



Q1 Presentation 2014

25 April, 2014

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2014 Q1 Highlights

- New segment reporting with 5 Business Areas.
- Table Top – Intensified market initiatives together with selected activities in Southern Europe main explanation for growth in sales and profit.
- Meal Service – Growth in seasonally weak quarter. Dedicated organization in place to accelerate growth.
- Consumer – Momentum in gaining new contracts main explanation for sales growth and profit improvement.
- New Markets – Russia burdened by negative effects from weak Russian Ruble. Sales outside Europe with double digit growth.
- Material & Services – Mainly consist of hygiene business which is planned to be closed down after first quarter 2015.

- Net sales SEK 921 m (852)
- Operating income SEK 73 m (55)
- Operating margin 7.9% (6.4%)





Market Outlook

Market Outlook

- HORECA market long-term growing in line or slightly above GDP.
 - Higher growth in take-away, catering and fast food restaurants.
 - Nordics and Germany relatively stronger than South and West.
- Uncertainty of macro development in short and mid term perspective.
 - Inflation very low, implicating challenging environment for price compensation towards customers for raw material increases.
 - Retail area more volatile than HoReCa, listings with customers normally more important than the overall market development.
- Pulp price continue to increase slightly in USD, relatively stable in EUR.
- SEK weaker compared to H1 2013.
- Other production input materials with mixed development. Some materials with significant increases others with decreases.
- General view is some market improvement from previous quarter.



HoReCa Sales Development

- Northern Europe:
 - Stable to positive development in Nordics. Sweden still utilize on VAT reduction in restaurant sector which mainly generated growth in café and bakery sector.
- Central Europe:
 - Stability or small decrease throughout 2013. Signs of recent stabilization and in some cases improvements.
- South/East Europe:
 - South indicate somewhat improvement from some weak years in the aftermath of the financial debt crisis.
 - Eating out a relatively new tradition with low share of disposable income for East Europe. Long term trend improving from low levels.





Business Areas

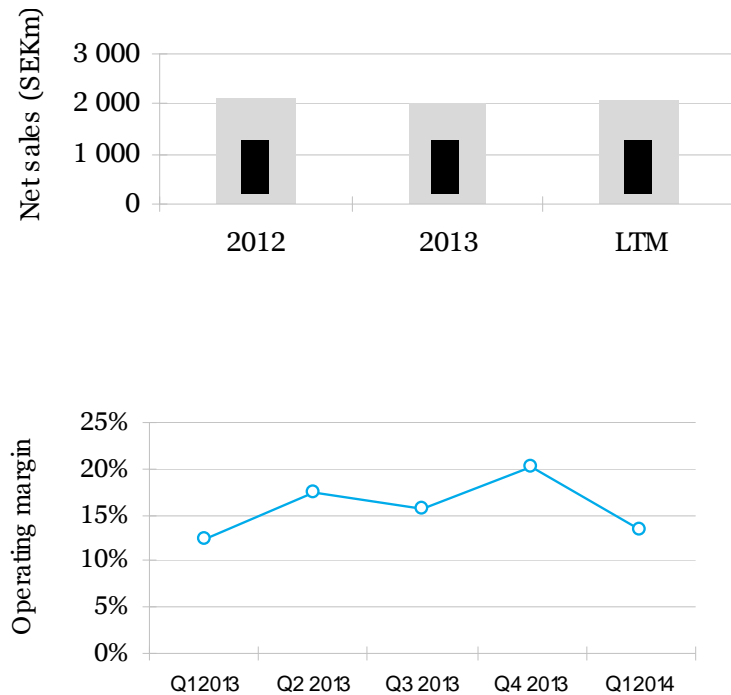
Table Top

Improvement in sales and profit



Table Top

Sales and Operating margin ¹⁾



Q1 2014

- Sales oriented towards Hotels, Restaurants and Catering offering full assortment within premium segment of Napkins, Table covering and Candles.
- Growth of 2.4% in fixed exchange rates explained by maintained strong position in premium segment together with increased share of value range.
- Result strengthened due to higher internal efficiency and positive absorption effects in converting units.

1) Operating margin adjusted for amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.

