%
DKK million						
Revenue	23,682	8.4%	0.1%	-10.2%	23,288	-1.7%
Operating profit	5,435	7.9%	-0.1%	-12.0%	5,208	-4.2%
Operating margin (%)	22.9				22.4	-50bp
H2						
Volumes (million hl)						
Beer	18.6	4.8%	0.0%	-	19.4	4.8%
Other beverages	2.9	-13.9%	0.0%	-	2.5	-13.9%
Total	21.5	2.3%	0.0%	-	21.9	2.3%
DKK million						
Revenue	11,012	4.7%	0.2%	-11.9%	10,237	-7.0%
Operating profit	2,178	7.8%	-0.2%	-13.9%	2,040	-6.3%
Operating margin (%)	19.8				19.9	10bp

Our Asia region delivered another set of solid results in an increasingly challenging macroeconomic environment, particularly in South-East Asia and China. Beer volumes grew organically by 5.1%, while other beverage volumes declined by 5.8% due to weak energy drinks volumes in Cambodia.

Organic revenue growth was 8.4%. Revenue/hl grew organically by 5%, supported by a positive brand mix and price increases. Reported revenue declined by 1.7% due to a negative currency impact, notably from the Laotian kip and Chinese renminbi.

Operating profit increased organically by 7.9%, positively impacted by the volume and revenue/hl growth, which more than offset a step-up in commercial investments. H2 in particular was impacted by higher commercial investments following our decision in Q3 to accelerate investments in certain markets. Reported operating profit declined by 4.2% due to the adverse currency impact.

CHINA

The Chinese beer market was flat (estimate) for the year, but weakened considerably during the second half of the year. We maintained our positive trajectory, growing volumes by 5% and strengthening our market share. The growth was driven by both premium and mainstream brands. Our local power brands, such as Chongqing, Wusu and Wind Flower Snow Moon, did particularly well, supported by an increase in domestic tourism. Our premium brands Carlsberg and Tuborg grew strongly, while 1664 Blanc was impacted by consumers becoming more price-sensitive.

VIETNAM

We continued to expand our business in Vietnam, delivering high-single-digit volume growth in a market that declined by close to a double-digit percentage (estimated). The growth was mainly driven by our international premium brands, in particular 1664 Blanc and Tuborg, which benefited from the strengthening of our route-to-market and expanded coverage and number of outlets, enabled by the increase in our commercial investments.

INDIA

Our business in India delivered high-single-digit percentage volume growth, supported by good growth for Carlsberg and Tuborg. We gained market share in some states, supported by premium brand growth. In other states, we lost market share due to capacity constraints, particularly during the peak season.

LAOS AND CAMBODIA

Volumes in Laos grew by high-single-digit percentages, despite several price increases during the year to offset the significant inflationary pressure. Revenue/hl was supported, in addition to price, by a positive mix because of good performance for Somersby and the Beerlao crafty line extension.

Following several years of significant decline, our beer business in Cambodia delivered solid high-single-digit percentage growth, albeit from a very low base. However, total volumes declined significantly due to deteriorating volumes for the energy and soft drinks business.

MALAYSIA AND SINGAPORE

The beer markets in Malaysia and Singapore were challenged by the macroeconomic slowdown. In Malaysia, volume development was better than the market and our market share improved. In Singapore, market share was flat, supported by share gains in all categories except premium, which was subject to high promotional pressure in the market.

CENTRAL & EASTERN EUROPE

	2022	Change			2023	Change
		Organic	Acq., net	FX		Reported
FY						
Volumes (million hl)						
Beer	29.1	-4.7%	0.9%	-	28.2	-3.8%
Other beverages	3.6	1.4%	0.3%	-	3.5	1.7%
Total	32.7	-4.0%	0.8%	-	31.7	-3.2%
DKK million						
Revenue	11,679	11.9%	3.5%	-4.4%	12,959	11.0%
Operating profit	2,282	4.1%	-0.5%	-6.2%	2,224	-2.6%
Operating margin (%)	19.5				17.2	-230bp
H2						
Volumes (million hl)						
Beer	15.5	-6.8%	1.1%	-	14.8	-5.7%
Other beverages	1.9	1.5%	0.2%	-	1.8	1.7%
Total	17.4	-5.9%	0.9%	-	16.6	-5.0%
DKK million						
Revenue	6,137	8.0%	4.0%	-4.3%	6,610	7.7%
Operating profit	1,132	0.6%	-0.7%	-5.1%	1,073	-5.2%
Operating margin (%)	18.5				16.2	-230bp

Volumes in Central & Eastern Europe were impacted by bad weather during the season and inflation. In addition, volumes were impacted by the termination of the Kronenbourg 1664 licensee agreement in the UK, which was previously managed in the Export & License division. Consequently, beer volume development was -4.7%. Other beverage volume growth was 1.4%, mainly due to growth of energy drinks in the eastern part of the region. The volume decline in H2 was more pronounced than in H1, as volumes in H2 were impacted by the Kronenbourg 1664 licensee termination and less easy comparables in Ukraine, because volumes in Q1 2022 were severely impacted by the outbreak of the war.

Organic revenue growth was 11.9% due to a significant increase in revenue/hl of 17% thanks to price increases in all markets and a positive product mix despite pressure on disposable income.

Despite significant increases in the total cost base, including cost of sales and marketing investments, operating profit grew organically by 4.1%. Although the higher costs were compensated for in absolute terms, the operating margin contracted by 230bp to 17.2%.

UKRAINE

The health and safety of our Ukrainian colleagues remain our first priority as the country remains at war. Volume development during the year varied significantly between quarters, with strong volume growth in Q1 due to comparables, as production stopped in Q1 2022 following the outbreak of the war, while volumes in the remainder of the year were impacted by the war, intensified competition and bad weather in Q2. Total volumes for the year were flat, while revenue/hl benefited from price increases and strong growth for the premium and alcohol-free portfolios.

SOUTH-EASTERN EUROPE

Volumes grew organically in Greece and Serbia, but this was offset by double-digit percentage volume decline in Italy due to significant price increases. We strengthened our market share in all markets except Italy, supported by strong growth for our premium and alcohol-free portfolios. Revenue/hl increased by double-digit percentages in all markets due to price increases and a positive brand mix.

THE BALTICS

Our volumes in the Baltic markets were impacted by bad weather in Q3, a challenging consumer environment and our price increases. Consequently, total volume decline was mid-single-digit percentage. We saw good growth for the alcohol-free portfolio. The revenue/hl increase was in the mid-teens.

EASTERN EUROPE

In Kazakhstan and Belarus, volumes declined by low-single-digit percentages. In Kazakhstan, the volume decline was the result of a challenging consumer environment, while in Belarus the volume development was impacted by our price increases in a highly promotional trading environment. Revenue/hl increased significantly due to very high price increases.

EXPORT & LICENSE

Volumes in our Export & License business were down by mid-single-digit percentages impacted by the Kronenbourg 1664 licensee termination. We saw good growth for 1664 Blanc, Carlsberg and Brooklyn, but this was offset by lower volumes for Somersby and Tuborg.

RUSSIA

On 23 June, Carlsberg announced the conditional sale of Baltika Breweries in Russia.

