

# Cloutta

**Q4** 2022 results  
27 January 2023

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



# Agenda

1. Quarterly update
2. Financials
3. Strategic update
4. Q&A



# Key messages

## Strong sales and improved profitability in a challenging environment

- 8<sup>th</sup> quarter of growth in Branded, driven by pricing
- 7<sup>th</sup> quarter of volume growth and profitability in Pick & mix, despite higher input costs
- Continued rising input costs offset in Q4 primarily through pricing and cost control
- Further pricing gradually effective throughout Q1 2023, given continued inflation
- New greenfield facility project proceeded; union process partially still ongoing
- Strong cash flow and net debt/EBITDA remained well below targeted 2.5x
- Dividend proposal of SEK 1.00 (1.00) per share

**SEK 1.9 bn**  
Net sales

**6.1 %**  
Branded organic  
sales growth

**21.0 %**  
Pick & mix organic  
sales growth



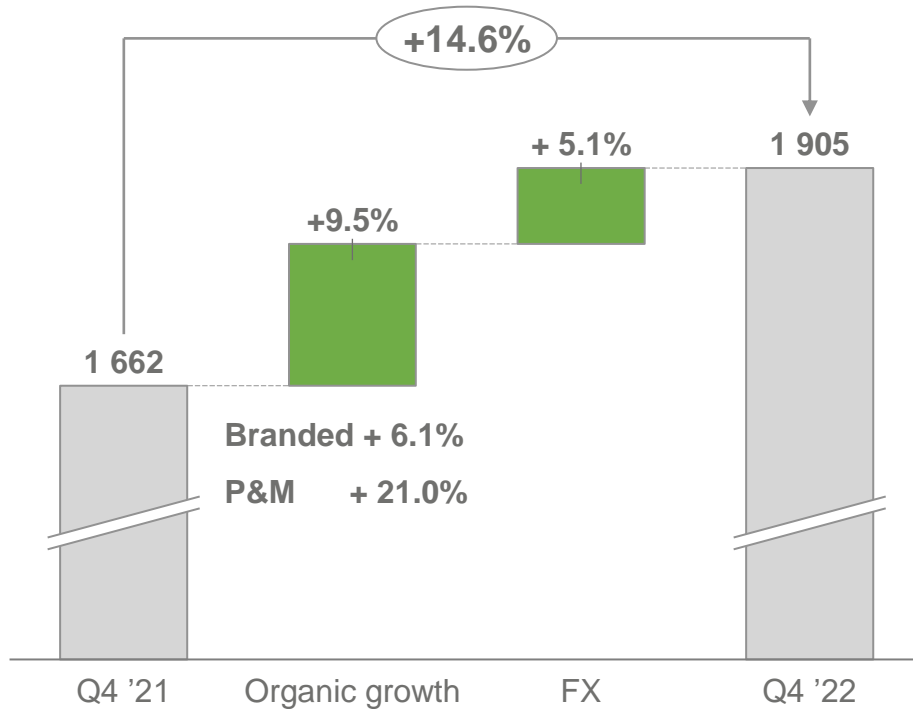
# Financials



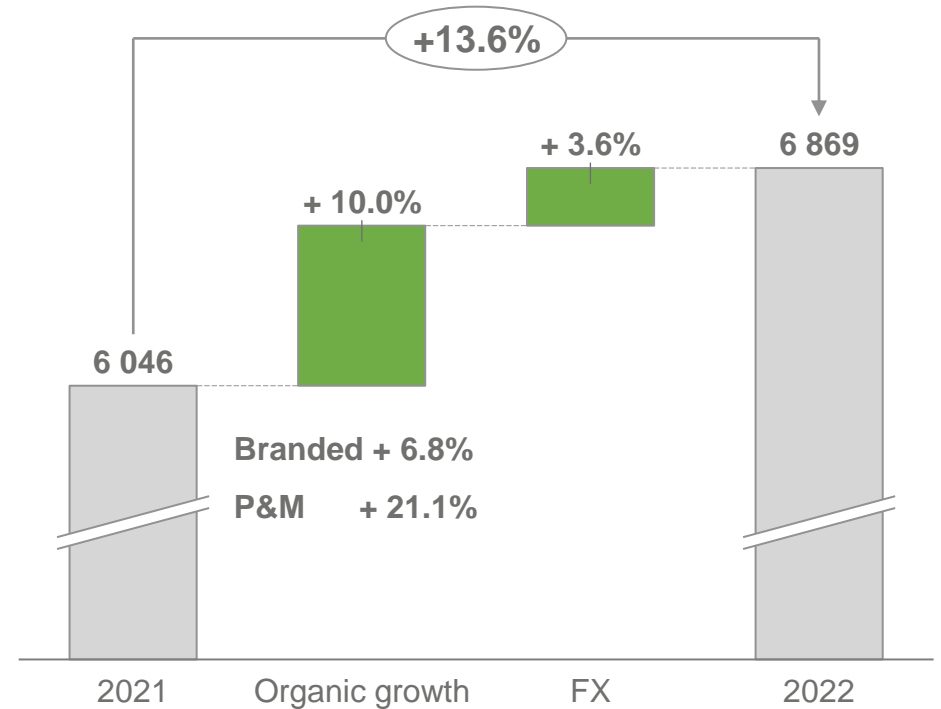
# Net sales

Strong growth across both segments driven by pricing

Fourth quarter

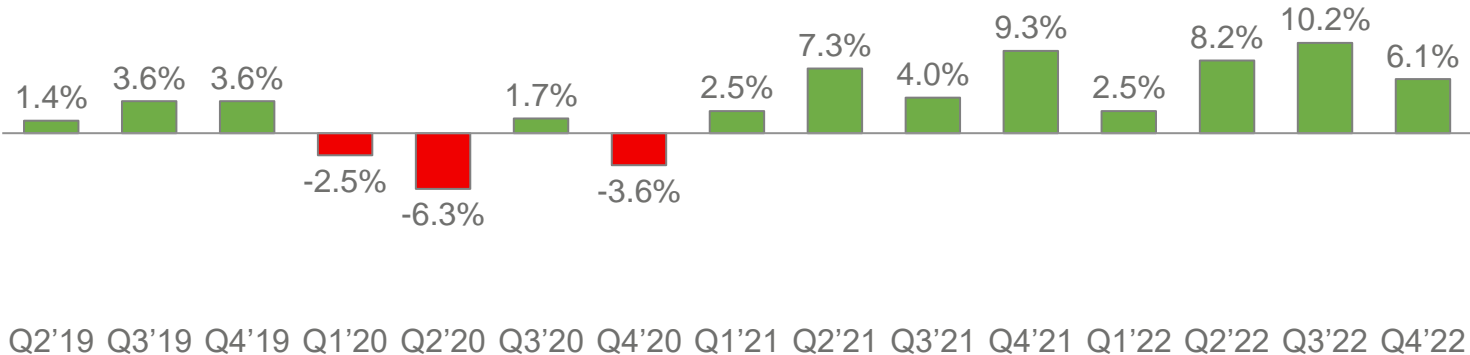
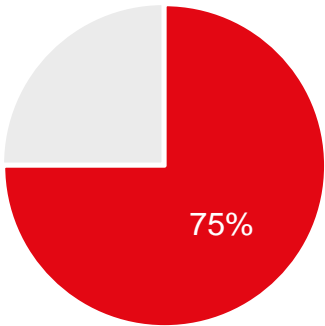


12 months

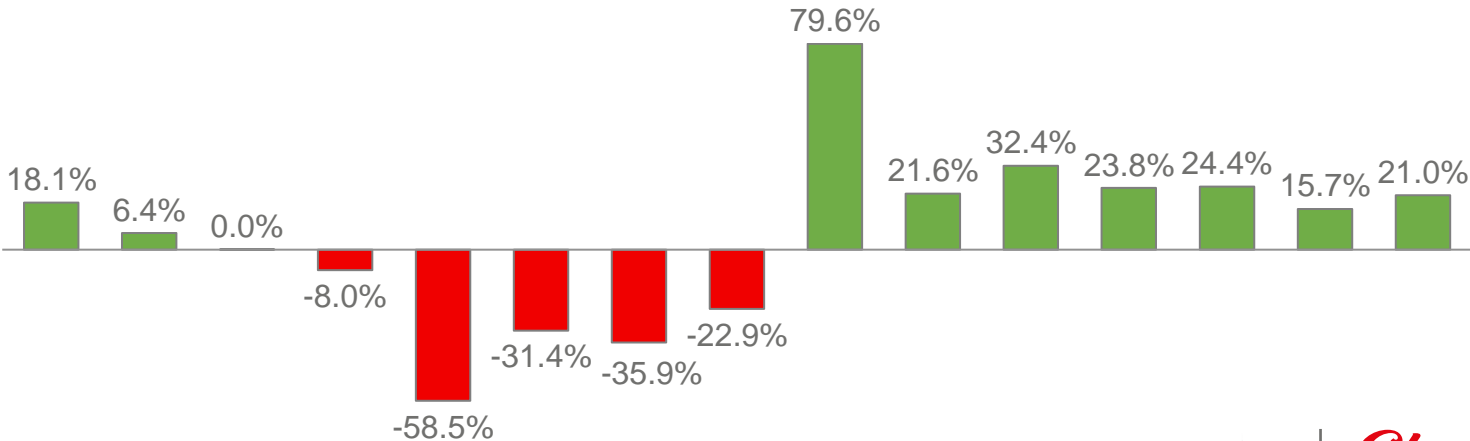
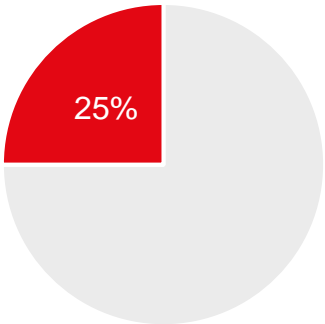


