

STENA METALL



THE YEAR IN BRIEF

- Stena Metall Group reported an EBITDA of SEK 2,946 million (SEK 2,530 million) and an EBT of SEK 1,334 million (SEK 1,118 million).
- Business area Recycling delivered a strong full-year result despite lower volumes within some waste streams.
- Business area Oil continues to show strong earnings. The new terminal in Frederikshavn will give a better operational set-up and support the marine sector’s green transition.
- Business area Steel have seen notably reduced demand throughout the year, especially from customers within the construction sector.
- The shareholding of Northvolt AB has been adjusted with SEK -300 million based on the current development of the company. The adjustment is non-cash affecting and is accounted for in Other Comprehensive Income.
- After the end of the financial year, Stena Recycling Finland has signed an agreement to divest its pallets business. The completion of the transaction needs approval from the Finnish Competition and Consumer Authority. The transaction will have a positive effect on the Group’s cash flow.

KEY RATIOS	Fourth quarter 2023/2024	Fourth quarter 2022/2023	Full year 2023/2024	Full year 2022/2023
Net sales	9,645	10,098	41,620	44,334
EBITDA	718	478	2,946	2,530
EBITDA margin	7.4%	4.7%	7.1%	5.7%
Operating profit	396	128	1,691	1,364
Equity ratio	47.5%	46.8%	47.5%	46.8%
Net debt	2,364	2,002	2,364	2,002
Cash flow after investments	648	-163	1,189	-596
Average number of employees			4,407	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

Stena Metall's financial year 2023/2024 has been characterized by challenging markets. Despite this, Stena Metall performed well and presents earnings that are higher in comparison to last year, as well as high in a historical perspective.

The year started with lower inbound volumes in many of the business areas within Stena Recycling, however towards the end of the financial year volumes recovered and several new customers were signed. Despite geopolitical uncertainties, inflation and interest rates still on elevated levels, margins improved. Our broad customer base, wide geographical footprint and our operating model of working, once again proved to be successful. The delegated business acumen with decision making and profit responsibility close to the customers is part of Stena Metall's DNA, enabling us to make quick decisions in ever changing environments.

The situation in other parts of the business has not been as favourable as for the Stena Recycling companies. The construction sector, which is one of Stena Stål's key customer segments have seen a sharp decline in activity, affecting volumes and margins negatively. The aluminium market has been characterized by overcapacity



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Kristofer Sundsgård

and imbalances between raw material prices and alloys market prices. Several projects are on-going, all aimed at mitigating short term risks as well as strengthening the companies going forward.

Stena Metall continues to invest in new technologies and improve our customer collaborations. With continued financial discipline, focusing on the core-business and empowering the organization, our position in the market will continue to strengthen and the ability to grasp future business will improve.

Stena Metall's EBITDA for the financial year 2023/2024 ended at SEK 2,946 million (SEK 2,530 million) and EBT at SEK 1,334 million (SEK 1,118 million).

BUSINESS AREA COMMENTS

Recycling

The financial year 2023/2024 has been marked by significant events, both favorable and challenging. Elevated interest rates persisted through major parts of the year, affecting European economies. The economic downturn has put weight on the industrial activity across several sectors. For Stena Recycling, this has led to lower volumes, particularly in ferrous scrap, which has affected gross profit. However, increased profitability in other product areas, such as hazardous and industrial waste, offsets parts of this impact.

In addition, Stena Recycling faced considerable fluctuations in transport costs, driven by global disruptions in shipping. Price and transport cost volatility were mitigated by SMI, the Group's sales company. A strong focus on cost control throughout the year also helped manage the challenges posed by high inflation.

Despite market volatility and macroeconomic uncertainty, Stena Recycling achieved a strong result. This due to close collaborations with customers, a strong financial discipline and volumes recovery during the second half of they year. Looking ahead, Stena Recycling has further strengthened its position by signing new partners to the customer base. Stena Recycling's ability to offer a full circular solution has proven to be a decisive factor in securing these partnerships.

Notable additions to the business during the year include the acquisitions of Pyrecro S.r.l., an aluminium treatment company in Italy, and MV Farligt Affald A/S, a hazardous waste company in Denmark.

