

# *Clacetta*

**Q4 2018 result – 25 January 2019**

Henri de Sauvage-Nolting, CEO and Frans Rydén, CFO

# Q4 Highlights

## Growth in branded packaged products – increased dividend proposed

- **Net sales** amounted to SEK 1,646m (1,643). Organic growth amounted to -3.2 per cent
- **Operating profit, adjusted** amounted to SEK 174m (206)
- **Operating profit** amounted to SEK 159m (171)
- **Profit for the period** amounted to SEK 159m (20)
- **Cash flow** from operating activities amounted to SEK 288m (305)
- **Net debt/EBITDA** was 2.31x (2.39)
- **Proposed dividend** of SEK 1.00 (0.75) per share

*Cloetta*



# Overall market and sales development

## Continued growth of branded packaged products

- The **packaged confectionery** market grew in all markets
- The **pick & mix** market grew somewhat
- **Organic growth** was -3.2 per cent, fully driven by pick & mix
- **Total pick & mix** declined by 13.5 per cent, mainly due to lost contract in Sweden and weak sales in Norway.
- **Branded packaged** products grew by 1.4 per cent
  - Market shares grew in 9 of 16 categories in core markets

*Cloetta*





# Strategic focus update

## Drive growth

Grow branded packaged products

Increase working media investments

Core innovations

## Facilitate growth

“One Cloetta”

Brand and category management

Capacity investments

## Fund growth

Improve EBIT on low margin contracts

Cost efficiency

“Perfect factory”

*Cloetta*

# Changes in net sales

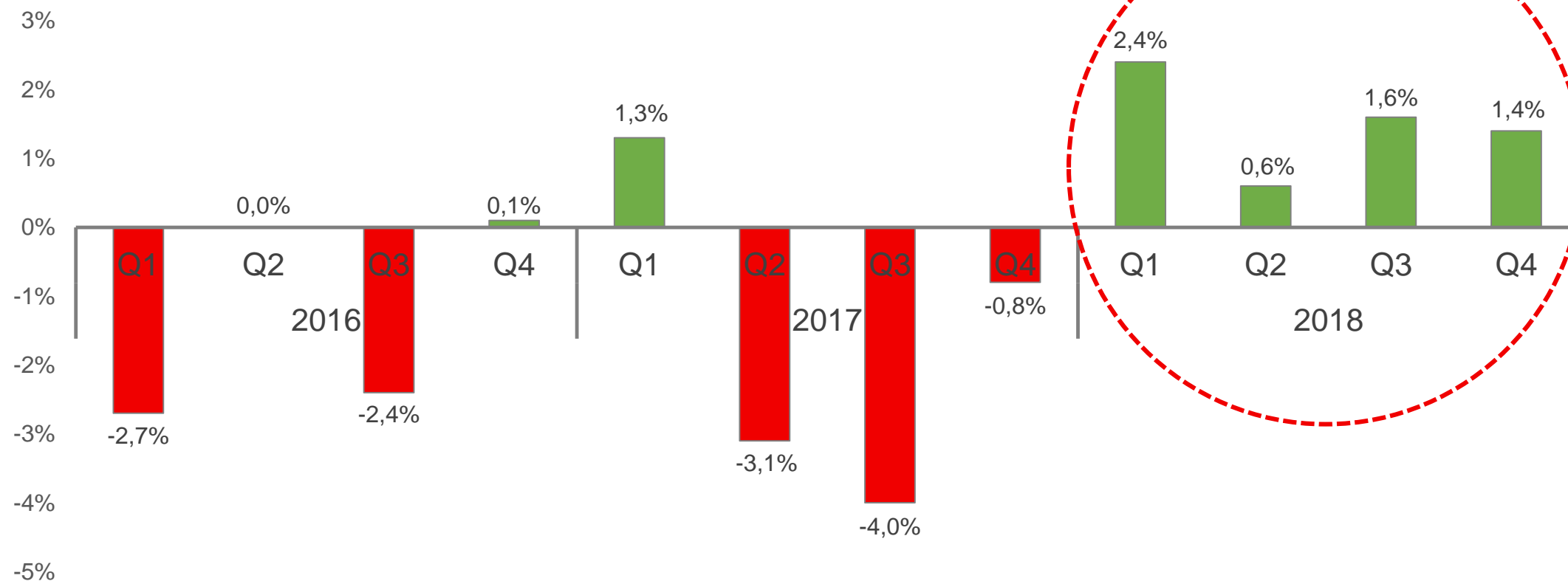
%	Oct-Dec 2018	Oct-Dec 2017	2018	2017
Organic growth	-3.2	0.0	- 2.8	-1.2
Structural changes	-	20.8	6.5	13.9
Changes in exchange rates	3.4	-0.6	3.8	0.6
<b>Total</b>	<b>0.2</b>	<b>20.2</b>	<b>7.5</b>	<b>13.3</b>

