



GRÄNGES

Fourth Quarter 2020 Earnings Conference

28 January, 2021

Today's presenters



**JOHAN
MENCKEL**
CEO

Since: 2012
Gränges since: 2004



**OSKAR
HELLSTRÖM**
CFO

Since: 2011



Strong fourth quarter concluded a challenging yet productive year

- Improved market conditions in all regions

- Aluminium Konin acquisition completed

- Increased sales volume and operating profit
 - Sales volume increased by 33%
 - Adjusted operating profit SEK 193 million














- Continued strong cash generation
 - Adjusted cash flow before financing SEK 232 million

- Proposed dividend of SEK 1.10 per share



Continued recovery of both Automotive and HVAC markets in the fourth quarter

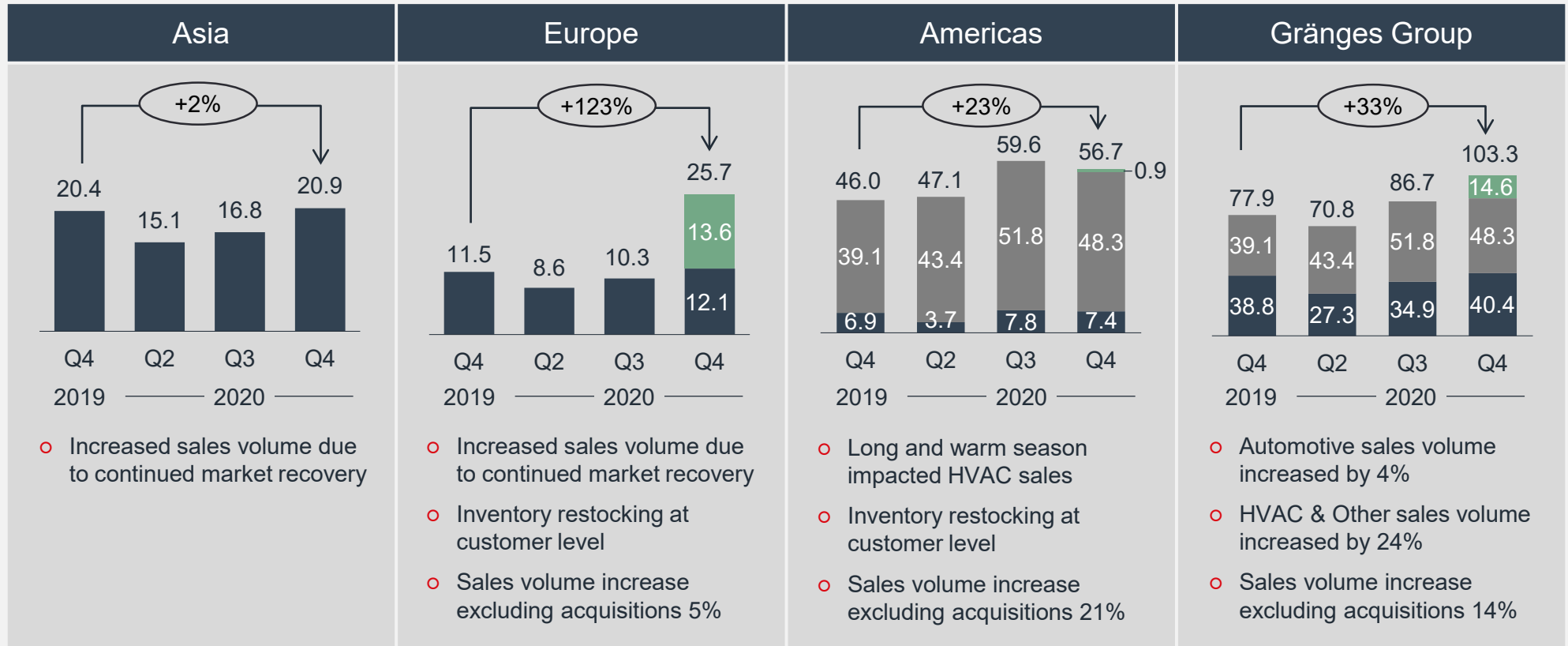
End market production growth (YoY)

End market	Automotive				HVAC
Region	Global	Asia	Europe	Americas	Americas
Q4 2020	 +2%	 +4%	 +1%	 ±0%	 +61%
Q1 2021	 +15%	 +27%	 +2%	 +8%	-
Full year 2021	 +14%	 +9%	 +14%	 +26%	-

