Disclaimer

This presentation has been prepared by Orkla ASA (the “Company”) solely for information purposes. The presentation does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

Certain statements included in this presentation contain various forward-looking statements that reflect management’s current views with respect to future events and financial and operational performance. The words “believe,” “expect,” “anticipate,” “intend,” “may,” “plan,” “estimate,” “should,” “could,” “aim,” “target,” “might,” or, in each case, their negative, or similar expressions identify certain of these forward-looking statements. Others can be identified from the context in which the statements are made. Although we believe that the expectations reflected in such forward-looking statements are reasonable, these forward-looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause our actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized. Factors that could cause these differences include but are not limited to the Company’s ability to operate profitably, maintain its competitive position, to promote and improve its reputation and the awareness of the brands in its portfolio, to successfully operate its growth strategy and the impact of changes in pricing policies, political and regulatory developments in the markets in which the Company operates, and other risks.

The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.

No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information contained herein. Accordingly, neither the Company nor its subsidiary undertakings or any of such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.
Highlights 2018:
2018 has been a demanding year

- Organic sales progress with growth in Foods and Food Ingredients
- Weak performance in Health Poland and House Care UK addressed and set to improve during 2019
- Good sales growth in Confectionery & Snacks in Sweden, Finland and Denmark, but progress in Norway impacted by sugar tax and loss of Wrigley distribution
- Ongoing efficiency programme delivering as planned
- Creating market leading position in Finnish pizza category and out of home market through acquisition of #1 brand Kotipizza
- EPS from continuing operations NOK 3.24. The Board intends to propose a dividend of NOK 2.60 per share
Issues in Health Poland and House Care UK addressed and set to improve during 2019

- Destocking at largest wholesalers in Health Poland
  - Limited impact on sales to consumer and market shares stable
  - Expected to improve during 2019

- UK turnaround ongoing with positive momentum, EBIT bottoming out in Q4
  - Expect gradual improvement in 2019, but continued drag on top line for several quarters

- Good momentum across other Care businesses
Branded Consumer Goods 2018:
Growth momentum hampered by temporary impact of sugar-tax and challenges in Health Poland and House Care UK

Organic growth for Branded Consumer Goods

<table>
<thead>
<tr>
<th>Year</th>
<th>Organic Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>0.7%</td>
</tr>
<tr>
<td>2015</td>
<td>2.8%</td>
</tr>
<tr>
<td>2016</td>
<td>1.8%</td>
</tr>
<tr>
<td>2017</td>
<td>1.6%</td>
</tr>
<tr>
<td>2018</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

Organic growth 2018 by business area

- Orkla Foods: 1.5%
- Orkla Confectionery & Snacks: -3.4%
- Orkla Care: -1.8%
- Orkla Food Ingredients: 1.2%

All Alternative Performance Measures (APM) are presented in the appendix.
Financial performance
Jens Bjørn Staff, CFO
Branded Consumer Goods Q4-18:
Growth momentum overshadowed by changed sugar tax in Norway and decline in Orkla Health

Amounts in NOK million

---

**BCG revenue, Q4’17 → Q4’18 (MNOK)**

<table>
<thead>
<tr>
<th></th>
<th>Q4-17</th>
<th>Organic growth</th>
<th>FX</th>
<th>M&amp;A</th>
<th>Q4-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10,587</td>
<td></td>
<td></td>
<td></td>
<td>10,607</td>
</tr>
<tr>
<td>Organic growth</td>
<td></td>
<td>-0.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FX</td>
<td></td>
<td></td>
<td>-1.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M&amp;A</td>
<td></td>
<td></td>
<td></td>
<td>+2.4%</td>
<td></td>
</tr>
</tbody>
</table>

Organic growth including loss of C&S distribution business
Branded Consumer Goods incl. HQ:
Weak quarter caused by drop in Orkla Health in Poland and Foods Norway

Note: Figures may not add up due to rounding-off

1 Other costs include fixed production costs, SG&A and advertising
Orkla Foods

**Broad top line growth. Exits and factory-related costs impacted EBIT**

<table>
<thead>
<tr>
<th></th>
<th>Q4-18</th>
<th>YTD Q4-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>4 366</td>
<td>16 000</td>
</tr>
<tr>
<td><em>Organic growth</em></td>
<td>2.7%</td>
<td>1.5%</td>
</tr>
<tr>
<td>EBIT (adj.)</td>
<td>651</td>
<td>2 048</td>
</tr>
<tr>
<td><em>EBIT(adj.) growth</em></td>
<td>-5.5%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>EBIT(adj.) margin</td>
<td>14.9%</td>
<td>12.8%</td>
</tr>
<tr>
<td>Change vs LY</td>
<td>-0.8%-p</td>
<td>0.1%-p</td>
</tr>
</tbody>
</table>

