

Interim Report – T2, 2020





The Period in Short

- Lantmännen's result for the first eight months of the year is the highest ever.
- The corona pandemic is affecting the group's businesses in different ways and to a different extent.
- Several strategically important investments for strengthening the position in the grain value chain.
- Lantmännen's situation is stable, with a strong financial position and good cash flow.



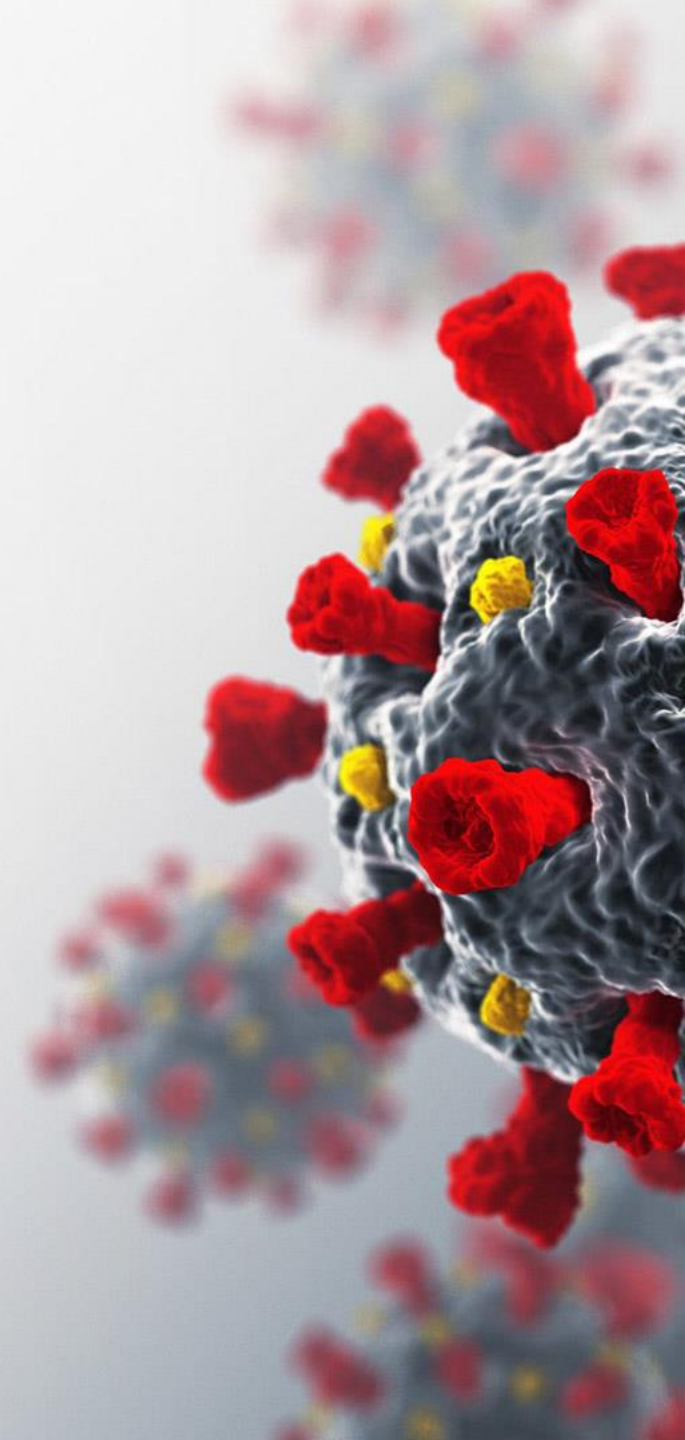
Coronavirus / Covid-19

Our employees in all sectors and business areas have acted quickly and decisively to handle the effects of the corona outbreak.

Our broad business portfolio once again proves a strength in troubled times.

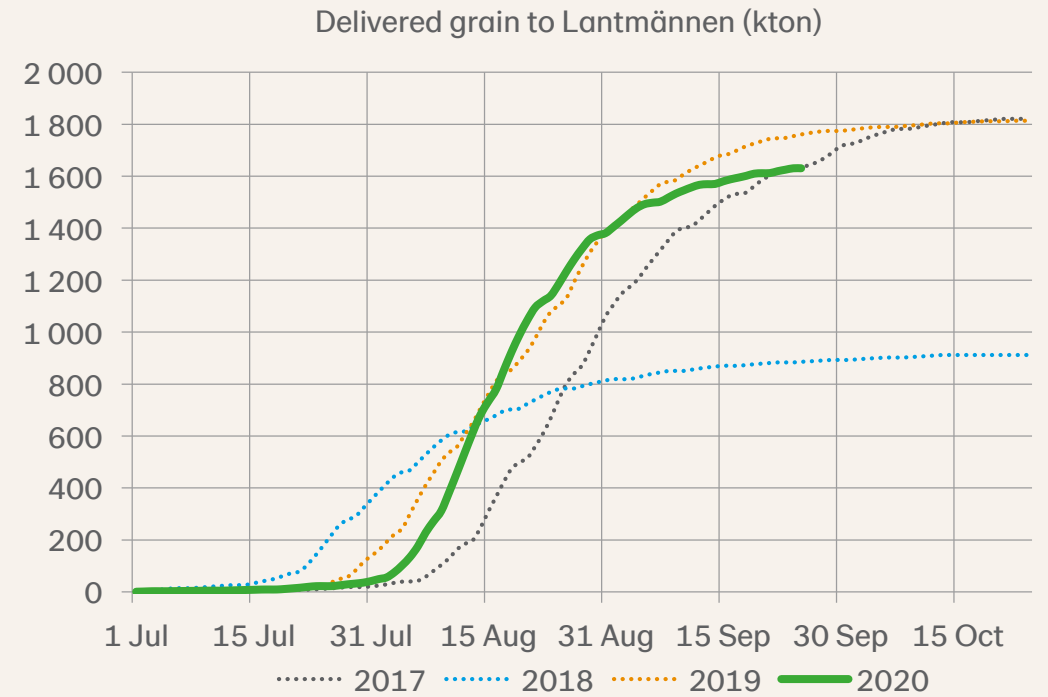
Great challenges ahead – we don't know how long the pandemic will go on, or what the overall consequences will be.

