

Clacetta

Q3 2015 results – 10 November 2015

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Q3 highlights

Strong sales growth and improved operating profit

- **Net sales** for the quarter increased by 12.0 per cent to SEK 1,459m (1,303), including a positive impact from foreign exchange rates of 1.2 per cent.
- **Operating profit** increased to SEK 212m (178).
- **Cash flow from operating activities** increased by SEK 99m to SEK 174m (75).
- **Net debt/EBITDA** was 3.39x (4.30).
- **On 17 July 2015 Cloetta acquired Locawo B.V. (Lonka)** – a Dutch company that produces and sells fudge, nougat and chocolate. Lonka had net sales of approximately SEK 300m in 2014.

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Overall market and sales development

Sales growth of 12 per cent

- Positive total market developments, except in the Netherlands and Italy
- Organic growth 4.2 per cent for the quarter
- Sales grew in all markets except Finland, Norway and Italy.
- Positive sales trend in Sweden driven by Pick & Mix and in Denmark by pastilles. Positive trend in the Netherlands and Germany in candy bags.
- In Norway, sales of pastilles declined and in Finland sales of candy bags declined.
- Contract negotiations with one large customer that affected sales have now been finalized.

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■ Cloetta's main markets

Net sales and EBIT

| SEKm | Jul-Sep 2015 | Margin % | Change % | Jul-Sep 2014 | Margin % |
|---|-----------------|-------------|--------------------|-----------------|-------------|
| Net sales | 1,459 | | 12.0 ¹⁾ | 1,303 | |
| Adjusted operating profit ²⁾ | 194 | 13.3 | 0.5 | 193 | 14.8 |
| Operating profit (EBIT) | 212 | 14.5 | 19.1 | 178 | 13.7 |
| Profit for the period | 130 | | 49.4 | 87 | |

1) Organic growth at constant exchange rates and comparable units 4.2% for the quarter and 3.0% for the first three quarters of the year.

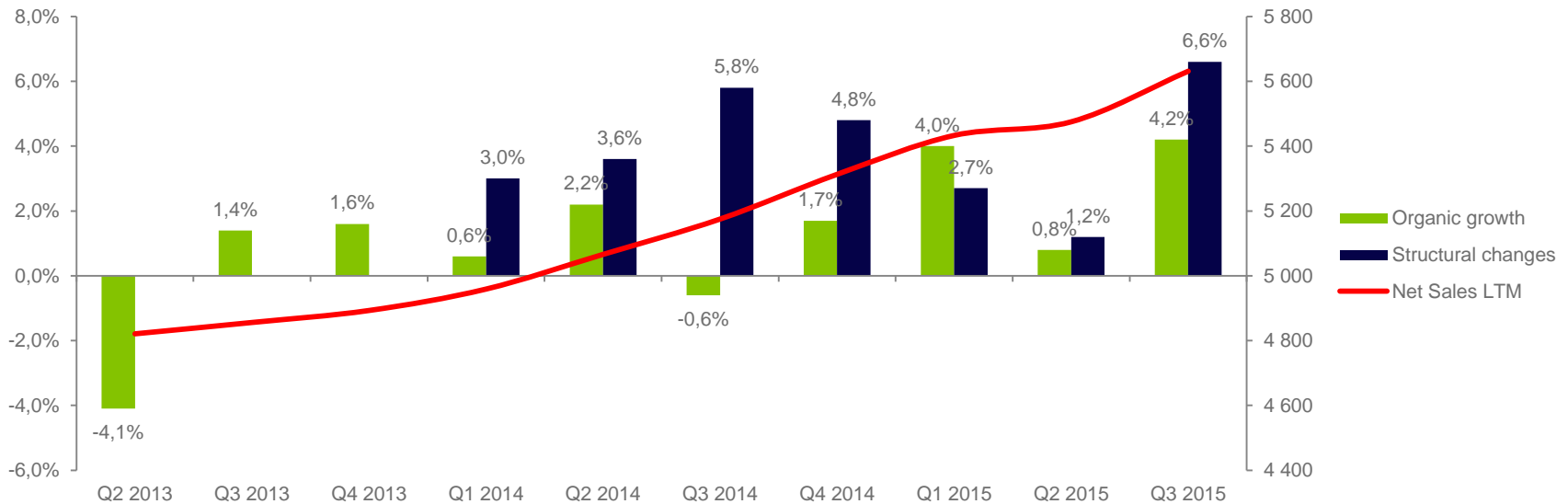
2) Operating profit, adjusted for one-off items.

