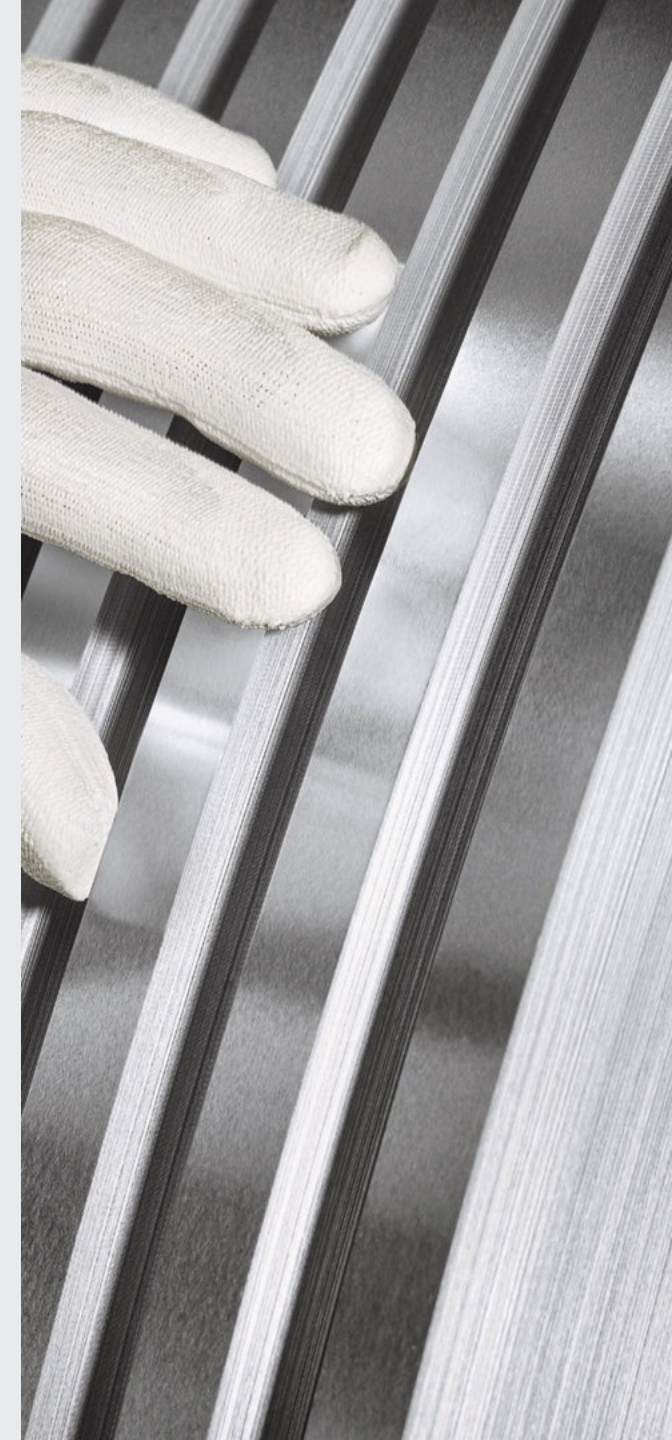


Welcome to
Gränges' Capital
Markets Day
2022



Agenda

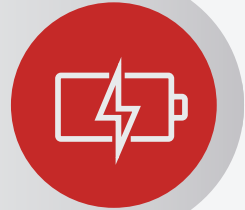
13.00	Navigate: Sustainable Growth	Jörgen Rosengren
	Restore leading value creation	Oskar Hellström
	Invest in sustainability	Sofia Hedevåg
	Q&A	
	Break	
14.40	Gränges Americas HVAC and packaging markets	Patrick Lawlor
	Gränges Asia Automotive heat exchanger market	Colin Xu
	Gränges Europe Battery market	Fredrik Spens
	Q&A	All
15.50	Closing remarks	Jörgen Rosengren



Key trends



Sustainability



Electrification

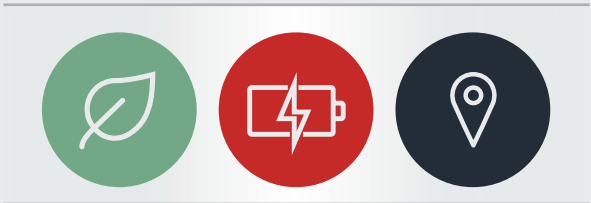


Regionalization

Favorable underlying market growth

Expected CAGR
2021-25

- 0-3%
- ↗ 5-7%
- ↑ >30%



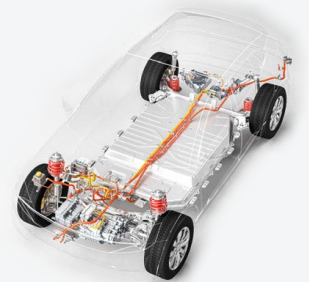
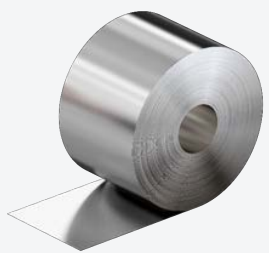
Speciality
packaging

Automotive HEX

HVAC

Other niches

Battery



Growth Volatility



Growth Volatility



Growth Volatility



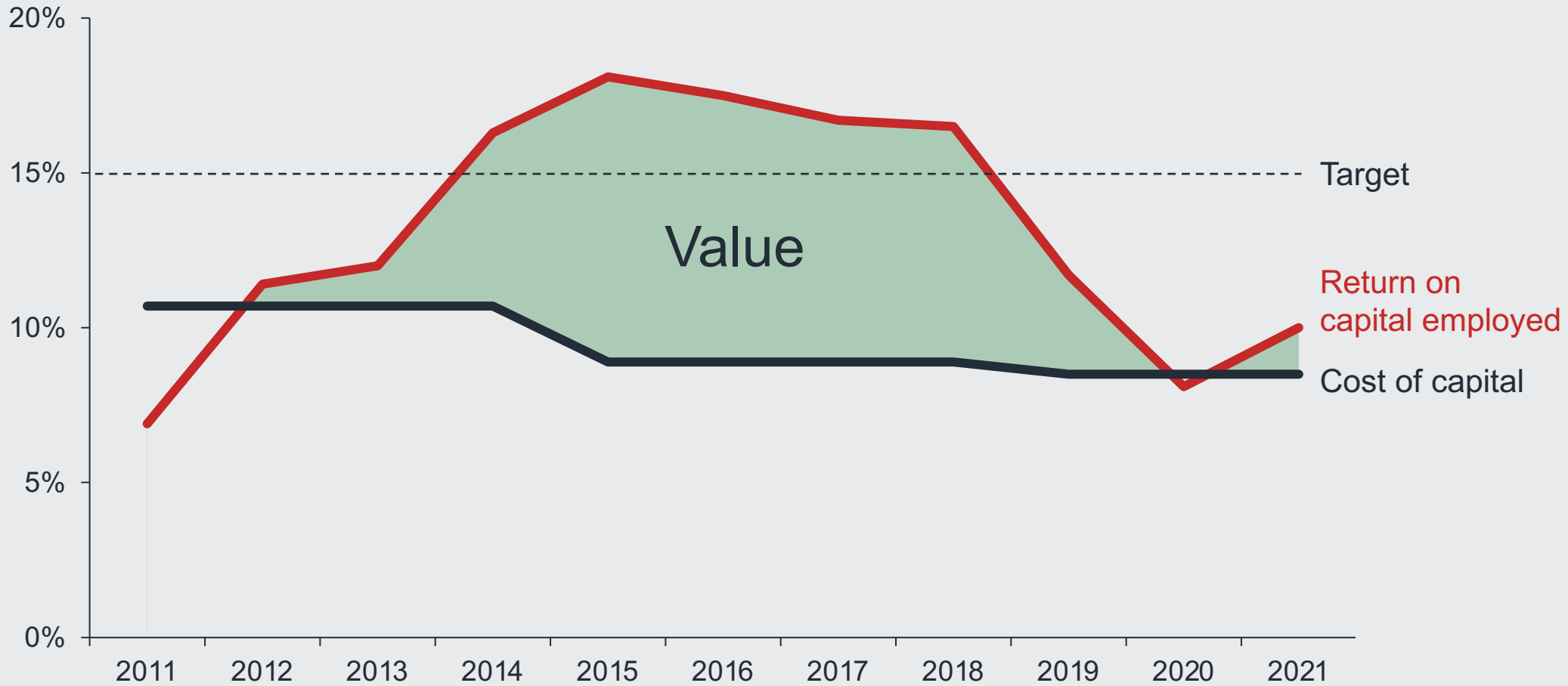
Growth Volatility



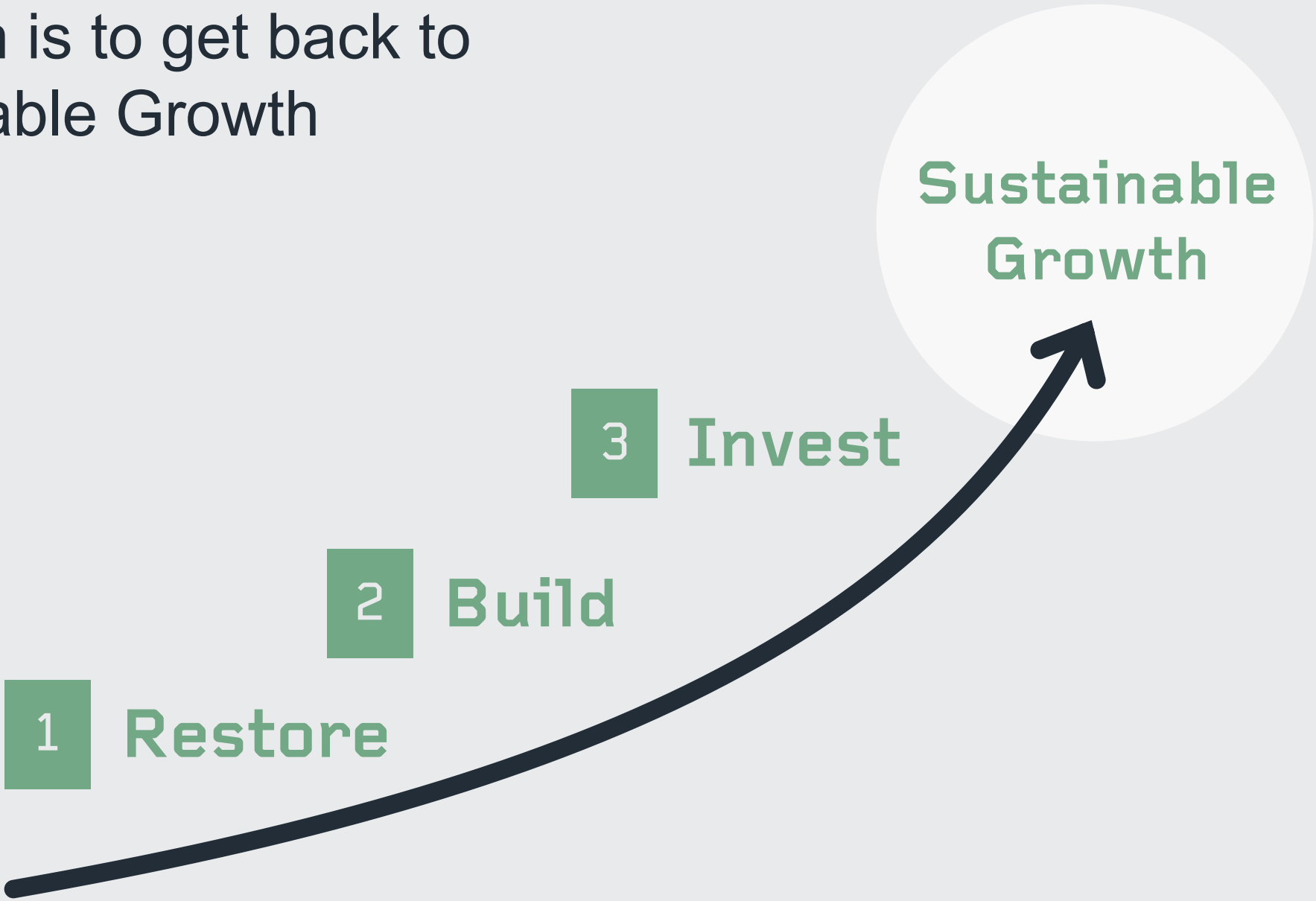
Growth Volatility

Navigate: Sustainable Growth

Strong historic value creation, but poor performance recently



Our plan is to get back to Sustainable Growth



1

Restore leading value creation

Finalize

capacity expansion

Utilize

to gain share

Optimize

for higher, more
stable returns

2

Build the world's best aluminium technology company ...differentiated by investment in People and Sustainability



Build the world's best aluminium technology company

Business model

IMPROVE



- “Always Safe” program: de-risk by 2023 and industry leadership by 2025
- Productivity improvement in new assets after ramp-up
- Acceleration of “Always Better” continuous improvement program
- Digitalization-enabled improvement of utilization, yield, and variable cost
- Debottlenecking

Innovate and GROW



- Mix and price improvement
- Mix optimization for higher flexibility → higher average utilization
- Diversify further, especially in China and Europe
- Strengthen long-term customer relations with leading customers
- Focus innovation on
 - New growth niches
 - Sustainability

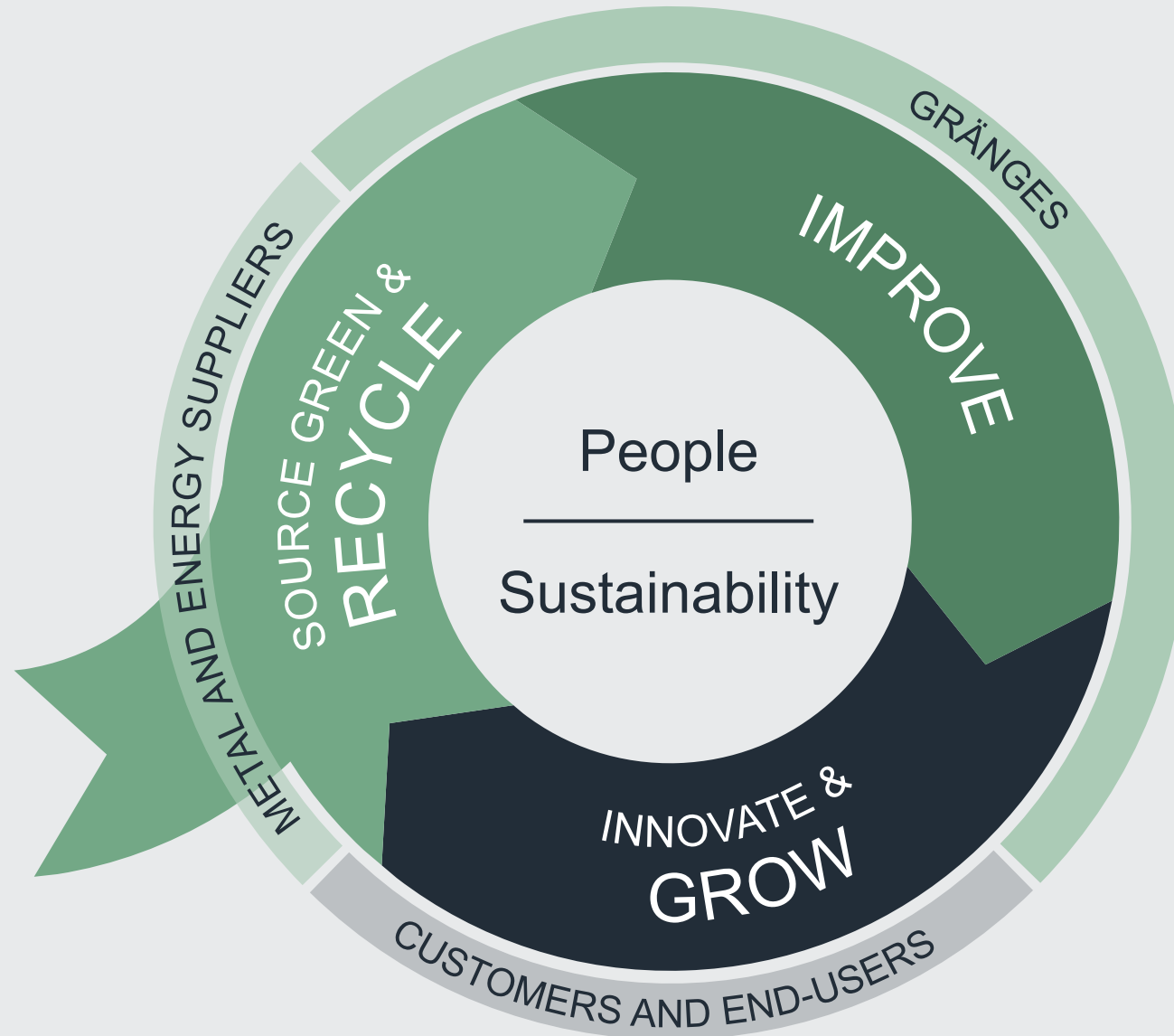
Source Green & RECYCLE



- Expansion of in-house remelting and recycling...
 - Konin (2022)
 - Huntingdon (2023 / 2024) ...enabling lower cost and higher productivity
- Build upstream partnerships for metal, energy
- Over time, build up pricing premium for **Gränges Endure** products

2

Circular business model based on value chain partnerships



Invest in Sustainable Growth

Four themes

Recycling



- Recycling/remelting capacity, technology and partnerships
- Expertise in metallurgy, sustainability and energy efficiency

Optimization



- High-return investments in debottlenecking, automation and digitalization

New markets



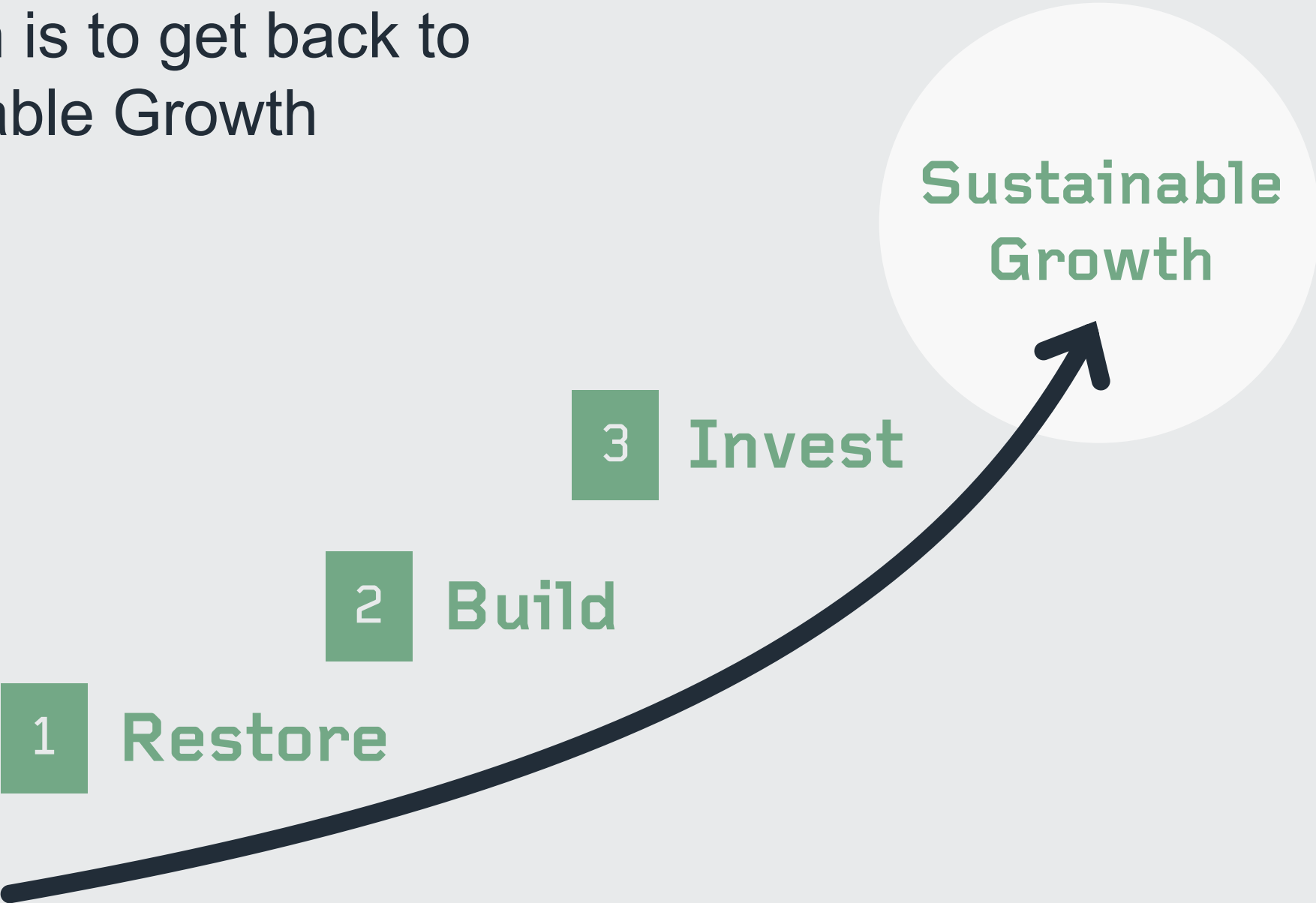
- Selected niches
- Sustainability focus
- Leverage technology skills and customer partnerships

M&A&P



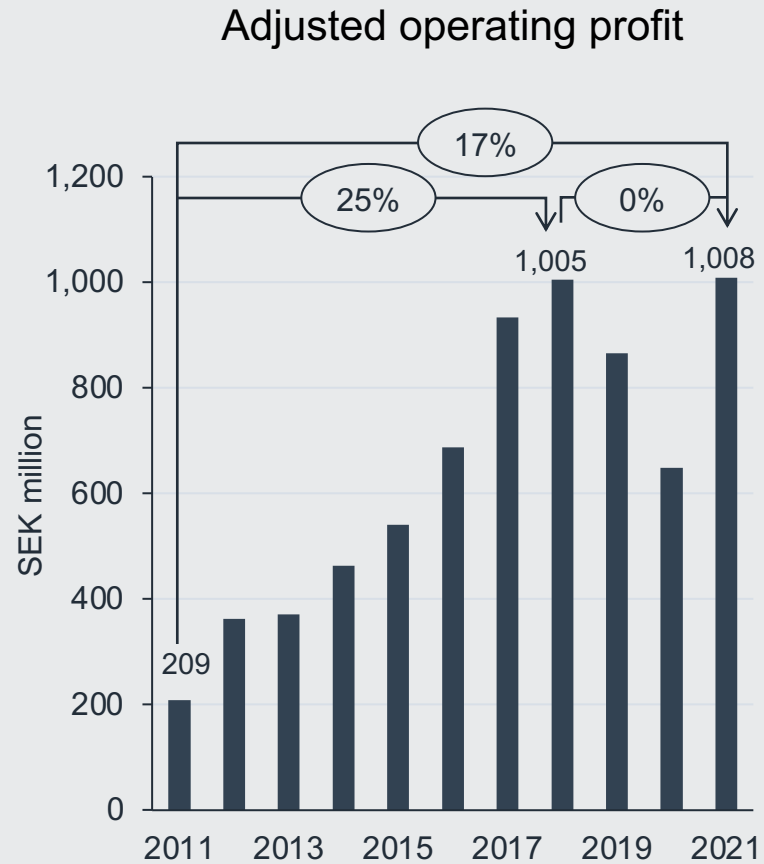
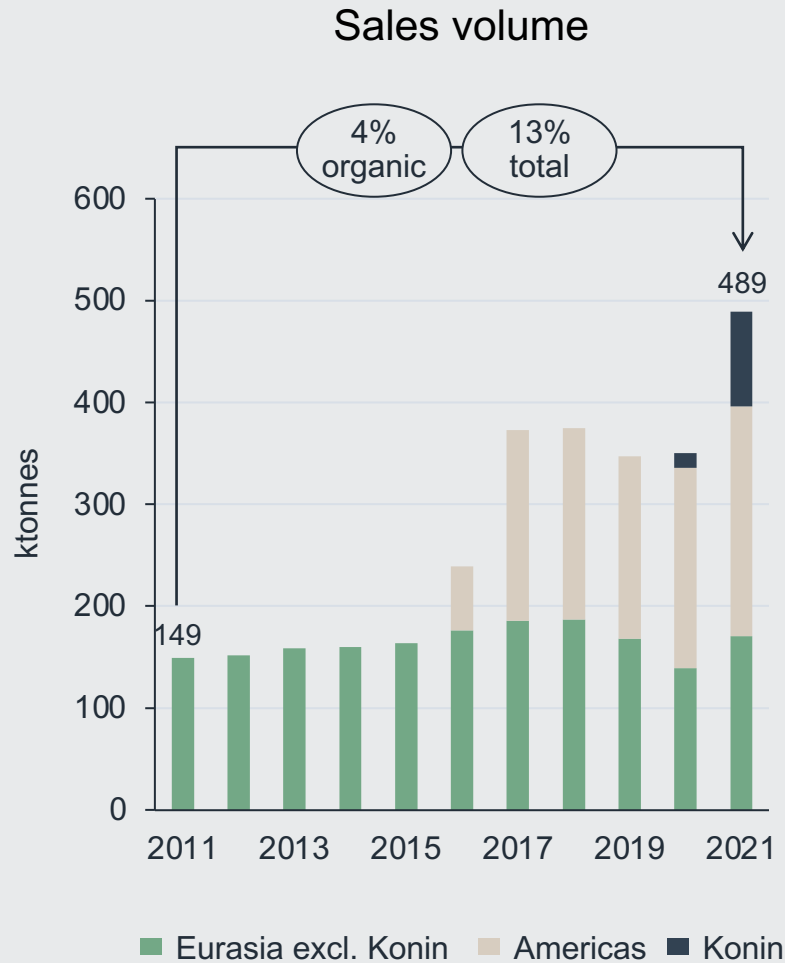
- Continue successful opportunistic M&A strategy
- Partnerships for green energy and aluminium

