



Q1 Presentation, 2021

April 22, 2021

DUNI
GROUP

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.

The period in short

- New COVID-19 waves and slow vaccination continues to effect markets.
- Strong take-away trend continues, BioPak nearly doubles operating income.
- Current adjusted loan agreement prolonged another two quarters.
- Market outlook still with high uncertainty, but light in the tunnel.



2021 Q1 Highlights

Net Sales -25%

- Restrictions significantly impact Duni Group throughout the quarter.
- The sales in business area Duni continues on low levels as restaurants are forced to limit or fully close on premises dining in key markets.
- The business area BioPak continues to grow as take-away benefits from the COVID-19 restrictions.

Operating Income down SEK 121 m vs last year

- The decreased sales volumes in business area Duni generated less fixed cost coverage and limits economy of scale in logistics.
- Cost reduction program and strong BioPak growth continues to support results.

NET SALES
SEK 932 m
(1 249)

OPERATING INCOME
SEK -41 m
(80)

OPERATING MARGIN
-4.4%
(6.4%)

OPERATING CASH FLOW
SEK -96 m
(-40)

Business area Duni

Business area Duni 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	Q1 2021	Q1 2020	LTM 20/21	FY 2020
NorthEast	59	128	354	423
Central	173	391	908	1 126
West	52	136	359	443
South	16	70	167	221
Rest of World	48	61	183	196
Other Sales	53	25	247	219
Duni	401	811	2 217	2 628

SEK m	Q1 2021	Q1 2020	LTM 20/21	FY 2020
Net Sales	401	811	2 217	2 628
Operating Income	-83	56	-132	7
Operating Margin %	-20.8%	6.9%	-6.0%	0.3%

Q1, 2021

- Net Sales SEK 401 m (811), Operating Income SEK -83 m (56).
- Low sales throughout the quarter as restrictions continue, but with gradual improvement.
- Main customer segments, Hotels and Restaurants, have been fully or partly closed.
- Operating Income is heavily impacted by the lower sales volumes as it gives limited coverage for the fixed costs in Duni's vertically integrated value chain.
- Cost reductions, government support and higher external sales from papermill in Skåpafors, Sweden, strengthens the result.
- Application on fixed costs not finalized and not contributing to Q1. Expected amount to be applied for equals EUR 5-6 m.

Business area BioPak

Business area BioPak 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	Q1 2021	Q1 2020	LTM 20/21	FY 2020
NorthEast	106	104	436	434
Central	77	56	254	232
West	38	32	145	140
South	37	30	136	128
Rest of World	273	217	998	941
Other Sales	0	0	-1	-1
BioPak	531	439	1 966	1 874

SEK m	Q1 2021	Q1 2020	LTM 20/21	FY 2020
Net Sales	531	439	1 966	1 874
Operating Income	43	24	160	142
Operating Margin %	8.0%	5.5%	8.1%	7.6%

Q1, 2021

- Net Sales SEK 531 m (439), Operating Income SEK 43 m (24).
- Increased demand for take-away products continue as restrictions on sit down restaurants are kept in place throughout the quarter.
- The environmentally-sound portfolio drives the biggest share of the demand, supported by strong demand of sealable packaging solutions.
- Australia with a fully focused eco-conscious portfolio grows by 30%.
- Eating & Drinking sales, especially plastic based articles, decrease significantly.
- Savings on indirect costs due to less travel and marketing, supports the result while logistic costs, inbound container shipping costs has a negative impact on the result.

COVID-19 Situation Actions & Outlook

- Delay in vaccination roll out resulted in prolongation of lock downs in almost all markets.
- Strong resilience within our main segment, HoReCa – Demand to eat, meet and travel still there and expected to recover fast once possible.
- Although sharp cost control throughout the pandemic, Duni Group's role as an expert in our industry with two strong brands has proven to be valuable in terms of volatility.
- High focus on helping our customers in this difficult situation - new concepts, increased hygiene and soon outdoor products.
- Still very difficult to forecast but ongoing vaccination gives good hope of a gradual opening during the coming quarter, still with some restrictions.



