Universidade do Minho

Escola de Economia, Gestão e Ciência Política

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Equity Research Report
Carlsberg Group

July 2026

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Equity Research Report
Carlsberg Group

Master´s Project

Master in Finance

Supervised by

Professor Nelson Areal

July 2026

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RESUMO

O presente documento é um Equity Research Report, que foi realizado no âmbito do Projeto de Mestrado inserido no programa do Mestrado em Finanças da Universidade do Minho. Este relatório segue o formato do CFA Institute e o objeto de estudo é a Carslberg Group, uma empresa dinamarquesa que opera globalmente na indústria da cerveja e sidra.

No relatório está presente um estudo da empresa, destacando fatores que permitem o crescimento da empresa, descrevendo as suas atividades principais. O relatório incorpora análises que permitem verificar o posicionamento da Carlsberg no mercado, como o ESG e uma análise competitiva da mesma.

De forma a avaliar a empresa, foram conduzidas três abordagens diferentes: o método dos fluxos de caixa descontados, o método dos lucros anormais e a avaliação relativa, estimando os componentes financeiros da empresa para um período de sete anos.

No dia 4 fevereiro de 2026 a empresa apresentava uma cotação por ação de 922 DKK, já o preço alvo adquirido por este estudo resultou num preço por ação de 1188.5 DKK, refletindo uma potencial valorização de 28.91%, sendo que a recomendação de investimento é STRONG BUY.

Palavras-chave: Avaliação, Cerveja, Equity Research, Carlsberg Group, Preço-Alvo.

ABSTRACT

This document is an Equity Research Report, which was produced as part of the Master's Project within the Master's in Finance program at the University of Minho. This report follows the CFA Institute format, and the subject of study is the Carlsberg Group, a Danish company operating globally in the beer and cider industry.

The report includes a study of the company, highlighting factors that enable its growth and describing its main activities. It incorporates analysis that assesses Carlsberg's market positioning, such as ESG, and a competitive analysis of the company.

To evaluate the company, three different approaches were used: the discounted cash flow method, the abnormal earnings method and relative valuation, estimating the company's financial components over a seven-year period.

On 4 February 2026, the company had a share price of DKK 922, whilst the target price derived from this study resulted in a share price of DKK 1,188.5, reflecting a potential appreciation of 28.91%, with an investment recommendation of STRONG BUY.

Keywords: Valuation, Beer, Equity Research, Heineken, Target Price.

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LIST OF ABBREVIATIONS

€ – Euro

DKK - Danish crown

ABV - Alcohol by Volume

CAGR – Compound Annual Growth Rate

CAPEX – Capital Expenditure

D/E – Debt to Equity

DCF – Discounted Cash Flow

EBIT - Earnings Before Interest and Taxes

ECB - European Central Bank

ESG – Environmental, Social and Governance

EV – Enterprise Value

FCFF – Free Cash Flow to the Firm

IMF – International Monetary Fund

M – Million

mhl – Million Hectoliters

MV – Market Value

NOPAT – Net Operating Profit After Tax

P/E – Price to Earnings

PPE – Property, Plant and Equipment

PV - Present Value

R&D – Research and Development

ROA – Return on Assets

ROE – Return on Equity

ROIC – Return on Invested Capital

SWOT – Strengths, Weaknesses, Opportunities, Threats

TV - Terminal Value

WACC - Weighted Average Cost of Capital

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Carlsberg is one of the world's leading brewers; the company has been focusing on premiumization and operational efficiency, enabling it to improve its margins. It recently acquired Britvic, a move expected to strengthen Carlsberg's position in the non-alcoholic drinks segment, further diversifying its portfolio and enhancing its competitiveness.

INVESTMENT RECOMMENDATION

With a target price of DKK 1188.55 per share, this report assigns a **STRONG BUY** recommendation to Carlsberg, representing an upside of 28.91% compared to the current market price of DKK 922 per share (Table 1). This valuation is based on the DCF model, supported by sensitivity analysis, scenario analysis, as well as complementary valuation methods such as Abnormal Earning and Relative Valuation.

Financial projections over the explicit forecast period (2026–2032) point to steady revenue growth, supported by pricing power and volume recovery in key markets, alongside gradual margin expansion driven by cost control and product mix improvements.

The company's ability to innovate products, its expansion into international markets and its continued application of the portfolio premiumization strategy help to support this positive recommendation.

Recommendation	BUY
Current Share Price (04/02/2026)	922
Target Price (FY 2026)	**1188.55**
Upside	**28.91%**
52-Week Range	737.40-1015.0
Industry	Alcoholic Beverages
Sector	Beer
Ticker	CARLb.CO
Stock Exchange	NASDAQ Copenhagen
Shares Outstanding	132.6
Free Float	71%

Table 1: Carlsberg Investment Recommendation
Source: Author, Company Data

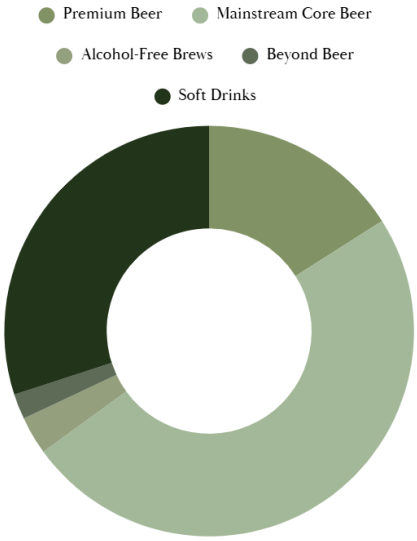


Figure 1: Carlsberg portfolio
Source: Author, Company Data

DIVERSIFIED PRODUCT PORTFOLIO

Today, Carlsberg is considered one of the world's leading brewery groups. Its portfolio includes more than 180 brands and, in line with consumer interests and market growth, Carlsberg maintains a diversified portfolio (Figure 1), featuring a beer portfolio, which is segmented into Premium Beer (16% share of total volumes) and

Mainstream Core Beer (49%). In addition, it has expanded into alcohol-free brews and other beverage portfolios, segmented into Alcohol-Free Brews (3%), Beyond Beer (2%) and Soft Drinks (30%) (Carlsberg Group, 2024).

PREMIUMIZATION STRATEGY

The traditional core of the business consists of the mainstream segment these beers are sold at more affordable prices, are easier to penetrate the market, and the group's highest sales figures are dedicated to this sector.

The premium segment is the main driver of the company's growth in value. It is mainly aimed at consumers who value quality, differentiation, and brand image, which positions the segment in higher price ranges. There has been an increase in demand for this type of product, which boosts Carlsberg's profitability, as premium beers have significantly higher margins than those in the mainstream segment.

Therefore, as one of the pillars of the Accelerate SAIL strategic plan, Carlsberg's premiumization strategy seeks to increase the proportion of sales from this segment. To achieve this goal, the company has sought to strengthen its investment in marketing and innovation.

Carlsberg's commitment to maximizing value per liter sold and strengthening the perception of its brands in an increasingly segmented and existing consumption context is reflected in this reorientation of the portfolio.

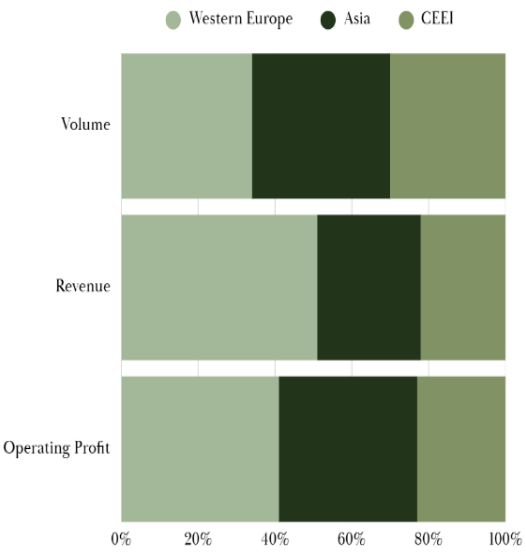


Figure 2: Share of regions
Source: Author, Company Data

SEGMENTATION BY REGION

Carlsberg is still positioned in 3 wide geographical segments: Western Europe, Central & Eastern Europe and India and Asia, allowing the company to react to the local market (Figure 3).

WESTERN EUROPE - In 2025, financial results in Western Europe have been positively impacted by the Britvic acquisition, however the organic development was impacted by the loss of the San Miguel brand in the UK.

Reported growth in volume was 46.7% and the growth in revenue was 35.6%, regarding organic development, there was a decrease of 2.8% and 1.7%, respectively.

ASIA - The challenging consumption environment in China ultimately impacted the company's performance in Asia. Both volume and

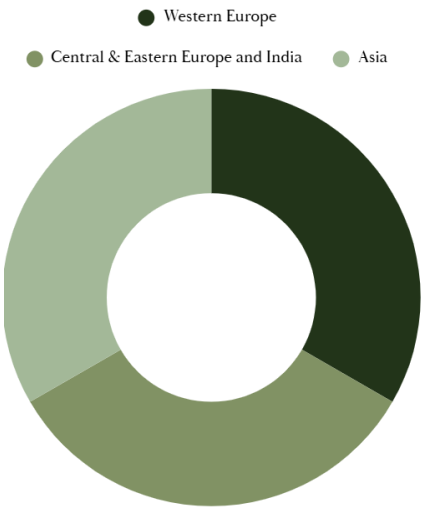


Figure 3: Geographical segments
Source: Author, Company Data

revenues fell, 2.4% and 5.8% respectively. Organic volume fell by 2.4% and organic revenues by 1.2%.

CENTRAL AND EASTERN EUROPE AND INDIA - In this region, the reported volume growth was 8.6% and its organic growth recorded a fall of 0.6%. Reported revenues and organic revenues showed growth of 10.4% and 2.7% respectively. These positive values were the result of the consolidation of the business in Nepal and the inclusion of Britvic's Brazilian business.

