



26 October 2023

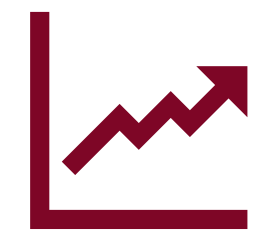
Third quarter results 2023

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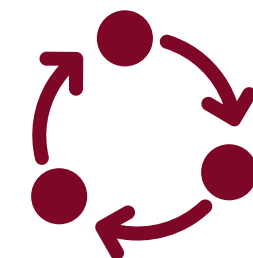
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Orkla announces Orkla Food Ingredients partnership with Rhône

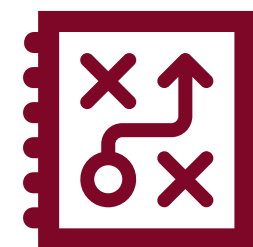
Orkla Food Ingredients («OFI») growth journey



Since its formation in 1999, OFI has grown revenues **9x** to become a **leading food ingredients player**



Growth driven by **successful organic expansion** and **more than 50 acquisitions**



OFI has developed a unique and resilient business model

Objectives with the OFI partner search

- ✧ Find co-owner with capital and resources to drive **accelerated growth** and **continued consolidation**
- ✧ Retain majority ownership in a **strong business positioned well in an attractive sector**
- ✧ Bring in a partner which **aligns with Orkla on governance** and has **shared value creation ambitions** for OFI
- ✧ Release capital to Orkla ASA at an **attractive valuation**

Partnership enabled by Orkla's operating model



- Rhône to support OFI's strategy with incremental industry experience
- OFI set to benefit from Rhône's resources and network for delivery of strategy
- Rhône has substantial experience from working in partnerships and shares Orkla's value creation ambitions



- Orkla to own 60% and Rhône to own 40% of OFI
- Implied Enterprise Value of NOK 15.5bn
- OFI refinanced with NOK 6.4bn external loan facility and EUR 89m subordinated loan from Orkla ASA



- Transaction showcases how Orkla's operating model supports value creation and value enhancing structural transactions

Summary of financials for the quarter

- Group EBIT (adj.) decline of 14%, driven by Hydro Power
- Improved Cash flow from operations for the group
- Underlying EBIT (adj.) growth for eight out of twelve portfolio companies
- Continued strong profit improvement from Jotun and Orkla India
- Adjusted Earnings per Share of NOK 1.61 (+2%)

EBIT (adj.)	Portfolio Company	ROCE (R12M)	Underlying EBIT (adj.) change Q3-23
●	Jotun (42.7%)*	33%	50%
●	Orkla Foods Europe	12%	5%
●	Orkla Food Ingredients	11%	-3%
●	Orkla C&S	10%	-7%
●	Orkla Health	9%	7%
●	Orkla India	13%	33%
●	TEPC	6%	2%
●	Orkla HPC	14%	103%
●	Orkla House Care	7%	-11%
●	Lilleborg	72%	-35%
●	HSNG	6%	128%
●	Pierre Robert Group	4%	91%

Preliminary Agenda - Capital Markets Day 2023

Part 1 will address why and how the new operating model will increase value creation, including the new strategy

Part 2 will address the strategy, targets and unique value drivers for six of our portfolio companies

