



Capital Markets Update

28 May 2025

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09:00

Local time in
Oslo (CEST)

AGENDA

Update on Orkla ASA

Nils K. Selte, President and CEO

Update on financial targets

Arve Regland, EVP and CFO

Orkla Foods

Aku Vikström, CEO Orkla Foods

Coffee break

(~20 minutes)

10:15

Orkla Snacks

Ingvill Tarberg Berg, CEO Orkla Snacks

Orkla Food Ingredients

Johan Clarin, CEO Orkla Food Ingredients

Q&A

All presenters

Closing remarks

Nils K. Selte, President and CEO

The presentations will conclude at approximately 11:30



Update on Orkla ASA

Nils K. Selte
President and CEO



Target

12-14%

Total Shareholder Return (TSR)
per annum 2024-2026

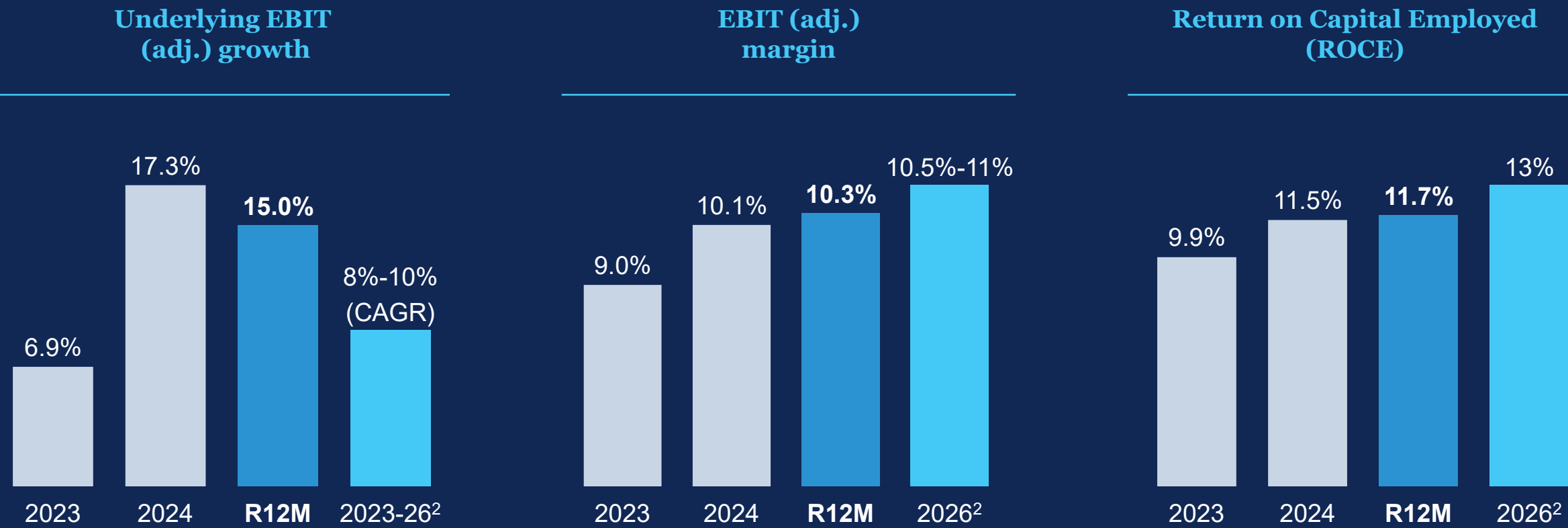
3 PRIORITIES

**Drive organic value
in existing
portfolio**

**Reduce the
complexity of
existing portfolio**

**Perform value-
adding structural
transactions**

Portfolio company targets 2023-2026 (consolidated)¹



Note: 1. Including Orkla ASA and Business Services; 2. Total of the targets for the Consolidated Portfolio Companies communicated at the Capital Markets Day in November 2023
Abbreviation: R12M = Rolling twelve-month (also applicable to other pages in this presentation)



CMD
2023

Year End
2026

Today

12

Portfolio
Companies

7-9

Portfolio
Companies

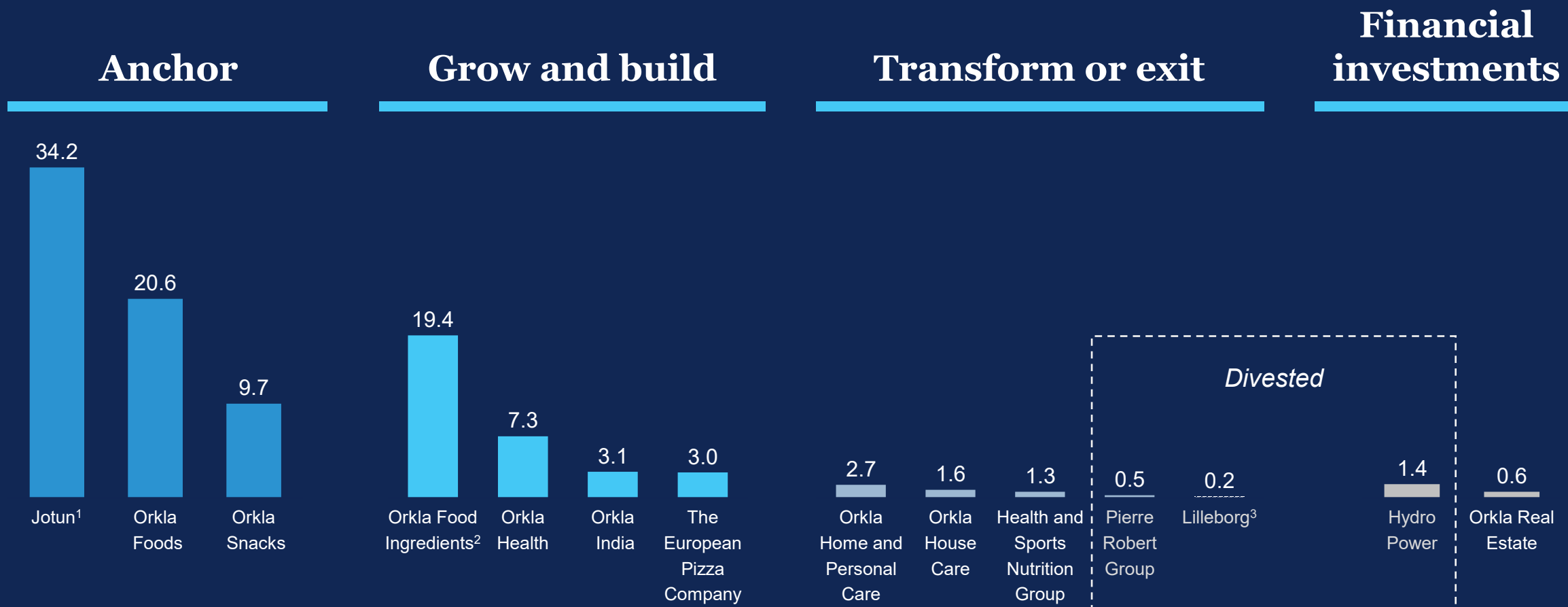
10

Portfolio
Companies

From Portfolio Companies *varying in size* to
companies more *similar and larger in size*

Orkla portfolio

Revenues 2024 in NOK billions



Note: 1. Revenues for Jotun Group. Orkla has a 42.7% interest in Jotun Group; 2. Orkla has a 59.4% interest in Orkla Food Ingredients; 3. Lilleborg revenues only include Jan-May 2024.

Portfolio categorisation

Grow and build

Orkla Food Ingredients

Orkla Health

Orkla India

The European Pizza Company

Anchor

Jotun

Orkla Foods

Orkla Snacks

Transform or exit

Orkla Home and Personal Care

Orkla House Care

Health and Sports Nutrition
Group

Pierre Robert Group

Lilleborg

Divested

Portfolio categorisation

Grow and build

Orkla Food Ingredients

Orkla Health

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The European Pizza Company

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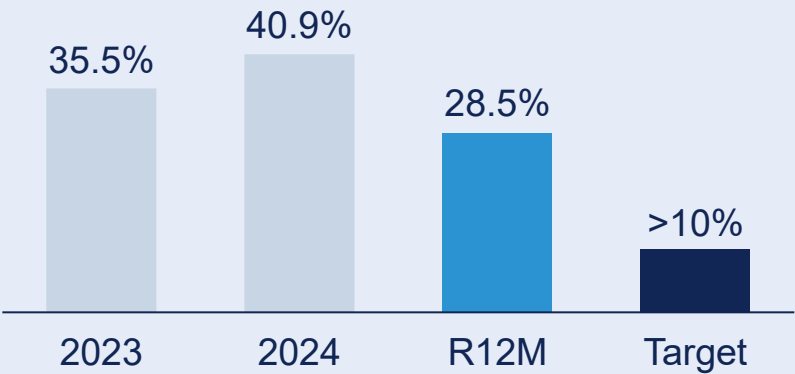
Lilleborg

Divested

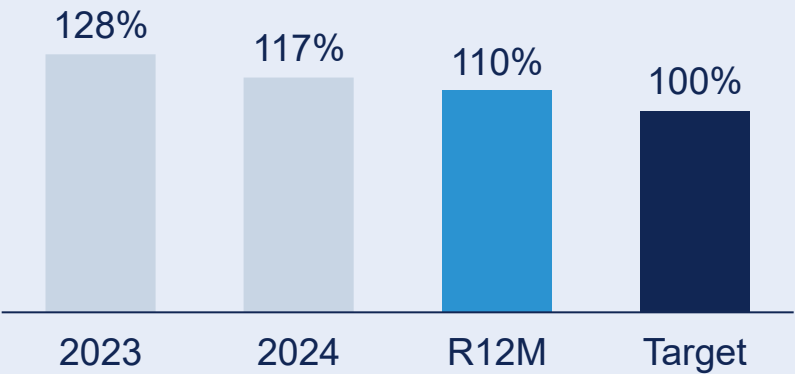
Status on CMD targets

Orkla Home
and
Personal
Care

Underlying EBIT growth



Cash conversion



Note: R12M represents rolling twelve-months as end of Q1 2025.
The target period stretches from 2024 to 2026.
All EBIT measures are defined as EBIT (adj.).

Update on financial targets

Arve Regland
EVP and CFO



Operating revenue and EBIT (adj.)

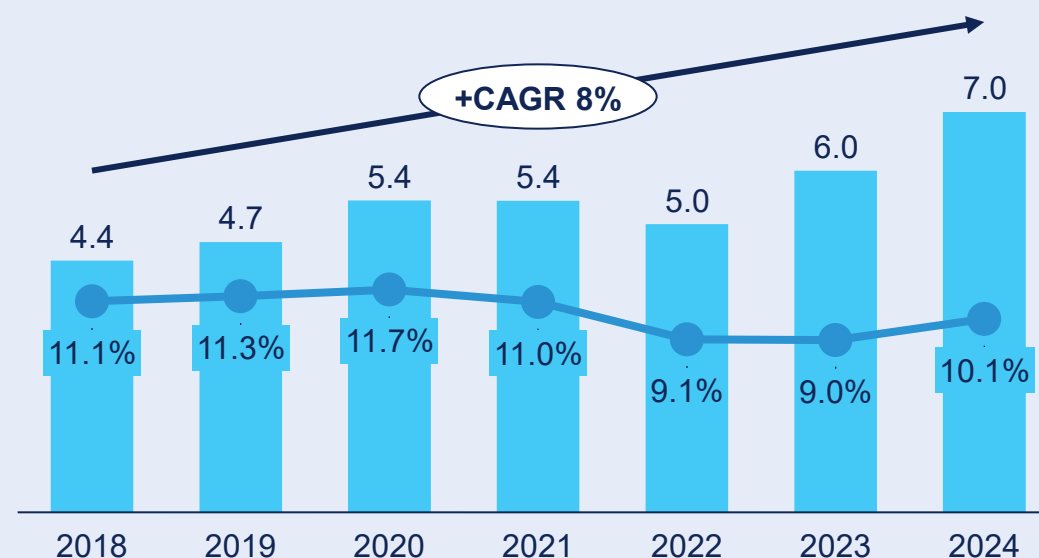
Operating revenue

Consolidated Portfolio Companies (incl. Orkla ASA)
NOK billions



EBIT (adj.)

