



INTERIM REPORT FOR DUNI AB (PUBL)

1 JANUARY – 31 MARCH 2018

(compared to the same period previous year)

20 April 2018

Result on par with last year, despite high pulp prices

1 JANUARY – 31 MARCH

- Net sales amounted to SEK 1,080 m (1,004). Adjusted for exchange rate movements, net sales increased by 4.4%.
- Earnings per share after dilution amounted to SEK 1.22 (1.22).
- Underlying growth in all business areas.
- Record-high pulp prices exerted pressure on gross margins in the Table Top and Consumer business areas.
- Price increase compensation was a central activity during the quarter.
- Acquisition of Biopac UK Ltd, which as from February has been consolidated in the Meal Service business area.

KEY FINANCIALS

SEK m	3 months Jan-Mar 2018	3 months Jan-Mar 2017	12 months Apr-Mar 2017/2018	12 months Jan-Dec 2017
Net sales	1,080	1,004	4,517	4,441
Operating income ¹⁾	90	89	492	491
Operating margin ¹⁾	8.4%	8.9%	10.9%	11.1%
Income after financial items	78	78	439	439
Net income	59	58	334	334

¹⁾ For key financials and reconciliation of alternative key financials, see pages 27-28.

CEO'S COMMENTS



"Sales in Q1 2018 amounted to SEK 1,080 m (1,004). Just over 2 percentage points of the increase can be attributed to the acquisition of Sharp Serviettes in New Zealand, which took place in Q2 2017, and of Biopac in UK this year. More than 3 percentage points of the increase is a result of positive currency effects. The underlying organic, currency-adjusted growth was, in other words, around 2% in the quarter, despite fewer sales days.

Operating income was SEK 90 m (89). The income was affected negatively by the record-high pulp prices. The already announced price increases will compensate for these increased costs in primarily Q2. The income for the quarter was affected positively by currency effects.

Pulp prices have continued to rise during the quarter. We follow the development closely and evaluate the ongoing need for further price adjustments.

Net debt at the end of the quarter amounted to SEK 987 m (887). Since Duni's net debt is mainly raised in foreign currency, the consolidated amount is affected by the weak Swedish krona.

The *Table Top* business area reported net sales of SEK 534 m (511) and operating income of SEK 62 m (64). Sales increased in all significant markets, except in the Nordic region. The growth is driven by Duni's premium napkins, which continue to develop positively. The somewhat weaker result is mainly related to the high paper pulp prices. During the quarter, Table Top initiated a marketing concept for napkins to make it easier for the customer to find the right product for their specific occasion.

The *Meal Service* business area increased its sales to SEK 178 m (162) and its operating income to SEK 6 m (2). The relatively high growth is driven by the acquisition of Biopac in the UK and the growth in Duni's ecoecho® environmentally-profiled range. The improvement in result from the previous year is a consequence of higher sales, and was also affected positively by improved procurement terms.

The *Consumer* business area's sales increased to SEK 265 m (247), while its operating income increased to SEK 18 m (16). The period was affected positively by a successful campaign in Germany.

The *New Markets* business area increased its net sales to SEK 81 m (70), while its operating income fell to SEK 4 m (7). The sales increase was mainly related to the acquisitions in New Zealand and Thailand. The business area achieved several market investments and organizational improvements, to ensure continued strong organic growth. These investments explain the lower operating income during the quarter.

Overall, a stable result showing some growth but with strong negative impacts seen in high raw material prices and yet, positive currency effects," says Johan Sundelin, President and CEO, Duni.

NET SALES

1 JANUARY — 31 MARCH

Compared to the same period last year, net sales increased by SEK 76 m to SEK 1,080 m (1,004). Adjusted for exchange rate movements, net sales increased by SEK 44 m or 4.4%. Organic growth in the quarter amounted to 2%, despite fewer sales days than in the previous year. Activities to achieve price compensation for the high pulp prices dominated the quarter within the Table Top and Consumer business areas, and are estimated to have a gradual effect in Q2. Meal Service also worked to mitigate raw material price increases for some eco-conscious materials using some targeted price increases.

Virtually all of Duni's markets in Europe are growing compared to the previous year, with premium napkins and the ecoecho® range, as the primary growth drivers. Demand generally continues to be favorable, and in accordance with the overall economy. Consumer confidence remains historically strong, and has a positive impact on the restaurant sector.

NET SALES, CURRENCY EFFECT

SEK m	3 months Jan-Mar 2018	3 months Jan-Mar 2018 ¹⁾ recalculated	3 months Jan-Mar 2017	Change in fixed exchange rates	12 months Apr-Mar 2017/2018	12 months Jan-Dec 2017
Table Top	534	516	511	1.0%	2,361	2,338
Meal Service	178	174	162	7.1%	720	704
Consumer	265	255	247	3.0%	1,028	1,010
New Markets	81	82	70	17.5%	334	322
Other	22	22	14	57.8%	75	67
Duni	1,080	1,048	1,004	4.4 %	4,517	4,441

¹⁾Reported net sales for 2018 recalculated at 2017 exchange rates.

NET INCOME

1 JANUARY — 31 MARCH

Operating income amounted to SEK 90 m (89), with an operating margin of 8.4% (8.9%). Gross margin amounted to 27.3% (28.4%). Adjusted for translation effects due to exchange rate movements, operating income was SEK 3 m lower than the previous year. The historically high pulp price levels are exerting pressure on gross margins in most business areas. Price increases to compensate for these higher costs have therefore been in focus since the end of last year. Due to the lead time from raw materials to finished goods, Q2 will also be affected by high raw materials costs, but with a mitigating effect from price compensation. Q1 benefited from a weaker Swedish krona, with some positive non-recurring effects on the reappraisal of working capital. However, a weak pound sterling and weak Swiss franc continue to affect the margin negatively in these markets.

Income after financial items amounted to SEK 78 m (78). Income after tax was SEK 59 m (58).

OPERATING INCOME, CURRENCY TRANSLATION EFFECTS

	3 months Jan-Mar 2018	3 months Jan-Mar 2018 ¹⁾ recalculated	3 months Jan-Mar 2017	12 months Apr-Mar 2017/2018	12 months Jan-Dec 2017
SEK m					
Table Top	62	59	64	373	375
Meal Service	6	5	2	35	31
Consumer	18	16	16	58	57
New Markets	4	4	7	21	24
Other	2	2	1	6	5
Duni	90	86	89	492	491

¹⁾Operating income for 2018 recalculated at 2017 exchange rates.

BUSINESS AREAS

Duni's operations are divided into four operating segments, which are referred to by Duni as business areas.

