

INTERIM REPORT JANUARY—SEPTEMBER 2022

Improved earnings and cash flow despite challenges

Third quarter 2022

- Sales volume increased by 1.1 per cent to 119.8 ktonnes (118.5) and net sales increased to SEK 6,172 million (4,621).
- Adjusted operating profit increased to SEK 345 million (219) and adjusted operating profit per tonne was 2.9 kSEK (1.8).
- Operating profit was SEK 269 million (219) and includes items affecting comparability of SEK –76 million (–).
- Profit for the period increased to SEK 156 million (153).
- Diluted earnings per share increased to SEK 1.47 (1.44).
- Cash flow before financing activities adjusted for expansion investments and acquisitions was SEK 441 million (–135).
- Total carbon emissions intensity (scope 1+2+3) increased to 9.5 tonnes CO₂e/tonne (8.9), but is down 17 per cent compared with baseline 2017.
- The share of sourced recycled aluminium increased to 31.1 per cent (28.7).

January–September 2022

- Sales volume decreased by 2.0 per cent to 369.0 ktonnes (376.6) and net sales increased to SEK 19,126 million (13,272).
- Adjusted operating profit increased to SEK 1,077 million (870) and adjusted operating profit per tonne was 2.9 kSEK (2.3).
- Operating profit was SEK 1,063 million (854) and includes items affecting comparability of SEK –14 million (–16).
- Profit for the period increased to SEK 713 million (618).
- Diluted earnings per share increased to SEK 6.70 (5.79).
- Cash flow before financing activities adjusted for expansion investments and acquisitions was SEK –60 million (144).
- Financial net debt increased to SEK 4,342 million at 30 September 2022 (SEK 3,059 million at 31 December 2021), corresponding to 2.1 times adjusted EBITDA (1.8 times at 31 December 2021).
- Total carbon emissions intensity (scope 1+2+3) decreased to 8.8 tonnes CO₂e/tonne (9.3), and is down 23 per cent compared with baseline 2017.
- The share of sourced recycled aluminium increased to 32.5 per cent (27.1).

Financial summary

SEK million	Q3			Jan–Sep			12 months rolling	Full year
	2022	2021	Δ	2022	2021	Δ	Oct 2021– Sep 2022	2021
Sales volume, ktonnes	119.8	118.5	1.1%	369.0	376.6	–2.0%	481.3	488.9
Net sales	6,172	4,621	33.6%	19,126	13,272	44.1%	23,984	18,130
Adjusted operating profit ¹	345	219	57.9%	1,077	870	23.8%	1,216	1,008
Adjusted operating profit per tonne, kSEK	2.9	1.8	1.0	2.9	2.3	0.6	2.5	2.1
Operating profit	269	219	23.2%	1,063	854	24.5%	1,042	833
Profit for the period	156	153	2.3%	713	618	15.4%	690	595
Earnings per share diluted, SEK	1.47	1.44	0.04	6.70	5.79	0.91	6.49	5.58
Adjusted cash flow before financing activities ²	441	–135	n/a	–60	144	n/a	403	607
Financial net debt	–	–	–	4,342	3,249	1,093	4,342	3,059
Financial net debt/Adjusted EBITDA ¹	–	–	–	–	–	–	2.1	1.8
Return on capital employed, %	–	–	–	–	–	–	10.2	10.0

¹ Adjusted for items affecting comparability, see Note 5 for further information.

² Adjusted for expansion investments and acquisitions, see alternative performance measures for further information.

COMMENTS BY THE CEO

Another stable quarter in a turbulent environment

SAFETY WORK INTENSIFIED

During the quarter, we intensified our efforts aiming at industry-leading safety performance. Our first milestone is to achieve a dramatic risk reduction in key areas by the summer of 2023, and we are starting to see some first concrete results on the factory floor.

GROWTH DESPITE GLOBAL CHALLENGES — EUROPE HARDEST HIT

Gränges is impacted by the same challenges affecting our sector peers, customers and suppliers: the highest cost inflation and interest rates in decades. Over time, this may of course impact demand.

In Gränges Americas, we nevertheless experienced continued strong demand in the quarter. As earlier in the year, our sales volume was constrained by production capacity.

In Gränges Eurasia, the picture was more mixed. Asia saw a strong recovery of demand and sales volume. The reason was a large order backlog going into the quarter and a successful ramp-up after the earlier COVID-19 lock-down. In Europe, the energy crisis caused by the war in Ukraine made the situation especially dramatic. Demand was largely stable in automotive, but slowed down significantly in other industry segments due to high inventory levels downstream and decreasing end-customer demand. Taken together, growth in Asia compensated fully for contraction in Europe.

All in all, Gränges returned to growing sales volume in the third quarter.

STABILITY AND FLEXIBILITY ENABLE CONTINUED PROFIT IMPROVEMENT

In the past 12 months, Gränges has been hit by cost increases exceeding SEK 1.3 bn and very large demand fluctuations. We've also had to deal with the effects of the war in Ukraine on demand, supply and energy costs, and with a drastic COVID-19 lock-down of our operations in China.

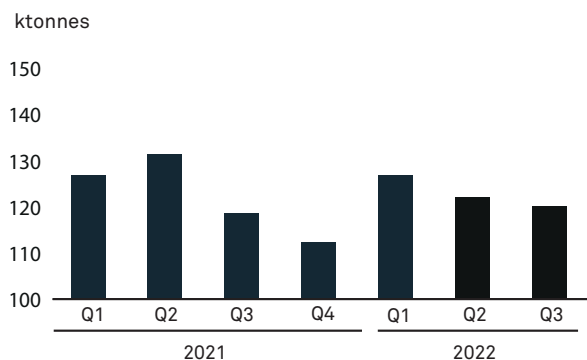


Handling these dramatic events has required enormous flexibility from our entire global team. At the same time, we have kept our customers supplied with stable quality, on time, every time. We've also replaced lost volumes in some segments with new business and managed to fully offset the cost shock with productivity and price increases.

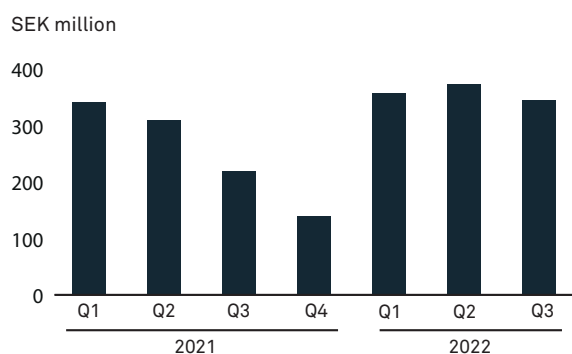
As a result of these efforts, we continued our profit improvement in the third quarter despite very difficult circumstances.

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Quarterly sales volume



Quarterly adjusted operating profit



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SUSTAINABILITY WORK CONTINUES

Our sustainability work made good progress in the quarter. The aim is to decarbonize our business and develop more sustainable solutions. Recycling volumes increased further as we gradually succeeded in making more of our material flows circular. That carbon intensity unfortunately increased in the quarter was due to changed mix.

An important part of our Navigate plan is to develop the right upstream and downstream partnerships. As one example, we recently entered into a long-term agreement for delivery of renewable energy to our Newport facility.

SITUATION IN EUROPE WEIGHS ON SHORT-TERM OUTLOOK

The extraordinary uncertainty the last two years appears to have become the new normal.

We expect stable demand in North America and Asia during the next quarter. Our biggest near-term challenge is instead the situation in Europe, involving both increasing cost and falling demand.

Unless the situation improves, the unprecedented European energy prices risk driving up our cost by as much as half a billion SEK on a full-year basis. We intend to offset such cost increases with productivity and price increases, as we have consistently done during 2022 so far. However, the time lag before new price increases take hold will impact sequential margin development in the fourth quarter.

In the coming quarter European end-customer demand is expected to be stable in Automotive, but very weak in many other sectors. Our sales will be further dampened by continued high downstream inventory levels. As before, we intend to flexibly seek volume where there is demand. Still, we expect the weakness in Europe to bring our total sales volume for the fourth quarter down to a similar level as for the relatively weak fourth quarter of 2021.

UNCHANGED AMBITION GOING FORWARD

In the midst of all the short-term challenges, we are not neglecting the long term. The work on executing our ambitious Navigate plan continues. Safety, investment programs, increased recycling, productivity improvement, more sustainable energy sourcing, and investment in our people are some examples of focus areas. It's especially heartening to see good progress on battery materials for electric vehicles. Customer interest in our capabilities in battery products is very high, and we have landed some important contracts during the third quarter. We're strengthening the team and taking other steps to accelerate our growth in this area.

To summarize, I have every confidence in our ability to continue to deliver strong results both in the short term and the long term. It gives me great pleasure to be able to again present an all-time-high financial result so far in 2022, and good progress on our long-term priorities. To our entire global team: Thanks for your outstanding efforts!

