

A man wearing a brown jacket, grey pants, and a yellow cap is kneeling in a field of young green plants. He is looking down at the plants. The background shows a line of trees under a cloudy sky.

Year-End Report 2021

The Period in Short – Important Events





The Period in Short

- Lantmännen's result for 2021 is the highest ever
- Our employees have done extraordinary work during the pandemic
- Uncertain business climate:
 - Lack of components and raw materials
 - Challenges in freight and logistics
 - Rising prices for raw materials and energy
 - Increased global inflation
- Lantmännen has a more solid position than ever before



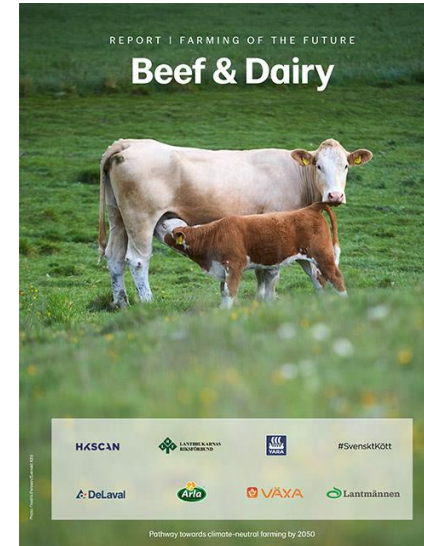
Lantmännen's Result Development

Except for the drought of 2018, we have increased our earnings year for year the last decade



Other Important Events

- Farming of the Future: Dairy & Beef shows that Swedish production can reduce climate emissions while improving productivity and promoting biodiversity
- Lantmännen and DeLaval have installed seven new milking robots at the Viken Farm of the Future
- Our latest employee survey shows an Employee Satisfaction Index of 70 (-1) and a Leadership Index of 76 (+1)
- Lantmännen and Yara have signed an agreement for the launch of fossil-free mineral fertilizer, produced with renewable energy



New Climate Targets

- Lantmännen's climate targets mean reducing emissions in line with the Paris Agreement, which requires halving carbon dioxide emissions every ten years starting in 2020
- The targets cover the entire value chain and are divided into three parts, with a focus on fossil-free production and fossil-free transports, continued energy efficiency improvements, and investments and actions for reduced climate impact



Primary production:

Create conditions for sustainable primary production with a 50 percent reduction of climate impact every ten years, and climate neutrality by 2050.



Own production:

Reduce climate impact from own production by 50 percent by 2030 with 2019 as the benchmark, in line with the Paris Agreement.



Purchased transports:

50 percent reduction, relative to net sales, of emissions from transports and service cars by year 2030 compared with 2019.

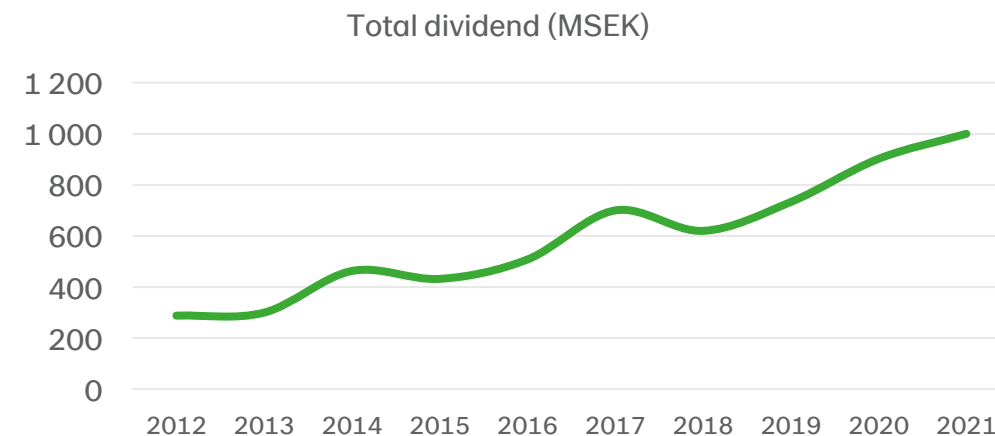
Fossil-free transports and service cars in Sweden by 2030, the rest of the Nordics by 2040, and in all markets by 2050.



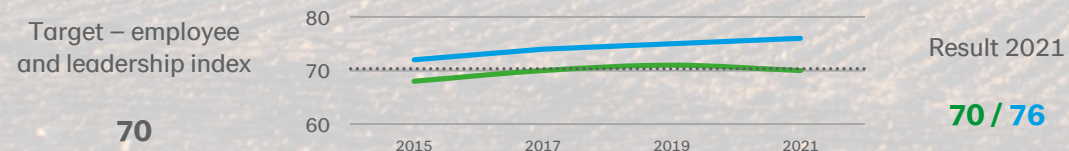
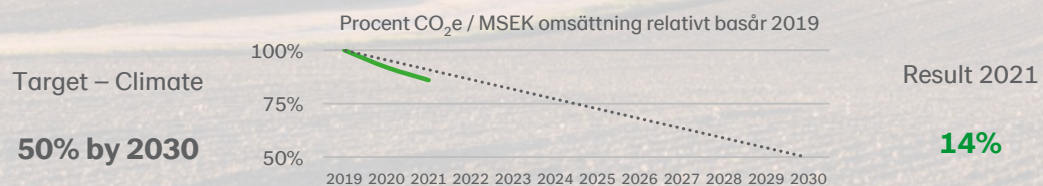
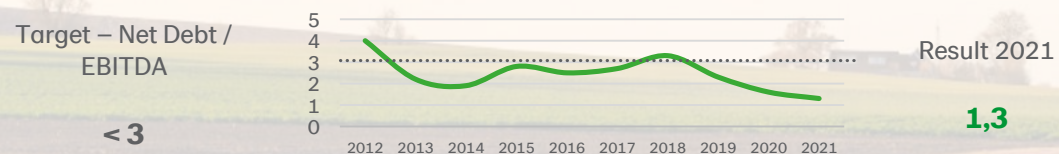
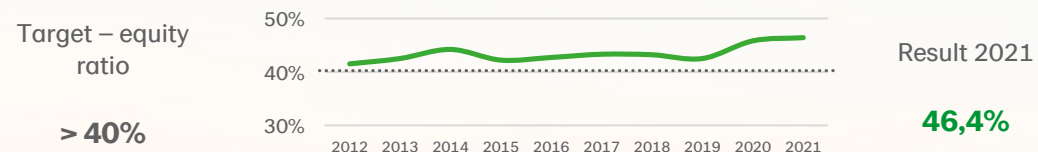
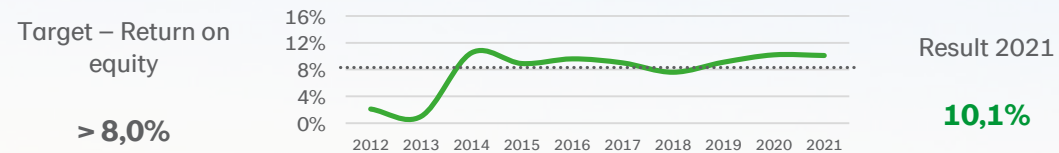
The Highest Dividend Ever

