

Fourth quarter and
year-end report 2023

Interim report



AAK

Financial highlights

Q4 2023

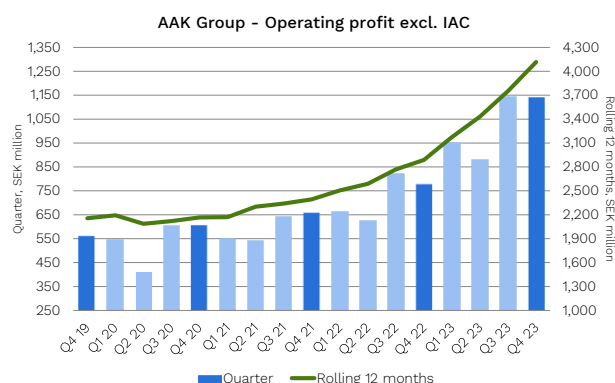
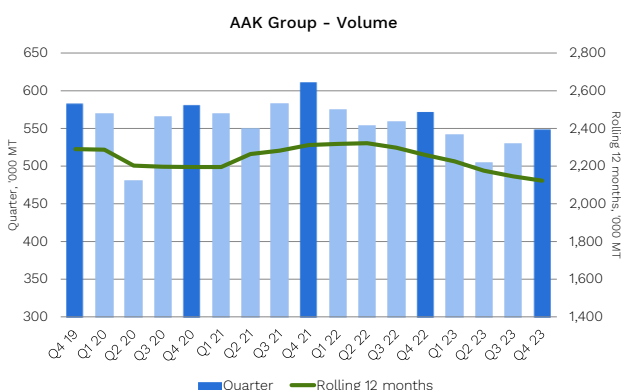
- Total volumes decreased by 4 percent to 548,000 MT (571,000), mainly due to declines in Food Ingredients and Technical Products & Feed.
- Operating profit increased by 47 percent, reaching SEK 1,141 million (778), including a negative currency translation effect of SEK 26 million. At fixed foreign exchange rates, operating profit, increased by 50 percent.
- Profit for the period totaled SEK 870 million (517).
- Earnings per share equaled SEK 3.34 (1.98).
- Cash flow from operating activities amounted to SEK 1,353 million (1,062).
- Return on Capital Employed (ROCE), R12M, was 19.1 percent (14.5 percent on December 31, 2022).

Q1–Q4 2023

- Total volumes decreased by 6 percent to 2,123,000 MT (2,259,000), with all three business areas declining. After adjusting for the negative year-on-year impact of the controlled exit from Russia, volumes declined by 5 percent.
- Operating profit increased by 43 percent, excluding items affecting comparability and including a positive currency translation effect of SEK 104 million, reaching SEK 4,116 million (2,888). At fixed foreign exchange rates, operating profit, excluding items affecting comparability, increased by 39 percent.
- Profit for the period totaled SEK 2,954 million (1,780).
- Earnings per share equaled SEK 11.35 (6.84).
- Cash flow from operating activities amounted to SEK 5,314 million (negative 73).
- Return on Capital Employed (ROCE), R12M, was 19.1 percent (14.5 percent on December 31, 2022).
- The Board of Directors proposes that a dividend of SEK 3.70 (2.75) per share to be paid for the financial year 2023.

	Q4 2023	Q4 2022	Δ %	Q1–Q4 2023	Q1–Q4 2022	Δ %
Volumes, '000 MT	548	571	-4	2,123	2,259	-6
Operating profit, SEK million	1,141	778	+47	4,116	2,538	+62
Operating profit, excluding IAC, SEK million	1,141	778	+47	4,116	2,888	+43
Operating profit per kilo, SEK	2.08	1.36	+53	1.94	1.12	+73
Operating profit per kilo, excluding IAC, SEK	2.08	1.36	+53	1.94	1.28	+52
Profit for the period, SEK million	870	517	+68	2,954	1,780	+66
Profit for the period, excluding IAC, SEK million	870	517	+68	2,954	2,099	+41
Earnings per share, SEK	3.34	1.98	+69	11.35	6.84	+66
Earnings per share, excluding IAC, SEK	3.34	1.98	+69	11.35	8.07	+41
Cash flow from operating activities, SEK million	1,353	1,062	-	5,314	-73	-
Return on Capital Employed (R12M), percent	19.1	14.5	+32	19.1	14.5	+32

Items affecting comparability (IAC) are related to the controlled exit from the Russian market (Q2 2022: negative SEK 350 million).



Closing out the year with strength

I begin by extending my heartfelt appreciation to our employees for their tireless efforts and their dedication to AAK and to Making Better Happen™. Your hard work building an aligned organization on top of a decentralized structure forms the foundation of our achievements in 2023, and our success reflects your strong commitment.

As we turn to a new year, I pause and reflect on our recent achievements as well as the opportunities and challenges that lie ahead. The year 2023 brought substantial progress. Achieving a remarkable 43 percent growth in operating profit, on top of a 21 percent growth in 2022, we surpassed our target of an average EBIT growth of around 10 percent.

This accomplishment underscores our position as a diverse Multi-oil Ingredient House. The results also speak to the power of alignment and internal optimization, and while we have progressed, there is still work to be done on further aligning the organization and our culture in 2024.

Business performance

In the fourth quarter, operating profit grew 47 percent compared to the corresponding quarter last year. The growth was driven by strong performance in Food Ingredients and Chocolate & Confectionery Fats, while Technical Products & Feed declined. At fixed foreign exchange rates, operating profit increased by 50 percent.

Volumes continued to improve sequentially for the second quarter in a row but declined by 4 percent compared to the same period last year. The year-on-year decline was mainly driven by the Bakery optimization program and weak demand in Feed.

Profitability showed significant strength, with operating profit per kilo reaching SEK 2.08 in the quarter. This marked an increase of 53 percent, or 57 percent at fixed currencies, compared to the fourth quarter of 2022. This was partly driven by internal optimization projects, namely, productivity improvements in our processing plants and partly by better portfolio & price management, including continued higher sales of speciality solutions.

The operational cash flow was strong in the quarter, primarily attributable to the higher profit.

