



Successful track record of growing through acquisitions

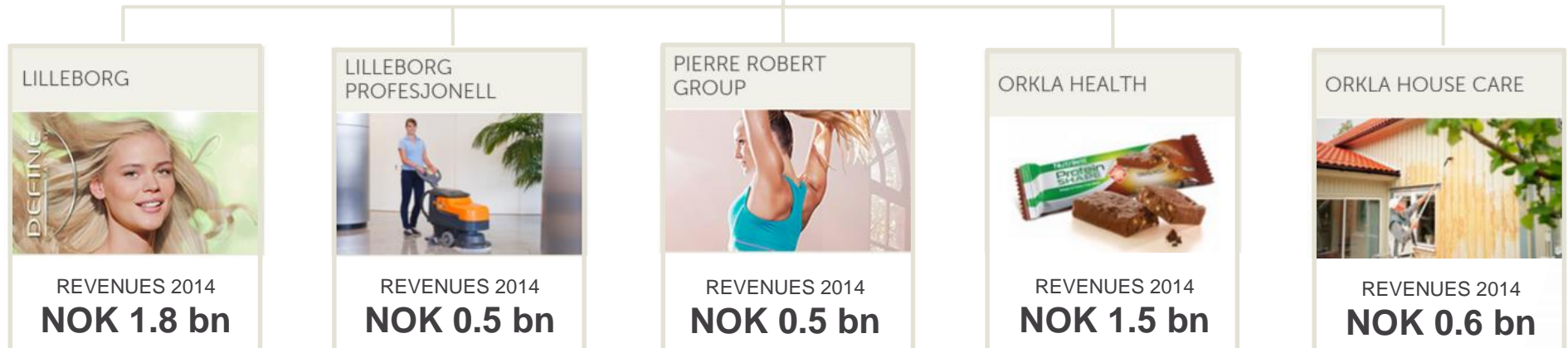
Stig Ebert Nilssen

EVP & CEO Orkla Home & Personal

London, 11 September 2015



New organization established in 2013 – five categories



- PERSONAL CARE
- HOME CARE