*Jörgen Rosengren
President and CEO*



MARKET DEVELOPMENT

Gränges is an aluminium technology company and a leading global supplier of rolled aluminium products and solutions for thermal management systems, speciality packaging and selected niche applications. Gränges' key end-customer markets are Automotive currently representing 38 per cent, HVAC representing 22 per cent, Speciality packaging and Other niches representing 18 per cent and 22 per cent respectively of sales volume for the last 12 months. Short-term sales to the Automotive industry is primarily driven by the number of vehicles produced. Medium and long term, the increasing share of electric vehicles is expected to have a further positive impact on demand for Gränges' products. Sales to the HVAC industry are influenced in the short-term by consumer confidence and the general activity within building and construction, whereas increased requirements on energy efficiency of HVAC units are expected to have a further positive impact on the demand for Gränges' products in the medium and long term. The demand for materials for Speciality packaging is relatively stable in its nature and sales to Other niche applications are largely driven by the general economic activity.

In the third quarter of 2022, demand from Gränges' end-customer markets showed a mixed development. Sales to automotive customers increased by 12 per cent compared with the same quarter last year, primarily driven by Asia where the market started to recover after the extensive COVID-19 related lockdowns in the second quarter. Sales of HVAC materials increased by 5 per cent in the third quarter with continued good market demand. Sales of Speciality packaging materials decreased by 8 per cent in the third quarter driven by lower sales in Americas due to restricted available production capacity. Sales to Other niches decreased by 15 per cent compared to the same quarter last year due to slowing demand and high inventory at customer level in Europe.

SALES DEVELOPMENT

Gränges' sales volume in the third quarter of 2022 increased by 1.1 per cent to 119.8 ktonnes (118.5) while net sales increased by 34 per cent to SEK 6,172 million (4,621) compared to the same quarter previous year. The increase in net sales was driven by a higher average fabrication price and increased aluminium price. Changes in foreign exchange rates had a net positive effect of SEK 795 million.

For Gränges Americas, external sales volume decreased by 0.4 per cent to 63.5 ktonnes (63.8) while external net sales rose to SEK 3,391 million (2,567) in the third quarter. The decrease in

sales volume was driven by restricted available production capacity. Changes in foreign exchange rates had a net positive effect on net sales of SEK 646 million.

For Gränges Eurasia, external sales volume increased by 2.8 per cent to 56.3 ktonnes (54.8) and external net sales rose to SEK 2,780 million (2,054) in the third quarter of 2022. The increase in sales volume was primarily driven by higher sales to Automotive customers in Asia. Sales to Speciality packaging and Other niches decreased due to slowing market demand and high inventory at customer level in Europe. Changes in foreign exchange rates had a net positive effect on net sales of SEK 149 million.

During January–September 2022, Gränges' sales volume decreased by 2.0 per cent to 369.0 ktonnes (376.6) compared to the corresponding period previous year. Net sales amounted to SEK 19,126 million (13,272) and changes in foreign exchange rates had a net positive effect on net sales of SEK 1,918 million.

For Gränges Americas, external sales volume decreased to 191.3 ktonnes (195.5) and external net sales rose to SEK 10,281 million (7,003) during the period January–September 2022. For Gränges Eurasia, external sales volume decreased to 177.8 ktonnes (181.2) and external net sales rose to SEK 8,832 million (6,266).

OPERATING PROFIT

Adjusted operating profit for the third quarter of 2022 increased to SEK 345 million (219), corresponding to adjusted operating profit per tonne of 2.9 kSEK (1.8). The increase in adjusted operating profit was primarily driven by increased average fabrication price which offset the continued high external cost inflation. Changes in foreign exchange rates had a net positive impact of SEK 48 million in the quarter.

Operating profit for the third quarter of 2022 increased to SEK 269 million (219) and includes items affecting comparability of SEK –76 million (–) related to a loss on an unhedged aluminium position. For further information see Note 5.

During the period January–September 2022, adjusted operating profit amounted to SEK 1,077 million (870), and adjusted operating profit per tonne was 2.9 kSEK (2.3). Changes in foreign exchange rates had a net positive impact of SEK 92 million during the period January–September 2022. Operating profit amounted to SEK 1,063 million (854) and includes items affecting comparability of SEK –14 million (–16). For further information see Note 5.

External sales volume growth

Q3 2022

End-customer	Automotive	HVAC	Speciality packaging	Other niches	Total
Gränges Americas	–6%	5%	–7%	4%	0%
Gränges Eurasia	18%	–	–8%	–27%	3%
Total	12%	5%	–8%	–15%	1%

PROFIT FOR THE PERIOD AND EARNINGS PER SHARE

Profit before tax for the third quarter of 2022 decreased to SEK 192 million (197). Finance income and costs was SEK –78 million (–22). The increase in finance costs is related to a higher net debt and higher market interest rates. Income tax for the third quarter of 2022 was SEK –36 million (–44) which corresponds to an effective tax rate of 19 per cent (22). The profit for the period increased to SEK 156 million (153) and diluted earnings per share rose to SEK 1.47 (1.44).

For the period January–September 2022, profit before tax increased to SEK 904 million (788). Finance income and costs was SEK –161 million (–67). Income tax for the period was SEK –191 million (–170) which corresponds to an effective tax rate of 21 per cent (22). The profit for the period increased to SEK 713 million (618) and diluted earnings per share rose to SEK 6.70 (5.79).

CASH FLOW

Cash flow from operating activities was SEK 530 million (–34) in the third quarter of 2022. Changes in working capital impacted cash flow negatively with SEK 14 million. Cash flow from investing activities fully relates to capital expenditure and amounted to SEK –218 million (–186) in the quarter. Of this, SEK 89 million refers to investments to maintain and improve efficiency in current production facilities and SEK 129 million refers to investments related to the expansion of the production facilities.

Cash flow before financing adjusted for expansion investments and acquisitions amounted to SEK 441 million (–135) in the third quarter of 2022. Cash flow from financing activities was SEK –285 million (263) in the third quarter of 2022 and includes new loans of SEK 3,887 million and repayment of loans of SEK –4,102 million.

During January–September 2022, cash flow from operating activities was SEK 184 million (358). Cash flow from investing activities fully relates to capital expenditure and amounted to SEK –590 million (–588) in the period. Of this, SEK 244 million relates to investments to maintain and improve efficiency in current production facilities and SEK 346 million refers to investments related to the expansion of the production facilities.

During January–September 2022 cash flow before financing activities amounted to SEK –406 million (–230). Cash flow from financing activities was SEK 746 million (–214) and includes new loans of SEK 11,107 million and repayment of loans of SEK –9,985 million.

Cash and cash equivalents amounted to SEK 1,234 million on 30 September 2022 (SEK 809 million 31 December 2021).

FINANCIAL POSITION

Gränges' total assets amounted to SEK 19,453 million on 30 September 2022 (SEK 15,767 million on 31 December 2021). The equity to assets ratio was 43.0 per cent on 30 September 2022 (44.0 per cent on 31 December 2021).

Financial net debt was SEK 4,342 million on 30 September 2022 (SEK 3,059 million on 31 December 2021), corresponding to 2.1 times adjusted EBITDA (1.8 times on 31 December 2021).

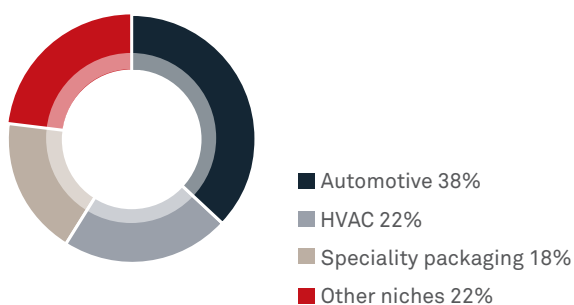
EMPLOYEES

The average number of employees was 2,697 (2,664) in the third quarter of 2022 and 2,699 (2,637) during the period January–September 2022.

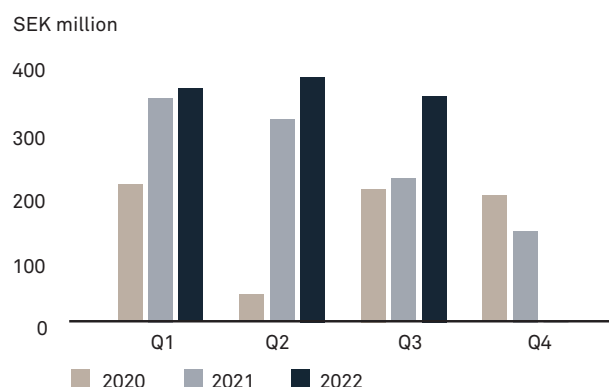
PARENT COMPANY

Gränges AB is the parent company of the Gränges Group. The operations include Group Management and Group functions such as finance, treasury, sustainability and communication. For the period January–September 2022, net sales in the parent company was SEK 92 million (89). Profit for the period January–September was –34 MSEK (–30).

