INTERIM REPORT FOR DUNI AB (PUBL) JANUARY 1 – JUNE 30, 2020

(compared to the same period previous year)

July 15, 2020

Substantial initial volume decrease followed by gradual recovery

April 1–June 30

- Net sales amounted to SEK 820 m (1,348), corresponding to a 39.2% decrease in sales. Adjusted for exchange rate movements, net sales decreased by 39.1%.
- Earnings per share after dilution amounted to SEK -1.84 (1.41).
- The volume decrease due to major restrictions and shutdowns in the hotel and restaurant sector in relation to Covid-19 is the main reason for lower income.
- Sales recovered gradually from a 54% decrease in April to an 18% decrease in June.
- Operating income gradually improved in the quarter, reaching break-even in June.
- A powerful cost-cutting program aligned with the volume decrease has an alleviating effect.

January 1–June 30

- Net sales amounted to SEK 2,069 m (2,612), corresponding to a 20.8% decrease in sales. Adjusted for exchange rate movements, net sales decreased by 21.2%.
- Earnings per share after dilution amounted to SEK -1.41 (2.49).
- A strong start to the year was reversed for the Duni segment when the Covid-19 restrictions were imposed in March. The BioPak segment's income was stable.
- The AGM on May 12 resolved that no dividends would be paid and that the amount at the disposal of the AGM would be carried forward.
- New segment reporting as of January 1: two segments, Duni and BioPak, instead of the previous four business areas.

KEY FINANCIALS

SEK m	3 months Apr-Jun 2020	3 months Apr-Jun 2019	6 months Jan-Jun 2020	6 months Jan-Jun 2019	12 months Jul-Jun 2019/2020	12 months Jan-Dec 2019
Net sales	820	1,348	2,069	2,612	5,004	5,547
Organic growth	-40.1%	-2.1%	-22.6%	-0.9%	-11.9%	-0.5%
Organic pro forma growth [1)]	-39.4%	1.0%	-22.1%	2.1%	-9.6%	2.4%
Operating income [2)]	-92	111	-12	203	317	533
Operating margin [2)]	-11.2%	8.2%	-0.6%	7.8%	6.3%	9.6%
Income after financial items	-120	86	-91	152	133	377
Income after tax	-87	67	-65	119	89	273

[1)] Currency-adjusted growth including acquisitions, which are compared with the previous year's pro forma figures.

[2)] For key financials, definitions and reconciliation of alternative key financials, see pages 25-26.

Duni Group is a leading supplier of attractive and functional products for table setting and takeaway. The Duni brand name is sold in more than 40 markets and enjoys a number one position in Central and Northern Europe. Duni Group has around 2,400 employees in 24 countries, its headquarters in Malmö and production units in Sweden, Germany, Poland, New Zealand and Thailand. Duni Group is listed on the NASDAQ Stockholm under the ticker name "DUNI". Its ISIN code is SE0000616716. This information is information that Duni AB is obligated to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07:45 am CET on July 15, 2020.


Covid-19 restrictions significantly decreased activity in the restaurant and hotel sector. This caused our sales to decrease by 39%, resulting in a loss for the quarter. As restrictions were eased and the impact of our cost-cutting program kicked in, we saw a gradual improvement in the quarter.

Covid-19 impact on the market

At the start of the second quarter, most countries had very strict Covid-19 restrictions in place, which significantly reduced activity in our key customer segments – hotels and restaurants. At the end of May and in June, the restrictions were gradually eased, and restaurants were allowed to open subject to restrictions such as social distancing and more extensive hygiene practices. The Duni Group's product categories in retail grocery were also impacted negatively for reasons such as fewer social events but not to the same extent. On the positive side, many restaurants have transitioned to also offering take-away solutions, which caused this market to increase during the quarter.

Gradually improved sales performance in the quarter

Sales improved gradually, from a 54% decrease in April to an 18% decrease in June, largely performing at par with the market as a whole. At the start of the quarter, we saw a major drop in sales in the Duni segment's hotel and restaurant sector, which gradually improved as restrictions were eased. Duni's retail sector sales decreased while BioPak segment sales were stable, increasing in take-away but decreasing in eating & drinking.

Despite volatile volumes, we succeeded in maintaining satisfactory delivery capacity and customer service. We also transitioned to digital customer communications and processes to strengthen our market position in spite of travel and meeting restrictions in many countries. Finally, we have an offering that restaurant customers may like even more now. We have focused on the need to create a more hygienic restaurant experience with our various table cover and napkin solutions, and we are also strengthening restaurant offerings with solid take-away product concepts.

From an overall perspective, we indicated in our Q1 reports that our Q2 sales were at risk of decreasing by more than half. Thanks to the easing of restrictions and our efforts to drive sales, we slightly outperformed that forecast with a 39% sales decrease at fixed exchange rates.

Cost-cutting program has had a direct effect

Operating income amounted to SEK -92 m (111) and improved gradually during the quarter, reaching break-even in June.

A cost-cutting program was introduced in March to adapt production capacity and spending to lower demand. The program had an immediate impact, cutting costs by SEK 157 m in the second quarter (including government support). As restrictions were eased and our sales and production increased, we began reducing the extent of the cost-cutting program.

Our efforts to ensure good hygiene practices within the company were very effective in the quarter as we did not have any confirmed Covid-19 cases in our organization, which is very good news.

Expected improvement as restrictions continue to be eased

There is great uncertainty concerning the continuing development of the Covid-19 situation and what impact this pandemic will have in both the short and long-term. We are looking ahead with various scenarios and plans, but today we can only hope that the spread of Covid-19 will begin to decline.

The Duni Group's financial position and liquidity remain sound. Together with a strong organization and an offering well aligned with market needs, I look to the period ahead with confidence.

"With a continuing sound financial position and liquidity, a strong organization and an offering well aligned with market needs, I look to the period ahead with confidence,"
says Johan Sundelin, President and CEO, Duni Group.

Net sales

April 1–June 30

Compared to the same period of the previous year, net sales decreased by SEK 528 m to SEK 820 m (1,348). At fixed exchange rates, this corresponds to a 39.1% decrease. The Duni segment had a quarter substantially shaped by social restrictions imposed across Europe in connection with the Covid-19 pandemic. The limits on mobility and gatherings in large groups, which mainly impacted southern Europe in the first quarter, were seen across all of Europe in the second quarter. In addition to the decrease in sales to restaurants and hotels, the initially positive sales rate for products sold via retail grocery also decreased, given that private events were canceled as well. However, the trend in the quarter was positive with sales gradually increasing. Additionally, an increase in external sales of semi-finished products from the Skåpafors paper mill contributed to sales and continuous operation. As opposed to the Duni segment, restrictions caused an increased demand in the BioPak segment, especially for take-away products, resulting in a strong increase in sales for the first quarter. One challenge in the second quarter has been to meet the unexpectedly higher demand in take-away with long lead times from suppliers at the same time as demand for eating & drinking fell in the quarter. In total, sales for the quarter in the BioPak segment were at par with the previous year.

