

Second quarter 2022

# Interim report



# Financial highlights

## Q2 2022

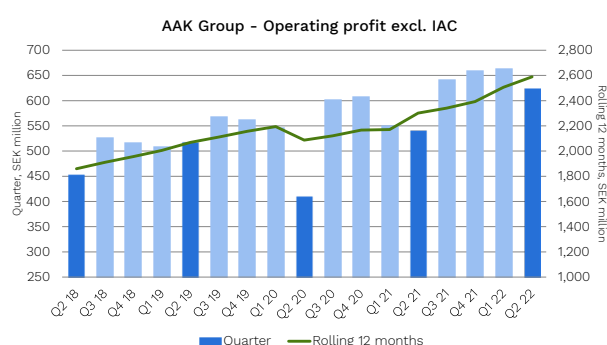
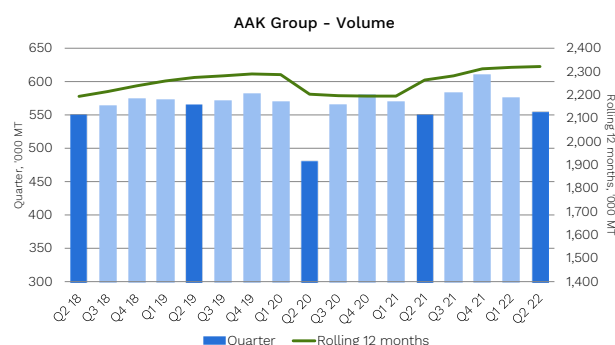
- Total volumes increased by 1 percent, to 554,000 MT (550,000).
- Operating profit, excluding items affecting comparability (adjusted operating profit), but including a positive currency translation impact of SEK 84 million, increased by 15 percent, reaching SEK 624 million (541). At fixed foreign exchange rates, operating profit was flat.
- AAK reported an item affecting comparability (IAC), a cost of SEK 350 million, related to the decision to exit the Russian market.
- Profit for the period amounted to SEK 160 million (103). Excluding IAC, profit for the period amounted to SEK 479 million (389).
- Earnings per share amounted to SEK 0.60 (0.39). Excluding IAC, earnings per share amounted to SEK 1.83 (1.51).
- Cash flow from operating activities amounted to positive SEK 55 million (positive 231).
- Return on Capital Employed (ROCE), R12M, was 15.0 percent (15.6 at December 31, 2021).

## Q1-Q2 2022

- Total volumes increased by 1 percent, to 1,129,000 MT (1,119,000).
- Operating profit, excluding the IAC (adjusted operating profit), but including a positive currency translation impact of SEK 115 million, increased by 18 percent, reaching SEK 1,288 million (1,092). At fixed foreign exchange rates, the increase was 7 percent.
- Profit for the period amounted to SEK 652 million (503). Excluding IAC, profit for the period amounted to SEK 971 million (789).
- Earnings per share amounted to SEK 2.50 (1.94). Excluding IAC, earnings per share for the period amounted to SEK 3.73 (3.06).
- Cash flow from operating activities amounted to negative SEK 1,095 million (positive 289).
- Return on Capital Employed (ROCE), R12M, was 15.0 percent (15.6 at December 31, 2021).

	Q2 2022	Q2 2021	Δ %	Q1-Q2 2022	Q1-Q2 2021	Δ %	R12M 2022	Full year 2021
Volumes, '000 MT	554	550	+1	1,129	1,119	+1	2,322	2,312
Operating profit, SEK million	274	237	+16	938	788	+19	2,239	2,089
Operating profit excluding IAC, SEK million	624	541	+15	1,288	1,092	+18	2,589	2,393
Operating profit per kilo, SEK	0.49	0.43	+14	0.83	0.70	+19	0.96	0.90
Operating profit per kilo excluding IAC, SEK	1.13	0.98	+15	1.14	0.98	+16	1.11	1.04
Profit for the period, SEK million	160	103	+55	652	503	+30	1,596	1,447
Profit for the period excluding IAC, SEK million	479	389	+23	971	789	+23	1,915	1,733
Earnings per share, SEK	0.60	0.39	+54	2.50	1.94	+29	6.15	5.59
Earnings per share excluding IAC, SEK	1.83	1.51	+21	3.73	3.06	+22	7.38	6.71
Return on Capital Employed (R12M), percent	15.0	15.4	-3	15.0	15.4	-3	15.0	15.6

IAC affecting 2022 relates to the exit from the Russian market. For 2021, the IAC relates to the optimization of the company's European bakery business.





# Strong quarter despite high volatility and a demanding macro-economic climate

As I write this, Russia's invasion of Ukraine continues to affect millions of people, including our colleagues in the country. They are doing well under the circumstances and their safety is our highest priority. We continue to stand with all of those impacted by this tragedy.

The war is also affecting the global economy and adding to already high inflationary pressures and volatility, contributing to a demanding macro-economic climate. During the quarter, raw material prices traded at record levels and costs for transport and logistics remained high. In addition, Indonesia implemented an export ban on palm oil at the end of April, which was lifted towards the end of May.

Despite these challenges, we delivered a strong second quarter. Volumes increased by 1 percent and both operating profit as well as operating profit per kilo grew by 15 percent, excluding items affecting comparability. All business areas contributed to the increase in operating profit, which was the highest ever for a second quarter – indeed a great achievement, made possible by our dedicated and hard-working employees around the world.

## Business performance

Chocolate & Confectionery Fats delivered a solid quarter, with volumes up by 7 percent and operating profit, excluding items affecting comparability, up by 5 percent. This is a good result given our decision to wind up our operations and investments in Russia.

Food Ingredients reported a strong quarter with operating profit up by 18 percent, excluding items affecting comparability. The increase was mainly driven by Foodservice and Bakery. Volumes for the business area declined by 2 percent, primarily due to our continued prioritization of speciality and semi-speciality solutions within Bakery. Dairy volumes increased and Foodservice continued to grow compared to last year. Speciality fat systems for Plant-based Foods showed strong growth, driven by Plant-based Dairy.

Technical Products & Feed reported yet another strong quarter, with operating profit up 48 percent. This was driven by improved profitability in both our feed and natural ingredients businesses.

## Exiting Russia

At the end of April, we announced a controlled exit from our operations and investments in Russia. Following the announcement, we immediately started to re-route Russian CCF-related volumes to other geographies to limit the negative impact on our operating profit.



During the quarter, we reached an agreement to revert our 75 percent stake in our local joint venture to the partner from which it was acquired in 2020.

