

FIRST QUARTER

Earnings Presentation
22 April 2021

New record for sales volume and earnings in the first quarter

- Strong market conditions in all regions

- Record sales volume and operating profit
 - Sales volume increased by 41%
 - Adjusted operating profit SEK 342 million

- Strong execution on the strategy
 - Newport investment completed
 - Konin integration according to plan

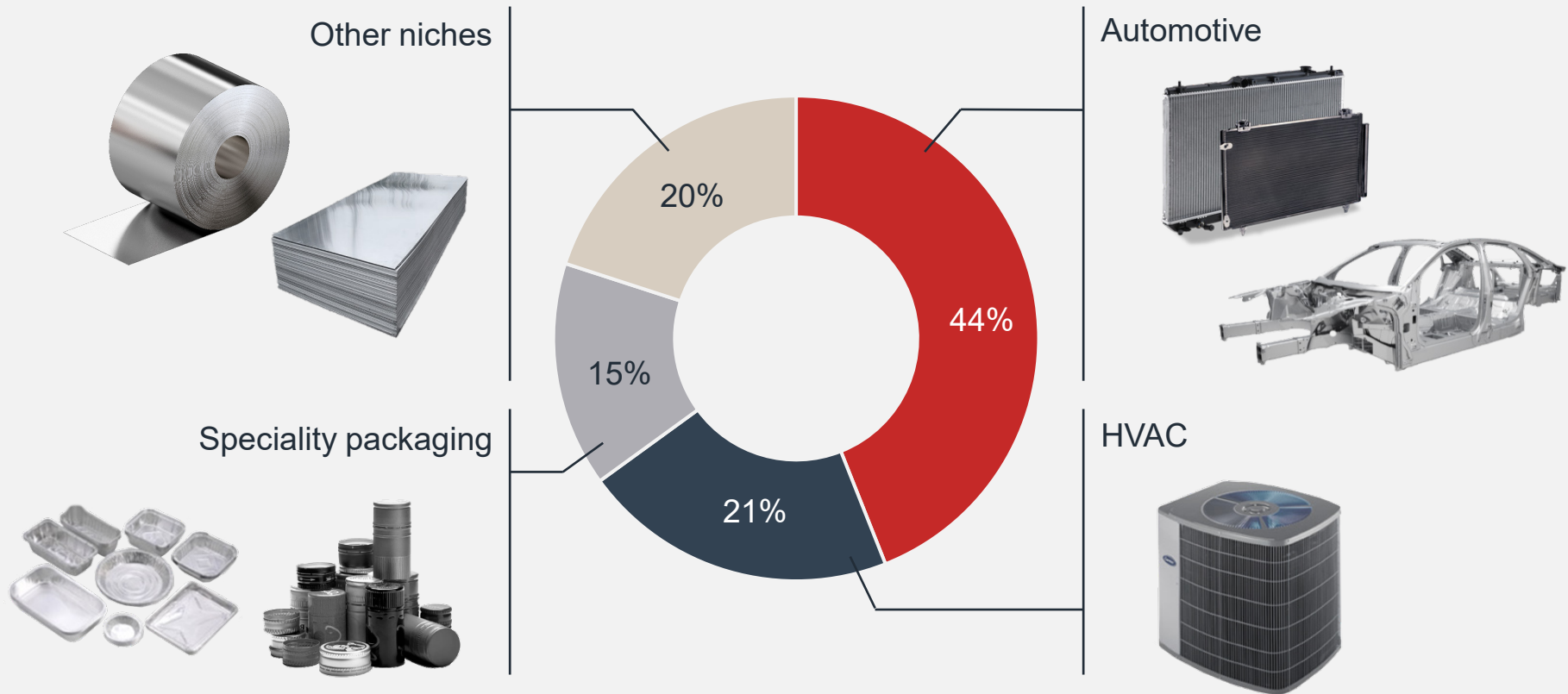
- Raised sustainability ambitions

- New business area structure




















Gränges has a diversified product portfolio serving four key end-customer markets

Q1 2021 sales volume by end-customer market



Strong demand development across all regions and end-customer markets in the first quarter

