

A chef in a white uniform is shown from the chest down, piping white cream onto small, golden-brown pastries on a metal tray. The chef's hands are visible, holding a piping bag with a metal nozzle. The background is slightly blurred, showing the chef's uniform and the tray.

Interim report

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Third quarter 2018

AAK

Financial highlights

Q3 2018

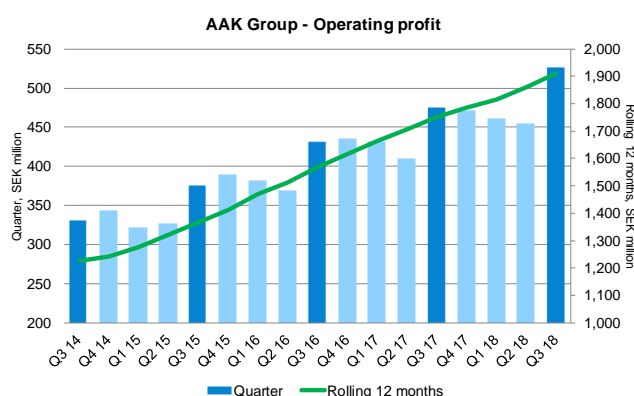
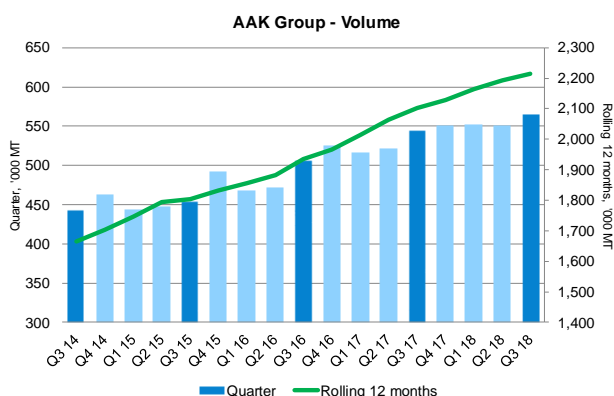
- Total volumes for the quarter amounted to 564,000 MT (543,000), organic growth of 4 percent (4).
- Operating profit, including a positive currency translation impact of SEK 16 million, reached SEK 526 million (475), an improvement of 11 percent.
- Net result amounted to SEK 359 million (315), an improvement of 14 percent.
- Earnings per share increased by 16 percent, to SEK 1.39 (1.20).
- Cash flow from operating activities amounted to SEK 524 million (492).
- Return on Capital Employed (ROCE), R12M, was 15.7 percent (15.6 at December 31, 2017).

Q1–Q3 2018

- Total volumes for the period amounted to 1,665,000 MT (1,579,000), organic growth of 5 percent (last year total growth was 10 percent whereof organic growth 5).
- Operating profit, including a positive currency translation impact of SEK 9 million, reached SEK 1,440 million (1,315), an improvement of 10 percent.
- Net result amounted to SEK 986 million (863), an improvement of 14 percent.
- Earnings per share increased by 15 percent, to SEK 3.83 (3.32).
- Cash flow from operating activities amounted to SEK 524 million (255).
- Return on Capital Employed (ROCE), R12M, was 15.7 percent (15.6 at December 31, 2017).

	Q3 2018	Q3 2017	Δ %	Q1-Q3 2018	Q1-Q3 2017	Δ %	R12 months	Full year 2017
Volumes, '000 MT	564	543	+4	1,665	1,579	+5	2,215	2,129
Operating profit, SEK million	526	475	+11	1,440	1,315	+10	1,911	1,786
Operating profit per kilo, SEK	0.93	0.87	+7	0.86	0.83	+4	0.86	0.84
Net result, SEK million	359	315	+14	986	863	+14	1,335	1,212
Earnings per share, SEK*	1.39	1.20	+16	3.83	3.32	+15	5.22	4.71
Return on Capital Employed (R12M), percent	15.7	15.4	+2	15.7	15.4	+2	15.7	15.6

* Share data recalculated in accordance with the decided share split (6:1) by the Annual General Meeting on May 30, 2018.



CEO's comments

All-time high operating profit

The positive trend we have seen over the last few years continued during the third quarter. The main drivers for our profit growth were Dairy and Special Nutrition which both are important focus areas within our company program The AAK Way.

Organic volume growth reached 4 percent (4). Operating profit increased by 11 percent to SEK 526 million (475). Earnings per share increased by 16 percent and operating cash flow was also good in the quarter.

All three business areas showed volume growth as well as profit growth. In addition, most of our geographic markets have seen good progress. However, the slightly weaker development in the US market continued during the third quarter.

Food Ingredients had another strong quarter with Dairy and Special Nutrition leading the way. Our Bakery segment showed good volume growth as well as an improved product mix with a greater proportion of customer co-developed solutions.

Chocolate & Confectionery Fats reported a stable quarter with continued profit growth. We continue to see a greater demand for some of our high-end products compared to our current capacity. Thus, we continue to make investments to remove bottlenecks in order to support future volume growth.

Business area Technical Products & Feed reported strong volume and profit growth in the quarter. The product mix continued to improve within the fatty acids business.

The AAK Way

Our company program The AAK Way is progressing well and is yielding good results.

Within priority area Operational Excellence, we continue to expand our capacities and production capabilities. We are, through our joint venture AAK Kamani, making important investments in the fast-growing Indian market. We are currently also completing significant upgrades of our production facility in Louisville, USA.

During the quarter, some 90 AAK leaders from our global organization participated at our Global Leadership Conference. The participants discussed and contributed to how we can develop our business, take advantage of our favorable position in the market and,



above all, how we can further improve the customer experience.

