India 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.

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AAK India

Becoming the first choice for the Indian food, health and nutrition industry

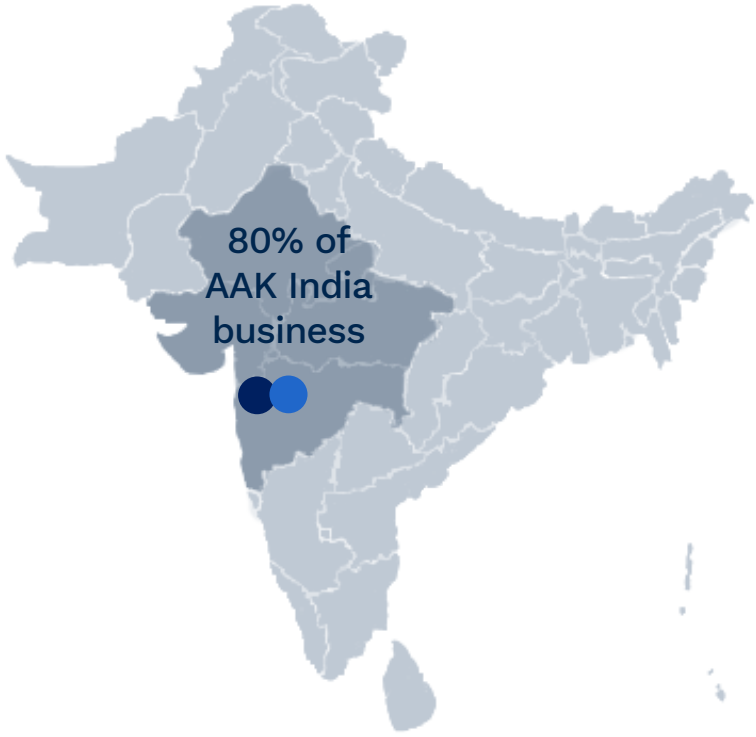
35% of AAK Asia´s volume

Distributors **90**

Key accounts **100**

Employees **500**

2022	New office and Customer Innovation Center Expanded business into Medical Nutrition (Pharma)
2020	AAK acquires remaining shares of AAK Kamani
2017–2019	Investments in capabilities and capacities
2015	AAK acquires 51 percent of Kamani Oils



- Manufacturing plant
- India office and Customer Innovation Center

Value creation with execution of critical enablers

Customer centricity, Co-Development and product management support specialty journey

Specialty volume (K MT)

EBIT (M SEK)

EBIT/kg (SEK)

