



GRÄNGES

Fourth Quarter 2015 Earnings Conference

4 February, 2016

Today's presenters



**JOHAN
MENCKEL**
CEO

Since: 2012
Gränges since: 2004

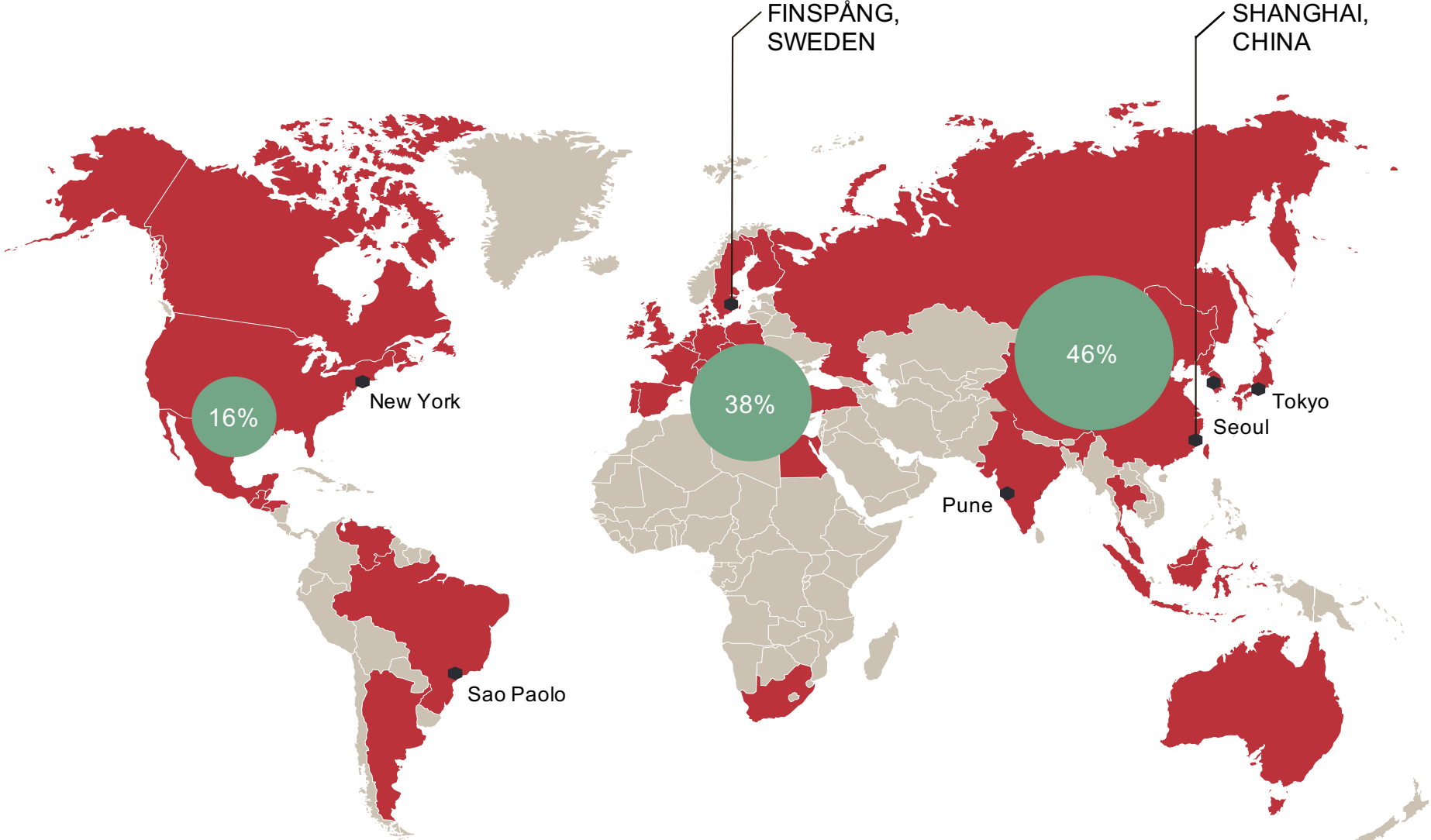


**OSKAR
HELLSTRÖM**
CFO

Since: 2011



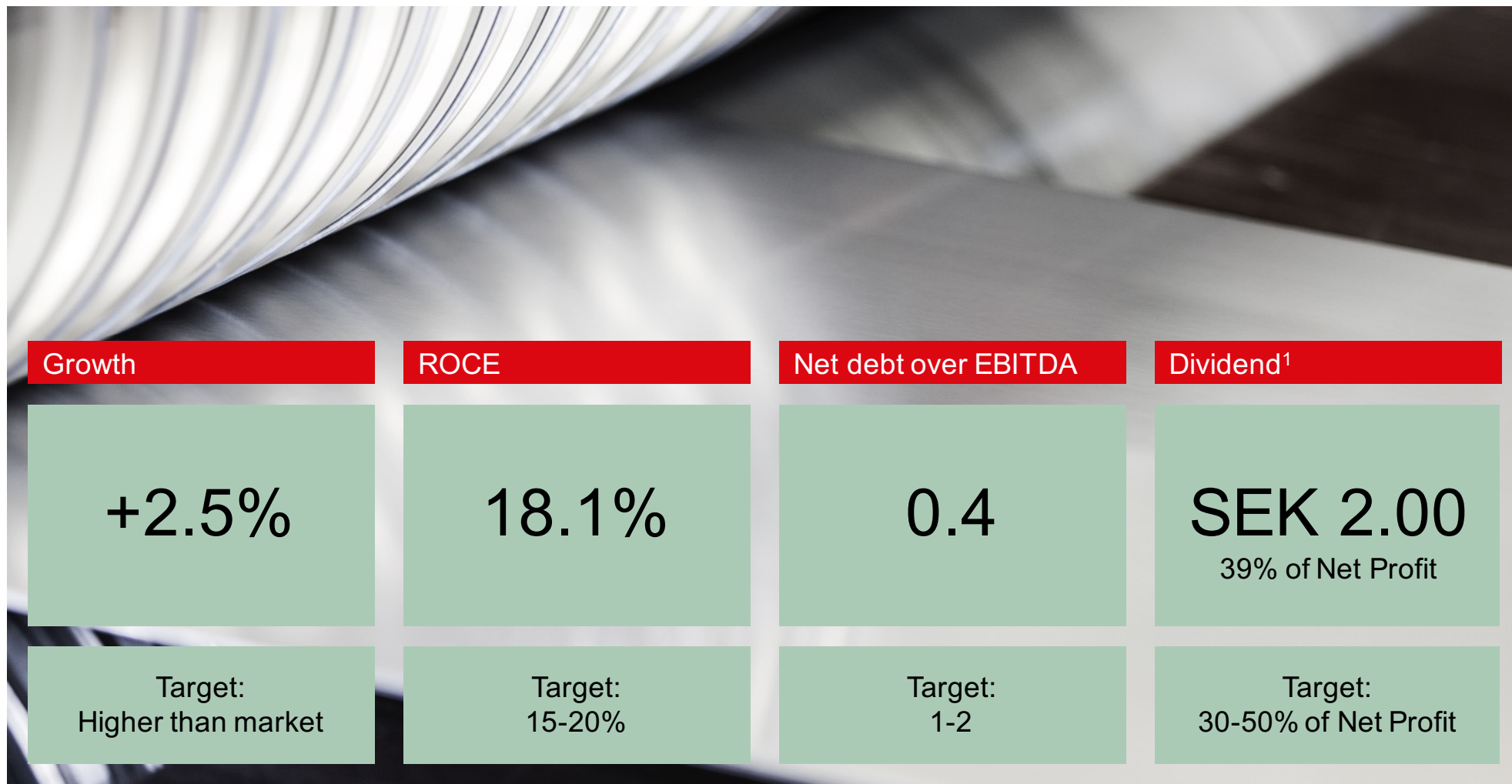
Gränges is the global leader with a market share of 20%



● Sales and Technical support ■ Sales destinations ● Percentage of sales volume FY 2015



Strong performance against targets in 2015



(1) The Board of Director's proposal for the 2016 Annual General Meeting













Summary Q4 2015 – Growth and improved earnings



- Sales volume increased by 3.3%
- Adjusted operating profit improved by 12.9% to SEK 116 million
- Tailwind from favourable exchange rates partly offset by price lag on aluminium premiums and lower sales volume in Asia
- Earnings per share of SEK 1.12
- Dividend of SEK 2.00 per share
- Cash flow before financing activities of SEK 159 million
- Strong financial position

