

Cloetta

Q4/2024

29 January 2025

**Another year of profitable
growth with an exceptionally
strong last quarter**



Agenda

- 1 Cloetta in brief and quarterly update
- 2 Financials
- 3 Update on strategic priorities
- 4 Q&A



Leading confectionery company in Northern Europe

Net sales 2024 (SEKbn)

8.6

Employees (on average)

2,600

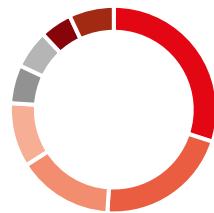
Countries with sales

> 60

Number of shareholders

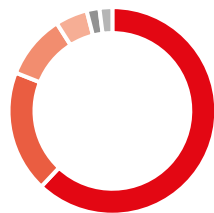
> 40,000

Net sales by country, 2024



- 30% ● Sweden
- 20% ● Finland
- 14% ● The Netherlands
- 11% ● Denmark
- 7% ● Germany
- 7% ● International Markets
- 6% ● Norway
- 5% ● The UK

Net sales by category, 2024



- 62% ● Candy
- 21% ● Chocolate
- 9% ● Pastilles
- 5% ● Chewing gum
- 2% ● Other
- 1% ● Nuts

Business segments*

72%

Branded packaged products

- Candy
- Chocolate
- Pastilles
- Chewing gum

28%

Pick & mix

- Pick & mix candy, chocolate and nuts

* Branded packaged products includes five months of divested Nutisal brand

Our 10 largest brands of total net sales

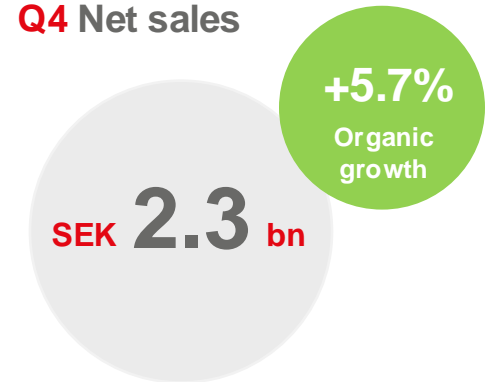
> 50%



Q4: Another year of profitable growth with an exceptionally strong last quarter

- 1 Trajectory of delivering strong sales growth continued
- 2 Total volumes stable; P&M again growing faster than Branded packaged products
- 3 Challenge to continue to deliver double-digit adjusted operating profitability, despite continued raw material cost inflation, was met
- 4 Profitability positively impacted by higher gross profit, partially offset by increased marketing investments in core brands
- 5 All-time low Net debt/EBITDA of 1.3x; again well below our long-term target
- 6 Reassessment of greenfield plant project and alternatives on-going
- 7 Dividend proposal SEK 1.10 (1.00) per share

