
Q2 Presentation 2012
13 July, 2012
Duni

Disclaimer

- This presentation has been prepared by Duni AB (the “Company”) solely for use at this investor presentation and is furnished to you solely for your information and may not be reproduced or redistributed, in whole or in part, to any other person. By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations.
- This presentation is not for presentation or transmission into the United States or to any U.S. person, as that term is defined under Regulation S promulgated under the Securities Act of 1933, as amended.
- This presentation contains various forward-looking statements that reflect management’s current views with respect to future events and financial and operational performance. The words “believe,” “expect,” “anticipate,” “intend,” “may,” “plan,” “estimate,” “should,” “could,” “aim,” “target,” “might,” or, in each case, their negative, or similar expressions identify certain of these forward-looking statements. Others can be identified from the context in which the statements are made. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which are in some cases beyond the Company’s control and may cause actual results or performance to differ materially from those expressed or implied from such forward-looking statements. These risks include but are not limited to the Company’s ability to operate profitably, maintain its competitive position, to promote and improve its reputation and the awareness of the brands in its portfolio, to successfully operate its growth strategy and the impact of changes in pricing policies, political and regulatory developments in the markets in which the Company operates, and other risks.
- The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.
- No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information contained herein. Accordingly, none of the Company, or any of its principal shareholders or subsidiary undertakings or any of such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.

2012 Q2 Highlights

- Professional sales behind last year; -2.2%
  - Weaker macro economic environment affecting consumer confidence.
  - Albeit volume decrease, profitability improved thanks to strong gross margin and cost control.
- Consumer recovered in second quarter
  - Adjusted for loss of one large private label customer, Consumer had a small growth in the second quarter.
  - Important new contracts secured during second quarter will start to contribute in the third quarter 2012.
- Tissue stable
  - Production volumes improving, however trial runs burden the profit margin.
- Significantly lower investment level in the second quarter.

- Net sales SEK 934 m (960)
- Underlying operating income SEK 90 m (88)
- Underlying operating margin 9.6% (9.1%)

Market Outlook

- HORECA market long-term growing in line or slightly above GDP
  - Positive eating out trend.
  - Higher growth in take-away sector.
- Slowdown in Europe related to sovereign debt crisis affects demand.
- HoReCa sector deteriorated in the second quarter
  - Sweden one of few markets with positive growth within HoReCa segment.
- Main raw materials lower than Q2 2011, however weak EUR vs USD has a negative impact.

HORECA Sales Development Germany (April 2012)

Ausser-Haus-Markt Allgemein

Gastgewerbeumsatz im April 2012: real um 1,2 % gesunken

DESTATIS
wissen.nutzen.

Die Unternehmen des Gastgewerbes in Deutschland setzten im April 2012 nominal 1,0 % mehr und real 1,2 % weniger um als im April 2011. So die Ergebnisse des Statistischen Bundesamtes (Destatis).

