

# Cloetta

Interim report October–December 2023

## Q4

"A strong quarter ending a  
successful year – paving the  
way for future success"

- Henri de Sauvage-Nolting,  
President and CEO





# Interim report

October–December 2023

*Cloetta*

## Fourth quarter, October–December 2023

- **Net sales** for the quarter increased by 14.5 per cent to SEK 2,182m (1,905) including a positive impact from foreign exchange rates of 2.8 per cent.
- **Sales of Branded packaged products** increased organically by 11.1 per cent during the quarter.
- **Sales of Pick & mix** increased organically by 13.6 per cent during the quarter.
- **Operating profit adjusted** for items affecting comparability, amounted to SEK 200m (183). Operating profit amounted to SEK 174m (187), impacted by items affecting comparability of SEK -26m (4), mainly related to the Greenfield facility.
- **Operating profit, adjusted, of Branded packaged products** amounted to SEK 200m (180).
- **Operating profit, adjusted, of Pick & mix** amounted to SEK 0m (3).
- **Profit for the period** amounted to SEK 138m (108), which equates to basic and diluted earnings per share of SEK 0.48 (0.38).
- **Cash flow** from operating activities was SEK 478m (281).
- **Net debt/EBITDA** ratio was 1.7x (1.9).
- **The Board** proposes a dividend of SEK 1.00 (1.00) per share.

## Events during and after the end of the period

- CEO Henri de Sauvage-Nolting to leave Cloetta.

## Key ratios

SEKm	Fourth quarter			Full Year		
	Oct–Dec 2023	Oct–Dec 2022	Change, %	Jan–Dec 2023	Jan–Dec 2022	Change, %
Net sales	2,182	1,905	14.5 <sup>1</sup>	8,301	6,869	20.8 <sup>1</sup>
Operating profit, adjusted	200	183	9.3	799	691	15.6
Operating profit margin, adjusted %	9.2	9.6	-0.4-pts	9.6	10.1	-0.5-pts
Operating profit (EBIT)	174	187	-7.0	735	466 <sup>2</sup>	57.7
Operating profit margin (EBIT margin), %	8.0	9.8	-1.8-pts	8.9	6.8	2.1-pts
Profit before tax	146	150	-2.7	570	343	66.2
Profit for the period	138	108	27.8	437	275	58.9
Earnings per share, basic, SEK	0.48	0.38	26.3	1.53	0.96	59.4
Earnings per share, diluted, SEK	0.48	0.38	26.3	1.53	0.96	59.4
Net debt/EBITDA, x (Rolling 12 months)	1.7	1.9	-10.5	1.7	1.9	-10.5
Free cash flow	394	241	63.5	496	305	62.6
Cash flow from operating activities	478	281	70.1	778	519	49.9

<sup>1</sup> Organic growth at constant exchange rates was 11.7 per cent for the quarter and 15.7 for the year. See further under Net sales on page 4.

<sup>2</sup> Impact of items affecting comparability of SEK -225m.

**SEK 2.2 bn**  
Net sales

**11.7 %**  
Organic sales growth

**9.2 %**  
Operating profit margin, adjusted

# A year of strong profitable growth – milestone of SEK 8 bn in sales

Cloetta ends the year with another strong quarter, where both Branded packaged products and Pick & mix continue to deliver double-digit growth. Full-year net sales are for the first time in the company's history exceeding SEK 8 billion. The sales were accompanied by an all-time high operating profit, despite compressed margins. The Greenfield project progressed as planned in all workstreams, and the technical ability to operate Europe's first emission-free major candy factory has been confirmed.

Cloetta delivered another quarter of sustained organic growth coupled with solid operating profit. The development was primarily driven by strong pricing execution and efficient cost control including continued product portfolio rationalisation. While the inflation on some input costs have slowed down, sugar and cocoa remain at record high levels. We carefully monitor the market development, and remain committed to mitigate the impact of cost through a combination of mix, cost control and fair pricing, as we have successfully done throughout the year. We are proud to have been able to keep our volumes relatively stable – a result of our strategic agenda to strengthen our brands over the last years and relentless focus on execution.

## Fourth quarter development

Sales for the quarter increased by 14.5 per cent, of which organic growth accounted for 11.7 per cent and exchange rate differences for 2.8 per cent. Sales of Branded packaged products increased organically by 11.1 per cent, primarily driven by pricing. Sales of Pick & mix increased organically by 13.6 per cent during the quarter, positively impacted by our seasonal consumer activation, pricing and premiumisation of the offering.

The increase in adjusted operating profit was primarily attributable to pricing and cost control offsetting the higher input cost, including currency impact. During the quarter we discontinued over 100 products, an extension of the optimisation that has been made throughout the year including brands such as Mums-mums and Autopack. We continue to streamline our brands and product portfolio, to free up capacity and reduce complexity to support our long-term goal of an adjusted EBIT margin of at least 14 per cent.

## Operational updates

We have continued to execute on our strategy by investing in our brands through product



innovation. During the year we launched several impactful products to excite our consumers across markets, including POPS Choco bites in Norway, Skipper's Pipes Mini in Denmark and Sportlife fruity chewing gum in the Netherlands as well as the re-build of our iconic Chewits brand in the UK.

The Pick & mix volumes remained strong despite the impact of the administration of Wilko in UK, while net sales grew double-digit for the eleventh consecutive quarter. We continue to drive the activation of the CandyKing concept and have during the quarter executed seasonal Halloween campaigns across all markets and on social media, strengthening brand visibility and recognition. Our first CandyKing Pick & mix store in an airport has opened at Arlanda in Stockholm, underscoring the brands premiumisation journey. I invite you to visit next time you are traveling through terminal 5!

In 2023 we once again delivered very strong cash flow, resulting in our lowest ever net debt/ EBITDA of 1.7x, well below our long-term target of 2.5x. Based on the healthy cash flow and strong balance sheet, the Board proposes a stable dividend of SEK 1.00 (1.00).

## Greenfield facility carbon emission-free

We announced our Greenfield investment in 2022 with the ambition to create capacity

for growth, significantly reduce cost, while reducing our greenhouse gas emissions. During the quarter, our engineering team in close cooperation with our suppliers concluded that we have the technical ability to build and operate the new factory fully electric, rather than at 80 per cent as originally designed. The change is not affecting the timeline and remains within the communicated investment level. We are proud to take this step fully in line with our sustainability agenda. When the new factory is fully operational it will be the first emission-free major candy factory in Europe.

Furthermore, we are in the process of finalising our double materiality analysis, in accordance with the European Union Corporate Sustainability Reporting Directive (CSRD). The insights gained from this process will further strengthened Cloetta's strategies, policies, and actions within our ambitious sustainability agenda.

## A strong quarter ending a successful year – paving the way for future success

The last few years have been challenging due to many macroeconomic developments, but have also given us the opportunity to demonstrate the resilience of our core categories and brands. As we close 2023, we are reporting all-time high net sales and operating profit and lowest-ever leverage, and I remain confident for the future since we have a strong pipeline of strategic initiatives to further strengthen our business. I am also proud that we continue to take progressive, responsible steps developing our business with high sustainability ambitions. We are looking forward to 2024 and believe in our continued ability to deliver the power of true joy to consumers and customers and thereby creating shareholder value.

Henri de Sauvage-Nolting  
President and CEO

# Financial overview

## Fourth quarter development

### Greenfield facility

As previously communicated in the interim reports for the first and third quarters of 2023, the regulatory process for the Greenfield facility is expected to take longer than anticipated and the new timeline indicates that the major planned investments will be initiated during 2025. This indicates that the plant will start operations during the second half of 2026. During the fourth quarter, the engineering team in close cooperation with suppliers, were able to conclude the technical ability to build and operate the new factory fully electric. Since the factory had already been designed with around 80 percent electric functionality, the change is not affecting timeline and remains within the original investment level.

### Geopolitical developments

Russia's escalation of the war in Ukraine that started in 2022 entails risks of further impact on the global economy, further cost inflation, and disruptions in supply chains, including as the war risks spreading into other geographies.

### Net sales

Net sales for the fourth quarter increased by SEK 277m to SEK 2,182m (1,905) compared to the same period last year. Organic growth was 11.7 per cent and the impact of changes in exchange rates was 2.8 per cent.

Changes in net sales, %	Oct-Dec 2023	Jan-Dec 2023
Organic growth	11.7	15.7
Changes in exchange rates	2.8	5.1
<b>Total</b>	<b>14.5</b>	<b>20.8</b>

### Gross profit

Gross profit, adjusted for items affecting comparability, amounted to SEK 689m (636) which equates to a gross margin of 31.6 per cent (33.4). The increase in adjusted gross profit reflects that last year the pricing only partially offset the cost inflation. Gross profit amounted to

SEK 668m (648) which equates to a gross margin of 30.6 per cent (34.0). The gross margin compression is primarily due to pricing offsetting input costs without generating incremental profit.

### Operating profit

Operating profit, adjusted for items affecting comparability, amounted to SEK 200m (183), and was positively impacted by higher gross profit and the positive revaluation effect due to a stronger euro, partly offset by higher indirect costs. Operating profit amounted to SEK 174m (187).

### Items affecting comparability

Operating profit for the fourth quarter includes items affecting comparability of SEK -26m (4), mainly related to the Greenfield facility.

