

Third quarter 2022

# Interim report



# Financial highlights

## Q3 2022

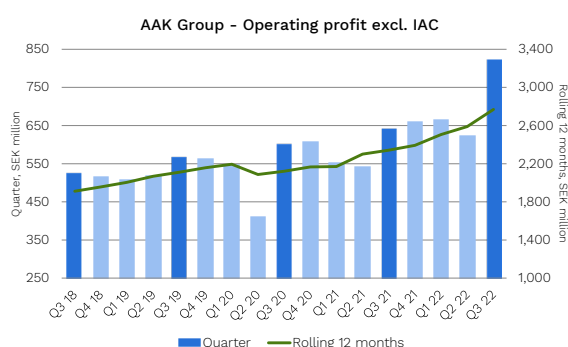
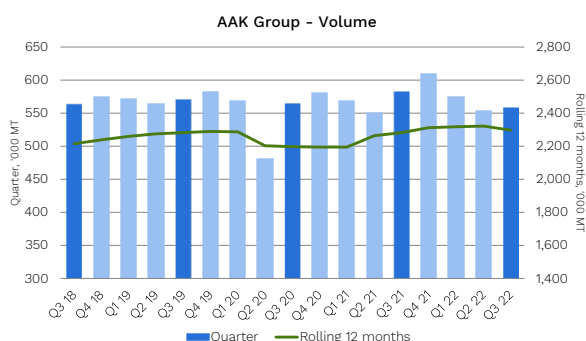
- Total volumes decreased by 4 percent, to 559,000 MT (583,000).
- Operating profit, including a positive currency translation impact of SEK 148 million, increased by 28 percent, reaching SEK 822 million (642). At fixed foreign exchange rates, operating profit increased by 5 percent.
- Profit for the period amounted to SEK 611 million (464).
- Earnings per share amounted to SEK 2.36 (1.80).
- Cash flow from operating activities amounted to negative SEK 40 million (negative 20).
- Return on Capital Employed (ROCE), R12M, was 14.8 percent (15.6 at December 31, 2021).

## Q1–Q3 2022

- Total volumes decreased by 1 percent, to 1,688,000 MT (1,702,000).
- Operating profit, excluding the IAC (adjusted operating profit), but including a positive currency translation impact of SEK 263 million, increased by 22 percent, reaching SEK 2,110 million (1,734). At fixed foreign exchange rates, the increase was 7 percent.
- 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 1,263 million (967). Excluding IAC, profit for the period amounted to SEK 1,581 million (1,253).
- Earnings per share amounted to SEK 4.85 (3.74). Excluding IAC, earnings per share for the period amounted to SEK 6.09 (4.86).
- Cash flow from operating activities amounted to negative SEK 1,135 million (positive 269).
- Return on Capital Employed (ROCE), R12M, was 14.8 percent (15.6 at December 31, 2021).

	Q3 2022	Q3 2021	Δ %	Q1-Q3 2022	Q1-Q3 2021	Δ %	R12M 2022	Full year 2021
Volumes, '000 MT	559	583	-4	1,688	1,702	-1	2,298	2,312
Operating profit, SEK million	822	642	+28	1,760	1,430	+23	2,419	2,089
Operating profit excluding IAC, SEK million	822	642	+28	2,110	1,734	+22	2,769	2,393
Operating profit per kilo, SEK	1.47	1.10	+34	1.04	0.84	+24	1.05	0.90
Operating profit per kilo excluding IAC, SEK	1.47	1.10	+34	1.25	1.02	+23	1.20	1.04
Profit for the period, SEK million	611	464	+32	1,263	967	+31	1,743	1,447
Profit for the period excluding IAC, SEK million	611	464	+32	1,581	1,253	+26	2,061	1,733
Earnings per share, SEK	2.36	1.80	+31	4.85	3.74	+30	6.70	5.59
Earnings per share excluding IAC, SEK	2.36	1.80	+31	6.09	4.86	+25	7.94	6.71
Return on Capital Employed (R12M), percent	14.8	15.5	-5	14.8	15.5	-5	14.8	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 profit growth despite challenging macroeconomic climate

Yet another quarter has passed where we see high inflation that affects the global economy. Russia's war against Ukraine continues, contributing to record-high energy, transport, and logistics costs, in addition to an already difficult macro-economic environment. Despite the current challenges, I am happy to report that our Ukrainian business has resumed operations. As always, our colleagues' safety is our highest priority, especially in a transformative situation like this. At the same time, it is very encouraging to see our colleagues' determination and dedication under these challenging circumstances.

We are, despite high uncertainty and volatility, doing well. We have been able to manage the general price increases, and we have diligently worked with our product portfolio management successfully and effectively. During the quarter, raw material prices have declined from the record high levels seen during the year's first half. This is expected to have a positive effect on working capital and cash flow in the first half of next year.

Thanks to strong operational excellence we have delivered a strong third quarter in very challenging times. Operating profit grew by 28 percent, and operating profit per kilo increased by 34 percent, supported by a positive currency translation effect. All business areas contributed to the increase in operating profit. However, we see a slight decline in volumes during the quarter, down 4 percent versus last year. This is primarily a result of our exit from Russia and our optimization strategy for Bakery. Excluding Russia, volumes decreased by 1 percent.

## Business performance

Chocolate & Confectionery Fats reported a strong quarter, with volumes up by 1 percent and up by 11 percent excluding Russia. Volumes were particularly strong in Asia and South Latin America. Operating profit grew by 32 percent as a result of a focused value optimization strategy while replacing the Russian volumes with new opportunities in other markets. We see increased consumer demand for chocolate and confectionery in various sub segments, and we are well positioned for the growing trend in Asia.