Ample room for Q&A throughout the day

12.00 Welcome & Strategy

Nils K. Selte, President & CEO

Our approach to active ownership

Øyvind Torpp, EVP & Investment Executive

Financial framework

Harald Ullevoldsæter, EVP Finance & CFO

13.20 Orkla Foods Europe

Orkla Confectionery & Snacks

Jotun

14.45 Orkla India

Orkla Health

Orkla Food Ingredients

15.45 Concluding remarks

Nils K. Selte, President & CEO

Harald Ullevoldsæter, CFO

Financial performance

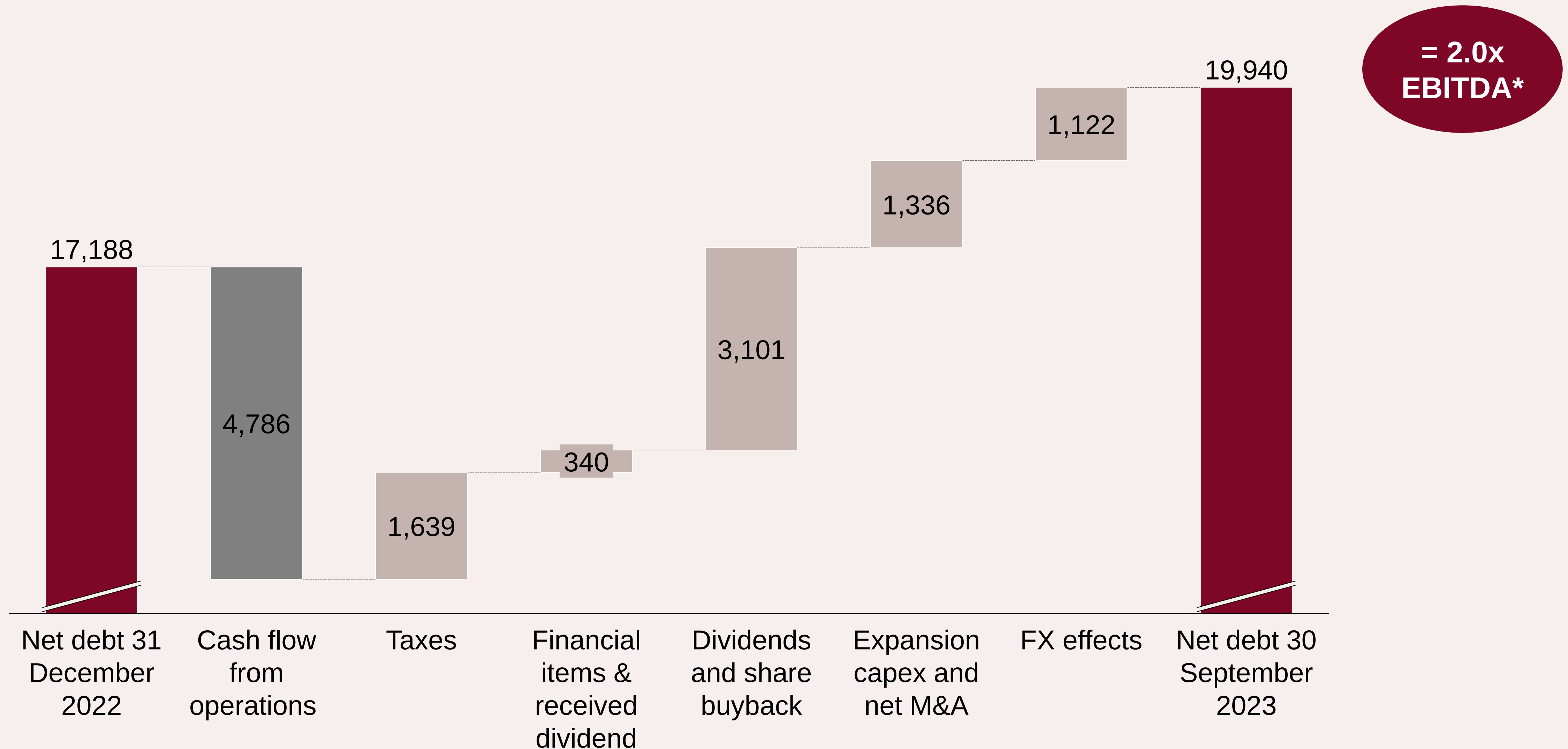
Group wide progression from last year offset by lower power prices

Key figures	Q3-23	Q3-22	Δ Q3
Operating revenues Group	16,783	14,752	+14%
EBIT (adj.) Consolidated Portfolio Companies	1,772	1,530	+16%
EBIT (adj.) Financial Investments	244	777	-69%
EBIT (adj.) HQ and Business Services	-109	-84	
Other income and expenses	-77	-101	
EBIT	1,830	2,122	-14%
Profit from Jotun & Associates	509	238	+114%
Net interest and other financial items	-291	-115	
Profit before tax	2,048	2,245	-9%
Taxes *	-430	-685	
Profit after tax	1,618	1,560	+4%
Adjusted EPS diluted (NOK)	1.61	1.58	+2%
Reported EPS diluted (NOK)	1.56	1.50	+4%

Cash flow from operations for the first nine months

Cash flow from operations as at 30.9 (pre-tax)	2023	2022
Consolidated PortCo's (incl. HQ and Business Services)		
EBIT (adj.)	4,492	3,773
Depreciation	1,790	1,504
Change in net working capital	-338	-2,794
Net replacement investments	-1,934	-2,081
Consolidated PortCo's cash flow from operations (adj.)	4,010	402
Cash flow from other income & exp. and pensions	-288	-218
Financial Investments	1,064	1,982
Total Orkla cash flow from operations	4,786	2,166

Dividend, M&A and negative FX-translation increase net debt



Portfolio Companies

Jotun (42.7% - Associated company)

Continued strong sales and earnings growth

Jotun 100% basis	YTD Aug-23	YTD Aug-22
Revenues	21,589	18,243
<i>Revenue growth – fixed rate</i>	<i>+14%</i>	<i>+20%</i>
EBITA	4,754	2,654
<i>EBITA growth</i>	<i>+79%</i>	<i>+6%</i>
ROCE (R12M)	33%	21%

- Continued sales growth from price increases and higher volumes
- Profit improvement driven by improved gross margin, volume growth and good cost control. Raw material prices stable in Q3
- Expect continued sales growth in Q4 and year-on-year margin improvement



Sales and EBIT (adj.) growth from positive price effects despite high underlying inflation

	Q3-23	YTD Q3-23
Revenues	4,825	14,815
<i>Contribution ratio</i>	38.4%	37.8%
EBIT (adj.)	580	1,624
<i>EBIT (adj.) margin</i>	12.0%	11.0%
<i>Underlying EBIT (adj.) growth</i>	5.3%	9.5%
Organic growth	4.4%	7.2%
<i>Price</i>	9.9%	13.9%
<i>Volume / Mix</i>	-5.4%	-6.6%
ROCE (R12M)		12.1%