### Net financial items

Net financial items for the quarter amounted to SEK -28m (-37). Net interest expenses related to external borrowings, cash pool and realised results on single currency interest rate swaps were in total SEK -15m (-7), exchange differences on cash and cash equivalents were SEK 27m (-27) which mainly related to the development of the Swedish and Norwegian krona and the Great Britain pound against the euro during the quarter. Other financial items amounted to SEK -40m (-3) of which SEK -31m (4) was related to the unrealised results on single currency interest rate swaps. Of the total net financial items SEK 11m (-56) is non-cash in nature.

### Profit for the quarter

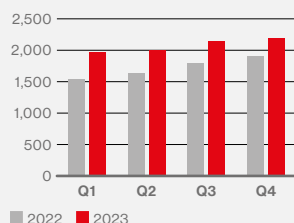
Profit for the quarter was SEK 138m (108), which equates to basic and diluted earnings per share of SEK 0.48 (0.38). Income tax for the period was SEK -8m (-42).

The effective tax rate for the quarter was 5.5 per cent (28.0) and was positively impacted by the revaluation of deferred tax balances, differences between expected and actual tax filings related to the previous year and international tax rate differences. Non-deductible expenses had a negative impact on the effective tax rate for the period.

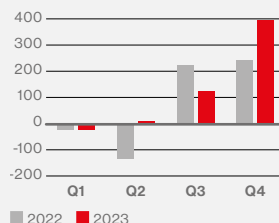


**Net sales**

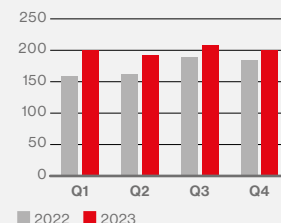
SEKm

**Free cash flow**

SEKm

**Operating profit, adjusted**

SEKm

**Free cash flow**

The free cash flow was SEK 394m (241). Cash flow from operating activities before changes in working capital was SEK 242m (223). The cash flow from changes in working capital was SEK 236m (58).

The cash flow from investments in property, plant and equipment and intangible assets was SEK -84m (-40).

**Cash flow from changes in working capital**

Cash flow from changes in working capital was SEK 236m (58). The cash flow from changes in working capital was positively impacted by a decrease in receivables of SEK 238m (172), a decrease in inventories for an amount of SEK 25m (14), partly offset by a decrease in payables amounting to SEK -27m (-128).

**Cash flow from other investing activities**

Cash flow from other investing activities was SEK 0m (0).

**Cash flow from financing activities**

The cash flow from financing activities was SEK -26m (-60). The cash flow from financing activities was related to payments of lease liabilities of SEK -25m (-20), the purchase of treasury shares of SEK -1m (-34) and net proceeds and repayments of loans from credit institutions and commercial papers including transaction costs of SEK 0m (-6).

**Development during the year****Net sales**

Net sales for the year increased by SEK 1,432m to SEK 8,301m (6,869) compared last year. Organic growth was 15.7 per cent and the impact of changes in exchange rates was 5.1 per cent.

**Gross profit**

Gross profit, adjusted for items affecting comparability, amounted to SEK 2,598m (2,341) which equates to a gross margin of 31.3 per cent (34.1). The increase in adjusted gross profit reflects that last year the pricing only partially offset the cost inflation. Gross margin was affected by a provision for uncollectible receivables of approximately SEK 24m related to Wilko, recognised in the interim report for the third quarter 2023. The cost for the provision for uncollectible receivables was partly offset by a one-time income related to an energy grant of approximately SEK 12m. Gross profit amounted to SEK 2,550m (2,131), which equates to a gross margin of 30.7 per cent (31.0). The gross margin compression is due to pricing offsetting input costs without generating incremental profit.

**Operating profit**

Operating profit, adjusted for items affecting comparability, amounted to SEK 799m (691), and was positively impacted by higher gross profit

and the positive revaluation effect due to a stronger euro, partly offset by higher indirect costs. Operating profit amounted to SEK 735m (466).

**Items affecting comparability**

Operating profit for the year includes items affecting comparability of SEK -64m (-225), mainly related to the Greenfield facility.

**Net financial items**

Net financial items for the year amounted to SEK -165m (-123). Net interest expenses related to external borrowings, cash pool and realised results on single currency interest rate swaps were in total SEK -50m (-22), net exchange differences on cash and cash equivalents were SEK -43m (-143) which mainly related to the development of the Swedish and Norwegian krona and the Great Britain pound against the euro. Other financial items amounted to SEK -72m (42) of which SEK -45m (57) related to the unrealised results on single currency interest rate swaps. Of the total net financial items SEK -58m (-84) is non-cash in nature.

**Profit for the period**

Profit for the year was SEK 437m (275), which equates to basic and diluted earnings per share of SEK 1.53 (0.96). Income tax for the period was SEK -133m (-68).

The effective tax rate for the year was 23.3 per cent (19.8) and was negatively impacted by the revaluation of deferred tax balances and non-deductible expenses and was positively impacted by differences between expected and actual tax filings related to the previous year and international tax rate differences.

**Free cash flow**

The free cash flow was SEK 496m (305). Cash flow from operating activities before changes in working capital was SEK 878m (822). The increase compared to last year is mainly the result of a higher operating profit. The cash flow from changes in working capital was SEK -100m (-303).

The cash flow from investments in property, plant and equipment and intangible assets was SEK -282m (-214).

**Cash flow from changes in working capital**

Cash flow from changes in working capital was SEK -100m (-303). The cash flow from changes in working capital was negatively impacted by an increase in inventories for an amount of SEK -212m (-197), an increase in receivables of SEK -63m (-201), partly offset by an increase in payables amounting to SEK 175m (95).

### Cash flow from other investing activities

Cash flow from other investing activities was SEK 2m (1).

### Cash flow from financing activities

The cash flow from financing activities was SEK -379m (-406). The cash flow from financing activities was related to the dividend distribution of SEK -285m (-287), payments of lease liabilities of SEK -88m (-75), net proceeds and repayments of loans from credit institutions and commercial papers including transaction costs of SEK -5m (-10) and purchase of treasury shares of SEK -1m (-34).

### Financial position

Consolidated equity at 31 December 2023 amounted to SEK 5,098m (4,994), which equates to SEK 17.9 (17.5) per share outstanding. Net debt at 31 December 2023 was SEK 1,825m (1,855).

Long-term borrowings amounted to SEK 2,264m (2,277) and consisted of SEK 2,187m (2,190) in gross non-current loans from credit institutions, SEK 85m (95) in non-current lease liabilities and SEK -8m (-8) in capitalised transaction costs.

Total short-term borrowings amounted to SEK 220m (207) and consisted of SEK 149m (149) in commercial papers, SEK 74m (61) in current lease liabilities, SEK 2m (0) in accrued interest on borrowings from credit institutions and SEK -5m (-3) in capitalised transaction costs.

SEKm	31 Dec 2023	31 Dec 2022
Gross non-current loans from credit institutions	2,187	2,190
Commercial papers	149	149
Lease liabilities	159	156
Derivative financial instruments	-14	-59
Interest payable	2	2
<b>Gross debt</b>	<b>2,483</b>	<b>2,438</b>
Cash and cash equivalents	-658	-583
<b>Net debt</b>	<b>1,825</b>	<b>1,855</b>

Cash and cash equivalents at 31 December 2023 amounted to SEK 658m (583). At 31 December 2023 Cloetta had an unutilised credit facility of SEK 2,441m (2,447) and the possibility to issue additional commercial papers for an amount of SEK 850m (850).

### Performance by business segment

Cloetta has identified the "Branded packaged products" business and the "Pick & mix" business as its operating segments.

The chief operating decision-maker (CODM), which is the CEO and President of the Group, primarily uses external net sales and operating profit, adjusted for items affecting comparability, to assess the performance of its operating segments. Items affecting comparability, net financial items and income tax are not allocated to segments, as these are managed centrally.

No segment information is provided to or assessed by the CODM on assets and liabilities and therefore these are not separately disclosed.

Information related to each reportable segment (business segment) is set out below.

### Business segments

The Cloetta Group comprises two segments: "Branded packaged products" and "Pick & mix". The Pick & mix net sales and adjusted operating profit relate to Cloetta's complete offering in pick & mix including products, displays and accompanying store and logistic services. All other activities within the Cloetta Group are reflected in the "Branded packaged products" segment.

### Segment Branded packaged products

#### Fourth quarter development

##### Net Sales

Net sales for the fourth quarter increased by SEK 197m to SEK 1,621m (1,424) compared to the same period of last year for Branded packaged products. Organic growth was 11.1 per cent.

##### Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 200m (180). The increase in adjusted operating profit reflects that last year the pricing only partially offset the cost inflation as well as the positive revaluation effect due to a stronger euro, partly offset by higher indirect costs.

#### Development during the year

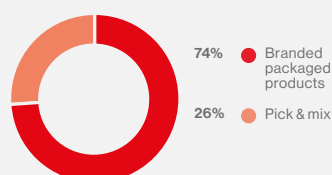
##### Net Sales

Net sales for the year increased by SEK 984m to SEK 6,153m (5,169) compared to the same period of last year for Branded packaged products. Organic growth was 14.1 per cent.

##### Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 786m (669). The increase in adjusted operating profit reflects that last year the pricing only partially offset the cost inflation as well as a favourable mix and the positive revaluation effect due to a stronger euro, partly offset by higher indirect costs.

