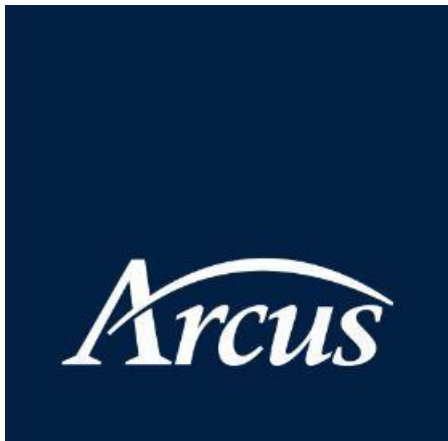


First quarter results 2019

Kenneth Hamnes, Group CEO
Sigmund Toth, CFO

10 May 2019

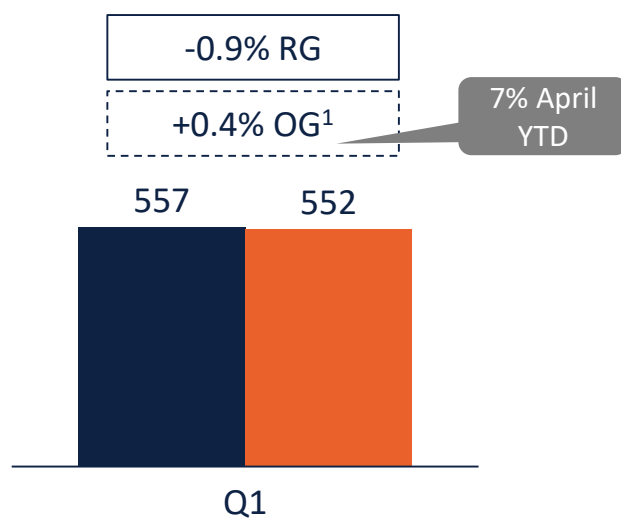


Q1: Good start, smallest quarter

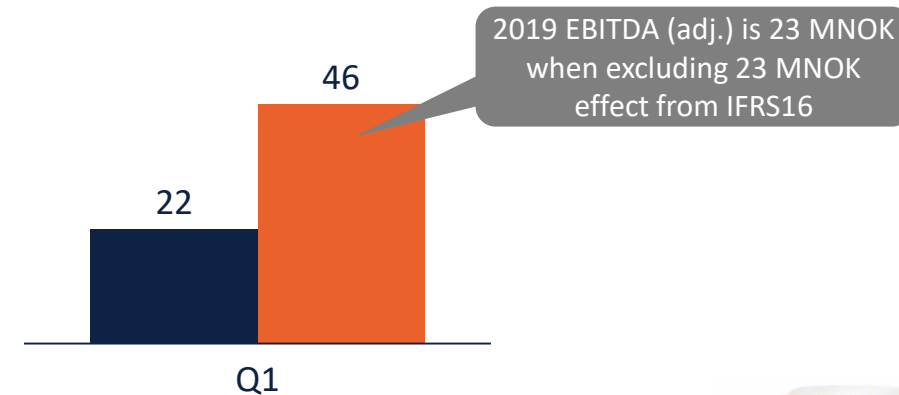
Amounts in NOK million

2018 2019

Operating Revenues



EBITDA (adj.)



- **Wine:** Positive sales trend continued, benefiting from stronger portfolios
- **Spirits:** Adjusted for Easter, sales were decent. Positive effects from recently added portfolios
- **Distribution:** Increased revenue and efficiency

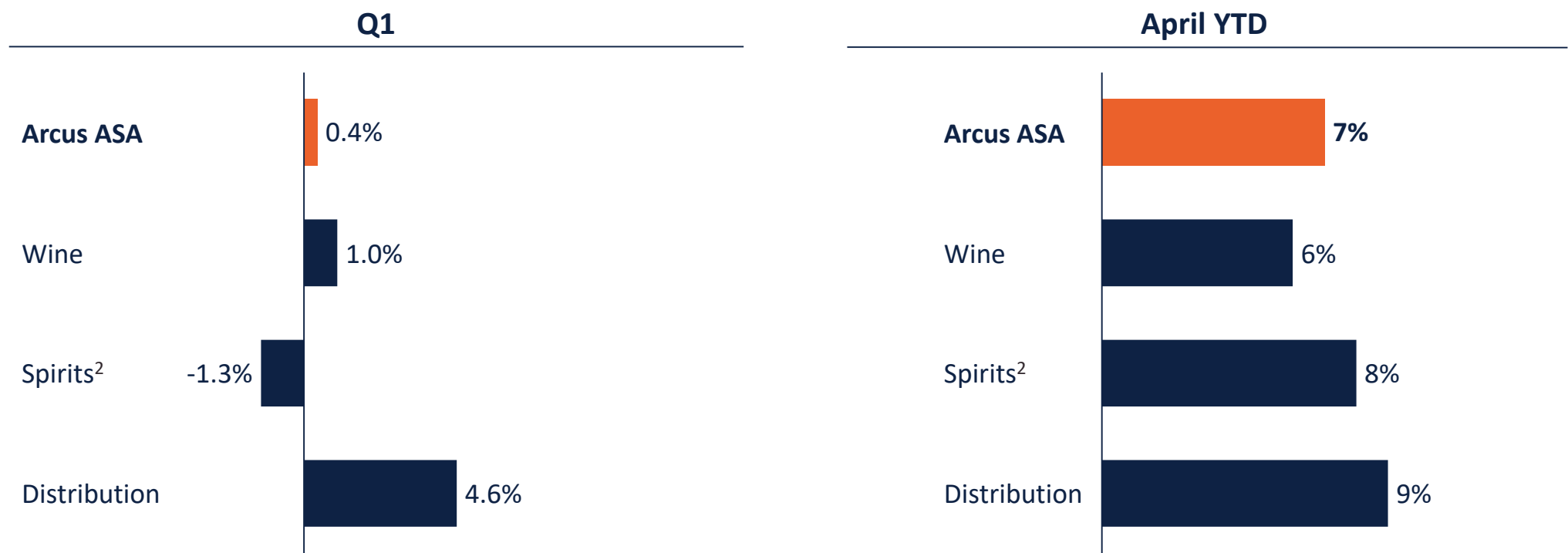
¹Reported growth adjusted for currency translation effects and structural changes



