



## PRESS RELEASE

# INTERIM REPORT FOR DUNI AB (PUBL) 1 JANUARY – 31 MARCH 2019

(compared to the same period previous year)

24 April 2019

## Growth and improved operating income

### 1 JANUARY – 31 MARCH

- Net sales amounted to SEK 1,264 m (1,080), which corresponds to a net sales increase of 17%. Adjusted for exchange rate movements, net sales increased by 12.5%.
- Underlying growth in all business areas except in Consumer. Organic growth totaled 0.3% while organic pro forma growth<sup>1)</sup> was 3.2%.
- Pulp prices fell slightly but are still substantially higher than the same period last year.
- Price increases to compensate for higher costs have been implemented during the quarter.
- Increased competition for high-volume business and challenges in the form of capacity shortages in the logistics market.
- Earnings per share after dilution amounted to SEK 1.08 (1.22).

## KEY FINANCIALS

	3 months Jan-Mar 2019	3 months Jan-Mar 2018	12 months Apr-Mar 2018/2019	12 months Jan-Dec 2018
SEK m				
Net sales	1,264	1,080	5,111	4,927
Organic growth	0.3%	2.2%	1.1%	1.5%
Organic pro forma growth <sup>1)</sup>	3.2%	2.2%	2.7%	2.5%
Operating income <sup>2,3)</sup>	93	90	432	430
Operating margin <sup>2,3)</sup>	7.3%	8.4%	8.5%	8.7%
Income after financial items	67	78	317	328
Net income	52	59	243	249

<sup>1)</sup> Currency-adjusted growth including acquired companies, which are compared with the previous year's pro forma figures.

<sup>2)</sup> For key financials, definitions and reconciliation of alternative key financials, see pages 26-27.

<sup>3)</sup> For impact of the new leasing standard as of 1 January 2019, see Note 1.

Duni is a leading supplier of attractive and convenient products for table setting and take-away. The Duni brand name is sold in more than 40 markets and enjoys a number one position in Central and Northern Europe. Duni has around 2,500 employees in 24 countries, headquarters in Malmö, Sweden, and production units in Sweden, Germany, Poland, Thailand and New Zealand. Duni is listed on NASDAQ Stockholm under the ticker name "DUNI". The ISIN code is SE0000616716. This information is information that Duni AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07:45 CET on 24 April 2019.

## CEO'S COMMENTS

### Increasing growth rate

"With sales growth of 17% in the quarter, Duni has now exceeded SEK 5,000 m in sales for the past 12 months. When recalculated using the over 25% growth rate of our acquired companies, organic pro forma growth<sup>1)</sup> totaled 3.2% in the quarter.

We see broad growth in nearly every geographic market. In terms of product segments, we continue to experience solid growth in premium napkins along with very strong growth in sustainable packaging. The table covers product segment continues to perform negatively.

Our most recent acquisitions, BioPak in Australia and New Zealand and Biopac in the UK, have both continued their positive performance and contributed to higher overall growth for the quarter.

### Positive impact of margin program

Operating income for the quarter was SEK 93 m (90). Several parts of our ongoing program to strengthen margins have already had an impact in the first quarter:

- 1) Price increases due to the high level of pulp prices have gradually had a positive impact in the quarter. They have now largely been implemented according to plan.
- 2) As planned, our program to rationalize indirect costs made a positive contribution to income for the quarter.
- 3) A capacity shortage in the distribution market increased distribution costs. As a result, Q1 did not see any positive net effect of our initiative to improve our logistics flow.

### High yet falling pulp prices

Pulp prices for the first quarter were up 10% compared to the same quarter in the previous year but have exhibited a slow downward trend. In the second quarter, Duni's price compensation in the market will be fully implemented. If pulp prices are stable, this will make a positive contribution to income in Q2," says Johan Sundelin, President and CEO, Duni.



<sup>1)</sup>Currency-adjusted growth including acquired companies, which are compared with the previous year's pro forma figures.

## NET SALES

### 1 JANUARY – 31 MARCH

Compared to the same period of the previous year, net sales increased by SEK 184 m to SEK 1,264 m (1,080). Adjusted for exchange rate movements, net sales increased by SEK 135 m or 12.5%. Organic growth for the quarter totaled 0.3% and organic pro forma growth<sup>1)</sup> was 3.2%. In Europe, virtually all Duni's markets are growing compared to the previous year, driven by the ecoecho® range along with premium napkins. The decrease in table cover sales remains a challenge but a marketing campaign for the Evolin® premium table cover is having an impact and mitigating the negative trend. Activities to compensate for the high pulp prices strengthened the margin in the quarter but also impacted sales of price-sensitive products negatively, which hit Consumer in Germany the hardest. Duni's most recent acquisitions, BioPak in Australia and New Zealand, made a strong contribution to the increase in sales.

<sup>1)</sup>Currency-adjusted growth including acquired companies, which are compared with the previous year's pro forma figures.

### NET SALES, CURRENCY EFFECT

	3 months Jan-Mar 2019	3 months Jan-Mar 2019 <sup>1)</sup> recalculated	3 months Jan-Mar 2018	Change in fixed exchange rates	12 months Apr-Mar 2018/2019	12 months Jan-Dec 2018
<b>SEK m</b>						
Table Top	580	557	534	4.3%	2,532	2,486
Meal Service	203	197	178	11.0%	871	846
Consumer	249	238	265	-10.2%	1,044	1,061
New Markets	208	198	81	144.2%	576	448
Other	25	25	22	11.7%	89	86
<b>Duni</b>	<b>1,264</b>	<b>1,215</b>	<b>1,080</b>	<b>12.5%</b>	<b>5,111</b>	<b>4,927</b>

<sup>1)</sup> Reported net sales for 2019 recalculated at 2018 exchange rates.

## NET INCOME

### 1 JANUARY – 31 MARCH

Operating income amounted to SEK 93 m (90), with an operating margin of 7.3% (8.4%). The gross margin was 23.8% (27.3%). Adjusted for translation effects due to exchange rate movements, operating income was down SEK 4 m from the previous year. Pulp prices reached historic highs in the fourth quarter last year but have decreased slightly ever since. However, market prices for the first quarter this year are still up about 10% year-on-year and, given the lead time from raw materials to finished goods, income continues to be weighed down by input prices. Duni's activities to strengthen margins are moving forward with indirect cost cuts and price increases that gradually compensate for the increases in input prices. The logistics market continues to have a shortage of capacity, which has delayed efforts to optimize our logistics flows and led to a cost increase for Duni's logistics services. The quarter benefited from a weaker Swedish krona and a positive contribution from the acquisition of BioPak in Australia and New Zealand.