# Sales development

Branded, % of Q4 '22 sales



Pick & mix, % of Q4 '22 sales

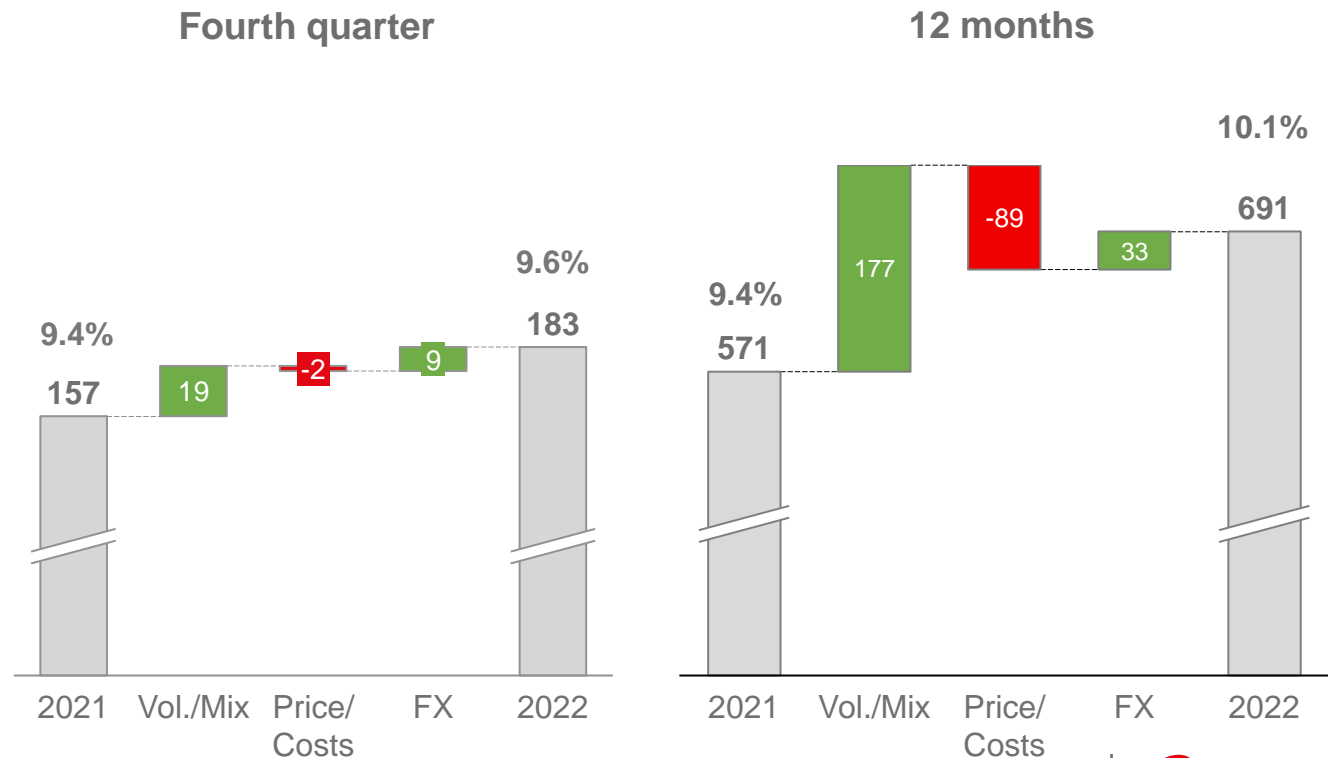


# Operating profit, adjusted

Profitable growth driven by strong pricing and cost control more than offsetting headwinds

- Profit driven by strong pricing and cost control, offsetting input cost inflation.
- High marketing spend in the quarter still below last year.
- Improved margin despite compression from pricing.
- On track with new communicated pricing, gradually effective through Q1 2023 given further cost inflation.