12 months rolling sales volume per end-customer



Quarterly adjusted operating profit



GRÄNGES AMERICAS

- Continued strong market conditions except in Automotive
- Gradual ramp-up of Salisbury facility restricted sales volume
- Price increases fully compensated for cost increases

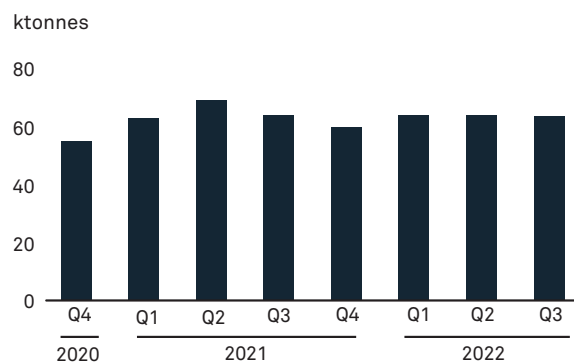
MARKET AND SALES

Gränges Americas experienced a continued strong demand from HVAC and Speciality packaging customers in the third quarter of 2022. Demand from Automotive customers remained on a low level due to continued supply chain disruptions and high inventory at customer level. A gradual ramp-up of production of the Salisbury facility, following the temporary stop in the second quarter, restricted available production capacity for Speciality packaging products in the quarter. As a consequence, the sales volume in the third quarter decreased by 0.4 per cent to 63.5 ktonnes (63.8) while net sales rose to SEK 3,397 million (2,562) compared with the same quarter last year. The increase in net sales is driven by a higher average fabrication price in combination with an increased aluminium price. During January–September the sales volume decreased by 2.2 per cent to 191.3 ktonnes (195.5).

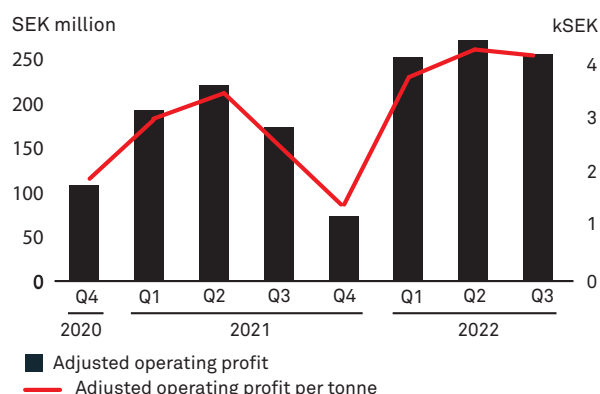
OPERATING PROFIT

The adjusted operating profit for the third quarter increased to SEK 254 million (172). This corresponds to an adjusted operating profit per tonne of 4.0 kSEK (2.7). The increase in adjusted operating profit was primarily driven by an increased average fabrication price that offset the continued high external cost inflation during the quarter. Net changes in foreign exchange rates had a positive impact of SEK 39 million in the quarter. During January–September the adjusted operating profit increased to SEK 775 million (582). By 30 September, the return on capital employed was 17.0 per cent (17.9) on a rolling 12-months basis.

Sales volume



Adjusted operating profit



Financial summary

SEK million	Q3			Jan–Sep			12 months rolling	Full year
	2022	2021	Δ	2022	2021	Δ	Oct 2021– Sep 2022	2021
Sales volume external, ktonnes	63.5	63.8	-0.4%	191.2	195.5	-2.2%	248.2	252.4
Sales volume internal, ktonnes	–	–	–	–	–	–	–	–
Total sales volume, ktonnes	63.5	63.8	-0.4%	191.2	195.5	-2.2%	248.2	252.4
Net sales, external	3,391	2,567	32.1%	10,295	7,004	47.0%	12,792	9,502
Net sales, internal	6	-5	n/a	-13	-1	n/a	-26	-14
Total net sales	3,397	2,562	32.6%	10,281	7,003	46.8%	12,767	9,488
Adjusted operating profit	254	172	47.7%	775	582	33.3%	849	655
Operating profit	178	172	3.5%	761	582	30.9%	871	691
Adjusted operating profit per tonne, kSEK	4.0	2.7	48.3%	4.1	3.0	36.3%	3.4	2.6
Return on capital employed, %	–	–	–	–	–	–	17.0	16.9

GRÄNGES EURASIA

- Slowing demand in Europe except in Automotive
- Strong post- COVID-19 recovery in Asia
- Price increases largely compensating for cost increases

MARKET AND SALES

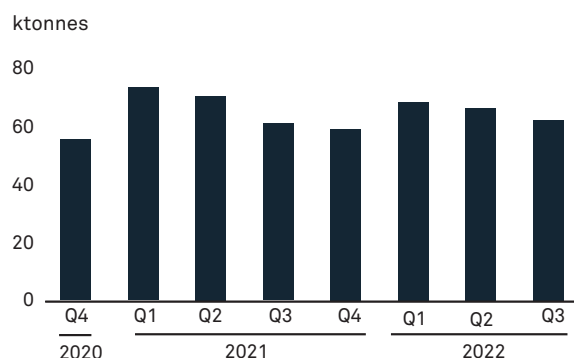
Gränges Eurasia experienced a mixed market development in the third quarter. Demand from Automotive customers in Asia was strong as the Chinese market started to recover after the extensive COVID-19 related lockdowns in the second quarter. The growth in Asia was partly offset by lower sales in Europe. In July, the EU imposed anti-dumping duties (ADD) on the import of rolled aluminium products from China. Distributors and stockists had built up significant stock in anticipation of the ADD decision. The resulting high inventory levels in combination with falling end-customer demand in many end-customer markets (with the exception of Automotive) resulted in lower sales volumes and margin pressure for Gränges.

The sales volume in the third quarter increased by 2.0 per cent to 62.1 ktonnes (60.9), while Net sales increased by 34 per cent to SEK 3,087 million (2,301) compared to the same quarter previous year. The increase in net sales is driven by the higher sales volume in combination with a higher average fabrication price and an increased aluminium price. During January–September the sales volume decreased by 3.9 per cent to 196.4 ktonnes (204.5).

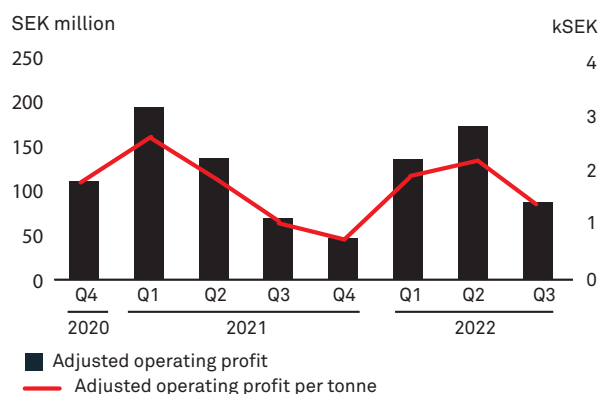
OPERATING PROFIT

The adjusted operating profit for the third quarter increased to SEK 87 million (69), corresponding to an adjusted operating profit per tonne of 1.4 kSEK (1.1). The increase in adjusted operating profit was driven by increased average fabrication price that offset the continued high external cost inflation during the quarter. Net changes in foreign exchange rates had a positive impact of SEK 9 million in the quarter. During January–September the adjusted operating profit amounted to SEK 393 million (398). By 30 September, the return on capital employed was 6.0 per cent (8.7) on a rolling 12-months basis.

Sales volume



Adjusted operating profit



Financial summary

	Q3			Jan–Sep			12 months rolling	Full year
	2022	2021	Δ	2022	2021	Δ	Oct 2021– Sep 2022	2021
SEK million								
Sales volume external, ktonnes	56.3	54.8	2.8%	177.8	181.2	-1.9%	233.2	236.6
Sales volume internal, ktonnes	5.8	6.1	-5.1%	18.7	23.3	-20.0%	22.2	26.9
Total sales volume, ktonnes	62.1	60.9	2.0%	196.4	204.5	-3.9%	255.4	263.5
Net sales, external	2,780	2,054	35.4%	8,832	6,266	41.0%	11,193	8,627
Net sales, internal	306	248	23.5%	995	857	16.1%	1,159	1,021
Total net sales	3,087	2,301	34.1%	9,826	7,122	38.0%	12,352	9,648
Adjusted operating profit	87	69	25.5%	393	398	-1.3%	441	446
Operating profit	87	69	25.5%	393	382	2.8%	291	280
Adjusted operating profit per tonne, kSEK	1.4	1.1	23.1%	2.0	1.9	2.7%	1.7	1.7
Return on capital employed, %	-	-	-	-	-	-	6.0	6.8

SUSTAINABILITY

- Continued increase of aluminium recycling.
- Increase in total carbon emissions intensity in the quarter but decrease during the last rolling 12 months.
- New long-term partnership for renewable electricity in Gränges Americas.

