

FOURTH QUARTER

Earnings Presentation
27 January 2022

Challenging fourth quarter concluded a year of recovery and investments

- Generally good market conditions but continued slow-down in automotive
 - Sales volume +9% of which +2% organic

- Increased inflationary cost pressure only partly offset by price increases
 - Adj. operating profit SEK 139 million (193)

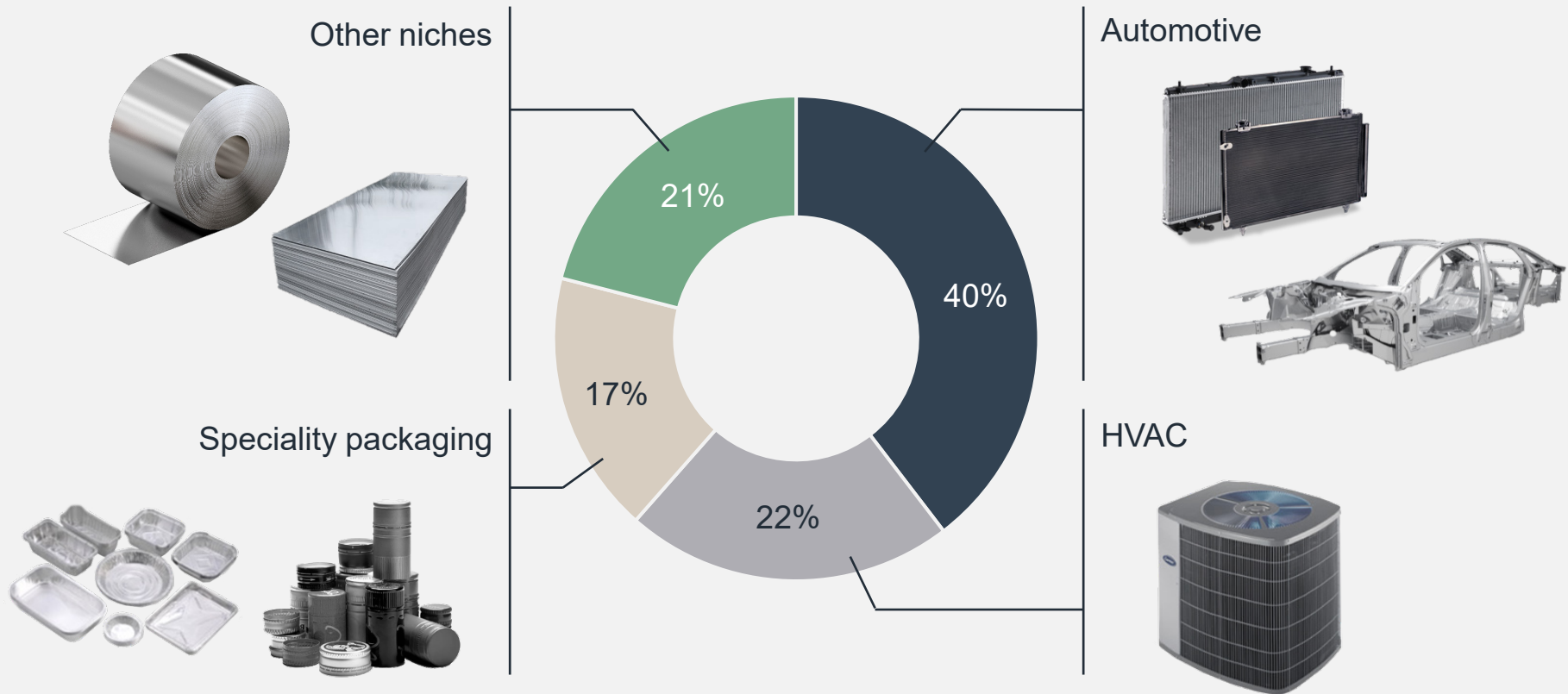
- Continued strong cash generation
 - Adj. cash flow before financing SEK 463 million (232)