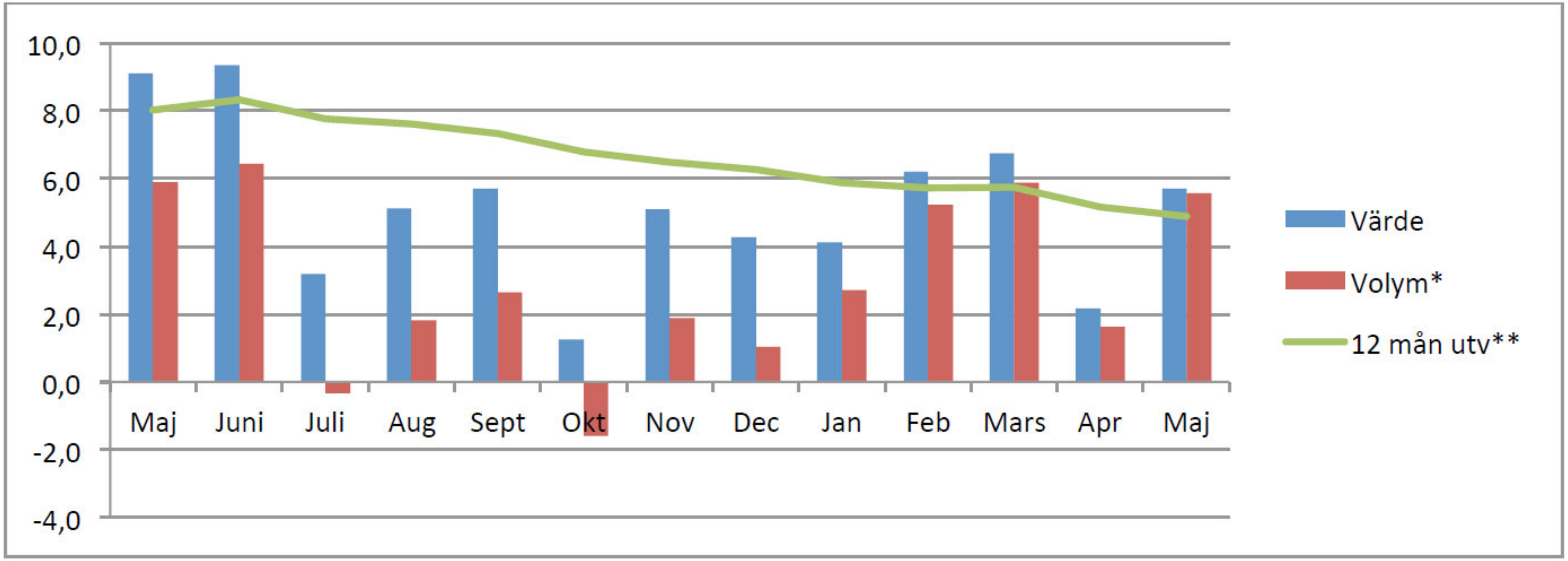
Im Detail geschaut:
Beherbergung – 3,0 % nominales Plus und 0,4 % reales Plus.
Gastronomie – nominal besehen eine ±0-Runde und real betrachtet minus 2,0 %.

HoReCa total →

Wirtschaftsbereich	04/2012 zu 04/2011		01-04/2012 zu 01-04/2011	
	nominal	real	nominal	real
Gastgewerbe insgesamt	1,0	-1,2	3,0	0,9
davon:				
Beherbergung	3,0	0,4	3,7	1,7
Gastronomie	0,0	-2,0	2,6	0,5

Duni

Restaurant Sales Development,
Sweden (May 2011 – May 2012)



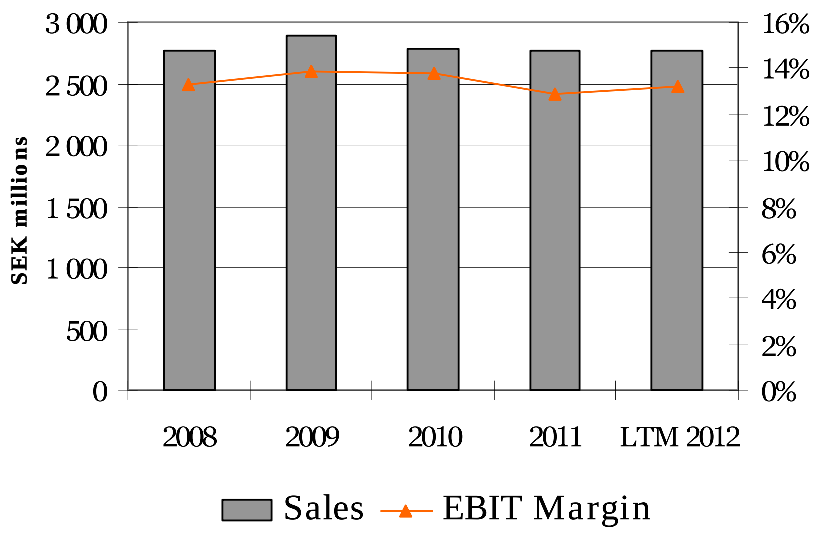
- **+5.6% in volume in May and +5,7% in value.**

