

# Q4

Year-end report 2023

## Strong finish to a record year

# Strong finish to a record year

- Stable sales volume of 108 ktonnes (110) in hesitant market
- Stable Automotive demand, but HVAC destocking and return to normal seasonality
- Price and productivity improvements more than offset cost increases
- Adjusted operating profit up 61% to SEK 245 million (153)
- Continued good sustainability performance



# Stable full-year sales volume in a hesitant market



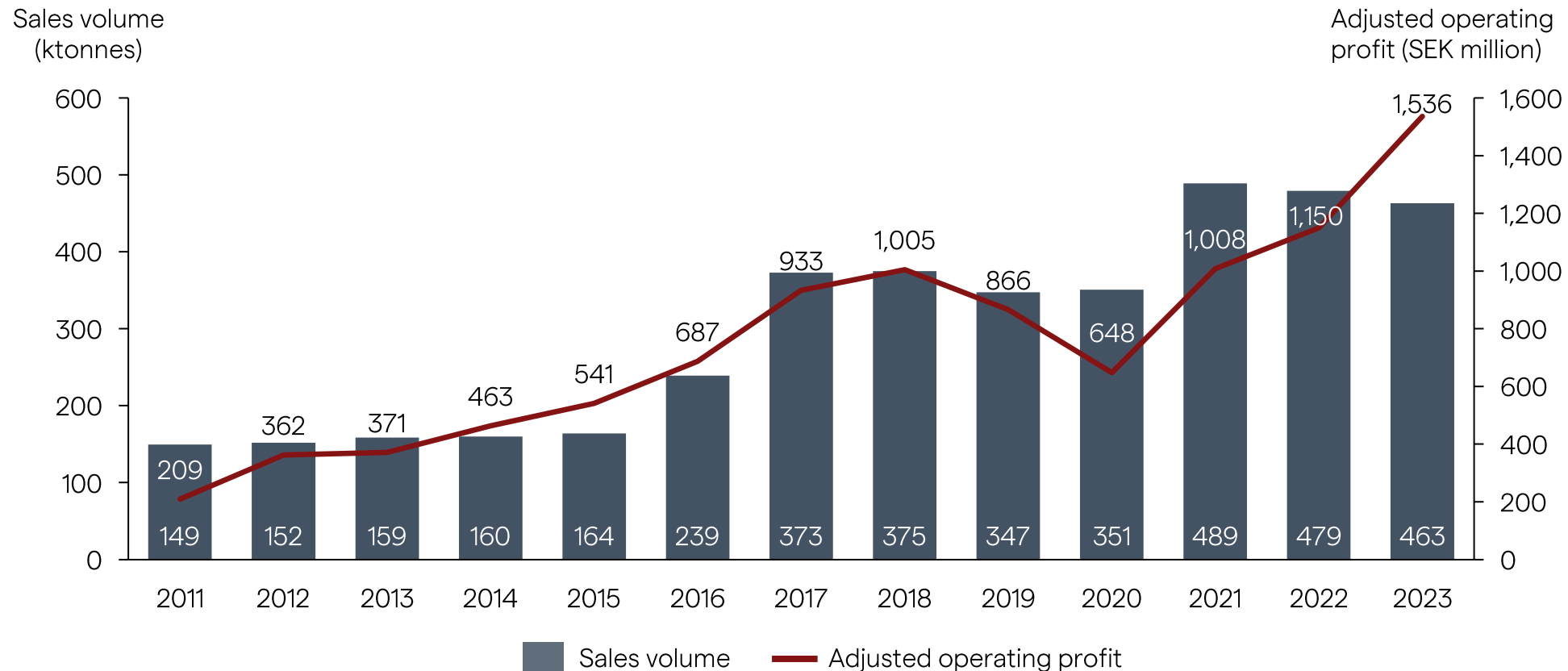
FY 2023 sales volume growth by business area and end-customer market

	Gränges Americas		Gränges Eurasia		Gränges Group	
Automotive	↘	-6%	↗	10%	↗	7%
HVAC	↘	-18%	-	-	↘	-18%
Specialty packaging	↘	-4%	↘	-21%	↘	-8%
Other niches	↘	-13%	→	2%	↘	-4%
Total	↘	-11%	↗	5%	→	-3%

