

SECOND QUARTER

Earnings Presentation
14 July 2023

Continued strong profit growth and cash flow

- Stable sales volume of 120 ktonnes (122), despite challenging market environment

- Good earnings and reduced working capital drove strong cash flow

- Price, productivity and new business offset cost/mix and demand challenges






- Good progress on Navigate plan for sustainable growth






- Adjusted operating profit up 30% in quarter to all-time-high SEK 450 million (348)








Strong automotive sales, but other markets down due to weaker demand and downstream inventory

Q2 2023 sales volume growth by business area and end-customer market

Gränges Americas	
HVAC	 -15%
Speciality packaging	 -11%
Other niches	 -18%
Automotive	 +6%
Total	 -11%

Gränges Eurasia	
Automotive	 +14%
Other niches	 +1%
Speciality packaging	 -7%
HVAC	 -
Total	 +9%

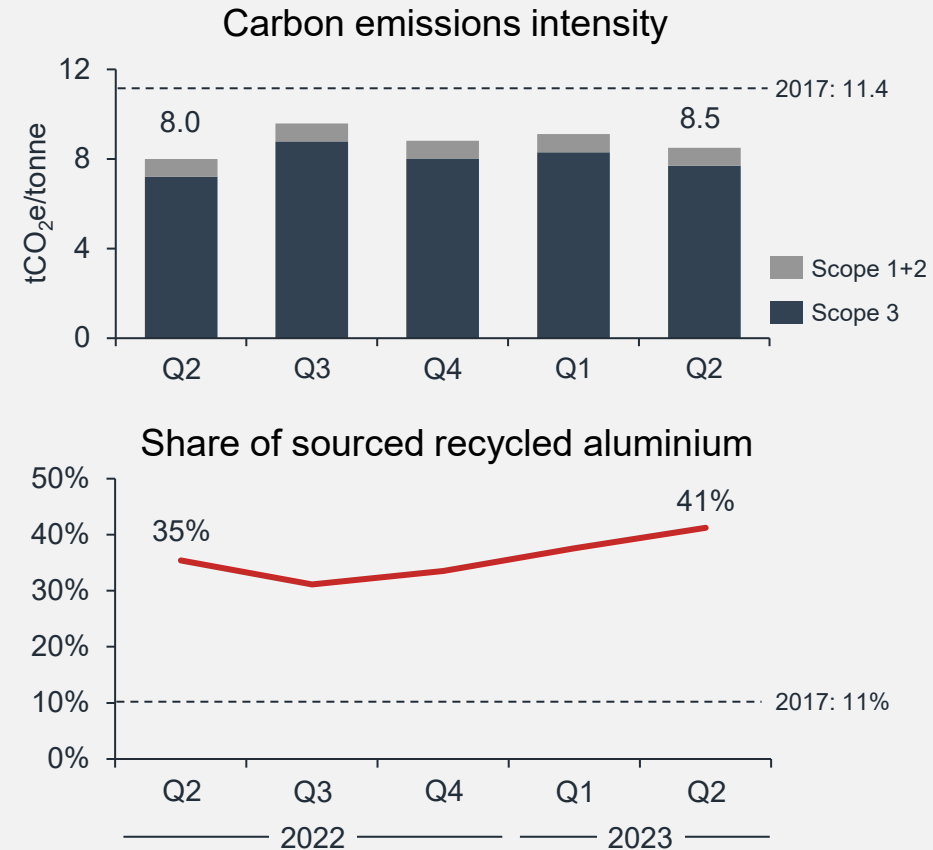
Gränges Group	
Automotive	 +13%
HVAC	 -15%
Other niches	 -6%
Speciality packaging	 -10%
Total	 -2%

