A photograph of two women standing on a balcony of a dark wooden chalet with a white-painted roof. The woman on the left is wearing a white knit sweater and holding a red cup. The woman on the right is wearing a colorful patterned sweater and a fur hat, also holding a red cup. They are both looking upwards and smiling. The background shows a blue sky with white clouds and a snow-covered evergreen tree on the right.

12 February 2016

Q4 Presentation 2015



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2015 Q4 Highlights

- Modest organic growth with exception of Meal Service which accelerated its growth rate in Q4.
- Majority of the markets in Business Area Table Top with growth, but Germany behind last year.
- Gross margins strengthened partly due to mix effects, but also from stable input prices.
- Strong cash-flow with reduced net debt.
- Dividend suggested to increase to 5.00 SEK/share.

- Net sales SEK 1 170 m (1 134)
- Operating income SEK 171 m (164)
- Operating margin 14.6% (14.5%)



11 consecutive quarters with increased operating income (LTM)



Includes discontinued operations



Market Outlook



Market Outlook

- HoReCa market long-term growing in line or slightly above GDP.
 - Higher growth in take-away, catering and fast food restaurants compared to traditional full service restaurants.
 - Minor growth of 1% (real) for restaurant sector in Germany, but slightly higher for hotel sector. Improved situation in South Europe.
- Stable development in real GDP, but still on relatively low growth levels.
 - Consumer confidence and economic sentiment dropped in January 2016 after developing positively in 2015.
 - GDP growth at constant rate ~1.5% weighted for Duni markets with similar trend on private consumption. Comparable levels to be expected in 2016.
 - Inflation close to zero in Euro area with firm price pressure.
- Despite low inflation and relatively low commodity prices measured in USD, the strength of USD eliminated most effects in EUR.
- Increasing competition in mid- and high end segment.

Business Areas





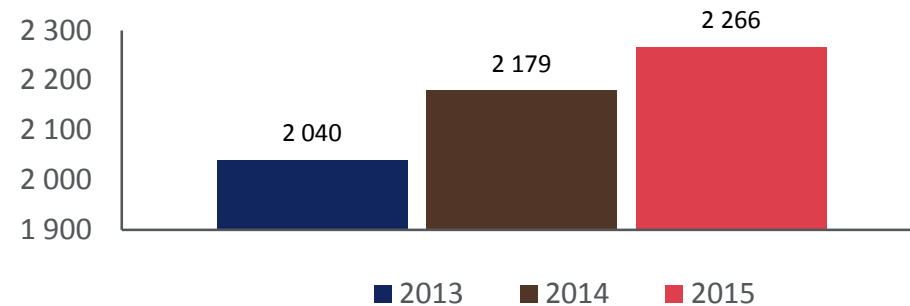
Table Top

Growth in the majority of the markets, but Germany still behind.

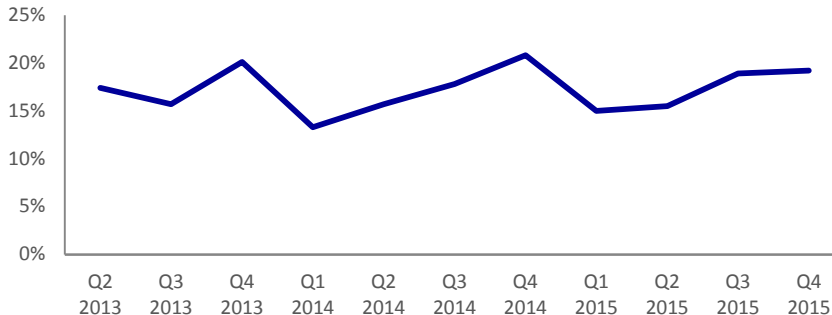
Table Top

SALES & OPERATING MARGIN ¹⁾

NET SALES, SEK m



OPERATING MARGIN, %



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

Q4, 2015

- UK & Benelux with healthy growth levels, but Germany and Norway falling behind.
- Table cover segment in Germany main explanation for decrease in Germany. Premium Napkins with positive development.
- Switzerland burdened by weak demand in 2015, but quarter 4 improved from previous quarters.
- Italy & Spain continue to grow.
- Currency still supported growth, but to a lower extent than Q1-Q3.
- Pulp prices somewhat down.
- Improvements in production enables positive development on gross margin.



