



Third quarter results 2016

1 November 2016

Peter A. Ruzicka, President & CEO



Highlights Q3 2016:

Continued progress

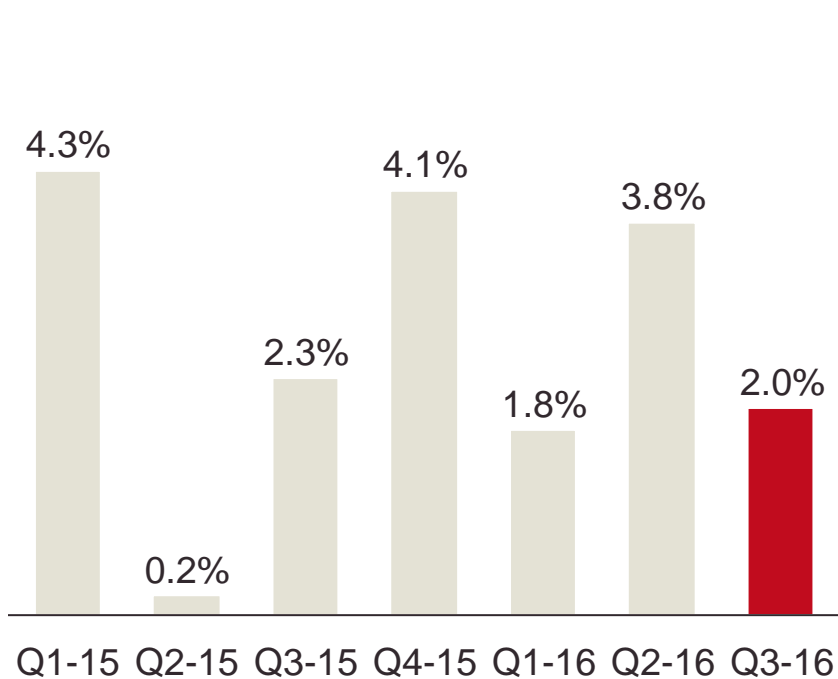
- Progress in Branded Consumer Goods in terms of sales growth and cost reductions
- Continued growth in Sapa, weaker marine and offshore markets for Jotun
- 31% increase in EPS from Q3 last year
- Acquisition of Harris (UK) and Broer (NL) completed in Q3
- Continued focus on realising One Orkla



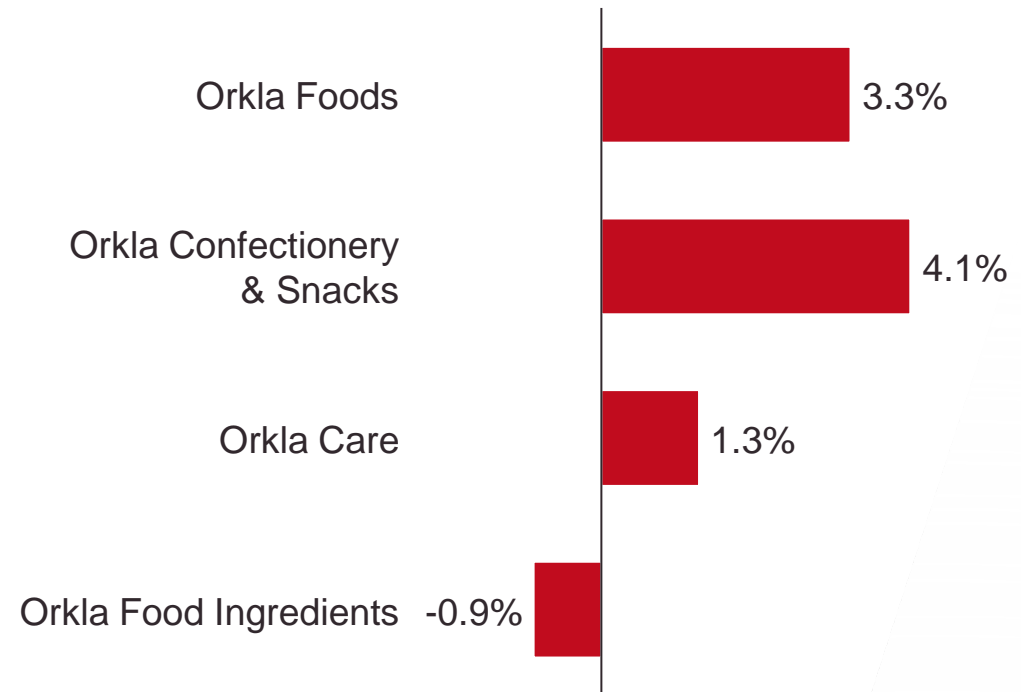
Branded Consumer Goods Q3 2016:

