

Fourth quarter results 2020

Sigmund Toth, Interim Group CEO

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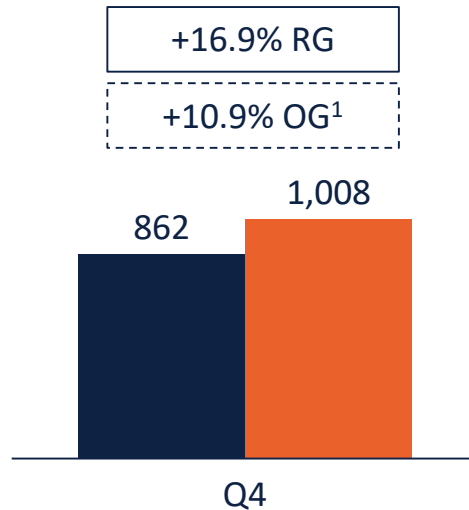
Q4: Best quarter in Arcus' history



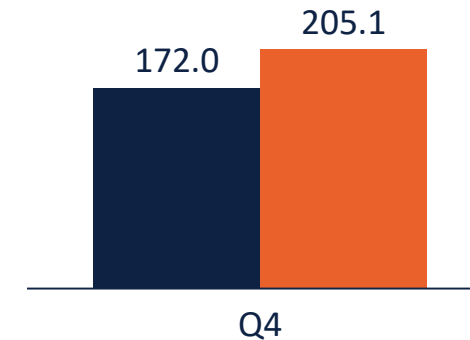
Amounts in NOK million

2019 2020

Operating Revenues



EBITDA (adj.)



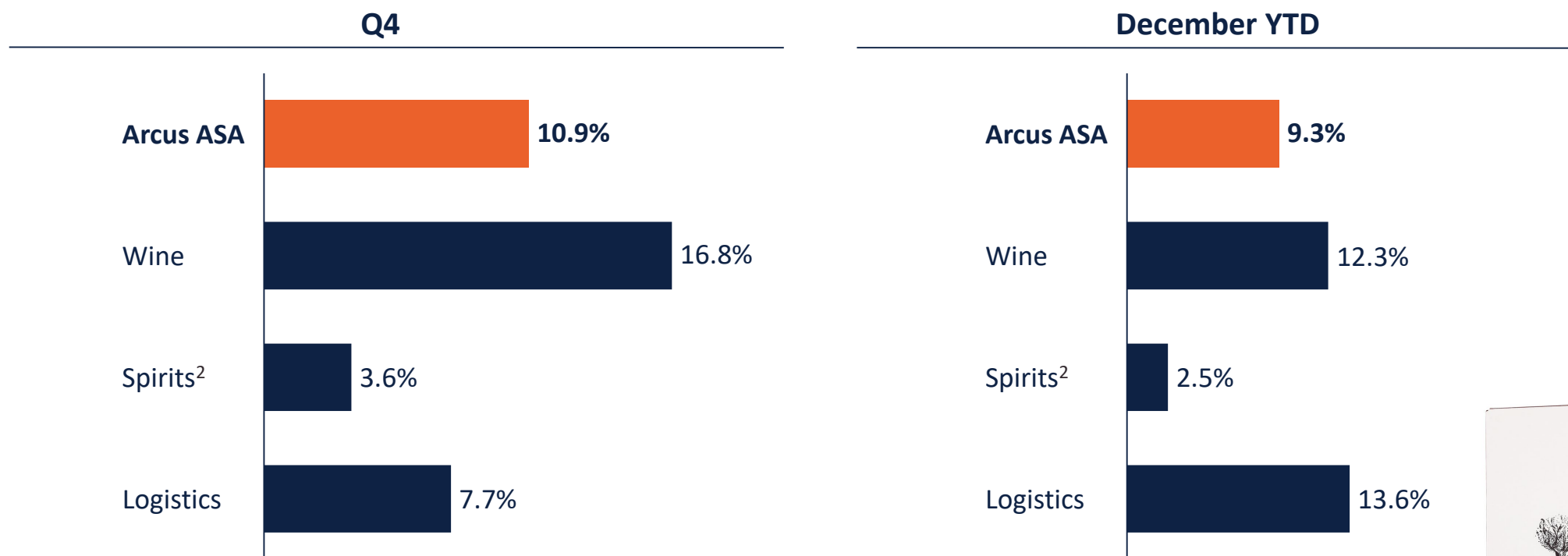
- **Wine:** Strong growth, especially in Norway
- **Spirits:** Continued growth in monopoly markets
- **Logistics:** Increased revenues, high costs

¹Reported growth adjusted for currency translation effects and structural changes



