



10 July, 2015

Q2 Presentation 2015



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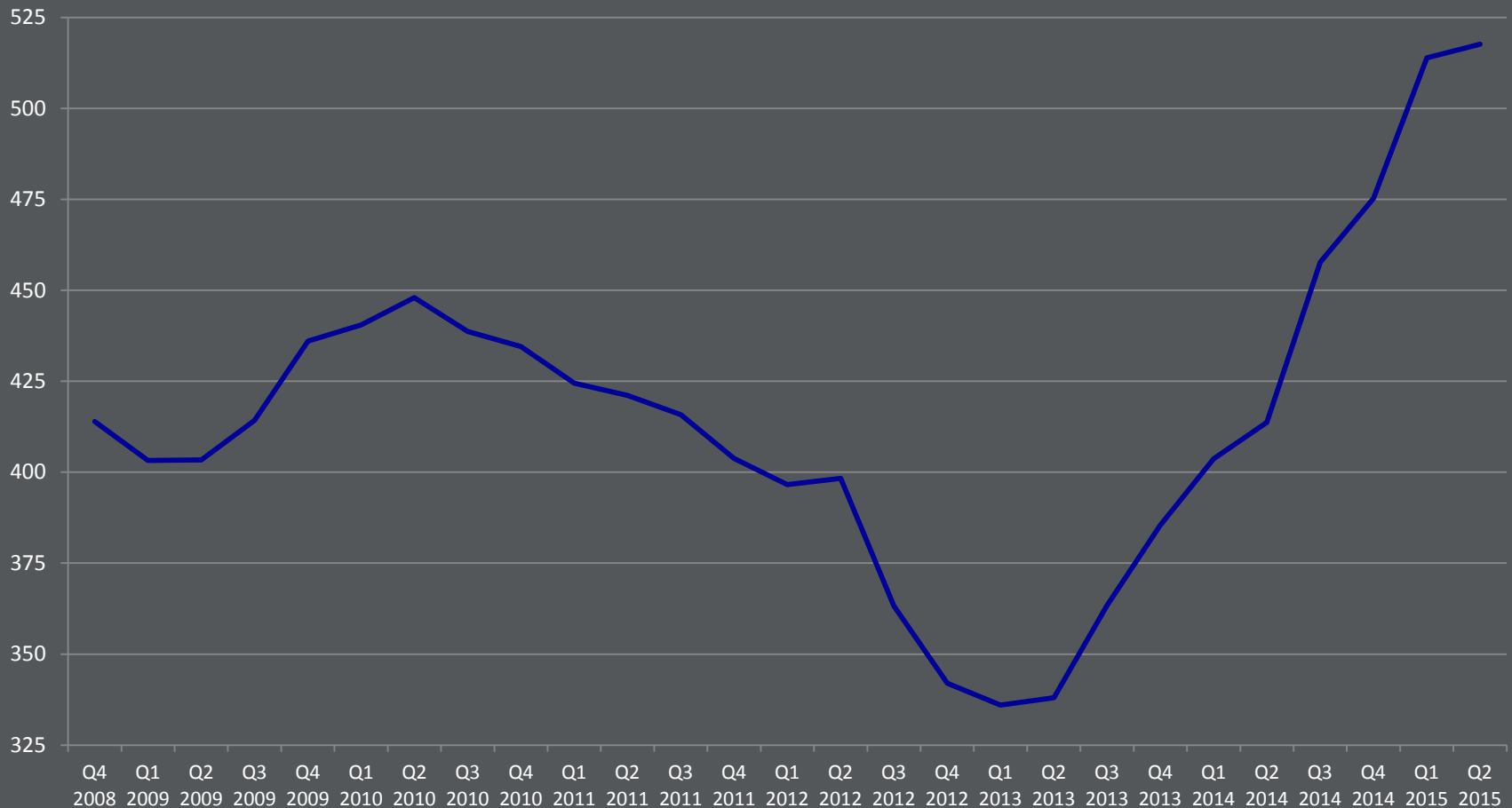
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2015 Q2 Highlights

- Small organic growth in line with soft market in general.
 - Decision to invest 110 MSEK in additional capacity for tissue.
 - Organic growth mainly derived from Meal Service and New Markets.
 - Seasonal increase in net debt, but decrease with 248 MSEK compared to Q2 2014.
 - Hygiene as from Q2 reported as discontinued operations.
- Net sales SEK 1 002 m (922)
 - Operating income SEK 104 m (93)
 - Operating margin 10.3% (10.1%)



Operating income (LTM) on highest level since IPO



Includes discontinued operations





Market Outlook

Market Outlook

- HoReCa market long-term growing in line or slightly above GDP.
 - Higher growth in take-away, catering and fast food restaurants.
 - Zero growth in volume from recent German HoReCa, mixed signals in Europe. Sweden strong, but weak in parts of West and South Europe.
- Improved estimation on real GDP, but Greek crisis could hamper expectations.
 - Uplift of German GDP prediction for 2015 indicating 1.5-2.0% improvement vs. 2014.
 - Greek crisis might have negative influence on consumer confidence which is still on healthy levels.
 - High volatility, partly due to exchange rates, on raw materials. Continuous strong USD puts pressure on prices in EUR.
- Pulp remains on high levels in EUR correlated to the strong USD.
- Sharp competitive pressure in several markets, also in premium segment.