## Operating profit, adjusted

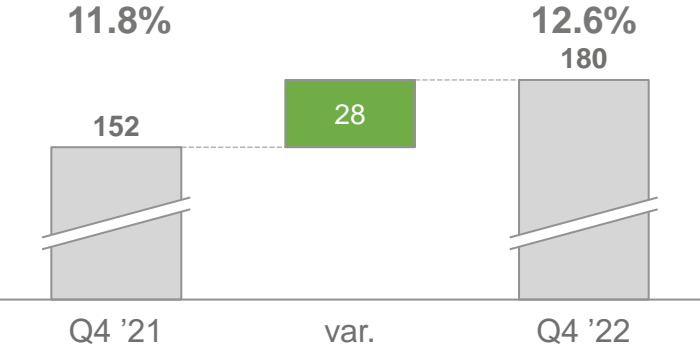


# Operating profit, adjusted by segment

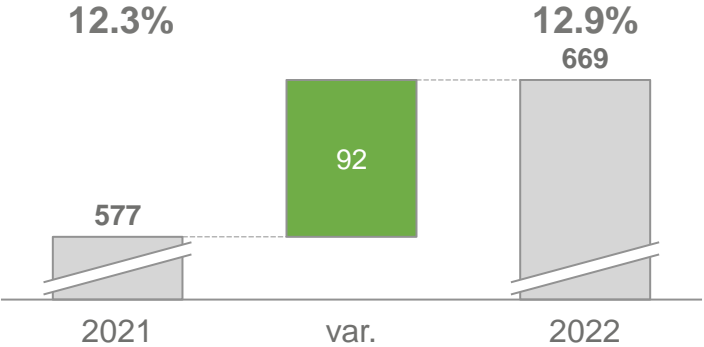
Branded profitability driven by pricing, mix and marketing; P&M remains profitable despite input costs

Fourth quarter

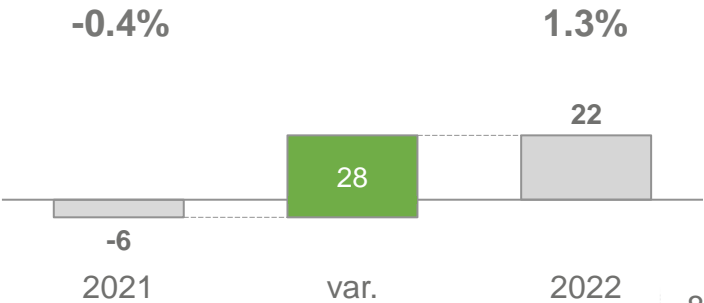
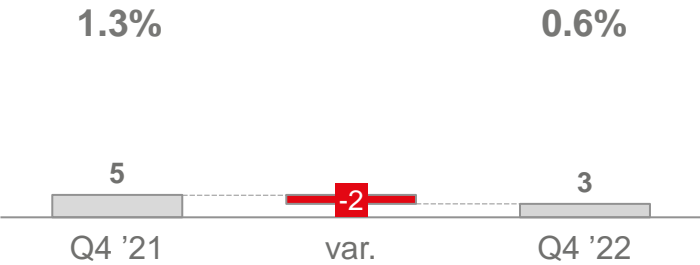
Branded packaged



