

Cloetta



Investing in new greenfield facility –
consolidating the manufacturing network

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- Henri de Sauvage-Nolting, President/CEO
- Frans Rydén, CFO
- Nathalie Redmo, IR

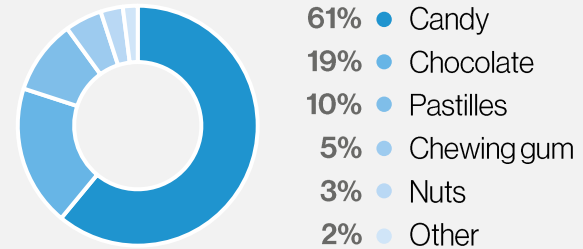
*Aiming to become a world-class
food tech company*



Strategic review of manufacturing network

- Cloetta has concluded its strategic review of the manufacturing network
- Based on strong volume growth in the candy portfolio there is a need for expansion
- Opportunity to provide a modern setting for high-quality and a more competitive manufacturing
- A wide range of alternatives have been evaluated
- Proposal to consolidate manufacturing network into a new greenfield facility

Sales split 2021



Volume CAGR, Candy segment 2017–2021

2.5 %

Proposal to consolidate manufacturing network into a new greenfield facility

- Upgrading candy manufacturing network, including establishing new greenfield facility in the Netherlands:
 - Greenfield will facilitate further growth, enable significant cost savings and reduce greenhouse emissions
 - Construction of new factory would begin in 2023, to be fully operational in 2026
- Intention to close the three confectionery factories in Belgium and the Netherlands
 - ~350 employees would be affected, with majority to be offered employment in new facility
 - Cloetta will initiate consultations with the European Works Council and local unions



New greenfield facility – financial impact

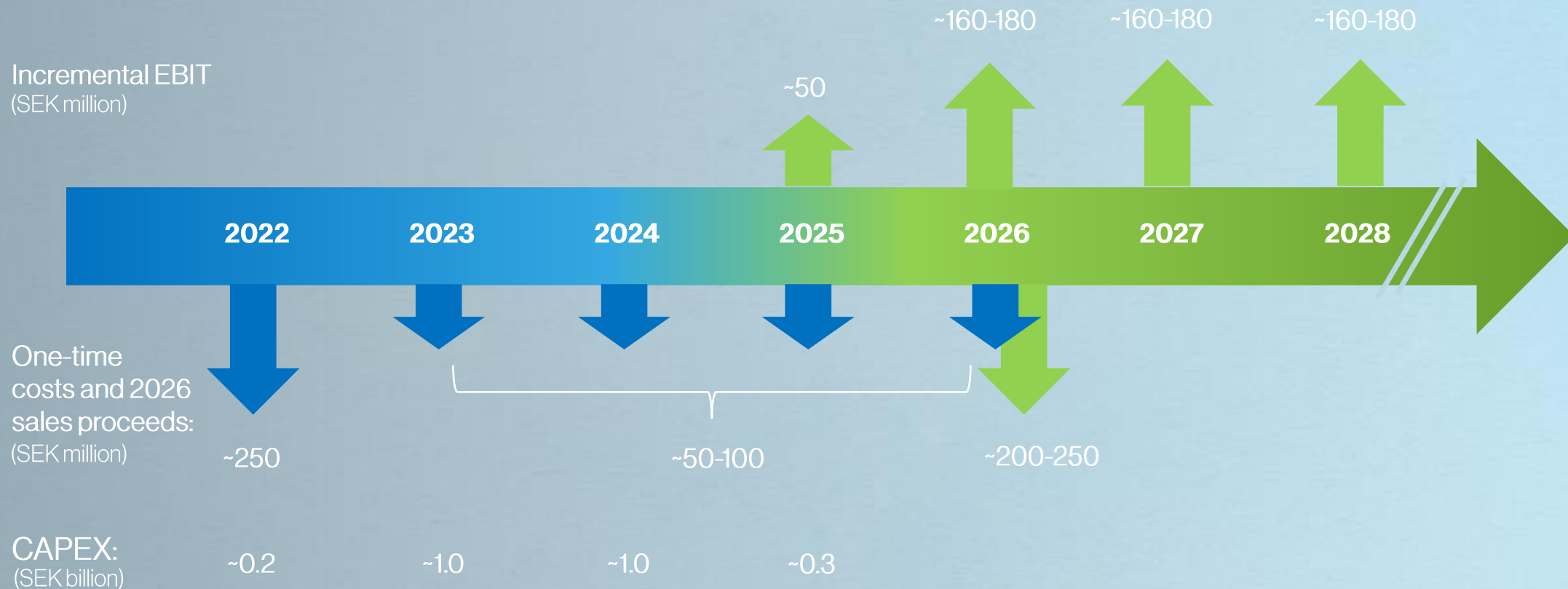
- Additional annual EBIT in the range of SEK 160 to 180 million, with full effect from 2026
- Total net cost including impairments of up to SEK 100 million:
 - ~SEK 250 million cost recognized in Q2 2022
 - ~SEK 50-100 million cost primarily recognized in 2023 - 2026
 - ~SEK 200-250 million income from expected sale of land and facilities in 2026
- Increased capital expenditure levels by ~SEK 2.5 billion, including capitalized interest, over the coming four years