The **Table Top** business area offers Duni's concepts and products primarily to hotels, restaurants and catering, and to companies in the health and care sectors. Table Top mainly markets napkins, table covers and candles for the set table. Duni is a market leader within the premium segment in Europe. The business area accounted for approximately 49% (51%) of Duni's net sales during the period 1 January - 31 March 2018.

The **Meal Service** business area offers concepts for meal packaging and service for e.g. take-away, ready-to-eat meals, and catering of different types. The business area's customers are mainly take-away-driven restaurants, food producers, and enterprises in the health and care sectors. As a niche player, Duni enjoys a leading position within this area in the Nordic region and has a clear growth agenda on identified markets in Europe. The business area accounted for approximately 16% (16%) of Duni's net sales during the period. Biopac UK Ltd is included in the business area as of February 2018.

The **Consumer** business area offers consumer products to primarily the retail trade in Europe. The business area's customers comprise grocery retail chains, but also other channels such as different types of specialty stores, including garden centers, home furnishing stores, and DIY stores. The business area accounted for approximately 25% (25%) of Duni's net sales during the period.

The **New Markets** business area offers Duni's attractive quality product concepts, table top concepts and packaging to markets outside Europe. In addition to customer segments such as hotels, restaurants and catering, the business area also aims its offerings at the retail sector. The business area accounted for approximately 8% (7%) of Duni's net sales during the period. Terinex Siam has been included in the business area since August 2016 and Sharp Serviettes, with the legal trading name of United Corporation Limited, has been included in the business area since May 2017.

These business areas generally have the same product assortment. However, design and packaging solutions are adapted to suit the different sales channels. Production and support functions are to a great extent shared by these business areas. Group management, which is the highest executive and decision-making body in Duni, decides on the allocation of resources within Duni and evaluates the results of the operations. The business areas are managed on the basis of operating income, after shared costs have been allocated between them. For further information, see Note 3.

Other in all tables, are unallocated income and expenses from external sales of tissue and airlaid materials from the Skåpafors factory, as well as external sales of finance and accounting services from the finance function in Poznan.

SPLIT OF NET SALES BETWEEN BUSINESS AREAS

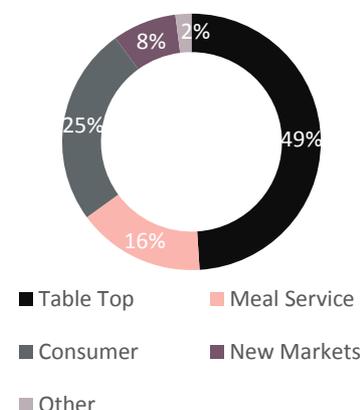




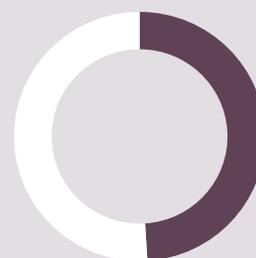
TABLE TOP BUSINESS AREA

Table Top focuses on full-service restaurants, hotels and the catering industry and primarily markets napkins, table covers and candles for the set table.

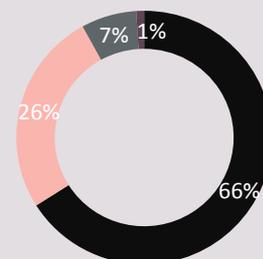
1 JANUARY — 31 MARCH

- Net sales amounted to SEK 534 m (511).
- Operating income was SEK 62 m (64) and the operating margin was 11.5% (12.4%).

SHARE OF DUNI'S NET SALES DURING THE PERIOD, 49%



NET SALES BY PRODUCT GROUP, %



- Napkins
- Tablecoverings
- Candles
- Other



1 JANUARY — 31 MARCH

Net sales amounted to SEK 534 m (511). At fixed exchange rates, this corresponds to an increase in sales of 1.0%. The business area increased somewhat from the previous year, but calculated as sales per day compared to the previous year, the sales increase was higher in virtually all markets except in the Nordic region. Central Europe showed stability and growth from the previous year. As in previous years, premium napkins dominate the increase, but there is also positive development in some elements of the candle range, as well as certain premium table covers. During the quarter, Table Top has packaged the customer offering more clearly. The marketing concept focuses on helping the customer find the right products needed for their specific occasions and celebrations. Duni's ambition is to be close to its customers, as an active part of decisions to create the right atmosphere for each meal, and thereby to highlight the value of the premium segment. Duni has unique solutions for every occasion and commands a strong competitive position, together with the opportunity to offer sustainable products.

Operating income was SEK 62 m (64) and the operating margin was 11.5% (12.4%). The margin was under pressure from the pulp price, which at the end of the quarter reached new, record-high levels, significantly higher than in the previous year. Intensive efforts are being made to achieve price compensation for this increase. As a consequence of satisfactory capacity utilization and the leveraging of somewhat higher volumes, the result is almost on par with the previous year. Cost control is favorable and will continue to be important, in the face of the strong pressures on raw materials prices.

NET SALES, TABLE TOP

	3 months Jan-Mar 2018	3 months Jan-Mar 2018 ¹⁾ recalculated	3 months Jan-Mar 2017	12 months Apr-Mar 2017/2018	12 months Jan-Dec 2017
SEK m					
Nordic region	74	74	77	354	357
Central Europe	366	353	349	1,572	1,555
South & East Europe	94	89	85	433	424
Rest of the world	0	0	0	3	2
Total	534	516	511	2,361	2,338

¹⁾Reported net sales for 2018 recalculated at 2017 exchange rates.



MEAL SERVICE BUSINESS AREA

The Meal Service business area offers concepts for meal packaging and service for take-away, ready-to-eat meals, and catering of different types.

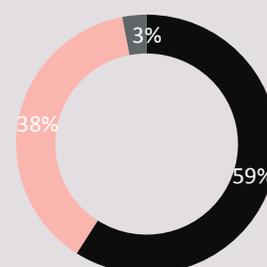
1 JANUARY — 31 MARCH

- Net sales amounted to SEK 178 m (162).
- Operating income was SEK 6 m (2) and the operating margin was 3.2% (0.9%).

SHARE OF DUNI'S NET SALES DURING THE PERIOD, 16%



NET SALES PER PRODUCT GROUP, %



- Packaging solutions
- Serving products
- Other



1 JANUARY – 31 MARCH

Net sales amounted to SEK 178 m (162). At fixed exchange rates, this corresponds to an increase in sales of 7.1%. The acquisition of Biopac UK Ltd took place during the quarter, and Duni has thereby achieved a stronger position in the UK market, which was previously relatively small for Meal Service. The acquisition also increases the portion of sustainable products, which are in high demand in the restaurant and take-away segments. Ecoecho, Duni's environmentally-profiled assortment, continues to win shares of total sales, while plastic cups and glasses of a simpler nature reduced their share during the quarter. Southern Europe and most countries in Central Europe are contributing to growth, while the Nordic region saw negative sales performance during the quarter. It is also hear Duni experiences high competition in volume products, including cups and glasses.