Q4 Net sales



Q4 Organic sales growth, %



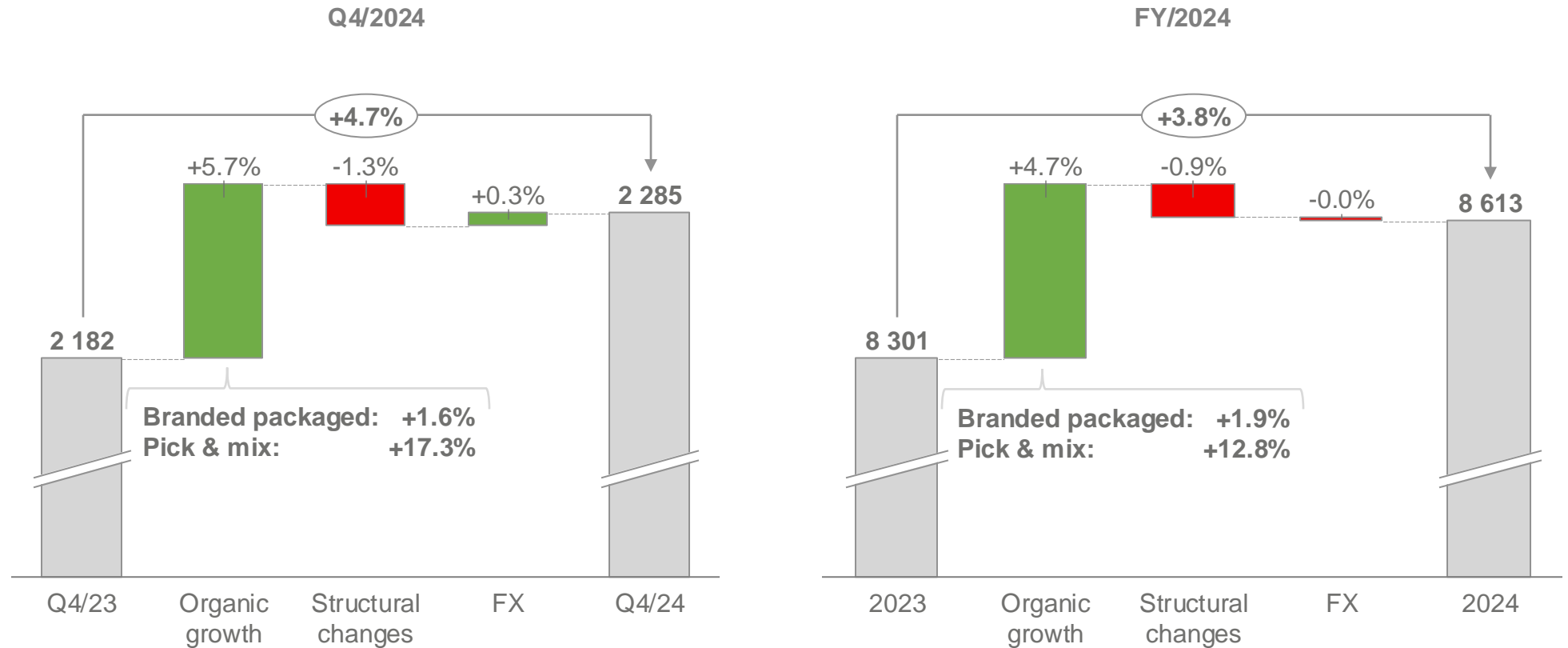
Agenda

- 1 Cloetta in brief and quarterly update
- 2 Financials
- 3 Update on strategic priorities
- 4 Q&A



