

Interim Report

First quarter 2023

Johan Westman, CEO

Tomas Bergendahl, CFO

Agenda

- 1) Highlights Q1
- 2) Selected key events
- 3) Business & financial update
- 4) Concluding remarks
- 5) Q&A



Strong start to the year; results confirmed as per April 13 pre-announcement

Highlights Q1 2023

- Operating profit increased 34 percent at fixed foreign exchange rates.
- Operating profit per kilo up 43 percent at fixed FX rates, with all three business areas improving margins.
- The volume decline was largely due to the decision to exit Russia and the optimization program in Bakery. Excluding Russia, group volumes declined by 3 percent.
- Strong cash flow as the effects of lower raw material prices had a positive effect on working capital.
- Net debt/EBITDA decline on strong profit growth, lower raw material prices and a reduced debt level
- Return on capital employed at 15.2 percent mainly driven by increased operating profit.

Growth and returns Q1 2023

Volume
541,000 MT
(-6%)

Operating profit
SEK 952 million
(+43% y/y, +34% y/y*)

Operating profit per kilo
SEK 1.76
(+53% y/y, +43% y/y*)

Operating cash flow
SEK 1,102 million

Net debt/EBITDA
1.36

ROCE
15.2%**

* Fixed FX

** Rolling 12 months

Selected key events

Raising the bar on cocoa flavor

- Our newly launched CEBES™ Choco 15 is the only solution in the market that allows up to 15 percent of cocoa ingredients.
- The solution allows for affordable premiumization that is raising the bar on cocoa flavor.
- CEBES™ Choco 15 has a longer-lasting quality: it maintains a great shelf life and avoids bloom even in high-cocoa recipes. In addition, it has cost-efficient processing, with no tempering process required, while maintaining a fast-setting time.



Sustainability from plant to brand

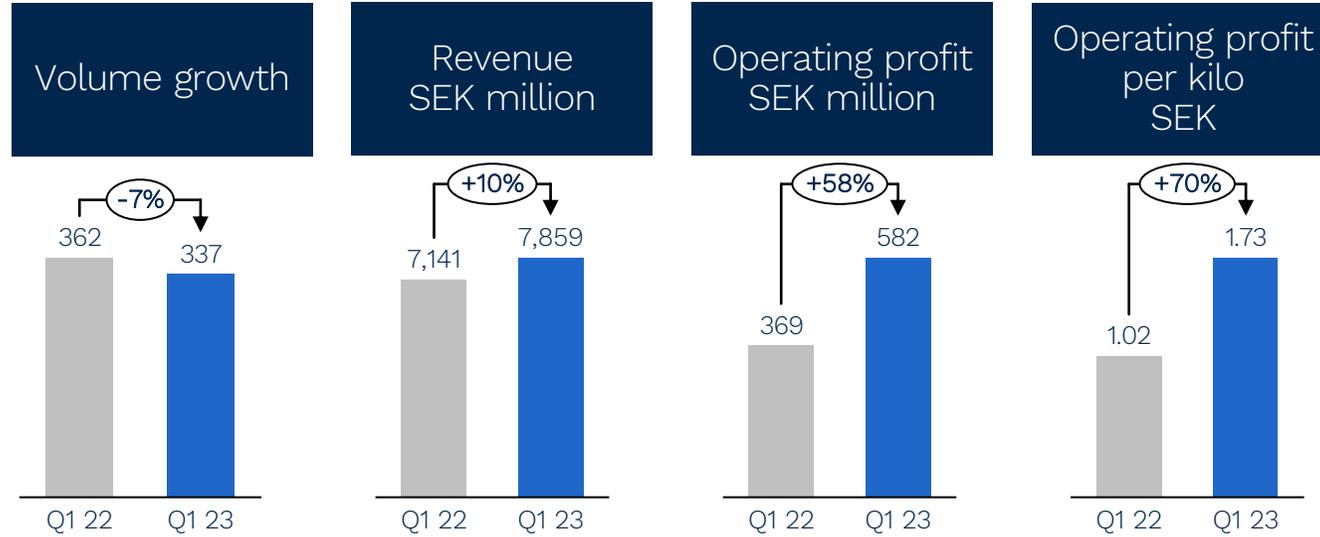
- On April 4, we published the 2022 AAK Sustainability Report. The report demonstrates how sustainability is at the heart of our purpose, Making Better Happen™.
- We encourage each of you to take the time to review the report and familiarize yourselves with our accomplishments, successes, and opportunities to further improve.

