

# Clacetta

**Jacob Broberg, SVP Corporate Communication & Investor Relations**

**Öresund Investment Day, 22 September 2014**

# Cloetta – the leading Nordic confectionery player

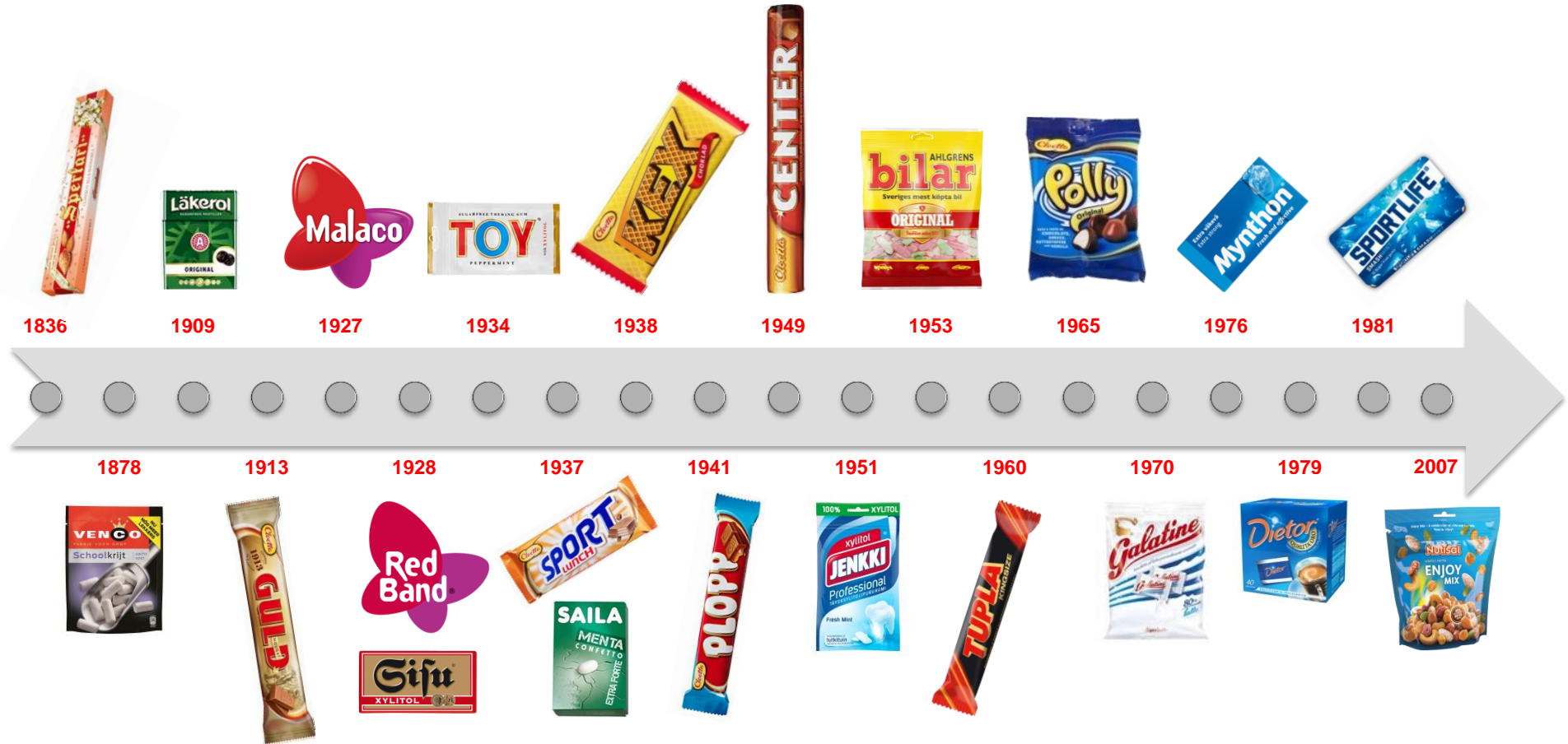
- **Founded** by the three Cloetta brothers in **1862**
- **Annual sales of** around SEK **5 billion**
- **Leading local brands** in **6** countries
- **Leading** market positions in Sweden, Finland, Norway, Denmark, the Netherlands and Italy
- **2,500** employees in **13** countries
- **Production** at **11** factories in **6** countries
- **Listed** on NASDAQ OMX Stockholm.  
The largest shareholders are Malfors Promotor, AMF Försäkring och fonder and Lannebo Fonder

