

STENA METALL



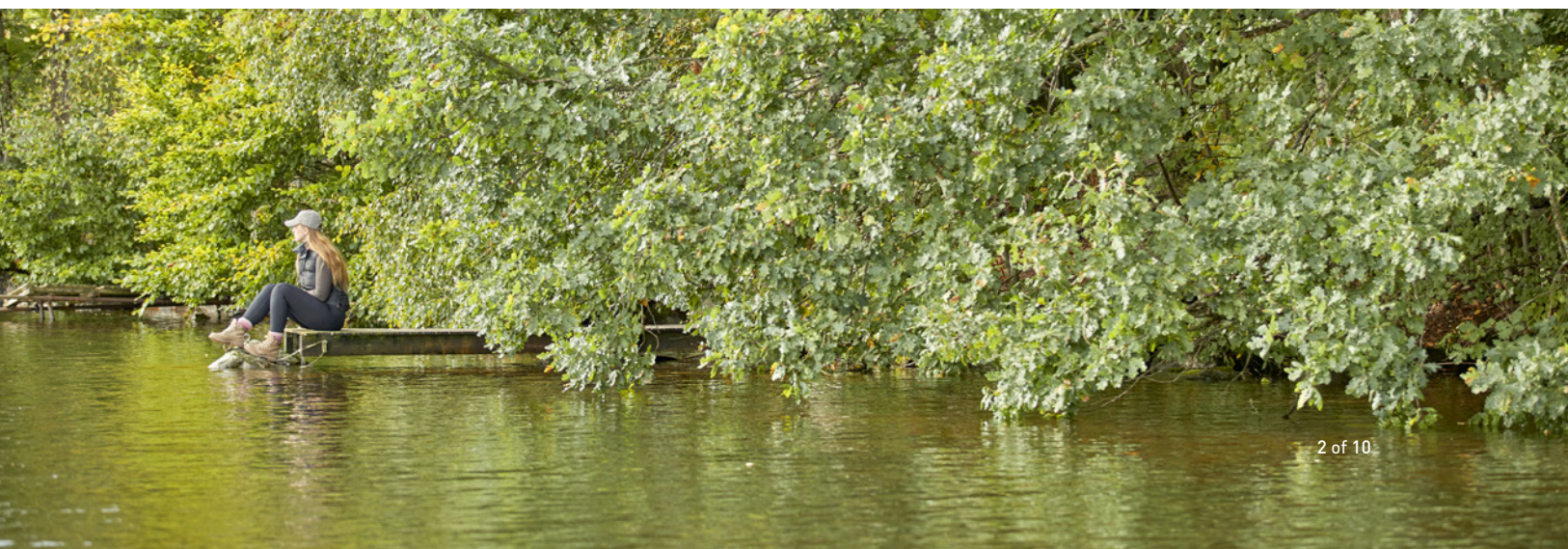
COMMENTS AFTER THE THIRD QUARTER

- Stena Metall Group reported an EBITDA of SEK 2,228 million (SEK 2,052 million) and an EBT of SEK 1,017 million (SEK 1,066 million).
- Business area Recycling delivered a strong third quarter with a recovery in volumes and a solid financial performance.
- The inauguration ceremony of Stena Oil’s new terminal in Frederikshavn, Denmark, was appreciated by the attending partners. The terminal will strengthen Stena Oil’s leading position for the green transition in the marine fuel market.
- Stena Metall Finans managed the markets well and delivered a solid result.

KEY RATIOS	Third quarter 2023/2024	Third quarter 2022/2023	First nine months 2023/2024	First nine months 2022/2023	Full year 2022/2023
Net sales	10,849	11,066	31,975	34,236	44,334
EBITDA	854	614	2,228	2,052	2,530
EBITDA margin	7.9%	5.5%	7.0%	6.0%	5.7%
Operating profit	552	357	1,295	1,236	1,364
Equity/assets ratio	47.1%	45.1%	47.1%	45.1%	46.8%
Net debt	2,446	1,451	2,446	1,451	2,002
Cash flow after investments	-555	-176	541	-433	-596
Average number of employees			4,428	4,362	4,365

The key ratios are defined on page 9.

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



CHIEF EXECUTIVE OFFICER'S COMMENT

Stena Metall's third quarter showed a clear positive momentum and the EBITDA improved both in comparison to the same period last year as well as to the previous quarter of 2023/2024.

Volumes in parts of the business are trending downwards as the overall market still is a bit hesitant. However, with our broad customer base and the widespread geographical footprint we mitigate the lower volumes with increased customer awareness, leading to improved margins and earnings. It is also very pleasing to see that the cost reduction programs are showing results, and that when volumes are trending down within our core recycling waste streams, other product areas advance and increases their market share. Once again evidence of Stena Metall's service offering and the ability to provide the best possible solutions for all customer needs.

The inauguration of Stena Oil's new terminal in Frederikshavn, Denmark, was held on the 14th of May. The event was successful, and the new terminal will provide flexibility to Stena Oil's business to continue leading the way in the green transition for the marine fuel market going forward.