*Cloetta*



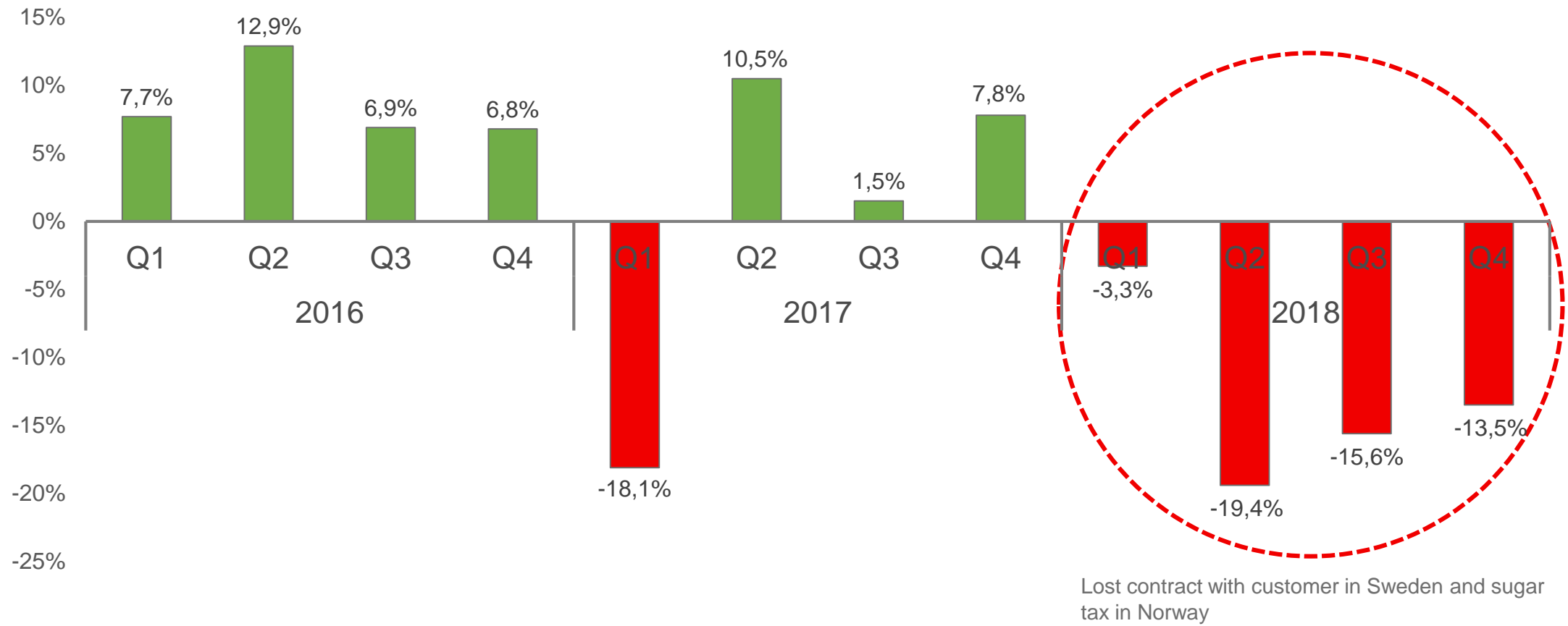
# Sales development branded packaged products

## Four consecutive quarters of growth



# Sales development pick & mix

Growth significantly impacted by gained or lost contracts





# EBIT declined but strong profit after tax

## Higher marketing and production cost

Key ratios, SEKm	Oct-Dec 2018	Oct-Dec 2017	Change	Full year 2018	Full year 2017
Net sales	1,646	1,643	3	6,218	5,784
Gross profit	606	606	0	2,284	2,106
- Gross margin, %	36.8	36.9	-0.1 pts	36.7	36.4
Operating profit, adjusted	174	206	-32	677	604
- Operating profit margin, adjusted, %	10.6	12.5	-1.9 pts	10.9	10.4
Operating profit (EBIT)	159	171	-12	660	527
- Operating profit margin (EBIT margin), %	9.7	10.4	-0.7 pts	10.6	9.1
Net financial items	-16	-27	11	-98	-84
Profit before tax	143	144	-1	562	443
Profit from continuing operations	159	20	139	483	237



# Stable cash flow

SEKm	Oct-Dec 2018	Oct-Dec 2017	Full year 2018
Cash flow from operating activities before changes in working capital	211	200	792
Cash flow from changes in working capital	77	105	-164
<b>Cash flow from operating activities</b>	<b>288</b>	<b>305</b>	<b>628</b>
Cash flow from investments in property, plant, equipment and intangible assets	-48	-46	-184
Cash flow from other investing activities	0	69	0
<b>Cash flow from investing activities</b>	<b>-48</b>	<b>23</b>	<b>-184</b>
<b>Cash flow from operating and investing activities</b>	<b>240</b>	<b>328</b>	<b>444</b>
Cash flow from financing activities	0	-8	-665
<b>Cash flow for the period</b>	<b>240</b>	<b>320</b>	<b>-221</b>





# Summary

*Cloetta*



# 2018 summary

## Branded packaged sales growth and improved EBIT

- Sales in branded packaged products grew (1.5 per cent) for the first time in many years
- EBIT and EBIT, adjusted improved by 25.2 and 12.1 per cent, respectively
- Working media investments increased by 15 per cent
- Candyking synergies are delivering in line with plan
- Proposed increased ordinary dividend to SEK 1.00 (0.75)

*Cloetta*



# Q&A

*Cloetta*



*Cloetta*

Capital Markets Day

14 March 2019



# We bring a smile to your Munchy Moments



*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.