



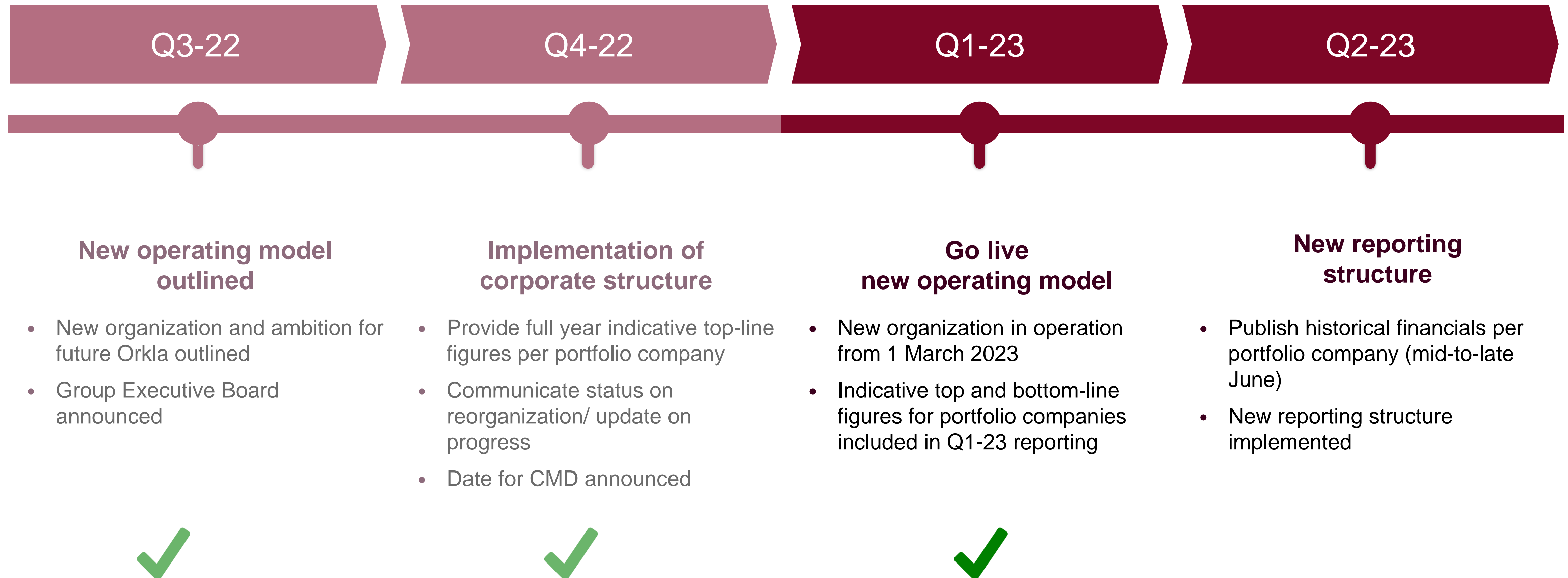
9 May 2023

# First quarter results 2023

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# Transformation on track - successful go live 1 March 2023







# Strong platforms for future value creation

- Ongoing strategy process in portfolio companies – strong platforms for future value creation
- Nurturing Orkla's DNA with local consumer insight and brand building expertise
- Increased structural flexibility and capital allocation
- Orkla Food Ingredients' structural process on track





# Summary of financials for the quarter

- Group EBIT (adj.) growth of 5%
- EBIT (adj.) for Branded Consumer Goods incl. HQ growth of 14%
- Organic revenue growth of 13% for Branded Consumer Goods, broad-based and price driven
- EPS (adj.) of NOK 1.32 (+6%)





Harald Ullevoldsæter, CFO

# Financial performance

# Strong sales growth, EBIT (adj.) driven by BCG incl. HQ

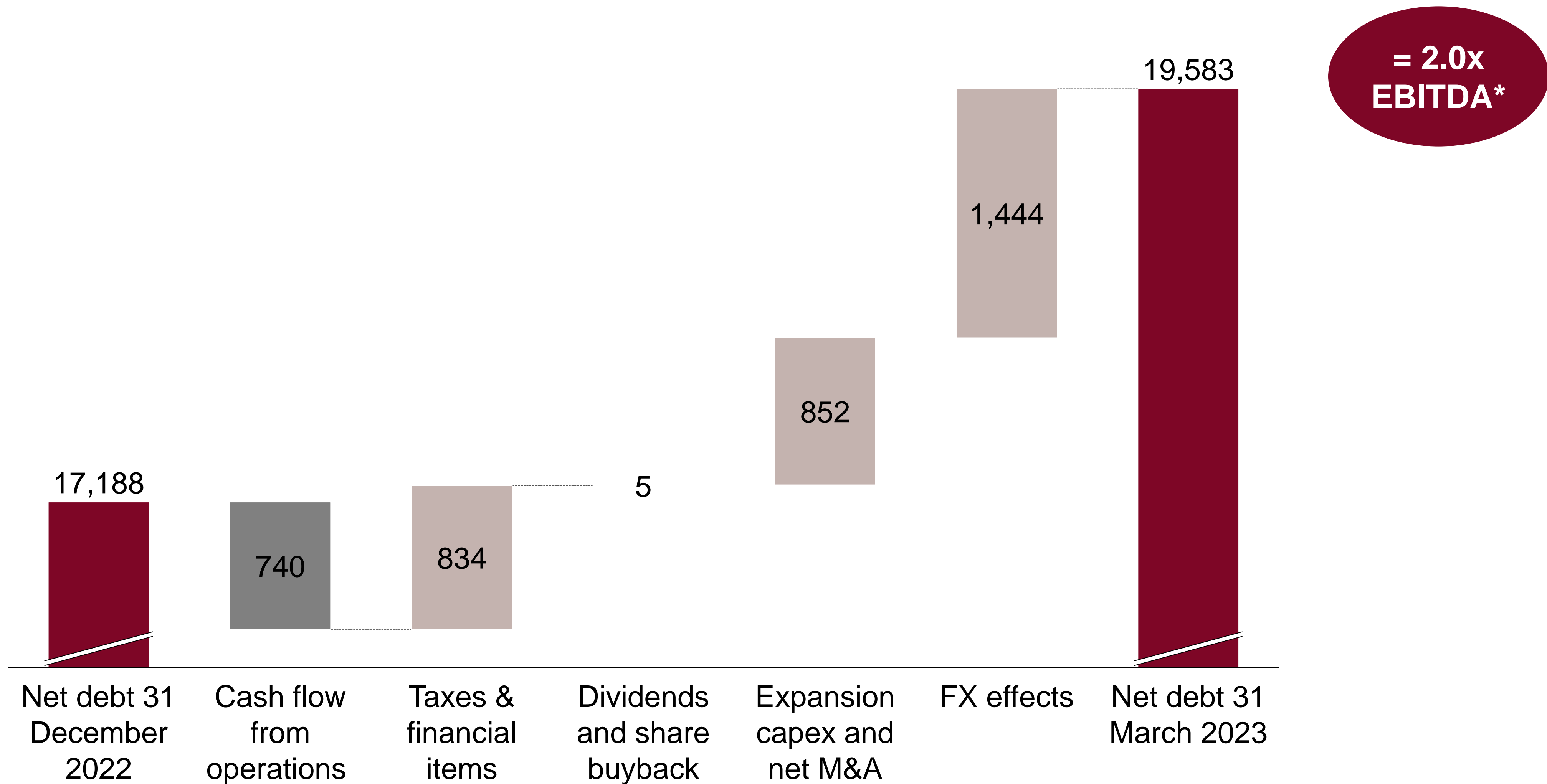
Key figures	Q1-23	Q1-22	Δ Q1
Operating revenues BCG	15,755	12,791	+23.2%
EBIT (adj.) BCG	1,470	1,277	+15.1%
EBIT (adj.) HQ	-122	-98	
<b>EBIT (adj.) BCG incl. HQ</b>	<b>1,348</b>	<b>1,179</b>	<b>+14.3%</b>
EBIT (adj.) Industrial & Financial Investments	258	353	-26.9%
Other income and expenses	-52	-162	
<b>EBIT</b>	<b>1,554</b>	<b>1,370</b>	<b>+13.4%</b>
Profit from associates	422	238	+77.3%
Net interest and other financial items	-240	-64	
<b>Profit before tax</b>	<b>1,736</b>	<b>1,544</b>	<b>+12.4%</b>
Taxes	-410	-415	
<b>Profit after tax</b>	<b>1,326</b>	<b>1,129</b>	<b>17.4%</b>
<b>Adjusted EPS diluted (NOK)</b>	<b>1.32</b>	<b>1.24</b>	<b>+6.5%</b>
Reported EPS diluted (NOK)	1.28	1.09	+17.4%