Food Ingredients delivered a solid quarter with operating profit up by 23 percent. The increase was mainly driven by Special Nutrition and Bakery due to effective contract- and product portfolio management. Volumes for the business area declined by 4 percent, mainly driven by our continued effort to optimize the Bakery business in Europe and our exit from the Russian market. Excluding Russia, the decline was 3 percent.

Technical Products & Feed delivered a strong quarter, with operating profit up 36 percent despite declining volumes for both Feed and Technical Products. The solid trend for replacing fossil ingredients continues, and we remain well-positioned to serve this market.



## Investing in new technologies

In July we announced our investment in the food tech startup Green-On, to accelerate improved sustainability in future food applications. The concept is based on so-called Power-to-X technology. If scalable, this concept will produce a fat with functionalities needed in future food, and to a much lower environmental impact than any other known technology today, making it a perfect fit with AAK's strategy.

This is a result of AAK's partnership with Big Idea Ventures (BIV). Investing in new technologies through innovation and M&A is key to our commitment to lead sustainable food production and engage to transform the industry.

## Concluding remarks

Despite the challenges and uncertainties that we faced throughout the third 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 deliver value – something we have proven in the recent very dynamic years.

Although we expect continued high inflationary pressure and a demanding macroeconomic climate, we stay confident and 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, Q3 2022

## Volumes

Volumes amounted to 559,000 MT (583,000), a decrease by 4 percent compared to last year. Excluding Russia, the volumes decreased by 1 percent.

## Net sales

Sales amounted to SEK 13,306 million (9,214), an increase by 44 percent, due to higher raw material prices and a positive currency translation impact of SEK 1,066 million.

## Operating profit

Operating profit reached SEK 822 million (642), an increase by 28 percent compared to the corresponding quarter in 2021, mainly driven by improved profitability in Special Nutrition and Bakery, as well as our Feed business and natural ingredients. The exit from the Russian market impacted the quarter negatively by SEK 30 million compared to the corresponding quarter last year.

The currency translation impact was positive SEK 148 million, of which SEK 75 million related to Food Ingredients and SEK 73 million to Chocolate & Confectionery Fats. Operating profit at fixed foreign exchange rates increased by 5 percent.

Operating profit per kilo reached SEK 1.47 (1.10), an increase of 34 percent. The currency translation impact was positive SEK 0.26. At fixed foreign exchange rates operating profit per kilo increased by 10 percent.

## Net financial cost and tax costs

Net financial cost amounted to SEK 19 million (26). 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 24 percent (25).

## Earnings per share

Earnings per share amounted to SEK 2.36 (1.80).

## Cash flow and investments

Operating cash flow, including changes in working capital, amounted to negative SEK 40 million (negative 20). Cash flow from working capital amounted to negative SEK 985 million (negative 713). There was a negative cash flow from inventory and accounts receivables in the quarter due to continued impact from high raw material prices. Cash flow from accounts payables was negative, mainly driven by timing in raw material purchases.

Cash outflow from investment activities amounted to SEK 263 million (163), of which SEK 0 million (12) related to acquisitions of operations. Capital expenditure was mainly related to regular maintenance investments and capacity increases.

Raw material prices decreased during the third quarter of 2022, but 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-month basis, Return on Capital Employed (ROCE) was 14.8 percent (15.6 at December 31, 2021).

## Financial position

The equity/assets ratio amounted to 43 percent (44 percent at December 31, 2021). Net debt at September 30, 2022, amounted to SEK 6,251 million (SEK 3,817 million at December 31, 2021). Net debt/EBITDA amounted to 1.96 (1.25 as of December 31, 2021).

At September 30, 2022, the Group had total credit facilities of SEK 9,766 million (7,715 as of December 31, 2021), whereof SEK 8,218 million (6,374 as of December 31, 2021) in committed credit facilities. Unused committed credit facilities at September 30, 2022, amounted to SEK 4,011 million (4,248 as of December 31, 2021). Non-committed credit facilities amounted to SEK 1,548 million (1,341 as of December 31, 2021), whereof SEK 890 million (511 as of December 31, 2021) were unused.

## Selected key events

### AAK invests in food tech company Green-On to accelerate sustainability in future food applications

On July 15 AAK signed an investment made in Green-On, a Swedish food tech start-up. Their concept is based on so-called Power-to-X technology with the ambition to create oils and fats for food and other applications, directly from carbon dioxide, renewable energy, and water.

If scalable, this technology provides the exact part of the fat that is needed to create the functionality of solid, high-melting fats, which are used in, for example, plant-based meat, bakery, and confectionary applications, at a much lower environmental impact than any other known technology today.

As part of the investment, AAK will provide expertise in oils and fats as well as facilities to support and further develop Green-On and its work.

### AAK to renew and issue bonds for a total of SEK 1.5 billion

On July 15 AAK signed an agreement with Svensk Exportkredit (SEK) to renew an existing bond for SEK 500 million with an expiration and renewal date during the month of August. This bond has a duration of one year and carries a floating interest rate.

AAK also issued two new bonds with Svensk Exportkredit for SEK 500 million each, with a duration of two and four years, respectively. These bonds carry a floating interest rate. AAK intends to sustainability-link these two bonds.

The proceeds from the bond issues will be used to broaden AAK's funding base and for general corporate purposes.

### AAK signed a green loan of SEK 500 million

On September 27 AAK signed a bilateral green loan of SEK 500 million structured by Mizuho Bank, Ltd. The loan has a duration of 3 years.

