

Strengthened result under continued cost pressure

October 1 - December 31

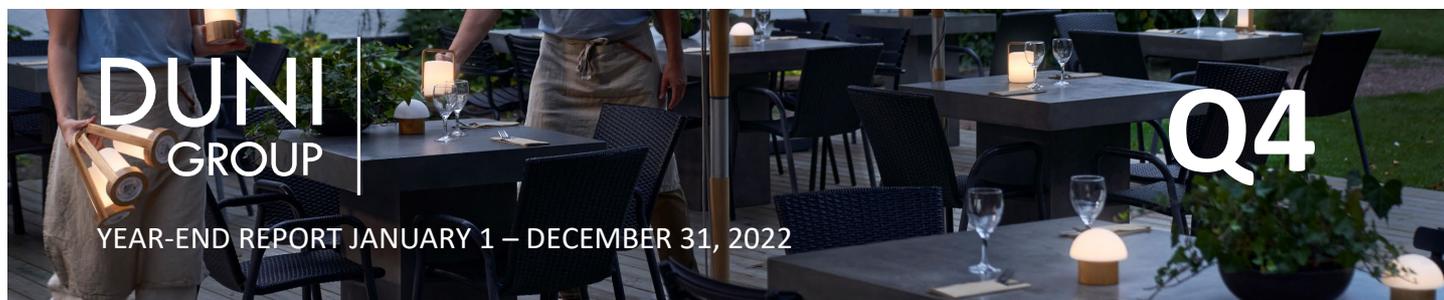
- Net sales amounted to SEK 1,974 m (1,552), corresponding to a 27.2% increase in sales. At fixed exchange rates, this corresponds to a 19.0% increase.
- Operating income amounted to SEK 153 m (110).
- Strong growth compared to the previous year, although continued cost increases are putting pressure on the operating margin.
- Strengthened balance sheet following divestment of 25% of the shares in the Australian company BioPak Pty Ltd.

January 1 – December 31

- Net sales amounted to SEK 6,976 m (5,061), corresponding to a 37.8% increase in sales. At fixed exchange rates, this corresponds to a 30.9% increase.
- Operating income amounted to SEK 450 m (279), an improvement of more than 60%, primarily attributable to a strong recovery of the HoReCa market.
- The Board of Directors proposes a dividend of SEK 3,00 (0) per share, to be split into two payments.



The Duni Group is a market leader in attractive, environmentally sound and functional products for table setting and take-away. The Group markets and sells two brands, Duni and BioPak, which are represented in more than 40 markets. Duni has around 2,200 employees in 21 countries, its headquarters in Malmö and production units in Sweden, Germany, Poland, New Zealand and Thailand. Duni is listed on the NASDAQ Stockholm under the ticker name "DUNI". Its ISIN code is SE0000616716. This information is information that Duni AB is obligated to make public pursuant to the EU Market Abuse Regulation. The information was provided, through the contact person, for publication on February 14, 2023 at 07:45 CET.



DUNI
GROUP

Q4

YEAR-END REPORT JANUARY 1 – DECEMBER 31, 2022

KEY FINANCIALS

SEK m	3 months Oct-Dec 2022	3 months Oct-Dec 2021	12 months Jan-Dec 2022	12 months Jan-Dec 2021
Net sales	1,974	1,552	6,976	5,061
Organic growth	19.1%	31.5%	30.9%	14.4%
Operating income ¹⁾	153	110	450	279
Operating margin ¹⁾	7.8%	7.1%	6.4%	5.5%
EBIT	100	51	326	173
EBIT margin	5.1%	3.3%	4.7%	3.4%
Income after financial items	91	43	283	133
Income after tax	59	9	201	77
Earnings per share attributable to equity holders of the Parent Company	1.28	0.18	4.25	1.62
Return on capital employed, excluding goodwill	16.6%	14.4%	16.6%	14.4%

¹⁾ For reconciliation of alternative key financials, definition of key financials and glossary, see pages 32-34.



“Despite many challenges early in the year, we delivered strong results in 2022, thanks to substantial performances from employees and the trust from our customers.”

A strong ending of the year

Demand in the HoReCa market made a satisfactory recovery during the year, and it became clear that restaurant visits were being prioritized again once this was possible. The year was also characterized by a sharp rise in inflation, which resulted in a number of necessary price increases. The company's long-term ambition to the industry's sustainability leader is a key part of the overall strategy. Several new initiatives, concerning both materials and business models, were initiated and confirmed the strategy of always providing “the most sustainable solution for every consumption occasion”. Broader solutions increase our relevance and we become better equipped for new requirements and consumption patterns.

Positive trend in sales and income

Both business areas showed growth during the quarter, with sales growth totaling 27% compared to the same period last year. At fixed exchange rates, the increase corresponds to 19%. It is good to see that our main markets, Germany and Australia, continued to grow faster than the company's overall growth level.

The Group's operating income for the fourth quarter increased by 40% compared to the same period last year. The operating margin for the quarter was 7.8% (7.1%). The increase was mainly driven by stronger demand, but also by price adjustments. The adjustments implemented during the second half of 2022 are expected to take effect during the first quarter of 2023. Given the current global situation, we believe that not only input materials and logistics services, but also energy prices will be compensated during the coming quarter. Ongoing work on cost compensation is also expected to be a feature of the year to come.

In December 2022, 25% of the shares in BioPak Pty Ltd were divested to the Australia-based private equity

firm Five V Capital. Duni Group retains 55% of the shares. The purpose of the transaction is to accelerate the expansion of the business both inside and outside of Australia, while at the same time we have a strengthened balance sheet. The transaction resulted in total restructuring costs of SEK 34 m for the quarter, which is included in EBIT.

Progress in sustainable innovations

During the year, the Group made strong progress in its long-term investments in sustainability and circularity. The company has a goal to have a fully circular product range by 2030 and is investing in existing startups such as Relevo and Bûmerang, as well as in-house developed solutions that will be tested in the coming year. The Group will continue to work with new strategic partnerships to secure its long-term position as the most sustainable alternative for the consumer market in hotels, restaurants and cafés.

After the end of the year, we confirmed our Gold status from EcoVadis in January. We improved our ranking to 73 points of 100 possible, which puts us among the best three per cent in our industry. This strengthens and deepens our dialog with stakeholders in the HoReCa market who want a speaking partner for both sustainable reuse and single-use solutions.

Together we succeeded

The Duni Group's performance during the year showed the strength of the organization. Despite many challenges early in the year, we delivered strong results in 2022, thanks to substantial performance from employees and the trust from our customers.

Robert Dackeskog, President and CEO, Duni Group.

This is Duni Group

Duni Group is a leading supplier of inspiring tabletop concepts and attractive, creative and environmentally smart single-use items for food and beverages. Our offering includes high-quality products, such as napkins, table covers, candles and other tabletop accessories, along with packaging products and systems for the growing take-away market.

All of the company's concepts should contribute to creating an elevated experience where people come together to enjoy food and drink. And they should be able to do so with a clear conscience – environmental sustainability and circular options are a matter of course.



Two business areas

The business is divided into two business areas: Duni and BioPak. Each business area has full responsibility for its respective value chain. Products are sold through a joint sales force, with the regions supporting the business areas. Duni and BioPak are responsible for their respective brand strategies as well as their own marketing communications, product development and innovation.

2,231

The Group has 2,231 employees in 21 countries. The head office is located in Malmö. Tissue for napkins and table covers is manufactured in Sweden, while conversion to finished products takes place in Germany, Poland, Thailand and New Zealand. The Group has sales offices in Australia, Finland, France, United Arab Emirates, Netherlands, New Zealand, Poland, Switzerland, Singapore, Spain, UK, Sweden, Thailand, Czech Republic, Germany, USA and Austria.

 Production units  Sales offices

FINANCIAL TARGETS

*Rolling 12 months, Jan-Dec 2022

Net sales

SEK 6,976 m

Dividend proposal 2022

3,00

It is the Board of Directors' long-term intention for dividends to amount to at least 40% of income after tax.