- Broad-based, price-driven organic growth across most markets offsetting higher input costs
- Negative volume trend in retail in most markets while out-of-home is still more stable
- Improvement projects rolled out in several markets with positive impact in Q3 and for rest of year



Reported EBIT (adj.) increase from structural growth and FX

	Q3-23	YTD Q3-23
Revenues	4,654	13,907
<i>Contribution ratio</i>	28.3%	28.1%
EBIT (adj.)	320	906
<i>EBIT (adj.) margin</i>	6.9%	6.5%
<i>Underlying EBIT (adj.) growth</i>	-3.1%	5.9%
Organic growth	4.2%	11.7%
<i>Price</i>	5.3%	11.6%
<i>Volume / Mix</i>	-1.1%	0.1%
ROCE (R12M)		10.7%

- EBIT (adj.) increase from structural growth and positive currency translation effect
- Continued price driven organic growth, but lower versus previous quarters
- Volume decrease in Q3 in Bakery and Sweet, and continued uncertainty going forward due to weakening consumer sentiment. Sweet negatively impacted by poor weather in July and August



Profit growth for confectionery and snacks categories offset by challenges in the new biscuit factory

	Q3-23	YTD Q3-23
Revenues	2,169	6,261
<i>Contribution ratio</i>	41.2%	41.5%
EBIT (adj.)	278	665
<i>EBIT (adj.) margin</i>	12.8%	10.6%
<i>Underlying EBIT (adj.) growth</i>	-7.3%	-3.2%
Organic growth	7.1%	9.7%
<i>Price</i>	10.1%	13.4%
<i>Volume / Mix</i>	-3.0%	-3.6%
ROCE (R12M)		10.2%

- Challenges with ramp-up of new biscuit factory led to both lower sales and higher cost level – expected to have negative effect also into 2024
- Price-driven top-line growth. Volume decline due to delivery issues for biscuits
- Broad based improvement for confectionery and snacks categories – significant sales- and EBIT (adj.) growth in Bubs Godis



Growth in the quarter for Orkla Health driven by top-line improvement

	Q3-23	YTD Q3-23
Revenues	1,611	4,803
<i>Contribution ratio</i>	56.6%	57.9%
EBIT (adj.)	248	744
<i>EBIT (adj.) margin</i>	15.4%	15.5%
<i>Underlying EBIT (adj.) growth</i>	7.3%	12.6%
Organic growth	6.6%	6.5%
<i>Price</i>	5.0%	4.1%
<i>Volume / Mix</i>	1.6%	2.3%
ROCE (R12M)		9.1%

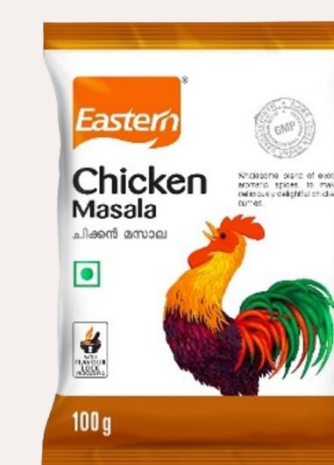
- Organic sales growth driven by price increases across markets and NutraQ volume growth
- EBIT (adj.) improvement driven by the strong sales development partially offset by increased A&P and general cost inflation
- Price inflation impacting consumers purchasing power and negatively impacting volume growth in certain segments of the market



Strong EBIT (adj.) growth consequent to good price and volume led sales growth, despite inflation effects

	Q3-23	YTD Q3-23
Revenues	773	2,163
<i>Contribution ratio</i>	37.7%	35.7%
EBIT (adj.)	126	293
<i>EBIT (adj.) margin</i>	16.2%	13.5%
<i>Underlying EBIT (adj.) growth</i>	33.2%	22.8%
Organic growth	12.1%	12.0%
<i>Price</i>	8.6%	12.4%
<i>Volume / Mix</i>	3.5%	-0.4%
ROCE (R12M)		13.1%

- Good organic sales growth across all business units driven by price increases with positive volume performance
- Profitability grows higher than sales
- Price-led margin growth partially offset by higher costs from new hires and higher factory costs.