- Good organic growth across most markets
- Continued negative impact on input cost from weak SEK
- Profit and margins negatively affected by divestments and factory-related projects

Revenues and EBIT (adj.) figures in NOK million
### Orkla Confectionery & Snacks

**Phasing effects between 18/19 in Norway hampered growth**

<table>
<thead>
<tr>
<th></th>
<th>Q4-18</th>
<th>YTD Q4-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>1,840</td>
<td>6,246</td>
</tr>
<tr>
<td>Organic growth</td>
<td>-4.5%</td>
<td>-3.4%</td>
</tr>
<tr>
<td>Adj. for Wrigley</td>
<td>-1.2%</td>
<td>0.5%</td>
</tr>
<tr>
<td>EBIT (adj.)</td>
<td>370</td>
<td>1,006</td>
</tr>
<tr>
<td>EBIT(_{\text{adj.}}) growth</td>
<td>-6.3%</td>
<td>-3.7%</td>
</tr>
<tr>
<td>EBIT(_{\text{adj.}}) margin</td>
<td>20.1%</td>
<td>16.1%</td>
</tr>
<tr>
<td>Change vs LY</td>
<td>-0.2%-p</td>
<td>-0.1%-p</td>
</tr>
</tbody>
</table>

- Sugar tax and Wrigley continued to weigh on Norwegian business
- Destocking effect in Q4 in Norway, volumes improving in January
- Continued positive effects from cost improvement programmes

---

Revenues and EBIT (adj.) figures in NOK million
### Orkla Care

**Actions implemented to turn around performance in Poland and UK**

<table>
<thead>
<tr>
<th></th>
<th>Q4-18</th>
<th>YTD-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>1,994</td>
<td>8,075</td>
</tr>
<tr>
<td><strong>Organic growth</strong></td>
<td><strong>-5.2%</strong></td>
<td><strong>-1.8%</strong></td>
</tr>
<tr>
<td>EBIT (adj.)</td>
<td>208</td>
<td>1,084</td>
</tr>
<tr>
<td>EBIT(adj.) growth</td>
<td><strong>-8.4%</strong></td>
<td><strong>0.9%</strong></td>
</tr>
<tr>
<td>EBIT(adj.) margin</td>
<td>10.4%</td>
<td>13.4%</td>
</tr>
<tr>
<td><strong>Change vs LY</strong></td>
<td><strong>-1.4%-p</strong></td>
<td><strong>-1.0%-p</strong></td>
</tr>
</tbody>
</table>

- Growth hampered by weak performance in Health, primarily in Poland
- Good performance in Home & Personal Care, Wound Care & Pierre Robert
- EBIT (adj.) margin impacted by decline in Health Poland and dilutive effects of M&A

---

Revenues and EBIT (adj.) figures in NOK million
Orkla Food Ingredients

**Solid EBIT (adj.) growth of 9% in the quarter, margins improving**

<table>
<thead>
<tr>
<th></th>
<th>Q4-18</th>
<th>YTD Q4-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>2,486</td>
<td>9,562</td>
</tr>
<tr>
<td>Organic growth</td>
<td>-0.9%</td>
<td>1.2%</td>
</tr>
<tr>
<td>EBIT (adj.)</td>
<td>140</td>
<td>533</td>
</tr>
<tr>
<td>EBIT(adj.) growth</td>
<td>9.4%</td>
<td>13.6%</td>
</tr>
<tr>
<td>EBIT(adj.) margin</td>
<td>5.6%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Change vs LY</td>
<td>0.3%–p</td>
<td>0.2%–p</td>
</tr>
</tbody>
</table>

- Improvement projects and turnaround cases contributed positively
- Actions to improve margins produce results
- Continued good growth in vegan portfolio

12 Revenues and EBIT (adj.) figures in NOK million
Targeting step change in net working capital efficiency

R12 net working capital / R12 Net Sales

Figures include Orkla’s Branded Consumer Goods businesses including HQ
Capex levels in 2018 reflect ongoing ERP investments and large expansion investments

Capex split 2018

- Maintenance capex of close to 3% in 2018
  - Overall level in line with previous years
- Total 2018 capex level of ~5% of NSV driven by ongoing ERP projects and large expansion projects
  - Upgrade and expansion of pizza factory at Stranda
- Capex next 3-4 years range 4-6% of NSV