This controlled exit has resulted in a non-recurring cost of SEK 350 million, affecting the income statement in the second quarter. As earlier indicated, we have projected a total impact on our operating profit to be in the range of SEK 75–100 million in 2022, due to the lost sales to Russian customers. The impact in the second quarter is SEK 30–40 million in a year-on-year comparison.

## Concluding remarks

Despite the challenges and uncertainties that we faced throughout the second quarter, we continued to navigate well and delivered a strong result. As an important supplier of plant-based ingredients for food and technical products, we are well positioned to manage risks and to deliver value – something we have proven in the past few years' very dynamic environment.

Despite continued short- to mid-term uncertainty, we see no reason to adjust our view on the strong favorable underlying long-term trends in our markets. Thus, we remain prudently optimistic about the future, and we are fully committed to Making Better Happen™.

Johan Westman, President and CEO

# AAK Group, Q2 2022

## Volumes

Volumes amounted to 554,000 MT (550,000), an increase by 1 percent compared to last year.

## Net sales

Sales amounted to SEK 12,563 million (8,188), an increase by 53 percent, due to higher volumes, higher raw material prices and a positive currency translation impact of SEK 841 million.

## Operating profit

Operating profit, excluding items affecting comparability, reached SEK 624 million (541), an increase by 15 percent compared to the corresponding quarter in 2021, mainly driven by improved profitability in Bakery and Dairy, and, to some extent, Plant-based Foods. The exit from the Russian market impacted the quarter negatively by SEK 30–40 million compared to the corresponding quarter last year.

The currency translation impact was positive SEK 84 million of which SEK 54 million related to Food Ingredients and SEK 30 million to Chocolate & Confectionery Fats. Operating profit, excluding items affecting comparability and at fixed foreign exchange rates, was flat.

Operating profit per kilo, excluding items affecting comparability, reached SEK 1.13 (0.98), an increase of 15 percent. The currency translation impact was positive SEK 0.15. At fixed foreign exchange rates and excluding items affecting comparability, operating profit per kilo was flat.

## Items affecting comparability

At the end of April, we announced a controlled exit from our operations and investments in Russia. The exit has resulted in an estimated non-recurring cost of SEK 350 million, affecting the income statement in the quarter.

## Net financial cost and tax costs

Net financial cost amounted to SEK 6 million (25). The financial cost increased due to increased financing of working capital, increased interest rates in general, and higher borrowing in high-interest rate countries. This was, however, offset by a positive effect related to reporting in hyperinflationary economies (IAS 29). Reported tax costs correspond to an average tax rate of 40 percent (51). The expenses reported as items affecting comparability could not in full be utilized as a tax credit. This increased the average tax rate by 16 percentage points compared to the underlying annual tax rate of 24 percent.

## Earnings per share

Earnings per share amounted to SEK 0.60 (0.39), impacted by the item affecting comparability – our decision to exit Russia. Excluding this impact, earnings per share amounted to SEK 1.83 (1.51).

## Cash flow and investments

Operating cash flow, including changes in working capital, amounted to positive SEK 55 million (positive 231). Cash flow from working capital amounted to negative SEK 382 million (negative 290). There was a negative cash flow from inventory and accounts receivables in the quarter due to continued high raw material prices. Cash flow from accounts payables was positive, driven by high raw material prices.

Cash outflow from investment activities amounted to SEK 255 million (154), of which SEK 0 million (11) related to acquisitions of operations. Capital expenditure was mainly related to regular maintenance investments and capacity increases.

Raw material prices remained high during the second quarter 2022. Based on the duration of our contract portfolio, there is a time lag of 6–9 months until we see the cash flow effect from the price volatility. This implies a continued negative impact on working capital during the remainder of 2022.

## Return on Capital Employed (ROCE)

Calculated on a rolling 12 months basis, Return on Capital Employed (ROCE) was 15.0 percent (15.6 at December 31, 2021).

## Financial position

The equity/assets ratio amounted to 41 percent (44 percent at December 31, 2021). Net debt at June 30, 2022 amounted to SEK 6,095 million (SEK 3,817 million at December 31, 2021). Net debt/EBITDA amounted to 2.03 (1.25 as of December 31, 2021).

At June 30, 2022, the Group had total credit facilities of SEK 8,091 million (7,715 as of December 31, 2021), whereof SEK 6,622 million (6,374 as of December 31, 2021) in committed credit facilities. Unused committed credit facilities at June 30, 2022 amounted to SEK 2,473 million (4,248 as of December 31, 2021). Non-committed credit facilities amounted to SEK 1,469 million (1,265 in Q2 2021), whereof SEK 725 million (751 in Q2 2021) were unused. In addition, we have unused bond issues of SEK 2 billion.

# Selected key events

## Annual General Meeting 2022

On May 18, AAK's Annual General Meeting was held in Malmö, Sweden. After two years without a physical event, due to the pandemic, we had the pleasure of welcoming some 350 shareholders and guests.

Prior to the actual meeting, the participants visited a number of booths where AAK colleagues presented and offered samples containing oils and fats from AAK.



For access to the presentation given by our President and CEO Johan Westman as well as all other documentation relating to the Annual General Meeting, please visit <https://www.aak.com/investors/annual-general-meeting/>.

## AAK issues bond for a total of SEK 1 billion

On June 8, AAK issued a senior unsecured bond for a total of SEK 800 million with a duration of 3 years. The bond carries a floating interest rate of 3 months STIBOR plus 165 basis points. The following day, and under the same terms, the transaction was increased by SEK 200 million to a total of SEK 1 billion through a so-called tap issue. The transaction generated strong investor demand.

The proceeds from the bond issue will be used to broaden AAK's funding base and for general corporate purposes. AAK will apply for the new bond to be listed on Nasdaq Stockholm's Corporate Bond List.

# Food Ingredients, Q2 2022\*

	Q2 2022	Q2 2021	Δ %	Q1-Q2 2022	Q1-Q2 2021	Δ %	R12M 2022	Full year 2021
<b>Operating profit +18%</b>								
Volumes, '000 MT	357	365	-2	719	719	+0	1,476	1,476
Net sales, SEK million	8,119	5,508	+47	15,260	10,377	+47	28,128	23,245
Operating profit, SEK million	406	343	+18	775	656	+18	1,499	1,380
Operating profit per kilo, SEK	1.14	0.94	+21	1.08	0.91	+19	1.02	0.93
<b>Operating profit per kilo +21%</b>								

## Volumes

Volumes for the business area decreased by 2 percent.