- Proposed dividend of SEK 2.25 per share




















Leading positions in four key end-customer markets

Full-year 2021 sales volume by end-customer market



Strong market in general, but weak in Automotive

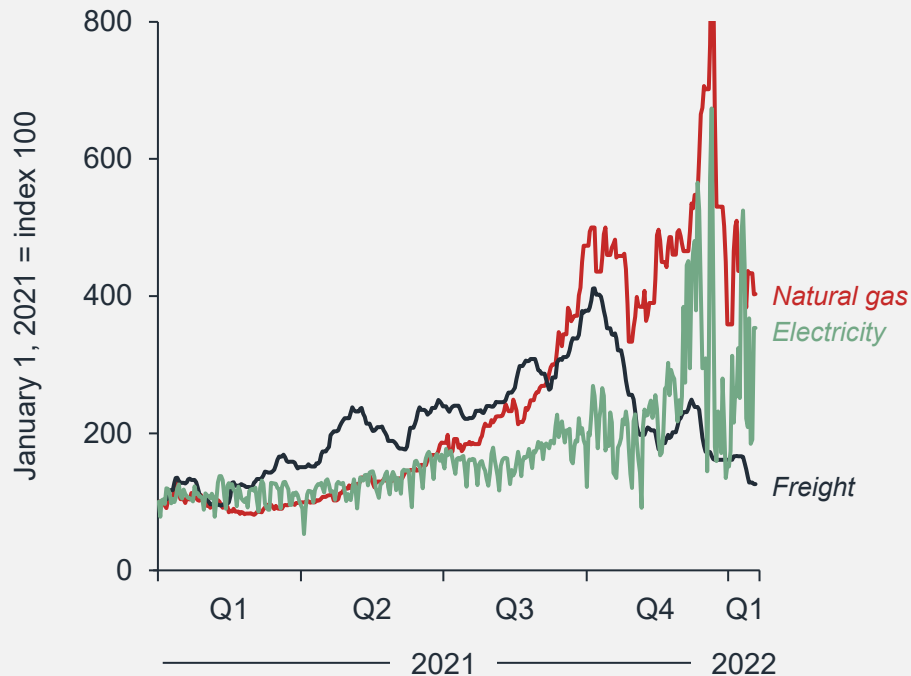
Q4 2021 sales volume growth by region and end-customer market¹

YoY (%)	Automotive	HVAC	Speciality Packaging	Other niches	Total
Europe	 -13%	-	 +42%	 +43%	 -6%
Asia Pacific	 -6%	-	-	 +106%	 +4%
North & South America	 -13%	 +14%	 +9%	 ±0%	 +4%
Global	 -11%	 +14%	 +9%	 +17%	 +2%

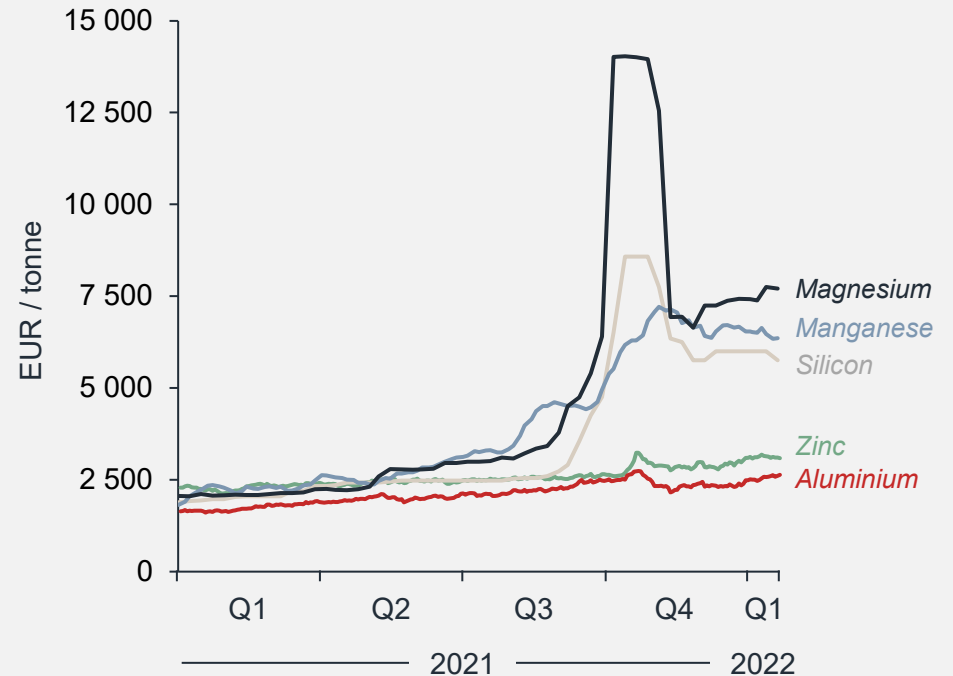
1. Organic sales volume growth excluding Gränges Konin, except for Specialty Packaging in Europe where Gränges Konin sales volume growth has been included for reference

