



DnB Nordic Retail/Consumer Conference 2016

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Transition from conglomerate to leading Branded Consumer Goods company

Industrial conglomerate with strong BCG portfolio

New strategic direction in 2011 to become a leading BCG company

Keep the strategy on track

BCG portfolio



Industrial assets



Reallocating capital into BCG



Exits and sales



- Continue to reallocate capital to Branded Consumer Goods
- Focus on organic growth as the key long-term value driver
- Going from a very decentralized model to a more optimised model
- Leverage on our substantial local size, skills and insights


A leading Nordic based Branded Consumer goods company

| Orkla Foods | Orkla Confectionery & Snacks | Orkla Care | Orkla Food Ingredients | Orkla Investments |
|--|---|--|---|--|
|  |  |  |  | <p>Sapa JV (50%)</p> <p>Jotun (42.5%)</p> <p>Financial Investments</p> |
| <p>(NOK billion) Sales: 13.3 EBIT (adj.): 1.7</p> | <p>(NOK billion) Sales: 5.8 EBIT (adj.): 0.8</p> | <p>(NOK billion) Sales: 5.5 EBIT (adj.): 0.9</p> | <p>(NOK billion) Sales: 7.6 EBIT (adj.): 0.4</p> | <p>Real Estate</p> |
| <p>EBIT (adj.) margin: 12.8%</p> | <p>EBIT (adj.) margin: 14.5%</p> | <p>EBIT (adj.) margin: 15.9%</p> | <p>EBIT (adj.) margin: 5.4%</p> | <p>Hydro Power</p> |
| <p>Corporate Centre and Group Functions</p> | | | | |


Extracting synergies while strengthening our local insight

Market proximity and product tailoring

Local



Optimised
Utilising market proximity
Extracting synergies across categories and markets



