

Strategy update

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Forward-looking statements

This presentation includes forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realized from the proposals described herein.

This presentation contains a number of forward-looking statements including, in particular, statements about future events, future financial performances, plans, strategies, expectations, prospects, competitive environment, regulation and supply and demand. AAK has based these forward-looking statements on its views with respect to future events and financial performance. Actual financial performance of the entities described herein could differ materially from that projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated.

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Continuous development of our strategy

We have reviewed our strategy as part of our continuous strategy process and yearly evaluation

The updates in this year's strategy review include:

- New Strategic Aspiration
- Updated Portfolio Strategy



AAK is a multi-oil ingredients house on a strategic journey towards higher value and impact

Trends and market outlook



Well positioned for the underlying trends in our market with our multi-oil ingredients approach

AAK strengths



Strong performance despite extreme uncertainty and volatility the past few years – with a wide product portfolio and agility we stand strong

Updated strategy



We see strong growth opportunities ahead and have set an ambitious aspiration to double our value creation per kilo and to continue our speciality journey

Trends and market outlook



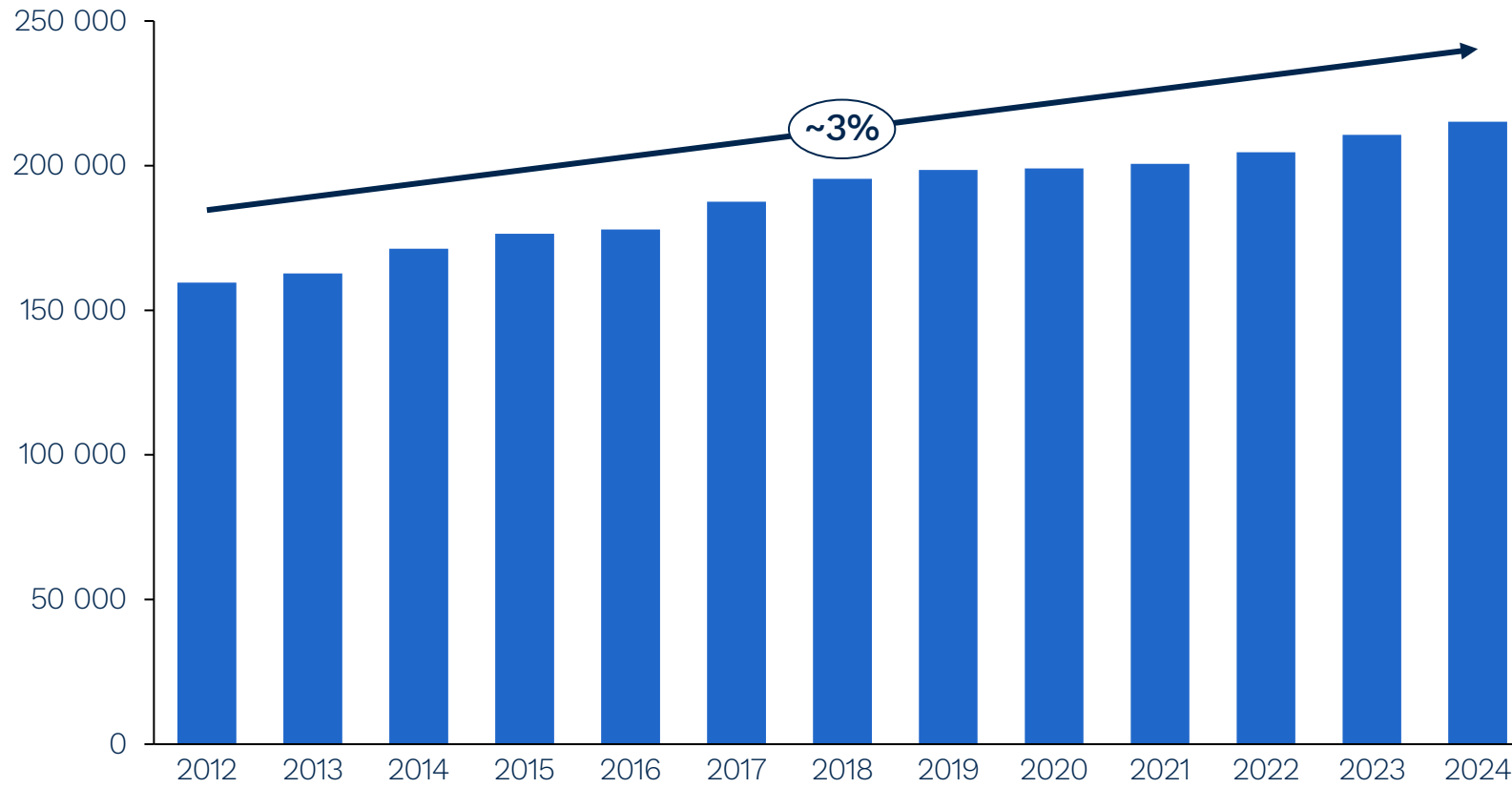


Consumer trends set the market direction



The total oils and fats market volume is expected to continue grow at ~3 percent, with slightly higher growth in speciality markets