Run rate maintenance level ~3% of NSV
**Jotun (42.6%)**

**Continued sales growth and stabilising raw material prices**

<table>
<thead>
<tr>
<th></th>
<th>Q4-18</th>
<th>Q4-17</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>4,337</td>
<td>3,965</td>
<td></td>
</tr>
<tr>
<td>Change vs LY</td>
<td>9%</td>
<td></td>
<td>• Continued growth in operating revenues</td>
</tr>
<tr>
<td>Operating profit</td>
<td>85</td>
<td>-31</td>
<td>• Good growth in Decorative Paints and strong improvement in Protective Coatings</td>
</tr>
<tr>
<td>Change vs LY</td>
<td>N/A</td>
<td></td>
<td>• Marine Coatings is improving, but still affected by cyclical downturn in shipping</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Gross margin decline has levelled off, expected to gradually improve going forward</td>
</tr>
</tbody>
</table>

Financial figures in NOK million
### Significant non-recurring items in Q4 affecting pre-tax earnings and EPS

<table>
<thead>
<tr>
<th>Key figures</th>
<th>Q4-18</th>
<th>∆ LY</th>
<th>FY-18</th>
<th>∆ LY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>10,983</td>
<td>+1%</td>
<td>40,837</td>
<td>+3%</td>
</tr>
<tr>
<td>EBIT (adj.) BCG</td>
<td>1,369</td>
<td>-5%</td>
<td>4,671</td>
<td>+1%</td>
</tr>
<tr>
<td>EBIT (adj.) HQ</td>
<td>-92</td>
<td>+1%</td>
<td>-284</td>
<td>+14%</td>
</tr>
<tr>
<td><strong>EBIT (adj.) BCG incl. HQ</strong></td>
<td>1,277</td>
<td>-5%</td>
<td>4,387</td>
<td>+2%</td>
</tr>
<tr>
<td>EBIT (adj.) Orkla Investments</td>
<td>131</td>
<td>+35%</td>
<td>390</td>
<td>+20%</td>
</tr>
<tr>
<td>Other income and expenses</td>
<td>-296</td>
<td></td>
<td>-482</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>1,112</td>
<td>-23%</td>
<td>4,295</td>
<td>-3%</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>-43</td>
<td>+45%</td>
<td>264</td>
<td>-16%</td>
</tr>
<tr>
<td>Net interest and other financial items</td>
<td>-52</td>
<td></td>
<td>-201</td>
<td></td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>1,017</td>
<td>-22%</td>
<td>4,358</td>
<td>-5%</td>
</tr>
<tr>
<td>Taxes</td>
<td>-271</td>
<td></td>
<td>-1,004</td>
<td></td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>746</td>
<td>-25%</td>
<td>3,354</td>
<td>-7%</td>
</tr>
<tr>
<td>Earnings per share cont. operations (NOK)</td>
<td>0.74</td>
<td>-23%</td>
<td>3.24</td>
<td>-6%</td>
</tr>
</tbody>
</table>

Amounts in NOK million
Out of Home / Kotipizza
Peter A. Ruzicka, President & CEO
Consistent high growth in the Nordic Out of Home market

Note: Out of Home definition based on national statistics definition. Can vary across the different countries

Source: Orkla analysis, SSB, SCB, Statistikbanken, StatFin, Euromonitor
Differentiated strategy for Out of Home consumption

Orkla Out of Home strategy

- Sell existing Orkla products to OOH players
- Provide tailored products and solutions
- Invest in strong local brands

Orkla with long history as a supplier of products and customer oriented solutions to the Out of Home channel
Kotipizza is the leading Finnish pizza brand

Finnish pizza market

Out of Home ~80%
2017 RSV, EURm

Out of Home

Rosso
Classic Pizza
Ristorante Dennis
Pizza Buffa
Vapiano

Retail

Chilled & components ~8%

Frozen ~12%

Largest brand in pizza – ~20% market share
Award-winning world-class taste
Ideal for all occasions – eat-in, take-away, delivery, on-the-go
Integrated and scalable business model

Kotipizza makes Orkla the clear leader within pizza in Finland

Source: Orkla analysis, Company financials, Euromonitor
An integrated Out of Home player with proven track record

- FY14: 8.2%
- FY15: 7.4%
- FY16: 9.1%
- FY17: 9.3%
- R12 Q3-18: 8.5%

Net sales:

- +8%
- +22%
- +22%
- +11%

EURm:

- 93.0
Value creation along three main dimensions

1. Continue strong growth and value creation in Foodstock and Kotipizza together with our franchisees.

2. Realize potential in promising fast casual portfolio for Kotipizza Group and the franchisees.

3. Realize top and bottom-line synergies with Orkla building on strong brand position and Orkla’s value chain within the pizza category.
Closing remarks
Peter A. Ruzicka, President & CEO
## 2018 has been a demanding year

