

Fourth quarter and  
year-end report 2021

# Interim report



**AAK**

# Financial highlights

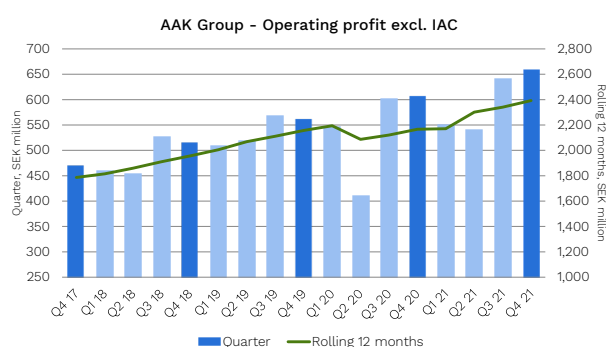
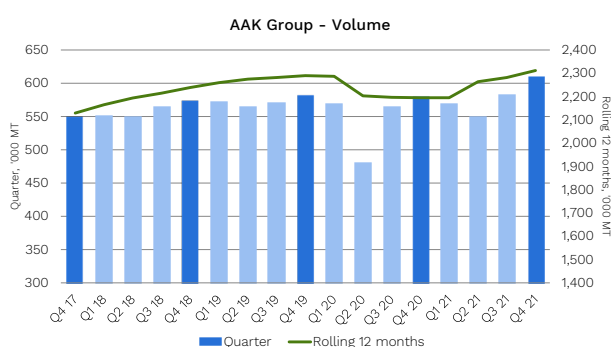
## Q4 2021

- Total volumes increased by 5 percent, to 610,000 MT (580,000).
- Operating profit, including a negative currency translation impact of SEK 26 million, increased by 9 percent, reaching SEK 659 million (607).
- Profit for the period amounted to SEK 480 million (439).
- Earnings per share amounted to SEK 1.84 (1.69).
- Cash flow from operating activities amounted to SEK 239 million (1,208).
- Return on Capital Employed (ROCE), R12M, was 15.6 percent (14.2 at December 31, 2020).

## Q1–Q4 2021

- Total volumes for the period increased by 5 percent, to 2,312,000 MT (2,195,000).
- In the second quarter, AAK reported an item affecting comparability (IAC) of SEK 304 million, related to the optimization of the company's European bakery business.
- Operating profit, excluding IAC but including a negative currency translation impact of SEK 155 million, increased by 11 percent, reaching SEK 2,393 million (2,165).
- Profit for the period amounted to SEK 1,447 million (1,581). Excluding IAC and related tax effects, profit for the period amounted to SEK 1,733 million (1,555).
- Earnings per share amounted to SEK 5.59 (6.16). Excluding IAC and related tax effects, earnings per share amounted to SEK 6.71 (6.05).
- Cash flow from operating activities amounted to SEK 508 million (2,023).
- Return on Capital Employed (ROCE), R12M, was 15.6 percent (14.2 at December 31, 2020).
- The Board of Directors proposes that a dividend of SEK 2.50 (2.30) per share be paid for the financial year 2021.

	Q4 2021	Q4 2020	Δ %	Full year 2021	Full year 2020	Δ %
Volumes, '000 MT	610	580	+5	2,312	2,195	+5
Operating profit, SEK million	659	607	+9	2,089	2,167	-4
Operating profit excluding IAC, SEK million	659	607	+9	2,393	2,165	+11
Operating profit per kilo, SEK	1.08	1.05	+3	0.90	0.99	-9
Operating profit per kilo excluding IAC, SEK	1.08	1.05	+3	1.04	0.99	+5
Profit for the period, SEK million	480	439	+9	1,447	1,581	-8
Profit for the period excluding IAC, SEK million	480	439	+9	1,733	1,555	+11
Earnings per share, SEK	1.84	1.69	+9	5.59	6.16	-9
Earnings per share excluding IAC, SEK	1.84	1.69	+9	6.71	6.05	+11
Return on Capital Employed (R12M), percent	15.6	14.2	+10	15.6	14.2	+10



# Record-high operating profit with strong development across the board

The trends seen in the preceding quarters continued in the fourth quarter. Volumes were up 5 percent compared to the corresponding quarter last year, with strong demand in Chocolate & Confectionery Fats and Food Ingredients. All business areas contributed to lifting our operating profit and operating profit per kilo to new record levels – increasing 13 and 7 percent, respectively, at fixed foreign exchange rates.

For the full year, operating profit increased by 11 percent, excluding items affecting comparability. Delivering on our financial ambition, to achieve average annual EBIT growth of 10 percent, is a clear indication of the sustainable nature of our business, the attractiveness of our offering, and our organization's continued ability to successfully handle the uncertainties and disruptions which characterized 2021.

## Business performance

The positive momentum in Chocolate & Confectionery Fats seen in previous quarters continued, resulting in strong growth, both in terms of volumes (+12%) and operating profit (+12%). Demand was good in all geographies.

Volumes in Food Ingredients increased by 5 percent. Foodservice was the main contributor, followed by Special Nutrition and Dairy, while Bakery was flat. Plant-based Foods continued its positive trend and reported a continued strong volume growth. Operating profit was up 7 percent at fixed foreign exchange rates, supported by Foodservice and Bakery.

Technical Products & Feed reported another very strong quarter, with operating profit up 46 percent. The demand for natural ingredients for technical products continued to grow while feed volumes declined somewhat.

## Capital Market Day

On November 23, we held our annual Capital Market Day for analysts, investors, and media representatives. It was a true pleasure to once again meet and interact, in person and under safe conditions.

## A strong year for AAK, but not without challenges

In 2021, the world experienced rising raw material prices, general cost inflation, and logistics disturbances. This affected businesses globally, AAK included. But, when looking at our strong performance, it's fair to say that we handled these challenges successfully. For the full year, operating profit increased by 18 percent at fixed foreign exchange rates and excluding items affecting comparability. The increase was driven by the positive development across business areas, well supported by the successful execution of our strategy.

During the year, we acquired BIC Ingredients to strengthen our position in the European lecithin market. We also joined forces with Progress Biotech, to supply the Dutch company's premium plant-based DHA (omega-3) for infant formula, as well as entered into strategic partnerships to accelerate the development of solutions for plant-based foods.

We continued to drive sustainability progress in our operations as well as in our supply chain. To address deforestation, we have implemented satellite monitoring for



our global palm oil supply base as well as established partnerships with suppliers and customers. We are committed to a supply chain that by 2025 is 100 percent verified deforestation-free and 100 percent traceable to plantation. Recent initiatives and commitments from the EU and global leaders at COP26, are therefore something we sincerely welcome.