Significant cost increases continued into the fourth quarter

Examples of operational costs¹



Examples of additives costs²



1. Source: Natural gas (Europe TTF), Freight (Baltic Exchange Dry Index), Electricity (Central and Northern Europe average, spot, baseload)

2. Source: Metal Bulletin, January 2021

Action program gradually taking effect

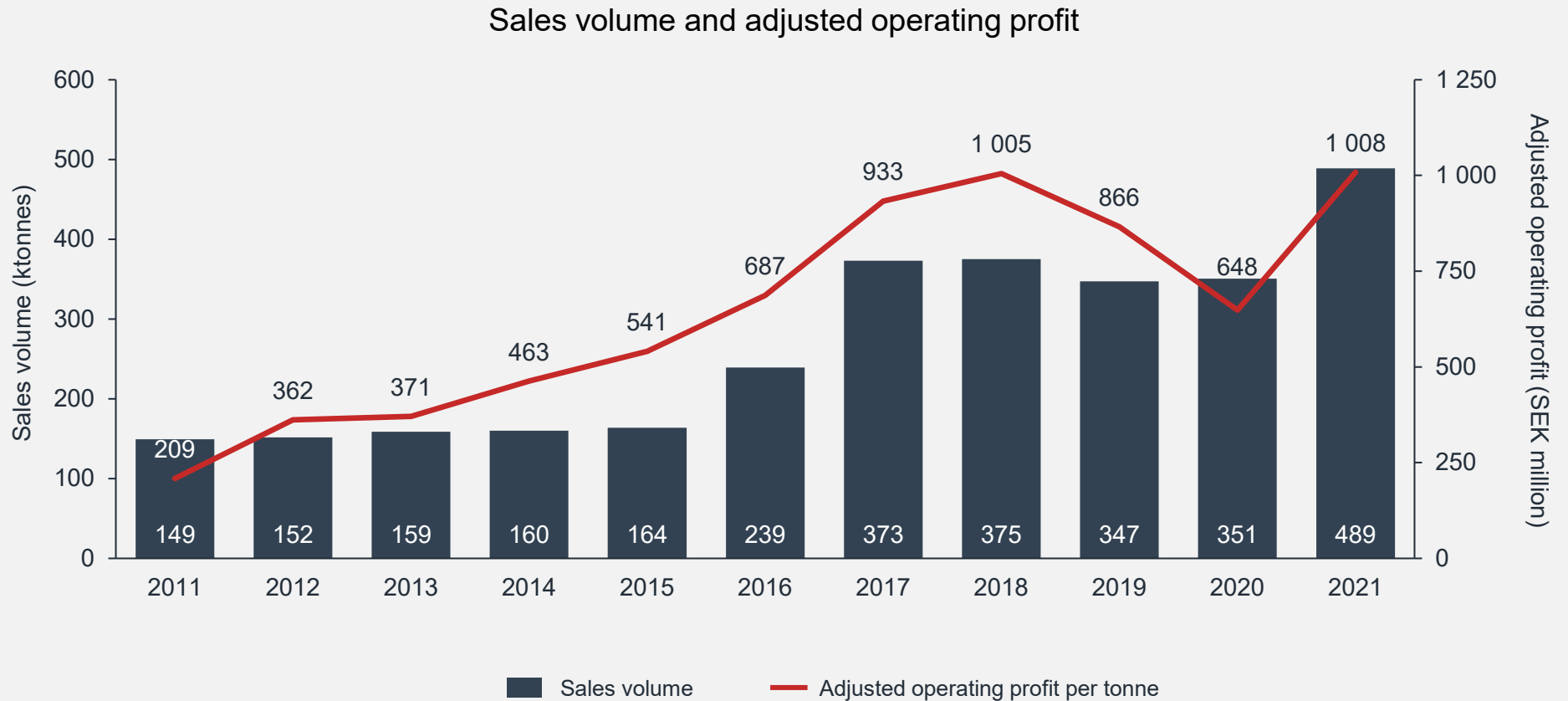


- Strong focus on actions to:
 - Increase sales to non-automotive markets
 - Achieve cost savings and increase productivity
 - Secure price increases

