Good profitability in a more stable market

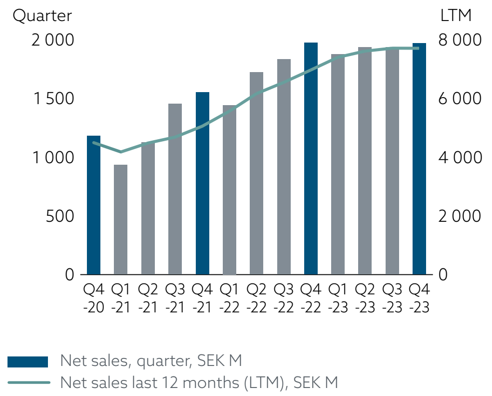
October 1 - December 31

- Net sales amounted to SEK 1,971 m (1,974), corresponding to a 0.2% decrease in sales. At fixed exchange rates, net sales decreased by 4.9%.
- The gross profit amounted to SEK 523 m (401), an increase of 31% in absolute terms compared with the same period last year.
- Operating income amounted to SEK 191 m (153), corresponding to an increase of 24.7% compared with the same period last year.
- One-off effects of approximately SEK 20 m linked to product launches and acquisition costs result in higher indirect costs.
- The business areas have been given descriptive names to avoid confusion with the Group's brand names. The business area Duni has been renamed Dining solutions and the business area BioPak has been renamed Food packaging solutions.

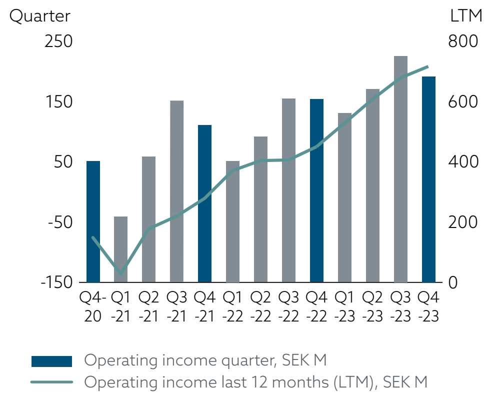
January 1 – December 31

- Net sales amounted to SEK 7,718 m (6,976), corresponding to a 10.6% increase in sales. At fixed exchange rates, net sales increased by 5.2%.
- The gross margin amounted to 23.9% (18.9%) and the operating profit amounted to SEK 716 m (450), with an operating margin of 9.3% (6.4%).
- The Board of Directors proposes a dividend of SEK 5.00 (3.00) per share to be divided into two partial payments.

Net sales



Operating income



Key financials

SEK m	3 months Oct-Dec 2023	3 months Oct-Dec 2022	12 months Jan-Dec 2023	12 months Jan-Dec 2022
Net sales	1,971	1,974	7,718	6,976
Organic growth[1)]	-4.9%	19.1%	5.2%	30.9%
Operating income[1)]	191	153	716	450
Operating margin[1)]	9.7%	7.8%	9.3%	6.4%
EBIT	172	100	648	326
EBIT margin	8.7%	5.1%	8.4%	4.7%
Income after financial items	164	91	593	283
Income after tax	83	59	443	201
Earnings per share attributable to equity holders of the Parent Company	1.65	1.28	8.30	4.25
Return on capital employed, excluding goodwill	31.5%	16.6%	31.5%	16.6%

[1)] For reconciliation of alternative key financials, definition of key financials and glossary, see page 26-27.

"The year has been characterized by a more stable market, resulting in increased growth and profitability. Our strong financial position gives us room for maneuver in 2024."

Growth and increased profitability during the year
The year has been characterized by a more stable market, resulting in increased growth and profitability. The focus has been on managing the relationship between price and costs in an environment of rising and then partially falling inflation. At the same time, the level of activity has been high, with many new product launches and continued sustainability investments, especially in production and logistics.

Despite a turbulent environment, which has resulted in tighter household finances for many consumers, people have continued to eat out. This behavior also reflects the long-term trend of changing consumption patterns that have developed, especially in urban environments. However, growth has now slowed down in relation to the previous two years, due to the sharp increase in demand that arose in connection with the pandemic.

Stable fourth quarter
The Group's sales in the fourth quarter were in line with the same period last year, amounting to SEK 1,971 m (1,974). Demand in the quarter remained somewhat subdued, with marginally declining volumes in the grocery retail trade in particular. The important Christmas sales to the HoReCa market have not yet recovered to pre-pandemic levels. The operating margin during the fourth quarter amounted to 9.7% (7.8%) and is approaching the company's financial targets and pre-pandemic levels. The operating profit amounted to SEK 191 m (153) and increased by 25%, despite some non-recurring items being charged to the quarter.

Profitability and expansion in the business areas
The ongoing efficiency improvements in the vertically integrated production chain in the Business area Dining solutions has resulted in increased profitability as volumes have returned after the pandemic. Combined with cost-compensating price adjustments, this has resulted in a record year. The operating profit was strengthened in all quarters compared with the same period last year, which also comprises historically strong quarters.

The Business area Food packaging solutions' sales and operating profit for the full year were in line with the previous year. Looking ahead, we see the packaging market actively developing with new, innovative materials and circular solutions. As more and more countries demand reusable serving items in restaurants, Duni Group is involved in designing these solutions. This includes our proprietary system, Idun, and our minority holdings in the German company Relevo and Spanish company Bumerang, both of which focus on reuse. We are now also accelerating expansion in the Asia-Pacific region, with activities including the BioPak Group's acquisition of New Zealand-based Decent Packaging.* The acquisition have clear synergies in the offering for innovative and sustainable packaging solutions. Decent Packaging generates net sales of approximately SEK 150 m, with profitability in line with Duni Group. It is satisfying to see the Group continuing to expand in the field of sustainable packaging solutions, now also with a new sales office in Hong Kong. Sustainable packaging solutions is a market that is expected to grow globally by 5-15% annually as our food supply makes the transition over the next decade.

Strong financial position
Duni Group also has a strong financial position after the acquisition of Decent Packaging. A low debt level and strong cash flow provide increased room for maneuver. In this context, it is worth noting the Board's proposal for a dividend of SEK 5.00 per share.

Despite continued geopolitical instability and economic challenges for many consumers, we look forward to 2024 with confidence.

Robert Dackeskog,
President and CEO, Duni Group

*Read more on page 11 under Acquisitions.

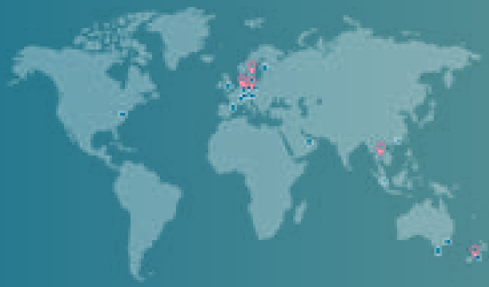
This is Duni Group

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, as well as 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.

