

Interim Report Q3 2024

Strong quarter meets high comparison numbers

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Agenda

- Highlights
- Market outlook
- Q3 summary
- Business areas
- Innovations
- Sustainability
- Financials
- Summary
- Q&A



Highlights

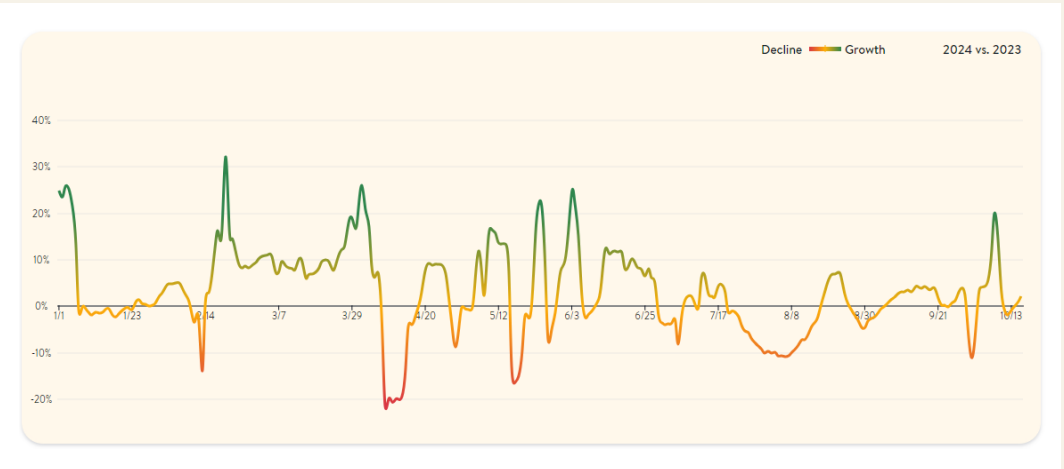
- Strong quarter facing historically high comparison numbers
- Continued low net debt and strong financial position
- Acquisition of Slovenian company Seti
- Partnership investment to modernize logistical set-up announced



Market Outlook

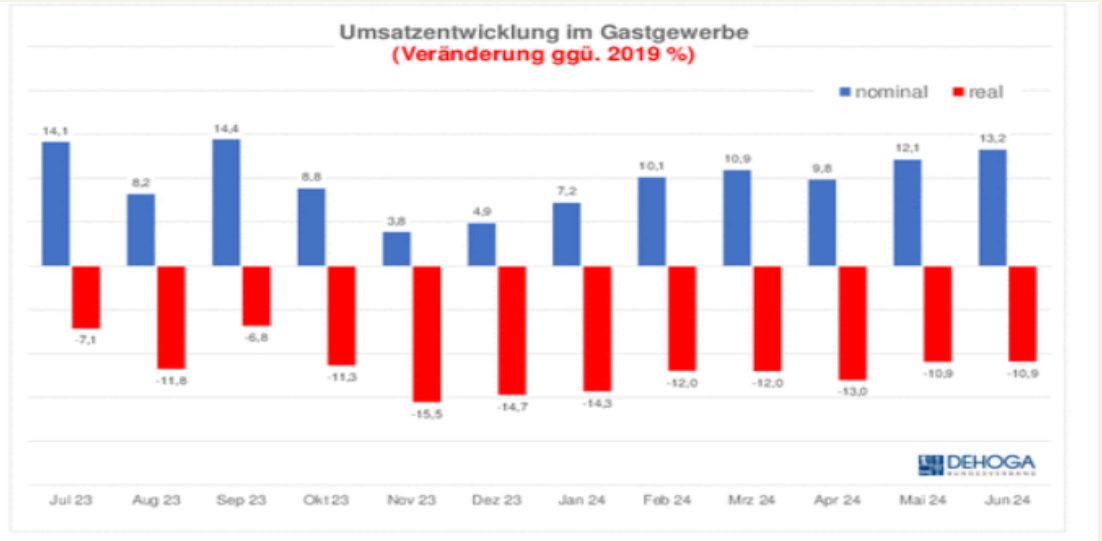
- The HoReCa market is expected to continue to have a gradual but potentially volatile recovery mid-term and a stable recovery long-term.
- Mixed signals and uncertainty for the coming quarters.
- The Group's good financial position enables addressing profitable long-term growth opportunities.

