

Year-End Report 2020

2020 in Short – Important Events





2020 in Short

- Lantmännen's highest result ever
- The coronavirus pandemic has had a clear impact on the group's businesses – with a net result impact of about 325 MSEK
- Strategically important investments to strengthen the position in the grain value chain
- Lantmännen is stable, with a strong financial position and good cash flow
- Fulfilled climate target: 40 percent emission reduction 2015-2020



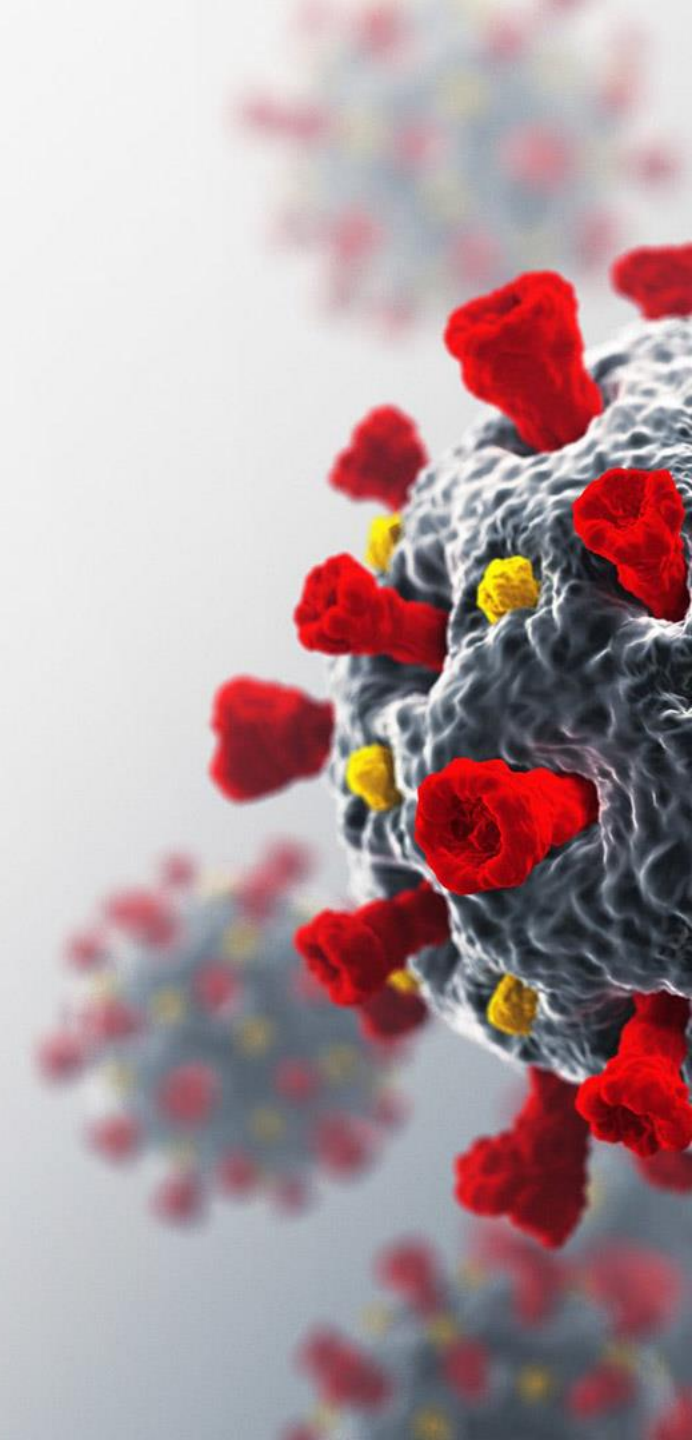
Coronavirus / Covid-19

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.



Strong Development in the Agriculture Sector

- Good quality harvest
- Grain prices have developed strongly during the autumn
- One of the largest autumn sowing acreages ever
- Favorable prices for input goods
- Stronger profitability calculations for most crops going into 2021
- Positive underlying development in Lantmännen Maskin





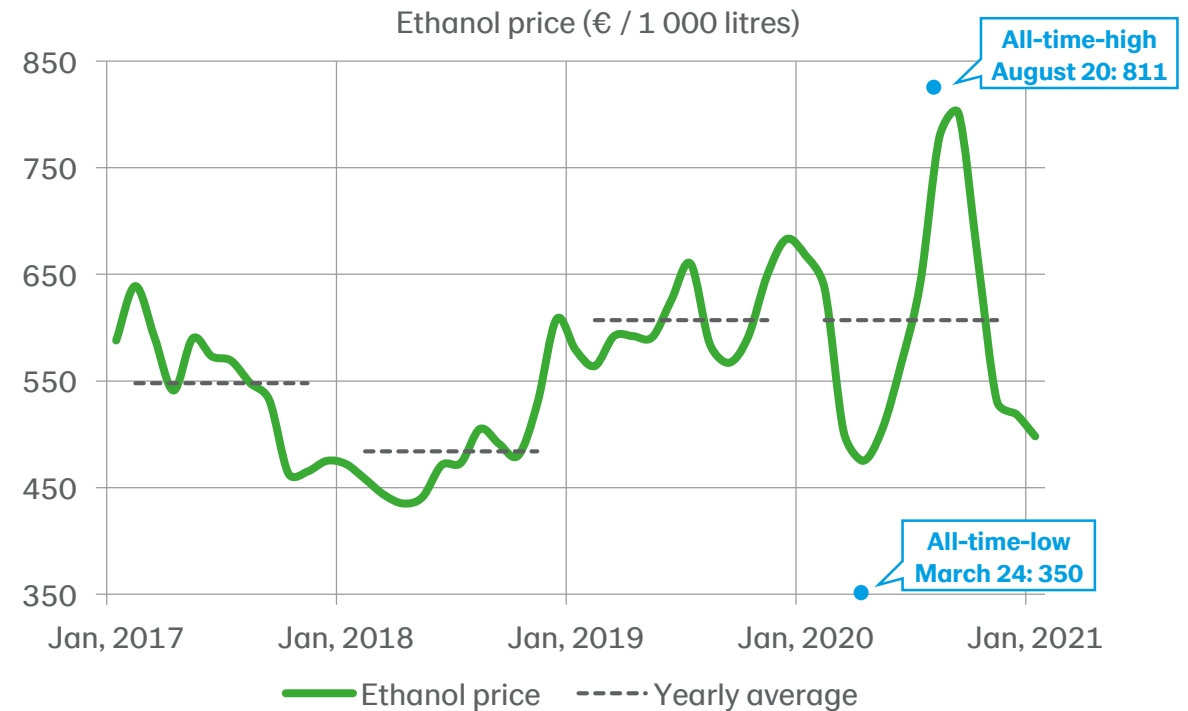
Continued Investments in the Grain Value Chain

- Grain infrastructure – for example in Hargshamn, Hammenhög, and Kumla
- Decision on larger investment in gluten production in Norrköping
- Heat-treated oats in Kimstad
- The coronavirus pandemic has highlighted the issue of food supply and self-sufficiency



