



Johan Westman
President and CEO

**Virtual
Capital Market Day
November 17, 2020**

AAK

2020 Capital Market Day presentations

BUSINESS AND STRATEGY UPDATE



Johan Westman
President and CEO

THE AAK PURPOSE



Johan Westman
President and CEO

FINANCIAL PERFORMANCE



Fredrik Nilsson
Chief Financial Officer

SUSTAINABILITY PROGRESS



Anne Mette Olesen
Chief Strategy and
Sustainability Officer

PLANT-BASED FOODS UPDATE



Niall Sands
President Plant-
based Foods

ASIA UPDATE



Sten Estrup
President Asia

Live Q & A webcast

November 17, 2020

2:00 p.m. CET

A recording of the Q & A webcast will be published no later than 6:00 p.m. CET on November 17 on www.aak.com/cmd

THE PANEL



Johan Westman
President and CEO



Fredrik Nilsson
Chief Financial Officer



Tim Stephenson
President Global
Sourcing & Trading




Anne Mette Olesen
Chief Strategy and
Sustainability Officer



Niall Sands
President Plant-based
Foods



Sten Estrup
President Asia



Johan Westman
President and CEO

Business and strategy update

Capital Market Day 2020

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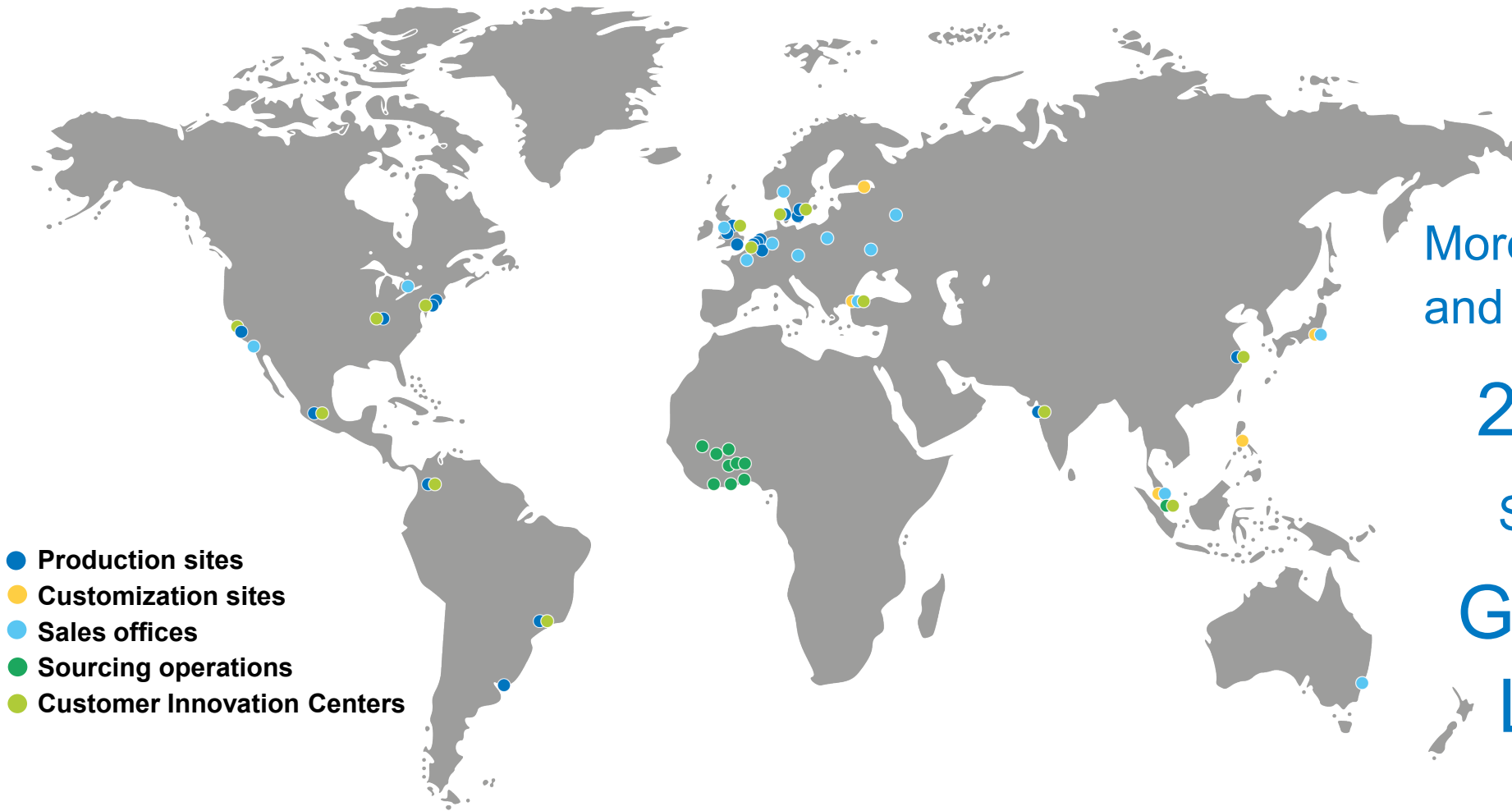
Forward-looking statements

