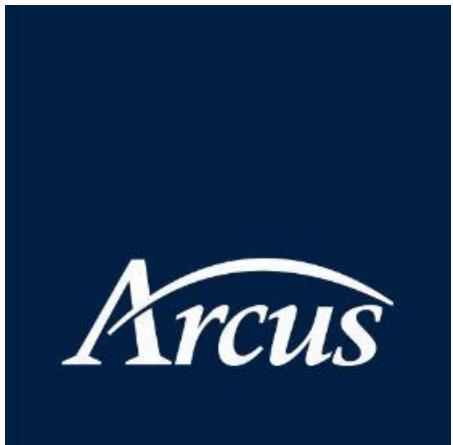


Third quarter results 2018

Kenneth Hamnes, Group CEO
Sigmund Toth, CFO

16 November 2018



Q3: Continued revenue growth for Wine and Distribution

Arcus

Amounts in NOK million

2017 2018



- **Wine:** Revenue growth, negative FX-effect
- **Spirits:** Flat revenue, lower margins
- **Distribution:** Increased revenue and higher volume share to Vinmonopolet
- **EBITDA (adj.):** Reduced margin due to FX (Wine), operational costs (Distr.) and negative sales mix (Spirits)

¹Reported growth. The application of IFRS 15 had a positive effect of 13.7 MNOK on reported revenue in the quarter (+2.3 %)

²Reported growth adjusted for currency translation effects and structural changes

