

# Cloutier

*Q1* 2023 results  
26 April 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

Very strong and profitable growth, further supported by the earlier Easter

- Strong growth in Branded, driven by pricing enabled by strategic marketing investments
- 8<sup>th</sup> quarter of volume growth in Pick & mix, generating cost efficiencies and improved profitability
- Pricing corresponds to absolute input costs; improved profit driven by mix, volumes and cost efficiencies
- New greenfield facility project proceeded; design work finalised and initial permits process shortened
- Regulatory process longer than estimated; major greenfield investments expected in 2024 instead of 2023
- Net debt/EBITDA kept well below targeted 2.5x

**SEK 2.0 bn**  
Net sales

**20.5 %**  
Branded organic  
sales growth

**32.7 %**  
Pick & mix organic  
sales growth

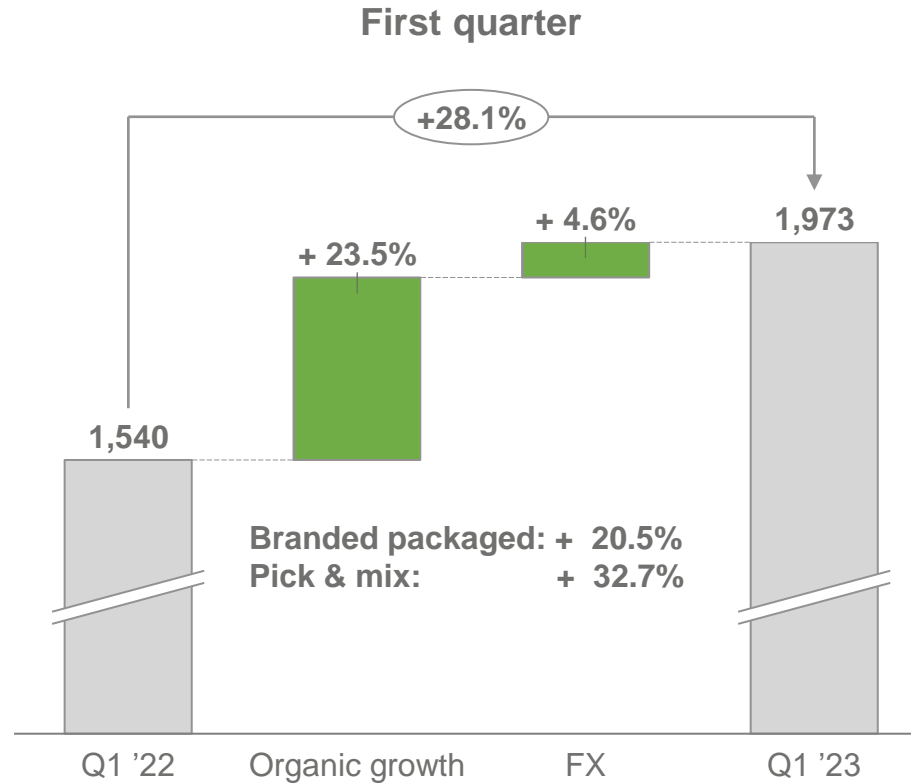


# Financials



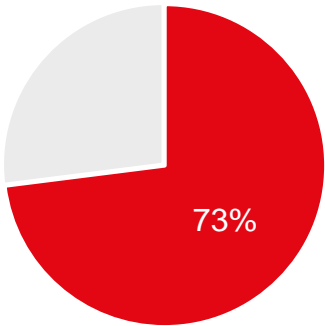
# Net sales

Strong sales primarily driven by well executed pricing to offset input cost in both segments