Income after financial items amounted to SEK 67 m (78). Income after tax was SEK 52 m (59).

### OPERATING INCOME, CURRENCY TRANSLATION EFFECTS

	3 months Jan-Mar 2019	3 months Jan-Mar 2019 <sup>1)</sup> recalculated	3 months Jan-Mar 2018	12 months Apr-Mar 2018/2019	12 months Jan-Dec 2018
SEK m					
Table Top	63	59	62	331	330
Meal Service	8	7	6	43	41
Consumer	9	8	18	33	42
New Markets	13	12	4	22	13
Other	0	0	2	3	4
<b>Duni</b>	<b>93</b>	<b>86</b>	<b>90</b>	<b>432</b>	<b>430</b>

<sup>1)</sup> Operating income for 2019 recalculated at 2018 exchange rates.

## BUSINESS AREAS

Duni's operations are divided into four operating segments, which are referred to by Duni as business areas.

The **Table Top** business area offers Duni's concepts and products primarily to hotels, restaurants and catering, and to companies in the health and care sectors. Table Top mainly markets napkins, table covers and candles for the set table. Duni is a market leader within the premium segment in Europe. The business area accounted for approximately 46% (49%) of Duni's net sales during the period 1 January - 31 March 2019.

The **Meal Service** business area offers concepts for meal packaging and service for e.g. take-away, ready-to-eat meals, and catering of different types. The business area's customers are mainly take-away-driven restaurants, food producers, and enterprises in the health and care sectors. As a niche player, Duni enjoys a leading position within this area in the Nordic region and has a clear growth agenda on identified markets in Europe. The business area accounted for approximately 16% (16%) of Duni's net sales during the period. Biopac UK Ltd in UK is included in the business area as of February 2018.

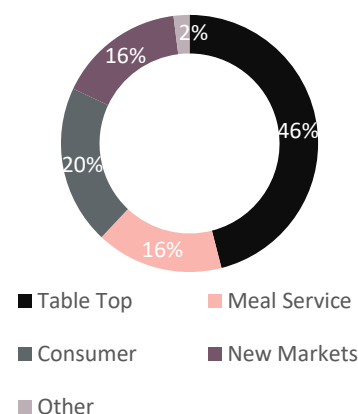
The **Consumer** business area offers consumer products to primarily the retail trade in Europe. The business area's customers comprise grocery retail chains, but also other channels such as different types of specialty stores, including garden centers, home furnishing stores, and DIY stores. The business area accounted for approximately 20% (25%) of Duni's net sales during the period.

The **New Markets** business area offers Duni's attractive quality product concepts, table top concepts and packaging to markets outside Europe. In addition to customer segments such as hotels, restaurants and catering, the business area also aims its offerings at the retail sector. The business area accounted for approximately 16% (8%) of Duni's net sales during the period. Terinex Siam has been included in the business area since August 2016 and Sharp Serviettes, with the legal trading name of United Corporation Limited, has been included in the business area since May 2017. BioPak Pty Ltd in Australia and New Zealand has been included in the business area since October 2018.

These business areas generally have the same product assortment. However, design and packaging solutions are adapted to suit the different sales channels. Production and support functions are to a great extent shared by these business areas. Group management, which is the highest executive and decision-making body in Duni, decides on the allocation of resources within Duni and evaluates the results of the operations. The business areas are managed on the basis of operating income, after shared costs have been allocated between them. For further information, see Note 3.

Other in all tables, are unallocated income and expenses from external sales of tissue and airlaid materials from the Skåpafors factory, as well as external sales of finance and accounting services from the finance function in Poznan.

SPLIT OF NET SALES BETWEEN BUSINESS AREAS







## TABLE TOP BUSINESS AREA

Table Top focuses on full-service restaurants, hotels and the catering industry and primarily markets napkins, table covers and candles for the set table.

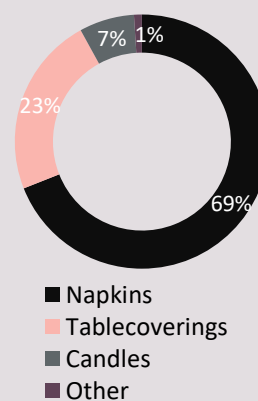
### 1 JANUARY – 31 MARCH

- Net sales amounted to SEK 580 m (534).
- Operating income was SEK 63 m (62) and the operating margin was 10.8% (11.5%).

SHARE OF DUNI'S NET SALES DURING THE PERIOD, 46%



NET SALES BY PRODUCT GROUP, %





### 1 JANUARY – 31 MARCH

Net sales amounted to SEK 580 m (534). At fixed exchange rates, this corresponds to a sales increase of 4.3%. Sales increased in all markets except Norway, Denmark and the UK, and the decrease in sales in these three countries is mainly related to individual large customers. Central Europe, with Germany as its most significant market, is showing stability and exhibiting year-on-year growth. Premium napkins dominate the sales increase, as before, but the business area's candle range is also seeing positive growth, although from lower levels. During the quarter, Table Top launched a new and improved version of its Dunilin® premium napkin with improved quality and the entire range is now compostable.

Operating income was SEK 63 m (62) and the operating margin was 10.8% (11.5%). The margin remains under pressure due to the high pulp prices, which are still higher than the same period in the previous year despite declining market prices over the past months. Challenges in the logistics market are causing additional pressure but the price increases towards the market, cost controls for indirect costs and positive currency effects are compensating for this pressure.

### NET SALES, TABLE TOP

	3 months Jan-Mar 2019	3 months Jan-Mar 2019 <sup>1)</sup> recalculated	3 months Jan-Mar 2018	12 months Apr-Mar 2018/2019	12 months Jan-Dec 2018
<b>SEK m</b>					
Nordic region	75	75	74	368	367
Central Europe	394	376	366	1,669	1,641
Southern & Eastern Europe	108	104	94	492	478
Rest of the world	2	2	0	2	0
<b>Total</b>	<b>580</b>	<b>557</b>	<b>534</b>	<b>2,532</b>	<b>2,486</b>

<sup>1)</sup> Reported net sales for 2019 recalculated at 2018 exchange rates.