Indicative oils and fats market consumption ('000 MT)



Source: IHS Global, Oil World, Euromonitor

Total market, oils and fats

Expected to continue growing, driven by GDP per capita and population growth

Speciality markets, oils and fats

Slightly higher growth projections than the overall market, driven by continued increasing demand for more speciality oils and fats to meet consumer needs



Consumer trends drive change in our customer industries where sustainability and health are important drivers across industries

AAK industry relevance (selected industries, non-exhaustive)

Key trends and growth drivers	CCF	Special Nutrition	Plant-based Foods	Bakery	Dairy	Foodservice	Personal Care	Candles
Sustainability and naturals	✓ Better for the planet, vegan	✓ Organics	✓ Climate impact vs real meat and dairy	✓ Vegan	✓ Shift to plant-based and hybrid dairy	✓ Plant-based	✓ Biodegradability, social impact	✓ Switch towards natural waxes
Health	✓ Low sugar Low contaminants	✓ Food safety, certifications, nutritional	✓ Processed meat substitution	✓ High fiber, high protein, low sugar	✓ Nutritional	✓ Real food, clean label	✓ Skin health, clean beauty	✓ Clean air
Indulgence and premiumization	✓ Sustained indulgence	✓ Trading up		✓ Permissible indulgence, artisanal			✓ Trading-up	✓ Premiumization and design
Other key drivers	✓ Vegetable O&F to continue replace cocoa	✓ Birth rates customized diets, supplements	✓ Number of new entrants and customer penetration has driven growth	✓ Customization, special diets, dinner kits	✓ Cost optimization due to cost-of-living is up	✓ Growth in take-away and home delivery linked to covid-19, welfare and convenience		

AAK strengths



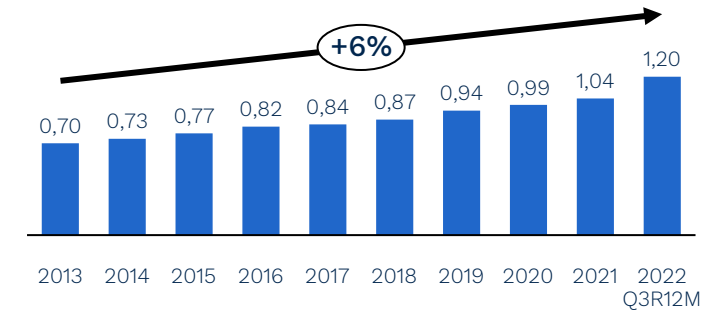
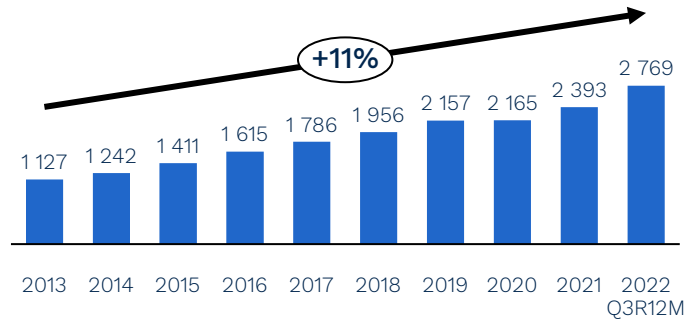
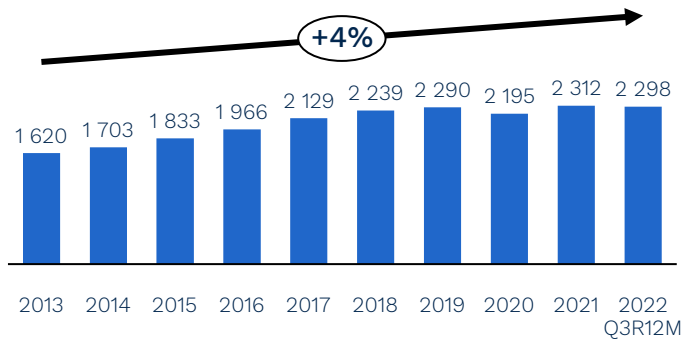
Strong performance and solid profit growth is driven by growth in both operating profit per kilo and volume

