

# Interim Report – T2 2021



# The Period in Short – Important Events







# The Period in Short

- The coronavirus pandemic is hopefully starting to come to an end
- Lantmännen's result is slightly higher than the previous year – and several businesses are once again showing healthy growth
- The harvest is lower than the five-year average, and the quality is generally lower than normal
- Sharply increasing raw material prices and very strained supply chains – shortage of components and inputs
- Despite this, we are well positioned in virtually all businesses





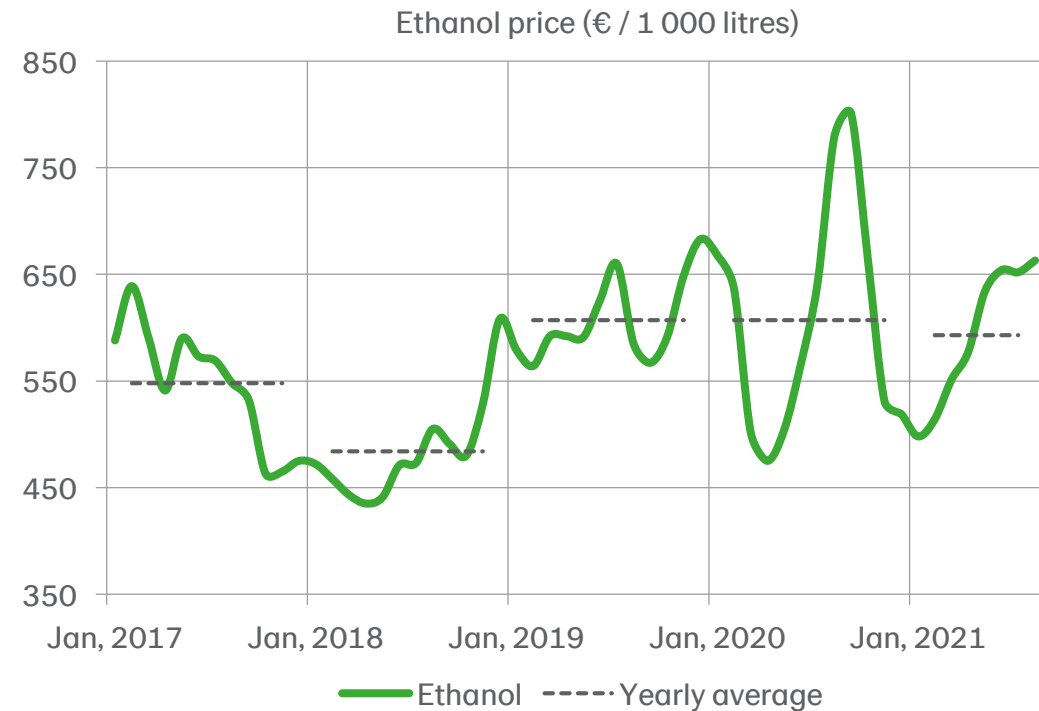
# Agriculture: Difficult and Protracted Harvest

- A warm and dry summer, followed by heavy rainfall
- Increasing raw material prices and lower grain volumes impact the result
- The Finnish agricultural operations are developing well – but this year's harvest is the worst in a long time
- Lantmännen Maskin has increased its result and demand in the market is strong – however, big delivery problems from main suppliers



# Energy: Higher Raw Material Prices and Rising Ethanol Price

- Higher grain prices impact Lantmännen Biorefineries' result strongly
- The average ethanol price up until August has been lower than the two previous years
- Production is running well in all businesses
- Strategic investments in heat-treated oats and gluten continue



# Food: Markets Are Starting to Open Again



- Continued impact from the pandemic, mainly in foodservice
- As restrictions are being lifted, demand is once again rising
- The market remains difficult to assess
- Sharp price increases are necessary due to rising grain prices







## Swecon: High Pressure but Lack of Machinery

- Volvo has been hit hard by component shortages, which leads to reduced supply of machines
- Underlying demand remains strong
- The strategic improvement work continues – for example through investments in brand, safety, and digitalization



# Other Important Events

- ThermoSeed has won the "European Award for Cooperative Innovations"
- It has been decided to build a new cold storage in Örebro, and a new bakery line in Lappeenranta, Finland
- Investments in Unibake in Poland, the UK, Russia and Australia continue as planned
- Agroetanol has signed a long-term deal with Eon for delivery of process steam
- Lantmännen has signed a deal to acquire the Finnish food group Myllyn Paras