On 16 July, the Russian government issued a presidential decree temporarily transferring the management of our Russian business – Baltika Breweries – to the Russian Federal Agency for State Property Management. According to the presidential decree, Carlsberg retains title to the shares in Baltika Breweries, but otherwise no longer has any control or influence over the management of the business.

As a result of the loss of control, the investment was fully written down and previous years' accumulated currency translation and hedging losses were reclassified to the income statement. The loss from the discontinued operation in 2023 amounted to DKK 47,748m (2022: loss of DKK 8,075m).

In October, we announced that we had informed Baltika Breweries of our termination of all licence agreements enabling Baltika Breweries to produce, market and sell the Carlsberg Group's products, including international and regional brands. There will be a limited run-off period until 1 April 2024, during which Baltika Breweries may use up existing stock and materials.

We continue to take all possible actions, including legal, to protect assets and operations.

The accounting treatment and impact is described in note 9.

CENTRAL COSTS (NOT ALLOCATED)

Central costs are incurred for ongoing support of the Group's overall operations and strategic development. In particular, they include the costs of running central functions and central marketing. Central costs, net, amounted to DKK -1,266m (2022: DKK -1,370m). The decline was impacted by certain one-offs.

OTHER ACTIVITIES (NON-BEVERAGE)

The operation of the Carlsberg Research Laboratory and the non-controlling holding in the Carlsberg Byen company in Copenhagen are reported separately from the beverage activities. The non-beverage activities generated an operating loss of DKK 42m compared to a gain of DKK 157m last year, which was positively impacted by property gains in Carlsberg Byen.

COMMENTS ON THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

The 2023 consolidated financial statements of the Carlsberg Group have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

The consolidated financial statements have been prepared using the same accounting policies for recognition and measurement as those applied to the consolidated financial statements for 2022. The consolidated financial statements for 2023 contain a complete description of the accounting policies.

The following amendments became applicable as of 1 January 2023. These Amendments cover areas that are not material and/or relevant for the Group.

Amendments to IAS 1 Presentation of Financial Statements; IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; IAS 12 Income Taxes; and IFRS 17 Insurance Contracts, effective for financial years beginning on or after 1 January 2023.

INCOME STATEMENT

Please see pages 8-9 for a review of operating profit before special items.

Net special items (pre-tax) amounted to DKK -431m (2022: DKK -784m). Special items were positively impacted by reversal of brand impairment in China and the derecognition of a loan to Baltika Breweries, and negatively impacted by impairment of certain brands, impairment related to the business in Cambodia, the cost of terminating the Kronenbourg 1664 licensee agreement in the UK, restructuring costs, costs related to acquisitions and impairment of receivables from Baltika Breweries. A specification of special items is included in note 4.

Financial items, net, amounted to DKK -844m (2022: DKK -725m). Excluding currency gains and losses, financial items, net, amounted to DKK -693m (2022: DKK -506m). The increase was mainly

a result of higher average funding costs due to refinancing and higher short- and long-term interest rates and higher net interest-bearing debt. Net currency losses amounted to DKK 151m, mainly related to the strengthening of the EUR/DKK and conversion costs for the Laotian kip. A specification of net financial items is included in note 5.

Tax totalled DKK -1,859m (2022: DKK -1,778m). The normalised tax rate was 20.8%, while the effective tax rate was 18.9% due to non-recurring items, including adjustments related to prior years and the deconsolidation of the Russian business.

The Carlsberg Group's share of profit from continuing operations amounted to DKK 6,960m (2022: DKK 7,012m). The Group's share of consolidated profit (net profit) for the period was DKK -40,788m (2022: DKK -1,063m), impacted by the deconsolidation of the Russian business, which led to the recognition of accumulated currency translation and hedge losses for the period of 2004 to 2023 of DKK 41,504m and impairment losses of DKK 7,002m, giving a net result from the Russian operation of DKK -47,748m.

Non-controlling interests' share of profit for the period was DKK 1,011m (2022: DKK 1,171m). The non-controlling interests consist of Lao Brewery, Carlsberg Chongqing Breweries Group, Carlsberg Malaysia Group and Carlsberg Marston's Brewing Group, as well as other minor interests, primarily in the Asia region.

Adjusted net profit (adjusted for special items after tax), continuing operations, declined by 4.6% to DKK 7,425m. Adjusted earnings per share declined by 2.0% to DKK 54.6 (2022: DKK 55.7), supported by the share buy-back. Reported earnings per share of DKK -299.7 were impacted by the deconsolidation of the Russian business.

STATEMENT OF FINANCIAL POSITION

ASSETS

Total assets amounted to DKK 111,831m at 31 December 2023 (31 December 2022: DKK 115,341m). The main reason for the decrease was the deconsolidation of the Russian business, the assets of which amounted to DKK 11,618m in 2022, partly offset by higher current assets.

Total non-current assets amounted to DKK 81,633m (31 December 2022: DKK 81,092m). Intangible assets totalled DKK 49,100m (31 December 2022: DKK 49,223m). Intangible assets were impacted by currencies, in particular the Chinese and Laotian, and impairment of brands, offset by the acquisition of Waterloo Brewing and reversal of brand impairment in China. Property, plant and equipment totalled DKK 24,405m (2022: DKK 23,679m). The increase was mainly impacted by additions and the acquisition of Waterloo Brewing in March 2023. Financial assets of DKK 8,128m were on a par with 31 December 2022 (DKK 8,190m).

Total current assets amounted to DKK 30,198m (31 December 2022: DKK 22,631m). The increase was mainly due to higher cash and cash equivalents and deposits, following the net issuance of EMTN bonds of EUR 1.55bn. Inventories amounted to DKK 5,811m (31 December 2022: DKK 5,718m), trade receivables to DKK 5,102m (31 December 2022: DKK 5,067m) and other receivables to DKK 3,667m (31 December 2022: DKK 3,683m). Deposits and securities amounted to DKK 2,236m (31 December 2022: DKK 0) and were deposits not meeting the definition of cash and cash equivalents but co-managed with cash and cash equivalents. Cash and cash equivalents amounted to DKK 13,382m (31 December 2022: DKK 8,163m).

Assets in discontinued operations totalled DKK 0m (31 December 2022: DKK 11,618m) following the deconsolidation of the Russian business.

EQUITY AND LIABILITIES

EQUITY

Equity amounted to DKK 25,749m at 31 December 2023 (31 December 2022: DKK 34,722m), DKK 23,234m of which was attributable to shareholders in Carlsberg A/S and DKK 2,515m to non-controlling interests.

The change in equity of DKK -8,973m mainly related to the profit for the period of DKK -39,777m, other comprehensive income of DKK 38,556m, dividends paid to shareholders and non-controlling interests of DKK -4,844m and the share buy-back of DKK -3,200m.

LIABILITIES

Total liabilities were DKK 86,082m (31 December 2022: DKK 80,619m).

At 31 December 2023, non-current and current borrowings amounted to DKK 39,101m (31 December 2022: DKK 28,646m): non-current borrowings of DKK 30,763m (31 December 2022: DKK 22,865m) and current borrowings of DKK 8,338m (31 December 2022: DKK 5,781m).

The increase in non-current borrowings of DKK 7,898m was impacted by the issuance of three EUR bonds under the company's Euro Medium Term Notes (EMTN) programme during the year: a 3.5-year EUR 750m bond in May, and in September a 5-year EUR 700m and a 10-year EUR 600m bond. This was partly offset by the reclassification of a EUR 1bn bond maturing in May 2024 to current borrowings. Current borrowings were reduced by a EUR 500m bond, which matured in September 2023.