# Record operating profit despite lower sales volume for full year 2023



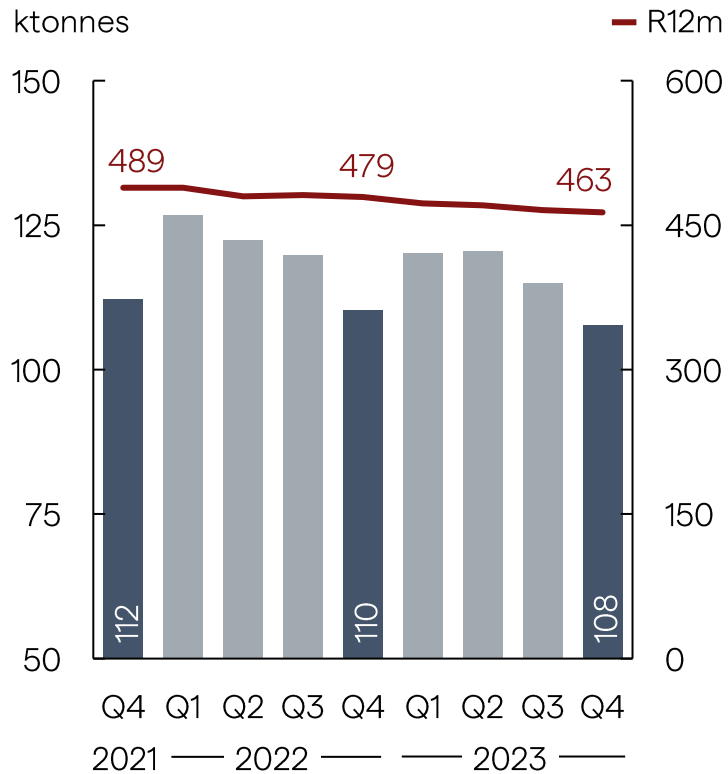
## Sales volume and adjusted operating profit



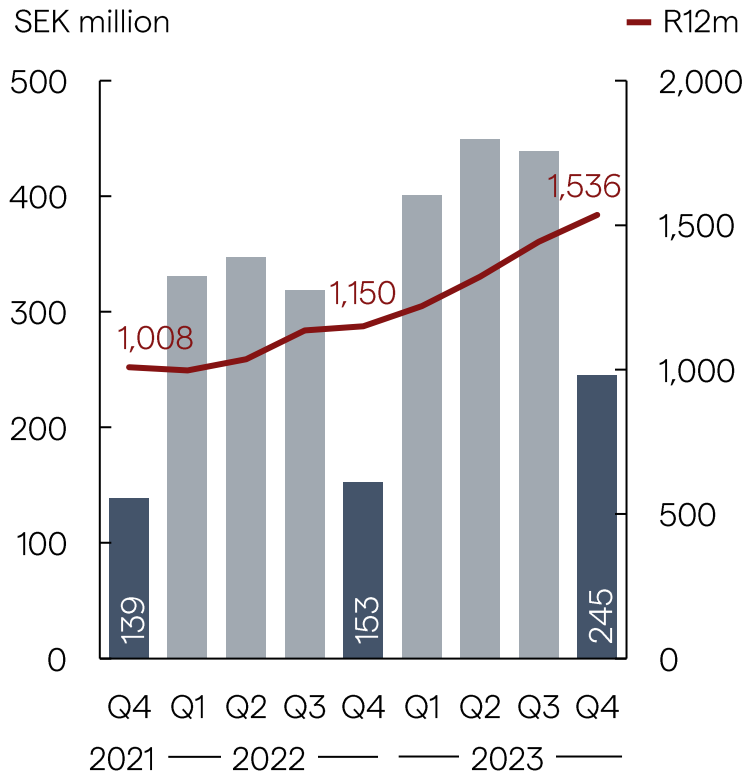
# Continued operating profit and margin improvement throughout the year



