



Interim report for April–June 2024

Improved profitability and continued organic growth

Second quarter

- **Net sales** for the quarter increased by 2.0 per cent to SEK 2,038m (1,998) including a positive impact from foreign exchange rates of 0.7 per cent
- **Sales of Branded packaged products** increased organically by 1.2 per cent during the quarter
- **Sales of Pick & mix** increased organically by 3.4 per cent during the quarter
- **Operating profit adjusted** for items affecting comparability, amounted to SEK 222m (191). Operating profit amounted to SEK 124m (182), impacted by items affecting comparability of SEK -98m (-9)
- **Operating profit, adjusted, of Branded packaged products** amounted to SEK 183m (186)
- **Operating profit, adjusted, of Pick & mix** amounted to SEK 39m (5)
- **Profit for the period** amounted to SEK 82m (73), which equates to basic and diluted earnings per share of SEK 0.29 (0.26)
- **Cash flow** from operating activities was SEK 59m (83)
- **Net debt/EBITDA** ratio was 1.8x (2.3)

Events after the end of the reporting period

- There were no significant events after the end of the reporting period

Key ratios

SEKm	Second quarter			6 months			R12 ²	Full year
	2024	2023	Δ, %	2024	2023	Δ, %	Jul 2023– Jun 2024	2023
Net sales	2,038	1,998	2.0 ¹	4,132	3,971	4.1 ¹	8,462	8,301
Operating profit, adjusted	222	191	16.2	414	391	5.9	822	799
Operating profit margin, adjusted %	10.9	9.6	1.3-pts	10.0	9.8	0.2-pts	9.7	9.6
Operating profit (EBIT)	124	182	-31.9	317	360	-11.9	692	735
Operating profit margin (EBIT margin), %	6.1	9.1	-3.0-pts	7.7	9.1	-1.4-pts	8.2	8.9
Profit before tax	113	96	17.7	261	187	39.6	644	570
Profit for the period	82	73	12.3	189	138	37.0	488	437
Earnings per share, basic, SEK	0.29	0.26	11.54	0.66	0.48	37.5	1.71	1.53
Earnings per share, diluted, SEK	0.29	0.26	11.54	0.66	0.48	37.5	1.71	1.53
Net debt/EBITDA, x (Rolling 12 months)	1.8	2.3	-21.7	1.8	2.3	-21.7	1.8	1.7
Free cash flow	28	2	1,300.0	127	-21	n/a	644	496
Cash flow from operating activities	59	83	-28.9	208	107	94.4	879	778

¹ Organic growth at constant exchange rates was 1.8 per cent for the quarter and 3.8 per cent for the first half of the year. See further under Net sales on page 4.

² R12 refers to the last 12 months from the reporting date and goes back in time for the previous 12 months.

SEK **2.0** bn
Net sales

1.8 %
Organic sales growth

10.9 %
Operating profit margin, adjusted

Conference call and web presentation

A conference call with web presentation for media and the financial community is arranged on the day of report publication at 10:00 a.m. CEST. We kindly ask those who wish to dial-in to make sure you are connected to the phone conference by calling in and to register a few minutes before the conference begins. An on-demand version of the call will be available on www.cloetta.com later the same day.

Broadcast link creo-live.creomediamanager.com/1022ca8e-8304-465d-8975-5bcf7eaeafb3

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Comments from the CEO

Improved profitability and continued organic growth

Our operating environment during the second quarter saw a significantly reduced food price inflation than the same quarter last year. We delivered improved profitability and added another quarter of growth to the previous three years of consecutive organic growth. The improved profitability was mainly driven by the full quarterly effect of previous pricing and margin-improving initiatives in Pick & mix.

As this is my first report as CEO of Cloetta, I'm very proud to report a strong quarter with improved profitability. While there is a trend of consumers moving to discount retailers and private label brands when prices are increasing, we have during the quarter continued to deliver stable underlying volumes as a result of the investments made in our core brands over the last couple of years.

Despite new record highs in the cocoa price in the middle of this quarter, we expect to be able to continue to successfully manage the increased input costs also during the remainder of the year. While chocolate products are only one part of our portfolio there might be a negative margin compression effect in the autumn, as the demand for chocolate products typically then increases.

In our previous interim report, we raised the risk of increased VAT in Finland. The Finnish government has now confirmed its intent to implement this change in 2025. We are currently developing options to manage the long-term effects of the change.

Second quarter development

Sales for the quarter increased by 2.0 per cent, of which organic growth accounted for 1.8 per cent, exchange rate differences for 0.7 per cent and the divestment of the Nutisal brand for negative 0.5 per cent. Sales of **Branded packaged products** increased organically by 1.2 per cent and sales of **Pick & mix** increased organically by 3.4 per cent.

The adjusted operating profit amounted to SEK 222m (191) and was positively impacted by a higher gross profit mainly driven by a full quarterly effect of previous pricing and margin improving initiatives in Pick & mix, partly offset by the increased investment in our core brands.

Operational and strategic update

Within our **Branded packaged products**, our continued growth is supported by investments in core brands and recent product launches. Läkerol Strawberry, launched in the first quarter, continues to gain market shares across Scandinavia and attracts also younger consumers to the Läkerol brand. Other successful product launches include Juicy Giants, under the Gott & Blandat brand, and Sportlife Mints, an extension of the Sportlife chewing gum brand.

Overall, we have successfully been able to protect the profit for Branded packaged products despite the input cost hike since last year, and with higher investment in our brands delivered underlying stable volumes. As also stated in previous interim reports, we discontinue products when needed to support our long-term goal of an adjusted EBIT margin of at least 14 per cent. In May we **divested the dry roasted nuts brand Nutisal** to streamline our brands and product portfolio. Going forward Cloetta continues to provide nuts in the Pick & mix segment.



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For our **Pick & mix segment**, our target is an EBIT margin in the range of 5–7 per cent in the medium-term and I am very pleased that for the second consecutive quarter, our results reflect our continued focus on premiumising our CandyKing brand. The quarterly result was significantly boosted by continued margin-improving initiatives, such as mix management, merchandising efficiency, and reduced fixture costs. Last year, we launched our first Pick & mix pre-packed mixes for quick commerce in the Nordics, and they have proven to be very relevant in this highly impulse-driven channel.

During the quarter, we decided to start aligning our reporting according to the **Corporate Sustainability Reporting Directive (CSRD)** requirements already in 2024, one year ahead of the required deadline. I'm proud of this decision, as the CSRD marks a significant step towards accounting for sustainability alongside financial reporting in the EU.

Update on greenfield project

Within our sustainability agenda, we continue to execute on our plan to reduce greenhouse gas emissions with 46 per cent by 2030. One important step on this journey is our greenfield investment in the Netherlands. When operational, the production facility will create capacity for growth and significantly reduce cost, while also reducing greenhouse gas emissions.

The greenfield will be a key contributor to secure and improve on the delivery of our long-term profitability target. When fully operational, the facility will be the first major candy plant running on renewable electricity in Europe. During the quarter, the regulatory permitting process progressed as planned.

Cash flow and Net debt/EBITDA

Despite the normal seasonal inventory build-up in the quarter, we were able to improve on the prior quarter's strong free cash flow generation and deliver a Net debt/EBITDA ratio of 1.8x; the lowest ever in a second quarter and again well below our long-term target of around 2.5x.

Ulrika Palm appointed to the Group Management Team

In June, Ulrika Palm was appointed as incoming President of our largest geographical market, Cloetta Sweden, and I'm excited to welcome her to our Group Management Team. Ulrika is a senior executive with more than twenty years of broad experience in leading positions in both retail and FMCG and her solid experience from both strategic and operational business development, as well as brand development, will be a great addition to our continued growth. Ulrika will join Cloetta at the end of August.

Since recently stepping into my new role, I have spoken to and met team members from across our markets and functions, and new people from both inside and outside of Cloetta. What I have heard has only further strengthened my belief and resolve that our consumer and customer focus, our portfolio of loved brands, and our strong team will enable us to continue to grow profitably and to bring true joy and value to all our stakeholders!

Katarina Tell

President and CEO

Financial overview

Q2 development

Changes in operating environment and short-term uncertainties

Russia's escalation of the war in Ukraine that started in 2022 continues to entail risks of further impact on the global economy, further cost inflation, and disruptions in supply chains, including as the war risks spreading into other geographies.

Greenfield facility

In 2022, Cloetta announced the greenfield investment in the Netherlands with the ambition to create capacity for growth, significantly reduce cost, while reducing greenhouse gas emissions. When fully operational, the greenfield will be the first major candy plant running on renewable electricity in Europe.

