

Loetta

Q1 2016 results – 21 April 2016

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Q1 highlights

Improved operating profit, stronger cash flow and lower net debt

- **Net sales** for the quarter increased by 3.4 per cent to SEK 1,358m (1,313).
- **Operating profit** increased to SEK 108m (90).
- **Operating profit, adjusted** increased to SEK 126m (108).
- **Cash flow from operating activities** increased to SEK 253m (223).
- **Net debt/EBITDA** was 2.78x (3.60).

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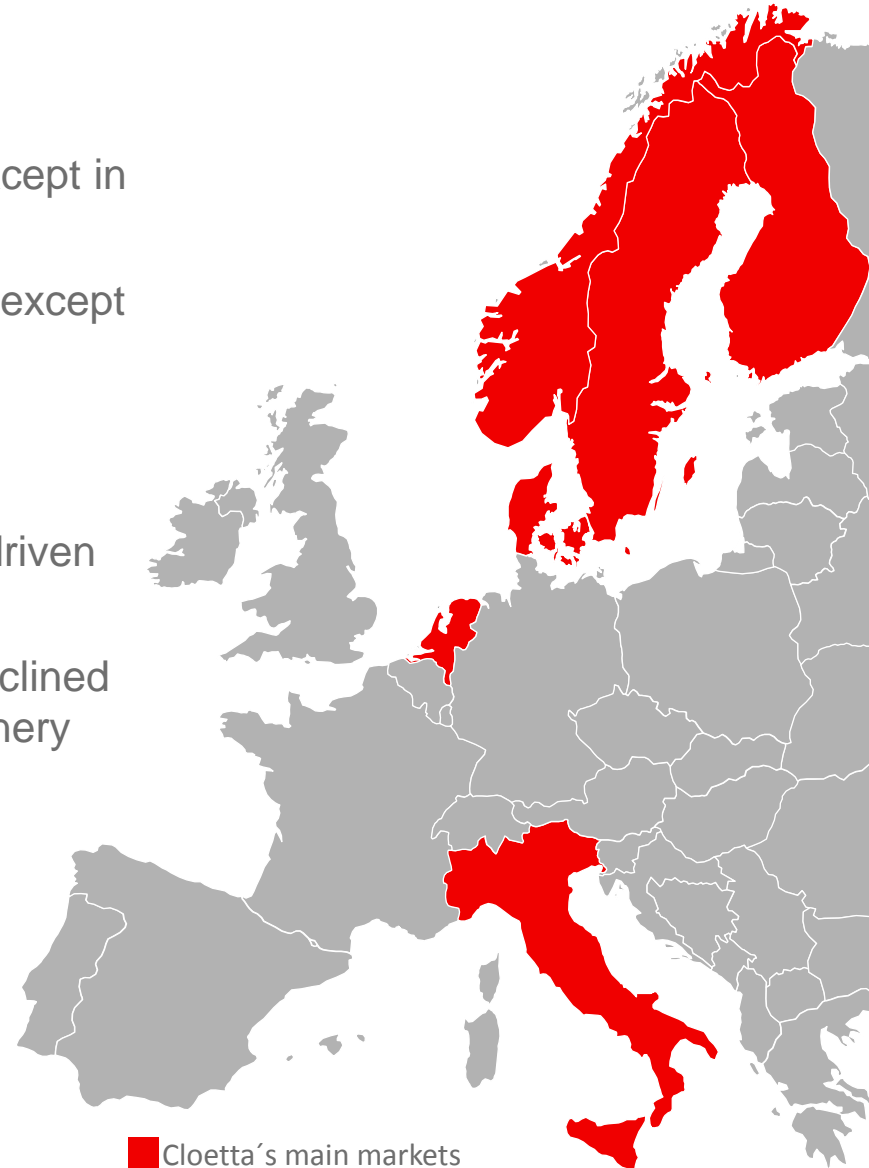


Overall market and sales development

Total sales growth of 3.4 per cent

- Positive to flat total market developments, except in Italy
- Sales grew or was unchanged in all markets except Italy, Denmark and Norway
- Organic growth -0.7 per cent facing a strong comparator
- Positive sales trend in Sweden and Finland driven by pick-and-mix
- In Denmark and Norway sales of pastilles declined and in Italy sales declined in sugar confectionery and pastilles

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Increased net sales and improved EBIT

SEKm	Jan-Mar 2016	Margin %	Change %	Jan-Mar 2015	Margin %	Rolling 12	Full year 2015
Net sales	1,358		3.4 ¹	1,313		5,719	5,674
Gross profit	506	37.3	3.1	491	37.4	2,226	2,211
Operating profit, adjusted	126	9.3	16.7	108	8.2	708	690
Operating profit (EBIT)	108	8.0	20.0	90	6.9	689	671
Net financial items	-46			-48		-176	-178
Profit before tax	62		47.6	42		513	493
Profit for the period	44		33.3	33		397	386

1) Organic growth at constant exchange rates and comparable units -0.7 per cent for the quarter.