Complementary business areas

The business is divided into two business areas: Dining solutions, which focuses on solutions for the set table, and Food packaging solutions, which focuses on food packaging. 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. The business areas are responsible for their respective brand strategies as well as their own marketing communications, product development and innovation. Duni Group currently sells its solutions primarily under the brands Duni, BioPak and Paper+Design. In the fourth quarter of 2023, the business areas were renamed. The business area Duni is now called Dining solutions and the business area BioPak business is now called Food packaging solutions.

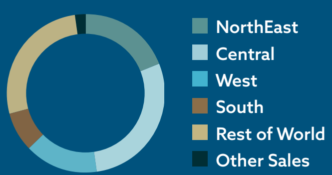


2,326

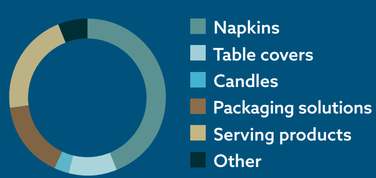
The Group has 2,326 employees in 22 countries. The head office is located in Malmö. Tissue for napkins and table covers is manufactured in Sweden, while conversion to finished products takes place in Germany, Poland, Thailand and New Zealand. The Group has sales offices in Australia, Finland, France, United Arab Emirates, Hong Kong, Netherlands, New Zealand, Poland, Switzerland, Singapore, Spain, UK, Sweden, Thailand, Czech Republic, Germany, USA and Austria.

Production units
Sales offices

Net sales per region



Net sales per product group



Financial targets and outcomes

Jan – Dec 2023

Net sales

SEK 7,718 m

Proposed dividend for 2023

SEK 5.00 (60%)

It is the Board of Directors' long-term intention for dividends to amount to at least 40% of net income after tax attributable to equity holders of the Parent Company.

Sales growth

5.2%

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 opportunities for acquisitions to reach new emerging markets or strengthen its position in existing markets.

Operating margin

9.3%

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 targets 2025:
- reduction of virgin fossil-based plastics 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:
- Idun, the system for reusable serving items, was tested as a pilot at the Liseberg amusement park
- Launch of take-away range with no added PFASs or fossil plastics

Use of virgin fossil plastic for single-use items*
KPI: reduction by 50% by 2025 compared with 2019 as base year

Status: fossil plastic use index for Q4 2023: 65 (35% reduction) and index for Jan-Dec 2023: 68 (32% reduction)

*Excluding BioPak Group, Duni Thailand, Sharp Serviettes and Paper+Design, with assessed limited impact.

Going net zero

Goal 2030:
zero vision for greenhouse gases according to the GHG protocol Scope 1 and Scope 2, and a significant reduction for Scope 3
- science-based targets that are approved, measured and communicated annually, including the GHG protocol Scope 3
- we will measure climate impact across our value chain
- quarterly reporting of results for Scope 1 and 2

Interim targets 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:
- Science Based Targets approved
- Introduction of logistics solution with e-trucks in Germany to reduce CO2 emissions

Scope 1+2* carbon intensity

KPI: index 39 for 2023 with 2019 as base year (100)

Status: carbon intensity for Jan – Dec 2023: 39

*The climate calculation methodology has been adjusted with other calculations in the Duni Group, so that it is based on gross tonnage uniformly throughout the Group.

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 targets 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:
- E-learning platform for sustainability launched

EcoVadis score
KPI: EcoVadis platinum level for 2025 (full-year result)

Status: EcoVadis score 73 for 2023 (gold level)

Net sales

October 1 – December 31

Compared to the same period of the previous year, net sales decreased by SEK 3 m to SEK 1,971 m (1,974). At fixed exchange rates, this corresponds to a 4.9% decrease. In absolute terms, net sales match the fourth quarter of the previous year, a quarter that was the highest fourth quarter in the Group's history at the time. In the second half of the previous year, the market showed a strong recovery, with a strong desire to eat out, despite increasing inflation. This, combined with historically high retail sales and inflation-compensating price adjustments in both business areas, created a record quarter and a particularly high comparative figure for this year. In the fourth quarter, volumes came in just under the previous year for sales to the hotel and restaurant industry, while volumes through the grocery retail trade fell. The important Christmas sales to the HoReCa market have not yet recovered to pre-pandemic levels.

For the business area Dining solutions, price adjustments implemented in the previous year and in the first quarter of this year continued to have a positive effect on net sales in the quarter. The effect has, however, been declining relative to previous quarters, primarily because the comparative figures include the same price adjustments, but also as selective price reductions were made on certain contracts and volume transactions, not least for external sales from the paper mill. The business area Food packaging solutions costs and compensatory price adjustments were driven primarily by the cost of sea freight, which normalized during the year. This resulted in planned price reductions in the second half of the year, which had a negative impact on the quarter compared to the previous year.

January 1 – December 31

Compared with the same period of the previous year, net sales increased by SEK 743 m to SEK 7,718 m (6,976). At fixed exchange rates, this corresponds to a 5.2% increase. The hotel and restaurant industry in Europe has recovered strongly since the easing of restrictions in the first quarter of 2022. However, the staff shortage that arose during the pandemic and the declining disposable income of households has meant that the industry has not fully reached historical volumes in most markets. The recovery has favored products for seated serving, which showed strong growth in the first quarter of the year, and in the following quarter sales volumes were in line with the previous year, as the market also normalized in the comparative period. After a long period of increased demand, net sales for take-away products have gradually fallen in Europe. Outside Europe, net sales continued to develop positively for the year, especially in the Australian market.

During the pandemic, demand for products for home consumption increased, and retail sales increased strongly in 2021 and early 2022. High inflation and a more normalized restaurant industry have put pressure on both prices and volumes in the retail sector this year, and the business area Dining solutions has seen falling volumes, albeit from volumes higher than before the pandemic.

The sales pattern has continued in line with previously reported trends, where simpler single-use items in plastic and demand for table covers are declining, while environmentally sound products are growing. The previous year's figures include the now discontinued sales unit in Singapore with sales of approximately SEK 26 m and the discontinued Russian sales unit with sales of approximately SEK 5 m.

Net sales

SEK m	3 months Oct-Dec 2023	3 months Oct-Dec 2022	% fixed exchange rates	12 months Jan-Dec 2023	12 months Jan-Dec 2022	% fixed exchange rates
Dining solutions	1,214	1,187	-4.5%	4,681	4,004	9.3%
Food packaging solutions	757	787	-5.5%	3,037	2,972	-0.3%
Duni Group	**1,971**	**1,974**	**-4.9%**	**7,718**	**6,976**	**5.2%**

Income

October 1 – December 31

Operating income amounted to SEK 191 m (153), with an operating margin of 9.7% (7.8%). The gross margin was 26.5% (20.3%). As in the previous quarter, the fourth quarter resulted in recovered gross margins and a stronger result. The Group's operating income has increased in absolute terms compared to the respective comparative period for more than ten consecutive quarters. The margin as a percentage is approaching the company's financial targets.

