

Clætta

Roadshow

London, Paris and Stockholm

17-21 November 2014

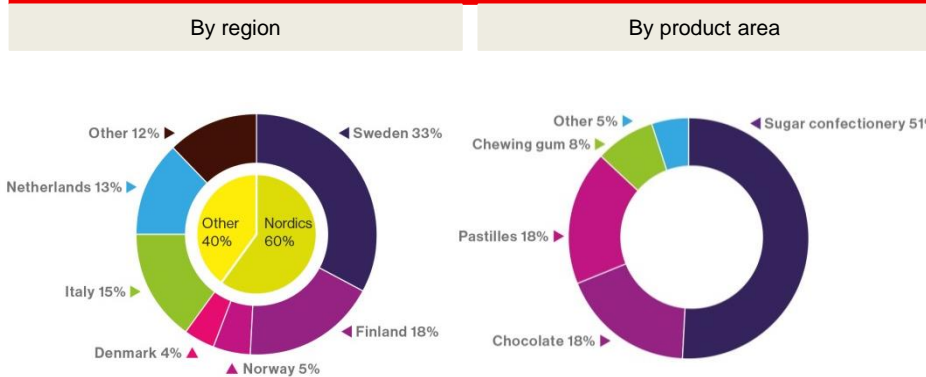
Cloetta – the leading Nordic confectionery player

- Leading market positions in key markets and complete product offering
- A portfolio of iconic local brands – top 10 brands account for about 60% of net sales
- Sales in 50 countries – 80% of total sales generated from markets with own sales force
- Approx. 2,500 employees in 13 countries
- Production at 11 factories in 6 countries – 96,500 tonnes produced in 2013 (excl. Nutisal and The Jelly Bean Factory)

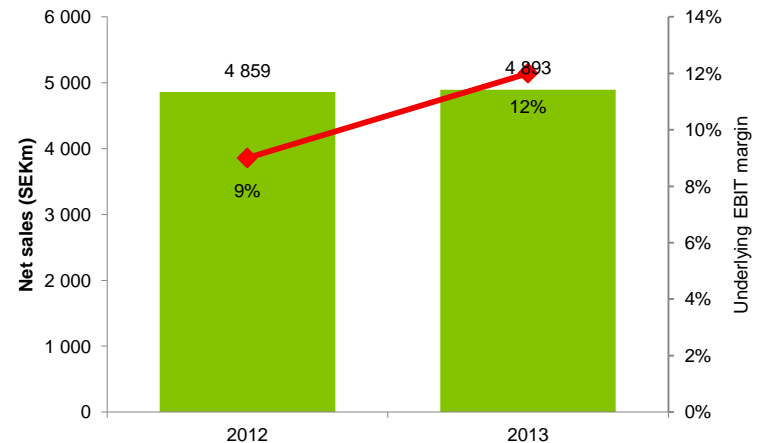
Complete offering



Net Sales split 2013



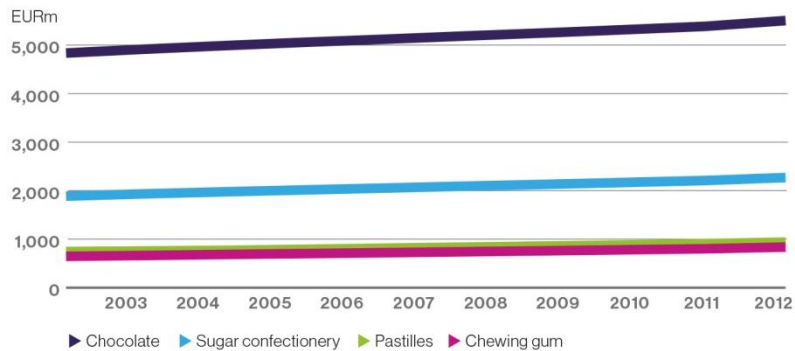
Sales and underlying EBIT margin¹⁾



¹⁾ Underlying EBIT based on constant exchange rates and the current company structure (excluding acquisitions, distribution business in Belgium and third-party distribution agreement in Italy) and excluding items affecting comparability

Attractive non-cyclical market

Market development in Cloetta's main markets¹⁾

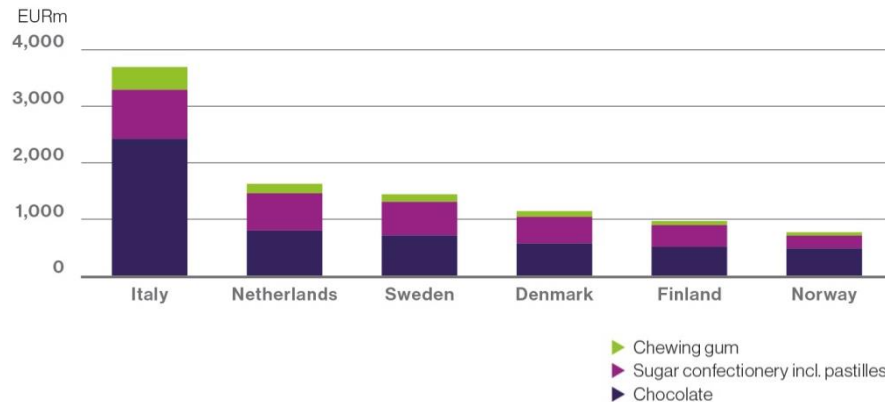


¹⁾ Including Sweden, Finland, Norway, Denmark, Italy and the Netherlands. Source: Datamonitor

Key trends

- Market driven by increase in population, higher prices and to some extent also increased per capita consumption
- Demand for differentiated and innovative products
- Strong brands gain market share