- PROFESSIONAL CLEANING



- TEXTILES



- DIETARY SUPPLEMENTS
- WEIGHT MANAGEMENT
- SPORT NUTRITION



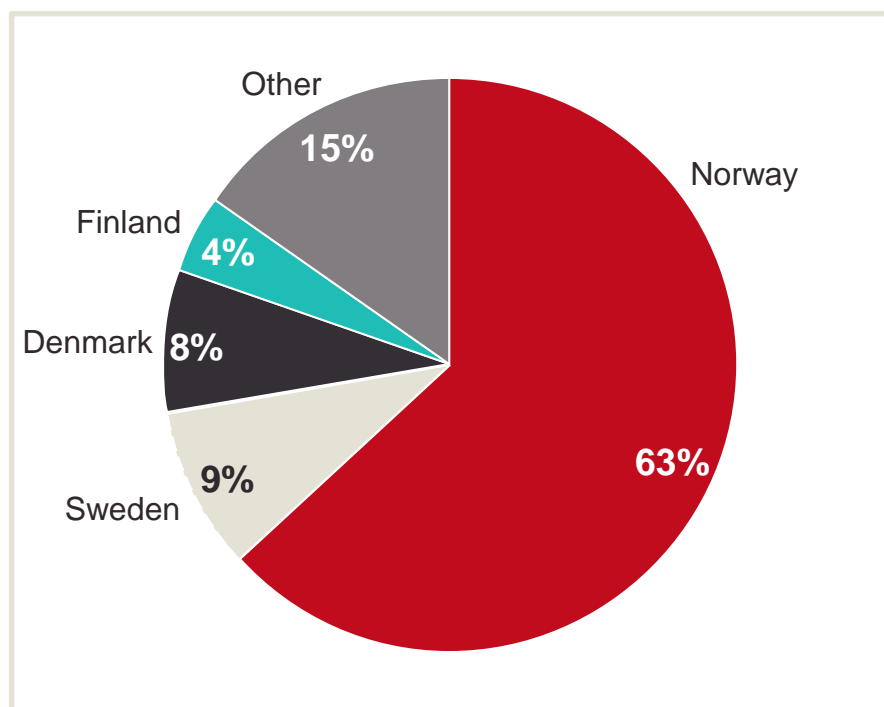
- PAINTING TOOLS



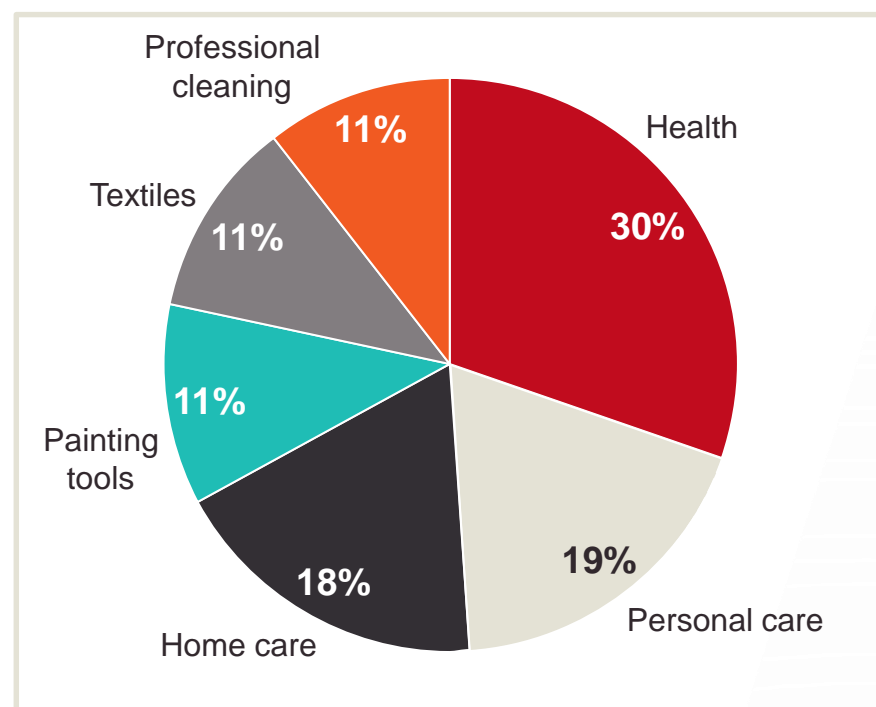
Orkla Home & Personal consists of large categories with a strong Nordic base