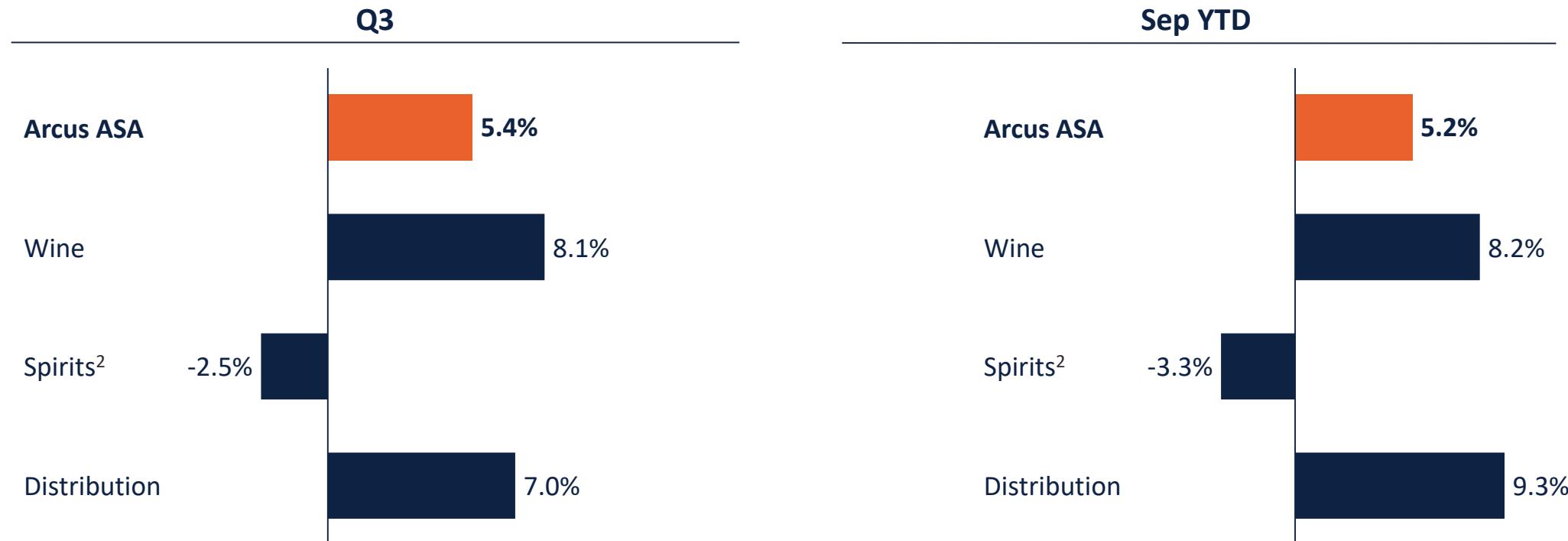


Q3: Organic growth driven by Wine and Distribution

Arcus

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

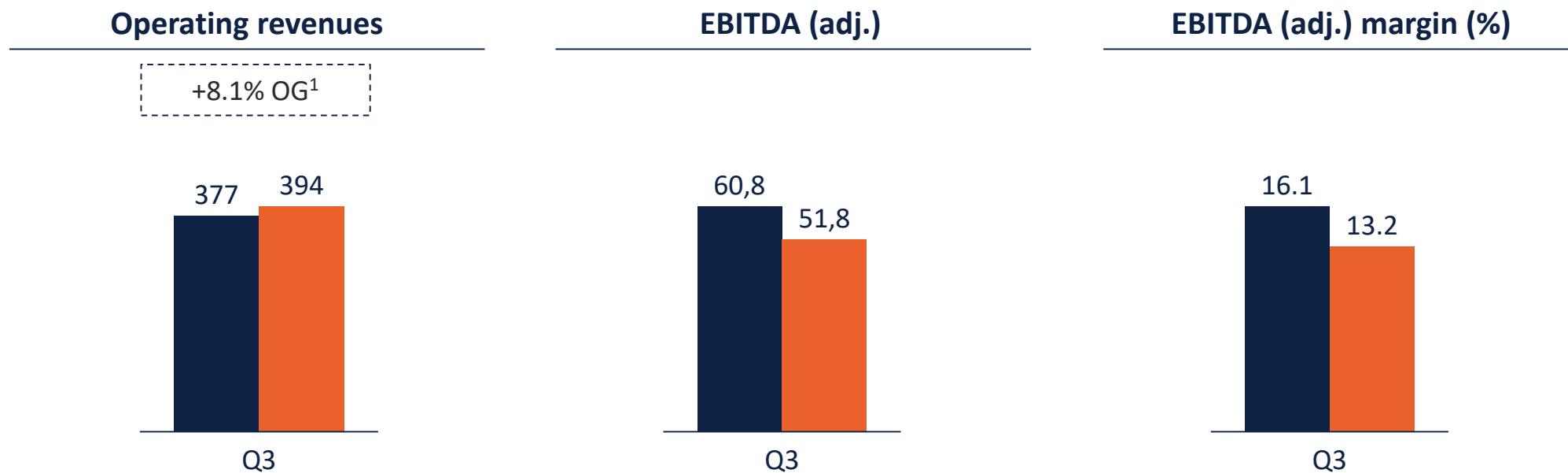


Q3 Wine: Stronger portfolios, increased market shares in SE and NO

Arcus

Amounts in NOK million

2017 2018



- **Sweden:** Portfolio well positioned to growing categories, but FX reduced EBITDA (adj.)
- **Norway:** Growth for own brands as well as agency brands
- **Finland:** Higher alcohol tax and changes in alcohol legislation reduced sales

¹Reported growth adjusted for currency translation effects and structural changes

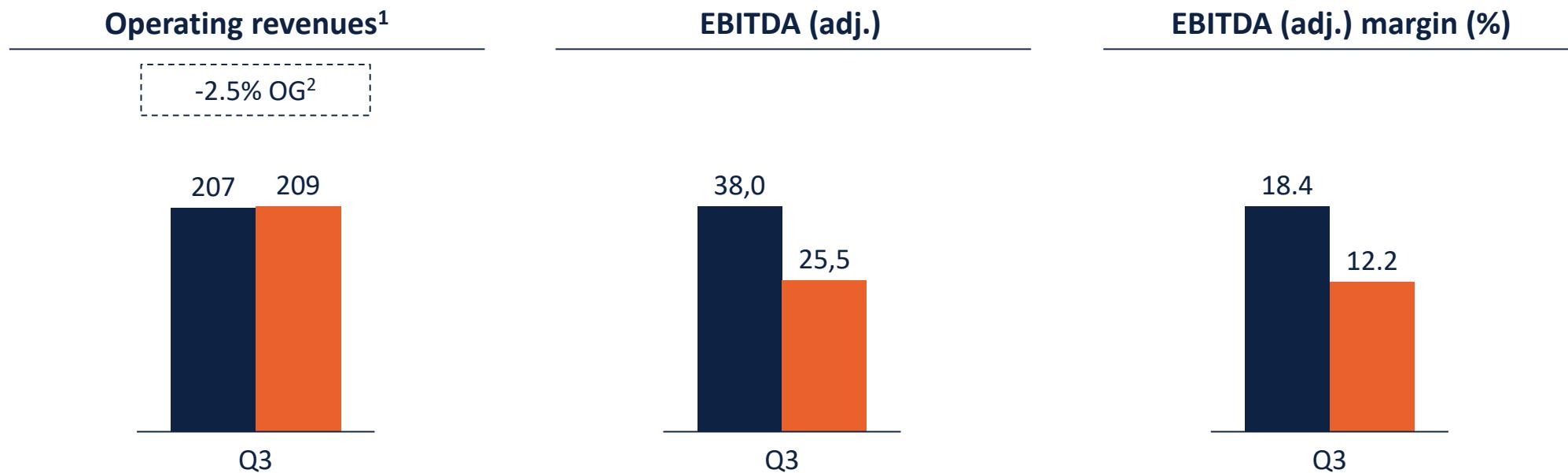


Q3 Spirits: Flat revenue, weak mix reduces margins

Arcus

Amounts in NOK million

2017 2018



- **Norway and Sweden:** Strong price competition in the value segments of aquavit and vodka
- **Denmark:** Aquavit market share increased, but in a declining category
- **Other markets:** Sales growth in Duty Free Travel Retail, return to slight shipment growth in Germany

¹Reported growth includes both external spirits sales and other revenue (internal and external bottling)

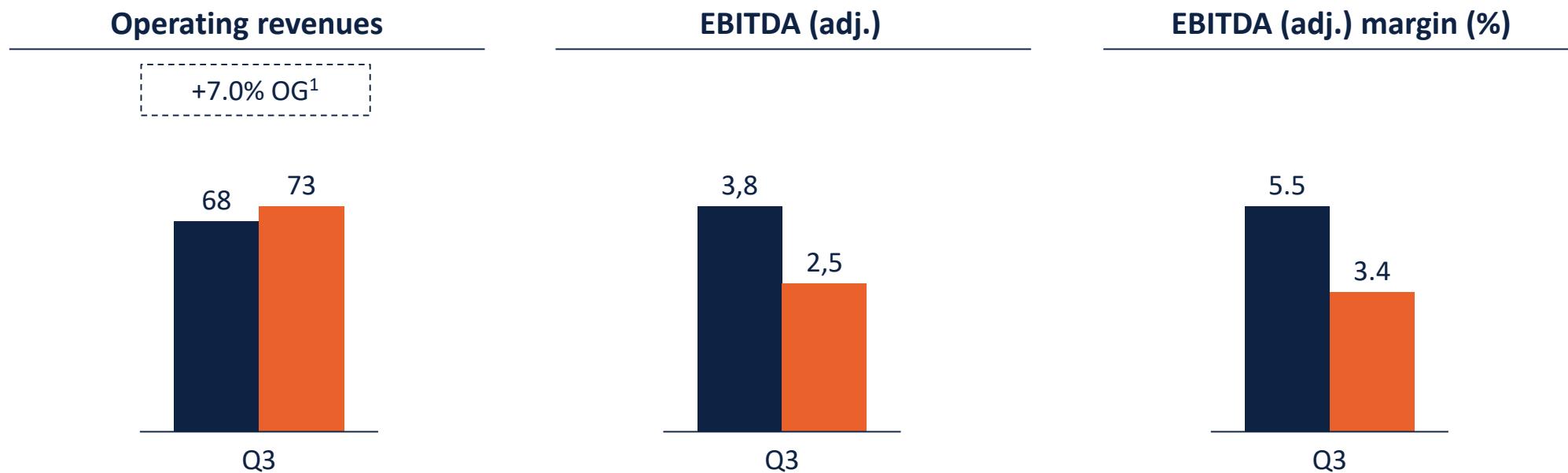
²Reported growth adjusted for currency translation effects and structural changes calculated on external spirits sales only



