



Arne Frank, CEO
Fredrik Nilsson, CFO

**Interim report
First quarter
2016**

Agenda

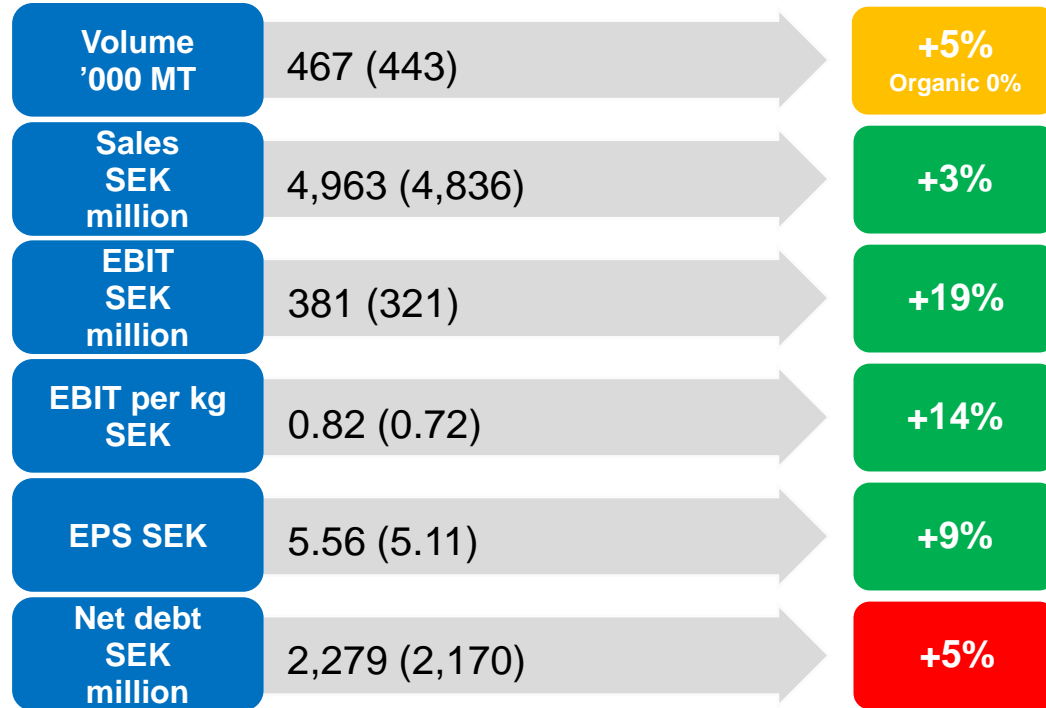
First quarter 2016

Business area information

AAKtion

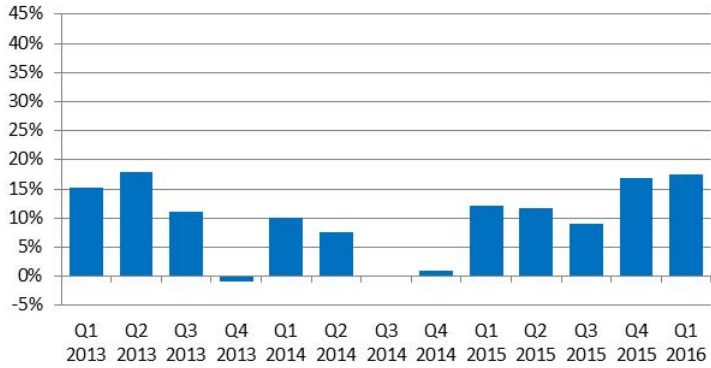
Q & A

First quarter 2016

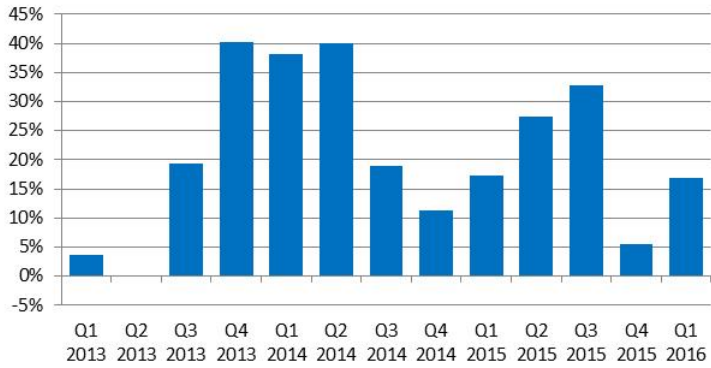


Quarterly EBIT* growth

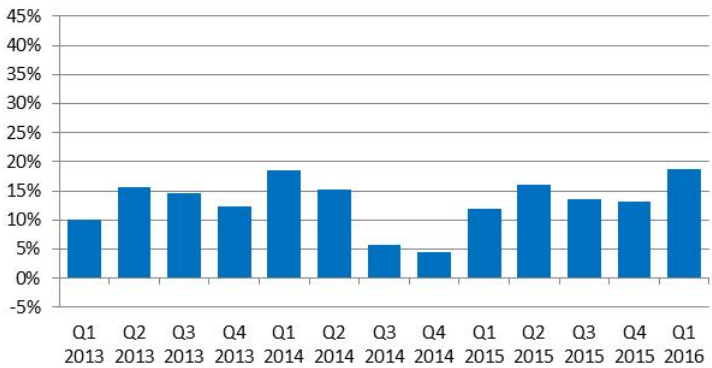
Food Ingredients quarterly EBIT growth y-o-y