Operating income was SEK 6 m (2) and the operating margin was 3.2% (0.9%). The acquisition of Biopac UK Ltd only made a marginal contribution to net income. Some specific sustainable materials were seen to have an increased raw material price. This was partially because excessive demand for these materials was unable to be met by the market. Duni's intensive efforts to secure the materials required by customers, while avoiding peaks in the relatively high price volatility prevailing in recent years, which increased profitability during the quarter.

NET SALES, MEAL SERVICE

	3 months Jan-Mar 2018	3 months Jan-Mar 2018 ¹⁾ recalculated	3 months Jan-Mar 2017	12 months Apr-Mar 2017/2018	12 months Jan-Dec 2017
SEK m					
Nordic region	69	69	72	306	309
Central Europe	73	71	58	266	251
South & East Europe	36	34	32	147	143
Rest of the world	0	0	0	1	1
Total	178	174	162	720	704

¹⁾Reported net sales for 2018 recalculated at 2017 exchange rates.



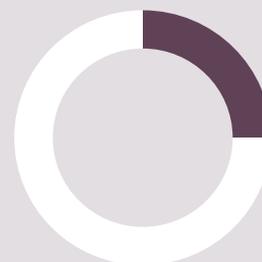
CONSUMER BUSINESS AREA

The Consumer business area offers consumer products, primarily to the grocery retail trade in Europe.

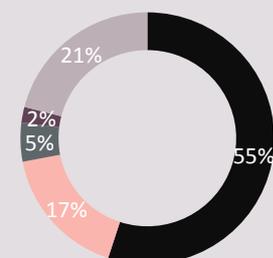
1 JANUARY — 31 MARCH

- Net sales amounted to SEK 265 m (247).
- Operating income was SEK 18 m (16) and the operating margin was 6.6% (6.5%).

SHARE OF DUNI'S NET SALES DURING THE PERIOD, 25%



NET SALES BY PRODUCT GROUP, %



- Napkins
- Tablecoverings
- Serving products
- Candles
- Other



1 JANUARY – 31 MARCH

Net sales amounted to SEK 265 m (247). At fixed exchange rates, this corresponds to a 3.0% increase in sales. Sales developed positively during the quarter, with several successful campaigns, primarily in Germany, where the increase exceeds 10%. Despite a challenging situation in the UK, with a continued weak pound sterling, Consumer increased its share within both table covers and napkins. One challenge faced by the business areas is that there are many local niche competitors, with a clear focus in their respective segments. Duni must therefore be clear about the segment in which the business area is to operate. This prioritization was intensified during the quarter and will give an indication of how the sales organization is to be managed along with which projects should be focused on.

Operating income was SEK 18 m (16) and the operating margin was 6.6% (6.5%). It was difficult to achieve full compensation for high raw materials prices during the quarter, which put the margin under pressure. Duni's strategy going forward is to continue achieving high cost effectiveness by clarifying and reducing the complexity of the range. It is also important to continue to develop designed products and to offer the concept development appreciated by customers.

NET SALES, CONSUMER

	3 months Jan-Mar 2018	3 months Jan-Mar 2018 ¹⁾ recalculated	3 months Jan-Mar 2017	12 months Apr-Mar 2017/2018	12 months Jan-Dec 2017
SEK m					
Nordic region	34	33	36	149	151
Central Europe	198	190	178	747	727
South & East Europe	20	19	18	75	73
Rest of the world	14	13	16	57	59
Total	265	255	247	1,028	1,010

¹⁾Reported net sales for 2018 recalculated at 2017 exchange rates.



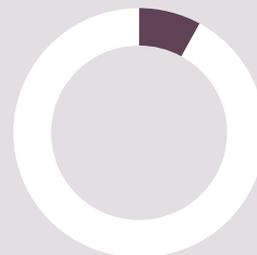
NEW MARKETS BUSINESS AREA

The New Markets business area offers Duni's attractive quality product concepts, table top concepts and packaging to markets outside Europe.

1 JANUARY — 31 MARCH

- Net sales amounted to SEK 81 m (70).
- Operating income was SEK 4 (7) and the operating margin was 4.9% (9.6%).

SHARE OF DUNI'S NET SALES DURING THE PERIOD, 8%



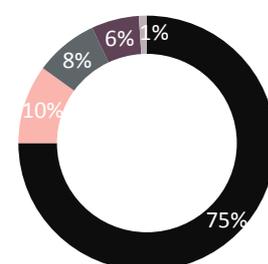


1 JANUARY — 31 MARCH

Net sales amounted to SEK 81 m (70). At fixed exchange rates, this corresponds to a 17.5% increase in sales. Sales targeted at markets outside Europe show considerable volatility. There is greatest focus on Southeast Asia and Oceania, where Duni continues to strengthen its position. The relatively less developed market for Duni's premium products is developing well, and especially hotel chains are showing a great interest in Duni's possibilities to offer products globally.

Operating income was SEK 4 m (7) and the operating margin was 4.9% (9.6%). Net income fell during the quarter, which was mainly related to high indirect costs. In recent years Duni has taken measures besides acquisitions to ensure a high quality of integration, and to develop the markets. The procurement collaboration between New Markets and the other business areas is being developed continuously in order to safeguard the necessary raw materials, and also to guarantee the best price for the best material. The expanded organization has also been prepared for larger volumes.

NET SALES, GEOGRAPHICAL SPLIT, NEW MARKETS



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

CASH FLOW

The Group's cash flow from current operations was SEK -17 m (-39) for the period from 1 January to 31 March. Accounts receivable amounted to SEK 777 m (703), accounts payable to SEK 385 m (326) and inventory was valued at SEK 712 m (622). Working capital developed more positively than in the previous year, and especially inventories have developed more favorably since the end of last year.

Cash flow including investing activities amounted to SEK -67 m (-128). Net investments for the period amounted to SEK 29 m (89). Amortization/depreciation for the period was SEK 46 m (42). An approximately SEK 60 m investment was made in a logistics property in Germany in the first quarter last year.

The Group's net interest-bearing debt as of 31 March 2018 was SEK 987 m, compared with SEK 887 m as of 31 March 2017. The acquisition of Biopac UK Ltd had an impact of SEK 26 m on net debt.

