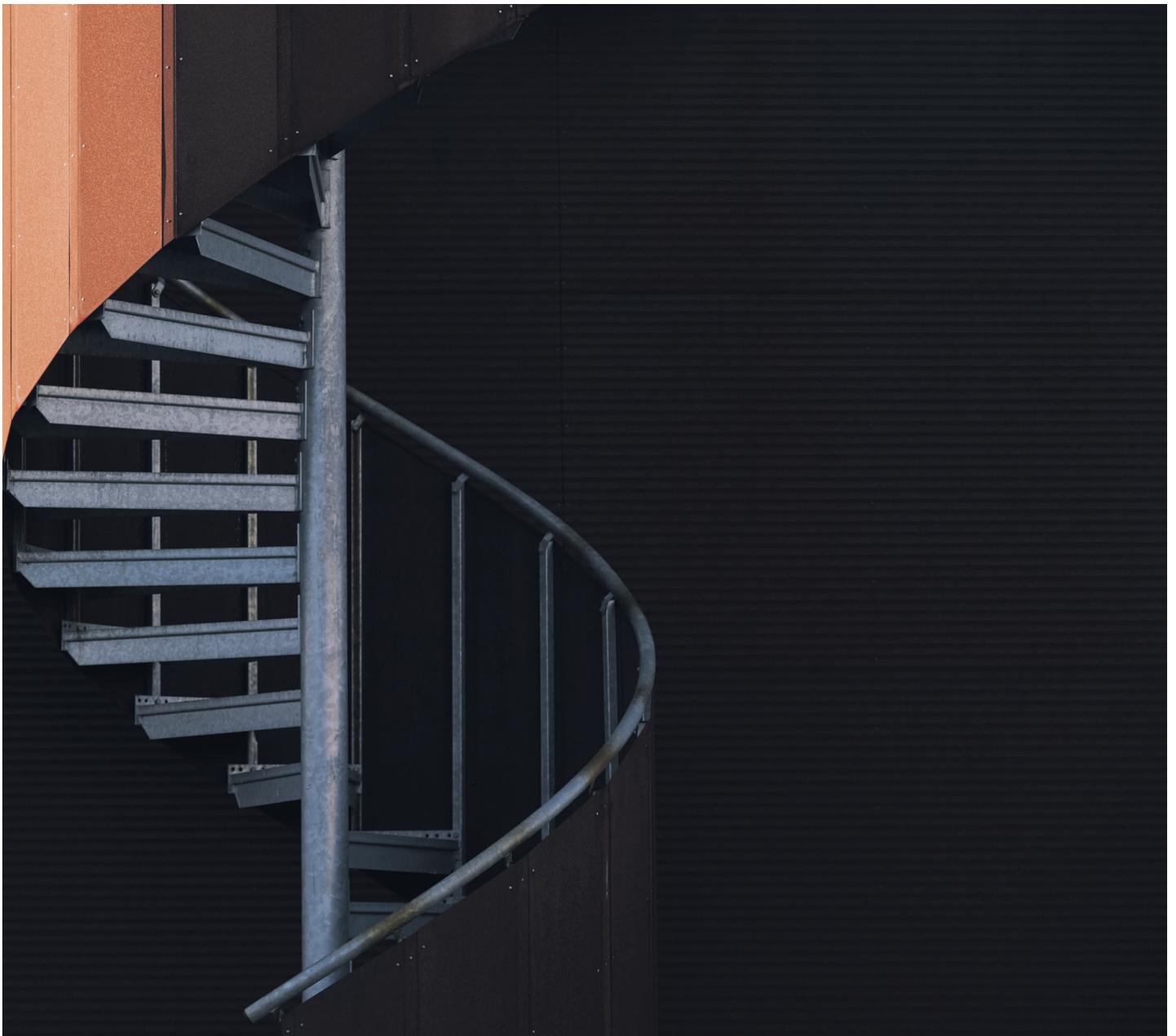


STENA METALL GROUP



COMMENTS ON THE FIRST QUARTER



- The first quarter of the financial year was good in terms of earnings, with an EBITDA of SEK 460 million (SEK 464 million last year).
- Business Area Recycling reported a quarter with an EBITDA of SEK 398 million (SEK 392 million). Volumes and margins ended in line with last year.
- Stena Recycling has been named Sweden's most sustainable brand for 2018. The award is based on interviews with decision makers in major companies. The B2B Sustainable Brand Index study is conducted by SB Insight.
- In December, the Stena Metall Group divested Stena Components in Molkom.

