



GRÄNGES

First Quarter 2016 Earnings Conference

28 April, 2016

Today's presenters



**JOHAN
MENCKEL**
CEO

Since: 2012
Gränges since: 2004

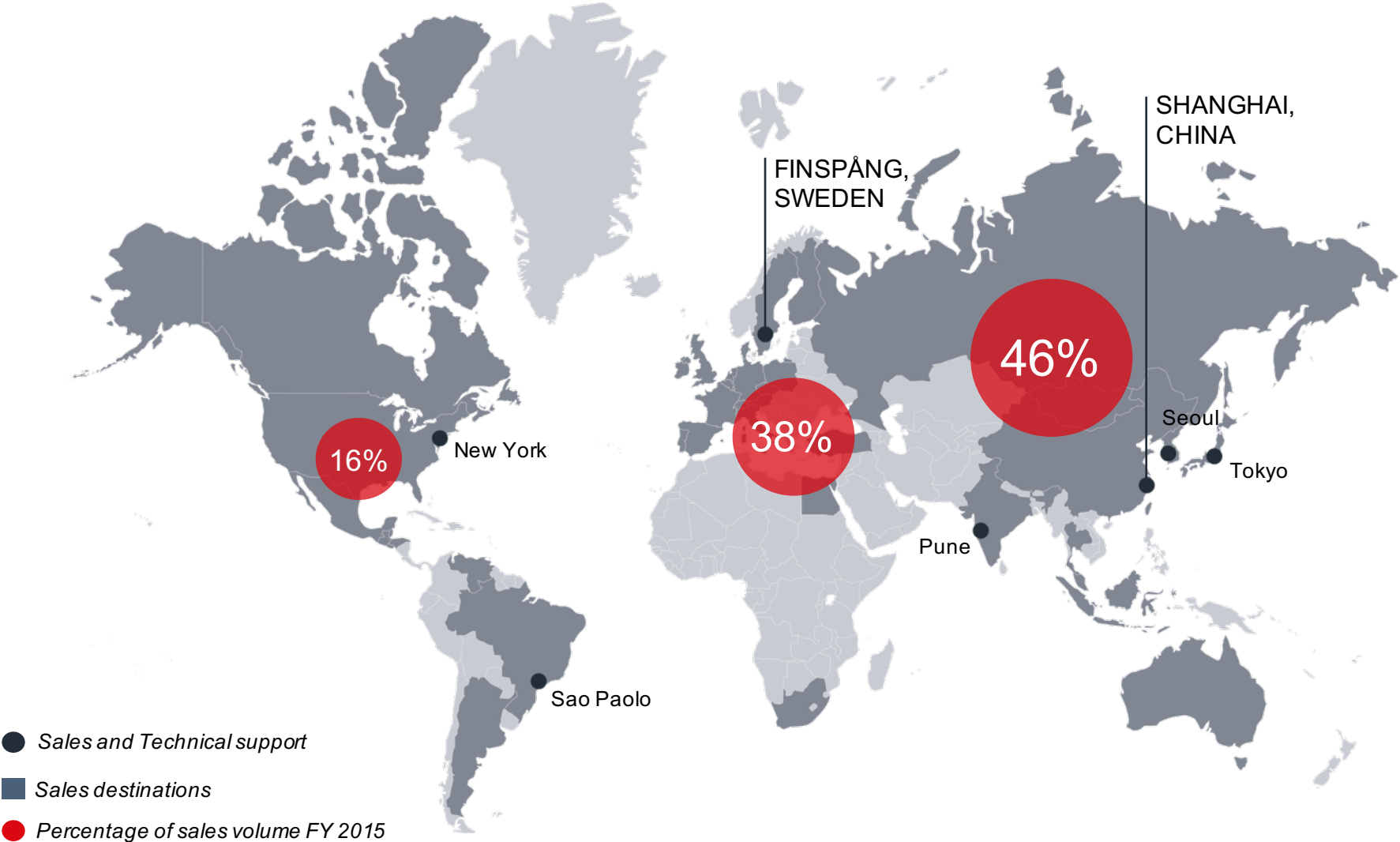


**OSKAR
HELLSTRÖM**
CFO

Since: 2011



Gränges is the global leader with a market share of 20%















Summary Q1 2016 – Volume growth and stable profit

- Sales volume increased by 5.7%
- Adjusted operating profit was unchanged at SEK 155 million
- Tailwind from favorable exchange rates was offset by negative price and mix effects and the aluminium premium price lag
- Earnings per share of SEK 1.25
- Cash flow before financing activities of SEK -22 million
- Strong financial position