Open table Germany



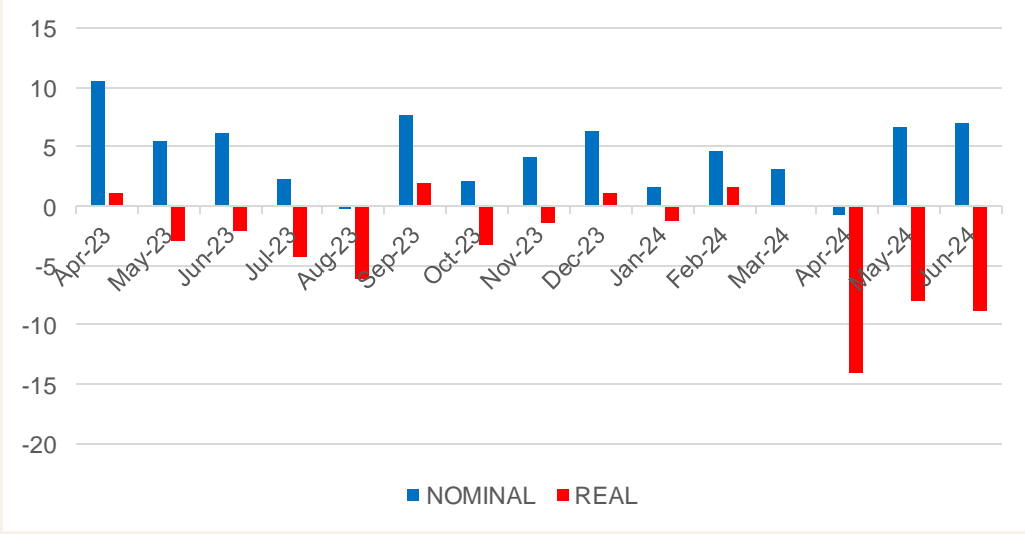
Source: <https://www.opentable.com/state-of-industry>

Sales development Hospitality Germany, vs. pre-pandemic



Source: Dehoga

Sales development Hospitality Germany, vs. last year



Source: Dehoga

Q3 2024

Key Financials

NET SALES

SEK 1,910 m

Net sales amounted to
SEK 1,910 m (1,935)

OPERATING INCOME

SEK 151 m

Operating income amounted to
SEK 151 m (225)

OPERATING MARGIN

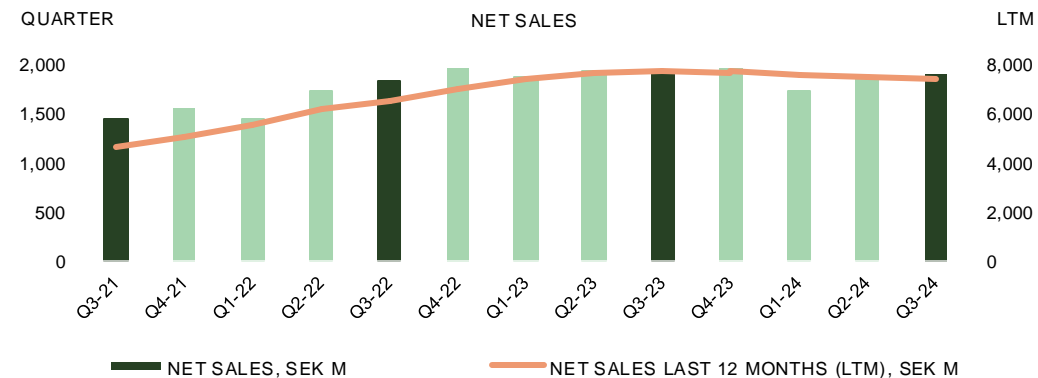
7.9%

Operating margin was
7.9% (11.6)

