

Third quarter 2023

# Interim report



**AAK**

# Financial highlights

## Q3 2023

- Total volumes decreased by 5 percent to 529,000 MT (559,000), mainly due to declines in Chocolate & Confectionery Fats and the optimization program in Bakery.
- Including currency translation gains of SEK 32 million, operating profit increased by 39 percent, reaching SEK 1,143 million (822). At fixed foreign exchange rates, operating profit, increased by 35 percent.

- Profit for the period totaled SEK 807 million (611).
- Earnings per share equaled SEK 3.10 (2.36).
- Cash flow from operating activities amounted to SEK 1,214 million (negative 40).
- Return on Capital Employed (ROCE), R12M, was 17.2 percent (14.5 percent on December 31, 2022).

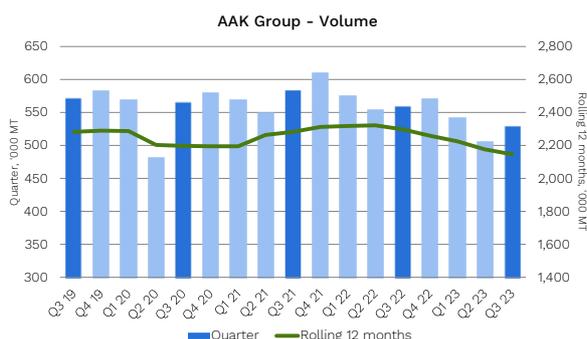
## Q1–Q3 2023

- Total volumes decreased by 7 percent to 1,575,000 MT (1,688,000), largely due to the optimization program in Bakery, the controlled exit from the Russian market and weaker underlying consumer demand. Excluding Russia, volumes declined by 5 percent.
- Excluding items affecting comparability and including currency translation gains of SEK 130 million, operating profit increased by 41 percent, reaching SEK 2,975 million (2,110). At fixed foreign exchange rates, operating profit, excluding items affecting comparability, increased by 35 percent.

- Profit for the period totaled SEK 2,084 million (1,263).
- Earnings per share equaled SEK 8.02 (4.85).
- Cash flow from operating activities amounted to SEK 3,961 million (negative 1,135).
- Return on Capital Employed (ROCE), R12M, was 17.2 percent (14.5 percent on December 31, 2022).

	Q3 2023	Q3 2022	Δ %	Q1–Q3 2023	Q1–Q3 2022	Δ %	R12M 2023	Full year 2022
Volumes, '000 MT	529	559	-5	1,575	1,688	-7	2,146	2,259
Operating profit, SEK million	1,143	822	+39	2,975	1,760	+69	3,753	2,538
Operating profit, excluding IAC, SEK million	1,143	822	+39	2,975	2,110	+41	3,753	2,888
Operating profit per kilo, SEK	2.16	1.47	+47	1.89	1.04	+82	1.75	1.12
Operating profit per kilo, excluding IAC, SEK	2.16	1.47	+47	1.89	1.25	+51	1.75	1.28
Profit for the period, SEK million	807	611	+32	2,084	1,263	+65	2,602	1,780
Profit for the period, excluding IAC, SEK million	807	611	+32	2,084	1,581	+32	2,602	2,099
Earnings per share, SEK	3.10	2.36	+31	8.02	4.85	+65	10.00	6.84
Earnings per share, excluding IAC, SEK	3.10	2.36	+31	8.02	6.09	+32	10.00	8.07
Cash flow from operating activities, SEK million	1,214	-40	-	3,961	-1,135	-	-	-73
Return on Capital Employed (R12M), percent	17.2	14.8	+16	17.2	14.8	+16	17.2	14.5

Items affecting comparability (IAC) are related to the controlled exit from the Russian market (Q2 2022: negative SEK 350 million).



# Strong profit growth, including a sequential volume improvement

I am proud to present our third-quarter results, which showcase strong operating profit growth and a sequential volume improvement, as well as solid cash flow and improved return on capital employed. This achievement underscores the dedication and diligent efforts of our teams, as well as the relevance of our diversified portfolio of plant-based oils and fats ingredients.

## Business performance

Operating profit, increased 39 percent compared to the third quarter of last year. Similar to the first half of this year, the increase was mainly driven by higher sales of speciality solutions, productivity improvements, and better portfolio and price management. At fixed foreign exchange rates, operating profit increased by 35 percent.

Volumes improved sequentially between the second and third quarter of 2023 but declined compared to the third quarter of last year. The year-on-year decline was mainly due to Chocolate & Confectionery Fats and the ongoing optimization program in the Bakery business. In Chocolate & Confectionery Fats, the decline was broad-based with the three main regions declining from a strong 11 percent increase in the third quarter of last year.

Profitability, measured as operating profit per kilo, was strong and improved compared to the third quarter of last year. The improvement was mainly driven by higher sales of speciality solutions, productivity improvements, as well as better portfolio and price management. In Technical Products & Feed, operating profit per kilo declined mainly due to the lower volume in Technical Products as well as slightly lower year-over-year crush margin.

Our operational cash flow was strong, primarily driven by increased profit and a positive effect from inventories.

## On track towards our 2025 biodiversity targets

Preserving our forests and safeguarding native ecosystems is of great importance to our mission to protect biodiversity and combat climate change. Our company relies heavily on agricultural raw materials, making the sustainability of these systems a cornerstone of our strategy.

To uphold transparency and accountability, we have set forth ambitious yet fundamental targets. By 2025, we are committed to achieving 100 percent traceability to the palm oil source, as well as maintaining a palm and soy supply chain that is verified free from deforestation and conversion.



As of the close of the previous year, we had achieved an impressive 87 percent traceability and a commendable 71 percent verification of deforestation-free practices for palm. Fast forward to the midpoint of 2023, we are proud to announce that our efforts have propelled us even further towards our targets. Presently, our global palm traceability stands at 91 percent, and our verified deforestation-free status for palm has reached 77 percent. This progress reaffirms our commitment to sustainable practices and responsible sourcing throughout our supply chain.

## Concluding remarks

I take great pride in our achievements during the third quarter and the positive momentum we've built. As we look ahead, we anticipate a finish to the year that is in line with the average performance in the first nine months. Our strong financial results, combined with our commitment to serve our customers and our dedication to innovation, puts us in a strong position for the future.