The loan is closely linked to AAK's sustainability targets and commitment to accelerate its reduction of greenhouse gas emissions and will be used for the previously communicated investment in biomass boilers at the AAK production plant in Aarhus, Denmark.

The bio boilers are expected to reduce the plant's CO<sub>2</sub> emissions by approximately 90 percent. They will also generate substantial savings as fossil fuel will be replaced by shea meal, a by-product of the plant's shea oil extraction process. This will in turn generate ash, which can be utilized in fertilizing products. The project is expected to be completed by the end of 2023.



*AAK will invest SEK 500 million to install biomass boilers at its production plant in Aarhus, Denmark – an initiative that is expected to reduce the plant's CO<sub>2</sub> emissions by approximately 90 percent.*

# Food Ingredients, Q3 2022\*

Operating profit +23%		Q3 2022	Q3 2021	Δ %	Q1-Q3 2022	Q1-Q3 2021	Δ %	R12M 2022	Full year 2021
	Volumes, '000 MT	353	368	-4	1,072	1,087	-1	1,461	1,476
Operating profit per kilo +28%	Net sales, SEK million	8,538	6,087	+40	23,798	16,464	+45	30,579	23,245
	Operating profit, SEK million	476	387	+23	1,251	1,043	+20	1,588	1,380
	Operating profit per kilo, SEK	1.35	1.05	+28	1.17	0.96	+22	1.09	0.93

## Volumes

Volumes for the business area decreased by 4 percent. Excluding Russia, the volumes decreased by 3 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. In addition, volumes were negatively affected by our exit from the Russian market.

Dairy volumes were flat in the quarter. Volumes increased in Europe while decreasing in Asia.

Speciality fat systems for Plant-based Foods declined, driven by plant-based meat solutions. This is a continuation of a slowdown since late last year.

Special Nutrition volumes were down, with decline in both high-end and semi-speciality solutions in sub-segment Infant Nutrition, primarily in Asia.

In Foodservice volumes were flat. Volumes grew in continental Europe while declining in the UK, partly driven by supply chain issues of non-oil input materials.

## Net sales

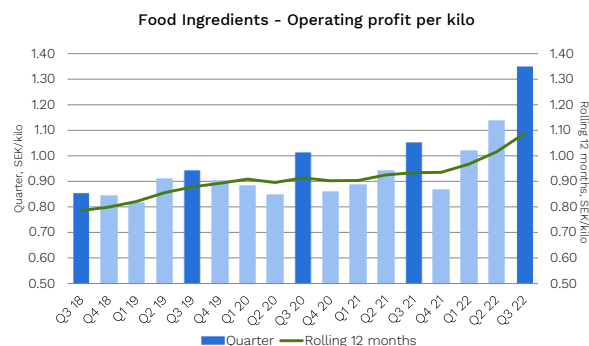
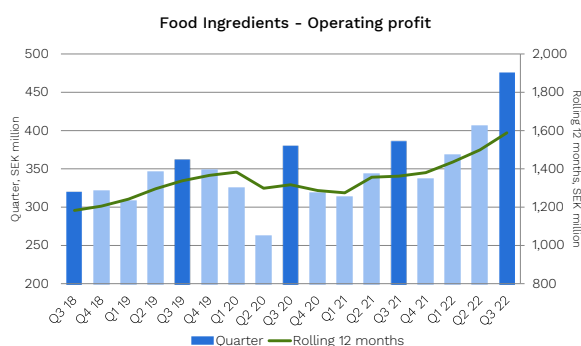
Sales amounted to SEK 8,538 million (6,087), an increase by 40 percent or SEK 2,451 million. The increase related to price adjustments due to increased raw material prices, as well as a positive currency translation impact of SEK 783 million.

## Operating profit

Operating profit increased by 23 percent to SEK 476 million (387). The currency translation impact was positive and amounted to SEK 75 million. At fixed foreign exchange rates, operating profit increased by 4 percent.

Operating profit for the business area was mainly driven by an improved profitability in Special Nutrition and Bakery. Our dedicated work with contract- and product portfolio management, and to some extent declining raw material prices, the latter specifically affecting Special Nutrition, contributed to the positive impact in the quarter.

Operating profit per kilo increased to SEK 1.35 (1.05). The currency translation impact was positive SEK 0.21. At fixed foreign exchange rates, operating profit per kilo grew 9 percent.



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







# Chocolate & Confectionery Fats, Q3 2022\*

	Q3 2022	Q3 2021	Δ %	Q1-Q3 2022	Q1-Q3 2021	Δ %	R12M 2022	Full year 2021
<b>Operating profit +32%</b>								
Volumes, '000 MT	133	132	+1	396	380	+4	535	519
Net sales, SEK million	4,057	2,568	+58	11,141	7,070	+58	14,187	10,116
Operating profit, SEK million	310	234	+32	784	672	+17	1,083	971
Operating profit per kilo, SEK	2.33	1.77	+31	1.98	1.77	+12	2.02	1.87
<b>Operating profit per kilo +31%</b>								

## Volumes

Volumes increased by 1 percent. Excluding our exit from the Russian market, volumes increased by 11 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, but our volumes declined in Europe due to our exit from Russia. However, volumes increased in the region, excluding Russia. We are on track to meet our ambition to gradually re-route some of the Russian volumes to other geographies.