FINANCIAL NET

The financial net for the period 1 January - 31 March was SEK -3 m (-3).

TAXES

The total reported tax expense for the period 1 January - 31 March amounted to SEK 20 m (20), giving an effective tax rate of 25.1% (25.2%). The tax expense for the year includes adjustments and non-recurring effects from the previous year of SEK -0.1 m (-0.1).

EARNINGS PER SHARE

The earnings per share before and after dilution amounted to SEK 1.22 (1.22).

Duni's share

On 31 March 2018, the share capital amounted to SEK 58,748,790 divided into 46,999,032 outstanding ordinary shares. The quotient value of the shares was SEK 1.25 per share.

Shareholders

Duni is listed on NASDAQ Stockholm under the ticker name "DUNI". Duni's three largest shareholders are Mellby Gård Investerings AB (29.99%), Swedbank Robur fonder (8.88%) and Carnegie fonder (8.51%).

PERSONNEL

On 31 March 2018 there were 2,410 (2,304) employees. 1,083 (1,008) of the employees were engaged in production. Duni's production units are located in Bramsche and Wolkenstein in Germany, Poznan in Poland, Bengtsfors in Sweden, Bangkok in Thailand and Auckland in New Zealand.

ACQUISITIONS

On 8 February 2018, Duni acquired 75% of the shares in Kindtoo Ltd, which is marketed under the name of Biopac UK Ltd. Biopac is a leading supplier of sustainable disposable packaging for food and beverages in the UK. Starting in February, the company is consolidated in the Meal Service business area.

Biopac UK Ltd was established in 2002 and has 12 employees. The company specializes in food packaging and service products made from sustainable materials. Based on its capacity to customize food and beverage packaging according to the customer's brand, and with a clear focus on sustainable products, Biopac has won market shares in the UK. Biopac has annual sales of approximately SEK 55 m, with an operating margin well in line with Duni's Meal Service business area.

The purchase price of SEK 23 m was paid in cash in conjunction with the acquisition. The purchase impacted Duni's net debt at the amount of SEK 26 m, which is accommodated within the current loan facility. The acquisition costs affect the net income for the year under "Other operating expenses" and amount to SEK 2.1 m. In accordance with RFR2, the parent company reports these expenses as financial fixed assets.

Duni has an obligation to acquire the remaining 25% of the shares. The minority owners of Kindtoo Ltd have a put option during the period from August 2020 to March 2021, whereby the redemption price is determined by future income. As a result of the option, Duni recognizes the acquisition of the shares in Kindtoo Ltd as if the company had been fully

consolidated, and recognizes a liability equivalent to the discounted expected redemption price of the options. The difference between the liability for the option and the non-controlling interest to which the option is related will be recognized directly against equity. For more information regarding accounting principles, see Note 1.

The fair value of 100% of the net assets amounts to SEK 30 m. Intangible fixed assets primarily comprise customer contracts. The goodwill is attributable to how Duni gains access to an existing distribution model in the capital region and that the acquisition gives Meal Service a footing in the British market. Duni was not previously established here with these types of products. No part of the reported goodwill or intangible fixed assets is expected to be deductible in conjunction with income taxation.

Acquired net assets	TSEK, Fair value
Intangible fixed assets	5,627
Tangible fixed assets	705
Inventory	9,970
Accounts receivable	8,939
Cash	1,774
Deferred income and expenditure	139
Long-term loans	-1,699
Short-term loans	-3,425
Accounts payables	-5,860
Deferred tax liability	-1,049
Tax liabilities	-961
Other current liabilities	-1,061
Other liabilities	-200
Acquired identifiable net assets	19,898
Non-controlling interests	-7,556
Goodwill	17,326
Acquired net assets	22,668

NEW ESTABLISHMENT

No new establishments were carried out during the period.

RISK FACTORS FOR DUNI

A number of risk factors may affect Duni's operations in terms of both operational and financial risks. Operational risks are normally handled by each operating unit and financial risks are managed by the Group's Treasury department, which is included as a unit within the Parent Company.

Operational risks

Duni is exposed to a number of operational risks that are important to manage. The development of attractive product ranges, particularly the Christmas collection, is very important in order for Duni to achieve good sales and income growth. Duni addresses this issue by constantly developing its range. Approximately 25% of the collection is replaced each year in response to and to create new trends. A weaker economy over an extended period of time in Europe might lead to fewer restaurant visits. Reduced market demand and increased price competition may affect volumes and gross margins, among other things through increased discounts and customer bonuses. Fluctuations in prices of raw materials and energy constitute an operational risk which may have a material impact on Duni's operating income.

Financial risks

Duni's financial management and its management of financial risks are regulated by a finance policy adopted by the Board of Directors. The Group divides its financial risks between currency risks, interest rate risks, credit risks, financing risks and liquidity risks. These risks are controlled in an overall risk management policy that focuses on unforeseen events in the financial markets and endeavors to minimize potential adverse effects on the Group's financial results. The risks for the Group are in all essential respects also related to the Parent Company. Duni's management of financial risks is described in greater detail in the Annual Report as of 31 December 2017.

Since the start of the year, Duni's contingent liabilities have increased by SEK 1 m to SEK 41 m (40).

TRANSACTIONS WITH RELATED PARTIES

No significant transactions with related parties took place during the first quarter of 2018.

MAJOR EVENTS DURING THE PERIOD

On 8 February, Duni acquired 75% of the shares in Kindtoo Ltd, which is marketed under the name of Biopac UK Ltd.

MAJOR EVENTS SINCE 31 MARCH

No significant events have occurred since the balance sheet date.

INTERIM REPORTS

Quarter II	13 July 2018
Quarter III	18 October 2018

ANNUAL GENERAL MEETING 2018

The Annual General Meeting of Duni AB will be held in Malmö at 3:00 pm on 8 May 2018 at Akvariet, Dockplatsen 12. For more information, please see Duni's website.

COMPOSITION OF THE NOMINATION COMMITTEE

The Nomination Committee is a shareholder committee responsible for nominating the persons proposed at the Annual General Meeting for election to Duni's Board of Directors. The Nomination Committee presents proposals regarding a Chairman of the Board and other members of the Board of Directors. It also presents proposals regarding Board fees, including the allocation of such fees between the Chairman and other members of the Board of Director, as well as any compensation for committee work.

Duni's Nomination Committee for the 2018 Annual General Meeting comprises four members: Magnus Yngen (Chairman of Duni AB), Rune Andersson (Mellby Gård Investerings AB), Bo Lundgren (Swedbank Robur fonder) and Johan Strömgren (Carnegie fonder).