Continued good sustainability performance

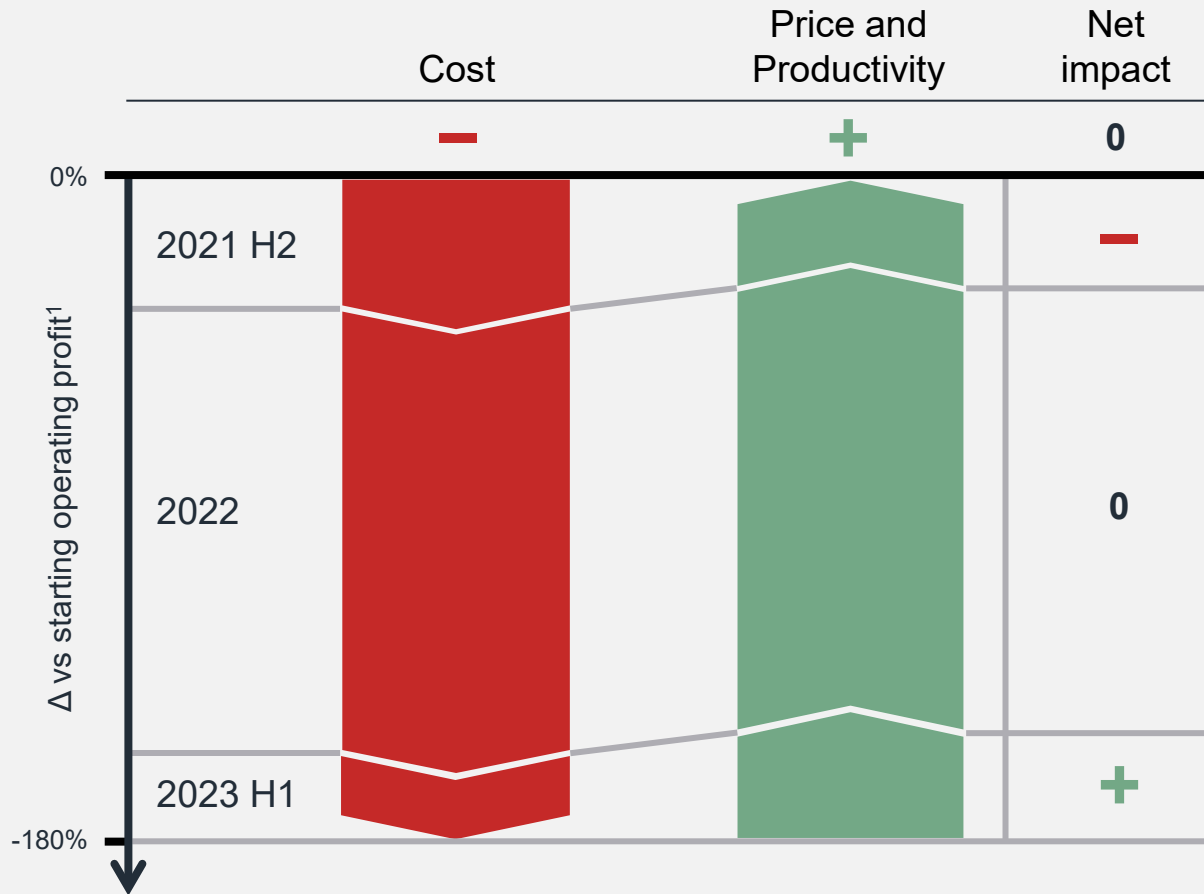
- Record high recycling volume and share driven by new recycling centre in Americas and by new partnerships

- Scope 3 and total emissions negatively affected by conscious decision to phase out low-carbon Russian material

- Renewable electricity supply in Asia led to record-low scope 1+2 emissions...
...and new solar panels now in use