Continued organic sales growth

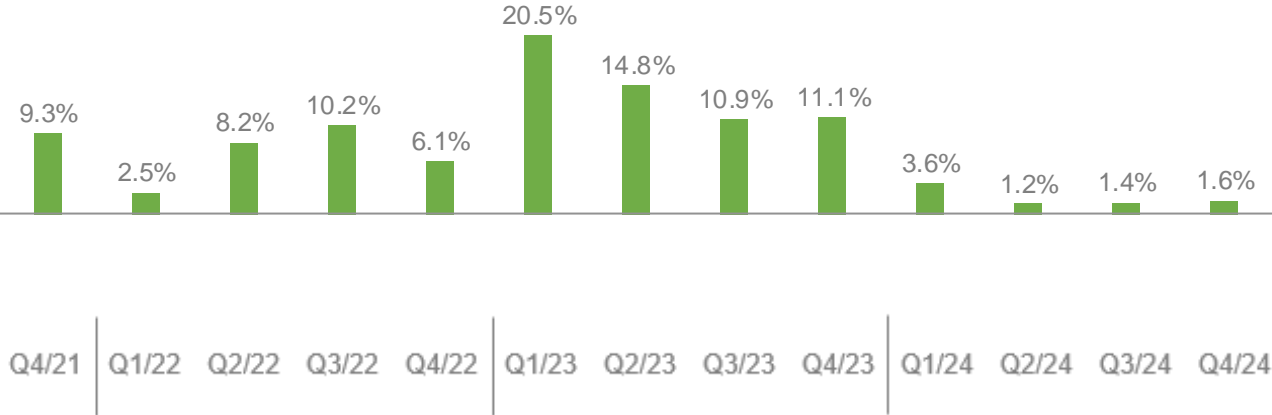
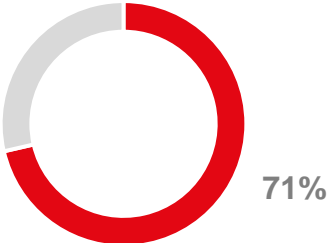
Net sales



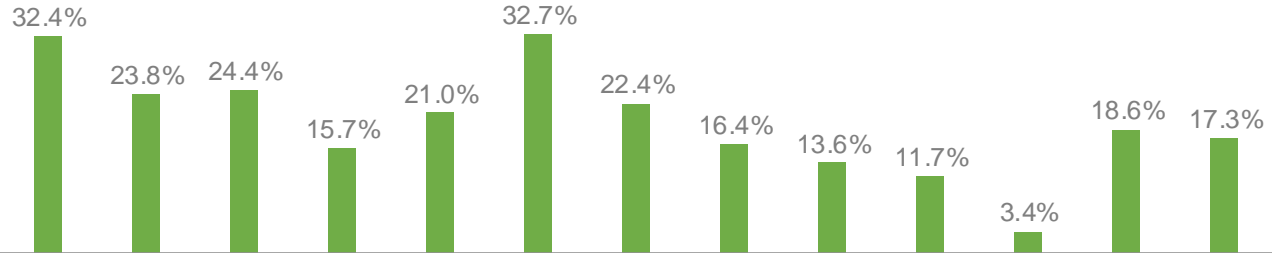
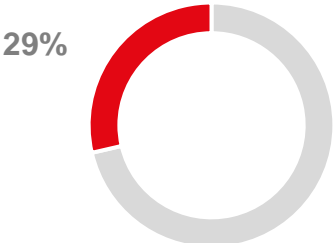
Sales development