SBTi targets approved

In December, we received notification that our emission reduction targets had been approved by the Science Based Targets Initiative (SBTi). This approval signifies our dedication to meaningful contributions to global climate action initiatives. AAK proudly stands as an early adopter, being one of the first



companies having secured approval for the Forest, Land, and Agriculture (FLAG) targets.

Science-based targets provide companies with a path to reduce emissions in line with the Paris Agreement goals. This collaborative initiative is orchestrated through a partnership involving organizations such as CDP, the UN Global Compact, the World Resources Institute and WWF.

Concluding remarks

As we bring 2023 to a close, I am pleased to note that we have reached several important milestones and have progressed toward realizing our long-term aspiration.

Our financial performance in 2023 exhibited strength, marked by an impressive 43 percent growth in operating profit, despite declining volumes. This performance was further underscored by a strong cash flow and return on capital employed.

We are gaining recognition for our positive contribution to the green transformation of the global food supply chain. Investors, media, and key opinion leaders are increasingly recognizing the potential of plant-based oils and fats.

We remain committed to delivering on our 2030 aspiration. As we look ahead, I am excited about the internal and external opportunities for AAK, and I believe we are well-positioned to continue growing and expanding our business. Thus, we remain prudently optimistic and fully committed to Making Better Happen™.

Johan Westman, President and CEO

AAK Group, Q4 2023

Volumes

Volumes totaled 548,000 MT (571,000), a decrease of 4 percent compared to last year.

Net sales

Sales reached SEK 10,835 million (13,317), a decrease of 19 percent. The decrease was driven by lower volumes and price adjustments due to lower raw material costs, as well as a negative currency translation effect of SEK 235 million.

Operating profit

Operating profit totaled SEK 1,141 million (778), corresponding to an increase of 47 percent compared to the same quarter in 2022.

The growth was largely driven by strong operating profit per kilo in Food Ingredients and Chocolate & Confectionery Fats.

Currency translation had a negative effect of SEK 26 million, of which SEK 1 million was related to Food Ingredients and SEK 25 million to Chocolate & Confectionery Fats. Operating profit at fixed foreign exchange rates increased by 50 percent.

Operating profit per kilo totaled SEK 2.08 (1.36), an increase of 53 percent. Currency translation had a negative effect of SEK 0.05 per kilo. At fixed foreign exchange rates, operating profit per kilo increased by 57 percent. AAK achieved this growth partly driven by internal optimization projects and partly by better portfolio & price management. In addition, the performance was supported by continued higher sales of speciality solutions.

Net financial costs and tax costs

Net financial costs totaled SEK 62 million (145). The financial costs decreased due to reporting in hyperinflationary economies (IAS 29) and reduced debt level, partly offset by higher interest rates. Reported tax costs correspond to an average tax rate of 19 percent (24). The tax expense in the quarter was positively affected by utilization of tax losses carried forward and adjustments of previous year tax expense.

Earnings per share

Earnings per share equaled SEK 3.34 (1.98).

Cash flow and investments

Operating cash flow, including changes in working capital, amounted to SEK 1,353 million (1,062). Cash flow from working capital amounted to SEK 157 million (661). There was a positive cash flow from accounts receivables and accounts payables, while cash flow from inventory was negative.

Cash outflow from investment activities amounted to SEK 325 million (488), of which SEK 0 million (14) stemmed from acquisitions of operations. Capital expenditure was primarily for maintenance investments, productivity improvements, and capacity increases.

Return on Capital Employed (ROCE)

Calculated on a rolling 12-month basis, Return on Capital Employed (ROCE) was 19.1 percent (14.5 on December 31, 2022).

Financial position

The equity-to-asset ratio was 56 percent (44 percent on December 31, 2022). Net debt on December 31, 2023, totaled SEK 2,425 million (SEK 5,707 million on December 31, 2022). Net debt / EBITDA totaled 0.49 (1.71 as of December 31, 2022).


On December 31, 2023, the group had total credit facilities of SEK 8,605 million (9,806 as of December 31, 2022), of which there were SEK 7,085 million (8,366 as of December 31, 2022) in committed credit facilities. Unused committed credit facilities on December 31, 2023, totaled SEK 5,559 million (4,295 as of December 31, 2022). Non-committed credit facilities totaled SEK 1,520 million (1,440 as of December 31, 2022), SEK 1,352 million (976 as of December 31, 2022) of which were unused.

Selected events

SBTi targets officially approved

In December 2023, the Science Based Targets Initiative (SBTi) approved our emission reduction targets. This endorsement reaffirms our dedication to align with the most current climate science and actively contributing to global efforts in addressing climate change.


By complying with the criteria set by SBTi, we are committed to adopting a uniform framework for emission reduction. We extend an invitation to fellow stakeholders to join us in this journey, aligning their operations with scientifically grounded climate targets for collective environmental impact.



AAK's approved FLAG Targets

- Achieve a 33% reduction in absolute scope 3 FLAG GHG emissions by 2030, compared to the 2019 baseline.*
- Achieve zero deforestation for primary deforestation-linked commodities by 2025.

*Absolute Scope 3 FLAG GHG emissions target is based on the sector approach.



AAK's approved Non-FLAG Targets

- Achieve a 50% reduction in absolute scope 1 and 2 GHG emissions by 2030, compared to the 2019 baseline.*
- Reduce absolute scope 3 GHG emissions from purchased goods & services and upstream transportation & distribution by 46% by 2030, compared to the 2019 baseline.
- Establish science-based targets for 10% of AAK's suppliers, covering purchased goods, services, transportation, and distribution by 2027.

*Target boundary includes biogenic emissions and removals from bioenergy feedstocks.

Sensory Innovation award finalist at FiE with CEBES™ Choco 15

One of AAK's recent innovations, CEBES™ Choco 15, was recognized as a finalist for the Sensory Innovation Award at Food Ingredients Europe (FiE) in November 2023. The nomination criteria focused on the development of an ingredient or process enhancing the sensory attributes of food products, including taste, texture, aroma, and visual appeal, while ensuring cost-effectiveness in its application. Positioned as a cost-effective solution, CEBES™ Choco 15 empowers brands to provide an authentic chocolate experience across a diverse range of products.