Non-current tax liabilities, retirement benefit obligations etc. amounted to DKK 8,089m (31 December 2022: DKK 9,007m). The decline was mainly the result of a decline in the Group's obligation, net, on defined benefit plans, the settlement of a fine related to a competition case in Germany, and the reversal of other legal and contractual obligations that did not materialise.

Current liabilities excluding current borrowings were DKK 38,892m (31 December 2022: DKK 38,866m).

Liabilities in discontinued operations totalled DKK 0m (2022: DKK 4,100m) following the deconsolidation of the Russian business.

CASH FLOW

Free operating cash flow amounted to DKK 7,469m (2022: DKK 9,474m), impacted by the lower EBITDA and net contribution from the change in working capital, higher capital expenditure (CapEx). Free cash flow amounted to DKK 4,878m (2022: DKK 9,884m), impacted by an increase in financial investments.

Net cash flow amounted to DKK 5,254m (2022: DKK 1,696m), positively impacted by the issuance of three bonds during the year, in total amounting to EUR 2,050m, more than offsetting the cash returns in the form of dividends and share buy-backs, in total amounting to DKK -8,001m.

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities amounted to DKK 11,607m (2022: DKK 12,949m).

EBITDA amounted to DKK 15,179m (2022: DKK 15,657m), negatively impacted by currencies.

The change in trade working capital was DKK +698m (2022: DKK +1,908m), mainly impacted by an increase in trade payables. Average trade working capital to revenue for the year remained strong at -20.3% (2022: -21.5%).

The change in other working capital was DKK -780m (2022: DKK -465m), impacted by the payment of a competition fine in Germany.

Restructuring costs and other special items amounted to DKK -552m (2022: DKK -171m), impacted by the termination of the Kronenbourg 1664 licensee agreement in the UK. Net interest etc. paid amounted to DKK -273m (2022: DKK -1,010m). The improvement was mainly due to the settlement of financial instruments. Corporation tax paid was DKK -2,166m (2022: DKK -2,103m).

CASH FLOW FROM INVESTING ACTIVITIES

Cash flow from investing activities was DKK -6,729m (2022: DKK -3,065m).

Acquisition of property, plant and equipment and intangible assets (CapEx) amounted to DKK -4,243m (2022: DKK -4,018m), while total operational investments amounted to DKK -4,138m (2022: DKK -3,475m), also impacted by a small negative contribution from the change in on-trade loans compared with a positive contribution in 2022.

Total financial investments amounted to DKK -2,591m (2022: DKK +410m), mainly attributable to the placement of cash in deposits not meeting the definition of cash and cash equivalents. In the cash flow statement, this is presented as acquisition of financial investments.

FINANCING

At 31 December 2023, gross financial debt amounted to DKK 39,101m (2022: DKK 28,646m) and net interest-bearing debt to DKK 22,351m (2022: DKK 19,326m).

The increase in net interest-bearing debt of DKK 3,025m was mainly the result of the dividend payout, share buy-back, CapEx and the acquisition of Waterloo Brewing, partly offset by cash flow from operating activities.

The difference of DKK 16,750m between gross financial debt and net interest-bearing debt mainly comprised cash and cash equivalents of DKK 13,382m and deposits and securities of DKK 2,236m.

At 31 December 2023, the average debt duration was 5.7 years (2022: 4.1 years). Of the gross financial debt, 79% (DKK 30,763m) was long term, i.e. with maturity of more than one year from 31 December 2023.

Net interest-bearing debt/EBITDA was 1.47x (2022: 1.23x).

SHARE BUY-BACK

2023 PROGRAMME

In 2023, we initiated three quarterly share buy-back programmes, in total amounting to DKK 3.0bn. Shares worth DKK 2.7bn were bought back in 2023 and the remaining DKK 0.3bn in January 2024. A total of 3,160,923 shares were bought at an average price per share of DKK 949.

In fiscal 2023, 3,338,514 shares were repurchased at a total purchase price of DKK 3.2bn, equal to an average price per share of DKK 958.

2024 PROGRAMME

Our capital allocation principles remain unchanged in the wake of Accelerate SAIL. Consequently, the Group will continue to use share buy-backs to return excess capital to shareholders to ensure an optimal capital allocation for the Group.

Based on its continued strong financial position, the Group will today initiate a new quarterly share buy-back programme, with the intention of buying back Carlsberg B shares amounting to DKK 1.0bn up until 19 April 2024.

The share buy-back programme will be executed in accordance with Article 5 of Regulation No 596/2014 of the European Parliament and Council of 16 April 2014 (MAR) and the Commission Delegated Regulation (EU) 2016/1052, also referred to as the Safe Harbour Regulation. Carlsberg is entitled to suspend or terminate the programme at any time. Any such decision will be disclosed to the public in a Company announcement.

The purpose of the programme is primarily to reduce the Company's share capital and, in addition, meet obligations relating to the Group's share-based incentive programmes. At the Annual General Meeting in 2025, the Supervisory Board intends to propose that shares not used for hedging of the incentive programmes be cancelled.

The maximum number of shares that may be repurchased on a single business day is 25% of the average daily trading volume of Carlsberg B shares over the 20 trading days prior to the date of purchase at the trading venue on which the purchase is carried out. A maximum of 10 million Carlsberg B shares can be bought during the trading period. The Group will disclose the transactions under the share buy-back programme at least once every seven trading days.

The Carlsberg Foundation will continue to participate on a 30.33% pro rata basis regarding the shares purchased in the share buy-back programme as separate transactions outside Safe Harbour. The Foundation will transfer shares on a weekly basis at a price equal to the volume-weighted average weekly share price of B shares repurchased by Carlsberg under the share buy-back programme. The price shall not deviate by more than 10% from the price quoted on Nasdaq Copenhagen at the time of purchase.

The Carlsberg Group has appointed Nordea Danmark, filial of Nordea Bank Abp, Finland ("Nordea"), as lead manager to execute the programme independently and without influence from Carlsberg, as required by the Safe Harbour Regulation. Under the agreement, Nordea will repurchase B shares during the trading period, which runs from 7 February to 19 April 2024.

NEW REGIONAL STRUCTURE

As of 1 January 2024, we have changed the regional structure to optimise regional management and ensure a better balance between the three regions.

Consequently, the entities in India and Nepal will move from the Asia region to Central & Eastern Europe. At the same time, Carlsberg Shared Services will move from Not allocated to Western Europe.

Central & Eastern Europe will be renamed Central & Eastern Europe and India to better reflect its new composition.

The markets in the new regions are listed below. Restated figures for 2023 are presented in Appendix 1.

Western Europe

Denmark, Finland, France, Germany, Norway, Poland, Portugal, Sweden, Switzerland, the UK and Carlsberg Shared Services.

Asia

Cambodia, China, Hong Kong SAR, Laos, Malaysia, Myanmar, Singapore and Vietnam.

Central & Eastern Europe and India

Azerbaijan, the Baltics, Belarus, Bulgaria, Canada, Croatia, Greece, India, Italy, Kazakhstan, Nepal, Serbia and Ukraine, and the Export & License business, in which some of the important markets are Australia, Belgium, Ireland, the Middle East, North America, South Korea and Turkey.

