

# *Cloetta*

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*Cloetta*

# Cloetta's strengths

Strong brand/category positions and scale in Northern Europe

## Cloetta's strategic strengths

- Strong local brands in economic stable region
- Consumer long-term trends supporting Pick & mix
- Opportunity to double international sales
- Proven strategy to deliver growth
- Attractive non-cyclical market
- Focus on continued margin expansion
- Attractive cash-flow generation and dividend

## Market

## Category position



Candy

Pastilles

Chocolate

Chewing gum

Pick & mix

1

1

2

-

1

2

1

4

1

1

1

3

6

-

1

2

3

-

-

1

1

5

-

2

-

5

-

-

-

-

\*

-

-

-

1

Based on Cloetta market share in respective category in 2020.

\*Presence on the market without confirmed market position.

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# Strong Cloetta brands

Consumer trend towards local brands whilst exploiting scale across category portfolio

## Local



**TUPLA**



**SPORTLIFE**

**bilar** AHLGREN  
Sveriges godaste bil

**Mynthon**



**Gifu**

## Global



**Läkerol**  
PASTILLES

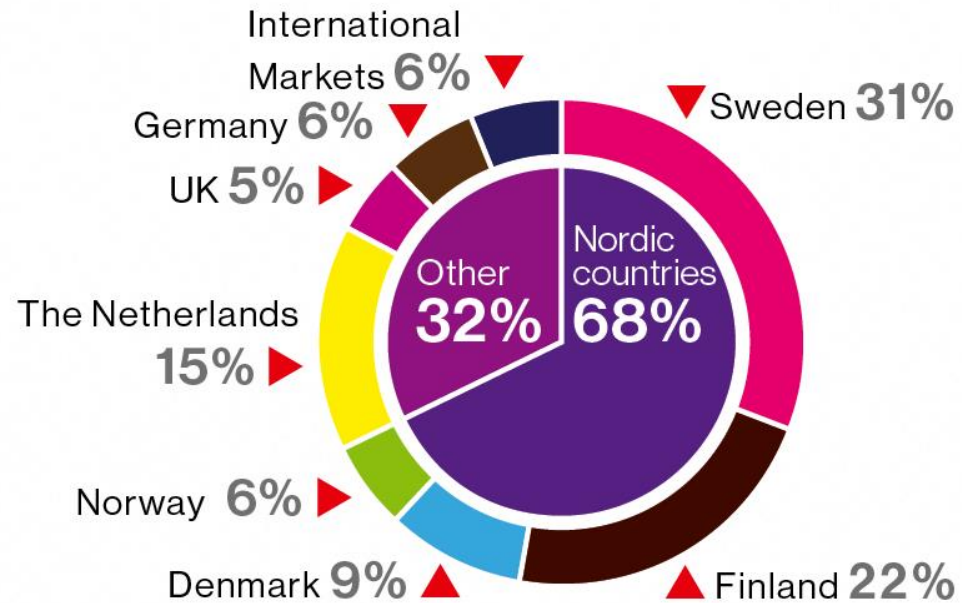


**NUTISAL**

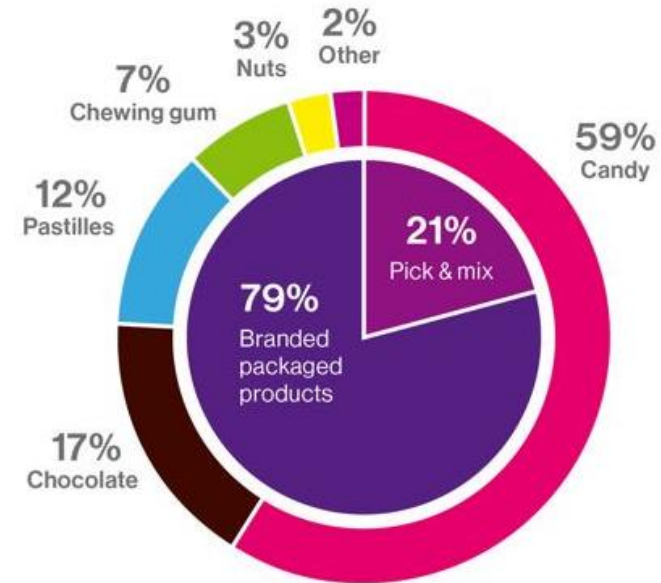
# Focus on core markets and core categories

