



GRÄNGES

Second Quarter 2016 Earnings Conference

21 July, 2016

Today's presenters



**JOHAN
MENCKEL**
CEO

Since: 2012
Gränges since: 2004

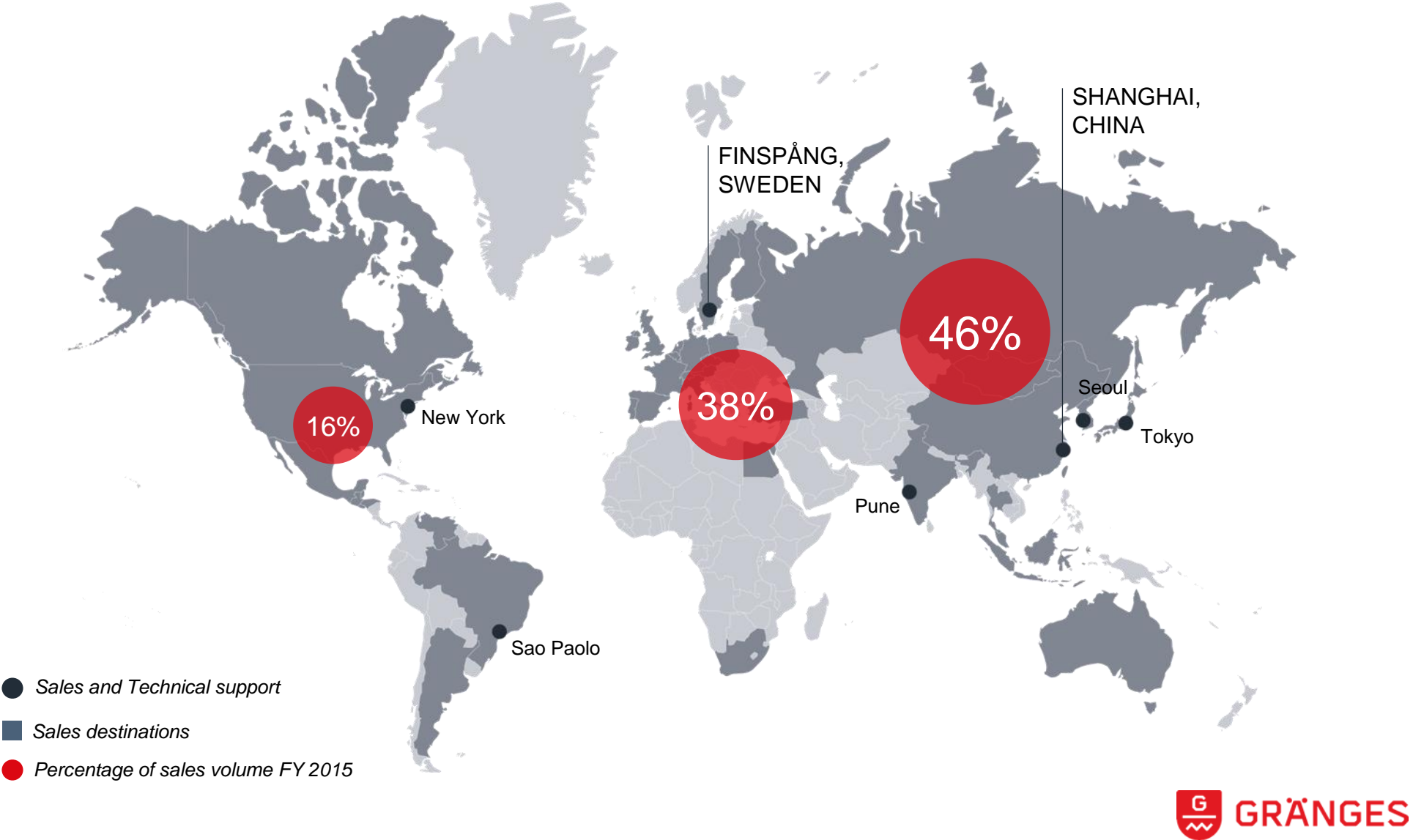


**OSKAR
HELLSTRÖM**
CFO

Since: 2011

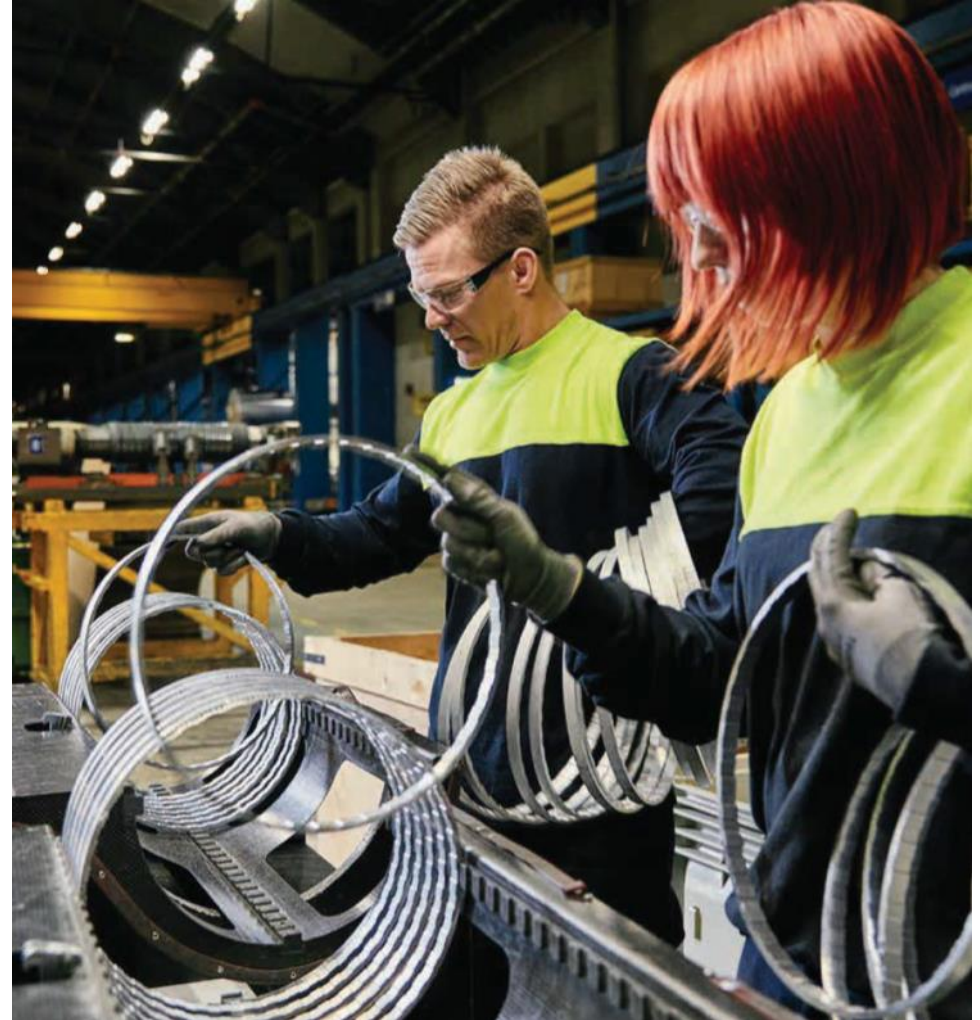


Gränges is the global leader with a market share of 20%















Summary second quarter 2016 – Best quarter so far

- Sales volume increased by 7.0%
- Adjusted operating profit rose to SEK 179 million
- Higher sales volume and improved productivity contributed to higher adjusted operating profit
- Earnings per share of SEK 1.53
- Cash flow before financing activities of SEK 157 million
- Strong financial position



Market growth of 3% expected for full year 2016

Light vehicle production growth (YoY)