During the year, we also partnered with our customer Mars and several leading NGOs in a ten-year initiative to further improve the livelihoods of women working in the shea supply chain in West Africa.

Our progress and achievements during the year can be attributed to our dedicated employees. I therefore want to express my sincere gratitude and appreciation to each and every AAK colleague.

## Concluding remarks

As we concluded the fourth quarter and the full year, there were still challenges affecting the global economy. We navigated well throughout 2021, and could close the year on a strong note, having a robust foundation, strong financial track record, and solid balance sheet. The passion, drive and agility of our employees have generated strong results and are also strengths we build on going forward.

Despite short- to mid-term uncertainty, we see no reason to adjust our view on the strong favorable underlying long-term trends in our markets. Thus, we remain prudently optimistic about the future and we are fully committed to Making Better Happen™.

Johan Westman, President and CEO

# AAK Group, Q4 2021

## Volumes

Volumes amounted to 610,000 MT (580,000), an increase by 5 percent compared to last year.

## Net sales

Sales amounted to SEK 10,441 million (7,298), an increase by 43 percent. The increase was due to higher volumes as well as higher raw material prices, partly offset by a negative currency translation impact of SEK 81 million.

## Operating profit

Operating profit reached SEK 659 million (607), an increase by 9 percent compared to the corresponding quarter in 2020. The increase was driven by higher volumes.

The currency translation impact was negative SEK 26 million of which SEK 5 million related to Food Ingredients and SEK 21 million to Chocolate & Confectionery Fats. Operating profit at fixed foreign exchange rates increased by 13 percent.

Operating profit per kilo reached SEK 1.08 (1.05), an increase of 3 percent. The currency translation impact was negative SEK 0.04. At fixed foreign exchange rates, operating profit per kilo increased by 7 percent.

## Net financial cost and tax costs

Net financial cost amounted to SEK 26 million (31). Reported tax costs correspond to an average tax rate of 24 percent (24).

## Earnings per share

Earnings per share amounted to SEK 1.84 (1.69).

## Cash flow and investments

Operating cash flow including changes in working capital amounted to SEK 239 million (1,208). Cash flow from working capital amounted to negative SEK 389 million (positive 521). There was a negative cash flow from inventory in the quarter due to continued rising raw material prices. Cash flow from accounts payables was positive, driven by higher raw material prices. Cash flow from accounts receivables was negative, driven by increased raw material prices.

Cash outflow from investment activities amounted to SEK 215 million (592), of which SEK 0 million (359) related to acquisitions of operations. Capital expenditure was mainly related to regular maintenance investments and capacity increases.

Raw material prices have continued to increase during 2021. Based on the duration of our contract portfolio, there is a time lag of 6–9 months until we see the cash flow effect from the price volatility. This implies a continued negative impact on working capital during the first half of 2022.

## Return on Capital Employed (ROCE)

Calculated on a rolling 12 months basis, Return on Capital Employed (ROCE) was 15.6 percent (14.2 at December 31, 2020).

## Financial position

The equity/assets ratio amounted to 44 percent (44 percent at December 31, 2020). Net debt at December 31, 2021 amounted to SEK 3,817 million (SEK 3,472 million at December 31, 2020). Net debt/EBITDA amounted to 1.25 (1.19 as of December 31, 2020). Net debt/EBITDA, excluding the IFRS 16 impact, amounted to 1.10 (0.99 as of December 31, 2020). At December 31, 2021, the Group had total credit facilities of SEK 7,715 million (8,274 as of December 31, 2020), whereof SEK 6,374 million (7,234 as of December 31, 2020) in committed credit facilities. Unused committed credit facilities at December 31, 2021 amounted to SEK 4,248 million (6,120 as of December 31, 2020).

## Changes in the Executive Committee

Susanne Jaspers has been appointed new President AAK Europe. Susanne is an experienced senior executive with more than 20 years in business, including extensive commercial food ingredient B2B experience from DSM, DuPont, and IFF (International Flavors & Fragrances). She currently works as Global SBU Leader Cultures & Dairy Enzymes at IFF. She will be part of AAK's Executive Committee and commence her position as of March 1, 2022.

## Selected key events

### AAK awarded at Food ingredients Europe

On November 30, AAK was awarded at Food ingredients Europe Innovation Awards, held in connection with the Food ingredients Europe exhibition in Frankfurt, Germany.



Our innovative ingredient AkoBisc® GO!, a revolutionary biscuit fat creating a unique sensory biscuit quality, won the Sensory Innovation Award. AkoBisc® GO! was also nominated in category Food Tech Innovation Award. In addition, our highly functional CBE (cocoa butter equivalent) product, ILLEXAO™, enabling chocolate to meet deforestation-free claims, was nominated for the Sustainability Innovation Award.

Food ingredients Europe is the largest trade show in Europe for stakeholders in the food ingredients industry.

### Capital Market Day 2021

On November 23, 2021, AAK held its annual Capital Market Day for analysts, investors and media representatives. At the event, which took place in Malmö, Sweden, President and CEO Johan Westman together with Tomas Bergendahl, CFO, and Anne Mette Olesen, Chief Strategy & Sustainability Officer, shared updates on our strategy and business, financial development, and progress within the sustainability area.



In addition, Karsten Nielsen, Chief Technology Officer, gave a presentation on the complexity of speciality oils and fats, and René Schou, President Global Industries, discussed market opportunities tied to the world's increasing focus on sustainability. Furthermore, Sourcing Manager Jakob Nybroe shared his first-hand experiences from working with AAK's direct shea sourcing program Kolo Nafaso in West Africa.

All presentations can be accessed at [www.aak.com/cmd](http://www.aak.com/cmd). Here, you will also find video recordings of Johan Westman's and Tomas Bergendahl's presentations.

# Food Ingredients, Q4 2021\*

	Q4 2021	Q4 2020	Δ %	Full year 2021	Full year 2020	Δ %
<b>Operating profit +6%</b>						
Volumes, '000 MT	389	371	+5	1,476	1,426	+4
<b>Operating profit per kilo +1%</b>						
Net sales, SEK million	6,781	4,698	+44	23,245	18,387	+26
Operating profit, SEK million	337	319	+6	1,380	1,286	+7
Operating profit per kilo, SEK	0.87	0.86	+1	0.93	0.90	+3

## Volumes

Volumes for the business area increased by 5 percent.