Q1: Fifth consecutive quarter with organic growth



Organic growth¹ overall and by reporting segment Percent



¹Reported growth adjusted for currency translation effects and structural changes

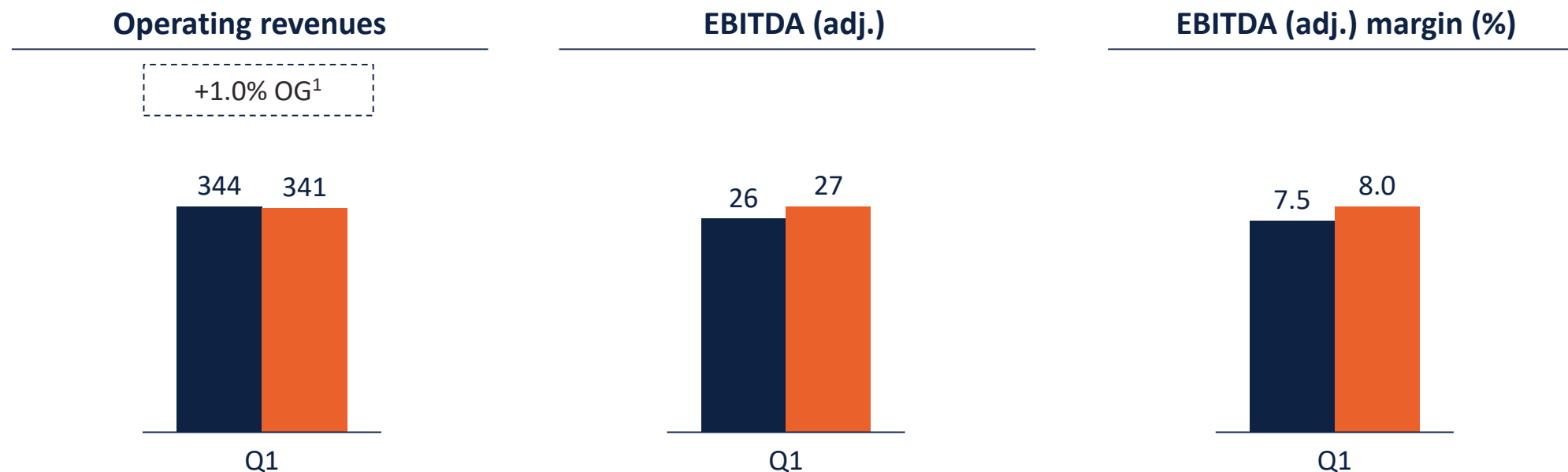
²Reported growth adjusted for currency translation effects and structural changes calculated on external spirits sales only



Q1 Wine: Positive sales trend continues

Amounts in NOK million

2018 2019



- **Norway:** Increased market share due to a strengthened portfolio in growing categories
- **Sweden:** Arcus' and overall sales at Systembolaget nearly flat
- **Finland:** Overall market weak. Arcus' shares down due to loss of agencies late 2018