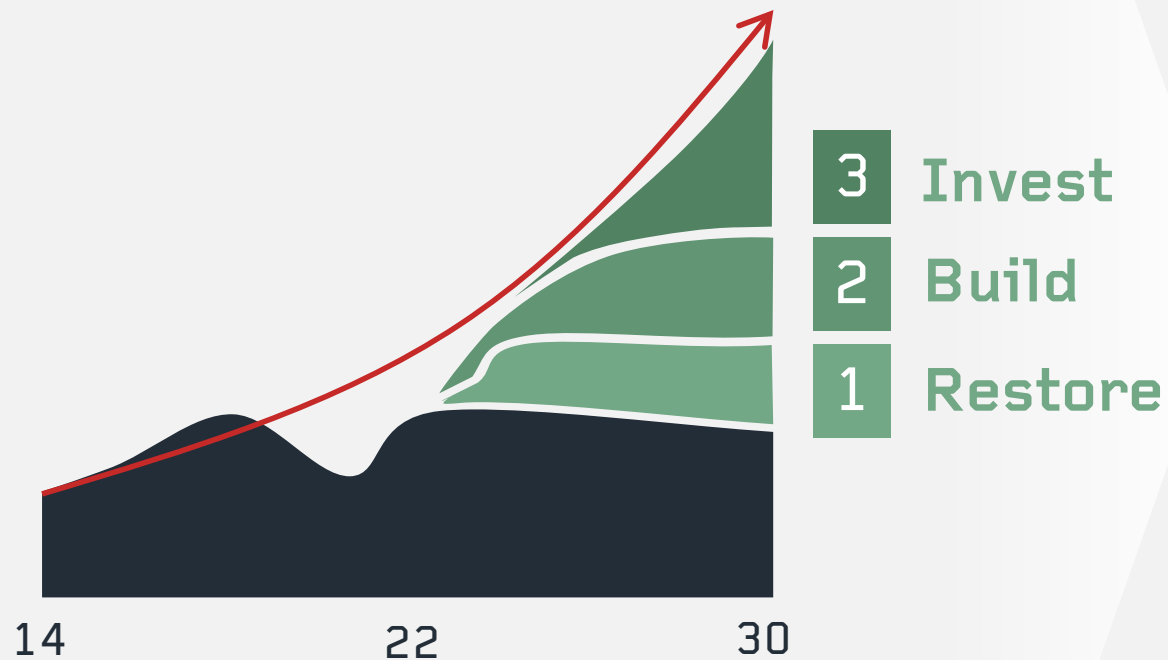


Price, cost and productivity now back in balance after two turbulent years



1. Starting adjusted operating profit R12 June 2021, SEK 1,048 million

High ambitions for the long term



Sustainable Growth

- World's best aluminium technology company
- 15% ROCE
- 10% operating profit growth
- Continue toward 2040 climate neutrality

