21 October, 2015

Q3 Presentation 2015

Duni

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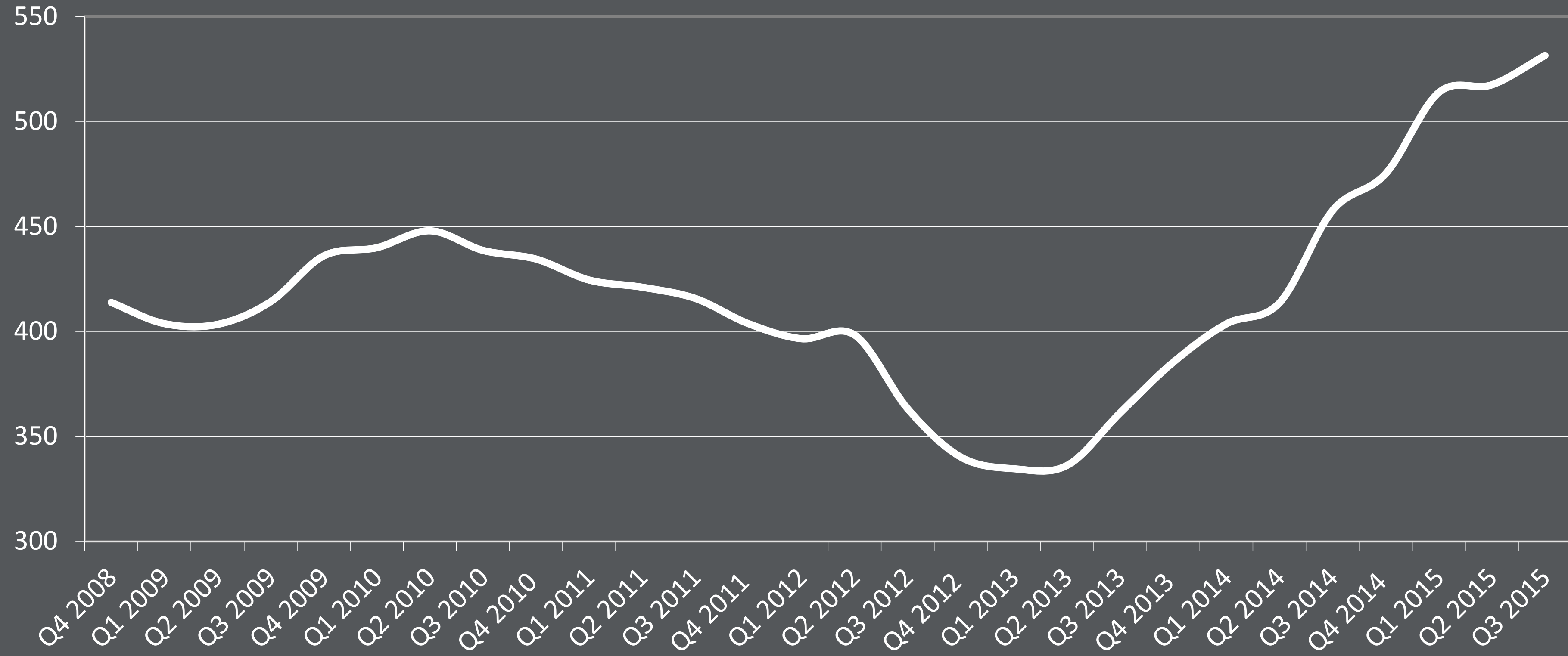
2015 Q3 Highlights

- Historical strong quarter in terms of operating income.
- Regained momentum in organic sales, but still short of financial target of 5%.
- Germany still behind last year, but significant growth in West and South of Europe.
- High delivery performance in spite of restructuring activities in paper mills.
- Cost control contributed to profitability in the quarter.
- High level of capital expenditure, but maintained strong cash-flow.