Q3 Comments

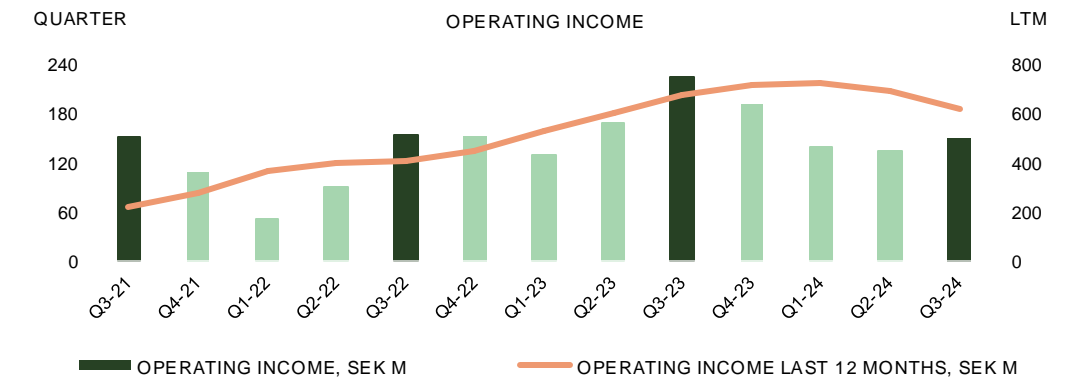
NET SALES -1.3%

- Total sales decrease -1.3% in fixed currencies
- During the quarter acquired companies contribute with 73 MSEK and organic growth is at -5%
- Sales towards Restaurants and Hotels decreases while sales through the Retail channel grows
- Selective price decreases implemented end of last year decreases turnover



OPERATING INCOME -32.7%

- Operating income remains above pre-pandemic levels although week market
- Exceptionally high comparison number main reason for the significant decrease in operating income
- Price decreases combined with increasing cost for pulp puts pressure on Dining Solutions operating margin
- Higher cost for container shipment and price decreases puts pressure on operating margin within Food Packaging Solutions



BA Dining Solutions

NET SALES

SEK 1,102 m

Net sales amounted to
SEK 1,102 m (1,189)

OPERATING INCOME

SEK 125 m

Operating income amounted to
SEK 125 m (170)

OPERATING MARGIN

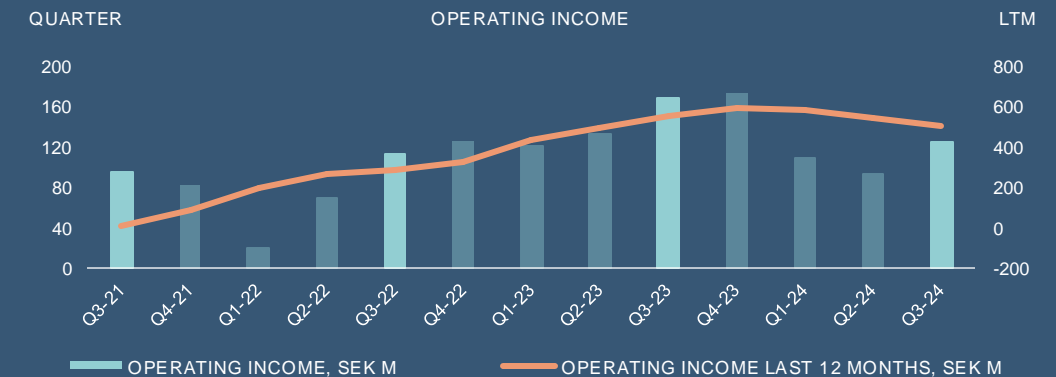
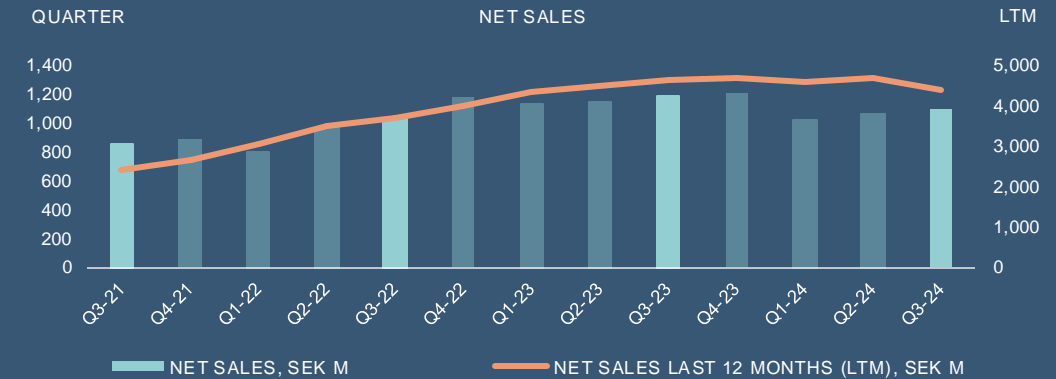
11.3%