New Customer Innovation Center in Singapore

At the end of September, we inaugurated a new Customer Innovation Center in Singapore to further strengthen our capabilities and customer co-development approach in the Southeast Asian market. This investment is dedicated to support our existing regional customers and give them access to AAK's global solutions as well as to build new customer relationships to further enhance our growth in Southeast Asia.

Changes in the Executive Committee

After nearly five and a half years with AAK, Terry Thomas, President USA, has decided to retire. Octavio Díaz de León, President North Latin America, has taken over the responsibility for our US organization. Octavio, who joined AAK in 2007, continues to be responsible for North Latin America as well.

Concluding remarks

Based on our customer value propositions for health and reduced costs, and our customer product co-development and solutions approach, we continue to remain prudently optimistic about the future. The main drivers are the continued positive underlying trends in the food industry.

Johan Westman
CEO and President

The AAK Group, third quarter 2018

Volumes

Volumes continued to grow nicely, by 4 percent (8). Organic volume growth was 4 percent (4). Speciality and semi-speciality products grew organically by 2 percent (4).

Net sales

Sales amounted to SEK 7,034 million (6,553). There was an underlying growth in sales due to a positive product mix, organic volume growth and a positive currency translation impact of SEK 241 million.

Operating profit

Operating profit reached SEK 526 million (475), an improvement of 11 percent compared to the corresponding quarter in 2017.

The currency translation impact was positive SEK 16 million of which SEK 9 million was related to Food Ingredients, and SEK 7 million to Chocolate & Confectionery Fats. Operating profit at fixed foreign exchange rates improved by 7 percent.

Operating profit per kilo reached SEK 0.93 (0.87), an increase of 7 percent. The currency translation impact was SEK 0.03. At fixed foreign exchange rates operating profit per kilo increased by 3 percent.

Net financial cost

Net financial cost increased and amounted to SEK 37 million (31). This was due to increased borrowings in high interest rate countries and increased interest rates in a few markets, mainly Turkey.

Earnings per share

Earnings per share increased by 16 percent, to SEK 1.39 (1.20), due to higher operating profit and lower tax costs, partly offset by higher financial costs.

Cash flow and investments

Operating cash flow including changes in working capital amounted to SEK 524 million (492). Cash flow

from working capital was negative, amounting to SEK 37 million (positive 156).

Continued good inventory control had a favorable impact on cash flow from working capital. This was partly offset by reduced accounts payables mainly as a consequence of lower raw material prices. However, continued volume growth and normal seasonality drove higher accounts receivables which impacted cash flow negatively.

Cash outflow from investing activities amounted to SEK 159 million (175). Capital expenditures were mainly related to regular maintenance investments and capacity increases in several regions.

Return on Capital Employed (ROCE)

Calculated on a rolling 12 months basis, Return on Capital Employed (ROCE) was 15.7 percent (15.6 at December 31, 2017). The increased operating profit has been offset by higher working capital during the first quarter this year. ROCE for the third quarter was 15.1 percent compared to 15.3 percent for the corresponding quarter 2017.

Financial position

The equity/assets ratio amounted to 49 percent (46 percent at December 31, 2017). Net debt at September 30, 2018 amounted to SEK 2,918 million (2,666 at December 31, 2017). At September 30, 2018 the Group had total committed credit facilities of SEK 6,402 million (6,213 as of December 31, 2017), with SEK 3,423 million of unused committed credit facilities.

Employees

The average number of employees at September 30, 2018 was 3,461 (3,399 at December 31, 2017). The increase is mainly related to turning temporary employees in some European countries into permanent employees, as well as investing in more resources in West Africa.

Selected key events



At the end of September, AAK inaugurated its new Customer Innovation Center in Singapore to further strengthen its capabilities and customer co-development approach in the Southeast Asian market. The state-of-the-art center will be focused on applications within Chocolate & Confectionery Fats, Bakery, Ice cream and Dairy, and Special Nutrition. The Customer Innovation Center, which is AAK's twelfth, is located at Biopolis, an integrated R&D complex that houses research laboratories of pharmaceutical and biotechnology companies as well as public sector research institutes.



In August, AAK participated at Food ingredients South America. The trade fair, which is the most important event of its kind in Latin America, was held in São Paulo, Brazil. At our stand we held technical mini sessions and offered bakery, dairy and chocolate prototypes, based on our strategies and aligned with global food trends and local preferences, and prepared at our Customer Innovation Center in Jundiaí.

On September 24, AAK's share was added to the stock index STOXX Europe 600. With a fixed number of 600 components, STOXX Europe 600 represents large-, mid-, and small-cap companies across 17 countries in Europe.



Food Ingredients, Q3 2018

**Operating profit
+ 11%**

**Operating profit
per kilo
+ 8%**

	Q3 2018	Q3 2017	Δ %	Q1-Q3 2018	Q1-Q3 2017	Δ %	R12 months	Full year 2017
Volumes, '000 MT	376	364	+3	1,128	1,069	+6	1,506	1,447
Net sales, SEK million	4,650	4,345	+7	13,825	13,197	+5	18,293	17,665
Operating profit, SEK million	321	288	+11	884	808	+9	1,183	1,107
Operating profit per kilo, SEK	0.85	0.79	+8	0.78	0.76	+3	0.79	0.77

Volumes

Food Ingredients reported organic volume growth of 3 percent (3). The demand for speciality and semi-speciality products continued to be good, generating organic volume growth of 2 percent (3).

The Bakery segment continued the positive trend. Volume growth was particularly strong in North Latin America, and Europe saw an improved product mix with a greater proportion of customer co-developed solutions. The US market continued to be weak.

The long-term trend within Dairy continued and the segment once again reported strong organic volume growth. All regions showed good growth except the Nordics which experienced decreased volumes of low-end semi-speciality products.

Special Nutrition reported double-digit volume growth with an improved product mix. Sub-segment Infant Nutrition was the main driver but we also progressed within Medical and Senior Nutrition, although from a much smaller base.

