



Interim report

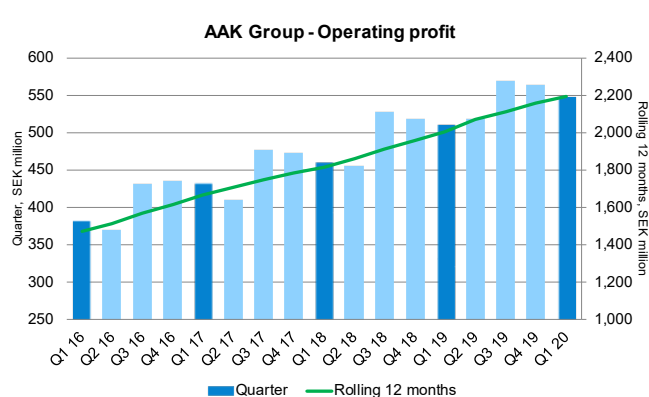
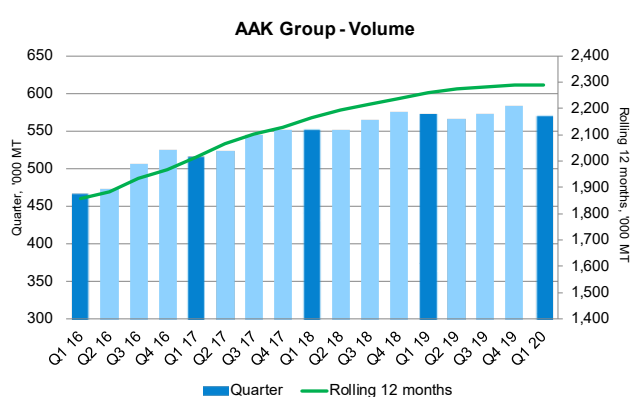
First quarter, 2020

AAK

Financial highlights

- Total volumes for the quarter decreased by 1 percent (positive 4), amounting to 569,000 MT (572,000).
- Operating profit, excluding acquisition costs of SEK 4 million (9), reached SEK 546 million (509), a year-over-year improvement by 7 percent. Including acquisition costs, operating profit increased by 8 percent.
- Profit for the period amounted to SEK 383 million (352), an improvement by 9 percent.
- Earnings per share increased by 11 percent, to SEK 1.50 (1.35).
- Cash flow from operating activities amounted to SEK 71 million (394).
- Return on Capital Employed (ROCE), R12M, was 14.5 percent (14.9 at December 31, 2019)

	Q1 2020	Q1 2019	Δ %	R12 months	Full year 2019
Volumes, '000 MT	569	572	-1	2,287	2,290
Operating profit, SEK million	542	500	+8	2,184	2,142
Operating profit excl. acquisition costs, SEK million	546	509	+7	2,194	2,157
Operating profit per kilo, SEK	0.95	0.87	+9	0.95	0.94
Operating profit per kilo excl. acquisition costs, SEK	0.96	0.89	+8	0.96	0.94
Profit for the period, SEK million	383	352	+9	1,544	1,513
Earnings per share, SEK	1.50	1.35	+11	6.01	5.86
Return on Capital Employed (R12M), percent	14.5	15.4	-6	14.5	14.9



Continued profit growth in a volatile market

The ongoing corona pandemic is profoundly impacting people's health, societies, and business operations across the world. Our first priority during this unprecedented situation has been to secure the health and safety of our employees.

As a key supplier of ingredients to the crucial food supply chain, AAK also has a very important role to play. Food supply will remain essential and a top priority going forward. All our production plants have strong contingency plans in place to secure operations and inbound/outbound logistics so that food manufacturers can maintain their production. I would like to take this opportunity to thank all our employees, suppliers and customers for the hard work and passionate drive that make this happen.

Our business model and strategic direction stand strong despite the increased uncertainty. Special Nutrition, Chocolate & Confectionery Fats and Plant-based Foods, all with a high proportion of speciality solutions based on our co-development approach, continue to develop well with close customer relationships. Other segments are, however, suffering from a more direct impact from the corona pandemic. Foodservice, part of business area Food Ingredients, had significantly lower sales to restaurants, hotels and airline catering during the latter part of the quarter.

We are also exposed to temporary disruptions due to lockdowns applied by governments in some countries where we operate. In February, we were forced into an extended closedown of our operations in China and we also had several disruptions in India at the end of March, continuing to impact our business negatively into the second quarter.

Business performance

Despite the business challenges at the end of the quarter, the consistent trend of profit growth continued. Operating profit, excluding acquisition costs, amounted to SEK 546 million (509), an improvement of 7 percent. Earnings per share and operating cash flow were also good in the quarter.

Volumes were overall flat with good growth in Technical Products & Feed while we had lower volumes in Food Ingredients, mainly due to the corona impact on Foodservice and China.

Food Ingredients continued to grow earnings, improving its operating profit by 6 percent, primarily driven by Bakery and Plant-based Foods as well as some good spot opportunities in the quarter. Special Nutrition continued to have a favorable product mix. Despite lower birth rates in China, we managed to increase sales of our high-end solution INFAT™, supported by new local Chinese customers.



Chocolate & Confectionery Fats reported a stable development but with a mixed picture. There was continued good growth for our filling fats and spreads while other products reported limited or negative volume growth. There is still pressure from some customers to roll contracted volumes forward.

Technical Products & Feed reported a record-high operating profit for a first quarter, driven by our crushing operation and our fatty acids business.

Concluding remarks

AAK has a robust foundation with a strong financial track record and a solid balance sheet. A large part of our business is supplying key ingredients to food and confectionery products for which demand remains robust also in times of uncertainty. However, the volatility throughout the supply chain has increased significantly within all industries that AAK serves.

Although these are very uncertain times, we expect a significant drop in demand for Foodservice and our non-food segments in the coming quarters which will have a material impact on earnings. In response, we are optimizing our cost base in affected segments without jeopardizing our long-term capabilities and strategic initiatives. With local lockdowns and restrictions around the world, lowering of GDP estimates are evident. This can, for our other segments, lead to a direct or indirect negative impact on our earnings in the coming quarters.