Q4 share of net sales and organic sales growth by quarter

Branded packaged products



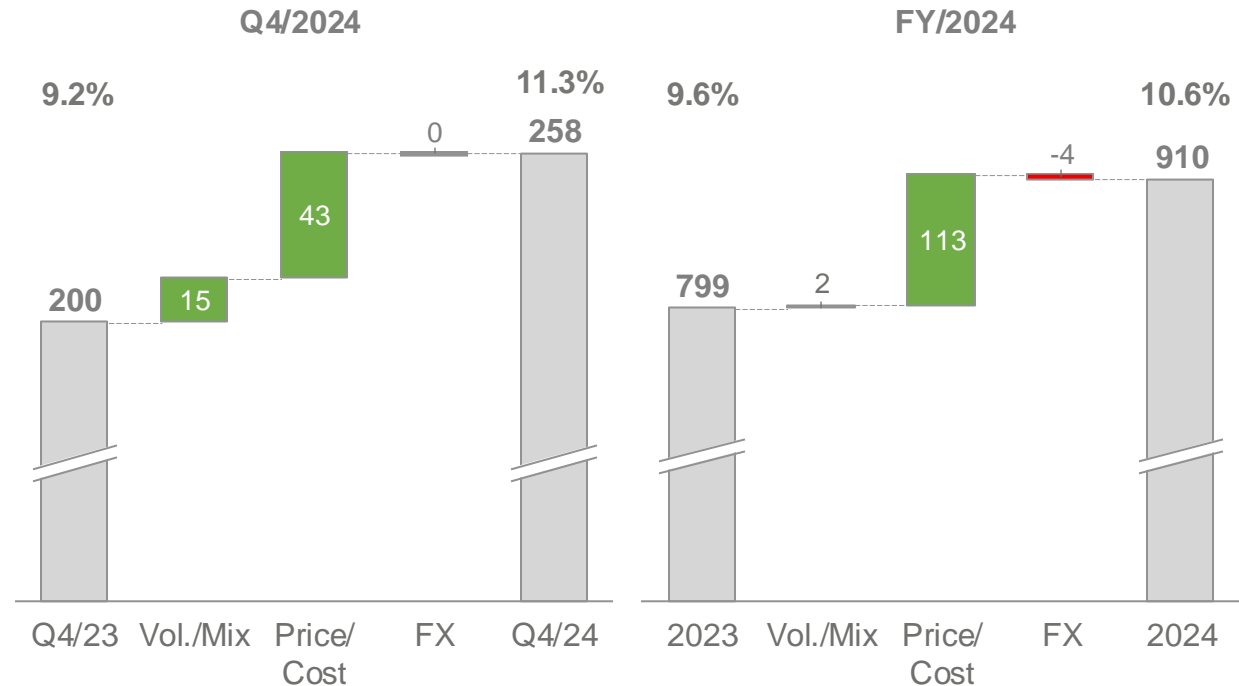
Pick & mix



Margin-enhancement in P&M lifts profitability

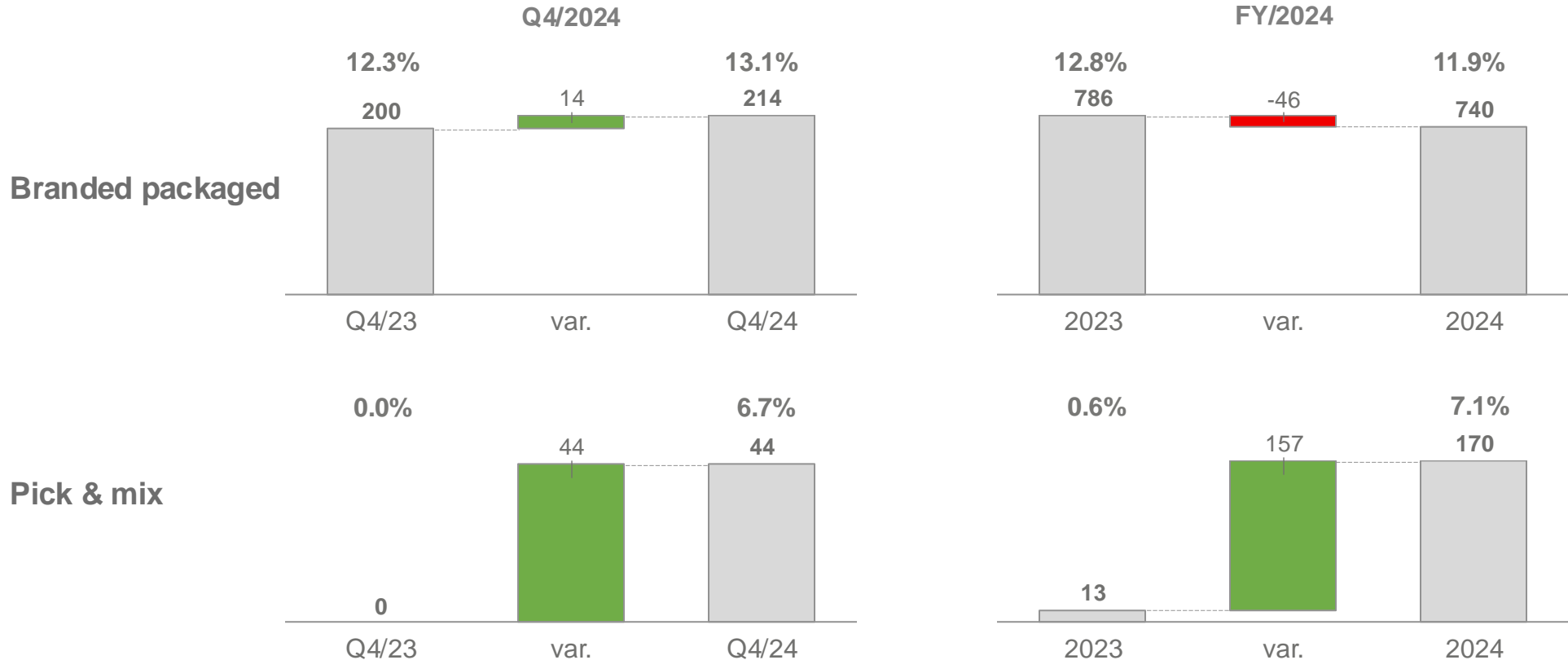
Operating profit, adjusted

- Margin-enhancing initiatives in P&M continue to drive profitability.
- P&M profit in line with target of 5%-7% for a fourth consecutive quarter
- Favorable mix and lower trade spend in Branded packaged segment helps offset higher input cost driven by cocoa
- Investment in core brands increased in line with communicated
- Resolution of Q1/2024 quality incident pending