SHAREHOLDERS

Carlsberg has two types of shares—A shares (CARLA DC on Bloomberg) and B shares (CARLB DC on Bloomberg)—adopting a dual-class share structure, a well-known practice in Western European companies. Class A shares are common shares that normally give more votes per share, thereby contributing to greater decision-making power, but they are less liquid. On the other hand, class B shares have less voting power and are the most traded on the stock exchange because they are more liquid.

In 1876, J.C. Jacobsen established the Carlsberg Foundation. According to Jacobsen's will, all his property, including the former Carlsberg brewery, was transferred to the Foundation in 1888.

The same happened in 1902, when his son, Carl Jacobsen, transferred his New Carlsberg Brewery to the Carlsberg Foundation and, at the same time, created the New Carlsberg Foundation as an independent entity, but under the Carlsberg Foundation.

This Foundation is currently the main shareholder of Carlsberg A/S, holding approximately 76% of the voting rights and approximately 29% of the share capital. Thus, 30% of the profits from global beer operations go to the foundation, part of which is directed at the New Carlsberg Foundation (Figure 4).

Massachusetts Financial Services Company ("MFS") and BlackRock, Inc. have informed the Company that their holding of Carlsberg shares exceeds 5% of the share capital. At the end of 2025, Carlsberg had around 66 000 registered shareholders.

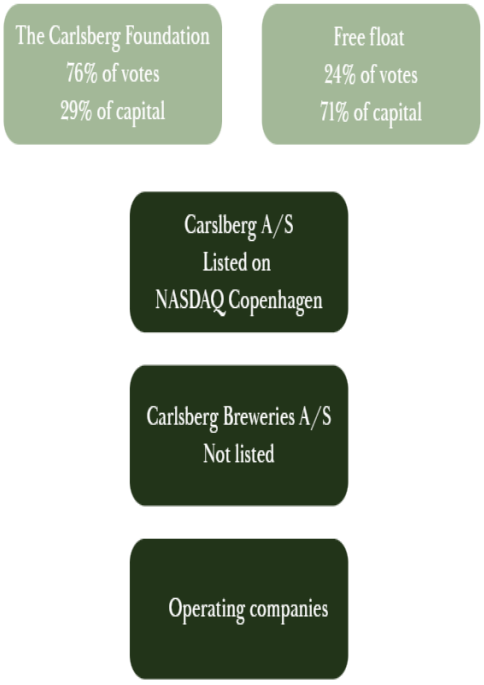


Figure 4: Ownership Structure
Source: Author, Company Data

ACCELERATE SAIL

This strategy was launched in February 2024, which is an evolution of SAIL'27 and its purpose of brewing for a better today and tomorrow. It has enabled us to set higher growth ambitions driven by increased



Figure 5: Accelerate Sail
Source: Author, Company Data

investment and support for growth drivers (Figure 5): improving supply chain efficiency, developing a growth culture, and continuing the well-embedded cost focus (Carlsberg Group, 2024).

To generate sustainable value, Carlsberg seeks to align its financial growth with positive impact goals. With shareholders in mind, it sets financial performance targets, such as increasing revenues organically by 4% to 6% and achieving organic growth in operating profit, that exceeds revenue growth. It also focuses on return on invested capital (ROIC), maintaining strong discipline in capital allocation.

For employees, it offers development opportunities and a diverse, inclusive, and attractive work environment, which helps promote a corporate culture based on purpose and performance.

For society, with the "Together Towards ZERO and Beyond" program, which aims to achieve zero emissions, zero waste, and responsible consumption, Carlsberg takes on a leading role in sustainability. This project aims to achieve zero emissions, zero waste, and responsible consumption. It also supports the Carlsberg Foundation in its investment activities in science, art, and culture.



Figure 6: Pilares accelerating sail
Source: Author, Company Data

EXPANDING SOFT DRINKS EXPOSURE

At the beginning of 2025, the company completed the acquisition of Britvic, creating a new entity, Carlsberg Britvic (Figure 7), in the United Kingdom, establishing a business operator combining beer and soft drinks.

This acquisition is seen as highly relevant to the company's strategic capacity, in line with the objectives of the Accelerate SAIL plan, allowing it to strengthen its position in the soft drinks and non-alcoholic beverages segments. It reduces Carlsberg's structural dependence on beer consumption in the United Kingdom, as it ultimately presents a more balanced beverage portfolio.

The combination of Britvic's soft drinks business with Carlsberg's beer business in the UK is creating potential for revenue synergies, arising from cross-selling opportunities and improved customer relationships, resulting from a more diversified portfolio and innovation (Carlsberg Group, 2025).

CARLSBERG BRITVIC

Figure 7: Britvic´s logo
Source: Author, Company Data

ESG

TOGETHER TOWARDS ZERO AND BEYOND

This Carlsberg program is based on a set of specific ambitions and goals that address environmental, social, and governance issues. The company implements actions to achieve these goals and monitors results toward its milestones set for 2030 and 2040.

The program is aligned with the company's purpose of brewing for a better today and tomorrow and is fully integrated into the global corporate strategy. In the countries where the company operates, these goals are then achieved in partnership with suppliers, customers, consumers, and the community, moving "Towards ZERO and Beyond, together."

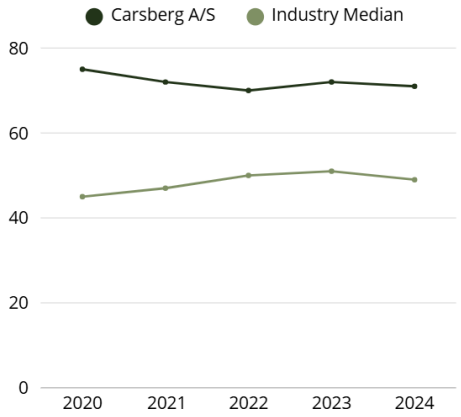


Figure 8: ESG Score
Source: Author, Company Data

ENVIRONMENTAL

Climate change and scarcity of natural resources are growing concerns that Carlsberg has been facing. Therefore, to reduce its environmental impact across the value chain, it has set targets as part of the TTZAB program (Figure 9).

ZERO CARBON FOOTPRINT - By 2030, the company is committed to achieving zero carbon emissions in its breweries, it aims to use 100% electricity from renewable sources and reduce total GHG emissions by 30%, and carbon neutrality across the entire value chain by 2040. With this goal in mind, it is possible to see that Carlsberg reduced the carbon intensity of its value chain by 3% between 2022 and 2025.

ZERO WATER WASTE - The focus is on involving local communities in water resource management and maximizing water use efficiency. To identify priority areas, according to the water risk filter, promoting the reduction of water consumption per hectoliter produced and the efficient reuse of wastewater.

ZERO FARMING FOOTPRINT - The company seeks to reduce agricultural emissions and other environmental impacts by reducing fuel and fertilizer use, adopting healthier farming methods for the soil, and strengthening the environmental resilience of agricultural supply chains.

ZERO PACKAGING WASTE - To reduce plastic use and increase the proportion of recyclable, reusable, or renewable materials, the company seeks to promote packaging collection and reuse, global partnerships with suppliers and governments, and innovation in



Figure 9: Environmental strategy
Source: Author, Company Data

sustainable design and materials such as snap packs. By 2025, 96% of primary packaging was already produced from recyclable materials.

SOCIAL

The company seeks to engage employees and listen to their growing needs, creating a safer, more motivating, and inclusive work environment (Figure 10).

ZERO ACCIDENTS CULTURE - It seeks to achieve ZERO accidents, and to this end, there are continuous and incremental improvements in the safety of all employees. For greater inclusion, its goal for 2030 is to have 40% of senior leadership be women. In 2025, it was already found that 30% of senior leadership were women and 70% were men.

ZERO IRRESPONSIBLE DRINKING - It is also important to promote responsible alcohol consumption, and it is crucial to continuously monitor consumer trends and health policies. One of the goals presented by the company is to have 100% availability of alcohol-free brews by 2030, so that all consumers and partners have access to the AFB portfolio. It also aims to have 35% of brews globally low alcohol or alcohol-free by 2030 and 100% of our markets run partnerships to support responsible consumption by 2030.

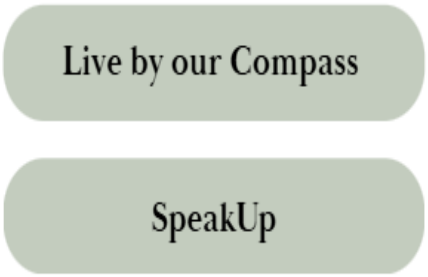


Figure 10: Social strategy
Source: Author, Company Data

GOVERNANCE

The company aligns its corporate governance model with European best practices, supported by rules from Nasdaq Copenhagen and EU Market Abuse Regulation, for example.

The supervisory board has 14 members (9 elected by shareholders and 5 by employees), promoting diversity and preserving the company's culture. To ensure continuity with the values of founder J.C. Jacobsen, two of the members of this board are affiliated with the Carlsberg Foundation.

Regarding the remuneration of supervisory board members, a fixed annual remuneration is paid, reviewed each year, without participation in stock plans or retirement benefits. For executive board members, there is a combination of fixed salary and long-term incentives linked to ESG goals, which is called executive compensation and allows the interests of managers and shareholders to be aligned.

A program called Live by our Compass was created, which, together with the Code of Ethics and Conduct, promotes integrity, anti-bribery, and good practices in general. There are also confidential reporting

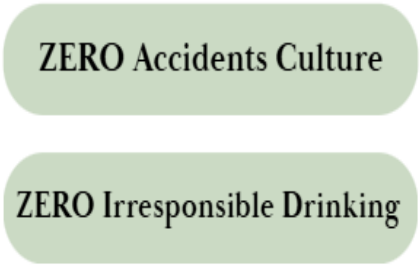


Figure 11: Governance strategy
Source: Author, Company Data

channels such as SpeakUp, which allow the company to have robust internal controls (Figure 11).

