



# AAK Annual General Meeting

Johan Westman, President and CEO

May 18, 2022

The Co-Development Company

# 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's vision is to be the first choice for plant-based oil solutions

– in industries where we choose to specialize

Chocolate & Confectionery Fats



Plant-based Foods



Special Nutrition



Bakery



Dairy



Personal Care



Foodservice



Technical Products & Feed



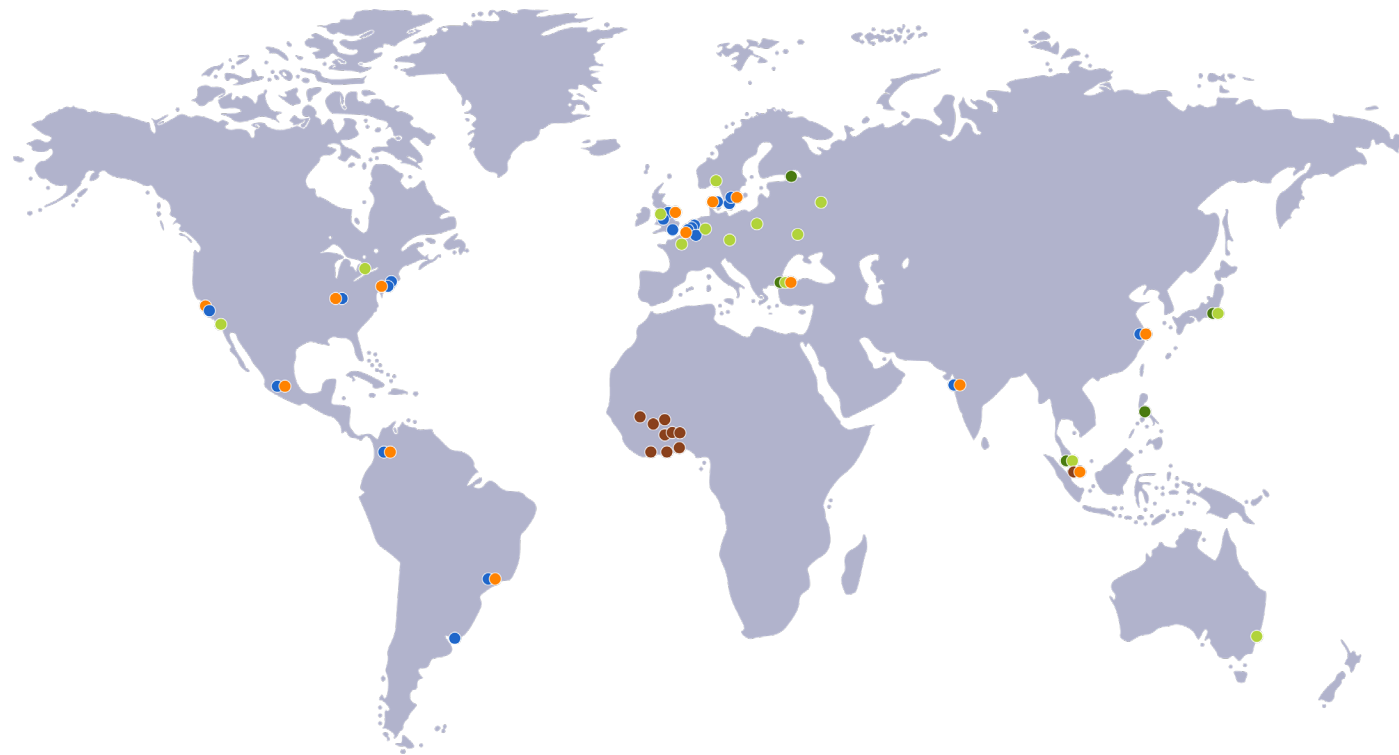
# AAK in the food value chain



*\*Crushing and refining performed by AAK for select raw materials*

# AAK – a global player in plant-based oils

Sourcing raw materials from all over the world



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

**4,000 employees** collaborate closely with our customers through **25** regional sales offices, **15** dedicated Customer Innovation Centers and more than **20** production plants around the world