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Changes in net sales

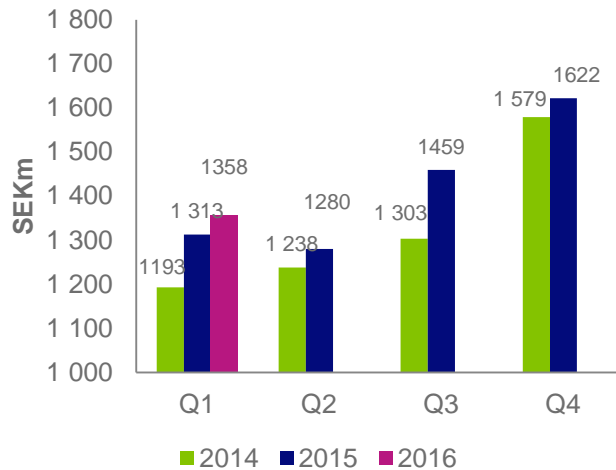
Changes in net sales, %	Jan-Mar 2016	Jan-Mar 2015	Full year 2015
Organic growth	-0.7%	4.0%	1.5%
Structural changes	4.9%	2.7%	3.9%
Changes in exchange rates	-0.8%	3.4%	1.4%
Total	3.4%	10.1%	6.8%



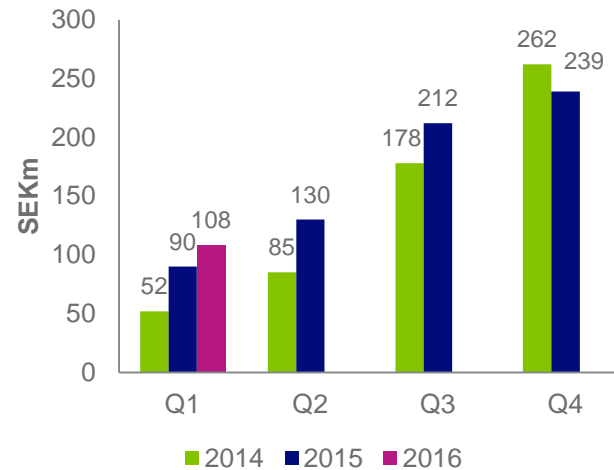
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Net sales, Operating profit (EBIT) and Operating profit, adjusted

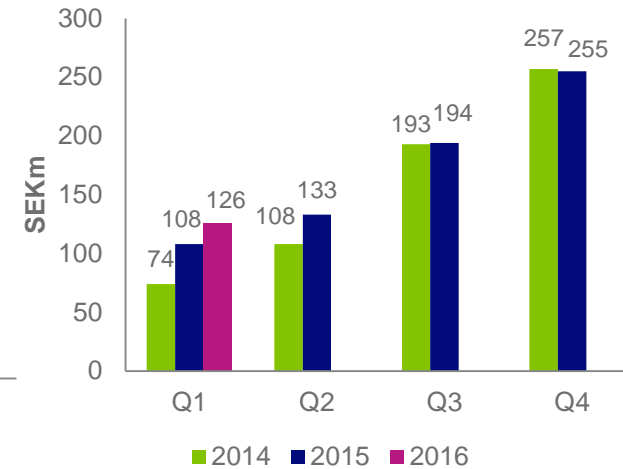
Net sales



Operating profit (EBIT)