### Business segment, share of sales



### Branded packaged products



### Pick & mix





Oct–Dec 2023 SEKm	Branded packaged products	Pick & mix	Total	Jan–Dec 2023 SEKm	Branded packaged products	Pick & mix	Total
Net sales	1,621	561	2,182	Net sales	6,153	2,148	8,301
Operating profit, adjusted	200	0	200	Operating profit, adjusted	786	13	799
Items affecting comparability			-26	Items affecting comparability			-64
<b>Operating profit</b>			<b>174</b>	<b>Operating profit</b>			<b>735</b>
Net financial items			-28	Net financial items			-165
<b>Profit before tax</b>			<b>146</b>	<b>Profit before tax</b>			<b>570</b>
Income tax			-8	Income tax			-133
<b>Profit for the period</b>			<b>138</b>	<b>Profit for the period</b>			<b>437</b>

Oct–Dec 2022 SEKm	Branded packaged products	Pick & mix	Total	Jan–Dec 2022 SEKm	Branded packaged products	Pick & mix	Total
Net sales	1,424	481	1,905	Net sales	5,169	1,700	6,869
Operating profit, adjusted	180	3	183	Operating profit, adjusted	669	22	691
Items affecting comparability			4	Items affecting comparability			-225
<b>Operating profit</b>			<b>187</b>	<b>Operating profit</b>			<b>466</b>
Net financial items			-37	Net financial items			-123
<b>Profit before tax</b>			<b>150</b>	<b>Profit before tax</b>			<b>343</b>
Income tax			-42	Income tax			-68
<b>Profit for the period</b>			<b>108</b>	<b>Profit for the period</b>			<b>275</b>

### Segment Pick & mix

#### Fourth quarter development

##### Net Sales

Net sales for the fourth quarter increased by SEK 80m to SEK 561m (481) compared to the same period of last year. Organic growth was 13.6 per cent.

##### Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 0m (3). The decrease in adjusted operating profit is partly attributed to a lower volume impact in the UK after the administration of Wilko as well as salary cost inflation.

#### Development during the year

##### Net Sales

Net sales for the year increased by SEK 448m to SEK 2,148m (1,700) compared to the same period of last year. Organic growth was 20.7 per cent.

##### Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 13m (22). The decrease is attributed to the provision for uncollectible receivables of approximately SEK 24m related to Wilko, recognised in the interim report for the third quarter 2023. The segment was driven by higher volumes and continued margin-enhancing initiatives, partly offset by higher indirect costs.

### Other disclosures

#### Seasonal variations

Cloetta's sales and operating profit are subject to some seasonal variations. Sales in the first and second quarters are affected by the Easter holiday, depending on in which quarter it occurs. In the fourth

quarter, sales are usually higher than in the first three quarters of the year, which is mainly attributable to the sale of products in Sweden in connection with the holiday season.

#### Employees

The average number of employees during the quarter was 2,589 (2,575).

#### The Board's proposed dividend

For the financial year 2023 the Board of Directors of Cloetta AB proposes to distribute a dividend to the shareholders of SEK 1.00 (1.00) per share for the 2023 financial year corresponding to 65 per cent (104) of profit for the year, equal to 59 per cent of the profit for the year excluding impact of the impairment and provisions and other items affecting comparability relating to the Greenfield facility. As the impairment and provision for the new Greenfield is non-cash it has not affected our ability to issue share dividends.

The proposed date for the record is 11 April 2024 and payment is expected to be made on 16 April 2024. The ambition is to continue using future cash flows for payment of share dividends, while at the same time providing financial flexibility for planned investments. The long-term target to distribute 40–60 per cent of profit after tax continues to apply.

#### Annual General Meeting

The Annual General Meeting of Cloetta AB will be held on Tuesday 9 April 2024 in Stockholm. Notice of the AGM will be published in February 2024 and will also be available at [www.cloetta.com](http://www.cloetta.com).

#### Events after the balance sheet date

After the end of the quarter, CEO Henri de Sauvage-Nolting has informed the Board of Directors that he wishes to resign from his position.

# Examples of new launches during the year

## Sweden

JULESKUM – Banana caramel - Banana and caramel flavored foam  
 JULESKUM – Chokladdoppat - Vanilla foam covered in chocolate  
 POLLY – Juleskum - Strawberry foam covered in chocolate



## The Netherlands

SPORTLIFE – Strawberry & Blueberry  
 SPORTLIFE – Mango & Orange  
 SPORTLIFE – Cherry & Coconut



## Finland

AAKKOSET – Sitrus choco - Citrus chocolate  
 JENKKI – Ksylitolijoulukalenteri - Xylitol advent calendar  
 MALACO – TV Mix Xmas - Choco & Nuts



## Norway

POPS – Choco bites - Crispy nougat puffs covered in chocolate  
 GODT & BLANDET – Ekte frukt - Real fruit, fruit mix



## Denmark

SKIPPER'S PIPES MINI – Sweet licorice with pink sprinkles  
 MALACO – Frække Fisk - Salt licorice and fruity wine gum mix  
 MALACO – Søde Jordbær & Æbler - Sweet strawberries & apples





# Cloetta

– a leading confectionery company in Northern Europe

**1862**

Founded in

**2,600**

Employees

**> 50**

Countries

**7**

Factories

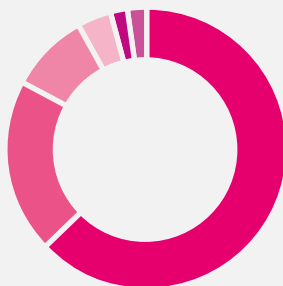
**2**

Business segments



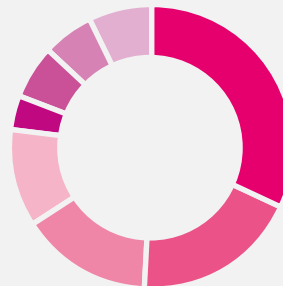
We believe in the  
Power of True Joy

## Cloetta's net sales, October–December 2023



### By Category

63% Candy  
20% Chocolate  
9% Pastilles  
4% Chewing gum  
2% Nuts  
2% Other



### By Country

32% Sweden  
19% Finland  
15% The Netherlands  
11% Denmark  
4% The UK  
6% Norway  
6% Germany  
7% International Markets

**74%**

Branded packaged  
products

**26%**

Pick & mix

**68%**

Nordic countries

**32%**

Other

# Strategic priorities



## Q4 highlights

### 1 Strong pricing driven growth in Branded packaged products

#### Activities

- Continued strong pricing execution based on strong brand health with relatively stable volumes.
- Continued strong higher-margin launches such as POPS Choco bites in Norway, Skippers Pipes Mini in Denmark and Sportlife fruity chewing gum in the Netherlands.

### 2 Double-digit growth in Pick & mix

#### Activities

- Volume growth through increased consumer activation, pricing and premiumisation of the offering.
- The Pick & mix volumes remained strong despite the impact of the administration of Wilko in UK, while net sales grew double-digit for the eleventh consecutive quarter.

### 3 Executing on strategy

#### Activities

- The Greenfield project progressed in all work streams, and the technical ability to build and operate Europe's first emission-free major candy factory has been confirmed.
- Step up of media brand support in the quarter on the top 25 brand positions.



# Sustainability

## For You

### We provide choices for you

We create joyful moments through our products. We aim to meet the variety of consumer preferences.

## For People

### We care about people

We support our employees, our suppliers and farmers, as well as our communities.

## For the Planet

### We improve our planet footprint

Our business depends on the environment. We take responsibility for our impacts; from sourcing to packaging.

## Q4 highlights

### Responsible communication

- Committed to transparent and non-misleading communication in the sustainability program, a chapter on Environmental Claims has been added to the Responsible Marketing Guidelines. All employees in the marketing team have been trained accordingly, and the legal team is prepared to collaborate.

### Sourcing

- We advanced our Sustainable Sourcing initiative, by refining and clarifying the processes for both new and existing suppliers to ensure adherence to our supplier code of conduct.

### Climate initiative

- In line with our climate journey and ambition to significantly reduce our greenhouse gas emissions we decided to build and operate the Greenfield facility fully electric, after concluding the technical ability.

“A sweeter future



The Board of Directors hereby gives its assurance that the interim report provides a true and fair view of the business activities, financial position and results of operations of the Group and the Parent Company, and describes the significant risks and uncertainties to which the Parent Company and the Group companies are exposed.