Our priorities remain: protecting our people, protecting our businesses – and taking our social responsibility.

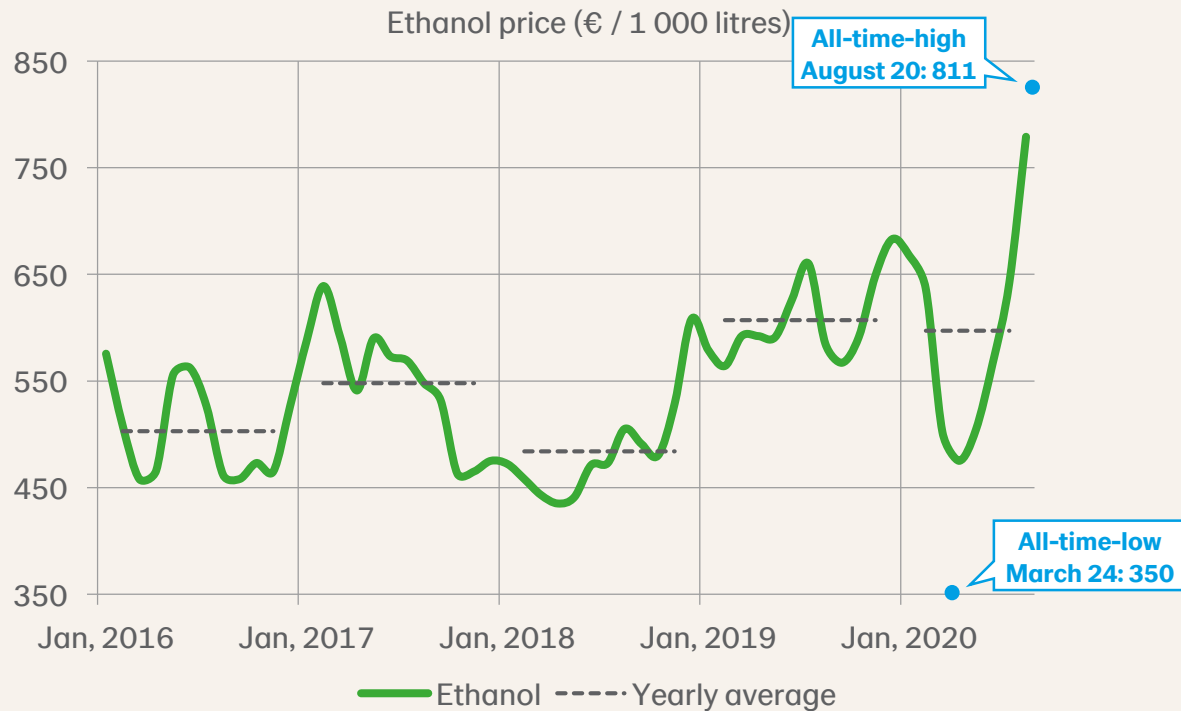




A lot is going on in the Agriculture Sector



Good development in the Energy Sector





Impressive work on cost reductions in Unibake – good development in fresh bread

Successful Finn Crisp launch – Cream Ranch nominated for 'Product of the Year'



Swecon Germany has moved into its new facility in Wustermark, just outside Berlin

Continued investments in exporting Swedish food



'Lantbrukets dataplattform' – a data platform for more profitable, innovative and sustainable farming



Several Important Investments to Strengthen the Position in the Grain Value Chain

Lantmännen investing 1,2 billion in 2019-2021



Continued efforts for new and improved grain infrastructure: e.g. **Hargshamn**, Hammenhög and Kumla.

Increased capacity and more proactive maintenance in our feed factories

New feed dryers in Lantmännen Agroetanol's facility in Norrköping



Project for increased oat refinement in **Lantmännen Oat's facility in Kimstad.**