- Net sales SEK 1 043 m (997)
- Operating income SEK 146 m (129)
- Operating margin 14.0% (12.9%)

Operating income (LTM) on highest level since IPO



Includes discontinued operations

Market Outlook

Market Outlook

- HoReCa market long-term growing in line or slightly above GDP.
  - Higher growth in take-away, catering and fast food restaurants.
  - Minor growth of 1% (real) for restaurant sector in Germany, but slightly higher for hotel sector. Improved situation in South Europe derived from increased tourism.
- Stable development in real GDP, but still on relatively low growth levels.
  - Consumer confidence slightly down from levels seen initially in 2015.
  - Southern Europe stabilized with a relatively strong tourism season in 2015.
  - Inflation close to zero in Euro area and firm price pressure.
- Despite low inflation and relatively low commodity prices, strong USD continue to put pressure on raw materials.
- Increasing competition in mid and high end segment.


Business Areas

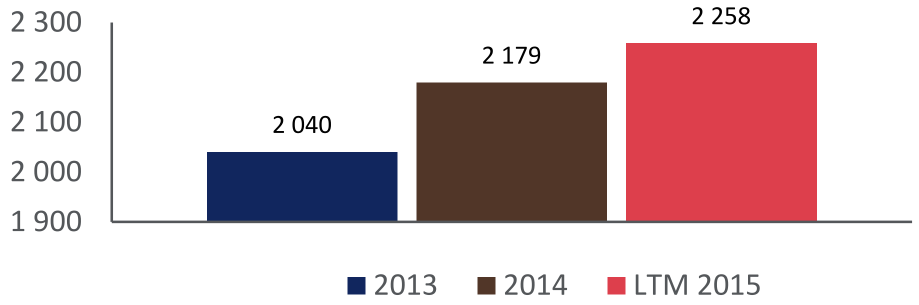
Table Top

Improved growth rate, but still a slow development in Central Region

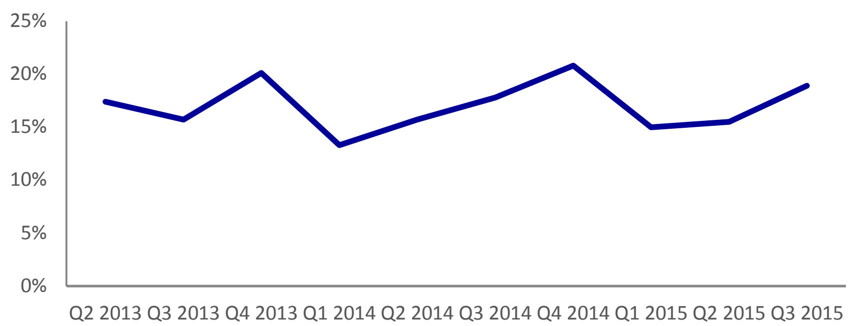
Table Top

SALES & OPERATING MARGIN [1)]

NET SALES, SEK m



OPERATING MARGIN, %



1) Operating margin adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.

Q3, 2015

- Growth in majority of the markets.
- Especially significant in West and South Europe due to strong tourism season.
- Germany still behind last year, but with some improvement vs. outcome in the first half year.
- Nordic improved from negative trend, market activities in Sweden initiated.
- Napkins with continued positive growth, but table coverings slightly behind last year.
- Low indirect cost for the quarter contributed to improved profit margin.

