## Orkla’s business areas

### Branded Consumer Goods

<table>
<thead>
<tr>
<th>Operating revenues</th>
<th>Organic growth</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>38.5 NOK billion</td>
<td>1.6%</td>
<td>17,694</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EBIT (adj.)</th>
<th>EBIT (adj.) margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.6 NOK billion</td>
<td>12.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EBIT (adj.) growth</th>
<th>EBIT (adj.) margin growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>+8%</td>
<td>+30 bps</td>
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</tbody>
</table>

### Orkla Investments

<table>
<thead>
<tr>
<th>Jotun* (42.6%)</th>
<th>EBIT</th>
<th>EBIT (adj.)</th>
<th>Financial Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.4 NOK billion</td>
<td>1.4</td>
<td>0.3 NOK billion</td>
<td>Book value real estate:</td>
</tr>
</tbody>
</table>

*On a 100% basis

<table>
<thead>
<tr>
<th>Share of BCG operating revenues</th>
<th>Orkla Foods</th>
<th>Orkla Confectionery &amp; Snacks</th>
<th>Orkla Care</th>
<th>Orkla Food Ingredients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>42%</td>
<td>17%</td>
<td>19%</td>
<td>23%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Share of BCG EBIT (adj.)</th>
<th>Orkla Foods</th>
<th>Orkla Confectionery &amp; Snacks</th>
<th>Orkla Care</th>
<th>Orkla Food Ingredients</th>
</tr>
</thead>
<tbody>
<tr>
<td>44%</td>
<td>12.7%</td>
<td>16.2%</td>
<td>14.4%</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EBIT (adj.) margin growth</th>
<th>Orkla Foods</th>
<th>Orkla Confectionery &amp; Snacks</th>
<th>Orkla Care</th>
<th>Orkla Food Ingredients</th>
</tr>
</thead>
<tbody>
<tr>
<td>+30 bps</td>
<td>12.1%</td>
<td>16.2%</td>
<td>14.4%</td>
<td>5.4%</td>
</tr>
</tbody>
</table>
Orkla Foods

Orkla Foods is the biggest business area, accounting for 41% of Orkla’s operating revenues.

Orkla Foods offers well-known local branded products to consumers in the Nordics, Baltics, Central Europe and India. The business area holds leading market positions in a number of categories, including frozen pizza, ketchup, soups, sauces, bread toppings and ready-to-eat meals.

Orkla Foods primarily sells its products through the grocery retail trade, but also holds strong positions in the out-of-home, convenience store and petrol station sectors.

Its many widely known brands include Grandiosa, TORO, Stabburet, Felix, Paulûns, Abba, Kalles, Beauvais, Den Gamle Fabrik, Spilva, Vitana and MTR.

Sales revenues by geographical area:

- Norway: 29.9%
- Nordics ex. Norway: 41.0%
- Baltics: 2.8%
- Europe other: 20.2%
- World other: 6.1%

Orkla Foods’ largest product categories: Sauces and flavourings, ready-to-eat dishes, toppings, dehydrated casseroles, soups and sauces, fish and seafood

Key figures

<table>
<thead>
<tr>
<th>Operating revenues</th>
<th>Organic growth</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>16.1 NOK billion</td>
<td>1.4%</td>
<td>7 931</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>EBIT (adj.)</th>
<th>EBIT (adj.) margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 NOK billion</td>
<td>12.7%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>EBIT (adj.) growth</th>
<th>EBIT (adj.) margin growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>+4%</td>
<td>+0 bps (flat)</td>
</tr>
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</table>
The biggest growth driver in the frozen pizza category in 2017

When consumers are asked what they consider to be the absolutely best pizza, they give two answers: the pizza they are served in restaurants, and the one they make at home – freshly baked. These responses spurred the development of Grandiosa Nybakt. The pizza is made using a unique raw dough technology, which means that it is not pre-baked at the factory, but baked for the first time in the consumer’s home. As a result, the pizza rises in the oven and has an extra light, crispy, moist crust. The concept was launched in Norway in May 2017 in two varieties: Pepperoni and Ham. Grandiosa Nybakt is a huge success. Over 1.4 million units have been sold by stores for a total value of NOK 86 million. The concept was the biggest growth driver in the category in 2017, despite the fact that it was not launched until May.
Orkla Confectionery & Snacks

Orkla Confectionery & Snacks’s turnover accounts for 16% of Orkla’s operating revenues.