Sales growth

30.9%

Operating margin

6.4%

The Duni Group's target is to achieve average organic growth in sales in excess of 5% per year over a business cycle. In addition, the Group continuously evaluates acquisition opportunities to reach new emerging markets or strengthen its position in existing markets.

The target is for the Group's operating margin to be at least 10%. Profitability is to be increased through sales growth, continued focus on premium products and continued improvements within purchasing and production.



Three sustainability goals by 2030



Becoming circular at scale

Goal 2030:

fully circular operations

- environmentally friendly materials and suppliers
- efficient operation
- relevant solutions for reuse, recycling and composting
- no virgin 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 during the quarter:

- Use of virgin fossil plastic at index 75 (2019 base year = 100)
- Agreement with Bower on recycling of BioPak's products in the Nordic region



Going net zero

Goal 2030:

zero vision for greenhouse gases according to the GHG protocol Scope 1 and Scope 2

- science-based targets that are approved, measured and communicated quarterly, including the 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 base year

Activities during the quarter:

- Carbon intensity index ended at 37 for the full year 2022, below the target for 2025 of index 40 (2019 base year = 100)
- Solar panels installed in our sales office in Breda, Netherlands



Living the change

Goal 2030:

a reliable 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 communications will 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 during the quarter:

- EcoVadis 2022 results from score 69 to 73, gold level
- Duni Group named Career Company for third consecutive year
- New, updated structure for the Duni Group's policies in accordance with ESG
- E-learning courses launched on the code of conduct and human rights

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

Thanks to the switch to renewable electricity in all European factories, Scope 1 & 2 emissions fell by 35% compared with 2021, which means that the index for CO₂ per ton produced amounts to 37.

37

Outcome
Jan-Dec 2022

40

Goal 2025

100

Base year 2019

Net sales

October 1 – December 31

Compared with the same period of the previous year, net sales increased by SEK 422 m to SEK 1,974 m (1,552). At fixed exchange rates, this corresponds to a 19.0% increase. The fourth quarter performed similarly to the third quarter, with good demand in the majority of the markets and most product groups. Despite rising inflation, which had a negative impact on the disposable income of consumers, interest and willingness to eat out continued. Products that were mainly consumed outside restaurants, i.e. various take-away alternatives, performed well outside Europe, while the markets in Europe saw a reduced rate of growth.

The price impact on customers had a significant effect during the quarter and explains about 14% of the increase compared with the previous year. The effects of these price increases differed between different product groups and reflected the cost increase, which has been and continues to be significant in most raw materials. However, the quarter was not affected by the most recent price increases, which are expected to take effect in the first quarter of 2023. Overall, the fourth quarter was the best historically in terms of sales and growth, driven by stronger demand after the pandemic, but also by significant price increases.

January 1 – December 31

Compared with the same period of the previous year, net sales increased by SEK 1,915 m to SEK 6,976 m (5,061). At fixed exchange rates, this corresponds to a 30.9% increase. There was stable, accelerating growth during the year, after a weak start characterized by restrictions. Price increases initiated in 2021 had a gradual impact in 2022 and have increased in importance for each quarter. Further price increases driven by inflation that were initiated in the third quarter of 2022 will take full effect in the first quarter of 2023.

The grocery retail trade saw a relatively smaller increase than the hotel and restaurant sector. This is explained by the fact that the loss during the pandemic was significantly lower in this sector. In the hotel and restaurant sector, it was primarily premium napkins that drove growth during the year, in strong competition with the linen market. Simple one-ply napkins also increased, as did tablecovers and candles, which performed positively. In Australia, BioPak performed strongly during the year, with several new major contracts confirming the company's strong brand in the market. The clear improvement in the Duni business area meant that it was once again the largest business area, as before the pandemic, with 57% of sales.

NET SALES

SEK m	3 months Oct-Dec 2022	3 months Oct-Dec 2021	% fixed exchange rates	12 months Jan-Dec 2022	12 months Jan-Dec 2021	% fixed exchange rates
Duni	1,187	896	24.3%	4,004	2,662	43.9%
BioPak	787	656	11.6%	2,972	2,399	16.6%
Duni Group	1,974	1,552	19.0%	6,976	5,061	30.9%

Income

October 1 – December 31

Operating income amounted to SEK 153 m (110), with an operating margin of 7.8% (7.1%). The gross margin was 20.3% (18.9%). In absolute figures, this was a clear improvement, but the margin did not reach levels in line with the financial target or levels before the pandemic. The dominant explanation is the exceptional level of inflation that has been recorded since 2021, which accelerated during the second half of 2022. It was, however, possible to discern a slowdown at the end of the fourth quarter, when the strong US dollar lost value against both SEK and EUR, which affected raw material prices of pulp, for example. Price increases initiated in the third quarter did not have any significant impact on the fourth quarter; they are not expected to take effect until the beginning of 2023. Various efficiency programs, primarily in the conversion plants, made a positive contribution to income, with lower fixed costs per ton produced.

Income after financial items amounted to SEK 91 m (43). Income after tax was SEK 59 m (9).

January 1 – December 31

Operating income amounted to SEK 450 m (279), with an operating margin of 6.4% (5.5%). The gross margin was 18.9% (18.3%). The clear improvement in income compared with the previous year is explained in its entirety by the improved market situation, as 2021 was significantly more affected by restrictions than 2022. However, the operational leverage on these volumes is limited, as inflation had a strong negative impact on input costs and thereby also the operating margin. Price increases, of which there have been several during the year, have not yet had the required effect to compensate for this. The all-important capacity utilization factor in the production facilities improved significantly, but staffing was challenging at times and resulted in both disruption to deliveries and increased temporary costs for production. Furthermore, a lower level of government support of SEK 34 m (119) had a negative impact on income.

The operation in Russia was divested in April 2022, resulting in a restructuring cost of SEK 9 m in the first quarter. 25% of the shares in Australia-based company BioPak Pty Ltd were divested in December. One-off expenses relating to accrued costs of evaluating strategic alternatives for BioPak Pty Ltd and consulting costs in connection with the divestment amounted to SEK 34 m in the quarter, and SEK 48 m in total for the year, see also the section "Other information about BioPak". Restructuring costs are not included in operating income. Instead, these are recognized as one-off expenses along with amortization of intangible assets identified in connection with business acquisitions and fair value allocations. See also page 31 for the bridge between EBIT and operating income.

Income after financial items amounted to SEK 283 m (133). Income after tax was SEK 201 m (77).

OPERATING INCOME

SEK m	3 months Oct-Dec 2022	3 months Oct-Dec 2022 ¹⁾	3 months Oct-Dec 2021	12 months Jan-Dec 2022	12 months Jan-Dec 2022 ¹⁾	12 months Jan-Dec 2021
Duni	127	114	84	333	307	93
BioPak	27	23	26	117	104	186
Duni Group	153	135	110	450	410	279

¹⁾Reported operating income 2022 converted to 2021 exchange rates.



Duni business area

The Duni business area stands for what the Group is traditionally associated with, such as innovative solutions for the set table, primarily napkins, table covers and candles. The business area's products and services are sold under the Duni brand. The customers are mainly hotels and restaurants, the so-called HoReCa market, where sales are largely made through wholesalers. Retail and various types of specialist trade are also important customer groups. The business area is a European market leader in the premium segment for napkins and table covers. The business area accounted for approximately 57% (53%) of the Group's net sales during the period from January 1 to December 31, 2022.

OCTOBER 1 - DECEMBER 31

Net sales

1,187

Net sales amounted to SEK 1,187 m (896).

Operating income

127

Operating income was SEK 127 m (84).

Operating margin

10.7%

The operating margin was 10.7% (9.4%).

JANUARY 1 – DECEMBER 31

Net sales

4,004

Net sales amounted to SEK 4,004 m (2,662).

Operating income

333

Operating income was SEK 333 m (93).

Operating margin

8.3%

The operating margin was 8.3% (3.5%).

