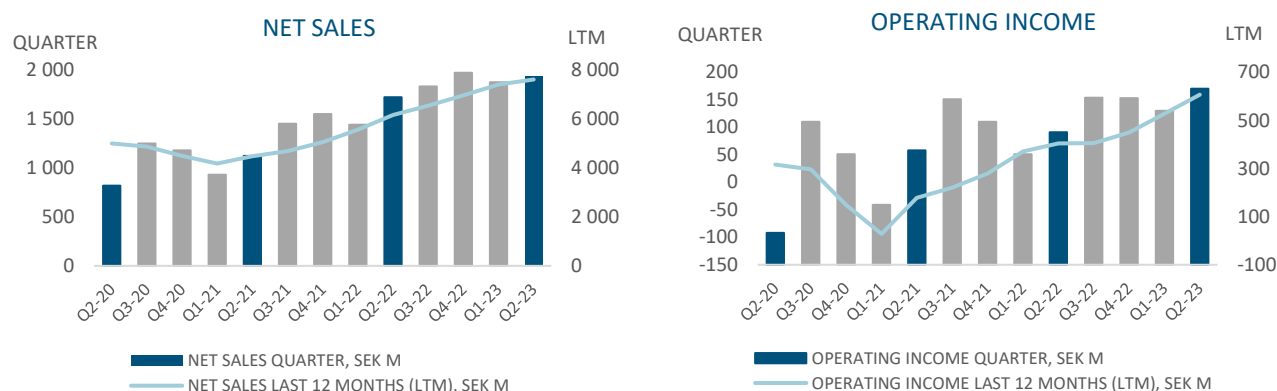


## Improved margins in strong quarter

### April 1 – June 30

- Net sales amounted to SEK 1,936 m (1,724), corresponding to a 12.3% increase in sales. At fixed exchange rates, this corresponds to a 5.6% increase.
- The gross profit amounted to SEK 440 m (283), an increase of 55% in absolute terms compared with the same period last year. The gross margin increased by 6 percentage points.
- Operating income amounted to SEK 170 m (91), corresponding to an increase of 87.1% compared with the same period last year.
- The quarter showed a strong cash flow with a reduced net debt.



### KEY FINANCIALS

SEK m	3 months Apr-Jun 2023	3 months Apr-Jun 2022	6 months Jan-Jun 2023	6 months Jan-Jun 2022	12 months Jul-Jun 22/23	12 months Jan-Dec 2022
Net sales	1,936	1,724	3,813	3,167	7,621	6,976
Organic growth	5.9%	47.2%	14.0%	48.1%	16.6%	30.9%
Operating income <sup>1)</sup>	170	91	300	142	607	450
Operating margin <sup>1)</sup>	8.8%	5.3%	7.9%	4.5%	8.0%	6.4%
EBIT	154	67	265	93	498	326
EBIT margin	8.0%	3.9%	7.0%	2.9%	6.5%	4.7%
Income after financial items	144	60	238	72	449	283
Net income	120	49	211	55	357	201
Earnings per share attributable to equity holders of the Parent Company	2.20	1.02	3.86	1.13	6.97	4.25
Return on capital employed, excluding goodwill	22.2%	16.7%	22.2%	16.7%	22.2%	16.6%

<sup>1)</sup> For reconciliation of alternative key financials, definition of key financials and glossary, see pages 28-30.



*“During the second quarter, we saw an improved margin, which contributed to a historically strong result”*

### **Continued good demand**

During the second quarter of the year, we continued to see good growth in our underlying business. We saw a continued increase in the number of restaurant visits, while demand for take-away in Europe fell in relation to the high demand during the pandemic.

The Group’s sales in the second quarter amounted to SEK 1,936 m (1,724), which is equivalent to a sales increase of more than 12% compared with the same period of the previous year. Volumes in the second quarter are slightly lower, but increased somewhat compared with pre-pandemic levels. Compensation for inflation-based cost increases was implemented in the previous year and in the first quarter of the year, which had a significant positive effect on net sales in the second quarter.

### **Business area launches**

The Duni business area, which focuses on solutions for the set table, grew its sales during the quarter by just under 18%, compared with the same period of the previous year. During the year, the product portfolio’s sales followed the trend from recent years of increased net sales, primarily in napkins. The recently launched, fully compostable and fossil-free napkin, BioDunisoft®, helped the premium napkin segment develop positively.

The BioPak business area, which focuses on sustainable food packaging solutions, grew its sales during the quarter by just under 5%, compared with the same period of the previous year, and should be seen in the light of lower demand for take-away in Europe. Net sales remained good in the business area’s largest market, Australia. Demand for the business area’s environmentally sound products continued with the launch of, among other items, a paper cup, Melli, with a water-based barrier. Duniform® also broadened its range with additional fiber-based products for take-away.

### **Historically strong results**

The operating margin was just under 9% and strengthened relative to the comparative period, in line with the pre-pandemic levels for the second quarter.

This stronger performance can be viewed in the light of ongoing efficiency improvements in the business areas, primarily within the conversion plants which are positive affected by the fact that the volumes have now normalized after the pandemic. This has resulted in a significant improvement in operating income, which amounted to SEK 170 m (91), equivalent to an increase of 87%, compared with the same period last year. Historically, this is the strongest second quarter in absolute terms. The increase in income also stems from a better balance between cost increases and cost compensation measures. The work with reducing inventory levels has also contributed to a strong cash flow in 2023.

### **More big events**

We also saw growth in the segment for big events, festivals and sporting events, and demand from festival organizers and artists to tour sustainably increased. The Group’s products appeared during the quarter at festivals such as Sweden Rock and the international Lollapalooza festival.

With a focus on sustainability and circular solutions, we want to help restaurants and fast-food restaurants to be part of the circular economy. With our solution, restaurants will also comply with legislation in the area of reusable serving products. Idun, which is our fully circular solution for this, was launched as a pilot during the Almedalen political event in Visby. We are experiencing a high level of interest from relevant stakeholders in circular micro-solutions designed for single restaurants, that can also be scaled up in cities and countries.

Robert Dackeskog, President and CEO, Duni Group.

# This is Duni Group

Duni Group is a leading supplier of inspiring tabletop concepts and attractive, creative and environmentally smart single-use items for food and beverages. Our offering includes high-quality products, such as napkins, table covers, candles and other tabletop accessories, along with packaging products and systems for the growing take-away market.

All of the company's concepts should contribute to creating an elevated experience where people come together to enjoy food and drink. And they should be able to do so with a clear conscience – environmental sustainability and circular options are a matter of



## Complementary business areas

The business is divided into two business areas: Duni, which focuses on solutions for the set table, and BioPak, which focuses on food packaging. Each business area has full responsibility for its respective value chain. Products are sold through a joint sales force, with the regions supporting the business areas. The business areas are responsible for their respective brand strategies as well as their own marketing communications, product development and innovation. Duni Group currently sells its solutions primarily under the brands Duni, BioPak and Paper+Design.



# 2,278

The Group has 2,278 employees in 21 countries. The head office is located in Malmö. Tissue for napkins and table covers is manufactured in Sweden, while conversion to finished products takes place in Germany, Poland, Thailand and New Zealand. The Group has sales offices in Australia, Finland, France, United Arab Emirates, Netherlands, New Zealand, Poland, Switzerland, Singapore, Spain, UK, Sweden, Thailand, Czech Republic, Germany, USA and Austria.

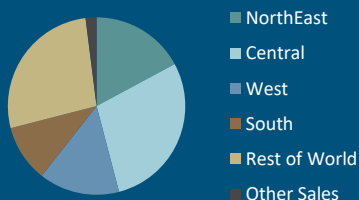


Production units

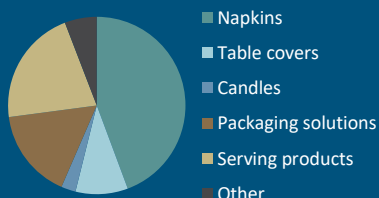


Sales offices

## NET SALES PER REGION



## NET SALES PER PRODUCT GROUP



## Financial targets

Last 12 months, July-June 2022/2023

Net sales

# SEK 7,621 m

Sales growth

# 16.6%

Duni Group's target is to achieve average organic growth in sales in excess of 5% per year over a business cycle. In addition, the Group continuously evaluates acquisition opportunities to reach new emerging markets or strengthen its position in existing markets.

