

Loetta

Q3 2016 results – 27 October 2016

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Q3 highlights

Continued improved operating profit

- **Net sales for the quarter** decreased by 0.8 per cent to SEK 1,448m (1,459), including a negative impact of foreign exchange rates of -0.1 per cent.
- **Operating profit** increased to SEK 216m (212).
- **Operating profit, adjusted**, increased to SEK 224m (194).
- **Cash flow** from operating activities amounted to SEK 116m (174).
- **Net debt/EBITDA** ratio was 2.76x (3.39).
- **New loan agreement** has been entered into and senior secured notes have been redeemed.

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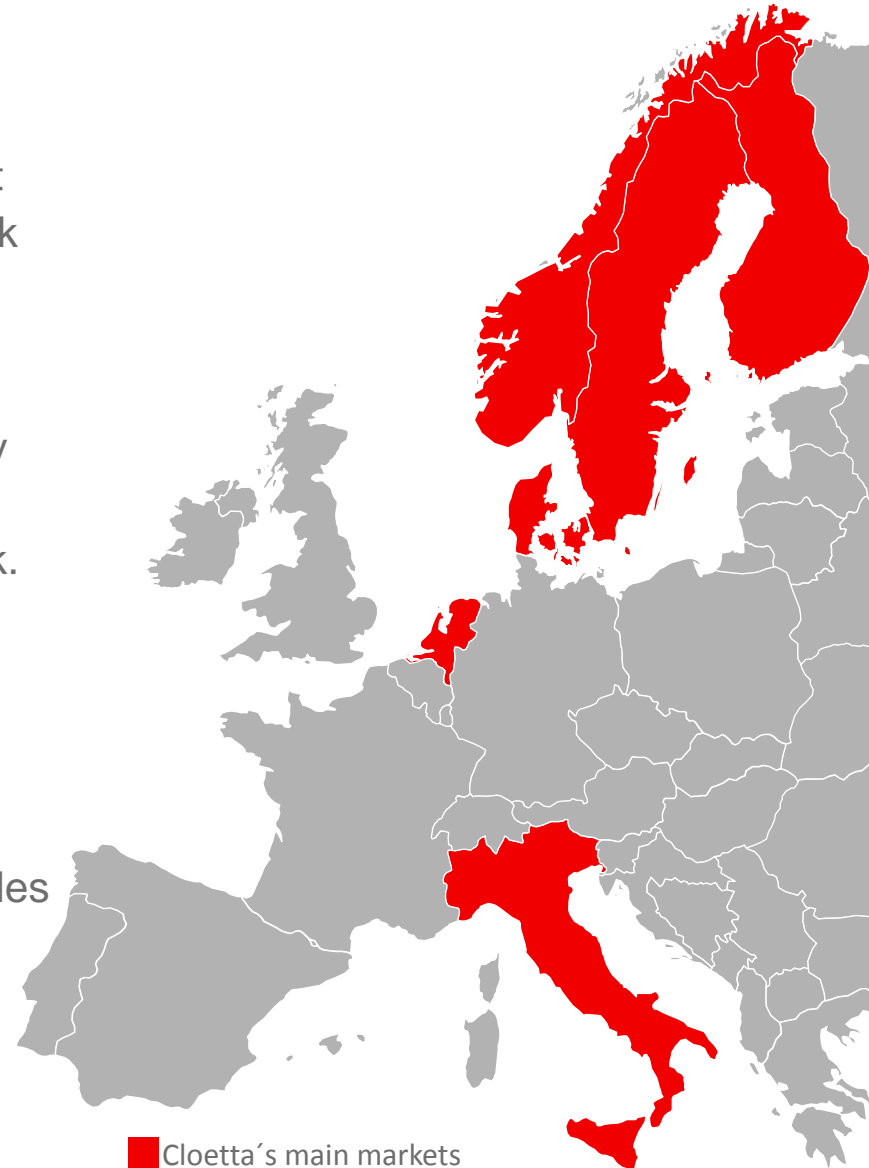


Overall market and sales development

Sales declined somewhat

- Overall slightly positive or unchanged market development in all countries, except Denmark and Norway.
- Organic sales growth -0.7 per cent.
- Sales grew in Sweden, Finland, Italy, Norway and the export markets, and declined in the Netherlands, the UK, Germany and Denmark. Also contract manufacturing declined.
- Positive sales trend in Sweden and Finland predominantly driven by pick-and-mix.
- Drop in sales in the UK partly attributable to weaker British pound. In the Netherlands, sales of special products to discounters declined.