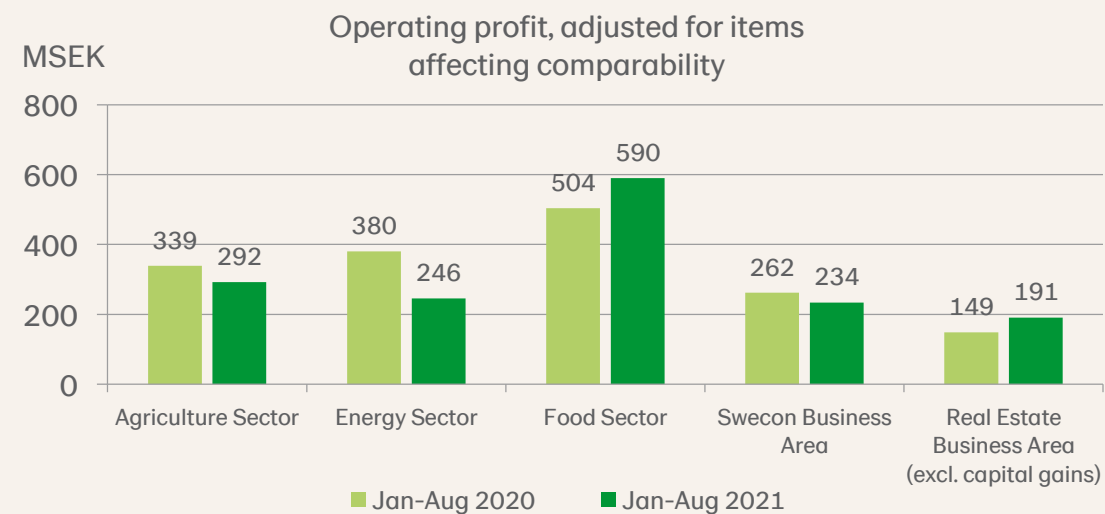
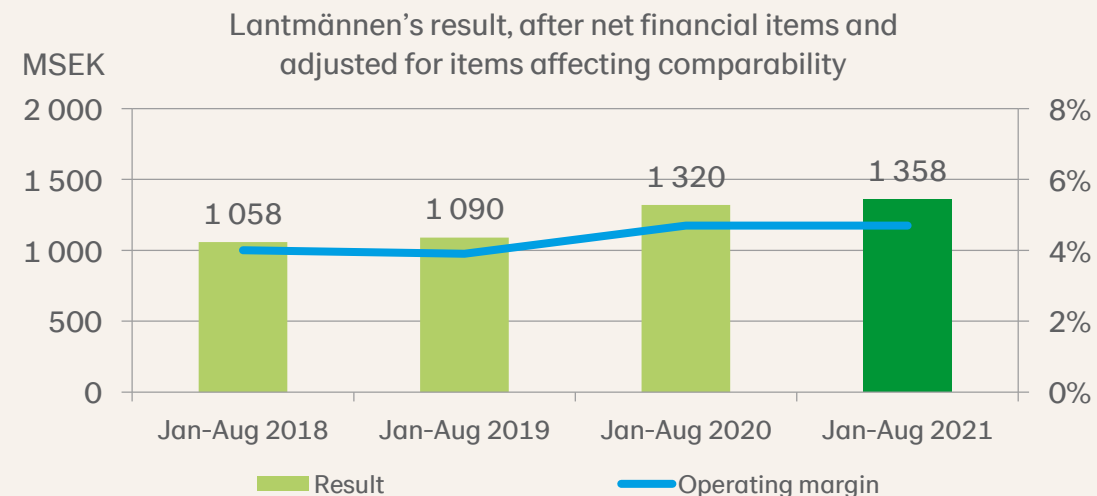


# The Development in Our Businesses



# Slightly higher result than last year

| MSEK   | Jan-Aug<br>2020 | Jan-Aug<br>2021 |
|--|-----------------|-----------------|
| Reported operating profit  | 1 443           | 1 457           |
| Items affecting comparability  | -               | 9               |
| Net financial items  | -123            | -90             |
| Result after net financial items, adjusted for items affecting comparability | 1 320           | 1 358           |



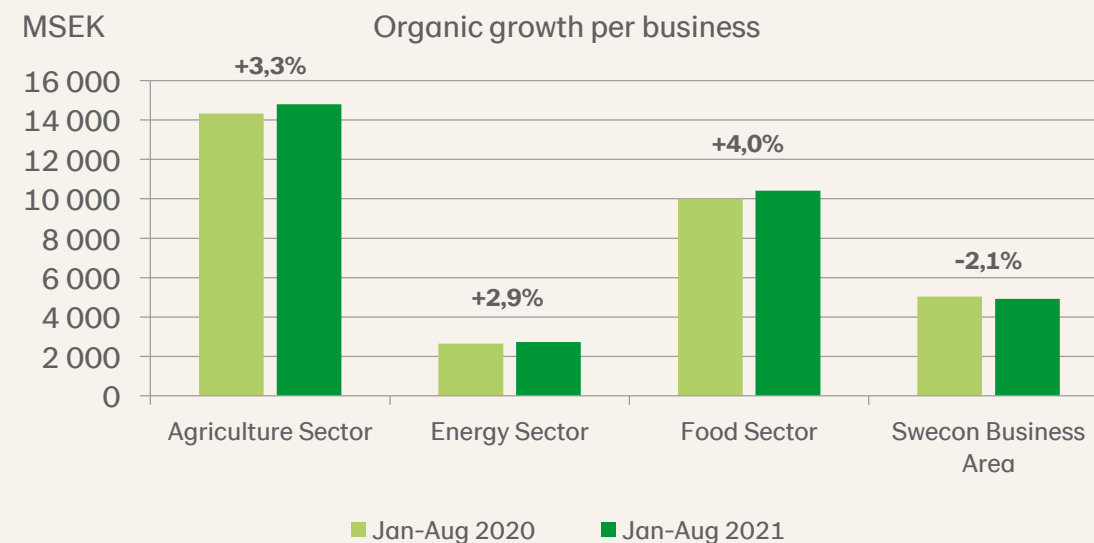
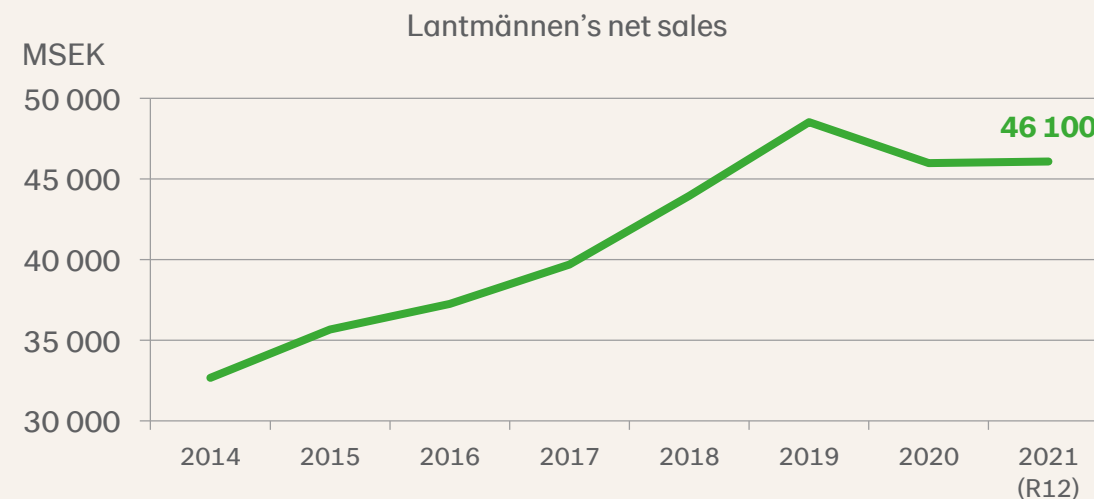
# Several business once again showing healthy growth

