

FIRST QUARTER

Earnings Presentation
21 April 2022

Strong result despite turbulent environment

- Stable sales volume despite dramatic development in Europe and Asia
 - Sales volume 127 ktonnes (127)

- Improved margin despite large cost increases
 - Adj. operating profit SEK 357 million (342)

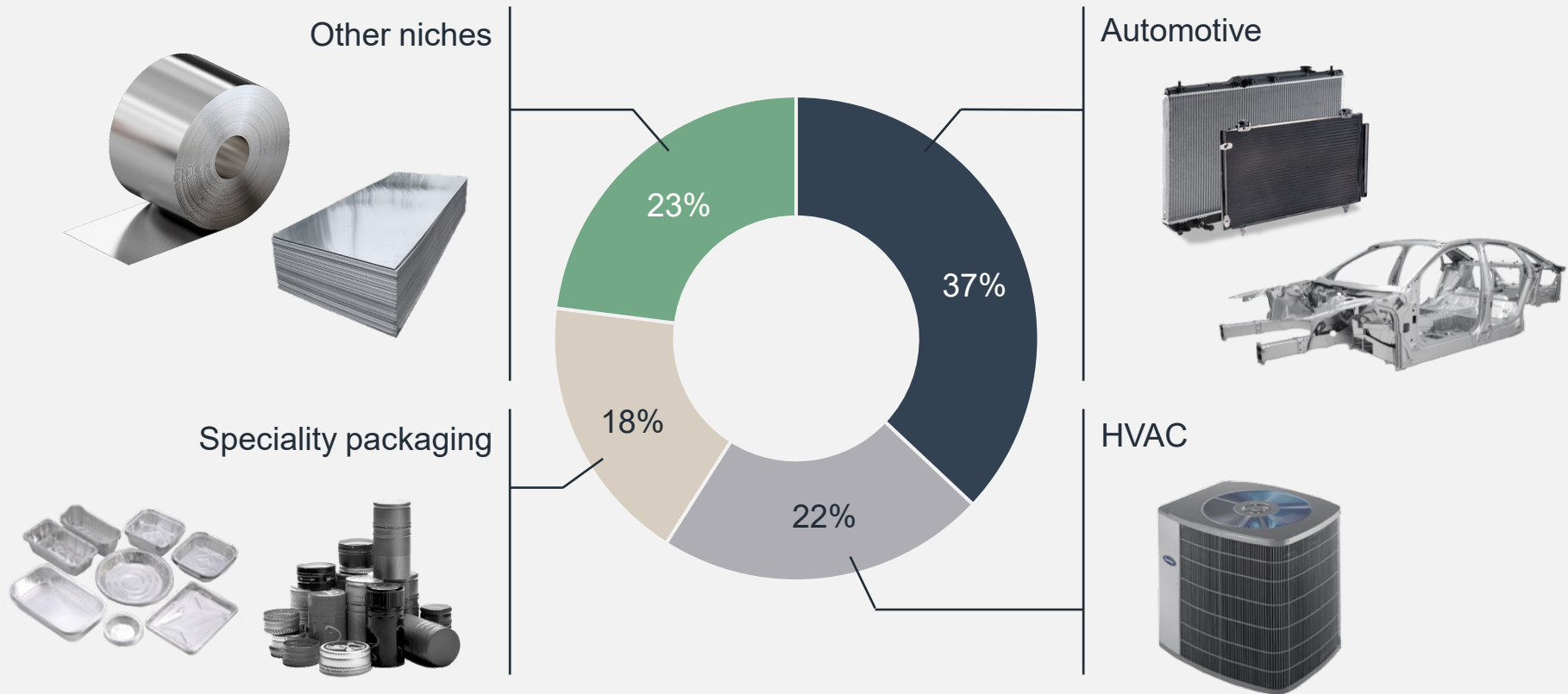
- Significant working capital build-up due to increased aluminium price
 - Adj. cash flow before financing SEK -1,224 million (-55)

- Investment projects proceed as planned



Leading positions in four key end-customer markets

Rolling 12 month sales volume by end-customer market



Positive effects of action program in first quarter

Price increases and surcharges
Cost savings and productivity



Price increases fully compensated
for net cost increases

Adj. operating profit per tonne (kSEK)