*Net sales*  
**SEK 35.5 billion**  
(2021)

*Adjusted EBIT*  
**SEK 2,393 million**  
(2021)

# Three business areas

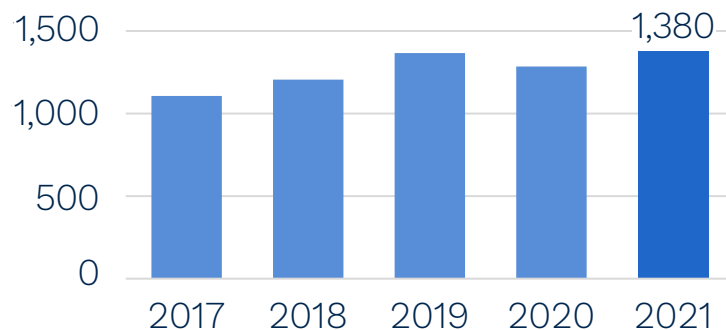
## Food Ingredients



- A global key supplier to different food supply chains
- High value-adding solutions for the bakery, dairy, plant-based foods, food-service and special nutrition industries

**Operating profit (2021) – 54% of group**

SEK million



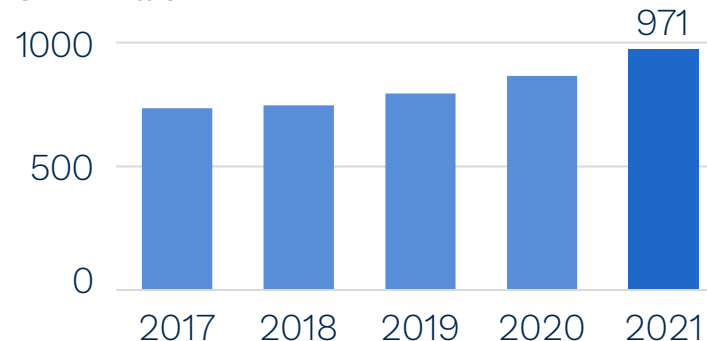
## Chocolate & Confectionery Fats



- Market leader within functional cocoa butter alternatives
- Speciality fats solutions for chocolates, such as confectionery fillings and spreads

**Operating profit (2021) – 38% of group**

SEK million



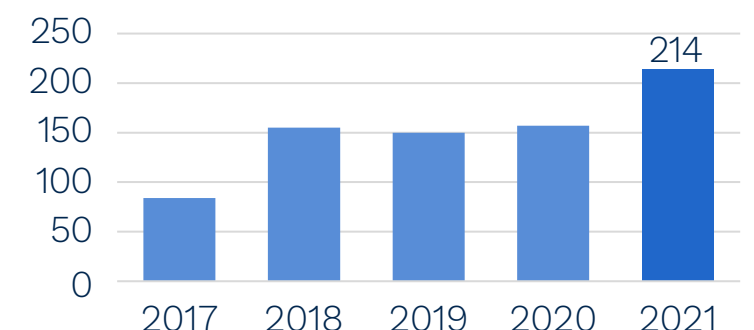
## Technical Products & Feed



- Sustainable business using by-products from speciality oils manufacturing
- Animal feed and solutions for technical products, such as detergents, candles and tire manufacturing

**Operating profit (2021) – 8% of group**

SEK million





# AAK and the macro-economic climate in 2021

The world around us...



