



GRÄNGES

Q4

Year-end report 2023

Strong finish
to a record year

Highlights

Fourth quarter 2023

- Sales volume decreased by 2.4 percent to 107.7 ktonnes (110.3) and net sales decreased to SEK 4,967 million (5,366).
- Adjusted operating profit¹ increased to SEK 245 million (153).
- Adjusted operating profit per tonne increased to 2.3 kSEK (1.4).
- Operating profit was SEK 245 million (153) and includes no items affecting comparability (-).
- Profit for the period increased to SEK 108 million (51).
- Diluted earnings per share increased to SEK 1.01 (0.48).
- Adjusted cash flow before financing activities² was SEK 693 million (679).
- 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 43.6 percent (33.5).

January – December 2023

- Sales volume decreased by 3.4 percent to 463.2 ktonnes (479.3) and net sales decreased to SEK 22,518 million (24,492).
- Adjusted operating profit¹ increased to SEK 1,536 million (1,150).
- Adjusted operating profit per tonne increased to 3.3 kSEK (2.4).
- Operating profit was SEK 1,576 million (1,136) and includes items affecting comparability of SEK 40 million (-14).
- Profit for the period increased to SEK 1,010 million (700).
- Diluted earnings per share increased to SEK 9.48 (6.58).
- Adjusted cash flow before financing activities² was SEK 2,826 million (618).
- Financial net debt was SEK 2,741 million on December 31, 2023 (SEK 3,882 million on December 31, 2022), corresponding to 1.1 times adjusted EBITDA (1.9 times on December 31, 2022).
- Total carbon emissions intensity (scope 1+2+3)³ decreased to 8.4 tonnes CO₂e/tonne (8.9).
- The share of sourced recycled aluminium increased to 41.6 percent (32.7).
- The Board of Directors proposes a dividend of SEK 3.00 (2.50) per share, corresponding to 32 percent (38) of the profit for the year.

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 invest in sustainable growth. The plan also targets continued fast progress toward net-zero 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	Q4			Jan-Dec		
	2023	2022	Δ	2023	2022	Δ
Sales volume, ktonnes	107.7	110.3	-2.4%	463.2	479.3	-3.4%
Net sales	4,967	5,366	-7.4%	22,518	24,492	-8.1%
Adjusted operating profit ¹	245	153	60.6%	1,536	1,150	33.6%
Adjusted operating profit per tonne, kSEK	2.3	1.4	0.9	3.3	2.4	0.9
Operating profit	245	153	60.6%	1,576	1,136	38.7%
Profit for the period	108	51	111.8%	1,010	700	44.2%
Earnings per share diluted, SEK	1.01	0.48	0.53	9.48	6.58	2.90
Adjusted cash flow before financing activities ²	693	679	2.1%	2,826	618	356.9%
Financial net debt	-	-	-	2,741	3,882	-1,141
Financial net debt/Adjusted EBITDA ¹	-	-	-	1.1	1.9	-0.7
Return on capital employed, %	-	-	-	12.2	9.4	2.8 ppt
Total carbon emissions intensity (scope 1+2+3), tonnes CO ₂ e/tonne ³	8.5	8.9	-5%	8.4	8.9	-6%
Share of sourced recycled aluminium, %	43.6	33.5	10.1 ppt	41.6	32.7	8.9 ppt

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.

Our best year so far

The fourth quarter marked a strong finish to a record year for Gränges despite muted demand. Good growth in Eurasia and in Automotive was offset by lower volumes in Americas and HVAC, mainly driven by downstream off-season destocking. Compared with 2022, our global sales volume was slightly down in the quarter, and about 3 percent down for the full year.

Successful execution of Navigate plan

2023 was a record year for Gränges in many regards, thanks to good execution of our Navigate plan for sustainable growth. Our systematic work on productivity and price was helped not the least by our recently completed recycling and casting center in Huntingdon. Full-year adjusted operating profit rose to an all-time-high of SEK 1.5 billion, a result to be proud of.

We continued our long-term work to build an industry-leading company. Inventory management again delivered good cash flow, significantly strengthening our balance sheet. This in turn contributed to a strong development

of our return on capital and helped us achieve our best-ever net profit and earnings per share. We also made our workplace safer for all colleagues by an ambitious risk-reduction program. Innovation and new business development continued, resulting in good growth in battery cooling plates and other new niches.

Sustainability is a main focus area of Navigate. We grew our recycling in all regions, thanks to hard work, new partnerships, and new capabilities. Our 2023 recycling rate increased to an impressive 42 percent, our best level ever. We contracted renewable electricity in both Asia and Americas, in addition to existing contracts in Europe. Our carbon emissions intensity decreased to record-low levels, well in line with our long-term plans. These are important steps on our journey toward net-zero in 2040, a goal recently validated by the Science Based Targets initiative. Our sustainability work received an EcoVadis Platinum rating for the third time in a row, putting us in the top 1 percent of our industry.

We are also investing in sustainable growth, for instance in a second recycling and casting center in Americas,



CEO COMMENT

which will enable us to provide products with a very low carbon footprint. We formed a new joint venture in China for recycling and green aluminium produced using hydropower. When fully operational, it will significantly reduce our total carbon emissions. Our investment in battery foil manufacturing in all three regions progressed as planned and attracts strong customer interest.

A new year brings new challenges

Market demand is still hard to predict but expected to remain weak in the first quarter 2024. We expect slightly lower sales volume compared with the first quarter 2023, especially in Americas. Our aim for 2024 is to offset increased price pressure and continued wage inflation with increased market share and cost productivity.

Reinforcing our leadership

We are quite proud of our performance in 2023. We made our company much stronger, we made it much more sustainable, and we achieved our best financial and sustainability results ever. And we did this in quite a challenging environment.

Going forward, our approach will be the same: to stay focused on the long term while flexibly meeting any short-term challenges. We have the right strategy. It's an honor to lead our talented and ambitious team in our work to continue to be a world-leading aluminium rolling and recycling company. I'd like to thank the entire Gränges team for outstanding efforts during 2023.

Jörgen Rosengren
President and CEO



The new recycling and casting facility in Yunnan, China, with representatives of the joint venture between Gränges and Shandong Innovation Group.

Gränges Group



- Stable demand from Automotive; destocking and seasonality in HVAC
- Good metal management and improved cost productivity
- Profitability and working capital management strengthened cash flow

Market development

Gränges is an aluminium technology company and a leading global supplier of rolled aluminium products and solutions for thermal management systems, speciality packaging and selected niche applications. Gränges' key end-customer markets are Automotive currently representing 44 percent, HVAC representing 19 percent, Speciality packaging and Other niches representing 17 percent and 20 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. 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. In the medium and long term increased requirements on energy efficiency of HVAC units are expected to have a further positive impact on the demand for Gränges' products. 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.

