

A man and a woman are standing on a cobblestone street, smiling as they load a bicycle. The man, on the left, is wearing a light blue button-down shirt and tan trousers. The woman, on the right, is wearing a green button-down shirt and dark trousers. They are both reaching towards a bicycle that has a basket on the front. The basket contains several stacked, light-colored, rectangular food containers. The background is a blurred street scene with buildings and parked bicycles.

Interim report Q2 2022

Building a platform for sustainable growth

Robert Dackeskog, President and CEO
Magnus Carlsson, CFO

DUNI
GROUP

Highlights

- ...a fully open market...
- ...staffing challenges in the industry...
- ...continuously increasing costs followed by further price increases...
- ...further sustainability investments...





Agenda

Market outlook

Q2 summary

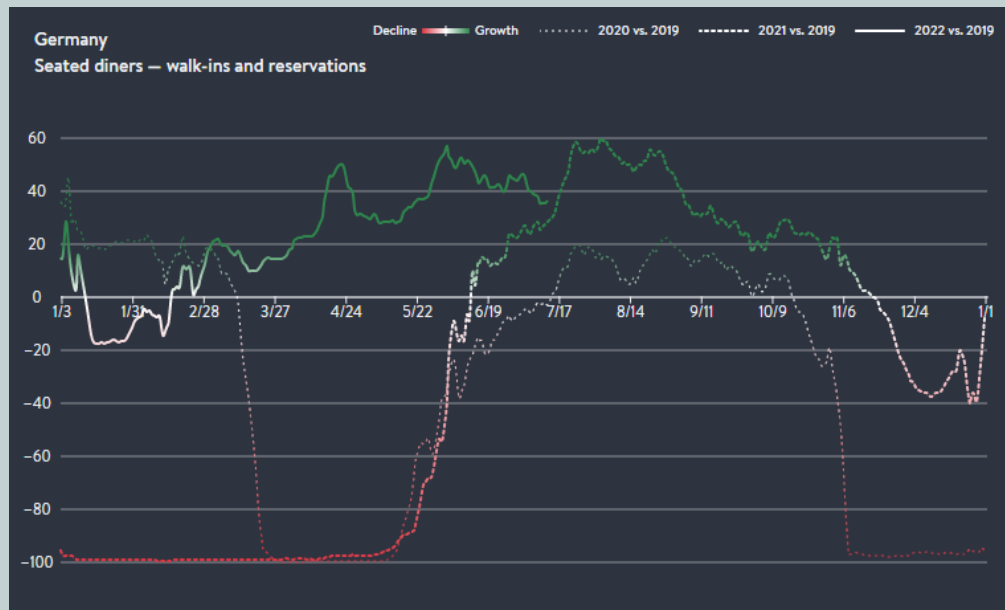
Business areas

Sustainability

Financials

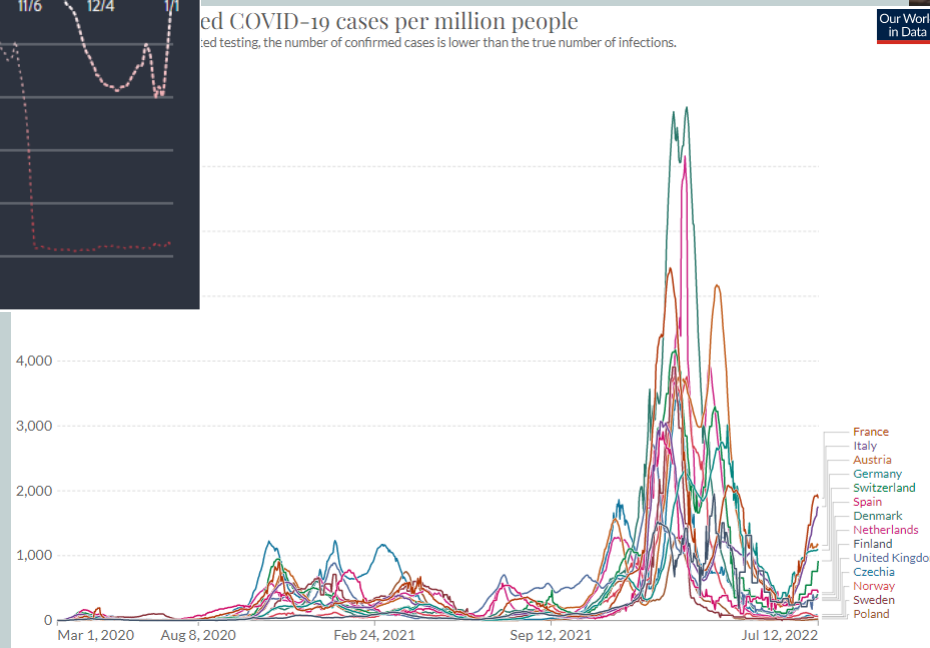
Q&A

Market outlook - recovery from end of February – Germany as example



COVID picking up in the last 3 weeks –
BUT no new restrictions with
exception for masks