MACROECONOMIC OVERVIEW

It is expected that in 2026, global growth reaches 3.3% and in 2027 3.2% (IMF, 2026), due to an improvement resulting from more favorable financial conditions and expansionary fiscal policies, representing a slight recovery compared to 2024.

According to IMF 2025, growth in emerging and developing markets is expected to be 4.2% in 2026 and 4.1% in 2027, with the Asia-Pacific region, standing out, where Carlsberg operates strategically. In China the growth, driven by stronger economic activity, is expected to be 4.5% in 2026. India expects growth of 6.4%, due to robust domestic consumption and a more favorable external environment.

Regarding Europe, the European Central Bank aims to stabilize inflation at around 2% in the medium term (ECB, 2026) and has adopted a data-dependent approach, therefore not committing to a specific interest rate path. This ultimately contributes to predictability for consumer goods companies as it allows economic stability to be preserved.

In this way, Carlsberg's geographic diversification provides a solid foundation to sustain the company's financial performance in the coming years (Figure 12).



Figure 12: Macroeconomic overview
Source: Author, Mordor Intelligence

BEER MARKET ANALYSIS

There is a growing supply of premium products, continuous development of new products, and greater consumer purchasing power, balancing reduced consumption by health-conscious consumers and regulatory restrictions, allowing market growth to remain consistent. Therefore, the global beer market, which in 2026 is valued at USD 0.85 trillion, is expected to reach USD 1.09 trillion by 2031, reflecting a 5.16% CAGR (Figure 14).

The expansion of the beer market is driven by population growth in the Asia-Pacific region of middle-income and the well-established craft beer segment in Europe.

According to Mordor Intelligence (2026), the standard segment in this industry continues to maintain its leadership, with 79.32% of the market share. However, there is clear growth in the premium beer sector, with a projected CAGR of 5.4% until 2031. With growing

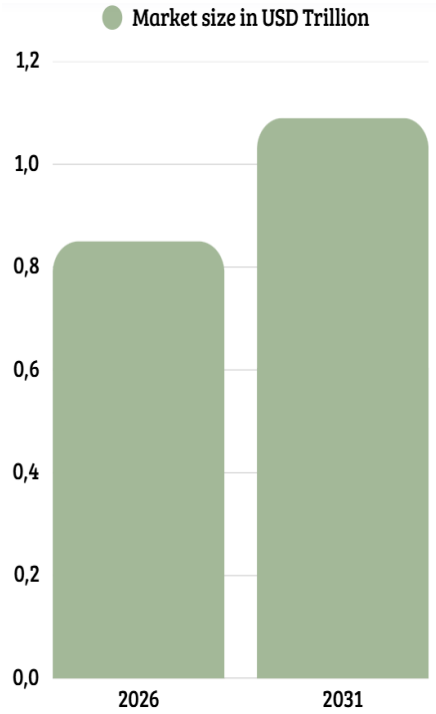


Figure 13: Beer market size
Source: Author, Mordor Intelligence

concern about sustainable practices and convenience in consumption, bottles dominate 55.26% of the market, and cans are growing at a CAGR of 5.60%. It is also noted that the off-trade channel (supermarkets and domestic consumption) is growing at a good pace (5.71% CAGR), reflecting the shift in habits towards home consumption. However, on-trade establishments (bars, restaurants, and hotels) still generated 57.45% of global revenue in 2025.

In 2025, with a CAGR of 5.40% until 2030, Asia-Pacific led the market with 30.12% of global revenue, remaining the fastest-growing region. It is therefore important for companies such as Carlsberg to focus on expanding their presence in these highly urbanized markets with strong demand for premium and low-alcohol beers.

Market Overview	
Study Period	2021 - 2031
Market size (2026)	USD 0.85 Trillion
Market size (2031)	USD 1.09 TRILLION
Growth Rate (2026-2031)	5.16% CAGR
Fastest Growing Market	Asia Pacific
Market Concentration	High

Figure 14: Beer market overview
Source: Author, Mordor Intelligence

GLOBAL BEER MARKET TRENDS AND INSIGHTS

DRIVERS IMPACT ANALYSIS

Four major trends are driving the global beer market. The growth of craft breweries allows for unique flavors and promotes local production, which leads to a diversification of supply, attracting younger consumers. The recovery of tourism and hospitality has increased brand exposure and generated new revenue, especially in Asia and Europe, where there are more beer tourism and events dedicated to it. At companies such as Heineken and Carlsberg, product innovation has been a central concern, as they seek to respond to the preferences of well-oriented consumers. Finally, still within this constant concern for health, there is clear growth in demand for gluten-free and low-calorie beers, which allows brands to strengthen their image of sustainability and responsibility, attracting new consumers (Figure 15).



Figure 15: Beer Trends
Source: Author, Mordor Intelligence

DIVERSIFICATION

It is important to note that Carlsberg is constantly seeking innovation and diversification, the non-alcoholic beverage market shows a CAGR of 5.57% from 2026 to 2031. This growth is due to increased concern and awareness among consumers regarding health, constant demand for product innovation in terms of flavor and ingredients, strong influence of social media, and expansion of e-commerce platforms that facilitate access to new products (Mordor Intelligence, 2026).

COMPETITIVE POSITIONING

The global beer market has a concentrated competitive structure, with multinational companies controlling important brand portfolios and

distribution networks. The main leaders in this industry include Heineken N.V., Anheuser-Busch InBev SA/NV, Carlsberg Group, Molson Coors Beverage Company, China Resources Beer Holdings Co Ltd and Asahi Group Holdings Ltd (Figure 16).

Therefore, to understand Carlsberg's competitive position, two analyses were carried out: Porter's five forces analysis (Figure 17) and SWOT analysis (Figure 18).



Figure 16: Carlsberg peers
Source: Author

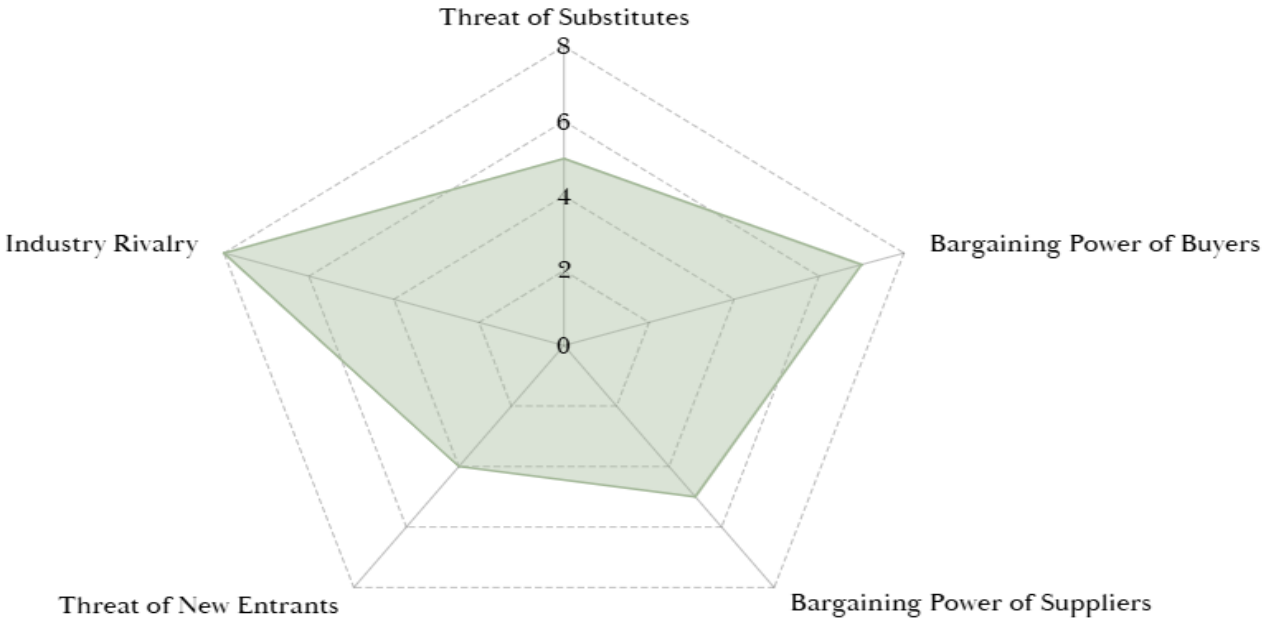


Figure 17: Five forces of porter
Source: Author

5 FORCES OF PORTER

THREAT OF SUBSTITUTES – MODERATE

There has been a clear increase in healthier practices, leading to an increase in the consumption of low-alcohol, gluten-free, or zero-sugar beer options. However, Carlsberg has continuously worked to respond to these growing concerns by maintaining a highly diversified portfolio, reducing its risk in relation to these substitutes.

Nevertheless, it remains important for the company to continue investing in innovation, product differentiation, and portfolio expansion to combat low switching costs.

However, there are several alternatives available and substitutes such as wine, spirits, and cider, and, in addition, switching costs for consumers and distributors are low. Taking this into account, as well

as the diversity of the portfolio, the threat from substitute products is moderate.

BARGAINING POWER OF BUYERS – MODERATE TO HIGH

Although intermediaries such as bars, restaurants, and hotels are important to the business, most of the bargaining power lies with end consumers, as they directly influence the purchasing decisions of intermediaries.

The existence of various brands and types of beer, with low switching costs between them, gives consumers a high degree of choice, which requires industry players to maintain a diversified portfolio. This consumer power has increased with the rise of digital channels and e-commerce, which give them easy access to new products and allow them to compare prices.

