



Arne Frank, CEO

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Annual General Meeting
May 11, 2016

AAK



Agenda

Important events 2015

Full year 2015

First quarter 2016

Important events 2015

AAKtion



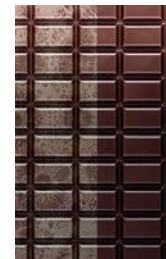
CSR



Acquisitions and partnerships



Product development



The first choice for value-adding vegetable oil solutions



SALES

Sales 

Customer co-development 



INNOVATION

Innovation 



EXECUTION

Service 

Quality 

Productivity 

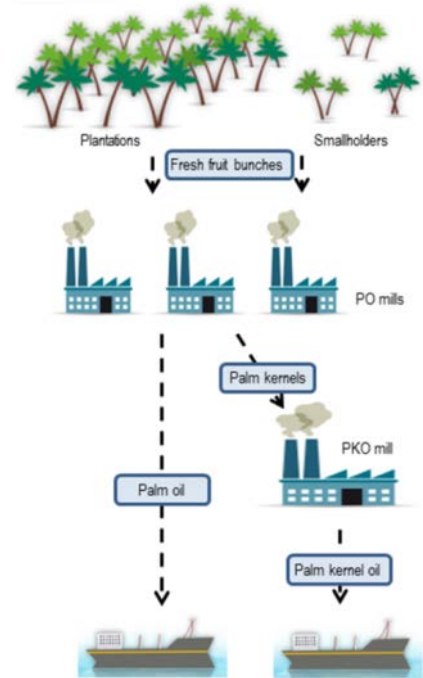
PEOPLE

 Ahead of plan  According to plan  Behind plan

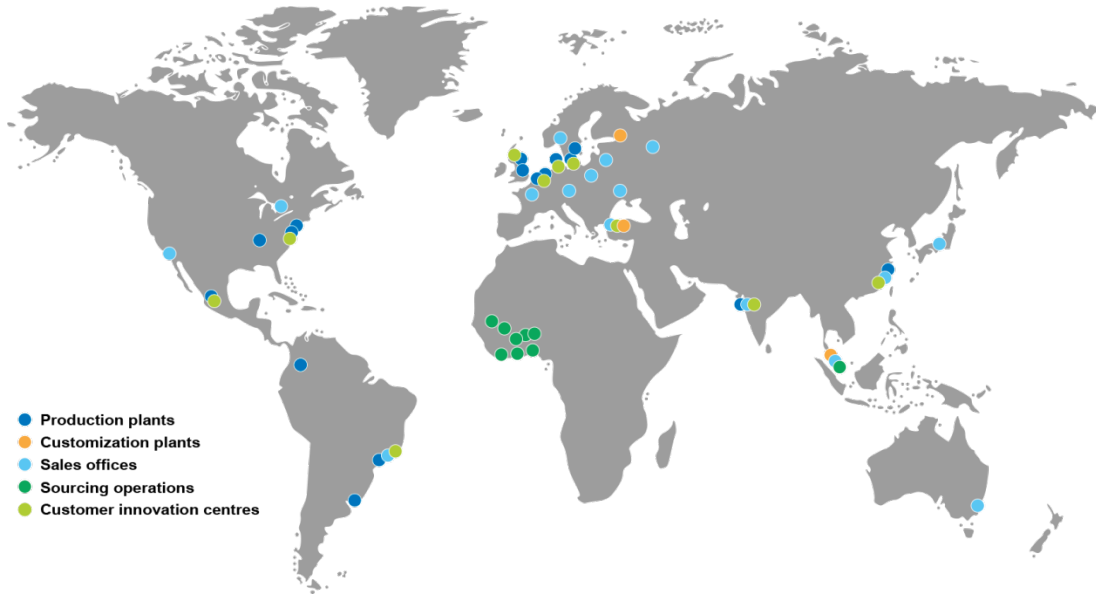
AAK's policy for sustainable palm oil

Continued strong progress

- Strong growth of RSPO certified palm oil volumes
- 100% traceability to mills since end of 2014
- Very focused control to ensure that AAK only procures palm oil produced without deforestation or destruction of peatlands
 - This is driven and controlled together with Proforest by:
 - Risk assessment of all suppliers and their mill locations
 - Very good results in site audits performed by Proforest

