



*Arne Frank*  
*CEO*

*Fredrik Nilsson*  
*CFO*

A close-up, low-angle shot of a beer bottle, tilted slightly to the left. The bottle is filled with a golden beer, and the AAK logo is visible on the glass. The background is a light blue and white gradient with a large, curved, light blue shape on the right side.

# Interim report First quarter 2015

# Agenda



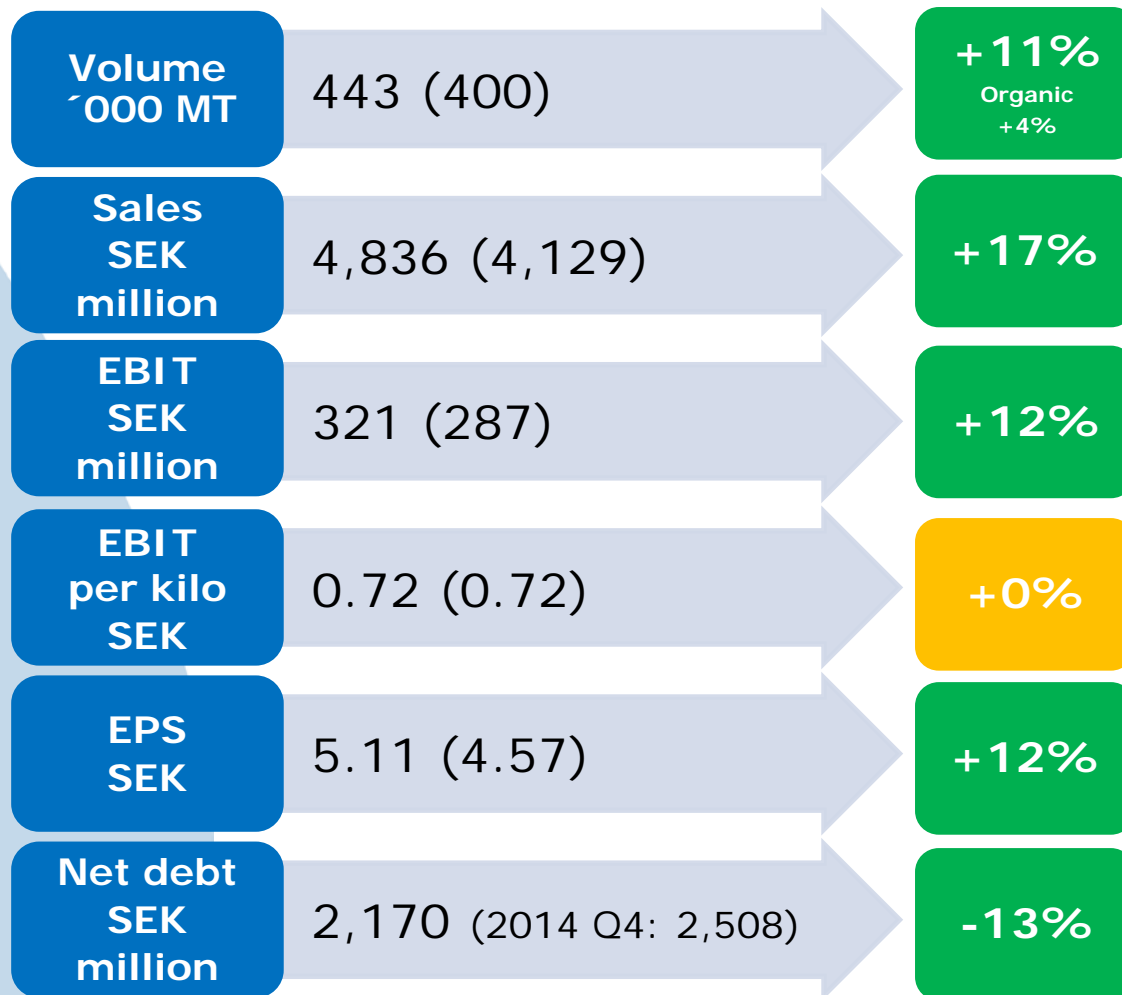
First quarter 2015

Business area information

AAKtion

Q & A

# First quarter 2015



# First quarter 2015



## ♦ Operating profit, AAK Group

- Operating profit reached SEK 321 million (287), an improvement of 12 percent.
  - The currency translation impact was positive SEK 36 million
  - Operating profit at fixed foreign exchange rates and adjusted for last year's divestment of Binol improved by 1 percent