The dominance of global brands such as Carlsberg and consumer preference for recognized products means that the industry has many medium and small customers with limited bargaining power. Thus, consumer power is assessed as moderate to high, in the sense that it is greater in the mainstream segment and lower in the premium segment.

BARGAINING POWER OF SUPPLIERS – MODERATE

Raw materials for beer production are also used in other sectors, which guarantees constant demand and ultimately limits the availability of high-quality products, contributing to increased bargaining power for suppliers in the sector. In addition, beer production uses raw materials such as malt, aluminum, and glass, which are highly exposed to global price volatility.

However, companies such as Carlsberg enjoy significant advantages over suppliers due to their international presence and scale. Their strategies, such as the use of premium raw materials and strategic partnerships with producers, reduce dependence on third parties and control costs, which moderates supplier power.

THREAT OF NEW ENTRANTS – LOW TO MODERATE

The beer industry has high barriers to entry, requiring the establishment of reliable supply chains and significant investment in production equipment, which makes it difficult to enter.

Furthermore, companies such as Carlsberg already occupy a large share of the industry with their highly diversified portfolio, strong



Figure 18: SWOT analysis
Source: Author

brand power, and economies of scale, which contributes to reducing the likelihood of new large-scale competitors.

However, microbreweries and craft products have shown significant growth in recent years, as the market allows for smaller-scale entry, enabling them to capture small market shares. Despite this, the threat of new entrants is low to moderate.

INDUSTRY RIVALRY – HIGH

Competition in this sector is considered fierce, as there are relatively few major players, namely Carlsberg, Heineken, and AB InBev. Their products are very similar and switching costs are low, which leads to low consumer loyalty. There is therefore intense competition between these players in terms of price and quality.

They also resort to mergers and acquisitions due to slow growth in mature markets, as well as expanding into emerging markets to increase market share. This expansion means that competition is also evident in segments such as craft beers and low or non-alcohol beers.

FINANCIAL ANALYSIS

The company faced a period of pressure between 2020 and 2023, as can be seen from the margins, followed by a period of operational stabilization from 2024 onwards. Inflation in production and raw material costs impacted the gross margin, causing it to decline from 2020 to 2023. The company has been gradually recovering, with the stabilization of the gross margin suggesting an improvement in the product mix and greater cost control, as well as some ability on the part of the company to pass on price increases. The EBIT margin and ROS also show continued improvement and stability for the company, with gradual and consistent progress, ruling out overly aggressive assumptions (Figure 19).

PROFITABILITY - Due to the expected decrease in ROE from 20.61% in 2026F to 19.65% in 2032F, it is possible to observe a decline in the degree of financial leverage, showing less dependence on debt. There is also a more efficient use of assets, consistent with the increase in asset turnover. ROIC also increases, indicating an improvement in capital allocation efficiency (Figure 20).

SOLVENCY – The company is expected to adopt a clear deleveraging strategy during the projected period, reducing the D/E ratio through debt amortization and equity growth (Figure 21).

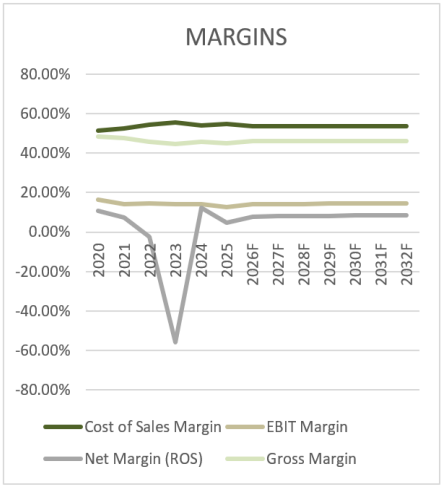


Figure 19: Margins
Source: Author, Company Data

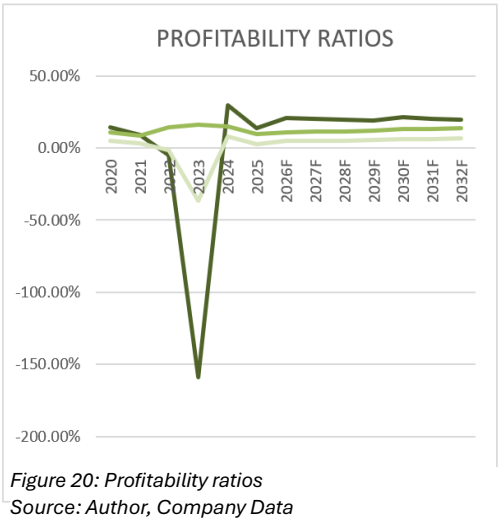


Figure 20: Profitability ratios
Source: Author, Company Data

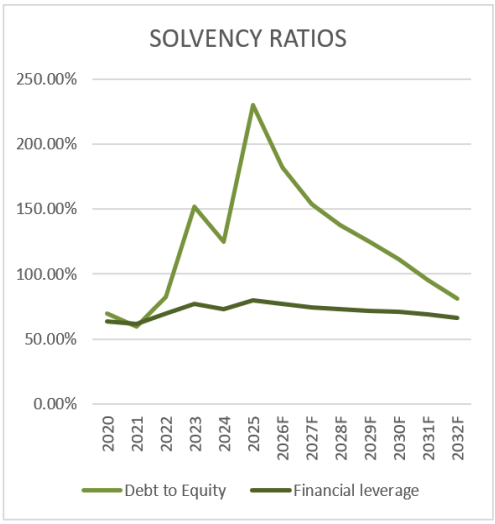


Figure 21: Solvency ratios
Source: Author, Company Data

LIQUIDITY – Both the quick ratio and cash ratio show no signs of liquidity stress, and the stability of these ratios in the future indicates balanced working capital management (Figure 22).

EFFICIENCY – Based on receivable days, payable days and inventory days, the company is expected to continue to implement consistent credit policies and maintain strong bargaining power with suppliers, as well as adequate control of stock levels. All of this suggests operational stability and a slight improvement in asset utilization (Figure 23).

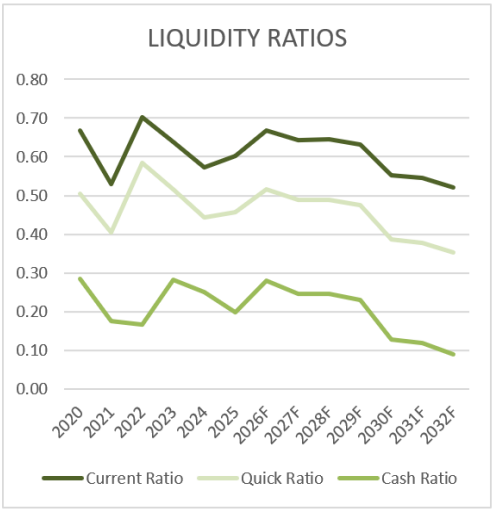


Figure 22: Liquidity ratios
Source: Author, Company Data

REVENUES

Driven mainly by pricing, portfolio premiumization and improvements in geographical mix, Carlsberg showed consistent revenue growth between 2020 and 2024. In 2025, it reached DKK 89bn in revenue, reflecting the acquisition and consolidation of Britvic, structurally increasing the group's scale, particularly in Western Europe (Figure 24).

Therefore, a breakdown of revenues was conducted, in volume (mhl) and sales/mhl, to project them for the forecast years. We assumed moderate price growth of +1.2% in Western Europe, +1.1% in Asia and +2.1% in Central & Eastern Europe and India (CEEI), supported by portfolio premiumization and pricing discipline. For volume, we also assumed moderate growth of 1% in Western Europe, 0.8% in Asia and 1.3% in Central & Eastern Europe and India.

Thus, revenues were projected to grow from DKK 91.1bn in 2026F to DKK 118.7bn in 2032F, corresponding to a CAGR of 4.18%. This is moderate growth that reflects the mature nature of the global beer market.

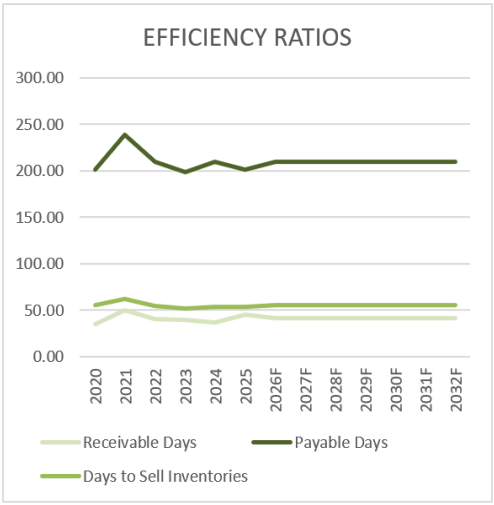


Figure 22: Efficiency ratios
Source: Author, Company Data

LONG TERM DEBT AND SHARE BUYBACKS

The company's long-term debt tended to fluctuate between DKK 22bn and DKK 31bn in previous years, but in 2025, it increased significantly to DKK 61bn, mainly due to the financing of the Britvic acquisition. It is expected that from 2026 onwards, the company will deleverage, reducing its debt to around DKK 35bn in 2032F. (Figure 25). Consequently, although Carlsberg maintained a consistent share buyback program from 2020 to 2024, a temporary suspension is assumed in 2025 and 2026, reflecting the company's priority to reduce leverage after the acquisition of Britvic, with a gradual resumption of the program expected from 2027 onwards.

