

THIRD QUARTER

Earnings Presentation
20 October 2022

Improved earnings and cash flow despite challenges in the third quarter

- Stable sales volume of 120 ktonnes (119)
 - Continued strong demand in Americas
 - Strong post-covid recovery in China
 - Significant slowdown in Europe

- Increased adjusted operating profit of SEK 345 million (219)
 - Continued margin improvement despite large cost increases






- Strong cash flow of SEK 441 million (-135) before financing activities





- Execution on long-term Navigate plan








Stable sales volume – growth in Automotive fuelled by strong recovery in China

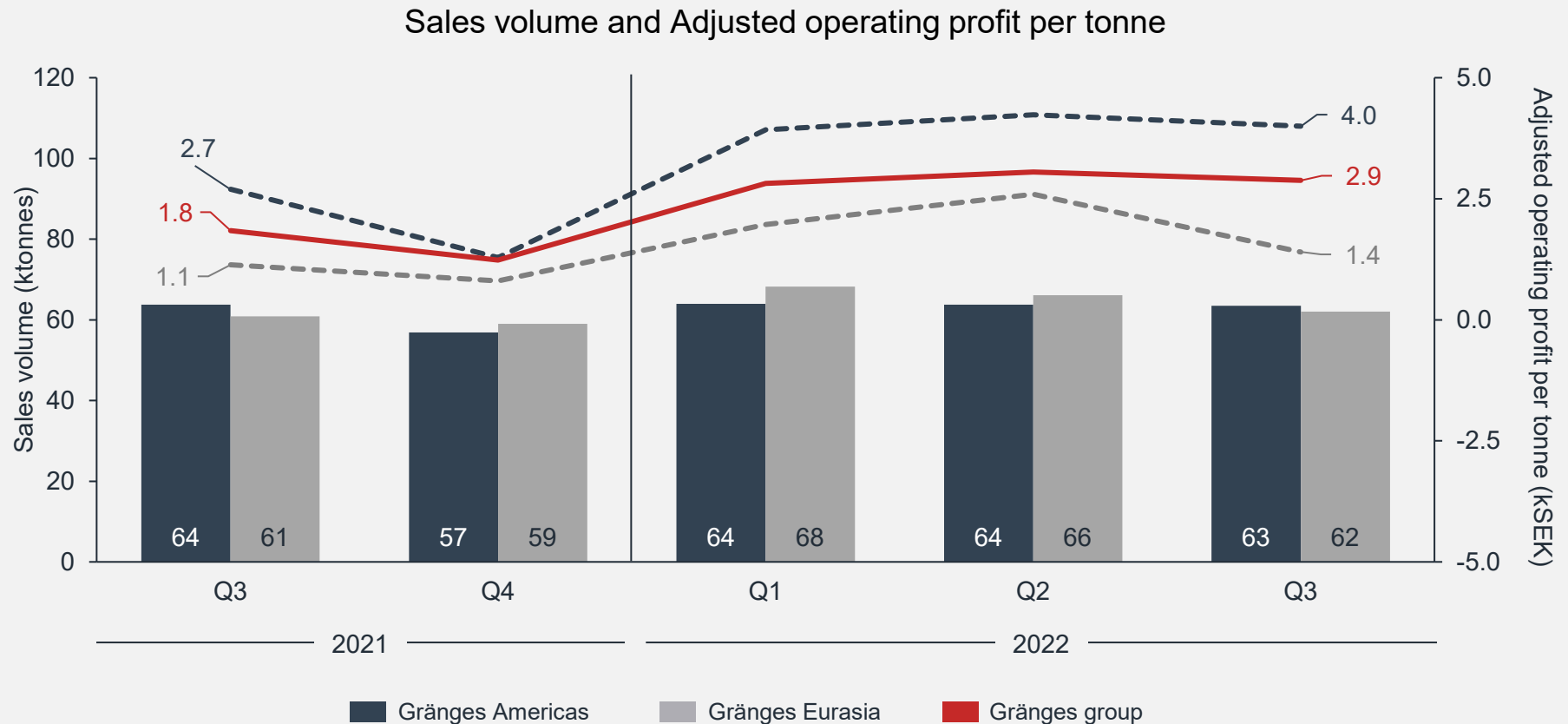
Q3 2022 sales volume growth by business area and end-customer market