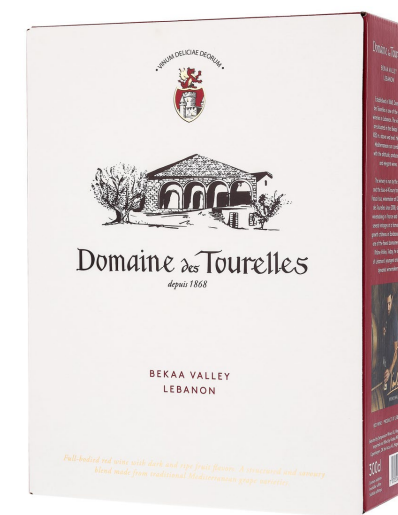
Q4: Organic growth significantly impacted by Covid-19

Organic growth¹ overall and by reporting segment Percent



¹Reported growth adjusted for currency translation effects and structural changes

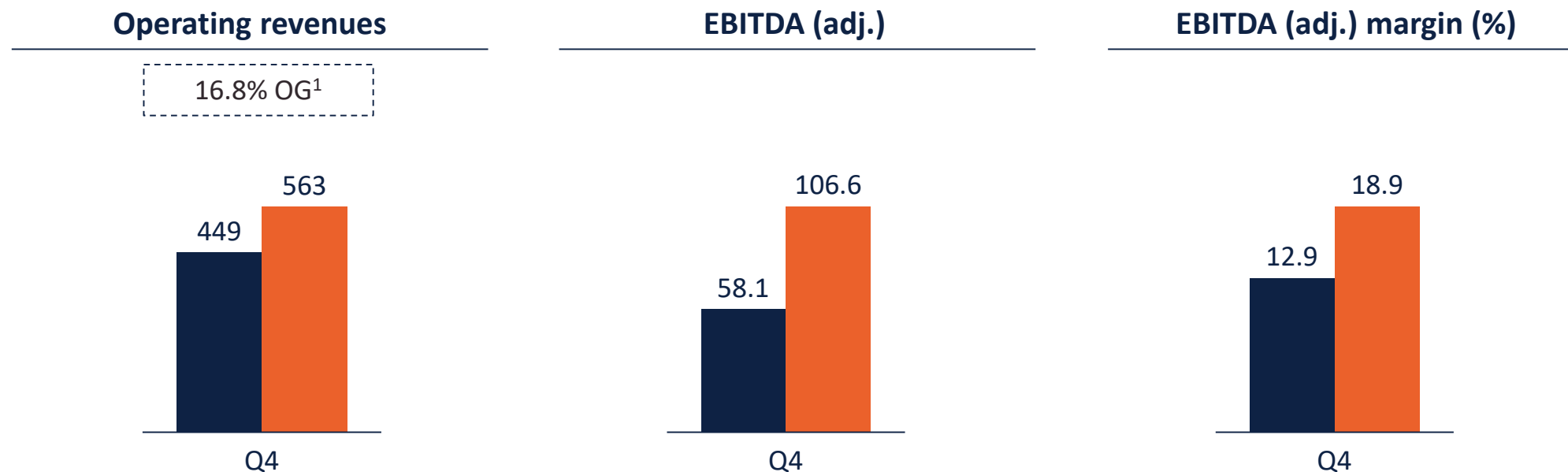
²Reported growth adjusted for currency translation effects and structural changes calculated on external spirits sales only



Q4 Wine: Strong growth and improved margins

Amounts in NOK million

2019 2020



- **Norway:** Sales growth in line with the extremely fast-growing market
- **Sweden:** Sales slightly below market growth, lower sales to Systembolaget's shops along the Norwegian border
- **Finland:** Sales to Alko were below the market growth mainly due to lost producers in early 2020

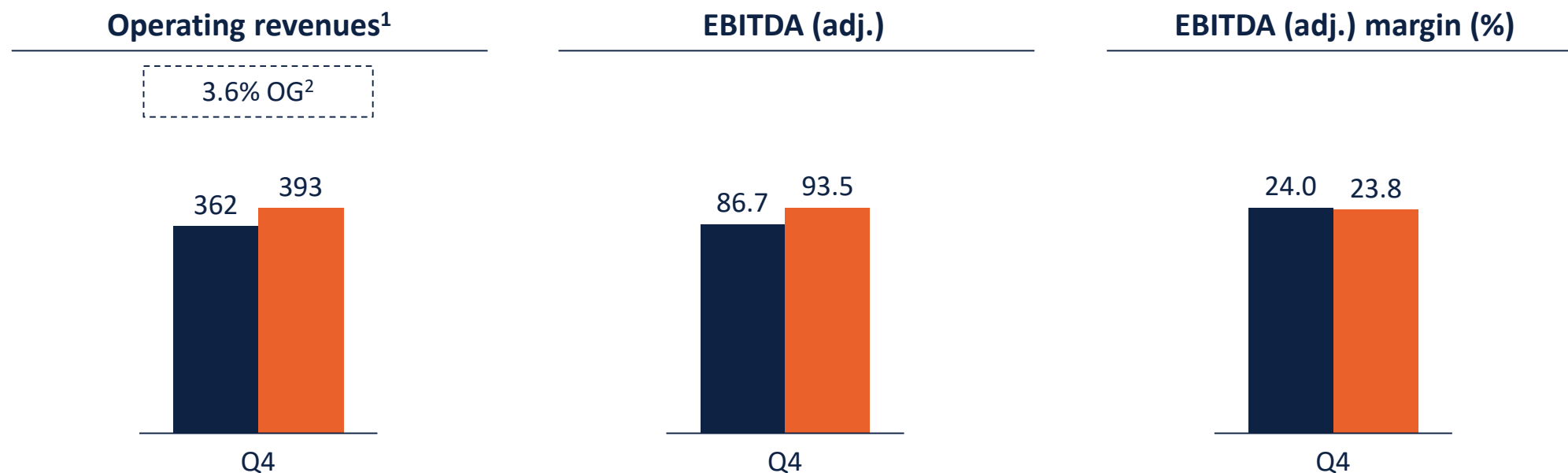
¹Reported growth adjusted for currency translation effects and structural changes



