

Loetta

Q4 2015 results – 18 February 2016

David Nuutinen, CEO

Danko Maras, CFO

Jacob Broberg, SVP IR

Q4 highlights

Strong cash flow, decreased debt and proposed dividend

- **Net sales** for the quarter increased by 2.7 per cent to SEK 1,622m (1,579). For the full year 2015 net sales increased by 6.8 per cent to SEK 5,674m (5,313).
- **Operating profit** was SEK 239m (262). For the full year 2015 operating profit improved to SEK 671m (577).
- **Operating profit, adjusted** was SEK 255m (257). For the full year 2015 operating profit, adjusted improved to SEK 690m (632).
- **Cash flow from operating activities** improved to SEK 367m (290). For the full year cash flow from operating activities improved to SEK 927m (500).
- **Net debt/EBITDA** was 3.03x (3.97).
- The Board proposes a **dividend** of SEK 0.50 (-) per share.

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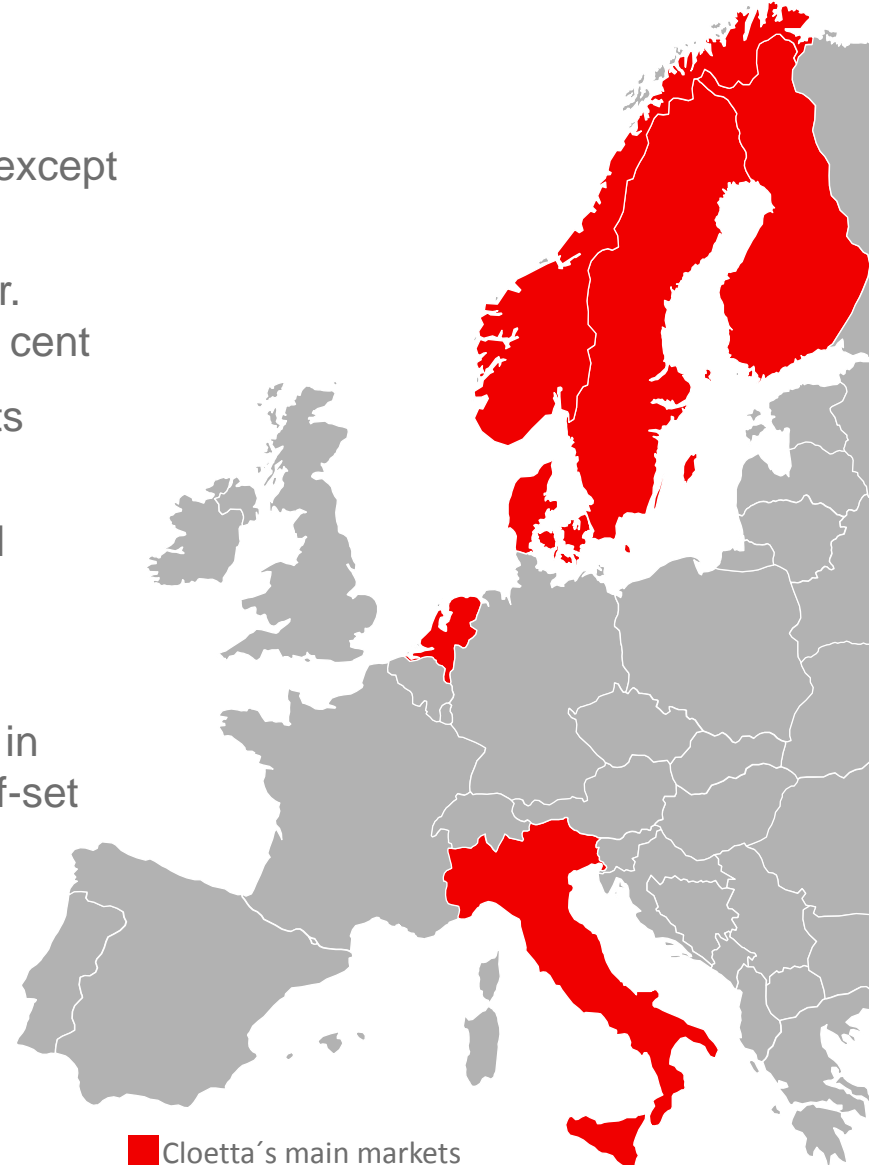