As previously communicated, the regulatory approval process for the greenfield facility is expected to take longer than anticipated and the new timeline indicates that the major planned investments will be initiated during 2025. This indicates that the plant will start operations during the second half of 2026.

In 2023, the engineering team in close cooperation with suppliers, were able to conclude the technical ability to build and operate the new factory fully electric. Since the factory had already been designed with around 80 per cent electric functionality, the change is not affecting the timeline and remains within the original investment level.

During the second quarter 2024, the regulatory approval process further progressed, as the local City Council in Roosendaal nearly unanimously approved the zoning plan for the project.

Net sales

Net sales for the quarter increased by SEK 40m to SEK 2,038m (1,998) compared to the same period last year. Organic growth was 1.8 per cent.

Changes in net sales, %	Apr–Jun 2024	Jan–Jun 2024
Organic growth	1.8	3.8
Structural changes ¹	-0.5	-0.3
Changes in exchange rates	0.7	0.6
Total	2.0	4.1

¹ Structural changes refer to the divestment of the Nutisal brand.

Gross profit

Gross profit, adjusted for items affecting comparability, amounted to SEK 718m (644) which equates to a gross margin, adjusted, of 35.2 per cent (32.2). The increase in gross profit, adjusted, was mainly driven by a full quarterly effect of previous pricing and margin-improving initiatives in Pick & mix. Gross profit amounted to SEK 717m (640) which equates to a gross margin of 35.2 per cent (32.0).

Operating profit

Operating profit, adjusted for items affecting comparability, amounted to SEK 222m (191), and was positively impacted by higher gross profit, partly offset by the increased investments in core brands. Operating profit amounted to SEK 124m (182).

Items affecting comparability

Operating profit for the quarter includes items affecting comparability of SEK -98m (-9), mainly for impairments of intangible assets related to the divestment of the Nutisal brand.

Net financial items

Net financial items for the quarter amounted to SEK -11m (-86). Net interest expenses related to external borrowings, cash pool and realised results on single currency interest rate swaps were in total SEK -24m (-12), exchange differences on cash and cash equivalents were SEK 16m (-66) which mainly related to the development of the Norwegian krona against the euro during the quarter. Other financial items amounted to SEK -3m (-8) of which SEK 5m (0) was related to the unrealised results on single currency interest rate swaps. Of the total net financial items SEK 25m (-42) is non-cash in nature.

Profit for the period

Profit for the quarter was SEK 82m (73), which equates to basic and diluted earnings per share of SEK 0.29 (0.26). Income tax for the period was SEK -31m (-23).

The effective tax rate for the quarter was 27.4 per cent (24.0) and was negatively impacted by the effect of the divestment of the Nutisal brand, international tax rate differences, and an increase of a tax provision in the UK.

Free cash flow

The free cash flow was SEK 28m (2). Cash flow from operating activities before changes in working capital was SEK 230m (226). The cash flow from changes in working capital was SEK -171m (-143).

The cash flow from investments in property, plant and equipment and intangible assets was SEK -31m (-81).

Cash flow from changes in working capital

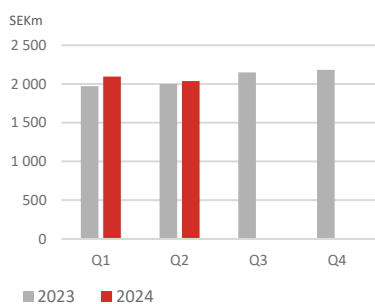
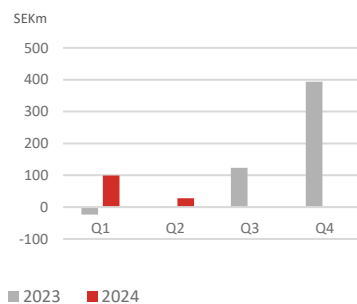
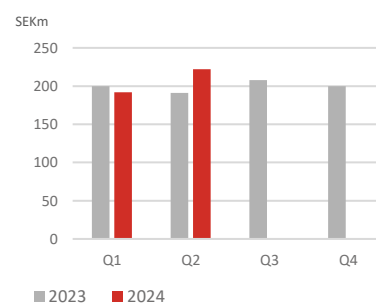
Cash flow from changes in working capital was SEK -171m (-143). The cash flow from changes in working capital shows normal seasonal pattern and was negatively impacted by an increase in inventories for an amount of SEK -169m (-156) and a decrease in payables of SEK -37m (-37), partly offset by a decrease in receivables of SEK 35m (50).

Cash flow from other investing activities

Cash flow from other investing activities was SEK 54m (0) and mainly relates to the proceeds from the divestment of the Nutisal brand.

Cash flow from financing activities

The cash flow from financing activities was SEK -306m (-314). The cash flow from financing activities was related to the dividend distribution of SEK -285m (-285), payments of lease liabilities of SEK -18m (-24) and net proceeds and repayments of loans from credit institutions and commercial papers including transaction costs of SEK -3m (-5).

Net sales**Free cash flow****Operating profit, adjusted****Development during the year****Net sales**

Net sales for the first half of the year increased by SEK 161m to SEK 4,132m (3,971) compared to the same period last year. Organic growth was 3.8 per cent.

Gross profit

Gross profit, adjusted for items affecting comparability, amounted to SEK 1,360m (1,282) which equates to a gross margin, adjusted, of 32.9 per cent (32.3). The increase in gross profit, adjusted, was primarily driven by pricing and mix partially offset by higher input costs and the recognition of a provision for an isolated case of a raw material quality deviation. Gross profit amounted to SEK 1,363m (1,258) which equates to a gross margin of 33.0 per cent (31.7).

Operating profit

Operating profit, adjusted for items affecting comparability, amounted to SEK 414m (391), and was positively impacted by higher gross profit, offset by increased marketing investments in our core brands. Operating profit amounted to SEK 317m (360).

Items affecting comparability

Operating profit for the first half of the year includes items affecting comparability of SEK -97m (-31), mainly for impairments of intangible assets related to the divestment of the Nutisal brand.

Net financial items

Net financial items for the period amounted to SEK -56m (-173). Net interest expenses related to external borrowings, cash pool and realised results on single currency interest rate swaps were in total SEK -39m (-19), exchange differences on cash and cash equivalents were SEK -13m (-137) which mainly related to the development of the Norwegian krona against the euro during the first half of the year. Other financial items amounted to SEK -4m (-17) of which SEK 8m (-7) was related to the unrealised results on single currency interest rate swaps. Of the total net financial items SEK -3m (-57) is non-cash in nature.

Profit for the period

Profit for the period was SEK 189m (138), which equates to basic and diluted earnings per share of SEK 0.66 (0.48). Income tax for the period was SEK -72m (-49).

The effective tax rate for the first half of the year was 27.6 per cent (26.2) and was negatively impacted by the effect of the divestment of the Nutisal brand, international tax rate differences, and an increase of a tax provision in the UK.

Free cash flow

The free cash flow was SEK 127m (-21). Cash flow from operating activities before changes in working capital was SEK 482m (428). The cash flow from changes in working capital was SEK -274m (-321).

The cash flow from investments in property, plant and equipment and intangible assets was SEK -81m (-128).

Cash flow from changes in working capital

Cash flow from changes in working capital was SEK -274m (-321). The cash flow from changes in working capital was negatively impacted by an increase in inventories for an amount of SEK -162m (-339), an increase in receivables of SEK -111m (-186) and a decrease in payables of SEK -1m (204).

Cash flow from other investing activities

Cash flow from other investing activities was SEK 54m (0) and mainly relates to the proceeds from the divestment of the Nutisal brand.

Cash flow from financing activities

The cash flow from financing activities was SEK -328m (-334). The cash flow from financing activities was related to the dividend distribution of SEK -285m (-285), payments of lease liabilities of SEK -40m (-44) and net proceeds and repayments of loans from credit institutions and commercial papers including transaction costs of SEK -3m (-5).

Financial position

Consolidated equity at 30 June 2024 amounted to SEK 5,141m (5,150), which equates to SEK 18.0 (18.0) per share outstanding. Net debt at 30 June 2024 was SEK 1,991m (2,394).

Long-term borrowings amounted to SEK 2,291m (2,360) and consisted of SEK 2,220m (2,276) in gross non-current loans from credit institutions, SEK 81m (95) in non-current lease liabilities and SEK -10m (-11) in capitalised transaction costs.

Total short-term borrowings amounted to SEK 204m (207) and consisted of SEK 149m (149) in commercial papers, SEK 58m (61) in current lease liabilities, SEK 2m (2) in accrued interest on borrowings from credit institutions and SEK -5m (-5) in capitalised transaction costs.

