



GRÄNGES

Q3

Interim report 2023

Strong profitability
and record cash flow



Highlights

Third quarter 2023

- Sales volume decreased by 4.1 percent to 114.9 ktonnes (119.8) and net sales decreased to SEK 5,575 million (6,172).
- Adjusted operating profit¹ increased to SEK 439 million (319) and included energy cost compensation of SEK 22 million.
- Adjusted operating profit per tonne increased to 3.8 kSEK (2.7).
- Operating profit was SEK 479 million (243).
- Profit for the period increased to SEK 332 million (135).
- Diluted earnings per share increased to SEK 3.12 (1.27).
- Adjusted cash flow before financing activities² was SEK 1,067 million (441).
- Total carbon emissions intensity (scope 1+2+3)³ decreased to 8.0 tonnes CO₂e/tonne (9.6).
- The share of sourced recycled aluminium increased to 44.5 percent (31.1).

January – September 2023

- Sales volume decreased by 3.7 percent to 355.5 ktonnes (369.0) and net sales decreased to SEK 17,551 million (19,126).
- Adjusted operating profit¹ increased to SEK 1,290 million (997).
- Adjusted operating profit per tonne increased to 3.6 kSEK (2.7).
- Operating profit was SEK 1,330 million (983).
- Profit for the period increased to SEK 902 million (649).
- Diluted earnings per share increased to SEK 8.47 (6.10).
- Adjusted cash flow before financing activities² was SEK 2,133 million (-60).
- Financial net debt was SEK 2,916 million on September 30, 2023 (SEK 3,882 million on December 31, 2022), corresponding to 1.3 times adjusted EBITDA (1.9 times on December 31, 2022).
- Total carbon emissions intensity (scope 1+2+3)³ decreased to 8.5 tonnes CO₂e/tonne (8.9).
- The share of sourced recycled aluminium increased to 41.1 percent (32.5).

Strategy & long term targets

Gränges has established a long-term plan for sustainable growth, Navigate, involving three steps: to restore profitability, to build a world-leading aluminium technology company, and to in-

vest in sustainable growth. The plan also targets continued fast progress toward climate neutrality by 2040. All this is based on Gränges' strong company culture and committed employees.

Profit growth

Average annual operating profit growth

>10%

Profitability

Return on capital employed

>15%

Capital structure

Financial net debt normally between

1–2x EBITDA

Dividend

Percentage of profit for the year

30–50%

Climate

Scope 1+2+3 emissions by 2040

Net-zero

Circularity

Recycled volume by 2030

500 ktonnes

HIGHLIGHTS

Summary

SEK million	Q3			Jan-Sep			12 months rolling	Full year
	2023	2022	Δ	2023	2022	Δ	Oct 2022-Sep 2023	2022
Sales volume, ktonnes	114.9	119.8	-4.1%	355.5	369.0	-3.7%	465.8	479.3
Net sales	5,575	6,172	-9.7%	17,551	19,126	-8.2%	22,917	24,492
Adjusted operating profit ¹	439	319	37.9%	1,290	997	29.4%	1,443	1,150
Adjusted operating profit per tonne, kSEK	3.8	2.7	1.2	3.6	2.7	0.9	3.1	2.4
Operating profit	479	243	97.5%	1,330	983	35.3%	1,483	1,136
Profit for the period	332	135	145.3%	902	649	38.9%	953	700
Earnings per share diluted, SEK	3.12	1.27	1.85	8.47	6.10	2.37	8.95	6.58
Adjusted cash flow before financing activities ²	1,067	441	141.7%	2,133	-60	n/a	2,811	618
Financial net debt	-	-	-	2,916	4,342	-1,426	2,916	3,882
Financial net debt/Adjusted EBITDA ¹	-	-	-	-	-	-	1.3	1.9
Return on capital employed, %	-	-	-	-	-	-	11.2	9.4
Total carbon emissions intensity (scope 1+2+3), tonnes CO ₂ e/tonne ³	8.0	9.6	-16%	8.5	8.9	-4%	8.6	8.9
Share of sourced recycled aluminium, %	44.5	31.1	13.4 ppt	41.1	32.5	8.6 ppt	39.3	32.7

¹ Adjusted for items affecting comparability, see Note 5 for further information.

² Adjusted for expansion investments and acquisitions, see alternative performance measures for further information.

³ Carbon emissions (scope 1+2+3) are defined in accordance with the Greenhouse Gas Protocol, see Definitions for further information.

Gränges is a global leader in aluminium rolling and recycling in selected niches. We're committed to creating circular and sustainable aluminium solutions in partnership with our customers and suppliers - for a better future. Our solutions help customers grow and transition to climate neutrality. They are used for efficient climate control in transportation and buildings, electrification and battery components, recyclable packaging, and more.

New strategy delivering

In the third quarter, Automotive remained stable in all Regions, even if not quite up to last year's very strong level in Asia. Demand from other customer groups was affected by high downstream inventory and weaker end-customer markets than last year in both Americas and Europe. As before, we worked hard to flexibly adjust sales to the demand situation. In summary, our sales volume decreased by 4 percent.

Despite this, Gränges achieved an outstanding result. We successfully offset cost increases with price adjustments and productivity improvements as the main drivers, not the least due to our new recycling and casting center in Huntingdon. Energy cost compensation in Europe also contributed. Adjusted operating profit increased by almost 40 percent to SEK 439 million, our best-ever result after the record in the second quarter of this year. We are very proud of delivering such profitability despite adverse market conditions.

It's also good to see our record cash flow, which is a direct result of our diligent work on inventory reduction and increased recycling. An insurance compensation further contributed. The strong profit and cash flow significantly

reduced our net debt and strengthened our balance sheet, with financial leverage now comfortably inside our target range.

Navigate plan for sustainable growth delivering

After a little more than a year with our Navigate strategy, the first step "Restore" has started to deliver strong results. Our focus is to finalize, optimize and utilize recent years' investment programs, aiming to restore profitability to a healthy level. The excellent results recently show that this strategy is working as planned.

Work also continued on step two and three of our strategy, called "Build" and "Invest", with a strong focus on sustainability. In the third quarter, we again delivered high recycling and low emissions. In October, we reached our goal to have all production sites certified by the Aluminium Stewardship Initiative. Our strategy is fueled by our strong customer partnerships, as witnessed for instance by our bi-annual Technical Seminar in Shanghai where 400 participants gathered to discuss how to accelerate our industry towards net-zero. Investment in sustainable growth continued in all three Regions.



Stable short-term outlook

Market demand is weaker than last year, but remains hard to predict, especially concerning the timing of downstream inventory reduction. We will take advantage of this for longer-than-usual fourth-quarter maintenance stops. Softer demand also puts pressure on market pricing. However, our ambition to increase market share and protect margins remains unchanged. All in all, we expect sales volume in the fourth quarter roughly in line with the same quarter 2022.

I am very proud of the way our committed teams in all three Regions are executing our Navigate plan for sustainable growth. I would like to take this opportunity to thank everyone for outstanding efforts. The results speak for themselves.

Jörgen Rosengren
CEO and President



The first recycled aluminium being remelted in the new recycling and casting center in Huntingdon, Gränges Americas.

Gränges Group



- Stable demand from Automotive; destocking and seasonality in HVAC
- Price and productivity improvements more than offset cost increases
- Profitability and working capital management strengthened cash flow

Market development

Gränges is a global leader in aluminium rolling and recycling in selected niches. We're committed to creating circular and sustainable aluminium solutions in partnership with our customers and suppliers - for a better future. Our solutions help customers grow and transition to climate neutrality. They are used for efficient climate control in transportation and buildings, electrification and battery components, recyclable packaging, and more. Gränges' key end-customer markets are Automotive currently representing 43 percent, HVAC representing 20 percent, Speciality packaging and Other niches representing 18 percent and 19 percent respectively of sales volume for the last 12 months.

Short-term sales to the Automotive industry are primarily driven by the number of vehicles produced. In the medium and long term, the increasing share of electric vehicles is expected to have a further positive impact on demand for Gränges' products. Sales to the HVAC industry are influenced in the short term by consumer confidence and the general activity within building and construction, whereas increased requirements on energy efficiency of HVAC units are expected to have a further positive impact on the demand for Gränges' products in the medium and long term. The

demand for materials for Speciality packaging tends to be relatively stable in its nature and sales to Other niche applications are largely driven by the general economic activity. For all markets, the downstream inventory situation can have a large effects on demand in the short term.

In the third quarter 2023, demand from Gränges' end-customer markets showed a mixed development. Sales to automotive customers decreased by 1 percent compared with the same quarter last year. Stable demand in Europe and Americas was more than offset by lower sales in Asia, where sales in the third quarter of last year were positively impacted by pent up demand following covid-related supply disruptions during the first half of 2022. Sales of HVAC materials decreased by 22 percent in the third quarter 2023 due to a return to a normal seasonality pattern in the industry, combined with continued destocking among HVAC manufacturers and their customers. Sales of Speciality packaging materials was unchanged in the third quarter, and sales to Other niches increased by 8 percent following a gradual normalization of downstream inventory levels in Europe.