Introducing CEBES™ Choco 15

Raising the bar on cocoa flavor!



There's no better substitute with higher flexibility for your recipe



AAK

Funding to support the development of Microbial Cell Factories for lipids production

AAK, together with Chalmers University of Technology, has received funding to expand the research and development within the field of industrial and environmental biotechnology.

The grant by Novo Nordisk Foundation, will facilitate the expansion of research into microbial production of functional fatty acids. This funding aims to develop these fatty acids for application in plant-based food, health nutrition, and personal care products.

Food Ingredients, Q4 2023*

Operating profit +47%							
		Q4 2023	Q4 2022	Δ %	Q1-Q4 2023	Q1-Q4 2022	Δ %
Operating profit per kilo +52%	Volumes, '000 MT	350	361	-3	1,364	1,433	-5
	Net sales, SEK million	6,815	8,863	-23	29,891	32,661	-8
	Operating profit, SEK million	685	465	+47	2,642	1,716	+54
	Operating profit per kilo, SEK	1.96	1.29	+52	1.94	1.20	+62

Volumes

In the fourth quarter, volumes in Food Ingredients declined by 3 percent compared to the same period in the previous year. The volume decline was mainly attributed to Bakery and Special Nutrition, somewhat mitigated by growth in Dairy.

Bakery volumes declined due to the year-on-year effects from the optimization program initiated in June 2022. This program, which began influencing volumes at the start of 2023 with the closure of the Merksem plant, has now been annualized and is not expected to impact the volume performance in 2024.

Similar to the first nine months of the year, volumes for Special Nutrition declined year-over-year, mainly due to the negative effect of lower birth rates in China, as well as soft volume development in the US following unusually high sales in the same quarter last year.

Dairy volumes grew in the quarter compared to the corresponding period of last year. The growth was mainly driven by Europe.

In Foodservice, volumes grew slightly.

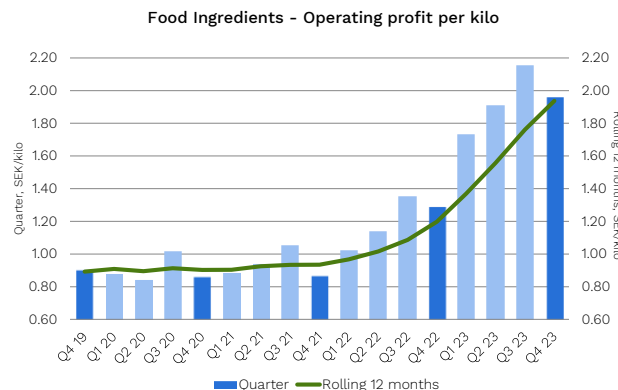
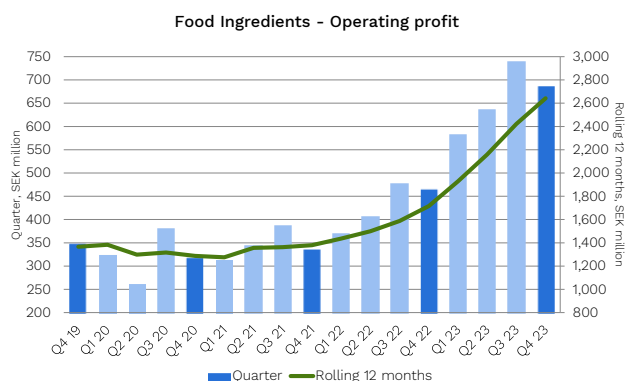
Net sales

Net sales reached SEK 6,815 million (8,863), a decrease of 23 percent or SEK 2,048 million, including a negative currency translation effect of SEK 197 million and reductions from lower year-over-year volumes and raw material prices.

Operating profit

Operating profit increased by 47 percent to SEK 685 million (465). Currency translation had a negative effect of SEK 1 million. At fixed foreign exchange rates, operating profit increased by 48 percent.

Operating profit per kilo increased to SEK 1.96 (1.29), corresponding to a 52 percent growth with currencies having a net neutral effect. The increase was broad-based, with all subsegments improving except Special Nutrition which decreased.



*Operating profit and operating profit per kilo exclude items affecting comparability.



Chocolate & Confectionery Fats, Q4 2023*

<div>Operating profit +56%</div> <div>Operating profit per kilo +59%</div>		Q4 2023	Q4 2022	Δ %	Q1-Q4 2023	Q1-Q4 2022	Δ %
	Volumes, '000 MT	123	125	-2	473	521	-9
	Net sales, SEK million	3,432	3,672	-7	13,694	14,813	-8
	Operating profit, SEK million	481	308	+56	1,521	1,092	+39
	Operating profit per kilo, SEK	3.91	2.46	+59	3.22	2.10	+53

Volumes

In the fourth quarter, volumes declined 2 percent compared to the same period last year. The decline was driven by solutions for chocolate bars, somewhat compensated by growth in solutions for spreads. The performance was mixed across the regions with Europe doing well and growing while Americas and Asia declined.

Net sales

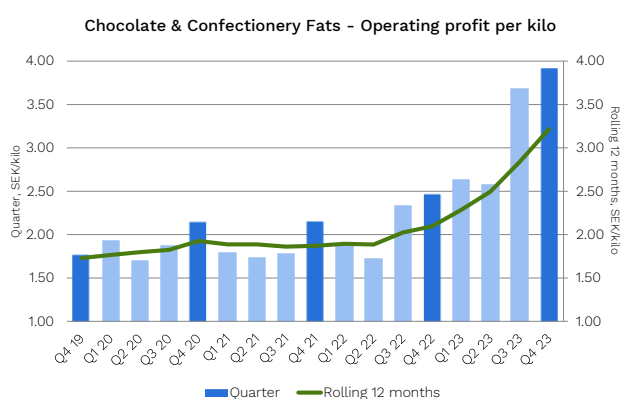
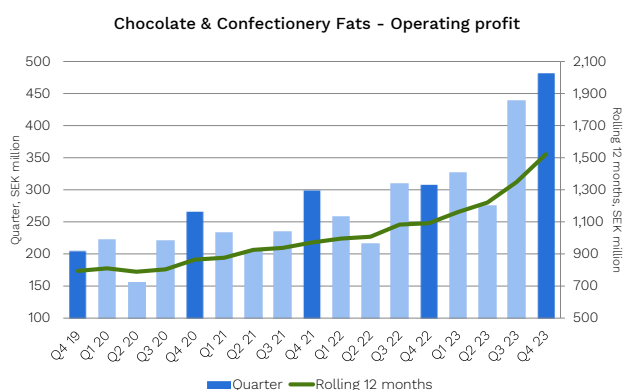
Net sales for the business area reached SEK 3,432 million (3,672), a 7 percent decrease, including negative currency translation effect of SEK 38 million and reductions from lower year-over-year volumes and raw material prices.