Stockholm, 26 January 2024

Cloetta AB (publ)

Mikael Norman

*Board Chairman*

Patrick Bergander

*Member of the Board*

Malin Jennerholm

*Member of the Board*

Pauline Lindwall  
*Member of the Board*

Alan McLean Raleigh  
*Member of the Board*

Camilla Svenfelt  
*Member of the Board*

Mikael Svenfelt  
*Member of the Board*

Lena Grönedal  
*Employee Board member*

Henri de Sauvage-Nolting  
*President and CEO*

*The information in this interim report has not been reviewed by the company's auditors.*

## Financial calendar

Annual and sustainability report 2023	11 March 2024
Annual General Meeting 2024	9 April 2024
Interim report Q1 2024	26 April 2024
Interim report Q2 2024	12 July 2024
Interim report Q3 2024	25 October 2024

## Contact

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# Financial statements in summary

## Consolidated profit and loss account

SEKm	Fourth quarter		Full Year	
	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	2,182	1,905	8,301	6,869
Cost of goods sold	-1,514	-1,257	-5,751	-4,738
<b>Gross profit</b>	<b>668</b>	<b>648</b>	<b>2,550</b>	<b>2,131</b>
Selling expenses	-300	-283	-1,073	-1,009
General and administrative expenses	-194	-178	-742	-656
<b>Operating profit</b>	<b>174</b>	<b>187</b>	<b>735</b>	<b>466</b>
Exchange differences on cash and cash equivalents in foreign currencies	27	-27	-43	-143
Other financial income	39	18	128	83
Other financial expenses	-94	-28	-250	-63
<b>Net financial items</b>	<b>-28</b>	<b>-37</b>	<b>-165</b>	<b>-123</b>
Profit before tax	146	150	570	343
Income tax	-8	-42	-133	-68
<b>Profit for the period</b>	<b>138</b>	<b>108</b>	<b>437</b>	<b>275</b>
<i>Profit for the period attributable to:</i>				
Owners of the Parent Company	138	108	437	275
Earnings per share, SEK				
Basic <sup>1</sup>	0.48	0.38	1.53	0.96
Diluted <sup>1</sup>	0.48	0.38	1.53	0.96
Number of shares outstanding at end of period <sup>1</sup>	285,342,034	285,405,738	285,342,034	285,405,738
Average number of shares (basic) <sup>1</sup>	285,362,807	286,146,642	285,394,917	286,806,351
Average number of shares (diluted) <sup>1</sup>	285,632,704	286,274,314	285,650,818	286,890,237

<sup>1</sup> During 31 October till 23 November 2022 and on 30 October 2023 Cloetta purchased 1,622,932 and 63,704 treasury shares respectively to fulfill its future obligation to deliver shares to the participants of the long-term share-based incentive plan, if vesting conditions are met.

# Consolidated statement of comprehensive income

SEKm	Fourth quarter		Full Year	
	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
<b>Profit for the period</b>	<b>138</b>	<b>108</b>	<b>437</b>	<b>275</b>
<i>Other comprehensive income</i>				
Remeasurement of defined benefit pension plans	-50	8	-42	153
Income tax on remeasurement of defined benefit pension plans	10	-1	8	-32
<b>Items that will never be reclassified to profit or loss for the period</b>	<b>-40</b>	<b>7</b>	<b>-34</b>	<b>121</b>
Currency translation differences	-257	132	-40	496
Hedge of a net investment in a foreign operation	64	-33	7	-130
Income tax on hedge of a net investment in a foreign operation	-12	7	-1	25
<b>Items that may be reclassified to profit or loss for the period</b>	<b>-205</b>	<b>106</b>	<b>-34</b>	<b>391</b>
<b>Total other comprehensive income</b>	<b>-245</b>	<b>113</b>	<b>-68</b>	<b>512</b>
<b>Total comprehensive income, net of tax</b>	<b>-107</b>	<b>221</b>	<b>369</b>	<b>787</b>
<i>Total comprehensive income for the period attributable to:</i>				
Owners of the Parent Company	-107	221	369	787

## Net financial items

SEKm	Fourth quarter		Full Year	
	Oct–Dec 2023	Oct–Dec 2022	Jan–Dec 2023	Jan–Dec 2022
<b>Exchange differences on cash and cash equivalents in foreign currencies</b>	<b>27</b>	<b>-27</b>	<b>-43</b>	<b>-143</b>
Other financial income, third parties	30	10	91	21
Unrealised gains on single currency interest rate swaps	-	4	-	57
Realised gains on single currency interest rate swaps	9	4	37	5
<b>Total other financial income</b>	<b>39</b>	<b>18</b>	<b>128</b>	<b>83</b>
Interest expenses third-party borrowings and realised losses on single currency interest rate swaps	-54	-21	-178	-48
Amortisation of capitalised transaction costs	-1	-1	-5	-3
Unrealised losses on single currency interest rate swaps	-31	-	-45	-
Other financial expenses, third parties	-8	-6	-22	-12
<b>Total other financial expenses</b>	<b>-94</b>	<b>-28</b>	<b>-250</b>	<b>-63</b>
<b>Net financial items</b>	<b>-28</b>	<b>-37</b>	<b>-165</b>	<b>-123</b>



# Condensed consolidated balance sheet

SEKm	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	5,862	5,883
Property, plant and equipment	1,686	1,581
Deferred tax asset	23	43
Derivative financial instruments	5	25
Other financial assets	3	3
<b>Total non-current assets</b>	<b>7,579</b>	<b>7,535</b>
<b>Current assets</b>		
Inventories	1,292	1,090
Other current assets	1,136	1,074
Derivative financial instruments	18	34
Cash and cash equivalents	658	583
<b>Total current assets</b>	<b>3,104</b>	<b>2,781</b>
<b>TOTAL ASSETS</b>	<b>10,683</b>	<b>10,316</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>5,098</b>	<b>4,994</b>
<b>Non-current liabilities</b>		
Long-term borrowings	2,264	2,277
Deferred tax liability	900	884
Derivative financial instruments	8	-
Provisions for pensions and other long-term employee benefits	382	345
Provisions	160	107
<b>Total non-current liabilities</b>	<b>3,714</b>	<b>3,613</b>
<b>Current liabilities</b>		
Short-term borrowings	220	207
Derivative financial instruments	1	-
Other current liabilities	1,636	1,496
Provisions	14	6
<b>Total current liabilities</b>	<b>1,871</b>	<b>1,709</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,683</b>	<b>10,316</b>

## Condensed consolidated statement of changes in equity

SEKm	Full Year	
	Jan-Dec 2023	Jan-Dec 2022
Equity at beginning of period	4,994	4,515
Profit for the period	437	275
Other comprehensive income	-68	512
<b>Total comprehensive income</b>	<b>369</b>	<b>787</b>
<b>Transactions with owners</b>		
Purchase of treasury shares	-1	-34
Share-based payments	21	13
Dividend <sup>1</sup>	-285	-287
<b>Total transactions with owners</b>	<b>-265</b>	<b>-308</b>
<b>Equity at end of period</b>	<b>5,098</b>	<b>4,994</b>

<sup>1</sup> The dividend paid in 2023 comprised a dividend of SEK 1.00 (1.00) per share.

## Condensed consolidated cash flow statement

SEKm	Fourth quarter		Full Year	
	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Cash flow from operating activities before changes in working capital	242	223	878	822
Cash flow from changes in working capital	236	58	-100	-303
<b>Cash flow from operating activities</b>	<b>478</b>	<b>281</b>	<b>778</b>	<b>519</b>
Cash flows from investments in property, plant and equipment and intangible assets	-84	-40	-282	-214
Cash flow from other investing activities	0	0	2	1
<b>Cash flow from investing activities</b>	<b>-84</b>	<b>-40</b>	<b>-280</b>	<b>-213</b>
<b>Cash flow from operating and investing activities</b>	<b>394</b>	<b>241</b>	<b>498</b>	<b>306</b>
<b>Cash flow from financing activities</b>	<b>-26</b>	<b>-60</b>	<b>-379</b>	<b>-406</b>
<b>Cash flow for the period</b>	<b>368</b>	<b>181</b>	<b>119</b>	<b>-100</b>
Cash and cash equivalents at beginning of period	310	373	583	692
Cash flow for the period	368	181	119	-100
Exchange difference	-20	29	-44	-9
<b>Total cash and cash equivalents at end of period</b>	<b>658</b>	<b>583</b>	<b>658</b>	<b>583</b>

# Condensed consolidated key figures

SEKm	Fourth quarter		Full Year	
	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
<b>Profit</b>				
Net sales	2,182	1,905	8,301	6,869
Net sales, change, %	14.5	14.6	20.8	13.6
Organic net sales, change, %	11.7	9.5	15.7	10.0
Gross margin, %	30.6	34.0	30.7	31.0
Depreciation	-63	-63	-284	-251
Amortisation	-3	-3	-11	-11
Impairment loss other non-current assets	-9	-4	17	-136
Operating profit, adjusted	200	183	799	691
Operating profit margin, adjusted %	9.2	9.6	9.6	10.1
Operating profit (EBIT)	174	187	735	466
Operating profit margin (EBIT margin), %	8.0	9.8	8.9	6.8
EBITDA, adjusted	270	249	1,100	955
EBITDA	249	257	1,013	864
Profit margin, %	6.7	7.9	6.9	5.0
<b>Segments</b>				
<b>Branded packaged products</b>				
Net sales	1,621	1,424	6,153	5,169
Operating profit, adjusted	200	180	786	669
Operating profit margin, adjusted %	12.3	12.6	12.8	12.9
<b>Pick &amp; mix</b>				
Net sales	561	481	2,148	1,700
Operating profit, adjusted	0	3	13	22
Operating profit margin, adjusted %	0.0	0.6	0.6	1.3
<b>Financial position</b>				
Working capital	796	701	796	701
Capital expenditure	127	87	379	296
Net debt	1,825	1,855	1,825	1,855
Capital employed	7,973	7,823	7,973	7,823
Return on capital employed, % (Rolling 12 months)	10.9	7.2	10.9	7.2
Equity/assets ratio, %	47.7	48.4	47.7	48.4
Net debt/equity ratio, %	35.8	37.1	35.8	37.1
Return on equity, % (Rolling 12 months)	8.6	5.5	8.6	5.5
Equity per share, SEK	17.9	17.5	17.9	17.5
Net debt/EBITDA, x (Rolling 12 months)	1.7	1.9	1.7	1.9
<b>Cash flow</b>				
Cash flow from operating activities	478	281	778	519
Cash flow from investing activities	-84	-40	-280	-213
Cash flow after investments	394	241	498	306
Free cash flow	394	241	496	305
Free cash flow yield (Rolling 12 months), %	9.5	5.1	9.5	5.1
Cash flow from operating activities per share, SEK	1.7	1.0	2.7	1.8
<b>Employees</b>				
Average number of employees	2,589	2,575	2,582	2,598