January 1–June 30

Compared to the same period of the previous year, net sales decreased by SEK 543 m to SEK 2,069 m (2,612). At fixed exchange rates, this corresponds to a 21.2% decrease. The first two months of the year exhibited stable sales at par with the previous year for almost every region, but Covid-19 had a strong negative impact on most regions starting in the second half of March. In the second quarter, the restrictions impacted the entire quarter and all regions. Overall, the second quarter had a gradual sales recovery from a decline of 54% in April to 18% in June.

NET SALES, CURRENCY EFFECT

SEK m	3 months Apr-Jun 2020	3 months Apr-Jun 2020 [1] recalculated	3 months Apr-Jun 2019	Change in fixed exchange rates	6 months Jan-Jun 2020	6 months Jan-Jun 2020 [1] recalculated	6 months Jan-Jun 2019	Change in fixed exchange rates
Duni	377	374	890	-58.0%	1,187	1,171	1,780	-34.2%
BioPak	443	447	458	-2.5%	882	887	833	6.5%
Duni Group	**820**	**821**	**1,348**	**-39.1%**	**2,069**	**2,058**	**2,612**	**-21.2%**

NET SALES PER REGION

SEK m	3 months Apr-Jun 2020	3 months Apr-Jun 2020 [1] recalculated	3 months Apr-Jun 2019	6 months Jan-Jun 2020	6 months Jan-Jun 2020 [1] recalculated	6 months Jan-Jun 2019
NorthEast	169	171	278	402	402	508
Central	204	199	440	650	635	906
West	81	81	192	250	247	377
South	60	59	153	159	157	270
Rest of World	226	231	262	503	511	505
Other Sales	80	80	23	105	105	48
Duni Group	**820**	**821**	**1,348**	**2,069**	**2,058**	**2,612**

[1] Reported net sales for 2020 recalculated at 2019 exchange rates.

Net income

April 1–June 30

Operating income amounted to SEK -92 m (111), with an operating margin of -11.2% (8.2%). The gross margin was 3.9% (23.7%). The gross margin fell significantly due to a substantial decrease in the absorption of fixed expenses in production as a result of lower volumes. Adjusted for translation effects due to exchange rate movements, operating income was down SEK 202 m from the previous year. The BioPak segment's income was at par with the previous year while the Duni segment's income was substantial negative. Lower volumes are the main reason for the negative income because the contribution margin from sales was lower than fixed expenses. The Group has dedicated substantial focus to adapting production capacity and costs, which includes temporarily closed plants, short-time work and government support. During the quarter, income performance was positive in line with volume growth, where income reached break-even in June.

Income after financial items totaled SEK -120 m (86). Income after tax was SEK -87 m (67).

January 1–June 30

Operating income amounted to SEK -12 m (203), with an operating margin of -0.6% (7.8%). The gross margin was 15.6% (23.8%). Adjusted for translation effects due to exchange rate movements, operating income was down SEK 217 m from the previous year. Much like the second quarter, the first half year for the BioPak segment was at par with the previous year while the Duni segment, which is substantially impacted by the lower sales volumes, reported a loss. Income is helped by cost cuts, the reorganization implemented in the first quarter and input material prices being lower than last year.

The Duni Group has a new global functional organization as of January 1, 2020. Instead of a sales and marketing organization per business area for Table Top, Meal Service, Consumer and New Markets, segment reporting has now been changed to two segments, Duni and BioPak, with a joint sales force and a central marketing organization. As announced in January, the restructuring costs for this reorganization will total approximately SEK 40 m, with SEK 27 m of this amount charged to the first half year. This leads to annual savings of SEK 20 m with full effect from the second half of 2020. Restructuring costs are not included in operating income. Instead, these are recognized as one-off expenses along with non-realized valuation effects of currency derivatives, fair value allocations and amortization of intangible assets identified in connection with business acquisitions. For the bridge between net income and operating income, please see page 26.

Income after financial items totaled SEK -91 m (152). Income after tax was SEK -65 m (119).

OPERATING INCOME, CURRENCY TRANSLATION EFFECTS

SEK m	3 months Apr-Jun 2020	3 months Apr-Jun 2020 [1) recalculated	3 months Apr-Jun 2019	6 months Jan-Jun 2020	6 months Jan-Jun 2020 [1) recalculated	6 months Jan-Jun 2019
Duni	-118	-118	83	-62	-64	158
BioPak	26	27	28	50	51	45
Duni Group	**-92**	**-91**	**111**	**-12**	**-14**	**203**

1) Reported net sales for 2020 recalculated at 2019 exchange rates.

Two different brands make our offering clearer

The Duni Group's business is divided into two segments, Duni and BioPak.

The Duni Group sells products via a consolidated commercial organization divided into six regions. Each region is responsible for local sales and marketing of both brands, Duni and BioPak, to all customers.

The regions are NorthEast: Northern and Eastern Europe including Russia, Central: Germany, Austria and Switzerland, West: the Netherlands, Belgium, Luxembourg, the UK and Ireland, South: France, Spain and Italy, Rest of World: All sales outside Europe with Australia accounting for over 50%, New Zealand and Thailand each at 10–15% and Singapore at just over 5% in this region. External sales of tissue and airlaid materials from the Skåpafors factory and external sales of finance and accounting services from the finance function in Poznan are included in the Duni segment, in the Other sales region.

The Duni Group also has a central marketing department responsible for branding strategy, marketing communications, product development and innovation. Group-wide functions are largely shared by the segments and the expenses for these are allocated by the percentage of sales of each segment, Duni and BioPak.

Group Management, which is the highest executive and decision-making body in the Duni Group, decides on the allocation of resources within the Duni Group and evaluates the results of operations. Group Management manages the performance of the business through the segments on the basis of sales and operating income after shared costs have been allocated to each segment.

The Duni Group has a vertically integrated business model for its paper-based products, napkins and table covers, which means that the entire production and delivery chain is owned and controlled by Duni, from material production and concept development to conversion and distribution. Because in-house-produced napkins and table covers fall under the Duni segment, this segment is responsible for all expenses for production and conversion within the Duni Group. By contrast, the BioPak segment's products are largely produced by external production units. Here the procurement organization is large and a major part of the business.

For further information about segment reporting, see Note 3.

