

## Broad-based sales improvement in Orkla

7/14/2022

Orkla's operating revenues increased by 21% in the second quarter to NOK 14.3 billion. Operating profit EBIT (adj.) rose by 39% to NOK 1,753 million. The Group's profit before tax amounted to NOK 1,854 million, an improvement of 38%.

Adjusted earnings per share were NOK 1.33 for the second quarter, a year-over-year increase of 17%.

Orkla's branded consumer goods business achieved 17% growth in second-quarter operating revenues. Organic turnover growth was 12%.

Sales to the grocery channel improved in most markets. Orkla was also positively affected by the reopening of the food service and Out of Home sectors, as infection control measures were in force in the same period in 2021.

Orkla Food Ingredients saw the biggest improvement in turnover, with organic growth of 22%. Orkla Foods reported corresponding growth of 12%, while Orkla Confectionery & Snacks and Orkla Care had organic turnover growth of 9% and 8% respectively in the quarter. Orkla Consumer Investments experienced a -4% organic decline in sales, primarily due to lower sales of painting tools, particularly in the UK, compared with a high level in the same period of 2021.

Branded Consumer Goods, including Headquarters, had a decline in operating profit EBIT (adj.) of -0.5%. The decrease is primarily due to the higher prices of raw materials and packaging, rising freight and energy prices and increasing general cost inflation.

“At Orkla we have succeeded in maintaining a good delivery performance to our customers at a difficult time. We achieved broad-based turnover growth in Branded Consumer Goods, with both price and volume improvement. We have had to implement price increases to compensate for unusually high increases in input prices. In June, we saw abnormally high sales in some markets ahead of announced price increases as from 1 July,” says Orkla President and CEO Nils K. Selte.

“My main priorities are to ensure that Orkla steps up its pace, growth and value creation. To achieve our goals, we will make adjustments in our present business model and organisation. We will redefine the Group’s ownership role in relation to the operational business units and create a more efficient enterprise. Our companies will be given greater autonomy and decision-making authority so as to ensure that they have both structural flexibility and responsibility for their own value creation,” he adds.

Hydro Power had operating profit EBIT (adj.) of NOK 579 million, compared with NOK 112 million in the same period of 2021. The increase is due to considerably higher power prices, year over year.

Profit from Orkla’s associates and joint ventures amounted to NOK 238 million in the second quarter, compared with NOK 255 million in the same period of 2021. The decline is due to Jotun’s lower contribution to profit, as a result of substantially higher raw material prices. In the second quarter, Jotun had year-over-year sales growth of 22%.

Orkla ASA

Oslo, 14 July 2022

Ref.:

Group Director Corporate Communications and Corporate Affairs

Håkon Mageli, mob.: +47 928 45 828

SVP Investor Relations

Kari Lindtvedt, mob.: +47 950 75 114