Duni business area

Net sales

Net sales for the quarter amounted to SEK 1,187 m (896). At fixed exchange rates, this corresponds to a sales increase of 24.3%. Net sales for the period from January to December amounted to SEK 4,004 m (2,662), corresponding to a 43.9% increase in sales at fixed exchange rates. Even though 2022 was characterized by turbulence and uncertainty, the pandemic restrictions gradually eased during the first half of the year, and thereby also the conditions for growth. The second half of the year, and especially the fourth quarter, saw healthy growth. The increase was driven primarily by restaurants and hotels, while the grocery retail trade saw a slight increase. Price increases explain almost half of the increase, while the remaining part is explained by volumes that were substantial based on the fact that the fourth quarter of 2021 was affected by pandemic restrictions. Price increases are on a par with the third quarter, and the new price increases initiated at the end of the third quarter are expected to take full effect in the first quarter of 2023. In recent years, and in line with the overall strategy, new products have been developed with the aim of being a leader in offering customers the market's best sustainable alternatives. Duni BioSoft, a unique napkin that is fully compostable and fossil-free, was launched in the fourth quarter. Innovation provides the conditions for advancing market positions in both existing and new markets.

Income

Operating income in the quarter was SEK 127 m (84) and the operating margin was 10.7% (9.4%). Operating income for the period from January to December was SEK 333 m (93) and the operating margin was 8.3% (3.5%). The improvement of approximately SEK 240 m is attributable to the strong recovery that was gradually confirmed during 2022. Inflation, largely driven by the war in Ukraine and the disruptions that have arisen in the supply chain, has resulted in strong pressure on margins, with frequent price increases being implemented during the year to compensate for the cost increase. Electricity costs continued to rise in the fourth quarter compared to the previous year, but show high volatility and also uncertainty about the future. One dampening effect on inflation was the weakening in the USD from the start of the fourth quarter, as the prices of a large proportion of input products are defined in this currency. The Duni Group's long and close relationships with both end customers and retailers proved to be an important parameter for managing this turbulent time and major challenge in the form of cost increases. The Duni Group's knowledge of the HoReCa market was a competitive advantage and created the opportunity to meet the needs of the industry, even in uncertain times.





BioPak business area

The BioPak business area offers environmentally sound concepts for meal packaging and serving products for applications including take-away, ready-to-eat meals, and various types of catering. The business area's customers are various types of restaurants with take-away concepts and companies that are active in the health and patient-care sectors.

Stores and other food producers are also major customer groups. The business area's products and services are sold under both the Duni and BioPak brands, but the goal is for the business area to primarily represent the BioPak brand. The business area has a market-leading position in Australia. The business area accounted for approximately 43% (47%) of the Group's net sales during the period from January 1 to December 31, 2022.

1 OCTOBER – 31 DECEMBER

Net sales

787

Net sales amounted to SEK 787 m (656).

Operating income

27

Operating income was SEK 27 m (26).

Operating margin

3.4%

The operating margin was 3.4% (4.0%).

JANUARY 1 – DECEMBER 31

Net sales

2,972

Net sales amounted to SEK 2,972 m (2,399).

Operating income

117

Operating income was SEK 117 m (186).

Operating margin

3.9%

The operating margin was 3.9% (7.7%).

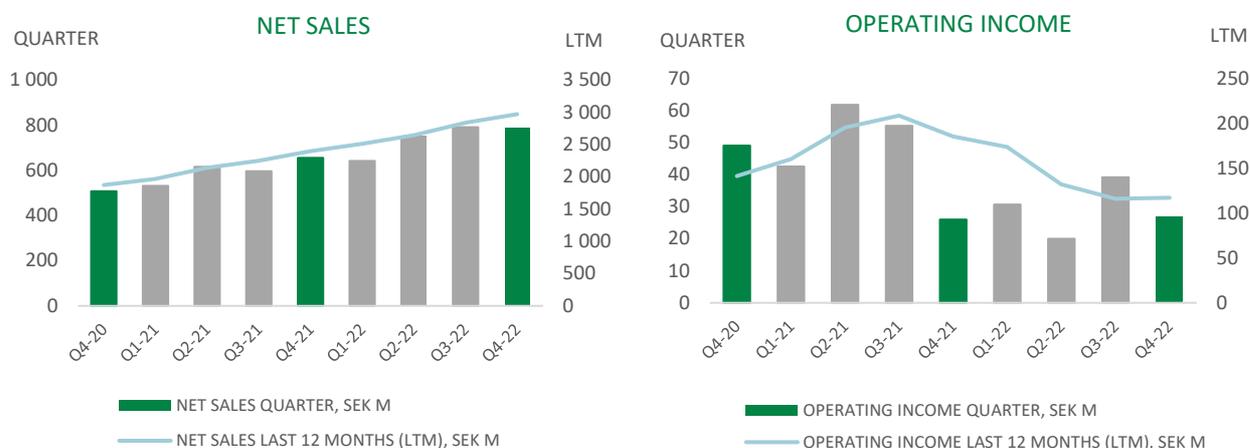
BioPak business area

Net sales

Net sales for the quarter amounted to SEK 787 m (656). At fixed exchange rates, this corresponded to a sales increase of 11.6%. Net sales for the period from January to December amounted to SEK 2,972 m (2,399), corresponding to a 16.6% increase in sales at fixed exchange rates. The fourth quarter showed similar patterns as in the third quarter, with continued good growth outside Europe. Operations in Europe declined slightly compared to the previous year. The product mix in Europe is more weighted towards take-away products. A positive impact on these products was achieved already last year, and as a result, the increase in sales this year has not had the same effect. Additional factors that affected the entire business area and are general to the entire industry were volatility in demand and disruptions in the supply chain from Asia. Like the Duni business area, the BioPak business area also underwent major changes on the materials side in order to be able to offer the most sustainable solutions. In recent years, there has been a shift from plastic to other materials, including various fibers, which has benefited the BioPak business area. Legislation also creates different conditions in different markets. Composting, for example, can be a good solution in one market, while circularity is preferable in another market, also in view of the climate zone in which the market is located. This dynamic is complex, but the size of the Duni Group makes it possible to drive innovation and collaboration in order to offer the best sustainable solutions in each given market.

Income

Operating income in the quarter amounted to SEK 27 m (26), and the operating margin was 3.4% (4.0%). Operating income for the period from January to December was SEK 117 m (186) and the operating margin was 3.9% (7.7%). The operating margin fell from the previous year, which can be attributed to inflationary pressures in the supply chain and in raw materials. In the fourth quarter, container prices in the spot market fell from having previously been many times higher. This has not yet been reflected in stronger margins, primarily for two reasons. One is that the lead time in the supplier contracts does not allow an immediate reduction, but decreases gradually. The second reason is the stock, with higher average prices, that was built up during the first half of 2022 in order to guarantee deliveries when the restrictions were eased. This was a difficult but temporary challenge in Europe, which was the region most affected by this problem. Looking ahead, there will be increased demand for BioPak products that maintain a high standard from a sustainability perspective and that comply with regulations with the same ambitions in the area of sustainability. At the same time, there is short-term competition ahead of the implementation of these market requirements, and there is a need to educate the market in both requirements and solutions for the future.



Other information about BioPak

As previously communicated, in 2022 the Board of Directors decided to evaluate various strategic alternatives in order to optimize the long-term value of BioPak Pty Ltd (BioPak Group), within the framework of ensuring continued consolidation of the BioPak Group within the Duni Group. To take the next step in the growth journey for BioPak Pty Ltd, in December 2022 Duni AB (Duni Group), divested 25% of the shares in BioPak Pty Ltd to funds managed by Five V Capital Pty Ltd (Five V), a private equity company based in Australia. The Board of Directors believes that the strategic partnership with Five V represents a significant opportunity to create value for the Duni Group and its partners.

The purchase price amounted to AUD 65.8 m. AUD 61.3 m was paid at the completion of the transaction in December 2022, and AUD 4.5 m may be paid between Q3 2023 and Q3 2024, provided that certain predetermined conditions are met. The strategic partnership lays the foundation for the next growth phase for the BioPak Group and enables the Duni Group and BioPak Pty Ltd's co-founders and CEO to implement the company's growth agenda. Five V will be actively involved together with management and the Duni Group in order to strengthen the company's growth prospects in both existing and new markets.