Source: Automotive light vehicle production - IHS Automotive, January 2020
 HVAC unit shipments - AHRI, December 2020

Sales volume increased by 33% in total and by 14% excluding acquisitions in the fourth quarter

Gränges sales volume (ktonnes)



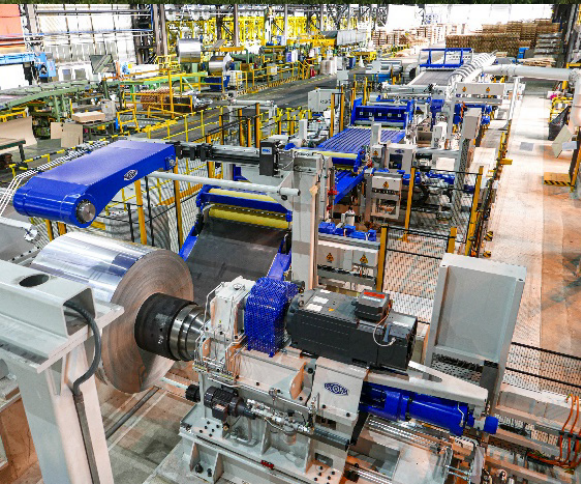
Automotive
 HVAC & Other
 Acquired business

The acquisition of Aluminium Konin has been successfully completed

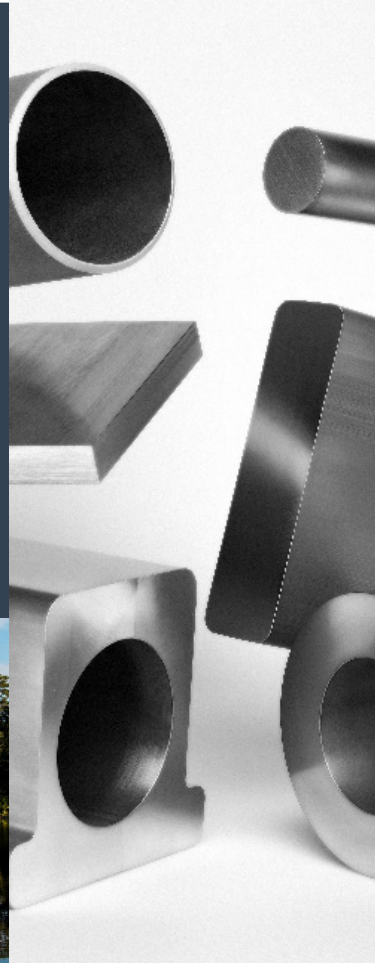
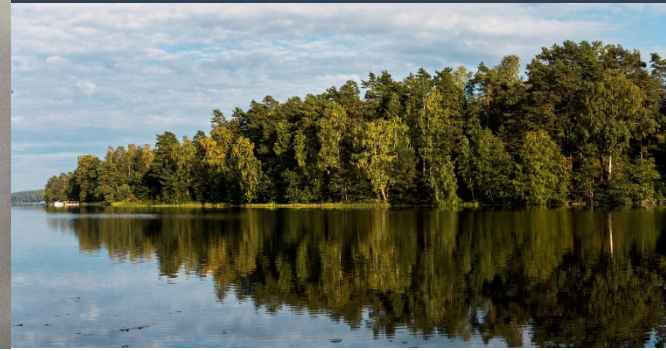
- Strategic rationales for the acquisition
 - 1 New capabilities
 - 2 New niche markets
 - 3 Stronger presence in Europe
- Integration activities progress according to plan
- Rights issue successfully completed in December
- Strong platform for profitable growth



2020 has been a challenging yet productive year



- COVID-19
- Record year in Americas
- Aluminium Konin
- Powder Metallurgy
- Rights issue
- Sustainability



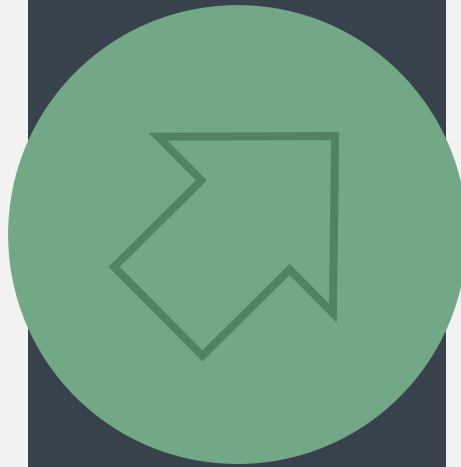
In 2020 the sustainability performance continued to improve in several prioritized areas

