

Clacetta

Q3 2018 result – 26 October 2018

Henri de Sauvage-Nolting, President and CEO

CEO update

Cloetta

Q3 Highlights

Improved EBIT and branded growth

- **Net sales** amounted to SEK 1,538m (1,505). Organic growth amounted to -3.6 per cent
- **Operating profit, adjusted** amounted to SEK 194m (169)
- **Operating profit** amounted to SEK 180m (169)
- **Profit for the period** amounted to SEK 132m (108)
- **Cash flow** from operating activities amounted to SEK 250m (135)
- **Net debt/EBITDA** was 2.48x (2.63)

Cloetta



Overall market and sales development

Growth of branded packaged products

- The **packaged confectionery** market declined or was unchanged on all markets
- The **pick & mix** market declined substantially
- **Organic growth** was -3.6 per cent, driven by pick & mix
- **Branded packaged** products grew by 1.6 per cent
 - Market shares grew in 14 of 16 categories in the core markets
- **Total pick & mix** declined by 15.6 per cent, driven by lost contract in Sweden, sugar tax in Norway and overall weak development

Cloetta



Strategic focus update

Grow the base

Grow branded packaged products

Increase pure media investments

Core innovations

Cost and margins

Cost efficiency

Pricing to mitigate FX

Insourcing

Candyking integration

Improve EBIT on low margin contracts

Implementation of ERP system in the UK

Capacity investments

Improved and sharper marketing activities

Media investments increased 10%



**Venco Typical Dutch,
The Netherlands**

Launched in September with a 360° multimedia campaign including TV commercials



**Plopp chocolate tablets,
Sweden**

Launched in August with a campaign that includes TV commercials, on-line video, national outdoor advertisement and social media



**Gott & Blandat 30% less sugar,
Sweden and Norway**

Launched in September including TV commercials, on-line video and social media

Cloetta

Financial updates

Cloetta

Changes in net sales

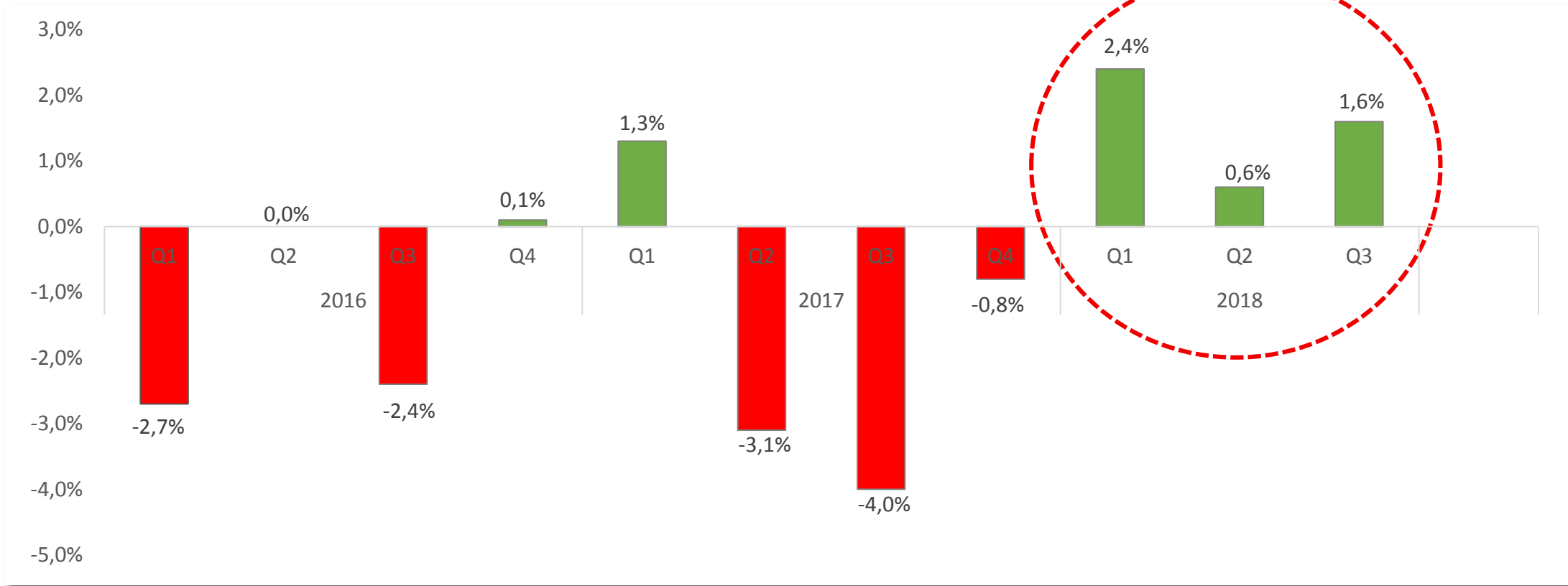
%	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018
Organic growth	-3.6	-2.8	-2.7
Structural changes	-	20.3	9.1
Changes in exchange rates	5.8	-0.4	4.0
Total	2.2	17.1	10.4