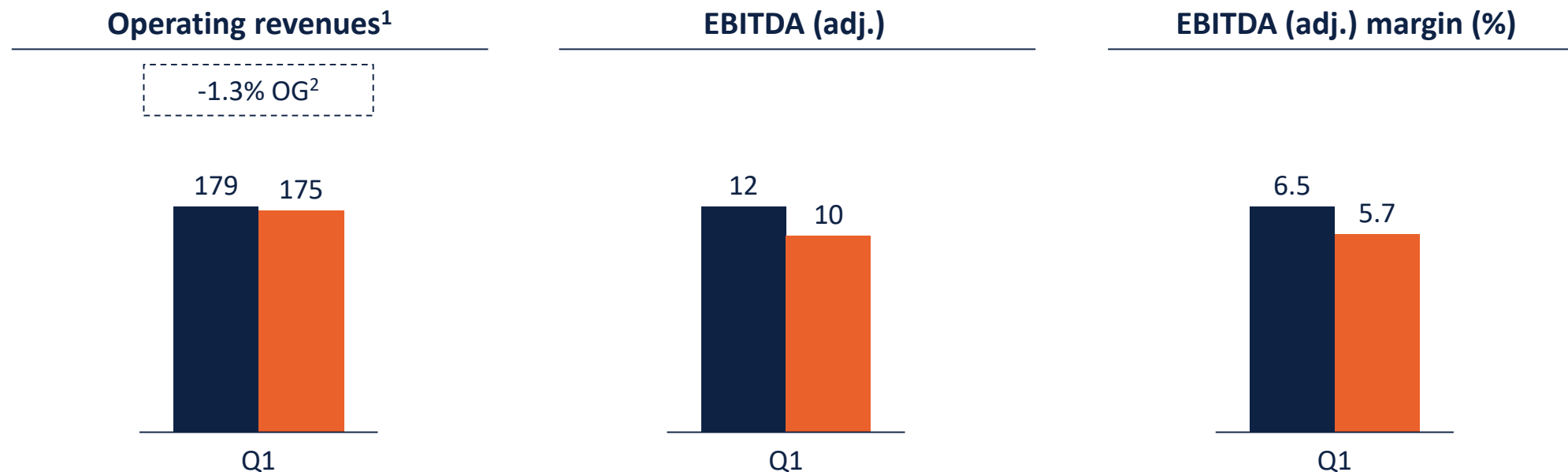
¹Reported growth adjusted for currency translation effects and structural changes



Q1 Spirits: Decent sales despite late Easter

Amounts in NOK million

2018 2019



- **Norway, Denmark, Sweden:** Higher-margin aquavit sales moved to April, negative margin impact
- **Other markets:** Shipments to Germany and Duty Free Travel Retail increased, shipments to the US decreased

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

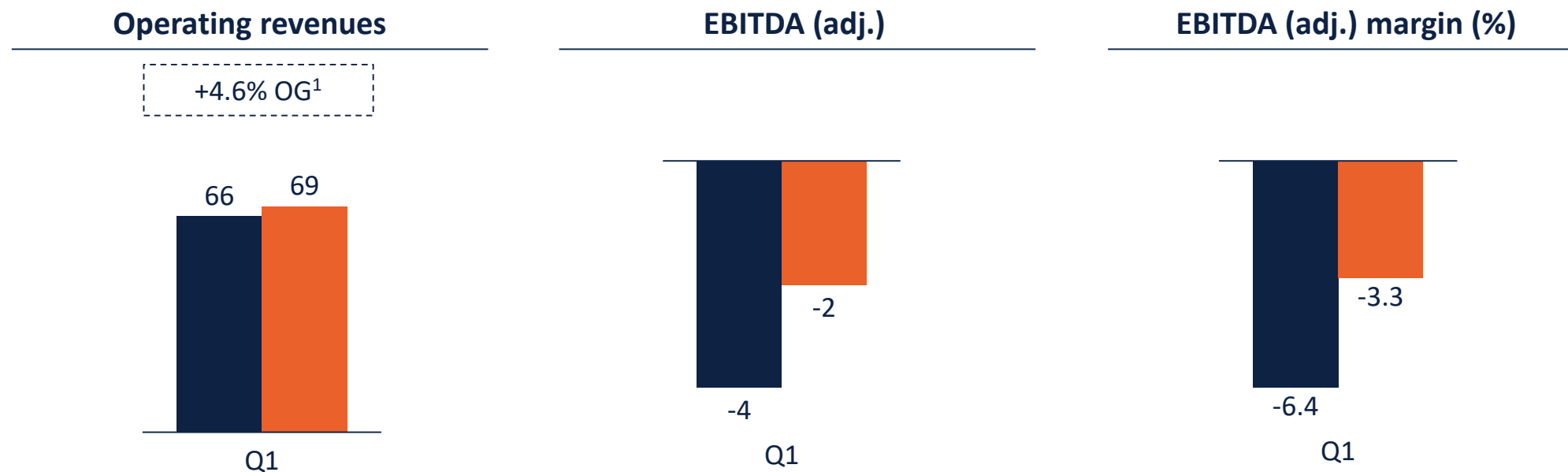
²Reported growth adjusted for currency translation effects and structural changes calculated on external spirits sales only



Q1 Distribution: Increased revenue and efficiency

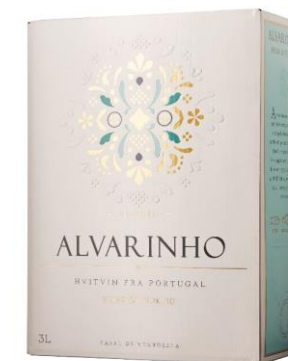
Amounts in NOK million

2018 2019



- Volume increased by 2.9 %, while Vinmonopolet's total volume was down 7.6 % vs Q1 last year
- Volume share of deliveries to Vinmonopolet increased to 50.1 % end Q1 vs 48.5 % same period last year
- Margins improved due to more efficient handling, reduced need for overtime and tighter cost control