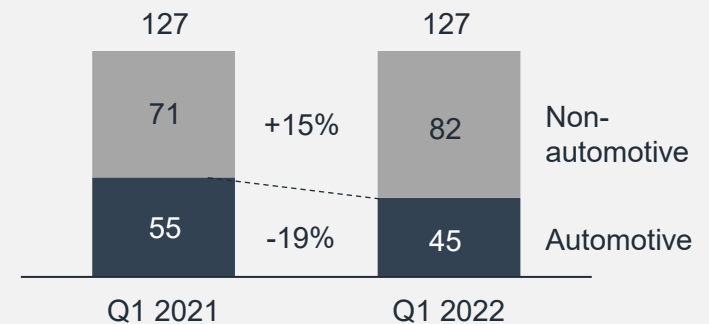


Sales efforts in
non-automotive markets








Growth in other segments compensated
for weak automotive sales





Sales volume (ktonnes)








Focused growth efforts compensate for weak auto sales

Q1 2022 sales volume growth by business area and end-customer market

Gränges Americas		
HVAC		+9%
Speciality packaging		+19%
Automotive		-22%
Other niches		-11%
Total		+2%

Gränges Eurasia		
Automotive		-18%
Other niches		+39%
Speciality packaging		+5%
HVAC		-
Total		-2%

Gränges Group		
Automotive		-19%
Other niches		+19%
HVAC		+9%
Speciality packaging		+16%
Total		±0%

Impact on Gränges of the Russian war in Ukraine

- Limited supply chain disruption so far, but large impact on Polish colleagues
- All business with Russia, Belarus and occupied Ukraine stopped (<0.5%)
- Increasing aluminium price drives significant increase of working capital
- Increasing energy costs and European supply chain risks going forward



● Gränges' production sites

Impact on Gränges of COVID-19 outbreak in China

- Gränges' Shanghai site is located in an area impacted by lockdowns
- Significant disruptions to operations mitigated by outstanding efforts
 - First quarter sales volume loss limited to 2 ktonnes
- Second quarter outlook uncertain
 - 2021 sales volume 21 ktonnes
 - 2022 estimated negative impact in proportion to duration of lockdown
- Increasing risk of further disruptions of global supply chains



● Gränges' production site

Investment projects on track for completion in 2022



Gränges Americas

- Huntingdon recycling and casting centre expansion
- Newport rolling mill rebuild

Gränges Eurasia

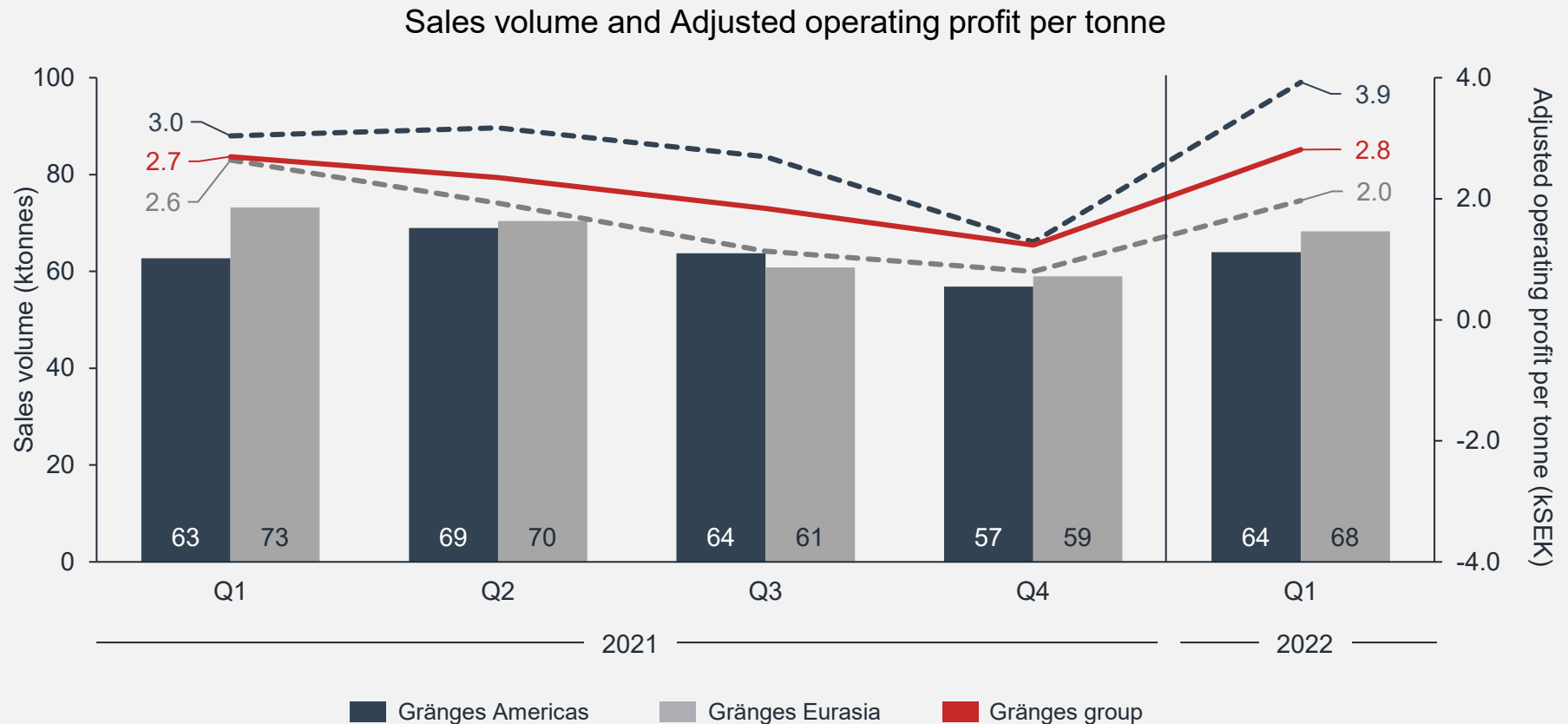
- Konin capacity expansion
- Finspång logistics improvement