Chocolate & Confectionery Fats quarterly EBIT growth y-o-y



AAK quarterly EBIT growth y-o-y



* Including FX but excl acquisition costs and one-offs



First quarter 2016 – All-time high operating profit for a first quarter

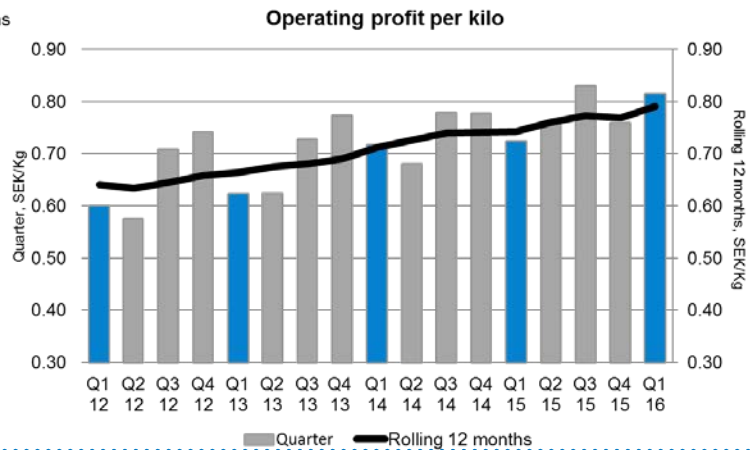
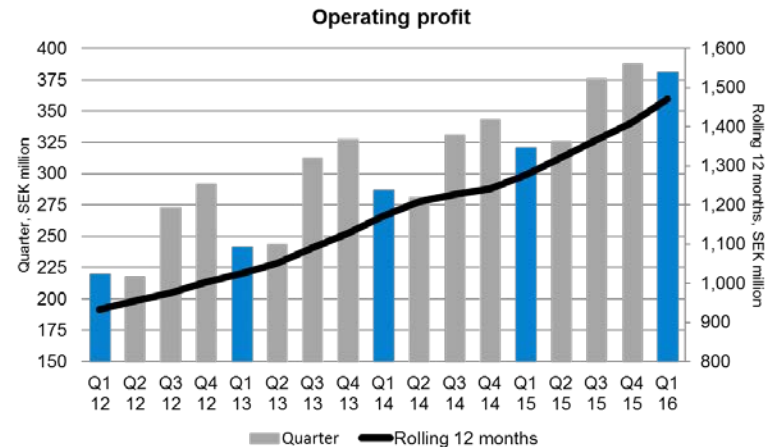
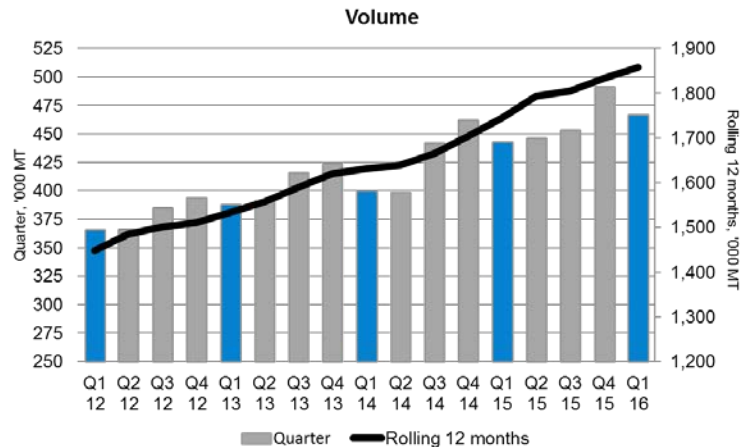
◆ AAK Group – Operating profit