12 months



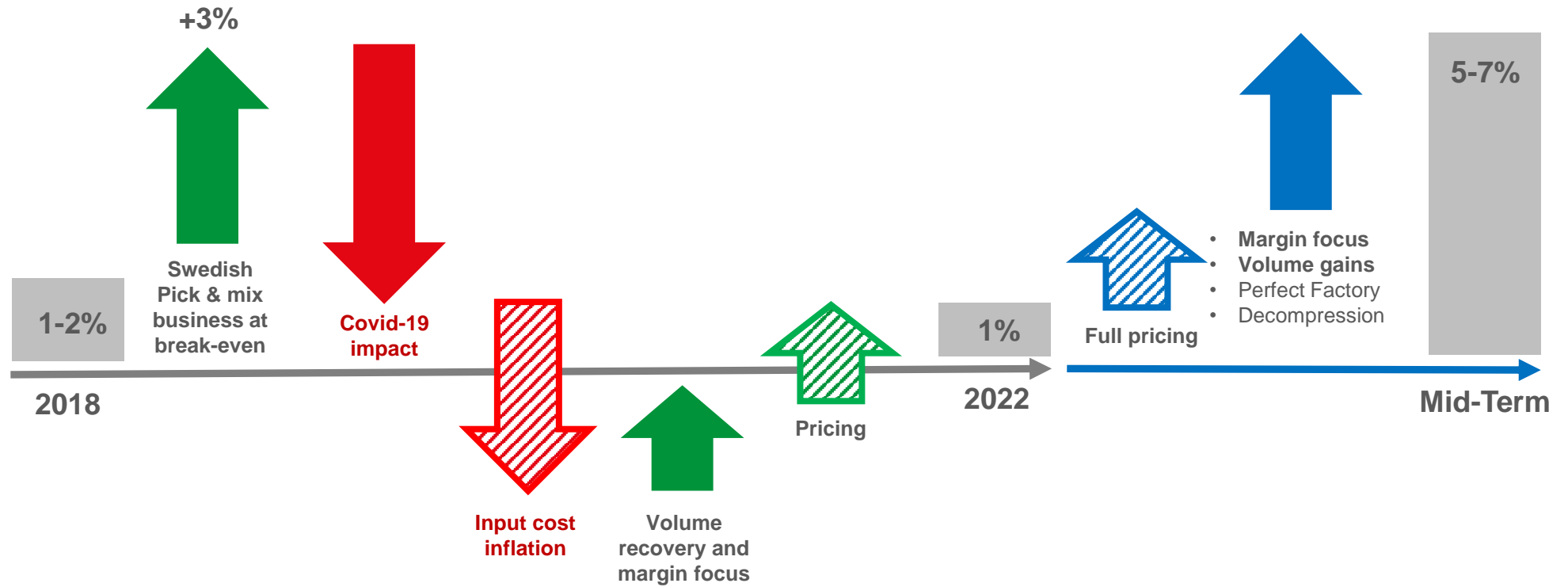
Pick & mix





# P&M to reach EBIT margin of 5-7%

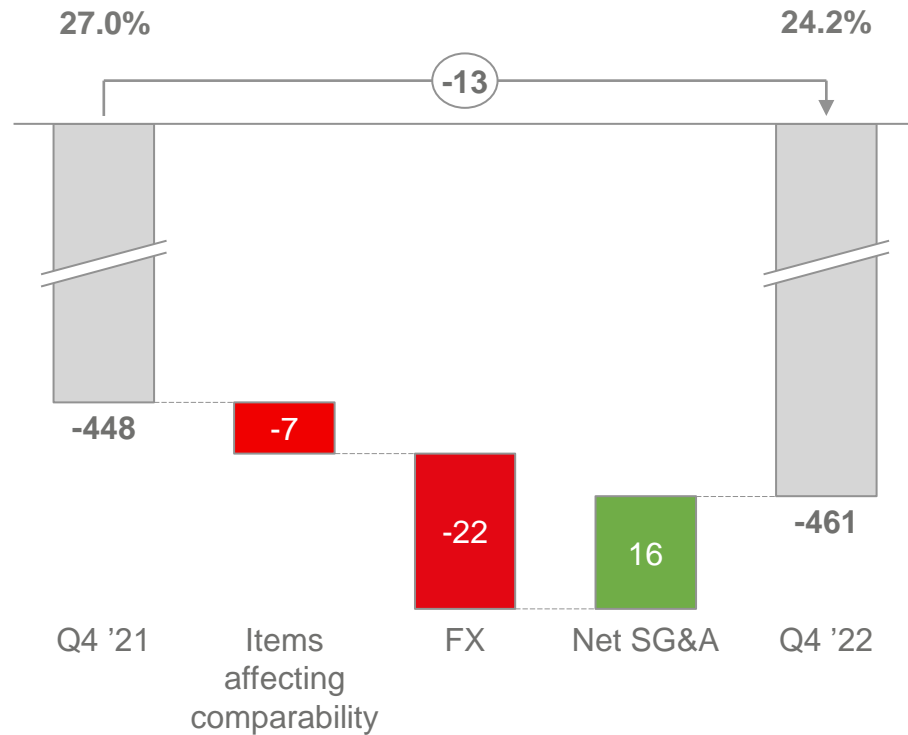
Primarily driven by the effect from full pricing, continued margin-enhancing initiatives and volume



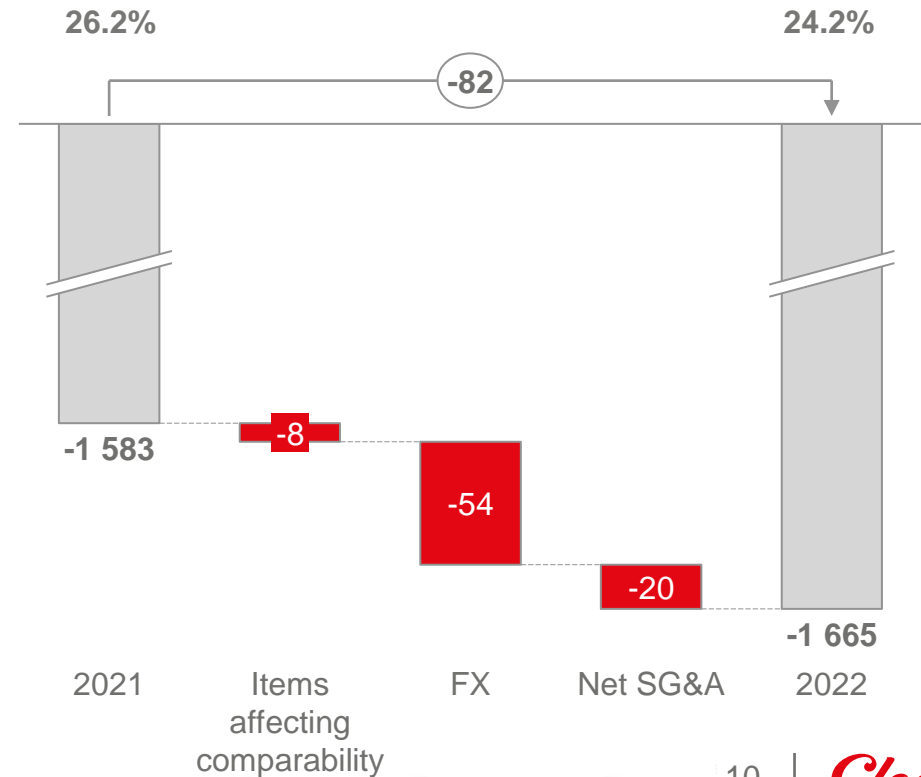
# SG&A

Increase driven by FX as strong cost control and lower marketing more than offset higher merchandising and annual salary increases

