



# Q4 Presentation, 2020

February 12, 2021

**DUNI**  
GROUP

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# The period in short

- Second wave of Covid-19 breaks recovery trend.
- Important markets and segments yet again fully or partly closed.
- Strong take-away trend continues.
- Strong cost control and risk mitigation decreases Net Debt.
- SEK 270 m yearly savings, including government support.
- Well positioned for the future. Next step in re-organization taken. Two segments become two Business Areas.
- Large uncertainty ahead. Restrictions from Q4 continues at start of year.





# 2020 Q4 Highlights

## Net sales -24%

- Recovery trend from Q3 interrupted by new restrictions.
- The Duni segment sales drop significantly as restaurants are forced to close on premises dining in key markets.
- The Duni segment sales through the retail channel is also impacted by the pandemic but at a lesser extent.
- The BioPak segment continues to grow as take-away benefits from the Covid-19 restrictions.

## Operating income down SEK 148 m vs last year

- Low sales volumes in the Duni segment generate limited fixed cost coverage.
- Cost reduction program initiated in March 2020 and BioPak growth continues to support results.

NET SALES  
**SEK 1 181 m**  
(1 558)

OPERATING INCOME  
**SEK 51 m**  
(199)

OPERATING MARGIN  
**4.3%**  
(12.8%)

OPERATING CASH FLOW  
**SEK 134 m**  
(358)



# 2020 YTD Highlights

## Net sales -19%

- Turbulent year with sales developing in line with restrictions and season.
- Duni segment substantial volume drops due to restrictions despite stable start of the year and recovery during Q3.
- BioPak segment growth trend boosted by increased demand on take-away.

## Operating income down SEK 384 m vs last year

- Volume decreases and high share of fixed costs in the Duni segment has significant impact on the result.
- High focus on adjusting production capacity, cost reduction program and government support together with lower raw material costs and BioPak growth strengthens the result.

NET SALES  
**SEK 4 501 m**  
(5 547)

OPERATING INCOME  
**SEK 149 m**  
(533)

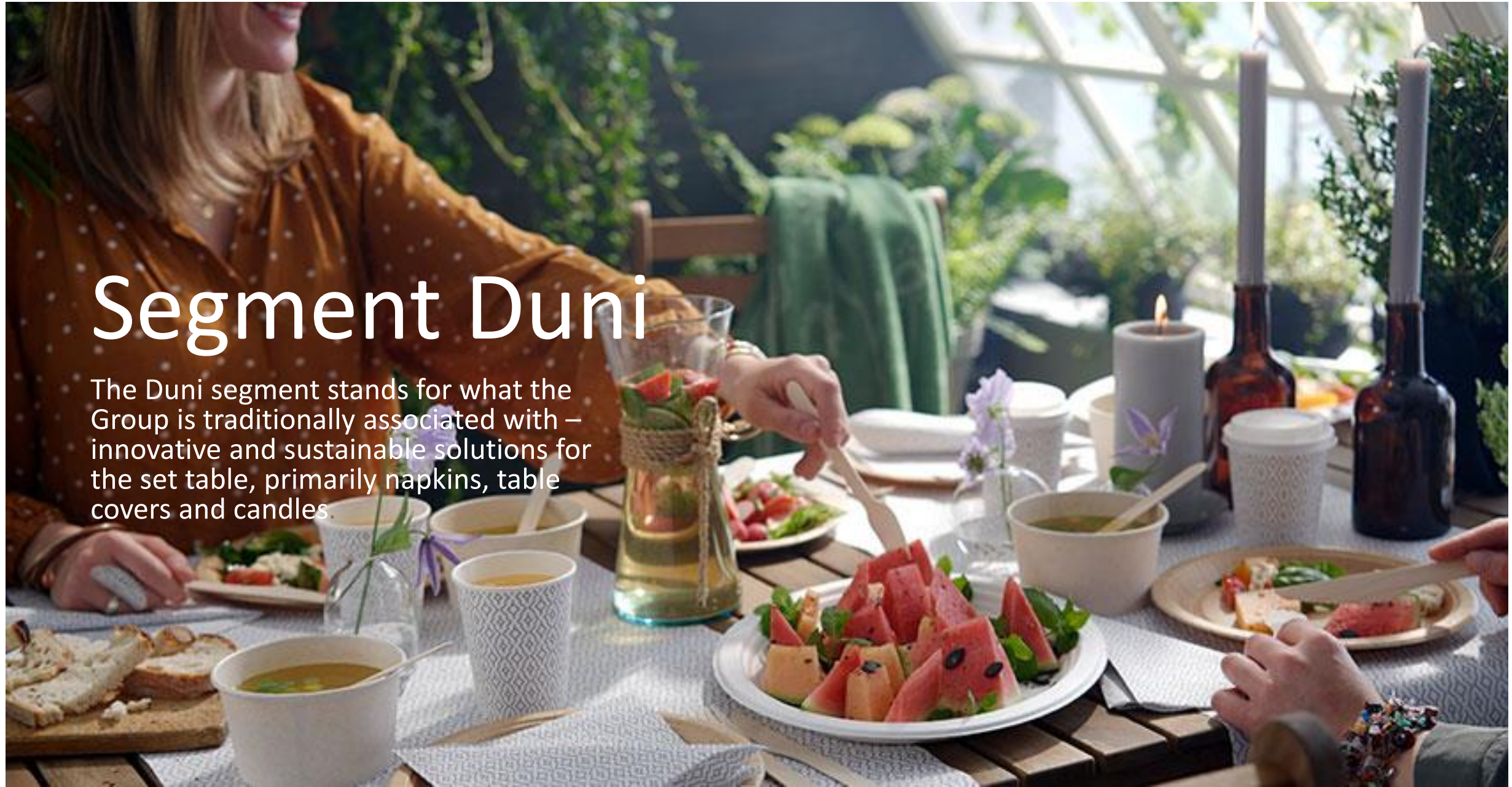
OPERATING MARGIN  
**3.3%**  
(9.6%)

