



Q2 2014 results – 18 July 2014

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Q2 highlights

Continued sales growth and improved operating profit

- Net sales of SEK 1,238m (1,131)
- Underlying EBIT of SEK 110m (109)
- Items affecting comparability of SEK -24m (-55)
- Operating profit (EBIT) of SEK 85 (54)
- Cash flow from operating activities was SEK 44m (-23)
- Acquisition of Aran Candy Ltd. on 28 May
- Net debt/underlying EBITDA 4.6x (4.6)

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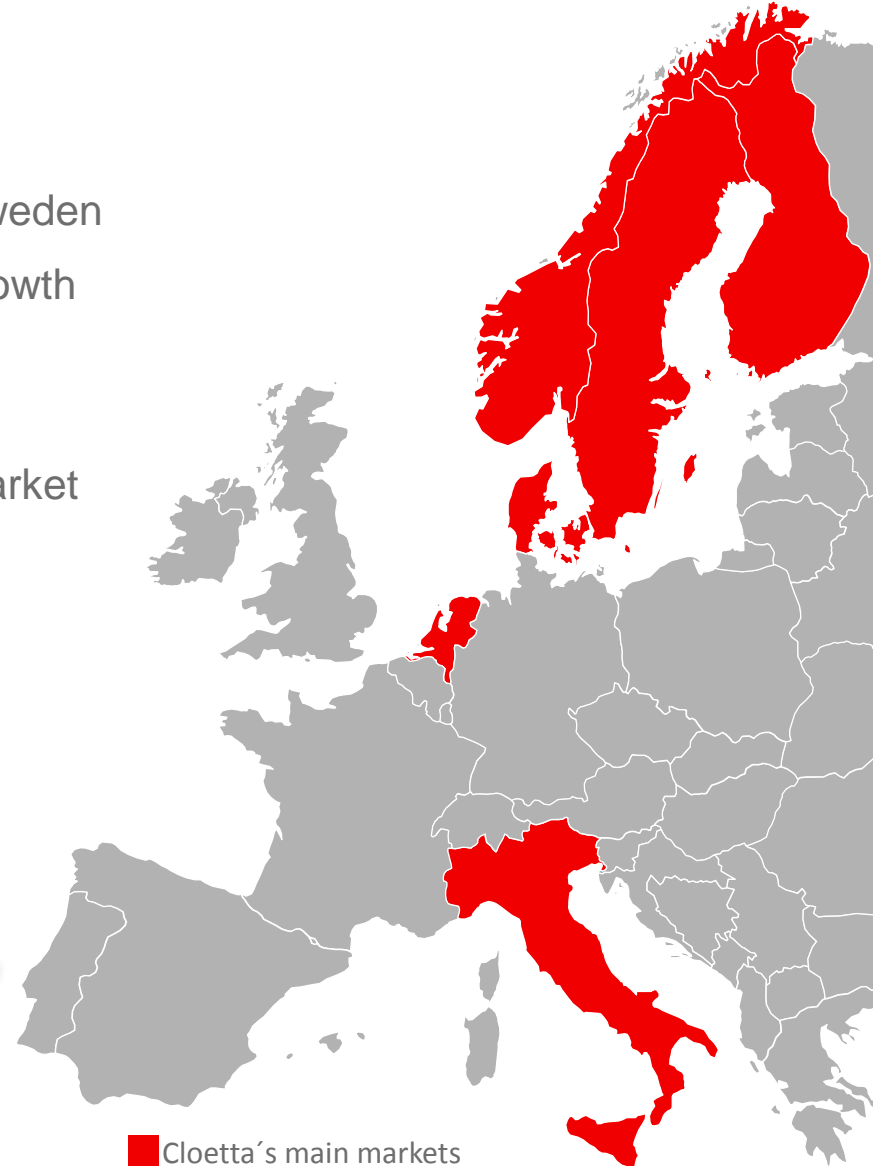



Overall market and sales development

Sales growth of 9.5 per cent

- Flat to slightly negative markets, except Sweden
- Fourth consecutive quarter with organic growth
- Sales growth in all markets, except Italy
Decline of contract manufacturing
- Sales decline in Italy primarily driven by market decline
- Market shares grew in most markets

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 Cloetta's main markets

Q2 Net sales and EBIT

SEKm	Apr-Jun 2014	Margin %	Change %	Apr-Jun 2013	Margin %
Net sales	1,238		9.5 ²⁾	1,131	
Underlying EBIT ¹⁾	110	9.4	0.9	109	9.6
Operating profit (EBIT)	85	6.9	57.4	54	4.7
Profit for the period	9		n/a	-44	

1) Based on constant exchange rates and the current Group structure, excluding acquisition of Nutisal and The Jelly Bean Factory and items affecting comparability related to restructurings.

2) Organic growth at constant exchange rates and comparable units 2.2% for the quarter.