We offer plant-based, healthy, high value-adding oils and fats solutions by using our customer co-development approach and we see no reason to adjust our view on the strong favorable underlying long-term trends in our markets. Thus, we continue to remain prudently optimistic about the future, in spite of the short- to mid-term impact from the corona pandemic.

Johan Westman, President and CEO

AAK Group, Q1 2020

Volumes

Volumes were stable and amounted to 569,000 MT (572,000).

Net sales

Sales amounted to SEK 7,455 million (7,031). There was an underlying growth in sales due to a positive currency translation impact of SEK 148 million and higher raw material prices. This was partly offset by lower sales in China and our Foodservice segment as a result of the coronavirus.

Operating profit

Operating profit reached SEK 542 million (500), an improvement of 8 percent compared to the corresponding quarter in 2019. Excluding acquisition costs of SEK 4 million (9), operating profit improved by 7 percent.

The currency translation impact was positive SEK 17 million. SEK 7 million was related to Food Ingredients and SEK 10 million to Chocolate & Confectionery Fats. Operating profit at fixed foreign exchange rates improved by 5 percent.

Operating profit per kilo reached SEK 0.95 (0.87), an increase of 9 percent. Excluding acquisition costs, operating profit per kilo improved by 8 percent. The currency translation impact was SEK 0.03. At fixed foreign exchange rates operating profit per kilo increased by 6 percent.

Net financial cost

Net financial cost increased and amounted to SEK 35 million (30). The increase was due to a higher average net debt compared to the corresponding quarter last year.

Tax costs

Reported tax costs corresponded to an average tax rate of 24 percent (25). The work to further optimize the capital structure in the Group has reduced the average tax rate.

Earnings per share

Earnings per share increased by 11 percent, to SEK 1.50 (1.35), due to increased operating profit combined with lower tax costs.

Cash flow and investments

Operating cash flow including changes in working capital amounted to SEK 71 million (394). Cash flow from working capital amounted to negative SEK 252 million (negative 67). Accounts receivables have increased due to normal seasonality between quarters

(normally lower in December) and the deferred impact of increased raw material prices. Good inventory control combined with increased accounts payables have partly offset the increased accounts receivables.

Cash outflow from investment activities amounted to SEK 158 million (296), whereof SEK 0 million (169) was related to acquisitions. Capital expenditure was mainly related to regular maintenance investments and capacity increases.

Based on the significantly increased raw material prices (particularly palm) during the last months of 2019, we expect to see a material outflow from working capital during the second quarter 2020. However, raw material prices have during this quarter almost returned to levels seen before the price rally in 2019. Therefore, we should see a significant inflow from working capital during the second half of 2020. 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.

Return on Capital Employed (ROCE)

Calculated on a rolling 12 months basis, Return on Capital Employed (ROCE) was 14.5 percent (14.9 at December 31, 2019). ROCE for the first quarter was 13.7 percent compared to 14.1 percent for the corresponding quarter 2019.

Financial position

The equity/assets ratio amounted to 46 percent (45 percent at December 31, 2019). Net debt at March 31, 2020 amounted to SEK 3,266 million (SEK 3,117 million at December 31, 2019). Net debt/EBITDA amounted to 1.13 (1.10 as of December 31, 2019). At March 31, 2020 the Group had total credited facilities of SEK 8,828 million (8,568 as of December 31, 2019), whereof SEK 7,075 million (7,081 as of December 31, 2019) in committed credit facilities. Unused committed credit facilities at March 31, 2020 was SEK 5,023 million.

Acquisitions

On March 2, AAK signed an agreement to acquire 75 percent of NPO Margaron LLC, a producer of margarines, spreads, and bakery and confectionery fats, based in St. Petersburg, Russia. For more information, please see page 5.

Employees

The number of employees at March 31, 2020 was 3,867 (3,884 at December 31, 2019).

Selected key events

Acquisition in Russia

In early March, we signed an agreement to acquire 75 percent of NPO Margaron LLC, a producer of margarines, spreads, and bakery and confectionery fats, based in St. Petersburg, Russia. Margaron has been a trusted toll manufacturer to AAK for more than a decade and had last year revenues of approximately SEK 280 million.

Russia and the CIS countries have a population of more than 200 million people comprising a highly attractive market for AAK. It is also one of the world's largest chocolate and confectionery markets with significant potential for our Special Nutrition, Bakery, and Dairy segments as well.

Aside from entering a market with great potential, we will move closer to many of our global strategic customers who are already locally represented in Russia.

Subject to certain long-term targets being met, there is a put/call option under which we could acquire the remaining 25 percent of Margaron. The acquisition is subject to approval from local authorities and is expected to be finalized during the second quarter 2020.

Strong progress within sustainability

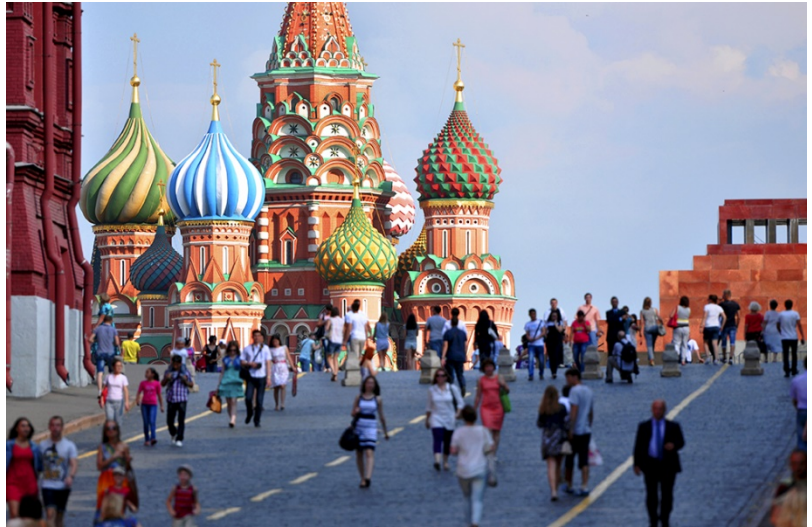
In mid-April, we released our Sustainability Report for 2019, outlining our ambitions, activities and achievements within the sustainability area.