## Net sales

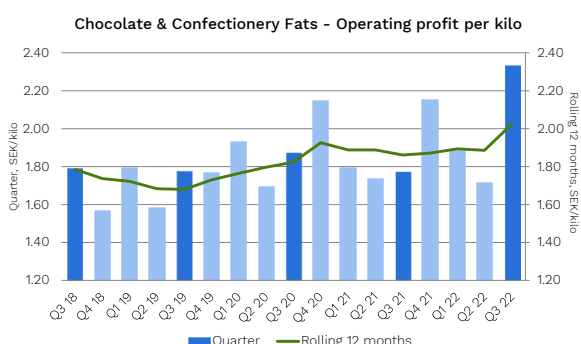
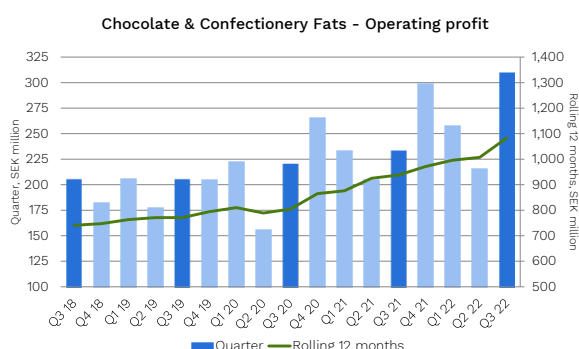
Net sales for the business area amounted to SEK 4,057 million (2,568), a 58 percent increase. This related to volume growth, price adjustments due to higher raw material prices, as well as a positive currency translation impact of SEK 283 million.

## Operating profit

Operating profit reached SEK 310 million (234), an increase by 32 percent compared to the corresponding quarter last year. The currency translation impact was positive SEK 73 million. At fixed foreign exchange rates, operating profit increased by 1 percent.

Our decision to exit the Russian market impacted the quarter negatively by SEK 30 million compared to last year. We expect the annual impact on operating profit to be approximately SEK 100 million. Excluding this impact, the business area showed strong performance in a continued competitive market.

Operating profit per kilo increased and amounted to SEK 2.33 (1.77). The currency translation impact was positive SEK 0.55. At fixed foreign exchange rates, operating profit per kilo increased by 1 percent.



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







# Technical Products & Feed, Q3 2022\*

<b>Operating profit +36%</b>		Q3 2022	Q3 2021	Δ %	Q1-Q3 2022	Q1-Q3 2021	Δ %	R12M 2022	Full year 2021
	Volumes, '000 MT	73	83	-12	220	235	-6	302	317
<b>Operating profit per kilo +54%</b>	Net sales, SEK million	711	559	+27	2,169	1,477	+47	2,783	2,091
	Operating profit, SEK million	76	56	+36	203	131	+55	286	214
	Operating profit per kilo, SEK	1.04	0.67	+54	0.92	0.56	+64	0.95	0.68

## Volumes

Volumes decreased by 12 percent. Volumes in our Feed business were slightly lower compared to a very strong third quarter last year.

Fatty acids volumes decreased partly driven by temporary de-stocking for natural ingredients as well as internal use of biofuels, linked to the high energy prices.

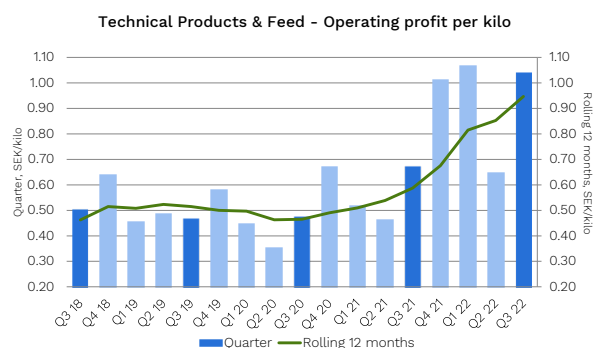
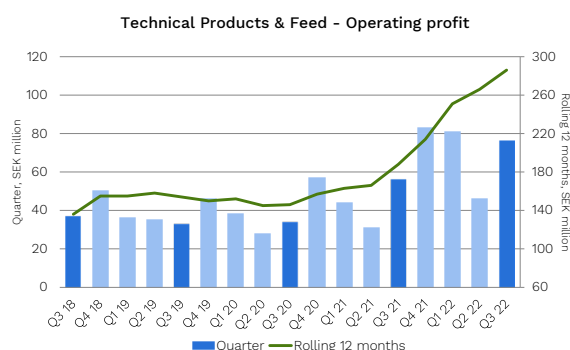
## Net sales

Net sales for the business area increased by SEK 152 million, to SEK 711 million.

## Operating profit

Operating profit reached SEK 76 million (56), up 36 percent compared to last year. This was mainly driven by improved profitability in natural ingredients through our dedicated work with contract- and product portfolio management, supported by operational improvements and favorable market conditions in our Feed business.

The business area reported an operating profit per kilo of SEK 1.04 (0.67), an increase by 54 percent.



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





# AAK Group, first nine months 2022

## Volumes

Volumes amounted to 1,688,000 MT (1,702,000), a decrease by 1 percent compared to last year. Excluding Russia, the volumes increased by 1%.

## Net sales

Sales amounted to SEK 37,108 million (25,011), an increase by 48 percent, due to higher raw material prices and a positive currency translation impact of SEK 2,279 million.

## Operating profit

Operating profit, excluding items affecting comparability, reached SEK 2,110 million (1,734), an increase by 22 percent compared to 2021, mainly driven by a continued recovery in Foodservice, improved profitability in Special Nutrition and Bakery, as well as our Feed business and natural ingredients. The exit from the Russian market impacted the first nine months negatively by SEK 60-70 million compared to the corresponding period last year.