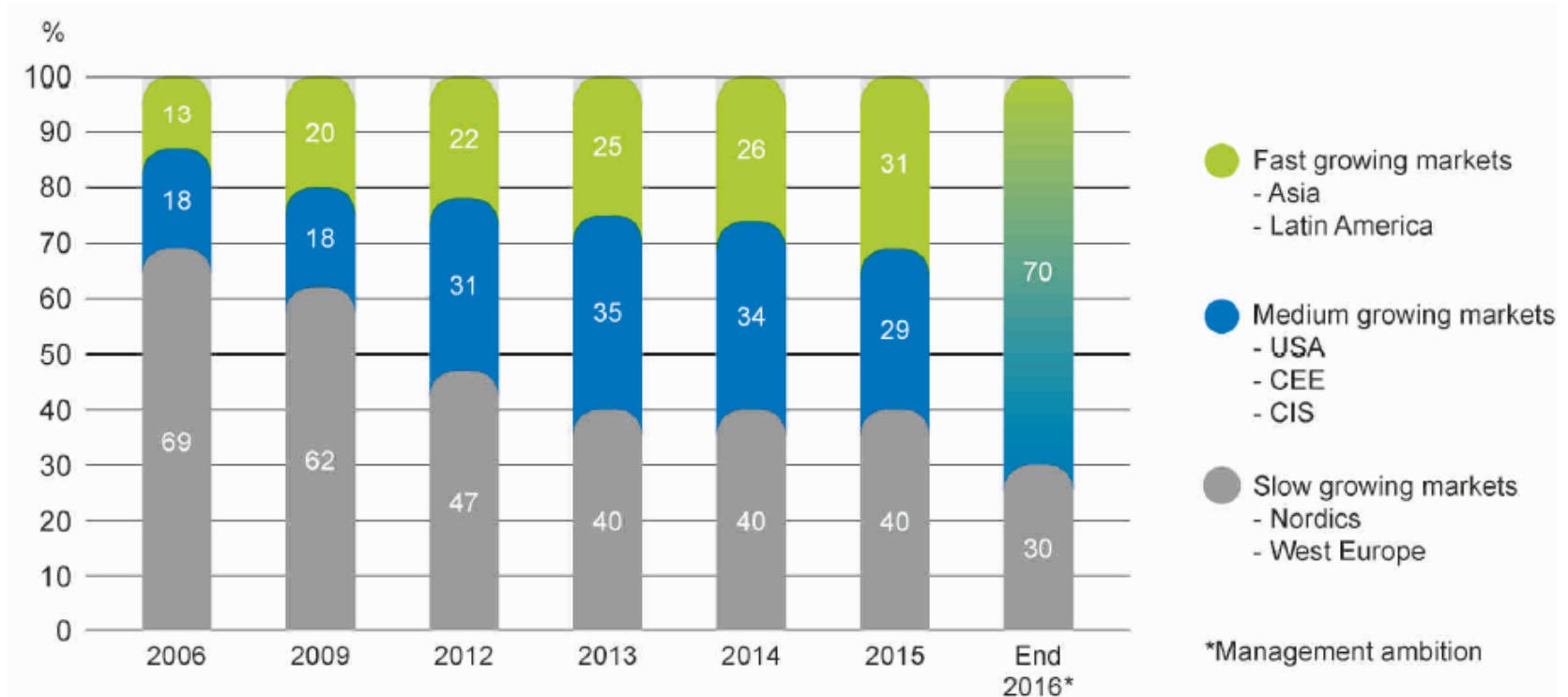


The Co-Development Company

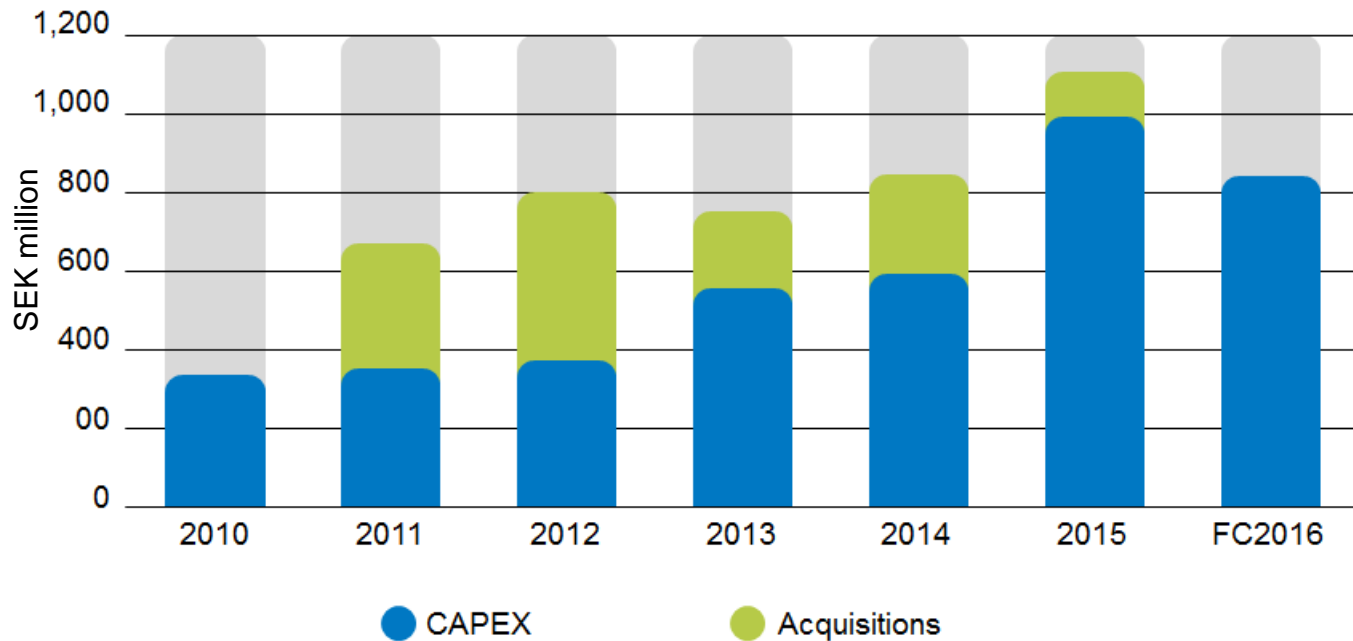


More than **2,700** Talented Employees
Production and
19 Customization plants
25 Sales companies
Sales in **100** countries
Global footprint
Leading positions

