

Loetta

Q4 2014 results – 13 February 2015

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Q4 highlights

Increased sales, improved operating profit (EBIT) and very strong cash flow

- **Net sales** for the quarter increased by 9.6 per cent to SEK 1,579m (1,441), including a positive impact from foreign exchange rates of 3.1 per cent.
- **Operating profit** was SEK 262m (175)
- **Underlying EBIT** was SEK 244m (231)
- **Cash flow from operating activities** was SEK 290m (116)
- **Net debt/EBITDA** was 3.97x (4.19). In the quarter, loans of SEK 34m were repaid.
- **No dividend** payout proposed for the year in line with financial strategy to reduce net debt.

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Overall market and sales development

Sales growth of 9.6 per cent

- Flat to slightly positive total market developments, except Finland and Denmark
- Organic growth +1.7 per cent for the quarter
- Particularly strong sales trend in Denmark
- Sales grew or remained flat in all markets, except Italy, Germany and the UK
- Decline in sales and weak market conditions in Italy makes it necessary to adapt the Italian organisation
- Sales of nuts under Nutisal brand grew, while sales of contract manufacturing decreased substantially

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■ Cloetta's main markets

Net sales and EBIT

| SEKm | Oct-Dec 2014 | Margin % | Change % | Oct-Dec 2013 | Margin % | Full year 2014 | Full year 2013 |
|-------------------------------|-----------------|-------------|-------------------|-----------------|-------------|-------------------|-------------------|
| Net sales | 1,579 | | 9.6 ²⁾ | 1,441 | | 5,313 | 4,893 |
| Underlying EBIT ¹⁾ | 244 | 16.8 | 5.6 | 231 | 16.1 | 609 | 591 |
| Operating profit (EBIT) | 262 | 16.6 | 49.7 | 175 | 12.1 | 577 | 418 |
| Profit for the period | 158 | | -15.1 | 186 | | 242 | 264 |

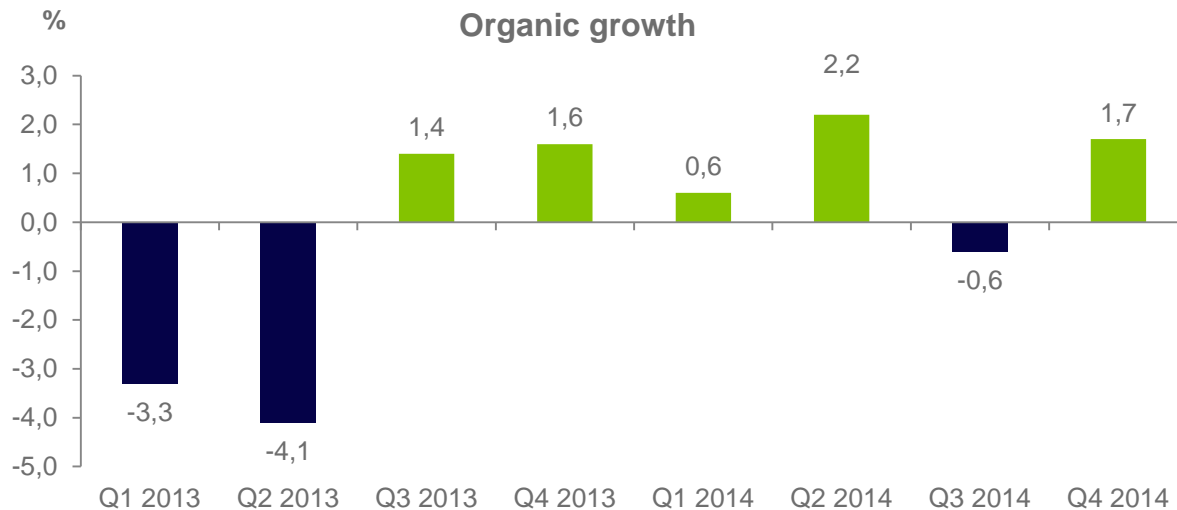
- 1) Based on constant exchange rates and current group structure, excluding acquisitions and items affecting comparability related to restructurings.
 2) Organic growth at constant exchange rates and comparable units 1.7 per cent for the quarter.