In the fourth quarter 2023, demand from Gränges' end-customer markets showed a mixed development. Sales to automotive customers increased by 2 percent compared with the same quarter last year. Stable demand in Europe and Asia was offset by lower sales in Americas. Sales to HVAC customers of HVAC materials decreased by 23 percent, due to a return to a normal seasonality pattern in the industry, combined with continued destocking at many HVAC manufacturers and their customers. Sales of Speciality packaging materials decreased by 15 percent in the fourth quarter, and sales to Other niches increased by 23 percent following a gradual normalization of downstream inventory levels in Europe.

Sales development

Gränges' sales volume in the fourth quarter 2023 decreased by 2.4 percent to 107.7 ktonnes (110.3) while net sales decreased by 7.4 percent to SEK 4,967 million (5,366) compared to the same quarter previous year. The decrease in net sales was primarily driven by a lower aluminium price as well as lower sales volume. Changes in foreign exchange rates had a net positive effect of SEK 41 million.

External sales volume growth, Q4 2023

End-customer	Automotive	HVAC	Speciality packaging	Other niches	Total
Gränges Americas	↘ -33%	↘ -23%	↘ -12%	↘ -10%	↘ -19%
Gränges Eurasia	↗ 12%	-	↘ -28%	↗ 51%	↗ 16%
Total	→ 2%	↘ -23%	↘ -15%	↗ 23%	→ -2%
Share of total sales volume, rolling 12-months	44%	19%	17%	20%	100%

For Gränges Americas, the external sales volume decreased by 19.3 percent to 46.6 ktonnes (57.7) and external net sales decreased to SEK 2,253 million (2,842) in the fourth quarter 2023. The decrease in sales volume was mainly due to lower demand from HVAC customers. Changes in foreign exchange rates had a net negative effect on net sales of SEK 19 million.

For Gränges Eurasia, the external sales volume increased by 16.2 percent to 61.1 ktonnes (52.6) and external net sales increased to SEK 2,714 million (2,524) in the fourth quarter 2023. The increase in sales volume was primarily driven by higher sales to Other niches due to gradual normalization of inventory levels in Europe as well as by stable demand from Automotive in both Asia and Europe. Changes in foreign exchange rates had a net positive effect on net sales of SEK 59 million.

For the full year 2023, Gränges' sales volume decreased by 3.4 percent to 463.2 ktonnes (479.3) compared to the corresponding period previous year. Net sales decreased to SEK 22,518 million (24,492). Changes in foreign exchange rates had a net positive effect on net sales of SEK 884 million.

For Gränges Americas, the external sales volume decreased to 220.6 ktonnes (248.9) and external net sales was SEK 11,326 million (13,136) during January-December 2023. For Gränges Eurasia, sales volume increased to 242.6 ktonnes (230.4) while external net sales were SEK 11,192 million (11,356).

Operating profit

Adjusted operating profit for the fourth quarter 2023 increased to SEK 245 million (153), corresponding to adjusted operating profit per tonne of 2.3 kSEK (1.4). The increased profit was primarily driven by the new recycling and casting center in Huntingdon, that contributed to reduced raw material costs, in addition to generally good metal management in the quarter. Lower sales volume and unfavorable development of geographical mix had a negative impact on adjusted operating profit. Further, adjusted operating

profit included SEK 12 million related to energy cost compensation in Poland. Changes in foreign exchange rates had a net positive impact of SEK 24 million in the quarter.

Operating profit for the fourth quarter 2023 increased to SEK 245 million (153) and includes no items affecting comparability (-).

For the full year 2023, adjusted operating profit increased to SEK 1,536 million (1,150), and adjusted operating profit per tonne was 3.3 kSEK (2.4). Changes in foreign exchange rates had a net positive impact of SEK 156 million during the full year 2023. Operating profit amounted to SEK 1,576 million (1,136) and includes items affecting comparability of SEK 40 million (-14). For further information, see Note 5.

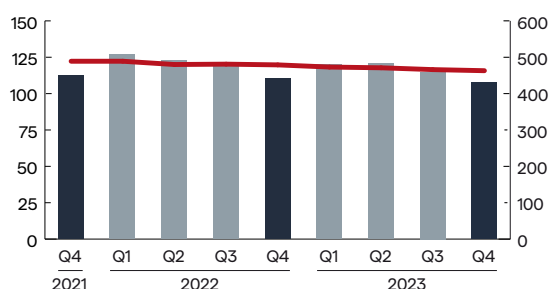
Profit for the period and earnings per share

Profit before tax for the fourth quarter 2023 increased to SEK 177 million (60). Finance income and costs was SEK -69 million (-93). Income tax for the fourth quarter 2023 was SEK -69 million (-9) and included withholding tax of SEK -36 million related to a dividend from the Chinese subsidiary to Gränges AB. Excluding the withholding tax, the effective tax rate was 18 percent (15). The profit for the period increased to SEK 108 million (51) and diluted earnings per share rose to SEK 1.01 (0.48).

For the full year 2023, profit before tax increased to SEK 1,261 million (884). Finance income and costs were SEK -316 million (-254). The increase in finance costs was related to higher market interest rates. Income tax for the period was SEK -252 million (-184) and included withholding tax of SEK -51 million related to a dividend from the Chinese subsidiary to Gränges AB, as well as positive tax effect of SEK 33 million which referred 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. The profit for the period increased to SEK 1,010 million (700) and diluted earnings per share rose to SEK 9.48 (6.58).

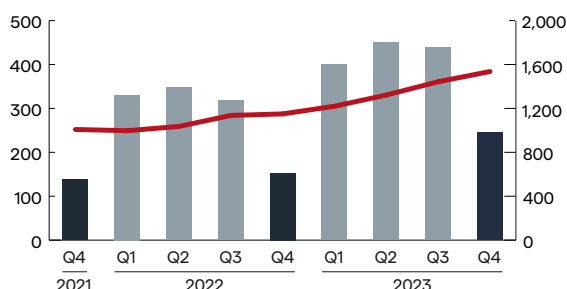
Sales volume

kt tonnes — ktonnes, 12-months rolling



Adjusted operating profit

SEK million — SEK million, 12-months rolling



Cash flow

Cash flow from operating activities was SEK 925 million (919) in the fourth quarter 2023. A reduction of working capital impacted cash flow positively with SEK 505 million. Cash flow from investment activities in the quarter was SEK -774 million (-403), of which SEK -550 million referred to capital expenditure and SEK -223 million to investments in the new joint venture in Yunnan. Of the total capital expenditure, SEK -232 million referred to investments to maintain and improve efficiency in current production facilities and SEK -318 million referred to investments related to expansion of the production facilities.

Cash flow before financing adjusted for expansion investments and acquisitions amounted to SEK 693 million (679) in the fourth quarter 2023. Cash flow from financing activities was SEK -307 million (-837) in the fourth quarter 2023 and included new loans of SEK 2,098 million and repayment of loans of SEK -2,376 million.

For the full year 2023, cash flow from operating activities was SEK 3,291 million (1,102) and included SEK 293 million in received insurance compensation for the fire in the Konin facility in May 2022. Cash flow from investing activities related to capital expenditure was SEK -1,227 million (-993), whereof SEK -467 million related to investments to maintain and improve efficiency in current production facilities, and SEK -761 million referred to investments related to the expansion of the production facilities. Investments in the new joint venture in Yunnan amounted to SEK -223 million.

