



Create greater value as One Orkla

1 June 2017

Peter A. Ruzicka, President & CEO



Today's speakers



Peter A. Ruzicka
President & CEO

- Joined Orkla in 2014
- 25 years of experience from the retail sector
- MBA and degree in Business Economics



Johan Clarin
EVP Operations

- Based in China for 7 years before joining Orkla in 2013
- Background from Sony Mobile Communications, most recently as head of manufacturing and logistics
- MSc Business Administration



Jens Bjørn Staff
CFO

- Joined Orkla in 2014
- Background from Statoil and Statkraft as CFO from 2005
- MBA Norwegian School of Economics

Index

Presentations	Page
Create greater value as One Orkla	4
Making our supply chain a competitive advantage for Orkla	36
Improve cash flow and use capital efficiently	58



Create greater value as One Orkla

1 June 2017

Peter A. Ruzicka, President & CEO



Create greater value as One Orkla

Performance and position

1

Drive continued
top line growth
(CEO)

2

Making our supply chain a
competitive advantage for
Orkla (COO)

3

Improve cash flow and
use capital efficiently
(CFO)

Improve
profitability
and cash flow



Create greater value as One Orkla

Performance and position

1

Drive continued
top line growth
(CEO)

2

Making our supply chain a
competitive advantage for
Orkla (COO)

3

Improve cash flow and
use capital efficiently
(CFO)

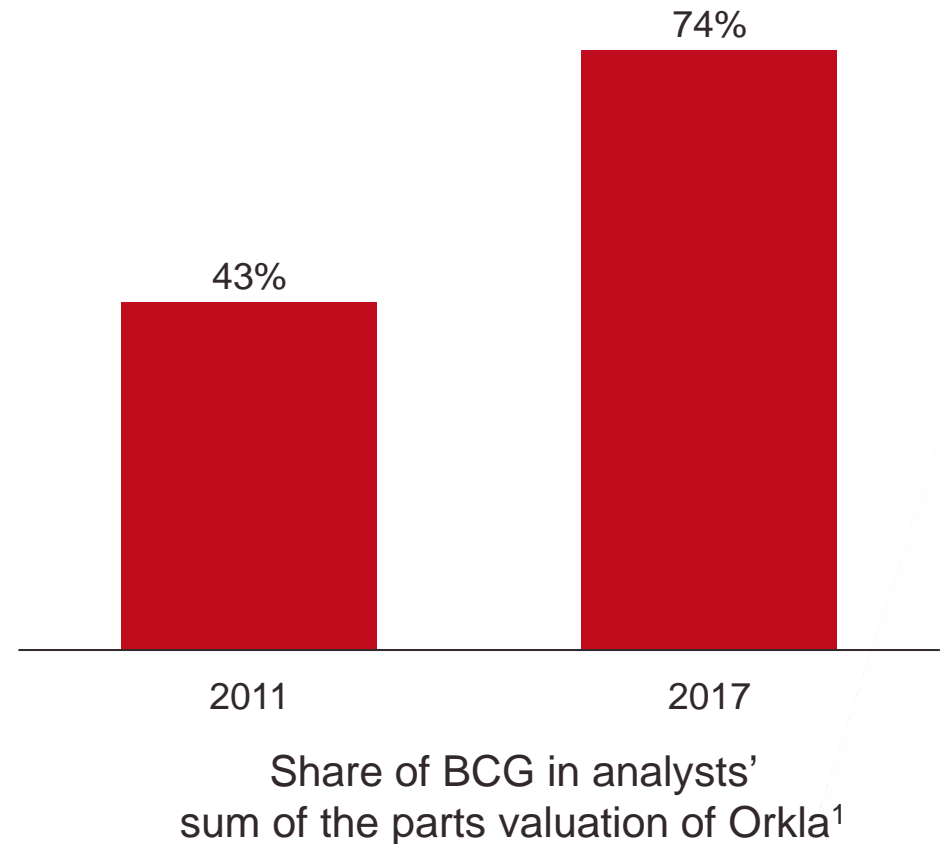
Improve
profitability
and cash flow



Orkla has transformed from conglomerate to leading Branded Consumer Goods company

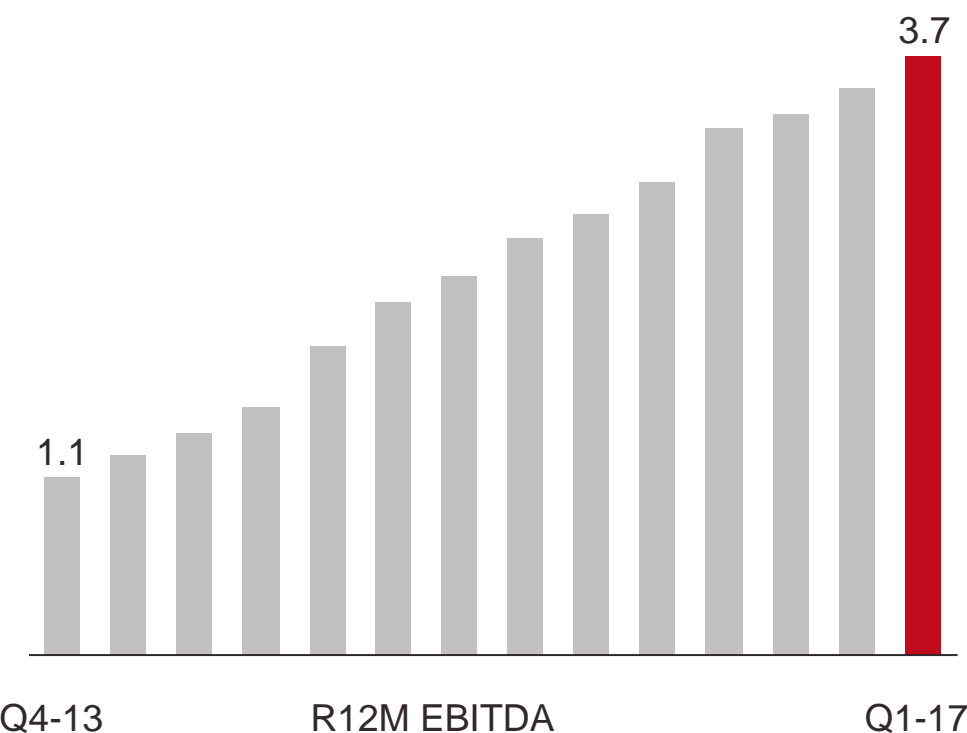
Branded Consumer Goods is now the major part of Orkla valuation