A key achievement during the past year has been the significant increase of women involved in our direct shea sourcing program in West Africa. The program now involves more than 230,000 women, a 72 percent increase compared to 2018. We have also increased the impact on smallholder livelihoods in our palm supply chains by significantly strengthening collaborations with important partners in Malaysia and Mexico.

Furthermore, we have reduced our environmental impact by decreasing energy consumption, water consumption and greenhouse gas (GHG) emissions per processed unit raw material.

Another important accomplishment has been to initiate climate change risk assessments at all production sites, and during 2020 we will do the same for our raw materials in order to identify the overall climate roadmap for the future.

Please visit www.aak.com, for access to the full sustainability report.



With the acquisition of NPO Margaron, we will have an opportunity to expand our product portfolio and unique customer co-development approach to the Russian market.



Food Ingredients, Q1 2020

Operating profit
+ 6%

Operating profit
per kilo
+ 9%

	Q1 2020	Q1 2019	Δ %	R12 months	Full year 2019
Volumes, '000 MT	369	378	-2	1,522	1,531
Net sales, SEK million	4,924	4,649	+6	19,253	18,978
Operating profit, SEK million	325	308	+6	1,383	1,366
Operating profit per kilo, SEK	0.88	0.81	+9	0.91	0.89

Volumes

Bakery and Plant-based Foods reported continued strong volume growth, but this was offset by significant volume reductions in Foodservice towards the end of the quarter due to the coronavirus. The consolidated volume growth was negative 2 percent (positive 1) in the quarter.

The Bakery segment continued its positive trend with particularly strong growth in Latin America and the US while other markets showed no or negative volume growth. The coronavirus had a material impact on our volumes in Asia, especially in China, India and Turkey.

Dairy reported a stable quarter with continued good momentum in Europe and North Latin America. South Latin America also contributed nicely while the market conditions in Asia and the US were more challenging.

Compared to the corresponding quarter last year, Plant-based Foods doubled its volume and profit. Our pipeline of customer co-development projects continued to grow.

Special Nutrition continued to have a favorable product mix. Despite lower birth rates in China, we managed to increase our high-end solution INFAT™, supported by new local Chinese customers. Our semi-speciality solutions showed good volume growth in the US and South Latin America while market conditions in other regions were more challenging. The positive trend within Medical and Senior Nutrition continued, although from a small base.

Foodservice reported negative volume growth and a material reduction in profitability. At quarter-end, the segment had halved its sales due to a lower demand

from restaurants, hotels and airline catering. When the corona-driven restrictions are eased in Europe and the US, we expect volumes to increase again over time

Net sales

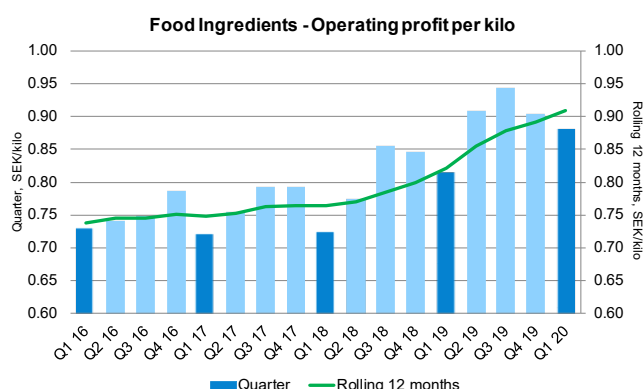
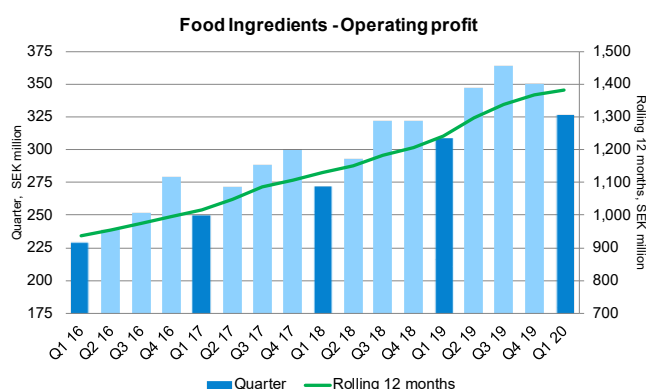
Sales amounted to SEK 4,924 million (4,649), an increase by SEK 275 million. The continued growth was due to a positive currency translation impact of SEK 111 million, higher raw material prices, and a higher proportion of speciality solutions.

Operating profit

Operating profit improved by 6 percent to SEK 325 million (308), driven by a higher proportion of customer co-developed solutions. The currency translation impact was positive SEK 7 million. At fixed foreign exchange rates operating profit increased by 3 percent.

We have initiated cost optimization programs at all Foodservice facilities to mitigate the effects of the weaker demand, initiatives that have been accelerated. Despite this, we currently have a situation with under-absorption of costs. AAK's position within Food Ingredients is strong and the Foodservice demand will gradually return. The current situation will, however, have a material impact on earnings due to lower sales and under-absorption. Further disruptions and sales impact from current lockdowns in many countries are expected to continue until restrictions are lifted.

Operating profit per kilo improved by 9 percent and reached SEK 0.88 (0.81). The currency translation impact was SEK 0.02. At fixed foreign exchange rates operating profit per kilo improved by 6 percent.