Market size per country



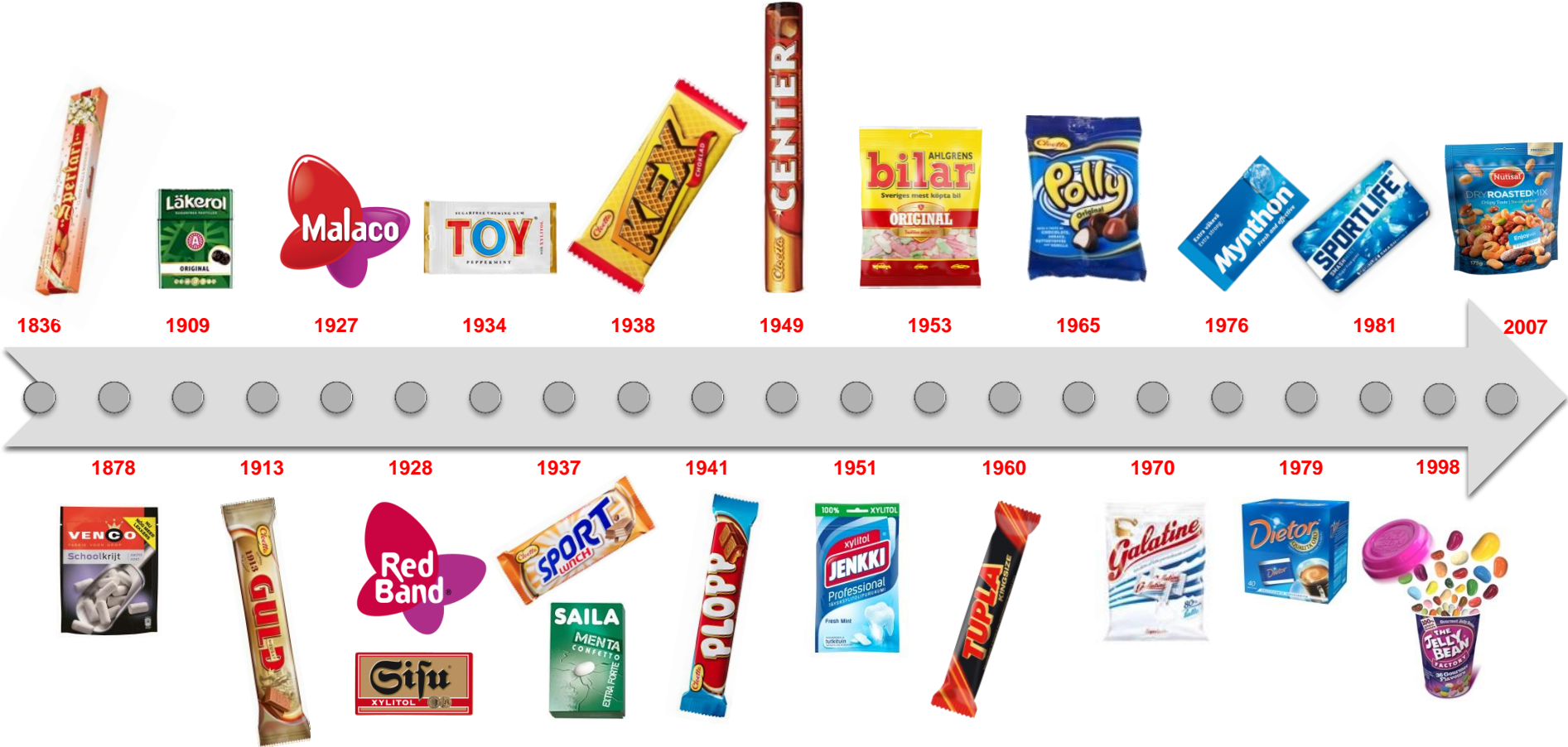
Source: Datamonitor

Consumer behaviour

- Purchases highly impulse driven
- High brand loyalty
- Availability is an important factor for impulse driven purchases
- Appreciation of innovation – taste, quality and novelties is important