Q4 Spirits: Continued growth in monopolies during high season

Amounts in NOK million

2019 2020



- **Norway, Sweden, Finland:** Significant revenue growth driven by Covid-19 restrictions and high season
- **Norway:** Overall market share reduced, but increased aquavit market share
- **DFTR and HORECA:** Very limited sale due to Covid-19 travel restrictions and behaviour

¹Operating revenues includes both external spirits sales and other revenue (internal and external bottling)

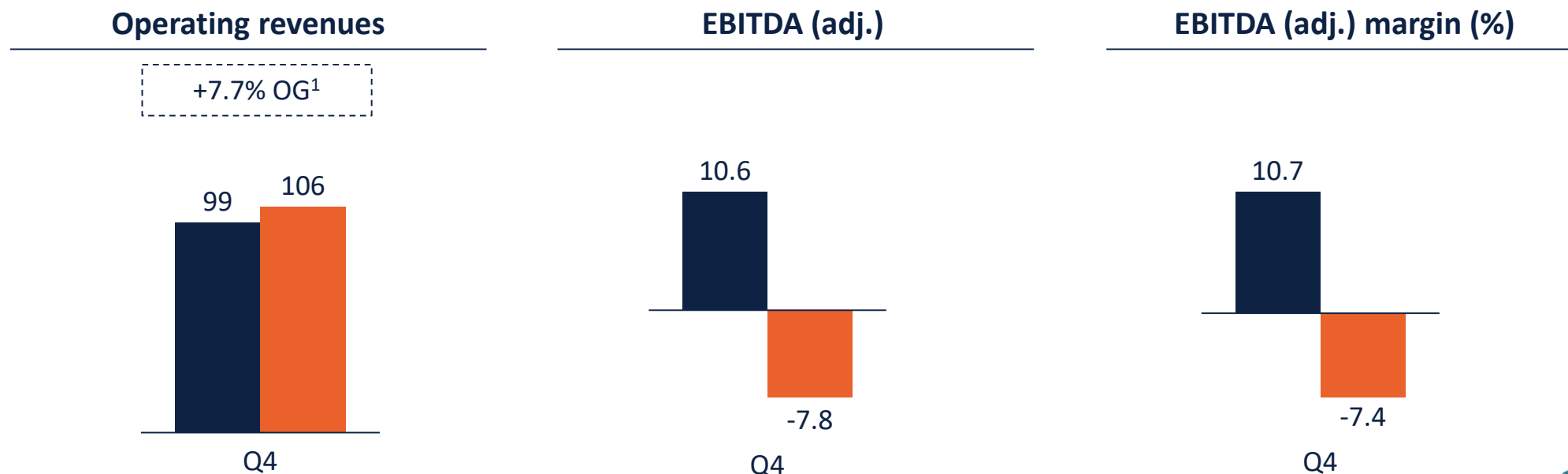
²Reported growth adjusted for currency translation effects and structural changes calculated on external spirits sales only



Q4 Logistics: Extraordinarily high volumes, increased personnel costs

Amounts in NOK million

2019 2020



- Distributed volume in Q4 was 19.1 million liters. an increase of 4.1 million liters from Q4 last year
- Volumes to Vinmonopolet increased by 41.0%, while Vinmonopolet's total sales increased by 44.8 %
- Negative EBITDA due to bonuses, and extra costs for personnel at nights and weekends to meet demand

¹Reported growth adjusted for currency translation effects and structural changes



