

THIRD QUARTER

Earnings Presentation
21 October 2021

Growth and increased profit in third quarter, but challenging near-term outlook

- Generally good market conditions but severe slow-down in automotive

- Increased sales volume and improved profit
 - Sales volume increased by 37%
 - Adjusted operating profit SEK 219 million

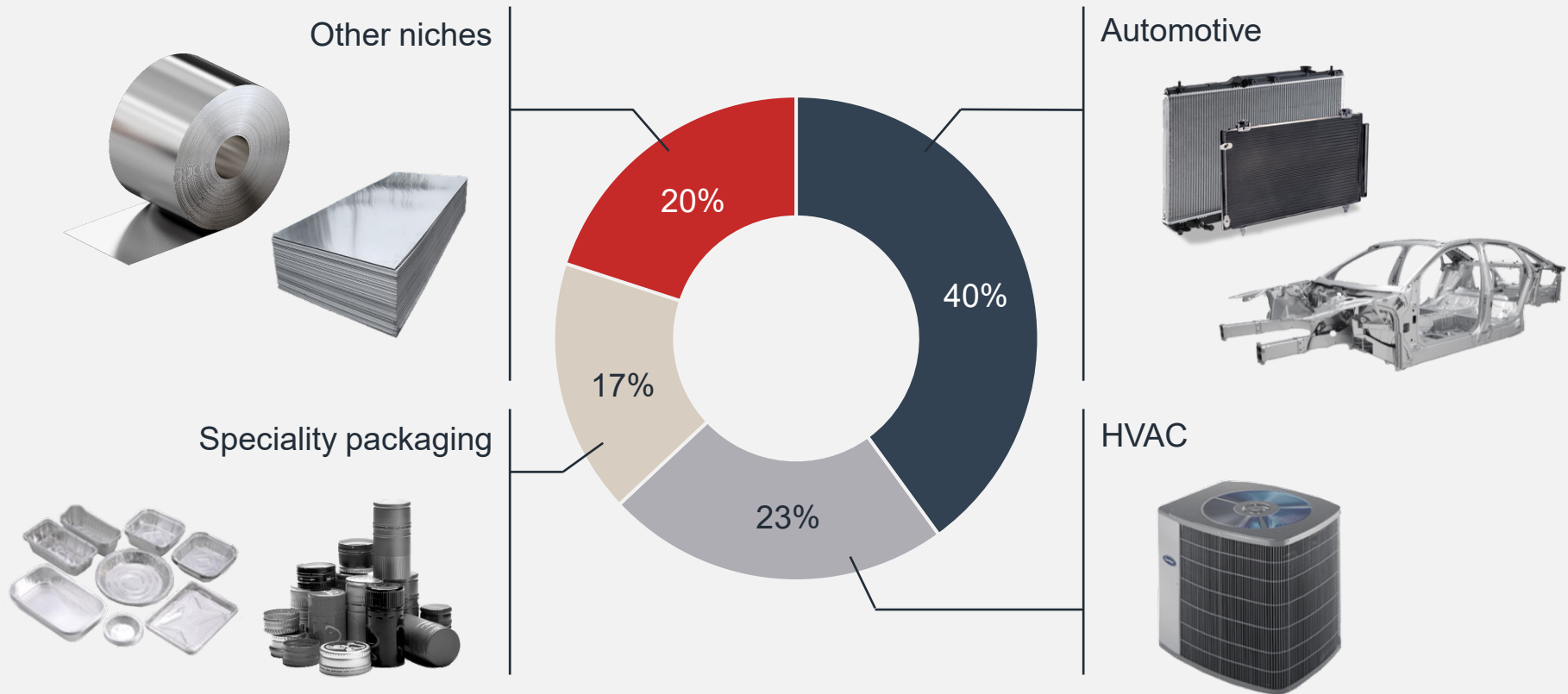
- Increased inflationary cost pressure only partly offset by price increases

- Good progress on strategic initiatives




















Leading positions in four key end-customer markets

January – September 2021 sales volume by end-customer market



Generally good demand across all regions and end-customer markets relative to third quarter 2020