From acquiring new munchy moment categories to organic growth

Net sales by country



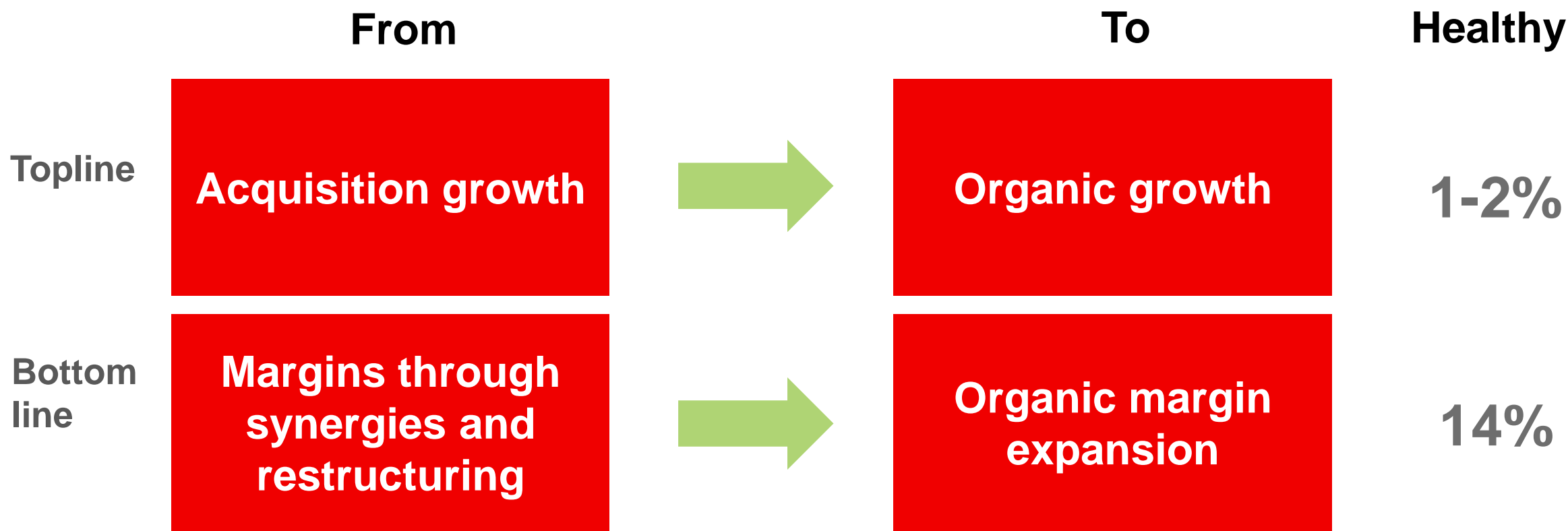
Net sales by category



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# Core Strategy: Organic Growth and 14% EBIT

Commercial focus on our brands whilst increasing cost efficiencies



# Net debt and dividend in line with targets

Growth and profitability negatively impacted by Covid-19, rebound in 2021

	2018	2019	2020	YTD 2021	Targets
Organic Growth*	-2.8%	2.3%	-11.2%	5.9%	1-2% (In line with the market)
EBIT Margin, Adj	10.9%	11.4%	9.0%	8.9%	≥ 14%
Net Debt / EBITDA	2.3	2.2	2.7	2.8	~2.5
Dividend Policy (share of profit)	60%	29%	77%	N/A	40-60%

\*Growth at constant exchange rates

46%

# Key business priorities

Prioritized activities for achieving organic growth and a 14% adjusted operating profit margin



1

- Branded sales to organic growth, EBIT-margin >14%
- Marketing and innovations brought sales back to 2019 levels
- Innovations supporting consumer trends, vegan ~15% of portfolio
- Continued e-commerce focus
- Uncertainty due to recent rises in input costs

2

- Pick & mix at break-even following margin-enhancing initiatives
- Rebuilding profitability through scale, after 2020 volume drop
- Premium CandyKing concept piloted or launched in all markets
- Pick & mix e-commerce pilot