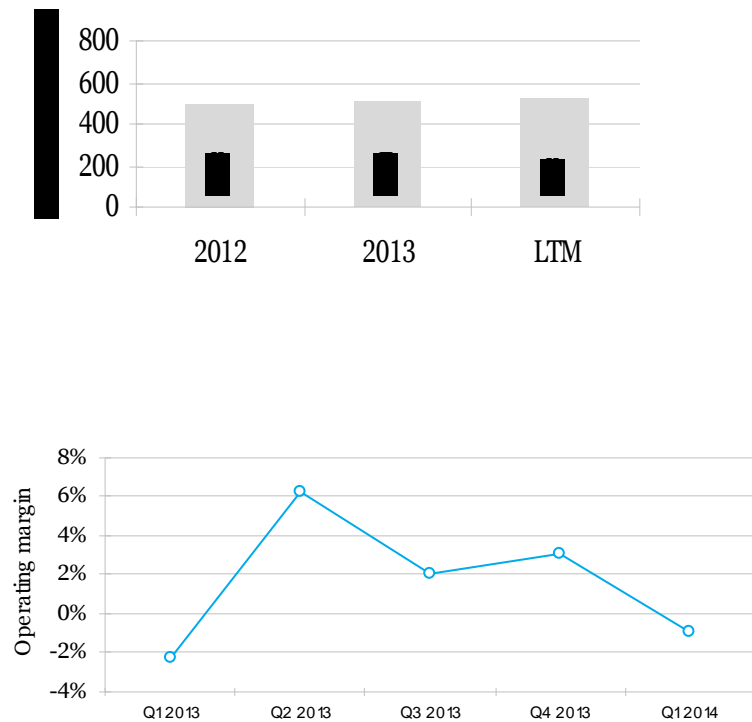


Meal Service

**Healthy sales development in
seasonally weak quarter**

Meal Service

Sales and Operating margin ¹⁾



Q1 2014

- Nordic and Central Europe dominating share of sales, but with modest growth.
- Product development with high environmental profile important explanation for healthy growth levels.
- High costs for plastics as the main input material still a challenge on gross margin.

1) Operating margin adjusted for amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.

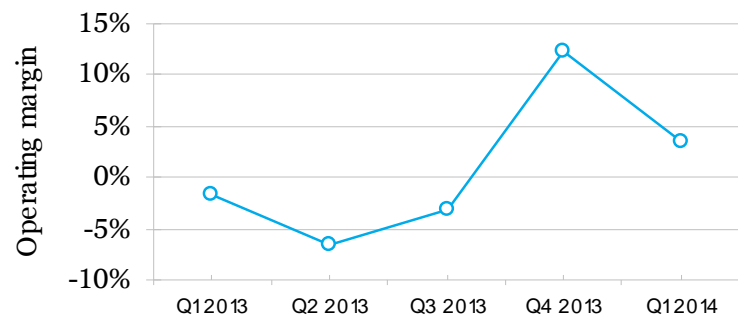
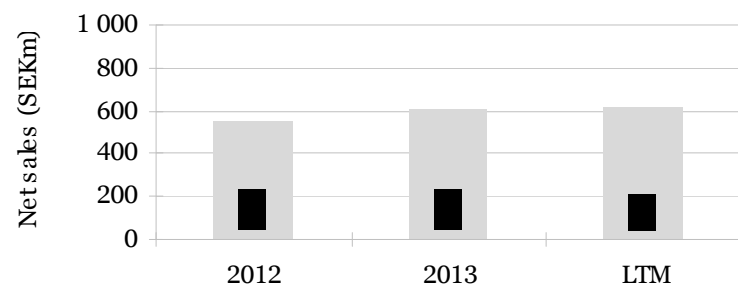


Consumer

Growth within all major regions

Consumer

Sales and Operating margin ¹⁾



Q1 2014

- New contracts gained implicating competitive cost position.
- The last years focus in reaching a more optimized platform for indirect cost has resulted in strong operational leverage with additional volumes as seen in the last quarters.

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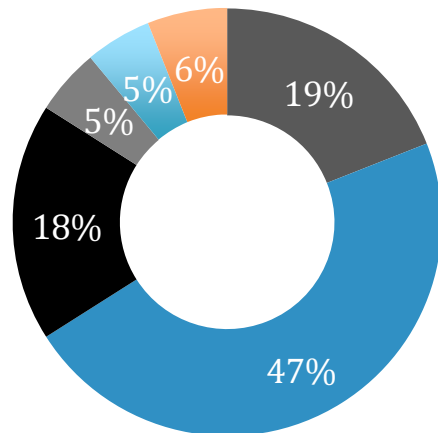


New Markets

Russian challenge, but positive
development outside Europe

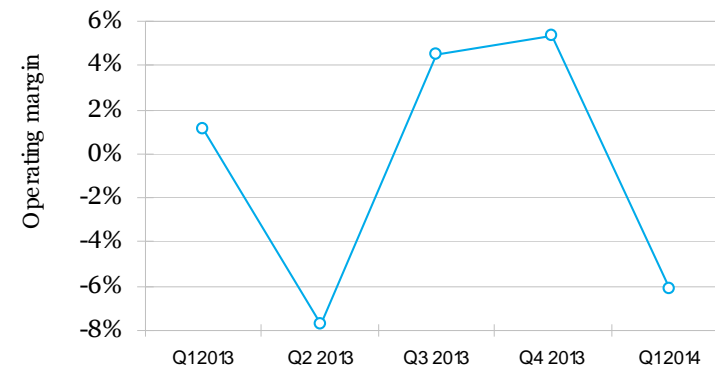
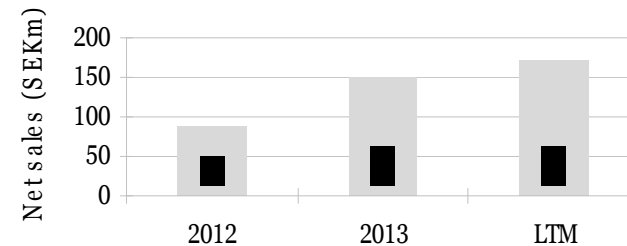
New Markets