Consolidated Portfolio Companies (incl. Orkla ASA)
NOK billions

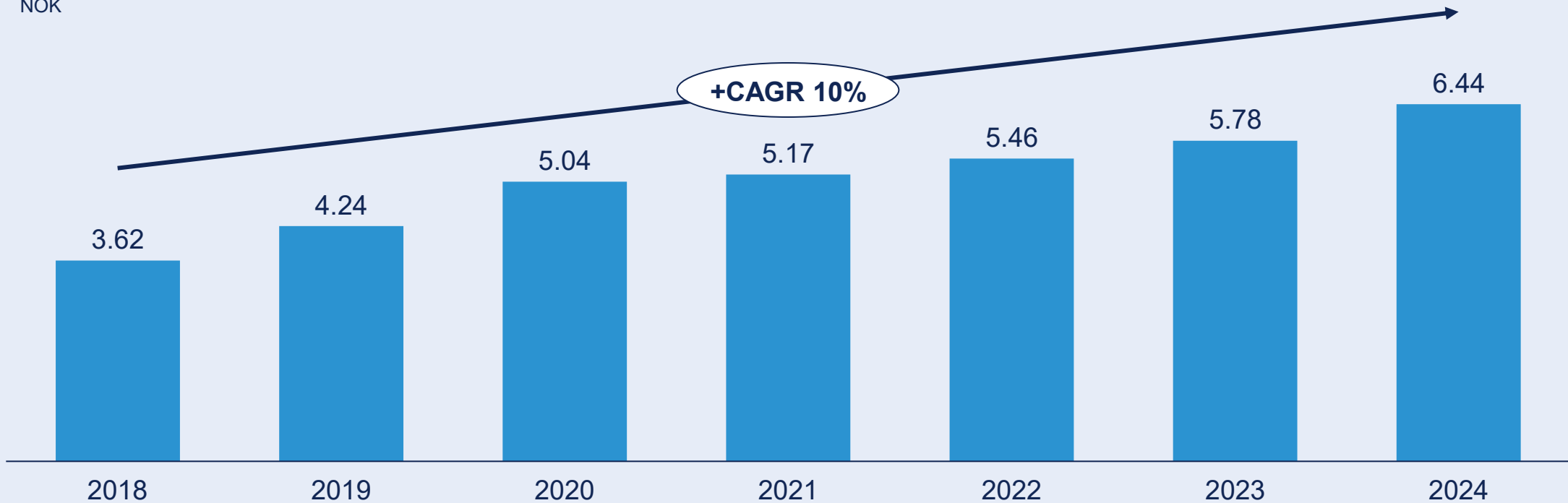


EBIT (adj.) EBIT (adj.) margin

Note: Reported figures in annual reports

Earnings per share

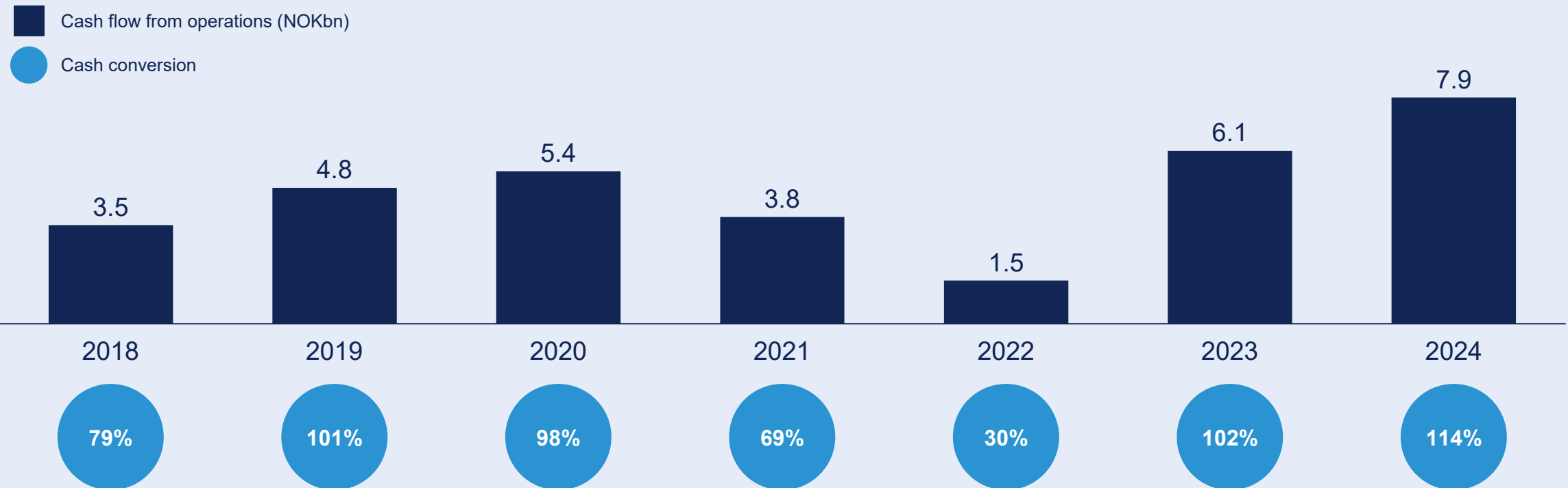
EPS (adj.) per share | Orkla Group
NOK



Note: Earnings per share (adj.) diluted

Cash flow

Cash flow from operations and cash conversion | Consolidated Portfolio Companies (incl. Orkla ASA)



MAIN PRIORITIES FOR CAPITAL ALLOCATION

Maintain a
stable and
increasing
dividend

**Value
accretive
acquisitions &
divestments
plus organic
investments**

**Return excess
capital to
shareholders**

LONG-TERM TARGET

CURRENT STATUS

FINANCIAL POLICY

Investment grade
credit quality



A-
credit rating

LEVERAGE

*Net debt to
EBITDA*

2.5X



1.9X
*Estimated per
end of Q2-25*



Update on CMD targets

for Portfolio Companies not presenting



Jotun's targets

42.7% ownership interest

Dimension	Target	2024
Revenue growth	>8%	7.4%
Operating margin	>12%	19.8%
Equity ratio	>50%	62%
ROCE	>25%	34%
Liquidity ¹	>5%	13%

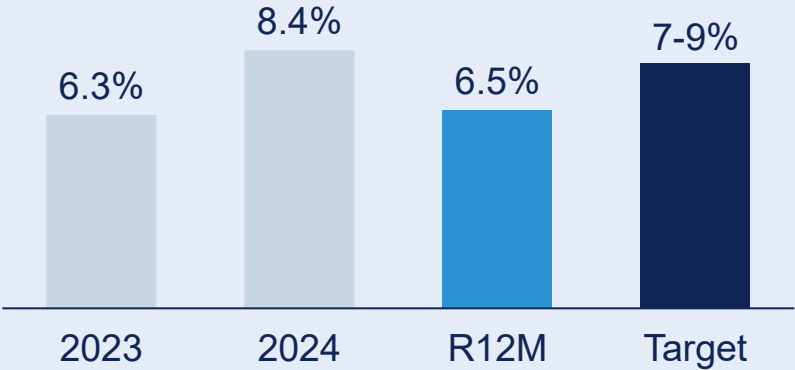
Note: 1. Cash and unutilized long-term credit lines available in Jotun A/S, as percentage of Jotun 100% sales



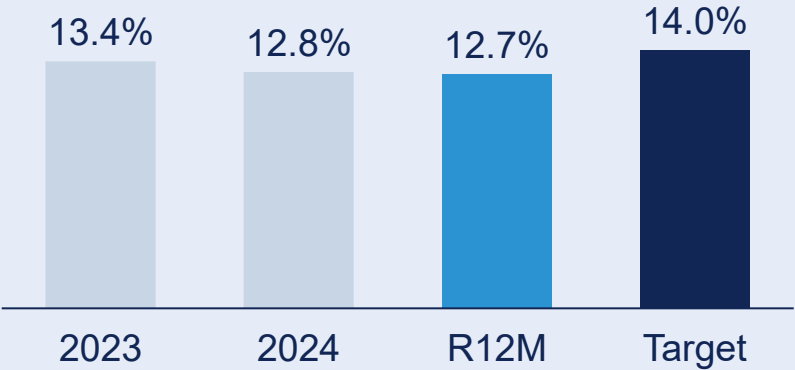
Status on CMD targets



Revenue growth



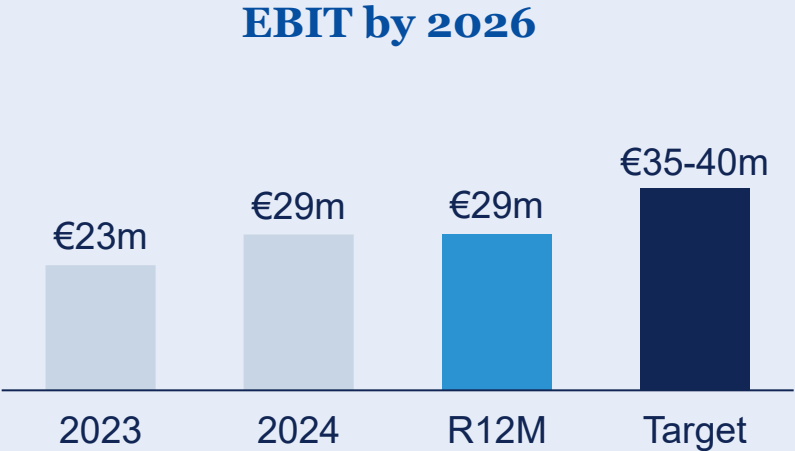
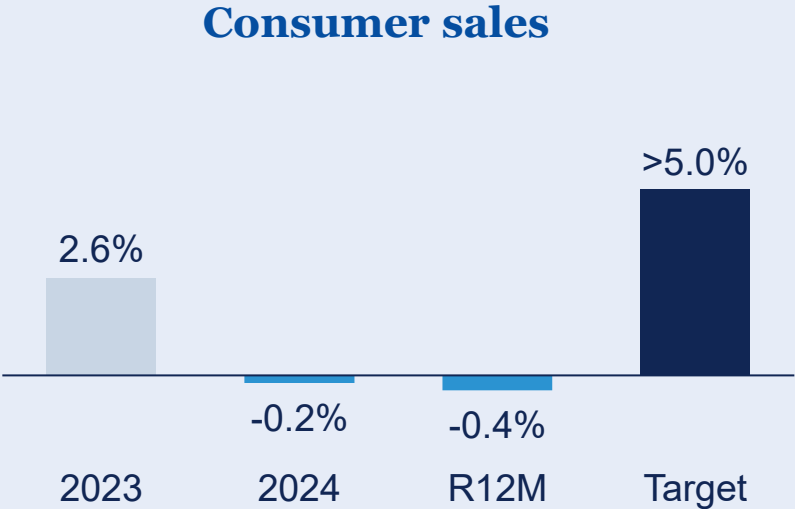
EBIT margin



Note: R12M represents rolling twelve-months as end of Q1 2025.
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Revenue growth are defined as organic revenue CAGR from 2024 to 2026.
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Status on CMD targets