OPERATING CASH FLOW  
**SEK 253 m**  
(637)



# Segment 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	Q4 2020	Q4 2019	FY 2020	FY 2019
NorthEast	107	188	423	648
Central	267	474	1 126	1 671
West	131	235	443	719
South	31	101	221	411
Rest of World	69	68	196	264
Other Sales	68	23	219	104
<b>Duni</b>	<b>673</b>	<b>1 090</b>	<b>2 628</b>	<b>3 816</b>

SEK m	Q4 2020	Q4 2019	FY 2020	FY 2019
Net Sales	673	1 090	2 628	3 816
Operating Income	1	160	7	416
Operating Margin %	0.2%	14.7%	0.3%	10.9%

## Q4, 2020

- Net sales SEK 673 m (1 090), operating income SEK 1 m (160).
- Strict Covid-19 restrictions heavily impacted the segment.
- Main customer segments, Hotels and Restaurants, have been fully or partly closed.
- Decreases are seen across all product categories, but bigger decreases on table covers and less on hygiene assortment.
- Lower but stable volumes in Retail channel.
- Operating income declines significantly as lower volumes gives limited coverage for the fixed costs in Duni's vertically integrated value chain.
- Cost reductions, government support and higher external sales from papermill in Skåpafors strengthens the result.



# Segment 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	Q4 2020	Q4 2019	FY 2020	FY 2019
NorthEast	105	106	434	423
Central	63	50	232	216
West	41	34	140	126
South	32	32	128	139
Rest of World	266	245	941	827
Other Sales	0	0	-1	0
<b>BioPak</b>	<b>508</b>	<b>468</b>	<b>1 874</b>	<b>1 732</b>

SEK m	Q4 2020	Q4 2019	FY 2020	FY 2019
Net Sales	508	468	1 874	1 732
Operating Income	49	40	142	116
Operating Margin %	9.7%	8.5%	7.6%	6.7%

## Q4, 2020

- Net sales SEK 508 m (468), operating income SEK 49 m (40).
- Restaurant restrictions further increased the demand for take-away products.
- The eco-conscious portfolio drives the demand together with sealable packaging solutions whilst plastic products continue to decrease.
- Eating & Drinking sales decrease due to less at home social dining.
- Savings on indirect costs due to less travel and marketing, supports the result while logistic costs increase.
- Supplies from Asia is an increasing challenge as under capacity in the container shipping market has developed during the pandemic.

# Covid-19 Situation Actions & Outlook

- Continuous cost control and risk mitigation.
- Strong liquidity.
- The board suggests to the AGM in May 2021 that no dividend should be paid out.
- High focus on helping our customers in this difficult situation - new concepts, increased hygiene and soon outdoor products.
- Demand to eat, meet and travel still there and expected to boom once possible.
- Still very difficult to forecast but ongoing vaccination gives good hope of a return to more normal life within the year.