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Changes in Net sales

| Changes in net sales, % | Oct-Dec 2014 | Oct-Dec 2013 | Full year 2014 | Full year 2013 |
|---------------------------|--------------|--------------|----------------|----------------|
| Organic growth | 1.7% | 1.6% | 1.0% | -1.0% |
| Structural changes | 4.8% | 0.0% | 4.3% | 2.1% |
| Changes in exchange rates | 3.1% | 1.0% | 3.3% | -0.4% |
| Total | 9.6% | 2.6% | 8.6% | 0.7% |

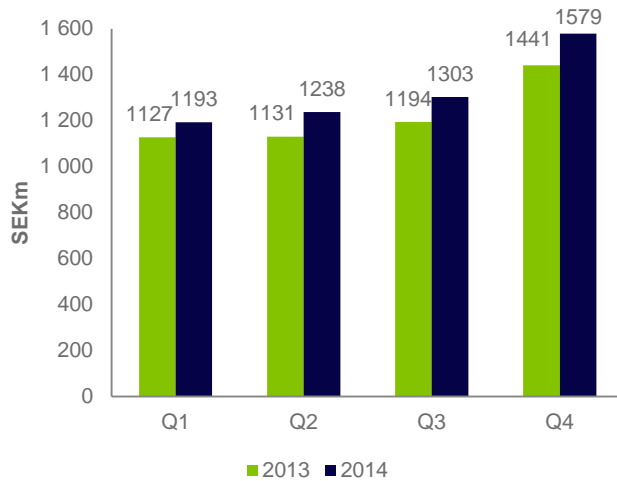


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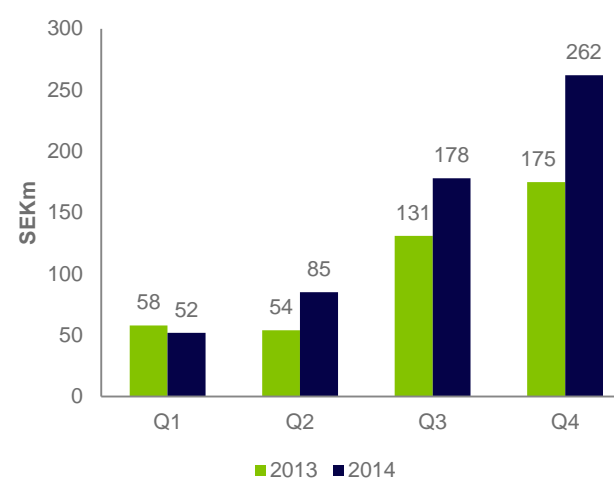


