

First quarter 2023

Interim report



AAK

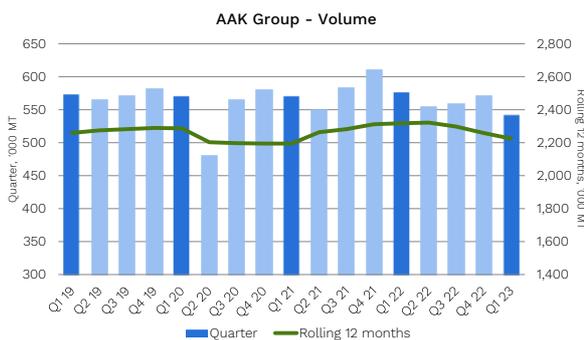
Financial highlights

Q1 2023

- Total volumes decreased by 6 percent to 541,000 MT (575,000), largely due to last year's exit from the Russian market and the optimization program in Bakery. Excluding Russia, volumes declined by 3 percent.
- Operating profit, including a positive currency translation impact of SEK 64 million, increased by 43 percent, reaching SEK 952 million (664). At fixed foreign exchange rates, operating profit increased by 34 percent.
- Profit for the period totaled SEK 662 million (492).
- Earnings per share equaled SEK 2.55 (1.89).
- Cash flow from operating activities amounted to SEK 1,102 million (negative 1,150).
- Return on Capital Employed (ROCE), R12M, was 15.2 percent (14.5 on December 31, 2022).

	Q1 2023	Q1 2022	Δ %	R12M 2023	Full year 2022
Volumes, '000 MT	541	575	-6	2,225	2,259
Operating profit, SEK million	952	664	+43	2,826	2,538
Operating profit, excluding IAC, SEK million	952	664	+43	3,176	2,888
Operating profit per kilo, SEK	1.76	1.15	+53	1.27	1.12
Operating profit per kilo, excluding IAC, SEK	1.76	1.15	+53	1.43	1.28
Profit for the period, SEK million	662	492	+35	1,950	1,780
Profit for the period, excluding IAC, SEK million	662	492	+35	2,269	2,099
Earnings per share, SEK	2.55	1.89	+35	7.50	6.84
Earnings per share, excluding IAC, SEK	2.55	1.89	+35	8.73	8.07
Return on Capital Employed (R12M), percent	15.2	15.4	-1	15.2	14.5

Items affecting comparability (IAC) for the full year 2022 related to the controlled exit from Russia (Q2 2022: negative SEK 350 million).



Strong start to the year; volumes and operating profit confirmed per April 13 pre-announcement

I am pleased to confirm that we had a strong start to the year, with solid performance across all three business areas, including a strong cash flow and an improved Return on Capital Employed. Despite the ongoing challenges posed by the state of the global economy, we remain successful in delivering value to our customers.

Business performance

As communicated on April 13, we achieved a first-quarter operating profit growth of 43 percent compared to the same period last year, driven by particularly strong performance in Food Ingredients and Chocolate & Confectionery Fats. The main growth drivers were continued focus on speciality solutions, productivity improvements and favorable year-over-year market conditions, including an improved ability to compensate for inflationary effects. Our team has worked intensively to maintain supply chain stability and ensure the timely delivery of products to our customers, another contributor to our continued improvement.

Volumes declined 6 percent year-over-year as expected due to our controlled exit from the Russian market and the optimization program in Bakery. Excluding Russia, volumes declined 3 percent in the first quarter compared to the first quarter of 2022.

Innovation and co-development

We have continued to invest in innovation and co-development, focusing on new product development and solutions to ensure that we meet the evolving needs of our customers. One of AAK's strengths is our ability to understand the full ingredient matrix of foods and to use this expertise to co-develop plant-based oils and fats solutions with our customers.

The most recent milestone on our co-development journey was the inauguration of a plant-based Innovation Center of Excellence outside Amsterdam in March this year. The three-story state-of-the-art center showcases AAK's co-development process, including two pilot plants for plant-based meat and dairy, an application laboratory, co-development workspaces, a culinary kitchen, and sensory facilities, all under one AAK roof. The center allows customers to bring great-tasting plant-based foods to market faster and with confidence.



The EU Deforestation Regulation

Set to take effect later this year with an 18-month implementation period, the EU Deforestation Regulation is an effort to reduce the importation of products associated with deforestation and forest degradation to the European market. This regulation will apply to a range of products, including soy, palm oil, beef, leather and timber.