Total volumes for Bakery were flat, with strong growth in Asia while volumes in Europe and the US were slightly lower due to our continued prioritization of speciality and semi-speciality solutions.

Dairy volumes increased, due to higher demand in the US and North Latin America.

Plant-based Foods continued its positive trend and reported volume growth, mainly supported by our plant-based dairy solutions.

Special Nutrition volumes increased, driven by semi-speciality solutions in sub-segment Infant Nutrition. Demand for our high-end solutions decreased slightly, however, volumes with our local Chinese customers continued to grow.

Volumes in Foodservice increased by double digits in all market geographies but are still not quite back at pre-pandemic levels.

## Net sales

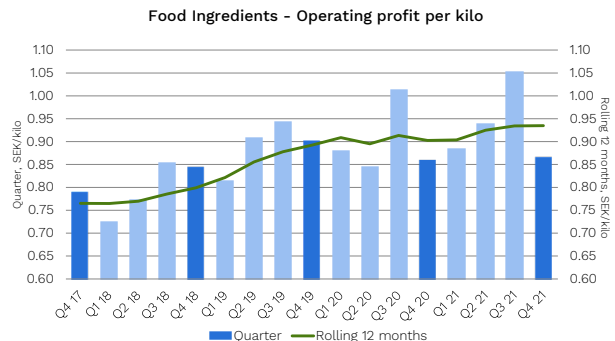
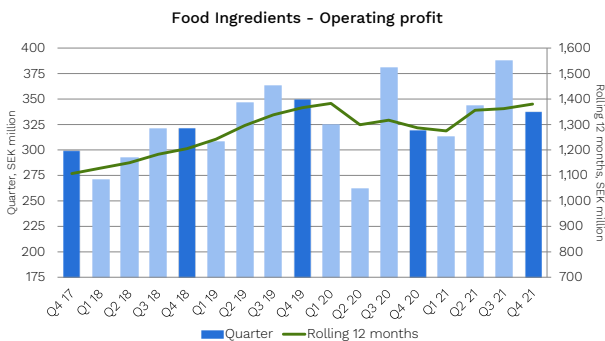
Sales amounted to SEK 6,781 million (4,698), an increase of 44 percent or SEK 2,083 million. The increase related to a high demand for speciality and high-end semi-speciality solutions as well as price adjustments due to increased raw material prices. This was partly offset by a negative currency translation impact of SEK 23 million.

## Operating profit

Operating profit increased by 6 percent to SEK 337 million (319). The currency translation impact was negative and amounted SEK 5 million. At fixed foreign exchange rates, operating profit increased by 7 percent.

Operating profit for the business area was mainly driven by the continued recovery in Foodservice and an improved profitability in Bakery. Special Nutrition had a somewhat lower operating profit due to product mix.

Operating profit per kilo increased slightly to SEK 0.87 (0.86). The currency translation impact was negative SEK 0.01. At fixed foreign exchange rates, operating profit per kilo grew 2 percent.



\* Operating profit and operating profit per kilo are excluding items affecting comparability.



# Chocolate & Confectionery Fats, Q4 2021\*

	Q4 2021	Q4 2020	Δ %	Full year 2021	Full year 2020	Δ %
<b>Operating profit</b> <b>+12%</b>						
Volumes, '000 MT	139	124	+12	519	449	+16
<b>Operating profit per kilo</b> <b>+0%</b>						
Net sales, SEK million	3,046	2,177	+40	10,116	7,949	+27
Operating profit, SEK million	299	266	+12	971	865	+12
Operating profit per kilo, SEK	2.15	2.15	+0	1.87	1.93	-3

## Volumes

Volumes increased by 12 percent, driven by good market growth and our successful co-development approach. There was a continued strong demand for filling fats, but also for semi-speciality solutions. All regions reported strong volume growth.

## Net sales

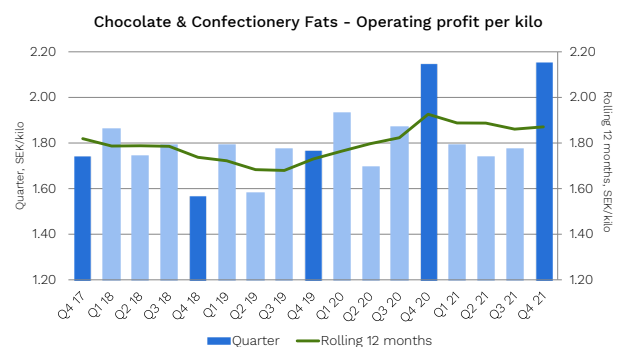
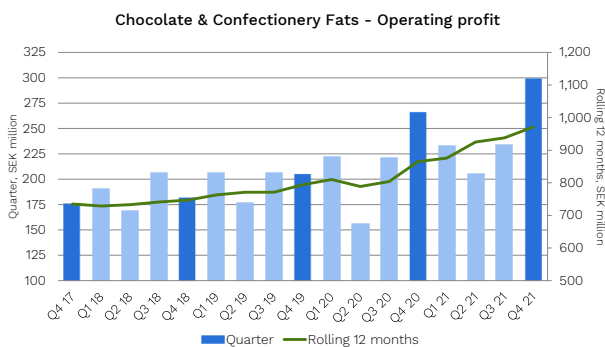
Net sales for the business area amounted to SEK 3,046 million (2,177), a 40 percent increase. This related to volume growth and price adjustments due to higher raw material prices, offset by a negative currency translation impact of SEK 58 million.

## Operating profit

Operating profit was at an all-time high and reached SEK 299 million (266), an increase by 12 percent compared to the corresponding quarter last year. The currency translation impact was negative SEK 21 million. At fixed foreign exchange rates, operating profit increased by 20 percent.

The growth in operating profit was due to our strong global position for customer co-developed solutions as well as higher volumes.

Operating profit per kilo was flat at SEK 2.15 (2.15). The currency translation impact was negative SEK 0.15. At fixed foreign exchange rates, operating profit per kilo increased by 7 percent.



\* Operating profit and operating profit per kilo are excluding items affecting comparability.





# Technical Products & Feed, Q4 2021\*

	Q4 2021	Q4 2020	Δ %	Full year 2021	Full year 2020	Δ %
<b>Operating profit</b> <b>+46%</b>						
Volumes, '000 MT	82	85	-4	317	320	-1
Net sales, SEK million	614	423	+45	2,091	1,598	+31
Operating profit, SEK million	83	57	+46	214	157	+36
Operating profit per kilo, SEK	1.01	0.67	+51	0.68	0.49	+39

**Operating profit per kilo**  
**+51%**

## Volumes

Volumes decreased by 4 percent as our feed business declined. This was partly offset by a growing demand for fatty acids. We saw higher demand for natural ingredients for technical products. This is linked to an increased focus on sustainability across different industry segments where our solutions can substitute, for example, fossil-based ingredients in various customer products.