The currency translation impact was positive SEK 263 million of which SEK 156 million related to Food Ingredients and SEK 107 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 1.25 (1.02), an increase of 23 percent. The currency translation impact was positive SEK 0.16. At fixed foreign exchange rates and excluding items affecting comparability, operating profit per kilo increased by 7 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. As previously communicated, AAK Margaron was divested during the second quarter.

## Net financial cost and tax costs

Net financial cost amounted to SEK 43 million (76). 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 26 percent (29). The expenses reported as items affecting comparability could not in full be utilized as a tax credit. This increased the average tax rate by 2 percentage points.

## Earnings per share

Earnings per share amounted to SEK 4.85 (3.74), impacted by the item affecting comparability – our decision to exit Russia. Excluding this impact, earnings per share amounted to SEK 6.09 (4.86).

## Cash flow and investments

Operating cash flow including changes in working capital amounted to negative SEK 1,135 million (positive 269). Cash flow from working capital amounted to negative SEK 3,371 million (negative 1,760). 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 negative, driven by one-off effects due to changes in a few contractual payment terms and changes in sourcing patterns, as well as by timing in raw material purchases.

Cash outflow from investment activities amounted to SEK 745 million (435), of which SEK 0 million (31) related to acquisitions of operations. Capital expenditure was mainly related to regular maintenance investments and capacity increases.

Raw material prices increased during the first part of the year and decreased during the third 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.

## Employees

The average number of employees on September 30, 2022, was 3,947 (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 macroeconomic climate. The costs for transports, logistics and energy remained high during the quarter.

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 69 million, affecting the income statement for the first nine months 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

No events to be reported.

## 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 94 million (989). Interest-bearing liabilities minus cash and cash equivalents and interest-bearing assets totaled SEK 3,398 million (1,610 as of December 31, 2021). Investments in intangible and tangible assets were SEK 0 million (1).

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

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.



Malmö, October 25, 2022

Johan Westman  
President and CEO

**For further information, please contact:**

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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 08:30 CET on October 25, 2022.

## Auditor's review report

AAK AB (publ.)  
Corp. Id. 556669-2850

### Introduction

We have reviewed the condensed interim financial information (interim report) of AAK AB (publ.) as of September 30, 2022, and the nine-month 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 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 International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information 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 practices and consequently does 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, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Malmö, October 25, 2022

KPMG AB

Jonas Nihlberg  
Authorized Public Accountant

# Condensed income statement

SEK million	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	Full year 2021
Net sales	13,306	9,214	37,108	25,011	35,452
Other operating income	24	46	115	137	186
Total operating income	13,330	9,260	37,223	25,148	35,638
Change in inventories of finished goods and work in progress.	-171	37	58	34	356
Raw materials and consumables	-10,185	-7,005	-29,230	-18,890	-27,219
Goods for resale	-289	-243	-851	-583	-834
Other external expenses	-963	-614	-2,507	-1,626	-2,346
Cost for remuneration to employees	-762	-607	-2,120	-1,866	-2,527
Depreciation, amortization, and impairment losses	-199	-184	-590	-776	-958
Other operating expenses	61	-2	-223	-11	-21
Total operating expenses	-12,508	-8,618	-35,463	-23,718	-33,549
Operating profit (EBIT)	822	642	1,760	1,430	2,089
Financial income	51	3	120	14	19
Financial expense	-70	-29	-163	-90	-121
Total financial net	-19	-26	-43	-76	-102
Profit before tax	803	616	1,717	1,354	1,987
Income tax	-192	-152	-454	-387	-540
Profit for the period	611	464	1,263	967	1,447
Attributable to non-controlling interests	1	1	8	6	10
Attributable to the Parent Company's shareholders	610	463	1,255	961	1,437
Earnings per share before dilution, SEK <sup>1)</sup>	2.36	1.80	4.85	3.74	5.59
Earnings per share after dilution, SEK <sup>2)</sup>	2.36	1.79	4.85	3.73	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	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	Full year 2021
Profit for the period	611	464	1,263	967	1,447
Items that will not be reclassified to profit or loss:					
Remeasurements of post-employment benefit obligations	138	12	138	21	12
	138	12	138	21	12
Items that may subsequently be reclassified to profit or loss:					
Translation differences	828	86	2,119	468	682
Fair-value changes in cash flow hedges	3	0	21	3	5
Tax related to fair-value changes in cash flow hedges	0	0	-4	-1	-1
	831	86	2,136	470	686
Total comprehensive income for the period	1,580	562	3,537	1,458	2,145
Attributable to non-controlling interests	1	2	14	6	9
Attributable to the Parent Company's shareholders	1,579	560	3,523	1,452	2,136