For the full year 2023, cash flow before financing activities amounted to SEK 1,842 million (109). Cash flow from

financing activities was SEK -2,250 million (-86) and included new loans of SEK 6,723 million and repayment of loans of SEK -8,454 million.

Cash and cash equivalents amounted to SEK 461 million on December 31, 2023 (SEK 879 million on December 31, 2022).

Financial position

Gränges' total assets amounted to SEK 16,688 million on December 31, 2023 (SEK 17,530 million on 31 December 2022). The equity to assets ratio was 52.8 percent on December 31, 2023 (46.8 percent on December 31, 2022).

Financial net debt was SEK 2,741 million on December 31, 2023 (SEK 3,882 million on December 31, 2022), corresponding to 1.1 times adjusted EBITDA (1.9 times on December 31, 2022).

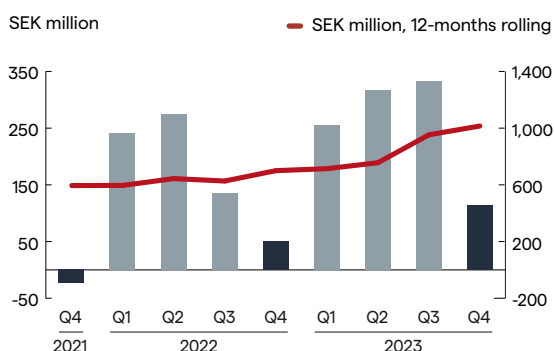
Employees

The average number of employees was 2,769 (2,682) in the fourth quarter of 2023 and 2,718 (2,694) during the full year 2023.

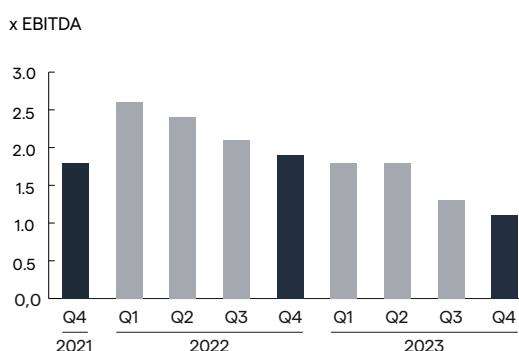
Parent company

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 full year 2023, net sales in the parent company were SEK 137 million (133). Result for the full year was SEK 1,182 million (-8) and included dividends from the Chinese and American subsidiaries of SEK 1,243 million (-).

Profit for the period



Financial net debt to EBITDA

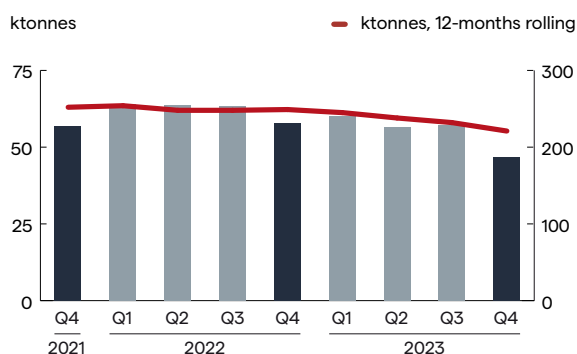


Gränges Americas



- Weak market conditions in all end-customer markets
- Improved pricing and good metal management offset cost increases
- Positive profit impact from new recycling and casting centre

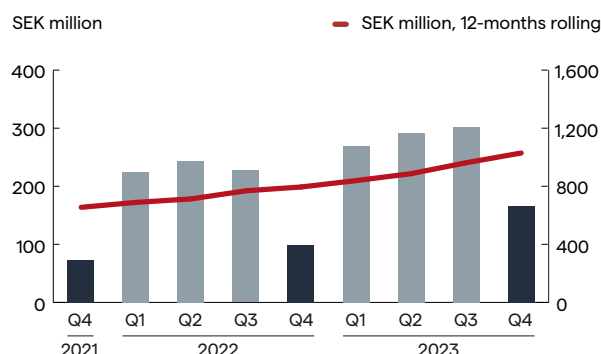
Sales volume



Gränges Americas experienced lower demand in all end-customer markets in the fourth quarter 2023 further amplified by significant destocking activities at many customers towards the end of the year. Sales to HVAC customers continued to decrease due to a return to a normal seasonality pattern in the industry, combined with continued destocking at many HVAC manufacturers and their customers. Also, sales of Speciality packaging materials decreased as customers focused on inventory management through the peak season. In total the sales volume in the fourth quarter decreased by 19.3 percent to 46.6 ktonnes (57.7) while net sales decreased to SEK 2,253 million (2,834). The decrease in net sales was primarily driven by the lower sales volume and lower aluminium price, while higher average fabrication price and improved productivity had a positive impact.

For the full year 2023, total sales volume decreased by 11.4 percent to 220.6 ktonnes (249.0) while total net sales decreased to SEK 11,326 million (13,115).

Adjusted operating profit



The adjusted operating profit for the fourth quarter 2023 increased to SEK 166 million (99). This corresponds to an adjusted operating profit per tonne of 3.6 kSEK (1.7). The negative effect from lower sales volume in the quarter was offset by an increased average fabrication price and good metal management. In addition, the new recycling and casting centre in Huntingdon continued to operate at full capacity during the fourth quarter and contributed to reduced raw material cost. Changes in foreign exchange rates had a net positive impact of SEK 3 million compared with the fourth quarter previous year.

For the full year 2023, the adjusted operating profit increased to SEK 1,029 million (795). By December 31, 2023, the return on capital employed was 18.5 percent (15.1) on a rolling 12-months basis.

Financial summary

SEK million	Q4			Jan-Dec		
	2023	2022	Δ	2023	2022	Δ
Sales volume external, ktonnes	46.6	57.7	-19.3%	220.6	248.9	-11.4%
Sales volume internal, ktonnes	-	-	-	-	-	-
Total sales volume, ktonnes	46.6	57.7	-19.3%	220.6	248.9	-11.4%
Net sales, external	2,253	2,842	-20.7%	11,326	13,136	-13.8%
Net sales, internal	-	-8	n/a	-	-21	n/a
Total net sales	2,253	2,834	-20.5%	11,326	13,115	-13.6%
Adjusted operating profit	166	99	67.5%	1,029	795	29.5%
Adjusted operating profit per tonne, kSEK	3.6	1.7	107.5%	4.7	3.2	46.2%
Return on capital employed, %	-	-	-	18.5	15.1	3.4 ppt



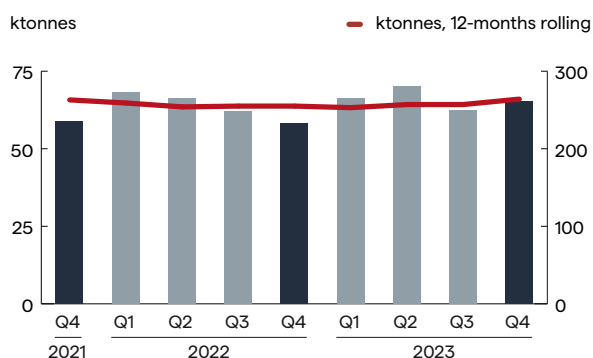
The new recycling and casting center in Huntingdon came online at the beginning of 2023 and operated at full capacity in the fourth quarter.