DUNI

The Duni brand stands for design, color, shape, and high quality that creates a pleasant atmosphere on every meal occasion. The segment has products and services that add value everywhere where people cook, serve and enjoy food and drink. Sustainability is naturally front and center, and all products and services offered by Duni aim to help create a *Sustainable Goodfoodmood®*. Duni stands for long-standing experience and cutting-edge expertise in wood fiber-based solutions. This reflects many years of specialization in materials and design with very clear eco-profiling.

BioPak
It doesn't cost the earth

The BioPak brand was created by the idealists of Australian company BioPak Pty Ltd, which has been a part of the Duni Group since 2018. The BioPak brand was launched in Europe in 2019 with an aim to be the hands-down best choice for environmentally-sound meal packaging. BioPak is synonymous with sustainability and works on both products and circular solutions. The brand stands for cutting-edge expertise as well as transparency and authenticity. Products with the BioPak brand are eco-profiled meal packaging made of renewable plant-based raw materials or recycled materials.

Segment Duni

The Duni segment stands for what the Group is traditionally associated with – innovative solutions for the set table, primarily napkins, table covers and candles. The segment's products and services are sold under the Duni brand. Its customers are primarily hotels and restaurants, the HoReCa market, with sales largely made via wholesalers, but grocery retail chains are also a key customer group along with other channels such as various types of specialty stores. The Duni brand is a European market leader in the premium segment for napkins and table covers. The Duni segment accounted for approximately 57% (68%) of the Group's net sales during the period from January 1 to June 30, 2020.

APRIL 1 - JUNE 30

Net sales

377

Net sales amounted to SEK 377 m (890).

Operating income

-118

Operating income was SEK -118 m (83).

Operating margin

-31.4%

The operating margin was -31.4% (9.3%).

JANUARY 1 - JUNE 30

Net sales

1,187

Net sales amounted to SEK 1,187 m (1,780).

Operating income

-62

Operating income was SEK -62 m (158).

Operating margin

-5.2%

The operating margin was -5.2% (8.9%).

Segment Duni

April 1–June 30

Net sales amounted to SEK 377 m (890). At fixed exchange rates, this corresponds to a sales decrease of 58.0%. The measures taken across Europe and the world due to Covid-19 impacted the Duni segment with full force in the second quarter. In April and part of May, the majority of Duni's markets had both restaurants and hotels fully or partially closed. Starting in the end of May, the gradual easing of the restrictions enabled Duni's key customer segments to be reopened in phases, and sales also began to recover because of this. Digital solutions were used to coordinate as closely with customers as possible to support them in re-opening with a focus on good hygiene. Products were launched during the quarter to broaden Duni's product range for good hygiene, which was well received by both new and existing customers.

Operating income was SEK -118 m (83) and the operating margin was -31.4% (9.3%). Income was weighed down by low sales volumes, which brought down the contribution margin for the quarter below fixed expenses. High rates of reduced working hours under short-time work schemes, decreased travel and adapted production capacity have been in focus, which, along with government support, help improve income. During the quarter, income gradually improved as sales increased.

January 1–June 30

Net sales amounted to SEK 1,187 m (1,780). At fixed exchange rates, this corresponds to a sales decrease of 34.2%. The first two months of the year started off with stable sales at par with the previous year, but all markets saw a substantial impact from the restrictions starting in the middle of March. Germany, which is Duni's largest market, had the greatest impact on the sales decrease while the UK experienced the largest decline relative to its size. Restrictions in the UK remained in place for the entire second quarter.

Operating income was SEK -62 m (158) and the operating margin was -5.2% (8.9%). The first half of the year started off strong with stable sales and a positive contribution from input materials, but income fell significantly given the lower volumes in March and the second quarter. Continuing cost controls and increased volumes will be in focus going forward.

NET SALES PER REGION, DUNI

SEK m	3 months Apr-Jun 2020	3 months Apr-Jun 2020 1) recalculated	3 months Apr-Jun 2019	6 months Jan-Jun 2020	6 months Jan-Jun 2020 1) recalculated	6 months Jan-Jun 2019	12 months Jul-Jun 2019/2020	12 months Jan-Dec 2019
NorthEast	52	53	158	181	181	295	534	648
Central	144	140	378	534	523	793	1,425	1,684
West	46	46	158	183	180	315	587	719
South	27	26	113	97	95	199	308	411
Rest of World	26	26	60	87	86	129	221	264
Other Sales	81	81	23	106	106	48	148	90
Duni	**377**	**374**	**890**	**1,187**	**1,171**	**1,780**	**3,223**	**3,816**

1) Reported net sales for 2020 recalculated at 2019 exchange rates.

Segment BioPak

The BioPak segment offers environmentally-sound concepts for meal packaging and serving products for applications including take-away, ready-to-eat meals, and various types of catering. The segment's customers are various types of restaurants with take-away concepts and companies that are active in the healthcare and care sectors. Stores and other food producers are also a major customer group. The segment's products and services are currently sold under both the Duni and BioPak brands, but the goal is for the segment to primarily represent the BioPak brand. The BioPak brand is a market leader in Australia, and the launch of BioPak in Europe is underway. The BioPak segment accounted for approximately 43% (32%) of the Group's net sales during the period from January 1 to June 30, 2020.

APRIL 1 - JUNE 30

Net sales	Operating income	Operating margin
443	26	5.9%
Net sales amounted to SEK 443 m (458).	Operating income was SEK 26 m (28).	The operating margin was 5.9% (6.1%).

JANUARY 1 - JUNE 30

Net sales	Operating income	Operating margin
882	50	5.7%
Net sales amounted to SEK 882 m (833).	Operating income was SEK 50 m (45).	The operating margin was 5.7% (5.4%).

Segment BioPak

April 1–June 30

Net sales amounted to SEK 443 m (458). At fixed exchange rates, this corresponds to a sales decrease of 2.5%. Due to the Covid-19 restrictions, demand has increased substantially for both take-away from restaurants and sealable packaging solutions from municipal institutions and similar organizations. Following the high growth rates of the first quarter, the second quarter was at par with the previous year. This is mainly because of challenges in meeting the sudden increase in demand for take-away with lower inventory levels and long lead times from suppliers at the same time as demand for eating & drinking fell significantly. Just as many markets grew as those that saw decreased sales. Sales decreased the most in France, because a major share of sales there targets the office market. The largest increase was seen in Finland where BioPak has a strong position in sealable packaging solutions.

Operating income was SEK 26 m (28) and the operating margin was 5.9% (6.1%). Income was at par with the previous year and largely aligned with sales volumes. Savings were achieved due to a decrease in traveling and, to a certain extent, the implementation of short-time work while cost increases came as a result of decreased efficiency in logistics as the Duni segment's volumes decreased.