Total volumes for Bakery declined, mainly driven by our continued effort to optimize the Bakery business in Europe, with a continued prioritization of speciality and semi-speciality solutions. This was partly offset by an increase in Asia.

Dairy volumes increased in the quarter. Most regions contributed, but the increase was primarily driven by the US and Asia.

Speciality fat systems for Plant-based Foods grew by double digits. Overall, demand in the segment remained stable, both for dairy and meat alternatives.

Special Nutrition volumes were flat, with growth in semi-speciality solutions in sub-segment Infant Nutrition, primarily in the US and Asia. Demand for our high-end solutions decreased.

Our Foodservice volumes increased, mainly driven by Europe, while the US declined somewhat. Volumes for the segment still remain slightly below pre-pandemic levels.

## Net sales

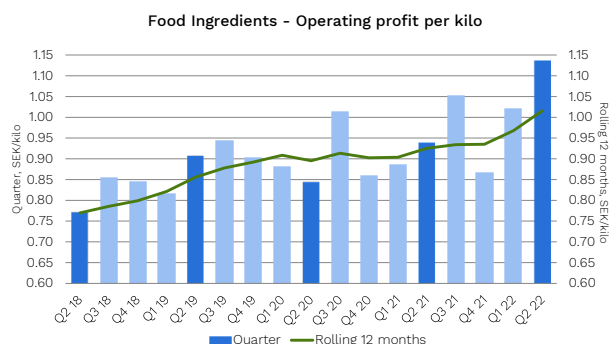
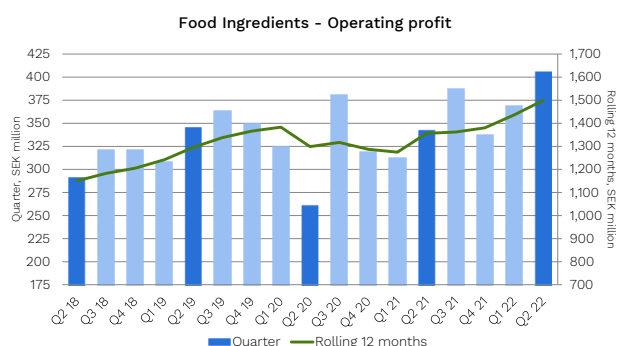
Sales amounted to SEK 8,119 million (5,508), an increase by 47 percent or SEK 2,611 million. The increase related to high demand for speciality and high-end semi-speciality solutions, price adjustments due to increased raw material prices, as well as a positive currency translation impact of SEK 626 million.

## Operating profit

Operating profit increased by 18 percent to SEK 406 million (343). The currency translation impact was positive and amounted to SEK 54 million. At fixed foreign exchange rates, operating profit increased by 3 percent.

Operating profit for the business area was mainly driven by an improved profitability in Bakery and Dairy, and, to some extent, Plant-based Foods. Our dedicated work with product portfolio management had a positive impact in the quarter.

Operating profit per kilo increased to SEK 1.14 (0.94). The currency translation impact was positive SEK 0.15. At fixed foreign exchange rates, operating profit per kilo grew 5 percent.



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







# Chocolate & Confectionery Fats, Q2 2022\*

	Q2 2022	Q2 2021	Δ %	Q1-Q2 2022	Q1-Q2 2021	Δ %	R12M 2022	Full year 2021
<b>Operating profit +5%</b>								
Volumes, '000 MT	126	118	+7	263	248	+6	534	519
Net sales, SEK million	3,677	2,239	+64	7,084	4,502	+57	12,698	10,116
Operating profit, SEK million	216	205	+5	474	438	+8	1,007	971
Operating profit per kilo, SEK	1.71	1.74	-2	1.80	1.77	+2	1.89	1.87
<b>Operating profit per kilo -2%</b>								

## Volumes

Volumes increased by 7 percent, driven by good market growth and our successful co-development approach. There was a continued strong demand for speciality as well as semi-speciality solutions. All regions performed well, except Europe where volumes decreased, driven by our decision to exit the Russian market. We are, however, on track to meet our ambition to gradually re-route some of the Russian volumes to other geographies.

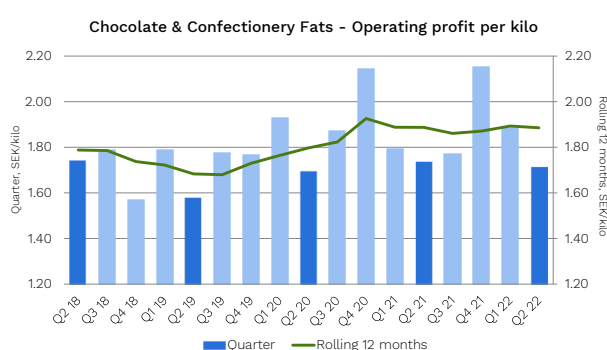
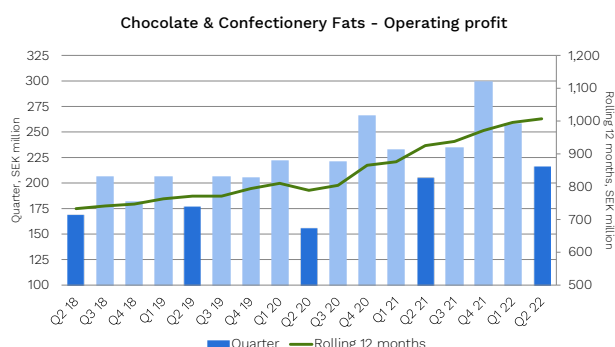
## Net sales

Net sales for the business area amounted to SEK 3,677 million (2,239), a 64 percent increase. This related to volume growth, price adjustments due to higher raw material prices, as well as a positive currency translation impact of SEK 215 million.

## Operating profit

Operating profit reached SEK 216 million (205), an increase by 5 percent compared to the corresponding quarter last year. The currency translation impact was positive SEK 30 million. At fixed foreign exchange rates, operating profit decreased by 9 percent, driven by our decision to exit the Russian market, which is impacting the quarter by SEK 30–40 million compared to last year. The previously communicated annual impact on operating profit of SEK 75–100 million remains. Excluding this impact, the business area showed strong performance in a continued competitive market.

Operating profit per kilo decreased and amounted to SEK 1.71 (1.74). The currency translation impact was positive SEK 0.24. At fixed foreign exchange rates, operating profit per kilo decreased by 15 percent.