Dividend 2022

# SEK 3.00 (70%)

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

Operating margin

# 8.0%

The target is for the Group's operating margin to be at least 10%. Profitability is to be increased through sales growth, continued focus on premium products and continued improvements within purchasing and production.

# Three sustainability goals by 2030



## Becoming circular at scale

### Goal 2030:

fully circular operations

- environmentally friendly materials and suppliers
- efficient operation
- relevant solutions for reuse, recycling and composting
- no virgin plastic for single-use products

### Interim targets 2025:

- reduction of virgin fossil-based plastic in single-use products by 50% compared with 2019 as a base year
- a large number of end-of-life solutions
- FSC®-certified products: 100% for Duni and 75% for BioPak Europe

### Activities during the quarter:

- Pilot tests of Idu, the Group's circular solution for restaurants
- Participation in "World Cleanup Day" in Germany

### Use of virgin fossil plastic for single-use items\*

KPI: reduction by 50% by 2025 compared with 2019 as base year

Status: fossil plastic use index for Q2 2023: 65 (35% reduction) and index for January – June 2023: 68 (32% reduction)

\*Excluding BioPak Group, Duni Thailand, Sharp Serviettes and Paper+Design, with assessed limited impact



## Going net zero

### Goal 2030:

zero vision for greenhouse gases according to the GHG protocol Scope 1 and Scope 2, and a significant reduction for Scope 3

- science-based targets that are approved, measured and communicated annually, including the GHG protocol Scope 3
- we will measure climate impact across our value chain
- quarterly reporting of results for Scope 1 and 2

### Interim targets 2025:

- activities in accordance with the approved science-based targets of the international collaboration Science Based Targets initiative, SBTi
- 60% reduction in carbon intensity with 2019 as base year

### Activities during the quarter:

- Installation of charging posts in Bramsche
- Implementation of external knowledge platform "Climate Fresk"
- "Energy heroes" campaign in Bramsche

### Scope 1+2\* carbon intensity

KPI: index 37 for 2023 with 2019 as base year (100)

Status: carbon intensity for January – June 2023: 38

\*The climate calculation methodology has been adjusted with other calculations in the Duni Group, so that it is based on gross tonnage uniformly throughout the company.



## Living the change

### Goal 2030:

a reliable sustainability leader

- we will be a committed partner for our key stakeholders
- we will be the trusted expert – with the best recognized eco-smart solutions
- our communications will have a high degree of transparency, integrity and openness

### Interim targets 2025:

- key stakeholders see us as a leading sustainability company
- achieve 75 points in the EcoVadis system
- all employees trained in sustainability

### Activities during the quarter:

- Our circular solution for restaurants was launched as a pilot test during Almedalen Week, with seminars and round-table discussions
- Start of step 1 in a five-step sustainability course for employees
- Launch of Sustainability Playbook – tools for the sales force

### EcoVadis score:

KPI: EcoVadis platinum level for 2025 (full-year result)

Status: EcoVadis score 73 for 2022 (gold level)

## Net sales

### April 1 – June 30

Compared with the same period of the previous year, net sales increased by SEK 211 m to SEK 1,936 m (1,724), equivalent to a sales increase of 12.3%. At fixed exchange rates, this corresponds to a 5.6% increase. Volumes in the second quarter are slightly lower than in the comparative period, but increased somewhat compared with pre-pandemic levels. After a long period of high demand for take-away and consumption in the home, which increased sharply during the pandemic, there has been a strong drive to eat out this year. In Europe, the Group's main market, seated serving products reached pre-pandemic levels, despite severe inflation and challenges in the industry, such as staff shortages, while sales of the take-away range declined. Grocery retail trade volumes also fell slightly during the quarter. Outside Europe, take-away products continued to show positive growth.

As previously announced, compensation measures for cost increases were implemented in the previous year and the first quarter of this year, which had a significant positive effect on net sales. Overall, sales reached record levels, with the increase coming primarily from cost compensation measures.

### January 1 – June 30

Compared with the same period of the previous year, net sales increased by SEK 645 m to SEK 3,813 m (3,167). At fixed exchange rates, this corresponds to a 14.0% increase. Similar to the second quarter, sales volumes in the first six months of the year were also affected by stronger demand for seated serving products and reduced demand for take-away in Europe. Together with the positive development in take-away outside Europe, volumes are generally in line with the comparative period. Compared with historical levels, volumes in the grocery retail trade have seen particularly positive growth partly through a number of major orders in Germany in particular. For the first six months too, it is the cost compensation measures implemented that are the main factor behind the increase in sales.

The Group's innovation projects showed positive development during the quarter. Idun, a fully circular solution for restaurants and fast-food restaurants, was launched as a pilot during the Almedalen political event in Visby. In general, there is a great interest in circular micro-solutions designed for single restaurants that also can be scaled up in cities and countries. With Idun they also meet the legislation in the area of reusable serving products. Unmo, a community for restaurant owners and staff who want to invest in a long-term career in the restaurant industry, was launched in Malmö as the first city in Sweden during the second quarter.

## NET SALES

SEK m	3 months Apr-Jun 2023	3 months Apr-Jun 2022	% fixed exchange rates	6 months Jan-Jun 2023	6 months Jan-Jun 2022	% fixed exchange rates	12 months Jul-Jun 22/23	12 months Jan-Dec 2022
Duni	1,148	973	9.1%	2,278	1,774	20.1%	4,508	4,004
BioPak	788	751	1.1%	1,535	1,393	6.2%	3,113	2,972
<b>Duni Group</b>	<b>1,936</b>	<b>1,724</b>	<b>5.6%</b>	<b>3,813</b>	<b>3,167</b>	<b>14.0%</b>	<b>7,621</b>	<b>6,976</b>

# Income

## April 1 – June 30

Operating income amounted to SEK 170 m (91), with an operating margin of 8.8% (5.3%). The gross margin was 22.7% (16.4%). Operating income for the second quarter improved significantly compared with the previous year, and is historically a very strong quarter in absolute terms. The margin as a percentage strengthened relative to the comparative period and is in line with historical levels for the second quarter, but lower than the financial target of 10%. The improved income is primarily due to a better balance between cost increases and cost compensation measures. The last few quarters have seen the high inflationary pressure that became established in 2021, and increased in 2022, easing off and even being reversed slightly for some raw materials. Furthermore, the cost of sea freight has normalized, while at the same time price adjustments to compensate for inflation have been implemented in full. Within the Duni business area, there are ongoing efficiency improvement measures, primarily in the conversion plants, which are having an additional, positive effect as volumes normalize after the pandemic. The BioPak business area's work to reduce inventory levels, which were built up during the pandemic, continued with a positive trend of falling inventories. The value of inventories has also been written down in order to be better able to meet current market prices going forward, which had a negative impact on the income for the quarter of just above SEK 20 m.

Income after financial items amounted to SEK 144 m (60). Income after tax was SEK 120 m (49).

## January 1 – June 30

Operating income amounted to SEK 300 m (142), with an operating margin of 7.9% (4.5%). The gross margin was 21.8% (17.5%). In line with the second quarter, the income for the first half of the year improved significantly. The driving factors are the same, with a gradually improved balance between cost increases and cost-compensating price adjustments, as well as more normalized volumes and efficiency improvements in production, which contribute to lower fixed costs per ton produced.

Income after financial items amounted to SEK 238 m (72). Income after tax was SEK 211 m (55).

## OPERATING INCOME

SEK m	3 months Apr-Jun 2023	3 months Apr-Jun 2023 <sup>1)</sup>	3 months Apr-Jun 2022	6 months Jan-Jun 2023	6 months Jan-Jun 2023 <sup>1)</sup>	6 months Jan-Jun 2022	12 months Jul-Jun 22/23	12 months Jan-Dec 2022
Duni	134	120	71	255	233	91	497	333
BioPak	36	36	20	45	44	51	11	117
<b>Duni Group</b>	<b>170</b>	<b>156</b>	<b>91</b>	<b>300</b>	<b>277</b>	<b>142</b>	<b>607</b>	<b>450</b>

<sup>1)</sup> Reported operating income 2023 recalculated at 2022 exchange rates.