Orkla Confectionery & Snacks is market leader in the confectionery, biscuits and snacks categories, with well-known local brands and tastes that delight consumers in the Nordic and Baltic countries.

The many widely known brands include KiMs, Nidar, Göteborgs Kex, Sætre, OLW, Panda, Laima, Selga, Adazu and Kalev.

Sales revenues by geographical area:

- Norway: 33.2%
- Nordics ex. Norway: 44.1%
- Baltics: 17.0%
- Europe other: 4.9%
- World other: 0.8%

Key figures

- Operating revenues: 6.4 NOK billion
- Organic growth: 3.1%
- Number of employees: 3,271
- EBIT (adj.): 1.0 NOK billion
- EBIT (adj.) margin: 16.2%
- EBIT (adj.) growth: +12%
- EBIT (adj.) margin growth: +120 bps

The largest categories in Orkla Confectionery & Snacks: snacks, confectionery, biscuits
The time-honoured Kornmo brand was established in 1946. Until 2016, the product range consisted only of the traditional whole grain savoury biscuit, and growth had stagnated. In 2014, Orkla Confectionery & Snacks decided to create a new platform for growth and make the brand relevant for a younger target group. Consumer surveys showed high consumer awareness of the brand, which is associated with healthiness, tradition and good taste. Based on the growing focus on health and increased growth in related categories, it was decided to reposition Kornmo from solely a biscuit brand to a brand with a range of tasty whole grain products. Three new products were launched in 2016/2017: home-baked crispbread, healthier cookies and the Kornmo 7 biscuit. Through these newly launched products, Kornmo has achieved a NOK 65 million increase in sales in the past two years, equivalent to a rise of 255 per cent. Moreover, the innovations have generated category growth in all the segments that Kornmo has entered.
Orkla Care

Orkla Care accounts for 19% of Orkla’s operating revenues and is organised into six business units.

The two largest business units are Orkla Home & Personal Care, which holds leading positions in the personal care and cleaning products segments, and Orkla Health, which holds leading positions in the dietary supplement, sports nutrition and weight control segments. Orkla Care also holds leading positions in painting tools (Orkla House Care), wound care (Orkla Wound Care), basic garments sold through the grocery channel (Pierre Robert Group) and professional cleaning products (Lilleborg).

Orkla Care’s well-known brands include Möller’s, Salvequick, Collett, Nutrillett, Riemann, Maxim, Define, Sunsilk, Blenda, Jif, Sun, Zalo, Jordan and Pierre Robert.

Sales revenues by geographical area:

- Norway: 42.2%
- Nordics ex. Norway: 30.0%
- Baltics: 0.9%
- Europe other: 21.8%
- World other: 5.1%

The largest categories in Orkla Care: hygiene, health, cleaning products, basic garments, vitamins and dietary supplements.

Key figures

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<tr>
<th>Operating revenues</th>
<th>Organic growth</th>
<th>Number of employees</th>
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<tbody>
<tr>
<td>7.5 NOK billion</td>
<td>2.9%</td>
<td>3 348</td>
</tr>
<tr>
<td>EBIT (adj.)</td>
<td>EBIT (adj.) margin</td>
<td></td>
</tr>
<tr>
<td>1.1 NOK billion</td>
<td>14.4%</td>
<td></td>
</tr>
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EBIT (adj.) growth: +12%

EBIT (adj.) margin growth: +20 bps
Orkla’s most global brand

Jordan is one of Orkla’s oldest brands, dating back to 1837. Jordan toothbrushes have been sold internationally for over 40 years. They are currently sold in more than 60 countries, making Jordan Orkla’s most global brand. Growth has accelerated in the past few years, and the brand has been launched in several new markets in Europe, the Middle East and Asia. Profitability is good, and Jordan has achieved double-digit growth in every region in the last four years. Its children’s toothbrushes are particularly popular, and in several markets, such as Poland, the Netherlands and South Korea, Jordan is market leader in the children’s segment. Jordan established an online presence in a number of Asian markets early on, and plans to increase its presence in new channels and markets.
Orkla Food Ingredients

Orkla Food Ingredients accounts for 22% of Orkla’s operating revenues. Orkla Food Ingredients is the leading supplier of bakery ingredients in the Nordic and Baltic regions, in addition to holding growing positions in selected countries in Europe.