ed COVID-19 cases per million people
ized testing, the number of confirmed cases is lower than the true number of infections.



Still with clear recovery, but meeting strong
numbers in 2021

<https://www.opentable.com/state-of-industry>



Staffing is a major challenge for
the industry

Q2 2022 key financials

Net sales

+53.4%

Net sales amounted to
SEK 1 724 m (1 124)

Operating income

SEK 91 m

Operating income amounted to
SEK 91 m (58)

Operating margin

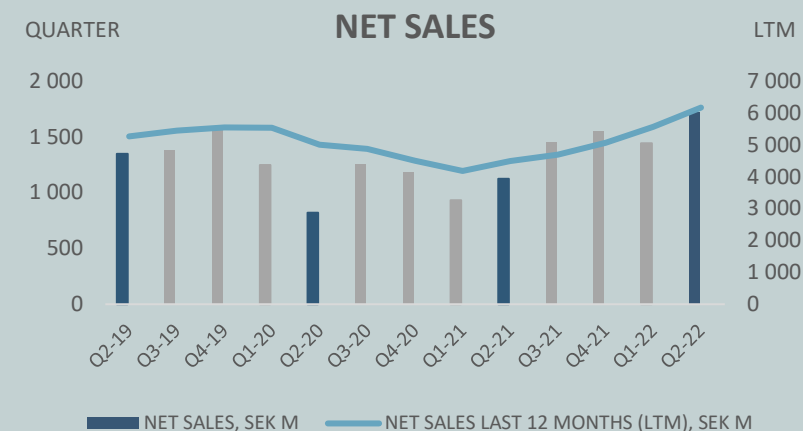
5.3%

Operating margin amounted to
5.3% (5.2)

Q2 comments

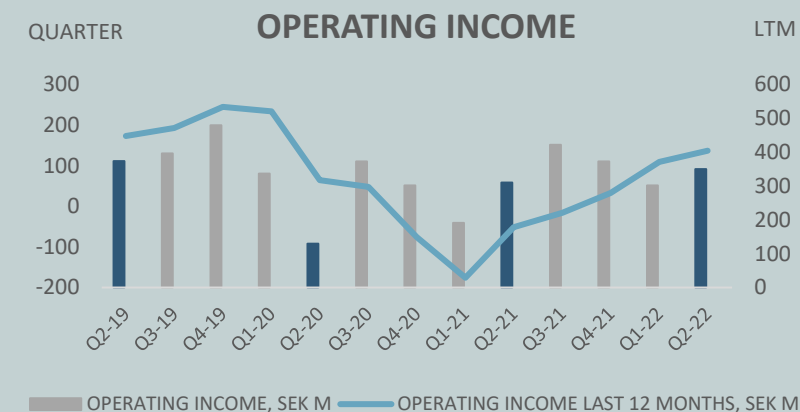
Net sales +53.4%

- Significant recovery in demand for the set table as restrictions are removed
- Still strong, but decreasing demand for take-away
- Supply chain and delivery performance challenges in a volatile market
- Price increases strong growth driver for both business areas



Operating Income +55.8%

- Recovering volumes in business area Duni improves fixed cost coverage
- High inflation pressures margin while price increases compensate
- Indirect cost increases as market activities normalize
- Government support of SEK 34 m is included compared to SEK 64 m in 2021