Financial performance

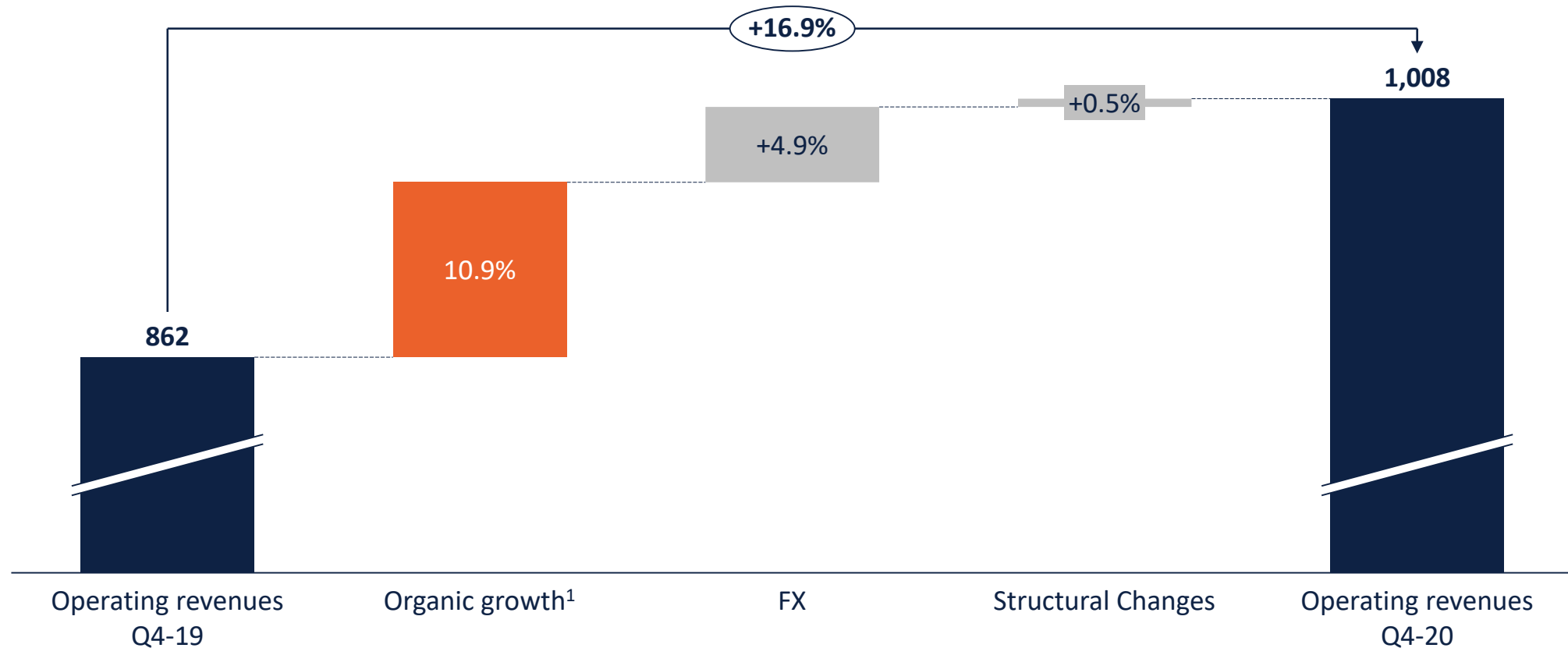
Kristoffer Loftesnes,
Head of Business Controlling &
Treasury



Organic growth, positive FX-effect and structural changes all contributed to increased operating revenues

Q4-20 Operating revenue growth

Percent; NOK million



¹Reported growth adjusted for currency translation effects and structural changes (such as acquisitions or divestitures)