As a company with over two decades of experience in promoting sustainable supply chains, AAK has made significant progress in recent years toward achieving a 100 percent-verified deforestation-free and traceable global palm oil supply chain by 2025. As of last year, we reached 100 percent traceability to mill, 87 percent traceability to plantation and 71 percent verified deforestation-free within our palm supply chain.

While we support the legislative initiative, we have raised concerns about the risks associated with geolocation and the potential implications for implementation. Long-term, the development is a step in the right direction.

Concluding remarks

AAK started the year strong, and while some of the performance was driven by favorable market conditions, we remain prudently optimistic about the future, and we are well positioned to capitalize on new growth opportunities. We will continue to prioritize the health and safety of our employees, customers, and partners, while remaining committed to delivering long-term value to our shareholders.

Johan Westman, President and CEO

AAK Group, Q1 2023

Volumes

Volumes totaled 541,000 MT (575,000), a decrease by 6 percent compared to last year. Excluding the Russian market, volumes declined by 3 percent.

Net sales

Sales reached SEK 12,345 million (11,239), an increase by 10 percent. The increase was driven by price adjustments due to increased raw material prices, a favorable product mix via a continued focus on speciality solutions, and a positive currency translation impact of SEK 713 million.

Operating profit

Operating profit totaled SEK 952 million (664), an increase of 43 percent compared to the corresponding quarter in 2022, 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 and productivity improvements. Additionally, the first-quarter operating profit benefitted from favorable year-over-year market conditions, including an improved ability to compensate for inflationary effects.

The currency translation had a positive impact of SEK 64 million, of which SEK 37 million related to Food Ingredients and SEK 27 million to Chocolate & Confectionery Fats. Operating profit at fixed foreign exchange rates increased by 34 percent.

Operating profit per kilo totaled SEK 1.76 (1.15), an increase of 53 percent. The currency translation impact was positive SEK 0.12. At fixed foreign exchange rates, operating profit per kilo increased by 43 percent.

Net financial cost and tax costs

Net financial cost totaled SEK 77 million (18). The financial cost increased due to increased financing of working capital, higher interest rates, and higher borrowing in high-interest countries. Reported tax costs correspond to an average tax rate of 24 percent (24).

Earnings per share

Earnings per share equaled SEK 2.55 (1.89).

Cash flow and investments

Operating cash flow including changes in working capital amounted to SEK 1,102 million (negative 1,150). Cash flow from working capital amounted to SEK 377 million (negative 2,004). Following the decrease in raw material prices during the second half of 2022, there was a positive cash flow from inventory and a smaller positive effect from accounts receivables, while accounts payables had a negative cash flow effect in the quarter.

Based on the duration of our contract portfolio, there is a time lag of 6–9 months until the cash flow effect from any raw material price volatility becomes visible.

Cash outflow from investment activities amounted to SEK 362 million (227), 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, onward. Capital expenditure was mostly spent on 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 15.2 percent (14.5 on December 31, 2022).

Financial position

The equity-to-asset ratio was 50 percent (44 percent on December 31, 2022). Net debt on March 31, 2023, totaled SEK 4,968 million (SEK 5,707 million on December 31, 2022). Net debt / EBITDA totaled 1.36 (1.71 as of December 31, 2022).

On March 31, 2023, the Group had total credit facilities of SEK 10,162 million (9,806 as of December 31, 2022), of which there was SEK 8,425 million (8,366 as of December 31, 2021) in committed credit facilities. Unused committed credit facilities on March 31, 2023, totaled SEK 4,950 million (4,295 as of December 31, 2022). Non-committed credit facilities totaled SEK 1,736 million (1,440 as of December 31, 2022), SEK 1,465 million (976 as of December 31, 2022) of which were unused.

Employees

The average number of employees on March 31, 2023, was 3,990 (3,962 at December 31, 2022).

Selected key events

AAK opens plant-based Innovation Center of Excellence outside Amsterdam

Overlooking the iconic Zaanse Schans area just outside of Amsterdam, AAK has built an Innovation Center of Excellence to develop plant-based foods. The three-story state-of-the-art center in Zaanwijk showcasing AAK's co-development process features two pilot plants for plant-based meat and dairy, an application laboratory, co-development workspaces, a culinary kitchen, and sensory facilities, all under one AAK roof. The center allows customers to bring great-tasting plant-based foods to market faster and with confidence.