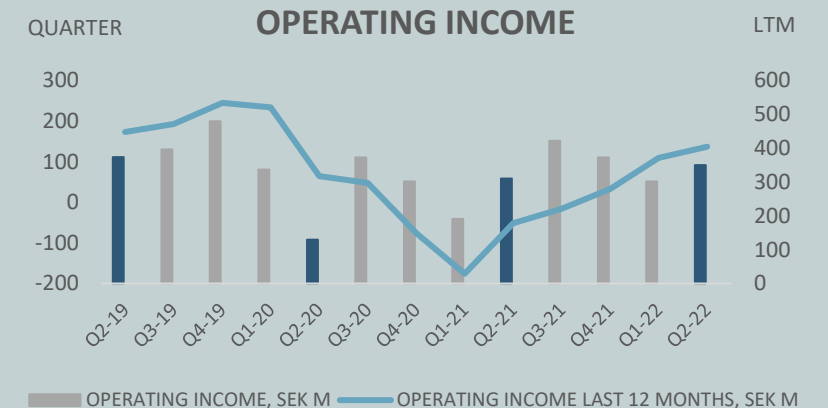
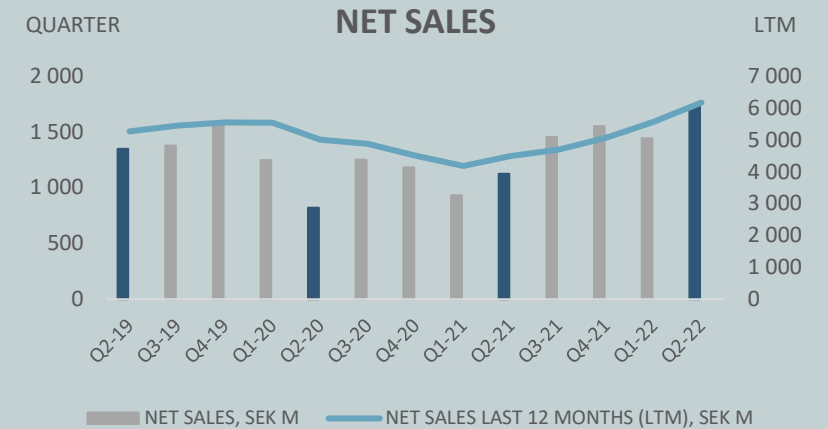
YTD comments

Net sales +54,0%

- Start of the year still impacted by restrictions, but at a lesser extent compared to 2021
- Restrictions eased during Q1 and fully removed in Q2 continuously improving demand for the set table
- Strong sales through the retail channel in both quarters
- Price increases support growth and margin

Operating Income +707.1%

- Recovering volumes in business area Duni main driver for improved result
- Continuously increasing costs for raw material, energy and logistic services puts pressure on the margin
- Price increases trails the cost increases to compensate
- Government support of SEK 34 m is included compared to SEK 97 m in 2021





Net sales

973

Net sales
increased to SEK 973 m
(508)

Operating income

71

Operating income
increased to SEK 71 m (-3)