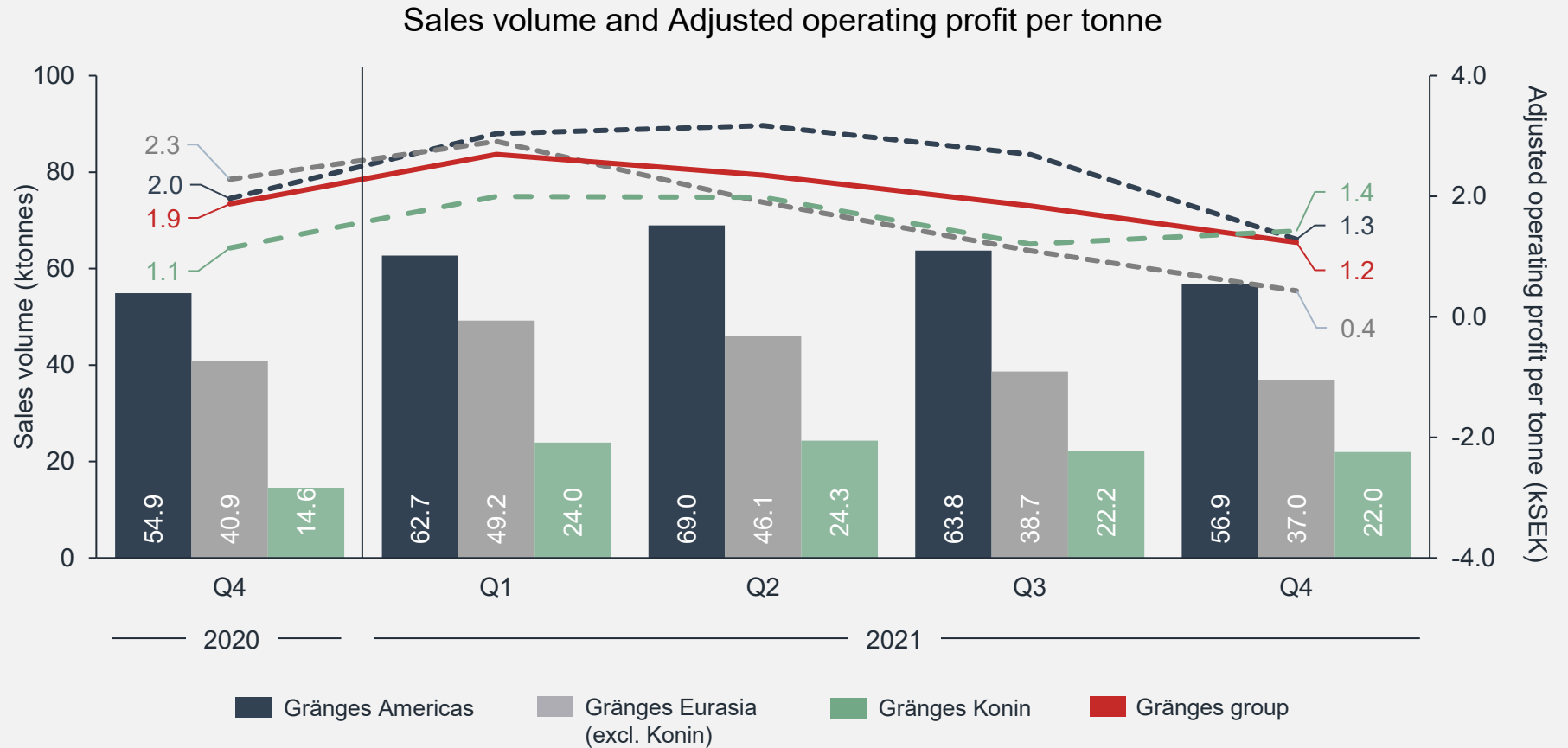


- Expected weakness in automotive in Q1 largely compensated by growth in non-automotive markets
- A large part of net cost increases expected to be offset by price increases already in Q1