Five V is a leading private equity and venture capital company in Australia and New Zealand, which manages assets worth over AUD 1.5 billion. The company is a certified B Corp and thus has a natural focus on sustainable investments and extensive experience in helping companies grow and expand, both locally and internationally.

BioPak Group comprises approximately 60% of the BioPak business area and consists of the Australian parent company BioPak Pty Ltd and its subsidiaries in Australia, New Zealand, Singapore, the UK and the USA. Net sales for this part of the business in 2022 amounted to approximately SEK 1,700 m, with an operating margin of approximately 9%.

New shareholder agreements were signed in the new ownership constellation in connection with the divestment of the shares. The old shareholder agreement was redeemed with a payment for the Duni Group of SEK 66 m. The liability that the Duni Group had reported as a derivative instrument of SEK 377 m in respect of the minority shareholder's option is thereby dissolved. Both of these transactions have been reported directly against equity in the Group. The net debt was positively affected in connection with the transaction in the amount of SEK 363 m. Accrued costs for strategic work and legal expenses in connection with the divestment of the shares amounted to SEK 48 m for the year and are included in restructuring costs that affect EBIT, but not operating income.

After the transaction, the Duni Group owns 55% of the shares in BioPak Pty Ltd. The BioPak Group continues to be 100% consolidated within the Duni Group. The minority share of the year's earnings is reported as non-controlling interests, and earnings per share attributable to equity holders of the Parent Company are affected.

A local incentive program was implemented in the BioPak Group during December, which includes an opportunity for approximately 20 employees in the BioPak Group to acquire shares in BioPak Pty Ltd at a value corresponding to up to AUD 4 m. This corresponds to approximately 2% of all shares in BioPak Pty Ltd. The value corresponds to the *fair market value* for an incentive program of this nature and with these conditions, according to the valuation certificate from Lonergan Edwards & Associates Limited, which is an independent valuation institute based in Sydney, Australia. The shares will be subject to vesting conditions for a period of five years from the acquisition. This has not affected the Group's accounts during the year, but an ongoing salary expense will be charged to operating income over a five-year period.

Financial overview

Cash flow and funding

The Group's cash flow from operating activities was SEK 48 m (66) for the period from January 1 to December 31. Accounts receivable amounted to SEK 1,137 m (860) and accounts payable to SEK 840 m (723), while inventory was valued at SEK 1,727 m (1,253). Inflation is driving working capital including inventories, which increased during the year. Days outstanding for both accounts receivable and accounts payable have shown a stable trend. The number of days in stock for the BioPak business area increased during the year and reflects the decision to secure a higher backup inventory in times of high turbulence in order to meet deliveries to customers. The BioPak business area has ongoing activities to reduce inventories. In the Duni business area, inventories are being traded faster than the previous year and historical levels.

Cash flow including investing activities amounted to SEK m 256 (-38). Net investments for the period amounted to SEK 131 m (63). Depreciation for the period amounted to SEK 278 m (270), of which depreciation of right-of-use assets amounted to SEK 73 m (62).

The Group's interest-bearing net debt as at December 31, 2022 was SEK 1,317 m. The Group's interest-bearing net debt as at December 31, 2021 was SEK 1,375 m. A short-term loan facility was reported at the end of the year. A three-year loan facility of EUR 150 m and a two-year loan facility of EUR 30 m were signed during the first quarter. Another three-year loan facility of EUR 25 m was signed during the second quarter. All facilities are linked to sustainability and the loans are reported once more as long-term.

Net financial items

Net financial items for the period from January 1 to December 31 amounted to SEK -43 m (-39). Income from participations in associated companies amounted to SEK -6 m (-2).

Taxes

The total reported tax expense for the period from January 1 to December 31 amounted to SEK 82 m (56), equivalent to an effective tax rate of 28.9% (42.2%). The tax for the year includes adjustments and non-recurring effects from the previous year of SEK -7.7 m (1.3).

Earnings per share

This year's earnings per share, attributable to the Parent Company's owners, before and after dilution amounted to SEK 4.25 (1.62).

The share

As at December 31, 2022, the share capital amounted to SEK 58,748,790 divided into 46,999,032 outstanding ordinary shares. The quotient value of the shares is SEK 1.25 per share.

Shareholders

Duni AB (publ) is listed on NASDAQ Stockholm under the ticker name "DUNI". The Group's three largest shareholders are Mellby Gård AB (29.99%), Polaris Capital Management LLC (10.15%) and Carnegie Fonder (9.60%).

Personnel

On December 31, 2022 there were 2,231 (2,214) employees. 853 (875) of the employees were engaged in production. The Duni Group's production plants are located in Bramsche and Wolkenstein, Germany, in Poznan, Poland, in Bengtsfors, Sweden, in Bangkok, Thailand and in Auckland, New Zealand.

Acquisitions

No acquisitions were made during the period.

New establishment

No new establishment was carried out during the period.

Divestments

At the beginning of the year, the Duni Group had a sales company with 17 employees in Moscow, Russia. Sales from there accounted for less than one per cent of the Group's annual sales. In April, the company was sold to local management, and Duni RUS LLC is therefore no longer a subsidiary of Duni AB. The cost of this divestment amounted to approximately SEK 9 m and is part of the reported restructuring cost. This mainly refers to write-downs of inventories and accounts receivable. The Group has no operations or employees in Ukraine.

25% of the shares in BioPak Pty Ltd were divested in December. For more information, see page 12, Other information about BioPak.

Risk factors for the Duni Group

There are a number of risk factors that can affect the Group's operations, linked to both commercial and financial risks.

Business risks

The business risks are divided into strategic and environmental risks, operational risks and sustainability risks. These risks affect, among other things, the company's business model and long-term strategic planning. They may have a negative impact on the Group's results or reputation.

Strategic and environmental risks refer to risks and external factors that have an impact on the company's business and market position. The Board and management develop strategies to manage these risks, which is done through strategy meetings. This includes risks related to acquisitions, suppliers, regulations and laws. External factors that may also affect operations include raw material prices, transport costs, local restrictions due to a pandemic, a worsening economy, and changes in market demand and taxes. Events that could lead to fewer restaurant visits, reduced demand and increased price competition, affect volumes and gross margins, among other things through increased discounts and customer bonuses. The development of a varied and attractive range is important for the Group to achieve good sales and earnings development.

Russia's invasion of Ukraine resulted in a deterioration in geopolitical conditions. The Group closely monitors developments and complies with all imposed sanctions. Uncertainty is high and it is currently difficult to assess the consequences and long-term effects for the Group because of this. At present, the direct impact is limited. No inputs and no imports come from these two countries. Indirect effects such as higher energy prices resulting in paper mills across Europe not running their machines at full capacity is resulting in a decline in the general availability of tissue and contributing to an increase in tissue prices. Another example is in the logistics industry in Europe, which has a shortage of truck drivers, keeping transport prices at high levels.

Operational risks are normally handled by the respective operating unit and may refer to production interruptions, IT breakdowns, fire or other risks due to insufficient processes or handling errors. In many cases, the company can control this type of risk itself.

Sustainability risks include environmental, human rights and anti-corruption risks. This also includes risks such as not being able to keep up with external requirements regarding material development and reporting or legal requirements. These risks are managed through active prevention measures. The company also has activities and control mechanisms to counter them, for example through audits of suppliers under our Code of Conduct. To read more about our extensive sustainability work, see the Annual Report and Sustainability Report 2021.

Financial risks

The Group's financial management and its management of financial risks are regulated by a finance policy adopted by the Board of Directors. The Group divides its financial risks between currency risks, interest rate risks, credit risks, financing risks and liquidity risks. These risks are controlled in an overall risk management policy that focuses on unforeseen events in the financial markets and endeavors to minimize potential adverse effects on the Group's financial results. The risks for the Group are also related to the Parent Company in all essential respects. The Group's management of financial risks is described in more detail in the Annual Report and Sustainability Report 2021.

