



Q4 Presentation, 2021

February 17, 2022

DUNI
GROUP

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The period in short

- Restrictions returned during the quarter but less extensive than the same period last year
- Revenue close to historical levels, driven by growth in Business Area BioPak and strong recovery in retail sales
- Raw material and sea freight stabilized at record high levels while energy prices continue upwards

2021 Q4 Highlights

Net Sales +31.4%

- Despite a rise in covid cases and new restrictions, Business Area Duni sales grow significantly compared to last year as last year's restrictions were more invasive
- Business Area BioPak growth continues also in the fourth quarter as take-away demand is continuously high
- Inventory is increased to meet challenges in delivery performance in Business Area BioPak

Operating Income more than doubles

- The significant increase in sales volume for Business Area Duni doubles the Group's operating income
- Both Business Areas, but BioPak in particular, is under strong margin pressure due to increased raw material and container sea freight costs

NET SALES
SEK 1 552 m
(1 181)

OPERATING INCOME
SEK 110 m
(51)

OPERATING MARGIN
7.1%
(4.3%)

OPERATING CASH FLOW
SEK 120 m
(134)

2021 YTD Highlights

Strong growth for BioPak and sales recovery for Duni

- Heavy restrictions in the first five months of the year limited restaurants and hotel business while enabling growth for the take-away segment
- As the restrictions mainly impact the seated table, demand for Business Area Duni's portfolio was very low until end of May but recovered as restrictions gradually eased from end of Q2 with some backlash in Q4
- Business Area BioPak grew throughout the period despite having challenges in ensuring supplies in time as the pandemic caused major disturbances in the sea freight market

Improved operating income despite record cost levels

- Higher sales volumes, larger government support and strong cost control has strengthened the result
- Continuous increase in raw material, freight and electricity costs have had a significant negative impact on the result
- Price increases are initiated, but with limited effect during the year. Effect will increase gradually during Q1 next year

NET SALES
SEK 5 061 m
(4 501)

OPERATING INCOME
SEK 279 m
(149)

OPERATING MARGIN
5.5 %
(3.3%)

OPERATING CASH FLOW
SEK 127 m
(253)

Business Area Duni

The Duni segment stands for what the Group is traditionally associated with – innovative and sustainable solutions for the set table, primarily napkins, table covers and candles.

Duni

Net Sales per region

SEK m	Q4 2021	Q4 2020	FY 2021	FY 2020
NorthEast	156	105	462	413
Central	365	258	1 059	1 109
West	200	134	505	448
South	97	40	303	243
Rest of World	58	70	201	198
Other Sales	22	67	132	216
Duni	896	673	2 662	2 628

SEK m	Q4 2021	Q4 2020	FY 2021	FY 2020
Net Sales	896	673	2 662	2 628
Operating Income	84	1	93	7
Operating Margin %	9.4%	0.2%	3.5%	0.3%

Q4, 2021

- Net sales SEK 896 m (673), operating income SEK 84 m (1)
- Restrictions in Q4 less invasive than last year, when restaurant business was limited to take-away in key markets like Germany and Benelux
- Most regions grow their Q4 sales significantly compared to last year
- Sales through the retail channel had strong development as private events were less restricted
- Raw materials stabilized at record levels while energy costs continued to soar
- Significant profit improvement in all region's vs weak period previous year

Business Area BioPak

The BioPak segment offers environmentally-sound concepts for meal packaging and serving products for applications including take-away, ready-to-eat meals, and various types of catering.