Q3 Distribution: Increased revenue, low efficiency

Amounts in NOK million

2017 2018



- Volume increased by 5.7 % vs Q3 '17, driven by increased activity for existing customers
- Share of volume delivery to Vinmonopolet increased to 49.4 % end Q3 vs 45.3 % same period last year²
- Planning quality and bottle-necks still causing efficiency challenges

¹Reported growth adjusted for currency translation effects and structural changes

²Volume delivered to Vinmonopolet



Financial performance

Sigmund Toth, CFO



Q3 Group P&L: Increased revenues



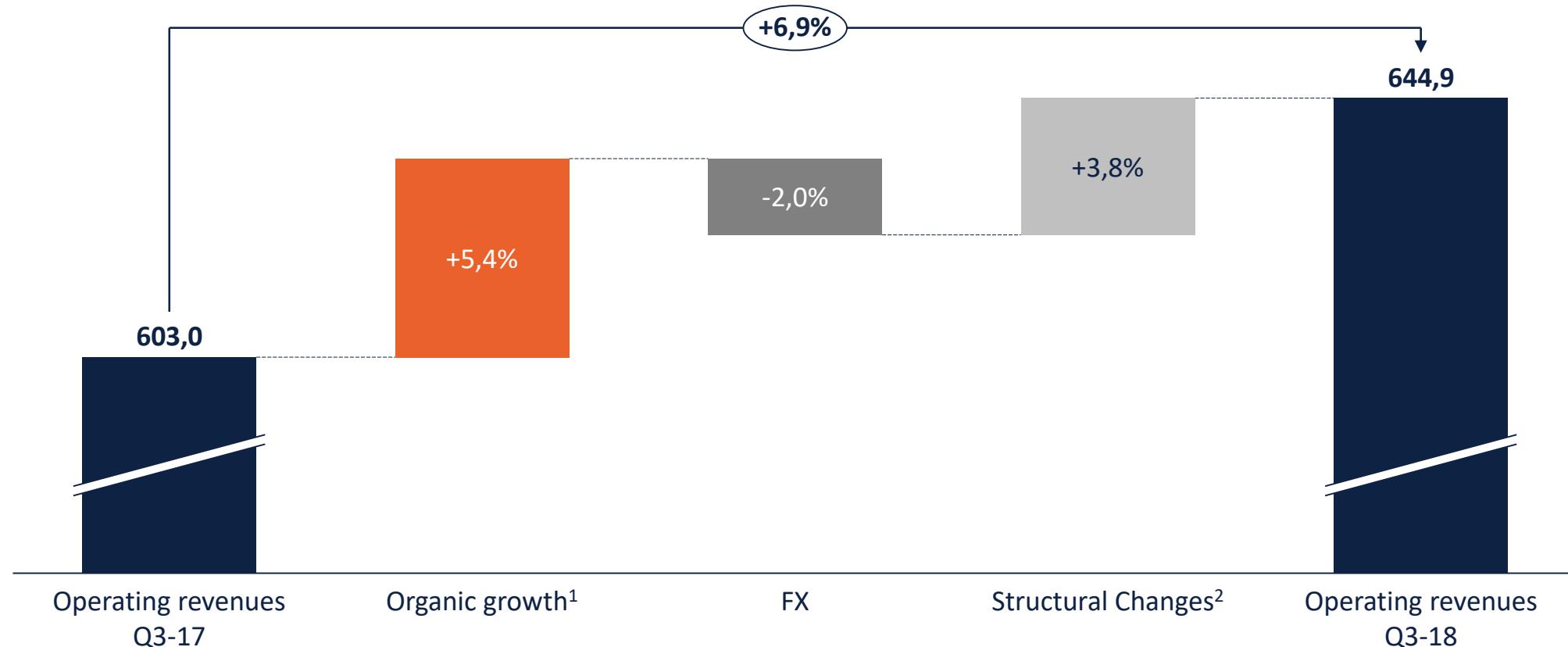
Amounts in NOK million

Profit and Loss	Q3-18	Q3-17	YTD-18	YTD-17
Operating revenues	644,9	603,1	1 875,1	1 743,9
EBITDA (adj.)	76,8	101,6	160,5	193,9
Depreciation, Amortization and Write-downs	-12,6	-12,7	-37,4	-39,0
EBIT (adj.)	64,2	88,8	123,1	155,0
Other income and expenses	-6,3	-9,0	-1,8	-12,4
EBIT	57,8	79,8	121,3	142,6
Net financials and other	-11,9	-6,7	-30,8	-23,6
Pre-tax profit	45,9	73,2	90,5	119,0
Tax	-11,6	-16,2	-22,9	-28,6
Profit/loss for the year	34,3	57,0	67,6	90,4
EPS (NOK)	0,48	0,80	0,94	1,26