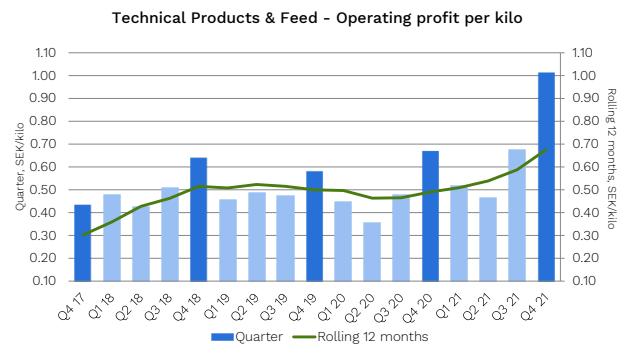
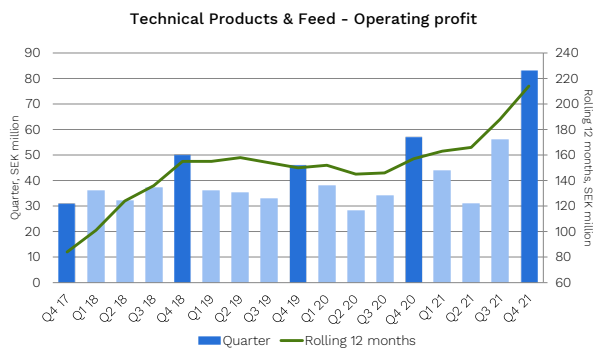
## Net sales

Net sales for the business area increased by SEK 191 million.

## Operating profit

Operating profit reached an all-time high level at SEK 83 million (57), up 46 percent compared to last year. This was mainly driven by an increased demand for natural ingredients as well as higher margins in our feed business.

The business area reported an operating profit per kilo of SEK 1.01 (0.67), an increase by 51 percent.



\* Operating profit and operating profit per kilo are excluding items affecting comparability.



# AAK Group, full year 2021

## Volumes

Volumes amounted to 2,312,000 MT (2,195,000), an increase of 5 percent compared to 2020.

## Net sales

Sales amounted to SEK 35,452 million (27,934), an increase by 27 percent. This was due to increased sales of speciality solutions, with a higher sales price, as well as higher raw material prices, partly offset by a negative currency translation impact of SEK 1,584 million.

## Operating profit

Operating profit, excluding items affecting comparability, reached SEK 2,393 million (2,165), an increase of 11 percent. Including items affecting comparability of negative SEK 304 million (2), operating profit amounted to 2,089 million (2,167). The currency translation impact was negative and amounted to SEK 155 million of which SEK 71 million related to Food Ingredients and SEK 84 million to Chocolate & Confectionery Fats. Operating profit, excluding items affecting comparability, and at fixed foreign exchange rates, increased by 18 percent.

Operating profit per kilo, excluding items affecting comparability, reached SEK 1.04 (0.99), an increase of 5 percent. The currency translation impact was negative SEK 0.07. At fixed foreign exchange rates and excluding items affecting comparability, operating profit per kilo increased by 12 percent.

## Items affecting comparability

During the second quarter, AAK reported an item affecting comparability of EUR 30 million (SEK 304 million) related to the optimization of the company's European bakery business. EUR 20 million (SEK 203 million) of this had a non-cash flow impact. The remaining EUR 10 million (SEK 101 million) will have a cash flow effect in 2022. The optimization will lead to annual cost reductions and productivity gains of approximately EUR 5 million (SEK 51 million), expected to reach full run rate in the fourth quarter of 2022.

During the first quarter 2020, AAK reported acquisition costs of SEK 4 million as an item affecting comparability. During the second quarter 2020, AAK reported two items affecting comparability, amounting to net SEK 6 million. There were costs of SEK 200 million linked to structural measures, which has now been implemented according to plan, and an income of SEK 206 million, related to an optimization of the company's capital structure.

## Net financial cost and tax costs

Net financial cost amounted to SEK 102 million (127). The lower interest cost related to less borrowing in high-interest rate countries. Reported tax costs correspond to an average tax rate of 27 percent (23). The expense reported as items affecting comparability in the second quarter could not be utilized as a tax credit. Excluding items affecting comparability, the average tax rate amounted to 24 percent (24).

## Earnings per share

Earnings per share amounted to SEK 5.59 (6.16), impacted by items affecting comparability. Excluding IAC, earnings per share amounted to SEK 6.71 (6.05).

## Cash flow and investments

Operating cash flow, including changes in working capital, amounted to SEK 508 million (2,023). Cash flow from working capital amounted to negative SEK 2,149 million (positive 44). There was a negative cash flow from inventory driven by higher raw material prices, partly offset by lower inventory levels. Cash flow from accounts receivables was negative, driven by higher raw material prices and increased sales, partly offset by improved cash management. Cash flow from accounts payables was positive, driven by higher raw material prices.

Cash outflow from investment activities amounted to SEK 650 million (1,150), of which SEK 31 million (412) related to acquisitions of operations. Capital expenditure was mainly related to regular maintenance investments and capacity increases.

Raw material prices increased during 2021. Based on the duration of our contract portfolio, there is a time lag of 6–9 months until we see the cash flow effect from the price volatility. This implies a continued negative impact on working capital during the first half of 2022.

## Acquisitions

During the third quarter, AAK acquired BIC Ingredients, the lecithin arm of BIC International Holding.

## Employees

The average number of employees at December 31, 2021, was 4,013 (3,978 at December 31, 2020).

# General information

## Related parties

No significant changes have taken place in relations or transactions with related parties since 2020.

## Risks and uncertainty factors

AAK's operations are constantly exposed to risks, threats and external factors with an impact on the company. Through a proactive approach to business intelligence, the company aims to anticipate changes in factors affecting operations. Plans and policies are adjusted continuously to counteract potential negative effects. Active risk management, such as hedging raw material prices and currencies, reduces the risks that the company faces.

Efficient risk management is an ongoing process conducted within the framework of business control and is part of the ongoing review and forward-looking assessment of operations.

AAK's long-term risk exposure is assumed not to deviate from the inherent exposure associated with AAK's ongoing business operations.