New strategic direction in 2011 to become a leading BCG company



Optimise value from Orkla Investments

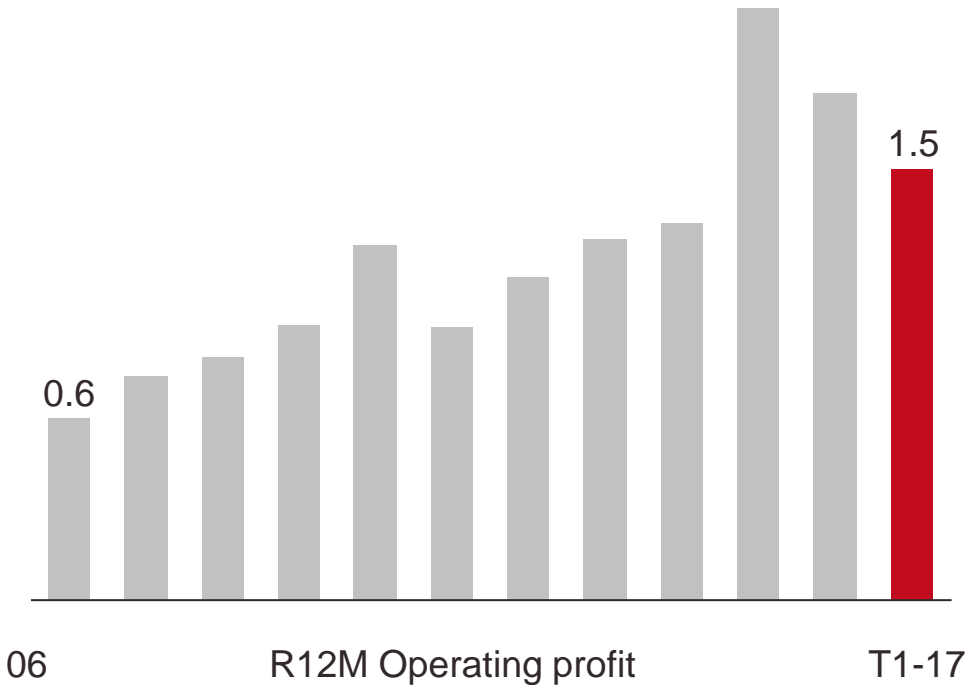
Trebling underlying EBITDA



sapa:

Optimise value from Orkla Investments

Long term profit improvement



Delivery on our strategy and targets remain firm

Targets presented at Investor Day 2015:

2016



Keep the strategy on track



Deliver organic growth at least in line with market growth



Target annual EBIT (adj.) growth of 6-9%¹ in BCG



Maintain a stable dividend of at least NOK 2.50 per share

Delivery on our strategy and targets remain firm

Targets presented at Investor Day 2015:

2016



Keep the strategy on track



Deliver organic growth at least in line with market growth



Target annual EBIT (adj.) growth of 6-9%¹ in BCG



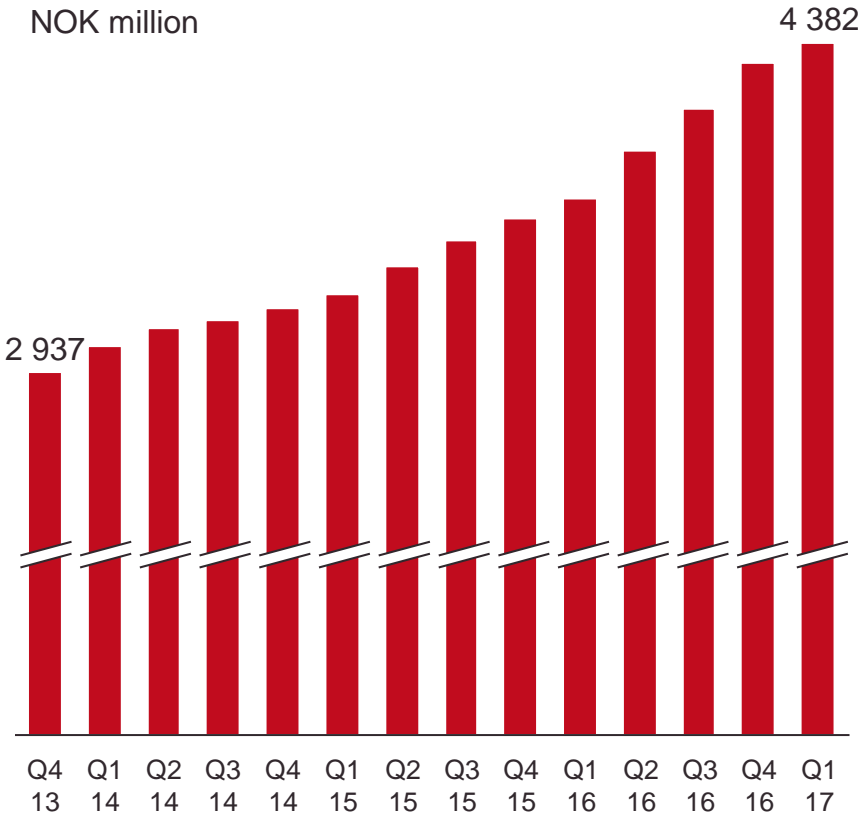
Maintain a stable dividend of at least NOK 2.50 per share