# Reconciliation of alternative performance measures key figures

SEKm	Fourth quarter		Full Year	
	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
<b>Items affecting comparability</b>				
Acquisitions, integration and restructurings	-26	-18	-64	-249
<i>of which: impairment loss other non-current assets</i>	-5	-4	23	-134
Other items affecting comparability	-	22	-	24
<b>Items affecting comparability</b>	<b>-26</b>	<b>4</b>	<b>-64</b>	<b>-225</b>
<i>Corresponding line in the condensed consolidated profit and loss account:</i>				
Cost of goods sold	-21	12	-48	-210
Selling expenses	-	-	1	-4
General and administrative expenses	-5	-8	-17	-11
<b>Total</b>	<b>-26</b>	<b>4</b>	<b>-64</b>	<b>-225</b>
<b>Operating profit, adjusted</b>				
Operating profit	174	187	735	466
Minus: Items affecting comparability	-26	4	-64	-225
<b>Operating profit, adjusted</b>	<b>200</b>	<b>183</b>	<b>799</b>	<b>691</b>
Net sales	2,182	1,905	8,301	6,869
<b>Operating profit margin, adjusted, %</b>	<b>9.2</b>	<b>9.6</b>	<b>9.6</b>	<b>10.1</b>
<b>EBITDA, adjusted</b>				
Operating profit	174	187	735	466
Minus: Depreciation	-63	-63	-284	-251
Minus: Amortisation	-3	-3	-11	-11
Minus: Impairment loss other non-current assets	-9	-4	17	-136
<b>EBITDA</b>	<b>249</b>	<b>257</b>	<b>1,013</b>	<b>864</b>
Minus: Items affecting comparability (excl. impairment loss other non-current assets)	-21	8	-87	-91
<b>EBITDA, adjusted</b>	<b>270</b>	<b>249</b>	<b>1,100</b>	<b>955</b>
<b>Capital employed</b>				
Total assets	10,683	10,316	10,683	10,316
Minus: Deferred tax liability	900	884	900	884
Minus: Non-current provisions	160	107	160	107
Minus: Current provisions	14	6	14	6
Minus: Other current liabilities	1,636	1,496	1,636	1,496
<b>Capital employed</b>	<b>7,973</b>	<b>7,823</b>	<b>7,973</b>	<b>7,823</b>
Capital employed comparative period previous year	7,823	7,388	7,823	7,388
<b>Average capital employed</b>	<b>7,898</b>	<b>7,606</b>	<b>7,898</b>	<b>7,606</b>

## Reconciliation alternative performance measures, continued

SEKm	Fourth quarter		Full Year	
	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
<b>Return on capital employed</b>				
Operating profit (Rolling 12 months)	735	466	735	466
Financial income (Rolling 12 months)	128	83	128	83
<b>Operating profit plus financial income (Rolling 12 months)</b>	<b>863</b>	<b>549</b>	<b>863</b>	<b>549</b>
Average capital employed	7,898	7,606	7,898	7,606
<b>Return on capital employed, %</b>	<b>10.9</b>	<b>7.2</b>	<b>10.9</b>	<b>7.2</b>
<b>Free cash flow yield</b>				
Cash flow from operating activities (Rolling 12 months)	778	519	778	519
Cash flows from investments in property, plant and equipment and intangible assets (Rolling 12 months)	-282	-214	-282	-214
<b>Free cash flow (Rolling 12 months)</b>	<b>496</b>	<b>305</b>	<b>496</b>	<b>305</b>
Number of shares outstanding	285,342,034	285,405,738	285,342,034	285,405,738
<b>Free cash flow per share (Rolling 12 months), SEK</b>	<b>1.74</b>	<b>1.07</b>	<b>1.74</b>	<b>1.07</b>
Market price per share, SEK	18.32	20.86	18.32	20.86
<b>Free cash flow yield (Rolling 12 months), %</b>	<b>9.5</b>	<b>5.1</b>	<b>9.5</b>	<b>5.1</b>
<b>Changes in net sales</b>				
Net sales	2,182	1,905	8,301	6,869
Net sales comparative period previous year	1,905	1,662	6,869	6,046
<b>Net sales, change</b>	<b>277</b>	<b>243</b>	<b>1,432</b>	<b>823</b>
Minus: Changes in exchange rates	54	85	356	217
<b>Organic growth</b>	<b>223</b>	<b>158</b>	<b>1,076</b>	<b>606</b>
Organic growth, %	11.7	9.5	15.7	10.0

## Quarterly data

SEKm	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
<b>Profit and loss account</b>									
Net sales	2,182	2,148	1,998	1,973	1,905	1,798	1,626	1,540	1,662
Cost of goods sold	-1,514	-1,524	-1,358	-1,355	-1,257	-1,235	-1,267	-979	-1,057
<b>Gross profit</b>	<b>668</b>	<b>624</b>	<b>640</b>	<b>618</b>	<b>648</b>	<b>563</b>	<b>359</b>	<b>561</b>	<b>605</b>
Selling expenses	-300	-248	-267	-258	-283	-234	-246	-246	-276
General and administrative expenses	-194	-175	-191	-182	-178	-143	-174	-161	-172
<b>Operating profit/loss</b>	<b>174</b>	<b>201</b>	<b>182</b>	<b>178</b>	<b>187</b>	<b>186</b>	<b>-61</b>	<b>154</b>	<b>157</b>
Exchange differences on cash and cash equivalents in foreign currencies	27	67	-66	-71	-27	-52	-70	6	9
Other financial income	39	33	33	23	18	35	13	17	4
Other financial expenses	-94	-64	-53	-39	-28	-15	-10	-10	-12
<b>Net financial items</b>	<b>-28</b>	<b>36</b>	<b>-86</b>	<b>-87</b>	<b>-37</b>	<b>-32</b>	<b>-67</b>	<b>13</b>	<b>1</b>
<b>Profit/loss before tax</b>	<b>146</b>	<b>237</b>	<b>96</b>	<b>91</b>	<b>150</b>	<b>154</b>	<b>-128</b>	<b>167</b>	<b>158</b>
Income tax	-8	-76	-23	-26	-42	-24	34	-36	-11
<b>Profit/loss for the period</b>	<b>138</b>	<b>161</b>	<b>73</b>	<b>65</b>	<b>108</b>	<b>130</b>	<b>-94</b>	<b>131</b>	<b>147</b>
<i>Profit/loss for the period attributable to:</i>									
Owners of the Parent Company	138	161	73	65	108	130	-94	131	147
<b>Key figures</b>									
<b>Profit</b>									
Depreciation, amortisation and impairment	-75	-76	-77	-50	-70	-71	-194	-63	-63
Operating profit, adjusted	200	208	191	200	183	188	162	158	157
EBITDA, adjusted	270	288	271	271	249	255	230	221	220
EBITDA	249	277	259	228	257	257	133	217	220
Operating profit margin, adjusted %	9.2	9.7	9.6	10.1	9.6	10.5	10.0	10.3	9.4
Operating profit margin (EBIT margin), %	8.0	9.4	9.1	9.0	9.8	10.3	-3.8	10.0	9.4
Earnings per share, SEK									
Basic and diluted <sup>1</sup>	0.48	0.56	0.26	0.23	0.38	0.45	-0.33	0.46	0.51
<b>Segments</b>									
<b>Branded packaged products</b>									
Net sales	1,621	1,620	1,464	1,448	1,424	1,372	1,213	1,160	1,284
Operating profit, adjusted	200	216	186	184	180	186	154	149	152
Operating profit margin, adjusted %	12.3	13.3	12.7	12.7	12.6	13.6	12.7	12.8	11.8
<b>Pick &amp; mix</b>									
Net sales	561	528	534	525	481	426	413	380	378
Operating profit/loss, adjusted	0	-8	5	16	3	2	8	9	5
Operating profit margin, adjusted %	0.0	-1.5	0.9	3.0	0.6	0.5	1.9	2.4	1.3
<b>Financial position</b>									
Share price, last paid, SEK	18.32	18.26	19.61	21.88	20.86	17.61	20.96	25.74	26.20
Return on equity, % (Rolling 12 months)	8.6	7.8	7.3	4.1	5.5	6.5	7.0	10.5	10.5
Equity per share, SEK	17.9	18.2	18.0	18.0	17.5	16.7	16.0	16.5	15.7
Net Debt/EBITDA, x (Rolling 12 months)	1.7	2.0	2.3	2.0	1.9	2.2	2.4	1.9	2.0
<b>Cash flow</b>									
Free cash flow	394	123	2	-23	241	223	-136	-23	313
Cash flow from operating activities per share, SEK	1.7	0.7	0.3	0.1	1.0	1.0	-0.3	0.1	1.3

<sup>1</sup> During 1 till 9 November 2021, during 31 October till 23 November 2022 and on 30 October 2023, Cloetta purchased 1,590,629, 1,622,932 and 63,704 treasury shares respectively to fulfill its future obligation to deliver shares to the participants of the long-term share-based incentive plan, if vesting conditions are met.