Near-zero carbon aluminium enabled by further USD 52 million expansion of recycling and casting operations

- New recycling and casting centre to enable production of 25 ktonnes near-zero carbon aluminium solutions
 - Fully powered by renewable electricity
 - Solutions with high recycled content
- Benefits include
 - Significant cost reductions
 - Reduced carbon footprint
- Investment expected to be completed by mid 2024



Despite turbulence, margin improved in the first quarter as price increases started to offset cost increases



Financial overview – first quarter 2022

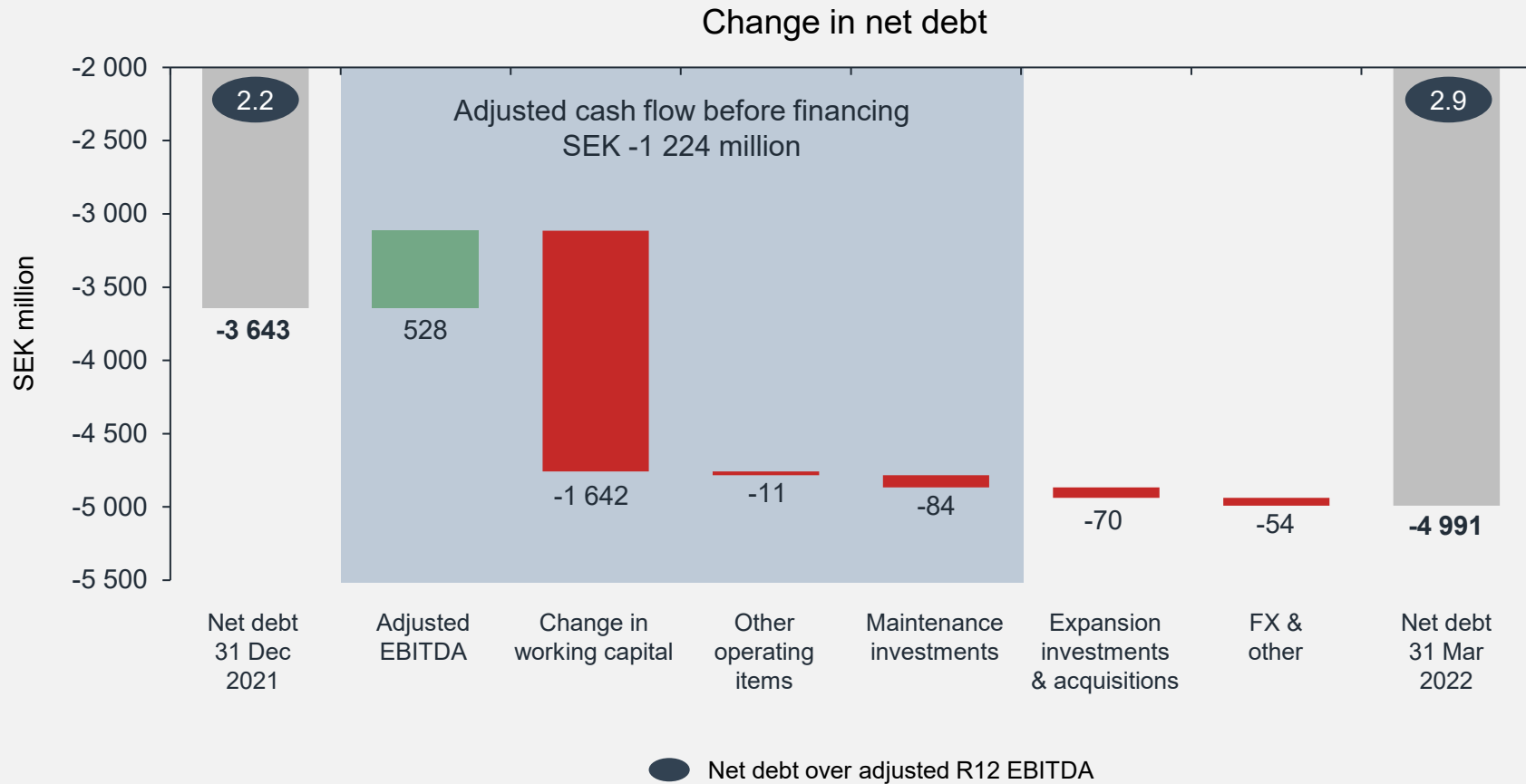
SEK million	Q1			12 months rolling		
	2022	2021	Change	Mar 2022	Dec 2021	Change
Sales volume (ktonnes)	126.7	126.7	0.0%	488.9	488.96	0.0%
Net sales	6,080	4,043	50%	20,167	18,130	11%