Record sales volume and operating profit in 2021



Margin reduction in the fourth quarter due to lower sales volume and higher cost



Financial overview – fourth quarter 2021

SEK million	Q4			January-December		
	2021	2020	Change	2021	2020	Change
Sales volume (ktonnes)	112.3	103.3	8.7%	488.9	350.6	39%
Net sales	4,857	3,149	54%	18,130	11,008	65%
Adjusted operating profit ¹	139	193	-28%	1,008	648	56%
Adjusted operating margin (%)	2.9	6.1	-3.3 ppt	5.6	5.9	-0.3 ppt
Adjusted operating profit per tonne (kSEK)	1.2	1.9	-0.6	2.1	1.8	0.2
Operating profit	-21	167	n/a	833	584	43%
Profit for the period	-23	106	n/a	595	363	64%
Earnings per share ² (SEK)	-0.21	1.19	-1.40	5.58	4.21	1.37
Adj. cash flow before financing activities ³	463	232	100%	607	1,180	-49%
Return on capital employed, R12 (%)	10.0	8.1	1.9 ppt			
Net debt / adjusted EBITDA, R12	2.2	2.2				

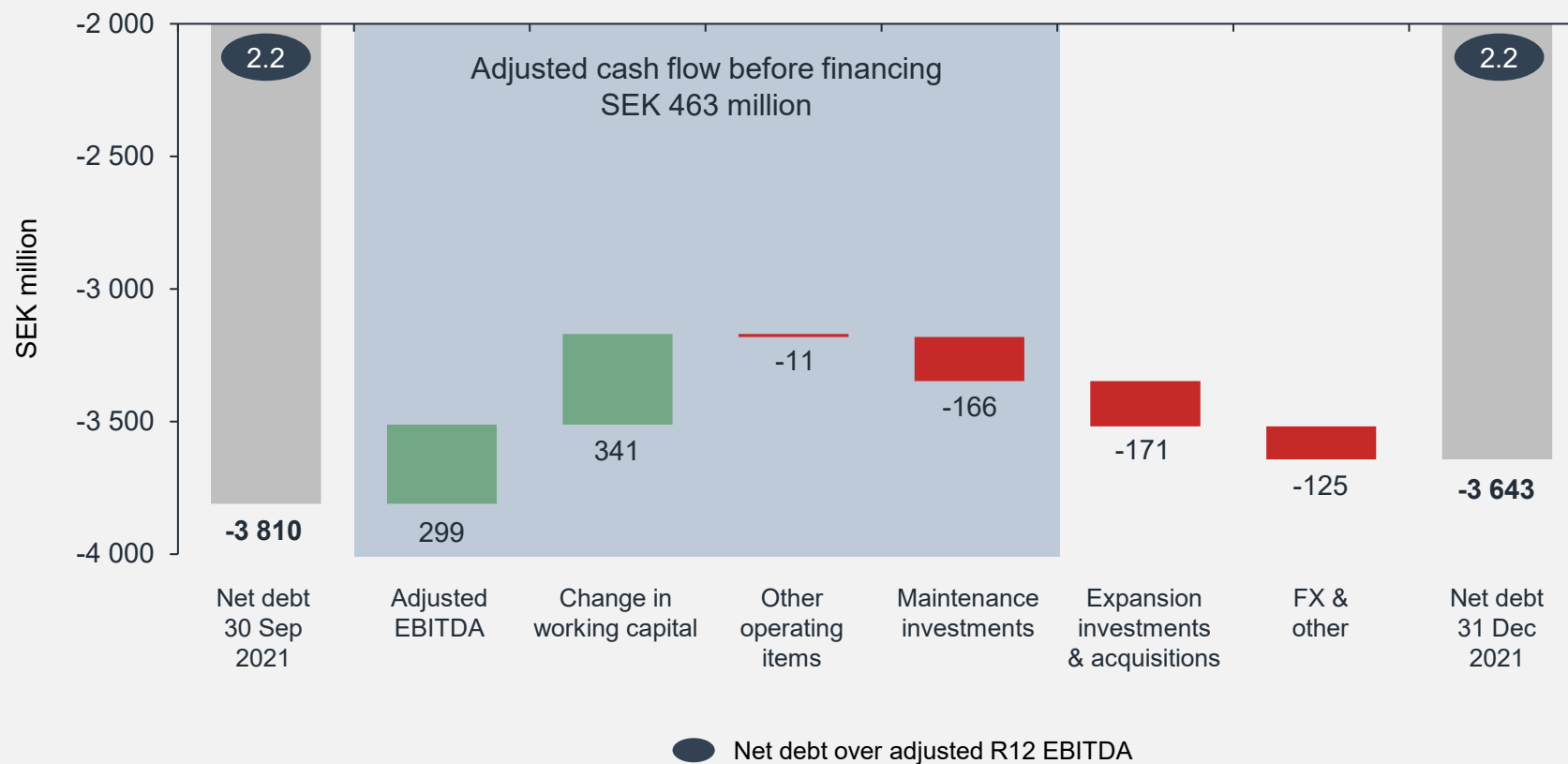
1. Adjusted for items affecting comparability