- The board's dividend proposal:
 - Refund and supplementary payment of 341 MSEK (305)
 - Contribution dividend of 362 MSEK (291)
 - Contribution issue of 297 MSEK (306)
- The total dividend amounts to 1 000 MSEK (902)
- Dividend on subordinated debentures is proposed at 7,25 percent (7,25)

| MSEK | 2018 | 2019 | 2020 | 2021 |
|-----------------------------------|------------|------------|------------|--------------|
| Refund and supplementary payment | 157 | 208 | 305 | 341 |
| Contribution dividend | 213 | 237 | 291 | 362 |
| Contribution issue | 250 | 288 | 306 | 297 |
| Total | 620 | 733 | 902 | 1 000 |
| Dividend, subordinated debentures | 5,25% | 6,5% | 7,25% | 7,25% |



Strategic Group Targets



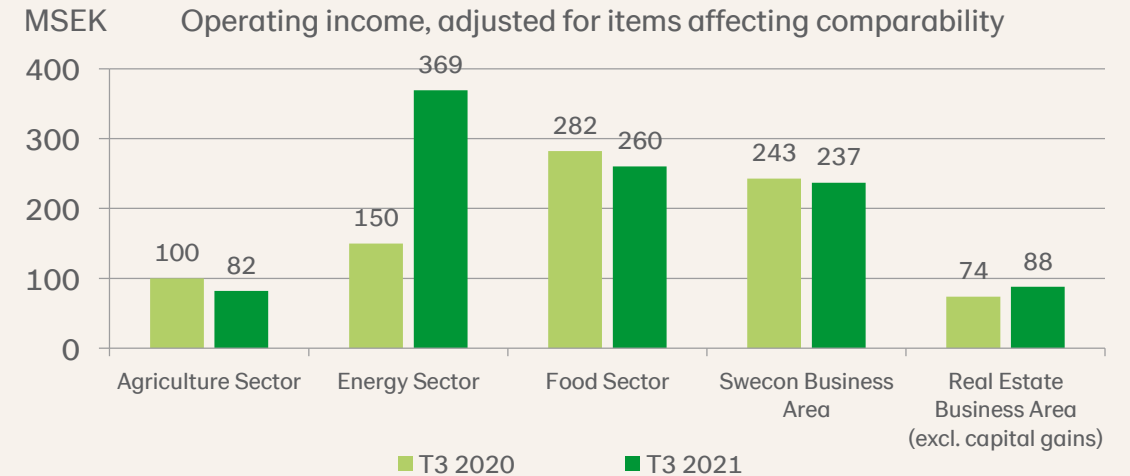
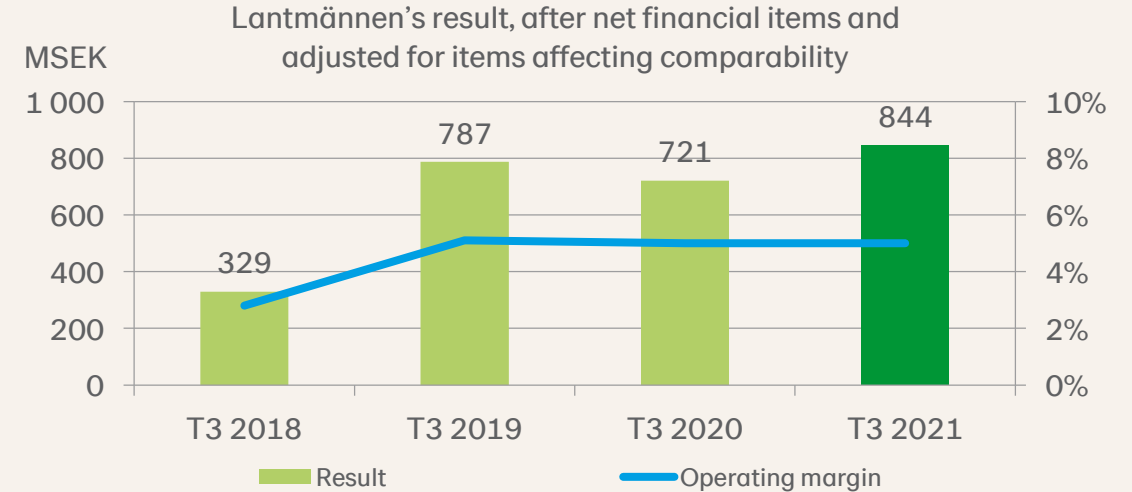
The Development in Our Businesses