Chocolate & Confectionery Fats, Q1 2020

Operating profit
+ 8%

Operating profit
per kilo
+ 8%

	Q1 2020	Q1 2019	Δ %	R12 month	Full year 2019
Volumes, '000 MT	115	115	+0	459	459
Net sales, SEK million	2,116	1,993	+6	8,199	8,076
Operating profit, SEK million	222	206	+8	810	794
Operating profit per kilo, SEK	1.93	1.79	+8	1.76	1.73

Volumes

Volume growth for Chocolate & Confectionery Fats was flat in the quarter compared to the exceptional increase of 13 percent in the corresponding quarter last year. Our filling fats and spreads had accelerated growth due to strong customer campaigns in 2019. There was good momentum and continued volume growth for other products Latin America.

The pressure from some customers to roll contracted volumes forward continued in the first quarter. Due to the corona situation, the demand for Personal Care solutions decreased towards the end of the quarter and we expect this situation to continue in the coming quarters until restrictions are lifted across the globe.

Net sales

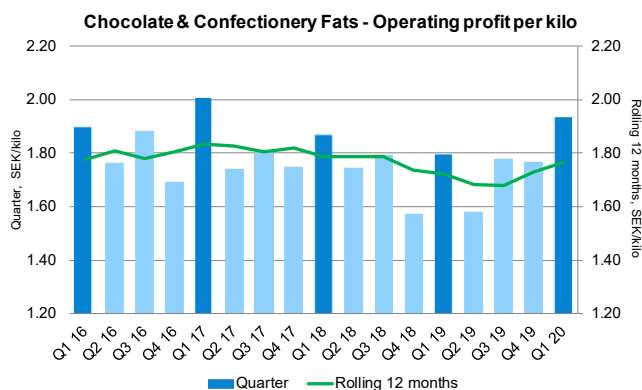
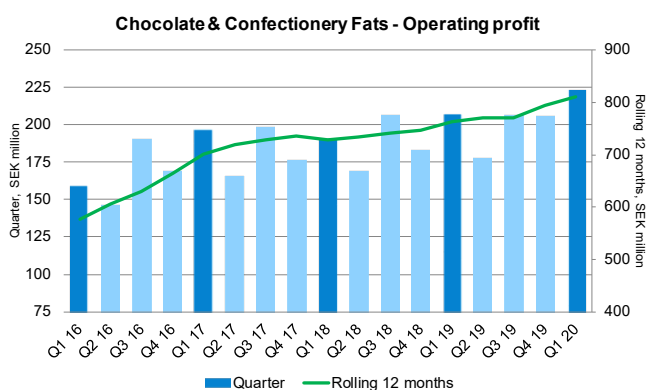
Net sales for the business area were stable and amounted to SEK 2,116 million (1,993). There was a positive currency translation impact of SEK 37 million, which was offset by an unfavorable product mix.

Operating profit

Operating profit reached SEK 222 million (206), an improvement by 8 percent. The currency translation impact was positive SEK 10 million. At fixed foreign exchange rates operating profit increased by 3 percent.

Having finalized the extended maintenance stop at our production plant in Aarhus, Denmark, combined with new shea kernels at hand and an additional production capacity, we are now in a good position to meet the market demand of customer co-developed solutions. However, volatility in the industry has in the short term increased due to the coronavirus. We have, for example, seen that some markets have opted for more low-end solutions. Also, government lockdowns have forced some customers in Latin America and Asia to close down temporarily. This can have a direct or indirect negative impact on earnings in the coming quarters.

Operating profit per kilo increased by 8 percent and reached SEK 1.93 (1.79). The currency translation impact was SEK 0.09. At fixed foreign exchange rates operating profit per kilo increased by 3 percent.





Technical Products & Feed, Q1 2020

Operating profit
+ 6%

Operating profit
per kilo
- 2%

	Q1 2020	Q1 2019	Δ %	R12 months	Full year 2019
Volumes, '000 MT	85	79	+8	306	300
Net sales, SEK million	415	389	+7	1,482	1,456
Operating profit, SEK million	38	36	+6	152	150
Operating profit per kilo, SEK	0.45	0.46	-2	0.50	0.50

Volumes

Volumes increased by 8 percent (5), with good contributions from both our feed business and our fatty acids business.

Net sales

Net sales for the business area increased by SEK 26 million, mainly due to the volume growth.

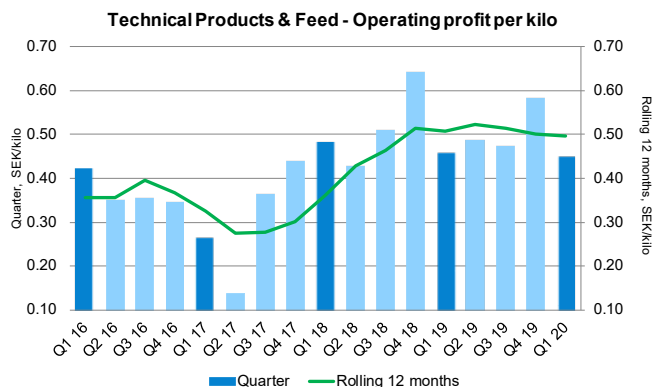
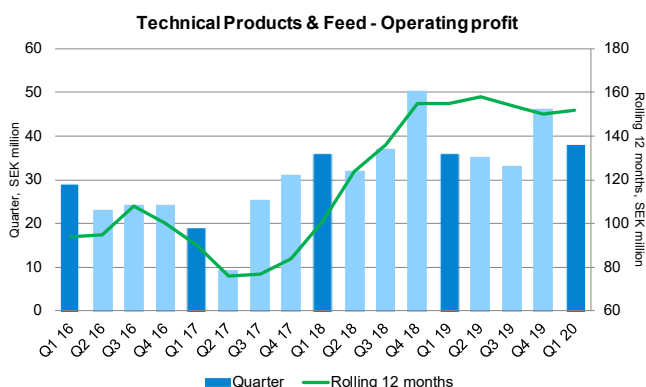
Operating profit

Operating profit reached SEK 38 million (36), an improvement by 6 percent and a record-high operating profit for a first quarter. The improvement was driven by

a continued good momentum in our fatty acids business and a continued good performance in our crushing operation.