2. Diluted

3. Adjusted for expansion investments and acquisitions

Reduced net debt and stable leverage in fourth quarter

Change in net debt



Note: Net debt including pension and leasing liabilities. As per 31 December 2021, total pension liabilities amounted to 348 MSEK and leasing liabilities to 236 MSEK. R12 EBITDA per 30 September 2021 includes R12 EBITDA for Gränges Konin.

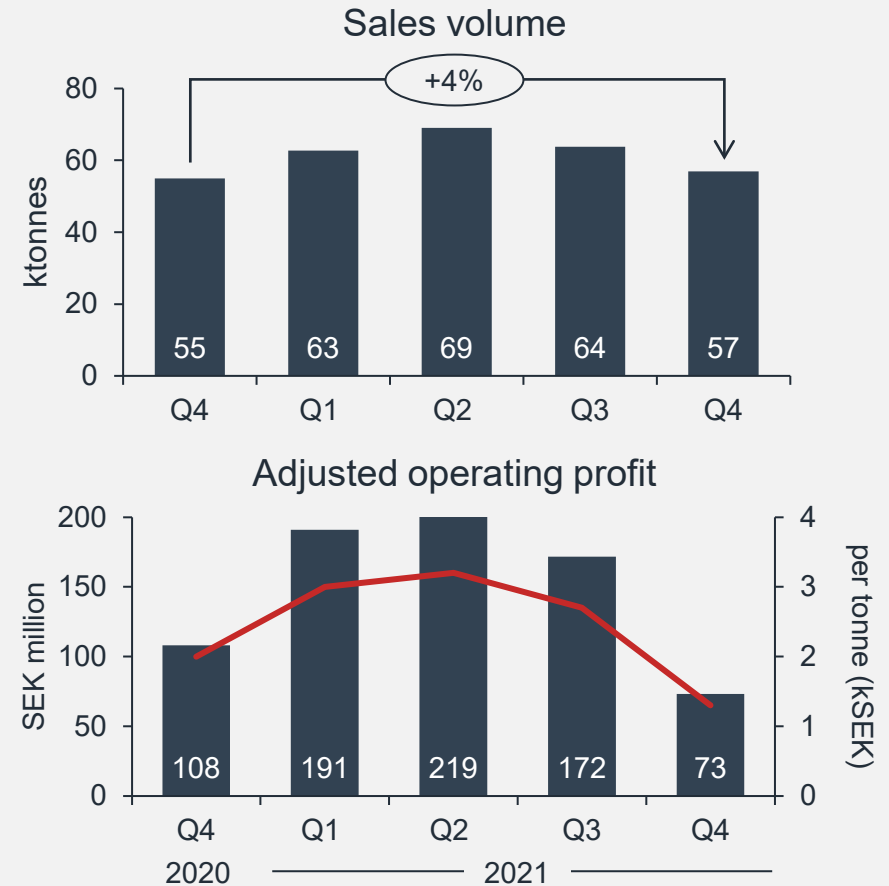
Gränges Americas – fourth quarter 2021

- Sales volume increased by 4%
 - Continued strong market conditions

- Extended planned maintenance
 - 8 ktonnes capacity reduction

- Reduced operating profit and margin
 - Increasing cost inflation
 - Higher average conversion price