Strong result in tertial 3 – despite the pandemic and volatile global markets

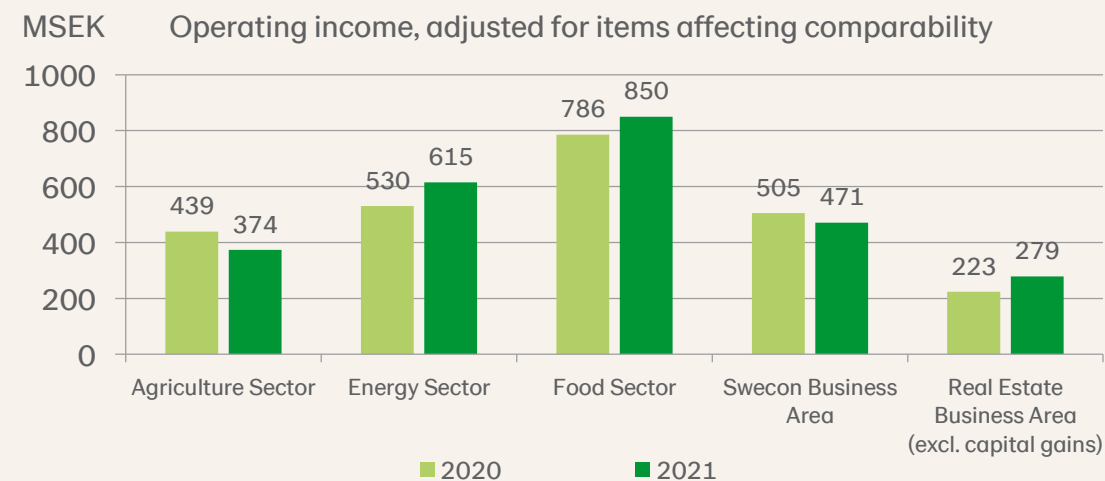
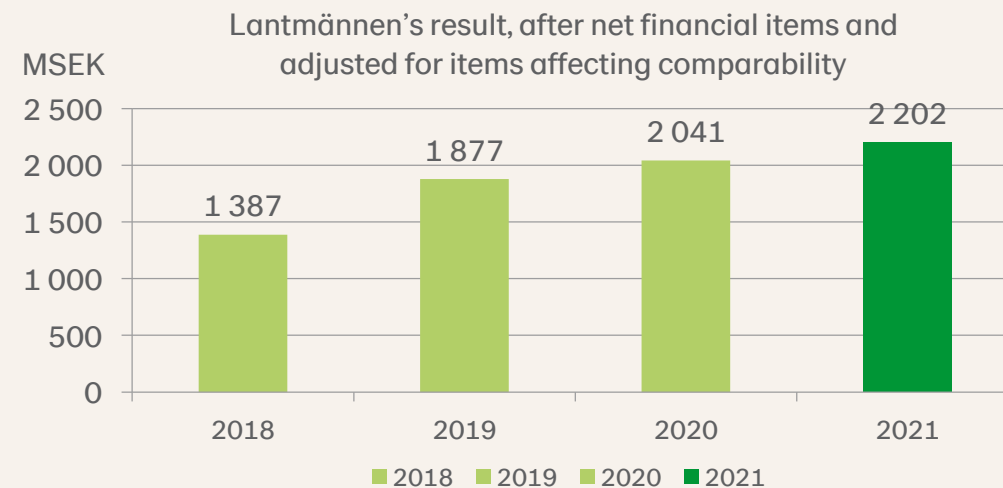
Sharp increase in net sales: 13,6 percent, of which 13,7 percent organic (volume and price)

Historically high ethanol price and production records in the Energy Sector has led to record results



Lantmännen's highest result ever – again!

| MSEK | 2020 | 2021 |
|--|-------|-------|
| Operating income | 2 223 | 2 302 |
| Items affecting comparability | - | -21 |
| Net financial items | -182 | -121 |
| Result after net financial items, adjusted for items affecting comparability | 2 041 | 2 202 |



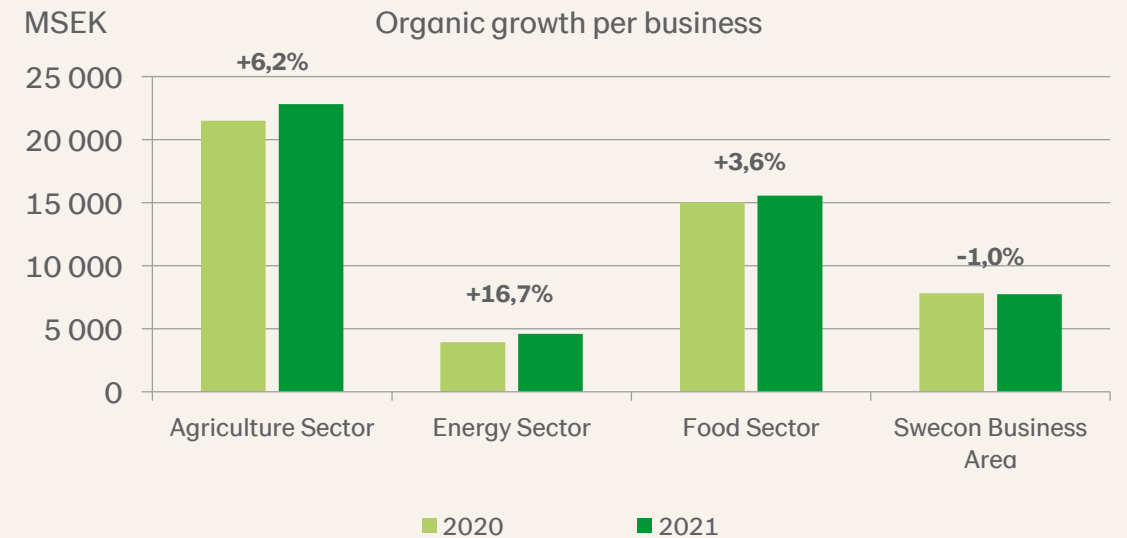
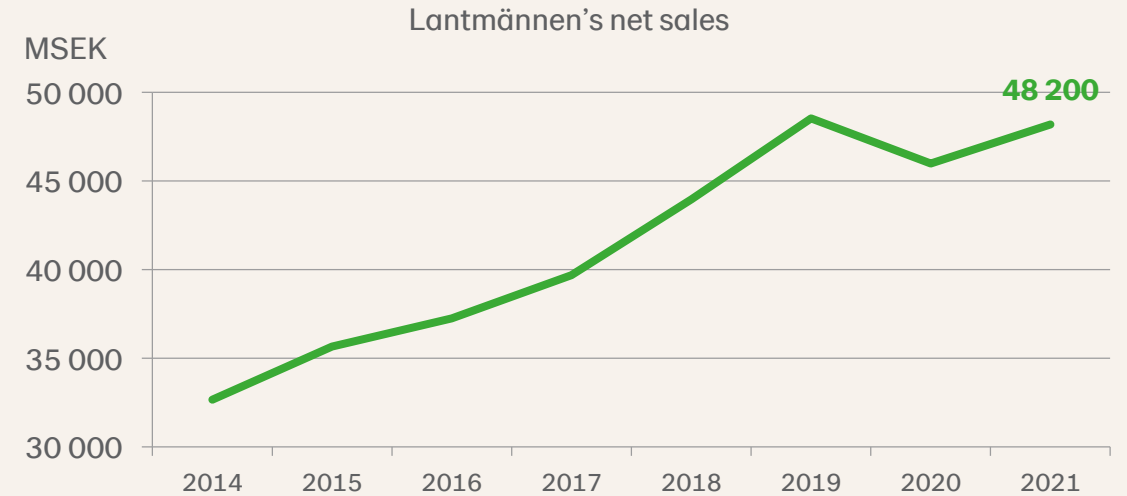
Strong growth of net sales