Our plan is to get back to Sustainable Growth



Restore leading
value creation

Gränges has a strong track record of profitable growth



17%

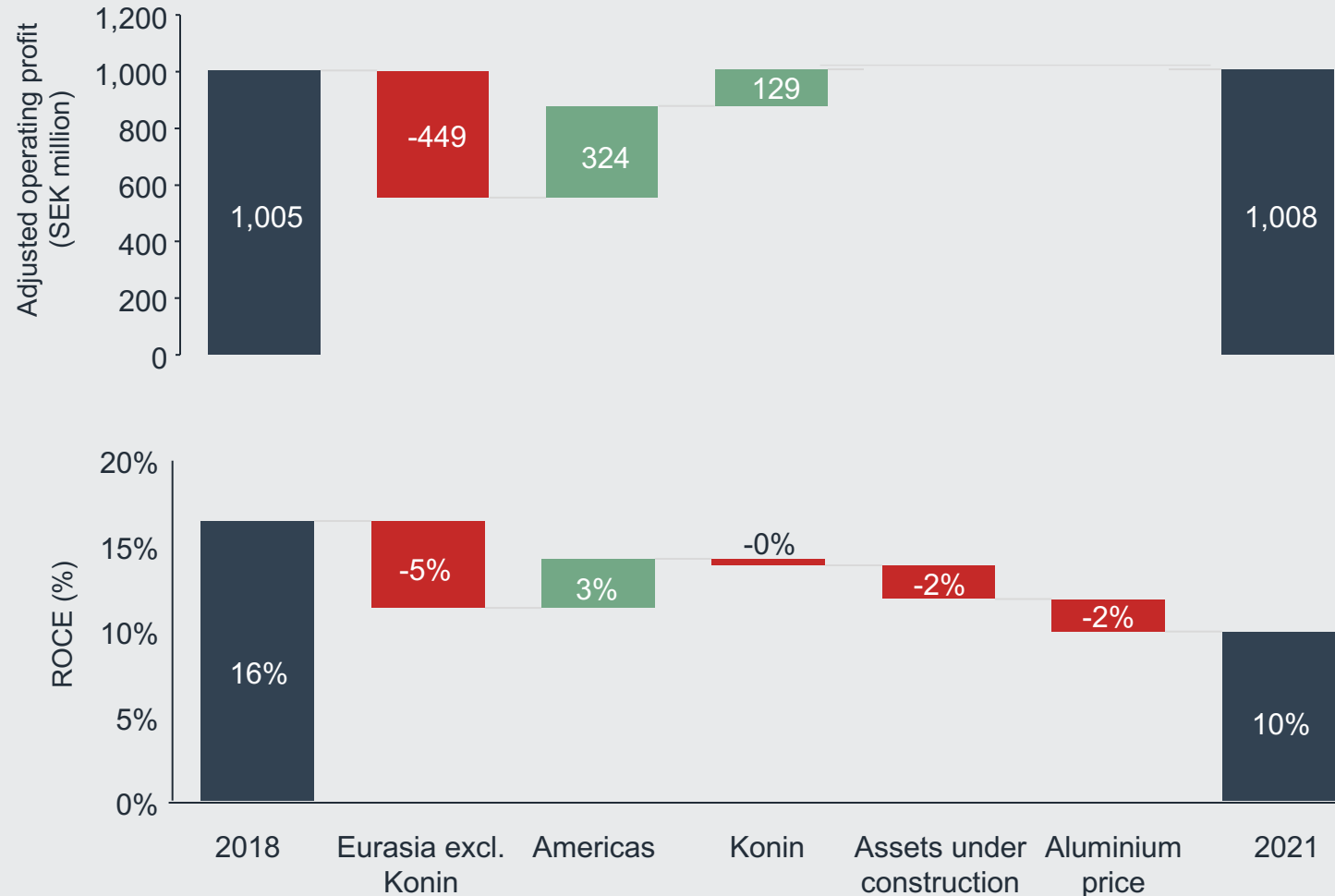
Adjusted operating profit CAGR

- Performance improvement
- Capacity expansion
- Successful acquisitions
- 2016: Americas
- 2020: Konin

○ CAGR

Since 2018 earnings remain stable while ROCE has declined

Adjusted operating profit and ROCE 2018 vs 2021

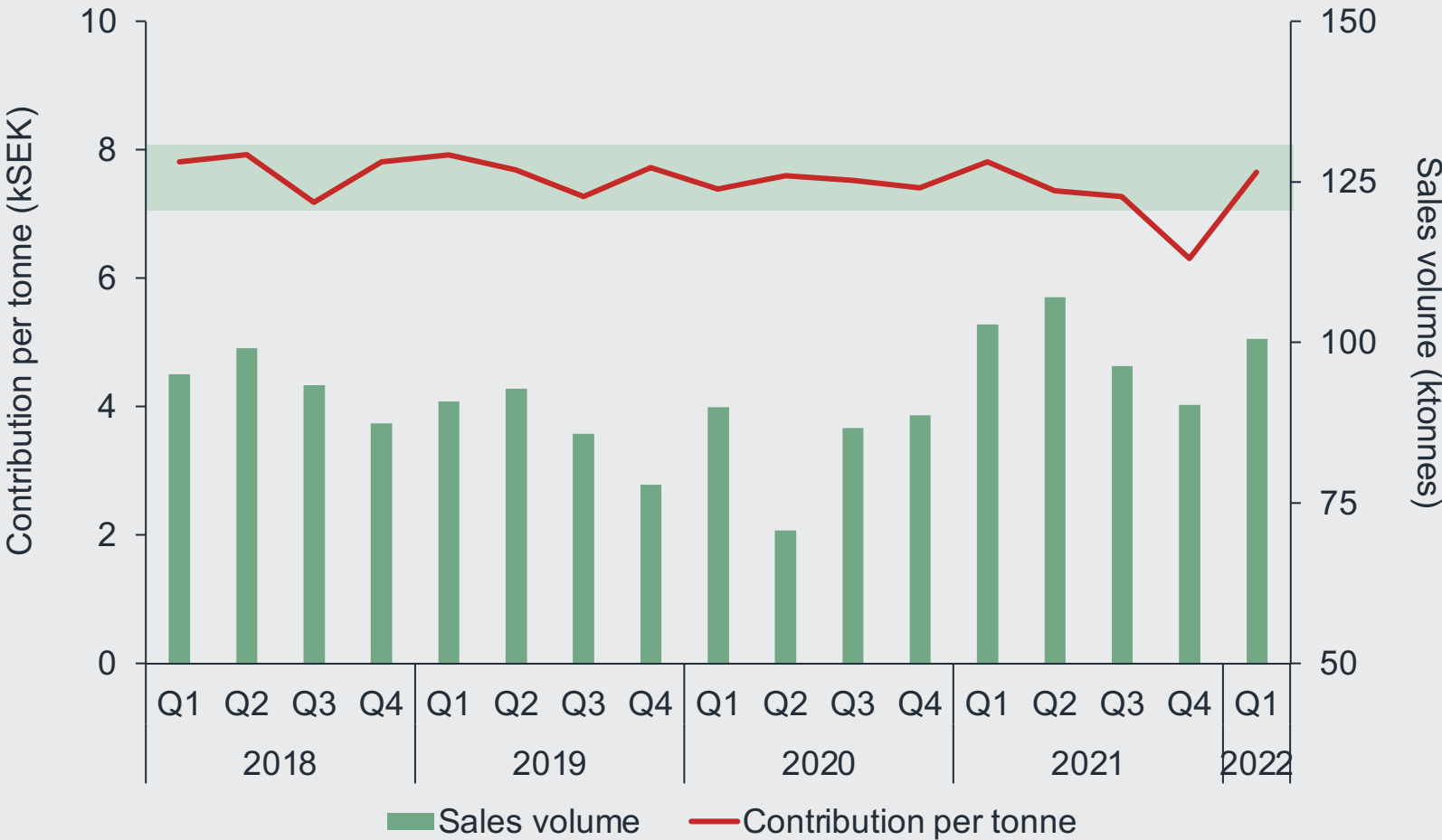


- Performance improvement for acquired businesses
- Low flexibility to compensate reduced automotive demand
- Maturing Asian market
- Cost-price lag in 2021

- Expansion investments not yet generating returns
- Increased aluminium price impacting working capital

Stable contribution margin over time

Contribution per tonne¹ and Sales volume

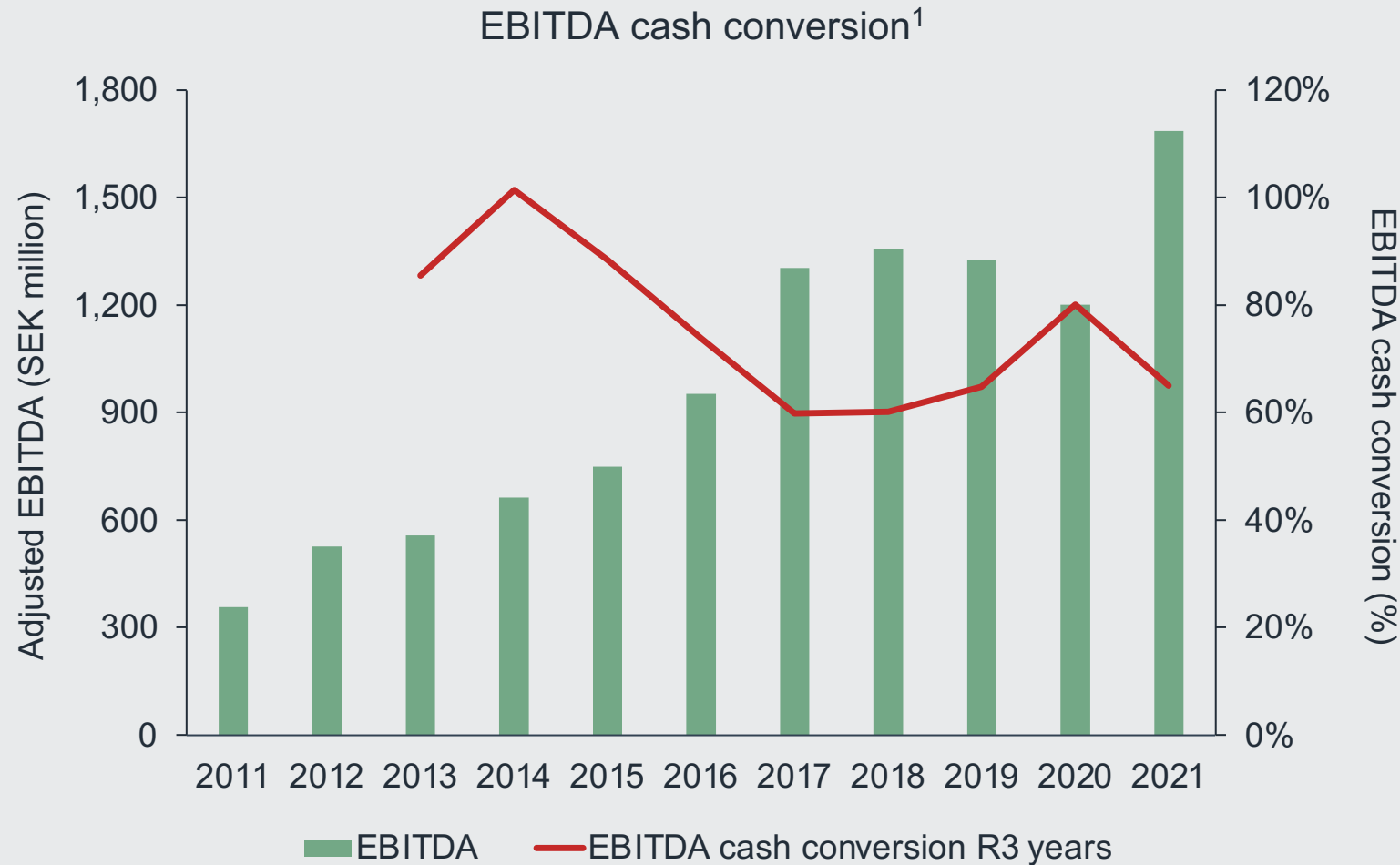


± 5%

Variation in contribution per tonne over time

1. Contribution per tonne defined as net sales less cost of materials and the variable part of payroll and other operating expenses divided by sales volume

Strong and stable cash generation in existing operations



75%

Average EBITDA cash conversion

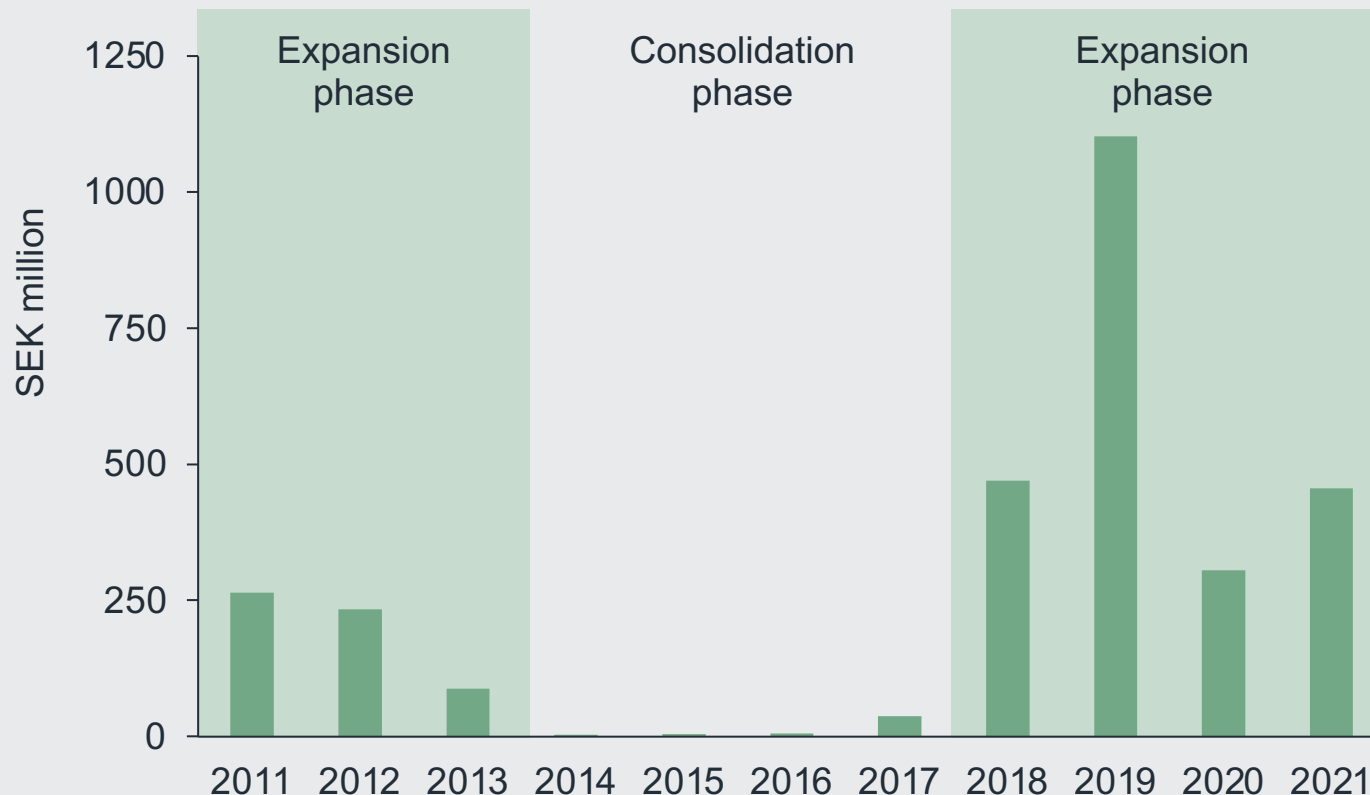


Capacity for

- Acquisitions
- Expansion investment
- Debt repayment
- Dividend

Since 2018 cash flows have been reinvested in expansion...

Expansion capital expenditure 2011-2021



Expansion phase 2018-2021

- Total capital expenditure SEK 2.3 billion
- Time plan extended due to COVID-19
- Assets of SEK 1.5 SEK billion remain under construction

Main expansion investments

- ✓ Huntingdon capacity expansion
- ✓ Newport re-start
- Huntingdon casting and recycling centre
- Konin capacity expansion
- Finspång logistics improvement

...as well as in acquisitions

Gränges Americas (2016)

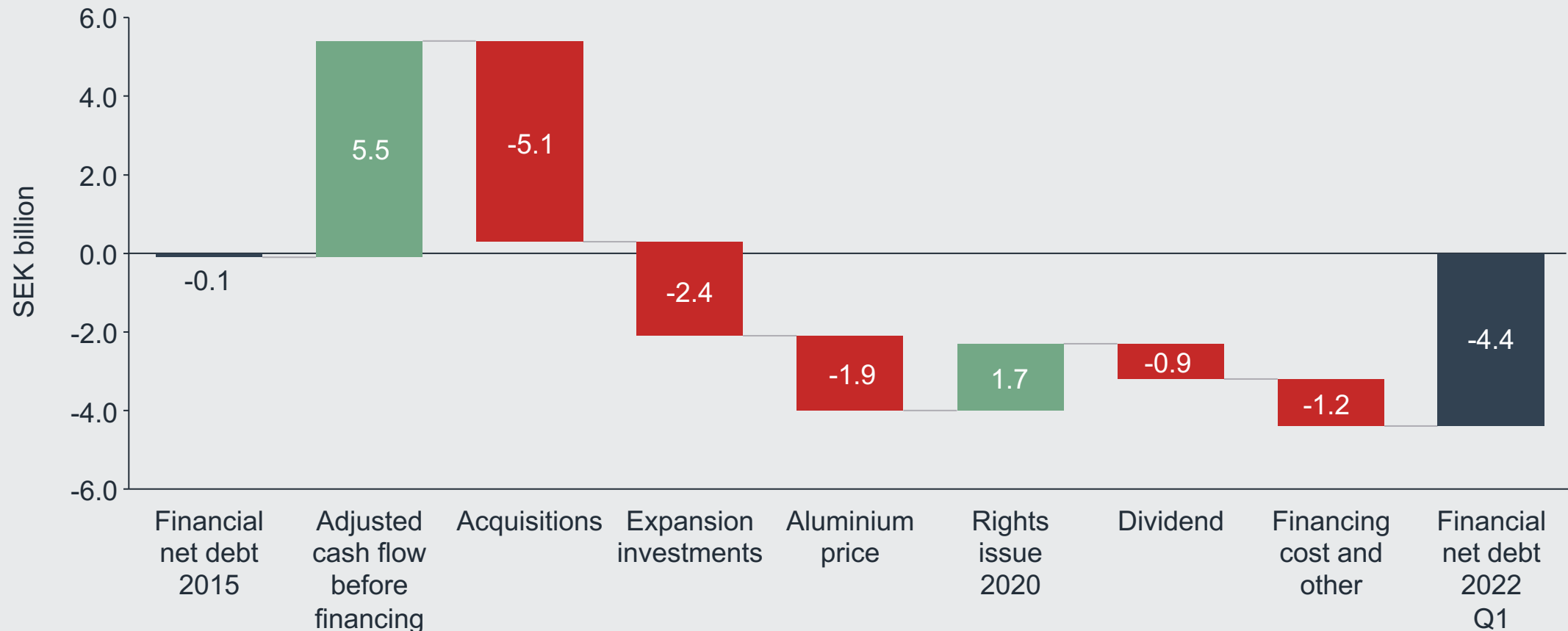


Gränges Konin (2020)

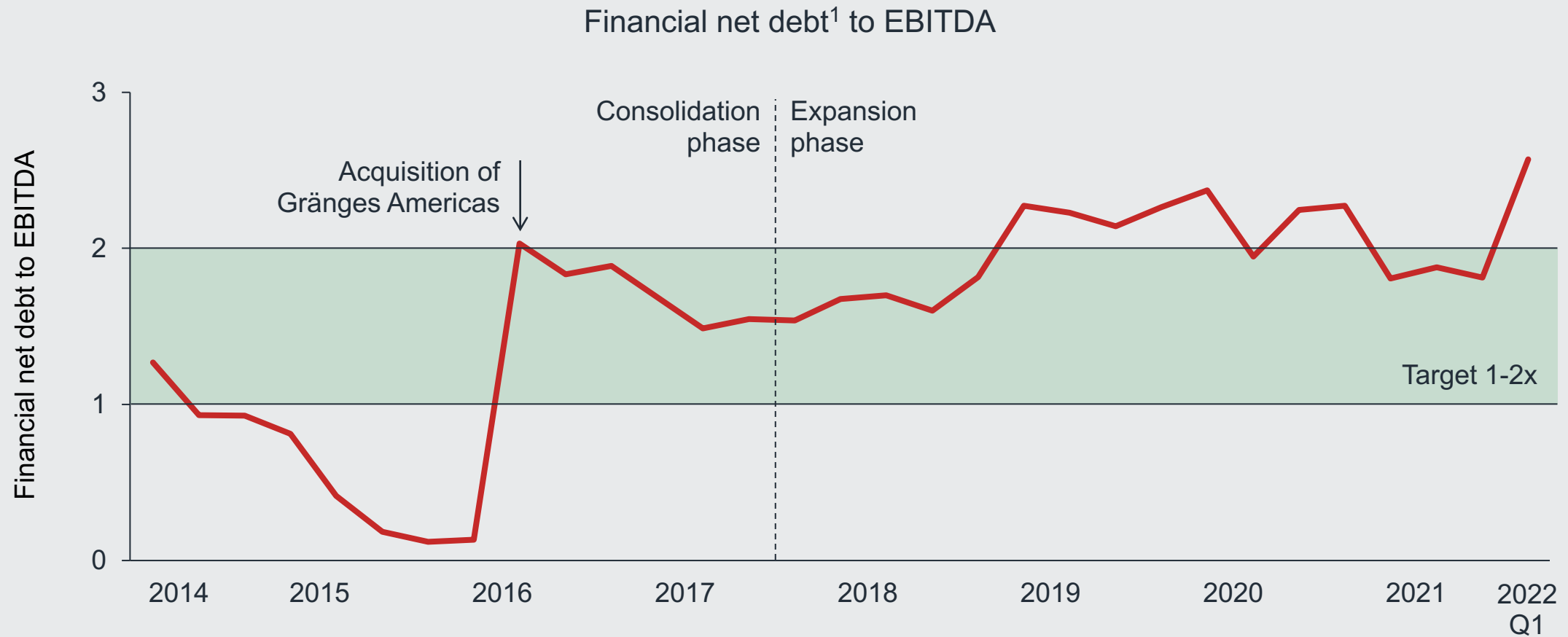


Expansion investments, acquisitions and aluminium price have impacted net debt...

Financial net debt¹ 2015 vs 2022 Q1

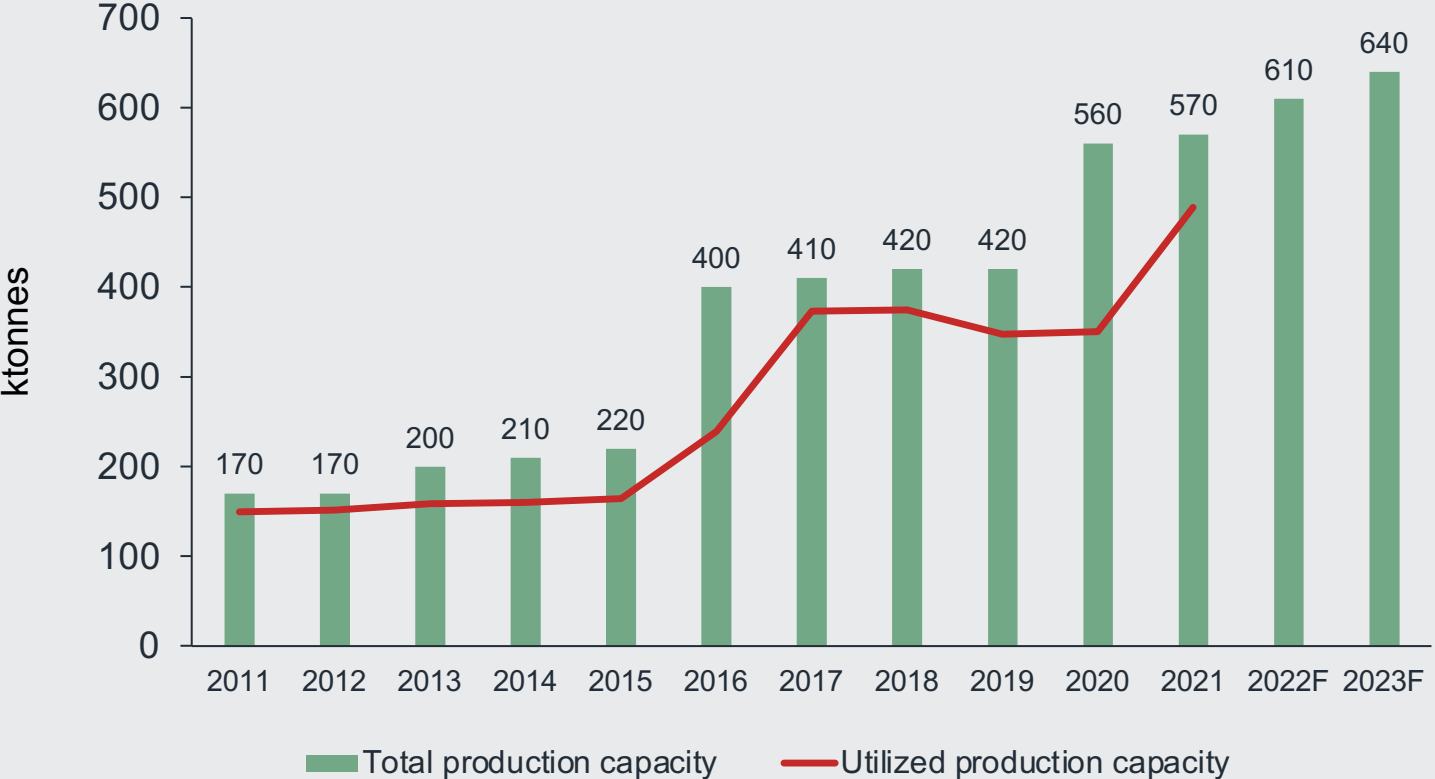


...which has increased leverage above the target range



Expansion investments have created a platform for growth

End of year production capacity and utilization



Capacity for

25%

volume increase in place by year end 2023

Potential to release further capacity by optimizing productivity improvements and debottlenecking

We intend to **Restore** leading value creation...