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







# Technical Products & Feed, Q2 2022\*

	Q2 2022	Q2 2021	Δ %	Q1-Q2 2022	Q1-Q2 2021	Δ %	R12M 2022	Full year 2021
<b>Operating profit</b> <b>+48%</b>								
Volumes, '000 MT	71	67	+6	147	152	-3	312	317
Net sales, SEK million	767	441	+74	1,458	918	+59	2,631	2,091
Operating profit, SEK million	46	31	+48	127	75	+69	266	214
Operating profit per kilo, SEK	0.65	0.46	+41	0.86	0.49	+76	0.85	0.68
<b>Operating profit per kilo</b> <b>+41%</b>								

## Volumes

Volumes increased by 6 percent, mainly driven by our feed business. Market conditions in feed remained favorable, and the scheduled maintenance stop in the quarter was shorter than last year's.

Fatty acids volumes decreased while demand for natural ingredients remained strong. This is linked to an increased focus on sustainability across different industry segments where our solutions can substitute, for example, fossil-based ingredients in various customer products.

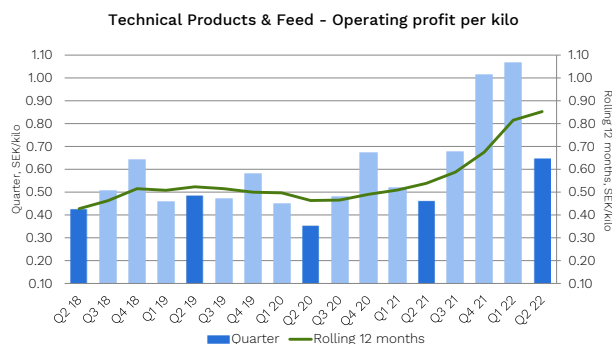
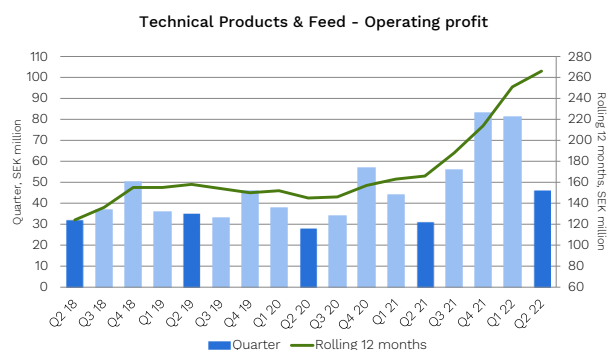
## Net sales

Net sales for the business area increased by SEK 326 million, to SEK 767 million.

## Operating profit

Operating profit reached SEK 46 million (31), up 48 percent compared to last year. This was mainly driven by improved profitability in natural ingredients.

The business area reported an operating profit per kilo of SEK 0.65 (0.46), an increase by 41 percent.



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





# AAK Group, first six months 2022

## Volumes

Volumes amounted to 1,129,000 MT (1,119,000), an increase by 1 percent compared to last year.

## Net sales

Sales amounted to SEK 23,802 million (15,797), an increase by 51 percent, due to higher volumes, higher raw material prices and a positive currency translation impact of SEK 1,213 million.

## Operating profit

Operating profit, excluding items affecting comparability, reached SEK 1,288 million (1,092), an increase by 18 percent compared to 2021, mainly driven by a continued recovery in Foodservice, improved profitability in Bakery and Dairy, as well as our feed business and natural ingredients. The exit from the Russian market impacted Chocolate & Confectionery Fats negatively by SEK 30–40 million compared to last year.

The currency translation impact was positive SEK 115 million of which SEK 81 million related to Food Ingredients and SEK 34 million to Chocolate & Confectionery Fats. Operating profit at fixed foreign exchange rates and excluding items affecting comparability increased by 7 percent.

Operating profit per kilo, excluding items affecting comparability, reached SEK 1.14 (0.98), an increase of 16 percent. The currency translation impact was positive SEK 0.10. At fixed foreign exchange rates and excluding items affecting comparability, operating profit per kilo increased by 6 percent.

## Items affecting comparability

At the end of April, we announced a controlled exit from our operations and investments in Russia. The exit has resulted in an estimated non-recurring cost of SEK 350 million, affecting the income statement in the second quarter.

## Net financial cost and tax costs

Net financial cost amounted to SEK 24 million (50). The financial cost increased due to increased financing of working capital, higher interest rates in general, and higher borrowing

in high-interest rate countries, offset by a positive effect related to reporting in hyperinflationary economies (IAS 29). Reported tax costs correspond to an average tax rate of 29 percent (32). The expenses reported as items affecting comparability could not in full be utilized as a tax credit. This increased the average tax rate by 5 percentage points.

## Earnings per share

Earnings per share amounted to SEK 2.50 (1.94), impacted by the item affecting comparability – our decision to exit Russia. Excluding this impact, earnings per share amounted to SEK 3.73 (3.06).

## Cash flow and investments

Operating cash flow including changes in working capital amounted to negative SEK 1,095 million (positive 289). Cash flow from working capital amounted to negative SEK 2,386 million (negative 1,047). There was a negative cash flow from inventory and accounts receivables in the period due to continued high raw material prices. Cash flow from accounts payables was positive, driven by high raw material prices, partly offset by one-off effects due to changes in contractual payment terms and changes in sourcing patterns.

Cash outflow from investment activities amounted to SEK 482 million (272), of which SEK 0 million (19) related to acquisitions of operations. Capital expenditure was mainly related to regular maintenance investments and capacity increases.

Raw material prices increased during the first six months 2022. Based on the duration of our contract portfolio, there is a time lag of 6–9 months until we see the cash flow effect from the price volatility. This implies a continued negative impact on working capital during the remainder of 2022.

## Employees

The average number of employees at June 30, 2022, was 4,064 (4,013 at December 31, 2021).

# General information

## Related parties

No significant changes have taken place in relations or transactions with related parties since 2021.

## Risks and uncertainty factors

AAK's operations are constantly exposed to risks, threats and external factors with an impact on the company. Through a proactive approach to business intelligence, the company aims to anticipate changes in factors affecting operations. Plans and policies are adjusted continuously to counteract potential negative effects. Active risk management, such as hedging raw material prices and currencies, reduces the risks that the company faces.

Efficient risk management is an ongoing process conducted within the framework of business control and is part of the ongoing review and forward-looking assessment of operations.

AAK's long-term risk exposure is assumed not to deviate from the inherent exposure associated with AAK's ongoing business operations.

The war in Ukraine is affecting the global economy and adding to already high inflationary pressures and volatility, contributing to a demanding macro-economic climate. During the quarter, raw material prices traded at record levels and costs for transport and logistics remained high.