Strong Development in the Ethanol Business in 2020

- Production record in the Norrköping facility in 2020
- Extremely volatile ethanol price during the year has affected the result
- Future development is largely dependent on political decisions and the commodity price developments





The Pandemic Has Impacted the Food Sector

- Foodservice has been hit hard
- Increased demand for staple goods and fresh bread in food retail
- Underlying good development in all businesses
- Trend break due to the pandemic: more people eat more at home
- Continued strong trend for green and healthy food



Continued Investments for Profitable Growth in Unibake

- New production line in Nowa Sól, Poland
- Modern bakery in Avedøre, Denmark
- Acquisition of bakery business in Lier, Norway





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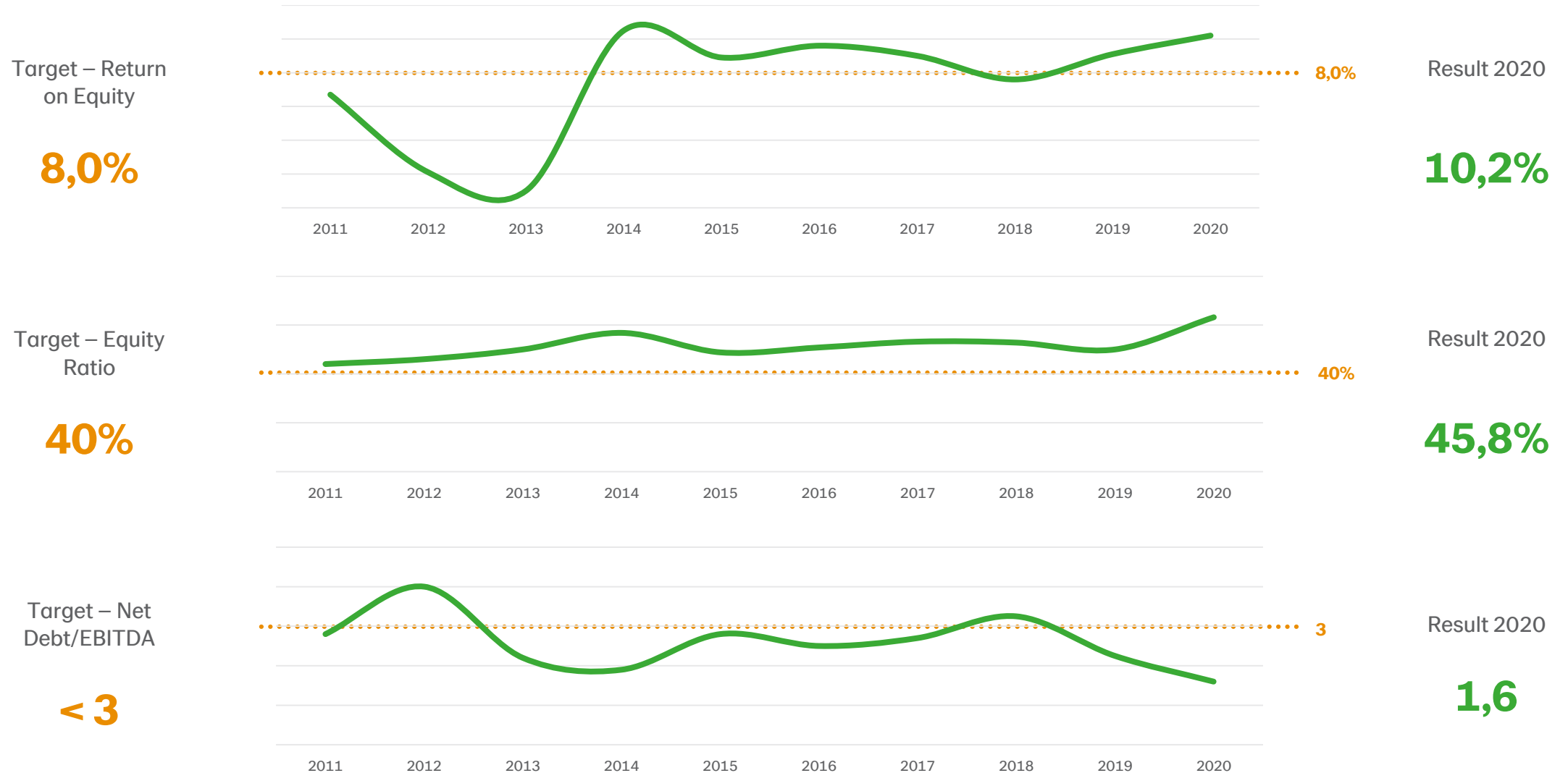


Continued Stable Market for Construction Machinery in 2020

- Underlying high activity in several of Swecon's customer segments – however, lower sales of new machines than in 2019
- Growing aftermarket focused on proactive service
- Volvo has launched its first electrified compact machines



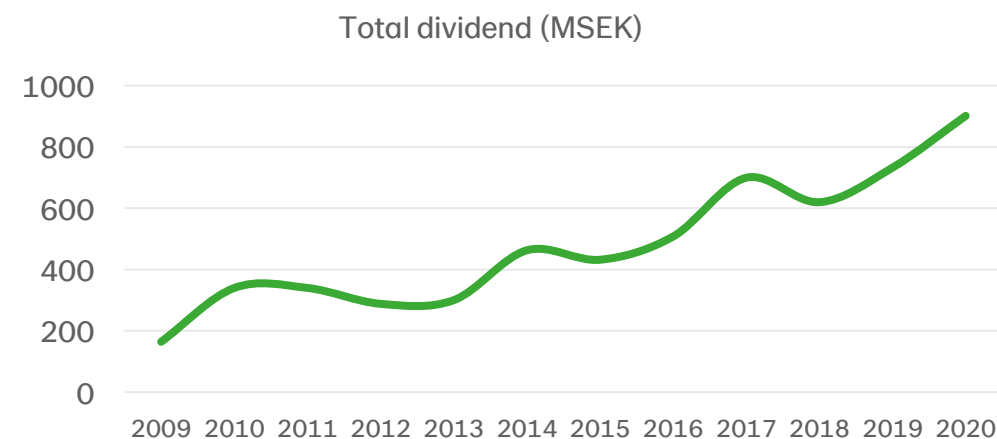
Our Financial Targets



The Highest Dividend Ever

- The board's dividend proposal:
 - Refunds and supplementary payment 305 MSEK (208)
 - Contribution dividend 291 MSEK (237)
 - Contribution issue 306 MSEK (288)
- The total dividend proposal amounts to 902 MSEK (733)

MSEK	2017	2018	2019	2020
Refund and supplementary payment	245	157	208	305
Extra dividend	133	-	-	-
Contribution dividend	222	213	237	291
Contribution issue	100	250	288	306
Total	700	620	733	902
Dividend on subordinated debentures	6%	5,25%	6,5%	7,25%