- High uncertainty
- Continued high raw material prices
- Disturbances in global logistics
- Cost inflation

...in which we navigate well, Making Better Happen™



- Strong performance under difficult circumstances
- A robust foundation, a strong financial track record and a solid balance sheet
- Passion, drive and agility continue to drive us forward

# Summary 2021

Delivering on our growth ambition in a very dynamic year

## Highlights

- We successfully handled a very dynamic year and fulfilled our financial ambition: an average annual EBIT growth of 10 percent
- Operating profit for all business areas reached all-time-high
- We delivered on the cost reduction program that we launched in 2020, and mid-year we announced an optimization program in Bakery, which is running according to plan
- Earnings per share, excluding items affecting comparability tied to the Bakery optimization, reached SEK 6.71, up 11 percent. Including these items, EPS amounted to SEK 5.59
- The Board of Directors proposes a dividend of SEK 2.50 (2.30)
- We continued to drive sustainability progress in our operations as well as in our supply chain, making good headway on several KPIs

## Growth and returns

**Volume**  
**2,312,000 MT**  
(+5%)

**Adjusted  
operating profit**  
**SEK 2,393 million**  
(+11% y/y, +18% y/y\*)

**Adjusted operating  
profit per kilo**  
**SEK 1.04**  
(up 5% y/y, up 12% y/y\*)

**ROCE**  
15.6%\*\*

\* Fixed FX

\*\* Rolling 12 months incl. IFRS 16 effect



# Key achievements 2021

## Plant-based Foods



## Bakery optimization



## Special Nutrition



## Addressing deforestation



## Lecithin / BIC Ingredients



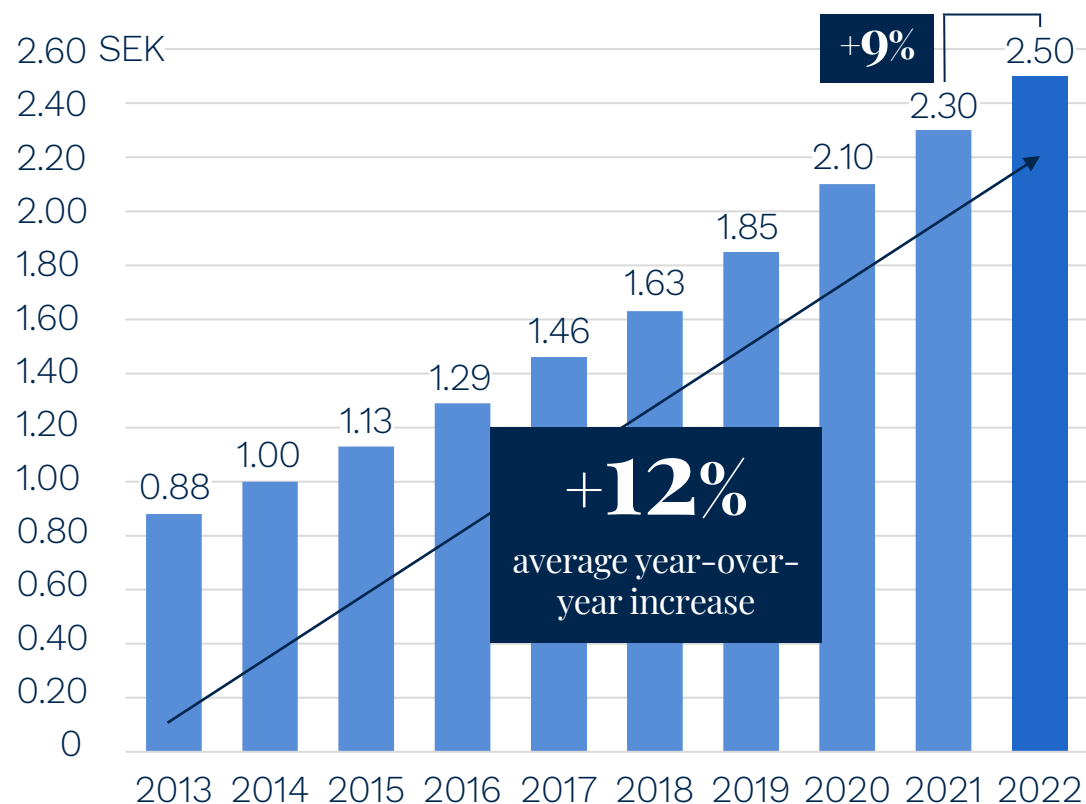
## Women in Shea (WISH)