Strong EBIT (adj.) growth from sales increase in Norway

	Q3-23	YTD Q3-23
Revenues	648	1,835
<i>Contribution ratio</i>	39.0%	39.7%
EBIT (adj.)	80	188
<i>EBIT (adj.) margin</i>	12.4%	10.2%
<i>Underlying EBIT (adj.) growth</i>	102.7%	30.9%
Organic growth	11.4%	7.8%
<i>Price</i>	6.9%	8.4%
<i>Volume / Mix</i>	4.4%	-0.5%
ROCE (R12M)		13.8%

- Strong revenue growth in Norway, due to both price and volume
- EBIT (adj.) growth from revenue increase and cost improvements versus weak comparables last year
- Cost improvement initiatives within SG&A that commenced last quarter contributed positively in Q3



Solid consumer sales growth in main markets continued

	Q3-23	YTD Q3-23
Revenues	752	2,202
EBIT (adj.)	78	194
EBIT (adj.) margin	10.5%	8.8%
Underlying EBIT (adj.) growth	1.8%	-10.1%
Organic growth	5.4%	10.6%
ROCE (R12M)		6.4%

- Underlying consumer sales growth was +2.2% in third quarter. Main markets had solid +7.2% growth (Excl. Germany)
- Organic growth driven by increased dough and ingredient prices to all customers. Negative effects from German restructuring (40 store closures YTD)
- Healthy performance in all main markets

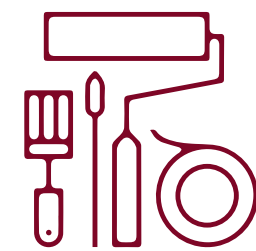




THE
EUROPEAN
PIZZA
COMPANY

Orkla House Care

Growth supported by
Non-Nordic
markets



- EBIT (adj.) 40 MNOK (Q3), -1 MNOK from last year
- Improved contribution margin despite low organic growth of 1%
- Improved overall picture in the troubled UK market



Health and Sports Nutrition Group

Ongoing process for
warehouse relocation
and automation

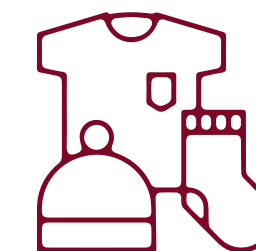


- EBIT (adj.) 9 MNOK (Q3), +3 MNOK from last year
- Organic growth of 13% in Q3
- In process of moving into new automated distribution center



Pierre Robert Group

Price offsets weak
volumes



- EBIT (adj.) 6 MNOK (Q3), +4 MNOK from last year
- High stock levels reduced
- Currency headwind from weaker NOK



Lilleborg

Volume growth in a
challenging
quarter



- EBIT (adj.) 7 MNOK (Q3), -3 MNOK from last year
- U. EBIT (adj.) decline of 35%
- Weak currency and phasing affected quarterly profits negatively



Nils K. Selte, President & CEO

Closing remarks

MISSION & VALUES

Creating sustainable value
through active ownership
of brands and consumer
companies

Brave | Inspiring | Trustworthy

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

Q&A

Upcoming events:

Capital Markets Day 2023
29 November 2023

Fourth quarter 2023
8 February 2024

Appendices

High precipitation and lower power prices drives lower Hydro Power results from exception level same period last year

Hydro Power

Fully consolidated into Orkla's financial statements

Volume

(GWh):

NO1 Q3: 179 (117)

NO2 Q3: 483 (397)

Power prices¹

(øre/kWh):

NO1 Q3: 19.3 (289.9)

NO2 Q3: 66.4 (352.0)

EBIT adj.

(NOK million):

Q3: 153 (773)



Financial Investments

Fully consolidated into Orkla's financial statements

Book value real estate:

NOK 1.9 billion



¹Source: Nord Pool (average spot area prices for Eastern Norway (NO1) and South/Southwestern Norway (NO2))