# Cash flow from operations for the first three months

<b>Cash flow from operations as at 31.3 (pre-tax)</b>	<b>2023</b>	<b>2022</b>
Orkla Branded Consumer Goods (BCG, incl. HQ)		
EBIT (adj.)	<b>1,348</b>	<b>1,179</b>
Depreciation	<b>577</b>	<b>491</b>
Change in net working capital	<b>-625</b>	<b>-939</b>
Net replacement investments	<b>-799</b>	<b>-584</b>
<b>Total BCG cash flow from operations (adj.)</b>	<b>501</b>	<b>147</b>
Cash flow from other income & exp. and pensions	<b>-58</b>	<b>-78</b>
Industrial & Financial Investments	<b>297</b>	<b>361</b>
<b>Total Orkla cash flow from operations</b>	<b>740</b>	<b>430</b>



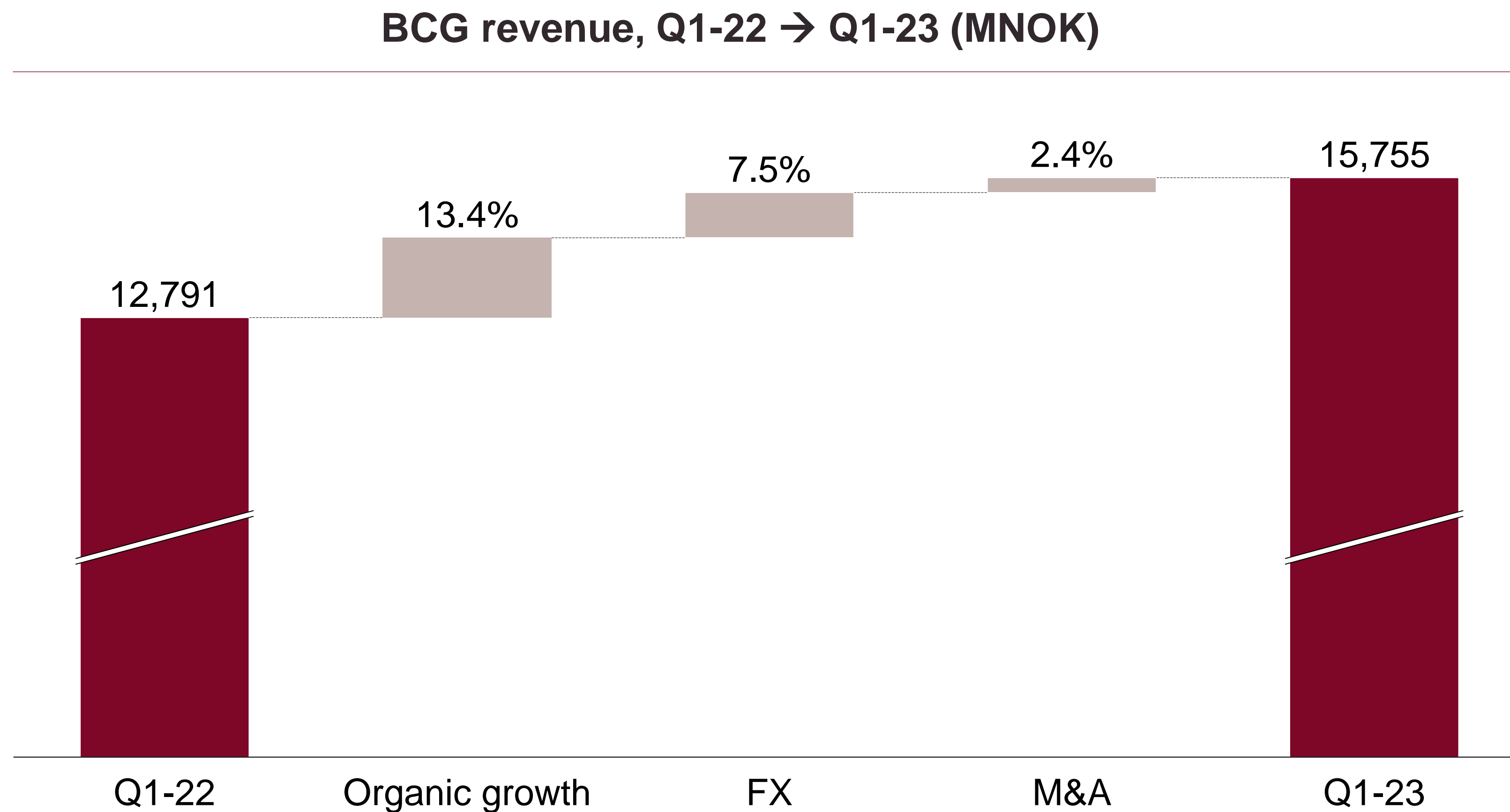
# Negative translation effect from debt in foreign currency