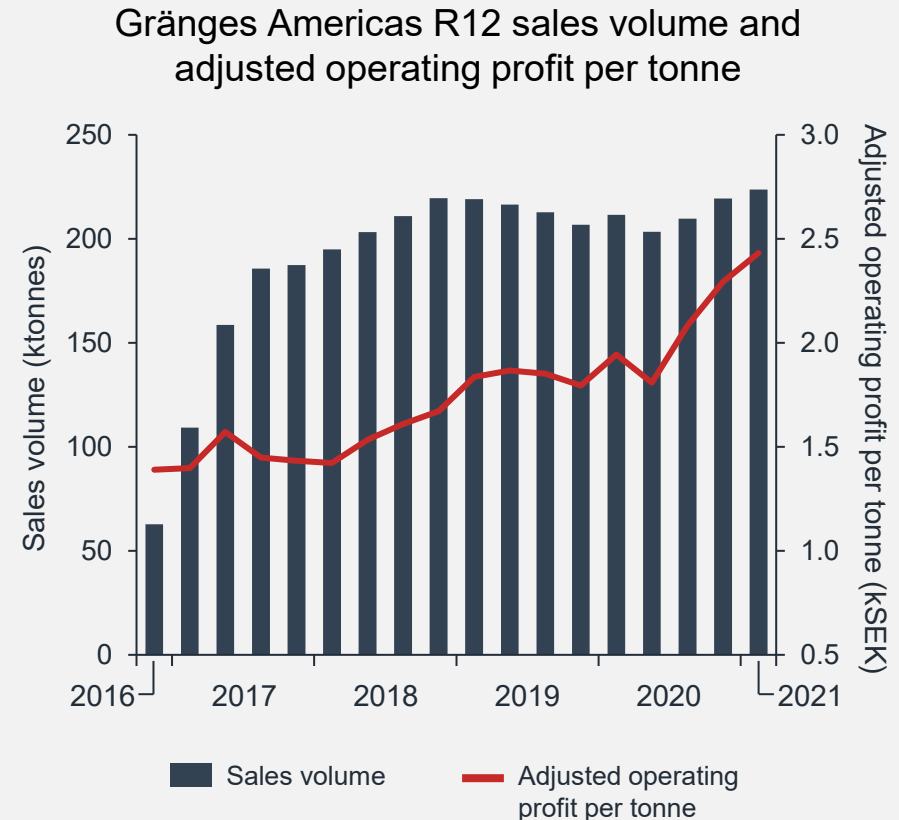
Q1 2021 sales volume growth by region and end-customer market¹

YoY (%)	Automotive	HVAC	Speciality Packaging	Other niches	Total
Europe	 +14%	-	 +2% ¹	 -2%	 +12%
Asia Pacific	 +38%	-	-	 +44%	 +39%
North & South America	 +10%	 +11%	 -1%	 +12%	 +8%
Global	 +22%	 +11%	 -1%	 +16%	 +14%

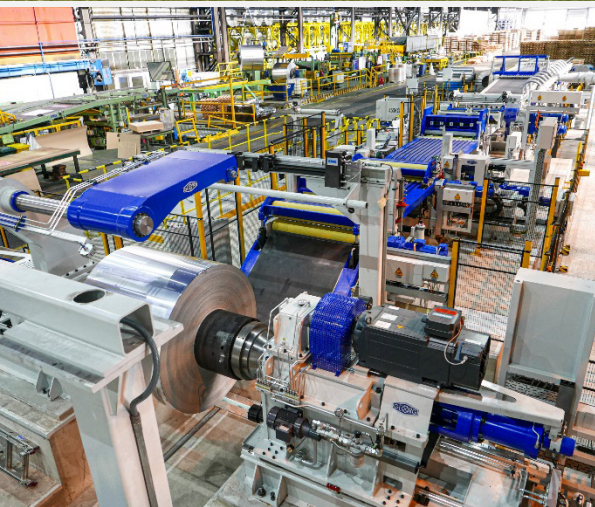
(1) Organic sales volume growth excluding acquisitions, except for Specialty Packaging in Europe where Gränges Konin sales volume growth has been included for reference

All-time high sales volume and operating profit in Gränges Americas in the first quarter

- Record sales volume and operating profit
 - Sales volume 62.7 ktonnes
 - Operating profit SEK 191 million
 - Operating profit per tonne 3.0 kSEK
- Newport mill upgrade completed
 - Commercial ramp-up from Q3
- Casting capacity to be expanded
 - USD 33 million investment
 - Completion within two years