The Group's contingent liabilities have risen since the start of the year by SEK 18 m to SEK 68 m (50). In addition to currency effects, the increase can primarily be explained by a guarantee for a new contract in Germany.

Risks related to Covid-19

The Covid-19 pandemic has had a major impact on the Duni Group. The social restrictions introduced to prevent the spread of infection resulted in government agencies restricting people's mobility. The Duni business area sells its products primarily in the HoReCa sector. Hotel, restaurant and catering businesses were all significantly affected by these restrictions. They were forced to operate under severe restrictions, if they were allowed to open at all. Throughout the pandemic, there was a volatile market and the level of restrictions varied between the quarters. There was a clear correlation between sales and the level of restrictions. The Duni business area is vertically integrated, and owns its own paper mill and conversion plants that produce napkins and table covers. A rapid, unscheduled decrease in volume means that fixed costs are not fully absorbed, with a negative impact on income. The BioPak business area offers environmentally sound concepts for meal packaging and serving products for applications including take-away. The business area does not have in-house production, instead purchasing its products primarily from China and Europe. Many restaurants had to convert their operations during the pandemic so they could offer more take-away than before, which had a positive impact on the BioPak business area. There is still some uncertainty about the more long-term effects of the pandemic, such as behavioral patterns concerning business travel, events and catering, as well as other market conditions.

Transactions with related parties

No significant transactions with related parties took place during the fourth quarter of 2022.

Major events during the period

On December 13, 2022, the Duni Group announced in a press release that 25% of the shares in BioPak Pty Ltd were being divested. For more information, see page 12, Other information about BioPak.

Events since the balance sheet date

No significant events have occurred since the balance sheet date. Marielle Noble, EVP Strategic Development, IT and Communication, has decided to leave the company.

Interim reports

Annual and Sustainability Report 2022	Calendar week 16, 2023
Q1	April 21, 2023
Q2	July 14, 2023
Q3	October 24, 2023

Composition of Nomination Committee

The Nomination Committee is a shareholder committee responsible for nominating the persons proposed at the Annual General Meeting for election to the Board of Directors. The Nomination Committee presents proposals regarding a Chairman of the Board and other board directors. It also presents proposals regarding Board fees, including the allocation of such fees between the Chairman and other board directors, as well as any compensation for committee work.

The Nomination Committee for the 2023 Annual General Meeting comprises four members: Thomas Gustafsson (Chairman of Duni AB), Johan Andersson (Mellby Gård AB), Hans Hedström (Carnegie fonder) and Bernard R. Horn, Jr. (Polaris Capital Management, LLC).

Proposed dividend

The Board of Directors proposes to the Annual General Meeting that a dividend of SEK 3.00 (0) per share be adopted, corresponding to SEK 141 m (0). The Board believes that the Duni Group has recovered well after the pandemic. The divestment of 25% of the shares in BioPak Pty Ltd, further strengthens the balance sheet. Despite the fact that the conditions are better, there is uncertainty in the outside world and continued volatility in demand. The assessment is that the Group has a good financial position and future competitiveness that allows a dividend corresponding to SEK 141 m, which corresponds to 70% of profit after tax. The Board believes that even after the proposed dividend, the Group can fulfill its obligations and carry out planned investments.

The Board proposes that the dividend be dispersed in two partial payments to balance cash flows with the Group's seasonal fluctuations. The Board proposed May 19, 2023 as the record date for the first partial payment of SEK 1.50 and November 14, 2023 as the record date for the second partial payment of SEK 1.50.

2023 Annual General Meeting

The Annual General Meeting of Duni AB will be held in Malmö on May 16, 2023. Further information about the time, venue and form of the meeting will be available shortly on Duni's website.

The Annual Report and Sustainability Report will be available on the Group's website during calendar week 16, 2023. Shareholders who wish to present proposals to the Nomination Committee or wish to have a matter addressed at the Annual General Meeting may do so by email to valberedning@duni.com or bolagsstamma@duni.com, or by letter to: Duni AB, Attn: Nomination Committee or AGM, Box 237, SE-201 22 Malmö, no later than March 29, 2023.

Parent Company

Net sales for the period from January 1 to December 31 amounted to SEK 1,526 m (1,098). Income after financial items amounted to SEK 423 m (88). The Parent Company reported a capital gain of SEK 228 m from the transaction concerning the divestment of 25% of the shares in BioPak Pty Ltd. This is reported directly in equity in the Group. The interest-bearing net debt was SEK -914 m (-407), of which a net asset of SEK 2,140 m (1,628) relates to subsidiaries. Net investments amounted to SEK 24 m (17) and depreciation and amortization amounted to SEK 21 m (21).

Accounting principles

The interim report for the Group has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The Parent Company's financial statements have been prepared in accordance with RFR 2, Accounting for Legal Entities, and the Swedish Annual Accounts Act. Accounting principles have been applied as reported in the Annual Report for the year ended on December 31, 2021.

Information in the report

Duni AB (publ) publishes this information in accordance with the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was provided for publication on February 14 at 07:45 AM. At 10:00 AM on Tuesday, February 14, the report will be presented at a telephone conference, which can also be followed online.

To access the audio conference call, please visit this link:

<https://register.vevent.com/register/Bldf3d5a14a76147e3b69e2114d4e462a3>

This link allows participants to register to obtain their personal audio conference call details.

To follow the webcast, please visit this link:

<https://onlinexperiences.com/Launch/QReg/ShowUUID=60CE09AD-5991-4FA5-8ABC-FB58EC32FEDA>

This link gives participants access to the live event.

Both a Swedish and an English version of this report have been prepared. In the event of any discrepancy between the two, the Swedish version will apply. This report has not been audited by the Company's auditor.

Report from Board of Directors and CEO

The Board of Directors and CEO affirm that this report provides a true and fair view of the group's financial position and performance and describes the substantial risks and uncertainties to which the group and the companies that are part of the group are subject.

Malmö, February 13, 2023

Thomas Gustafsson, Chairman of the Board

Morten Falkenberg, Director

Sven Knutsson, Director

Pauline Lindwall, Director

Pia Marions, Director

David Green, Employee Representative, LO

Maria Fredholm, Employee Representative, PTK

Robert Dackeskog, President and CEO

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Company registration number: 556536-7488

Financial reports

CONSOLIDATED INCOME STATEMENTS

SEK m (Note 1)	3 months Oct-Dec 2022	3 months Oct-Dec 2021	12 months Jan-Dec 2022	12 months Jan-Dec 2021
Income	1,974	1,552	6,976	5,061
Cost of goods sold	-1,574	-1,258	-5,657	-4,133
Gross profit	401	294	1,318	928
Sales costs	-168	-136	-609	-505
Administrative expenses	-129	-80	-381	-271
Research and development expenses	-3	-1	-4	-1
Other operating income	20	28	80	133
Other operating expenses	-20	-54	-79	-112
EBIT	100	51	326	173
Financial income	5	1	19	2
Financial expenses	-13	-7	-56	-40
Income from participation in associated companies	-2	-1	-6	-2
Net financial items	-9	-8	-43	-39
Income after financial items	91	43	283	133
Income tax	-32	-34	-82	-56
Net income	59	9	201	77
Net income attributable to:				
- Equity holders of the Parent Company	60	9	200	76
- Non-controlling interests	-1	0	2	1
Earnings per share attributable to equity holders of the Parent Company:				
Before and after dilution (SEK)	1.28	0.18	4.25	1.62
Average number of shares before and after dilution ('000)	46,999	46,999	46,999	46,999

STATEMENT OF COMPREHENSIVE INCOME

SEK m (Note 1)	3 months Oct-Dec 2022	3 months Oct-Dec 2021	12 months Jan-Dec 2022	12 months Jan-Dec 2021
Net income	59	9	201	77
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurement of net pension obligation*	-62	-2	16	24
Total	-62	-2	16	24
Items that may be reclassified subsequently to profit or loss:				
Translation differences for the period when translating foreign operations	11	25	32	14
Cash flow hedging	5	2	35	4
Total	16	27	67	18
Other comprehensive income for the period, net of tax	-46	25	83	43
Sum of comprehensive income for the period	13	34	284	120
- Of which non-controlling interests	-2	4	6	-2

*Post-employment benefit obligations are recalculated each quarter since interest rates vary depending on market circumstances; a lower rate of interest gives rise to a higher cost in comprehensive income and a higher pension debt, while a higher rate of interest gives rise to a lower cost in comprehensive income and a lower pension debt than in the preceding quarter.