Gränges Americas		
HVAC		+5%
Speciality packaging		-7%
Other niches		+4%
Automotive		-6%
Total		±0%

Gränges Eurasia		
Automotive		+18%
Other niches		-27%
Speciality packaging		-8%
HVAC		-
Total		+3%

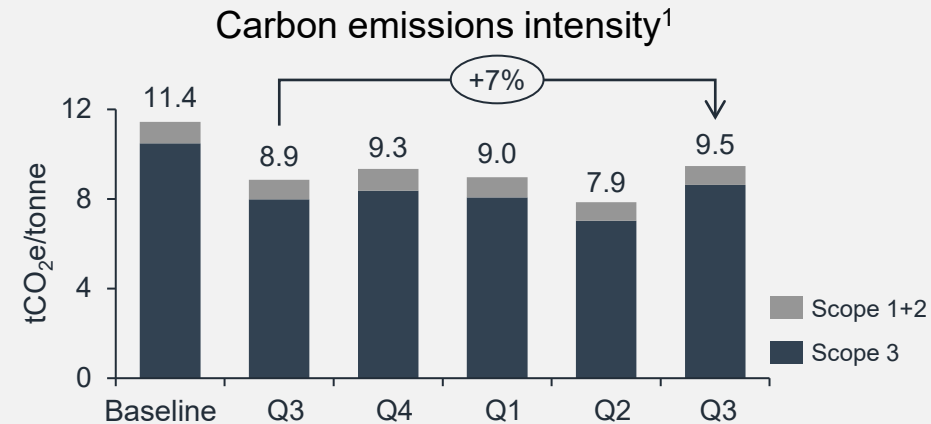
Gränges Group		
Automotive		+12%
HVAC		+5%
Other niches		-15%
Speciality packaging		-8%
Total		+1%

Continued year-over-year margin improvement – Europe impacted by slowing demand and increasing energy cost



Continued good sustainability performance

- Commitment to climate neutrality by 2040 and to Science Based Targets initiative
- New long-term partnership for delivery of renewable energy to Newport site
- Increase in carbon emissions intensity in the third quarter due to mix change
- Year-on-year increase in recycling through successful circularity initiatives



1. Gränges follows the Greenhouse Gas Protocol Standards to calculate its climate impact (cradle-to-gate). Scope 1+2 covers direct emissions from own operations and indirect emissions from purchased energy. Scope 3 covers indirect emissions from sourced metal inputs.

Good progress for battery materials for electric vehicles

- High customer interest in Gränges' cathode foil and other components for electric vehicle batteries
- Gränges has structural advantages: footprint, technology, sustainability
- Systematic investment program with first deliveries in China in 2022, in Sweden in 2023 and in the US in 2024
- First to market with cathode foil domestically produced in the US
- Team being strengthened and steps taken to accelerate growth



