

Loetta

Q3 2013 results – 14 November 2013

Bengt Baron, CEO

Danko Maras, CFO

Jacob Broberg, SVP IR

Q3 highlights

Sales growth and increased profitability

- Net sales of SEK 1,194m (1,159)
- Underlying EBIT of SEK 160m (124)
- Underlying EBIT margin of 13.3 per cent (10.7)
- Operating profit (EBIT) of SEK 131m (90)
- Issuance of a SEK 1,000m Senior Secured Notes and renegotiated credit facility reducing interest cost and increasing operating flexibility
- Integration process completed
- Factory restructurings proceeding according to plan – factory in Gävle to be closed in Q1, 2014

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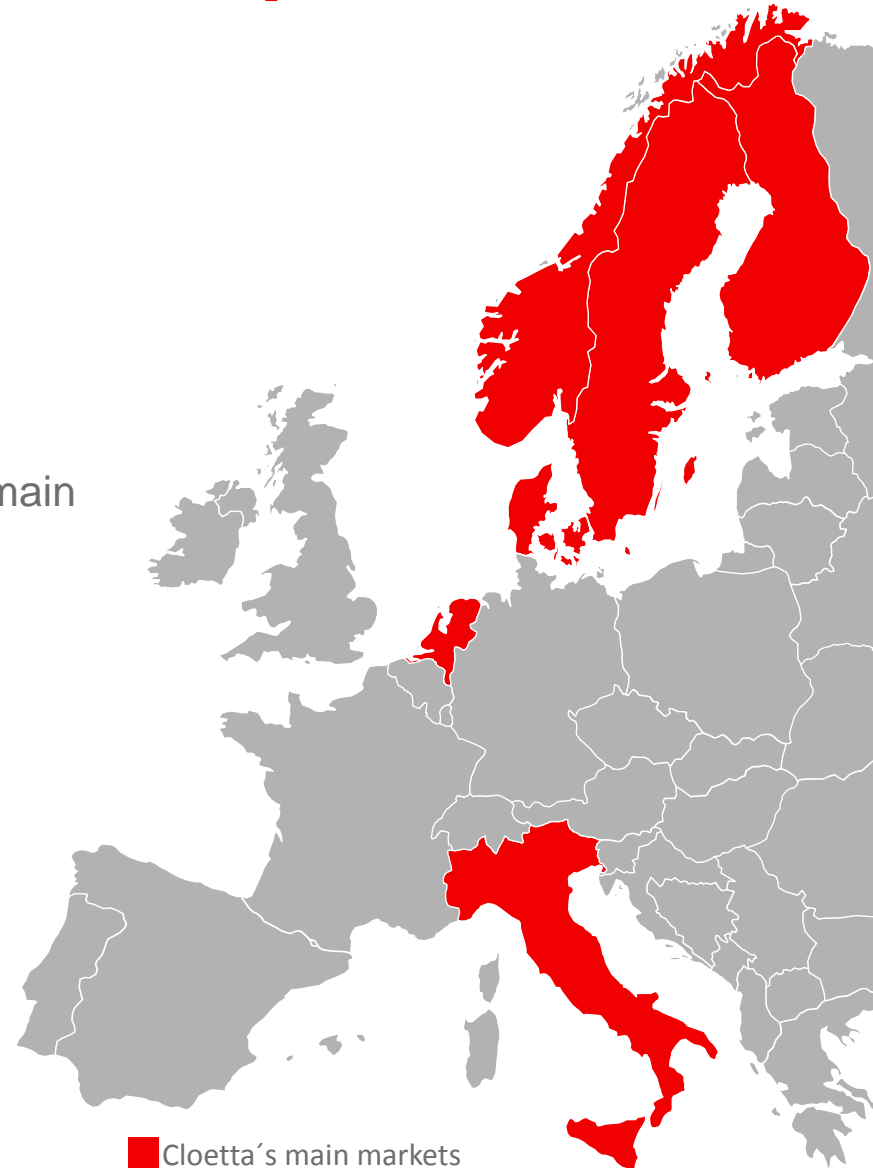
Overall sales and market development

Sales growth of 3.0 per cent

- Improved market conditions in most markets
 - Slight growth in Italy
 - Challenging market in Finland
- Cloetta sales grew in most markets
- The Netherlands, Norway and sales outside main markets declined in sales
 - Weak chewing gum market in The Netherlands
 - Discontinuation of a third party brand in Norway



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■ Cloetta's main markets

Q3 Net sales and EBIT

SEKm	Jul-Sep 2013	Margin %	Change %	Jul-Sep 2012	Margin %
Net sales	1,194		3.0 ¹⁾	1,159	
Operating profit (EBIT)	131	11.0	45.6	90	7.5
Underlying EBIT ²⁾	160	13.3	29.0	124	10.7
Profit for the period	86		561.5	13	

1) Change in net sales. Organic growth at constant exchange rates and comparable units was 1.4% for the quarter.