¹Reported growth adjusted for currency translation effects and structural changes



Financial performance

Sigmund Toth, CFO



Q1 Group P&L: In line with last year when adjusting for IFRS 16

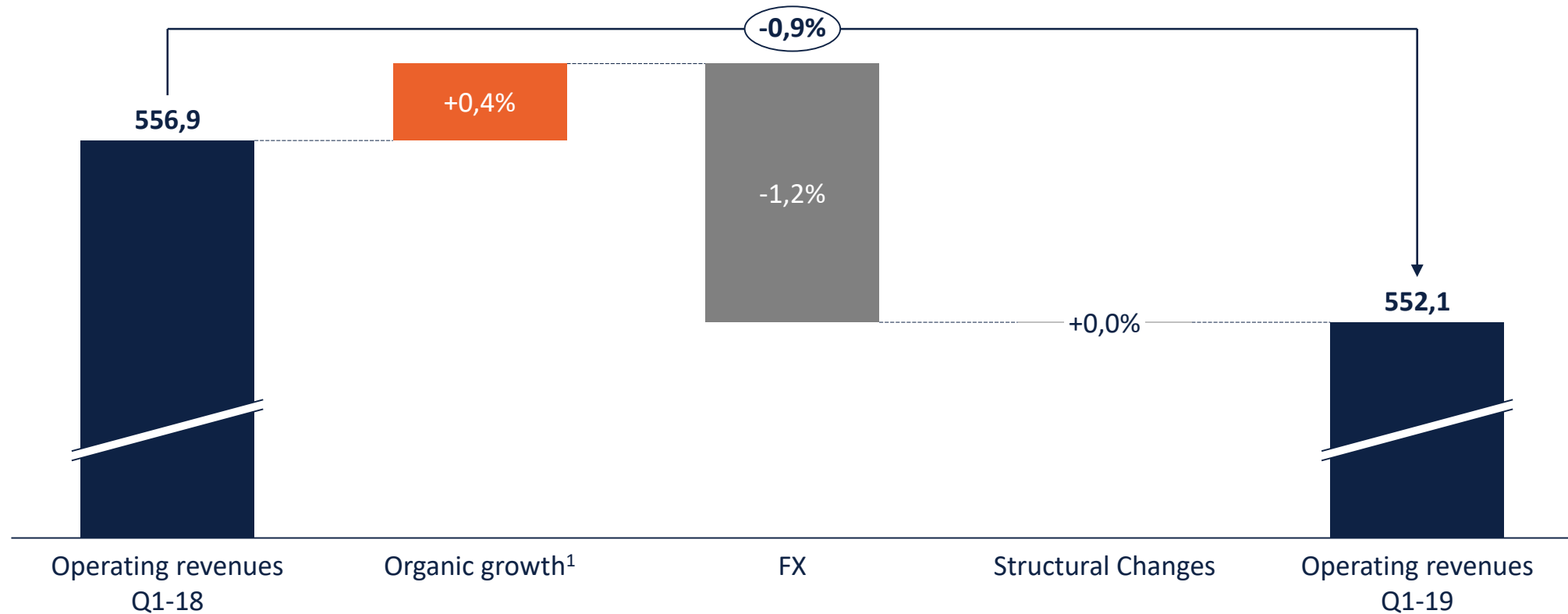
Amounts in NOK million

Profit and Loss	Q1-19 (as reported)	2019 IFRS 16 restatement	Q1-19 restated, (using old IAS 17 Standard)	Q1-18
Operating revenues	552,1	0	552,1	556,9
EBITDA (adj.)	46,1	23,4	22,7	22,1
Depreciation, Amortization and Write-downs	-26,8	-14,1	-12,7	-12,3
EBIT (adj.)	19,3	9,3	10,0	9,8
Other income and expenses	-1,5	0	-1,5	-5,2
EBIT	17,8	9,3	8,5	4,5
Net financials and other	-28,7	-15,8	-12,9	-10,3
Pre-tax profit	-10,9	-6,5	-4,4	-5,8
Tax	2,0	1,4	0,5	-0,5
Profit/loss for the year	-9,0	-5,1	-3,9	-6,2
EPS (NOK)	-0,14		-0,07	-0,11