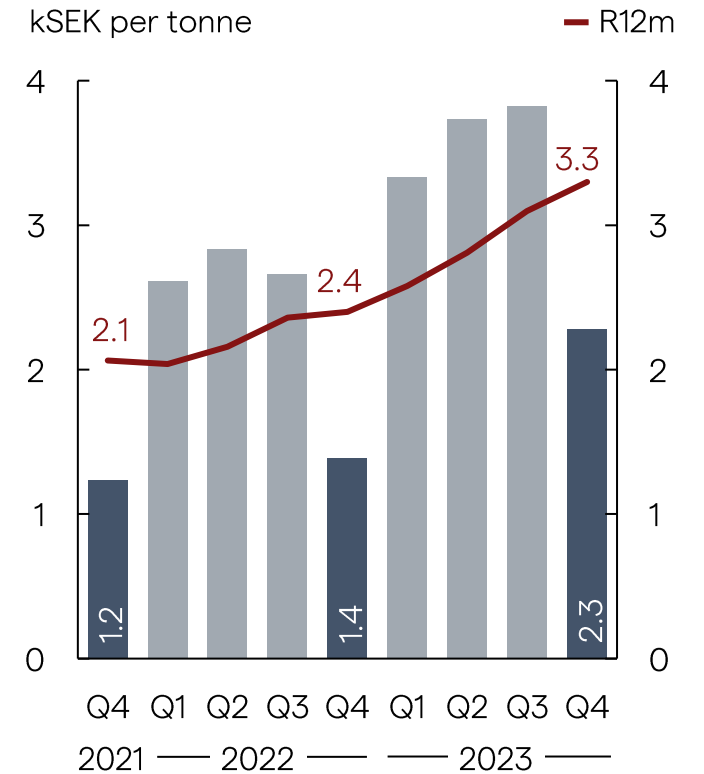
## Sales volume



## Adjusted operating profit



## Adjusted operating margin



# Financial overview fourth quarter 2023



SEK million	Q4			January–December		
	2023	2022	Δ	2023	2022	Δ
Sales volume, ktonnes	107.7	110.3	-2.4%	463.2	479.3	-3.4%
Net sales	4,967	5,366	-7.4%	22,518	24,492	-8.1%
Adjusted operating profit <sup>1</sup>	245	153	61%	1,536	1,150	34%
Adjusted operating profit per tonne, kSEK	2.3	1.4	0.9	3.3	2.4	0.9
Operating profit	245	153	61%	1,576	1,136	39%
Profit for the period	108	51	112%	1,010	700	44%
Earnings per share <sup>2</sup> , SEK	1.01	0.48	0.53	9.48	6.58	2.9
Adj. cash flow before financing activities <sup>3</sup>	693	679	2%	2,826	618	357%
Return on capital employed, R12, %				12.2	9.4	2.8 ppt
Financial net debt / adjusted EBITDA, R12				1.1	1.9	-0.7

1. Adjusted for items affecting comparability

2. Diluted

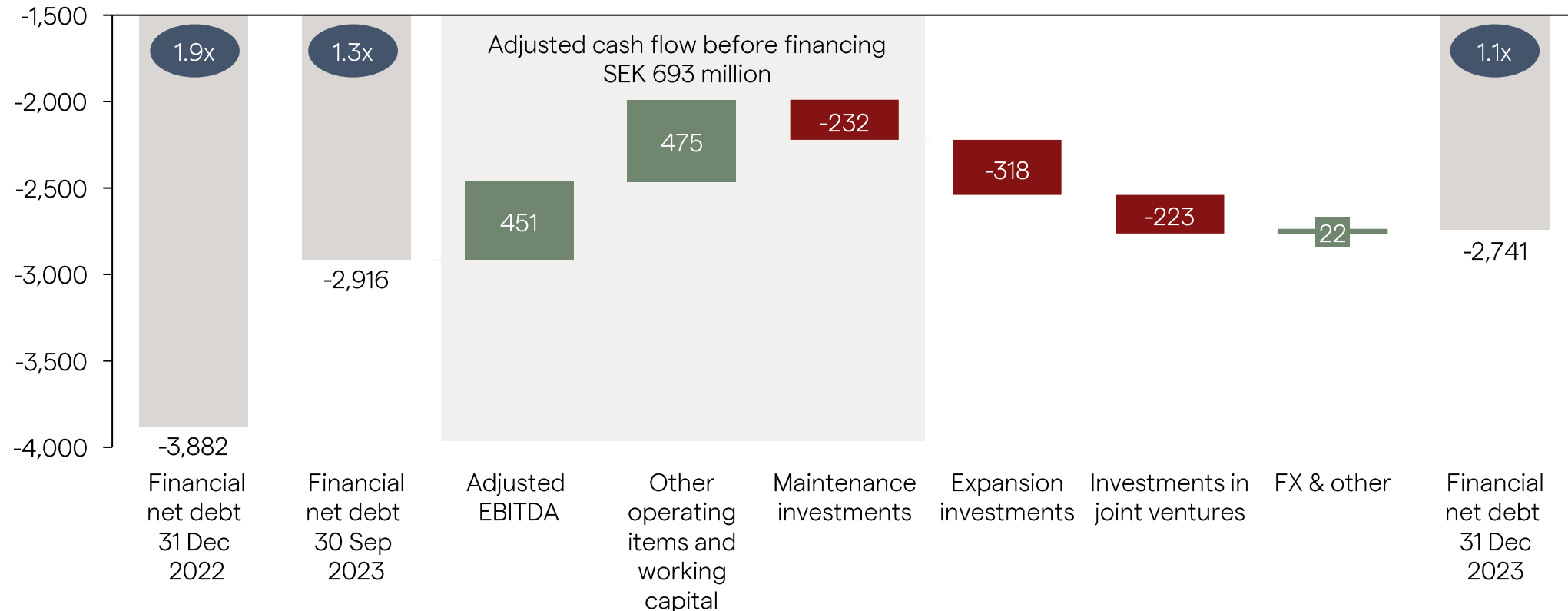
3. Adjusted for expansion investments and acquisitions