Stena Recycling also continues its focus on battery recycling in order to meet customer demands and maintain its position as one of Europe's leading industrial recyclers. Several investments have been made to

BUSINESS AREA COMMENTS, CONT.

enable battery pretreatment. A key investment for recycling of batteries, located at Stena Nordic Recycling Center in Halmstad, Sweden, was brought into operation this year.

Stena Recycling, including all its subsidiaries and operations across various countries, remains committed to the Science Based Targets initiative (SBTi). As one of the first European companies in the recycling and waste management sector, Stena Recycling has received approval for both its near-term (August 2023) and net-zero (September 2024) science-based emissions reduction targets from SBTi.

Stena Recycling ended the financial year with an accumulated EBITDA of 2,049 million (SEK 1,971 million).

Aluminium

Producers of secondary aluminium alloys in Europe have experienced a challenging situation with weakening gross margins since last year. From a multi-year perspective, the price level of alloys is high, but the main challenge with increased cost for raw material remains. This is due to lack of material on the market, and the increasing “battle of raw material” powered by the primary aluminium products producers’ focus on mixing in secondary raw material to reduce CO₂ impact.

Stena Aluminium has continued to improve production efficiency according to plan, which has also led to increased volumes. During the financial year, an EU-funded development project (RecAL) has been initiated. The project involves nineteen partners that addresses circular solutions for secondary aluminium. Stena Aluminium is developing solutions for better salt dross usage together with the Swedish metal research institute Swerim.

Stena Aluminium ended the financial year with an accumulated EBITDA of SEK -33 million (SEK 68 million).

Oil

The oil prices have traded downwards during major parts of the financial year, influenced by macroeconomic uncertainties. The marine fuel market saw significant price intraday volatility during the first two quarters, while conditions improved during the second half of the year. In the third quarter, Stena Oil inaugurated a new bunker terminal in Frederikshavn, Denmark. Construction

started in 2019 and it is now fully operational with a 75,000 cubic meter capacity, designed to support the marine sector green transition.

Additionally, a new business setup in the Southern Baltic has expanded Stena Oil’s market and is now running smoothly. In the fourth quarter, a new 2,000-ton multipurpose tanker was added to the fleet in the fourth quarter, ready for methanol and biofuel demands.

Stena Oil ended the financial year with an accumulated EBITDA of SEK 302 million (SEK 332 million).

Steel

The market that Stena Stål operates in has experienced notably reduced demand, particularly from customers in the construction sector, with lower volumes as a consequence. The industrial sector, however, has not seen a similar decrease. During the financial year several improvement activities have been completed in order to boost delivery performance to customers. Additionally, a project aiming to upgrade the product line and improving processing capabilities are ongoing in Västerås, Sweden. This project is on schedule and is expected to be completed during the autumn 2024.

Stena Stål ended the financial year with an accumulated EBITDA of SEK -31 million (SEK 92 million).

Finance

During the year central banks gradually became less troubled by the difficulties of controlling inflation and more confident that the inflation target is within reach.

The prospects of rate cuts in 2024 increased optimism in financial markets. Still, volatility in rates markets continued to be elevated since there were uncertainties around both the timing and the frequency of future cuts in this rate cycle.

The Bank of Japan contrary raised its policy rate, ending the negative interest policy. Labor markets were still tight but began to show clear signs of losing steam. After some turbulence, most equity markets ended sideways during the fourth quarter, holding on to a “soft” or “no landing” scenario.

Stena Metall Finans ended the financial year with an accumulated EBITDA of SEK 85 million (SEK -17 million).

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

EBITDA

SEK million	Fourth quarter 2023/2024	Fourth quarter 2022/2023	Full year 2023/2024	Full year 2022/2023
Recycling	526	369	2,049	1,971
Aluminium	-29	-13	-33	68
Oil	95	114	302	332
Steel	-18	-1	-31	92
Finance	8	-6	85	-17
Other	136	15	574	84
TOTAL	718	478	2,946	2,530



