



10 February 2017

Q4 Presentation 2016



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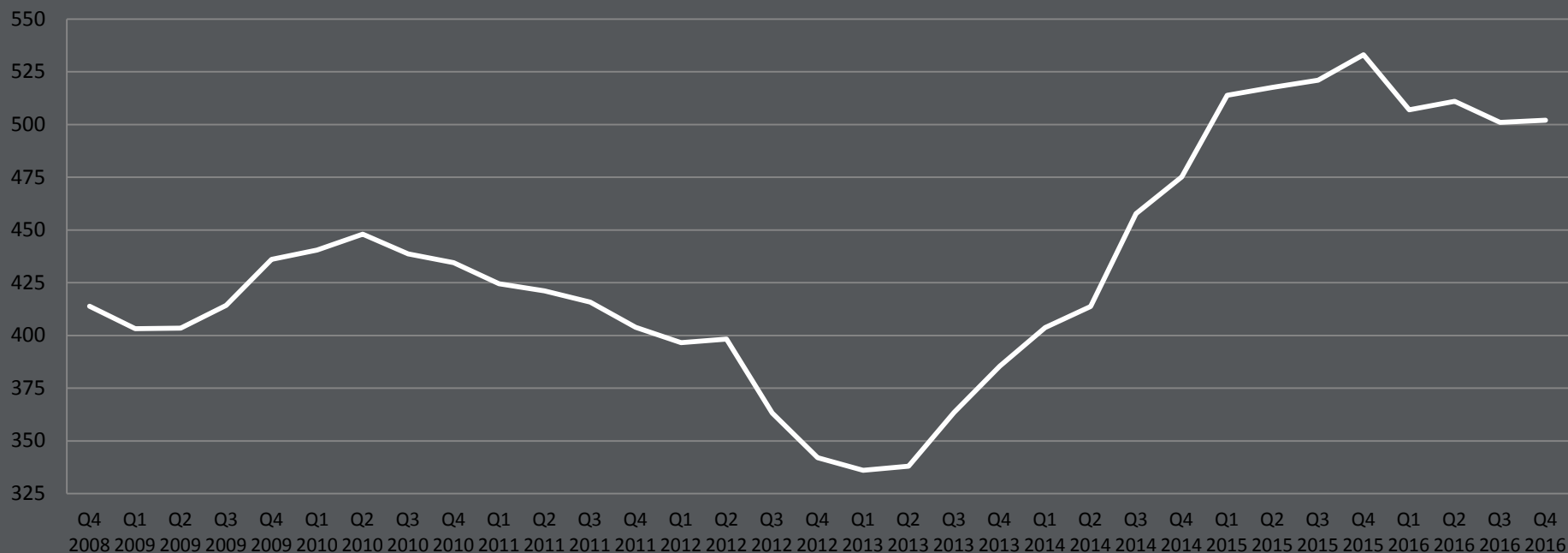


2016 Q4 Highlights

- Operating Income on par with previous year.
 - Solid growth level in Business Area Table Top, explained by improved situation in Germany.
 - Weak British Pound continue to put pressure on gross margins.
 - Meal Service grew less than previous quarters partly due to high sales end of 2015 related to refugee situation.
 - Capacity investment in Rexcell finalized without major disturbances.
 - 10 MSEK taken as non current items which is part of the restructuring program initiated 2015 and mainly related to organizational changes.
 - Suggested dividend of 5.00 SEK / share.
- Net sales SEK 1 234 m (1 170)
 - Operating income SEK 171 m (171)
 - Operating margin 13.9% (14.6%)



LTM operating income development



Includes discontinued operations



Market Outlook



Market Outlook

- HoReCa market long-term growing in line with or slightly above GDP.
 - Duni organic growth on par with general economy (~1,5%), but with significant differences between markets and segments.
 - Minor improvement in German restaurant sector with growth in real terms (volume).
 - Tourism important indicator for restaurants and with positive development in Southern Europe including Spain and Italy. France with negative development.
- Exchange rate development with significant impact over the year.
 - Weaker British Pound creates significant negative transactional effects in second half 2016 vs 2015. Recent development in USD results in higher costs for raw materials. Positive development in NOK and somewhat in RUB.
 - Slight increase in consumer confidence resulted from more optimistic employment and savings expectations which outweighed worsened expectations regarding both the general economic situation and households' financial situation.
 - Purchase power still on high levels due to low interest rates.