Adjusted operating profit ¹	357	342	4.5%	1,024	1,008	1.5%
Adjusted operating margin (%)	5.9	8.5	-2.6 ppt	5.1	5.6	-0.5 ppt
Adjusted operating profit per tonne (kSEK)	2.8	2.7	0.1	2.1	2.1	0.0
Operating profit	357	326	9.6%	864	833	3.8%
Profit for the period	261	239	9.3%	617	595	3.7%
Earnings per share ² (SEK)	2.45	2.24	0.21	5.79	5.58	0.21
Adj. cash flow before financing activities ³	-1,224	-55	n/a	-562	607	n/a
Return on capital employed, R12 (%)				9.6	10.0	-0.4 ppt
Net debt / adjusted EBITDA, R12				2.9	2.2	0.7

1. Adjusted for items affecting comparability

2. Diluted

3. Adjusted for expansion investments and acquisitions

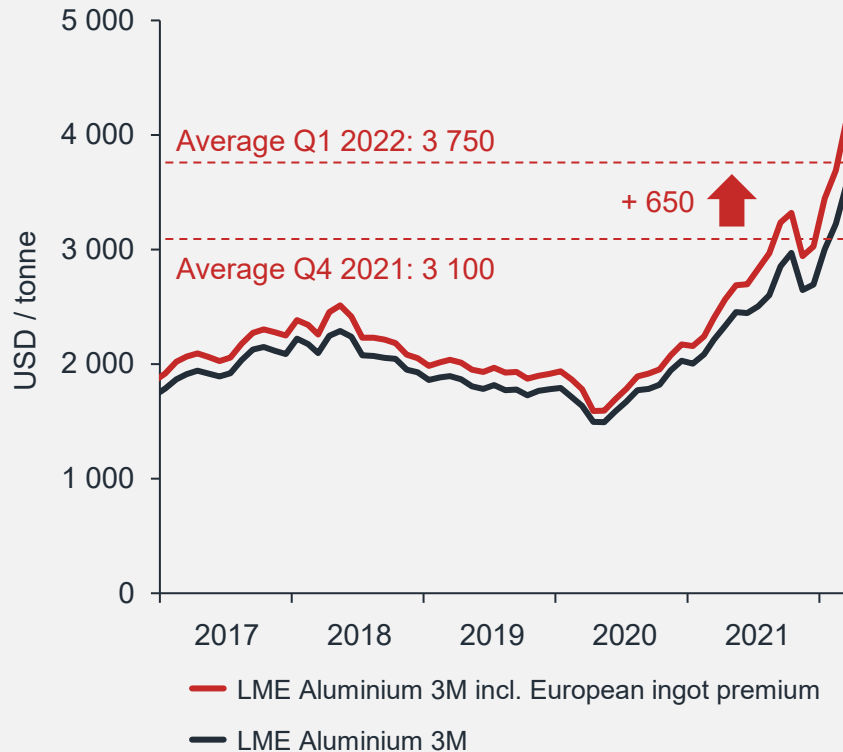
Increased net debt and leverage in first quarter due to dramatically increased aluminium price



