

Creating growth as “One Orkla”

In 2016 we strengthened Orkla’s position as the Nordic region’s leading branded consumer goods company by means of a number of strategic acquisitions and strong product launches. We also made a good deal of progress in our efforts to build a culture focused on working more as “One Orkla” and realising more synergies in our existing operations.



In the course of the year we made several acquisitions. We strengthened our position in the painting tool category by acquiring Harris in the UK. Through the purchase of Hamé, we doubled our turnover in Central Europe and have become a leading food company in the Czech Republic and Slovakia. We also improved our existing positions in selected categories through several smaller acquisitions. Combined with organic growth, acquisitions will continue to be an important part of Orkla’s growth strategy. Acquisitions also contribute cost synergies. Orkla made several structural changes during the year. By streamlining our manufacturing footprint and exploiting economies of scale, we are strengthening our long-term competitiveness.

Orkla is well known for its strong local brands and insight into local consumer needs. At the same time, we are focusing on working as “One Orkla” and applying our consumer insight, brand understanding and product development strength across the Group. The launch of Waffle Cut chips under the Taffel, Ádazu, OLW and KiMs brands is an example of the way we roll out major innovations in several different countries, marketing the same product under a number of Orkla’s big local brands. Paulúns, initially launched in Sweden and then in Denmark and Finland, is another example. The year 2016 was one of many strong innovations that meet the demand for healthier food products, vegetarian products and organic alternatives in the major categories. Taste, indulgence and convenience are also key factors.

Healthier foods are high on the agenda at Orkla. Our companies work actively to adapt their product portfolio to health-related consumer trends, and to develop products that our customers can be proud to have on their shelves. It is gratifying to see the collaboration that we as an industry have established with the Norwegian health authorities. In 2016, we signed a historic agreement in support of healthier food. Orkla also participates in industry initiatives to promote healthy food and sustainable production in Sweden.

Partnerships are essential to resolving the global sustainability challenges. By signing the Businessworthy Pledge, I wanted to clearly express Orkla’s commitment to contributing to the achievement of the United Nations Sustainable Development Goals.

Orkla’s sustainability strategy defining goals up to 2020 was launched three years ago. Sustainable growth is the new norm for business and industry. As a large Nordic company, we have a responsibility for leading the way in our industry. In 2016, Orkla gave making products with a smaller environmental footprint a prominent place on its agenda. We have developed a model for sustainable packaging, continued the important work of ensuring deforestation-free supply chains, and launched several products that are good environmental choices.

We believe in our strategy of being a leading branded consumer goods company, with the Nordics and Baltics as our main markets, along with selected geographies in which we have a presence. Our results for 2016 show that the measures that we have initiated have paid off. Acquisitions are contributing to value creation, and we will continue to rationalise our supply chain and exploit economies of scale. Among the most important priorities that we must successfully pursue in future are maintaining our focus on innovations and making products that are healthier, easier to like and make life simpler. By working as “One Orkla”, over 18,000 employees contribute every single day to ensuring that tomorrow’s favourites will still be made by Orkla.

A handwritten signature in black ink, which appears to read "P. Ruzicka". The signature is fluid and cursive, written over a thin horizontal line.

Peter A. Ruzicka
President and CEO