Volume

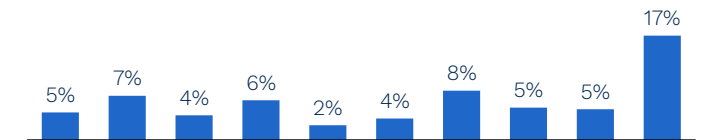
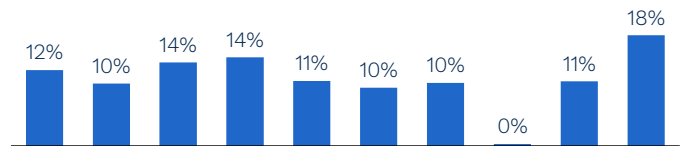
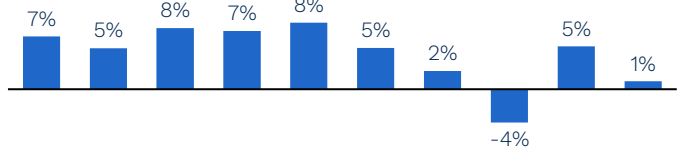
Operating profit*

Operating profit/kilo*

Absolute values



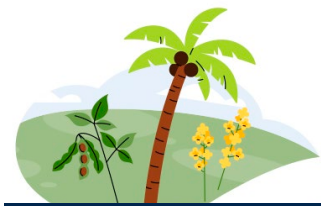
Y/y growth



- Strong profit growth track record, +10 years of year-on-year growth in adjusted operating profit and adjusted operating profit per kilo
- Average of +10% annual operating profit improvement, despite turbulent years with the pandemic and Russia's invasion of Ukraine
- Well positioned for continued profit growth, given the underlying market growth and new growth opportunities ahead

* Adjusted

Our close to customer business model, with our market-leading speciality position and 150+ years of experience, delivers value



Raw materials from farmers/plantations



Mills, crushers* and refineries*

Serving higher value segments with our flexible and close to customer speciality approach



Multi-oil ingredients house

- Multi-oil ingredients expertise
- Close to customer position with co-development and innovation focus
- Flexible in production and service
- Global market reach with strong entrepreneurial drive
- Commercial discipline
- Sustainable operations



Producers and Foodservice



Retail and consumers

- Serving broad range of customer segments reducing risk and enabling focus on speciality needs within segments
- Low cyclical business and solid underlying demand, driven by consumers lifelong needs of products they love to consume
- Underlying raw material price movements factored into contracting
- Sustainable solutions, contributing to a positive impact

*Crushing and refining performed by AAK for select raw materials at select sites

With our multi-oil ingredients approach and oils and fats expertise we are well positioned to benefit from consumer trends

Oils & fats are made up of a range of fatty acids with different characteristics...

Oil chemistry expertise

	Nutritional value	Stability	Structure	Source
Saturated	●●	●●●●●	●●●●●	●●●●● + animal fat
Monounsaturated	●●●	●●●	●●	●●●
Polysaturated	●●●●	●	●	●●● + fish oil
Essential	●●●●●	●	●	●●● + nuts and kernels
Trans	●	●●●	●●●●	Various animal fats, butter

- Sunflower oil
- Shea fat
- Rapeseed oil
- Palm oil
- Coconut oil
- Olive oil
- Soybean oil
- Palm kernel oil

...that we tailor to our customers needs to help them innovate and win in their markets