In the US, volumes in Foodservice declined slightly while the Nordics continued to improve after a challenging 2017.

Commodity products reported organic volume growth of 18 percent (4). This was primarily due to some good spot opportunities.

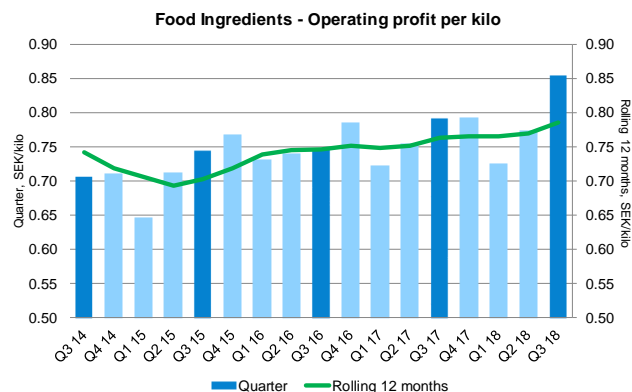
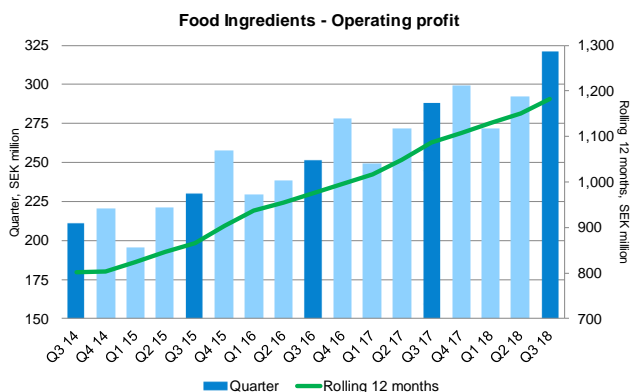
Net sales

Sales amounted to SEK 4,650 million (4,345). The increase was mainly due to organic volume growth and a positive currency translation impact of SEK 193 million.

Operating profit

Operating profit improved by 11 percent to SEK 321 million (288). This was driven by volume growth and a continued improved product mix, including a greater proportion of customer co-developed solutions. The currency translation impact was positive SEK 9 million. At fixed foreign exchange rates operating profit increased by 8 percent.

Operating profit per kilo for Food Ingredients improved by 8 percent and reached SEK 0.85 (0.79). The currency translation impact was SEK 0.02. At fixed foreign exchange rates operating profit per kilo increased by 5 percent.





Chocolate & Confectionery Fats, Q3 2018

**Operating profit
+ 4%**

**Operating profit
per kilo
- 1%**

	Q3 2018	Q3 2017	Δ %	Q1-Q3 2018	Q1-Q3 2017	Δ %	R12 months	Full year 2017
Volumes, '000 MT	115	110	+5	314	303	+4	415	404
Net sales, SEK million	2,007	1,866	+8	5,649	5,565	+2	7,438	7,354
Operating profit, SEK million	206	198	+4	565	559	+1	741	735
Operating profit per kilo, SEK	1.79	1.80	-1	1.80	1.84	-2	1.79	1.82

Volumes

Organic volume growth for the business area continued. The increase was 5 percent (9).

Production capacity, compared to demand, remains stretched for certain high-end products. We continue to make investments to remove bottlenecks in order to support current and future volume growth of high-end products.

Net sales

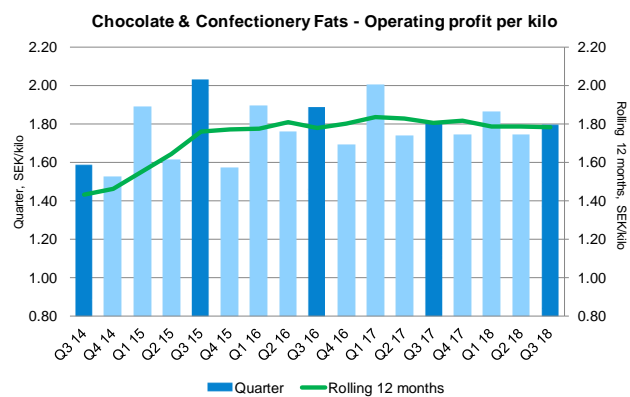
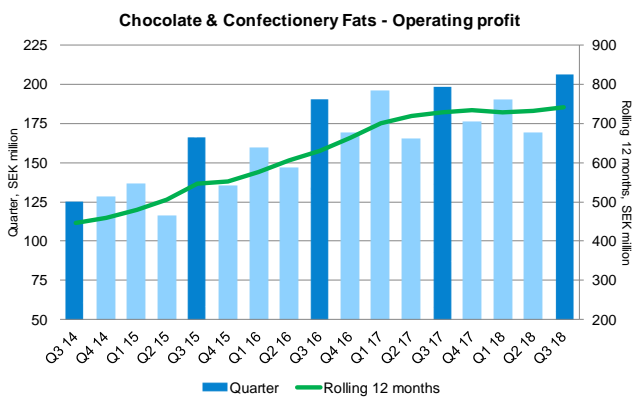
Net sales for the business area increased by SEK 141 million mainly as a consequence of volume growth, an improved product mix, and a positive currency translation impact of SEK 48 million.

Operating profit

Operating profit reached SEK 206 million (198), an increase by 4 percent. The currency translation impact was positive SEK 7 million. At fixed foreign exchange rates operating profit increased by 1 percent.

As previously projected and communicated, the price development on high-end products has been slightly positive in the quarter. However, volatility in raw material yields has resulted in lower output and higher production costs.

Operating profit per kilo for the business area was stable and reached SEK 1.79 (1.80). The currency translation impact was SEK 0.06. At fixed foreign exchange rates operating profit per kilo declined by 4 percent.