Finalize

capacity expansion

640 ktonnes capacity

- Newport
- Finspång
- Konin
- Huntingdon casting centres

Utilize

to gain share in
Europe and Americas

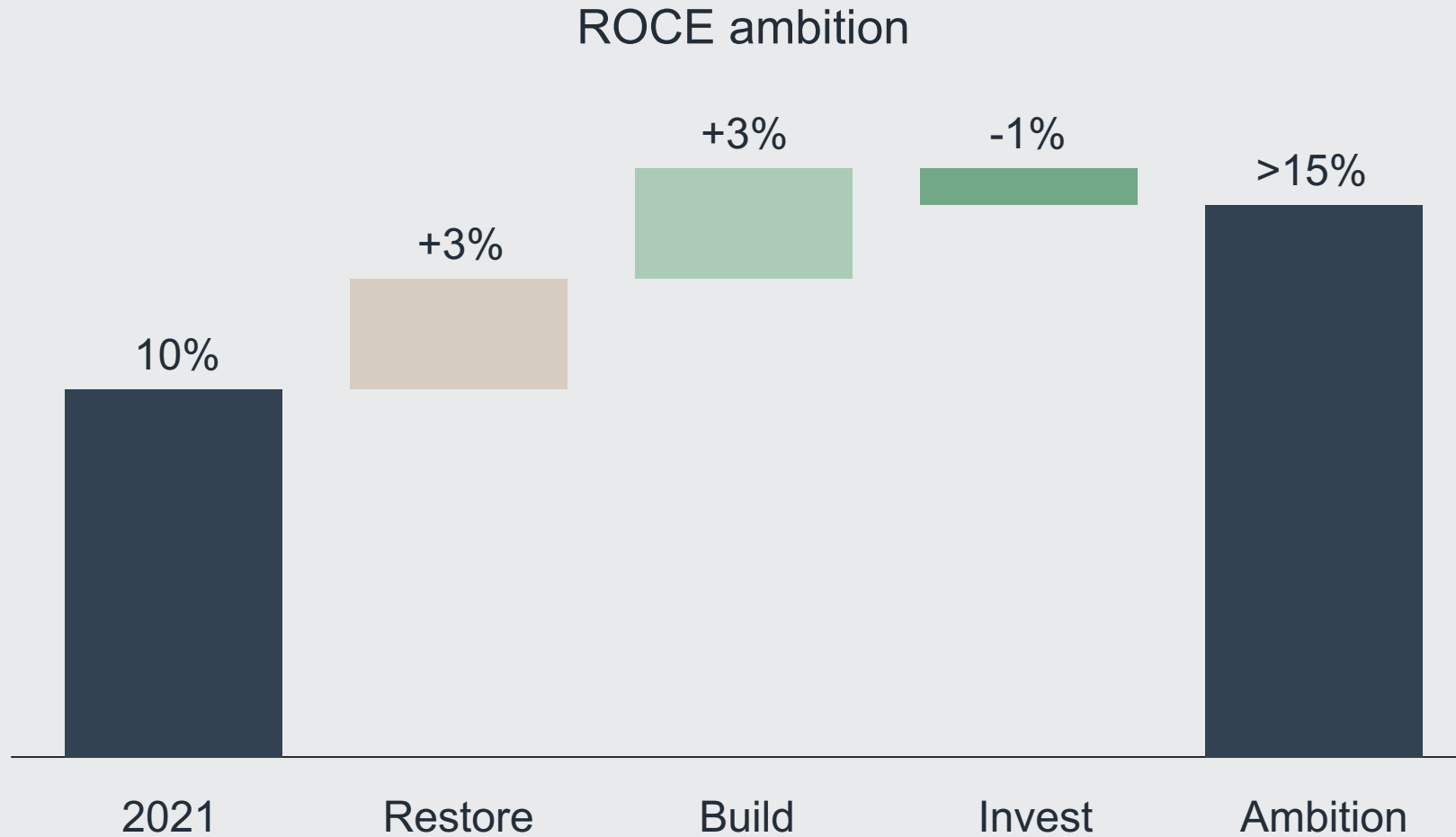
- Favorable markets in Europe and Americas
- Konin acquisition and new capacity to enable share gains
 - Packaging
 - Battery
 - Other niches

Optimize

for higher, more
stable returns

- Compensate for cost inflation and increased working capital through price increases
- Optimize volumes across plants for better flexibility and utilization

...aiming for a ROCE above 15%



Our new focus is reflected in updated financial targets

Current targets			New long-term targets		Priorities
Growth	Sales volume growth at least in line with end market		Profitability	ROCE above 15%	Restore as soon as possible
Return	ROCE 15-20% over time		Profit growth	Average operating profit growth above 10%	Exceed near-term then maintain
Capital structure	Net debt normally between 1-2x EBITDA		Capital structure	Financial net debt ¹ normally between 1-2x EBITDA	Gradually normalize
Dividend	30-50% of net profit		Dividend	30-50% of profit for the year	Maintain

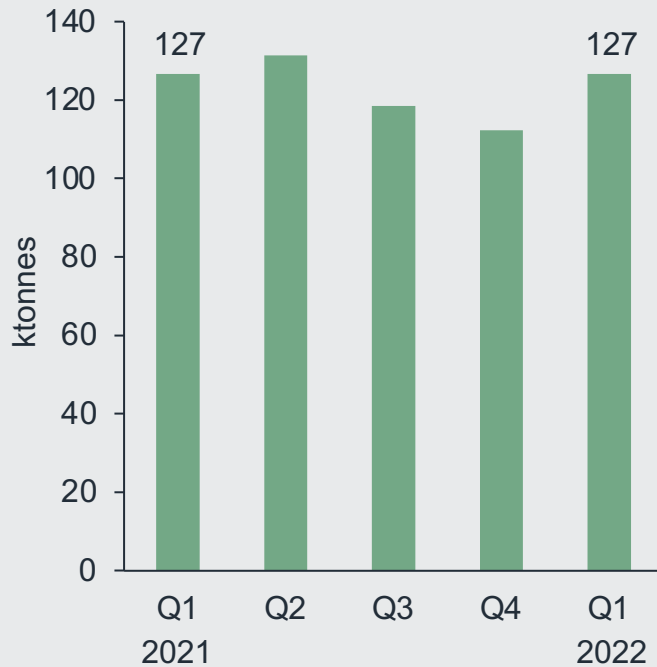
First quarter 2022 shows signs of improvement

Sales volume was stable in Q1 compared with last year...

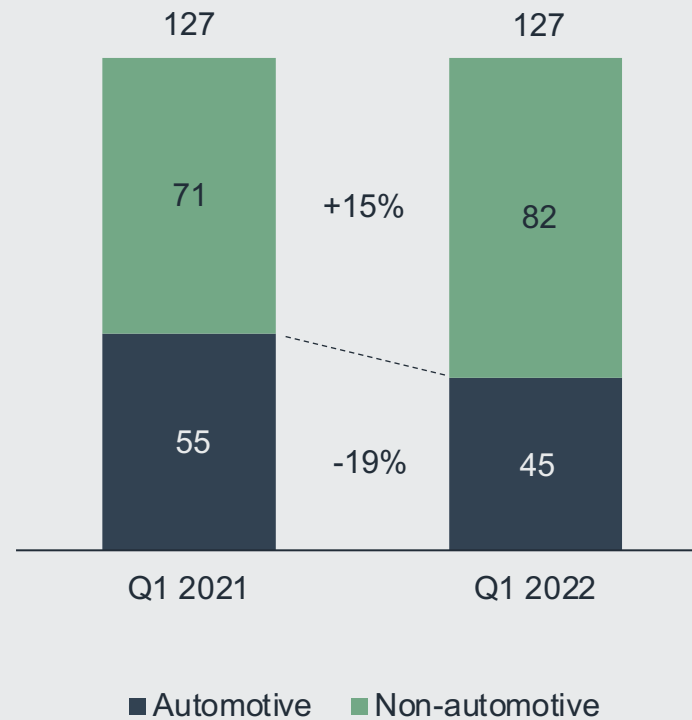
... as weak automotive sales was successfully compensated for...

...and cost increases were offset by price increases

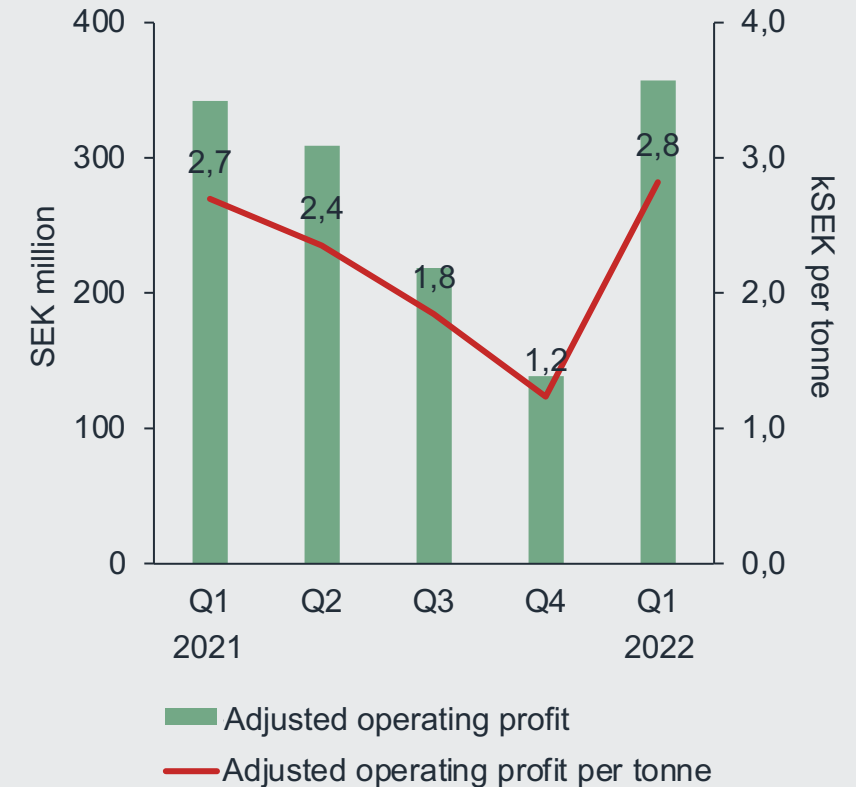
Sales volume (ktonnes)



Sales volume (ktonnes)



Adjusted operating profit



Continued good momentum in second quarter

- Sales volume expected to be above 90% of the sales volume in second quarter 2021
 - Successful mitigation of COVID-19 lockdown in China
- Margins expected to continue to improve compared with first quarter 2022
 - Price adjustments increasingly compensating for cost increases
- No further comments on current trading will be made before publication of half-year report on July 15



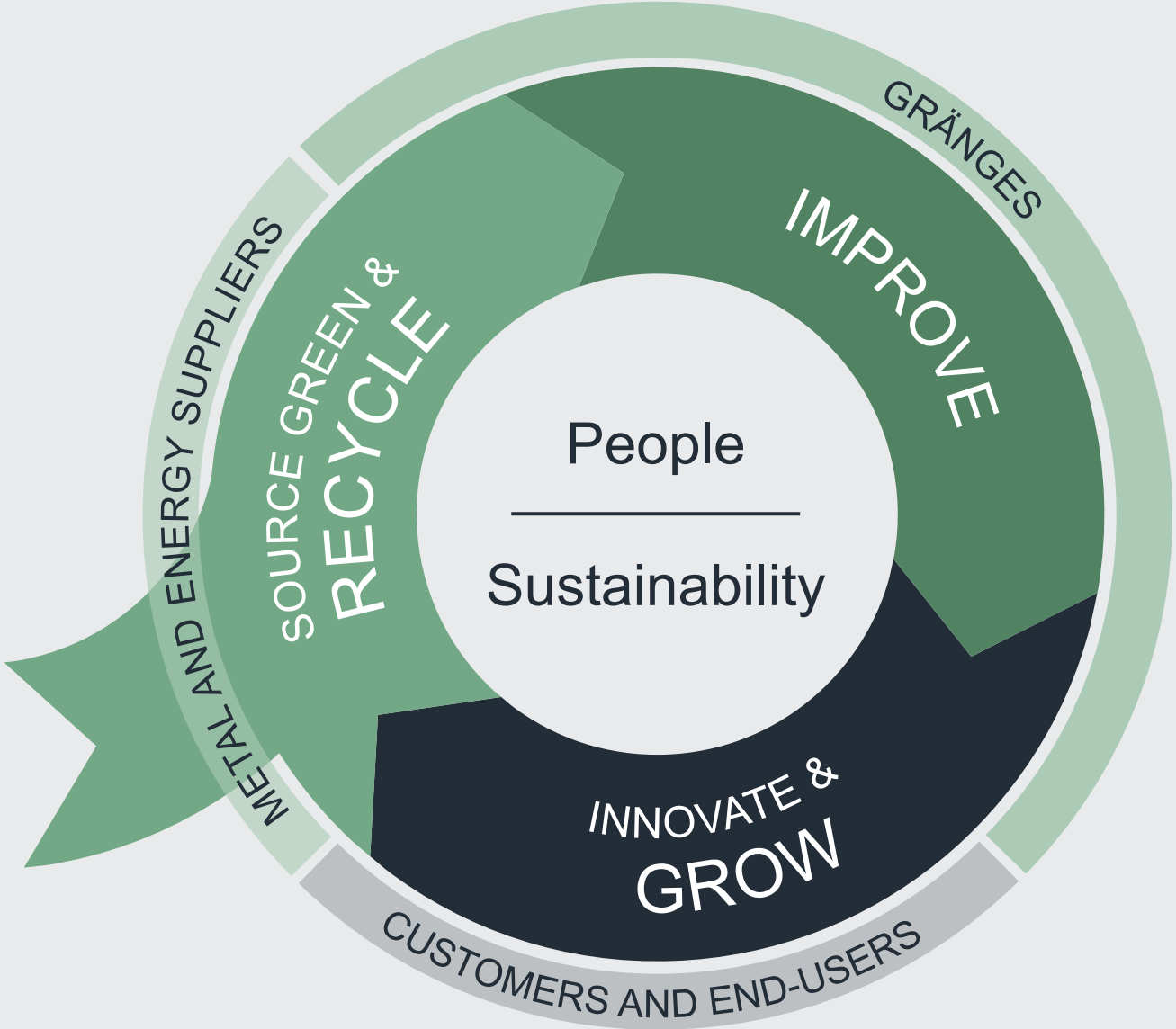
Summary

- Track record of strong financial performance
 - Strong historical profit growth
 - Stable contribution margins
 - Strong and stable cash generation
- Successful acquisitions important contributors to financial performance
- Well invested for future growth with large investments coming on-line in 2023
- Updated financial targets to reflect focus on restoring and maintaining strong value creation
 - Commitment to reach 15% ROCE



Invest in
sustainability

Contributing to a circular and sustainable economy



We offer sustainable aluminium solutions

Low climate impact



Circular and resource-efficient

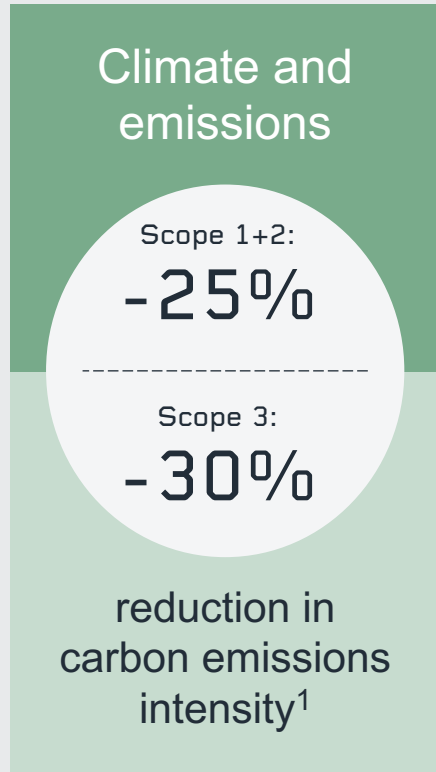


Responsibly sourced and produced

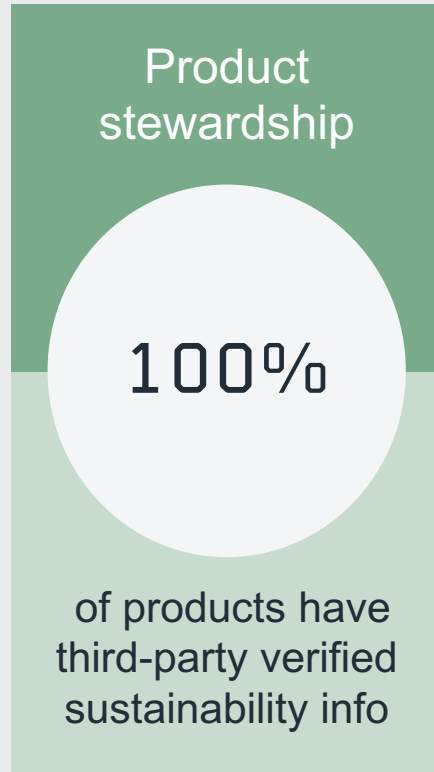


We have set ambitious sustainability targets for 2025

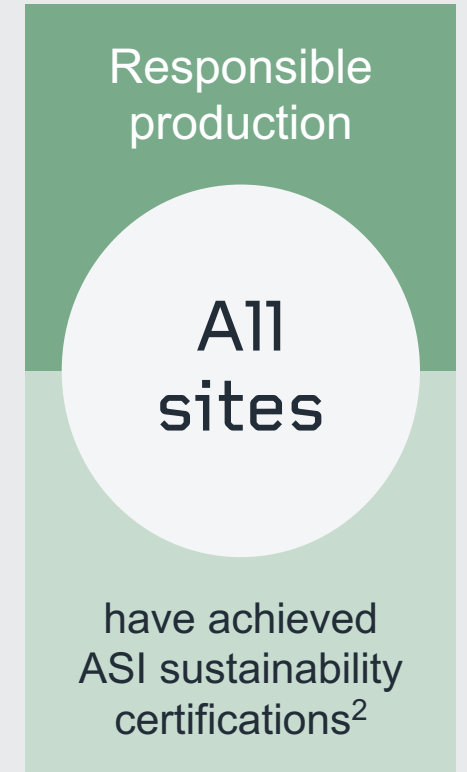
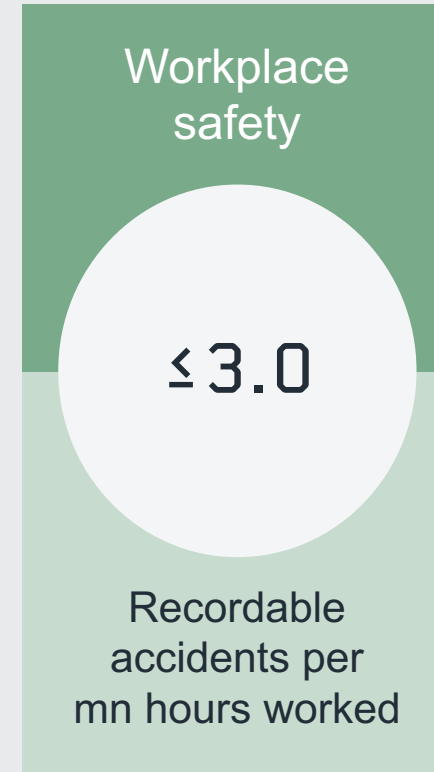
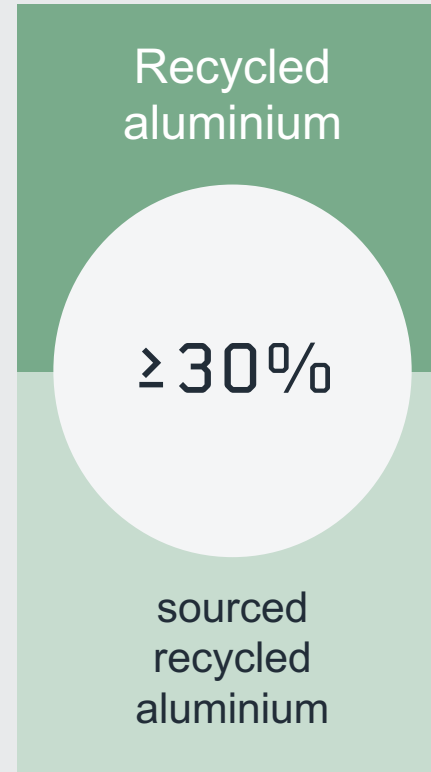
Low climate impact



Circular



Responsibly sourced & produced

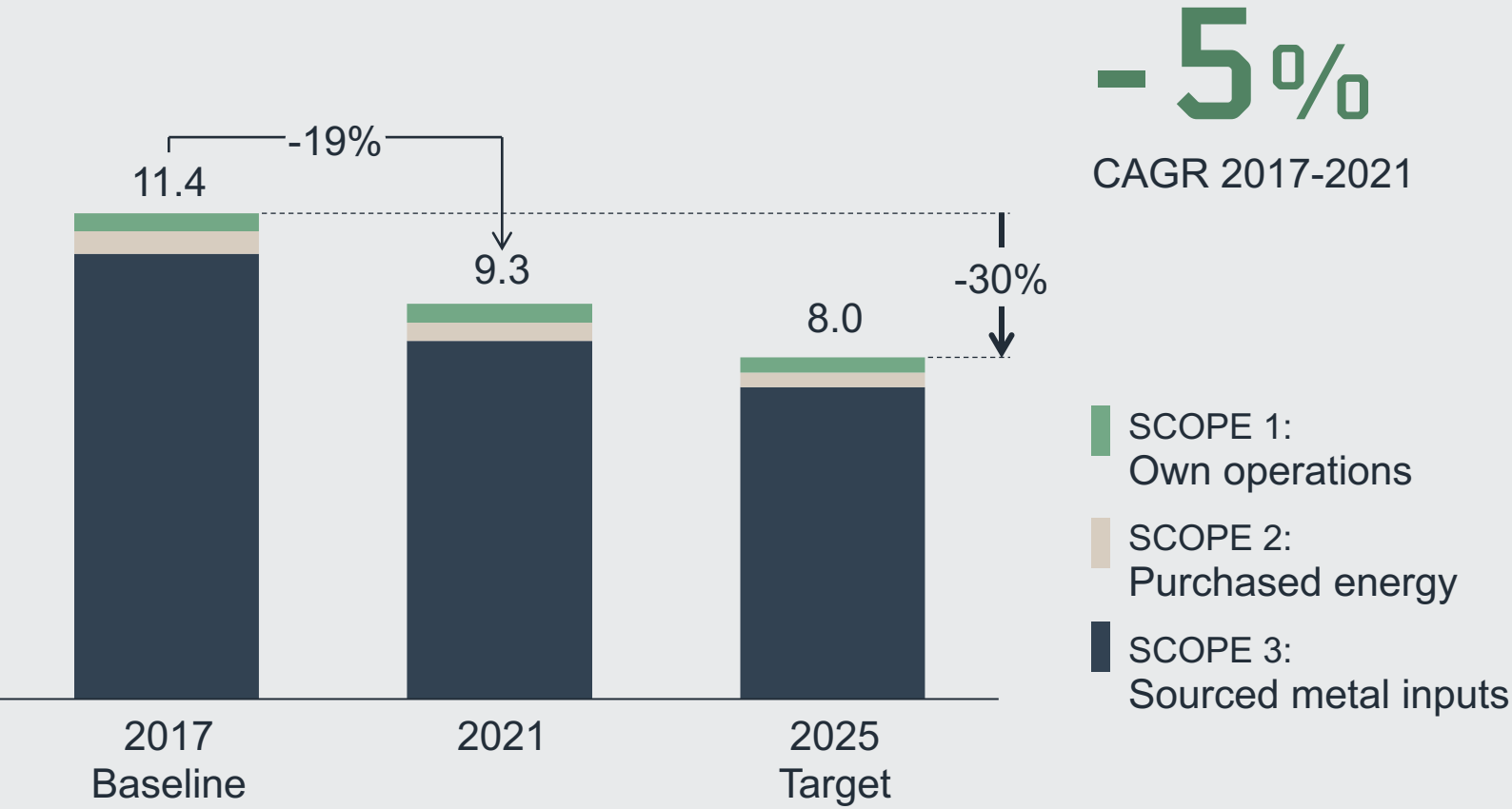


1. Gränges follows the Greenhouse Gas Protocol Standards to calculate its climate impact (cradle-to-gate). Scope 1+2 covers direct emissions from own operations and indirect emissions from purchased energy. Scope 3 covers indirect emissions from sourced metal inputs. Baseline 2017.

2. Certifications in accordance with the Aluminium Stewardship Initiative's (ASI) Performance Standard and Chain of Custody Standard.