# Branded Consumer Goods (BCG)

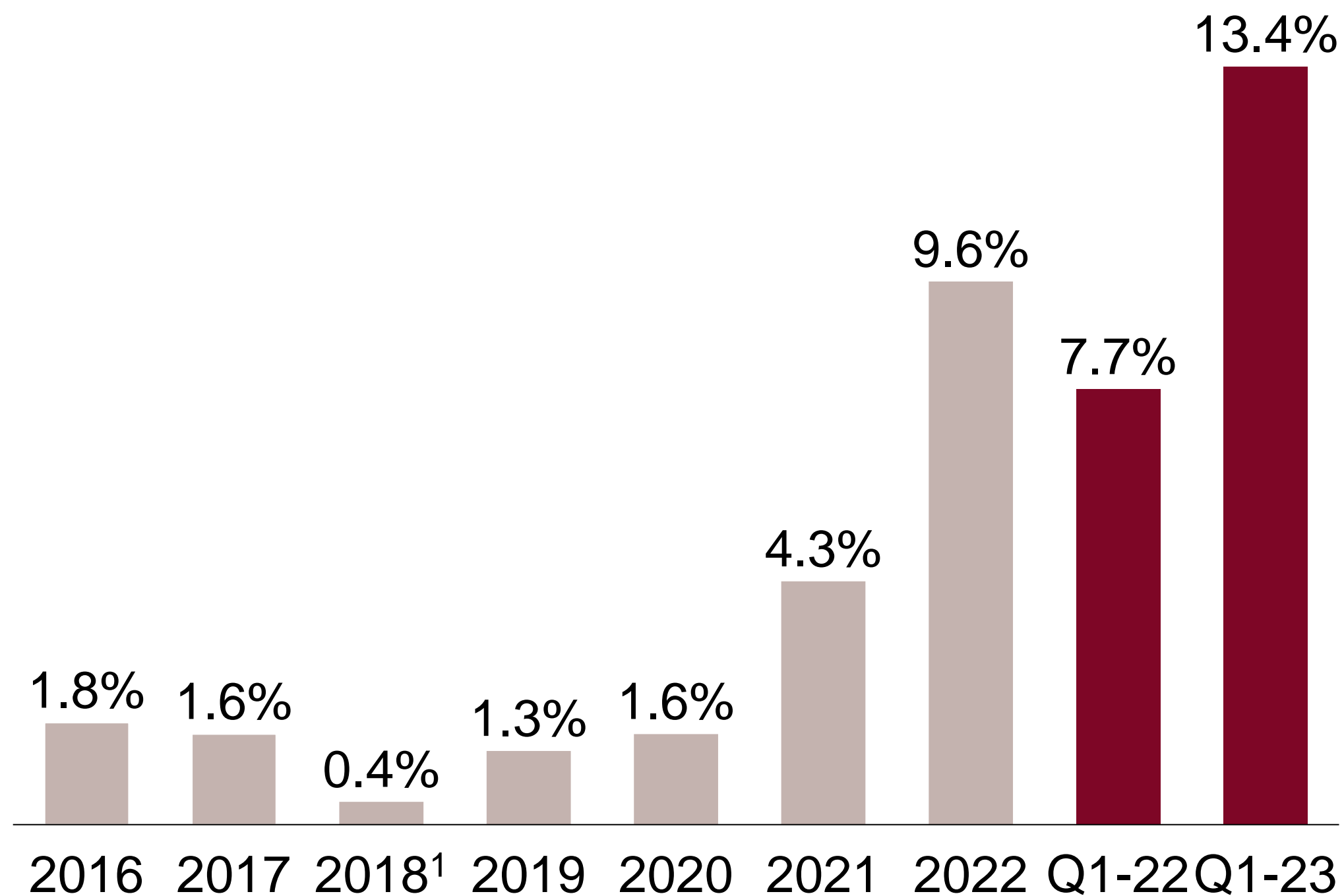


# Significant organic growth supported by currency translation

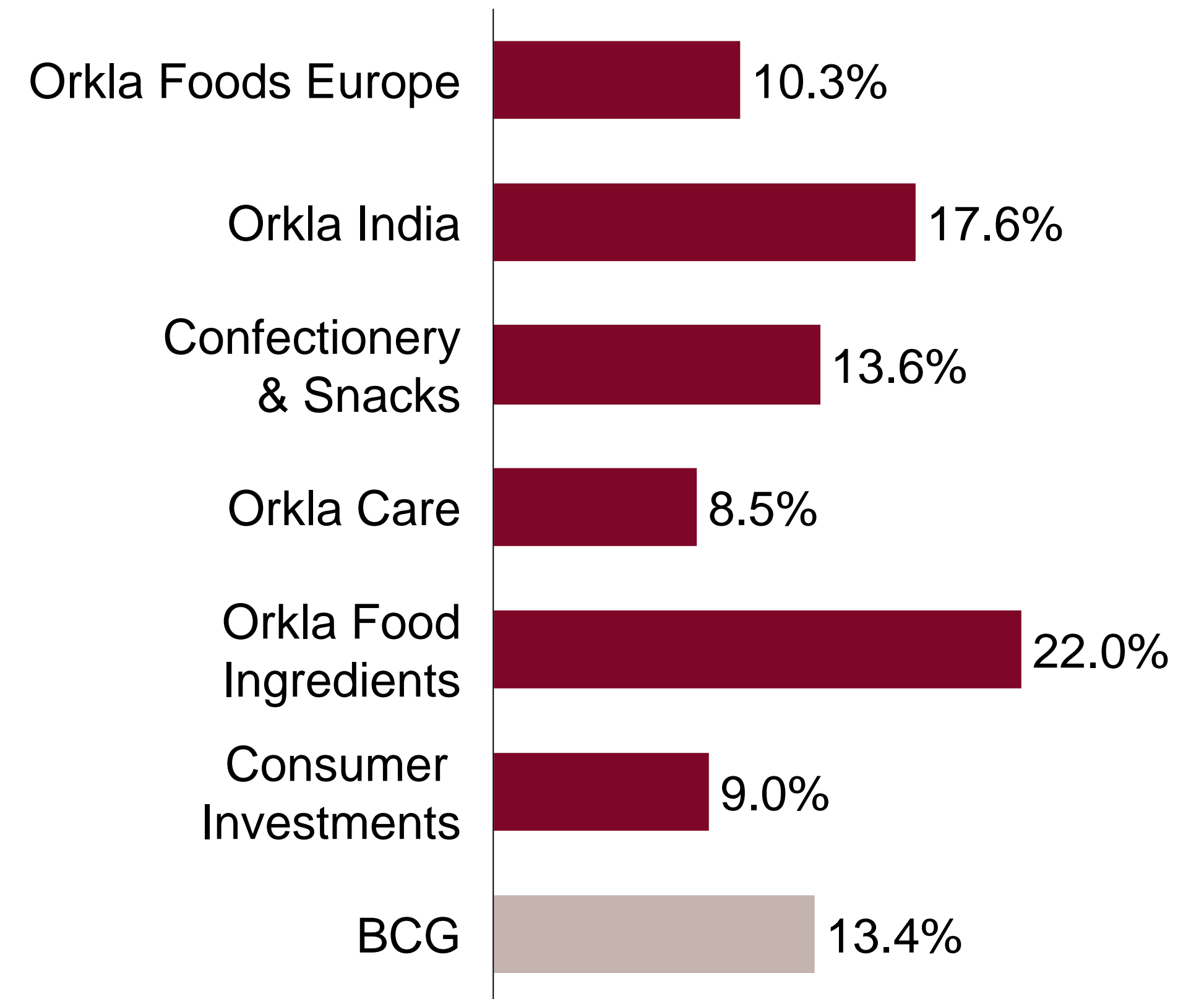


# Organic growth across business areas, driven by price

Organic growth for Branded Consumer Goods






Organic growth Q1-23 by business area





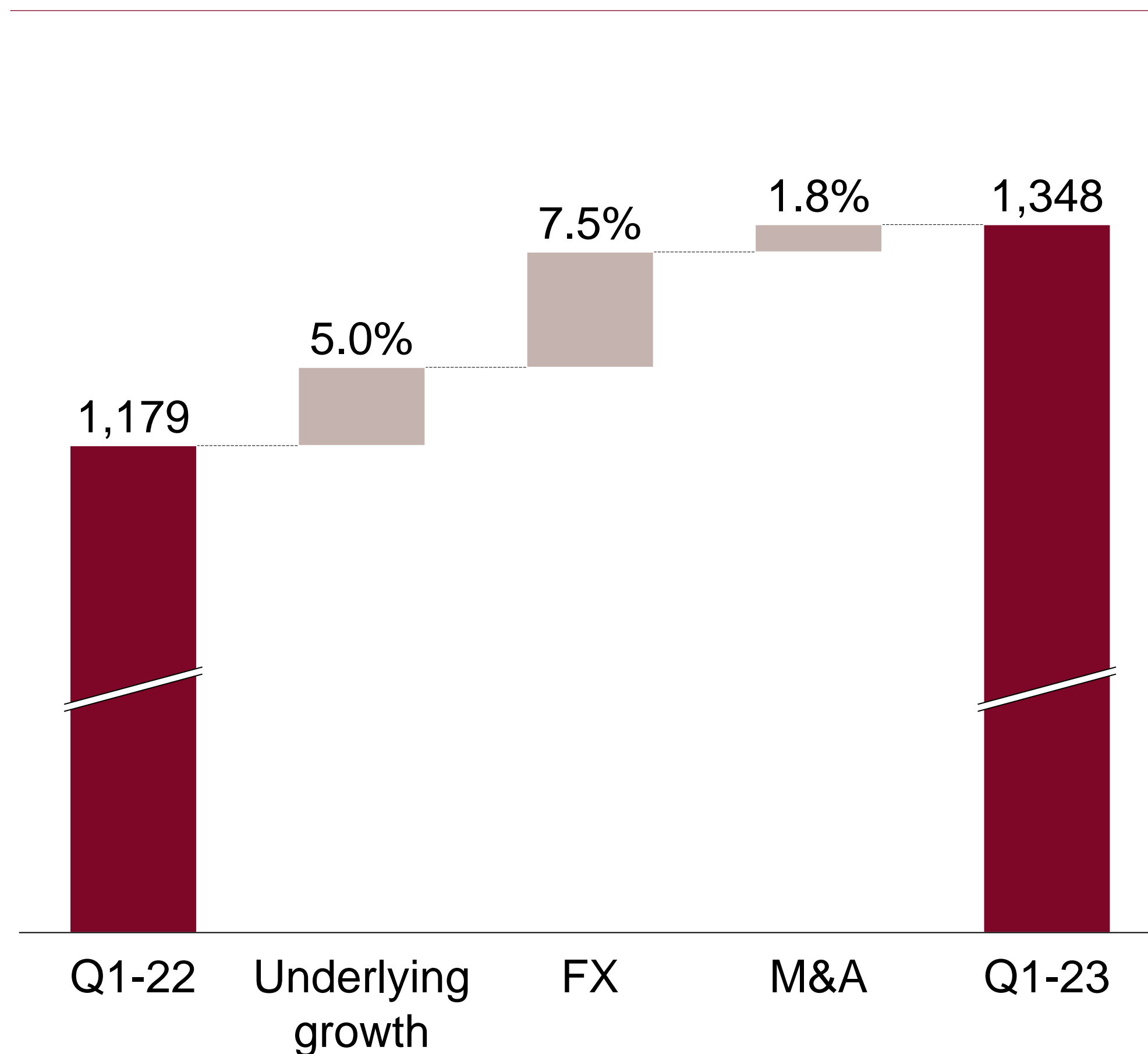
# Continued progress for the three prioritized growth initiatives

	Full-year baseline (2021)	Reported Q1-23 (YoY)*