EMISSIONS AND CLIMATE IMPACT

Gränges' total carbon emissions intensity (scope 1+2+3) for the third quarter of 2022 increased by 7 per cent to 9.5 tonnes CO₂e/tonne (8.9). During the last rolling 12 months, total carbon emissions intensity decreased to 8.9 tonnes CO₂e/tonne, a reduction of 22 per cent compared to baseline 2017. Carbon emissions intensity from own operations and purchased energy (scope 1+2) decreased by 5 per cent to 0.84 tonnes CO₂e/tonne (0.88), mainly as a result of improved energy intensity. Carbon emissions intensity from sourced metal inputs (scope 3) increased by 8 per cent to 8.6 tonnes CO₂e/tonne (8.0), driven by a mix change with a higher share of carbon-intensive primary aluminium.

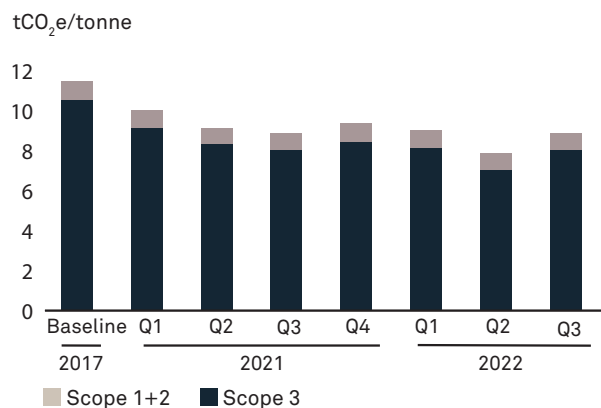
RECYCLING AND CIRCULARITY

The share of sourced recycled aluminium increased by 2.3 percentage points to 31.1 per cent (28.7) of total sourced metal inputs in the third quarter. The main reason for the positive result was continued progress to replace primary aluminium with sourced recycled aluminium. During the last rolling 12 months, the share of sourced recycled aluminium increased by 21.2 percentage points to 32.6 per cent compared with baseline 2017. Total volume of sourced recycled aluminium amounted to 40.4 ktonnes (36.5) in the quarter.

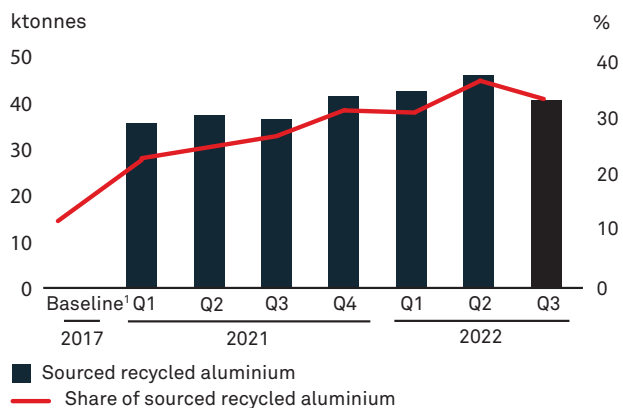
GRÄNGES AMERICAS IN LONG-TERM ENERGY PARTNERSHIP

Gränges has signed a ten-year electricity contract with Entergy Arkansas for Gränges' production site in Newport, Arkansas. Under the contract, Gränges subscribes to approximately 25 per cent of the electricity for the Newport site from renewable energy sources.

Carbon emissions intensity



Sourced recycled aluminium



Sustainability performance

Sustainability metrics ²	Q3			Jan–Sep			12 months rolling	Full year	Baseline	
	2022	2021	Δ	2022	2021	Δ	Oct 2021– Sep 2022	2021	2017	Δ
Total carbon emissions intensity (scope 1+2+3), tonnes CO ₂ e/tonne	9.5	8.9	7%	8.8	9.3	–6%	8.9	9.3	11.4	–22 %
Carbon emissions intensity (scope 1+2), tonnes CO ₂ e/tonne	0.84	0.88	–5%	0.86	0.86	0%	0.88	0.88	0.96	–8%
Carbon emissions intensity (scope 3), tonnes CO ₂ e/tonne	8.6	8.0	8%	7.9	8.4	–6%	8.0	8.4	10.5	–24%
Sourced recycled aluminium, %	31.1	28.7	2.3 ppt	32.5	27.1	5.4ppt	32.6	28.5	11.5	21.2 ppt

¹ Quarterly data for baseline 2017 not available.

² Quarterly data may be adjusted in the year-end report when annual emission factors have been confirmed. Scope 2 data is calculated with a market-based approach. Baseline 2017 is recalculated to include Gränges Konin for carbon emissions intensity data.

SIGNIFICANT EVENTS DURING THE PERIOD

- On 10 August, Gränges announced the recruitment of William B. Shannon as Senior Vice President for Gränges' Global Battery Foil Program.
- On 23 September, Gränges published an updated MTN prospectus. The MTN program has a framework amount of SEK 3 billion for loans in SEK or EUR.

SIGNIFICANT EVENTS AFTER THE PERIOD

No significant events have occurred after the period.

THE SHARE

The share capital in Gränges amounts to SEK 142 million split on 106,308,618 shares, each with a quota value of SEK 1.339775.

Gränges has only one class of shares.

OWNERSHIP STRUCTURE

The number of known shareholders in Gränges was 12,021 on 30 September 2022, according to Euroclear.

Largest shareholders in Gränges at 30 September 2022¹

Shareholder	Number of shares	Share of capital and votes %
Fourth Sw. National Pension Fund	9,864,534	9.3
Swedbank Robur Funds	6,602,527	6.2
AFA Insurance	6,580,842	6.2
Handelsbanken Funds	5,246,558	4.9
Dimensional Fund Advisors	4,491,592	4.2
Vanguard	3,505,806	3.3
Third Sw. National Pension Fund	3,362,180	3.2
Norges Bank	2,746,299	2.6
Fidelity Investments	2,593,517	2.4
Allianz Global Investors	2,518,021	2.4
Total 10 largest shareholders	47,511,876	44.7
Other	58,796,742	55.3
Total	106,308,618	100

¹ Source: Modular Finance.

OTHER

Nomination Committee appointed

The Nomination Committee for Gränges' Annual General Meeting 2023 has been appointed. The Nomination Committee consist of representatives from the three largest shareholders as of 31 August 2022 and the Chairman of the Board, Fredrik Arp. The Fourth Swedish National Pension Fund (AP4) is represented by Jannis Kitsakis, AFA Insurance by Anders Algotsson and Swedbank Robur funds by Jan Dworsky. The Chairman of the Nomination Committee is Jannis Kitsakis

Annual General Meeting 2023

Gränges' 2023 Annual General Meeting will be held on Thursday 27 April 2023 at 17.00 CEST at IVA Conference Center (Wallenbergsalen), Grev Turegatan 16, Stockholm. Shareholders who wish to have a matter considered at the Annual General Meeting should normally submit such requests seven weeks before the meeting at the latest.

RISKS AND UNCERTAINTY FACTORS

As a global group with operations in different parts of the world, Gränges is exposed to various risks and uncertainties such as raw material price risk, market risk, operational and legal risk, as well as financial risks related to foreign exchange rates, interest rates, liquidity and refinancing. Gränges' risk management process entails to identify, assess and reduce risks related to the Group's business and operations. More information about risk management is available on pages 47–52 in Gränges' 2021 Annual and Sustainability Report.

SEASONAL VARIATIONS

Gränges' customers are found in the automotive industry, the HVAC industry, the packaging industry, as well as in many other niche markets. Gränges' sales to the automotive industry is highly correlated with the production of light vehicles. Sales to the HVAC industry are impacted by factors such as construction investments, new regulations for energy efficiency and climate impact, and it is usually higher during the summer period driven by a seasonally higher demand for cooling systems. Sales to the packaging and other industries are fairly stable throughout the year. Major annual maintenance work in Gränges' production facilities mainly occurs in the fourth quarter. Overall, the fourth quarter is usually the weakest quarter and the second quarter usually the strongest quarter of the year.

Stockholm, 20 October 2022

Jörgen Rosengren
President and CEO

REVIEW REPORT

Gränges AB, corporate identity number 556001-6122

Introduction

We have reviewed the condensed interim report for Gränges AB as at September 30, 2022 and for the nine months period then ended. 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 Swedish 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 the International Standard on Review Engagements, ISRE 2410. Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review 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 standards in Sweden. The procedures performed in a review do 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, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 20 October 2022
Ernst & Young AB

Andreas Troberg
Authorized Public Accountant

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This information is information that Gränges 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 persons set out above, on Thursday 20 October 2022 at 07.30 CEST.

Webcasted telephone conference

CEO Jörgen Rosengren and CFO Oskar Hellström will present Gränges' interim report for the period January–September 2022 at a webcasted conference call at 09.00 CEST, Thursday 20 October, 2022.

The webcast will be available on https://granges.videosync.fi/2022-10-20-q3_2022. To participate in the conference, please register at <https://call.vsy.io/access-256>. Upon registration, phone numbers and a conference ID to access the conference will be provided. Please call a few minutes before the conference call begins. The presentation will be in English.

