

Q1 Presentation 2015

24 April, 2015

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ICED COFFEE
SMOOTHIE
AMERICAN

COFFEE/TEA
CORTADO
CAPPUCCINO

WINE

ESPRESSO

CAFFÈ LATTE



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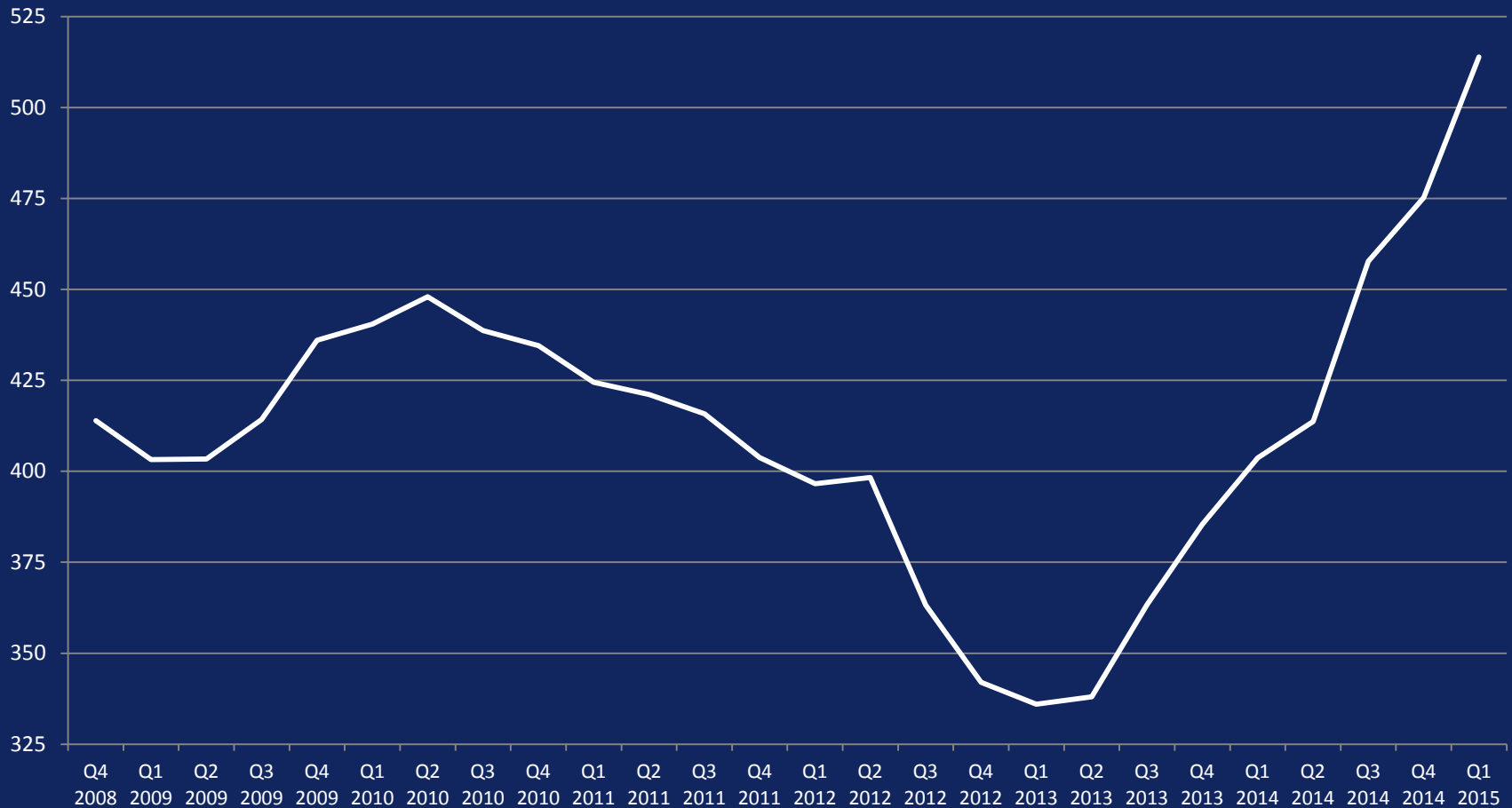
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2015 Q1 Highlights

- Strengthened margins in all core Business Areas with exception for Materials & Services.
 - Last quarter with production of input material for Hygiene industry.
 - Organic growth ~3%, mainly derived from Meal Service and Consumer Business Area.
 - Net debt decreased.
- Net sales SEK 1 046 m (921)
 - Operating income SEK 112 m (73)
 - Operating margin 10.7% (7.9%)



Operating income (LTM) on highest level since IPO



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.
 - Modest growth in recent German HoReCa, but still weak in West & Southern Europe.
- Macro figures signs of improvement.
 - German macro statistics point towards a possible improvement in economy and a strengthening of the consumer confidence.
 - Albeit price pressure on oil and other production input materials, strong USD are though diminishing/erasing the effect in EUR. High volatility in exchange rates reflect continuous uncertainty in the market.
- Pulp remain on high levels in EUR correlated to the strong USD.
- Recent upward movement on plastic prices and price drop seen end of 2014 almost erased.