 <div><b>Consumer Health</b> Grow at least 50% by 2025</div>	Revenue BNOK 4.6**	Growth 20%
 <div><b>Out of Home</b> A European leader in pizza franchise</div>	Consumer sales MEUR ~337 **/**	Growth 25%
	No of outlets 663	No of outlets 852
 <div><b>Plant-based</b> BNOK 3 turnover by 2025</div>	Revenue BNOK 1	Growth 35%

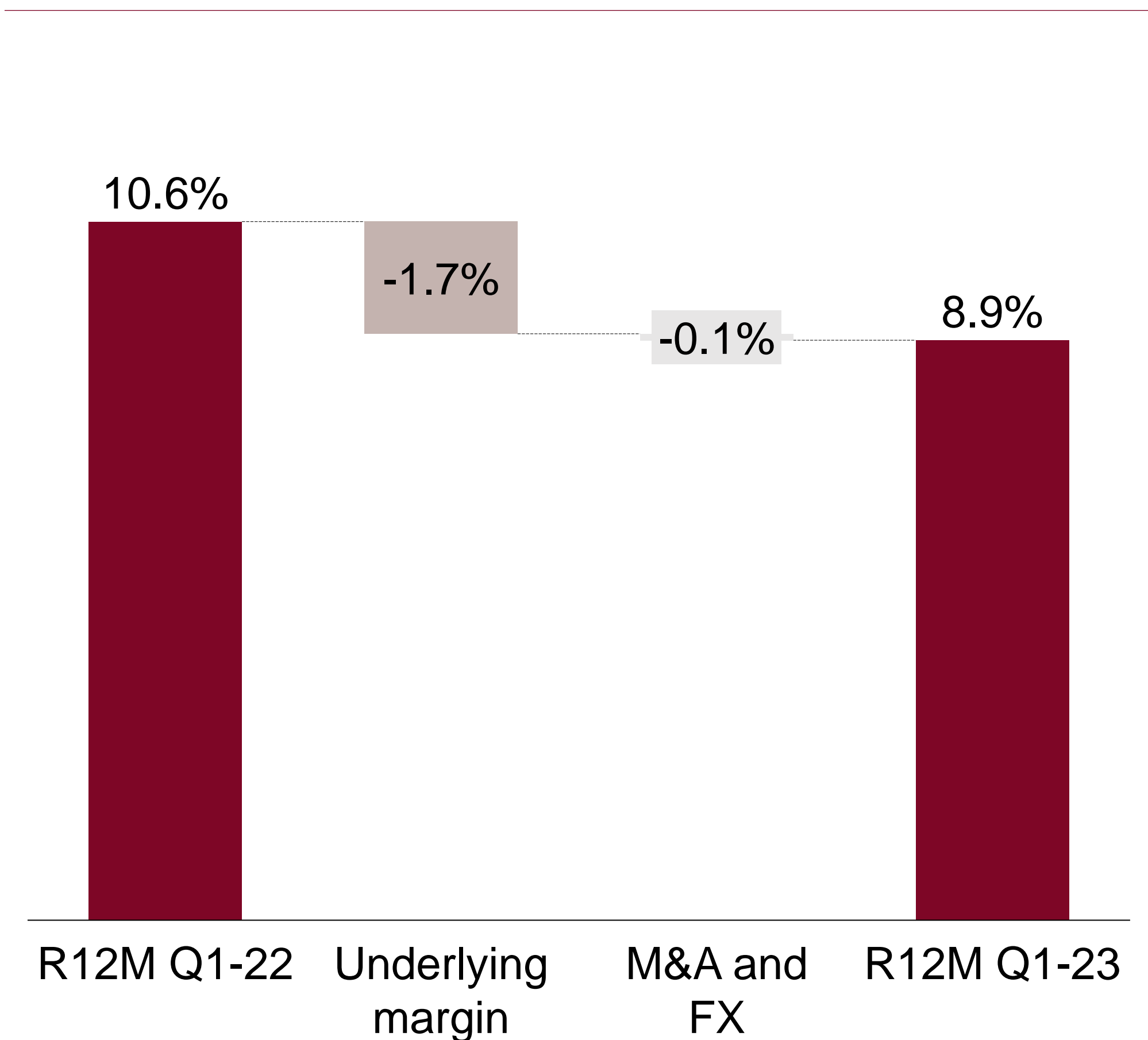
\* Reported figures including M&A, not adjusted for FX  
\*\* Includes 12-month effect of NutraQ and New York Pizza  
\*\*\* Excl. VAT