Customer value



Process efficiency



Sensory



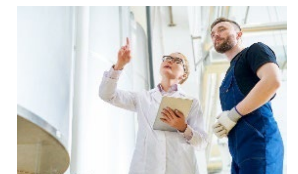
Sustainability



Health



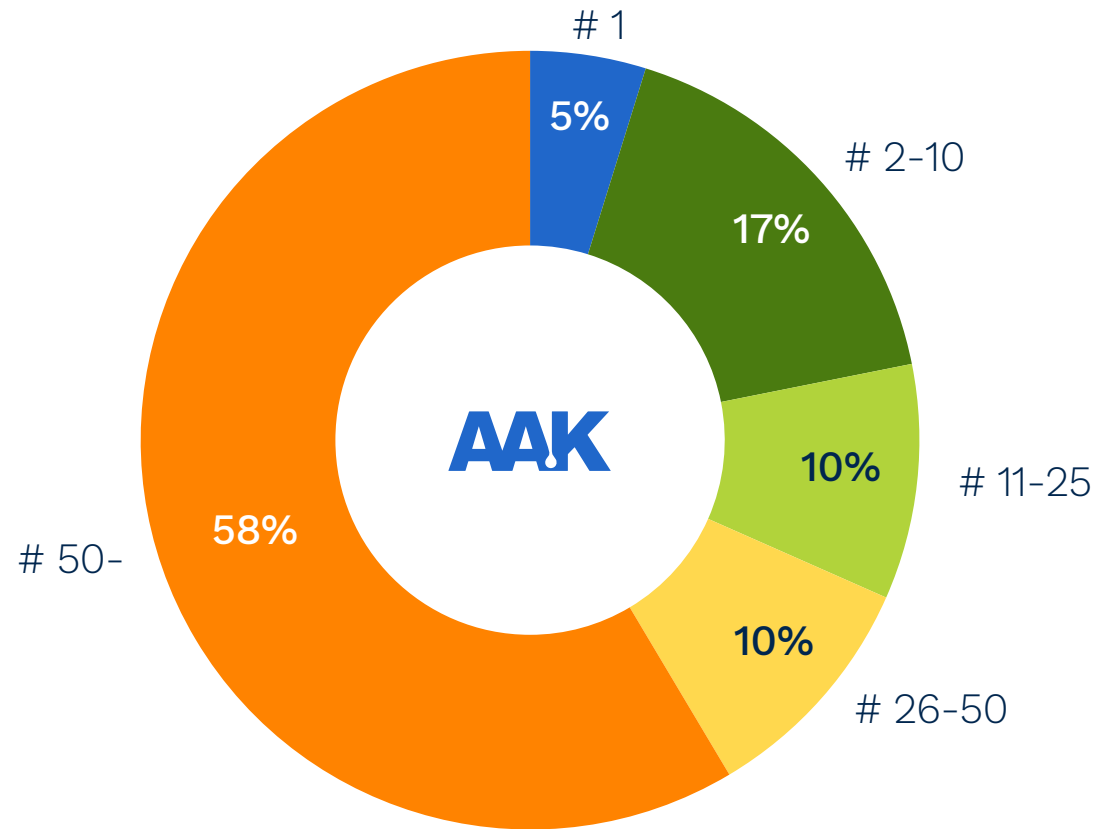
Functionality



Food safety

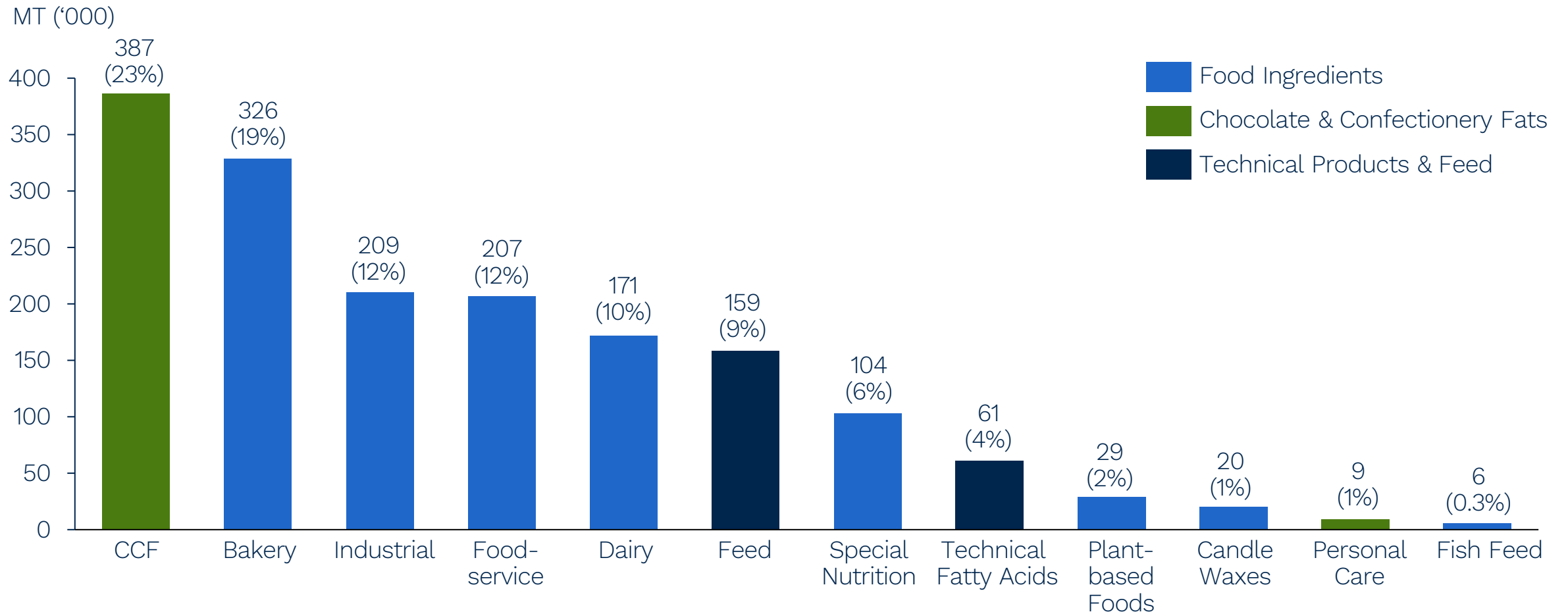
Large and diversified customer base creates stability over time in revenue growth