11 ¹Including add-ons, excluding currency effects and large acquisitions and divestments

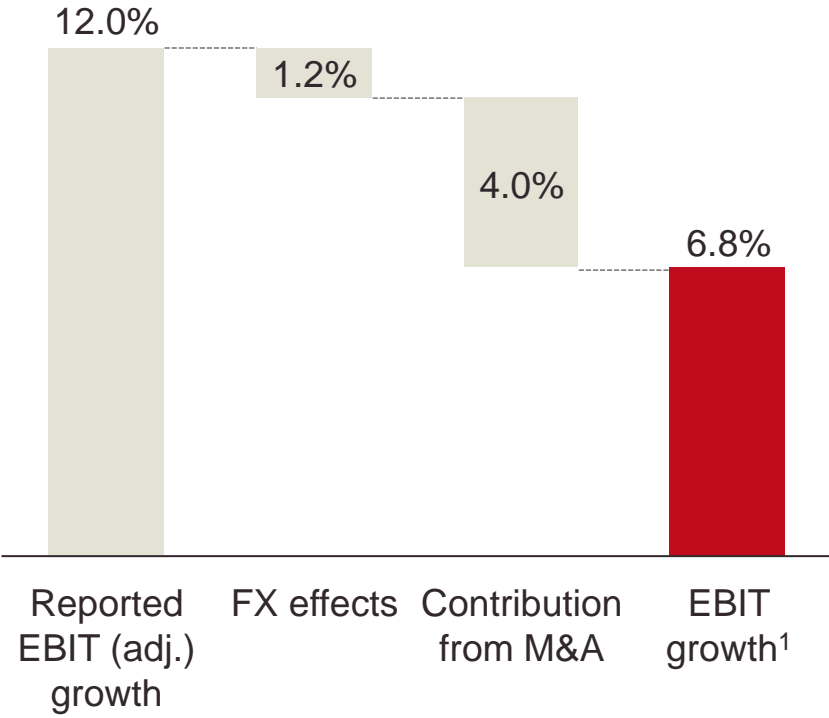
We are delivering on our BCG growth targets

12% annual EBIT (adj.) growth from 2013

NOK million

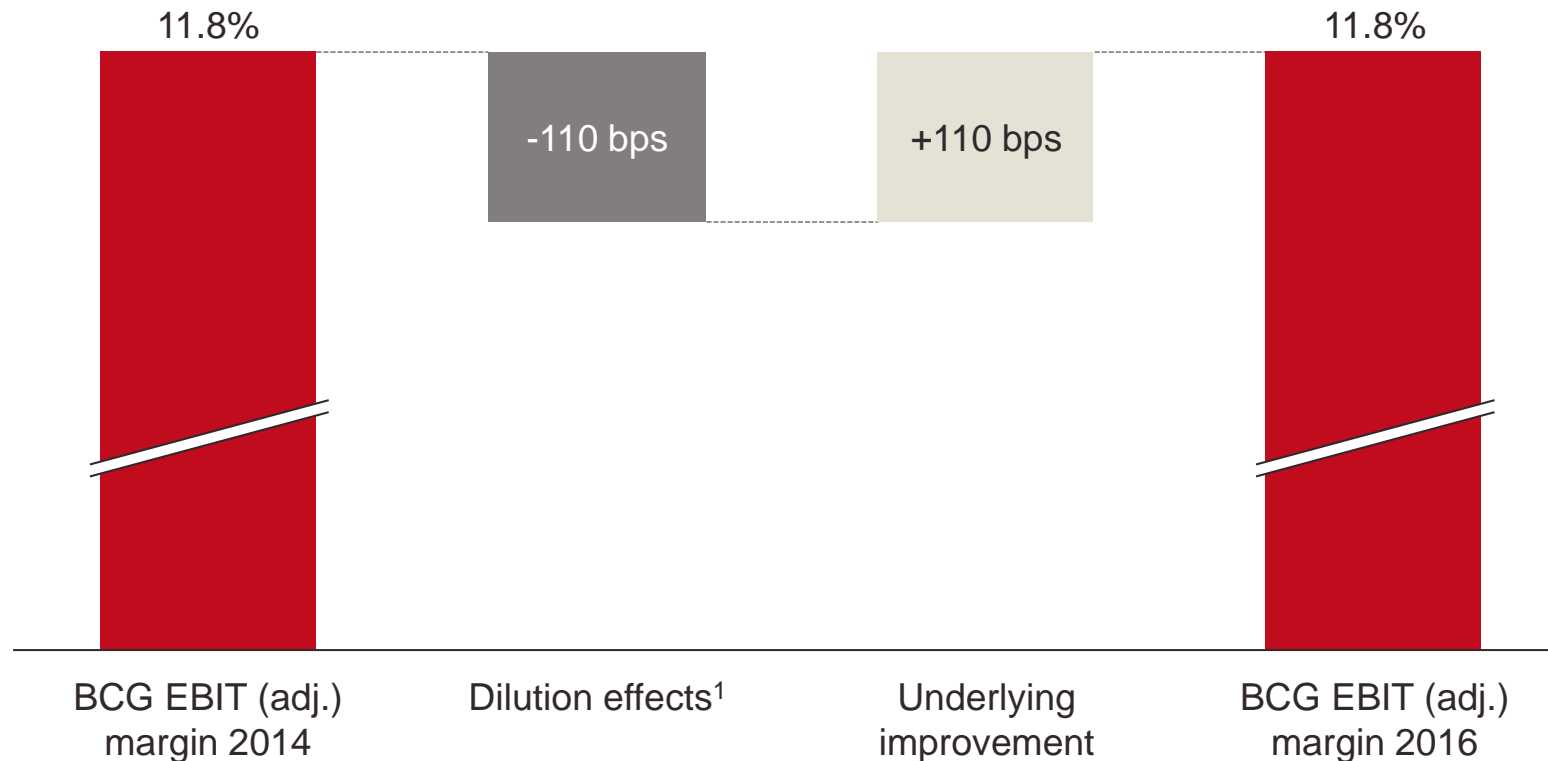


Delivered on our EBIT¹ target in 2016



12 ¹EBIT (adj.) growth including add-ons, excluding currency effects and large acquisitions and divestments