Johan Westman, President and CEO

# AAK Group, Q3 2023

## Volumes

Volumes totaled 529,000 MT (559,000), a decrease of 5 percent compared to last year.

## Net sales

Sales reached SEK 11,619 million (13,306), a decrease of 13 percent. The decrease was driven by lower volumes and price adjustments due to lower raw material costs. These decreases were partly offset by a favorable product mix focusing on speciality solutions and currency translation gains of SEK 197 million.

## Operating profit

Operating profit totaled SEK 1,143 million (822), corresponding to an increase of 39 percent compared to the corresponding quarter in 2022.

The growth was largely driven by strong operating profit per kilo in Food Ingredients and Chocolate & Confectionery Fats. AAK achieved this growth via a continued focus on speciality solutions, productivity improvements, and better portfolio and price management.

The currency translation gains were SEK 32 million, of which SEK 4 million was related to Food Ingredients and SEK 28 million to Chocolate & Confectionery Fats. Operating profit at fixed foreign exchange rates increased by 35 percent.

Operating profit per kilo totaled SEK 2.16 (1.47), an increase of 47 percent. The currency translation gains were SEK 0.06. At fixed foreign exchange rates, operating profit per kilo increased by 43 percent.

## Net financial costs and tax costs

Net financial costs totaled SEK 85 million (19). The financial costs increased due to higher interest rates and reporting in hyperinflationary economies (IAS 29), partly offset by a reduced debt level. Reported tax costs correspond to an average tax rate of 24 percent (24).

## Earnings per share

Earnings per share equaled SEK 3.10 (2.36).

## Cash flow and investments

Operating cash flow, including changes in working capital, amounted to SEK 1,214 million (negative 40). Cash flow from working capital amounted to negative SEK 25 million (negative 985). There was a positive cash flow from inventory and accounts receivables, while cash flow from accounts payables was negative.

Cash outflow from investment activities amounted to SEK 270 million (263), of which SEK 0 million (0) stemmed from acquisitions of operations. Capital expenditure was primarily for maintenance investments, productivity improvements, and capacity increases.

## Return on Capital Employed (ROCE)

Calculated on a rolling 12-month basis, Return on Capital Employed (ROCE) was 17.2 percent (14.5 on December 31, 2022).

## Financial position

The equity-to-asset ratio was 55 percent (44 percent on December 31, 2022). Net debt on September 30, 2023, totaled SEK 3,384 million (SEK 5,707 million on December 31, 2022). Net debt / EBITDA totaled 0.73 (1.71 as of December 31, 2022).

On September 30, 2023, the group had total credit facilities of SEK 9,821 million (9,806 as of December 31, 2022), of which there was SEK 8,058 million (8,366 as of December 31, 2022) in committed credit facilities. Unused committed credit facilities on September 30, 2023, totaled SEK 5,997 million (4,295 as of December 31, 2022). Non-committed credit facilities totaled SEK 1,764 million (1,440 as of December 31, 2022), SEK 1,617 million (976 as of December 31, 2022) of which were unused.

# Selected events

## Joining forces for Better Health

Type 2 diabetes and related health issues have been rising global problems for decades. AAK is committed to help mitigate these conditions via the development of innovative health solutions.

In September, it was announced that one of our Health & Nutrition innovation projects had received funding to support a study aiming to mitigate type 2 diabetes and related health conditions such as obesity. The project is a collaboration between AAK and Maastricht University and the grant was awarded by Top Consortia for Knowledge & Innovation (TKI), funded by the Government of the Netherlands.

The study will investigate if increased levels of short-chain fatty acids, over time, can improve insulin sensitivity, decrease body weight and inhibit inflammation. The study is an example of how AAK cooperates to drive positive change and foster the development of innovative and healthy solutions within the food and ingredients industry.



## New Chairman of AAK's Board of Directors

Patrik Andersson has been appointed Chairman of AAK's Board of Directors until a new Chairman is elected at the General Meeting. The appointment follows the deeply saddening and sudden passing of AAK's former Chairman, Georg Brunstam. Georg, who was first elected in 2018, was a warm and visionary leader who played an important role in shaping AAK into a Multi-oil Ingredient House. He will be truly missed.

AAK's new chairman, Patrik Andersson, has been a member of the Board of Directors since 2019 and has worked next to Georg for several years. Patrik's operational background includes six years as President and CEO of Loomis, as well as leadership roles at Unilever, Barilla, Rieber & Son, and Orkla.



# Food Ingredients, Q3 2023\*

Operating profit <b>+55%</b>	Q3 2023	Q3 2022	Δ %	Q1-Q3 2023	Q1-Q3 2022	Δ %	R12M 2023	Full year 2022	
	Volumes, '000 MT	343	353	-3	1,014	1,072	-5	1,375	1,433
Operating profit per kilo <b>+59%</b>	Net sales, SEK million	7,713	8,538	-10	23,076	23,798	-3	31,939	32,661
	Operating profit, SEK million	739	476	+55	1,957	1,251	+56	2,422	1,716
	Operating profit per kilo, SEK	2.15	1.35	+59	1.93	1.17	+65	1.76	1.20

## Volumes

In the third quarter, volumes in Food Ingredients declined 3 percent compared to the same period in the previous year. The volume decline was mainly attributed to Special Nutrition, Foodservice and Bakery, somewhat mitigated by growth in Dairy.

Bakery experienced a reduction in volumes as a result of the ongoing optimization program launched in June 2022, which began affecting volumes at the start of 2023. The consolidation follows the updated strategy with a continued focus on portfolio and price management, prioritizing speciality solutions.

Dairy volumes grew in the quarter compared to the corresponding period of last year. The growth was broad-based, with volumes increasing across Europe, the Americas and Asia.

Similar to the first half of the year, volumes for Special Nutrition were down year-over-year, mainly due to the negative effect of lower birth rates in China, as well as soft volume development in the US following unusually high sales in the same quarter last year.

In Foodservice, volumes declined mainly due to soft performance in Europe.