This presentation includes forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realized from the proposals described herein.

This presentation contains a number of forward-looking statements including, in particular, statements about future events, future financial performances, plans, strategies, expectations, prospects, competitive environment, regulation and supply and demand. AAK has based these forward-looking statements on its views with respect to future events and financial performance. Actual financial performance of the entities described herein could differ materially from that projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated.

Given these uncertainties, readers should not put undue reliance on any forward-looking statements. Forward-looking statements represent estimates and assumptions only as of the date that they were made. The information contained in this presentation is subject to change without notice and AAK does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable laws and regulations.

AAK today



More than **3,900**
talented employees

More than **20** production
and customization plants

25 sales offices

Sales in **100** countries

Global footprint

Leading positions

- Production sites
- Customization sites
- Sales offices
- Sourcing operations
- Customer Innovation Centers

The Covid-19 pandemic

AAK adjusting to the “new normal”

With the Covid-19 pandemic still impacting people, societies, and business operations across the world, AAK has managed to adjust to “the new normal”.

First and foremost, our highest priority continues to be the health and safety of our employees

Our strong contingency plans have secured operations and logistics around the world

We managed to return to profit growth in Q3 2020, reporting an operating profit higher than the corresponding quarter last year

Our business, as a global key supplier in food ingredients, is to a large degree resilient. However, it is very difficult to predict the future given current macro-level uncertainties

Strong profit growth in the third quarter despite continued impact from Covid-19

Highlights

YTD 2020



- Returned to profit growth in the third quarter, adjusted operating profit increased by 6 percent
- Food Ingredients negatively impacted by the lower sales, mainly in Foodservice
 - Special Nutrition continued to increase its volumes supported by new local Chinese customers
 - Plant-based Foods continued to grow, mainly driven by good growth for our plant-based dairy solutions
- Chocolate & Confectionery Fats are back at high EBIT/kilo
- The execution of our optimization program progresses according to plan
- Earnings per share increased by 4 percent
- Proposed dividend of SEK 2.10 per share (1.85)

Growth & Returns

Volume
1,615,000 MT
(down 5% y/y)