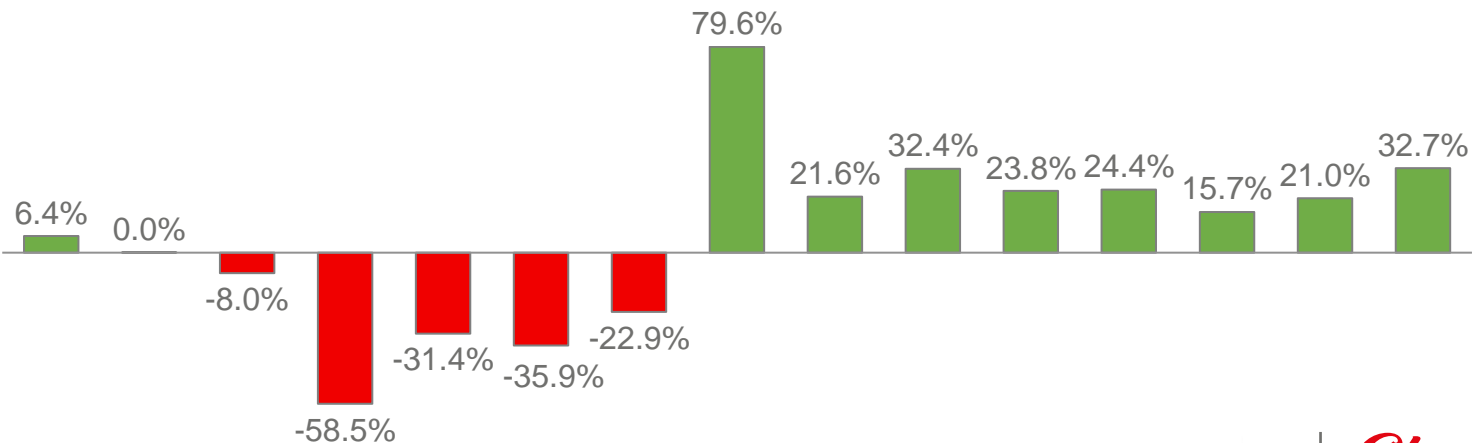
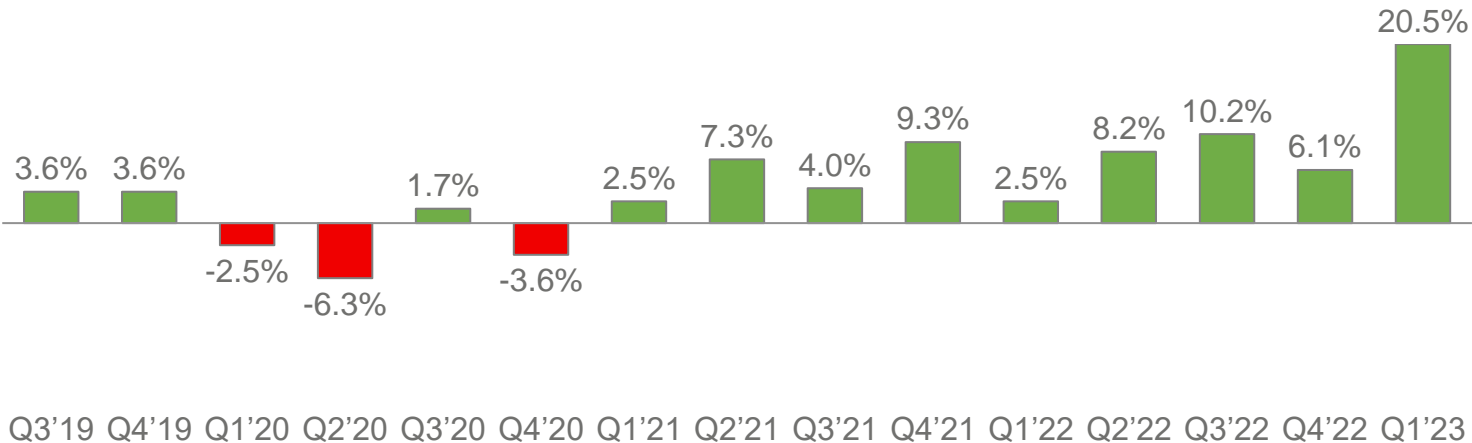
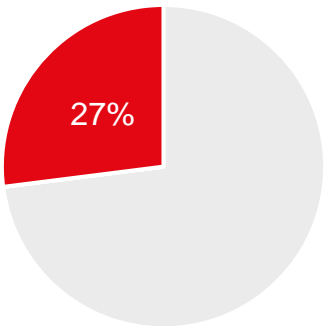