# Increased dividend driven by steadily increasing earnings per share

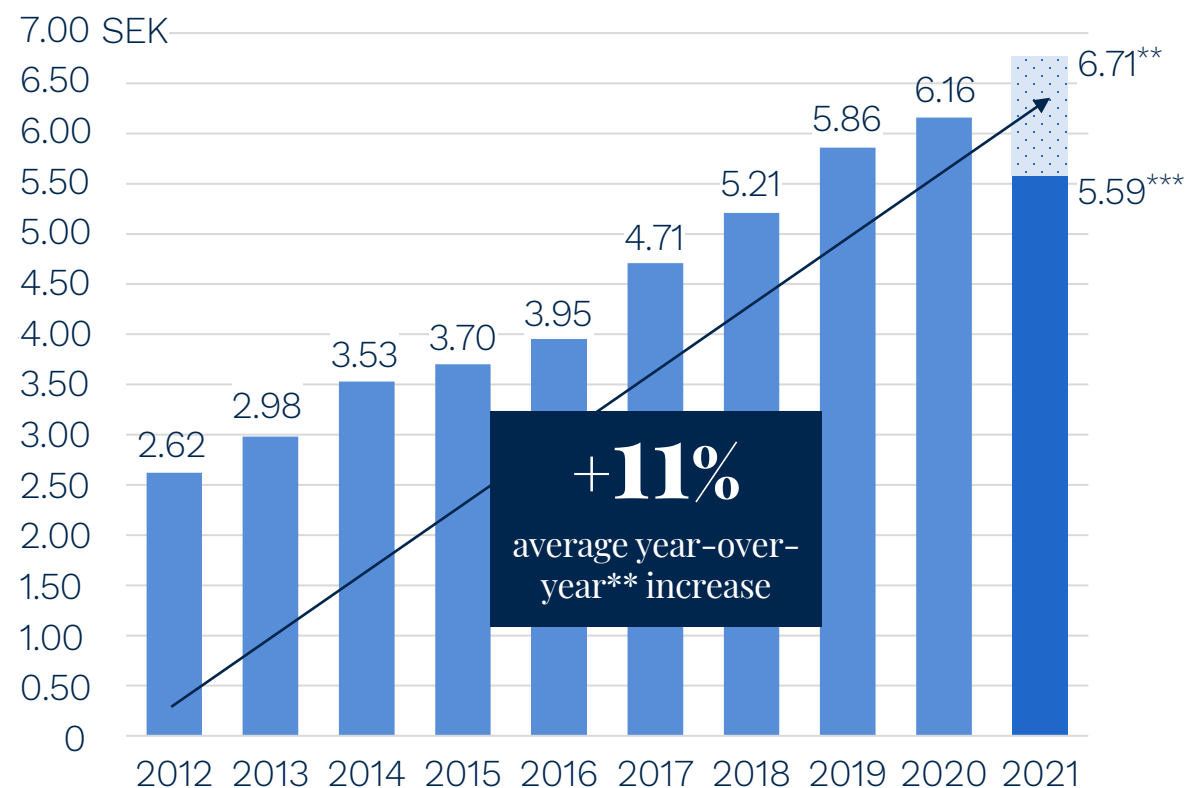
The Board of Directors proposes a dividend of SEK 2.50 (2.30) per share, an increase by 9%

## Dividend per share\*



\* Payout year

## Earnings per share



\*\* Excluding IAC (items affecting comparability) \*\*\*Including IAC



AAK's commitment:

**Making  
Better  
Happen™**  
*for people and  
planet*

**AAK**





# Sustainability – our key progress 2021\*

## Better *Sourcing*

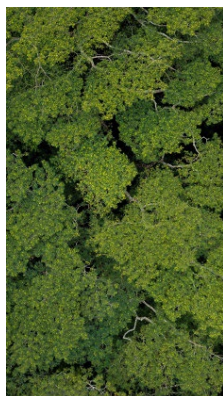
### Protecting biodiversity and ecosystems

