

Goals and strategy

Long-term value creation is Orkla's first priority.

By working together more closely as "One Orkla", the Group will exploit strategies and opportunities across its operations more effectively. The aim is to strengthen the Group's long-term competitiveness and create higher growth and profitability, while preserving Orkla's strong local presence.

Orkla's strategic objective is to strengthen its position as the leading supplier of branded consumer goods and services in the Nordics, Baltics and other selected markets.

In line with the Group's strategy and financial targets, activities that drive organic growth and improve profitability are prioritised.

Through acquisitions Orkla will develop its operations in its home markets and within selected geographical areas, channels or niches where we can achieve leading positions based on the Group's core competencies.

The primary driver for long-term value creation is organic growth for local brands and services

- Orkla aims to distinguish itself significantly from its competitors 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 across borders and individual companies.

- 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 to a greater degree exploit economies of scale, reduce the complexity of its portfolio and create synergies across different companies.
- The Group will also realise 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, including IT and administration.

Acquisitions in Branded Consumer Goods

- Strategically appropriate acquisitions will remain a key element of Orkla's growth strategy and value creation model. At the same time, the Group will reduce its complexity to a greater degree through more active portfolio management.
- 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

The Board of Directors has proposed a dividend policy entailing an ambition of increasing the dividend from its current level of NOK 2.60 per share, normally within 50-70% of earnings per share.

Our first priority in allocating excess capital is to strengthen Branded Consumer Goods by making acquisitions and investing in existing operations.

Alternatively, an extraordinary dividend or a share buyback will be considered.

The Group's goal is to remain an investment-grade company. This means ensuring that the net interest-bearing liabilities / EBITDA ratio over time is less than 2.5.

Financial targets

- Long-term organic growth that at least matches market growth
- Growth in the underlying EBIT margin of at least 1.5 percentage points, adjusted for acquisitions and currency effects, for the period up to 2021
- A reduction of 3 percentage points in net working capital / net sales value for the period up to 2021

