



# Q2 Presentation, 2021

July 15, 2021

**DUNI**  
GROUP

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# The period in short

- Covid-19 restrictions eased during the second part of Q2 with strong result improvement as consequence.
- Strategic partnerships accelerates the sustainability agenda through new materials and business models.
- BioPak continues to grow rapidly with strong operational leverage.
- German support program contributes to the quarter.





# 2021 Q2 Highlights

## Net sales 37%

- Eased restrictions as vaccination rates accelerates and the number of confirmed Covid -19 cases drop
- Sales increase in business area Duni as private events increase, and restaurant visitors return earlier and at a quicker pace than previous Q2
- The business area BioPak continues to grow as take-away benefits from the Covid-19 restrictions and high demand for sustainable packaging
- The business area Duni was well prepared to meet demand while the business area BioPak's delivery performance has been challenged

## Operating income up SEK 150 m vs last year

- A recovery of sales due to the market opening up earlier and faster compared to last year coupled with growing BioPak sales are the main explanations for the improved result
- Government support and continued cost control strengthens the result further, while significant raw material and freight costs increases have a negative impact

NET SALES

**SEK 1 124 m**

(820)

OPERATING INCOME

**SEK 58 m**

(-92)

OPERATING MARGIN

**5.2%**

(-11.2%)

OPERATING CASH FLOW

**SEK -16 m**

(77)



# 2021 YTD Highlights

## Net sales -1%

- Very low sales to the hotel and restaurant industry until end of May due to heavy restrictions
- Restrictions was in place last year as well, but only from end of March
- Continuously strong growth in BioPak is the reason Duni Groups turnover ends in line with last years

## Operating income up SEK 30 m vs last year

- Volume decreases and high share of fixed costs in the business area Duni has significant impact on the result
- Strong operational leverage for BioPak generates high operating income growth
- Government support and cost saving activities supports the result further while raw material and freight costs increases have a negative impact

NET SALES  
**SEK 2 056 m**  
(2 069)

OPERATING INCOME  
**SEK 18 m**  
(-12)

OPERATING MARGIN  
**0.9%**  
(-0.6%)

OPERATING CASH FLOW  
**SEK -112 m**  
(37)



# Business area Duni

The Duni segment stands for what the Group is traditionally associated with – innovative and sustainable solutions for the set table, primarily napkins, table covers and candles.

# Duni

## Net Sales per region

SEK m	Q2 2021	Q2 2020	LTM 20/21	FY 2020
NorthEast	110	50	407	413
Central	169	142	916	1 109
West	98	47	414	448
South	49	30	209	243
Rest of World	49	27	206	198
Other Sales	33	81	197	216
<b>Duni</b>	<b>508</b>	<b>377</b>	<b>2 349</b>	<b>2 628</b>

SEK m	Q2 2021	Q2 2020	LTM 20/21	FY 2020
Net Sales	508	377	2 349	2 628
Operating Income	-3	-118	-18	7
Operating Margin %	-0.7%	-31.4%	-0,7%	0.3%

## Q2, 2021

- Net sales SEK 508 m (377), operating income SEK -3 m (-118)
- Sales recover very strongly at the end of the quarter as restrictions ease
- Restaurants allowed to be open from end of May, but with some restriction with for example outdoor seating only
- The UK shows the strongest recovery as one of the earliest markets to re-open
- Sales through the retail channel almost in line with 2019
- Operating income still significantly impacted by the lower volume, which gives limited coverage for the fixed costs
- Cost reductions and government support strengthens the result, while increasing raw material costs impacts the result negatively
- Price increases announced to mitigate cost increases



# Business area BioPak

The BioPak segment offers environmentally-sound concepts for meal packaging and serving products for applications including take-away, ready-to-eat meals, and various types of catering.





# BioPak

## Net Sales per region

SEK m	Q2 2021	Q2 2020	LTM 20/21	FY 2020
NorthEast	134	116	453	433
Central	77	60	270	232
West	80	58	277	241
South	45	33	147	128
Rest of World	279	176	991	842
Other Sales	1	-1	1	-1
<b>BioPak</b>	<b>616</b>	<b>443</b>	<b>2 139</b>	<b>1 874</b>

SEK m	Q2 2021	Q2 2020	LTM 20/21	FY 2020
Net Sales	616	443	2 139	1 874
Operating Income	62	26	196	142
Operating Margin %	10.0%	5.9%	9.1%	7.6%

## Q2, 2021

- Net sales SEK 616 m (443), operating income SEK 62 m (26)
- Continued strong demand for take-away products as restrictions limit restaurants seated dining most of the quarter
- The trend of increased demand for eco-conscious products continues in a strong way
- Significantly strong growth in Australia and Germany
- Less travel and fewer market activities leads to a strong operational leverage
- Raw material costs continue to increase
- Under capacity in the container shipping market has developed during the pandemic leading to dramatic price increases on inbound transport
- Price increases announced to mitigate cost increases

# Covid-19 Situation Actions & Outlook

- Although we are approaching a more normalized situation with less restrictions – the uncertainty remains
- We follow this carefully, with the aim of being well positioned in a world where the need to meet, eat and travel is expected to thrive
- Acceleration within the sustainability agenda and digital transformation
- Strategic partnerships important enabler to remain well positioned for a post-pandemic world





