

A man and a woman, both wearing aprons, are smiling and working together at a dark wooden outdoor table. The man is on the left, leaning over the table, and the woman is on the right, also leaning over. They are preparing food and drinks. On the table, there is a large metal bucket filled with ice and several bottles of champagne or sparkling wine. There are also several glasses of champagne and some food items. The background shows a sunny outdoor setting with trees and a building.

Interim report Q1 2022

Building a platform for sustainable growth

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DUNI
GROUP

Highlights

- The significant increase of sales in business area Duni again confirms a market that recovers quickly when restrictions ease
- Continued strong cost pressure in an uncertain geopolitical environment is mitigated by implemented price increases
- Duni Group supports UNHCR as well as sending products for serving food and beverages to the refugee camps in Poland. Close-down of our Russian entity in a responsible way is initiated
- The work to reach our sustainability targets continue. Latest development includes newly installed solar cell panels in our factory in Bramsche and electricity to our paper mill in Skåpafors being supplied by Bra Miljöval Vind





Agenda

Q1 summary

Business areas

Sustainability

Financials

Q&A

Q1 2022 key financials

Net sales

+55%

Net sales amounted to
SEK 1 443 m (932)

Operating income

SEK 51 m

Operating income amounted to
SEK 51 m (-41)

Operating margin

3.6%

Operating margin amounted to
3.6% (-4.4)

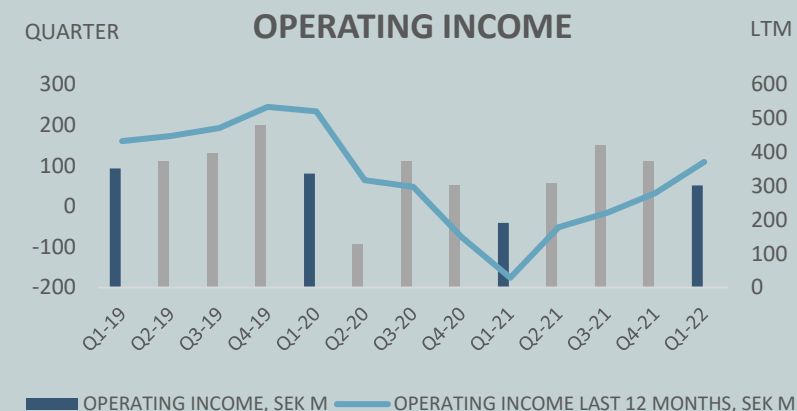
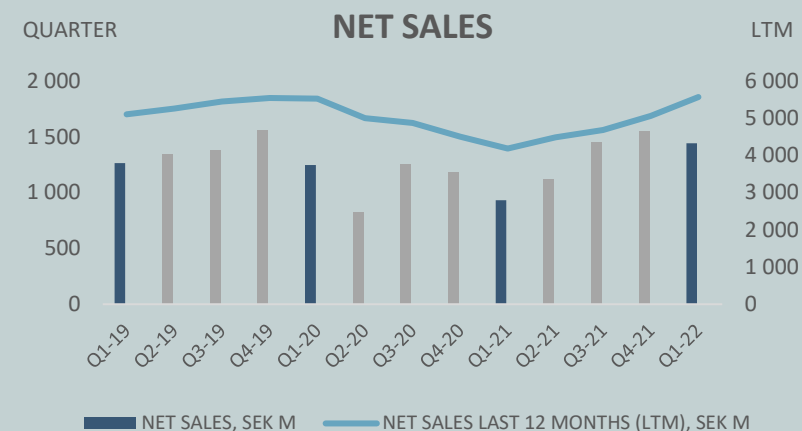
Q1 comments

Net sales +54.8%

- Restrictions put in place end of last year eased during the quarter
- Business area Duni sales grew significantly compared to last year as last year's restrictions were more invasive
- Business area BioPak growth continues, especially in Australia, as demand for take-away and sustainable packing is continuously high
- Inventory increased to meet challenges in delivery performance in business area BioPak

Operating Income +226.2%

- Operating income increases significantly as sales volume for business area Duni doubles
- The strong margin pressure continues due to increased raw material and container sea freight costs, but mitigating price increases has been implemented during the quarter
- No government support was received for the period, compared to SEK 33 m in the comparison period





Net sales

801

Net sales
increased to SEK 801 m
(401)

Operating income

21

Operating income
increased to SEK 21 m (-83)