Gränges Eurasia

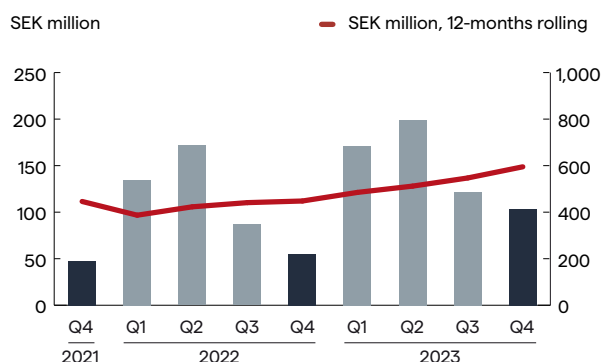


- Continued stable demand from Automotive
- Gradual normalization of downstream inventory levels in Europe
- Improved cost productivity and good metal management

Sales volume



Adjusted operating profit



Gränges Eurasia experienced a stable market development in the fourth 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. Sales volume in the fourth quarter increased by 12.5 percent to 65.4 ktonnes (58.1), while net sales increased by 4.0 percent to SEK 2,928 million (2,807). The increase in net sales was primarily driven by higher sales volume and changes in foreign exchange rates, which more than offset the negative effects of a lower average fabrication price.

For the full year 2023, total sales volume increased by 3.8 percent to 264.3 ktonnes (254.5) while total net sales decreased to SEK 12,334 million (12,633).

Adjusted operating profit for the fourth quarter 2023 increased to SEK 103 million (55), corresponding to an adjusted operating profit per tonne of 1.6 kSEK (0.9). Higher sales volume, improved cost productivity and good metal management had a positive impact on adjusted operating profit in the quarter. This was partly offset by a lower average fabrication price. Further, changes in foreign exchange rates had a net positive impact of SEK 21 million on the fourth quarter compared with the same period previous year.

For the full year 2023, the adjusted operating profit increased to SEK 595 million (448). By December 31, 2023, the return on capital employed was 7.8 percent (6.0) on a rolling 12-months basis.

Financial summary

SEK million	Q4			Jan-Dec		
	2023	2022	△	2023	2022	△
Sales volume external, ktonnes	61.1	52.6	16.2%	242.6	230.4	5.3%
Sales volume internal, ktonnes	4.3	5.5	-22.6%	21.7	24.2	-10.3%
Total sales volume, ktonnes	65.4	58.1	12.5%	264.3	254.5	3.8%
Net sales, external	2,714	2,524	7.5%	11,192	11,356	-1.4%
Net sales, internal	214	283	-24.4%	1,142	1,277	-10.6%
Total net sales	2,928	2,807	4.3%	12,334	12,633	-2.4%
Adjusted operating profit	103	55	87.0%	595	448	32.7%
Adjusted operating profit per tonne, kSEK	1.6	0.9	66.2%	2.3	1.8	27.8%
Return on capital employed, %	-	-	-	7.8	6.0	1.8 ppt



Gränges' investments in battery cathode foil progressed as planned in 2023.

Sustainability



- Record-high recycling and lowest carbon emissions intensity for the full year
- Long-term science-based climate goals approved by SBTi
- Platinum rating awarded from EcoVadis for third consecutive time

Emissions and climate impact

In the fourth quarter 2023, Gränges' total carbon emissions intensity (scope 1+2+3) decreased by 5 percent to 8.5 tonnes CO₂e/tonne (8.9). Scope 1+2 intensity decreased by 20 percent to 0.65 tonnes CO₂e/tonne (0.82) driven by increased use of renewable electricity in Gränges Eurasia. Scope 3 intensity decreased by 4 percent to 7.8 tonnes CO₂e/tonne (8.1), driven mainly by strong recycling in all regions.

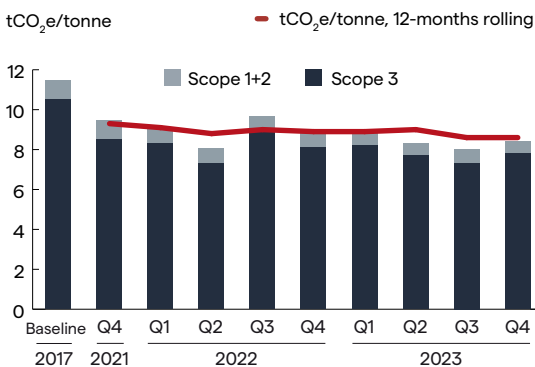
For the full year 2023, total carbon emissions intensity ended at record low 8.4 tonnes CO₂e/tonne (8.9), a reduction of 6 percent versus 2022 and 26 percent compared to baseline 2017. This performance is well on track towards Gränges' 2025 climate goals and shows good progress towards the long-term 2030 and 2040 climate goals.

Recycling and circularity

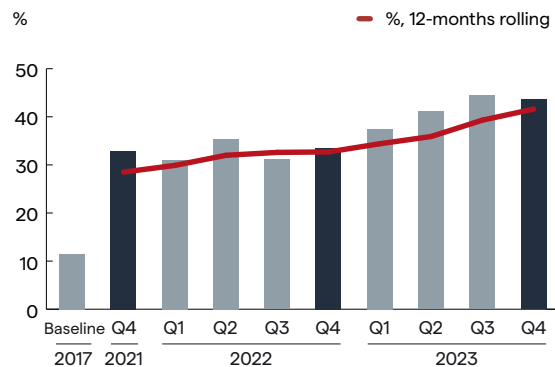
In the fourth quarter 2023, Gränges' share of sourced recycled aluminium increased significantly by 10.1 percentage points to 43.6 percent (33.5) of total sourced metal inputs. This was mainly driven by continued recycling progress in both Gränges Americas and Gränges Eurasia. Total volume of sourced recycled aluminium amounted to 55 ktonnes (40).

For the full year 2023, Gränges achieved record-high volumes and share of sourced recycled aluminium driven by all regions. The share increased by 8.9 percentage points to 41.6 percent (32.7). The total volume reached 210 ktonnes (169), corresponding to 4.5x the volume in baseline 2017.

Carbon emissions intensity¹



Share of sourced recycled aluminium²



¹ Quarterly data have been adjusted at year-end following confirmation of annual emission factors as well as minor adjustments to fully reflect Gränges' SBTi-approved GHG accounting methodology.

² Baseline 2017 does not include Gränges' production facility in Konin.