Operating margin was
11.3% (14.3)

Dining Solutions

Q3 2024

- Total volumes in line with last year, but demand from HoReCa is lower while sales through Retail increases
- Higher share of sales through the more price sensitive Retail channel results in negative mix effect
- Price decreases lower the turnover, but secures relevance in tender business
- Rising raw material costs puts pressure on the operating income
- During the quarter 70% of the Slovenian company Seti was acquired



BA Food Packaging Solutions

NET SALES

SEK 808 m

Net Sales amounted to
SEK 808 m (746)

OPERATING INCOME

SEK 27 m

Operating Income
SEK 27 m (55)

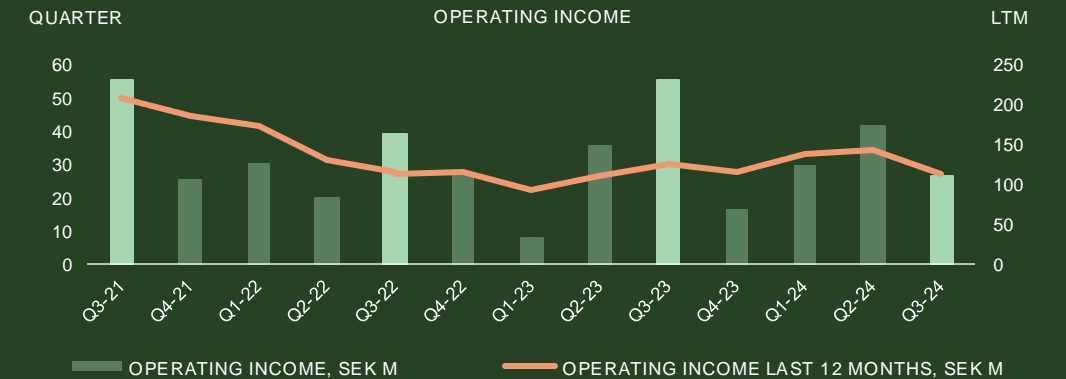
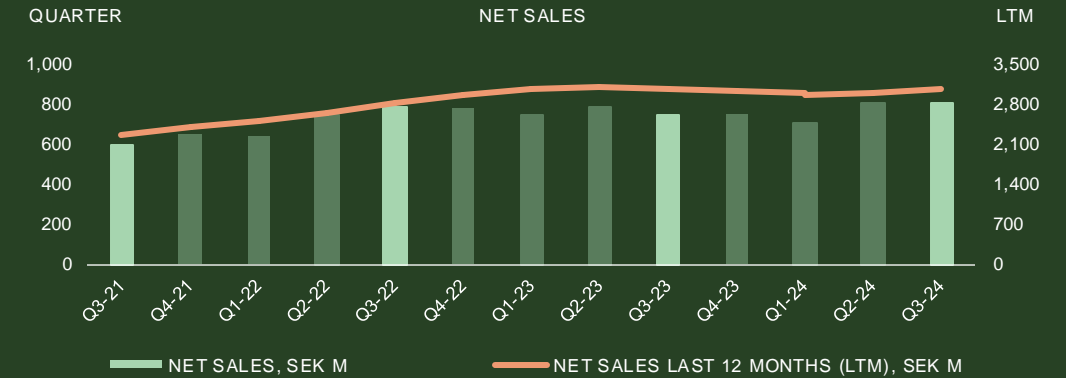
OPERATING MARGIN