INCOME STATEMENT

SEK million	Fourth quarter 2023/2024	Fourth quarter 2022/2023	Full year 2023/2024	Full year 2022/2023
Net sales	9,645	10,098	41,620	44,334
Cost of goods sold	-8,833	-9,469	-38,373	-40,979
GROSS PROFIT	812	629	3,247	3,355
Sales expenses	-137	-131	-589	-628
Administrative expenses	-352	-408	-1,503	-1,571
Other operating income & expenses	73	38	536	208
OPERATING PROFIT	396	128	1,691	1,364
Income from investments in associated companies	8	10	8	10
Interest net	-86	-90	-347	-280
Other financial income & expenses	-1	4	-18	24
PROFIT BEFORE TAX	317	52	1,334	1,118
Taxes	-55	-60	-292	-280
PROFIT FOR THE PERIOD	262	-8	1,042	838
Other comprehensive income	-322	60	-307	135
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-60	52	735	973
Total comprehensive income for the period is attributable to:				
Parent company's shareholders	-61	52	734	973
Non-controlling interests	1	-	1	-
Total comprehensive income	-60	52	735	973

BALANCE SHEET

SEK million	2024-08-31	2023-08-31
ASSETS		
Fixed assets		
Intangible fixed assets	1,739	1,560
Tangible fixed assets	9,308	8,636
Financial fixed assets	2,277	2,368
TOTAL FIXED ASSETS	13,324	12,564
Current assets		
Inventories	2,685	2,616
Short-term receivables		
Accounts receivable	3,498	3,283
Other receivables	2,391	2,168
TOTAL SHORT-TERM RECEIVABLES	5,889	5,451
Short-term securities		
Cash and cash equivalents	922	1,728
TOTAL CURRENT ASSETS	10,345	10,100
TOTAL ASSETS	23,669	22,664

SHAREHOLDERS' EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY	11,232	10,607
Long-term liabilities		
Provisions	1,358	1,267
Interest-bearing long-term liabilities *	4,264	4,776
Other long-term liabilities	10	10
TOTAL LONG-TERM LIABILITIES	5,632	6,053
Current liabilities		
Interest-bearing short-term liabilities *	1,564	1,265
Accounts payable	2,495	2,073
Other liabilities	2,746	2,666
TOTAL CURRENT LIABILITIES	6,805	6,004
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	23,669	22,664

*Whereof long- and short-term lease liabilities

1,124

1,051

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEK million	Full year 2023/2024	Full year 2022/2023
Opening balance, September 1	10,607	10,084
Net profit for the period	1,042	838
Other comprehensive income	-307	135
Dividend	-110	-450
CLOSING BALANCE	11,232	10,607



STATEMENT OF CASH FLOWS

SEK million	Fourth quarter 2023/2024	Fourth quarter 2022/2023	Full year 2023/2024	Full year 2022/2023
Operating activities				
Profit before tax	317	52	1,334	1,118
Reversal of amortization/depreciation fixed assets	322	350	1,255	1,166
Adjustments for other non-cash items	49	39	189	-127
Taxes paid	42	-60	-256	-488
Changes in working capital	358	51	-12	-25
CASH FLOW FROM OPERATING ACTIVITIES	1,088	432	2,510	1,644
Investing activities				
Acquisition and sale of subsidiaries/business units	0	-11	-119	-304
Acquisition of intangible fixed assets	-46	-50	-259	-243
Acquisition of tangible fixed assets	-510	-541	-1,600	-1,535
Acquisition and sale of securities	236	-15	793	-198
Other changes from investing activities	-120	22	-136	40
CASH FLOW FROM INVESTING ACTIVITIES	-440	-595	-1,321	-2,240
CASH FLOW AFTER INVESTMENTS	648	-163	1,189	-596
Financing activities				
Changes in loans from credit institutions	-149	-697	-533	-251
Share dividend	0	0	-110	-450
CASH FLOW FROM FINANCING ACTIVITIES	-149	-697	-643	-701
CASH FLOW FOR THE PERIOD	499	-860	546	-1,297
Cash and cash equivalents beginning of period	350	1,164	305	1,579
Translation difference in cash and cash equivalents	0	1	-2	23
CASH AND CASH EQUIVALENTS END OF PERIOD	849	305	849	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 ratio	Shareholders' equity expressed as a percentage of total assets
Net debt	Interest bearing liabilities including IFRS 16 leases and provision for pension minus cash and cash equivalents, short-term securities 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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