Plant-based Innovation Center of Excellence

- Overlooking the iconic Zaanse Schans just outside of Amsterdam, AAK has built an Innovation Center of Excellence to develop plant-based foods.
- 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.



Food Ingredients



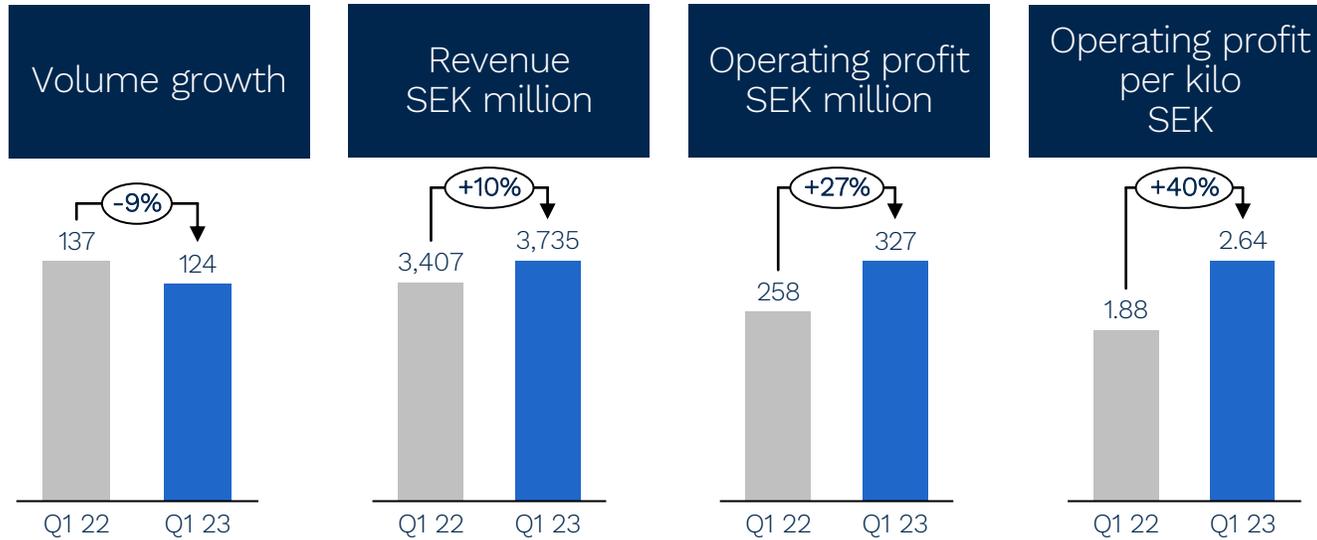
Business area development

- Volumes decreased by 7 percent, largely due to the optimization program in Bakery as well as the controlled withdrawal from the Russian market. Adjusting for Russia, first-quarter volumes in Food Ingredients declined by 5 percent.
- Operating profit and operating profit per kilo grew by 48 and 59 percent at fixed FX rates, mainly driven by Dairy, Bakery and Special Nutrition, while Foodservice decreased
- The result was driven by productivity improvements, increased focus on speciality solutions as well as favorable market conditions and price management.





