



GRÄNGES

First Quarter 2017 Earnings Conference

27 April, 2017

Today's presenters



**JOHAN
MENCKEL**
CEO

Since: 2012
Gränges since: 2004



**OSKAR
HELLSTRÖM**
CFO

Since: 2011



Gränges Group



- A global leader in the market for rolled products for aluminium heat exchangers
- Production in Sweden, China and in the US
- R&D Centre in Sweden and China
- Headquarter in Stockholm
- Gränges is represented all over the world

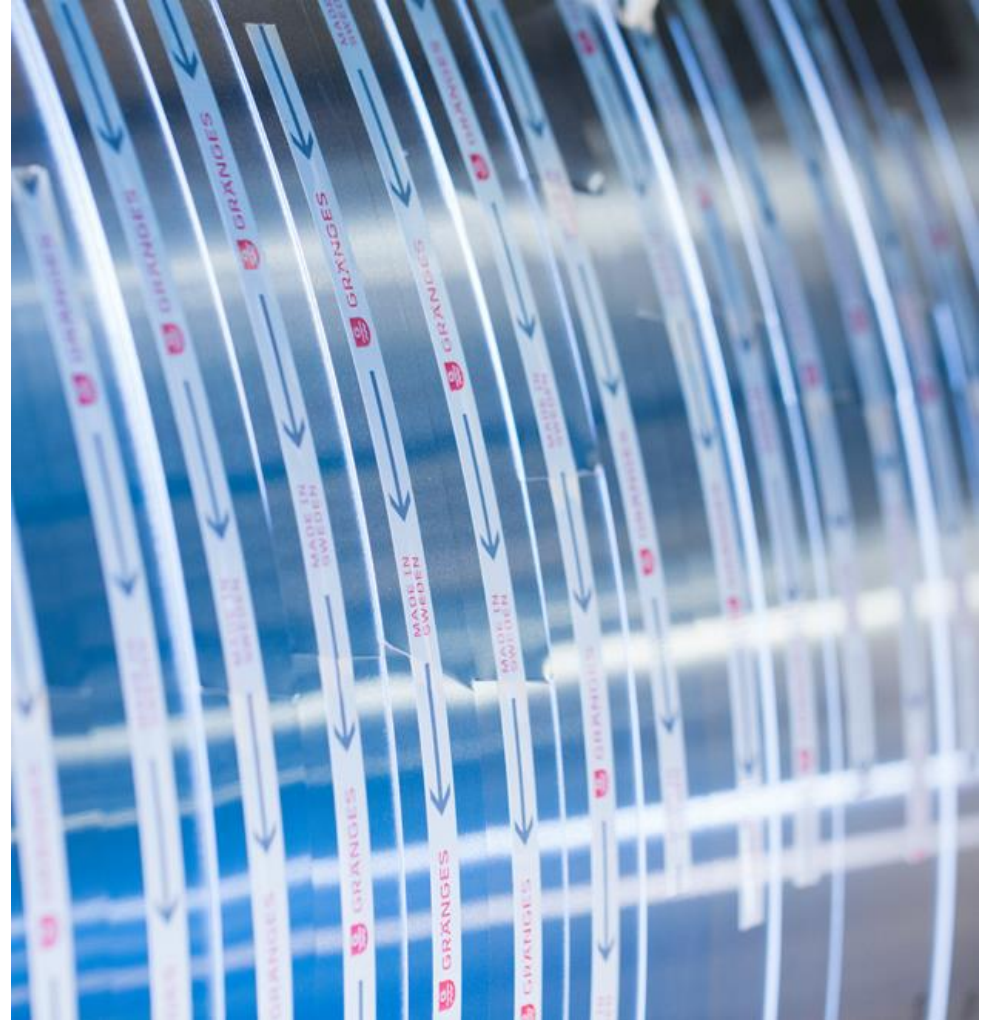
- 1,500 employees
- Net sales of SEK 10 billion including the recent US acquisition
- Listed on Nasdaq Stockholm

20%

We have a global market share of approximately 20% in rolled products for brazed aluminium heat exchangers.