AAK's Board of Directors and Executive Committee have, since the publication of the Annual Report 2020, reviewed the development of significant risks and uncertainties, and can confirm that there have been no changes other than what has been commented on in respect of market developments during 2021.

For a more in-depth analysis of risks, please refer to AAK's Annual Report.

## Accounting policies in 2021

This interim report is prepared in accordance with the Swedish Annual Accounts Act and IAS 34, Interim Financial Reporting. For information regarding the accounting policies applied, please see our Annual Report.

## Alternative Performance Measures (APMs)

AAK presents APMs to reflect underlying business performance and to enhance comparability from period to period. APMs should not be considered as a substitute for measures of performance in accordance with the IFRS.

Definitions of Alternative Performance Measures can be found at [www.aak.com](http://www.aak.com) under the Investor tab. For reconciliation of Alternative Performance Measures, see pages 20–21.

## Definitions

For definitions, please see our Annual Report.

## Annual General Meeting and Annual Report

The Annual General Meeting will be held on May 18, 2022 in Malmö, Sweden. The Annual Report for 2021 will be available at [www.aak.com](http://www.aak.com) from April 21, 2022 and is expected to be distributed to shareholders during the first week of May, 2022. The report will at that time also be available at AAK's headquarters.

## Nomination Committee

At the Annual General Meeting 2021, Märta Schörling Andreen (Melker Schörling AB), Henrik Didner (Didner & Gerge Fonder), Leif Törnvall (Alecta), and Elisabet Jamal Bergström (SEB Investment Management) were elected members of the Nomination Committee in respect of the Annual General Meeting 2022. Märta Schörling Andreen was elected chairman of the Nomination Committee.

## Proposed dividend

The Board of Directors proposes that a dividend of SEK 2.50 (2.30) per share be paid for the financial year 2021. The proposed record date for the dividend is May 20, 2022. It is expected that the dividend will reach the shareholders on May 25, 2022.

## Events after the reporting period

No events to be reported.

## The Parent Company and Group Functions

The Parent Company is a holding company for the AAK Group. Its functions are primarily activities related to the development and administration of the Group.

The result for the Parent Company after financial items amounted to SEK 1,002 million (negative 39).

Interest-bearing liabilities minus cash and cash equivalents and interest-bearing assets totaled SEK 1,610 million (2,456 as of December 31, 2020). Investments in intangible and tangible assets were SEK 1 million (3).

The Parent Company's balance sheet and income statement are shown on pages 22–23.

## Accounting policies

AAK AB (publ.) is the Parent Company of the AAK Group. The company has prepared its financial reports in accordance with Chapter 9 of the Swedish Annual Accounts Act, Interim Report and RFR 2 Reporting for legal entities.

## Changes in the balance sheet

No major changes in the Parent Company since year-end.

Malmö, February 4, 2022

Georg Brunstam  
Chairman of the Board

Märta Schörling Andreen  
Board member

Gun Nilsson  
Board member

Patrik Andersson  
Board member

Marianne Kirkegaard  
Board member

Lena Nilsson  
Trade union representative

Mikael Myhre  
Trade union representative

### For further information, please contact:

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E-mail: [gabriella.grotte@aak.com](mailto:gabriella.grotte@aak.com)

This information is information that AAK AB (publ.) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 1:00 p.m. CET on February 4, 2022.

## Auditor's review report

AAK AB (publ.)  
Corp. Id. 556669-2850

### Introduction

We have reviewed the condensed interim financial information (interim report) of AAK AB (publ.) as of December 31, 2021 and the twelve-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Malmö, February 4, 2022

KPMG AB

Jonas Nihlberg  
Authorized Public Accountant

## Condensed income statement

SEK million	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Net sales	10,441	7,298	35,452	27,934
Other operating income	49	62	186	364
Total operating income	10,490	7,360	35,638	28,298
Raw materials and supplies	-8,258	-5,402	-27,697	-20,572
Other external expenses	-720	-611	-2,346	-2,416
Cost for remuneration to employees	-661	-549	-2,527	-2,334
Depreciation, amortization and impairment losses	-182	-181	-958	-755
Other operating expenses	-10	-10	-21	-54
Total operating expenses	-9,831	-6,753	-33,549	-26,131
Operating profit (EBIT)	659	607	2,089	2,167
Interest income	2	2	7	7
Interest expense	-27	-26	-96	-114
Other financial items	-1	-7	-13	-20
Total financial net	-26	-31	-102	-127
Profit before tax	633	576	1,987	2,040
Income tax	-153	-137	-540	-459
Profit for the period	480	439	1,447	1,581
Attributable to non-controlling interests	4	8	10	18
Attributable to the Parent Company's shareholders	476	431	1,437	1,563
Earnings per share, SEK <sup>1)</sup>	1.84	1.69	5.59	6.16
Earnings per share incl. dilution, SEK <sup>2)</sup>	1.84	1.69	5.58	6.13
Earnings per share incl. full dilution, SEK <sup>3)</sup>	1.84	1.67	5.57	6.07

<sup>1)</sup> Earnings per share are calculated based on weighted average number of outstanding shares.

<sup>2)</sup> Earnings per share are calculated based on weighted average number of outstanding shares including dilution from outstanding subscription warrants.

<sup>3)</sup> Earnings per share are calculated based on total number of average outstanding shares including a conversion of all outstanding subscription warrants to ordinary shares.

## Comprehensive income

SEK million	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Profit for the period	480	439	1,447	1,581
Items that will not be reclassified to profit or loss:				
Remeasurements of post-employment benefit obligations	-9	-7	12	-19
	-9	-7	12	-19
Items that may subsequently be reclassified to profit or loss:				
Translation differences	214	-820	682	-1,959
Fair-value changes in cash flow hedges	2	1	5	-1
Tax related to fair-value changes in cash flow hedges	0	-1	-1	0
	216	-820	686	-1,960
Total comprehensive income for the period	687	-388	2,145	-398
Attributable to non-controlling interests	3	3	9	10
Attributable to the Parent Company's shareholders	684	-391	2,136	-408