**Adjusted
operating profit**
SEK 1,558 million
(down 6% y/y, up 1% y/y*)

**Operating profit
per kilo**
SEK 0.96
(up 3% y/y, up 6% y/y*)

ROCE
13.7%**

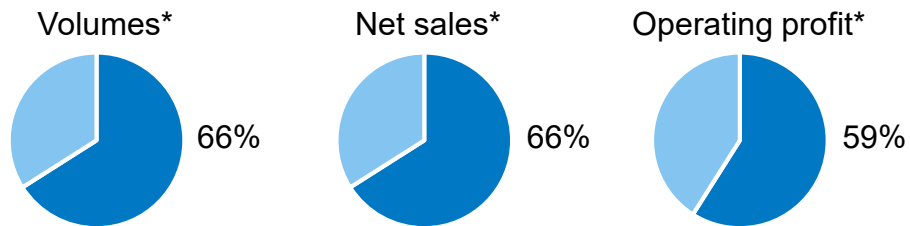
* Fixed FX

** Rolling 12 months incl. IFRS 16 effect

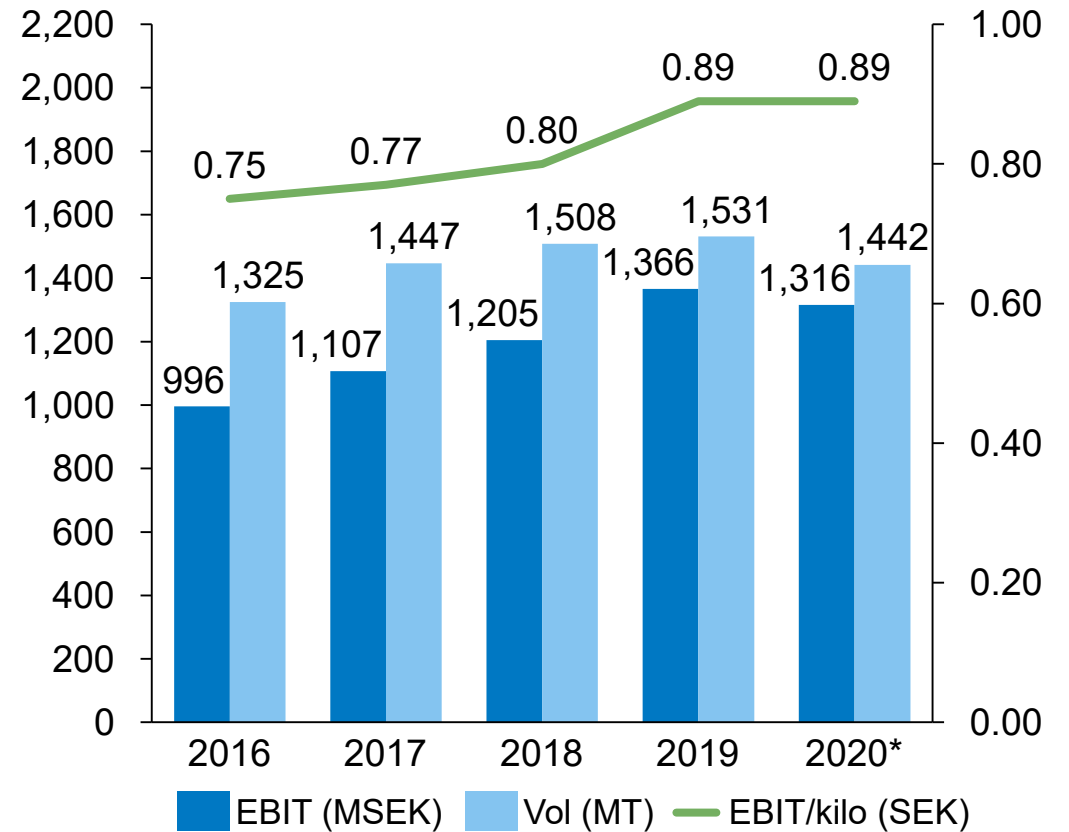


Food Ingredients

- Solutions to the bakery, dairy, foodservice, plant-based foods, and special nutrition industries
- Volumes negatively impacted by the Covid-19 pandemic in the second quarter, sequential comeback in the third quarter
- In the long term, supported by strong global trends and consumer focus on sustainability, health, nutrition, etc.