Financial calendar

26 January, 2023	Year-end Report 2022
27 April, 2023	Interim Report, January–March 2023
27 April, 2023	Annual General Meeting 2023
14 July, 2023	Half-year Report January–June 2023
26 October, 2023	Interim Report January–September 2023

CONSOLIDATED INCOME STATEMENT (CONDENSED)

SEK million	Note	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Net sales	2	6,172	4,621	19,126	13,272	18,130
Cost of materials	5	-4,268	-3,207	-13,464	-8,920 ¹	-12,443 ¹
Payroll and other operating expenses		-1,294	-993	-3,862	-2,981	-4,016
Depreciation, amortization and impairment charges		-265	-202	-724	-518	-678
Items affecting comparability	5	-76	-	-14	-	-159
Operating profit		269	219	1,063	854	833
Profit or loss from joint ventures	4	1	0	1	1	2
Finance income and costs		-78	-22	-161	-67	-92
Profit before tax		192	197	904	788	743
Income tax	6	-36	-44	-191	-170	-147
Profit for the period		156	153	713	618	595
Profit for the period attributable to						
- owners of the parent company		156	153	713	618	595
- non-controlling interests		0	0	0	0	0
Earnings per share						
Earnings per share basic, SEK		1.47	1.44	6.70	5.81	5.60
Earnings per share diluted, SEK		1.47	1.44	6.70	5.79	5.58

¹ Includes items affecting comparability of SEK -16 million, see Note 5 for further information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONDENSED)

SEK million	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Profit for the period	156	153	713	618	595
Items not to be reclassified to profit/loss in subsequent periods					
Remeasurement of pensions after tax	1	-4	90	21	17
Items to be reclassified to profit/loss in subsequent periods					
Change in hedging reserve after tax	-93	-57	19	-115	-88
Translation effects	271	107	840	279	466
Comprehensive Income for the period	336	198	1,662	803	990
Comprehensive income for the period attributable to					
- owners of the parent company	336	198	1,662	803	990
- non-controlling interests	0	0	0	0	0

CONSOLIDATED BALANCE SHEET (CONDENSED)

SEK million	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021
ASSETS				
Intangible assets		1,510	1,542	1,407
Property, plant and equipment		7,257	6,170	6,498
Right-of-use assets		268	218	226
Deferred tax assets		54	36	55
Investments in joint ventures	4	19	15	16
Other non-current receivables	3	106	118	122
Non-current assets		9,214	8,099	8,323
Inventories		4,980	3,461	3,933
Receivables	3	3,985	2,848	2,696
Interest-bearing receivables	3	39	15	5
Cash and cash equivalents		1,234	1,074	809
Current assets		10,239	7,399	7,444
TOTAL ASSETS		19,453	15,498	15,767
EQUITY AND LIABILITIES				
Equity		8,362	6,745	6,932
Interest-bearing liabilities	3	2,892	2,593	2,414
Provisions and other non-current liabilities	3	973	832	882
Non-current liabilities		3,865	3,425	3,297
Interest-bearing liabilities	3	3,006	1,972	1,694
Provisions and other current liabilities	3	4,221	3,355	3,844
Current liabilities		7,227	5,327	5,539
TOTAL EQUITY AND LIABILITIES		19,453	15,498	15,767

CONSOLIDATED CHANGES IN EQUITY (CONDENSED)

SEK million	30 Sep 2022	30 Sep 2021	31 Dec 2021
Opening balance	6,930	5,968	5,968
Profit for the period	713	618	595
Other comprehensive income for the period	949	186	395
Total comprehensive income for the period	1,662	803	990
Dividend	-239	-117	-117
Option premium	7	-	-
Share swap	-	88	88
Total transactions with owners	-232	-29	-29
Equity attributable to owners of the parent company	8,360	6,743	6,930
Equity attributable to non-controlling interests	2	2	2
Closing balance	8,362	6,745	6,932

CONSOLIDATED STATEMENT OF CASH FLOWS (CONDENSED)

SEK million	Note	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Operating profit		269	219	1,063	854	833
Depreciation, amortization and impairment charges		265	202	724	518	678
Other non-cash items		-75	-	-148	16	215
Change in working capital etc.		60	-421	-1,414	-942	-623
Income taxes paid		10	-33	-41	-88	-116
Cash flow from operating activities		530	-34	184	358	988
Acquisitions		-	-	-	-78	-90
Investments in property, plant, equipment and intangible assets		-218	-186	-590	-511	-836
Cash flow from investing activities		-218	-186	-590	-588	-926
Cash flow before financing activities		313	-220	-406	-230	62
Dividend		-	-	-239	-117	-117
Option premium		-	-	7	-	-
Interest paid and received		-70	-64	-145	-61	-82
New loans		3,887	1,820	11,107	4,049	6,466
Repayment of loans		-4,102	-1,493	-9,985	-4,084	-7,061
Cash flow from financing activities		-285	263	746	-214	-793
Cash flow for the period		28	43	339	-444	-732
Cash and cash equivalents at beginning of period		1,195	1,008	809	1,473	1,473
Cash flow for the period		28	43	339	-444	-732
Exchange rate differences in cash and cash equivalents		12	23	86	45	67
Cash and cash equivalents at end of period		1,234	1,074	1,234	1,074	809

PARENT COMPANY INCOME STATEMENT (CONDENSED)

SEK million	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Net sales	31	30	92	89	142
Payroll and other operating expenses	-44	-41	-181	-151	-253
Depreciation, amortization and impairment charges	0	-2	-1	-6	-8
Operating profit/loss	-13	-13	-90	-68	-119
Dividends from subsidiaries	-	-	-	-	0
Finance income and costs	20	15	58	27	41
Profit/loss after financial items	7	2	-31	-41	-78
Appropriations	-	-	-	-	0
Income tax	-3	3	-3	11	15
Profit/loss for the period	5	4	-34	-30	-63

PARENT COMPANY BALANCE SHEET (CONDENSED)

SEK million	30 Sep 2022	30 Sep 2021	31 Dec 2021
ASSETS			
Intangible assets	0	28	0
Property, plant and equipment	0	2	2
Shares in Group companies	2,906	2,894	2,906
Deferred tax assets	44	39	47
Receivables from Group companies	3,563	2,596	2,659
Other non-current receivables	97	105	105
Non-current assets	6,610	5,663	5,718
Receivables from Group companies	928	532	649
Other receivables	349	108	129
Cash and cash equivalents	495	687	446
Current assets	1,772	1,328	1,224
TOTAL ASSETS	8,382	6,991	6,942
EQUITY AND LIABILITIES			
Equity	3,161	3,454	3,422
Interest-bearing liabilities	1,545	1,314	1,095
Provisions and other non-current liabilities	43	34	34
Non-current liabilities	1,588	1,348	1,129
Liabilities to Group companies	1,031	375	696
Interest-bearing liabilities	2,368	1,615	1,474
Provisions and other current liabilities	234	199	221
Current liabilities	3,633	2,189	2,391
TOTAL EQUITY AND LIABILITIES	8,382	6,991	6,942

NOTES

NOTE 1 ACCOUNTING PRINCIPLES

The Gränges Group applies International Financial Reporting Standards (IFRS) as endorsed by the EU. The accounting principles adopted are consistent with those described in the Annual Report for Gränges AB (publ) 2021. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies the Swedish Annual Accounts Act and RFR 2 Reporting for Legal Entities.

New standards, amendments and interpretations effective from 1 January 2022 or later have not had any material impact on this financial report.

The interim information on pages 2–17 is an integrated part of these financial statements.

NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS

Gränges' revenue is generated through sale of material that is produced for a certain customer and application. Revenue is recognized at the point in time when control is transferred to the customer. The transaction price for Gränges' products is based on the added value Gränges offers in terms of material properties and production complexity (fabrication price), and the price of the raw material, aluminium. The fabrication price is to a large extent pre-defined while the aluminium price is variable and based on metal price clauses connected to the market price. Other revenue for the period January–September 2022 includes an insurance compensation of SEK 181 million for a fire in the Konin facility. The tables below show Gränges' net sales by business area divided by type of revenue.

SEK million	Jul–Sep 2022	Jul–Sep 2021	Jan–Sep 2022	Jan–Sep 2021	Jan–Dec 2021
Net sales by business area					
<i>Gränges Americas</i>					
Fabrication revenue	1,235	803	3,395	2,436	3,182
Raw material and other revenue	2,149	1,725	6,871	4,515	6,251
Revenue from contracts with customers	3,383	2,529	10,266	6,951	9,432
Other revenue	13	33	15	52	56
Total net sales Gränges Americas	3,397	2,562	10,281	7,003	9,488
<i>Gränges Eurasia</i>					
Fabrication revenue	1,283	844	3,932	2,968	3,861
Raw material and other revenue	1,724	1,454	5,698	4,143	5,773
Revenue from contracts with customers	3,007	2,298	9,630	7,111	9,633
Other revenue	79	4	197	11	15
Total net sales Gränges Eurasia	3,087	2,301	9,826	7,122	9,648
<i>Other and eliminations</i>					
Fabrication revenue	–199	–138	–585	–501	–588
Raw material and other revenue	–113	–105	–397	–352	–419
Revenue from contracts with customers	–312	–242	–981	–853	–1,007
Other revenue	–	–	–	–	–
Total net sales other and eliminations	–312	–242	–981	–853	–1,007
Total fabrication revenue	2,319	1,509	6,742	4,904	6,454
Total raw material and other revenue	3,761	3,075	12,172	8,305	11,604
Total revenue from contracts with customers	6,079	4,584	18,914	13,209	18,059
Total other revenue	93	37	212	63	71
Total net sales	6,172	4,621	19,126	13,272	18,130

NOTE 3 FINANCIAL INSTRUMENTS

The Group's financial assets consist of lending, accounts receivable, cash and cash equivalents as well as derivatives. The Group's financial liabilities consist of borrowings and accounts payable as well as derivatives. The table below shows the fair value of the derivatives (foreign exchange, aluminium and interest rate derivatives) included in the balance sheet.