- Operating profit per kilo reached SEK 0.72 (0.72). The currency translation impact was SEK 0.08. Operating profit per kilo was negatively impacted by;
  - The dilutive effect of the acquisitions in Belgium and Colombia
  - Material negative year-on-year development for InFat®
  - Continued volume growth in commodity products in Food Ingredients

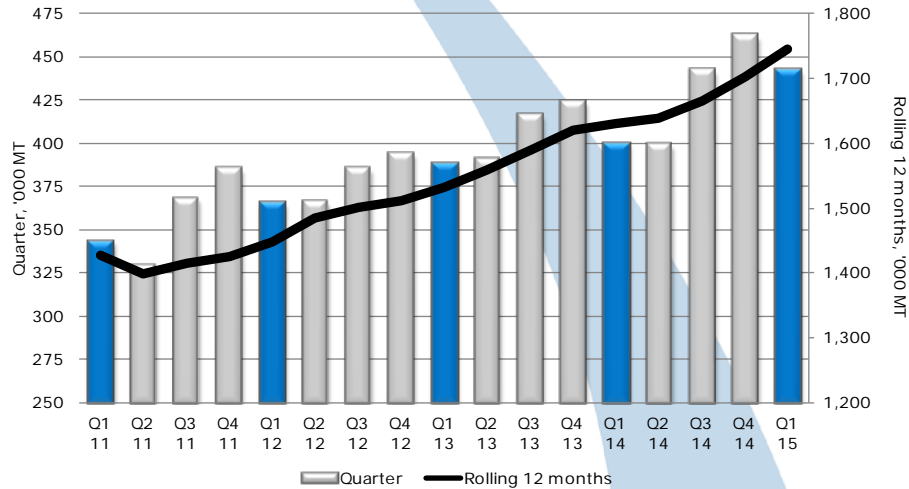
## ♦ Operating profit, business areas

- Food Ingredients reached a result of SEK 195 million (174), an improvement of 12 percent
- Chocolate & Confectionery Fats improved by 17 percent and reached SEK 136 million (116)
- Technical Products & Feed reached a result of SEK 23 million (25 adjusted for Binol divestment)