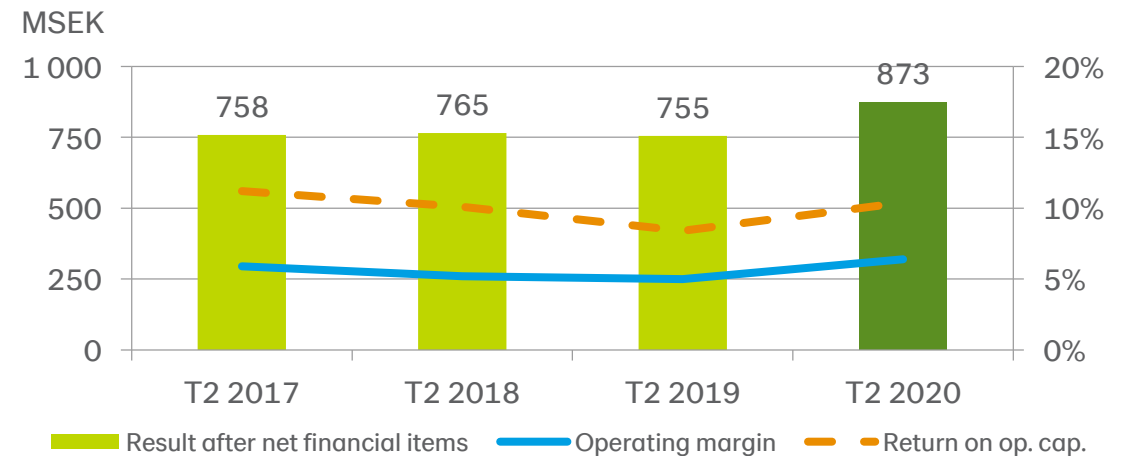


The Development in Our Businesses



Lantmännen's result for the second four- month period

Adjusted for items
affecting comparability

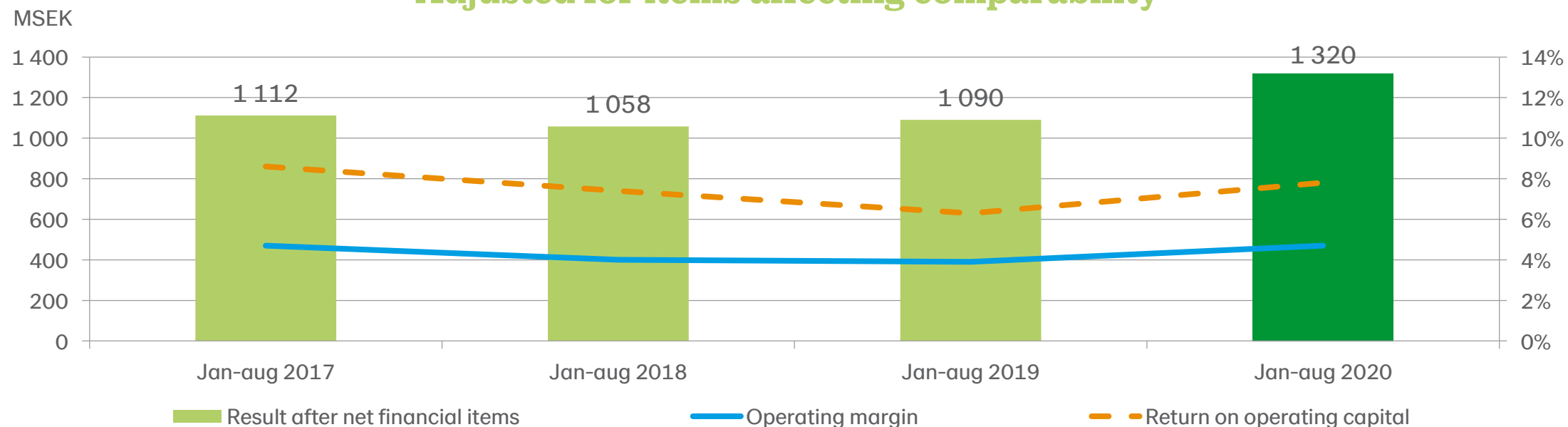


MSEK	T2 2019	T2 2020
Net sales	16 395	14 779
Result after net financial items	755	873
Return on equity	11,7%	13,2%
Cash flow before financing activities	1 284	1 178



Lantmännen's Result for the First Eight Months

Adjusted for items affecting comparability



MSEK	Jan-aug 2017	Jan-aug 2018	Jan-aug 2019	Jan-aug 2020
Net sales	25 758	29 176	31 729	30 509
Result after net financial items	1 112	1 058	1 090	1 320
Equity ratio	43,0%	41,6%	39,3%	40,9%
Return on equity	9,9%	8,8%	8,5%	9,7%
Cash flow before financing activities	-751	88	995	1 667