Reported revenues in 2014: NOK 5.0 billion

Revenues split by country

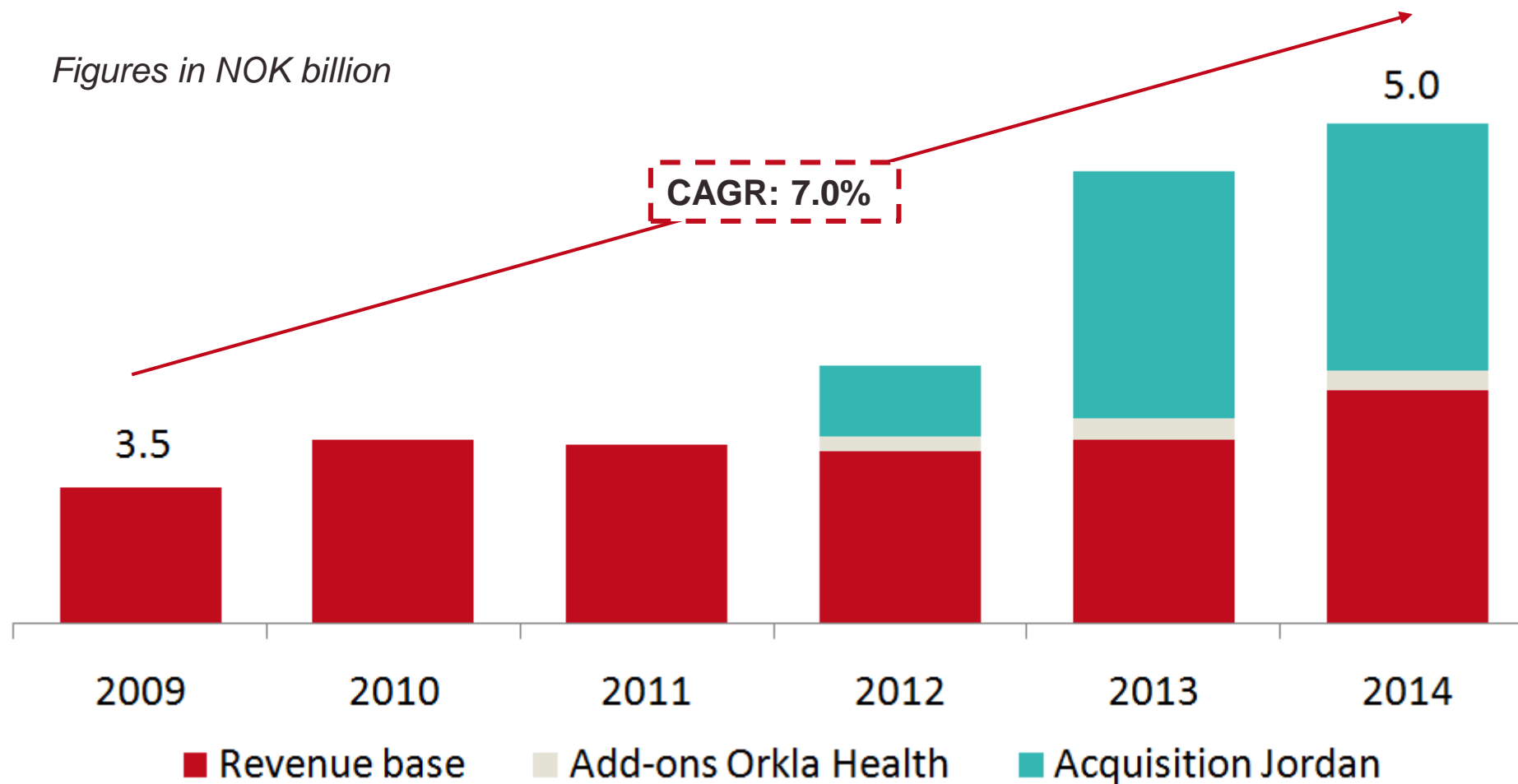


Revenues split by category






































Recent history shows ability to combine organic and structural growth

Figures in NOK billion



Orkla Home & Personal sees several growth opportunities combining new markets and new categories

Orkla Home & Personal presence pre Cederroth acquisition

Category					
Home care					
Personal care					
Health					
Textiles (grocery)					
Painting tools					
New (related) categories					

 Strong #1, clearly larger than #2

 Good #1 or #2, same size as #1 or #2

 In the market

 Not in the market

Orkla Home & Personals rationale for profitable acquisitions

- Balancing organic growth with structural growth
- Competitive M&A advantage from critical mass
- Strong market positions / brands – key success factor



Acquired growth in Orkla Health

Main rationale

- 1 Leverage economies of scale in existing markets and organizations
- 2 Increased presence in pharmacies
- 3 Increased presence in new categories
 - Gut health
 - Joint health



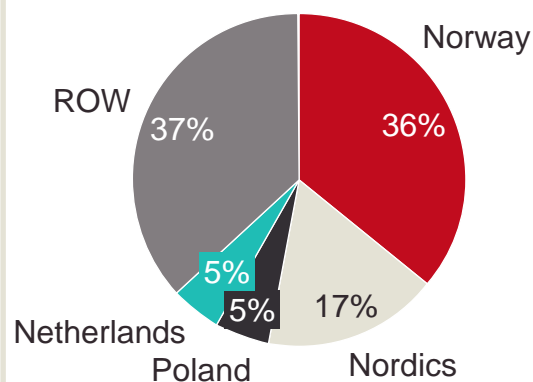
Acquiring Jordan in 2012



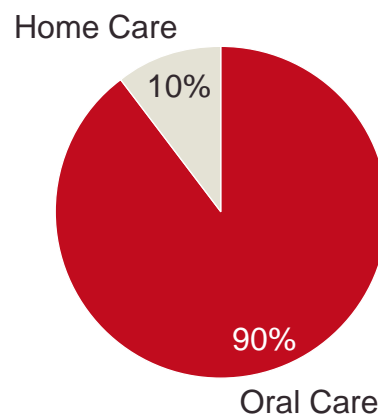
Increased presence outside Norway within home and personal care