Volume driven organic growth

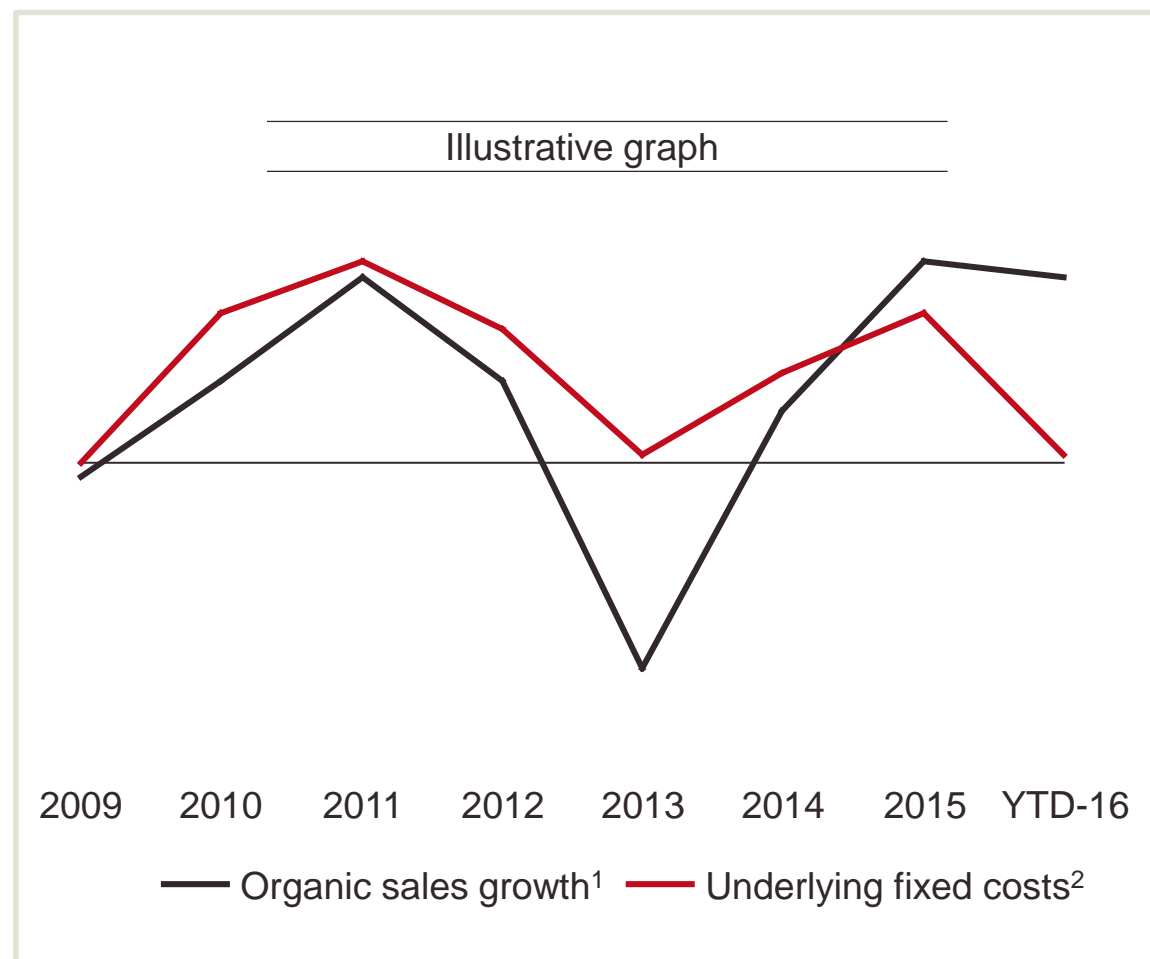
Positive organic growth
with quarterly fluctuations¹



Organic growth
in 3 out of 4 business areas¹



Ongoing cost improvements produce results



Several cost measures implemented

- Supply chain cost improvements
- Integration programmes for acquired companies

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.

Status one year after acquiring Cederroth:

Successfully delivered on complex integration

NOK >80 million
in cost synergies realised
(12 months run rate)

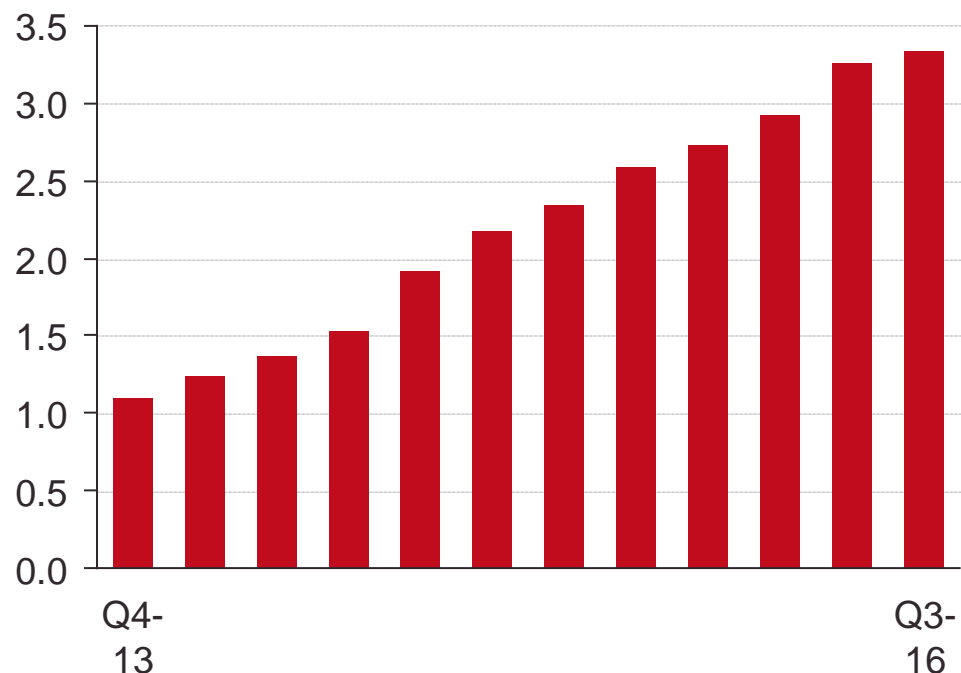
Sales ahead of plan

Additional value creation
potential identified



Strong improvement in Sapa

R12M underlying EBITDA (NOK billion)



- Underlying EBITDA up NOK 607 million (+27%) YTD
- Net interest bearing debt reduced from NOK 1.8 billion as of 31/12-15 to NOK 0.5 billion as of 30/9-16