First quarter 2017 – Strong sales and operating profit in the first quarter

- Good demand across regions –strong development in China
- Sales volume increased by 110% to 94.8 ktonnes – organic growth 7%
- Adjusted operating profit increased to SEK 237 million – SEK 172 million excluding the acquisition
- Cash flow before financing was SEK 75 million
- Net debt of 2.1x EBITDA
- Kent Schölin appointed SVP Research & Innovation



Market growth of 2% expected for full year 2017

Light vehicle production growth (YoY)

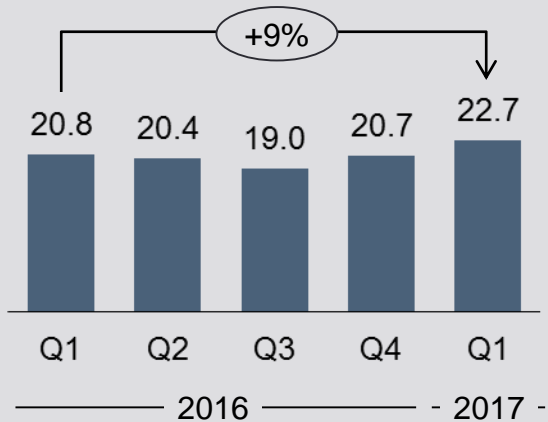
Region	Q1 2017	Q2 2017 outlook	FY 2017 outlook
Asia	 +3%	 +9%	 +3%
Europe	 +7%	 -5%	 +2%
Americas	 +3%	 +1%	 -0%
Global	 +4%	 +3%	 +2%

Source: IHS Automotive, March 16, 2017

Strong development in Asia and continued strong growth in Americas – both organic and through acquisition

Gränges sales volume (ktonnes)

Asia



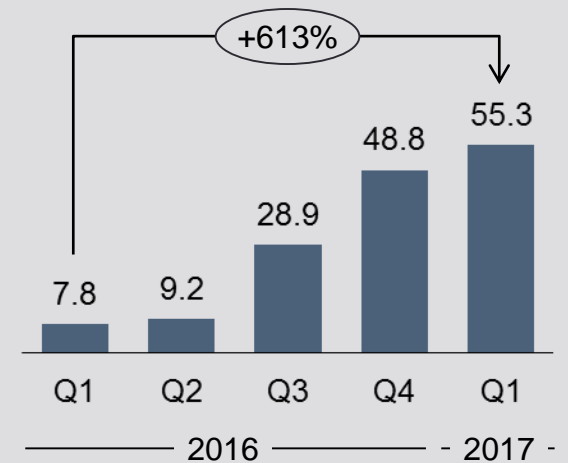
- Strong sales to Chinese automotive customers

Europe



- Growth for heat exchanger materials
- Decreased sales of material for non-heat exchanger applications