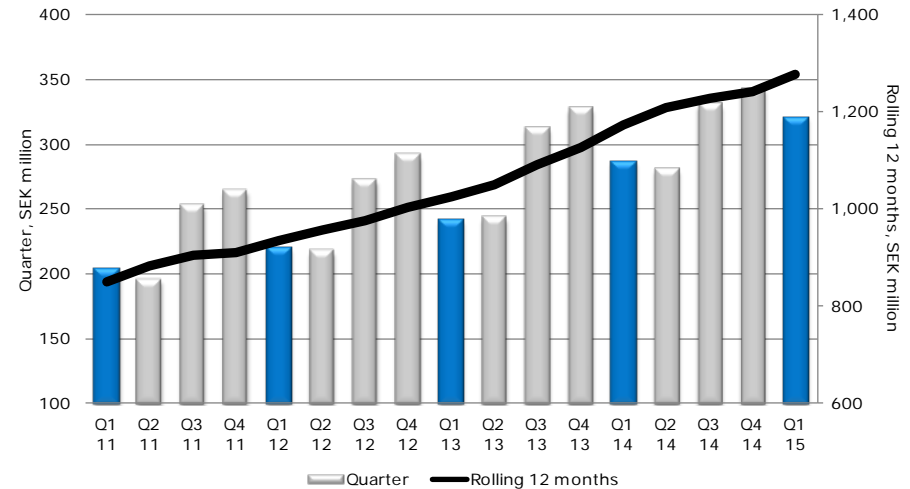
# Financial summary – AAK Group



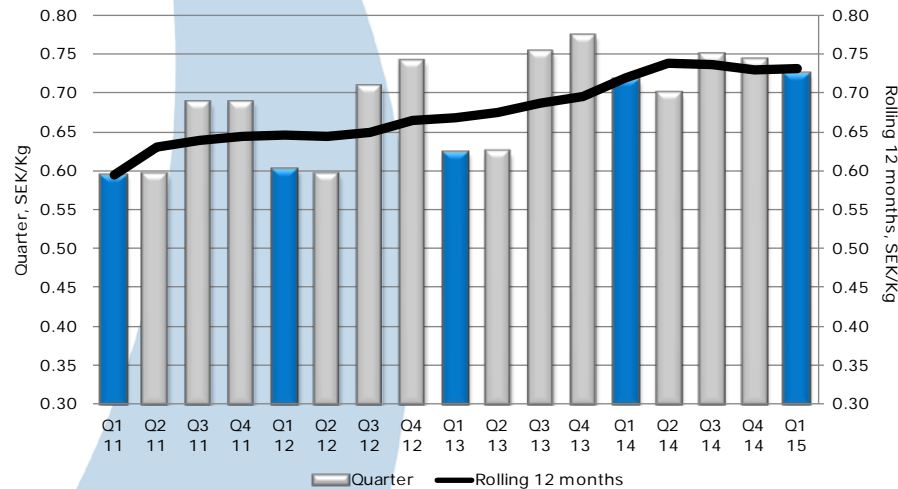
**Volume**



**Operating profit**



**Operating profit per kilo**



# Cash flow

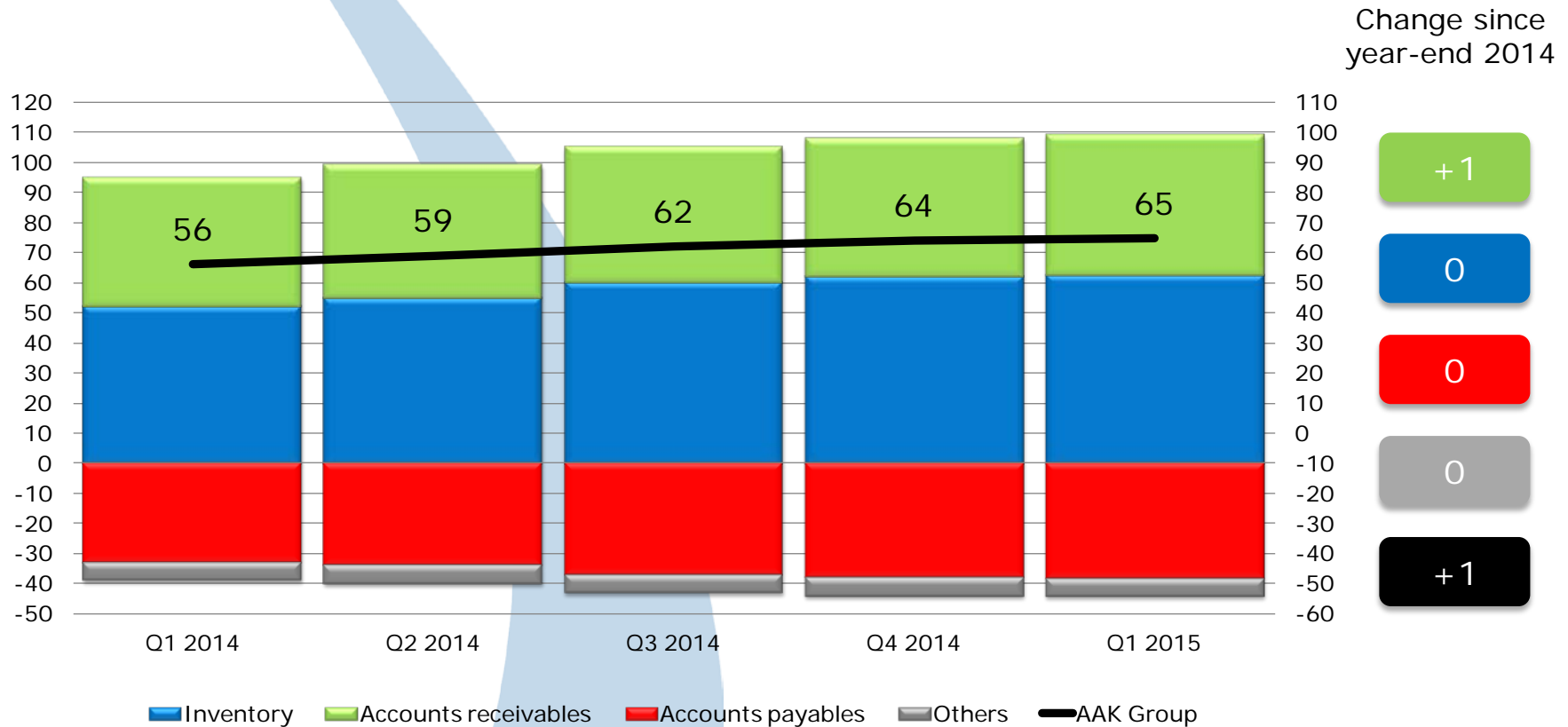


SEK million	Q1 2015	Q1 2014	FY 2014
EBITDA	426	378	1,643
Paid interest	-27	-29	-111
Paid tax	-43	-76	-319
Non-cash items	-15	-17	39
Change in working capital (WC)	86	-176	-560