# Price increases drive profit improvement, while cost increases continue to weigh on margin

Δ Q1 U.EBIT (adj.), MNOK



Δ R12M U.EBIT (adj.) margin





# EBIT (adj.) growth despite inflation effects across the value chain

	Q1-23	Q1-22
<b>Revenues</b>	<b>4,903</b>	<b>4,239</b>
<i>Organic growth</i>	+10.3%	+7.3%
<b>EBIT (adj.)</b>	<b>510</b>	<b>469</b>
<i>EBIT (adj.) growth</i>	+8.7%	+0.4%
<b>EBIT (adj.) margin</b>	<b>10.4%</b>	<b>11.1%</b>
<i>Change vs LY</i>	-0.7%-p	-0.5%-p

- Broad-based, price driven organic sales growth across all markets
- Profitability hampered by higher input costs and general inflation across the whole value chain
- Improvement projects rolled out in several markets to reduce costs and enable future value creation





# Strong sales performance and consequently high profit growth partially offset by higher investments in advertising

	Q1-23	Q1-22
<b>Revenues</b>	<b>672</b>	<b>550</b>
<i>Organic growth</i>	+17.6%	+6.4%
<b>EBIT (adj.)</b>	<b>74</b>	<b>62</b>
<i>EBIT (adj.) growth</i>	+19.4%	+55.0%
<b>EBIT (adj.) margin</b>	<b>11.0%</b>	<b>11.3%</b>
<i>Change vs LY</i>	-0.3%-p	-3.8%-p

- Organic sales growth significantly driven by price increases with moderate volume development
- Double-digit sales growth across businesses
- Margin growth offset by higher A&P to strengthen brand equity





# Price driven top-line growth. Delayed volume ramp-up at new biscuit factory

	Q1-23	Q1-22	
<b>Revenues</b>	<b>1,994</b>	<b>1,679</b>	<ul style="list-style-type: none"> <li>Price driven top-line growth. Market volume decline is flattening out</li> <li>High input cost inflation continues with additional pressure from weak NOK and SEK exchange rate</li> <li>Delay in the new biscuit factory volume ramp-up resulting in both lost net sales and higher costs</li> </ul>
<i>Organic growth</i>	13.6%	-1.1%	
<b>EBIT (adj.)</b>	<b>187</b>	<b>191</b>	
<i>EBIT (adj.) growth</i>	-2.1%	-20.7%	
<b>EBIT (adj.) margin</b>	<b>9.4%</b>	<b>11.4%</b>	
<i>Change vs LY</i>	-2.0%-p	-2.8%-p	



# Top-line growth and positive profit development

	Q1-23	Q1-22	
<b>Revenues</b>	<b>2,549</b>	<b>2,156</b>	• Top-line growth from strong sales in HSNG, NutraQ and Home & Personal Care International, offset by weak sales in some Health markets
<i>Organic growth</i>	8.5%	5.9%	
<b>EBIT (adj.)</b>	<b>324</b>	<b>283</b>	• EBIT (adj.) growth from price increases and stable gross margins. Less severe input cost increases as the e.o. supply chain challenges ease
<i>EBIT (adj.) growth</i>	14.5%	-4.4 %	
<b>EBIT (adj.) margin</b>	<b>12.7%</b>	<b>13.1%</b>	• EBIT (adj.) margin improved from Q4-22
<i>Change vs LY</i>	-0.4%-p	-3.2%-p	

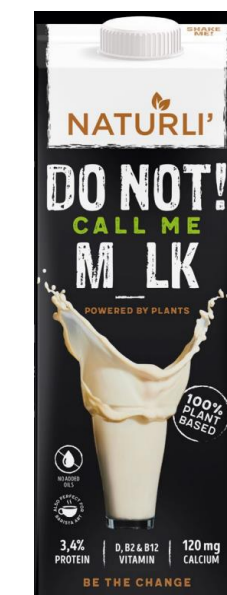




# Strong performance from broad-based revenue growth

	Q1-23	Q1-22
<b>Revenues</b>	<b>4,393</b>	<b>3,124</b>
<i>Organic growth</i>	+22.0%	+21.1%
<b>EBIT (adj.)</b>	<b>238</b>	<b>140</b>
<i>EBIT (adj.) growth</i>	+70.0%	+75.0%
<b>EBIT (adj.) margin</b>	<b>5.4%</b>	<b>4.5%</b>
<i>Change vs LY</i>	+0.9%-p	+1.4%-p

- Strong organic revenue growth was broad-based across categories and geographies
- EBIT (adj.) growth driven by good revenue management, but somewhat offset by continued cost increase
- Newly acquired Denali completed its first full quarter with revenue and EBIT growth in line with plan





# Continued solid consumer sales growth across pizza franchise network

	Q1-23	Q1-22	
<b>Revenues</b>	<b>1,401</b>	<b>1,170</b>	<ul style="list-style-type: none"> <li>Pizza business drives organic sales growth for Consumer Investments, but strong top-line also in other companies, except for painting tools</li> </ul>
<i>Organic growth</i>	+9.0%	-4.3%	
<b>EBIT (adj.)</b>	<b>137</b>	<b>132</b>	<ul style="list-style-type: none"> <li>Price continues to be main driver of organic sales growth</li> </ul>
<i>EBIT (adj.) growth</i>	+3.8%	-19.5%	
<b>EBIT (adj.) margin</b>	<b>9.8%</b>	<b>11.3%</b>	<ul style="list-style-type: none"> <li>High cost inflation has a negative impact on profit conversion</li> </ul>
<i>Change vs LY</i>	-1.5%-p	-4.7%-p	