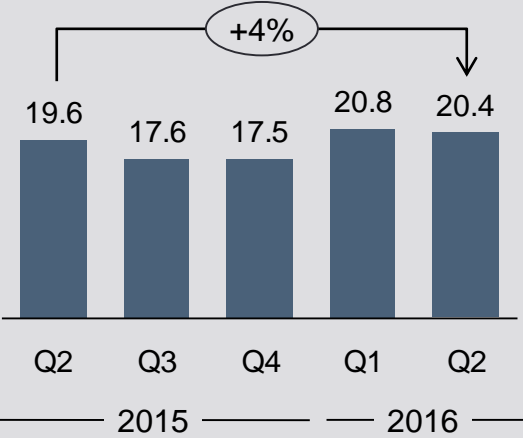
Region	Q2 2016	H2 2016 outlook	FY 2016 outlook
Asia	 +2%	 +4%	 +3%
Europe	 +7%	 +2%	 +3%
Americas	 0%	 +3%	 +1%
Global	 +3%	 +4%	 +3%

Source: IHS Automotive, June 15, 2016

Recovery in Asia and continued strong development in Europe and North America

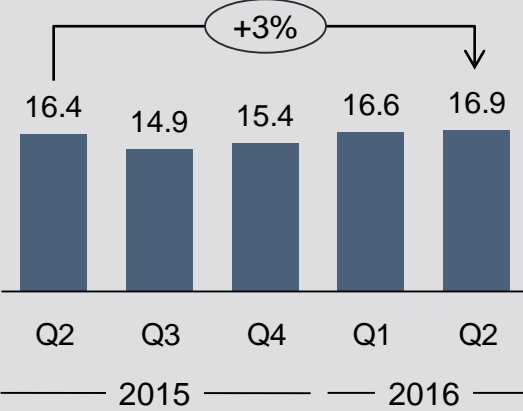
Gränges sales volume (ktonnes)

Asia



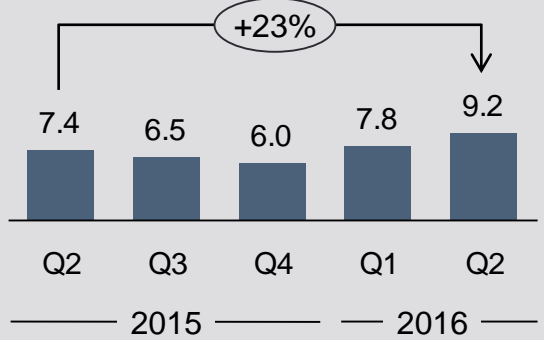
- Strong sales to Chinese and Indian automotive customers