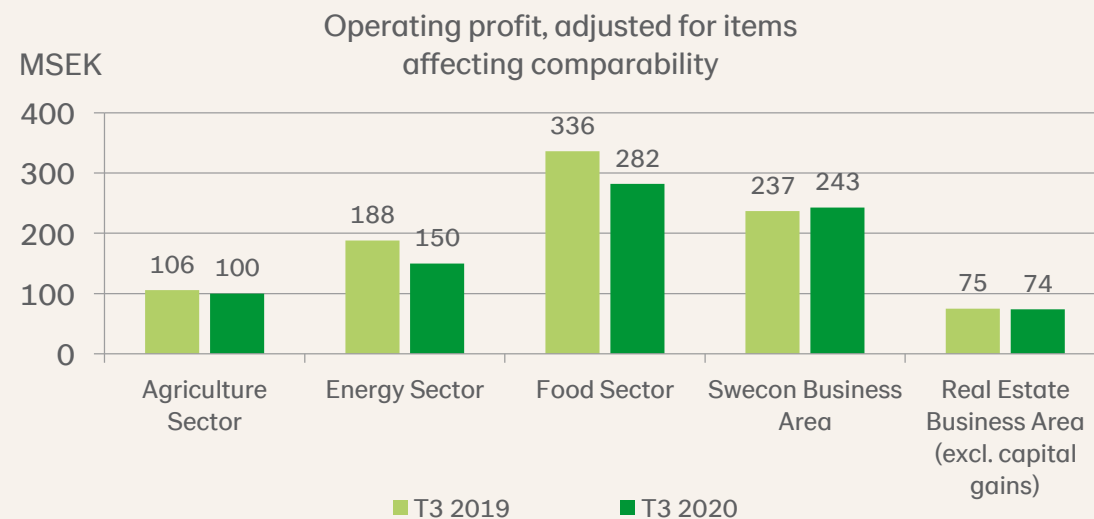
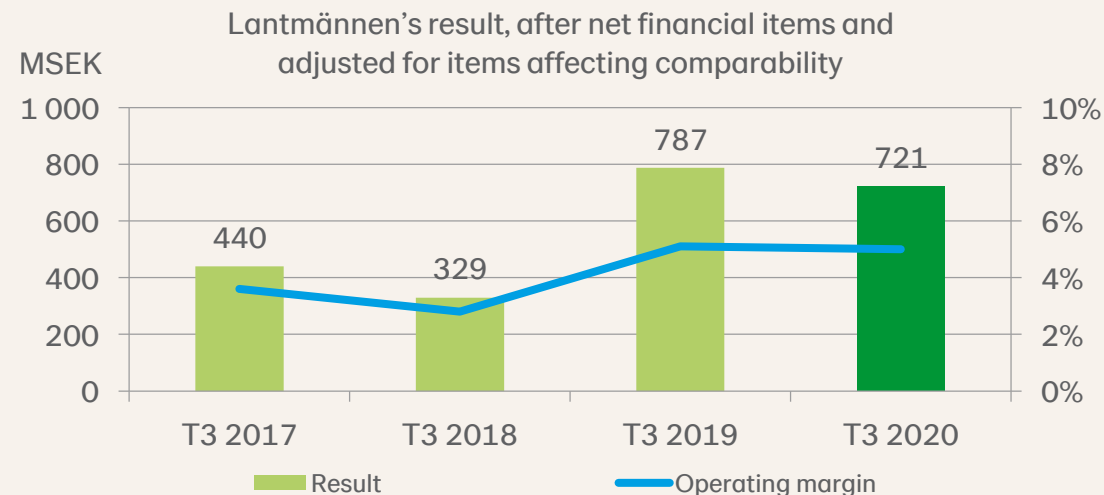
The Development in Our Businesses



Strong Third-Period Result Despite Second Wave and Lower Ethanol Price

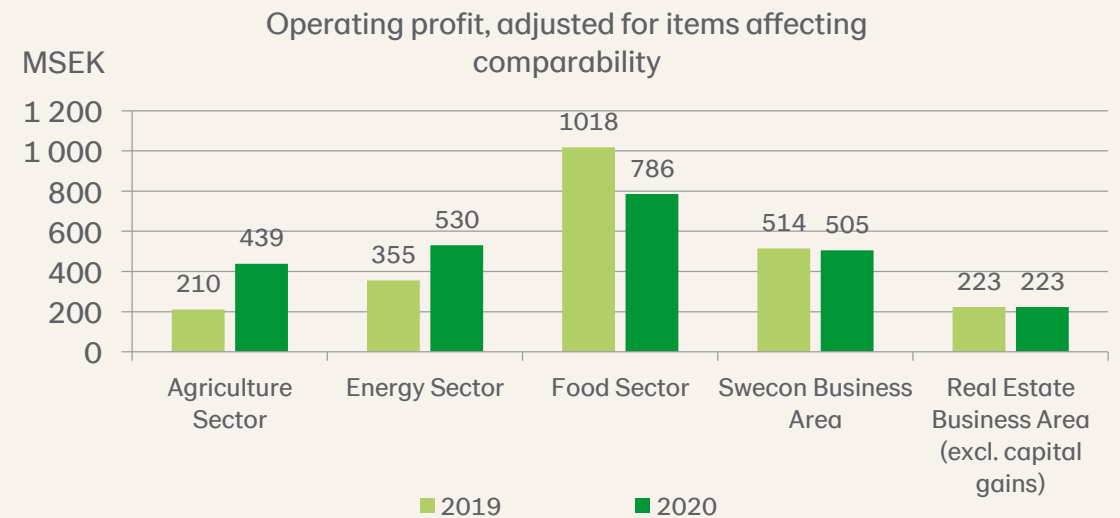
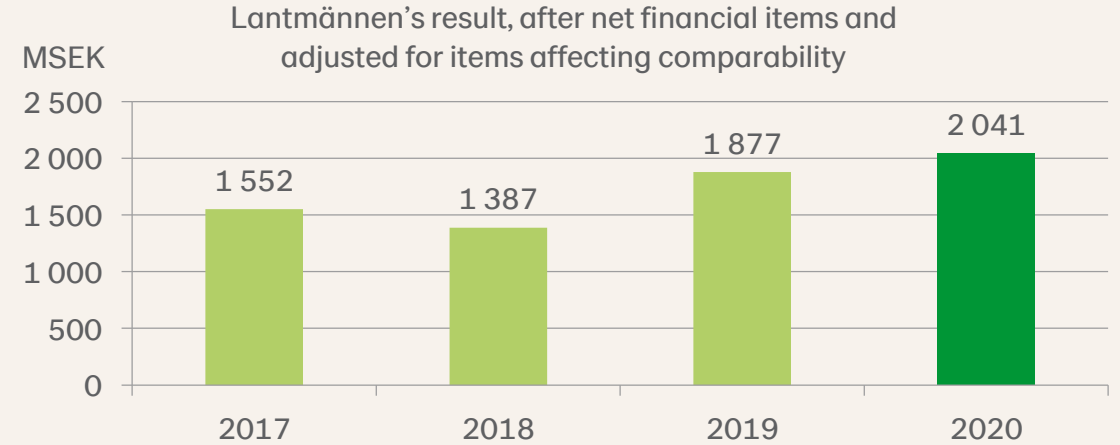
Net sales decreased by 8 percent, of which 3 percent currency effects