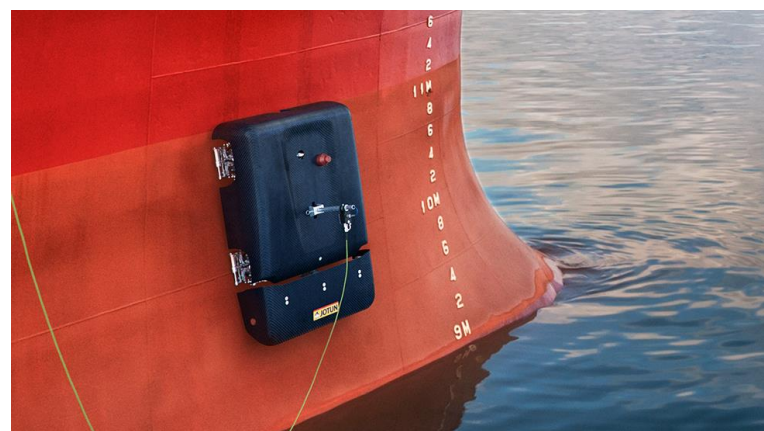


Jotun (42.7%)

## Strong start to the year

Jotun 100% basis	Q1-23	Q1-22
<b>Revenues</b>	<b>7,766</b>	<b>6,287</b>
<i>Revenue growth</i>	+23.5%	+14.6%
<b>EBITA</b>	<b>1,618</b>	<b>895</b>
<i>EBITA growth</i>	+80.8%	-20.1%
<i>Orkla share (42.7%) of net profit</i>		

- Continued sales growth driven by price increases as well as moderate volume growth. Double digit growth in all regions except for Scandinavia.
- Gross margin recovery continues driven by price increases. Raw material prices eased somewhat
- Operating profit improvement driven by strong sales growth, margin recovery and good cost control





# Hydro Power profit impacted by lower power prices and introduction of windfall taxes<sup>2</sup>

## Hydro Power

*Fully consolidated into Orkla's financial statements*

**Volume  
(GWh):**

Q1: 503 (511)

**Power prices<sup>1</sup>  
(øre/kWh):**

Q1: 118,0 (149,4)

**EBIT adj.**

**(NOK million):**

Q1: 255 (345)



## Financial Investments

*Fully consolidated into Orkla's financial statements*

**Book value real estate:**

NOK 2.0 billion





Nils K. Selte, President & CEO

# Closing remarks

# Closing remarks

- Solid Group EBIT (adj.) growth in the quarter
- Transformation of Orkla going according to plan
- We will create sustainable value through active ownership of brands and consumer companies



Nils K. Selte, President & CEO  
Harald Ullevoldsæter, CFO

# Q&A



Upcoming events:

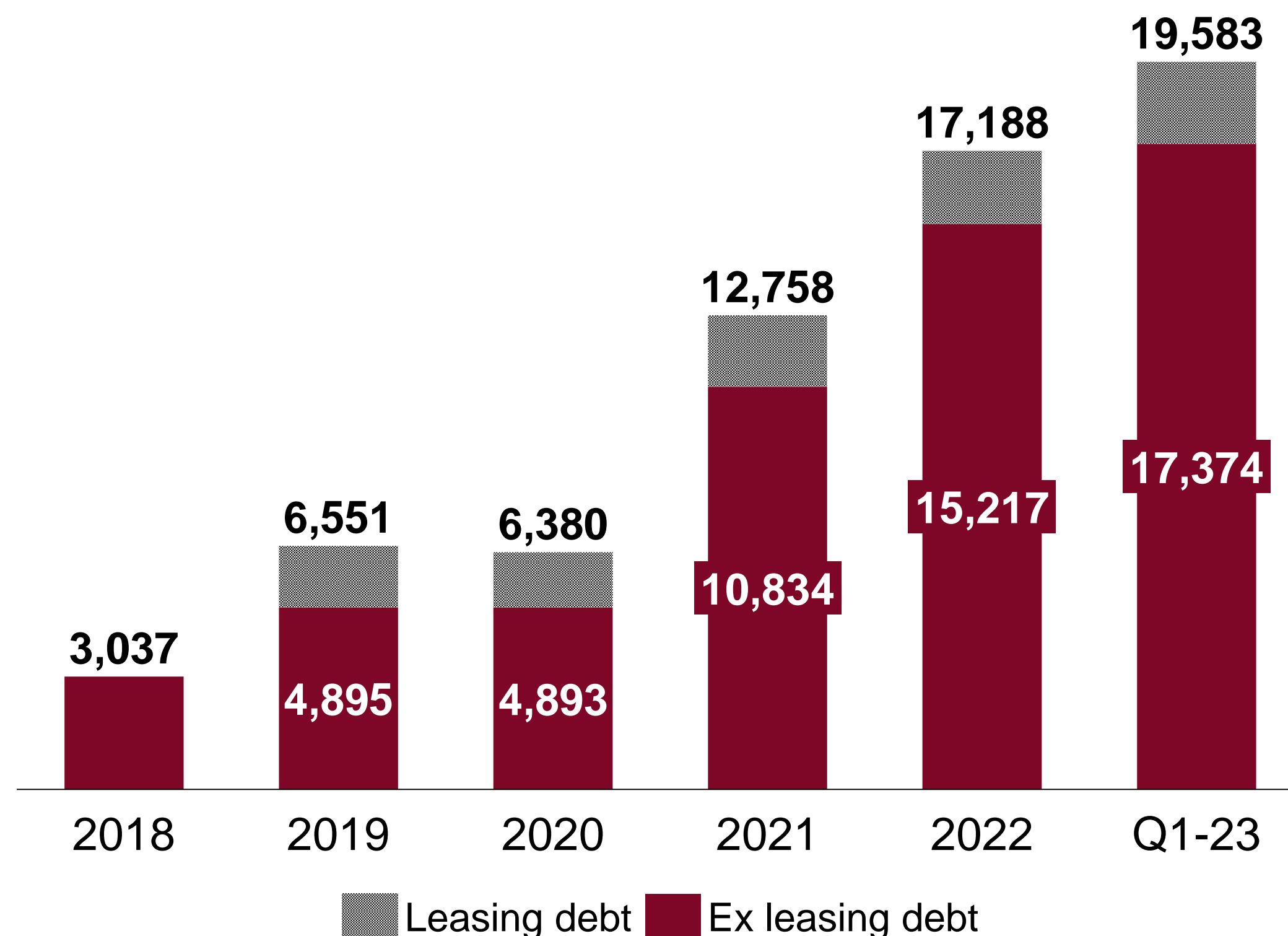
Second quarter 2023  
14 July 2023

Capital Markets Day 2023  
29 November 2023

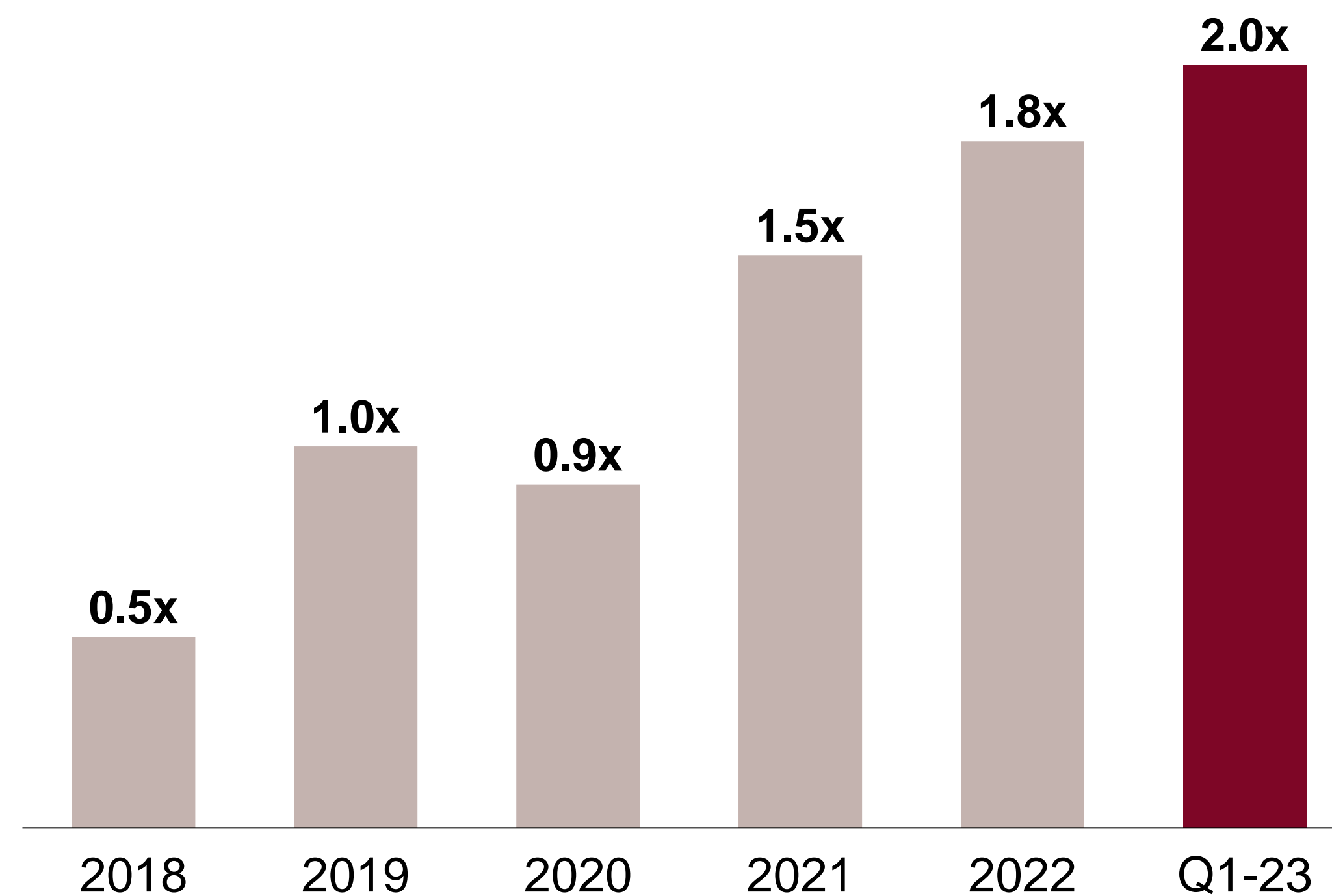
# Appendices

# Strong balance sheet and financial flexibility

Net interest-bearing liabilities (NOK million)