Integration of Gränges Konin is progressing to plan






- COVID-19 imposes restrictions on physical integration activities

- Q1 performance in line with expectations
 - Sales volume 24 ktonnes
 - Adjusted operating profit SEK 49 million

- First new capacity from expansion investment available in 2022

Our strategic priority is to offer customers sustainable aluminium products and solutions



Low climate impact	Circular and resource-efficient	Responsibly sourced and produced
		

Upgraded 2025 sustainability targets



Key performance indicator	Previous targets 2025	Upgraded targets 2025
Products with third-party verified sustainability information	80%	⇒ 100%
Renewable energy	Increase	⇒ ≥ 20%
Sourced recycled aluminium	20%	⇒ ≥ 30%
Carbon intensity from sourced metal inputs (Scope 3) vs 2017 ¹⁾	Reduce	⇒ -30%
ASI certifications	-	All sites



(1) Gränges follows the Greenhouse Gas Protocol Standards to calculate the climate impact

Introduction of a new business area structure with Gränges Americas and Gränges Eurasia

Gränges Americas

Huntingdon
Newport
International
Salisbury

Production technology

- Continuous casting
- Cold rolling

Key end-markets¹

- HVAC (42%)
- Speciality packaging (23%)

Gränges Eurasia

Finspång
Powder Metallurgy
Konin
Shanghai

Production technology

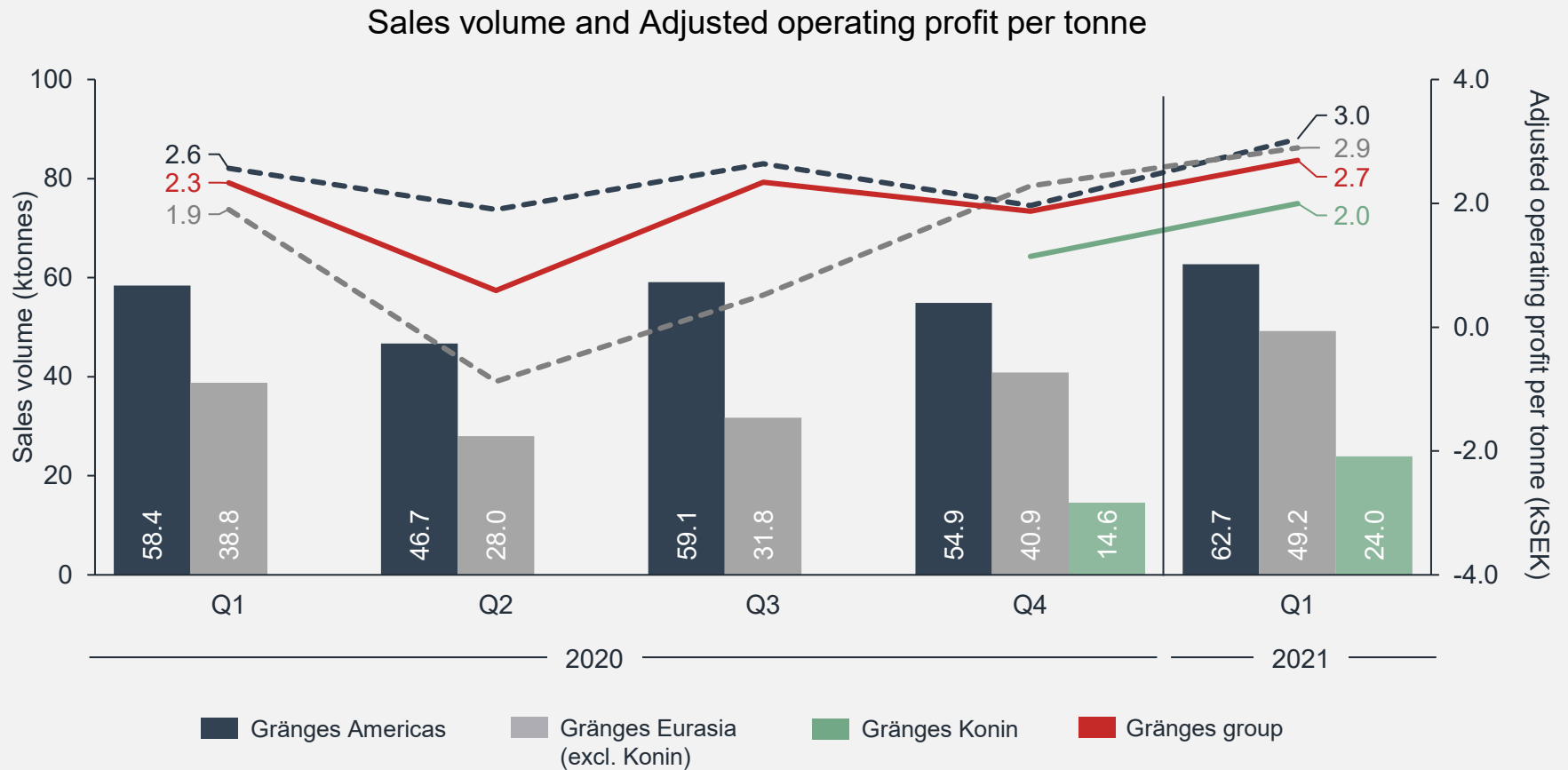
- DC casting + hot rolling
- Cold rolling