Due to the coronavirus, there was a lower demand in our fatty acids business towards the end of the quarter, particularly for candles and technical solutions. We expect this trend to continue until restrictions are lifted in Europe.

The business area reported an operating profit per kilo of SEK 0.45 (0.46).



General information

Related parties

No significant changes have taken place in relations or transactions with related parties since 2019.

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.

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

Accounting policies in 2020

This interim report is prepared in accordance with the Swedish Annual Accounts Act and IAS 34, Interim Financial Reporting. For information regarding the accounting policies applied, please see our Annual Report.

Alternative Performance Measures (APMs)

AAK presents APMs to reflect underlying business performance and to enhance comparability from period to period. APMs should not be considered as a substitute for measures of performance in accordance with the IFRS.

Definitions of Alternative Performance Measures can be found at www.aak.com under the Investor tab. For reconciliation of Alternative Performance Measures, see pages 19–20.

Definitions

For definitions, please see our Annual Report.

Annual General Meeting

The Annual General Meeting will be held on May 13, 2020 at 2 p.m. CET in Malmö, Sweden (Malmö Arena). The Annual Report for 2019 was published at www.aak.com on April 16, 2020 and will be distributed to shareholders during the week starting with April 27, 2020. The report is available at AAK's headquarters.

As an additional precaution due to the current situation with the coronavirus, the Board of Directors of AAK proposed, on March 30, 2020, to postpone the decision on the dividend for 2019.

The Board of Directors is of the opinion that a resolution on dividend should be made at an extraordinary general meeting later this year when the effects of the corona pandemic have become clearer and market conditions have stabilized.

Shareholders who wish to participate at the Annual General Meeting must be registered in the share register maintained by Euroclear Sweden AB on May 7, 2020. To be eligible to participate in the Annual General Meeting, shareholders with nominee-registered holdings should temporarily re-register their shares in their own names through the agency of their nominees so that they are recorded in the share register in good time before May 7, 2020. Notification of attendance should be made to AAK's head office no later than 4 p.m. CET on May 7, 2020.

Mail:

AAK AB, c/o Euroclear Sweden AB
Box 191, SE-101 23 Stockholm, Sweden
(please mark the envelope "Annual General Meeting 2019")

Telephone: +46 8 402 90 45

Website: www.aak.com.

Special measures due to the corona situation

Due to the coronavirus and covid-19, AAK has decided to take a number of special measures at the Annual General Meeting: no bus transport to and from the Annual General Meeting will be arranged; the exhibition area will be closed; no samples will be offered; no meals will be served; no gift bags will be handed out. The participation of senior executives and board members will be limited, and presentations will be shortened or canceled. Furthermore, issues at the Annual General Meeting will be focused on the agenda's decision points. For any general questions, shareholders are welcome to send these in advance to investor@aaak.com.

AAK is closely following the developments with regards to the coronavirus and covid-19 and may, if necessary, take further precautionary measures at short notice. We ask shareholders to follow the company's website, www.aak.com, for updated information.

Events after the reporting period

No events to be reported.

The Parent Company and Group Functions

The Parent Company is a holding company for the AAK Group. Its functions are primarily activities related to the development and administration of the Group.

The profit for the Parent Company after financial items amounted to negative SEK 25 million (negative 29).

Interest-bearing liabilities minus cash and cash equivalents and interest-bearing assets totalled SEK

2,193 million (2,173 as of December 31, 2019).
Investments in intangible and tangible assets amounted to SEK 1 million (2).

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

Accounting policies

AAK AB (publ.) is the Parent Company of the AAK Group. The company has prepared its financial reports

in accordance with the Annual Accounts Act and RFR 2 Reporting for legal entities.

Changes in the balance sheet

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

Audit review

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

Malmö, April 24, 2020

Johan Westman
President and CEO

For further information, please contact:

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The information is information that AAK AB (publ.) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 11:15 a.m. CET on April 24, 2020.

AAK Group

Condensed Income statement

SEK million	Q1 2020	Q1 2019	Full year 2019
Net sales	7,455	7,031	28,510
Other operating income	40	39	193
Total operating income	7,495	7,070	28,703
Raw materials and supplies	-5,508	-5,172	-20,743
Other external expenses	-652	-664	-2,685
Cost for remuneration to employees	-611	-564	-2,423
Depreciation, amortization and impairment losses	-180	-166	-687
Other operating expenses	-2	-4	-23
Total operating expenses	-6,953	-6,570	-26,561
Operating profit (EBIT)	542	500	2,142
Interest income	2	2	10
Interest expense	-31	-35	-133
Other financial items	-6	3	-8
Total financial net	-35	-30	-131
Profit before tax	507	470	2,011
Income tax	-124	-118	-498
Profit for the period	383	352	1,513
Attributable to non-controlling interests	2	9	26
Attributable to the Parent company's shareholders	381	343	1,487

Comprehensive income

SEK million	Q1 2020	Q1 2019	Full year 2019
Profit for the period	383	352	1,513
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations	5	-	-21
	5	-	-21
Items that may subsequently be reclassified to profit or loss:			
Translation differences	78	417	402
Fair-value changes in cash flow hedges	-0	-0	-0
Tax related to fair-value changes in cash flow hedges	0	0	0
	78	417	402
Total comprehensive income for the period	466	769	1,894
Attributable to non-controlling interests	1	12	26
Attributable to the Parent company's shareholders	465	757	1,868

Condensed balance sheet

SEK million	31.03.2020	31.03.2019	31.12.2019
Assets			
Goodwill	2,164	1,779	2,114
Other intangible assets	361	380	363
Property, plant and equipment	6,038	5,791	6,034
Right-of-use assets	769	748	770
Financial assets	31	33	31
Deferred tax assets	116	93	144
Total non-current assets	9,479	8,824	9,456
Inventory	6,651	4,899	6,681
Accounts receivables	4,017	3,731	3,529
Current receivables	1,750	1,751	2,271
Cash and cash equivalents	1,899	814	982
Total current assets	14,317	11,195	13,463
Total assets	23,796	20,019	22,919
Equity and liabilities			
Shareholders' equity	10,802	9,665	10,337
Non-controlling interests	85	100	84
Total equity including non-controlling interests	10,887	9,765	10,421
Liabilities to banks and credit institutions	3,566	2,791	2,987
Pension liabilities	231	210	241
Lease liabilities	681	659	675
Deferred tax liabilities	497	477	511
Non-interest-bearing liabilities	533	442	525
Total non-current liabilities	5,508	4,579	4,939
Liabilities to banks and credit institutions	1,384	496	870
Lease liabilities	107	92	110
Accounts payables	3,483	2,839	3,354
Other current liabilities	2,427	2,248	3,225
Total current liabilities	7,401	5,675	7,559
Total equity and liabilities	23,796	20,019	22,919

No changes have arisen in contingent liabilities.