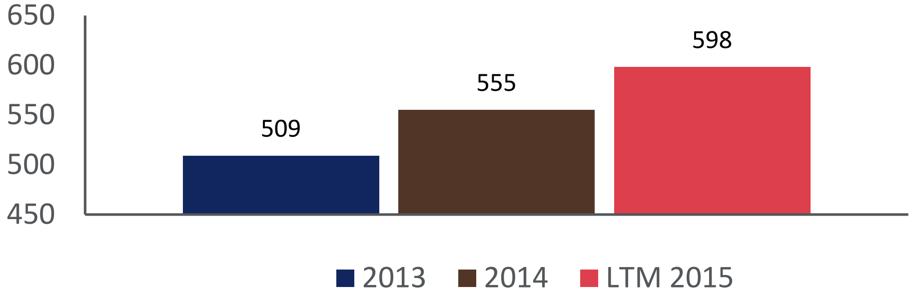
Meal Service

Growth clearly above Duni average; leveraging on a fast growing market segment

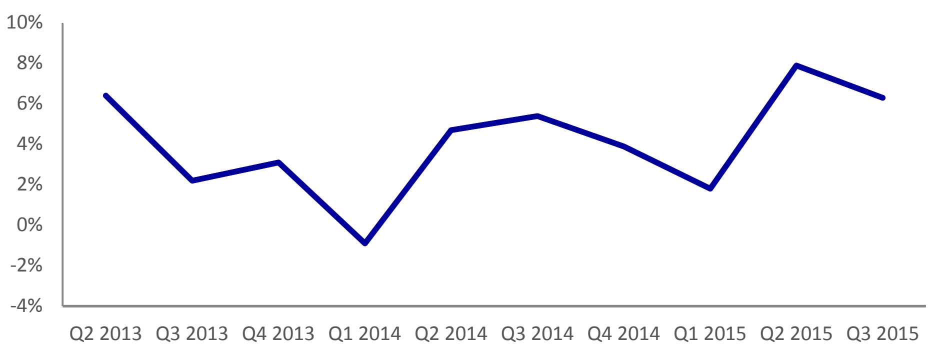
Meal Service

SALES & OPERATING MARGIN 1)

NET SALES, SEK m



OPERATING MARGIN, %



1) Operating margin adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.

Q3, 2015

- Demand for take-away solutions continues to be strong and growth close to 10% for the quarter.
- In contrast to Business Area Table Top, Germany is the main market for growth; close to 20%.
- Price increases announced to customers in the third quarter to compensate for high raw material cost driven by strong USD. Effect progressively from fourth quarter.

Consumer

Stable result, but slightly lower sales in Germany

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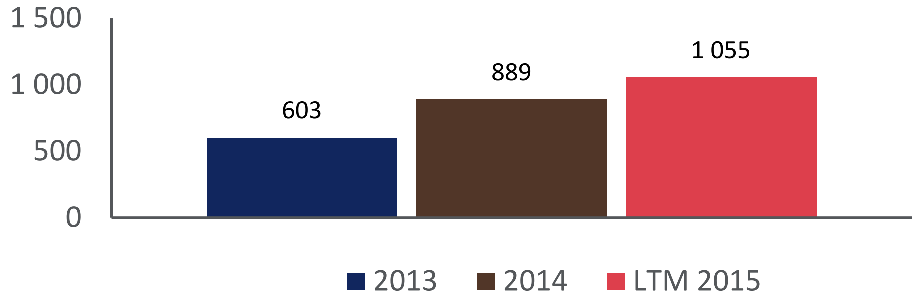
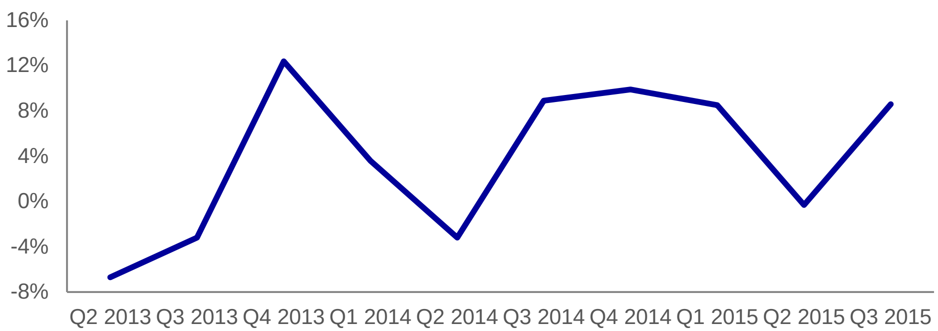
Consumer

SALES & OPERATING MARGIN [1)]

NET SALES, SEK m



OPERATING MARGIN, %



1) Operating margin adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.