## Net sales

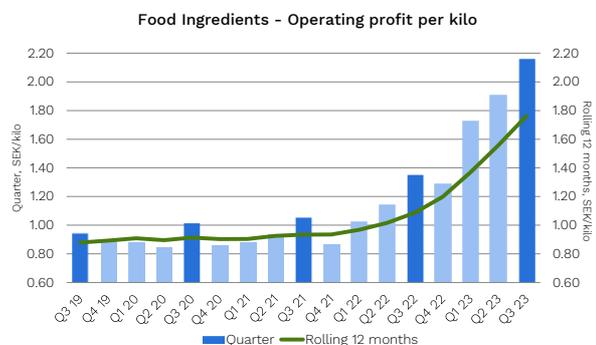
Net sales reached SEK 7,713 million (8,538), a decrease of 10 percent or SEK 825 million, including currency translation gains of SEK 140 million and reductions from lower year-over-year volumes and raw material prices.

## Operating profit

Operating profit increased by 55 percent to SEK 739 million (476). The currency translation gains amounted to SEK 4 million. At fixed foreign exchange rates, operating profit increased by 54 percent.

The strong operating profit growth for the business area was broad-based and primarily driven by Bakery, Special Nutrition and Dairy.

Operating profit per kilo increased to SEK 2.15 (1.35), including currency translation gains of SEK 0.01. At fixed foreign exchange rates, operating profit per kilo grew 59 percent. The performance was mainly driven by our continued focus on speciality solutions, productivity improvements, as well as portfolio and price management.



\*Operating profit and operating profit per kilo exclude items affecting comparability.



# Chocolate & Confectionery Fats, Q3 2023\*

	Q3		Δ %	Q1–Q3		Δ %	R12M	Full year
	2023	2022		2023	2022			
<b>Operating profit</b> <b>+41%</b>								
Volumes, '000 MT	119	133	-11	350	396	-12	475	521
Net sales, SEK million	3,357	4,057	-17	10,262	11,141	-8	13,934	14,813
<b>Operating profit per kilo</b> <b>+58%</b>								
Operating profit, SEK million	438	310	+41	1,040	784	+33	1,348	1,092
Operating profit per kilo, SEK	3.68	2.33	+58	2.97	1.98	+50	2.84	2.10

## Volumes

In the third quarter, volumes declined 11 percent, with a two-year Russia-adjusted comparison showing relatively stable performance. Compared to the second quarter of this year, volumes grew by double digits following the annualization of our controlled exit from Russia as well as a positive seasonality effect.

## Net sales

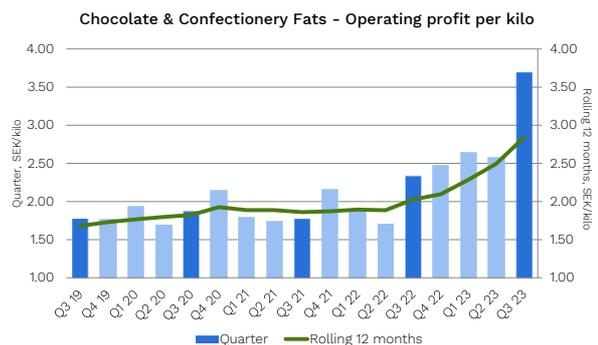
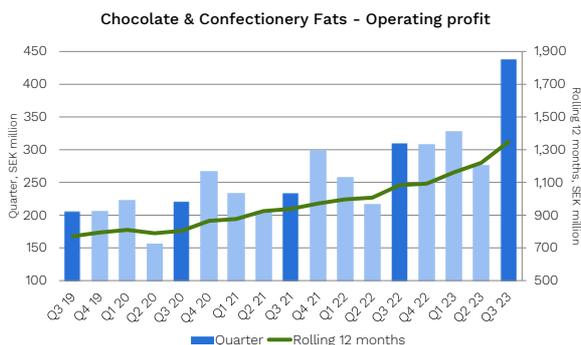
Net sales for the business area reached SEK 3,357 million (4,057), a 17 percent decrease, including currency translation gains of SEK 57 million and reductions from lower year-over-year volumes and raw material prices.

## Operating profit

Operating profit reached SEK 438 million (310), an increase of 41 percent compared to the corresponding quarter last year. The currency translation gains were SEK 28 million. At fixed foreign exchange rates, operating profit increased by 32 percent.

Operating profit per kilo increased and totaled SEK 3.68 (2.33). The currency translation gains were SEK 0.24. At fixed foreign exchange rates, operating profit per kilo increased by 48 percent.

The increase in operating profit per kilo was driven by a continued focus on speciality solutions, productivity improvements, as well as portfolio and price management.



\*Operating profit and operating profit per kilo exclude items affecting comparability.



# Technical Products & Feed, Q3 2023\*

	Q3 2023	Q3 2022	Δ %	Q1-Q3 2023	Q1-Q3 2022	Δ %	R12M 2023	Full year 2022
<b>Operating profit</b> <b>-38%</b>								
Volumes, '000 MT	67	73	-8	211	220	-4	296	305
Net sales, SEK million	549	711	-23	1,855	2,169	-14	2,637	2,951
Operating profit, SEK million	47	76	-38	199	203	-2	299	303
Operating profit per kilo, SEK	0.70	1.04	-33	0.94	0.92	+2	1.01	0.99
<b>Operating profit per kilo</b> <b>-33%</b>								

## Volumes

In the third quarter, volumes declined 8 percent compared to the same period in 2022, with declines in both Technical Products and Feed.

The decline was partly due to an efficiency upgrade in one of our pellet boilers. During the upgrade, some of the side fractions that are typically sold to the Biofuels industry were utilized internally to compensate for the boiler temporarily being offline.

In addition, volumes were impacted by weak end-market demand for plant-based additives for rubber and plastics production, mainly going into the construction and automotive industries. Plant-based solutions to replace paraffin in candles performed well and grew in the quarter while volumes in Feed declined following unusually high sales in the same quarter last year.