# Condensed balance sheet

SEK million	30.09.2022	30.09.2021	31.12.2021
<b>Assets</b>			
Goodwill	2,599	2,228	2,270
Other intangible assets	315	307	307
Property, plant and equipment	6,713	5,531	5,720
Right-of-use assets	699	565	595
Shares in associated companies	23	19	16
Financial assets	68	44	43
Deferred tax assets	217	174	179
<b>Total non-current assets</b>	<b>10,634</b>	<b>8,868</b>	<b>9,130</b>
Inventory	12,020	8,207	9,054
Accounts receivables	7,244	4,765	5,132
Current receivables	4,052	2,358	2,849
Cash and cash equivalents	1,410	999	1,001
<b>Total current assets</b>	<b>24,726</b>	<b>16,329</b>	<b>18,036</b>
<b>Total assets</b>	<b>35,360</b>	<b>25,197</b>	<b>27,166</b>
<b>Equity and liabilities</b>			
Shareholders' equity	15,162	11,097	11,783
Non-controlling interests	45	45	48
<b>Total equity including non-controlling interests</b>	<b>15,207</b>	<b>11,142</b>	<b>11,831</b>
Liabilities to banks and credit institutions	3,527	1,595	1,611
Pension liabilities	118	244	271
Lease liabilities	579	468	493
Deferred tax liabilities	545	453	444
Other non-current liabilities	280	353	361
<b>Total non-current liabilities</b>	<b>5,049</b>	<b>3,113</b>	<b>3,180</b>
Liabilities to banks and credit institutions	3,327	2,335	2,333
Lease liabilities	158	125	128
Accounts payables	6,214	4,673	5,696
Other current liabilities	5,405	3,809	3,998
<b>Total current liabilities</b>	<b>15,104</b>	<b>10,942</b>	<b>12,155</b>
<b>Total equity and liabilities</b>	<b>35,360</b>	<b>25,197</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	1,255	8	1,263
Other comprehensive income	2,268	6	2,274
Total comprehensive income	3,523	14	3,537
New issue of shares	147	-	147
Subscription warrants	80	-	80
Exit Russia	237	-17	220
Dividend	-646	-	-646
Closing balance September 30, 2022	15,162	45	15,207

## 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	961	6	967
Other comprehensive income	491	0	491
Total comprehensive income	1,452	6	1,458
New issue of shares	432	-	432
Non-controlling interest	104	0	104
Dividend	-590	-	-590
Closing balance September 30, 2021	11,097	45	11,142

# Condensed cash flow statement

SEK million	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	Full year 2021
<b>Operating activities</b>					
Operating profit	822	642	1,760	1,430	2,089
Depreciation and amortization	199	184	590	776	958
Adjustment for other items not included in cash flow	38	-4	339	198	204
Interest paid and received	-8	-18	-11	-53	-73
Tax paid	-106	-111	-442	-322	-521
Cash flow before changes in working capital	945	693	2,236	2,029	2,657
Changes in inventory	-585	-746	-1,963	-1,457	-2,181
Changes in accounts receivables	-329	-395	-1,506	-1,328	-1,710
Changes in accounts payables	-402	121	-172	875	1,793
Changes in other working capital items	331	307	270	150	-51
Changes in working capital	-985	-713	-3,371	-1,760	-2,149
Cash flow from operating activities	-40	-20	-1,135	269	508
<b>Investing activities</b>					
Acquisition of intangible assets and property, plant and equipment	-245	-151	-746	-404	-619
Acquisition of operations and shares, net of cash acquired	-	-12	-	-31	-31
Proceeds from sale of property, plant and equipment	-18	0	1	0	0
Cash flow from investing activities	-263	-163	-745	-435	-650
<b>Financing activities</b>					
Changes in loans	-125	-200	2,697	221	242
Amortization of lease liabilities	-37	-40	-109	-117	-151
New issue of shares	141	278	147	432	434
Subscription warrants	6	-	80	-	-
Dividend paid	-	-	-646	-590	-590
Cash flow from financing activities	-15	38	2,169	-54	-65
Cash flow for the period	-318	-145	289	-220	-207
Cash and cash equivalents at start of period	1,680	1,139	1,001	1,200	1,200
Exchange rate difference for cash equivalents	48	5	120	19	8
Cash and cash equivalents at end of period	1,410	999	1,410	999	1,001



# Key ratios

SEK million (unless otherwise stated)	Q3 2022	Q3 2021	Δ %	Q1-Q3 2022	Q1-Q3 2021	Δ %	Full year 2021
<b>Income statement</b>							
Volumes, '000 MT	559	583	-4	1,688	1,702	-1	2,312
Operating profit	822	642	+28	1,760	1,430	+23	2,089
Operating profit excluding IAC	822	642	+28	2,110	1,734	+22	2,393
Profit for the period	611	464	+32	1,263	967	+31	1,447
Profit for the period excluding IAC	611	464	+32	1,581	1,253	+26	1,733
<b>Financial position</b>							
Total assets	35,360	25,197	+40	35,360	25,197	+40	27,166
Equity	15,207	11,142	+36	15,207	11,142	+36	11,831
Net working capital	11,665	6,861	+70	11,665	6,861	+70	7,327
Net debt	6,251	3,776	+66	6,251	3,776	+66	3,817
<b>Cash flow</b>							
Cash flow from operating activities	-40	-20	-	-1,135	269	-	508
Cash flow from investing activities	-263	-163	-	-745	-435	-	-650
<b>Share data</b>							
Number of shares, thousand	259,559	258,495	+0	259,559	258,495	+0	258,501
Earnings per share before dilution, SEK <sup>1)</sup>	2.36	1.80	+31	4.85	3.74	+30	5.59
Earnings per share after dilution, SEK <sup>2)</sup>	2.36	1.79	+32	4.85	3.73	+30	5.58
Equity per share, SEK	58.41	42.93	+36	58.41	42.93	+36	45.58
Market value on closing date, SEK	147.35	188.75	-22	147.35	188.75	-22	195.30
<b>Other key ratios</b>							
Volume growth, percent	-4	+3	-	-1	+5	-	+5
Operating profit per kilo, SEK	1.47	1.10	+34	1.04	0.84	+24	0.90
Operating profit per kilo excluding IAC, SEK	1.47	1.10	+34	1.25	1.02	+23	1.04
Return on Capital Employed (R12 months), percent	14.8	15.5	-5	14.8	15.5	-5	15.6
Net debt / EBITDA, multiple	1.96	1.26	+56	1.96	1.26	+56	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	Q3
Food Ingredients	313	39	387	337	1,076	369	342	476
Chocolate & Confectionery Fats	233	205	234	299	971	258	-70	310
Technical Products & Feed	44	31	56	83	214	81	46	76
Group Functions	-39	-38	-35	-60	-172	-44	-44	-40
Operating profit AAK Group	551	237	642	659	2,089	664	274	822
Financial net	-25	-25	-26	-26	-102	-18	-6	-19
Profit before tax	526	212	616	633	1,987	646	268	803