Raising the bar on cocoa flavor

AAK recently launched CEBES™ Choco 15, a solution for affordable premiumization, raising the bar on cocoa flavor. Affordable indulgence is essential in a recessionary environment. Consumers will still enjoy small treats and emphasize value for money, with taste remaining the primary criterion for consumers when making decisions on buying chocolate confectionery.

Our newly launched CEBES™ Choco 15 is the only compound on the market that allows up to 15 percent of cocoa ingredients. It is the right mixture of affordability and quality without trade-offs.

Introducing CEBES™ Choco 15

Raising the bar on cocoa flavor!

There's no better substitute with higher flexibility for your recipe

AAK

Sustainability from plant to brand

On April 4, we published the 2022 AAK Sustainability Report. The report demonstrates how sustainability is at the heart of our purpose, Making Better Happen™. For AAK, sustainability is a journey, not a destination, and we will continue to take new steps to improve from plant to brand.

We encourage each of you to take the time to review the report and familiarize yourselves with our accomplishments, successes, and opportunities to further improve. Consumers, customers, and investors are increasing their demand for transparency and sustainability. The front section covers the key highlights, the links between our sustainability work and our strategic direction and aspiration, and the key sustainability priorities across our value chain. The back section covers more detail and links to the different reporting requirements like GRI, TCFD, Sustainable development goals, and Taxonomy.



Food Ingredients, Q1 2023*

	Q1 2023	Q1 2022	Δ %	R12M 2023	Full year 2022
Operating profit +58%					
Volumes, '000 MT	337	362	-7	1,408	1,433
Net sales, SEK million	7,859	7,141	+10	33,379	32,661
Operating profit per kilo +70%					
Operating profit, SEK million	582	369	+58	1,929	1,716
Operating profit per kilo, SEK	1.73	1.02	+70	1.37	1.20

Volumes

During the first quarter, volumes in Food Ingredients declined by 7 percent compared to the same period last year. The decline was largely due to the optimization program in Bakery and the controlled withdrawal from the Russian market. Excluding Russia, first quarter volumes in Food Ingredients declined by 5 percent.

In Bakery, reported volumes declined mainly due to the continued effort to optimize the business in Europe, with a continued prioritization of speciality and semi-speciality solutions. Additionally, volumes were negatively affected by our withdrawal from the Russian market.

Dairy volumes increased slightly in the quarter compared to the corresponding period of last year. The performance was mixed across regions, with growth in Europe while volumes in the Americas declined compared to last year.

Plant-based Foods increased slightly in the quarter, driven by plant-based dairy solutions.

Special Nutrition volumes were down year-over-year, with a decline in both semi-speciality and high-end speciality solutions. In Asia, volumes for the high-end speciality-solutions segment grew.

In Foodservice, volumes increased, mainly driven by North America, while volumes in Europe remained weak. Volumes in the segment remained below pre-pandemic levels.

Net sales

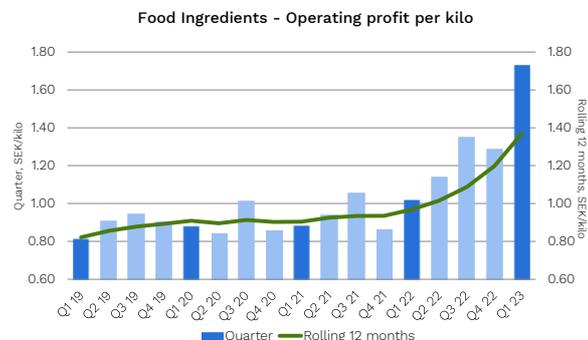
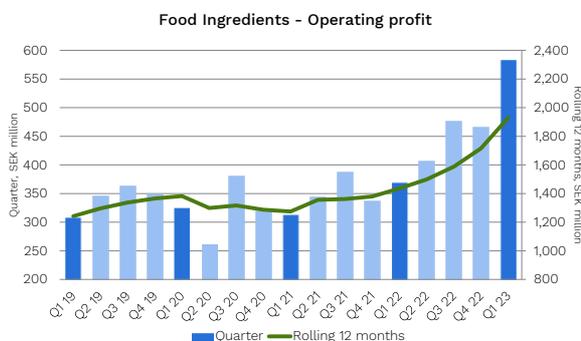
Sales reached SEK 7,859 million (7,141), an increase of 10 percent or SEK 718 million. The increase was driven by a positive currency translation impact of SEK 500 million and price adjustments stemming from increased raw material prices.

Operating profit

Operating profit increased by 58 percent to SEK 582 million (369). The currency translation impact was positive and amounted to SEK 37 million. At fixed foreign exchange rates, operating profit increased by 48 percent.