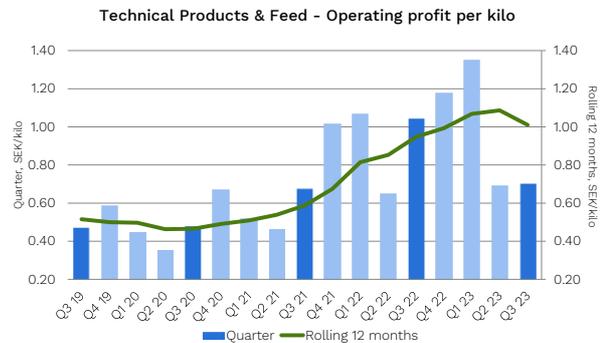
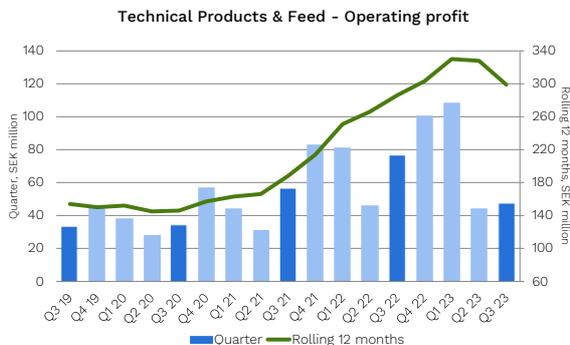
## Net sales

Net sales for the business area reached SEK 549 million, decreasing by SEK 162 million compared to SEK 711 million during the third quarter of last year due to a negative impact from lower year-over-year volumes and raw material prices.

## Operating profit

Operating profit totaled SEK 47 million (76), a 38 percent decrease compared to last year.

As a result of the lower volumes in Technical Products as well as slightly lower year-over-year crush margin, the business area reported an operating profit per kilo of SEK 0.70 (1.04), a decrease of 33 percent.



\*Operating profit and operating profit per kilo exclude items affecting comparability.



# AAK Group, first nine months 2023

## Volumes

Volumes totaled 1,575,000 MT (1,688,000), a decrease of 7 percent compared to last year. Excluding Russia, volumes declined by 5 percent.

## Net sales

Net sales reached SEK 35,193 million (37,108), a decrease of 5 percent. The decrease was driven by lower volumes and lower raw material prices, partly offset by a favorable product mix via a continued focus on speciality solutions and currency translation gains of SEK 1,409 million.

## Operating profit

Operating profit, excluding items affecting comparability (IAC), totaled SEK 2,975 million (2,110), an increase of 41 percent compared to the corresponding period in 2022.

The growth in operating profit was largely driven by strong operating profit per kilo in Food Ingredients and Chocolate & Confectionery Fats. AAK achieved this growth via a continued focus on speciality solutions, productivity improvements, and portfolio and price management.

The currency translation gains were SEK 130 million, of which SEK 55 million related to Food Ingredients and SEK 75 million to Chocolate & Confectionery Fats. Operating profit, excluding items affecting comparability at fixed foreign exchange rates, increased by 35 percent.

Operating profit per kilo, excluding items affecting comparability, totaled SEK 1.89 (1.25), an increase of 51 percent. The currency translation gains were SEK 0.08. At fixed foreign exchange rates, operating profit per kilo, excluding items affecting comparability, increased by 45 percent.

## Net financial costs and tax costs

Net financial costs totaled SEK 230 million (43). The financial costs increased due to higher interest rates and reporting in hyperinflationary economies (IAS 29), partly offset by reduced debt level. Reported tax costs correspond to an average tax rate of 24 percent (26). Last year's tax rate was impacted by the expenses reported as items affecting comparability being unable to be utilized in full as a tax credit.

## Earnings per share

Earnings per share equaled SEK 8.02 (4.85).

## Cash flow and investments

Operating cash flow, including changes in working capital, amounted to SEK 3,961 million (negative 1,135). Cash flow from working capital amounted to SEK 1,416 million (negative 3,371). Following the decrease in raw material prices during the second half of 2022, there was a positive cash flow from inventory and accounts receivables. Accounts payables had a negative cash flow effect in the first nine months of the year.

Cash outflow from investment activities amounted to SEK 878 million (745), of which SEK 89 million (0) stemmed from acquisitions of operations. The acquisition of Arani Agro Oil, announced during the 2022 fiscal year, was completed in January 2023 and is included in AAK's financials from January 1, 2023. Capital expenditure was mostly for maintenance investments, productivity improvements, and capacity increases.

## Employees

The average number of employees on September 30, 2023, was 4,096 (3,962 at December 31, 2022).

# General information

## Related parties

No significant changes have taken place in relations or transactions with related parties since 2022.

## Risks and uncertainty factors

AAK's operations are constantly exposed to risks, threats and external factors. Through a proactive approach to business intelligence, the company aims to anticipate changes in factors affecting operations. Plans and policies are adjusted continuously to counteract potential negative effects. Active risk management, such as hedging raw material prices and currencies, reduces the risks that the company faces.

Efficient risk management is an ongoing process conducted within the framework of business control and is part of the ongoing review and forward-looking assessment of operations.

AAK assumes long-term risk exposure will not deviate from the inherent exposure associated with AAK's ongoing business operations.

AAK's Board of Directors and Executive Committee have, since the publication of the Annual Report 2022, reviewed the development of significant risks and uncertainties and can confirm that there have been no changes other than what has been commented on regarding market developments during 2022 and 2023.

For a more in-depth analysis of risks, please refer to AAK's Annual Report.

## Accounting policies in 2023

This interim report is prepared in accordance with IAS 34, Interim Financial Reporting, and applicable rules in the Swedish Annual Accounts Act. The accounting principles correspond to the principles applied in the preparation of the Annual Report 2022.

## Alternative Performance Measures (APMs)

AAK presents APMs to reflect underlying business performance and to enhance comparability from period to period. APMs should not be considered as a substitute for measures of performance in accordance with the IFRS.

Definitions of Alternative Performance Measures can be found at [www.aak.com](http://www.aak.com) under the Investor tab. For a reconciliation of Alternative Performance Measures, see pages 21–22.

## Definitions

For definitions, please see our Annual Report.

## Events after the reporting period

No events to be reported.

## The Parent Company and Group Functions

AAK AB (publ.) is the Parent Company of the AAK Group. Its functions are primarily activities related to the development and administration of the Group.