Net sales increased by 0,3 percent – of which 2,1 percent organically and -1,8 currency effects

Organic growth for the second four-month period was 6,9 percent

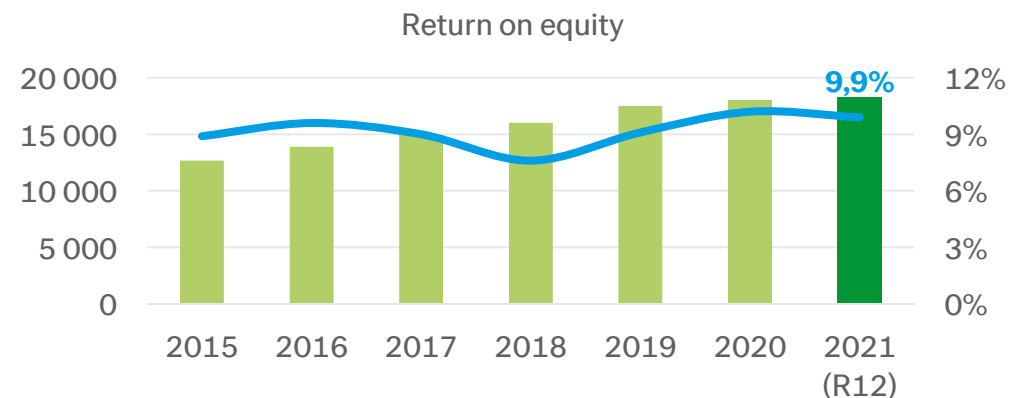
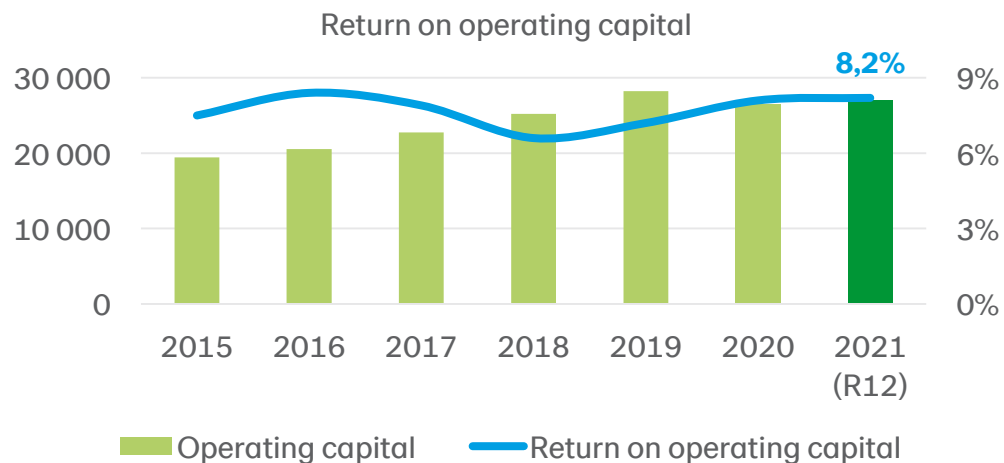
All businesses except Swecon show organically growing net sales