Significant progress on decarbonization

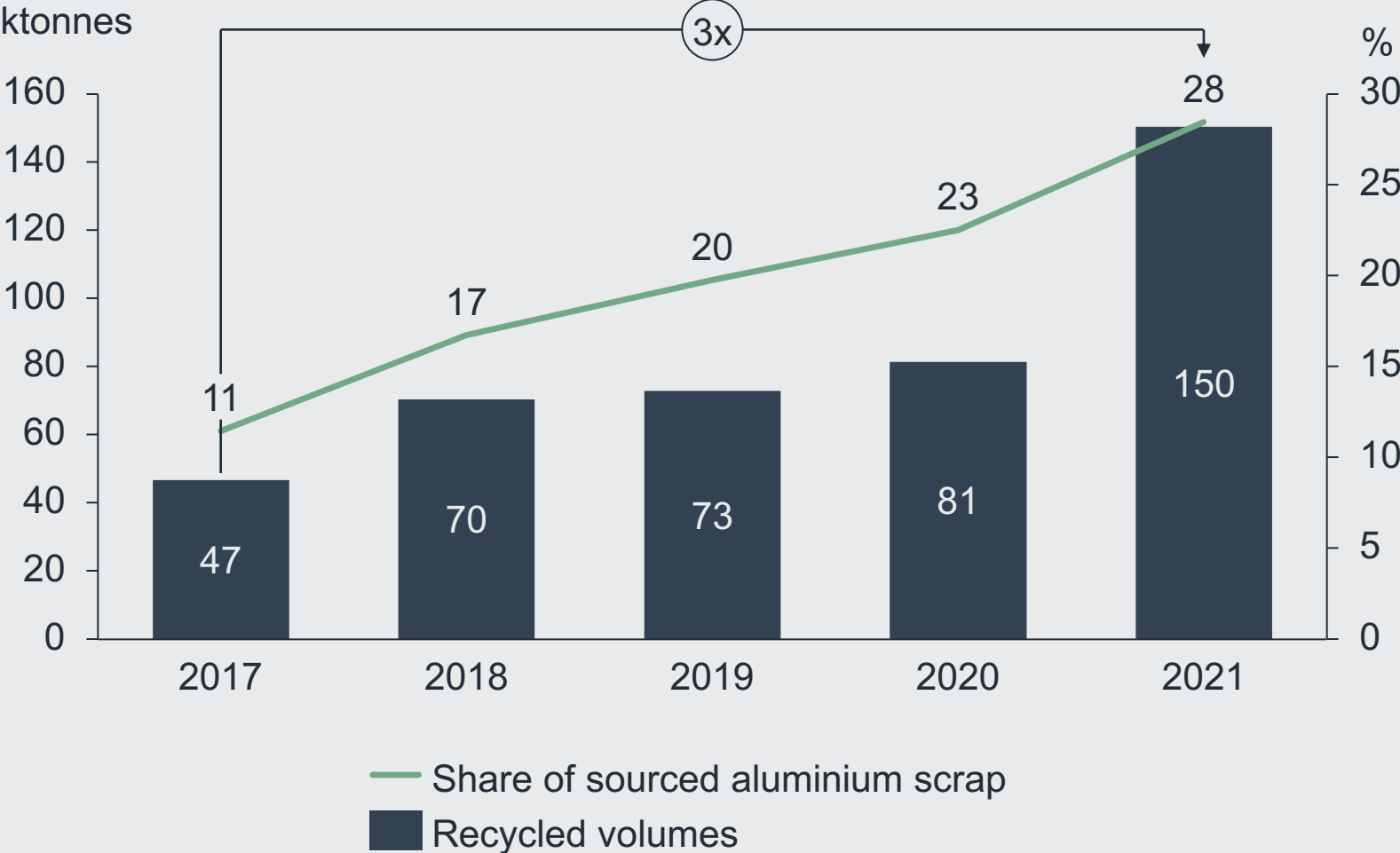
Total carbon emissions intensity, tonnes CO₂e/tonne





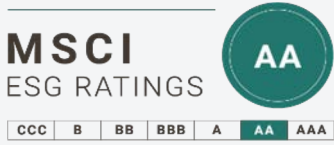

Note: Gränges follows the Greenhouse Gas Protocol Standards to calculate its climate impact. Baseline 2017 recalculated to include Gränges Konin.



Focus on circularity has led to tripling of recycled volumes



Our sustainability efforts have been recognized externally

EcoVadis	Sustainalytics	MSCI	CDP
Platinum	–	AA	B
Top 1%	Top 1%	Top 8%	–
<p>BENCHMARK: Manufacture of basic precious and other non-ferrous metals</p> 	<p>BENCHMARK: Aluminium industry</p> 	<p>BENCHMARK: Metals and Mining – Non-Precious Metals</p> 	<p>BENCHMARK: Not available</p> 

Note: The use by Gränges of any MSCI ESG research llc or its affiliates (“MSCI”) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Gränges by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided ‘as-is’ and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Upgraded sustainability strategy accelerates sustainable growth



Sustainable supply & recycling



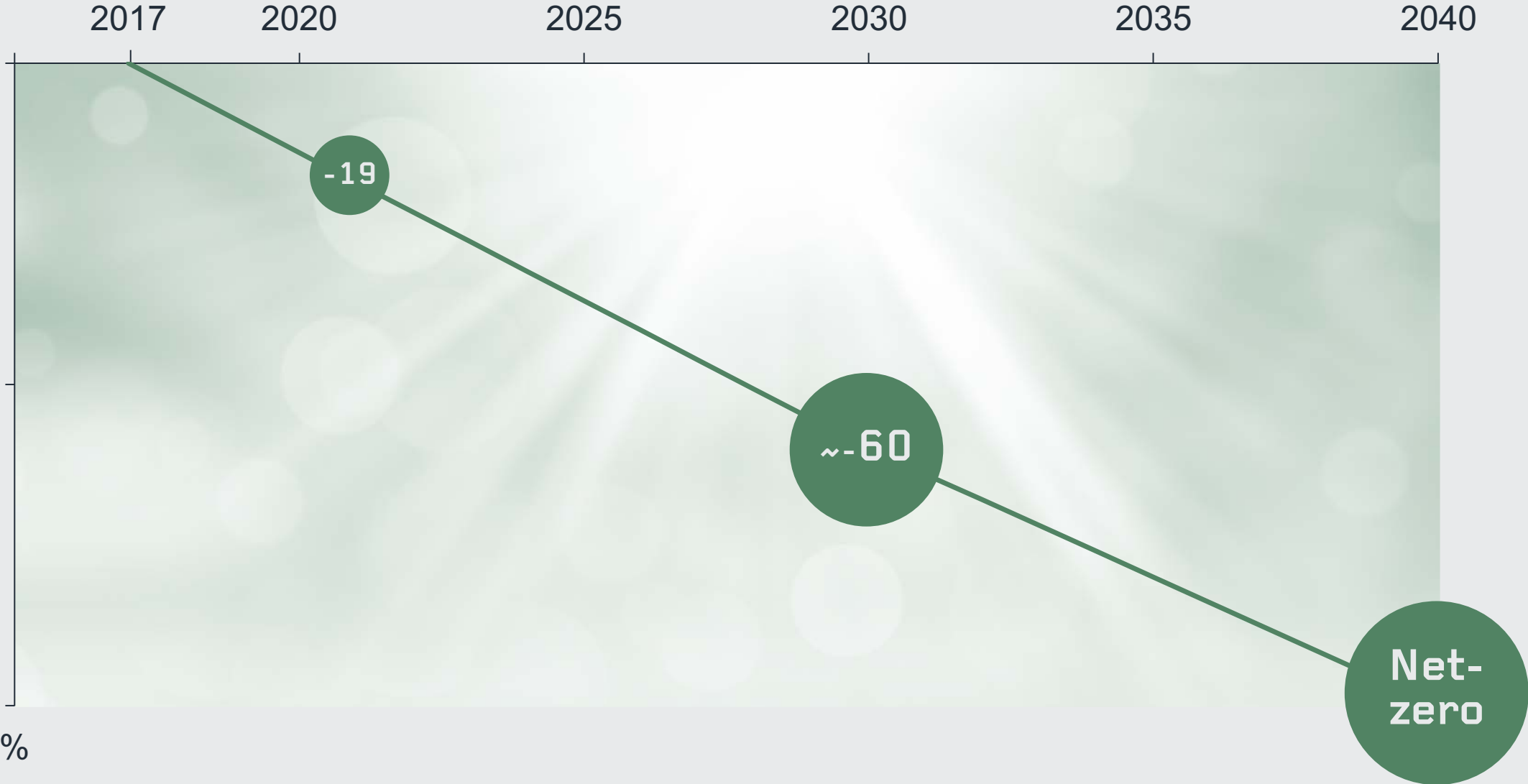
Sustainable operations



Sustainable customers & sectors

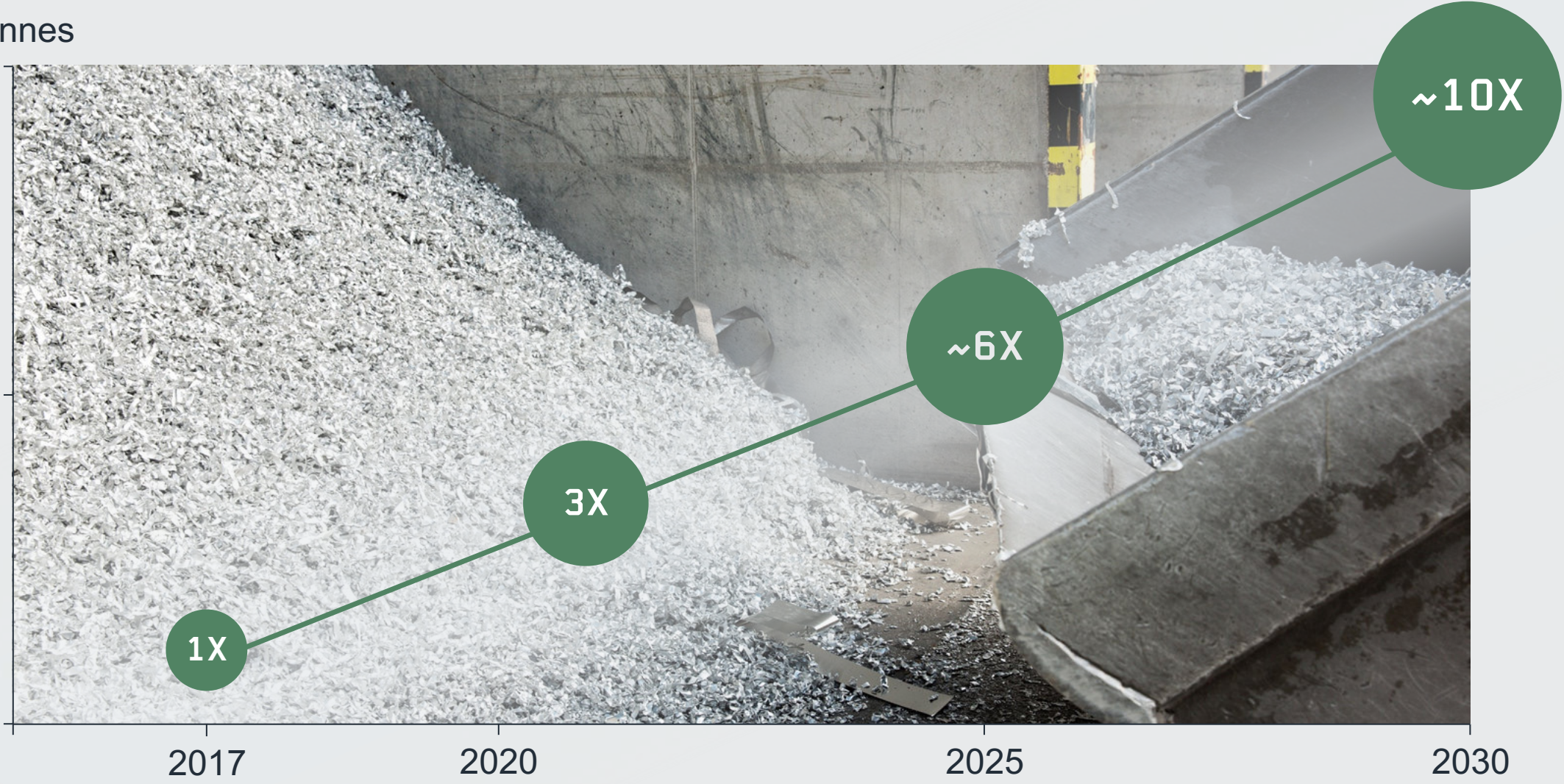


Committing to climate neutrality by 2040



Raised ambitions also for recycling and circularity

ktonnes



Gränges Endure – our new product brand for sustainable and circular solutions



▶ Helping our customers decarbonize

▶ Meeting demands of climate-conscious end-users

▶ Offering the highest quality with the lowest sustainability impact

- ✓ Carbon footprint at maximum 4.0 tCO₂e/t, cradle-to-gate
- ✓ Third-party verified carbon footprint
- ✓ Third-party verified responsibly sourced and produced

Summary

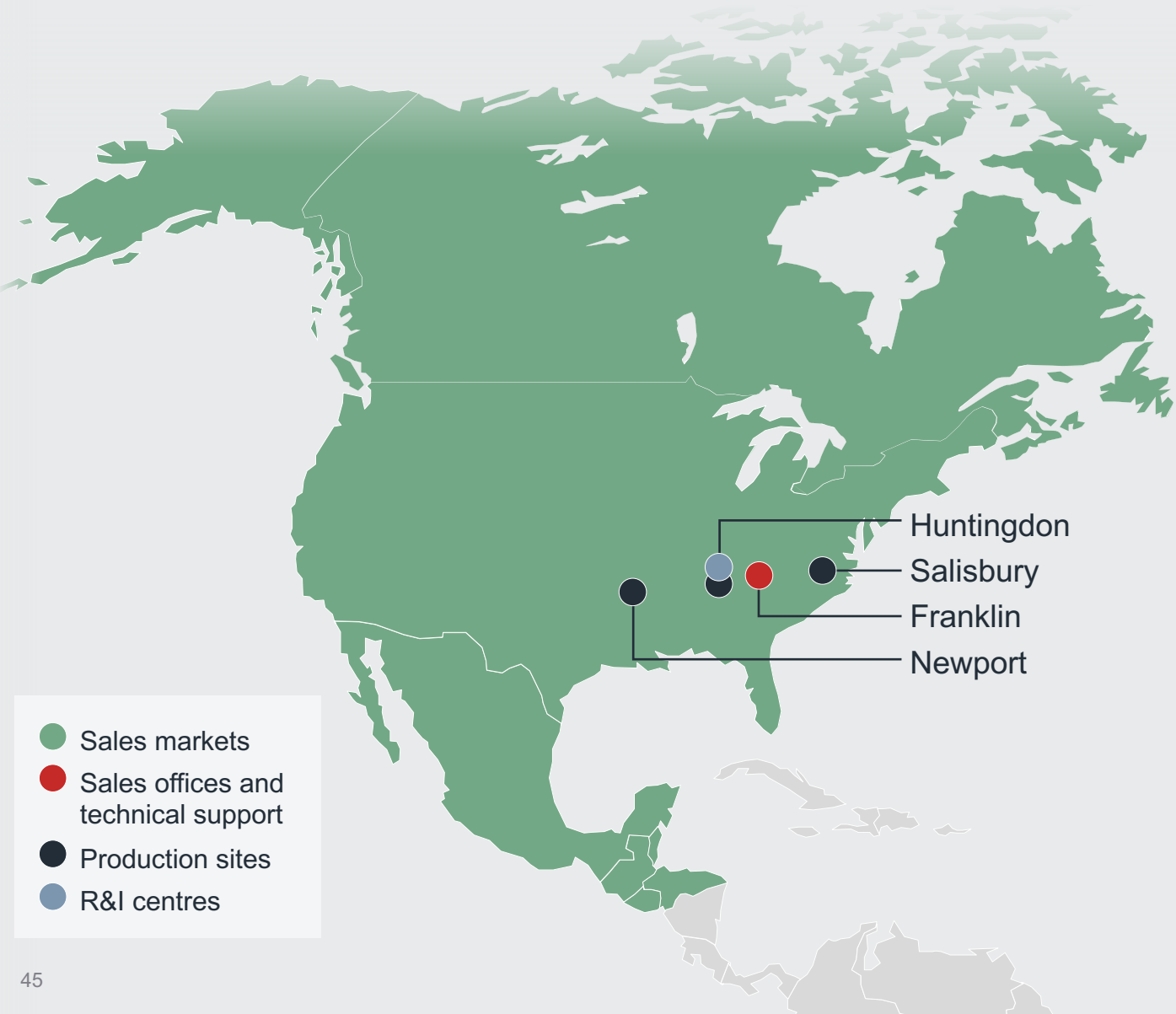
- Industry-leading sustainability performance
 - Good progress against ambitious targets
 - External recognition
- Well positioned to make a difference through industry-leading sustainable solutions
 - Low climate impact
 - Circular and resource-efficient
 - Responsibly sourced and produced
- Commitment to climate neutrality by 2040 and raised recycling ambition



Q&A

Gränges Americas

Gränges Americas



Total sales volume
252 ktonnes

Regionally produced sales volume
225 ktonnes

Production capacity
260 ktonnes

Employees
800

Gränges Americas

Performance



Market



Background

- Acquired in 2016
- **Restored** value creation (>15% ROCE)
 - Volume increase
 - Price
- **Built** strong position
 - New capacity
 - Strong team and winning culture
 - Improved sustainability

Position

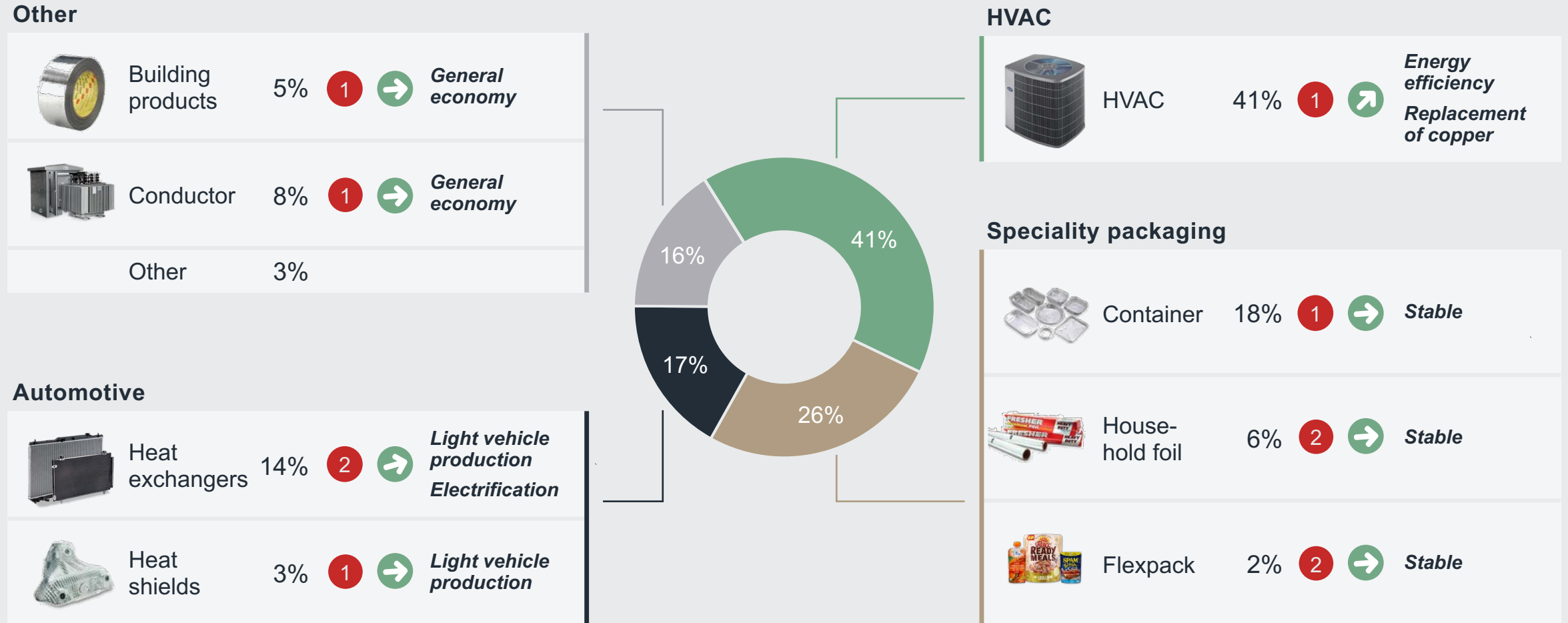
- Market leader in foil segment
- Leader in 6 out of 8 foil segment niches
- Positioned in niches with shortage of domestic supply
- Strong customer relationships

Plan

- Continue **building** the world's best rolled products company
 - Volume **Growth** combined with mix optimization
 - **Improve** capacity, utilization, and remove bottlenecks
 - Significant investment and partnerships in **Recycling**
- Continue to **Invest**: recycling and battery foil next steps

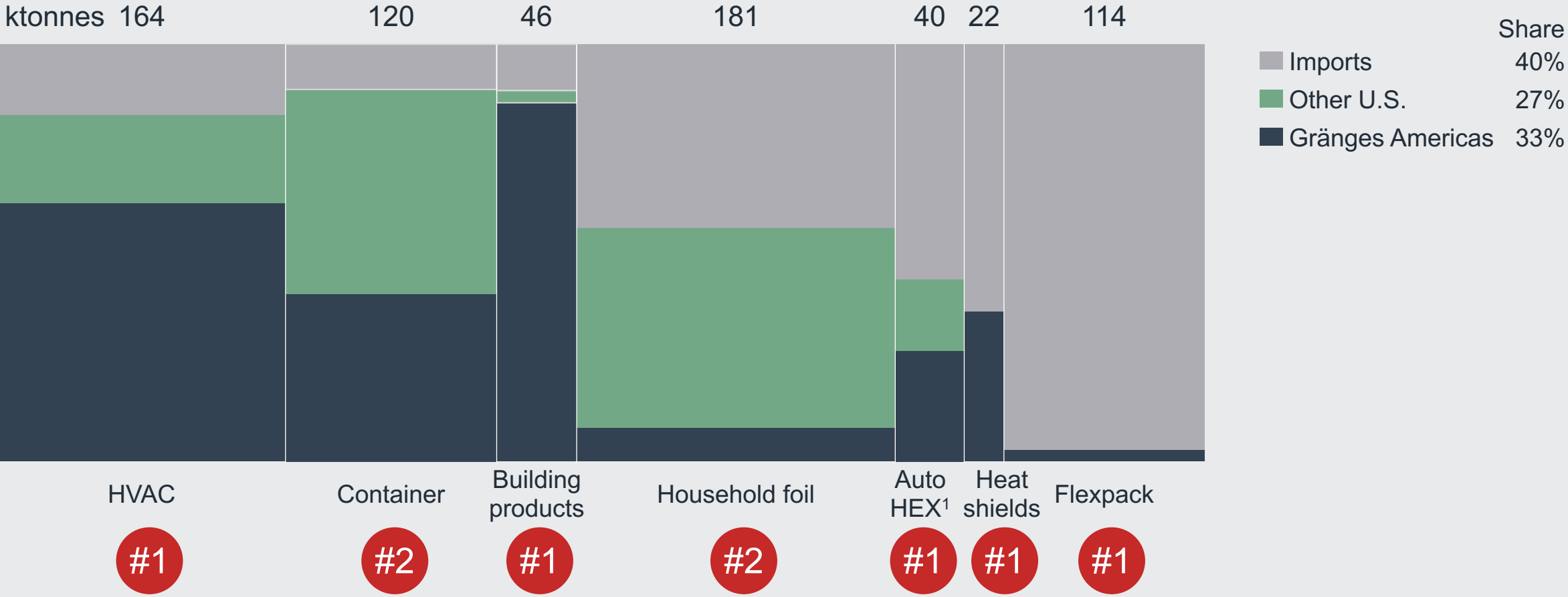
Diversified product portfolio with strong market positions

FY 2021 sales volume by end-customer market



Market position CAGR 2021-25: → 1-3% ↗ 3-5% ↘ 5-10% *Key growth driver*

Gränges holds 33% share of the well-diversified foil focused market with number 1 or 2 positions in each segment



48 1. Auto HEX does not include imports from Gränges Eurasia which amounted to 10 ktonnes in 2021

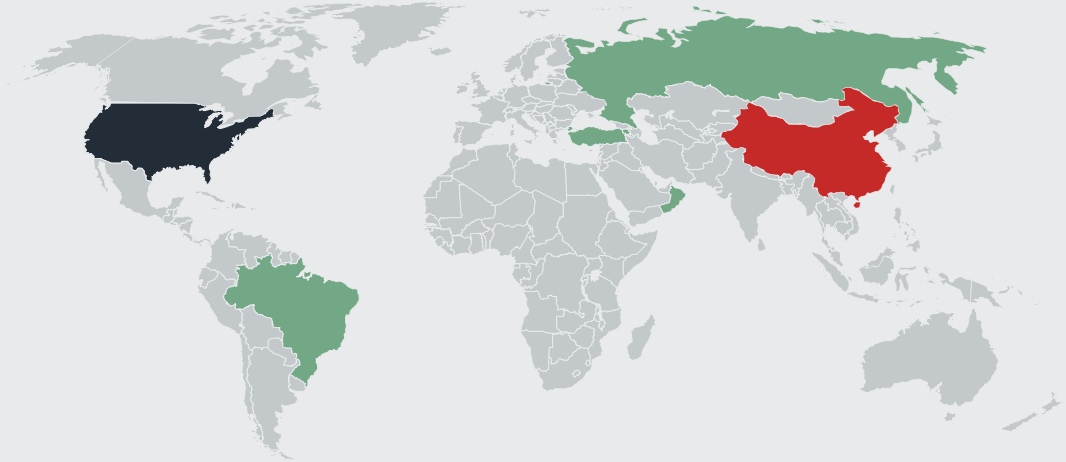
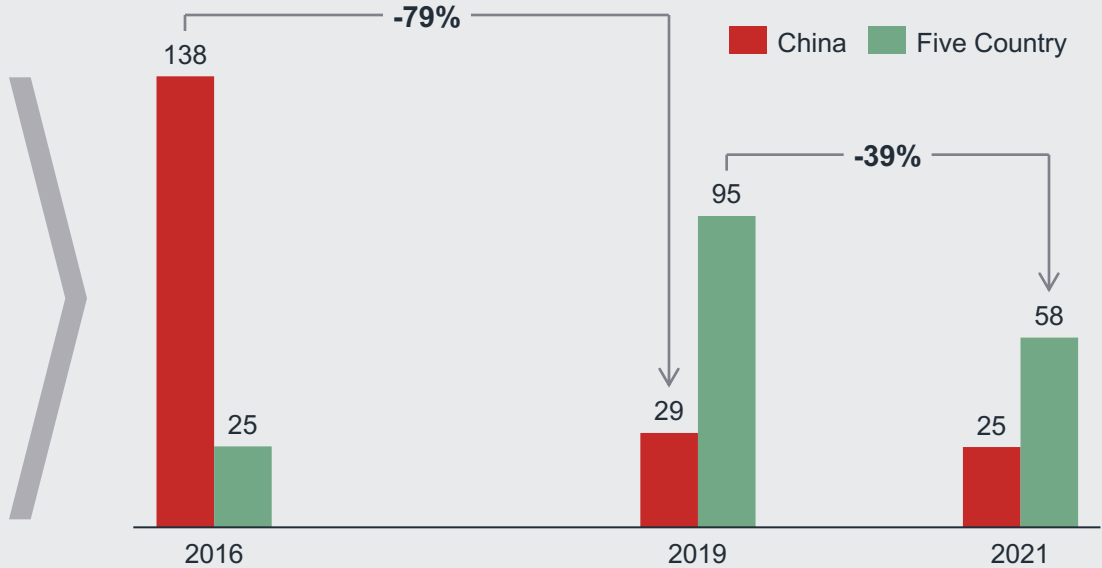
Since 2018, import tariffs continue to influence favorable market conditions