Energy and Food weaker, but Swecon at record levels



This Year's Result Is The Highest Ever

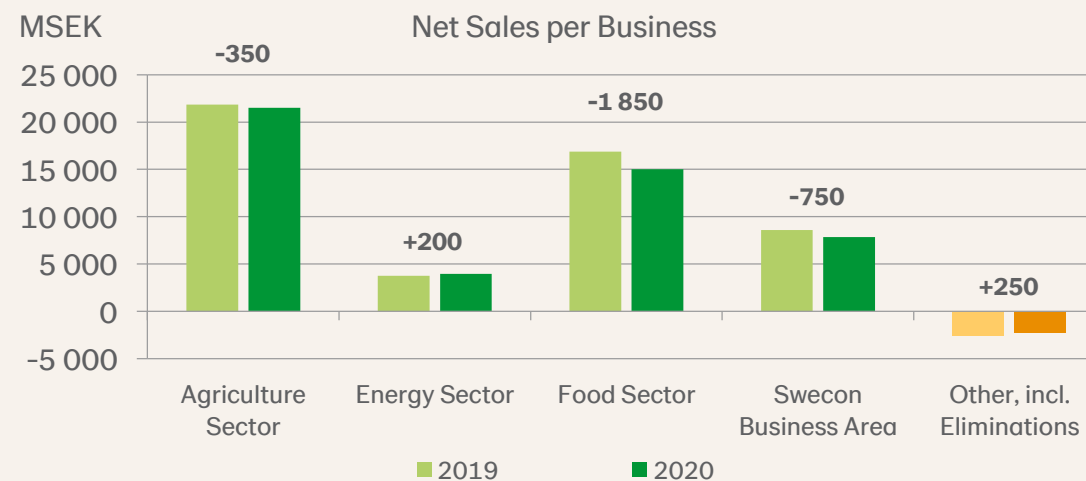
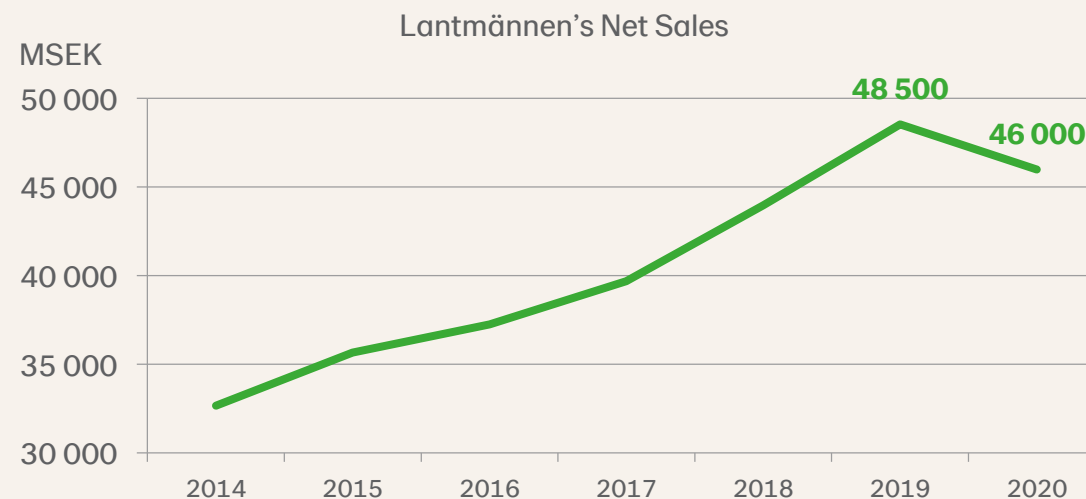
MSEK	2019	2020
Reported result	1 983	2 223
Items affecting comparability	104	-
Net financial items	-210	-182
Result after net financial items, adjusted for items affecting comparability	1 877	2 041
Taxes paid	-222	-244
Net result	1 652	1 797



Notch in the Growth Curve in 2020 Due to the Pandemic

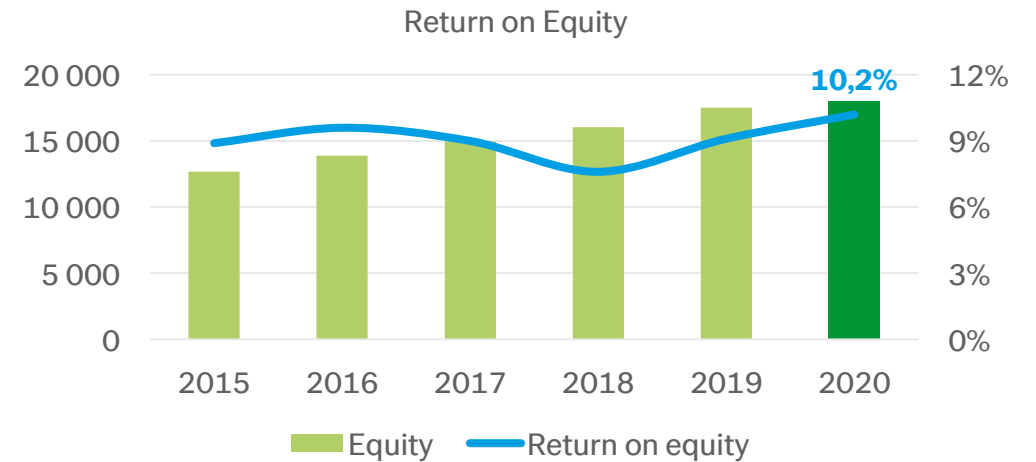
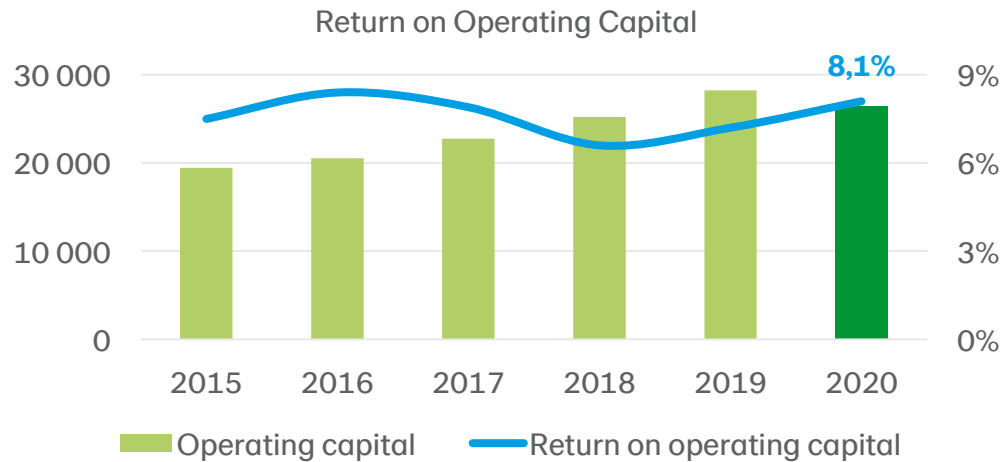
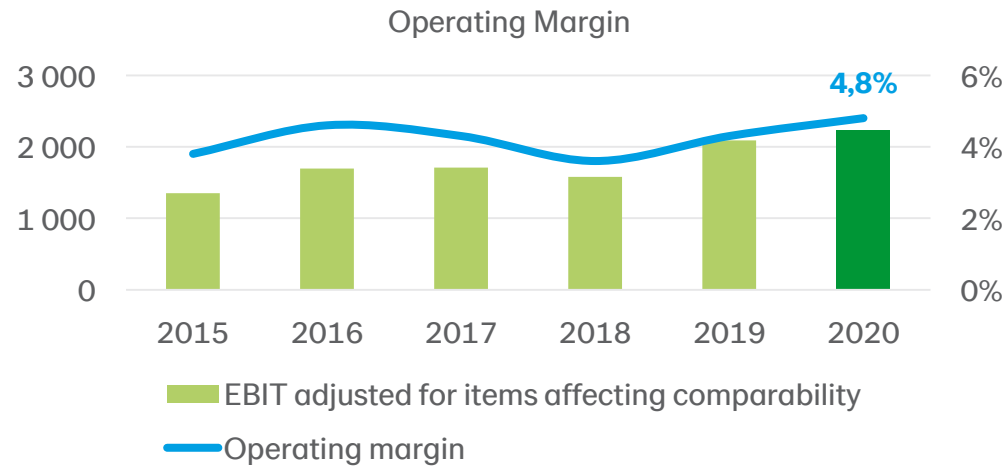
Net sales for the full year decreased by 2,5 billion SEK, of which 500 MSEK currency effects

