



Press release, April 23, 2021

AAK's Interim report for the first quarter 2021 – continued earnings growth in a time of volatility and uncertainty

AAK Group

- Total volumes for the quarter were on par with last year and amounted to 569,000 MT (569,000).
- Operating profit, including a negative currency translation impact of SEK 57 million, increased by 2 percent, reaching SEK 551 million (542).
- Profit for the period amounted to SEK 400 million (383), an increase by 4 percent.
- Earnings per share increased by 4 percent, to SEK 1.56 (1.50).
- Cash flow from operating activities amounted to SEK 58 million (71).
- Return on Capital Employed (ROCE), R12M, was 14.4 percent (14.3 at December 31, 2020).

Business areas

- Food Ingredients – operating profit decreased by 4 percent to SEK 313 million (325).
- Chocolate & Confectionery Fats – operating profit reached SEK 233 million (222), an increase by 5 percent.
- Technical Products & Feed – operating profit reached SEK 44 million (38), an increase by 16 percent.

CEO's comments

The first quarter of the year has been characterized by a strong customer demand for our speciality and semi-speciality solutions, particularly within Chocolate & Confectionery Fats, Special Nutrition, and Plant-based Foods. This is very much a result of our teams around the world successfully executing on our strategy.

Despite the ongoing pandemic and a material negative currency translation impact, we achieved a higher operating profit compared to last year. At fixed foreign exchange rates, we increased our operating profit by 12 percent.

Business performance

Volumes for the Group were on par with last year with a sequential increase during the quarter. There was very strong volume growth for Chocolate & Confectionery Fats and for our high value-adding solutions within Food Ingredients. This was offset by lower volumes in Foodservice, which continues to be significantly impacted by Covid-19.

Operating profit amounted to SEK 551 million (542). This was driven by cost reduction measures combined with a higher share of speciality solutions. Operating profit per kilo reached SEK 0.97 (0.95). At fixed foreign exchange rates, operating profit per kilo increased by 13 percent.

The business dynamics within Food Ingredients were mixed with growth for our high-end speciality solutions within Special Nutrition and Plant-based Foods, and our semi-speciality solutions within Dairy. However, Foodservice, and to some extent Bakery, continued to be negatively impacted by restrictions and lockdowns.

Chocolate & Confectionery Fats reported strong volume growth, driven by our customer co-developed solutions. Demand in South Latin America and Russia picked up strongly during the



quarter. The volume growth combined with implemented supply chain improvements resulted in a strong operating profit for the business area.

It was also a very good quarter for Technical Products & Feed, mainly driven by our feed business and high utilization in our crushing operations.

Strategic investment

To further accelerate the development of ingredient solutions for alternatives to meat and dairy products, we have during the quarter partnered up with Big Idea Ventures (BIV). Our investment in BIV's New Protein Fund I will create new collaboration opportunities with some of the most recognized players in the food industry.

Continued strong sustainability progress

We continue to see strong development within our sustainability activities and our contributions towards the UN Sustainable Development Goals.

We have significantly increased the number of women involved in Kolo Nafaso, our direct shea sourcing program in West Africa. The program, which has a very positive impact on the women and their families, now involves more than 320,000 women. Another important achievement is that our verified deforestation-free palm increased by 92 percent during 2020 compared to the year before. This is an important step on our journey towards sustainable palm oil, where we aim for a supply chain that is 100 percent traceable to plantation and 100 percent verified deforestation-free by 2025.

We also continue our dedicated work to reduce our environmental impact and have recently decreased energy consumption, water consumption and waste per processed unit raw material.

Furthermore, we have decided that ESG targets henceforth is included in the evaluation of the Executive Committee's remuneration.

Concluding remarks

Uncertainty and volatility, due to the pandemic and current global logistics and sea freight disturbances, remain high. This makes it difficult to predict the short-term future. However, AAK has a robust foundation, a strong financial track record and a solid balance sheet, and we have over the past year demonstrated the resilience of our business. The passion, drive and agility our organization shows are strengths we build on going forward.

We offer plant-based, healthy, high value-adding oils and fats solutions based on our customer co-development approach. We continuously strengthen our portfolio of solutions that are good for both people and planet. Despite the short- to mid-term uncertainty, we see no reason to adjust our view on the strong favorable underlying long-term trends in our markets. Thus, we continue to remain prudently optimistic about the future and we are fully committed to Making Better Happen™.

Press and analyst conference

The Interim report for the first quarter 2021 will be presented today, April 23, 2021 at 1 p.m. CET at a press and analyst conference. For participation, please see instructions under the Investor tab at the AAK website, www.aak.com.

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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 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 23, 2021.

About AAK

Everything AAK does is about Making Better Happen™. We specialize 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. 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 3,900 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 150 years.

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