Financial performance

Jens Bjørn Staff, CFO

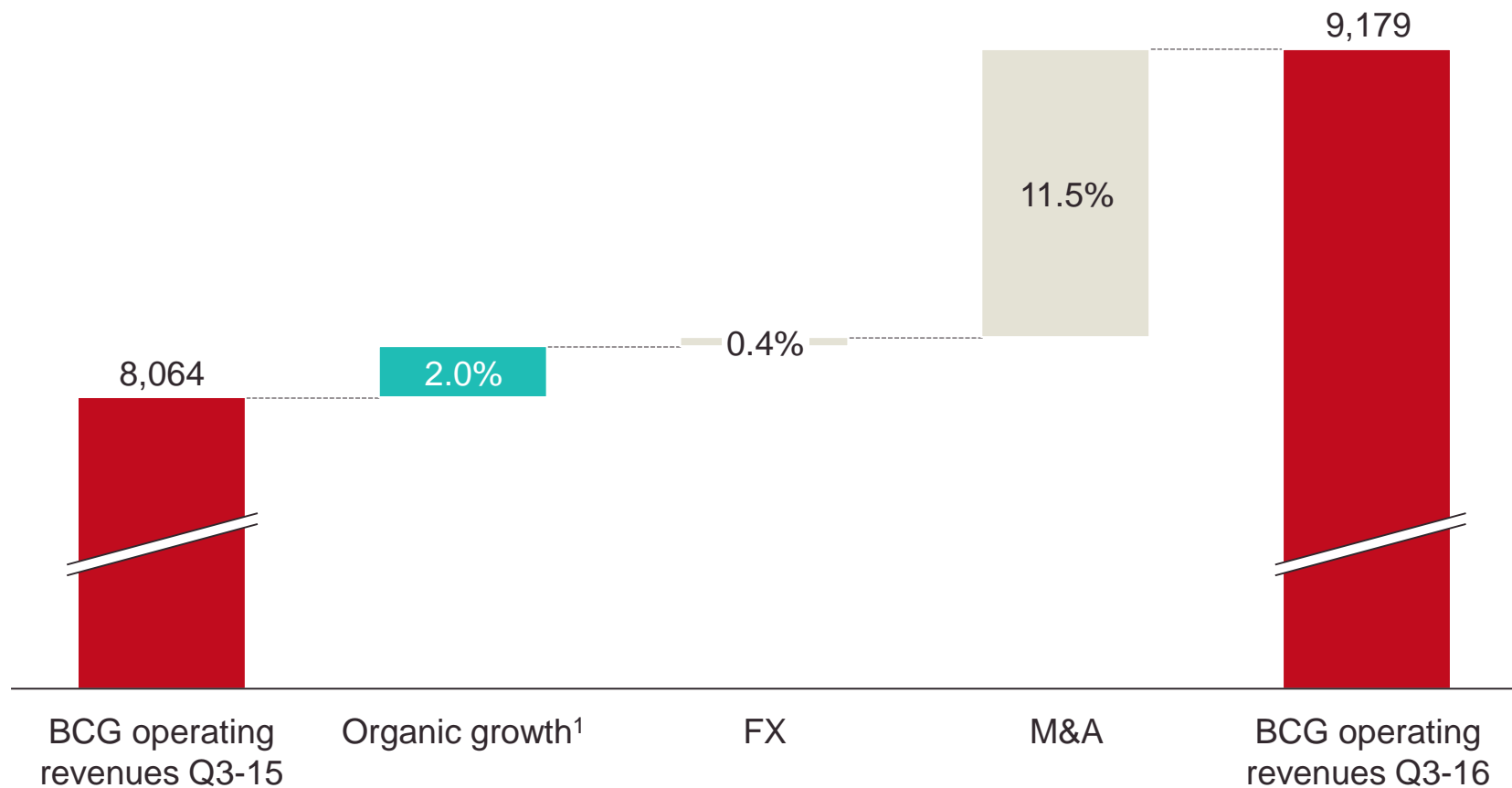


Group EBIT (adj.) improvement of 19% in the quarter

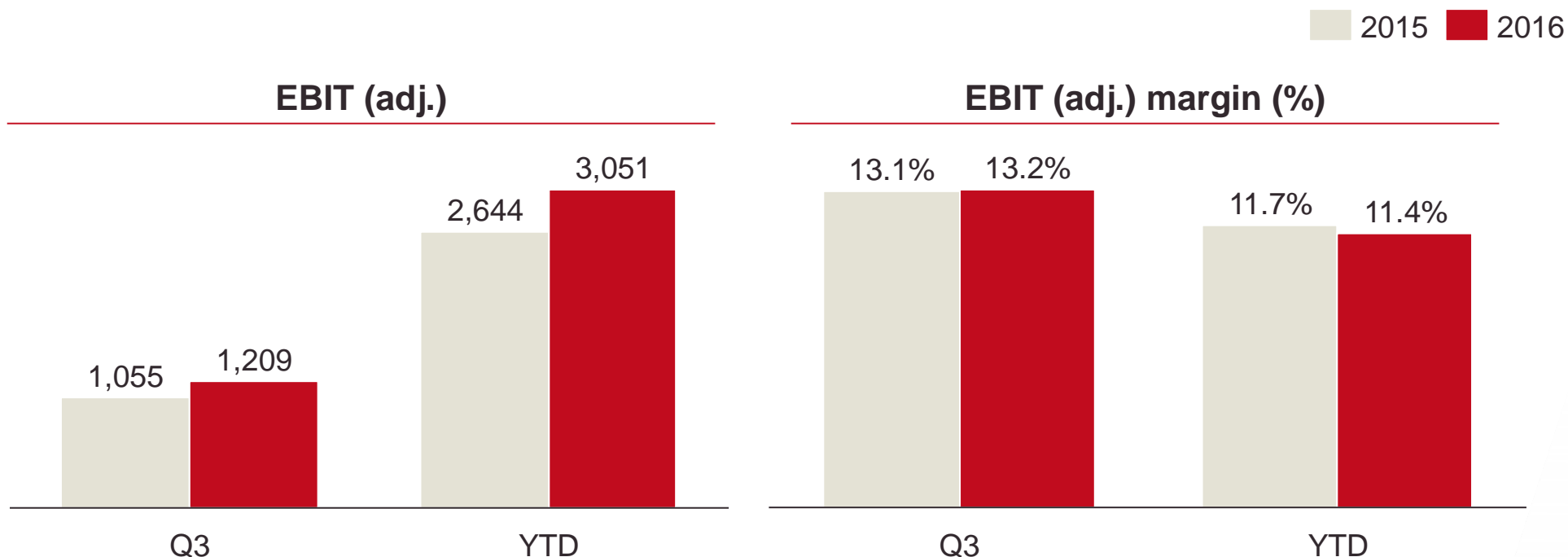
Key figures	Q3-15	Q3-16	YTD-15	YTD-16
Operating revenues	8 381	9 429	23 627	27 472
EBIT (adj.)	993	1 178	2 507	2 991
Other income and expenses	-96	-149	-268	-260
EBIT	897	1 029	2 239	2 731
Profit/loss from associates and JV	239	313	1 022	1 217
Net financials and other	-67	-14	-117	-110
Profit/loss before tax	1 069	1 328	3 144	3 838
Tax	-240	-235	-550	-570
EPS (NOK)	0.80	1.05	2.50	3.12