Operating profit

Operating profit reached SEK 481 million (308), an increase of 56 percent compared to the corresponding quarter last year. Currency translation had a negative impact of SEK 25 million. At fixed foreign exchange rates, operating profit increased by 64 percent.

Operating profit per kilo increased and totaled SEK 3.91 (2.46). Currency translation had a negative impact of SEK 0.20 per kilo. At fixed foreign exchange rates, operating profit per kilo increased by 67 percent.

The increase in operating profit per kilo was partly driven by internal process optimization and partly by better portfolio & price management across subsegments, including continued higher sales of speciality solutions.



*Operating profit and operating profit per kilo exclude items affecting comparability.



Technical Products & Feed, Q4 2023*

<div>Operating profit -41%</div> <div>Operating profit per kilo -33%</div>		Q4 2023	Q4 2022	Δ %	Q1-Q4 2023	Q1-Q4 2022	Δ %
	Volumes, '000 MT	75	85	-12	286	305	-6
	Net sales, SEK million	588	782	-25	2,443	2,951	-17
	Operating profit, SEK million	59	100	-41	258	303	-15
	Operating profit per kilo, SEK	0.79	1.18	-33	0.90	0.99	-9

Volumes

In the fourth quarter, volumes declined 12 percent compared to the same period in 2022, mainly driven by Feed.

The absolute volume performance remained roughly consistent sequentially over the last couple of quarters but experienced a year-over-year decline. This decline can be attributed to a challenging comparison with the previous year, following a strong demand in Feed.

Technical Products, including solutions to replace paraffin in candles, declined slightly compared to the same period of last year.

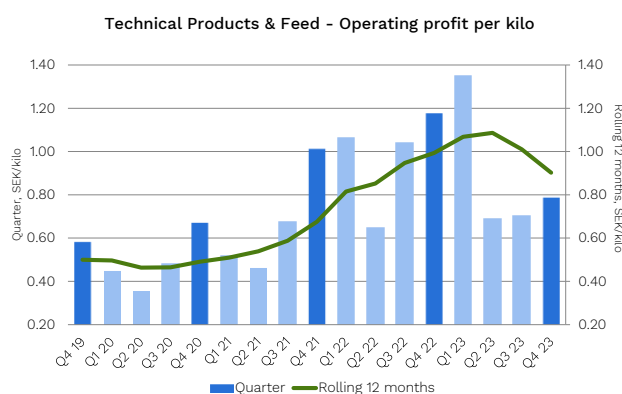
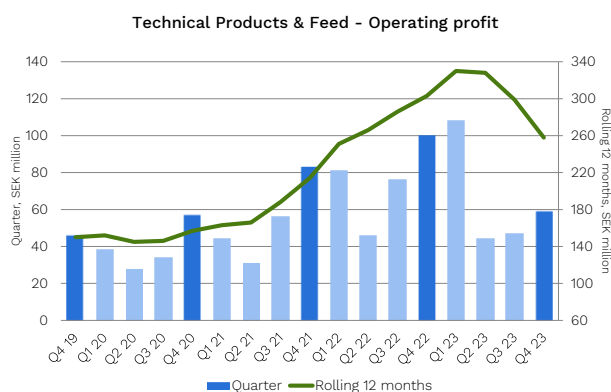
Net sales

Net sales for the business area reached SEK 588 million, decreasing by SEK 194 million compared to SEK 782 million during the fourth quarter of last year due to a negative impact from lower year-over-year volumes and raw material prices.

Operating profit

Operating profit totaled SEK 59 million (100), a 41 percent decrease compared to last year.

As a result of the lower volumes, lower margins in Biofuels, as well as lower year-over-year crush margin, the business area reported an operating profit per kilo of SEK 0.79 (1.18), a decrease of 33 percent.



*Operating profit and operating profit per kilo exclude items affecting comparability.



AAK Group, 12M 2023

Volumes

Volumes totaled 2,123,000 MT (2,259,000), a decrease of 6 percent compared to last year. Excluding Russia, volumes declined by 5 percent.

Net sales

Net sales reached SEK 46,028 million (50,425), a decrease of 9 percent. The decrease was driven by lower volumes and lower raw material prices, partly offset by a positive currency translation effect of SEK 1,174 million.

Operating profit

Operating profit, excluding items affecting comparability (IAC), totaled SEK 4,116 million (2,888), an increase of 43 percent compared to the corresponding period in 2022.

The growth in operating profit was largely driven by strong operating profit per kilo in Food Ingredients and Chocolate & Confectionery Fats.

Currency translation had a SEK 104 million positive effect, of which SEK 54 million related to Food Ingredients and SEK 50 million to Chocolate & Confectionery Fats. Operating profit, excluding items affecting comparability and at fixed foreign exchange rates, increased by 39 percent.

Operating profit per kilo, excluding items affecting comparability, totaled SEK 1.94 (1.28), an increase of 52 percent. Currency translation had a positive effect of SEK 0.05 per kilo. At fixed foreign exchange rates, operating profit per kilo, excluding items affecting comparability, increased by 48 percent. AAK achieved this growth partly driven by internal optimization projects and partly by better portfolio & price management. In addition, the performance was supported by continued higher sales of speciality solutions.

Net financial costs and tax costs

Net financial costs totaled SEK 292 million (188). The financial costs increased due to higher interest rates and reporting in hyperinflationary economies (IAS 29), partly offset by reduced debt level. Reported tax costs correspond to an average tax rate of 23 percent (24).