CONSOLIDATED QUARTERLY INCOME STATEMENTS IN BRIEF

SEK m	2022				2021			
Quarter	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-June	Jan-Mar
Income	1,974	1,834	1,724	1,443	1,552	1,453	1,124	932
Cost of goods sold	-1,574	-1,471	-1,441	-1,172	-1,258	-1,117	-930	-828
Gross profit	401	364	283	271	294	337	194	104
Sales costs	-168	-147	-145	-148	-136	-125	-127	-117
Administrative expenses	-129	-78	-97	-78	-80	-64	-67	-59
Research and development expenses	-3	-1	0	0	-1	0	0	0
Other operating income	20	14	43	4	28	8	64	35
Other operating expenses	-20	-20	-17	-22	-54	-20	-21	-19
EBIT	100	132	67	26	51	135	43	-56
Financial income	5	4	9	1	1	0	1	0
Financial expenses	-13	-14	-14	-15	-7	-7	-9	-16
Income from participation in associated companies	-2	-2	-2	-1	-1	-1	-	-
Net financial items	-9	-12	-7	-14	-8	-7	-8	-16
Income after financial items	91	120	60	12	43	128	34	-72
Income tax	-32	-33	-11	-6	-34	-27	-16	21
Net income	59	87	49	6	9	102	18	-51
Income attributable to:								
- Equity holders of the Parent Company	60	86	48	5	9	102	18	-52
- Non-controlling interests	-1	1	1	1	0	0	0	1

CONSOLIDATED BALANCE SHEET IN BRIEF

SEK m	December 31, 2022	December 31, 2021
ASSETS		
Fixed assets		
Goodwill	2,136	2,010
Other intangible assets	305	344
Tangible assets	1,147	1,124
Financial assets	294	184
Total fixed assets	3,881	3,662
Current assets		
Inventory	1,727	1,253
Accounts receivable	1,137	860
Other receivables	222	225
Cash and cash equivalents	372	396
Total current assets	3,458	2,734
TOTAL ASSETS	7,339	6,396
EQUITY AND LIABILITIES		
Equity		
Equity attributable to equity holders of the Parent Company	3,211	2,630
Non-controlling interests	530	85
Total equity	3,742	2,714
Long-term liabilities		
Long-term financial liabilities	1,173	159
Other long-term liabilities	348	648
Total long-term liabilities	1,521	807
Short-term liabilities		
Accounts payable	840	723
Short-term financial liabilities	393	1,455
Other short-term liabilities	844	697
Total short-term liabilities	2,076	2,874
TOTAL EQUITY AND LIABILITIES	7,339	6,396

CHANGE IN THE GROUP'S EQUITY

	Attributable to equity holders of the Parent Company					Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves ¹⁾	Retained earnings including net income	Total equity, equity holders of the Parent Company		
SEK m							
Opening balance							
January 1, 2021	59	1,681	82	719	2,541	87	2,628
Net income	-	-	-	76	76	1	77
Other comprehensive income for the period, net after tax	-	-	21	24	45	-3	43
Sum of comprehensive income for the period	-	-	21	101	122	-2	120
Remeasurement of liability to minority shareholders	-	-	-	-33	-33	-	-33
Opening balance							
January 1, 2022	59	1,681	103	786	2,630	85	2,714
Net income	-	-	-	200	200	2	201
Other comprehensive income for the period, net after tax	-	-	62	16	78	5	83
Sum of comprehensive income for the period	-	-	62	216	278	6	284
Transactions with minority interests	-	-	-	304	304	439	743
Closing balance							
December 31, 2022	59	1,681	165	1,306	3,211	530	3,742

¹⁾ Of the total reserves, SEK 13 m relates to a fair value reserve and consists of revaluation of land according to previous accounting principles. The revalued amount was adopted as acquisition value in accordance with the transitional rules in IFRS 1 and has not changed since.

CONSOLIDATED CASH FLOW STATEMENT

SEK m	12 months Jan-Dec 2022	12 months Jan-Dec 2021
Operating activities		
Reported EBIT	326	173
Adjusted for items not included in cash flow, etc.	256	254
Paid interest and tax	-119	-124
Change in working capital	-414	-237
Cash flow from operating activities	48	66
Investments		
Acquisitions of fixed assets	-131	-68
Sales of fixed assets	-	-9
Acquisition of subsidiaries	-25	-
Divestment of subsidiary	363	-
Acquisition of associated companies	-	-27
Cash flow from investments	208	-104
Financing		
Loans raised ¹⁾	150	259
Repayment of debt ¹⁾	-421	-107
Net change, overdraft facilities and other financial liabilities	45	-25
Net change in lease liability	-73	-63
Cash flow from financing	-298	64
Cash flow for the period	-43	26
Cash and cash equivalents, opening balance	396	364
Exchange difference, cash and cash equivalents	19	6
Cash and cash equivalents, closing balance	372	396

¹⁾ Loans raised and repayments on loans within the adopted credit facility are recognized at their gross amounts for loans with maturities exceeding 3 months, in accordance with IAS 7.

KEY FINANCIALS IN BRIEF

	12 months Jan-Dec 2022	12 months Jan-Dec 2021
Net sales, SEK m	6,976	5,061
Gross profit, SEK m	1,318	928
Operating income, SEK m	450	279
Operating EBITDA, SEK m	664	487
Operating profit, EBIT, SEK m	326	173
EBITDA, SEK m	603	476
Interest-bearing net debt, SEK m	1,317	1,375
Number of employees	2,231	2,214
Sales growth	37.8%	12.4%
Organic growth	30.9%	14.4%
Gross margin	18.9%	18.3%
Operating margin	6.4%	5.5%
Operating EBITDA margin	9.5%	9.6%
EBIT margin	4.7%	3.4%
EBITDA margin	8.6%	9.4%
Return on equity	5.4%	2.8%
Return on capital employed ¹⁾	9.3%	7.1%
Return on capital employed, excluding goodwill ¹⁾	16.6%	14.4%
Interest-bearing net debt/equity	35.2%	50.7%
Interest-bearing net debt/operating EBITDA ¹⁾	1.98	2.83

¹⁾ Calculated on the basis of the last twelve months and operating income.

Alternative key financials are described in definitions. For reconciliation of these, see Note 5.

PARENT COMPANY INCOME STATEMENTS IN BRIEF

SEK m (Note 1)	3 months Oct-Dec 2022	3 months Oct-Dec 2021	12 months Jan-Dec 2022	12 months Jan-Dec 2021
Income	439	328	1,526	1,098
Cost of goods sold	-410	-313	-1,458	-1,018
Gross profit	29	15	68	80
Sales costs	-35	-30	-120	-106
Administrative expenses	-75	-54	-251	-182
Research and development expenses	-3	0	-5	-2
Other operating income	88	68	309	255
Other operating expenses	-15	-10	-46	-35
EBIT	-11	-12	-45	10
Revenue from participation in Group companies	457	84	469	88
Financial income	26	7	64	24
Financial expenses	-16	-6	-65	-34
Net financial items	467	85	468	78
Income after financial items	455	74	423	88
Income tax	-46	-16	-41	-19
Net income	409	57	382	68

STATEMENT OF COMPREHENSIVE INCOME

SEK m	3 months Oct-Dec 2022	3 months Oct-Dec 2021	12 months Jan-Dec 2022	12 months Jan-Dec 2021
Net income	409	57	382	68
Other comprehensive income¹⁾:				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedging	8	-3	24	-2
Total	8	-3	24	-2
Other comprehensive income for the period, net of tax	8	-3	24	-2
Sum of comprehensive income for the period	417	54	406	66
- Attributable to equity holders of the Parent Company	417	54	406	66

¹⁾ The Parent Company does not have any items that "will not be reclassified to profit or loss".