# Condensed balance sheet

SEK million	31.12.2021	31.12.2020
<b>Assets</b>		
Goodwill	2,270	2,103
Other intangible assets	307	313
Property, plant and equipment	5,720	5,601
Right-of-use assets	595	709
Financial assets	59	34
Deferred tax assets	179	187
<b>Total non-current assets</b>	<b>9,130</b>	<b>8,947</b>
Inventory	9,054	6,569
Accounts receivables	5,132	3,336
Current receivables	2,849	2,226
Cash and cash equivalents	1,001	1,200
<b>Total current assets</b>	<b>18,036</b>	<b>13,331</b>
<b>Total assets</b>	<b>27,166</b>	<b>22,278</b>
<b>Equity and liabilities</b>		
Shareholders' equity	11,783	9,699
Non-controlling interests	48	39
<b>Total equity including non-controlling interests</b>	<b>11,831</b>	<b>9,738</b>
Liabilities to banks and credit institutions	1,611	2,087
Pension liabilities	271	278
Lease liabilities	493	617
Deferred tax liabilities	444	480
Non-interest-bearing liabilities	361	440
<b>Total non-current liabilities</b>	<b>3,180</b>	<b>3,902</b>
Liabilities to banks and credit institutions	2,333	1,565
Lease liabilities	128	117
Accounts payables	5,696	3,659
Other current liabilities	3,998	3,297
<b>Total current liabilities</b>	<b>12,155</b>	<b>8,638</b>
<b>Total equity and liabilities</b>	<b>27,166</b>	<b>22,278</b>

No changes have arisen in contingent liabilities.

# Condensed change in equity

2021

SEK million	Shareholders' equity	Non-controlling interests	Total equity incl. non-controlling interests
Opening balance January 1, 2021	9,699	39	9,738
Profit for the period	1,437	10	1,447
Other comprehensive income	699	-1	698
Total comprehensive income	2,136	9	2,145
New issue of shares	434	-	434
Non-controlling interest	104	0	104
Dividend	-590	-	-590
Closing balance December 31, 2021	11,783	48	11,831

2020

SEK million	Shareholders' equity	Non-controlling interests	Total equity incl. non-controlling interests
Opening balance January 1, 2020	10,337	84	10,421
Profit for the period	1,563	18	1,581
Other comprehensive income	-1,971	-8	-1,979
Total comprehensive income	-408	10	-398
New issue of shares	236	-	236
Subscription warrants	15	-	15
Non-controlling interest	55	-55	-
Dividend	-536	-	-536
Closing balance December 31, 2020	9,699	39	9,738

## Financial instruments

2021

SEK million	Asset 31.12.2021	Liability 31.12.2021
Sales and purchase contracts	882	1,420
Currency hedge contracts	139	213
Total derivatives financial instruments	1,021	1,633
Fair value adjustment inventory	897	28
Total	1,918	1,661

2020

SEK million	Asset 31.12.2020	Liability 31.12.2020
Sales and purchase contracts	573	928
Currency hedge contracts	223	191
Total derivatives financial instruments	796	1,119
Fair value adjustment inventory	569	28
Total	1,365	1,147



# Condensed cash flow statement

SEK million	Q4 2021	Q4 2020	Full year 2021	Full year 2020
<b>Operating activities</b>				
Operating profit	659	607	2,089	2,167
Depreciation and amortization	182	181	958	755
Other non-cash items	6	50	204	-137
Cash flow before interest and tax	847	838	3,251	2,785
Interest paid and received	-20	-23	-73	-94
Tax paid	-199	-128	-521	-712
Cash flow before changes in working capital	628	687	2,657	1,979
Changes in inventory	-724	-592	-2,181	-470
Changes in accounts receivables	-382	252	-1,710	-190
Changes in accounts payables	918	778	1,793	631
Changes in other working capital items	-201	83	-51	73
Changes in working capital	-389	521	-2,149	44
Cash flow from operating activities	239	1,208	508	2,023
<b>Investing activities</b>				
Acquisition of intangible assets and property, plant and equipment	-215	-236	-619	-742
Acquisition of operations and shares, net of cash acquired	-	-359	-31	-412
Proceeds from sale of property, plant and equipment	-	3	0	4
Cash flow from investing activities	-215	-592	-650	-1,150
Cash flow after investing activities	24	616	-142	873
<b>Financing activities</b>				
Changes in loans	21	-94	242	-131
Amortization of lease liability	-34	-42	-151	-154
New issue of shares	2	143	434	236
Subscription warrants	-	-	-	15
Dividend paid	-	-536	-590	-536
Cash flow from financing activities	-11	-529	-65	-570
Cash flow for the period	13	87	-207	303
Cash and cash equivalents at start of period	999	1,143	1,200	982
Exchange rate difference for cash equivalents	-11	-30	8	-85
Cash and cash equivalents at end of period	1,001	1,200	1,001	1,200

# Key ratios

SEK million (unless otherwise stated)	Q4 2021	Q4 2020	Δ %	Full year 2021	Full year 2020	Δ %
<b>Income statement</b>						
Volumes, '000 MT	610	580	+5	2,312	2,195	+5
Operating profit	659	607	+9	2,089	2,167	-4
Operating profit excluding IAC	659	607	+9	2,393	2,165	+11
Profit for the period	480	439	+9	1,447	1,581	-8
Profit for the period excluding IAC	480	439	+9	1,733	1,555	+11
<b>Financial position</b>						
Total assets	27,166	22,278	+22	27,166	22,278	+22
Equity	11,831	9,738	+21	11,831	9,738	+21
Net working capital	7,327	5,186	+41	7,327	5,186	+41
Net debt	3,817	3,472	+10	3,817	3,472	+10
<b>Cash flow</b>						
EBITDA	841	788	+7	3,047	2,922	+4
Cash flow from operating activities	239	1,208	-	508	2,023	-
Cash flow from investing activities	-215	-592	-	-650	-1,150	-
Free cash flow	24	616	-	-142	873	-
<b>Share data</b>						
Number of shares, thousand	258,501	255,414	+1	258,501	255,414	+1
Earnings per share, SEK <sup>1)</sup>	1.84	1.69	+9	5.59	6.16	-9
Earnings per share incl. dilution, SEK <sup>2)</sup>	1.84	1.69	+9	5.58	6.13	-9
Earnings per share incl. full dilution, SEK <sup>3)</sup>	1.84	1.67	+10	5.57	6.07	-8
Equity per share, SEK	45.58	38.00	+20	45.58	38.00	+20
Market value on closing date, SEK	195.30	166.00	+18	195.30	166.00	+18
<b>Other key ratios</b>						
Volume growth, percent	+5	-0	-	+5	-4	-
Operating profit per kilo, SEK	1.08	1.05	+3	0.90	0.99	-9
Operating profit per kilo excluding IAC, SEK	1.08	1.05	+3	1.04	0.99	+5
Return on Capital Employed (R12 months), percent	15.6	14.2	+10	15.6	14.2	+10
Net debt / EBITDA, multiple	1.25	1.19	+5	1.25	1.19	+5

<sup>1)</sup> Earnings per share are calculated based on weighted average number of outstanding shares.