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■ Cloetta's main markets

Continued improved operating profit

Key ratios, SEKm	Jul-Sep 2016	Margin %	Change %	Jul-Sep 2015	Margin %	Rolling 12	Full year 2015
Net sales	1,448		-0.8	1,459		5,790	5,674
Gross profit	574	39.6	1.6	565	38.7	2,283	2,211
Operating profit, adjusted	224	15.5	15.5	194	13.3	755	690
Operating profit (EBIT)	216	14.9	1.9	212	14.5	705	671
Net financial items	-71			-43		-197	-178
Profit before tax	145		-14.2	169		508	493
Profit for the period	108		-16.9	130		386	386

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Changes in net sales

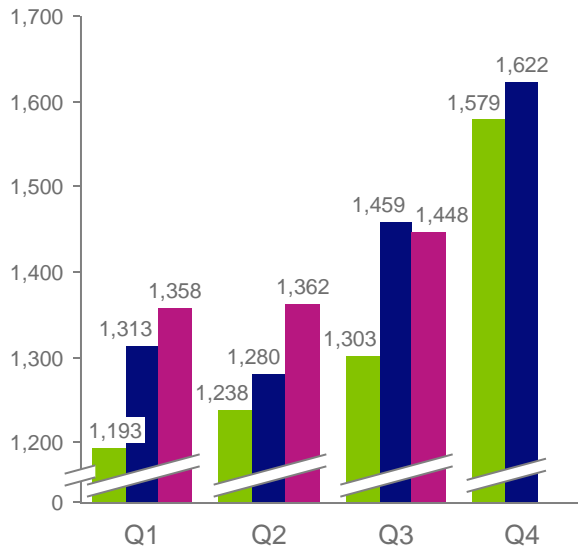
Changes in net sales	Jul-Sep 2016	Jan-Sep 2016	Full year 2015
Organic growth	-0.7%	0.2%	1.5%
Structural changes	-	3.1%	3.9%
Changes in exchange rates	-0.1%	-0.4%	1.4%
Total	-0.8%	2.9%	6.8%



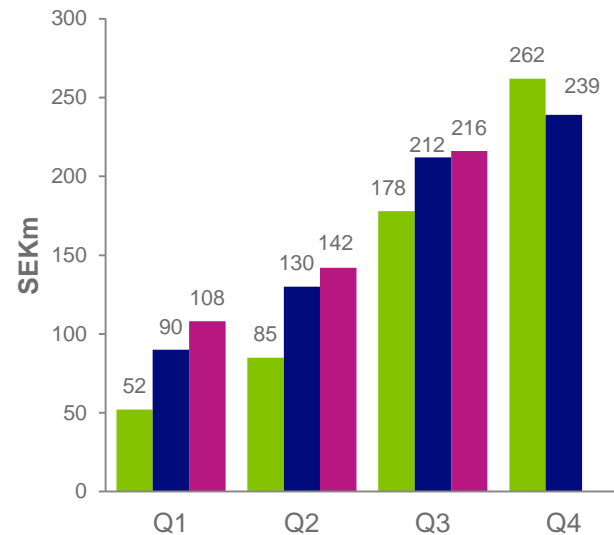
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Net sales, Operating profit and Operating profit, adjusted

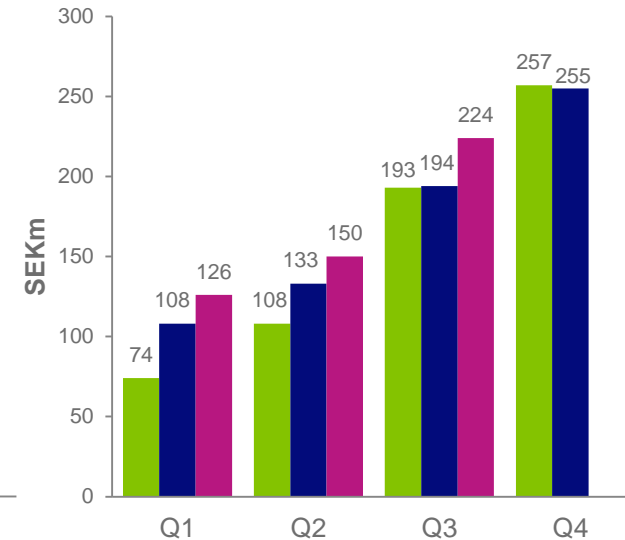
Net sales



Operating profit (EBIT)