2025: 100% verified  
deforestation-free palm

**67%** (+34%)

2025: 150,000 trees planted

**89,500** (+129%)



### Empowering smallholders and women to improve livelihoods

Number of women enrolled  
in the Kolo Nafaso program

**353,000** (+2%)



\* Progress since 2020

**AAK**

## Better *Operations*

### Enabling the well-being of our people

Updated our values and  
leadership principles in  
line with our purpose



### Minimizing our environmental impact

2025: 100% procured renewable electricity

**+50** percentage points increase in annual  
sourcing of renewable electricity to 64%

**-20.9%** reduction in water  
consumption per  
unit processed  
material

**-18.6%** reduction in waste  
per unit processed  
material



## Better *Solutions*

### Increasing the demand for better solutions

Strong growth in revenue from new  
solutions to the plant-based food market



### Enhancing sustainable development with our solutions

2025: 50 % of revenue contributing to  
Sustainable Development Goals

**31%** of our revenue  
contributing to SDGs  
in 2021



# First quarter 2022 and AAK's business ahead





# AAK permanently exits its business in Russia

- Sensitive and difficult process initiated, focusing **legal compliance** and the **safety of our employees**.
- **Leave our local joint venture** (JV), in which AAK holds 75 percent. The JV makes up approximately **half of AAK's volumes in Russia**, or **1.5 percent of the Group total**, as measured in metric tons, most of which are reported in Food Ingredients.
- The **other half of the Russian volumes** are **imported to and sold via AAK's Russian sales company, which will be closed**. Most of the volume is reported in Chocolate & Confectionery fats. AAK is working to re-route as much as possible of these volumes to customers in other geographies.
- The exit is estimated to lead to a **cost of SEK 300–350 million**, affecting the income statement in Q2.
- **The loss of volume is estimated to impact operating profit by SEK 75–100 million** in 2022.

More information on [www.aak.com/press-releases/](http://www.aak.com/press-releases/)



The Co-Development Company





# Summary Q1 2022

All-time high operating profit with strong development across business areas

## Highlights

- Volumes grew 1 percent while operating profit increased 15 percent at fixed foreign exchange rates
  - Operating profit per kilo up 13 percent at fixed FX rates.
- Food Ingredients
  - Volumes grew 2 percent, mainly as a result of a rebound in Foodservice
  - Operating profit grew 9 percent at fixed FX rates, mainly due to the Foodservice recovery and improved profitability in Bakery
- Chocolate & Confectionery Fats
  - Continued growth in volumes and operating profit (at fixed FX) – up 5 and 9 percent, respectively
- Technical Products & Feed
  - Another quarter with strong development for operating profit, up 84 percent – driven by improved profitability in both feed and natural ingredients

## Growth and returns

**Volume**  
**575,000 MT**  
(+1%)

**Operating profit**  
**SEK 664 million**  
(+21% y/y, +15% y/y\*)

**Operating profit**  
**per kilo**  
**SEK 1.15**  
(+19% y/y, +13% y/y\*)

**ROCE**  
15.4%\*\*

\* Fixed FX

\*\* Rolling 12 months incl. IFRS 16 effect

# AAK's offer

We are well positioned to benefit from consumer trends



## Health and well-being on the rise

AAK's natural and plant-based solutions are on trend with consumer demands for health and nutrition



## Consumers' increasing demand for higher quality

AAK is well positioned in the speciality segment where there is demand for premium and co-developed solutions



## Sustainability as a competitive advantage

AAK is regarded as a trustworthy partner with focus on traceability and sustainability throughout the value chain





We have a strong portfolio strategy based on different opportunity profiles by industry