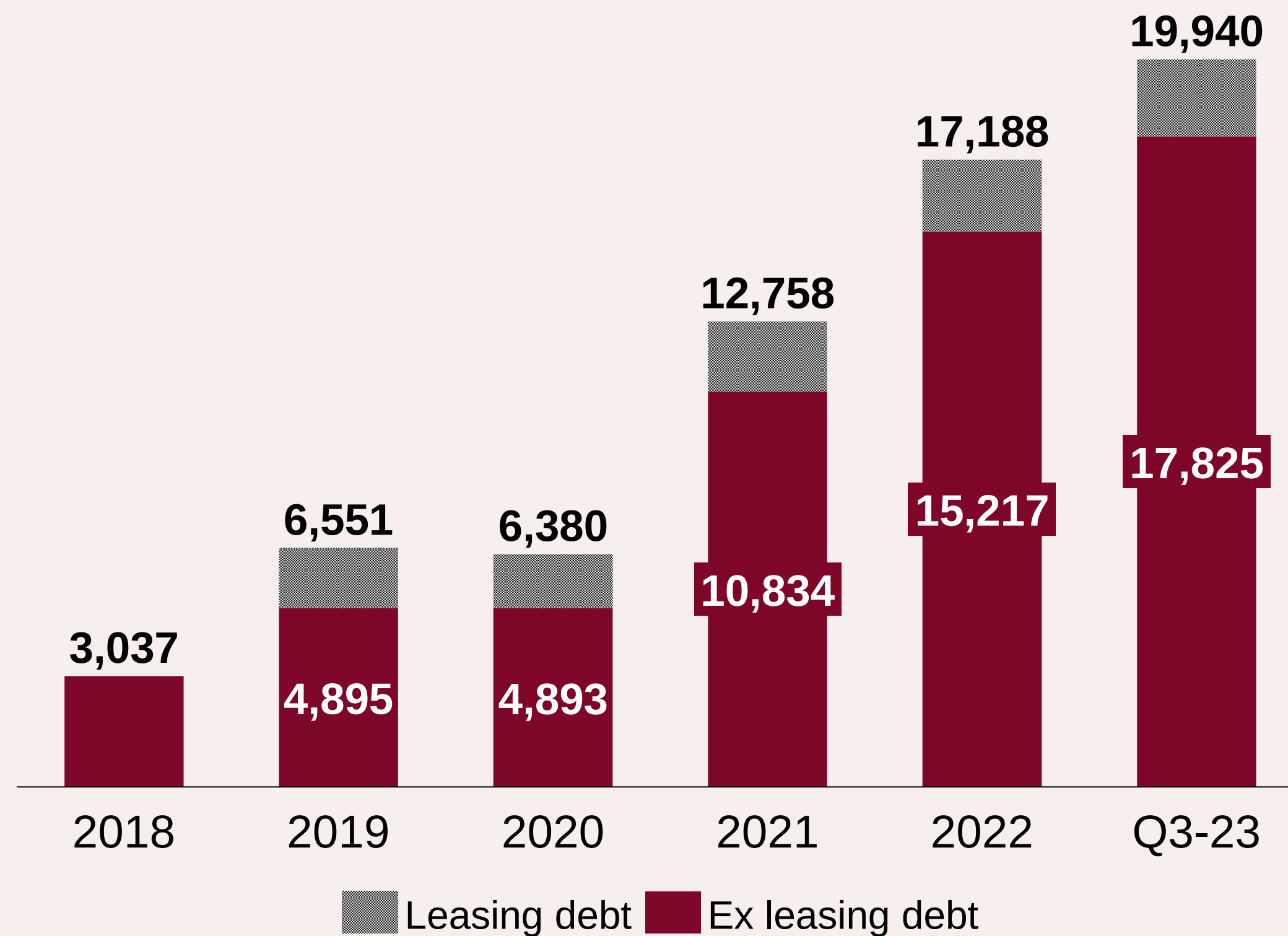
²Windfall taxes are effectively a fee on sales above 70 øre/kWh and accounted for as cost of goods sold

Continued progress for the three prioritized growth initiatives

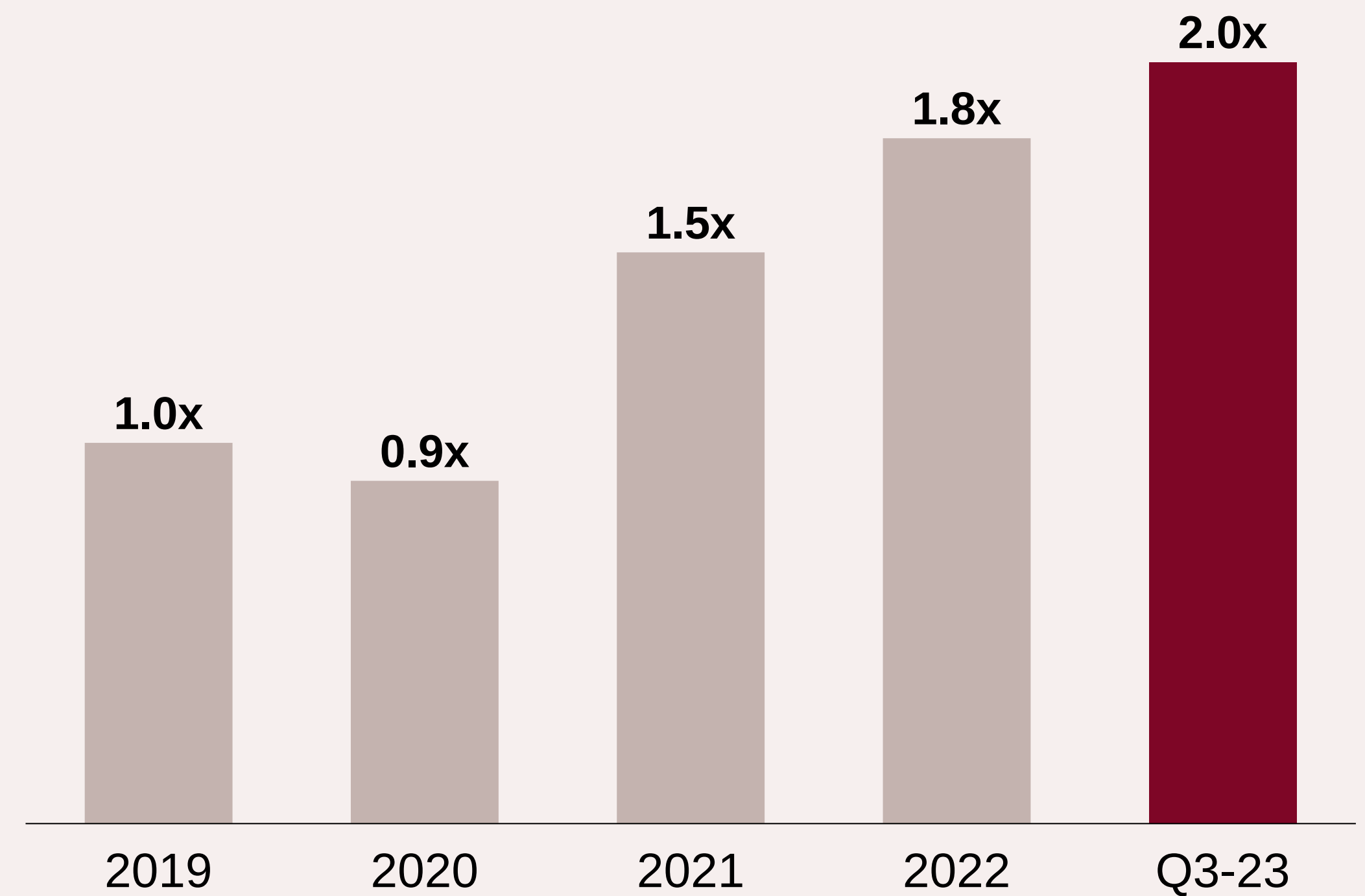
	Full-year baseline (2021)	Reported YTD Q3-23 (YoY)*
 Consumer Health Grow at least 50% by 2025	Revenue BNOK 4.6**	Growth 19%
 Out of Home A European leader in pizza franchise	Consumer sales MEUR ~337 **/*** No of outlets 663	Growth 4% No of outlets 823
 Plant-based BNOK 3 turnover by 2025	Revenue BNOK 1	Growth 21%