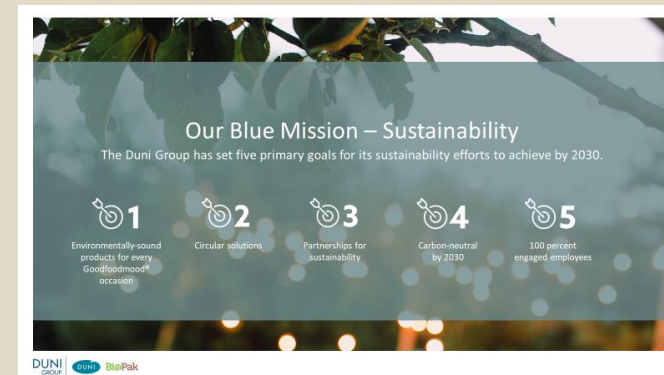
Two main brands clarify the offer and is as of 2021 two Business Areas



## Well positioned for the future

Trends of digitalization, customer experience and sustainability have increased during the pandemic but also hygiene have become increasingly important.

Duni Group have and continues to make significant changes and efforts in all areas to be well positioned for a post-pandemic world where the need to meet, eat and travel are expected to thrive.



# Financials



# Income Statement

SEK m	Q4 2020	Q4 2019	FY 2020	FY 2019
Net sales	1 181	1 558	4 501	5 547
Gross profit	213	442	814	1 403
Gross margin	18.0%	28.4%	18.1%	25.3%
Selling expenses	-118	-151	-514	-592
Administrative expenses	-65	-89	-265	-285
R & D expenses	-2	0	-5	-3
Other operating net	32	-76	41	-114
EBIT	<b>59</b>	<b>126</b>	<b>70</b>	<b>408</b>
Adjustments	8	-73	-79	-125
Operating income <sup>1)</sup>	<b>51</b>	<b>199</b>	<b>149</b>	<b>533</b>
Operating margin	4.3%	12.8%	3.3%	9.6%
Financial net	-12	-7	-63	-32
Taxes	-12	-46	-3	-103
Net income	35	73	4	273
Earnings per share	0.73	1.52	0.05	5.73

<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.

# Segment Financials

SEK m		Q4 2020	Q4 2019	FY 2020	FY 2019
Duni	Net Sales	673	1 090	2 628	3 816
	Operating income <sup>1)</sup>	1	160	7	416
	Operating margin	0.2%	14.7%	0.3%	10.9%
BioPak	Net Sales	508	468	1 874	1 732
	Operating income <sup>1)</sup>	49	40	142	116
	Operating margin	9.7%	8.5%	7.6%	6.7%
Duni Group	Net Sales	<b>1 181</b>	<b>1 558</b>	<b>4 501</b>	<b>5 547</b>
	Operating income <sup>1)</sup>	<b>51</b>	<b>199</b>	<b>149</b>	<b>533</b>
	Operating margin	<b>4.3%</b>	<b>12.8%</b>	<b>3.3%</b>	<b>9.6%</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	Q4 2020	Q4 2019	FY 2020	FY 2019
Operating EBITDA <sup>1)</sup>	90	238	305	691
Capital expenditure <sup>1)</sup>	-19	-45	-77	-137
Change in;				
Inventory	-25	61	-111	9
Accounts receivable	181	28	287	38
Accounts payable	30	93	-66	62
Other operating working capital	-123	-17	-84	-26
Change in working capital	63	165	26	83
Operating cash flow <sup>2)</sup>	134	358	253	637

<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	December 2020	December 2019
Goodwill	2011	2 053
Tangible and intangible fixed assets	1 615	1 820
Net financial assets <sup>1)</sup>	-22	-37
Inventories	861	781
Accounts receivable	599	915
Accounts payable	-422	-505
Other operating assets and liabilities <sup>3)</sup>	-689	-818
<b>Net assets</b>	<b>3 952</b>	<b>4 211</b>
Net debt	1 324	1 546
Equity	2 628	2 664
<b>Equity and net debt</b>	<b>3 952</b>	<b>4 211</b>
ROCE <sup>2)</sup>	4%	13%
ROCE <sup>2)</sup> w/o Goodwill	8%	26%
Net debt / Equity	50%	58%
Net debt / EBITDA <sup>2)</sup>	3.54	2.03

<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.

**FY 2020**

**-18.7%**

at fixed exchange rates

### Operating margin

> 10%

**TOP LINE GROWTH  
– PREMIUM FOCUS**

Improvements in manufacturing, sourcing and logistics.

**FY 2020**

**3.3%**

### Dividend payout ratio

40+%

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

**2020**

**0.00 SEK**



Thank you!