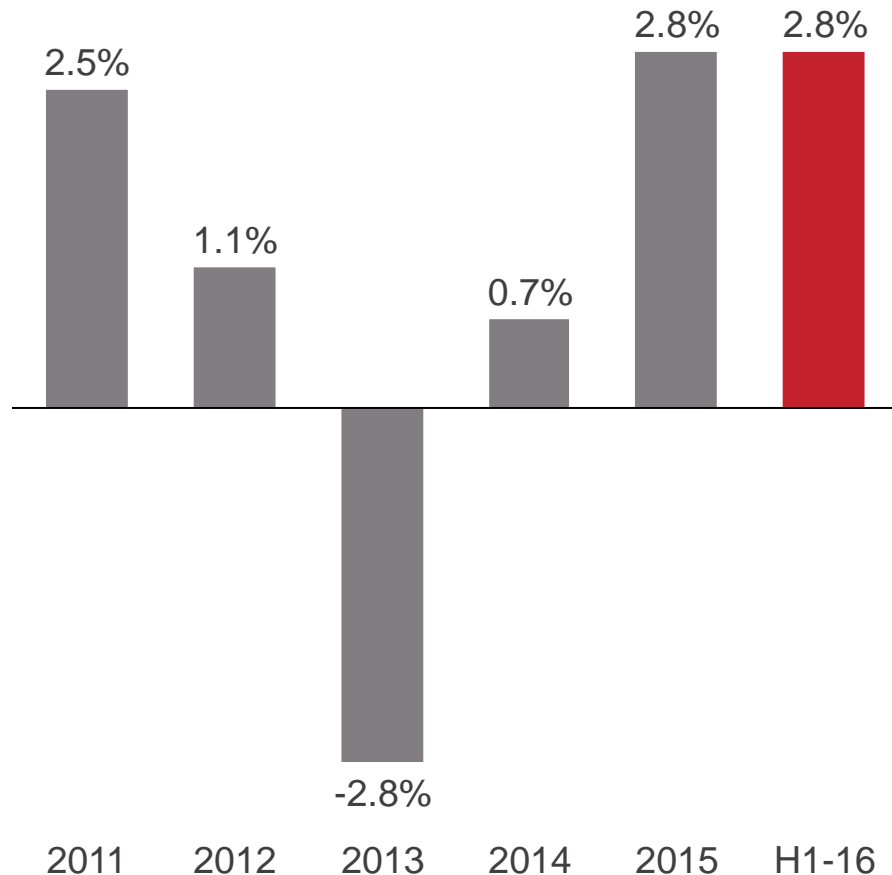
Multinational



Synergies

Several growth initiatives has turned a negative trend

Organic growth performance¹



Organic growth performance YTD 2016¹

- Building stronger relations with our customers
- More cross-market initiatives
- Innovation programmes built on superior local consumer and customer insight
- Explore opportunities for increased export sales

Top line growth initiatives

Increased collaboration with customers

**Nutrilett
Breakfast Bar for
Coop Norge**



**A range of TORO
products launched
under Beauvais brand –
only in Coop Denmark**

**Pizzabakeriet for
NorgesGruppen**



Top line growth initiatives

Several cross-border innovations



Top line growth initiatives

We respond to long-term consumer trends

Organic/Eco



Indulgence



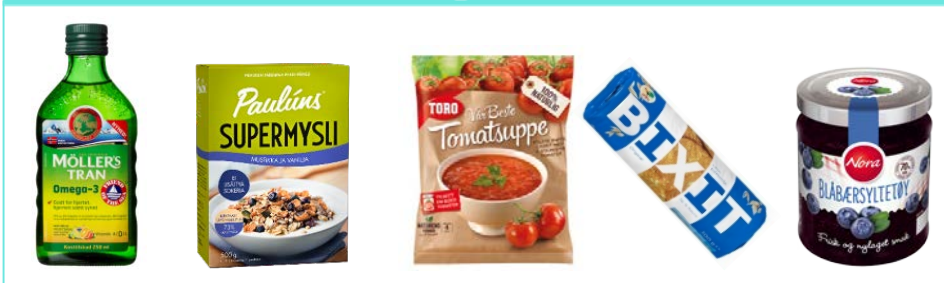
Natural – «Free From»