Sales growth of 14% driven by M&A and organic growth



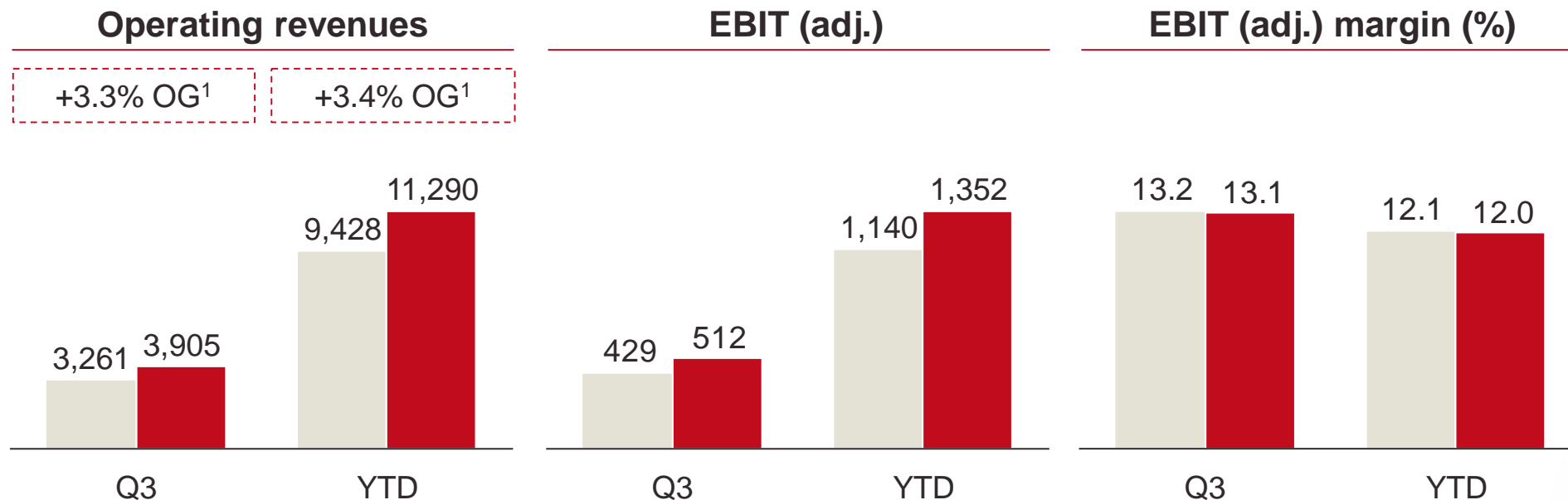
Continued growth in Branded Consumer Goods



- Top line and EBIT (adj.) growth in all business areas
- 15% EBIT (adj.) growth in Q3 from higher sales, cost improvements and contribution from M&A
- Margin growth despite dilutive effects of M&A and distribution agreements

Continued sales and profit growth

2015 2016

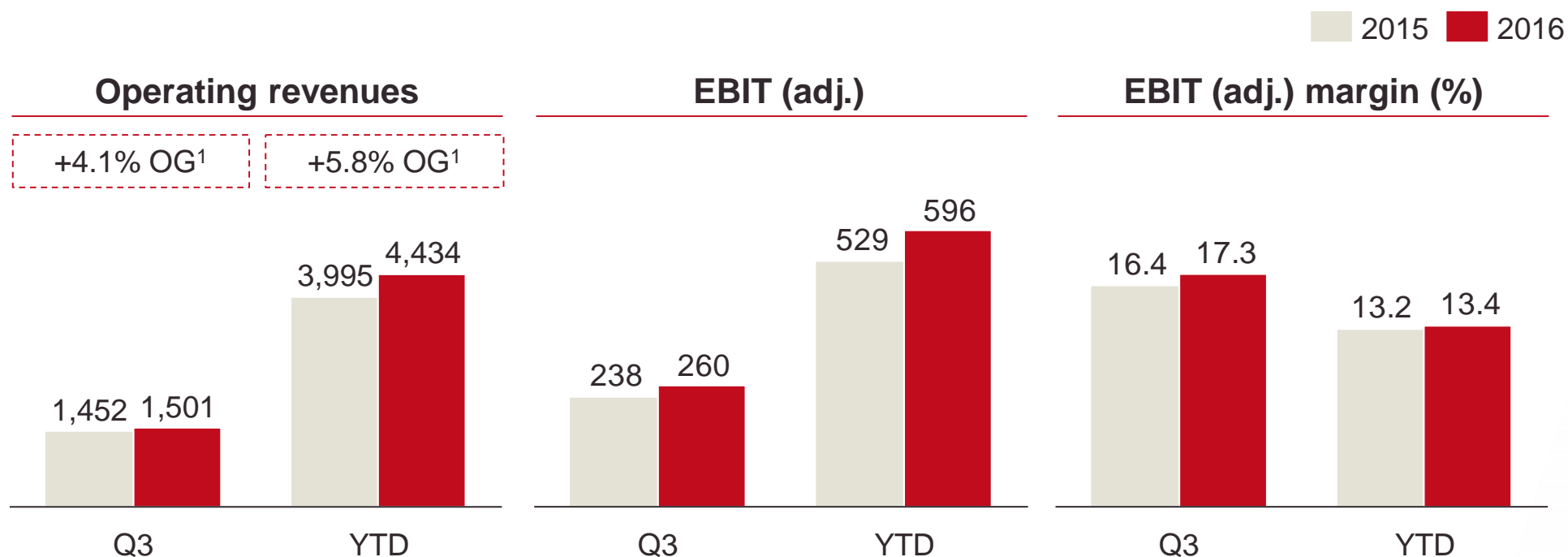


- Sales and profit growth supported by acquisition of Hamé
- Positive organic growth partly driven by PepsiCo distribution
- Temporary delivery challenges impacted performance
- Margins diluted by the inclusion of Hamé and PepsiCo