Operating margin

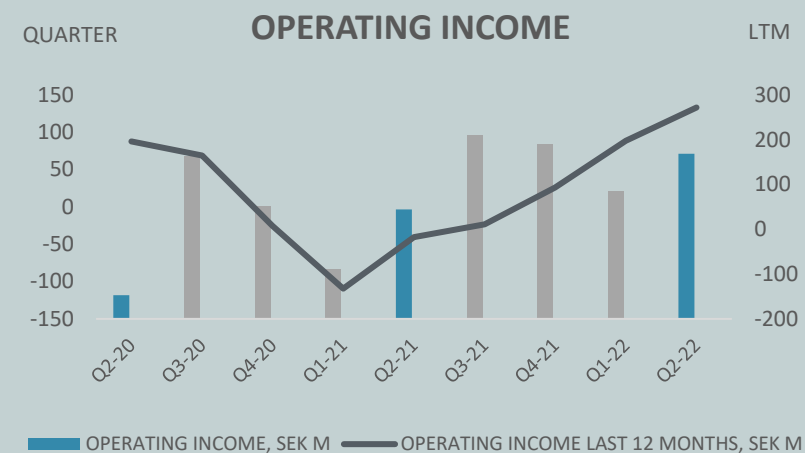
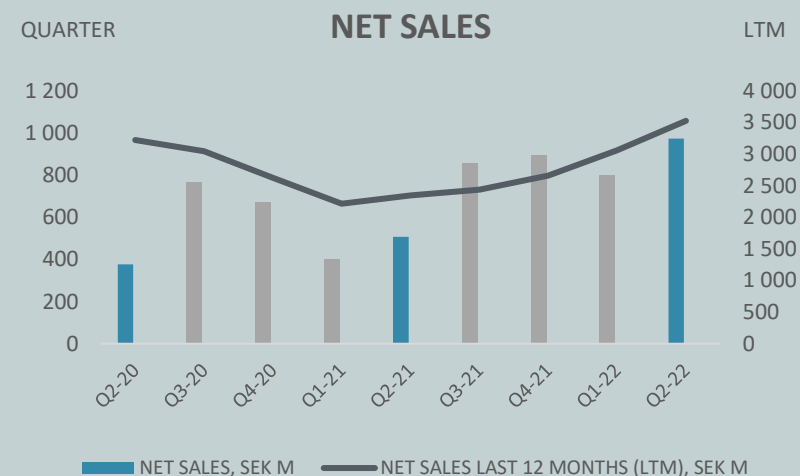
7.3 %

Operating margin
increased to 7.3% (-0.7)



Business area Duni Q2, 2022

- Past two years covid -19 restrictions have impacted the business area significantly
- Beginning of the year the effects continued but at a lesser extent than the previous year
- Very strong sales recovery for the first six months with volumes in line with pre-pandemic levels at the end of Q2
- Sales via the Retail channel not as impacted as the restaurant industry and shows growth through the period
- Economies of scale recover as volumes return, strengthening the result
- Inflation on raw material, energy and logistic services pressures the margin while compensating price increases are being implemented
- Government support less this year SEK 33 m compared to SEK 63 m last year





Net sales

751

Net sales
increased to SEK 751 m (616)

Operating income

20

Operating income
decreased to SEK 20 m (62)

Operating margin

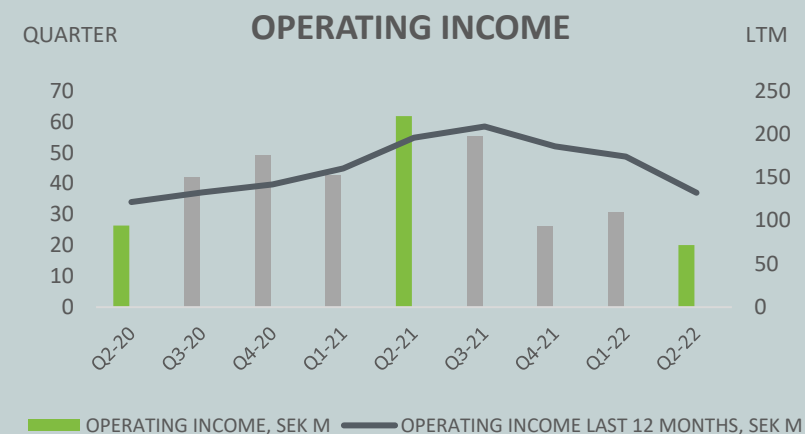
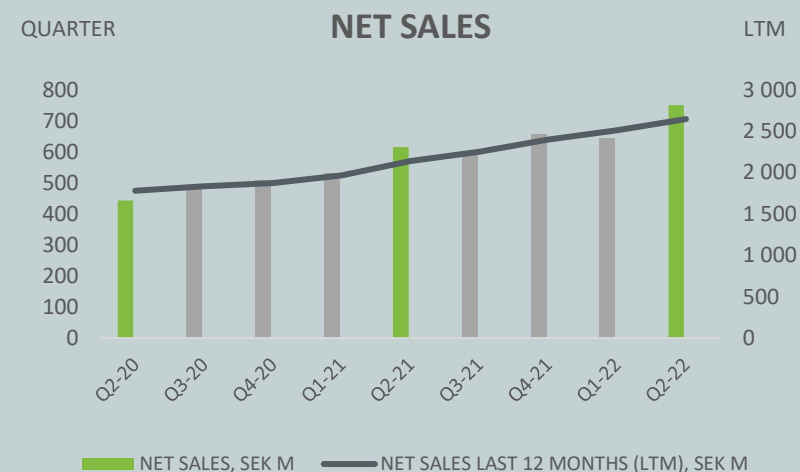
2.7%