The result was driven by our continued focus on speciality solutions, productivity improvements, as well as favorable market conditions, including an improved ability to compensate for inflationary effects. The strong operating profit growth for the business area was driven by Dairy, Bakery, and Special Nutrition, while Foodservice declined.

Operating profit per kilo increased to SEK 1.73 (1.02). The currency translation impact was positive SEK 0.11. At fixed foreign exchange rates, operating profit per kilo grew 59 percent.



* Operating profit and operating profit per kilo are excluding items affecting comparability.



Chocolate & Confectionery Fats, Q1 2023*

	Q1 2023	Q1 2022	Δ%	R12M 2023	Full year 2022
Operating profit +27%					
Volumes, '000 MT	124	137	-9	508	521
Net sales, SEK million	3,735	3,407	+10	15,141	14,813
Operating profit per kilo +40%					
Operating profit, SEK million	327	258	+27	1,161	1,092
Operating profit per kilo, SEK	2.64	1.88	+40	2.29	2.10

Volumes

Volumes during the first quarter decreased by 9 percent, mainly due to our withdrawal from the Russian market. Excluding Russia, volumes decreased by 3 percent compared to a strong first quarter last year.

Net sales

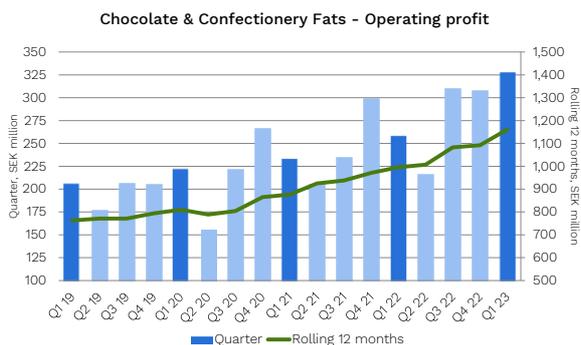
Net sales for the business area reached SEK 3,735 million (3,407), a 10 percent increase. The growth was driven by price adjustments stemming from higher raw material prices, and a positive currency translation impact of SEK 213 million.

Operating profit

Operating profit reached SEK 327 million (258), an increase of 27 percent compared to the corresponding quarter last year. The currency translation impact was a positive SEK 27 million. At fixed foreign exchange rates, operating profit increased by 16 percent.

The increase in operating profit was broad based across all main geographies and driven by a continued focus on speciality solutions, productivity improvements as well as favorable market conditions and price management.

Operating profit per kilo increased and totaled SEK 2.64 (1.88). The currency translation impact was positive SEK 0.22. At fixed foreign exchange rates, operating profit per kilo increased by 29 percent.



* Operating profit and operating profit per kilo are excluding items affecting comparability.



Technical Products & Feed, Q1 2023*

	Q1 2023	Q1 2022	Δ %	R12M 2023	Full year 2022
Operating profit +33%					
Volumes, '000 MT	80	76	+5	309	305
Net sales, SEK million	751	691	+9	3,011	2,951
Operating profit, SEK million	108	81	+33	330	303
Operating profit per kilo, SEK	1.35	1.07	+26	1.07	0.99
Operating profit per kilo +26%					

Volumes

Volumes in the first quarter increased by 5 percent compared to the first quarter of last year. The increase was driven by strong performance in our Feed business.

In Technical products, volumes decreased, mainly driven by Natural Ingredients and Biofuels.

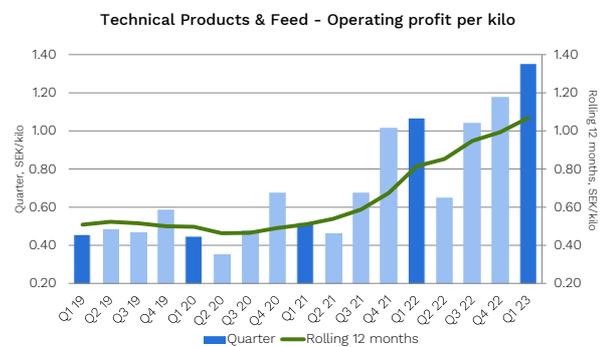
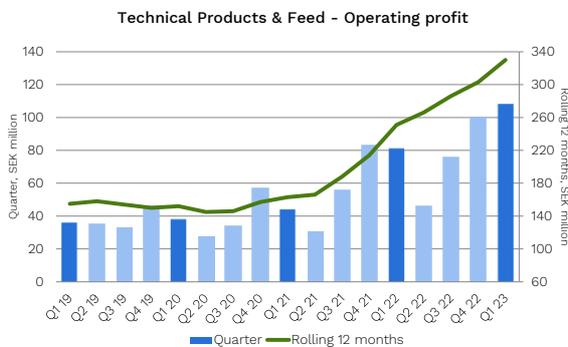
Net sales

Net sales for the business area reached SEK 751 million, increasing by SEK 60 million compared to SEK 691 million during the first quarter of last year.