# Strong cash flow and improved leverage in the fourth quarter and in the full year



## Change in financial net debt

SEK million



● Financial net debt over adjusted R12 EBITDA

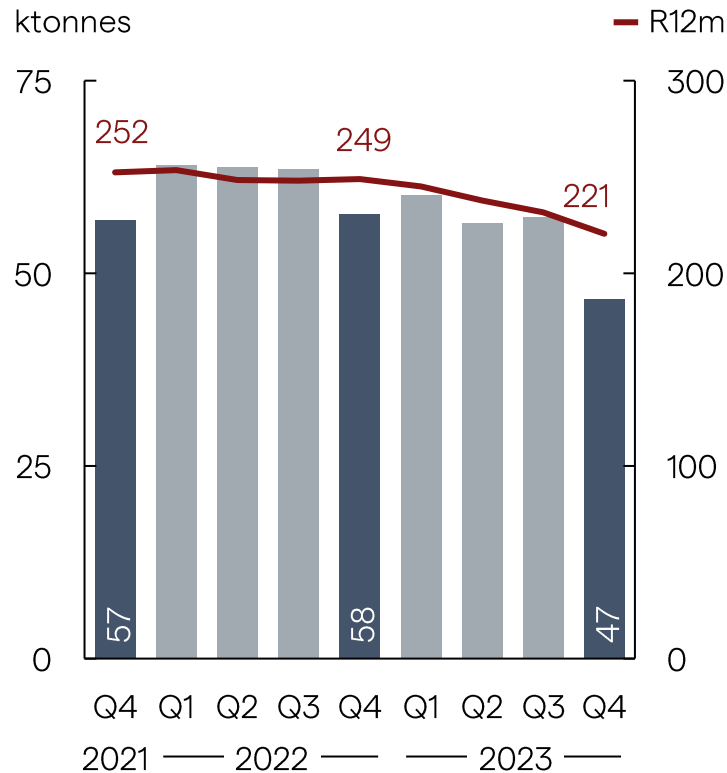


# Gränges Americas fourth quarter 2023: Continued margin improvement

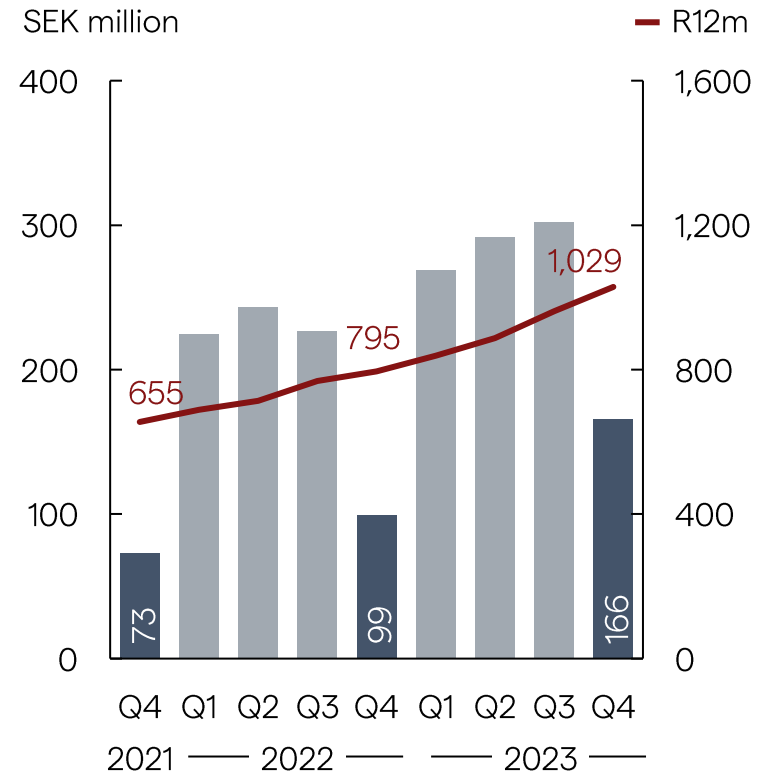


- Weak conditions in all end-customer markets
- Sales volume decreased by 19% vs last year
- Improved pricing and good metal management more than offset lower volumes and cost increases
- Positive operating profit impact from new recycling and casting center