Sales development

Gränges' sales volume in the third quarter 2023 decreased by

External sales volume growth, Q3 2023

End-customer	Automotive	HVAC	Speciality packaging	Other niches	Total
Gränges Americas	↗ 5%	↘ -22%	↗ 9%	↘ -21%	↘ -10%
Gränges Eurasia	→ -2%	-	↘ -35%	↗ 33%	→ 2%
Total	→ -1%	↘ -22%	→ 0%	↗ 8%	↘ -4%
Share of total sales volume, rolling 12-months	43%	20%	18%	19%	100%

4.1 percent to 114.9 ktonnes (119.8) while net sales decreased by 9.7 percent to SEK 5,575 million (6,172) compared to the same quarter previous year. The decrease in net sales was primarily driven by lower sales volume as well as lower aluminium price. In addition, net sales includes other revenue of SEK 106 million related to insurance compensation for the fire in the Konin facility in May 2022. Changes in foreign exchange rates had a net positive effect of SEK 111 million.

For Gränges Americas, the external sales volume decreased by 9.7 percent to 57.3 ktonnes (63.5) and external net sales decreased to SEK 2,916 million (3,391) in the third quarter 2023. The decrease in sales volume was mainly driven by lower sales to HVAC customers. Changes in foreign exchange rates had a net positive effect on net sales of SEK 19 million.

For Gränges Eurasia, the external sales volume increased by 2.3 percent to 57.6 ktonnes (56.3) whereas external net sales decreased to SEK 2,659 million (2,780) in the third quarter 2023. The increase in sales volume was primarily driven by higher sales to Other niches driven by a gradual normalization of downstream inventory levels in Europe. Downstream inventory reduction and soft end-customer demand however led to low sales to Speciality packaging customers in Europe. Changes in foreign exchange rates had a net positive effect on net sales of SEK 93 million.

During January–September 2023, Gränges' sales volume decreased by 3.7 percent to 355.5 ktonnes (369.0) compared to the corresponding period previous year. Net sales amounted to SEK 17,551 million (19,126) and changes in foreign exchange rates had a net positive effect on net sales of SEK 843 million.

For Gränges Americas, the external sales volume decreased to 174.0 ktonnes (191.2) and external net sales was SEK 9,073 million (10,295) during January–September 2023. For Gränges Eurasia, external sales volume increased to 181.5 ktonnes (177.8) while external net sales decreased to SEK 8,478 million (8,832).

Operating profit

Adjusted operating profit for the third quarter 2023 increased to SEK 439 million (319), corresponding to adjusted operating profit per tonne of 3.8 kSEK (2.7). The increased profit was driven by higher average fabrication price, improved productivity and reduced inflationary pressure on certain input costs. In addition, improved metal management and the new recycling and casting center in Huntingdon contributed to reduced raw material costs. The lower sales volume and unfavorable development of geographical mix had a negative impact on adjusted operating profit. Further, adjusted operating profit included SEK 22 million related to energy cost compensation in Sweden for the years 2021 and 2022. Impairment of damaged assets and other operating expenses related to the fire in the Konin facility in May 2022 totaled SEK 106 million in the quarter, but this was fully offset by income from insurance compensation and did not have an impact on the adjusted operating profit. Changes in foreign exchange rates had a net negative impact of SEK 16 million in the quarter.

Operating profit for the third quarter 2023 increased to SEK 479 million (243) and included items affecting comparability of SEK 40 million (-76) related to insurance compensation for the fire in the Konin facility in May 2022. For further information see Note 5.

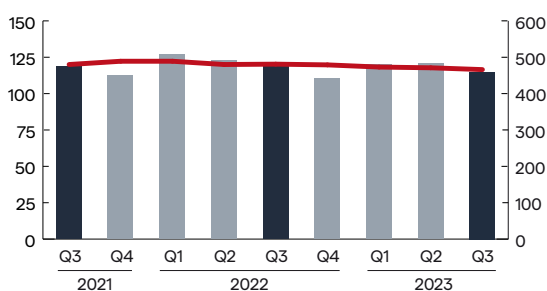
During the period January–September 2023, adjusted operating profit increased to SEK 1,290 million (997), and adjusted operating profit per tonne was 3.6 kSEK (2.7). Changes in foreign exchange rates had a net positive impact of SEK 132 million during the January–September 2023. Operating profit amounted to SEK 1,330 million (983) and included items affecting comparability of SEK 40 million (-14). For further information see Note 5.

Profit for the period and earnings per share

Profit before tax for the third quarter 2023 increased to

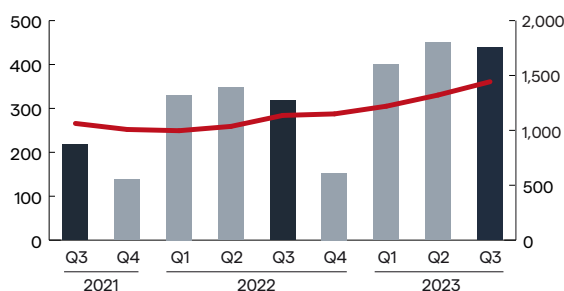
Sales volume

kt tonnes — kt tonnes, 12-months rolling



Adjusted operating profit

SEK million — SEK million, 12-months rolling



SEK 403 million (166). Finance income and costs was SEK -76 million (-78). Income tax for the third quarter 2023 was SEK -71 million (-30) which corresponds to an effective tax rate of 18 percent (18). The profit for the period increased to SEK 332 million (135) and diluted earnings per share rose to SEK 3.12 (1.27).

For the period January–September 2023, profit before tax increased to SEK 1,085 million (824). Finance income and costs was SEK -247 million (-161). The increase in finance costs was related to higher market interest rates. Income tax for the period was SEK -183 million (-175) and includes withholding tax of SEK -14 million related to a dividend from the Chinese subsidiary to Gränges AB as well as positive tax effect of SEK 36 million which refers to tax credits in the US and adjustments from previous years. Excluding the withholding tax and the positive tax effects, the effective tax rate was 19 percent (21). The profit for the period increased to SEK 902 million (649) and diluted earnings per share rose to SEK 8.47 (6.10).

Cash flow

Cash flow from operating activities was SEK 1,199 million (530) in the third quarter 2023 and includes SEK 293 million in received insurance compensation for the fire in the Konin facility in May 2022. Cash flow from investing activities in the quarter related to capital expenditure of SEK -227 million (-218). Of the total capital expenditure, SEK -133 million referred to investments to maintain and improve efficiency in current production facilities and SEK -94 million referred to investments related to the expansion of the production facilities.

Cash flow before financing adjusted for expansion investments and acquisitions amounted to SEK 1,067 million (441) in the third quarter 2023. Cash flow from financing activities was SEK -1,310 million (-285) in the third quarter 2023 and includes new loans of SEK 650 million and repayment of loans of SEK -1,906 million.

During January–September 2023, cash flow from operating activities was SEK 2,366 million (184). Cash flow from

investing activities related to capital expenditure of SEK -677 million (-590) and divestments of SEK 1 million (-). Of the total capital expenditure, SEK 234 million related to investments to maintain and improve efficiency in current production facilities and SEK 443 million referred to investments related to the expansion of the production facilities.

During January–September 2023 cash flow before financing activities amounted to SEK 1,690 million (-406). Cash flow from financing activities was SEK -1,943 million (746) during January–September 2023 and included new loans of SEK 4,626 million and repayment of loans of SEK -6,078 million.

Cash and cash equivalents amounted to SEK 644 million on September 30, 2023 (SEK 879 million on December 31, 2022).

Financial position

Gränges' total assets amounted to SEK 17,059 million on September 30, 2023 (SEK 17,530 million on December 31, 2022). The equity to assets ratio was 52.6 percent on September 30, 2023 (46.8 percent on December 31, 2022).

Financial net debt was SEK 2,916 million on September 30, 2023 (SEK 3,882 million on December 31, 2022), corresponding to 1.3 times adjusted EBITDA (1.9 times on December 31, 2022).

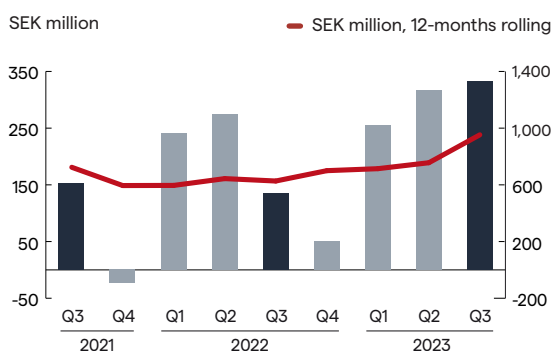
Employees

The average number of employees was 2,735 (2,697) in the third quarter and 2,701 (2,699) during the period January–September 2023.

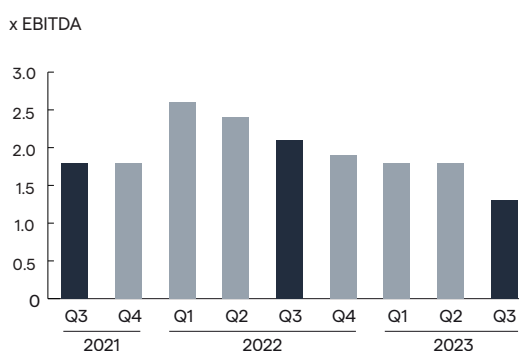
Parent company

Gränges AB is the parent company of the Gränges Group. Its operations include Group Management and Group functions such as finance, treasury, sustainability and communication. For the period January–September 2023, net sales in the parent company was SEK 94 million (92). Result for the period January–September was SEK 279 million (-34) and includes dividend from the Chinese subsidiary of SEK 296 million (-).