January 1–June 30

Net sales amounted to SEK 882 m (833). At fixed exchange rates, this corresponds to a sales increase of 6.5%. The first half of the year followed the same pattern as the second quarter with varying sales performance across markets. The trend of strong growth in environmentally-sound products continued, now supplemented by an increased demand for sealable packaging. One market focus has been supporting customers in the restaurant industry in expanding their take-away offering and helping commercial kitchens meet the increased demand for sealed meal packaging.

Operating income was SEK 50 m (45) and the operating margin was 5.7% (5.4%). Income and sales were up for the first half of the year and both were strengthened by Horizons Supply, which was acquired in October 2019. The improvement in income was held back to a certain extent by a weaker Australian dollar, a key currency for the segment, and increased logistics costs while improving due to lower costs for travel and related expenses.

NET SALES PER REGION, BIOPAK

SEK m	3 months Apr-Jun 2020	3 months Apr-Jun 2020 [1] recalculated	3 months Apr-Jun 2019	6 months Jan-Jun 2020	6 months Jan-Jun 2020 [1] recalculated	6 months Jan-Jun 2019	12 months Jul-Jun 2019/2020	12 months Jan-Dec 2019
NorthEast	117	118	119	221	221	212	432	423
Central	60	58	62	115	113	113	219	216
West	35	35	34	68	67	62	132	126
South	33	32	41	63	62	70	131	139
Rest of World	199	204	202	415	425	376	867	827
Other Sales	0	0	0	0	0	0	0	0
BioPak	**443**	**447**	**458**	**882**	**887**	**833**	**1,781**	**1,732**

[1] Reported net sales for 2020 recalculated at 2019 exchange rates.

Cash flow and funding

The Group's cash flow from operating activities was SEK 97 m (118) for the period from January 1 to June 30. Accounts receivable amounted to SEK 583 m (929) and accounts payable to SEK 352 m (366), while inventory was valued at SEK 878 m (833). Working capital and especially accounts receivable decreased due to lower sales, which had a positive impact on cash flow.

Cash flow including investing activities amounted to SEK 36 m (47). Net investments for the period amounted to SEK 59 m (64). Depreciation and amortization for the period totaled SEK 146 m (148).

The Group's interest-bearing net debt at June 30, 2020 was SEK 1,537 m. The Group's interest-bearing net debt at June 30, 2019 was SEK 1,887 m. The lower financial debt is a result of strong cash flow from the second half of 2019 up until the outbreak of Covid-19 and of no dividend being paid in May 2020.

Duni Group's liquidity is continued sound. The impact of Covid-19 resulted in a renegotiation of the covenants in the loan agreement during the second quarter in order to temporarily adapt to the current market situation. The total credit facility, maturity and volume remain unchanged. The renegotiated covenants apply from April 2020 to March 2021. After this, the original loan agreement will be effective again. At present, there is no need for further funding.

Net financial items

Net financial items for the period from January 1 to June 30 were SEK -20 m (-17).

Taxes

Tax income of SEK 26 m was recognized for the period from January 1 to June 30 because the Group reported a loss before tax. The tax expense for the same period in the previous year was SEK 33 m.

Earnings per share

The year's earnings per share before and after dilution amounted to SEK -1.41 (2.49).

The Duni Group's shares

At June 30, 2020, 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 AB (publ) is listed on NASDAQ Stockholm under the ticker name "DUNI". The Group's three largest shareholders are Mellby Gård Investerings AB (29.99%), Polaris Capital Management, LLC (9.97%) and Carnegie fonder (8.83%).

Personnel

On June 30, 2020 there were 2,293 (2,413) employees. 984 (1,042) of the employees were engaged in production. The Duni Group's production plants are located in Bramsche and Wolkenstein, Germany, in Poznan, Poland, in Bengtsfors, Sweden, in Bangkok, Thailand and in Auckland, New Zealand.

Acquisitions

In early February 2020, a partial payment was made on the remaining consideration for Horizons Supply Pty Ltd, which was acquired on October 1, 2019. On October 1, 2020, the final consideration will be paid, which is approximately SEK 7.6 m.

New establishment

No new establishment was carried out during the period.

Risk factors for the Duni Group

A number of risk factors may affect the Group'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 a unit within the Parent Company.

Sustainability is an integral part of the Group's operations and also of the annual report as of 2019. This report provides information about the Duni Group's corporate social responsibility (CSR) program, which describes the Duni Group's work in identified risk areas and reports on results and goals for its business.

Operational risks

The Duni Group 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 the Group to achieve sound sales and income growth. The Duni Group addresses this issue by constantly developing its range. Approximately 25% of the collection is replaced each year in response to existing trends and to shape new trends. A weaker economic climate, or other unforeseen events such as a pandemic, over an extended period of time in Europe could lead to a reduction in the number of restaurant visits. Reduced market demand and increased price competition impacts volumes and gross margins through factors such as increased discounts and customer bonuses. Fluctuations in prices of raw materials and energy constitute an operational risk that could have a material impact on the Group's EBIT. In addition, Brexit may impact the Duni Group's operations in the UK.

Financial risks

The Group'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 also related to the Parent Company in all essential respects. The Group's management of financial risks is described in greater detail in the Annual Report for the year ended on December 31, 2019.

The Group's contingent liabilities have risen since the start of the year by SEK 1 m to SEK 59 m (58).

Operational and financial risks associated with Covid-19 and action taken

During the first quarter, world economic conditions changed due to the outbreak of Covid-19. Almost every country has taken strong measures including social restrictions to slow down the spread of the pandemic. These measures lead to substantially lower demand from the hotel and restaurant sector, which are two key customer groups for the Duni Group.

Covid-19 had a limited impact on the first quarter and a significant negative impact on the second quarter. Stable sales in January and February were followed by a sharp decline in the last weeks of March as the level of restrictions also increased. In April and May, basically every country in the world had restrictions in place and many were almost completely shut down. Some countries allowed take-away operations from restaurants while others did not allow this at all. In May and June, the restrictions were gradually eased, but, for instance, the UK did not allow restaurants to open until July 4. Overall, the Duni Group's sales went from a 54% decrease in April to an 18% decrease in June. There is still great uncertainty regarding what level of restrictions we will see in both the short-term and long-term future. Sales performance is strongly impacted by this, especially for the Duni segment.

Temporary, strong and immediate actions are being implemented to limit the impact of lost sales and lower efficiency in the Group's plants. Comprehensive shortening of working hours for both white collar and blue collar employees, lower investments and a freeze on hiring new employees and consultants are examples of the actions taken. Overall, these actions cut costs by more than SEK 150 m, making a positive contribution to the income in the second quarter. As restrictions were eased and our sales and production increased, the extent of the cost-cutting program was adapted. Increased control of working capital is another area of great focus.