Organic growth and positive effects from structural changes, negative FX

Q3-18 Operating revenue growth

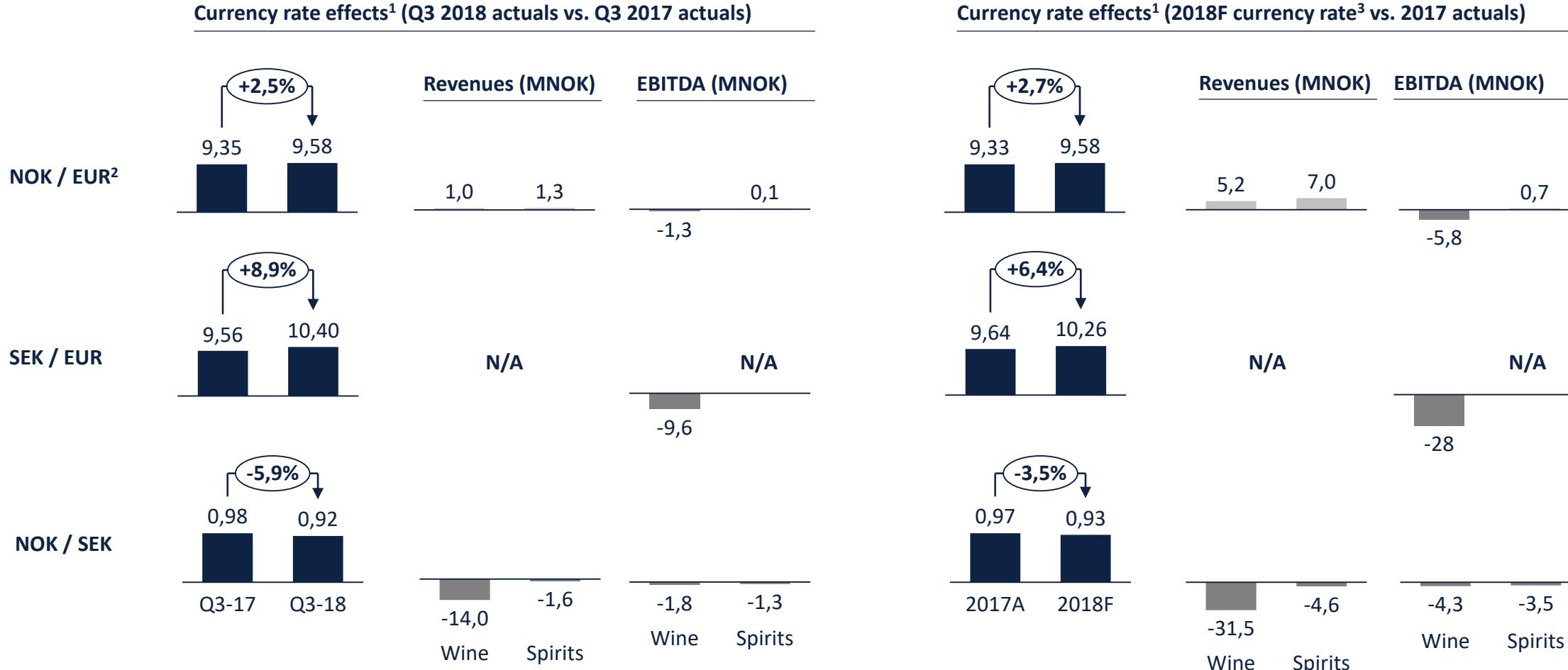
Percent; NOK million



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

²The application of IFRS 15 had a positive effect of +2.3%

Negative FX effects both in Q3 and estimated for the full year



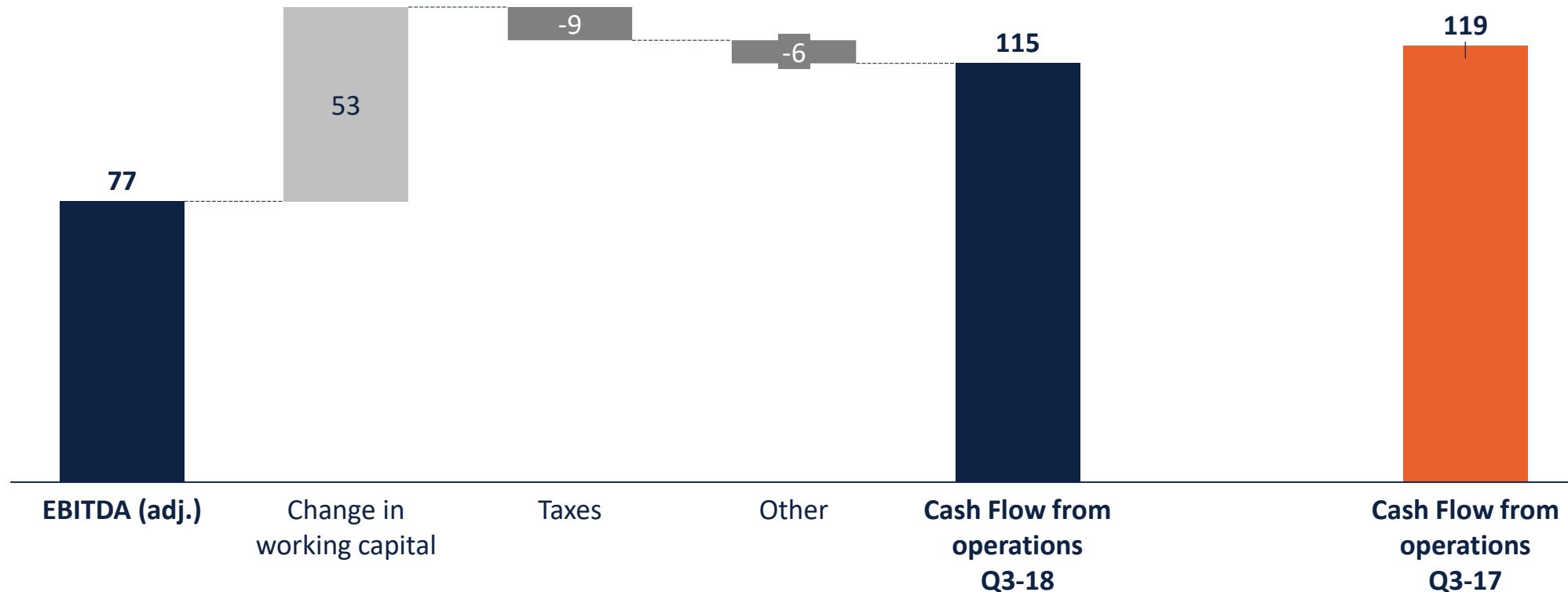
1) Effects are estimates and will vary based on actual business levels. Effects include both translation and transaction effects. Other important currency pairs (not shown) include NOK / USD (Revenues) and (N)SEK/ GBP (COGS on traded goods/agency products). On the Wine business, the general pricing strategy 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. 3) 2018F currency rate is estimated as weighted average of accumulated YTD average rate and current rate as of Nov 7th 2018