Earnings per share

Earnings per share equaled SEK 11.35 (6.84).

Cash flow and investments

Operating cash flow, including changes in working capital, amounted to SEK 5,314 million (negative 73). Cash flow from working capital amounted to SEK 1,573 million (negative 2,710). Following the decrease in raw material prices during the second half of 2022, there was a positive cash flow from inventory and accounts receivables, in particular during the first half of the year. Accounts payables had a negative cash flow effect in 2023.

Cash outflow from investment activities amounted to SEK 1,203 million (1,233), of which SEK 89 million (14) stemmed from acquisitions of operations. The acquisition of Arani Agro Oil, announced during the 2022 fiscal year, was completed in January 2023 and is included in AAK's financials from January 1, 2023. Capital expenditure was mostly for maintenance investments, productivity improvements, and capacity increases.

Employees

The average number of employees on December 31, 2023, was 4,128 (3,962 at December 31, 2022).

General information

Related parties

No significant related party transactions have occurred during the quarter.

Risks and uncertainty factors

AAK's operations are constantly exposed to risks, threats and external factors. 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 assumes that long-term risk exposure will not deviate from the inherent exposure associated with AAK's ongoing business operations.

AAK's Board of Directors and Executive Committee have, since the publication of the Annual Report 2022, reviewed the development of significant risks and uncertainties and can confirm that there have been no changes other than what has been commented on regarding market developments during 2022 and 2023.

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

Accounting policies in 2023

This interim report is prepared in accordance with IAS 34, Interim Financial Reporting, and applicable rules in the Swedish Annual Accounts Act. The accounting principles correspond to the principles applied in the preparation of the Annual Report 2022.

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 a reconciliation of Alternative Performance Measures, see pages 21–22.

Definitions

For definitions, please see our Annual Report.

Annual General Meeting and Annual Report

The Annual General Meeting will be held on May 8, 2024, in Malmö, Sweden. The Annual Report for 2023 will be available at www.aak.com from April 12, 2024.

Nomination Committee

At the Annual General Meeting 2023, Märta Schörling Andreen (Melker Schörling AB), Henrik Didner (Didner & Gerge Fonder), William McKechnie (Alecta) and Elisabet Jamal Bergström (SEB Investment Management) were elected as members of the Nomination Committee for the period up to the Annual General Meeting 2024.

Märta Schörling Andreen was re-elected Chairman of the Nomination Committee.

William McKechnie has thereafter left Alecta and thereby also his assignment in the Nomination Committee for the Annual General Meeting 2024. In accordance with the Instructions for the Nomination Committee, Alecta has been given the opportunity to appoint a new representative, whereby Daniel Kristiansson has been appointed new member of the Nomination Committee. The Nomination Committee for the Annual General Meeting 2024 thus consists of Chairman Märta Schörling Andreen (Melker Schörling AB) and the members Henrik Didner (Didner & Gerge Fonder), Daniel Kristiansson (Alecta) and Elisabet Jamal Bergström (SEB Investment Management).

Proposed dividend

The Board of Directors proposes that a dividend of SEK 3.70 (2.75) per share be paid for the financial year 2023. The proposed record date for the dividend is May 13, 2024. It is expected that the dividend will reach the shareholders after May 16, 2024.

Events after the reporting period

No events to be reported.

The Parent Company and Group Functions

AAK AB (publ.) 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 83 million (negative 63). Interest-bearing liabilities minus cash and cash equivalents and interest-bearing assets totaled SEK 4,443 million (3,443 as of December 31, 2022). Investments in intangible and tangible assets amounted to SEK 23 million (1).

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

The Parent Company has prepared its financial reports in accordance with Chapter 9 of the Swedish Annual Accounts Act, Interim Report and RFR 2 Accounting for legal entities. The accounting principles correspond to the principles applied in the preparation of the Annual Report 2022.

Malmö, February 7, 2024

Johan Westman
President and CEO

For further information, please contact:

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E-mail: carlahlgren@aak.com

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, under the direction of the contact person set out above, at 8:30 CET on February 7, 2024.

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 December 31, 2023, and the twelve-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, February 7, 2024

KPMG AB

Jonas Nihlberg
Authorized Public Accountant

Condensed income statement

SEK million	Q4 2023	Q4 2022	Q1-Q4 2023	Q1-Q4 2022
Net sales	10,835	13,317	46,028	50,425
Other operating income	62	34	225	149
Total operating income	10,897	13,351	46,253	50,574
Change in inventories of finished goods and work in progress	17	143	-64	201
Raw materials and consumables	-7,462	-10,547	-33,421	-39,777
Goods for resale	-250	-234	-811	-1,085
Other external expenses	-970	-894	-3,577	-3,401
Cost for remuneration to employees	-891	-838	-3,399	-2,958
Depreciation, amortization and impairment losses	-194	-209	-877	-799
Other operating expenses	-6	6	12	-217
Total operating expenses	-9,756	-12,573	-42,137	-48,036
Operating profit (EBIT)	1,141	778	4,116	2,538
Financial income	24	-51	83	69
Financial expense	-86	-94	-375	-257
Total financial net	-62	-145	-292	-188
Profit before tax	1,079	633	3,824	2,350
Income tax	-209	-116	-870	-570
Profit for the period	870	517	2,954	1,780
Attributable to non-controlling interests	4	2	8	10
Attributable to the Parent Company's shareholders	866	515	2,946	1,770
Earnings per share before dilution, SEK ¹⁾	3.34	1.98	11.35	6.84
Earnings per share after dilution, SEK ²⁾	3.33	1.98	11.35	6.84

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

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

Comprehensive income

SEK million	Q4 2023	Q4 2022	Q1-Q4 2023	Q1-Q4 2022
Profit for the period	870	517	2,954	1,780
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of post-employment benefit obligations	-28	11	-11	149
	-28	11	-11	149
<i>Items that may subsequently be reclassified to profit or loss</i>				
Translation differences	-1,106	-659	-146	1,460
Fair-value changes in cash flow hedges	-6	-1	-12	20
Tax related to fair-value changes in cash flow hedges	2	0	3	-4
	-1,110	-660	-155	1,476
Total other comprehensive income for the period	-1,138	-649	-166	1,625
Total comprehensive income for the period	-268	-132	2,788	3,405
Attributable to non-controlling interests	4	2	9	16
Attributable to the Parent Company's shareholders	-272	-134	2,779	3,389