Operation of the Duni Group's logistics and production units has been realigned and adapted to the current situation. Fewer shifts and shut-down production days have been implemented to ensure that cost and inventory levels are kept under control as well as to enable the rapid upscaling of production when the restrictions are eased. Capacity utilization in the plants began to increase in the latter half of the second quarter as sales started to increase.

Bad debt losses and payments from customers have not deviated from what is usual in any significant way despite Covid-19. In the second quarter, the Duni Group negotiated with its banks and agreed on temporary new covenants to adapt to the current market situation. The total credit facility, maturity and volume remain unchanged. The renegotiated covenants apply from April 2020 to March 2021. After this, the original loan agreement will be effective again. At present, there is no need for further funding.

As an additional measure, the board withdrew its already announced proposed dividend of SEK 5 per share for the 2019 financial year to ensure as strong financial position as possible. The Annual General Meeting (AGM) in May 2020 thus resolved that no dividend would be paid and that the amount at the disposal of the AGM would be carried forward. The Duni Group started the year with a strong financial position, and the Duni Group's financial position remained sound at the end of June.

Transactions with related parties

No significant transactions with related parties took place during Q2 2020.

Major events during the period

No significant events have occurred during the period. For the impact of Covid-19, please see the "Operational and financial risks associated with Covid-19 and action taken" section.

Major events since June 30

On July 1, the Duni Group announced in a press release that Fredrik Malmgren, Executive Vice President Operations, and Marielle Noble, Executive Vice President Communication & Customer Experience, would be leaving the Duni Group for new challenges. Magnus Carlsson, Executive Vice President Corporate Development, will serve as interim EVP Operations until the recruitment process is completed.

Interim reports

Quarter III	October 22, 2020
Quarter IV	February 12, 2021

Duni Group´s Board of Directors

Thomas Gustafsson, Alex Meyers and Pauline Lindwall were re-elected as Directors at the AGM on May 12, 2020. Magnus Yngen and Pia Rudengren had declined re-election. Morten Falkenberg, Sven Knutsson and Pia Marions were elected as new Directors. The AGM elected Thomas Gustafsson as Chairman of the Board.

Parent Company

Net sales for the period from January 1 to June 30 amounted to SEK 458 m (565). Income after financial items totaled SEK 22 m (39). The interest-bearing net debt was SEK -420 m (-182), of which a net asset of SEK 1,674 m (1,779) relates to subsidiaries. Net investments amounted to SEK 8 (12) m and depreciation & amortization was SEK 10 m (9).

Accounting principles

The interim report for the Group has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act. The Parent Company's financial statements have been prepared in accordance with RFR 2, Accounting for Legal Entities, and the Swedish Annual Accounts Act. Accounting principles have been applied as reported in the Annual Report for the year ended on December 31, 2019.

Information in the report

Duni AB (publ) publishes this information in accordance with the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information will be provided for publication on July 15 at 07:45 am.

At 10:00 am on Wednesday, July 15, the report will be presented at a telephone conference, which can also be followed on the web. To participate in the telephone conference, call +46 (0)8-566 426 51, PIN: 57642252#. To follow the presentation online, please visit this link:

https://onlinexperiences.com/Launch/QReg/ShowUUID=37495747-A116-45D9-A19C-4FA662CBD50E

Both a Swedish and an English version of this report have been prepared. In the event of any discrepancy between the two, the Swedish version will apply. This report has not been audited by the Company's auditors.

Report from Board of Directors and CEO

The Board of Directors and CEO affirm that this report provides a true and fair view of the Group's financial position and performance and describes the substantial risks and uncertainties to which the Group and the companies that are part of the Group are subject.

Malmö, July 14, 2020

Thomas Gustafsson, Chairman of the Board

Morten Falkenberg, Director

Sten Knutsson, Director

Pauline Lindwall, Director

Pia Marions, Director

Alex Myers, Director

Per-Åke Halvordsson, Employee Representative, PTK

David Green, Employee Representative, LO

Johan Sundelin, President and CEO

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www.duni.com
Company registration number: 556536-7488

CONSOLIDATED INCOME STATEMENTS

SEK m (Note 1)	3 months Apr-Jun 2020	3 months Apr-Jun 2019	6 months Jan-Jun 2020	6 months Jan-Jun 2019	12 months Jul-Jun 2019/2020	12 months Jan-Dec 2019
Net sales	**820**	**1,348**	**2,069**	**2,612**	**5,004**	**5,547**
Cost of goods sold	-788	-1,028	-1,746	-1,991	-3,899	-4,145
Gross profit	**32**	**320**	**324**	**621**	**1,105**	**1,403**
Selling expenses	-112	-149	-275	-301	-566	-592
Administrative expenses	-60	-68	-132	-129	-288	-285
Research and development expenses	0	-1	-3	-3	-3	-3
Other operating income	54	10	55	19	57	24
Other operating expenses	-24	-19	-40	-39	-136	-137
EBIT (Note 4)	**-110**	**93**	**-71**	**169**	**169**	**408**
Financial income	0	1	1	1	2	2
Financial expenses	-11	-8	-22	-18	-38	-34
Net financial items	**-10**	**-7**	**-20**	**-17**	**-35**	**-32**
Income after financial items	**-120**	**86**	**-91**	**152**	**133**	**377**
Income tax	33	-18	26	-33	-44	-103
Net income	**-87**	**67**	**-65**	**119**	**89**	**273**
Net income attributable to:						
- Equity holders of the Parent Company	-87	66	-66	117	86	269
- Non-controlling interests	0	1	1	2	3	4
Earnings per share attributable to equity holders of the Parent Company:						
Before and after dilution (SEK)	-1.84	1.41	-1.41	2.49	1.83	5.73
Average number of shares before and after dilution (´000)	46,999	46,999	46,999	46,999	46,999	46,999

STATEMENT OF COMPREHENSIVE INCOME

SEK m (Note 1)	3 months Apr-Jun 2020	3 months Apr-Jun 2019	6 months Jan-Jun 2020	6 months Jan-Jun 2019	12 months Jul-Jun 2019/2020	12 months Jan-Dec 2019
Net income	**-87**	**67**	**-65**	**119**	**89**	**273**
Other comprehensive income:						
Items that will not be reclassified to profit or loss:						
Remeasurement of post-employment benefit obligation*	-28	-16	-9	-20	-8	-20
Total	**-28**	**-16**	**-9**	**-20**	**-8**	**-20**
Items that may be reclassified subsequently to profit or loss:						
Exchange rate differences – translation of subsidiaries	-2	0	-28	37	-23	43
Cash flow hedge	-1	2	-1	-2	3	2
Total	**-2**	**2**	**-29**	**35**	**-19**	**44**
Other comprehensive income for the period, net of tax:	**-31**	**-14**	**-38**	**15**	**-28**	**24**
Total comprehensive income for the period	**-118**	**53**	**-103**	**134**	**61**	**298**
- Of which non-controlling interests	-6	0	-6	6	-1	11