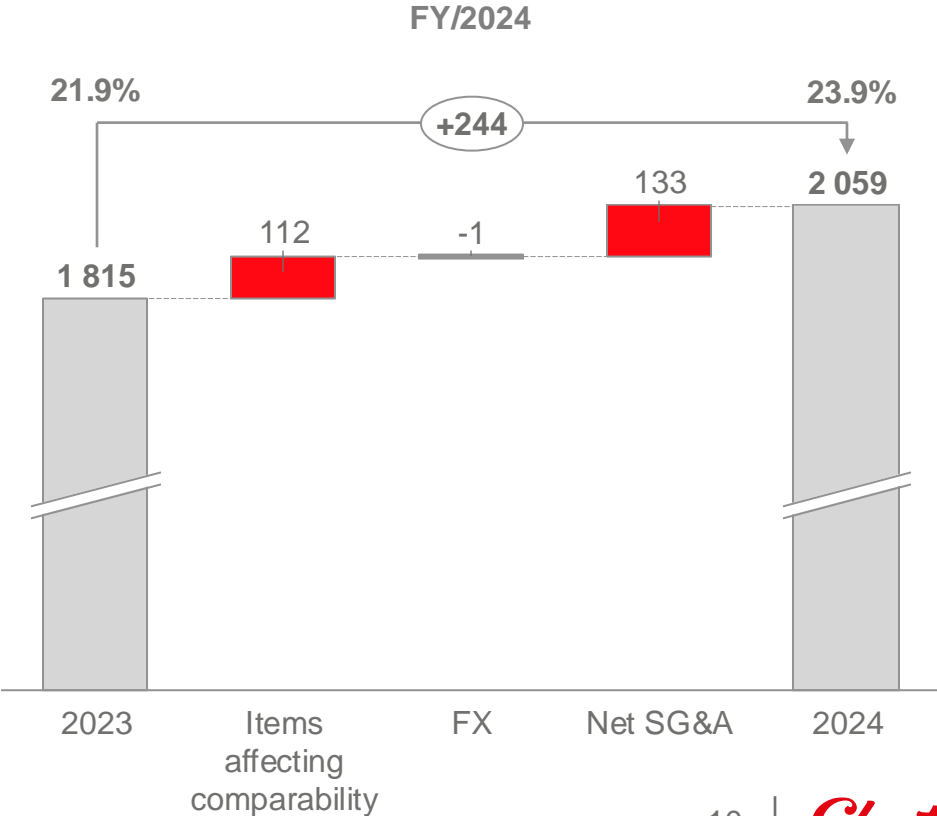
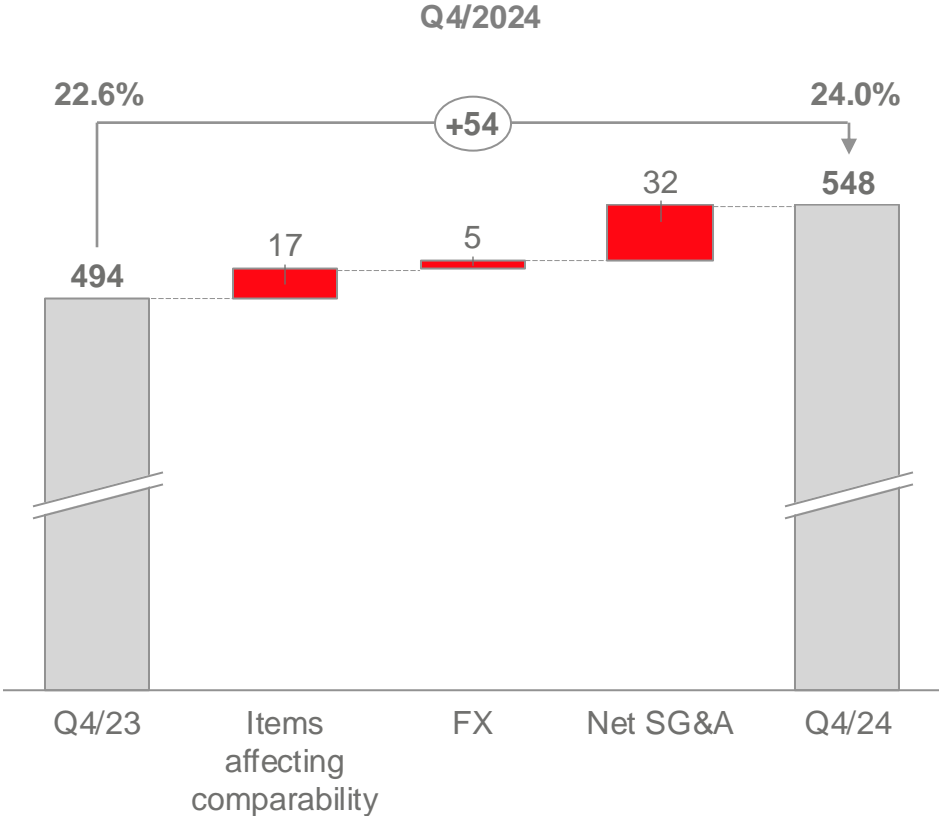
Strong improvement in P&M; Branded profit stable