Technical Products & Feed, Q3 2018

**Operating profit
+ 48%**

**Operating profit
per kilo
+ 42%**

	Q3 2018	Q3 2017	Δ %	Q1-Q3 2018	Q1-Q3 2017	Δ %	R12 months	Full year 2017
Volumes, '000 MT	73	69	+6	223	207	+8	294	278
Net sales, SEK million	377	342	+10	1,126	1,080	+4	1,463	1,417
Operating profit, SEK million	37	25	+48	105	53	+98	136	84
Operating profit per kilo, SEK	0.51	0.36	+42	0.47	0.26	+80	0.46	0.30

Volumes

Volumes increased by 6 percent (1) compared to the corresponding quarter in 2017. Both our feed and fatty acids business reported volume growth.

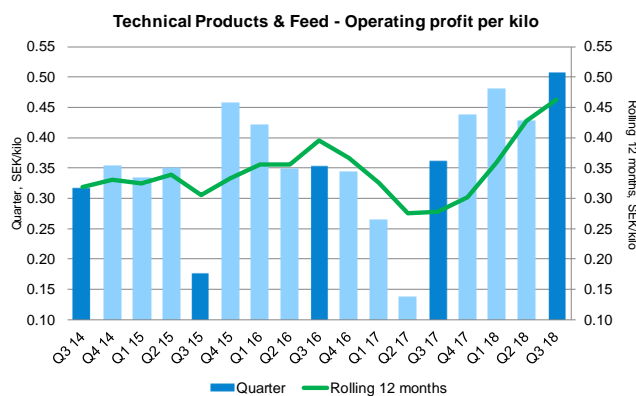
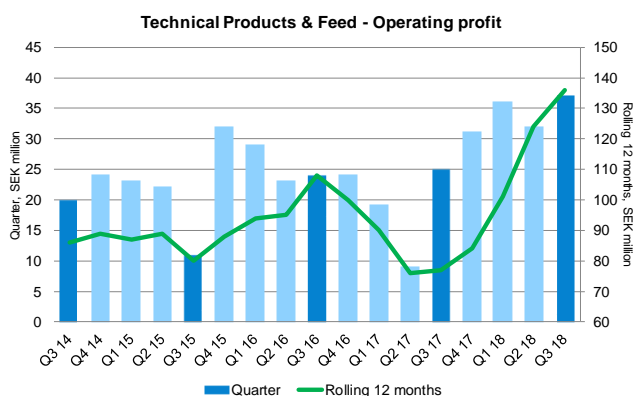
Net sales

Net sales for the business area increased by SEK 35 million mainly due to the volume growth.

Operating profit

Operating profit improved by 48 percent reaching SEK 37 million (25). This was due to an improved product mix in our fatty acids business, volume growth in both our feed and fatty acids business, and a good performance in our crushing operation.

The business area reported an operating profit per kilo of SEK 0.51 (0.36), an improvement of 42 percent.



The AAK Group, first nine months 2018

Volumes

Total volumes were up by 5 percent (10). Organic volume growth was 5 percent (5).

Net sales

Sales amounted to SEK 20,600 million (19,842). There was an underlying growth in sales due to a positive product mix, organic volume growth, and a positive currency translation impact of SEK 16 million.

Operating profit

Operating profit reached SEK 1,440 million (1,315), an improvement of 10 percent.

The currency translation impact was SEK 9 million of which SEK 7 million was related to Food Ingredients, SEK 3 million to Chocolate & Confectionery Fats and negative SEK 1 million to Group Functions. Operating profit at fixed foreign exchange rates improved by 9 percent.

Operating profit per kilo reached SEK 0.86 (0.83). The currency translation impact was SEK 0.01. At fixed foreign exchange rates operating profit per kilo increased by 3 percent.

Net financial cost

Net financial cost decreased and amounted to SEK 92 million (94). The lower financial costs are mainly related

to optimization in financing impacting the first quarter. However, from the second quarter we are experiencing higher financial costs due to increased borrowings in high interest rate countries and increased interest rates in a few markets, mainly Turkey.

Tax costs

Reported tax costs correspond to an average tax rate of 27 percent (29). This is mainly due to the reduction of the US corporate income tax (CIT) rate from January 1, 2018.

Cash flow and investments

Operating cash flow including changes in working capital amounted to SEK 524 million (255). Cash flow from working capital was negative, amounting to SEK 615 million (negative 650).

A modest increase in raw material prices during the third quarter last year impacted cash flow from working capital negatively during the first quarter. We have also seen continued organic volume growth during the first nine months.

Cash outflow from investing activities amounted to SEK 463 million (519).

General information

Related parties

No significant changes have taken place in relations or transactions with related parties since 2017.

Risks and uncertainty factors

AAK is a global company represented in many countries and as such is exposed to a number of commercial and financial risks. Accordingly, risk management is an important process for AAK in its work to achieve established targets.

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.

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

Accounting policies

This interim report is prepared in accordance with the Swedish Annual Accounts Act and IAS 34, Interim Financial Reporting. For information regarding the accounting policies applied, please see our Annual Report. A number of new and amended standards are effective for periods beginning after January 1, 2018. None of these have a significant effect on the consolidated financial statements of the Group or the Parent company.

IFRS 16 Leasing is a new accounting policy that will come into effect as of January 1, 2019. The new standard means that AAK will report all significant leases in the balance sheet. The Group has not yet completed the evaluation of the effects of IFRS 16, but believes that it will not have a significant effect on the balance sheet total, assets, liabilities, EBITDA, or interest expenses.

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 19–20.

Definitions

For definitions, please see our Annual Report.

Change in the number of shares and votes

In June, the number of shares and votes in AAK AB (publ.) increased as a result of the share split (6:1) resolved upon by AAK AB's Annual General Meeting on May 30, 2018. As of June 29, 2018, the number of shares and votes in the company amounts to 253,730,934.