Business Areas

Professional

–Strong gross margin

Sales and EBIT 1)



Geographical split – sales Q2 2012

Net sales Professional	Q2 2012	Q2 2011	Growth	Growth at fixed exchange rates
Nordic	160	162	-1.2%	-1.2%
Central Europe	402	418	-3.8%	-3.8%
South & East Europe	128	131	-2.3%	0.0%
Rest of the World	8	6	33.3%	33.3%
TOTAL	**699**	**717**	**-2.5%**	**-2.2%**

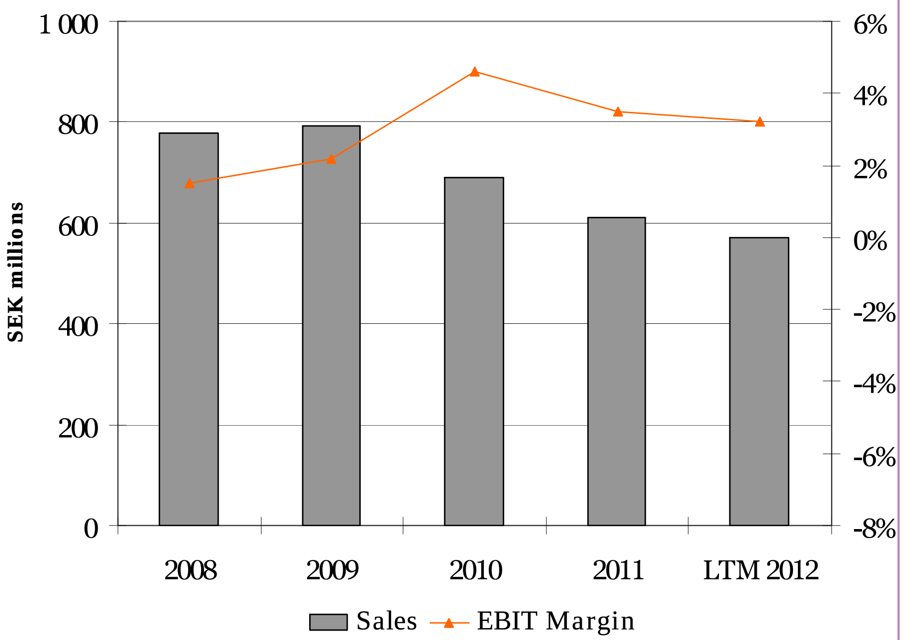
- Second quarter sales negatively influenced by softer markets and discontinued low margin business in UK.
- EBIT margin increased following strong gross margin and cost control.

1) Excluding non-recurring costs and market valuation of derivatives

Consumer (formerly Retail)

– Recovering from weak Quarter 1

Sales and EBIT 1)



Geographical split - sales Q2 2012

Net sales Consumer	Q2 2012	Q2 2011	Growth	Growth at fixed exchange rates
Nordic	18	21	-14.3%	-14.3%
Central Europe	103	104	-1.0%	-1.9%
South & East Europe	4	9	-55.6%	-55.6%
Rest of the World	0	1	-100.0%	-100.0%
TOTAL	**126**	**135**	**-6.7%**	**-7.2%**