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Changes in net sales

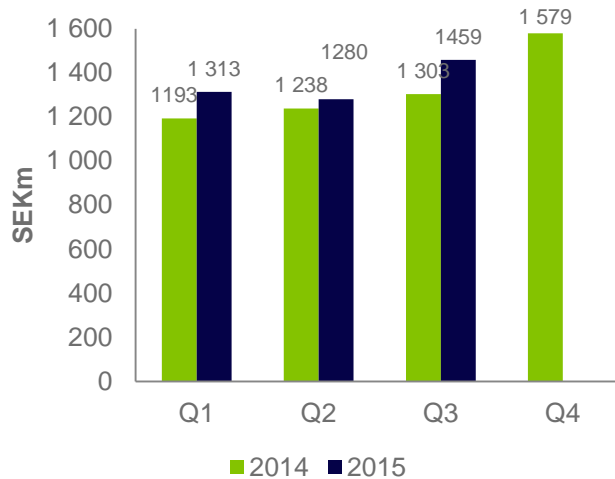
| Changes in net sales, % | Jul-Sep 2015 | Jan-Sep 2015 |
|---------------------------|-----------------|-----------------|
| Organic growth | 4.2 | 3.0 |
| Structural changes | 6.6 | 3.6 |
| Changes in exchange rates | 1.2 | 1.9 |
| Total | 12.0 | 8.5 |



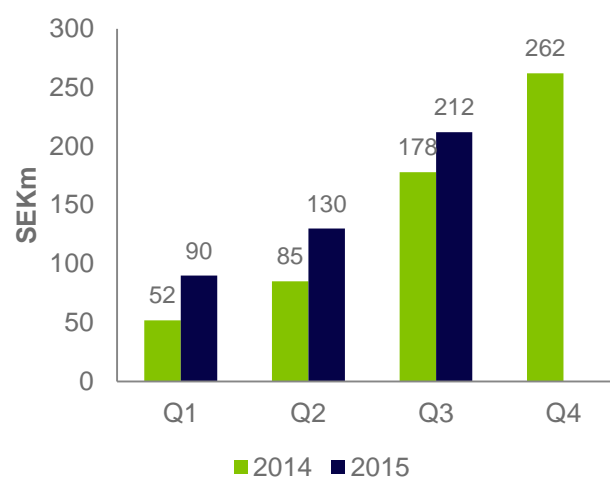
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Net sales, Operating profit (EBIT) and Operating profit, adjusted

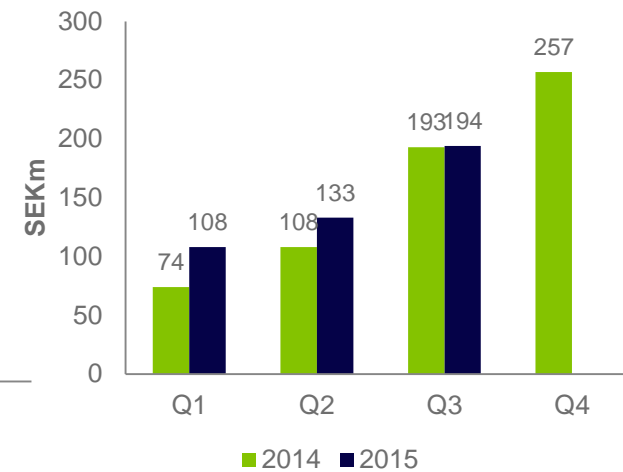
Net sales



Operating profit (EBIT)