Underlying improvement of 110 basis points in BCG EBIT in past two years



Delivery on our strategy and targets remain firm

Targets presented at Investor Day 2015:

2016



Keep the strategy on track



Deliver organic growth at least in line with market growth



Target annual EBIT (adj.) growth of 6-9%¹ in BCG



Maintain a stable dividend of at least NOK 2.50 per share



We understand our local consumers

Market
proximity
and product
tailoring



Optimised
Utilising market
proximity
Extracting synergies
across categories and
markets

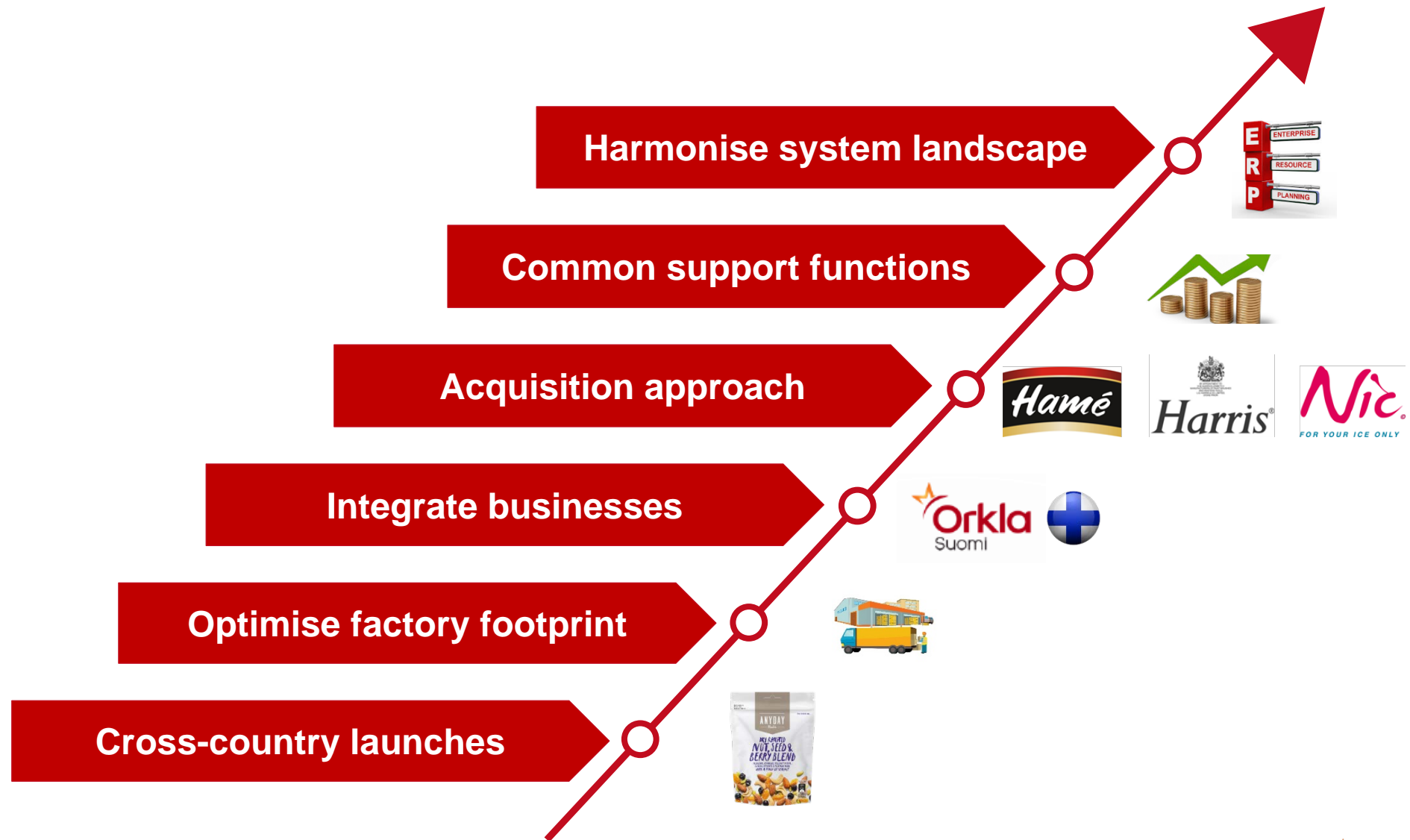


Multinational

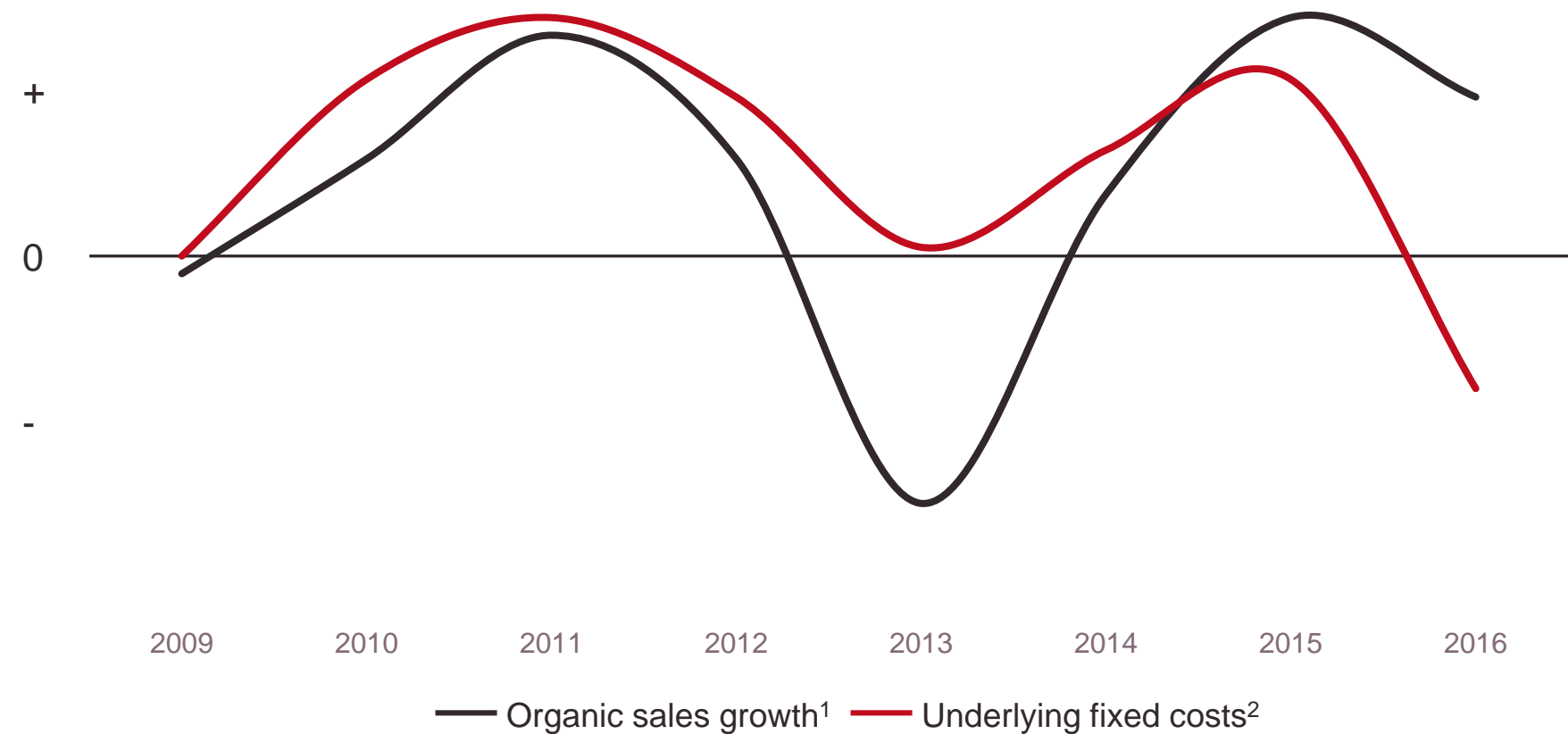


Synergies

Ongoing optimisation of business model



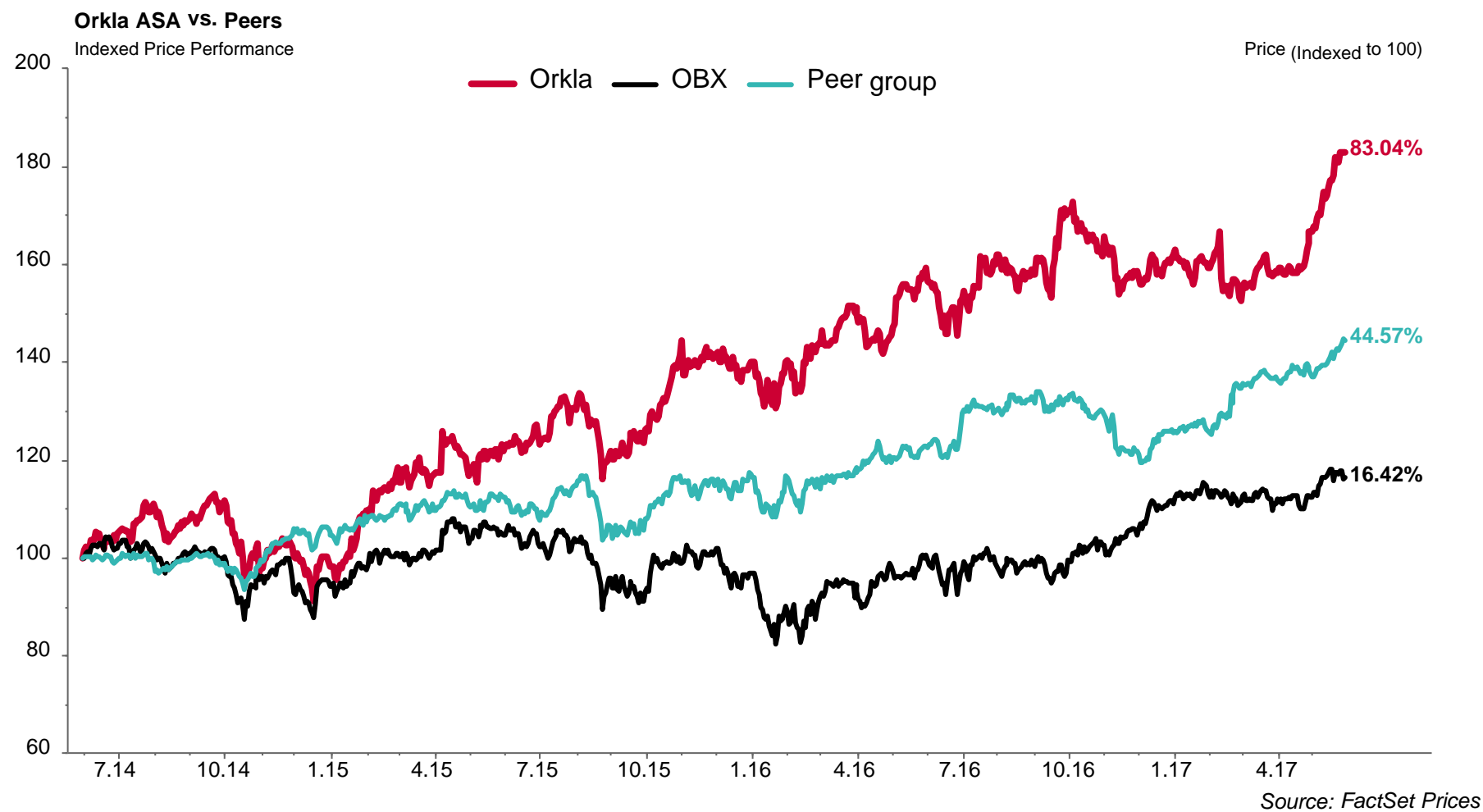
Black over red



¹Reported growth adjusted for currency translation effects and structural changes.