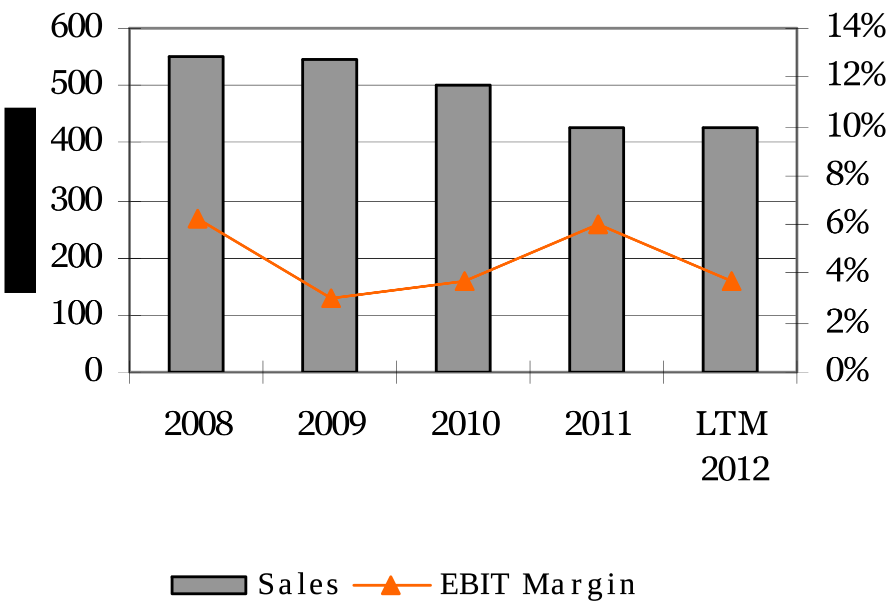
- Volumes recovered from weak Q1, however still behind last year due to loss of one dominant private label-customer in 2011.
- New significant accounts secured in Q2 which from Q3 will influence sales positively.

1) Excluding non-recurring costs and market valuation of derivatives

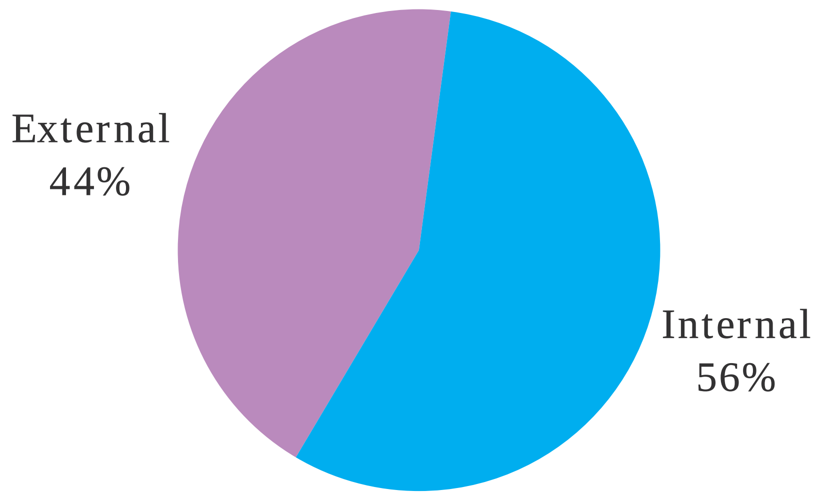
Tissue

– Stable versus last year

Sales and EBIT



Sales mix Q2 2012



- Slightly better capacity utilization.
- Trial runs and installation of new equipment influenced Q2 negatively.


Financials
Duni

Operating Margin 9.6%

SEKm	Q2 2012	Q2 2011	Q2 YTD 2012	Q2 YTD 2011	Q2 LTM 2012	FY 2011
Net sales	934	960	1 790	1 827	3 769	3 807
Gross profit	245	241	472	468	1 035	1 031
Gross margin	26.2 %	25.1 %	26.4 %	25.6 %	24.5 %	27.1%
Selling expenses	-108	-110	-230	-227	-444	-441
Administrative expenses	-40	-43	-83	-85	-170	-172
R&D expenses	-8	-7	-15	-14	-31	-30
Other operating net	-1	5	1	5	-3	0
Operating income (reported)	**87**	**86**	**145**	**147**	**386**	**388**
Non-recurring items[1)]	-2	-2	-5	-8	-12	-16
Operating income (underlying)	**90**	**88**	**150**	**155**	**398**	**404**
Operating margin (underlying)	9.6 %	9.1 %	8.4 %	8.5 %	10.6 %	10.6 %
Financial net	-10	-7	-17	-12	-34	-30
Taxes	-21	-20	-35	-35	-98	-98
Net income	56	59	93	99	254	261
Earnings per share	1.19	1.25	1.97	2.11	5.40	5.54