Focused execution of the portfolio strategy drives margin growth

with value creation for AAK India and customers across several industries

Invest in continued growth

Chocolate & Confectionery Fats

Special Nutrition and Health

Net margin improvement ~ 100%

Drivers: customer Co-Development, sustainability, contaminant management

Optimize for value creation

Bakery

Dairy

Foodservice

Net margin improvement ~ 15%

Drivers: product portfolio management, cost optimization

Bet for the future

Plant-based and New food solutions

Technical products

Personal Care

Net margin improvement ~ 150%

Drivers: collaboration with eco-system, capture on naturals trend

Maintain and cultivate

Natural Emulsifiers

Fish Feed

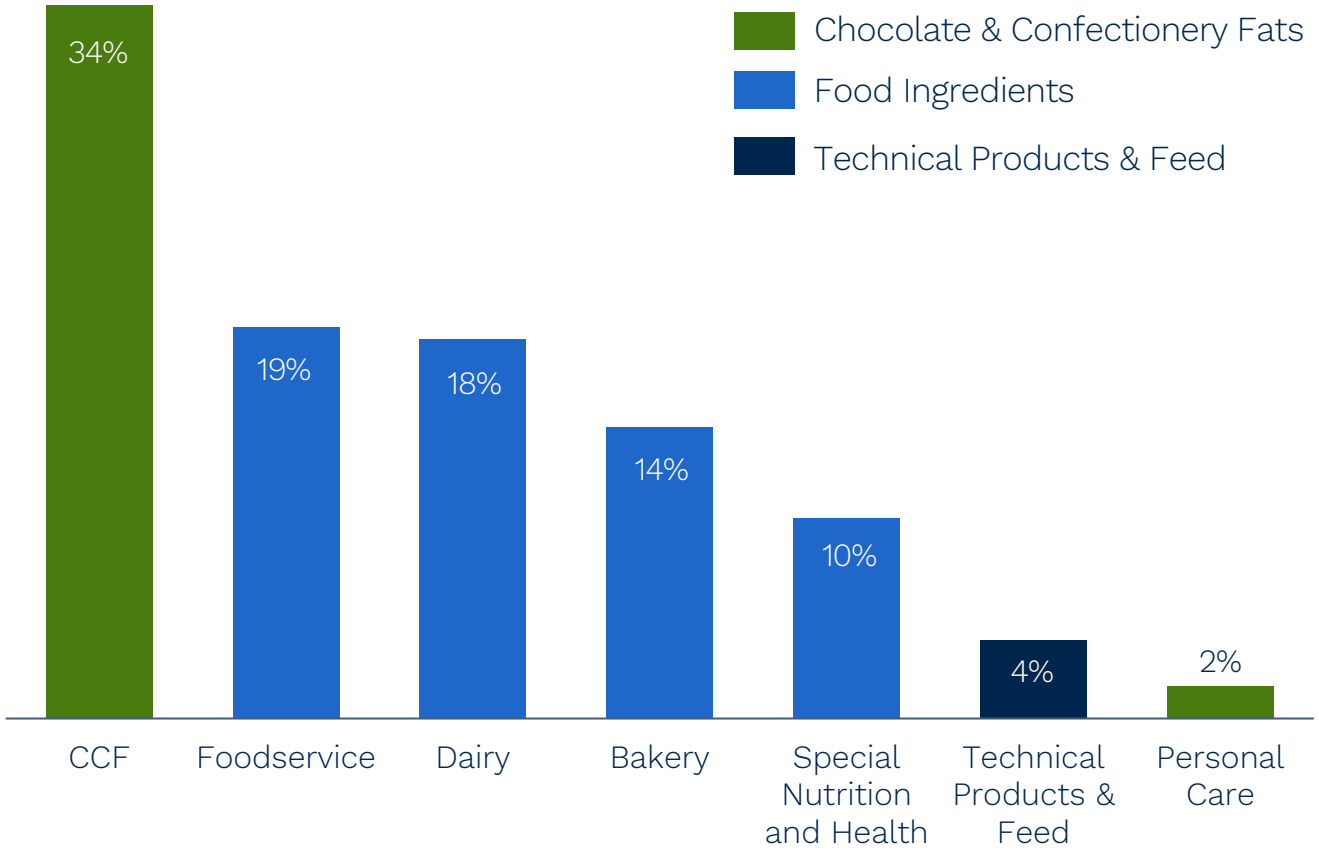
Feed

Discovery phase

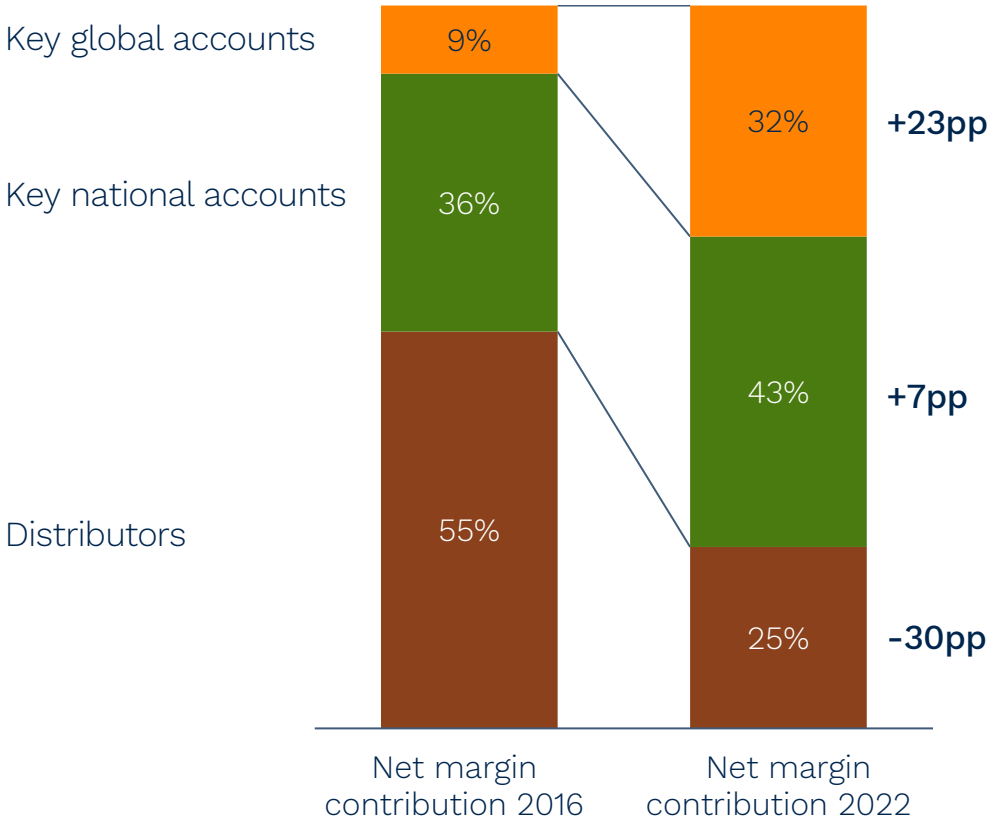
Accelerated business transformation

with customer centricity and execution of key account management strategy