*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	2020		2019				2018	
Quarter	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Net sales	**820**	**1,249**	**1,558**	**1,377**	**1,348**	**1,264**	**1,460**	**1,190**
Cost of goods sold	-788	-958	-1,116	-1,038	-1,028	-963	-1,098	-882
Gross profit	**32**	**291**	**442**	**339**	**320**	**301**	**363**	**308**
Selling expenses	-112	-163	-151	-140	-149	-152	-157	-131
Administrative expenses	-60	-72	-89	-68	-68	-61	-80	-67
Research and development expenses	0	-2	0	0	-1	-2	-2	-2
Other operating income	54	4	2	4	10	10	1	0
Other operating expenses	-24	-20	-78	-22	-19	-20	-38	-12
EBIT	**-110**	**39**	**126**	**113**	**93**	**76**	**87**	**96**
Financial income	0	1	1	1	1	0	0	0
Financial expenses	-11	-11	-8	-8	-8	-10	-13	-7
Net financial items	**-10**	**-10**	**-7**	**-7**	**-7**	**-10**	**-13**	**-7**
Income after financial items	**-120**	**29**	**118**	**106**	**86**	**67**	**74**	**90**
Income tax	33	-7	-46	-25	-18	-15	-16	-23
Net income	**-87**	**22**	**73**	**81**	**67**	**52**	**58**	**66**
Income attributable to:								
- Equity holders of the Parent Company	-87	20	72	80	66	51	57	65
- Non-controlling interests	0	2	1	1	1	1	1	1

CONSOLIDATED BALANCE SHEET IN BRIEF

SEK m	June 30 2020	December 31 2019	June 30 2019
ASSETS			
Goodwill	2,042	2,053	2,148
Other intangible assets	462	503	529
Tangible assets	1,258	1,317	1,328
Financial assets	96	85	77
Total fixed assets	**3,859**	**3,958**	**4,081**
Inventory	878	781	833
Accounts receivable	583	915	929
Other receivables	255	280	277
Cash and cash equivalents	360	311	165
Total current assets	**2,076**	**2,287**	**2,203**
TOTAL ASSETS	**5,935**	**6,245**	**6,285**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity	**2,568**	**2,664**	**2,633**
Long-term loans	1,337	1,371	1,559
Other long-term liabilities	749	757	835
Total long-term liabilities	**2,086**	**2,128**	**2,394**
Accounts payable	352	505	366
Short-term financial liabilities	288	220	219
Other short-term liabilities	640	728	672
Total short-term liabilities	**1,281**	**1,453**	**1,258**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**5,935**	**6,245**	**6,285**

CHANGE IN THE GROUP'S SHAREHOLDERS' EQUITY

SEK m	Share capital	Other contrib-uted capital	Reserves	Cash flow reserve	Fair value reserve [1]	Profit carried forward incl. net income for the period	Noncon-trolling interests	TOTAL EQUITY
	Attributable to equity holders of the Parent Company							
Opening balance January 1, 2019	**59**	**1,681**	**76**	**0**	**13**	**697**	**91**	**2,616**
Total comprehensive income for the period	-	-	33	-2	-	97	6	134
Dividend paid to shareholders	-	-	-	-	-	-117	-	-117
Closing balance June 30, 2019	**59**	**1,681**	**109**	**-3**	**13**	**676**	**97**	**2,633**
Total comprehensive income for the period	-	-	3	4	-	152	4	163
Remeasurement of liability to minority shareholders	-	-	-	-	-	-15	-	-15
Dividend paid to shareholders	-	-	-	-	-	-117	-	-117
Closing balance December 31, 2019	**59**	**1,681**	**112**	**2**	**13**	**696**	**101**	**2,664**
Total comprehensive income for the period	-	-	-21	-1	-	-75	-6	-103
Remeasurement of liability to minority shareholders	-	-	-	-	-	6	-	6
Closing balance June 30, 2020	**59**	**1,681**	**91**	**1**	**13**	**627**	**96**	**2,568**

[1] The fair value reserve concerns 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	6 months Jan-Jun 2020	6 months Jan-Jun 2019
Operating activities		
Reported EBIT	-71	169
Adjusted for items not included in cash flow, etc.	161	170
Paid interest and tax	5	-78
Change in working capital	1	-143
Cash flow from operating activities	**97**	**118**
Investing activities		
Acquisitions of fixed assets	-48	-61
Sales of fixed assets	1	1
Net change in right-of-use assets	-12	-3
Acquisition of subsidiaries	-2	-7
Cash flow from investing activities	**-61**	**-70**
Financing activities		
Loans raised [1)]	313	57
Repayment of debt [1)]	-251	-
Dividend paid to shareholders	-	-117
Net change, overdraft facilities and other financial liabilities	-22	-55
Net change in lease liability	-24	-30
Cash flow from financing activities	**15**	**-145**
Cash flow for the period	**51**	**-98**
Cash and cash equivalents, opening balance	311	260
Exchange difference, cash and cash equivalents	-2	2
Cash and cash equivalents, closing balance	**360**	**165**

[1)] Loans raised and repayments on loans within the adopted credit facility are recognized at their gross amounts for loans with maturities exceeding 3 months, in accordance with IAS 7.

KEY RATIOS IN BRIEF

	6 months Jan-Jun 2020	6 months Jan-Jun 2019
Net sales, SEK m	2,069	2,612
Gross profit, SEK m	324	621
Operating income, SEK m	-12	203
Operating EBITDA, SEK m	103	319
EBIT, SEK m	-71	169
EBITDA, SEK m	76	317
Interest-bearing net debt	1,537	1,887
Number of employees	2,293	2,413
Sales growth	-20.8%	14.7%
Organic growth	-22.6%	-0.9%
Organic pro forma growth	-22.1%	2.1%
Gross margin	15.6%	23.8%
Operating margin	-0.6%	7.8%
Operating EBITDA margin	5.0%	12.2%
EBIT margin	-3.4%	6.5%
EBITDA margin	3.7%	12.1%
Return on capital employed [1)]	7.9%	10.0%
Interest-bearing net debt/shareholders’ equity	59.8%	71.7%
Interest-bearing net debt/operating EBITDA [1)]	2.82	2.95

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

Alternative key financials are described in definitions.