Financial overview – third quarter 2022

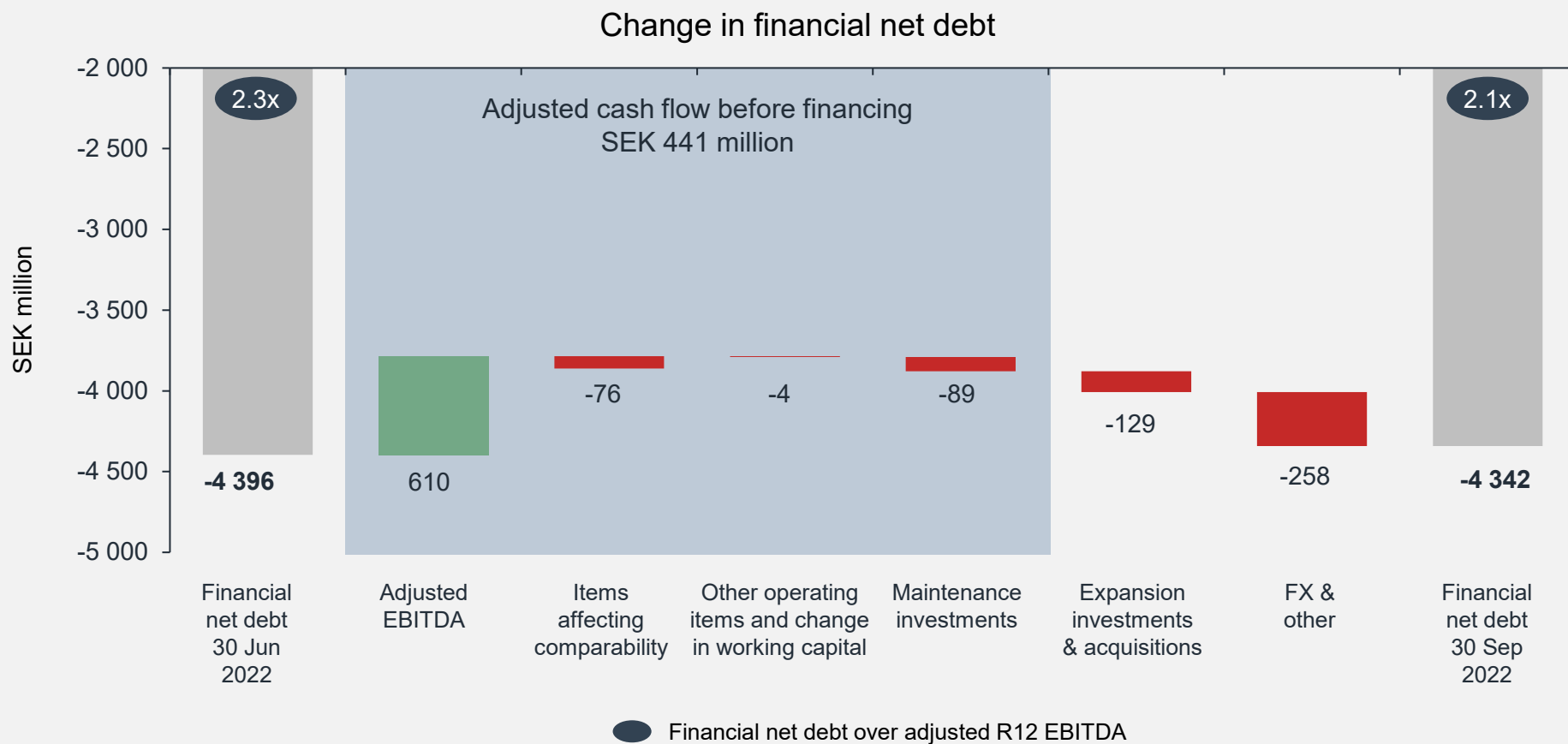
SEK million	Q3			January - September		
	2022	2021	Change	2022	2021	Change
Sales volume (ktonnes)	119.8	118.5	1.1%	369.0	376.6	-2.0%
Net sales	6,172	4,621	34%	19,126	13,272	44%
Adjusted operating profit ¹	345	219	58%	1,077	870	24%
Adjusted operating profit per tonne (kSEK)	2.9	1.8	1.1	2.9	2.3	0.6
Operating profit	269	219	23%	1,063	854	25%
Profit for the period	156	153	2%	713	618	15%
Earnings per share ² (SEK)	1.47	1.44	0.03	6.70	5.79	0.91
Adj. cash flow before financing activities ³	441	-135	n/a	-60	144	n/a
Return on capital employed, R12 (%)				10.2	11.2	-1.0 ppt
Financial net debt / adjusted EBITDA, R12				2.1	1.9	0.2