Volume distribution



Customer segment shifts 2016–2022



Making Better Happen™

through people, performance and culture

People

- Talent management
- Capability building for more than 2,000 hours
- Making Better Communities Happen under Pragati

Performance

- Strategy mapping and execution
- Continuous journey to specialty
- Product portfolio management: 37% SKU withdrawals

Culture

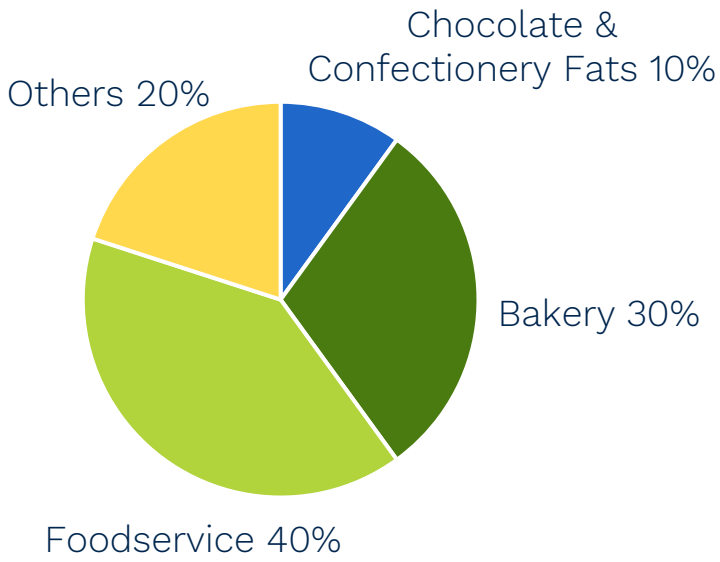
- New collaborative workplace
- “Great Place to Work” certification
- Quarterly townhalls
- Customer Innovation Center supporting Co-Development opportunities around 800 projects

Attractive specialty oils and fats market in India

supported by industry growth opportunities for AAK

India specialty oils and fats

1.7M MT
specialty oils and fats industry split[1]



Chocolate consumption per capita[2]

Bakery consumption per capita[2]

25M annual births support the Infant Nutrition market CAGR of 9+%[3]