3.3%

Operating Margin was
3.3% (7.4)

Food Packaging Solutions Q3 2024

- Net growth with increasing volumes outside of Europe while volumes in Europe decrease
- Acquired companies' main explanation behind positive top line development
- Price decreases in current year lower sales
- Cost for sea freight puts pressure on the margin in the quarter
- Higher indirect costs as a result of investment in circular offer



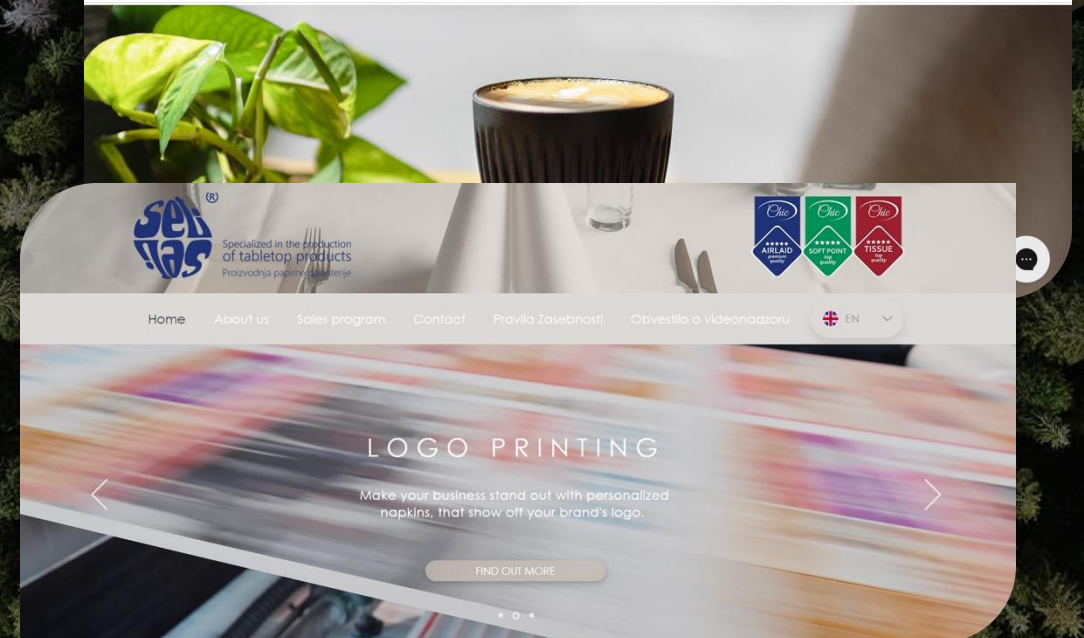
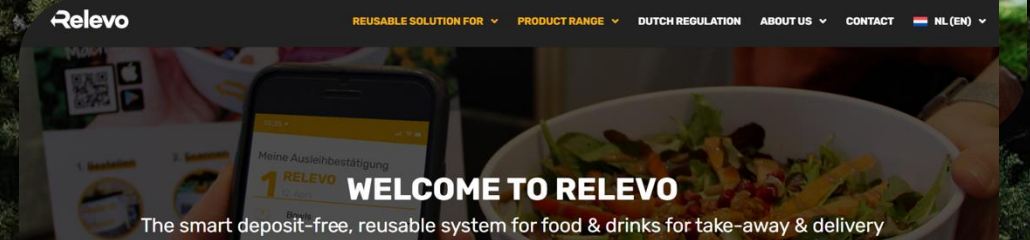
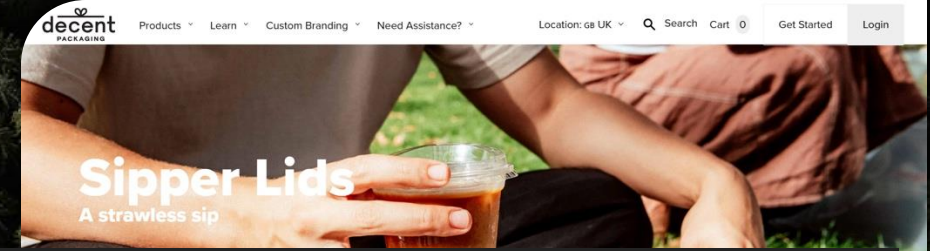
Acquisitions in 2024