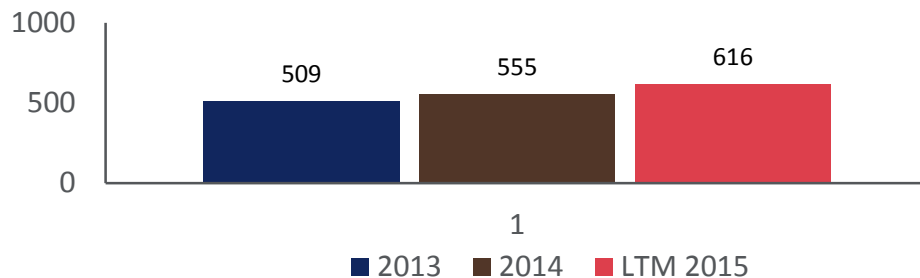
Meal Service

Accelerated growth in the fourth quarter.

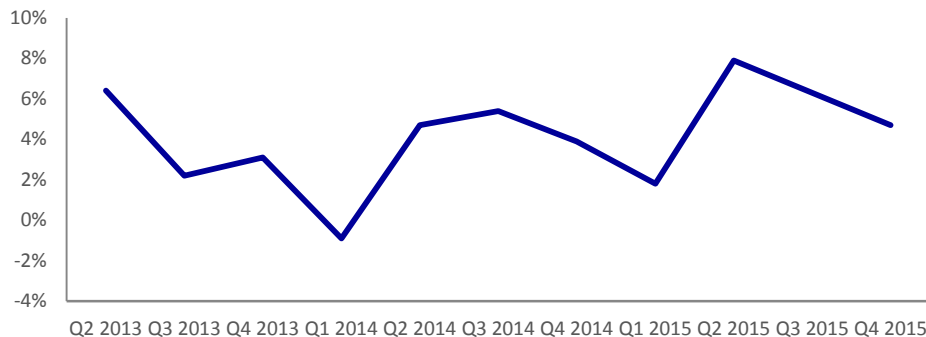
Meal Service

SALES & OPERATING MARGIN ¹⁾

NET SALES, SEK m



OPERATING MARGIN, %



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

Q4, 2015

- Growth above 10%, in most markets.
- Contrary to Table Top, Meal Service is growing significantly in Germany.
- With exception for Norway, Nordic Region is growing in spite of fierce competition.
- Customized solutions still on low levels, but with higher growth rate than average for the Business Area.
- Profitability increased partly as a result of positive mix effects and partly due to improved sourcing solutions.



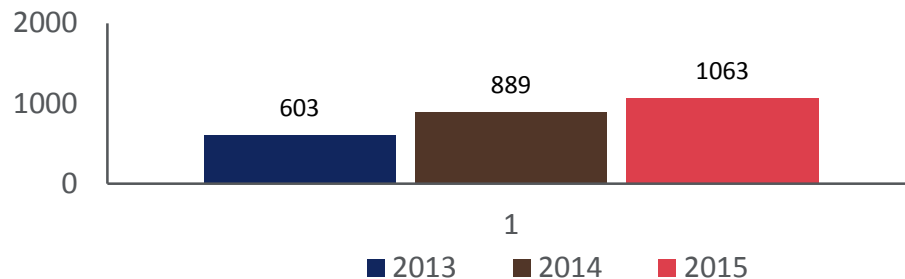
Consumer

Modest growth, but with improved profitability.