## Duni business area

The Duni business area stands for what the Group is traditionally associated with, such as innovative solutions for the set table, primarily napkins, table covers and candles. Products and services are sold under the Duni and Paper+Design brands. The customers are mainly hotels and restaurants, the so-called HoReCa market, where sales are largely made through wholesalers. Retail and various types of specialist trade are also important customer groups. The business area is a European market leader in the premium segment for napkins and table covers. The business area accounted for approximately 60% (56%) of the Group's net sales during the period from January 1 to June 30, 2023.

### Business events during the quarter

- During the quarter, there was a continued roll-out of premium napkins sold under the BioDunisoft® brand, using binders from renewable sources.
- Additional investments were made in solar cells to generate cleaner energy in the production facilities.
- The ongoing efficiency improvements throughout the value chain continued, resulting in increased productivity and delivery performance.

APRIL 1 – JUNE 30

	Net sales	Operating income	Operating margin
SEK	<b>1,148</b> m (973)	SEK <b>134</b> m (71)	<b>11.6%</b> (7.3%)

JANUARY 1 – JUNE 30

	Net sales	Operating income	Operating margin
SEK	<b>2,278</b> m (1,774)	SEK <b>255</b> m (91)	<b>11.2%</b> (5.2%)

## Duni business area

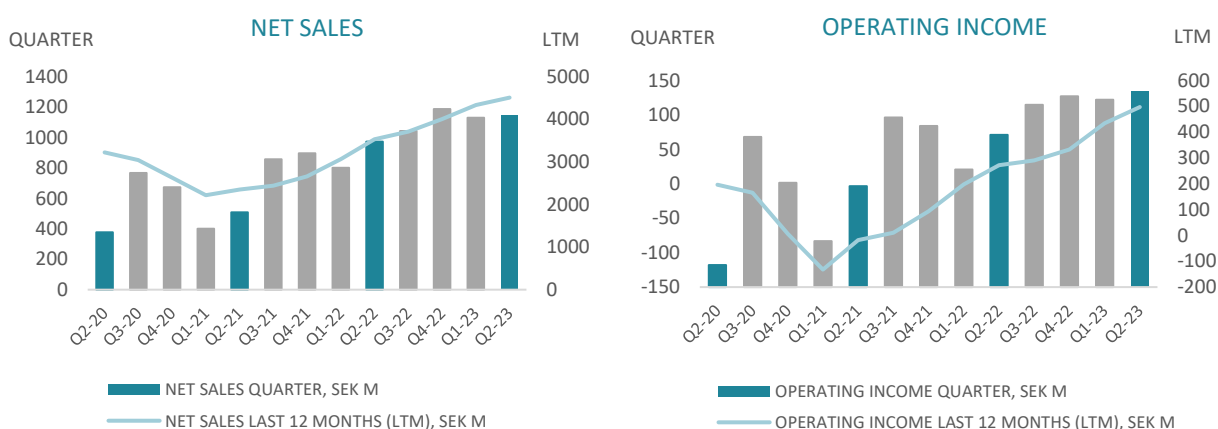
### Net sales

Net sales for the quarter increased by more than SEK 175 m and amounted to SEK 1,148 m (973). At fixed exchange rates, this corresponds to a sales increase of 9.1%. Sales to restaurants and hotels, the business area’s biggest customer segment, were almost completely free of restrictions in Europe only in the middle of Q1 in the previous year. Since then, the market has encountered new challenges such as high inflation and staff shortages, with consequences including reduced opening hours. Despite this, volumes started to normalize last year, and this year, especially in the second quarter, volumes have almost completely returned to historical levels. For the retail sector, the trend was reversed during the pandemic, and growth in this segment was lower in both the first and second quarters than in the hotel and restaurant sector.

During the year, the product portfolio’s sales followed the trend from recent years of increased net sales, primarily in napkins, while sales of table covers have declined in volume. In the area of napkins, the recently launched, fully compostable and fossil-free napkin, BioDunisoft®, continues to perform particularly well. For candles, where cost increases have been particularly high, sales growth in absolute terms was positive, while volumes were falling.

### Income

Operating income in the quarter was SEK 134 m (71) and the operating margin was 11.6% (7.3%). Income increased strongly by SEK 63 m. For a long time, the business area has been working with tight margins, first from low volumes in connection with the pandemic and then from high inflationary pressure, with a continuous upward trend that did not allow compensatory price adjustments at the same rate. The focus has been on ongoing efficiency improvements in production in order to reduce the proportion of fixed costs, and to implement cost-compensating price adjustments. In the latter part of last year, as a result of eased restrictions and slower cost increases, the returning volumes gradually began to allow margins to start normalize. The positive trend continued during the year, which explains the strong income for both the quarter and the first six months of the year. As compensation for the recent high electricity prices, in the second quarter a government electricity subsidy of SEK 20 m was paid out to the business area’s paper mill in Bengtsfors, Rexcell Tissue & Airlaid AB.







## BioPak business area

The BioPak business area 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 business area's customers are various types of restaurants with take-away concepts and companies that are active in the health and patient care sectors. Stores and other food producers are also major customer groups. Products and services in the business area are sold under the both Duni and BioPak brands. The business area has a market-leading position in Australia. The business area accounted for approximately 40% (44%) of the Group's net sales during the period from January 1 to June 30, 2023.

### Business events during the quarter

- Demand for environmentally sound products continued with the launch of Melli, a paper cup with a water-based barrier.
- Duniform® broadened its range with additional fiber-based products for take-away.
- Purchasing of the Viking range, which consists of paper-based packaging items, was moved from Asia to Europe as part of ensuring the Group's sustainability targets.
- In May, prizes were received for sugar cane cups and lids of sugar cane pulp. The Group was also awarded Gold in the Sustainability category by the World Packaging Organisation (WPO).
- The Duni Group's products were used at the Sweden Rock Festival and international Lollapalooza festivals.

APRIL 1 – JUNE 30

Net sales	Operating income	Operating margin
SEK <b>788</b> m (751)	SEK <b>36</b> m (20)	<b>4.6%</b> (2.7%)

1 JANUARY – 30 JUNE

Net sales	Operating income	Operating margin
SEK <b>1,535</b> m (1,393)	SEK <b>45</b> m (51)	<b>2.9%</b> (3.7%)

## BioPak business area

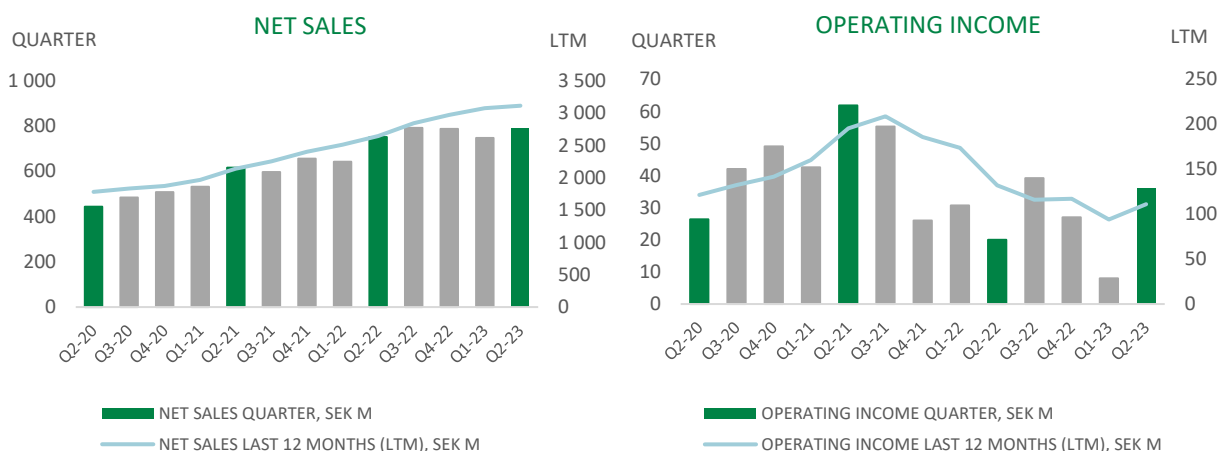
### Net sales

Net sales for the quarter amounted to SEK 788 m (751). At fixed exchange rates, this corresponds to a sales increase of 1.1%. The business area's sales increased during the year, although not at the same rate as in the last few quarters, and the increase in the second quarter was modest. The main reason for the lower growth rate is that after a long period of high demand for take-away, demand in Europe has decreased relative to the previous year. In addition to this, some temporary contracts were also terminated last year. Sales were also boosted by cost-compensating price adjustments. In Australia, the business area's biggest market, sales were healthy, with almost 50% growth compared with the same period of the previous year. The figures for the previous year included the now discontinued sales unit in Singapore, with sales of approximately SEK 9 m for the second quarter and SEK 25 m for the first 6 months.