Business Areas

Table Top

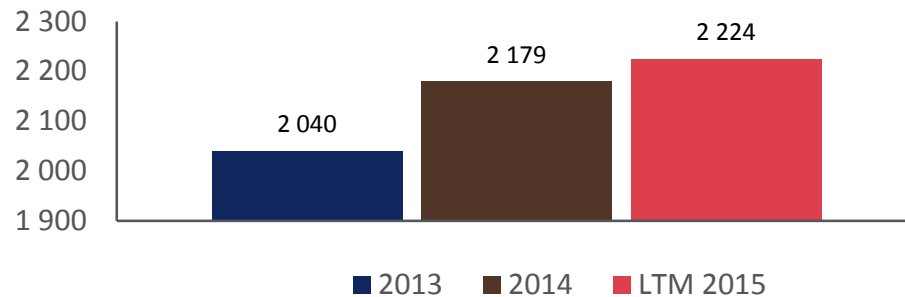
Slightly lower growth trend noticeable in Central Europe.



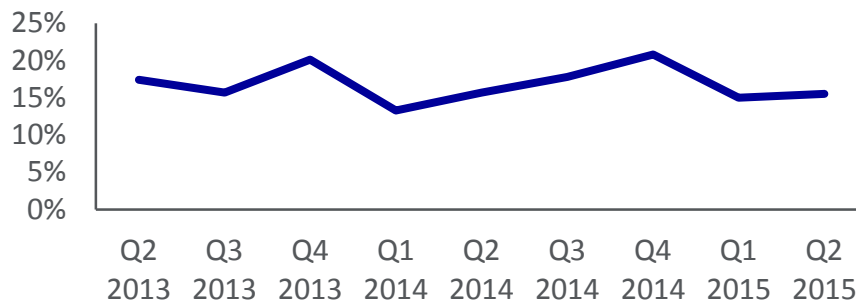
Table Top

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.

Q2, 2015

- Softer development compared to previous quarters, which could partly be explained by a cold spring and consequently low activity in outdoor seating.
- Benelux and UK continue to improve, but Germany experienced a weak quarter.
- Cash & Carry, the dominating distribution channel in Germany, had a weaker trend.
- Sweden still a challenging market, albeit underlying increase in demand.
- Higher share of Premium assortment, but less favorable development in commodities.



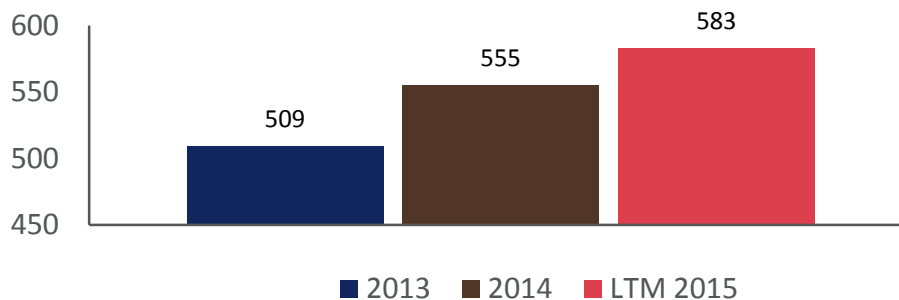
Meal Service

Volume increase and improved profit continues.

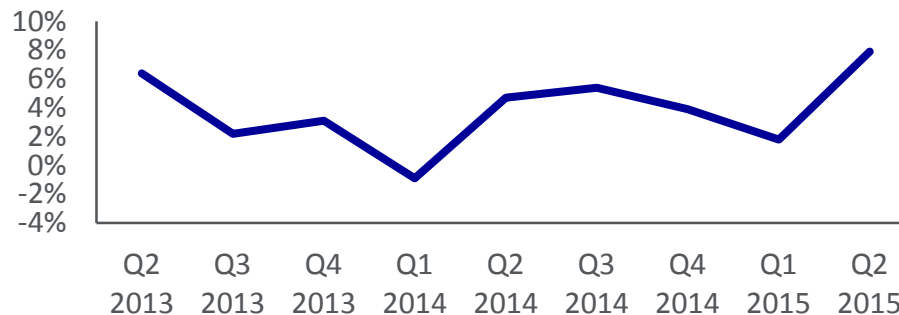
Meal Service

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.