During the second quarter, Cloetta extended the maturities of two of its current loan facilities with the existing bank group by one year each. The extended loans will mature in 2026-2027 with an option to extend one of the facilities to 2028.

SEKm	30 Jun 2024	30 Jun 2023	31 Dec 2023
Gross non-current loans from credit institutions	2,220	2,276	2,187
Commercial papers	149	149	149
Lease liabilities	139	156	159
Derivative financial instruments	-15	-52	-14
Interest payable	2	2	2
Gross debt	2,495	2,531	2,483
Cash and cash equivalents	-504	-137	-658
Net debt	1,991	2,394	1,825

Cash and cash equivalents at 30 June 2024 amounted to SEK 504m (137). At 30 June 2024 Cloetta had an unutilised credit facility of SEK 2,500m (2,597) and the possibility to issue additional commercial papers for an amount of SEK 850m (850).

Performance by business segment

Cloetta has identified the “Branded packaged products” business and the “Pick & mix” business as its operating segments.

The chief operating decision-maker (CODM), which is the CEO and President of the Group, primarily uses external net sales and operating profit, adjusted for items affecting comparability, to assess the performance of its operating segments. Items affecting comparability, net financial items and income tax are not allocated to segments, as these are managed centrally.

No segment information is provided to or assessed by the CODM on assets and liabilities and therefore these are not separately disclosed.

Information related to each reportable segment (business segment) is set out below.

Business segments

The Cloetta Group comprises two segments: “Branded packaged products” and “Pick & mix”. The Pick & mix net sales and adjusted operating profit relate to Cloetta’s complete offering in Pick & mix including products, displays and accompanying store and logistic services. All other activities within the Cloetta Group are reflected in the “Branded packaged products” segment.

Segment Branded packaged products

Q2 development

Net Sales

Net sales for the quarter increased by SEK 23m to SEK 1,487m (1,464) compared to the same period of last year for Branded packaged products. Organic growth was 1.2 per cent.

Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 183m (186). The decrease in adjusted operating profit is driven by higher input cost and increased marketing investments in our core brands, almost fully offset by pricing and Net Revenue Management activities.

Development during the year

Net Sales

Net sales for the first half of the year increased by SEK 88m to SEK 3,000m (2,912) compared to the same period of last year for Branded packaged products. Organic growth was 2.4 per cent.

Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 335m (370). The decrease in adjusted operating profit is driven by higher input cost, increased marketing investments in our core brands and a provision for an isolated case of a raw material quality deviation.

Segment Pick & mix

Q2 development

Net Sales

Net sales for the quarter increased by SEK 17m to SEK 551m (534) compared to the same period of last year. Organic growth was 3.4 per cent.

Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 39m (5). The increase in adjusted operating profit is driven by positive mix combined with continued margin-improving initiatives.

Development during the year

Net Sales

Net sales for the first half of the year increased by SEK 73m to SEK 1,132m (1,059) compared to the same period of last year. Organic growth was 7.5 per cent.

Operating profit, adjusted

Operating profit, adjusted for items affecting comparability, amounted to SEK 79m (21). The increase in adjusted operating profit is driven by stable underlying volumes combined with continued margin-improving initiatives.

Other disclosures

Seasonal variations

Cloetta’s sales and operating profit are subject to some seasonal variations. Sales in the first and second quarters are affected by the Easter holiday, primarily in Sweden, depending on in which quarter it occurs.

In the fourth quarter, sales are usually higher than in the first three quarters of the year, which is mainly attributable to the sale of products in Sweden in connection with the holiday season.

Employees

The average number of employees during the quarter was 2,591 (2,584).

Events after the end of the reporting period

There were no significant events after the end of the reporting period.

Apr–Jun 2024 SEKm	Branded packaged products	Pick & mix	Total	Jan–Jun 2024 SEKm	Branded packaged products	Pick & mix	Total
Net sales	1,487	551	2,038	Net sales	3,000	1,132	4,132
Operating profit, adjusted	183	39	222	Operating profit, adjusted	335	79	414
Items affecting comparability			-98	Items affecting comparability			-97
Operating profit			124	Operating profit			317
Net financial items			-11	Net financial items			-56
Profit before tax			113	Profit before tax			261
Income tax			-31	Income tax			-72
Profit for the period			82	Profit for the period			189

Apr–Jun 2023 SEKm	Branded packaged products	Pick & mix	Total	Jan–Jun 2023 SEKm	Branded packaged products	Pick & mix	Total
Net sales	1,464	534	1,998	Net sales	2,912	1,059	3,971
Operating profit, adjusted	186	5	191	Operating profit, adjusted	370	21	391
Items affecting comparability			-9	Items affecting comparability			-31
Operating profit			182	Operating profit			360
Net financial items			-86	Net financial items			-173
Profit before tax			96	Profit before tax			187
Income tax			-23	Income tax			-49
Profit for the period			73	Profit for the period			138

Strategic priorities

1 Growth leadership in Branded packaged products

We have a clear growth strategy for growth for Branded packaged products which focuses on both the core operations and the Group's strong brands, well positioned to respond to the growing consumer trends demanding local brands and innovative offerings with a conscious and sustainable approach.

As branded packaged products have an EBIT margin above the Group average, this segment is important for Cloetta to be able to reach its long-term profitability target. We will also continue to recover the mix within the segment to secure strong profitability.

2 Sustainable value within the Pick & mix business

Pick & mix is an important consumer market as it goes hand in hand with underlying consumer trends such as individualism and sustainable packaging.

The segment is also of importance for our customers as it increases in-store traffic and impacts our ability to sell other categories. From its strong market position Cloetta has good opportunities to develop the category and thereby drive profitability and growth, with the ambition to reach an EBIT margin in the range of 5–7 per cent in the medium-term.

3 Focus on lower costs and greater efficiency

Cloetta needs to invest to continue to grow. This includes increasing marketing investments for Branded packaged products, adapting to changing consumer and customer demand, and creating capacity to produce more products.

Cloetta's efficiency programmes, together with strengthened corporate culture and processes in One Cloetta, are important drivers to improve the overall profitability which allows for the investments.

4 Sustainability

Cloetta's sustainability agenda, A Sweeter Future, focuses on creating joy and long-lasting value For You, For People and For the Planet. The initiatives within the sustainability agenda cover topics all across the value chain where Cloetta has the ability to make an impact. Further information on Cloetta's sustainability journey is available in the latest Annual Report as well as on www.cloetta.com/en/sustainability/.

Assurance of the Board of Directors and CEO

The Board of Directors hereby gives its assurance that the interim report provides a true and fair view of the business activities, financial position, and results of operations of the Group and the Parent Company and describes the significant risks and uncertainties to which the Parent Company and the Group companies are exposed. Stockholm, 12 July, 2024.

Cloetta AB (publ)

Morten Falkenberg, Board Chairman
 Patrick Bergander, Member of the Board
 Lena Grönedal, Employee Board member
 Malin Jennerholm, Member of the Board
 Alan McLean Raleigh, Member of the Board
 Pauline Lindwall, Member of the Board
 Camilla Svenfelt, Member of the Board
 Mikael Svenfelt, Member of the Board
 Katarina Tell, President and CEO

The information in this interim report has not been reviewed by the company's auditors.

Upcoming financial reports and events

Interim report Q3/2024	25 October 2024
Group lunch in Stockholm (Nordea)	9 September 2024
Year-end report 2024	29 January 2025

Cloetta continuously updates its financial reporting dates and investor events on www.cloetta.com/en/investors/calendar-investors/.

This information is information that Cloetta AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person detailed above, at 07:30 a.m. CEST on 12 July 2024.

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Financial statements in summary

Consolidated profit and loss account

SEKm	Second quarter		6 months		R12	Full year
	2024	2023	2024	2023	Jul 2023– Jun 2024	2023
Net sales	2,038	1,998	4,132	3,971	8,462	8,301
Cost of goods sold	-1,321	-1,358	-2,769	-2,713	-5,807	-5,751
Gross profit	717	640	1,363	1,258	2,655	2,550
Selling expenses	-298	-267	-565	-525	-1,113	-1,073
General and administrative expenses	-295	-191	-481	-373	-850	-742
Operating profit	124	182	317	360	692	735
Exchange differences on cash and cash equivalents in foreign currencies	16	-66	-13	-137	81	-43
Other financial income	33	33	68	56	140	128
Other financial expenses	-60	-53	-111	-92	-269	-250
Net financial items	-11	-86	-56	-173	-48	-165
Profit before tax	113	96	261	187	644	570
Income tax	-31	-23	-72	-49	-156	-133
Profit for the period	82	73	189	138	488	437
<i>Profit for the period attributable to:</i>						
Owners of the Parent Company	82	73	189	138	488	437
Earnings per share, SEK						
Basic ¹	0.29	0.26	0.66	0.48	1.71	1.53
Diluted ¹	0.29	0.26	0.66	0.48	1.71	1.53
Number of shares outstanding at end of period ¹	286,065,407	285,405,738	286,065,407	285,405,738	286,065,407	285,342,034
Average number of shares (basic) ¹	285,834,882	285,405,738	285,588,458	285,405,738	285,464,573	285,394,917
Average number of shares (diluted) ¹	286,026,245	285,640,644	285,653,545	285,637,835	285,469,781	285,650,818

¹ On 30 October 2023, Cloetta purchased 63,704 treasury shares to fulfill its future obligation to deliver shares to the participants of the long-term share-based incentive plan, if vesting conditions are met. On 29 April 2024, a total of 723,373 treasury shares were granted to the participants of the long-term share-based incentive plan 2021 on vesting.