The European
Pizza
Company

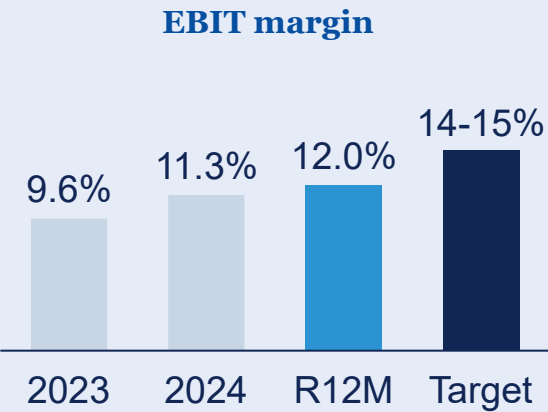


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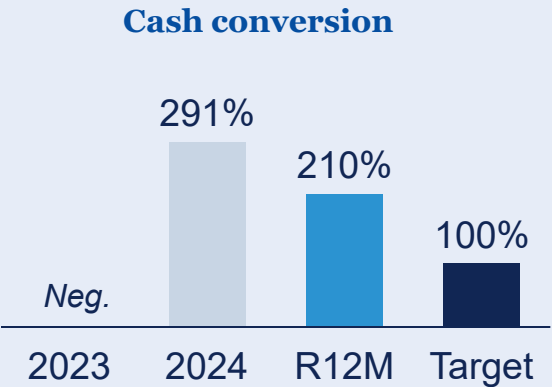
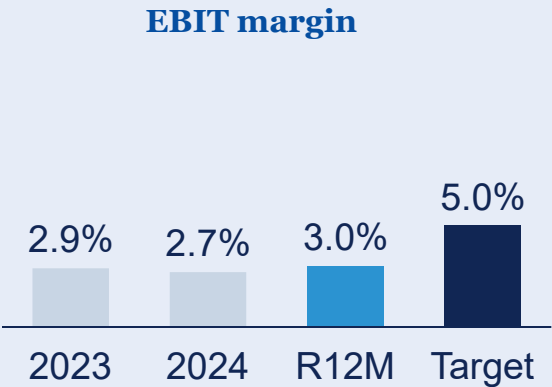
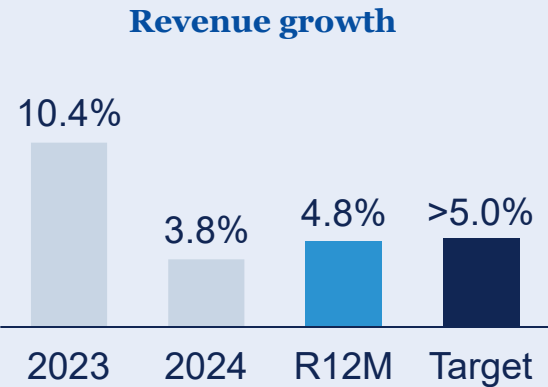
Transform or exit

Status on CMD targets

Orkla
House Care



Health and
Sports
Nutrition
Group



Note: R12M represents rolling twelve-months as end of Q1 2025.
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Protecting the
environment

Empowering
people

Governance
and ethics in
business

ESG targets

1

Scope 1 & 2 GHG reduction of
70% by 2030

Target for Scope 3 GHG
reduction by 2030 under
revision

2

All food companies to create
positive health impacts
towards 2030

3

Balance in gender
representation in management
teams by 2026

TSR target communicated at the CMD







28 May 2025

Capital Markets Update



Introduction



Biography

NoHo
NORDIC HOSPITALITY PARTNERS

2018-2024

CEO at NoHo Partners; leading Nordic restaurant operator listed at Nasdaq Helsinki

royal
ravintolat

2014-2018

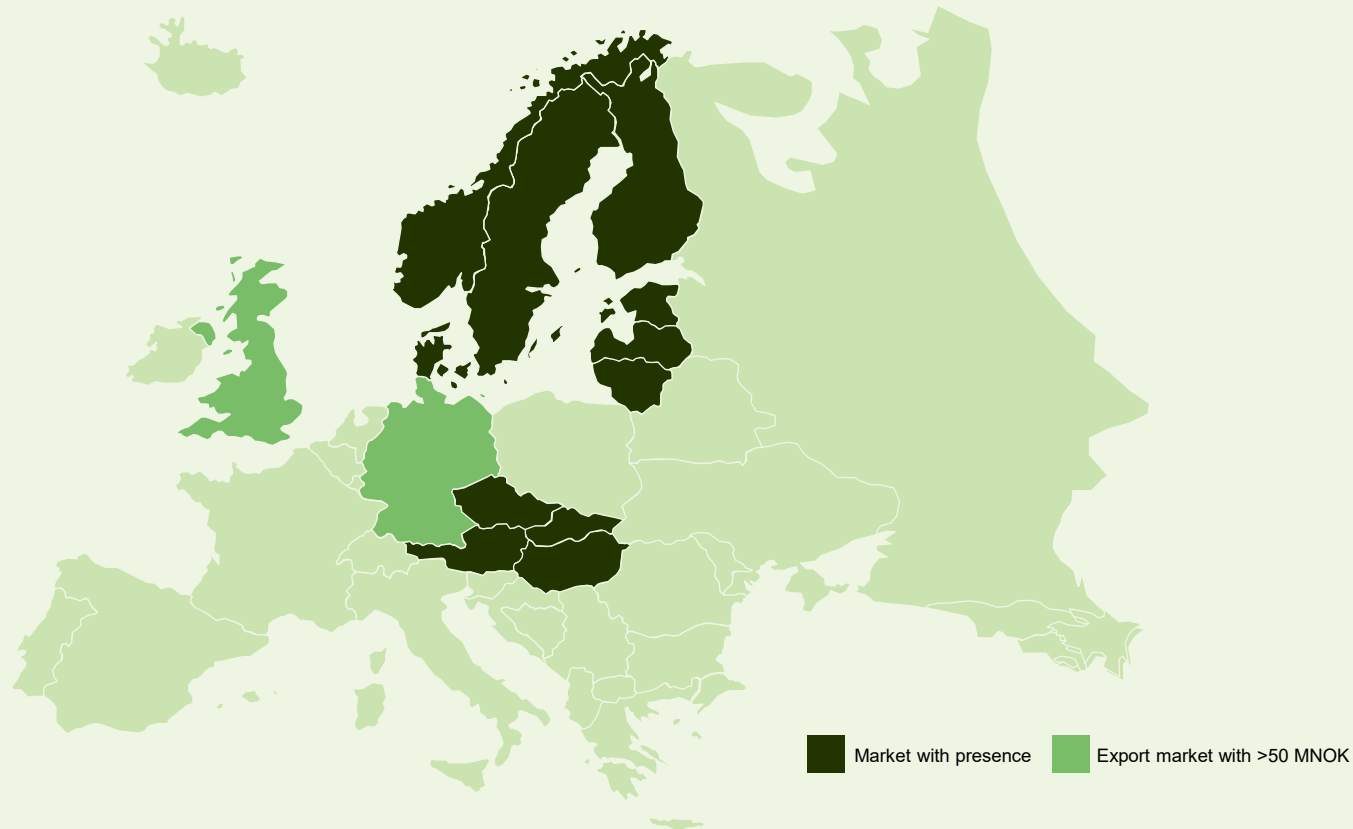
CEO at Royal Restaurants; Private Equity owned and Finland's largest private hotel and restaurant group

MARS

1997-2014

General manager and commercial roles across Europe within various FMCG categories

Orkla Foods at a glance



2024

NOK 20+
billion in revenues

NOK 2.5+
billion in EBIT (adj.)

120%+
cash conversion

~5,500
employees

A portfolio of market-leading iconic brands

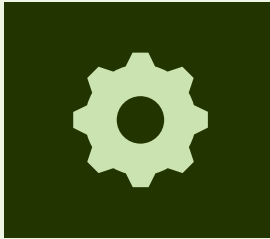


80% of revenue from #1 and #2 brands

2x market share of branded competitors
and 3x market share of all private label

Unique model combining best of both worlds

Local player with regional scale benefits



Economies of scale in sourcing and supply compared to local competition



Commercial scale to leverage on category insight, commercial excellence and trade partnership



Organizational scale to attract and develop the best talent in the market

Built on local accountability. Driven by results.

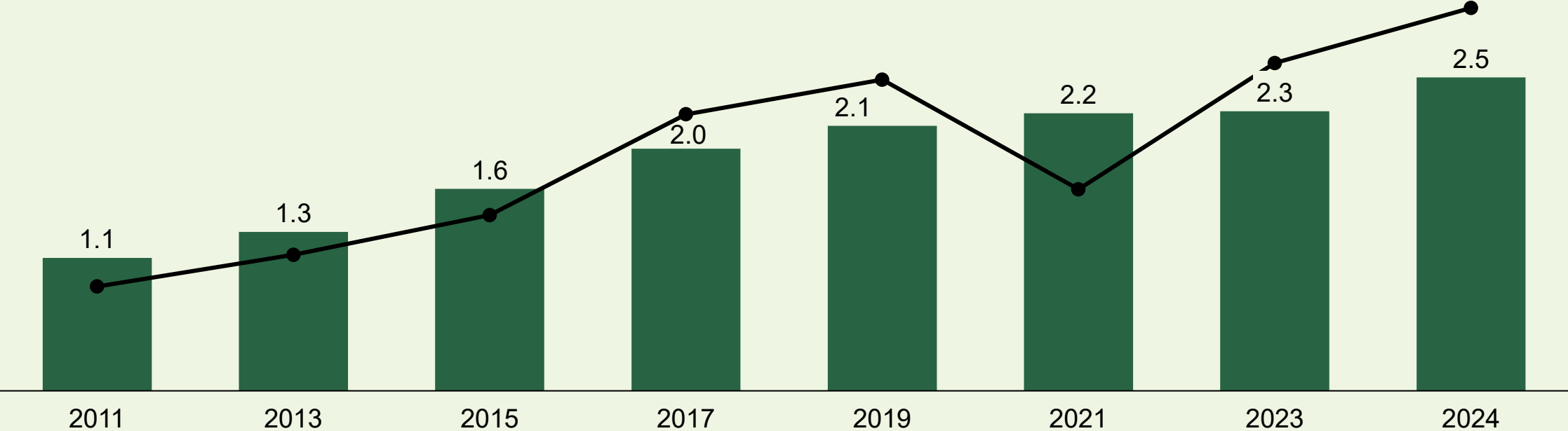


Consistent track record of profit and cash delivery

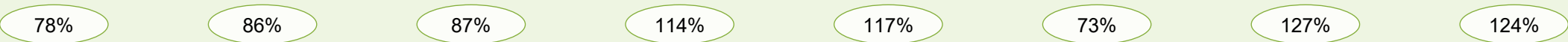
EBIT and cash flow generation

NOK billion

● Cash flow from operations
■ EBIT (adj.)



Cash conversion



Cash conversion: Cash flow from operations / EBIT adj.