Customers share of revenue – YTD 2022



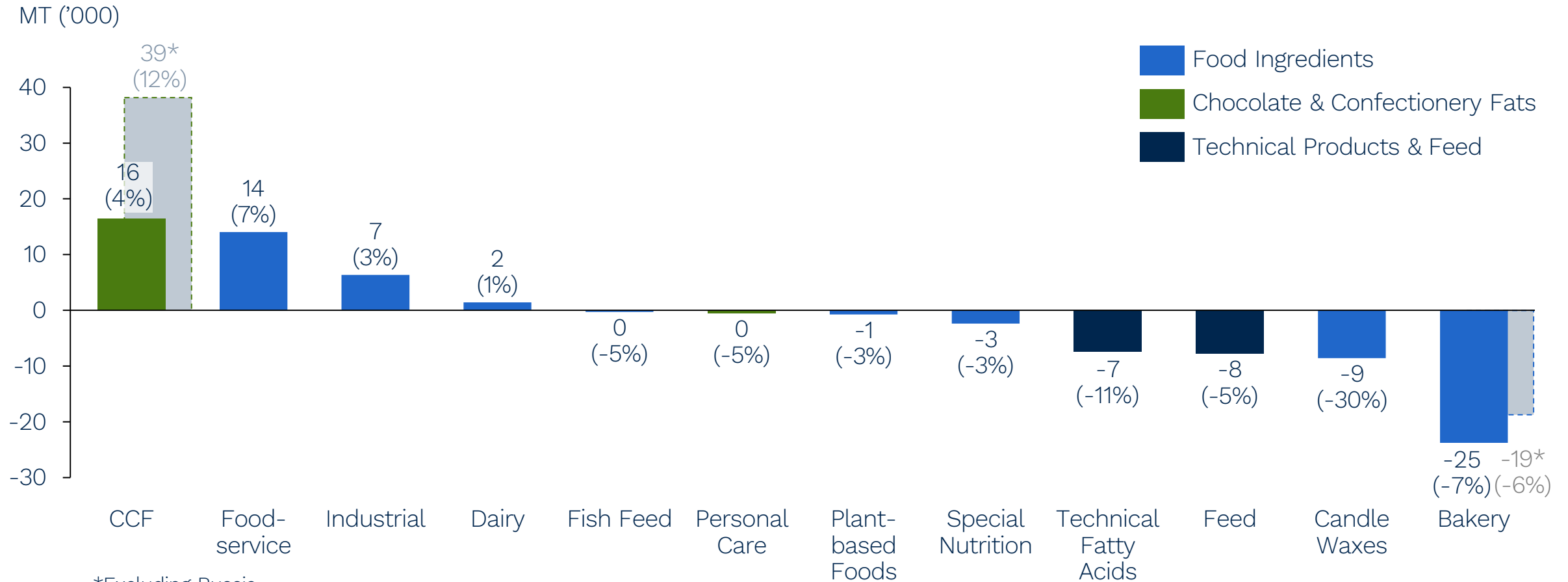
The broad range of customer segments and needs we serve within our business areas reduces risk and makes our business less cyclical

Volumes – January to September 2022



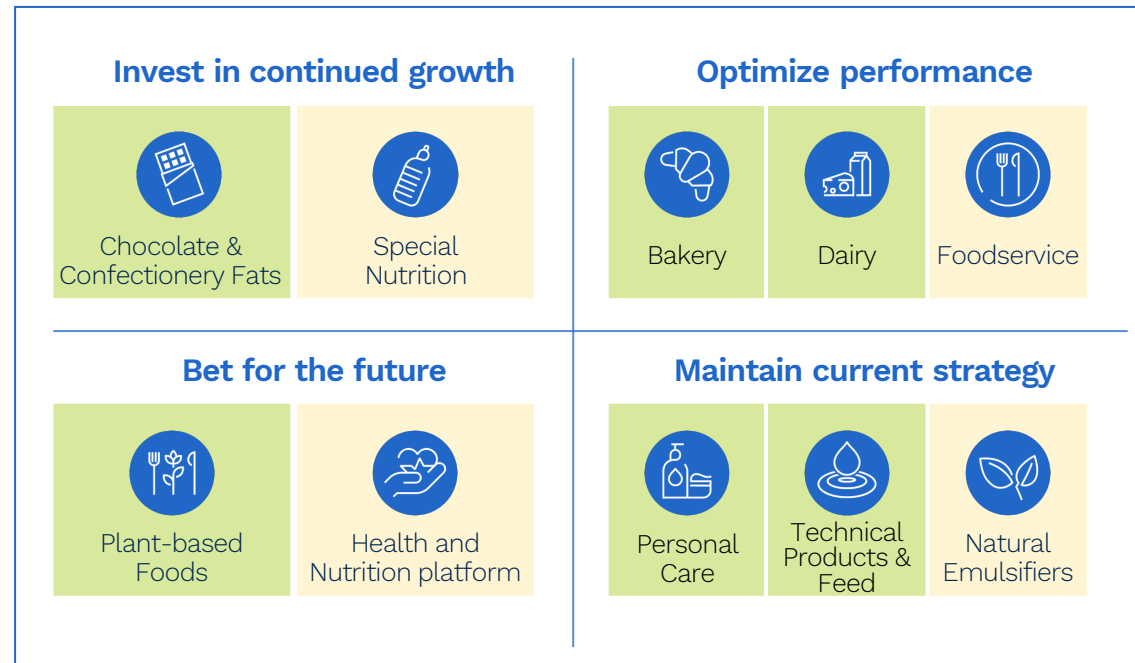
Volume growth in CCF and bounce back in Foodservice offset by optimization in Bakery, TPF and post pandemic decline in Candles