Sources: 1) AAK internal research, 2) Mintel, 3) BCG & Unicef

AAK India is well positioned to leverage emerging consumer trends

Chocolate & Confectionary Fats

CAGR: 6.5%

Key trends:

- Health, sustainability, and chocolate for snacking, gifting and celebrations is replacing traditional sweets[1]

Dairy

CAGR: 15%

Key trends:

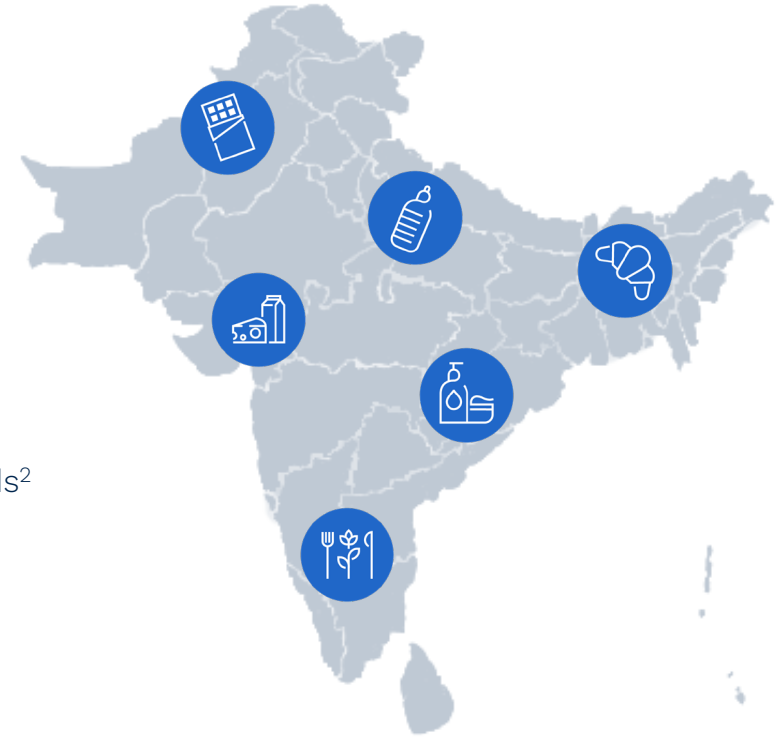
- Ice cream is on the revival path
- Indulgence, health, and vegan are key trends[2]

Plant-Based Foods

CAGR: 12%

Key trends:

- Shift towards plant-based and vegan diets
- Multiple start-ups in the plant-based food business[4]



Special Nutrition and Health

CAGR: 9%

Key trends:

- Continued growth in infant nutrition
- 172 babies out of 1,000 will be Indian
- Increased focus on adult nutrition
- Pharma companies moving to GMP-grade solutions[5]

Bakery

CAGR 8.5%

Key trends:

- Shift to packed and branded products
- Premiumization on the rise
- Differentiation through health claims as trans-free

Personal Care

CAGR 10%

Key trends:

- Rise of E-Comm, D2C, Organic, Ayurveda, Natural[2]