<b>Cash flow from operating activities incl change in WC</b>	<b>428</b>	<b>81</b>	<b>692</b>
Cash flow from investments	-160	-167	-708
<b>Free cash flow</b>	<b>268</b>	<b>-86</b>	<b>-16</b>

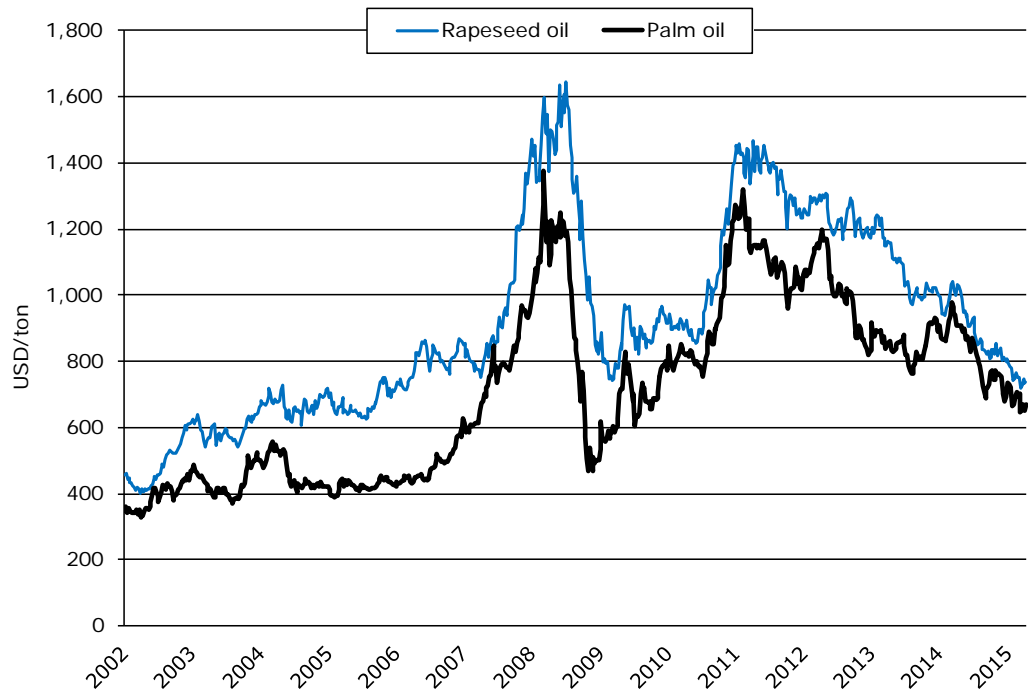
- Operating cash flow including changes in working capital amounted to SEK 428 million (81)
- As predicted previously, cash flow from working capital was positive and amounted to SEK 86 million (-176). Cash flow from inventory was particularly strong in the first quarter