Market growth of 3% expected for full year 2016

Light vehicle production growth (YoY)

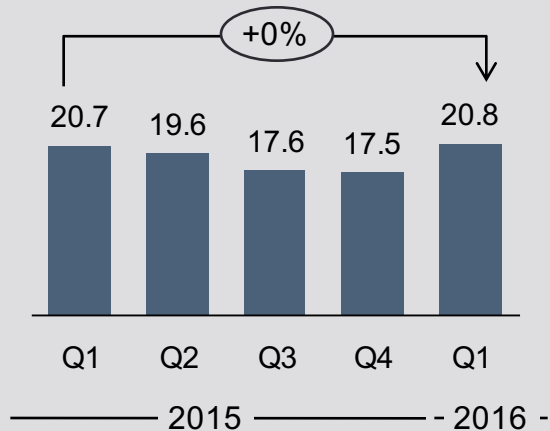
Region	Q1 2016	Q2 2016 outlook	FY 2016 outlook
Asia	 +1%	 +6%	 +4%
Europe	 +2%	 +4%	 +2%
Americas	 0%	 +2%	 +2%
Global	 +1%	 +4%	 +3%

Source: IHS Automotive, April 11, 2016

Europe and North America show good growth whereas sales volume in Asia remained flat in the first quarter

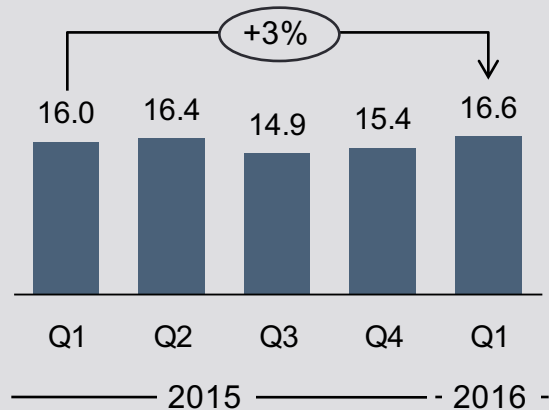
Gränges sales volume (ktonnes)

Asia



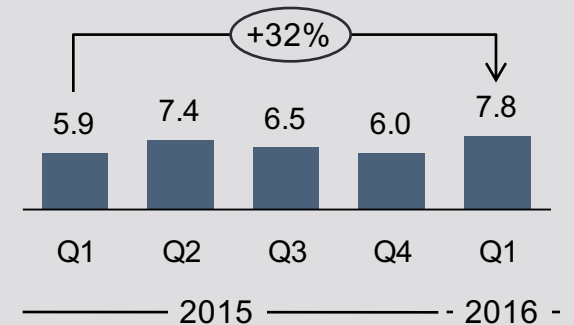
- Increased sales to domestic heat exchanger producers in China
- Lower sales to costumers in other Asian markets

Europe



- Continued growth for heat exchanger materials
- Increased sales of scrap based products

Americas



- Higher contracted volumes with several customers

2020 goal and strategy

- Grow significantly above the market rate
- Become the market leader in all geographical regions
- Maintain good and sustainable profitability

Drive growth through innovation

- Lead the development of heat exchanger materials
- Offer the most advanced solutions
- Be the preferred partner for our customers

Create value from sustainability

- Zero accident target
- Reduce waste
- Increase recycling
- Ensure diversity
- Be an attractive employer

