

## Historical key figures

Historical key figures are presented for each of the last four years (2015–2018) 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	2019	2018	2017	2016	2015
<b>Income statement</b>						
Operating revenues	(NOK million)	43 615	40 837	39 561	37 758	33 198
EBIT (adj.)*	(NOK million)	5 088	4 777	4 635	4 298	3 609
Other income and expenses	(NOK million)	(561)	(482)	(201)	(382)	(502)
Operating profit	(NOK million)	4 527	4 295	4 434	3 916	3 107
EBIT (adj.) margin*	1 (%)	11.7	11.7	11.7	11.4	10.9
Profit/loss from associates and joint ventures	(NOK million)	659	264	313	1 378	1 111
Ordinary profit/loss before taxes	(NOK million)	4 931	4 358	4 571	5 182	4 090
Gains/profit/loss discontinued operations	(NOK million)	-	-	5 066	-	(17)
Profit/loss for the year	(NOK million)	3 898	3 354	8 657	4 375	3 351
<b>Cash flow</b>						
Net cash flow	(NOK million)	(2 064)	(3 044)	8 471	(956)	(1 561)
<b>Capital as at 31 December</b>						
Book value of total assets	(NOK million)	57 413	52 509	53 408	55 604	54 238
Market capitalisation	2 (NOK million)	88 987	68 007	88 683	79 586	71 361
Equity ratio	3 (%)	60.8	64.9	65.2	60.9	62.2
Net interest-bearing liabilities	4 (NOK million)	6 551	3 037	14	8 056	7 805
Net gearing	5	0.19	0.09	0.00	0.24	0.23
Interest coverage ratio	6	38.1	33.5	23.1	23.1	17.3
Average borrowing rate	(%)	2.5	3.4	2.2	1.8	2.8
Share of floating interest-bearing liabilities	7 (%)	49	39	38	67	61
Average time to maturity liabilities	8 (year)	3.7	4.0	4.3	3.3	3.2

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

Historical key figures cont. ➔

	Definition	2019	2018	2017	2016	2015
<b>Shares</b>						
Average number of shares outstanding, diluted	(x 1,000)	999 929	1 008 810	1 017 472	1 017 969	1 018 394
Average number of shares outstanding	(x 1,000)	999 929	1 008 810	1 017 472	1 017 526	1 017 546
<b>Share-related key figures</b>						
Share price at 31 December	(NOK)	88.96	68.04	87.05	78.20	70.10
Earnings per share, diluted	9 (NOK)	3.84	3.24	8.43	4.22	3.24
Ordinary dividend per share (proposed for 2019)	(NOK)	2.60	2.60	2.60	2.60	2.50
Payout ratio	10 (%)	67.7	80.2	30.8	61.6	77.2
Price/earnings ratio	11	23.2	21.0	10.3	18.5	21.6
<b>Personnel</b>						
Number of employees		18 348	18 510	18 178	18 154	14 670
Number of man-years		17 692	17 633	17 569	18 038	14 532

## 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 calculating 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.

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". Items included in "Other income" and "Other expenses" (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 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.

The reconciliation of change in underlying EBIT (adj.) for Branded Consumer Goods incl. HQ is shown on the next page.

### Earnings per share (adj.)

Earnings per share (adj.) show earnings per share adjusted for "Other income" and "Other expenses" (OIE) after estimated tax. Items included in OIE are specified in Note 14. The effective tax rate for OIE in 2019 is lower than the Group's tax rate due to the write-down of goodwill with no tax effect and to high non-deductible transaction costs.

If other items of a special nature occur under the company's operating profit or loss, adjustments will also be made for these items. In the fourth quarter, an adjustment was made for a gain on the sale of the joint venture Oslo Business Park and the reversal of a net deferred tax liability related to planned dividends from the Baltics.

The calculation of earnings per share is disclosed in Note 17.

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

Net replacement investments have been 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 concerns 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 replacement and expansion investments are presented in the statement of cash flows; see the Report of the Board of Directors and Note 38.

**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 bonded loans, bank loans, other loans, lease liabilities and interest-bearing derivatives. Interest-bearing receivables include liquid assets, interest-bearing derivatives and other interest-bearing receivables.

Net interest-bearing liabilities are the Group's primary management parameter for financing and capital allocation, which is used actively in the Group's financial risk management strategy. The statement of cash flows (Orkla format) therefore shows the change in net interest-bearing liabilities at Group level; see the Report of the Board of Directors and Note 38.

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 Struer, HSNG, Werners, County's, Igos, Lecora, Easyfood, Kanakis Group, Risberg, Zeelandia, Confection by Design, Vamo and Anza Verimex, and adjustments for the sale of Glyngøre and Mrs. Cheng's.

**Organic growth per business area**

Sales revenues change %	1.1.–31.12.2019			
	Organic growth	FX	Structure	Total
Orkla Foods	1.8	1.2	1.9	4.9
Orkla Confectionery & Snacks	4.6	1.3	-	5.9
Orkla Care	0,0	0.8	1.1	1.9
Orkla Food Ingredients	0.6	1.5	5.5	7.6
Orkla Consumer & Financial Investments	-3.4	1.0	43.9	41.5
Branded Consumer Goods	1.3	1.2	4.9	7.4

Sales revenues change %	1.1.–31.12.2018			
	Organic growth	FX	Structure	Total
Orkla Foods	1.5	-0.3	-1.9	-0.8
Orkla Confectionery & Snacks	-3.4	0.4	-	-3.0
Orkla Care	-2.4	0.2	16.9	14.8
Orkla Food Ingredients	1.2	1.1	7.6	9.9
Orkla Consumer & Financial Investments	-1.1	0.2	-2.3	-3.1
Branded Consumer Goods	-0.2	0.2	3.0	3.0

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

EBIT (adj.) change %	Underlying growth	FX	Structure	Total
1.1–31.12.2019	4.1	1.4	3.4	9.0
1.1–31.12.2018	0.9	-0.2	1.2	1.8

EBIT margin growth change percentage points	Underlying		FX/Structure	Total	EBIT (adj.) margin (%)
	Variable cost	Other			
1.1–31.12.2019	0.5	-0.3	0.1	0.3	11.2
1.1–31.12.2018	0.0	0.1	-0.2	-0.1	11.1

Figures may not add up due to rounding.