Chocolate & Confectionery Fats



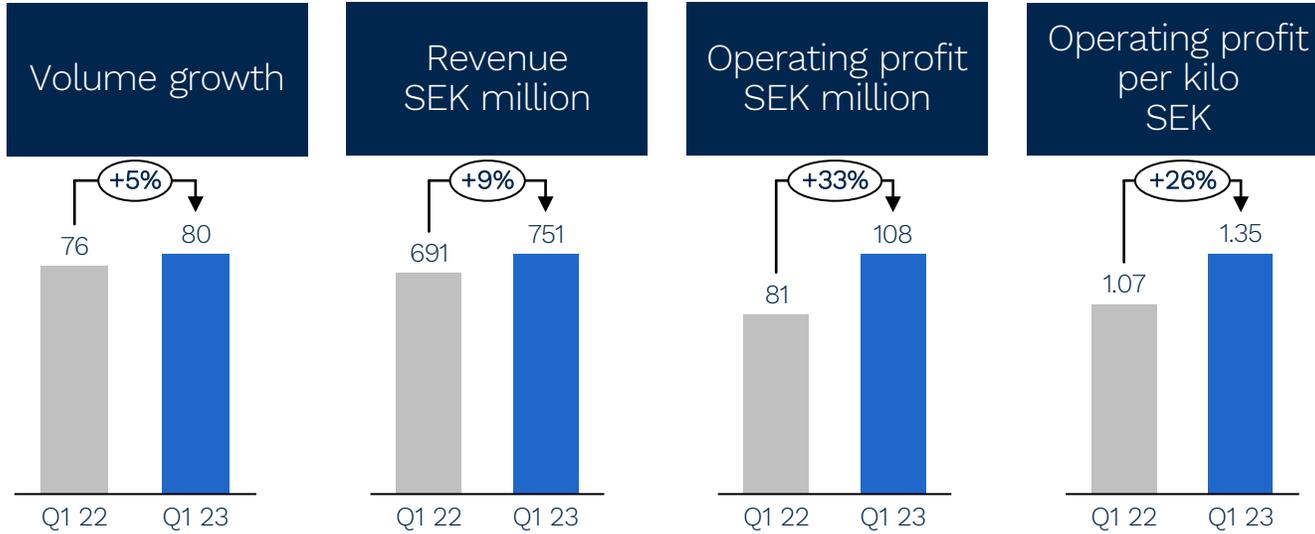
Business area development

- Volumes decreased by 9 percent following the withdrawal from the Russian market. Excluding Russia, volumes decreased by 3 percent.
- At fixed foreign exchange rates, operating profit and operating profit per kilo increased by 16 and 29 percent, respectively.
- The strong margin development was driven by productivity improvements, our increased focus on speciality solutions as well as favorable market conditions and price management.





Technical Products & Feed



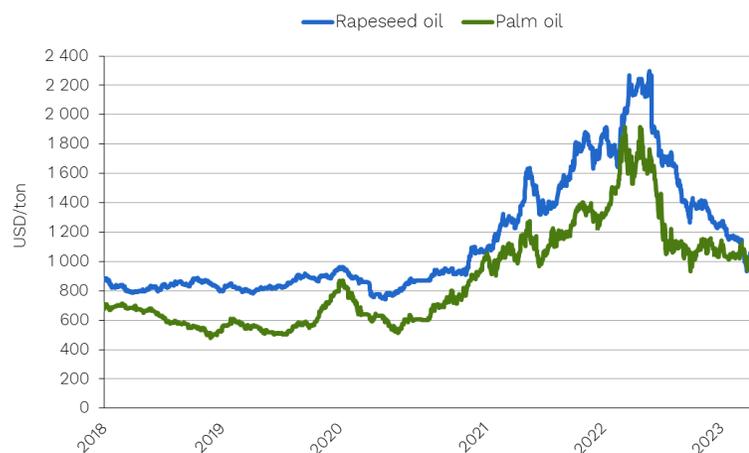
Business area development

- Volumes in the first quarter increased by 5 percent compared to the first quarter of 2022.
 - The increase was driven by strong performance in our Feed business.
 - In Technical products, volumes decreased, mainly driven by natural ingredients and biofuels.
- Operating profit increased by 33 percent driven by an increase in profitability within Natural Ingredients, supported by productivity improvements and favorable market conditions. Operating profit per kilo increased by 26 percent.