Business Areas



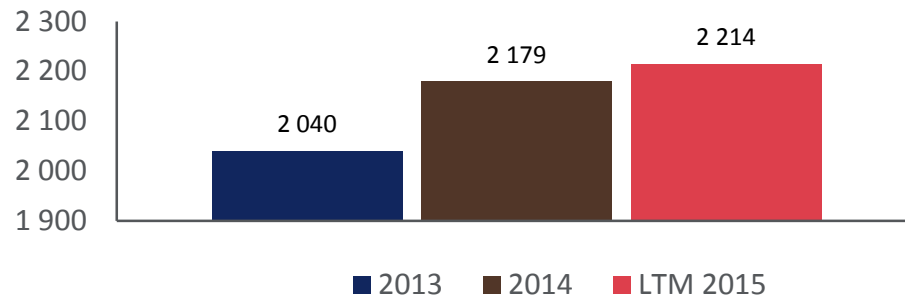
Table Top

Profit margin improvement
by almost two percentage
points.

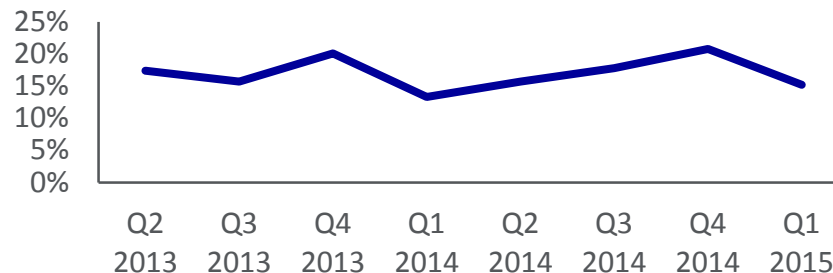
Table Top

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.

Q1, 2015

- Modest growth for the quarter, but with a positive trend.
- Some improvement in mature markets like Germany and Benelux. Contrary, on the challenging environment in Switzerland and partly Nordics.
- Increased efficiency within sales and production important contributors for stronger operating margin.
- Strong USD vs. EUR continue to put pressure on pulp cost and other raw material components linked to dollar development.
- High volatility in currency rates, however strong GBP and CHF gives positive impact for Table Top.



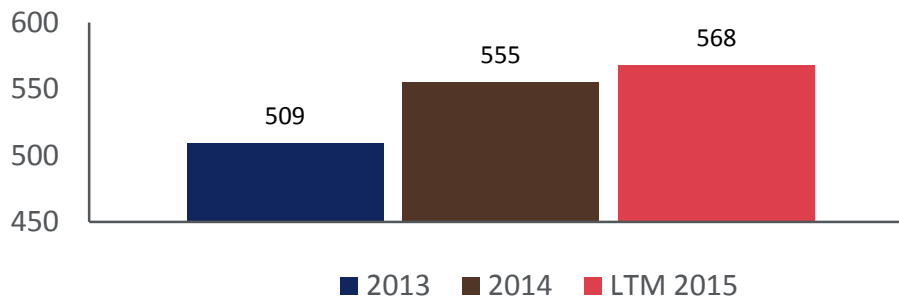
Meal Service

Improved margins and
healthy grow levels.

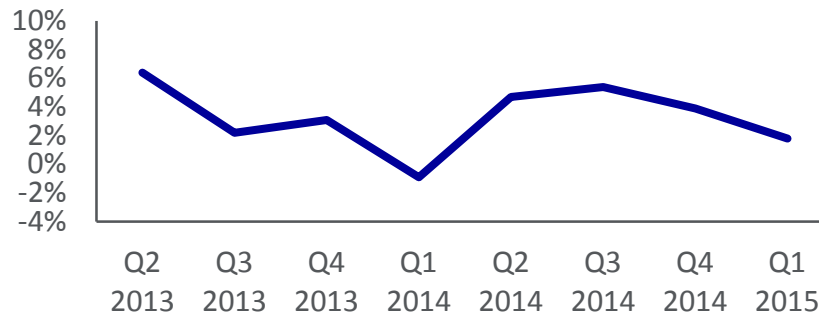
Meal Service

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.