PARENT COMPANY

Net sales for the period 1 January - 31 March amounted to SEK 264 m (269). Income after financial items amounted to SEK -8 m (-5). The net interest-bearing debt was SEK -735 m (-722), of which a net asset of SEK 1,656 m (1,497) relates to subsidiaries. Net investments amounted to SEK 5 (3) MSEK and amortization amounted to SEK 4 m (4).

ACCOUNTING PRINCIPLES

The interim report for the Group has been prepared in accordance with IAS 34 and the Swedish Annual Reports Act. The parent company's reporting is prepared in accordance with RFR 2, Reporting for Legal Entities, and the Swedish Annual Reports Act. Accounting principles have been applied as reported for the Annual Report at 31 December 2017.

INFORMATION IN THE REPORT

Duni AB (publ) publishes this information in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. The information was provided for publication on 20 April at 07:45 am.

At 10:00 am on Friday, 20 April, the report will be presented at a telephone conference, which can also be followed online. To participate in the telephone conference, call +46 8 566 426 90. To follow the presentation online, please visit this link:

<http://event.onlineseminarsolutions.com/r.htm?e=1654379&s=1&k=DC5E0A47FBA15A9C1D87460CF70B124F>

This report has been prepared in both a Swedish and an English version. In the event of any discrepancy between the two, the Swedish version shall apply. This report has not been the subject of an audit by the Company's auditors.

Malmö, 19 April 2018

Johan Sundelin, President and CEO

For additional information please contact:

Johan Sundelin, President and CEO, +46 40 10 62 00

Mats Lindroth, CFO, +46 40 10 62 00

Helena Haglund, Group Accounting Manager, +46 734 19 63 04

Duni AB (publ)

Box 237

SE-201 22 Malmö

Tel.: +46 40 10 62 00

www.duni.com

Registration number: 556536-7488

CONSOLIDATED INCOME STATEMENTS

SEK m (Note 1)	3 months Jan-Mar 2018	3 months Jan-Mar 2017	12 months Apr-Mar 2017/2018	12 months Jan-Dec 2017
Net sales	1,080	1,004	4,517	4,441
Cost of goods sold	-785	-719	-3,243	-3,177
Gross profit	295	286	1,274	1,264
Selling expenses	-141	-130	-516	-505
Administrative expenses	-64	-61	-264	-261
Research and development expenses	-3	-2	-9	-8
Other operating incomes	8	1	21	12
Other operating expenses	-13	-12	-50	-47
EBIT (Note 5)	81	81	456	456
Financial income	0	0	0	0
Financial expenses	-3	-3	-18	-18
Net financial items	-3	-3	-17	-17
Income after financial items	78	78	439	439
Income tax	-20	-20	-105	-106
Net income	59	58	334	334
Net income attributable to:				
- Equity holders of the Parent Company	57	57	329	329
- Non-controlling interests	1	1	5	5
Earnings per share attributable to equity holders of the Parent Company:				
Before and after dilution (SEK)	1.22	1.22	6.99	6.99
Average number of shares before and after dilution ('000)	46,999	46,999	46,999	46,999

STATEMENT OF COMPREHENSIVE INCOME

SEK m (Note 1)	3 months Jan-Mar 2018	3 months Jan-Mar 2017	12 months Apr-Mar 2017/2018	12 months Jan-Dec 2017
Net income	59	58	334	334
Other comprehensive incomes:				
<i>Items that will not be reclassified to profit or loss:</i>				
Actuarial loss on post-employment benefit obligations*	5	-1	10	4
Total	5	-1	10	4
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange rate differences - translation of subsidiaries	22	9	16	3
Cash flow hedge	0	1	1	2
Total	23	10	18	5
Other comprehensive income for the period, net after tax:	28	10	28	10
Sum of comprehensive income for the period	86	68	362	343
- Of which non-controlling interests	6	3	8	5

*Post-employment benefit obligations are recalculated each quarter since interest rates vary depending on market circumstances; a lower rate of interest gives rise to a higher cost in comprehensive income and a higher pension debt, while a higher rate of interest gives rise to a lower cost in comprehensive income and a lower pension debt than in the preceding quarter.

CONSOLIDATED QUARTERLY INCOME STATEMENTS IN BRIEF

SEK m	2018			2017			2016		
	Jan-Mar	Oct-Dec	Jul-Sept	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sept	Apr-Jun	
Quarter									
Net sales	1,080	1,254	1,082	1,101	1,004	1,234	1,064	1,013	
Cost of goods sold	-785	-881	-778	-800	-719	-874	-751	-728	
Gross profit	295	373	304	302	286	360	313	285	
Selling expenses	-141	-129	-118	-128	-130	-129	-112	-115	
Administrative expenses	-64	-72	-61	-66	-61	-67	-60	-61	
Research and development expenses	-3	-2	-2	-2	-2	-2	-2	-2	
Other operating income	8	3	2	9	1	1	1	4	
Other operating expenses	-13	-13	-12	-13	-12	-10	-11	-10	
EBIT	81	159	114	102	81	153	130	101	
Financial income	0	0	0	0	0	0	0	0	
Financial expenses	-3	-5	-6	-4	-3	-5	-4	-8	
Net financial items	-3	-5	-6	-4	-3	-5	-4	-7	
Income after financial items	78	155	108	98	78	148	126	94	
Income tax	-20	-33	-27	-25	-20	-34	-32	-21	
Net income	59	121	80	73	58	113	94	72	
Net income attributable to:									
- Equity holders of the Parent Company	57	120	79	72	57	112	93	72	
- Non-controlling interests	1	2	1	1	1	2	0	-	

CONSOLIDATED BALANCE SHEET IN BRIEF

SEK m	31 March 2018	31 December 2017	31 March 2017
ASSETS			
Goodwill	1,654	1,617	1,580
Other intangible fixed assets	303	294	295
Tangible fixed assets	1,106	1,080	1,013
Financial fixed assets	53	51	56
Total fixed assets	3,117	3,042	2,943
Inventory	712	627	622
Accounts receivable	777	798	703
Other operating receivables	156	139	115
Cash and cash equivalents	128	227	128
Total current assets	1,775	1,791	1,569
TOTAL ASSETS	4,891	4,833	4,512
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity	2,681	2,594	2,554
Long-term loans	678	653	752
Other long-term liabilities	403	388	396
Total long-term liabilities	1,081	1,041	1,149
Accounts payable	385	428	326
Short-term loans	201	197	-
Other short-term liabilities	543	573	484
Total short-term liabilities	1,129	1,197	809
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	4,891	4,833	4,512

