

# STENA METALL



# COMMENTS AFTER THE FIRST QUARTER

- Stena Metall Group reported an EBITDA of SEK 786 million (SEK 915 million) and an EBT of SEK 378 million (SEK 497 million).
- Business area Recycling shows earnings in line with last year's Q1 result, despite volumes and price volatility.
- Business area Steel continues to operate in a market characterized by lower volumes and margin pressure.
- The shareholding of Northvolt AB has been adjusted with additional SEK -294 million based on the ongoing Chapter 11 process. The adjustment is non-cash affecting and is accounted for in Other comprehensive income.
- As of 1st of September 2024, Stena Confidential is now reported as a separate business area. Stena Confidential offers secure destruction and disposal of confidential materials.

KEY RATIOS	First quarter 2024/2025	First quarter 2023/2024	Full year 2023/2024
Net sales	10,427	11,162	41,620
EBITDA	786	915	2,946
EBITDA margin	7.5%	8.2%	7.1%
Operating profit	461	603	1,691
Equity/assets ratio	47.3%	46.8%	47.5%
Net debt	2,579	1,931	2,364
Cash flow after investments	-347	699	1,189
Average number of employees	4,409	4,414	4,407

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

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The first quarter of the financial year 2024/2025 once again shows that, despite market headwinds in some of our business areas, Stena Metall's earnings, customer offering and business model is strong.

The markets during the first quarter of the financial year have shown mixed signals. In business area Recycling the result is strong. The customer base and the close customer collaboration in combination with our logistic set up, gives us the tools to navigate and take advantage of the volatile markets seen throughout the quarter.

In other business areas challenges with low demand and price imbalances persisted. Actions are taken to mitigate these challenges. The measures ongoing will strengthen those business areas going forward.

From 1st of September 2024 Stena Confidential is reported as a separate business area. Stena Confidential's business has been part of the Stena Metall Group for several years and has during the last couple of years shown both growth, stable earnings and satisfied customers.



Gothenburg, January 2025

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Kristofer Sundsgård

Stena Metall continues to always adapt to the current market situation, be responsive to customer needs and make sure to take necessary decisions close to the customers.

Stena Metall's EBITDA for the first quarter ended at SEK 786 million (SEK 915 million) and EBT at SEK 378 million (SEK 497 million).

## BUSINESS AREA COMMENTS

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### Recycling

Stena Recycling Group's first quarter demonstrated financial resilience despite continued decrease in volumes and significant outbound price volatility. The decline in volumes, primarily from ferrous scrap, reflects challenging market conditions in the automotive, construction, and infrastructure sectors. Ferrous scrap prices fell sharply in October, reaching their lowest level in two years. Despite these headwinds, earnings remained consistent with the same period last financial year, driven by increased profitability in areas such as Electronics, Hazardous Waste, and Other Industrial Waste.

The market conditions with lower availability of collectable materials in combination with an excess of outbound material in the market is still a challenge, and one factor to the lower metal prices.

At the end of the quarter, an agreement was signed with the Swedish based steel company, SSAB. Under the agreement, recycled steel from Stena Nordic Recycling Center in Halmstad, Sweden, will be supplied to SSAB's electric arc furnace mill in Oxelösund, Sweden, which is currently under construction. First shipments are expected in 2026, marking a significant step towards increasing the local use of recycled scrap in Sweden.

Stena Recycling continues to invest in meeting future market demands, including ongoing projects at battery centers across multiple regions. Additionally, the Group is ramping up operations at recently completed facilities, such as the aluminium center at the Stena Nordic Recycling Center, plastic treatment in Lanna, Sweden, and cable granulation in Trzebieńczyce, Poland.

Stena Recycling ended the first quarter with an EBITDA of SEK 608 million (SEK 615 million).

## BUSINESS AREA COMMENTS, CONT.

### Aluminium

The aluminium ingot market has faced challenging conditions for a longer period, primarily due to the imbalance between scrap price development and ingot prices.

