



*Arne Frank*  
*President and CEO*

Annual General Meeting  
May 5, 2015

# Agenda

A large, semi-circular graphic on the left side of the slide features a close-up photograph of bright yellow flowers, likely rapeseed, against a clear blue sky. The flowers are in sharp focus, showing their delicate petals and stamens. The background of the slide is white, and the overall design is clean and professional.

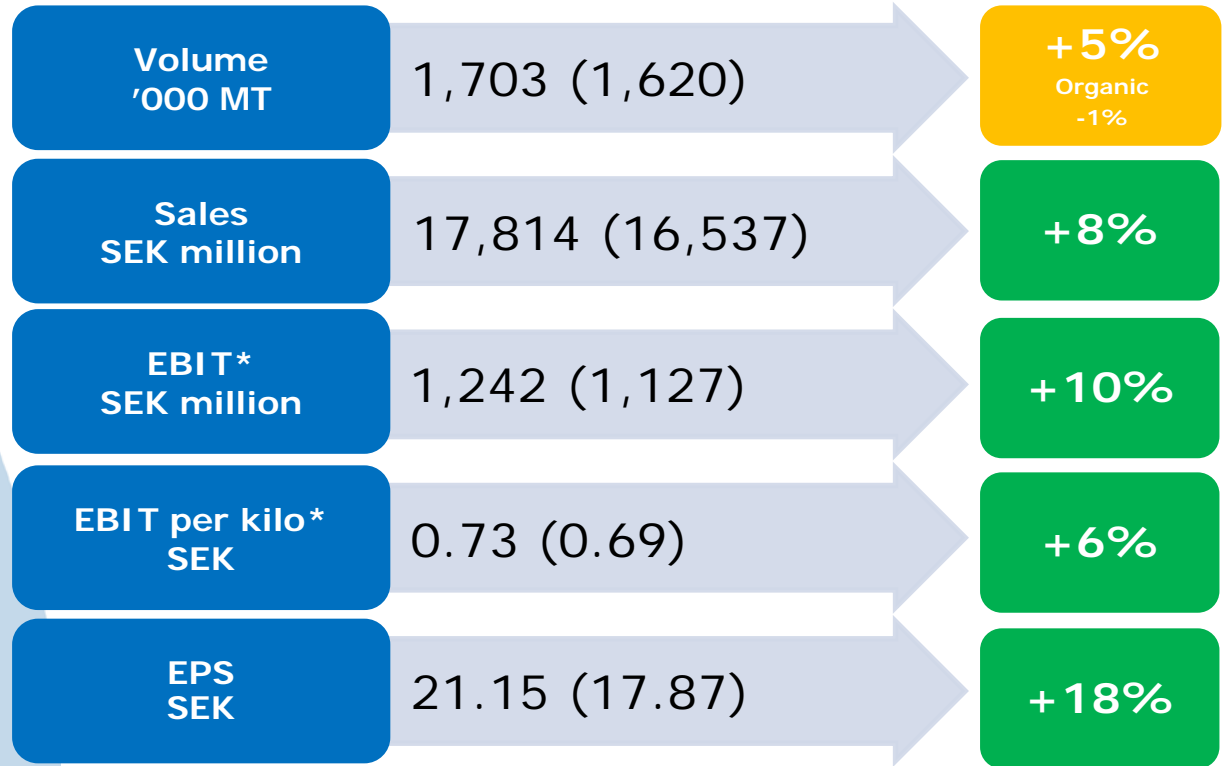
Full year 2014

Important events

AAKtion