Overall market and sales development

Total sales growth of 2.7 per cent

- Positive to flat total market developments, except seasonal products in Italy
- Organic growth -2.3 per cent for the quarter. Excluding Italy, organic growth was 1.8 per cent
- Sales grew or was unchanged in all markets except Italy, Denmark and UK.
- Positive sales trend in Sweden and Finland driven by pick-and-mix.
- In Denmark sales of pastilles declined.
- Decline in Italy driven by a sharp decrease in seasonal sales due to price increases to off-set raw material price increases.

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Net sales and EBIT

SEKm	Oct-Dec 2015	Margin %	Change %	Oct-Dec 2014	Margin %	Full year 2015	Full year 2014
Net sales	1,622		2.7 ¹	1,579		5,674	5,313
Operating profit, adjusted	255	15.7	-0.8	257	16.3	690	632
Operating profit (EBIT)	239	14.7	-8.8	262	16.6	671	577
Profit for the period	157		-0.6	158		386	242

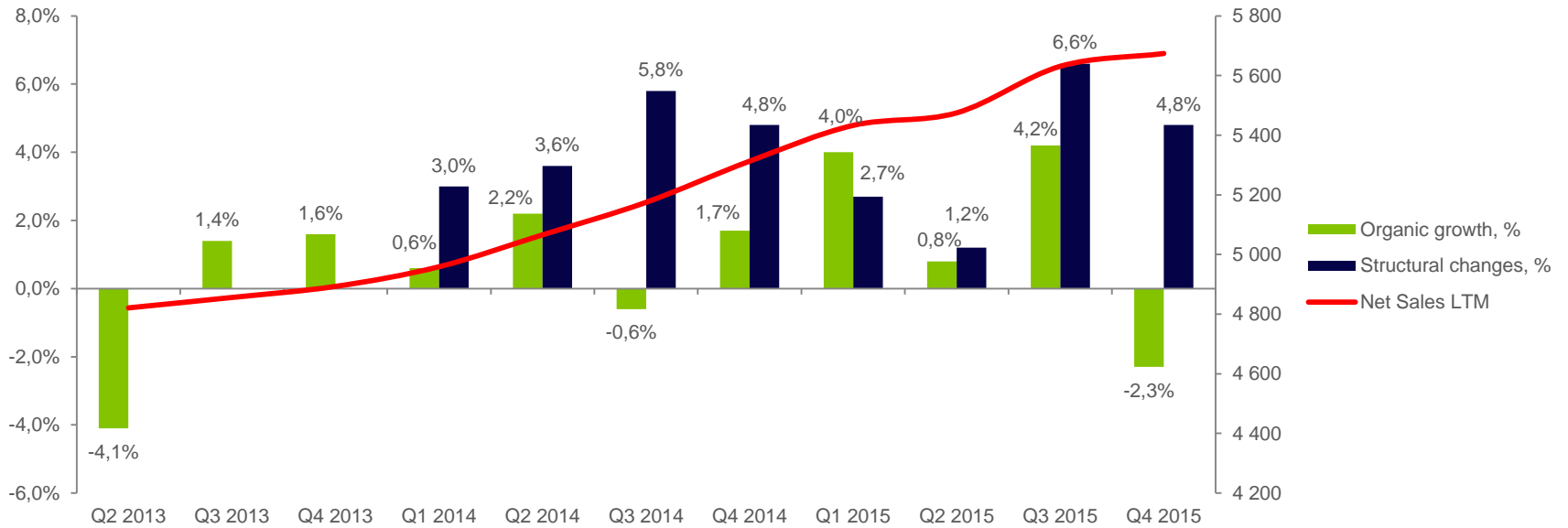
1) Organic growth at constant exchange rates and comparable units -2.3% for the quarter and 1.5% for the year.

