

STENA METALL



COMMENTS AFTER THE FIRST QUARTER

- Stena Metall reported an EBITDA of SEK 915 million (SEK 803 million) and an EBT of SEK 497 million (SEK 476 million).
- Stena Metall Q1 earnings are positively affected by a one-time, non-recurring, insurance compensation of SEK 141 million.
- Business area Recycling delivered a strong result despite signs of weaker industrial output.
- Business area Finance took advantage of the more positive financial market sentiment and showed improved earnings compared to the same period last year.
- During Q1, Stena Metall signed an agreement to sell 100% of the shares in BatteryLoop Technologies AB. The transaction will have no material effect on the Group's financials.

KEY RATIOS	First quarter 2023/2024	First quarter 2022/2023	Full year 2022/2023
Net sales	11,162	12,436	44,334
EBITDA	915	803	2,530
EBITDA margin	8.2%	6.5%	5.7%
Operating profit	603	532	1,364
Equity/assets ratio	46.8%	45.9%	46.8%
Net debt	1,931	1,417	2,002
Cash flow after investments	699	-819	-596
Average number of employees	4,414	4,205	4,365

The key ratios are defined on page 10.

The report is prepared in millions of Swedish kronor (SEK million) unless indicated otherwise.



CHIEF EXECUTIVE OFFICER'S COMMENT

The first quarter of the financial year 2023/2024 is showing Stena Metall's ability to quickly adapt to new market conditions, and that our business model of delegated business acumen with decision making close to our customers, is working, and proven successful.

The quarter was characterized by a dynamic business landscape with lower inflow volumes in some segments, and an overall more negative business sentiment. We see that the geopolitical tension in our hemisphere also affects outbound customers as both steel mills and smelters have reduced their production.

Despite the challenges that we have seen, the result is strong and the earnings in the first quarter are in line with the same period last year. We have remained focused on our customers, prioritized cost efficiency measures, and continued to improve recycling technologies.

With financial discipline, and responsiveness to customer needs, Stena Metall is well positioned in the market in



Gothenburg, January 2024

Kristofer Sundsgård

order to continue to strengthen our business offers and competitiveness.

Stena Metall's EBITDA for the first quarter ended at SEK 915 million (SEK 803 million) and EBT at SEK 497 million (SEK 476 million).

BUSINESS AREA COMMENTS

Recycling

Stena Recycling reports a strong financial result. The total volume development during Q1 was lower compared to the previous year, but the development varies between markets and segments. As the sentiment during the quarter has been deteriorating, and the global business landscape remains dynamic, all units have worked to mitigate the impact of cost inflation and margin pressure. Steel mills have reduced production, and the same applies to aluminum smelters. Geopolitical uncertainty is extensive. The above described situation is counter-balanced by the falling inflow of scrap resulting in relatively stable scrap markets. During the period, the world has also experienced congestion of vessels in the Panama Canal, which led to an extreme shipping situation with freight rates up by 60-80% in dry bulk.

Stena Recycling continues to invest in industrial recycling. In Italy, the non-ferrous metal separation company Pyreco S.r.l. was acquired.

During the first quarter, "Stena CO₂ impact" was released. This is a digital reporting service that makes customers more aware of how their waste management affects the environment, by providing access to high-quality climate footprint data from the waste processes. The annual sustainability event Circular Initiative was successfully held in October 2023, gathering industry leaders and experts about driving change in the circular economy.

Stena Recycling ended the first quarter with an EBITDA of SEK 615 million (SEK 604 million).

BUSINESS AREA COMMENTS, CONT.

Aluminium

The trend from the second half of the last fiscal year continued in the fall with a challenging market for aluminium alloys. Alloy prices are pressured compared to the same period last year and do not compensate for the cost of input raw material. Over capacity of alloy production in Europe, combined with scrap shortage, creates a volatile market situation. This is especially noticeable on the market for standard alloys, which is under pressure, resulting in low margins.

However, Stena Aluminium continues to have a good momentum regarding volumes and increased productivity. Deliveries increased 13% compared to last year, the productivity increased 8% compared to last year, and the share of delivered pure alloys is above target.

Stena Aluminium ended the first quarter with an EBITDA of SEK 9 million (SEK 41 million).

Oil

The market conditions for Stena Oil have continued to be volatile and challenging, resulting in lower volumes. The main reason for the lower volumes is a reduction in fleet capacity due to maintenance. During the fall of 2023, a tender for Tallink Silja in the Stockholm area was won and this will contribute to a more long-term sustainable setup in south of Sweden.

During the first quarter, work to prepare for operations in the new terminal in Frederikshavn, Denmark, continued. After the first quarter, in the middle of January 2024, Stena Oil Terminal A/S, and the Port of Frederikshavn, signed a takeover agreement. Stena Oil has initiated operations at the new terminal, which allows the company to increase the efficiency and keep adding other revenue streams. An example of this is two contract extensions signed with the European Maritime Safety Agency (EMSA).