Development – January to September 2022 vs. January to September 2021



Positive operating profit growth in all four quadrants of our portfolio since the launch of the strategy in 2019

Operating profit growth since launch of strategy in 2019



- Strong EBIT growth in CCF, Bakery, Dairy, TPF and Personal care
- Plant-based Foods have progressed well, although market has slowed down recently
- Special Nutrition hit by declining birth rates and price pressure in China, but remains an important and large segment for AAK
- Foodservice hit hard by the pandemic
- Natural Emulsifiers still under development
- Targeted Health and Nutrition opportunities to be commercialized, primarily within Special Nutrition

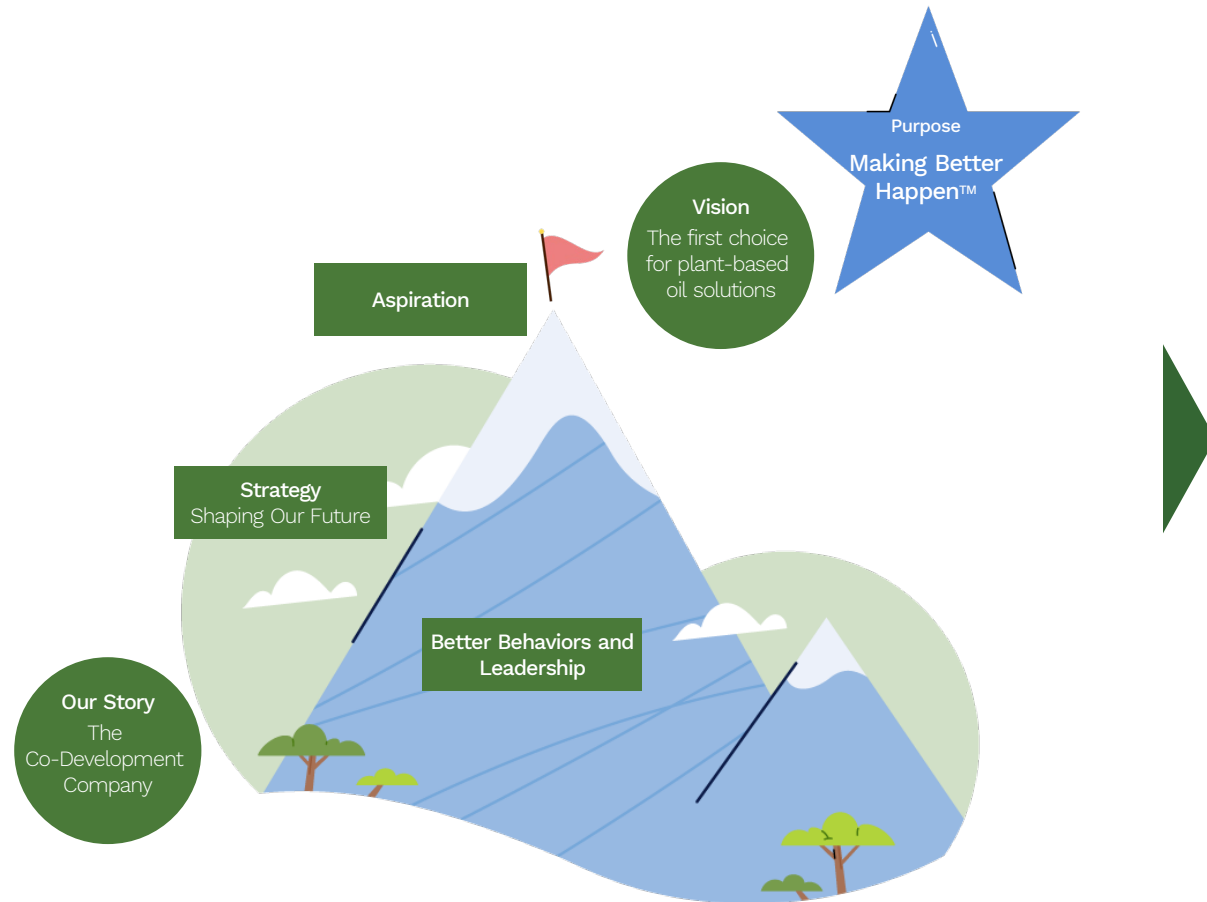
Color coding



Updated strategy



We have set an ambitious 2030 aspiration to double our value creation per kilo and continue our speciality journey