DINING SOLUTIONS

- Seti was consolidated in September
- Seti is a Slovenian tabletop company expanding the Group's reach to southeast Europe. The company has annual net sales of approximately SEK 100 m with profitability in line with business area Dining Solutions.

FOOD PACKAGING SOLUTIONS

- Decent Packaging was consolidated in February
- Relevo was consolidated in March
- Huskee was consolidated in April



Trusted Sustainability Leader in our Industry

Engaging in sustainable and
circular innovations

LAB

Bio Dunisoft®

Bio Dunicel®

COOPERATIONS

OrganoClick

BicyCompost

Notpla

Liplid

PARTNERSHIPS (minority investments)

Bûmerang

STARTUP PROJECTS

Relevo

Our Decade of Action 2030

Our sustainability initiatives

BECOMING CIRCULAR AT SCALE

100%

Circular target

GOING NET ZERO

0 CO₂

Net Zero carbon emissions for
Scope 1 and 2

LIVING THE CHANGE

#1

A trusted sustainability leader

Becoming Circular at Scale

ACTIVITIES IN THE QUARTER

Improved products in the packaging portfolio reduce the use of plastic, while maintaining functionality

Use of virgin fossil plastic for single-use items

KPI: Reduction by 50% by 2025 compared to 2019 as a base year

Progress: Fossil plastic use index at 64 by the end of Q3 2024 (reduction by 36%)

Going Net Zero

ACTIVITIES IN THE QUARTER

New drying system deployed at Rexcell to improve energy efficiency in tissue production

Decision to invest in new logistics facility in Meppen, Germany, which contributes to the Group's goal of net zero carbon emissions in the long term

Scope 1+2 carbon intensity

KPI: Reach index 38 by end of 2024 compared to 2019 as base year

Progress: Carbon intensity reached index 39 by the end of Q3 2024 (reduction by 61%)

Living the Change

ACTIVITIES IN THE QUARTER

The policy book, including Code-of-Conduct, has been updated and approved by the Board

Ecovadis score:

KPI: EcoVadis Platinum level by 2025 (full-year result)

Progress: EcoVadis score 77 (top 2%) for 2023 (Gold level)

Financials

Income Statement

SEK m	Q3 / 2024	Q3 / 2023	YTD / 2024	YTD / 2023	LTM / 2023-24	FY / 2023
Net sales	1,910	1,935	5,521	5,747	7,492	7,718
Gross profit	326	492	1,214	1,323	1,737	1,846
Gross margin ¹⁾	17.1%	25.5%	22.0%	23.0%	23.2%	23.9%
Selling expenses	-187	-177	-566	-509	-756	-699
Administrative expenses	-100	-89	-320	-303	-438	-421
R & D expenses	-11	-9	-29	-24	-42	-36
Other operating net	-18	-7	-51	-11	-82	-42
EBIT	10	211	249	476	421	648
Adjustments	-141	-14	-177	-49	-197	-68
Operating income²⁾	151	225	426	525	617	716
Operating margin	7.9%	11.6%	7.7%	9.1%	8.2%	9.3%
Financial net	-13	-20	-42	-48	-50	-56
Taxes	6	-41	-36	-68	-117	-150
Net income	3	150	171	360	254	443
Earnings per share, attributable to equity holders of the Parent Company	-0.04	2.80	3.34	6.65	4.99	8.30

¹⁾ Gross margin excluding restructuring cost of SEK 125 m is 23.7% in the quarter

²⁾ Operating income adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs.