Market growth of 3% expected for full year 2016

Light vehicle production growth (YoY)

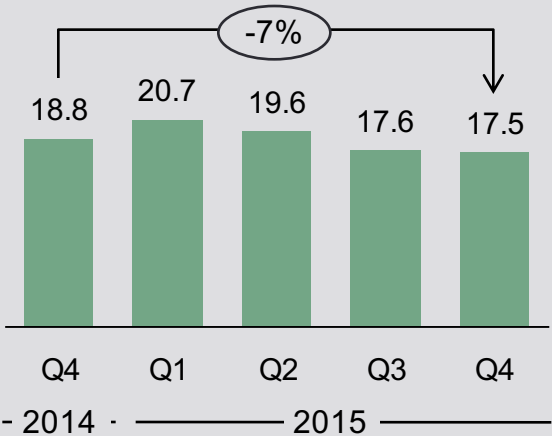
Region	Q4 2015	Q1 2016 outlook	FY 2016 outlook
Asia	 +8%	 +2%	 +4%
Europe	 +4%	 +2%	 +2%
Americas	 -3%	 +2%	 +2%
Global	 +4%	 +2%	 +3%

Source: IHS Automotive, January 16, 2016

Europe and North America show good growth whereas sales volume in Asia decreased in the fourth quarter

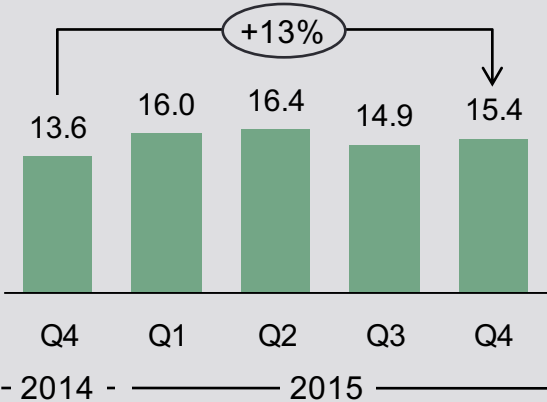
Gränges sales volume (ktonnes)

Asia



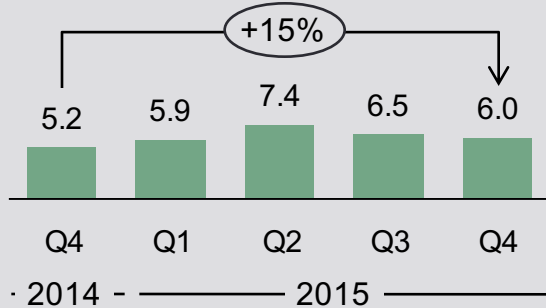
- Continued inventory reductions at some customers in fourth quarter
- Lower deliveries to some customers