Climate impact



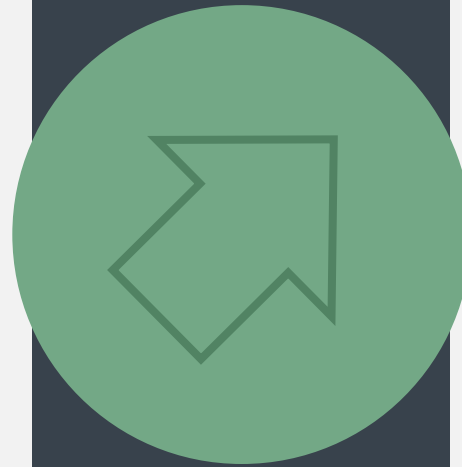
Metric: Total carbon emissions intensity¹⁾

Recycled aluminium



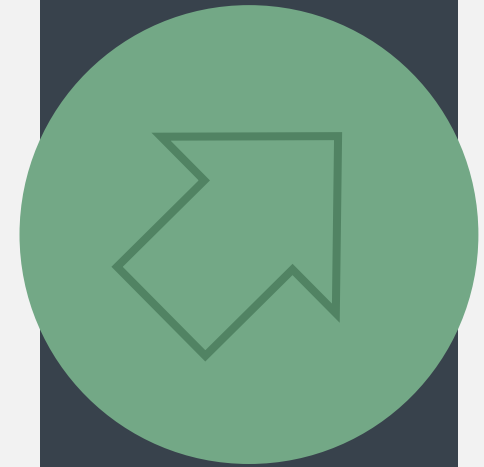
Metric: Share of sourced recycled aluminium