Condensed change in equity

2020

SEK million	Shareholders' equity	Non-controlling interests	Total equity incl. non-controlling interests
Opening balance January 1, 2020	10,337	84	10,421
Profit for the period	381	2	383
Other comprehensive income	84	-1	83
Total comprehensive income	465	1	466
Closing balance March 31, 2020	10,802	85	10,887

2019

SEK million	Shareholders' equity	Non-controlling interests	Total equity incl. non-controlling interests
Opening balance January 1, 2019	8,908	88	8,996
Profit for the period	343	9	352
Other comprehensive income	414	3	417
Total comprehensive income	757	12	769
Closing balance March 31, 2019	9,665	100	9,765

Financial instruments

2020

SEK million	Asset	Liability
Financial instruments reported in balance sheet March 31, 2020		
Sales and purchase contracts	456	202
Currency hedge contracts	209	92
Total derivatives financial instruments	665	294
Fair value adjustment inventory	38	11
Total financial instruments	703	305

2019

SEK million	Asset	Liability
Financial instruments reported in balance sheet March 31, 2019		
Sales and purchase contracts	545	175
Currency hedge contracts	156	87
Total derivatives financial instruments	701	262
Fair value adjustment inventory	48	-10
Total financial instruments	749	252

Condensed cash flow statement

SEK million	Q1 2020	Q1 2019	Full year 2019
Operating activities			
Operating profit	542	500	2,142
Depreciation and amortization	180	166	687
Other non-cash items	-183	-27	246
Cash flow before interest and tax	539	639	3,075
Interest paid and received	-26	-51	-122
Tax paid	-190	-127	-499
Cash flow before changes in working capital	323	461	2,454
Changes in inventory	82	-28	-1,784
Changes in accounts receivables	-531	-152	86
Changes in accounts payables	129	50	540
Changes in other working capital items	68	63	262
Changes in working capital	-252	-67	-896
Cash flow from operating activities	71	394	1,558
Investing activities			
Acquisition of intangible assets and property, plant and equipment	-158	-127	-801
Acquisition of operations and shares, net of cash acquired	-	-169	-535
Proceeds from sale of property, plant and equipment	0	0	1
Cash flow from investing activities	-158	-296	-1,335
Cash flow after investing activities	-87	98	223
Financing activities			
Changes in loans	1,036	-18	591
Amortization of lease liability	-38	-26	-122
Dividends paid	-	-	-469
Cash flow from financing activities	998	-44	0
Cash flow for the period	911	54	223
Cash and cash equivalents at start of period	982	737	737
Exchange rate difference for cash equivalents	6	23	22
Cash and cash equivalents at end of period	1,899	814	982

Key ratios

SEK million (unless otherwise stated)	Q1 2020	Q1 2019	Δ %	Full year 2019
Income statement				
Volumes, '000 MT	569	572	-1	2,290
Operating profit	542	500	+8	2,142
Operating profit excl. acquisition costs	546	509	+7	2,157
Profit for the period	383	352	+9	1,513
Financial position				
Total assets	23,796	20,019	+19	22,919
Equity	10,887	9,765	+11	10,421
Net working capital	6,498	5,290	+23	5,908
Net debt	3,266	2,676	+22	3,117
Cash flow				
EBITDA	722	666	+8	2,829
Cash flow from operating activities	71	394	-	1,558
Cash flow from investing activities	-158	-296	-	-1,335
Free cash flow	-87	98	-	223
Share data				
Number of shares, thousand	253,731	253,731	+0	253,731
Earnings per share, SEK*	1.50	1.35	+11	5.86
Earnings per share incl dilution, SEK**	1.49	1.35	+10	5.84
Earnings per share incl full dilution, SEK***	1.47	1.35	+9	5.74
Equity per share, SEK	42.57	38.09	+12	40.74
Market value on closing date, SEK	161.90	138.68	+17	178.00
Other key ratios				
Volume growth, percent	-1	+4	-	+2
Operating profit per kilo, SEK	0.95	0.87	+9	0.94
Operating profit per kilo excl. acquisition costs, SEK	0.96	0.89	+8	0.94
Return on Capital Employed (R12 months), percent	14.5	15.4	-6	14.9
Net debt / EBITDA, multiple	1.13	1.04	+9	1.10

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

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

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

Quarterly data by business area

Operating profit

SEK million	2019 Q1	Q2	Q3	Q4	Full year	2020 Q1
Food Ingredients	308	346	363	349	1,366	325
Chocolate & Confectionery Fats	206	177	206	205	794	222
Technical Products & Feed	36	35	33	46	150	38
Group Functions	-50	-40	-40	-38	-168	-43
Operating profit AAK Group	500	518	562	562	2,142	542
Financial net	-30	-33	-34	-34	-131	-35
Profit before tax	470	485	528	528	2,111	507

Net sales by market

2020

SEK million	Food Ingredients	Chocolate & Confectionery Fats	Technical Products & Feed	Total
Europe	2,138	1,045	415	3,598
North and South America	2,173	787	0	2,960
Asia	546	238	0	784
Other countries	67	46	0	113
Net sales	4,924	2,116	415	7,455