Operating profit, adjusted

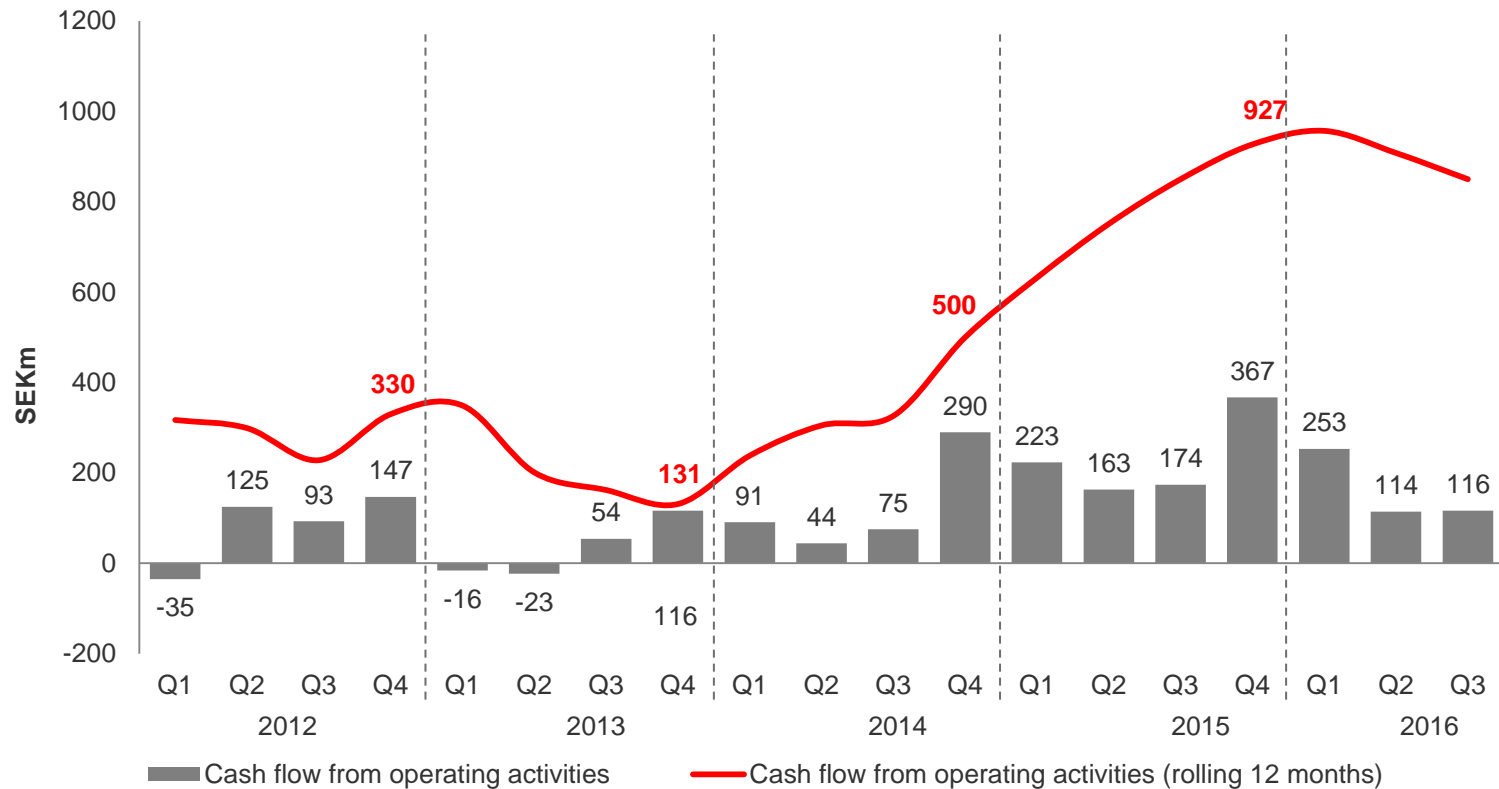


2014 2015 2016

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Strong cash flow from operating activities