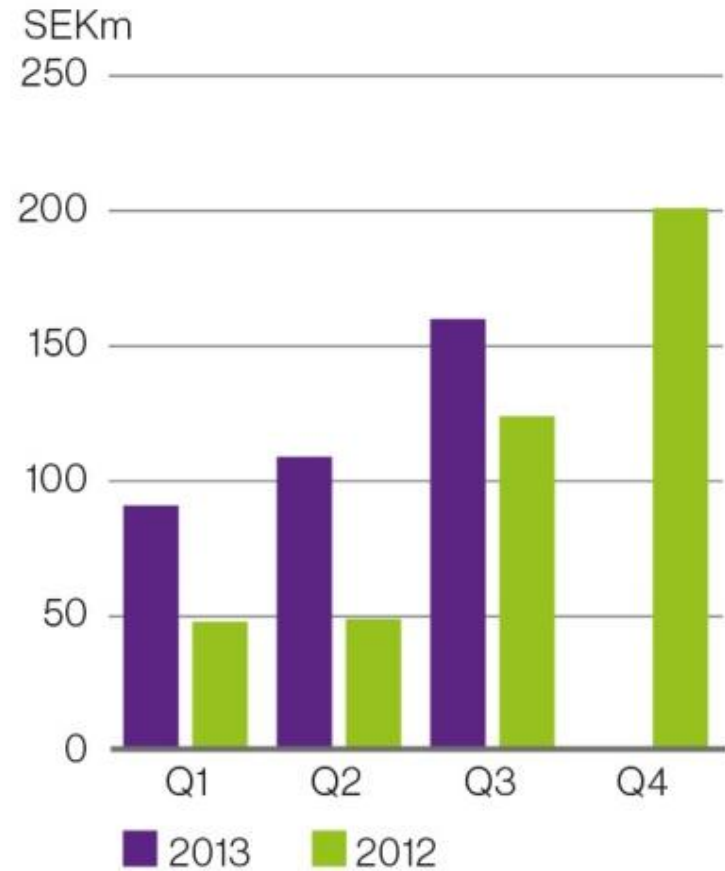
2) Based on constant exchange rates, the current Group structure and excluding items affecting comparability related to restructurings.

Changes in net sales, %	Jul-Sep 2013
Total	3.0%
Changes in exchange rates	1.6%
Structural changes	0.0%
Organic growth	1.4%

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Underlying EBIT



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Q3 cash flow

SEKm	Jul-Sep 2013	Jul-Sep 2012 ¹⁾
Cash flow from operating activities before changes in working capital	132	108
Cash flow from changes in working capital	-78	-15
Cash flow from operating activities	54	93
Cash flows from investments in property, plant and equipment and intangible assets	-42	-60
Other cash flow from investing activities	3	-
Cash flow from investing activities	-39	-60
Cash flow from operating and investing activities	15	33

¹ The cash flow statements for Q1, Q2 and Q3 2012 have been restated after the final purchase price allocation.

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Refinancing will strengthen the Group

Reduces interest cost and increases operational flexibility

- Renegotiated bank loan
 - Reduced cost of borrowing
 - Improved operating flexibility
 - Enables distribution of dividends at Net Debt/EBITDA ratio of 4.0 or lower
 - Extended maturity profile – SEK 1.000m proceeds from Senior Secured Notes used to refinance bank loans
- Financial targets remain unchanged
 - Net Debt/EBITDA ratio of 2.5
 - Dividend payout of 40-60 per cent of profit after tax



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Refinancing will strengthen the Group

Reduces interest cost and increases operational flexibility con't

- Issuance of SEK 1,000m Senior Secured Notes
 - Net proceeds from bond used to refinance existing debt
 - Innovative and cost efficient transaction
 - Diversification of funding sources
 - Increased future funding flexibility



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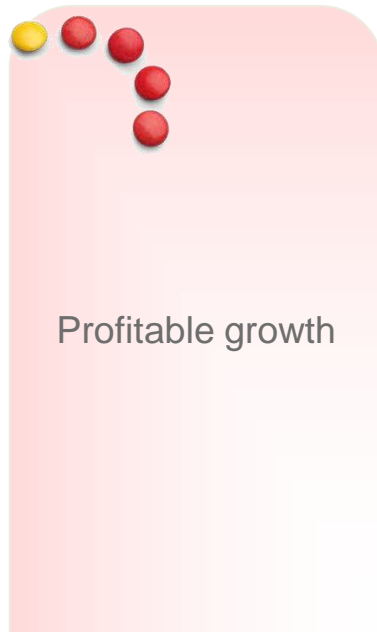
Synergy and factory restructuring program

Progress

- Integration process completed
 - Only finalizing of Tupla insourcing remains
- Factory restructurings proceeding according to plan
 - Matching of products from the factory in Gävle essentially completed in Levice and Ljungsbro
 - Test run of matched products ongoing
 - Factory in Gävle to be closed Q1, 2014
 - Savings will be fully realized towards the end of 2014



In focus



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Q3 selection of product launches

NETHERLANDS



King relaunch with different textures

SWEDEN



Polly bilar, Malaco Sötnos, Malaco Bomber, Läkerol Hals Honey

DENMARK



Läkerol Crystal Salmiak
Kick Sea Salt

FINLAND



Hopea Toffee
Mynthon Peppermint
Center Salmiak

NORWAY



Malaco Bomber, Kick Sea Salt, Läkerol Xtreme Green Booster, Läkerol Xtreme Red Booster

ITALY



Chewits fruit flavour gums
Sperlari Granperle white chocolate
Sperlari Nougat Chocolate chunk

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Q&A

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