The result for the Parent Company after financial items amounted to negative SEK 268 million (negative 94). Interest-bearing liabilities minus cash and cash equivalents and interest-bearing assets totaled SEK 4,439 million (3,443 as of December 31, 2022). Investments in intangible and tangible assets amounted to SEK 18 million (0).

The Parent Company's balance sheet and income statement are shown on pages 23–24. There are no major changes in the Parent Company's balance sheet since year's end.

The Parent Company has prepared its financial reports in accordance with Chapter 9 of the Swedish Annual Accounts Act, Interim Report and RFR 2 Accounting for legal entities. The accounting principles correspond to the principles applied in the preparation of the Annual Report 2022.

Malmö, October 25, 2023

Johan Westman  
President and CEO

**For further information, please contact:**

Carl Ahlgren  
Head of IR & Corporate Communication  
Mobile: +46 70 681 07 34  
E-mail: [carlahlgren@aab.com](mailto:carlahlgren@aab.com)

AAK AB (publ.) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, under the direction of the contact person set out above, at 8:30 CET on October 25, 2023.

## Auditor's review report

AAK AB (publ.)  
Corp. Id. 556669-2850

### Introduction

We have reviewed the condensed interim financial information (interim report) of AAK AB (publ.) as of September 30, 2023, and the nine-month period then ended, on pages 2 and 4-24. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Malmö, October 25, 2023

KPMG AB

Jonas Nihlberg  
Authorized Public Accountant

# Condensed income statement

SEK million	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	Full year 2022
Net sales	11,619	13,306	35,193	37,108	50,425
Other operating income	65	24	163	115	149
Total operating income	11,684	13,330	35,356	37,223	50,574
Change in inventories of finished goods and work in progress	-108	-171	-81	58	201
Raw materials and consumables	-8,263	-10,185	-25,959	-29,230	-39,777
Goods for resale	-199	-289	-561	-851	-1,085
Other external expenses	-863	-963	-2,607	-2,507	-3,401
Cost for remuneration to employees	-881	-762	-2,508	-2,120	-2,958
Depreciation, amortization and impairment losses	-249	-199	-683	-590	-799
Other operating expenses	22	61	18	-223	-217
Total operating expenses	-10,541	-12,508	-32,381	-35,463	-48,036
Operating profit (EBIT)	1,143	822	2,975	1,760	2,538
Financial income	22	51	59	120	69
Financial expense	-107	-70	-289	-163	-257
Total financial net	-85	-19	-230	-43	-188
Profit before tax	1,058	803	2,745	1,717	2,350
Income tax	-251	-192	-661	-454	-570
Profit for the period	807	611	2,084	1,263	1,780
Attributable to non-controlling interests	2	1	4	8	10
Attributable to the Parent Company's shareholders	805	610	2,080	1,255	1,770
Earnings per share before dilution, SEK <sup>1)</sup>	3.10	2.36	8.02	4.85	6.84
Earnings per share after dilution, SEK <sup>2)</sup>	3.10	2.36	8.02	4.85	6.84

<sup>1)</sup> Earnings per share are calculated based on a weighted average number of outstanding shares.

<sup>2)</sup> Earnings per share are calculated based on a weighted average number of outstanding shares after dilution from outstanding subscription warrants.

# Comprehensive income

SEK million	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	Full year 2022
Profit for the period	807	611	2,084	1,263	1,780
Items that will not be reclassified to profit or loss:					
Remeasurements of post-employment benefit obligations	17	138	17	138	149
	17	138	17	138	149
Items that may subsequently be reclassified to profit or loss:					
Translation differences	-47	828	960	2,119	1,460
Fair-value changes in cash flow hedges	-3	3	-6	21	20
Tax related to fair-value changes in cash flow hedges	0	0	1	-4	-4
	-50	831	955	2,136	1,476
Total comprehensive income for the period	774	1,580	3,056	3,537	3,405
Attributable to non-controlling interests	3	1	5	14	16
Attributable to the Parent Company's shareholders	771	1,579	3,051	3,523	3,389

# Condensed balance sheet

SEK million	30.09.2023	30.09.2022	31.12.2022
<b>Assets</b>			
Goodwill	2,839	2,599	2,538
Other intangible assets	311	315	293
Property, plant and equipment	7,602	6,713	6,944
Right-of-use assets	675	699	685
Shares in associated companies	20	23	32
Financial assets	88	68	67
Deferred tax assets	357	217	327
<b>Total non-current assets</b>	<b>11,892</b>	<b>10,634</b>	<b>10,886</b>
Inventory	8,851	12,020	11,174
Accounts receivables	6,121	7,244	6,635
Current receivables	3,140	4,052	3,780
Cash and cash equivalents	1,595	1,410	1,515
<b>Total current assets</b>	<b>19,707</b>	<b>24,726</b>	<b>23,104</b>
<b>Total assets</b>	<b>31,599</b>	<b>35,360</b>	<b>33,990</b>
<b>Equity and liabilities</b>			
Shareholders' equity	17,373	15,162	15,036
Non-controlling interests	52	45	47
<b>Total equity including non-controlling interests</b>	<b>17,425</b>	<b>15,207</b>	<b>15,083</b>
Liabilities to banks and credit institutions	2,501	3,527	3,526
Pension liabilities	20	118	58
Lease liabilities	567	579	562
Deferred tax liabilities	589	545	553
Other non-current liabilities	319	280	273
<b>Total non-current liabilities</b>	<b>3,996</b>	<b>5,049</b>	<b>4,972</b>
Liabilities to banks and credit institutions	1,769	3,327	2,997
Lease liabilities	153	158	162
Accounts payables	3,915	6,214	5,337
Other current liabilities	4,341	5,405	5,439
<b>Total current liabilities</b>	<b>10,178</b>	<b>15,104</b>	<b>13,935</b>
<b>Total equity and liabilities</b>	<b>31,599</b>	<b>35,360</b>	<b>33,990</b>

# Condensed change in equity

## 2023

SEK million	Shareholders' equity	Non-controlling interests	Total equity incl. non-controlling interests
Opening balance January 1, 2023	15,036	47	15,083
Profit for the period	2,080	4	2,084
Other comprehensive income	971	1	972
Total comprehensive income	3,051	5	3,056
Dividend	-714	-	-714
Closing balance September 30, 2023	17,373	52	17,425