Net sales increased by 4,8 percent during the year, of which 6,0 percent organic

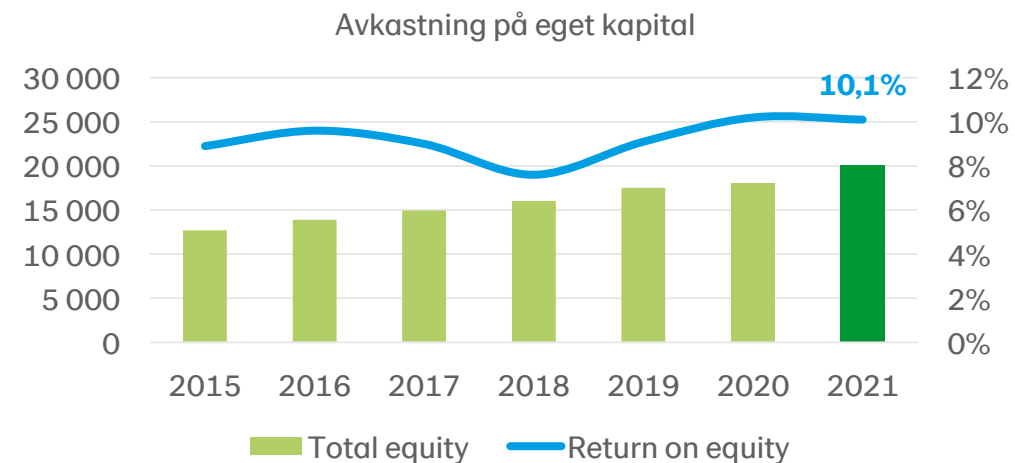
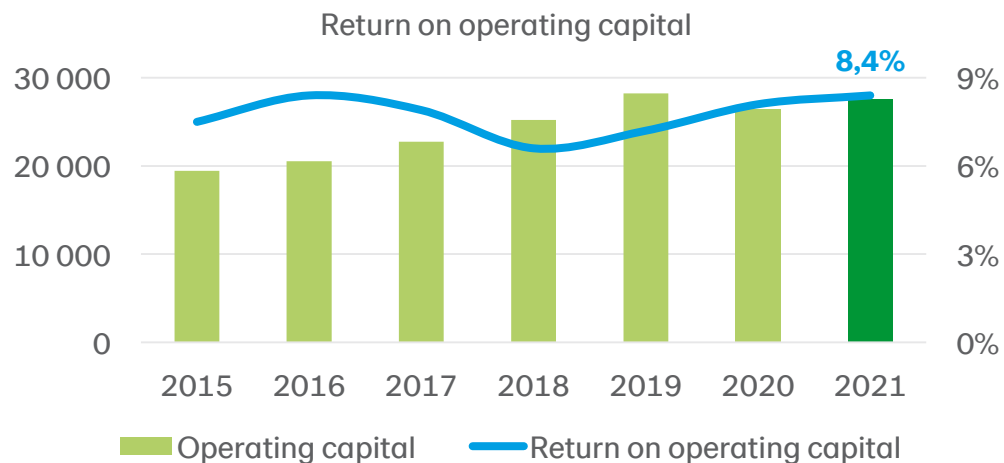
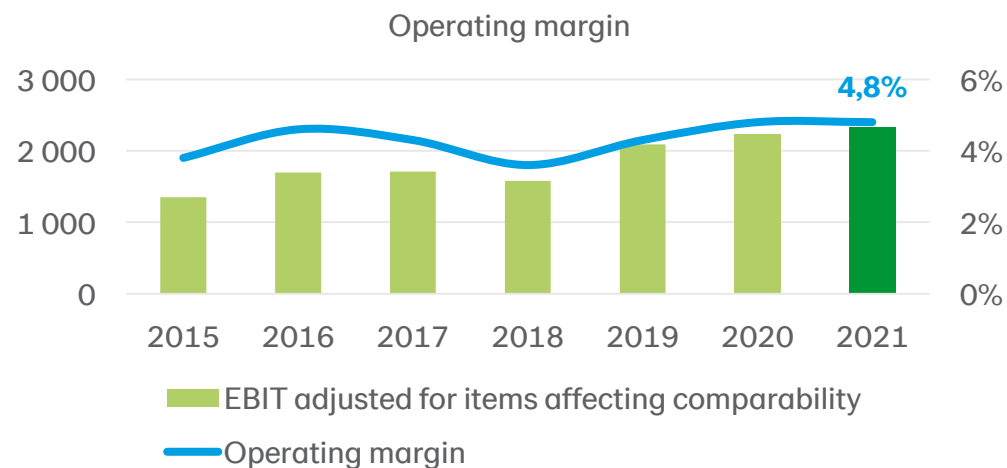
During the third four-month period, organic growth amounted to 13,7 percent