## Operating profit excluding items affecting comparability

SEK million	2021 Q1	Q2	Q3	Q4	Full year	2022 Q1	Q2	Q3
Food Ingredients	313	343	387	337	1,380	369	406	476
Chocolate & Confectionery Fats	233	205	234	299	971	258	216	310
Technical Products & Feed	44	31	56	83	214	81	46	76
Group Functions	-39	-38	-35	-60	-172	-44	-44	-40
Operating profit AAK Group	551	541	642	659	2,393	664	624	822
Financial net	-25	-25	-26	-26	-102	-18	-6	-19
Profit before tax	526	516	616	633	2,291	646	618	803

# Net sales by market

## 2022

SEK million	FI Q3 2022	CCF Q3 2022	TPF Q3 2022	Total Q3 2022	FI Q1-Q3 2022	CCF Q1-Q3 2022	TPF Q1-Q3 2022	Total Q1-Q3 2022
Europe	3,042	1,310	711	5,063	8,782	4,397	2,169	15,348
North and South America	4,264	1,789	0	6,053	11,846	4,697	0	16,543
Asia	1,113	877	0	1,990	2,866	1,814	0	4,680
Other countries	119	81	0	200	304	233	0	537
Net sales	8,538	4,057	711	13,306	23,798	11,141	2,169	37,108

## 2021

SEK million	FI Q3 2021	CCF Q3 2021	TPF Q3 2021	Total Q3 2021	FI Q1-Q3 2021	CCF Q1-Q3 2021	TPF Q1-Q3 2021	Total Q1-Q3 2021
Europe	2,606	1,163	559	4,328	6,888	3,354	1,477	11,719
North and South America	2,598	972	0	3,570	7,268	2,649	0	9,917
Asia	829	391	0	1,220	2,135	947	0	3,082
Other countries	54	42	0	96	173	120	0	293
Net sales	6,087	2,568	559	9,214	16,464	7,070	1,477	25,011

# Financial instruments

SEK million	30.09.2022	31.12.2021	Hierarchy level
<i>Assets at fair value through profit and loss</i>			
Currency and raw material derivatives	475	1,036	2
Sales and purchase contracts	1,778	882	2
Investment in unlisted shares	7	-	3
Investment in funds	46	26	3
<i>Derivatives used in cash flow hedges</i>			
Interest rate swaps	26	5	2
<i>Assets at amortized cost</i>			
Financial non-current assets	6	4	-
Accounts receivables	7,244	5,132	-
Financial current assets	48	25	-
Cash and cash equivalents	1,410	1,001	-
<b>Total financial assets</b>	<b>11,040</b>	<b>8,111</b>	
<i>Liabilities at fair value through profit and loss</i>			
Currency and raw material derivatives	1,242	241	2
Sales and purchase contracts	822	1,420	2
<i>Liabilities at amortized cost</i>			
Liabilities to banks and credit institutions	6,854	3,944	-
Lease liabilities	737	621	-
Other interest-bearing liabilities	12	13	-
<b>Total financial liabilities</b>	<b>9,667</b>	<b>6,239</b>	



# Alternative Performance Measures (APMs)

## Organic volume growth

Percent	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	Full year 2021
<b>Food Ingredients</b>					
Organic volume growth	-4	-2	-1	3	4
Acquisitions/divestments	-	-	-	-	-
Volume growth	-4	-2	-1	3	4
<b>Chocolate &amp; Confectionery Fats</b>					
Organic volume growth	1	12	4	17	16
Acquisitions/divestments	-	-	-	-	-
Volume growth	1	12	4	17	16
<b>Technical Products &amp; Feed</b>					
Organic volume growth	-12	17	-6	0	-1
Acquisitions/divestments	-	-	-	-	-
Volume growth	-12	17	-6	0	-1
<b>AAK Group</b>					
Organic volume growth	-4	3	-1	5	5
Acquisitions/divestments	-	-	-	-	-
Volume growth	-4	3	-1	5	5

## EBITDA

SEK million	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	Full year 2021
Operating profit (EBIT)	822	642	1,760	1,430	2,089
Depreciation and amortization	199	184	590	776	958
EBITDA	1,021	826	2,350	2,206	3,047

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

SEK million	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	Full year 2021
<b>Food Ingredients</b>					
Operating profit excl. IAC	476	387	1,251	1,043	1,380
Exit Russia	-	-	-64	-	-
Optimization European bakery business	-	-	-	-304	-304
Operating profit	476	387	1,187	739	1,076
<b>Chocolate &amp; Confectionery Fats</b>					
Operating profit excl. IAC	310	234	784	672	971
Exit Russia	-	-	-286	-	-
Operating profit	310	234	498	672	971
<b>Technical Products &amp; Feed</b>					
Operating profit excl. IAC	76	56	203	131	214
Operating profit	76	56	203	131	214
<b>AAK Group</b>					
Operating profit excl. IAC	822	642	2,110	1,734	2,393
Exit Russia	-	-	-350	-	-
Optimization European bakery business	-	-	-	-304	-304
Operating profit	822	642	1,760	1,430	2,089