Operating profit, adjusted, by segment

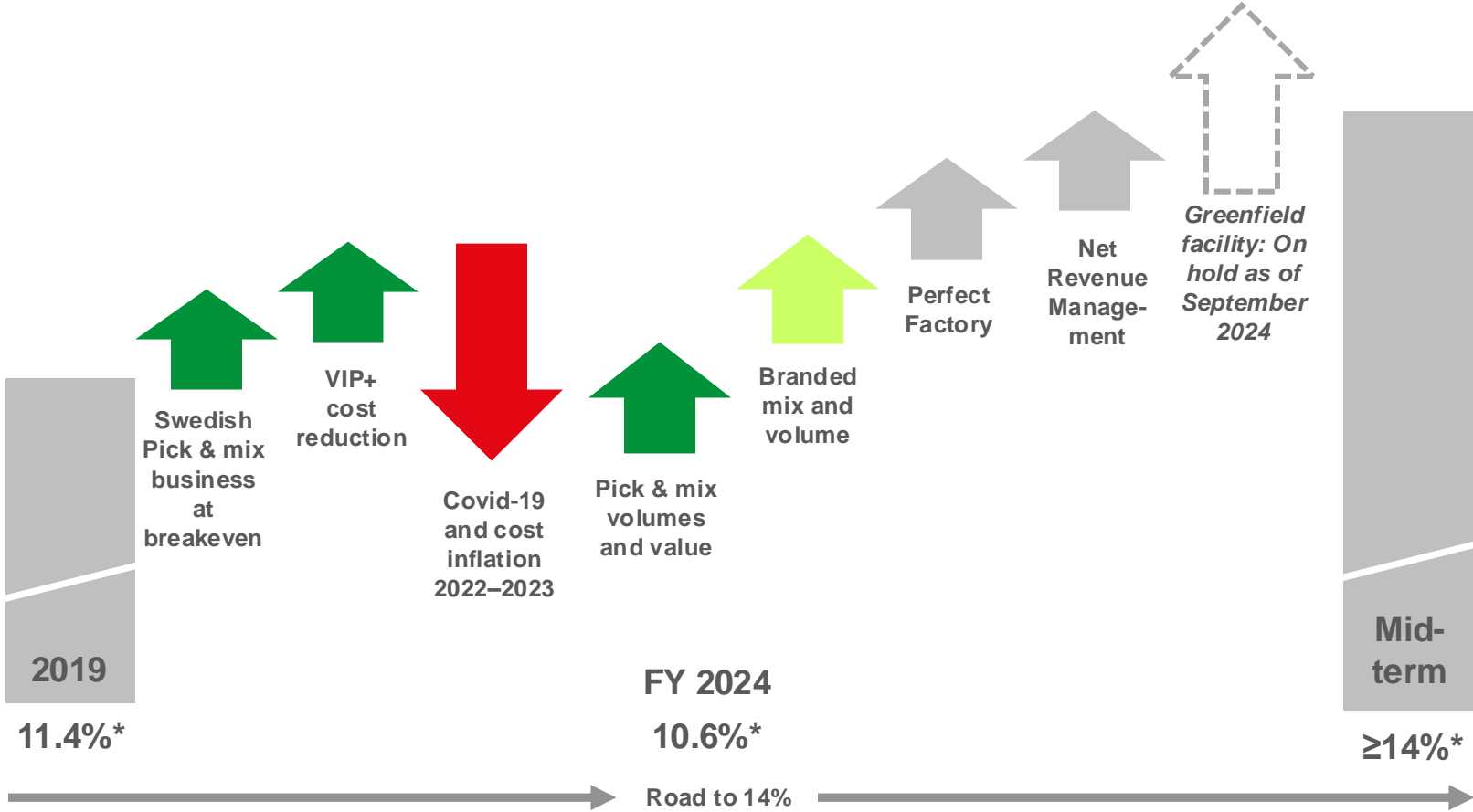


Increased investments in core brands key driver vs LY

SG&A



Strategic building blocks to deliver margin expansion

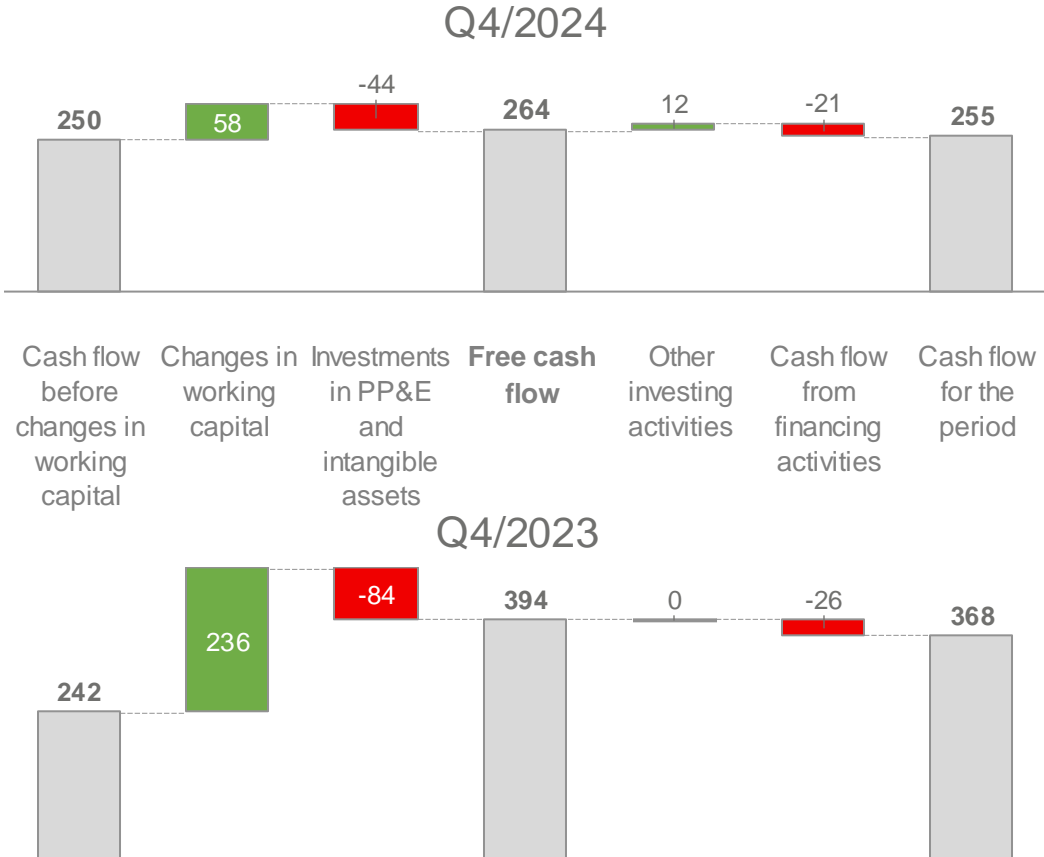


* Operating profit margin, adjusted

Free cash flow maintained strong; FY +106 m vs LY

Cash flow