Europe



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

Americas



- Higher contracted volumes with several customers

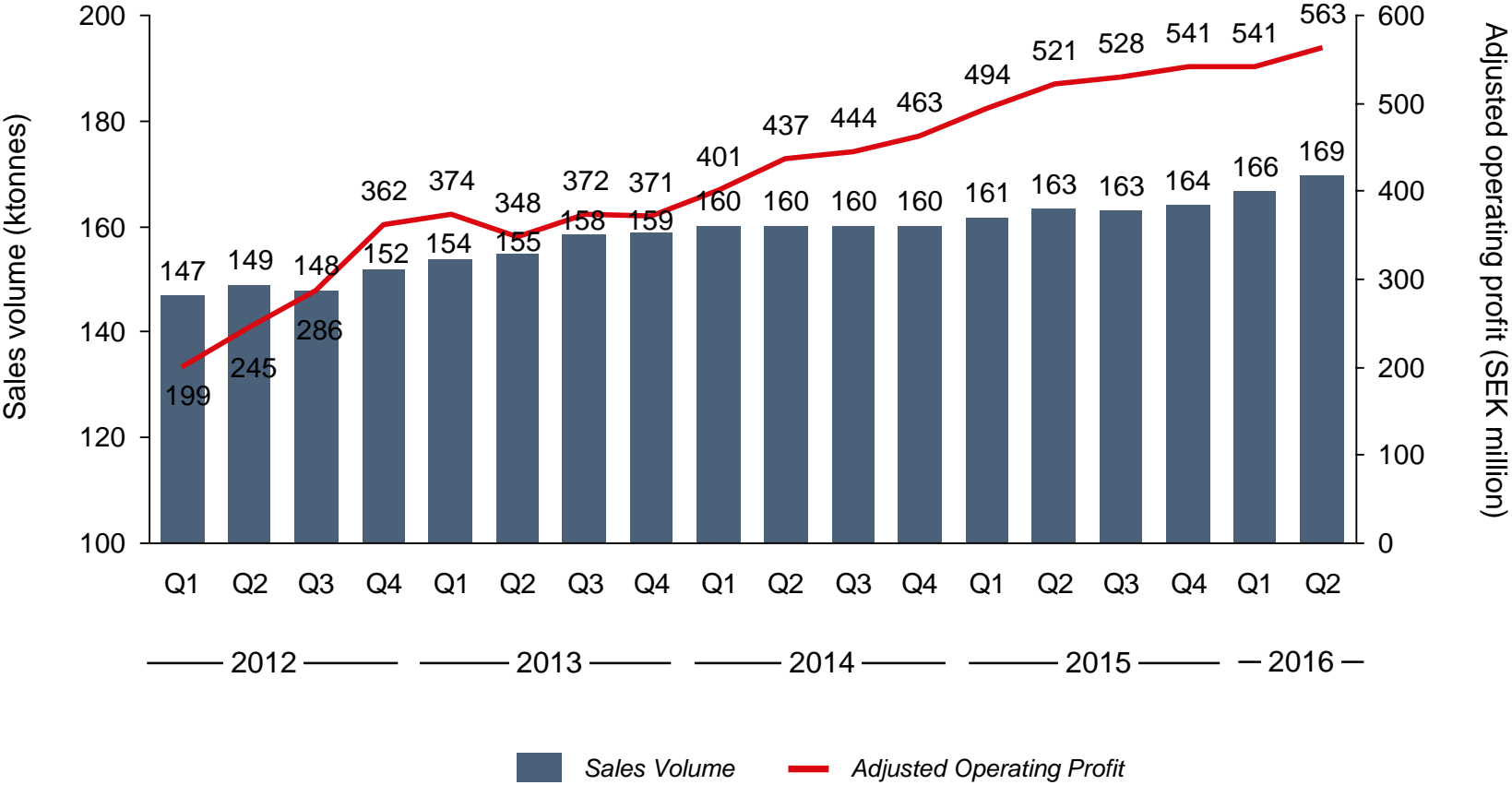
US acquisition still pending, approval expected late July

- Gränges in process to acquire Noranda's downstream division
- Assets and business valued to USD 324.2 million on cash and debt free basis
- US bankruptcy court hearing to approve Gränges as buyer now scheduled for 28 July, 2016
- Closing expected during third quarter