1. Adjusted for items affecting comparability

2. Diluted

3. Adjusted for expansion investments and acquisitions

Stable net debt and improved leverage in third quarter



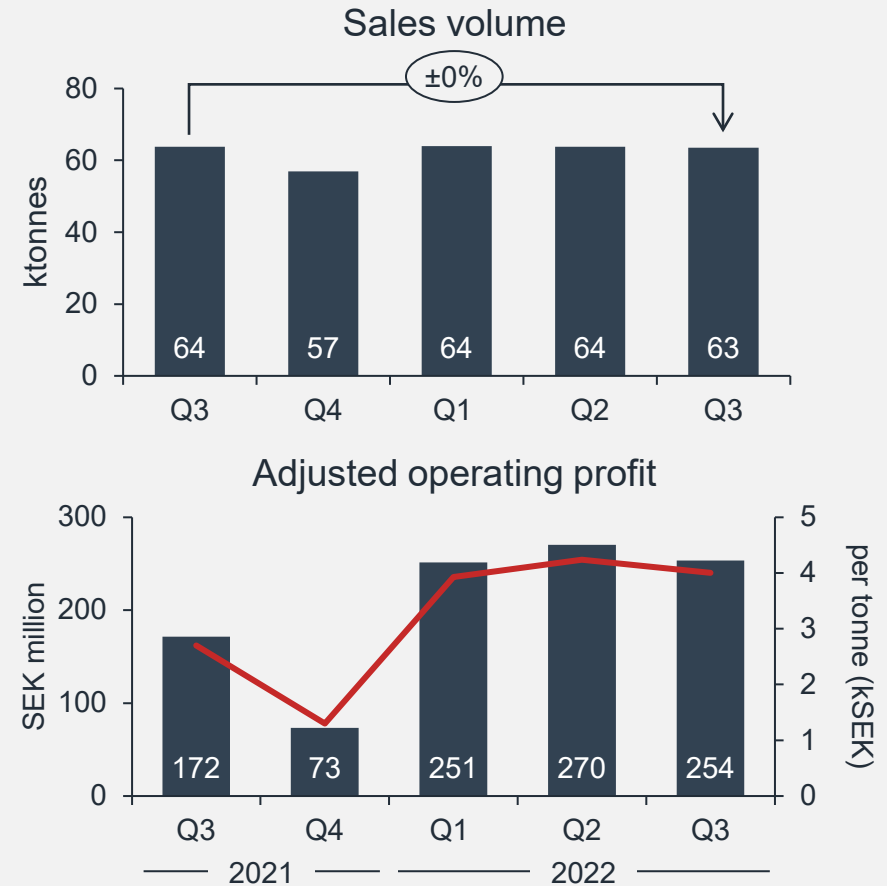
Gränges Americas – third quarter 2022

○ Stable sales volume

- Continued strong market conditions except in Automotive
- Gradual ramp-up of Salisbury facility restricted production capacity

○ Increased operating profit and margin

- Price increases fully compensated for cost increases
- Positive FX effects SEK 39 million