Demand for environmentally sound products continues to increase, and to meet this trend, the business area's product portfolio is being developed continuously. In the second quarter, for example, a paper cup with a water-based barrier was launched, and the range of sealable fiber-based trays was expanded with new areas of application.

### Income

Operating income in the quarter amounted to SEK 36 m (20), and the operating margin was 4.6% (2.7%). Despite a lower growth rate, operating income in the second quarter improved compared with the same period of the previous year. Income for the year is slightly lower than in the comparative period. The background is primarily the volatile demand and significant changes in sea freight prices that the market has experienced in recent years. In the second quarter of the previous year, container prices peaked, while the cost of most raw materials had been increasing for a long time. This put pressure on margins and explained the weak result in terms of the trend. Since then, costs have fallen in part, while at the same time compensatory price increases have been implemented, which, combined with the volume increase, has had a positive impact on income for the year. The volatile demand for take-away, caused by the pandemic, led to a difficult but temporary challenge in Europe, where work to ensure high delivery precision resulted in high inventory levels, which were largely delivered at extremely high container prices. In order to better meet current market prices, the inventory value for parts of the range has been written down, which had a negative impact on income of just above SEK 20 m.



# Financial overview

## Cash flow and funding

The Group's cash flow from operating activities was SEK 359 m (-311) for the period from January 1 to June 30. Accounts receivable amounted to SEK 1,259 m (1,074) and accounts payable to SEK 601 m (586), while inventory was valued at SEK 1,469 m (1,483). Both the first and second quarters contributed positive cash flows. Cash flow from operating activities increased by more than SEK 650 m compared with the same period last year, where the improved income contributed just over SEK 170 m and the reduction in inventories accounted for just under SEK 500 m. The previous year's extensive stock build-up has been turned into a significant reduction in inventories, with a major positive impact on cash flow.

Cash flow including investing activities amounted to SEK 318 m (-380). Net investments for the period amounted to SEK 39 m (41). Depreciation for the period amounted to SEK 136 m (140), of which depreciation of right-of-use assets amounted to SEK 28 m (38).

The Group's interest-bearing net debt as of June 30, 2023 was SEK 1,274 m. The Group's interest-bearing net debt as of June 30, 2022 was SEK 1,750 m.

## Net financial items

Net financial items for the period from January 1 to June 30 were SEK -28 m (-21). Income from participations in associated companies amounted to SEK -2.7 m (-2.6).

## Taxes

The total reported tax expense for the period from January 1 to June 30 amounted to SEK 27 m (17), producing an effective tax rate of 11.4% (23.8%). The tax for the year includes adjustments and non-recurring effects from the previous year of SEK 9.3 m (-1.8).

## Earnings per share

This year's earnings per share, attributable to the Parent Company's owners, before and after dilution amounted to SEK 3.86 (1.13).

## The share

As of June 30, 2023, the share capital amounted to SEK 58,748,790 and consisted of 46,999,032 outstanding ordinary shares. The quotient value of the shares is 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 AB (29.99%), Nordea Funds AB (11.00%) and Polaris Capital Management LLC (10.19%).

## Personnel

On June 30, 2023, there were 2,278 (2,226) employees. 878 (882) of the employees were engaged in production. 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

During the period, the holding in associated company Bumerang Takeaway S.L, Spain, was increased after a round of financing took place, and new stakeholders joined the company. Duni AB paid EUR 150,000 and went from 22.36% to 23.23% in ownership.

### New establishment

No new establishment was carried out during the period.

### Risk factors for Duni Group

There are a number of risk factors that can affect the Group's operations, linked to both commercial and financial risks.

#### Business risks

The business risks are divided into strategic and environmental risks, operational risks and sustainability risks. These risks affect, among other things, the company's business model and long-term strategic planning. They may have a negative impact on the Group's results or reputation.

**Strategic and environmental risks** refer to risks and external factors that have an impact on the company's business and market position. The Board and management develop strategies to manage these risks, which is done through strategy meetings. This includes risks related to acquisitions, suppliers, regulations and laws. External factors that may also affect operations include raw material prices, transport costs, local restrictions due to a pandemic, a worsening economy, and changes in market demand and taxes. Events that could lead to fewer restaurant visits, reduced demand and increased price competition, affect volumes and gross margins, among other things through increased discounts and customer bonuses. The development of a varied and attractive range is important for the Group to achieve good sales and earnings development.

Russia's invasion of Ukraine resulted in a deterioration in geopolitical conditions. The Duni Group divested its sales office in Moscow immediately after the invasion, in April 2022, and since then has no sales in Russia. The Group monitors developments and complies with all sanctions imposed. Uncertainty is high and it is currently difficult to assess the consequences and long-term effects for the Group because of this. At present, the direct impact is limited. No input materials and no imports come from these two countries.

**Operational risks** are normally handled by the respective operating unit and may refer to production interruptions, IT breakdowns, fire or other risks due to insufficient processes or handling errors. In many cases, the company can control this type of risk itself.

**Sustainability risks** include environmental, human rights and anti-corruption risks. This also includes risks such as not being able to keep up with external requirements regarding material development and reporting or legal requirements. These risks are managed through active prevention measures. The company also has activities and control mechanisms to counter them, for example through audits of suppliers under our Code of Business Conduct. To read more about our extensive sustainability work, see the Annual Report and Sustainability Report 2022.

#### 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 more detail in the Annual Report and Sustainability Report 2022.

The Group's contingent liabilities have risen since the start of the year by SEK 60 m to SEK 127 m (78). This increase is due to currency effects and an increase in Parent Company guarantees.

### Transactions with related parties

No significant transactions with related parties took place during the second quarter of 2023.

### Major events during the period

No significant events have occurred during the period.

### Significant events since the balance sheet date

No significant events have occurred since the balance sheet date.

### Interim reports

Q3	October 24, 2023
Q4	February 9, 2024

### Board of Directors

At the Annual General Meeting on May 16, 2023, Morten Falkenberg, Thomas Gustafsson, Sven Knutsson and Pia Marions were re-elected as Board members. Pauline Lindvall had declined re-election. Viktoria Bergman and Janne Moltke-Leth were elected as new members of the Board. 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 790 m (701). Income after financial items amounted to SEK -10 m (-38). At the Annual General Meeting in May, it was decided on a dividend in two installments, SEK 70 m in May and SEK 70 m in November. The total dividend is booked out of equity and the unpaid portion is included in Other short-term liabilities in the balance sheet in both the Parent Company and the Group. The interest-bearing net asset was SEK 840 m (292), of which a net asset of SEK 2,013 m (1,892) relates to subsidiaries. Net investments amounted to SEK 11 m (9) and depreciation & amortization was SEK 10 m (11).

### 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, 2022.

### 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 14 at 12:00 midday.

At 13:00 pm on Friday, July 14, the report will be presented at a telephone conference, which can also be followed online.

To access the audio conference call, please visit this link:

<https://register.vevent.com/register/BI87b6cb5a06b5430e9f40dc8fd425a1fd>

*This link allows participants to register to obtain their personal audio conference call details.*

To follow the webcast, please visit this link:

<https://onlinexperiences.com/Launch/QReg/ShowUUID=AED2C7FE-5244-4324-BE0F-88F921FD8E68>

*This link gives participants access to the live event.*

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 auditor.