AAK's Board of Directors and Executive Committee have, since the publication of the Annual Report 2021, reviewed the development of significant risks and uncertainties, and can confirm that there have not been any other changes than what has been commented on in respect of market developments during 2022.

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

## Accounting policies in 2022

This interim report is prepared in accordance with IAS 34, Interim Financial Reporting, and applicable rules in the Swedish Annual Accounts Act. During the second quarter, Turkey was to be considered a hyperinflationary economy and AAK applied Reporting in hyperinflationary economies (IAS 29). This resulted in a financial income of SEK 42 million, affecting the income statement in the second quarter and an adjustment of the opening equity January 1, 2022, of SEK 38 million. Other accounting principles correspond to the principles applied in the preparation of the Annual Report 2021.

## 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](http://www.aak.com) under the Investor tab. For reconciliation of Alternative Performance Measures, see pages 21–22.

## Definitions

For definitions, please see our Annual Report.

## Events after the reporting period

On July 15, 2022, AAK signed an agreement to invest in food tech start-up company Green-On to accelerate improved sustainability in future food applications. Green-On's concept is based on the so-called Power-to-X technology where the aim is to create raw materials – in this case oils and fats – directly from carbon dioxide, renewable energy, and water, thereby eliminating the need for arable land, one of the scarcest resources we have.

On the same day, we signed an agreement with Svensk Exportkredit (SEK) to renew an existing bond for SEK 500 million with a duration of one year. AAK has also issued two bonds with Svensk Exportkredit for SEK 500 million each, with a duration of 2 and 4 years, respectively. Both the renewal with SEK and the bond issue carries a floating interest rate.

## The Parent Company and Group Functions

AAK AB (publ.), corporate identity number 556669-2850, is the Parent Company of the AAK Group. Its functions are primarily activities related to the development and administration of the Group.

The result for the Parent Company after financial items amounted to negative SEK 50 million (negative 34). Interest-bearing liabilities minus cash and cash equivalents and interest-bearing assets totaled SEK 3,590 million (1,610 as of December 31, 2021). Investments in intangible and tangible assets were SEK 0 million (0).

The Parent Company's balance sheet and income statement are shown on pages 23–24. There are no major changes in the Parent Company's balance sheet since year-end.

The Parent company has prepared its financial reports in accordance with Chapter 9 of the Swedish Annual Accounts Act, Interim Report and RFR 2 Accounting for legal entities. The accounting principles correspond to the principles applied in the preparation of the Annual Report 2021.

## Audit review

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



Malmö, July 19, 2022

Georg Brunstam  
Chairman of the Board

Märta Schörling Andreen  
Board member

Gun Nilsson  
Board member

Patrik Andersson  
Board member

Marianne Kirkegaard  
Board member

David Alfredsson  
Trade union representative

Lena Nilsson  
Trade union representative

**For further information, please contact:**

Johan Holmqvist  
Acting Head of IR and Corporate Communications  
Mobile: +46 708 37 66 77  
E-mail: [johan.holmqvist@aak.com](mailto:johan.holmqvist@aak.com)

This information is information that AAK AB (publ.) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 12:00 noon CET on July 19, 2022.

# Condensed income statement

SEK million	Q2 2022	Q2 2021	Q1-Q2 2022	Q1-Q2 2021	Full year 2021
Net sales	12,563	8,188	23,802	15,797	35,452
Other operating income	62	45	91	91	186
Total operating income	12,625	8,233	23,893	15,888	35,638
Change in inventories of finished goods and work in progress	155	-21	229	-3	356
Raw materials and consumables	-10,178	-6,178	-19,045	-11,885	-27,219
Goods for resale	-318	-188	-562	-340	-834
Other external expenses	-827	-503	-1,544	-1,012	-2,346
Cost for remuneration to employees	-704	-686	-1,358	-1,259	-2,527
Depreciation, amortization and impairment losses	-203	-415	-391	-592	-958
Other operating expenses	-276	-5	-284	-9	-21
Total operating expenses	-12,351	-7,996	-22,955	-15,100	-33,549
Operating profit (EBIT)	274	237	938	788	2,089
Financial income	54	6	69	11	19
Financial expense	-60	-31	-93	-61	-121
Total financial net	-6	-25	-24	-50	-102
Profit before tax	268	212	914	738	1,987
Income tax	-108	-109	-262	-235	-540
Profit for the period	160	103	652	503	1,447
Attributable to non-controlling interests	5	3	7	5	10
Attributable to the Parent Company's shareholders	155	100	645	498	1,437
Earnings per share before dilution, SEK <sup>1)</sup>	0.60	0.39	2.50	1.94	5.59
Earnings per share after dilution, SEK <sup>2)</sup>	0.60	0.39	2.49	1.94	5.58

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

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

# Comprehensive income

SEK million	Q2 2022	Q2 2021	Q1-Q2 2022	Q1-Q2 2021	Full year 2021
Profit for the period	160	103	652	503	1,447
Items that will not be reclassified to profit or loss:					
Remeasurements of post-employment benefit obligations	-	9	-	9	12
	-	9	-	9	12
Items that may subsequently be reclassified to profit or loss:					
Translation differences	881	-128	1,291	382	682
Fair-value changes in cash flow hedges	7	2	18	3	5
Tax related to fair-value changes in cash flow hedges	-2	-1	-4	-1	-1
	886	-127	1,305	384	686
Total comprehensive income for the period	1,046	-15	1,957	896	2,145
Attributable to non-controlling interests	11	3	13	4	9
Attributable to the Parent Company's shareholders	1,035	-18	1,944	892	2,136