PARENT COMPANY INCOME STATEMENTS IN BRIEF

SEK m (Note 1)	3 months Apr-Jun 2020	3 months Apr-Jun 2019	6 months Jan-Jun 2020	6 months Jan-Jun 2019
Net sales	**186**	**293**	**458**	**565**
Cost of goods sold	-171	-270	-420	-526
Gross profit	**14**	**22**	**38**	**39**
Selling expenses	-26	-36	-59	-73
Administrative expenses	-41	-41	-90	-80
Research and development expenses	-1	-1	-1	-3
Other operating income	66	67	135	133
Other operating expenses	-11	-11	-20	-21
EBIT	**1**	**0**	**3**	**-4**
Revenue from participation in Group companies	22	39	22	39
Financial income	7	7	14	14
Financial expenses	-11	-5	-17	-11
Net financial items	**18**	**42**	**19**	**43**
Income after financial items	**19**	**42**	**22**	**39**
Income tax	2	-1	1	0
Net income	**21**	**41**	**23**	**38**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK m	3 months Apr-Jun 2020	3 months Apr-Jun 2019	6 months Jan-Jun 2020	6 months Jan-Jun 2019
Net income	**21**	**41**	**23**	**38**
Other comprehensive income [1]:				
Items that may be reclassified subsequently to profit or loss:				
Exchange rate differences – translation of subsidiaries	0	0	0	0
Cash flow hedge	-5	2	1	-2
Total	**-5**	**2**	**1**	**-2**
Other comprehensive income for the period, net after tax				
Total comprehensive income for the period	**-5**	**2**	**1**	**-2**
Total comprehensive income for the period attributable to:	**16**	**43**	**24**	**36**
Equity holders of the Parent Company	16	43	24	36

[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	June 30 2020	December 31 2019	June 30 2019
Goodwill	0	0	0
Other intangible assets	65	65	57
Total intangible assets	**65**	**65**	**57**
Tangible assets	21	23	23
Financial assets	3,206	3,175	3,223
Total fixed assets	**3,292**	**3,263**	**3,303**
Inventory	110	103	116
Accounts receivable	87	113	135
Other receivables	176	200	299
Cash and bank balances	283	212	69
Total current assets	**656**	**628**	**618**
TOTAL ASSETS	**3,948**	**3,891**	**3,922**
SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES			
Restricted equity	95	95	87
Unrestricted equity	1,794	1,770	1,651
Total equity	**1,889**	**1,865**	**1,737**
Provisions	**103**	**105**	**105**
Long-term loans	1,181	1,165	1,369
Other long-term liabilities	8	1	1
Total long-term liabilities	**1,189**	**1,165**	**1,370**
Accounts payable	49	69	44
Short-term financial liabilities	272	209	211
Other short-term liabilities	445	478	454
Total short-term liabilities	**766**	**756**	**710**
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	**3,948**	**3,891**	**3,922**

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.

Bagass: Bagasse is a waste product from cane sugar processing after the sugar has been extracted. The material is 100% biodegradable. Bagasse is used primarily in the BioPak segment'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 2020 are calculated at exchange rates for 2019. Effects of translation of balance sheet items are not included.

Designs for Duni®: A unique concept within the Duni segment, whereby Duni develops specially designed products in collaboration with well-known designers.

Ecoecho®: Ecoecho is a product range of serving and meal solutions 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 approved characteristics.

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

Our Blue Mission: Duni Group's Corporate Social Responsibility (CSR) efforts are governed by the Our Blue Mission program. It describes Duni's approach to sustainability in a number of areas such as the environment, product safety, social responsibility, social rights and business ethics. Until 2018, this was a separate report. As from 2019, it is a part of the Annual Report.

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

Sources/statistics: HoReCa statistics refer to the European Commission website, Key Indicators for the Euro Area. DEHOGA refers to HoReCa statistics for Germany at DEHOGA Zahlenspiegel. For statistics on travel and hotel bookings, see the World Hotel Index on Siteminder.com, and for statistics on restaurant visits and table reservations, see State of industry on Opentable.com.

Definitions of key financials

Duni Group uses financial metrics that not defined by the IFRSs in some cases but instead 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 performance from year to year. One alternative key financial used by Duni is Operating income. Duni manages its activities and measures its segments on this basis. Another key financial used by Duni is organic pro forma growth. In recent years, Duni has acquired companies with very high growth rates, and it began using the term organic pro forma growth to show the contributions of these companies to growth. This means that the year-on-year increase in sales they contribute is already reported from the first day they are included in the Duni Group as the organic pro forma growth is calculated using pro forma figures from the previous year. Duni defines its key financials as stated below:

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

Cost of goods sold: Cost of goods sold, including production and logistics costs.

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

EBIT: Earnings before interest and taxes.

EBIT margin: EBIT as a percentage of net sales.

EBITA: Earnings before interest, taxes and amortization.

EBITDA: Earnings before interest, taxes, depreciation and amortization (including impairment).

EBITDA margin: EBITDA as a percentage of net sales.

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

Interest-bearing net 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 the end of the period.

Operating EBITDA: EBITDA less restructuring costs and fair value allocations.

Operating EBITDA margin: Operating EBITDA as a percentage of net sales.

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.

Organic growth: Sales growth adjusted for currencies and acquisitions. Acquired companies are included in organic growth when they have comparable quarters. For 2018 and previous years, organic growth has been calculated when acquired companies have been a part of the Duni Group for eight quarters.

Organic pro forma growth: Currency-adjusted growth including acquisitions, which are compared with the previous year’s pro forma figures.

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

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

BRIDGE BETWEEN OPERATING INCOME AND EBIT

SEK m	3 months Apr-Jun 2020	3 months Apr-Jun 2019	6 months Jan-Jun 2020	6 months Jan-Jun 2019	12 months Jul-Jun 2019/2020	12 months Jan-Dec 2019
Operating income excluding IFRS 16 Leases	-93	110	-14	201	312	527
Effects of IFRS 16 Leases	1	1	3	3	5	5
Operating income	**-92**	**111**	**-12**	**203**	**317**	**533**
Restructuring costs	-2	-2	-27	-2	-27	-2
Amortization of intangible assets identified in business combinations	-16	-16	-32	-32	-121	-121
Fair value allocation in connection with acquisitions	0	0	0	0	-1	-1
EBIT	**-110**	**93**	**-71**	**169**	**169**	**408**

BRIDGE BETWEEN OPERATING EBITDA, EBITDA AND EBIT

SEK m	3 months Apr-Jun 2020	3 months Apr-Jun 2019	6 months Jan-Jun 2020	6 months Jan-Jun 2019	12 months Jul-Jun 2019/2020	12 months Jan-Dec 2019
Operating EBITDA excluding IFRS 16 Leases	-52	151	67	283	473	691
Effects of IFRS 16 Leases	17	18	36	36	72	71
Operating EBITDA	**-35**	**169**	**103**	**319**	**546**	**762**
Restructuring costs	-2	-2	-27	-2	-27	-2
Fair value allocation in connection with acquisitions	0	0	0	0	-1	-1
EBITDA	**-37**	**167**	**76**	**317**	**518**	**759**
Amortization of intangible assets identified in business combinations	-16	-16	-32	-32	-121	-121
Amortization of right-of-use assets	-16	-16	-33	-33	-67	-66
Other amortization/depreciation included in EBIT	-41	-42	-81	-83	-161	-164
EBIT	**-110**	**93**	**-71**	**169**	**169**	**408**

Notes

Note 1 • Accounting and valuation principles

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

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statements have been prepared in accordance with the IFRS as adopted by the EU and with the related reference to Chapter 9 of the Swedish Annual Accounts Act. The parent company's financial statements are prepared in accordance with RFR 2, Accounting for Legal Entities, and the Swedish Annual Accounts Act. The accounting principles are the same as in the Annual Report for the year ended on December 31, 2019.