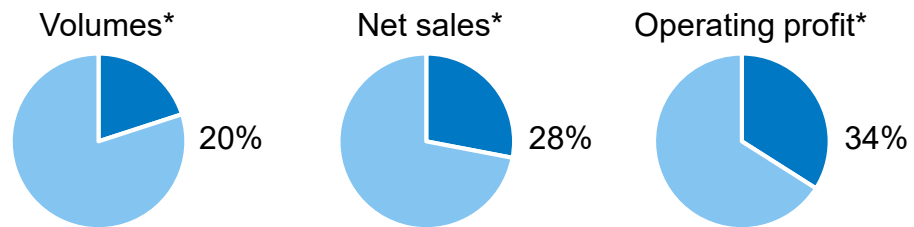
* September, rolling 12 months



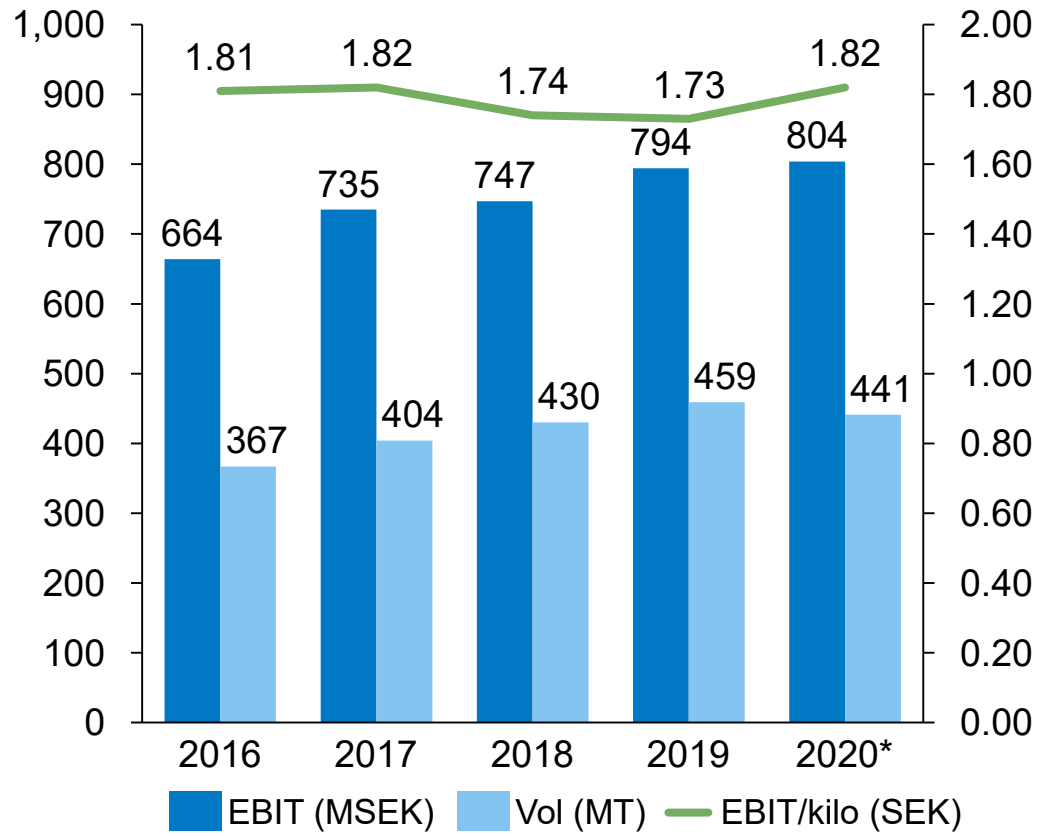


Chocolate & Confectionery Fats

- Market leader within functional solutions for:
 - Chocolate
 - Compounds for coating and molding
 - Speciality fats for confectionery fillings
- Volumes negatively impacted, but with better-yielding shea kernels and improved cost base EBIT/kilo has improved