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Changes in net sales

Changes in net sales, %	Oct-Dec 2015	Oct-Dec 2014	Full year 2015	Full year 2014
Organic growth	-2.3%	1.7%	1.5%	1.0%
Structural changes	4.8%	4.8%	3.9%	4.3%
Changes in exchange rates	0.2%	3.1%	1.4%	3.3%
Total	2.7%	9.6%	6.8%	8.6%

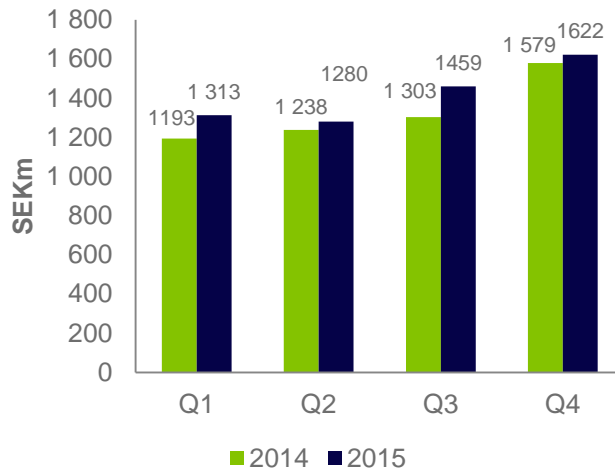


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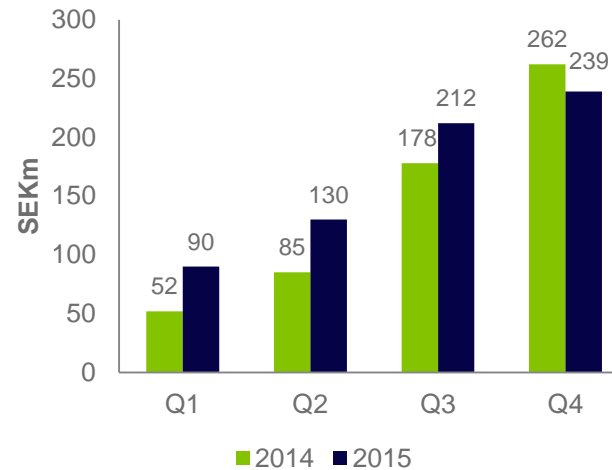


Net sales, Operating profit (EBIT) and Operating profit, adjusted

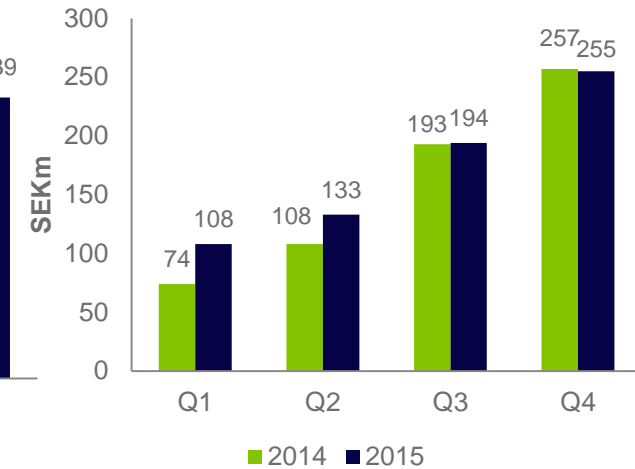
Net sales



Operating profit (EBIT)