Key end-markets¹

- Automotive (71%)
- Other niches (22%)

(1) Percentage refers to end-market share of total Business Area sales volume for Q1 2021

Strong margin improvement despite unfavourable currency development in first quarter



Financial overview – first quarter 2021

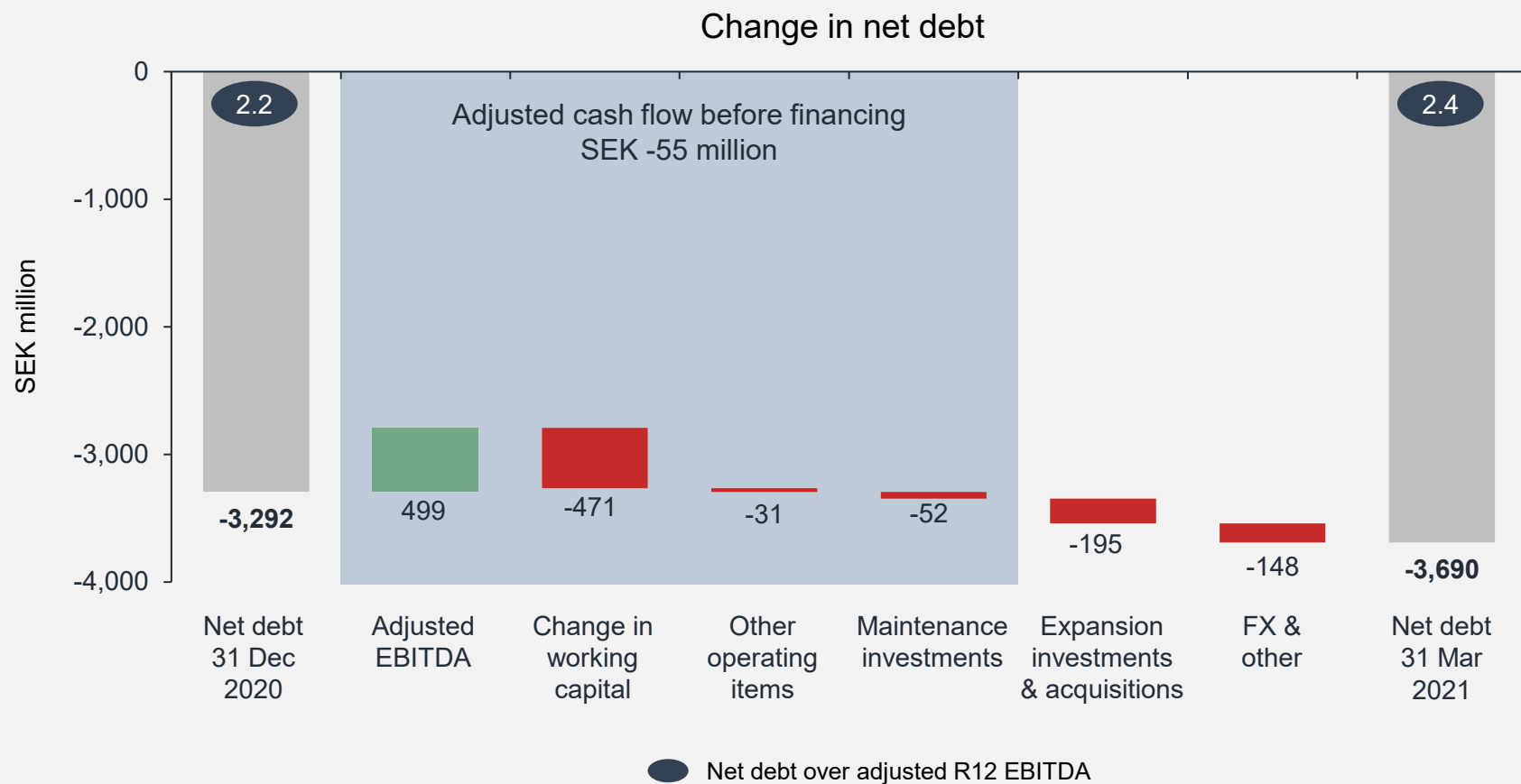
SEK million	Q1			12 months rolling		
	2021	2020	Change	Mar 2021	Dec 2020	Change
Sales volume (ktonnes)	126.7	89.9	41.0%	387.5	350.6	10.5%
Net sales	4,043	3,063	32.0%	11,987	11,008	8.9%
Adjusted operating profit ¹	342	210	62.9%	780	648	20.4%
Adjusted operating margin (%)	8.5	6.9	1.6 ppt	6.5	5.9	0.6 ppt
Adjusted operating profit per tonne (kSEK)	2.7	2.3	0.4	2.0	1.8	0.2
Operating profit	326	204	60.1%	707	584	21.0%
Profit for the period	239	133	79.9%	469	363	29.2%
Earnings per share ² (SEK)	2.24	1.56	0.68	5.11	4.21	0.90
Adj. cash flow before financing activities ³	-55	329	n/a	795	1,180	n/a
Return on capital employed, R12 (%)	9.2	10.3	-1.1 ppt			
Net debt / adjusted EBITDA, R12	2.4	2.8				