Q4 Group P&L: Revenues and Adjusted EBITDA well above last year

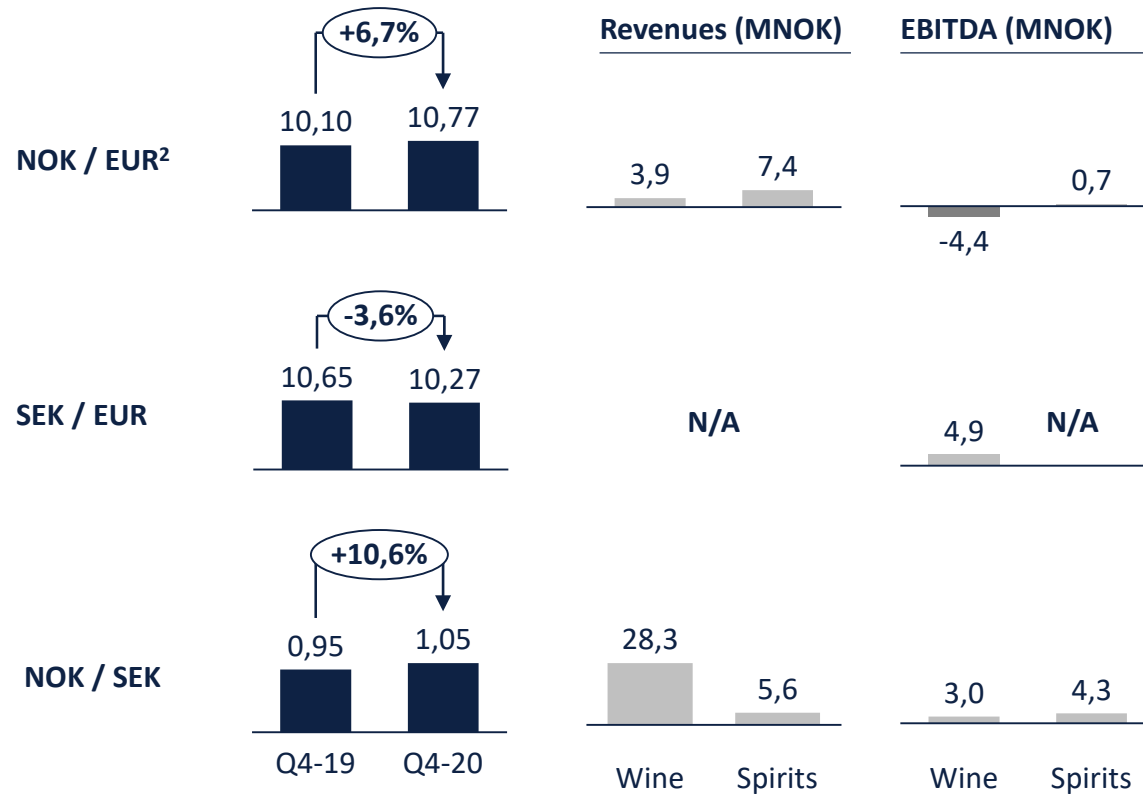


Amounts in NOK million

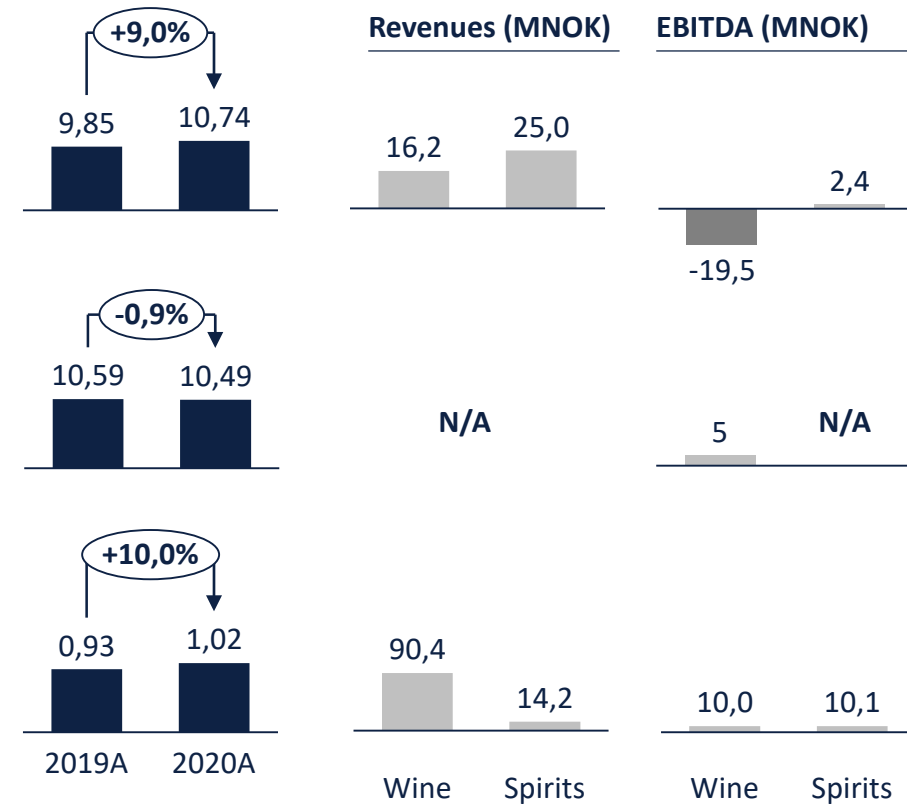
Profit and Loss	This quarter		Year-to-date	
	2020	2019	2020	2019
Operating revenues	1 007.8	861.8	3 203.7	2 762.8
EBITDA (adj.)	205.1	172.0	543.5	397.1
Depreciation. Amortization and Write-downs	-29.3	-30.1	-123.7	-119.6
EBIT (adj.)	175.8	141.9	419.8	277.5
Other income and expenses	-31.6	-4.8	-98.0	-19.7
EBIT	144.2	137.1	321.8	257.8
Net financials and other	-28.2	-20.5	-47.5	-85.3
Pre-tax profit	116.0	116.6	274.3	172.5
Tax	-31.2	-27.1	-74.4	-39.2
Profit/loss for the year	84.8	89.5	199.9	133.3
EPS (NOK)	1.23	1.31	2.89	1.94

Stronger SEK and EUR vs NOK results in positive FX-effect on revenues, and net positive effect on EBITDA with SEK stronger vs EUR than last year

Currency rate effects¹ (Q4 2020 actuals vs. Q4 2019 actuals)



Currency rate effects¹ (2020 actuals vs. 2019 actuals)