- Complementary portfolio with Lilleborg in Norway
- International platform

Revenues 2012 by geography



Revenues 2012 by category



Product portfolio examples



Successful integration of Jordan in Lilleborg

1. Integration process according to plan
2. Lilleborg has gained useful experience from integrating Jordan that is helpful in Cederroth integration

Jordan*

HOME CARE SKUS
REDUCED BY

50%

*FURTHER REDUCTION IN PROGRESS

TOOTHBRUSH SKUS
REDUCED BY

26%*

*FURTHER REDUCTION IN PROGRESS

INTERNATIONAL SALES

CAGR \approx 13%

*Excl. Nordics **Since 2013

PURCHASING IMPROVEMENTS

10 MNOK

FTES REDUCED BY 30 PERSONS

TOTAL COST SYNERGIES

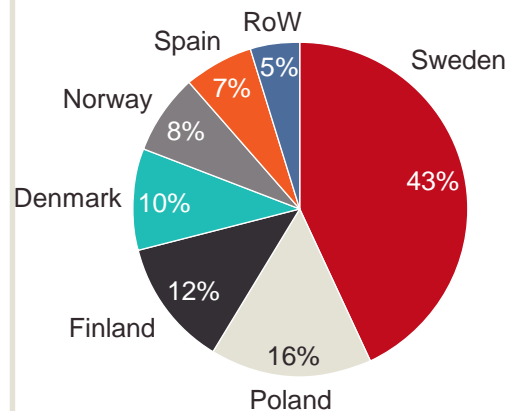
60 MNOK*

*INCL. 10 MNOK FROM CHANGE OF NORDIC DISTRIBUTOR

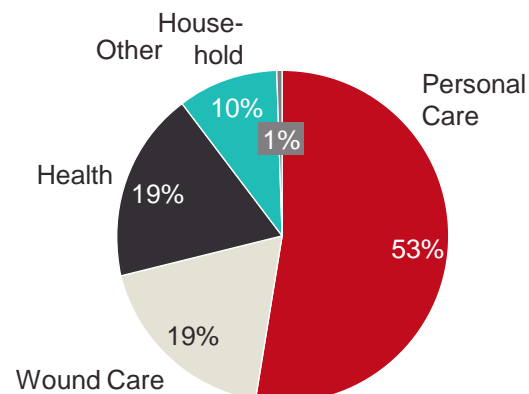
New growth with Cederroth 2016–2018

- Strengthening Nordic base
- Wound Care new category
- Growth possibilities in several channels
- Cederroth strong in Sweden & Lilleborg strong in Norway