Profit for the period



Financial net debt to EBITDA

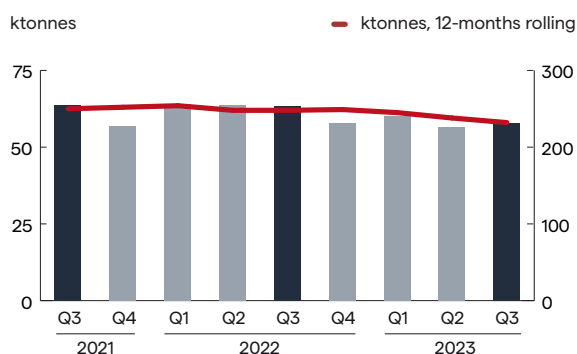


Gränges Americas



- Stable demand from Automotive; destocking and seasonality in HVAC
- Price and productivity improvements more than offset cost increases
- Positive profit impact from new recycling and casting centre

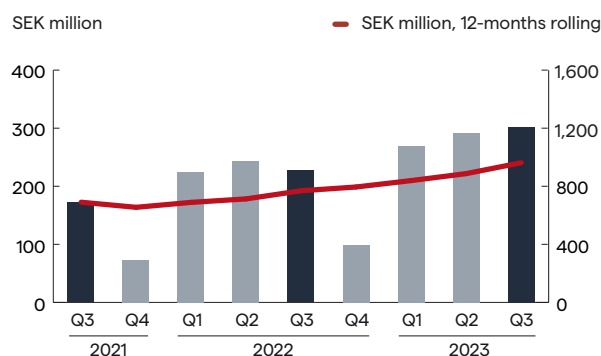
Sales volume



Gränges Americas continued to experience stable demand from Automotive customers in the third quarter 2023. Sales to HVAC customers decreased driven by weaker end-customer demand combined with continued destocking. Sales of materials for Other niches decreased in the quarter, whereas demand for Speciality packaging materials increased as customers were rebuilding inventory ahead of the peak season. In total the sales volume in the third quarter decreased by 9.7 percent to 57.3 ktonnes (63.5) while net sales decreased to SEK 2,916 million (3,391). The decrease in net sales is primarily driven by the lower sales volume and a decreased aluminium price, while higher average fabrication price and changes in foreign exchange rates had a positive impact.

During the period January–September 2023, total sales volume decreased by 9.0 percent to 174.0 ktonnes (191.2) while total net sales decreased to SEK 9,073 million (10,295).

Adjusted operating profit



The adjusted operating profit for the third quarter 2023 increased to SEK 302 million (227). This corresponds to an adjusted operating profit per tonne of 5.3 kSEK (3.6). The negative effect from lower sales volume in the quarter was more than offset by an increased average fabrication price in combination with improved productivity. In addition, the new recycling and casting centre in Huntingdon continued to operate at full capacity during the third quarter and contributed to reduced raw material cost. Net changes in foreign exchange rates had no impact compared with the third quarter last year.

During the period January–September 2023, the adjusted operating profit increased to SEK 863 million (695). By September 30, 2023, the return on capital employed was 16.7 percent (15.5) on a rolling 12-months basis.

Financial summary

SEK million	Q3			Jan-Sep			12 months rolling	Full year
	2023	2022	Δ	2023	2022	Δ	Oct 2022-Sep 2023	2022
Sales volume external, ktonnes	57.3	63.5	-9.7%	174.0	191.2	-9.0%	231.7	248.9
Sales volume internal, ktonnes	-	-	-	-	-	-	-	-
Total sales volume, ktonnes	57.3	63.5	-9.7%	174.0	191.2	-9.0%	231.7	248.9
Net sales, external	2,916	3,391	-14.0%	9,073	10,295	-11.9%	11,915	13,136
Net sales, internal	-	6	n/a	-	-13	n/a	-8	-21
Total net sales	2,916	3,397	-14.2%	9,073	10,281	-11.8%	11,906	13,115
Adjusted operating profit	302	227	33.1%	863	695	24.1%	962	795
Adjusted operating profit per tonne, kSEK	5.3	3.6	47.3%	5.0	3.6	36.4%	4.2	3.2
Return on capital employed, %	-	-	-	-	-	-	16.7	15.1



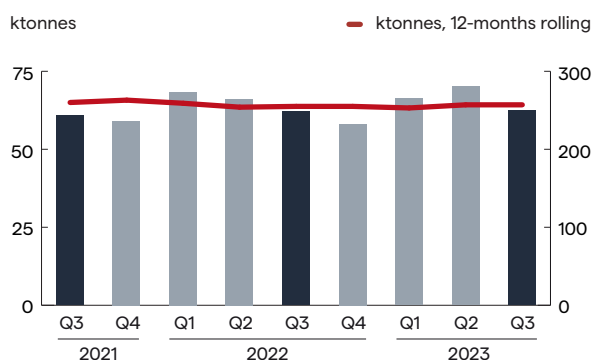
Recycling of aluminium in Huntingdon, Gränges Americas.

Gränges Eurasia

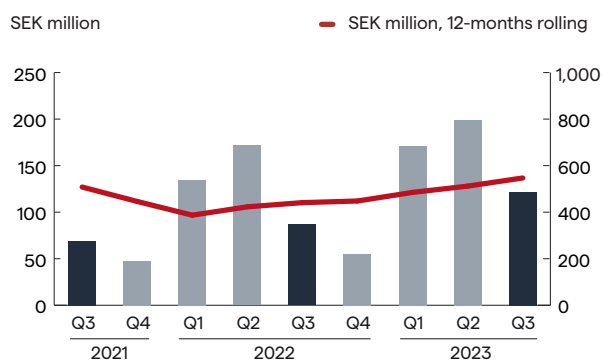


- Stable demand from Automotive; high comparables in Asia
- Gradual normalization of downstream inventory in Europe
- Positive profit impact from productivity improvements and reduced inflationary pressure

Sales volume



Adjusted operating profit



Gränges Eurasia experienced a stable market development in the third quarter 2023. Sales to Other niche customers in Europe increased due to a gradual normalization of downstream inventory levels. Demand from Automotive customers remained stable, while demand for Speciality packaging materials decreased due to destocking of downstream inventory and lower demand from end customers. The sales volume in the third quarter increased by 0.7 percent to 62.5 ktonnes (62.1), while net sales decreased by 6 percent to SEK 2,915 million (3,087). The decrease in net sales was primarily driven by a decreased aluminium price and lower average fabrication price, which more than offset the positive effects from increased sales volume and changes in foreign exchange rates.

During the period January–September 2023, total sales volume increased by 1.3 percent to 198.9 ktonnes (196.4) while total net sales decreased to SEK 9,406 million (9,826).

The adjusted operating profit for the third quarter 2023 increased to SEK 122 million (87), corresponding to an adjusted operating profit per tonne of 1.9 kSEK (1.4). Higher sales volume, improved productivity and reduced inflationary pressure on certain input costs had a positive impact on adjusted operating profit in the quarter. This was partly offset by lower average fabrication price. Further, adjusted operating profit included SEK 22 million related to energy cost compensation in Sweden for the years 2021 and 2022. Changes in foreign exchange rates had a net negative impact of SEK 17 million compared with the third quarter last year.

During the period January–September 2023, the adjusted operating profit increased to SEK 492 million (393). By September 30, 2023, the return on capital employed was 7.1 percent (6.0) on a rolling 12-months basis.

Financial summary

SEK million	Q3			Jan-Sep			12 months rolling	Full year
	2023	2022	Δ	2023	2022	Δ	Oct 2022-Sep 2023	2022
Sales volume external, ktonnes	57.6	56.3	2.3%	181.5	177.8	2.1%	234.1	230.4
Sales volume internal, ktonnes	4.9	5.8	-14.8%	17.4	18.7	-6.7%	22.9	24.2
Total sales volume, ktonnes	62.5	62.1	0.7%	198.9	196.4	1.3%	257.0	254.5
Net sales, external	2,659	2,780	-4.4%	8,478	8,832	-4.0%	11,002	11,356
Net sales, internal	256	306	-16.4%	928	995	-6.7%	1,211	1,277
Total net sales	2,915	3,087	-5.6%	9,406	9,826	-4.3%	12,213	12,633
Adjusted operating profit	122	87	39.9%	492	393	25.1%	547	448
Adjusted operating profit per tonne, kSEK	1.9	1.4	38.9%	2.5	2.0	23.5%	2.1	1.8
Return on capital employed, %	-	-	-	-	-	-	7.1	6.0



Gränges' bi-annual Technical Seminar in Shanghai where 400 participants gathered to discuss how to accelerate our industry towards net-zero.