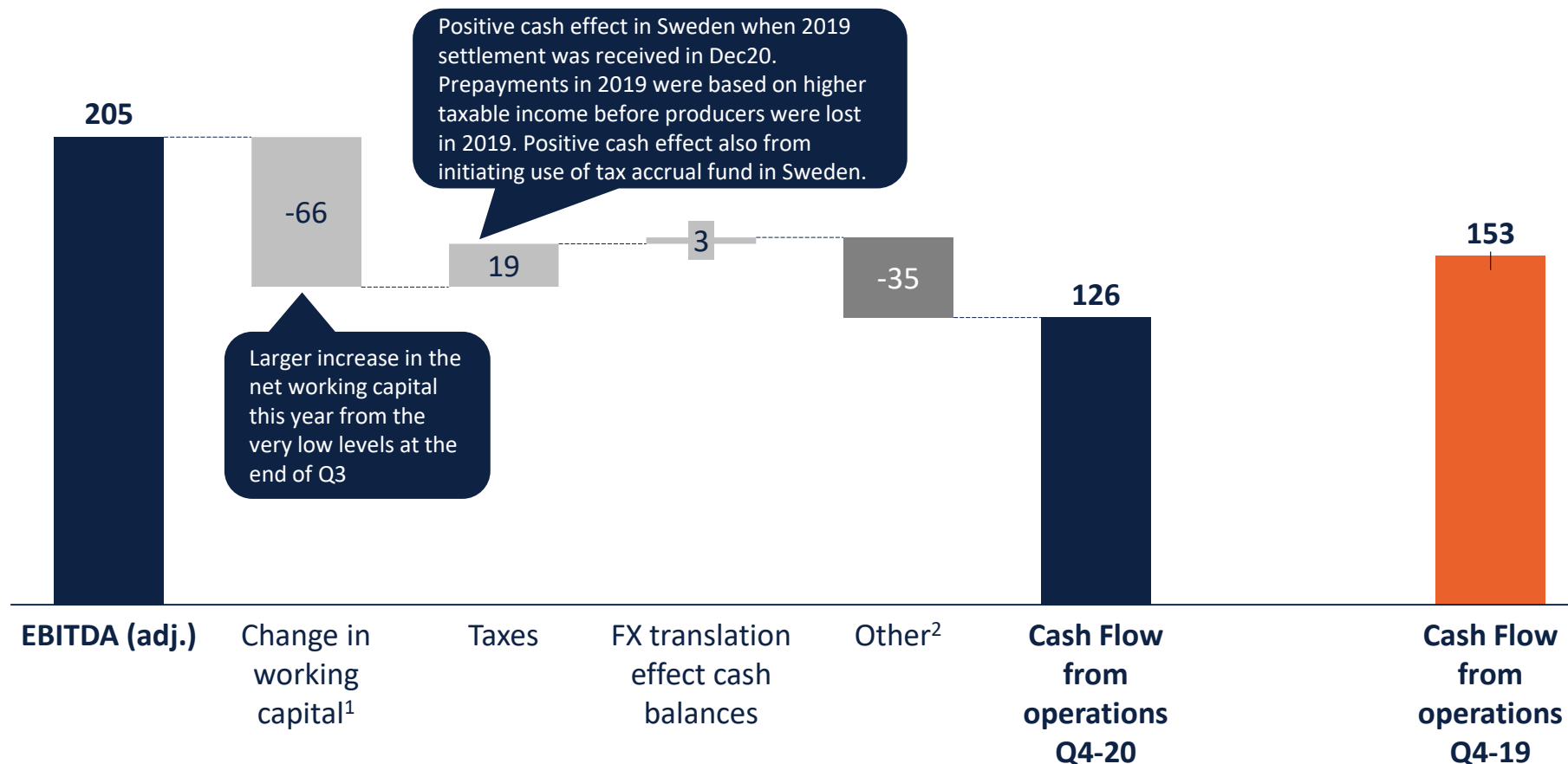


1) Effects are estimates and will vary based on actual business levels. Effects include both translation and transaction effects. Other important currency pairs (not shown) include (N)SEK / USD (Revenues & COGS) and (N)SEK/ GBP (COGS on traded goods/agency products). On the Wine business, the general pricing strategy is to off-set adverse foreign exchange movements through increased prices, though this adjustment might take time. Here effects are shown before any corrective pricing. 2) NOK / EUR includes costs and revenues in DKK as DKK moves within narrow band to the EUR.

Cash flow below last year due to larger increase in net working capital and non-recurring costs, partly offset by tax refund in Sweden