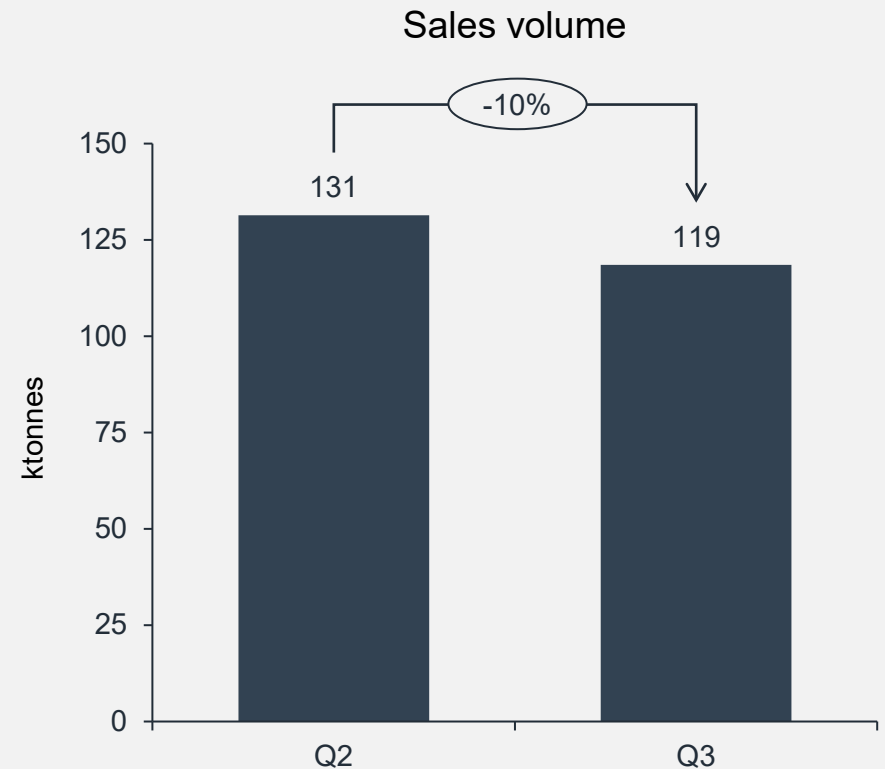
Q3 2021 sales volume growth by region and end-customer market¹

YoY (%)	Automotive	HVAC	Speciality Packaging	Other niches	Total
Europe	 +29%	-	 +11% ¹	 +40%	 +31%
Asia Pacific	 +2%	-	-	 +18%	 +4%
North & South America	 -1%	 +21%	 0%	 +16%	 +10%
Global	 +8%	 +21%	 0%	 +20%	 +11%

(1) Organic sales volume growth excluding acquisitions, except for Specialty Packaging in Europe where Gränges Konin sales volume growth has been included for reference

However, a reduction in automotive demand contributed to a sequential volume decline

- Significant decrease in automotive industry demand in Q3 – LVP down 20% YoY and 12% sequentially¹
- However, continued good demand in all other end-customer markets, especially HVAC in North America
- Temporary production disturbances reduced production in Americas by 4 ktonnes
- Q3 typically a seasonally weaker quarter than Q2