### 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, 2023*

Thomas Gustafsson, Chairman of the Board

Viktoria Bergman, Board member

Morten Falkenberg, Board member

Sven Knutsson, Board member

Pia Marions, Board member

Janne Moltke-Leth, Board member

David Green, Employee Representative, LO

Maria Fredholm, Employee Representative, PTK

Robert Dackeskog, President and CEO

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Company registration number: 556536-7488

# Financial reports

## CONSOLIDATED INCOME STATEMENTS

SEK m (Note 1)	3 months Apr-Jun 2023	3 months Apr-Jun 2022	6 months Jan-Jun 2023	6 months Jan-Jun 2022	12 months Jul-Jun 22/23	12 months Jan-Dec 2022
<b>Income</b>	<b>1,936</b>	<b>1,724</b>	<b>3,813</b>	<b>3,167</b>	<b>7,621</b>	<b>6,976</b>
Cost of goods sold	-1,496	-1,441	-2,982	-2,613	-6,026	-5,657
<b>Gross profit</b>	<b>440</b>	<b>283</b>	<b>831</b>	<b>554</b>	<b>1,595</b>	<b>1,318</b>
Selling expenses	-171	-145	-332	-294	-647	-609
Administrative expenses	-119	-97	-214	-175	-421	-381
Research and development expenses	-9	0	-15	0	-18	-4
Other operating income	32	43	37	47	71	80
Other operating expenses	-20	-17	-42	-39	-82	-79
<b>EBIT</b>	<b>154</b>	<b>67</b>	<b>265</b>	<b>93</b>	<b>498</b>	<b>326</b>
Financial income	6	9	10	10	19	19
Financial expenses	-14	-14	-35	-29	-62	-56
Income from participation in associated companies	-1	-2	-3	-3	-6	-6
<b>Net financial items</b>	<b>-10</b>	<b>-7</b>	<b>-28</b>	<b>-21</b>	<b>-49</b>	<b>-43</b>
<b>Income after financial items</b>	<b>144</b>	<b>60</b>	<b>238</b>	<b>72</b>	<b>449</b>	<b>283</b>
Income tax	-24	-11	-27	-17	-92	-82
<b>Net income</b>	<b>120</b>	<b>49</b>	<b>211</b>	<b>55</b>	<b>357</b>	<b>201</b>
Net income attributable to:						
- Equity holders of the Parent Company	104	48	181	53	328	200
- Non-controlling interests	17	1	29	1	29	2
<b>Earnings per share attributable to equity holders of the Parent Company:</b>						
Before and after dilution (SEK)	2.20	1.02	3.86	1.13	6.97	4.25
Average number of shares before and after dilution ('000)	46,999	46,999	46,999	46,999	46,999	46,999

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m (Note 1)	3 months Apr-Jun 2023	3 months Apr-Jun 2022	6 months Jan-Jun 2023	6 months Jan-Jun 2022	12 months Jul-Jun 22/23	12 months Jan-Dec 2022
<b>Net income</b>	<b>120</b>	<b>49</b>	<b>211</b>	<b>55</b>	<b>357</b>	<b>201</b>
<b>Other comprehensive income:</b>						
Items that will not be reclassified to profit or loss:						
Remeasurement of net pension obligation*	14	32	12	56	-28	16
<b>Total</b>	<b>14</b>	<b>32</b>	<b>12</b>	<b>56</b>	<b>-28</b>	<b>16</b>
Items that may be reclassified subsequently to profit or loss:						
Translation differences for the period when translating foreign operations	61	-2	44	48	28	32
Cash flow hedging	3	8	1	16	20	35
<b>Total</b>	<b>65</b>	<b>5</b>	<b>45</b>	<b>64</b>	<b>48</b>	<b>67</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>79</b>	<b>37</b>	<b>57</b>	<b>120</b>	<b>19</b>	<b>83</b>
<b>Sum of comprehensive income for the period</b>	<b>199</b>	<b>86</b>	<b>268</b>	<b>175</b>	<b>377</b>	<b>284</b>
- Of which non-controlling interests	34	3	37	6	38	6

\*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	2023		2022				2021	
	Apr- June	Jan- Mar	Oct- Dec	Jul- Sep	Apr- Jun	Jan- Mar	Oct- Dec	Jul- Sep
<b>Income</b>	<b>1,936</b>	<b>1,877</b>	<b>1,974</b>	<b>1,834</b>	<b>1,724</b>	<b>1,443</b>	<b>1,552</b>	<b>1,453</b>
Cost of goods sold	-1,496	-1,486	-1,574	-1,471	-1,441	-1,172	-1,258	-1,117
<b>Gross profit</b>	<b>440</b>	<b>391</b>	<b>401</b>	<b>364</b>	<b>283</b>	<b>271</b>	<b>294</b>	<b>337</b>
Selling expenses	-171	-161	-168	-147	-145	-148	-136	-125
Administrative expenses	-119	-95	-129	-78	-97	-78	-80	-64
Research and development expenses	-9	-6	-3	-1	0	0	-1	0
Other operating income	32	5	20	14	43	4	28	8
Other operating expenses	-20	-22	-20	-20	-17	-22	-54	-20
<b>EBIT</b>	<b>154</b>	<b>111</b>	<b>100</b>	<b>132</b>	<b>67</b>	<b>26</b>	<b>51</b>	<b>135</b>
Financial income	6	5	5	4	9	1	1	0
Financial expenses	-14	-21	-13	-14	-14	-15	-7	-7
Income from participation in associated companies	-1	-2	-2	-2	-2	-1	-1	-1
<b>Net financial items</b>	<b>-10</b>	<b>-18</b>	<b>-9</b>	<b>-12</b>	<b>-7</b>	<b>-14</b>	<b>-8</b>	<b>-7</b>
<b>Income after financial items</b>	<b>144</b>	<b>93</b>	<b>91</b>	<b>120</b>	<b>60</b>	<b>12</b>	<b>43</b>	<b>128</b>
Income tax	-24	-3	-32	-33	-11	-6	-34	-27
<b>Net income</b>	<b>120</b>	<b>90</b>	<b>59</b>	<b>87</b>	<b>49</b>	<b>6</b>	<b>9</b>	<b>102</b>
<b>Income attributable to:</b>								
- Equity holders of the Parent Company	104	78	60	86	48	5	9	102
- Non-controlling interests	17	12	-1	1	1	1	0	0

## CONSOLIDATED BALANCE SHEET IN BRIEF

SEK m	June 30, 2023	December 31, 2022	June 30, 2022
<b>ASSETS</b>			
<b>Fixed assets</b>			
Goodwill	2 160	2,136	2,060
Other intangible assets	274	305	329
Tangible assets	1,254	1,147	1,119
Financial assets	316	294	194
<b>Total fixed assets</b>	<b>4,004</b>	<b>3,881</b>	<b>3,703</b>
<b>Current assets</b>			
Inventory	1,469	1,727	1 483
Accounts receivable	1,259	1,137	1,074
Other receivables	340	222	299
Cash and cash equivalents	419	372	287
<b>Total current assets</b>	<b>3,488</b>	<b>3,458</b>	<b>3,143</b>
<b>TOTAL ASSETS</b>	<b>7,492</b>	<b>7,339</b>	<b>6,846</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Shareholders' equity attributable to equity holders of the Parent Company	3,300	3,211	2,772
Non-controlling interests	567	530	91
<b>Total equity</b>	<b>3,868</b>	<b>3,742</b>	<b>2,863</b>
<b>Long-term liabilities</b>			
Long-term financial liabilities	1,230	1,173	1,566
Other long-term liabilities	322	348	600
<b>Total long-term liabilities</b>	<b>1,551</b>	<b>1,521</b>	<b>2,167</b>
<b>Short-term liabilities</b>			
Accounts payable	601	840	586
Short-term financial liabilities	362	393	391
Other short-term liabilities	1,110	844	839
<b>Total short-term liabilities</b>	<b>2,073</b>	<b>2,076</b>	<b>1,816</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,492</b>	<b>7,339</b>	<b>6,846</b>