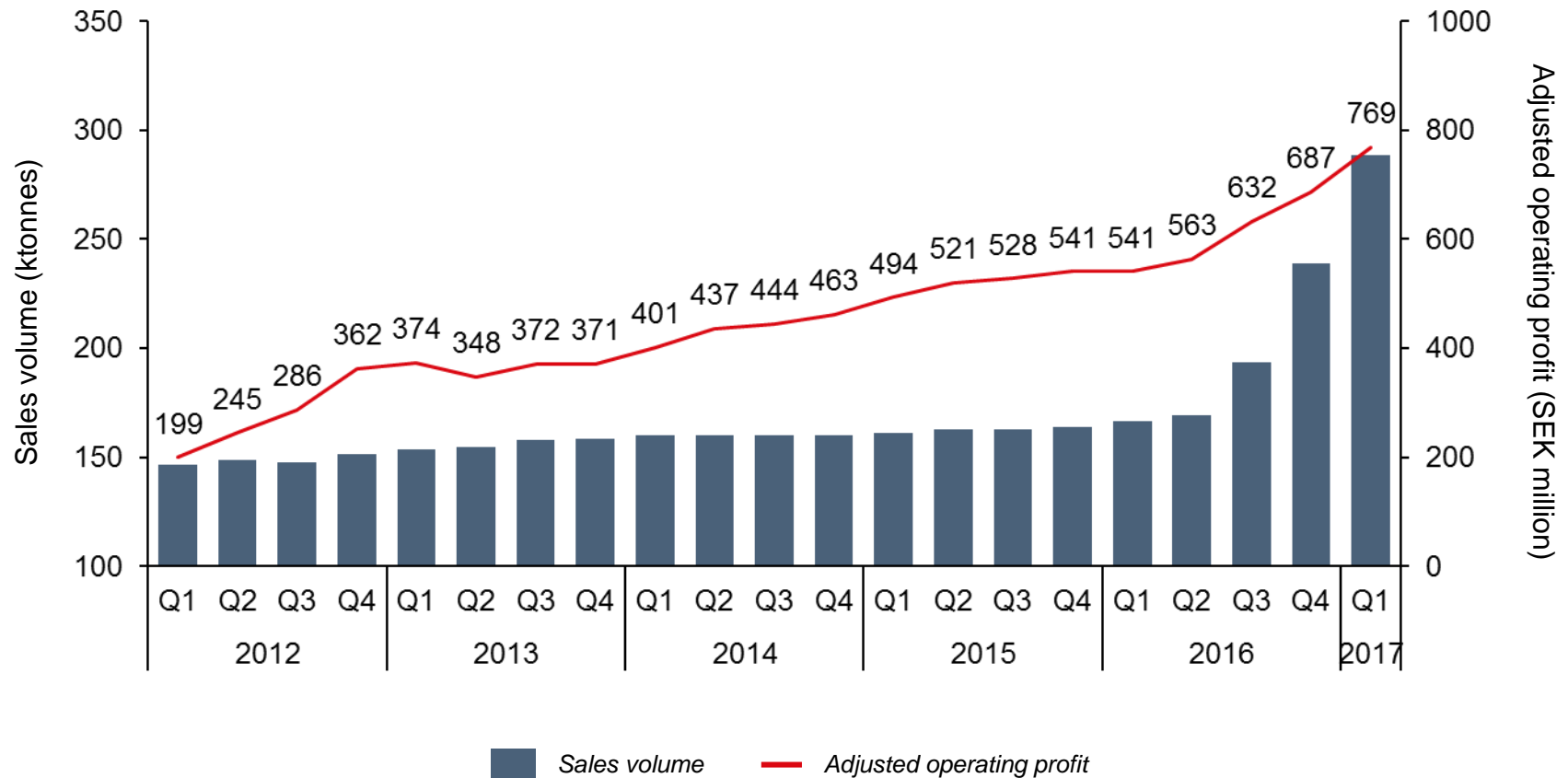
Americas



- Sales volume from acquired business 46.5 ktonnes
- Excluding acquired business, sales volume increased by 13% to 8.8 ktonnes

Positive trend continues in first quarter and is further strengthened by the US acquisition