This situation is particularly difficult for standard alloy products. Smelters across Europe are finding it difficult to secure sufficient orders, something that is accentuated by the downturn in the automotive industry, especially in Germany. Despite these increasing challenges, and the reduced volumes in the European automotive sector, Stena Aluminium has maintained its sales volumes while continuing to focus on and achieve positive outcomes in productivity and flexibility improvements.

Stena Aluminium ended the first quarter with an EBITDA of SEK -5 million (SEK 9 million).

### Oil

The marine fuel market has experienced volatility throughout the quarter, influenced by macroeconomic uncertainties and environmental regulations that continue to impact the marine industry.

Stena Oil has maintained satisfactory delivery levels in response to current market conditions. The expansion of business setup and operations in southern and eastern Sweden has enhanced Stena Oil's market position. Additionally, a new multipurpose bunker vessel was added to the fleet last quarter, which is now fully operational and prepared for potential future methanol and biofuel demands.

Stena Oil ended the first quarter with an EBITDA of SEK 70 million (SEK 71 million).

### Steel

The steel market remains weak, with declining volumes and pressure on margins, influenced by reductions in the automotive sector and the ongoing recovery in the construction sector. The market has seen lower prices and demand, although there are indications of growing interest in industry related products and more positive sentiment in some market segments.

Stena Stål's primary focus is to sustain progress in strategic initiatives to continue improving results. This involves to increase and deepen cooperation with customers to secure new deals, streamline the supply chain,

and reduce costs in order to support healthy margins across the business. A key milestone for recovery is the new production site in Västerås, Sweden, which became operational during the quarter. The new production line will enable Stena Stål to enhance delivery performance and improve processing capabilities.

Stena Stål ended the first quarter with an EBITDA of SEK -20 million (SEK 16 million).

### Confidential

Stena Confidential is a new business area which was previously part of the recycling operations. Stena Confidential offers secure destruction and disposal services to companies handling sensitive information. Currently, it serves over 10,000 customers across five markets: Sweden, Norway, Denmark, Finland and Poland. The market for information security services is expanding, and Stena Confidential is growing accordingly. Several projects focused on security, traceability, and handling of electronic storage media (ESM) are ongoing to enhance service offerings for both existing and new customers.

Stena Confidential ended the first quarter with an EBITDA of SEK 15 million.

### Finance

During the quarter, inflation outlook gradually improved, paving the way for central banks to cut policy rates. In the U.S., the prospects for a soft landing of the economy seemed increasingly feasible. Europe, on the other hand, moved more sideways. Political turmoil in core European countries alongside with obvious challenges in the automotive and chemistry industries, stressed financial markets. Rising debt-to-GDP ratios, trade tensions and geopolitical strains and the tight interconnection between these factors were also concerning markets globally. U.S. equities clearly outperformed European during the quarter and in dollar terms the outperformance was remarkable.

Stena Metall Finans ended the first quarter with an EBITDA of SEK 33 million (SEK 56 million).

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

## EBITDA

SEK million	First quarter 2024/2025	First quarter 2023/2024	Full year 2023/2024
Recycling	608	615	2,049
Aluminium	-5	9	-33
Oil	70	71	302
Steel	-20	16	-31
Confidential	15	-	-
Finance	33	56	85
Other	85	148	574
<b>TOTAL</b>	<b>786</b>	<b>915</b>	<b>2,946</b>



# INCOME STATEMENT

SEK million	First quarter 2024/2025	First quarter 2023/2024	Full year 2023/2024
Net sales	10,427	11,162	41,620
Cost of goods sold	-9,509	-10,196	-38,373
<b>GROSS PROFIT</b>	<b>918</b>	<b>966</b>	<b>3,247</b>
Sales expenses	-161	-153	-589
Administrative expenses	-397	-380	-1,503
Other operating income & expenses	101	170	536
<b>OPERATING PROFIT</b>	<b>461</b>	<b>603</b>	<b>1,691</b>
Income from investments in associated companies	-	-	8
Interest net	-85	-92	-347
Other financial income & expenses	2	-14	-18
<b>PROFIT BEFORE TAX</b>	<b>378</b>	<b>497</b>	<b>1,334</b>
Taxes	-73	-106	-292
<b>PROFIT FOR THE PERIOD</b>	<b>305</b>	<b>391</b>	<b>1,042</b>
Other comprehensive income	-295	-43	-307
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>10</b>	<b>348</b>	<b>735</b>
Total comprehensive income for the period is attributable to:			
Parent Company's shareholders	10	348	734
Non-controlling interests	-	-	1
Total comprehensive income	10	348	735