SUSTAINABILITY

Sustainability performance

	Q4			Jan-Dec			Baseline	
	2023	2022	Δ	2023	2022	Δ	2017	Δ
Total carbon emissions intensity (scope 1+2+3), tonnes CO ₂ e/tonne ¹	8.5	8.9	-5%	8.4	8.9	-6%	11.4	-26%
Carbon emissions intensity (scope 1+2), tonnes CO ₂ e/tonne ¹	0.65	0.82	-20%	0.65	0.82	-20%	0.96	-32%
Carbon emissions intensity (scope 3), tonnes CO ₂ e/tonne ¹	7.8	8.1	-4%	7.8	8.1	-4%	10.5	-26%
Sourced recycled aluminium, ktonnes	55	40	37%	210	169	24%	47	349%
Sourced recycled aluminium, %	43.6	33.5	10.1 ppt	41.6	32.7	8.9 ppt	11.5	30.2 ppt

¹ Quarterly data have been adjusted at year-end following confirmation of annual emission factors as well as minor adjustments to fully reflect Gränges' SBTi-approved GHG accounting methodology.

Other sustainability events

Good progress on other sustainability priorities

In 2023, Gränges also made good progress against many other 2025 sustainability targets, where some have now been achieved ahead of the target horizon. The share of products with third-party verified sustainability information increased to 100 percent (79). This means that Gränges can now offer customers third-party verified product carbon footprints for its full product portfolio. With the facility in Konin achieving dual certifications against the Aluminium Stewardship Initiative's (ASI) certification in October, Gränges has also reached the target to have all its production facilities ASI certified by 2025.

Gränges awarded EcoVadis Platinum rating

For the third consecutive time, Gränges was awarded a Platinum rating from EcoVadis, the largest independent provider of business sustainability ratings. This places Gränges among the leading 1 percent of companies assessed globally in its industry. The rating confirms that Gränges has efficiently integrated sustainability principles into its business and that successful sustainability results have been achieved.

SUSTAINABILITY

Gränges' science-based climate goals approved by SBTi

In the fourth quarter 2023, the Science Based Targets initiative (SBTi) approved Gränges' climate goals for near-term 2030 and net-zero 2040. This means that the goals are aligned with the goals of the Paris Agreement and that Gränges is committed to driving emission reductions in line with latest climate science. The approval from SBTi confirms Gränges' strong sustainability commitment and dedication to reducing the climate impact from its business and along the value chain.

OTHER INFORMATION

Significant events during the period

- SBTi approved Gränges' science-based climate goals.
- Gränges' joint venture with Shandong Innovation Group received the necessary approvals for completion.
- Gränges' production facility in Konin, Poland, achieved dual certification against the ASI standards.

Significant events after the period

No significant events have occurred after the period.

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 12,117 on December 31, 2023, according to Euroclear.

Largest shareholders in Gränges per Dec. 31, 2023¹

Shareholder	Number of shares	Share of capital and votes %
Fjärde AP-fonden	9,864,534	9.3
AFA Försäkring	7,377,647	6.9
Swedbank Robur Fonder	7,293,626	6.9
KGH LTD	5,520,000	5.2
Dimensional Fund Advisors	4,725,519	4.4
Handelsbanken Fonder	4,457,440	4.2
Vanguard	3,882,499	3.7
Norges Bank	2,504,466	2.4
Fidelity Investments (FMR)	2,413,078	2.3
Unionen	2,369,999	2.2
Total 10 largest shareholders	50,408,808	47.4
Other	55,899,810	52.6
Total	106,308,618	100.0

¹ Source: Modular Finance.

Annual and Sustainability Report 2023

Gränges' Annual and Sustainability Report for 2023 is planned to be published on March 19, 2024, on the company's website. A printed version can be ordered at reports@granges.com.

Annual General Meeting 2024

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

Dividend

The Board of Directors proposes a dividend of SEK 3.00 (2.50) per share for the 2023 fiscal year, in total SEK 319 million (266). The proposed dividend corresponds to 32 percent (38) of the profit for the year 2023. The record date for the dividend will be communicated in conjunction with the notice to the Annual General Meeting.

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 are 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, January 25, 2024

Jörgen Rosengren
CEO and President

This year-end report has not been reviewed by the auditors of the company.

Financial & sustainability statements

Consolidated income statement (condensed)

SEK million	Note	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	2	4,967	5,366	22,518	24,492
Cost of materials		-3,240	-3,767	-14,730	-17,311
Payroll and other operating expenses		-1,276	-1,255	-5,400	-5,117
Depreciation, amortization and impairment charges		-206	-191	-853	-914
Items affecting comparability	5	-	-	40	-14
Operating profit		245	153	1,576	1,136
Profit or loss from associates and joint ventures	4	0	0	1	2
Finance income and costs		-69	-93	-316	-254
Profit before tax		177	60	1,261	884
Income tax		-69	-9	-252	-184
Profit for the period		108	51	1,010	700
Profit for the period attributable to					
- owners of the parent company		108	51	1,010	700
- non-controlling interests		0	0	0	0
Earnings per share					
Earnings per share basic, SEK		1.01	0.48	9.50	6.59
Earnings per share diluted, SEK		1.01	0.48	9.48	6.58

Consolidated statement of comprehensive income (condensed)

SEK million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Profit for the period	108	51	1,010	700
Items not to be reclassified to profit/loss in subsequent periods				
Remeasurement of pensions after tax	-26	20	-9	110
Items to be reclassified to profit/loss in subsequent periods				
Change in hedging reserve after tax	73	70	1	89
Translation effects	-352	-231	-195	602
Comprehensive income for the period	-197	-90	806	1,501
Comprehensive income for the period attributable to				
- owners of the parent company	-197	-90	806	1,501
- non-controlling interests	0	0	0	0

Consolidated balance sheet (condensed)

SEK million	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Intangible assets		1,474	1,499
Property, plant and equipment		7,642	7,271
Right-of-use assets		220	246
Deferred tax assets		38	33
Investments in associates and joint ventures	4	226	19
Interest-bearing receivables		-	-
Other non-current receivables	3	208	182
Non-current assets		9,808	9,249
Inventories		3,744	4,270
Receivables	3	2,656	3,093
Interest-bearing receivables	3	20	38
Cash and cash equivalents		461	879
Current assets		6,880	8,280
TOTAL ASSETS		16,688	17,530
EQUITY AND LIABILITIES			
Equity		8,809	8,206
Interest-bearing liabilities	3	2,403	2,863
Provisions and other non-current liabilities	3	992	920
Non-current liabilities		3,395	3,783
Interest-bearing liabilities	3	1,055	2,197
Provisions and other current liabilities	3	3,428	3,344
Current liabilities		4,483	5,541
TOTAL EQUITY AND LIABILITIES		16,688	17,530

Consolidated changes in equity (condensed)

SEK million	31 Dec 2023	31 Dec 2022
Opening balance	8,204	6,930
Profit for the period	1,010	700
Other comprehensive income for the period	-203	801
Total comprehensive income for the period	806	1,501
Dividend	-266	-239
Share swap	72	5
Received option/warrant premiums	9	7
Exercise of call options	-18	-
Total transactions with owners	-203	-227
Equity attributable to owners of the parent company	8,808	8,204
Equity attributable to non-controlling interests	2	2
Closing balance	8,809	8,206