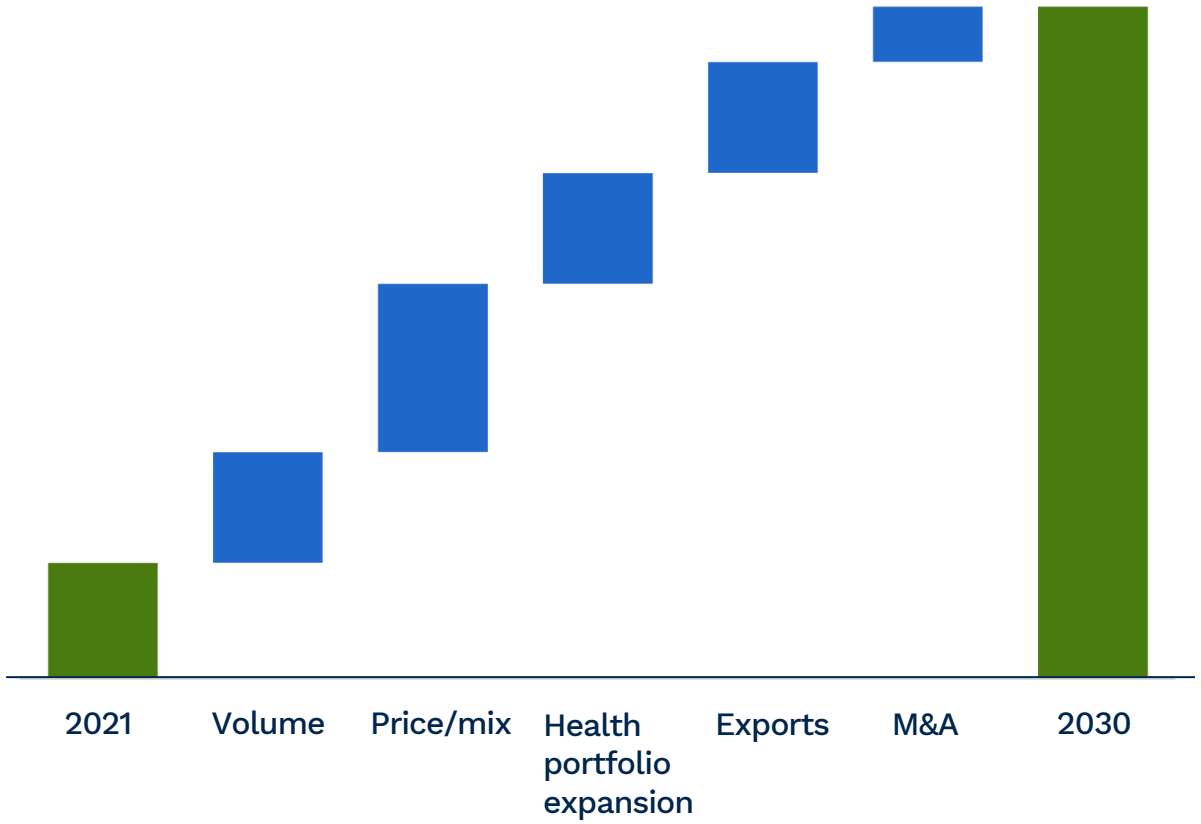
Sources: 1) Mintel, 2) Euromonitor, 3) Nielsen, 4) India retailing, 5) McKinsey Report

Driving future growth

through value creation and laser-sharp focus on strategy execution

2021–2030: India EBIT development

(Illustrative: not drawn to scale)



Comments

- Grows faster than the market growth rate
- Double our EBIT per kilo driven by specialty solutions
- Develop export platform to contribute 10%
- Laser focus execution of Co-Development pipeline
- Expand in profitable and differentiated adjacencies such as the pharma business
- Drive critical enablers such as product management, commercial excellence, and distribution management

AAK India 2.0

strengthens position in southeast India by acquiring Arani Agro Oil

- **Expand geographically** and **increase market share** in the high-value specialty oils and fats market
- Platform for serving a **high concentration of strategic customers**
- Expand **community impact and support program** to new site
- **Invest an estimated total SEK 200-300 million**(1) in the production facility over the coming years
- Transaction expected to close in the fourth quarter of 2022

Manufacturing plant

India office and Customer Innovation Center

1) Including acquisition consideration

A solid outlook going forward

AAK India is committed to making it happen

Positive current and future economic indicators

- A robust outlook for India's economy creates **attractive business opportunities** for AAK
- **Strong consumer trends** of premiumization, health and nutrition, convenience and sustainability support the specialty journey

Committed AAK India organization will make it happen

- A **successful business transformation** from AAK Kamani JV to AAK India is complete
- A committed, **customer-centric organization** is geared to accelerate growth
- **Business plan 2030 in place** to **support customers** and **leverage the growth opportunities**
- **AAK is well-positioned** to support India's **nutritional needs** and **capture opportunities**

Thank you