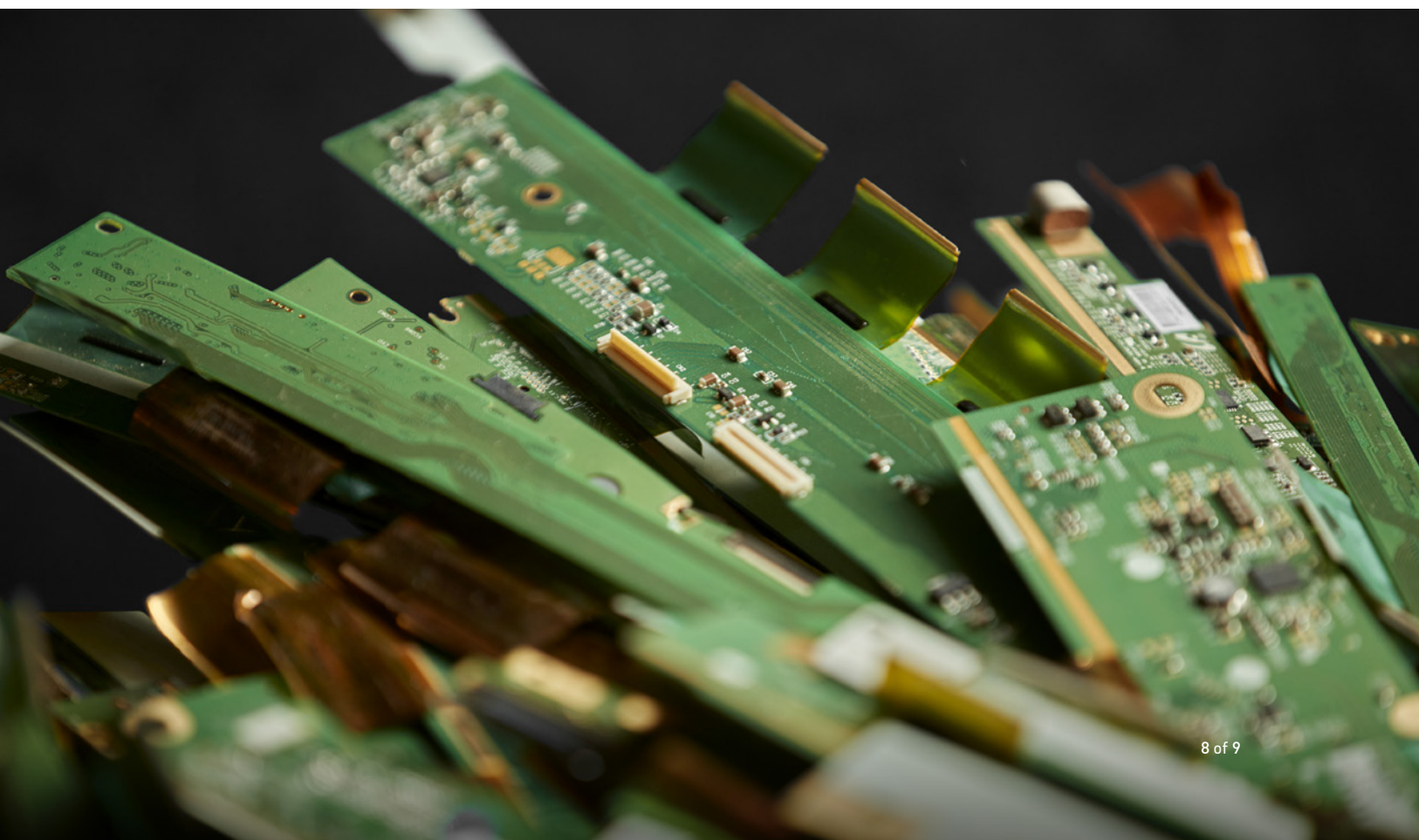
# BALANCE SHEET

SEK million	2024-11-30	2023-11-30	2024-08-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible fixed assets	1,788	1,624	1,739
Tangible fixed assets	9 270	8 602	9,308
Financial fixed assets	2 022	2 385	2,277
<b>TOTAL FIXED ASSETS</b>	<b>13,080</b>	<b>12,611</b>	<b>13,324</b>
<b>Current assets</b>			
Inventories	2,657	2,632	2,685
<b>Short-term receivables</b>			
Accounts receivable	4,109	3,961	3,498
Other receivables	2,270	2,224	2,391
<b>TOTAL SHORT-TERM RECEIVABLES</b>	<b>6,379</b>	<b>6,185</b>	<b>5,889</b>
<b>Short-term securities</b>			
Cash and cash equivalents	1,340	1,118	922
<b>TOTAL CURRENT ASSETS</b>	<b>10,684</b>	<b>10,819</b>	<b>10,345</b>
<b>TOTAL ASSETS</b>	<b>23,764</b>	<b>23,430</b>	<b>23,669</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>	<b>11,242</b>	<b>10,955</b>	<b>11,232</b>
<b>Long-term liabilities</b>			
Provisions	1,366	1,274	1,358
Interest-bearing long-term liabilities*	4,224	4,680	4,264
Other long-term liabilities	10	10	10
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>5,600</b>	<b>5,964</b>	<b>5,632</b>
<b>Current liabilities</b>			
Interest-bearing short-term liabilities*	1,415	1,261	1,564
Accounts payable	2,631	1,996	2,495
Other liabilities	2,876	3,254	2,746
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,922</b>	<b>6,511</b>	<b>6,805</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>23,764</b>	<b>23,430</b>	<b>23,669</b>
*Whereof long- and short term lease liabilities	1,071	1,008	1,124

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

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SEK million	First quarter 2024/2025	First quarter 2023/2024	Full year 2023/2024
Opening balance, September 1	11,232	10,607	10,607
Net profit for the period	305	391	1,042
Other comprehensive income	-295	-43	-307
Dividend	0	0	-110
<b>CLOSING BALANCE</b>	<b>11,242</b>	<b>10,955</b>	<b>11,232</b>