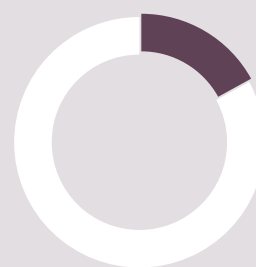
## MEAL SERVICE BUSINESS AREA

The Meal Service business area offers concepts for meal packaging and service for take-away, ready-to-eat meals, and catering of different types.

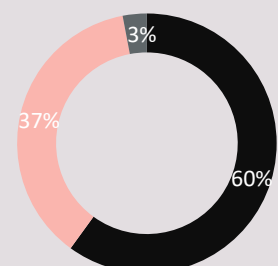
### 1 JANUARY – 31 MARCH

- Net sales amounted to SEK 203 m (178).
- Operating income was SEK 8 m (6) and the operating margin was 3.8% (3.2%).

SHARE OF DUNI'S NET SALES DURING THE PERIOD, 16 %



NET SALES PER PRODUCT GROUP, %



- Packaging solutions
- Serving products
- Other





### 1 JANUARY – 31 MARCH

Net sales amounted to SEK 203 m (178). At fixed exchange rates, this corresponds to a sales increase of 11.0%. Organic growth totaled 6.1% while organic pro forma growth<sup>1)</sup> was 8.6%. Almost every market experienced growth during the quarter. These included the all-important Nordic markets and the UK market, which was previously limited for Meal Service but is now growing strong with the help of Biopac, the company acquired a year ago. The growth driver is still Duni's eco-profiled assortment geared toward the restaurant and take-away segment, while sales of simple plastic products continue to decline. Meal Service is actively working to introduce eco-profiled substitutes for all plastic-based items in its portfolio, with wooden cutlery as the latest addition.

Operating income was SEK 8 m (6) and the operating margin was 3.8% (3.2%). Input materials crucial to Meal Service's product portfolio have been relatively stable in the past year but costs for high stock and logistics had a negative impact on income. The higher stock is seasonal and related to ensuring the supply of Duni's eco-profiled product range. The positive performance in operating income comes from the increase in sales combined with sound cost controls.

<sup>1)</sup>Currency-adjusted growth including acquired companies, which are compared with the previous year's pro forma figures.

### NET SALES, MEAL SERVICE

	3 months Jan-Mar 2019	3 months Jan-Mar 2019 <sup>1)</sup> recalculated	3 months Jan-Mar 2018	12 months Apr-Mar 2018/2019	12 months Jan-Dec 2018
<b>SEK m</b>					
Nordic region	75	75	69	335	328
Central Europe	86	82	73	362	349
South & East Europe	42	40	36	174	168
Rest of the world	-	-	0	0	0
<b>Total</b>	<b>203</b>	<b>197</b>	<b>178</b>	<b>871</b>	<b>846</b>

<sup>1)</sup> Reported net sales for 2019 recalculated at 2018 exchange rates.



## CONSUMER BUSINESS AREA

The Consumer business area offers consumer products, primarily to the grocery retail trade in Europe.

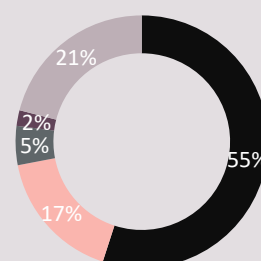
### 1 JANUARY – 31 MARCH

- Net sales amounted to SEK 249 m (265).
- Operating income was SEK 9 m (18) and the operating margin was 3.5% (6.6%).

SHARE OF DUNI'S NET SALES DURING THE PERIOD, 20 %



NET SALES BY PRODUCT GROUP, %



- Napkins
- Tablecoverings
- Serving products
- Candles
- Other



### 1 JANUARY – 31 MARCH

Net sales amounted to SEK 249 m (265). At fixed exchange rates, this corresponds to a sales decrease of 10.2%. Sales performed negatively in the quarter despite growth in most markets. The required price increases to compensate for the high raw material costs combined with excess capacity in the market for high-volume business led to the loss of several large low-margin accounts. Efforts to win back and acquire new large customers are of the utmost importance going forward. Easter fell on a later date this year, which, combined with large Easter campaigns in Germany last year, contributes to a slightly negative impact on sales.

Operating income was SEK 9 m (18) and the operating margin was 3.5% (6.6%). The decrease in income is a result of continuing pressure from raw material costs on the margins for Consumer and decreased volumes to a few customer contracts leading to absorption losses and lower capacity utilization in the production units. The path forward is to invest in decreasing complexity in the business area's product portfolio and increasing flexibility in production to enable faster transitions in the event of volume changes.

### NET SALES, CONSUMER

	3 months Jan-Mar 2019	3 months Jan-Mar 2019 <sup>1)</sup> recalculated	3 months Jan-Mar 2018	12 months Apr-Mar 2018/2019	12 months Jan-Dec 2018
SEK m					
Nordic region	38	37	34	153	149
Central Europe	185	176	198	769	782
South & East Europe	12	12	20	64	71
Rest of the world	13	13	14	59	59
<b>Total</b>	<b>249</b>	<b>238</b>	<b>265</b>	<b>1,044</b>	<b>1,061</b>

<sup>1)</sup> Reported net sales for 2019 recalculated at 2018 exchange rates.





## NEW MARKETS BUSINESS AREA

The New Markets business area offers Duni's attractive quality product concepts, table top concepts and packaging to markets outside Europe.

SHARE OF DUNI'S NET SALES DURING  
THE PERIOD, 16 %

### 1 JANUARY – 31 MARCH

- Net sales amounted to SEK 208 m (81).
- Operating income was SEK 13 m (4) and the operating margin was 6.4% (4.9 %).





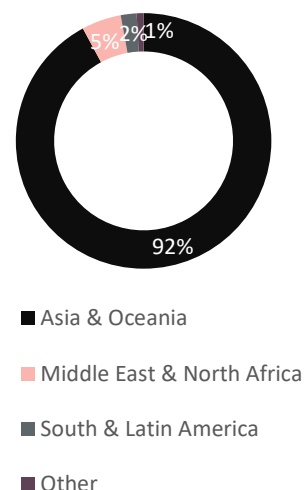
### 1 JANUARY – 31 MARCH

Net sales amounted to SEK 208 m (81). At fixed exchange rates, this corresponds to a 144.2% increase in sales, but New Markets' sales excluding acquisitions decreased by 6.3% while organic pro forma growth<sup>1)</sup> was 13.8%. For New Markets, almost every market grew in the quarter and BioPak in Australia and New Zealand, which was acquired in October of the previous year, made a strong contribution to the sales increase. As of 2019, Russia and North America are no longer included in the business area. Instead, these markets were moved to Table Top, and sales in these markets were SEK 6 m in the previous year. Similarly, to the European markets, eco-profiled products and high-quality napkins are the drivers of growth.