Sustainability



- A new record quarter with all-time high recycling volumes and share
- Record-low scope 1+2 intensity driven by higher renewable electricity
- Dual ASI certifications of Konin facility

Emissions and climate impact

In the third quarter 2023, Gränges' total carbon emissions intensity (scope 1+2+3) decreased to 8.0 tonnes CO₂e/tonne (9.6) compared to the same quarter previous year. Scope 1+2 intensity decreased to 0.55 tonnes CO₂e/tonne (0.80), driven by higher renewable electricity in Gränges Eurasia. Scope 3 intensity decreased by 15 percent to 7.5 tonnes CO₂e/tonne (8.8) as a result of strong recycling and increased sourcing of low-carbon primary aluminium in Gränges Eurasia in the quarter. The positive result was partially offset by Gränges' phase-out of Russia-produced primary aluminium.

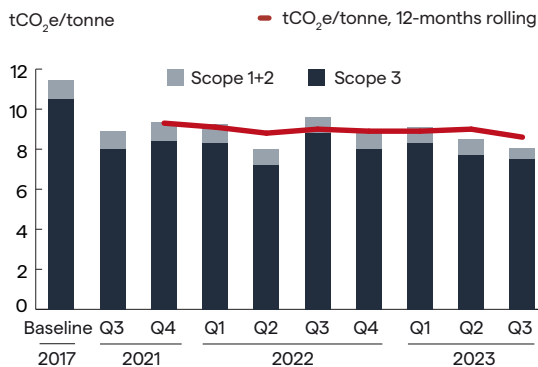
During the last rolling 12 months, the total carbon emissions intensity was 8.6 tonnes CO₂e/tonne, a reduction of 25 percent compared to baseline 2017, a new record level.

Recycling and circularity

Gränges' continued focus on recycling and circularity resulted in all-time high recycling volumes and share in the third quarter 2023. The volume of sourced recycled aluminium increased by 15 ktonnes and reached 55 ktonnes (40), corresponding to 44.5 percent recycled aluminium of total sourced metal inputs (31.1). The strong performance was driven by strong focus on recycling in all regions and continued efforts to strengthen partnerships with suppliers and customers to secure access to recycled aluminium.

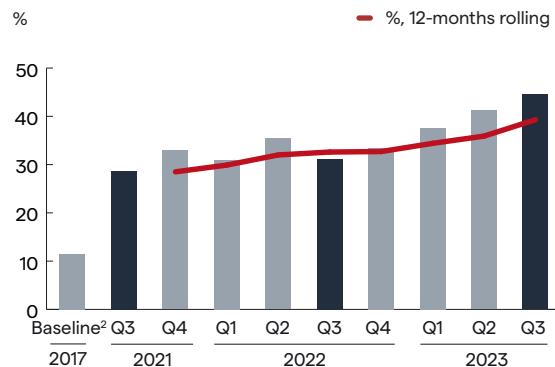
During the last rolling 12 months, the total volume of sourced recycled aluminium reached 196 ktonnes, corresponding to 4.2 times the volume in baseline 2017.

Carbon emissions intensity¹



12-months rolling data not available before Q4 2021.

Share of sourced recycled aluminium

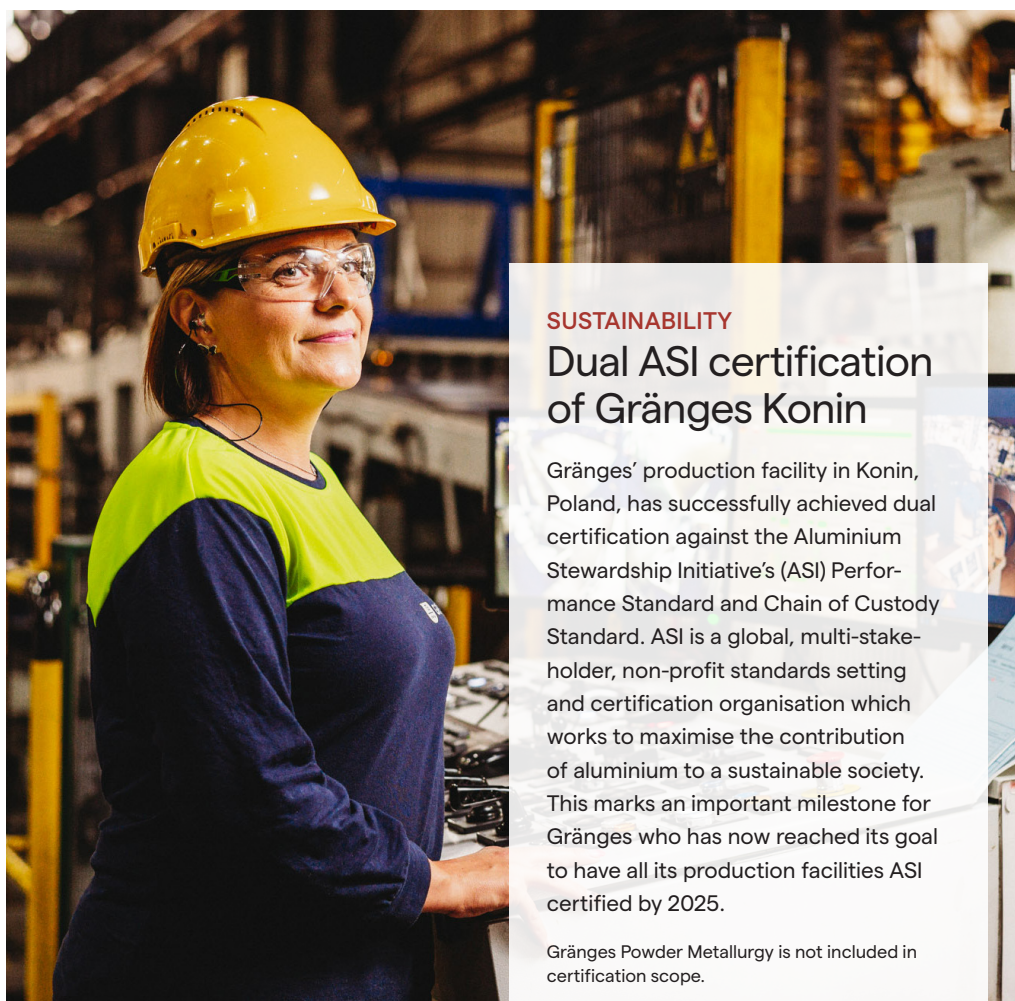


Sustainability performance

	Q3			Jan-Sep			12 months rolling	Full year		Baseline	
	2023	2022	Δ	2023	2022	Δ	Oct 2022-Sep 2023	2022	Δ	2017	Δ
Total carbon emissions intensity (scope 1+2+3), tonnes CO ₂ e/tonne ¹	8.0	9.6	-16%	8.5	8.9	-4%	8.6	8.9	-3%	11.4	-25%
Carbon emissions intensity (scope 1+2), tonnes CO ₂ e/tonne ¹	0.55	0.80	-32%	0.70	0.82	-14%	0.73	0.82	-11%	0.96	-24%
Carbon emissions intensity (scope 3), tonnes CO ₂ e/tonne ¹	7.5	8.8	-15%	7.8	8.1	-3%	7.9	8.1	-2%	10.5	-25%
Sourced recycled aluminium, ktonnes	55	40	37%	156	129	21%	196	169	16%	47	419%
Sourced recycled aluminium, %	44.5	31.1	13.4 ppt	41.1	32.5	8.6 ppt	39.3	32.7	6.5 ppt	11.5	27.8 ppt

¹ Quarterly data may be adjusted in the year-end report when annual emission factors have been confirmed. Scope 2 data is calculated with a market-based approach. Baseline 2017 is recalculated to include the production facility in Konin for carbon emissions intensity data.

² Baseline does not include Gränges' production facility in Konin.



SUSTAINABILITY

Dual ASI certification of Gränges Konin

Gränges' production facility in Konin, Poland, has successfully achieved dual certification against the Aluminium Stewardship Initiative's (ASI) Performance Standard and Chain of Custody Standard. ASI is a global, multi-stakeholder, non-profit standards setting and certification organisation which works to maximise the contribution of aluminium to a sustainable society. This marks an important milestone for Gränges who has now reached its goal to have all its production facilities ASI certified by 2025.

Gränges Powder Metallurgy is not included in certification scope.



Ensuring that our aluminium solutions are responsibly sourced and produced is a cornerstone in our sustainability strategy. Certifying our facilities against ASI gives our customers the transparency and chain of custody that they need.

Sofia Hedevåg,
SVP Sustainability

OTHER INFORMATION

Significant events during the period

No significant events have occurred during the third quarter of 2023.

Significant events after the period

Gränges' production facility in Konin, Poland, achieved dual certification against the Aluminium Stewardship Initiative's (ASI) Standards. Thereby, Gränges reached its goal to have ASI certified all its sites by 2025.

The share and owners

The share capital in Gränges amounts to SEK 142 million split on 106,308,618 shares, each with a quota value of SEK 1.339775. Gränges has only one class of shares. The number of known shareholders in Gränges was 12,399 on September 30, 2023 according to Euroclear.

Largest shareholders in Gränges per Sep. 30, 2023¹

Shareholder	Number of shares	Share of capital and votes %
Fourth Sw. National Pension Fund	9,864,534	9.3
Swedbank Robur Funds	7,288,355	6.9
AFA Insurance	7,263,787	6.8
Dimensional Fund Advisors	4,712,203	4.4
Handelsbanken Funds	4,440,271	4.2
Vanguard	3,906,975	3.7
Norges Bank	3,057,987	2.9
Third Sw. National Pension Fund	2,737,194	2.6
Fidelity Investments	2,383,846	2.2
Unionen	2,369,999	2.2
Total 10 largest shareholders	48,025,151	45.2
Other	58,283,467	54.8
Total	106,308,618	100.0

¹ Source: Modular Finance.