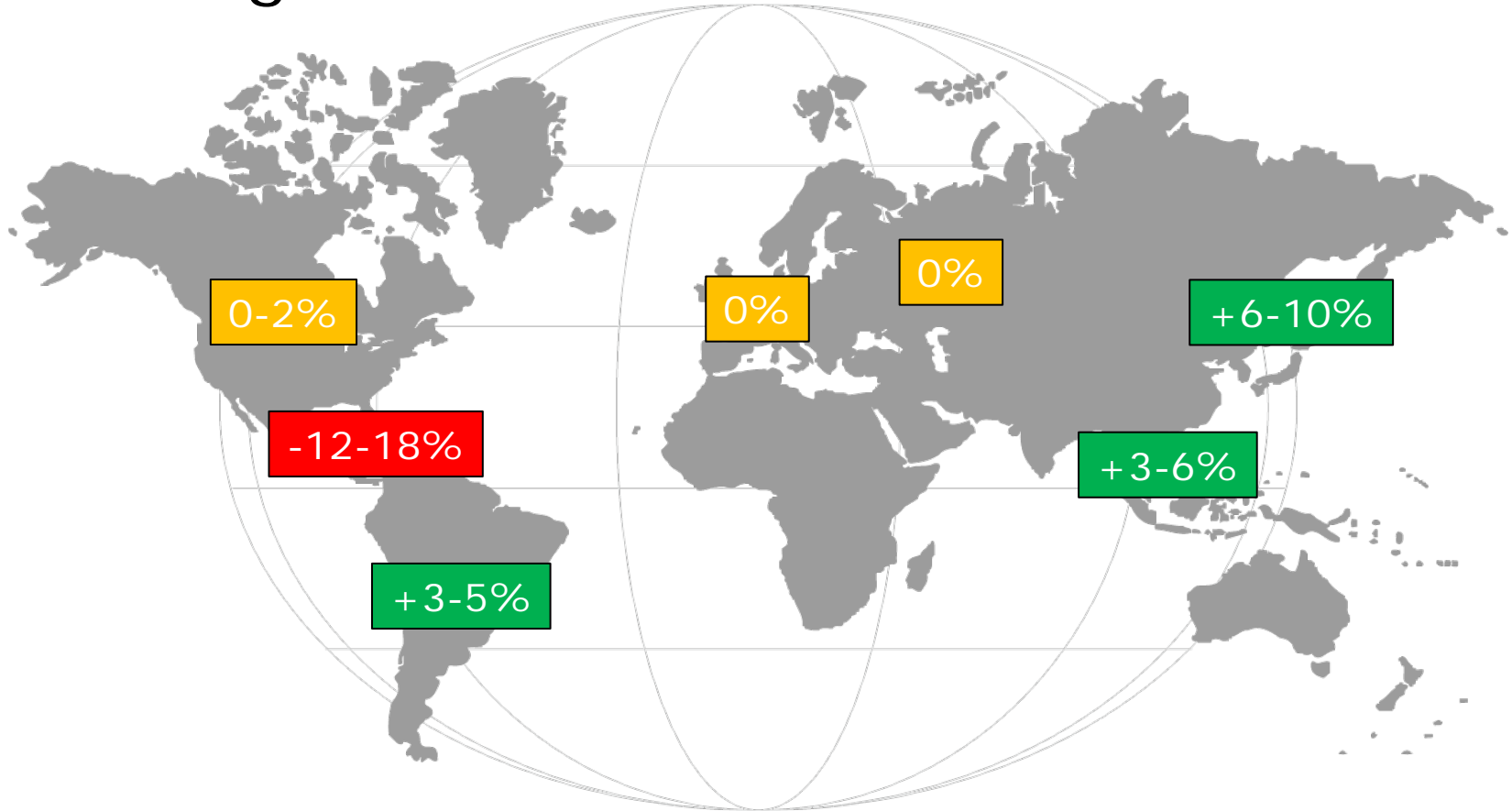
First quarter 2015

## Full year 2014

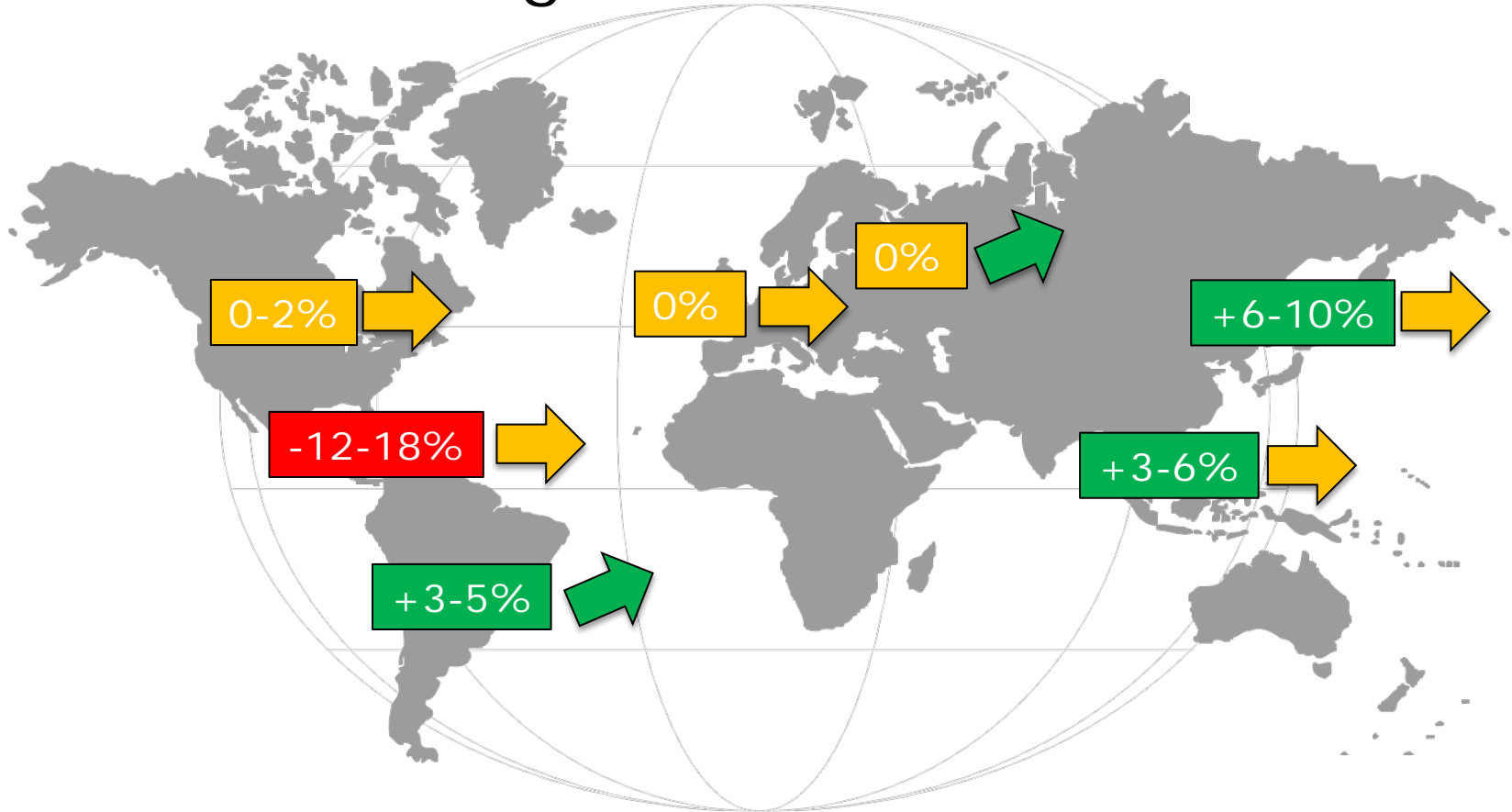


\* Excluding acquisition costs and non-recurring items

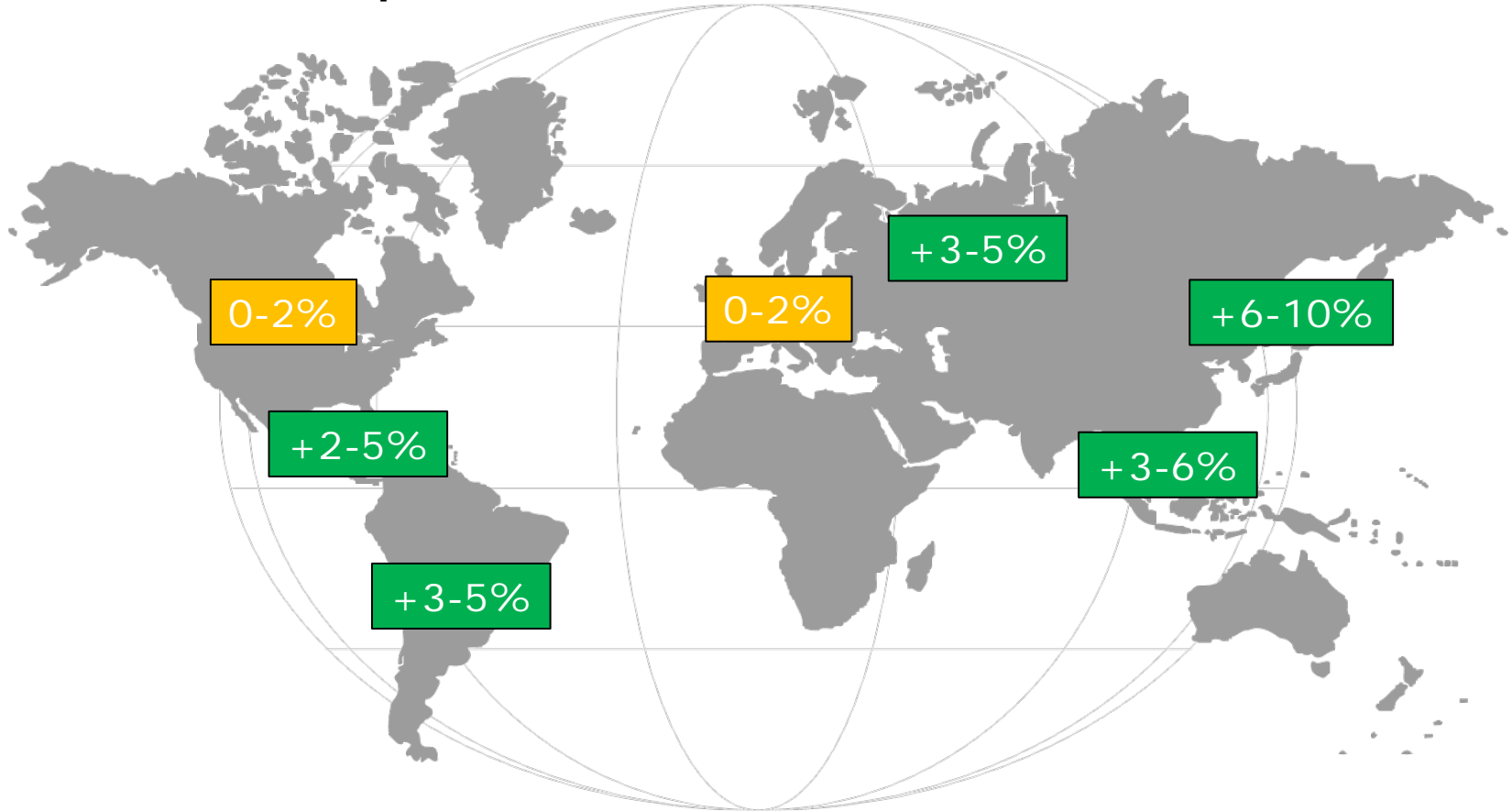
# Market growth 2014



# AAK vs market growth 2014



# Mid term expectations



# Important events 2014

- ◆ Acquisitions
  - CSM Benelux NV, Belgium
  - FANAGRA, Colombia
  - The Frita brand from Unilever, Turkey
- ◆ Divestment
  - Binol
- ◆ Greenfields
  - Brazil
  - China
- ◆ Product development
- ◆ Sustainability – CSR
- ◆ AAKtion



# AAK has acquired CSM Benelux NV, bakery fats specialist in Belgium



- ◆ Leading bakery fats supplier to the bakery markets in Belgium, the Netherlands and France
  - Employs approx. 100 people
  - Had revenues of approx. SEK 970 million in 2013
- ◆ Offers a variety of bakery fat solutions, margarines and pumpable shortenings
- ◆ The acquisition includes:
  - Production facility in Merksem, Belgium and an experienced sales force
  - Application specialists offering customized solutions
  - Significantly more production capacity than today's volumes
  - Innovation center





# Fabrica Nacional de Grasas S.A. (FANAGRA)



- ◆ Colombia
  - Factory in Villavicencio
  - Headquartered in Bogotá
- ◆ Specializes in vegetable oils and fats for the bakery segment
- ◆ Revenues of approx. SEK 270 million in 2013
- ◆ Annual volumes of 30,000 MT
- ◆ Employs 155 people
- ◆ Will contribute to the Group's results in January 2015