Sound financial profile

Net interest-bearing liabilities (NOK million)

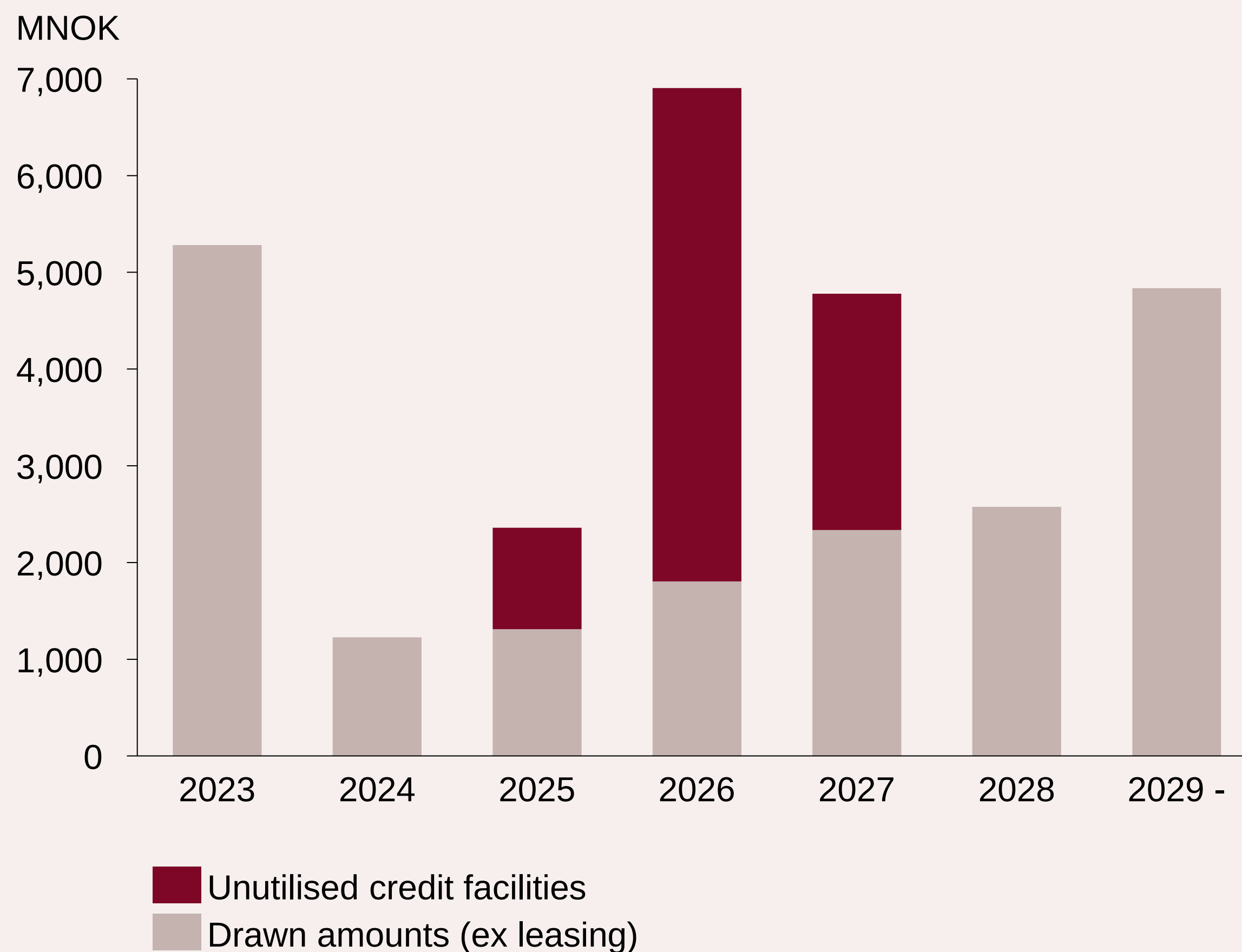


NIBD / R12M EBITDA

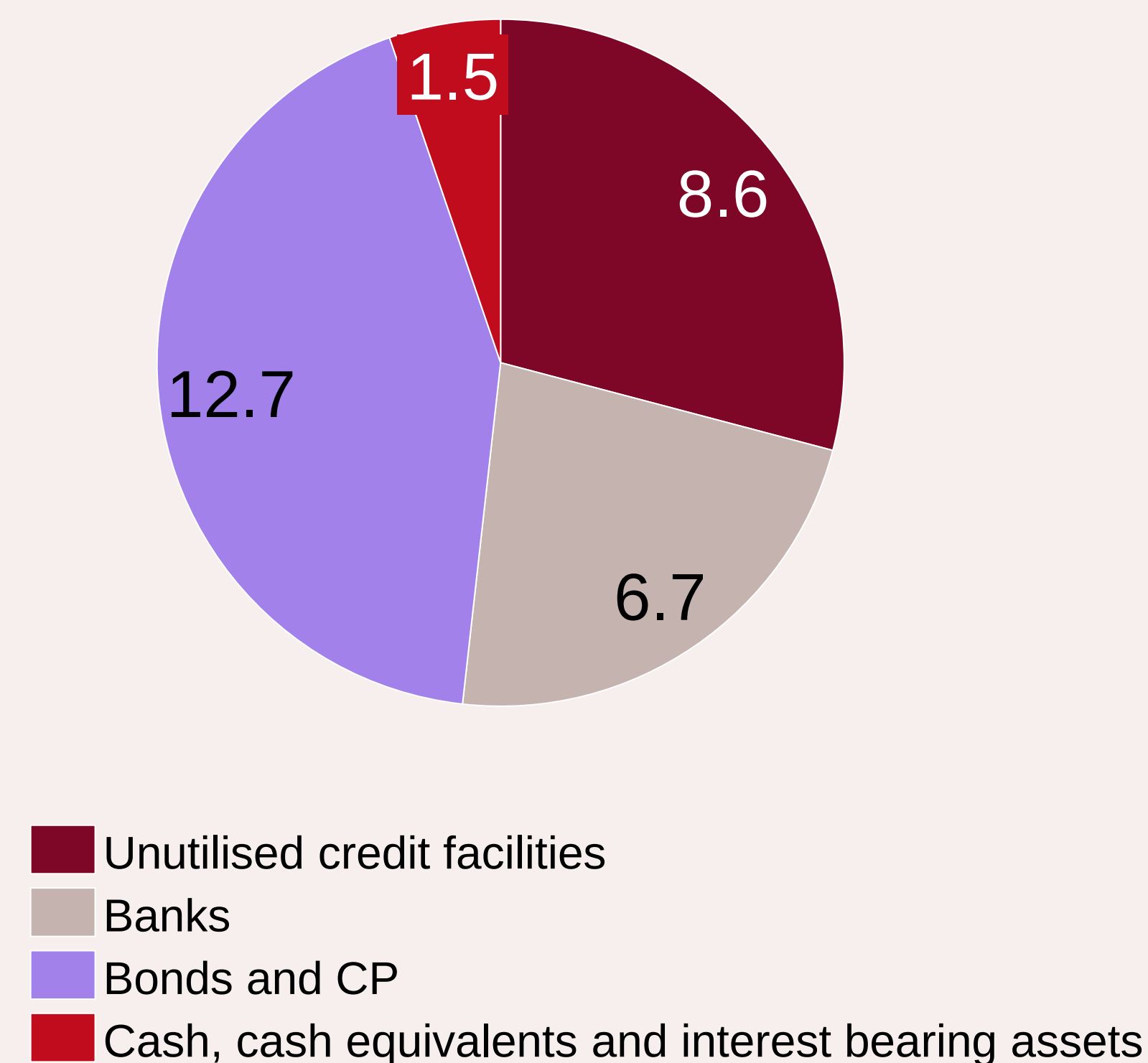


Funding sources and maturity profile per Q3-23

Debt maturity → average maturity 3.0 years



Funding sources (in BNOK)



Alternative Performance Measures (APM)

Contribution ratio

Contribution ratio is calculated by dividing the contribution margin by operating revenues. Operating revenues minus variable operating expenses constitute the contribution margin. Variable operating expenses are reported on the financial statement line “operating expenses” and consist of expenses directly related to sales volume. Variable expenses include the costs of input factors such as raw materials and packaging, and variable production costs such as electricity related to production and variable pay. They also include incoming and outgoing freight costs directly related to sales volume. Costs related to finished goods purchased for resale are included as part of variable operating expenses. Production costs that are relatively constant over time and do not vary according to production volume are not included in the computation of contribution margin; such costs include warehouse costs, wages of factory administration and management staff, and depreciation of production equipment.