Programs from Capital Markets Day on track

————— **Status of programs communicated at Capital Markets Day** —————

Organizational development	Procurement & supply chain	Cash management
		
Completed	On-track	On-track
More than 50% of CMD savings extracted		

From price-driven to more balanced long-term growth

From price and margin-driven value creation



Inflation as the catalyst



Pricing was the response



Consumer changed behavior



Volumes declined

*To more balanced organic growth driven
by positive price, volume and mix development*

Accelerating growth by getting clearer, leaner and aligned



Focus



Simplification

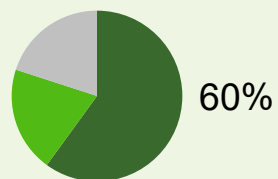


**Ways of
working**



Sharpening our portfolio

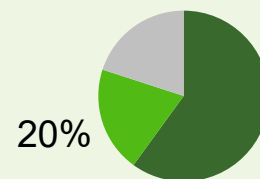
Growth platforms



- #1 & #2 positions
- Underlying growth
- Low PL shares

Growth

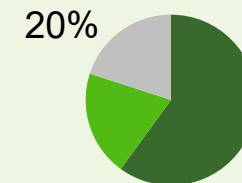
Defend scale



- Sizeable market leading positions
- Medium or low growth

Stable

Harvest/exit



- Positions with limited growth potential
- Often smaller positions

Decline or exit

% of portfolio sales

Characteristics

Growth ambitions



Turning focus into growth – our growth platforms

3 GROWTH PLATFORMS

1

FROZEN
MEALS



2

SAUCES



3

DILUTABLES



40% of portfolio sales

10 LOCAL DIAMONDS

4

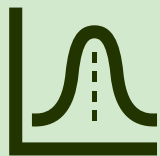
*Selected local positions crucial to
Orkla Foods' success and future*



20% of portfolio sales

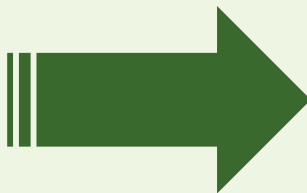


Simplify to fuel growth



Tail-cutting of 20% SKUs across
Orkla Foods product portfolio

Supply-driven

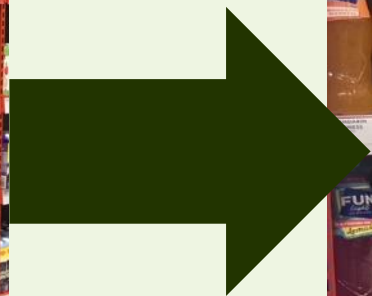


Simplify our product range to ensure
enough shelf-space for our best-
sellers

Demand-driven



Simplify to fuel growth – Real life example



New ways of working to drive alignment and growth

What

Core playbook

- Setting a clear growth strategy and incentives to drive real internal growth
- Aligning teams around critical demand drivers in unified framework
- Establishing clear best practice principles for advertising and in-store execution

How

Standardized tool - Growth wheel



From concept to reality – the growth wheel at work

Case: renovating Grandiosa brand in Norway 🇳🇴

Starting point



Improvement areas and actions



Revitalized taste and design

Improved product quality and taste to meet identified gaps

More distinctive packaging design in line with strategy

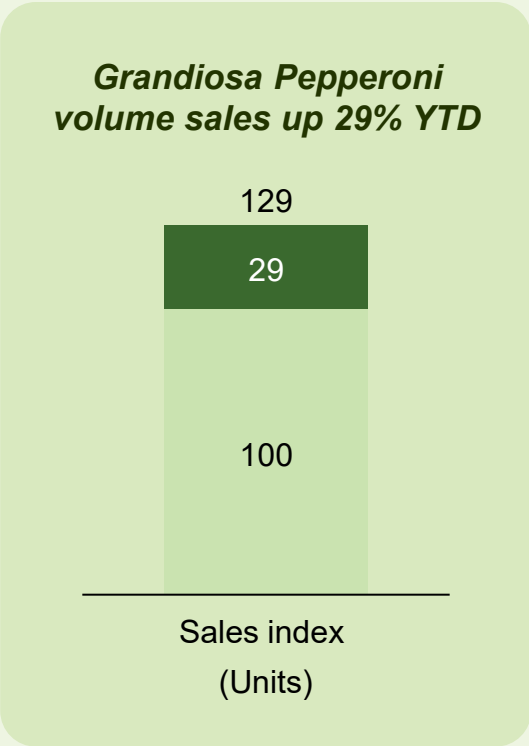


Improved communication

New brand and product communication targeted to drive penetration

Increased media spend to above minimum threshold

Preliminary results



Our growth engine: focus, simplicity and alignment



Focus



Simplification

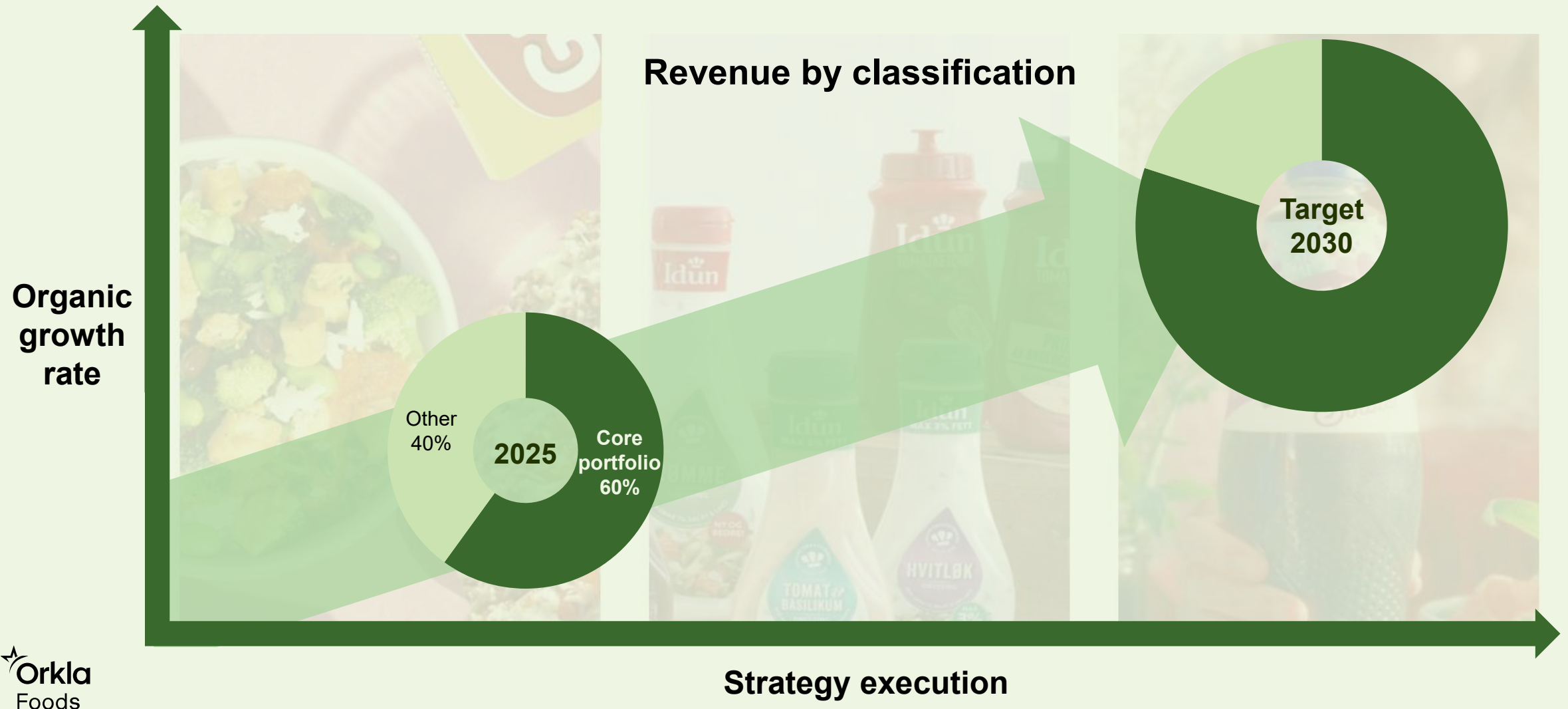


**Ways of
working**

On track for 2026– building momentum for long-term growth

	Status at Capital Markets Day 2023 (YTD Q3 23')	Today (R12M, Q1 25')	Target 2026
Yearly organic growth	7.2%	0.4%	2-3% Positive volume/mix growth at end of period
EBIT margin (adj.)	11.0%	12.5%	13-14%
Cash conversion	115% ROCE 12.2%	119% ROCE 14.7%	>100% ROCE >15%; +3%-p

Future-fit portfolio - powered by focus and execution





28 May 2025

Capital Markets Update



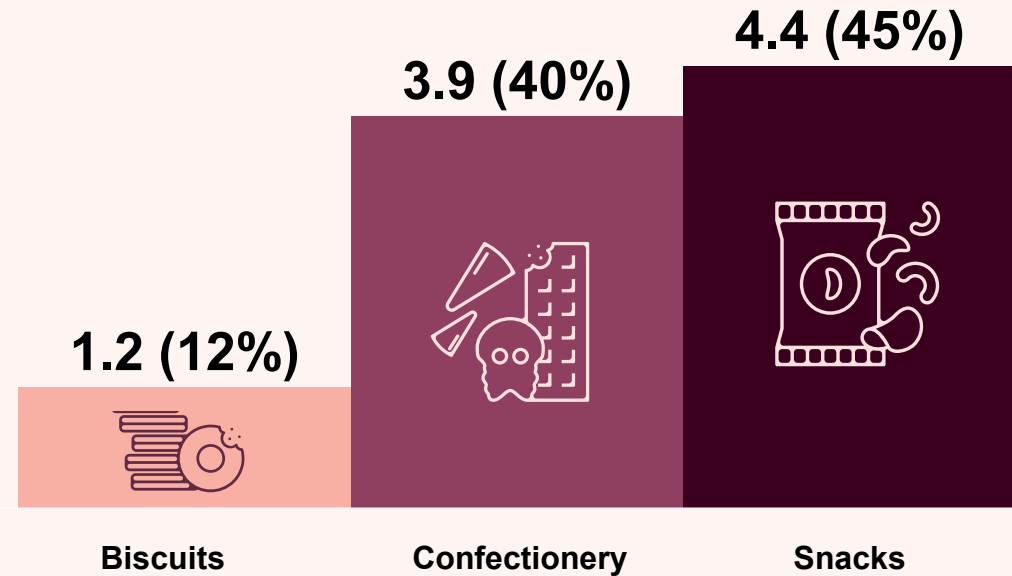
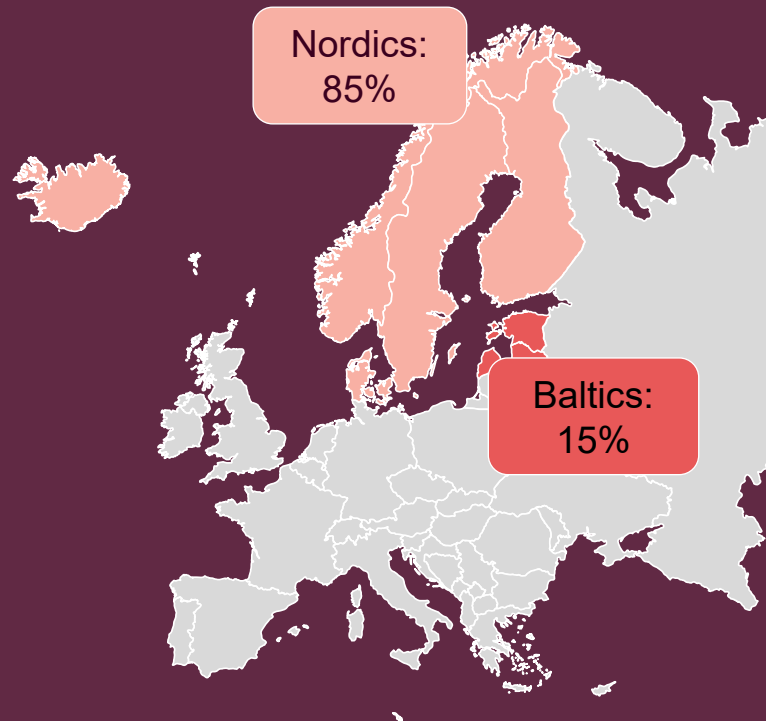
Our aspiration

The #1 snacking
choice for the
Nordic/Baltic
consumers

Winning together with
local, sustainable brands
and passionate people



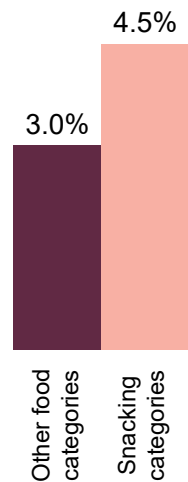
Company overview



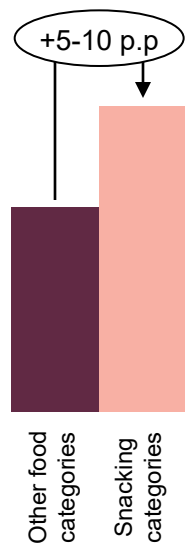
Uniquely positioned in the attractive snacking categories in the Nordic/Baltics with strong, local legacy brands

We are in attractive categories for suppliers and trade...