<sup>2)</sup> Earnings per share are calculated based on weighted average number of outstanding shares including dilution from outstanding subscription warrants.

<sup>3)</sup> Earnings per share are calculated based on total number of average outstanding shares including a conversion of all outstanding subscription warrants to ordinary shares.

# Quarterly data by business area

## Operating profit

SEK million	2020					2021				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Food Ingredients	325	168	381	319	1,192	313	39	387	337	1,076
Chocolate & Confectionery Fats	222	73	221	266	782	233	205	234	299	971
Technical Products & Feed	38	20	34	57	149	44	31	56	83	214
Group Functions	-43	156	-34	-35	44	-39	-38	-35	-60	-172
Operating profit AAK Group	542	417	602	607	2,167	551	237	642	659	2,089
Financial net	-35	-35	-26	-31	-127	-25	-25	-26	-26	-102
Profit before tax	507	382	576	576	2,040	526	212	616	633	1,987

## Operating profit excluding items affecting comparability

SEK million	2020					2021				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Food Ingredients	325	262	381	319	1,286	313	343	387	337	1,380
Chocolate & Confectionery Fats	222	156	221	266	865	233	205	234	299	971
Technical Products & Feed	38	28	34	57	157	44	31	56	83	214
Group Functions	-39	-35	-34	-35	-143	-39	-38	-35	-60	-172
Operating profit AAK Group	546	411	602	607	2,165	551	541	642	659	2,393
Financial net	-35	-35	-26	-31	-127	-25	-25	-26	-26	-102
Profit before tax	511	376	576	576	2,038	526	516	616	633	2,291

# Net sales by market

## 2021

SEK million	FI Q4 2021	CCF Q4 2021	TPF Q4 2021	Total Q4 2021	FI Full year 2021	CCF Full year 2021	TPF Full year 2021	Total Full year 2021
Europe	2,857	1,531	614	5,002	9,745	4,885	2,091	16,721
North and South America	2,994	1,036	0	4,030	10,262	3,685	0	13,947
Asia	863	431	0	1,294	2,998	1,378	0	4,376
Other countries	67	48	0	115	240	168	0	408
Net sales	6,781	3,046	614	10,441	23,245	10,116	2,091	35,452

## 2020

SEK million	FI Q4 2020	CCF Q4 2020	TPF Q4 2020	Total Q4 2020	FI Full year 2020	CCF Full year 2020	TPF Full year 2020	Total Full year 2020
Europe	1,913	1,052	423	3,388	7,971	3,951	1,598	13,520
North and South America	2,041	771	0	2,812	7,942	2,878	0	10,820
Asia	694	318	0	1,012	2,251	987	0	3,238
Other countries	50	36	0	86	223	133	0	356
Net sales	4,698	2,177	423	7,298	18,387	7,949	1,598	27,934

# Alternative Performance Measures (APMs)

## Organic volume growth

Percent	Q4 2021	Q4 2020	Full year 2021	Full year 2020
<b>Food Ingredients</b>				
Organic volume growth	5	-4	4	-7
Acquisitions/divestments	-	-	-	-
Volume growth	5	-4	4	-7
<b>Chocolate &amp; Confectionery Fats</b>				
Organic volume growth	12	7	16	-2
Acquisitions/divestments	-	-	-	-
Volume growth	12	7	16	-2
<b>Technical Products &amp; Feed</b>				
Organic volume growth	-4	8	-1	7
Acquisitions/divestments	-	-	-	-
Volume growth	-4	8	-1	7
<b>AAK Group</b>				
Organic volume growth	5	-0	5	-4
Acquisitions/divestments	-	-	-	-
Volume growth	5	-0	5	-4

## EBITDA

SEK million	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Operating profit (EBIT)	659	607	2,089	2,167
Depreciation and amortization	182	181	958	755
EBITDA	841	788	3,047	2,922

## Operating profit excl. items affecting comparability (IAC)

SEK million	Q4 2021	Q4 2020	Full year 2021	Full year 2020
<b>Food Ingredients</b>				
Operating profit excl. IAC	337	319	1,380	1,286
Optimization European bakery business	-	-	-304	-
Structural measures	-	-	-	-94
Operating profit	337	319	1,076	1,192
<b>Chocolate &amp; Confectionery Fats</b>				
Operating profit excl. IAC	299	266	971	865
Structural measures	-	-	-	-83
Operating profit	299	266	971	782
<b>Technical Products &amp; Feed</b>				
Operating profit excl. IAC	83	57	214	157
Structural measures	-	-	-	-8
Operating profit	83	57	214	149
<b>AAK Group</b>				
Operating profit excl. IAC	659	607	2,393	2,165
Optimization European bakery business	-	-	-304	-
Optimization capital structure	-	-	-	206
Structural measures	-	-	-	-200
Acquisition costs	-	-	-	-4
Operating profit	659	607	2,089	2,167

## Return on Capital Employed (ROCE)

SEK million	31.12.2021	31.12.2020	R12M 31.12.2021	R12M 31.12.2020
Total assets	27,166	22,278	24,270	22,573
Cash and cash equivalents	-1,001	-1,200	-1,117	-1,273
Financial assets	-31	-4	-12	-115
Accounts payables	-5,696	-3,659	-4,458	-3,235
Other non-interest-bearing liabilities	-3,981	-3,281	-3,385	-2,753
Capital employed	16,457	14,134	15,298	15,197
Operating profit excl. items affecting comparability (rolling 12 months)	2,393	2,165	2,393	2,165
Return on Capital Employed (ROCE), percent	14.5	15.3	15.6	14.2

## Net working capital

SEK million	31.12.2021	31.12.2020
Inventory	9,054	6,569
Accounts receivables	5,132	3,336
Other current receivables, non-interest-bearing	2,818	2,222
Accounts payables	-5,696	-3,659
Other current liabilities, non-interest-bearing	-3,981	-3,282
Net working capital	7,327	5,186

## Net debt

SEK million	31.12.2021	31.12.2020
Current interest-bearing receivables	31	4
Cash and cash equivalents	1,001	1,200
Pension liabilities	-271	-278
Lease liabilities	-621	-734
Non-current liabilities to banks and credit institutions	-1,611	-2,087
Current liabilities to banks and credit institutions	-2,333	-1,565
Other interest-bearing liabilities	-13	-12
Net debt	-3,817	-3,472

## Net debt/EBITDA

SEK million	31.12.2021	31.12.2020
Net debt	3,817	3,472
EBITDA (rolling 12 months)	3,047	2,922
Net debt/EBITDA, multiple	1.25	1.19

Net debt/EBITDA, excluding the IFRS 16 impact, amounted to 1.10 (0.99 as of December 31, 2020).