Stena Oil ended the first quarter with an EBITDA of SEK 71 million (SEK 99 million).

Steel

Stena Stål operates in a market with lower demand. Large downturns in the construction sector, combined with signals of a weaker industry, have resulted in lower volumes. Mitigating actions are taken through attention to cost efficiency and market activities.

Stena Stål's focus on improving delivery performance and processing capabilities continues as the largest investment to date has been put into operation at the warehouse in Västerås, Sweden. The project is ongoing and is expected to be completed by the end of 2024.

Stena Stål ended the first quarter with an EBITDA of SEK 16 million (SEK 53 million).

Finance

The first quarter started off with relentlessly climbing interest rates, both in the U.S. and in the Eurozone, as central banks continued to signal their dedication to the struggle against rising inflation. In October 2023, the US 10Y touched 5%, up 350 bps in two years, and financial markets turned sour. However, as inflation figures edged lower, the "higher for longer" mantra of several central banks was toned down. This triggered a sharp "risk-on" rotation in the market in November 2023, and equities and bonds rose.

Stena Metall Finans ended the first quarter with an EBITDA of SEK 56 million (SEK -16 million).

Note: Figures in parentheses refer to the same period the previous year.

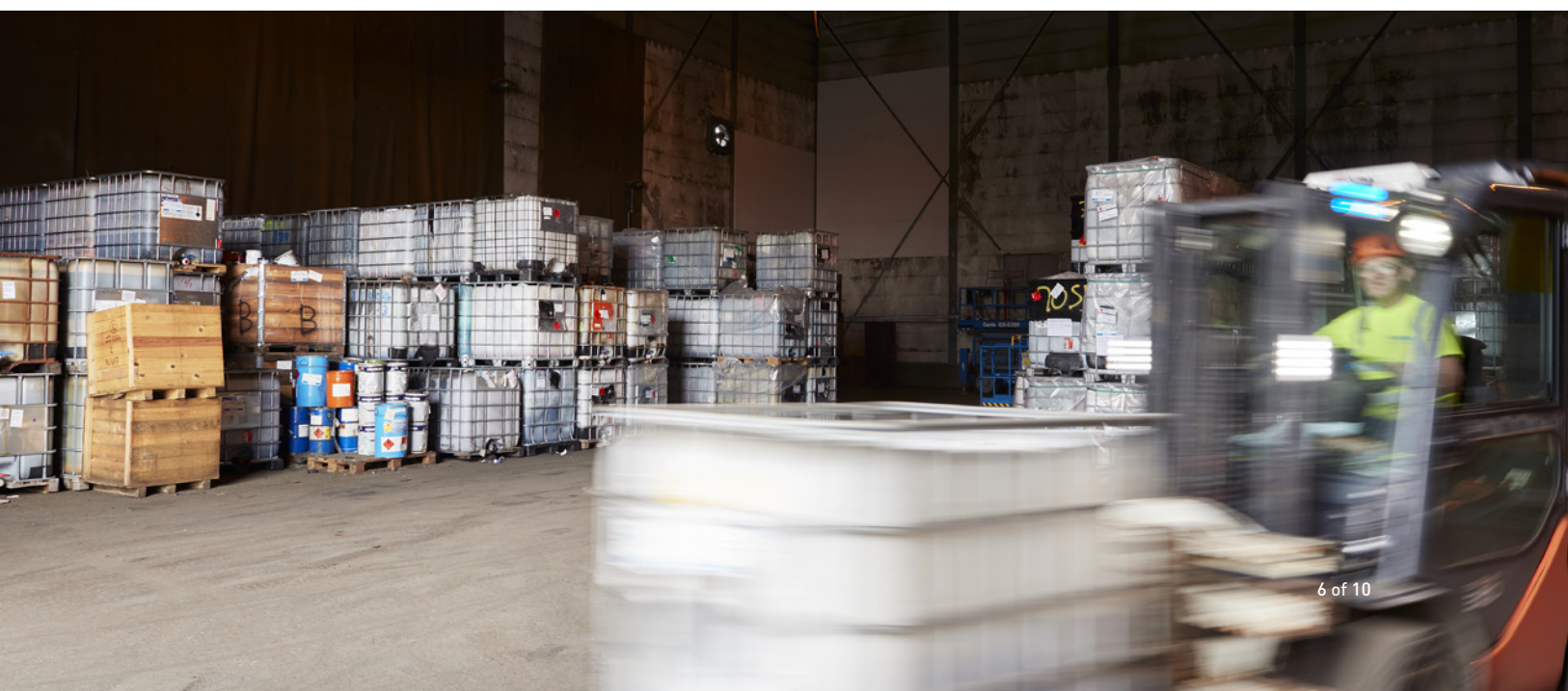
EBITDA

SEK million	First quarter 2023/2024	First quarter 2022/2023	Full year 2022/2023
Recycling	615	604	1,971
Aluminium	9	41	68
Oil	71	99	332
Steel	16	53	92
Finance	56	-16	-17
Other	148	22	84
TOTAL	915	803	2,530