Operating profit

Operating profit totaled SEK 108 million (81), a 33 percent increase compared to last year. The improvement was driven by an increase in profitability within Natural Ingredients, which was supported by operational improvements and favorable market conditions. Market conditions in Feed were slightly more challenged, while the crush margin remained stable in the quarter.

The business area reported an operating profit per kilo of SEK 1.35 (1.07), an increase of 26 percent.



* Operating profit and operating profit per kilo are excluding items affecting comparability.



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's long-term risk exposure is assumed not to 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 in respect of 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 under the Investor tab. For reconciliation of Alternative Performance Measures, see pages 20–21.

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 72 million (negative 22). Interest-bearing liabilities minus cash and cash equivalents and interest-bearing assets totaled SEK 3,544 million (3,443 as of December 31, 2022). Investments in intangible and tangible assets amounted to SEK 2 million (0).

The Parent Company's balance sheet and income statement are shown on pages 22–23. 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.

Audit review

This report has not been reviewed by the company's auditors.

Malmö, May 4, 2023

Johan Westman
President and CEO

For further information, please contact:

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This information is information that 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, through the agency of the contact person set out above, at 8:30 CET on May 4, 2023.

Condensed income statement

SEK million	Q1 2023	Q1 2022	Full year 2022
Net sales	12,345	11,239	50,425
Other operating income	62	29	149
Total operating income	12,407	11,268	50,574
Change in inventories of finished goods and work in progress	-41	74	201
Raw materials and consumables	-9,293	-8,867	-39,777
Goods for resale	-162	-244	-1,085
Other external expenses	-914	-717	-3,401
Cost for remuneration to employees	-816	-654	-2,958
Depreciation, amortization and impairment losses	-228	-188	-799
Other operating expenses	-1	-8	-217
Total operating expenses	-11,455	-10,604	-48,036
Operating profit (EBIT)	952	664	2,538
Financial income	23	15	69
Financial expense	-100	-33	-257
Total financial net	-77	-18	-188
Profit before tax	875	646	2,350
Income tax	-213	-154	-570
Profit for the period	662	492	1,780
Attributable to non-controlling interests	1	2	10
Attributable to the Parent Company's shareholders	661	490	1,770
Earnings per share before dilution, SEK ¹⁾	2.55	1.89	6.84
Earnings per share after dilution, SEK ²⁾	2.55	1.89	6.84

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

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

Comprehensive income

SEK million	Q1 2023	Q1 2022	Full year 2022
Profit for the period	662	492	1,780
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations	0	-	149
	0	-	149
Items that may subsequently be reclassified to profit or loss:			
Translation differences	175	410	1,460
Fair-value changes in cash flow hedges	-3	11	20
Tax related to fair-value changes in cash flow hedges	1	-2	-4
	173	419	1,476
Total comprehensive income for the period	835	911	3,405
Attributable to non-controlling interests	1	2	16
Attributable to the Parent Company's shareholders	834	909	3,389

Condensed balance sheet

SEK million	31.03.2023	31.03.2022	31.12.2022
Assets			
Goodwill	2,666	2,296	2,538
Other intangible assets	289	305	293
Property, plant and equipment	7,143	6,045	6,944
Right-of-use assets	651	581	685
Shares in associated companies	43	16	32
Financial assets	67	47	67
Deferred tax assets	349	183	327
Total non-current assets	11,208	9,473	10,886
Inventory	9,759	10,056	11,174
Accounts receivables	6,531	5,914	6,635
Current receivables	3,193	4,053	3,780
Cash and cash equivalents	1,405	1,165	1,515
Total current assets	20,888	21,188	23,104
Total assets	32,096	30,661	33,990
Equity and liabilities			
Shareholders' equity	15,870	12,698	15,036
Non-controlling interests	48	50	47
Total equity including non-controlling interests	15,918	12,748	15,083
Liabilities to banks and credit institutions	3,019	1,571	3,526
Pension liabilities	53	274	58
Lease liabilities	538	485	562
Deferred tax liabilities	566	412	553
Other non-current liabilities	285	413	273
Total non-current liabilities	4,461	3,155	4,972
Liabilities to banks and credit institutions	2,716	3,967	2,997
Lease liabilities	153	124	162
Accounts payables	4,110	5,343	5,337
Other current liabilities	4,738	5,324	5,439
Total current liabilities	11,717	14,758	13,935
Total equity and liabilities	32,096	30,661	33,990