Operating income was SEK 13 m (4) and the operating margin was 6.4% (4.9%). Income increased significantly in the quarter as a result of acquired BioPak's contribution and a positive trend for Duni's sales in the Middle East & North Africa. The other segments in Asia & Oceania reported income in line with the previous year, except for the business unit's operations in Singapore, which are still incurring costs for previous operational changes in areas such as logistics.

<sup>1)</sup>Currency-adjusted growth including acquired companies, which are compared with the previous year's pro forma figures.

NET SALES, GEOGRAPHICAL SPLIT,  
NEW MARKETS





## CASH FLOW

The Group's cash flow from operating activities was SEK -26 m (-17) for the period from January 1 to March 31. Accounts receivable amounted to SEK 861 m (777), and accounts payable to SEK 367 m (385), while inventory was valued at SEK 863 m (712).

Cash flow including investing activities amounted to SEK -53 m (-67). Net investments for the period amounted to SEK 27 m (29). Depreciation and amortization for the period amounted to SEK 67 m (46), and SEK 16 m of this item was attributable to lease depreciation resulting from the new leasing standard that became effective on January 1, 2019.

The Group's interest-bearing net debt as of March 31, 2019 was SEK 1,809 m, and SEK 201 m of this item comprises a lease liability resulting from the new leasing standard. The Group's interest-bearing net debt at March 31 2018 was SEK 987 m.

## FINANCIAL NET

Net financial items for the January 1– March 31 period were SEK -10 m (-3). Financial expenses increased by SEK 1 m during the quarter due to the new leasing standard.

## TAXES

The total reported tax expense for the January 1– March 31 period amounted to SEK 15 m (20), yielding an effective tax rate of 22.1% (25.1%). The tax expenses for the year include adjustments and non-recurring effects from the previous year of SEK -0.1 m (-0.1).

## EARNINGS PER SHARE

The year's earnings per share before and after dilution amounted to SEK 1.08 (1.22).

## Duni's share

At March 31, 2019, the share capital amounted to SEK 58,748,790 divided into 46,999,032 outstanding ordinary shares. The quotient value of the shares was SEK 1.25 per share.

## Shareholders

Duni is listed on NASDAQ Stockholm under the ticker name "DUNI". Duni's three largest shareholders are Mellby Gård Investerings AB (29.99%), Polaris Capital Management, LLC (9.35%) and Carnegie fonder (9.04%).

## PERSONNEL

On March 31, 2019 there were 2,446 (2,410) employees. 1,064 (1,083) of the employees were engaged in production. Duni'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.

## RISK FACTORS FOR DUNI

Several risk factors may affect Duni's operations in terms of both operational and financial risks. Operational risks are normally handled by each operating unit and financial risks are managed by the Group's Treasury department, which is a unit within the Parent Company.

Sustainability is an integral part of Duni's operations. The platform for Duni's CSR program is the annually updated sustainability report "Our Blue Mission". This report describes Duni's work in identified risk areas and reports on results and goals for its business.

## Operational risks

Duni is exposed to a number of operational risks that are important to manage. The development of attractive product ranges, particularly the Christmas collection, is very important in order for Duni to achieve sound sales and income growth. Duni addresses this issue by constantly developing its range. Approximately 25% of the collection is replaced each year in response to existing trends and to shape new trends. A weaker economy over an extended period of time in Europe might lead to fewer restaurant visits. Reduced market demand and increased price competition could impact volumes and gross margins through factors such as increased discounts and customer bonuses. Fluctuations in prices of raw materials and energy constitute an operational risk that could have a material impact on Duni's EBIT. In addition, Brexit may impact Duni's operations in the UK.

## Financial risks

Duni'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. Duni's management of financial risks is described in greater detail in the Annual Report for the year ended on December 31, 2018.

Duni's contingent liabilities have risen since the start of the year by SEK 1 m to SEK 47 m (46).

## TRANSACTIONS WITH RELATED PARTIES

No significant transactions with related parties took place during the first quarter of 2019.

## MAJOR EVENTS DURING THE PERIOD

No significant events have occurred during the period.

## MAJOR EVENTS SINCE 31 MARCH

No significant events have occurred since the balance sheet date.

## INTERIM REPORTS

Quarter II            12 July, 2019

Quarter III           18 October, 2019

## ANNUAL GENERAL MEETING 2019

The Annual General Meeting of Duni AB will be held in Malmö at 3 PM on May 7, 2019 at AnXet, Dockplatsen 12. For more information, please see Duni's website.

## COMPOSITION OF THE NOMINATION COMMITTEE

The Nomination Committee is a shareholder committee responsible for nominating the persons proposed at the Annual General Meeting for election to Duni's 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.

Duni's Nomination Committee for the 2019 Annual General Meeting comprises four members: Magnus Yngen (Chairman of Duni AB), Rune Andersson (Mellby Gård Investerings AB), John Strömgren (Carnegie fonder) and Bernard R. Horn, Jr. (Polaris Capital Management, LLC).

## PARENT COMPANY

Net sales for the January 1– March 31 period amounted to SEK 272 m (264). Income after financial items amounted to SEK -3 m (-8). The interest-bearing net debt was SEK -274 m (-735), of which a net asset of SEK 1,767 m (1,656) relates to subsidiaries. Net investments amounted to SEK 5 m (5) and amortization/depreciation was SEK 5 m (4).

## 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 report is 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, 2018. IFRS 16 has been applied as of January 1, 2019.

## 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 April 24 at 07:45 AM.

At 09:00 AM on Wednesday, April 24, the report will be presented at a telephone conference, which can also be followed online. To participate in the telephone conference, call +46 (0)8 566 426 51 and enter 98038158# as the pin code. To follow the presentation online, please visit this link:

<http://event.on24.com/wcc/r/1973068-1/34DB88EF3D9325F6122341FAFE8AEACE?partnerref=rss-events>

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 auditors.