SEK million	30 Sep 2022	30 Sep 2021	31 Dec 2021
Non-current assets	97	105	105
Current assets	379	100	134
Non-current liabilities	16	0	1
Current liabilities	388	303	249

All derivatives are measured at fair value and are classified according to level 2, i.e., all significant inputs required for measurement of the instruments are observable. Fair value of foreign exchange derivatives is calculated by discounting the difference between the contracted forward rate and the forward rate that can be contracted on the balance sheet date for the remaining contract period. Aluminium derivatives are measured at observable quoted prices on LME (London Metal Exchange) and SHFE (Shanghai Futures Exchange) for similar assets and liabilities.

Gränges' interest-bearing liabilities consist both of financing from banks and institutions and the credit market. As per September 30, 2022, the amount of outstanding term loans was USD 150 million and SEK 500 million. The facility amount of Gränges Revolving Credit Facility was SEK 3,500 million, whereof SEK 750 million was utilized. Financing from banks and institutions also includes working capital loans of CNY 200 million. Furthermore, interest-bearing liabilities includes corporate bonds issued under the company's MTN programme. The total amount was SEK 900 million as per September 30, 2022, whereof SEK 600 million was Sustainability-Linked Bonds. The outstanding volume of commercial papers was SEK 1,378 million.

The loan facilities are subject to covenants, which are Net Debt/EBITDA and Interest coverage ratio.

SEK million	Limit/Program amount	Year			Total
		< 1	1–2	> 2	
Term loans					
SEK		300	–	200	500
USD		558	1,117	–	1,675
Bonds in MTN programme	3,000	300	–	600	900
Commercial papers	2,000	1,378	–	–	1,378
Revolving Credit Facilities	3,500	–	750	–	750
Lease liabilities		50	46	186	282
Other interest-bearing liabilities		419	–	–8	412
Total interest-bearing liabilities		3,006	1,913	978	5,898

Interest-bearing liabilities are measured at amortized cost and the carrying amount as of 30 September 2022 was SEK 5,898 million (SEK 4,109 million as of 31 December 2021). The fair value of interest-bearing liabilities amounted to SEK 5,905 million as of 30 September 2022 (SEK 4,117 million as of 31 December 2021). For other receivables and liabilities, which are short-term, the carrying amount is considered to reflect the fair value.

NOTE 4 RELATED PARTY TRANSACTIONS

No changes have been made to the Group or parent company in relations or transactions with related parties, compared to what is described in the 2021 Annual Report. During the period there have been no significant transactions with related parties.

NOTE 5 ITEMS AFFECTING COMPARABILITY

SEK million	Financial statement line	Jul-Sep 2022	Jul-Sep 2021	Jan-Sep 2022	Jan-Sep 2021	Jan-Dec 2021
Loss on open aluminium position	Items affecting comparability	-76	-	-76	-	-
Write-down of intangible assets	Items affecting comparability	-	-	-	-	-158
Restructuring costs	Items affecting comparability	-	-	-	-	-42
Insurance compensation	Items affecting comparability	-	-	62	-	40
Realisation of fair value inventory step-up on acquired business	Cost of materials	-	-	-	-16	-16
Items affecting comparability		-76	-	-14	-16	-175

In the third quarter of 2022 a non-recurring loss of SEK 76 million occurred related to an open aluminium position in one of the Gränges subsidiaries. The reason for the loss was a wrongly stated position and therefore unhedged exposure in combination with extremely high volatility in the price of aluminium during the second quarter of 2022. When the exposure was identified the open position was immediately closed.

In the second quarter of 2021 a fire occurred in one of the rolling mills in the US. The event was covered by property damage and interruption insurance. Insurance compensation corresponding to the costs for the fire was reported as part of adjusted operating profit. Insurance compensation in addition to cost coverage and deductible, amounting to SEK 40 million, was handled as an item affecting comparability in 2021. The insurance claim was finally settled in the second quarter of 2022 and additional obtained insurance compensation of SEK 62 million was reported as an item affecting comparability.

In the fourth quarter 2021 Gränges decided to simplify its organization by decentralizing the responsibility for innovation, digitalization and continuous improvement. The decentralization of digitalization led to that certain investments in group-wide IT systems no longer were relevant and written down by SEK 138 million. Remaining write-down of SEK 19 million referred to other intangible assets. The simplified organization also led to restructuring costs of SEK 42 million in 2021.

Residuary item affecting comparability in 2021 of SEK -16 million relates to realisation of fair value step-up on acquired inventory as part of business combination.

NOTE 6 TAX

Gränges' Chinese subsidiary has for tax purpose received a pre-qualification as a High and New-Technology Enterprise for the three-year period 2022 to 2024. The pre-qualification mean that the company preliminarily pay 15 per cent in corporate income tax instead of the ordinary tax of 25 per cent for the period. In order to finally obtain the lower tax rate, the company must meet special requirements established by the authorities in China for each one of the three years. Gränges currently considers it to be more likely than not that the special requirements will be met for the financial year 2022 and therefore applies a tax rate of 15 per cent for the Chinese subsidiary.

CONSOLIDATED QUARTERLY DATA

SEK million	2022			2021			2020	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Sales volume, ktonnes	119.8	122.5	126.7	112.3	118.5	131.4	126.7	103.3
Income statement								
Net sales	6,172	6,875	6,080	4,857	4,621	4,609	4,043	3,149
Adjusted EBITDA ¹	610	663	528	299	420	468	499	342
Adjusted operating profit ¹	345	374	357	139	219	309	342	193
Operating profit	269	436	357	-21	219	309	326	167
Profit for the period	156	295	261	-23	153	226	239	106
Adjusted EBITDA margin, %	9.9	9.6	8.7	6.2	9.1	10.2	12.3	10.9
Adjusted operating margin, %	5.6	5.4	5.9	2.9	4.7	6.7	8.5	6.1
Adjusted operating profit per tonne, kSEK	2.9	3.1	2.8	1.2	1.8	2.4	2.7	1.9
Operating margin, %	4.4	6.3	5.9	-0.4	4.7	6.7	8.1	5.3
Net margin, %	2.5	4.3	4.3	-0.5	3.3	4.9	5.9	3.4
Balance sheet								
Non-current assets	9,214	8,915	8,440	8,323	8,099	8,003	8,062	7,633
Current assets	10,239	10,410	9,630	7,444	7,399	6,810	6,009	6,020
Equity	8,362	8,026	7,247	6,932	6,745	6,546	6,424	5,970
Non-current liabilities	3,865	4,027	3,634	3,297	3,425	2,761	2,780	3,068
Current liabilities	7,227	7,271	7,189	5,539	5,327	5,505	4,867	4,614
Cash flow								
Operating activities	530	793	-1,140	630	-34	395	-3	318
Investing activities	-218	-218	-154	-338	-186	-156	-247	-1,335
Before financing activities	313	575	-1,294	292	-220	239	-250	-1,017
Financing activities	-285	-84	1,115	-580	263	169	-646	1,628
Cash flow for the period	28	491	-179	-288	43	409	-896	611
Capital structure								
Net debt	4,894	4,917	4,991	3,643	3,810	3,532	3,690	3,292
Equity to assets, %	43.0	41.5	40.1	44.0	43.5	44.2	45.7	43.7
Data per share, SEK²								
Earnings per share basic	1.47	2.78	2.45	-0.21	1.44	2.12	2.25	1.19
Earnings per share diluted	1.47	2.78	2.45	-0.21	1.44	2.12	2.24	1.19
Equity	78.63	75.48	68.05	65.09	63.26	61.40	60.25	66.49
Cash flow from operating activities	4.99	7.46	-10.70	5.91	-0.32	3.71	-0.03	3.54
Share price at the end of the period	71.70	76.50	92.70	106.10	105.50	118.90	113.50	100.20
Weighted outstanding ordinary shares, basic in thousands	106,308.6	106,308.6	106,308.6	106,308.6	106,308.6	106,308.6	106,308.6	89,742.0
Weighted outstanding ordinary shares, diluted in thousands	106,345.0	106,333.8	106,495.4	106,498.1	106,615.3	106,623.1	106,620.7	89,789.3

¹ Adjusted for items affecting comparability, see Note 5 for further information.