**Revenues 2014
by geography**



**Revenues 2014
by category**



**Product portfolio
examples**



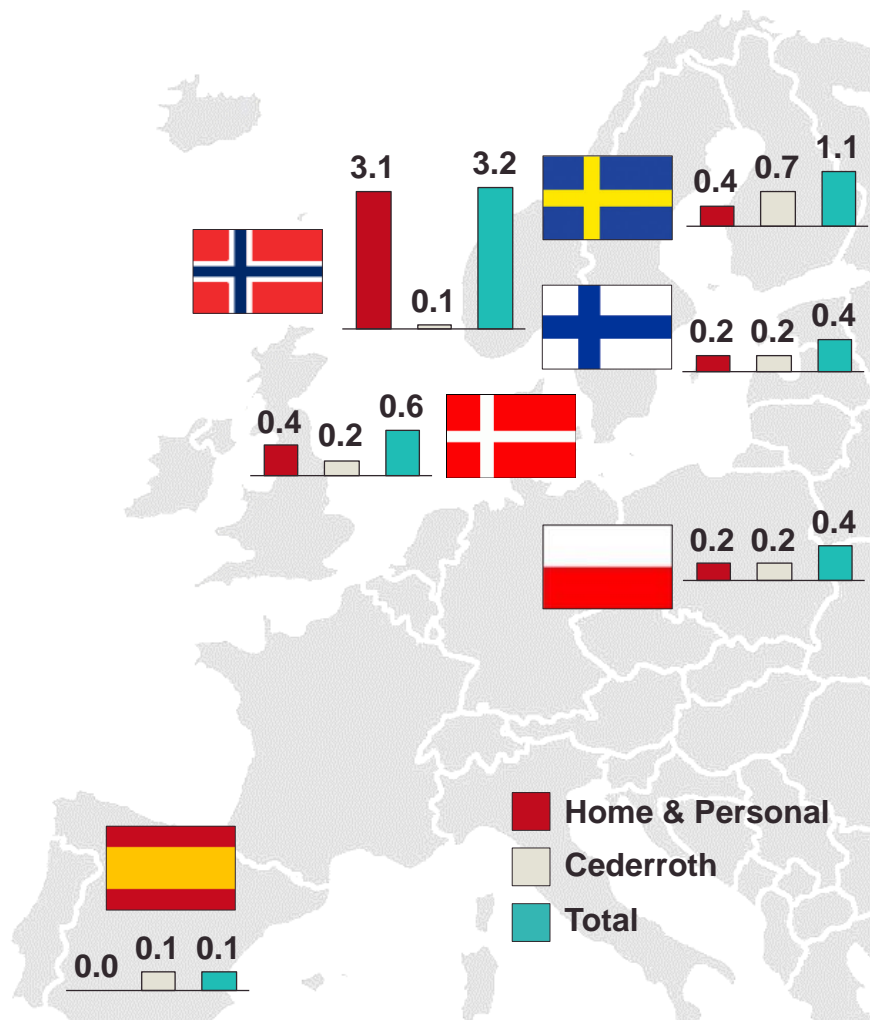
CEDERROTH

Integration of Cederroth in existing business units

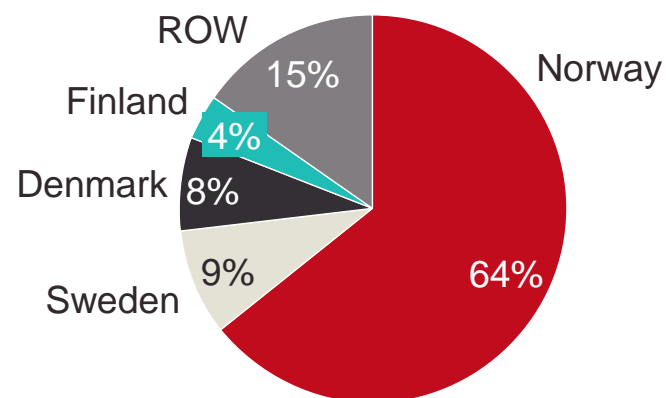


Integration of Cederroth will generate significant market positions and diversify geographic presence