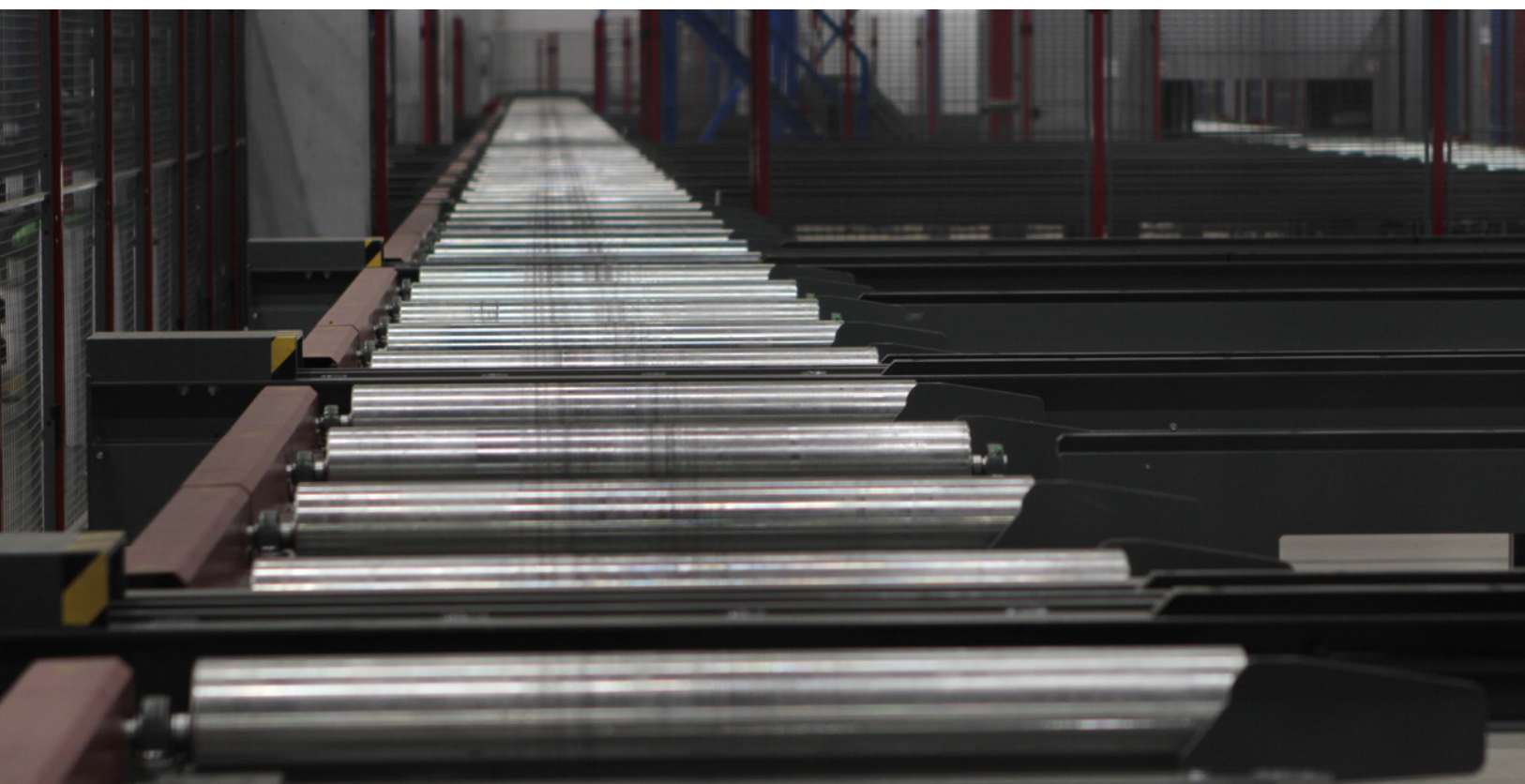
# STATEMENT OF CASH FLOWS

SEK million	First quarter 2024/2025	First quarter 2023/2024	Full year 2023/2024
<b>Operating activities</b>			
Profit before tax	378	497	1,334
Reversal of amortization/depreciation fixed assets	325	312	1,255
Adjustments for other non-cash items	-117	183	189
Taxes paid	-159	-112	-256
Changes in working capital	-92	-244	-12
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>335</b>	<b>636</b>	<b>2,510</b>
<b>Investing activities</b>			
Acquisition/sale of subsidiaries and asset purchases	-2	-86	-119
Acquisition of intangible assets	-60	-73	-259
Acquisition of tangible assets	-230	-313	-1,600
Acquisition securities, net	-381	550	793
Other changes from investing activities	-9	-15	-136
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-682</b>	<b>63</b>	<b>-1,321</b>
<b>CASH FLOW AFTER INVESTMENTS</b>	<b>-347</b>	<b>699</b>	<b>1,189</b>
<b>Financing activities</b>			
Changes in loans from credit institutions	-197	-116	-533
Share dividend	-	-	-110
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-197</b>	<b>-116</b>	<b>-643</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-544</b>	<b>583</b>	<b>546</b>
Cash and cash equivalents beginning of period	849	305	305
Translation difference in cash and cash equivalents	3	-4	-2
<b>CASH AND CASH EQUIVALENTS END OF PERIOD</b>	<b>308</b>	<b>884</b>	<b>849</b>

# DEFINITIONS

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



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