Sales volume



Adjusted operating profit



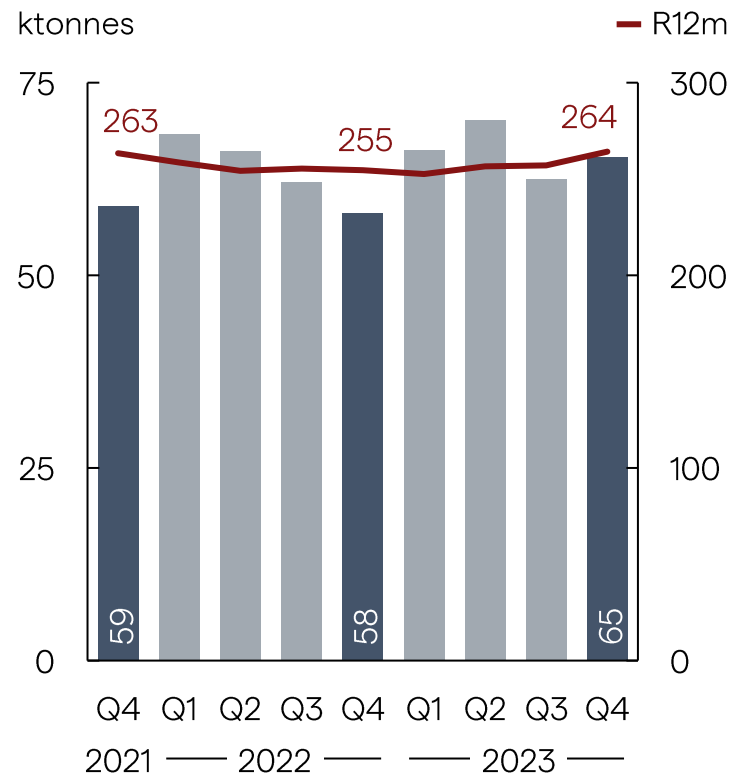


# Gränges Eurasia fourth quarter 2023: Continued volume recovery and improved profit

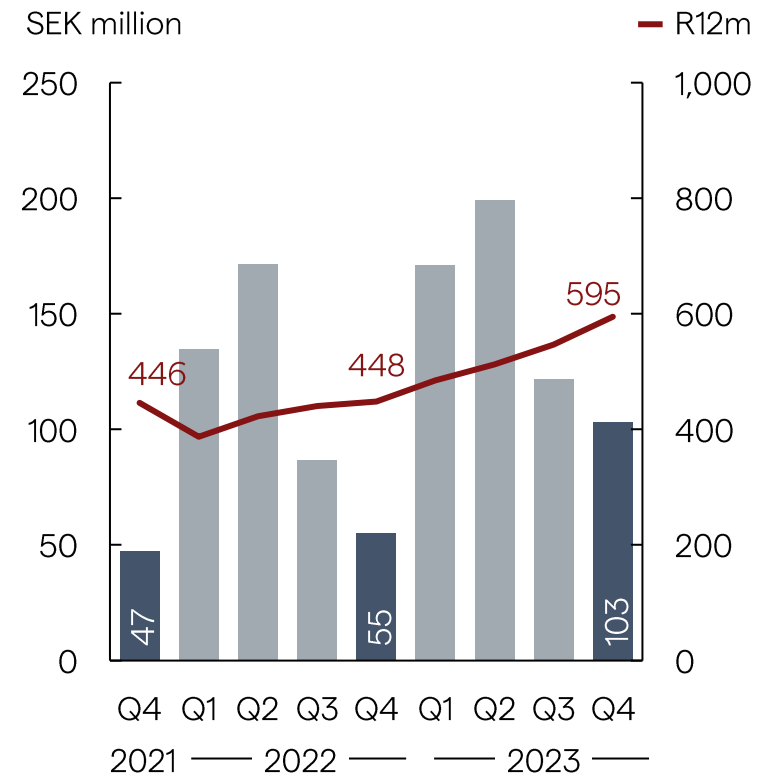


- Continued stable demand within Automotive
- Gradual normalization of downstream inventory in Europe
- Sales volume increased by 13% vs last year<sup>1</sup>
  - Europe +10%
  - Asia +16%
- Positive operating profit impact from good metal management and improved cost productivity