CHANGE IN THE GROUP'S SHAREHOLDERS' EQUITY

SEK m	Attributable to equity holders of the Parent Company						Non-controlling interests	TOTAL EQUITY
	Share capital	Other injected capital	Reserves	Cash flow reserve	Fair value reserve ¹⁾	Profit carried forward incl. net income for the period		
Opening balance								
1 January 2017	59	1,681	53	-7	13	606	80	2,486
Sum of comprehensive income for the period	-	-	8	1	-	56	3	68
Closing balance								
31 March 2017	59	1,681	61	-6	13	663	83	2,554
Sum of comprehensive income for the period	-	-	-4	1	-	277	2	276
Non-controlling interest arising upon acquisition of subsidiaries	-	-	-	-	-	-	0	0
Dividend paid to shareholders	-	-	-	-	-	-235	-	-235
Closing balance								
31 December 2017	59	1,681	57	-5	13	704	85	2,594
Sum of comprehensive income for the period	-	-	17	0	-	63	6	86
Non-controlling interest arising upon acquisition of subsidiaries	-	-	-	-	-	-	0	0
Closing balance								
31 March 2018	59	1,681	74	-5	13	767	91	2,681

¹⁾Fair value reserve means a reappraisal of land in accordance with earlier accounting principles. The reappraised value is adopted as the acquisition value in accordance with the transition rules in IFRS 1.

CONSOLIDATED CASH FLOW STATEMENT

SEK m	3 months Jan-Mar 2018	3 months Jan-Mar 2017
Current operation		
Reported operating income	81	81
Adjusted for items not included in cash flow etc.	41	30
Paid interest and tax	-27	-28
Change in working capital	-112	-122
Cash flow from operations	-17	-39
Investments		
Acquisitions of fixed assets continuing operations	-29	-89
Sales of fixed assets	0	0
Acquisition of subsidiaries	-21	0
Cash flow from investments	-50	-89
Financing		
Taken up loans ¹⁾	-	77
Amortization of debt ¹⁾	-	-
Dividend paid to shareholders	-	-
Change in borrowing	-34	-9
Cash flow from financing	-34	68
Cash flow from the period	-101	-61
Liquid funds, operating balance	227	186
Exchange difference, cash and cash equivalents	3	4
Cash and cash equivalents, closing balance	128	128

¹⁾Loans and amortizations within the adopted credit facility are reported gross for durations exceeding 3 months, in accordance with IAS 7.

KEY RATIOS IN BRIEF

	3 months Jan-Mar 2018	3 months Jan-Mar 2017
Net sales, SEK m	1,080	1,004
Gross profit, SEK m	295	285
Operating income, SEK m	90	89
Operating EBITDA, SEK m	127	123
EBIT	81	81
EBITDA, SEK m	127	123
Interest-bearing net debt	987	887
Number of employees	2,410	2,304
Sales growth	7.6%	4.7%
Gross margin	27.3%	28.4%
Operating margin	8.4%	8.9 %
Operating EBITDA margin	11.8 %	12.2 %
EBIT margin	7.5%	8.1 %
EBITDA margin	11.7%	12.3%
Return on capital employed ¹⁾	13.6%	14.9%
Net debt/equity ratio	36.8%	34.7%
Net debt/EBITDA ¹⁾	1.56	1.39

¹⁾Calculated on the basis of the last twelve months and operating income.

PARENT COMPANY INCOME STATEMENTS IN BRIEF

SEK m	3 months Jan-Mar 2018	3 months Jan-Mar 2017
(Note 1)		
Net sales	264	269
Cost of goods sold	-249	-249
Gross profit	15	20
Selling expenses	-34	-33
Administrative expenses	-39	-38
Research and development expenses	-2	-1
Other operating income	62	58
Other operating expenses	-13	-12
EBIT	-11	-6
Revenue from participation in Group companies	0	0
Financial income	6	5
Financial expenses	-3	-5
Net financial items	3	0
Income after financial items	-8	-5
Income tax	1	1
Net income	-7	-4

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK m	3 months Jan-Mar 2018	3 months Jan-Mar 2017
Net income	-7	-4
Other comprehensive income¹⁾:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange rate differences - translation of subsidiaries	-	0
Cash flow hedge	0	1
Total	0	1
Other comprehensive income for the period, net after tax:	0	1
Sum of comprehensive income for the period	-6	-4
Sum of comprehensive income for the period attributable to:		
Equity holders of the Parent Company	-6	-4

¹⁾The Parent company does not have any items that will "not be reclassified to profit or loss".

PARENT COMPANY BALANCE SHEET IN BRIEF

SEK m	31 March 2018	31 December 2017	31 March 2017
ASSETS			
Goodwill	0	0	0
Other intangible fixed assets	40	40	35
Total intangible fixed assets	40	40	35
Tangible fixed assets	25	25	24
Financial fixed assets	2,656	2,575	2,435
Total fixed assets	2,722	2,640	2,495
Inventory	107	98	98
Accounts receivable	107	112	106
Other operating receivables	222	205	204
Cash and bank	46	157	58
Total current assets	482	572	466
TOTAL ASSETS	3,204	3,211	2,961
SHAREHOLDERS' EQUITY AND LIABILITIES			
Total restricted shareholders' equity	83	83	83
Total unrestricted shareholders' equity	1,704	1,710	1,657
Shareholders' equity	1,787	1,794	1,740
Provisions	108	109	99
Long-term loans	674	637	734
Other long-term liabilities	5	5	7
Total long-term liabilities	680	642	741
Accounts payable	61	60	56
Short-term loans	197	197	-
Other short-term liabilities	372	409	324
Total short-term liabilities	629	667	380
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	3,204	3,211	2,961

GLOSSARY

Airlaid: A material known for its wetness allocation, absorption capability and softness. The process is based on using air to divide the fibers in the material, instead of water as in traditional tissue production. Airlaid is used for table covers, placemats and napkins.

Bagasse: Bagasse is a waste product from cane sugar processing after the sugar has been extracted. The material is 100% biologically degradable. Bagasse is used primarily in Duni's meal packaging solutions and serving products such as plates, bowls and take-away boxes.

Converting: The production phase in which tissue and airlaid in large rolls are cut, pressed, embossed and folded into finished napkins and table covers.

Currency adjusted/currency impact translation effects: Figures adjusted for changes in exchange rates related to consolidation. Figures for 2018 are calculated at exchange rates for 2017. Effects of translation of balance sheet items are not included.

Designs for Duni®: A unique concept whereby Duni develops specially design products in collaboration with well-known designers.

Ecoecho®: Ecoecho is a range for serving and meal solutions products with sound environmental characteristics. This range uses the best available materials with the aim of limiting the use of non-renewable resources, thereby reducing our carbon footprint. The products have been developed with the environment in mind and have been selected on the grounds that they possess one or more environmentally improved characteristics.