2018 – Chinese Foil Anti-Dumping/Countervailing Duty
 2020 – Five Country Foil Anti-Dumping/Countervailing Duty
 (Armenia, Brazil, Oman, Russia, Turkey)

US Department of Commerce – Final Determination

Duty	China	Armenia	Brazil	Oman	Russia	Turkey
AD	49-106%	29%	14-63%	4%	62%	2%
CVD	17-81%	n/a	n/a	2%	n/a	3%

Foil trade legislation reduced China imports by 79% and Five Country imports by 39% (ktonnes)



Source: The Aluminum Association Import Monitor Dashboard

Long-term strategic partnerships with large and financially stable customers

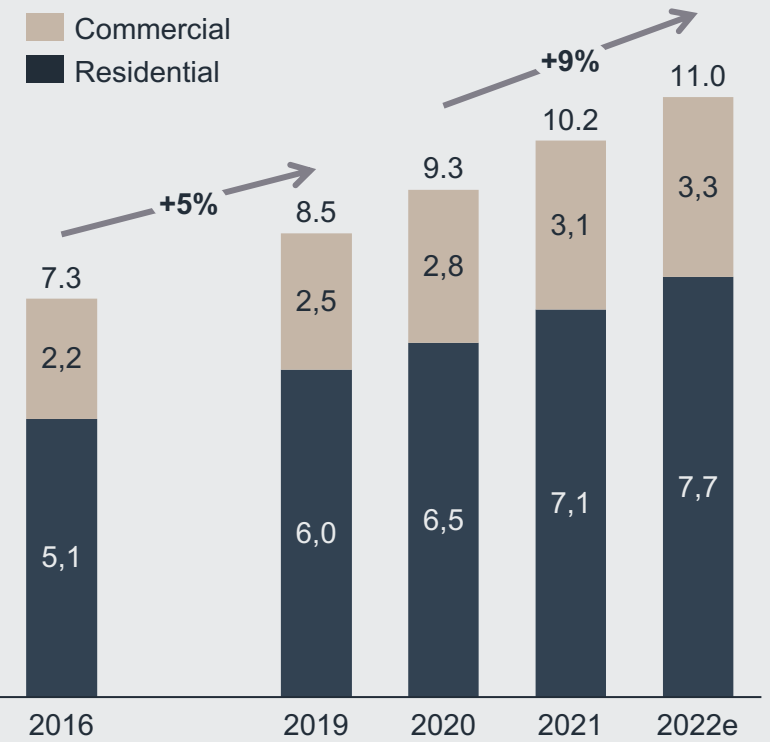
66% of 2023 capacity under contract

41% of 2024 capacity under contract

- Top ten customer relationships span between 16 and 41 years
- Quarterly surcharge implemented to offset inflation

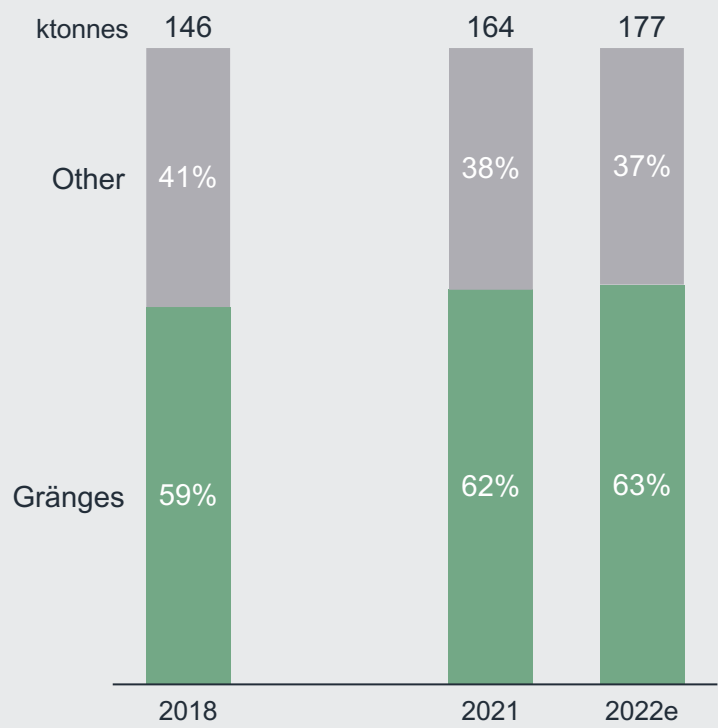
Gränges holds 62% of the total HVAC aluminium demand

U.S. HVAC shipments (million units)



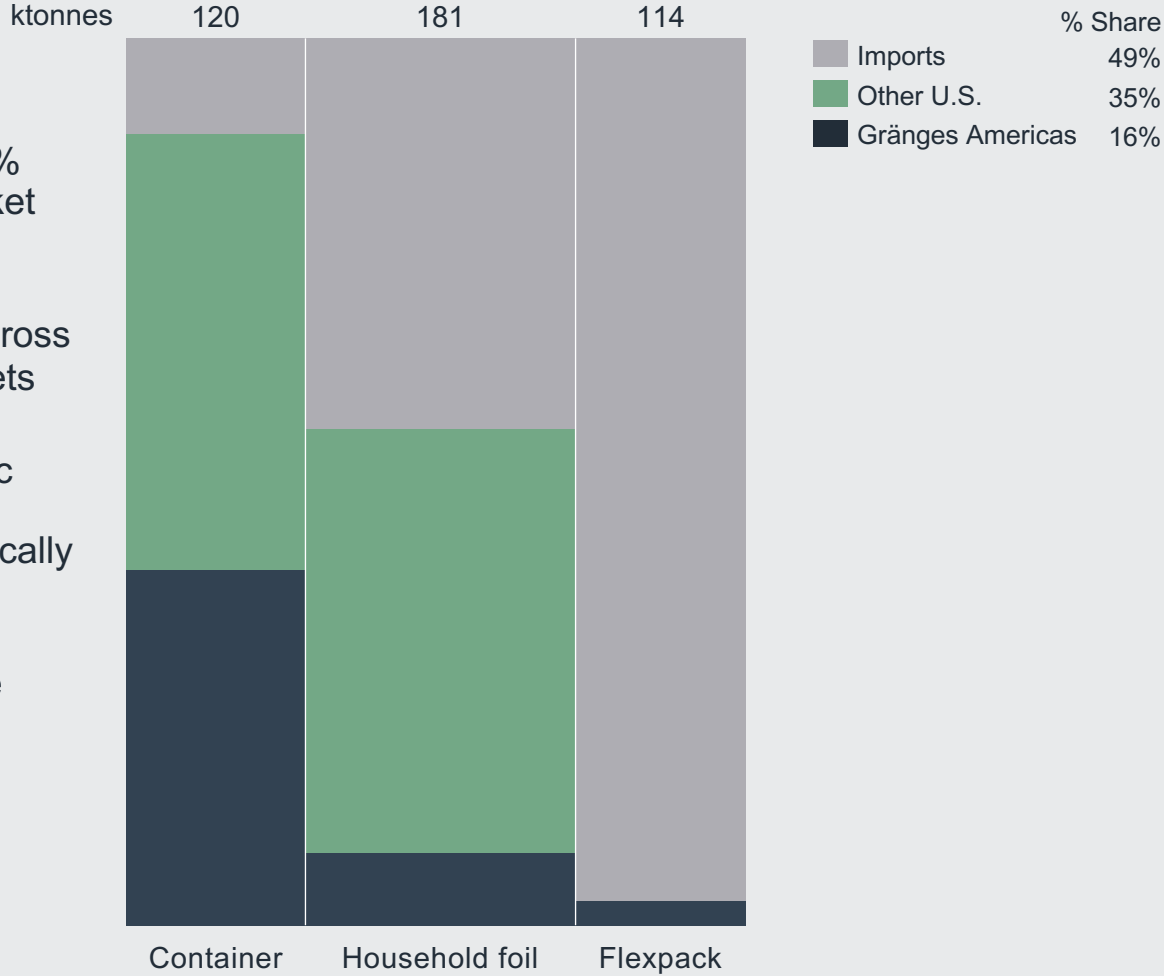
- HVAC makes up 24% of the overall foil market
- 70% residential; 30% commercial
- Within residential 80% replacement units and 20% new homes
- Record growth twice the level of previous years
- COVID-19 had a positive impact on HVAC market dynamics
- SEER efficiency rating legislation driving larger unit sizes resulting in increased aluminium content from 2023 onward
- Long-term supply agreements in place

Gränges' HVAC market share

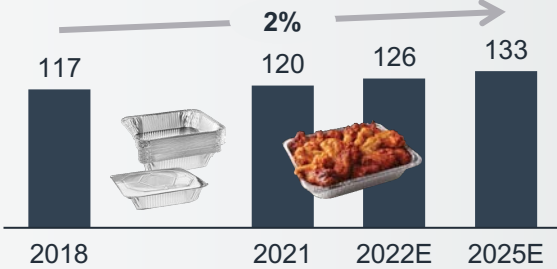


Packaging markets are non-cyclical with a low but stable growth

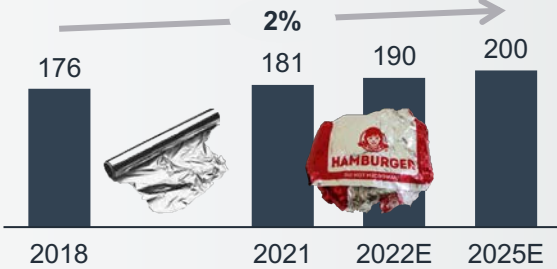
- Packaging represents 60% of the foil market
- Limited competition across all three markets
- Other domestic household foil volume is vertically integrated
- Granges is the only domestic supplier of Flexpack



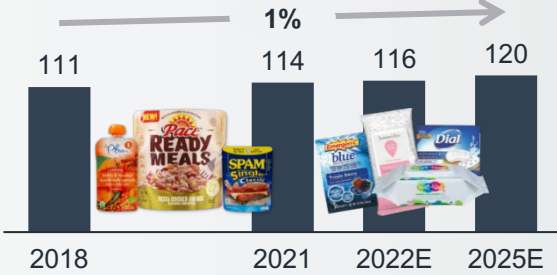
Container Market Growth (ktonnes)



Household foil Market Growth (ktonnes)



Flexpack Market Growth (ktonnes)



Gränges has invested USD 240 million since the acquisition in 2016

USD 110 million
Huntingdon
40 ktonnes expansion
(2019)



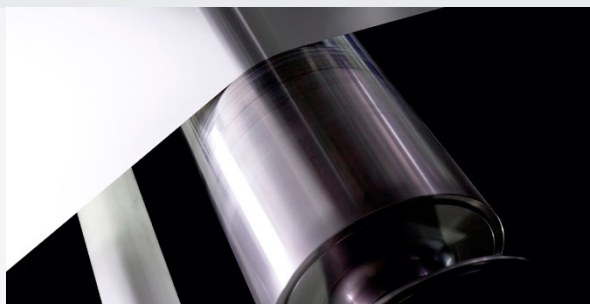
USD 52 million
Huntingdon
Near-Zero green caster
and recycling center
(2024)



USD 27 million
Newport mill reopen
20 ktonnes expansion
(2019)



Newport
Battery foil focused
finishing equipment
(2024)



USD 33 million
Huntingdon
Caster and recycling center
(2022)



Strong sustainability performance with record high carbon emission reductions

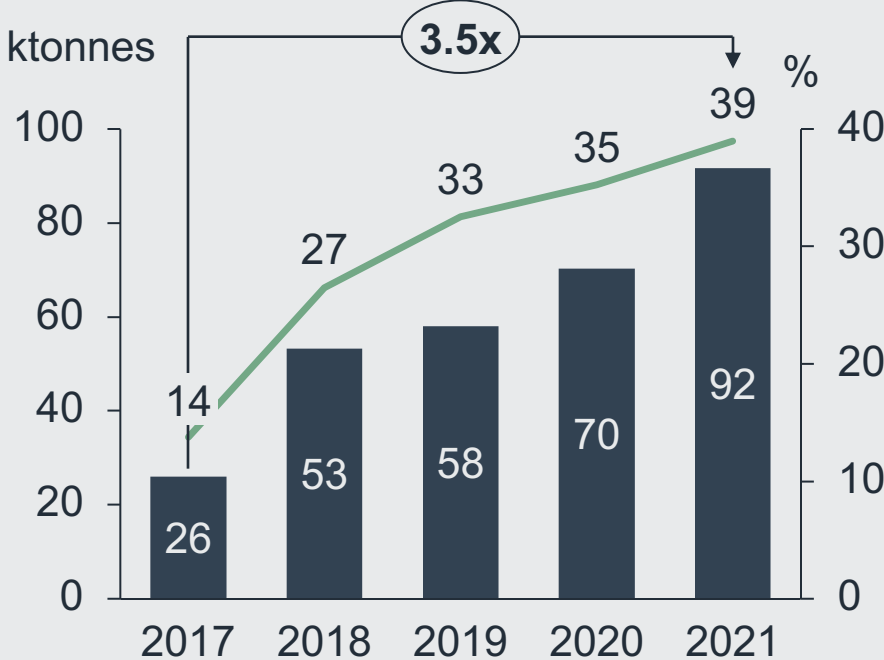
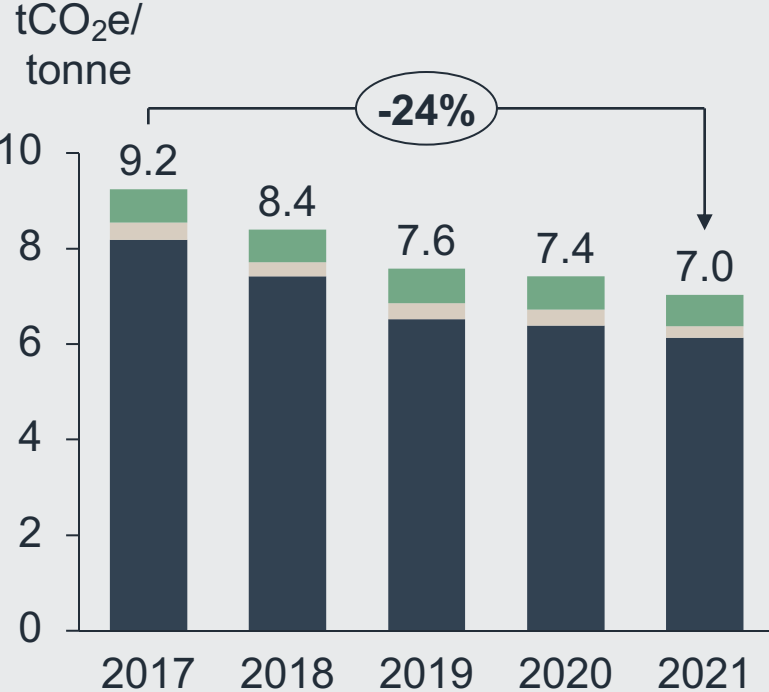
- Reduced total carbon emissions intensity¹ by **-24%** vs. baseline 2017, equal to **-6.6%** annually
- **39%** sourced aluminium scrap with recycled volumes **3.5x** 2017
- **81%** of products have a third-party verified carbon footprint

1. Gränges follows the Greenhouse Gas Protocol Standards to calculate its climate impact and numbers include scope 1+2+3 emissions.

Note: All figures refer to 2021 unless otherwise stated.



Significant decarbonization progress driven by recycling and circularity

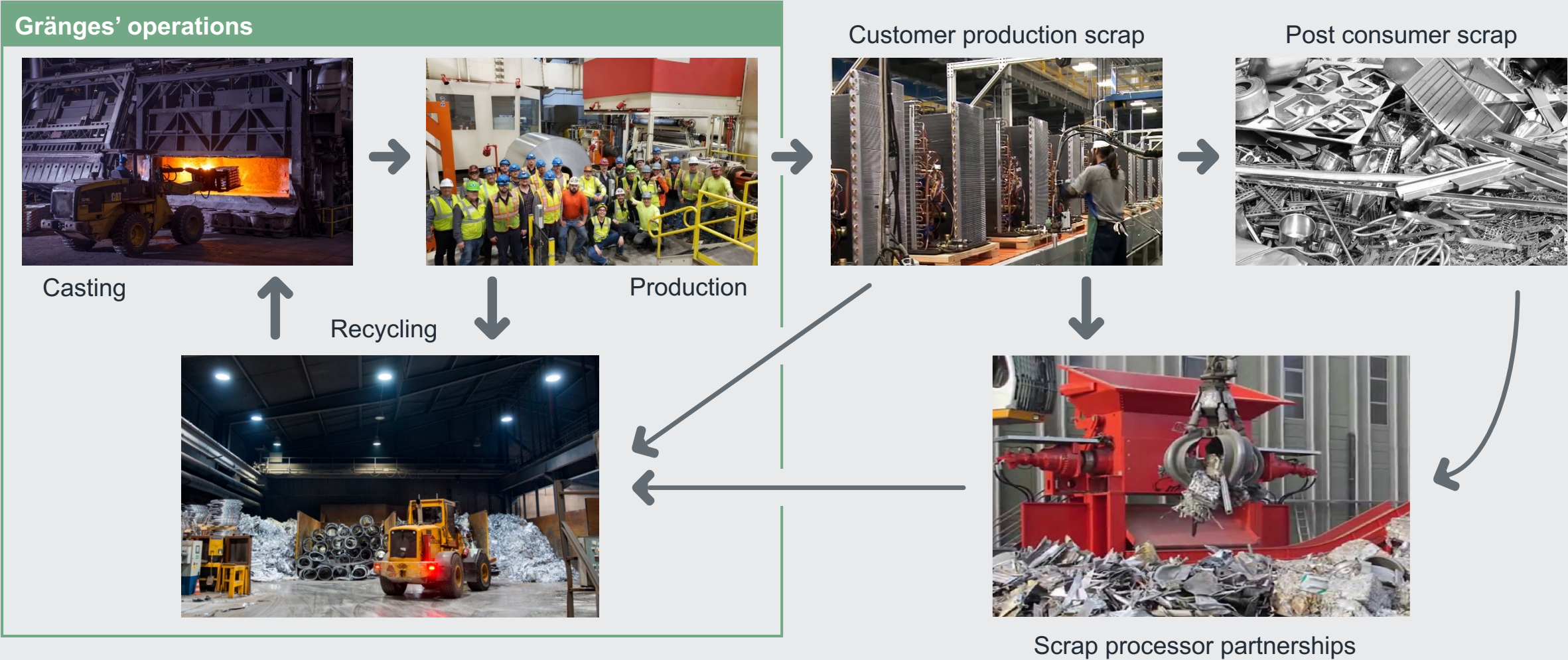


- SCOPE 1: Own operations
- SCOPE 2: Purchased energy
- SCOPE 3: Sourced metal inputs

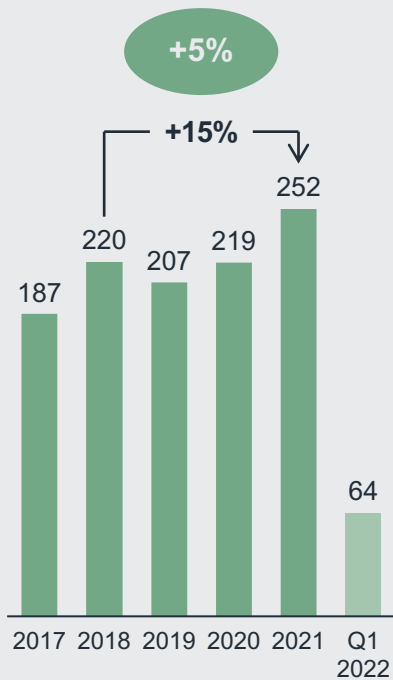
- Share of sourced aluminium scrap
- Recycled volumes



Upstream partnerships are critical to Gränges Americas' sustainability strategy

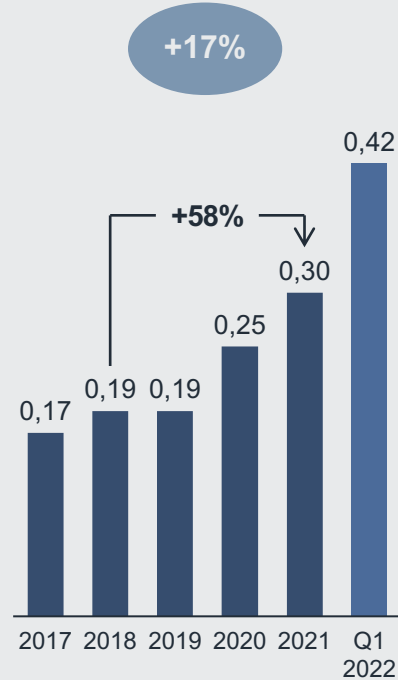


Targeted investments and strong financial performance



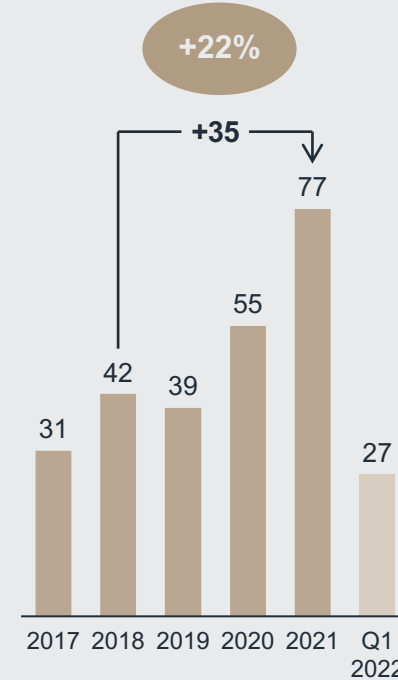
+15%

Sales volume growth
(ktonnes)



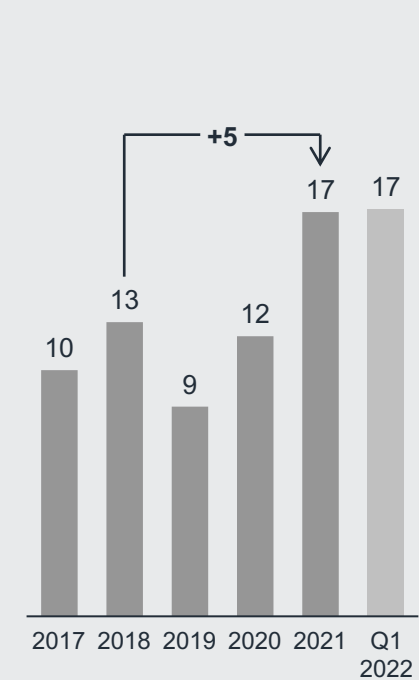
+58%

Operating profit per tonne increase
(USD/tonne)



+35

Operating profit increase
(USD million)



17%

ROCE

Note: Imports from Gränges Eurasia included from 2018 and onwards

○ CAGR 2018-2021

Summary



GROW

**Leverage position
for share and
margin**

- Volume growth, pricing and mix optimization
- Entry into battery foil segment
- Near-zero aluminium products by 2024



IMPROVE

**Always
Better**

- Debottlenecking investments
- Increased in-house casting
- Digitalization and “Always Better” mindset as drivers of continuous improvement



RECYCLE

**North American
sustainability
leader**

- New casting centres in 2023 and 2024
- Drive towards 67% recycled material
- Partnerships for green energy upstream recyclers



Gränges Asia

Gränges Asia



Sales volume

89 ktonnes

Production capacity

120 ktonnes

Employees

500

Gränges Asia

Performance



Market



Background

- Greenfield in 1996
- Full capacity and very strong value creation 2014-2018
- Deteriorating volume and margin 2018-2021
 - Price premium, but..
 - ...falling prices and volumes due to market overcapacity

Position

- Market leader in automotive HEX
- Very strong and stable team
- Promising opportunities in HVAC, electrification, and other niches
- Successfully handled very difficult 24 months (COVID-19)

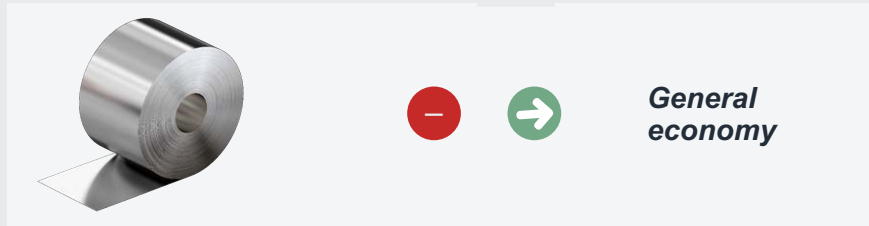
Plan

- **Restore** acceptable value creation
 - Protect margin (price, productivity)
 - **Growth** in selected niches with low risk, low capex
- Partnerships to achieve step change in **Recycling** and **Sustainability**

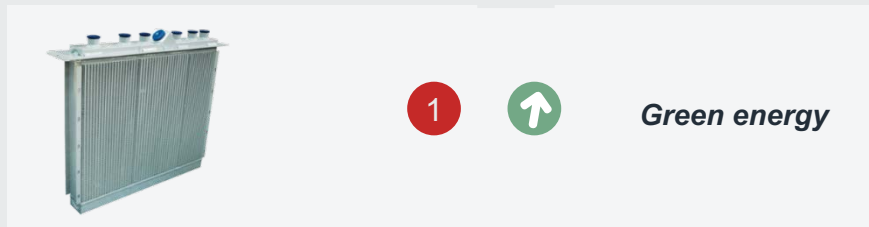
Focused portfolio with strong market positions