Operating margin
decreased to 2.7% (10.0)



Business area BioPak Q2, 2022

- Growth continuous through the period, in the quarter to a large extent explained by price increases
- As restrictions have eased the demand for take-away has decreased compared to last year
- Increased demand for serving products and continuous demand for sustainable packaging drives volume growth
- Efforts to improve delivery performance in a volatile market generates result in better met demand, but also increases storage costs
- Sea freight, raw material, energy and logistic services drives up costs significantly
- Normalization of travel and marketing activities increase indirect costs
- Price increases strengthens the result, further price increases communicated
- On behalf of the Board of Directors, we have during the quarter taken further steps in the process of evaluating various strategic alternatives in order to optimize the long-term value of BioPak Pty Ltd and its subsidiary, "BioPak Group"



Our Decade of Action

Our sustainability initiatives

Carbon intensity index Scope 1 & 2 (tons CO₂ per ton self-produced product)

41

Outcome Jan-Jun 2022

40

Goal 2025

100

Base year 2019

Becoming circular at scale

Fully circular

100%

Going Net Zero

Net Zero carbon emissions for Scope 1 and 2

0 CO₂

Living the change

A trusted sustainability leader

#1



Becoming circular at scale

Goal 2030: fully circular operations

- Environmentally smart materials and suppliers
- Efficient operations
- Relevant solutions for reuse, recycling, and composting
- No virgin fossil-based plastic for single-use products

Interim target 2025:

- Reduction of virgin fossil-based plastic in single-use products by 50% compared with 2019 as a base year
- A large number of end-of-life solutions
- FSC®-certified products: 100% for Duni and 75% for BioPak Europe.

Activities

- Partner with Sweden Rock Festival for plastic reduction
- Partner with UNICEF in the Netherlands for Ivory Coast project
- Engagement in external workshops on multi-use solutions



Going net zero

Goal 2030: zero vision for GHGs under the GHG Protocol Scope 1 and Scope 2

- Science Based Targets approved, measured and communicated quarterly, including GHG-protocol Scope 3
- We will measure impact across our value chain
- Transparent reporting of results

Interim target 2025:

- Activities in accordance with the approved science-based targets of the international collaboration Science Based Targets initiative, SBTi
- 60% reduction in carbon intensity with 2019 as the base year

Activities

- Improving efficiency and reducing carbon footprint through a pallet optimization project
- Completed installation of solar panels in Bramsche
- Decision to install solar panels in Bangkok, Thailand
- Launch of Scope 3 project
- Decision to link the Duni Group to SBTi



Living the change

Goal 2030: a trusted sustainability leader

- We will be a committed partner for our key stakeholders
- We will be the trusted expert - with the best recognized eco-smart solutions
- Our communication should have a high degree of transparency, integrity, and openness

Interim target 2025:

- Key stakeholders see us as a leading sustainability company
- Achieve 75 points in the EcoVadis system
- All employees trained in sustainability

Activities

- 17 sustainability ambassadors appointed and trained
- Member of “Charter of Diversity”
- Reporting completed as UNGC Early Adopter company
- New sustainability pages on all external websites

An aerial photograph of a dense forest of evergreen trees. In the center of the image, a single tree stands out with bright yellow foliage, contrasting sharply with the surrounding dark green canopy. The word "Financials" is overlaid in white text on the lower half of the image.