SEK **2.5** bn
Capex
investment

SEK **100** m
Total net cost

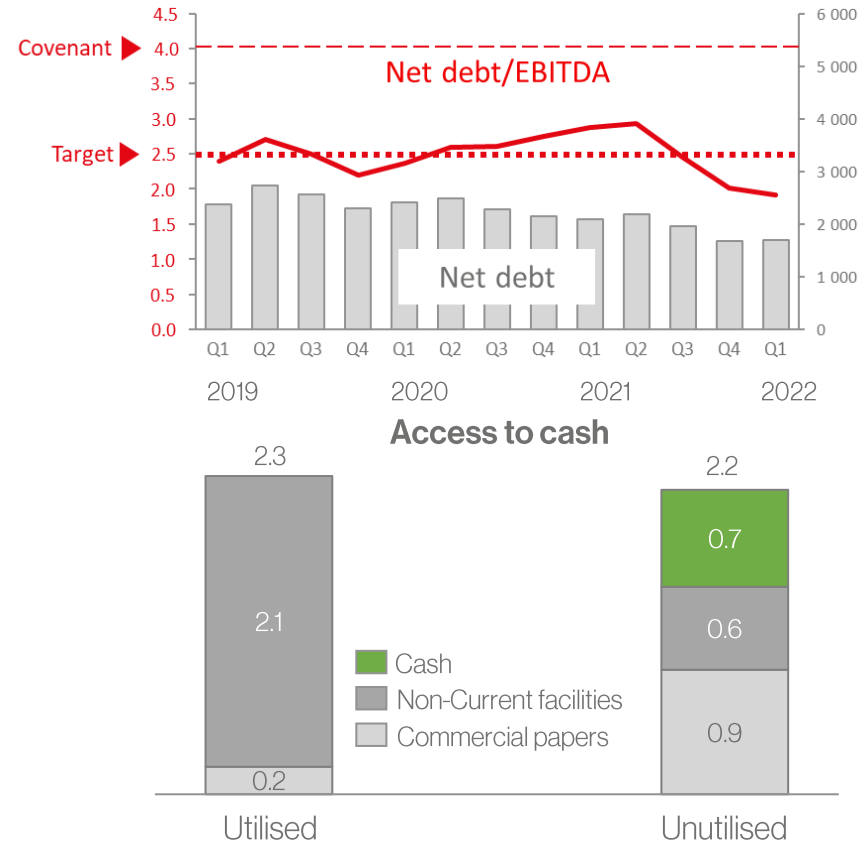
SEK **>160** m
Additional annual
EBIT

Financial timeline



Point of departure: All-time-strong financial position

- Leverage and net debt at all-time-low
 - Net debt of SEK 1.7 billion
 - Leverage 1.9x, well below 2.5x long-term target and 4.0x covenant
 - Leverage to stay between long-term target and covenant 2023-2025
- Wide options for financing
 - Unutilised access to cash of SEK 2.2 billion
 - Strong organic cash generation
 - Partners engaged to secure optimal financing



Greenhouse gas emissions to be significantly reduced



Use of electricity from
renewable sources



Gas consumption reduced
through new technology



Reduced transportation
between facilities and markets



Energy efficiency through
new processes and systems



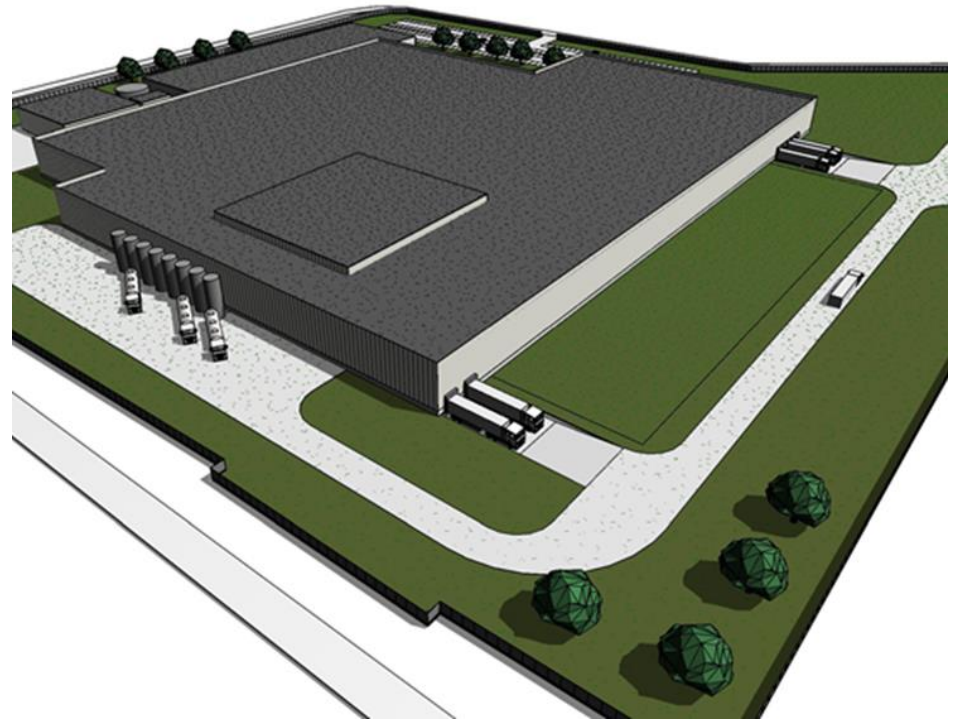
Energy efficient new
building



Reduced waste and improved
waste-water management

Providing a setting for profitable, sustainable growth

- Based on strong growth in the candy portfolio there is need for expansion of the manufacturing network
- Opportunity to provide modern setting for high-quality and competitive manufacturing
- A wide range of opportunities have been evaluated how to drive efficiencies across the manufacturing network
- Proposal to invest in a new sustainable greenfield facility in the Netherlands and consolidate the manufacturing network:
 - Facilitate further growth, enabling significant cost savings as well as reduce greenhouse emissions
- Cloetta will initiate consultations with the European Works Council and local unions





Aiming to become a world-class food tech company

Q & A

Thank you!

Cloetta



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