Consolidated statement of comprehensive income

SEKm	Second quarter		6 months		R12	Full year
	2024	2023	2024	2023	Jul 2023– Jun 2024	2023
Profit for the period	82	73	189	138	488	437
<i>Other comprehensive income</i>						
Remeasurement of defined benefit pension plans	7	-5	21	-1	-20	-42
Income tax on remeasurement of defined benefit pension plans	-1	1	-4	0	4	8
Items that will never be reclassified to profit or loss for the period	6	-4	17	-1	-16	-34
Currency translation differences	-101	297	146	372	-266	-40
Hedge of a net investment in a foreign operation	25	-75	-36	-96	67	7
Income tax on hedge of a net investment in a foreign operation	-5	14	7	18	-12	-1
Items that may be reclassified to profit or loss for the period	-81	236	117	294	-211	-34
Total other comprehensive income	-75	232	134	293	-227	-68
Total comprehensive income, net of tax	7	305	323	431	261	369
<i>Total comprehensive income for the period attributable to:</i>						
Owners of the Parent Company	7	305	323	431	261	369

Net financial items

SEKm	Second quarter		6 months		R12	Full year
	2024	2023	2024	2023	Jul 2023– Jun 2024	2023
Exchange differences on cash and cash equivalents in foreign currencies	16	-66	-13	-137	81	-43
Other financial income, third parties	23	19	45	34	102	91
Unrealised gains on single currency interest rate swaps	4	3	8	3	5	-
Realised gains on single currency interest rate swaps	6	11	15	19	33	37
Total other financial income	33	33	68	56	140	128
Interest expenses third-party borrowings and realised losses on single currency interest rate swaps	-53	-42	-99	-72	-205	-178
Amortisation of capitalised transaction costs	-1	-2	-2	-3	-4	-5
Unrealised losses on single currency interest rate swaps	1	-3	-	-10	-35	-45
Other financial expenses, third parties	-7	-6	-10	-7	-25	-22
Total other financial expenses	-60	-53	-111	-92	-269	-250
Net financial items	-11	-86	-56	-173	-48	-165

Condensed consolidated balance sheet

SEKm	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS			
Non-current assets			
Intangible assets	5,803	6,122	5,862
Property, plant and equipment	1,683	1,708	1,686
Deferred tax asset	33	66	23
Derivative financial instruments	-	17	5
Other financial assets	4	4	3
Total non-current assets	7,523	7,917	7,579
Current assets			
Inventories	1,484	1,505	1,292
Other current assets	1,249	1,322	1,136
Derivative financial instruments	19	35	18
Cash and cash equivalents	504	137	658
Total current assets	3,256	2,999	3,104
TOTAL ASSETS	10,779	10,916	10,683
EQUITY AND LIABILITIES			
Equity	5,141	5,150	5,098
Non-current liabilities			
Long-term borrowings	2,291	2,360	2,264
Deferred tax liability	880	929	900
Derivative financial instruments	3	-	8
Provisions for pensions and other long-term employee benefits	355	342	382
Provisions	159	162	160
Total non-current liabilities	3,688	3,793	3,714
Current liabilities			
Short-term borrowings	204	207	220
Derivative financial instruments	1	-	1
Other current liabilities	1,728	1,764	1,636
Provisions	17	2	14
Total current liabilities	1,950	1,973	1,871
TOTAL EQUITY AND LIABILITIES	10,779	10,916	10,683

Condensed consolidated statement of changes in equity

SEKm	6 months		Full year
	2024	2023	2023
Equity at beginning of period	5,098	4,994	4,994
Profit for the period	189	138	437
Other comprehensive income	134	293	-68
Total comprehensive income	323	431	369
Transactions with owners			
Purchase of treasury shares	-	-	-1
Share-based payments	5	10	21
Dividend ¹	-285	-285	-285
Total transactions with owners	-280	-275	-265
Equity at end of period	5,141	5,150	5,098

¹ The dividend paid in 2024 comprised a dividend of SEK 1.00 (1.00) per share.

Condensed consolidated cash flow statement

SEKm	Second quarter		6 months		R12	Full year
	2024	2023	2024	2023	Jul 2023- Jun 2024	2023
Cash flow from operating activities before changes in working capital	230	226	482	428	932	878
Cash flow from changes in working capital	-171	-143	-274	-321	-53	-100
Cash flow from operating activities	59	83	208	107	879	778
Cash flows from investments in property, plant and equipment and intangible assets	-31	-81	-81	-128	-235	-282
Cash flow from other investing activities	54	0	54	0	56	2
Cash flow from investing activities	23	-81	-27	-128	-179	-280
Cash flow from operating and investing activities	82	2	181	-21	700	498
Cash flow from financing activities	-306	-314	-328	-334	-373	-379
Cash flow for the period	-224	-312	-147	-355	327	119
Cash and cash equivalents at beginning of period	735	478	658	583	137	583
Cash flow for the period	-224	-312	-147	-355	327	119
Exchange difference	-7	-29	-7	-91	40	-44
Total cash and cash equivalents at end of period	504	137	504	137	504	658

Condensed consolidated key figures

SEKm	Second quarter		6 months		R12	Full year
	2024	2023	2024	2023	Jul 2023- Jun 2024	2023
Profit						
Net sales	2,038	1,998	4,132	3,971	8,462	8,301
Net sales, change, %	2.0	22.9	4.1	25.4	10.3	20.8
Organic net sales, change, %	1.8	16.7	3.8	20.0	7.7	15.7
Gross margin, %	35.2	32.0	33.0	31.7	31.4	30.7
Depreciation	-67	-78	-142	-145	-281	-284
Amortisation	-2	-2	-5	-5	-11	-11
Impairment loss other non-current assets	-93	3	-88	23	-94	17
Operating profit, adjusted	222	191	414	391	822	799
Operating profit margin, adjusted %	10.9	9.6	10.0	9.8	9.7	9.6
Operating profit (EBIT)	124	182	317	360	692	735
Operating profit margin (EBIT margin), %	6.1	9.1	7.7	9.1	8.2	8.9
EBITDA, adjusted	290	271	561	542	1,119	1,100
EBITDA	286	259	552	487	1,078	1,013
Profit margin, %	5.5	4.8	6.3	4.7	7.6	6.9
Segments						
Branded packaged products						
Net sales	1,487	1,464	3,000	2,912	6,241	6,153
Operating profit, adjusted	183	186	335	370	751	786
Operating profit margin, adjusted %	12.3	12.7	11.2	12.7	12.0	12.8
Pick & mix						
Net sales	551	534	1,132	1,059	2,221	2,148
Operating profit, adjusted	39	5	79	21	71	13
Operating profit margin, adjusted %	7.1	0.9	7.0	2.0	3.2	0.6
Financial position						
Working capital	1,087	1,080	1,087	1,080	1,087	796
Capital expenditure	33	102	104	171	312	379
Net debt	1,991	2,394	1,991	2,394	1,991	1,825
Capital employed	7,995	8,059	7,995	8,059	7,995	7,973
Return on capital employed, % (Rolling 12 months)	10.4	10.9	10.4	10.9	10.4	10.9
Equity/assets ratio, %	47.7	47.2	47.7	47.2	47.7	47.7
Net debt/equity ratio, %	38.7	46.5	38.7	46.5	38.7	35.8
Return on equity, % (Rolling 12 months)	9.5	7.3	9.5	7.3	9.5	8.6
Equity per share, SEK	18.0	18.0	18.0	18.0	18.0	17.9
Net debt/EBITDA, x (Rolling 12 months)	1.8	2.3	1.8	2.3	1.8	1.7
Cash flow						
Cash flow from operating activities	59	83	208	107	879	778
Cash flow from investing activities	23	-81	-27	-128	-179	-280
Cash flow after investments	82	2	181	-21	700	498
Free cash flow	28	2	127	-21	644	496
Free cash flow yield (Rolling 12 months), %	10.9	7.9	10.9	7.9	10.9	9.5
Cash flow from operating activities per share, SEK	0.2	0.3	0.7	0.4	3.1	2.7
Employees						
Average number of employees	2,591	2,584	2,592	2,578	2,588	2,582