Orkla Confectionery & Snacks Q3 2016

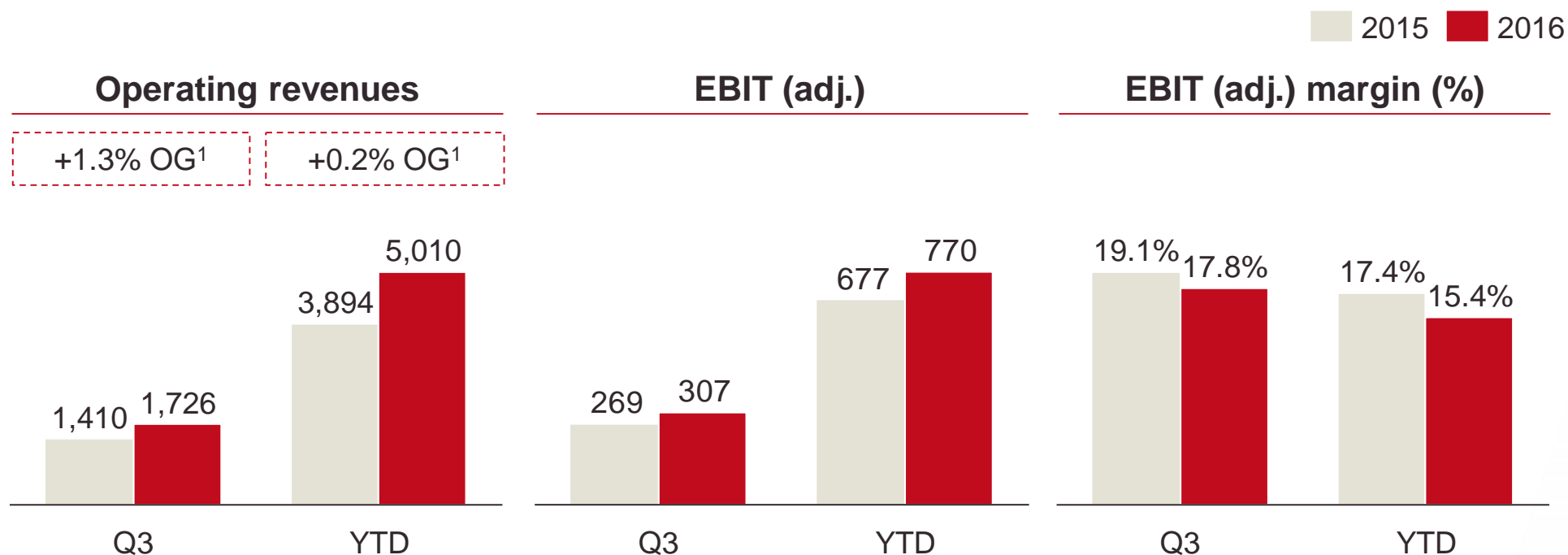
Growth in all markets in the quarter



- Volume-driven organic growth in all markets
- New business contributed positively
- Broad-based profit growth in the quarter



Organic growth despite still challenging markets

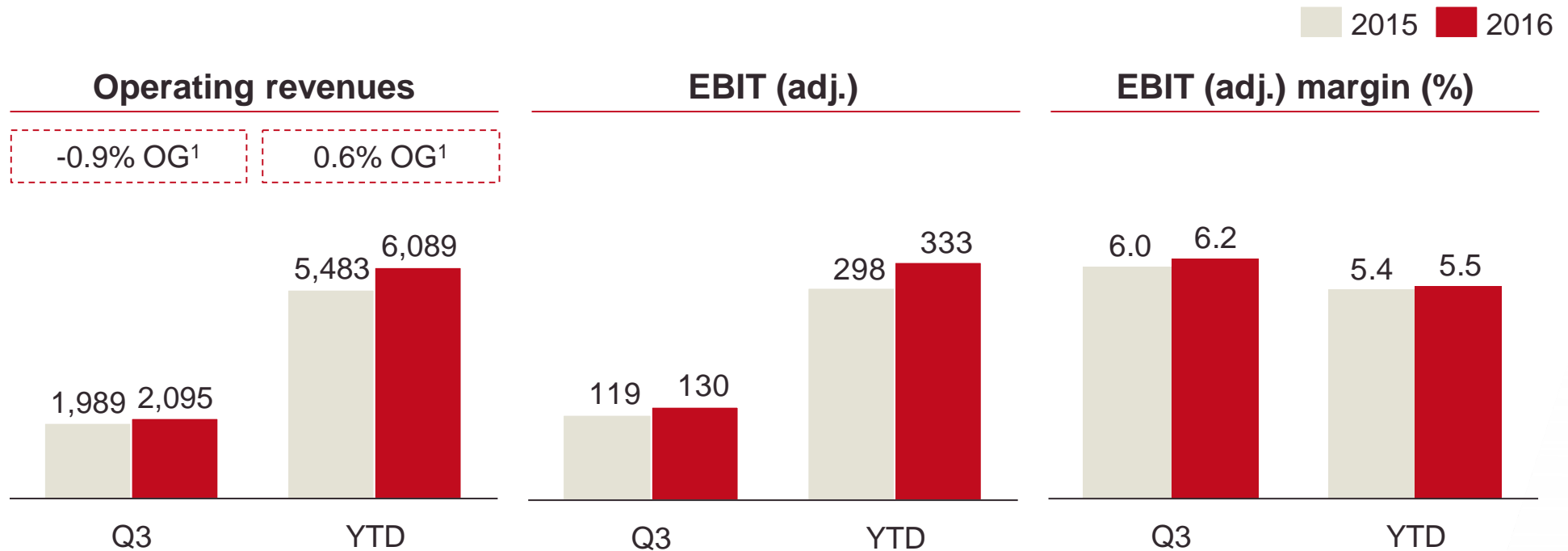


- Improved performance, despite challenging markets for OHPC in Norway and within the weight segment in Orkla Health
- Synergy effects from Cederroth integration contributed to EBIT (adj.) growth
- Margin diluted by M&A and termination of Unilever distribution



Orkla Food Ingredients Q3 2016

Increased sales and EBIT (adj.) driven by add-on acquisitions




- Increased sales and profit driven by add-on acquisitions
- Organic sales decline mainly related to falling raw material prices and loss of an industrial sales contract
- Significantly reduced profitability on butter blend products in Europe



Orkla Investments

Fully consolidated
into Orkla accounts

Hydro Power	<p>Volume (GWh): 724 (891)</p> <p>Power prices¹ (NOK/MWh): 235 (123)</p> <p>EBIT (NOK million): 64 (22)</p>	
--------------------	--	--

Real estate & share portfolio	<p>Book value real estate: NOK 1.6 billion</p> <p>Market value share portfolio: NOK 0.2 billion</p>	
--	---	---