# Sales development

Branded, % of Q1 '23 sales



Pick & mix, % of Q1 '23 sales



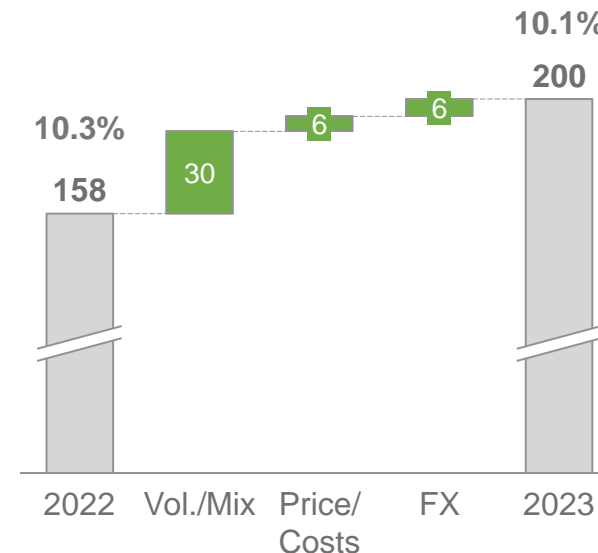
# Operating profit, adjusted

Improved profit from growing volumes, favorable mix and cost efficiencies

- **Significant pricing implemented in Q1** offsets higher input cost
- **Improved profit** driven by Pick & mix volumes, favorable mix in the Branded packaged segment, and cost efficiencies offsetting salary increases
- **Margin compressed** as the pricing offsets higher cost but does not generate incremental profit

## Operating profit, adjusted

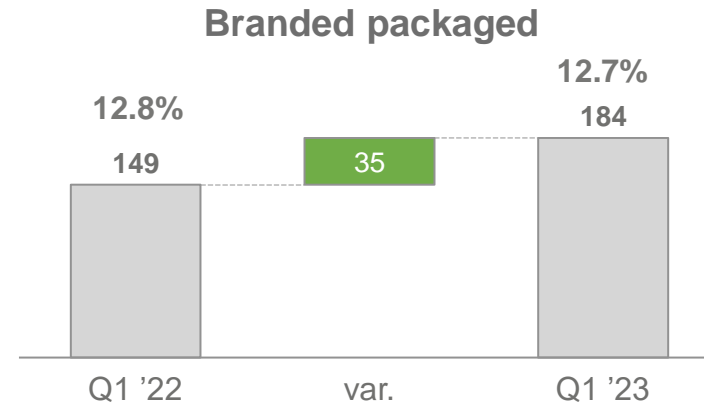
First quarter



# Operating profit, adjusted by segment

Branded profit driven by mix and efficiencies; Pick & mix driven by volumes and efficiencies