1) Restructuring costs and market valuation of derivatives

Duni

Operating margin improving in Professional and Consumer

SEKm		Q2 2012	Q2 2011	Q2 YTD 2012	Q2 YTD 2011	Q2 LTM 2012	FY 2011
Professional	Net sales	699	717	1 324	1 320	2 770	2 766
	Operating income1)	90	91	151	144	365	357
	Operating margin	12.9%	12.7%	11.4%	10.9%	13.2%	12.9%
Consumer	Net sales	126	135	253	293	572	612
	Operating income1)	0	-4	-1	1	18	21
	Operating margin	-0.2%	-3.0%	-0.6%	0.5%	3.2%	3.4%
Tissue	Net sales	109	109	213	214	427	428
	Operating income1)	0	1	0	10	16	25
	Operating margin	-0.3%	0.5%	0.0%	4.5%	3.7%	5.9%
Duni	**Net sales**	**934**	**960**	**1 790**	**1 827**	**3 769**	**3 807**
	Operating income1)	**90**	**88**	**150**	**155**	**398**	**404**
	Operating margin	**9.6%**	**9.1%**	**8.4%**	**8.5%**	**10.6%**	**10.6%**

1) Excluding non-recurring cost and market valuation of derivates

Strong Cash Flow

SEKm	Q2 2012	Q2 2011	Q2 YTD 2012	Q2 YTD 2011	Q2 LTM 2012	FY 2011
EBITDA[1)]	**118**	**114**	**206**	**208**	**515**	**511**
Capital expenditure	**-27**	**-81**	**-66**	**-119**	**-323**	**-377**
Change in;						
Inventory	12	29	-4	-26	-54	-37
Accounts receivable	-57	-87	18	-61	-6	-36
Accounts payable	-1	61	-16	-8	-70	-8
Other operating working capital	29	21	-28	19	31	23
Change in working capital	**-17**	**24**	**-30**	**-76**	**-99**	**-58**
Operating cash flow	**74**	**57**	**110**	**13**	**93**	**76**

1) Excluding non-recurring costs and market valuation of derivatives

Net Debt stable despite major investments LTM

SEKm	Q2 2012	Q2 2011	FY 2011
Goodwill	1 199	1 199	1 199
Tangible and intangible fixed assets	891	703	888
Net financial assets[1)]	204	248	210
Inventories	469	467	470
Accounts receivable	636	704	663
Accounts payable	-282	-311	-302
Other operating assets and liabilities[3)]	-269	-294	-300
Net assets	**2 847**	**2 715**	**2 827**
Net debt	830	793	745
Equity	2 017	1 922	2 082
Equity and net debt	**2 847**	**2 715**	**2 827**
ROCE[2)]	15%	17%	17%
ROCE[2)] w/o Goodwill	28%	34%	29%
Net debt / Equity	41%	41%	36%
Net debt / EBITDA[2)]	1.6	1.5	1.5

1) Deferred tax assets and liabilities + Income tax receivables and payables
2) Excluding non-recurring costs and market valuation of derivatives
3) Including restructuring provision and derivatives

Strategic challenge

Financial Targets

		Q2 LTM 2012
Sales growth > 5%	• Organic growth of 5% over a business cycle • Consider acquisitions to reach new markets or to strengthen current market positions	-2,0% **(at fixed exchange rates)**
EBIT margin > 10%	• Top line growth – premium focus • Improvements in manufacturing, sourcing and logistics	10,6%
Dividend payout ratio 40+%	• Target at least 40% of net profit	3.50 SEK per share

Exploring Different Growth Paths

	Core geography	*New geography*
New Horeca concepts	Concept expansion	
Table top	Market Penetration	Platform expansion

➡ Supported by new organizational structure


Thank you!