Nomination Committee appointed

The Nomination Committee for Gränges' Annual General Meeting 2024 has been appointed. The Nomination Committee consist of representatives from the three largest shareholders as of 31 August 2023 and the Chairman of the Board, Fredrik Arp. The Fourth Swedish National Pension Fund (AP4) is represented by Jannis Kitsakis, Swedbank Robur funds by Jan Dworsky, and AFA Insurance by Anders Algotsson. The Chairman of the Nomination Committee is Jannis Kitsakis.

Annual General Meeting 2024

Gränges' 2024 Annual General Meeting will be held on Wednesday May 8, 2024 at 15.30 CEST at GT 30, Grev Turegatan 30, Stockholm. Shareholders who wish to have a matter considered at the Annual General Meeting should submit such requests seven weeks before the meeting at the latest.

Risks and uncertainties

As a global group with operations in different parts of the world, Gränges is exposed to various risks and uncertainties such as raw material price risk, market risk, operational and legal risk, as well as financial risks related to foreign exchange rates, interest rates, liquidity and refinancing. Gränges' risk management process entails to identify, assess and reduce risks related to the Group's business and operations. More information about risk management is available on pages 53–59 in Gränges' 2022 Annual and Sustainability Report.

Seasonal variations

Gränges' customers are found in the automotive industry, the HVAC industry, the packaging industry, as well as in many other niche markets. Gränges' sales to the automotive industry is highly correlated with the production of light vehicles. Sales to the HVAC industry are impacted by factors such as construction investments, new regulations for energy efficiency and climate impact, and it is usually higher during the summer period driven by a seasonally higher demand for cooling systems. Sales to the packaging and other industries are fairly stable throughout the year. Major annual maintenance work in Gränges' production facilities mainly occurs in the fourth quarter. Overall, the fourth quarter is usually the weakest quarter and the second quarter usually the strongest quarter of the year.

Stockholm, October 26, 2023

Jörgen Rosengren
CEO and President

Financial & Sustainability statements

Consolidated income statement (condensed)

SEK million	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Net sales	2	5,575	6,172	17,551	19,126	24,492
Cost of materials		-3,517	-4,294	-11,489	-13,544	-17,311
Payroll and other operating expenses		-1,368	-1,294	-4,124	-3,862	-5,117
Depreciation, amortization and impairment charges		-250	-265	-647	-724	-914
Items affecting comparability	5	40	-76	40	-14	-14
Operating profit		479	243	1,330	983	1,136
Profit or loss from joint ventures	4	0	1	1	1	2
Finance income and costs		-76	-78	-247	-161	-254
Profit before tax		403	166	1,085	824	884
Income tax		-71	-30	-183	-175	-184
Profit for the period		332	135	902	649	700
Profit for the period attributable to						
- owners of the parent company		332	135	902	649	700
- non-controlling interests		0	0	0	0	0
Earnings per share						
Earnings per share basic, SEK		3.13	1.27	8.49	6.11	6.59
Earnings per share diluted, SEK		3.12	1.27	8.47	6.10	6.58

Consolidated statement of comprehensive income (condensed)

SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Profit for the period	332	135	902	649	700
Items not to be reclassified to profit/loss in subsequent periods					
Remeasurement of pensions after tax	-2	1	16	90	110
Items to be reclassified to profit/loss in subsequent periods					
Change in hedging reserve after tax	-101	-93	-72	19	89
Translation effects	-183	267	157	833	602
Comprehensive income for the period	47	311	1,003	1,591	1,501
Comprehensive income for the period attributable to					
- owners of the parent company	47	311	1,003	1,591	1,501
- non-controlling interests	0	0	0	0	0

Consolidated balance sheet (condensed)

SEK million	Note	30 Sep 2023	30 Sep 2022	31 Dec 2022
ASSETS				
Intangible assets		1,515	1,510	1,499
Property, plant and equipment		7,592	7,257	7,271
Right-of-use assets		242	268	246
Deferred tax assets		31	73	33
Investments in joint ventures	4	20	19	19
Interest-bearing receivables		14	0	-
Other non-current receivables	3	211	106	182
Non-current assets		9,626	9,233	9,249
Inventories		3,756	4,892	4,270
Receivables	3	3,030	3,985	3,093
Interest-bearing receivables	3	3	39	38
Cash and cash equivalents		644	1,234	879
Current assets		7,433	10,150	8,280
TOTAL ASSETS		17,059	19,383	17,530
EQUITY AND LIABILITIES				
Equity		8,971	8,291	8,206
Interest-bearing liabilities	3	2,955	2,892	2,863
Provisions and other non-current liabilities	3	961	973	920
Non-current liabilities		3,915	3,865	3,783
Interest-bearing liabilities	3	882	3,006	2,197
Provisions and other current liabilities	3	3,290	4,221	3,344
Current liabilities		4,172	7,227	5,541
TOTAL EQUITY AND LIABILITIES		17,059	19,383	17,530

Consolidated changes in equity (condensed)

SEK million	30 Sep 2023	30 Sep 2022	31 Dec 2022
Opening balance	8,204	6,930	6,930
Profit for the period	902	649	700
Other comprehensive income for the period	101	942	801
Total comprehensive income for the period	1,003	1,591	1,501
Dividend	-266	-239	-239
Share swap	23	-	5
Received option/warrant premiums	9	7	7
Exercise of call options	-4	-	-
Total transactions with owners	-238	-232	-227
Equity attributable to owners of the parent company	8,970	8,289	8,204
Equity attributable to non-controlling interests	2	2	2
Closing balance	8,971	8,291	8,206

Consolidated statement of cash flows (condensed)

SEK million	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Operating profit		479	243	1,330	983	1,136
Depreciation, amortization and impairment charges		250	265	647	724	914
Other non-cash items		-	-75	-	-148	-148
Change in working capital etc.		532	87	530	-1,334	-736
Income taxes paid		-62	10	-142	-41	-65
Cash flow from operating activities		1,199	530	2,366	184	1,102
Investments in property, plant, equipment and intangible assets		-227	-218	-677	-590	-993
Divestments		0	-	1	-	-
Cash flow from investing activities		-227	-218	-676	-590	-993
Cash flow before financing activities		972	313	1,690	-406	109
Dividend		-	-	-266	-239	-239
Share swap		17	-	23	-	5
Received option/warrant premiums		9	-	9	7	7
Exercise of call options		-4	-	-4	-	-
Interest paid and received		-76	-70	-253	-145	-264
New loans		650	3,887	4,626	11,107	14,707
Repayment of loans		-1,906	-4,102	-6,078	-9,985	-14,302
Cash flow from financing activities		-1,310	-285	-1,943	746	-86
Cash flow for the period		-338	28	-253	339	23
Cash and cash equivalents at beginning of period		975	1,195	879	809	809
Cash flow for the period		-338	28	-253	339	23
Exchange rate differences in cash and cash equivalents		8	12	18	86	48
Cash and cash equivalents at end of period		644	1,234	644	1,234	879

Parent company income statement (condensed)

SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Net sales	32	31	94	92	133
Payroll and other operating expenses	-49	-44	-133	-181	-217
Depreciation, amortization and impairment charges	-	0	-	-1	-1
Operating profit/loss	-17	-13	-39	-90	-86
Dividends from subsidiaries	-	-	296	-	-
Finance income and costs	7	20	33	58	57
Profit/loss after financial items	-10	7	289	-31	-29
Appropriations	-	-	-	-	34
Income tax	1	-3	-11	-3	-13
Profit/loss for the period	-9	5	279	-34	-8

FINANCIAL & SUSTAINABILITY STATEMENTS

Parent company balance sheet (condensed)

SEK million	Note	30 Sep 2023	30 Sep 2022	31 Dec 2022
ASSETS				
Property, plant and equipment		0	0	0
Shares in Group companies		3,767	2,906	2,986
Deferred tax assets		42	44	35
Interests-bearing receivables		14	0	0
Receivables from Group companies		784	3,563	2,281
Other non-current receivables		193	97	116
Non-current assets		4,799	6,610	5,418
Receivables from Group companies		2,842	928	2,885
Other receivables		140	349	112
Cash and cash equivalents		128	495	229
Current assets		3,109	1,772	3,227
TOTAL ASSETS		7,908	8,382	8,645
EQUITY AND LIABILITIES				
Equity		3,228	3,161	3,187
Interest-bearing liabilities		2,758	1,545	2,649
Provisions and other non-current liabilities		46	43	43
Non-current liabilities		2,804	1,588	2,692
Liabilities to Group companies		973	1,031	598
Interest-bearing liabilities		710	2,368	1,982
Provisions and other current liabilities		193	234	185
Current liabilities		1,876	3,633	2,766
TOTAL EQUITY AND LIABILITIES		7,908	8,382	8,645

Notes

Note 1 Accounting principles

The Gränges Group applies International Financial Reporting Standards (IFRS) as endorsed by the EU. The accounting principles adopted are consistent with those described in the Annual Report for Gränges AB (publ) 2022. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies the Swedish Annual Accounts Act and RFR 2 Reporting for Legal Entities.