Reconciliation of alternative performance measures key figures

SEKm	Second quarter		6 months		R12	Full year
	2024	2023	2024	2023	Jul 2023- Jun 2024	2023
Items affecting comparability						
Acquisitions, integration and restructurings	-98	-9	-97	-31	-130	-64
<i>of which: impairment loss other non-current assets</i>	-94	3	-88	24	-89	23
Items affecting comparability	-98	-9	-97	-31	-130	-64
<i>Corresponding line in the condensed consolidated profit and loss account:</i>						
Cost of goods sold	-1	-4	3	-24	-21	-48
Selling expenses	-3	-	-3	-	-2	1
General and administrative expenses	-94	-5	-97	-7	-107	-17
Total	-98	-9	-97	-31	-130	-64
Operating profit, adjusted						
Operating profit	124	182	317	360	692	735
Minus: Items affecting comparability	-98	-9	-97	-31	-130	-64
Operating profit, adjusted	222	191	414	391	822	799
Net sales	2,038	1,998	4,132	3,971	8,462	8,301
Operating profit margin, adjusted, %	10.9	9.6	10.0	9.8	9.7	9.6
EBITDA, adjusted						
Operating profit	124	182	317	360	692	735
Minus: Depreciation	-67	-78	-142	-145	-281	-284
Minus: Amortisation	-2	-2	-5	-5	-11	-11
Minus: Impairment loss other non-current assets	-93	3	-88	23	-94	17
EBITDA	286	259	552	487	1,078	1,013
Minus: Items affecting comparability (excl. impairment loss other non-current assets)	-4	-12	-9	-55	-41	-87
EBITDA, adjusted	290	271	561	542	1,119	1,100
Capital employed						
Total assets	10,779	10,916	10,779	10,916	10,779	10,683
Minus: Deferred tax liability	880	929	880	929	880	900
Minus: Non-current provisions	159	162	159	162	159	160
Minus: Current provisions	17	2	17	2	17	14
Minus: Other current liabilities	1,728	1,764	1,728	1,764	1,728	1,636
Capital employed	7,995	8,059	7,995	8,059	7,995	7,973
Capital employed comparative period previous year	8,059	7,369	8,059	7,369	8,059	7,823
Average capital employed	8,027	7,714	8,027	7,714	8,027	7,898

Reconciliation alternative performance measures, continued

SEKm	Second quarter		6 months		R12	Full year
	2024	2023	2024	2023	Jul 2023- Jun 2024	2023
Return on capital employed						
Operating profit (Rolling 12 months)	692	733	692	733	692	735
Financial income (Rolling 12 months)	140	109	140	109	140	128
Operating profit plus financial income (Rolling 12 months)	832	842	832	842	832	863
Average capital employed	8,027	7,714	8,027	7,714	8,027	7,898
Return on capital employed, %	10.4	10.9	10.4	10.9	10.4	10.9
Free cash flow yield						
Cash flow from operating activities (Rolling 12 months)	879	677	879	677	879	778
Cash flows from investments in property, plant and equipment and intangible assets (Rolling 12 months)	-235	-234	-235	-234	-235	-282
Free cash flow (Rolling 12 months)	644	443	644	443	644	496
Number of shares outstanding	286,065,407	285,405,738	286,065,407	285,405,738	286,065,407	285,342,034
Free cash flow per share (Rolling 12 months), SEK	2.25	1.55	2.25	1.55	2.25	1.74
Market price per share, SEK	20.62	19.61	20.62	19.61	20.62	18.32
Free cash flow yield (Rolling 12 months), %	10.9	7.9	10.9	7.9	10.9	9.5
Changes in net sales						
Net sales	2,038	1,998	4,132	3,971	8,462	8,301
Net sales comparative period previous year	1,998	1,626	3,971	3,166	7,674	6,869
Net sales, change	40	372	161	805	788	1,432
Minus: Structural changes	-10	-	-10	-	-10	-
Minus: Changes in exchange rates	14	100	23	171	208	356
Organic growth	36	272	148	634	590	1,076
Organic growth, %	1.8	16.7	3.8	20.0	7.7	15.7

Quarterly data

SEKm	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Profit and loss account									
Net sales	2,038	2,094	2,182	2,148	1,998	1,973	1,905	1,798	1,626
Cost of goods sold	-1,321	-1,448	-1,514	-1,524	-1,358	-1,355	-1,257	-1,235	-1,267
Gross profit	717	646	668	624	640	618	648	563	359
Selling expenses	-298	-267	-300	-248	-267	-258	-283	-234	-246
General and administrative expenses	-295	-186	-194	-175	-191	-182	-178	-143	-174
Operating profit/loss	124	193	174	201	182	178	187	186	-61
Exchange differences on cash and cash equivalents in foreign currencies	16	-29	27	67	-66	-71	-27	-52	-70
Other financial income	33	36	39	33	33	23	18	35	13
Other financial expenses	-60	-52	-94	-64	-53	-39	-28	-15	-10
Net financial items	-11	-45	-28	36	-86	-87	-37	-32	-67
Profit/loss before tax	113	148	146	237	96	91	150	154	-128
Income tax	-31	-41	-8	-76	-23	-26	-42	-24	34
Profit/loss for the period	82	107	138	161	73	65	108	130	-94
<i>Profit/loss for the period attributable to:</i>									
Owners of the Parent Company	82	107	138	161	73	65	108	130	-94
Key figures									
Profit									
Depreciation, amortisation and impairment	-162	-73	-75	-76	-77	-50	-70	-71	-194
Operating profit, adjusted	222	192	200	208	191	200	183	188	162
EBITDA, adjusted	290	271	270	288	271	271	249	255	230
EBITDA	286	266	249	277	259	228	257	257	133
Operating profit margin, adjusted %	10.9	9.2	9.2	9.7	9.6	10.1	9.6	10.5	10.0
Operating profit margin (EBIT margin), %	6.1	9.2	8.0	9.4	9.1	9.0	9.8	10.3	-3.8
Earnings per share, SEK									
Basic and diluted ¹	0.29	0.37	0.48	0.56	0.26	0.23	0.38	0.45	-0.33
Segments									
Branded packaged products									
Net sales	1,487	1,513	1,621	1,620	1,464	1,448	1,424	1,372	1,213
Operating profit, adjusted	183	152	200	216	186	184	180	186	154
Operating profit margin, adjusted %	12.3	10.0	12.3	13.3	12.7	12.7	12.6	13.6	12.7
Pick & mix									
Net sales	551	581	561	528	534	525	481	426	413
Operating profit/loss, adjusted	39	40	0	-8	5	16	3	2	8
Operating profit margin, adjusted %	7.1	6.9	0.0	-1.5	0.9	3.0	0.6	0.5	1.9
Financial position									
Share price, last paid, SEK	20.62	18.19	18.32	18.26	19.61	21.88	20.86	17.61	20.96
Return on equity, % (Rolling 12 months)	9.5	8.8	8.6	7.8	7.3	4.1	5.5	6.5	7.0
Equity per share, SEK	18.0	19.0	17.9	18.2	18.0	18.0	17.5	16.7	16.0
Net Debt/EBITDA, x (Rolling 12 months)	1.8	1.6	1.7	2.0	2.3	2.0	1.9	2.2	2.4
Cash flow									
Free cash flow	28	99	394	123	2	-23	241	223	-136
Cash flow from operating activities per share, SEK	0.2	0.5	1.7	0.7	0.3	0.1	1.0	1.0	-0.3

¹ During 1 till 9 November 2021, during 31 October till 23 November 2022 and on 30 October 2023, Cloetta purchased 1,590,629, 1,622,932 and 63,704 treasury shares respectively to fulfil its future obligation to deliver shares to the participants of the long-term share-based incentive plan, if vesting conditions are met. On 29 April 2024, a total of 723,373 treasury shares were granted to the participants of the long-term share-based incentive plan 2021 on vesting.