Three steps for long term sustainable growth

1

Restore

Strong value creation

Finalize

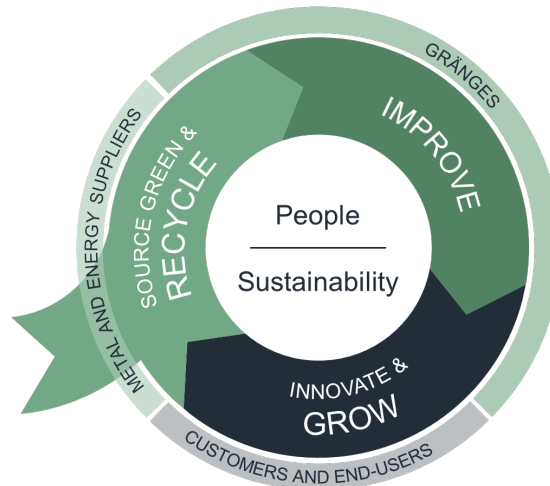
Utilize

Optimize

2

Build

World's best aluminium technology company



3

Invest

in sustainable growth

Recycling



Optimization



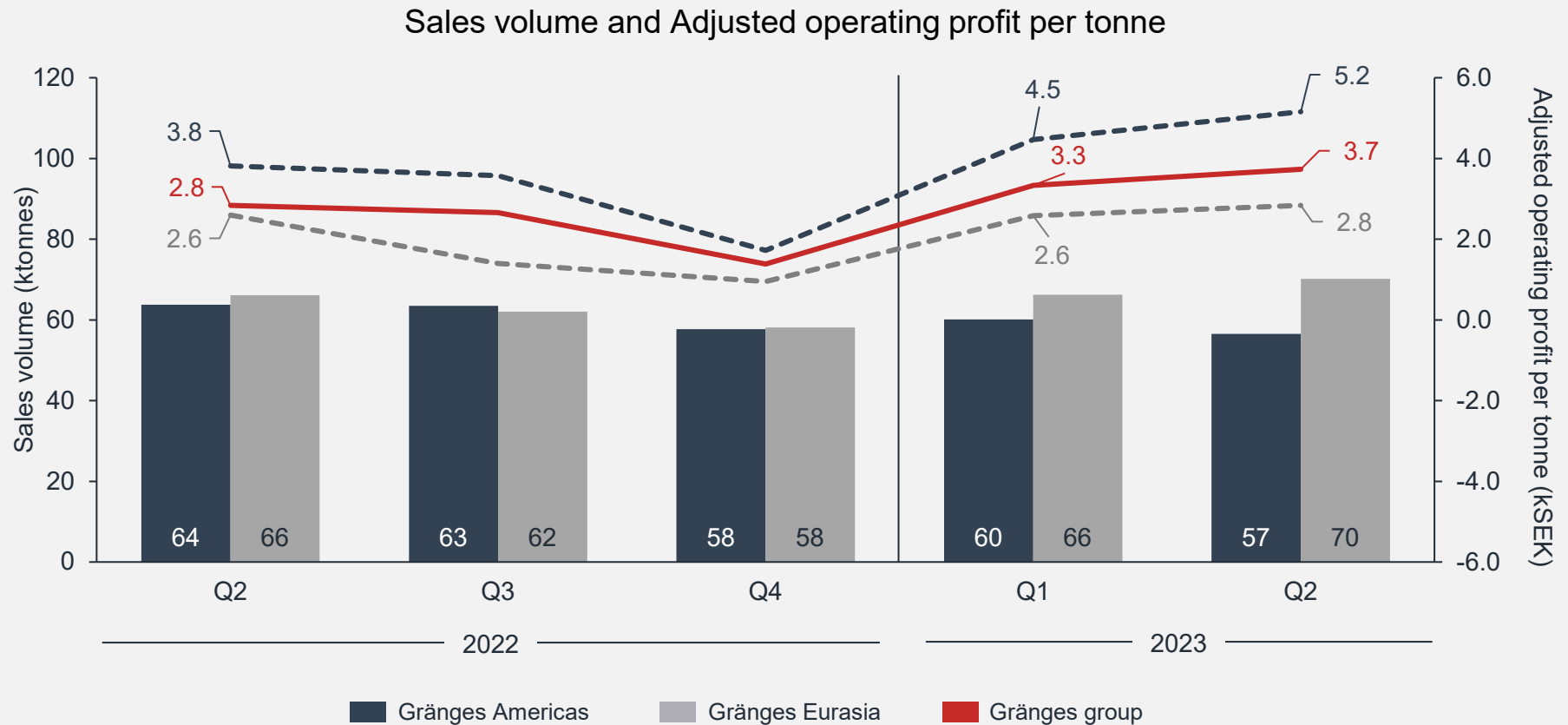
New Markets



M&A&P



Continued margin improvement in the second quarter



Financial overview – second quarter 2023

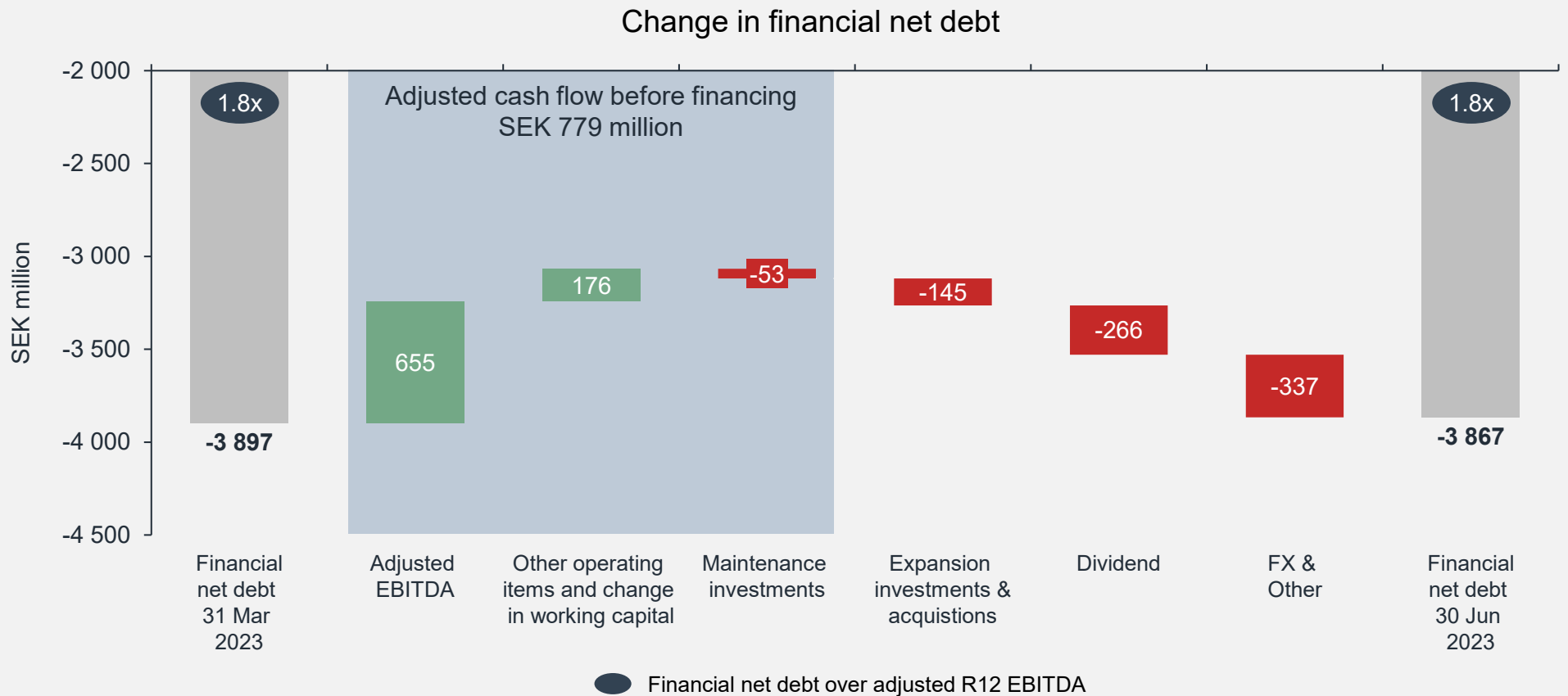
SEK million	Q2			January-June		
	2023	2022	Change	2023	2022	Change
Sales volume (ktonnes)	120.5	122.5	-1.7%	240.6	249.2	-3.5%
Net sales	6,008	6,875	-13%	11,976	12,955	-7.6%
Adjusted operating profit ¹	450	348	30%	851	678	25%
Adjusted operating profit per tonne (kSEK)	3.7	2.8	0.9	3.5	2.7	0.8
Operating profit	450	410	10%	851	740	15%
Profit for the period	316	274	15%	570	514	11%
Earnings per share ² (SEK)	2.97	2.58	0.39	5.35	4.83	0.52
Adj. cash flow before financing activities ³	779	722	7.8%	1,066	-502	n/a
Return on capital employed, R12 (%)				10.2	9.7	0.5 ppt
Financial net debt / adjusted EBITDA, R12				1.8	2.3	-0.5

