



Press release

14 September 2017

Cloetta's EBIT to be negatively impacted by mainly short-term issues

Cloetta's operating profit, adjusted, is in the third quarter expected to be SEK 40 - 50m lower compared to last year. This is mainly due to lower volumes but also higher raw material cost and negative exchange rate differences.

As communicated in the Q2-report, there was a fire in one of the production lines in the factory in Turnhout, Belgium in June. The damages to the line has proven to be bigger than initially expected which has resulted in production capacity constraints and significantly lower volumes being produced. The incident has also created ripple effects in the factory network when both new shifts have been installed in some factories and production has been outsourced to compensate for lost production. This has created higher complexity and additional cost. The incident in the factory is in some cases also creating delivery problems resulting in lost sales.

“It is unfortunate that the incident in our factory in Turnhout has created ripple effects in our factory network. In combination with higher raw material cost and negative exchange rate differences this has created some short-term challenges. However, this is in our own control and we will be able to solve them. To increase our profitability, we are also working on a cost savings program that we intend to launch later this year,” says Henri de Sauvage-Nolting, President and CEO of Cloetta.

The damaged line in the factory in Turnhout, Belgium will be replaced with a new line that is expected to be fully operational in the second quarter of 2018. Most of the direct cost related to the damaged line is expected to be covered by insurances.

This information constituted before the publication inside information and is such that Cloetta AB (publ) is required to disclose pursuant to the EU Market Abuse Regulation. The information was submitted, by the below contact person, for publication on 14 September at 13.15 pm CET.

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About Cloetta

Cloetta, founded in 1862, is a leading confectionary company in the Nordic region and the Netherlands. Cloetta's products are sold in more than 50 countries worldwide with Sweden, Finland, Denmark, Norway, the Netherlands, Germany and the UK as the main markets. Cloetta owns some of the strongest brands on the market, such as Läkerol, Cloetta, Candyking, Jenkki, Kexchoklad, Malaco, Sportlife and Red Band. Cloetta has 8 production units in 5 countries. Cloetta's class B-shares are traded on Nasdaq Stockholm. More information about Cloetta is available on www.cloetta.com

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