Q4-20 Cash Flow from Operations

Amounts in NOK million

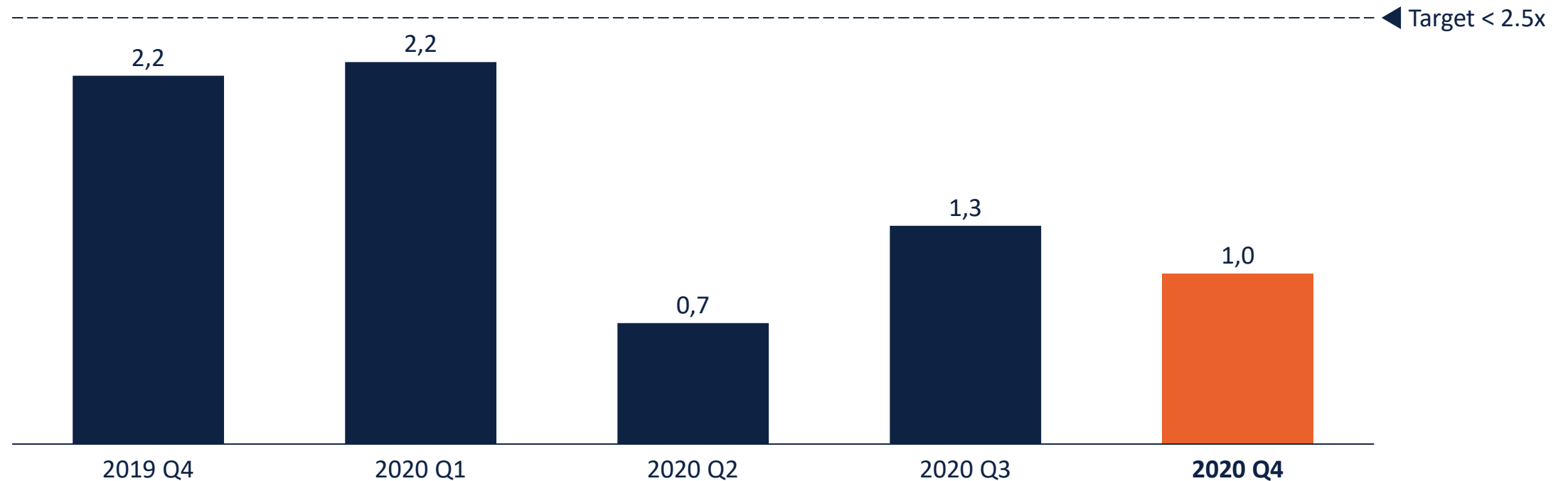


¹Adjusted for 1.7 MNOK net FX translation effect on working capital

²Other; mainly explained by "other income and expenses" excluded in EBITDA (adj.)

Gearing well below target at the end of Q4

Net Interest Bearing Debt (NIBD) / R12M Adjusted EBITDA by quarter (Excluding IFRS16 effects)



Sigmund Toth
Interim Group CEO



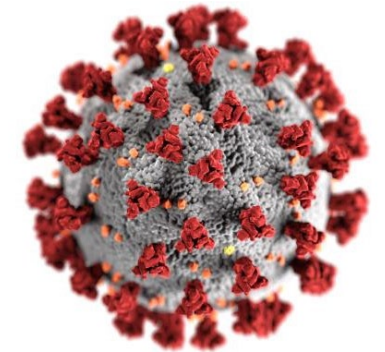
Anora: The merger work is on-track

- On 12 November, Arcus held extraordinary general meetings to vote on the merger with Altia. 99,99 per cent voted in favour of the merger. Altia's shareholders have also voted in favour of a merger.
- Arcus and Altia are still competitors, but a legally compliant process started mid January in order to prepare for the merger.
- Dialogues with national competition authorities are ongoing. Following their approval, completion of the merger is expected to take place in the first half of 2021.



Covid-19: Arcus works hard to keep our employees safe

- Throughout the fourth quarter and into 2021, Arcus has continued to take many proactive measures to reduce infection.
- In the latter part of November, a total of 25 employees/temps were infected by Covid-19.
- The infection had very small consequences for the production and distribution of goods.
- Since mid November, all employees were thoroughly tested in two rounds, approximately one week apart. Testing has continued into 2021.



Q4: Concluding remarks

- Q2, Q3 and Q4 results have been the best in Arcus' history, both in terms of revenue and EBITDA
- Strong Covid-19 effects as most tax-free and border-trade sales moved to monopoly stores across Nordics
- Continued high focus on measures to reduce Covid-19 infection



Condensed statement of income



MNOK	Note	Fourth quarter		Full Year	
		2020	2019	2020	2019
Sales	2,9	995.5	843.2	3 156.4	2 710.4
Other revenue	2	12.3	18.6	47.3	52.4
Total operating revenue	2,9	1 007.8	861.8	3 203.7	2 762.8
Cost of goods		-552.4	-483.0	-1 815.7	-1 601.1
Gross Profit		455.3	378.8	1 388.0	1 161.7
Gain on sale of fixed assets		0.1	0.0	0.9	0.0
Salaries and personnel cost		-153.6	-120.3	-521.6	-439.2
Advertising & Promotion expenses (A&P)		-39.2	-32.7	-111.1	-116.0
Other operating expenses		-62.0	-57.8	-215.7	-213.5
Share of profit from AC ¹⁾ and JCE ²⁾		4.4	4.1	2.9	4.1
Other income and expenses	3	-31.6	-4.8	-98.0	-19.7
EBITDA		173.5	167.2	445.5	377.3
Depreciation	5,6	-29.0	-28.1	-115.3	-111.8
Amortisations	5,6	-0.2	-2.0	-8.4	-7.7
Operating profit (EBIT)		144.2	137.1	321.8	257.8
Financial income	12	20.5	18.6	114.8	52.5
Financial expenses	7,10,12	-48.6	-39.1	-162.3	-137.8
Pre-tax profit		116.0	116.6	274.3	172.5
Tax		-31.2	-27.1	-74.4	-39.2
Profit/loss for the year		84.8	89.5	199.9	133.3
Profit/loss for the year attributable to parent company shareholders		83.8	88.9	196.8	132.3
Profit/loss for the year attributable to non-controlling interests		1.0	0.6	3.1	1.0
Earnings per share, continued operations		1.23	1.31	2.89	1.94
Diluted earnings per share, continued operations		1.23	1.24	2.80	1.85