All businesses except Swecon are growing organically

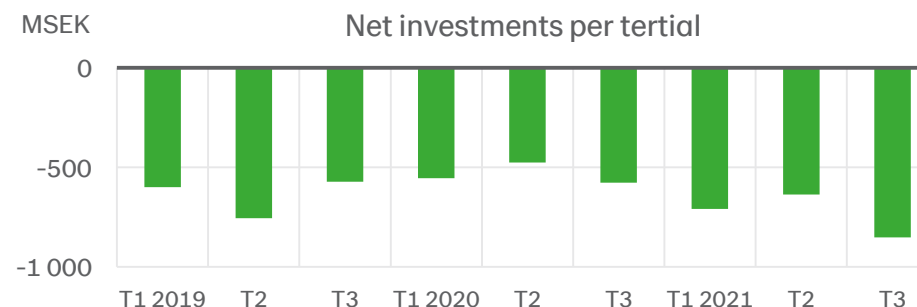
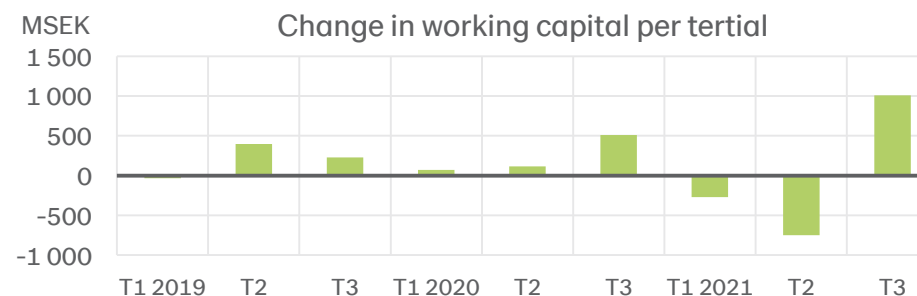
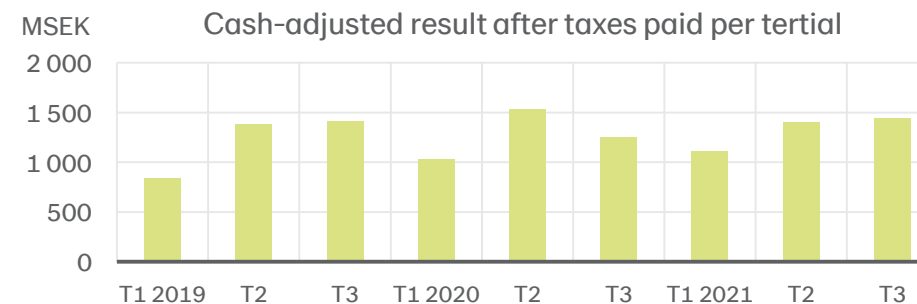
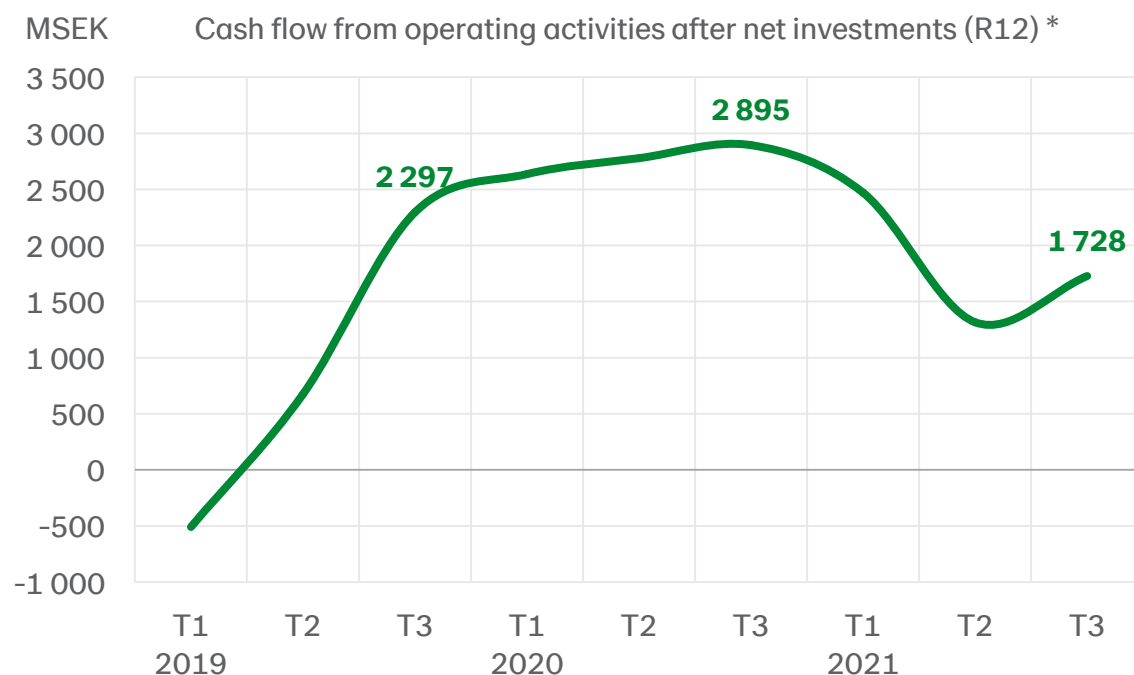
Focus on cost-based price increases



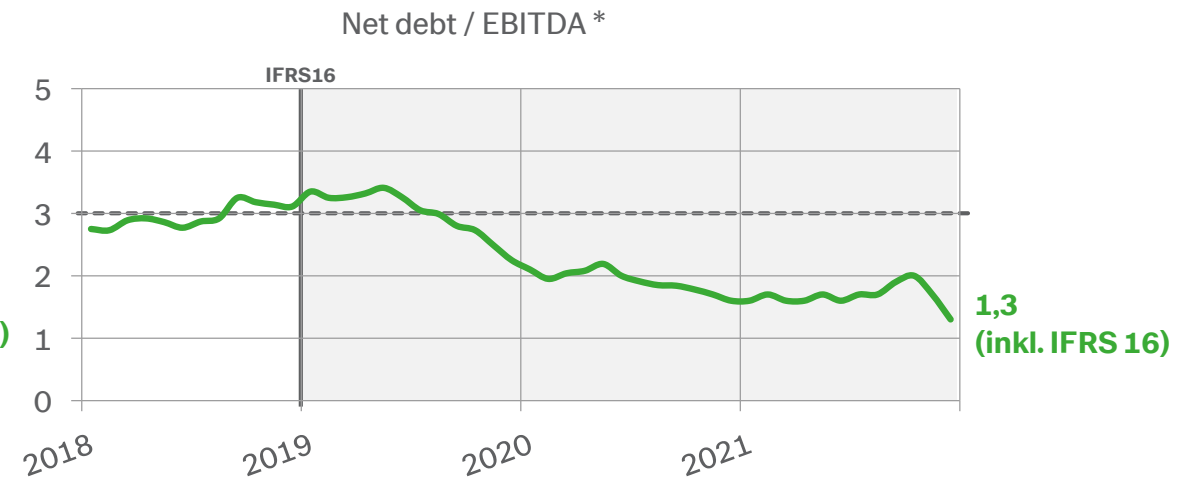
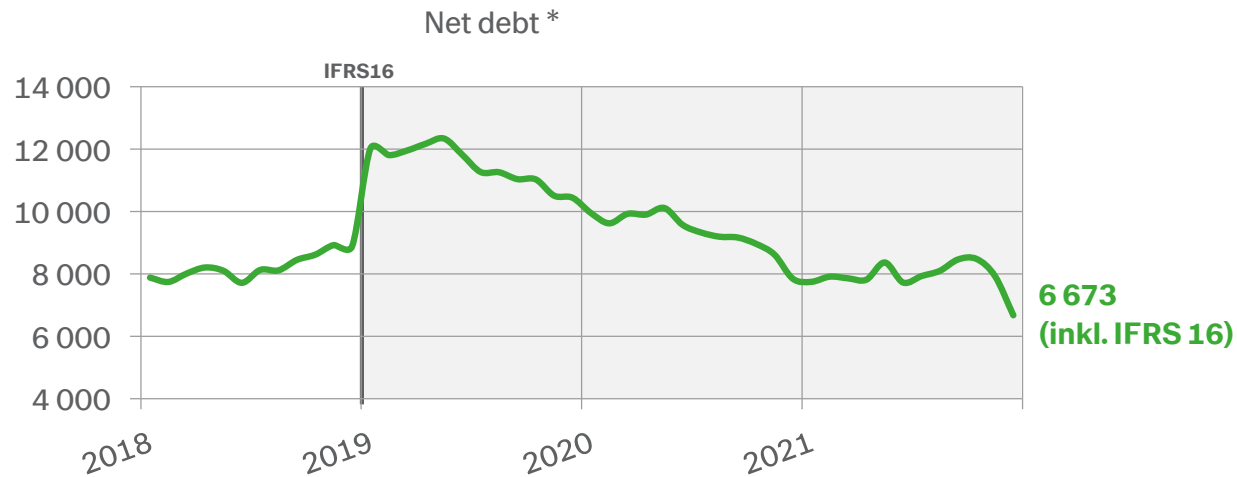
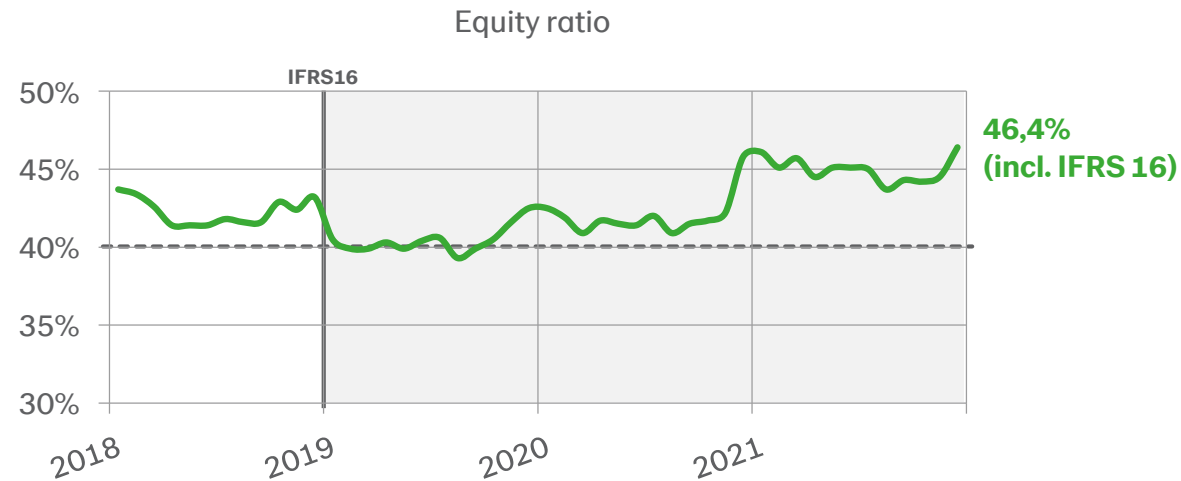
Stable Margin and Return