Cloetta

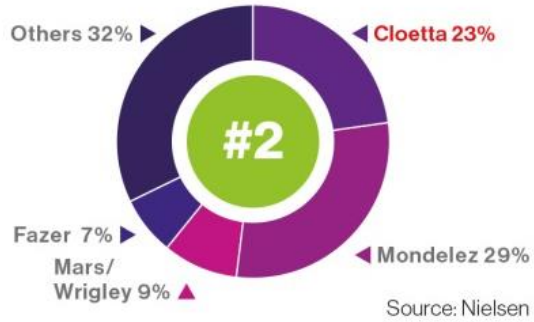
Strong local brands



Solid positions in key markets

Sweden

Confectionery market



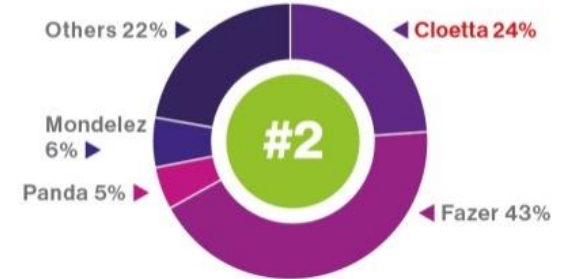
Norway

Sugar confectionery and pastilles market



Finland

Confectionery market



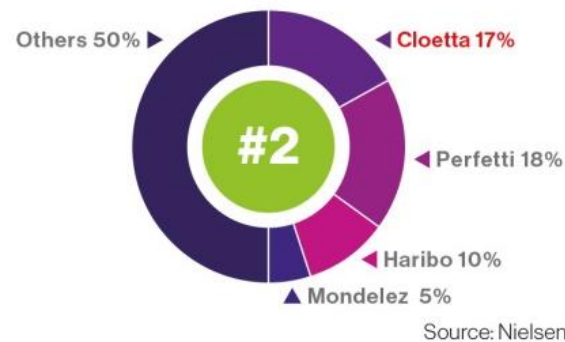
Denmark

Sugar confectionery and pastilles market



Netherlands

Sugar confectionery market including pastilles and chewing gum



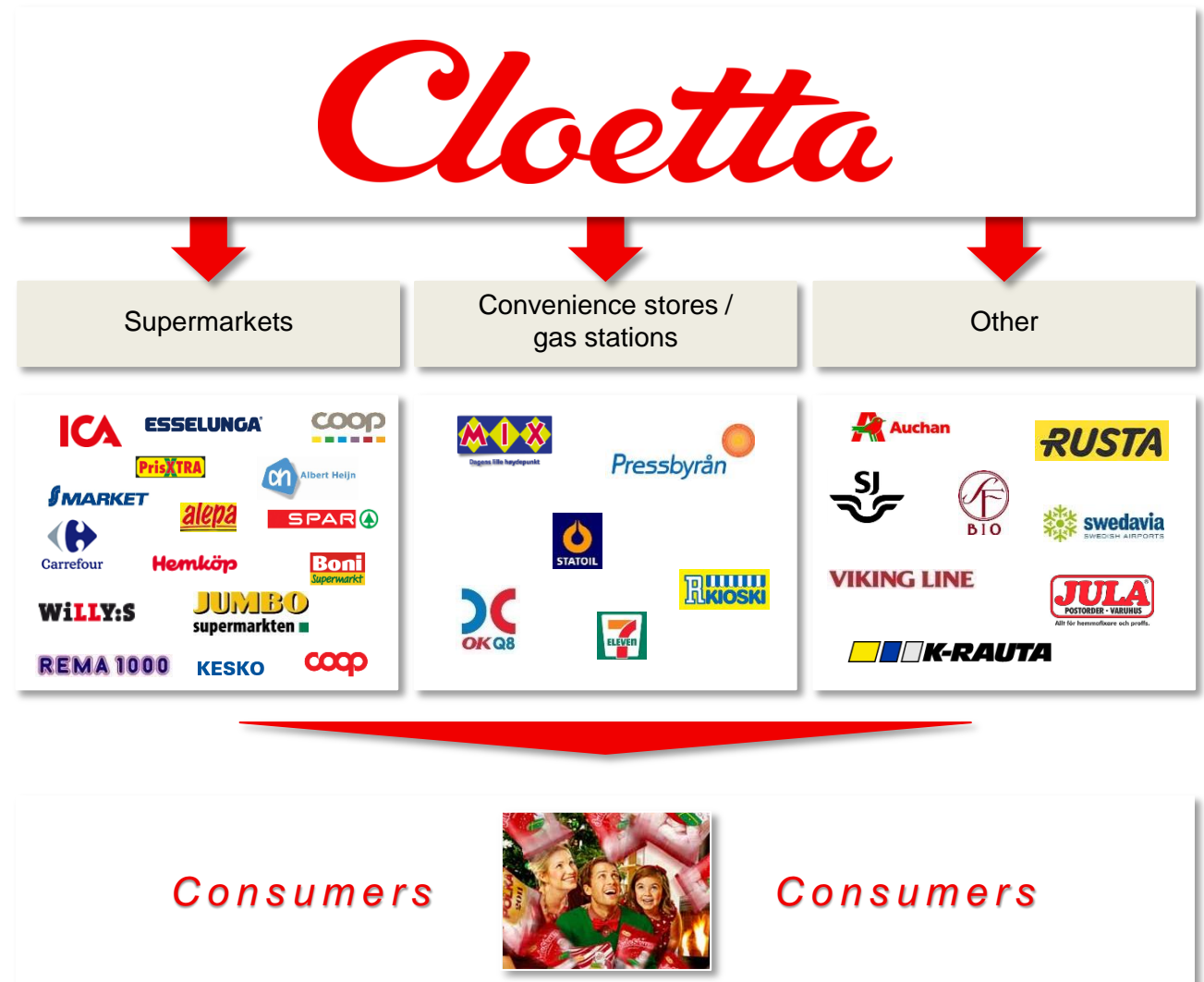
Italy

Confectionery market



Best in class route-to-market

- Customer relations
 - Large and efficient sales organisation in place in all main markets
 - 80% of total sales generated from markets with own sales force
- Execution
 - Ensure that negotiated listing and distribution agreements are followed
 - Ensure good visibility on shelves and checkout lines
 - Implement campaigns efficiently



Clear strategy to deliver profitable growth

Every day great execution

- Broaden distribution
- Promotion planning and execution
- Advertising campaigns
- Seasonal products
- Packaging updates and upgrades
- Line extensions

Strategic initiatives

- Sizing and pricing
- Brand extensions
- Fill white spots
- Geographical roll-out
- Brand re-launch
- Innovations

New territory

- Acquisitions
- New geographies



Every day great execution



Cloetta

Every day great execution



Cloetta

Every day great execution

Examples



Juleskum
Pepparkaka
Taste of 2014



Plopp
Pride
Limited edition during the Pride festival



Ahlgrens bilar
Glassbilar
Limited edition during the summer

Strategic initiatives

Examples



Viva Licorice

Launch of Dutch products under Malaco brand



Sportlife Mint

Chewing gum brand stretches into pastilles



AKO

Re-launch of AKO toffee



Cloetta

Launch of Cloetta chocolate in Finland



Polly

Co-branding - Polly bilar



Dietorelle

Re-launch of Dietorelle – new products and new packaging

Cloetta

Common Global ERP System

Enables increased efficiency over time

- Implemented in Sweden, Norway, Denmark, Finland, Slovakia, Holland and Belgium
- Roll out will continue across geographies

