



## Press release

6 July 2017

### Cloetta to divest its Italian operations

**Cloetta has signed an agreement to sell Cloetta Italy to Katjes International. The sale equals an Enterprise Value (EV) of approximately SEK 450m. The proceeds will generate a positive net cash effect of approximately SEK 415m.**

“I am very pleased that we have found a new home for our Italian brands, factories and employees. We already know Katjes and are well aware of their business experience and good employer track record. I am convinced that they will be able to manage and develop the business going forward. This is a very good solution for all parties and follows Cloetta’s strategy to focus more on its business in North-Western Europe including the recently acquired Candyking business,” says Henri de Sauvage-Nolting, CEO of Cloetta.

Cloetta Italy, headquartered in Cremona, produces and sells brands such as Sperlari, Saila, Dietor, Galatine and Dietorelle. The factories are located in Cremona, Gordona, San Pietro in Casale and Silvi Marina. In 2016, Cloetta Italy had sales of SEK 745m and approximately 400 employees.

The deal includes the complete Italian commercial organization, the four production units and all Italian brands. The divestment will result in an impairment estimated to approximately SEK 365m before tax that will be reported in the second quarter of 2017.

“The impairment of Cloetta Italy recognizes a challenging business performance over time that have eventually led to this decision. However, the divestment of Cloetta Italy will enable Cloetta to reach its EBIT margin target of 14 per cent in a more focused way. The divestment will improve Cloetta’s margins and return on capital employed,” says Danko Maras, CFO of Cloetta.

The transaction is not subject to regulatory approvals and is expected to close in the third quarter of 2017.

In the interim report for Q2 2017, the Italian operations will be accounted for as assets held for sale and discontinued operation. The profit and loss account will be restated for the four quarters of 2016 and the first quarter of 2017. The financials of the discontinued operations will be presented in separate tables.

EY has been financial advisor and White & Case has been legal advisor to Cloetta.

This information constituted before the publication inside information and is such that Cloetta AB (publ) is required to disclose pursuant to the EU Market Abuse Regulation. The information was submitted, by the below contact person, for publication on 6 July 2017 at 08.30 am CET.

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### **About Cloetta**

Cloetta, founded in 1862, is a leading confectionary company in the Nordic region, the Netherlands, and Italy. In total, Cloetta products are sold in more than 50 countries worldwide. Cloetta owns some of the strongest brands on the market, such as Läkerol, Cloetta, Candyking, Jenkki, Kexchoklad, Malaco, Sportlife, Saila, Red Band and Sperlari. Cloetta has 12 production units in six countries. Cloetta's class B-shares are traded on Nasdaq Stockholm. More information about Cloetta is available on [www.cloetta.com](http://www.cloetta.com)

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