ANNUAL GENERAL MEETING**BOARD RESOLUTION AND PROPOSAL TO THE ANNUAL GENERAL MEETING****DIVIDEND**

The Supervisory Board will recommend to the Annual General Meeting that a dividend be paid for 2023 of DKK 27.0 per share, or a total of DKK 3.6bn. The dividend per share is unchanged compared with 2022 and equals a payout ratio of 49% of adjusted net profit for continuing operations.

CANCELLATION OF SHARES

As a consequence of the share buy-back programme initiated in February 2023, the Supervisory Board will recommend to the Annual General Meeting that 3.1 million treasury shares not used for hedging of the incentive programmes be cancelled.

FINANCIAL CALENDAR

The financial year follows the calendar year, and the following schedule has been set for the remainder of 2024:

11 March	Annual General Meeting
30 April	Q1 trading statement
14 August	H1 interim financial statement
31 October	Q3 trading statement

FORWARD-LOOKING STATEMENTS

This Company announcement contains forward-looking statements, including, but not limited to, guidance, expectations, strategies, objectives and statements regarding future events or prospects with respect to the Group's future financial and operating results. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words such as "expect", "estimate", "intend", "will be", "will continue", "will result", "could", "may", "might" or any variations of such words or other words with similar meanings. Forward-looking statements are subject to risks and uncertainties that could cause the Group's actual results to differ materially from the results discussed in such forward-looking statements. Prospective information is based on management's then current expectations or forecasts. Such information is subject to the risk that such expectations or forecasts, or the assumptions underlying such expectations or forecasts, may change. The Group assumes no obligation to update any such forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements.

Some important risk factors that could cause the Group's actual results to differ materially from those expressed in its forward-looking statements include, but are not limited to: economic and geopolitical uncertainty (including interest rates and exchange rates), financial and regulatory developments, demand for the Group's products, increasing industry consolidation, competition from other breweries, the availability and pricing of materials used by the Group, cost of energy, production- and distribution-related issues, IT failures, market-driven price reductions, litigation, environmental issues and other unforeseen factors. The nature of the Group's business means that risk factors and uncertainties may arise, and it may not be possible for management to predict all such risk factors, nor to assess the impact of all such risk factors on the Group's business or the extent to which any individual risk factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.

MANAGEMENT STATEMENT

The Supervisory Board and Executive Board have discussed and approved the Company announcement of the financial statement as at 31 December 2023.

The Company announcement of the financial statement as at 31 December 2023 has been prepared using the same accounting policies as the consolidated financial statements for 2023.

Copenhagen, 7 February 2024

Executive Board of Carlsberg A/S

Jacob Aarup-Andersen
Group CEO

Ulrica Fearn
CFO

Supervisory Board of Carlsberg A/S

Henrik Poulsen
Chair

Majken Schultz
Deputy Chair

Mikael Aro

Magdi Batato

Lilian Fossum Biner

Richard Burrows

Eva Vilstrup Decker

Punita Lal

Erik Lund

Ivan Nielsen

Olayide Oladokun

Søren-Peter Fuchs Olesen

Tenna Skov Thorsted

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INCOME STATEMENT

DKK million	H2 2023	H2 2022	2023	2022
Revenue	35,797	34,818	73,585	70,265
Cost of sales	-19,847	-19,152	-40,753	-38,198
Gross profit	15,950	15,666	32,832	32,067
Sales and distribution expenses	-9,459	-8,918	-18,355	-17,337
Administrative expenses	-2,040	-2,174	-4,077	-4,229
Other operating activities, net	87	30	124	68
Share of profit after tax of associates	295	424	581	901
Operating profit before special items	4,833	5,028	11,105	11,470
Special items, net	-262	81	-431	-784
Financial income	546	229	695	347
Financial expenses	-1,058	-446	-1,539	-1,072
Profit before tax	4,059	4,892	9,830	9,961
Income tax	-647	-663	-1,859	-1,778
Profit from continuing operations	3,412	4,229	7,971	8,183
Loss from discontinued operations ¹	-47,344	543	-47,748	-8,075
Profit for the period	-43,932	4,772	-39,777	108
Attributable to				
Non-controlling interests	351	559	1,011	1,171
Shareholders in Carlsberg A/S (net profit)	-44,283	4,213	-40,788	-1,063
DKK				
Earnings per share of DKK 20 (EPS)	-325.2	29.8	-299.7	-7.6
Continuing operations	22.6	26.4	51.1	50.1
Discontinued operations	-347.8	3.4	-350.8	-57.7
Diluted earnings per share of DKK 20 (EPS-D)	-325.2	29.8	-299.7	-7.6
Continuing operations	22.6	26.3	51.0	50.0
Discontinued operations	-347.8	3.4	-350.8	-57.7

¹ The discontinued operation in Russia was deconsolidated as of July 2023, cf. note 9.

STATEMENT OF COMPREHENSIVE INCOME

DKK million	H2 2023	H2 2022	2023	2022
Profit for the period	-43,932	4,772	-39,777	108
Other comprehensive income				
Retirement benefit obligations	-26	395	-73	586
Share of other comprehensive income in associates	-	-2	-	-
Income tax	-28	-71	-28	-73
Items that will not be reclassified to the income statement	-54	322	-101	513
Foreign exchange adjustments of foreign entities	40,297	-4,553	37,781	-3,926
Fair value adjustments of hedging instruments	778	555	920	-759
Income tax	-32	-38	-44	100
Items that will be reclassified to the income statement	41,043	-4,036	38,657	-4,585
Other comprehensive income	40,989	-3,714	38,556	-4,072
Total comprehensive income	-2,943	1,058	-1,221	-3,964
Attributable to				
Non-controlling interests	253	385	753	603
Shareholders in Carlsberg A/S	-3,196	673	-1,974	-4,567
Total comprehensive income for the period arises from				
Continuing operations	2,754	2,909	6,297	6,944
Discontinued operations	-5,697	-1,851	-7,518	-10,908
Total comprehensive income	-2,943	1,058	-1,221	-3,964

STATEMENT OF FINANCIAL POSITION

DKK million	31 Dec. 2023	31 Dec. 2022
ASSETS		
Intangible assets	49,100	49,223
Property, plant and equipment	24,405	23,679
Financial assets	8,128	8,190
Total non-current assets	81,633	81,092
Inventories	5,811	5,718
Trade receivables	5,102	5,067
Other receivables	3,667	3,683
Deposits and securities	2,236	-
Cash and cash equivalents	13,382	8,163
Current assets	30,198	22,631
Assets in discontinued operations ¹	-	11,618
Total current assets	30,198	34,249
Total assets	111,831	115,341
EQUITY AND LIABILITIES		
Equity, shareholders in Carlsberg A/S	23,234	31,902
Non-controlling interests	2,515	2,820
Total equity	25,749	34,722
Borrowings	30,763	22,865
Tax liabilities, retirement benefit obligations etc.	8,089	9,007
Total non-current liabilities	38,852	31,872
Borrowings	8,338	5,781
Trade payables	22,159	21,917
Deposits on returnable packaging materials	1,717	1,627
Other liabilities	15,016	15,322
Current liabilities	47,230	44,647
Liabilities in discontinued operations ¹	-	4,100
Total current liabilities	47,230	48,747
Total liabilities	86,082	80,619
Total equity and liabilities	111,831	115,341

¹ The discontinued operation in Russia was deconsolidated as of July 2023. See note 9.