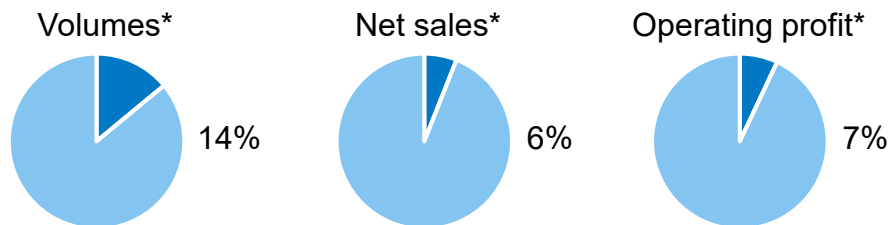
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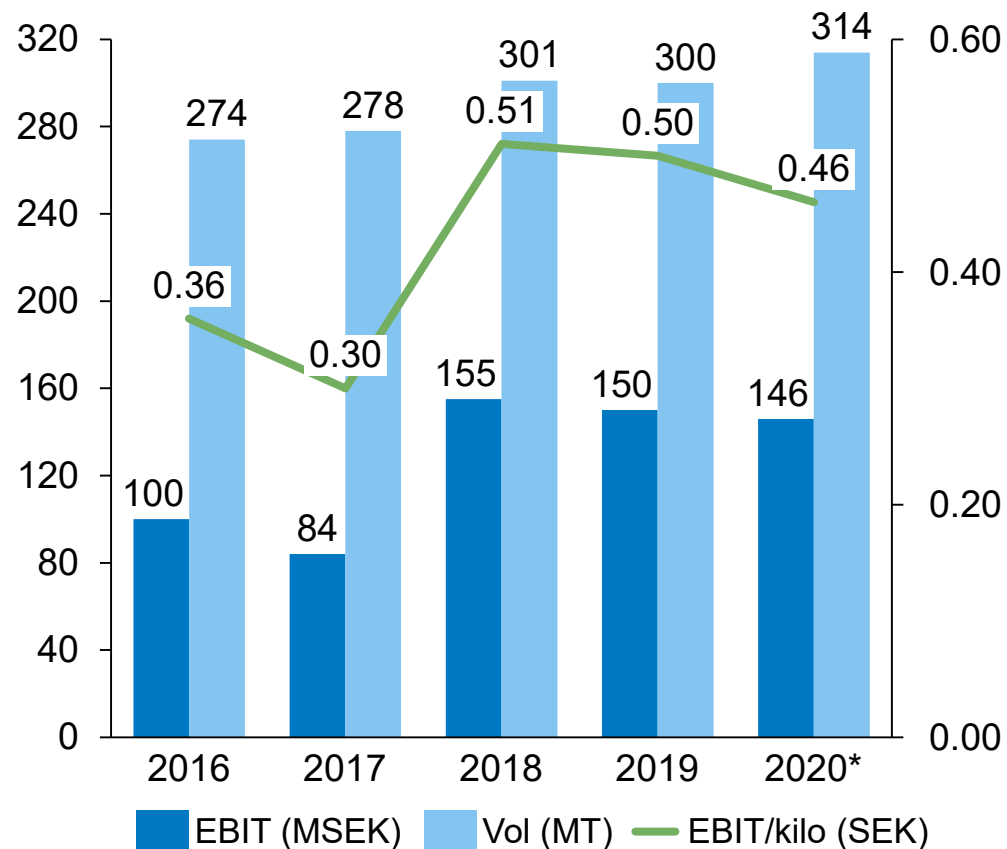


Technical Products & Feed

- Sustainable business using by-products from speciality oils manufacturing
- Refined into value-adding solutions for:
 - Technical products such as detergents and candles as well as paper production and tire manufacturing
 - Animal feed
- New level of performance with regards to EBIT/kilo



* September, rolling 12 months



Highlights 2020

New strategic direction



- Successful roll-out
- Several strategy-related projects proceeding as planned, such as the launch of The AAK Purpose (more information in separate presentation)

Plant-based Foods



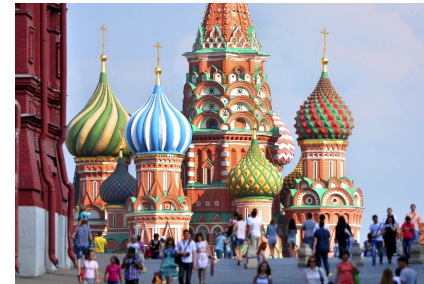
- Collaboration with Good Food Institute India
- AAK's AkoPlanet™ with first appearance in China
- New Plant-based Foods Global Center of Excellence in the Netherlands
- Joining the MISTA innovation platform