## 2022

SEK million	Shareholders' equity	Non-controlling interests	Total equity incl. non-controlling interests
Opening balance January 1, 2022	11,783	48	11,831
Adjustment Opening balance IAS29	38	-	38
Adjusted Opening balance January 1, 2022	11,821	48	11,869
Profit for the period	1,255	8	1,263
Other comprehensive income	2,268	6	2,274
Total comprehensive income	3,523	14	3,537
New issue of shares	147	-	147
Subscription warrants	80	-	80
Exit Russia	237	-17	220
Dividend	-646	-	-646
Closing balance September 30, 2022	15,162	45	15,207

# Condensed cash flow statement

SEK million	Q3 2023	Q3 2022	Q1–Q3 2023	Q1–Q3 2022	Full year 2022
<b>Operating activities</b>					
Operating profit	1,143	822	2,975	1,760	2,538
Depreciation, amortization and impairment losses	249	199	683	590	799
Adjustment for other items not included in cash flow	86	38	-306	339	63
Interest paid and received	-37	-8	-149	-11	-146
Tax paid	-202	-106	-658	-442	-617
Cash flow before changes in working capital	1,239	945	2,545	2,236	2,637
Changes in inventory	595	-585	2,734	-1,963	-1,427
Changes in accounts receivables	-68	-329	727	-1,506	-1,149
Changes in accounts payables	-585	-402	-1,664	-172	-812
Changes in other working capital items	33	331	-381	270	678
Changes in working capital	-25	-985	1,416	-3,371	-2,710
Cash flow from operating activities	1,214	-40	3,961	-1,135	-73
<b>Investing activities</b>					
Acquisition of intangible assets and property, plant and equipment	-282	-245	-835	-746	-1,226
Acquisition of operations and shares, net of cash acquired	-	-	-89	-	-14
Proceeds from sale of property, plant and equipment	12	-18	46	1	7
Cash flow from investing activities	-270	-263	-878	-745	-1,233
<b>Financing activities</b>					
Changes in loans	-775	-125	-2,178	2,697	2,364
Amortization of lease liabilities	-47	-37	-135	-109	-152
New issue of shares	-	141	-	147	147
Subscription warrants	-	6	-	80	80
Dividend paid	-	-	-714	-646	-646
Cash flow from financing activities	-822	-15	-3,027	2,169	1,793
Cash flow for the period	122	-318	56	289	487
Cash and cash equivalents at start of period	1,485	1,680	1,515	1,001	1,001
Exchange rate difference for cash equivalents	-12	48	24	120	27
Cash and cash equivalents at end of period	1,595	1,410	1,595	1,410	1,515

# Key ratios

SEK million (unless otherwise stated)	Q3 2023	Q3 2022	Δ %	Q1-Q3 2023	Q1-Q3 2022	Δ %	Full year 2022
<b>Income statement</b>							
Volumes, '000 MT	529	559	-5	1,575	1,688	-7	2,259
Operating profit	1,143	822	+39	2,975	1,760	+69	2,538
Operating profit excluding IAC	1,143	822	+39	2,975	2,110	+41	2,888
Profit for the period	807	611	+32	2,084	1,263	+65	1,780
Profit for the period excluding IAC	807	611	+32	2,084	1,581	+32	2,099
<b>Financial position</b>							
Total assets	31,599	35,360	-11	31,599	35,360	-11	33,990
Equity	17,425	15,207	+15	17,425	15,207	+15	15,083
Net working capital	9,852	11,665	-16	9,852	11,665	-16	10,747
Net debt	3,384	6,251	-46	3,384	6,251	-46	5,707
<b>Cash flow</b>							
Cash flow from operating activities	1,214	-40	-	3,961	-1,135	-	-73
Cash flow from investing activities	-270	-263	-	-878	-745	-	-1,233
<b>Share data</b>							
Number of shares, thousand	259,559	259,559	+0	259,559	259,559	+0	259,559
Earnings per share, SEK <sup>1)</sup>	3.10	2.36	+31	8.02	4.85	+65	6.84
Earnings per share, excluding IAC, SEK <sup>1)</sup>	3.10	2.36	+31	8.02	6.09	+32	8.07
Equity per share, SEK	66.93	58.41	+15	66.93	58.41	+15	57.93
Market value on closing date, SEK	197.00	147.35	+34	197.00	147.35	+34	177.85
<b>Other key ratios</b>							
Volume growth, percent	-5	-4	-	-7	-1	-	-2
Operating profit per kilo, SEK	2.16	1.47	+47	1.89	1.04	+82	1.12
Operating profit per kilo, excluding IAC, SEK	2.16	1.47	+47	1.89	1.25	+51	1.28
Return on Capital Employed (R12 months), percent	17.2	14.8	+16	17.2	14.8	+16	14.5
Net debt / EBITDA, multiple	0.73	1.96	-63	0.73	1.96	-63	1.71

<sup>1)</sup> Earnings per share are calculated based on a weighted average number of outstanding shares.

# Quarterly data by business area

## Operating profit

SEK million	2022					2023		
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3
Food Ingredients	369	342	476	465	1,652	582	636	739
Chocolate & Confectionery Fats	258	-70	310	308	806	327	275	438
Technical Products & Feed	81	46	76	100	303	108	44	47
Group Functions	-44	-44	-40	-95	-223	-65	-75	-81
Operating profit AAK Group	664	274	822	778	2,538	952	880	1,143
Financial net	-18	-6	-19	-145	-188	-77	-68	-85
Profit before tax	646	268	803	633	2,350	875	812	1,058

## Operating profit excluding items affecting comparability

SEK million	2022					2023		
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3
Food Ingredients	369	406	476	465	1,716	582	636	739
Chocolate & Confectionery Fats	258	216	310	308	1,092	327	275	438
Technical Products & Feed	81	46	76	100	303	108	44	47
Group Functions	-44	-44	-40	-95	-223	-65	-75	-81
Operating profit AAK Group	664	624	822	778	2,888	952	880	1,143
Financial net	-18	-6	-19	-145	-188	-77	-68	-85
Profit before tax	646	618	803	633	2,700	875	812	1,058