The industrial transformation is moving fast and the demand for recycled raw materials is increasing. With curiosity towards new business opportunities and continuous investments into new technology, Stena Metall is ready to meet the future market demands.

Stena Metall's EBTIDA for the first nine month ended at SEK 2,228 million (SEK 2,052 million) and EBT at SEK 1,017 million (SEK 1,066 million).



Gothenburg, June 2024

Kristofer Sundsgård

BUSINESS AREA COMMENTS

Recycling

Coming from a period with lower inbound volumes, Stena Recycling had a strong third quarter with a recovery in both volumes and financial performance.

Overall volumes are on lower levels compared to previous periods and the slowdown in certain sectors are reconfirmed with declining volumes within e.g. automotive and infrastructure. This is mainly reflected in the decrease of Ferrous volumes but this is partly compensated by higher profitability in the same waste stream segment. A great success has been the profitability from other waste streams such as the treatment of hazardous waste and alternative raw materials.

General cost awareness is prioritized to meet volatile market conditions, general cost increase and higher transportation costs. This, together with the strategy of delegated business acumen, will lead to correct

priorities and decision making close to our customers in the fast moving market.

During the quarter, Stena Recycling has also signed several significant agreements with large customers, where the offering of full waste management has been highly important.

Stena Recycling continues to position the business to meet future needs. Investments in battery centers to collect and treat high energy batteries are made in Stena Recycling's home markets. At Stena Nordic Recycling Center in Halmstad, Sweden, investments are ongoing in two facilities. The first investment is made to meet future needs for lithium-ion batteries and the second is the new aluminum center.

Stena Recycling ended the third quarter with an accumulated EBITDA of SEK 1,523 million (SEK 1,602 million).

BUSINESS AREA COMMENTS, CONT.

Aluminium

In a market still characterized by overcapacity, in combination with an unbalance between cost for raw material and current prices in alloys, the focus for Stena Aluminium remains on continuing the improvement of efficiency and production capacity. The work is going according to plan with both deliveries and productivity increasing. During the third quarter, an EU-funded development project (RecAL) has been initiated. The project addresses circular solutions for secondary aluminium, and Stena Aluminium together with the Swedish metals research institute, Swerim, are developing solutions for salt dross usage.

Stena Aluminium ended the third quarter with an accumulated EBITDA of SEK -4 million (SEK 81 million).

Oil

The operational ramp-up of the new marine fuel terminal in Frederikshavn, Denmark, have been successful and the terminal is now in full operation. The terminal will allow Stena Oil to operate both more efficiently and sustainably.

The multi customer set up in eastern Sweden that was initiated during the second quarter are now fully operational and is progressing according to plan.

The new 2,000 ton bunker tanker newbuilding project continues. This multipurpose tanker will be able to handle a variety of marine fuels, including biofuels and methanol in order to meet future customer demands. The tanker is expected to be delivered during the summer of 2024.

Stena Oil ended the third quarter with an accumulated EBITDA of SEK 207 million (SEK 218 million).

Steel

Lower demand and decreased order intake, especially from the segment consisting of customers from the pressured construction industry, is still present. To mitigate the decrease in volumes, cost avoiding actions have been taken.

In the second quarter, a new ERP-system was implemented, and several improvement activities have been finalized during the third quarter to ensure high delivery performance. Stena Stål's focus to improve delivery performance is ongoing and the upgrade of the production line in Västerås, Sweden, as part of this project is going according to plan with an expected completion during the fall of 2024.

Stena Stål ended the third quarter with an accumulated EBITDA of SEK -13 million (SEK 93 million).

Finance

With global economy showing few signs of an imminent downturn, there was a continuation of risk-on behaviour among investors, despite higher U.S. rates. Equity markets continued higher, yet again mainly driven by higher mega-cap technology stocks. The strength in the U.S. economy surprised on the upside with stronger growth and higher inflation than expected. This lowered the expectations on the FED's magnitude and pace of future rate cuts. Inflation has no doubt been more difficult to control than most policy makers estimated. In the Euroarea, the economy was clearly performing weaker than in the U.S. and the perception of future rate cuts were more certain. In May, the Swedish Riksbank followed the Swiss National Bank and lowered the policy rate. Geopolitical tension created moves in raw material and freight prices, though equity markets most often traded at historically low levels of volatility.

Stena Metall Finans ended the third quarter with an EBITDA of SEK 77 million (SEK -11 million).