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	661	1	662
Other comprehensive income	173	0	173
Total comprehensive income	834	1	835
Closing balance March 31, 2023	15,870	48	15,918

2022

SEK million	Shareholders' equity	Non-controlling interests	Total equity incl. non-controlling interests
Opening balance January 1, 2022	11,783	48	11,831
Profit for the period	490	2	492
Other comprehensive income	419	0	419
Total comprehensive income	909	2	911
New issue of shares	6	-	6
Closing balance March 31, 2022	12,698	50	12,748

Condensed cash flow statement

SEK million	Q1 2023	Q1 2022	Full year 2022
Operating activities			
Operating profit	952	664	2,538
Depreciation and amortization	228	188	799
Adjustment for other items not included in cash flow	-249	135	63
Interest paid and received	-49	-10	-146
Tax paid	-157	-123	-617
Cash flow before changes in working capital	725	854	2,637
Changes in inventory	1,514	-809	-1,427
Changes in accounts receivables	166	-650	-1,149
Changes in accounts payables	-1,275	-519	-812
Changes in other working capital items	-28	-26	678
Changes in working capital	377	-2,004	-2,710
Cash flow from operating activities	1,102	-1,150	-73
Investing activities			
Acquisition of intangible assets and property, plant and equipment	-288	-230	-1,226
Acquisition of operations and shares, net of cash acquired	-89	-	-14
Proceeds from sale of property, plant and equipment	15	3	7
Cash flow from investing activities	-362	-227	-1,233
Financing activities			
Changes in loans	-811	1,557	2,364
Amortization of lease liabilities	-43	-35	-152
New issue of shares	-	6	147
Subscription warrants	-	-	80
Dividend paid	-	-	-646
Cash flow from financing activities	-854	1,528	1,793
Cash flow for the period	-114	151	487
Cash and cash equivalents at start of period	1,515	1,001	1,001
Exchange rate difference for cash equivalents	4	13	27
Cash and cash equivalents at end of period	1,405	1,165	1,515

Key ratios

SEK million (unless otherwise stated)	Q1 2023	Q1 2022	Δ %	Full year 2022
Income statement				
Volumes, '000 MT	541	575	-6	2,259
Operating profit	952	664	+43	2,538
Operating profit excluding IAC	952	664	+43	2,888
Profit for the period	662	492	+35	1,780
Profit for the period excluding IAC	662	492	+35	2,099
Financial position				
Total assets	32,096	30,661	+5	33,990
Equity	15,918	12,748	+25	15,083
Net working capital	10,548	9,311	+13	10,747
Net debt	4,968	5,206	-5	5,707
Cash flow				
Cash flow from operating activities	1,102	-1,150	-	-73
Cash flow from investing activities	-362	-227	-	-1,233
Share data				
Number of shares, thousand	259,559	258,551	+0	259,559
Earnings per share, SEK ¹⁾	2.55	1.89	+35	6.84
Earnings per share, excluding IAC, SEK ¹⁾	2.55	1.89	+35	8.07
Equity per share, SEK	61.14	49.11	+24	57.93
Market value on closing date, SEK	187.60	175.00	+7	177.85
Other key ratios				
Volume growth, percent	-6	+1	-	-2
Operating profit per kilo, SEK	1.76	1.15	+53	1.12
Operating profit per kilo, excluding IAC, SEK	1.76	1.15	+53	1.28
Return on Capital Employed (R12 months), percent	15.2	15.4	-1	14.5
Net debt / EBITDA, multiple	1.36	1.64	-17	1.71

¹⁾ 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
Food Ingredients	369	342	476	465	1,652	582
Chocolate & Confectionery Fats	258	-70	310	308	806	327
Technical Products & Feed	81	46	76	100	303	108
Group Functions	-44	-44	-40	-95	-223	-65
Operating profit AAK Group	664	274	822	778	2,538	952
Financial net	-18	-6	-19	-145	-188	-77
Profit before tax	646	268	803	633	2,350	875