# Reconciliation of alternative performance measures per quarter

SEKm	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
<b>Items affecting comparability</b>									
Acquisitions, integration and restructurings	-26	-7	-9	-22	-18	-2	-225	-4	0
of which: impairment loss non-current assets	-5	4	3	21	-4	-4	-126	-	-
Other items affecting comparability	-	-	-	-	22	-	2	-	-
<b>Items affecting comparability</b>	<b>-26</b>	<b>-7</b>	<b>-9</b>	<b>-22</b>	<b>4</b>	<b>-2</b>	<b>-223</b>	<b>-4</b>	<b>0</b>
<i>Corresponding line in the condensed consolidated profit and loss account:</i>									
Cost of goods sold	-21	-3	-4	-20	12	-2	-220	-	1
Selling expenses	-	1	-	-	-	-	-	-4	-
General and administrative expenses	-5	-5	-5	-2	-8	0	-3	-	-1
<b>Total</b>	<b>-26</b>	<b>-7</b>	<b>-9</b>	<b>-22</b>	<b>4</b>	<b>-2</b>	<b>-223</b>	<b>-4</b>	<b>0</b>
<b>Operating profit, adjusted</b>									
Operating profit/loss	174	201	182	178	187	186	-61	154	157
Minus: Items affecting comparability	-26	-7	-9	-22	4	-2	-223	-4	0
<b>Operating profit, adjusted</b>	<b>200</b>	<b>208</b>	<b>191</b>	<b>200</b>	<b>183</b>	<b>188</b>	<b>162</b>	<b>158</b>	<b>157</b>
Net sales	2,182	2,148	1,998	1,973	1,905	1,798	1,626	1,540	1,662
<b>Operating profit margin, adjusted, %</b>	<b>9.2</b>	<b>9.7</b>	<b>9.6</b>	<b>10.1</b>	<b>9.6</b>	<b>10.5</b>	<b>10.0</b>	<b>10.3</b>	<b>9.4</b>
<b>EBITDA, adjusted</b>									
Operating profit/loss	174	201	182	178	187	186	-61	154	157
Minus: Depreciation	-63	-76	-78	-67	-63	-62	-66	-60	-61
Minus: Amortisation	-3	-3	-2	-3	-3	-3	-2	-3	-2
Minus: Impairment loss other non-current assets	-9	3	3	20	-4	-6	-126	-	-
<b>EBITDA</b>	<b>249</b>	<b>277</b>	<b>259</b>	<b>228</b>	<b>257</b>	<b>257</b>	<b>133</b>	<b>217</b>	<b>220</b>
Minus: Items affecting comparability (excl. impairment loss other non-current assets)	-21	-11	-12	-43	8	2	-97	-4	0
<b>EBITDA, adjusted</b>	<b>270</b>	<b>288</b>	<b>271</b>	<b>271</b>	<b>249</b>	<b>255</b>	<b>230</b>	<b>221</b>	<b>220</b>
<b>Capital employed</b>									
Total assets	10,683	10,873	10,916	10,732	10,316	10,151	9,774	9,878	9,549
Minus: Deferred tax liability	900	922	929	893	884	920	918	894	863
Minus: Non-current provisions	160	165	162	148	107	102	105	1	-
Minus: Current provisions	14	2	2	2	6	3	5	6	5
Minus: Other current liabilities	1,636	1,731	1,764	1,726	1,496	1,545	1,377	1,422	1,293
<b>Capital employed</b>	<b>7,973</b>	<b>8,053</b>	<b>8,059</b>	<b>7,963</b>	<b>7,823</b>	<b>7,581</b>	<b>7,369</b>	<b>7,555</b>	<b>7,388</b>
Capital employed comparative period previous year	7,823	7,581	7,369	7,555	7,388	7,328	7,157	7,382	7,198
<b>Average capital employed</b>	<b>7,898</b>	<b>7,817</b>	<b>7,714</b>	<b>7,759</b>	<b>7,606</b>	<b>7,455</b>	<b>7,263</b>	<b>7,469</b>	<b>7,293</b>



Reconciliation alternative performance measures, continued

SEKm	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
<b>Return on capital employed</b>									
Operating profit (Rolling 12 months)	735	748	733	490	466	436	429	616	565
Financial income (Rolling 12 months)	128	107	109	89	83	69	36	25	9
<b>Operating profit plus financial income (Rolling 12 months)</b>	<b>863</b>	<b>855</b>	<b>842</b>	<b>579</b>	<b>549</b>	<b>505</b>	<b>465</b>	<b>641</b>	<b>574</b>
Average capital employed	7,898	7,817	7,714	7,759	7,606	7,455	7,263	7,469	7,293
<b>Return on capital employed, %</b>	<b>10.9</b>	<b>10.9</b>	<b>10.9</b>	<b>7.5</b>	<b>7.2</b>	<b>6.8</b>	<b>6.4</b>	<b>8.6</b>	<b>7.9</b>
<b>Free cash flow yield</b>									
Cash flow from operating activities (Rolling 12 months)	778	581	677	516	519	606	598	831	858
Cash flows from investments in property, plant and equipment and intangible assets (Rolling 12 months)	-282	-238	-234	-211	-214	-229	-206	-201	-194
<b>Free cash flow (Rolling 12 months)</b>	<b>496</b>	<b>343</b>	<b>443</b>	<b>305</b>	<b>305</b>	<b>377</b>	<b>392</b>	<b>630</b>	<b>664</b>
Number of shares outstanding	285,342,034	285,405,738	285,405,738	285,405,738	285,405,738	287,028,670	287,028,670	287,028,670	287,028,670
<b>Free cash flow per share (Rolling 12 months), SEK</b>	<b>1.74</b>	<b>1.20</b>	<b>1.55</b>	<b>1.07</b>	<b>1.07</b>	<b>1.31</b>	<b>1.37</b>	<b>2.19</b>	<b>2.31</b>
Market price per share, SEK	18.32	18.26	19.61	21.88	20.86	17.61	20.96	25.74	26.20
<b>Free cash flow yield (Rolling 12 months), %</b>	<b>9.5</b>	<b>6.6</b>	<b>7.9</b>	<b>4.9</b>	<b>5.1</b>	<b>7.4</b>	<b>6.5</b>	<b>8.5</b>	<b>8.8</b>
<b>Changes in net sales</b>									
Net sales	2,182	2,148	1,998	1,973	1,905	1,798	1,626	1,540	1,662
Net sales comparative period previous year	1,905	1,798	1,626	1,540	1,662	1,566	1,420	1,398	1,466
<b>Net sales, change</b>	<b>277</b>	<b>350</b>	<b>372</b>	<b>433</b>	<b>243</b>	<b>232</b>	<b>206</b>	<b>142</b>	<b>196</b>
Minus: Changes in exchange rates	54	131	100	71	85	52	37	43	-7
<b>Organic growth</b>	<b>223</b>	<b>219</b>	<b>272</b>	<b>362</b>	<b>158</b>	<b>180</b>	<b>169</b>	<b>99</b>	<b>203</b>
Organic growth, %	11.7	12.2	16.7	23.5	9.5	11.5	11.9	7.1	13.8

# Parent company

## Condensed parent company profit and loss account

SEKm	Fourth quarter		Full Year	
	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	24	25	113	97
<b>Gross profit</b>	<b>24</b>	<b>25</b>	<b>113</b>	<b>97</b>
General and administrative expenses	-53	-36	-143	-123
<b>Operating loss</b>	<b>-29</b>	<b>-11</b>	<b>-30</b>	<b>-26</b>
Net financial items	107	-70	29	-70
<b>Profit/loss before tax</b>	<b>78</b>	<b>-81</b>	<b>-1</b>	<b>-96</b>
Income tax	-17	16	-2	20
<b>Profit/loss for the period</b>	<b>61</b>	<b>-65</b>	<b>-3</b>	<b>-76</b>

Profit/loss for the period corresponds to comprehensive income for the period.