Accounted for using
equity method

Sapa (50%)	
-------------------	---

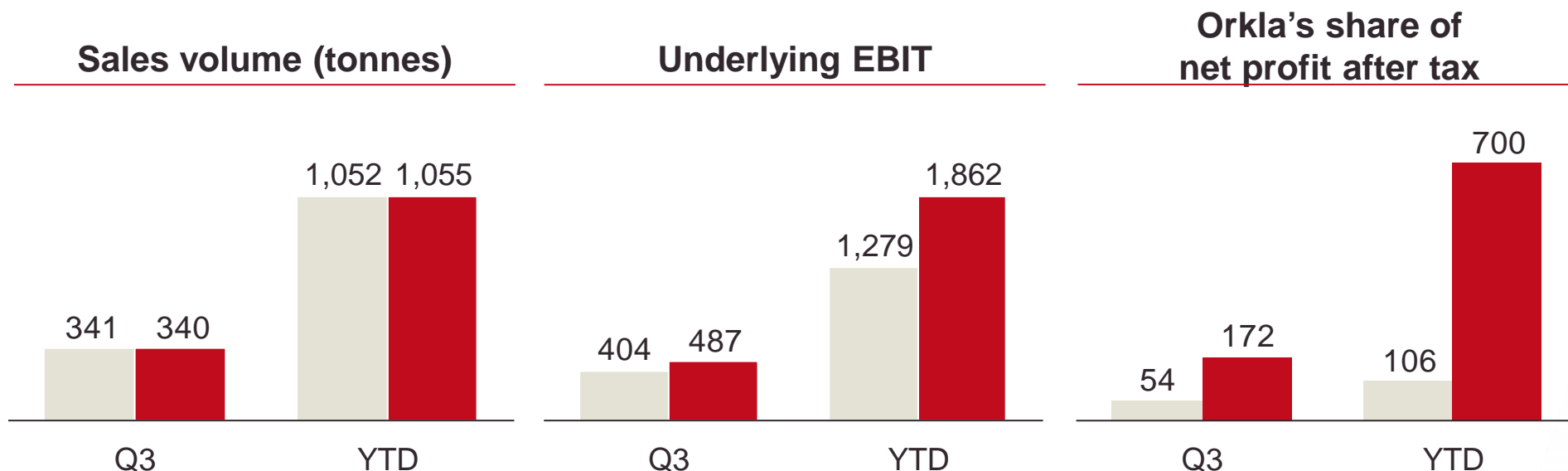
Jotun (42.5%)	
----------------------	--

15 ¹Source: Nord Pool Spot, Monthly System Price

Sapa (50/50 joint venture)

Significant underlying and reported earnings growth in Sapa

2015 2016



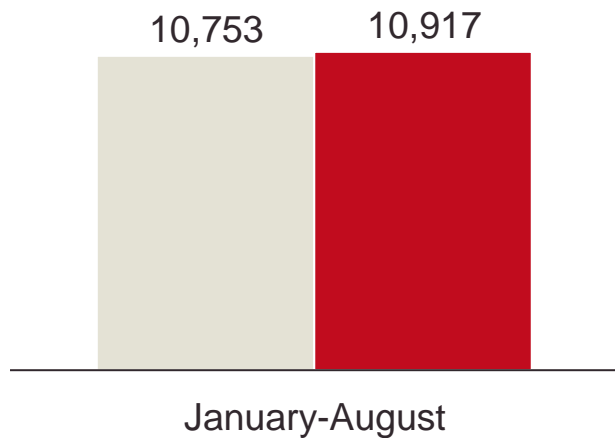
- Stable positive demand growth in Europe driven by automotive and transportation
- Slower growth in North America with large differences between end market segments
- U.EBIT up 21% vs. last year - higher value-add margins and improved cost positions partly offset by US volume

Jotun (42.5%)