Rolling 12 months sales volume and adjusted operating profit



Strong sales and operating profit in the first quarter

Financial overview

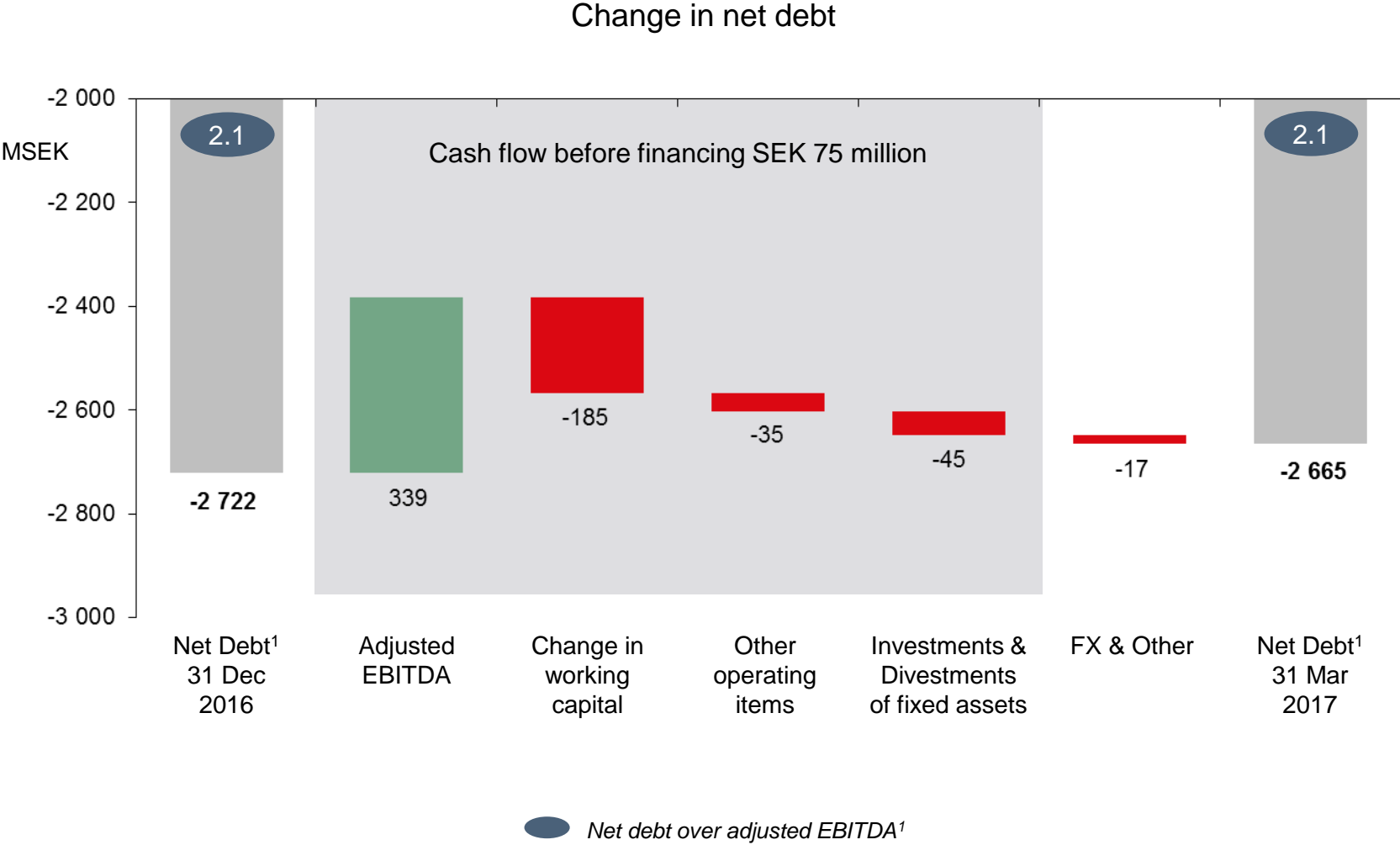
SEK million	Q1			Rolling 12 months		
	2017	2016	Change	Mar 2017	Dec 2016	Change
Sales volume (ktonnes)	94.8	45.1	110.0%	288.8	239.1	20.8%
Net sales	2,892	1,360	112.7%	8,740	7,207	21.3%
Adjusted operating profit ¹	237	155	52.7%	769	687	11.9%
Adjusted operating margin (%)	8.2	11.4	-3.2 ppt	8.8	9.5	-0.7 ppt
Adjusted operating profit per tonne (kSEK)	2.5	3.4	-0.9	2.7	2.9	-0.2
Operating profit	237	155	52.7%	641	559	14.7%
Profit for the period	157	94	67.7%	561	498	12.7%
Earnings per share ² (SEK)	2.08	1.25	0.83	7.48	6.64	0.83
Cash flow before financing activities	75	-22	n/a	-1,950	-2,046	4.7%
Return on capital employed, R12 (%)				17.0	17.5	-0.5 ppt
Net debt / adjusted EBITDA, R12 ³				2.1	2.1	-

1. Adjusted for items affecting comparability

2. Diluted

3. Adjusted EBITDA rolling 12 months, including estimated adjusted EBITDA for the acquired business in the US as a part of the Gränges Group

Net debt was SEK 2.7 billion at the end of first quarter



1. Adjusted EBITDA rolling 12 months, including estimated adjusted EBITDA for the acquired business in the US as a part of the Gränges Group