(1) Source: IHS October, 2021

Good progress on strategic initiatives



Important milestones reached for Konin capacity expansion



First part of logistics improvement project in Finspång completed



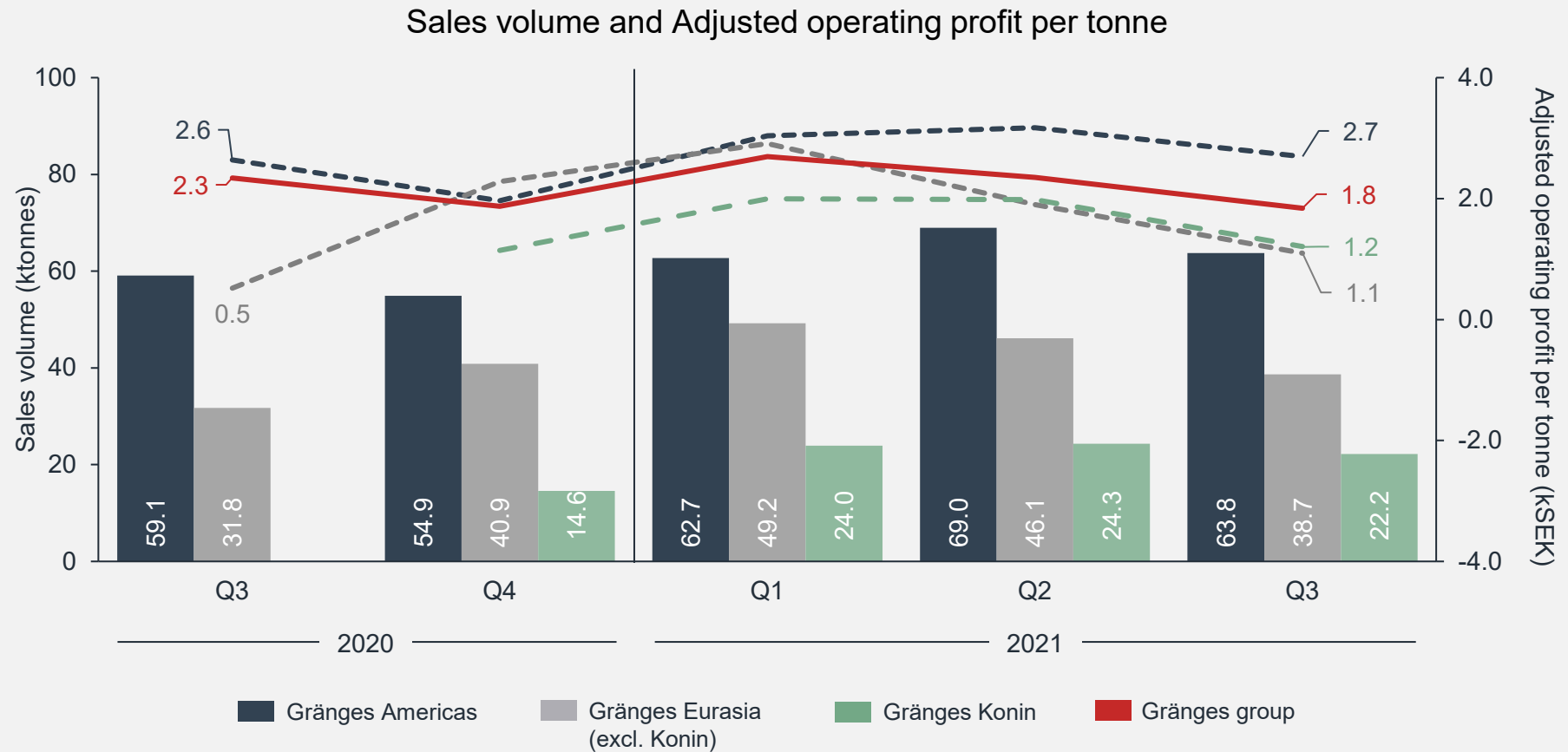
Ground broken for new casting centre in Huntingdon

First sustainability-linked bond successfully issued

- Gränges is the first Swedish company to list a Sustainability-Linked Bond on Nasdaq
- Bond of SEK 600 million under new green and sustainability linked finance framework
- Interest rate tied to achievement of 2025 sustainability targets
- Bond oversubscribed - high level of confidence among investors for sustainability strategy and targets



Volume and profit per tonne improvement year over year, but sequential decline in third quarter