*Malmö, 23 April 2019*

Johan Sundelin, President and CEO

### Additional information is provided by:

Johan Sundelin, President and CEO, +46 40 10 62 00

Mats Lindroth, CFO, +46 40 10 62 00

Helena Haglund, Group Accounting Manager, +46 734 19 63 04

Duni AB (publ)

Box 237

SE-201 22 Malmö

Tel.: +46 40 10 62 00

[www.duni.com](http://www.duni.com)

Business registration number: 556536-7488

## CONSOLIDATED INCOME STATEMENTS

SEK m (Note 1)	3 months Jan-Mar 2019	3 months Jan-Mar 2018	12 months Apr-Mar 2018/2019	12 months Jan-Dec 2018
<b>Net sales</b>	<b>1,264</b>	<b>1,080</b>	<b>5,111</b>	<b>4,927</b>
Cost of goods sold	-963	-785	-3,827	-3,649
<b>Gross profit</b>	<b>301</b>	<b>295</b>	<b>1,284</b>	<b>1,278</b>
Selling expenses	-152	-141	-576	-565
Administrative expenses	-61	-64	-279	-282
Research and development expenses	-2	-3	-8	-9
Other operating incomes	10	8	4	3
Other operating expenses	-20	-13	-81	-75
<b>EBIT (Note 4)</b>	<b>76</b>	<b>81</b>	<b>346</b>	<b>351</b>
Financial income	0	0	1	1
Financial expenses	-10	-3	-30	-23
<b>Net financial items</b>	<b>-10</b>	<b>-3</b>	<b>-29</b>	<b>-22</b>
<b>Income after financial items</b>	<b>67</b>	<b>78</b>	<b>317</b>	<b>328</b>
Income tax	-15	-20	-74	-79
<b>Net income</b>	<b>52</b>	<b>59</b>	<b>243</b>	<b>249</b>
Net income attributable to:				
- Equity holders of the Parent Company	51	57	239	245
- Non-controlling interests	1	1	4	4
<b>Earnings per share attributable to equity holders of the Parent Company:</b>				
Before and after dilution (SEK)	1.08	1.22	5.08	5.22
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 Jan-Mar 2019	3 months Jan-Mar 2018	12 months Apr-Mar 2018/2019	12 months Jan-Dec 2018
<b>Net income</b>	<b>52</b>	<b>59</b>	<b>243</b>	<b>249</b>
<b>Other comprehensive incomes:</b>				
<i>Items that will not be reclassified to profit or loss:</i>				
Actuarial loss on post-employment benefit obligations *	-4	5	-27	-18
<b>Total</b>	<b>-4</b>	<b>5</b>	<b>-27</b>	<b>-18</b>
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange rate differences - translation of subsidiaries	38	22	30	14
Cash flow hedge	-5	0	0	5
<b>Total</b>	<b>33</b>	<b>23</b>	<b>29</b>	<b>19</b>
<b>Other comprehensive income for the period, net after tax:</b>	<b>29</b>	<b>28</b>	<b>2</b>	<b>1</b>
<b>Sum of comprehensive income for the period</b>	<b>81</b>	<b>86</b>	<b>245</b>	<b>251</b>
- Of which non-controlling interests	6	6	6	6

\* 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	2019		2018			2017		
Quarter	Jan- Mar	Oct- Dec	Jul- Sep	Apr- Jun	Jan- Mar	Oct- Dec	Jul- Sep	Apr- Jun
<b>Net sales</b>	<b>1,264</b>	<b>1,460</b>	<b>1,190</b>	<b>1,197</b>	<b>1,080</b>	<b>1,254</b>	<b>1,082</b>	<b>1,101</b>
Cost of goods sold	-963	-1,098	-882	-884	-785	-881	-778	-800
<b>Gross profit</b>	<b>301</b>	<b>363</b>	<b>308</b>	<b>313</b>	<b>295</b>	<b>373</b>	<b>304</b>	<b>302</b>
Selling expenses	-152	-157	-131	-135	-141	-129	-118	-128
Administrative expenses	-61	-80	-67	-70	-64	-72	-61	-66
Research and development expenses	-2	-2	-2	-3	-3	-2	-2	-2
Other operating income	10	1	0	0	8	3	2	9
Other operating expenses	-20	-38	-12	-18	-13	-13	-12	-13
<b>EBIT</b>	<b>76</b>	<b>87</b>	<b>96</b>	<b>87</b>	<b>81</b>	<b>159</b>	<b>114</b>	<b>102</b>
Financial income	0	0	0	0	0	0	0	0
Financial expenses	-10	-13	-7	0	-3	-5	-6	-4
<b>Net financial items</b>	<b>-10</b>	<b>-13</b>	<b>-7</b>	<b>0</b>	<b>-3</b>	<b>-5</b>	<b>-6</b>	<b>-4</b>
<b>Income after financial items</b>	<b>67</b>	<b>74</b>	<b>90</b>	<b>87</b>	<b>78</b>	<b>155</b>	<b>108</b>	<b>98</b>
Income tax	-15	-16	-23	-21	-20	-33	-27	-25
<b>Net income</b>	<b>52</b>	<b>58</b>	<b>66</b>	<b>66</b>	<b>59</b>	<b>121</b>	<b>80</b>	<b>73</b>
<b>Net income attributable to:</b>								
- Equity holders of the Parent Company	51	57	65	65	57	120	79	72
- Non-controlling interests	1	1	1	1	1	2	1	1

## CONSOLIDATED BALANCE SHEET IN BRIEF

SEK m	31 March 2019	31 December 2018	31 March 2018
<b>ASSETS</b>			
Goodwill	2,148	2,114	1,654
Other intangible fixed assets	543	541	303
Tangible fixed assets	1,342	1,143	1,106
Financial fixed assets	71	67	53
<b>Total fixed assets</b>	<b>4,104</b>	<b>3,866</b>	<b>3,117</b>
Inventory	863	771	712
Accounts receivable	861	921	777
Other operating receivables	227	210	156
Cash and cash equivalents	174	260	128
<b>Total current assets</b>	<b>2,125</b>	<b>2,162</b>	<b>1,775</b>
<b>TOTAL ASSETS</b>	<b>6,229</b>	<b>6,027</b>	<b>4,891</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>2,697</b>	<b>2,616</b>	<b>2,681</b>
Long-term loans	1,511	1,402	678
Other long-term liabilities	824	800	403
<b>Total long-term liabilities</b>	<b>2,335</b>	<b>2,202</b>	<b>1,081</b>
Accounts payable	367	424	385
Short-term loans	217	103	201
Other short-term liabilities	612	682	543
<b>Total short-term liabilities</b>	<b>1,197</b>	<b>1,209</b>	<b>1,129</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>6,229</b>	<b>6,027</b>	<b>4,891</b>