1. Adjusted for items affecting comparability

2. Diluted

3. Adjusted for expansion investments and acquisitions

Stable net debt and leverage in the second quarter

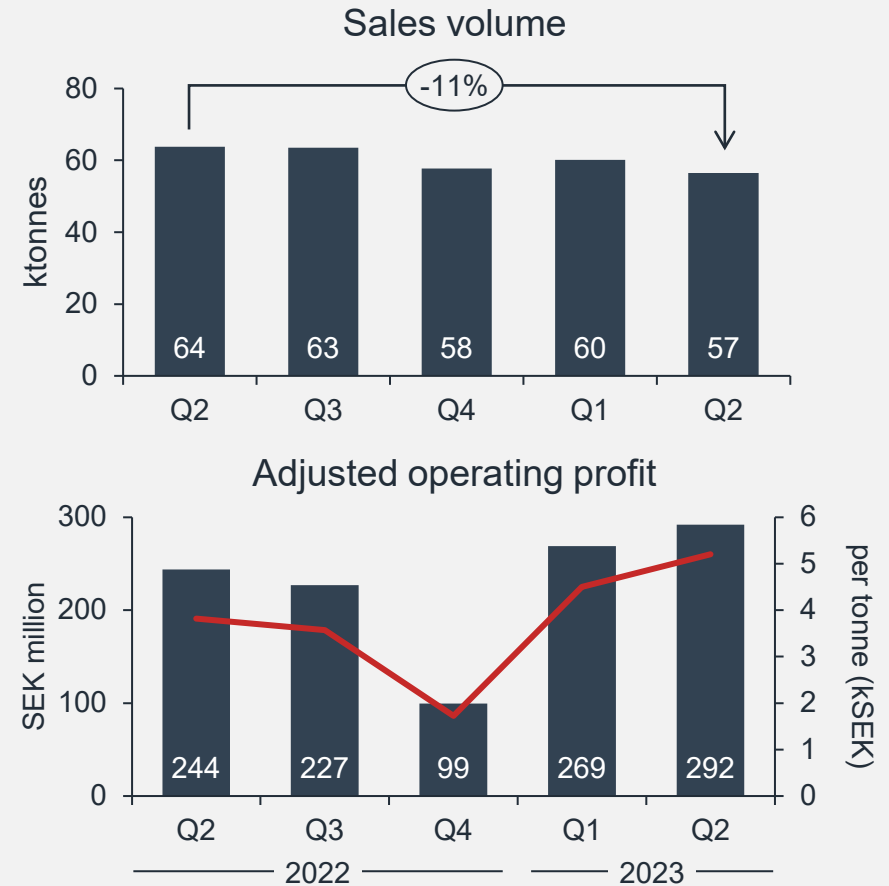


Gränges Americas – second quarter 2023

- Lower demand in all end-customer markets except Automotive partially offset by new business