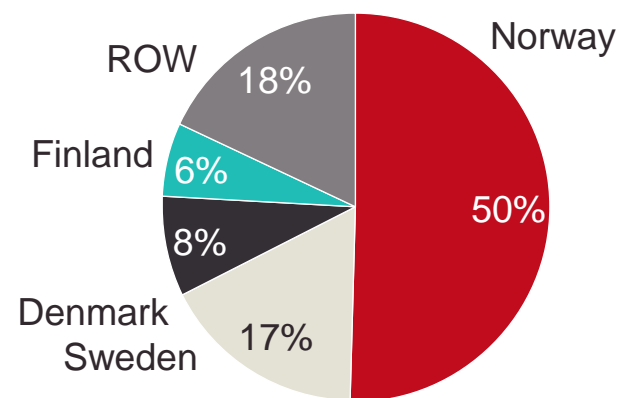
Geographic revenue split



Orkla Home & Personal revenue split before Cederroth



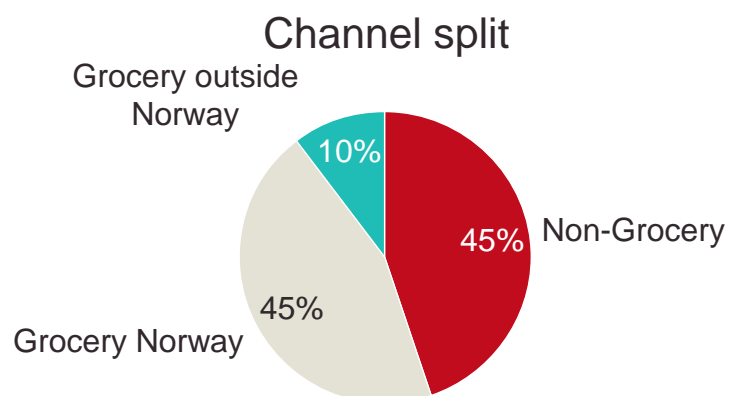
Orkla Home & Personal revenue split including Cederroth



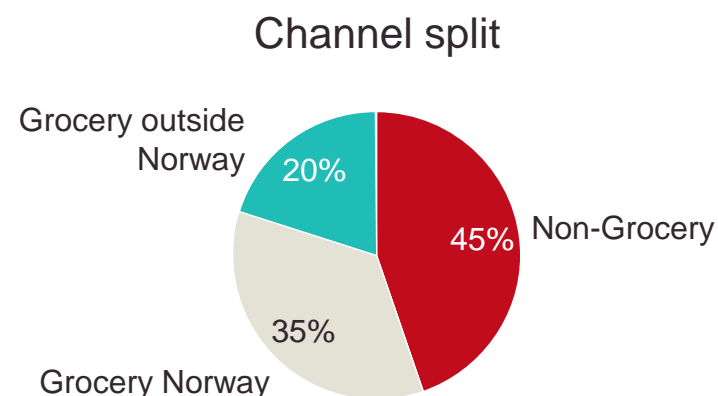
70 Note: Figures in NOK billion. OHP figures in 2014 adjusted for Jordan distribution in Nordics excl. Norway. Asan and Allévo included in Cederroth's figures.