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

EBITDA

SEK million	Third quarter 2023/2024	Third quarter 2022/2023	First nine months 2023/2024	First nine months 2022/2023	Full year 2022/2023
Recycling	557	516	1,523	1,602	1,971
Aluminium	-1	18	-4	81	68
Oil	67	56	207	218	332
Steel	-20	32	-13	93	92
Finance	85	-32	77	-11	-17
Other	166	24	438	69	84
TOTAL	854	614	2,228	2,052	2,530

INCOME STATEMENT

SEK million	Third quarter 2023/2024	Third quarter 2022/2023	First nine months 2023/2024	First nine months 2022/2023	Full year 2022/2023
Net sales	10,849	11,066	31,975	34,236	44,334
Cost of goods sold	-9,986	-10,175	-29,540	-31,510	-40,979
GROSS PROFIT	863	891	2,435	2,726	3,355
Sales expenses	-149	-171	-452	-497	-628
Administrative expenses	-402	-390	-1,151	-1,163	-1,571
Other operating income & expenses	240	27	463	170	208
OPERATING PROFIT	552	357	1,295	1,236	1,364
Income from investments in associated companies	-	-	-	-	10
Interest net	-90	-73	-261	-190	-280
Other financial income & expenses	0	23	-17	20	24
PROFIT BEFORE TAX	462	307	1,017	1,066	1,118
Taxes	-88	-43	-237	-220	-280
PROFIT FOR THE PERIOD	374	264	780	846	838
Other comprehensive income	79	85	15	75	135
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	453	349	795	921	973
Total comprehensive income for the period is attributable to:					
Parent Company's shareholders	453	349	795	921	973
Non-controlling interests	-	-	-	-	-
Total comprehensive income	453	349	795	921	973

BALANCE SHEET

SEK million	2024-05-31	2023-05-31	2023-08-31
ASSETS			
Fixed assets			
Intangible fixed assets	1,731	1,484	1,560
Tangible fixed assets	9,129	8,016	8,636
Financial fixed assets	2,436	2,325	2,368
TOTAL FIXED ASSETS	13,296	11,825	12,564
Current assets			
Inventories	2,456	2,423	2,616
Short-term receivables			
Accounts receivable	4,220	4,005	3,283
Other receivables	2,507	2,217	2,168
TOTAL SHORT-TERM RECEIVABLES	6,727	6,222	5,451
Short-term securities			
Cash and cash equivalents	350	1,164	305
TOTAL CURRENT ASSETS	10,671	11,568	10,100
TOTAL ASSETS	23,967	23,393	22,664

SHAREHOLDERS' EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY	11,292	10,555	10,607
Long-term liabilities			
Provisions	1,324	1,151	1,267
Interest-bearing long-term liabilities *	4,303	4,646	4,776
Other long-term liabilities	10	10	10
TOTAL LONG-TERM LIABILITIES	5,637	5,807	6,053
Current liabilities			
Interest-bearing short-term liabilities *	1,658	1,747	1,265
Accounts payable	2,250	2,298	2,073
Other liabilities	3,130	2,986	2,666
TOTAL CURRENT LIABILITIES	7,038	7,031	6,004
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	23,967	23,393	22,664

*Whereof long- and short-term lease liabilities

1,172

803

1,051

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEK million	First nine months 2023/2024	First nine months 2022/2023	Full year 2022/2023
Opening balance, September 1	10,607	10,084	10,084
Net profit for the period	780	846	838
Other comprehensive income	15	75	135
Dividend	-110	-450	-450
Change in non-controlling interests	0	0	0
CLOSING BALANCE	11,292	10,555	10,607



STATEMENT OF CASH FLOWS

SEK million	Third quarter 2023/2024	Third quarter 2022/2023	First nine months 2023/2024	First nine months 2022/2023	Full year 2022/2023
Operating activities					
Profit before tax	462	307	1,017	1,066	1,118
Reversal of amortization/depreciation fixed assets	302	257	933	816	1,166
Adjustments for other non-cash items	-165	-144	140	-166	-127
Taxes paid	-98	-95	-298	-428	-488
Changes in working capital	-522	-111	-370	-76	-25
CASH FLOW FROM OPERATING ACTIVITIES	-21	214	1,422	1,212	1,644
Investing activities					
Acquisition and sale of subsidiaries/business units	-33	0	-119	-293	-304
Acquisition of intangible fixed assets	-64	-64	-213	-193	-243
Acquisition of tangible fixed assets	-382	-388	-1,090	-994	-1,535
Acquisition and sale of securities	-47	57	557	-183	-198
Other changes from investing activities	-8	5	-16	18	40
CASH FLOW FROM INVESTING ACTIVITIES	-534	-390	-881	-1,645	-2,240
CASH FLOW AFTER INVESTMENTS	-555	-176	541	-433	-596
Financing activities					
Changes in loans from credit institutions	355	628	-384	446	-251
Share dividend	0	0	-110	-450	-450
CASH FLOW FROM FINANCING ACTIVITIES	355	628	-494	-4	-701
CASH FLOW FOR THE PERIOD	-200	452	47	-437	-1,297
Cash and cash equivalents beginning of period	547	688	305	1,579	1,579
Translation difference in cash and cash equivalents	3	24	-2	22	23
CASH AND CASH EQUIVALENTS END OF PERIOD	350	1,164	350	1,164	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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