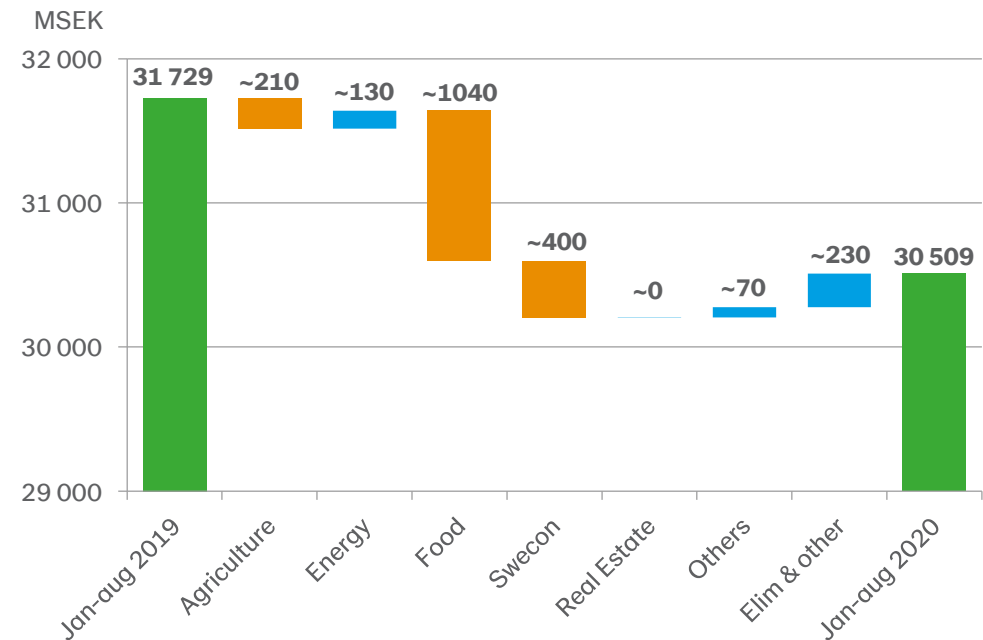
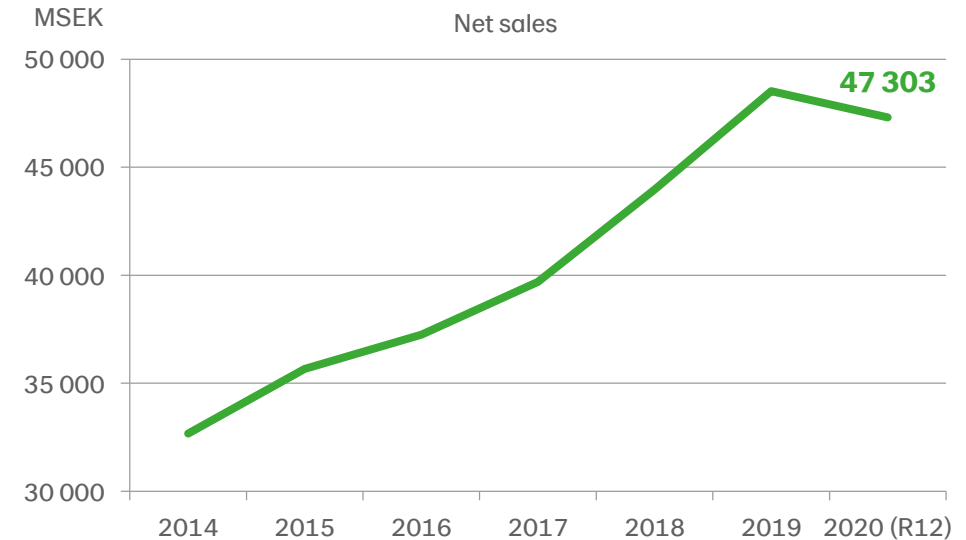


Lower growth in 2020 due to the pandemic - a bump in the road

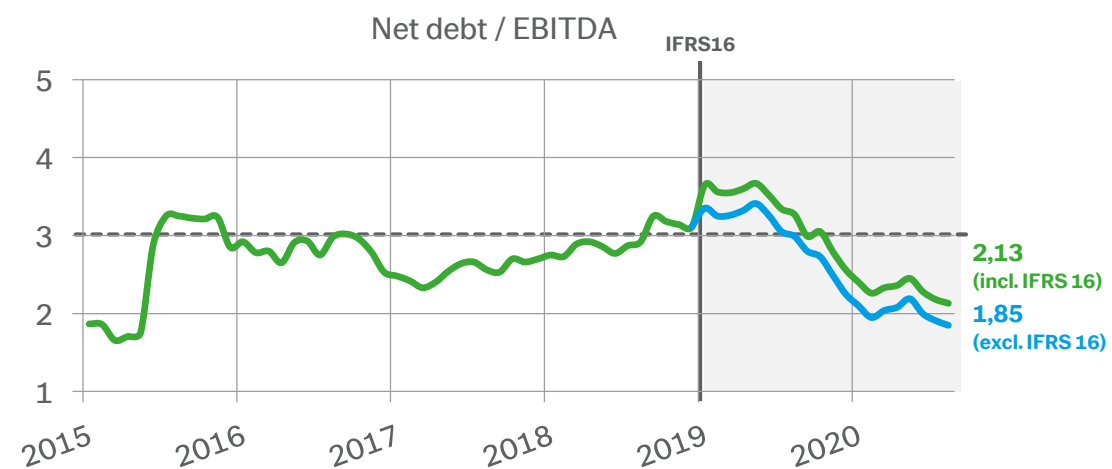
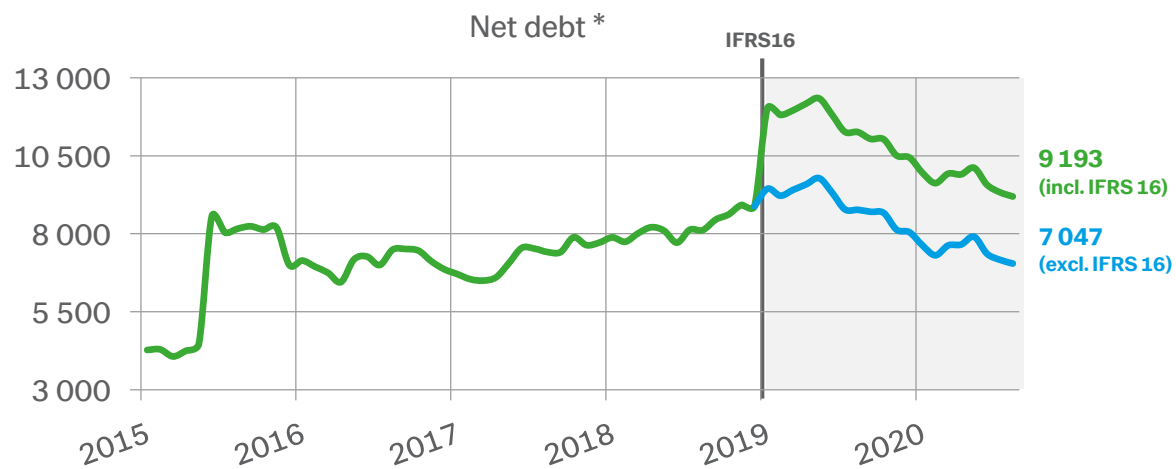
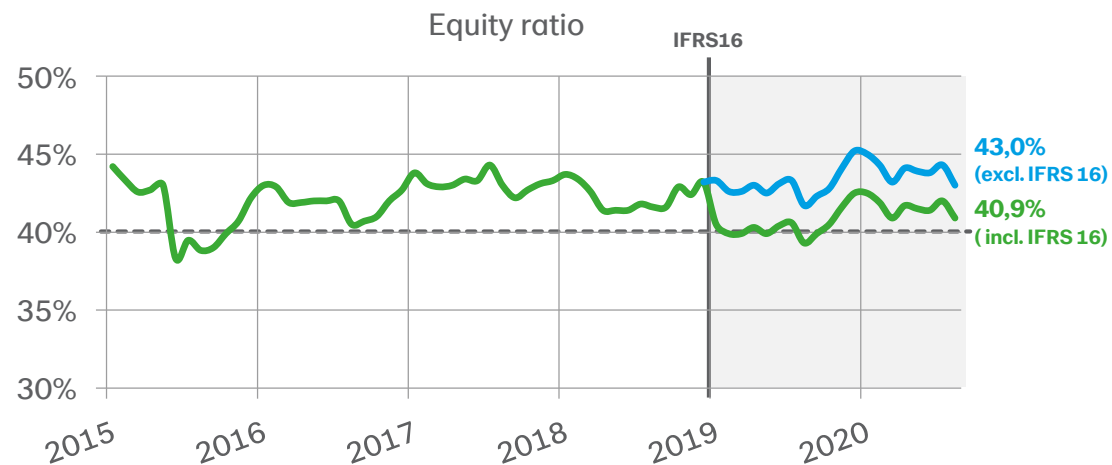
During 2014-2019, Lantmännen's net sales grew from **32,7 billion to 48,5 billion**