Business Areas



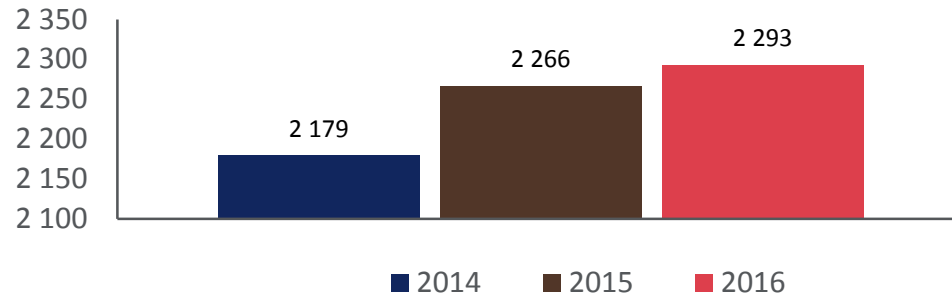
Table Top

Solid growth main
reason for profit
improvement

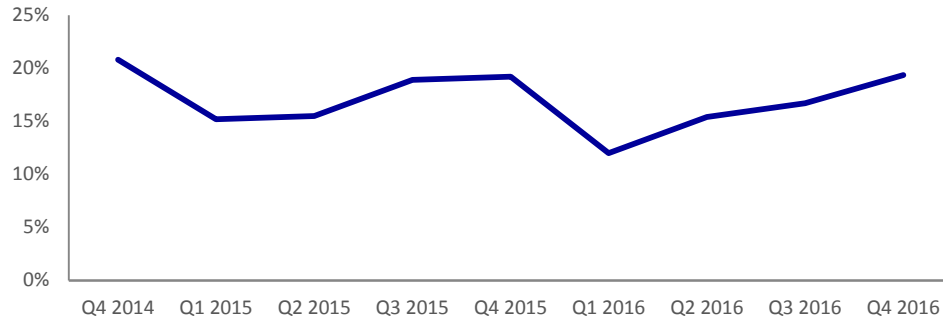
Table Top

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.

Q4, 2016

- Albeit continuous weak British Pound, volume growth off-set and consequently main contributor for profit improvement.
- Germany improved significantly from recent quarters with growth above 5%.
- Christmas assortment well received and growth clearly above the average level for the quarter.
- Nordic Region still with challenges.
- Stronger USD putting pressure on raw material costs.





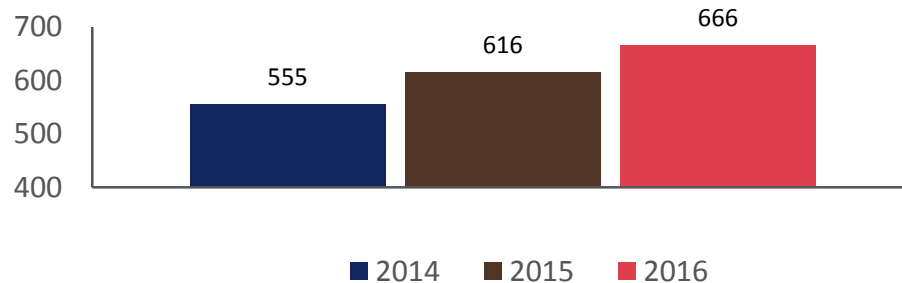
Meal Service

Still growing, but lower
pace fourth quarter

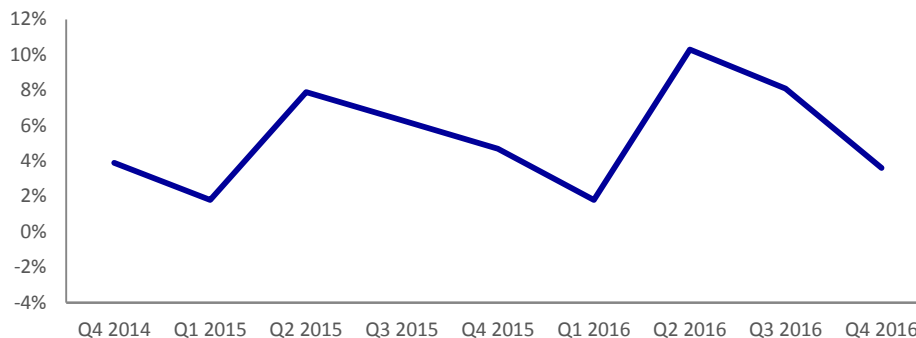
Meal Service

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.

Q4, 2016

- Fourth quarter with lower growth due to one time boost from high demand in Central Europe end of 2015, derived from refugee situation.
- Southern and Central Europe with double digit growth, but with lower share of sales vs. the more mature Nordic Region.
- Continued investments in stronger sales and purchase organization.