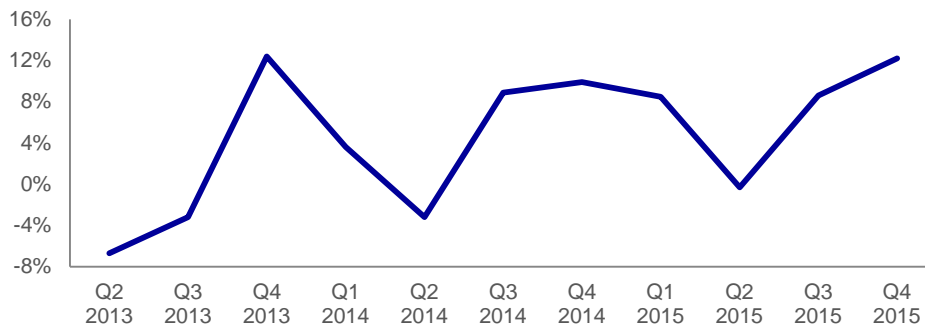
Consumer

SALES & OPERATING MARGIN ¹⁾

NET SALES, SEK m



OPERATING MARGIN, %



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

Q4, 2015

- Germany unchanged compared to previous year despite weak Christmas season.
- With the exception of Finland, Nordic experienced a weak quarter as a result from lost contracts.
- Profitability increased as a result of strong cost control and savings in production.

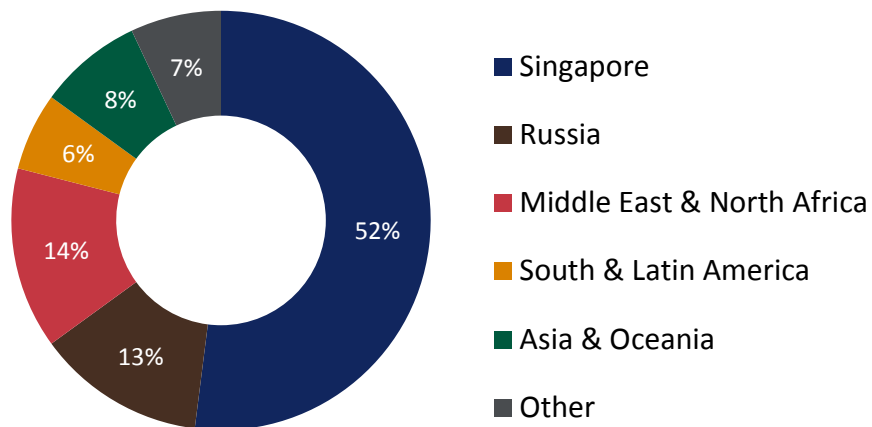


New Markets

Positive development even though Russia remains challenging.

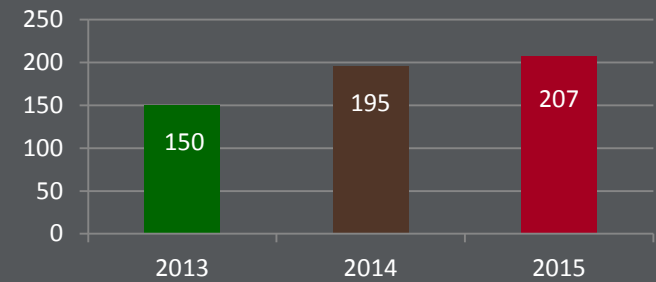
New Markets

- Operating margin strengthened due to less negative effects from weakening Russian Ruble seen in Q4 2014.
- Russian Ruble continues to deteriorate and now on record weak levels.
- Asia and Middle East continue to grow.



Net sales, geographical split

SALES & OPERATING MARGIN ¹⁾



OPERATING MARGIN, %



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





Materials & Services

- Hygiene is no longer included in Materials & Services, but reported as discontinued operations below net profit.
- Remaining businesses are mainly external sales of tissue and airlaid plus some external services.