2021 sales volume by end-customer market

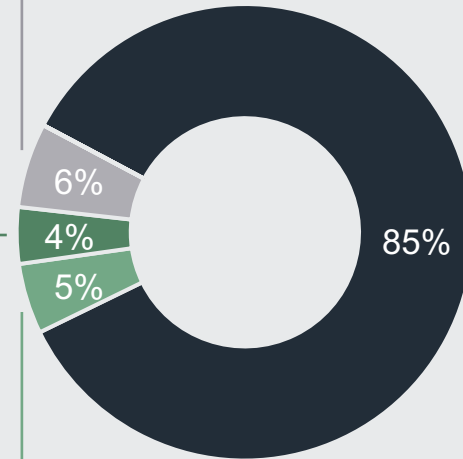
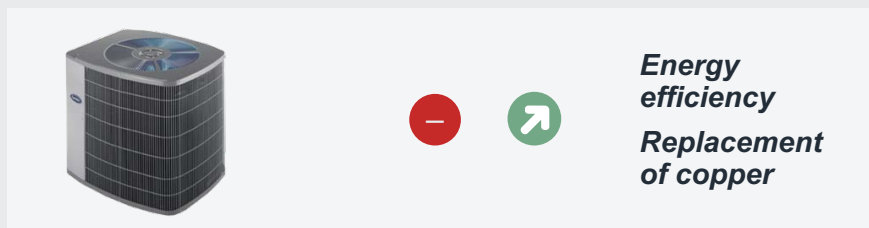
Other niches



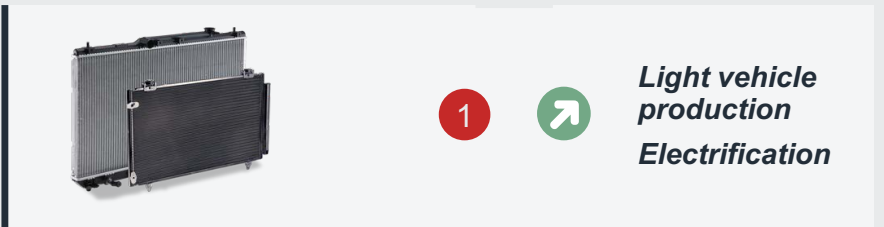
Wind power



HVAC



Automotive

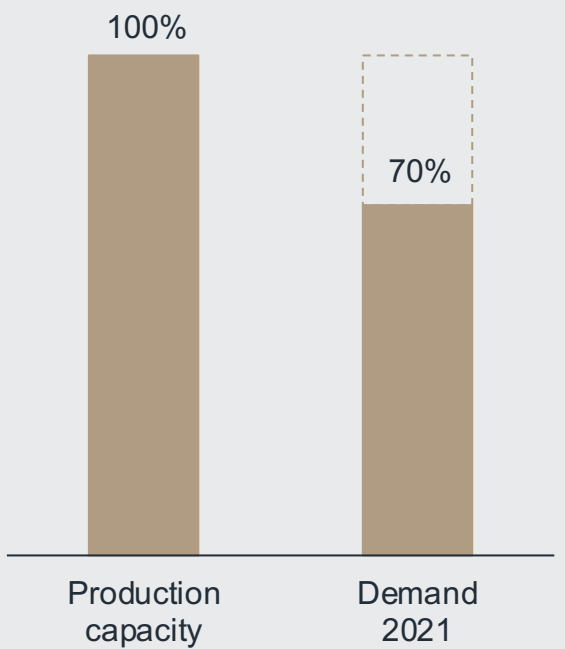


● Market position
 CAGR 2021-25:
 ➡ 0-3%
 ⬆ 5-7%
 ⬆ 7-10%
 Key growth driver

Market dynamics are challenging, but some relief is expected

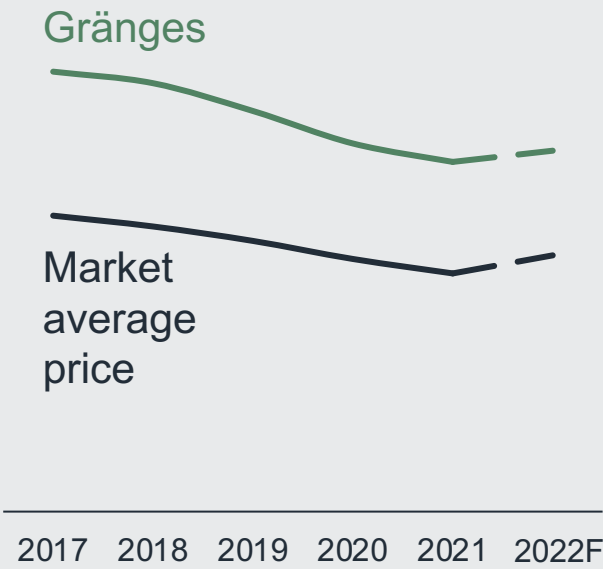
Demand is currently 70% of production capacity

China automotive HEX supply



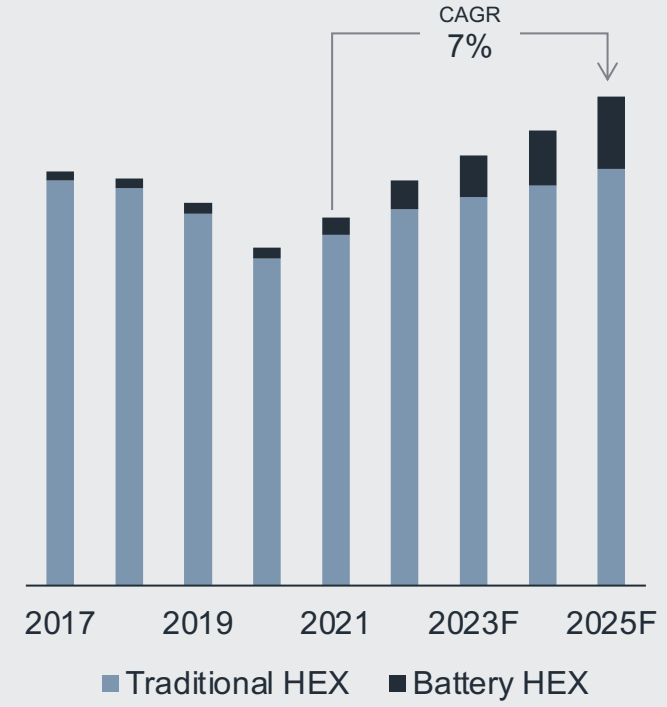
Market prices are stabilizing and Gränges premium is maintained

China automotive HEX prices



Demand is expected to recover supported by electrification

Asia automotive HEX demand



Strong continuous improvement focus to stay competitive

Strong cost productivity in a high inflation environment

6%

annual reduction of variable unit cost from 2019 to 2021

Increased use of AI and machine learning key improvement enabler



Well positioned to benefit from increased sustainability focus in China

- Reduced total carbon emissions intensity¹ by **-9%** vs. baseline 2017, equal to **-2.4%** annually
- **5%** sourced aluminium scrap
- **100%** of products have a third-party verified carbon footprint
- **ASI certified** against Performance Standard and Chain of Custody Standard

1. Gränges follows the Greenhouse Gas Protocol Standards to calculate its climate impact and numbers include scope 1+2+3 emissions.

Note: All figures refer to 2021 unless otherwise stated.



Extraordinary times require extraordinary people



- Gränges Shanghai production facility in COVID-19 lock-down in April and May
- Over 200 employees volunteered to live and work at the facility to secure operations during lock-down
- Return to normal operations as of June

Summary



GROW

Growth in selected low-risk, low-capex niches

- High value niche HEX
- HVAC
- Foil
- New tube technologies



IMPROVE

Keep up strong continuous improvement

- Safety—keep leading performance
- Energy intensity reduction
- Digitalization integrated into Gränges Production System
- Working capital reduction



RECYCLE

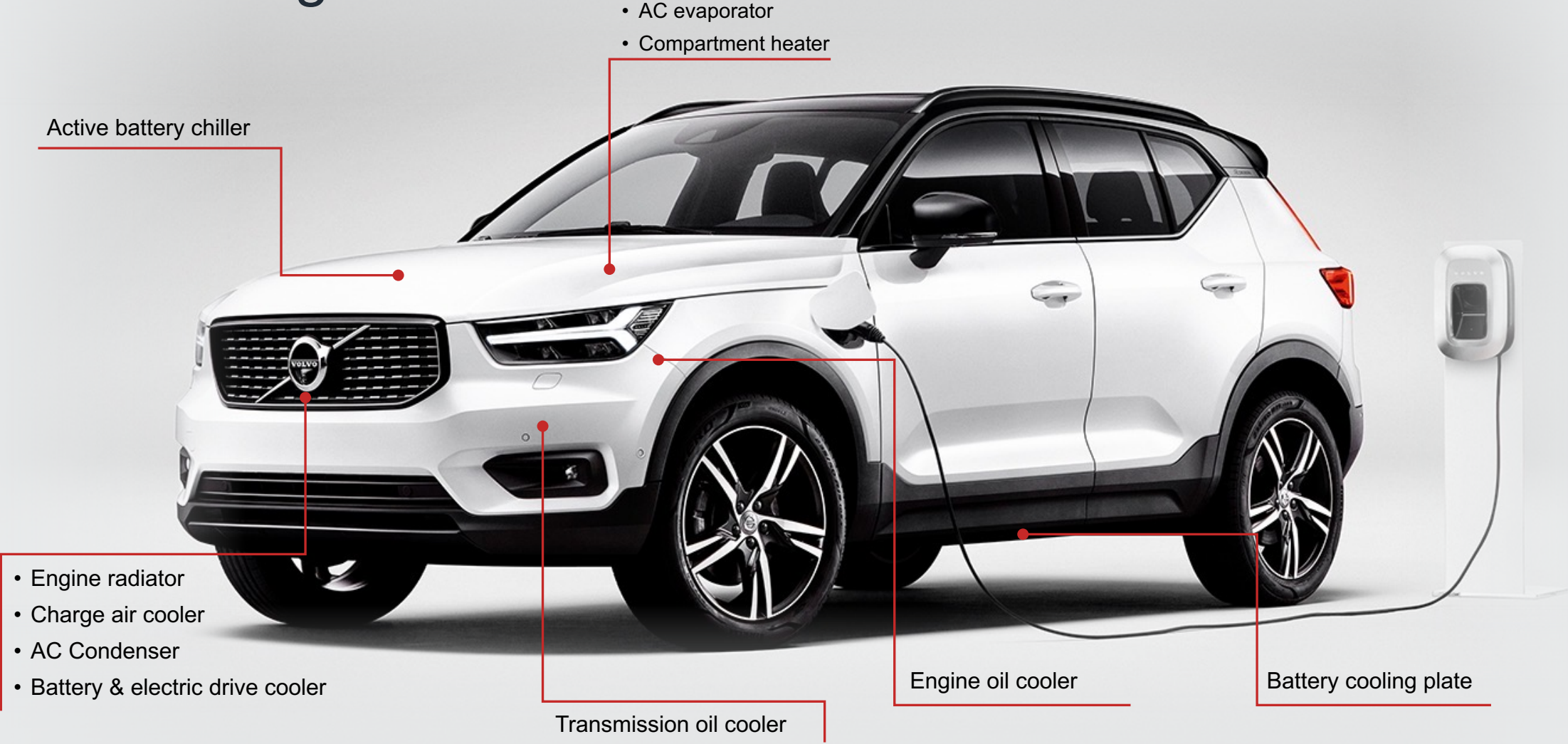
Partnerships

- New partners for scrap supply
- Investigate solutions for long-term supply of green primary aluminium

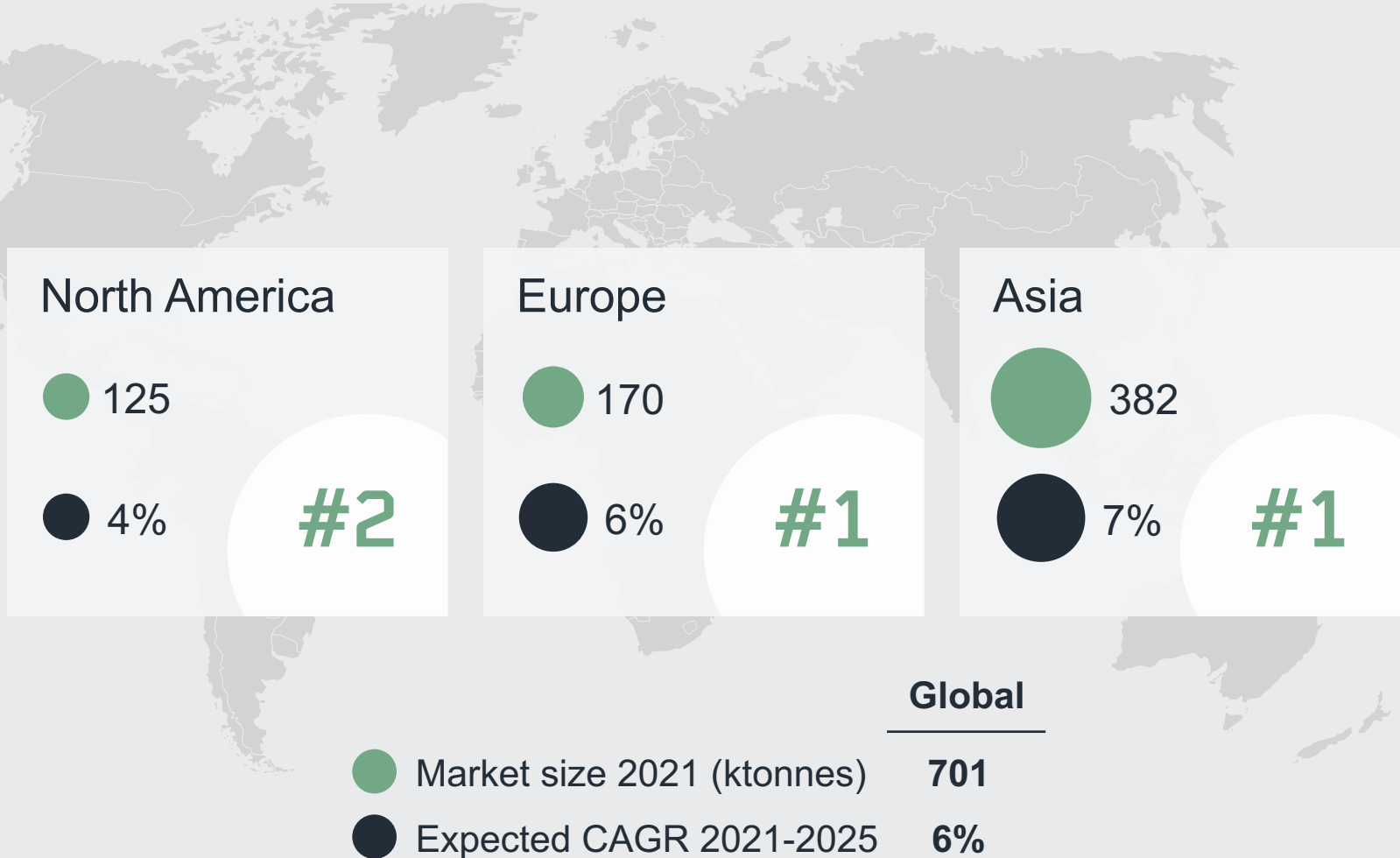


Automotive heat exchanger market

Gränges offers a complete set of materials for automotive heat exchangers



Gränges is the global market leader



25%

Global market share in aluminium materials for automotive heat exchangers

Electrification requires new solutions and EV thermal management systems includes new types of heat exchangers

ICE



Hybrid



EV



Typical heat exchangers in ICE

Radiator	Evaporator	Condenser
Oil cooler	Charge air cooler	Heater core

Typical heat exchangers in EV

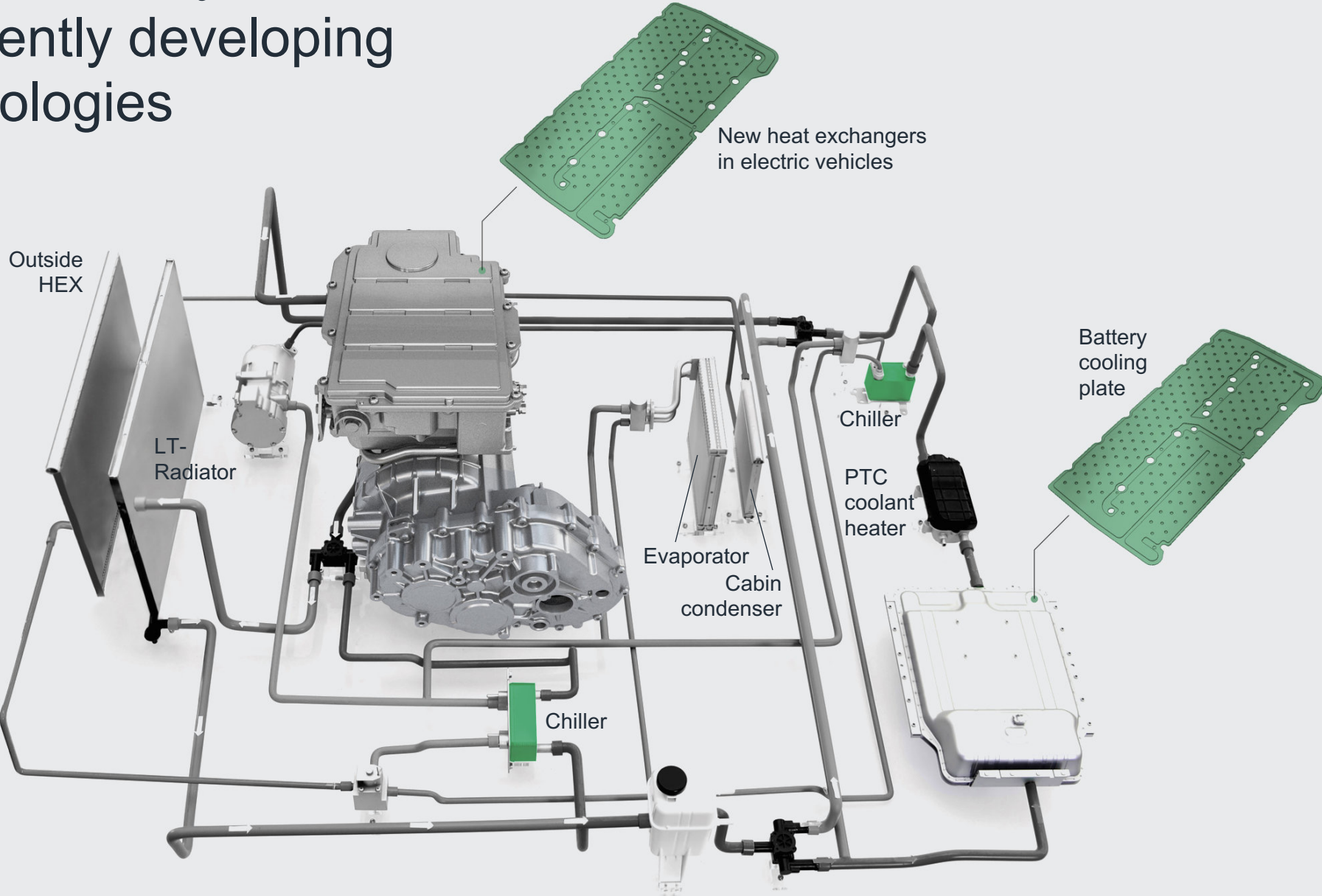
Radiator	Evaporator	Condenser	Plate HEX (for electronics)
Chiller	Liquid cooled condenser	Battery cooling plate	...

■ Traditional HEX ■ Battery HEX

Source: ADL
 Note: ICE: Internal Combustion Engine vehicle, EV: Electric Vehicle

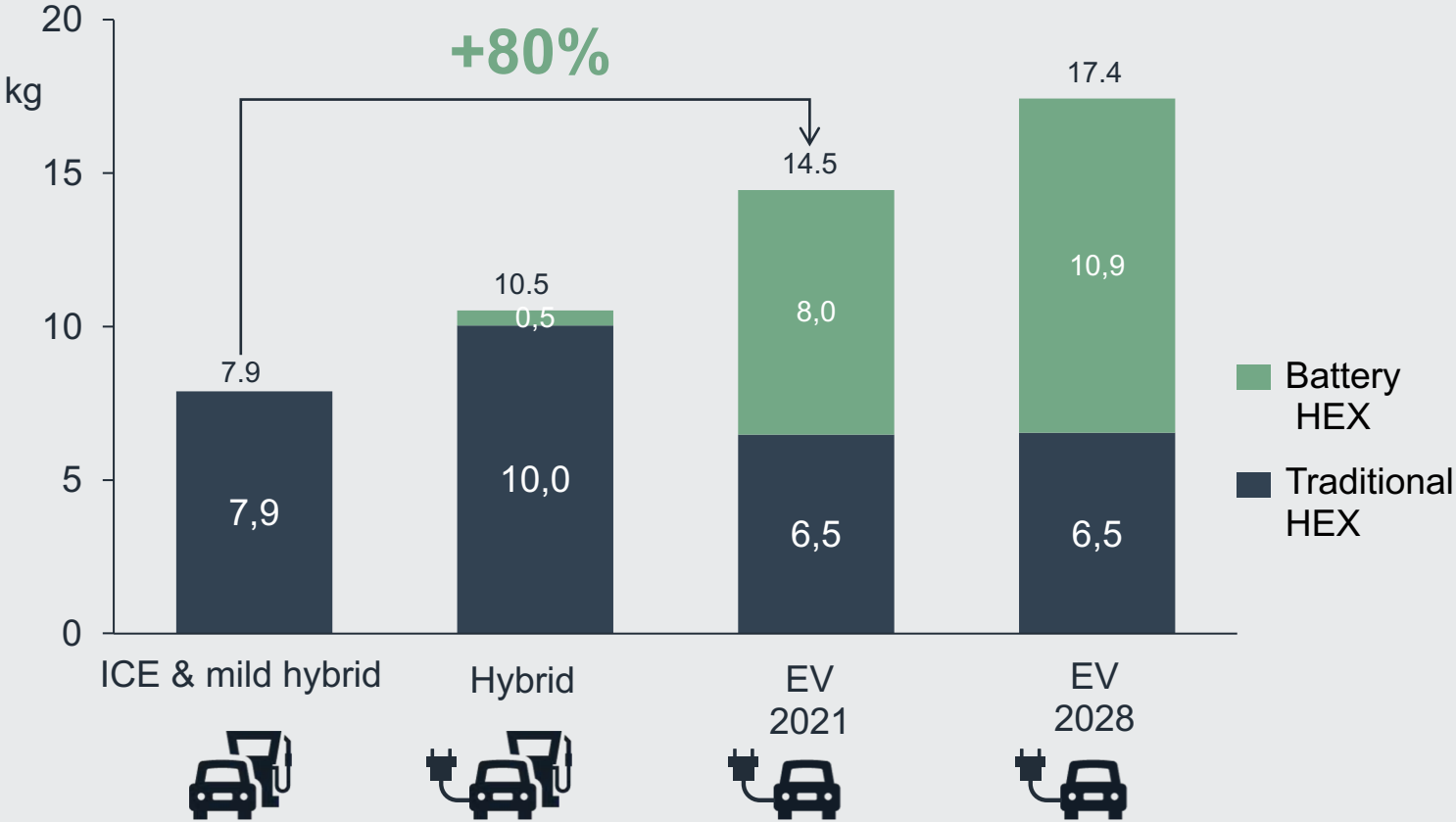
EV thermal management systems architecture is currently developing and different technologies are being used

Illustration of heat pump based thermal management system in electric vehicle – new types of heat exchangers compared to ICE



The amount of heat exchanger material in an EV is currently up to 80% higher than in a comparable ICE

Average aluminium heat exchanger material content per vehicle type



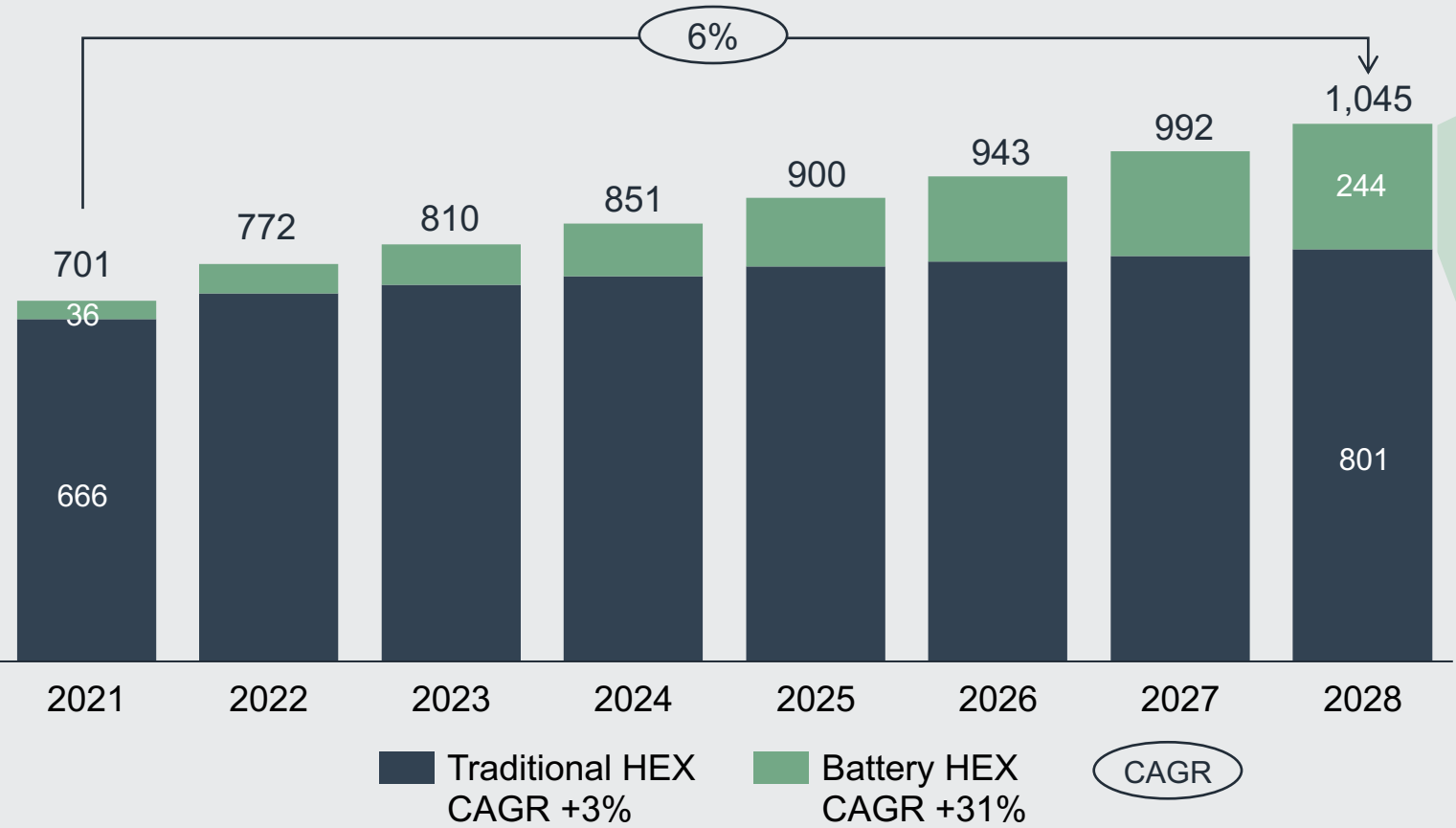
The main driver of content per vehicle is the **Battery Cooling Plate**, which is expected to:

- **Increase in use** as more EV manufactures moves towards liquid cooling
- **Increase in area** to cope with larger battery packs
- **Increase in quantity** to cope with superfast charging

Source: ADL

Battery heat exchangers will drive the growth but requires that new products are sold to partly new customers

Global aluminium heat exchanger material demand forecast (ktonnes)



Challenges to capture battery HEX growth

- New thermal management systems architecture
- New value chains
- New technology

Source: IHS Markit, ADL, Gränges analysis

Gränges is well positioned to maintain leadership for automotive heat exchanger materials



Automotive HEX market leader

Traditional HEX will remain a large market in the future...