Increase efficiency through continuous improvements

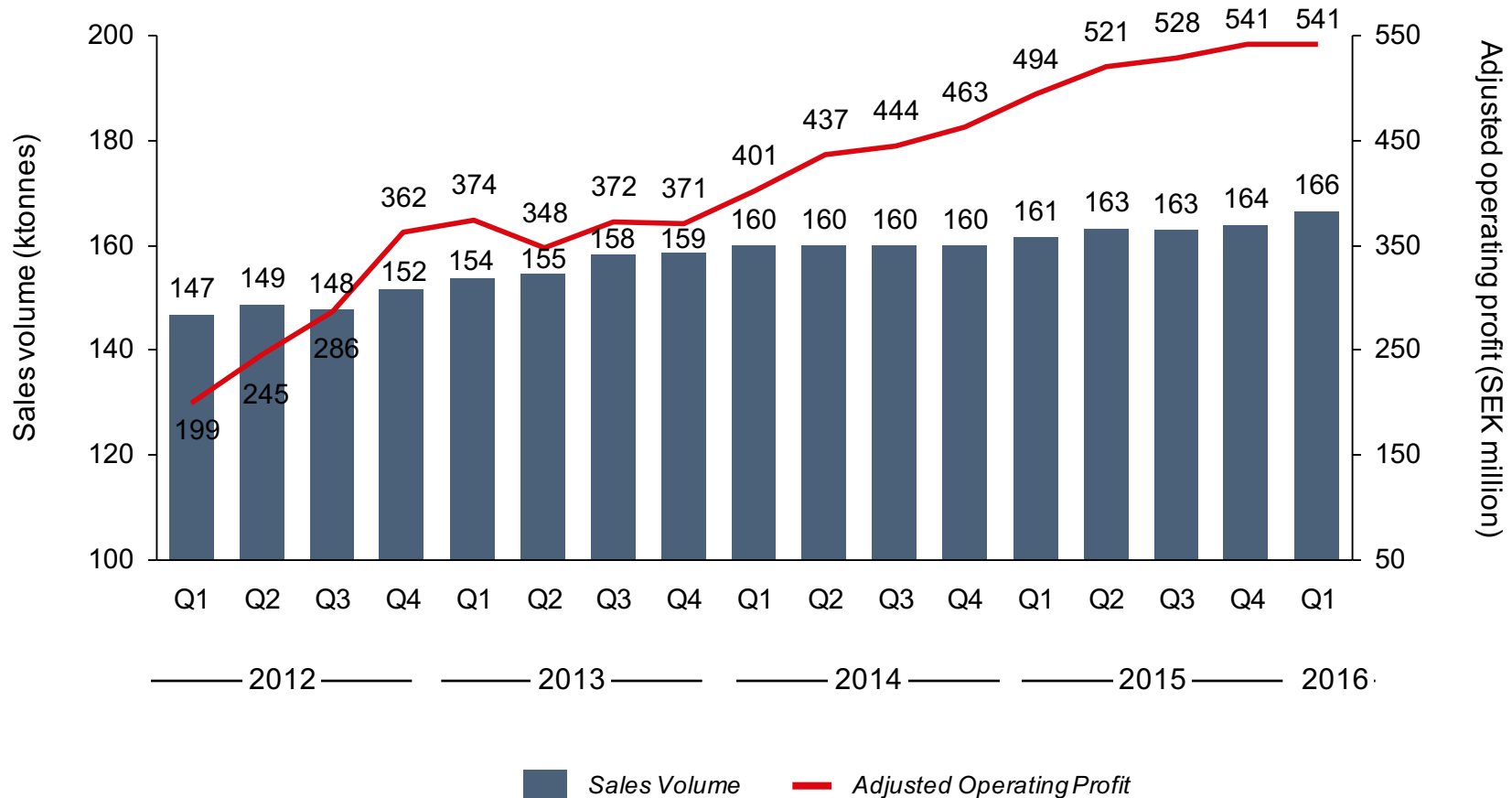
- Improve process stability
- Increase productivity
- Increase energy efficiency
- Improve metal management

Grow presence through structural expansion

- Add production capacity in North America
- Increase production capacity in Asia
- Expand into adjacent market segments