Increased channel diversity

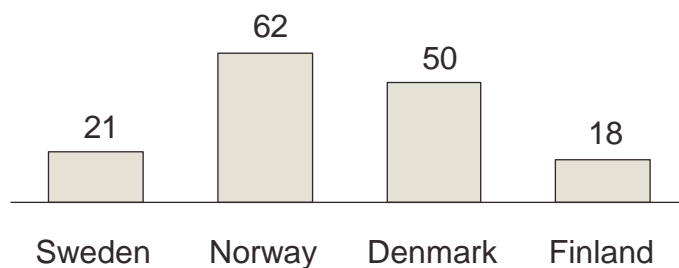
Orkla Home & Personal before



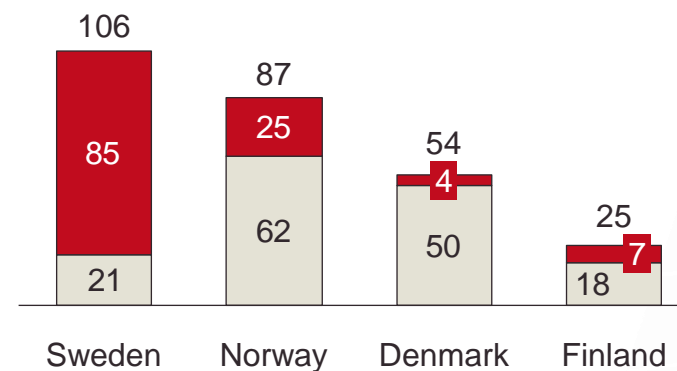
Orkla Home & Personal after



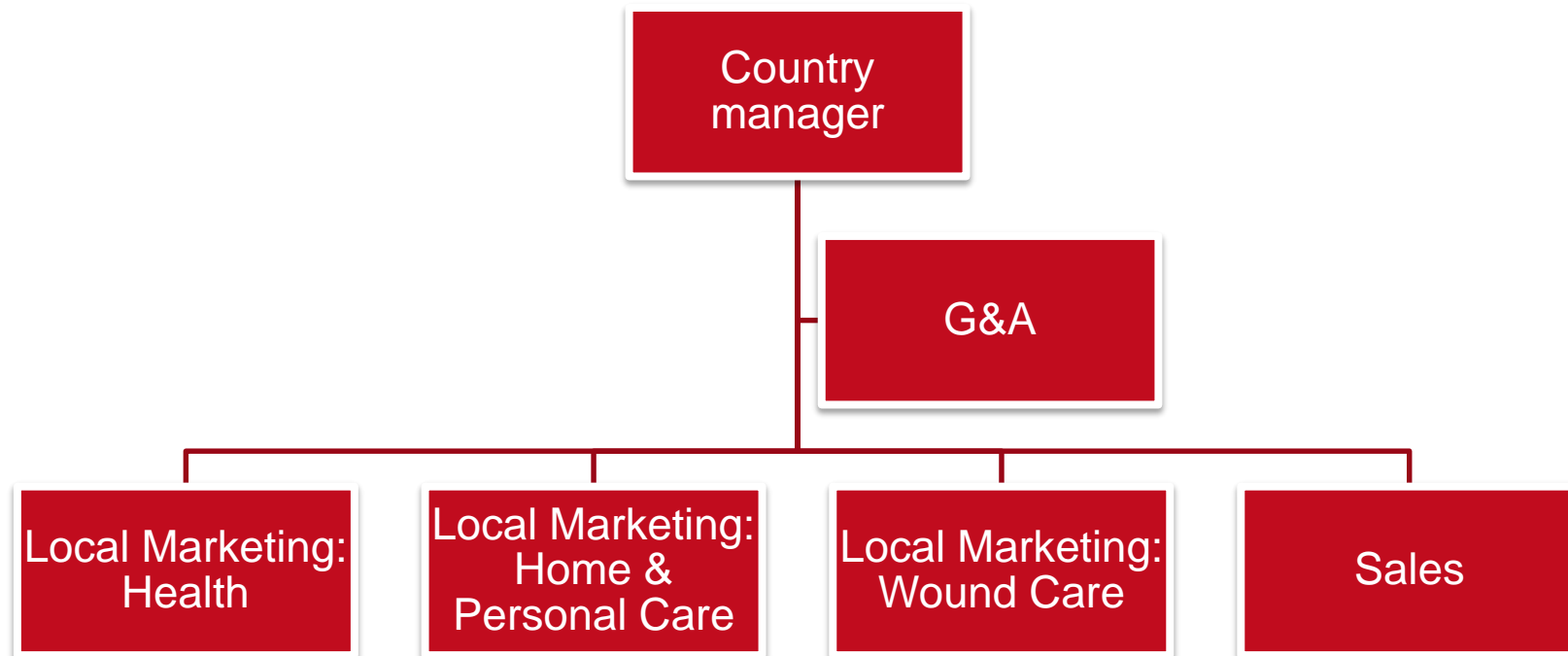
Pharmacy Sales (NOK million)



Pharmacy Sales (NOK million)



One common go-to-market organization



Strong local sales and go-to-market organizations, working closely with central marketing in Lilleborg and Orkla Health.

Synergy potential minimum NOK 70-80 million

Top-line synergies:

1. Critical mass in go-to-market capability
2. Innovation and product development
3. Access to new markets and channels

Cost synergies:

1. Procurement and supply chain improvements
2. More efficient organizational set-up



Successful track record of growing through acquisitions

1. Long experience with integrating acquisitions with complementary product portfolios
2. Several attractive growth opportunities in new markets and new categories
3. Acquisition of Cederroth in line with growth strategy
 - Strengthened existing category positions in the Nordics
 - Strong platform in Sweden
 - Growing in new channels and countries
 - Adding new category wound care

Solid base for
future growth
within a broad
range of
categories