Financial overview – third quarter 2021

SEK million	Q3			January-September		
	2021	2020	Change	2021	2020	Change
Sales volume (ktonnes)	118.5	86.7	37%	376.6	247.4	52%
Net sales	4,621	2,575	79%	13,272	7,858	69%
Adjusted operating profit ¹	219	203	7.6%	870	455	91%
Adjusted operating margin (%)	4.7	7.9	-3.2 ppt	6.6	5.8	0.8 ppt
Adjusted operating profit per tonne (kSEK)	1.8	2.3	-0.5	2.3	1.8	0.5
Operating profit	219	177	23%	854	417	105%
Profit for the period	153	124	24%	618	257	140%
Earnings per share ² (SEK)	1.44	1.45	-0.02	5.79	3.02	2.78
Adj. cash flow before financing activities ³	-135	380	n/a	144	948	-85%
Return on capital employed, R12 (%)	11.2	7.7	3.5 ppt			
Net debt / adjusted EBITDA, R12	2.2	2.5				

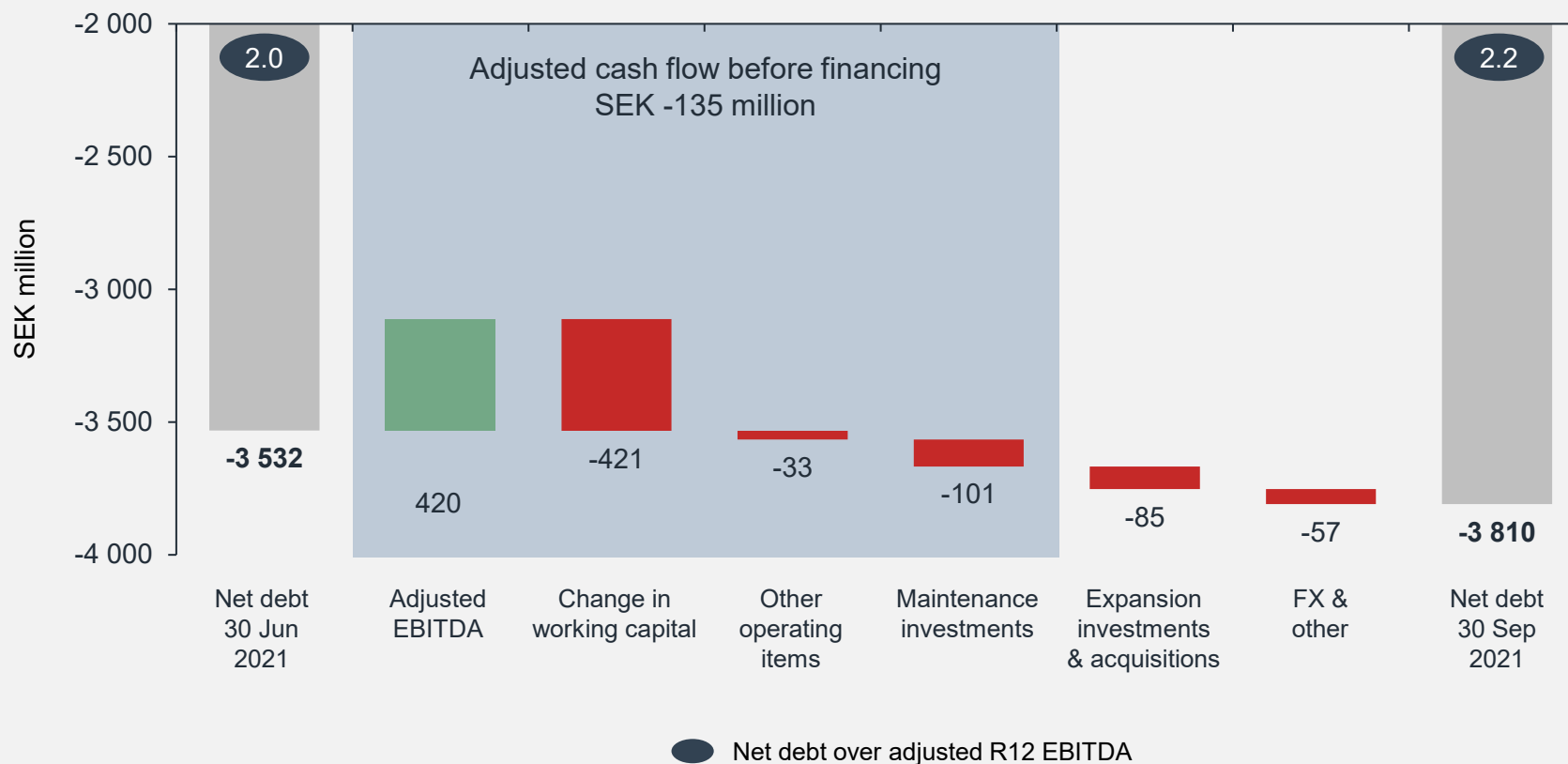
(1) Adjusted for items affecting comparability