Cash flow positively impacted by lower net working capital at end of Q3

Arcus

Q3-18 Cash Flow from Operations

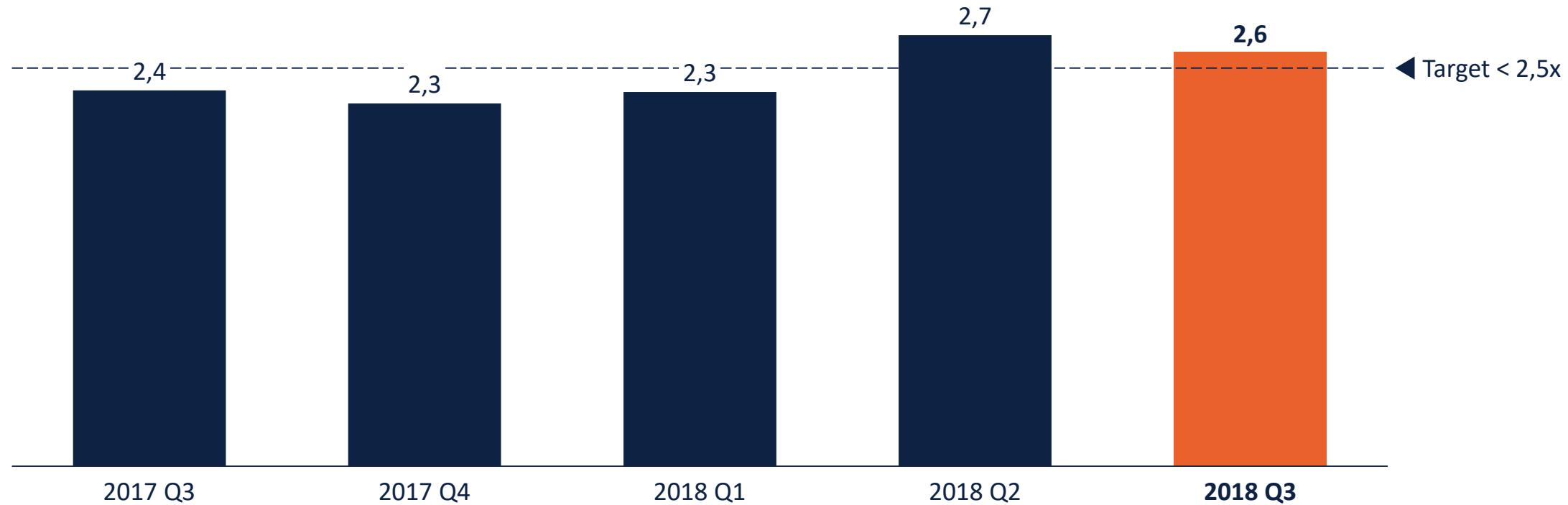
Amounts in NOK million



Gearing slightly above target at the end of Q3

Arcus

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



Kenneth Hamnes, Group CEO



Spirits actions going forward...

	Organization	Sales/marketing	Costs	Structural
Short term actions (2018)	Stick to plan, continue to invest in Germany	Relentless «X-mas focus»	Cost cutting, except volume-driving activities	New agencies from Q4 18 and Q1 19 (Liviko and Proximo)
	More of the resources to local sales in all countries	Revisit pricing and improve promotion plans & execution		
Long term actions (2019 ->)	Local markets get more autonomy for better, faster decisions	More education and sampling. Less ATL marketing.	Ongoing program for lower cost base into 2019	Bolt-on M&As part of strategy

... in more detail for Germany and Denmark



- **Arcus staff** Germany increased from 1 to 3 during 2018 to ensure stronger local execution
- **Eggers & Franke's** new and bigger spirits sales force 100% in place from Q1 19
- X-mas campaign in **Aldi Nord** and **Aldi Süd** planned also for 2019
- **«Mixology going mainstream»**
 - Nordic twist drinks developed for mainstream bars
 - Version 2.0 of **Schweppes®** & LINIE promotion agreed for off trade Q2 19
- On-trade partnership with Coca-Cola around their launch of **Royal Bliss®** premium tonic water
- New listings in **Lidl**: Aalborg Taffel, LINIE and Gammel Dansk on-shelf from Q4 18
- Strong focus on **winning X-mas** occasion
 - Heavy presence and promotional activity
 - X-mas offerings (**Aalborg & LINIE**) sell-in ahead of LY
- **2019 plan** more focus on “**consumer interaction**”
 - Sampling programs
 - Recruitment activities around different occasions
 - Trade promotions
- **New products** launched to drive sales
 - **Aalborg Fadlagret**
 - **Braastad Crème** launched in selected trade
 - **Proximo** portfolio integration in progress