2019

SEK million	Food Ingredients	Chocolate & Confectionery Fats	Technical Products & Feed	Total
Europe	2,058	940	389	3,387
North and South America	1,937	798	0	2,735
Asia	590	211	0	801
Other countries	64	44	0	108
Net sales	4,649	1,993	389	7,031

Alternative Performance Measures (APMs)

Organic volume growth

Percent	Q1 2020	Q1 2019	Full year 2019
Food Ingredients			
Organic volume growth	-2	1	2
Acquisitions/divestments	-	-	-
Volume growth	-2	1	2
Chocolate & Confectionery Fats			
Organic volume growth	0	13	7
Acquisitions/divestments	-	-	-
Volume growth	0	13	7
Technical Products & Feed			
Organic volume growth	8	5	-0
Acquisitions/divestments	-	-	-
Volume growth	8	5	-0
AAK Group			
Organic volume growth	-1	4	2
Acquisitions/divestments	-	-	-
Volume growth	-1	4	2

EBITDA

SEK million	Q1 2020	Q1 2019	Full year 2019
Operating profit (EBIT)	542	500	2,142
Add back depreciation and amortization	180	166	687
EBITDA	722	666	2,829

Return on Capital Employed (ROCE)

SEK million	31.03.2020	31.03.2019	R12M 31.03.2020	R12M 31.12.2019
Total assets	23,796	20,019	21,607	20,454
Cash and cash equivalents	-1,899	-814	-1,034	-801
Financial assets	-30	-17	-15	-13
Accounts payables	-3,483	-2,839	-3,045	-2,885
Other non-interest-bearing liabilities	-2,408	-2,235	-2,425	-2,338
Capital employed	15,976	14,114	15,088	14,417
Operating profit (Rolling 12 months)	2,184	1,996	2,184	2,142
Return on Capital Employed (ROCE), percent	13.7	14.1	14.5	14.9

Net working capital

SEK million	31.03.2020	Full year 2019
Inventory	6,651	6,681
Accounts receivables	4,017	3,529
Other current receivables, non-interest-bearing	1,723	2,261
Accounts payables	-3,483	-3,354
Other current liabilities, non-interest-bearing	-2,410	-3,209
Net working capital	6,498	5,908

Net debt

SEK million	31.03.2020	Full year 2019
Current interest-bearing receivables	30	11
Cash and cash equivalents	1,899	982
Pension liabilities	-231	-241
Non-current liabilities to banks and credit institutions	-3,566	-2,987
Current liabilities to banks and credit institutions	-1,384	-870
Other interest-bearing liabilities	-14	-12
Net debt	-3,266	-3,117

Net debt/EBITDA

SEK million	31.03.2020	Full year 2019
Net debt	3,266	3,117
EBITDA (Rolling 12 months)	2,885	2,829
Net debt/EBITDA, multiple	1.13	1.10

Equity to assets ratio

SEK million	31.03.2020	Full year 2019
Shareholders' equity	10,802	10,337
Non-controlling interests	85	84
Total equity including non-controlling interests	10,887	10,421
Total assets	23,796	22,919
Equity to assets ratio, percent	45.8	45.5

Income statement – Parent company

SEK million	Q1 2020	Q1 2019	Full year 2019
Net sales	43	33	159
Total operating income	43	33	159
Other external expenses	-30	-29	-136
Cost for remuneration to employees	-28	-26	-101
Depreciation, amortization and impairment losses	-2	-1	-7
Total operating expenses	-60	-56	-244
Operating profit (EBIT)	-17	-23	-85
Dividend from group companies	-	-	1,497
Income from shares in group companies	-	-	87
Interest income	-	1	1
Interest expense	-7	-6	-20
Other financial items	-1	-1	-6
Total financial net	-8	-6	1,559
Profit before tax	-25	-29	1,474
Income tax	5	6	-1
Profit for the period	-20	-23	1,473
Attributable to non-controlling interests	-	-	-
Attributable to the Parent company's shareholders	-20	-23	1,473

Comprehensive income – Parent company

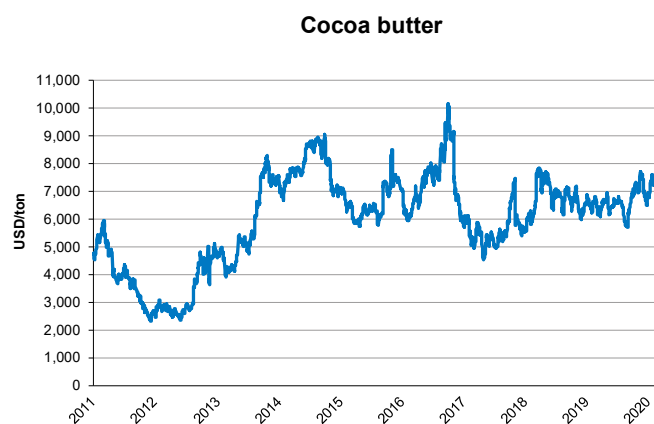
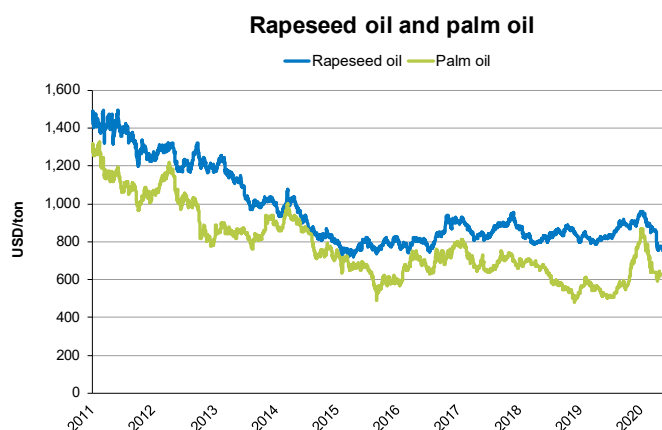
SEK million	Q1 2020	Q1 2019	Full year 2019
Profit for the period	-20	-23	1,473
Items that will not be reclassified to profit or loss:			
	-	-	-
Items that may subsequently be reclassified to profit or loss:			
	-	-	-
Total comprehensive income for the period	-20	-23	1,473
Attributable to non-controlling interests	-	-	-
Attributable to the Parent company's shareholders	-20	-23	1,473