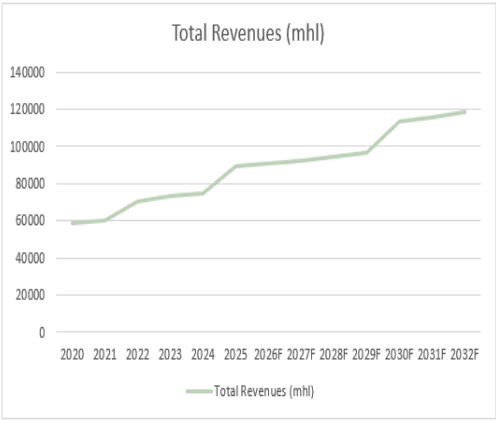


Figure 23: Total Revenues Trend
Source: Author, Company Data

VALUATION

WEIGHTED AVERAGE COST OF CAPITAL

Beta - The following comparable companies were considered: Molson Coors Beverage Co, China Resources Beer Holdings Co Ltd, Kirin Holdings Co Ltd, Asahi Group Holdings Ltd, Heineken NV, Anheuser-Busch Inbev SA. However, only the average of Heineken and Anheuser-Busch InBev was used to calculate Carlsberg's beta. Using their levered betas, capital structure, and tax rate, the unlevered beta for each was calculated, and by taking a weighted average of these, Carlsberg's unlevered beta was arrived at.

Cost of equity - To calculate Carlsberg's levered beta, the unlevered beta was adjusted for capital structure and tax rate. The equity risk premium of the regions where Carlsberg operates was weighted, resulting in a cost of equity of 6.73%.

Cost of debt - With a credit rating of Baa1 from Moody's, a default spread of 1.55% was reached, using Damodaran's data. The pre-tax cost of debt (4.35%) was obtained by adding this spread to Denmark's risk-free rate.

Capital Structure - Its capital structure was obtained through market capitalization and total debt obtained by Refinitiv. The company's composition is therefore 36% debt and 64% equity.

Wacc - Thus, with all components calculated, the value obtained was 5.54% (Table 2).

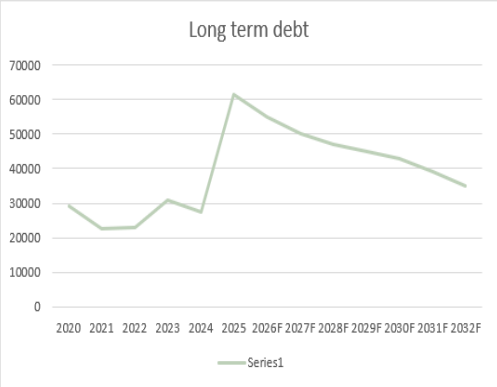


Figure 24: Long term debt trend
Source: Author, Company Data

Carlsberg´s D/E ratio	0.55
Carlsberg´s tax rate	0.22
Carlsberg´s levered beta	0.66
Risk-free rate	2.80%
Cost of equity	6.73%
Cost of debt	4.35%
Weight of equity	0.64
Weight of debt	0.36
WACC	5.54%

Table 2: WACC computation
Source: Author, Company Data

DISCOUNTED CASH FLOW METHOD

A DCF method was used to evaluate the company, focusing on FCFF projections for the period (2026-2032).

FCFF was calculated based on NOPAT adjusted for depreciation and amortization, change in working capital and capital expenditures. A WACC of 5.54% was used to discount the projected cash flows, and perpetual growth of 0.52% was assumed, supported by a ROIC higher than the WACC, which indicates sustainable value creation. This resulted in an EV of DKK 218544 million, subsequently obtaining a target price of DKK 1188.5 per share (Table 3).

Enterprise value	218544
(-) Value of non controlling interests	2872
(+) Value of cash and cash equivalents	9585
(-) Value of debt	67656
Market value of equity	157602
Shares outstanding	132.6
Value per share	1188.5
Current share price (04/02)	922
Upside/ Downside	28.91%

Table 3: Discounted cash flow method
Source: Author, Company Data

ABNORMAL EARNINGS

An abnormal earnings method was also applied to complement the valuation of Carlsberg. Here, abnormal earnings are discounted at the cost of equity, and the same growth rate presented in the DCF (0.52%)

was assumed. Consequently, an equity value of DKK 129155 million was obtained, leading to a target price of DKK 974 per share (Table 4).

Equity Value	129155
Shares Outstanding	132.6
Value per share	974.0
Current share price	922
Upside/ Downside	5.64%

Table 4: Abnormal earnings method
Source: Author, Company Data

RELATIVE VALUATION

A relative valuation was also conducted with Carlsberg's peer group, excluding China Resources Beer Holdings and Molson Coors Beverage Company (appendix). Two multiples were analyzed, EV/EBIT and EV/Revenues, with the former giving a downside of -17.80% and the other a downside of -1.00% (Table 5). Therefore, the EV/Revenues multiple is considered more representative in this case, since there are significant differences in operating margins and geographical exposure among the group of companies observed. This contrasts with the DCF valuation, which indicates significant upside. The divergence can be attributed to the forward-looking nature of the DCF model versus the market-based nature of multiples. While multiples reflect current market sentiment and embedded expectations, the DCF captures Carlsberg's long-term value creation potential, including margin expansion, efficiency improvements, and the benefits of its premiumization strategy.

	EV/EBIT	EV/Revenues
Asahi Group Holdings Ltd	14.22	1.18
Heineken NV	14.23	2.04
Anheuser-Busch Inbev SA	12.52	3.19
Carlsberg EBIT	11354	89095
Implied EV	161437	181979
(-)debt	67656	67656
(+)cash	9585	9585
(-) non controlling interests	2872	2872
Implied Equity MV	100494	121037
Shares Outstanding	133	133
Implied Share price	758	913
Upside/ Downside	-17.80%	-1.00%

Table 5: Relative valuation
Source: Author, Company Data

SENSITIVITY ANALYSIS

A sensitivity analysis was performed to assess the robustness of the valuation model, using the weighted average cost of capital (WACC) and growth rate (g) as variables, since these significantly influence the terminal value and, consequently, the value of the company.

A variation in WACC from 4.44% to 6.64% and in the growth rate from -0.58% to 1.62% was considered, which allowed us to assess the impact of both more conservative and more optimistic scenarios on the estimated price per share (Table 6).

This analysis confirms that the valuation remains positive across a wide range of plausible assumptions, with the model pointing to Buy and Strong Buy recommendations in most combinations, reflecting significant upside potential for the share price, with only very adverse scenarios leading to a Hold or Sell recommendation.

Recommendation	Sell	Reduce	Hold	Buy	Strong Buy
Upside potential	-10%≤	>-10% & ≤0%	>0% & ≤ 10%	>10% & ≤20%	>20%

		Growth				
		-0.58%	-0.03%	0.52%	1.07%	1.62%
Wacc	4.44%	1403	1517	1589	1853	2117
	4.99%	1210	1293	1396	1526	1698
	5.54%	1053	1114	1189	1280	1397
	6.09%	921	967	1022	1088	1170
	6.64%	810	845	886	934	992

Table 6: Sensitivity analysis
Source: Author, Company Data

SCENARIO ANALYSIS

A scenario analysis was carried out to identify possible trajectories for the company under different scenarios. In doing so, two drivers were adjusted simultaneously: cost of sales and WACC. (Table 7).

In the bear case, a more pessimistic scenario is examined, in which a deterioration of the macroeconomic environment is considered, with higher costs and tighter financial conditions, which negatively impacts demand, leading to an increase in the cost of sales and the WACC. Conversely, the bull case focuses on an optimistic scenario, assuming potential operational improvements, cost optimization and an enhanced competitive position, thereby slightly reducing the cost of sales. A slight decrease in the WACC is also possible due to a more favorable financial environment.

Assumptions	Bear Case	Base Case	Bull Case
Cost of sales / revenues	0.62	0.54	0.52
Wacc	6.20%	5.54%	5.39%
Value per share	783.8	1188.5	1800.2
Upside/ Downside	-14.99%	28.91%	95.25%

Table 7: Scenario analysis
Source: Author, Company Data

The base case ultimately assumes current conditions, allowing for stability; this reflects consistent execution by the company where the drivers are ultimately not impacted by adverse situations.

INVESTMENT RISK

Carlsberg is exposed to operational, economic, political, financial, regulatory, and legal risks, which may affect the company's operational and financial performance and intrinsic value.

OPERATIONAL RISKS (OR)

PORTFOLIO TRANSFORMATION AND CHANGING CONSUMER PREFERENCES | OR1

Probability: Moderate | Impact: Moderate

There is growing demand for premium products and low- or non-alcoholic options, and although Carlsberg has a current drive to innovate and diversify its portfolio, a rapid transition, particularly away from traditional beer consumption, could negatively affect volumes in its core markets, such as Western Europe. In addition, organic revenue growth may be limited by the inability to respond effectively to the demands of younger consumers who are actively seeking innovative and sustainable products.

Risk Mitigation – Carlsberg has an active focus on diversifying and premiumization its portfolio, with an emphasis on segments such as low or zero alcohol, seeking innovation and sustainability in its products to respond to market trends. This expansion of its portfolio –

reinforced by the acquisition of Britvic – reduces dependence on traditional beer consumption, strengthening revenue resilience.

INTEGRATION AND OPERATIONAL EXECUTION RISK (CARLSBERG BRITVIC) | OR2

Probability: Moderate | Impact: Moderate High

The acquisition of Britvic once again allows Carlsberg to significantly diversify its portfolio, contributing to a strengthening of its strategic positioning. However, it is ultimately a process that carries risks related to the harmonization of different systems, operational processes, logistics chains, and organizational cultures. FCF generation may be compromised by delays in capturing synergies, restructuring costs, or operational disruptions.

Risk Mitigation – Integration is supported by dedicated integration teams with a clear focus on capturing operational and commercial synergies. There is highly experienced leadership in the UK market, which helps to reduce potential disruptions.

ECONOMIC AND POLITICAL RISKS (EP)

MACROECONOMIC AND GEOPOLITICAL EXPOSURE | EP1

Probability: Moderate – High | Impact: High

With significant international operations, the company is exposed to macroeconomic and geopolitical risks, such as economic slowdowns and exchange rate volatility, among others. Economic conditions in the regions where the company operates have a strong impact on the consumption of its products. Low economic capacity can reduce consumers' disposable income, leading to a decrease in consumption. In addition, some strategic Asian markets could have a material impact on growth prospects if they experience a sharp slowdown.