## Condensed parent company balance sheet

SEKm	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>5,410</b>	<b>5,386</b>
<b>Current assets</b>	<b>171</b>	<b>33</b>
<b>TOTAL ASSETS</b>	<b>5,581</b>	<b>5,419</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>2,212</b>	<b>2,480</b>
<b>Non-current liabilities</b>		
Borrowings	949	941
Provisions	2	5
<b>Total non-current liabilities</b>	<b>951</b>	<b>946</b>
<b>Current liabilities</b>		
Borrowings	149	149
Other current liabilities	2,269	1,844
<b>Total current liabilities</b>	<b>2,418</b>	<b>1,993</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,581</b>	<b>5,419</b>

# Condensed parent company statement of changes in equity

SEKm	Full Year	
	Jan–Dec 2023	Jan–Dec 2022
<b>Equity at beginning of period</b>	<b>2,480</b>	<b>2,864</b>
Loss for the period	-3	-76
<b>Total comprehensive income</b>	<b>-3</b>	<b>-76</b>
<b>Transactions with owners</b>		
Share-based payments	21	13
Purchase of treasury shares	-1	-34
Dividend <sup>1</sup>	-285	-287
<b>Total transactions with owners</b>	<b>-265</b>	<b>-308</b>
<b>Equity at end of period</b>	<b>2,212</b>	<b>2,480</b>

1 The dividend paid in 2023 comprised a dividend of SEK 1.00 (1.00) per share.

# Accounting and valuation policies, disclosures and risk factors

## Accounting and valuation policies

### Compliance with legislation and accounting standards

The consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) established by the International Accounting Standards Board (IASB) and the interpretations issued by the IFRS Interpretations Committee (IFRIC) which have been endorsed by the European Commission for application in the EU. The applied standards and interpretations are those that were in force and had been endorsed by the EU at 1 January, 2023. The consolidated interim report is presented compliant with IAS 34, Interim Financial Reporting, and in compliance with the relevant provisions in the Swedish Annual Accounts Act and the Swedish Securities Market Act. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which are consistent with the provisions in recommendation RFR 2, Accounting for Legal Entities. For lease accounting the company makes use of the exemption under RFR2 to treat all leases as operating lease.

## Basis of accounting

The same accounting policies and methods of computation are applied in the interim financial statements as in the most recent annual financial statements. Reference is made to Note 1 'General information and accounting and valuation policies of the Group' and Note 31 'Changes in accounting policies' in the Annual and sustainability report 2022 at [www.cloetta.com](http://www.cloetta.com). No new standards are effective as from 1 January 2023 which have been endorsed by the EU.

## Disclosures

### Disaggregation of revenue from contracts with customers

Cloetta generates revenues from the transfer of goods and services at a point in time and over time in the following major sales categories and performance obligations.

### Disaggregation of revenue

	Fourth quarter		Full Year	
	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
SEKm				
Branded packaged products	1,621	1,424	6,153	5,169
Pick & mix	561	481	2,148	1,700
<b>Total</b>	<b>2,182</b>	<b>1,905</b>	<b>8,301</b>	<b>6,869</b>

### Breakdown of net sales by category

	Fourth quarter		Full Year	
	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
%				
Candy	63	63	62	62
Chocolate	20	18	19	19
Pastilles	9	10	10	10
Chewing gum	4	5	5	5
Nuts	2	2	2	2
Other	2	2	2	2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>



## Breakdown of net sales by country

	Fourth quarter		Full Year	
	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
%				
Sweden	32	31	30	30
Finland	19	20	21	21
The Netherlands	15	14	15	14
Denmark	11	11	10	9
The UK	4	5	5	6
Norway	6	7	6	7
Germany	6	5	6	6
International Markets	7	7	7	7
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

## Leases

### Right-of-use assets

SEKm	31 Dec 2023	31 Dec 2022
Land and buildings	85	104
Transportation	50	40
Other equipment	20	11
<b>Total right-of-use assets</b>	<b>155</b>	<b>155</b>

Additions to the right-of-use assets were SEK 42m (48) during the quarter and SEK 97m (84) during the year.

### Lease liability

SEKm	31 Dec 2023	31 Dec 2022
Current	74	61
Non-current (between 1 and 5 years)	75	83
Non-current (over 5 years)	10	12
<b>Total Lease liability</b>	<b>159</b>	<b>156</b>

The non-current lease liability of SEK 85m (95) is reflected in the 'long-term borrowings'. The current lease liability of SEK 74m (61) is reflected in the 'short-term borrowings'.

## Depreciation charge right-of-use assets

SEKm	Fourth quarter		Full Year	
	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Land and buildings	-10	-11	-37	-34
Transportation	-12	-7	-35	-29
Other equipment	-7	-4	-24	-13
<b>Total depreciation charge right-of-use assets</b>	<b>-29</b>	<b>-22</b>	<b>-96</b>	<b>-76</b>

## Other disclosures

SEKm	Fourth quarter		Full Year		Recognised in:
	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022	
Interest expense	-1	-1	-4	-2	net financial items, in the profit and loss account
Expense relating to leases of low-value assets that are not short-term leases	0	0	-1	-1	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
Expense relating to short-term leases, where no right-of-use asset has been recognised	0	-1	-4	-4	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
Expense relating to variable lease payments not included in lease liabilities	-11	-7	-29	-21	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
<b>Total cash outflow for leases</b>	<b>-23</b>	<b>-20</b>	<b>-91</b>	<b>-76</b>	cash flow from operating activities and financing activities, in the cash flow statement

## Taxes

The effective tax rate for the period was positively impacted by the revaluation of deferred tax balances, differences between expected and actual tax filings related to the previous year and international tax rate differences. Non-deductible expenses had a negative impact on the effective tax rate for the period.

## Fair value measurement

The only items recognised at fair value after initial recognition are the interest rate swaps categorised within level 2 of the fair value hierarchy in all periods presented.

The fair values of financial assets (loans and receivables) and liabilities measured at amortised cost are approximately equal to carrying amounts.

For measurement purposes, the fair value of financial assets and liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value measurements by level according to the fair value measurement hierarchy are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the carrying amounts and fair values of the Group's financial assets and liabilities, including their levels in the fair value hierarchy:

31 Dec 2023	Carrying amount				Fair value			
SEKm	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities at carrying value	Total	Level 1	Level 2	Level 3	Total
Financial assets								
• Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income	-	989	-	989				
• Single currency interest rate swaps	23	-	-	23	-	23	-	23
• Cash and cash equivalents	-	658	-	658				
Total assets	23	1,647	-	1,670	-	23	-	23
Financial liabilities								
• Loans from credit institutions	-	-	2,187	2,187				
• Commercial papers	-	-	149	149				
• Single currency interest rate swaps	9	-	-	9	-	9	-	9
• Trade and other payables, excluding other taxes and social security payables	-	-	1,433	1,433				
Total liabilities	9	-	3,769	3,778	-	9	-	9

31 Dec 2022	Carrying amount				Fair value			
SEKmn	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities at carrying value	Total	Level 1	Level 2	Level 3	Total
Financial assets								
• Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income	-	941	-	941				
• Single currency interest rate swaps	59	-	-	59	-	59	-	59
• Cash and cash equivalents	-	583	-	583				
Total assets	59	1,524	-	1,583	-	59	-	59
Financial liabilities								
• Loans from credit institutions	-	-	2,190	2,190				
• Commercial papers	-	-	149	149				
• Trade and other payables, excluding other taxes and social security payables	-	-	1,252	1,252				
Total liabilities	-	-	3,591	3,591	-	-	-	-

No transfers between fair value hierarchy levels have occurred during the financial year or the prior financial year. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included within level 2.

The valuation of the instruments is based on quoted market prices, but the underlying swap amounts are based on the specific requirements of the Group. These instruments are therefore included within level 2. The valuation techniques and inputs used to value financial instruments are:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign currency contracts is calculated using the difference between the exchange rate on the spot date with the contractually agreed upon exchange rates.
- Other techniques, such as discounted cash flow analysis, are used to determine the fair value of the remaining financial instruments.

#### Parent Company

Cloetta AB's primary activities include head office functions such as group-wide management and administration. The comments below refer to the period from 1 January to 31 December 2023. Net sales in the Parent Company amounted to SEK 113m (97) and relate mainly to intra-group services. Operating loss was SEK -30m (-26). Net financial items totaled SEK 29m (-70). Loss before tax was SEK -1m (-96) and loss for the period was SEK -3m (-76). Cash and cash equivalents and short-term investments amounted to SEK 0m (0).

#### The Cloetta share

Cloetta's class B share is listed on Nasdaq Stockholm, Mid Cap. During the period from 1 January to 31 December 2023, a total of 134,569,429 shares were traded for a combined value of SEK 2,652m, equivalent to around 48 per cent of the total number of class B shares at the end of the period. The highest quoted bid price during the period from 1 January to 31 December 2023 was SEK 22.82 (23 February) and the lowest was SEK 17.09 (26 October). The share price on 31 December 2023 was SEK 18.32 (last price paid). During the period from 1 January to 31 December 2023, the Cloetta share decreased by 12.2 per cent while the Nasdaq OMX Stockholm PI index increased by

15.5 per cent. Cloetta's share capital at 31 December 2023 amounted to 1,443,096,495. The total number of shares is 288,619,299, consisting of 5,735,249 (5,735,249) class A shares and 282,884,050 (282,884,050) class B shares, equal to a quota value of SEK 5 per share. At 31 December 2023 Cloetta had 3,277,265 class B shares in treasury.

#### Shareholders

On 31 December 2023, Cloetta AB had 43,164 shareholders. The largest shareholder was AB Malfors Promotor with a holding corresponding to 41.9 per cent of the votes and 31.5 per cent of the share capital in the company. La Financière de l'Echiquier was the second largest shareholder with 3.2 per cent of the votes and 3.8 per cent of the share capital. The third largest shareholder was LSV Asset Management with 3.2 per cent of the votes and 3.7 per cent of the share capital.

#### Risk factors

Cloetta is an internationally active company that is exposed to a number of market and financial risks. All identified risks are monitored continuously and, if needed, risk mitigating measures are taken to limit their impact. The most relevant risk factors are described in the Annual and sustainability report 2022 and consist of industry and market-related risks, operational risks and financial risks.

Compared to the Annual and sustainability report, which was issued on 13 March 2023, the risk-profile of Cloetta has not significantly changed although the rising input costs and global supply chain challenges are materialising and may further affect the business performance of Cloetta.