Condensed balance sheet

SEK million	31.12.2023	31.12.2022
Assets		
Goodwill	2,712	2,538
Other intangible assets	290	293
Property, plant and equipment	7,493	6,944
Right-of-use assets	760	685
Shares in associated companies	13	32
Financial assets	79	67
Deferred tax assets	390	327
Total non-current assets	11,737	10,886
Inventory	8,656	11,174
Accounts receivables	5,312	6,635
Current receivables	3,343	3,780
Cash and cash equivalents	1,503	1,515
Total current assets	18,814	23,104
Total assets	30,551	33,990
Equity and liabilities		
Shareholders' equity	17,117	15,036
Non-controlling interests	56	47
Total equity including non-controlling interests	17,173	15,083
Liabilities to banks and credit institutions	1,969	3,526
Pension liabilities	31	58
Lease liabilities	630	562
Deferred tax liabilities	656	553
Other non-current liabilities	455	273
Total non-current liabilities	3,741	4,972
Liabilities to banks and credit institutions	1,715	2,997
Lease liabilities	171	162
Accounts payables	3,804	5,337
Other current liabilities	3,947	5,439
Total current liabilities	9,637	13,935
Total equity and liabilities	30,551	33,990

Condensed change in equity

2023

SEK million	Shareholders' equity	Non-controlling interests	Total equity incl. non-controlling interests
Opening balance January 1, 2023	15,036	47	15,083
Profit for the period	2,946	8	2,954
Other comprehensive income	-167	1	-166
Total comprehensive income	2,779	9	2,788
Long-term incentive	16	-	16
Dividend	-714	-	-714
Closing balance December 31, 2023	17,117	56	17,173

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	41	-	41
Adjusted Opening balance January 1, 2022	11,824	48	11,872
Profit for the period	1,770	10	1,780
Other comprehensive income	1,619	6	1,625
Total comprehensive income	3,389	16	3,405
New issue of shares	147	-	147
Subscription warrants	80	-	80
Exit Russia	237	-17	220
Liquidation	5	-	5
Dividend	-646	-	-646
Closing balance December 31, 2022	15,036	47	15,083

Condensed cash flow statement

SEK million	Q4 2023	Q4 2022	Q1–Q4 2023	Q1–Q4 2022
Operating activities				
Operating profit	1,141	778	4,116	2,538
Depreciation, amortization and impairment losses	194	209	877	799
Adjustment for other items not included in cash flow	241	-276	-65	63
Interest paid and received	-59	-135	-208	-146
Tax paid	-321	-175	-979	-617
Cash flow before changes in working capital	1,196	401	3,741	2,637
Changes in inventory	-271	536	2,463	-1,427
Changes in accounts receivables	514	357	1,241	-1,149
Changes in accounts payables	119	-640	-1,545	-812
Changes in other working capital items	-205	408	-586	678
Changes in working capital	157	661	1,573	-2,710
Cash flow from operating activities	1,353	1,062	5,314	-73
Investing activities				
Acquisition of intangible assets and property, plant and equipment	-410	-480	-1,245	-1,226
Acquisition of operations and shares, net of cash acquired	-	-14	-89	-14
Proceeds from sale of property, plant and equipment	85	6	131	7
Cash flow from investing activities	-325	-488	-1,203	-1,233
Financing activities				
Changes in loans	-988	-333	-3,166	2,364
Amortization of lease liabilities	-46	-43	-181	-152
New issue of shares	-	-	-	147
Subscription warrants	-	-	-	80
Dividend paid	-	-	-714	-646
Cash flow from financing activities	-1,034	-376	-4,061	1,793
Cash flow for the period	-6	198	50	487
Cash and cash equivalents at start of period	1,595	1,410	1,515	1,001
Exchange rate difference for cash equivalents	-86	-93	-62	27
Cash and cash equivalents at end of period	1,503	1,515	1,503	1,515

Key ratios

SEK million (unless otherwise stated)	Q4 2023	Q4 2022	Δ %	Q1-Q4 2023	Q1-Q4 2022	Δ %
Income statement						
Volumes, '000 MT	548	571	-4	2,123	2,259	-6
Operating profit	1,141	778	+47	4,116	2,538	+62
Operating profit excluding IAC	1,141	778	+47	4,116	2,888	+43
Profit for the period	870	517	+68	2,954	1,780	+66
Profit for the period excluding IAC	870	517	+68	2,954	2,099	+41
Financial position						
Total assets	30,551	33,990	-10	30,551	33,990	-10
Equity	17,173	15,083	+14	17,173	15,083	+14
Net working capital	8,971	10,747	-17	8,971	10,747	-17
Net debt	2,425	5,707	-58	2,425	5,707	-58
Cash flow						
Cash flow from operating activities	1,353	1,062	-	5,314	-73	-
Cash flow from investing activities	-325	-488	-	-1,203	-1,233	-
Share data						
Number of shares, thousand	259,559	259,559	0	259,559	259,559	0
Earnings per share, SEK ¹⁾	3.34	1.98	+69	11.35	6.84	+66
Earnings per share, excluding IAC, SEK ¹⁾	3.34	1.98	+69	11.35	8.07	+41
Equity per share, SEK	65.95	57.93	+14	65.95	57.93	+14
Market value on closing date, SEK	224.80	177.85	+26	224.80	177.85	+26
Other key ratios						
Volume growth, percent	-4	-6	-	-6	-2	-
Operating profit per kilo, SEK	2.08	1.36	+53	1.94	1.12	+73
Operating profit per kilo, excluding IAC, SEK	2.08	1.36	+53	1.94	1.28	+52
Return on Capital Employed (R12 months), percent	19.1	14.5	+32	19.1	14.5	+32
Net debt / EBITDA, multiple	0.49	1.71	-72	0.49	1.71	-72