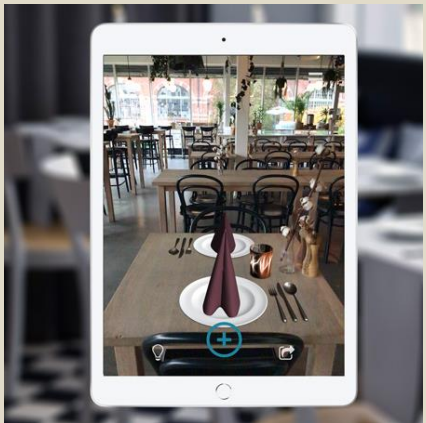
Well positioned for the future

Trends of digitalization, customer experience and sustainability have increased during the pandemic but also hygiene have become increasingly important.

Duni Group have and continues to make significant changes and efforts in all areas to be well positioned for a post-pandemic world where the need to meet, eat and travel are expected to thrive.



Q1



Financials

Income Statement

SEK m	Q1 2021	Q1 2020	LTM 20/21	FY 2020
Net sales	932	1 249	4 184	4 501
Gross profit	104	291	626	814
Gross margin	11.2%	23.3%	15.0%	18.1%
Selling expenses	-117	-163	-469	-514
Administrative expenses	-59	-72	-253	-265
R & D expenses	0	-2	-3	-5
Other operating net	16	-15	-72	41
EBIT	-56	39	-26	70
Adjustments	-15	-41	-54	-79
Operating income ¹⁾	-41	80	28	149
Operating margin	-4.4%	6.4%	0.7%	3.3%
Financial net	-16	-10	-69	-63
Taxes	21	-7	25	-3
Net income	-51	22	-70	4
Earnings per share	-1.11	0.43	-1.49	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 area Financials

SEK m		Q1 2021	Q1 2020	LTM 20/21	FY 2020
Duni	Net Sales	401	811	2 217	2 628
	Operating income ¹⁾	-83	56	-132	7
	Operating margin	-20.8%	6.9%	-6.0%	0.3%
BioPak	Net Sales	531	439	1 966	1 874
	Operating income ¹⁾	43	24	160	142
	Operating margin	8.0%	5.5%	8.1%	7.6%
Duni Group	Net Sales	932	1 249	4 184	4 501
	Operating income ¹⁾	-41	80	28	149
	Operating margin	-4.4%	6.4%	0.7%	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	Q1 2021	Q1 2020	LTM 20/21	FY 2020
Operating EBITDA ¹⁾	-5	119	180	305
Capital expenditure ¹⁾	-10	-26	-62	-77
Change in;				
Inventory	-54	-62	-103	-111
Accounts receivable	62	105	244	287
Accounts payable	-58	-94	-31	-66
Other operating working capital	-31	-82	-33	-84
Change in working capital	-81	-133	78	26
Operating cash flow ²⁾	-96	-40	196	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	March 2021	December 2020	March 2020
Goodwill	2 045	2011	2 047
Tangible and intangible fixed assets	1 592	1 615	1 823
Net financial assets ¹⁾	38	-22	-51
Inventories	937	861	864
Accounts receivable	554	599	836
Accounts payable	-374	-422	-416
Other operating assets and liabilities ³⁾	-686	-689	-756
Net assets	4 106	3 952	4 348
Net debt	1 488	1 324	1 664
Equity	2 618	2 628	2 684
Equity and net debt	4 106	3 952	4 348
ROCE ²⁾	1%	4%	12%
ROCE ²⁾ w/o Goodwill	1%	8%	23%
Net debt / Equity	57%	50%	62%
Net debt / EBITDA ²⁾	6.01	3.54	2.22

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 20/21

-23.2%

at fixed exchange rates

Operating margin

> 10%

**TOP LINE GROWTH
– PREMIUM FOCUS**

Improvements in manufacturing, sourcing and logistics.

LTM 20/21

0.7%

Dividend payout ratio

40+%

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

2020

0.00 SEK

Proposal AGM 2021



Thank you!