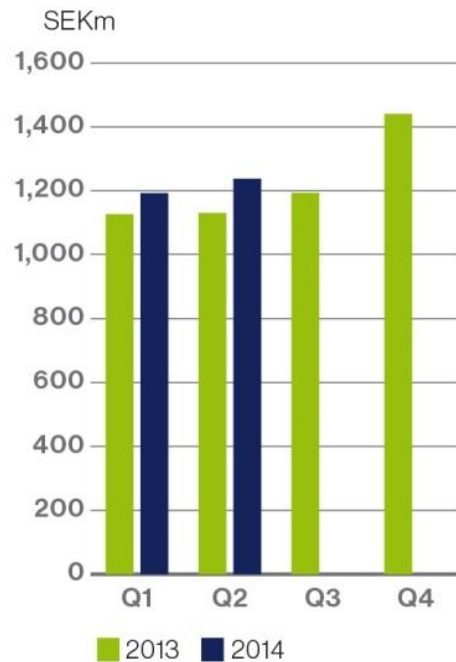
Changes in net sales, %	Apr-Jun 2014
Total	9.5%
Changes in exchange rates	3.7%
Structural changes	3.6%
Organic growth	2.2%

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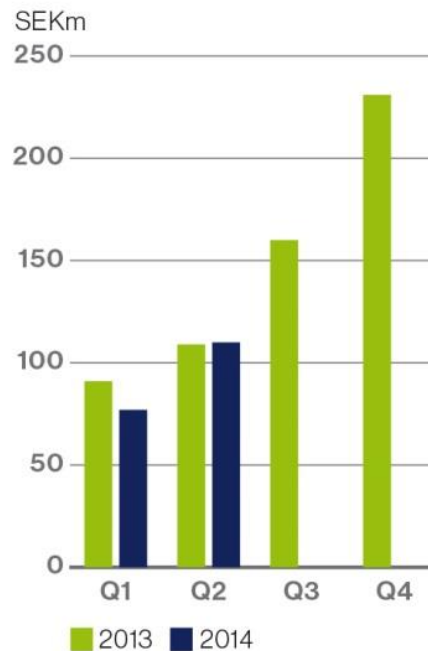


Net Sales, Underlying EBIT and Cash Flow

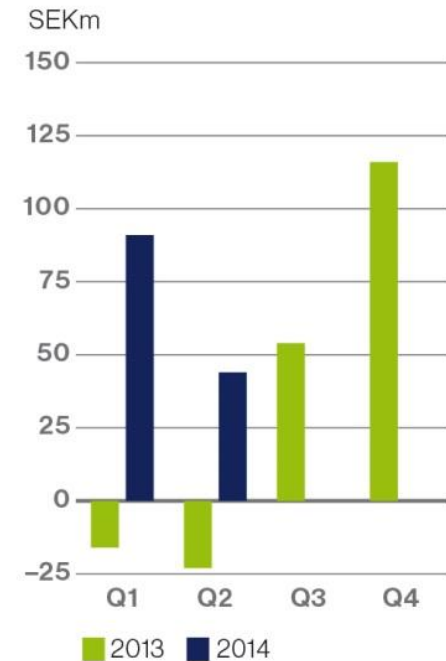
NET SALES



UNDERLYING EBIT



CASH-FLOW FROM OPERATING ACTIVITIES



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Q2 Cash Flow

SEKm	Apr-Jun 2014	Apr-Jun 2013
Cash flow from operating activities before changes in working capital	74	24
Cash flow from changes in working capital	-30	-47
Cash flow from operating activities	44	-23
Cash flows from investments in property, plant and equipment and intangible assets	-44	-54
Other cash flow from investing activities	-71	-25
Cash flow from investing activities	-115	-79
Cash flow from operating and investing activities	-71	-102

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Factory restructuring program essentially completed

- Gävle factory was closed in December, 2013. Property has now been sold
- Ramp-up of production in Levice and Ljungsbro more or less completed. Production now at same volume as Gävle had before its closure
- Production of Tupla chocolate started in Ljungsbro, expected to be entirely insourced during Q3 2014
- Savings will be fully realised towards the end of 2014



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Acquisition of The Jelly Bean Factory

Supports profitable growth

- Premium product with great taste
- Solid growth over the last 5 years
- Attractive EBIT-margin
- The product proposition fits Cloetta's core offering within the sugar confectionery category
- Significantly strengthens Cloetta's position in the UK
- Over time, potential to expand into Cloetta's core markets
- One dedicated production facility located in Dublin

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New Pick & Mix concept to Coop

Contributes to profitable growth

- Cloetta will provide Coop Sweden with a new Pick & Mix concept beginning in 2015
 - Handling of product range, racks and merchandising
 - Also a concept for natural snacking, for example nuts
- Cloetta can utilize a wide range of products and technologies from several markets and factories
- Cloetta has experience from the entire value chain; production, logistics, planogram and promotional activities to drive growth
- Pick & Mix accounts for 30% of volume of total market in Sweden
- Cloetta has experience from the concept in Finland (Karkkikatu)

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In focus

Profitable growth

Finalise factory
restructurings

Integration and
acceleration of
Nutisal and The
Jelly Bean Factory



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Q2 selection of product launches



Ahlgrens bilar
Glassbilar
Launched in Sweden and Norway.



Polly
Polly Goes Bananas
Launched in Sweden.



Cloetta
Crispy Toffelnut, Crispy Jogood and Crispy Chocowoffel.
Launched in Finland.



Plopp
Kaktus Päron
Launched in Sweden.



Center
Salmiak
Launched in Norway.



Malaco
Gott & blandat Söta klassiker
Launched in Sweden.



Gott & blandat Salt
Launched in Norway.



TV Mix Comedy and TV Mix Crime
Launched in Finland.



Goody Good Stuff
Candy free from gluten, lactose, gelatine and nuts, made with natural colours and flavours.
Launched in Sweden and the Netherlands.

Jenkki
Lemon-lime and Raspberry
Launched in Finland.



Läkerol
Frutiinho and Lakrição
Launched in Sweden and Norway.

Q&A

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