



Holberg Fondene, 20 May 2022

**The leading Nordic  
supplier of branded  
consumer goods**

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# Who we are



# The leading Nordic supplier of branded consumer goods

## A leading Nordic-based BCG company



- Long heritage in the Nordic region
- Strong presence in the Baltics, Central Europe and South Asia
- Listed on Euronext Oslo

## Strong Brands



- Strong positions in smaller markets
- ~80% of revenue from #1 and #2 brands
- Market shares typically in the range of 30-80%

## Local presence



- Being close to the consumer and customer
- Superior local insight and set-up
- Autonomous units with full P+L responsibility

## Scale advantages



- Develop concepts across markets
- Synergy realization throughout supply chain
- Centres of competence in select areas

# Orkla Group in figures

OPERATING  
INCOME\*

**50.4**

billion

EBIT (ADJ)\*

**6.1**

billion

PROFIT FROM  
ASSOCIATES \* / \*\*\*

**0.9**

billion

PRODUCTION  
SITES\*\*

**114**

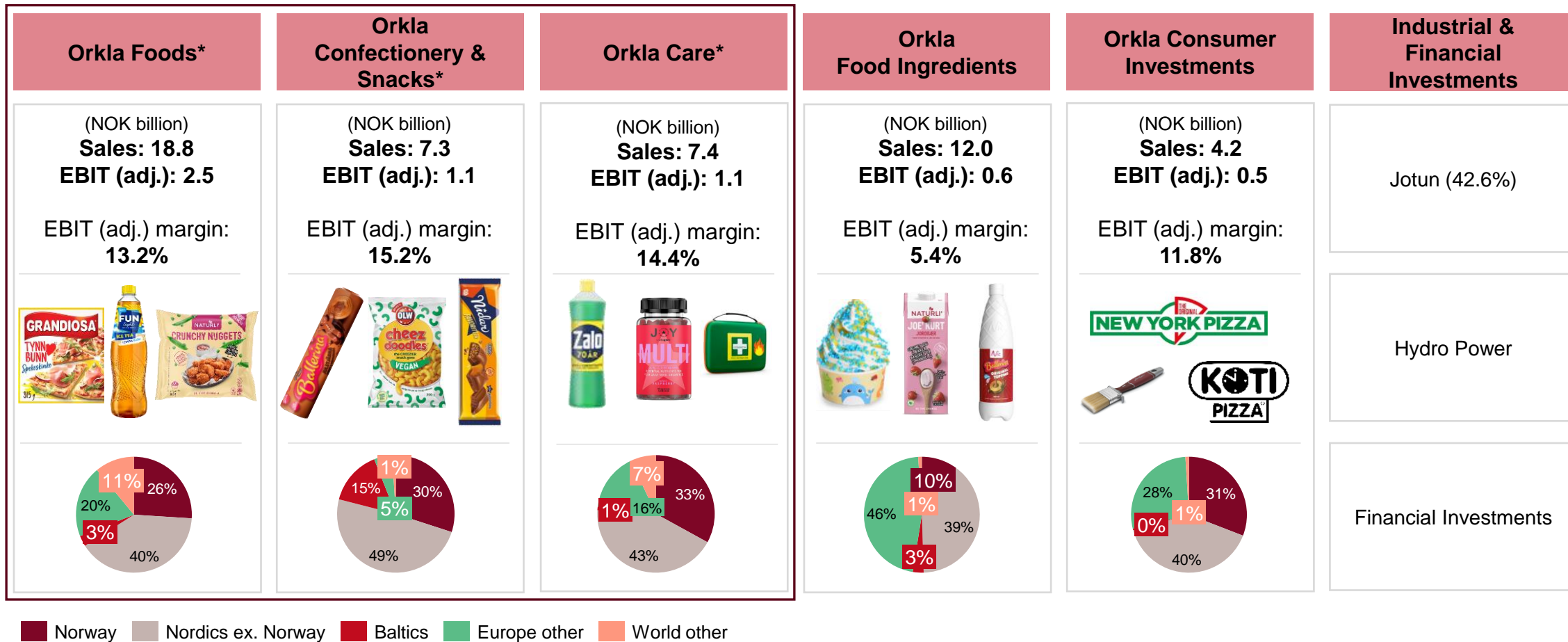
EMPLOYEES\*\*

**21,423**

SERVICE LEVEL\*

**97%**

# A unique portfolio of strong local brands





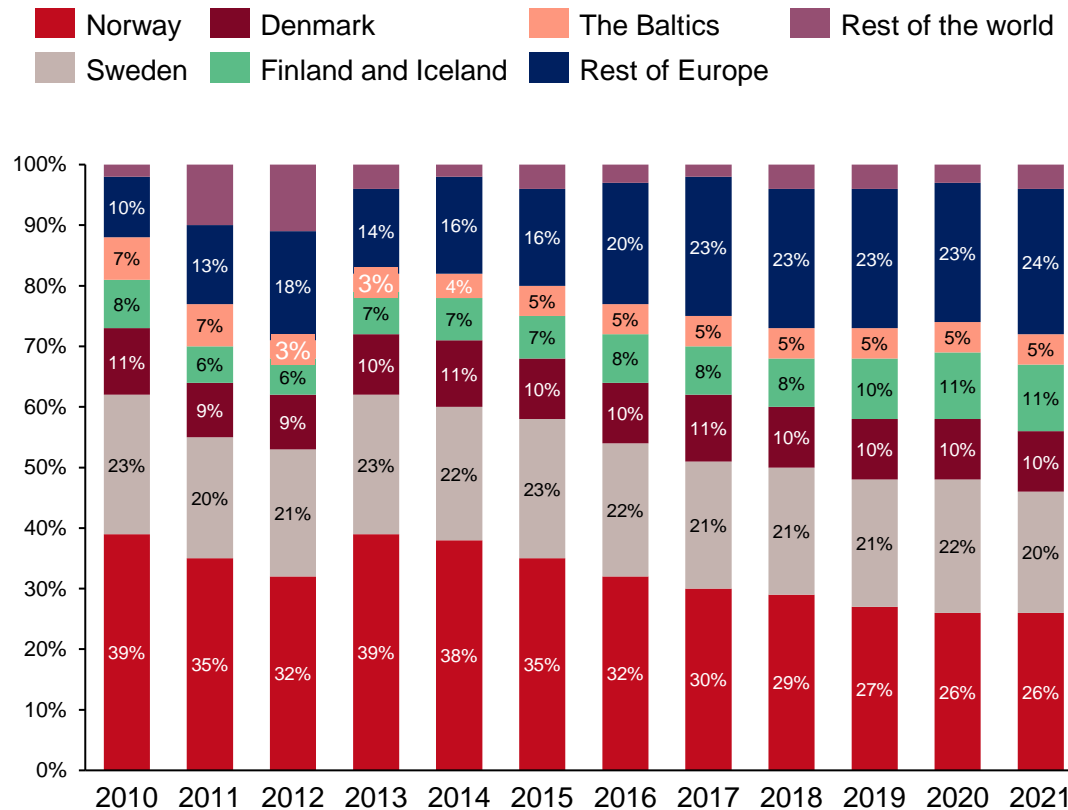
# 80% of revenue from number 1 and 2 market positions