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

Quarterly data by business area

Operating profit

SEK million	2022 Q1	Q2	Q3	Q4	Full year	2023 Q1	Q2	Q3	Q4	Full year
Food Ingredients	369	342	476	465	1,652	582	636	739	685	2,642
Chocolate & Confectionery Fats	258	-70	310	308	806	327	275	438	481	1,521
Technical Products & Feed	81	46	76	100	303	108	44	47	59	258
Group Functions	-44	-44	-40	-95	-223	-65	-75	-81	-84	-305
Operating profit AAK Group	664	274	822	778	2,538	952	880	1,143	1,141	4,116
Financial net	-18	-6	-19	-145	-188	-77	-68	-85	-62	-292
Profit before tax	646	268	803	633	2,350	875	812	1,058	1,079	3,824

Operating profit excluding items affecting comparability

SEK million	2022 Q1	Q2	Q3	Q4	Full year	2023 Q1	Q2	Q3	Q4	Full year
Food Ingredients	369	406	476	465	1,716	582	636	739	685	2,642
Chocolate & Confectionery Fats	258	216	310	308	1,092	327	275	438	481	1,521
Technical Products & Feed	81	46	76	100	303	108	44	47	59	258
Group Functions	-44	-44	-40	-95	-223	-65	-75	-81	-84	-305
Operating profit AAK Group	664	624	822	778	2,888	952	880	1,143	1,141	4,116
Financial net	-18	-6	-19	-145	-188	-77	-68	-85	-62	-292
Profit before tax	646	618	803	633	2,700	875	812	1,058	1,079	3,824

Net sales by market

2023

SEK million	FI Q4 2023	CCF Q4 2023	TPF Q4 2023	Total Q4 2023	FI Q1-Q4 2023	CCF Q1-Q4 2023	TPF Q1-Q4 2023	Total Q1-Q4 2023
Europe	2,094	1,302	588	3,984	10,662	4,858	2,443	17,963
North and South America	3,621	1,431	0	5,052	15,029	6,128	0	21,157
Asia	979	648	0	1,627	3,712	2,532	0	6,244
Other countries	121	51	0	172	488	176	0	664
Net sales	6,815	3,432	588	10,835	29,891	13,694	2,443	46,028

2022

SEK million	FI Q4 2022	CCF Q4 2022	TPF Q4 2022	Total Q4 2022	FI Q1-Q4 2022	CCF Q1-Q4 2022	TPF Q1-Q4 2022	Total Q1-Q4 2022
Europe	3,331	1,133	782	5,246	12,113	5,530	2,951	20,594
North and South America	4,268	1,648	0	5,916	16,114	6,345	0	22,459
Asia	1,114	847	0	1,961	3,980	2,661	0	6,641
Other countries	150	44	0	194	454	277	0	731
Net sales	8,863	3,672	782	13,317	32,661	14,813	2,951	50,425

Financial instruments

SEK million	31.12.2023	31.12.2022	Hierarchy level
<i>Assets at fair value through profit and loss</i>			
Currency derivatives	358	164	2
Sales and purchase contracts	927	2,199	2
Investment in unlisted shares	7	7	3
Investment in unlisted funds	55	43	3
<i>Derivatives used in cash flow hedges</i>			
Interest rate swaps	13	25	2
<i>Assets at amortized cost</i>			
Financial non-current assets	11	7	-
Accounts receivables	5,312	6,635	-
Financial current assets	97	85	-
Cash and cash equivalents	1,503	1,515	-
Total financial assets	8,283	10,680	
<i>Liabilities at fair value through profit and loss</i>			
Currency derivatives	389	294	2
Sales and purchase contracts	430	1,140	2
<i>Liabilities at amortized cost</i>			
Liabilities to banks and credit institutions	3,684	6,523	-
Lease liabilities	801	724	-
Accounts payables	3,804	5,337	-
Other interest-bearing liabilities	11	12	-
Total financial liabilities	9,119	14,030	

For information on the valuation techniques used by the Group in measuring the fair value of financial instruments, see note 3 in the Annual report 2022.

Alternative Performance Measures (APMs)

Organic volume growth

Percent	Q4 2023	Q4 2022	Q1–Q4 2023	Q1–Q4 2022
Food Ingredients				
Organic volume growth	-3	-7	-5	-3
Acquisitions / divestments	-	-	-	-
Volume growth	-3	-7	-5	-3
Chocolate & Confectionery Fats				
Organic volume growth	-2	-10	-9	0
Acquisitions / divestments	-	-	-	-
Volume growth	-2	-10	-9	0
Technical Products & Feed				
Organic volume growth	-12	4	-6	-4
Acquisitions / divestments	-	-	-	-
Volume growth	-12	4	-6	-4
AAK Group				
Organic volume growth	-4	-6	-6	-2
Acquisitions / divestments	-	-	-	-
Volume growth	-4	-6	-6	-2

EBITDA

SEK million	Q4 2023	Q4 2022	Q1–Q4 2023	Q1–Q4 2022
Operating profit (EBIT)	1,141	778	4,116	2,538
Depreciation, amortization and impairment losses	194	209	877	799
EBITDA	1,335	987	4,993	3,337

Operating profit excluding items affecting comparability (IAC)

SEK million	Q4 2023	Q4 2022	Q1–Q4 2023	Q1–Q4 2022
Food Ingredients				
Operating profit, excluding IAC	685	465	2,642	1,716
Exit Russia	-	-	-	-64
Operating profit	685	465	2,642	1,652
Chocolate & Confectionery Fats				
Operating profit, excluding IAC	481	308	1,521	1,092
Exit Russia	-	-	-	-286
Operating profit	481	308	1,521	806
Technical Products & Feed				
Operating profit, excluding IAC	59	100	258	303
Operating profit	59	100	258	303
AAK Group				
Operating profit, excluding IAC	1,141	778	4,116	2,888
Exit Russia	-	-	-	-350
Operating profit	1,141	778	4,116	2,538

Return on Capital Employed (ROCE)