INCOME STATEMENT

SEK million	First quarter 2023/2024	First quarter 2022/2023	Full year 2022/2023
Net sales	11,162	12,436	44,334
Cost of goods sold	-10,196	-11,404	-40,979
GROSS PROFIT	966	1,032	3,355
Sales expenses	-153	-169	-628
Administrative expenses	-380	-378	-1,571
Other operating income & expenses	170	47	208
OPERATING PROFIT	603	532	1,364
Income from investments in associated companies	-	-	10
Interest net	-92	-52	-280
Other financial income & expenses	-14	-4	24
PROFIT BEFORE TAX	497	476	1,118
Taxes	-106	-96	-280
PROFIT FOR THE PERIOD	391	380	838
Other comprehensive income	-43	18	135
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	348	398	973
Total comprehensive income for the period is attributable to:			
Parent Company's shareholders	348	398	973
Non-controlling interests	-	-	-
Total comprehensive income	348	398	973



BALANCE SHEET

SEK million	2023-11-30	2022-11-30	2023-08-31
ASSETS			
Fixed assets			
Intangible fixed assets	1,624	1,376	1,560
Tangible fixed assets	8,602	7,680	8,636
Financial fixed assets	2,385	2,253	2,368
TOTAL FIXED ASSETS	12,611	11,309	12,564
Current assets			
Inventories	2,632	3,065	2,616
Short-term receivables			
Accounts receivable	3,961	4,078	3,283
Other receivables	2,224	1,885	2,168
TOTAL SHORT-TERM RECEIVABLES	6,185	5,963	5,451
Short-term securities			
Cash and cash equivalents	1,118	1,830	1,728
TOTAL CURRENT ASSETS	10,819	11,528	10,100
TOTAL ASSETS	23,430	22,837	22,664
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	10,955	10,482	10,607
Long-term liabilities			
Provisions	1,274	1,117	1,267
Interest-bearing long-term liabilities*	4,680	4,555	4,776
Other long-term liabilities	10	10	10
TOTAL LONG-TERM LIABILITIES	5,964	5,682	6,053
Current liabilities			
Interest-bearing short-term liabilities*	1,261	1,283	1,265
Accounts payable	1,996	2,467	2,073
Other liabilities	3,254	2,923	2,666
TOTAL CURRENT LIABILITIES	6,511	6,673	6,004
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	23,430	22,837	22,664
*Whereof long- and short term lease liabilities	1,008	921	1,051

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEK million	First quarter 2023/2024	First quarter 2022/2023	Full year 2022/2023
Opening balance, September 1	10,607	10,084	10,084
Net profit for the period	391	380	838
Other comprehensive income	-43	18	135
Dividend	0	0	-450
Change in non-controlling interests	0	0	0
CLOSING BALANCE	10,955	10,482	10,607



STATEMENT OF CASH FLOWS

SEK million	First quarter 2023/2024	First quarter 2022/2023	Full year 2022/2023
Operating activities			
Profit before tax	497	476	1,118
Reversal of amortization/depreciation fixed assets	312	271	1,166
Adjustments for other non-cash items	183	-21	-127
Taxes paid	-112	-241	-488
Changes in working capital	-244	-488	-25
CASH FLOW FROM OPERATING ACTIVITIES	636	-3	1,644
Investing activities			
Acquisition/sale of subsidiaries and asset purchases	-86	-282	-304
Acquisition of intangible assets	-73	-70	-243
Acquisition of tangible assets	-313	-266	-1,535
Acquisition securities, net	550	-203	-198
Other changes from investing activities	-15	5	40
CASH FLOW FROM INVESTING ACTIVITIES	63	-816	-2,240
CASH FLOW AFTER INVESTMENTS	699	-819	-596
Financing activities			
Changes in loans from credit institutions	-116	-94	-251
Share dividend	-	-	-450
CASH FLOW FROM FINANCING ACTIVITIES	-116	-94	-701
CASH FLOW FOR THE PERIOD	583	-913	-1,297
Cash and cash equivalents beginning of period	305	1,579	1,579
Translation difference in cash and cash equivalents	-4	4	23
CASH AND CASH EQUIVALENTS END OF PERIOD	884	670	305

DEFINITIONS

Net sales	Fair value of what has been or will be received for goods and services sold in the Group's operations
EBITDA	Profit before financial income and expenses, taxes, depreciation and amortization
EBITDA margin	EBITDA expressed as a percentage of net sales
Operating profit	Profit before financial income and expenses and taxes (EBIT)
Equity/assets ratio	Shareholders' equity expressed as a percentage of total assets
Net debt	Interest-bearing liabilities including provision for pensions minus cash and cash equivalents, short-term and long-term securities
Average number of employees	The Group's paid hours in relation to the normal number of working hours for the period



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