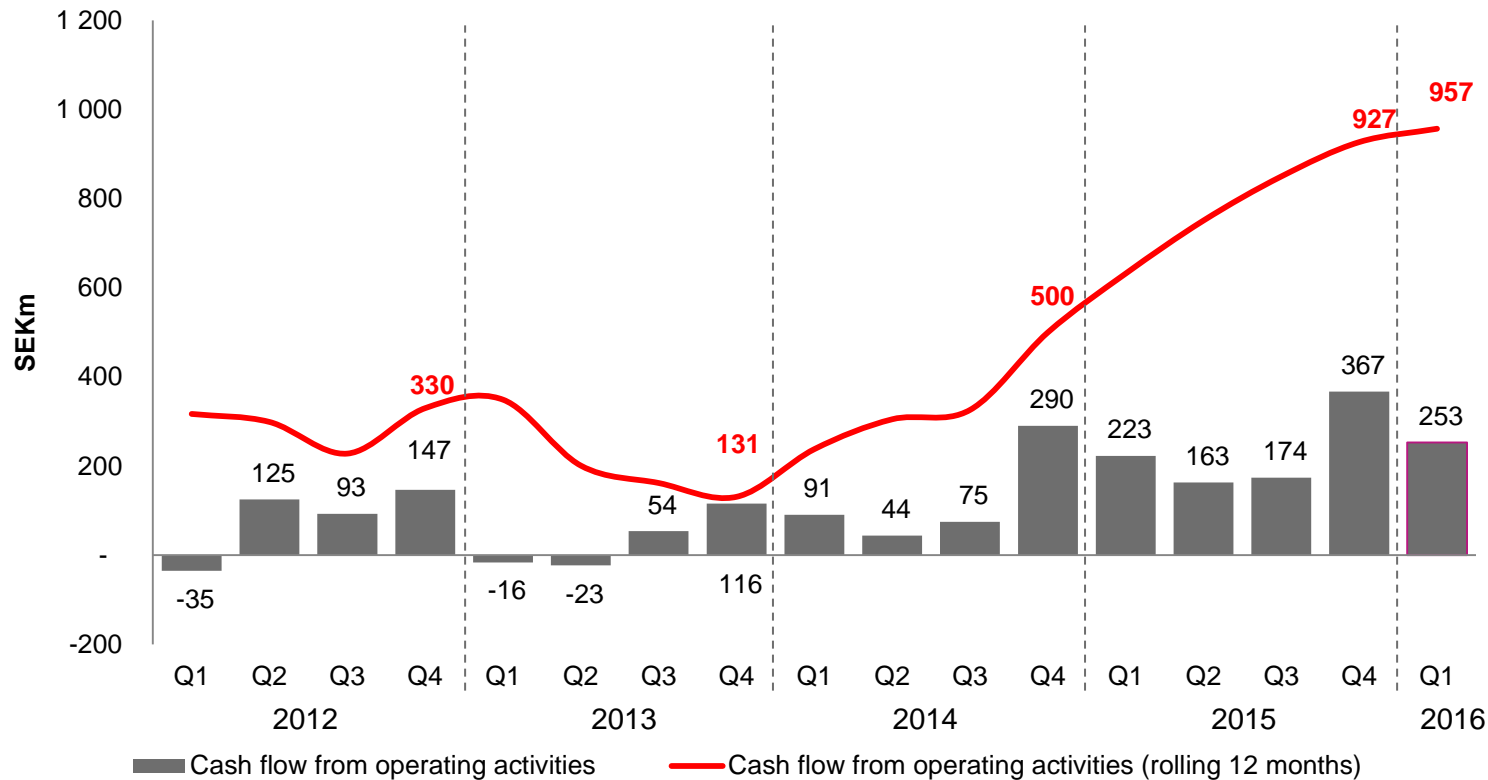
Operating profit, adjusted



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Strong cash flow from operating activities