...in which Gränges has strong customer relationships, leading application know-how, and a strong product offering



Aluminium technology leader

Battery cooling HEX represents a large opportunity...

...but requires development of new products to partly new customers



Sustainability leader

Most car makers have set decarbonization targets...

...that requires low-carbon aluminium and increased recycling



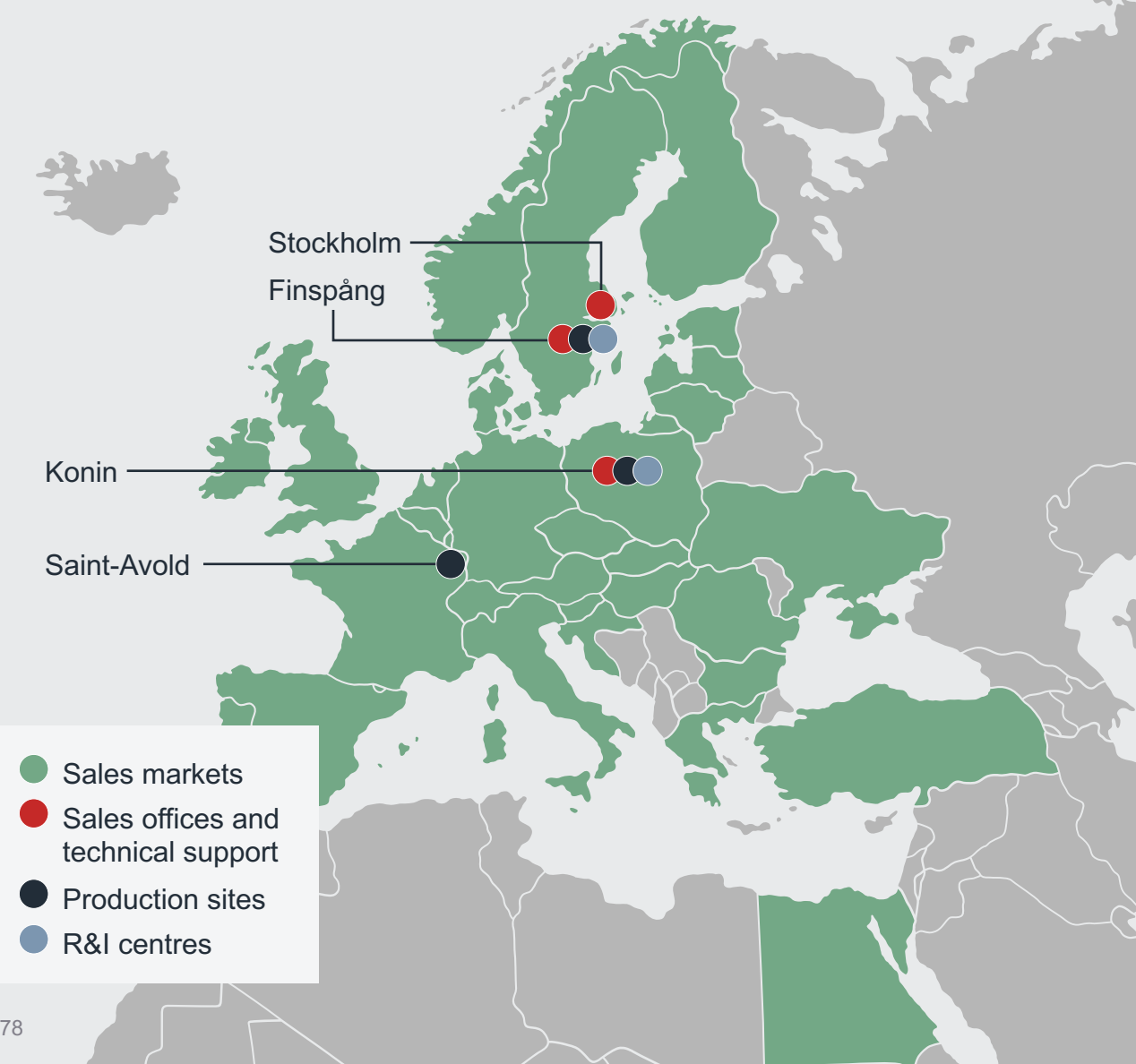
Summary

- Gränges is the market leader in automotive heat exchanger materials with a global share of 25%
- Electrification provides a large opportunity with content per vehicle increasing with up to 80%
- Battery Cooling Plates represents the largest growth potential...
- ...but requires development of new products to partly new customers
- As market, technology and sustainability leader Gränges is well positioned to take part of future market growth



Gränges Europe

Gränges Europe



Sales volume
174 ktonnes

Current production capacity
200 ktonnes

Future production capacity
260 ktonnes

Employees
1,350

Gränges Europe

Performance



Market



Background

- Finspång is the core of the modern Gränges
- Historical focus on brazed automotive heat exchangers
- Konin acquisition in 2020 and subsequent investment creates large growth opportunities

Position

- Market leader in Automotive Hex
- Konin adding complementary capabilities and cross plant optimization potential
- European team newly formed

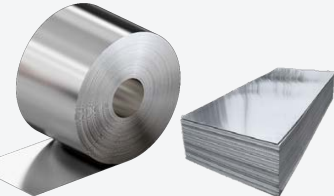
Plan

- **Restore** good value creation
 - Capitalize on investments
 - Mix optimization and operational efficiency
- Enter into new segments
 - Battery foil and cell casing
 - Structural

Growing product portfolio with strong market positions

FY 2021 sales volume by end-customer market

Other niches

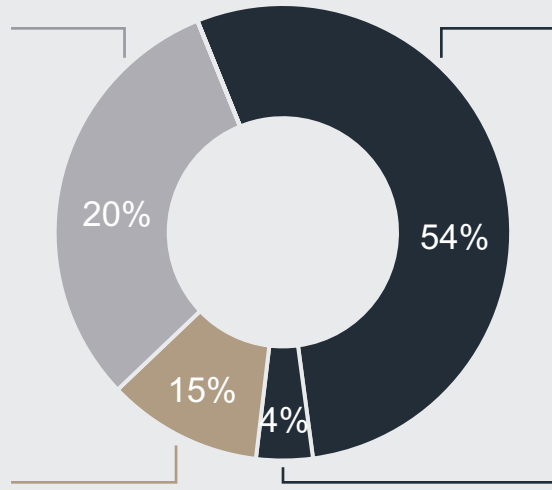


- → *General economy*


Speciality packaging



2 → *Substitution to aluminium*




Automotive heat exchangers



1 ↗ *Light vehicle production*
Electrification

Automotive structural



- ↑ *Light vehicle production*
Electrification

Market position
 CAGR 2021-25: → 0-3%
 ↗ 5-7%
 ↑ >10%
 Key growth driver

The acquisition of Gränges Konin has added complementary market segments, capabilities and strengths

Gränges Finspång

- Strong automotive position
- Technical leader

Gränges Powder Metallurgy

- Additive manufacturing

Gränges Konin

- Diverse product portfolio
- High-strength materials and recycling capabilities



Gränges Europe

- Larger addressable market
- Wider range of capabilities for growth segments
- Better operational flexibility
- Scale – leveraging on combined strengths

Investments in new capacity and capabilities enables growth in new markets as well as reduction of operating costs

Capacity & CAPEX

Benefits

Konin expansion

- +40 ktonnes
- 10 ktonnes end of 2022
- 30 ktonnes end of 2023

Total capex
SEK 1 100 million

- New casting center enabling increased recycling
- New rolling and finishing capabilities for high-strength structural materials and Battery HEX



Finspång logistics improvement

- +20 ktonnes
- End of 2022

Total capex
SEK 400 million

- New cold rolling mill capable of rolling Automotive HEX, battery cathode foil and battery cell casing
- Significant improvement of on-site logistics and efficiency
- Improved carbon footprint



Growth targeted in existing and new market segments further diversifying the portfolio

Existing market segments

New market segments



Automotive
HEX



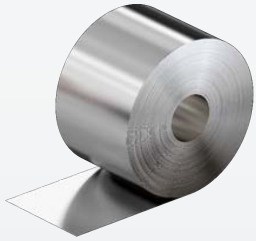
5-7%



Speciality
packaging



2-3%



Other niches



2-3%



Structural



>10%



Battery
materials



>50%



Additive
manufacturing



>15%

Expected market growth

Strong sustainability performance with industry-leading carbon footprint

- Reduced total carbon emissions intensity¹⁾ by **-11%** vs. baseline 2017, equal to **-2.8%** annually
- **28%** sourced aluminium scrap with strong contribution from Gränges Konin
- **100%** of Gränges Finspång products have a third-party verified carbon footprint
- Gränges Finspång **ASI certified** against Performance Standard and Chain of Custody Standard

1. Gränges follows the Greenhouse Gas Protocol Standards to calculate its climate impact and numbers include scope 1+2+3 emissions.

Note: All figures refer to 2021 unless otherwise stated.



Summary



GROW

Finalize and utilize new capacity

- 60 ktonnes new capacity in Konin and Finsspång
- Growth opportunities in battery products, structural products, and other niches



IMPROVE

Optimize across plants

- Safety always
- Optimize mix and distribute volumes across plants for better utilization and flexibility



RECYCLE

Increase recycling using partners and new capacity

- Innovate to develop closed loop systems
- Partnerships for access to low-carbon metal
- Increase recycled aluminium content



Battery market

Aluminium is a key material for the battery industry

Battery cell

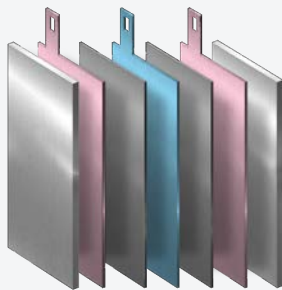


Cathode foil

Casing



Pouch foil

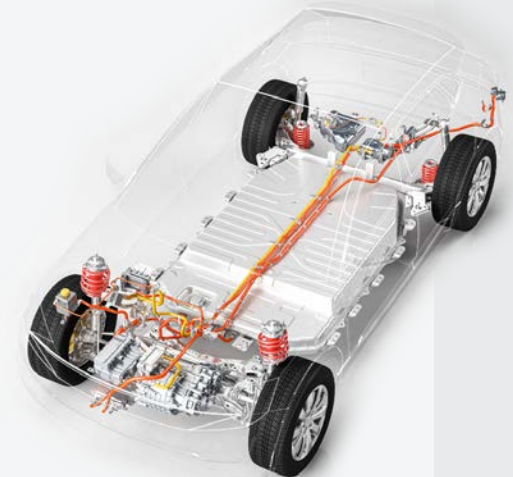


Battery system



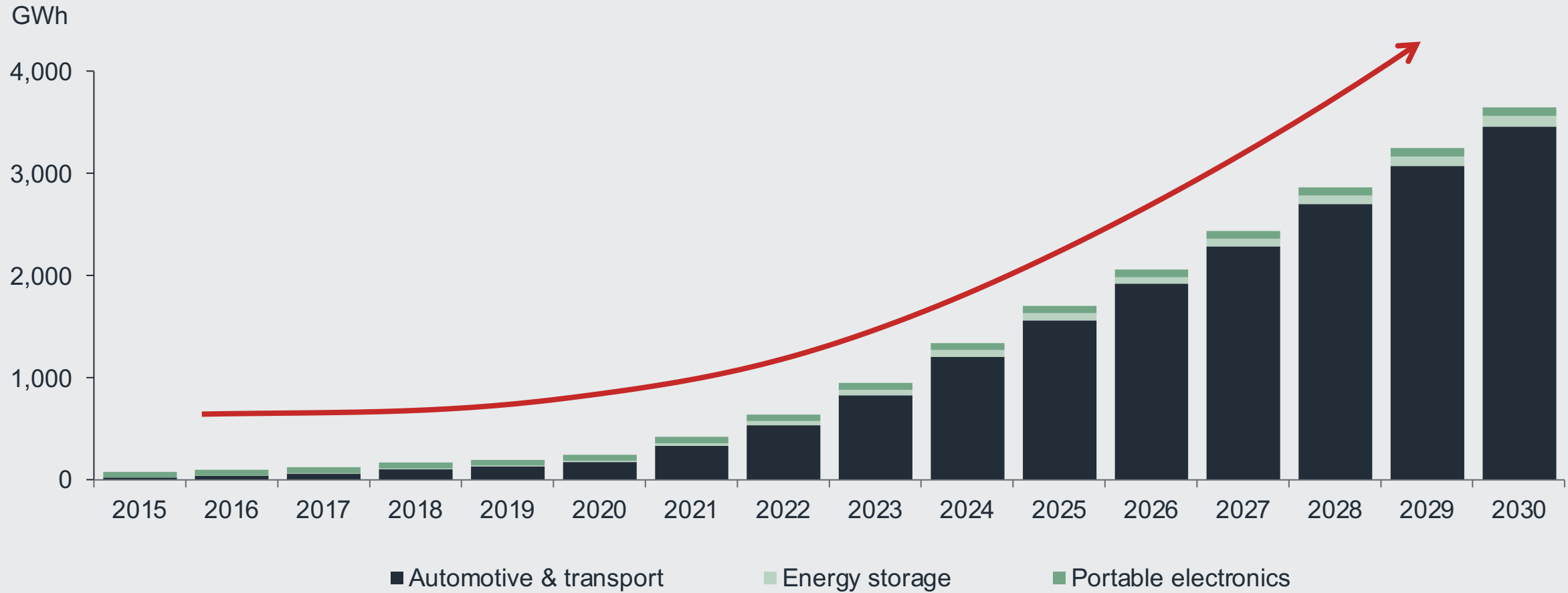
Battery module and box

Cooling plate



Exponential growth in battery demand driven by the electrification of the automotive industry...

Li-ion battery demand by application



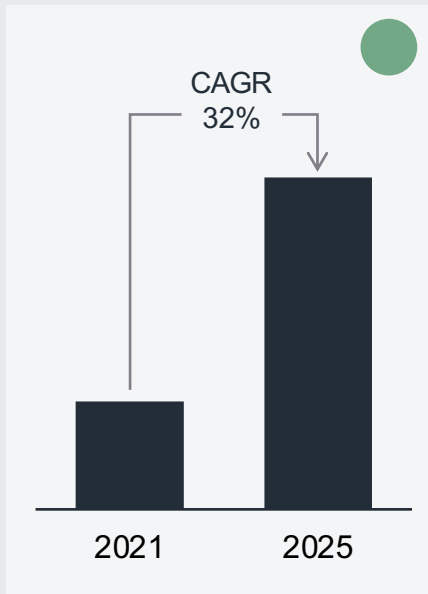
Sources: IHS Markit Forecast Q1/Q2 2022

...resulting in rapid growth in demand for rolled aluminium battery materials

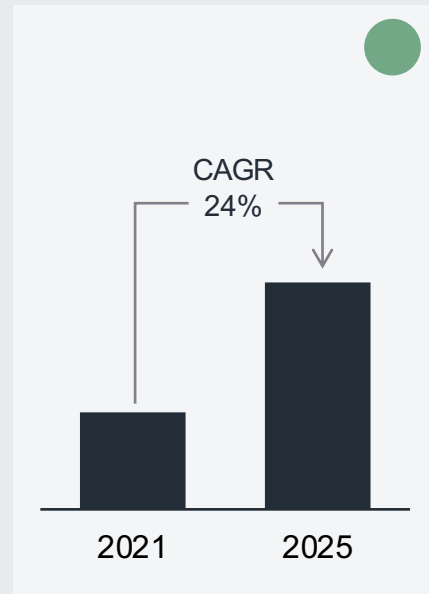
+30%
CAGR 2021-2025

Total demand for rolled aluminium in batteries amounts to 1.8 million tonnes by 2025

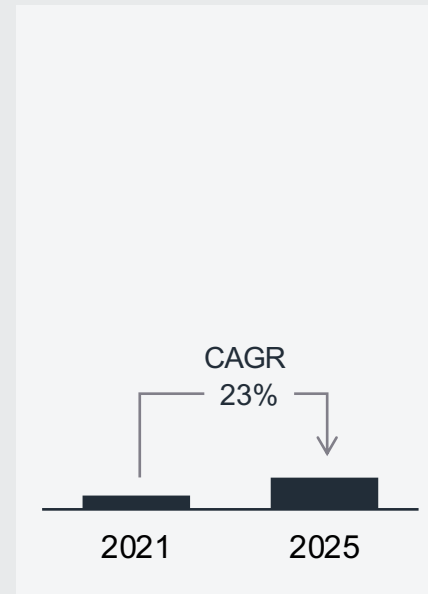
Battery cathode foil



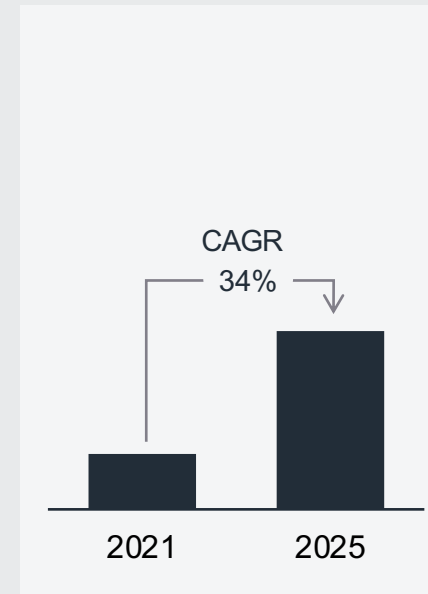
Prismatic cell casing



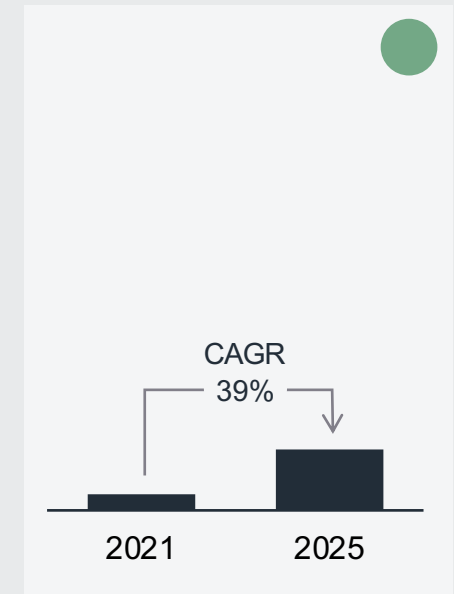
Pouch cell foil




Battery box



Battery cooling plate



 Market in which Gränges currently has commercial contracts and ongoing deliveries

Sources: IHS Markit, ADL, Ducker, Gränges analysis

Regional supply chains under transition create large opportunities for Gränges

	Supply chain under development North America	Supply chain under development Europe	Supply chain developed Asia
Li-ion battery production capacity (2021, GWh)	66	146	1,099
CAGR (2021-2025, %)	65%	52%	26%
Battery foil demand (2021, ktonnes)	12	26	198
Battery foil production capacity (2021, ktonnes)	0	~15	~300

Source: IHS Markit, Gränges analysis

Gränges has a strong foundation to establish a leading position in sustainable battery materials



Global production footprint

- Leading aluminium rolling company established in all major regions
- Market leader foil segment in Americas
- Only aluminium roller with global cathode battery foil production footprint by 2024: Asia 2022, Europe 2023, North America 2024



Sustainability leader

- Low and shrinking carbon footprint - neutrality by 2040
- High and increasing recycling
- Customer closed-loop, metals and energy partnerships
- Near-zero carbon products available from 2024



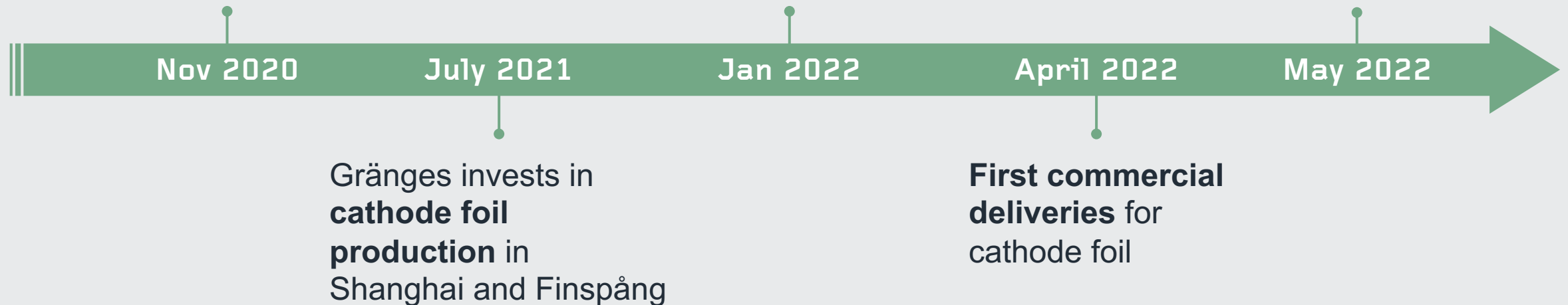
Aluminium technology leader

- Strong product and process know-how
- Global technology network in Asia, Europe and Americas
- Strong patent portfolio and leadership several demanding niches
- 4 years of material development for battery applications



Significant commercial progress and strong execution focus in all regions

Expanding capabilities to deliver casing, box and cooling plates through acquisition of Konin



First commercial contract for cell casing

Gränges first to invest in cathode foil production in US – becoming **only supplier with global footprint**

Gränges invests in **cathode foil production** in Shanghai and Finspång

First commercial deliveries for cathode foil

Summary

- Aluminium is a key material for the battery industry
- Automotive electrification translates into strong annual growth in rolled aluminium battery materials until 2025
- Regional supply chains are under transition – shortage in Europe and North America today...
- ...and Gränges is the only supplier with announced global footprint for battery cathode foil
- Gränges' global operations, strong focus on sustainability and aluminium know-how are a strong foundation for a leading position in the industry



Q&A

Concluding remarks

Gränges has built a strong global platform since 2014 IPO

Global

- Footprint
- Customers
- Expertise

High-performing

- Profit growth
- Buy-and-build
- Stability in crises

Sustainable

- Decarbonization
- Recycling
- Responsibility

Diversified

- Geographies
- Industries

Entrepreneurial

- Decentralized
- Fast-moving
- Close to customers

Focused

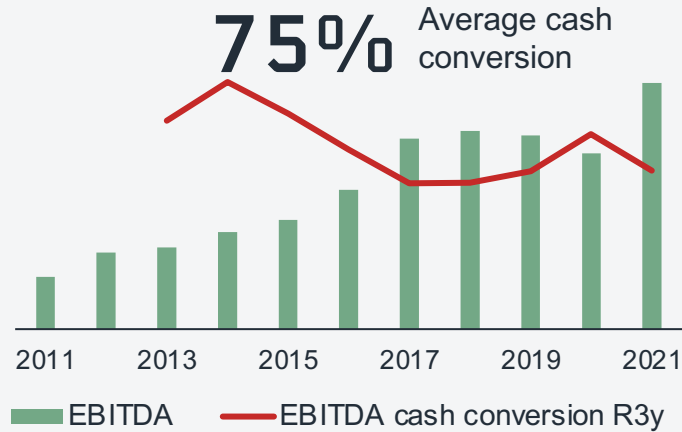
- Selected niches with competitive advantage