# Condensed balance sheet

SEK million	30.06.2022	30.06.2021	31.12.2021
<b>Assets</b>			
Goodwill	2,506	2,169	2,270
Other intangible assets	310	308	307
Property, plant and equipment	6,371	5,498	5,720
Right-of-use assets	583	666	595
Shares in associated companies	19	18	16
Financial assets	58	37	43
Deferred tax assets	214	156	179
<b>Total non-current assets</b>	<b>10,061</b>	<b>8,852</b>	<b>9,130</b>
Inventory	10,995	7,423	9,054
Accounts receivables	6,657	4,356	5,132
Current receivables	3,846	1,945	2,849
Cash and cash equivalents	1,680	1,139	1,001
<b>Total current assets</b>	<b>23,178</b>	<b>14,863</b>	<b>18,036</b>
<b>Total assets</b>	<b>33,239</b>	<b>23,715</b>	<b>27,166</b>
<b>Equity and liabilities</b>			
Shareholders' equity	13,432	10,155	11,783
Non-controlling interests	44	43	48
<b>Total equity including non-controlling interests</b>	<b>13,476</b>	<b>10,198</b>	<b>11,831</b>
Liabilities to banks and credit institutions	2,533	2,097	1,611
Pension liabilities	279	253	271
Lease liabilities	491	564	493
Deferred tax liabilities	408	430	444
Other non-current liabilities	279	422	361
<b>Total non-current liabilities</b>	<b>3,990</b>	<b>3,766</b>	<b>3,180</b>
Liabilities to banks and credit institutions	4,347	2,003	2,333
Lease liabilities	123	130	128
Accounts payables	6,363	4,525	5,696
Other current liabilities	4,940	3,093	3,998
<b>Total current liabilities</b>	<b>15,773</b>	<b>9,751</b>	<b>12,155</b>
<b>Total equity and liabilities</b>	<b>33,239</b>	<b>23,715</b>	<b>27,166</b>

# Condensed change in equity

## 2022

SEK million	Shareholders' equity	Non-controlling interests	Total equity incl. non-controlling interests
Opening balance January 1, 2022	11,783	48	11,831
Adjustment Opening balance IAS29	38	-	38
Adjusted Opening balance January 1, 2022	11,821	48	11,869
Profit for the period	645	7	652
Other comprehensive income	1,299	6	1,305
Total comprehensive income	1,944	13	1,957
New issue of shares	6	-	6
Subscription warrants	74	-	74
Exit Russia	233	-17	216
Dividend	-646	-	-646
Closing balance June 30, 2022	13,432	44	13,476

## 2021

SEK million	Shareholders' equity	Non-controlling interests	Total equity incl. non-controlling interests
Opening balance January 1, 2021	9,699	39	9,738
Profit for the period	498	5	503
Other comprehensive income	394	-1	393
Total comprehensive income	892	4	896
New issue of shares	154	-	154
Dividend	-590	-	-590
Closing balance June 30, 2021	10,155	43	10,198



# Condensed cash flow statement

SEK million	Q2 2022	Q2 2021	Q1-Q2 2022	Q1-Q2 2021	Full year 2021
<b>Operating activities</b>					
Operating profit	274	237	938	788	2,089
Depreciation and amortization	203	415	391	592	958
Adjustment for other items not included in cash flow	166	3	301	202	204
Interest paid and received	7	-18	-3	-35	-73
Tax paid	-213	-116	-336	-211	-521
Cash flow before changes in working capital	437	521	1,291	1,336	2,657
Changes in inventory	-569	-832	-1,378	-711	-2,181
Changes in accounts receivables	-527	-184	-1,177	-933	-1,710
Changes in accounts payables	749	796	230	754	1,793
Changes in other working capital items	-35	-70	-61	-157	-51
Changes in working capital	-382	-290	-2,386	-1,047	-2,149
Cash flow from operating activities	55	231	-1,095	289	508
<b>Investing activities</b>					
Acquisition of intangible assets and property, plant and equipment	-271	-143	-501	-253	-619
Acquisition of operations and shares, net of cash acquired	-	-11	-	-19	-31
Proceeds from sale of property, plant and equipment	16	0	19	0	0
Cash flow from investing activities	-255	-154	-482	-272	-650
<b>Financing activities</b>					
Changes in loans	1,265	435	2,822	421	242
Amortization of lease liabilities	-37	-38	-72	-77	-151
New issue of shares	-	12	6	154	434
Subscription warrants	74	-	74	-	-
Dividend paid	-646	-590	-646	-590	-590
Cash flow from financing activities	656	-181	2,184	-92	-65
Cash flow for the period	456	-104	607	-75	-207
Cash and cash equivalents at start of period	1,165	1,245	1,001	1,200	1,200
Exchange rate difference for cash equivalents	59	-2	72	14	8
Cash and cash equivalents at end of period	1,680	1,139	1,680	1,139	1,001

# Key ratios

SEK million (unless otherwise stated)	Q2 2022	Q2 2021	Δ %	Q1-Q2 2022	Q1-Q2 2021	Δ %	Full year 2021
<b>Income statement</b>							
Volumes, '000 MT	554	550	+1	1,129	1,119	+1	2,312
Operating profit	274	237	+16	938	788	+19	2,089
Operating profit excluding IAC	624	541	+15	1,288	1,092	+18	2,393
Profit for the period	160	103	+55	652	503	+30	1,447
Profit for the period excluding IAC	479	389	+23	971	789	+23	1,733
<b>Financial position</b>							
Total assets	33,239	23,715	+40	33,239	23,715	+40	27,166
Equity	13,476	10,198	+32	13,476	10,198	+32	11,831
Net working capital	10,209	6,140	+66	10,209	6,140	+66	7,327
Net debt	6,095	3,937	+55	6,095	3,937	+55	3,817
<b>Cash flow</b>							
Cash flow from operating activities	55	231	-	-1,095	289	-	508
Cash flow from investing activities	-255	-154	-	-482	-272	-	-650
<b>Share data</b>							
Number of shares, thousand	258,551	256,514	+1	258,551	256,514	+1	258,501
Earnings per share before dilution, SEK <sup>1)</sup>	0.60	0.39	+54	2.50	1.94	+29	5.59
Earnings per share after dilution, SEK <sup>2)</sup>	0.60	0.39	+54	2.49	1.94	+28	5.58
Equity per share, SEK	51.95	39.59	+31	51.95	39.59	+31	45.58
Market value on closing date, SEK	166.90	191.80	-16	166.90	191.80	-16	195.30
<b>Other key ratios</b>							
Volume growth, percent	+1	+14	-	+1	+7	-	+5
Operating profit per kilo, SEK	0.49	0.43	+14	0.83	0.70	+19	0.90
Operating profit per kilo excluding IAC, SEK	1.13	0.98	+15	1.14	0.98	+16	1.04
Return on Capital Employed (R12 months), percent	15.0	15.4	-3	15.0	15.4	-3	15.6
Net debt / EBITDA, multiple	2.03	1.33	+52	2.03	1.33	+52	1.25

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

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

# Quarterly data by business area

## Operating profit

SEK million	2021 Q1	Q2	Q3	Q4	Full year	2022 Q1	Q2
Food Ingredients	313	39	387	337	1,076	369	342
Chocolate & Confectionery Fats	233	205	234	299	971	258	-70
Technical Products & Feed	44	31	56	83	214	81	46
Group Functions	-39	-38	-35	-60	-172	-44	-44
Operating profit AAK Group	551	237	642	659	2,089	664	274
Financial net	-25	-25	-26	-26	-102	-18	-6
Profit before tax	526	212	616	633	1,987	646	268