The Parent Company and Group Functions

The Parent Company is a holding company for 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 positive SEK 2,060 million (negative 45).

Interest-bearing liabilities minus cash and cash equivalents and interest-bearing assets totalled a positive of SEK 231 million (negative 1,440 as of December 31, 2017). Investments in intangible and tangible assets amounted to SEK 5 million (0).

The Parent Company's balance sheet and income statement are shown on pages 21–22.

Accounting policies

AAK AB (publ.) is the Parent Company of the AAK Group. The company has prepared its financial reports in accordance with the Annual Accounts Act and RFR 2 Reporting for legal entities.

Changes in the balance sheet

No major change in the parent company since year-end.

Malmö, October 25, 2018

Johan Westman
CEO and President

For further information, please contact:

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CFO
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The 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 08:20 a.m. CET on October 25, 2018.

Report of Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of AAK AB (publ.) as of September 30, 2018 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information 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 Report 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, ISA, 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 with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö, October 25, 2018

PricewaterhouseCoopers AB

Sofia Götmar-Blomstedt
Authorized Public Accountant
Auditor in charge

Linda Corneliusson
Authorized Public Accountant

AAK Group

Income statement

SEK million	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	Full year 2017
Net sales	7,034	6,553	20,600	19,842	26,436
Other operating income	31	25	112	79	129
Total operating income	7,065	6,578	20,712	19,921	26,565
Raw materials and supplies	-5,259	-4,969	-15,518	-15,207	-20,216
Other external expenses	-632	-560	-1,831	-1,634	-2,208
Cost for remuneration to employees	-506	-454	-1,505	-1,398	-1,862
Amortization and impairment losses	-138	-120	-414	-365	-491
Other operating expenses	-4	-0	-4	-2	-2
Total operating costs	-6,539	-6,103	-19,272	-18,606	-24,779
Operating profit (EBIT)	526	475	1,440	1,315	1,786
Interest income	2	2	5	8	11
Interest expense	-32	-25	-85	-88	-112
Other financial items	-7	-8	-12	-14	-19
Total financial net	-37	-31	-92	-94	-120
Result before tax	489	444	1,348	1,221	1,666
Income tax	-130	-129	-362	-358	-454
Net result	359	315	986	863	1,212
Attributable to non-controlling interests	5	10	15	20	18
Attributable to the Parent company's shareholders	354	305	971	843	1,194

Comprehensive income

SEK million	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	Full year 2017
Profit for the period	359	315	986	863	1,212
Items that will not be reclassified to profit or loss:					
Remeasurements of post-employment benefit obligations	-19	-19	-19	-8	-15
	-19	-19	-19	-8	-15
Items that may subsequently be reclassified to profit or loss:					
Translation differences	-152	-223	532	-655	-706
	-152	-223	532	-655	-706
Total comprehensive income for the period	188	73	1,499	200	491
Attributable to non-controlling interests	3	8	13	17	16
Attributable to the Parent company's shareholders	185	65	1,486	183	475

Condensed balance sheet

SEK million	30.09.2018	30.09.2017	31.12.2017
Assets			
Goodwill	1,671	1,588	1,601
Other intangible assets	314	314	349
Tangible assets	5,392	5,114	5,178
Financial assets	50	26	40
Deferred tax assets	88	111	73
Total non-current assets	7,515	7,153	7,241
Inventory	4,468	4,276	4,656
Accounts receivables	3,701	3,372	3,210
Current receivables	1,598	1,189	1,305
Cash and cash equivalents	723	545	480
Total current assets	10,490	9,382	9,651
Total assets	18,005	16,535	16,892
Equity and liabilities			
Shareholders' equity	8,738	7,335	7,664
Non-controlling interests	83	71	70
Total equity including non-controlling interests	8,821	7,406	7,734
Liabilities to banks and credit institutions	2,824	3,354	2,354
Pension liabilities	384	150	164
Deferred tax liabilities	479	500	437
Non-interest-bearing liabilities	214	356	363
Total non-current liabilities	3,901	4,360	3,318
Liabilities to banks and credit institutions	631	307	628
Accounts payables	2,755	2,830	3,137
Other current liabilities	1,897	1,632	2,075
Total current liabilities	5,283	4,769	5,840
Total equity and liabilities	18,005	16,535	16,892

No changes have arisen in contingent liabilities.

Change in equity

2018

SEK million	Shareholders' equity	Non-controlling interests	Total equity incl. non-controlling interests
Opening balance January 1, 2018	7,664	70	7,734
Profit for the period	971	15	986
Other comprehensive income	515	-2	513
Total comprehensive income	1,486	13	1,499
Dividend	-412	-	-412
Closing balance September 30, 2018	8,738	83	8,821

2017

SEK million	Shareholders' equity	Non-controlling interests	Total equity incl. non-controlling interests
Opening balance January 1, 2017	7,522	54	7,576
Profit for the period	843	20	863
Other comprehensive income	-660	-3	-663
Total comprehensive income	183	17	200
Dividend	-370	-	-370
Closing balance September 30, 2017	7,335	71	7,406

Financial instruments

SEK million	Asset	Liability
Financial instruments reported in balance sheet September 30, 2018		
Sales and purchase contracts	484	64
Currency hedge contracts	115	108
Total derivatives financial instruments	599	172
Fair value adjustment inventory	12	12
Total financial instruments	611	184