The income trend is primarily explained by the phasing between the inflationary pressure that increased the Group's costs significantly in the previous year and the subsequent price adjustments to the market that were implemented primarily in the second half of the previous year and the first quarter of this year. During the same period as the price adjustments took effect, inflationary pressures have eased on several important raw materials. In some places market prices have also fallen, and costs of sea freight have even reached pre-pandemic levels. However, some raw materials, such as pulp, increased again in the fourth quarter, and at the end of the quarter market prices for sea freight also increased in connection with the disruptions around the Suez Canal. The price adjustments continued to have a positive overall impact on the Group's income in the quarter, albeit to a lesser extent than in previous quarters. Furthermore, income for the quarter was negatively affected by a number of non-recurring costs, including acquisition costs of approximately SEK 6 m which relates to acquisitions within the BioPak Group, as well as product development expenses and project expenses in the area of IT.

Income after financial items amounted to SEK 164 m (91). Income after tax was SEK 83 m (59).

January 1 – December 31

Operating income amounted to SEK 716 m (450), with an operating margin of 9.3% (6.4%). The gross margin was 23.9% (18.9%). Net income for the year has improved significantly, recording a record result. Driving factors for this improvement are primarily the improved balance between cost increases and compensation through price adjustments. Ongoing efficiency improvements in the value chains, continuous work in purchasing and procurement, and increased net sales outside Europe further strengthen income. The inventory levels built up during the pandemic in the business area Food packaging solutions have seen a positive trend of falling inventories during the year, but as some inventories were purchased when sea freight was at its most expensive, impairment losses were applied during the year, primarily in the second quarter, in order to better meet current market prices.

The Group's innovation project, with an ambition to boost relevance to the HoReCa market and for circular solutions, continued to develop positively during the quarter. Unmo, which is a digital community for both job-seekers and restaurant owners that aims to create a sustainable restaurant industry and mitigate the problem of staff shortages in the industry, has expanded further, from Malmö to Gothenburg and Stockholm and some winter resorts. Idun, which is a system for the reuse of serving items, has worked with various events at venues including the Liseberg amusement park, which wants to enable circular eating and drinking habits in its food court.

Preparations and planning took place during the autumn to coordinate production at a site in Asia, to make Duni Thailand a production hub for the entire Asia-Pacific region. After evaluating issues such as efficiency, profitability and delivery capacity, a decision was made after the year-end to convert Sharp Serviettes, located in New Zealand, into a dedicated sales company and to move production to Thailand. In the fourth quarter, restructuring costs of SEK 6.8 m were incurred for this project, primarily in respect of moving and restoration costs. 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 26 for the bridge between EBIT and operating income.

Income after financial items amounted to SEK 593 m (283). Income after tax was SEK 443 m (201).

Operating income

SEK m	3 months Oct-Dec 2023	3 months Oct-Dec 2023[1)]	3 months Oct-Dec 2022	12 months Jan-Dec 2023	12 months Jan-Dec 2023[1)]	12 months Jan-Dec 2022
Dining solutions	175	158	127	600	545	333
Food packaging solutions	17	16	27	117	117	117
Duni Group	**191**	**174**	**153**	**716**	**662**	**450**

[1)] Reported operating income 2023 recalculated at 2022 exchange rates.

Business area Dining solutions

The Dining solutions 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. Products and services are sold under the Duni and Paper+Design brands. 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 61% (57%) of the Group's net sales during the period from January 1 to December 31, 2023.

Business events during the quarter

- The business area continued to digitalize supply chain flows, including automated robot forklift trucks (AFL – Autonomous Forklift) at the plant in Poznan, Poland.
- In Germany, a distribution solution with e-trucks was introduced between the Bramsche plant and a distributor in order to further reduce CO_2 emissions.
- Several large customer contracts were renewed during the quarter, and during the autumn there were generally high volumes of successful procurement contracts in the area of basic napkins (tissue).
- Preparations and planning to coordinate all production in Asia and make Duni Thailand, where capacity was expanded during the autumn, into a production hub in the region.

October 1 – December 31

Net sales	Operating income	Operating margin
SEK 1,214 m (1,187)	SEK 175 m (127)	14.4% (10.7%)

January 1 – December 31

Net sales	Operating income	Operating margin
SEK 4,681 m (4,004)	SEK 600 m (333)	12.8% (8.3%)

Business area Dining solutions

Net sales

Net sales for the quarter increased by SEK 27 m and amounted to SEK 1,214 m (1,187). At fixed exchange rates, this corresponds to a decrease in sales of 4.5%. After years of market constraints and volatility for the hotel and restaurant industry, with a recovery and normalization at the beginning of the previous year, 2023 has seen a relatively stable market. High inflation, shrinking household budgets and staff shortages have limited the market recovery, with market data indicating that volumes in Germany, for example, have been around 10% lower on average this year than in 2019. The grocery retail trade experienced increased sales during the pandemic, while the business area also secured a number of large contracts. There was pressure on both volume and prices in the grocery retail trade during the year, due to both inflation and the shift back to the restaurant industry. Overall, this has meant that sales to the hotel and restaurant industry saw an increasing volume in the first quarter, followed by volumes in line with the previous year for the second, third and fourth quarters. Volumes that are, however, slightly lower than pre-pandemic levels. Christmas sales, which are important for the business area, did not reach pre-pandemic volumes, which reflects reduced purchasing power and lower disposable income in society. Volumes going to the retail sector are still higher than before the pandemic, but they are lower than last year and fell during the year.

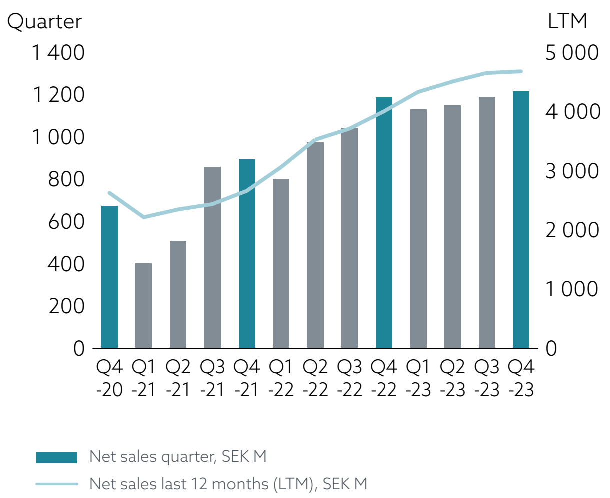
In the previous year and in the first quarter of the year, compensatory measures were implemented for the sharp cost increases that occurred over the last two years, which had a significant positive effect on sales. From the second half of the year, selective price reductions have been implemented on certain contracts and volume transactions in order to meet competition, which, together with the fact that the comparative figures include the same price increases, means that the price adjustment effect is reduced relative to the previous quarter during the third and fourth quarters.

During the year, the product portfolio's sales followed the trend from recent years of increased net sales, primarily of napkins, while sales of table covers have declined in volume. The sales trend was also negative for candles, where cost increases have been particularly significant. The business area has worked actively with new product launches in order to be a leader in offering customers the best sustainable alternatives on the market.