Goodfoodmood®: Duni's brand platform to create a convivial atmosphere and positive mood on all occasions when food and beverages are prepared and served – a Goodfoodmood.

Organic growth: Sales growth adjusted for currencies and acquisitions. Acquired companies are included in organic growth when they have been a part of the Duni Group for eight quarters.

Our Blue Mission: Duni's Corporate Social Responsibility (CSR) work is governed by the Our Blue Mission program. It describes how Duni shall exercise social responsibility within a number of areas such as the environment, product safety, social responsibility, social rights and business ethics.

Private label: Products marketed under the customer's own label.

Source reference: HoReCa statistics refer to the European Commission website, Key Indicators for the Euro Area. DEHOGA refers to HoReCa statistics for Germany on DEHOGA Zahlenspiegel.

DEFINITIONS OF KEY FINANCIALS

Duni uses financial measures that in some cases are not defined by IFRS, but are alternative key financials. The purpose is to give the reader further information which contributes to a better and more specific comparison of the company's development from year to year. One alternative key financial used by Duni is Operating income. Duni manages its activities and measures its business areas on this basis. Duni defines its key financials as below:

Capital employed: Non-interest bearing fixed assets and current assets, excluding deferred tax assets, less non-interest bearing liabilities.

Cost of goods sold: Cost of goods sold including production and logistic costs.

Earnings per share: Net income divided by the average number of shares.

EBIT: Reported operating income.

EBIT margin: EBIT as a percentage of net sales.

EBITA: Operating income before amortization of intangible assets.

EBITDA: Operating income before depreciation and impairment of fixed assets.

EBITDA margin: EBITDA as a percentage of net sales.

Gross margin: Gross profit as a percentage of net sales.

Net Interest-bearing debt: Interest-bearing liabilities and pensions less cash and cash equivalents and interest-bearing receivables.

Number of employees: The number of active full-time employees at end of period.

Operating income: EBIT adjusted for restructuring costs, fair value allocations and amortization of intangible assets identified in connection with business acquisitions.

Operating margin: Operating income as a percentage of sales.

Return on capital employed: Operating income as a percentage of capital employed.

Return on shareholders' equity: Net income as a percentage of shareholders' equity.

RECONCILIATION BETWEEN OPERATING INCOME AND EBIT

SEK m	3 months Jan-Mar 2018	3 months Jan-Mar 2017	12 months Apr-Mar 2017/2018	12 months Jan-Dec 2017
Operating income	90	89	492	491
Restructuring costs	-	0	0	0
Amortization of intangible assets identified in connection with business acquisitions	-9	-8	-34	-34
Fair value allocation in connection with acquisitions	-1	-	-1	-1
EBIT	81	81	456	456

RECONCILIATION BETWEEN OPERATING EBITDA, EBITDA AND OPERATING INCOME

SEK m	3 months Jan-Mar 2018	3 months Jan-Mar 2017	12 months Apr-Mar 2017/2018	12 months Jan-Dec 2017
Operating EBITDA	127	123	635	630
Restructuring costs	-	0	0	0
Fair value allocation in connection with acquisitions	-1	-	-1	-1
EBITDA	127	123	633	629
Amortization of intangible assets identified in connection with business acquisitions	-9	-8	-34	-34
Amortization included in operating income	-37	-34	-142	-139
EBIT	81	81	456	456

NOTES

NOTE 1 • ACCOUNTING AND VALUATION PRINCIPLES

Since January 1, 2005, Duni applies International Financial Reporting Standards (IFRS) as adopted by the European Union.

This interim report has been prepared in accordance with IAS 34, Interim Reporting. The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and with the related reference to Chapter 9 of the Annual Accounts Act. The parent company's financial statements are prepared in accordance with RFR 2, Reporting for Legal Entities, and the Annual Accounts Act. The accounting principles are the same as in the Annual Report for 31 December 2017.

Duni reports non-controlling interests in an acquired company either at fair value or at the holding's proportionate share of the identifiable net assets of the acquired company. This choice of principle is made for each individual business acquisition. In respect of non-controlling interests in Biopac UK Ltd, Duni has chosen to report non-controlling interests at fair value.

IFRS 16, Leases has not yet been adopted by the EU, but is expected to be applicable to financial years beginning on or after 1 January 2019. Duni does not plan for early application of IFRS 16. Work to evaluate the consequences of these standards has been initiated. Duni's financial reports and key financials will be affected, but it is too early to estimate specific amounts. For more information, see Note 2 of the Annual Report as at 31 December 2017.

In accordance with IFRS 15, income from agreements with customers must be divided into different categories. Duni has identified the different business areas as four different category types. Within these, sales by region and by product group are specified below, in order to reflect the nature of Duni's sales. Duni's goods and services are transferred at the same time, and income is received in the same month as the goods are delivered to the customer or the service is performed.

Segment	Table Top	Meal Service	Consumer	New Markets	Other	Duni
<i>Primary geographic regions</i>						
Nordic region	74	69	34	-	3	179
Central Europe	366	73	198	0	12	650
Southern & Eastern Europe	94	36	20	6	4	159
Rest of the world	0	0	14	75	3	90
Total	534	178	265	81	22	1,080
<i>Product groups</i>						
Napkins	352	-	147	49	-	548
Table covers	137	-	44	4	-	185
Candles	40	-	4	2	-	45
Packaging solutions	-	105	-	1	-	106
Serving products	-	67	14	21	-	102
Other	6	6	56	4	22	93
Total	534	178	265	81	22	1,080
<i>Time of income recognition</i>						
Goods/services transferred at one time	534	178	265	81	22	1,080
Goods/services transferred over time	-	-	-	-	-	0
Total	534	178	265	81	22	1,080

NOTE 2 • FINANCIAL ASSETS AND LIABILITIES

Duni has derivative instruments valued at fair value and held for hedging purposes classified on level 2. Level 2 derivative instruments consist of currency forward contracts and interest rate swaps, which are used for hedging purposes. Valuation of currency forward contracts at fair value is based on published futures prices on an active market. The valuation of interest rate swaps is based on futures interest rates produced based on observable yield curves. The discounting has no material impact on the valuation of derivative instruments on level 2. The put option issued to the minority owners of Sharp Serviettes and Biopac UK Ltd at the time of acquisition is classified on level 3 and its valuation is largely based on unobservable market data such as the discount rate and future cash flows. No financial assets or liabilities have been moved between the valuation categories. The valuation techniques are unchanged during the year. As described in greater detail in the Annual Report for 31 December 2017, the financial assets and liabilities comprise items with short terms to maturity. Thus, the fair value is considered in all essential respects to correspond to the book value.