New products in Denmark

Arcus

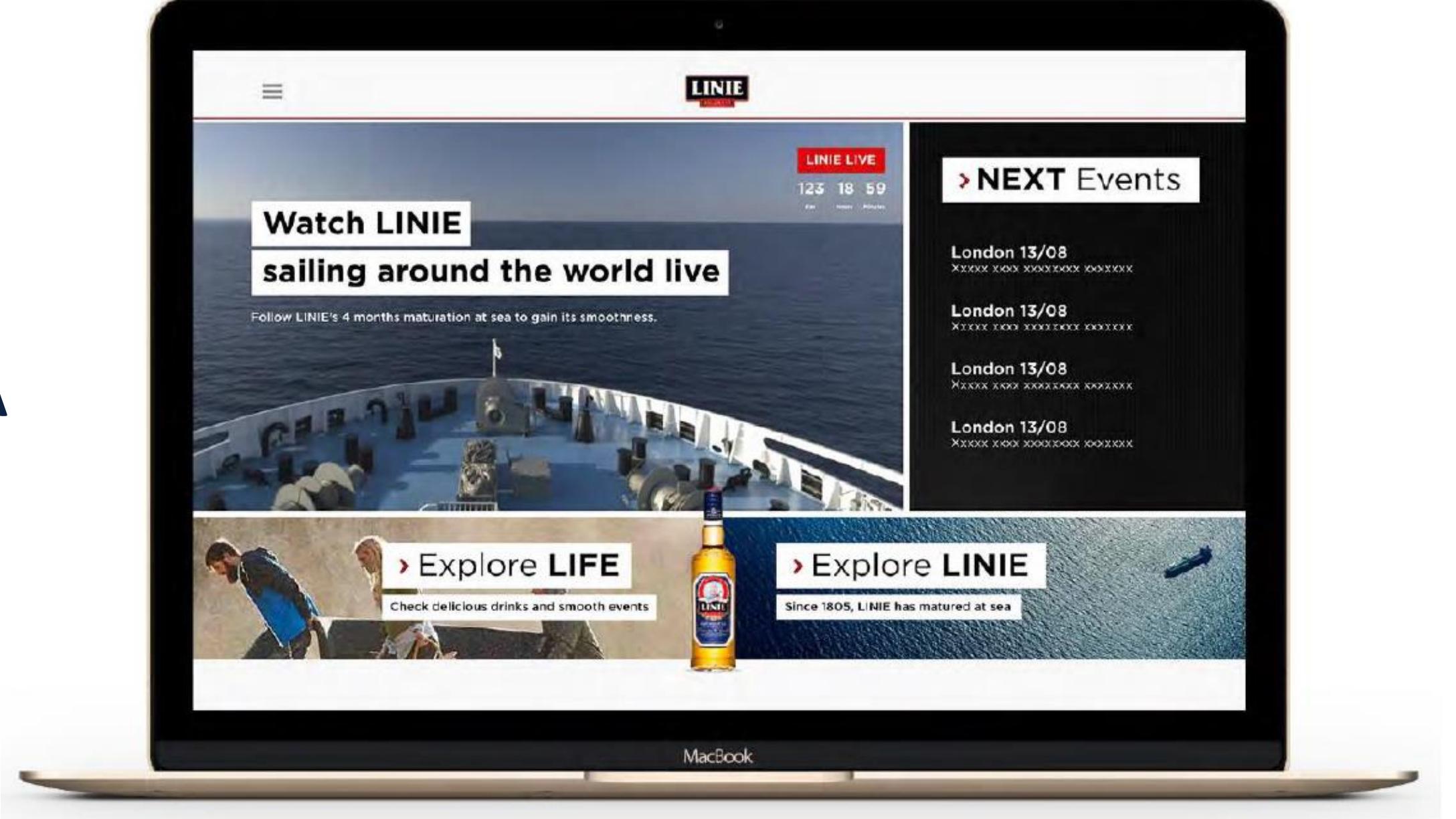


Agreement with Proximo Spirits in the Nordics and DFTR

Arcus



Q&A



The image shows a MacBook displaying the official website for LINIE rum. The website features a dark blue header with the LINIE logo and a red 'LINIE LIVE' button. Below the header, a large banner reads 'Watch LINIE sailing around the world live' with a subtext 'Follow LINIE's 4 months maturation at sea to gain its smoothness.' A photograph of a ship's deck is visible. On the right side of the screen, there is a sidebar titled 'NEXT Events' listing four events in London on 13/08, each preceded by a red arrow icon and followed by a series of 'XXXX' characters.

LINIE

LINIE LIVE
123 18 59

Watch LINIE sailing around the world live

Follow LINIE's 4 months maturation at sea to gain its smoothness.

► Explore LIFE
Check delicious drinks and smooth events

► Explore LINIE
Since 1805, LINIE has matured at sea

► NEXT Events

London 13/08
XXXX XXXX XXXXXXXX XXXXXX

MacBook

Condensed statement of income

MNOK	Note	Third quarter		Year to date		Full Year
		2018	2017	2018	2017	
Sales	2,9	635,4	593,8	1 839,8	1 710,1	2 530,1
Other revenue	2	9,5	9,3	35,3	33,8	44,9
Total operating revenue	2,9	644,9	603,1	1 875,1	1 743,9	2 575,1
Cost of goods		-384,2	-327,8	-1 098,2	-964,3	-1 408,5
Gross Profit		260,7	275,2	776,9	779,7	1 166,5
Gain on sale of fixed assets		0,1	0,0	0,2	0,0	0,0
Salaries and personnel cost		-92,4	-91,0	-308,9	-300,1	-417,4
Advertising & Promotion expenses (A&P)		-28,8	-28,7	-93,6	-87,6	-122,7
Other operating expenses		-63,3	-54,5	-212,6	-198,0	-269,0
Share of profit from AC ¹⁾ and JCE ²⁾		0,5	0,6	-1,6	-0,1	3,3
Other income and expenses	3	-6,3	-9,0	-1,8	-12,4	-13,2
EBITDA		70,5	92,5	158,6	181,6	347,6
Depreciation	5,6	-10,7	-10,8	-31,6	-33,5	-44,2
Amortisations	5,6	-1,9	-1,9	-5,8	-5,5	-7,4
Write downs		0,0	0,0	0,0	0,0	-22,7
Operating profit (EBIT)		57,8	79,8	121,3	142,6	273,3
Financial income	12	3,3	2,9	8,7	5,4	25,9
Financial expenses	7,10,12	-15,3	-9,5	-39,4	-29,0	-40,4
Pre-tax profit		45,9	73,2	90,5	119,0	258,7
Tax		-11,6	-16,2	-22,9	-28,6	-70,5
Profit/loss for the year		34,3	57,0	67,6	90,4	188,2
Profit/loss for the year attributable to parent company shareholders		32,5	54,8	63,8	86,0	181,3
Profit/loss for the year attributable to non-controlling interests		1,7	2,2	3,7	4,5	6,9
Earnings per share, continued operations		0,48	0,80	0,94	1,26	2,66
Diluted earnings per share, continued operations		0,46	0,78	0,91	1,24	2,62