That represents an annual growth rate of **+8,3%**

Lantmännen Unibake and **Swecon** have been hit the hardest by the corona pandemic



Strong Financial Key Figures



* Bank definition



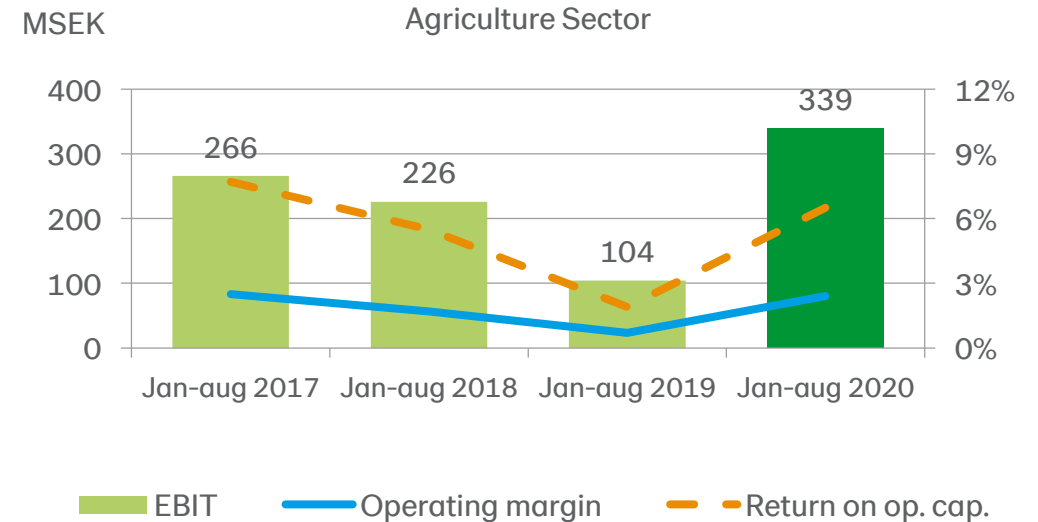
Cash Flow Analysis

MSEK	Jan-aug 2019	Jan-aug 2020
Rörelseresultat	1 217	1 443
Justering för poster som inte ingår i kassaflödet	1 256	1 357
Betalda finansiella poster netto	-114	-94
Betald skatt	-132	-144
Kassaflöde före förändring av rörelsekapital	2 227	2 562
Förändring av rörelsekapital	361	183
Kassaflöde från den löpande verksamheten	2 588	2 745
Förvärv och avyttringar av verksamheter	-312	-54
Investeringar i anläggningstillgångar	-1 480	-1 166
Försäljning av anläggningstillgångar	124	135
Förändring av finansiella placeringar	75	7
Kassaflöde från investeringsverksamheten	-1 593	-1 078
Kassaflöde före finansieringsverksamheten	995	1 667