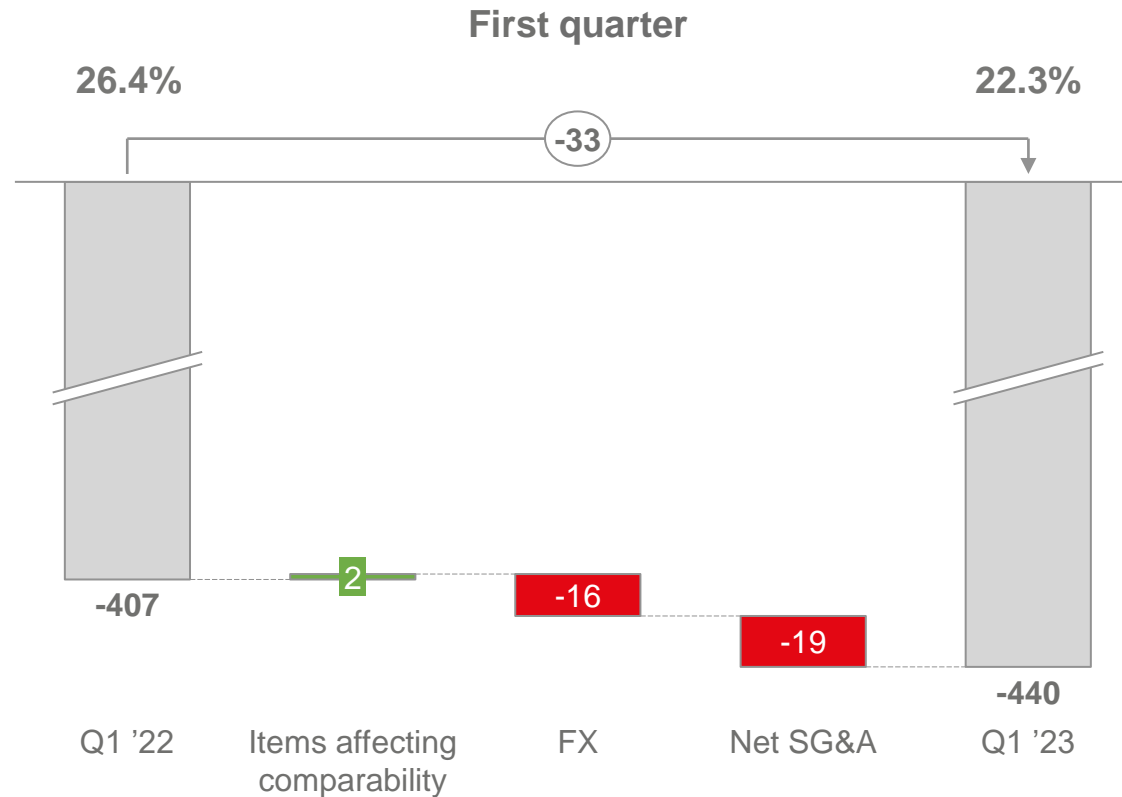
- **Branded packaged mix** driven by strong performance from pastilles and gum as well as favorable geographical mix
- **Volume growth in Pick & mix**, aided by earlier Easter, drives supply chain efficiencies benefitting both segments
- **Pick & mix delivering 8th consecutive profitable quarter** with continued margin improvement





# SG&A

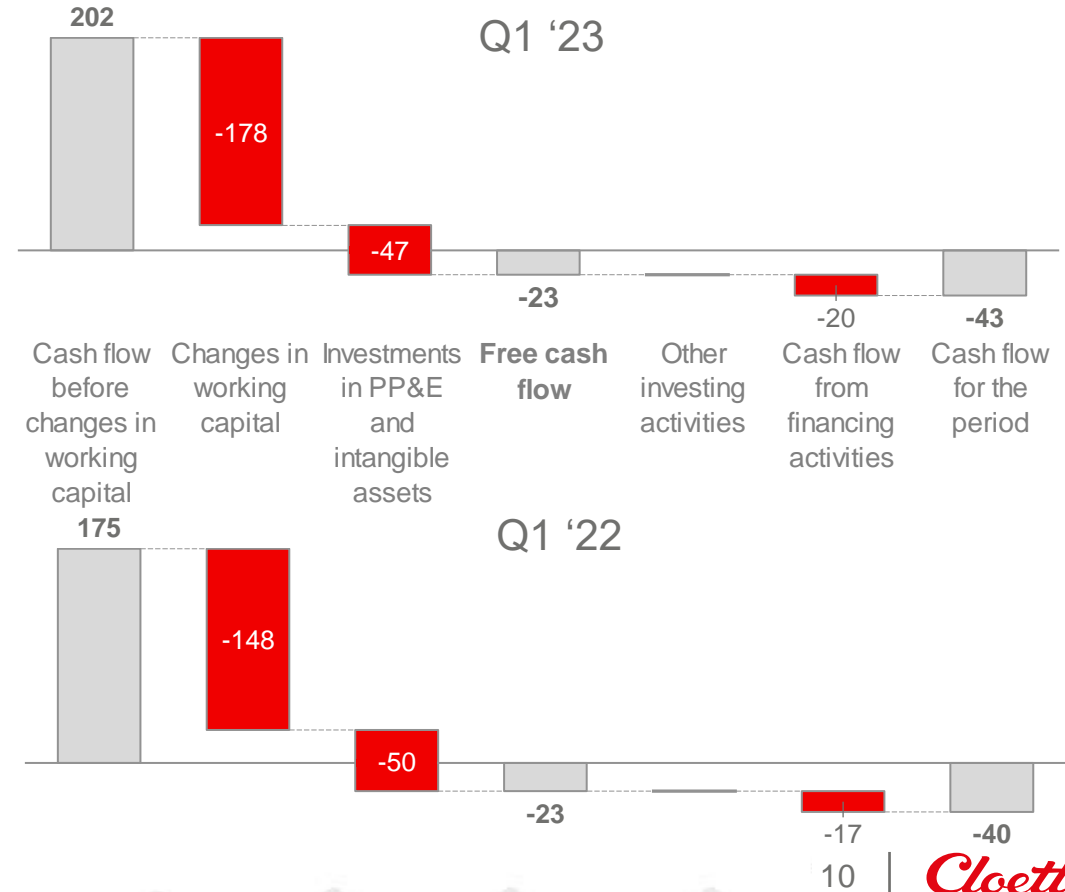
Cost driven by annual salary increases across all markets and merchandising to drive Pick & mix volumes