## Fourth quarter



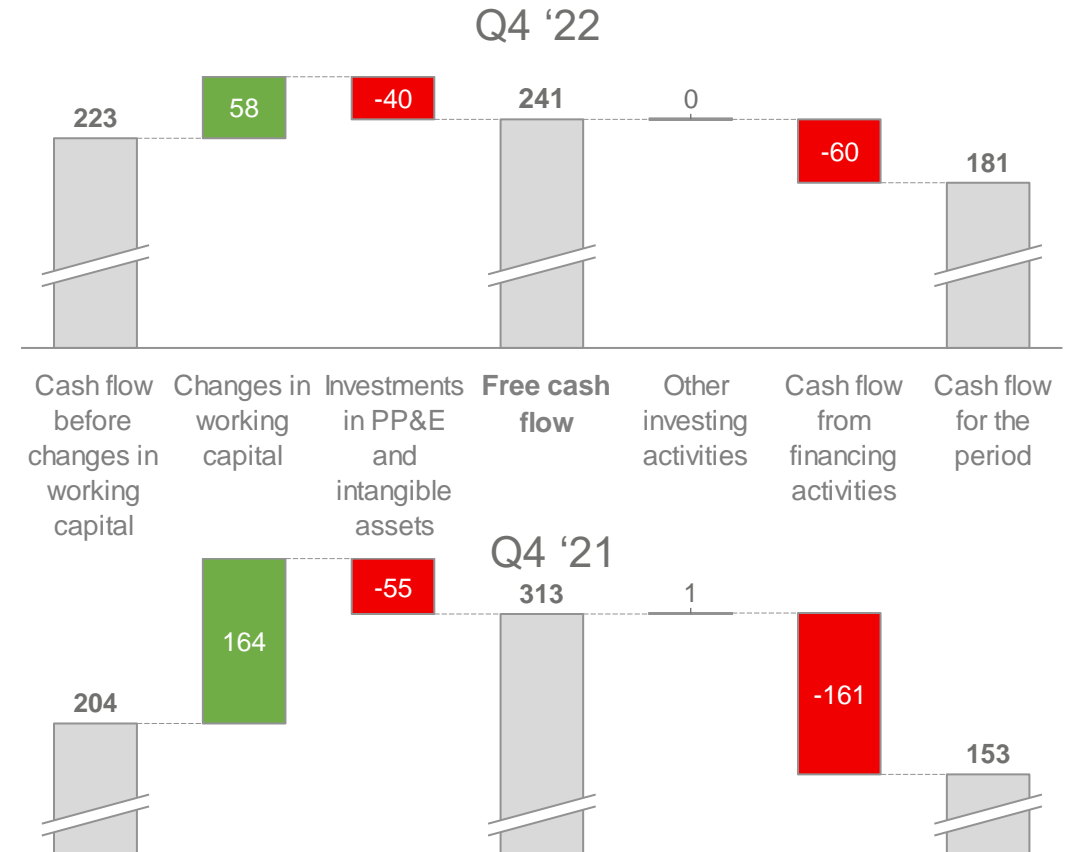
## 12 months



# Cash flow

Healthy free cash flow driven by a stronger operating profit and improved working capital

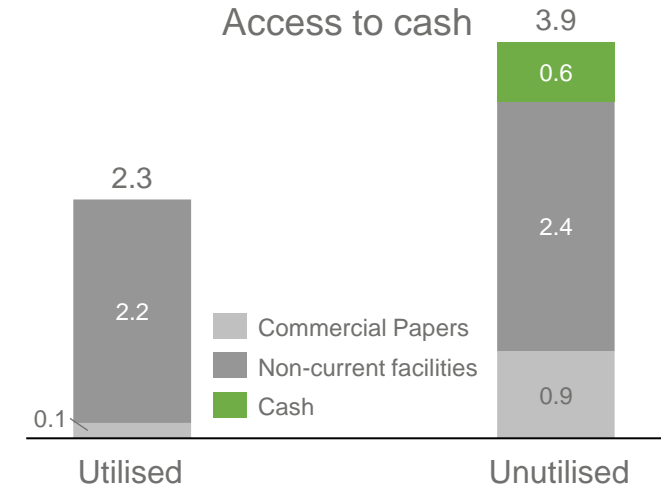
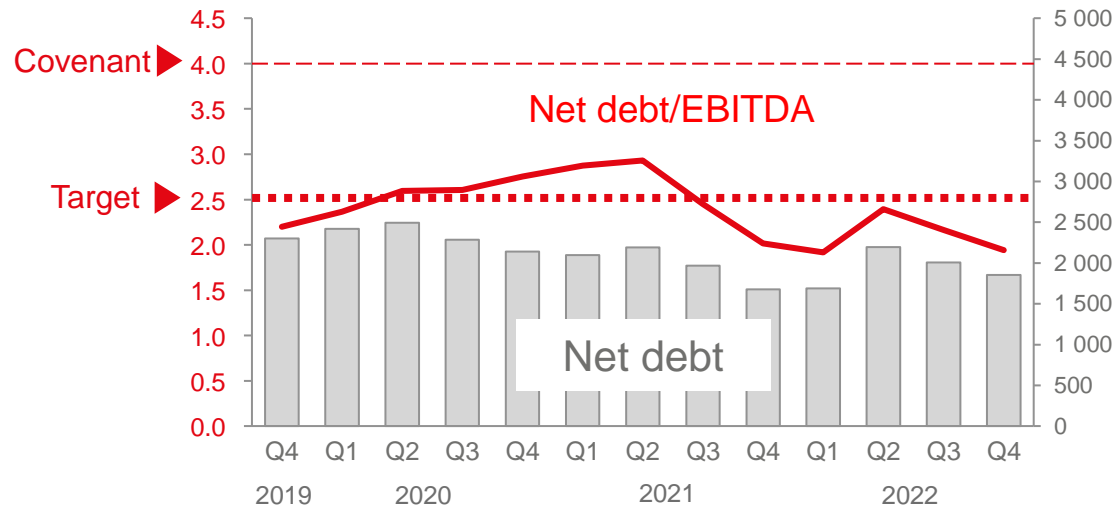
- **Improved working capital** driven by lower receivables partly offset by lower payables, in line with normal seasonal pattern.
- **Full year free cash flow SEK 305m** is lower than last year primarily due to negative impact on working capital from increased input cost and pricing.
- **Cash flow not materially affected by net financial items** as driven by non-cash unrealised exchange differences on cash.