# Definitions

<b>General</b>	All amounts in the tables are presented in SEK millions unless otherwise stated. All amounts in brackets () represent comparative figures for the same period of the prior year, unless otherwise stated.	
<b>Margins</b>	<b>Definition/calculation</b>	<b>Purpose</b>
<b>Gross margin</b>	Net sales less cost of goods sold as a percentage of net sales.	Gross margin measures production profitability.
<b>Operating profit margin, adjusted</b>	Operating profit, adjusted for items affecting comparability, as a percentage of net sales.	Adjusted operating profit margin excludes the impact of items affecting comparability, enabling a comparison of operational profitability.
<b>Operating profit margin (EBIT margin)</b>	Operating profit expressed as a percentage of net sales.	Operating profit margin is used for measuring the operational profitability.
<b>Profit margin</b>	Profit/loss before tax expressed as a percentage of net sales.	This metric enables the profitability to be compared across locations where corporate taxes differ.
<b>Return</b>	<b>Definition/calculation</b>	<b>Purpose</b>
<b>Free cash flow</b>	Sum of the cash flow from operating activities and cash flow from investments in property, plant and equipment and intangible assets.	The free cash flow is the cash flow available to all investors consisting of shareholders and lenders.
<b>Free cash flow yield</b>	Free cash flow of the last 12 months divided by the number of outstanding shares at the end of the period and consequently divided by the market price per share at the end of the period.	This metric is an indicator for the return on investment of investors in the company.
<b>Return on capital employed</b>	Operating profit plus financial income as a percentage of average capital employed. The average capital employed is calculated by taking the capital employed per period end and the capital employed by period end of the comparative period in the previous year divided by two.	Return on capital employed is used to analyse profitability, based on the amount of capital used. The leverage of the company is the reason that this metric is used next to return on equity, because it includes equity, but takes into account borrowings and other liabilities as well.
<b>Return on equity</b>	Profit from continuing operations for the period as a percentage of total equity.	Return on equity is used to measure profit generation, given the resources attributable to the owners of the Parent Company.
<b>Capital structure</b>	<b>Definition/calculation</b>	<b>Purpose</b>
<b>Capital employed</b>	Total assets less interest-free liabilities (including deferred tax).	Capital employed measures the amount of capital used and serves as input for the return on capital employed.
<b>Equity/assets ratio</b>	Equity at the end of the period as a percentage of total assets. The equity/assets ratio represents the amount of assets on which shareholders have a residual claim.	This ratio is an indicator of the company's leverage used to finance the firm.
<b>Gross debt</b>	Gross current and non-current borrowings, credit overdraft facilities, lease liabilities, derivative financial instruments and interest payable.	Gross debt represents the total debt obligation of the company irrespective of its maturity.
<b>Net debt</b>	Gross debt less cash and cash equivalents.	The net debt is used as an indication of the ability to pay off all debts if these became due simultaneously on the day of calculation, using only available cash and cash equivalents.
<b>Net debt/EBITDA</b>	Net debt at the end of the period divided by the EBITDA, adjusted, for the last 12 months, taking into consideration the annualisation of EBITDA for acquired or divested companies.	The net debt/EBITDA ratio approximates the company's ability to decrease its debt. It represents the number of years it would take to pay back debt if net debt and EBITDA were held constant, ignoring the impact of cash flows from interest, tax and capital expenditure.
<b>Net debt/equity ratio</b>	Net debt at the end of the period divided by equity at the end of the period.	The net debt/equity ratio measures the extent to which the company is funded by debt. Because cash and overdraft facilities can be used to pay-off debt at short notice, the leverage takes into account net debt instead of gross debt.
<b>Working capital</b>	Total inventories and trade and other receivables adjusted for trade and other payables.	Working capital is used to measure the company's ability, besides cash and cash equivalents, to meet current operational obligations.
<b>Data per share</b>	<b>Definition/calculation</b>	<b>Purpose</b>
<b>Cash flow from operating activities per share</b>	Cash flow from operating activities in the period divided by the average number of outstanding shares.	The cash flow from operating activities per share measures the amount of cash the company generates per share from the revenues it brings in, irrespective of the capital investments and cash flows related to the financing structure of the company.
<b>Earnings per share</b>	Profit for the period divided by the average number of outstanding shares adjusted for the effect of forward contracts to repurchase own shares.	The earnings per share measures the amount of net profit that is available for payment to shareholders per share.
<b>Equity per share</b>	Equity at the end of the period divided by number of outstanding shares at the end of the period.	Equity per share measures the net-asset value backing up each share of the company's equity and determines if a company is increasing shareholder value over time.



Other definitions	Definition/calculation	Purpose
Amortisation	Amortisation of intangible assets except for amortisation on software which is included in "Depreciation".	Amortisation deviates from depreciation where amortisation has the purpose to spread capitalised expenses over the useful lifetime of these expenses.
Depreciation	Depreciation of property, plant and equipment and amortisation of software.	Depreciation deviates from amortisation where depreciation has the purpose to spread the cost of a non-current asset over the useful lifetime of these assets.
EBITDA	Operating profit before depreciation, amortisation and impairments of other non-current assets.	EBITDA is used to measure the cash flow generated from operating activities, eliminating the impact of financing and accounting decisions.
EBITDA, adjusted	Operating profit, adjusted for items affecting comparability, before depreciation, amortisation and impairments of other non-current assets.	Adjusted EBITDA increases the comparability of EBITDA.
Effective tax rate	Income tax as a percentage of profit before tax.	This metric enables the income tax to be compared across locations where corporate taxes differ.
Items affecting comparability	Items affecting comparability are those significant items which are separately disclosed by virtue of their size or incidence, in order to enable a full understanding of the Group's financial performance. These include items such as restructurings, impact from acquisitions or divestments.	Items affecting comparability increases the comparability of the Group's financial performance.
Net financial items	The total of exchange differences on cash and cash equivalent in foreign currencies, other financial income and other financial expenses.	The net financial items reflects the company's total costs of external financing.
Net sales, change	Net sales as a percentage of net sales in the comparative period of the previous year.	Net sales, change reflects the company's realised top-line growth over time.
Operating profit (EBIT)	Operating profit consists of comprehensive income before net financial items and income tax.	This metric enables the profitability to be compared across locations where corporate taxes differ, irrespective the financing structure of the company.
Operating profit (EBIT), adjusted	Operating profit adjusted for items affecting comparability.	Operating profit, adjusted increases the comparability of operating profit.
Organic growth	Net sales, change excluding acquisition-driven growth and changes in exchange rates.	Organic growth excludes the impact of changes in group structure and exchange rates, enabling a comparison on net sales growth over time.
Structural changes	Net sales, change resulting from changes in group structure.	Structural changes measure the contribution of changes in group structure to the net sales growth.

## Glossary

Branded packaged products	Products that are mainly sold under brands and are packaged.
FVTPL	Fair Value Through Profit and Loss.
Pick & mix	Cloetta's range of candy and natural snacks that are picked by the consumers themselves.
Pick & mix concept	Cloetta's complete concept in pick & mix including products, displays and accompanying store and logistic services.

## Exchange rates

SEK	31 Dec 2023	31 Dec 2022
EUR, average	11.4821	10.6346
EUR, end of period	11.0960	11.1218
NOK, average	1.0046	1.0532
NOK, end of period	0.9871	1.0578
GBP, average	13.2099	12.4689
GBP, end of period	12.7680	12.5397
DKK, average	1.5410	1.4295
DKK, end of period	1.4888	1.4956



## Strategic priorities

1. Growth leadership in Branded packaged products
2. Sustainable value within the Pick & mix business
3. Lower costs and greater efficiency



## Our purpose

"We believe in the Power of True Joy"

## Business model

Cloetta's business model is to offer strong local brands in confectionery and nuts and provide effective sales and distribution to the retail trade. Together, this will ensure continued positive development of the company's leading market positions.

## Long-term financial targets

- Cloetta's target is to increase organic sales at least in line with market growth.
- Cloetta's target is an EBIT margin, adjusted for items affecting comparability, of at least 14 per cent.
- Cloetta's long-term target is a net debt/EBITDA ratio of around 2.5x.
- Cloetta's long-term intention is a dividend payout of 40–60 per cent of profit for the year.

## Value drivers

- Strong brands and market positions in a non-cyclical market.
- Excellent availability in the retail trade with the help of a strong and effective sales and distribution organisation.
- Good consumer knowledge and loyalty.
- Innovative product and packaging development.
- Effective production with high and consistent quality.

## Sustainability

### We provide choices for you

We create joyful moments through the quality of our products. We aim to meet the variety of consumer preferences.

### We care about people

We support our employees, suppliers, and farmers, as well as our communities.

### We improve our footprint

Our business depends on the environment. We are responsible for the impact we have from sourcing to packaging.



# “We believe in the Power of True Joy”

Cloetta, founded in 1862, is a leading confectionery company in Northern Europe. In total, Cloetta products are sold in more than 50 countries worldwide. Cloetta owns some of the strongest brands on the market, such as Läkerol, CandyKing, Jenkki, Kexchoklad, Malaco, Sportlife and Red Band. Cloetta has seven production units in five countries. Cloetta's class B shares are traded on Nasdaq Stockholm.



## *Cloetta*

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