- ◆ Operating profit reached SEK 381 million (321)
- ◆ Improvement of 19 percent
- ◆ Negative currency translation impact of SEK 10 million (positive 36)
- ◆ Operating profit per kilo reached SEK 0.82 (0.72), with the currency translation being negative by SEK 0.02 per kilo (positive 0.08)

◆ Business areas – Operating profit

- ◆ Food Ingredients improved by 17 percent, reaching SEK 229 million (195)
- ◆ Chocolate & Confectionery Fats reported a result of SEK 159 million (136), an improvement of 17 percent
- ◆ Technical Products & Feed improved by 26 percent, reaching SEK 29 million (23)

Financial summary – AAK Group

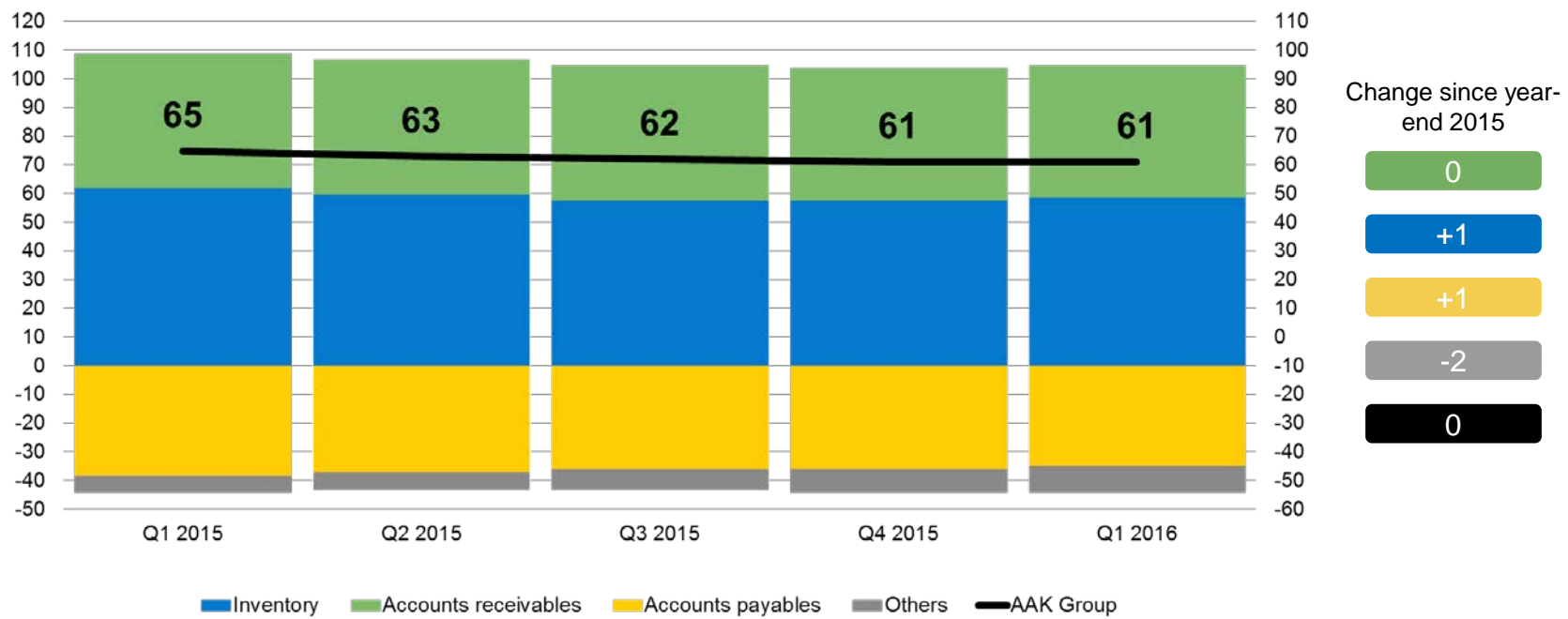


Cash flow

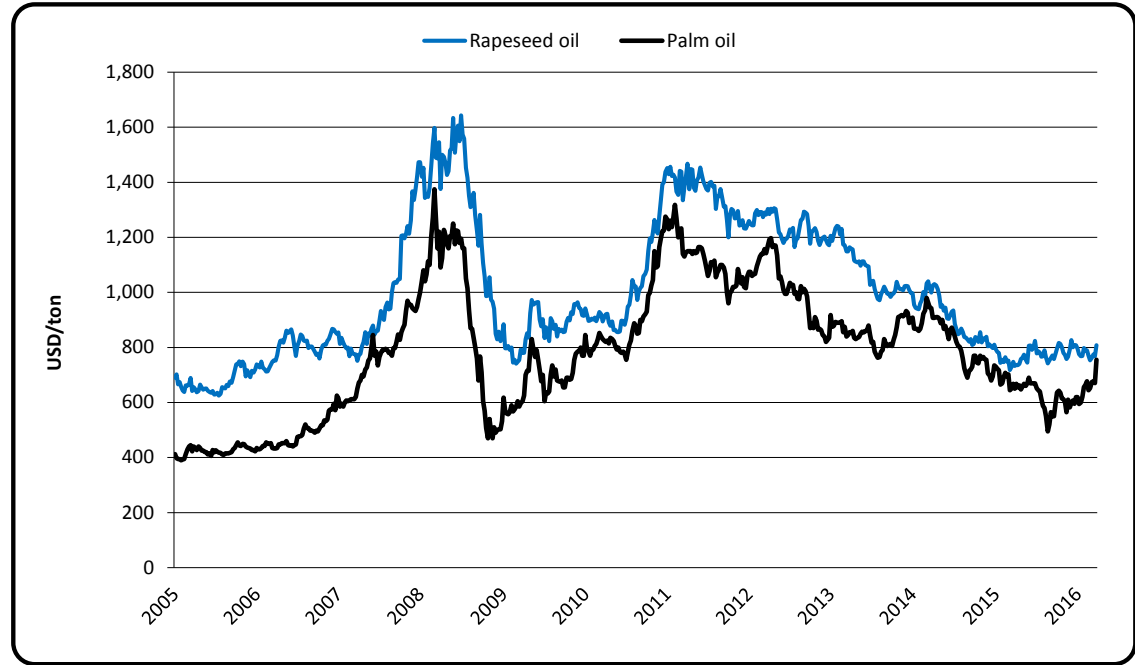
SEK million	Q1 2016	Q1 2015	FY 2015
EBITDA	493	426	1,840
Paid interest	-38	-26	-114
Paid tax	-83	-43	-270
Non-cash items	-8	-15	-100
Change in working capital (WC)	-380	86	380
Cash flow from operating activities incl. changes in WC	-16	428	1,736
Cash flow from investments	-192	-160	-1,016
Free cash flow	-208	268	720