Business Area Financials

SEK m		Q3 / 2024	Q3 / 2023	YTD / 2024	YTD / 2023	LTM / 2023-24	FY / 2023
Dining Solutions	Net sales	1,102	1,189	3,202	3,467	4,416	4,681
	Operating income ¹⁾	125	170	328	425	502	600
	Operating margin	11.3%	14.3%	10.2%	12.3%	11.4%	12.8%
Food Packaging Solutions	Net sales	808	746	2,319	2,280	3,076	3,037
	Operating income ¹⁾	27	55	98	100	115	117
	Operating margin	3.3%	7.4%	4.2%	4.4%	3.7%	3.8%
Duni Group	Net sales	1,910	1,935	5,521	5,747	7,492	7,718
	Operating income¹⁾	151	225	426	525	617	716
	Operating margin	7.9%	11.6%	7.7%	9.1%	8.2%	9.3%

¹⁾ Operating income adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs.

Operating Cash Flow

SEK m	Q3 / 2024	Q3 / 2023	YTD / 2024	YTD / 2023	LTM / 2023-24	FY / 2023
Operating EBITDA¹⁾	187	260	528	632	756	860
Capital expenditure	-51	-62	-118	-99	-174	-157
Change in;						
Inventory	15	103	-98	419	-47	469
Accounts receivable	34	-6	20	-75	99	5
Accounts payable	14	-16	-94	-276	64	-120
Other operating working capital	40	70	-49	123	-72	101
Change in working capital	103	151	-220	191	44	456
Operating cash flow²⁾	238	349	190	724	626	1,158

¹⁾ Operating EBITDA is EBITDA less restructuring costs and fair value allocations and effects from IFRS 16 Leases.

²⁾ Operating cash flow excludes changes in right-of-use assets and changes in leasing debts.

Financial Position

SEK m	September 2024	December 2023	September 2023
Goodwill	2,361	2,110	2,137
Tangible and intangible fixed assets	1,648	1,500	1,521
Net financial assets ¹⁾	72	-36	-9
Inventories	1,464	1,251	1,337
Accounts receivable	1,176	1,125	1,234
Accounts payable	-676	-719	-577
Other operating assets and liabilities ³⁾	-996	-651	-723
Net assets	5,048	4,580	4,920
Net debt	946	598	959
Equity	4,101	3,982	3,962
Equity and net debt	5,048	4,580	4,920
ROCE ²⁾	13%	16%	15%
ROCE ²⁾ w/o Goodwill	25%	32%	27%
Net debt / Equity	23%	15%	24%
Net debt / EBITDA ²⁾	1.16	0.65	1.08

¹⁾ Deferred tax assets and liabilities + Income tax receivables and payables.

²⁾ Operating income adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs. Calculated based on the last twelve months.

³⁾ Including restructuring provision and derivatives.

Financial Targets

SALES GROWTH

> 5%

Organic growth of 5% over a business cycle

Consider acquisitions to reach new markets or to strengthen current market positions.

LTM 2023/24

-5.6% at fixed exchange rates

OPERATING MARGIN

> 10%

Top line growth – premium focus

Improvements in manufacturing, sourcing and logistics.

LTM 2023/24

8.2%

DIVIDEND PAYOUT RATIO

40+%

Target at least 40% of net profit

2023

5.00 SEK (60%)

Summary Q3 2024

- Strong quarter facing historically high comparison numbers
- Continued low net debt and strong financial positions
- Acquisition of Slovenian company Seti
- Partnership investment to modernize logistical set-up announced





DUNI
GROUP

The Architects of Dining