# Net sales by market

## 2023

SEK million	FI	CCF	TPF	Total	FI	CCF	TPF	Total
	Q3 2023	Q3 2023	Q3 2023	Q3 2023	Q1-Q3 2023	Q1-Q3 2023	Q1-Q3 2023	Q1-Q3 2023
Europe	2,856	1,233	549	4,638	8,568	3,556	1,855	13,979
North and South America	3,794	1,474	0	5,268	11,408	4,697	0	16,105
Asia	954	611	0	1,565	2,733	1,884	0	4,617
Other countries	109	39	0	148	367	125	0	492
Net sales	7,713	3,357	549	11,619	23,076	10,262	1,855	35,193

## 2022

SEK million	FI	CCF	TPF	Total	FI	CCF	TPF	Total
	Q3 2022	Q3 2022	Q3 2022	Q3 2022	Q1-Q3 2022	Q1-Q3 2022	Q1-Q3 2022	Q1-Q3 2022
Europe	3,042	1,310	711	5,063	8,782	4,397	2,169	15,348
North and South America	4,264	1,789	0	6,053	11,846	4,697	0	16,543
Asia	1,113	877	0	1,990	2,866	1,814	0	4,680
Other countries	119	81	0	200	304	233	0	537
Net sales	8,538	4,057	711	13,306	23,798	11,141	2,169	37,108

# Financial instruments

SEK million	30.09.2023	31.12.2022	Hierarchy level
<i>Assets at fair value through profit and loss</i>			
Currency derivatives	452	164	2
Sales and purchase contracts	924	2,199	2
Investment in unlisted shares	7	7	3
Investment in unlisted funds	60	43	3
<i>Derivatives used in cash flow hedges</i>			
Interest rate swaps	18	25	2
<i>Assets at amortized cost</i>			
Financial non-current assets	12	7	-
Accounts receivables	6,121	6,635	-
Financial current assets	33	85	-
Cash and cash equivalents	1,595	1,515	-
<b>Total financial assets</b>	<b>9,222</b>	<b>10,680</b>	
<i>Liabilities at fair value through profit and loss</i>			
Currency derivatives	438	294	2
Sales and purchase contracts	272	1,140	2
<i>Liabilities at amortized cost</i>			
Liabilities to banks and credit institutions	4,270	6,523	-
Lease liabilities	720	724	-
Accounts payables	3,915	5,337	-
Other interest-bearing liabilities	12	12	-
<b>Total financial liabilities</b>	<b>9,627</b>	<b>14,030</b>	

For information on the valuation techniques used by the Group in measuring the fair value of financial instruments, see note 3 in the Annual report 2022.

# Alternative Performance Measures (APMs)

## Organic volume growth

Percent	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	Full year 2022
<b>Food Ingredients</b>					
Organic volume growth	-3	-4	-5	-1	-3
Acquisitions / divestments	-	-	-	-	-
Volume growth	-3	-4	-5	-1	-3
<b>Chocolate &amp; Confectionery Fats</b>					
Organic volume growth	-11	1	-12	4	0
Acquisitions / divestments	-	-	-	-	-
Volume growth	-11	1	-12	4	0
<b>Technical Products &amp; Feed</b>					
Organic volume growth	-8	-12	-4	-6	-4
Acquisitions / divestments	-	-	-	-	-
Volume growth	-8	-12	-4	-6	-4
<b>AAK Group</b>					
Organic volume growth	-5	-4	-7	-1	-2
Acquisitions / divestments	-	-	-	-	-
Volume growth	-5	-4	-7	-1	-2

## EBITDA

SEK million	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	Full year 2022
Operating profit (EBIT)	1,143	822	2,975	1,760	2,538
Depreciation, amortization and impairment losses	249	199	683	590	799
EBITDA	1,392	1,021	3,658	2,350	3,337

## Operating profit excluding items affecting comparability (IAC)

SEK million	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	Full year 2022
<b>Food Ingredients</b>					
Operating profit, excluding IAC	739	476	1,957	1,251	1,716
Exit Russia	-	-	-	-64	-64
Operating profit	739	476	1,957	1,187	1,652
<b>Chocolate &amp; Confectionery Fats</b>					
Operating profit, excluding IAC	438	310	1,040	784	1,092
Exit Russia	-	-	-	-286	-286
Operating profit	438	310	1,040	498	806
<b>Technical Products &amp; Feed</b>					
Operating profit, excluding IAC	47	76	199	203	303
Operating profit	47	76	199	203	303
<b>AAK Group</b>					
Operating profit, excluding IAC	1,143	822	2,975	2,110	2,888
Exit Russia	-	-	-	-350	-350
Operating profit	1,143	822	2,975	1,760	2,538

## Return on Capital Employed (ROCE)

SEK million	R12M 30.09.2023	R12M 31.12.2022
Total assets	33,109	32,083
Cash and cash equivalents	-1,482	-1,354
Financial assets	-105	-51
Accounts payables	-4,815	-5,791
Other non-interest-bearing liabilities	-4,837	-4,998
Capital employed	21,870	19,889
Operating profit, excluding items affecting comparability	3,753	2,888
Return on Capital Employed (ROCE), percent	17.2	14.5

## Net working capital

SEK million	30.09.2023	31.12.2022
Inventory	8,851	11,174
Accounts receivables	6,121	6,635
Other current receivables, non-interest-bearing	3,097	3,686
Accounts payables	-3,915	-5,337
Other current liabilities, non-interest-bearing	-4,302	-5,411
Net working capital	9,852	10,747

## Net debt

SEK million	30.09.2023	31.12.2022
Current interest-bearing receivables	43	95
Cash and cash equivalents	1,595	1,515
Pension liabilities	-20	-58
Lease liabilities	-720	-724
Non-current liabilities to banks and credit institutions	-2,501	-3,526
Current liabilities to banks and credit institutions	-1,769	-2,997
Other interest-bearing liabilities	-12	-12
Net debt	-3,384	-5,707

## Net debt / EBITDA

SEK million	30.09.2023	31.12.2022
Net debt	3,384	5,707
EBITDA (rolling 12 months)	4,645	3,337
Net debt / EBITDA, multiple	0.73	1.71