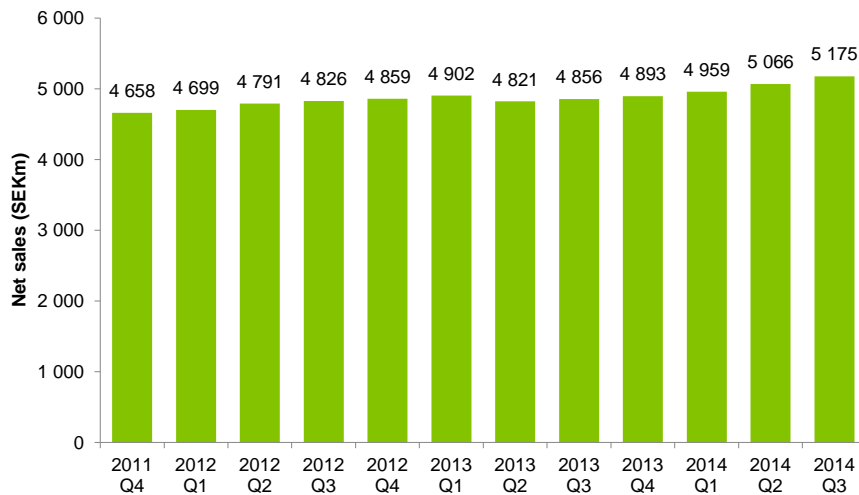


QlikView

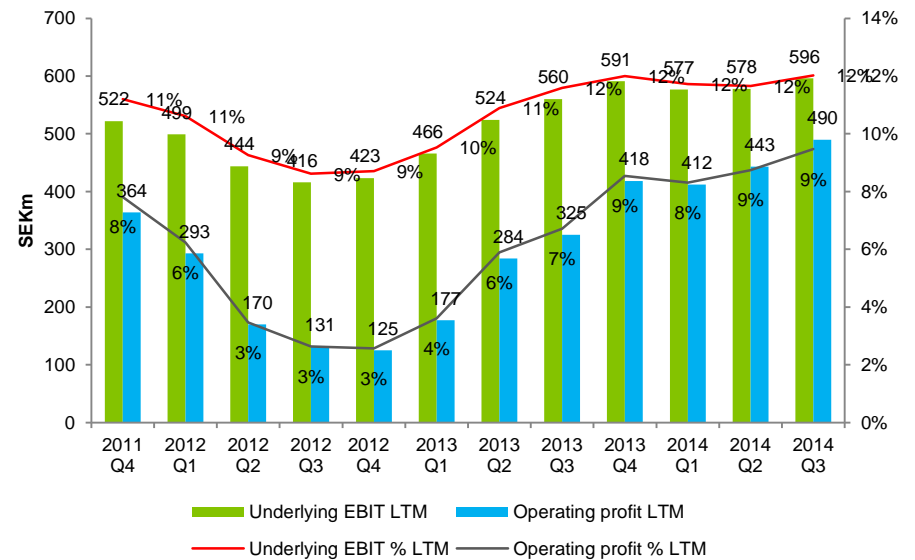


Growing revenues and earnings

LTM net sales Q4 2011 – Q3 2014



LTM EBIT Q4 2011 – Q3 2014



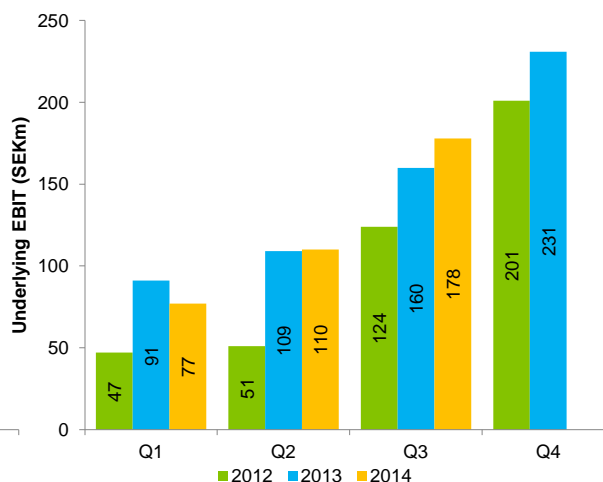
Convergence between underlying EBIT and operating profit in Q3, 2014

Financial development and targets

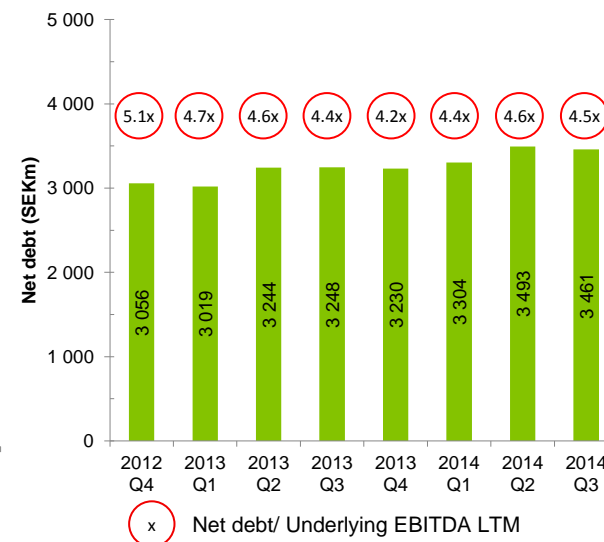
Quarterly net sales



Quarterly underlying EBIT¹⁾



Financial leverage



- Target organic sales growth: At least in line with market growth long term
 - Historical aggregate value growth of approx. 1-2% in Cloetta's markets

