



## Press release

19 August 2020

# Cloetta outsources the manufacturing of nuts to improve its competitiveness

**To improve the competitiveness and offering within the nuts segment, Cloetta has decided to close the production in Helsingborg and to outsource the manufacturing to a third-party. The initiative is expected to generate savings of up to SEK 10m on an annual basis and incur a total of approximately SEK 15m in one-off restructuring costs.**

The factory in Helsingborg is Cloetta's sole processor of nuts, with brands such as Nutisal and Parrots. Nuts play an important role in Cloetta's portfolio as they offer alternative snacking and are an important growth segment, with the nuts market expected to grow proportionally faster than confectionery in the coming ten years.

“The third-party supplier was selected after a rigorous process evaluating a wide range of suppliers and their ability to maintain a clear focus on safety, quality and delivery. Through the outsourcing we will improve our competitiveness and offering within the nuts segment as well as get access to new technologies. Furthermore, the initiative enables us to streamline our own production to focus on categories in which we possess strong internal knowledge and expertise”, says Henri de Sauvage-Nolting, President and CEO of Cloetta.

The factory in Helsingborg is planned to be closed in early 2021 and handed back to the owner. In total, 25 jobs will be affected, and negotiations have been initiated with the local unions in order to support the employees.

“A decision to close a factory is not taken lightheartedly and we will support our employees in their transition to new jobs. However, we are active in a highly competitive market and must therefore constantly review our ability to drive improvements across our business”, says Henri de Sauvage-Nolting.

The initiative is expected to generate savings of up to SEK 10m on an annual basis and incur a total of approximately SEK 15m in one-off restructuring costs, whereof approximately half is of non-cash nature. The nuts segment accounted for 4% of total sales in 2019.

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## About Cloetta

Cloetta, founded in 1862, is a leading confectionery company in Northern Europe. Cloetta's products are sold in more than 50 countries worldwide with Sweden, Finland, Denmark, Norway, the Netherlands, Germany and the UK as the main markets. Cloetta owns some of the strongest brands on the market, such as Läkerol, Cloetta, Candyking, Jenkki, Kexchoklad, Malaco, Sportlife and Red Band. Cloetta has 8 production units in 5 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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