*Cloetta*



• Laura Out driving with @Sarah munching on #Bilar

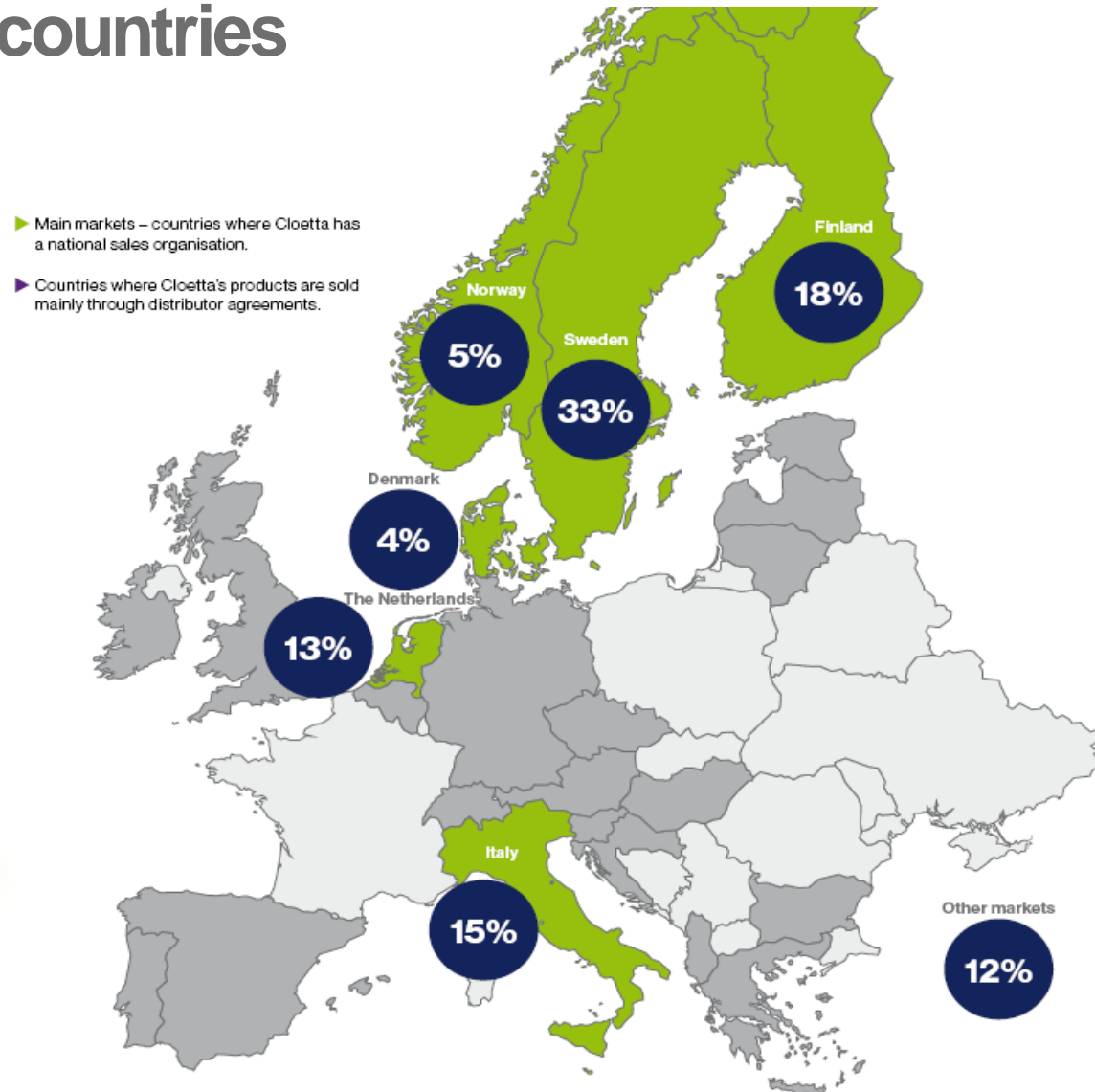
# Iconic brands



# Cloetta has its 6 main markets in Western Europe

## Exports to more than 50 countries worldwide

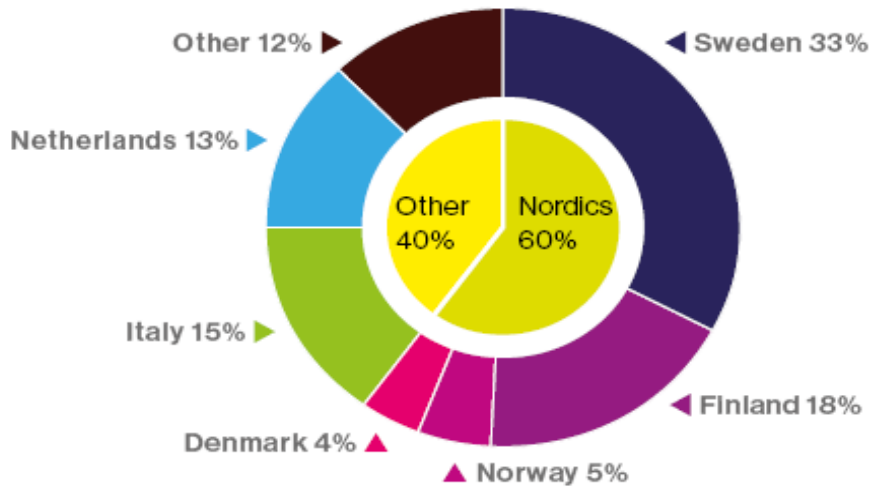
- ▶ Main markets – countries where Cloetta has a national sales organisation.
- ▶ Countries where Cloetta's products are sold mainly through distributor agreements.



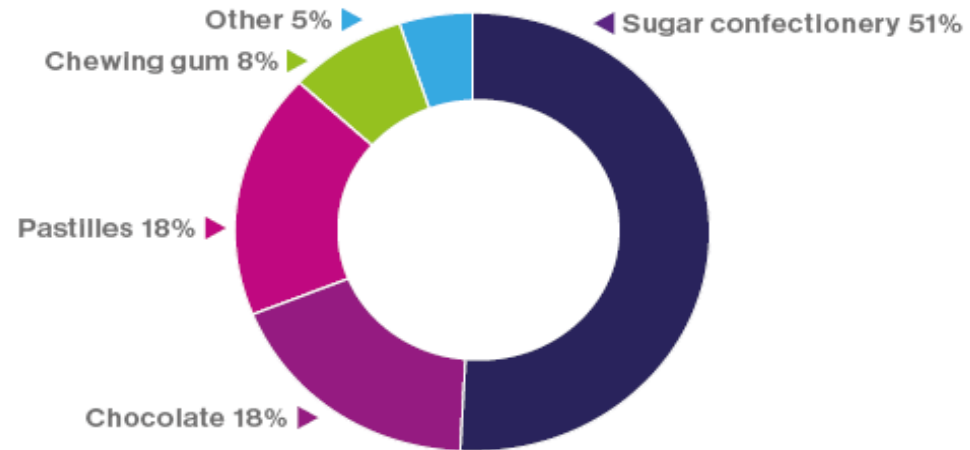
# Net sales

## By country and by category

CLOETTA'S NET SALES BY COUNTRY









CLOETTA'S NET SALES BY CATEGORY



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# Nordic market leader and leading market positions

## Country Leading market positions in the following categories

	SWEDEN	Sugar confectionery, countlines, pastilles, chocolate bags and nuts
	FINLAND	Pastilles, chewing gum and sugar confectionery
	NORWAY	Sugar confectionery and pastilles
	DENMARK	Pastilles and sugar confectionery
	NETHERLANDS	Sugar confectionery, chewing gum and pastilles
	ITALY	Seasonal products, sweetener and sugar confectionery