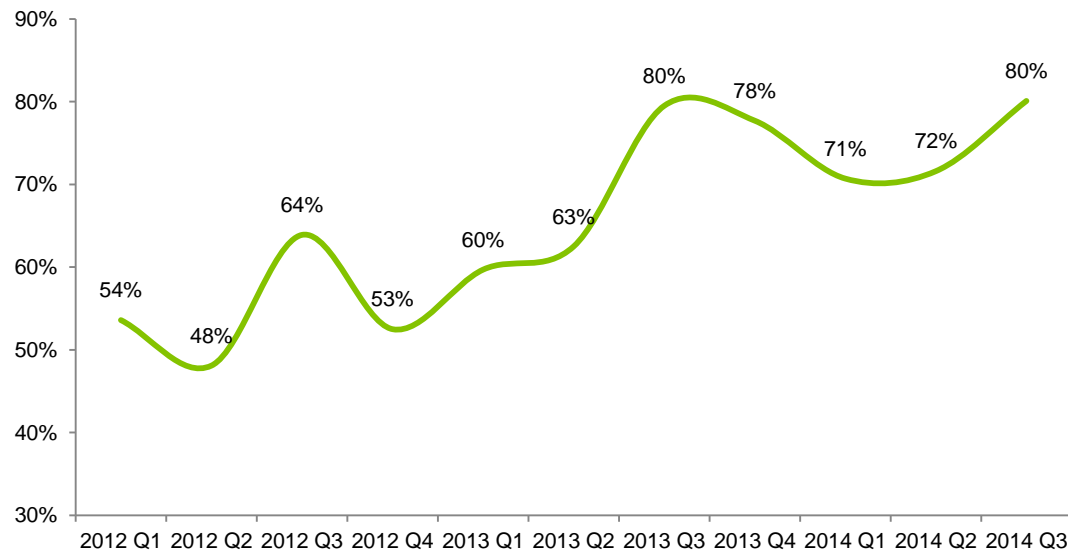
- Target EBIT margin: At least 14%
- Cost synergies, growth and focus on profitability

- Target long-term net debt/EBITDA of around 2.5x
- Target: Payout ratio 40-60% of net income over time when financial target is reached

1) Underlying EBIT based on constant exchange rates and the current company structure (excluding acquisitions, distribution business in Belgium and third-party distribution agreement in Italy) and excluding items affecting comparability

Attractive cash conversion

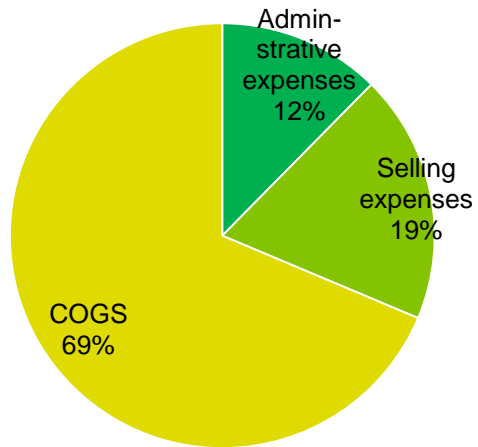
Cash conversion development¹⁾



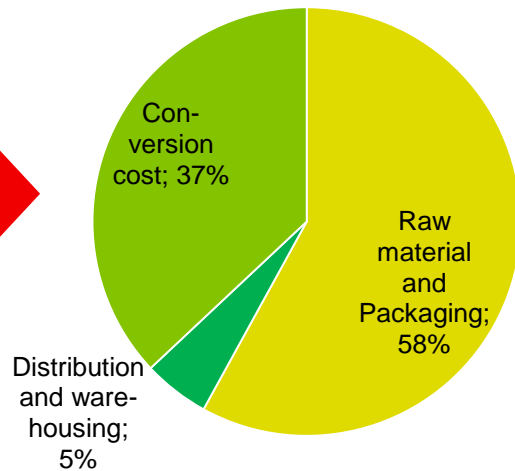
1) Cash conversion defined as (Underlying EBITDA less capex)/Underlying EBITDA
Note: 2009 and 2010 represent combined figures for Cloetta and Leaf. LEAF 2009-2010 exchanged at SEK/EUR 9.0. Cloetta 2009 refers to the period September 1, 2008 to August 31, 2009. For 2011 the combined figures for Cloetta and Leaf have been adjusted in order to be comparable with the numbers for Cloetta in 2012

Cost structure

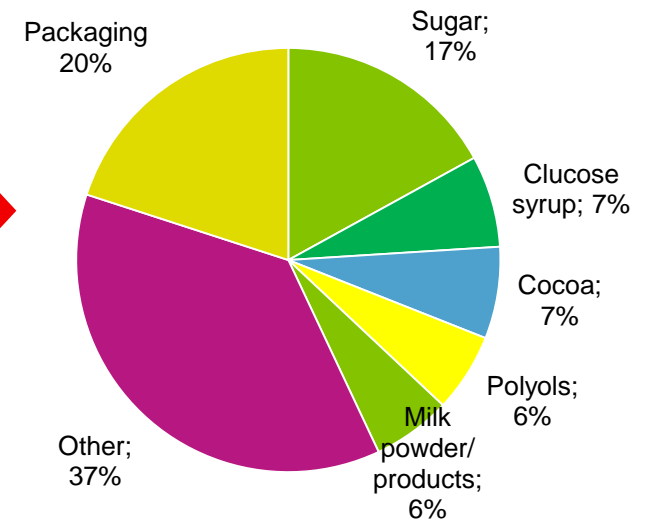
Total cost split 2013



COGS split 2013



Raw material split 2013



Large fluctuations of raw material prices

- Important raw materials for Cloetta with substantial changes:
 - Cocoa prices record-high
 - Steep increase in prices on hazelnuts
 - Almond prices have increased
 - Sugar prices have decreased
- Price changes will be necessary



Cloetta towards the future

PURPOSE / MISSION

To bring a smile to your



Munchy Moments is our territory!