(2) Diluted

(3) Adjusted for expansion investments and acquisitions

Net debt and leverage increased in third quarter primarily driven by the higher aluminium price

Change in net debt



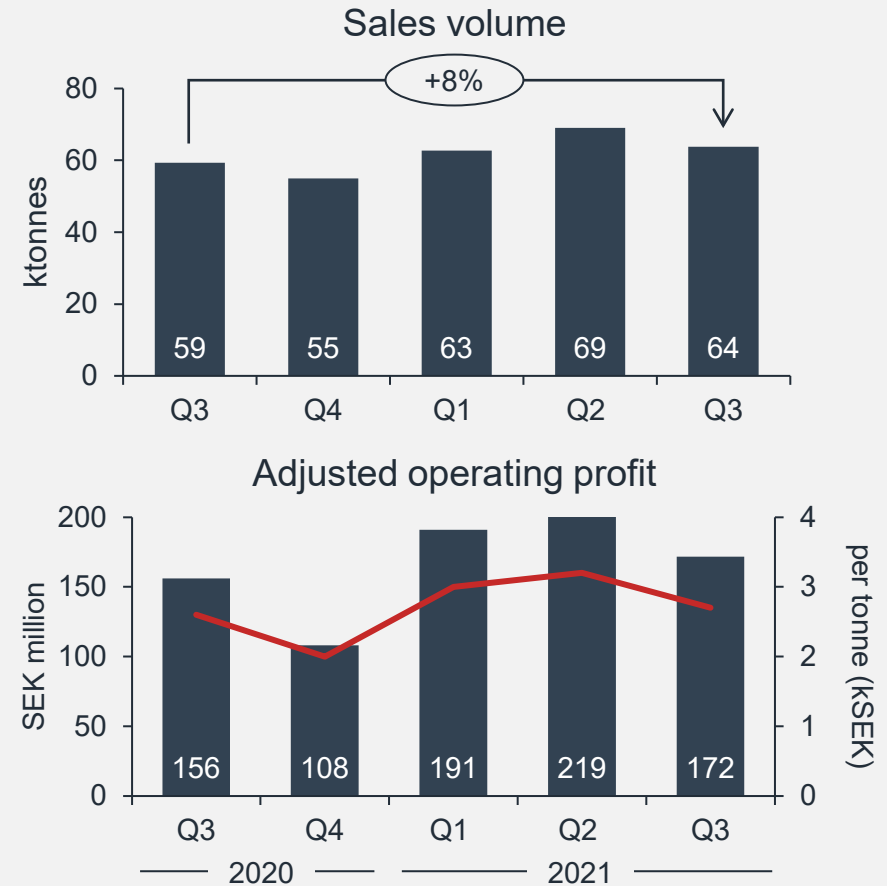
Note: Net debt including pension and leasing liabilities. As per 30 September 2021, total pension liabilities amounted to 334 MSEK and leasing liabilities to 227 MSEK. R12 EBITDA per 30 September 2021 includes R12 EBITDA for Gränges Konin.