## CHANGE IN THE GROUP'S SHAREHOLDERS' EQUITY

SEK m	Attributable to equity holders of the Parent Company						Non-controlling interests	TOTAL EQUITY
	Share capital	Other injected capital	Reserves	Cash flow reserve	Fair value reserve <sup>1)</sup>	Profit carried forward incl. net income for the period		
<b>Opening balance 1 January 2018</b>	<b>59</b>	<b>1,681</b>	<b>57</b>	<b>-5</b>	<b>13</b>	<b>704</b>	<b>85</b>	<b>2,594</b>
Sum of comprehensive income for the period	-	-	17	0	-	63	6	86
Non-controlling interest arising upon acquisition of subsidiaries	-	-	-	-	-	-	0	0
<b>Closing balance 31 March 2018</b>	<b>59</b>	<b>1,681</b>	<b>74</b>	<b>-5</b>	<b>13</b>	<b>767</b>	<b>91</b>	<b>2,681</b>
Sum of comprehensive income for the period	-	-	-4	5	-	165	0	165
Non-controlling interest arising upon acquisition of subsidiaries	-	-	-	-	-	-	0	0
Dividend paid to shareholders	-	-	-	-	-	-235	-	-235
Transactions with minority shareholders	-	-	6	-	-	-	-	6
<b>Closing balance 31 December 2018</b>	<b>59</b>	<b>1,681</b>	<b>76</b>	<b>0</b>	<b>13</b>	<b>697</b>	<b>91</b>	<b>2,616</b>
Sum of comprehensive income for the period	-	-	33	-5	-	47	6	81
<b>Closing balance 31 March 2019</b>	<b>59</b>	<b>1,681</b>	<b>109</b>	<b>-5</b>	<b>13</b>	<b>743</b>	<b>97</b>	<b>2,697</b>

<sup>1)</sup> Fair value reserve means a reappraisal of land in accordance with earlier accounting principles. The reappraised value is adopted as the acquisition value in accordance with the transition rules in IFRS 1.

## CONSOLIDATED CASH FLOW STATEMENT

SEK m	3 months Jan-Mar 2019	3 months Jan-Mar 2018
<b>Current operation</b>		
Reported operating income	76	81
Adjusted for items not included in cash flow etc.	79	41
Paid interest and tax	-29	-27
Change in working capital	-153	-112
<b>Cash flow from operations</b>	<b>-26</b>	<b>-17</b>
<b>Investments</b>		
Acquisitions of fixed assets continuing operations	-28	-29
Sales of fixed assets	1	0
Acquisition of subsidiaries	-	-21
<b>Cash flow from investments</b>	<b>-27</b>	<b>-50</b>
<b>Financing</b>		
Taken up loans <sup>1)</sup>	1	-
Change in borrowing	-35	-34
<b>Cash flow from financing</b>	<b>-34</b>	<b>-34</b>
<b>Cash flow from the period</b>	<b>-87</b>	<b>-101</b>
Liquid funds, operating balance	260	227
Exchange difference, cash and cash equivalents	0	3
<b>Cash and cash equivalents. closing balance</b>	<b>174</b>	<b>128</b>

<sup>1)</sup> Loans and amortizations within the adopted credit facility are reported gross for durations exceeding 3 months, in accordance with IAS 7.

## KEY RATIOS IN BRIEF

	3 months Jan-Mar 2019	3 months Jan-Mar 2019 recalculated*	3 months Jan-Mar 2018
Net sales, SEK m	1,264	1,264	1,080
Gross profit, SEK m	301	301	295
Operating income, SEK m	93	91	90
Operating EBITDA, SEK m	150	132	127
EBIT, SEK m	76	75	81
EBITDA, SEK m	150	132	127
Interest-bearing net debt	1,809	1,608	987
Number of employees	2,446	2,446	2,410
Sales growth	17.0%	17.0%	7.6%
Organic growth	0.3%	0.3%	2.2%
Organic pro forma growth	3.2%	3.2%	2.2%
Gross margin	23.8%	23.8%	27.3%
Operating margin	7.3%	7.2%	8.4%
Operating EBITDA margin	11.8%	10.4%	11.8%
EBIT margin	6.0%	5.9%	7.5%
EBITDA margin	11.8%	10.4%	11.7%
Return on capital employed <sup>1)</sup>	9.7%	10.2%	13.6%
Net debt/equity ratio	67.1%	59.6%	36.8%
Net debt/EBITDA <sup>1)</sup>	2.99	2.66	1.56

Alternative key financials are described in definitions.

\* To make 2019 comparable with 2018, this column shows 2019 adjusted for the effects of the new IFRS 16 leasing standard, which became effective on January 1, 2019.

<sup>1)</sup> Calculated on the basis of the last twelve months and operating income.



## PARENT COMPANY INCOME STATEMENTS IN BRIEF

SEK m	3 months Jan-Mar 2019	3 months Jan-Mar 2018
(Note 1)		
<b>Net sales</b>	<b>272</b>	<b>264</b>
Cost of goods sold	-255	-249
<b>Gross profit</b>	<b>17</b>	<b>15</b>
Selling expenses	-36	-34
Administrative expenses	-39	-39
Research and development expenses	-2	-2
Other operating income	66	62
Other operating expenses	-10	-13
<b>EBIT</b>	<b>-4</b>	<b>-11</b>
Revenue from participation in Group companies	-	-
Financial income	7	6
Financial expenses	-6	-3
<b>Net financial items</b>	<b>1</b>	<b>3</b>
<b>Income after financial items</b>	<b>-3</b>	<b>-8</b>
Income tax	0	1
<b>Net income</b>	<b>-2</b>	<b>-7</b>

## PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK m	3 months Jan-Mar 2019	3 months Jan-Mar 2018
<b>Net income</b>	<b>-2</b>	<b>-7</b>
<b>Other comprehensive income <sup>1)</sup>:</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange rate differences - translation of subsidiaries	-	-
Cash flow hedge	-5	0
<b>Total</b>	<b>-5</b>	<b>0</b>
<b>Other comprehensive income for the period, net after tax</b>	<b>-5</b>	<b>0</b>
<b>Sum of comprehensive income for the period</b>	<b>-7</b>	<b>-6</b>
<b>Sum of comprehensive income for the period attributable to:</b>		
Equity holders of the Parent Company	-7	-6