- Improved operating profit and margin
 - Improved price and productivity
 - FX effects of SEK 21 million

- New recycling and casting centre in Huntingdon in full operation
 - Reduced raw material cost
 - Reduced working capital

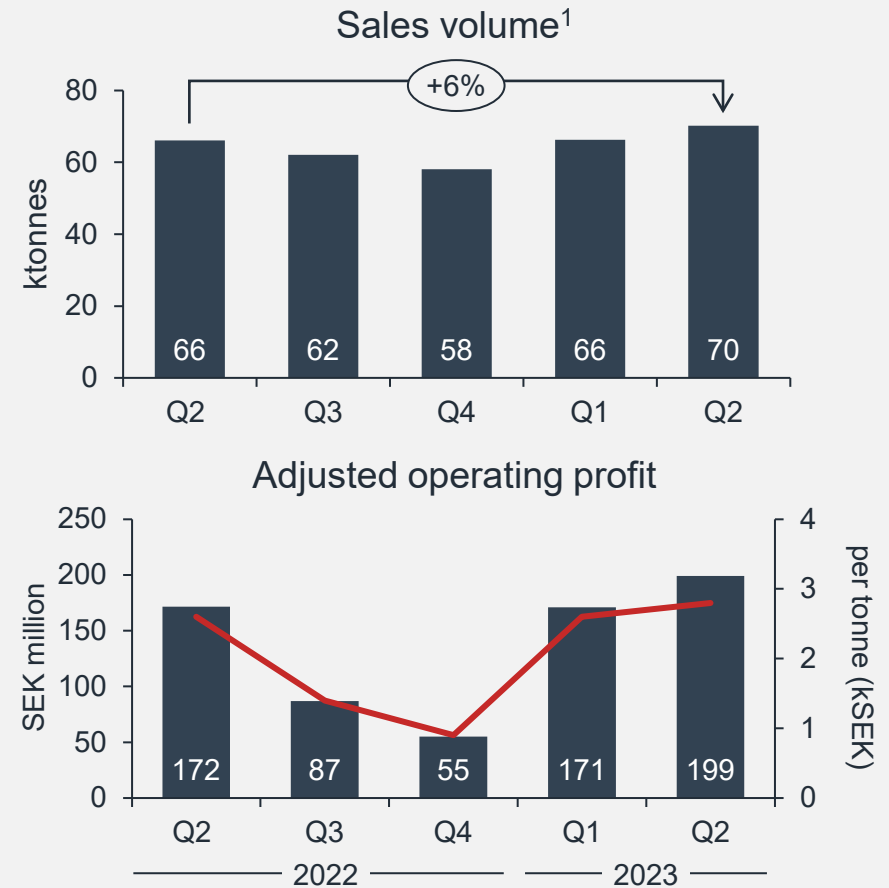


Gränges Eurasia – second quarter 2023

- Strong year-on-year recovery in Asia
 - Covid lockdown in 2022
 - Sales volume increased by 29%

- Continued weak demand in Europe
 - High downstream inventory
 - Sales volume decreased by -4%

- Improved operating profit and margin
 - Reduced cost pressure
 - Less efficient metal management
 - FX effects of SEK +64 million



1. Refers to total sales volume. External sales volume growth was +9% in the second quarter

Outlook – third quarter 2023

- Market uncertainty remains high in all regions
 - Stable demand in Automotive
 - Soft demand in other markets
- Sales volume expected to decline year-on-year by a mid-to-high single-digit percentage
- Timing effects from surcharge clauses in customer contracts in second quarter are not expected to recur
- Operating profit per tonne expected to be weaker sequentially but stronger year-on-year



Summary



Q&A

Jörgen Rosengren, CEO
Oskar Hellström, CFO



GRÄNGES