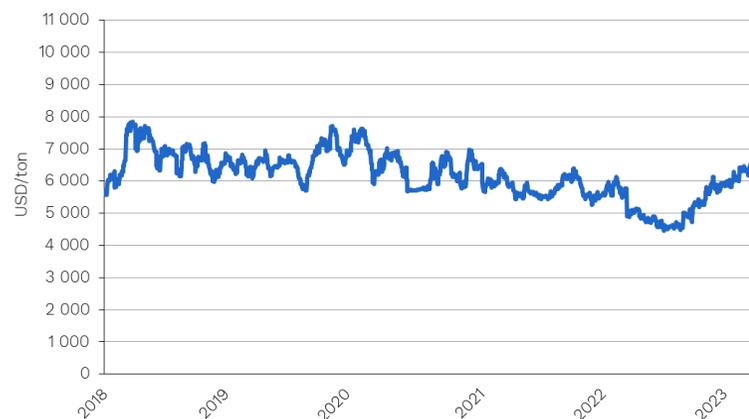


Prices of key raw materials have stabilized

Rapeseed oil and palm oil



Cocoa butter

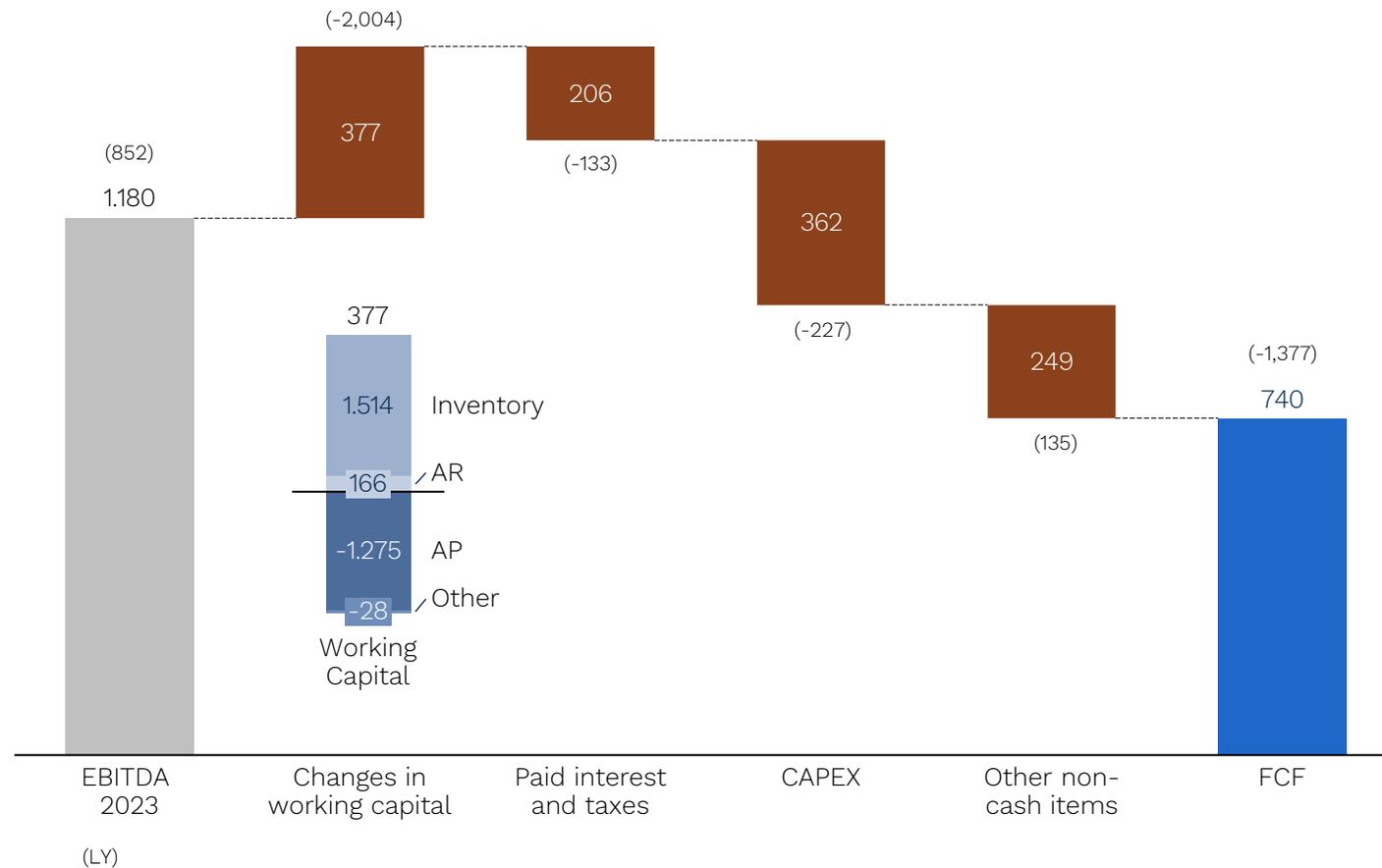


Comments

- Price levels of palm oil and rapeseed oil have stabilized at a lower level than seen in 2022 but remain elevated compared to historic levels.
- Raw material prices impact working capital and capital employed.
- From the current raw material price levels, a 10 percent change in all raw material prices will affect working capital by +/- SEK 500 million with a time lag of roughly 6–9 months.