²Underlying fixed costs are growth in SG&A and fixed production / inventory costs, adjusted for M&A and currency translation effects.

Orkla has outperformed peers and OBX the last three years



18 Peer group consists of P&G, Unilever, Colgate Palmolive, Reckitt Benckiser, Henkel, Nestlé and Mondelez



Create greater value as One Orkla

Performance and position

1

Drive continued
top line growth
(CEO)

2

Making our supply chain a
competitive advantage for
Orkla (COO)

3

Improve cash flow and
use capital efficiently
(CFO)

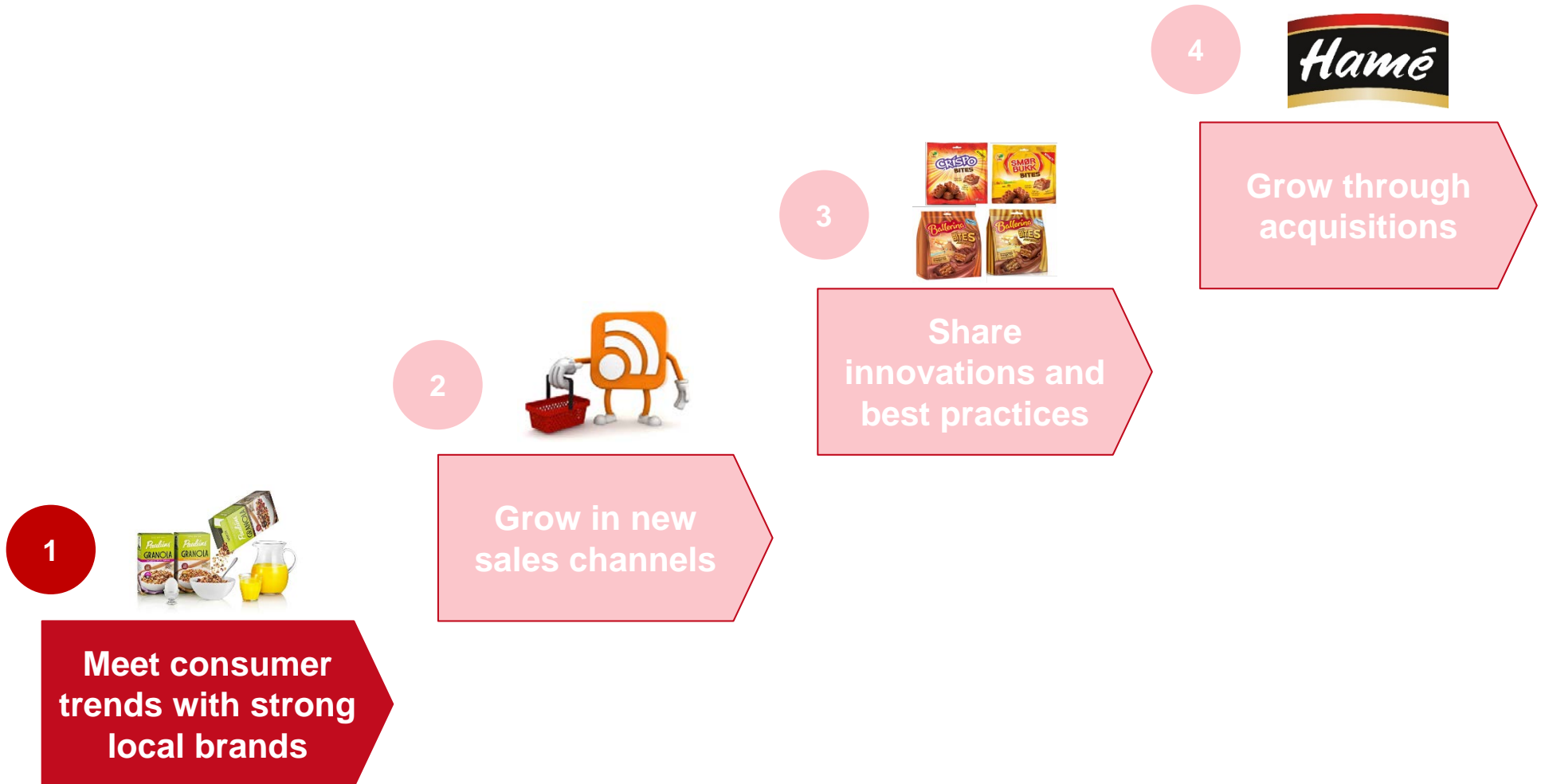
Improve
profitability
and cash flow



Four steps to increase growth



Four steps to increase growth

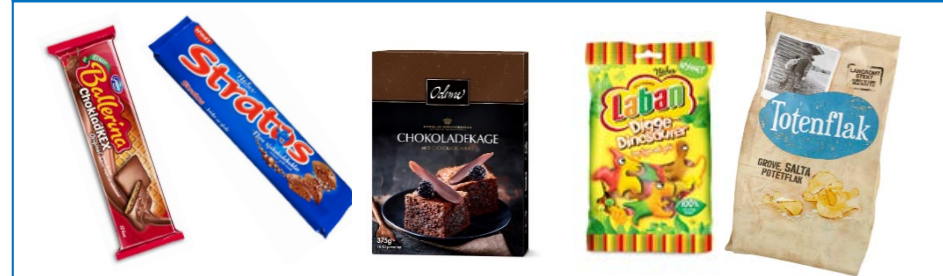


Meeting consumer trends with strong, local brands

1) Organic/Eco



4) Indulgence



2) Natural – «Free From»