Organic growth more than offset by negative FX-effect

Q1-19 Operating revenue growth

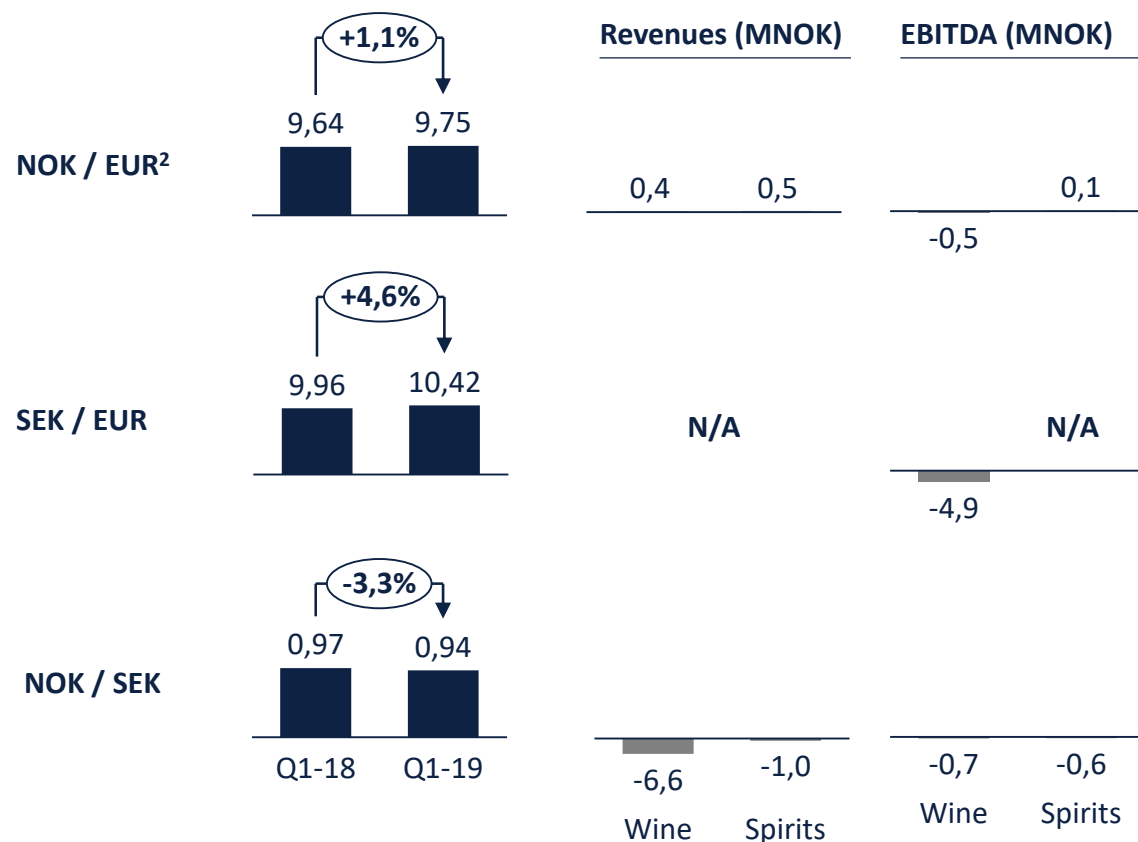
Percent; NOK million



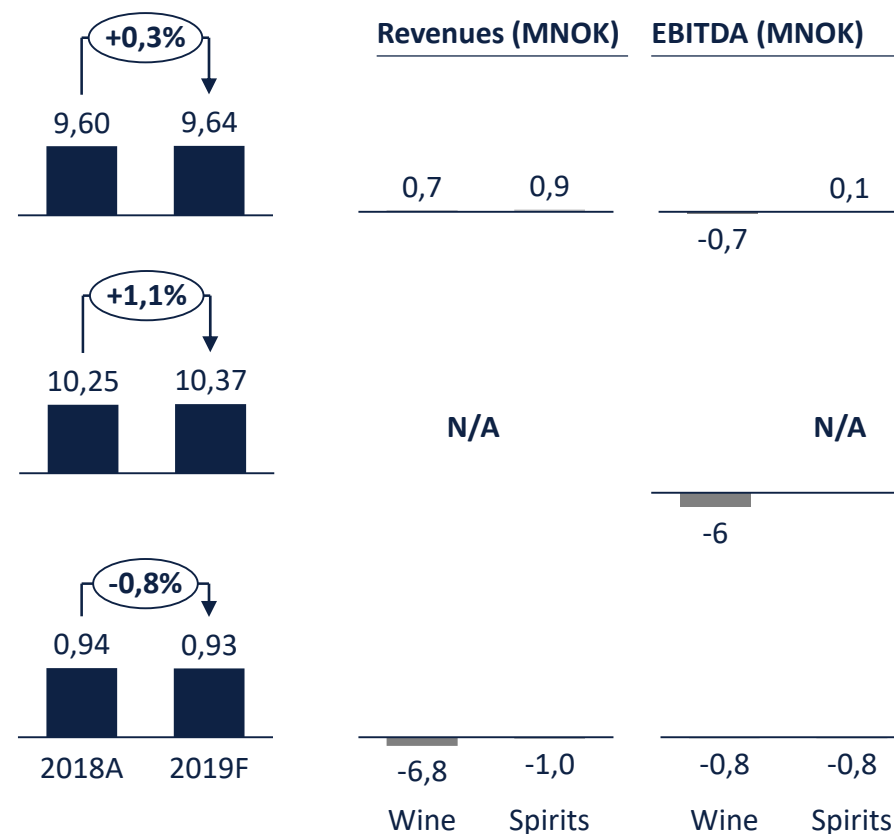
¹Reported growth adjusted for currency translation effects and structural changes (such as acquisitions or divestitures)