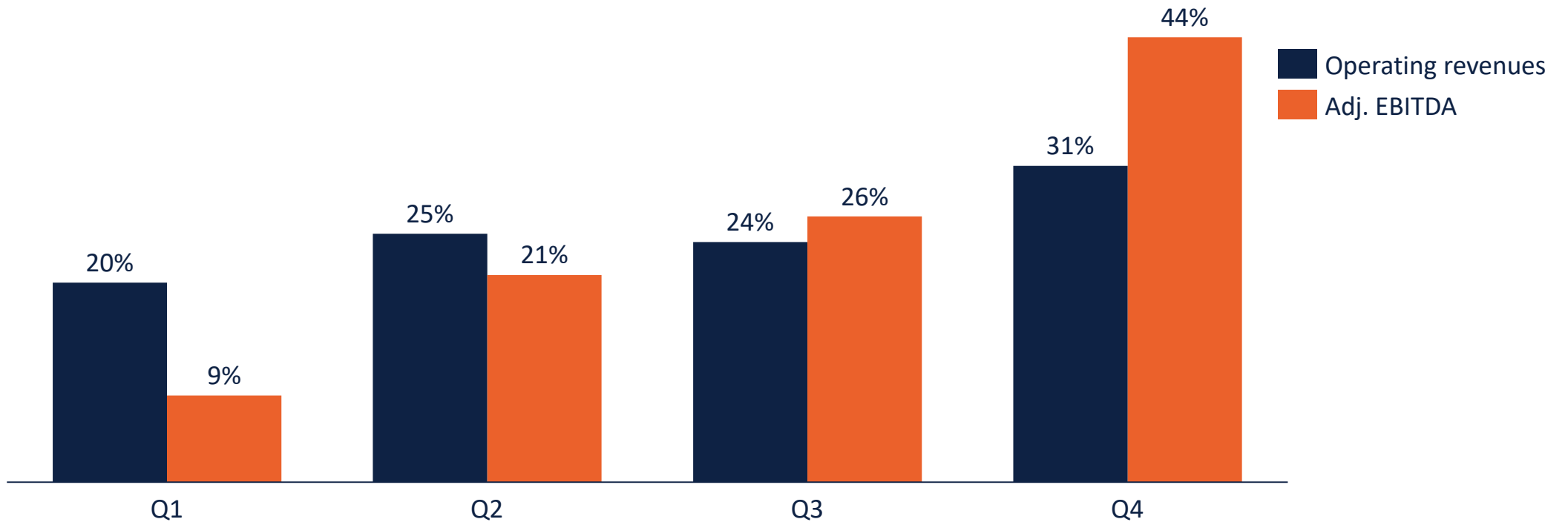
¹⁾Associated Companies, ²⁾Jointly Controlled Entities

Condensed statement of financial position

MNOK	Note	Fourth quarter	
		31.12.2020	31.12.2019
Intangible assets	6	1 984.5	1 923.2
Tangible assets	5	1 391.9	1 431.2
Deferred tax asset		49.0	86.1
Financial assets		71.2	65.3
Total fixed assets		3 496.7	3 505.8
Inventories		559.7	486.6
Accounts receivables and other receivables		1 730.9	1 392.5
Cash and cash equivalents		481.6	205.0
Total current assets		2 772.3	2 084.1
Total assets		6 269.0	5 589.9
Paid-in equity		772.1	772.1
Retained earnings		1 024.3	886.3
Non-controlling interests		6.7	3.8
Total equity		1 803.1	1 662.2
Non-current liabilities to financial institutions	8	777.6	703.8
Non-current liabilities at fair value through profit or loss	7,10	6.5	69.3
Non-current lease liabilities	8	1 200.5	1 151.0
Pension obligations		19.7	23.7
Deferred tax liability		112.7	101.3
Other non-current liabilities		0.2	0.5
Total non-current liabilities		2 117.1	2 049.6
Current liabilities at fair value through profit or loss	7,10	70.7	0.0
Current finance lease liabilities	8	75.7	154.2
Tax payable		6.9	5.0
Accounts payable and other payables		2 195.5	1 718.8
Total current liabilities		2 348.8	1 878.0
Total equity and liabilities		6 269.0	5 589.9

Historic quarterly distribution of top-/bottom-line last five years

2016-2020. average



Average 2016 – 2020 Arcus ASA. rounded numbers

THINK BEFORE
YOU DRINK. MAKE
GREAT MOMENTS
EVEN BETTER.

Arcus