Cloetta

Acquisition of Nutisal and The Jelly Bean Factory

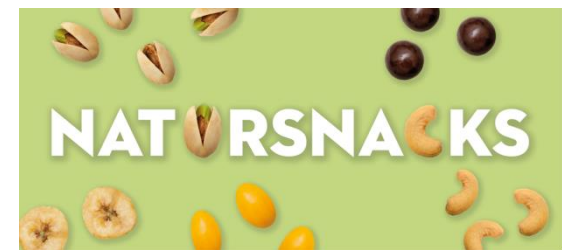
- The acquisition of Nutisal is a significant step into a new category with an established brand in Cloetta's home markets
 - Dry roasted nuts which gives a unique 'crisp' to the products
 - The nuts category is growing in Western Europe by 5-8%
 - Nutisal is expected to be EPS accretive in 2015
- The Jelly Bean Factory brand is a premium "gourmet" product that fits Cloetta's core offering within sugar confectionery
 - Solid growth over the recent years with an attractive EBIT-margin
 - Significantly strengthens Cloetta's position in the UK



Pick-and-mix concept in Coop

- Cloetta will launch a pick-and-mix concept in Coop Sweden early 2015
 - Handling of product range, racks and merchandising
 - Also a concept for natural snacking, e.g. nuts
- Cloetta can utilize a wide range of products and technologies from several markets and factories
- Cloetta has experience from the entire value chain; production, logistics, planogram and promotional activities to drive growth
- Pick-and-mix accounts for 30% of total market volume in Sweden
- Cloetta has experience from a similar concept in Finland (Karkkikatu)

Cloetta



Questions

To bring a smile to your



Cloetta

Q3 highlights

Significant improvement of operating profit

- **Net sales** for the quarter increased by 9.1 per cent to SEK 1,303m (1,194)
- **Operating profit** was SEK 178m (131)
- **Underlying EBIT** was SEK 178m (160)
- **Cash flow from operating activities** was SEK 75m (54)
- **Net debt/underlying EBITDA** was 4.5x (4.4). In the quarter, loans of SEK 34m were repaid.
- **On 5 November** Cloetta signed an agreement with Coop Sverige AB to provide them with a new pick-and-mix concept starting in 2015.

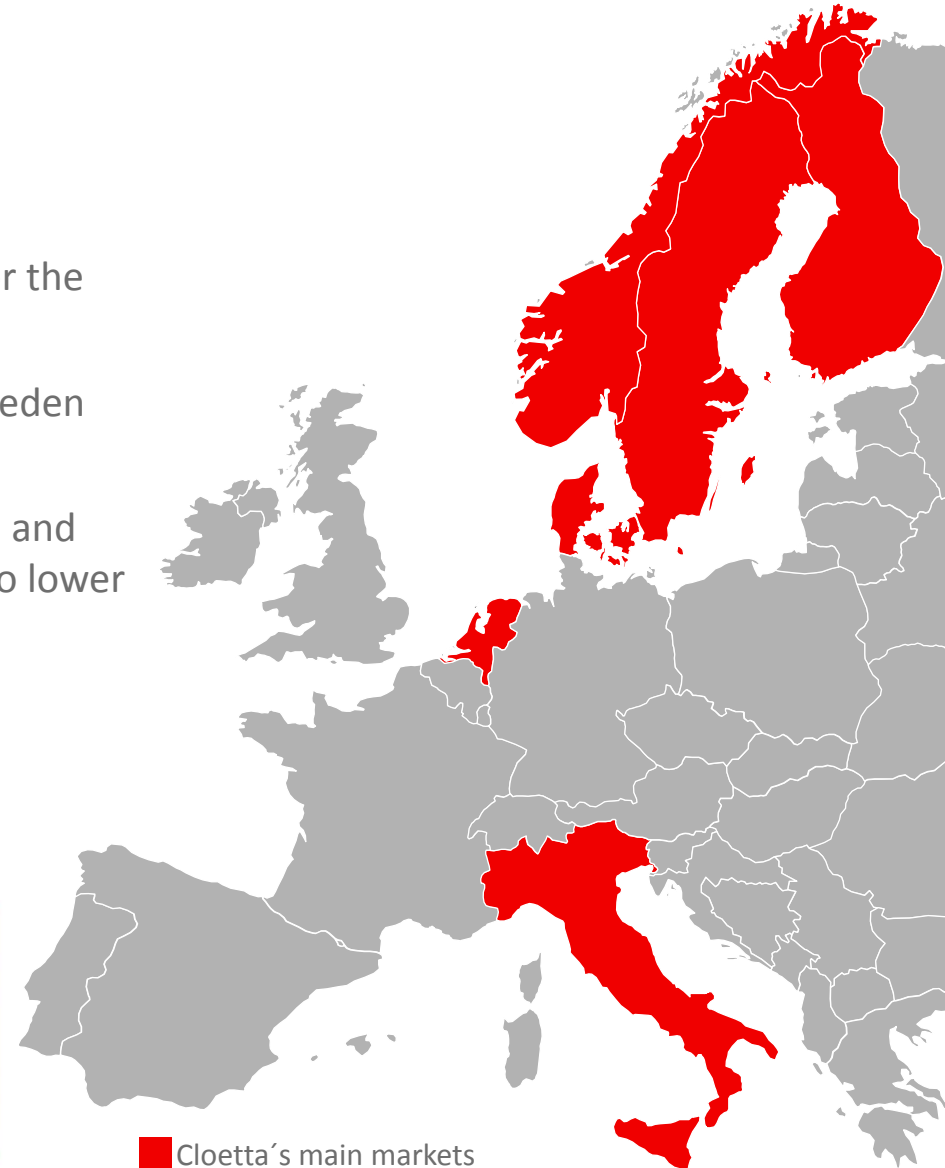


Overall market and sales development

Sales growth of 9.1 per cent

- Slightly positive markets, except Finland
- Organic growth -0.6 per cent for the quarter, +0,7 for the first nine months
- Sales grew or remained flat in all markets, except Sweden and Norway
- Warm summer contributed to lower sales in Sweden and termination of a pick-and-mix contract contributed to lower sales in Norway
- Customer conflict in the Netherlands impacted sales somewhat, but has been resolved
- Market shares grew in most markets