Gränges Americas – third quarter 2021

- Sales volume increased by 8%
 - Continued strong market conditions
 - Temporary production disturbances

- Increased operating profit and margin
 - Higher average conversion price
 - Increasing inflationary pressure

- Planned maintenance in fourth quarter
 - 8 ktonnes capacity reduction

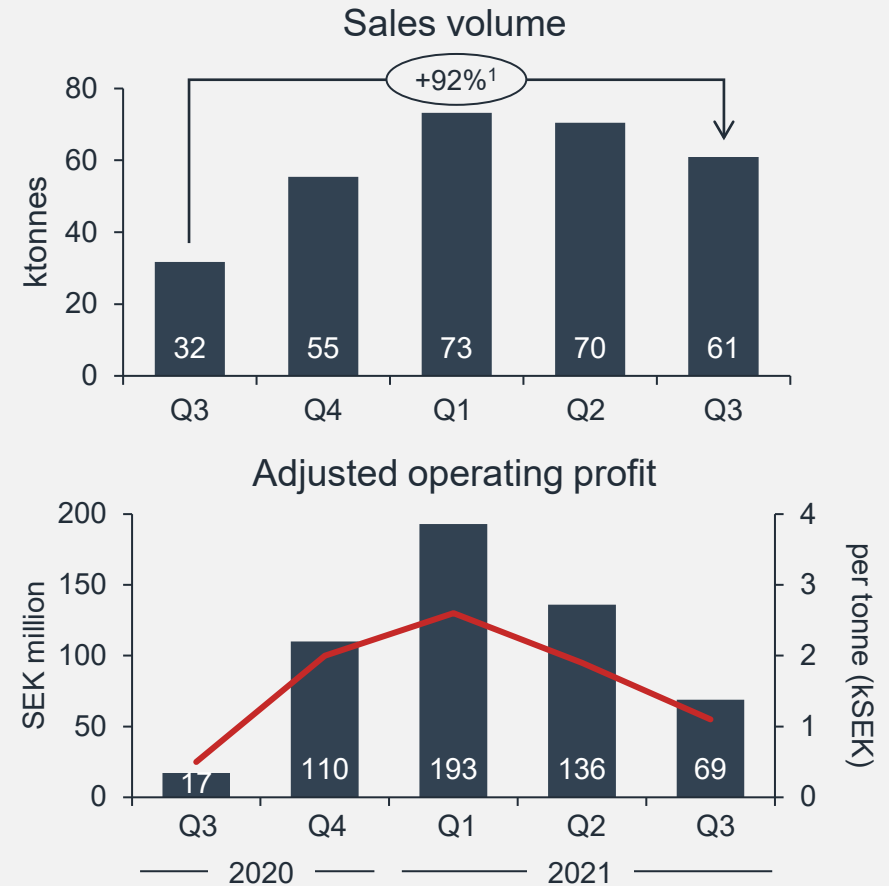


Gränges Eurasia – third quarter 2021

- Organic sales volume increase of 22%
 - Europe +41% and Asia +7%
 - Sequential slow-down in automotive

- Increased operating profit and margin
 - Increasing inflationary pressure
 - Negative FX effects SEK -13 million

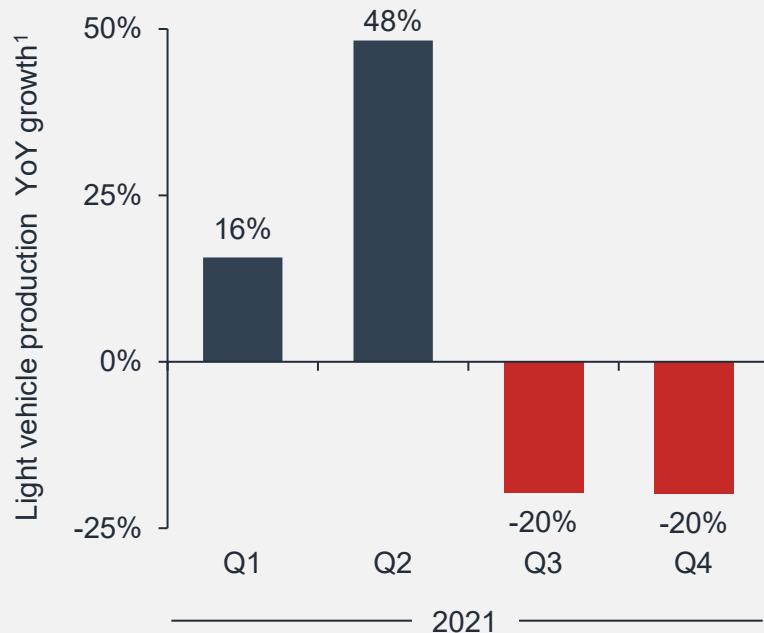
- Acquired growth from Gränges Konin
 - Sales volume 22 ktonnes
 - Adj. operating profit SEK 27 million