<sup>1)</sup> 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	31 March 2019	31 December 2018	31 March 2018
<b>ASSETS</b>			
Goodwill	0	0	0
Other intangible fixed assets	54	53	40
<b>Total intangible fixed assets</b>	<b>54</b>	<b>53</b>	<b>40</b>
Tangible fixed assets	24	24	25
Financial fixed assets	3,173	3,159	2,656
<b>Total fixed assets</b>	<b>3,251</b>	<b>3,237</b>	<b>2,722</b>
Inventory	112	105	107
Accounts receivable	112	121	107
Other operating receivables	297	199	222
Cash and bank	102	171	46
<b>Total current assets</b>	<b>623</b>	<b>595</b>	<b>482</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,874</b>	<b>3,832</b>	<b>3,204</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Total restricted shareholders' equity	87	87	83
Total unrestricted shareholders' equity	1,725	1,732	1,704
<b>Shareholders' equity</b>	<b>1,812</b>	<b>1,819</b>	<b>1,787</b>
<b>Provisions</b>	<b>105</b>	<b>106</b>	<b>108</b>
Long-term loans	1,300	1,384	674
Other long-term liabilities	0	-	5
<b>Total long-term liabilities</b>	<b>1,300</b>	<b>1,384</b>	<b>680</b>
Accounts payable	46	61	61
Short-term loans	208	103	197
Other short-term liabilities	402	360	372
<b>Total short-term liabilities</b>	<b>657</b>	<b>524</b>	<b>629</b>
<b>TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES</b>	<b>3,874</b>	<b>3,832</b>	<b>3,204</b>

## 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% biologically degradable. Bagasse is used primarily in Duni's meal packaging solutions and serving products such as plates, bowls and take-away boxes.

**Converting:** 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 2019 are calculated at exchange rates for 2018. Effects of translation of balance sheet items are not included.

**Designs for Duni®:** A unique concept whereby Duni develops specially design products in collaboration with well-known designers.

**Ecoecho®:** Ecoecho is a range for serving and meal solutions products 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 improved characteristics.

**Goodfoodmood®:** Duni's brand platform to create a convivial atmosphere and positive mood on all occasions when food and beverages are prepared and served – a Goodfoodmood.

**Our Blue Mission:** Duni's Corporate Social Responsibility (CSR) work is governed by the Our Blue Mission program. It describes how Duni shall exercise social responsibility within a number of areas such as the environment, product safety, social responsibility, social rights and business ethics.

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

**Source reference:** HoReCa statistics refer to the European Commission website, Key Indicators for the Euro Area. DEHOGA refers to HoReCa statistics for Germany on DEHOGA Zahlenspiegel.

## DEFINITIONS OF KEY FINANCIALS

Duni uses financial measures that in some cases are not defined by the IFRS, but 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 by Duni is Operating income. Duni manages its activities and measures its business areas on this basis. Another alternative key financial used by Duni is organic pro forma growth. In recent years, Duni has acquired companies with very high growth rates, to show how much the acquired companies contributes in term of growth, the alternative key financial organic pro forma growth has been established. This means that the sales increase, compared with previous year, contributes to Duni's growth already from the first day they are included in the Duni Group, as the organic pro forma growth is calculated using pro forma figures from the previous year. Duni defines its key financials as stated below:

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

**Cost of goods sold:** Cost of goods sold including production and logistic costs.

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

**EBIT:** Reported operating income.

**EBIT margin:** EBIT as a percentage of net sales.

**EBITA:** Operating income before amortization of intangible assets.

**EBITDA:** Operating income before depreciation and impairment of fixed assets.

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

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

**Net Interest-bearing debt:** Interest-bearing liabilities and pensions less cash, cash equivalents and interest-bearing receivables.

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

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

**Operating margin:** Operating income as a percentage of 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.

**Organic pro forma growth:** Currency-adjusted growth including acquisitions, which are compared with the previous year's pro forma figures.

**Return on capital employed:** Operating income as a percentage of capital employed.

**Return on shareholders' equity:** Net income as a percentage of shareholders' equity.

## RECONCILIATION BETWEEN OPERATING INCOME AND EBIT

	3 months Jan-Mar 2019	3 months Jan-Mar 2018	12 months Apr-Mar 2018/2019	12 months Jan-Dec 2018
SEK m				
Operating income excluding the new leasing standard	91	90	431	430
Effects of new leasing standard as of January 1, 2019	1	-	1	-
<b>Operating income</b>	<b>93</b>	<b>90</b>	<b>432</b>	<b>430</b>
Restructuring costs	0	-	-31	-31
Amortization of intangible assets identified in business acquisitions	-16	-9	-50	-43
Fair value allocation in connection with acquisitions	0	-1	-5	-6
<b>EBIT</b>	<b>76</b>	<b>81</b>	<b>346</b>	<b>351</b>

## RECONCILIATION BETWEEN OPERATING EBITDA, EBITDA AND EBIT

	3 months Jan-Mar 2019	3 months Jan-Mar 2018	12 months Apr-Mar 2018/2019	12 months Jan-Dec 2018
SEK m				
Operating EBITDA excluding the new leasing standard	132	127	587	583
Effects of new leasing standard as of January 1, 2019	18	-	18	-
<b>Operating EBITDA</b>	<b>150</b>	<b>127</b>	<b>605</b>	<b>583</b>
Restructuring costs	0	-	-31	-31
Fair value allocation in connection with acquisitions	0	-1	-5	-6
<b>EBITDA</b>	<b>150</b>	<b>127</b>	<b>569</b>	<b>546</b>
Amortization of intangible assets identified in business acquisitions	-16	-9	-50	-43
Amortization included in operating income	-41	-37	-156	-152
Depreciation of leased assets, effect as of January 1, 2019	-16	-	-16	-
<b>EBIT</b>	<b>76</b>	<b>81</b>	<b>346</b>	<b>351</b>

## 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 principles are the same as in the Annual Report for the year ended on December 31, 2018.

Duni applies IFRS 16 Leases as of January 1, 2019. The new standard stipulates that Duni recognize assets and liabilities in the balance sheet for leases where Duni is the lessee. The income statement is impacted by the depreciation of the asset and interest expenses for the liability instead of an operating lease expense. Duni used the simplified transition method for transition to IFRS 16 where comparative figures are not restated. A lease asset and a lease liability amounted to SEK 214 m were recognized at the transition date. At 31 March 2019 the lease asset and lease liability amounted to SEK 201 m.