### Invest in continued growth



Chocolate &  
Confectionery  
Fats



Special  
Nutrition

### Optimize performance



Bakery



Dairy



Foodservice

### Bet for the future



Health &  
Nutrition  
platform



Plant-based  
Foods

### Maintain current strategy



Natural  
Emulsifiers



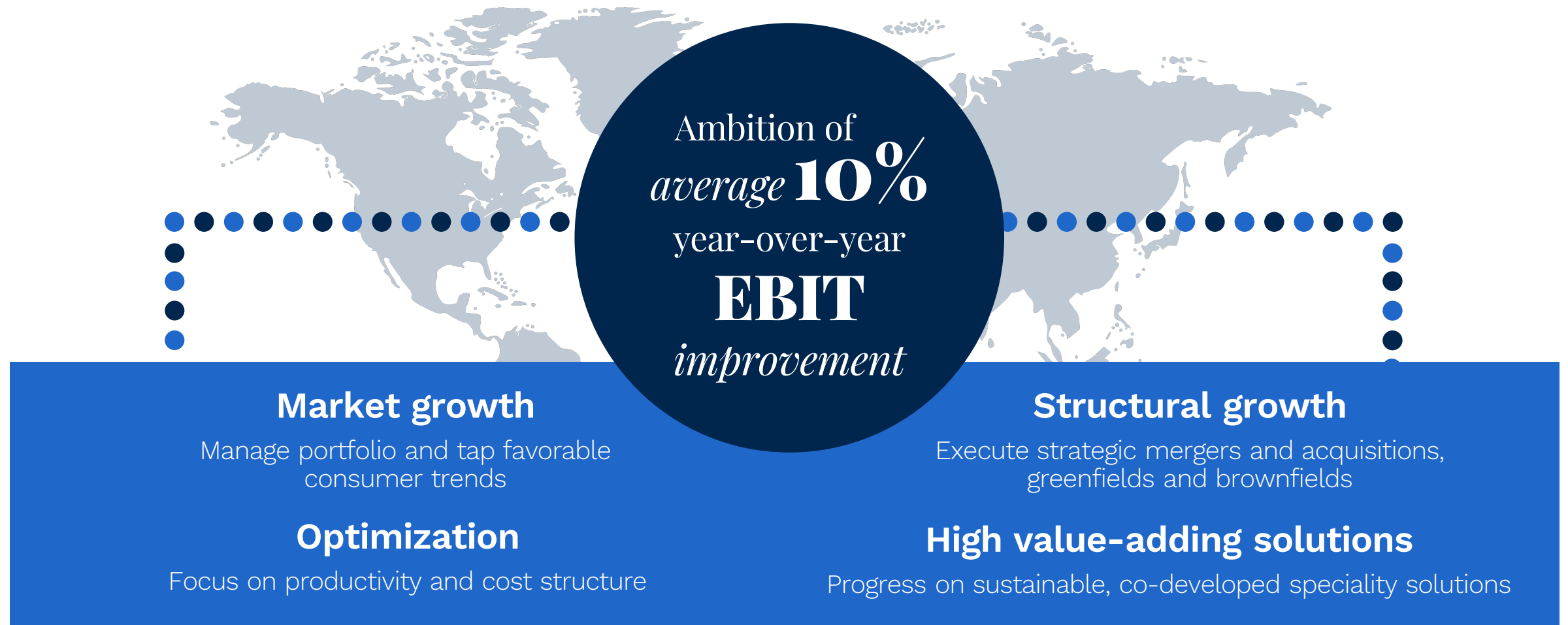
Personal  
Care



Technical  
Products &  
Feed



# Continued profit growth rests on four pillars



## Concluding remarks



The war in Europe, and its ripple effects, have thrown the world into new uncertainties. As an important supplier of plant-based ingredients for food and technical products, we are well positioned to manage risks and to deliver value – something we have proven in the past few years' dynamic environment.

Despite short- to mid-term uncertainty, we therefore see no reason to adjust our view on the strong favorable underlying long-term trends in our markets. Thus, we remain prudently optimistic about the future, and we are fully committed to Making Better Happen™.

Everything we do is about  
**Making Better Happen™**