Sustainable products



Metric: Share of products with verified sustainability information

Diverse workspace

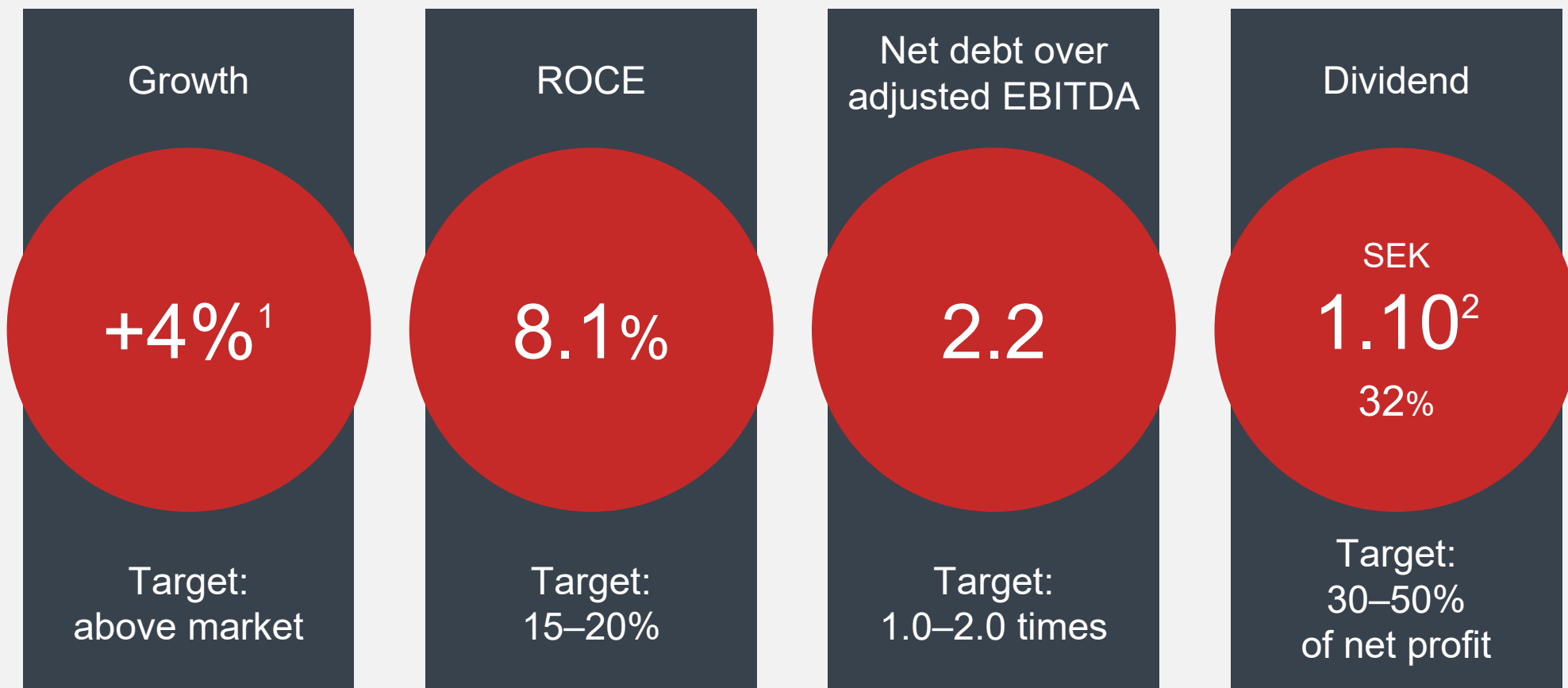


Metric: Share of women among senior management²⁾

(1) Includes direct emissions from own operations and indirect emissions from purchased energy and from purchased materials and services.

(2) Senior management defined as employees eligible to participate in Gränges' long-term incentive (LTI) programme.

In 2020 the financial performance reflects challenging market conditions and material investments



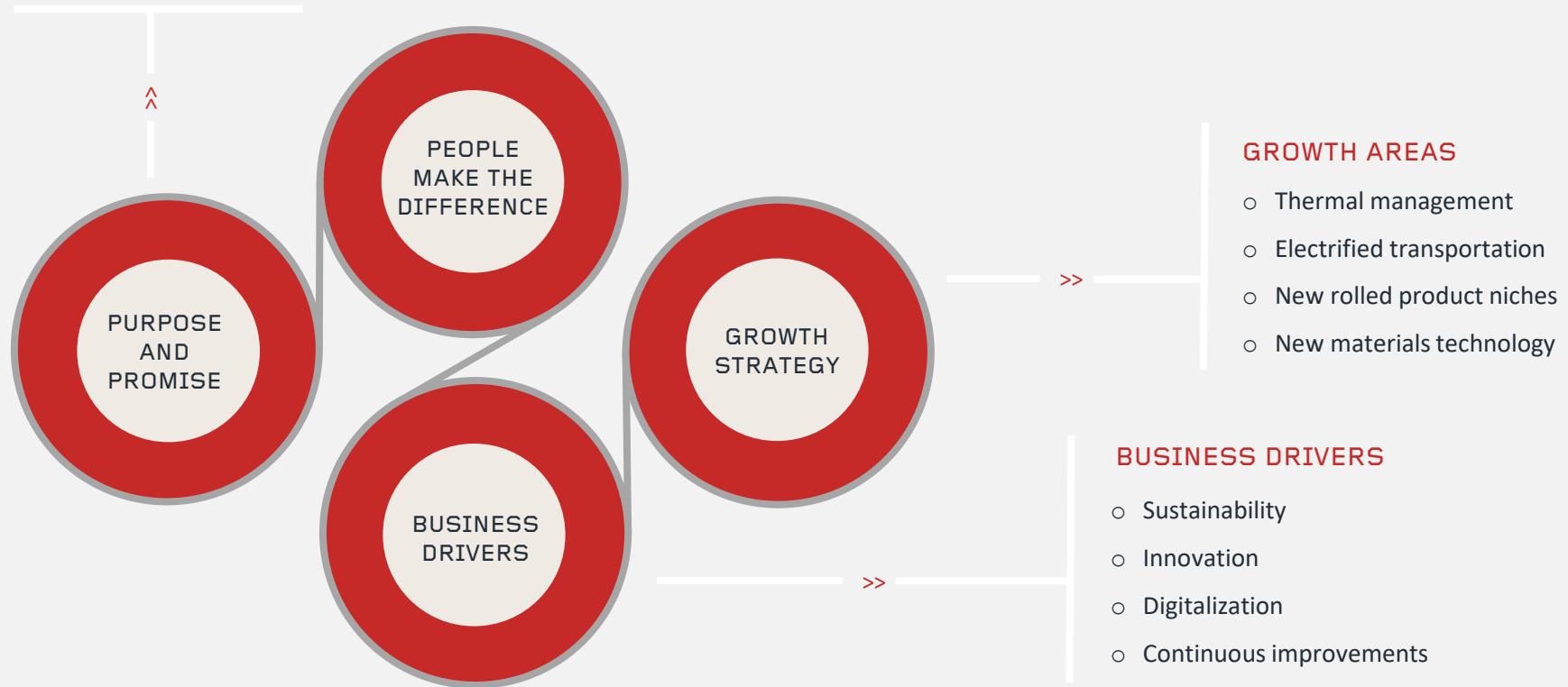
(1) Gränges sales volume growth excluding acquisitions in 2020 of -3% less the preliminary growth of the underlying markets to which Gränges is exposed of -7% (Source: IHS, AHRI, and CRU).