Ethics & Environment



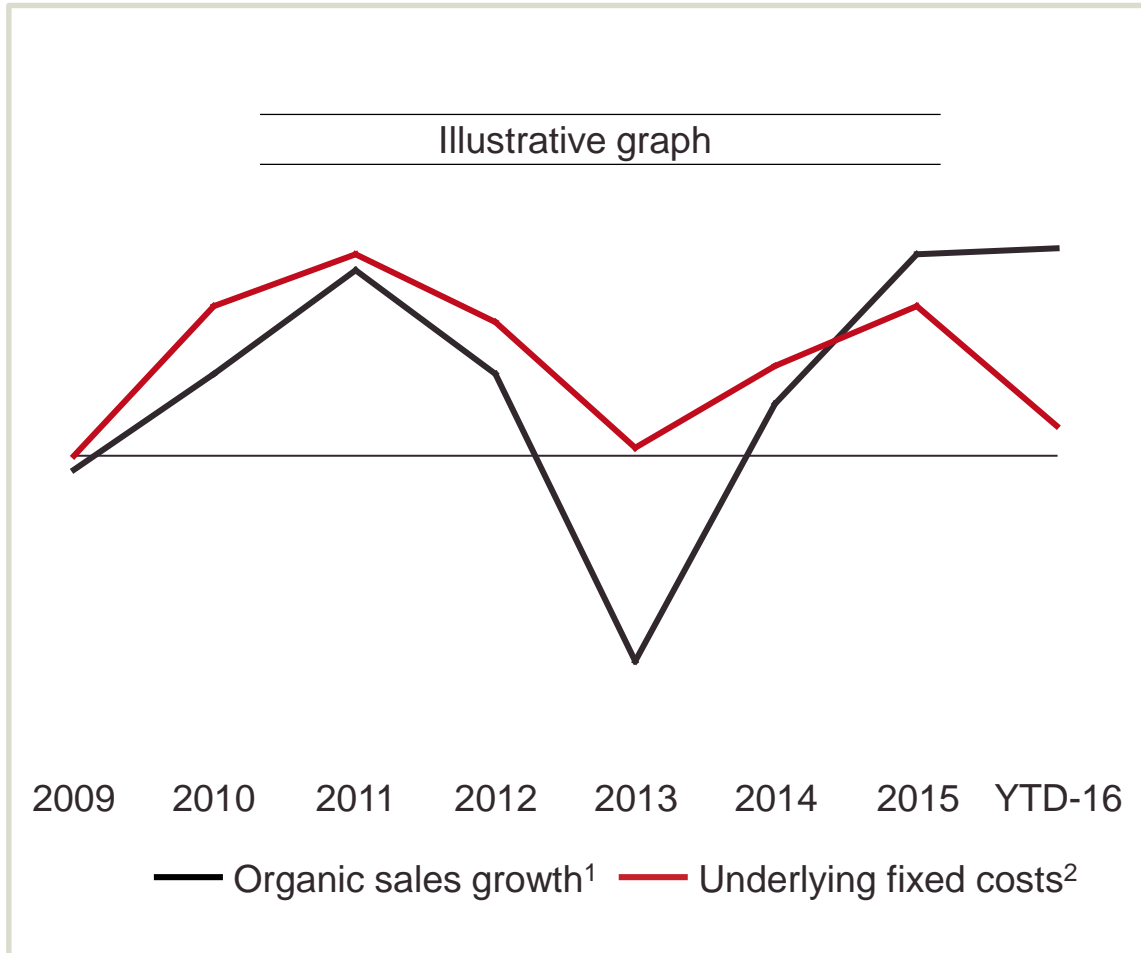
Health & Wellbeing



Convenience



Ongoing cost improvements produce results



Several cost measures implemented and ongoing

- Simplified organisational structure within business areas
- Increased sales force efficiency
- Supply chain restructuring ongoing
 - Organisational structure changed
 - Simplifying manufacturing footprint
 - CAPEX more focused on efficiency and innovation
- Integration programmes of acquired companies

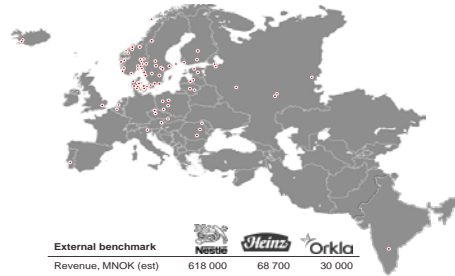
¹Reported growth adjusted for currency translation effects and structural changes.

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

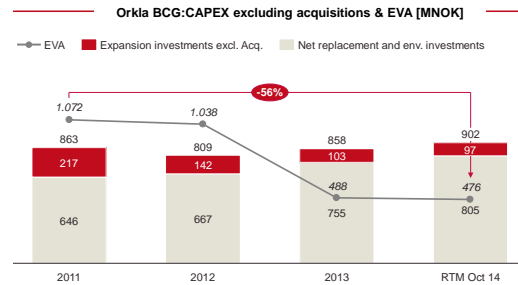
Rationalise production structure based on One Orkla