PARENT COMPANY BALANCE SHEET IN BRIEF

SEK m	December 31, 2022	December 31, 2021
ASSETS		
Fixed assets		
Intangible assets	55	53
Tangible assets	25	25
Financial assets	3,918	3,340
Total fixed assets	3,998	3,418
Current assets		
Inventory	127	128
Accounts receivable	143	114
Other receivables	418	330
Cash and bank balances	204	285
Total current assets	892	857
TOTAL ASSETS	4,890	4,275
EQUITY, PROVISIONS AND LIABILITIES		
Equity		
Restricted equity	87	83
Unrestricted equity	2,331	1,929
Total equity	2,419	2,013
Provisions	109	98
Long-term liabilities		
Long-term financial liabilities	1,066	-
Other long-term liabilities	0	0
Total long-term liabilities	1,066	0
Short-term liabilities		
Accounts payable	71	82
Short-term financial liabilities	287	1,431
Other short-term liabilities	939	651
Total short-term liabilities	1,297	2,164
TOTAL EQUITY, PROVISIONS AND LIABILITIES	4,890	4,275

Notes

Note 1 • Accounting and valuation principles

As of January 1, 2005, Duni applies the International Financial Reporting Standards (IFRS) as adopted by the European Union. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with the IFRS as adopted by the EU and with the related reference to Chapter 9 of the Swedish Annual Accounts Act. The Parent Company's financial statements are prepared in accordance with RFR 2, Accounting for Legal Entities, and the Swedish Annual Accounts Act. The accounting policies are the same as in the Annual Report for the year ended on December 31, 2021, with the addition that participations in associated companies are reported in accordance with the cost method in the Parent Company. The Group has received government support in respect of short-time work and support for fixed costs. This assistance has been recognized as revenue under the Other operating income line item.

Note 2 • Financial assets and liabilities

The Group has derivative instruments measured at fair value and held for hedging purposes that are classified at level 2. Level 2 derivative instruments consist of currency forward contracts and interest rate swaps, and are used for hedging purposes. Measurement of currency forward contracts at fair value is based on published forward prices on an active market. The measurement of interest rate swaps is based on forward interest rates produced from observable yield curves. The discounting has no material impact on the measurement of level 2 derivative instruments. The put option issued to the minority owners of BioPak Pty Ltd at the time of acquisition is classified at level 3, and its measurement is largely based on unobservable market data such as the discount rate and future cash flows. No financial assets or liabilities have been moved between the valuation categories. The valuation techniques are unchanged during the year. As described in greater detail in the Annual Report for the year ended on December 31, 2021, the financial assets and liabilities comprise items with short terms to maturity. The fair value is therefore in all essential respects considered to correspond to the carrying amount.

Note 3 • Segment reporting

Group management, which is the highest executive and decision-making body, decides on the allocation of resources within the Group and evaluates the results of operations. Group Management manages the performance of the business through the business areas on the basis of sales and operating income. The Group's operations are divided into two business areas, Duni and BioPak. Each business area has full responsibility for its respective value chain. Products are sold via a consolidated commercial organization divided into six regions. Each region is responsible for local sales and marketing of both brands, Duni and BioPak, to all customers. The regions are:

- NorthEast: Northern and Eastern Europe
- Central: Germany, Austria and Switzerland
- West: The Netherlands, Belgium, Luxembourg, the UK and Ireland
- South: France, Spain and Italy
- Rest of World: All sales outside Europe with Australia accounting for over 50%, New Zealand and Thailand each at 10–15% and Singapore at just over 5% of the sales.
- Other Sales: External sales of tissue and airlaid materials from the Skåpafors factory and external sales of finance and accounting services from the finance function in Poznan are included in the Duni segment.

The Group also has a central marketing department responsible for branding strategy, marketing communications, product development and innovation. Group-wide functions such as accounting, HR, communications, sustainability, and IT are largely shared by the business areas, and the expenses for these are allocated by the percentage of sales of each business area, Duni and BioPak. The Duni business area has a vertically integrated business model for small paper-based products such as napkins and table covers. This means that the entire production and delivery chain is owned and controlled by the business area, from material

manufacture and concept development to conversion and distribution. The BioPak business area does not have in-house production. There is a large procurement organization here, and it is a major part of the business.

OPERATING SEGMENTS, GROUP

SEK m	Oct-Dec 2022			Oct-Dec 2021		
	Duni	BioPak	Duni Group	Duni	BioPak	Duni Group
Total net sales	1,193	787	1,980	903	655	1,558
Revenue from other segments	6	0	6	7	0	6
Net sales from external customers	1,187	787	1,974	896	656	1,552
Operating income	127	27	153	84	26	110
EBIT			100			51
Net financial items			-9			-8
Income after financial items			91			43

SEK m	Jan-Dec 2022			Jan-Dec 2021		
	Duni	BioPak	Duni Group	Duni	BioPak	Duni Group
Total net sales	4,028	2,973	7,000	2,686	2,400	5,086
Revenue from other segments	24	1	25	24	1	25
Net sales from external customers	4,004	2,972	6,976	2,662	2,399	5,061
Operating income	333	117	450	93	186	279
EBIT			326			173
Net financial items			-43			-39
Income after financial items			283			133

QUARTERLY OVERVIEW PER SEGMENT

Net sales	2022				2021			
	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
SEK m								
Duni	1,187	1,043	973	801	896	857	508	401
BioPak	787	791	751	642	656	596	616	531
Duni Group	1,974	1,834	1,724	1,443	1,552	1,453	1,124	932
Operating income								
SEK m								
Duni	127	115	71	21	84	96	-3	-83
BioPak	27	39	20	31	26	55	62	43
Duni Group	153	154	91	51	110	151	58	-41

NET SALES PER REGION, THE GROUP

SEK m	3 months Oct-Dec 2022	3 months Oct-Dec 2022 ¹⁾	3 months Oct-Dec 2021	12 months Jan-Dec 2022	12 months Jan-Dec 2022 ¹⁾	12 months Jan-Dec 2021
NorthEast	336	331	279	1,222	1,213	950
Central	554	509	435	1,932	1,824	1,351
West	310	290	284	1,047	995	819
South	166	154	140	683	652	476
Rest of World	549	503	392	1,899	1,752	1,332
Other sales	59	59	22	192	192	133
Duni Group	1,974	1,846	1,552	6,976	6,627	5,061
Time of revenue recognition						
Goods/services transferred at once	1,974	1,846	1,552	6,976	6,627	5,061
Goods/services transferred over time	-	-	-	-	-	-
Total	1,974	1,846	1,552	6,976	6,627	5,061

¹⁾ Reported net sales for 2022 recalculated at 2021 exchange rates.

NET SALES PER REGION, DUNI BUSINESS AREA

SEK m	3 months Oct-Dec 2022	3 months Oct-Dec 2022 ¹⁾	3 months Oct-Dec 2021	12 months Jan-Dec 2022	12 months Jan-Dec 2022 ¹⁾	12 months Jan-Dec 2021
NorthEast	203	199	156	671	664	462
Central	482	443	365	1,629	1,539	1,059
West	234	219	200	721	686	505
South	127	117	97	491	469	303
Rest of World	83	76	58	299	281	201
Other sales	59	59	22	192	192	132
Duni	1,187	1,114	896	4,004	3,830	2,662

¹⁾ Reported net sales for 2022 recalculated at 2021 exchange rates.

NET SALES PER REGION, BIOPAK BUSINESS AREA

SEK m	3 months Oct-Dec 2022	3 months Oct-Dec 2022 ¹⁾	3 months Oct-Dec 2021	12 months Jan-Dec 2022	12 months Jan-Dec 2022 ¹⁾	12 months Jan-Dec 2021
NorthEast	133	132	123	551	549	489
Central	73	66	71	303	285	292
West	76	71	84	326	310	313
South	40	36	43	192	183	173
Rest of World	466	427	334	1,600	1,471	1,131
Other sales	-	-	-	-	-	1
BioPak	787	732	656	2,972	2,797	2,399

¹⁾ Reported net sales for 2022 recalculated at 2021 exchange rates.