# AAK investing in Brazil



- ◆ New speciality and semi-speciality edible oils factory in Jundiaí, São Paulo, Brazil
- ◆ Investment of approx. SEK 400 million
- ◆ Start-up is planned for December 2015
- ◆ The factory will strengthen our ability to locally supply Bakery and Dairy solutions as well as further develop our Chocolate & Confectionery Fats business in Brazil
- ◆ The new factory will include an innovation center

# AAK investing in China

- ◆ New speciality and semi-speciality edible oils factory in Zhangjiagang
  - The region has the highest GDP per capita in mainland China
  - Chinese center for inbound and outbound logistics
- ◆ The investment is expected to amount to approx. SEK 400 million over a two-year period
- ◆ The start-up is planned for the beginning of 2016 and fully utilized the factory will increase AAK's total capacity by approx. 100,000 MT
- ◆ The plant will be able to serve our Bakery, Dairy, Infant Nutrition and Chocolate & Confectionery Fats segments



# Product development – FI



- ◆ Akopastry – Low fat
  - Going from typical 82% fat to 60% fat
  - No loss in functionality, appearance or taste
- ◆ Akoblend SB – butter blends
  - Increased amount of vegetable fats with maintained structure
  - Non trans
  - Cost efficient
- ◆ Akomix LS 25 – ice cream products
  - Good nutritional value
  - Low saturated product, only 25%
  - Non trans
  - High quality ice cream

# Product development – CCF



- Illexao™ MT 20
  - Improved milk fat tolerance resulting in improved processing
- Chocofill™ NH 110
  - For steep melting non-hydrogenated fillings without tempering
  - Excellent functionality, cost efficiency and health profile

# AAK's policy for sustainable palm oil



- ◆ Strong focus on using RSPO certified palm oil
- ◆ Sourcing of palm oil without destruction of:
  - High Conservation Value (HCV) areas
  - High Carbon Stock (HCS) forests
  - Peatlands
- ◆ Ensure traceability in our palm oil supply chain
  - To mills by 2014 – **today 100%** on the majority of our sourcing
  - To plantations by end of 2017
  - Follow-up with external audits



# Limitation of high quality foods in biofuels

- EU resolution, April 2015
  - Crops grown on agricultural land (first-generation biofuels) should account for up to 7 percent (10 percent with current legislation) of final energy consumption in transport
  - Member states will have to enact the legislation by 2017