Cash flow statement

SEK million	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	Full year 2017
Operating activities					
Operating profit	526	475	1,440	1,315	1,786
Depreciation and amortization	138	120	414	365	491
Other non-cash items	15	-126	-304	-291	-263
Cash flow before interest and tax	679	469	1,550	1,389	2,014
Interest paid and received	-38	-35	-87	-99	-114
Tax paid	-80	-98	-324	-385	-413
Cash flow before changes in working capital	561	336	1,139	905	1,487
Changes in inventory	264	387	304	408	21
Changes in accounts receivables	-189	-69	-473	-493	-341
Changes in accounts payables	-120	-6	-479	-329	-18
Changes in other working capital items	8	-156	33	-236	-50
Changes in working capital	-37	156	-615	-650	-388
Cash flow from operating activities	524	492	524	255	1,099
Investing activities					
Acquisition of intangible and tangible assets	-160	-176	-465	-526	-817
Proceeds from sale of property, plant and equipment	1	1	2	7	7
Cash flow from investing activities	-159	-175	-463	-519	-810
Cash flow after investing activities	365	317	61	-264	289
Financing activities					
Subscription warrants	-	-	-	-	37
Changes in loans	-494	-400	586	628	-33
Dividend paid	-	-	-412	-370	-370
Cash flow from financing activities	-494	-400	174	258	-366
Cash flow for the period	-129	-83	235	-6	-77
Cash and cash equivalents at start of period	872	639	480	586	586
Exchange rate difference for cash equivalents	-20	-11	8	-35	-29
Cash and cash equivalents at end of period	723	545	723	545	480

Key ratios

SEK million (unless otherwise stated)	Q3 2018	Q3 2017	Δ %	Q1-Q3 2018	Q1-Q3 2017	Δ %	Full year 2017
Income statement							
Volumes, '000 MT	564	543	+4	1,665	1,579	+5	2,129
Operating profit	526	475	+11	1,440	1,315	+10	1,786
Net result	359	315	+14	986	863	+14	1,212
Financial position							
Total assets	18,005	16,535	+9	18,005	16,535	+9	16,892
Equity	8,821	7,406	+19	8,821	7,406	+19	7,734
Net working capital	5,124	4,346	+18	5,124	4,346	+18	3,970
Net interest-bearing debt	2,918	3,233	-10	2,918	3,233	-10	2,666
Cash flow							
EBITDA	664	595	+12	1,854	1,680	+10	2,277
Cash flow from operating activities	524	492	-	524	255	-	1,099
Cash flow from investing activities	-159	-175	-	-463	-519	-	-810
Free cash flow	365	317	-	61	-264	-	289
Share data*							
Number of shares, thousand	253,731	253,731	+0	253,731	253,731	+0	253,731
Earnings per share, SEK**	1.39	1.20	+16	3.83	3.32	+15	4.71
Earnings per share incl. dilution, SEK***	1.39	1.20	+16	3.83	3.32	+15	4.71
Earnings per share incl. full dilution, SEK****	1.37	1.20	+14	3.83	3.32	+15	4.71
Equity per share, SEK	34.44	28.91	+19	34.44	28.91	+19	30.21
Market value on closing date, SEK	154.06	102.75	+50	154.06	102.75	+50	117.08
Other key ratios							
Volume growth, percent	+4	+8	-	+5	+10	-	+8
Operating profit per kilo, SEK	0.93	0.87	+7	0.86	0.83	+4	0.84
Return on Capital Employed (R12 months), percent	15.7	15.4	+2	15.7	15.4	+2	15.6
Net debt / EBITDA, multiple	1.19	1.43	-17	1.19	1.43	-17	1.17

* Share data recalculated in accordance with the decided share split (6:1) by the Annual General Meeting on May 30, 2018.

** The calculation of earnings per share is based on weighted average number of outstanding shares.

*** The calculation of earnings per share is based on weighted average number of outstanding shares including dilution from outstanding subscription options (in accordance with IAS 33).

**** Earnings per share after full dilution is calculated by dividing net income for the period by the total number of average outstanding shares for the period including a conversion of all outstanding share options to ordinary shares.

Quarterly data by business area

Operating profit

SEK million	2017 Q1	Q2	Q3	Q4	Full year	2018 Q1	Q2	Q3
Food Ingredients	249	271	288	299	1,107	271	292	321
Chocolate & Confectionery Fats	196	165	198	176	735	190	169	206
Technical Products & Feed	19	9	25	31	84	36	32	37
Group Functions	-33	-36	-36	-35	-140	-37	-39	-38
Operating profit AAK Group	431	409	475	471	1,786	460	454	526
Financial net	-41	-22	-31	-26	-120	-24	-31	-37
Result before tax	390	387	444	445	1,666	436	423	489

Net sales by market

2018

SEK million	FI Q3 2018	CCF Q3 2018	TPF Q3 2018	Total Q3 2018	FI Q1-Q3 2018	CCF Q1-Q3 2018	TPF Q1-Q3 2018	Total Q1-Q3 2018
Europe	2,105	903	375	3,383	6,268	2,501	1,119	9,888
North and South America	1,965	823	2	2,790	5,705	2,339	7	8,051
Asia	536	241	0	777	1,703	662	0	2,365
Other countries	44	40	0	84	149	147	0	296
Net sales	4,650	2,007	377	7,034	13,825	5,649	1,126	20,600

Alternative Performance Measures (APMs)

Organic volume growth

Percent	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	Full year 2017
Food Ingredients					
Organic volume growth	3	3	6	3	4
Acquisitions/divestments	-	5	-	7	5
Volume growth	3	8	6	10	9
Chocolate & Confectionery Fats					
Organic volume growth	5	9	4	13	10
Acquisitions/divestments	-	-	-	-	-
Volume growth	5	9	4	13	10
Technical Products & Feed					
Organic volume growth	6	1	8	1	1
Acquisitions/divestments	-	-	-	-	-
Volume growth	6	1	8	1	1
AAK Group					
Organic volume growth	4	4	5	5	5
Acquisitions/divestments	-	4	-	5	3
Volume growth	4	8	5	10	8

EBITDA

SEK million	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	Full year 2017
Operating profit (EBIT)	526	475	1,440	1,315	1,786
Add back depreciation and amortization	138	120	414	365	491
EBITDA	664	595	1,854	1,680	2,277