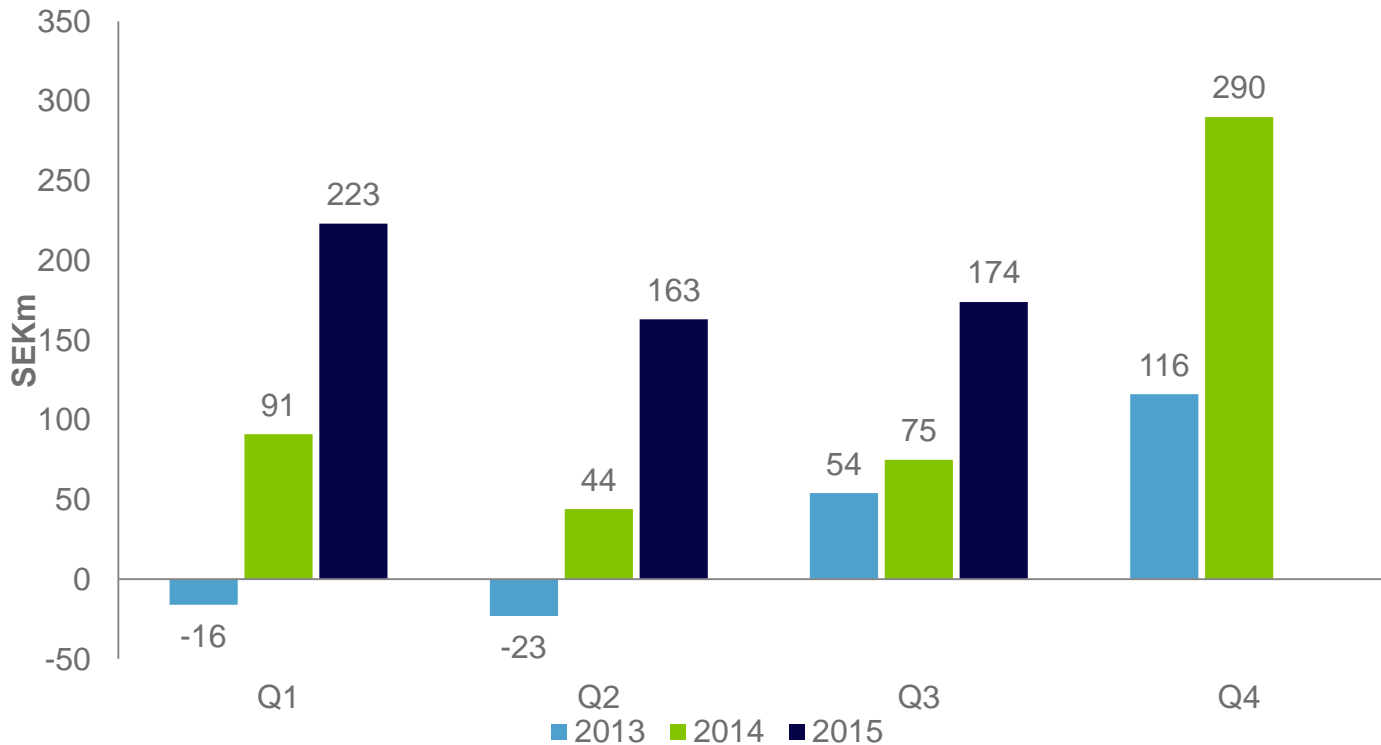
Operating profit, adjusted



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Cash flow from operating activities