Condensed balance sheet – Parent company

SEK million	31.03.2020	31.03.2019	31.12.2019
Assets			
Other intangible assets	12	11	12
Property, plant and equipment	2	3	3
Right-of-use assets	5	9	6
Financial assets	9,459	7,180	8,777
Deferred tax assets	342	3	5
Total non-current assets	9,820	7,206	8,803
Current receivables	84	81	423
Cash and cash equivalents	0	0	0
Total current assets	84	81	423
Total assets	9,904	7,287	9,226
Equity and liabilities			
Shareholders' equity	6,846	5,590	6,867
Non-controlling interests	-	-	-
Total equity including non-controlling interests	6,846	5,590	6,867
Liabilities to banks and credit institutions	2,950	1,600	2,250
Lease liabilities	2	5	3
Other non-current liabilities	33	24	33
Total non-current liabilities	2,985	1,629	2,286
Lease liabilities	3	3	3
Accounts payables	9	10	8
Other current liabilities	61	55	62
Total current liabilities	73	68	73
Total equity and liabilities	9,904	7,287	9,226

No changes have arisen in contingent liabilities.

Price trends in raw materials



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

Additional information

Press and analyst conference

AAK will host a conference call on April 24, 2020 at 1 p.m. CET. The conference call can be accessed via our website, www.aak.com.

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

Financial calendar 2020

The Annual General Meeting will be held on May 13, 2020.

The interim report for the second quarter 2020 will be published on July 17, 2020.

The interim report for the third quarter 2020 will be published on October 22, 2020.

A capital market day will be held in Malmö, Sweden, on November 17, 2020.

Forward-looking statements

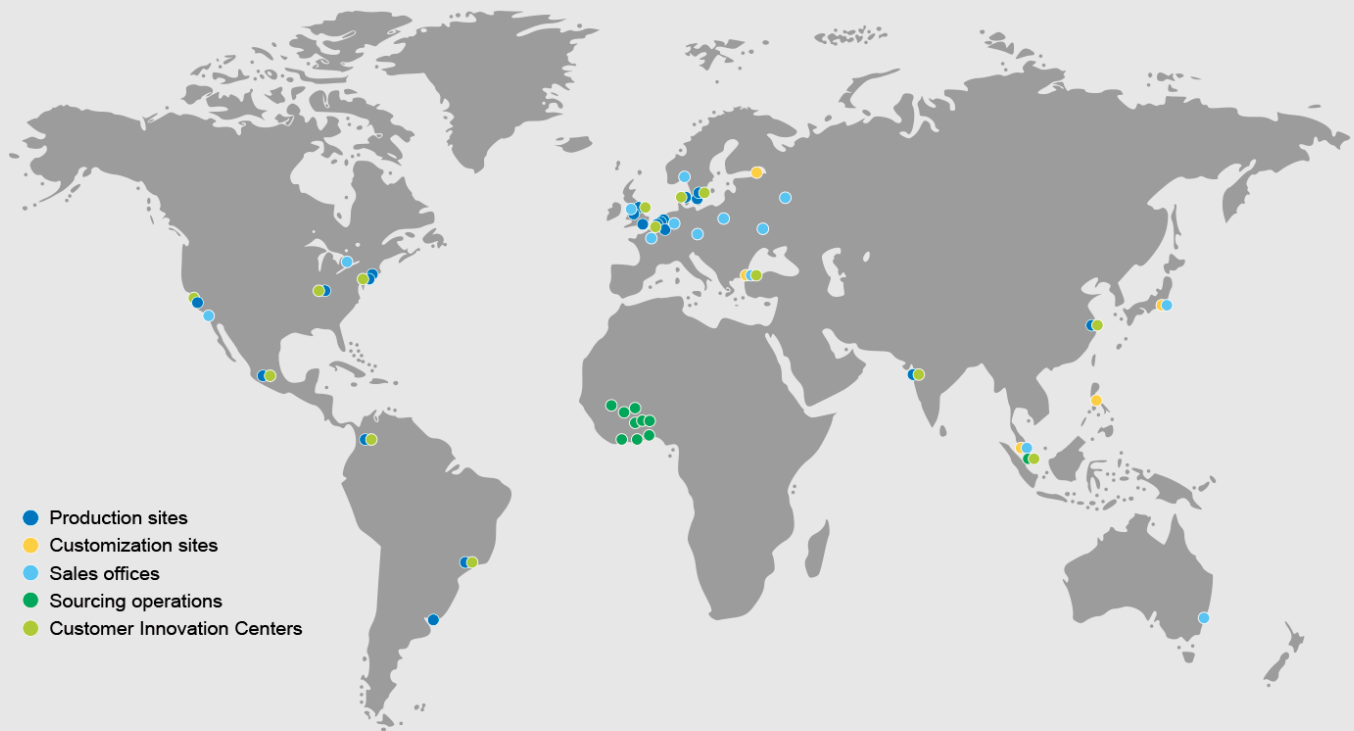
This report contains forward-looking statements. Such statements are subject to risks and uncertainties as various factors, many of which are beyond the control of AAK AB (publ.), may cause actual developments and results to differ materially from the expectations expressed in this report.

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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- Customization sites
- Sales offices
- Sourcing operations
- Customer Innovation Centers

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

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

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

AAK's proven expertise is based on more than 140 years of experience within oils & fats. With our headquarters in Malmö, Sweden, more than 20 production facilities and customization plants, and sales offices in more than 25 countries, our more than 3,800 employees are dedicated to providing innovative value-adding solutions to our customers.

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Front page: plant-based burgers made with AAK's AkoPlanet™ range