Nutisal



Läkerol  
makes people talk®



SPORTLIFE®

Sperlari

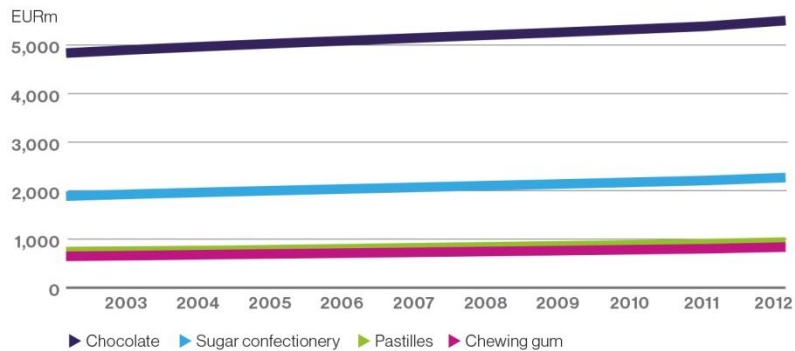


AHLGREN'S  
bilar

Cloetta

# Attractive non-cyclical market

## Market development in Cloetta's main markets<sup>1)</sup>

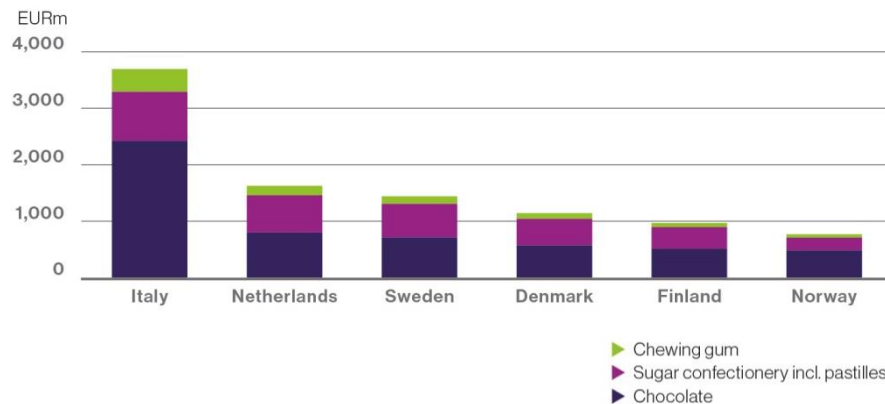


<sup>1)</sup> Including Sweden, Finland, Norway, Denmark, Italy and the Netherlands. Source: Datamonitor