Operating margin

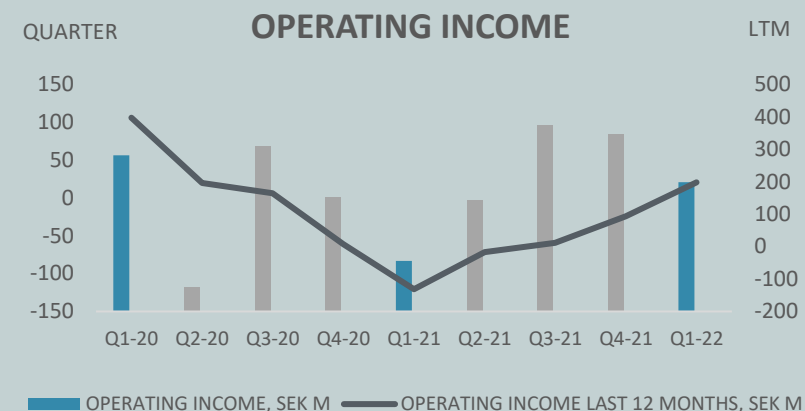
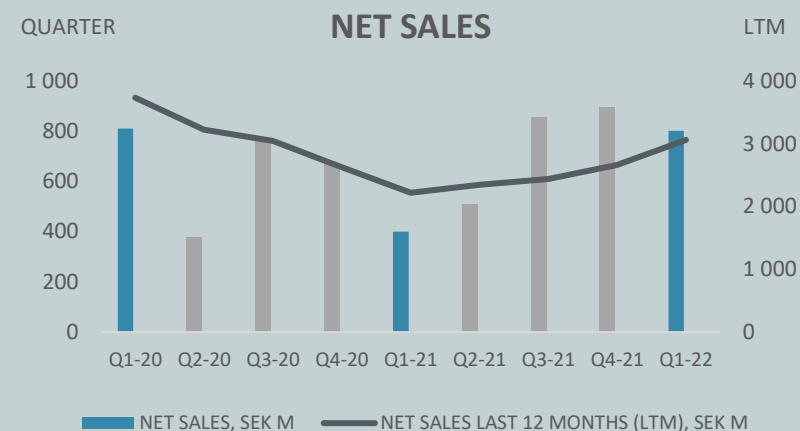
2.6%

Operating margin
increased to 2.6% (-20.8)



Business area Duni Q1, 2022

- The easing of restrictions, and comparably lighter restrictions vs last year generated a strong recovery in sales
- Sales recovered gradually during the quarter where March had almost twice the turnover as January
- Few restrictions was still in place in March, for example only vaccinated or recently tested people could visit restaurants in Germany
- Raw material prices continue to increase but at a less extreme pace. Energy costs continued to soar
- Price increases were implemented during the quarter to mitigate the margin pressure





Net sales

642

Net sales
increased to SEK 642 m (531)

Operating income

31

Operating income
decreased to SEK 31 m (43)

Operating margin

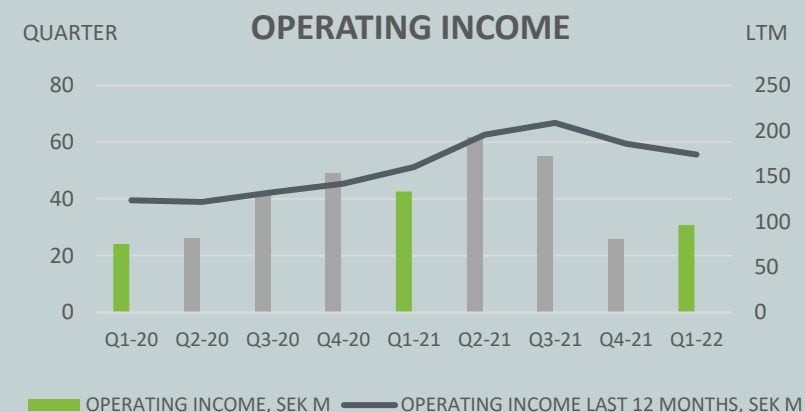
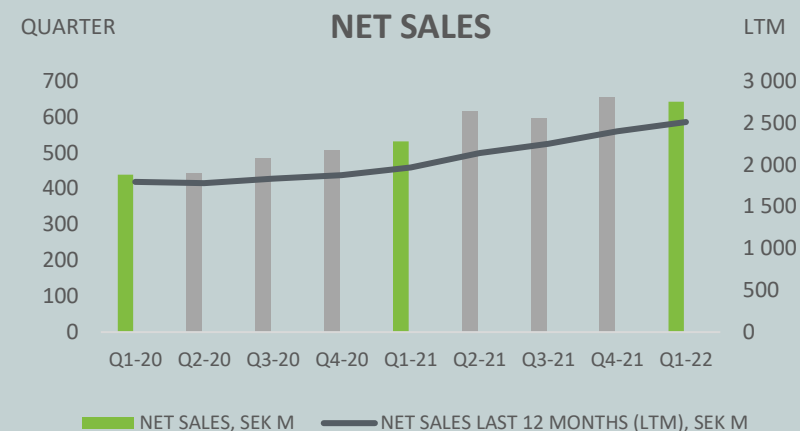
4.8%