STATEMENT OF CHANGES IN EQUITY

DKK million

Shareholders in Carlsberg A/S

	Share capital	Currency translation ¹	Hedging reserves ¹	Total reserves	Retained earnings	Total	Non-controlling interests	Total equity
2023								
Equity at 1 January	2,837	-40,889	-822	-41,711	70,776	31,902	2,820	34,722
Profit for the period	-	-	-	-	-40,788	-40,788	1,011	-39,777
Other comprehensive income	-	38,250	642	38,892	-78	38,814	-258	38,556
Total comprehensive income for the period	-	38,250	642	38,892	-40,866	-1,974	753	-1,221
Cancellation of treasury shares	-90	-	-	-	90	-	-	-
Share-based payments	-	-	-	-	129	129	1	130
Dividends paid to shareholders	-	-	-	-	-3,695	-3,695	-1,149	-4,844
Share buy-back	-	-	-	-	-3,200	-3,200	-	-3,200
Non-controlling interests	-	-	-	-	72	72	90	162
Total changes in equity	-90	38,250	642	38,892	-47,470	-8,668	-305	-8,973
Equity at 31 December	2,747	-2,639	-180	-2,819	23,306	23,234	2,515	25,749

¹ Prior to the deconsolidation of the discontinued operation in Russia, the related accumulated currency translation and hedging reserves within equity represented losses of DKK 40.9bn and DKK 0.5bn respectively (31 December 2022: losses of DKK 39.7bn and DKK 0.6bn). Following the deconsolidation, the amounts were reclassified from equity to the income statement and included in loss from discontinued operations.

2022

Equity at 1 January	2,905	-37,198	-493	-37,691	80,283	45,497	3,259	48,756
Profit for the period	-	-	-	-	-1,063	-1,063	1,171	108
Other comprehensive income	-	-3,691	-329	-4,020	516	-3,504	-568	-4,072
Total comprehensive income for the period	-	-3,691	-329	-4,020	-547	-4,567	603	-3,964
Cancellation of treasury shares	-68	-	-	-	68	-	-	-
Share-based payments	-	-	-	-	97	97	-	97
Dividends paid to shareholders	-	-	-	-	-3,389	-3,389	-1,042	-4,431
Share buy-back	-	-	-	-	-4,400	-4,400	-	-4,400
Non-controlling interests	-	-	-	-	-1,336	-1,336	-	-1,336
Total changes in equity	-68	-3,691	-329	-4,020	-9,507	-13,595	-439	-14,034
Equity at 31 December	2,837	-40,889	-822	-41,711	70,776	31,902	2,820	34,722

STATEMENT OF CASH FLOWS

DKK million	H2 2023	H2 2022	2023	2022
Operating profit before special items	4,833	5,028	11,105	11,470
Depreciation, amortisation and impairment losses ¹	2,117	2,059	4,074	4,187
Operating profit before depreciation, amortisation and impairment losses¹	6,950	7,087	15,179	15,657
Other non-cash items	-256	-435	-499	-867
Change in trade working capital	13	-799	698	1,908
Change in other working capital	10	157	-780	-465
Restructuring costs and other special items paid	-258	-74	-552	-171
Interest etc. received	199	181	329	213
Interest etc. paid	-123	-525	-602	-1,223
Income tax paid	-1,036	-1,023	-2,166	-2,103
Cash flow from operating activities	5,499	4,569	11,607	12,949
Acquisition of property, plant and equipment and intangible assets	-2,451	-2,412	-4,243	-4,018
Disposal of property, plant and equipment and intangible assets	65	263	115	414
Change in on-trade loans	10	54	-10	129
Total operational investments	-2,376	-2,095	-4,138	-3,475
Free operating cash flow	3,123	2,474	7,469	9,474
Acquisition and disposal of subsidiaries, net	-20	-	-822	-
Acquisition and disposal of associates, net	-7	-17	-7	-48
Acquisition and disposal of financial investments, net	-2,247	-20	-2,248	-20
Change in financial receivables	-12	143	-26	196
Dividends received	257	10	512	282
Total financial investments	-2,029	116	-2,591	410
Cash flow from investing activities	-4,405	-1,979	-6,729	-3,065
Free cash flow	1,094	2,590	4,878	9,884
Shareholders in Carlsberg A/S	-	-	-3,695	-3,389
Share buy-back	-1,911	-2,433	-3,200	-4,400
Non-controlling interests	-215	-302	-1,106	-1,042
External financing	3,796	-4,976	9,371	-1,128
Cash flow from financing activities	1,670	-7,711	1,370	-9,959
Net cash flow from continuing operations	2,764	-5,121	6,248	-75
Net cash flow from discontinued operations ²	-3,020	1,256	-994	1,771
Net cash flow	-256	-3,865	5,254	1,696
Cash and cash equivalents at beginning of period	11,225	13,287	8,163	8,344
Cash and cash equivalents included in discontinued operations at beginning of period	2,627	1,009	1,194	-
Foreign exchange adjustment of cash and cash equivalents	-214	-1,074	-1,229	-683
Cash and cash equivalents included in discontinued operations	-	-1,194	-	-1,194
Cash and cash equivalents at period-end	13,382	8,163	13,382	8,163

¹ Impairment losses exclude those reported in special items.

² See note 9.

NOTE 1 (PAGE 1 OF 3)

SEGMENT REPORTING BY REGION

	Q4 2023	Q4 2022	H2 2023	H2 2022	2023	2022
Beer (million hl)						
Western Europe	6.6	6.6	14.4	14.9	28.7	29.9
Asia	6.8	6.4	19.4	18.6	44.1	42.0
Central & Eastern Europe	6.2	6.4	14.8	15.5	28.2	29.1
Total	19.6	19.4	48.6	49.0	101.0	101.0
Other beverages (million hl)						
Western Europe	3.7	3.6	7.4	7.4	14.7	14.5
Asia	1.3	1.4	2.5	2.9	5.9	6.3
Central & Eastern Europe	0.7	0.8	1.8	1.9	3.5	3.6
Total	5.7	5.8	11.7	12.2	24.1	24.4
Revenue (DKK million)						
Western Europe	8,822	8,067	18,935	17,660	37,317	34,888
Asia	4,033	4,144	10,237	11,012	23,288	23,682
Central & Eastern Europe	2,640	2,363	6,610	6,137	12,959	11,679
Not allocated	8	5	15	9	21	16
Beverages, total	15,503	14,579	35,797	34,818	73,585	70,265
Non-beverage	-	-	-	-	-	-
Total	15,503	14,579	35,797	34,818	73,585	70,265
Operating profit before depreciation, amortisation and special items (EBITDA, DKK million)						
Western Europe			3,405	3,354	6,830	6,801
Asia			2,766	2,848	6,610	7,020
Central & Eastern Europe			1,431	1,435	2,898	2,884
Not allocated			-628	-685	-1,119	-1,221
Beverages, total			6,974	6,952	15,219	15,484
Non-beverage			-24	135	-40	173
Total			6,950	7,087	15,179	15,657
Operating profit before special items (DKK million)						
Western Europe			2,431	2,381	4,981	4,966
Asia			2,040	2,178	5,208	5,435
Central & Eastern Europe			1,074	1,133	2,224	2,282
Not allocated			-684	-788	-1,266	-1,370
Beverages, total			4,861	4,904	11,147	11,313
Non-beverage			-28	124	-42	157
Total			4,833	5,028	11,105	11,470
Operating margin (%)						
Western Europe			12.8	13.5	13.3	14.2
Asia			19.9	19.8	22.4	22.9
Central & Eastern Europe			16.2	18.5	17.2	19.5
Not allocated			-	-	-	-
Beverages, total			13.6	14.1	15.1	16.1
Non-beverage			-	-	-	-
Total			13.5	14.4	15.1	16.3