## 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 by region



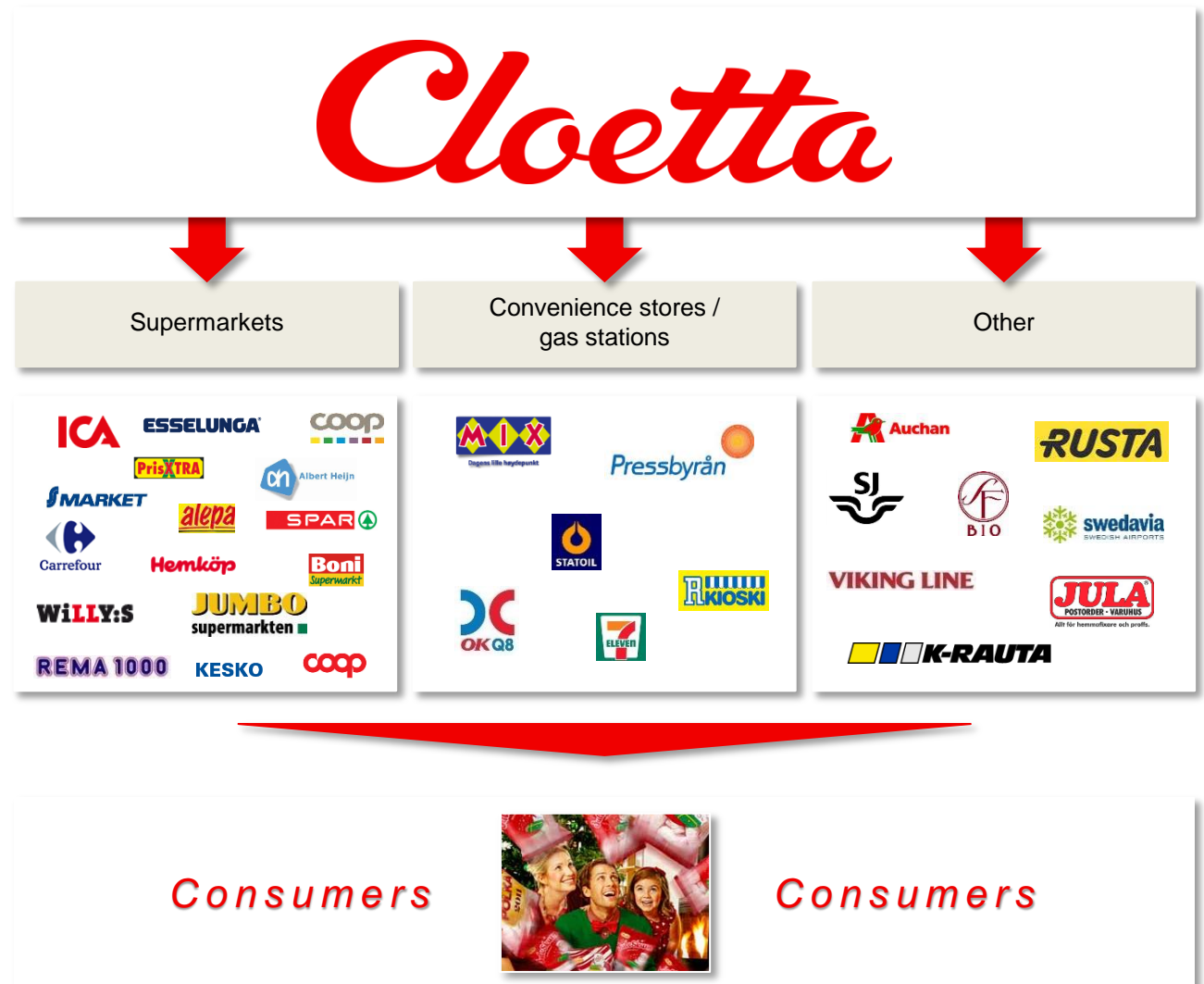
Source: Datamonitor

## 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

# Best in class route-to-market

- Customer relations
  - Large and efficient sales organisation in place on 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