Outlook

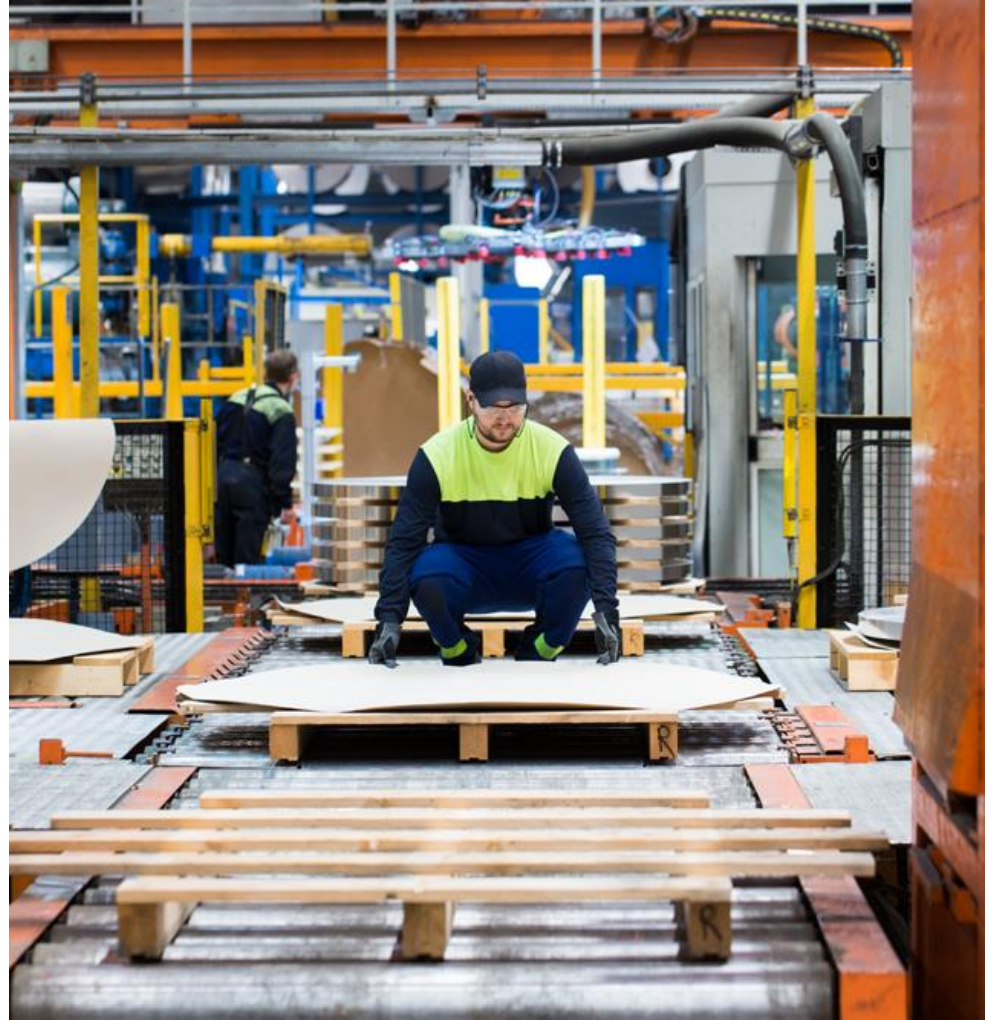
- Global Light Vehicle Production is expected to grow by 3%¹ in Q2 2017 – for the full year 2017 a growth of 2% is projected
- Automotive HEX - above market growth is expected in Europe and the Americas, while growth in line with or slightly lower than the market is projected in Asia in Q2
- Acquired business - sales volume expected to remain stable in Q2
- Ambition to continue to grow and strengthen our presence and position globally
- Positive outlook for 2017



1. Source: IHS Automotive, March 16, 2017

Summary of first quarter

- Continued good development in all our regions
- US operations continues according to plan, close to maximum capacity
- Sales volume 94.8 ktonnes
- Adjusted operating profit rose to SEK 237 million
- Net debt of 2.1x EBITDA



Q&A

Johan Menckel, CEO

Oskar Hellström, CFO



GRÄNGES