## CHANGE IN THE GROUP'S EQUITY

	Attributable to equity holders of the Parent Company					Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves <sup>1)</sup>	Retained earnings including net income	Total equity, equity holders of the Parent Company		
SEK m							
<b>Opening balance January 1, 2022</b>	<b>59</b>	<b>1,681</b>	<b>103</b>	<b>786</b>	<b>2,630</b>	<b>85</b>	<b>2,714</b>
Net income	-	-	-	53	53	1	55
Other comprehensive income for the period, net after tax	-	-	60	56	116	4	120
<b>Sum of comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>60</b>	<b>110</b>	<b>169</b>	<b>6</b>	<b>175</b>
Remeasurement of liability to minority shareholders	-	-	-	-26	-26	-	-26
<b>Opening balance July 1, 2022</b>	<b>59</b>	<b>1,681</b>	<b>163</b>	<b>870</b>	<b>2,772</b>	<b>91</b>	<b>2,863</b>
Net income	-	-	-	146	146	0	147
Other comprehensive income for the period, net after tax	-	-	2	-40	-38	0	-37
<b>Sum of comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>106</b>	<b>109</b>	<b>0</b>	<b>109</b>
Remeasurement of liability to minority shareholders	-	-	-	26	26	-	26
Transactions with minority interests	-	-	-	304	304	439	743
<b>Opening balance January 1, 2023</b>	<b>59</b>	<b>1,681</b>	<b>165</b>	<b>1,306</b>	<b>3,211</b>	<b>530</b>	<b>3,742</b>
Net income	-	-	-	181	181	29	211
Other comprehensive income for the period, net after tax	-	-	37	12	49	8	57
<b>Sum of comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>37</b>	<b>193</b>	<b>230</b>	<b>37</b>	<b>268</b>
Dividend paid to shareholders	-	-	-	-142	-142	-	-142
<b>Closing balance June 30, 2023</b>	<b>59</b>	<b>1,681</b>	<b>203</b>	<b>1,358</b>	<b>3,300</b>	<b>567</b>	<b>3,868</b>

<sup>1)</sup> Of the total reserves, SEK 13 m relates to a fair value reserve and consists of revaluation of land according to previous accounting principles. The revalued amount was adopted as acquisition value in accordance with the transitional rules in IFRS 1 and has not changed since.

## CONSOLIDATED CASH FLOW STATEMENT

SEK m	6 months Jan-Jun 2023	6 months Jan-Jun 2022
<b>Operating activities</b>		
Reported EBIT	265	93
Adjusted for items not included in cash flow, etc.	153	79
Paid interest and tax	-99	-57
Change in working capital	40	-426
<b>Cash flow from operating activities</b>	<b>359</b>	<b>-311</b>
<b>Investments</b>		
Acquisitions of fixed assets	-41	-44
Sales of fixed assets	1	0
Acquisition of subsidiaries	-	-25
Acquisition of associated companies	-2	-
<b>Cash flow from investments</b>	<b>-41</b>	<b>-69</b>
<b>Financing</b>		
Loans raised <sup>1)</sup>	80	225
Repayment of debt <sup>1)</sup>	-203	-
Dividend paid to shareholders	-70	-
Net change, overdraft facilities and other financial liabilities	-49	80
Net change in lease liability	-28	-40
<b>Cash flow from financing</b>	<b>-272</b>	<b>265</b>
<b>Cash flow for the period</b>	<b>46</b>	<b>-114</b>
Cash and cash equivalents, opening balance	372	396
Exchange difference, cash and cash equivalents	1	5
<b>Cash and cash equivalents, closing balance</b>	<b>419</b>	<b>287</b>

<sup>1)</sup> 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 FINANCIALS IN BRIEF

	3 months Apr-Jun 2023	3 months Apr-Jun 2022	6 months Jan-Jun 2023	6 months Jan-Jun 2022	12 months Jul-Jun 22/23	12 months Jan-Dec 2022
Net sales, SEK m	1,936	1,724	3,813	3,167	7,621	6,976
Gross profit, SEK m	440	283	831	554	1,595	1,318
Operating income, SEK m	170	91	300	142	607	450
Operating EBITDA, SEK m	226	147	404	251	816	664
EBIT, SEK m	154	67	265	93	498	326
EBITDA, SEK m	226	138	402	233	772	603
Interest-bearing net debt, SEK m	1,274	1,750	1,274	1,750	1,274	1,317
Number of employees	2,278	2,226	2,278	2,226	2,278	2,231
Sales growth	12.3%	53.4%	20.4%	54.0%	23.5%	37.8%
Organic growth	5.9%	47.2%	14.0%	48.1%	16.6%	30.9%
Gross margin	22.7%	16.4%	21.8%	17.5%	20.9%	18.9%
Operating margin	8.8%	5.3%	7.9%	4.5%	8.0%	6.4%
Operating EBITDA margin	11.7%	8.5%	10.6%	7.9%	10.7%	9.5%
EBIT margin	8.0%	3.9%	7.0%	2.9%	6.5%	4.7%
EBITDA margin	11.7%	8.0%	10.5%	7.4%	10.1%	8.6%
Return on equity	3.1%	1.7%	5.4%	1.9%	9.2%	5.4%
Return on capital employed <sup>1)</sup>	12.4%	9.0%	12.4%	9.0%	12.4%	9.3%
Return on capital employed, excluding goodwill <sup>1)</sup>	22.2%	16.7%	22.2%	16.7%	22.2%	16.6%
Interest-bearing net debt/ equity	32.9%	61.1%	32.9%	61.1%	32.9%	35.2%
Interest-bearing net debt/operating EBITDA <sup>1)</sup>	1.56	2.84	1.56	2.84	1.56	1.98

<sup>1)</sup> Calculated on the basis of the last twelve months and operating income.

Alternative key financials are described in definitions. For reconciliation of these, see Note 5.

## PARENT COMPANY INCOME STATEMENTS IN BRIEF

SEK m (Note 1)	3 months Apr-Jun 2023	3 months Apr-Jun 2022	6 months Jan-Jun 2023	6 months Jan-Jun 2022
<b>Income</b>	<b>394</b>	<b>389</b>	<b>790</b>	<b>701</b>
Cost of goods sold	-397	-374	-787	-684
<b>Gross profit</b>	<b>-3</b>	<b>15</b>	<b>3</b>	<b>17</b>
Selling expenses	-30	-30	-56	-56
Administrative expenses	-73	-71	-140	-124
Research and development expenses	-8	-1	-14	-1
Other operating income	85	76	163	143
Other operating expenses	-14	-10	-27	-20
<b>EBIT</b>	<b>-44</b>	<b>-21</b>	<b>-71</b>	<b>-41</b>
Revenue from participation in Group companies	50	12	50	12
Financial income	43	12	77	23
Financial expenses	-31	-14	-66	-32
<b>Net financial items</b>	<b>62</b>	<b>10</b>	<b>61</b>	<b>3</b>
<b>Income after financial items</b>	<b>19</b>	<b>-10</b>	<b>-10</b>	<b>-38</b>
Income tax	5	1	11	7
<b>Net income</b>	<b>23</b>	<b>-9</b>	<b>1</b>	<b>-32</b>

## PARENT COMPANY, STATEMENT OF COMPREHENSIVE INCOME

SEK m	3 months Apr-Jun 2023	3 months Apr-Jun 2022	6 months Jan-Jun 2023	6 months Jan-Jun 2022
<b>Net income</b>	<b>23</b>	<b>-9</b>	<b>1</b>	<b>-32</b>
<b>Other comprehensive income<sup>1)</sup>:</b>				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedging	5	5	6	5
<b>Total</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>5</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>5</b>
<b>Sum of comprehensive income for the period</b>	<b>29</b>	<b>-4</b>	<b>7</b>	<b>-26</b>
- Attributable to equity holders of the Parent Company	29	-4	7	-26