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Cash flow

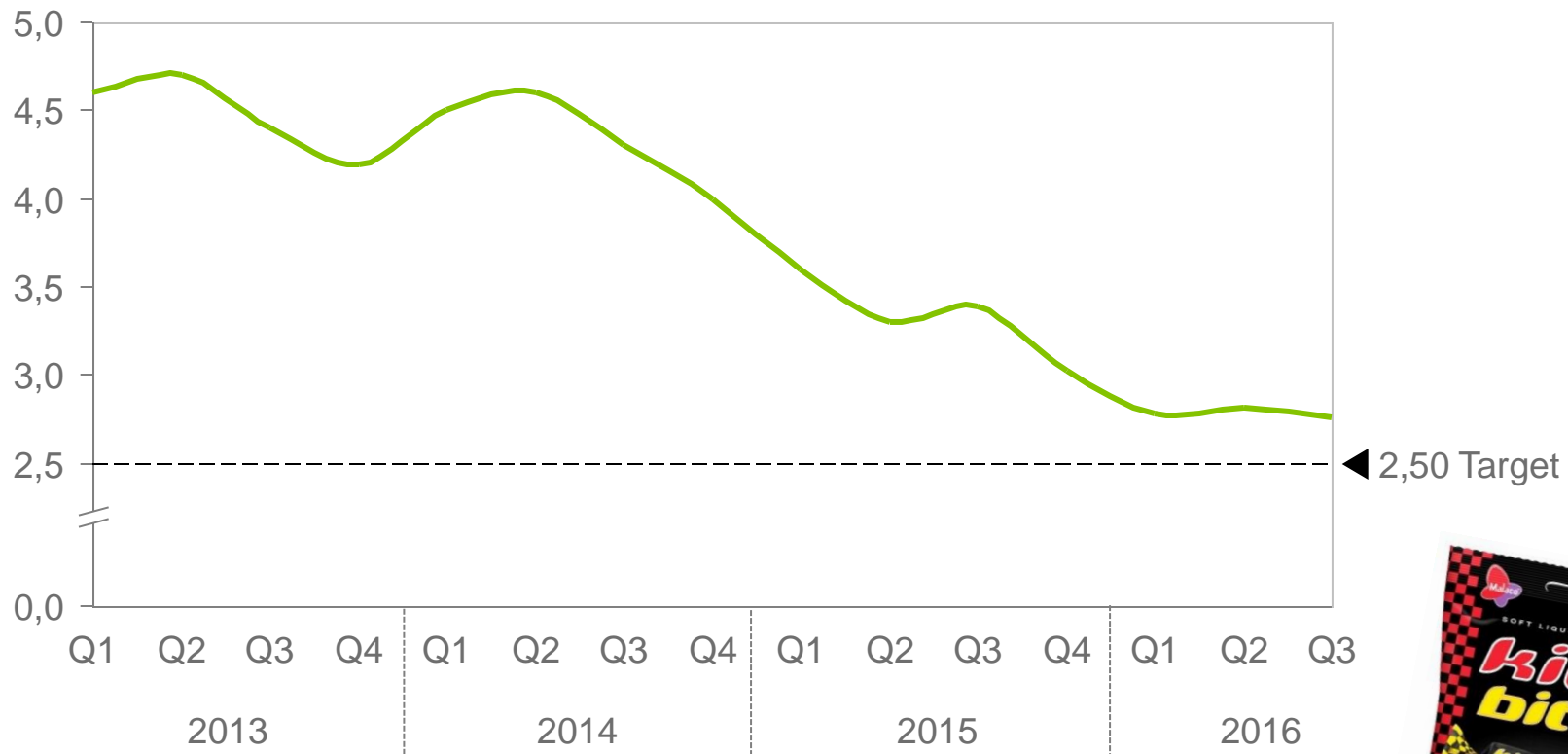
SEKm	Jul-Sep 2016	Jul-Sep 2015	Rolling 12	Full year 2015
Cash flow from operating activities before changes in working capital	219	236	784	697
Cash flow from changes in working capital	-103	-62	66	230
Cash flow from operating activities	116	174	850	927
Cash flow from investments in property, plant and equipment and intangible assets	-42	-30	-160	-161
Cash flow from other investing activities	-105	-206	-105	-206
Cash flow from investing activities	-147	-236	-265	-367
Cash flow from operating and investing activities	-31	-62	585	560
Cash flow from financing activities	213	-28	-320	-518
Cash flow for the period	182	-90	265	42

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Financial leverage

Stable net debt/EBITDA despite dividend payments



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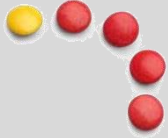
New loan agreement will reduce cost

- New loan agreement with four banks equivalent to SEK 3,700m
 - Term loan of EUR 175m with a tenor of three to five years
 - Credit facility of EUR 120m with a tenor of five years
 - Bridge loan of SEK 1,000m with a tenor of one to two years to redeem Bond
- The SEK 1,000m Bond was redeemed in September
- Net financial items will be reduced by SEK 140m over a five year period compared to previous financing
 - Whereof SEK 50m in 2017
 - One-off expenses of SEK 49m in net financial items in Q3, 2016

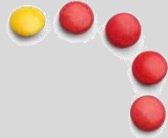
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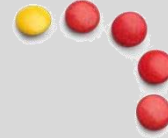
In focus



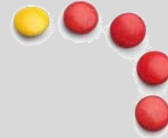
Seasonal sales
in Italy and
abolition of
confectionery tax
in Finland



Drive initiatives
within pick-and-
mix



Closure and
transfer of
factory in Dieren



Profitable
growth

Q3 selection of product launches

Sweden



Italy



Finland



Denmark



Sweden and Norway



Norway



Travel retail and Denmark



The Netherlands



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Q&A

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