Reconciliation of alternative performance measures per quarter

SEKm	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Items affecting comparability									
Acquisitions, integration and restructurings of which: impairment loss other non-current assets	-98 -94	1 6	-26 -5	-7 4	-9 3	-22 21	-18 -4	-2 -4	-225 -126
Other items affecting comparability	-	-	-	-	-	-	22	-	2
Items affecting comparability	-98	1	-26	-7	-9	-22	4	-2	-223
<i>Corresponding line in the condensed consolidated profit and loss account:</i>									
Cost of goods sold	-1	4	-21	-3	-4	-20	12	-2	-220
Selling expenses	-3	-	-	1	-	-	-	-	-
General and administrative expenses	-94	-3	-5	-5	-5	-2	-8	0	-3
Total	-98	1	-26	-7	-9	-22	4	-2	-223
Operating profit, adjusted									
Operating profit	124	193	174	201	182	178	187	186	-61
Minus: Items affecting comparability	-98	1	-26	-7	-9	-22	4	-2	-223
Operating profit, adjusted	222	192	200	208	191	200	183	188	162
Net sales	2,038	2,094	2,182	2,148	1,998	1,973	1,905	1,798	1,626
Operating profit margin, adjusted, %	10.9	9.2	9.2	9.7	9.6	10.1	9.6	10.5	10.0
EBITDA, adjusted									
Operating profit	124	193	174	201	182	178	187	186	-61
Minus: Depreciation	-67	-75	-63	-76	-78	-67	-63	-62	-66
Minus: Amortisation	-2	-3	-3	-3	-2	-3	-3	-3	-2
Minus: Impairment loss other non-current assets	-93	5	-9	3	3	20	-4	-6	-126
EBITDA	286	266	249	277	259	228	257	257	133
Minus: Items affecting comparability (excl. impairment loss other non-current assets)	-4	-5	-21	-11	-12	-43	8	2	-97
EBITDA, adjusted	290	271	270	288	271	271	249	255	230
Capital employed									
Total assets	10,779	11,162	10,683	10,873	10,916	10,732	10,316	10,151	9,774
Minus: Deferred tax liability	880	908	900	922	929	893	884	920	918
Minus: Non-current provisions	159	166	160	165	162	148	107	102	105
Minus: Current provisions	17	16	14	2	2	2	6	3	5
Minus: Other current liabilities	1,728	1,756	1,636	1,731	1,764	1,726	1,496	1,545	1,377
Capital employed	7,995	8,316	7,973	8,053	8,059	7,963	7,823	7,581	7,369
Capital employed comparative period previous year	8,059	7,963	7,823	7,581	7,369	7,555	7,388	7,328	7,157
Average capital employed	8,027	8,140	7,898	7,817	7,714	7,759	7,606	7,455	7,263

Reconciliation alternative performance measures, continued

SEKm	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Return on capital employed									
Operating profit (Rolling 12 months)	692	750	735	748	733	490	466	436	429
Financial income (Rolling 12 months)	140	140	128	107	109	89	83	69	36
Operating profit plus financial income (Rolling 12 months)	832	890	863	855	842	579	549	505	465
Average capital employed	8,027	8,140	7,898	7,817	7,714	7,759	7,606	7,455	7,263
Return on capital employed, %	10.4	10.9	10.9	10.9	10.9	7.5	7.2	6.8	6.4
Free cash flow yield									
Cash flow from operating activities (Rolling 12 months)	879	903	778	581	677	516	519	606	598
Cash flows from investments in property, plant and equipment and intangible assets (Rolling 12 months)	-235	-285	-282	-238	-234	-211	-214	-229	-206
Free cash flow (Rolling 12 months)	644	618	496	343	443	305	305	377	392
Number of shares outstanding	286,065,407	285,342,034	285,342,034	285,405,738	285,405,738	285,405,738	285,405,738	287,028,670	287,028,670
Free cash flow per share (Rolling 12 months), SEK	2.25	2.17	1.74	1.20	1.55	1.07	1.07	1.31	1.37
Market price per share, SEK	20.62	18.19	18.32	18.26	19.61	21.88	20.86	17.61	20.96
Free cash flow yield (Rolling 12 months), %	10.9	11.9	9.5	6.6	7.9	4.9	5.1	7.4	6.5
Changes in net sales									
Net sales	2,038	2,094	2,182	2,148	1,998	1,973	1,905	1,798	1,626
Net sales comparative period previous year	1,998	1,973	1,905	1,798	1,626	1,540	1,662	1,566	1,420
Net sales, change	40	121	277	350	372	433	243	232	206
Minus: Structural changes	-10	-	-	-	-	-	-	-	-
Minus: Changes in exchange rates	14	9	54	131	100	71	85	52	37
Organic growth	36	112	223	219	272	362	158	180	169
Organic growth, %	1.8	5.7	11.7	12.2	16.7	23.5	9.5	11.5	11.9

Parent company

Condensed parent company profit and loss account

SEKm	Second quarter		6 months		R12	Full year
	2024	2023	2024	2023	Jul 2023- Jun 2024	2023
Net sales	41	33	79	61	131	113
Gross profit	41	33	79	61	131	113
General and administrative expenses	-34	-33	-70	-63	-150	-143
Operating profit/loss	7	0	9	-2	-19	-30
Net financial items	-43	-21	-70	-42	1	29
Loss before tax	-36	-21	-61	-44	-18	-1
Income tax	8	4	13	9	2	-2
Loss for the period	-28	-17	-48	-35	-16	-3

Loss for the period corresponds to comprehensive income for the period.

Condensed parent company balance sheet

SEKm	30 Jun 2024	30 Jun 2023	31 Dec 2023
ASSETS			
Non-current assets	5,436	5,402	5,410
Current assets	185	38	171
TOTAL ASSETS	5,621	5,440	5,581
EQUITY AND LIABILITIES			
Equity	1,884	2,170	2,212
Non-current liabilities			
Borrowings	950	943	949
Provisions	2	5	2
Total non-current liabilities	952	948	951
Current liabilities			
Borrowings	149	149	149
Other current liabilities	2,636	2,173	2,269
Total current liabilities	2,785	2,322	2,418
TOTAL EQUITY AND LIABILITIES	5,621	5,440	5,581

Condensed parent company statement of changes in equity

SEKm	6 months		Full year
	2024	2023	2023
Equity at beginning of period	2,212	2,480	2,480
Loss for the period	-48	-35	-3
Total comprehensive income	-48	-35	-3
Transactions with owners			
Share-based payments	5	10	21
Purchase of treasury shares	-	-	-1
Dividend ¹	-285	-285	-285
Total transactions with owners	-280	-275	-265
Equity at end of period	1,884	2,170	2,212

¹ The dividend paid in 2024 comprised a dividend of SEK 1.00 (1.00) per share.

Accounting and valuation policies, disclosures and risk factors

Accounting and valuation policies

Compliance with legislation and accounting standards
The consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) established by the International Accounting Standards Board (IASB) and the interpretations issued by the IFRS Interpretations Committee (IFRIC) which have been endorsed by the European Commission for application in the EU. The applied standards and interpretations are those that were in force and had been endorsed by the EU at 1 January 2024. The consolidated interim report is presented compliant with IAS 34, Interim Financial Reporting, and in compliance with the relevant provisions in the Swedish Annual Accounts Act and the Swedish Securities Market Act. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which are consistent with the provisions in recommendation RFR 2, Accounting for Legal Entities. For lease accounting the company makes use of the exemption under RFR2 to treat all leases as operating lease.

Basis of accounting

The same accounting policies and methods of computation are applied in the interim financial statements as in the most recent annual financial statements. Reference is made to Note 1 'General information and accounting and valuation policies of the Group' and Note 31 'Changes in accounting policies' in the Annual and sustainability report 2023 at www.cloetta.com. No new standards are effective as from 1 January 2024 which have been endorsed by the EU.

Disclosures

Disaggregation of revenue from contracts with customers
Cloetta generates revenues from the transfer of goods and services at a point in time and over time in the following major sales categories and performance obligations.

Disaggregation of revenue

SEKm	Second quarter		6 months		R12	Full year
	2024	2023	2024	2023	Jul 2023- Jun 2024	2023
Branded packaged products	1,487	1,464	3,000	2,912	6,241	6,153
Pick & mix	551	534	1,132	1,059	2,221	2,148
Total	2,038	1,998	4,132	3,971	8,462	8,301

Breakdown of net sales by category

%	Second quarter		6 months		R12	Full year
	2024	2023	2024	2023	Jul 2023- Jun 2024	2023
Candy	63	63	62	62	62	62
Chocolate	19	19	20	19	20	19
Pastilles	9	9	9	10	9	10
Chewing gum	5	5	5	5	5	5
Nuts	2	2	2	2	2	2
Other	2	2	2	2	2	2
Total	100	100	100	100	100	100

Breakdown of net sales by country

%	Second quarter		6 months		R12	Full year
	2024	2023	2024	2023	Jul 2023- Jun 2024	2023
Sweden	29	28	29	29	30	30
Finland	20	22	20	21	20	21
The Netherlands	15	15	15	15	15	15
Denmark	11	9	11	10	11	10
The UK	6	7	5	6	5	5
Norway	5	6	6	6	6	6
Germany	8	6	8	6	7	6
International Markets	6	7	6	7	6	7
Total	100	100	100	100	100	100

Leases*Right-of-use assets*

SEKm	30 Jun 2024	30 Jun 2023	31 Dec 2023
Land and buildings	65	94	85
Transportation	65	52	50
Other equipment	5	8	20
Total right-of-use assets	135	154	155

Additions to the right-of-use assets were SEK 3m (21) during the quarter and SEK 24m (27) for the first half of the year.