¹⁾Associated Companies, ²⁾Jointly Controlled Entities

Condensed statement of financial position

MNOK	Note	Year to date		Full Year
		2018	2017	2017
Intangible assets	6	1 838,8	1 757,6	1 891,4
Tangible assets	5	317,8	328,6	329,8
Deferred tax asset		132,7	166,5	136,8
Financial assets		55,7	49,8	60,1
Total fixed assets		2 345,0	2 302,4	2 418,1
Inventories		482,6	446,5	410,8
Accounts receivables and other receivables		942,6	912,2	1 519,1
Cash and cash equivalents		90,7	144,1	184,4
Total current assets		1 515,9	1 502,8	2 114,2
Total assets		3 860,9	3 805,2	4 532,4
Paid-in equity		772,1	772,1	772,1
Retained earnings		736,9	729,6	878,5
Non-controlling interests		2,3	17,0	18,8
Total equity		1 511,3	1 518,7	1 669,4
Non-current liabilities to financial institutions	8	685,5	728,1	742,8
Non-current liabilities at fair value through profit or loss	7,10	69,6	0,0	0,0
Non-current finance lease liabilities	8	153,5	171,5	166,4
Pension obligations		30,7	34,7	30,6
Deferred tax liability		97,3	95,5	101,0
Other non-current provisions		0,2	0,4	0,3
Total non-current liabilities		1 036,8	1 030,2	1 041,1
Bank Overdraft	8	87,6	37,8	72,7
Current liabilities at fair value through profit or loss	7,10	0,0	13,8	0,0
Current finance lease liabilities	8	17,4	16,5	17,4
Tax payable		0,0	0,0	2,1
Accounts payable and other payables		1 207,8	1 188,2	1 729,6
Total current liabilities		1 312,8	1 256,3	1 821,8
Total equity and liabilities		3 860,9	3 805,2	4 532,4