Cloetta



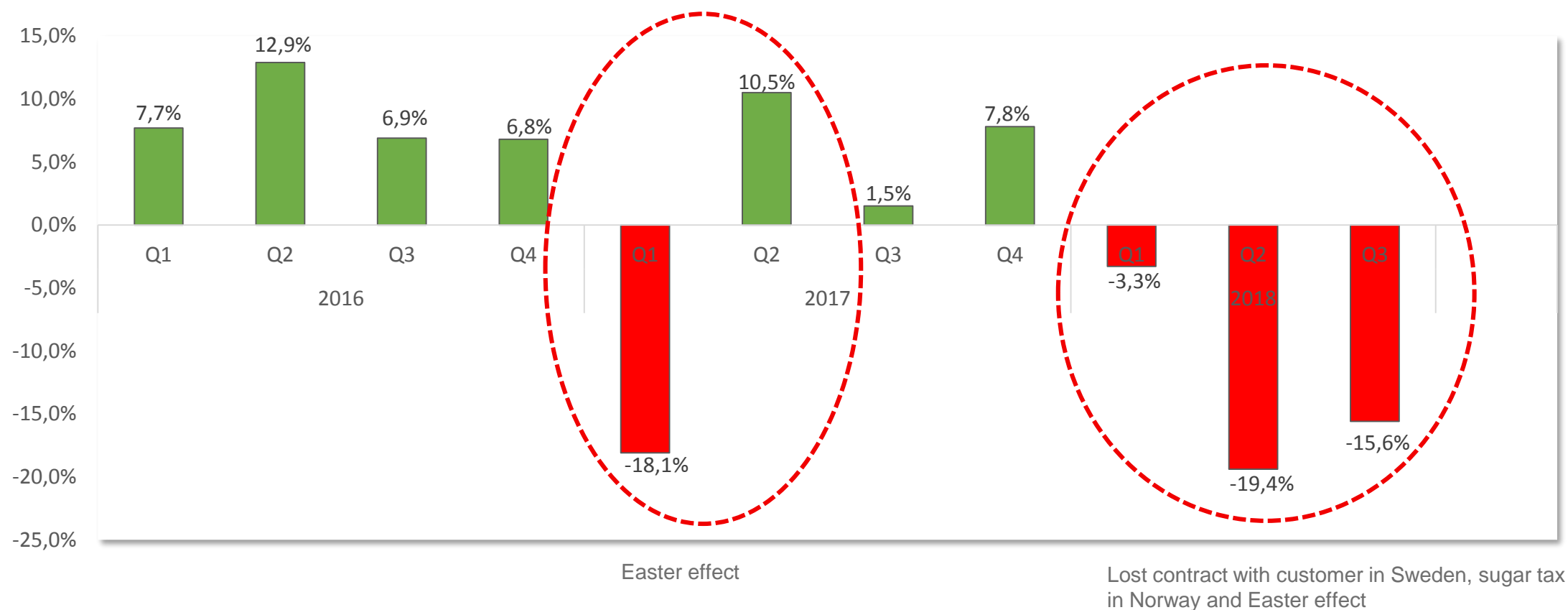
Sales development packaged/branded products

Three consecutive quarters of growth



Sales development pick & mix

Mainly driven by gained or lost contracts



Improved EBIT

Key ratios, SEKm	Jul-Sep 2018	Jul-Sep 2017	Change	Full year 2017
Net sales	1,538	1,505	33	5,784
Gross profit	559	527	32	2,106
- Gross margin, %	36.3	35.0	1.3 pts	36.4
Operating profit, adjusted	194	169	25	604
- Operating profit margin, adjusted, %	12.6	11.2	1.4 pts	10.4
Operating profit (EBIT)	180	169	11	527
- Operating profit margin (EBIT margin), %	11.7	11.2	0.5 pts	9.1
Net financial items	-13	-27	14	-84
Profit before tax	167	142	25	443
Profit from continuing operations	132	108	24	237

Improved cash flow

SEKm	Jul-Sep 2018	Jul-Sep 2017*	Full year 2017*
Cash flow from operating activities before changes in working capital	226	186	532
Cash flow from changes in working capital	24	-51	180
Cash flow from operating activities	250	135	712
Cash flow from investments in property, plant, equipment and intangible assets	-44	-38	-157
Cash flow from other investing activities	0	310	135
Cash flow from investing activities	-44	272	-22
Cash flow from operating and investing activities	206	407	690
Cash flow from financing activities	-4	-275	-238
Cash flow for the period	202	132	452

*Including Cloetta Italy until divestment 5 September 2017.



Summary

Cloetta

Q3 Summary

- **Branded packaged products** grew for the third consecutive quarter
- **Pure media investments** grew by 10 per cent
- **Pick & mix sales** declined
 - Build for competitive growth
- **Operating profit, adjusted**, improved
- **Candyking integration** in line with plan
- **Investments** to increase production capacity

Cloetta





Q&A

Cloetta



Disclaimer

- This presentation has been prepared by Cloetta AB (publ) (the “Company”) solely for use at this presentation and is furnished to you solely for your information and may not be reproduced or redistributed, in whole or in part, to any other person. The presentation does not constitute an invitation or offer to acquire, purchase or subscribe for securities. By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations.
- This presentation is not for presentation or transmission into the United States or to any U.S. person, as that term is defined under Regulation S promulgated under the Securities Act of 1933, as amended.
- This presentation contains various forward-looking statements that reflect management’s current views with respect to future events and financial and operational performance. The words “believe,” “expect,” “anticipate,” “intend,” “may,” “plan,” “estimate,” “should,” “could,” “aim,” “target,” “might,” or, in each case, their negative, or similar expressions identify certain of these forward-looking statements. Others can be identified from the context in which the statements are made. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which are in some cases beyond the Company’s control and may cause actual results or performance to differ materially from those expressed or implied from such forward-looking statements. These risks include but are not limited to the Company’s ability to operate profitably, maintain its competitive position, to promote and improve its reputation and the awareness of the brands in its portfolio, to successfully operate its growth strategy and the impact of changes in pricing policies, political and regulatory developments in the markets in which the Company operates, and other risks.
- The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.
- No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information contained herein. Accordingly, none of the Company, or any of its principal shareholders or subsidiary undertakings or any of such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.