3

- “VIP+ cost Program” and “Perfect Factory”
- VIP+ enabled >SEK 130m in reduced SG&A during 2019 – 2020
- Initiatives for both sustainable and temporary cost savings
- Enhanced focus on working capital management

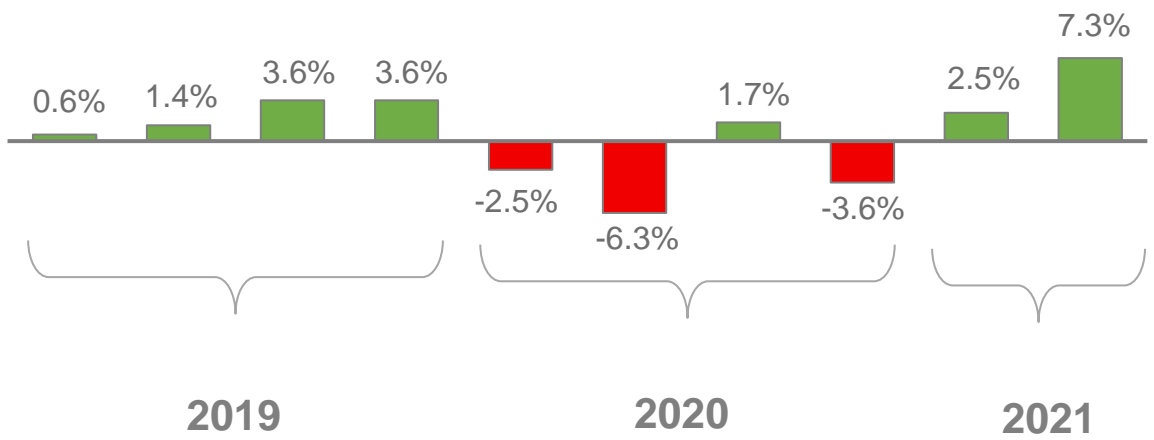




# Branded packaged growth

Sales back at pre-pandemic levels following 2020 decline

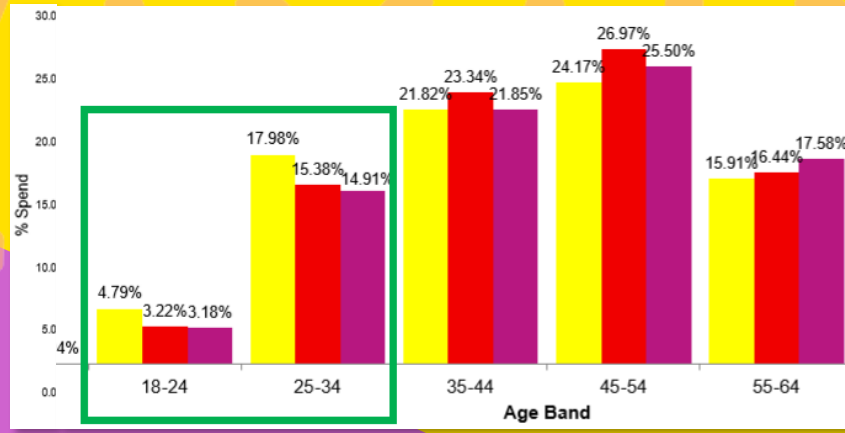
Branded packaged products



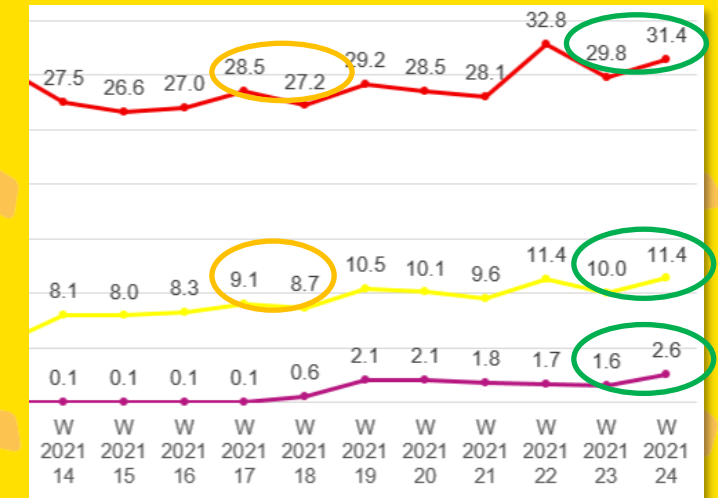


# Strategic launch: Real Fruit Candy

Disruptive sustainable innovations valorizing category and recruiting new consumer