Operating margin
decreased to 4.8% (8.0)



Business area BioPak Q1, 2022

- Eased restrictions had a reversed effect on business area BioPak compared to business area Duni, where increased allowance for seated table serving has lowered demand for take-away
- The demand for environmentally smart products has continued in a strong way as well as the strong growth for the region Rest of World (RoW)
- The costs for container sea freight has continued to stay at an extremely high level
- Increasing costs for raw material and energy has put additional pressure on the result
- Price increases has been implemented during the quarter with gradually increasing impact on the result



Our Decade of Action

Our sustainability initiatives

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

49

Outcome Q1
2022

40

Goal 2025

100

Base year 2019

Becoming circular at scale

Fully circular

100%

Going Net Zero

Net Zero carbon emissions for
Scope 1 and 2

0 CO₂

Living the change

A trusted sustainability leader

#1



Becoming circular at scale

Goal 2030: fully circular operations

- Environmentally smart materials and suppliers
- Efficient operations
- Relevant solutions for reuse, recycling, and composting
- No virgin fossil-based plastic for single-use products

Interim target 2025:

- Reduction of virgin fossil-based plastics in single-use products by 50 % towards 2019 as the base year
- A large number of end-of-life solutions
- FSC®-certified products: 100% for Duni and 75% for BioPak Europe

Activities

- Project to simplify our FSC® work
- Life cycle analysis for Bio Dunisoft® and Bio Dunicel® completed
- BioPak's range in Europe increases the share of Eco



Going net zero

Goal 2030: zero vision for GHGs under the GHG Protocol Scope 1 and Scope 2

- Science Based Targets approved, measured and communicated quarterly, including GHG-protocol Scope 3
- We will measure impact across our value chain
- Transparent reporting of results

Interim target 2025:

- Activities in accordance with the approved science-based targets of the international collaboration Science Based Targets initiative, SBTi
- 60% reduction in carbon intensity with 2019 as the base year

Activities

- Electricity from Bra Miljöval Vind to our paper mill in Skåpafors
- First quarter report for Scope 1 & 2 compiled
- Recruitment of a climate expert to the sustainability team
- Installation of solar panels at the Bramsche plant



Living the change

Goal 2030: a trusted 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 communication should have a high degree of transparency, integrity, and openness

Interim target 2025:

- Key stakeholders see us as a leading sustainability company
- Achieve 75 points in the EcoVadis system
- All employees trained in sustainability