### Key takeaways

- Good growth in Foods and Food Ingredients
- Weak performance in Health and House Care UK addressed
- Confectionery & Snacks in Norway impacted by sugar tax and loss of Wrigley distribution
- Ongoing efficiency programme delivering as planned
- Creating market leading position in Finnish pizza category and out of home market with Kotipizza
- EPS from continuing operations NOK 3.24
- The Board intends to propose a dividend of NOK 2.60 per share

### Outlook

- Stable, moderate growth across our markets
- Increase in Norwegian sugar tax reversed from 1 Jan 2019
- Challenges in Health Poland and House Care UK addressed and expected to improve during 2019
- Brexit uncertainty an inherent risk for Orkla’s business in and with UK
- Kotipizza consolidated from 1 Feb 2019
We continue to grow through strong local brands

Smash! launched in Denmark
Same product – local brand

Smart Living by Nutrilett
A new series of meals full of tasty, natural ingredients and easy to prepare

Jordan Stay Fresh toothpaste
For the first time outside Norway
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 the calculation of 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. The Group also uses organic growth performance as a factor in assessing executive remuneration for 2018 (paid out in 2019), but this will not apply from 2019.

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 the Group’s key financial figure, 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, and EBIT (adj.) is used as a basis for and indicator of the Group’s future profitability.

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 calculating this year’s turnover 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. Underlying EBIT (adj.) growth is a heavily weighted factor in determining executive remuneration.
Alternative Performance Measures (APM)

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 which is considered to be investments in either new geographical markets or new categories, or which represents significant increases in capacity.

Net replacement investments 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 concern maintenance of existing operations and how large a part of the investments (expansion) are 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 describe the Group’s capital structure and financing of operations. Net interest-bearing liabilities are the difference between the Group’s interest-bearing liabilities and interest-bearing receivables. Interest-bearing liabilities include bonded loans, bank loans, other loans and interest-bearing derivatives. Interest-bearing receivables include the Group’s interest-bearing current and non-current receivables primarily consisting of derivatives, and the Group’s liquid assets.

Net interest-bearing liabilities are the Group’s primary management parameter for liquid assets, financing and capital allocation, and are actively used in the Group’s financial risk management strategy.

Structure (acquired and sold companies)
Structural growth includes adjustments for the acquisition of the businesses Agrimex, Struer, Riemann, HSNG, Orchard Valley, SR-Food, Arne B. Corneliussen, Werners, County’s and various minor acquisitions in Orkla Food Ingredients, and adjustment for the sale of K-Salat and Mrs. Cheng’s.
Strong balance sheet and financial flexibility

Net interest-bearing liabilities (NOK million)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>5,661</td>
<td>7,805</td>
<td>8,056</td>
<td>14</td>
<td>3,037</td>
</tr>
</tbody>
</table>

Net gearing

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>0.18</td>
<td>0.23</td>
<td>0.24</td>
<td>0.00</td>
<td>0.09</td>
</tr>
</tbody>
</table>
## Changes in net debt 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (NOK million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt 31 December 2017</td>
<td>14</td>
</tr>
<tr>
<td>Expansion and sale of companies</td>
<td>1,564</td>
</tr>
<tr>
<td>Net paid to shareholders &amp; share purchases</td>
<td>4,063</td>
</tr>
<tr>
<td>Cash flow from operations</td>
<td>3,488</td>
</tr>
<tr>
<td>Tax, dividends received, net financial &amp; other items</td>
<td>905</td>
</tr>
<tr>
<td>FX effects</td>
<td>21</td>
</tr>
<tr>
<td>Net debt 31 December 2018</td>
<td>3,037</td>
</tr>
</tbody>
</table>
Debt maturity profile

Amounts in NOK million

Average maturity 4 years

Unutilised credit facilities
Drawn amounts

Amounts in NOK million
Funding sources

- Unutilised credit facilities: 3.6
- Banks: 2.7
- Bonds and CP: 2.6
- Cash, cash equivalents and interest bearing assets: 2.2

Amounts in NOK billion
Update on Kotipizza tender offer

• Orkla currently owns approx. 99% of the shares in Kotipizza
  – Tender offer completed on 17 January 2019

• Squeeze-out process initiated
  – Title to all shares expected by end of June 2019
  – Delisting from Nasdaq Helsinki can then take place

• EGM to be held 12 February 2019
  – New board of directors will be elected
Your friend in everyday life