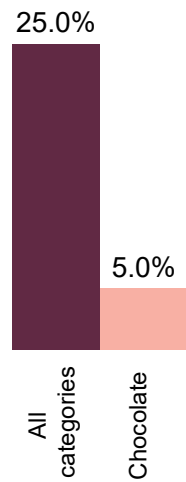
Nordic & Baltic market
CAGR 2014 - 2024



Indicative trade margins¹



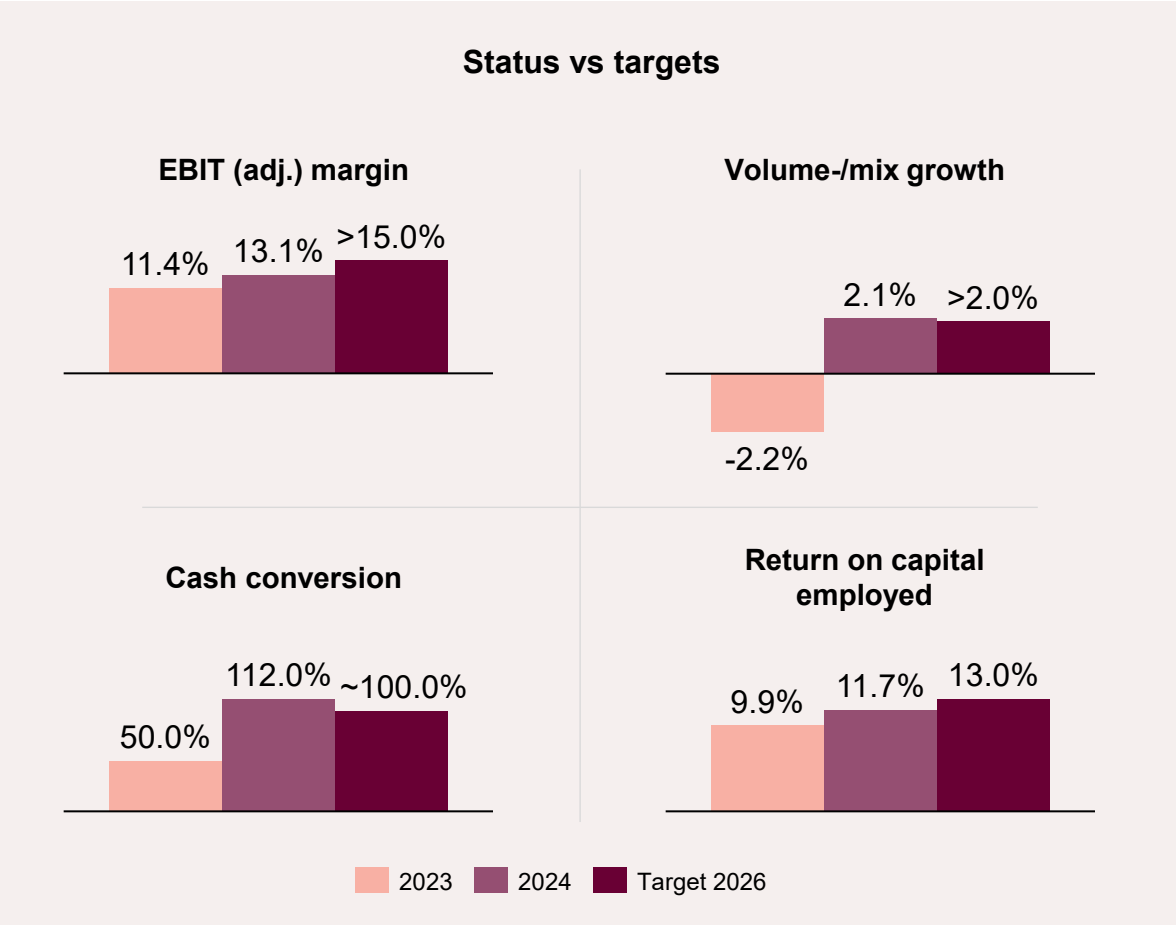
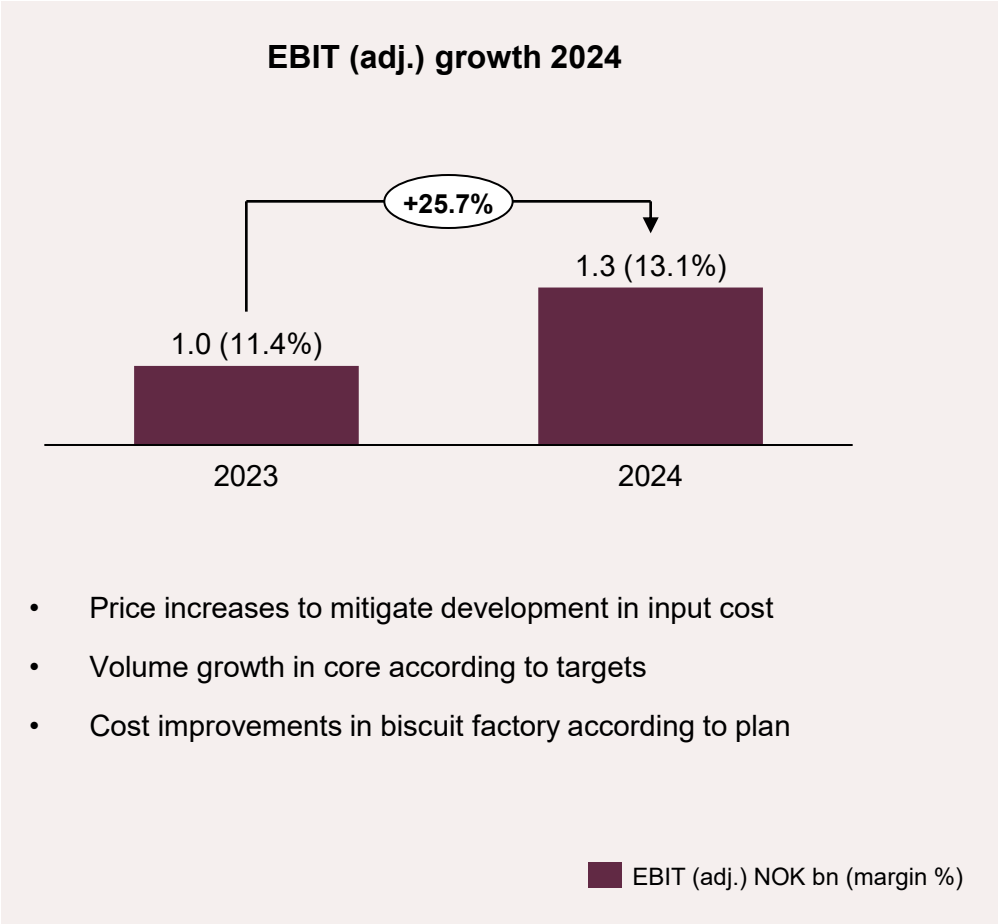
Private label share²



...with market leading positions

	Snacks	Confectionery	Biscuits
	# 2	# 2	# 1
	# 1	# 7	# 1
	# 1	# 4	# 3
	# 1	# >10	NA
	# 3	# 1	# 1
	# 1	# 1	# 1
	NA	# 1	NA

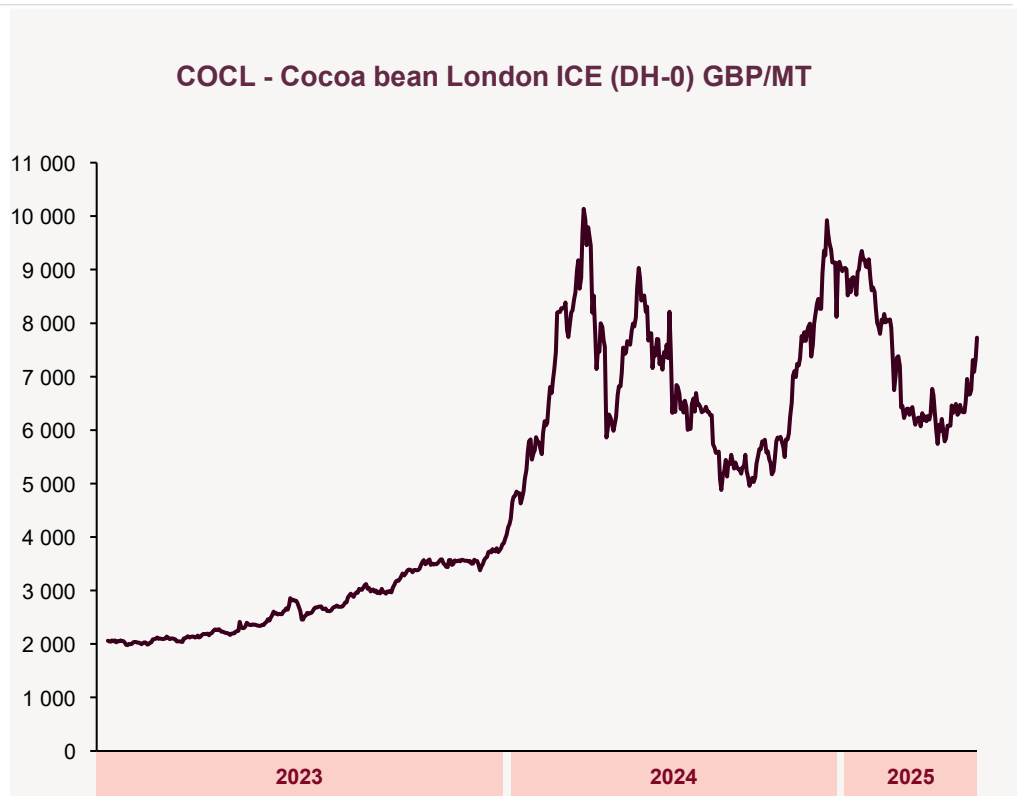
2024 was a strong start towards our targets for 2026



High cocoa prices are putting pressure on the chocolate category – We remain committed to our targets



Cocoa bean price development



- Cocoa prices tripled vs 2023
- Strong mitigation program in place
 - Price adjustments
 - Price/pack optimization
 - Cost program across full value chain
- Financial impact 2025 contingent on market volume development
- Expect recovery on volume and margin in 2026 pending cocoa price development

Our 3 strategic priorities provide a solid foundation for value creation

From Orkla CMD Nov 2023

We have built a strong Full Potential Plan focusing on 3 key strategic priorities to release our potential



1

Win with heroes

Unlock the growth potential in our hero brands by much sharper portfolio prioritization. Increase and focus investments in 40% of brand positions to drive >80% of the growth.



2

Fuel our heroes through cost efficiency

Finance brand investments through more aggressive end-to-end cost optimization programs. Increased system value through harmonization and complexity reduction.



3

Step-change in critical capabilities and enablers

Build next-level key commercial capabilities to drive physical and mental availability. Review operating model for optimized execution throughout our value chain.

We have clear priorities to drive growth in our categories with our hero brands



Snacks



Win in our core segments
potato chips and cheese



Optimize formats to align
with consumer preferences
and drive demand



Confectionery



Accelerate pan-regional
hero brands BUBS and
Smash!