NET SALES PER PRODUCT GROUP

SEK m, Jan-Dec 2022	Duni	BioPak	Duni Group
Napkins	2,749	79	2,828
Table covers	662	0	662
Candles	215	0	215
Packaging solutions	1	1,537	1,538
Serving products	-	1,236	1,236
Other	377	121	498
Total	4,004	2,972	6,976

Note 4 • Reporting and disclosures on restructuring costs**RESTRUCTURING COSTS**

SEK m	3 months Oct-Dec 2022	3 months Oct-Dec 2021	12 months Jan-Dec 2022	12 months Jan-Dec 2021
Cost of goods sold	-	-3	-1	-3
Sales costs	0	-2	-7	-2
Administrative expenses	-34	-5	-48	-5
Other operating expenses/income	-	-	0	-
Total	-34	-10	-57	-10

Restructuring expenses amount to SEK 57 m (10). SEK 9 m relates to the closure of the Russian sales office and SEK 48 m relates to advisory services, auditing services and legal expenses in connection with the divestment of shares in BioPak Pty Ltd, as well as preliminary work in the form of evaluation of strategic alternatives, in order to optimize the long-term value of BioPak Pty Ltd in Australia. In 2021, a decision was taken to close Duni Song Seng in Singapore, and a restructuring cost of SEK 10 m was reported for this.

Note 5 • Alternative key financials**BRIDGE BETWEEN OPERATING INCOME AND EBIT**

SEK m	3 months Oct-Dec 2022	3 months Oct-Dec 2021	12 months Jan-Dec 2022	12 months Jan-Dec 2021
Operating income excluding IFRS 16 Leases	148	109	441	274
Effects of IFRS 16 Leases	6	1	9	5
Operating income	153	110	450	279
Restructuring costs	-34	-10	-57	-10
Unrealized value changes. derivative instruments	-3	-	-3	-
Amortization of intangible assets identified in business combinations	-16	-49	-63	-96
Fair value allocation in connection with acquisitions	0	-	0	0
EBIT	100	51	326	173

BRIDGE BETWEEN OPERATING EBITDA, EBITDA AND EBIT

SEK m	3 months Oct-Dec 2022	3 months Oct-Dec 2021	12 months Jan-Dec 2022	12 months Jan-Dec 2021
Operating EBITDA excluding IFRS16 Leases	183	145	581	420
Effects of IFRS 16 Leases	20	15	82	67
Operating EBITDA	203	160	664	487
Restructuring costs	-34	-10	-57	-10
Unrealized value changes. derivative instruments	-3	-	-3	-
Fair value allocation in connection with acquisitions	0	-	0	0
EBITDA	166	151	603	476
Amortization of intangible assets identified in business combinations	-16	-49	-63	-96
Amortization of right-of-use assets	-15	-14	-73	-62
Other amortization included in the operating profit	-35	-36	-141	-146
EBIT	100	51	326	173

BRIDGE BETWEEN REPORTED NET SALES AND ORGANIC GROWTH

SEK m	3 months Oct-Dec 2022	3 months Oct-Dec 2021	12 months Jan-Dec 2022	12 months Jan-Dec 2021
Net sales	1,974	1,552	6,976	5,061
Currency effect ¹⁾	-128	25	-349	86
Currency-adjusted net sales	1,846	1,577	6,627	5,148
Less acquisitions	-	-	-	-
Net sales for organic growth	1,846	1,577	6,627	5,148
Organic growth	19.1%	31.5%	30.9%	14.4%

¹⁾ Reported net sales for 2022 recalculated at 2021 exchange rates.

Definitions of key financials

The Group uses financial metrics that not defined by the IFRS in some cases but instead are alternative key financials. The purpose is to give the reader further information, which contributes to a better and more specific comparison of the company's performance from year to year. One alternative key financial used is Operating income. The management team manages its activities and the business areas are measured using this metric. For reconciliation of alternative key financials, see Note 5. The key financials are defined as follows:

Capital employed: Non-interest-bearing fixed and current assets, excluding deferred tax assets, less non-interest-bearing liabilities.

Cost of goods sold: Cost of goods sold, including production and logistics costs.

Earnings per share: Net income divided by the average number of shares.

EBIT: Reported operating profit.

EBIT margin: EBIT as a percentage of net sales.

EBITA: Operating profit before amortization of intangible assets.

EBITDA: Operating profit before depreciation and amortization of fixed assets.

EBITDA margin: EBITDA as a percentage of net sales.

Gross margin: Gross profit as a percentage of net sales.

Interest-bearing net debt: Interest-bearing liabilities and pensions less cash and cash equivalents and interest-bearing receivables.

Number of employees: The number of active full-time employees at the end of the period.

Operating EBITDA: EBITDA less restructuring costs and fair value allocations.

Operating EBITDA margin: Operating EBITDA as a percentage of net sales.

Operating income: EBIT less restructuring costs, fair value allocations and amortization of intangible assets identified in connection with business acquisitions.

Operating margin: Operating income as a percentage of net sales.

Organic growth: Sales growth adjusted for currencies and acquisitions. Acquired companies are included in organic growth when they have comparable quarters. For 2018 and previous years, organic growth has been calculated when acquired companies have been a part of the Duni Group for eight quarters.

Return on capital employed: Operating profit as a percentage of capital employed.

Return on equity: Net income as a percentage of equity.

Glossary

Airlaid: A material known for its wetness allocation, absorption capability and softness. The process is based on using air to divide the fibers in the material, instead of water as in traditional tissue production. Airlaid is used for table covers, placemats and napkins.

Bagasse: Bagasse is a waste product from cane sugar processing after the sugar has been extracted. The material is 100% biodegradable. Bagasse is used primarily in the BioPak business area's meal packaging solutions and serving products such as plates, bowls and take-away boxes.

Circularity: An integrated holistic approach to the sustainability-related challenges faced by the Group. It encompasses the whole life cycle – from material selection and impact on the life cycle, to ultimate solutions.

Conversion: The production phase in which tissue and airlaid in large rolls are cut, pressed, embossed and folded into finished napkins and table covers.

Currency adjusted/currency impact translation effects: Figures adjusted for changes in exchange rates related to consolidation. Figures for 2022 are calculated at exchange rates for 2021. Effects of translation of balance sheet items are not included.

Ecoecho®: Ecoecho is a product range of serving and meal solutions with sound environmental characteristics. This range uses the best available materials with the aim of limiting the use of non-renewable resources, thereby reducing our carbon footprint. The products have been developed with the environment in mind and have been selected on the grounds that they possess one or more environmentally approved characteristics.

EcoVadis: A world-leading independent company that analyzes and evaluates the sustainability of other companies annually. The assessment is based on criteria in four different areas: The environment, fair working conditions, business ethics and the supply chain.

Our Decade of Action: Duni Group's updated strategy with a long-term vision, a higher purpose and a clear sustainability agenda based on UN Agenda 2030. With our "Decade of Action" we want to lead the way in sustainability.

Private label: Products marketed under the customer's own label.

Science Based Targets (SBT): A method for companies to set scientifically based climate targets in line with the Paris Agreement. The company inventories its emissions throughout its value chain and links its targets to investments in which the economy, feasibility and other effects are closely investigated.

SUP: The EU's Single Use Plastics Directive, which aims to implement a series of measures for Member States to address the negative environmental impacts of certain plastic products.

Sustainable Goodfoodmood®: The Duni business area's brand platform - to create a pleasant atmosphere and positive mood at all times when food and drink are prepared and served - a Goodfoodmood.

The GHG Protocol: The leading standard for business to measure, manage and report greenhouse gas emissions.

UNGC: The United Nations Global Compact (UNGC) is the world's largest initiative to gather business around corporate interests sustainability, no matter how large or complex a company is or where it is.

Vertical integration: The vertical integration means that the Group, through the Duni business, owns virtually the entire value chain for tablecloths and napkins (tissue and airlaid).