Unibake and Swecon clearly impacted – improvement in Swecon at the end of the year

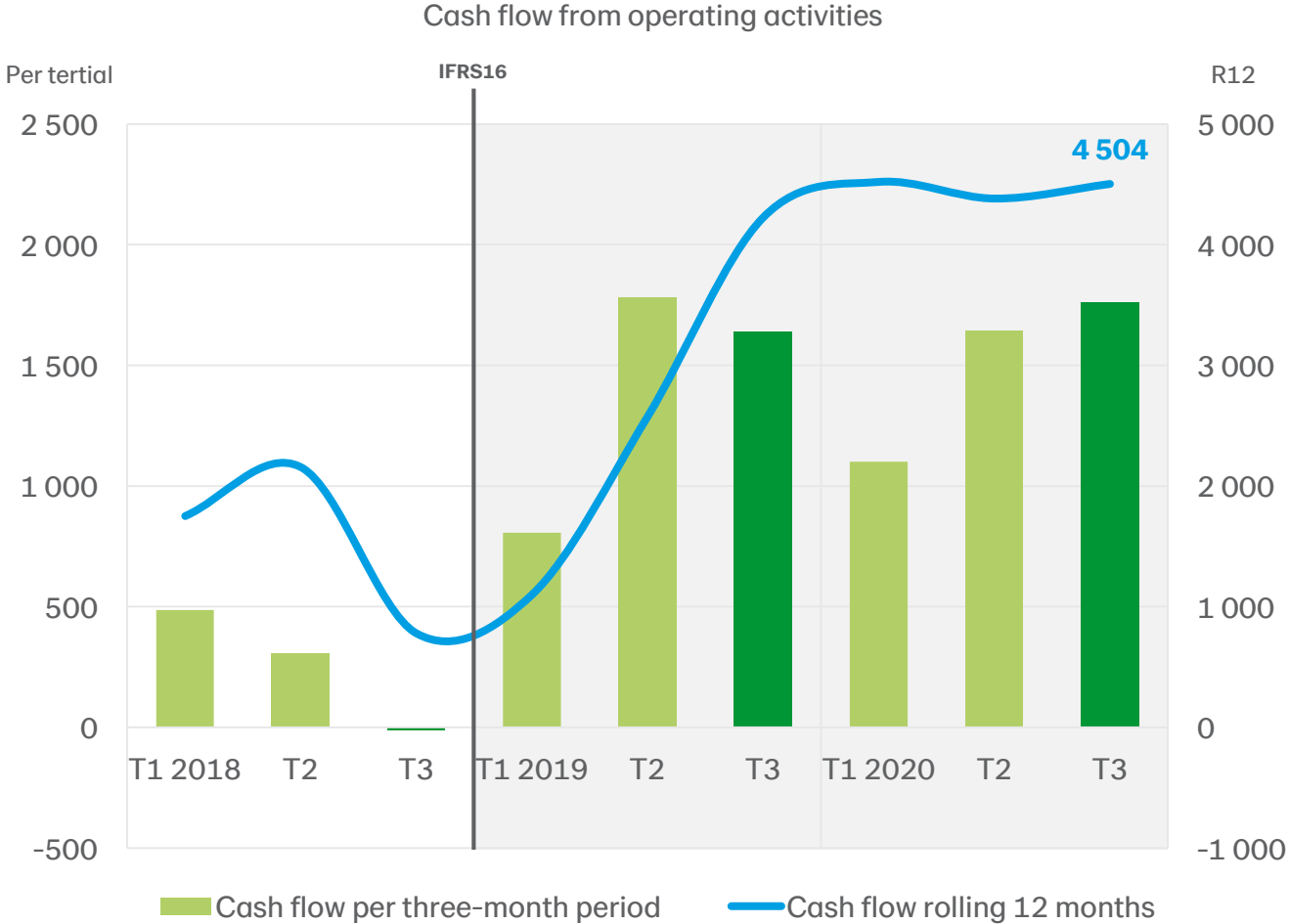


* The change is due to lower external sales due to the coronavirus pandemic, which has led to decreased group-internal sales (eliminated) sales