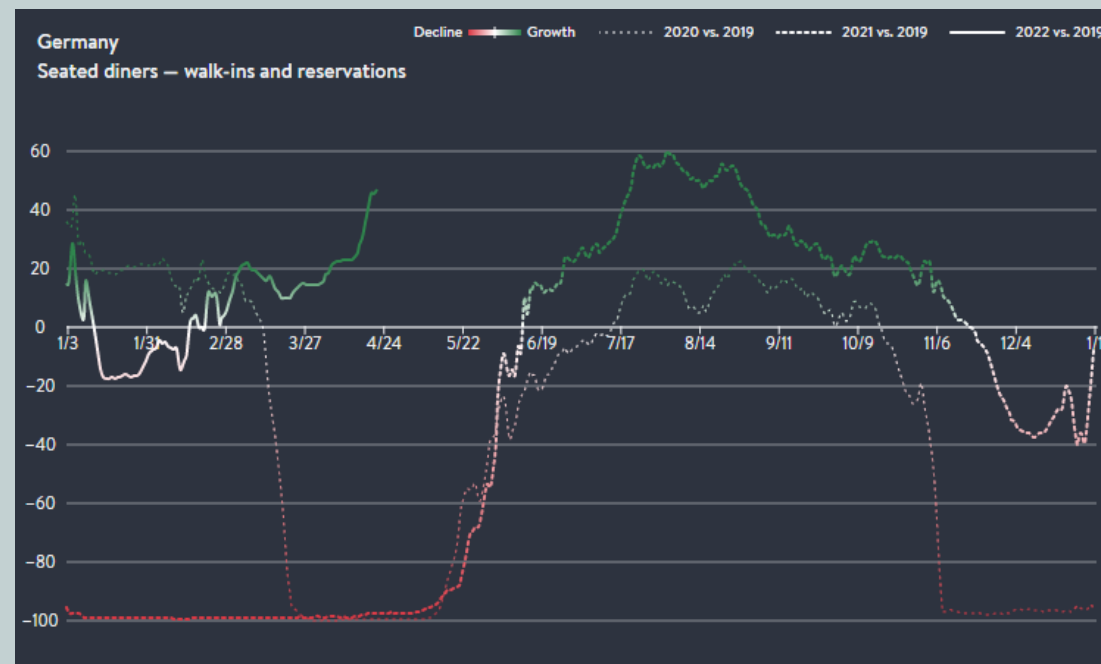
Activities

- New website for sustainability
- Sustainability trainings started
- Revision of policy started

Market Outlook - Recovery from end of February – Germany as example



Higher share of restaurants open



High volatility for seated diners, but with strong recovery

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

An aerial photograph of a dense forest of evergreen trees. In the center of the image, a single tree stands out with bright yellow foliage, contrasting sharply with the surrounding dark green canopy. The word "Financials" is overlaid in white text on the lower half of the image.

Financials

Income Statement

SEK m	Q1 2022	Q1 2021	LTM 21/22	FY 2021
Net sales	1 443	932	5 572	5 061
Gross profit	271	104	1 095	928
Gross margin	18.8%	11.2%	19.7%	18.3%
Selling expenses	-148	-117	-536	-505
Administrative expenses	-78	-59	-290	-271
R & D expenses	0	0	-1	-1
Other operating net	-18	16	-13	21
EBIT	26	-56	255	173
Adjustments	-25	-15	-116	-106
Operating income ¹⁾	51	-41	371	279
Operating margin	3.6%	-4.4%	6.7%	5.5%
Financial net	-14	-16	-38	-39
Taxes	-6	21	-83	-56
Net income	6	-51	134	77
Earnings per share	0.11	-1.11	2.84	1.62

¹⁾ 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		Q1 2022	Q1 2021	LTM 21/22	FY 2021
Duni	Net sales	801	401	3 062	2 662
	Operating income ¹⁾	21	-83	197	93
	Operating margin	2.6%	-20.8%	6.4%	3.5%
BioPak	Net sales	642	531	2 510	2 399
	Operating income ¹⁾	31	43	174	186
	Operating margin	4.8%	8.0%	6.9%	7.7%
Duni Group	Net sales	1 443	932	5 572	5 061
	Operating income ¹⁾	51	-41	371	279
	Operating margin	3.6%	-4.4%	6.7%	5.5%

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	Q1 2022	Q1 2021	LTM 21/22	FY 2021
Operating EBITDA ¹⁾	86	-5	512	421
Capital expenditure ¹⁾	-20	-10	-67	-57
Change in;				
Inventory	-187	-54	-501	-367
Accounts receivable	-41	62	-342	-239
Accounts payable	-146	-58	199	287
Other operating working capital	20	-31	134	84
Change in working capital	-354	-81	-509	-237
Operating cash flow ²⁾	-288	-96	-64	127

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	March 2022	December 2021	March 2021
Goodwill	2 040	2 010	2 045
Tangible and intangible fixed assets	1 473	1 494	1 592
Net financial assets ¹⁾	18	15	38
Inventories	1 459	1 253	937
Accounts receivable	914	860	554
Accounts payable	-583	-723	-374
Other operating assets and liabilities ³⁾	-827	-818	-686
Net assets	4 493	4 090	4 106
Net debt	1 715	1 375	1 488
Equity	2 778	2 714	2 618
Equity and net debt	4 493	4 090	4 106
ROCE ²⁾	9%	7%	1%
ROCE ²⁾ w/o Goodwill	16%	14%	1%
Net debt / Equity	62%	51%	57%
Net debt / EBITDA ²⁾	2.96	2.83	6.01

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 21/22

32.9%

at fixed exchange rates

Operating margin

> 10%

**Top line growth
– premium focus**

Improvements in manufacturing, sourcing and logistics.

LTM 21/22

6.7%

Dividend payout ratio

40+%

**Target at least 40%
of net profit**

2021

0.00 SEK



Thank you!