# Working capital days

## Rolling 12 months



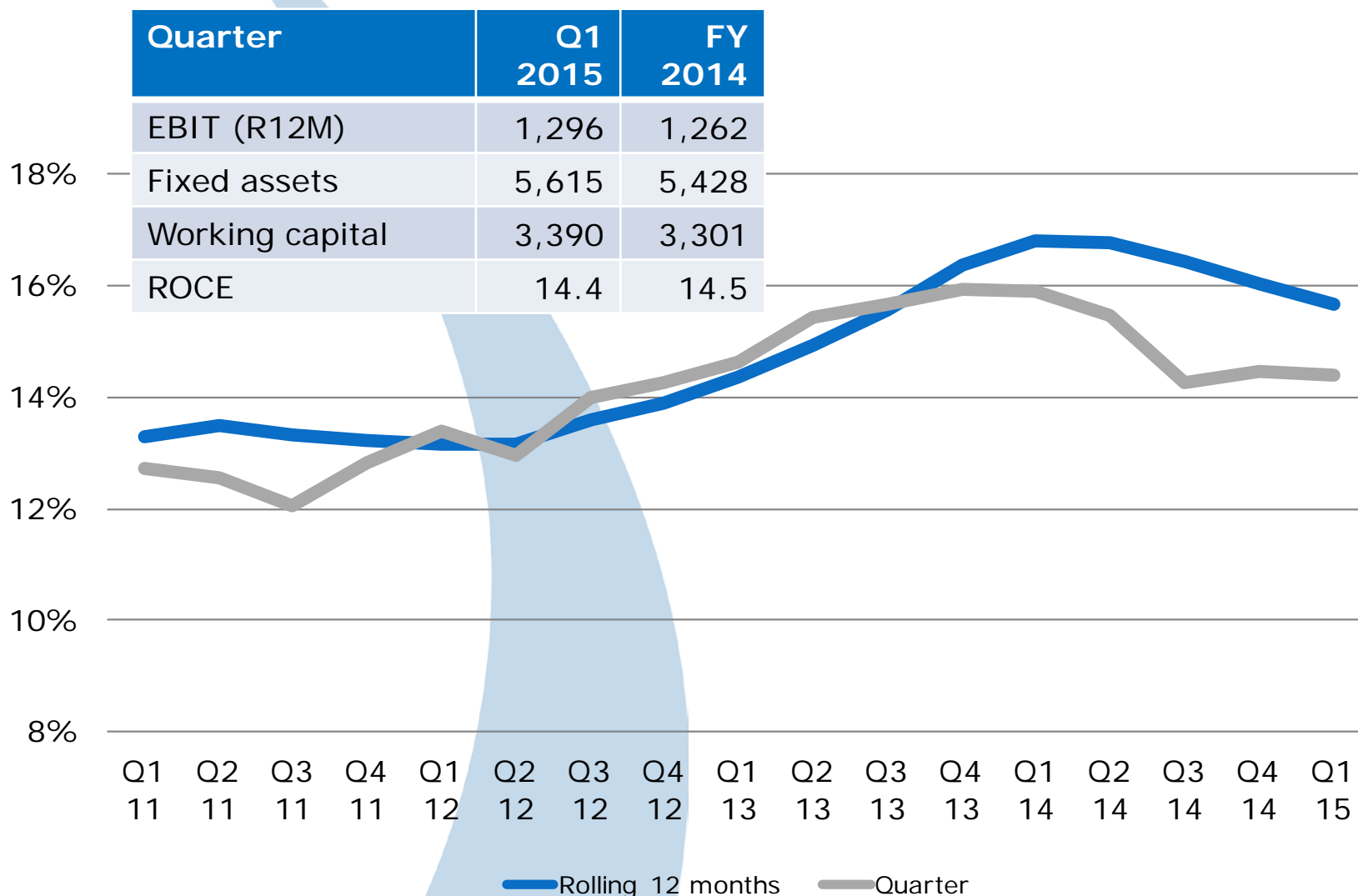
# Raw material prices



- ◆ 10 percent change in all raw material prices will effect working capital by +/- SEK 250 million
- ◆ Time lag of six to nine months



# ROCE – first quarter 2015



# Business trends - first quarter 2015



	Share of volume	Nord	WE	UK	USA	CEE	CIS	Asia	LA
Food Ingredients	68%								
Chocolate & Confectionery Fats	16%								
Technical Products & Feed	16%								
AAK Group	100%								

+12%

## First quarter 2015

- ◆ Operating profit improved by 12 percent at SEK 195 million (174)
  - The currency translation impact was SEK 22 million