Risk Mitigation - By diversifying geographically, Carlsberg mitigates its exposure, contributing to a reduction in dependence on a single market. It also seeks to plan scenarios so that it can adjust quickly by applying pricing, cost, and investment strategies in atypical times.

FINANCIAL RISKS (FR)

CURRENCY RISK | FR1

Probability: Moderate | Impact: Low-Moderate

The company's geographic diversification exposes it to various currencies. Even with solid operating performance, unexpected fluctuations in exchange rates can have an impact on reported results.

Risk Mitigation – By combining natural hedging, which aligns costs and revenues in the same currency, and financial hedging, which is based on the use of derivative instruments to protect expected cash flows, the group can mitigate this risk.

REGULATORY AND LEGAL RISKS (RL)

ALCOHOL CONSUMPTION REGULATION AND ESG REQUIREMENTS | RL1

Probability: Low-Moderate | Impact: Moderate

As the beverage industry is highly regulated, the company is subject to increasing environmental requirements, taxes on alcoholic beverages, and even advertising restrictions, possibly leading to increases in costs, more limited volume growth, and increased investment in sustainability. The company's reputation depends on how it meets ESG objectives, as failure to do so could negatively affect investor perception.

Risk Mitigation – By integrating environmental, social, and governance requirements into its strategy, Carlsberg mitigates these risks, as well as diversifying its portfolio by strengthening it with non-alcoholic beverages.

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APPENDICES

APPENDIX 1 - SWOT ANALYSIS

STRENGHS

Consolidated global brand and premiumization strategy – Carlsberg's portfolio is recognized globally, and its focus on premiumization has led to increased margins and customer loyalty

Geographic and portfolio diversification – Carlsberg has a very solid presence in Europe, and its investment in Asia has led to significant growth in the region, allowing Carlsberg to present a diversified revenue base. In addition, some risks that the company may face are mitigated by its highly diversified portfolio.

Leadership in sustainability – The Together Towards ZERO and Beyond program puts the company in a leadership position in sustainability, which allows it to strengthen both profitability and brand reputation simultaneously.

WEAKNESSES

Exposure to mature markets – Western Europe still accounts for a significant portion of Carlsberg's revenues, and beer consumption in this region is more stagnant, which limits organic growth

Limited presence in North America – The company has a limited presence in the United States, unlike Heineken and AB InBev, restricting its global scale

Cost and exchange rate pressure – Margins continue to be pressured by exchange rate volatility and persistent inflation in raw material and transportation costs, particularly in emerging markets.

OPPORTUNITIES

Growth in Asia-Pacific – Opportunities for growth in this region for premium and low or non-alcoholic products are provided by rising disposable income and the expansion of the middle class

Increased demand for non-alcoholic beers – Carlsberg has a strong presence in this segment due to increased consumer concern for a healthier lifestyle, leading them to seek out beers with little or no alcohol.

Sustainability as a competitive advantage – The company's positioning with consumers and investors who focus on ESG is reinforced by environmental and energy efficiency initiatives.

THREATS

Intense competition – The presence of large groups such as AB InBev and Heineken intensifies competition in terms of price and marketing.

Regulatory and Fiscal Pressures – Possible tax increases or tighter restrictions on beverage advertising could ultimately affect volumes.

Climate and Resource Risks – The supply of raw materials such as barley and hops could be impacted by water shortages or climate change, leading to increased production costs.

APPENDIX 2 - INCOME STATEMENT

INCOME STATEMENT

(DKK million)

	2020	2021	2022	2023	2024	2025	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Revenue	58541	60097	70265	73585	75011	89 095	91069	92275	94470	96761	113351	115972	118657
Cost of Sales	-30180	-31528	-38198	-40753	-40631	-48 859	-48990	-49639	-50820	-52052	-60976	-62387	-63831
Gross Profit	**28361**	**28569**	**32067**	**32832**	**34380**	**40 236**	**42079**	**42636**	**43651**	**44709**	**52374**	**53586**	**54826**
Selling, General & Administrative Expenses	-18826	-18851	-21566	-22432	-23623	-28 089	-28493	-28870	-29557	-30274	-35464	-36284	-37124
Research & Development	-123	-95	-107	-132	-142	-152	-350	-350	-400	-450	-500	-500	-500
Other Operating Expense/(Income)	29	-1270	-452	-209	-136	-945	-945	-945	-945	-945	-945	-945	-945
Operating Profit (EBIT)	**9687**	**8543**	**10156**	**10323**	**10763**	**11 354**	**12991**	**13171**	**13549**	**13940**	**16465**	**16856**	**17257**
Interest Income	81.00	90.00	220.0	381.0	408.0	335	335	335	335	335	335	335	335
Interest Expense	-495.0	-508.0	-540.0	-776.0	-1 105.0	-2 399	-1423	-1288	-1220	-1175	-1130	-1039	-949
Non-Interest Financial Income/(Expense) - Total	3.00	-330.0	-405.0	-449.0	-183.0	-499	-499.0	-499.0	-499.0	-499.0	-499.0	-499.0	-499.0
Sale of Tangible & Intangible Fixed Assets - Gain/(Loss)	105	77	79	47	44	84	84	84	84	84	84	84	84
Non-Recurring Income/(Expense)	-351	-111	-1140	-431	-544	-2 229	-400	-100	-50	0	0	0	0
Income before Taxes (EBT)	**9 030**	**7 761**	**8 370**	**9 095**	**9 383**	**6 646**	**11 088**	**11 703**	**12 198**	**12 685**	**15 255**	**15 737**	**16 228**
Income Taxes	-2233	-2154	-1778	-1859	-1982	-2 072	-3326	-3511	-3660	-3806	-4577	-4721	-4868
Net Income after Tax	**6797**	**5607**	**6592**	**7236**	**7401**	**4574**	**7761**	**8192**	**8539**	**8880**	**10679**	**11016**	**11359**
Equity in Earnings/(Loss) of Affiliates (after Taxes)	315	336	901	581	616	660	660	660	660	660	660	660	660
Profit for the period	**7112**	**5943**	**7493**	**7817**	**8017**	**5 234**	**8421**	**8852**	**9199**	**9540**	**11339**	**11676**	**12019**
Extraordinary Activities - after Tax - Gain/(Loss)		-284	-8075	-47748	2258	0	0	0	0	0	0	0	0
Minority Interest	778	1163	1171	1011	1147	1 023	1304	1371	1425	1477	1756	1808	1861
Net Income (after Minority Interest)	**6334**	**4496**	**-1753**	**-40942**	**9128**	**4 211**	**7117**	**7481**	**7774**	**8062**	**9583**	**9868**	**10158**

Source: Author, Company Data

APPENDIX 3 – BALANCE SHEET

BALANCE SHEET

(DKK million)

	2020	2021	2022	2023	2024	2025	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Cash & Cash Equivalents	8093	7609	8163	13382	11542	9585	13821	12012	12143	11552	7171	6705	5226
Short-Term Investments		735		2236	59	0	0	0	0	0	0	0	0
Short-Term Accounts Receivable	5521	8236	7786	7934	7608	11085	10258	10394	10641	10899	12768	13063	13365
Inventories	4613	5391	5718	5811	5953	7110	7407	7505	7684	7870	9220	9433	9651
Short-Term Prepaid Expenses	769	929	964	835	1185	1469	1305	1322	1353	1386	1624	1661	1700
Short-Term Assets Held for Sale			11618	0			0	0	0	0	0	0	0
Total Current Assets	**18996**	**22900**	**34249**	**30198**	**26347**	**29249**	**32791**	**31232**	**31821**	**31707**	**30782**	**30862**	**29942**
Investments in Associates and Joint Ventures	4188	5172	5523	5437	4674	4325	4887	5003	4975	4883	4791	4811	4892
Long-Term Accounts Receivable	1004	1075	936	881	814	860	1227	1243	1273	1304	1527	1562	1599
Property, Plant & Equipment	26299	26648	23679	24405	27050	32780	34756	35216	36054	36928	43259	44260	45284
Long-Term Assets Held for Sale		191					0	0	0	0	0	0	0
Other Non-Current Assets	2268	1922	1731	1810	2056	3510	2835	2872	2941	3012	3528	3610	3693
Goodwill	50492	52484	38453	38315	41618	59324	58000	56000	54000	54000	54000	54000	54000
Other Intangible Assets	15569	15991	10770	10785	10769	23907	14444	14135	14808	15613	16581	15116	15251
Total Non-Current Assets	**99820**	**103483**	**81092**	**81633**	**86981**	**124706**	**116148**	**114469**	**114050**	**115739**	**123687**	**123359**	**124719**
Total Assets	**118816**	**126383**	**115341**	**111831**	**113328**	**153955**	**148939**	**145702**	**145871**	**147446**	**154469**	**154221**	**154661**
Short-Term Accounts Payable	16598	20642	21917	22159	23317	26877	28138	28511	29189	29897	35022	35832	36662
Short-Term Debt & Current Portion of Long-Term Debt	959	6167	5781	8338	10748	9171	8000	7000	7000	7000	7000	7000	7000
Short-Term Liabilities Held for Sale			4100	0			0	0	0	0	0	0	0
Short-Term Income Taxes - Payable	925	1350	1012	1052	1204	1392	1916	2022	2107	2192	2636	2719	2804
Other Current Liabilities	9967	15123	15937	15681	10776	11106	11106	11106	11106	11106	11106	11106	11106
Total Current Liabilities	**28449**	**43282**	**48747**	**47230**	**46045**	**48546**	**49160**	**48638**	**49402**	**50194**	**55764**	**56657**	**57572**
Long-Term Debt	29291	22755	22865	30763	27392	61452	55000	50000	47000	45000	43000	39000	35000
Long-Term Deferred Tax & Investment Tax Credits	6265	6350	4841	4823	4744	8675	5887	5794	5985	6217	6511	6079	6117
Other Non-Current Liabilities	11449	5240	4166	3266	4535	4606	4363	4187	4191	4376	4345	4292	4278
Total Non-Current Liabilities	**47005**	**34345**	**31872**	**38852**	**36671**	**74733**	**65249**	**59981**	**57176**	**55593**	**53856**	**49371**	**45395**
Total Liabilities	**75454**	**77627**	**80619**	**86082**	**82716**	**123279**	**114409**	**108619**	**106578**	**105787**	**109620**	**106028**	**102967**
Common Equity - Contributed	2963	2905	2837	2747	2685	2653	2653	2653	2653	2653	2653	2653	2653
Retained Earnings	77169	78853	70776	23306	25582	28345	32199	34751	36962	39328	42518	45862	49363
Comprehensive Income - Accumulated	-40824	-37817	-41711	-2819	-496	-3194	-3194	-3194	-3194	-3194	-3194	-3194	-3194
Common Equity - Total	**39308**	**43941**	**31902**	**23234**	**27771**	**27804**	**31658**	**34210**	**36421**	**38787**	**41977**	**45321**	**48822**
Minority Interest - Equity	4054	4815	2820	2515	2841	2872	2872	2872	2872	2872	2872	2872	2872
Total Shareholders' Equity	**43362**	**48756**	**34722**	**25749**	**30612**	**30676**	**34530**	**37082**	**39293**	**41659**	**44849**	**48193**	**51694**
Total Liabilities & Equity	**118816**	**126383**	**115341**	**111831**	**113328**	**153955**	**148939**	**145702**	**145871**	**147446**	**154469**	**154221**	**154661**