5) Ethics & Environment



3) Health & Wellbeing



6) Convenience



Naturli' delivers on all big consumer trends

- 72% market share in Denmark

100% organic



Free from



Health & well-being



Indulgence



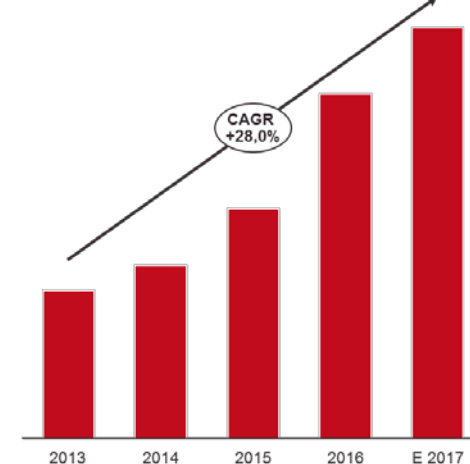
Ethics & Environment



Convenience



Naturli' Denmark revenues



Dr Greve has become a No. 1 brand in Norway

Delivers on consumer demand for clean, local and mild products

Revenue up +123% in 12 months

Market leader position
Body lotion 25.5%
Shower gel 20.3%



Launch of a new Norwegian brand “Klar” in September 2017 - environmentally friendly, free-from products

0%

MIT, BIT, SLS, Parabens, Chloro, Phosphates, Hydrogen peroxide, Optical white, EDTA, DEA, Colorants, Animal by-products and ingredients, Added microplate, GMO



Grow the core, adapt for more

Take care of the profitable core...

...while looking for the next big thing

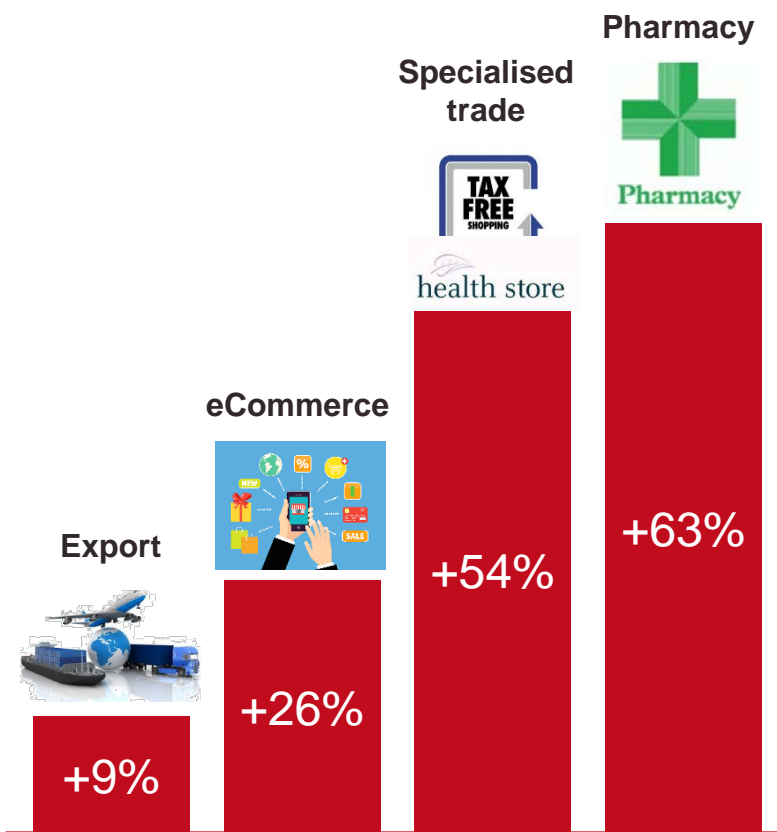


Four steps to increase growth



Build stronger positions in other sales channels

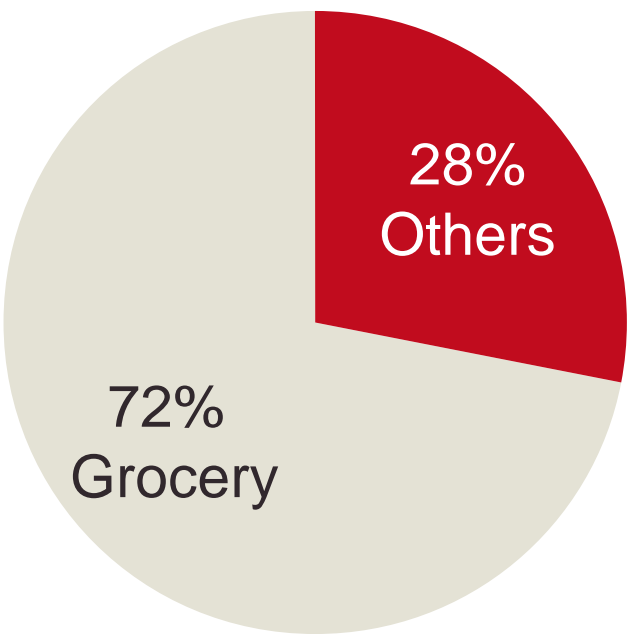
We have grown in other sales channels...