Net Sales, Operating profit and Underlying EBIT

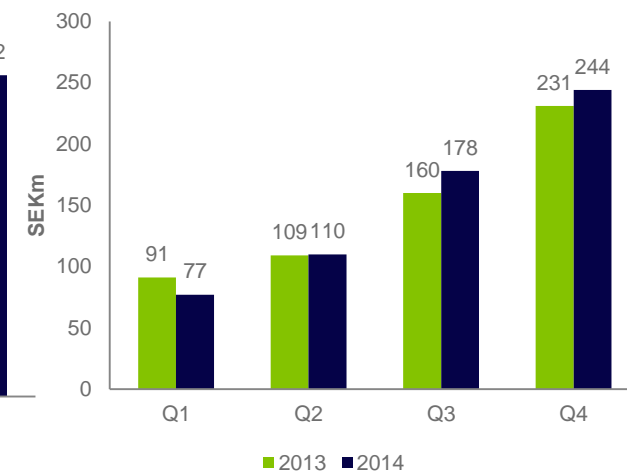
Net sales



Operating profit



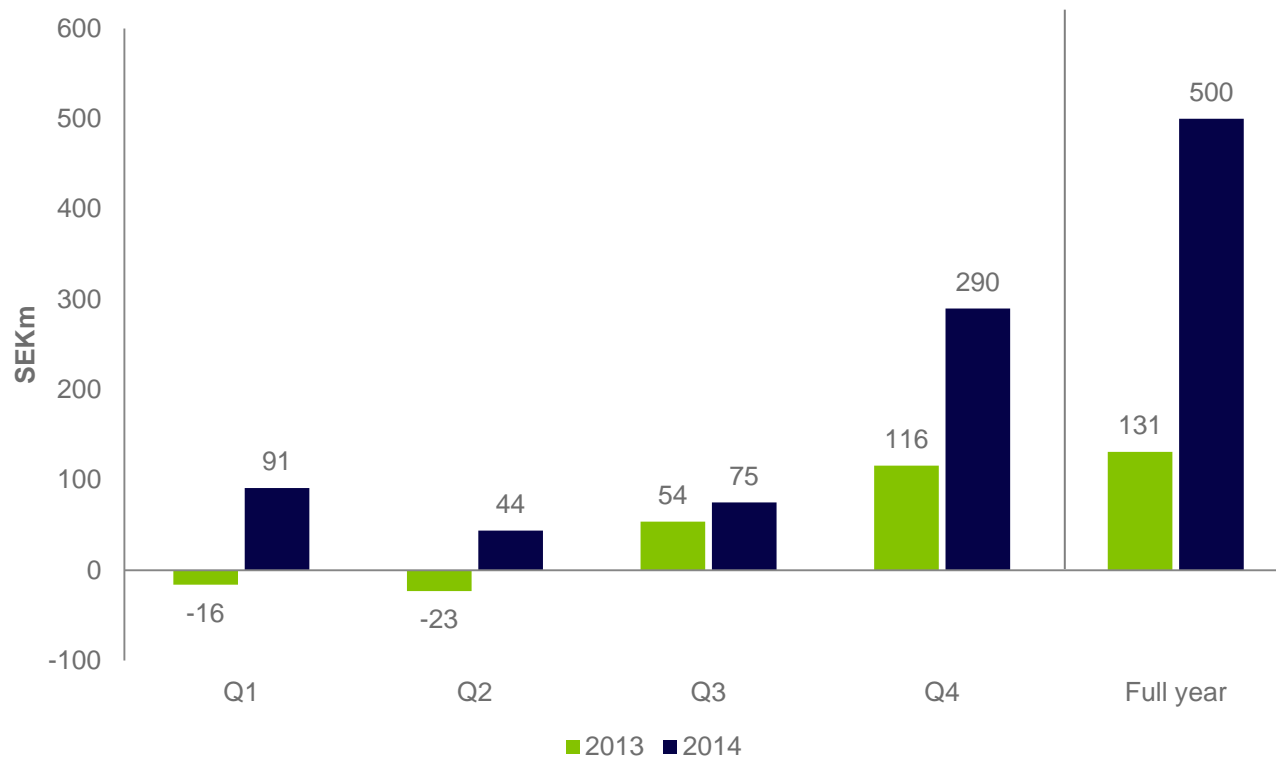
Underlying EBIT



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Cash flow from operating activities



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Cash Flow

| SEKm | Oct-Dec 2014 | Oct-Dec 2013 | Full year 2014 | Full year 2013 |
|--|-----------------|-----------------|-------------------|-------------------|
| Cash flow from operating activities before changes in working capital | 267 | 232 | 492 | 408 |
| Cash flow from changes in working capital | 23 | -116 | 8 | -277 |
| Cash flow from operating activities | 290 | 116 | 500 | 131 |
| Cash flows from investments in property, plant and equipment and intangible assets | -64 | -61 | -182 | -211 |
| Cash flow from other investing activities | 4 | 0 | -187 | 9 |
| Cash flow from investing activities | -60 | -61 | -369 | -202 |
| Cash flow from operating and investing activities | 230 | 55 | 131 | -71 |

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Decreased Net debt/EBITDA

- Ambition to continue to repay loans, but also provide financial flexibility for complementary acquisitions and share dividends
- Net debt/EBITDA decreased to 3.97x (4.19)
- The long-term target of a net debt/EBITDA of 2.5 remains