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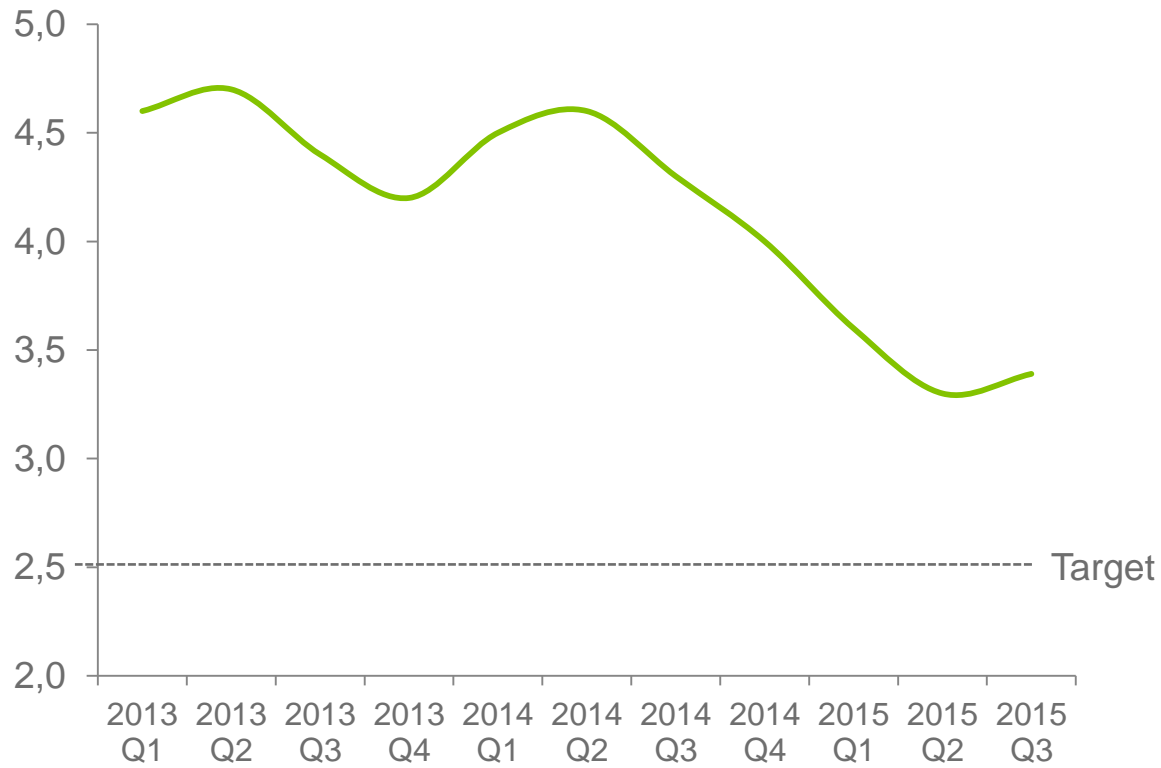


Cash Flow

| SEKm | Jul-Sep 2015 | Jul-Sep 2014 |
|--|-----------------|-----------------|
| Cash flow from operating activities before changes in working capital | 236 | 152 |
| Cash flow from changes in working capital | -62 | -77 |
| Cash flow from operating activities | 174 | 75 |
| Cash flows from investments in property, plant and equipment and intangible assets | -30 | -38 |
| Cash flow from other investing activities | -206 | -13 |
| Cash flow from investing activities | -236 | -51 |
| Cash flow from operating and investing activities | -62 | 24 |
| Cash flow from financing activities | -28 | -51 |
| Cash flow for the period | -90 | -27 |

Financial leverage

Net debt/EBITDA, x



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Integration of Lonka according to plan

Will over time support Cloetta's margin target of 14% operating profit, adjusted

- Sales development and profitability according to plan in the quarter
- Joint sales and marketing organisation created in the Netherlands
- Plans for how to handle and launch Lonka in other markets under preparation
- Efforts to coordinate and integrate factories and working methods started

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In focus




Seasonal sales
including pricing in
Italy



Integration of
Lonka



Initiatives within
Pick & Mix



Profitable growth

Q3 selection of product launches

The Netherlands

- Lonka Vlinders
- Lonka Hartjes
- Red Band Zure Bliksems
- Red Band Winegum Vissen
- Red Band Droppfruit Smiles



Norway

- Malaco Sild x 3



Denmark

- Lagerman Lakridskonfekt
- Blå Knap and Choko Sandwich



Italy

- Sperlari chocolate Almonds
- Sperlari dark chocolate Orange
- Sperlari Almonds/Blackcurrant



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Sweden and Norway

- Gott&blandat Supersalt



Sweden

- Läkerol YUP Cola Sour
- Polly Puffar Sea Salt
- Ahlgrens raggarbilar limited edition
- Cloetta Crispy Bite x 2
- Nutisal Dry Roasted Peanuts x 3



Sweden, Norway and Denmark

- Center Mint



Finland

- Mini-bags x 8
- Tupla+Protein
- Tupla+Energy
- Cloetta Sprinkle Latte Crunchiatto



Rest of the World

- Läkerol Pink Guava
- Läkerol Green Apple



Q&A

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