Strong cash flow on the back of increased earnings and reduced working capital

Cash flow Q1 2023



Comments

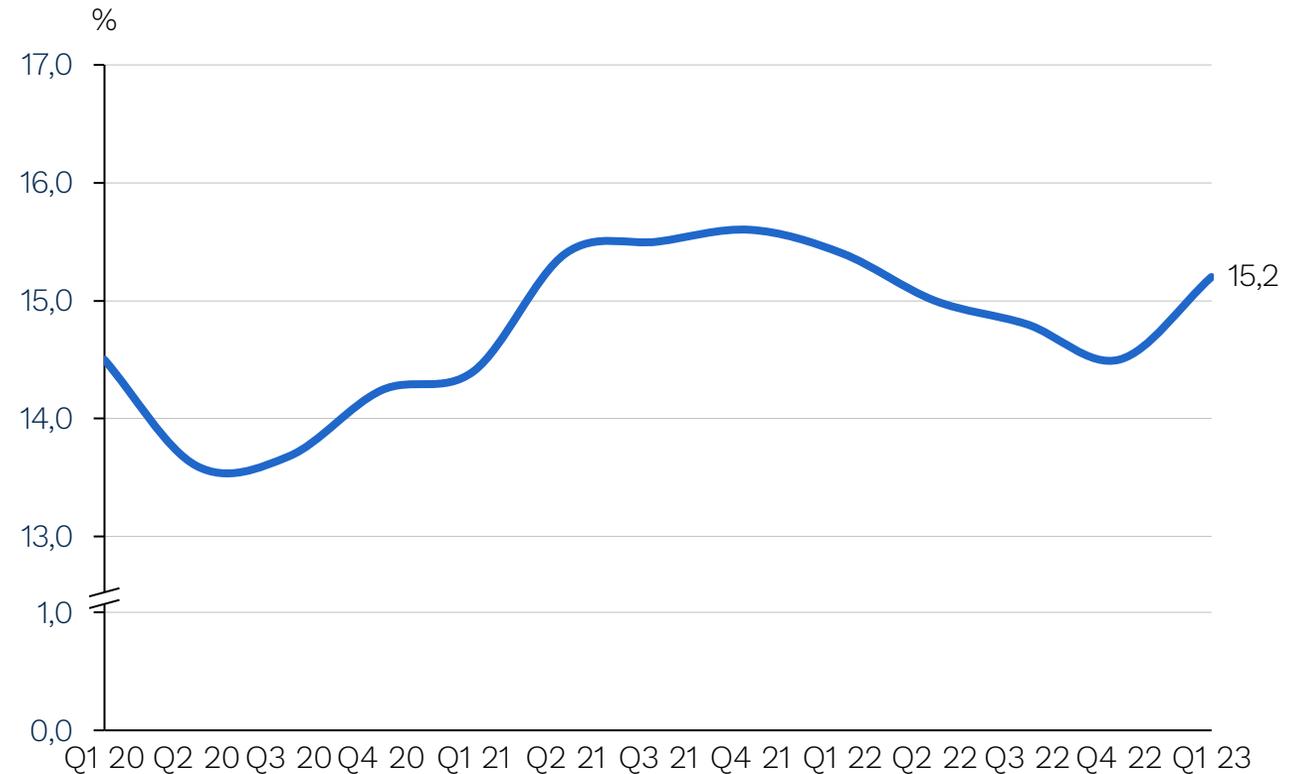
- Working capital was positively affected by lower raw material prices. This had a positive effect on inventory with a corresponding negative effect on payables. Accounts receivables was positively affected by lower raw material prices, partly offset by increased sales of high-end speciality solutions.
- CAPEX was mainly related to production improvements, the construction of the biomass boiler in Denmark and our acquisition in India.