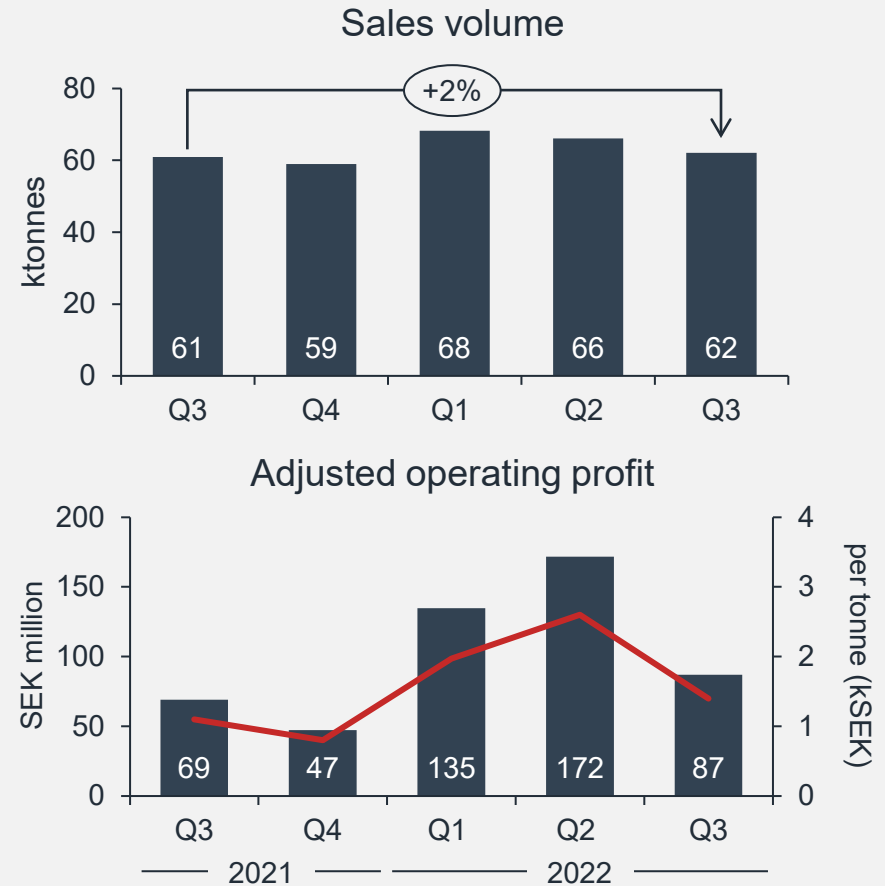


Gränges Eurasia – third quarter 2022

- Asia sales volume increased by 32%
 - Strong China post-COVID recovery

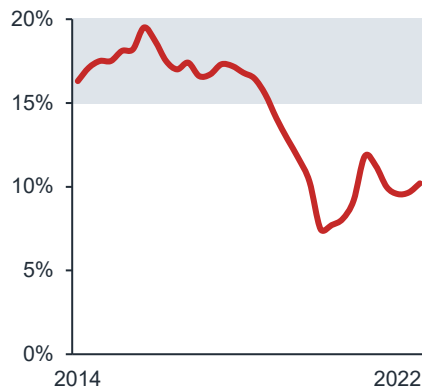
- Europe sales volume decreased by -12%
 - Slowing demand in many end-customer markets
 - High customer inventory levels due to ADD imposed on China

- Improved operating profit and margin
 - Price adjustments largely offsetting cost increases
 - Positive FX effects SEK 9 million



Positive development towards new targets in third quarter

Profitability

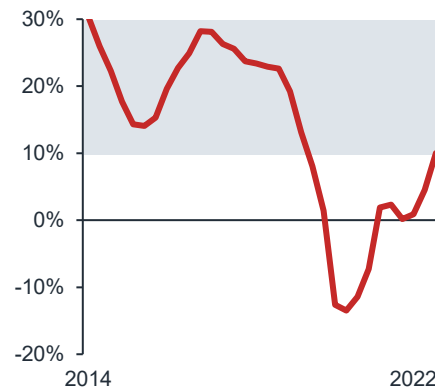


Return on capital employed

>15%

“Restore as soon as possible”

Profit growth

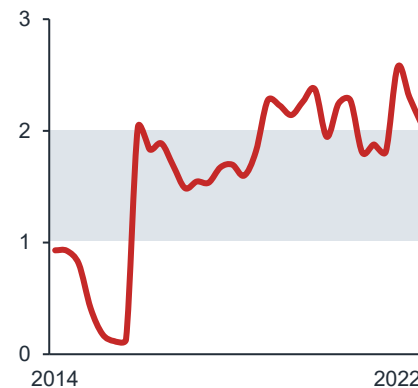


Average operating profit growth¹

>10%

“Exceed near-term then maintain”

Capital structure



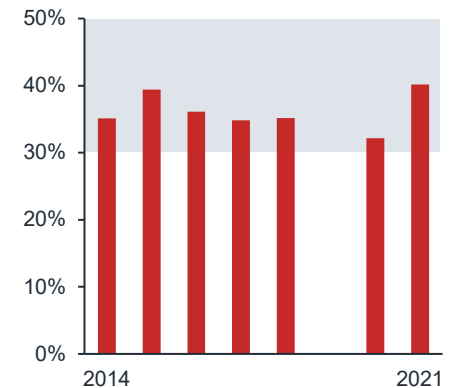
Financial net debt normally between

1-2x

EBITDA

“Gradually normalize”

Dividend



Dividend as per cent of profit for the year

30-50%

“Maintain”

1. Chart shows 3y CAGR for R12m adjusted operating profit

Outlook – fourth quarter 2022

- Short-term macro environment and market outlook remain highly uncertain
- Sales volume for fourth quarter currently expected to be stable year over year
 - Good demand in Americas and Asia
 - Weak demand in Europe outside of Automotive
- Time lag for passing on high European energy costs expected to negatively impact sequential margin development in the fourth quarter



Summary: good progress on many fronts

- Another quarter proving stability and flexibility in very turbulent external conditions
- Year to date
 - Highest-ever operating profit
 - Lowest-ever carbon intensity and highest-ever recycling
- Strong interest in battery products and good progress on Navigate
- Outlook very uncertain - especially for near-term European volume and margin
- Plan and ambition unchanged



Q&A

Jörgen Rosengren, CEO
Oskar Hellström, CFO



GRÄNGES