- Operating cash flow including changes in working capital amounted to negative SEK 16 million (positive 428)
- Cash flow from working capital was negative SEK 380 million (positive 86) mainly due to higher raw material prices and working capital tied up for the two greenfield investments
 - The substantial increase in raw material prices during the last quarters, combined with working capital tied up for the two greenfield investments, will have continued negative impact on working capital during 2016
- Cash outflow from investing activities amounted to SEK 192 million (160). The increased outflow is mainly related to the on-going greenfield projects in Brazil and China

Working capital days – rolling 12 months

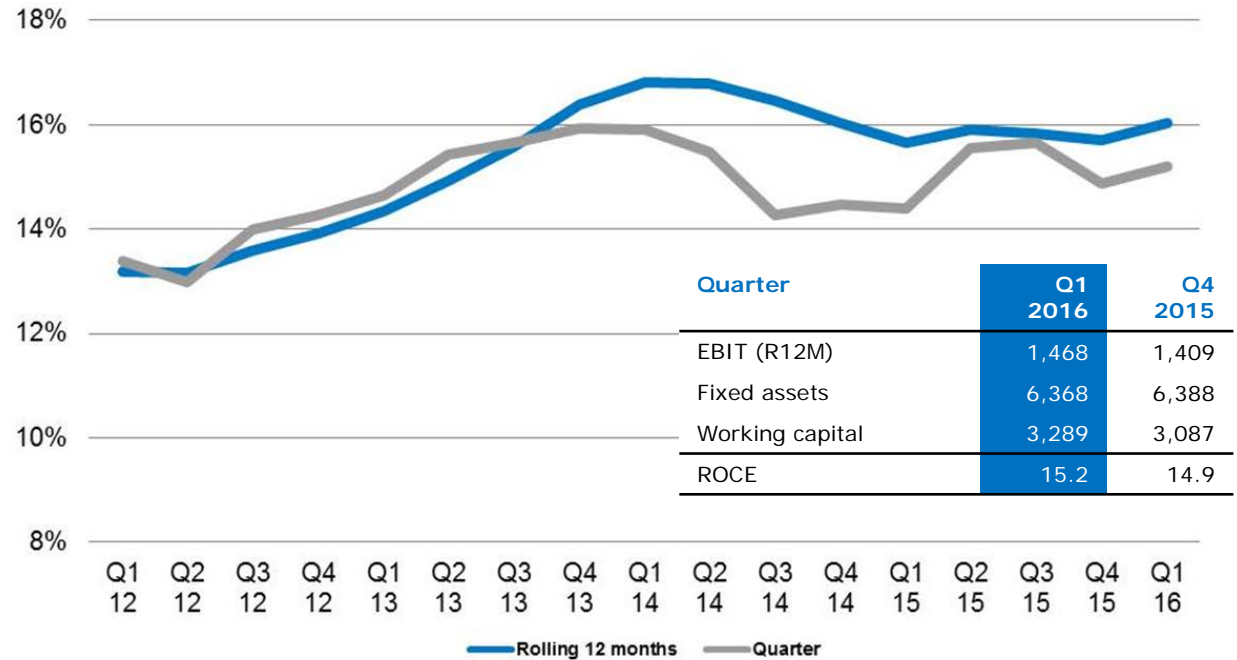


Raw material prices



- ◆ 10 percent change in all raw material prices will affect working capital by +/- SEK 250 million
- ◆ Time lag of six to nine months

ROCE – first quarter 2016



Business trends – first quarter 2016

	Share of volume	Nordics	WE	UK	USA	CEE	CIS	Asia	LA
Food Ingredients	67%	→	→	→	↗	→	→	↗	→
Chocolate & Confectionery Fats	18%	→	↗		↗	→	↗	↗	↗
Technical Products & Feed	15%	↗							
AAK Group	100%	→	→	→	↗	→	→	↗	↗