(2) The Board of Director's proposal for the 2021 Annual General Meeting

Updated strategy for 2025

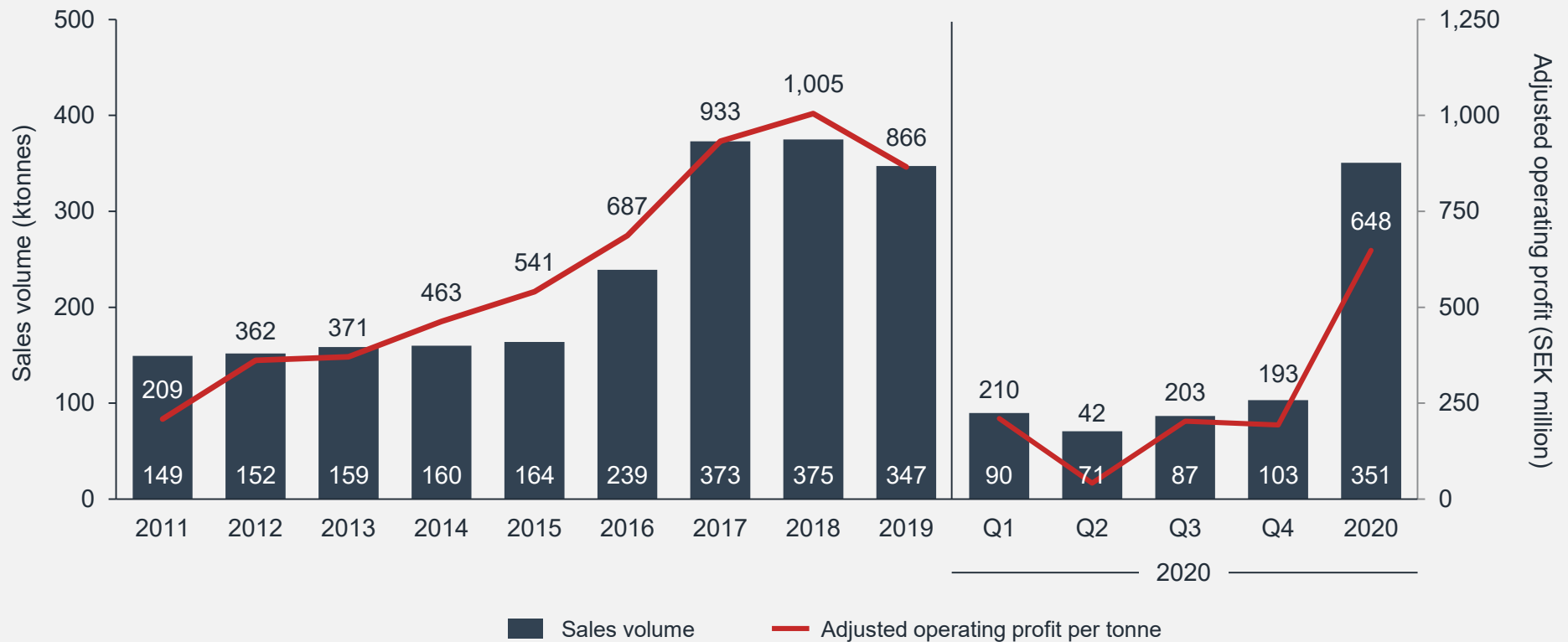
PURPOSE

Driving the development of lighter, smarter and more sustainable aluminium solutions