NOTE 1 (PAGE 2 OF 3)

SEGMENT REPORTING BY REGION

DKK million	2023	2022
Capital expenditure, CapEx		
Western Europe	1,533	1,363
Asia	1,841	1,860
Central & Eastern Europe	682	645
Not allocated	177	132
Beverages, total	4,233	4,000
Non-beverage	10	18
Total	4,243	4,018
Amortisation, depreciation and impairment losses		
Western Europe	1,849	1,835
Asia	1,402	1,585
Central & Eastern Europe	674	602
Not allocated	147	149
Beverages, total	4,072	4,171
Non-beverage	2	16
Total	4,074	4,187
Amortisation, depreciation and impairment losses, excluding right-of-use assets		
Western Europe	1,568	1,588
Asia	1,317	1,501
Central & Eastern Europe	593	550
Not allocated	144	146
Beverages, total	3,622	3,785
Non-beverage	2	16
Total	3,624	3,801
CapEx/Amortisation and depreciation, excluding right-of-use assets (%)		
Western Europe	98	86
Asia	140	124
Central & Eastern Europe	115	117
Not allocated	-	-
Beverages, total	117	106
Non-beverage	-	-
Total	117	106

NOTE 1 (PAGE 3 OF 3)

SEGMENT REPORTING BY REGION

DKK million	2023	2022
Invested capital, period-end		
Western Europe	34,712	34,098
Asia	18,293	18,910
Central & Eastern Europe	7,675	6,625
Not allocated	-328	-474
Beverages, total	60,352	59,159
Non-beverage	737	1,052
Total	61,089	60,211
Invested capital excl. goodwill, period-end		
Western Europe	14,232	13,857
Asia	3,897	3,652
Central & Eastern Europe	4,236	3,671
Not allocated	-328	-474
Beverages, total	22,037	20,706
Non-beverage	737	1,052
Total	22,774	21,758
Return on invested capital, ROIC (%), 12-month average		
Western Europe	11.4	11.1
Asia	21.9	20.9
Central & Eastern Europe	23.2	27.7
Not allocated	-	-
Beverages, total	14.8	15.2
Non-beverage	-	-
Total	14.5	15.2
Return on invested capital excl. goodwill (%), 12-month average		
Western Europe	27.0	26.2
Asia	110.2	112.4
Central & Eastern Europe	40.9	49.7
Not allocated	-	-
Beverages, total	40.0	43.0
Non-beverage	-	-
Total	38.3	41.6

NOTE 2

SEGMENT REPORTING BY ACTIVITY

DKK million	H2 2023			H2 2022		
	Beverages	Non-beverages	Total	Beverages	Non-beverages	Total
Revenue	35,797	-	35,797	34,818	-	34,818
Operating profit before special items	4,861	-28	4,833	4,904	124	5,028
Special items, net	-262	-	-262	81	-	81
Financial items, net	-477	-35	-512	-205	-12	-217
Profit before tax	4,122	-63	4,059	4,780	112	4,892
Income tax	-766	119	-647	-740	77	-663
Profit from continuing operations	3,356	56	3,412	4,040	189	4,229
Loss from discontinued operations	-47,344	-	-47,344	543	-	543
Profit for the period	-43,988	56	-43,932	4,583	189	4,772
Attributable to:						
Non-controlling interests	351	-	351	559	-	559
Shareholders in Carlsberg A/S (net profit)	-44,339	56	-44,283	4,024	189	4,213

DKK million	FY 2023			FY 2022		
	Beverages	Non-beverages	Total	Beverages	Non-beverages	Total
Revenue	73,585	-	73,585	70,265	-	70,265
Operating profit before special items	11,147	-42	11,105	11,313	157	11,470
Special items, net	-416	-15	-431	-794	10	-784
Financial items, net	-803	-41	-844	-714	-11	-725
Profit before tax	9,928	-98	9,830	9,805	156	9,961
Income tax	-1,983	124	-1,859	-1,844	66	-1,778
Profit from continuing operations	7,945	26	7,971	7,961	222	8,183
Loss from discontinued operations	-47,748	-	-47,748	-8,075	-	-8,075
Profit for the period	-39,803	26	-39,777	-114	222	108
Attributable to:						
Non-controlling interests	1,011	-	1,011	1,171	-	1,171
Shareholders in Carlsberg A/S (net profit)	-40,814	26	-40,788	-1,285	222	-1,063

NOTE 3

SEGMENT REPORTING BY HALF-YEAR

DKK million	H2 2023	H2 2022	H1 2023	H1 2022
Revenue				
Western Europe	18,935	17,660	18,382	17,228
Asia	10,237	11,012	13,051	12,670
Central & Eastern Europe	6,610	6,137	6,349	5,542
Not allocated	15	9	6	7
Beverages, total	35,797	34,818	37,788	35,447
Non-beverages	-	-	-	-
Total	35,797	34,818	37,788	35,447
Operating profit before special items				
Western Europe	2,431	2,381	2,550	2,585
Asia	2,040	2,178	3,168	3,257
Central & Eastern Europe	1,074	1,133	1,150	1,149
Not allocated	-684	-788	-582	-582
Beverages, total	4,861	4,904	6,286	6,409
Non-beverages	-28	124	-14	33
Total	4,833	5,028	6,272	6,442
Special items, net	-262	81	-169	-865
Financial items, net	-512	-217	-332	-508
Profit before tax	4,059	4,892	5,771	5,069
Income tax	-647	-663	-1,212	-1,115
Profit from continuing operations	3,412	4,229	4,559	3,954
Loss from discontinued operations	-47,344	543	-404	-8,618
Profit for the period	-43,932	4,772	4,155	-4,664
Attributable to:				
Non-controlling interests	351	559	660	612
Shareholders in Carlsberg A/S (net profit)	-44,283	4,213	3,495	-5,276

NOTE 4

Special items

DKK million	2023	2022
Special items, income		
Derecognition of loan and payables to the discontinued operation in Russia	350	-
Revaluation gain on acquisition of Jing-A Group	20	-
Gain on disposal of entities	11	-
Reversal of provisions made in purchase price allocations in prior years	-	217
Income	381	217
Special items, expenses		
Impairment of goodwill	-	-700
Impairment of brands	-525	-
Reversal of impairment losses	400	10
Impairment of non-current assets in Cambodia	-152	-
Impairment of property, plant and equipment	-33	-74
Impairment of receivables from the discontinued operation in Russia	-76	-
Reversal of provisions made in prior years	100	37
Cost of termination of a licensee agreement	-196	-
Restructuring projects and provisions	-141	-76
Costs related to acquisition and disposal of entities etc.	-117	-92
Impairment of assets and other war-related costs in Ukraine	-28	-79
Donations	-2	-27
Other expenses	-42	-
Expenses	-812	-1,001
Special items, net	-431	-784