Focus on price compensation for cost increases

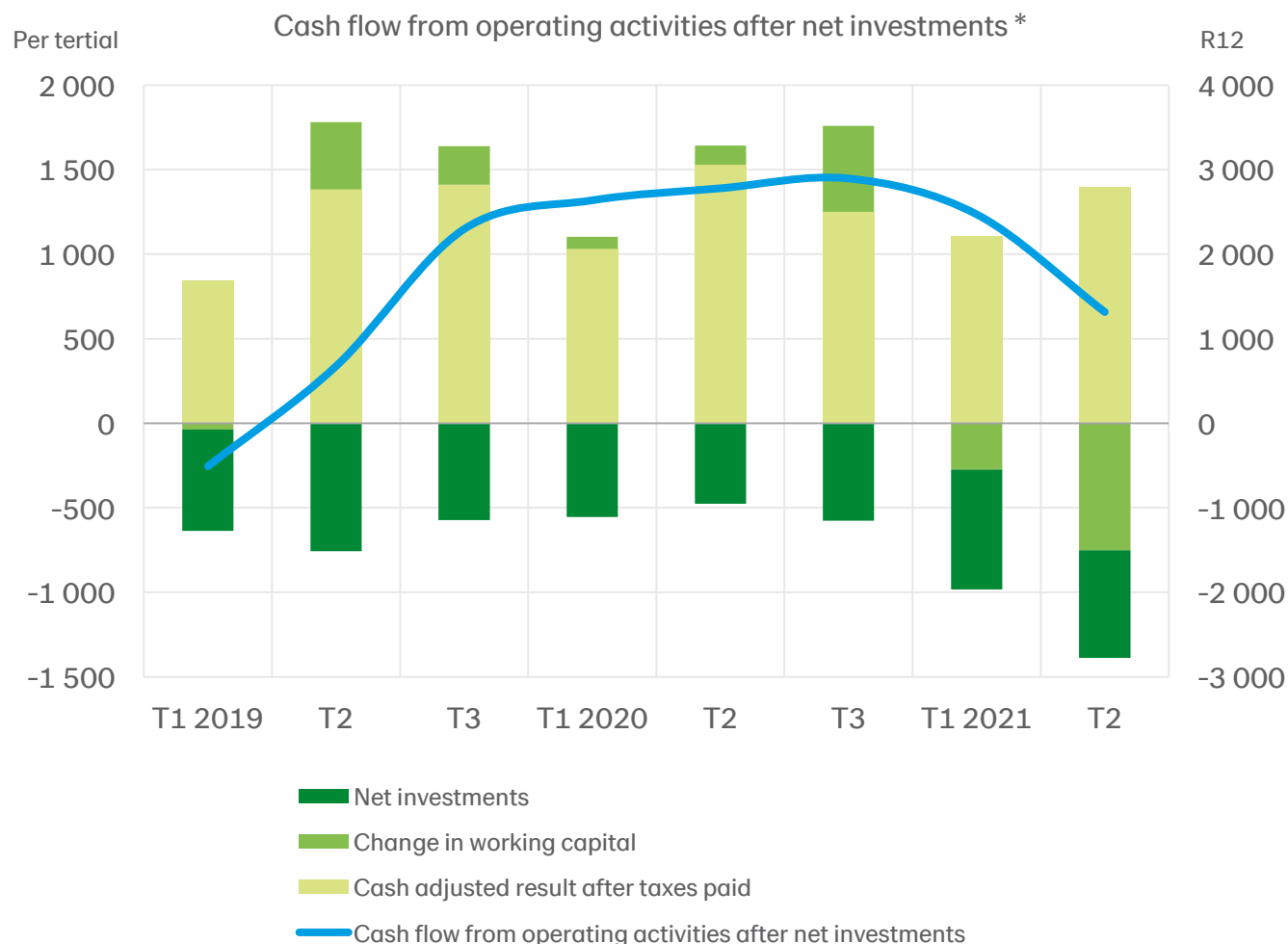




# Stable Margin and Return Development



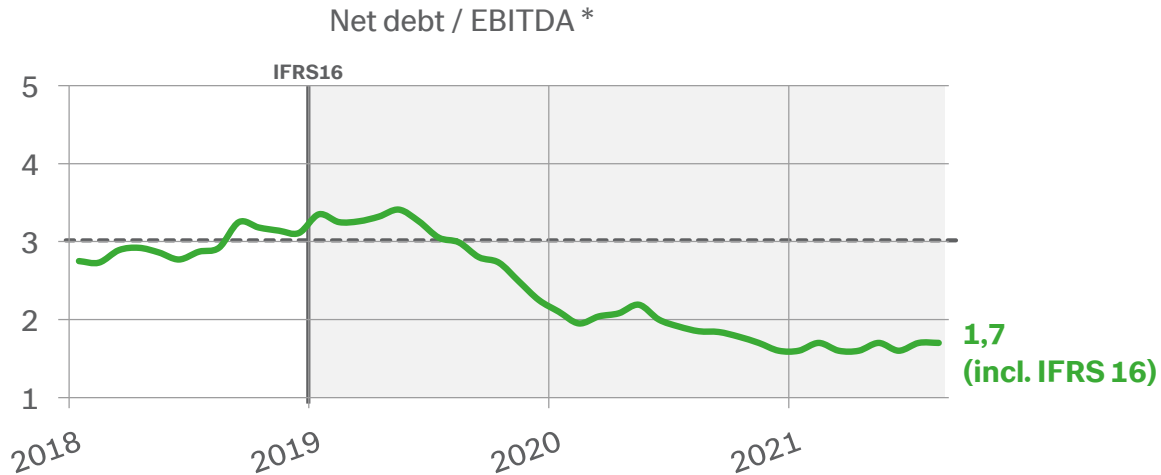
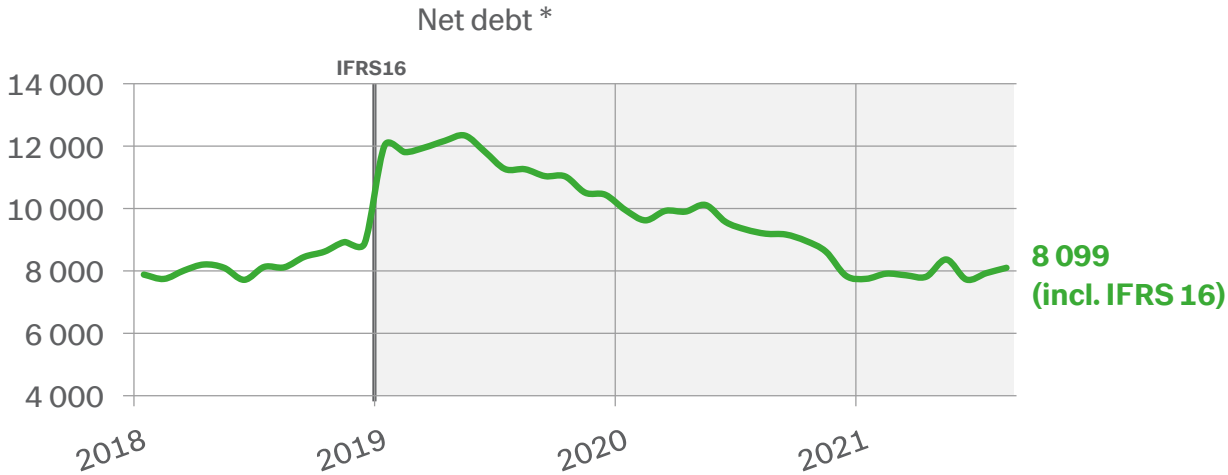
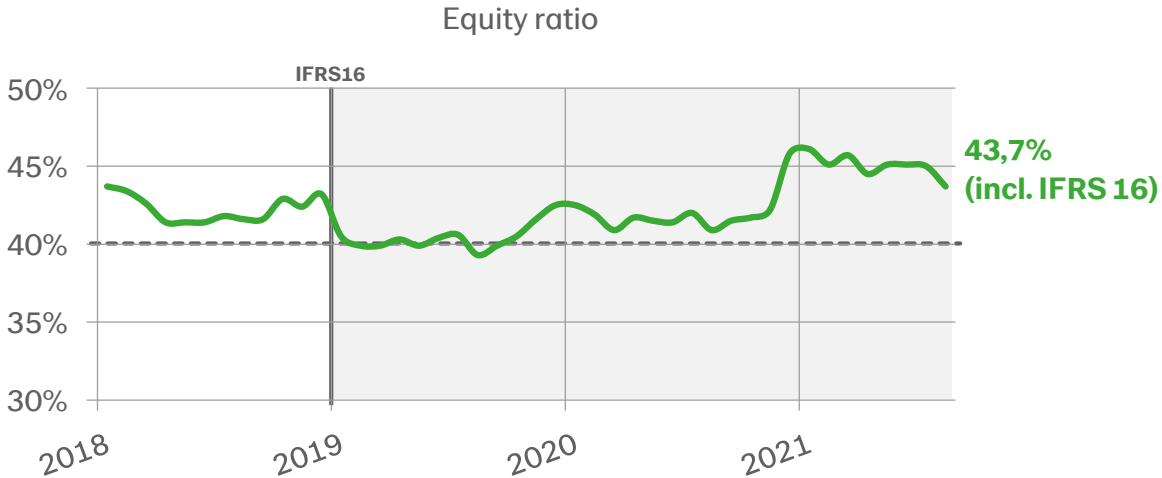
# Sales Growth and Higher Raw Material Prices Weakened the Cash Flow



- Increased working capital led to a 1,3 billion SEK weaker cash flow than the previous year
- Growing business and higher raw material prices
- Increased rate of investments following lower investments during the pandemic – investment cash flow -0,3 billion SEK lower