Drive market share growth
for our legacy chocolate
brands



Biscuits



Expand in indulgence and
snacking segments



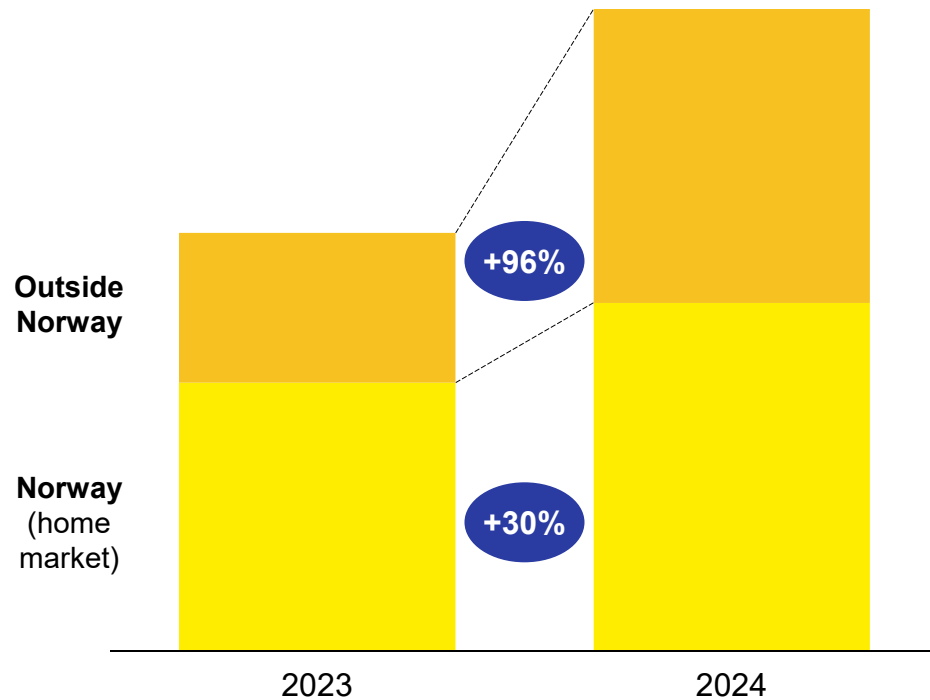
Grow cross-country
volumes through joint
innovation platforms





We see great results from driving growth in core with Smash! in home and new markets

Smash! operating revenue growth



Significant uplift in Norwegian sales through new communication platform and format innovation



Strong launch of tablet in Sweden and Finland while accelerating sales of Smash! bag



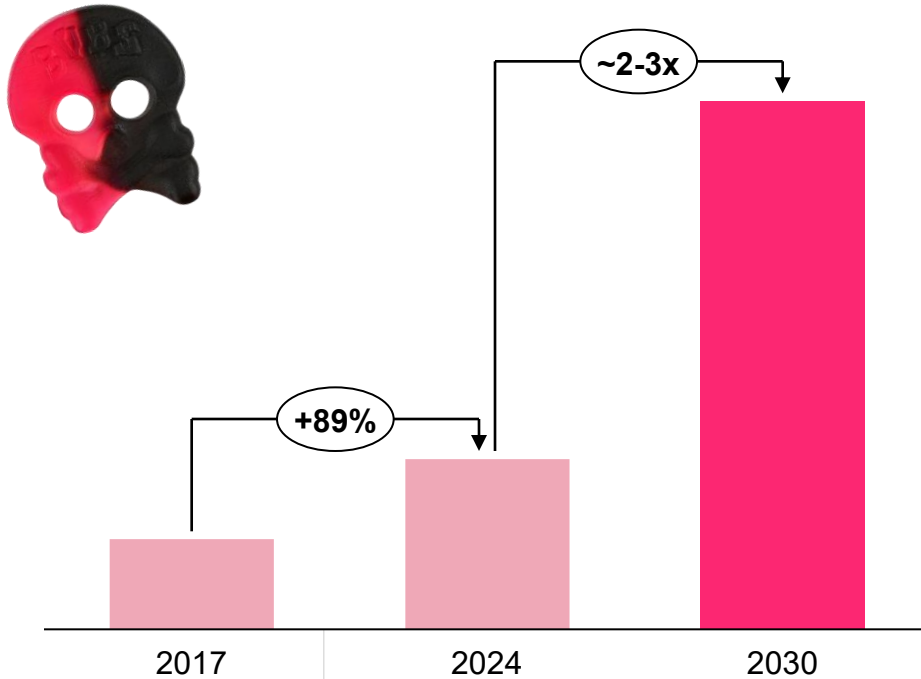
Investment to be made in a new line, doubling capacity of our Smash! bags





Strong performance for BUBS – with high growth potential going forward

BUBS volume growth ambitions



Acquisition closed Jan 2023



Strong organic growth – global awareness with limited investments



Growth only hampered by capacity – investments in new production line to double capacity in 2026/2027



Ready to **launch in USA** in Q4 – leading retailers expressing strong interest

KiMs is growing volume and market share in the Danish market

Ranked strongest brand in Denmark

#1



Ranked best field sales in Denmark

#1



Strong vol-/mix growth

9.2%



K for chips på vej

We have initiated cost initiatives to drive margin, and fuel brand and capability investments

Key levers to drive cost out

Input cost reduction



Harmonize raw materials & ingredients to reduce supplier prices



> MNOK 100 gross savings p.a.

Production efficiencies



Grow volumes with less complex portfolio in more specialized factories; increasing line efficiency



> MNOK 100 gross savings p.a.

Fixed cost optimization



Optimize organization and indirect cost through system value across markets



> 0.5p.p reduction in fixed cost as share of sales

Capital efficiency



Reduce maintenance capex, following factory specialization and an optimized Supply Chain network



Reduce maintenance Capex as % of cost base

And we are step-changing our capabilities to win in the market

A joint commercial model for growth



A common cross-market Sales & Operation Planning process

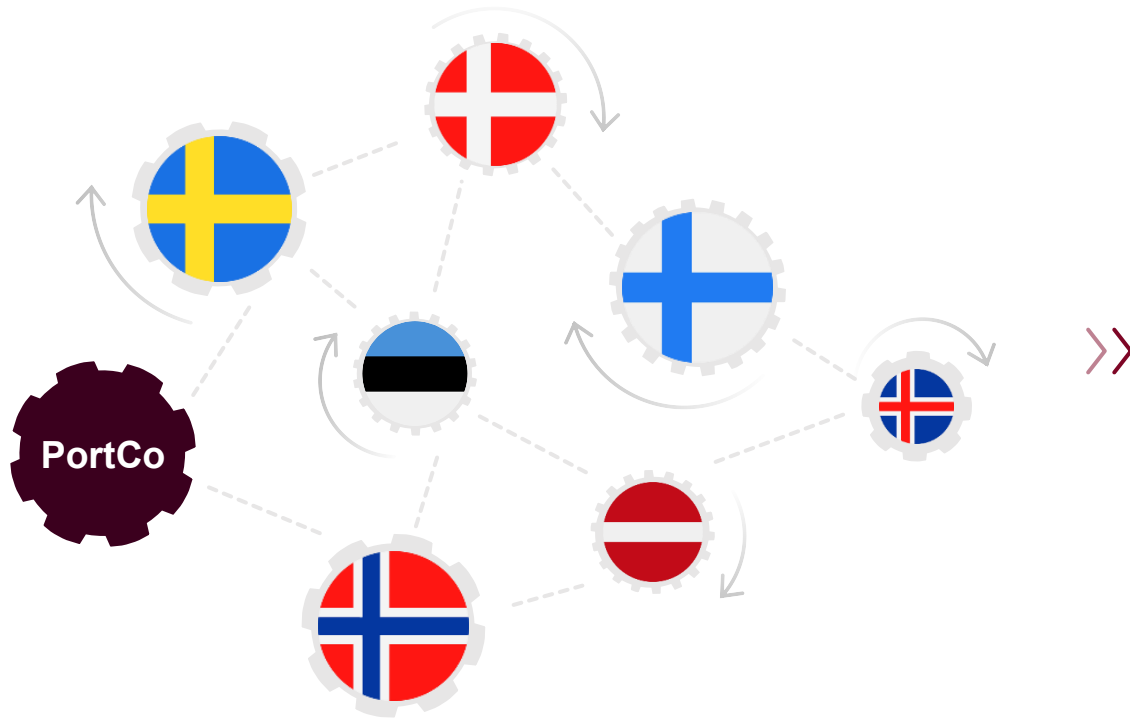


Operational excellence and digitalization

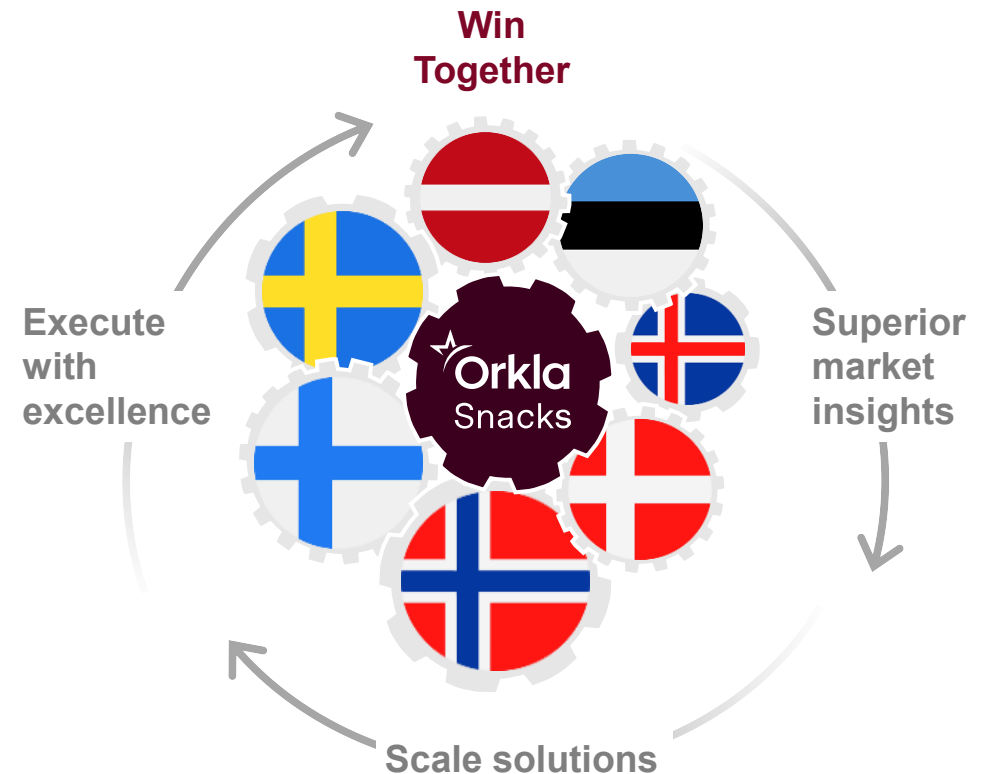


To accelerate our strategic priorities, we implemented a new operating model from 1 January

From **loosely**
connected...