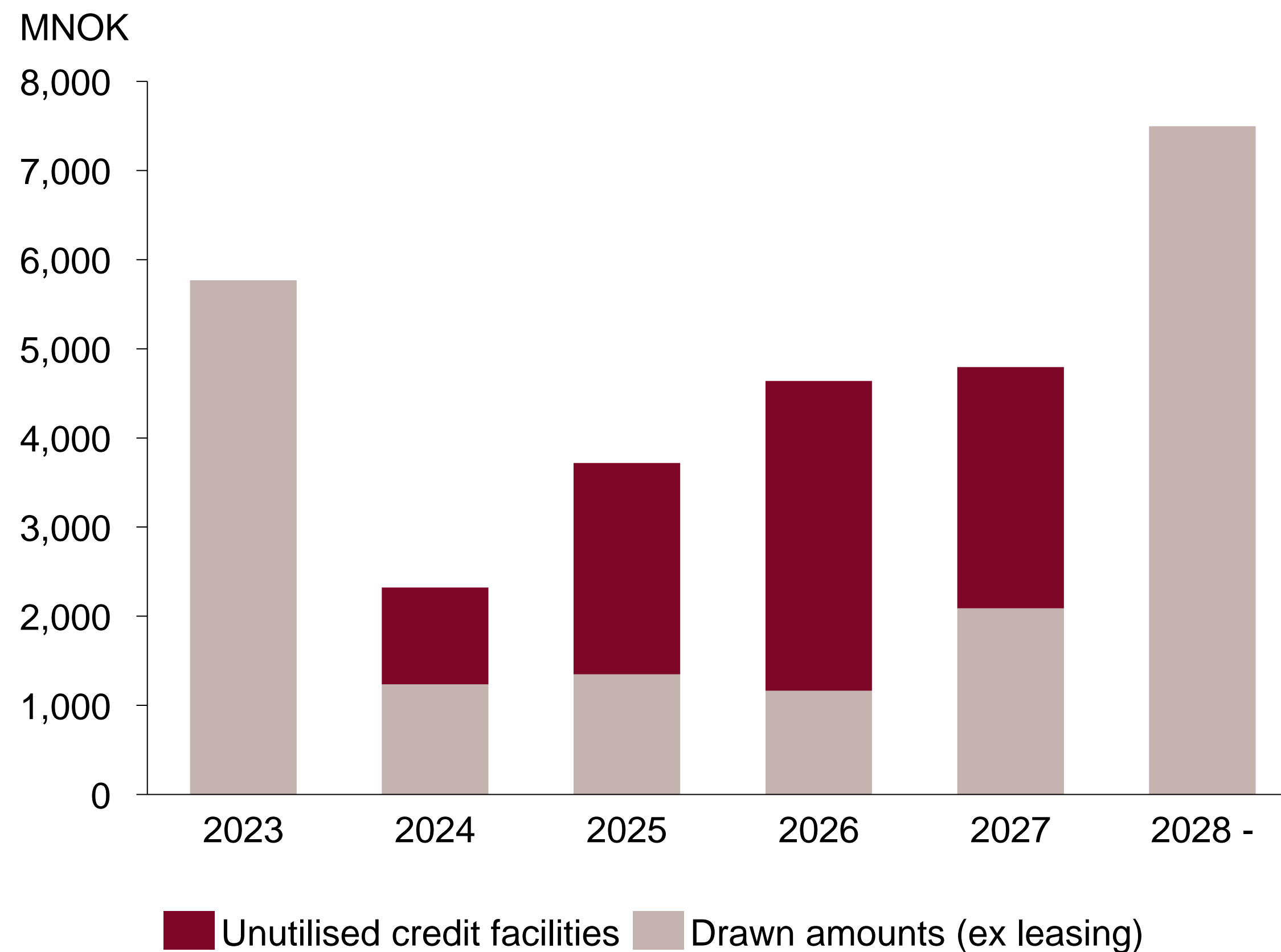
NIBD / R12M EBITDA



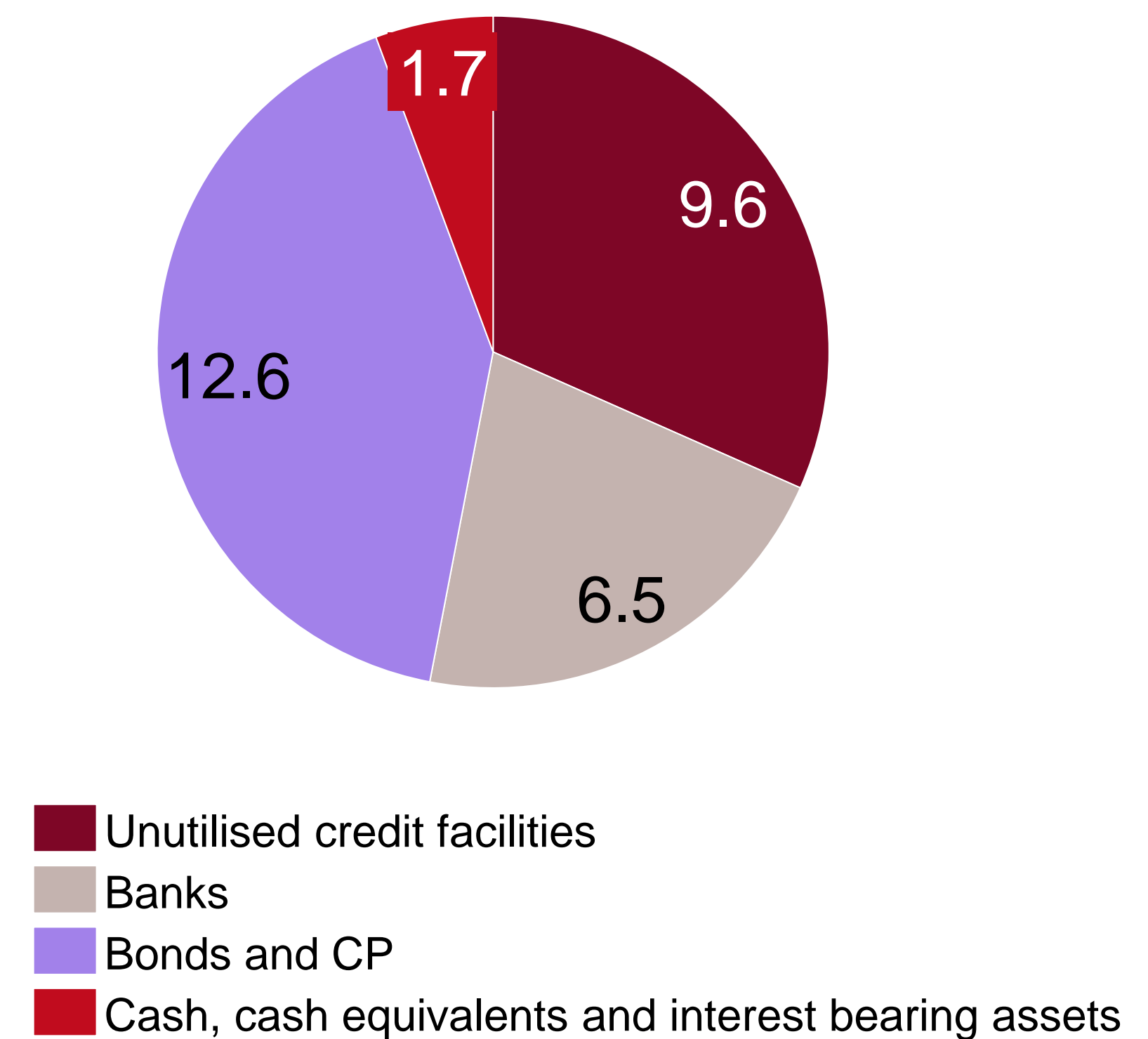


# Funding sources and maturity profile

Debt maturity → average maturity 3.3 years



Funding sources (in BNOK)



# Indicative revenues and EBIT (adj.) per portfolio company

NOK Million***	Q1-22		Q1-23	
	Revenues	EBIT (adj.)	Revenues	EBIT (adj.)
Orkla Foods Europe	4 239	469	4 903	510
Orkla Food Ingredients	3 124	140	4 393	238
Orkla Confectionery & Snacks	1 679	191	1 994	187
Orkla Health */** Orkla Home and Personal Care */**	1 867	279	2 198	310
Orkla India	550	62	672	74
Pizza Out of Home	502	50	690	61
Orkla House Care	421	66	417	67
Health and Sports Nutrition Group*	293	5	358	14
Pierre Robert Group	123	6	151	6
Lilleborg	124	15	143	6



\* Proforma and preliminary split of the business area Care that will cease to exist from Q2-23

\*\* Orkla Health and Orkla Home and Personal Care will from Q2-23 be separate reporting units

\*\*\* Not including Jotun which also will be treated as a portfolio company. Orkla's ownership in Jotun is 42.7%

# 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 translating 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. Items included in OIE are specified in Note 3. The effective tax rate for OIE is lower than the group’s tax rate, chiefly due to the fact that expensed M&A costs and the write-down of the business in Russia (2022) are not tax-deductible. Non-taxable income increases the tax rate for OIE somewhat in 2023. The effective tax rate for OIE as at 31 March 2023 was 15%, compared with 3% year over year.

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 were made in 2023 or 2022.

## 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 Bubs Godis AB, Da Grasso, Khell Foods, Denali Ingredients, Lofoten Marine Oils, Healthspan and Hade coup, and the winding-up of Hamé Foods in Russia and sale of the convenience business in Orkla Latvija and the Struer brand. Adjustments were also made for the loss of a distribution agreement with PepsiCo, and the distribution of tea in Orkla India. Structural adjustments were made at business area level for the internal relocation of plant-based production and parts of the Idun brand.

In 2022, adjustments were also made for the acquisition of Vesterålen Marine Olje, Eastern, NutraQ, New York Pizza, Sigurd Ecklund, Hans Kaspar, Núi Síríus, Cake Décor Limited, For All Baking Ltd., Ambassador92 and SeaGood Fort Deli. Adjustments have been made for the sale of Credin Russland, the Struer brand, and the water business under the Everest brand in Orkla Latvija. A structural adjustment was made at business area level for the internal relocation of the Oolannin brand.