NOTE 5

NET FINANCIAL EXPENSES

DKK million	H2 2023	H2 2022	2023	2022
Financial income				
Interest income	235	137	381	220
Interest on plan assets, defined benefit plans	309	120	309	120
Reversal of impairments of financial assets	-	-12	-	-
Other	2	-16	5	7
Total	546	229	695	347
Financial expenses				
Interest expenses	-437	-271	-752	-519
Capitalised financial expenses	5	2	8	2
Foreign exchange losses, net	-130	59	-151	-219
Interest expenses on obligations, defined benefit plans	-314	-139	-339	-158
Interest expenses, lease liabilities	-19	-17	-32	-23
Bank fees	-47	-46	-142	-78
Other	-116	-34	-131	-77
Total	-1,058	-446	-1,539	-1,072
Financial items, net, recognised in the income statement	-512	-217	-844	-725
Financial items excluding foreign exchange, net	-382	-276	-693	-506

NOTE 6

DEBT AND CREDIT FACILITIES

DKK million

31 Dec. 2023

Time to maturity for non-current borrowings	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Issued bonds	3,718	5,578	3,711	5,179	11,084	29,270
Bank borrowings	67	40	24	5	-	136
Lease liabilities	423	134	102	75	601	1,335
Other non-current borrowings	2	-	1	2	17	22
Total	4,210	5,752	3,838	5,261	11,702	30,763
Total 2022	7,904	3,823	105	3,775	7,258	22,865

DKK million

Currency split of net financial debt ¹	31 Dec. 2023	31 Dec. 2022
EUR	22,387	17,910
USD	2,554	2,950
CHF	1,372	1,279
Other currencies	-2,830	-1,656
Total	23,483	20,483

¹ After currency swap.

DKK million

Committed credit facilities	31 Dec. 2023	31 Dec. 2022
< 1 year	9,487	6,930
1-2 years	4,210	7,904
2-3 years	20,664	3,823
3-4 years	3,838	14,982
4-5 years	5,261	3,775
> 5 years	11,702	7,258
Total	55,162	44,672
Current	9,487	6,930
Non-current	45,675	37,742

NOTE 7

NET INTEREST-BEARING DEBT

DKK million			2023	2022
Issued bonds			29,270	21,470
Bank borrowings			136	70
Lease liabilities			1,335	1,203
Other non-current borrowings			22	122
Total non-current borrowings			30,763	22,865
Issued bonds			7,448	3,714
Bank borrowings			323	271
Lease liabilities			466	390
Other current borrowings			101	1,406
Total current borrowings			8,338	5,781
Gross financial debt			39,101	28,646
Deposits and securities			-2,236	-
Cash and cash equivalents			-13,382	-8,163
Net financial debt			23,483	20,483
Loans to associates, interest-bearing portion			-276	-275
On-trade loans, net			-460	-492
Other receivables, net			-396	-390
Other interest-bearing assets, net			-1,132	-1,157
Net interest-bearing debt			22,351	19,326

Changes in net interest-bearing debt

	H2 2023	H2 2022	2023	2022
Net interest-bearing debt at beginning of period	22,364	18,090	19,326	19,162
Net interest-bearing debt reclassified to discontinued operations	-	-	-	29
Cash flow from operating activities	-5,499	-4,569	-11,607	-12,949
Cash flow from investing activities, excl. acquisition of entities, net	4,386	2,010	5,907	3,065
Cash flow from acquisition of entities, net	19	-31	822	-
Dividends to shareholders and non-controlling interests	215	302	4,801	4,431
Share buy-back	1,911	2,433	3,200	4,400
Acquired net interest-bearing debt from acquisition of entities	51	-	417	-
Change in interest-bearing lending	-2,142	-3	-2,043	63
Effect of currency translation	153	336	614	431
Lease liabilities, net	657	506	567	629
Other	236	252	347	65
Total change	-13	1,236	3,025	164
Net interest-bearing debt at 31 December	22,351	19,326	22,351	19,326

NOTE 8

ACQUISITIONS AND DISPOSALS

The Group gained control of two businesses during the year. The purchase price allocation of the fair value of the identified assets, liabilities and contingent liabilities for both businesses was completed in 2023.

Waterloo Brewing

On 7 March 2023, the Group acquired 100% of the Canadian Waterloo Brewing company for a cash consideration of CAD 144m (DKK 734m). The company was fully consolidated as of the acquisition date.

The purpose of the acquisition was to strengthen the Group's market position and to deliver supply chain and other synergies. The calculated goodwill represents staff competences and synergies from expected optimisations of sales and distribution, supply chain and procurement, possible product innovations, increase in market share and access to new customers. Since the acquisition, Waterloo Brewing has been included in the Central & Eastern Europe region.

Jing-A Group

In September 2023, Carlsberg gained control of Jing-A Group through the acquisition of an additional 26.5% of the shares, giving Carlsberg a 75.5% ownership interest. The non-controlling interest holds an option to sell its remaining shareholding to Carlsberg and, in accordance with the Group's accounting policies, the non-controlling interest has not been recognised. Instead the contingent consideration payable has been recognised at fair value.

The step acquisition of Jing-A Group was completed to further strengthen the Group's presence in the growing craft beer segment in China. The shareholdings held before obtaining control were remeasured at a fair value of DKK 47m with the revaluation adjustment, DKK 20m, recognised in special items. Since the acquisition, Jing-A Group has been included in the Asia region.

Acquisition of entities in 2022

The Group did not complete any acquisitions of entities in 2022.

ACQUISITIONS

DKK million	2023
Consideration paid	760
Fair value of contingent consideration	24
Fair value of previously held investment	47
Total cost of acquisition	831
Acquired assets and liabilities	
Intangible assets	807
Property, plant and equipment	270
Right-of-use assets	161
Inventories	91
Trade and other receivables	109
Cash and cash equivalents	5
Borrowings and lease liabilities	-417
Deferred tax liabilities	-43
Trade payables	-104
Other payables	-48
Acquired assets and liabilities attributable to shareholders in Carlsberg A/S	831
Elements of cash consideration paid and received	
Consideration paid for acquisition of entities	-760
Consideration received for disposal of entities	4
Cash and cash equivalents acquired/disposed of	-66
Acquisition and disposal of entities, net	-822
Consideration paid for acquisition of associates	-7
Acquisition and disposal of associates, net	-7
Cash flow from acquisition of shareholdings, total	-829

NOTE 9

DISCONTINUED OPERATIONS

The loss from discontinued operations for 2023 only includes the six months of operation until the time of loss of control. Reported revenue in Russia amounted to DKK 4,305m (2022: DKK 10,207m) and profit to DKK 758m (2022: DKK (1,874m)). The net result was DKK -47,748m (2022: DKK -8,075m), impacted by the reclassification from equity of accumulated losses on currency translation and hedges of DKK 41,504m and the write-down of the investment by DKK 7,002m (2022: DKK 9,949m).

The cash flow from investing activities in the discontinued operations amounted to DKK -2,588m (2022: DKK -376m), of which DKK -2,495m was the impact from deconsolidating cash and cash equivalents in the Russian operation.