Orkla BCG revenue growth by sales channels (2016) incl.M&A

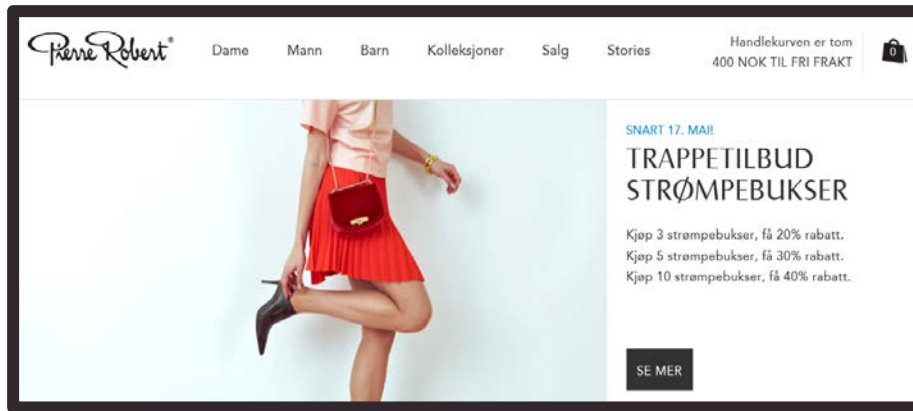
...but we still need to build stronger positions in other channels

Total revenues divided by sales channels (2016)



28 Specialised trade: All external sales that are not to grocery stores or convenience, but where the product is sold in a specialised outlet.

Increasing revenues in eCommerce



+ 38% revenue in 2016



+ 67% revenue in 2017*

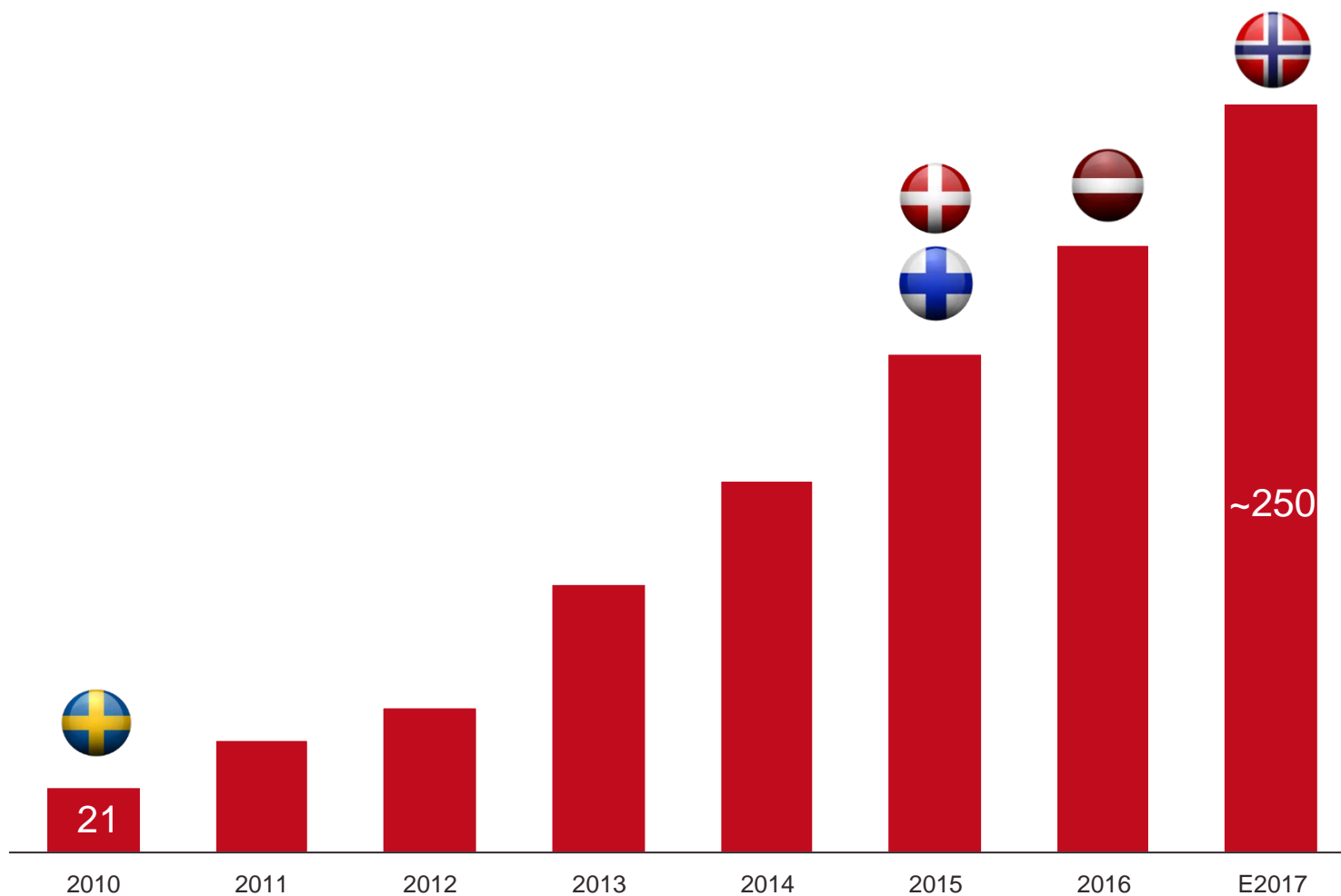
- ✓ Increased consumer insight
- ✓ Direct contact with consumer

Four steps to increase growth



Paulúns – a successful cross-border health brand

42% annual compounded revenue growth



Four steps to increase growth



Strengthening the portfolio through M&A of strong local positions and brands

Rolling out the Orkla model

- Strengthen our position in existing markets
- Realise scale benefits
- More focus on evaluating brand and category portfolio



Multi-channel sales strategy

- Build scale in all relevant channels
- Realise synergies within and across channels

CEDERROTH

Building strong niche positions

- Categories and segments with;
 - high value add and strong profitability,
 - less need for broad scale in the end markets,
 - European consolidation potential; and,where we build on our core competences



Jordan*



Delivering on our strategy and targets remain firm



Keep the strategy on track



Deliver organic growth at least in line with market growth



Target annual EBIT (adj.) growth of 6-9%¹ in BCG



Maintain a stable dividend of at least NOK 2.50 per share

Create greater value as One Orkla

Performance and position

1

Drive continued
top line growth
(CEO)

2

Making our supply chain a
competitive advantage for
Orkla (COO)

3

Improve cash flow and
use capital efficiently
(CFO)

Improve
profitability
and cash flow