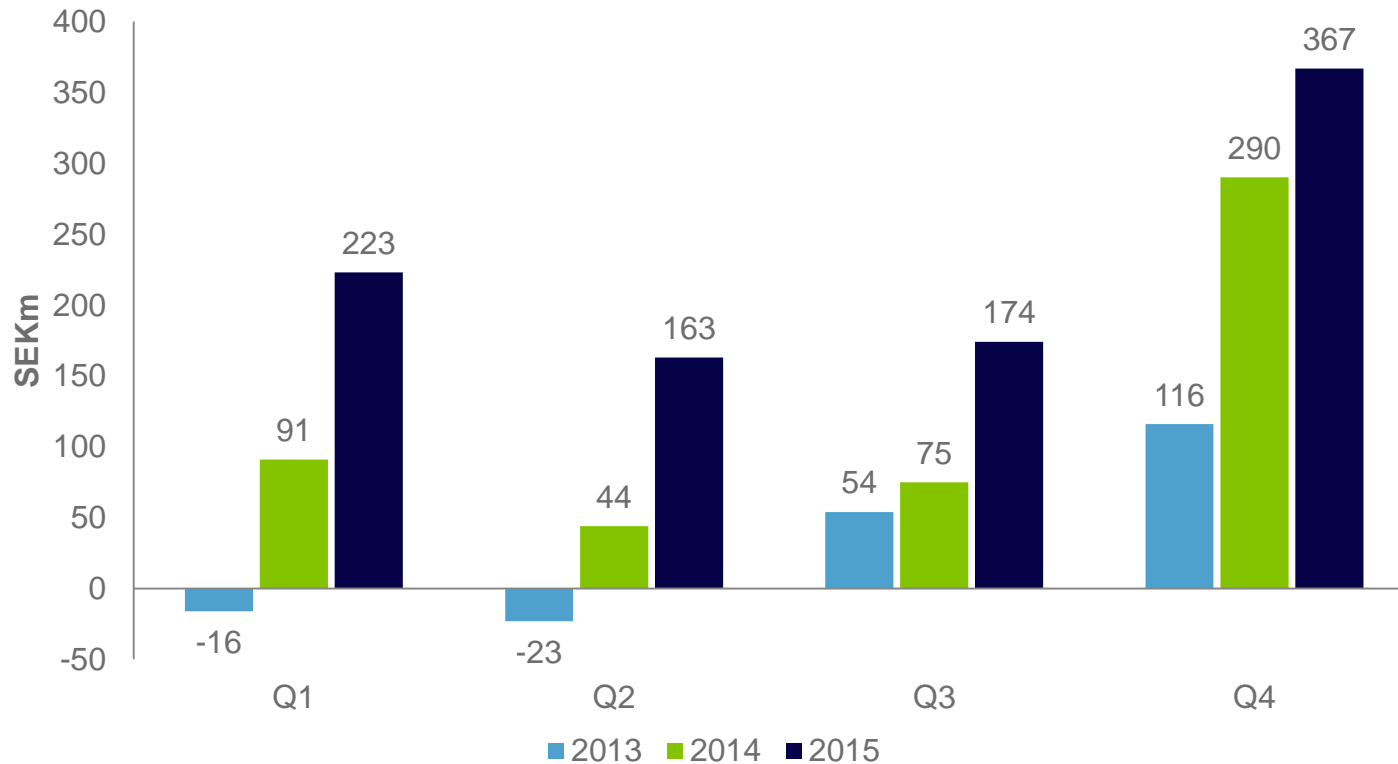
Operating profit, adjusted



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Strong cash flow from operating activities