Europe



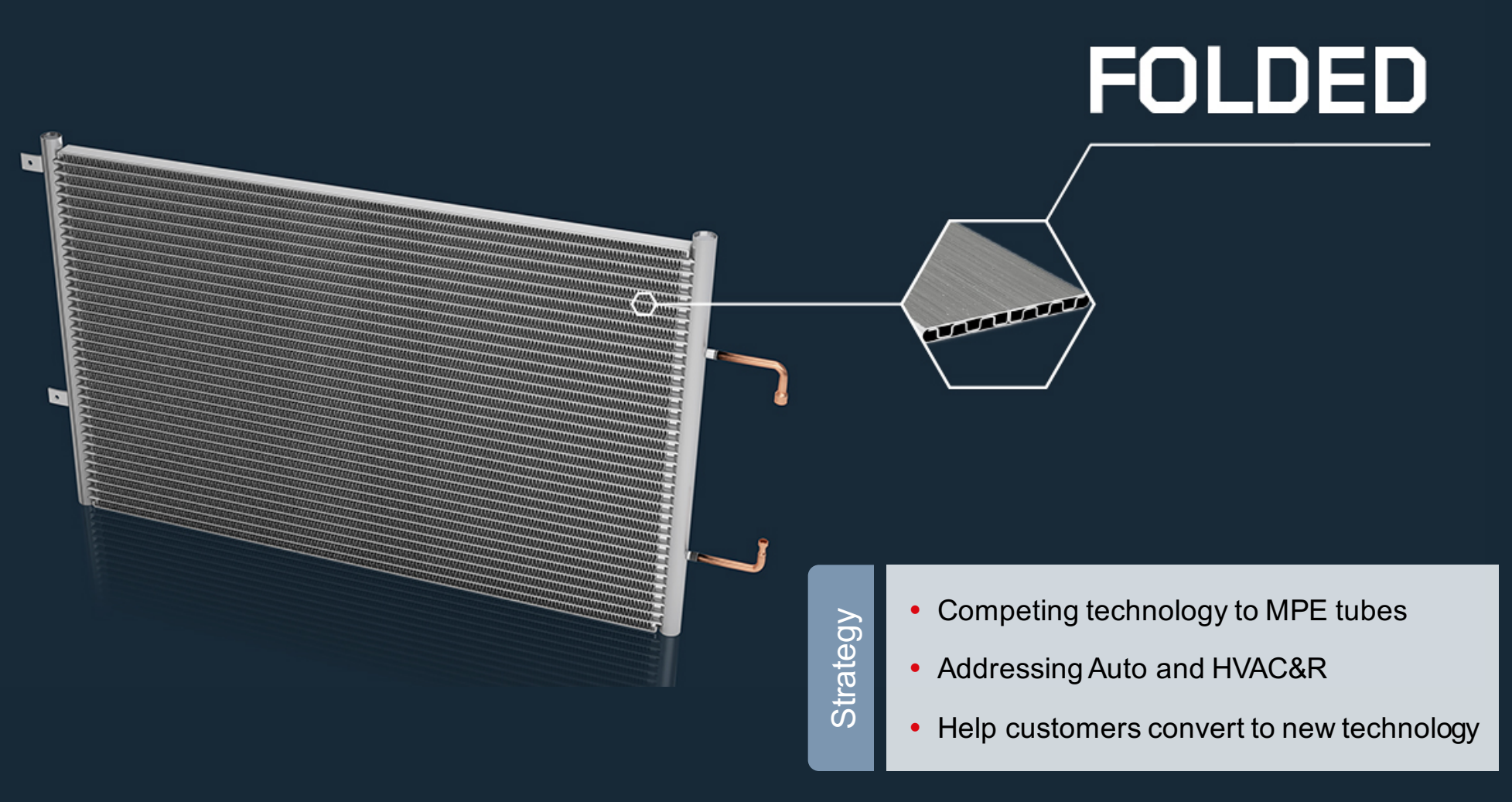
- Increased sales of heat exchanger material
- Lower sales of scrap based products in line with plan