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Continued strong cash flow

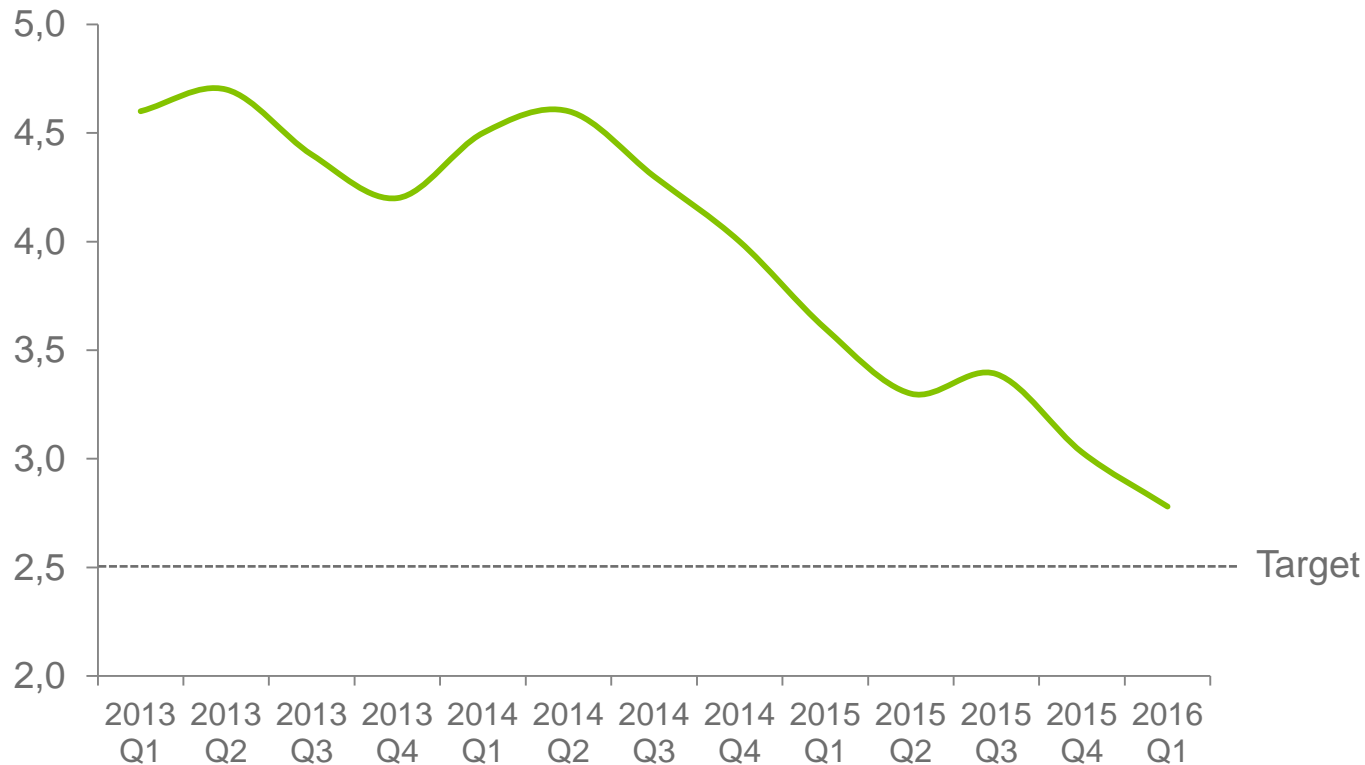
SEKm	Jan-Mar 2016	Jan-Mar 2015	Rolling 12	Full year 2015
Cash flow from operating activities before changes in working capital	121	66	752	697
Cash flow from changes in working capital	132	157	205	230
Cash flow from operating activities	253	223	957	927
Cash flows from investments in property, plant and equipment and intangible assets	-38	-55	-144	-161
Cash flow from other investing activities	-	-	-206	-206
Cash flow from investing activities	-38	-55	-350	-367
Cash flow from operating and investing activities	215	168	607	560
Cash flow from financing activities	-90	-245	-363	-518
Cash flow for the period	125	-77	244	42

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Financial leverage

Continued decrease in Net debt/EBITDA, x



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Integration of Lonka according to plan

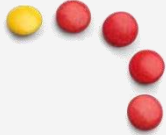
Will in 2017 support Cloetta's margin target of 14%

- Lonka's sales, marketing and purchasing activities now integrated into Cloetta.
- Integration of the Roosendaal factory into Cloetta's ERP-system has started.
- The planned closure of the factory in Dieren, the Netherlands, is progressing according to plan.
 - One-off costs and capital investments of approximately SEK 120m
 - Savings from the closure of the factory, insourcing of production and synergies will generate annual savings of at least SEK 35m

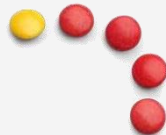
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In focus



Profitable growth



Implement and drive initiatives within pick-and-mix



Integration of Lonka and closure of factory in Dieren



Operational excellence in supply chain through Lean2020 initiative

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Q1 selection of product launches

Italy



The Netherlands



Finland



Denmark



Sweden and Norway



Norway



Sweden



Sweden and Denmark

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Q&A

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