Gränges has a strong, global team

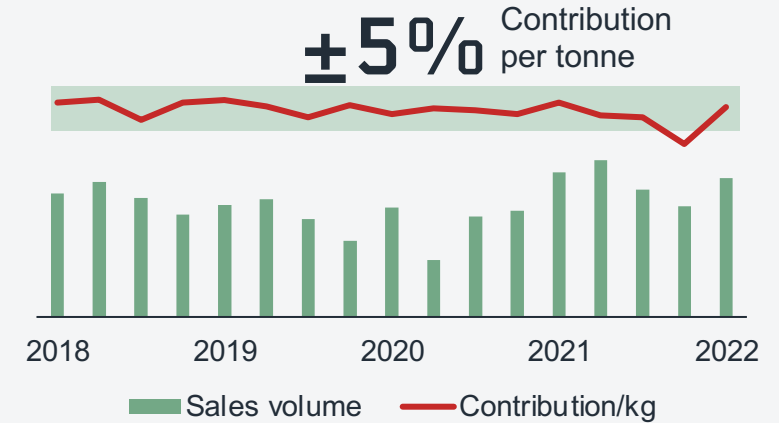


Gränges has a financially attractive business model

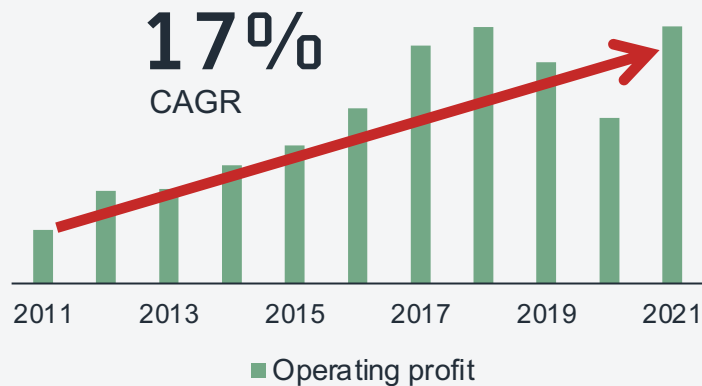
Strong & stable cash generation



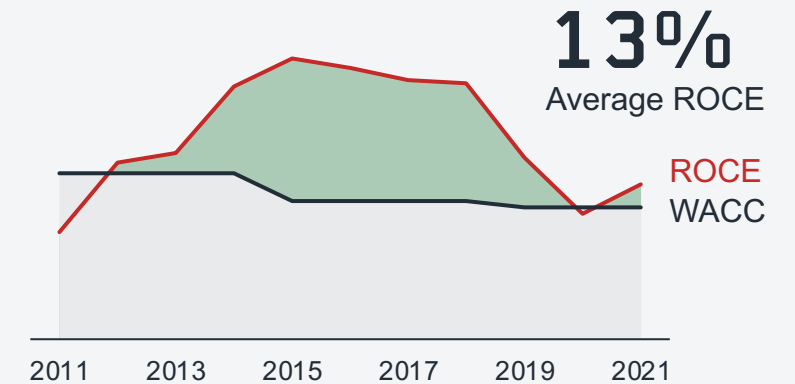
Stable margins



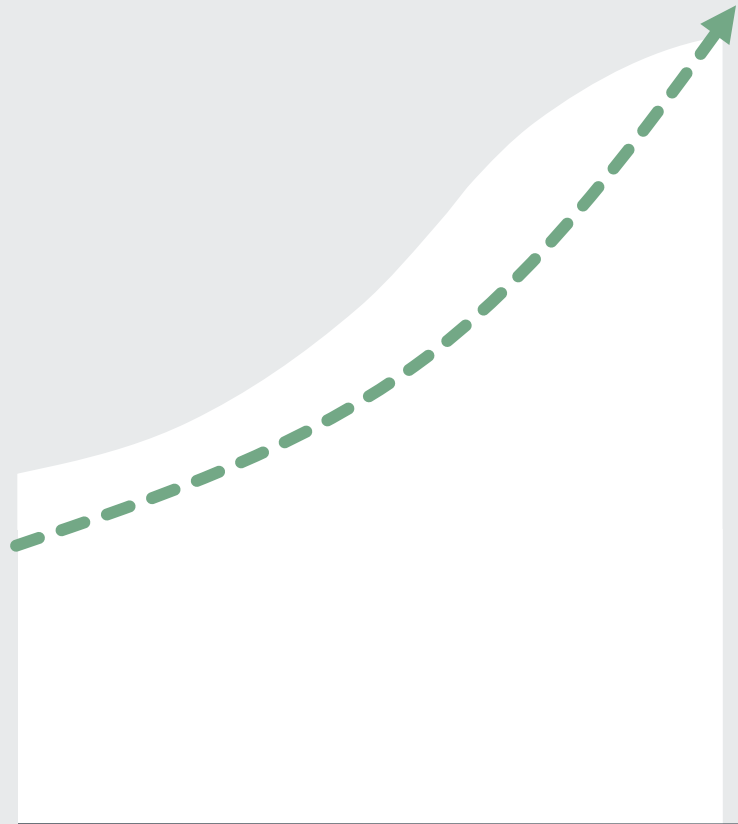
High profit growth



Returns well above capital cost



Excellent profit growth and returns 2014-2018



2014-2018

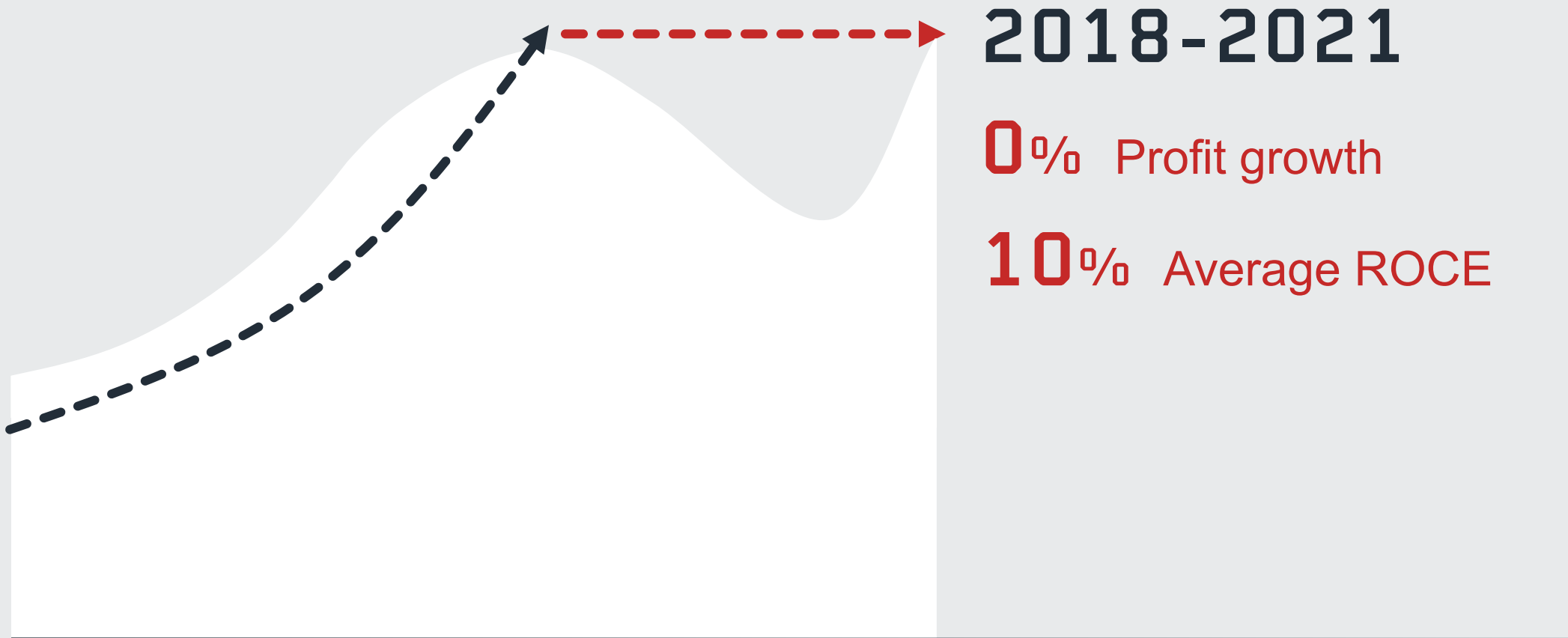
15% Profit growth

17% Average ROCE

Strong cash generation...

...finances acquisition of
Gränges Americas

Worse performance 2018-2021: time for a change!





Sustainability

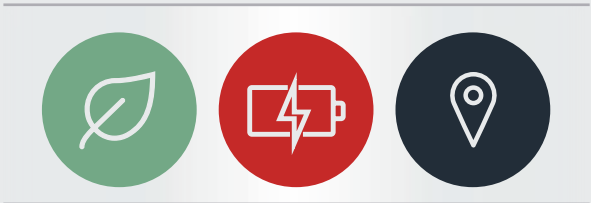


Electrification



Regionalization

Attractive growth opportunities



Automotive HEX



- Americas
- Europe
- Asia

HVAC



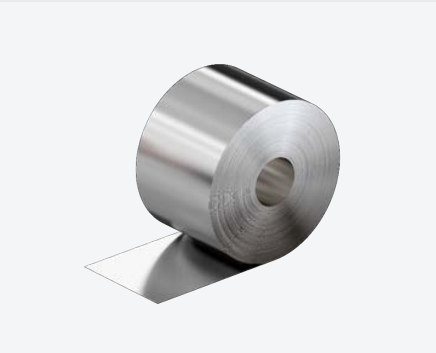
- Americas
- Europe
- Asia

Speciality packaging



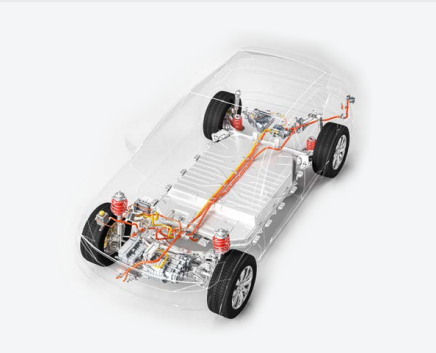
- Americas
- Europe

Other niches



- Europe
- Asia

Battery



- Americas
- Europe
- Asia

The Navigate Plan for Sustainable Growth

1 Restore Strong Value Creation



2 Build World's Best Aluminium Technology Company

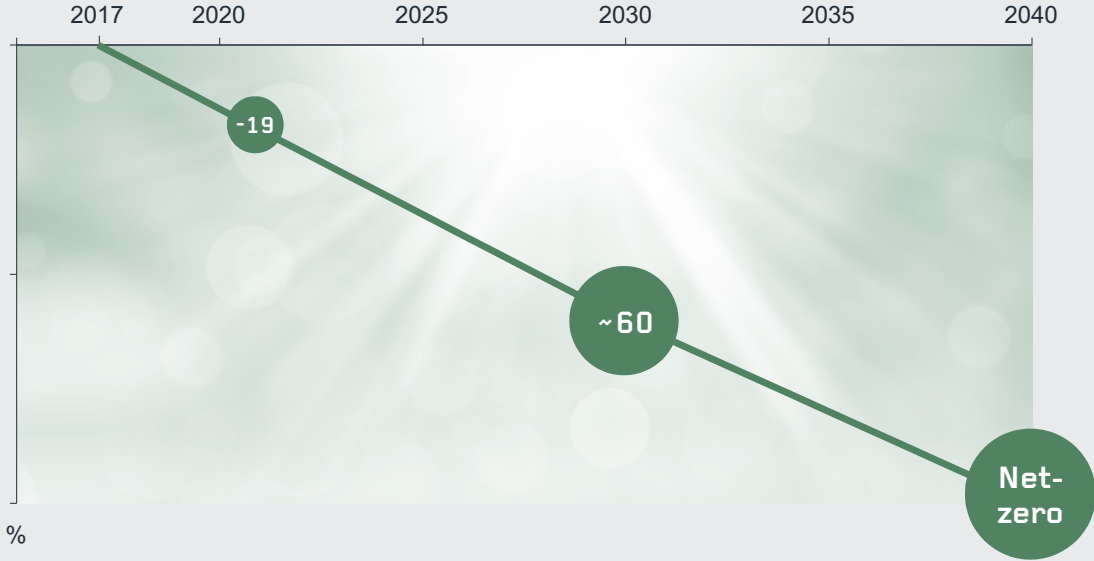


3 Invest in Sustainable Growth

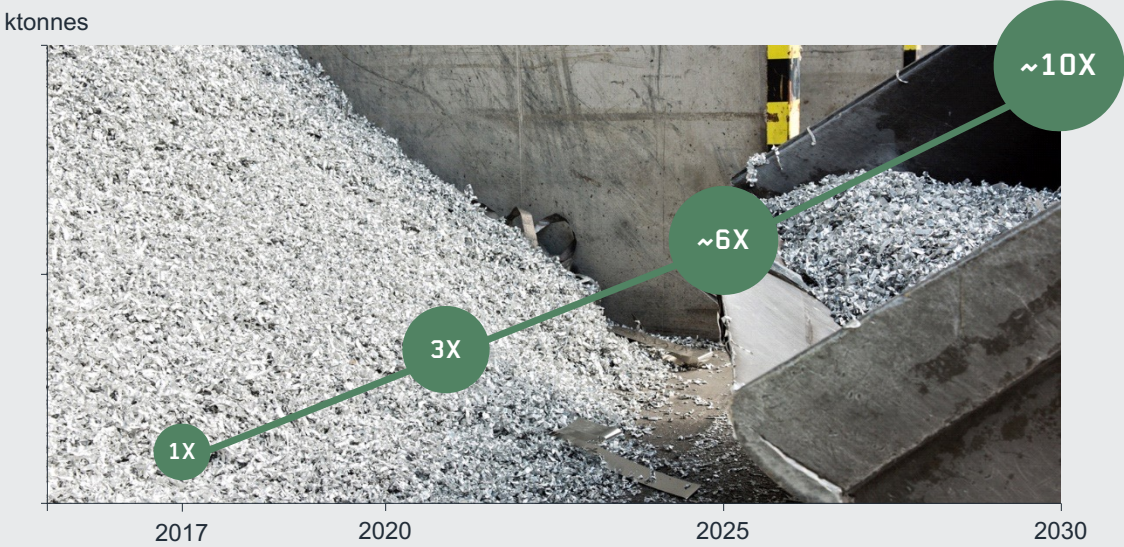


Leading sustainability performance and ambition

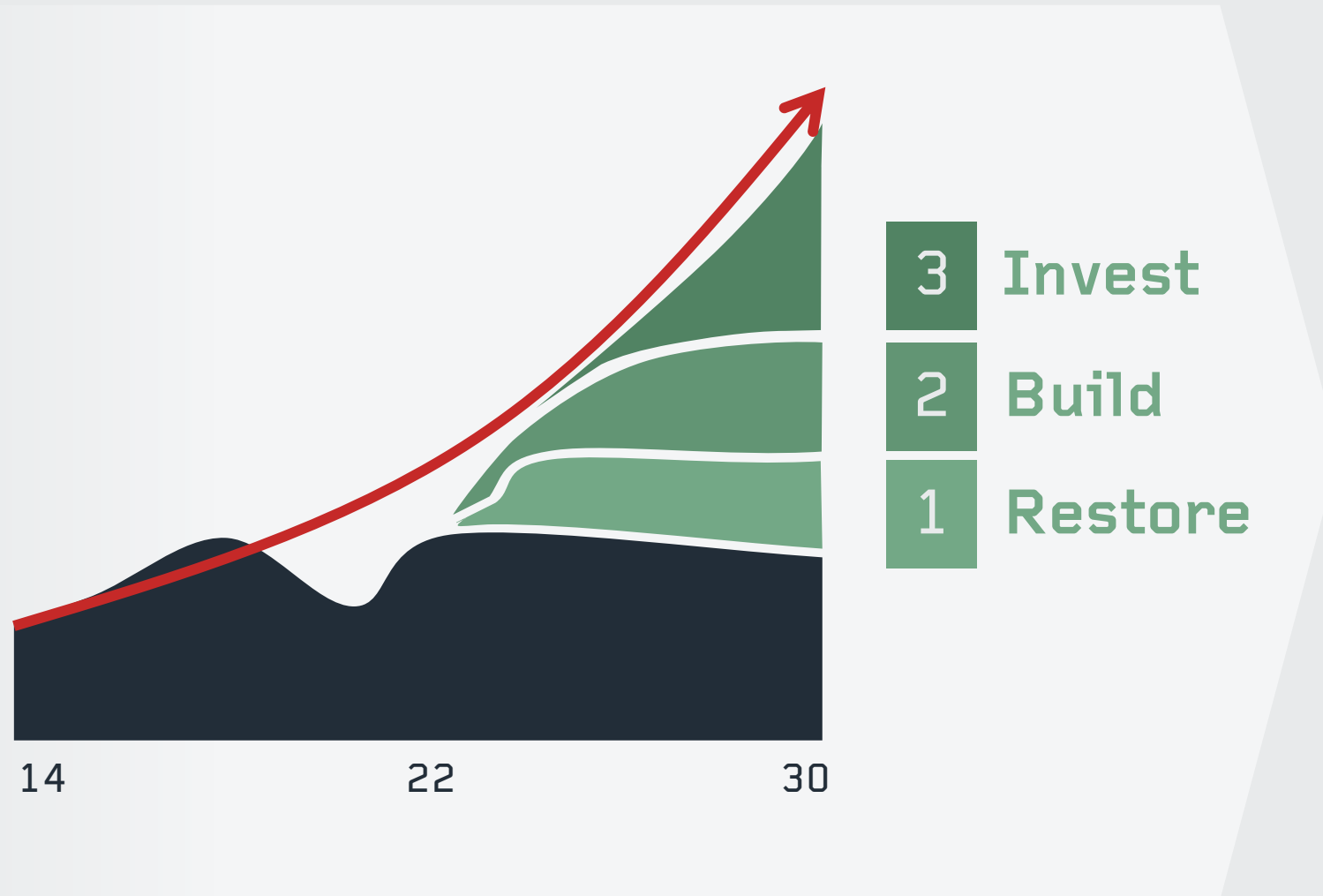
Committing to climate neutrality by 2040



Raised ambitions for recycling and circularity



High ambitions



Sustainable Growth

- World's best aluminium technology company
- 15% ROCE
- 10% EBIT growth
- Continue toward 2040 carbon neutrality

Appendix

Financial guidance

Guidance

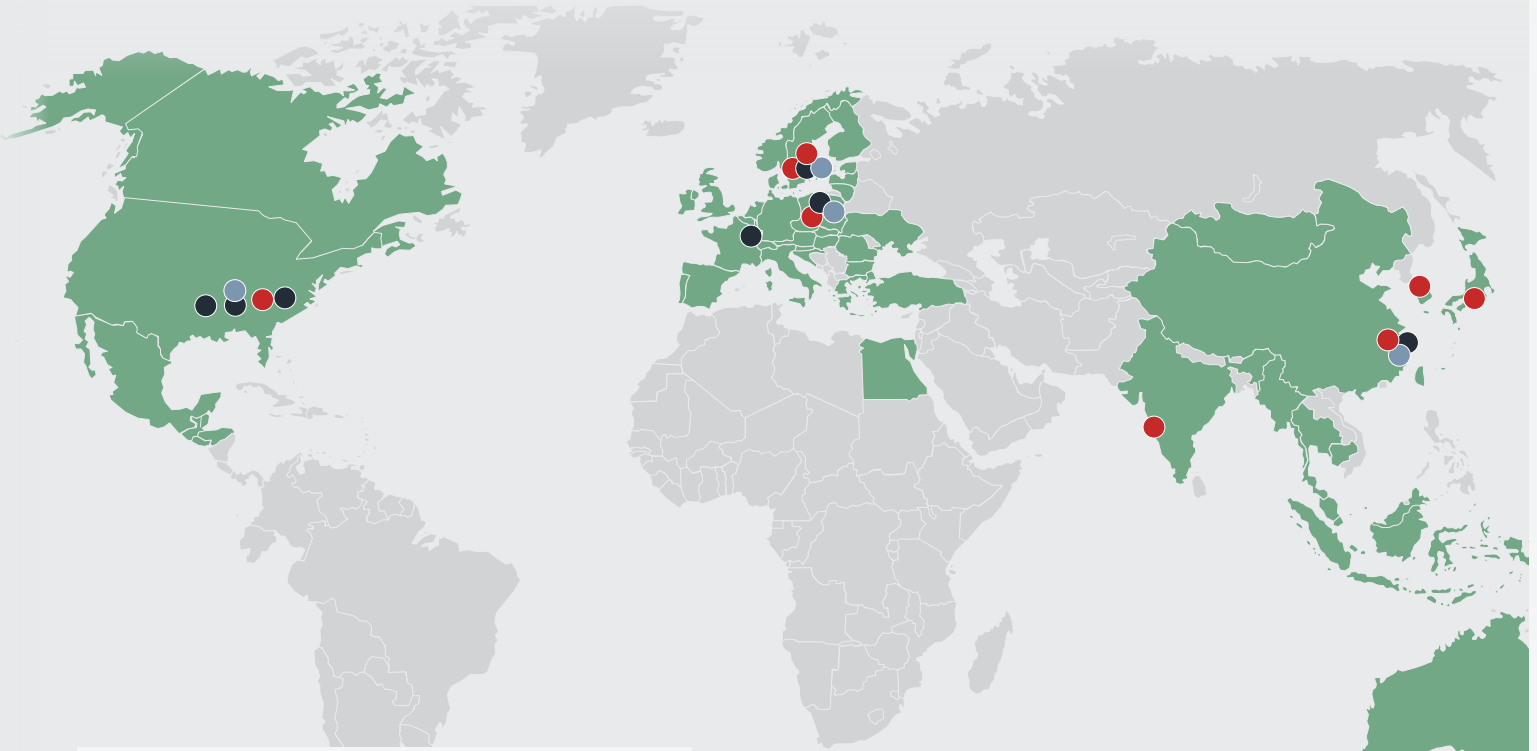
Maintenance capital expenditure	Maintenance capex is typically 60-70% of depreciation or currently SEK 400-450 million
Total capital expenditure 2022	Capital expenditure for 2022 is currently expected to be about SEK 1.1 billion based on current project portfolio
Total capital expenditure 2023	Capital expenditure for 2023 is currently expected to be about SEK 800 million based on current project portfolio
Tax rate	Group tax rate for 2022 is currently expected to be 21%

Reconciliation of Financial net debt

SEK million	2015 31 Dec	2016 31 Dec	2017 31 Dec	2018 31 Dec	2019 31 Dec	2020 31 Dec	2021 31 Dec	2022 31 Mar
Cash and cash equivalents and interest-bearing receivables	-667	-889	-775	-459	-752	-1 601	-814	-695
Interest-bearing liabilities	804	3,324	2,791	2,632	3,853	4,535	4,109	5,338
Pensions	138	288	276	321	363	358	348	348
Net debt	275	2,722	2,292	2,494	3,465	3,292	3,643	4,991
Lease liabilities				-	-259	-237	-236	-233
Pensions	-138	-288	-276	-321	-363	-358	-348	-348
Financial net debt	137	2,434	2,016	2,172	2,842	2,697	3,059	4,409
Adjusted EBITDA ¹	749	1,274	1,303	1,357	1,327	1,477	1,686	1,715
Financial net debt / adjusted EBITDA	0.2	1.9	1.5	1.6	2.1	1.8	1.8	2.6
Net debt / adjusted EBITDA	0.4	2.1	1.8	1.8	2.6	2.2	2.2	2.9

1. Adjusted EBITDA including R12 months EBITDA from acquired companies

Gränges



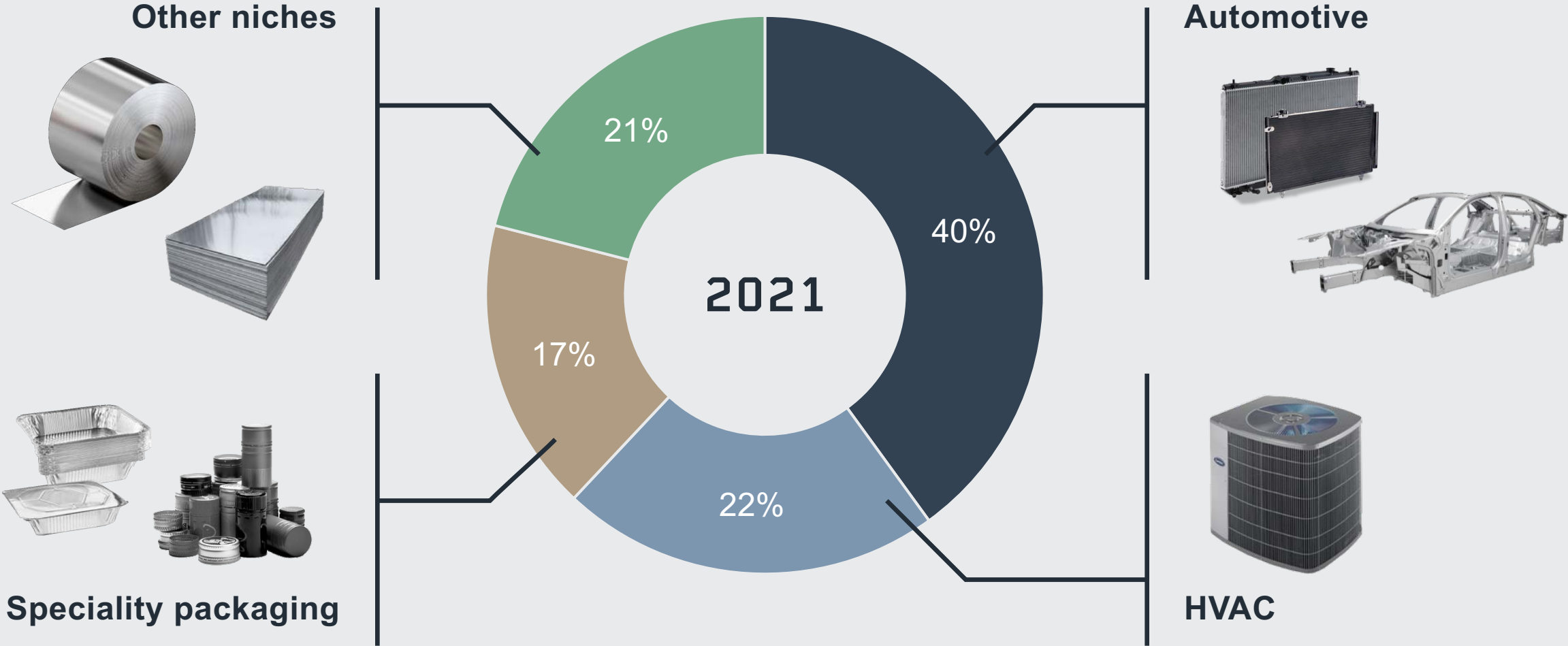
- Sales markets
- Sales offices and technical support
- Production sites
- R&I centres

Total sales volume
489 ktonnes

Production capacity
570 ktonnes

Employees
2,650

End-customer markets



Disclaimer statement

Some statements herein are forward-looking and the actual outcome could be materially different. In addition to the factors explicitly commented upon, the actual outcome could be materially affected by other factors for example, the effect of economic conditions, exchange-rate and interest-rate movements, political risks, impact of competing products and their pricing, product development, commercialization and technological difficulties, supply disturbances, and the major customer credit losses.

A woman with long brown hair in a ponytail, wearing a blue hard hat with 'Energitzer' and 'Hensley' on it, safety glasses, and a grey hoodie, is looking down at a tablet device. The background is a blurred industrial setting. A large red graphic element is on the left side of the image.

Thank you!

Gränges' Capital
Markets Day 2022