(1) Excluding the acquisition of Gränges Konin, sales volume increased by 22 per cent to 38.7 ktonnes

During the third and fourth quarter Gränges is facing challenging external conditions

Continued negative growth in automotive production



Very sharp cost increases



(1) Source: IHS October, 2021

(2) Source: Natural gas (Europe TTF), Freight (Baltic Exchange Dry Index), Electricity (Central and Northern Europe average, spot, baseload)

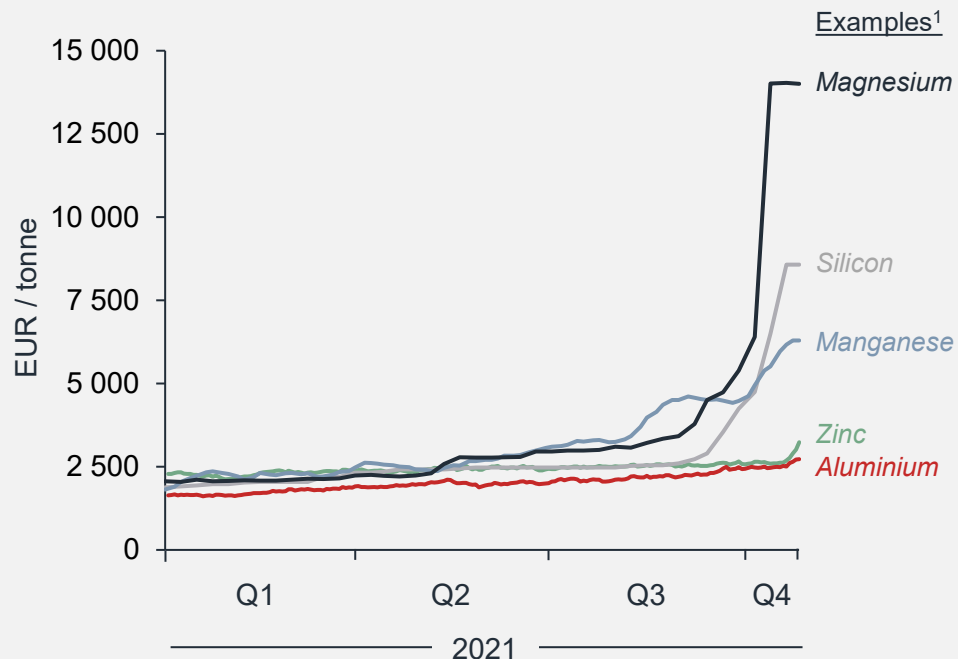
Outlook – fourth quarter 2021

- Sales volume in the fourth quarter is currently expected to be about 10% lower than in the third quarter
 - Continued good demand from many end-customer markets
 - Very low demand from automotive customers
 - Reduced capacity due to extensive year-end maintenance in Americas
- Cost pressure is expected to continue to increase throughout the fourth quarter and not be fully mitigated by new price increases



Reduced supply of important additives may have a significant impact on the aluminium industry in 2022

Dramatic price increases for some aluminium rolling additives



- Significant supply contractions for important additives creates an uncertain market environment
- Magnesium deficit may lead to supply shortage of aluminium sheet, further limiting automotive production
- Mitigating actions
 - Increased recycling
 - Adjustment of alloy recipes
 - Price increases

(1) Source: Metal Bulletin, October, 2021

Summary – third quarter 2021

- Generally good market conditions but severe slow-down in automotive
- Increased sales volume and improved profit
- Increased inflationary cost pressure only partly offset by price increases
- Good progress on strategic initiatives
- Challenging near term outlook
- Action needed



Q&A

Jörgen Rosengren, CEO
Oskar Hellström, CFO



GRÄNGES