### Sales volume

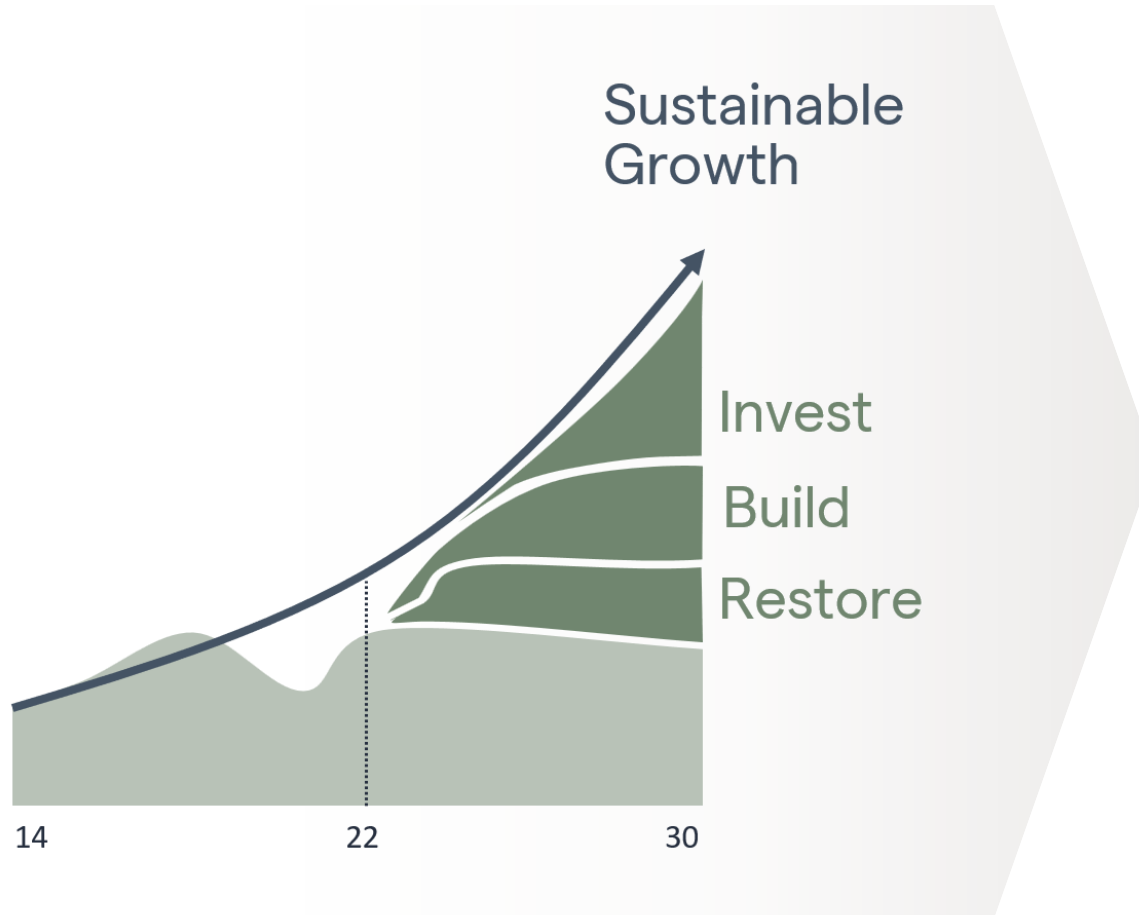


### Adjusted operating profit



1. Refers to total sales volume, external sales volume growth was 16% in the third quarter.

# Our Navigate plan sets high ambitions for the long term



- World's best aluminium technology company
- 15% ROCE
- 10% operating profit growth
- Continue toward 2040 climate neutrality