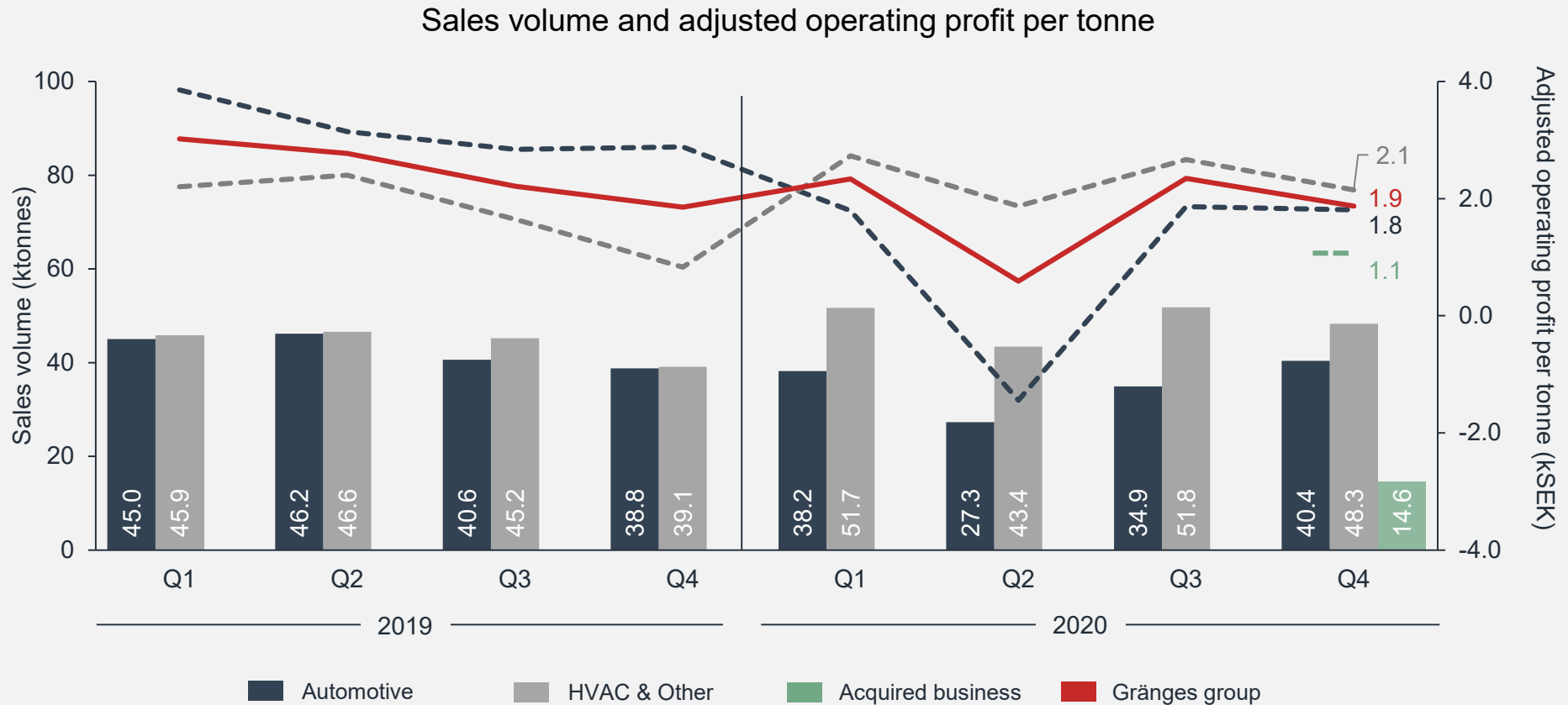


Sales volume recovery continued in fourth quarter

Sales volume and adjusted operating profit



Stable year over year margin in fourth quarter



Financial overview – fourth quarter 2020

SEK million	Q4			January - December		
	2020	2019	Change	2020	2019	Change
Sales volume (ktonnes)	103.3	77.9	32.6%	350.6	347.3	0.9%
Net sales	3,149	2,682	17.4%	11,008	11,978	-8.1%
Adjusted operating profit ¹	193	144	34.0%	648	866	-25.1%
Adjusted operating margin (%)	6.1	5.4	0.8 ppt	5.9	7.2	-1.3 ppt
Adjusted operating profit per tonne (kSEK)	1.9	1.9	0.0	1.8	2.5	-0.6
Operating profit	167	115	45.5%	584	836	-30.1%
Profit for the period	106	47	124.3%	363	600	-39.5%
Earnings per share ² (SEK)	1.19	0.56	0.63	4.21	7.05	-2.84
Adj. cash flow before financing activities ³	232	191	21.5%	1,180	1,048	12.6%
Return on capital employed, R12 (%)	8.1	11.7	-3.6 ppt			
Net debt / adjusted EBITDA, R12	2.2	2.6				