Strong Cash Flow Despite High Pace of Investments and Strong Business Growth



Strong Financial Key Figures

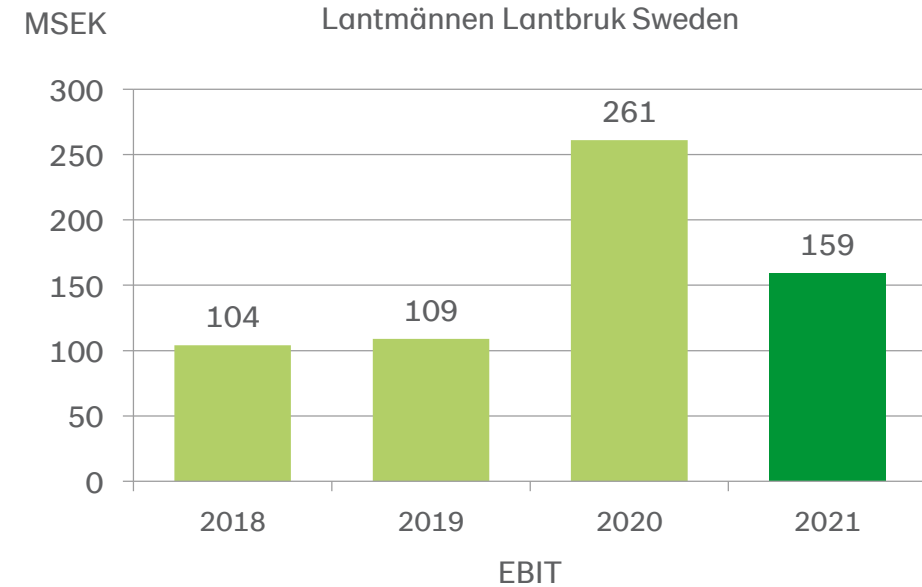


* Bank definition



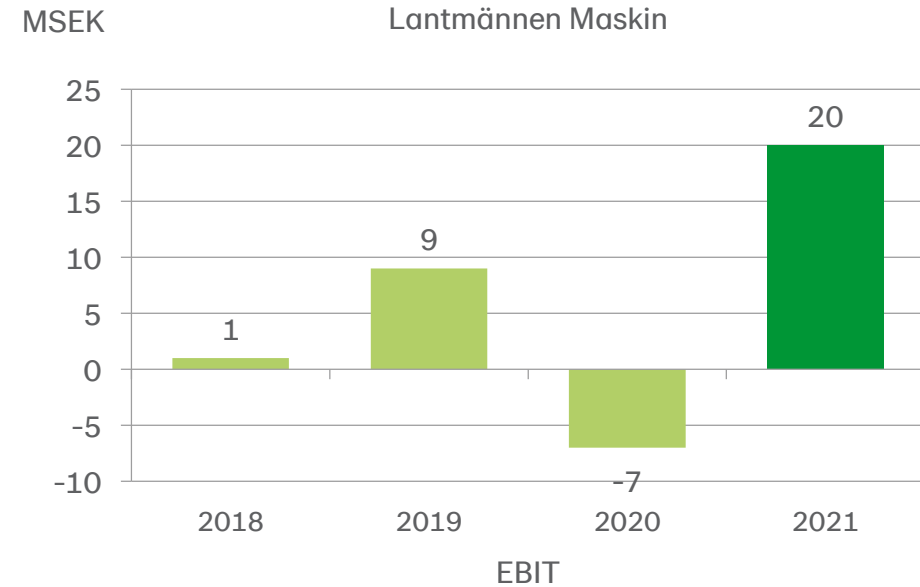
Lantmännen Lantbruk Sweden

- Lower grain volumes due to weak harvest
- Shortage of primarily malting barley and oats
- Sharply increasing prices for raw materials, energy and freight – especially in the third tertial
- Challenges in the feed business: rising prices for input goods, energy, and logistics

