

Press Release

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In 2021, Baltika increased sales by 5 % and retained its market share

In a highly competitive environment and amidst a slight growth of the Russian beer market Baltika's sales in 2021 rose by 5 % YoY¹.

Beer market

The growth of the Russian beer market (+3.3%²) in 2021 was supported by good weather during the high season and the easing of quarantine restrictions. The market structure is determined by the trends that formed both before the pandemic and during its period: the growth in sales of non-alcoholic beer and craft varieties, as well as the polarization and shift in demand from the mainstream segment to premium and economy. In sales channels, there is a shift of buyers from traditional trade to specialized beer stores; growing volumes of shipments in e-commerce; HoReCa gradually returns to its previous level.

Sales dynamics and brands

Following the main market trends, Baltika increased its market share in terms of volume by 0.2 p.p. in a year. The company's share at the end of 2021 amounted to 27.3 %³. Revenue per liter also showed gradual growth over 2021 because of price rise and diversification of the product range.

The sales growth of the flagship brand Baltika in 2021 reached 13%, and the brand's market share increased by 0.7 p.p., amounting to 8.6 %⁴. Revenue per liter showed gradual growth during the year thanks to the success of brands such as Kronenbourg 1664 Blanc (+57%), Grimbergen (+42%), as well as Somersby (+30%) and Garage (+10 %)⁵ fruit and berry flavored drinks.

Shipments of non-alcoholic products in 2021 doubled year-on-year, in part due to an increase in representation in new sales channels: non-classical beer retail and e-commerce. The share of the Baltika 0 brand in the non-alcoholic beer market increased by 0.5 p.p. in 2021, reaching 45.2 %⁶.

The company's export grew by 15 % in 2021 YoY because of increased shipments to key export destinations: Kazakhstan, Belarus, Kyrgyzstan, Uzbekistan and China. In 2021 Baltika's total number of export countries increased to 79. Baltika's products are highly praised abroad: in 2021 the company's brands have been awarded the prestigious Monde Selection, London Beer Competition and World Beer Awards.

¹ According to proprietary data of Carlsberg Group by volume.

² Retail audit data by volume, audit conducted by Nielsen Research.

³ Retail audit data by volume, audit conducted by Nielsen Research

⁴ Retail audit data by volume, audit conducted by Nielsen Research.

⁵ By volume, compared to the same period in 2020.

⁶ Retail audit data by volume, audit conducted by Nielsen Research.

Taxes, investments and sustainable development

Baltika remains the largest taxpayer in the regions of its presence: in 2021 the company paid 61.1 billion rubles to the state budgets at different levels.

The total investment of the company in 2021 amounted to 3.7 billion rubles — an increase of 30 % compared to 2020. The key investment focus is the purchase of new, 'greener', refrigeration equipment, as well as [electric forklifts](#) for product storage warehouses to gradually replace propane vehicles. To reduce the company's footprint, in 2021 Baltika commissioned wastewater bio-treatment facilities in Rostov-on-Don, [adopted biogas drying technology](#) at brewery in Samara and continued upgrading digestion tanks in Tula and Yaroslavl to generate green fuel. In particular, the project in Samara made it possible to increase the utilization of biofuels and increase the share of alternative energy in the total fuel consumption of breweries. Now biogas replaces companies with up to 11% of natural gas purchases.

Another important investment in 2021 was the [new can filling line in Novosibirsk brewery](#). This line to be launched in summer 2022 will help improve the time of supply to retailers and reduce logistics costs.

Assessment of the results of 2021 and plans for 2022

"2021 has become the "equator" for the implementation of our three-year business strategy. I am positive about the results of the work: we have strengthened the brand portfolio, launched new varieties, successfully implemented our efficiency programs and reinvested the savings. I am grateful to each of my more than 8,500 colleagues for the excellent teamwork that has enabled us to adapt to the changes in the market caused by the pandemic," said Denis Sherstennikov, President of Baltika. "In 2022 we will keep our focus on products quality and strengthening our brand portfolio. We enter 2022 with an exciting new product — Baltika red ale. Players of the Red Machine Russian national hockey team participated in its brewing!⁷ I am positive that this beer is a winner's beer, and it will be a lucky mascot for both the hockey team this season and for Baltika in 2022."

Baltika Breweries LLC, part of Carlsberg Group, is one of the largest FMCG producers in Russia. The company's portfolio includes 55 national and regional beer brands and 5 non-beer brands, such as Baltika, Carlsberg, Tuborg, Kronenbourg 1664 Blanc, Garage, Arsenalnoye, Flash Up energy drink and Khlebny Krai kvass. The company operates eight plants in Russia. Baltika is an important part of the Carlsberg Group and its business in the Central and Eastern Europe region, which also includes 15 other countries. Baltika Breweries LLC is a top exporter of Russian beer. Baltika supplies its products to 79 countries worldwide. Thanks to its world-class quality, the company's brands received more than 700 Russian and international awards in the professional and consumer competitions.

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⁷ Baltika is a sponsor of the Russian Ice Hockey Federation.