RealFruitCandy G&B total Candy average



Cloetta G&B total RealFruitCandy

*The 1<sup>st</sup> Candy with 50% fruit combining the best ingredients at the intersection of nature and joy*

*Recruiting new consumers to G&B, millennials 18-34 yo highly over proportional buyers*

*Strong Market Share gains  
- 22% of whole G&B & Aakoset sales (with 2 sku's)  
- Media campaign (w 24-27) boosting further elasticity*





# We believe in the power of true joy

For you, for the people and for the planet



## We provide choices for you



### Innovating for the future

- Alternative ingredients & solutions

### Offering options

- Products that support your health

### Non-Artificial Colors and Flavors

- 100% naturally flavored & colored candy by 2025

## We care about people



### Employees

- Ensuring a safe and thriving workplace

### Farmers and Suppliers

- Uplifting more farmers to better lives

### Society

- Engaging in all markets by 2025

## We improve our footprint



### Climate Action

- Improve our total carbon footprint

### Sustainable Sourcing

- More transparency and involvement

### Efficient & better resource use

- Leaner and cleaner usage & impact



# Repositioning of Candyking

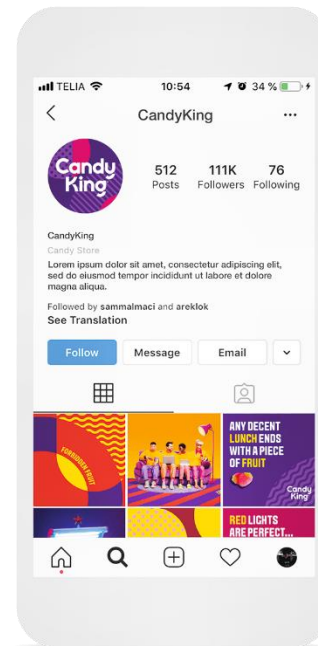
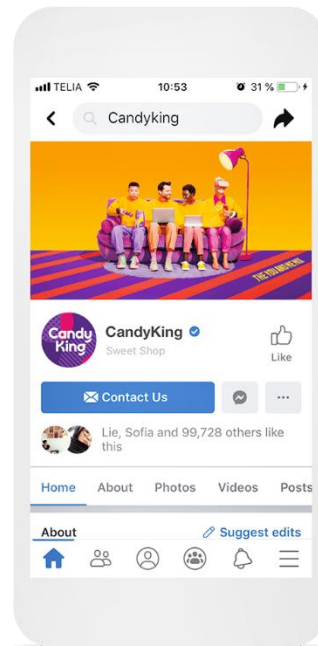
Build a brand to drive premium pricing