Volume growth and stable profit in first quarter

Rolling 12 months sales volume and adjusted operating profit



Volume growth and stable profit in first quarter

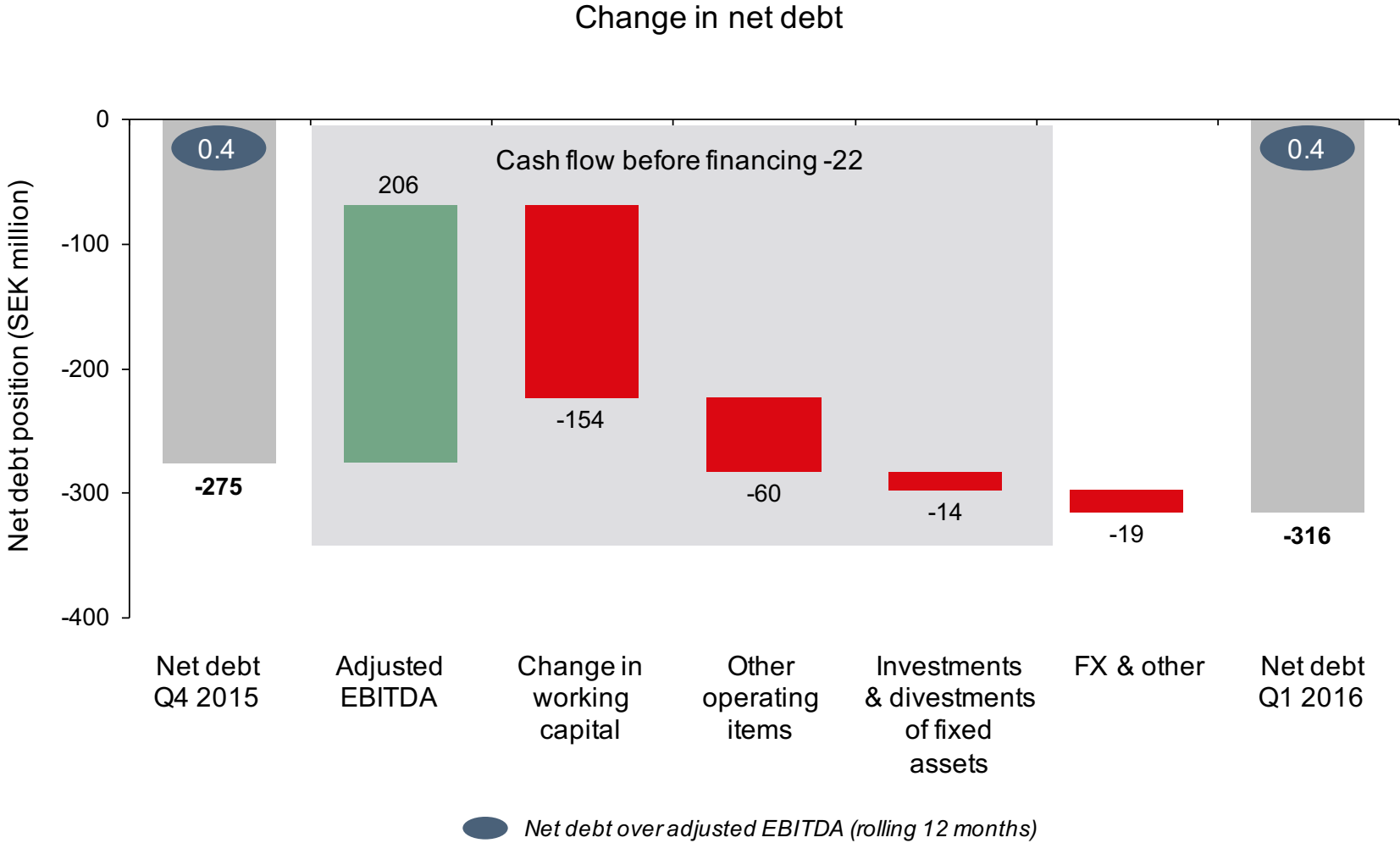
Financial overview

SEK million	Q1			Rolling 12 months		
	2016	2015	Change	Mar 2016	Dec 2015	Change
Sales volume (ktonnes)	45.1	42.7	5.7%	166.4	163.9	1.5%
Net sales	1,360	1,456	-6.6%	5,398	5,494	-1.7%
Adjusted operating profit ¹	155	155	0.3%	541	541	0.1%
Adjusted operating margin (%)	11.4	10.6	0.8 ppt	10.0	9.8	0.2 ppt
Adjusted operating profit per tonne (kSEK)	3.4	3.6	-0.2	3.3	3.3	-
Operating profit	155	155	0.3%	539	538	0.1%
Profit for the period	94	111	-15.9%	361	379	-4.7%
Earnings per share ² (SEK)	1.25	1.49	-0.24	4.84	5.07	-0.24
Cash flow before financing activities	-22	-1	n/a	579	600	-3.5%
Return on capital employed, R12 (%)				18.2	18.1	0.1 ppt
Net debt / adjusted EBITDA, R12				0.4	0.4	-