Operating profit excluding items affecting comparability

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

Net sales by market

2023

SEK million	FI	CCF	TPF	Total
	Q1 2023	Q1 2023	Q1 2023	Q1 2023
Europe	2,911	1,299	751	4,961
North and South America	3,875	1,684	0	5,559
Asia	924	697	0	1,621
Other countries	149	55	0	204
Net sales	7,859	3,735	751	12,345

2022

SEK million	FI	CCF	TPF	Total
	Q1 2022	Q1 2022	Q1 2022	Q1 2022
Europe	2,718	1,554	691	4,963
North and South America	3,555	1,355	0	4,910
Asia	789	420	0	1,209
Other countries	79	78	0	157
Net sales	7,141	3,407	691	11,239

Financial instruments

SEK million	31.03.2023	31.12.2022	Hierarchy level
Assets at fair value through profit and loss			
Currency derivatives	292	164	2
Sales and purchase contracts	1,269	2,199	2
Investment in unlisted shares	7	7	3
Investment in unlisted funds	43	43	3
Derivatives used in cash flow hedges			
Interest rate swaps	22	25	2
Assets at amortized cost			
Financial non-current assets	7	7	-
Accounts receivables	6,531	6,635	-
Financial current assets	107	85	-
Cash and cash equivalents	1,405	1,515	-
Total financial assets	9,683	10,680	
Liabilities at fair value through profit and loss			
Currency derivatives	416	294	2
Sales and purchase contracts	411	1,140	2
Liabilities at amortized cost			
Liabilities to banks and credit institutions	5,735	6,523	-
Lease liabilities	691	724	-
Accounts payables	4,110	5,337	-
Other interest-bearing liabilities	12	12	-
Total financial liabilities	11,375	14,030	

Alternative Performance Measures (APMs)

Organic volume growth

Percent	Q1 2023	Q1 2022	Full year 2022
Food Ingredients			
Organic volume growth	-7	2	-3
Acquisitions / divestments	-	-	-
Volume growth	-7	2	-3
Chocolate & Confectionery Fats			
Organic volume growth	-9	5	0
Acquisitions / divestments	-	-	-
Volume growth	-9	5	0
Technical Products & Feed			
Organic volume growth	5	-11	-4
Acquisitions / divestments	-	-	-
Volume growth	5	-11	-4
AAK Group			
Organic volume growth	-6	1	-2
Acquisitions / divestments	-	-	-
Volume growth	-6	1	-2

EBITDA

SEK million	Q1 2023	Q1 2022	Full year 2022
Operating profit (EBIT)	952	664	2,538
Depreciation and amortization	228	188	799
EBITDA	1,180	852	3,337

Operating profit excl. items affecting comparability (IAC)

SEK million	Q1 2023	Q1 2022	Full year 2022
Food Ingredients			
Operating profit, excluding IAC	582	369	1,716
Exit Russia	-	-	-64
Operating profit	582	369	1,652
Chocolate & Confectionery Fats			
Operating profit, excluding IAC	327	258	1,092
Exit Russia	-	-	-286
Operating profit	327	258	806
Technical Products & Feed			
Operating profit, excluding IAC	108	81	303
Operating profit	108	81	303
AAK Group			
Operating profit, excluding IAC	952	664	2,888
Exit Russia	-	-	-350
Operating profit	952	664	2,538

Return on Capital Employed (ROCE)

SEK million	R12M 31.03.2023	R12M 31.12.2022
Total assets	33,069	32,083
Cash and cash equivalents	-1,435	-1,354
Financial assets	-69	-51
Accounts payables	-5,474	-5,791
Other non-interest-bearing liabilities	-5,143	-4,998
Capital employed	20,948	19,889
Operating profit, excluding items affecting comparability	3,176	2,888
Return on Capital Employed (ROCE), percent	15.2	14.5

Net working capital

SEK million	31.03.2023	31.12.2022
Inventory	9,759	11,174
Accounts receivables	6,531	6,635
Other current receivables, non-interest-bearing	3,075	3,686
Accounts payables	-4,110	-5,337
Other current liabilities, non-interest-bearing	-4,707	-5,411
Net working capital	10,548	10,747

Net debt

SEK million	31.03.2023	31.12.2022
Current interest-bearing receivables	118	95
Cash and cash equivalents	1,405	1,515
Pension liabilities	-53	-58
Lease liabilities	-691	-724
Non-current liabilities to banks and credit institutions	-3,019	-3,526
Current liabilities to banks and credit institutions	-2,716	-2,997
Other interest-bearing liabilities	-12	-12
Net debt	-4,968	-5,707