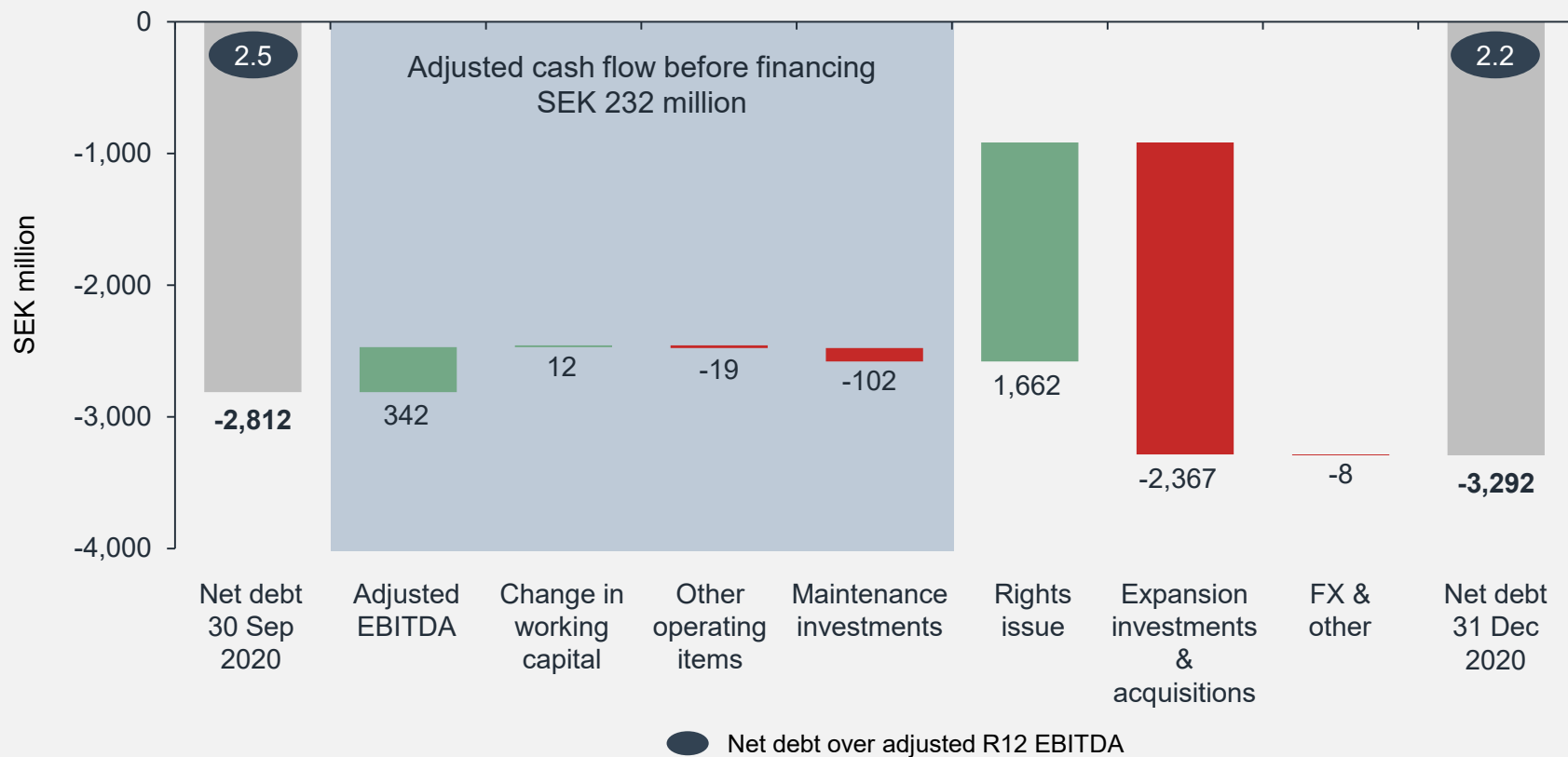
(1) Adjusted for items affecting comparability