(1) Adjusted for items affecting comparability

(2) Diluted

(3) Adjusted for expansion investments and acquisitions

The net debt amounted to SEK 3.7 billion on 31 March



Note: Net debt including pension and leasing liabilities. As per 31 March 2021, total pension liabilities amounted to 368 MSEK and leasing liabilities to 239 MSEK. R12 EBITDA per 31 March 2021 includes R12 EBITDA for Gränges Konin.

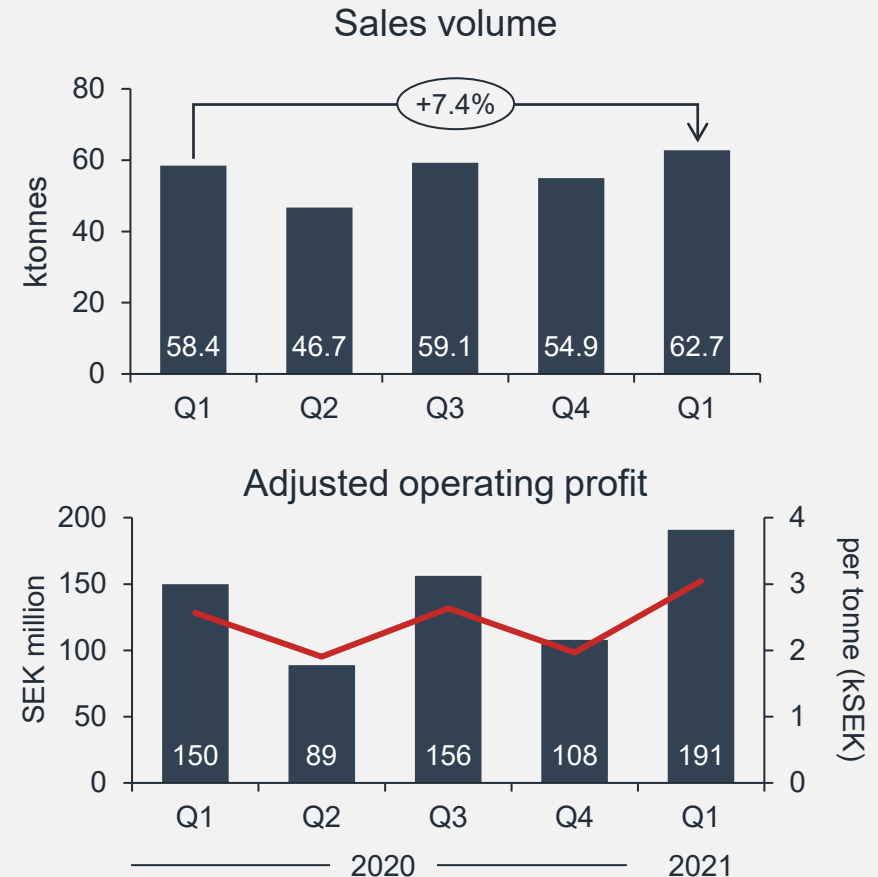
Gränges Americas – first quarter 2021

- Continued strong market development supported by market share increase

- Record sales volume, operating profit and margins
 - Negative FX effects SEK 31 million