1. Adjusted for items affecting comparability.

2. Basic, historical earnings per share has been calculated on the same number of shares as of today.

Net debt was SEK 316 million at the end of the first quarter



Outlook

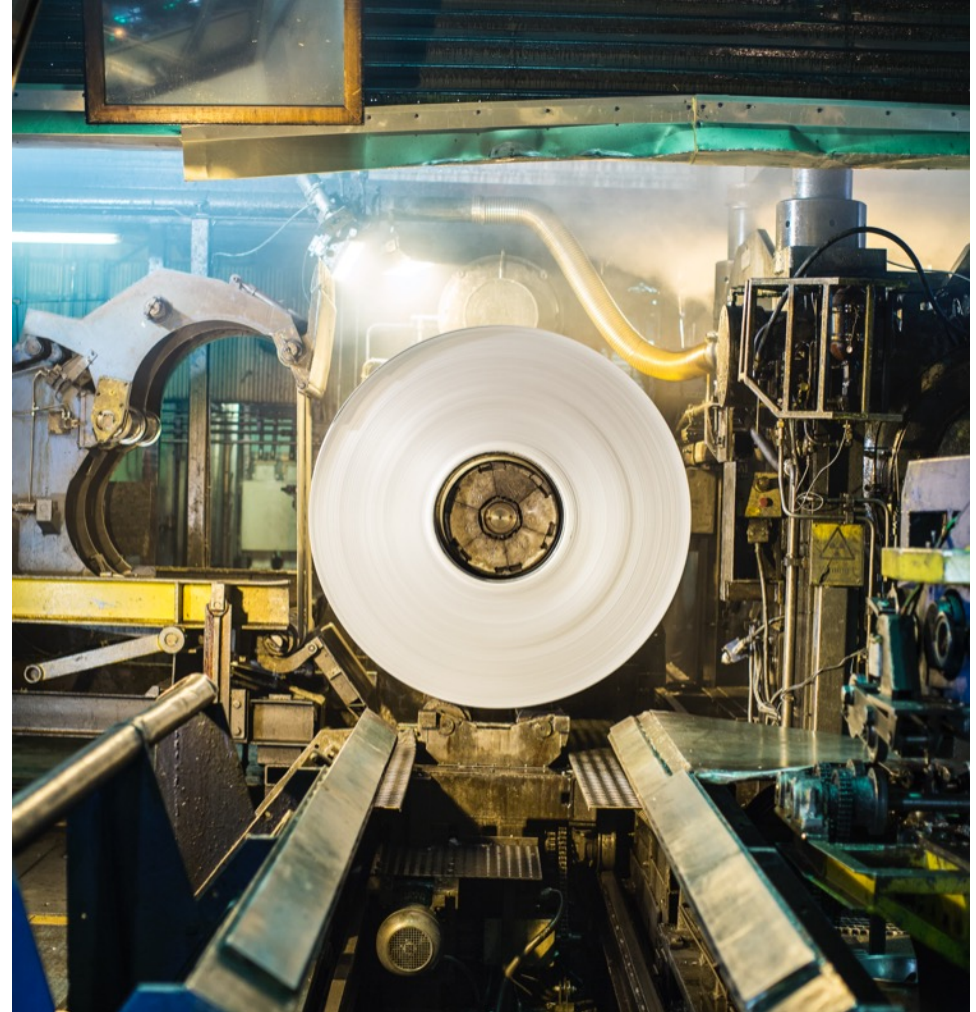
- Global Light Vehicle Production is expected to grow 4.2%¹ in Q2 2016
- Gränges' sales volume is expected to develop in line with the market during Q2 2016
- The aluminium premium has stabilised and is not expected to have any substantial effect on profitability for the remainder of 2016
- For full year 2016 global Light Vehicle Production is expected to grow 3.0%¹ with growth expected in all geographical regions
- Positive outlook for 2016 – more stable conditions in China
- Price competition in Asia is expected to have some impact this year



¹Source: HIS Automotive, April 11, 2016

Summary of first quarter

- A solid quarter with good sales growth and stable earnings
- Sales volume increased by 5.7%
- Adjusted operating profit stable at SEK 155 million
- Solid financial position
- Well positioned for profitable growth



Q&A

Johan Menckel, CEO

Oskar Hellström, CFO



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