# The first choice for value-added vegetable oil solutions



## SALES

Sales



Customer co-development



## INNOVATION

Innovation



## EXECUTION

Service



Quality



Productivity



## PEOPLE



Ahead of plan



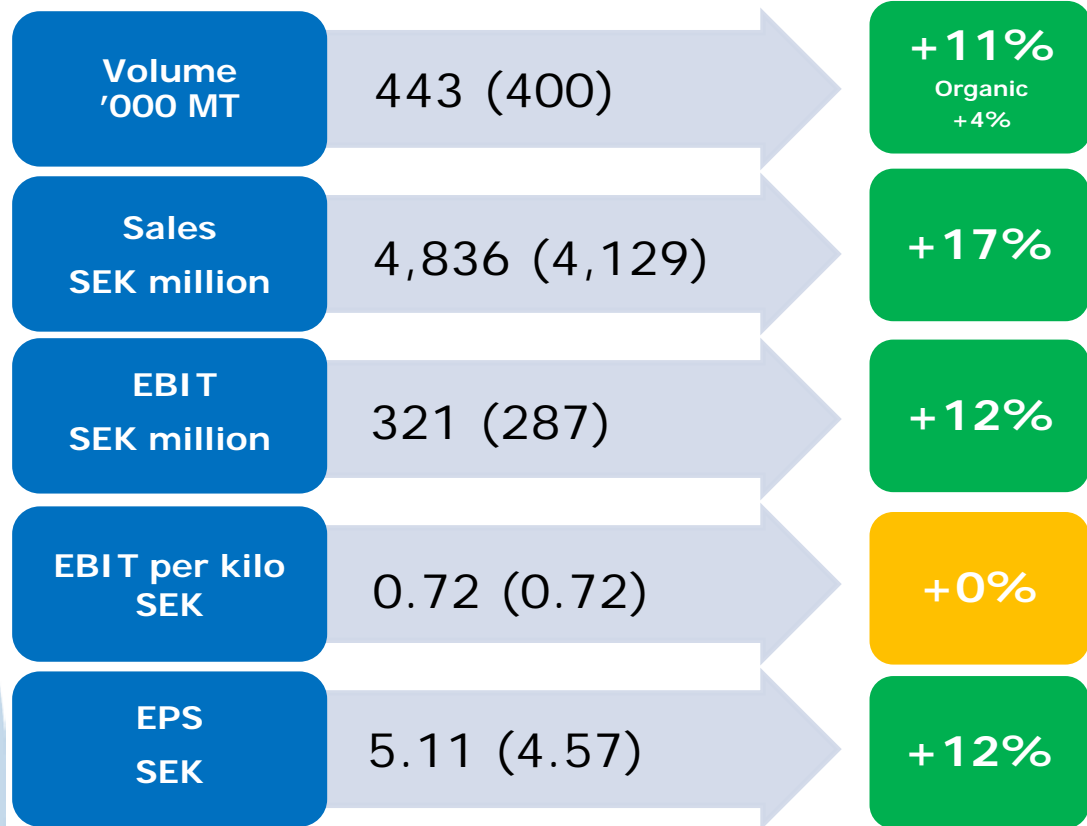
According to plan



Behind plan



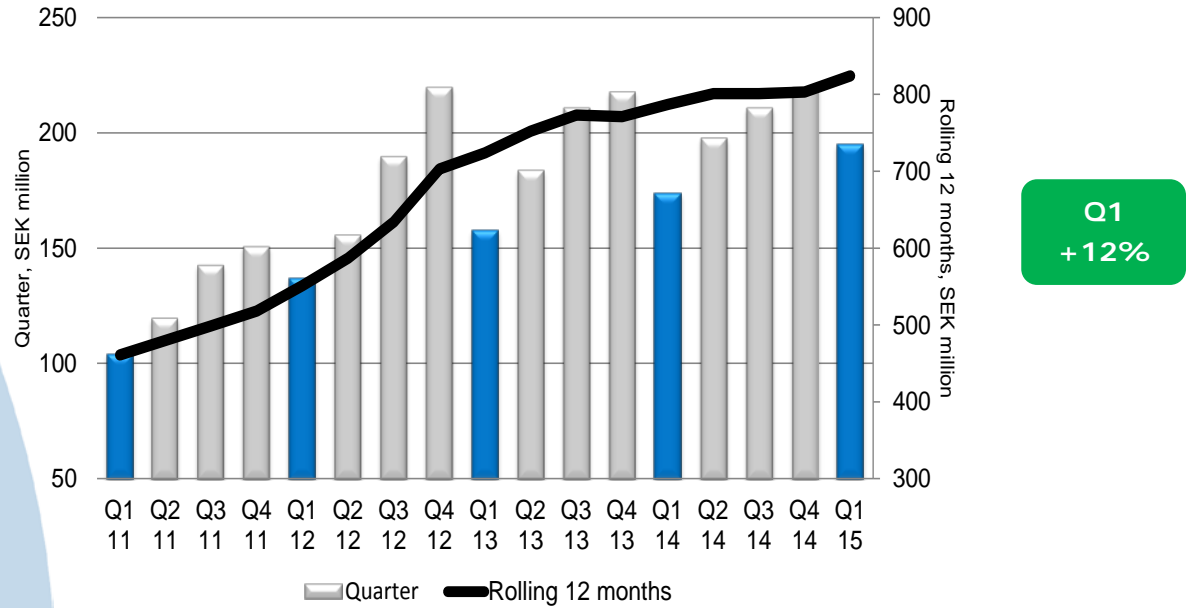
## First quarter, 2015



# Food Ingredients



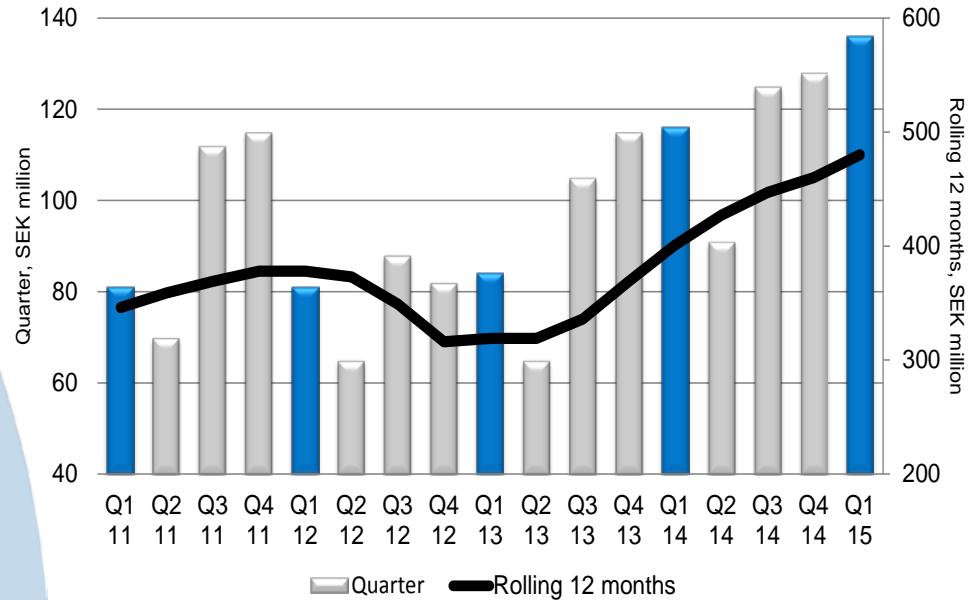