# Stable Development of Financial Key Figures



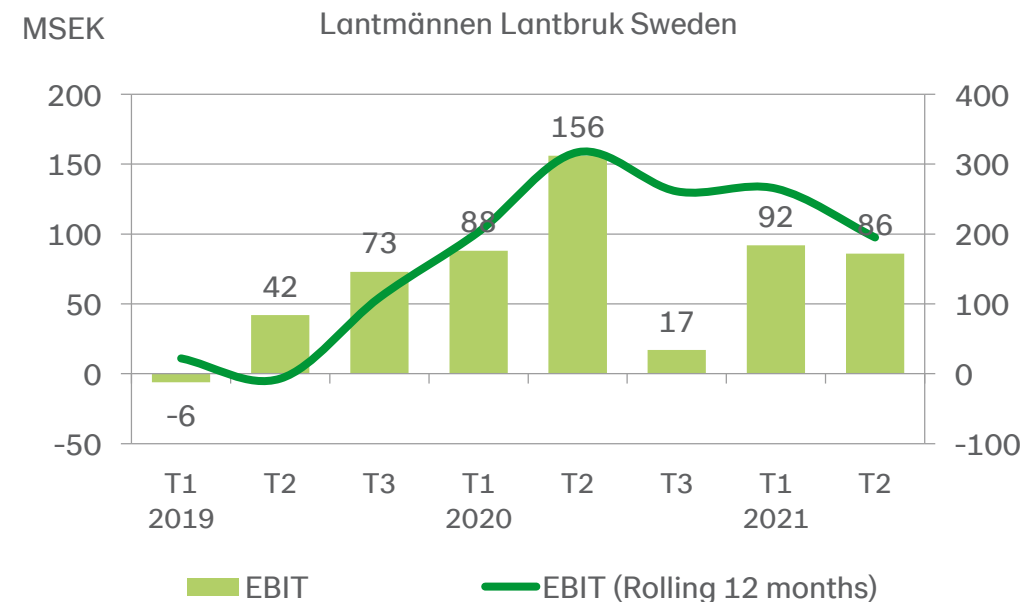
\* Bank definition





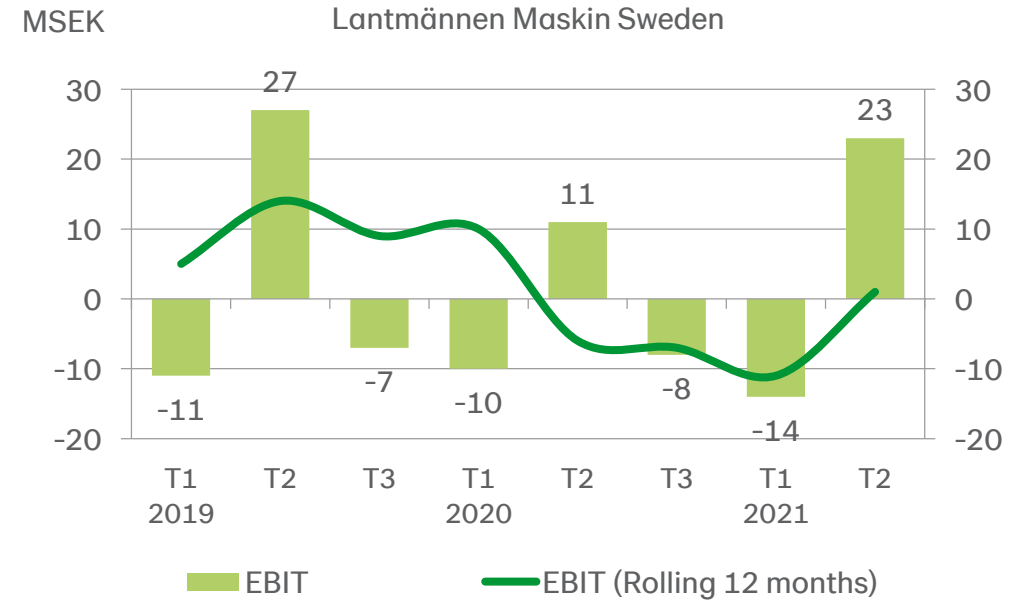
# Lantmännen Lantbruk Sweden

- A warm and dry summer followed by repeated and heavy rainfall in several areas has led to a difficult harvest, lower grain volumes and lower quality than the average for the last five years
- Continued good demand for feed: poultry production has recovered following the avian influenza

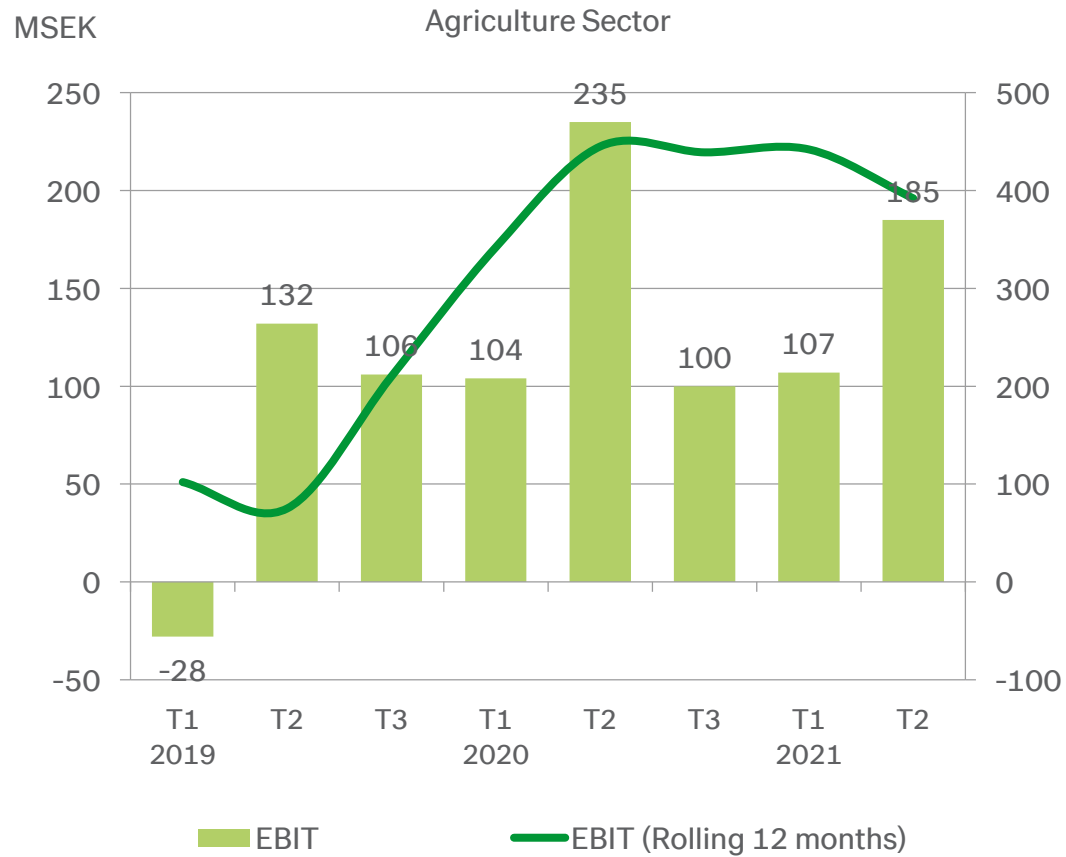


# Lantmännen Maskin Sweden

- Positive development and higher result than the previous year
- Valtra and Fendt have increased their market shares
- Supply of machines has decreased during the pandemic, but underlying demand is good