Growth market ambition*



Investing for future growth



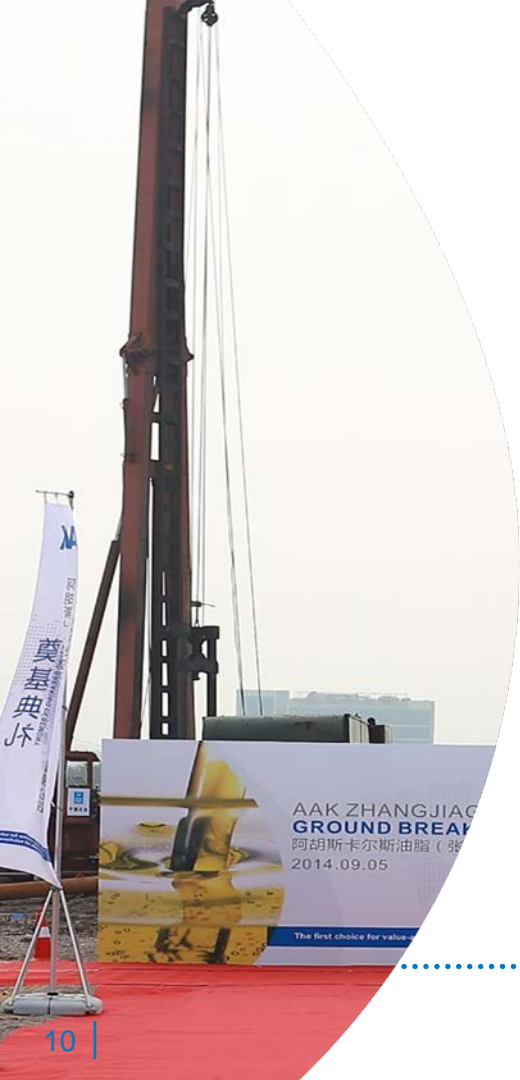


AAK investing in Brazil

- ◆ New speciality and semi-speciality edible oils factory in Jundiaí, São Paulo, Brazil
- ◆ Investment of approx. SEK 400 million
- ◆ 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
- ◆ The first volumes have been delivered during Q1
- ◆ There will be a gradual ramp-up in order to be able to deliver the whole product range

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
- ◆ The investment is expected to amount to approx. SEK 400 million over a two-year period
- ◆ 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
- ◆ The project is proceeding according to plan





AAK has acquired the assets of Belgian nutritional ingredient supplier

- ◆ AAK has restarted the operations of TLC (part of the BNLfood Group)
- ◆ Specialized in extracting phospholipids from egg yolk
- ◆ Phospholipids extracted from egg yolk offer additional benefits when included in nutrition formulas and reinforce functions of:
 - ◆ The brain
 - ◆ The eyes
 - ◆ The immune system at all life stages
- ◆ By blending these phospholipids with Akonino®, AAK will be able to extend its product range within the infant nutrition market
- ◆ The new products containing extracted egg yolk phospholipids will be branded Akonino® PL
- ◆ AAK better positioned to globalize this product



Acquisition of 51% of Kamani Oil Industries

- Leading company within speciality and semi-speciality fats in India

- ◆ Annual volume of 100,000 MT
- ◆ Revenues of approx. SEK 1,000 million in 2014
- ◆ Factory 70 km from Mumbai
 - ◆ Administration and sales office in Mumbai
- ◆ Technical expertise and customer co-development is core
- ◆ Well maintained and equipped R&D and QC facilities
- ◆ Distribution network across India
- ◆ The company will operate as AAK Kamani

Partnership established in Japan

- ◆ AAK has established a partnership with Miyoshi Oils & Fats Co. by forming a new company, AAK Miyoshi JP
- ◆ This is particularly interesting for the Chocolate & Confectionery Fats and Bakery segments
- ◆ AAK will own 70 percent of the new company and the other 30 percent will be owned by Miyoshi Oils & Fats Co.
- ◆ AAK Miyoshi JP will have both sales and customer innovation resources
- ◆ Focus will be on products for the chocolate and confectionery, bakery, dairy and infant nutrition markets



Product development – Food Ingredients



- ◆ AKOPAstry HP 400 & 200
 - ◆ High performance puff pastry solutions
 - ◆ Main value proposition: reduced costs
 - ◆ Better lamination structure
 - ◆ Better health claims
- ◆ Akomix LS 25 – ice cream products
 - ◆ Good nutritional profile
 - ◆ Product with low amount of saturated fat, only 25%
 - ◆ No trans
 - ◆ High quality ice cream