Negative FX effects Q1, but less negative than previous quarters

Currency rate effects¹ (Q1 2019 actuals vs. Q1 2018 actuals)



Currency rate effects¹ (2019F currency rate³ vs. 2018 actuals)



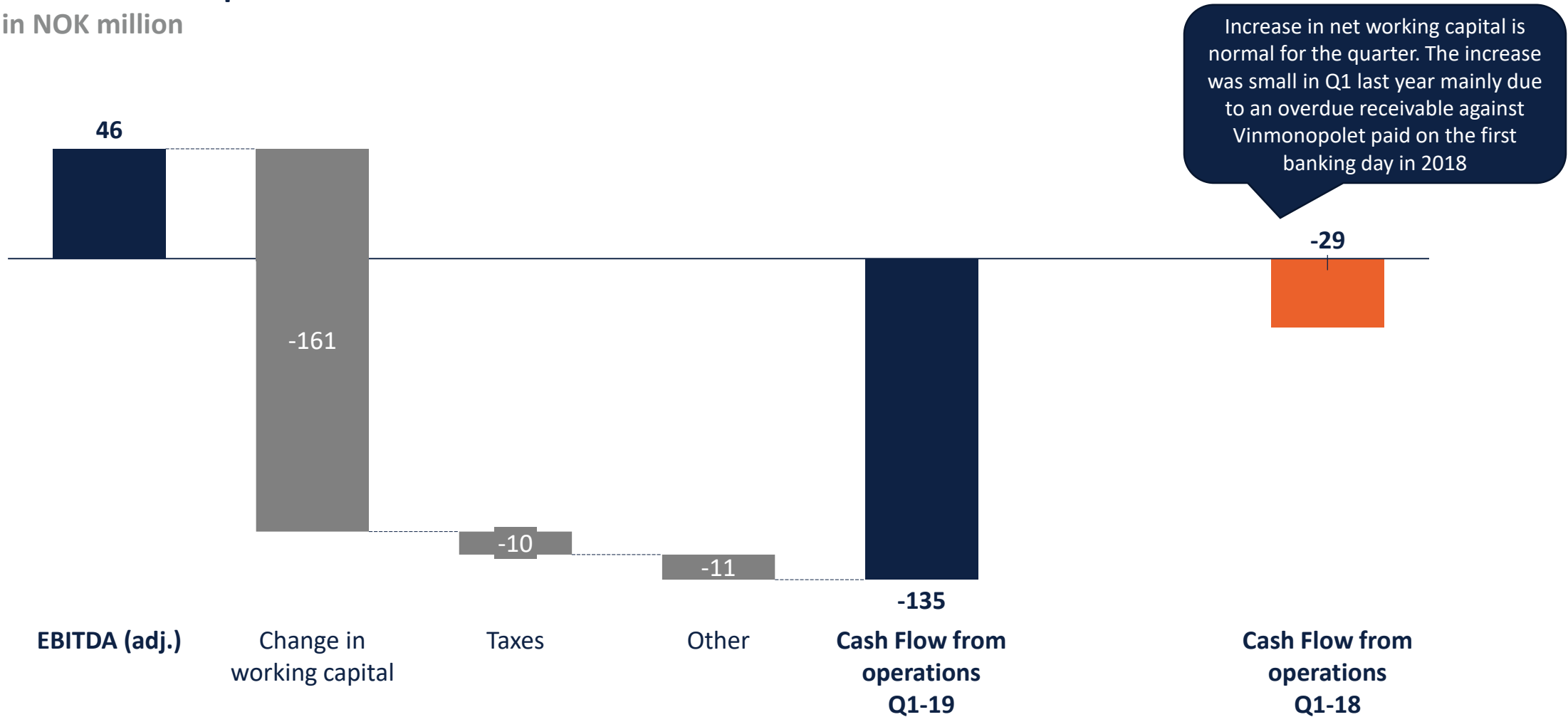
1) Effects are estimates and will vary based on actual business levels. Effects include both translation and transaction effects. Other important currency pairs (not shown) include (N)SEK / USD (Revenues & COGS) and (N)SEK / GBP (COGS on traded goods/agency products). On the Wine business, the general 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. 3) 2019F currency rate is estimated as weighted average of accumulated YTD average rate and current rate as of Apr 25th 2019

Cash flow negatively impacted by higher net working capital at end of Q1, as is normal due to seasonal effects