Consolidated statement of cash flows (condensed)

SEK million	Note	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Operating profit		245	153	1,576	1,136
Depreciation, amortization and impairment charges		206	191	853	914
Other non-cash items		-	-	-	-148
Change in working capital etc.		505	599	1,036	-736
Income taxes paid		-31	-24	-173	-65
Cash flow from operating activities		925	919	3,291	1,102
Investments in property, plant, equipment and intangible assets		-550	-	-1,227	-993
Investments in associates and joint ventures		-223	-	-223	-
Divestments		0	-403	1	-
Cash flow from investing activities		-774	-403	-1,449	-993
Cash flow before financing activities		152	516	1,842	109
Dividend		-	-	-266	-239
Share swap		49	-	72	5
Received option/warrant premiums		-	-	9	7
Exercise of call options		-14	-	-18	-
Interest paid and received		-64	-119	-316	-264
New loans		2,098	3,600	6,723	14,707
Repayment of loans		-2,376	-4,317	-8,454	-14,302
Cash flow from financing activities		-307	-837	-2,250	-86
Cash flow for the period		-155	-321	-408	23
Cash and cash equivalents at beginning of period		644	1,234	879	809
Cash flow for the period		-155	-321	-408	23
Exchange rate differences in cash and cash equivalents		-29	-33	-11	48
Cash and cash equivalents at end of period		461	879	461	879

Parent company income statement (condensed)

SEK million	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	43	40	137	133
Payroll and other operating expenses	-43	-36	-176	-217
Depreciation, amortization and impairment charges	-	0	-	-1
Operating profit/loss	0	4	-39	-86
Dividends from subsidiaries	947	-	1,243	-
Finance income and costs	-15	-1	18	57
Profit/loss after financial items	933	2	1,222	-29
Appropriations	-	34	-	34
Income tax	-30	-10	-40	-13
Profit/loss for the period	903	26	1,182	-8

Parent company balance sheet (condensed)

SEK million	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Property, plant and equipment		0	0
Shares in Group companies		3,767	2,986
Deferred tax assets		49	35
Interests-bearing receivables		0	0
Receivables from Group companies		1,106	2,281
Other non-current receivables		190	116
Non-current assets		5,112	5,418
Receivables from Group companies		2,390	2,885
Other receivables		171	112
Cash and cash equivalents		19	229
Current assets		2,580	3,227
TOTAL ASSETS		7,691	8,645
EQUITY AND LIABILITIES			
Equity		4,166	3,187
Interest-bearing liabilities		2,242	2,649
Provisions and other non-current liabilities		46	43
Non-current liabilities		2,288	2,692
Liabilities to Group companies		273	598
Interest-bearing liabilities		797	1,982
Provisions and other current liabilities		166	185
Current liabilities		1,237	2,766
TOTAL EQUITY AND LIABILITIES		7,691	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 January 1, 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 for the full year 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	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales by business area				
Gränges Americas				
Fabrication revenue	987	1,147	4,852	4,542
Raw material and other revenue	1,266	1,682	6,465	8,553
Revenue from contracts with customers	2,252	2,829	11,317	13,095
Other revenue	1	4	9	20
Total net sales Gränges Americas	2,253	2,834	11,326	13,115
Gränges Eurasia				
Fabrication revenue	1,193	1,180	5,239	5,112
Raw material and other revenue	1,715	1,621	6,916	7,318
Revenue from contracts with customers	2,908	2,800	12,156	12,430
Other revenue	20	6	178	203
Total net sales Gränges Eurasia	2,928	2,807	12,334	12,633
Other and eliminations				
Fabrication revenue	-136	-187	-737	-771
Raw material and other revenue	-78	-88	-406	-485
Revenue from contracts with customers	-214	-274	-1,142	-1,256
Other revenue	-	-	-	-
Total net sales other and eliminations	-214	-274	-1,142	-1,256
Total fabrication revenue	2,043	2,141	9,355	8,883
Total raw material and other revenue	2,903	3,214	12,976	15,386
Total revenue from contracts with customers	4,946	5,355	22,331	24,269
Total other revenue	21	11	188	223
Total net sales	4,967	5,366	22,518	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	31 Dec 2023	31 Dec 2022
Non-current assets	197	170
Current assets	226	131
Non-current liabilities	55	13
Current liabilities	175	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 December 31, 2023, the

amount of outstanding term loans from banks and institutions was USD 120 million and SEK 400 million, whereof USD 120 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 December 31, 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 December 31, 2023, the total volume of outstanding commercial papers was SEK 797 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		-	200	200	400
USD		-	1,202	-	1,202
Bonds in MTN program	3,000	-	-	600	600
Commercial papers	2,000	797	-	-	797
Revolving Credit Facilities	3,500	-	-	-	-
Lease liabilities		50	36	151	237
Other interest-bearing liabilities		209	-	14	223
Total interest-bearing liabilities		1,055	1,438	965	3,459

Interest-bearing liabilities are measured at amortized cost and the carrying amount as of December 31, 2023, was SEK 3,459 million (SEK 5,060 million as of December 31, 2022). The fair value of interest-bearing liabilities

amounted to SEK 3,469 million as of December 31, 2023 (SEK 5,077 million as of December 31, 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	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Loss on open aluminium position	Items affecting comparability	-	-	-	-76
Insurance compensation	Items affecting comparability	-	-	40	62
Items affecting comparability		-	-	40	-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, which was considered an item affecting comparability.