Net debt / EBITDA

SEK million	31.03.2023	31.12.2022
Net debt	4,968	5,707
EBITDA (rolling 12 months)	3,665	3,337
Net debt / EBITDA, multiple	1.36	1.71

Equity to assets ratio

SEK million	31.03.2023	31.12.2022
Shareholders' equity	15,870	15,036
Non-controlling interests	48	47
Total equity including non-controlling interests	15,918	15,083
Total assets	32,096	33,990
Equity to assets ratio, percent	49.6	44.4

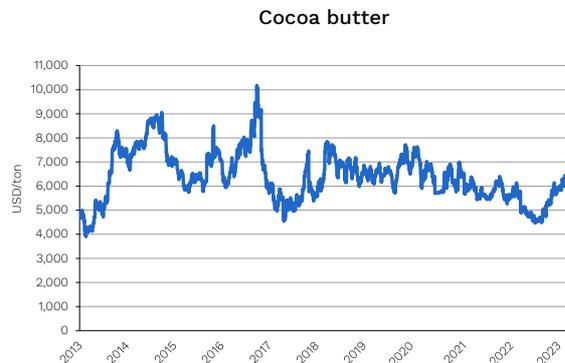
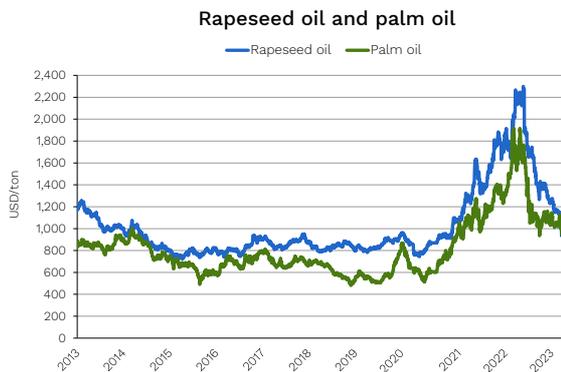
Income statement – Parent Company

SEK million	Q1 2023	Q1 2022	Full year 2022
Net sales	44	32	160
Total operating income	44	32	160
Other external expenses	-46	-29	-151
Cost for remuneration to employees	-32	-28	-130
Depreciation, amortization and impairment losses	-1	-2	-7
Total operating expenses	-79	-59	-288
Operating profit (EBIT)	-35	-27	-128
Profit from interest in Group companies	-	-	108
Interest income and similar items	0	11	20
Interest expense and similar items	-37	-6	-63
Total financial net	-37	5	65
Profit before tax	-72	-22	-63
Income tax	15	4	0
Profit for the period	-57	-18	-63

Condensed balance sheet – Parent Company

SEK million	31.03.2023	31.12.2022
Assets		
Other intangible assets	10	8
Property, plant and equipment	1	1
Right-of-use assets	1	2
Financial assets	10,372	9,974
Deferred tax assets	3	3
Total non-current assets	10,387	9,988
Current receivables	539	493
Cash and cash equivalents	0	0
Total current assets	539	493
Total assets	10,926	10,481
Equity and liabilities		
Shareholders' equity	6,754	6,811
Non-controlling interests	-	-
Total equity including non-controlling interests	6,754	6,811
Liabilities to banks and credit institutions	2,500	3,000
Lease liabilities	1	1
Other non-current liabilities	35	36
Total non-current liabilities	2,536	3,037
Liabilities to banks and credit institutions	1,500	500
Lease liabilities	1	2
Accounts payables	16	18
Other current liabilities	119	113
Total current liabilities	1,636	633
Total equity and liabilities	10,926	10,481

Price trends in raw materials



For information regarding cocoa and cocoa butter please refer to information at www.icco.org

Additional information

Conference call

AAK will host a conference call for investors, analysts and media on May 4, 2023, at 10 a.m. CET. The presentation can be followed via teleconference or webcast. Please visit www.aak.com for details.

The annual and quarterly reports are published on www.aak.com.

Financial calendar 2023-2024

The Annual General Meeting will be held in Malmö, Sweden on May 4, 2023.

The interim report for the second quarter 2023 will be published on July 19, 2023.

The interim report for the third quarter 2023 will be published on October 25, 2023.

The interim report for the fourth quarter and year-end 2023 will be published on February 7, 2024

Forward-looking statements

This report contains forward-looking statements. Such statements are subject to risks and uncertainties as 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.

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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

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