The business area has sales and distribution companies in 21 countries. Artisanal and industrial bakeries account for around 66% of sales. Approximately 20% are direct-to-consumer sales under well-known brands such as Odense Marcipan, Mors Hjemmebakte, Kronjäst, Bakkedal and Naturli’. The remaining 14% are sales of ice cream ingredients and accessories. A major share of Orkla Food Ingredients’ sales stem from distribution agreements. Due to this factor, and to a substantial share of raw material sales, Orkla Food Ingredients’ operating margin is lower than that of the other business areas in Branded Consumer Goods. However, its return on capital is more comparable to that of the other areas.

Sales revenues by geographical area:

- Norway: 10.7%
- Nordics ex. Norway: 42.9%
- Baltics: 3.8%
- Europe other: 41.7%
- World other: 0.9%

The biggest categories in Orkla Food Ingredients: yeast, butter blends (spreadable), plant based food products, marzipan and margarine

Key figures

- Operating revenues: 8.7 NOK billion
- Organic growth: 0.5%
- Number of employees: 3,144

EBIT (adj.):

- 0.5 NOK billion
- EBIT (adj.) margin: 5.4%

EBIT (adj.) growth: +7%

EBIT (adj.) margin growth: +0 bps (flat)
Responding to consumer trends with gluten-free bakery products

Steadily growing demand for gluten-free products is a strong consumer trend, and four years ago Orkla Food Ingredients began to develop gluten-free bakery products for the B2B market. Through the companies Credin in Denmark and Sonneveld in the Netherlands, Orkla Food Ingredients has developed a broad portfolio of baking mixes for pizzas, bread, muffins, cookies and cakes, in which taste is the primary success factor. The products are manufactured at Orkla’s allergy-neutral factory in Denmark, which also produces the mix for Grandiosa’s gluten-free pizza crusts. Through sister companies in Orkla Food Ingredients, the products are now sold in 18 countries, of which the Netherlands and the Nordics are the largest markets. As a result of this focus, sales of gluten-free products increased from 0 in 2014 to NOK 25 million in 2017.
Orkla Investments

Orkla has some investments outside the Branded Consumer Goods business which are organised under Orkla Investments.

The business area comprises the associate and joint venture company Jotun (42.6% interest). It also includes the consolidated businesses Hydro Power and Financial Investments in Orkla Investments.

Jotun

Jotun is one of the leading global manufacturers of paint and powder coatings. Jotun’s worldwide activities consist of the development, production, marketing and sale of a variety of paint systems, and are organised in the four segments Decorative Paints, Marine Coatings, Protective Coatings and Powder Coatings. The company’s main markets are the Middle East, India, Africa, Northeast Asia, Southeast Asia and Scandinavia.

Jotun is accounted for using the equity method and presented on the line “Profit/loss from associates”.

Hydro Power

Hydro Power consists of a power plant in Sarpsfoss and Orkla’s 85% interest in the Saundefaldene power company. The power operations generate and supply power to the Nordic power market. Annual production averaged 2.5 TWh in 2011-2017, of which around 1 TWh is a fixed delivery commitment with a net effect of zero on profit. The Sauda power operations are regulated by a leasing agreement with Statkraft that will run until 31 December 2030.
Financial Investments

Financial Investments consists chiefly of Orkla Eiendom and Orkla Venture. Orkla Eiendom is responsible for the development of properties freed up as a result of the restructuring of Branded Consumer Goods, and the development of the Group’s new head office. As at 31 December 2017, Orkla’s real estate investments had a book value of NOK 1.5 billion.

Orkla Venture was established in 2017 to reach out to a growing universe of entrepreneurial businesses and start-up companies engaged in innovation outside established companies. Orkla Venture focuses primarily on technology, concepts and business models that might be relevant for Orkla’s businesses. Besides offering risk capital, Orkla hopes, by providing both expertise and other resources, to help more start-up companies succeed, also during the challenging commercialisation phase.