

## Historical key figures

Historical key figures are presented for each of the last four years (2014–2017) as they were presented in the respective annual reports. Subsequent accounting restatements (due, for instance, to changes in accounting principles, recognition as "Discontinued operations", etc.) are thus not reflected in the set of figures presented. This is because Orkla wishes to show the Group as it was reported in the years in question, so as to illustrate the actual level of activity in the years concerned.

	Definition	2018	2017	2016	2015	2014
<b>Income statement</b>						
Operating revenues	(NOK million)	40 837	39 561	37 758	33 198	29 599
EBIT (adj.)*	(NOK million)	4 777	4 635	4 298	3 609	3 214
Other income and expenses	(NOK million)	(482)	(201)	(382)	(502)	(100)
Operating profit	(NOK million)	4 295	4 434	3 916	3 107	3 114
EBIT (adj.) margin*	1 (%)	11.7	11.7	11.4	10.9	10.9
Profit/loss from associates and joint ventures	(NOK million)	264	313	1 378	1 111	121
Ordinary profit/loss before taxes	(NOK million)	4 358	4 571	5 182	4 090	2 872
Gains/profit/loss discontinued operations	(NOK million)	-	5 066	-	(17)	(485)
Profit/loss for the year	(NOK million)	3 354	8 657	4 375	3 351	1 699
<b>Cash flow</b>						
Net cash flow	(NOK million)	(3 044)	8 471	(956)	(1 561)	3 062
<b>Capital as at 31 December</b>						
Book value of total assets	(NOK million)	52 509	53 408	55 604	54 238	50 112
Market capitalisation	2 (NOK million)	68 007	88 683	79 586	71 361	52 025
Equity ratio	3 (%)	64.9	65.2	60.9	62.2	62.5
Net interest-bearing liabilities	4 (NOK million)	3 037	14	8 056	7 805	5 661
Net gearing	5	0.09	0.00	0.24	0.23	0.18
Interest coverage ratio	6	33.5	23.1	23.1	17.3	10.8
Average borrowing rate	(%)	3.4	2.2	1.8	2.8	3.4
Share of floating interest-bearing liabilities	7 (%)	39	38	67	61	57
Average time to maturity liabilities	8 (year)	4.0	4.3	3.3	3.2	3.7

\*EBIT (adj.) = Operating result before other income and expenses.

	Definition	2018	2017	2016	2015	2014
<b>Shares</b>						
Average number of shares outstanding, diluted	(x 1,000)	1 008 810	1 017 472	1 017 969	1 018 394	1 017 795
Average number of shares outstanding	(x 1,000)	1 008 810	1 017 472	1 017 526	1 017 546	1 016 375
<b>Share-related key figures</b>						
Share price at 31 December	(NOK)	68.04	87.05	78.20	70.10	51.15
Earnings per share, diluted	9 (NOK)	3.24	8.43	4.22	3.24	1.63
Ordinary dividend per share (proposed for 2018)	(NOK)	2.60	2.60	2.60	2.50	2.50
Payout ratio	10 (%)	80.2	30.8	61.6	77.2	153.4
Price/earnings ratio	11	21.0	10.3	18.5	21.6	31.4
<b>Personnel</b>						
Number of employees		18 510	18 178	18 154	14 670	12 921
Number of man-years		17 633	17 569	18 038	14 532	12 714

## Definition:

- 1 EBIT (adj.)\* / Operating revenues
- 2 Market capitalisation is calculated on the basis of number of shares outstanding x Share price at year end
- 3 Book equity / Total assets
- 4 Total interest-bearing liabilities - Interest-bearing receivables and liquid assets (cash, bank deposits etc.)
- 5 Net interest-bearing liabilities / Equity
- 6 (Profit before tax + Net interest expenses) / (Net interest expenses)
- 7 Liabilities with remaining period of fixed interest of less than one year
- 8 Average time to maturity for interest-bearing liabilities and unutilised committed credit facilities
- 9 Profit for the year after non-controlling interests / Average number of shares outstanding, diluted, at year-end
- 10 Ordinary dividend per share / Earnings per share, diluted
- 11 Share price / Earnings per share, diluted

## 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.

Reconciliation of organic growth is shown in a separate table on the next page.

### 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 14. 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.

EBIT (adj.) is presented on a separate line in the Group's income statement and in segment reporting; see Note 7.

### 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 prior to 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.

The reconciliation of change in underlying EBIT (adj.) for Branded Consumer Goods including Headquarters is shown in the report of the Board of Directors and on the next page.

### 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) must be expected to generate increased contributions to profit in future, exceeding expectations of normal operations.

Net replacement and expansion investments are presented in the statement of cash flows in the report of the Board of Directors and Note 40.

#### Net interest-bearing liabilities

Net interest-bearing liabilities, together with equity, constitute the Group's capital. Net interest-bearing liabilities are the sum of the Group's interest-bearing liabilities and interest-bearing receivables. Interest-bearing liabilities include bonds, bank loans, other loans, financial leasing and interest-bearing derivatives. Interest-bearing receivables include liquid assets, interest-bearing derivatives, and other interest-bearing assets.

Net interest-bearing liabilities constitute the Group's primary management parameter for funding and capital allocation, and are actively used in the Group's financial risk management strategy. The Orkla-format cash flow statement therefore shows the change in net interest-bearing liabilities in the report of the Board of Directors and Note 40.

Net interest-bearing liabilities are reconciled in Note 28 and Note 29.

#### 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. Corneliusen, Werners, County's and various minor acquisitions in Orkla Food Ingredients, and adjustment for the sale of K-Salat and Mrs. Cheng's.

#### Organic growth per business areas

Sales revenues changes %	1.1.–31.12.2018			
	FX	Structure	Organic growth	Total
Orkla Foods	-0.3	-1.9	1.5	-0.8
Orkla Confectionery & Snacks	0.4	-	-3.4	-3.0
Orkla Care	0.2	9.5	-1.8	8.0
Orkla Food Ingredients	1.1	7.6	1.2	9.9
Branded Consumer Goods	0.2	2.8	-0.2	2.8

Sales revenues changes %	1.1.–31.12.2017			
	FX	Structure	Organic growth	Total
Orkla Foods	0.5	2.3	1.4	4.2
Orkla Confectionery & Snacks	0.3	-	3.1	3.4
Orkla Care	-0.1	8.2	2.9	11.0
Orkla Food Ingredients	0.7	5.5	0.5	6.6
Branded Consumer Goods	0.4	3.7	1.6	5.7

#### Underlying EBIT (adj.) changes with corresponding figures for Branded Consumer Goods incl. HQ

EBIT (adj.) changes %	FX	Structure	Underlying growth	Total
1.1–31.12.2018	-0.2	1.2	0.8	1.8
1.1–31.12.2017	0.5	2.6	5.2	8.4

EBIT margin growth changes percentage points	FX/Structure	Underlying			EBIT (adj.) margin (%)
		Variable cost	Other	Total	
1.1–31.12.2018	-0.2	0.0	0.1	-0.1	11.1
1.1–31.12.2017	-0.1	-0.2	0.6	0.3	11.2

Figures may not add up due to rounding-off.