BioPak

Net Sales per region

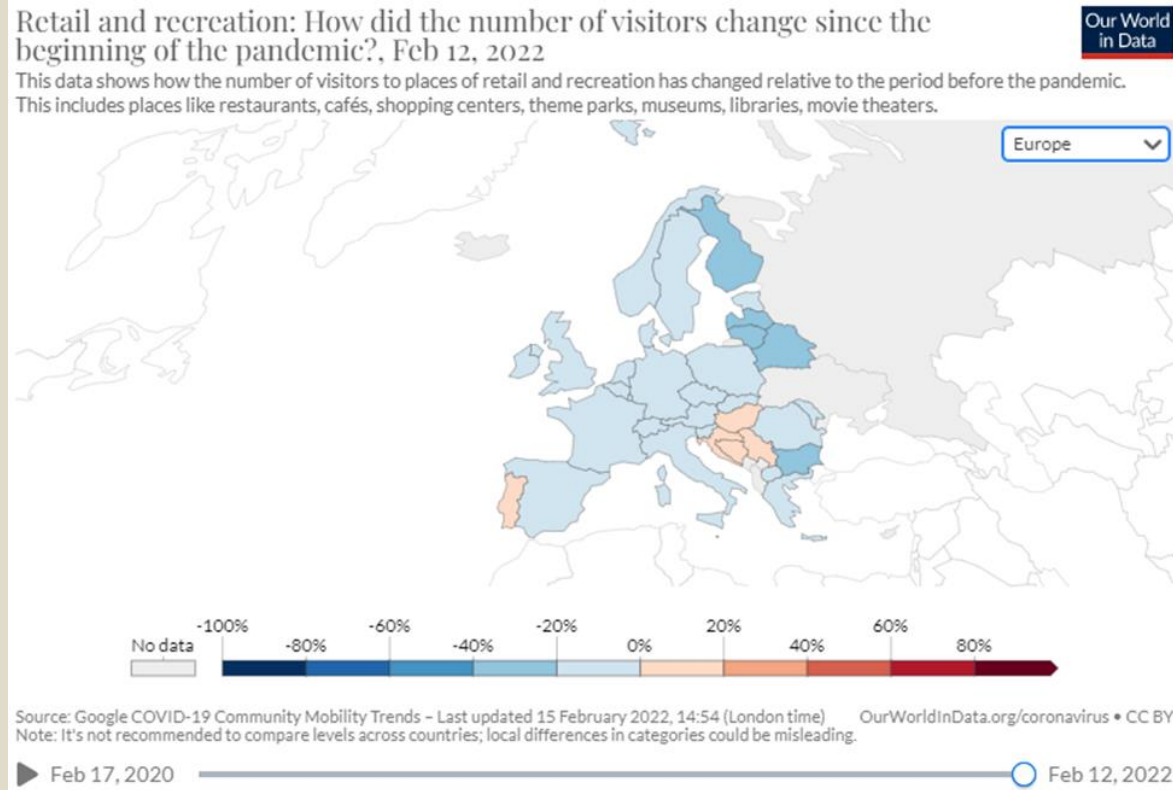
SEK m	Q4 2021	Q4 2020	FY 2021	FY 2020
NorthEast	123	104	489	433
Central	71	63	292	232
West	84	69	313	241
South	43	32	173	128
Rest of World	334	240	1 131	842
Other Sales	-	-	1	-1
BioPak	656	508	2 399	1 874

SEK m	Q4 2021	Q4 2020	FY 2021	FY 2020
Net Sales	656	508	2 399	1 874
Operating Income	26	49	186	142
Operating Margin %	4.0%	9.7%	7.7%	7.6%