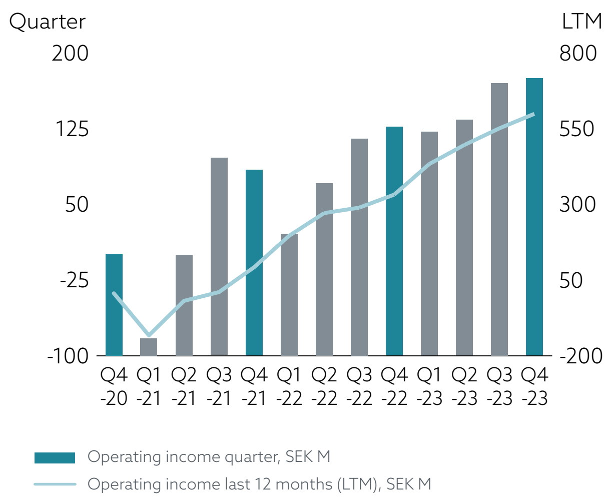
Income

Operating income in the quarter was SEK 175 m (127) and the operating margin was 14.4% (10.7%). Income increased strongly by SEK 48 m. Tight margins characterized the business area for a long time, initially due to low volumes during the pandemic, followed by sustained high inflationary pressure with deferred price increases for customers. The main focus of the business area has been on continuous efficiency improvements and improvements in production, in order to reduce the proportion of fixed costs and to secure strategic purchasing agreements, while at the same time working on the rollout of cost-compensating price adjustments. Towards the end of the previous year, volumes had returned, inflationary pressure had eased and price adjustments had partly started to take effect. Since the beginning of the year, additional effects of the price adjustments, partly falling raw material costs, occasionally favorable energy costs and positive outcomes from the efficiency improvements in production have resulted in a record year. Net income was strengthened in all quarters compared to the comparative period, which also comprises historically strong quarters.

Net sales



Operating income



Business area Food packaging solutions

The Food packaging solutions 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. Products and services in the business area are sold under both the Duni and BioPak brands. The business area has a market-leading position in Australia. The business area accounted for approximately 39% (43%) of the Group's net sales during the period from January 1 to December 31, 2023.

Business events during the quarter

- The BioPak Group opened a sales office in Hong Kong to enable it to be a sustainable alternative for restaurants when China introduces a ban on single-use plastic items in April 2024.

- Launch initiated of a new, unique take-away range, which has no added PFASs and is free of fossil plastics.

- Several major contracts were renewed during the quarter, including replacing plastic lids with fiber lids in order to reduce the use of plastic.

October 1 – December 31

Net sales	Operating income	Operating margin
SEK 757 m (787)	SEK 17 m (27)	2.2% (3.4%)

January 1 – December 31

Net sales	Operating income	Operating margin
SEK 3,037 m (2,972)	SEK 117 m (117)	3.8% (3.9%)

Business area Food packaging solutions

Net sales

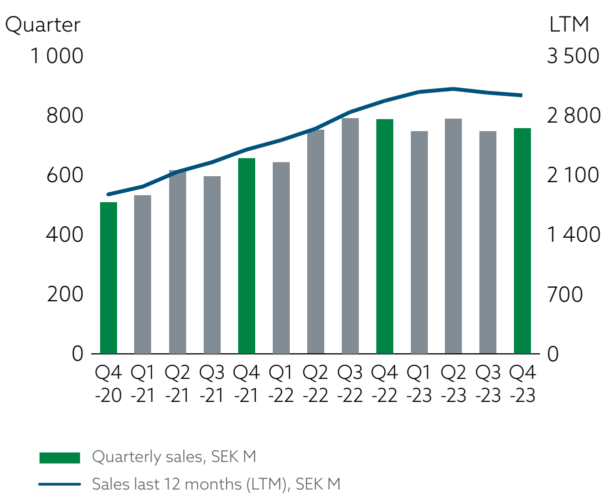
Net sales for the quarter decreased by SEK 30 m and amounted to SEK 757 m (787). At fixed exchange rates, this corresponds to a decrease in sales of 5.5%. After two years of growth of more than 20% compared to the comparative period in all quarters, the growth rate in 2023 slowed down in the first half of the year, and sales for the business area declined slightly in the second half of the year. Overall, net sales are in line with the previous year, a year in which net sales were about 60% higher than before the pandemic. The main reasons for this development are increased demand for take-away during the pandemic, sharply rising prices for sea freight followed by high general inflation and subsequent cost-compensating price adjustments to the market. This drove up volumes and prices in the previous year and partly at the beginning of the year, but during the second half of the year particularly high comparative figures were encountered, volumes in Europe fell back and, as sea freight costs fell, price reductions were also implemented. Furthermore, the now discontinued sales unit in Singapore is included in the comparative period with net sales of approximately SEK 25 m.

In recent years, there has been a shift from plastic to other materials, including various fibers, which has benefited the 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. In Europe, net sales are affected by declining demand for take-away due to a long period of high demand during the pandemic, which is now slowing down, as well as declining sales of simple plastic goods, especially in serving products. In recent years, the business area has been working to convert its product portfolio away from plastic-based articles, while most EU and local legislation directed at selected single-use articles has been implemented. The fourth quarter saw the launch of a new, unique product range, which has no added PFASs and is free of fossil plastics. Development expenses for this, as well as impairments of previous product ranges, are charged to the fourth quarter.

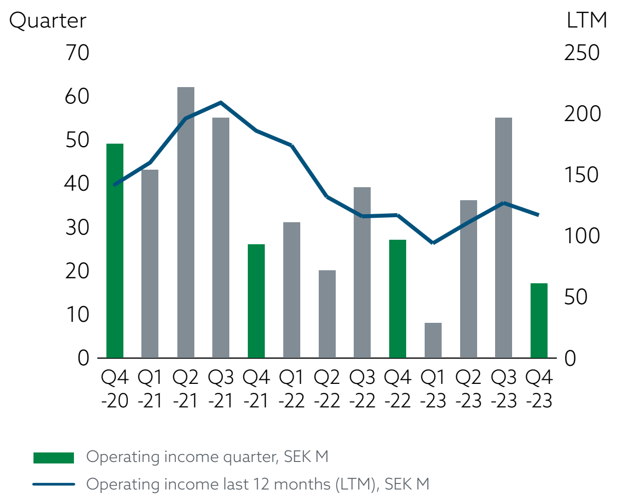
Income

Operating income in the quarter amounted to SEK 17 m (27), and the operating margin was 2.2% (3.4%) For the full year, operating income ended in line with the previous year, which is largely explained by the same mechanics as for net sales. Volatile demand during and immediately after the pandemic, combined with disruption in the global value chain, resulted in high inflationary pressure, partly on many raw materials and partly on freight, not least on sea freight. Compensatory price increases have been implemented, to be reduced later, with the intention of balancing the gross margin and maintaining an attractive offering to the market. The volatile demand and disruption in the supply chain led to a difficult challenge in Europe, where work to ensure high delivery precision resulted in high inventory levels, which were largely delivered at very high container prices. The business area worked actively during the year to reduce inventory levels, which strengthened net income through lower inventory costs. At the same time, parts of the product range have been written down, with a negative impact on net income, especially in the second quarter. The fourth quarter included approximately SEK 6 m in Other operating expenses, in respect of acquisition costs for the acquisition within the BioPak Group.