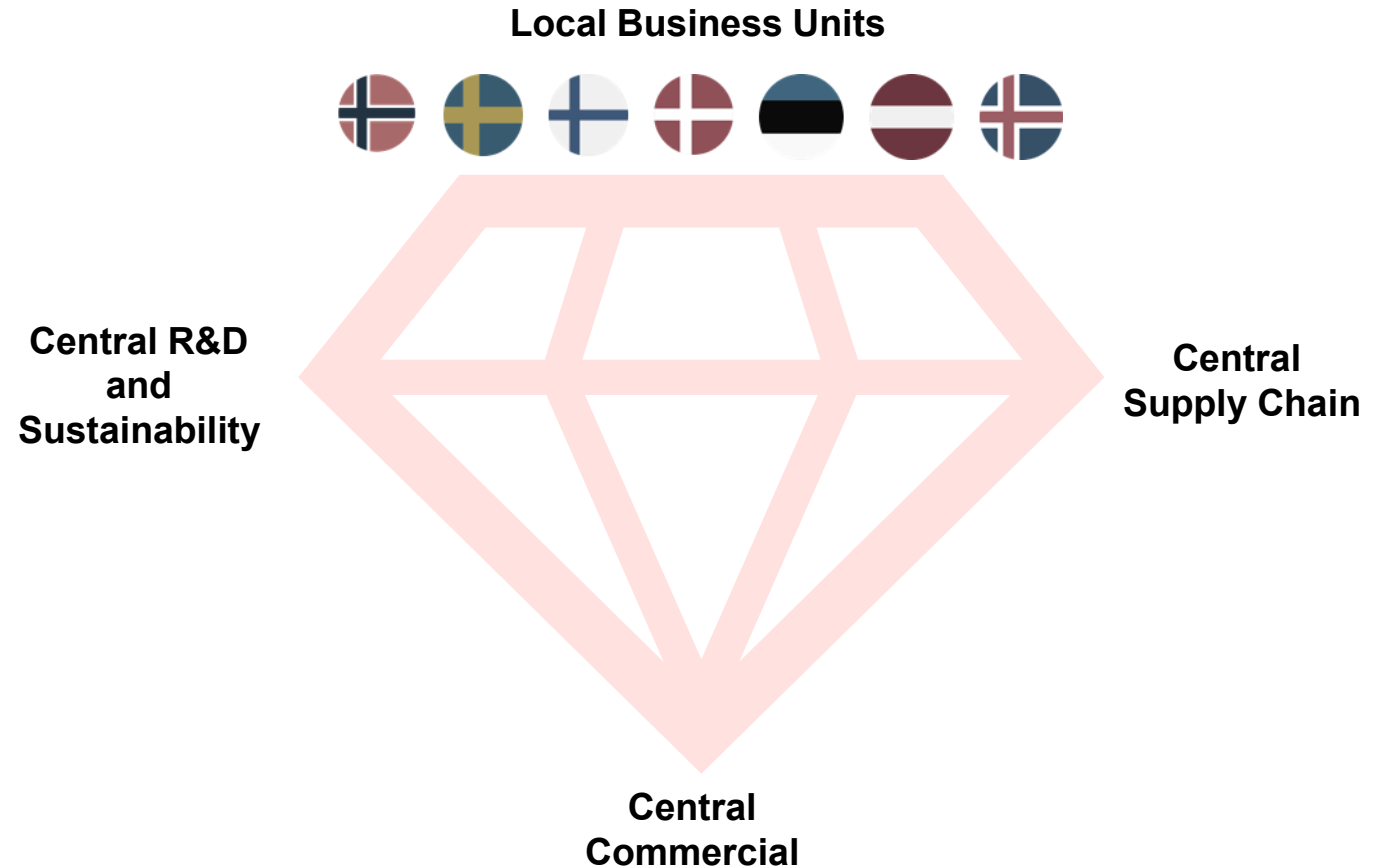
... to coming **together**
and **accelerating everything** we do



Local where it matters - System value where it makes a difference

We have built new centralized category teams to support our local business units to win in local markets!

Orkla Snacks value creation diamond



Local where it matters - System value where it makes a difference

Our new operating model will accelerate our strategy implementation

Key advantages of new operating model

Accelerate top-line

- Cross-market category strategies and growth platforms
- Strengthened prioritization of portfolio and projects
- Increased ROI on brand investments

Drive cost efficiency

- Harmonization of input factors
- Improved capacity utilization in production network
- Increased efficiency and return in capex allocation

Strengthen capabilities

- Common frameworks and best-practice capabilities
- Optimized operational excellence across factories in respective categories

Orkla Snacks – A company set up for future success!







**Building a leading European and
US food ingredients company**



Large and resilient addressable market of NOK 125 bn, with strong growth potential

BAKERY INGREDIENTS

SWEET INGREDIENTS

PLANT-BASED

Current
market addressed¹

NOK 125 bn

growing ~4%
per year

Resilience and high purchase frequency

Consumer trends driving increased category value

Local consumer preferences and market dynamics

Orkla Food Ingredients delivers tasty solutions with bakery, sweet and plant-based ingredients

BAKERY INGREDIENTS

Leading European supplier of bakery and pastry ingredients



64% OF SALES

SWEET INGREDIENTS

Key provider for ice cream, confectionery, and bakery markets in Europe and US



20% OF SALES

PLANT-BASED

Nordic pioneer of sustainable and nutritional plant-based food

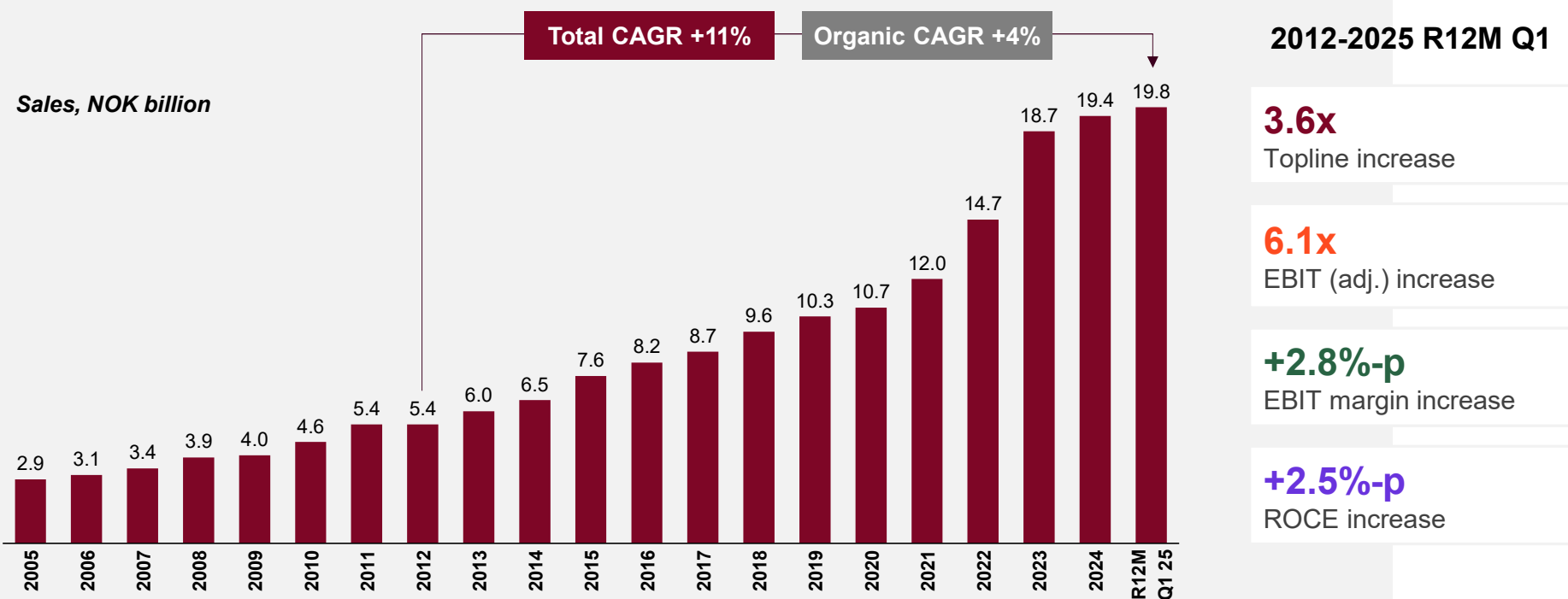


16% OF SALES

Tailored to deliver on diverse customer needs across markets and customer segments



Decades of growth have transformed Orkla Food Ingredients to a leading ingredients player



Orkla Food Ingredients' competitive edge is derived from our multi-local-model

**FURTHER
EXPANSION**

3

Organic and **structural growth**
are key parts of our value creation

**LEVERAGE
SCALE**

2

Synergies through **collaboration**,
common **capabilities** and **systems**

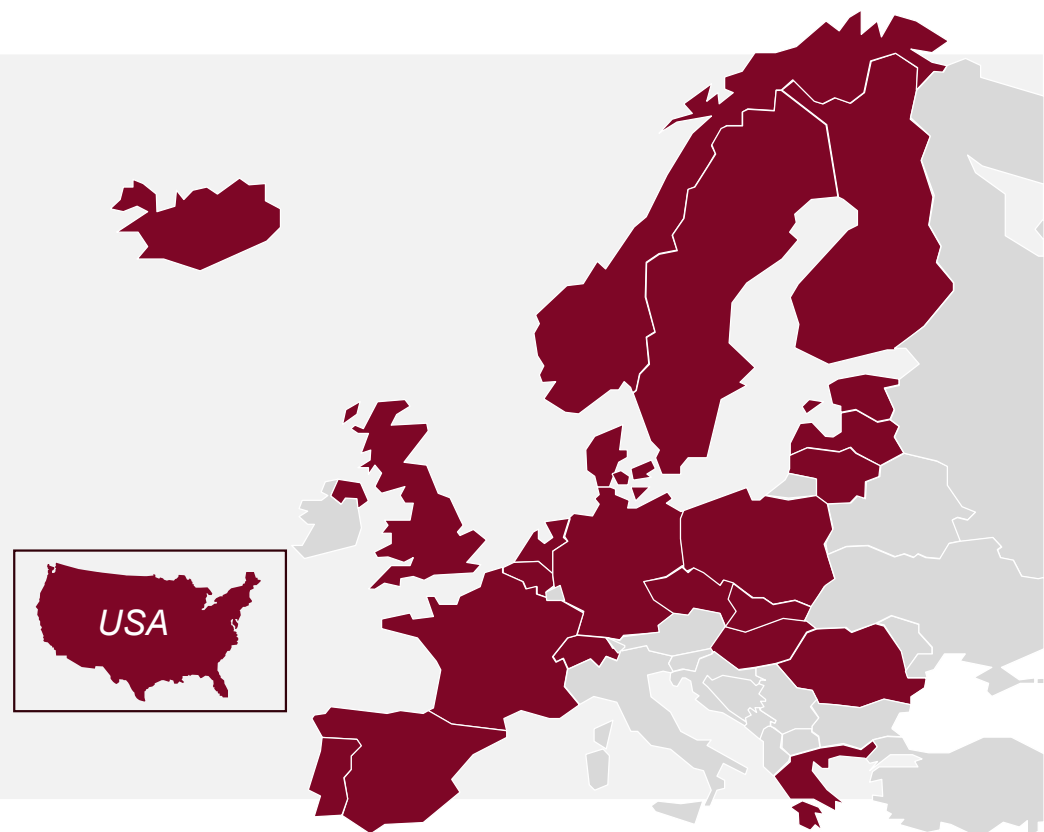
**WINNING
LOCALLY**

1

Strong **local positions** close
to customers

Value creation through strong local positions close to customers

- Local companies, with products and solutions tailored to local preferences
- Unmatched insights into local markets, customers and products, driving organic growth
- 90% of revenues outside of Norway, and 2/3 outside Scandinavia



Solid bakery ingredients platform built in Eastern Europe with significant growth potential

Winning locally

- Eastern European markets represent a population ~5x the Nordics, with high growth in consumer spending
- Proven track record of creating strong positions, fuelling organic growth and leveraging scale
- Still fragmented landscape with growth potential in existing and new markets

**Last
three
years**

Revenues up x1.7 times

EBIT up x3.0 times

Accelerating synergies through collaboration, common capabilities and systems

Grow
operating
profits
ahead of
revenues

Delivering on **cost reduction projects** on conversion, distribution and SG&A

Reducing complexity by **optimising footprint** and in-sourcing products

Realising **procurement savings** across business units

Improving **operational performance and transparency** through common ERP

Cost reduction projects delivering on conversion, distribution and SG&A costs

Cost reduction projects

Increasing pace of **continuous improvements** in conversion and distribution costs