Note: Net debt including pension and leasing liabilities. As per 31 March 2022, total pension liabilities amounted to 348 MSEK and leasing liabilities to 233 MSEK.

Increased aluminium price impacted net working capital

Aluminium price development



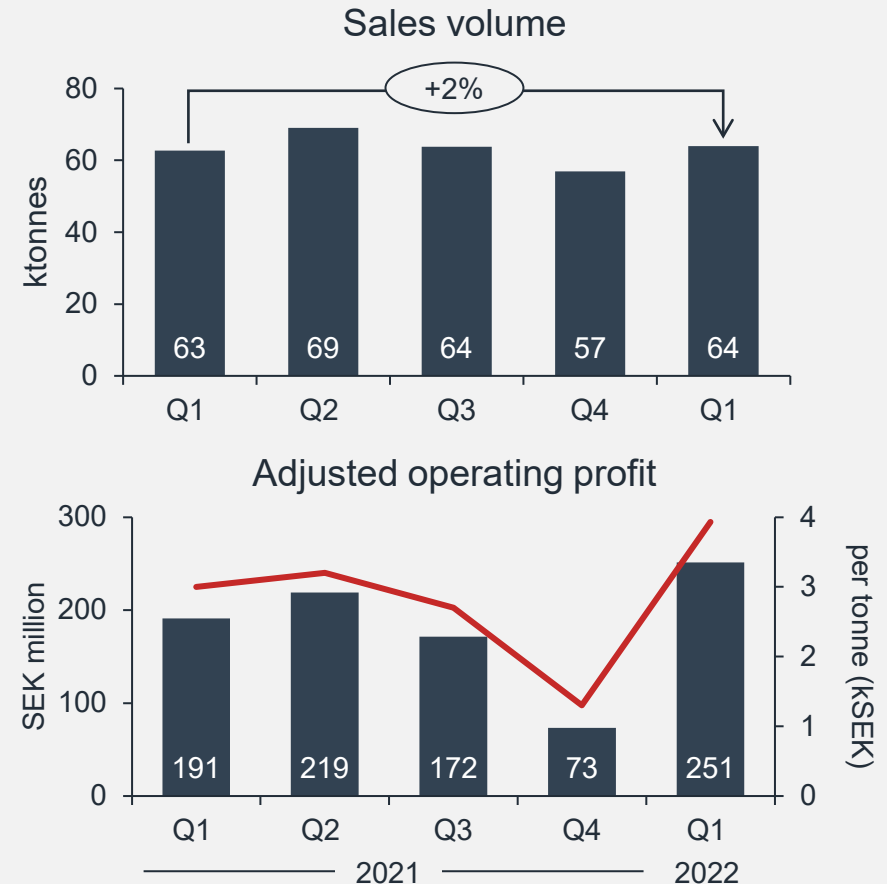
Indicative impact on net working capital

Q1 2022		
Aluminium in NWC	ktonnes	120
Aluminium price increase	USD/tonne	650
	SEK/tonne	7,600 ¹
Aluminium related increase in NWC	SEK million	910

1. Aluminium price increase in SEK includes a SEK 5,750 SEK effect from the LME Alu 3M price and SEK 1,850 effect from changes in the USD/SEK rate

Gränges Americas – first quarter 2022

- Sales volume increased by 2%
 - Continued strong market conditions
- All-time-high operating profit and margin
 - Increasing costs offset by higher average fabrication price
 - Positive FX effects SEK 22 million
- Production capacity restored in Newport
 - Ramp-up of commercial production expected for second half of 2022
- Investment in new recycling and casting centre in Huntingdon