KEY RATIOS	First quarter 2018/2019	First quarter 2017/2018	Full year 2017/2018
Net sales	7,376	6,708	26,681
EBITDA	460	464	1,657
EBITDA margin	6.2%	6.9%	6.2%
Operating profit	281	299	932
Equity/assets ratio	39.3%	37.4%	39.0%
Net debt	2,145	2,270	2,244
Cash flow after investments	187	-408	-469
Average number of employees	3,539	3,529	3,527

The key ratios are defined on page 8.

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

CHIEF EXECUTIVE OFFICER'S COMMENT

The underlying economy is still quite good, but the increased concern and uncertainty around us has created an increasingly short-term behavior among the vast majority of our counterparts. I find that, in principle, everyone I meet irrespective of the industry in which they operate, expresses the same short term attitude. This short-term approach slows down development, which creates inconsistent behavior in business flow and higher general market volatility.

General uncertainty and short-term trends continue to characterize the market development going forward. The business cycle is still OK and after the holidays the market has come back, but it may get tougher in the future. There are concerns about the automotive industry and, above all, the passenger cars, where sales figures decline globally. No industry has such a large impact on the Swedish (and German) economy as Automotive.

The Stena Metall Group had a strong first quarter. EBITDA ended at SEK 460 million (SEK 464 million last year) and EBT at SEK 200 million (SEK 244 million).



Göteborg, January 2019

Anders Jansson

BUSINESS AREA COMMENTS

Recycling

Another strong quarter resulted in a Q1 EBITDA of SEK 398 million (SEK 392 million). Volumes and margins ended in line with last year. Production costs were higher than last year, as the Electronics Recycling business area was integrated on September 1. Activities are ongoing to get back on track.

Stena Recycling has been named Sweden's most sustainable brand for 2018. The award is based on interviews with decision makers in large companies. The B2B Sustainable Brand Index study is conducted by SB Insight.

Oil

Stena Oil ended the first quarter with an EBITDA of SEK 23 million (SEK 4 million). Competition is still fierce but volumes remain stable. Improved back-to-back trading and well-managed logistics have contributed to the positive result.

Finance

It was a weak and volatile quarter for the financial markets.

The stock exchanges in Sweden and Germany fell by around 15% and the Dow Jones by almost 11%.

A rather low market exposure was further reduced during the quarter and this helped to reduce our losses somewhat, which were 2.6% on engaged capital.

EBITDA for the first quarter ended at SEK -30 million (SEK 2 million).

BUSINESS AREA COMMENTS, CONT.

Components

In Nybro, there have been positive developments in new customer processing but this has yet to make an impact on results.

During December, Stena Components Molkom was divested from the Stena Metall Group. The transaction had a negative impact on the Group results, which were SEK -33 million (EBT).

The Q1 EBITDA ended at SEK 0 million (SEK -2 million).

Aluminium

Good margins have compensated for lower sales during the first quarter. The higher margins are a result of better sales prices and a more efficient cost of raw material. The lower invoicing was the result of production problems, which led to a standstill of a furnace for one week.

The Q1 EBITDA ended at SEK 19 million (SEK 19 million).

Steel

The EBITDA remains strong and for the first quarter ended at SEK 31 million (SEK 36 million). This result was driven by a favorable business cycle, which led to price increases. A strong focus on margins has left volumes slightly below those of last year. The largest decrease in volumes has been for thin sheet products.

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

Events after the conclusion of the first quarter

In December, The Stena Metall Group has divested Juteskären AB to Stena Rederi AB. Juteskären AB owns the ferry MV Stena Scandinavica. The sale of Juteskären AB decreased the Stena Metall Group's interest bearing net debt by SEK 777 million.