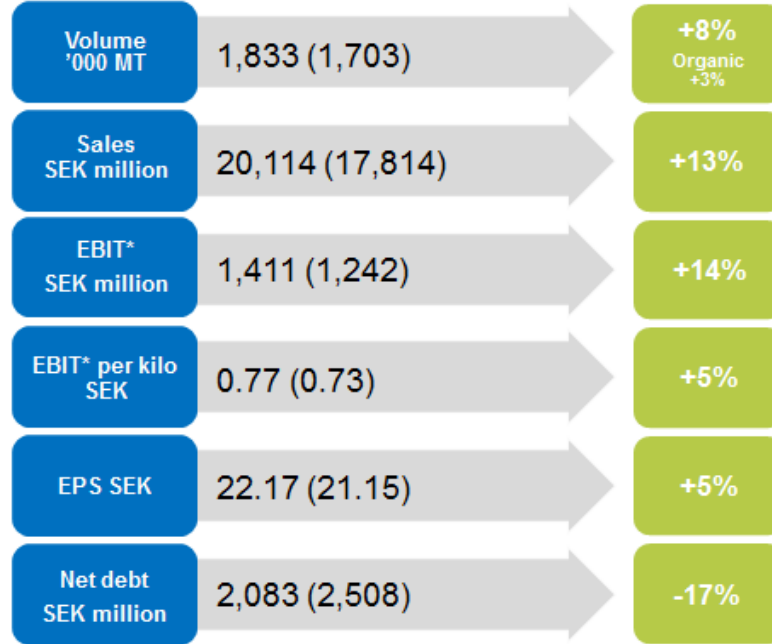
TROPICAO™

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**A tropical revolution in
chocolate production**



AAK

Full year 2015



- The Board of Directors and the CEO propose a dividend increase by SEK 1.00 from SEK 6.75 to SEK 7.75 per share

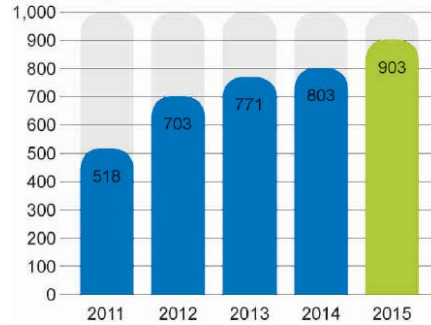
* Excluding acquisition costs and non-recurring items

Food Ingredients



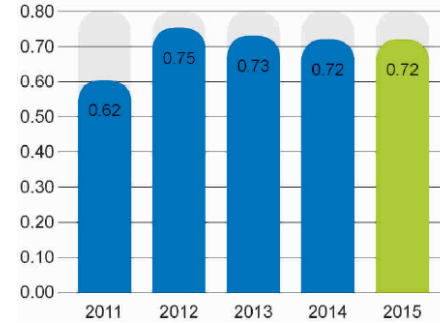
Operating profit (58% of Group total)

(SEK million)



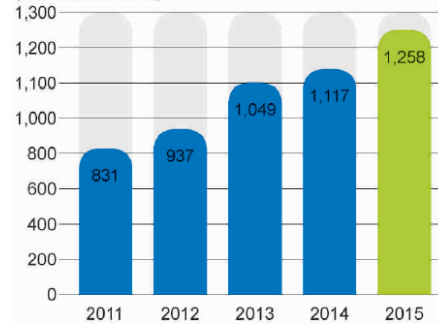
Operating profit per kilo

(SEK)



Volumes (69% of Group total)

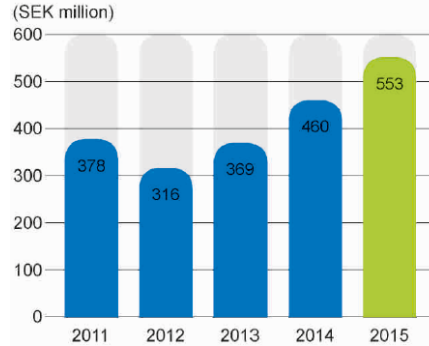
(Thousand tonnes)