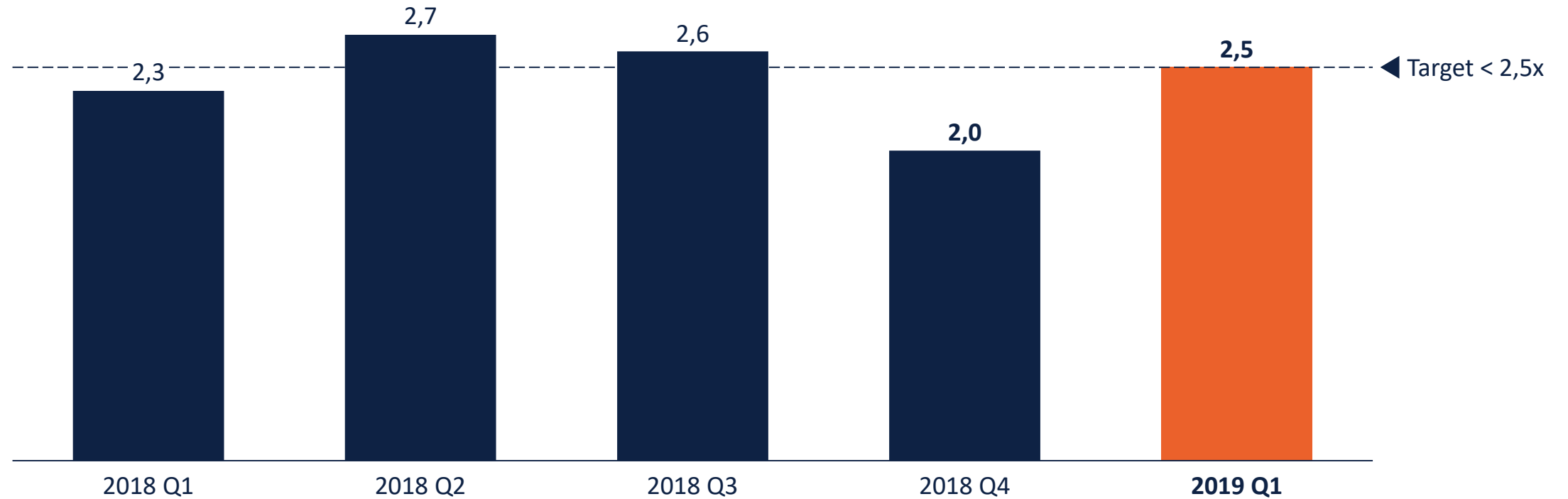
Q1-19 Cash Flow from Operations

Amounts in NOK million



Gearing at target at the end of Q1

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



Kenneth Hamnes, Group CEO







Financial calendar, 2019

10 May	Quarterly report Q1
15 August	Quarterly report Q2
6 November	Quarterly report Q3

THINK BEFORE
YOU DRINK. MAKE
GREAT MOMENTS
EVEN BETTER.

Arcus

Condensed statement of income

MNOK		First quarter		Full Year
	Note	2019	2018	2018
Sales	2,9	541.9	545.8	2 672.6
Other revenue	2	10.2	11.1	50.6
Total operating revenue	2,9	552.1	556.9	2 723.2
Cost of goods		-314.6	-315.7	-1 577.3
Gross Profit		237.6	241.2	1 145.9
Gain on sale of fixed assets		0.0	0.0	0.4
Salaries and personnel cost		-108.7	-110.1	-426.6
Advertising & Promotion expenses (A&P)		-24.0	-31.1	-122.5
Other operating expenses		-57.0	-76.0	-286.8
Share of profit from AC ¹⁾ and JCE ²⁾		-1.9	-1.9	2.3
Other income and expenses	3	-1.5	-5.2	-5.3
EBITDA		44.5	16.9	307.3
Depreciation	5,6	-24.8	-10.4	-42.3
Amortisations	5,6	-1.9	-1.9	-7.7
Operating profit (EBIT)		17.8	4.5	257.3
Financial income	12	5.9	2.1	14.5
Financial expenses	7,10,12	-34.6	-12.5	-50.6
Pre-tax profit		-10.9	-5.8	221.2
Tax		2.0	-0.5	-56.8
Profit/loss for the year		-9.0	-6.2	164.4
Profit/loss for the year attributable to parent company shareholders		-9.7	-7.1	158.5
Profit/loss for the year attributable to non-controlling interests		0.7	0.9	6.0
Earnings per share, continued operations		-0.14	-0.11	2.33
Diluted earnings per share, continued operations		-0.14	-0.10	2.25

¹⁾Associated Companies, ²⁾Jointly Controlled Entities

Condensed statement of financial position

MNOK	Note	31.03.2019	31.03.2018	31.12.2018
Intangible assets	6	1 852.8	1 858.2	1 883.9
Tangible assets	5	1 214.9	327.0	315.8
Deferred tax asset		116.2	140.9	110.4
Financial assets		58.6	56.9	63.1
Total fixed assets		3 242.4	2 383.0	2 373.2
Inventories		488.6	447.9	441.1
Accounts receivables and other receivables		1 017.7	1 130.3	1 340.7
Cash and cash equivalents		124.4	175.6	282.6
Total current assets		1 630.8	1 753.7	2 064.4
Total assets		4 873.1	4 136.7	4 437.6
Paid-in equity		772.1	772.1	772.1
Retained earnings		842.5	852.6	879.0
Non-controlling interests		2.9	17.8	3.0
Total equity		1 617.5	1 642.5	1 654.0
Non-current liabilities to financial institutions	8	693.0	697.8	723.5
Non-current liabilities at fair value through profit or loss	7,10	69.8	0.0	74.2
Non-current finance lease liabilities	8	1 028.9	167.4	151.4
Pension obligations		21.1	30.4	21.1
Deferred tax liability		99.7	98.7	102.0
Other non-current liabilities		0.5	0.3	0.7
Total non-current liabilities		1 913.0	994.7	1 073.0
Bank Overdraft	8	44.5	141.6	0.0
Current finance lease liabilities	8	48.4	12.0	18.1
Accounts payable and other payables		1 249.7	1 345.9	1 692.5
Total current liabilities		1 342.6	1 499.5	1 710.6
Total equity and liabilities		4 873.1	4 136.7	4 437.6