Net sales



Operating income



Financial overview

Cash flow and funding

The Group's cash flow from operating activities was SEK 1,190 m (48) for the period from January 1 to December 31. Accounts receivable amounted to SEK 1,125 m (1,137) and accounts payable to SEK 719 m (840), while inventory was valued at SEK 1,251 m (1,727).

Cash flow including investing activities amounted to SEK 1,019 m (256). During the year, the work to reduce inventory was a clear contributory factor to the historically strong cash flow. There has been a focus on the relationship between accounts receivable and accounts payable, which has developed positively. The improvement in income, combined with a significantly lower net debt, means that the company is in a strong position ahead of 2024 to take advantage of opportunities for growth, both organic and non-organic.

Net investments for the period amounted to SEK 160 m (131). Depreciation for the period amounted to SEK 276 m (278), of which depreciation of right-of-use assets amounted to SEK 60 m (73). Investments are on their way up to normal levels again, following restraint during the pandemic.

The Group's interest-bearing net debt as of December 31, 2023 was SEK 598 m. The Group's interest-bearing net debt as of December 31, 2022 was SEK 1,317 m.

During the quarter, the loan agreement was renegotiated to exclude the BioPak Group, who has signed a local facility in Australia. As a security of the local facility the total assets in BioPak Group have been pledged. It contains no other significant differences from Duni Group's loan agreements.

Net financial items

Net financial items for the period from January 1 to December 31 amounted to SEK -56 m (-43). Higher interest rates bring higher interest expenses, although this is offset to a certain extent by a lower debt and positive effects from interest rate hedging.

Income from participations in associated companies amounted to SEK -6.7 m (-6.0).

Taxes

The total reported tax expense for the period from January 1 to December 31 amounted to SEK 150 m (82), equivalent to an effective tax rate of 25.3% (28.9%). The tax for the year includes adjustments and non-recurring effects from the previous year of SEK 14.5 m (-7.7).

Earnings per share

This year's earnings per share, attributable to equity holders of the Parent Company, before and after dilution amounted to SEK 8.30 (4.25).

The share

As of December 31, 2023, the share capital amounted to SEK 58,748,790 and consisted of 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 three largest shareholders at the end of the period were Mellby Gård AB (40.14%), Nordea Investment Funds (11.12%) and Polaris Capital Management LLC (9.67%).

Personnel

On December 31, 2023, there were 2,326 (2,231) employees. 862 (853) of the employees were engaged in production. 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

During the period, the holding in associated company Bumerang Takeaway S.L, Spain, was increased after a round of financing took place, and new stakeholders joined the company. Duni AB paid EUR 150,000 and went from 22.36% to 23.23% in ownership.

During the period, the holding in associated company Relevo GmbH, Germany, was increased after a round of financing took place, and new stakeholders joined the company. Duni AB paid EUR 990,000 and went from 20.00% to 24.51% in ownership.

In the fourth quarter, BioPak Pty Ltd in Australia signed an agreement to acquire 100% of Innocent Packaging Ltd, with operations in New Zealand, as well as the subsidiaries Decent Packaging Ltd in the UK and Decent Packaging B.V in the Netherlands. These companies sell sustainable packaging solutions under the Decent brand in all three markets. As of February 1, 2024, they will be consolidated into the BioPak Group, within the Food packaging solutions business area. The companies have togehter an annual net sales of approximately SEK 150 m, with profitability in line with the Duni Group. Financing takes place within the existing BioPak Group loan facility and with BioPak Pty Ltd shares.

New establishments

During the quarter, the BioPak Group opened a sales office in Hong Kong in order to be able to have a presence in the market and offer a sustainable alternative for restaurants when China is expected to introduce a ban on single-use plastic items in April 2024.

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. 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 Duni Group divested its sales office in Moscow immediately after the invasion, in April 2022, and since then has no sales in Russia. The Group monitors developments and complies with all sanctions imposed. The recent development of conflicts also in other regions where the Duni Group operates, such as the Middle East, is creating general uncertainty with effects that are difficult to predict. Risks associated with conflicts in our markets are evaluated on an ongoing basis, with corrective measures if necessary.

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 and climate risks, human rights and anti-corruption. 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 Business Conduct. To read more about our extensive sustainability work, see the Annual Report and Sustainability Report 2022.

Financial risks

The central finance department is responsible in accordance with the Group's finance policy for prioritizing and managing financial risks such as currency risks, interest rate risks, liquidity and credit risks. The financial policy focuses on the unpredictability of the financial markets and endeavors to minimize potential adverse effects on the Group's financial results. The financial policy is revised and approved by the board annually. 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 2022.

The Group's contingent liabilities have risen since the start of the year by SEK 69 m to SEK 136 m (68). This increase is due to extended Parent Company guarantees and currency effects.

Transactions with related parties

No significant transactions with related parties took place during Q4 2023.

Significant events during the period and after the balance sheet date

No other significant events have taken place during the period or since the balance sheet date.

Interim reports

Q1	April 24, 2024
Q2	July 12, 2024
Q3	October 24, 2024

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 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 2024 Annual General Meeting comprises four members: Thomas Gustafsson (Chairman of Duni AB), Johan Andersson (Mellby Gård AB), Katarina Hammar (Nordea fonder AB) 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 5.00 (3.00) per share be adopted, corresponding to SEK 235 m (141). The Board of Directors believes that the company has experienced a strong financial recovery, which has been clear since the end of the pandemic and accelerated in 2023. The assessment is that the Group has a strong financial position and future competitiveness that allows a dividend equivalent to SEK 235 m, which is equivalent to 60% of income after tax attributable to the Parent Company. The Board believes that even after the proposed dividend, the Group will still be able to meet its obligations, and that there is scope for both acquisitions and planned investments.

The Board proposes that the dividend shall be disbursed in two partial payments to balance cash flows with the Group's seasonal fluctuations. The Board has proposed May 23, 2024 as the record date for the first partial payment of SEK 2.50 and November 12, 2024 as the record date for the second partial payment of SEK 2.50.

Annual General Meeting 2024

The Annual General Meeting of Duni AB will be held in Malmö at 3 PM on May 21, 2024. More information will be available on Duni's website shortly.

The Annual Report and Sustainability Report will be available on the Group's website during calendar week 16, 2024. 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 April 2, 2024.

Parent Company

Net sales for the period from January 1 to December 31 amounted to SEK 1,577 m (1,526). Income after financial items amounted to SEK 479 m (423). The interest-bearing net asset was SEK 302 m (914), of which a net asset of SEK 786 m (2,140) relates to subsidiaries. Net investments amounted to SEK 17 m (24) and depreciation and amortization amounted to SEK 20 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, 2022.

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 will be submitted for publication on February 9 at 07:45 AM.

At 10:00 AM on Friday, February 9, 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/BIf19da41d58da4a5ebaa8fc5d0dfb3c3a

This link allows participants to register to obtain a personal code for the audio conference.