## Operating profit excluding items affecting comparability

SEK million	2021 Q1	Q2	Q3	Q4	Full year	2022 Q1	Q2
Food Ingredients	313	343	387	337	1,380	369	406
Chocolate & Confectionery Fats	233	205	234	299	971	258	216
Technical Products & Feed	44	31	56	83	214	81	46
Group Functions	-39	-38	-35	-60	-172	-44	-44
Operating profit AAK Group	551	541	642	659	2,393	664	624
Financial net	-25	-25	-26	-26	-102	-18	-6
Profit before tax	526	516	616	633	2,291	646	618

# Net sales by market

## 2022

SEK million	FI Q2 2022	CCF Q2 2022	TPF Q2 2022	Total Q2 2022	FI Q1-Q2 2022	CCF Q1-Q2 2022	TPF Q1-Q2 2022	Total Q1-Q2 2022
Europe	3,022	1,533	767	5,322	5,740	3,087	1,458	10,285
North and South America	4,027	1,553	0	5,580	7,582	2,908	0	10,490
Asia	964	517	0	1,481	1,753	937	0	2,690
Other countries	106	74	0	180	185	152	0	337
Net sales	8,119	3,677	767	12,563	15,260	7,084	1,458	23,802

## 2021

SEK million	FI Q2 2021	CCF Q2 2021	TPF Q2 2021	Total Q2 2021	FI Q1-Q2 2021	CCF Q1-Q2 2021	TPF Q1-Q2 2021	Total Q1-Q2 2021
Europe	2,260	1,091	441	3,792	4,282	2,191	918	7,391
North and South America	2,551	850	0	3,401	4,670	1,677	0	6,347
Asia	650	260	0	910	1,306	556	0	1,862
Other countries	47	38	0	85	119	78	0	197
Net sales	5,508	2,239	441	8,188	10,377	4,502	918	15,797



# Financial instruments

SEK million	30.06.2022	31.12.2021	Hierarchy level
<b>Assets at fair value through profit and loss</b>			
Currency and raw material derivatives	751	1,036	2
Sales and purchase contracts	1,542	882	2
Investment in funds	42	26	3
<b>Derivatives used in cash flow hedges</b>			
Interest rate swaps	23	5	1
<b>Assets at amortized cost</b>			
Financial non-current assets	5	4	-
Accounts receivables	6,657	5,132	-
Financial current assets	0	25	-
Cash and cash equivalents	1,680	1,001	-
<b>Total financial assets</b>	<b>10,700</b>	<b>8,111</b>	
<b>Liabilities at fair value through profit and loss</b>			
Currency and raw material derivatives	605	241	2
Sales and purchase contracts	1,328	1,420	2
<b>Liabilities at amortized cost</b>			
Liabilities to banks and credit institutions	6,880	3,944	-
Lease liabilities	614	621	-
Other interest-bearing liabilities	12	12	-
<b>Total financial liabilities</b>	<b>9,439</b>	<b>6,238</b>	

# Alternative Performance Measures (APMs)

## Organic volume growth

Percent	Q2 2022	Q2 2021	Q1-Q2 2022	Q1-Q2 2021	Full year 2021
<b>Food Ingredients</b>					
Organic volume growth	-2	18	0	6	4
Acquisitions/divestments	-	-	-	-	-
Volume growth	-2	18	0	6	4
<b>Chocolate &amp; Confectionery Fats</b>					
Organic volume growth	7	28	6	20	16
Acquisitions/divestments	-	-	-	-	-
Volume growth	7	28	6	20	16
<b>Technical Products &amp; Feed</b>					
Organic volume growth	6	-15	-3	-7	-1
Acquisitions/divestments	-	-	-	-	-
Volume growth	6	-15	-3	-7	-1
<b>AAK Group</b>					
Organic volume growth	1	14	1	7	5
Acquisitions/divestments	-	-	-	-	-
Volume growth	1	14	1	7	5

## EBITDA

SEK million	Q2 2022	Q2 2021	Q1-Q2 2022	Q1-Q2 2021	Full year 2021
Operating profit (EBIT)	274	237	938	788	2,089
Depreciation and amortization	203	415	391	592	958
EBITDA	477	652	1,329	1,380	3,047

## Operating profit excl. items affecting comparability (IAC)

SEK million	Q2 2022	Q2 2021	Q1-Q2 2022	Q1-Q2 2021	Full year 2021
<b>Food Ingredients</b>					
Operating profit excl. IAC	406	343	775	656	1,380
Exit Russia	-64	-	-64	-	-
Optimization European bakery business	-	-304	-	-304	-304
Operating profit	342	39	711	352	1,076
<b>Chocolate &amp; Confectionery Fats</b>					
Operating profit excl. IAC	216	205	474	438	971
Exit Russia	-286	-	-286	-	-
Operating profit	-70	205	188	438	971
<b>Technical Products &amp; Feed</b>					
Operating profit excl. IAC	46	31	127	75	214
Operating profit	46	31	127	75	214
<b>AAK Group</b>					
Operating profit excl. IAC	624	541	1,288	1,092	2,393
Exit Russia	-350	-	-350	-	-
Optimization European bakery business	-	-304	-	-304	-304
Operating profit	274	237	938	788	2,089

## Return on Capital Employed (ROCE)

SEK million	R12M 30.06.2022	R12M 31.12.2021
Total assets	27,996	24,270
Cash and cash equivalents	-1,197	-1,117
Financial assets	-22	-12
Accounts payables	-5,320	-4,458
Other non-interest-bearing liabilities	-4,210	-3,385
Capital employed	17,247	15,298
Operating profit excl. items affecting comparability	2,589	2,393
Return on Capital Employed (ROCE), percent	15.0	15.6

## Net working capital

SEK million	30.06.2022	31.12.2021
Inventory	10,995	9,054
Accounts receivables	6,657	5,132
Other current receivables, non-interest-bearing	3,835	2,818
Accounts payables	-6,363	-5,696
Other current liabilities, non-interest-bearing	-4,915	-3,981
Net working capital	10,209	7,327

## Net debt

SEK million	30.06.2022	31.12.2021
Current interest-bearing receivables	10	31
Cash and cash equivalents	1,680	1,001
Pension liabilities	-279	-271
Lease liabilities	-614	-621
Non-current liabilities to banks and credit institutions	-2,533	-1,611
Current liabilities to banks and credit institutions	-4,347	-2,333
Other interest-bearing liabilities	-12	-13
Net debt	-6,095	-3,817