Americas



- Higher contracted volume with several customers

Folded tube solution to be launched in first half of 2016



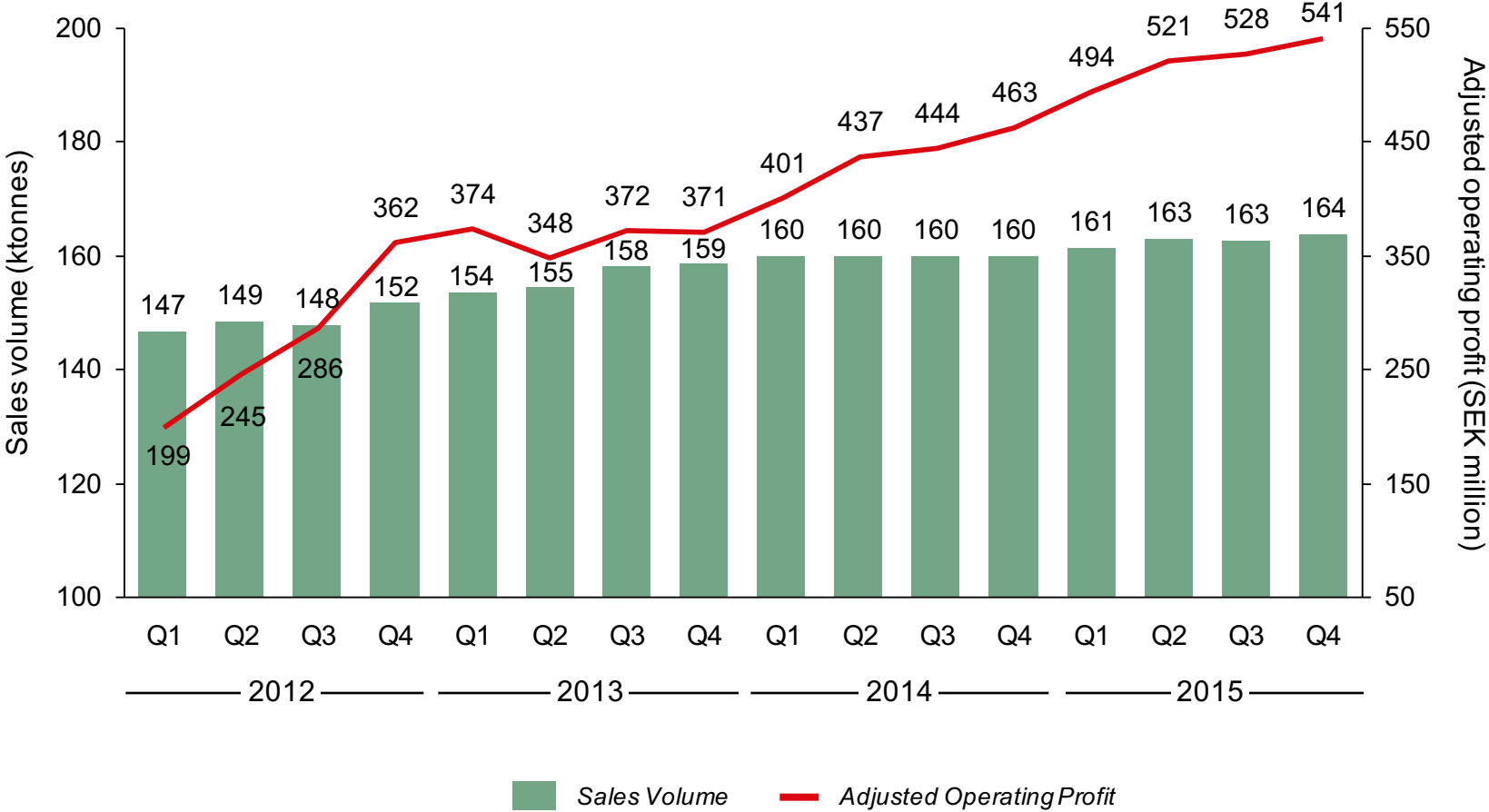
FOLDED

Strategy

- Competing technology to MPE tubes
- Addressing Auto and HVAC&R
- Help customers convert to new technology