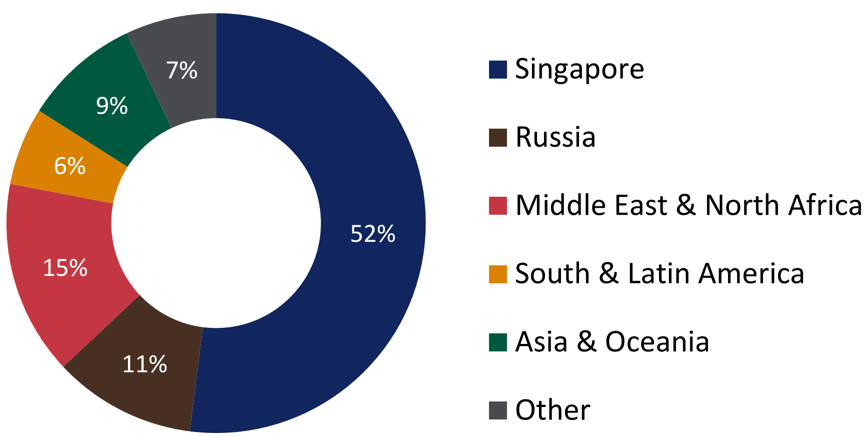
- No structural effect from acquisitions in the quarter.
- Growth in Nordic flattening out and sharp competitive environment in Germany.
- High efficiency in production enabled a stable result despite lower sales.

New Markets

Growth in almost all regions, except Russia

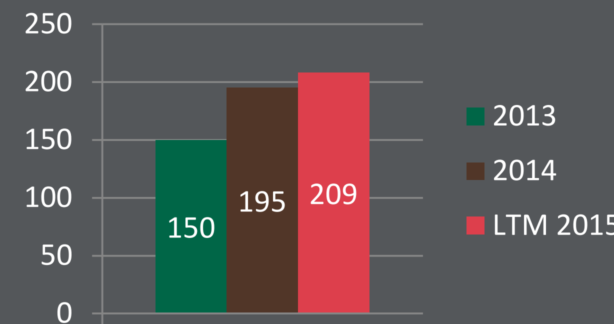
New Markets

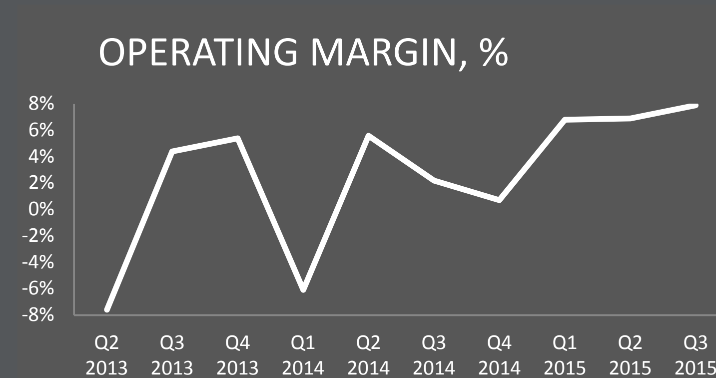
- Russian ruble once again deteriorated in the third quarter resulting in pressure on gross margins.
- Cost reduction activities as well as price increases have mitigated the negative effects in Russia.
- South America, Asia & Oceania with significant growth in the quarter. Singapore stable around 5% growth.



Net sales, geographical split

SALES & OPERATING MARGIN 1)





1) Operating margin adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.

Materials & Services

- Hygiene is no longer included in Materials & Services, but reported as discontinued operations below net profit.
- Remaining businesses are mainly external sales of tissue and airlaid plus some external services.


Financials

Historically strong Q3

SEK m Continuing operations	Q3 2015	Q3 2014	YTD 2015	YTD 2014	LTM 2014/2015	FY 2014
Net sales	1 043	997	3 030	2 736	4 164	3 870
Gross profit	311	295	883	781	1 235	1 134
Gross margin	29.9%	29.6%	29.1%	28.6%	29.7%	29.3%
Selling expenses	-112	-108	-353	-334	-475	-456
Administrative expenses	-59	-58	-176	-154	-233	-211
R & D expenses	-2	-3	-8	-9	-10	-11
Other operating net	0	-6	-9	-8	-24	-23
EBIT	**139**	**119**	**337**	**277**	**493**	**433**
Adjustments	-7	-9	-20	-11	-28	-18
Operating income 1)	**146**	**129**	**357**	**288**	**521**	**452**
Operating margin	14.0%	12.9%	11.8%	10.5%	12.5%	11.7%
Financial net	-10	-5	-22	-9	-32	-19
Taxes	-31	-30	-78	-71	-120	-113
Net income	99	84	237	197	342	302
Earnings per share	2.10	1.80	5.05	4.19	7.27	6.42

1) Operating income adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.