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			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sales volume, ktonnes	107.7	114.9	120.5	120.2	110.3	119.8	122.5	126.7
Income statement								
Net sales	4,967	5,575	6,008	5,968	5,366	6,172	6,875	6,080
Adjusted EBITDA ¹	451	690	655	593	344	583	636	501
Adjusted operating profit ¹	245	439	450	401	153	319	348	331
Operating profit	245	479	450	401	153	243	410	331
Profit for the period	108	332	316	254	51	135	274	240
Adjusted EBITDA margin, %	9.1	12.4	10.9	9.9	6.4	9.5	9.3	8.2
Adjusted operating margin, %	4.9	7.9	7.5	6.7	2.8	5.2	5.1	5.4
Adjusted operating profit per tonne, kSEK	2.3	3.8	3.7	3.3	1.4	2.7	2.8	2.6
Operating margin, %	4.9	8.6	7.5	6.7	2.8	3.9	6.0	5.4
Net margin, %	2.2	6.0	5.3	4.2	0.9	2.2	4.0	3.9
Balance sheet								
Non-current assets	9,808	9,626	9,806	9,290	9,249	9,233	8,926	8,446
Current assets	6,880	7,433	8,637	8,463	8,280	10,150	10,353	9,603
Equity	8,809	8,971	8,903	8,417	8,206	8,291	7,981	7,226
Non-current liabilities	3,395	3,915	4,020	3,824	3,783	3,865	4,027	3,634
Current liabilities	4,483	4,172	5,520	5,511	5,541	7,227	7,271	7,189
Cash flow								
Operating activities	925	1,199	830	336	919	530	793	-1,140
Investing activities	-774	-227	-197	-252	-403	-218	-218	-154
Before financing activities	152	972	633	84	516	313	575	-1,294
Financing activities	-307	-1,310	-416	-217	-837	-285	-84	1,115
Cash flow for the period	-155	-338	218	-133	-321	28	491	-179
Capital structure								
Net debt	3,233	3,401	4,360	4,388	4,377	4,894	4,917	4,991
Equity to assets, %	52.8	52.6	48.3	47.4	46.8	42.8	41.4	40.0
Data per share, SEK²								
Earnings per share basic	1.01	3.13	2.97	2.39	0.48	1.27	2.58	2.26
Earnings per share diluted	1.01	3.12	2.97	2.38	0.48	1.27	2.58	2.25
Equity	82.72	84.22	83.60	79.13	77.18	77.97	75.06	67.86
Cash flow from operating activities	8.69	11.26	7.80	3.16	8.64	4.99	7.46	-10.70
Share price at the end of the period	116.00	103.00	102.90	98.75	85.30	71.70	76.50	92.70
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	106,493.1	106,527.0	106,499.3	106,374.6	106,322.6	106,345.0	106,333.8	106,495.4

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			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sales volume by business area, ktonnes								
Gränges Americas	46.6	57.3	56.5	60.1	57.7	63.5	63.8	64.0
Gränges Eurasia	65.4	62.5	70.2	66.3	58.1	62.1	66.1	68.3
Other and eliminations	-4.3	-4.9	-6.2	-6.2	-5.5	-5.8	-7.4	-5.5
Total	107.7	114.9	120.5	120.2	110.3	119.8	122.5	126.7
Sales volume by end-customer, ktonnes								
Automotive	50.0	49.3	51.9	51.4	49.1	49.8	46.0	44.9
HVAC	15.6	21.7	23.8	24.9	20.2	27.8	28.0	28.5
Speciality packaging	19.1	20.9	19.1	20.9	22.4	21.0	21.3	22.1
Other niches	22.9	22.9	25.7	23.0	18.6	21.2	27.2	31.3
Total	107.7	114.9	120.5	120.2	110.3	119.8	122.5	126.7
Net sales by business area, SEK million								
Gränges Americas	2,253	2,916	3,046	3,111	2,834	3,397	3,692	3,193
Gränges Eurasia	2,928	2,915	3,307	3,184	2,807	3,087	3,593	3,147
Other and eliminations	-214	-256	-345	-327	-274	-312	-410	-260
Total	4,967	5,575	6,008	5,968	5,366	6,172	6,875	6,080
Employees								
Average number of employees	2,769	2,735	2,703	2,667	2,682	2,697	2,712	2,686

Sustainability¹

Total carbon emissions intensity (scope 1+2+3), tonnes CO ₂ e/tonne	8.5	8.0	8.4	8.9	8.9	9.7	8.1	9.2
Carbon emissions intensity (scope 1+2), tonnes CO ₂ e/tonne	0.65	0.67	0.64	0.66	0.82	0.80	0.80	0.85
Carbon emissions intensity (scope 3), tonnes CO ₂ e/tonne	7.8	7.3	7.7	8.2	8.1	8.9	7.3	8.3
Sourced recycled aluminium, ktonnes	55	55	52	48	40	40	46	42
Sourced recycled aluminium, %	43.6	44.4	41.1	37.5	33.5	31.1	35.4	31.0

¹ Quarterly data have been adjusted at year-end following confirmation of annual emission factors as well as minor adjustments to fully reflect Gränges' SBTi-approved GHG accounting methodology. Scope 2 data is calculated with a market-based approach.

Sales volume, ktonnes	Automotive		HVAC		Speciality packaging		Other niches		Total	
	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022
Gränges Americas	7.2	10.8	15.6	20.2	16.1	18.2	7.6	8.4	46.6	57.7
Gränges Eurasia	46.7	43.4	0.3	0.4	3.0	4.2	15.3	10.2	65.4	58.1
Other and eliminations	-4.0	-5.1	-0.3	-0.4	-	-	-	-	-4.3	-5.5
Total	50.0	49.1	15.6	20.2	19.1	22.4	22.9	18.6	107.7	110.3

Consolidated 12-months rolling data

SEK million	2023				2022			
	Jan 2023- Dec 2023	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
Sales volume, ktonnes	463.2	465.8	470.7	472.7	479.3	481.3	480.0	488.9
Income statement								
Net sales	22,518	22,917	23,513	24,380	24,492	23,984	22,433	20,167
Adjusted EBITDA ¹	2,389	2,281	2,175	2,156	2,064	2,020	1,856	1,689
Adjusted operating profit ¹	1,536	1,443	1,322	1,220	1,150	1,136	1,036	997
Operating profit	1,576	1,483	1,246	1,206	1,136	962	938	838
Adjusted EBITDA margin, %	10.6	10.0	9.3	8.8	8.4	8.4	8.3	8.4
Adjusted operating margin, %	6.8	6.3	5.6	5.0	4.7	4.7	4.6	4.9
Adjusted operating profit per tonne, kSEK	3.3	3.1	2.8	2.6	2.4	2.4	2.2	2.0
Operating margin, %	7.0	6.5	5.3	4.9	4.6	4.0	4.2	4.2
Capital structure and return indicators								
Capital employed	12,613	12,842	12,947	12,738	12,292	11,886	11,265	10,708
Return on capital employed, %	12.2	11.2	10.2	9.6	9.4	9.6	9.2	9.3
Equity	8,660	8,556	8,358	8,023	7,725	7,433	7,084	6,773
Return on equity, %	11.7	11.1	9.0	8.9	9.1	8.4	9.1	8.8
Financial net debt/Adjusted EBITDA	1.1	1.3	1.8	1.8	1.9	2.1	2.4	2.6

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	8.4	8.5	8.9	8.9	8.9	9.0	8.8	9.1
Carbon emissions intensity (scope 1+2), tonnes CO ₂ e/tonne	0.65	0.69	0.73	0.77	0.82	0.85	0.87	0.87
Carbon emissions intensity (scope 3), tonnes CO ₂ e/tonne	7.8	7.8	8.2	8.1	8.1	8.2	8.0	8.2
Sourced recycled aluminium, ktonnes	210	195	180	174	169	170	166	157
Sourced recycled aluminium, %	41.6	39.2	35.8	34.4	32.7	32.6	32.0	29.9

² Consolidated 12-months rolling data have been adjusted at year-end following confirmation of annual emission factors as well as minor adjustments to fully reflect Gränges' SBTi-approved GHG accounting methodology. Scope 2 data is calculated with a market-based approach.