Improved Margin and Return on Capital



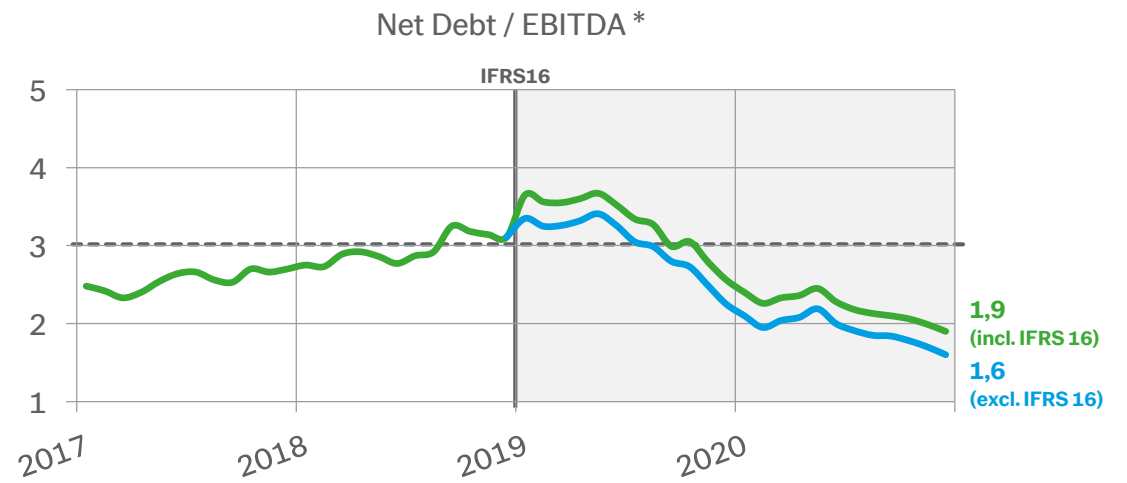
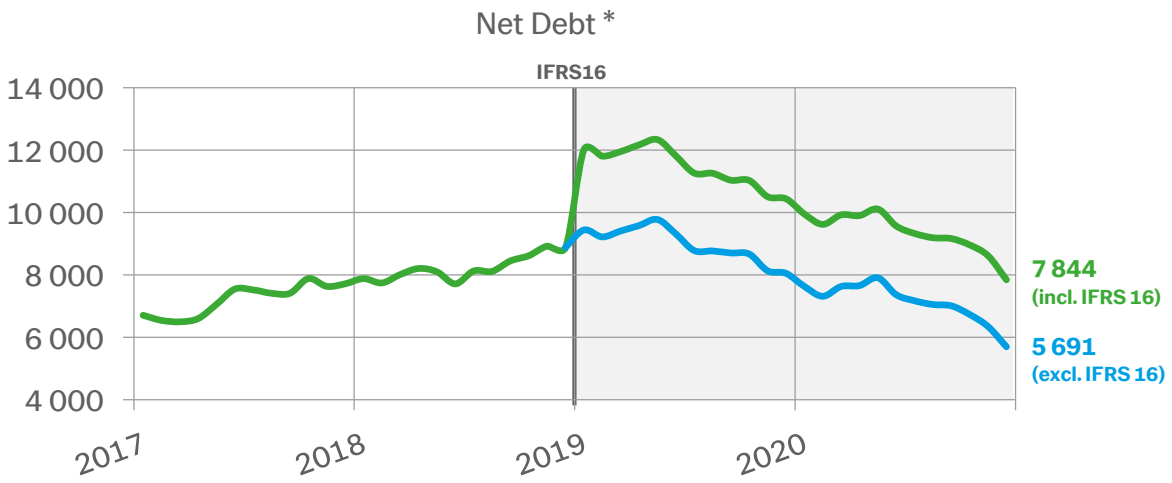
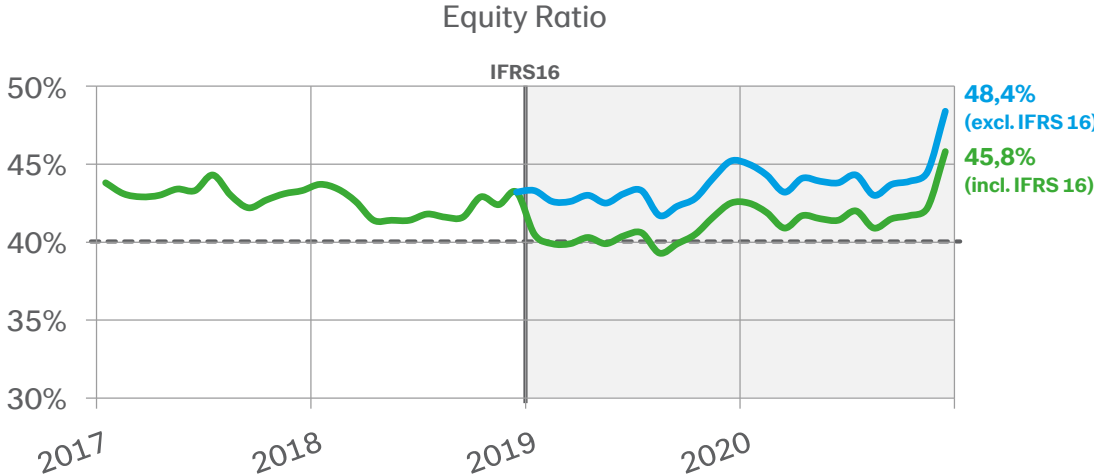
Strengthened Cash Flow in 2020



- The strong result has improved cash flow from operating activities
- Also, restraint in investments and acquisitions