To follow the webcast, please visit this link:
https://onlinexperiences.com/Launch/QReg/ShowUUID=CBC355AB-D009-45B4-A92E-7C05A50ECFC9

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 8, 2024

Robert Dackeskog, President and CEO

Pia Marions, Director

Thomas Gustafsson, Chairman of the Board

Janne Moltke-Leth, Director

Viktoria Bergman, Director

Maria Fredholm, Employee Representative PTK

Morten Falkenberg, Director

David Green, Employee Representative LO

Sven Knutsson, Director

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Company registration number: 556536-7488

Financial reports

Consolidated Income Statements

SEK m (note 1)	3 months Oct-Dec 2023	3 months Oct-Dec 2022	12 months Jan-Dec 2023	12 months Jan-Dec 2022
Net sales (notes 3, 5)	1,971	1,974	7,718	6,976
Cost of goods sold	-1,448	-1,574	-5,872	-5,657
Gross profit	**523**	**401**	**1,846**	**1,318**
Selling expenses	-190	-168	-699	-609
Administrative expenses	-117	-129	-421	-381
Research and development expenses	-13	-3	-36	-4
Other operating income	-6	20	46	80
Other operating expenses	-25	-20	-88	-79
EBIT (notes 4, 5)	**172**	**100**	**648**	**326**
Financial income	7	5	24	19
Financial expenses	-13	-13	-73	-56
Income from participation in associated companies	-2	-2	-7	-6
Net financial items	**-8**	**-9**	**-56**	**-43**
Income after financial items	**164**	**91**	**593**	**283**
Income tax	-81	-32	-150	-82
Net income	**83**	**59**	**443**	**201**
Net income for the period attributable to:				
Equity holders of the Parent Company	77	60	390	200
Non-controlling interests	5	-1	53	2
Earnings per share attributable to equity holders of the Parent Company:				
Before and after dilution (SEK)	1.65	1.28	8.30	4.25
Average number of shares before and after dilution ('000)	46,999	46,999	46,999	46,999

Consolidated Statement of Comprehensive Income

SEK m (note 1)	3 months Oct-Dec 2023	3 months Oct-Dec 2022	12 months Jan-Dec 2023	12 months Jan-Dec 2022
Net income	**83**	**59**	**443**	**201**
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Remeasurement of net pension obligation*	-10	-62	-6	16
Total	**-10**	**-62**	**-6**	**16**
Items that may be reclassified subsequently to profit or loss:				
Translation differences for the period when translating foreign operations	-36	11	-37	32
Cash flow hedging	-16	5	-19	35
Total	**-53**	**16**	**-56**	**67**
Other comprehensive income for the period, net of tax	**-62**	**-46**	**-62**	**83**
Sum of comprehensive income for the period	**21**	**13**	**381**	**284**
- Of which non-controlling interests	-12	-2	29	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.

Condensed Consolidated Quarterly Income Statements

SEK m	2023				2022			
Quarter	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Income	1,971	1,935	1,936	1,877	1,974	1,834	1,724	1,443
Cost of goods sold	-1,448	-1,442	-1,496	-1,486	-1,574	-1,471	-1,441	-1,172
Gross profit	**523**	**492**	**440**	**391**	**401**	**364**	**283**	**271**
Selling expenses	-190	-177	-171	-161	-168	-147	-145	-148
Administrative expenses	-117	-89	-119	-95	-129	-78	-97	-78
Research and development expenses	-13	-9	-9	-6	-3	-1	0	0
Other operating income	-6	15	32	5	20	14	43	4
Other operating expenses	-25	-21	-20	-22	-20	-20	-17	-22
EBIT	**172**	**211**	**154**	**111**	**100**	**132**	**67**	**26**
Financial income	7	7	6	5	5	4	9	1
Financial expenses	-13	-25	-14	-21	-13	-14	-14	-15
Income from participation in associated companies	-2	-2	-1	-2	-2	-2	-2	-1
Net financial items	**-8**	**-20**	**-10**	**-18**	**-9**	**-12**	**-7**	**-14**
Income after financial items	**164**	**191**	**144**	**93**	**91**	**120**	**60**	**12**
Income tax	-81	-41	-24	-3	-32	-33	-11	-6
Net income	**83**	**150**	**120**	**90**	**59**	**87**	**49**	**6**
Income attributable to:								
- Equity holders of the Parent Company	77	131	104	78	60	86	48	5
- Non-controlling interests	5	18	17	12	-1	1	1	1

Condensed Consolidated Balance Sheets

SEK m (note 2)	Dec 31 2023	Dec 31 2022
ASSETS		
Fixed assets		
Goodwill	2,110	2,136
Other intangible assets	230	305
Tangible assets	1,245	1,147
Financial assets	246	294
Total fixed assets	**3,831**	**3,881**
Current assets		
Inventory	1,251	1,727
Accounts receivable	1,125	1,137
Other receivables	218	222
Cash and cash equivalents	488	372
Total current assets	**3,082**	**3,458**
TOTAL ASSETS	**6,913**	**7,339**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity		
Shareholders' equity attributable to equity holders of the Parent Company	3,422	3,211
Non-controlling interests	560	530
Total equity	**3,982**	**3,742**
Long-term liabilities		
Long-term financial liabilities	610	1,173
Other long-term liabilities	274	348
Total long-term liabilities	**885**	**1,521**
Short-term liabilities		
Accounts payable	719	840
Short-term financial liabilities	342	393
Other short-term liabilities	985	844
Total short-term liabilities	**2,046**	**2,076**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**6,913**	**7,339**

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Parent Company						
SEK m	Share capital	Other injected capital	Reserves[1)]	Retained earnings including net income	Total equity, equity holders of the Parent Company	Non-controlling interests	Total shareholders' equity
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
Opening balance January 1, 2023	**59**	**1,681**	**165**	**1,306**	**3,211**	**530**	**3,742**
Net income	-	-	-	390	390	53	443
Other comprehensive income for the period, net after tax	-	-	-32	-6	-38	-24	-62
Sum of comprehensive income for the period	**-**	**-**	**-32**	**384**	**352**	**29**	**381**
Dividend paid to shareholders	-	-	-	-141	-141	-	-141
Closing balance December 31, 2023	**59**	**1,681**	**133**	**1,550**	**3,422**	**560**	**3,982**

[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.