Source: Author, Company Data

APPENDIX 4 – CASH FLOW

STANDARDIZED CASH FLOW

(DKK million)

	2020	2021	2022	2023	2024	2025	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Starting Line - EBIT	9687	8543	10156	10323	10763	11 354	12991	13171	13549	13940	16465	16856	17257
Depreciation, Depletion & Amortization	4386	4238	4187	4074	4370	5 428	4434	4420	4458	4503	4576	4554	4494
Depreciation	4149	3963	3967	3842	4140	4590	4109	4102	4125	4151	4203	4213	4150
Amortization	237	275	220	232	230	943	325	318	334	352	374	341	344
Equity Income/(Loss) in Net Earnings	-315		-901	-581	-616	-660	-660	-660	-660	-660	-660	-660	-660
Other Non-Cash Items & Reconciliation Adjustments	-737	-707	-155	-553	-295	-1 337	-400	-100	-50	0	0	0	0
Assets Sale - Gain/(Loss)	-53		-79	-47	-44	-84	-84	-84	-84	-84	-84	-84	-84
Share Based Payments	42		97	130	100	128	125	130	135	140	140	140	140
Income Taxes - Paid/(Reimbursed)	-1958	-1883	-2103	-2166	-2342	-2 506	-2200	-2263	-2295	-2321	-2317	-2280	-2295
Interest Paid	-521	-916	-1223	-602	-1091	-1 672	-1101	-1138	-1121	-1224	-1251	-1167	-1180
Interest & Dividends - Received	414	359	495	841	1248	953	953	953	953	953	953	953	953
Working Capital - Increase/(Decrease)	288	1349	1443	-82	-637	-563	-1791	-139	-252	-263	-1908	-301	-309
Net Cash Flow from Operating Activities	**11233**	**10983**	**11917**	**11337**	**11456**	**11 041**	**12267**	**14290**	**14632**	**14983**	**15914**	**18011**	**18315**
Capital Expenditures	-4174	-3646	-3606	-4128	-4945	-5 486	-6000	-5800	-5500	-5000	-5000	-5000	-5000
Investments excluding Loans - Decrease/(Increase)	6	-2	-18	-2248	2152	24	0	0	0	0	0	0	0
Investments - Associated Companies & Joint Ventures	8	-48	-48	-7	-161	-15	-50	-50	-50	-50	-50	-50	-50
Other Investing Cash Flow - Decrease/(Increase)	381	-41	325	-36	390	5	100	100	100	100	100	100	100
Acquisition & Disposals of Business - Assets - Sold/(Acquired)	-2409	-621		-822	254	-29 238	0	0	0	0	0	0	0
Net Cash Flow from Investing Activities	**-6188**	**-4358**	**-3347**	**-7241**	**-2310**	**-34 710**	**-5950**	**-5750**	**-5450**	**-4950**	**-4950**	**-4950**	**-4950**
Dividends Paid	-3093	-3187	-3389	-3695	-3601	-3 573	-3263	-3430	-3564	-3696	-4393	-4524	-4657
Share buy-back	-2900	-3600	-4400	-3200	-1960	0	0	-1500	-2000	-2000	-2000	-2000	-2000
Debt - Long-Term & Short-Term - Issuance/(Retirement)	5060	-1608	-1128	9371	-1911	24 747	-2000	-2000	-2000	-2000	-2000	-2000	-2000
Other Financing Cash Flow - Increase/(Decrease)	-877	-550	-1042	-1106	-6463	-864	-864	-864	-864	-864	-864	-864	-864
Net Cash Flow from Financing Activities	**-1810**	**-8945**	**-9959**	**1370**	**-13935**	**20 310**	**-6127**	**-7794**	**-8428**	**-8560**	**-9257**	**-9388**	**-9521**
Net cash flow from continuing operations	**3 235**	**-2 320**	**-1 389**	**5 466**	**-4 789**	**-3 359**	**191**	**747**	**754**	**1 473**	**1 707**	**3 673**	**3 845**
Net Cash from Discontinued Operations		798	1 771	-994	2 258	0	0	0	0	0	0	0	0
Net cash flow	3 235	-1 522	382	4 472	-2 531	-3 359	191	747	754	1 473	1 707	3 673	3 845
Net Cash - Beginning Balance	5 149	8 093	7 609	8 163	13 382	11 542	8 183	13 821	12 012	12 143	11 552	7 171	6 705
Cash and cash equivalents at 31 December	8 384	6 571	7 991	12 635	10 851	8 183	13 821	12 012	12 143	11 552	7 171	6 705	5 226

Source: Author, Company Data

APPENDIX 5 – REVENUES BREAKDOWN

Sales Breakdown	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026F**	**2027F**	**2028F**	**2029F**	**2030F**	**2031F**	**2032F**	**CAGR**
Western Europe sales/mhl	547.7	724.5	785.8	859.8	887.7	1033.0	1044.4	1056.9	1069.6	1082.4	1095.4	1108.6	1121.9	
Asia sales/mhl	428.3	438.3	490.3	461.8	458.9	444.1	448.5	453.0	457.6	462.1	466.8	471.4	476.1	
Central & Eastern Europe and India sales/mhl	304.3	309.7	357.2	421.4	430.7	442.9	451.7	460.8	470.4	480.3	490.4	500.7	511.2	
Western Europe total volume (mhl)	57.6	42.1	44.4	43.4	42.9	50.0	50.5	51.0	51.5	52.0	52.6	53.0	53.5	
Asia total volume (mhl)	39.6	44.4	48.3	45	44.6	43.4	43.7	44.1	44.4	44.8	75.7	76.4	77.1	
Central & Eastern Europe and India total volume (mhl)	32.9	32.7	32.7	36.7	38.2	41.0	41.5	41.9	42.4	43.0	43.5	44.1	44.7	
Western Europe total revenues	31547	30501	34888	37317	38081	51651	52741	53908	55100	56319	57565	58780	60021	
Asia total revenues	16959	19459	23682	20780	20466	19274	19603	19957	20318	20706	35343	36018	36706	
Central & Eastern Europe and India total revenues	10010	10128	11679	15467	16454	18158	18725	19309	19952	20635	21343	22074	22831	
Adjustments	25	9	16	21		12		-900	-900	-900	-900	-900	-900	
Total Revenues (mhl)	**58541**	**60097**	**70265**	**73585**	**75001**	**89095**	**91069**	**92275**	**94470**	**96761**	**113351**	**115972**	**118657**	4.18%
Revenues growth rate		0.027	0.169	0.047	0.019	0.188	0.022	0.013	0.024	0.024	0.171	0.023	0.023	

Source: Author, Company Data

Revenue projections for Carlsberg are based on a breakdown of volume and price/mix; the two drivers have been modelled separately.

VOLUME GROWTH

For Western Europe, structural growth of between 0.9% and 1% per annum has been projected, reflecting the maturity of the region, partly offset by premiumization and the expansion of categories such as low-alcohol beverages. In Asia, annual growth is projected at between 0.7% and 0.9%, reflecting a moderate but more stable trajectory. In CEEI, growth is assumed to be in the range of 1.1% to 1.3%, supported by portfolio expansion in other markets in the region.

PRICE/REVENUE

In Western Europe, growth of around 1% per year was assumed, reflecting a stable trend, albeit constrained by the product mix. In Asia, growth was projected at between 1% and 2%, driven by the ongoing premiumization in China and the normalization of the regional mix. In the CEEI, growth was assumed to be between 2% and 2.1%, reflecting the continued upgrading of the portfolio and pricing discipline.

KEY FINANCIAL ASSUMPTIONS

- Cost of sales and SG&A evolve in line with revenues, remaining broadly stable as a percentage of sales, based on the 5-year and 3-year historical averages.

- Interest income (as a percentage of cash) and interest expense (as a percentage of debt) are assumed to remain constant at normalized levels, in line with recent historical averages.

- R&D expenses remain stable as a percentage of revenues, reflecting their historically low and consistent weight.

- Minority interest is projected using a constant ratio to net income, based on historical averages.

