

## Goal and strategy

Orkla's strategic objective is to strengthen its position as the leading branded consumer company in the Nordics, Baltics and other selected markets. Working more closely across the Group – as "One Orkla" – strengthens the Group's long-term competitiveness and maintains Orkla's local presence.

Activities that drive organic growth and improve profitability are prioritised in line with the Group's strategy and financial targets.

### **The primary driver for long-term value creation is organic growth for local brands**

- Orkla aims to distinguish itself significantly from its competition through its unique local insight and presence.
- Innovations based on the Group's unique local customer and consumer insight will be a main growth driver.
- A growing number of new products will be launched across Orkla's markets and business areas through closer collaboration as "One Orkla".
- Priority will be given to further developing and strengthening customer relations, with a shared goal of profitable growth.
- Orkla will strengthen its presence in emerging sales channels and focus more purposefully on export.

### **Improved profitability through more efficient operations in every part of the value chain**

- The Group will exploit economies of scale and create cross-cutting synergies more effectively by working more closely as "One Orkla".
- The Group will also create synergies through the integration of acquired companies.
- Production will be concentrated on fewer, but larger production units, thereby freeing up resources for innovation, growth and competence-building.
- Steps will be taken to simplify the organisational structure and centralise accounting and IT functions, thereby reducing the Group's administrative costs.

### **Acquisitions in Branded Consumer Goods**

- In addition to organic growth, acquisitions will help strengthen Orkla's position as the leading branded consumer goods company in our home markets.
- Through acquisitions, Orkla will strengthen its activities in selected geographical areas, channels or niches where we can achieve leading positions based on the Group's core competencies.

### **A clear capital allocation strategy**

Orkla is in the final stage of transformation from an industrial conglomerate to a leading branded consumer goods company. We are continuing to reduce our exposure outside the branded consumer goods business. Our first priority is to transfer excess capital to make acquisitions in Branded Consumer Goods

and investments in existing operations. Alternatively, an extraordinary dividend or a share buyback will be considered.

The Board of Directors has proposed a dividend policy entailing maintenance of a stable dividend of at least NOK 2.50 per share.

The Group's goal is to remain an investment grade company. This means aiming to ensure a net interest-bearing liabilities / EBITDA ratio over time of less than 2.5–3.0.

### Financial targets

- Organic growth that at least matches market growth
- Annual, adjusted EBIT growth of 6–9 per cent<sup>1</sup> in Branded Consumer Goods

<sup>1</sup>Including minor acquisitions, excluding currency effects and major acquisitions and disposals.

### Vision and values

Orkla's vision is to be "your friend in everyday life". This vision is underpinned by the values "brave", "trustworthy" and "inspiring". Orkla's mission is improving everyday life with sustainable and enjoyable local brands.