Condensed Consolidated Cash Flow Statement

SEK m	12 months Jan-Dec 2023	12 months Jan-Dec 2022
Operating activities		
Reported EBIT	648	326
Adjusted for items not included in cash flow, etc.	283	256
Paid interest and tax	-197	-119
Change in working capital	456	-414
Cash flow from operating activities	**1,190**	**48**
Investments		
Acquisitions of fixed assets	-165	-131
Sales of fixed assets	8	-
Acquisition of subsidiaries	-	-25
Divestment of subsidiary	-	363
Acquisition of associated companies	-14	-
Cash flow from investments	**-171**	**208**
Financing		
Loans raised[1)]	116	150
Amortization of debt[1)]	-758	-421
Dividend paid to shareholders	-141	-
Net change, overdraft facilities and other financial liabilities	-49	45
Net change in lease liability	-61	-73
Cash flow from financing	**-893**	**-298**
Cash flow for the period	**127**	**-43**
Cash and cash equivalents, opening balance	372	396
Exchange difference, cash and cash equivalents	-11	19
Cash and cash equivalents, closing balance	**488**	**372**

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

Key financials in summary

	3 months Oct-Dec 2023	3 months Oct-Dec 2022	12 months Jan-Dec 2023	12 months Jan-Dec 2022
Net sales, SEK m	1,971	1,974	7,718	6,976
Gross profit, SEK m	523	401	1,846	1,318
Operating income, SEK m	191	153	716	450
Operating EBITDA, SEK m	245	203	926	664
Operating profit, EBIT, SEK m	172	100	648	326
EBITDA, SEK m	241	166	924	603
Interest-bearing net debt, SEK m	598	1,317	598	1,317
Number of employees	2,326	2,231	2,326	2,231
Sales growth	-0.2%	27.2%	10.6%	37.8%
Organic growth	-4.9%	19.1%	5.2%	30.9%
Gross margin	26.5%	20.3%	23.9%	18.9%
Operating margin	9.7%	7.8%	9.3%	6.4%
Operating EBITDA margin	12.4%	10.3%	12.0%	9.5%
EBIT margin	8.7%	5.1%	8.4%	4.7%
EBITDA margin	12.2%	8.4%	12.0%	8.6%
Return on shareholders' equity	2.1%	1.6%	11.1%	5.4%
Return on capital employed[1)]	16.3%	9.3%	16.3%	9.3%
Return on capital employed, excluding goodwill[1)]	31.5%	16.6%	31.5%	16.6%
Interest-bearing net debt/equity	15.0%	35.2%	15.0%	35.2%
Interest-bearing net debt/EBITDA[1)]	0.65	1.98	0.65	1.98

[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.

Condensed Parent Company Income Statements

SEK m (note 1)	3 months Oct-Dec 2023	3 months Oct-Dec 2022	12 months Jan-Dec 2023	12 months Jan-Dec 2022
Income	395	439	1,577	1,526
Cost of goods sold	-360	-410	-1,543	-1,458
Gross profit	**34**	**29**	**34**	**68**
Selling expenses	-36	-35	-120	-120
Administrative expenses	-85	-75	-292	-251
Research and development expenses	-13	-3	-34	-5
Other operating income	85	88	338	309
Other operating expenses	-16	-15	-56	-46
EBIT	**-30**	**-11**	**-130**	**-45**
Revenue from participation in Group companies	511	229	666	241
Financial income	-54	254	69	293
Financial expenses	-28	-16	-126	-65
Net financial items	**429**	**467**	**609**	**468**
Income after financial items	**398**	**455**	**479**	**423**
Appropriations	-2	-	-2	-
Income tax	-83	-46	-70	-41
Net income	**313**	**409**	**407**	**382**

Parent Company Statement of Comprehensive Income

SEK m (note 1)	3 months Oct-Dec 2023	3 months Oct-Dec 2022	12 months Jan-Dec 2023	12 months Jan-Dec 2022
Net income	**313**	**409**	**407**	**382**
Other comprehensive income[1)]				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedging	-16	8	-14	24
Total	**-16**	**8**	**-14**	**24**
Other comprehensive income for the period, net of tax	**-16**	**8**	**-14**	**24**
Sum of comprehensive income for the period	**297**	**417**	**394**	**406**
- Attributable to equity holders of the Parent Company	297	417	394	406

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

Condensed Parent Company Balance Sheet

SEK m	Dec 31 2023	Dec 31 2022
ASSETS		
Fixed assets		
Intangible assets	54	55
Tangible assets	23	25
Financial assets	3,495	3,918
Total fixed assets	**3,572**	**3,998**
Current assets		
Inventory	74	127
Accounts receivable	138	143
Other receivables	458	418
Cash and bank balances	332	204
Total current assets	**1,002**	**892**
TOTAL ASSETS	**4,573**	**4,890**
EQUITY, PROVISIONS AND LIABILITIES		
Equity		
Restricted equity	99	87
Unrestricted equity	2,573	2,331
Total equity	**2,672**	**2,419**
Provisions	**108**	**109**
Long-term liabilities		
Long-term financial liabilities	443	1,066
Other long-term liabilities	-	0
Total long-term liabilities	**443**	**1,066**
Short-term liabilities		
Accounts payable	69	71
Short-term financial liabilities	286	287
Other short-term liabilities	996	939
Total short-term liabilities	**1,351**	**1,297**
TOTAL EQUITY, PROVISIONS AND LIABILITIES	**4,573**	**4,890**

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, 2022, 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 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: Dining solutions (formerly Duni) and Food packaging solutions (formerly 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, where Australia accounts for just over 70%, New Zealand just over 10% and the remaining share mainly Thailand, Singapore, the USA and the United Arab Emirates, of about 2-5% each.
- 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, people & culture, sustainability, communications 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, Dining solutions and Food packaging solutions. The Dining solutions 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 Food packaging solutions 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

	Oct–Dec 2023			Oct-Dec 2022		
SEK m	Dining solutions	Food packaging solutions	Duni Group	Dining solutions	Food packaging solutions	Duni Group
Total net sales	1,218	782	2,000	1,193	787	1,980
Revenue from other segments	4	25	29	6	0	6
Net sales from external customers	**1,214**	**757**	**1,971**	**1,187**	**787**	**1,974**
Operating income	**175**	**17**	**191**	**127**	**27**	**153**
EBIT			172			100
Net financial items			-8			-9
Income after financial items			164			91

	Jan-Dec 2023			Jan-Dec 2022		
SEK m	Dining solutions	Food packaging solutions	Duni Group	Dining solutions	Food packaging solutions	Duni Group
Total net sales	4,692	3,063	7,754	4,028	2,973	7,000
Revenue from other segments	11	25	36	24	1	25
Net sales from external customers	**4,681**	**3,037**	**7,718**	**4,004**	**2,972**	**6,976**
Operating income	**600**	**117**	**716**	**333**	**117**	**450**
EBIT			648			326
Net financial items			-56			-43
In come after financial items			593			283

Quarterly overview per segment

Net sales	2023				2022			
SEK m	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Dining solutions	1,214	1,189	1,148	1,130	1,187	1,043	973	801
Food packaging solutions	757	746	788	747	787	791	751	642
Duni Group	**1,971**	**1,935**	**1,936**	**1,877**	**1,974**	**1,834**	**1,724**	**1,443**
Operating income								
SEK m	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul- Sep	Apr-Jun	Jan-Mar
Dining solutions	175	170	134	122	127	115	71	21
Food packaging solutions	17	55	36	8	27	39	20	31
Duni Group	**191**	**225**	**170**	**130**	**153**	**154**	**91**	**51**

Net sales per region, the Group

SEK m	3 months Oct-Dec 2023	3 months Oct-Dec 2023[1)]	3 months Oct-Dec 2022	12 months Jan-Dec 2023	12 months Jan-Dec 2023[1)]	12 months Jan-Dec 2022
NorthEast	340	332	336	1,331	1,300	1,222
Central	591	542	554	2,244	2,065	1,932
West	294	274	310	1,138	1,063	1,047
South	176	163	166	778	721	683
Rest of World	533	532	549	2,080	2,048	1,899
Other Sales	36	35	59	147	144	192
Duni Group	**1,971**	**1,878**	**1,974**	**7,718**	**7,340**	**6,976**
Time of revenue recognition						
Goods/services transferred at once	1,971	1,878	1,974	7,718	7,340	6,976
Goods/services transferred over time	-	-	-	-	-	-
Total	**1,971**	**1,878**	**1,974**	**7,718**	**7,340**	**6,976**

[1)] Reported net sales for 2023 recalculated at 2022 exchange rates.