Solid Financial Key Figures

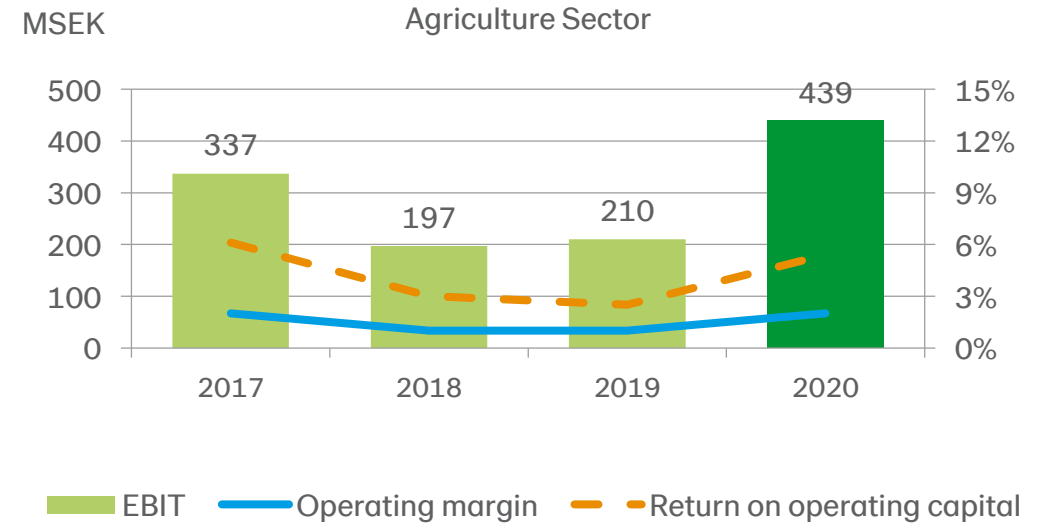


* Bank definition



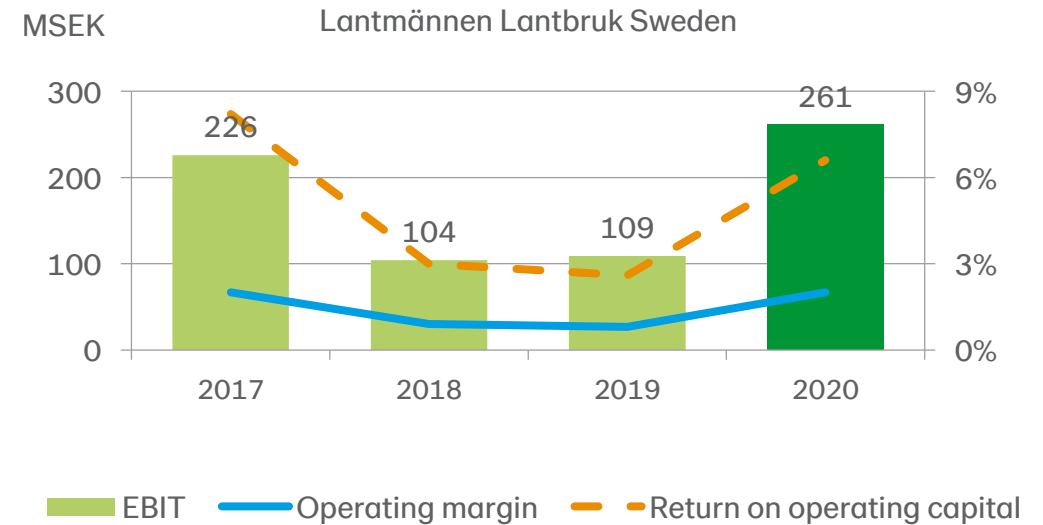
Agriculture Sector

- Good development in 2020
- Effects of the 2018 drought have now passed
- Limited impact from the pandemic
- Lower Finnish harvest due to unfavorable weather
- The international holding in the Baltics is developing well – the German operations less well than expected



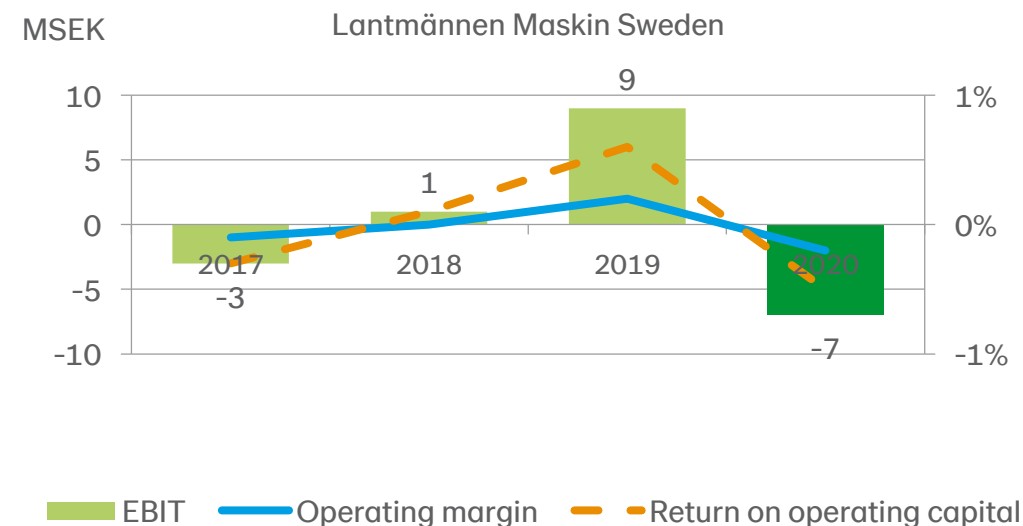
Lantmännen Lantbruk Sweden

- Very intensive harvest – historically high volumes and generally good grain quality
- One of the largest autumn sowing acreages ever
- Grain prices have developed strongly during the autumn
- Continued high sales of feed



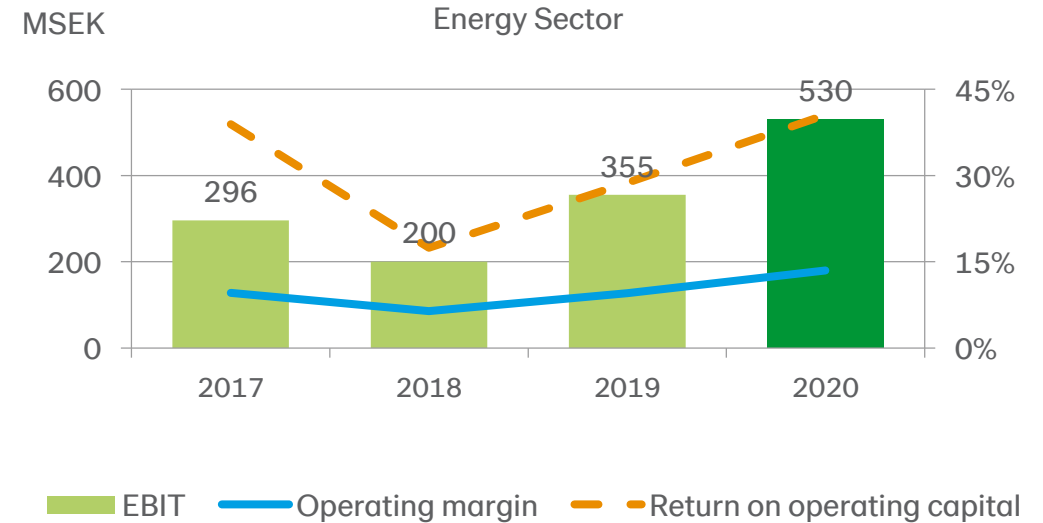
Lantmännen Maskin Sweden

- Slightly lower net sales than the previous year
- Weak demand at the start of the year – stronger market during the autumn
- Stable demand for service and spare parts
- Inventory writedowns have impacted the result negatively
- Positive underlying development: continued improvements and reduced costs
- New management team and new organization



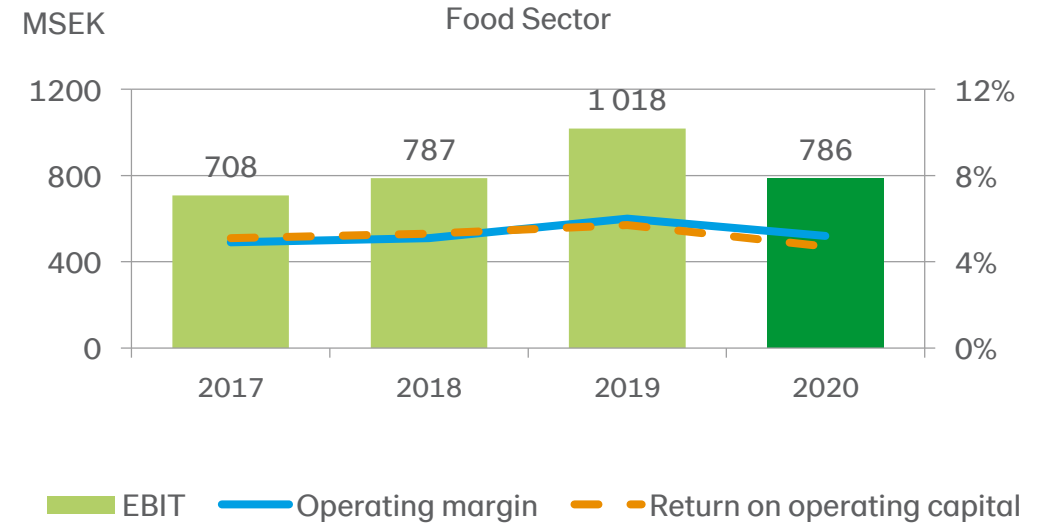
Energy Sector

- The highest result ever
- Agroetanol set a new production record in 2020
- Reppe's result is stable, despite low demand for starch for the paper industry
- Strong sales development and record result in Aspen
- Lantmännen Oats has improved production efficiency and increased sales