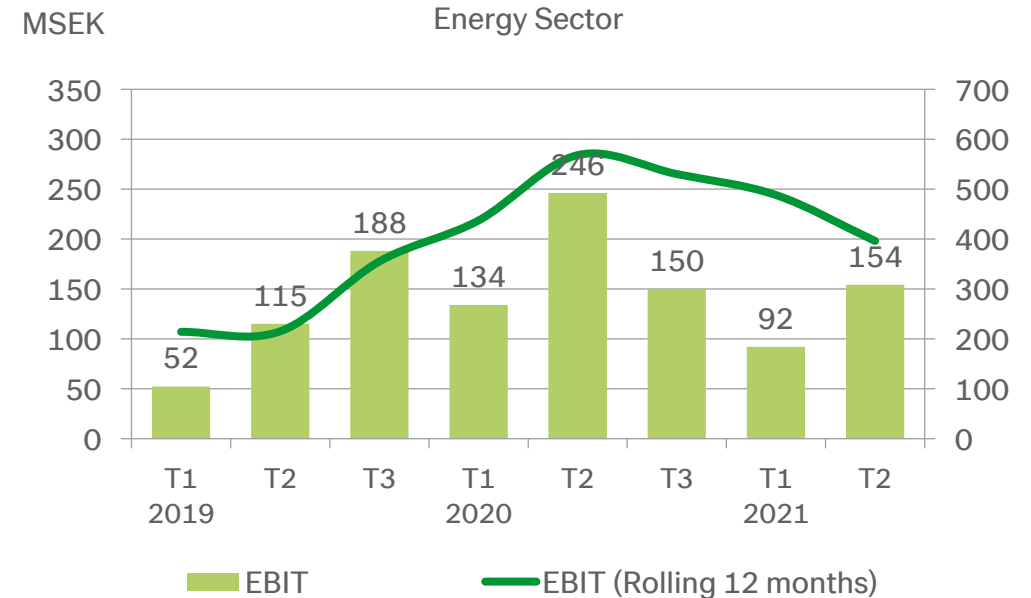
# Agriculture Sector





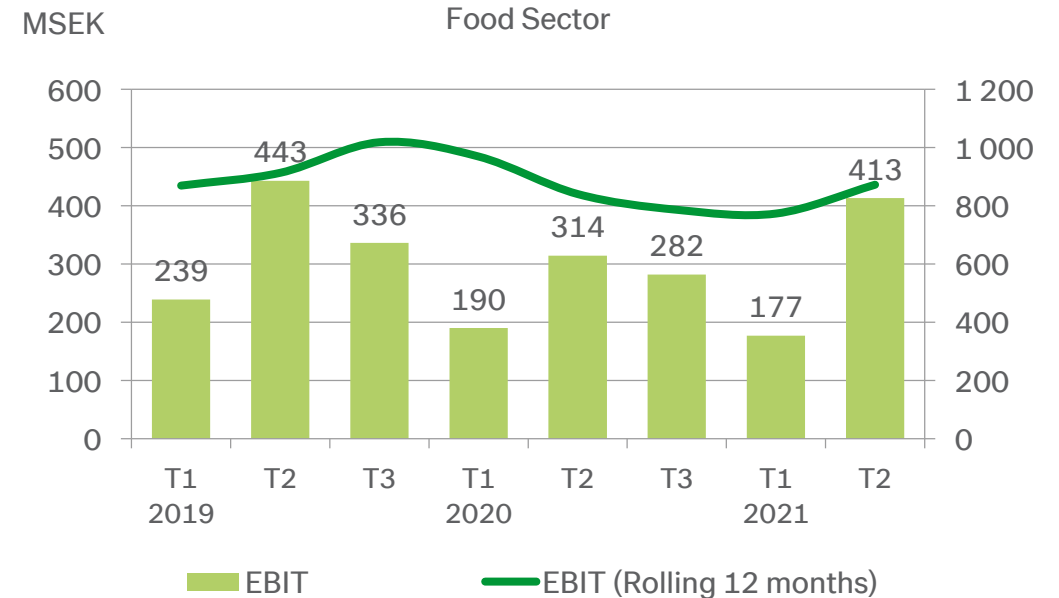
# Energy Sector

- Higher raw material prices has had a significant impact on Lantmännen Biorefineries' result
- Production is running well in all businesses
- Aspen has increased its sales significantly
- Agroetanol has signed a long-term deal with Eon for continued delivery of process steam
- First ground broken for the investment in gluten production in Norrköping