Return on Capital Employed (ROCE) increase on strong operating profit and lower working capital due to raw material prices

ROCE end Q1 2023*
15.2%

EBIT LTM
SEK 3,176
million

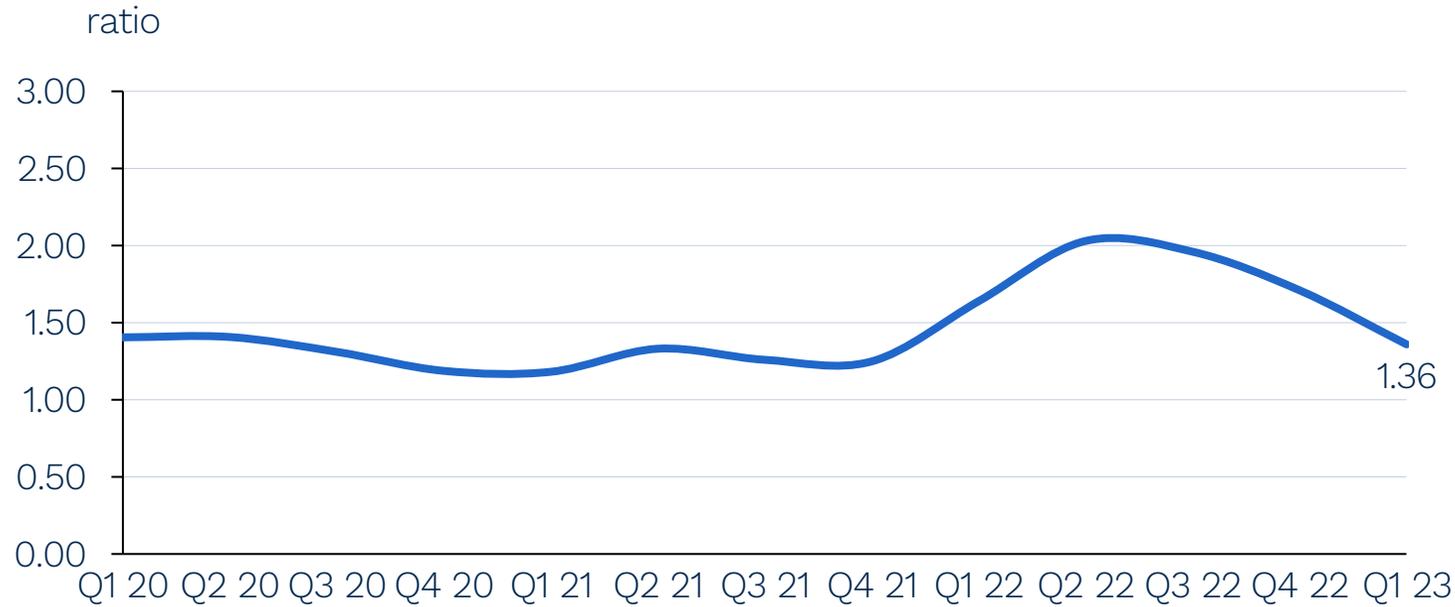
Capital
employed*
SEK 20,948
million



* ROCE: Return on Capital Employed calculated on rolling 12 months

Net debt/EBITDA decline on strong profit growth and lower raw material prices

Net debt/EBITDA



Concluding remarks



- A strong start to the year with solid performance across all three business areas.
- Operating profit growth driven by our increased focus on speciality solutions, productivity improvements, as well as favorable market conditions and price management.
- While some of the performance was driven by tailwinds, we remain prudently optimistic about the future and are well-positioned to capitalize on new growth opportunities.

Q&A

Financial calendar

Financial calendar 2023	
July 19	Interim report 1H, 2023
October 25	Interim report 9M, 2023
February 7, 2024	Interim report 12M, 2023



Everything we do is about
Making Better Happen™