# Financial position

## Continued strong financial position

- Net debt of SEK 1.9bn; slightly higher than last year mainly due to unfavourable revaluation impact
- Leverage at 1.9x; down vs. last year and below long-term target of 2.5x
- Unutilised access to cash of SEK 3.9bn includes SEK 1.8bn newly agreed financing for the greenfield
- Proposed dividend of 1.00 (1.00) per share



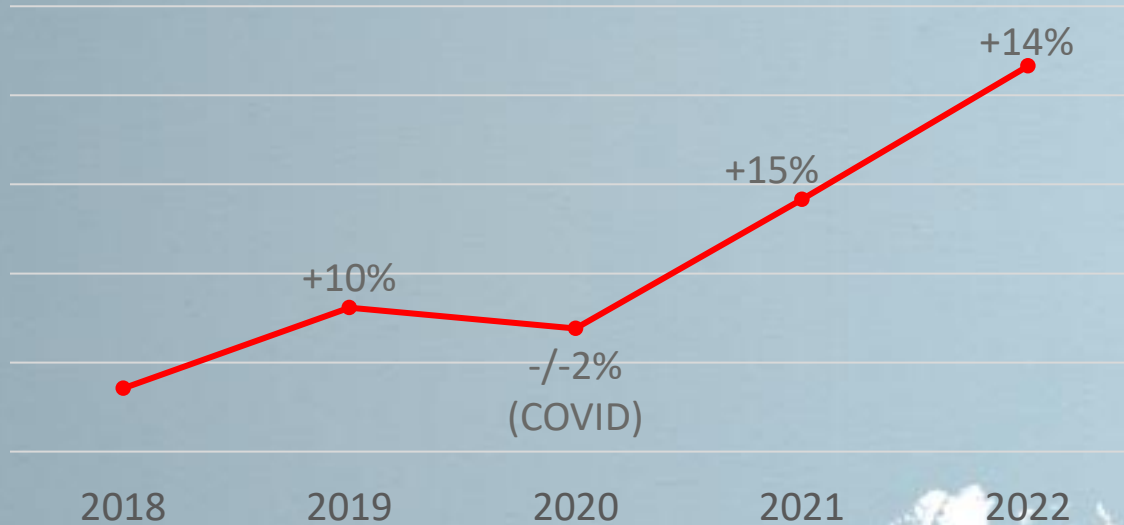
# Strategic update





# Strong growth for strategic brands in International Markets

International Markets Strategic Brands



Top 5 brands



Top regions





# Managing Pick & mix as we manage brands:

## Our category captaincy leads to no. 1 position

### Rema 1000 top 10

1. Pick & mix, CandyKing
2. Cucumber
3. Carrier bags
4. Bananas
5. Novegia F45 SK.FRI
6. Bare bear 0.5L 6-PK 0.5L X6
7. Kvernet Deig Av Storfe 14%
8. Chicken filet, 100g Solvinge
9. Pepsi Max 1.5 PK
10. Prince white 2.0

### Coop Extra top 10

1. Coca Cola
2. Tine low-fat milk
3. Pepsi Max
4. Bananas
5. Tine whole milk
6. Q-milk light
7. Coop sprudle
8. Änglamark low-fat milk
9. Regal wheat milk
10. Cucumber

### Norgesgruppen top 10

1. Bananas
2. Cucumber
3. Diet Coke
4. Coca Cola
5. Low-fat milk 1%, 1L
6. Low-fat milk, 0.5% 1L
7. Clementines
8. Kiwi fruit
9. Evergood classic filtermalt 250g
10. Oranges