(2) Adjusted for rights issue

(3) Adjusted for expansion investments and acquisitions

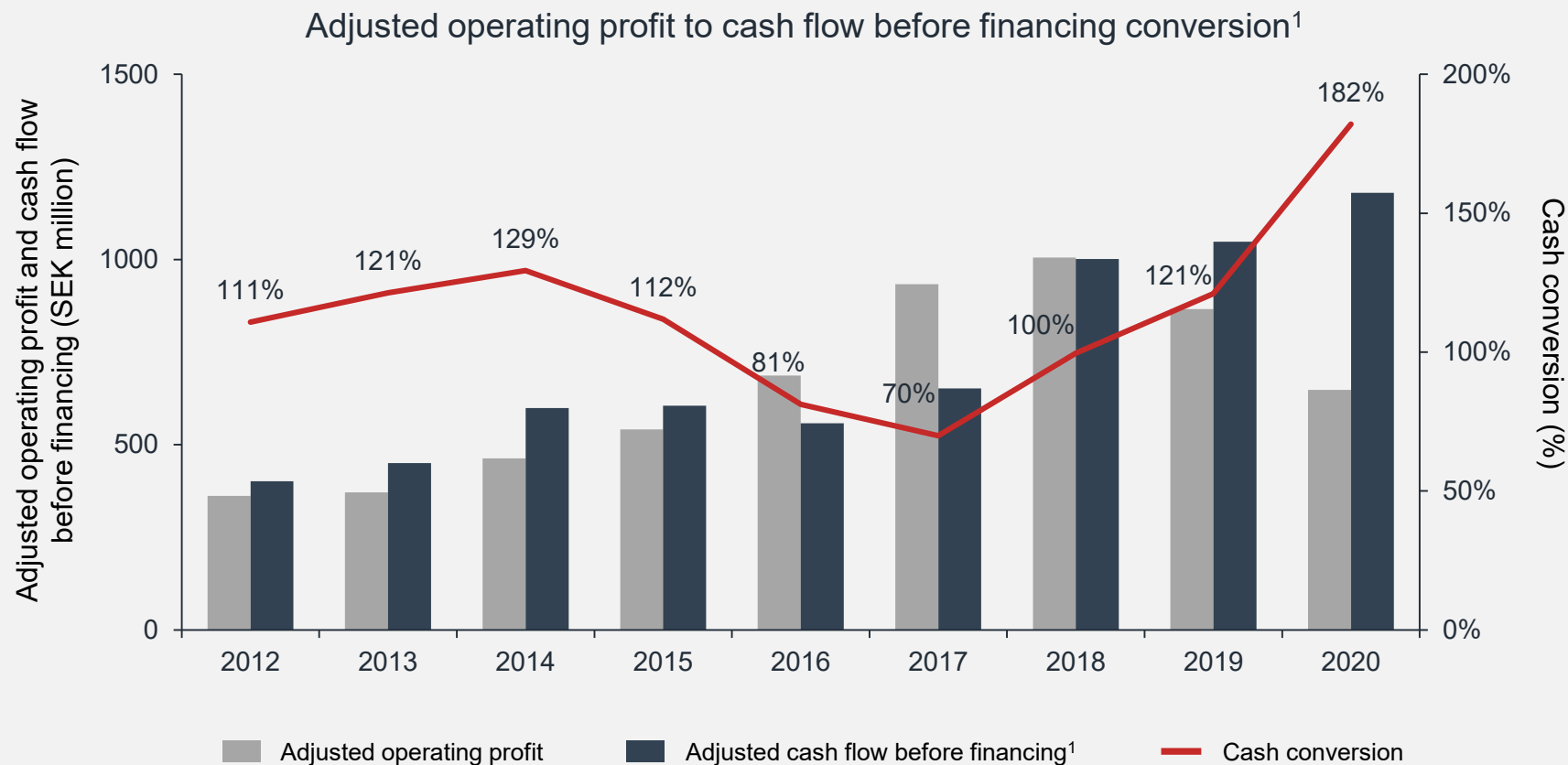
Increased net debt from acquisition of Aluminium Konin partly offset by proceeds from rights issue

Change in net debt



Note: Net debt including pension and leasing liabilities. As per 31 December 2020, total pension liabilities amounted to 358 MSEK and leasing liabilities to 237 MSEK. R12 EBITDA per 31 December 2020 includes R12 EBITDA for Gränges Konin.

Continued strong cash generation in 2020



(1) Cash flow before financing activities excluding cash flow from expansion investments and acquisitions.

Outlook - first quarter 2021

- Continued market recovery anticipated
- Gränges currently expects an organic¹ year over year sales volume increase by low double digits
 - Low double digit increase for Automotive materials on global level
 - Mid single digit increase for HVAC & Other materials in Americas
- Gränges Konin is currently expected to add additional sales volume of 24 ktonnes
- Negative profitability impact from FX



(1) Growth excluding acquired sales volume from Gränges Konin

Summary - fourth quarter 2020

- Improved market conditions in all regions
- Aluminium Konin acquisition completed
- Increased sales volume and operating profit
- Continued strong cash generation
- Resumed dividend
- Updated strategy for 2025



Q&A

Johan Menckel, CEO
Oskar Hellström, CFO



GRÄNGES