Example of market positions and brands in the grocery channel

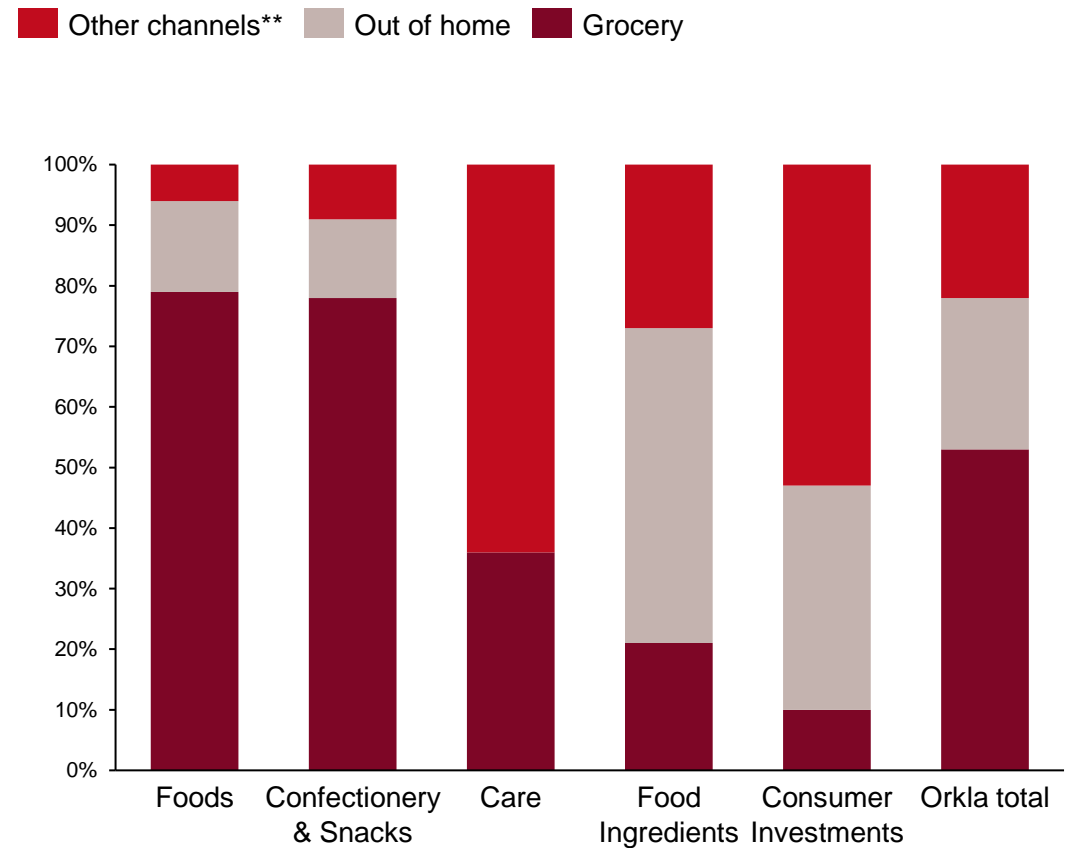
	Norway	Sweden	Finland	Denmark	Estonia	Latvia
<b>Snacks</b> 	<b>#2</b> 	<b>#1</b> 	<b>#1</b> 	<b>#1</b> 	<b>#3</b> 	<b>#1</b> 
<b>Ketchup</b> 	<b>#1</b> 	<b>#1</b> 	<b>#1</b> 	<b>#1</b> 	<b>#1</b> 	<b>#1</b> 
<b>Health supplements</b> 	<b>#1</b> 	<b>#3</b> 	<b>#1</b> 	<b>#1</b> 	<b>#1</b> 	<b>#1</b> 

# Increased exposure outside Norway and in Out of Home

Sales revenues by geographical region\*



BCG channel split (net sales), FY 2021



\* Excluding internal sales and other operating revenues, \*\* Other channels include: Specialized Trade, Pharmacy, Industry, D2C and Other



# Main messages first quarter 2022

## Price and volume driven growth

- Organic growth of 7.7% in Q1 (BCG), supported by strong growth in Out-of-Home channels
- Group EBIT (adj.) improved by 18.1% driven by acquisitions and Hydro Power
- BCG incl. HQ EBIT (adj.) -2.4% due to cost increases

## M&A and Strategic initiatives

- Completed transactions of over 7 BNOK in 2021
- Announced acquisition of Healthspan Group in February 2022
- Progress on three prioritized platforms for growth; Consumer Health, Out-of-Home pizza franchise networks and Plant-based

## Outlook

- Effects from Covid-19 gradually diminishing
- The geopolitical situation has caused increased uncertainty, further price increases with effect during 2022
- Continue to pursue growth opportunities and cost improvements



# Alternative Performance Measures (APM)

## Organic growth

Organic growth shows like-for-like turnover growth for the Group's business portfolio and is defined as the Group's reported change in operating revenues adjusted for effects of the purchase and sale of companies and currency effects. In calculating organic growth, acquired companies will be excluded 12 months after the transaction date. Sold companies will be excluded pro forma 12 months prior to the transaction date. Currency effects are neutralised by translating this year's turnover at last year's exchange rates.

Organic growth is included in segment information and used to identify and analyse the turnover growth in the existing business portfolio. Organic growth provides an important picture of the Group's ability to carry out innovation, product development, correct pricing and brand-building.