AAK 2030 aspiration

Double our value creation per kilo

Double EBIT per kilo, by investing in our speciality journey

Growth

Grow faster than the market average in our prioritized speciality markets

Impact

Recognized for our increasingly positive impact by our stakeholders

Achieving our aspiration will be recognized among our key stakeholders

- Our Shareholders
- Our Customers
- Planet and Society
- Our People



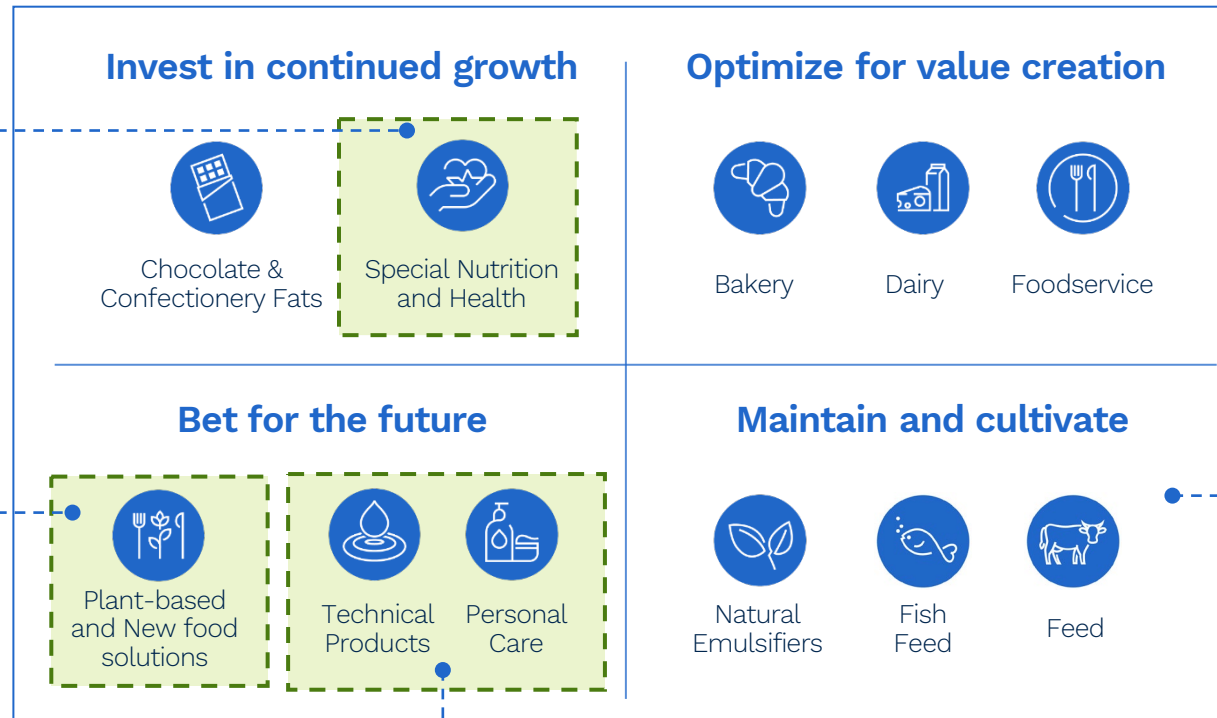
Our updated portfolio strategy reflects our updated view of how to invest to reach our aspiration

Health and Nutrition platform

Moved from “Bet for the future” and added to Special Nutrition to drive accelerated focus on targeted Health and Nutrition segments within Special Nutrition

New food solutions

Added to Plant-based Foods to stay close to new food solutions such as fermentation, cultivation and Power-to-X solutions such as Green-On



Maintain and cultivate

Continue to grow and develop regional strongholds and portfolios

Technical Products and Personal Care

Moved to “Bet for the future” to capture the broader trend and opportunities and to replace fossil-based ingredients with more sustainable alternatives

Our aim is to capture the business opportunities driven by the shift away from fossil-based ingredients to more sustainable alternatives

Drivers

Environment

- Climate change
- Air and water pollution problems

Consumer pressure

- Increased awareness and transparency
- Environmentally friendly
- Socially responsible
- Health and clean labels

Company policies

- Climate and sustainability targets
- Differentiation by sustainability

Legislative forces

- EU Green deal, circular economy and Bioenergy action plan

Personal Care



Candles



Other applications



Shift from fossil-based to sustainable alternatives while keeping the same functionality and characteristics of the product

Reformulate using existing AAK portfolio and technologies

1:1 replacement enabled by new technology to drive faster shift

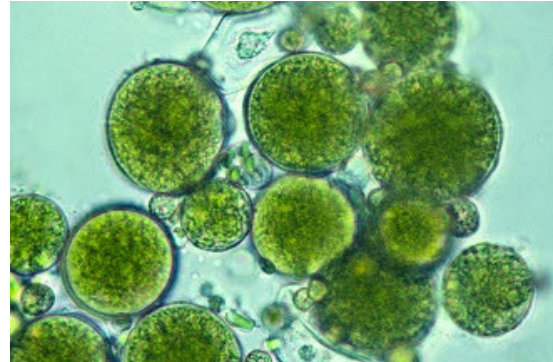
AAK closely monitors and selectively invests in emerging oils and fats technologies with the potential to drive large impact