New standards, amendments and interpretations effective from 1 January 2023 or later have not had any material impact on this financial report.

The interim information on pages 2–23 is an integrated part of these Financial & Sustainability statements.

Note 2 Revenue from contracts with customers

Gränges' revenue is generated through sale of material that is produced for a certain customer and application. Revenue is recognized at the point in time when control is transferred to the customer. The transaction price for Gränges' products is based on the added value Gränges offers in terms of material properties and production complexity (fabrication price), and the price of the raw material, aluminium. The fabrication price is to a large extent pre-defined while the aluminium price is variable and based on metal price clauses connected to the market price. Other revenue in the third quarter of 2023 includes an insurance compensation of SEK 106 million for a fire in the Konin facility. The table below show Gränges' net sales by business area divided by type of revenue.

SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Net sales by business area					
Gränges Americas					
Fabrication revenue	1,253	1,235	3,866	3,395	4,542
Raw material and other revenue	1,661	2,149	5,199	6,871	8,553
Revenue from contracts with customers	2,914	3,383	9,065	10,266	13,095
Other revenue	2	13	8	15	20
Total net sales Gränges Americas	2,916	3,397	9,073	10,281	13,115
Gränges Eurasia					
Fabrication revenue	1,224	1,283	4,047	3,932	5,112
Raw material and other revenue	1,579	1,724	5,235	5,698	7,318
Revenue from contracts with customers	2,802	3,007	9,282	9,630	12,430
Other revenue	113	79	124	197	203
Total net sales Gränges Eurasia	2,915	3,087	9,406	9,826	12,633
Other and eliminations					
Fabrication revenue	-167	-199	-601	-585	-771
Raw material and other revenue	-89	-113	-328	-397	-485
Revenue from contracts with customers	-256	-312	-928	-981	-1,256
Other revenue	-	-	-	-	-
Total net sales other and eliminations	-256	-312	-928	-981	-1,256
Total fabrication revenue	2,309	2,319	7,312	6,742	8,883
Total raw material and other revenue	3,151	3,761	10,107	12,172	15,386
Total revenue from contracts with customers	5,461	6,079	17,418	18,914	24,269
Total other revenue	115	93	132	212	223
Total net sales	5,575	6,172	17,551	19,126	24,492

FINANCIAL & SUSTAINABILITY STATEMENTS

Note 3 Financial instruments

The Group's financial assets consist of lending, accounts receivable, cash and cash equivalents as well as derivatives. The Group's financial liabilities consist of borrowings and accounts payable as well as derivatives. The table below shows the fair value of the derivatives (foreign exchange, aluminium and interest rate derivatives) included in the balance sheet.

SEK million	30 Sep 2023	30 Sep 2022	31 Dec 2022
Non-current assets	213	97	170
Current assets	140	379	131
Non-current liabilities	45	16	13
Current liabilities	289	388	202

All derivatives are measured at fair value and are classified according to level 2, i.e., all significant inputs required for measurement of the instruments are observable. Fair value of foreign exchange derivatives is calculated by discounting the difference between the contracted forward rate and the forward rate that can be contracted on the balance sheet date for the remaining contract period. Aluminium derivatives are measured at observable quoted prices on LME (London Metal Exchange) and SHFE (Shanghai Futures Exchange) for similar assets and liabilities. Interest rate derivatives are measured at forward rates from observable interest rate curves and discounting of contractual cash flows.

Gränges' interest-bearing liabilities consist of financing from banks, institutions, and the credit market. As per 30 September 2023, the amount

of outstanding term loans from banks and institutions was USD 160 million and SEK 400 million, whereof USD 160 million and SEK 200 million have a sustainability-linked structure. Financing from banks and institutions also includes a sustainability-linked Revolving Credit Facility of SEK 3,500 million which was unutilized as per 30 September 2023. Financing from the credit market includes a sustainability-linked bond of SEK 600 million, issued under Gränges' MTN program, and commercial papers. As per 30 September 2023, the total volume of outstanding commercial papers was SEK 694 million.

The loan facilities are subject to covenants, which are Net Debt/EBITDA and Interest coverage ratio.

SEK million	Limit/Program	Year			Total
		< 1	1-2	> 2	
Term loans					
SEK		-	-	400	400
USD		-	433	1,299	1,732
Bonds in MTN program	3,000	-	-	600	600
Commercial papers	2,000	694	-	-	694
Revolving Credit Facilities	3,500	-	-	-	-
Lease liabilities		53	42	165	260
Other interest-bearing liabilities		134	-	16	150
Total interest-bearing liabilities		882	475	2,480	3,837

Interest-bearing liabilities are measured at amortized cost and the carrying amount as of 30 September 2023 was SEK 3,837 million (SEK 5,060 million as of 31 December 2022). The fair value of interest-bearing liabilities

amounted to SEK 3,849 million as of 30 September 2023 (SEK 5,077 million as of 31 December 2022). For other receivables and liabilities, which are short-term, the carrying amount is considered to reflect the fair value.

FINANCIAL & SUSTAINABILITY STATEMENTS

Note 4 Related party transactions

No changes have been made to the Group or parent company in relations or transactions with related parties, compared to what is described in the 2022 Annual Report. During the period there have been no significant transactions with related parties.

Note 5 Items affecting comparability

SEK million	Financial statement line	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Loss on open aluminium position	Items affecting comparability	-	-76	-	-76	-76
Insurance compensation	Items affecting comparability	40	-	40	62	62
Items affecting comparability		40	-76	40	-14	-14

In May 2022 a fire occurred in one of the rolling mills in Gränges' production facility in Konin, Poland. Insurance compensation less deductibles corresponding to the costs of the fire has been recognized as part of the adjusted operating profit, while compensation in addition to cost coverage is treated as an item affecting comparability. The insurance claim was fully settled in the third quarter of 2023, and compensation in addition to the costs for the fire amounted to SEK 40 million.

In the third quarter of 2022 a non-recurring loss of SEK 76 million occurred related to an open aluminium position in one of the Gränges subsidiaries. When the exposure was identified the open position was immediately closed.

In the second quarter of 2021, a fire occurred in one of the rolling mills in the US. Insurance compensation less deductibles corresponding to the costs of the fire was reported as part of the adjusted operating profit, while compensation in addition to cost coverage was treated as an item affecting comparability. The insurance claim was finally settled in the second quarter of 2022, resulting in a non-recurring gain of SEK 62 million.

FINANCIAL & SUSTAINABILITY STATEMENTS

Consolidated quarterly data

SEK million	2023			2022			2021	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Sales volume, ktonnes	114.9	120.5	120.2	110.3	119.8	122.5	126.7	112.3
Income statement								
Net sales	5,575	6,008	5,968	5,366	6,172	6,875	6,080	4,857
Adjusted EBITDA ¹	690	655	593	344	583	636	501	299
Adjusted operating profit ¹	439	450	401	153	319	348	331	139
Operating profit	479	450	401	153	243	410	331	-21
Profit for the period	332	316	254	51	135	274	240	-23
Adjusted EBITDA margin, %	12.4	10.9	9.9	6.4	9.5	9.3	8.2	6.2
Adjusted operating margin, %	7.9	7.5	6.7	2.8	5.2	5.1	5.4	2.9
Adjusted operating profit per tonne, kSEK	3.8	3.7	3.3	1.4	2.7	2.8	2.6	1.2
Operating margin, %	8.6	7.5	6.7	2.8	3.9	6.0	5.4	-0.4
Net margin, %	6.0	5.3	4.2	0.9	2.2	4.0	3.9	-0.5
Balance sheet								
Non-current assets	9,626	9,806	9,290	9,249	9,233	8,926	8,446	8,323
Current assets	7,433	8,637	8,463	8,280	10,150	10,353	9,603	7,444
Equity	8,971	8,903	8,417	8,206	8,291	7,981	7,226	6,932
Non-current liabilities	3,915	4,020	3,824	3,783	3,865	4,027	3,634	3,297
Current liabilities	4,172	5,520	5,511	5,541	7,227	7,271	7,189	5,539
Cash flow								
Operating activities	1,199	830	336	919	530	793	-1,140	630
Investing activities	-227	-197	-252	-403	-218	-218	-154	-338
Before financing activities	972	633	84	516	313	575	-1,294	292
Financing activities	-1,310	-416	-217	-837	-285	-84	1,115	-580
Cash flow for the period	-338	218	-133	-321	28	491	-179	-288
Capital structure								
Net debt	3,401	4,360	4,388	4,377	4,894	4,917	4,991	3,643
Equity to assets, %	52.6	48.3	47.4	46.8	42.8	41.4	40.0	44.0
Data per share, SEK²								
Earnings per share basic	3.13	2.97	2.39	0.48	1.27	2.58	2.26	-0.21
Earnings per share diluted	3.12	2.97	2.38	0.48	1.27	2.58	2.25	-0.21
Equity	84.22	83.60	79.13	77.18	77.97	75.06	67.86	65.09
Cash flow from operating activities	11.26	7.80	3.16	8.64	4.99	7.46	-10.70	5.91
Share price at the end of the period	103.00	102.90	98.75	85.30	71.70	76.50	92.70	106.10
Weighted outstanding ordinary shares, basic in thousands	106,308.6	106,308.6	106,308.6	106,308.6	106,308.6	106,308.6	106,308.6	106,308.6
Weighted outstanding ordinary shares, diluted in thousands	106,527.0	106,499.3	106,374.6	106,322.6	106,345.0	106,333.8	106,495.4	106,498.1

¹ Adjusted for items affecting comparability, see Note 5 for further information.