<sup>1)</sup> 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, 2023	December 31, 2022	June 30, 2022
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets	57	55	52
Tangible assets	25	25	24
Financial assets	3,971	3,918	3,669
<b>Total fixed assets</b>	<b>4,052</b>	<b>3,998</b>	<b>3,745</b>
<b>Current assets</b>			
Inventory	117	127	139
Accounts receivable	173	143	160
Other receivables	615	418	490
Cash and bank balances	248	204	184
<b>Total current assets</b>	<b>1,153</b>	<b>892</b>	<b>974</b>
<b>TOTAL ASSETS</b>	<b>5,205</b>	<b>4,890</b>	<b>4,719</b>
<b>EQUITY, PROVISIONS AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity	87	87	83
Unrestricted equity	2,197	2,331	1 904
<b>Total equity</b>	<b>2,285</b>	<b>2,419</b>	<b>1,987</b>
<b>Provisions</b>	<b>115</b>	<b>109</b>	<b>108</b>
<b>Long-term liabilities</b>			
Long-term financial liabilities	1,035	1,066	1,425
Other long-term liabilities	-	0	1
<b>Total long-term liabilities</b>	<b>1,035</b>	<b>1,066</b>	<b>1,426</b>
<b>Short-term liabilities</b>			
Accounts payable	59	71	67
Short-term financial liabilities	304	287	278
Other short-term liabilities	1,408	939	852
<b>Total short-term liabilities</b>	<b>1,770</b>	<b>1,297</b>	<b>1,197</b>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>5,205</b>	<b>4,890</b>	<b>4,719</b>

## 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 policies are the same as in the Annual Report for the year ended on December 31, 2022, with the addition that participations in associated companies are reported in accordance with the cost method in the Parent Company. The Group has received government support in respect of short-time work and support for fixed costs. This assistance has been recognized as revenue under the Other operating income line item.

### Note 2 • Financial assets and liabilities

The Group 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 valuation techniques are unchanged during the year. As described in greater detail in the Annual Report for the year ended on December 31, 2022, 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

Group management, which is the highest executive and decision-making body, decides on the allocation of resources within the Group and evaluates the results of operations. Group Management manages the performance of the business through the business areas on the basis of sales and operating income. The Group's operations are divided into two business areas, Duni and BioPak. Each business area has full responsibility for its respective value chain. Products are sold 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
- 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, where Australia accounts for just over 70%, New Zealand just over 10% and the remaining share mainly Thailand, Singapore, the USA and the United Arab Emirates, of about 2-5% each.
- Other Sales: 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.

The Group also has a central marketing department responsible for branding strategy, marketing communications, product development and innovation. Group-wide functions such as accounting, HR, communications, sustainability, and IT are largely shared by the business areas, and the expenses for these are allocated by the percentage of sales of each business area, Duni and BioPak. The Duni business area has a vertically integrated business model for small paper-based products such as napkins and table covers. This means that the entire production and delivery chain is owned and controlled by the business area, from material manufacture and concept development to conversion and distribution. The BioPak business area does not have in-house production. There is a large procurement organization here, and it is a major part of the business.



## OPERATING SEGMENTS, GROUP

SEK m	Apr-Jun 2023			Apr-Jun 2022		
	Duni	BioPak	Duni Group	Duni	BioPak	Duni Group
Total net sales	1,150	788	1,938	980	751	1,731
Revenue from other segments	2	0	3	7	0	7
<b>Net sales from external customers</b>	<b>1,148</b>	<b>788</b>	<b>1,936</b>	<b>973</b>	<b>751</b>	<b>1,724</b>
<b>Operating income</b>	<b>134</b>	<b>36</b>	<b>170</b>	<b>71</b>	<b>20</b>	<b>91</b>
EBIT			154			67
Net financial items			-10			-7
Income after financial items			144			60

SEK m	Jan-Jun 2023			Jan-Jun 2022		
	Duni	BioPak	Duni Group	Duni	BioPak	Duni Group
Total net sales	2,282	1,535	3,817	1,787	1,394	3,181
Revenue from other segments	4	0	4	13	0	13
<b>Net sales from external customers</b>	<b>2,278</b>	<b>1,535</b>	<b>3,813</b>	<b>1,774</b>	<b>1,393</b>	<b>3,167</b>
<b>Operating income</b>	<b>255</b>	<b>45</b>	<b>300</b>	<b>91</b>	<b>51</b>	<b>142</b>
EBIT			265			93
Net financial items			-28			-21
Income after financial items			238			72

## QUARTERLY OVERVIEW PER SEGMENT

SEK m	2023		2022				2021	
	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Duni	1,148	1,130	1,187	1,043	973	801	896	857
BioPak	788	747	787	791	751	642	656	596
<b>Duni Group</b>	<b>1,936</b>	<b>1,877</b>	<b>1,974</b>	<b>1,834</b>	<b>1,724</b>	<b>1,443</b>	<b>1,552</b>	<b>1,453</b>
<b>Operating income</b>								
SEK m	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Duni	134	122	127	115	71	21	84	96
BioPak	36	8	27	39	20	31	26	55
<b>Duni Group</b>	<b>170</b>	<b>130</b>	<b>153</b>	<b>154</b>	<b>91</b>	<b>51</b>	<b>110</b>	<b>151</b>

## NET SALES PER REGION, THE GROUP

SEK m	3 months Apr-Jun 2023	3 months Apr-Jun 2023 <sup>1)</sup>	3 months Apr-Jun 2022	6 months Jan-Jun 2023	6 months Jan-Jun 2023 <sup>1)</sup>	6 months Jan-Jun 2022	12 months Jul-Jun 22/23	12 months Jan-Dec 2022
NorthEast	345	337	327	654	640	579	1,297	1,222
Central	520	470	457	1,097	1,007	860	2,169	1,932
West	284	264	259	560	527	473	1,134	1,047
South	237	218	195	396	367	332	747	683
Rest of World	513	498	444	1,030	994	831	2,098	1,899
Other Sales	36	35	43	76	75	93	175	192
<b>Duni Group</b>	<b>1,936</b>	<b>1,821</b>	<b>1,724</b>	<b>3,813</b>	<b>3,610</b>	<b>3,167</b>	<b>7,621</b>	<b>6,976</b>
<b>Time of revenue recognition</b>								
Goods/services transferred at once	1,936	1,821	1,724	3,813	3,610	3,167	7,621	6,976
Goods/services transferred over time	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,936</b>	<b>1,821</b>	<b>1,724</b>	<b>3,813</b>	<b>3,610</b>	<b>3,167</b>	<b>7,621</b>	<b>6,976</b>

<sup>1)</sup> Reported net sales for 2023 recalculated at 2022 exchange rates.

## NET SALES PER REGION, DUNI BUSINESS AREA

SEK m	3 months Apr-Jun 2023	3 months Apr-Jun 2023 <sup>1)</sup>	3 months Apr-Jun 2022	6 months Jan-Jun 2023	6 months Jan-Jun 2023 <sup>1)</sup>	6 months Jan-Jun 2022	12 months Jul-Jun 22/23	12 months Jan-Dec 2022
NorthEast	198	191	172	376	366	303	745	671
Central	444	401	375	954	876	708	1,875	1,629
West	198	183	170	398	374	306	813	721
South	189	174	141	307	284	229	569	491
Rest of World	84	78	72	167	156	135	331	299
Other Sales	36	35	43	76	75	93	175	192
<b>Duni</b>	<b>1,148</b>	<b>1,062</b>	<b>973</b>	<b>2,278</b>	<b>2,130</b>	<b>1,774</b>	<b>4,508</b>	<b>4,004</b>

<sup>1)</sup> Reported net sales for 2023 recalculated at 2022 exchange rates.

## NET SALES PER REGION, BIOPAK BUSINESS AREA

SEK m	3 months Apr-Jun 2023	3 months Apr-Jun 2023 <sup>1)</sup>	3 months Apr-Jun 2022	6 months Jan-Jun 2023	6 months Jan-Jun 2023 <sup>1)</sup>	6 months Jan-Jun 2022	12 months Jul-Jun 22/23	12 months Jan-Dec 2022
NorthEast	147	146	155	277	275	276	552	551
Central	76	68	81	143	131	152	295	303
West	86	81	89	162	153	166	322	326
South	49	44	54	90	83	103	178	192
Rest of World	430	420	373	863	838	696	1,767	1,600
<b>BioPak</b>	<b>788</b>	<b>759</b>	<b>751</b>	<b>1,535</b>	<b>1,480</b>	<b>1,393</b>	<b>3,113</b>	<b>2,972</b>

<sup>1)</sup> Reported net sales for 2023 recalculated at 2022 exchange rates.