Financials

Operating margin FY 2015 12.6%

SEK m Continuing operations	Q4 2015	Q4 2014	FY 2015	FY 2014
Net sales	1 170	1 134	4 200	3 870
Gross profit	358	353	1 241	1 134
Gross margin	30,6%	31,1%	29,6%	29,3%
Selling expenses	-123	-122	-476	-456
Administrative expenses	-64	-57	-240	-211
R & D expenses	-3	-2	-10	-11
Other operating net	-15	-15	-24	-23
EBIT	154	157	490	433
Adjustments	-17	-8	-28	-18
Operating income ¹⁾	171	164	528	452
Operating margin	14.6%	14.5%	12.6%	11.7%
Financial net	-9	-10	-31	-19
Taxes	-35	-42	-113	-113
Net income	109	105	346	302
Earnings per share	2.32	2.23	7.37	6.42

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



Strong improvements in New Markets

SEK m		Q4 2015	Q4 2014	FY 2015	FY 2014
Table Top	Net Sales	612	604	2 266	2 179
	Operating income ¹⁾	118	126	392	373
	Operating margin	19.2%	20.8%	17.3%	17.1%
Meal Service	Net Sales	162	144	616	555
	Operating income ¹⁾	8	6	33	19
	Operating margin	4.7%	3.9%	5.3%	3.5%
Consumer	Net Sales	330	322	1 063	889
	Operating income ¹⁾	40	32	84	54
	Operating margin	12.2%	9.9%	7.9%	6.1%
New Markets	Net Sales	52	54	207	195
	Operating income ¹⁾	4	0	15	1
	Operating margin	8.0%	0.7%	7.4%	0.8%
Materials & Services	Net Sales	14	10	48	52
	Operating income ¹⁾	1	1	4	4
	Operating margin	6.8%	6.0%	8.2%	8.2%
Continuing operations	Net Sales	1 170	1 134	4 200	3 870
	Operating income ¹⁾	171	164	528	452
	Operating margin	14.6%	14.5%	12.6%	11.7%
Discontinued operations	Net Sales	0	77	83	379
	Operating income ¹⁾	0	5	5	23
	Operating margin	0.0%	6.5%	6.0%	6.0%
Duni Total	Net Sales	1 170	1 211	4 283	4 249
	Operating income ¹⁾	171	169	533	475
	Operating margin	14.6%	14.0%	12.4%	11.2%

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

Solid Cash Flow performance

SEK m Continuing operations	Q4 2015	Q4 2014	FY 2015	FY 2014
EBITDA from continuing operations ¹⁾	205	197	656	572
Capital expenditure	-56	-35	-161	-87
Change in; Inventory	60	68	-23	-17
Accounts receivable	42	20	18	-12
Accounts payable	54	6	51	-16
Other operating working capital	-44	-17	-23	32
Change in working capital	111	76	23	-12
Operating cash flow	259	239	518	472

Cash flow for continuing operations.

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

Ratios on par with historically strongest levels

SEK m	December 2015	December 2014
Goodwill	1 455	1 463
Tangible and intangible fixed assets	1 132	1 163
Net financial assets ¹⁾	-72	-1
Inventories	500	503
Accounts receivable	660	743
Accounts payable	-352	-341
Other operating assets and liabilities ³⁾	-394	-448
Net assets	2 929	3 081
Net debt	584	888
Equity	2 345	2 193
Equity and net debt	2 929	3 081
ROCE ²⁾	19%	15%
ROCE ²⁾ w/o Goodwill	38%	31%
Net debt / Equity	25%	41%
Net debt / EBITDA ²⁾	0.89	1.55

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

2) Operating income adjusted for fair value allocations and amortization of intangible assets identified in connection with business acquisitions and for restructuring costs and market valuation of derivatives. Calculated based on the last twelve months, continuing operations.

3) Including restructuring provision and derivatives.

Sales growth

> 5%

Organic growth of 5% over a business cycle

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

2015

1.3%

at fixed exchange rates,
excluding hygiene business¹⁾

Operating margin

> 10%

Top line growth – premium focus

Improvements in manufacturing, sourcing and logistics

2015

12.6%

Dividend payout ratio

40+%

Target at least 40% of net profit

2015

5.00 SEK
per share

(proposal)





Thank you!