The Duni Group has received government support for short-time work. This assistance has been recognized as revenue under the Other operating income line item.

Note 2 • Financial assets and liabilities

Duni has derivative instruments measured at fair value and held for hedging purposes that are classified at level 2. Level 2 derivative instruments consist of currency forward contracts and interest rate swaps, and are used for hedging purposes. Measurement of currency forward contracts at fair value is based on published forward prices on an active market. The measurement of interest rate swaps is based on forward interest rates produced from observable yield curves. The discounting has no material impact on the measurement of level 2 derivative instruments. The put option issued to the minority owners of Biopac UK Ltd and BioPak Pty Ltd at the time of acquisition is classified at level 3 and its measurement 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 the year ended on December 31, 2019, the financial assets and liabilities comprise items with short terms to maturity. The fair value is therefore in all essential respects considered to correspond to the carrying amount.

Note 3 • Segment reporting

SEK m	Apr-Jun 2020			Apr-Jun 2019		
	Duni	BioPak	**Duni Group**	Duni	BioPak	**Duni Group**
Total net sales	385	448	833	908	461	1,369
Net sales from other segments	8	4	13	18	3	20
Net sales from external customers	**377**	**443**	**820**	**890**	**458**	**1,348**
Operating income	**-118**	**26**	**-92**	**83**	**28**	**111**
EBIT						93
Net financial items						-7
Income after financial items						86

SEK m	Jan-Jun 2020			Jan-Jun 2019		
	Duni	BioPak	Duni Group	Duni	BioPak	Duni Group
Total net sales	1,196	888	2,084	1,813	838	2,651
Net sales from other segments	9	6	14	33	5	38
Net sales from external customers	1,187	882	2,069	1,780	833	2,612
Operating income	-62	50	-12	158	45	203
EBIT						169
Net financial items						-17
Income after financial items						152

Quarterly overview of net sales and operating income by segment according to new segment reporting as of January 1, 2020:
Note that the sales figures for 2019 between the segments have been corrected after Duni released its Q1 report.

Net sales	2020		2019			
SEK m	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Duni	377	811	1 090	946	890	890
BioPak	443	439	468	431	458	374
Duni Group	820	1,249	1,558	1,377	1,348	1,264
Operating income						
SEK m	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Duni	-118	56	159	99	83	75
BioPak	26	24	40	31	28	17
Duni Group	-92	80	199	130	111	93

Quarterly overview of net sales and operating income by segment according to old segment reporting that was discontinued on December 31, 2019:

Net sales	2019				2018			
SEK m	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Table Top	702	652	664	580	683	625	645	534
Meal Service	226	231	250	203	218	218	231	178
Consumer	331	241	193	249	328	247	221	265
New Markets	278	231	215	208	210	78	79	81
Other	20	22	25	25	22	21	21	22
Duni Group	1,558	1,377	1,348	1,264	1,460	1,190	1,197	1,080
Operating income								
SEK m	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Table Top	131	95	90	63	97	84	87	62
Meal Service	12	19	19	8	9	14	14	6

Consumer	38	4	-10	9	23	10	-9	18
New Markets	18	12	11	13	9	-3	3	4
Other	0	1	1	0	0	2	1	2
Duni Group	**199**	**130**	**111**	**93**	**137**	**107**	**96**	**90**

DIVISION OF REVENUE FROM CUSTOMER CONTRACTS, JANUARY – JUNE 2020

SEK m	Duni	BioPak	Duni Group
Primary geographic regions			
NorthEast	181	221	402
Central	534	115	650
West	183	68	250
South	97	63	159
Rest of World	87	416	503
Other Sales	106	-1	105
Total	**1,187**	**882**	**2,069**
Time of revenue recognition			
Goods/services transferred at once	1,187	882	2,069
Goods/services transferred over time	-	-	0
Total	**1,187**	**882**	**2,069**
Product groups			
Napkins			705
Table covers			286
Candles			74
Packaging solutions			378
Serving products			407
Other			219
Total			**2,069**

Note 4 • Reporting of restructuring costs

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

Restructuring costs SEK m	3 months Apr-Jun 2020	3 months Apr-Jun 2019	6 months Jan-Jun 2020	6 months Jan-Jun 2019	12 months Jul-Jun 2019/2020	12 months Jan-Dec 2019
Cost of goods sold	-	-	-	-	0	0
Selling expenses	-2	-1	-24	-1	-24	-2
Administrative expenses	-	0	-3	0	-3	0
Other operating expenses/income	-	-	-	-	-	-
Total	**-2**	**-2**	**-27**	**-2**	**-27**	**-2**

This is Duni Group

The Duni Group is one of Europe's leading suppliers of inspiring concepts for the set table and creative, environmentally-sound take-away products. This includes high-quality napkins, table covers, candles and other table top accessories, along with packaging and packaging systems for the growing market for ready-to-eat food and take-away. All of the company's concepts are aimed at creating a Sustainable Goodfoodmood® – an elevated meal experience – in environments where people get together to enjoy food and drink.

THE DUNI GROUP'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 24 countries. The Group's headquarter is located in Malmö, Sweden, and production units are located in Sweden, Germany, Poland, New Zealand and Thailand. We have sales offices in Australia, Austria, Czechia, Finland, France, Germany, the Netherlands, Poland, Russia, Singapore, Spain, Sweden, Switzerland, the UK and the US.

NET SALES*

SEK 5,004 m

SALES GROWTH*

-11.9%

Duni's target is to achieve an average organic growth in sales in excess of 5% per year over a business cycle. In addition, Duni regularly assesses acquisition opportunities in order to access new growth markets or strengthen its position in existing markets.

OPERATING MARGIN*

6.3%

Duni's target is an operating margin of 10% or more. Profitability is to be increased through sales growth, continued focus on premium products and continued improvements within purchasing and production.

DIVIDEND 2019

No dividend

It is the Board of Directors' long-term intention for dividends to amount to at least 40% of income after tax.

*Rolling 12 months, Jul–Jun 2019/2020