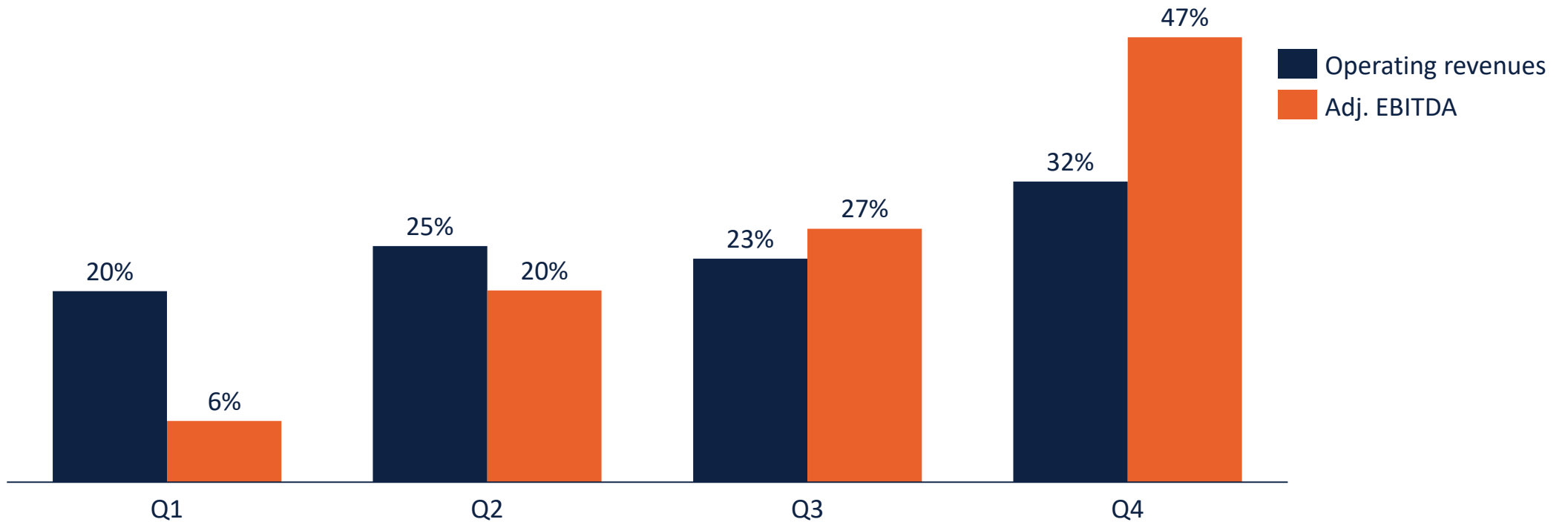
Condensed statement of cash flow

MNOK		First quarter		Full Year
	Note	2019	2018	2018
Pre-tax profit		-10.9	-5.8	221.2
Depreciation and amortisations	5,6	26.8	12.3	50.0
Received dividend from associated companies		0.0	0.0	0.4
Net interest in period		25.8	7.6	37.4
Other items without cash effect		-6.1	-2.8	10.9
Change in inventories		-47.5	-37.1	-30.4
Change in receivables		328.2	391.7	182.4
Change in payables		-441.3	-384.2	-37.4
Cash flow from operating activities before tax		-125.1	-18.3	434.5
Tax paid		-9.6	-10.5	-40.0
Cash flow from operating activities		-134.6	-28.9	394.5
Proceeds from sale of tangible & intangible fixed assets		0.0	0.0	0.4
Payments on acquisition of tangible & intangible fixed assets	5,6	-2.4	-6.5	-23.0
Other investments		0.0	0.0	-0.1
Cash flows from investment activities		-2.4	-6.6	-22.8
Payments - co-investment program	7.12	-2.1	0.0	0.0
Repayment debt to financial institutions	8	-12.1	-4.3	-17.4
Change other long term loans		1.0	0.0	-0.4
Interest paid in period		-25.7	-7.6	-37.3
Paid dividend and Group contributions		-1.2	-0.9	-118.7
Other financing payments		-3.7	-0.2	-14.5
Cash flow from financing activities		-43.8	-13.0	-188.2
Total cash flow		-180.8	-48.4	183.5
Holdings of cash and cash equivalents at the beginning of period		282.6	111.7	111.7
Effect of exchange rate changes on cash and cash equivalents		-21.9	-29.3	-12.6
Holdings of cash and cash equivalents at the end of period		79.9	34.0	282.6

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



2016-2018, average



Average 2016 – 2018 Arcus ASA, rounded numbers

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