## Net debt/EBITDA

SEK million	30.06.2022	31.12.2021
Net debt	6,095	3,817
EBITDA (rolling 12 months)	2,996	3,047
Net debt/EBITDA, multiple	2.03	1.25

## Equity to assets ratio

SEK million	30.06.2022	31.12.2021
Shareholders' equity	13,432	11,783
Non-controlling interests	44	48
Total equity including non-controlling interests	13,476	11,831
Total assets	33,239	27,166
Equity to assets ratio, percent	40.5	43.6

# Income statement – Parent Company

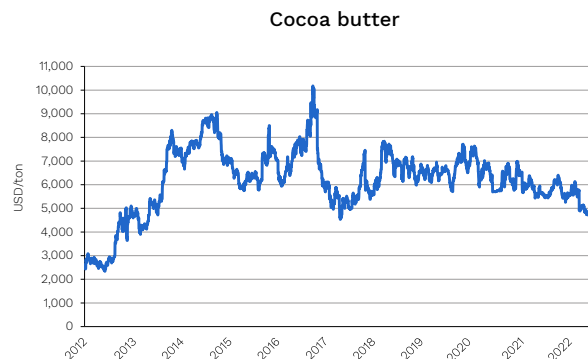
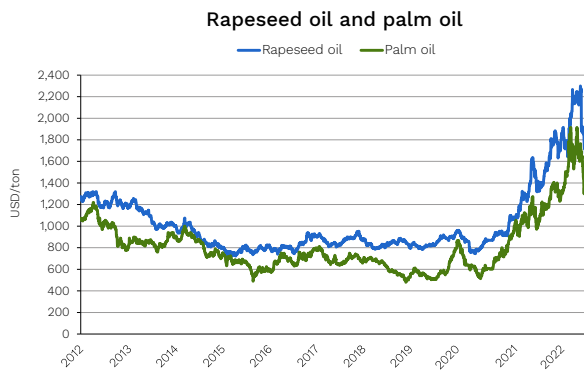
SEK million	Q2 2022	Q2 2021	Q1-Q2 2022	Q1-Q2 2021	Full year 2021
Net sales	32	37	64	74	116
Total operating income	32	37	64	74	116
Other external expenses	-34	-16	-63	-40	-88
Cost for remuneration to employees	-22	-26	-50	-49	-113
Depreciation, amortization and impairment losses	-1	-2	-3	-4	-6
Total operating expenses	-57	-44	-116	-93	-207
Operating profit (EBIT)	-25	-7	-52	-19	-91
Dividend from Group companies	-	-	-	-	1,039
Profit from interest in Group companies	-	-	-	-	82
Interest income and similar items	7	-	18	-	0
Interest expense and similar items	-10	-8	-16	-15	-28
Total financial net	-3	-8	2	-15	1,093
Profit before tax	-28	-15	-50	-34	1,002
Income tax	9	1	13	5	0
Profit for the period	-19	-14	-37	-29	1,002



# Condensed balance sheet – Parent Company

SEK million	30.06.2022	31.12.2021
<b>Assets</b>		
Other intangible assets	9	10
Property, plant and equipment	1	1
Right-of-use assets	4	6
Financial assets	10,176	9,682
Deferred tax assets	5	5
<b>Total non-current assets</b>	<b>10,195</b>	<b>9,704</b>
Current receivables	458	374
Cash and cash equivalents	4	-
<b>Total current assets</b>	<b>462</b>	<b>374</b>
<b>Total assets</b>	<b>10,657</b>	<b>10,078</b>
<b>Equity and liabilities</b>		
Shareholders' equity	6,697	7,373
Non-controlling interests	-	-
<b>Total equity including non-controlling interests</b>	<b>6,697</b>	<b>7,373</b>
Liabilities to banks and credit institutions	2,000	1,000
Lease liabilities	0	2
Other non-current liabilities	27	27
<b>Total non-current liabilities</b>	<b>2,027</b>	<b>1,029</b>
Liabilities to banks and credit institutions	1,850	1,600
Lease liabilities	3	3
Accounts payables	9	6
Other current liabilities	71	67
<b>Total current liabilities</b>	<b>1,933</b>	<b>1,676</b>
<b>Total equity and liabilities</b>	<b>10,657</b>	<b>10,078</b>

# Price trends in raw materials



For information regarding cocoa and cocoa butter please refer to information at [www.icco.org](http://www.icco.org)

## Additional information

### Press and analyst conference

AAK will host a conference call on July 19, 2022 at 1 p.m. CET. The conference call can be accessed via our website, [www.aak.com](http://www.aak.com).

The annual and quarterly reports are also published on [www.aak.com](http://www.aak.com).

### Financial calendar 2022-2023

The interim report for the third quarter 2022 will be published on October 25, 2022.

A Capital Market Day will be held in Stockholm, Sweden on November 29, 2022.

The interim report for the fourth quarter and year-end report 2022 will be published on February 2, 2023.

### 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.

### Investor Relations contact:

Johan Holmqvist  
Acting Head of IR and Corporate Communications  
Mobile: +46 708 37 66 77  
E-mail: [johan.holmqvist@aak.com](mailto:johan.holmqvist@aak.com)

# Everything we do is about Making Better Happen™

AAK specializes in plant-based oils that are the value-adding ingredients in many of the products people love to consume. We make these products better tasting, healthier, and more sustainable. We enhance their sensory experience – by giving the silkier mouthfeel in premium chocolate, the juicier texture in a plant-based burger, and the puffier appearance in a lower-fat pastry.

We can also optimize their production by substituting existing ingredients with plant-based equivalents that give better efficiency. AAK's value-adding solutions enable our customers to be successful in a better way.

At the heart of AAK's offer is Customer Co-Development, combining our desire to understand what better means for each customer, with the unique flexibility of our production assets, and a deep knowledge of many products and industries, including Chocolate & Confectionery, Bakery, Dairy, Plant-based Foods, Special Nutrition, Foodservice and Personal Care.

Our 4,000 employees support our close collaboration with customers through 25 regional sales offices, 15 dedicated Customer Innovation Centers, and with the support of more than 20 production facilities.

Listed on Nasdaq Stockholm and with our headquarters in Malmö, Sweden, AAK has been Making Better Happen™ for more than 150 years.



Explore more at  
[www.aak.com](http://www.aak.com)

Or contact us at  
[info@aaak.com](mailto:info@aaak.com)