# Successful execution of Navigate plan



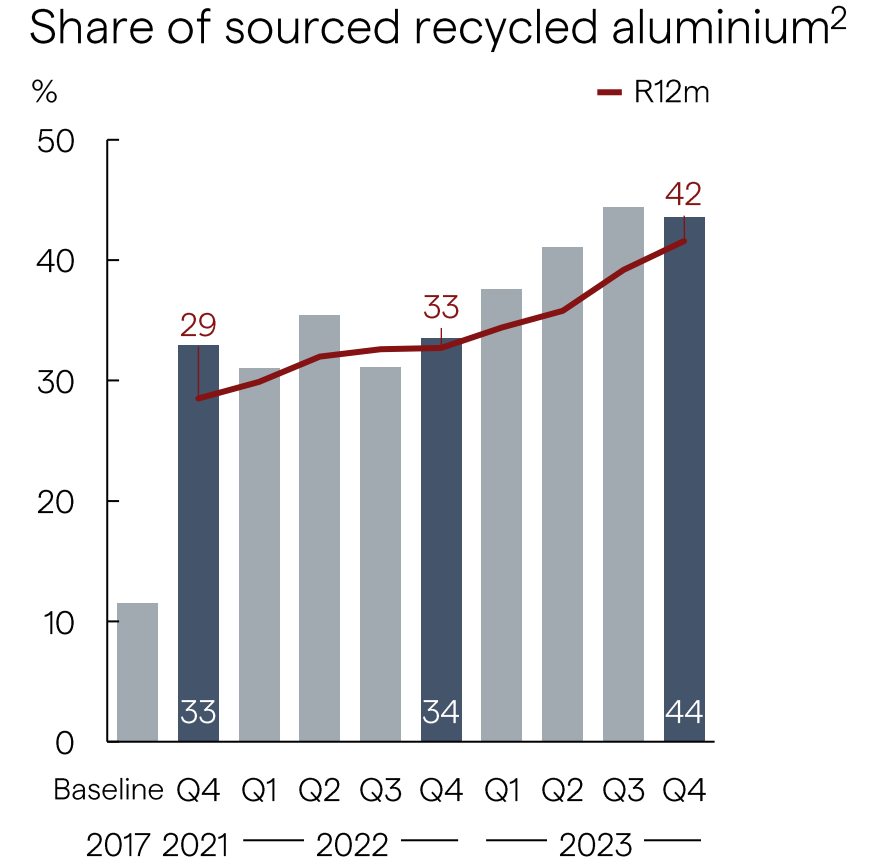
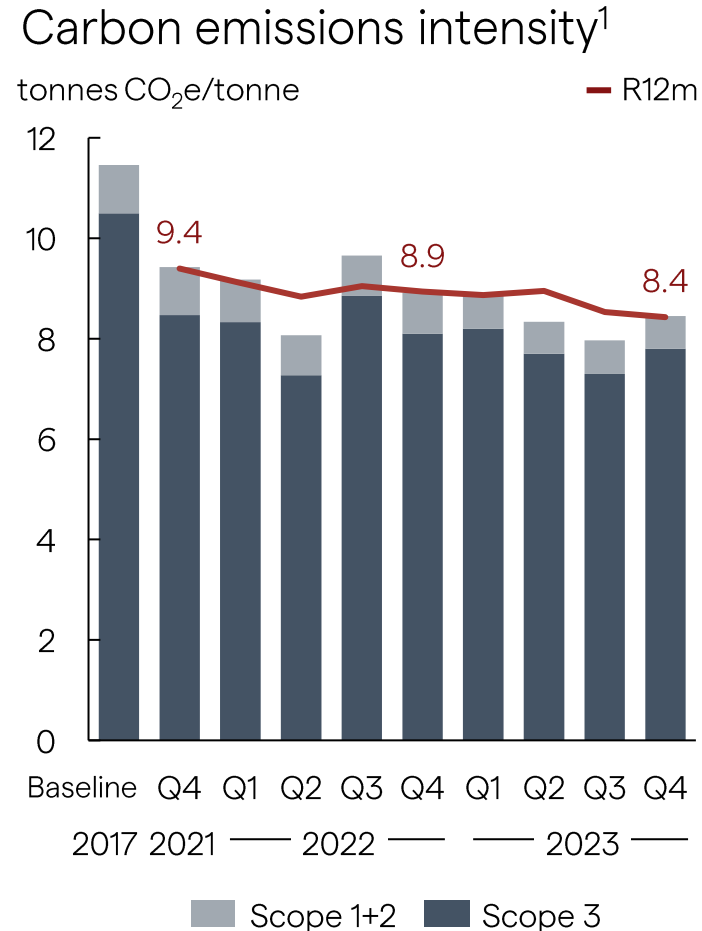
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