5% cost reductions over next 2 years

Leveraging scale in SG&A costs across business units

3% cost reductions over next 2 years

Dedicated initiatives to reduce cost base in underperforming units

Average **10-15%** cost reductions

Reducing complexity by optimising footprint and increasing share of own products sold

Optimising footprint

- **Optimise the footprint**
 - Consolidating sites to reduce complexity and costs
 - Investing to modernise and drive growth
- **Drive in-sourcing of products**
 - Convert sourced products to in-house production, increasing utilization of production capacity and driving margin uplift

-5%

of sites being consolidated since 2023

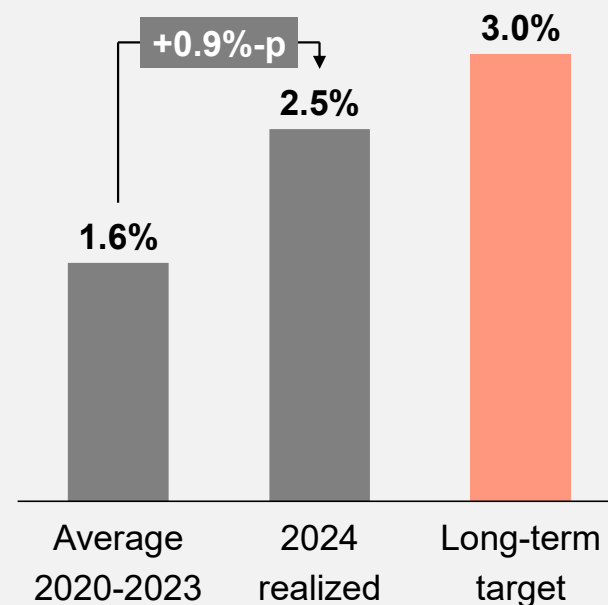
-10%

additional targeted over next 3 years

Realising procurement savings across business units by leveraging purchasing power

Procurement savings

- Realised **+0.9%-p increase** in savings on external spend base last year compared to average previous 4 years
- Targeting 3.0% annual gross savings
- Procurement Excellence Program to **extract synergies** across business units



Re-investing cash flow to grow the business within core categories and geographies

EXPANSION CAPEX

Investing to drive organic growth, with focus on increasing capacity and enhancing capabilities

Expansion capex increased more than **x2** since 2022

M&A

Continuing structural growth journey, with focus to strengthen competitive edge in existing geographies

5 companies
acquired since start of 2024

Structural growth is a key part of the expansion strategy, with 50+ businesses acquired since 1999



- 25 years of M&A experience, with reinforced integration capabilities
- Solid platform for further acquisitions and consolidation of a still fragmented industry
- Two owners with extensive experience and broad industry networks

The partnership is a catalyst for unlocking the full potential of Orkla Food Ingredients

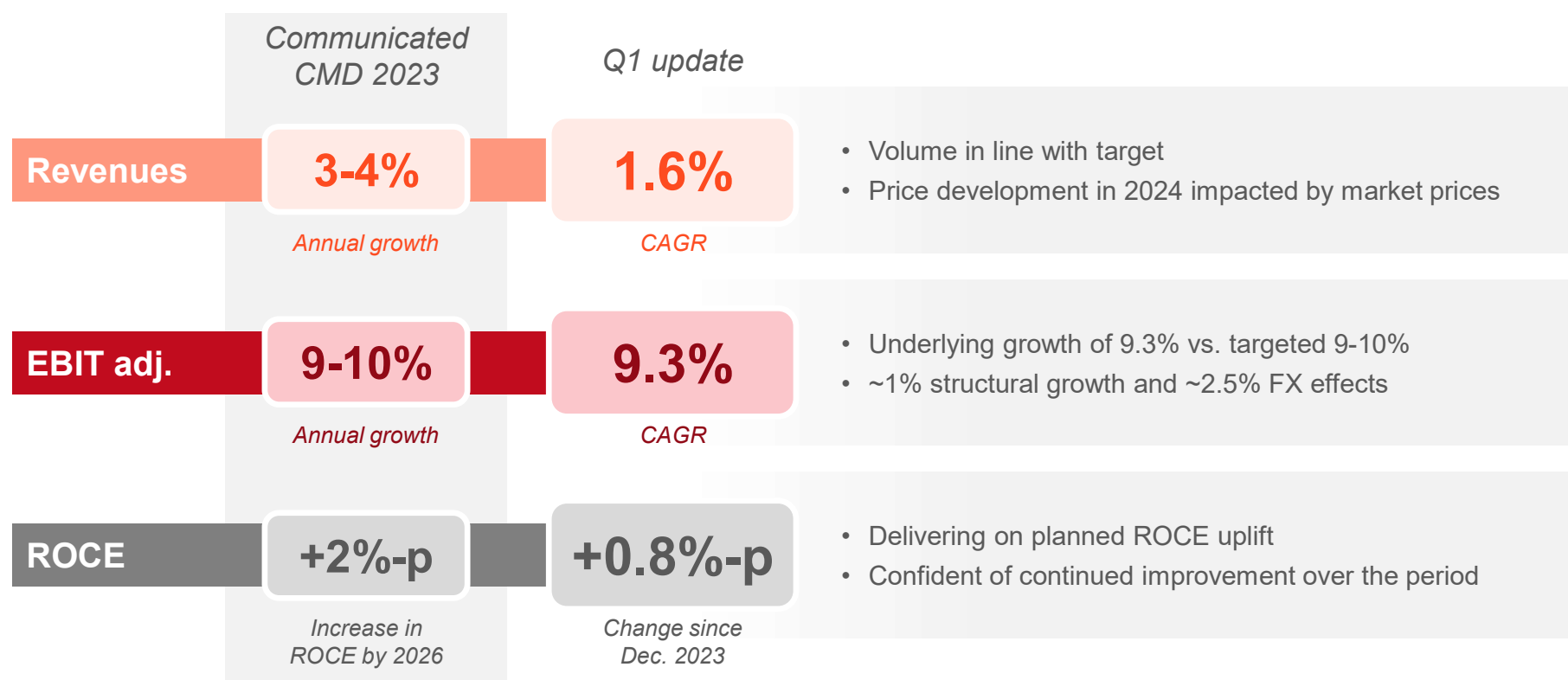
- The partnership between Orkla and Rhône is a catalyst for unlocking Orkla Food Ingredients' full potential, with a focused strategy to drive long-term, sustainable value
- Rhône brings to the partnership a strong track record in the ingredients industry, a global M&A network, and significant integration expertise
- Owners ready to deploy further capital to fuel growth



R H Ô N E



On track to deliver on 2026 targets, with significant EBIT growth and increased returns





**Building a leading European and
US food ingredients company**



Q&A

Nils K. Selte
President and CEO

Arve Regland
EVP and CFO

Aku Vikström
CEO Orkla Foods

Ingvill T. Berg
CEO Orkla Snacks

Johan Clarin
CEO Orkla Food Ingredients

A photograph of a modern office interior. Large glass windows on the right side of the frame offer a view of a city street. Inside, several people are seated at long wooden tables, working or in discussion. A potted plant is visible near the windows. The scene is brightly lit, suggesting daytime.

Closing remarks

Nils K. Selte
President and CEO

3 PRIORITIES

**Drive organic value
in existing
portfolio**

**Reduce the
complexity of
existing portfolio**

**Perform value-
adding structural
transactions**

Appendix

Consolidated Portfolio Companies – targets for 2026

Grow and build

Orkla Food Ingredients

- Revenue CAGR: 5%
- EBIT CAGR: 12%
- ROCE: +2%-p within 2026

Orkla Health

- Revenue CAGR: 7-9%
- EBIT margin: 14% within 2026

The European Pizza Company

- Consumer sales CAGR: >5%
 - EBIT: EUR 35-40mn by year-end 2026
-

Anchor

Orkla Foods

- Revenue CAGR: 2-3%
- EBIT margin: 13-14% in 2026
- Cash conversion: >100% p.a.
- ROCE: >15%; +3%-p within 2026

Orkla Snacks

- Volume-mix CAGR: >2%
 - EBIT margin: >15% within 2026
 - Cash conversion: ~100% p.a.
 - ROCE: 13% within 2026
-

Transform or exit

Orkla Home & Personal Care

- EBIT CAGR: >10%
- Cash conversion: >100% p.a.

Orkla House Care

- EBIT margin: +5%-p within 2026

Health and Sports Nutrition Group

- Revenue CAGR: 5%
 - EBIT margin: 5% within 2026
 - Cash conversion: 100% p.a.
-

Alternative Performance Measures (APM)

Contribution ratio

Contribution margin 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 costs related to input factors such as raw materials and packaging, and variable production costs such as electricity related to production and variable pay. They also include ingoing 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, payroll expenses linked to factory administration and management staff, and depreciation of production equipment. Contribution margin is a key internal financial figure that illustrates how profitable each portfolio company's product mix is, and hence also the company's ability to cover fixed expenses.

Contribution margin is an important financial figure with regard to product innovation and product portfolio optimisation. A reconciliation of the Orkla group's contribution margin is presented in the table above.

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. In calculating organic growth, acquired companies are excluded 12 months after the transaction date. Sold companies are 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 is used to identify and analyse the turnover growth of 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 customer prices 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 comprise 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 linked to 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.

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, 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 are included pro forma 12 months prior to the transaction date. Sold companies are 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 provides a comparable structure for monitoring the change in profitability 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. 12-month rolling EBITA (adj.) is used in the calculation. 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 the working capital of 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 payable public charges and some minor receivables and payables related to operations included in "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 always an average of the closing balances in 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 other alternative returns.

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 applicable to OIE was lower than the group's tax rate in the fourth quarter of 2024, since expensed M&A costs are not tax-deductible. As at 31 December 2024, the effective tax rate was higher than the group's tax rate because OIE were significantly impacted by non-taxable income, particularly the gain made on the sale of Lilleborg in the second quarter of 2024.

Adjustments are also made for any reported gains or losses on sales/purchases of associates and joint ventures, as well as for any reported major profit or loss effects linked to abnormal tax conditions. No such adjustments were made in 2024 or 2023.

Net replacement and expansion investments

When making investment decisions, the group distinguishes between replacement and expansion investments. Expansion investments are the proportion of overall reported investments deemed to be investments in either new geographical markets or new categories, or investments which represent significant increases in capacity. Net replacement investments include new leases and are reduced by the value of sold fixed assets valued at sale 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) are expected to generate increased contributions to profit in future, over and above profit expectations linked to normal operations.

Cash conversion

Cash conversion is calculated as cash flow from operating activities as a percentage of EBIT (adj.). Cash flow from operating activities is defined and presented in the Orkla-format cash flow statement.

Cash conversion is an important key figure for Orkla, as it shows how much of EBIT (adj.) has been converted into net interest-bearing liabilities, and thus the financial means available to the group. Net interest-bearing liabilities are the group's most important management parameter for financing and capital allocation.

Alternative Performance Measures (APM)

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 actively employed as part of 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.

Structure (acquisitions and disposals)

Structural growth includes adjustments for the divestment of Lilleborg, and the acquisition of the businesses Bubs Godis, Freunde der Erfrischung, Khell-Food, Norstamp, Kartonage, and SnackFood. Adjustments were also made for the divestment of Fruta Podivín, the brand Blomberg's, and the loss of distribution agreements with Tropicana and Alpro in Orkla Foods. 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 portfolio companies.

In 2023, adjustments were also made for the acquisitions of Denali Ingredients, Da Grasso, Lofoten Marine Oils, Healthspan and Hade coup. Adjustments have been made for the loss of a distribution agreement with PepsiCo, the discontinuation of tea distribution in Orkla India, the winding-up of Hamé Foods in Russia, and sale of the convenience business in Orkla Latvija and the Struer brand.