FINANCIAL & SUSTAINABILITY STATEMENTS

Financials per business area

SEK million	Oct-Dec 2023				Oct-Dec 2022			
	Gränges Americas	Gränges Eurasia	Other and eliminations	Total	Gränges Americas	Gränges Eurasia	Other and eliminations	Total
Sales volume external, ktonnes	46.6	61.1	-	107.7	57.7	52.6	-	110.3
Sales volume internal, ktonnes	-	4.3	-4.3	0	-	5.5	-5.5	0
Total sales volume	46.6	65.4	-4.3	107.7	57.7	58.1	-5.5	110.3
Income statement								
Net sales, external	2,253	2,714	-	4,967	2,842	2,524	-	5,366
Net sales, internal	-	214	-214	0	-8	283	-274	0
Total net sales	2,253	2,928	-214	4,967	2,834	2,807	-274	5,366
Adjusted operating profit ¹	166	103	-24	245	99	55	-2	153
Adjusted operating profit per tonne, kSEK	3.6	1.6	n/a	2.3	1.7	0.9	n/a	1.4
Capital structure and return indicators								
Capital employed ²	5,139	7,477	-574	12,043	5,528	7,527	-473	12,583
Return on capital employed, % ³	18.5	7.8	n/a	12.2	15.1	6.0	n/a	9.4

SEK million	Jan-Dec 2023				Jan-Dec 2022			
	Gränges Americas	Gränges Eurasia	Other and eliminations	Total	Gränges Americas	Gränges Eurasia	Other and eliminations	Total
Sales volume external, ktonnes	220.6	242.6	-	463.2	248.9	230.4	-	479.3
Sales volume internal, ktonnes	-	21.7	-21.7	0	-	24.2	-24.2	0
Total sales volume	220.6	264.3	-21.7	463.2	248.9	254.5	-24.2	479.3
Income statement								
Net sales, external	11,326	11,192	-	22,518	13,136	11,356	-	24,492
Net sales, internal	-	1,142	-1,142	0	-21	1,277	-1,256	0
Total net sales	11,326	12,334	-1,142	22,518	13,115	12,633	-1,256	24,492
Adjusted operating profit ¹	1,029	595	-88	1,536	795	448	-93	1,150
Adjusted operating profit per tonne, kSEK	4.7	2.3	n/a	3.3	3.2	1.8	n/a	2.4

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			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sales volume external, ktonnes	46.6	57.3	56.5	60.1	57.7	63.5	63.8	64.0
Sales volume internal, ktonnes	-	-	-	-	-	-	-	-
Total sales volume, ktonnes	46.6	57.3	56.5	60.1	57.7	63.5	63.8	64.0
Income statement								
Net sales, external	2,253	2,916	3,046	3,111	2,842	3,391	3,698	3,206
Net sales, internal	-	-	-	-	-8	6	-6	-13
Total net sales	2,253	2,916	3,046	3,111	2,834	3,397	3,692	3,193
Adjusted operating profit ¹	166	302	292	269	99	227	244	225
Adjusted operating profit per tonne, kSEK	3.6	5.3	5.2	4.5	1.7	3.6	3.8	3.5
Capital structure and return indicators								
Capital employed ²	5,139	5,519	5,885	5,673	5,528	6,124	5,579	5,005
Return on capital employed, % ³	18.5	16.7	15.4	15.0	15.1	15.5	15.9	16.6

Gränges Eurasia SEK million	2023				2022			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sales volume external, ktonnes	61.1	57.6	63.9	60.0	52.6	56.3	58.7	62.8
Sales volume internal, ktonnes	4.3	4.9	6.2	6.2	5.5	5.8	7.4	5.5
Total sales volume, ktonnes	65.4	62.5	70.2	66.3	58.1	62.1	66.1	68.3
Income statement								
Net sales, external	2,714	2,659	2,962	2,857	2,524	2,780	3,177	2,874
Net sales, internal	214	256	345	327	283	306	416	273
Total net sales	2,928	2,915	3,307	3,184	2,807	3,087	3,593	3,147
Adjusted operating profit ¹	103	122	199	171	55	87	172	135
Adjusted operating profit per tonne, kSEK	1.6	1.9	2.8	2.6	0.9	1.4	2.6	2.0
Capital structure and return indicators								
Capital employed ²	7,477	7,379	8,021	7,718	7,527	7,609	7,841	7,590
Return on capital employed, % ³	7.8	7.1	6.6	6.3	6.0	6.0	5.9	5.6

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 31.

SEK million	Q4		Jan-Dec	
	2023	2022	2023	2022
Adjusted operating profit				
Operating profit	245	153	1,576	1,136
Items affecting comparability	-	-	-40	14
Adjusted operating profit	245	153	1,536	1,150
Adjusted operating profit per tonne				
Adjusted operating profit	245	153	1,536	1,150
Sales volume, ktonnes	107.7	110.3	463.2	479.3
Adjusted operating profit per tonne, kSEK	2.3	1.4	3.3	2.4
Adjusted EBITDA				
Adjusted operating profit	245	153	1,536	1,150
Depreciation, amortization and impairment charges	206	191	853	914
Adjusted EBITDA	451	344	2,389	2,064
Return on capital employed				
Total assets less cash and cash equivalents and interest-bearing receivables, rolling 12 months average	-	-	-	17,022
Non-interest-bearing liabilities, rolling 12 months average	-	-	-	-5,022
Pensions, rolling 12 months average	-	-	-	291
Capital employed	-	-	-	12,292
Adjusted operating profit	-	-	-	1,150
Return on capital employed, %	-	-	-	9.4
Financial net debt/Adjusted EBITDA				
Cash and cash equivalents and interest-bearing receivables	-	-	-480	-917
Interest-bearing liabilities	-	-	3,459	5,060
Lease liabilities	-	-	-237	-261
Financial net debt	-	-	2,741	3,882
Adjusted EBITDA, rolling 12 months	-	-	2,389	2,064
Financial net debt/Adjusted EBITDA	-	-	1.1	1.9

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FINANCIAL & SUSTAINABILITY STATEMENTS

...continued from previous page.

SEK million	Q4		Jan-Dec	
	2023	2022	2023	2022
Equity to assets				
Equity	-	-	8,809	8,206
Total assets	-	-	16,688	17,530
Equity to assets, %	-	-	52.8	46.8
Adjusted cash flow before financing activities				
Cash flow before financing activities	152	516	1,842	109
Cash flow from expansion investments	318	163	761	509
Cash flow from investments in associates and joint ventures	223	-	223	-
Adjusted cash flow before financing activities	693	679	2,826	618
Cash conversion				
Adjusted cash flow before financing activities	693	679	2,826	618
Adjusted operating profit	245	153	1,536	1,150
Cash conversion, %	282	444	184	54

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 Granges' Year-end report 2023 at a webcasted conference call at 10.00 CET, Thursday January 25, 2024.

Live webcast:

<https://granges.videosync.fi/q4-report>

Conference call:

<https://service.flikmedia.se/teleconference/?id=100390>

Calendar

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 Granges 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 January 25, 2024 at 07.30 CET.



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Reg. no. 556001-6122