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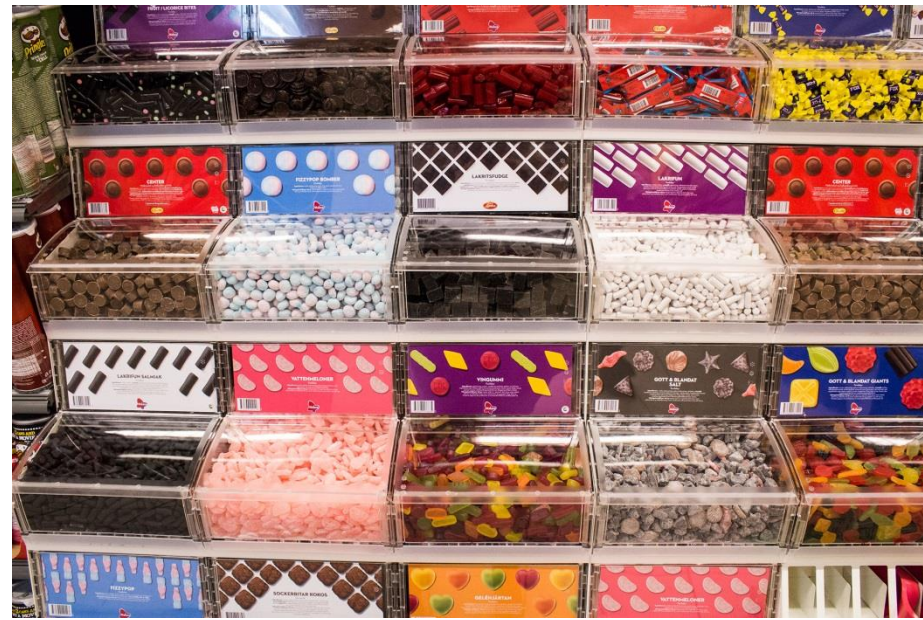


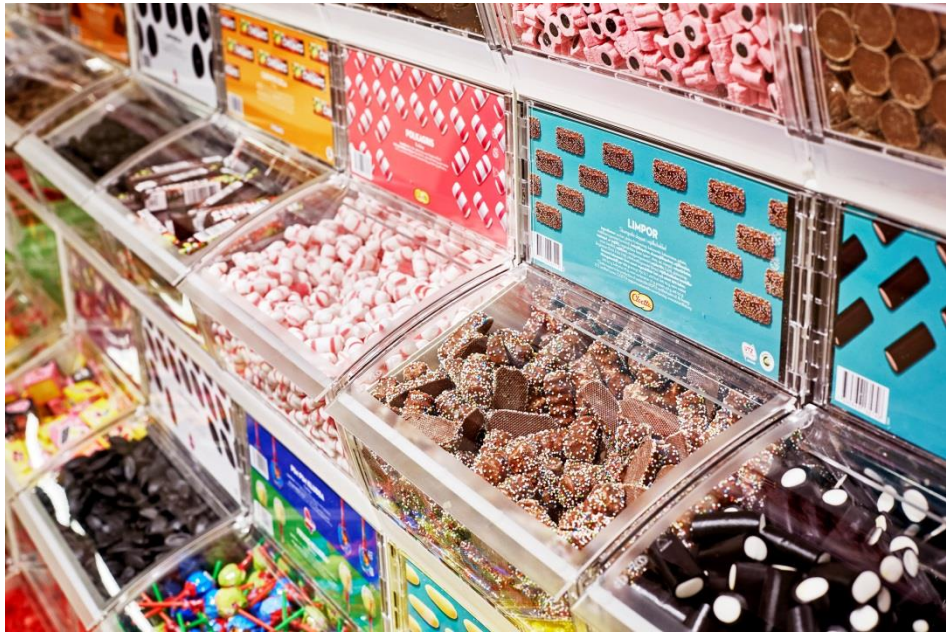
New pick-and-mix concept in Coop

- Roll-out of the new pick-and-mix concept is proceeding according to plan
- The vast majority of Coop's approximately 700 stores have implemented the new candy concept. Natural snacks under implementation
- The aim is to refit all stores ahead of the Easter peak

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In focus




Profitable growth



Implementation of
Coop Pick & Mix



Pricing based on
raw material and
currency changes



Integration and
acceleration of
Nutisal and The
Jelly Bean Factory

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Q4 selection of product launches



Juleskum
Gingerbread
Launched in Sweden



Venco
Black Schoonkrijt
Launched in the Netherlands



Venco
Tikkels Fruit, Dropmint, Drop and Cola
Launched in the Netherlands



Sperlari
Strawberry & Champagne
Launched in Italy



Red Band
Cola Sleutels
Launched in the Netherlands



Royal
Rum raisin
Launched in Finland

HopeaToffee
Box
Launched in Finland



Q&A

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