Food Ingredients Q1 2016

Organic volume growth

-3%

Operating profit

+17%

Operating profit per kilo

+12%

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

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

◆ **Operating profit per kilo increased from SEK 0.65 to SEK 0.73**

- ◆ At fixed foreign exchange rates operating profit per kilo improved by 15 percent

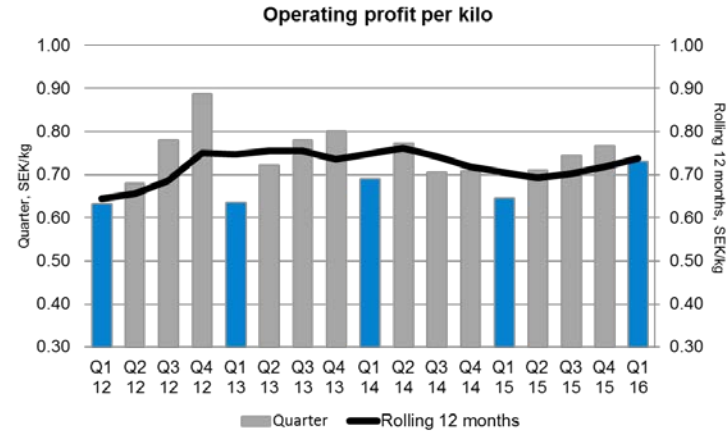
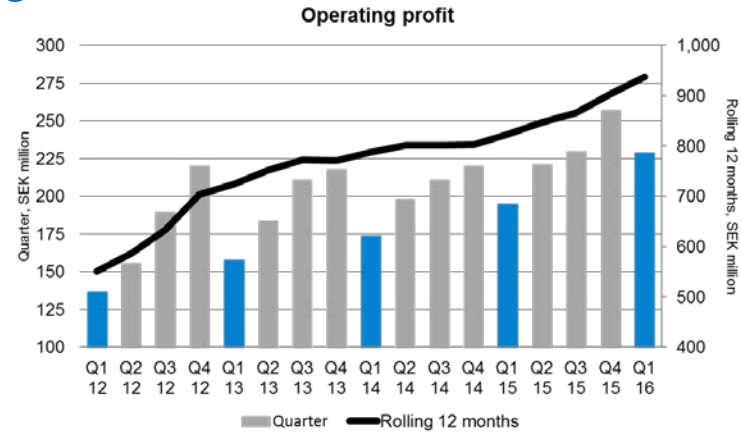


Food Ingredients – organic volume growth



	2016 Q1	2015 FY	2015 Q1	2014 FY
FI - speciality & semi-speciality	0%	+2%	+1%	-1%
FI - commodity	-9%	+19%	+30%	-2%
FI - total	-3%	+5%	+8%	-1%