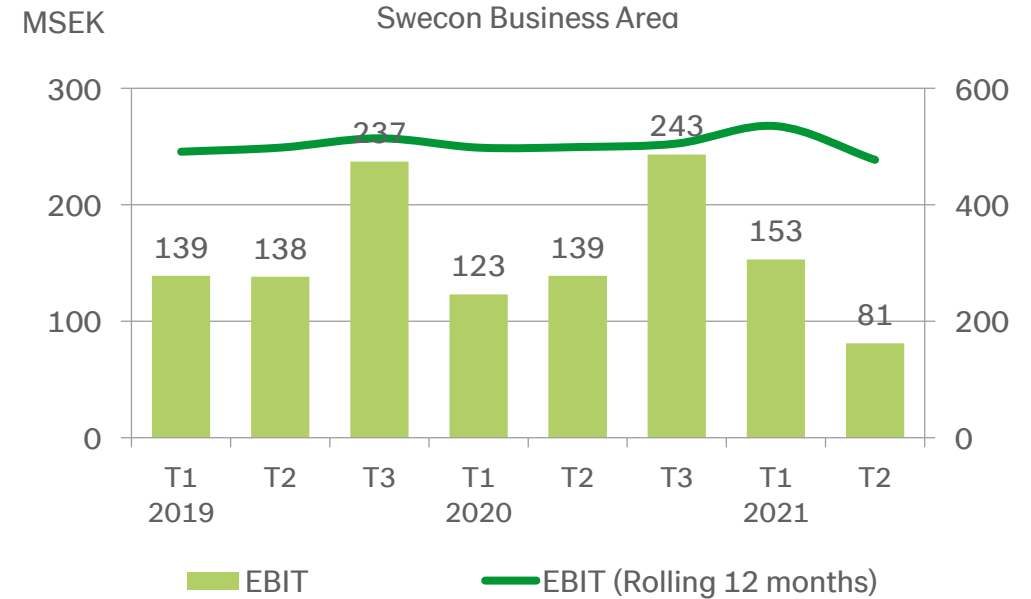
# Food Sector

- Demand has begun to increase in several countries, as restrictions are being lifted
- Rising raw material prices will mean price increases towards customers
- A new cold storage to be built in Örebro, to make the supply chain more efficient and sustainable
- A new production line for local and sustainable products to be built in Lappeenranta, Finland
- Very successful launch of rye snacks from Finn Crisp in Sweden, Finland, and Germany



# Swecon Business Area

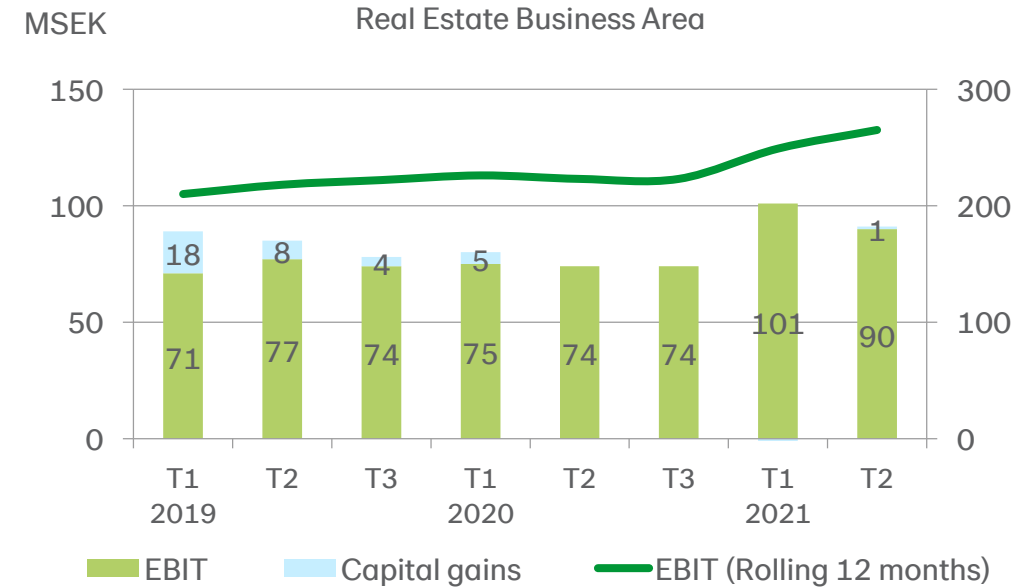
- Continued high activity in the market and strong demand for machinery
- Supply of new machines has decreased during the pandemic, due to component shortage
- Ongoing initiatives to strengthen the brand towards both customers and employees
- Ongoing projects in digitalization, for example in customer service and support





# Real Estate Business Area

- Higher operating result and higher profit shares from partly-owned companies
- A deal has been signed to sell buildings rights in Örebro
- Construction of Lantmännen's new office, housing and a retirement home in Malmö continues as planned
- Parly-owned Lanthem has broken first ground in a project in Tygelsjö, Malmö



# Tillbaka till tillväxt

Coronapandemin börjar förhoppningsvis närma sig sitt slut – våra övergripande prioriteringar kvarstår: att skydda våra medarbetare, skydda våra affärer och ta vårt samhällsansvar.

Våra affärer är väl förberedda: ökad tillväxt märks redan inom vissa områden, och övriga verksamheter står redo att växla upp.

Vi är väl positionerade inom alla affärsområden – våra medarbetare har hanterat de senaste årens utmaningar på ett föredömligt sätt.

Vi har solida planer för framtiden och målsättningen är att fortsätta utveckla ett företag och ett svenskt lantbruk i världsklass.





# Tack!

Tillsammans tar vi ansvar från jord till bord  
[lantmannen.se](http://lantmannen.se)