² Calculated on weighted outstanding ordinary shares, diluted.

CONSOLIDATED QUARTERLY DATA

	2022				2021			2020	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
Sales volume by business area, ktonnes									
Gränges Americas	63.5	63.8	64.0	56.9	63.8	69.0	62.7	54.9	
Gränges Eurasia	62.1	66.1	68.3	59.0	60.9	70.4	73.2	55.4	
Other and eliminations	-5.8	-7.4	-5.5	-3.6	-6.1	-8.0	-9.2	-7.1	
Total	119.8	122.5	126.7	112.3	118.5	131.4	126.7	103.3	
Sales volume by end-customer, ktonnes									
Automotive	49.8	46.0	44.9	42.7	44.3	51.4	55.3	46.8	
HVAC	27.8	28.0	28.5	22.1	27.1	30.4	26.1	19.4	
Speciality packaging	21.0	21.3	22.1	21.0	22.7	22.8	19.1	18.2	
Other niches	21.2	27.2	31.3	26.5	24.4	26.8	26.2	18.8	
Total	119.8	122.5	126.7	112.3	118.5	131.4	126.7	103.3	
Net sales by business area, SEK million									
Gränges Americas	3,397	3,692	3,193	2,485	2,562	2,426	2,015	1,650	
Gränges Eurasia	3,087	3,593	3,147	2,526	2,301	2,482	2,339	1,720	
Other and eliminations	-312	-410	-260	-153	-242	-299	-312	-220	
Total	6,172	6,875	6,080	4,857	4,621	4,609	4,043	3,149	
Employees									
Average number of employees	2,697	2,712	2,686	2,682	2,664	2,645	2,602	2,297	
Sustainability¹									
Total carbon emissions intensity (scope 1+2+3), tonnes CO ₂ e/tonne	9.5	7.9	9.0	9.3	8.9	9.1	10.0	-	
Carbon emissions intensity (scope 1+2), tonnes CO ₂ e/tonne	0.84	0.83	0.90	0.96	0.88	0.81	0.88	-	
Carbon emissions intensity (scope 3), tonnes CO ₂ e/tonne	8.6	7.0	8.1	8.4	8.0	8.3	9.1	-	
Sourced recycled aluminium, %	31.0	35.4	31.1	32.9	28.7	26.9	25.6	-	

¹ Quarterly data may be adjusted in the year-end report when annual emission factors have been confirmed. Scope 2 data is calculated with a market-based approach.

Sales volume, ktonnes	Automotive		HVAC		Speciality packaging		Other niches		Total	
	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021
Gränges Americas	9.4	10.0	27.8	26.5	16.7	18.0	9.6	9.2	63.5	63.8
Gränges Eurasia	46.0	40.1	0.2	0.9	4.3	4.7	11.5	15.1	62.1	60.9
Other and eliminations	-5.6	-5.8	-0.2	-0.3	-	-	-	-	-5.8	-6.1
Total	49.8	44.3	27.8	27.1	21.0	22.7	21.2	24.4	119.8	118.5

CONSOLIDATED 12-MONTHS ROLLING DATA

SEK million	Oct 2021 – Sep 2022	Jul 2021 – Jun 2022	Apr 2021 – Mar 2022	Jan 2021 – Dec 2021	Oct 2020 – Sep 2021	Jul 2020 – Jun 2021	Apr 2020 – Mar 2021	Jan 2020 – Dec 2020
Sales volume, ktonnes	481.3	480.0	488.9	488.9	479.9	448.1	387.5	350.6
Income statement								
Net sales	23,984	22,433	20,167	18,130	16,421	14,375	11,987	11,008
Adjusted EBITDA ¹	2,100	1,910	1,715	1,686	1,729	1,641	1,355	1,201
Adjusted operating profit ¹	1,216	1,089	1,024	1,008	1,063	1,048	780	648
Operating profit	1,042	992	864	833	1,020	979	707	584
Adjusted EBITDA margin, %	8.8	8.5	8.5	9.3	10.5	11.4	11.3	10.9
Adjusted operating margin, %	5.1	4.9	5.1	5.6	6.5	7.3	6.5	5.9
Adjusted operating profit per tonne, kSEK	2.5	2.3	2.1	2.1	2.2	2.3	2.0	1.8
Operating margin, %	4.3	4.4	4.3	4.6	6.2	6.8	5.9	5.3
Capital structure and return indicators								
Capital employed	11,913	11,278	10,712	10,117	9,453	8,866	8,495	8,028
Return on capital employed, %	10.2	9.7	9.6	10.0	11.2	11.8	9.2	8.1
Equity	7,460	7,097	6,777	6,521	6,024	5,550	5,174	4,752
Return on equity, %	9.2	9.7	9.1	9.1	12.0	12.5	9.1	7.6
Financial net debt/Adjusted EBITDA	2.1	2.3	2.6	1.8	1.8	1.7	2.0	1.8

¹ Adjusted for items affecting comparability, see Note 5 for further information.

Sustainability²

Total carbon emissions intensity (scope 1+2+3), tonnes CO ₂ e/tonne	8.9	8.7	9.1	9.3	–	–	–	–
Carbon emissions intensity (scope 1+2), tonnes CO ₂ e/tonne	0.88	0.89	0.88	0.88	–	–	–	–
Carbon emissions intensity (scope 3), tonnes CO ₂ e/tonne	8.0	7.8	8.2	8.4	–	–	–	–
Sourced recycled aluminium, %	32.6	32.0	29.9	28.5	–	–	–	–

² Quarterly data may be adjusted in the year-end report when annual emission factors have been confirmed. Scope 2 data is calculated with a market-based approach.

FINANCIALS PER BUSINESS AREA

SEK million	Jul–Sep 2022				Jul–Sep 2021			
	Gränges Americas	Gränges Eurasia	Other and eliminations	Total	Gränges Americas	Gränges Eurasia	Other and eliminations	Total
Sales volume external, ktonnes	63.5	56.3	–	119.8	63.8	54.8	–	118.5
Sales volume internal, ktonnes	–	5.8	–5.8	0	–	6.1	–6.1	0
Total sales volume	63.5	62.1	–5.8	119.8	63.8	60.9	–6.1	118.5
Income statement								
Net sales, external	3,391	2,780	–	6,172	2,567	2,054	–	4,621
Net sales, internal	6	306	–312	0	–5	248	–242	0
Total net sales	3,397	3,087	–312	6,172	2,562	2,301	–242	4,621
Adjusted operating profit ¹	254	87	5	345	172	69	–22	219
Operating profit	178	87	5	269	172	69	–22	219
Adjusted operating profit per tonne, kSEK	4.0	1.4	n/a	2.9	2.7	1.1	n/a	1.8
Capital structure and return indicators								
Capital employed ²	6,213	7,609	–567	13,255	4,066	6,840	–351	10,555
Return on capital employed, % ³	17.0	6.0	n/a	10.2	17.9	8.7	n/a	11.2

SEK million	Jan–Sep 2022				Jan–Sep 2021			
	Gränges Americas	Gränges Eurasia	Other and eliminations	Total	Gränges Americas	Gränges Eurasia	Other and eliminations	Total
Sales volume external, ktonnes	191.2	177.8	–	369.0	195.5	181.2	–	376.6
Sales volume internal, ktonnes	–	18.7	–18.7	0	–	23.3	–23.3	0
Total sales volume	191.2	196.4	–18.7	369.0	195.5	204.5	–23.3	376.6
Income statement								
Net sales, external	10,295	8,832	–	19,126	7,004	6,266	2	13,272
Net sales, internal	–13	995	–981	0	–1	857	–856	0
Total net sales	10,281	9,826	–981	19,126	7,003	7,122	–853	13,272
Adjusted operating profit ¹	775	393	–92	1,077	582	398	–110	870
Operating profit	761	393	–92	1,063	582	382	–110	854
Adjusted operating profit per tonne, kSEK	4.1	2.0	n/a	2.9	3.0	1.9	n/a	2.3

¹ Adjusted for items affecting comparability, see Note 5 for further information.

² Closing balance at end of the period.

³ Calculated on the average capital employed during the past 12-months period.