Income metrics such as EBITDA, EBIT and net financial items were thus impacted from January 1, 2019 along with the related margin metrics. Duni has estimated that the impact is not significant and has therefore chosen not to introduce new key financials. However, the existing key financials, adjusted for the effects, are presented in a table comparable with 2018 in the section entitled Key ratios in summary. The accumulated annual effect of the new leasing standard is estimated to improve, on existing contracts, operating income by approximately SEK 6 m, EBITDA by SEK 60-80 m and impact interest-bearing net debt by between SEK 180–220 m. For more information about IFRS 16, see the annual report note 2 and 37 for the year ended on December 31, 2018.

### NOTE 2 • FINANCIAL ASSETS AND LIABILITIES

Duni 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 Sharp Serviettes and Biopac UK 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, 2018, 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, SEK m

Jan-Mar 2019	Table Top	Meal Service	Consumer	New Markets	Other	Duni
Total net sales	580	203	251	208	25	1,267
Net sales from other segments	0	-	3	-	-	3
<b>Net sales from external customers</b>	<b>580</b>	<b>203</b>	<b>249</b>	<b>208</b>	<b>25</b>	<b>1,264</b>
<b>Operating income</b>	<b>63</b>	<b>8</b>	<b>9</b>	<b>13</b>	<b>0</b>	<b>93</b>
EBIT						76
Net financial items						-10
Income after financial items						67

Jan-Mar 2018	Table Top	Meal Service	Consumer	New Markets	Other	Duni
Total net sales	534	178	268	81	22	1,083
Net sales from other segments	0	0	3	-	-	3
<b>Net sales from external customers</b>	<b>534</b>	<b>178</b>	<b>265</b>	<b>81</b>	<b>22</b>	<b>1,080</b>
<b>Operating income</b>	<b>62</b>	<b>6</b>	<b>18</b>	<b>4</b>	<b>2</b>	<b>90</b>
EBIT						81
Net financial items						-3
Income after financial items						78

Quarterly overview of net sales and operating income by segment:

Net sales	2019	2018				2017			
SEK m	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	
Table Top	580	683	625	645	534	641	581	605	
Meal Service	203	218	218	231	178	179	170	194	
Consumer	249	328	247	221	265	317	235	211	
New Markets	208	210	78	79	81	96	78	78	
Other	25	22	21	21	22	21	18	14	
<b>Duni</b>	<b>1,264</b>	<b>1,460</b>	<b>1,190</b>	<b>1,197</b>	<b>1,080</b>	<b>1,254</b>	<b>1,082</b>	<b>1,101</b>	
<b>Operating income</b>									
SEK m	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	
Table Top	63	97	84	87	62	121	96	95	
Meal Service	8	9	14	14	6	7	7	15	
Consumer	9	23	10	-9	18	32	14	-6	
New Markets	13	9	-3	3	4	7	5	5	
Other	0	0	2	1	2	2	1	1	
<b>Duni</b>	<b>93</b>	<b>137</b>	<b>107</b>	<b>96</b>	<b>90</b>	<b>169</b>	<b>123</b>	<b>110</b>	

The business areas reflect Duni's customer category types. The nature of each category type is disclosed below for each business area by region and product group:

## Net sales, Jan–Mar 2019

SEK m	Table Top	Meal Service	Consumer	New Markets	Other	Duni
<i>Primary geographic regions</i>						
Nordic region	75	75	38	0	3	191
Central Europe	394	86	185	0	15	681
Southern & Eastern Europe	108	42	12	1	7	169
Rest of the world	2	-	13	207	0	223
<b>Total</b>	<b>580</b>	<b>203</b>	<b>249</b>	<b>208</b>	<b>25</b>	<b>1,264</b>
<i>Product groups</i>						
Napkins	396	-	137	62	-	595
Table covers	134	-	42	2	-	178
Candles	41	-	5	2	-	48
Packaging solutions	1	122	0	39	-	162
Serving products	1	75	13	90	-	178
Other	6	7	53	13	25	102
<b>Total</b>	<b>580</b>	<b>203</b>	<b>249</b>	<b>208</b>	<b>25</b>	<b>1,264</b>
<i>Time of income recognition</i>						
Goods/services transferred at one time	580	203	249	208	25	1,264
Goods/services transferred over time	-	-	-	-	-	0
<b>Total</b>	<b>580</b>	<b>203</b>	<b>249</b>	<b>208</b>	<b>25</b>	<b>1,264</b>

## NOTE 4 • REPORTING OF RESTRUCTURING COSTS

Presented below is a specification of the lines on which restructuring costs are reported in the income statement.

Restructuring costs	3 months Jan-Mar 2019	3 months Jan-Mar 2018	12 months Apr-Mar 2018/2019	12 months Jan-Dec 2018
SEK m				
Cost of goods sold	-	-	-11	-11
Selling expenses	0	-	-12	-12
Administrative expenses	-	-	-8	-8
Other operating expenses/income	-	-	-	-
<b>Total</b>	<b>0</b>	<b>0</b>	<b>-31</b>	<b>-31</b>



## THIS IS DUNI

Duni is one of Europe's leading suppliers of high-quality napkins, table covers, candles and other products for the set table. Duni also offers packaging and packaging systems for the growing market for ready meals and take-away. All concepts are aimed at creating Goodfoodmood® in environments where people get together to enjoy food and drink.



### DUNI's presence



The products are sold in more than 40 markets and Duni is the market leader in Central and Northern Europe. The Group has approximately 2,500 employees in 24 countries. The headquarters are located in Malmö, Sweden, and production units are located in Sweden, Germany, Poland, New Zealand and Thailand. We have sales offices in Finland, France, the Netherlands, Poland, Russia, Switzerland, Singapore, Spain, the UK, Sweden, the Czech Republic, Germany, the USA and Austria.

### Net sales\*

**SEK 5,111 m**

### Sales growth \*

**1.1%**

Duni's target is to achieve an average organic growth in sales in excess of 5% per year over a business cycle. In addition, Duni regularly assesses acquisition opportunities in order to access new growth markets or strengthen its position in existing markets.

### Operating margin \*

**8.5%**

Duni's target is an operating margin of 10% or more. Profitability is to be increased through sales growth, continued focus on premium products and continued improvements within purchasing and production.

### Proposal dividend for 2018

**5.00 SEK**

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

\* Last 12 months, Apr-Mar 2018/2019