- ◆ Operating profit per kilo declined, as expected, from SEK 0.69 to SEK 0.65 due to;
  - The dilutive effect of the acquisitions, SEK 0.07
  - The exceptionally strong first quarter 2014 for Advanced Lipids AB, a joint venture of AAK and Enzymotec
  - The exceptional volume growth in commodity products
- ◆ Food Ingredients reported volume growth of 20 percent, mainly due to the acquisitions in Belgium and Colombia
  - For comparable units, volumes grew organically by 8 percent



# Food Ingredients – organic volume growth

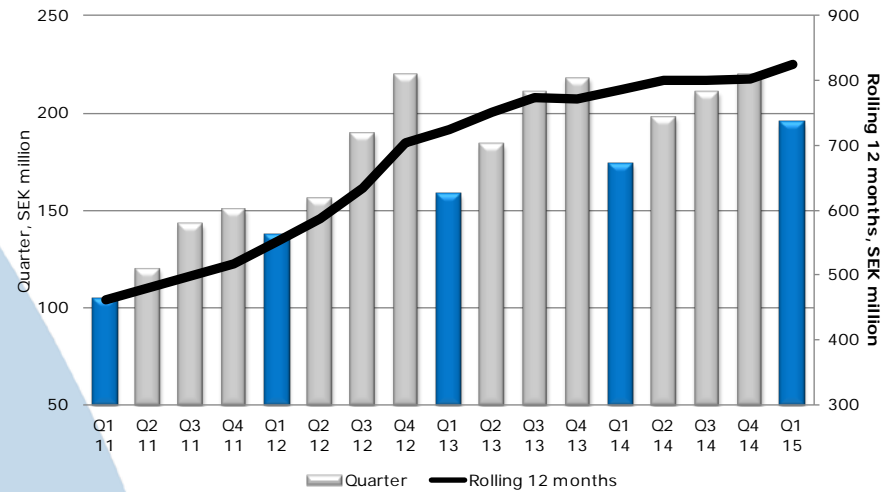


	2015 Q1	2014 FY	2014 Q1	2013 FY
Speciality & semi-speciality	+1%	-1%	+1%	+7%
Commodity	+30%	-2%	-7%	-1%
Total	+8%	-1%	-2%	+4%