- Good progress for Newport rebuild
 - Restart of damaged mill end of Q1

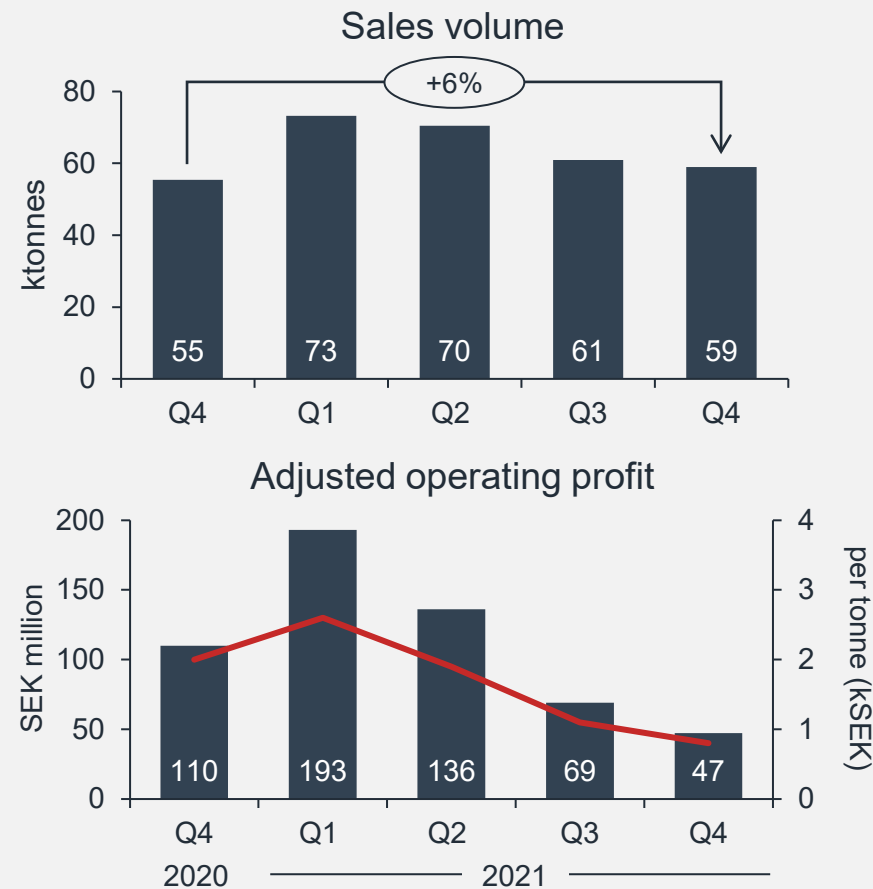


Gränges Eurasia – fourth quarter 2021

- Organic sales volume decline of -9%¹
 - Europe -8% and Asia -11%
 - Continued slow-down in automotive

- Reduced operating profit and margin
 - Increasing cost inflation
 - Negative FX effects SEK -8 million

- Contribution from Gränges Konin
 - Sales volume 22 ktonnes
 - Adj. operating profit SEK 31 million



1. Excluding Gränges Konin, sales volume decreased by 9 per cent to 37.0 ktonnes

Summary – fourth quarter 2021

- Generally good market conditions but continued slow-down in automotive

- Increased inflationary cost pressure only partly offset by price increases

- Continued strong cash generation and increased dividend

- Strong focus on price and cost productivity will drive gradual recovery during 2022



2021 – a year of recovery and investment for the future



- COVID, supply chain disruptions, demand and cost swings
- Record sales and earnings
- Strong contribution from Konin
- Very good progress on sustainability
- Growth investments in all regions
- New solutions for electric vehicles and batteries in pipeline

Good progress on sustainability

Carbon emissions intensity

Scope 1+2

-8%

Scope 3

-20%

2025 targets¹:

Scope 1+2: -25%

Scope 3: -30%

Verified product sustainability info

35%

2025 target:

100%

Sourced recycled aluminium

28%

2025 target:

≥ 30%

ASI certifications

Performance Standard

2

Chain of Custody Standard

2





2025 target:

All sites

Note: All results are preliminary.