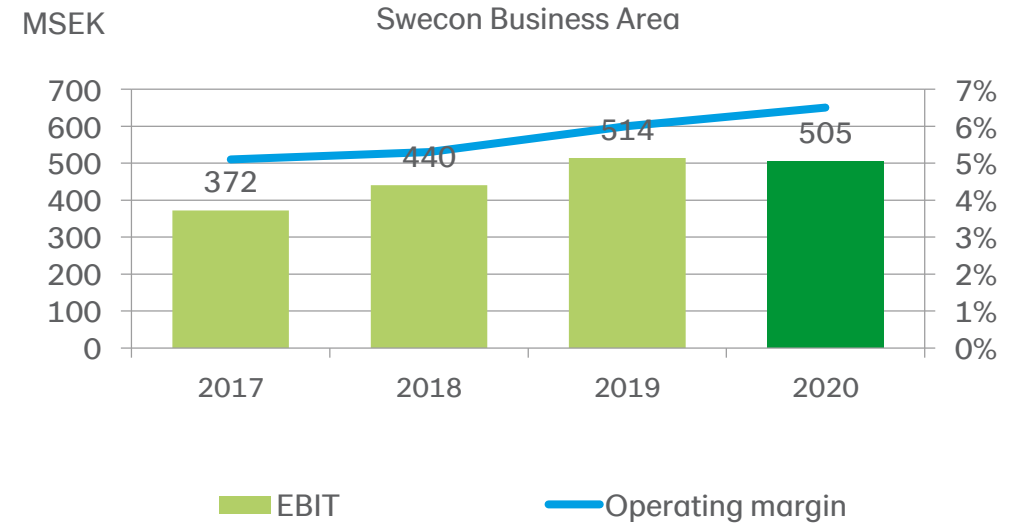
Food Sector

- The coronavirus pandemic has had a large negative impact on sales to Foodservice customers
- Increased demand for staple goods and fresh bread
- Unibake has carried out intensive work with cost savings and adapting operations to the new situation
- Cerealia has continued to stabilize operations and improve efficiency, and has significantly improved its result
- Good development in Viking Malt



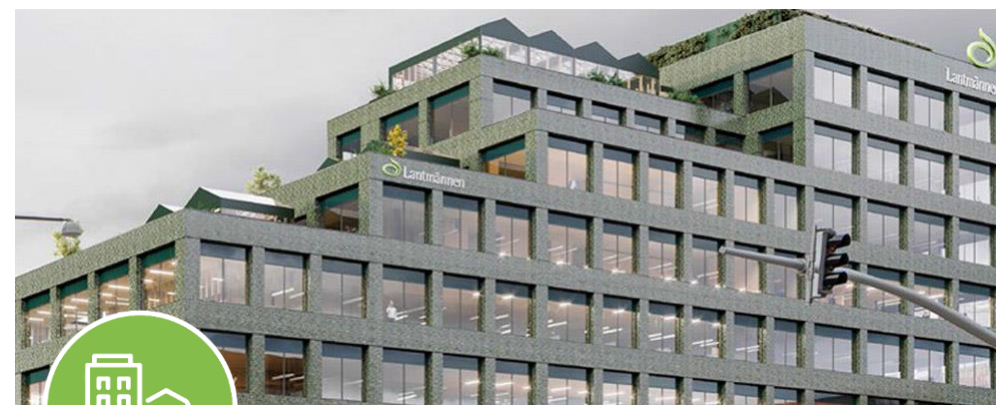
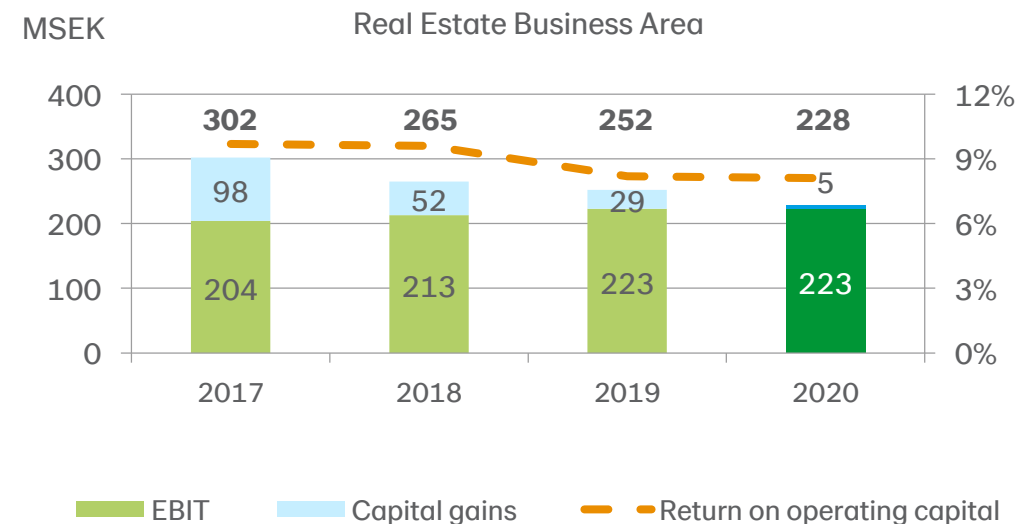
Swecon Business Area

- The second-highest result ever, despite considerable impact from the pandemic
- Decreasing total market in the first six months of 2020 – strengthened market in the second half of the year
- Early initiated work with cost savings has been successfully carried out
- The aftermarket is developing generally positively
- High underlying activity in several customer segments



Real Estate Business Area

- Focus on day-to-day management during the first half of the year, with few property deals being made
- Larger projects continuing according to plan: including construction of a new office, housing, and retirement homes in Malmö
- The review of strategically important properties continues
- Agrovärme's result is lower than the previous year, due to the warm climate



Towards World-Class 2030!

- Our plans are aimed at driving continued profitable growth in Swedish agriculture and the grain value chain as a whole
- Focus on a secure food supply and increased self-sufficiency for food
- Farming of the Future: climate-neutral Swedish agriculture by 2050
- "Medlem 2030": Follow-up on the Owners' Dialogue – how does Lantmännen contribute to profitability on our members farms?



Thank You!

Together we take responsibility from field to fork
lantmannen.com

 Lantmännen