Cloetta



Q3 Net sales and EBIT

SEKm	Jul-Sep 2014	Margin %	Change %	Jul-Sep 2013	Margin %
Net sales	1,303		9.1 ²⁾	1,194	
Underlying EBIT ¹⁾	178	14.9	11.3	160	13.3
Operating profit (EBIT)	178	13.7	35.9	131	11.0
Profit for the period	87		1.2	86	

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

2) Organic growth at constant exchange rates and comparable units was -0.6 per cent for the quarter.

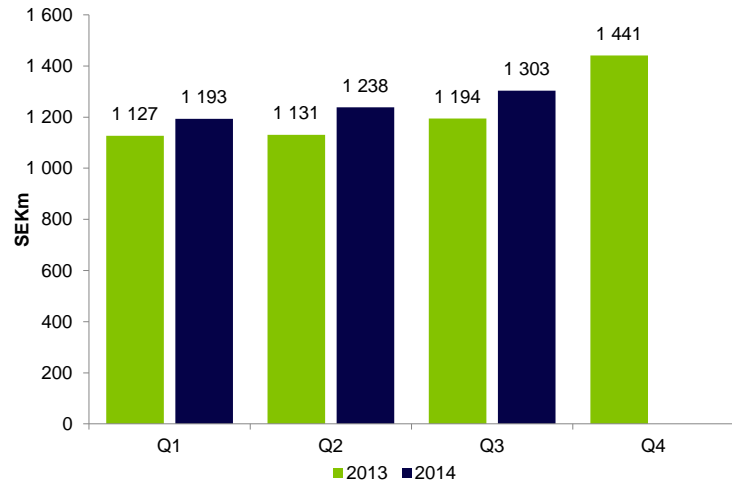
Changes in net sales, %	Jul-Sep 2014
Total	9.1%
Changes in exchange rates	3.9%
Structural changes	5.8%
Organic growth	-0.6%