# Cash flow

Negative effect on working capital due to higher input cost offset by stronger profit

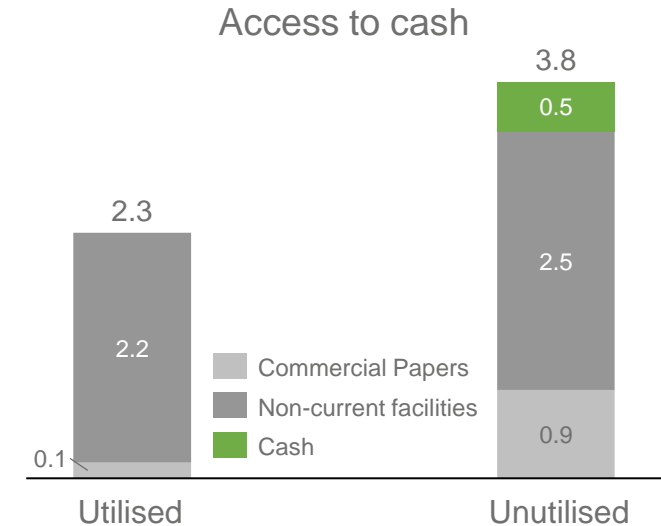
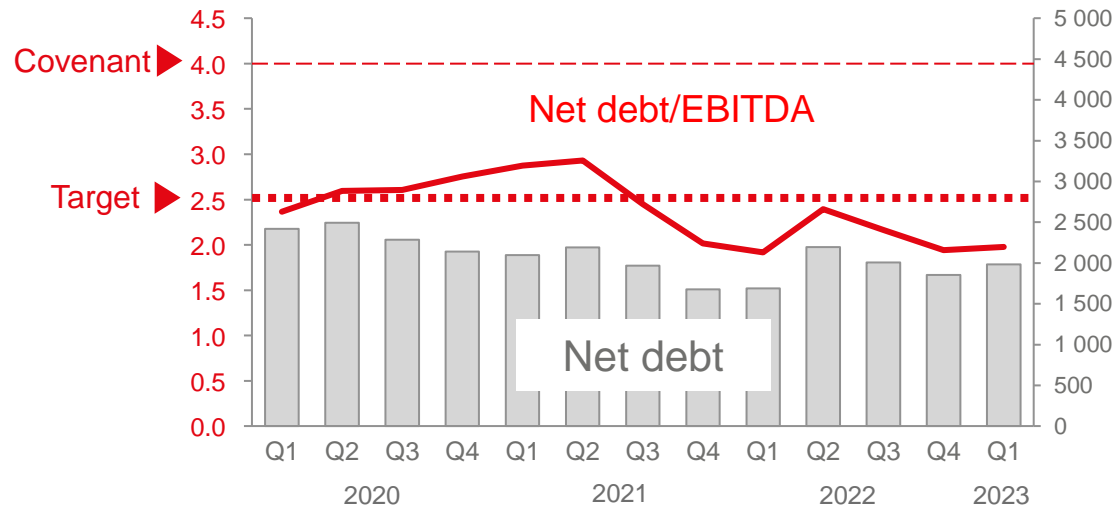
- **Normal seasonal pattern** of increase in working capital, exacerbated by the effect of higher input cost: Higher input cost drives inventory values and pricing to offset those costs drives higher receivables
- **Cash flow not materially affected by net financial items** as driven by unrealised exchange differences



# Financial position

## Continued strong financial position

- Net debt not exceeding SEK 2.0bn despite unfavourable revaluation impact
- Leverage at 2.0x remains well below long-term target of 2.5x
- Unutilised access to cash of SEK 3.8bn



# Strategic update



# Sharper brand platform

Design and portfolio growing in strategic and complimentary channels

SHARPER BRAND PLATFORM,  
DESIGN & PORTFOLIO



ACCELERATING AMAZON (US)



Strong development, leveraging Easter to establish brand. Focus on gifting and larger pack formats.