Plant-based oils



- Extracting edible oils from new plant sources
- Modify oil to improve taste and mouthfeel of plant-based food

Fermented microbial oils



- Microalgae, yeast- and bacteria-based fermentation – potentially more functional and healthier, but cost and scale challenges

Cultivated cellular oils



- Lab grown animal cell and insects based – more functional but large costs, scale, regulatory, consumer acceptance challenges

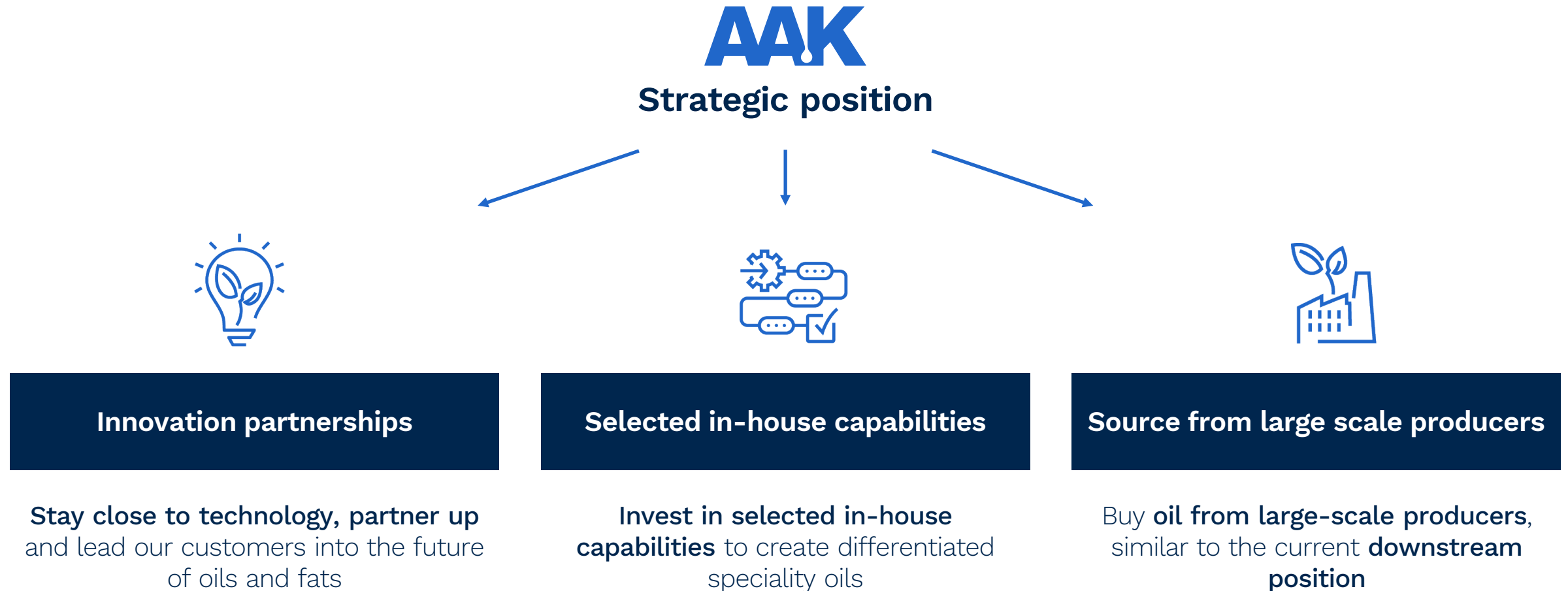
Power-to-X



- Using carbon dioxide, water and energy to produce organic material. Mimics tropical oils but requires excess renewable energy.

New technology can enable new value and a faster shift to a more sustainable oils and fats industry

AAK's strategic positioning related to new food solutions depends on how these new technologies commercialize and scale



Our overall strategic actions to invest in higher-value, differentiate, optimize and drive impact are important levers across all industries

Strategic actions...

Invest in higher value opportunities

Truly differentiate and innovate

Optimize to create a smarter and better core

Drive impact

...are important across our entire portfolio



M&A is a tool to execute our portfolio strategy and will continue to be an enabler for AAK's EBIT growth

Our portfolio strategy defines strategic focus, prioritization of capital allocation and M&A rationales...

Portfolio strategy



... M&A is a tool to execute our updated portfolio strategy and accelerate the portfolio transformation

M&A rationales



AAK – continued focus and strong delivery

Strong
underlying
**GROWTH
DRIVERS**

Targeting
above
MARKET
growth

Strong
**BALANCE
SHEET**
supporting
further growth

Average
10%
year-over-year
EBIT
improvement

Our purpose

Making Better Happen™

We believe that **BETTER** has the potential to be *more ambitious* than best

Better is a journey of *continuous* improvement

AAK

The Co-Development Company

Capital Market Day 2022



Thank you