## Equity to assets ratio

SEK million	30.09.2023	31.12.2022
Shareholders' equity	17,373	15,036
Non-controlling interests	52	47
Total equity including non-controlling interests	17,425	15,083
Total assets	31,599	33,990
Equity to assets ratio, percent	55.1	44.4

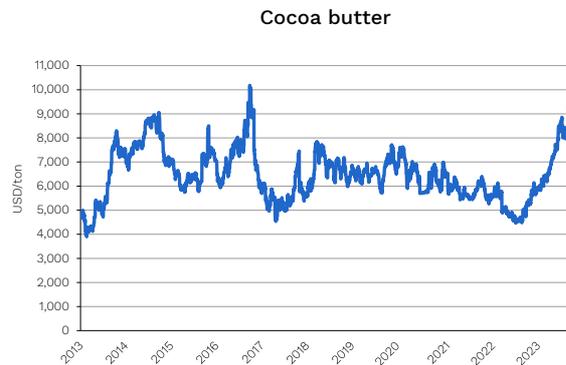
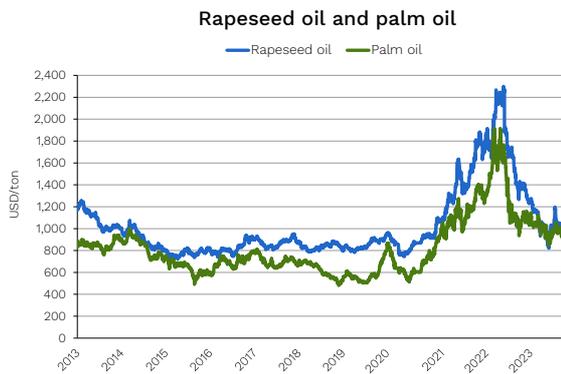
# Income statement – Parent Company

SEK million	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	Full year 2022
Net sales	157	32	245	96	160
Total operating income	157	32	245	96	160
Other external expenses	-130	-30	-252	-93	-151
Cost for remuneration to employees	-50	-26	-114	-76	-130
Depreciation, amortization and impairment losses	-3	-2	-7	-5	-7
Total operating expenses	-183	-58	-373	-174	-288
Operating profit (EBIT)	-26	-26	-128	-78	-128
Profit from interest in Group companies	-	-	-	-	108
Interest income and similar items	0	3	1	21	20
Interest expense and similar items	-57	-21	-141	-37	-63
Total financial net	-57	-18	-140	-16	65
Profit before tax	-83	-44	-268	-94	-63
Income tax	15	6	53	19	0
Profit for the period	-68	-38	-215	-75	-63

# Condensed balance sheet – Parent Company

SEK million	30.09.2023	31.12.2022
<b>Assets</b>		
Other intangible assets	21	8
Property, plant and equipment	2	1
Right-of-use assets	23	2
Financial assets	9,914	9,974
Deferred tax assets	3	3
<b>Total non-current assets</b>	<b>9,963</b>	<b>9,988</b>
Current receivables	550	493
Cash and cash equivalents	0	0
<b>Total current assets</b>	<b>550</b>	<b>493</b>
<b>Total assets</b>	<b>10,513</b>	<b>10,481</b>
<b>Equity and liabilities</b>		
Shareholders' equity	5,882	6,811
Non-controlling interests	-	-
<b>Total equity including non-controlling interests</b>	<b>5,882</b>	<b>6,811</b>
Liabilities to banks and credit institutions	2,000	3,000
Lease liabilities	18	1
Other non-current liabilities	975	36
<b>Total non-current liabilities</b>	<b>2,993</b>	<b>3,037</b>
Liabilities to banks and credit institutions	1,500	500
Lease liabilities	5	2
Accounts payables	14	18
Other current liabilities	119	113
<b>Total current liabilities</b>	<b>1,638</b>	<b>633</b>
<b>Total equity and liabilities</b>	<b>10,513</b>	<b>10,481</b>

# Price trends in raw materials



For information regarding cocoa and cocoa butter please refer to information at [www.icco.org](http://www.icco.org)

## Additional information

### Conference call

AAK will host a conference call for investors and analysts on October 25, 2023, at 10 a.m. CET. The presentation can be followed via teleconference or webcast. Please visit [www.aak.com](http://www.aak.com) for details.

The annual and quarterly reports are published on [www.aak.com](http://www.aak.com).

### Financial calendar 2023-2024

February 7, 2024: Q4 and year-end report for 2023

April 25, 2024: Q1 and three month report for 2024

May 8, 2024: Annual General Meeting, Malmö, Sweden

July 18, 2024: Q2 and six month report for 2024

October 24, 2024: Q3 and nine month report for 2024

February 5, 2025: Q4 and year-end report for 2024

### Forward-looking statements

This report contains forward-looking statements. Such statements are subject to risks and uncertainties since various factors, many of which are beyond the control of AAK AB (publ.), may cause actual developments and results to differ materially from the expectations expressed in this report.

### Governing text

The report has been translated from Swedish. The Swedish text shall govern for all purposes and prevail in the event of any discrepancy between the versions.

### Investor Relations contact

Carl Ahlgren  
Head of IR & Corporate Communication  
Mobile: +46 706 81 07 34  
E-mail: [carl.ahlgren@aaak.com](mailto:carl.ahlgren@aaak.com)

# Everything

we do  
is about

# Making Better Happen™

Everything AAK does is about Making Better Happen™. We specialize in plant-based oils and fats, the value-adding ingredients in many products people love to consume.

We make these products better tasting, healthier, and more sustainable. At the heart of AAK's offer is customer co-development, combining our desire to understand what Making Better Happen™ means for each customer with the unique flexibility of our production assets and deep knowledge of products and industries, including Chocolate & Confectionery, Bakery, Dairy, Plant-based Foods, Special Nutrition, Foodservice, and Personal Care.

Our 4,000 employees support our close collaboration with customers through 25 regional sales offices, 16 dedicated Customer Innovation Centers, and with the support of more than 20 production facilities.

Listed on Nasdaq Stockholm and headquartered in Malmö, Sweden, AAK has been Making Better Happen™ for 150 years.



Explore more at  
[www.aak.com](http://www.aak.com)