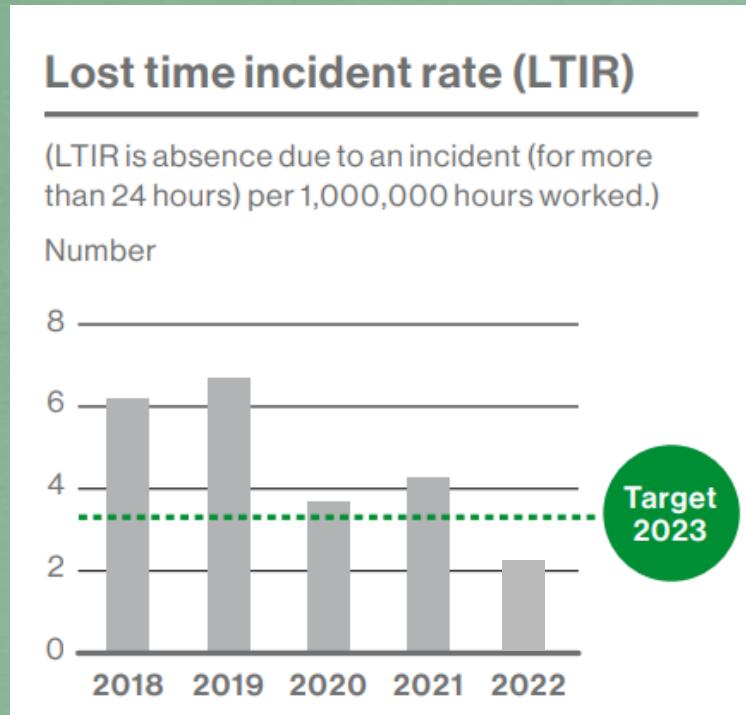
# Updated Responsible Marketing policy



- Consistent with latest legislation in countries in which Cloetta has presence
- Matches the EU Pledge on kids marketing
- Ensures children under 13 years of age are not targeted in advertising

# For You, For People, For the Planet

## Improvement in Lost time incident rate (LTIR) in 2022



- Vision to reach zero LTIR
- Continuous investment in safety infrastructure
- Training to drive risk-averse mindset and safe behavior



# Q & A



*Thank you!*

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*Cloetta*



# Appendix

# Greenfield facility – Pro forma profit and loss Q4

	Q4 2022, reported	Greenfield	Q4 pro forma excl. greenfield	Other items affecting comp.	Q4 2022, adjusted
Net sales	1,905		1,905		1,905
Cost of goods sold	-1,257	-10	-1,247	22	-1,269
<b>Gross profit</b>	<b>648</b>	<b>-10</b>	<b>658</b>	<b>22</b>	<b>636</b>
Selling expenses	-283		-283		-283
General and admin expenses	-178	-4	-174	-4	-170
<b>Operating profit</b>	<b>187</b>	<b>-14</b>	<b>201</b>	<b>18</b>	<b>183</b>
Net financial items	-37		-37		-37
<b>Profit/loss before tax</b>	<b>150</b>	<b>-14</b>	<b>164</b>	<b>18</b>	<b>146</b>
Income tax	-42	3	-44	-4	-41
<b>Profit/loss for the period</b>	<b>108</b>	<b>-11</b>	<b>119</b>	<b>14</b>	<b>105</b>
<i>Gross margin</i>	34.0%		34.5%		33.4%
<i>Operating profit margin</i>	9.8%		10.6%		9.6%
<i>Effective tax rate</i>	28.0%		27.4%		28.2%

# Greenfield facility – Pro forma profit and loss FY

	Full Year 2022, reported	Greenfield	Full Year pro forma excl. greenfield	Other items affecting comp.	Full Year 2022, adjusted
Net sales	6,869		6,869		6,869
Cost of goods sold	-4,738	-234	-4,504	24	-4,528
<b>Gross profit</b>	<b>2,131</b>	<b>-234</b>	<b>2,365</b>	<b>24</b>	<b>2,341</b>
Selling expenses	-1,009		-1,009	-4	-1,005
General and admin expenses	-656	-7	-649	-4	-645
<b>Operating profit</b>	<b>466</b>	<b>-241</b>	<b>707</b>	<b>16</b>	<b>691</b>
Net financial items	-123		-123		-123
<b>Profit/loss before tax</b>	<b>343</b>	<b>-241</b>	<b>584</b>	<b>16</b>	<b>568</b>
Income tax	-68	60	-128	-4	-124
<b>Profit/loss for the period</b>	<b>275</b>	<b>-181</b>	<b>456</b>	<b>12</b>	<b>444</b>
<i>Gross margin</i>	31.0%		34.4%		34.1%
<i>Operating profit margin</i>	6.8%		10.3%		10.1%
<i>Effective tax rate</i>	19.8%		21.9%		21.8%

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