NOTE 3 • SEGMENT REPORTING, SEK M

3 months 2018-01-01 — 2018-03-31	Table Top	Meal Service	Consumer	New Markets	Other	Duni
Total net sales	534	178	268	81	22	1,083
Net sales from other segments	0	0	3	-	-	3
Net sales from external customers	534	178	265	81	22	1,080
Operating income						90
EBIT						81
Net financial items						-3
Income after financial items						78

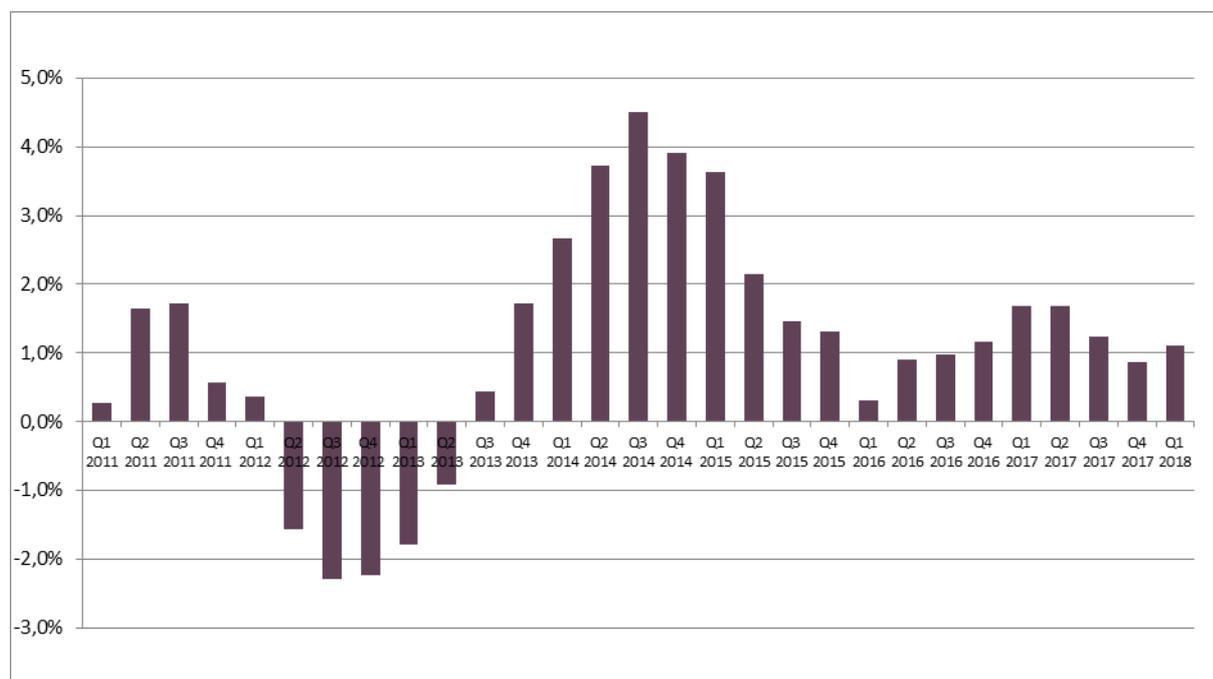
Assets in Biopac UK Ltd are allocated to the Meal Service business area.

3 months 2017-01-01 — 2017-03-31	Table Top	Meal Service	Consumer	New Markets	Other	Duni
Total net sales	511	163	257	70	14	1,015
Net sales from other segments	0	1	10	-	-	11
Net sales from external customers	511	162	247	70	14	1,004
Operating income	64	2	16	7	1	89
EBIT						81
Net financial items						-3
Income after financial items						78

Quarterly overview of net sales and operating income by segment:

Net sales	2018	2017			2016			
	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun
SEK m								
Table Top	534	641	581	605	511	645	579	566
Meal Service	178	179	170	194	162	171	167	180
Consumer	265	317	235	211	247	331	247	213
New Markets	81	96	78	78	70	73	59	42
Other	22	21	18	14	14	14	12	13
Duni	1,080	1,254	1,082	1,101	1,004	1,234	1,064	1,013
Operating income								
SEK m	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun
Table Top	62	121	96	95	64	125	97	87
Meal Service	6	7	7	15	2	6	13	19
Consumer	18	32	14	-6	16	28	18	-1
New Markets	4	7	5	5	7	10	7	2
Other	2	2	1	1	1	1	1	1
Duni	90	169	123	110	89	171	136	108

NOTE 4 • ORGANIC SALES DEVELOPMENT, CURRENCY ADJUSTED, LTM



NOTE 5 • REPORTING OF RESTRUCTURING COSTS

Presented below is a specification of the lines on which restructuring costs are reported in the income statement.

Restructuring costs	3 months Jan-Mar 2018	3 months Jan-Mar 2017	12 months Apr-Mar 2017/2018	12 months Jan-Dec 2017
SEK m				
Cost of goods sold	-	0	-1	-1
Selling expenses	-	0	-4	-4
Administrative expenses	-	-	-3	-3
Other operating expenses/income	-	-	7	7
Total	0	0	0	0



THIS IS DUNI

Duni is one of Europe's leading suppliers of high-quality napkins, table covers, candles and other products for the set table. Duni also offers packaging and packaging systems for the growing market for ready meals and take-away. All concepts are aimed at creating Goodfoodmood® in environments where people get together to enjoy food and drink.



DUNI's presence



The products are sold in more than 40 markets and Duni is the market leader in Central and Northern Europe. The Group has approximately 2,400 employees in 23 countries. The headquarters are located in Malmö, Sweden, and production units are located in Sweden, Germany, Poland, New Zealand and Thailand. We have sales offices in Finland, France, the Netherlands, Poland, Russia, Switzerland, Singapore, Spain, the UK, Sweden, the Czech Republic, Germany, the USA and Austria.

In 2017, Duni produced:

- 2.9 billion m² of raw materials for the production of napkins and table covers
- 12.9 billion napkins
- 168.1 million running meters of table covers

12 months
Apr-Mar 2017/2018

SEK 4,517 m

FOUR BUSINESS AREAS

Table Top focuses on full-service restaurants, hotels and the catering industry and primarily markets napkins, table covers and candles for the set table.

Meal Service creates attractive meal packaging and serving products for fast food, catering, cafés and take-away.

Consumer offers consumer products for the retail sector, as well as various types of specialty stores in Europe.

New Markets offers Duni's table setting and packaging concepts to hotels, restaurants, the catering industry and retail trade in markets outside Europe.