EBITDA

SEK million	First quarter 2018/2019	First quarter 2017/2018	Full year 2017/2018
Recycling	398	392	1,306
Aluminium	19	19	83
Electronics recycling	-	-3	-70
Oil	23	4	25
Steel	31	36	98
Components	0	-2	-9
Trading	0	0	-2
Finance	-30	2	30
Other	19	16	196
TOTAL	460	464	1,657

INCOME STATEMENT

SEK million	First quarter 2018/2019	First quarter 2017/2018	Full year 2017/2018
Net sales	7,376	6,708	26,681
Cost of goods sold	-6,744	-6,138	-24,643
GROSS PROFIT	632	570	2,038
Sales expenses	-104	-104	-432
Administrative expenses	-273	-230	-972
Other operating income & expenses	26	63	298
OPERATING PROFIT	281	299	932
Income from investments in associated companies	-	-	-3
Interest net	-46	-46	-183
Other financial income & expenses	-35	-9	-3
PROFIT BEFORE TAX	200	244	743
Taxes	-	-	-158
PROFIT FOR THE PERIOD	200	244	585
Other comprehensive income	-	6	78
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	200	250	663
Total comprehensive income for the period is attributable to:			
Parent Company's shareholders	200	250	663
Non-controlling interests	-	-	-
Total comprehensive income	200	250	663



In November 2018, Stena Recycling AB was named Sweden's most sustainable brand for 2018. Malin Baltzar, Head of Sustainable Business, Stena Recycling AB, received the award at the SB Insights gala event in Stockholm.

BALANCE SHEET

SEK million	2018-11-30	2017-11-30	2018-08-31
ASSETS			
Fixed assets			
Intangible fixed assets	976	974	1,002
Tangible fixed assets	5,404	5,260	5,487
Financial fixed assets	1,061	948	1,067
TOTAL FIXED ASSETS	7,441	7,182	7,556
Current assets			
Inventories	1,964	1,652	1,781
Short-term receivables			
Accounts receivable	2,869	2,509	2,537
Other receivables	1,319	1,197	1,272
TOTAL SHORT-TERM RECEIVABLES	4,188	3,706	3,809
Short-term securities	1,190	1,227	1,308
Cash and bank	301	627	253
TOTAL CURRENT ASSETS	7,643	7,212	7,151
TOTAL ASSETS	15,084	14,394	14,707
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	5,937	5,385	5,737
Long-term liabilities			
Provisions	1,051	1,036	1,071
Interest-bearing long-term liabilities	3,392	3,455	3,892
Other long-term liabilities	10	18	22
TOTAL LONG-TERM LIABILITIES	4,453	4,509	4,985
Current liabilities			
Interest-bearing short-term liabilities	886	1,083	548
Accounts payable	1,837	1,634	1,802
Other liabilities	1,971	1,783	1,635
TOTAL CURRENT LIABILITIES	4,694	4,500	3,985
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	15,084	14,394	14,707

STATEMENT OF CASH FLOWS

SEK million	First quarter 2018/2019	First quarter 2017/2018	Full year 2017/2018
Operating activities			
Profit before tax	200	244	743
Reversal of amortization/depreciation fixed assets	179	165	725
Adjustments for other non-cash items	47	-74	-156
Taxes paid	-6	-6	-29
Changes in working capital	-206	-505	-696
CASH FLOW FROM OPERATING ACTIVITIES	214	-176	587
Investing activities			
Acquisition and sale of subsidiaries	-	-	-56
Acquisition of tangible fixed assets	-128	-129	-804
Acquisition securities, net	87	-116	-251
Other changes from investing activities	14	13	55
CASH FLOW FROM INVESTING ACTIVITIES	-27	-232	-1,056
CASH FLOW AFTER INVESTMENTS	187	-408	-469
Financing activities			
Changes in loans from credit institutions	-135	151	-112
Share dividend	-	-	-62
CASH FLOW FROM FINANCING ACTIVITIES	-135	151	-174
CASH FLOW FOR THE PERIOD	52	-257	-643
Cash and bank beginning of period	253	879	879
Translation difference in cash and bank	-4	5	17
CASH AND BANK END OF PERIOD	301	627	253

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 bank, 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

Aluminium granules from one of Stena Recycling's recycling processes. The material comes from discarded cables and is an excellent raw material for producing new aluminium products.



CONTACT

Peter Gustafsson
Managing Director AB Stena Metall Finans
S-400 40 Gothenburg
Sweden
Phone +46 (0)10-445 20 12
peter.gustafsson@stenamettall.com

Stena Metall AB
Box 4088
S-400 40 Gothenburg
Sweden
Phone +46 (0)10-445 00 00
www.stenamettall.com