Return on Capital Employed (ROCE)

SEK million	30.09.2018	30.09.2017	R12M 30.09.2018	R12M 31.12.2017
Total assets	18,005	16,535	17,705	17,099
Cash and cash equivalents	-723	-545	-658	-566
Financial assets	-7	-34	-54	-13
Accounts payables	-2,755	-2,830	-2,960	-3,073
Other non-interest-bearing liabilities	-1,880	-1,627	-1,866	-1,963
Capital employed	12,640	11,499	12,167	11,484
Operating profit (Rolling 12 months)	1,911	1,765	1,911	1,786
Return on Capital Employed (ROCE), percent	15.1	15.3	15.7	15.6

Net working capital

SEK million	30.09.2018	Full year 2017
Inventory	4,468	4,656
Accounts receivables	3,701	3,210
Other current receivables, non-interest-bearing	1,590	1,299
Accounts payables	-2,755	-3,137
Other current liabilities, non-interest-bearing	-1,880	-2,058
Net working capital	5,124	3,970

Net debt

SEK million	30.09.2018	Full year 2017
Current interest-bearing receivables	7	5
Cash and cash equivalents	723	480
Pension liabilities	-189	-164
Non-current liabilities to banks and credit institutions	-2,824	-2,354
Current liabilities to banks and credit institutions	-631	-628
Other interest-bearing liabilities	-4	-5
Net debt	-2,918	-2,666

Equity to assets ratio

SEK million	30.09.2018	Full year 2017
Shareholders' equity	8,738	7,664
Non-controlling interests	83	70
Total equity including non-controlling interests	8,821	7,734
Total assets	18,005	16,892
Equity to assets ratio, percent	49.0	45.8

Income statement – Parent company

SEK million	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	Full year 2017
Net sales	32	24	97	71	97
Other operating income	0	0	0	0	0
Total operating income	32	24	97	71	97
Other external expenses	-15	-16	-54	-34	-67
Cost for remuneration to employees	-25	-26	-80	-78	-97
Amortization and impairment losses	-1	0	-2	-1	-2
Other operating expenses	-	-	-	-	-
Total operating costs	-41	-42	-136	-113	-166
Operating profit (EBIT)	-9	-18	-39	-42	-69
Dividend from group companies	1,298	-	2,110	-	-
Income from shares in group companies	-	-	-	-	67
Interest income	0	-	0	0	0
Interest expense	0	-1	-8	-3	-5
Other financial items	-2	0	-3	0	-4
Total financial net	1,296	-1	2,099	-3	58
Result before tax	1,287	-19	2,060	-45	-11
Income tax	1	2	6	7	2
Net result	1,288	-17	2,066	-38	-9
Attributable to non-controlling interests	-	-	-	-	-
Attributable to the Parent company's shareholders	1,288	-17	2,066	-38	-9

Comprehensive income – Parent company

SEK million	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017	Full year 2017
Profit for the period	1,288	-17	2,066	-38	-9
Items that will not be reclassified to profit or loss:					
	-	-	-	-	-
Items that may subsequently be reclassified to profit or loss:					
	-	-	-	-	-
Total comprehensive income for the period	1,288	-17	2,066	-38	-9
Attributable to non-controlling interests	-	-	-	-	-
Attributable to the Parent company's shareholders	1,288	-17	2,066	-38	-9

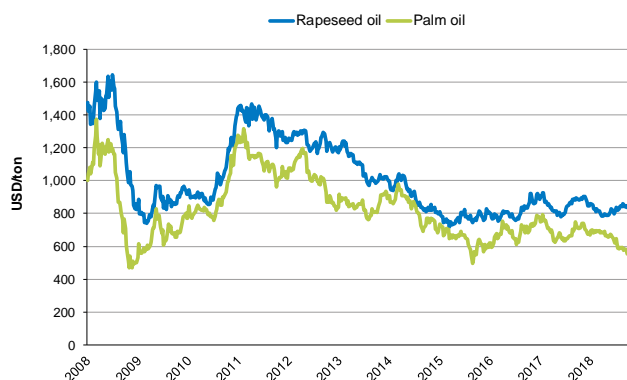
Condensed balance sheet – Parent company

SEK million	30.09.2018	30.09.2017	31.12.2017
Assets			
Other intangible assets	10	4	7
Tangible assets	2	3	3
Financial assets	5,565	5,492	5,333
Deferred tax assets	3	8	3
Total non-current assets	5,580	5,507	5,346
Accounts receivables	-	-	-
Current receivables	76	81	125
Cash and cash equivalents	0	0	-
Total current assets	76	81	125
Total assets	5,656	5,588	5,471
Equity and liabilities			
Shareholders' equity	5,569	3,835	3,915
Non-controlling interests	-	-	-
Total equity including non-controlling interests	5,569	3,835	3,915
Pension liabilities	14	14	14
Total non-current liabilities	14	14	14
Accounts payables	13	10	15
Other current liabilities	60	1,729	1,527
Total current liabilities	73	1,739	1,542
Total equity and liabilities	5,656	5,588	5,471

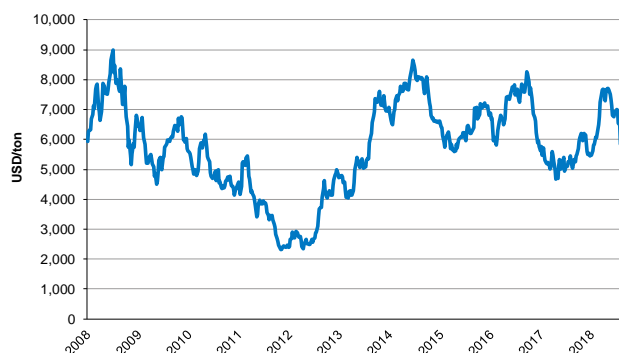
No changes have arisen in contingent liabilities.