Contribution Margin is a key internal financial figure that shows how profitable each portfolio company’s product mix is and hence the company’s ability to cover fixed expenses. Contribution margin is an important financial figure with regard to product innovation and product portfolio optimisation.

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, the re-conclusion and loss of distribution agreements of a material nature, and currency effects. Intra-group transfers of companies and changes in distribution agreements between portfolio companies are also taken into account. When 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 turnover growth in the consolidated portfolio companies. Organic growth provides an important picture of the portfolio companies’ ability to carry out innovation, product development, correct pricing and brand-building.

Segment information for each consolidated portfolio company shows how large a part of organic growth is related to price effects and how large a part is linked to volume/mix effects. Price effects are defined as net changes in prices to customers, i.e. changes in prices to customers adjusted for factors such as discounts, campaigns and price reductions. The price effects are calculated based on the assumption of unchanged volume. Volume/mix effects are calculated as a residual, and are organic growth minus price effects. Volume/mix effects consist of changes in sales volume and/or changes in the product mix sold.

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). Items included in OIE are disclosed in Note 3. These include M&A costs, restructuring or integration expenses, any major gains on and write-downs of 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 most important financial figures, internally and externally. The figure is used to identify and analyse the group’s profitability from normalised 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.

Alternative Performance Measures (APM)

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 the re-conclusion and loss of distribution agreements of a material nature and currency effects. Account is also taken of intra-group transfers of companies and changes in distribution agreements between portfolio companies. In calculating the change in underlying EBIT (adj.), acquired companies will be included pro forma 12 months prior to 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. Where underlying profit performance is mentioned in the report, reference is made to underlying EBIT (adj.) performance. 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 portfolio companies' ability to improve profitability in their existing operations. The measure is important because it shows the change in profitability on a comparable structure over time.

Return on Capital Employed (ROCE)

ROCE is calculated by dividing a 12-month rolling EBITA (adj.) by the average capital employed in the consolidated portfolio companies.

EBITA (adj.) consists of EBIT (adj.) plus depreciation and write-downs of intangible assets. In the calculation a 12-month rolling EBITA (adj.) is used. Since depreciation and write-downs of intangible assets are not included in EBITA (adj.), they are also excluded from the capital base. Thus the historical cost of intangible assets is used in capital employed (see next paragraph).

Capital employed represents working capital in the consolidated portfolio companies and consists of:

- Net working capital - consists of the statement of financial position items "Trade receivables", "Trade payables" and "Inventories". It also includes public charges payable and some minor receivables and payables related to operations from "Other receivables and financial assets" and "Other current liabilities".
- Fixed assets
- Intangible assets at historical cost - consist of the statement of financial position line "Intangible assets" plus accumulated depreciation and write-downs
- Net pension liabilities - Pension assets are included in the statement of financial position line "Associates, joint ventures and other financial assets", while pension liabilities are included in "Provisions and other non-current liabilities"
- Deferred tax on excess value - This item is included in deferred tax which is part of the statement of financial position line "Provisions and other non-current liabilities"

Alternative Performance Measures (APM)

Return on Capital Employed (ROCE) cont.

Average capital employed is at all times an average of the closing balance for the five last reported quarters.

ROCE shows the return that the Orkla group receives on the capital invested in the various consolidated portfolio companies. This is an important measurement parameter for assessing whether the portfolio companies' return exceeds the group's weighted average cost of capital (WACC), and for comparing the return on the current portfolio with another alternative return.

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 as at 30 September 2023 are not tax-deductible. Non-taxable income increases the tax rate for OIE somewhat. For the third quarter seen in isolation, due to these gains the effective tax rate for OIE is higher than the group tax rate. The effective tax rate for OIE as at 30 September 2023 was 15% (13% as at 30 September 2022) and 35% in the third quarter of 2023 (29% in the third quarter of 2022).

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 taking 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 cash and cash equivalents, interest-bearing derivatives and other interest-bearing receivables.

Net interest-bearing liabilities are the group's primary management parameter for financing and capital allocation and are used actively in the group's financial risk management strategy. The Orkla format cash flow statement therefore shows the change in net interest-bearing liabilities at group level.

Alternative Performance Measures (APM)

Structure (acquisitions and disposals)

Structural growth includes adjustments for the acquisition of the businesses Norstamp, Bubs Godis, Da Grasso, Khell-Food, Denali Ingredients, Lofoten Marine Oils, Healthspan and Hadecoup, 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 Alpro, and the distribution of tea in Orkla India. Following the transition to a new operating model, the split-up of the former Orkla Care business area has entailed the transfer of the dental health business and adjustments for changes in distribution and production agreements between new portfolio companies.

In 2022, adjustments were also made for the acquisition of Vesterålen Marine Olje, Eastern, NutraQ, New York Pizza, Sigurd Ecklund, Hans Kaspar, Núi Sírius, 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 transfer of the Oolannin brand.