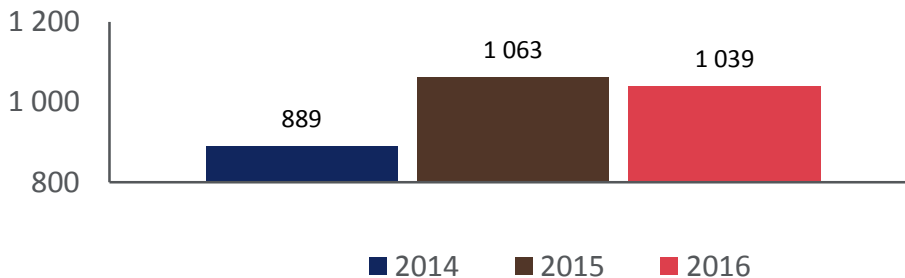
Consumer

Higher costs for adaptation
of assortment

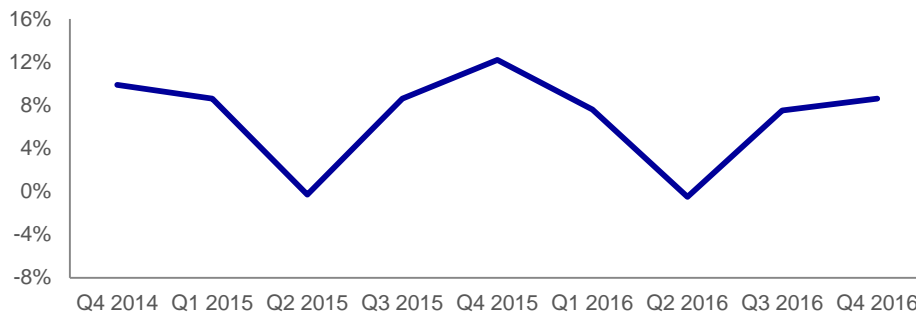
Consumer

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.

Q4, 2016

- Low sales levels in Central Europe. Contrary well received Christmas assortment.
- Costs related to adaptation of assortment led to write down costs and scrapping burdening the result.
- Improving cost efficiency in both high volume assortment like private label parallel with premium solutions continue to be one of the main challenges going forward.



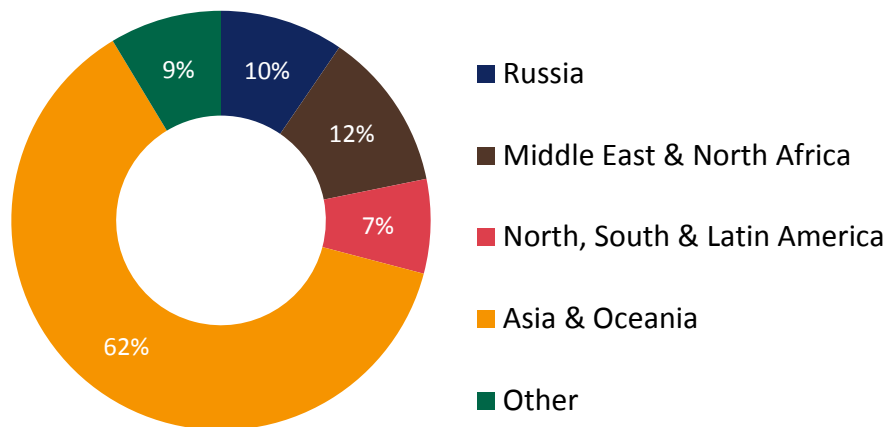


New Markets

Integration of acquisition
of Terinex Siam (Thailand)
follows plan

New Markets

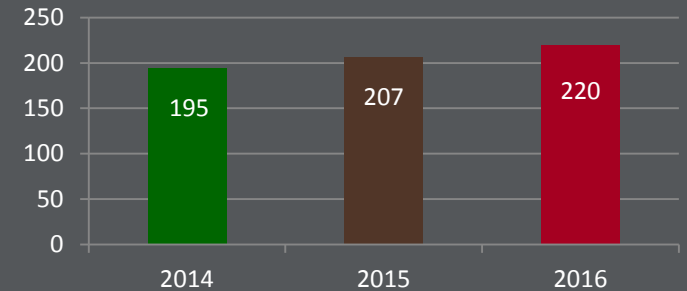
- Focus on South East Asia & Oceania remains one of the key focus areas.
- Albeit uncertain market demand outside Europe, several regions like South America indicated strong growth levels.