# Continued good sustainability performance

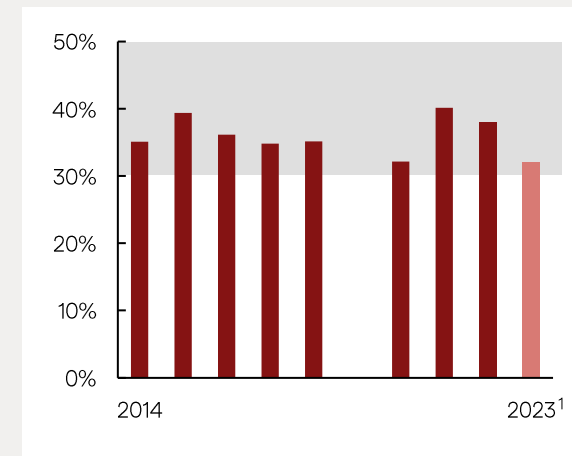
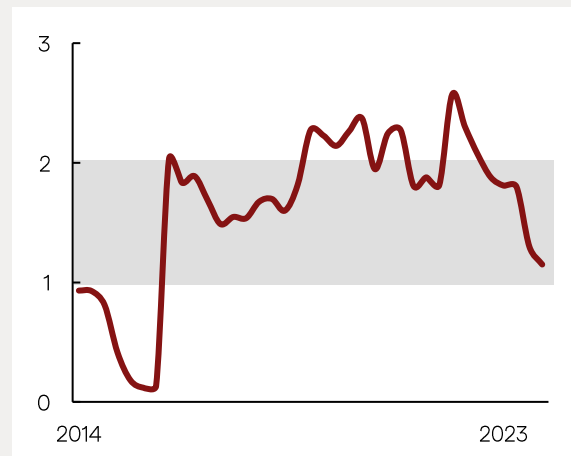
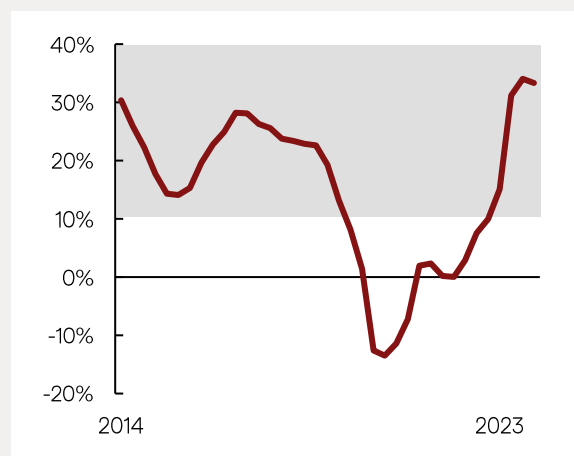
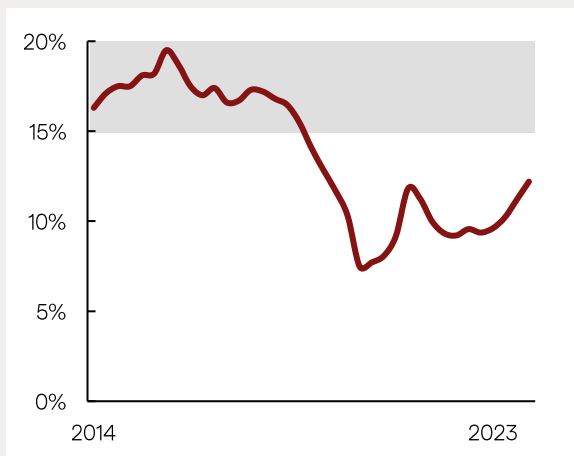


- Record-high recycling in all regions
- Lowest-ever carbon emissions in relative and absolute terms...
- ...driven by higher recycling and renewable electricity
- 2040 net-zero goal approved by SBTi
- EcoVadis Platinum rating for third consecutive time — top 1% of our industry



1. Quarterly data have been adjusted at year-end following confirmation of annual emission factors as well as minor adjustments to fully reflect Gränges' SBTi-approved GHG accounting methodology.  
 2. Baseline 2017 does not include Gränges' production facility in Konin.

# Positive development towards financial targets



## Profitability

Return on capital employed

>15%

“Restore as soon as possible”

## Profit growth

Average operating profit growth

>10%

“Exceed near-term then maintain”

## Capital structure

Financial Net Debt normally between

1-2x EBITDA

“Gradually normalize”

## Dividend

Percentage of profit for the year

30-50%

“Maintain”

1. Dividend ratio for 2023 refers to Board of Directors’ proposal to the Annual General Meeting  
Note: Chart shows 3y CAGR for R12m adjusted operating profit



# First quarter outlook

- Market demand uncertain
- Slightly lower sales volume year over year expected, especially in Americas
- Aim for 2024 is to offset increased price pressure and continued wage inflation with increased market share and cost productivity
- Navigate plan and ambition level remain unchanged



# Summary

- Strong finish to a record year
  - Best-ever operating profit despite hesitant market
  - Best-ever net profit and earnings per share
  - Excellent cash flow and good profitability significantly strengthened balance sheet
- Good progress toward long-term financial targets
- Best-ever sustainability performance and long-term climate goals approved by SBTi
- Systematic work on Navigate plan for sustainable growth continues



# Q&A



GRÄNGES