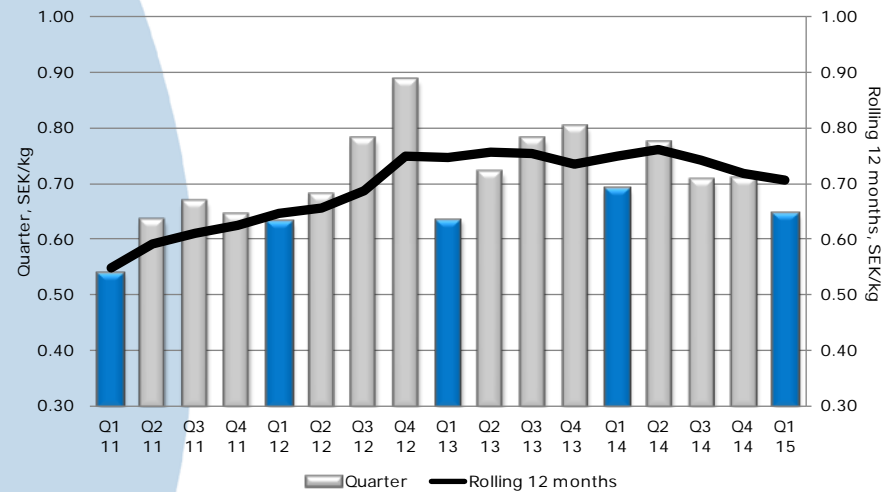
# Food Ingredients



Operating profit



Operating profit per kilo



\* Including acquisitions

The first choice for value-added vegetable oil solutions





# Chocolate & Confectionery Fats



+17%

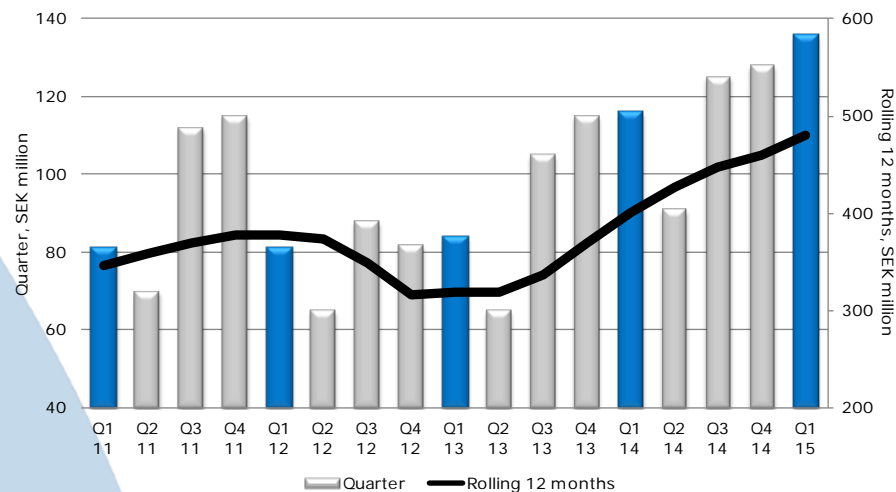
## First quarter 2015

- ◆ As expected, operating profit improved further, by 17 percent, and reached SEK 136 million (116)
  - The currency translation impact was SEK 14 million
- ◆ Operating profit per kilo improved by 25 percent to SEK 1.89 (1.51)
- ◆ Volumes declined by 6 percent
  - The product mix for this business area continued to improve despite severely deteriorating market conditions in Ukraine and Russia
  - Low-end products continued to be under very strong competitive pressure and declined further