Positive trend continues in second quarter

Rolling 12 months sales volume and adjusted operating profit



Strong sales volume and earnings in the second quarter

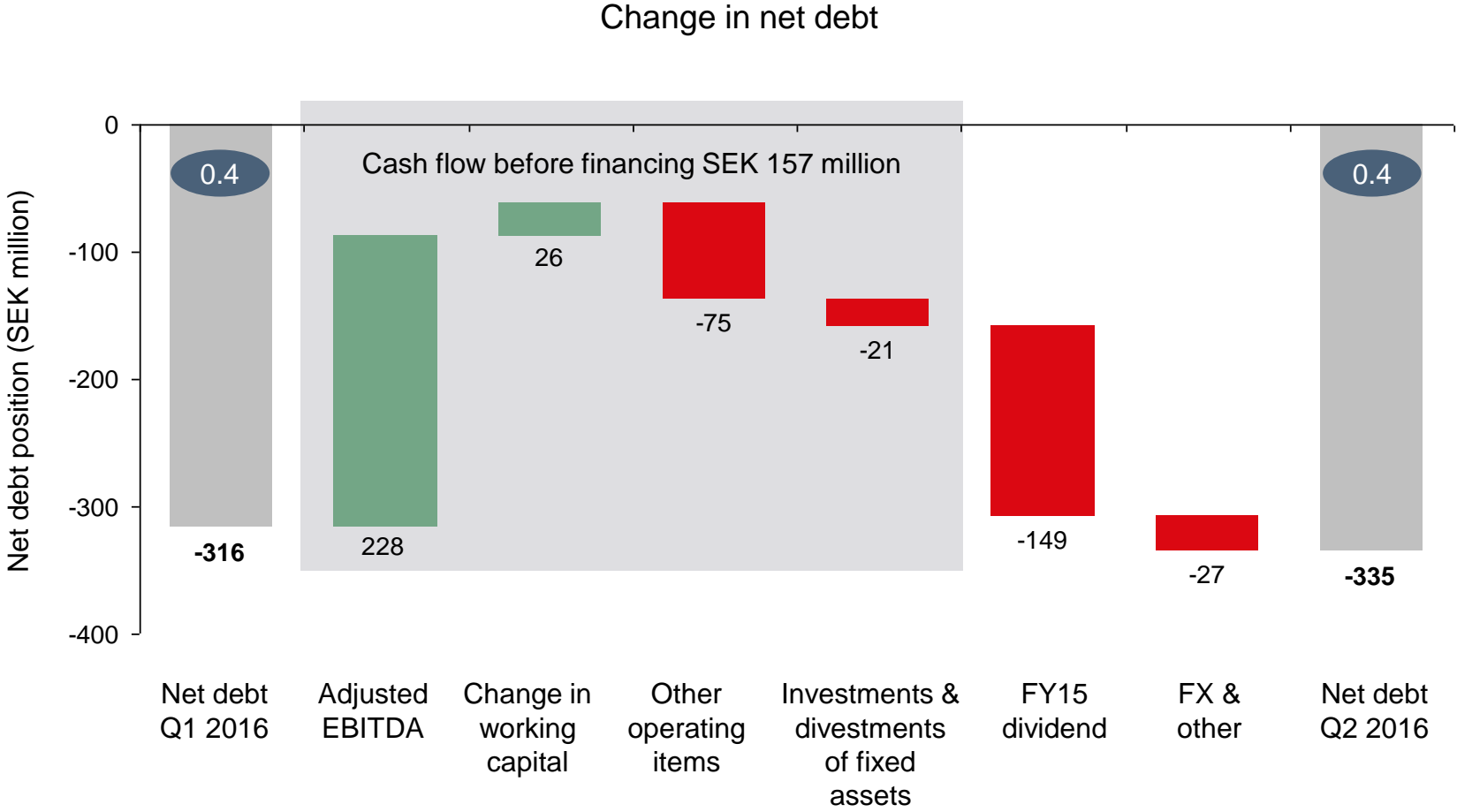
Financial overview

SEK million	Q2			January - June		
	2016	2015	Change	2016	2015	Change
Sales volume (ktonnes)	46.5	43.4	7.0%	91.6	86.1	6.4%
Net sales	1,442	1,506	-4.2%	2,802	2,962	-5.4%
Adjusted operating profit ¹	179	158	13.6%	335	313	7.0%
Adjusted operating margin (%)	12.4	10.5	2.0 ppt	11.9	10.6	1.4 ppt
Adjusted operating profit per tonne (kSEK)	3.9	3.6	0.2	3.7	3.6	0.0
Operating profit	154	158	-2.4%	309	313	-1.1%
Profit for the period	114	115	-1.0%	208	226	-8.3%
Earnings per share ² (SEK)	1.53	1.54	-0.02	2.78	3.03	-0.25
Cash flow before financing activities	157	175	-10.2%	135	174	-22.3%
Return on capital employed, R12 (%)	19.5	18.1	1.4			
Net debt / adjusted EBITDA, R12	0.4	1.0	-0.6			

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 335 million at the end of second quarter



Net debt over adjusted EBITDA (rolling 12 months)