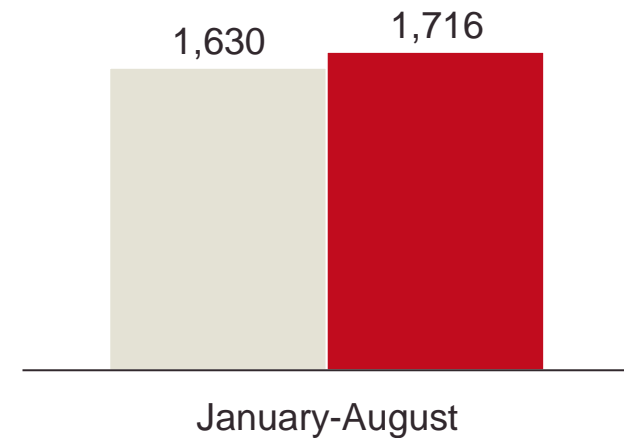
Sales and profit growth in Jotun

2015 2016

Operating revenues

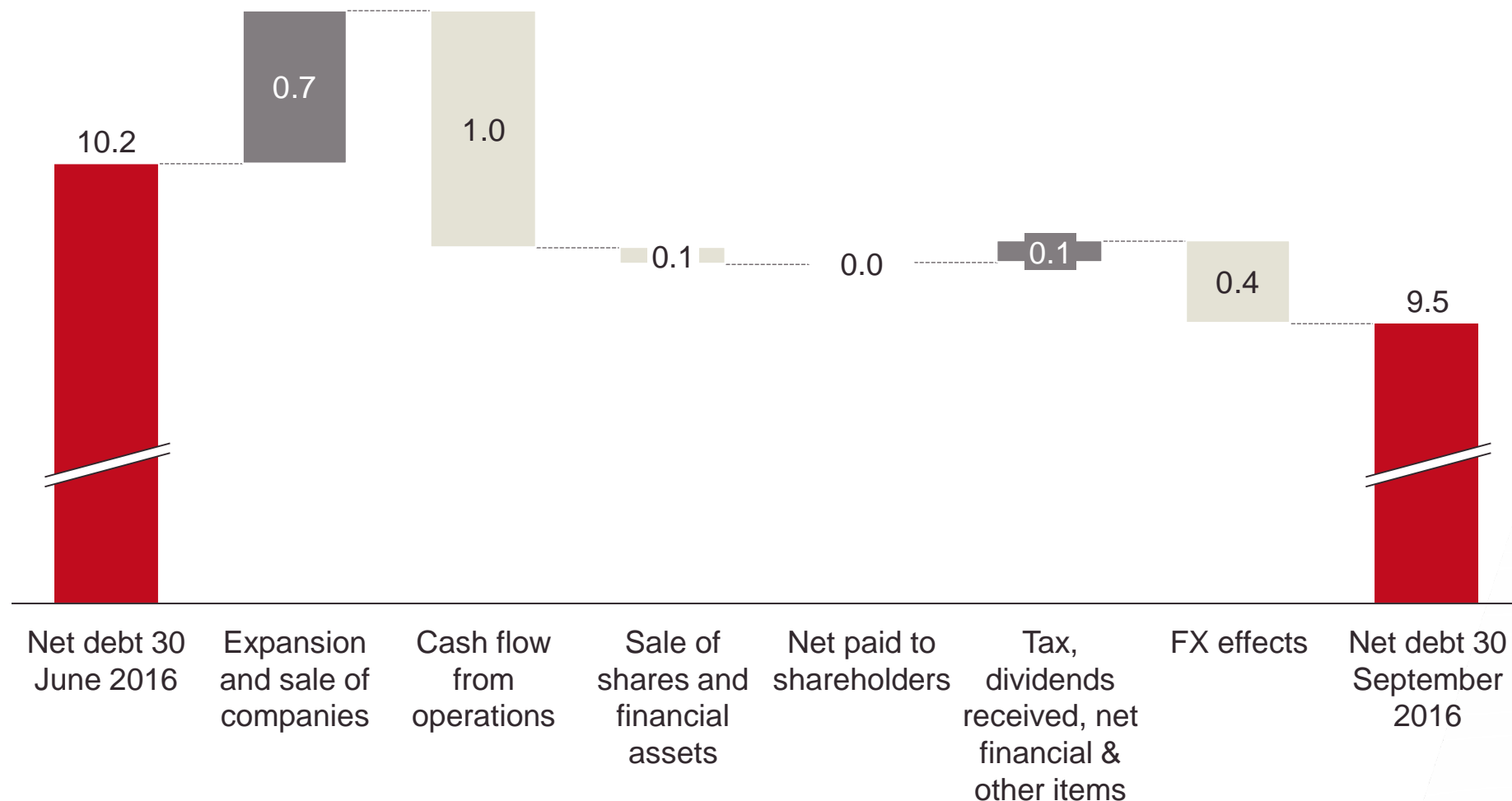


Operating profit



- Revenue and volume growth and continued improved profits
- Easing sales growth due to Marine and Offshore downturn
- Continued plant investments in line with Jotun's growth strategy

Changes in net debt Q3-16





Summary

Peter A. Ruzicka, President & CEO



A selection
of recent
launches



Orkla Foods:
Introducing TORO dessert mixes

A selection
of recent
launches



Orkla Confectionery & Snacks:
Further expansion into chocolate in Denmark

A selection
of recent
launches



Orkla Care:
New launches from Nutrilett well received



A selection
of recent
launches

Orkla Food Ingredients:
Growing the Naturli' vegan product range



Orkla官方海外旗舰店
Northern Europe Quality Store.



¥10 收藏送
优惠券



Orkla
products
available
through
Tmall

全部商品

首页

保健食品

精选早餐

休闲零食



Orkla北欧美味超市 PENING CEREMONY 开业盛典

满额享立减/单笔订单满299全额免税

活动时间: 10.18-10.24



首次下载天猫
领百元福利

Delivering on strategy

Continued progress in Q3

- Progress in Branded Consumer Goods
- Continued growth in Sapa, weaker marine and offshore markets for Jotun
- 31% increase in EPS
- Harris (UK) and Broer (NL) acquired
- Continued focus on realising One Orkla

Operational focus going forward

- Utilise opportunities from acquisitions
- Increase supply chain efficiency
- Activities that drive organic growth and improve profitability





Q&A

Peter A. Ruzicka, President & CEO

Jens Bjørn Staff, CFO





Appendices

Group income statement

	Q3-15	Q3-16	YTD 2015	YTD 2016
Operating revenues	8 381	9 429	23 627	27 472
EBIT (adj.)	993	1 178	2 507	2 991
Other income and expenses	-96	-149	-268	-260
EBIT	897	1 029	2 239	2 731
Profit/loss from associates and joint ventures	239	313	1 022	1 217
Interests, net	-78	-40	-159	-137
Other financial items, net	11	26	42	27
Profit/loss before taxes	1 069	1 328	3 144	3 838
Taxes	-240	-235	-550	-570
Profit/loss for the period	829	1 093	2 594	3 268
Earnings per share diluted (NOK)	0.80	1.05	2.50	3.12

Net financial items

	FY 2015	Q3-15	Q3-16
Net interest expenses	-192	-78	-40
Currency gain/loss	0	-3	1
Result from Share Portfolio and dividends	135	36	40
Other financial items, net	-71	-22	-15
Net financial items	-128	-67	-14

Statement of financial position

	31.12.2015	30.09.2016
Intangible assets	17 676	18 255
Property, plant and equipment	10 523	10 841
Investments in associates and joint ventures etc.	13 029	12 791
Non-current assets	41 228	41 887
Assets held for sale	182	-
Inventories	4 623	5 397
Inventory of development property	216	250
Trade receivables	5 267	5 691
Other receivables	625	709
Shares and financial assets	1 376	211
Cash and cash equivalents	721	904
Current assets	13 010	13 162
Total assets	54 238	55 049
Paid-in equity	1 994	1 994
Earned equity	31 335	30 126
Non-controlling interests	417	412
Equity	33 746	32 532
Provisions	4 191	4 181
Non-current interest-bearing liabilities	8 722	10 588
Current interest-bearing liabilities	399	390
Trade payables	3 869	4 308
Other current liabilities	3 311	3 050
Equity and liabilities	54 238	55 049

Cash flow

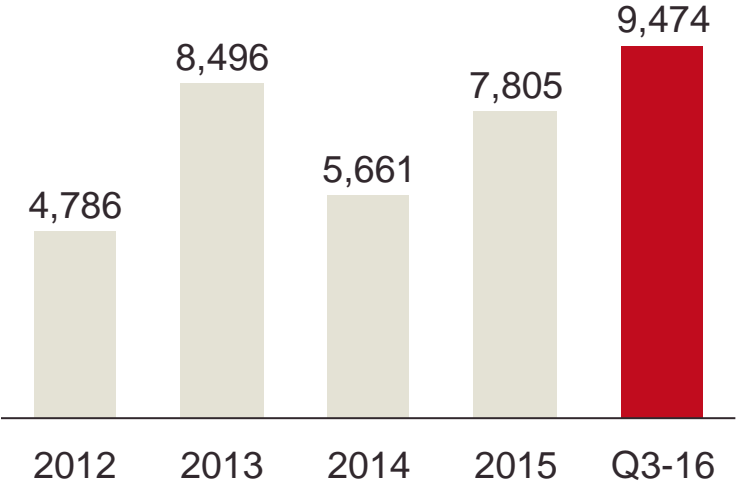
	YTD 2015	YTD 2016
Operating profit	2 165	2 715
Amortisation, depreciation and write-downs	841	874
Change in net working capital	-283	-592
Net replacement expenditures	-659	-1 040
Cash flow from operations	2 064	1 957
Cash flow from operations, Financial Investments	127	-129
Tax	-668	-436
Dividends received, net financial and other	240	36
Cash flow before capital transactions	1 763	1 428
Paid to shareholders, net purchase/sales own shares	-2 666	-2 680
Cash flow before expansion	-903	-1 252
Expansion investments	-236	-132
Sold and acquired companies	-1 952	-2 185
Net purchases/sales shares and financial assets	225	1 119
Net cash flow	-2 866	-2 450
Currency translations net interest-bearing liabilities	-401	781
Change in net interest-bearing liabilities	3 267	1 669
Net interest-bearing liabilities	8 928	9 474