## Return on Capital Employed (ROCE)

SEK million	R12M 30.09.2022	R12M 31.12.2021
Total assets	30,325	24,270
Cash and cash equivalents	-1,251	-1,117
Financial assets	-33	-12
Accounts payables	-5,658	-4,458
Other non-interest-bearing liabilities	-4,675	-3,385
Capital employed	18,708	15,298
Operating profit excl. items affecting comparability	2,769	2,393
Return on Capital Employed (ROCE), percent	14.8	15.6

## Net working capital

SEK million	30.09.2022	31.12.2021
Inventory	12,020	9,054
Accounts receivables	7,244	5,132
Other current receivables, non-interest-bearing	3,992	2,818
Accounts payables	-6,214	-5,696
Other current liabilities, non-interest-bearing	-5,377	-3,981
Net working capital	11,665	7,327

## Net debt

SEK million	30.09.2022	31.12.2021
Current interest-bearing receivables	60	31
Cash and cash equivalents	1,410	1,001
Pension liabilities	-118	-271
Lease liabilities	-737	-621
Non-current liabilities to banks and credit institutions	-3,527	-1,611
Current liabilities to banks and credit institutions	-3,327	-2,333
Other interest-bearing liabilities	-12	-13
Net debt	-6,251	-3,817

## Net debt/EBITDA

SEK million	30.09.2022	31.12.2021
Net debt	6,251	3,817
EBITDA (rolling 12 months)	3,191	3,047
Net debt/EBITDA, multiple	1.96	1.25

## Equity to assets ratio

SEK million	30.09.2022	31.12.2021
Shareholders' equity	15,162	11,783
Non-controlling interests	45	48
Total equity including non-controlling interests	15,207	11,831
Total assets	35,360	27,166
Equity to assets ratio, percent	43.0	43.6

# Income statement – Parent Company

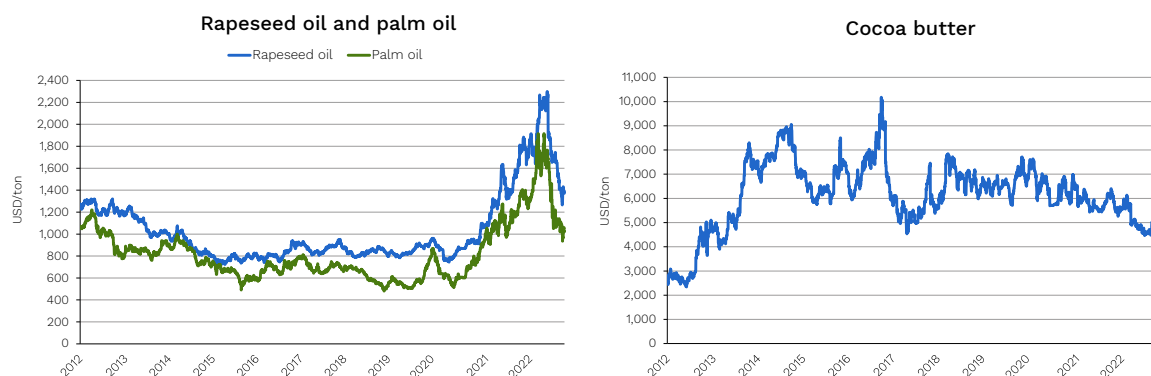
SEK million	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	Full year 2021
Net sales	32	37	96	111	116
Total operating income	32	37	96	111	116
Other external expenses	-30	-21	-93	-61	-88
Cost for remuneration to employees	-26	-23	-76	-72	-113
Depreciation, amortization and impairment losses	-2	-1	-5	-5	-6
Total operating expenses	-58	-45	-174	-138	-207
Operating profit (EBIT)	-26	-8	-78	-27	-91
Dividend from Group companies	-	1,039	-	1,039	1,039
Profit from interest in Group companies	-	-	-	-	82
Interest income and similar items	3	-7	21	-19	0
Interest expense and similar items	-21	-1	-37	-4	-28
Total financial net	-18	1,031	-16	1,016	1,093
Profit before tax	-44	1,023	-94	989	1,002
Income tax	6	5	19	10	0
Profit for the period	-38	1,028	-75	999	1,002



# Condensed balance sheet – Parent Company

SEK million	30.09.2022	31.12.2021
<b>Assets</b>		
Other intangible assets	8	10
Property, plant and equipment	1	1
Right-of-use assets	3	6
Financial assets	10,018	9,682
Deferred tax assets	5	5
<b>Total non-current assets</b>	<b>10,035</b>	<b>9,704</b>
Current receivables	381	374
Cash and cash equivalents	-	-
<b>Total current assets</b>	<b>381</b>	<b>374</b>
<b>Total assets</b>	<b>10,416</b>	<b>10,078</b>
<b>Equity and liabilities</b>		
Shareholders' equity	6,799	7,373
Non-controlling interests	-	-
<b>Total equity including non-controlling interests</b>	<b>6,799</b>	<b>7,373</b>
Liabilities to banks and credit institutions	3,000	1,000
Lease liabilities	0	2
Other non-current liabilities	27	27
<b>Total non-current liabilities</b>	<b>3,027</b>	<b>1,029</b>
Liabilities to banks and credit institutions	500	1,600
Lease liabilities	3	3
Accounts payables	8	6
Other current liabilities	79	67
<b>Total current liabilities</b>	<b>590</b>	<b>1,676</b>
<b>Total equity and liabilities</b>	<b>10,416</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 for investors, analysts and media on October 25, 2022, at 10 a.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

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.

The interim report for the first quarter 2023 will be published on May 4, 2023.

The Annual General Meeting will be held in Malmö, Sweden on May 4, 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.

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# 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)