- Newport mill upgrade completed
 - Commercial ramp-up from Q3

- Casting capacity to be expanded
 - USD 33 million investment

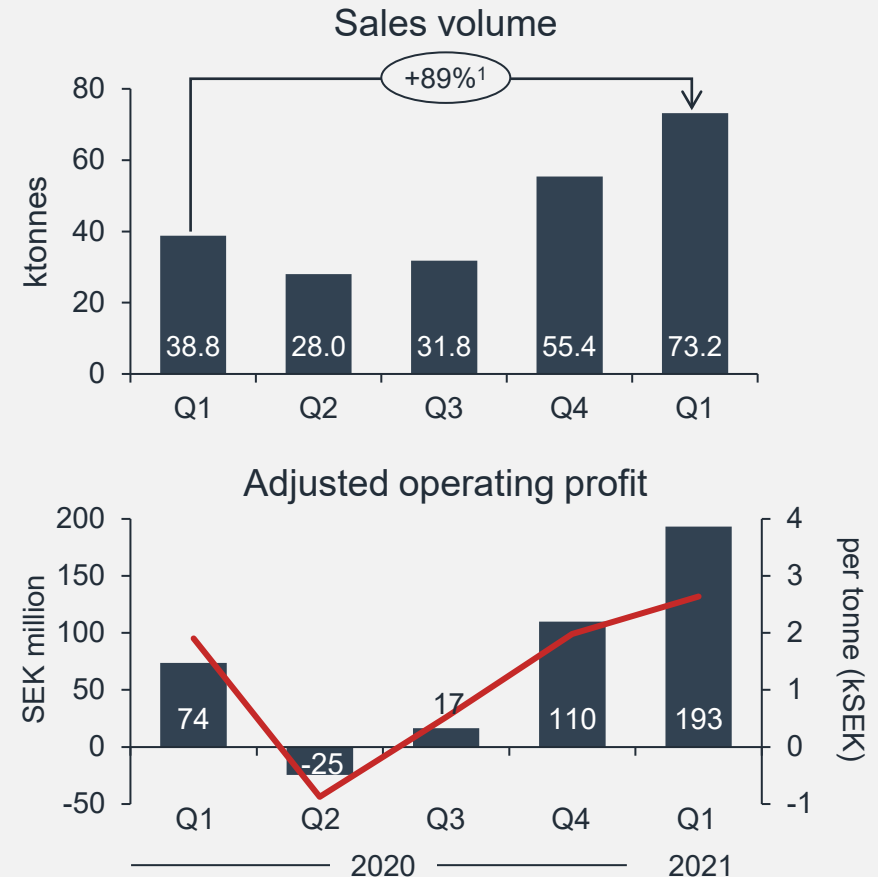


Gränges Eurasia – first quarter 2021

- Strong year over year demand recovery
 - Asia Pacific +38%
 - Europe +12%

- Solid organic increase in operating profit per tonne
 - Negative FX effects SEK 31 million

- Integration of Gränges Konin progressing according to plan
 - Sales volume 24 ktonnes
 - Adj. operating profit SEK 49 million



(1) Excluding the acquisition of Gränges Konin, sales volume increased by 27.0 per cent to 49.2 ktonnes

Outlook – second quarter 2021

- Although some uncertainty remains, market demand is anticipated to remain on a healthy level in the second quarter
- For the second quarter Gränges currently expects a similar sales volume as in the first quarter
- Uncertainty related to the semiconductor shortage within the automotive industry pose a downside risk to this outlook
- FX is expected to have a net negative quarter over quarter impact on profitability



Summary – first quarter 2021

- Strong market conditions in all regions
- Record sales volume and operating profit
- Strong execution on the strategy
- Raised sustainability ambitions
- New business area structure
- Stable outlook for second quarter



Q&A

Johan Menckel, CEO
Oskar Hellström, CFO



GRÄNGES