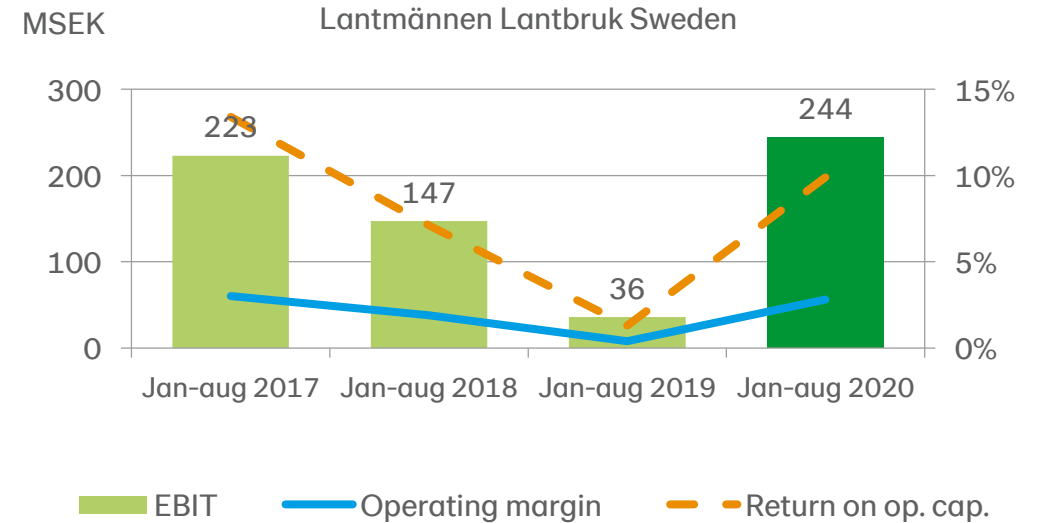
Agriculture Sector

- Significantly higher operating profit than the previous year – the first half of 2019 was, however, severely impacted by the 2018 drought.
- Lower net sales in the Finnish operations – the result is in line with the previous year thanks to synergies and lower costs.
- Higher result than the previous year in all international interest holdings.



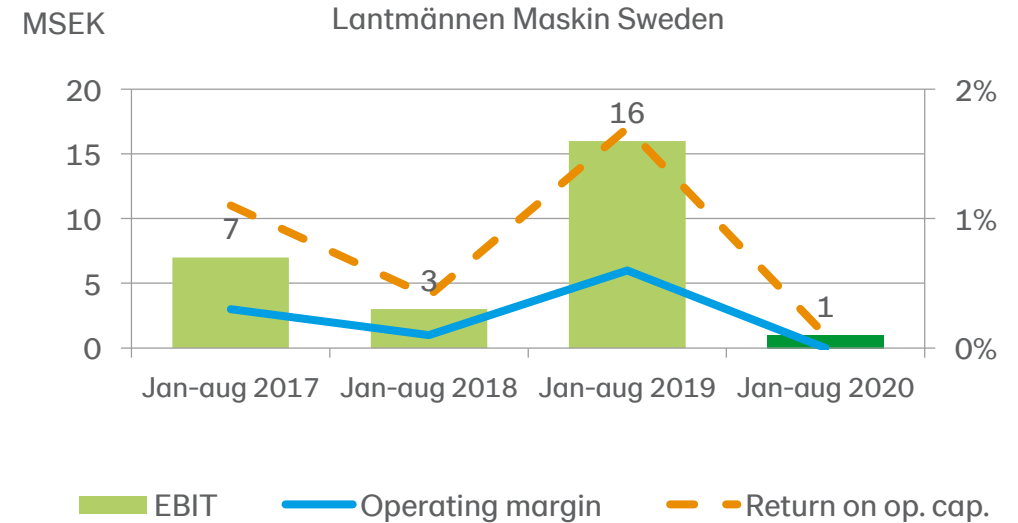
Lantmännen Lantbruk Sweden

- This year's result in the Swedish operations is in line with the good results of 2016 and 2017.
- Very intensive harvest – historically high volumes in a short timespan in August.
- Good conditions for fall sowing.
- Continued strong feed sales.
- A number of digital broadcasts have replaced the large agricultural fairs in Brunnby and Borgeby.



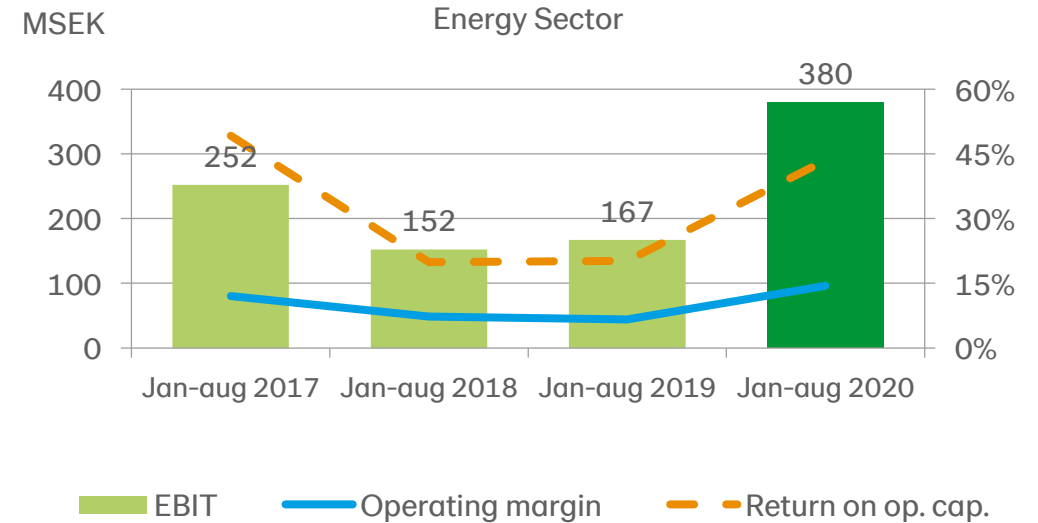
Lantmännen Maskin Sweden

- The total tractor market is lower than the previous year – strengthened somewhat during the summer.
- Stable demand for service and spare parts.
- Continued very strong momentum in the improvement program, which has strengthened the organization and reduced costs.
- New e-commerce solution, with some 1 million items.