## NET SALES PER PRODUCT GROUP

SEK m, Jan-Jun 2023	Duni	BioPak	Duni Group
Napkins	1,648	42	1,690
Table covers	364	-	364
Candles	101	-	101
Packaging solutions	-	625	625
Serving products	0	810	810
Other	165	58	223
<b>Total</b>	<b>2,278</b>	<b>1,535</b>	<b>3,813</b>

## Note 4 • Reporting and disclosures on restructuring costs

## RESTRUCTURING COSTS

SEK m	3 months Apr-Jun 2023	3 months Apr-Jun 2022	6 months Jan-Jun 2023	6 months Jan-Jun 2022	12 months Jul-Jun 22/23	12 months Jan-Dec 2022
Cost of goods sold	-	-	-	-1	-	-1
Selling expenses	0	1	0	-7	0	-7
Administrative expenses	0	-10	-5	-10	-44	-48
Other operating expenses/income	-	-	-	-	0	0
<b>Total</b>	<b>0</b>	<b>-9</b>	<b>-5</b>	<b>-18</b>	<b>-44</b>	<b>-57</b>

Restructuring costs amounted to SEK -5 m (-18). In 2022, a cost of SEK 9.5 m was reported for the closure of the Russian sales office and non-recurring costs totaling SEK 48 m, of which SEK 9.5 m during the first half of the year, in respect of advisory services, audit services and legal expenses in connection with the divestment of the shares in BioPak Pty Ltd. Restructuring costs for the year of SEK 5 m were also attributable to the divestment of the shares in BioPak.

**Note 5 • Alternative key financials****BRIDGE BETWEEN OPERATING INCOME AND EBIT**

SEK m	3 months Apr-Jun 2023	3 months Apr-Jun 2022	6 months Jan-Jun 2023	6 months Jan-Jun 2022	12 months Jul-Jun 22/23	12 months Jan-Dec 2022
Operating income excluding IFRS 16 Leases	168	90	296	140	597	441
Effects of IFRS 16 Leases	2	1	4	3	11	9
<b>Operating income</b>	<b>170</b>	<b>91</b>	<b>300</b>	<b>142</b>	<b>607</b>	<b>450</b>
Restructuring costs	0	-9	-5	-18	-44	-57
Unrealized value changes. derivative instruments	0	-	3	-	0	-3
Amortization of intangible assets identified in business combinations	-16	-15	-33	-31	-65	-63
Fair value allocation in connection with acquisitions	0	0	0	0	0	0
<b>EBIT</b>	<b>154</b>	<b>67</b>	<b>265</b>	<b>93</b>	<b>498</b>	<b>326</b>

**BRIDGE BETWEEN OPERATING EBITDA, EBITDA AND EBIT**

SEK m	3 months Apr-Jun 2023	3 months Apr-Jun 2022	6 months Jan-Jun 2023	6 months Jan-Jun 2022	12 months Jul-Jun 22/23	12 months Jan-Dec 2022
Operating EBITDA excluding IFRS 16 Leases	209	125	371	211	741	581
Effects of IFRS 16 Leases	17	22	33	40	75	82
<b>Operating EBITDA</b>	<b>226</b>	<b>147</b>	<b>404</b>	<b>251</b>	<b>816</b>	<b>664</b>
Restructuring costs	0	-9	-5	-18	-44	-57
Unrealized value changes. derivative instruments	0	-	3	-	0	-3
Fair value allocation in connection with acquisitions	0	0	0	0	0	0
<b>EBITDA</b>	<b>226</b>	<b>138</b>	<b>402</b>	<b>233</b>	<b>772</b>	<b>603</b>
Amortization of intangible assets identified in business combinations	-16	-15	-33	-31	-65	-63
Amortization of right-of-use assets	-15	-21	-28	-38	-64	-73
Other amortization included in EBIT	-41	-36	-75	-71	-145	-141
<b>EBIT</b>	<b>154</b>	<b>67</b>	<b>265</b>	<b>93</b>	<b>498</b>	<b>326</b>

**BRIDGE BETWEEN REPORTED NET SALES AND ORGANIC GROWTH**

SEK m	3 months Apr-Jun 2023	3 months Apr-Jun 2022	6 months Jan-Jun 2023	6 months Jan-Jun 2022	12 months Jul-Jun 22/23	12 months Jan-Dec 2022
<b>Net sales</b>	<b>1,936</b>	<b>1,724</b>	<b>3,813</b>	<b>3,167</b>	<b>7,621</b>	<b>6,976</b>
Currency effect <sup>1)</sup>	-114	-70	-202	-121	-291	-349
<b>Currency-adjusted net sales</b>	<b>1,821</b>	<b>1,654</b>	<b>3,610</b>	<b>3,046</b>	<b>7,330</b>	<b>6,627</b>
Less acquisitions	-	-	-	-	-	-
<b>Net sales for organic growth</b>	<b>1,821</b>	<b>1,654</b>	<b>3,610</b>	<b>3,046</b>	<b>7,330</b>	<b>6,627</b>
<b>Organic growth</b>	<b>5.9%</b>	<b>47.2%</b>	<b>14.0%</b>	<b>48.1%</b>	<b>16.6%</b>	<b>30.9%</b>

<sup>1)</sup> Reported net sales for 2023 recalculated at 2022 exchange rates.

## Definitions of key financials

The Group uses financial metrics that are not defined by the IFRS 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 is Operating income. The management team manages its activities and the business areas are measured using this metric. For reconciliation of alternative key financials, see Note 5. The key financials are defined as follows:

**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:** Reported operating profit.

**EBIT margin:** EBIT as a percentage of net sales.

**EBITA:** Operating profit before amortization of intangible assets.

**EBITDA:** Operating profit before depreciation and amortization of fixed assets.

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

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

**Gross profit:** Sales income minus cost of goods sold.

**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 less restructuring costs, fair value allocations and amortization of intangible assets identified in connection with business acquisitions.

**Operating margin:** Operating income as a percentage of net sales.

**Organic growth:** Sales growth adjusted for currencies and acquisitions. Acquired companies are included in organic growth when they have comparable quarters.

**Return on capital employed:** Operating profit as a percentage of capital employed.

**Return on equity:** Net income as a percentage of equity.

## 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% biodegradable. Bagasse is used primarily in the BioPak business area's meal packaging solutions and serving products such as plates, bowls and take-away boxes.

**BioDunicel®:** Sustainable premium table covers and placemats made from potato starch, produced by Duni's team in Germany.

**BioDunisoft®:** Sustainable premium napkins made with groundbreaking BioBinder™ based on food leftovers.

**Circularity:** An integrated holistic approach to the sustainability-related challenges faced by the Group. It encompasses the whole life cycle – from material selection and impact on the life cycle, to ultimate solutions.

**Conversion:** 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 2023 are calculated at exchange rates for 2022. Effects of translation of balance sheet items are not included.

**EcoVadis:** A world-leading independent company that analyzes and evaluates the sustainability of other companies annually. The assessment is based on criteria in four different areas: The environment, fair working conditions, business ethics and the supply chain.

**Goodfoodmood®:** The Duni business area's brand platform - to create a pleasant atmosphere and positive mood at all times when food and drink are prepared and served - a Goodfoodmood.

**Our Decade of Action:** Duni Group's updated strategy with a long-term vision, a higher purpose and a clear sustainability agenda based on UN Agenda 2030. With our "Decade of Action" we want to lead the way in sustainability.

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

**Science Based Targets (SBT):** A method for companies to set scientifically based climate targets in line with the Paris Agreement. The company inventories its emissions throughout its value chain and links its targets to investments in which the economy, feasibility and other effects are closely investigated.

**SUP:** The EU's Single Use Plastics Directive, which aims to implement a series of measures for Member States to address the negative environmental impacts of certain plastic products.

**The GHG Protocol:** The leading standard for business to measure, manage and report greenhouse gas emissions.

**UNGC:** The United Nations Global Compact (UNGC) is the world's largest initiative to gather business around corporate sustainability, no matter how large or complex a company is or where it is.

**Vertical integration:** Vertical integration means that the Group, through the Duni business area, owns virtually the entire value chain for tablecloths and napkins (tissue and airlaid).