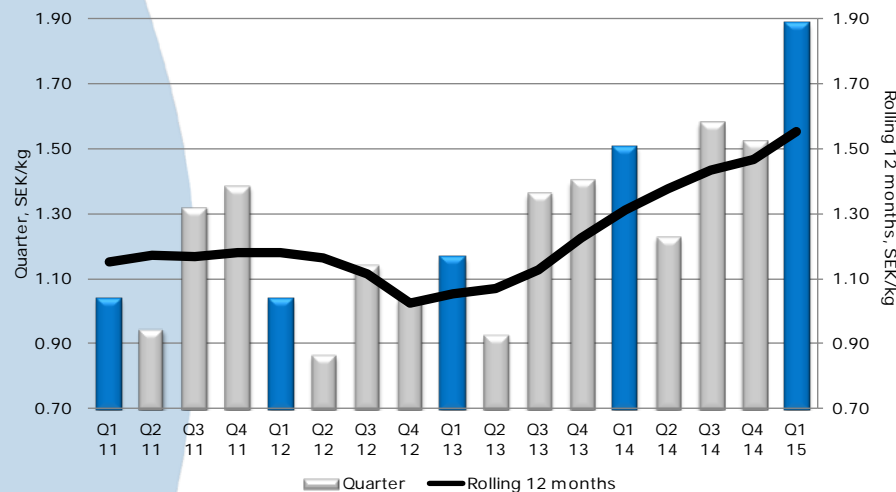
# Chocolate & Confectionery Fats



Operating profit



Operating profit per kilo



# Cocoa butter price



For information regarding cocoa and cocoa butter please refer to information at [www.icco.org](http://www.icco.org)



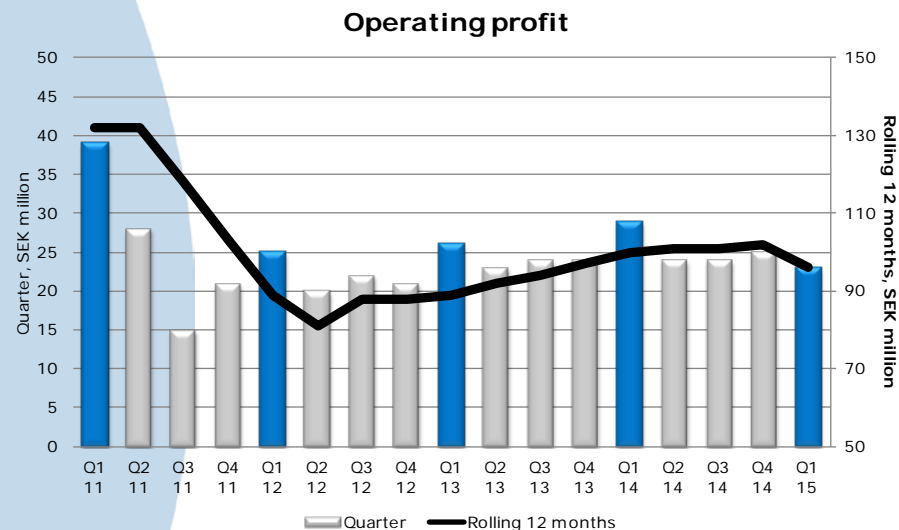
# Technical Products & Feed



## First quarter 2015

-8%

- Operating profit declined to SEK 23 million (25), mainly due to a challenging quarter for our fatty acids business
- Volumes decreased by 1 percent compared to the corresponding quarter in 2014
  - This was mainly related to lower sales of technical products



-8%

## The first choice for value-added vegetable oil solutions



### SALES

Sales



Customer co-development



### INNOVATION

Innovation



### EXECUTION

Service



Quality



Productivity



## PEOPLE

😊 Ahead of plan

😊 On plan

😞 Behind plan

# Concluding remarks from CEO



- Based on AAK's customer value propositions for
  - Health and reduced costs
  - Customer product co-development and solutions approach
- We continue to remain prudently optimistic about the future
- The main drivers;
  - We are expecting a continued positive underlying development for Food Ingredients
  - We are expecting continued improvement in Chocolate & Confectionery Fats

# Questions & answers



# Financial calendar



## Financial calendar 2015

May 5, 2015	Annual General Meeting
July 17, 2015	Second quarter report 2015
October 29, 2015	Third quarter report 2015
November 18, 2015	Capital Market Day, Stockholm
February 3, 2016	Fourth quarter and year- end report 2015



# Investor Relations contact

## **Fredrik Nilsson**

Chief Financial Officer

Phone: +46 40 627 83 34

Mobile: +46 708 95 22 21

E-mail: [fredrik.nilsson@aak.com](mailto:fredrik.nilsson@aak.com)

Further Investor Relations material  
can be found at [www.aak.com/en/Investor](http://www.aak.com/en/Investor)

The first choice  
for value-added  
vegetable oil  
solutions