From

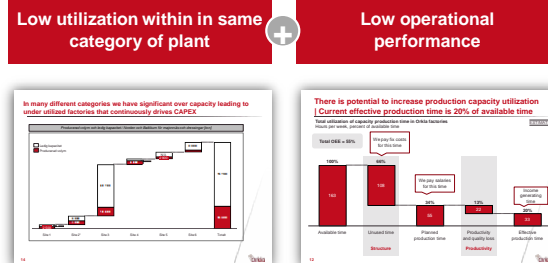
Complex footprint



Capex not directed to innovation



Underutilized assets & poor operational performance



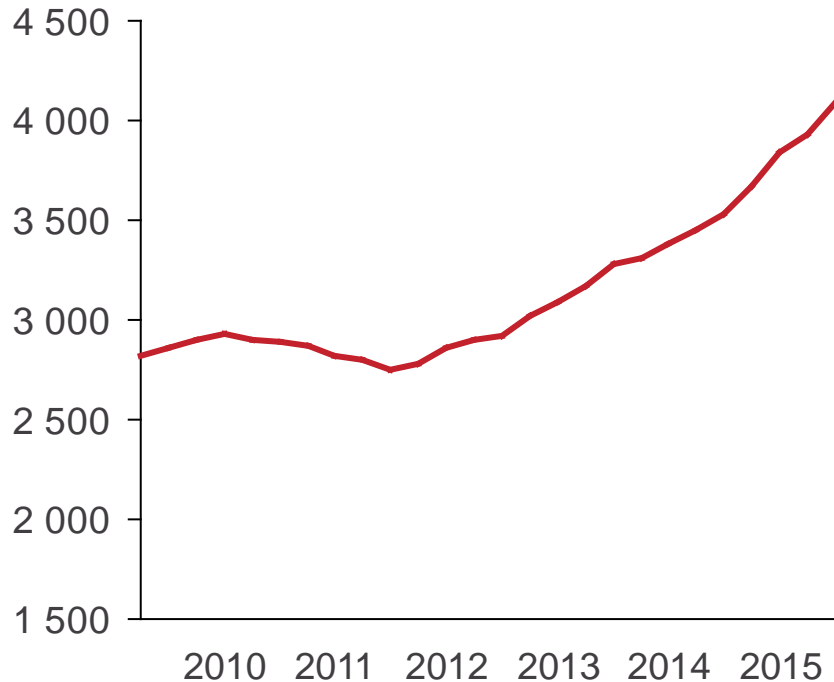
To

- Supply chain responsibility moved from local companies to Business Area / Group
- Consolidating production
 - One factory per category/geography
 - 19 closures announced
- Increased CAPEX directed to innovation
- Securing long-term competitiveness
 - Ability to adapt to local consumer and customer needs

Significant EBIT growth recent years – target to grow further

Branded Consumer Goods – R12M EBIT (adj.)

NOK million



Deliver organic growth at least in line with market growth



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

11 ¹ 2016-2018 target - Including add-ons, excluding currency effects and large acquisitions and divestments