Improvements in most Segments

SEK m		Q3 2015	Q3 2014	YTD 2015	YTD 2014	LTM 2014/2015	FY 2014
Table Top	Net Sales	578	545	1 654	1 575	2 258	2 179
	Operating income 1)	109	97	274	247	399	373
	Operating margin	18.9%	17.8%	16.6%	15.7%	17.7%	17.1%
Meal Service	Net Sales	155	140	454	411	598	555
	Operating income 1)	10	8	25	14	31	19
	Operating margin	6.3%	5.4%	5.5%	3.3%	5.1%	3.5%
Consumer	Net Sales	245	249	733	567	1 055	889
	Operating income 1)	21	22	44	22	76	54
	Operating margin	8.6%	8.9%	6.0%	4.0%	7.2%	6.1%
New Markets	Net Sales	53	50	155	142	209	195
	Operating income 1)	4	1	11	1	12	1
	Operating margin	7.9%	2.2%	7.2%	0.8%	5.5%	0.8%
Materials & Services	Net Sales	11	13	34	42	45	52
	Operating income 1)	2	1	3	4	4	4
	Operating margin	15.8%	9.3%	8.8%	8.8%	8.2%	8.2%
Continuing operations	**Net Sales**	**1 043**	**997**	**3 030**	**2 736**	**4 164**	**3 870**
	Operating income 1)	146	129	357	288	521	452
	Operating margin	**14.0%**	**12.9%**	**11.8%**	**10.5%**	**12.5%**	**11.7%**
Discontinued operations	Net Sales	2	103	83	302	160	379
	Operating income 1)	0	3	5	18	10	23
	Operating margin	-7.0%	2.9%	6.2%	5.8%	6.5%	6.0%
Duni Total	**Net Sales**	**1 045**	**1 100**	**3 113**	**3 037**	**4 324**	**4 249**
	Operating income 1)	146	132	362	306	532	475
	Operating margin	**14.0%**	**12.0%**	**11.6%**	**10.1%**	**12.3%**	**11.2%**

1) Operating income adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.

High capex level

SEK m Continuing operations	Q3 2015	Q3 2014	YTD 2015	YTD 2014	LTM 2014/2015	FY 2014
EBITDA from continuing operations [1)]	**177**	**160**	**452**	**375**	**648**	**572**
Capital expenditure	**-53**	**-20**	**-105**	**-52**	**-140**	**-87**
Change in; Inventory	-35	-52	-83	-84	-16	-17
Accounts receivable	-39	1	-24	-32	-4	-12
Accounts payable	-15	13	-3	-21	3	-16
Other operating working capital	49	25	22	50	4	32
Change in working capital	**-40**	**-13**	**-88**	**-88**	**-12**	**-12**
Operating cash flow	**84**	**128**	**258**	**235**	**496**	**472**

Cash flow for continuing operations.

1) Operating income adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.

Strong financial position

SEK m	September 2015	December 2014	September 2014
Goodwill	1 461	1 463	1 488
Tangible and intangible fixed assets	1 144	1 162	1 088
Net financial assets [1)]	-42	-1	53
Inventories	571	503	559
Accounts receivable	727	743	758
Accounts payable	-311	-341	-342
Other operating assets and liabilities [3)]	-449	-448	-453
Net assets	**3 100**	**3 081**	**3 152**
Net debt	867	888	1 061
Equity	2 233	2 193	2 091
Equity and net debt	**3 100**	**3 081**	**3 152**
ROCE [2)]	17%	15%	15%
ROCE [2)] w/o Goodwill	34%	31%	29%
Net debt / Equity	39%	41%	51%
Net debt / EBITDA [2)]	1.34	1.55	1.92

1) Deferred tax assets and liabilities + Income tax receivables and payables.
2) Operating income adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives. Calculated based on the last twelve months, continuing operations.
3) Including restructuring provision and derivatives.

Sales growth

> 5%

Organic growth of 5% over a business cycle

Consider acquisitions to reach new markets or to strengthen current market positions

LTM

1.5%

at fixed exchange rates, excluding hygiene business[1)]

Operating margin

> 10%

Top line growth – premium focus

Improvements in manufacturing, sourcing and logistics

LTM

12.5%

Dividend payout ratio

40+%

Target at least 40% of net profit

2014

4.50 SEK per share


Thank you!