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Cash flow

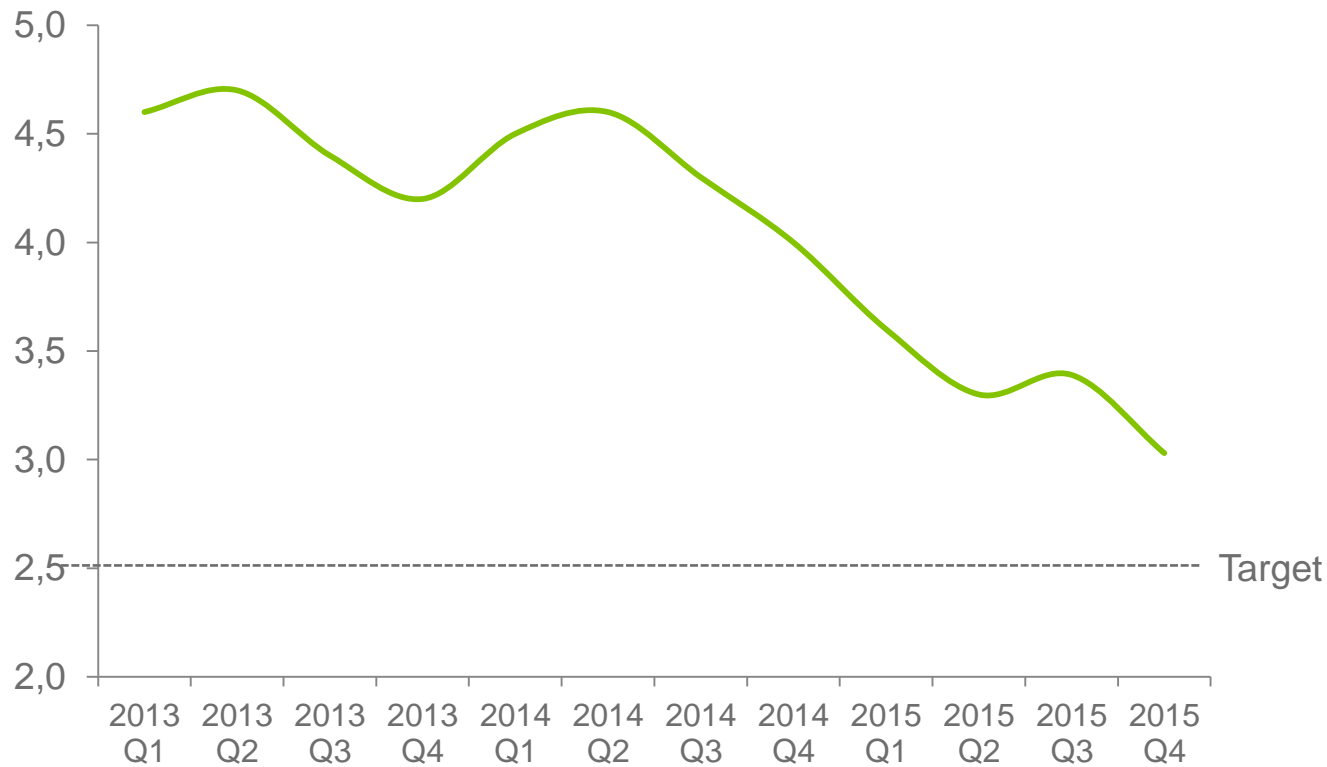
SEKm	Oct-Dec 2015	Oct-Dec 2014	Full year 2015	Full year 2014
Cash flow from operating activities before changes in working capital	295	267	697	492
Cash flow from changes in working capital	72	23	230	8
Cash flow from operating activities	367	290	927	500
Cash flows from investments in property, plant and equipment and intangible assets	-48	-64	-161	-182
Cash flow from other investing activities	-	4	-206	-187
Cash flow from investing activities	-48	-60	-367	-369
Cash flow from operating and investing activities	319	230	560	131
Cash flow from financing activities	-211	-114	-518	-24
Cash flow for the period	108	116	42	107

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Financial leverage

Net debt/EBITDA, x



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Cloetta stands strong

Dividend of SEK 0.50 (-) per share proposed

- Improved EBITDA and very strong cash flow for the year.
 - Cash flow from operating activities improved to SEK 927m (500).
- Net debt/EBITDA decreased to 3.03x (3.97).
 - Well on track towards the target of Net debt/EBITDA of 2.5x
- The Board proposes a dividend of SEK 0.50 (-) per share
- Ambition is to use future cash flows for repayment of debts and payment of share dividend, while at the same time providing financial flexibility for complementary acquisitions.



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Integration of Lonka according to plan

Will in 2017 support Cloetta's margin target of 14%

- Decision to close the factory in Dieren, the Netherlands and transfer production to Levice, Slovakia
 - One-off costs and capital investments of approximately SEK 120m
- Joint sales and marketing organisation created in the Netherlands
- Savings from the closure of the factory in Dieren, insourcing of production and synergies will generate savings of at least SEK 35m
- Plans for how to operate and launch Lonka in other markets finalised


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In focus




Profitable growth



Implement and drive initiatives within Pick & Mix



Integration of Lonka and closure of factory in Dieren



Operational excellence in supply chain through Lean2020 initiative

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Q4 selection of product launches

Italy



Finland



The Netherlands



Sweden



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Baltics



Switzerland



Q&A

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