Lease liability

SEKm	30 Jun 2024	30 Jun 2023	31 Dec 2023
Current	58	61	74
Non-current (between 1-5 years)	71	83	75
Non-current (over 5 years)	10	12	10
Total Lease liability	139	156	159

The non-current lease liability of SEK 81m (95) is reflected in the 'long-term borrowings'. The current lease liability of SEK 58m (61) is reflected in the 'short-term borrowings'.

Depreciation charge right-of-use assets

SEKm	Second quarter		6 months		R12	Full year
	2024	2023	2024	2023	Jul 2023- Jun 2024	2023
Land and buildings	-9	-9	-17	-18	-36	-37
Transportation	-9	-8	-23	-15	-43	-35
Other equipment	-1	-7	-7	-11	-20	-24
Total depreciation charge right-of-use assets	-19	-24	-47	-44	-99	-96

Other disclosures

SEKm	Second quarter		6 months		R12	Full year	Recognised in:
	2024	2023	2024	2023	Jul 2023- Jun 2024	2023	
Interest expense	-1	-1	-2	-2	-4	-4	net financial items, in the profit and loss account
Expense relating to leases of low-value assets that are not short-term leases	0	0	-1	0	-2	-1	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
Expense relating to short-term leases, where no right-of-use asset has been recognized	-2	-2	-3	-3	-4	-4	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
Expense relating to variable lease payments not included in lease liabilities	-8	-3	-13	-13	-29	-29	cost of goods sold, selling expenses and general and administrative expenses, in the profit and loss account
Total cash outflow for leases	-19	-25	-43	-45	-89	-91	cash flow from operating activities and financing activities, in the cash flow statement

Taxes

The effective tax rate for the period was negatively impacted by an increase of a tax provision in the UK, non-deductible expenses and international tax rate differences.

Fair value measurement

In the second quarter of 2024 a financial instrument categorised at level 3 of the fair value hierarchy was recognised for an amount of SEK 8m for the contingent earn-out consideration related to the divestment of the Nutisal brand.

The only items recognised at fair value after initial recognition are:

- the interest rate swaps categorised within level 2 of the fair value hierarchy in all periods presented;
- the deferred selling price related to the divestment of the Nutisal brand that is categorised within level 2 of the fair value hierarchy, as well as;
- the contingent earn-out consideration related to the divestment of the Nutisal brand that is categorised within level 3.

The fair values of financial assets (loans and receivables) and liabilities measured at amortised cost are approximately equal to carrying amounts.

For measurement purposes, the fair value of financial assets and liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value measurements by level according to the fair value measurement hierarchy are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the carrying amounts and fair values of the Group's financial assets and liabilities, including their levels in the fair value hierarchy:

30 Jun 2024	Carrying amount			Fair value				
	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities at carrying value	Total	Level 1	Level 2	Level 3	Total
SEKm								
Financial assets								
• Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income	-	1,128	-	1,128				
• Contingent earn-out consideration and deferred selling price	10	-	-	10	-	2	8	10
• Single currency interest rate swaps	19	-	-	19	-	19	-	19
• Cash and cash equivalents	-	504	-	504				
Total assets	29	1,632	-	1,661	-	21	8	29
Financial liabilities								
• Loans from credit institutions	-	-	2,220	2,220				
• Commercial papers	-	-	149	149				
• Single currency interest rate swaps	4	-	-	4	-	4	-	4
• Trade and other payables, excluding other taxes and social security payables	-	-	1,474	1,474				
Total liabilities	4	-	3,843	3,847	-	4	-	4

31 Dec 2023	Carrying amount			Fair value				
	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities at carrying value	Total	Level 1	Level 2	Level 3	Total
SEKm								
Financial assets								
• Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income	-	989	-	989				
• Single currency interest rate swaps	23	-	-	23	-	23	-	23
• Cash and cash equivalents	-	658	-	658				
Total assets	23	1,647	-	1,670	-	23	-	23
Financial liabilities								
• Loans from credit institutions	-	-	2,187	2,187				
• Commercial papers	-	-	149	149				
• Single currency interest rate swaps	9	-	-	9	-	9	-	9
• Trade and other payables, excluding other taxes and social security payables	-	-	1,433	1,433				
Total liabilities	9	-	3,769	3,778	-	9	-	9

30 Jun 2023	Carrying amount			Fair value				
	Mandatorily at FVTPL	Financial assets at amortised cost	Other financial liabilities at carrying value	Total	Level 1	Level 2	Level 3	Total
SEKm								
Financial assets								
• Trade and other receivables, excluding other taxes and social security receivables and prepaid expenses and accrued income	-	1,152	-	1,152				
• Single currency interest rate swaps	52	-	-	52	-	52	-	52
• Cash and cash equivalents	-	137	-	137				
Total assets	52	1,289	-	1,341	-	52	-	52
Financial liabilities								
• Loans from credit institutions	-	-	2,276	2,276				
• Commercial papers	-	-	149	149				
• Trade and other payables, excluding other taxes and social security payables	-	-	1,525	1,525				
Total liabilities	-	-	3,950	3,950	-	-	-	-

No transfers between fair value hierarchy levels have occurred during the financial year or the prior financial year. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included within level 2.

The valuation of the instruments is based on quoted market prices, but the underlying swap amounts are based on the specific requirements of the Group. These instruments are therefore included within level 2. The fair value measurement of the contingent earn-out consideration requires the use of significant unobservable inputs and is thereby initially categorised at level 3. The valuation techniques and inputs used to value financial instruments are:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign currency contracts is calculated using the difference between the exchange rate on the spot date with the contractually agreed upon exchange rates.
- Other techniques, such as discounted cash flow analysis, are used to determine the fair value of the remaining financial instruments.

The contingent earn-out consideration is measured at fair value using a scenario model with an earn-out threshold, different results and related changes. These data are aligned with the earn-out contract. The inter-relationship between significant unobservable inputs and fair value measurement are: The estimated fair value of the contingent earn-out consideration related to the divestment of the Nutisal brand will increase (decrease) if the forecasted combined sales value of Cloetta and De Monchy Food Group of the Nutisal products during the period 1 July 2024 until 30 June 2025 is higher (lower).

Parent Company

Cloetta AB's primary activities include head office functions such as group-wide management and administration. The comments below refer to the period from 1 January to 30 June 2024. Net sales in the Parent Company amounted to SEK 79m (61) and relate mainly to intra-group services. Operating profit/loss was SEK 9m (-2). Net financial items totalled SEK -70m (-42). Loss before tax was SEK -61m (-44) and loss for the

period was SEK -48m (-35). Cash and cash equivalents and short-term investments amounted to SEK 0m (0).

The Cloetta share

Cloetta's class B share is listed on Nasdaq Stockholm, Mid Cap. During the period from 1 January to 30 June 2024, a total of 282,884,050 shares were traded for a combined value of SEK 2,258m, equivalent to around 44 per cent of the total number of class B shares at the end of the period. The highest quoted bid price during the period from 1 January to 30 June 2024 was SEK 21.36 (25 June) and the lowest was SEK 15.92 (23 April). The share price on 30 June 2024 was SEK 20.62 (last price paid). During the period from 1 January to 30 June 2024, the Cloetta share increased by 12.1 per cent while the Nasdaq OMX Stockholm PI index increased by 8.0 per cent. Cloetta's share capital at 30 June 2024 amounted to 1,443,096,495. The total number of shares is 288,619,299, consisting of 5,735,249 (5,735,249) class A shares and 282,884,050 (282,884,050) class B shares, equal to a quota value of SEK 5 per share. At 30 June 2024, Cloetta had 2,553,892 class B shares in treasury.

Shareholders

On 30 June 2024, Cloetta AB had 42,396 shareholders. The largest shareholder was AB Malfors Promotor with a holding corresponding to 42.9 per cent of the votes and 32.7 per cent of the share capital in the company. LSV Asset Management was the second largest shareholder with 3.2 per cent of the votes and 3.7 per cent of the share capital. The third largest shareholder was Dimensional Fund Advisors with 2.4 per cent of the votes and 2.9 per cent of the share capital.