Financials

Income Statement

SEK m	Q2 2022	Q2 2021	YTD 2022	YTD 2021	LTM 21/22	FY 2021
Net sales	1 724	1 124	3 167	2 056	6 172	5 061
Gross profit	283	194	554	298	1 185	928
Gross margin	16.4%	17.2%	17.5%	14.5%	19.2%	18.3%
Selling expenses	-145	-127	-294	-244	-555	-505
Administrative expenses	-97	-67	-175	-126	-319	-271
R & D expenses	0	0	0	0	-1	-1
Other operating net	26	43	8	59	-30	21
EBIT	67	43	93	-14	279	173
Adjustments	-24	-16	-49	-31	-124	-106
Operating income ¹⁾	91	58	142	18	404	279
Operating margin	5.3%	5.2%	4.5%	0.9%	6.5%	5.5%
Financial net	-7	-8	-21	-24	-36	-39
Taxes	-11	-16	-17	5	-78	-56
Net income	49	18	55	-33	165	77
Earnings per share	1.02	0.38	1.13	-0.73	3.48	1.62

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

Business area financials

SEK m		Q2 2022	Q2 2021	YTD 2022	YTD 2021	LTM 21/22	FY 2021
Duni	Net sales	973	508	1 774	909	3 527	2 662
	Operating income ¹⁾	71	-3	91	-87	272	93
	Operating margin	7.3%	-0.7%	5.2%	-9.5%	7.7%	3.5%
BioPak	Net sales	751	616	1 393	1 147	2 645	2 399
	Operating income ¹⁾	20	62	51	104	132	186
	Operating margin	2.7%	10.0%	3.7%	9.1%	5.0%	7.7%
Duni Group	Net sales	1 724	1 124	3 167	2 056	6 172	5 061
	Operating income ¹⁾	91	58	142	18	404	279
	Operating margin	5.3%	5.2%	4.5%	0.9%	6.5%	5.5%

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

Operating Cash Flow

SEK m	Q2 2022	Q2 2021	YTD 2022	YTD 2021	LTM 21/22	FY 2021
Operating EBITDA ¹⁾	126	93	212	88	544	421
Capital expenditure ¹⁾	-19	-13	-39	-24	-72	-57
Change in;						
Inventory	10	3	-177	-51	-493	-367
Accounts receivable	-138	-171	-179	-109	-309	-239
Accounts payable	-14	31	-160	-28	154	287
Other operating working capital	70	41	90	10	163	84
Change in working capital	-72	-96	-426	-177	-486	-237
Operating cash flow ²⁾	35	-16	-253	-112	-14	127

¹⁾ Operating EBITDA is EBITDA less restructuring costs and fair value allocations and effects from IFRS 16 Leases.

²⁾ Operating cash flow excludes changes in right-of-use assets and changes in leasing debts.

Financial position

SEK m	June 2022	December 2021	June 2021
Goodwill	2 060	2 010	2 020
Tangible and intangible fixed assets	1 472	1 494	1 531
Net financial assets ¹⁾	20	15	44
Inventories	1 483	1 253	920
Accounts receivable	1 074	860	717
Accounts payable	-586	-723	-400
Other operating assets and liabilities ³⁾	-910	-818	-701
Net assets	4 613	4 090	4 131
Net debt	1 750	1 375	1 516
Equity	2 863	2 714	2 615
Equity and net debt	4 613	4 090	4 131
ROCE ²⁾	9%	7%	4%
ROCE ²⁾ w/o Goodwill	17%	14%	9%
Net debt / Equity	61%	51%	58%
Net debt / EBITDA ²⁾	2.84	2.83	3.86

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. Calculated based on the last twelve months.

³⁾ Including restructuring provision and derivatives.

Financial targets

Sales growth

> 5%

**Organic growth of 5%
over a business cycle**

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

LTM 21/22

35.2%

at fixed exchange rates

Operating margin

> 10%

**Top line growth
– premium focus**

Improvements in manufacturing, sourcing and logistics.

LTM 21/22

6.5%

Dividend payout ratio

40+%

**Target at least 40%
of net profit**

2021

0 SEK



Thank you!