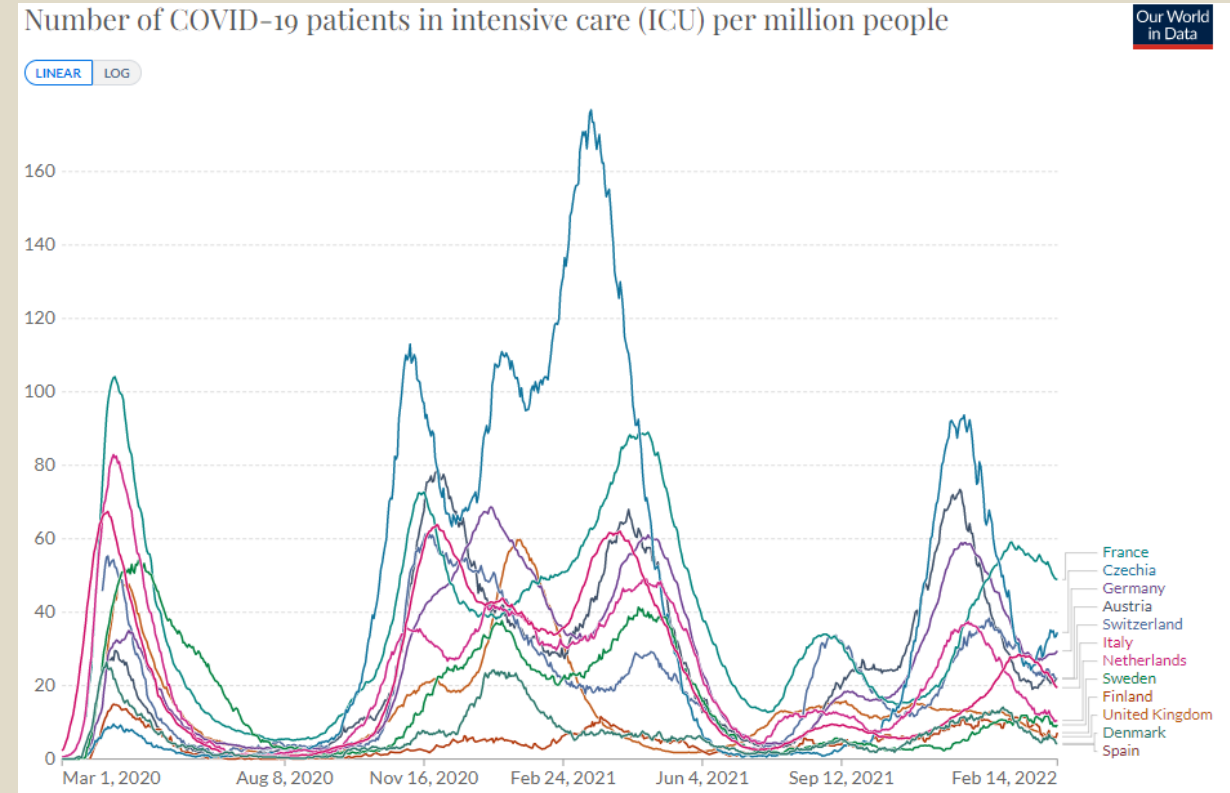
Q4, 2021

- Net sales SEK 656 m (508), operating income SEK 26 m (49)
- The demand for take-away products continues to be high, fueled by restrictions
- As seen during the past years, the demand for eco-conscious products continues in a strong way
- During the year, the costs for container sea freight has seen an extreme development
- Record levels were reached during Q3 and stabilized with shipping costs increasing of several hundred percentages in Q4
- Price increases are initiated but has limited impact in the quarter
- Less travel and fewer market activities supports the result

Covid-19 Situation: Actions & Outlook



<https://www.ecdc.europa.eu/en/covid-19/situation-updates/weekly-maps-coordinated-restriction-free-movement>



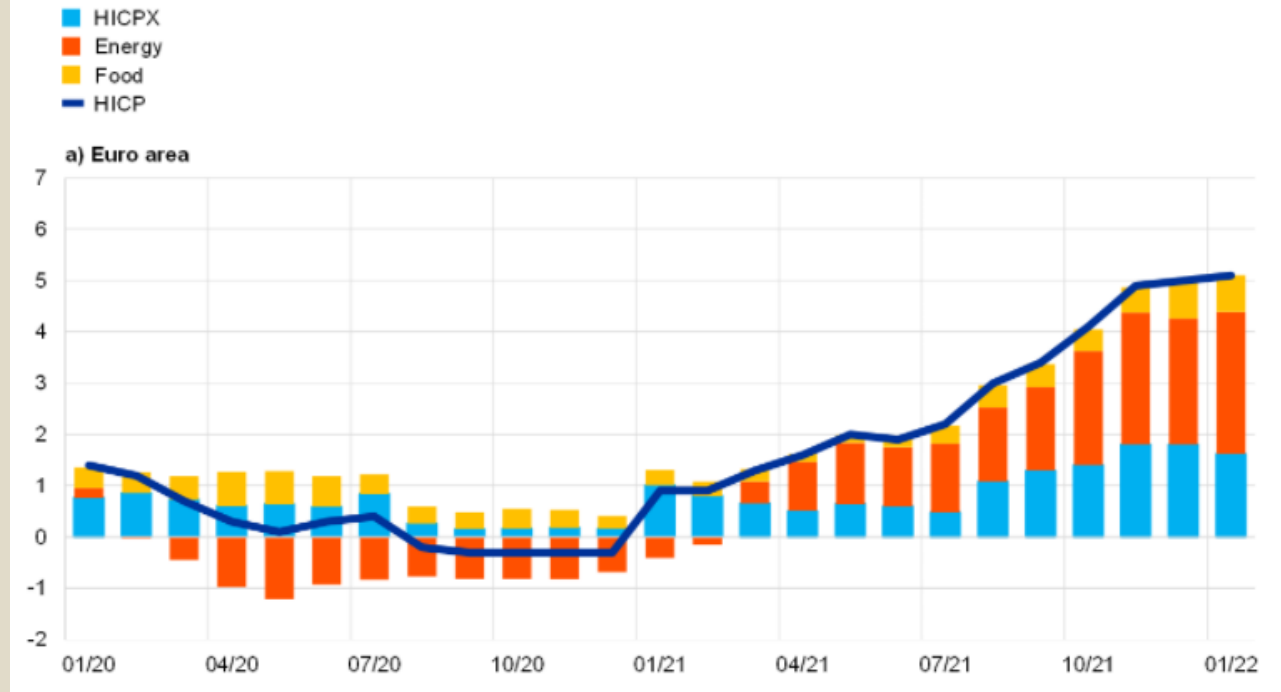
<https://ourworldindata.org/>

Cost pressure still severe, but not increasing

Google mobility indicates progress towards normality



(annual percentage changes, percentage point contributions)



https://www.ecb.europa.eu/pub/economic-bulletin/focus/2022/html/ecb.ebbox202201_01~4bb2c93b96.en.html