- Working capital items (short-term receivables, inventories, prepaid expenses and payables) evolve proportionally to revenues or cost of sales, assuming stable efficiency levels consistent with historical averages.

- PPE and other non-current assets are modeled as a constant percentage of revenues, based on historical averages.

- Depreciation is estimated as a function of prior period PPE, using a stable historical ratio.

- Amortization of intangible assets is projected as a constant percentage of revenues, in line with historical trends.

- CAPEX is assumed to converge to a stable level of approximately 6.1% of revenues, consistent with recent years.

- The payout ratio is assumed to stabilize around ~45–47%, reflecting the average of the last years.

- Retained earnings are expected to grow over time, driven by increasing net income.

- Dividends are modeled as a function of net income and the payout ratio, while share buybacks are assumed to be gradually reintroduced after 2026.

- Short-term debt is assumed to decrease progressively over the forecast period, reflecting the company's strategy of reducing reliance on short-term borrowings after the acquisition and aligning with a longer debt maturity profile.

APPENDIX 6 – DCF MODEL

	2026F	2027F	2028F	2029F	2030F	2031F	2032F
NOPAT	9094	9220	9484	9758	11526	11799	12080
(+) Depreciation and amortization	4434	4420	4458	4503	4576	4554	4494
(-) Change working capital	-1791	-139	-252	-263	-1908	-301	-309
(-) Capital expenditures	-6000	-5800	-5500	-5000	-5000	-5000	-5000
Free Cash Flow to Firm	9319	7979	8695	9524	13010	11655	11882
Discount Factor		0.95	0.90	0.85	0.81	0.76	0.72
PV of FCFF		7560	7806	8102	10486	8900	8598

Present Value of Terminal Value

FCFF 2033	11599
Growth rate (perpetuity)	0.52%
Wacc	5.54%
ROIC (final year)	11.55%
RR (final year)	4.48%
Terminal Value	230918
Discount Factor	0.72
PV of TV	167092

Target Price

Enterprise value	218544
(-) Value of non controlling interests	2872
(+) Value of cash and cash equivalents	9585
(-) Value of debt	67656
Market value of equity	157602
Shares outstanding	132.6
Value per share	1188.5
Current share price (04/02)	922
Upside/ Downside	28.91%

Source: Author, Company Data

The valuation of Carlsberg was conducted using the Discounted Cash Flow (DCF) method, with projected Free Cash Flows to the Firm (FCFF) from 2026 to 2032 and a terminal value.

FCFF is derived from NOPAT, adjusted for depreciation and amortization, changes in working capital, and capital expenditures. Over the forecast period, NOPAT increases, while depreciation remains relatively stable. Working capital changes fluctuate, and capital expenditures are maintained stabilized. As a result, FCFF shows a consistent upward trend throughout the period.

These cash flows are discounted using a WACC of 5.54%. A terminal value is then calculated based on a perpetual growth rate of 0.52% and discounted to present value (167 092 DKK).

It results in an enterprise value of 218 544 DKK. After adjusting for debt, cash, and non-controlling interests, the equity value equals to 157 602 DKK. Dividing by the number of shares outstanding leads to an implied share price of 1 188.5 DKK, representing a 28.91% upside compared to the current share price of 922 DKK.

- GROWTH RATE

A perpetual growth rate of 0.52% is set and reflects the long-term maturity of Carlsberg's markets. As a large, player in the global brewing industry, the company operates in a sector characterized by low structural growth, particularly in developed markets such as Europe.

Additionally, the chosen growth rate is aligned with long-term inflation expectations in mature economies and remains well below nominal GDP growth, ensuring a prudent and realistic assumption. This is consistent with

valuation best practices, where the perpetual growth rate should not exceed the long-term growth rate of the economy.

Furthermore, the low growth assumption incorporates potential unforeseen circumstances, like changing consumer preferences, regulatory pressures, and market saturation in key regions. As such, the selected rate reflects a conservative approach, avoiding overestimation of terminal value, which typically represents a significant portion of total firm valuation.

APPENDIX 7 – ABNORMAL EARNINGS

	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Net Income	7117	7481	7774	8062	9583	9868	10158
Book Value Equity	35513	38262	40631	43153	47167	50665	54323
Abnormal Earnings	4728	4907	5041	5159	6409	6459	6503
Discount Factor		0.94	0.88	0.82	0.77	0.72	0.68
PV of Abnormal Earnings		4598	4425	4243	4940	4664	4400

Present Value of Terminal Value

Abnormal earnings 2033	6537
Growth	0.52%
Cost of equity	6.73%
Terminal Value	105246
Discount Factor	0.68
PV Terminal Value	71209

Target Price

Equity Value	129155
Shares Outstanding	132.6
Value per share	974.0
Current share price	922
Upside/ Downside	5.64%

Source: Author, Company Data

The valuation of Carlsberg was also carried out using the Abnormal Earnings Method, which assesses value based on the company's ability to generate returns above its cost of equity.

Abnormal earnings are derived from net income and book value of equity and show a gradual increase over the forecast period from 2026 to 2032, reflecting improving profitability. These values are discounted using a cost of equity of 6.73%, resulting in a stable contribution to total equity value.

A terminal value is calculated based on 2033 abnormal earnings, assuming a perpetual growth rate of 0.52% and then discounted to present value.

By combining the present value of abnormal earnings with the terminal value, the total equity value amounts to 129 155 DKK. Dividing by the number of shares outstanding (132.6) results in an implied share price of 974 DKK, representing an upside of 5.64% compared to the current share price of 922 DKK.

APPENDIX 8 – RELATIVE VALUATION

Identifier (RIC)	Multiple Company Name	EV/EBIT		EV/Revenues	
TAP.N	Molson Coors Beverage Co	9.43		1.36	
0291.HK	China Resources Beer Holdings Co Ltd	12.19		1.73	
2502.T	Asahi Group Holdings Ltd	14.22		1.18	**China Resources Beer Holdings Co Ltd** excluded as it operates exclusively in the Chinese market, with very different dynamics and expectations from other markets
HEIN.AS	Heineken NV	14.23		2.04	
ABI.BR	Anheuser-Busch Inbev SA	12.52		3.19	
	Average	13.66		2.14	
	Median	14.22		2.04	
	Carlsberg EBIT	11354	Carlsberg Revenues	89095	**Molson Coors** was excluded from the valuation peer group due to its high concentration in the North American market and its differences in margins
	Implied EV	161437	Implied EV	181979	
	(-)debt	67656		67656	
	(+)cash	9585		9585	
	(-) non controlling interests	2872		2872	
	Implied Equity MV	100494		121037	
	Shares Outstanding	132.6		132.6	
	Implied Share price	757.9		912.8	
	Upside/ Downside	**-17.80%**		**-1.00%**	
	Current share price	**922.0**			

Source: Author, Company Data

The relative valuation of Carlsberg was performed using a peer group of comparable companies in the global brewing industry, based on EV/EBIT and EV/Revenue multiples.

The peer group includes major international players such as Heineken, AB InBev, and Asahi. China Resources Beer was excluded due to its exclusive exposure to the Chinese market, while Molson Coors was excluded due to its strong concentration in North America and differences in margin structure.

For valuation purposes, the median multiples were used, resulting in an EV/EBIT of 14.22 and an EV/Revenue of 2.04, as these are less sensitive to outliers within the peer group.

Applying these multiples to Carlsberg's financials results in an implied enterprise value of 161,437 (EV/EBIT) and 181,979 (EV/Revenue). After adjusting for debt, cash, and non-controlling interests, the implied equity value ranges from 100,494 to 121,037.

This translates into an implied share price of 757.9 under the EV/EBIT approach and 912.8 under the EV/Revenue approach. Compared to the current share price of 922, this suggests a downside of 17.8% using EV/EBIT and a broad neutral valuation (-1.0%) using EV/Revenue.

In addition to the application of median multiples, it is important to assess whether Carlsberg should trade at a premium or discount relative to its peers. On one hand, Carlsberg could justify a premium valuation due to its improving profitability, ongoing deleveraging efforts, and exposure to growth markets in Asia, which may support higher future earnings potential. On the other hand, the company's relatively lower scale compared to global leaders such as AB InBev, as well as its exposure to more mature European markets, may justify a discount.

Overall, these opposing factors suggest that Carlsberg should trade broadly in line with the peer group median, which supports the use of median multiples in the valuation and explains the relatively neutral outcome obtained under the EV/Revenue approach.

APPENDIX 9 - VALUATION RECONCILIATION AND METHODOLOGY JUSTIFICATION

The **STRONG BUY** recommendation is driven by the DCF valuation, despite more conservative indications from the Abnormal Earnings method and relative valuation approaches. This divergence comes from the intrinsic limitations of those methodologies.

Relative valuation, by construction, reflects how the market is currently pricing comparable companies rather than capturing intrinsic value. As such, it fails to account for company-specific catalysts. In Carlsberg's case, the EV/EBIT approach is particularly distorted by its current margin profile, which does not yet fully reflect on ongoing efficiency gains and operational improvements. Similarly, the Abnormal Earnings method is linked to accounting-based measures and book value, which tend to ignore economic reality and understate forward-looking value creation.

In contrast, the DCF approach explicitly incorporates the company's expected improvement in profitability, disciplined capital allocation, and strong cash flow generation, making it better suited to capture Carlsberg's medium- to long-term value. Importantly, it reflects the normalization of margins and the benefits of a more efficient operating structure, which are not yet fully visible in current multiples.

The market appears to be overly focused on near-term profitability and relative positioning, thereby underestimating Carlsberg's earnings quality, resilience, and ability to generate sustainable free cash flows. This short-term bias results in an undervaluation that is not justified by the company's fundamentals.

Therefore, DCF is considered the most reliable valuation method, and its outcome supports a **STRONG BUY** recommendation, as it captures the company's intrinsic value and upside potential.