EXPANDING TRAVEL RETAIL

Growing distribution at new and existing partners





# Focus on growing core brands

Effectively serving undamped consumer appetite for news

## Trial through Triple Treat Big Pack

Unique mix of 3 fruity top sellers:  
Raspberry Licorice, Strawberry Lime, Lemon



Exciting the young!  
TOP growth with Consumer 18-35 years

#1 fastest growing sku in Pastilles  
Nielsen March

## Accelerating refreshment recovery

**Mynthon**  
Zipmint Raspberry

Fruity raspberry flavor. Designed in impactful pink.



TOP 1 Pastille on Market with 5% SOM  
Kesko w 15

## The next favourite flavor is out!

NEW Tupla Banana with impactful yellow design

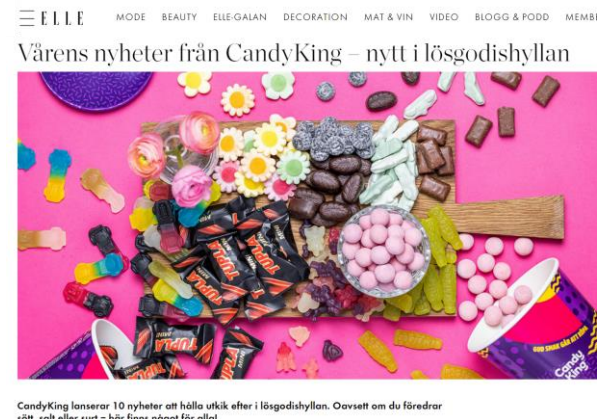


SOM 10 %!  
Kesko w 15

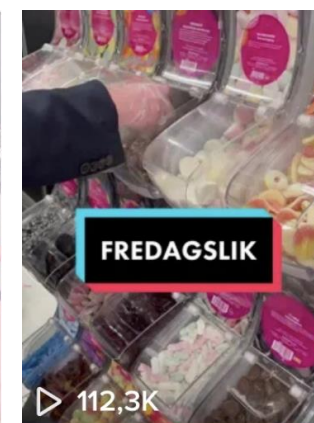


TOP 1 countline on the market

# Building CandyKing as a Brand



- Top-tier consumer media placements generated during Q1
- Our social media keeps building on the success from 2022
- CandyKingSE on TikTok is one of the largest corporate confectionary TikTok accounts in Sweden
- ~8m views on CandyKing TikTok in Q1 only





# Design work for the new greenfield finalised





# Q & A

*Thank you!*

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*Cloetta*





# Appendix

# Greenfield facility – Pro forma profit and loss Q1

	Q1 2023, reported	Greenfield	Q1 pro forma excl. greenfield	Other items affecting comp.	Q1 2023, adjusted
Net sales	1,973		1,973		1,973
Cost of goods sold	-1,355	-20	-1,335		-1,335
<b>Gross profit</b>	<b>618</b>	<b>-20</b>	<b>638</b>		<b>638</b>
Selling expenses	-258		-258		-258
General and admin expenses	-182	-2	-180		-180
<b>Operating profit</b>	<b>178</b>	<b>-22</b>	<b>200</b>		<b>200</b>
Net financial items	-87		-87		-87
<b>Profit/loss before tax</b>	<b>91</b>	<b>-22</b>	<b>113</b>		<b>113</b>
Income tax	-26	5	-31		-31
<b>Profit/loss for the period</b>	<b>65</b>	<b>-17</b>	<b>82</b>		<b>82</b>
<i>Gross margin</i>	31.3%		32.3%		32.3%
<i>Operating profit margin</i>	9.0%		10.1%		10.1%
<i>Effective tax rate</i>	28.6%		27.4%		27.4%

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