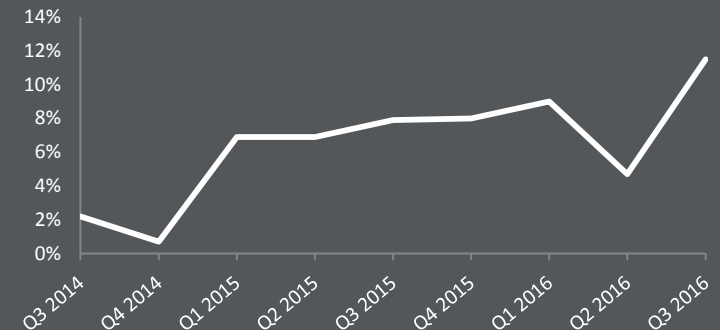
Net sales, geographical split

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.





Materials & Services

- Mainly external sales of tissue and airlaid, plus some external services.



Financials

Q4 operating income on par with 2015

SEK m Continuing operations	Q4 2016	Q4 2015	FY 2016	FY 2015
Net sales	1 234	1 170	4 271	4 200
Gross profit	360	358	1 231	1 241
Gross margin	29.2%	30.6%	28.8%	29.6%
Selling expenses	-129	-123	-483	-476
Administrative expenses	-67	-64	-245	-240
R & D expenses	-2	-3	-8	-10
Other operating net	-9	-15	-33	-24
EBIT	153	154	463	490
Adjustments	-19	-17	-38	-38
Operating income ¹⁾	171	171	502	528
Operating margin	13.9%	14.6%	11.8%	12.6%
Financial net	-5	-9	-22	-31
Taxes	-34	-35	-107	-113
Net income	113	109	334	346
Earnings per share	2.41	2.32	7.06	7.37

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 quarter in Table Top

SEK m		Q4 2016	Q4 2015	FY 2016	FY 2015
Table Top	Net Sales	645	612	2 293	2 266
	Operating income ¹⁾	125	118	369	392
	Operating margin	19.4%	19.2%	16.1%	17.3%
Meal Service	Net Sales	171	162	666	616
	Operating income ¹⁾	6	8	41	33
	Operating margin	3.6%	4.7%	6.1%	5.3%
Consumer	Net Sales	331	330	1 039	1 063
	Operating income ¹⁾	28	40	65	84
	Operating margin	8.6%	12.2%	6.2%	7.9%
New Markets	Net Sales	73	52	220	207
	Operating income ¹⁾	10	4	23	15
	Operating margin	13.7%	8.0%	10.4%	7.4%
Materials & Services	Net Sales	14	14	52	48
	Operating income ¹⁾	1	1	4	4
	Operating margin	10.8%	6.8%	7.9%	8.2%
Continuing operations	Net Sales	1 234	1 170	4 271	4 200
	Operating income ¹⁾	171	171	502	528
	Operating margin	13.9%	14.6%	11.8%	12.6%
Discontinued operations	Net Sales	0	0	0	83
	Operating income ¹⁾	0	0	0	5
	Operating margin	0.0%	0.0%	0.0%	6.3%
Duni Total	Net Sales	1 234	1 170	4 271	4 283
	Operating income ¹⁾	171	171	502	533
	Operating margin	13.9%	14.6%	11.8%	12.4%

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.

Q4 seasonally strong cash flow

SEK m Continuing operations	Q4 2016	Q4 2015	FY 2016	FY 2015
EBITDA from continuing operations ¹⁾	206	205	632	656
Capital expenditure	-61	-56	-176	-161
Change in; Inventory	51	60	-18	-23
Accounts receivable	-11	42	-42	18
Accounts payable	49	54	9	51
Other operating working capital	-21	-44	20	-23
Change in working capital	69	111	-32	23
Operating cash flow	214	259	424	518

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.

Solid financial position

SEK m	December 2016	December 2015
Goodwill	1 577	1 455
Tangible and intangible fixed assets	1 255	1 132
Net financial assets ¹⁾	-72	-72
Inventories	548	500
Accounts receivable	730	660
Accounts payable	-373	-352
Other operating assets and liabilities ³⁾	-422	-394
Net assets	3 243	2 929
Net debt	757	584
Equity	2 486	2 345
Equity and net debt	3 243	2 929
ROCE ²⁾	16%	19%
ROCE ²⁾ w/o Goodwill	31%	38%
Net debt / Equity	31%	25%
Net debt / EBITDA ²⁾	1.20	0.89

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

1.2%

at fixed exchange rates,
excluding hygiene business¹⁾

Operating margin

> 10%

Top line growth – premium focus

Improvements in manufacturing, sourcing and logistics

LTM

11.8%

Dividend payout ratio

40+%

Target at least 40% of net profit

2016

5.00 SEK
per share

(proposal)





Thank you!