M&A is still part of how Orkla creates value

Increase presence in existing markets

CEDERROTH

Laima



CONDITE

EISUNION

Hamé



Harris

Enter new categories

anamma

Bioquelle

HUSK[®]
PRODUCTS

CEDERROTH

Hamé

Strengthen position in new channels



PROTEINFABRIKKEN

CEDERROTH



Harris

Exit non-core



GRÄNGES

Delecta

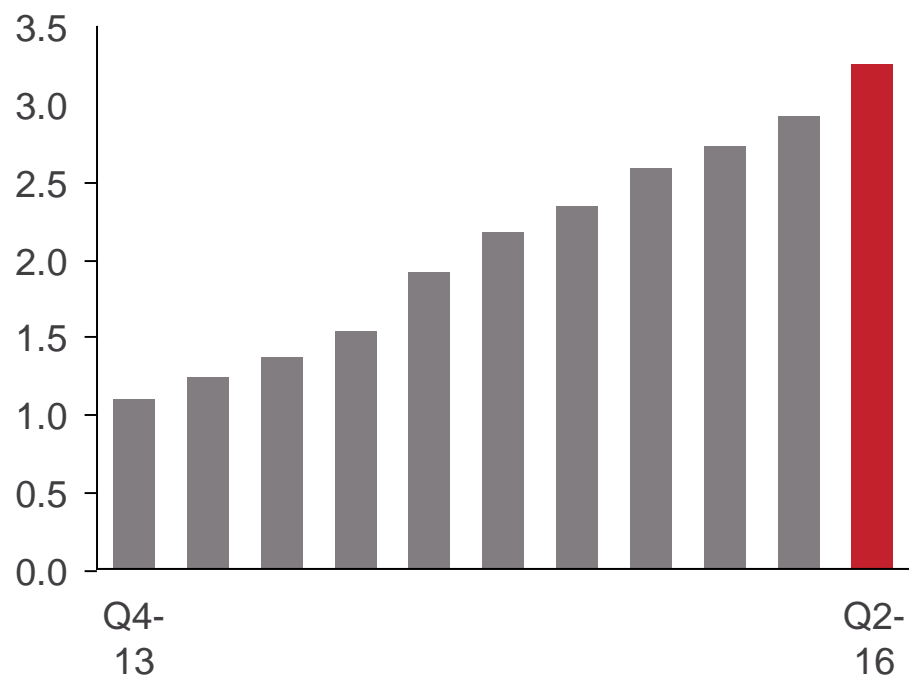


ПЕКАРЬ
СЕРЕБРЯНЫЙ СТОЛИЧНИК

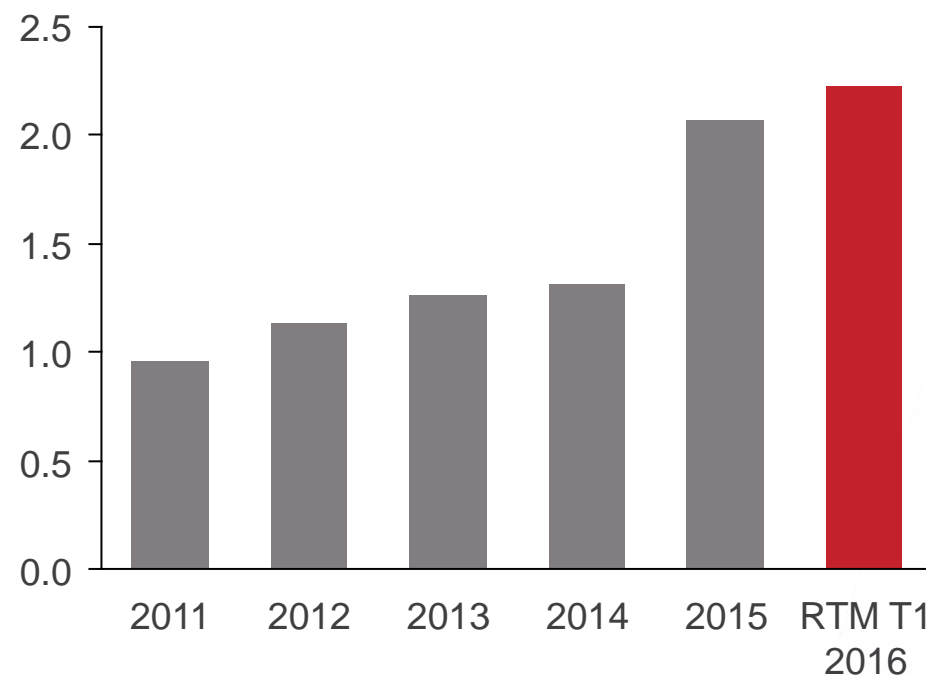
Сладко

Strong improvement in associated companies

R12M underlying EBITDA (NOK billion)



Operating profit (NOK billion)



Maintaining balanced capital allocation

Stable dividend of at least NOK 2.50 per share

Sustaining an investment grade company

- NIBD / EBITDA < 2.5 - 3.0

Clear strategy for allocation of excess capital

- First priority is reallocating to Branded Consumer Goods for acquisitions, otherwise extraordinary dividend or share buy-backs will be considered

Our targets 2016-2018: Delivering on our strategy and accelerating performance



Keep the strategy
on track



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



Deliver organic
growth at least in
line with market
growth



Maintain a stable
dividend of at least
NOK 2.50 per share

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

The background is a solid red color with several large, overlapping geometric shapes in a darker shade of red. These shapes include a large triangle on the right side, a horizontal bar-like shape at the bottom, and various other angular forms that create a layered, abstract composition.

Orkla