² Calculated on weighted outstanding ordinary shares, diluted.

Consolidated quarterly data

	2023			2022			2021	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Sales volume by business area, ktonnes								
Gränges Americas	57.3	56.5	60.1	57.7	63.5	63.8	64.0	56.9
Gränges Eurasia	62.5	70.2	66.3	58.1	62.1	66.1	68.3	59.0
Other and eliminations	-4.9	-6.2	-6.2	-5.5	-5.8	-7.4	-5.5	-3.6
Total	114.9	120.5	120.2	110.3	119.8	122.5	126.7	112.3
Sales volume by end-customer, ktonnes								
Automotive	49.3	51.9	51.4	49.1	49.8	46.0	44.9	42.7
HVAC	21.7	23.8	24.9	20.2	27.8	28.0	28.5	22.1
Speciality packaging	20.9	19.1	20.9	22.4	21.0	21.3	22.1	21.0
Other niches	22.9	25.7	23.0	18.6	21.2	27.2	31.3	26.5
Total	114.9	120.5	120.2	110.3	119.8	122.5	126.7	112.3
Net sales by business area, SEK million								
Gränges Americas	2,916	3,046	3,111	2,834	3,397	3,692	3,193	2,485
Gränges Eurasia	2,915	3,307	3,184	2,807	3,087	3,593	3,147	2,526
Other and eliminations	-256	-345	-327	-274	-312	-410	-260	-153
Total	5,575	6,008	5,968	5,366	6,172	6,875	6,080	4,857
Employees								
Average number of employees	2,735	2,703	2,667	2,682	2,697	2,712	2,686	2,682

Sustainability¹

Total carbon emissions intensity (scope 1+2+3), tonnes CO ₂ e/tonne	8.0	8.5	9.1	8.8	9.6	8.0	9.1	9.3
Carbon emissions intensity (scope 1+2), tonnes CO ₂ e/tonne	0.55	0.77	0.79	0.82	0.80	0.80	0.85	0.96
Carbon emissions intensity (scope 3), tonnes CO ₂ e/tonne	7.5	7.7	8.3	8.0	8.8	7.2	8.3	8.4
Sourced recycled aluminium, ktonnes	55	52	48	40	40	46	42	41
Sourced recycled aluminium, %	44.5	41.2	37.6	33.5	31.1	35.4	31.0	32.9

¹ Quarterly data may be adjusted in the year-end report when annual emission factors have been confirmed.

Scope 2 data is calculated with a market-based approach.

Sales volume, ktonnes	Automotive		HVAC		Speciality packaging		Other niches		Total	
	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022	Q3 2023	Q3 2022
Gränges Americas	9.9	9.4	21.7	27.8	18.1	16.7	7.6	9.6	57.3	63.5
Gränges Eurasia	44.2	46.0	0.1	0.2	2.8	4.3	15.4	11.5	62.5	62.1
Other and eliminations	-4.8	-5.6	-0.1	-0.2	-	-	-0.1	-	-4.9	-5.8
Total	49.3	49.8	21.7	27.8	20.9	21.0	22.9	21.2	114.9	119.8

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Consolidated 12-months rolling data

SEK million	2023			2022				2021
	Oct 2022- Sep 2023	Jul 2022- Jun 2023	Apr 2022- Mar 2023	Jan 2022- Dec 2022	Oct 2021- Sep 2022	Jul 2021- Jun 2022	Apr 2021- Mar 2022	Jan 2021- Dec 2021
Sales volume, ktonnes	465.8	470.7	472.7	479.3	481.3	480.0	488.9	488.9
Income statement								
Net sales	22,917	23,513	24,380	24,492	23,984	22,433	20,167	18,130
Adjusted EBITDA ¹	2,281	2,175	2,156	2,064	2,020	1,856	1,689	1,686
Adjusted operating profit ¹	1,443	1,322	1,220	1,150	1,136	1,036	997	1,008
Operating profit	1,483	1,246	1,206	1,136	962	938	838	833
Adjusted EBITDA margin, %	10.0	9.3	8.8	8.4	8.4	8.3	8.4	9.3
Adjusted operating margin, %	6.3	5.6	5.0	4.7	4.7	4.6	4.9	5.6
Adjusted operating profit per tonne, kSEK	3.1	2.8	2.6	2.4	2.4	2.2	2.0	2.1
Operating margin, %	6.5	5.3	4.9	4.6	4.0	4.2	4.2	4.6
Capital structure and return indicators								
Capital employed	12,842	12,947	12,738	12,292	11,886	11,265	10,708	10,117
Return on capital employed, %	11.2	10.2	9.6	9.4	9.6	9.2	9.3	10.0
Equity	8,556	8,358	8,023	7,725	7,433	7,084	6,773	6,521
Return on equity, %	11.1	9.0	8.9	9.1	8.4	9.1	8.8	9.1
Financial net debt/Adjusted EBITDA	1.3	1.8	1.8	1.9	2.1	2.4	2.6	1.8

¹ Adjusted for items affecting comparability, see Note 5 for further information.

Sustainability²

Total carbon emissions intensity (scope 1+2+3), tonnes CO ₂ e/tonne	8.6	9.0	8.9	8.9	9.0	8.8	9.1	9.3
Carbon emissions intensity (scope 1+2), tonnes CO ₂ e/tonne	0.73	0.79	0.80	0.82	0.85	0.87	0.87	0.88
Carbon emissions intensity (scope 3), tonnes CO ₂ e/tonne	7.9	8.2	8.1	8.1	8.1	7.9	8.2	8.4
Sourced recycled aluminium, ktonnes	196	181	174	169	170	166	157	150
Sourced recycled aluminium, %	39.3	35.9	34.4	32.7	32.6	32.0	29.9	28.5

² Quarterly data may be adjusted in the year-end report when annual emission factors have been confirmed. Scope 2 data is calculated with a market-based approach.

FINANCIAL & SUSTAINABILITY STATEMENTS

Financials per business area

SEK million	Jul-Sep 2023				Jul-Sep 2022			
	Gränges Americas	Gränges Eurasia	Other and eliminations	Total	Gränges Americas	Gränges Eurasia	Other and eliminations	Total
Sales volume external, ktonnes	57.3	57.6	-	114.9	63.5	56.3	-	119.8
Sales volume internal, ktonnes	-	4.9	-4.9	0	-	5.8	-5.8	0
Total sales volume	57.3	62.5	-4.9	114.9	63.5	62.1	-5.8	119.8
Income statement								
Net sales, external	2,916	2,659	-	5,575	3,391	2,780	-	6,172
Net sales, internal	-	256	-256	0	6	306	-312	0
Total net sales	2,916	2,915	-256	5,575	3,397	3,087	-312	6,172
Adjusted operating profit ¹	302	122	16	439	227	87	5	319
Adjusted operating profit per tonne, kSEK	5.3	1.9	n/a	3.8	3.6	1.4	n/a	2.7
Capital structure and return indicators								
Capital employed ²	5,519	7,379	-525	12,373	6,124	7,609	-548	13,185
Return on capital employed, % ³	16.7	7.1	n/a	11.2	15.5	6.0	n/a	9.6

SEK million	Jan-Sep 2023				Jan-Sep 2022			
	Gränges Americas	Gränges Eurasia	Other and eliminations	Total	Gränges Americas	Gränges Eurasia	Other and eliminations	Total
Sales volume external, ktonnes	174.0	181.5	-	355.5	191.2	177.8	-	369.0
Sales volume internal, ktonnes	-	17.4	-17.4	0	-	18.7	-18.7	0
Total sales volume	174.0	198.9	-17.4	355.5	191.2	196.4	-18.7	369.0
Income statement								
Net sales, external	9,073	8,478	-	17,551	10,295	8,832	-	19,126
Net sales, internal	-	928	-928	0	-13	995	-981	0
Total net sales	9,073	9,406	-928	17,551	10,281	9,826	-981	19,126
Adjusted operating profit ¹	863	492	-64	1,290	695	393	-92	997
Adjusted operating profit per tonne, kSEK	5.0	2.5	n/a	3.6	3.6	2.0	n/a	2.7

¹ Adjusted for items affecting comparability, see Note 5 for further information.

² Closing balance at end of the period.

³ Calculated on the average capital employed during the past 12-months period.