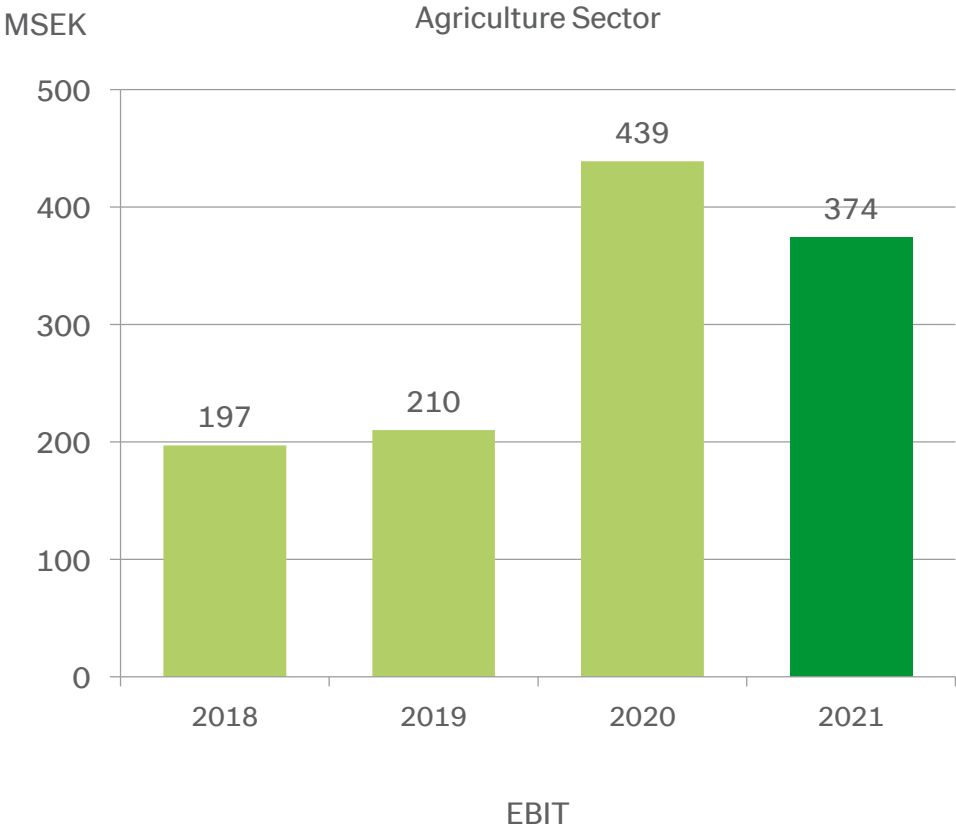


Lantmännen Maskin

- Improved results in all parts of the business
- Continued positive effects from process improvements
- Strong finish to the year – more machines have been delivered, and market positions strengthened
- The service and spare part businesses continue to develop well
- Reduction of tied-up capital during the year

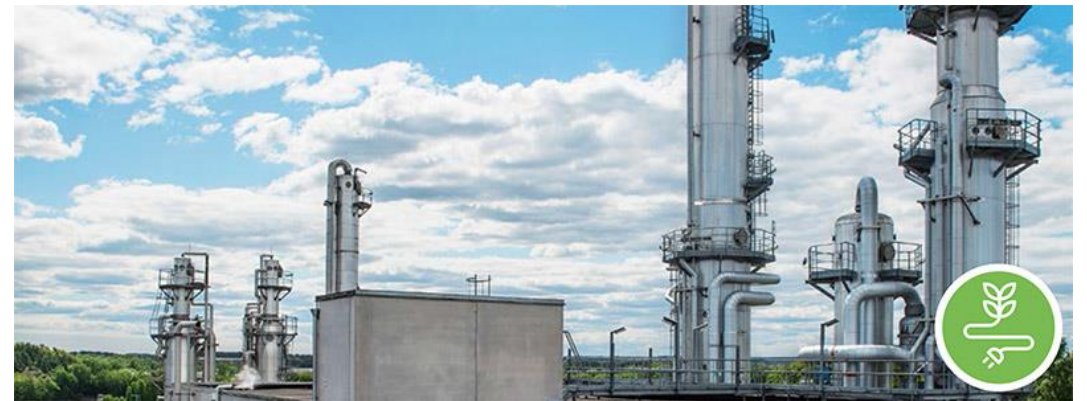
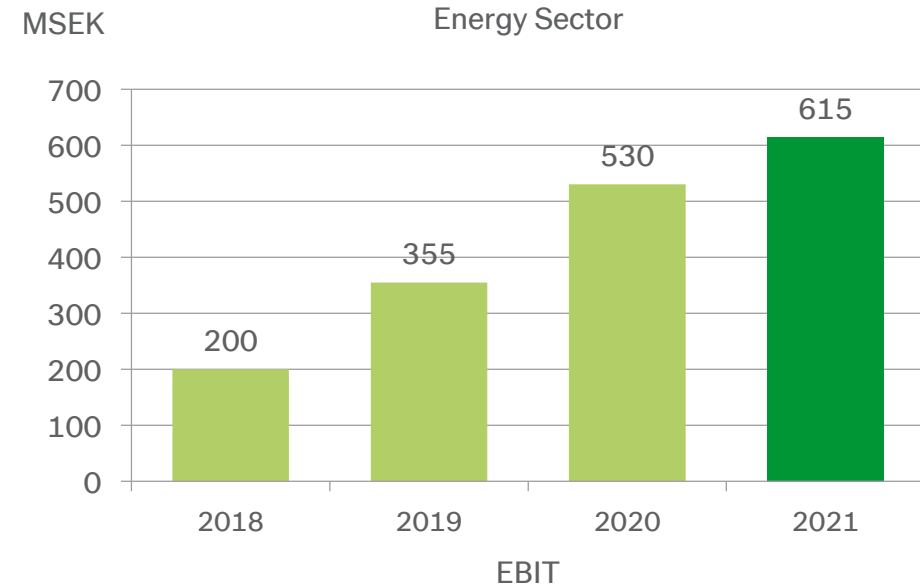