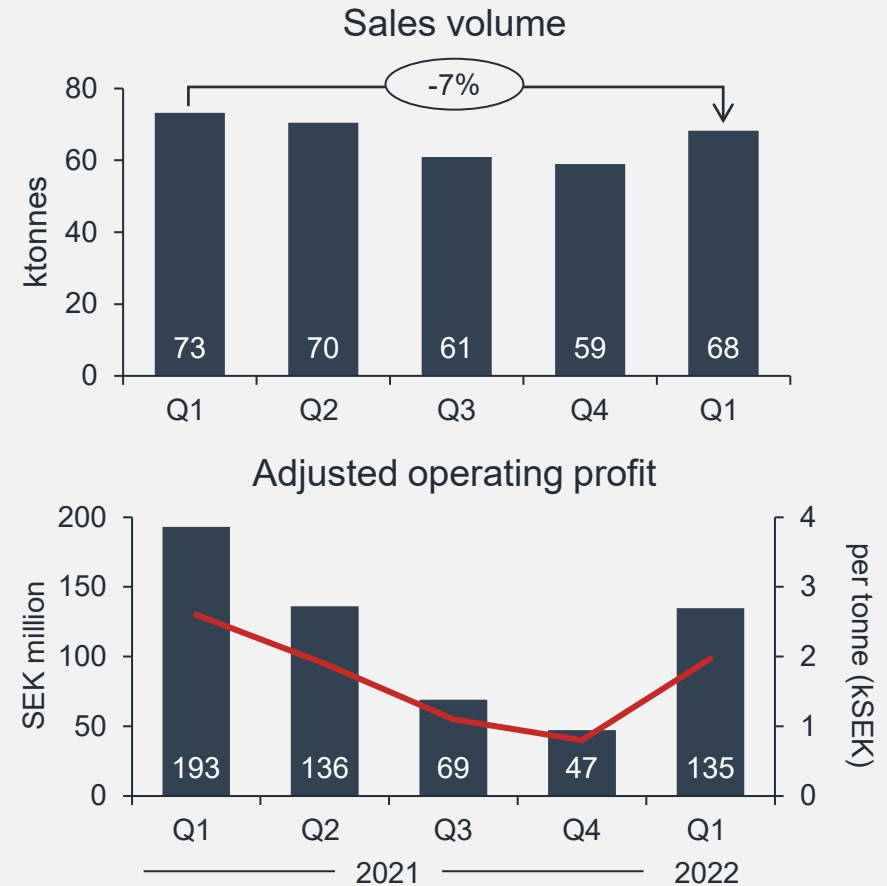


Gränges Eurasia – first quarter 2022

- Turbulent environment due to Russia-Ukraine war and COVID-19 in China
 - 2 ktonnes lost production in China
 - Highly uncertain outlook

- Sales volume declined by -7%¹
 - Europe -1% and Asia -18%
 - Continued slow-down in automotive

- Reduced operating profit and margin
 - Increasing costs partly offset by higher average fabrication price



1. Refers to total Sales volume for Gränges Eurasia, external Sales volume for Eurasia declined by 2% in first quarter

Continued strong sustainability progress



1. Gränges follows the Greenhouse Gas Protocol Standards to calculate its climate impact (cradle-to-gate). Scope 1+2 covers direct emissions from own operations and indirect emissions from purchased energy. Scope 3 covers indirect emissions from sourced metal inputs.

Summary – first quarter 2022

- Stable sales volume despite dramatic development in Europe and Asia

- Improved margin despite large cost increases

- Significant working capital build-up due to increased aluminium price

- Investment projects proceed as planned

- Near-zero carbon aluminium enabled by expansion of recycling and casting operations



Outlook – second quarter 2022

- The developments of the Russian war in Ukraine and of the COVID-19 outbreak in China are very difficult to predict
-
- Sales volume in the second quarter is expected to be lower than in last year
 - Market demand currently expected to support a similar volume as in last year
 - Volume in Asia expected to be negatively impacted in proportion to duration of lockdown in Shanghai
-
- Ambition level remains high



Q&A

Jörgen Rosengren, CEO
Oskar Hellström, CFO



GRÄNGES