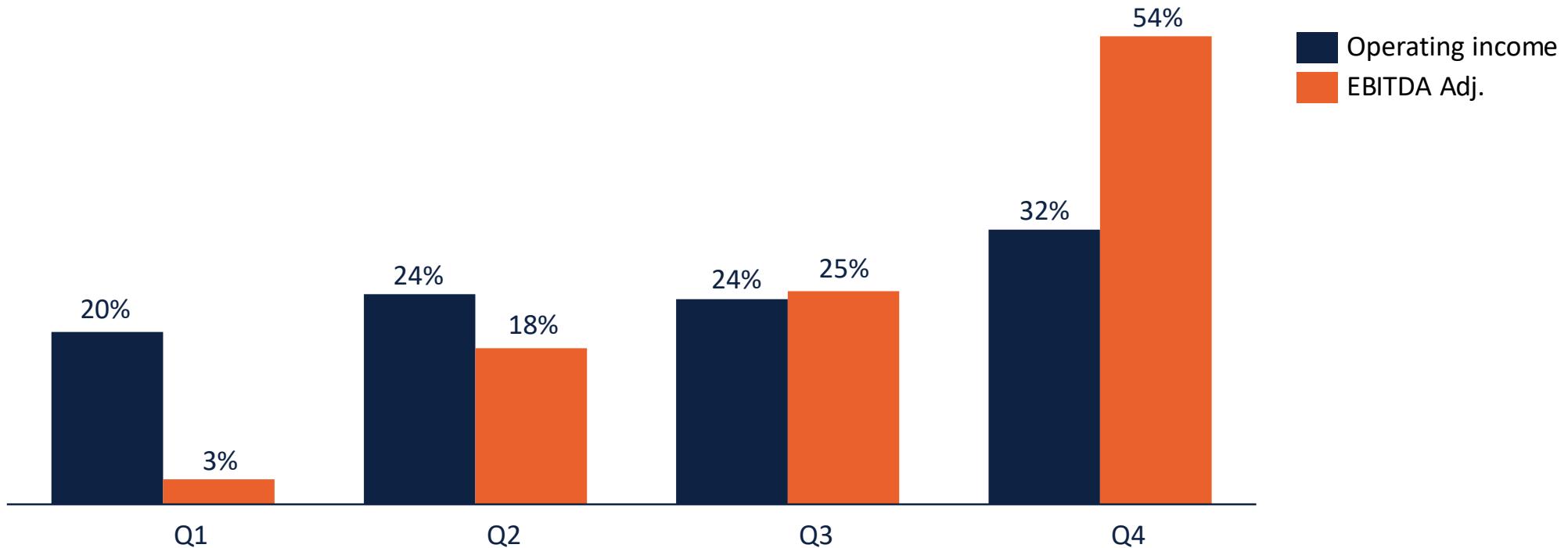
Condensed statement of cash flow

MNOK	Note	Third quarter		Year to date		Full Year 2017
		2018	2017	2018	2017	
Pre-tax profit		45,9	73,2	90,5	119,0	258,8
Depreciation and amortisations	5,6	12,6	12,7	37,4	39,0	74,3
Received dividend from associated companies		0,0	0,0	0,4	0,0	0,0
Net interest in period		9,5	6,9	26,2	22,0	31,5
Other items without cash effect		2,5	-0,8	-3,1	17,6	12,1
Change in inventories		-8,0	-2,9	-71,8	-67,6	-31,8
Change in receivables		216,0	190,4	583,9	565,5	-50,0
Change in payables		-154,9	-151,4	-523,2	-602,8	-61,6
Cash flow from operating activities before tax		123,6	128,1	140,4	92,8	233,2
Tax paid		-9,1	-8,8	-29,1	-31,2	-33,2
Cash flow from operating activities		114,5	119,3	111,3	61,6	199,9
Proceeds from sale of tangible & intangible fixed assets		0,1	0,0	0,2	0,0	0,0
Payments on acquisition of tangible & intangible fixed assets	5,6	-5,3	-5,7	-16,8	-11,1	-22,2
Payments on acquisition of Brands	6	0,0	0,0	0,0	-4,0	-118,6
Payments on acquisition of operations		-0,1	-3,9	-0,1	-2,8	-2,8
Other investments		0,0	-0,5	0,0	-0,5	-0,4
Cash flows from investment activities		-5,3	-10,0	-16,8	-18,3	-144,0
Proceeds - co-investment program	7,12	0,0	0,0	0,0	0,0	0,0
Payments - co-investment program	7,12	0,0	0,0	0,0	0,0	0,0
Capital increase		0,0	0,0	0,0	0,0	0,0
New debt to financial institutions	8	0,0	0,0	0,0	0,0	0,0
Repayment debt to financial institutions	8	-4,3	-3,2	-12,9	-11,5	-15,7
Change other long term loans		0,1	0,1	0,2	0,1	0,1
Interest paid in period		-9,5	-6,9	-26,2	-22,0	-31,5
Paid dividend and Group contributions		-0,7	-0,2	-118,7	-102,3	-103,5
Other financing payments		-1,3	0,0	-7,4	-12,9	-12,9
Cash flow from financing activities		-15,6	-10,1	-165,1	-148,6	-163,5
Total cash flow		93,5	99,2	-70,6	-105,3	-107,6
Holdings of cash and cash equivalents at the beginning of period		-96,4	11,0	111,7	199,4	199,4
Effect of exchange rate changes on cash and cash equivalents		6,0	-3,8	-38,1	12,2	19,9
Holdings of cash and cash equivalents at the end of period		3,1	106,3	3,1	106,3	111,7

Historic quarterly distribution of top-/bottom-line

Arcus

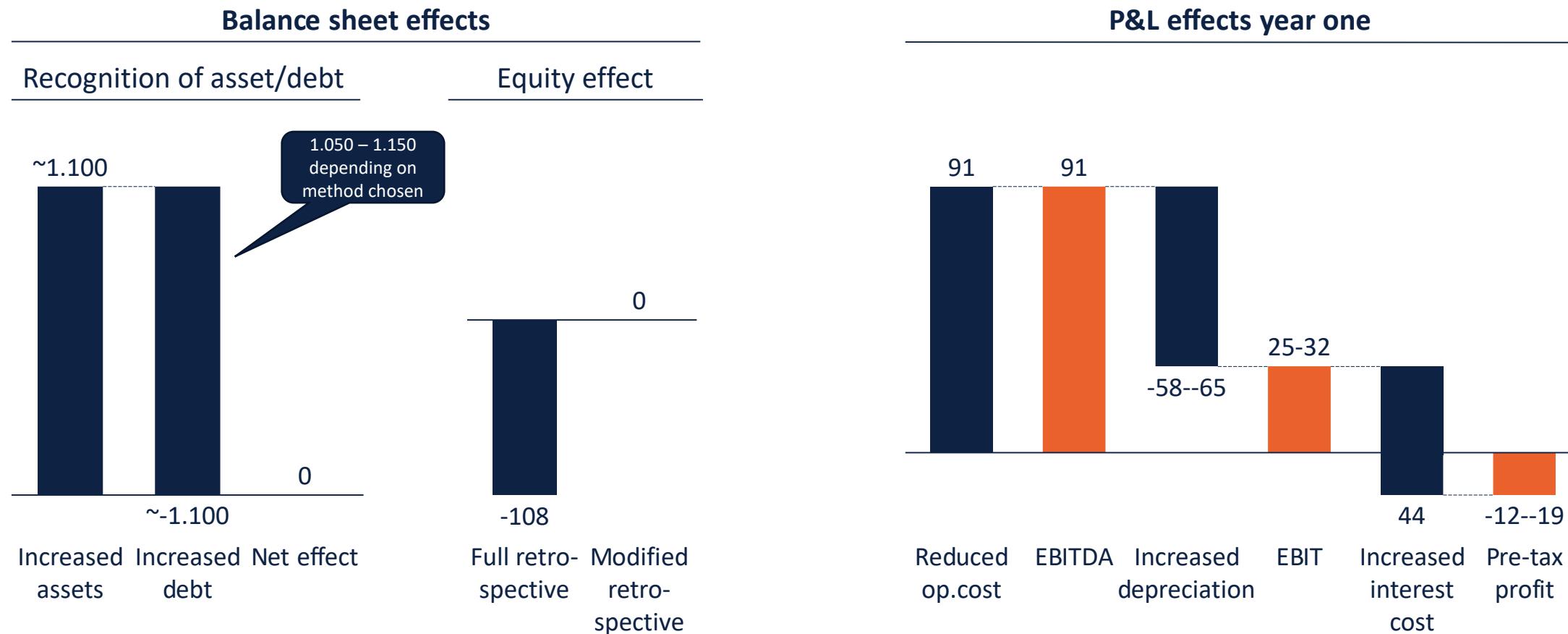
2011-2017, average



Average 2011 – 2017 Arcus ASA, rounded numbers

Estimated effects of IFRS 16 are significant, but loan terms will be calculated according to today's model, independently of IFRS 16

Amounts in NOK million, ESTIMATES ONLY¹



¹At the end of 2017, the Group made a calculation based on the Group's existing leasing agreements. The estimate shows that if IFRS 16 had been implemented as of 31.12.2017, the Group would have had an effect on the statement of financial position of between NOK 1,050 and 1,150 million, depending on the method chosen. The negative equity effect on choosing the full retrospective method would have been NOK 108 million and no effect on equity choosing the modified retrospective method. See the 2017 Annual report for further details.

THINK BEFORE
YOU DRINK. MAKE
GREAT MOMENTS
EVEN BETTER.

Arcus