Cloetta regularly updates its list of shareholders on its investor website www.cloetta.com/en/investors/.

Risk factors

Cloetta is an internationally active company that is exposed to a number of market and financial risks. All identified risks are monitored continuously and, if needed, risk mitigating measures are taken to limit their impact. The most relevant risk factors are described in the Annual and sustainability report 2023 and consist of industry and market-related risks, operational risks and financial risks.

Compared to the Annual and sustainability report, which was issued on 11 March 2024, the risk-profile of Cloetta has not significantly changed although the rising input costs and global supply chain challenges are materialising and may further affect the business performance of Cloetta.

Definitions

General		
	All amounts in the tables are presented in SEK millions unless otherwise stated. All amounts in brackets () represent comparative figures for the same period of the prior year, unless otherwise stated.	
Margins		
	Definition/calculation	Purpose
Gross margin	Net sales less cost of goods sold as a percentage of net sales.	Gross margin measures production profitability.
Operating profit margin, adjusted	Operating profit, adjusted for items affecting comparability, as a percentage of net sales.	Adjusted operating profit margin excludes the impact of items affecting comparability, enabling a comparison of operational profitability.
Operating profit margin (EBIT margin)	Operating profit expressed as a percentage of net sales.	Operating profit margin is used for measuring the operational profitability.
Profit margin	Profit/loss before tax expressed as a percentage of net sales.	This metric enables the profitability to be compared across locations where corporate taxes differ.
Return		
	Definition/calculation	Purpose
Free cash flow	Sum of the cash flow from operating activities and cash flow from investments in property, plant and equipment and intangible assets.	The free cash flow is the cash flow available to all investors consisting of shareholders and lenders.
Free cash flow yield	Free cash flow of the last 12 months divided by the number of outstanding shares at the end of the period and consequently divided by the market price per share at the end of the period.	This metric is an indicator for the return on investment of investors in the company.
Return on capital employed	Operating profit plus financial income as a percentage of average capital employed. The average capital employed is calculated by taking the capital employed per period end and the capital employed by period end of the comparative period in the previous year divided by two.	Return on capital employed is used to analyse profitability, based on the amount of capital used. The leverage of the company is the reason that this metric is used next to return on equity, because it includes equity, but takes into account borrowings and other liabilities as well.
Return on equity	Profit from continuing operations for the period as a percentage of total equity.	Return on equity is used to measure profit generation, given the resources attributable to the owners of the Parent Company.
Capital structure		
	Definition/calculation	Purpose
Capital employed	Total assets less interest-free liabilities (including deferred tax).	Capital employed measures the amount of capital used and serves as input for the return on capital employed.
Equity/assets ratio	Equity at the end of the period as a percentage of total assets. The equity/assets ratio represents the amount of assets on which shareholders have a residual claim.	This ratio is an indicator of the company's leverage used to finance the firm.
Gross debt	Gross current and non-current borrowings, credit overdraft facilities, lease liabilities, derivative financial instruments and interest payable.	Gross debt represents the total debt obligation of the company irrespective of its maturity.
Net debt	Gross debt less cash and cash equivalents.	The net debt is used as an indication of the ability to pay off all debts if these became due simultaneously on the day of calculation, using only available cash and cash equivalents.
Net debt/EBITDA	Net debt at the end of the period divided by the EBITDA, adjusted, for the last 12 months, taking into consideration the annualisation of EBITDA for acquired or divested companies.	The net debt/EBITDA ratio approximates the company's ability to decrease its debt. It represents the number of years it would take to pay back debt if net debt and EBITDA were held constant, ignoring the impact of cash flows from interest, tax and capital expenditure.
Net debt/equity ratio	Net debt at the end of the period divided by equity at the end of the period.	The net debt/equity ratio measures the extent to which the company is funded by debt. Because cash and overdraft facilities can be used to pay-off debt at short notice, the leverage takes into account net debt instead of gross debt.
Working capital	Total inventories and trade and other receivables adjusted for trade and other payables.	Working capital is used to measure the company's ability, besides cash and cash equivalents, to meet current operational obligations.
Data per share		
	Definition/calculation	Purpose
Cash flow from operating activities per share	Cash flow from operating activities in the period divided by the average number of outstanding shares.	The cash flow from operating activities per share measures the amount of cash the company generates per share from the revenues it brings in, irrespective of the capital investments and cash flows related to the financing structure of the company.
Earnings per share	Profit for the period divided by the average number of outstanding shares adjusted for the effect of treasury shares.	The earnings per share measures the amount of net profit that is available for payment to shareholders per share.
Equity per share	Equity at the end of the period divided by number of outstanding shares at the end of the period.	Equity per share measures the net-asset value backing up each share of the company's equity and determines if a company is increasing shareholder value over time.

Other definitions	Definition/calculation	Purpose
Amortisation	Amortisation of intangible assets except for amortisation on software which is included in "Depreciation".	Amortisation deviates from depreciation where amortisation has the purpose to spread capitalised expenses over the useful lifetime of these expenses.
Depreciation	Depreciation of property, plant and equipment and amortisation of software.	Depreciation deviates from amortisation where depreciation has the purpose to spread the cost of a non-current asset over the useful lifetime of these assets.
EBITDA	Operating profit before depreciation, amortisation and impairments of other non-current assets.	EBITDA is used to measure the cash flow generated from operating activities, eliminating the impact of financing and accounting decisions.
EBITDA, adjusted	Operating profit, adjusted for items affecting comparability, before depreciation, amortisation and impairments of other non-current assets.	Adjusted EBITDA increases the comparability of EBITDA.
Effective tax rate	Income tax as a percentage of profit before tax.	This metric enables the income tax to be compared across locations where corporate taxes differ.
Items affecting comparability	Items affecting comparability are those significant items which are separately disclosed by virtue of their size or incidence, in order to enable a full understanding of the Group's financial performance. These include items such as restructurings, impact from acquisitions or divestments.	Items affecting comparability increases the comparability of the Group's financial performance.
Net financial items	The total of exchange differences on cash and cash equivalent in foreign currencies, other financial income and other financial expenses.	The net financial items reflects the company's total costs of external financing.
Net sales, change	Net sales as a percentage of net sales in the comparative period of the previous year.	Net sales, change reflects the company's realised top-line growth over time.
Operating profit (EBIT)	Operating profit consists of comprehensive income before net financial items and income tax.	This metric enables the profitability to be compared across locations where corporate taxes differ, irrespective the financing structure of the company.
Operating profit (EBIT), adjusted	Operating profit adjusted for items affecting comparability.	Operating profit, adjusted increases the comparability of operating profit.
Organic growth	Net sales, change excluding acquisition-driven growth and changes in exchange rates.	Organic growth excludes the impact of changes in group structure and exchange rates, enabling a comparison on net sales growth over time.
Structural changes	Net sales, change resulting from changes in group structure.	Structural changes measure the contribution of changes in group structure to the net sales growth.

Glossary

Branded packaged products	Products that are mainly sold under brands and are packaged.
FVTPL	Fair Value Through Profit and Loss.
Pick & mix	Cloetta's range of candy and natural snacks that are picked by the consumers themselves.
Pick & mix concept	Cloetta's complete concept in pick & mix including products, displays and accompanying store and logistic services.

Exchange rates

SEK	30 Jun 2024	30 Jun 2023	31 Dec 2023
EUR, average	11.4002	11.3431	11.4821
EUR, end of period	11.3595	11.8055	11.0960
NOK, average	0.9918	1.0006	1.0046
NOK, end of period	0.9968	1.0087	0.9871
GBP, average	13.3421	12.9565	13.2099
GBP, end of period	13.4213	13.7548	12.7680
DKK, average	1.5287	1.5233	1.5410
DKK, end of period	1.5232	1.5852	1.4888

Business model

Cloetta's business model is to offer strong local brands in confectionery and nuts and provide effective sales and distribution to the retail trade. Together, this will ensure continued positive development of the company's leading market positions.

Value drivers

- Strong brands and market positions in a non-cyclical market
- Excellent availability in the retail trade with the help of a strong and effective sales and distribution organisation
- Good consumer knowledge and loyalty
- Innovative product and packaging development
- Effective production with high and consistent quality

About Cloetta

Cloetta, founded in 1862, is a leading confectionery company in Northern Europe. In total, Cloetta products are sold in more than 60 countries worldwide. Cloetta owns some of the strongest brands on the market, such as Läkerol, CandyKing, Jenkki, Kexchoklad, Malaco, Sportlife and Red Band. Cloetta has seven production units in five countries. Cloetta's class B shares are traded on Nasdaq Stockholm.

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