SEK million	R12M 31.12.2023	R12M 31.12.2022
Total assets	32,147	32,083
Cash and cash equivalents	-1,500	-1,354
Financial assets	-213	-51
Accounts payables	-4,333	-5,791
Other non-interest-bearing liabilities	-4,566	-4,998
Capital employed	21,535	19,889
Operating profit, excluding items affecting comparability	4,116	2,888
Return on Capital Employed (ROCE), percent	19.1	14.5

Net working capital

SEK million	31.12.2023	31.12.2022
Inventory	8,656	11,174
Accounts receivables	5,312	6,635
Other current receivables, non-interest-bearing	2,743	3,686
Accounts payables	-3,804	-5,337
Other current liabilities, non-interest-bearing	-3,936	-5,411
Net working capital	8,971	10,747

Net debt

SEK million	31.12.2023	31.12.2022
Current interest-bearing receivables	599	95
Cash and cash equivalents	1,503	1,515
Pension liabilities	-31	-58
Lease liabilities	-801	-724
Non-current liabilities to banks and credit institutions	-1,969	-3,526
Current liabilities to banks and credit institutions	-1,715	-2,997
Other interest-bearing liabilities	-11	-12
Net debt	-2,425	-5,707

Net debt / EBITDA

SEK million	31.12.2023	31.12.2022
Net debt	2,425	5,707
EBITDA (rolling 12 months)	4,993	3,337
Net debt / EBITDA, multiple	0.49	1.71

Equity to assets ratio

SEK million	31.12.2023	31.12.2022
Shareholders' equity	17,117	15,036
Non-controlling interests	56	47
Total equity including non-controlling interests	17,173	15,083
Total assets	30,551	33,990
Equity to assets ratio, percent	56.2	44.4

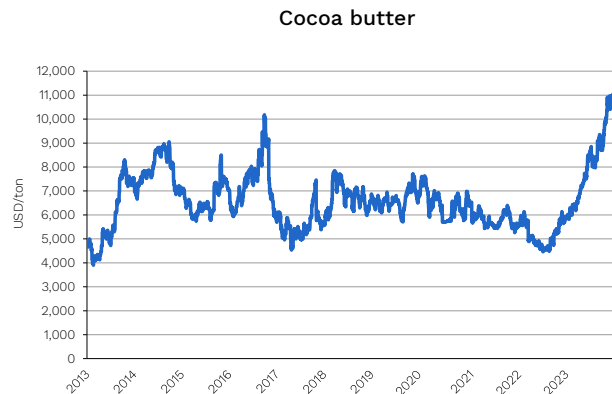
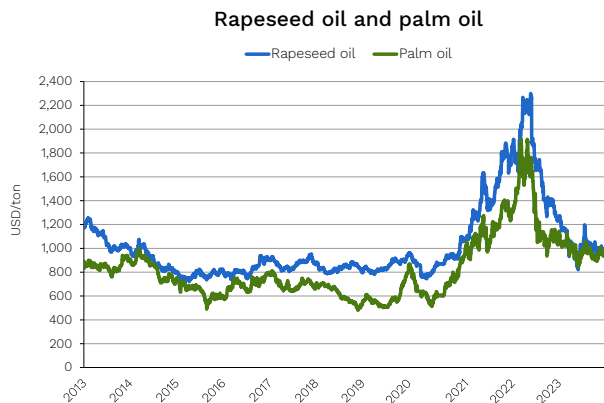
Income statement – Parent Company

SEK million	Q4 2023	Q4 2022	Q1–Q4 2023	Q1–Q4 2022
Net sales	168	64	413	160
Total operating income	168	64	413	160
Other external expenses	-89	-58	-341	-151
Cost for remuneration to employees	-39	-54	-153	-130
Depreciation, amortization and impairment losses	-3	-2	-10	-7
Total operating expenses	-131	-114	-504	-288
Operating profit (EBIT)	37	-50	-91	-128
Profit from interest in Group companies	213	108	213	108
Interest income and similar items	-1	-1	0	20
Interest expense and similar items	-64	-26	-205	-63
Total financial net	148	81	8	65
Profit before tax	185	31	-83	-63
Income tax	-71	-19	-18	0
Profit for the period	114	12	-101	-63

Condensed balance sheet – Parent Company

SEK million	31.12.2023	31.12.2022
Assets		
Other intangible assets	24	8
Property, plant and equipment	3	1
Right-of-use assets	23	2
Financial assets	9,910	9,974
Deferred tax assets	2	3
Total non-current assets	9,962	9,988
Current receivables	682	493
Cash and cash equivalents	0	0
Total current assets	682	493
Total assets	10,644	10,481
Equity and liabilities		
Shareholders' equity	6,000	6,811
Non-controlling interests	-	-
Total equity including non-controlling interests	6,000	6,811
Liabilities to banks and credit institutions	1,500	3,000
Lease liabilities	17	1
Other non-current liabilities	27	36
Total non-current liabilities	1,544	3,037
Liabilities to banks and credit institutions	1,500	500
Lease liabilities	5	2
Accounts payables	19	18
Other current liabilities	1,576	113
Total current liabilities	3,100	633
Total equity and liabilities	10,644	10,481

Price trends in raw materials



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

Additional information

Conference call

AAK will host a conference call for investors and analysts on February 7, 2024, at 10 a.m. CET. The presentation can be followed via teleconference or webcast. Please visit www.aak.com for details.

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

Financial calendar

April 11, 2024: Sustainability Report for 2023

April 12, 2024: Annual Report for 2023

April 25, 2024: Q1 and three month report for 2024

May 8, 2024: Annual General Meeting, Malmö, Sweden

July 18, 2024: Q2 and six month report for 2024

October 24, 2024: Q3 and nine month report for 2024

February 5, 2025: Q4 and year-end report for 2024

Forward-looking statements

This report contains forward-looking statements. Such statements are subject to risks and uncertainties since 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 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™

Everything AAK does is about Making Better Happen™. We specialize in plant-based oils and fats, the value-adding ingredients in many 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 Making Better Happen™ means for each customer with the unique flexibility of our production assets and deep knowledge of 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, 16 dedicated Customer Innovation Centers, and with the support of more than 20 production facilities.

Listed on Nasdaq Stockholm and headquartered in Malmö, Sweden, AAK has been Making Better Happen™ for 150 years.



Explore more at
www.aak.com