Q1, 2015

- Growth level stable on 6-7% reflecting the positive development in take-away segment.
- Close cooperation with customers and innovative solutions give competitive advantage.
- Lower raw material prices in the quarter, but recent increase in plastic price have almost erased the price decrease starting end of 2014.



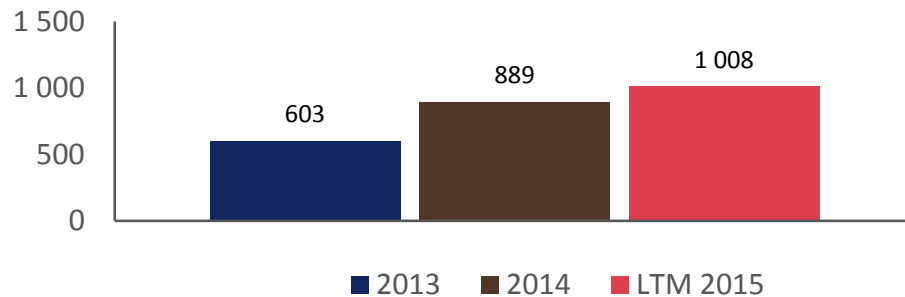
Consumer

Paper+Design main contributor to profit and sales increase.

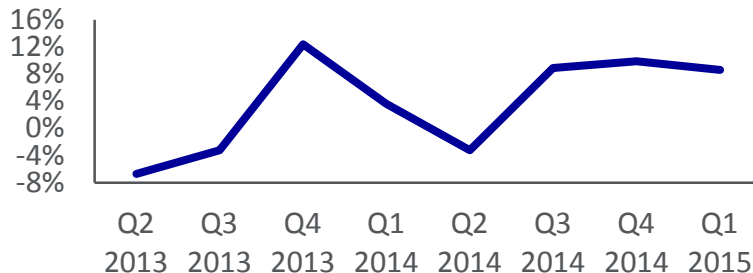
Consumer

SALES & OPERATING MARGIN ¹⁾

NET SALES, SEK m



OPERATING MARGIN, %



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Q1, 2015

- Last quarter with full effect of acquisition of Paper+Design.
- Albeit insignificant growth levels in Retail industry, Consumer Business Area achieved growth in the majority of the markets.
- Continuous strong price pressure, but Designs for Duni® and premium qualities improve market position.



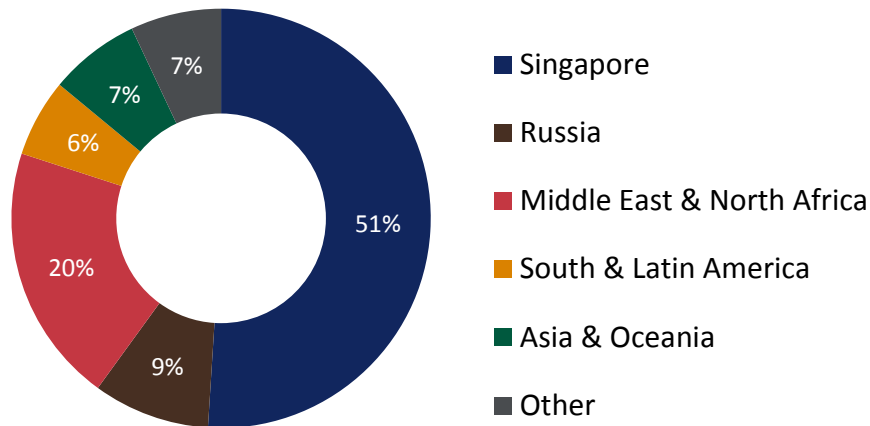


New Markets

Stabilization in first quarter
although difficult situation
in Russia.

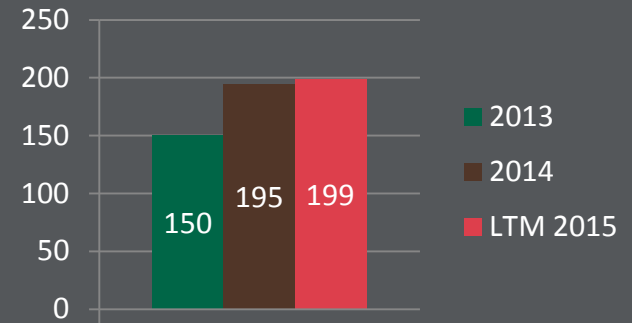
New Markets

- Russian Ruble strengthened compared to year end level, but still comparatively weak.
- Asian development continues with Duni Singapore as important hub.
- Overall satisfying demand and progression in Middle East and South America.