Agriculture Sector



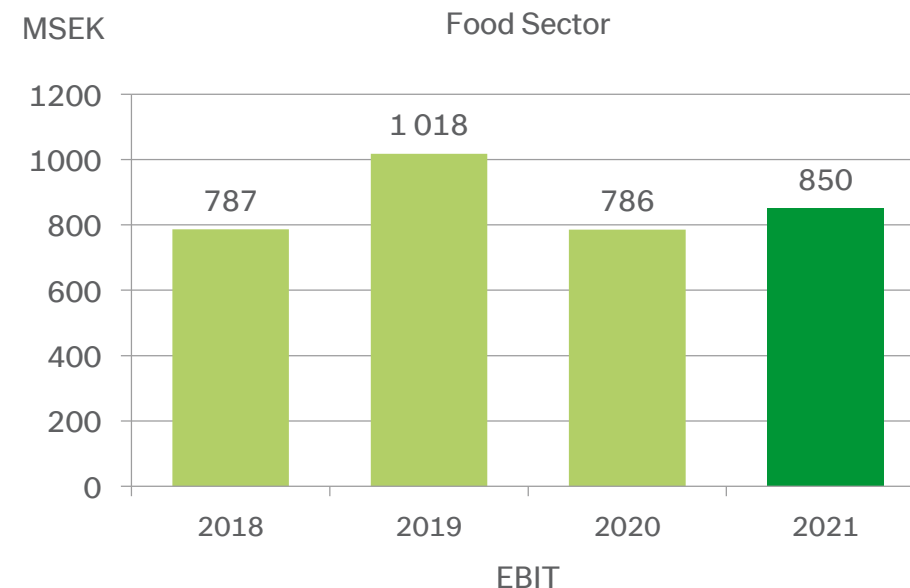
Energy Sector

- New record year for the sector
- Strong result in the ethanol business due to high prices for ethanol and feed products, production record and a stable and sustainable energy supply
- Strong demand for starch and gluten
- Aspen shows continued strong sales growth internationally



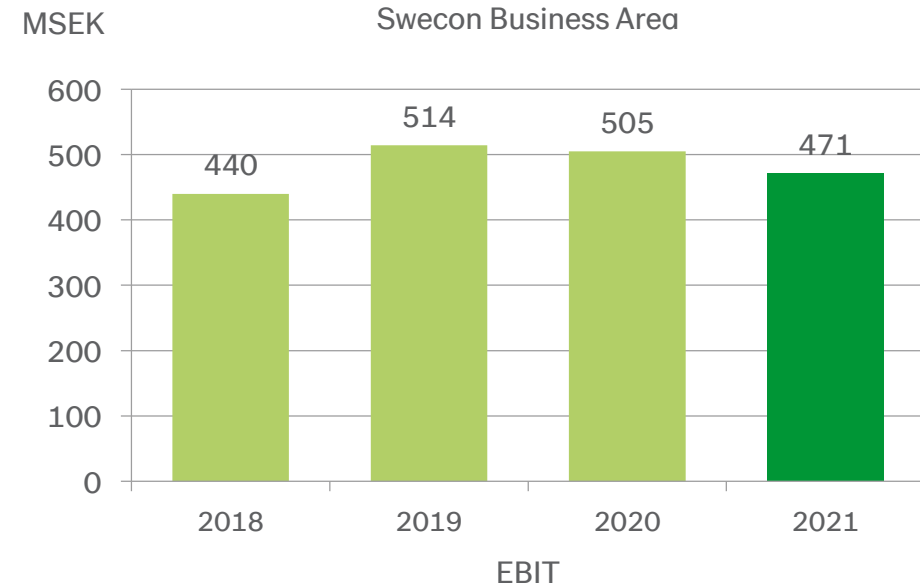
Food Sector

- Successful adaptation of production to the changed conditions
- Sales have increased during the year, the coronavirus pandemic has had a continued impact
- All businesses affected by higher prices for grain, raw materials and energy
- Cost-based price increases are being implemented



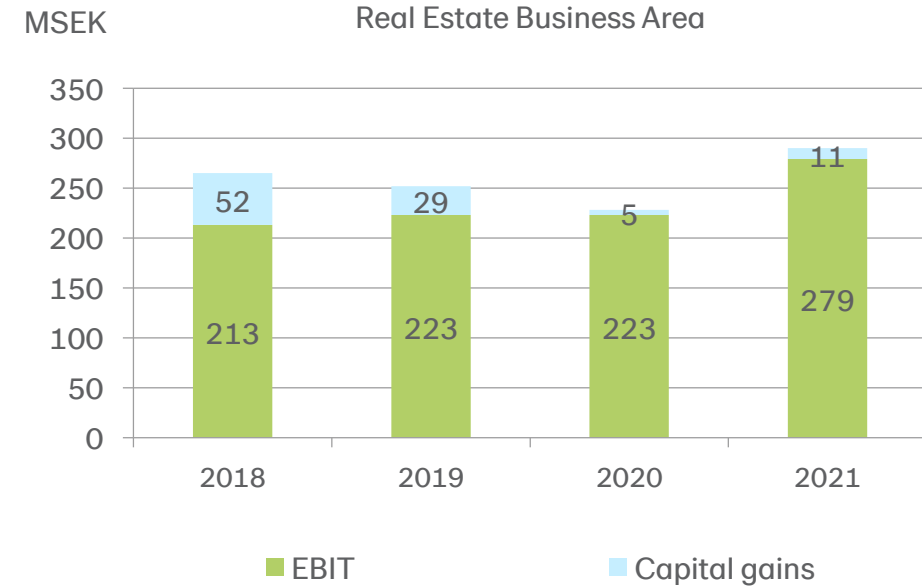
Swecon Business Area

- Strong and stable result, despite shortage of machines during the year
- Continued high activity level in the market
- High utilization of machines and strong demand in the aftermarket
- A fire in a central warehouse in Bochum, Germany, has affected operations at the end of the year
- Demand for electric machines increasing



Real Estate Business Area

- Higher operating profit and higher profit shares from partly-owned companies
- Lantmännen's silo in Västerås will be sold to the municipality – the takeover is planned for 2029
- Construction of Unibake's new cold storage in Örebro has begun
- A deal has been signed to sell buildings rights in Örebro
- Construction of Lantmännen's new office, housing and retirement home in Malmö proceeding as planned



Lantmännen is well prepared for the future

- Uncertain business climate: component and raw material shortages, rising prices for input goods and energy, and rising global inflation
- We are facing one of the most important issues for our generation: to tackle and overcome the climate crisis

After a record-breaking 2021, we are even better prepared for the future: We have a solid strategy, good positions in all businesses – and a great opportunity to continue developing a world-class company and world-class Swedish farming.



Thank You!

Together we take responsibility from field to fork
lantmannen.com