<https://www.drewry.co.uk/supply-chain-advisors/supply-chain-expertise/world-container-index-assessed-by-drewry>

Financials

Income Statement

SEK m	Q4 2021	Q4 2020	FY 2021	FY 2020
Net sales	1 552	1 181	5 061	4 501
Gross profit	294	213	928	814
Gross margin	18.9%	18.0%	18.3%	18.1%
Selling expenses	-136	-118	-505	-514
Administrative expenses	-80	-65	-271	-265
R & D expenses	-1	-2	-1	-5
Other operating net	-26	32	21	41
EBIT	51	59	173	70
Adjustments	-59	8	-106	-79
Operating income ¹⁾	110	51	279	149
Operating margin	7.1%	4.3%	5.5%	3.3%
Financial net	-8	-12	-39	-63
Taxes	-34	-12	-56	-3
Net income	9	35	77	4
Earnings per share	0.18	0.73	1.62	0.05

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

Business Areas Financials

SEK m		Q4 2021	Q4 2020	FY 2021	FY 2020
Duni	Net Sales	896	673	2 662	2 628
	Operating income ¹⁾	84	1	93	7
	Operating margin	9.4%	0.2%	3.5%	0.3%
BioPak	Net Sales	656	508	2 399	1 874
	Operating income ¹⁾	26	49	186	142
	Operating margin	4.0%	9.7%	7.7%	7.6%
Duni Group	Net Sales	1 552	1 181	5 061	4 501
	Operating income ¹⁾	110	51	279	149
	Operating margin	7.1%	4.3%	5.5%	3.3%

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	Q4 2021	Q4 2020	FY 2021	FY 2020
Operating EBITDA ¹⁾	145	90	421	305
Capital expenditure ¹⁾	-22	-19	-57	-77
Change in;				
Inventory	-207	-25	-367	-111
Accounts receivable	41	181	-239	287
Accounts payable	210	30	287	-66
Other operating working capital	-47	-123	84	-84
Change in working capital	-3	63	-237	26
Operating cash flow ²⁾	120	134	127	253

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	December 2021	December 2020
Goodwill	2 010	2011
Tangible and intangible fixed assets	1 494	1 615
Net financial assets ¹⁾	15	-22
Inventories	1 253	861
Accounts receivable	860	599
Accounts payable	-723	-422
Other operating assets and liabilities ³⁾	-818	-689
Net assets	4 090	3 952
Net debt	1 375	1 324
Equity	2 714	2 628
Equity and net debt	4 090	3 952
ROCE ²⁾	7%	4%
ROCE ²⁾ w/o Goodwill	14%	8%
Net debt / Equity	51%	50%
Net debt / EBITDA ²⁾	2.83	3.54

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.

FY 2021

14.4%

at fixed exchange rates

Operating margin

> 10%

**TOP LINE GROWTH
– PREMIUM FOCUS**

Improvements in manufacturing, sourcing and logistics.

FY 2021

5.5%

Dividend payout ratio

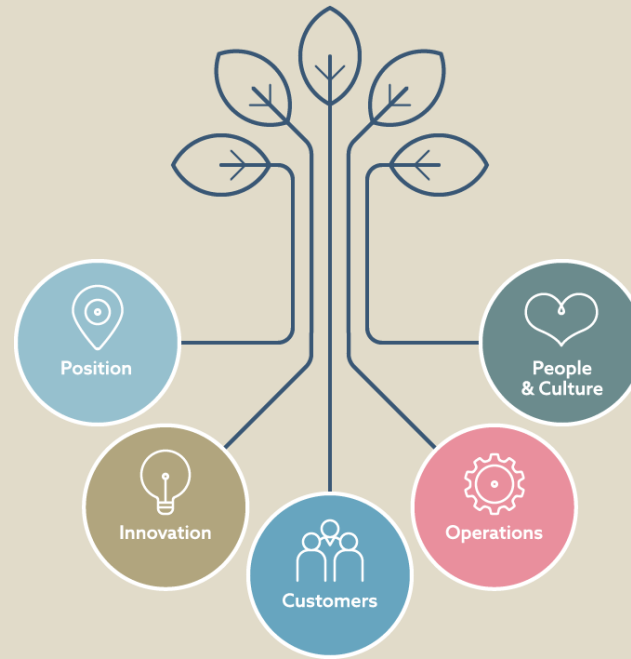
40+%

**TARGET AT LEAST 40%
OF NET PROFIT**

2021 Proposal

0.00 SEK

An updated
strategy to become
fully circular with
net zero emissions



Our sustainability initiatives

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



Thank you!