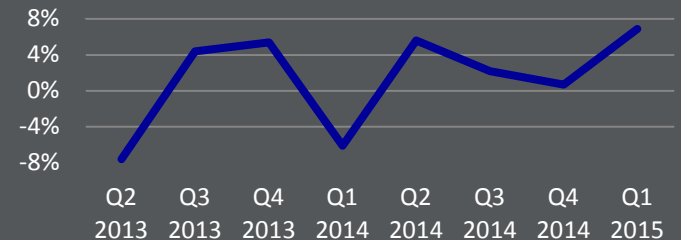


Net sales, geographical split

SALES & OPERATING MARGIN ¹⁾



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.





Materials & Services

Last quarter with hygiene production.



Financials

Operating Income increase of almost 40 MSEK

SEK m	Q1 2015	Q1 2014	LTM 2015	FY 2014
Net sales	1 046	921	4 374	4 249
Gross profit	292	241	1 209	1 158
Gross margin	27.9%	26.1%	27.6%	27.2%
Selling expenses	-125	-113	-467	-456
Administrative expenses	-58	-46	-223	-211
R & D expenses	-3	-4	-11	-12
Other operating net	-2	-5	-20	-24
EBIT	105	72	489	456
Adjustments	-7	-1	-26	-18
Operating income ¹⁾	112	73	514	475
Operating margin	10.7%	7.9%	11.7%	11.2%
Financial net	-6	-3	-22	-19
Taxes	-26	-18	-125	-118
Net income	74	51	342	319
Earnings per share	1.57	1.09	7.27	6.80

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 quarters in all segments (excl M&S)

SEK m		Q1 2015	Q1 2014	LTM 2015	FY 2014
Table Top	Net Sales	513	477	2 214	2 179
	Operating income ¹⁾	78	64	387	373
	Operating margin	15.2%	13.3%	17.5%	17.1%
Meal Service	Net Sales	136	123	568	555
	Operating income ¹⁾	2	-1	23	19
	Operating margin	1.8%	-0.9%	4.0%	3.5%
Consumer	Net Sales	276	157	1 008	889
	Operating income ¹⁾	24	6	73	54
	Operating margin	8.6%	3.6%	7.2%	6.1%
New Markets	Net Sales	47	43	199	195
	Operating income ¹⁾	3	-3	7	1
	Operating margin	6.9%	-6.1%	3.7%	0.8%
Materials & Services	Net Sales	74	120	384	431
	Operating income ¹⁾	4	7	24	27
	Operating margin	5.8%	6.1%	6.3%	6.3%
Duni	Net Sales	1 046	921	4 374	4 249
	Operating income ¹⁾	112	73	514	475
	Operating margin	10.7%	7.9%	11.7%	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.



Strong Cash Flow

SEK m	Q1 2015	Q1 2014	LTM 2014/2015	FY 2014
EBITDA ¹⁾	144	100	640	596
Capital expenditure	-19	-10	-96	-87
Change in; Inventory	-38	-44	12	6
Accounts receivable	27	38	-19	-8
Accounts payable	-2	-28	-2	-28
Other operating working capital	-40	-12	-6	22
Change in working capital	-53	-46	-15	-8
Operating cash flow	72	44	529	501

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	March 2015	December 2014	March 2014
Goodwill	1 462	1 463	1 249
Tangible and intangible fixed assets	1 128	1 162	783
Net financial assets ¹⁾	-4	-1	142
Inventories	536	503	478
Accounts receivable	710	743	619
Accounts payable	-341	-341	-318
Other operating assets and liabilities ³⁾	-398	-448	-352
Net assets	3 092	3 081	2 601
Net debt	836	888	454
Equity	2 255	2 193	2 147
Equity and net debt	3 092	3 081	2 601
ROCE ²⁾	17%	16%	17%
ROCE ²⁾ w/o Goodwill	37%	32%	34%
Net debt / Equity	34%	41%	21%
Net debt / EBITDA ²⁾	1.3	1.5	0.9

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.

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

3.6%

at fixed exchange rates,
excluding hygiene business¹⁾

Operating margin

> 10%

Top line growth – premium focus

Improvements in manufacturing, sourcing and logistics

LTM

11.7%

Dividend payout ratio

40+%

Target at least 40% of net profit

2014

4.50 SEK
per share

(proposal)

¹⁾ Calculated including hygiene business under divestment 0.4%



Thank you!