Financials per business area

Gränges Americas SEK million	2023			2022				2021
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Sales volume external, ktonnes	57.3	56.5	60.1	57.7	63.5	63.8	64.0	56.9
Sales volume internal, ktonnes	-	-	-	-	-	-	-	-
Total sales volume, ktonnes	57.3	56.5	60.1	57.7	63.5	63.8	64.0	56.9
Income statement								
Net sales, external	2,916	3,046	3,111	2,842	3,391	3,698	3,206	2,498
Net sales, internal	-	-	-	-8	6	-6	-13	-13
Total net sales	2,916	3,046	3,111	2,834	3,397	3,692	3,193	2,485
Adjusted operating profit ¹	302	292	269	99	227	244	225	73
Adjusted operating profit per tonne, kSEK	5.3	5.2	4.5	1.7	3.6	3.8	3.5	1.3
Capital structure and return indicators								
Capital employed ²	5,519	5,885	5,673	5,528	6,124	5,579	5,005	4,076
Return on capital employed, % ³	16.7	15.4	15.0	15.1	15.5	15.9	16.6	16.9

Gränges Eurasia SEK million	2023			2022				2021
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Sales volume external, ktonnes	57.6	63.9	60.0	52.6	56.3	58.7	62.8	55.4
Sales volume internal, ktonnes	4.9	6.2	6.2	5.5	5.8	7.4	5.5	3.6
Total sales volume, ktonnes	62.5	70.2	66.3	58.1	62.1	66.1	68.3	59.0
Income statement								
Net sales, external	2,659	2,962	2,857	2,524	2,780	3,177	2,874	2,362
Net sales, internal	256	345	327	283	306	416	273	164
Total net sales	2,915	3,307	3,184	2,807	3,087	3,593	3,147	2,526
Adjusted operating profit ¹	122	199	171	55	87	172	135	47
Adjusted operating profit per tonne, kSEK	1.9	2.8	2.6	0.9	1.4	2.6	2.0	0.8
Capital structure and return indicators								
Capital employed ²	7,379	8,021	7,718	7,527	7,609	7,841	7,590	6,815
Return on capital employed, % ³	7.1	6.6	6.3	6.0	6.0	5.9	5.6	6.8

¹ Adjusted for items affecting comparability, see Note 5 for further information.

² Closing balance at end of the period.

³ Calculated on the average capital employed during the past 12-months period.

Alternative performance measures

Gränges makes use of the alternative performance measures Return on capital employed, Financial net debt, Equity to assets ratio and Cash conversion. Gränges believes that these performance measures are useful for readers of the financial reports as a complement to other performance measures when assessing the possibility of dividends, the implementation of strategic investments, and the Group's ability to meet

financial commitments. Further, Gränges uses the alternative performance measures Adjusted operating profit, Adjusted operating profit per tonne and Adjusted EBITDA, which are measures that Gränges considers to be relevant for investors who want to understand the profit generation excluding items affecting comparability. For definitions of the measures, see page 23.

SEK million	Q3		Jan-Sep		12 months rolling	Full year
	2023	2022	2023	2022	Oct 2022-Sep 2023	2022
Adjusted operating profit						
Operating profit	479	243	1,330	983	1,483	1,136
Items affecting comparability	-40	76	-40	14	-40	14
Adjusted operating profit	439	319	1,290	997	1,443	1,150
Adjusted operating profit per tonne						
Adjusted operating profit	439	319	1,290	997	1,443	1,150
Sales volume, ktonnes	114.9	119.8	355.5	369.0	465.8	479.3
Adjusted operating profit per tonne, kSEK	3.8	2.7	3.6	2.7	3.1	2.4
Adjusted EBITDA						
Adjusted operating profit	439	319	1,290	997	1,443	1,150
Depreciation, amortization and impairment charges	250	265	647	724	838	914
Adjusted EBITDA	690	583	1,937	1,721	2,281	2,064
Return on capital employed						
Total assets less cash and cash equivalents and interest-bearing receivables, rolling 12 months average	-	-	-	-	17,115	17,022
Non-interest-bearing liabilities, rolling 12 months average	-	-	-	-	-4,510	-5,022
Pensions, rolling 12 months average	-	-	-	-	237	291
Capital employed	-	-	-	-	12,842	12,292
Adjusted operating profit	-	-	-	-	1,443	1,150
Return on capital employed, %	-	-	-	-	11.2	9.4
Financial net debt/Adjusted EBITDA						
Cash and cash equivalents and interest-bearing receivables	-	-	-661	-1,273	-661 ¹	-917
Interest-bearing liabilities	-	-	3,837	5,898	3,837 ¹	5,060
Lease liabilities	-	-	-260	-283	-260 ¹	-261
Financial net debt	-	-	2,916	4,342	2,916¹	3,882
Adjusted EBITDA, rolling 12 months	-	-	-	-	2,281	2,064
Financial net debt/Adjusted EBITDA	-	-	-	-	1.3	1.9

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FINANCIAL & SUSTAINABILITY STATEMENTS

...continued from previous page.

SEK million	Q3		Jan-Sep		12 months rolling	Full year
	2023	2022	2023	2022	Oct 2022- Sep 2023	2022
Equity to assets						
Equity	-	-	8,971	8,291	8,971 ¹	8,206
Total assets	-	-	17,059	19,383	17,059 ¹	17,530
Equity to assets, %	-	-	52.6	42.8	52.6¹	46.8
Adjusted cash flow before financing activities						
Cash flow before financing activities	972	313	1,690	-406	2,206	109
Cash flow from expansion investments	94	129	443	346	606	509
Adjusted cash flow before financing activities	1,067	441	2,133	-60	2,811	618
Cash conversion						
Adjusted cash flow before financing activities	1,067	441	2,133	-60	2,811	618
Adjusted operating profit	439	319	1,290	997	1,443	1,150
Cash conversion, %	243	139	165	-6	195	54

¹ Closing balance at the end of the period.

REVIEW REPORT

Gränges AB, corporate identity number 556001-6122

Introduction

We have reviewed the condensed interim report for Gränges AB as at September 30, 2023 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410. Review of Interim Financial & Sustainability statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, October 26, 2023

Ernst & Young AB

Andreas Troberg

Authorized Public Accountant

Definitions

Adjusted EBITDA

Adjusted operating profit before depreciation and impairment charges

Adjusted cash flow before financing activities

Cash flow before financing activities excluding cash flow from non-maintenance investments and acquisitions

Adjusted operating profit

Operating profit excluding items affecting comparability

Adjusted operating profit per tonne

Adjusted operating profit divided by sales volume

Average number of employees

The average number of employees converted to full-time positions

Capital employed

Total assets less cash and cash equivalents and interest-bearing receivables, minus non-interest-bearing liabilities, excluding pensions

Carbon emissions scope 1+2

Direct emissions from Gränges' operations and indirect emissions from purchased electricity, heat and steam consumed by Gränges

Carbon emissions scope 3

Emissions from extraction, production and processing of main purchased materials, fuel and energy related activities (not included in scope 1 or scope 2), upstream and downstream goods transportation as well as business travel

Carbon emissions intensity

Total emissions of greenhouse gases (tonnes CO₂e) divided by the total packed products (tonnes)

Cash conversion

Adjusted cash flow before financing activities divided by adjusted operating profit

Cash flow before financing activities

Cash flow from operating activities plus cash flow from investing activities

Earnings per share

Profit for the period divided by the total number of shares

Equity to Assets

Equity divided by total assets

Financial net debt

Cash and cash equivalents and interest-bearing receivables minus interest-bearing liabilities, excluding lease liabilities

Financial net debt/Adjusted EBITDA

Financial net debt divided by adjusted 12-months rolling EBITDA

Items affecting comparability

Non-recurring income and expenses

ktonnes

Volume expressed in thousands of metric tonnes

Operating profit

Profit before net financial items and tax

Return on capital employed

Adjusted operating profit divided by average capital employed during the past 12-months period

Return on equity

Profit for the period divided by average equity during the past 12-months period

Sales volume

Volumes sold in metric tonnes

SEK

Swedish Krona

Share of sourced recycled aluminium

Sourced recycled aluminium used as input materials (tonnes) divided by total sourced metal input materials (tonnes)

Glossary

Alloy

Material composed of one metal with additions of other metals and/or elements

Aluminium strip

Rolled aluminium in coil form

Brazing

Joining of metals through melting and solidification

Cladding

A layer of metal bonded to a dissimilar metal or alloy

Heat exchanger

A device for transferring heat from one medium to another

HVAC

Heating, Ventilation and Air Conditioning systems including heat exchangers

LME

London Metal Exchange

Rolled aluminium

Aluminium that has been hot and/or cold rolled to desired gauge

SHFE

Shanghai Futures Exchange

Slab

Input material to the rolling process that is produced by casting

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Webcasted presentation

CEO Jörgen Rosengren and CFO Oskar Hellström will present Gränges' interim report Q3 2023 at a webcasted conference call at 10.00 CEST, Thursday October 26, 2023.

Live webcast:

<https://granges.videosync.fi/2023-10-26-q3-2023>

Conference call:

<https://events.inderes.se/teleconference/?id=100380>

Calendar

Year-end report 2023	January 25, 2024
Annual and sustainability report 2023	March 19, 2024
Interim report, Q1	April 25, 2024
Annual General Meeting	May 8, 2024
Half-year report, Q2	July 12, 2024
Interim report, Q3	October 24, 2024
Year-end report 2024	January 30, 2025

Important information

This interim report may contain forward-looking statements which are based on the company's best assessment at the time the report was written. As is the case with all assessments of the future, such assumptions are subject to both known and unknown risks and uncertainties, which may mean that the actual outcome differs from the anticipated result.

This information is information that Gränges AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on Thursday October 26, 2023 at 07.30 CEST.



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