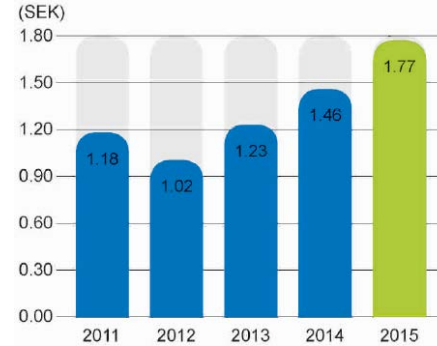
Chocolate & Confectionery Fats



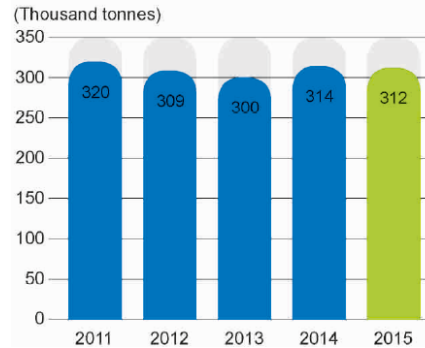
Operating profit (36% of Group total)



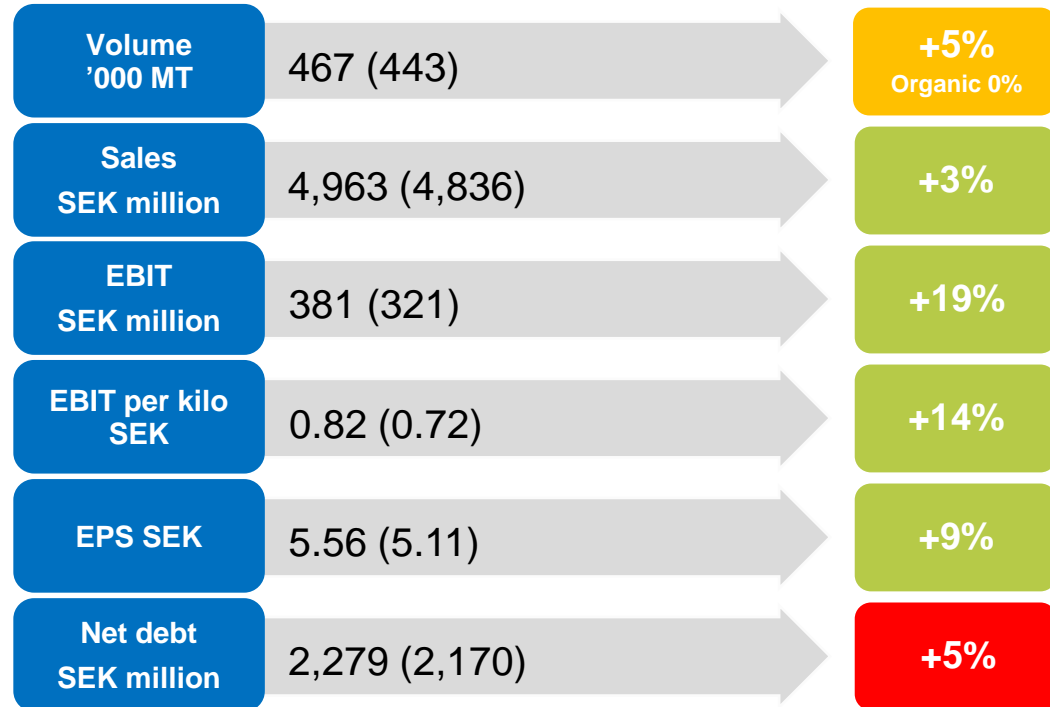
Operating profit per kilo



Volumes (17% of Group total)



First quarter, 2016



Food Ingredients Q1 2016

Organic volume growth

-3%

Operating profit

+17%

Operating profit per kilo

+12%

- ◆ **Operating profit improved to SEK 229 million (195)**

- ◆ The Bakery segment had a challenging quarter globally with negative volume development
- ◆ The Dairy segment continued the strong trend from the second half of 2015 and again reported double-digit organic volume growth despite the low prices on milk fat
- ◆ Infant Nutrition speciality volumes, comprising InFat® business in Advanced Lipids AB, a joint venture of AAK and Enzymotec, reported double-digit volume growth Infant Nutrition product range Akonino® also showed double-digit growth but at an even higher rate
- ◆ Foodservice reported organic volume growth
- ◆ Commodity products showed a negative volume development after an exceptional volume growth in 2015
- ◆ The currency translation impact was negative SEK 5 million