Continued positive earnings trend in fourth quarter

Rolling 12 months sales volume and adjusted operating profit



Growth and improved earnings during fourth quarter

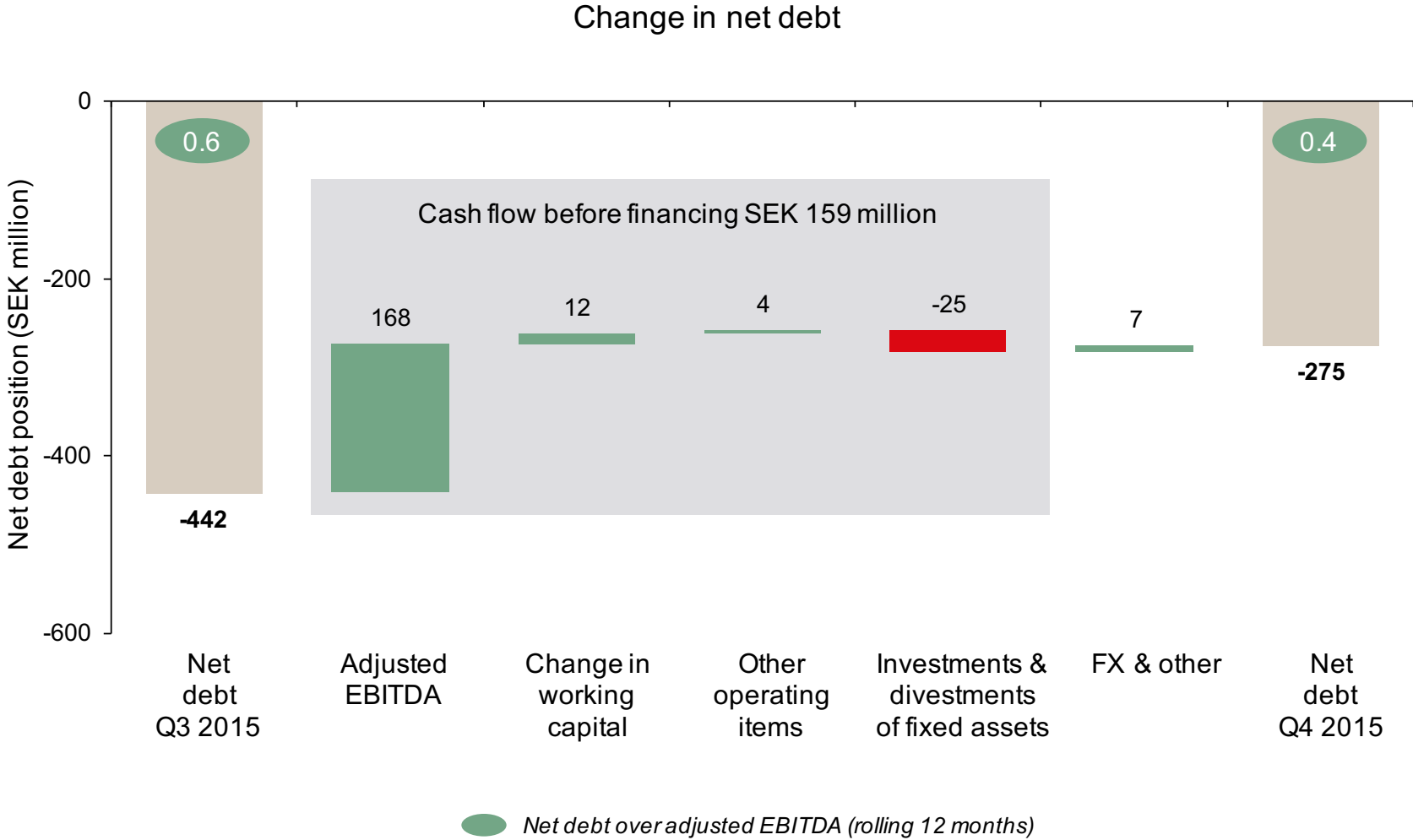
Financial overview

SEK million	Q4			January - December		
	2015	2014	Change	2015	2014	Change
Sales volume (ktonnes)	38.9	37.7	3.3%	163.9	160.0	2.5%
Net sales	1,252	1,217	2.9%	5,494	4,748	15.7%
Adjusted operating profit ¹	116	103	12.9%	541	463	16.9%
Adjusted operating margin (%)	9.2	8.4	0.8 ppt	9.8	9.7	0.1 ppt
Adjusted operating profit per tonne (kSEK)	3.0	2.7	0.3	3.3	2.9	0.4
Operating profit	128	97	32.9%	538	422	27.6%
Profit for the period	83	89	-6.5%	379	319	18.8%
Earnings per share ² (SEK)	1.12	1.19	-0.08	5.07	4.27	0.80
Cash flow before financing activities	159	188	-15.4%	600	597	0.5%
Return on capital employed, R12 (%)	18.1	16.3	2.0 ppt			
Net debt / adjusted EBITDA, R12	0.4	1.2	-0.9			

1. Adjusted for items affecting comparability.

2. Basic, historical earnings per share has been calculated on the same number of shares as of today.

Net debt was SEK 275 million at the end of fourth quarter



Outlook

- Global Light Vehicle Production is expected to grow 2.2%¹ in Q1 2016
- Gränges' sales volume is expected to develop better than the market during Q1 2016. Above market growth is expected in Europe and the Americas, while sales volume growth is estimated to be slightly lower than the market in Asia
- Negative impact from aluminium premium price lag in Q1
- For FY 2016 global Light Vehicle Production is expected to grow 3.1%¹ with growth expected in all geographical regions
- Wage inflation and price competition in Asia are expected to become more visible during 2016



¹Source: HIS Automotive, January 16, 2016

Summary of fourth quarter

- A solid quarter with good sales growth and higher operating profit
- Sales volume increased by 3.3%
- Adjusted operating profit rose by 12.9% to SEK 116 million
- Solid financial position
- Well positioned for profitable growth



Q&A

Johan Menckel, CEO

Oskar Hellström, CFO



GRÄNGES