1. Versus baseline 2017. Baseline recalculated to include Konin.

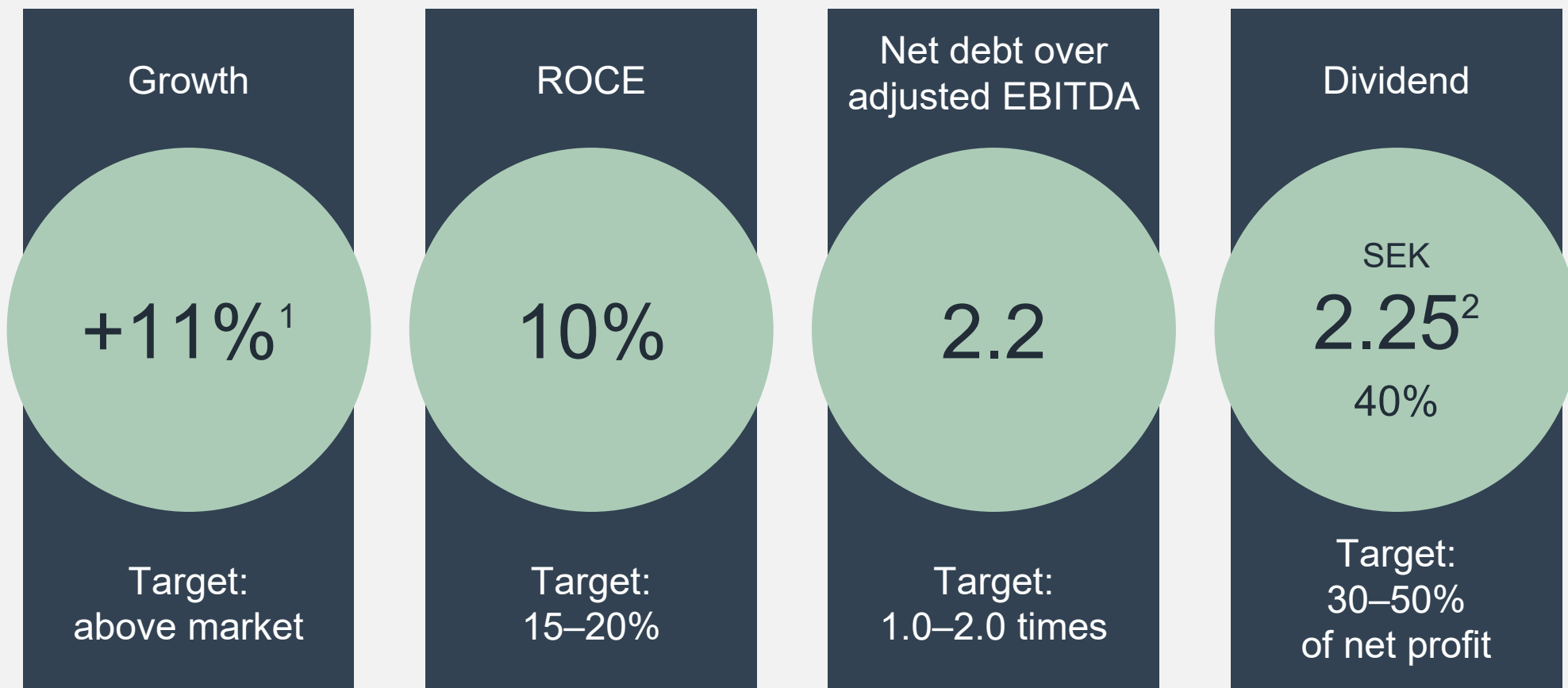
Gränges' sustainability efforts recognized externally

EcoVadis	Sustainalytics ¹	MSCI ²	CDP
Platinum		AA	B
Top 1%	Top 1%	Top 8%	
Benchmark: Manufacture of basic precious and other non-ferrous metals	Benchmark: Aluminium industry	Benchmark: Metals and Mining – Non-Precious Metals	Benchmark: Not available
			

1. Copyright ©2022 Sustainalytics. All rights reserved. This [publication/ article/ section] contains information developed by Sustainalytics (www.sustainalytics.com). Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>.

2. The use by Gränges of any MSCI ESG research llc or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Gränges by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

In 2021 the financial performance reflects challenging market conditions and investment for the future



1. Gränges sales volume growth excluding Gränges Konin in 2021 of 18% 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 2022 Annual General Meeting

Growth plan in the making



- Good starting point
- However: 2021 profitability unsatisfactory
- Positive factors gaining influence going forward
- Short-term focus: Sales volume, price increases, and cost productivity
- But in parallel, plans being made to restore ROCE to 15-20% target...

...and to build a stronger, more sustainable company for the future

Outlook – first quarter 2022

- Sales volume expected to increase sequentially to about the same level as in Q1 2021
 - Demand from automotive customers expected to remain low...
 - ...but will be offset by volume efforts and strong demand from other markets
-
- A large part of net cost increases expected to be offset by price increases
-
- Margin recovery to gradually continue throughout the first half of the year



Q&A

Jörgen Rosengren, CEO
Oskar Hellström, CFO



GRÄNGES