Creative culture



- #ApartTogether spirit strengthens internal relationships
- Commitment towards finding new ways of interacting with our customers and partners
- The AAK Purpose supports a strong culture and unified behaviors

Acquisitions



- Acquisitions remain high on the agenda, building and maintaining pipeline
- 75 percent acquisition of NPO Margaron LLC in Russia
- Acquisition of the remaining 31 percent of the shares of AAK Kamani

Sustainability progress

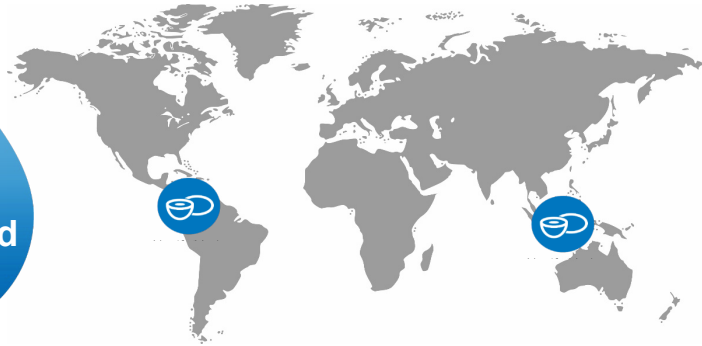


- UNGC's Statement for Renewed Global Cooperation signed
- Growing Kolo Nafaso to more than 307,000 women (up 33 percent since 2019)
- Partnership with Saha Global
- Climate change risk assessments for our production sites
- Palm oil sustainability step-up action and investment plan

...and strong business performance despite the Covid-19 pandemic (see CFO presentation for details)

Sustainable palm oil – AAK's approach

Leading industry collaboration and transformation



- ◆ Essential food for our future
- ◆ Extremely versatile ingredient
- ◆ Highest yield of all edible oils
- ◆ Sustains millions of livelihoods

Key issues

- ◆ Deforestation and climate change
- ◆ Human rights and land rights
- ◆ Smallholder inclusion
- ◆ Diverse approaches – common goals

Achievements

- ◆ Sustainable co-development with stakeholders
- ◆ Enabler for sectoral progress
- ◆ Maintained traceability to mill
- ◆ Doubled traceability to plantation
- ◆ Progressing RSPO certified

Priorities

- ◆ Close collaboration with customers, suppliers, and smallholders
- ◆ Global supply base satellite monitoring
- ◆ Risk management
- ◆ Continue to drive sectoral progress beyond own supply base

Targets

- ◆ By 2025:
 - ◆ 100% verified deforestation free
 - ◆ 100% traceability to plantation
- ◆ Science Based Targets

Our new strategic direction preserves our DNA as we sharpen our focus to further strengthen our position



Passion, drive and entrepreneurship



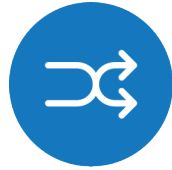
Strong regional ownership and accountability



Co-Development and Customer centricity



Sustainability and responsibility towards all stakeholders



Flexibility and agility in sourcing and production



We have a strong, broad portfolio of industries with different opportunity profiles



Invest in continued growth



Chocolate & Confectionery Fats



Special Nutrition



Bet for the future



Health & Nutrition platform



Plant-based Foods



Optimize performance



Bakery



Dairy



Foodservice



Maintain current strategy



Natural Emulsifiers



Personal Care



Technical Products & Feed

Selected achievements in line with our strategy

The AAK Purpose Cost optimization

Plant-based Foods Global Center of Excellence

Sustainability as a true differentiator

Product Management

Customer Co-Development

Increased market presence in India

Investments in Health & Nutrition

Acquisition of Margaron (Russia)

End-to-end supply chain execution

Expansion in China

Business update summary



We offer plant-based, healthy, high value-adding oils and fats solutions based on our customer co-development approach. In spite of the short- to mid-term uncertainty from the Covid-19 pandemic, we see no reason to adjust our view on the strong favorable underlying long-term trends in our markets. Thus, we continue to remain prudently optimistic about the future.

Thank you

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