Q2, 2015

- Meal Service continues to benefit from the growth in take-away segment.
- Boxes in various shapes and qualities experience rapid growth, particularly customized closely aligned with customer needs.
- Q2 positively favored by temporarily lower plastic prices which will increase again in Q3.



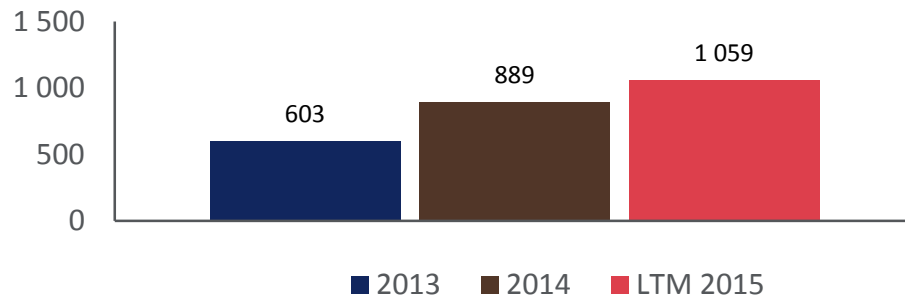
Consumer

Last quarter with structural effects from Paper+Design acquisition.

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.

Q2, 2015

- Second quarter the seasonally least important.
- Lower number of campaigns compared to 2014 which benefitted from occasions like FIFA World Cup and a warm spring.
- Strong development in UK.
- Diminished year on year effect from business secured in 2014.

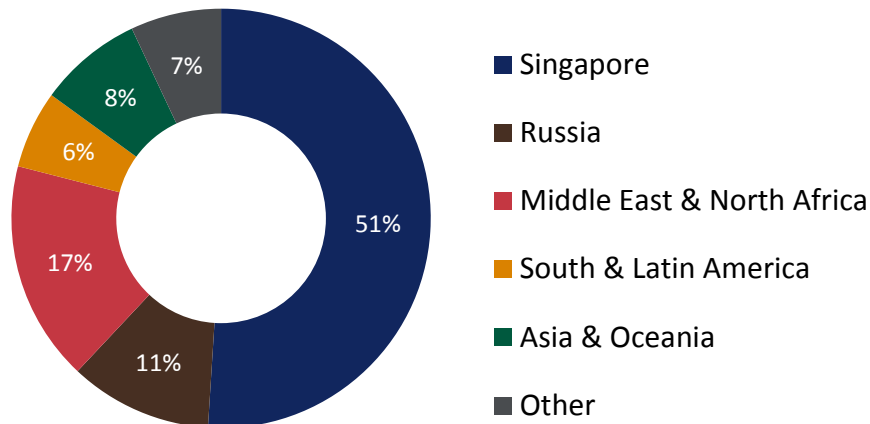


New Markets

Improvement albeit
continuous challenging
situation in Russia.

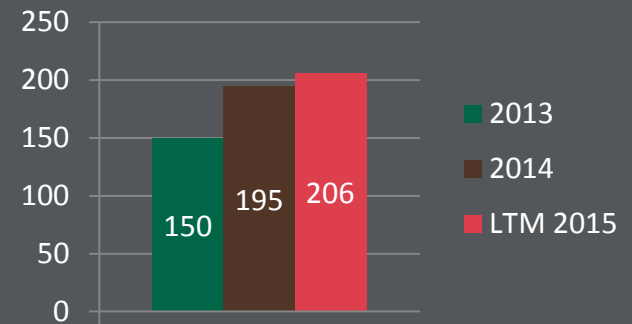
New Markets

- Stabilization of Russian ruble, implementation of price increase and cost reduction plan in Russia contributed to satisfying development.
- Duni Singapore benefits from sales of Duni assortment.
- Middle East and South America with double digit growth.

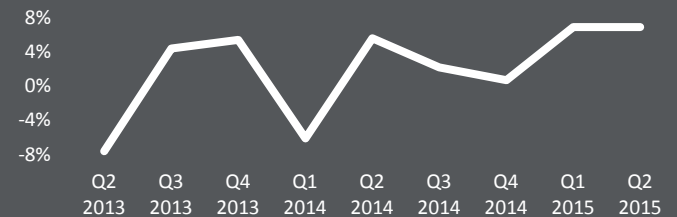


Net sales, geographical split

SALES & OPERATING MARGIN ¹⁾



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

- Hygiene is no longer included in M&S, instead reported as discontinued operations below net profit.
- Remaining business are mainly external sales of raw materials of tissue and airlaid plus external services.