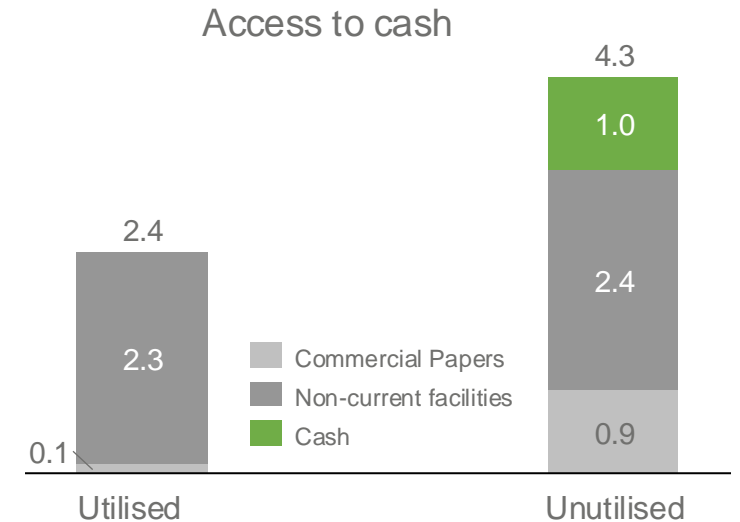
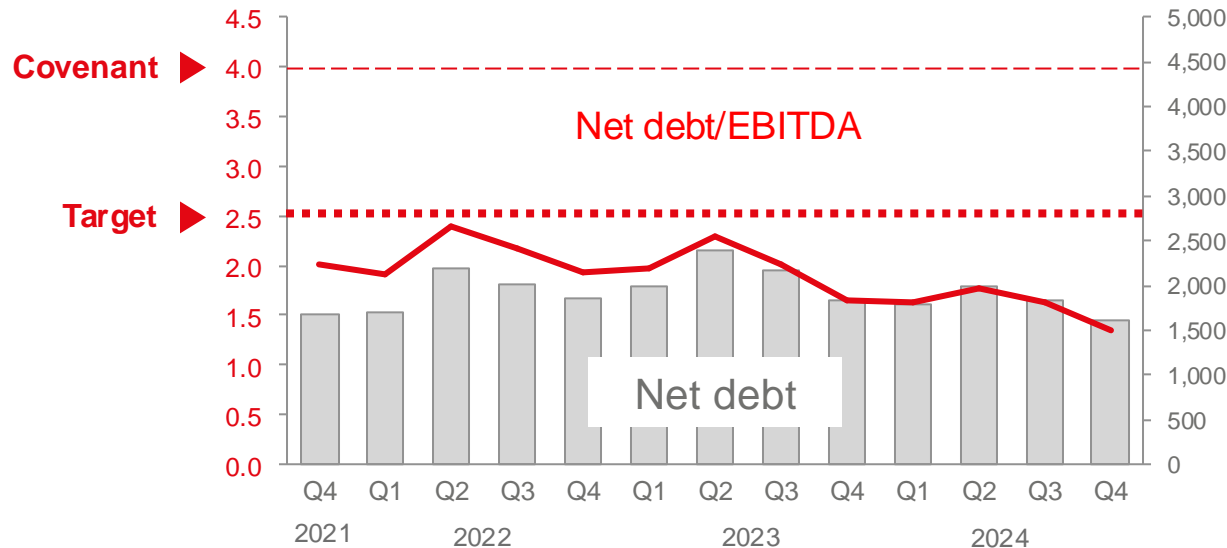
- **Strong Q4 free cash flow** of SEK 264 million against Operating Profit, adj of SEK 258 million
- **FY 2024 free cash flow SEK 106 million better than LY**, despite a strong Q4/2023 working capital recovery
- **Lower capex investments** driven in part by phasing and in part by avoidance