## Equity to assets ratio

SEK million	31.12.2021	31.12.2020
Shareholders' equity	11,783	9,699
Non-controlling interests	48	39
Total equity including non-controlling interests	11,831	9,738
Total assets	27,166	22,278
Equity to assets ratio, percent	43.6	43.7

# Income statement – Parent Company

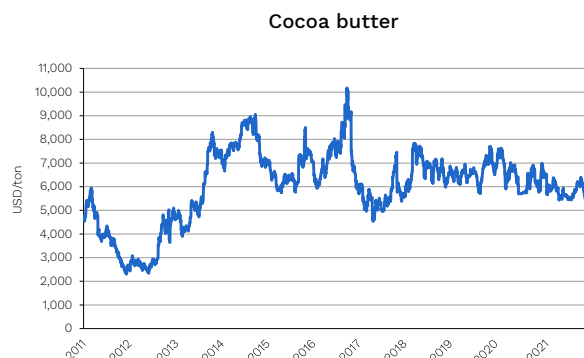
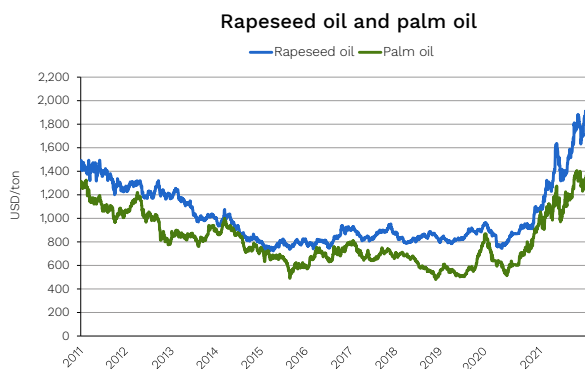
SEK million	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Net sales	5	3	116	134
Total operating income	5	3	116	134
Other external expenses	-27	-24	-88	-107
Cost for remuneration to employees	-41	-20	-113	-87
Depreciation, amortization and impairment losses	-1	-2	-6	-7
Total operating expenses	-69	-46	-207	-201
Operating profit (EBIT)	-64	-43	-91	-67
Dividend from Group companies	-	-	1,039	-
Income from shares in Group companies	82	65	82	65
Interest expense	-4	-6	-23	-31
Other financial items	-1	-1	-5	-6
Total financial net	77	58	1,093	28
Profit before tax	13	15	1,002	-39
Income tax	-10	-11	0	-
Profit for the period	3	4	1,002	-39

# Condensed balance sheet – Parent Company

SEK million	31.12.2021	31.12.2020
<b>Assets</b>		
Other intangible assets	10	12
Property, plant and equipment	1	2
Right-of-use assets	6	4
Financial assets	9,682	8,843
Deferred tax assets	5	5
<b>Total non-current assets</b>	<b>9,704</b>	<b>8,866</b>
Current receivables	374	351
Cash and cash equivalents	-	-
<b>Total current assets</b>	<b>374</b>	<b>351</b>
<b>Total assets</b>	<b>10,078</b>	<b>9,217</b>
<b>Equity and liabilities</b>		
Shareholders' equity	7,373	6,527
Non-controlling interests	-	-
<b>Total equity including non-controlling interests</b>	<b>7,373</b>	<b>6,527</b>
Liabilities to banks and credit institutions	1,000	1,500
Lease liabilities	2	1
Other non-current liabilities	27	29
<b>Total non-current liabilities</b>	<b>1,029</b>	<b>1,530</b>
Liabilities to banks and credit institutions	1,600	1,100
Lease liabilities	3	3
Accounts payables	6	6
Other current liabilities	67	51
<b>Total current liabilities</b>	<b>1,676</b>	<b>1,160</b>
<b>Total equity and liabilities</b>	<b>10,078</b>	<b>9,217</b>

No changes have arisen in contingent liabilities.

## Price trends in raw materials



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

## Additional information

### Press and analyst conference

AAK will host a conference call on February 4, 2022 at 2 p.m. CET. The conference call can be accessed via our website, [www.aak.com](http://www.aak.com).

The annual and quarterly reports are also published on [www.aak.com](http://www.aak.com).

### Financial calendar 2022

The interim report for the first quarter 2022 will be published on April 27, 2022.

The Annual General Meeting will be held in Malmö, Sweden on May 18, 2022.

The interim report for the second quarter 2022 will be published on July 19, 2022.

The interim report for the third quarter 2022 will be published on October 25, 2022.

### Forward-looking statements

This report contains forward-looking statements. Such statements are subject to risks and uncertainties as various factors, many of which are beyond the control of AAK AB (publ.), may cause actual developments and results to differ materially from the expectations expressed in this report.

### Governing text

The report has been translated from Swedish. The Swedish text shall govern for all purposes and prevail in the event of any discrepancy between the versions.

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# Everything

we do

is about

# Making Better Happen™

AAK specializes in plant-based oils that are the value-adding ingredients in many of the products people love to consume. We make these products better tasting, healthier, and more sustainable. We enhance their sensory experience – by giving the silkier mouthfeel in premium chocolate, the juicier texture in a plant-based burger, and the puffier appearance in a lower-fat pastry.

We can also optimize their production by substituting existing ingredients with plant-based equivalents that give better efficiency. AAK's value-adding solutions enable our customers to be successful in a better way.

At the heart of AAK's offer is Customer Co-Development, combining our desire to understand what better means for each customer, with the unique flexibility of our production assets, and a deep knowledge of many products and industries, including Chocolate & Confectionery, Bakery, Dairy, Plant-based Foods, Special Nutrition, Foodservice and Personal Care.

Our 4,000 employees support our close collaboration with customers through 25 regional sales offices, 15 dedicated Customer Innovation Centers, and with the support of more than 20 production facilities.

Listed on Nasdaq Stockholm and with our headquarters in Malmö, Sweden, AAK has been Making Better Happen™ for more than 150 years.



Explore more at  
[www.aak.com](http://www.aak.com)

Or contact us at  
[info@aa.com](mailto:info@aa.com)