Financials

P&L based on continuing operations

SEK m Continuing operations	Q2 2015	Q2 2014	YTD 2015	YTD 2014	LTM 2014/2015	FY 2014
Net sales	1 002	922	1 987	1 739	4 118	3 870
Gross profit	284	253	571	487	1 219	1 134
Gross margin	28.4%	27.4%	28.8%	28.0%	29.6%	29.3%
Selling expenses	-116	-112	-241	-225	-472	-456
Administrative expenses	-60	-50	-117	-96	-232	-211
R & D expenses	-3	-2	-5	-5	-11	-11
Other operating net	-9	4	-10	-2	-31	-23
EBIT	97	92	198	158	473	433
Adjustments	-7	-1	-13	-1	-30	-18
Operating income ¹⁾	104	93	211	159	504	452
Operating margin	10.3%	10.1%	10.6%	9.2%	12.2%	11.7%
Financial net	-7	-1	-12	-4	-27	-19
Taxes	-22	-24	-47	-41	-119	-113
Net income	68	66	138	112	327	302
Earnings per share	1.44	1.40	2.94	2.39	6.97	6.42

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 Meal Service

SEK m		Q2 2015	Q2 2014	YTD 2015	YTD 2014	LTM 2014/2015	FY 2014
Table Top	Net Sales	563	552	1 075	1 030	2 224	2 179
	Operating income ¹⁾	87	87	165	150	388	373
	Operating margin	15.5%	15.7%	15.3%	14.6%	17.4%	17.1%
Meal Service	Net Sales	163	148	299	271	583	555
	Operating income ¹⁾	13	7	15	6	28	19
	Operating margin	7.9%	4.7%	5.1%	2.2%	4.9%	3.5%
Consumer	Net Sales	212	161	488	318	1 059	889
	Operating income ¹⁾	-1	-5	23	1	77	54
	Operating margin	-0.3%	-3.2%	4.7%	0.2%	7.3%	6.1%
New Markets	Net Sales	55	48	102	91	206	195
	Operating income ¹⁾	4	3	7	0	9	1
	Operating margin	6.9%	5.6%	6.9%	0.0%	4.1%	0.8%
Materials & Services	Net Sales	10	13	23	29	46	52
	Operating income ¹⁾	0	1	1	2	3	4
	Operating margin	2.5%	10.1%	5.3%	8.5%	6.6%	8.2%
Continuing operations	Net Sales	1 002	922	1 987	1 739	4 118	3 870
	Operating income ¹⁾	104	93	211	159	504	452
	Operating margin	10.3%	10.1%	10.6%	9.2%	12.2%	11.7%
Discontinued operations	Net Sales	20	95	81	198	261	379
	Operating income ¹⁾	1	8	5	15	14	23
	Operating margin	6.6%	8.9%	6.6%	7.4%	5.2%	6.0%
Duni Total	Net Sales	1 022	1 017	2 067	1 937	4 379	4 249
	Operating income ¹⁾	105	101	216	174	518	475
	Operating margin	10.3%	10.1%	10.5%	9.0%	11.8%	11.2%

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.



Improved Cash Flow

SEK m Continuing operations	Q2 2015	Q2 2014	YTD 2015	YTD 2014	LTM 2014/2015	FY 2014
EBITDA from continuing operations ¹⁾	134	120	274	215	631	572
Capital expenditure	-33	-22	-52	-32	-107	-87
Change in; Inventory	-13	18	-48	-33	-32	-17
Accounts receivable	4	-69	15	-33	37	-12
Accounts payable	10	-8	12	-34	31	-16
Other operating working capital	10	41	-27	25	-20	32
Change in working capital	11	-19	-48	-76	15	-12
Operating cash flow	113	79	174	107	539	472

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.

Financial position considerably improved vs. June 2014

SEK m	June 2015	December 2014	June 2014
Goodwill	1 459	1 463	1 493
Tangible and intangible fixed assets	1 113	1 162	1 107
Net financial assets ¹⁾	-24	-1	64
Inventories	531	503	531
Accounts receivable	686	743	748
Accounts payable	-325	-341	-330
Other operating assets and liabilities ³⁾	-395	-448	-429
Net assets	3 045	3 081	3 184
Net debt	916	888	1 164
Equity	2 130	2 193	2 021
Equity and net debt	3 045	3 081	3 184
ROCE ²⁾	17%	15%	13%
ROCE ²⁾ w/o Goodwill	34%	31%	32%
Net debt / Equity	43%	41%	58%
Net debt / EBITDA ²⁾	1.45	1.55	2.36

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

2.2%

at fixed exchange rates,
excluding hygiene business¹⁾

Operating margin

> 10%

Top line growth – premium focus

Improvements in manufacturing, sourcing and logistics

LTM

12.2%

Dividend payout ratio

40+%

Target at least 40% of net profit

2014

4.50 SEK
per share



Thank you!