Sapa (joint venture) – figures on 100% basis

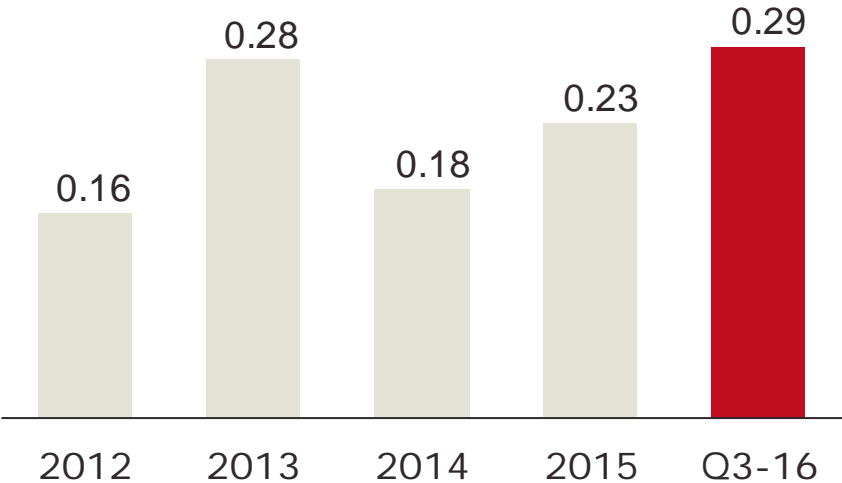
	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16
Sales volume (1,000 tonnes)	341	311	349	366	340
Operating revenues (NOK million) ¹	13 895	12 821	13 905	14 071	13 141
Underlying EBIT	404	128	571	804	487
Excluded items:					
Unrealised derivative positions	-95	209	83	116	51
Other excluded items	-135	-250	0	0	-42
Sum excluded items	-230	-41	83	116	9
EBIT	174	88	655	920	497
Net income (attributable to majority)	109	34	418	639	344

Strong balance sheet and financial flexibility

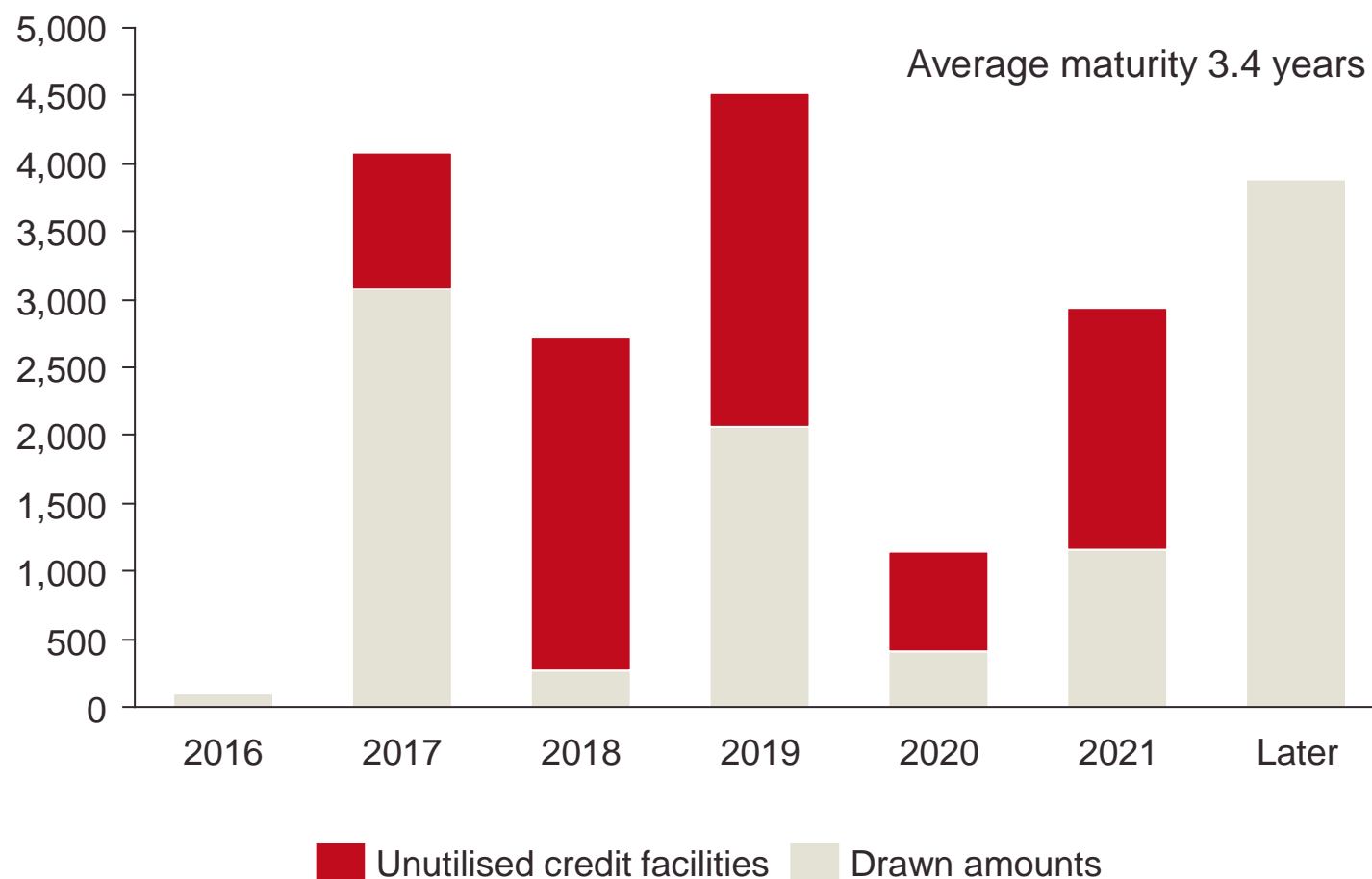
Net interest-bearing debt (NOK million)



Net gearing



Debt maturity profile



Funding sources