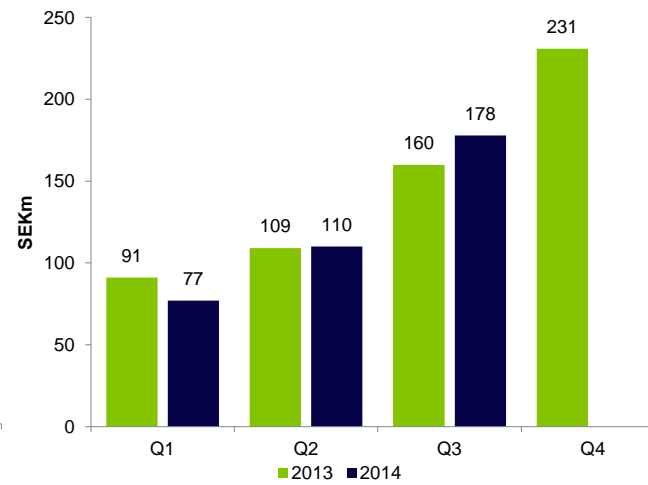
Cloetta

Net Sales, Underlying EBIT and Cash Flow

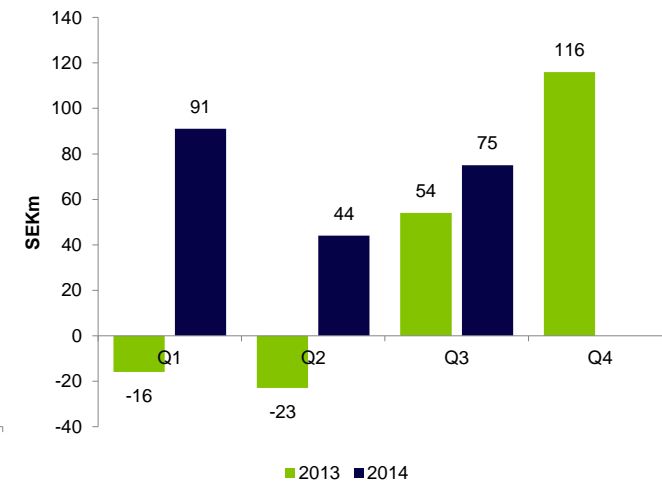
Net sales



Underlying EBIT



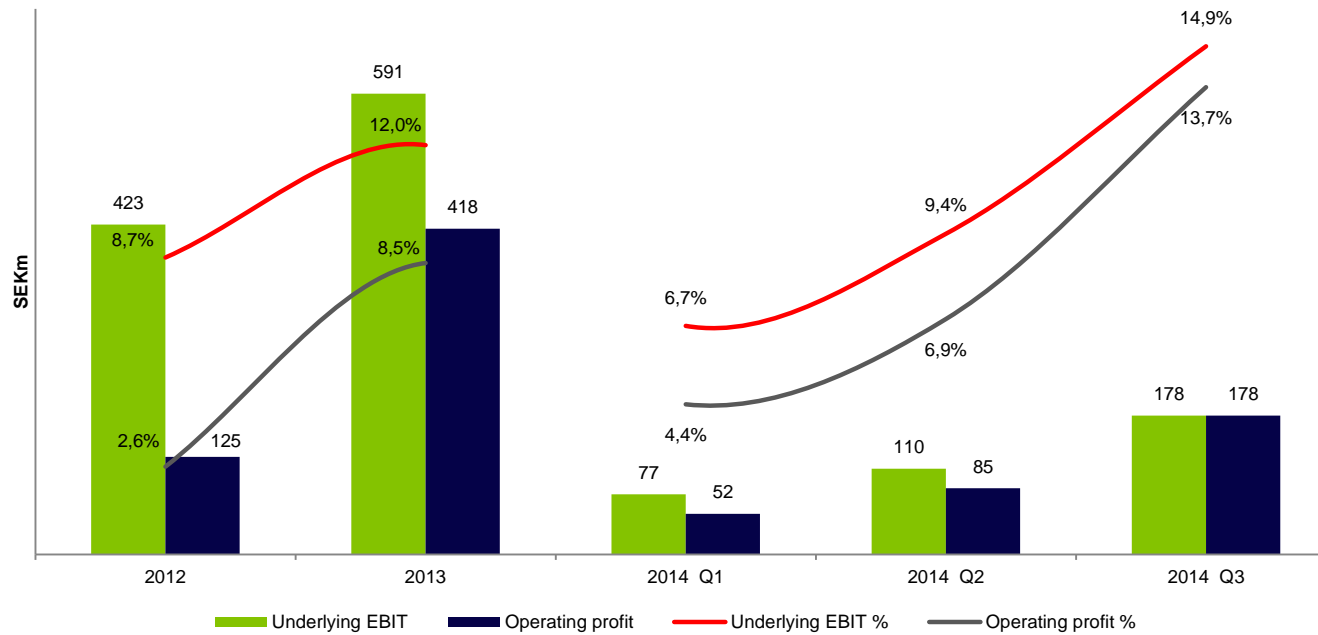
Cash flow from operating activities



Cloetta



Convergence between underlying EBIT and operating profit



Q3 Cash Flow

SEKm	Jul-Sep 2014	Jul-Sep 2013
Cash flow from operating activities before changes in working capital	152	132
Cash flow from changes in working capital	-77	-78
Cash flow from operating activities	75	54
Cash flows from investments in property, plant and equipment and intangible assets	-38	-42
Other cash flow from investing activities	-13	3
Cash flow from investing activities	-51	-39
Cash flow from operating and investing activities	24	15



Factory restructuring program completed

- Production of Tupla chocolate has been fully insourced in Ljungsbro.
- All pieces of the factory restructuring puzzle have fallen into place and the restructuring program initiated in 2012 is completed.
- Savings will be fully realised towards the end of 2014.



New pick-and-mix concept to Coop

- The contract with Coop Sweden to provide them with a new pick-and-mix concept was signed on 5 November
- The concept will be implemented in all Coop's approximately 700 stores during the first quarter of 2015
 - Product range, racks and merchandising
 - Incremental yearly sales of approximately SEK 200m – somewhat lower in 2015
- Svensk Rikstäckande Butiksservice (one of Sweden's largest merchandising companies) to handle merchandising
- The name of the concept will be "Godisfavoriter" (Candy favorites) and "Natursnacks" (Natural snacks)

Cloetta



Large fluctuations of raw material prices


- Important raw materials for Cloetta with substantial changes:
 - Cocoa prices record-high
 - Steep increase in prices on hazelnuts
 - Almond prices have increased
 - Sugar prices have decreased
- Price changes will be necessary




In focus




Profitable growth



Implementation of
Coop-agreement



Integration and
acceleration of
Nutisal and The
Jelly Bean Factory



Pricing based on
raw material
changes



Q3 selection of product launches



AKO
Mint, Cream and Chok
Launched in Sweden.



Fünf Kräuter
Relaunched in Sweden.



Venco
Droprondo's
Dropuitdeelmix
Launched in the Netherlands.



RedBand
PretMix
Magische Festmix
Launched in the Netherlands.



Mynthon
ZipMint
Launched in Finland.



Cloetta
Sprinkle Mint & Crispy rain
Sprinkle Salted icecream waffle
Launched in Finland.



Malaco
Gott&Blandat Family bag x 3
Launched in Sweden.



Jenkki
Professional Clean Feel
Launched in Finland.



Läkerol
Licorice Mint
Launched in Norway
and Denmark.



Lakerol
XTREME Apple Mint
Launched in Norway.



Läkerol
HALS Ginger Lemon
Launched in Sweden.

Cloetta

Disclaimer

- This presentation has been prepared by Cloetta AB (publ) (the “Company”) solely for use at this presentation and is furnished to you solely for your information and may not be reproduced or redistributed, in whole or in part, to any other person. The presentation does not constitute an invitation or offer to acquire, purchase or subscribe for securities. By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations.
- This presentation is not for presentation or transmission into the United States or to any U.S. person, as that term is defined under Regulation S promulgated under the Securities Act of 1933, as amended.
- This presentation contains various forward-looking statements that reflect management’s current views with respect to future events and financial and operational performance. The words “believe,” “expect,” “anticipate,” “intend,” “may,” “plan,” “estimate,” “should,” “could,” “aim,” “target,” “might,” or, in each case, their negative, or similar expressions identify certain of these forward-looking statements. Others can be identified from the context in which the statements are made. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which are in some cases beyond the Company’s control and may cause actual results or performance to differ materially from those expressed or implied from such forward-looking statements. These risks include but are not limited to the Company’s ability to operate profitably, maintain its competitive position, to promote and improve its reputation and the awareness of the brands in its portfolio, to successfully operate its growth strategy and the impact of changes in pricing policies, political and regulatory developments in the markets in which the Company operates, and other risks.
- The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.
- No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information contained herein. Accordingly, none of the Company, or any of its principal shareholders or subsidiary undertakings or any of such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.