Food Ingredients - Operating profit



# Chocolate & Confectionery Fats



Chocolate & Confectionery Fats - Operating profit

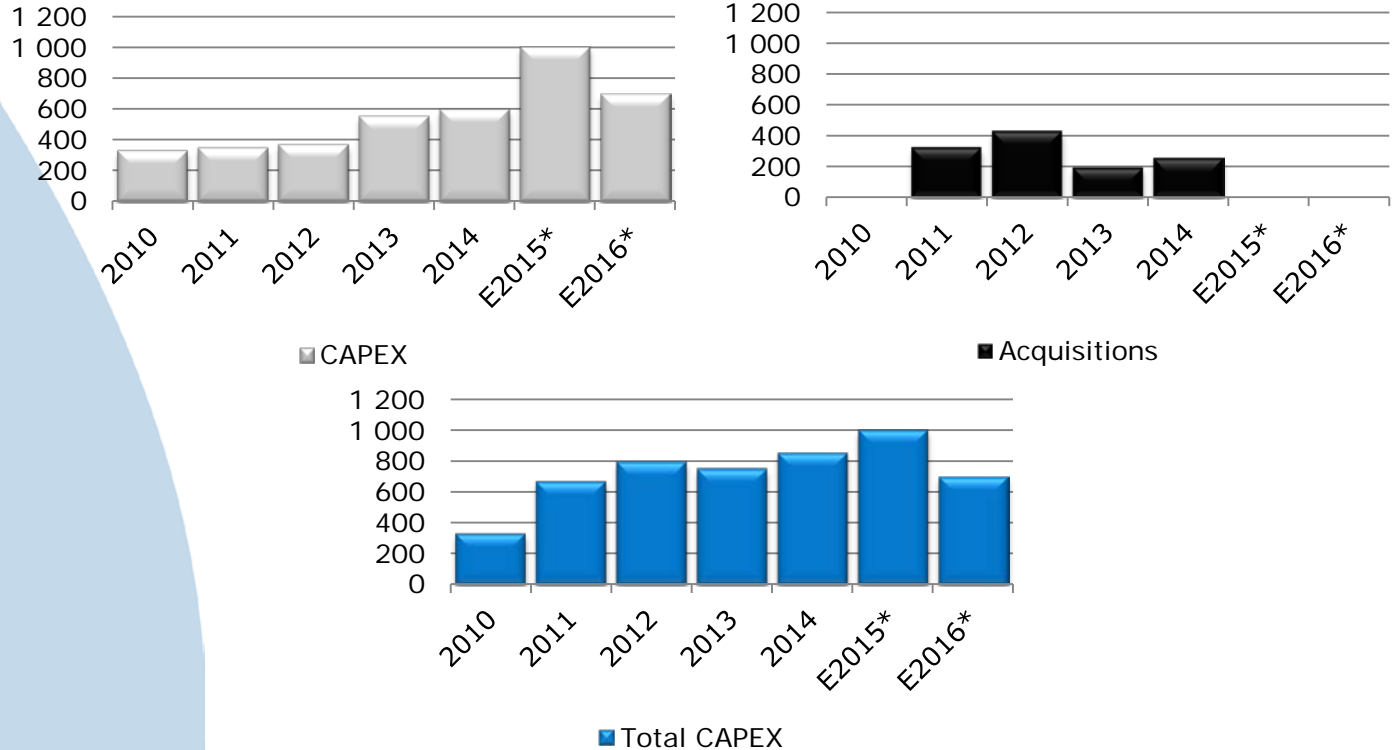


**Q1**  
**+17%**

# Cocoa butter price

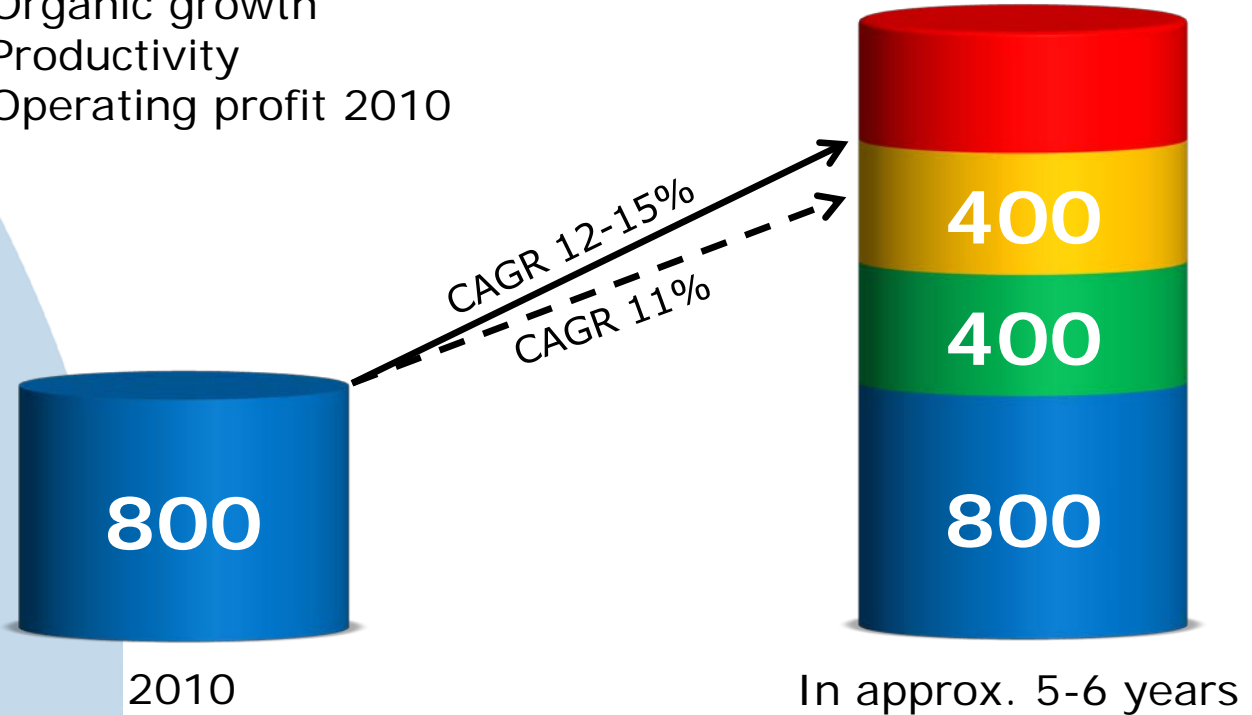


# AAK investing for growth (SEK million)



# Management growth ambition\*

- Acquisitions
- Organic growth
- Productivity
- Operating profit 2010



\* As expressed at the Capital Market Day November 10, 2010 and at fixed exchange rates.

# Value creation priorities

- ◆ Strengthen growth
  - Customer co-development
  - Emerging markets
  - Selective acquisitions
- ◆ Continued improvement in EBIT per kilo
  - Focus on speciality and semi-speciality products
  - Efficiency
- ◆ Capital efficiency
  - Optimization of working capital





## 2015 – Organic growth