## EBIT (adj.)

EBIT (adj.) shows the Group's current operating profit before items that require special explanation and is defined as reported operating profit or loss before "Other income and expenses" (OIE). These include M&A costs, restructuring or integration expenses, any major gains and write-downs on both tangible and intangible assets, and other items that only to a limited degree are reliable measures of the Group's current profitability. EBIT (adj.) margin and growth are derived figures calculated in relation to operating revenues.

EBIT (adj.) is one of the Group's key financial figures, internally and externally. The figure is used to identify and analyse the Group's profitability from normal operations and operating activities. Adjustment for items in OIE which to a limited degree are reliable measures of the Group's current operating profit or loss increases the comparability of profitability over time.

## Change in underlying EBIT (adj.)

Change in underlying EBIT (adj.) shows like-for-like EBIT (adj.) growth for the Group's business portfolio and is defined as the Group's reported change in EBIT (adj.) adjusted for effects of the purchase and sale of companies and currency effects. In calculating the change in underlying EBIT (adj.), acquired companies will be included pro forma 12 months before the transaction date. Sold companies will be excluded pro forma 12 months prior to the transaction date. Currency effects are neutralised by calculating this year's EBIT (adj.) at last year's currency exchange rates. Underlying EBIT (adj.) margin and change therein are derived figures calculated in relation to operating revenues.

Underlying EBIT (adj.) growth is used for internal management purposes, including for identifying and analysing underlying profitability growth in the existing business portfolio, and provides a picture of the Group's ability to develop growth and improve profitability in the existing business. The measure is important because it shows the change in profitability on a comparable structure over time.

# Alternative Performance Measures (APM)

## Earnings per share (adj.)

Earnings per share (adj.) show earnings per share adjusted for “Other income and expenses” (OIE) after estimated tax. The effective tax rate for OIE is low in the first quarter of 2022, chiefly due to the fact that the write-down of the business in Russia is not tax-deductible. Nor are expensed M&A costs tax-deductible, which means that the effective tax rate for OIE is normally lower than the Group’s tax rate. The effective tax rate for OIE as at 31 March 2022 is 2.5%, compared with 17.8% in the same period of 2021.

If other items of a special nature occur under the company’s operating profit or loss, adjustments will also be made for these items. No such adjustments had been made as at 31 March 2022 or in 2021.

## Net replacement and expansion investments

When making decisions regarding investments, the Group distinguishes between replacement and expansion investments. Expansion investments are the part of overall reported investments considered to be investments either in new geographical markets or new categories, or which represent significant increases in capacity.

Net replacement investments include new leases and are reduced by the value of sold fixed assets to sales value.

The purpose of this distinction is to show how large a part of the investments (replacement) mainly concerns maintenance of existing operations and how large a part of the investments (expansion) is investments which must be expected to generate increased contributions to profit in future, exceeding expectations of normal operations.

## Net interest-bearing liabilities

Net interest-bearing liabilities are the sum of the Group’s interest-bearing liabilities and interest-bearing receivables. Interest-bearing liabilities include bonded loans, bank loans, other loans, lease liabilities and interest-bearing derivatives. Interest-bearing receivables include liquid assets, interest-bearing derivatives and other interest-bearing receivables.

Net interest-bearing liabilities are the Group’s primary management parameter for financing and capital allocation, which is used actively in the Group’s financial risk management strategy. The statement of cash flows (Orkla format) therefore shows the change in net interest-bearing liabilities at Group level

## Structure (acquired and sold companies)

Structural growth includes adjustments for the acquisition of the businesses Eastern, NutraQ, New York Pizza, Vesterålen Marine Olje, Healthspan, Sigurd Ecklund, Hans Kaspar, Núi Sírius, Cake Décor Limited, For All Baking Limited, Ambassador92 and Seagood Fort Deli. Adjustments have been made for the sale of Credit Russland, the water business in Latvia and the Struer brand, as well as for the ending of Orkla’s ownership of Hamé Foods in Russia. A structural adjustment was made at business area level for the internal relocation of the Oolannin brand. In 2021, adjustments were also made for the acquisition of Proteinfabrikken, Norgesplaster, Win Equipment, Gortrush and Havrefras and the sale of SaritaS, Vestlandslefsa, Italiensk Bakeri, Gorm’s, the closure of Pierre Robert Sverige and the loss of distribution agreements with Panzani.