Chocolate & Confectionery Fats Q1 2016

Organic volume growth

+11%

Operating profit

+17%

Operating profit per kilo

+0%

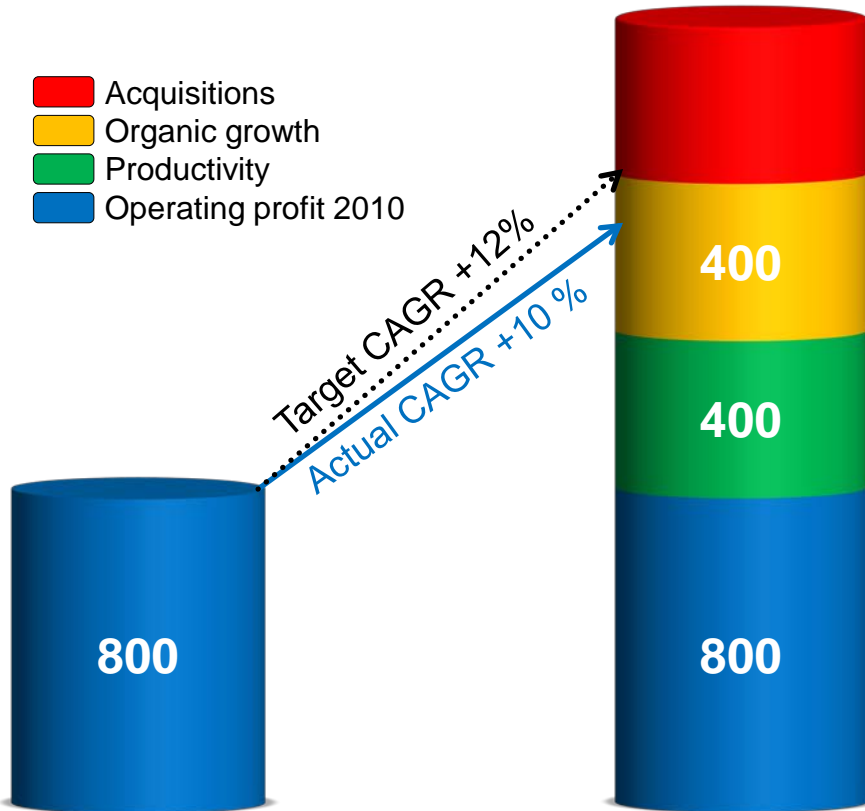
◆ Operating profit improved and reached SEK 159 million (136)

- ◆ After two years of deteriorating market conditions in Russia and Ukraine, the first quarter showed strong growth, but from a low level
- ◆ High-end products continued the strong trend from the first three quarters of last year and again showed double-digit organic volume growth
- ◆ Low-end products continued to be under strong competitive pressure, but volumes remained flat
- ◆ Recent years' strong customer co-development, new innovative solutions, and further expansion of our geographical footprint are continuing to yield positive results
- ◆ The currency translation impact was negative SEK 5 million



Management ambition, 2010–2016*

- Acquisitions
- Organic growth
- Productivity
- Operating profit 2010



- Changes since 2010
 - Larger investments in organization for organic growth, China and Brazil
 - Increased investments in R&D
 - Situations in Russia and Ukraine

* As expressed at the Capital Market Day November 10, 2010

Concluding remarks from the CEO

- ◆ Based on AAK's customer value propositions for health, reduced costs, customer product co-development and solutions approach we continue to remain prudently optimistic about the future
- ◆ The main drivers are the expecting continued positive underlying development for Food Ingredients and the expecting continued improvement in Chocolate & Confectionery Fats





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