Analysis of loss from the discontinued operation in Russia

DKK million	2023	2022
Revenue	4,305	10,207
Costs	-3,337	-8,228
Profit before tax from discontinued operations	968	1,979
Income tax	-210	-105
Profit after tax from discontinued operations	758	1,874
Impairment losses	-7,002	-9,949
Accumulated currency translation and hedging reserves reclassified from equity to the income statement	-41,504	-
Loss from discontinued operations	-47,748	-8,075

Major classes of assets and liabilities in the discontinued operation in Russia

DKK million	2023	2022
Intangible assets	-	5,483
Property, plant and equipment	-	2,989
Inventories	-	1,015
Receivables	-	937
Cash and cash equivalents	-	1,194
Assets in discontinued operations	-	11,618
Borrowings	-	101
Tax liabilities, retirement benefit obligations etc.	-	1,144
Trade payables	-	1,892
Other liabilities	-	963
Liabilities in discontinued operations	-	4,100
Net assets in discontinued operations	-	7,518

Net cash flow from the discontinued operation in Russia

DKK million	2023	2022
Cash flow from operating activities	1,531	1,952
Cash flow from investing activities	-2,588	-376
Cash flow from financing activities	63	195
Net cash flow from discontinued operations	-994	1,771

APPENDIX 1

NEW SEGMENTATION 2024 - RESTATED FIGURES 2023

	Restated 2023						
New segmentation	Q1	Q2	Q3	Q4	H1	H2	FY
Beer (million hl)							
Western Europe	5.9	8.4	7.8	6.6	14.3	14.4	28.7
Asia	10.7	11.3	11.3	5.8	22.0	17.1	39.1
Central & Eastern Europe and India	6.5	9.6	9.9	7.2	16.1	17.1	33.2
Total	23.1	29.3	29.0	19.6	52.4	48.6	101.0
Other beverages (million hl)							
Western Europe	3.2	4.1	3.7	3.7	7.3	7.4	14.7
Asia	1.6	1.8	1.2	1.3	3.4	2.5	5.9
Central & Eastern Europe and India	0.7	1.0	1.1	0.7	1.7	1.8	3.5
Total	5.5	6.9	6.0	5.7	12.4	11.7	24.1
Revenue (DKK million)							
Western Europe	7,551	10,831	10,113	8,822	18,382	18,935	37,317
Asia	5,791	5,993	5,572	3,424	11,784	8,996	20,780
Central & Eastern Europe and India	3,059	4,557	4,603	3,248	7,616	7,851	15,467
Not allocated	4	2	6	9	6	15	21
Beverages, total	16,405	21,383	20,294	15,503	37,788	35,797	73,585
Non-beverage	-	-	-	-	-	-	-
Total	16,405	21,383	20,294	15,503	37,788	35,797	73,585
Operating profit before depreciation, amortisation and special items (EBITDA, DKK million)							
Western Europe					3,427	3,398	6,825
Asia					3,531	2,383	5,914
Central & Eastern Europe and India					1,781	1,813	3,594
Not allocated					-494	-620	-1,114
Beverages, total					8,245	6,974	15,219
Non-beverage					-16	-24	-40
Total					8,229	6,950	15,179
Operating profit before special items (DKK million)							
Western Europe					2,551	2,424	4,975
Asia					2,891	1,695	4,586
Central & Eastern Europe and India					1,428	1,418	2,846
Not allocated					-584	-676	-1,260
Beverages, total					6,286	4,861	11,147
Non-beverage					-14	-28	-42
Total					6,272	4,833	11,105
Operating margin (%)							
Western Europe					13.9	12.8	13.3
Asia					24.5	18.8	22.1
Central & Eastern Europe and India					18.8	18.1	18.4
Not allocated					-	-	-
Beverages, total					16.6	13.6	15.1
Non-beverage					-	-	-
Total					16.6	13.5	15.1

Segment reporting by region (beverages)

DKK million	Restated FY 2023
Capital expenditure, CapEx	
Western Europe	1,534
Asia	1,803
Central & Eastern Europe and India	720
Not allocated	176
Beverages, total	4,233
Non-beverage	10
Total	4,243
Amortisation, depreciation and impairment losses	
Western Europe	1,850
Asia	1,328
Central & Eastern Europe and India	748
Not allocated	146
Beverages, total	4,072
Non-beverage	2
Total	4,074
Amortisation, depreciation and impairment losses, excluding right-of-use assets	
Western Europe	1,569
Asia	1,243
Central & Eastern Europe and India	667
Not allocated	143
Beverages, total	3,622
Non-beverage	2
Total	3,624
CapEx/Amortisation and depreciation, excluding right-of-use assets (%)	
Western Europe	98
Asia	145
Central & Eastern Europe and India	108
Not allocated	123
Beverages, total	117
Non-beverage	-
Total	117

Segment reporting by region (beverages)

DKK million	Restated FY 2023
Invested capital, period-end	
Western Europe	34,670
Asia	15,976
Central & Eastern Europe and India	9,992
Not allocated	-286
Beverages, total	60,352
Non-beverage	737
Total	61,089
Invested capital excl. goodwill, period-end	
Western Europe	14,190
Asia	1,776
Central & Eastern Europe and India	6,357
Not allocated	-286
Beverages, total	22,037
Non-beverage	737
Total	22,774
Return on invested capital, ROIC (%), 12-month average	
Western Europe	11.4
Asia	21.9
Central & Eastern Europe and India	22.9
Not allocated	-
Beverages, total	14.8
Non-beverage	-
Total	14.5
Return on invested capital excl. goodwill (%), 12-month average	
Western Europe	27.0
Asia	228.1
Central & Eastern Europe and India	35.4
Not allocated	-
Beverages, total	40.0
Non-beverage	-
Total	38.3

APPENDIX 2

COMPANY ANNOUNCEMENTS IN 2023

The list below contains Company announcements during 2023, excluding insider trading and the weekly share buy-back announcements. A full overview of these is available at www.carlsberggroup.com/investor-relations/investor-home/company-announcements/

07.02.2023	Financial statement as at 31 December 2022
07.02.2023	Carlsberg A/S 2022 Annual Report, Environmental, Social & Governance Report and Remuneration Report
10.02.2023	Notice to convene the Annual General Meeting
07.03.2023	CEO Cees 'T Hart has decided to retire
13.03.2023	Annual General Meeting – Summary
16.03.2023	The Carlsberg Group appoints new Chief Executive Officer
11.04.2023	Carlsberg A/S share capital reduction
27.04.2023	Trading statement as at 31 March 2023
15.05.2023	Carlsberg issues 750m EUR notes
12.06.2023	New employee representative on the Supervisory Board
23.06.2023	Carlsberg sells its Russian business, subject to regulatory approvals
03.07.2023	Major shareholder announcement
16.07.2023	Presidential decree places Baltika Breweries under temporary Russian state administration
15.08.2023	Upgrade of 2023 earnings expectations
16.08.2023	Financial statement as at 30 June 2023
06.09.2023	Major shareholder announcement
08.09.2023	Major shareholder announcement
25.09.2023	Carlsberg issues 5-year and 10-year EUR notes
29.09.2023	Major shareholder announcement
31.10.2023	Trading statement as at 30 September 2023
06.11.2023	Major shareholder announcement