FINANCIALS PER BUSINESS AREA

SEK million	Gränges Americas							
	2022			2021			2020	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Sales volume external, ktonnes	63.5	63.8	64.0	56.9	63.8	69.0	62.7	54.9
Sales volume internal, ktonnes	-	-	-	-	-	-	-	-
Total sales volume, ktonnes	63.5	63.8	64.0	56.9	63.8	69.0	62.7	54.9
Income statement								
Net sales, external	3,391	3,698	3,206	2,498	2,567	2,425	2,012	1,652
Net sales, internal	6	-6	-13	-13	-5	1	3	-3
Total net sales	3,397	3,692	3,193	2,485	2,562	2,426	2,015	1,650
Adjusted operating profit ¹	254	270	251	73	172	219	191	108
Operating profit	178	332	251	109	172	219	191	103
Adjusted operating profit per tonne, kSEK	4.0	4.2	3.9	1.3	2.7	3.2	3.0	2.0
Capital structure and return indicators								
Capital employed ²	6,213	5,636	5,031	4,076	4,066	3,761	3,895	3,555
Return on capital employed, % ³	17.0	17.0	17.2	16.9	17.9	17.2	13.1	11.8

SEK million	Gränges Eurasia							
	2022			2021			2020	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Sales volume external, ktonnes	56.3	58.7	62.8	55.4	54.8	62.4	64.0	48.3
Sales volume internal, ktonnes	5.8	7.4	5.5	3.6	6.1	8.0	9.2	7.1
Total sales volume, ktonnes	62.1	66.1	68.3	59.0	60.9	70.4	73.2	55.4
Income statement								
Net sales, external	2,780	3,177	2,874	2,362	2,054	2,184	2,028	1,488
Net sales, internal	306	416	273	164	248	298	311	231
Total net sales	3,087	3,593	3,147	2,526	2,301	2,482	2,339	1,720
Adjusted operating profit ¹	87	172	135	47	69	136	193	110
Operating profit	87	172	135	-102	69	136	177	80
Adjusted operating profit per tonne, kSEK	1.4	2.6	2.0	0.8	1.1	1.9	2.6	2.0
Capital structure and return indicators								
Capital employed ²	7,609	7,841	7,590	6,815	6,840	6,647	6,483	5,911
Return on capital employed, % ³	6.0	5.9	5.6	6.8	8.7	9.0	6.7	4.6

¹ Adjusted for items affecting comparability, see Note 5 for further information.

² Closing balance at end of the period.

³ Calculated on the average capital employed during the past 12-months period.

Alternative performance measures

Gränges makes use of the alternative performance measures Return on capital employed, Financial net debt, Equity to assets ratio and Cash conversion. Gränges believes that these performance measures are useful for readers of the financial reports as a complement to other performance measures when assessing the possibility of dividends, the implementation of strategic investments, and the Group's ability to meet financial commitments. Further, Gränges uses the alternative performance measures Adjusted operating profit, Adjusted operating profit per tonne and Adjusted EBITDA, which are measures that Gränges considers to be relevant for investors who want to understand the profit generation excluding items affecting comparability. For definitions of the measures, see page 26.

SEK million	Q3		Jan-Sep		12 months rolling	Full year
	2022	2021	2022	2021	Oct 2021 – Sep 2022	2021
Adjusted operating profit						
Operating profit	269	219	1,063	854	1,042	833
Items affecting comparability	76	–	14	16	173	175
Adjusted operating profit	345	219	1,077	870	1,216	1,008
Adjusted operating profit per tonne						
Adjusted operating profit	345	219	1,077	870	1,216	1,008
Sales volume, ktonnes	119.8	118.5	369.0	376.6	481.3	488.9
Adjusted operating profit per tonne, kSEK	2.9	1.8	2.9	2.3	2.5	2.1
Adjusted EBITDA						
Adjusted operating profit	345	219	1,077	870	1,216	1,008
Depreciation, amortization and impairment charges	265	202	724	518	884	678
Adjusted EBITDA	610	420	1,801	1,387	2,100	1,686
Return on capital employed						
Total assets less cash and cash equivalents and interest-bearing receivables, rolling 12 months average	–	–	–	–	16,608	13,717
Non-interest-bearing liabilities, rolling 12 months average	–	–	–	–	–5,006	–3,948
Pensions, rolling 12 months average	–	–	–	–	311	348
Capital employed	–	–	–	–	11,913	10,117
Adjusted operating profit	–	–	–	–	1,216	1,008
Return on capital employed, %	–	–	–	–	10.2	10.0
Financial net debt/Adjusted EBITDA						
Cash and cash equivalents and interest-bearing receivables	–	–	–1,273	–1,089	–1,273 ¹	–814
Interest-bearing liabilities	–	–	5,898	4,565	5,898 ¹	4,109
Lease liabilities	–	–	–283	–227	–283 ¹	–236
Financial net debt	–	–	4,342	3,249	4,342¹	3,059
Adjusted EBITDA, rolling 12 months	–	–	–	–	4,342	1,686
Financial net debt/Adjusted EBITDA	–	–	–	–	2.1	1.8
Equity to assets						
Equity	–	–	8,362	6,745	8,362 ¹	6,932
Total assets	–	–	19,453	15,498	19,453 ¹	15,767
Equity to assets, %	–	–	43.0	43.5	43.0¹	44.0
Adjusted cash flow before financing activities						
Cash flow before financing activities	313	–220	–406	–230	–114	62
Cash flow from expansion investments	129	85	346	296	505	456
Cash flow from acquisitions and other capital transactions	–	–	–	78	12	90
Adjusted cash flow before financing activities	441	–135	–60	144	403	607

Cont. on next page

Cash conversion

Adjusted cash flow before financing activities	441	-135	-60	144	403	607
Adjusted operating profit	345	219	1,077	870	1,216	1,008
Cash conversion, %	128	n/a	-6	17	33	60

¹Closing balance at the end of the period.

Definitions

Adjusted EBITDA

Adjusted operating profit before depreciation and impairment charges.

Adjusted cash flow before financing activities

Cash flow before financing activities excluding cash flow from non-maintenance investments and acquisitions.

Adjusted operating profit

Operating profit excluding items affecting comparability.

Adjusted operating profit per tonne

Adjusted operating profit divided by sales volume.

Average number of employees

The average number of employees converted to full-time positions.

Capital employed

Total assets less cash and cash equivalents and interest-bearing receivables, minus non-interest-bearing liabilities, excluding pensions.

Carbon emissions intensity

Total emissions of greenhouse gases [tonnes CO₂e] divided by the total packed products [tonnes].

Cash conversion

Adjusted cash flow before financing activities divided by adjusted operating profit.

Cash flow before financing activities

Cash flow from operating activities plus cash flow from investing activities.

Earnings per share

Profit for the period divided by the total number of shares.

Equity to Assets

Equity divided by total assets.

Financial net debt

Cash and cash equivalents and interest-bearing receivables minus interest-bearing liabilities, excluding lease liabilities.

Financial net debt/Adjusted EBITDA

Financial net debt divided by adjusted 12-months rolling EBITDA.

Items affecting comparability

Non-recurring income and expenses.

ktonnes

Volume expressed in thousands of metric tonnes.

Operating profit

Profit before net financial items and tax.

Return on capital employed

Adjusted operating profit divided by average capital employed during the past 12-months period.

Return on equity

Profit for the period divided by average equity during the past 12-months period.

Sales volume

Volumes sold in metric tonnes.

SEK

Swedish Krona.

Share of sourced aluminium scrap

Sourced aluminium scrap used as input materials [tonnes] divided by total sourced metal input materials [tonnes].

Glossary

Alloy

Material composed of one metal with additions of other metals and/or elements.

Aluminium strip

Rolled aluminium in coil form.

Brazing

Joining of metals through melting and solidification.

Cladding

A layer of metal bonded to a dissimilar metal or alloy.

Heat exchanger

A device for transferring heat from one medium to another.

HVAC

Heating, Ventilation and Air Conditioning systems including heat exchangers.

LME

London Metal Exchange.

Rolled aluminium

Aluminium that has been hot and/or cold rolled to desired gauge.

SHFE

Shanghai Futures Exchange.

Slab

Input material to the rolling process that is produced by casting.



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ABOUT GRÄNGES

Gränges is an aluminium technology company that drives the development of lighter, smarter, and more sustainable aluminium products and solutions. The company offers advanced materials that enhance efficiency in the customers' manufacturing process and the performance of the final products. Gränges' innovative engineering has transformed the industry for more than 125 years, and the company holds leading positions in rolled products for thermal management systems, speciality packaging and selected niche applications. Gränges has production facilities and conducts sales on three continents, Asia, Europe, and Americas. The annual production capacity amounts to 570 ktonnes. Gränges has 2,650 employees and the share is listed on Nasdaq Stockholm. More information on Gränges is available at www.granges.com.

PURPOSE AND PROMISE

Gränges' purpose is to develop lighter, smarter and more sustainable aluminium products and solutions. Gränges' promise is to use expertise, flexibility and speed to deliver to the needs of today and tomorrow.

BUSINESS MODEL

Gränges' business model is based on long-term customer relationships. Revenue is generated through sale of material that is produced for a certain customer and application. Prices are expressed in metric tonnes and are based on the added value that Gränges offers in terms of material properties and production complexity, and the price of the raw material; aluminium. The cost for the material is passed on to the customer.

STRATEGY

Gränges has established a new long-term plan for sustainable growth involving three steps: to restore profitability, to build a world-leading aluminium technology company, and to invest in sustainable growth. The new plan also targets continued fast progress toward climate neutrality by 2040. Together with Gränges' strong company culture and committed employees, this will further strengthen Gränges' competitiveness and value creation as well as enabling Gränges to fulfil its purpose and promise.