Net sales per region, Dining solutions business area

SEK m	3 months Oct-Dec 2023	3 months Oct-Dec 2023[1)]	3 months Oct-Dec 2022	12 months Jan-Dec 2023	12 months Jan-Dec 2023[1)]	12 months Jan-Dec 2022
NorthEast	215	208	203	799	774	671
Central	524	481	482	1,965	1,808	1,629
West	222	207	234	828	773	721
South	133	123	127	605	560	491
Rest of World	84	80	83	337	318	299
Other Sales	36	35	59	147	144	192
Total Dining solutions	**1,214**	**1,134**	**1,187**	**4,681**	**4,377**	**4,004**

[1)] Reported net sales for 2023 recalculated at 2022 exchange rates.

Net sales per region, Food packaging solutions business area

SEK m	3 months Oct-Dec 2023	3 months Oct-Dec 2023[1)]	3 months Oct-Dec 2022	12 months Jan-Dec 2023	12 months Jan-Dec 2023[1)]	12 months Jan-Dec 2022
NorthEast	126	124	133	531	526	551
Central	67	62	73	279	257	303
West	71	67	76	310	290	326
South	43	40	40	173	160	192
Rest of World	449	452	466	1,744	1,730	1,600
Other Sales	-	-	-	-	-	-
Total Food packaging solutions	**757**	**744**	**787**	**3,037**	**2,963**	**2,972**

[1)] Reported net sales for 2023 recalculated at 2022 exchange rates.

Net sales per product group

	Jan-Dec 2023		
SEK m	Dining solutions	Food packaging solutions	Duni Group
Napkins	3,336	85	3,422
Table covers	783	-	783
Candles	211	-	211
Packaging solutions	-	1,222	1,222
Serving products	1	1,615	1,616
Other	350	116	466
Total	**4,681**	**3,037**	**7,718**

Note 4 • Reporting and disclosures on restructuring costs

SEK m	3 months Oct-Dec 2023	3 months Oct-Dec 2022	12 months Jan-Dec 2023	12 months Jan-Dec 2022
Cost of goods sold	-7	-	-7	-1
Selling expenses	-	0	0	-7
Administrative expenses	0	-34	-2	-48
Other operating expenses/income	4	-	4	0
Total	**-3**	**-34**	**-5**	**-57**

Restructuring expenses amount to SEK 5 m (57). During the fourth quarter, a restructuring expense of SEK 6.8 m was incurred in respect of a restructuring of the production units in Asia. An earlier provision in respect of the closure of the sales company in Singapore was reversed during the quarter. For the full year 2022, non-recurring costs of SEK 48 m were reported in respect of advisory services, auditing services and legal expenses in connection with the divestment of the shares in BioPak Pty Ltd. It also included costs in respect of preparatory work in the form of the evaluation of strategic alternatives, in order to optimize the long-term value of BioPak Pty Ltd in Australia.

Note 5 • Alternative key financials

Bridge between operating income and EBIT

SEK m	3 months Oct-Dec 2023	3 months Oct-Dec 2022	12 months Jan-Dec 2023	12 months Jan-Dec 2022
Operating income excluding IFRS 16 Leases	189	148	707	441
Effects of IFRS 16 Leases	2	6	9	9
Operating income	**191**	**153**	**716**	**450**
Restructuring costs	-3	-34	-5	-57
Unrealized value changes. derivative instruments	0	-3	3	-3
Amortization of intangible assets identified in business combinations	-17	-16	-66	-63
Fair value allocation in connection with acquisitions	0	0	0	0
EBIT	**172**	**100**	**648**	**326**

Bridge between operating EBITDA, EBITDA and EBIT

SEK m	3 months Oct-Dec 2023	3 months Oct-Dec 2022	12 months Jan-Dec 2023	12 months Jan-Dec 2022
Operating EBITDA excluding IFRS 16 Leases	227	183	858	581
Effects of IFRS 16 Leases	17	20	68	82
Operating EBITDA	**245**	**203**	**926**	**664**
Restructuring costs	-3	-34	-5	-57
Unrealized value changes. derivative instruments	0	-3	3	-3
Fair value allocation in connection with acquisitions	0	0	0	0
EBITDA	**241**	**166**	**924**	**603**
Amortization of intangible assets identified in business combinations	-17	-16	-66	-63
Amortization of right-of-use assets	-15	-15	-60	-73
Other amortization included in EBIT	-38	-35	-150	-141
EBIT	**172**	**100**	**648**	**326**

Bridge between reported net sales and organic growth

SEK m	3 months Oct-Dec 2023	3 months Oct-Dec 2022	12 months Jan-Dec 2023	12 months Jan-Dec 2022
Net sales	**1,971**	**1,974**	**7,718**	**6,976**
Currency effect[1)]	-93	-128	-378	-349
Currency-adjusted net sales	**1,878**	**1,846**	**7,340**	**6,627**
Less acquisitions	-	-	-	-
Net sales for organic growth	**1,878**	**1,846**	**7,340**	**6,627**
Organic growth	**-4.9%**	**19.1%**	**5.2%**	**30.9%**

[1)] Reported net sales for 2023 recalculated at 2022 exchange rates.

Definitions of key financials

The Group uses financial metrics that are 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:
Earnings before interest and taxes.

EBIT margin:
EBIT as a percentage of net sales.

EBITA:
Earnings before interest, taxes and amortization.

EBITDA:
Earnings before interest, taxes, depreciation and amortization (including impairment).

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 end of 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.

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 Food packaging solutions and serving products such as plates, bowls and takeaway boxes.

BioDunicel®:
Sustainable premium table covers and placemats made from potato starch, produced by Duni's team in Germany.

BioDunisoft®:
Sustainable premium napkins made with groundbreaking BioBinder™ based on food leftovers.

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 2023 are calculated at exchange rates for 2022. Effects of translation of balance sheet items are not included.

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

Goodfoodmood®:
The Dining solutions 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.

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 brand.

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 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.

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

UNGC:
The UN Global Compact (UNGC) is the world's largest initiative to unite the business community around corporate sustainability, no matter how large or complex a company is or where it is located.

Vertical integration:
Vertical integration means that the Group, through the Dining solutions business area, owns virtually the entire value chain for table covers and napkins (tissue and airlaid).

DUNI
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