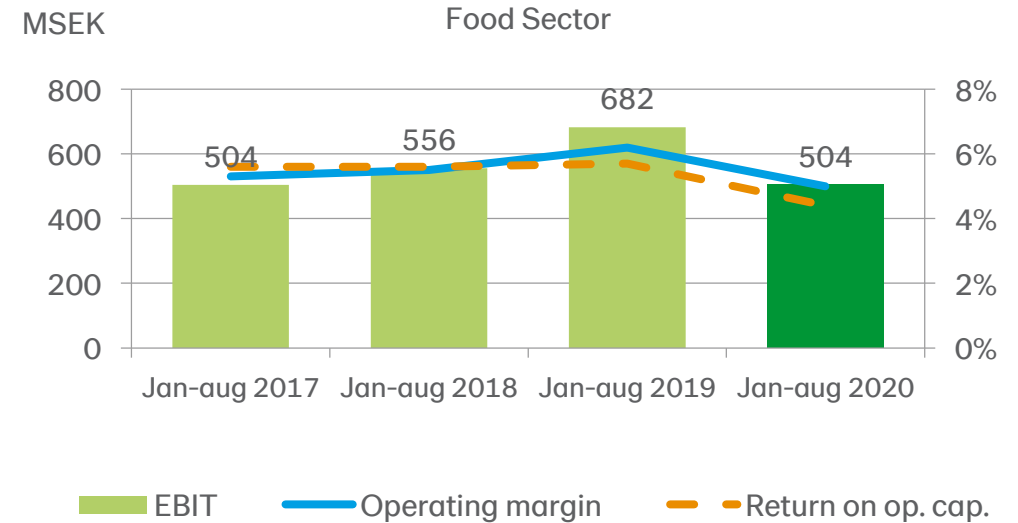
Energy Sector

- More than double the result compared to last year – all businesses deliver higher results.
- Agroetanol: higher ethanol price, improved production yields, and higher volumes.
- Reppe continues to develop positively. Demand for starch to the paper industry has declined.
- Aspen: after lower demand in the first months of the year, sales volumes are now higher than the previous year.



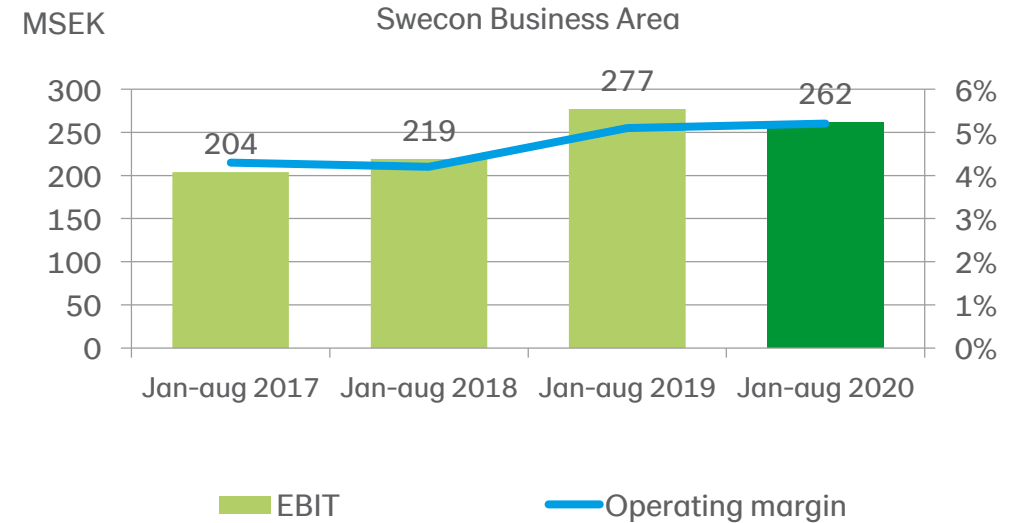
Food Sector

- Decreased Foodservice sales both in Lantmännen Unibake and Lantmännen Cerealía.
- Thorough work has been done to reduce costs and adapt production within Unibake.
- Continued result improvement in Cerealía.
- Good delivery reliability in Cerealía, thanks to positive dialogue with customers and methodical work with scaling up production.