## Strategic initiatives

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

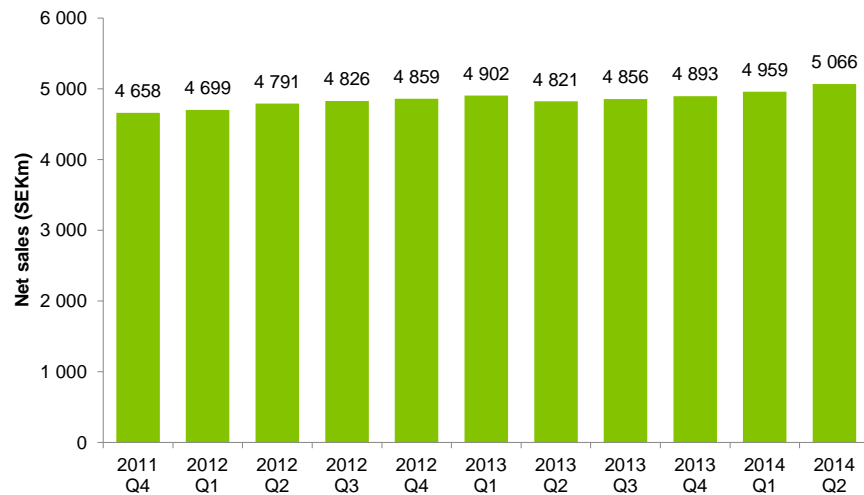
## New territory

- Acquisitions
- New geographies

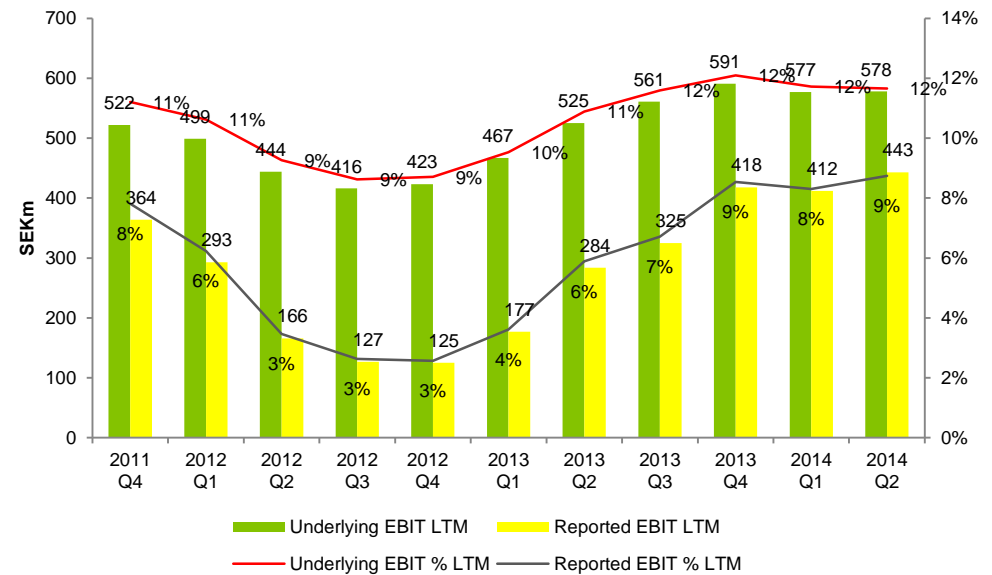


# Stable revenues and visible earnings recovery

LTM net sales Q4 2011 – Q2 2014

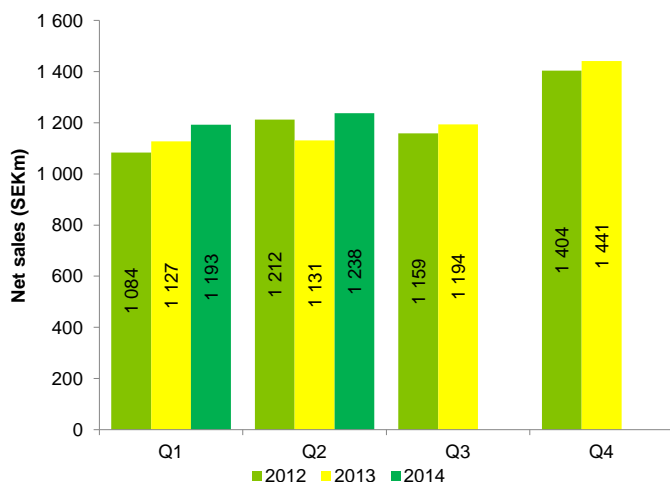


LTM EBIT Q4 2011 – Q2 2014



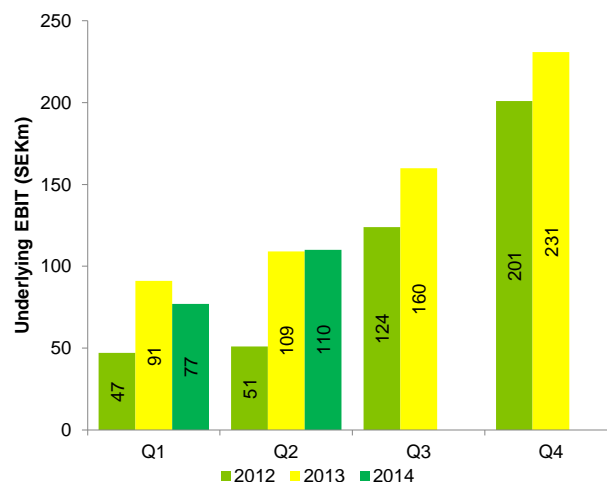
# Financial development and targets

## Quarterly net sales



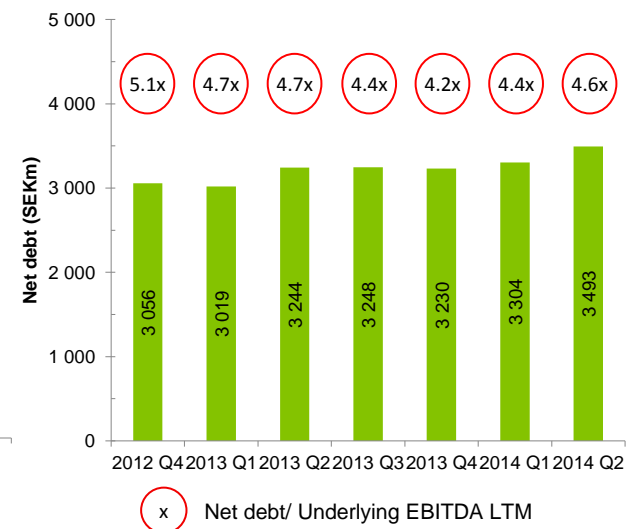
- Target organic sales growth: At least in line with market growth long term
  - Historical aggregate value growth of approx. 2% in Cloetta's markets

## Quarterly underlying EBIT<sup>1)</sup>



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

## Financial leverage



- Target long-term net debt/EBITDA of around 2.5x
- Objective to reach target in three years
- Payout ratio 40-60% of net income over time when financial target is reached

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

# Cloetta towards the future

PURPOSE / MISSION

To bring a smile to your



# Munchy Moments is our territory!



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# Acquisition of Nutisal and The Jelly Bean Factory

- The acquisition of Nutisal is a significant step in to a new category with an established brand in Cloetta 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 and to contribute with approximately 1 percentage point of growth per year in the next 3-5 years
- The Jelly Bean Factory brand is a premium “gourmet” product that fits Cloetta’s core offering within sugar confectionery
  - Solid growth over the last years with an attractive EBIT-margin
  - Significantly strengthens Cloetta’s position in the UK



# Questions

To bring a smile to your



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