# Success through partnerships



# Financials



# Income Statement

SEK m	Q2 2021	Q2 2020	YTD 2021	YTD 2020	LTM 20/21	FY 2020
Net sales	1 124	820	2 056	2 069	4 488	4 501
Gross profit	194	32	298	324	788	814
Gross margin	17.2%	3.9%	14.5%	15.6%	17.6%	18.1%
Selling expenses	-127	-112	-244	-275	-483	-514
Administrative expenses	-67	-60	-126	-132	-260	-265
R & D expenses	0	0	0	-3	-3	-5
Other operating net	43	31	59	15	85	41
EBIT	<b>43</b>	<b>-110</b>	<b>-14</b>	<b>-71</b>	<b>127</b>	<b>70</b>
Adjustments	-16	-18	-31	-59	-51	-79
Operating income <sup>1)</sup>	<b>58</b>	<b>-92</b>	<b>18</b>	<b>-12</b>	<b>178</b>	<b>149</b>
Operating margin	5.2%	-11.2%	0.9%	-0.6%	4.0%	3.3%
Financial net	-8	-28	-24	-38	-49	-63
Taxes	-16	37	5	30	-29	-3
Net income	18	-101	-33	-79	49	4
Earnings per share	0.38	-2.15	-0.70	-1.65	1.03	0.05

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

# Business Areas Financials

SEK m		Q2 2021	Q2 2020	YTD 2021	YTD 2020	LTM 20/21	FY 2020
Duni	Net Sales	508	377	909	1 187	2 349	2 628
	Operating income <sup>1)</sup>	-3	-118	-87	-62	-18	7
	Operating margin	-0.7%	-31.4%	-9.5%	-5.2%	-0.7%	0.3%
BioPak	Net Sales	616	443	1 147	882	2 139	1 874
	Operating income <sup>1)</sup>	62	26	104	50	196	142
	Operating margin	10.0%	5.9%	9.1%	5.7%	9.1%	7.6%
Duni Group	Net Sales	<b>1 124</b>	<b>820</b>	<b>2 056</b>	<b>2 069</b>	<b>4 488</b>	<b>4 501</b>
	Operating income <sup>1)</sup>	<b>58</b>	<b>-92</b>	<b>18</b>	<b>-12</b>	<b>178</b>	<b>149</b>
	Operating margin	<b>5.2%</b>	<b>-11.2%</b>	<b>0.9%</b>	<b>-0.6%</b>	<b>4.0%</b>	<b>3.3%</b>

<sup>1)</sup> 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	Q2 2021	Q2 2020	YTD 2021	YTD 2020	LTM 20/21	FY 2020
<b>Operating EBITDA <sup>1)</sup></b>	<b>93</b>	<b>-52</b>	<b>88</b>	<b>67</b>	<b>326</b>	<b>305</b>
<b>Capital expenditure <sup>1)</sup></b>	<b>-13</b>	<b>-20</b>	<b>-24</b>	<b>-46</b>	<b>-55</b>	<b>-77</b>
Change in;						
Inventory	3	-39	-51	-102	-60	-111
Accounts receivable	-171	225	-109	330	-152	287
Accounts payable	31	-56	-28	-149	56	-66
Other operating working capital	41	-19	10	-63	-11	-84
<b>Change in working capital</b>	<b>-96</b>	<b>149</b>	<b>-177</b>	<b>16</b>	<b>-167</b>	<b>26</b>
<b>Operating cash flow <sup>2)</sup></b>	<b>-16</b>	<b>77</b>	<b>-112</b>	<b>37</b>	<b>104</b>	<b>253</b>

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

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

# Financial position

SEK m	June 2021	December 2020	June 2020
Goodwill	2 020	2 011	2 042
Tangible and intangible fixed assets	1 531	1 615	1 721
Net financial assets <sup>1)</sup>	44	-22	-24
Inventories	920	861	878
Accounts receivable	717	599	583
Accounts payable	-400	-422	-352
Other operating assets and liabilities <sup>3)</sup>	-701	-689	-758
<b>Net assets</b>	<b>4 131</b>	<b>3 952</b>	<b>4 090</b>
Net debt	1 516	1 324	1 537
Equity	2 615	2 628	2 554
<b>Equity and net debt</b>	<b>4 131</b>	<b>3 952</b>	<b>4 090</b>
ROCE <sup>2)</sup>	4%	4%	8%
ROCE <sup>2)</sup> w/o Goodwill	9%	8%	16%
Net debt / Equity	58%	50%	60%
Net debt / EBITDA <sup>2)</sup>	3.86	3.54	2.82

<sup>1)</sup> Deferred tax assets and liabilities + Income tax receivables and payables.

<sup>2)</sup> 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.

<sup>3)</sup> 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 20/21**

**-8.1%**

at fixed exchange rates

### Operating margin

> 10%

**TOP LINE GROWTH  
– PREMIUM FOCUS**

Improvements in manufacturing, sourcing and logistics.

**LTM 20/21**

**4.0%**

### Dividend payout ratio

40+%

**TARGET AT LEAST 40%  
OF NET PROFIT**

**2020**

**0.00 SEK**



Thank you!