Price trends in raw materials

Rapeseed oil and palm oil



Cocoa butter



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

Additional information

Press and analyst conference

AAK will host a conference call on October 25, 2018 at 1 p.m. CET. The conference call can be accessed via our website, www.aak.com.

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

Financial calendar 2018–2019

A capital market day will be held in Karlshamn, Sweden, on November 21, 2018.

The fourth quarter and year-end report for 2018 will be published on February 8, 2019.

The interim report for the first quarter 2019 will be published on April 23, 2019.

The Annual General Meeting will be held in Malmö, Sweden on May 15, 2019.

The interim report for the second quarter 2019 will be published on July 16, 2019.

The interim report for the third quarter 2019 will be published on October 24, 2019.

Forward-looking statements

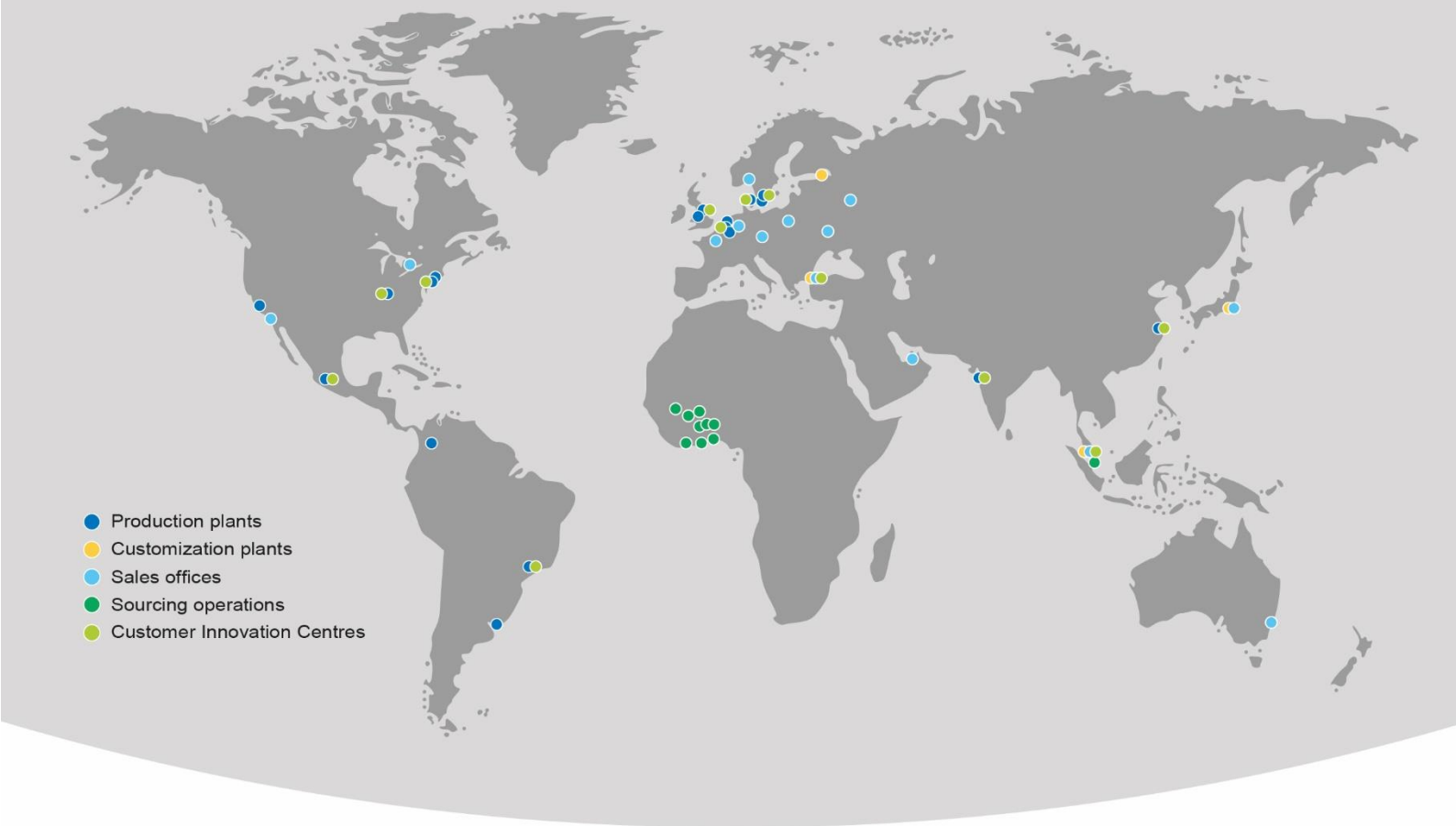
This report contains forward-looking statements. Such statements are subject to risks and uncertainties as various factors, many of which are beyond the control of AAK AB (publ.), may cause actual developments and results to differ materially from the expectations expressed in this report.

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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The first choice for value-adding vegetable oil solutions

We develop and provide value-adding vegetable oil solutions in close collaboration with our customers, enabling them to achieve long lasting business results.

We do so through our in-depth expertise in oils & fats within food applications, working with a wide range of raw materials and broad process capabilities.

Through our unique co-development approach we bring together our customers' skills and know-how with our capabilities and mindset. By doing so, we solve customer specific needs across many industries – Chocolate & Confectionery, Bakery, Dairy, Special Nutrition, Foodservice, Personal Care, and more.

AAK's proven expertise is based on more than 140 years of experience within oils & fats. With our headquarters in Malmö, Sweden, 20 production facilities and customization plants, and sales offices in more than 25 countries, our more than 3,400 employees are dedicated to providing innovative value-adding solutions to our customers.

So no matter where you are in the world, we are ready to help you achieve long lasting results.

We are AAK – The Co-Development Company.

Explore more at
www.aak.com

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