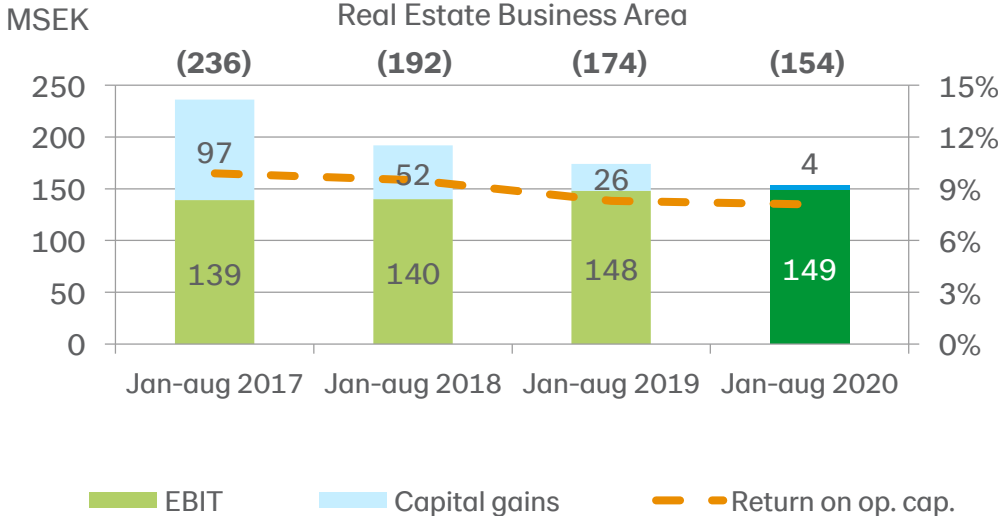
Swecon Business Area

- Significantly lower total market for construction machinery – slightly strengthened during the summer.
- The market share in Sweden has increased further.
- Continued relatively good demand in the service market – sales of spare parts have declined slightly.
- Two major deals have been made in the second four-month period.

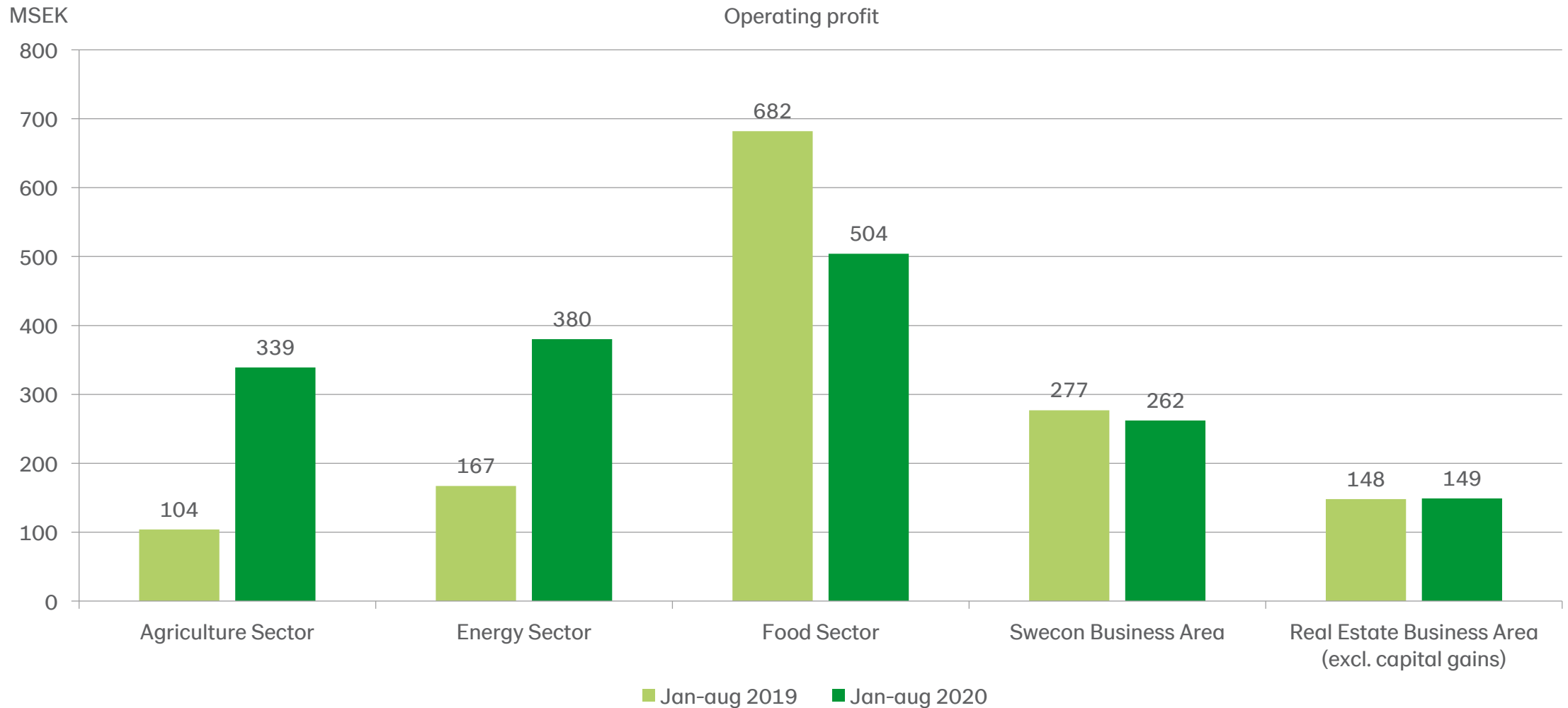


Real Estate Business Area

- Low activity in the property market during the year, with few property transactions.
- The business area’s larger projects are proceeding as planned – including the construction of new office, housing and retirement homes in Malmö.
- Continued review of strategically important properties.
- Lantmännen Agrovärme’s result is lower than the previous year, due to the mild winter.



Result Development in Our Businesses



Thank You!

Together we take responsibility from field to fork
lantmannen.com

 Lantmännen