- Song Seng, a Singapore based company acquired July 1st 2013, is the main explanation for doubling of sales.
- Selected market investment to integrate and leverage the new structure in Asia.
- Weak Russian Ruble with negative currency effects main explanation for negative profit development.



- Russia
- Middle East & North Africa
- Asia & Oceania
- Singapore
- South & Latin America
- Other

Sales and Operating margin¹⁾





Materials & Services

**Hygiene business indicate
stability**



Financials

3rd consecutive quarter with major y-o-y improvement

<i>SEK m</i>	Q1 2014	Q1 2013	LTM 2013/2014	FY 2013
Net sales	921	852	3 872	3 803
Gross profit	241	219	1 026	1 005
Gross margin	26.1%	25.7%	26.5%	26.4%
Selling expenses	-113	-115	-435	-437
Administrative expenses	-46	-39	-180	-173
R&D expenses	-4	-5	-18	-19
Other operating net	-5	-6	-6	-8
EBIT	72	55	386	369
Adjustments	-1	0	-18	-17
Operating income¹⁾	73	55	404	385
Operating margin	7.9%	6.4%	10.4%	10.1%
Financial net	-3	-6	-15	-19
Taxes	-18	-13	-88	-83
Net income	51	36	282	267
Earnings per share	1.09	0.77	6.01	5.68

1) Operating income adjusted for amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.

Improvements in most segments

<i>SEK m</i>		Q1 2014	Q1 2013	LTM 2013/2014	FY 2013
Table Top	Net sales	477	450	2 068	2 040
	Operating income ¹⁾	64	56	347	339
	Operating margin	13.3%	12.4%	16.8%	16.6%
Meal Service	Net sales	123	114	518	509
	Operating income ¹⁾	-1	-3	14	13
	Operating margin	-0.9%	-2.3%	2.8%	2.5%
Consumer	Net sales	157	140	619	603
	Operating income ¹⁾	6	-2	21	13
	Operating margin	3.6%	-1.6%	3.4%	2.2%
New Markets	Net sales	43	21	172	150
	Operating income ¹⁾	-3	0	0	3
	Operating margin	-6.1%	1.1%	0.3%	2.2%
Materials & Services	Net sales	120	127	495	502
	Operating income ¹⁾	7	3	21	17
	Operating margin	6.1%	2.7%	4.1%	3.3%
Duni	Net sales	921	852	3 872	3 803
	Operating income¹⁾	73	55	404	385
	Operating margin	7.9%	6.4%	10.4%	10.1%

Strong cash flow in seasonally weak quarter

<i>SEK m</i>	Q1 2014	Q1 2013	LTM 2013/2014	FY 2013
EBITDA¹⁾	100	84	519	503
Capital expenditure	-10	-14	-78	-82
<i>Change in;</i>				
Inventory	-44	-53	-26	-35
Accounts receivable	38	11	23	-4
Accounts payable	-28	-7	9	30
Other operating working capital	-12	0	48	60
Change in working capital	-46	-49	53	50
Operating cash flow	44	21	494	471

- 1) Operating income adjusted for amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.



Strengthened financial position

<i>SEK m</i>	March 2014	December 2013	March 2013
Goodwill	1 249	1 249	1 199
Tangible and intangible fixed assets	783	802	762
Net financial assets ¹⁾	142	166	206
Inventories	478	434	432
Accounts receivable	619	658	590
Accounts payable	-318	-348	-282
Other operating assets and liabilities ³⁾	-352	-371	-272
Net assets	2 601	2 590	2 635
Net debt	454	491	608
Equity	2 147	2 099	2 027
Equity and net debt	2 601	2 590	2 635
ROCE ²⁾	17%	16%	14%
ROCE ²⁾ w/o Goodwill	34%	33%	27%
Net debt / Equity	21%	23%	30%
Net debt / EBITDA ²⁾	0.9	1.0	1.4

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

2) Operating income adjusted for amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives.

3) Including restructuring provision and derivatives.



Sales growth

> 5%

Organic growth of 5% over a business cycle

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

LTM

3.3%

(at fixed exchange rates)

Operating margin

> 10%

Top line growth – premium focus

Improvements in manufacturing, sourcing and logistics

LTM

10.4%

Dividend payout ratio

40+%

Target at least 40% of net profit

2013

4.00 SEK per share

(proposal)



Thank you!