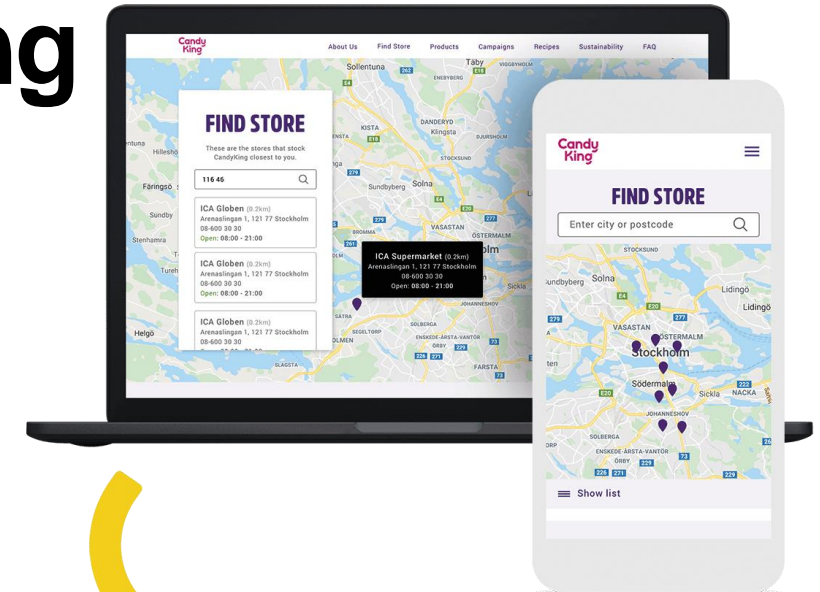
NO PLASTIC  
PACKAGING

E-COMMERCE

INDIVIDUALISM



Social media and in-store activation  
Attractive merchandising and signage



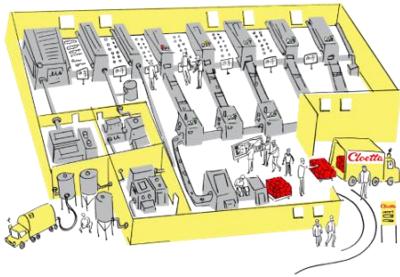
Higher quality and premium concept  
Hygiene and tidiness





# Drive efficiencies to enable investments

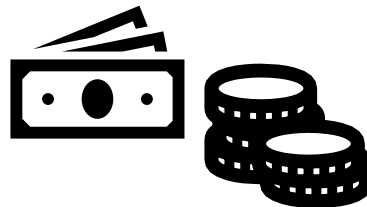
## Perfect Factory



## ONE Cloetta



## Cash



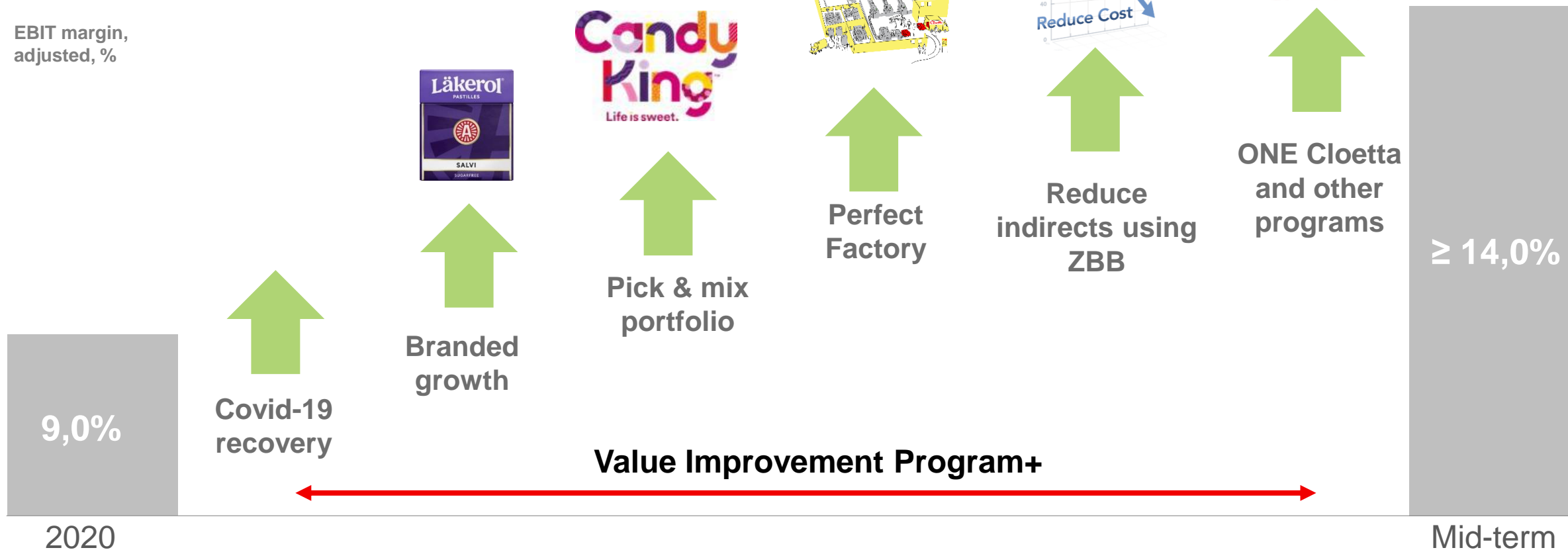
## VIP +



# Reduce Cost and Drive Efficiency:

Well-stocked road-map to deliver targeted 14% EBIT margin, adjusted

EBIT margin,  
adjusted, %







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