Outlook

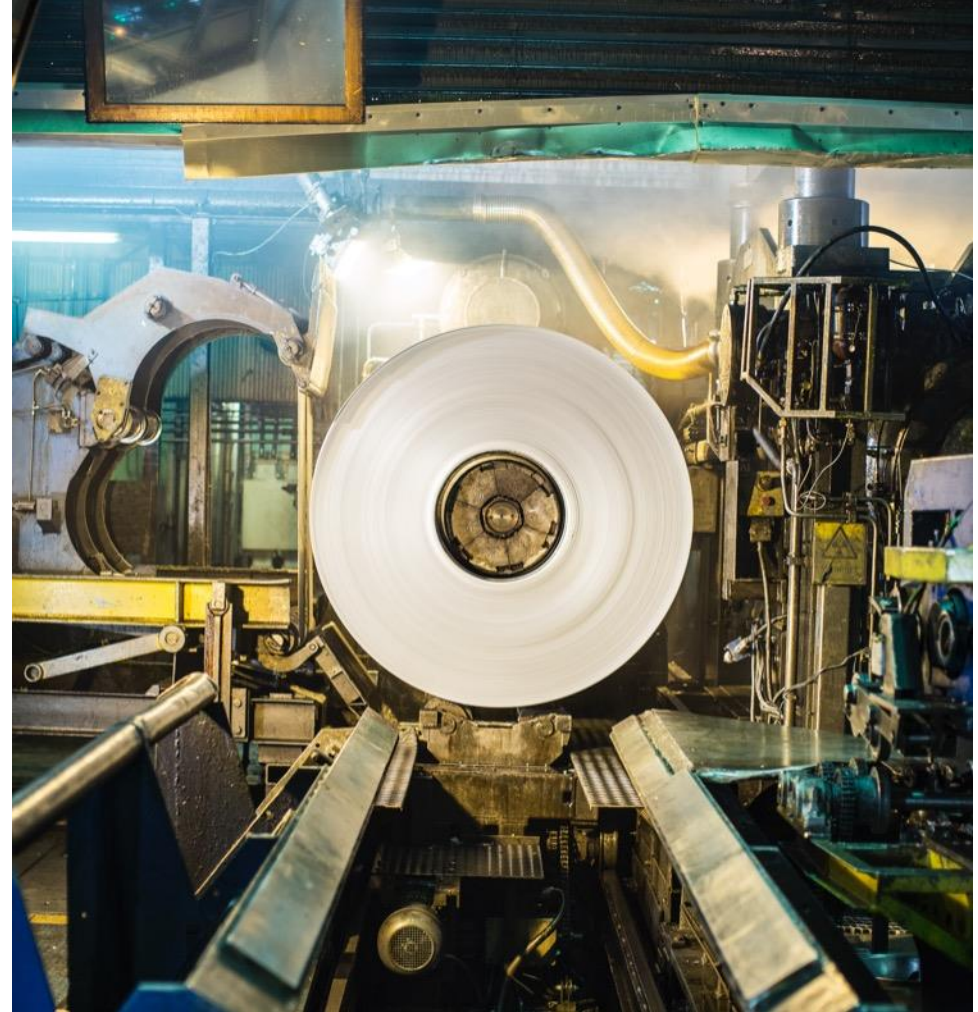
- Global Light Vehicle Production is expected to grow by 4%¹ in the second half of 2016
- Gränges' sales volume is expected to show a higher growth than the market - but not as high growth as in second quarter - during second half of 2016
- Higher than market growth is expected in Europe and the Americas, while a growth in line with the market is anticipated in Asia
- For the full year 2016 Global Light Vehicle Production is expected to grow by 3%¹ with growth in all geographical regions
- Acquisition in the US in process
 - a major step towards our target for 2020



¹Source: HIS Automotive, June 15, 2016

Summary of second quarter

- Best quarter for Gränges so far
- Sales volume increased by 7.0% and reached new all-time-high at 46.5 ktonnes
- Adjusted operating profit rose to SEK 179 million
- Solid financial position
- US acquisition in process



Q&A

Johan Menckel, CEO

Oskar Hellström, CFO



GRÄNGES