Strong financial position: Net debt/EBITDA 1.3x

Financial position

- Another successive all-time low Net debt/EBITDA, well below target of 2.5x
- Net debt also at an all-time low of SEK 1.6 bn driven by both profitability and cash generation
- Unutilised access to cash of SEK 4.3bn, including EUR 160 million for the greenfield investment on hold
- Dividend proposal of SEK 1.10 (1.00) per share



Agenda

- 1 Cloetta in brief and quarterly update
- 2 Financials
- 3 Update on strategic priorities
- 4 Q&A



Update on greenfield plant project

Reassessment on-going

- Reassessment due to increased energy supply risk with resulting changes to the timing of planned start-up
- Also covers potential better alternatives to secure a more efficient manufacturing structure
- Project in early phase, investments so far relatively limited
- Further investments on hold beyond what is necessary to support the reassessment
- Remaining opportunities in manufacturing network to compensate for volumes planned to be produced by the greenfield in the mid-term
- Expected to be completed before the end of Q1/25

Background

- In 2022, the plan to invest in a greenfield facility and a related closure of three existing plants was announced
- In Q3 2024, decision made to initiate a reassessment of both the investment and alternative options to secure a more efficient manufacturing structure



Welcome to our Investor Day 2025!

- Arranged in central Stockholm in the **afternoon** on **March 27**
- **Hybrid event** with the possibility to participate physically or via a webcast

Register and find all the latest event details at

www.cloetta.com/investorday2025



Q & A

Thank you!

UPCOMING IR EVENTS

11 Mar	Annual and Sustainability Report 2024
27 Mar	Investor Day (Stockholm)
10 Apr	AGM 2025
7 May	Q1/2025 interim report
3 June	Handelsbanken Nordic Small & Mid cap Seminar (Stockholm)

CONTACT US

ir@cloetta.com
press@cloetta.com
sustainability@cloetta.com



Appendix

Greenfield facility – Pro forma profit and loss Q4

	Q4/2024 Reported	Greenfield	Q4/2024 Pro-forma excl. greenfield	Other items affecting comparability	Q4/2024 Adjusted
Net sales	2.285	-	2.285	-	2.285
Cost of goods sold	-1.485	16	-1.501	-	-1.501
Gross profit	800	16	784	-	784
Selling expenses	-327	-	-327	-	-327
General and administrative expenses	-221	-14	-207	-8	-199
Operating profit	252	2	250	-8	258
Net financial items	-20	-	-20	-	-20
Profit before tax	232	2	230	-8	238
Income tax	-74	-	-74	2	-76
Profit for the period	158	2	156	-6	162
<i>Gross margin</i>	35,0%		34,3%		34,3%
<i>Operating profit margin</i>	11,0%		10,9%		11,3%
<i>Effective tax rate</i>	31,9%		32,2%		31,9%

Important information

- This presentation has been prepared by Cloetta AB (publ) (the “Company”) solely for use at this presentation and is furnished to you solely for your information and may not be reproduced or redistributed, in whole or in part, to any other person. The presentation does not constitute an invitation or offer to acquire, purchase or subscribe for securities. By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations.
- This presentation is not for presentation or transmission into the United States or to any U.S. person, as that term is defined under Regulation S promulgated under the Securities Act of 1933, as amended.
- This presentation contains various forward-looking statements that reflect management’s current views with respect to future events and financial and operational performance. The words “believe,” “expect,” “anticipate,” “intend,” “may,” “plan,” “estimate,” “should,” “could,” “aim,” “target,” “might,” or, in each case, their negative, or similar expressions identify certain of these forward-looking statements. Others can be identified from the context in which the statements are made. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which are in some cases beyond the Company’s control and may cause actual results or performance to differ materially from those expressed or implied from such forward-looking statements. These risks include but are not limited to the Company’s ability to operate profitably, maintain its competitive position, to promote and improve its reputation and the awareness of the brands in its portfolio, to successfully operate its growth strategy and the impact of changes in pricing policies, political and regulatory developments in the markets in which the Company operates, and other risks.
- The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice.
- No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information contained herein. Accordingly, none of the Company, or any of its principal shareholders or subsidiary undertakings or any of such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.