Food Ingredients



Chocolate & Confectionery Fats Q1 2016

Organic volume growth

+11%

Operating profit

+17%

Operating profit per kilo

+0%

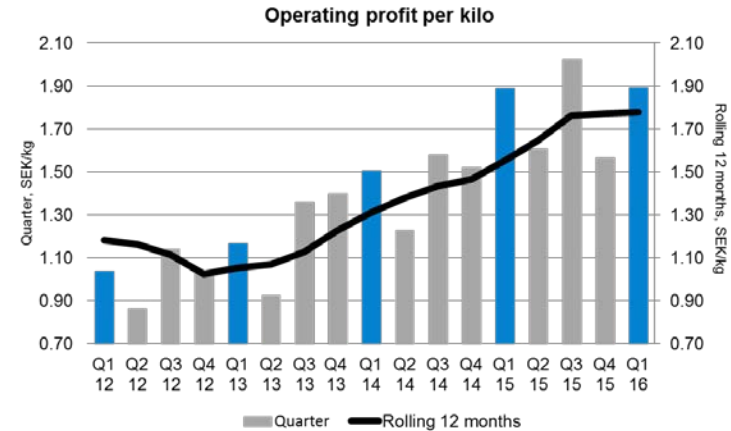
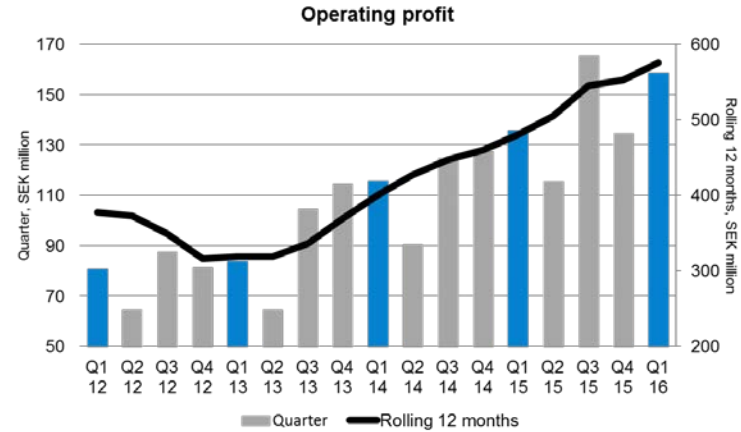
- ◆ **Operating profit improved and reached SEK 159 million (136)**

- ◆ After two years of deteriorating market conditions in Russia and Ukraine, the first quarter showed strong growth, but from a low level
- ◆ High-end products continued the strong trend from the first three quarters of last year and again showed double-digit organic volume growth
- ◆ Low-end products continued to be under strong competitive pressure, but volumes remained flat
- ◆ The currency translation impact was negative SEK 5 million

- ◆ **Operating profit per kilo was flat at SEK 1.89 (1.89)**

- ◆ At fixed foreign exchange rates operating profit per kilo improved by 3 percent
- ◆ Recent years' strong customer co-development, new innovative solutions, and further expansion of our geographical footprint are continuing to yield positive results

Chocolate & Confectionery Fats





Cocoa butter price



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

Technical Products & Feed Q1 2016

Organic volume growth

0%

Operating profit

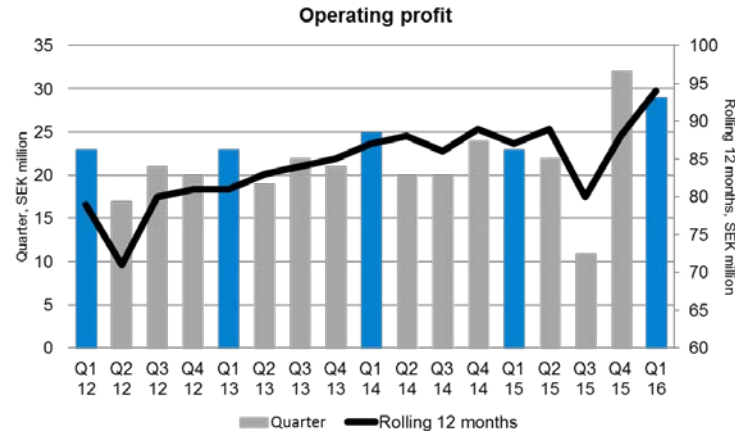
+26%

Operating profit per kilo

+27%

- ◆ **Operating profit increased to SEK 29 million (23)**

- ◆ Volumes were flat compared to the corresponding quarter in 2015. This was mainly related to volume growth in technical fatty acids, offset by lower feed volumes
- ◆ Operating profit improved by 26 percent due to a positive development of the fatty acids business



The first choice for value-adding vegetable oil solutions



SALES

Sales



Customer co-development



INNOVATION

Innovation



EXECUTION

Service



Quality



Productivity



PEOPLE

😊 Ahead of plan 😊 On plan 😞 Behind plan

Concluding remarks from the CEO

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

Questions & answers



Financial calendar

Financial calendar 2016/2017

May 11, 2016	Annual General Meeting
July 15, 2016	Second quarter report 2016
October 26, 2016	Third quarter report 2016
February 3, 2017	Fourth quarter and year-end report 2016

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