

STENA METALL GROUP



On February 25, Stena Oil's new 5600-dwt bunker tanker VINGAREN, was successfully delivered and is now in operation in the Scandinavian market.

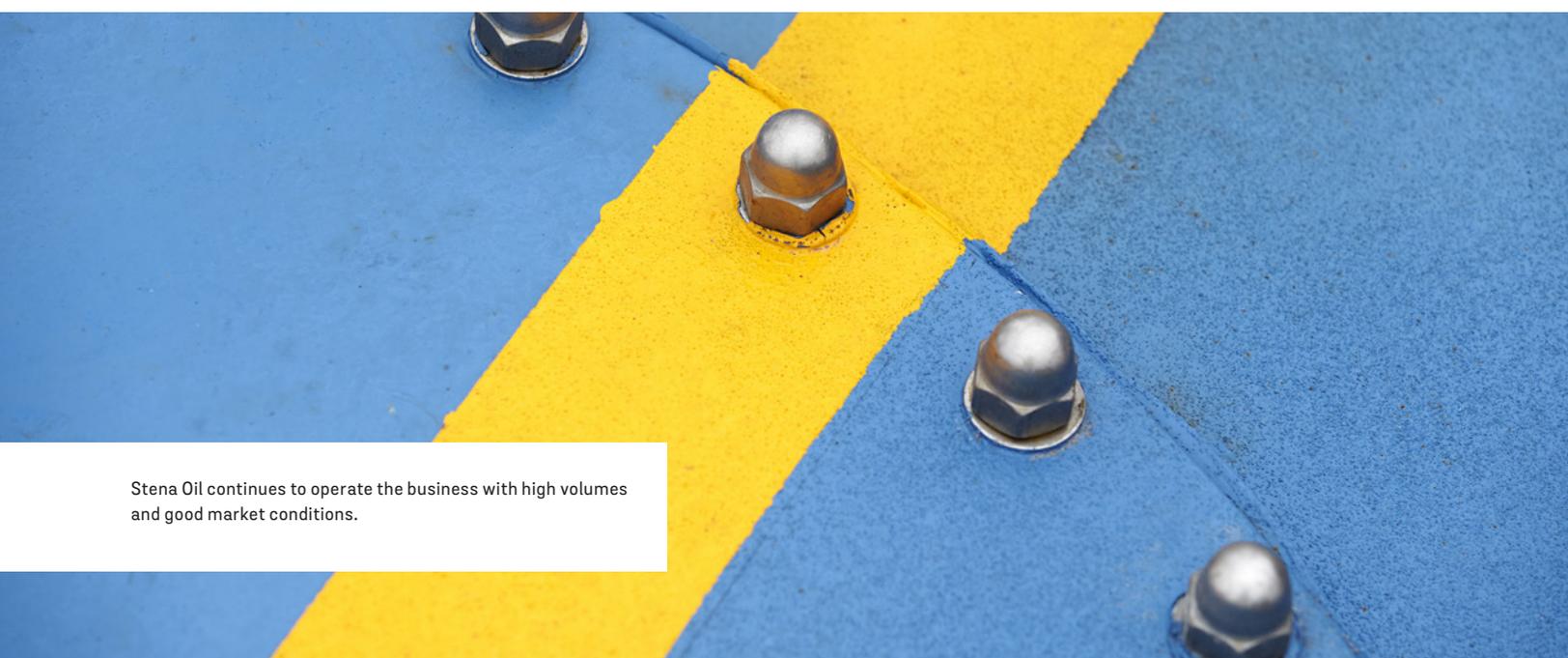
COMMENTS AFTER THE SECOND QUARTER

- The first six months of the fiscal year 2020/2021 have been very good and are the strongest start to a fiscal year so far.
- The EBITDA YTD ended at SEK 1,207 million (SEK 823 million) and EBT at SEK 693 million (SEK 325 million).
- Business area Recycling deliver a strong result driven by improved margins and strong demand for services in all product areas.
- A new 5600-dwt bunker tanker, M/T Vingaren, is successfully delivered and ready for operating activities in the Scandinavian market.
- A firm start of the year for business area Finance.

| KEY RATIOS | Second quarter 2020/2021 | Second quarter 2019/2020 | First six months 2020/2021 | First six months 2019/2020 | Full year 2019/2020 |
|-----------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|------------------------|
| Net sales | 6,554 | 6,527 | 12,725 | 13,194 | 23,658 |
| EBITDA | 618 | 383 | 1,207 | 823 | 1,561 |
| EBITDA margin | 9.4% | 5.9% | 9.5% | 6.2% | 6.6% |
| Operating profit | 397 | 170 | 766 | 395 | 698 |
| Equity/assets ratio | 44.6% | 44.1% | 44.6% | 44.1% | 43.0% |
| Net debt | 217 | 1,351 | 217 | 1,351 | 343 |
| Cash flow after investments | -58 | 91 | 90 | 95 | 962 |
| Average number of employees | | | 3,456 | 3,588 | 3,506 |

The key ratios are defined on page 8.

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



Stena Oil continues to operate the business with high volumes and good market conditions.

CHIEF EXECUTIVE OFFICER'S COMMENT

The first six months of the fiscal year 20/21 have been very good for the Stena Metall Group and are the strongest start to a fiscal year so far.

On the back of strong but increasingly volatile raw materials markets, we continue to see the positive effects of our close cooperation with an increasing number of clients and partners which resulted in good business volumes during the period.

As mentioned in previous reports, we remain focused on stimulating our general business acumen and as markets have improved, we have been able to “step up” and make the best out of a much more positive environment. We continuously invest into and improve our production platforms, it is very rewarding to see the returns from these investments.

Raw material markets are still very strong but increasingly volatile, especially ferrous and oil. There is a very strong global demand for recycled materials, though, keeping prices high for most products.

As we operate in a business environment largely dominated by Covid-19 where many countries (Poland, Italy,

Norway etc) and regions are shutting down, there are again reasons to fear future disruptions to our businesses in these places. However, I am still very impressed by the energy and creativity throughout the entire organization.

The Stena Metall Group EBITDA for the second quarter ended at SEK 1,207 million vs. SEK 823 million last year and EBT at SEK 693 million vs. SEK 325 million last year.



Göteborg, April 2021

Anders Jansson

BUSINESS AREA COMMENTS

Recycling

Stena Recycling is reporting another strong quarter and ended the first six months with an EBITDA of SEK 886 million (SEK 625 million). This is the strongest result ever for Q2 as well as Q1. The result is driven by improved margins as a result of a strong underlying market and strong demand for Stena Recycling's services. During the first part of Q2 prices increased for most raw materials apart from a decline in ferrous prices during February. Outbound market has been solid for basically all materials, with some constrains/price increases in export with containers and bulk transports. All product areas are performing well.

During the quarter Pirkanmaan Uusiometalli Oy was acquired, which will further strengthen our position within ferrous in Finland.

Aluminium

The market has experienced a positive recovery during the fiscal year. The first six months ended with an EBITDA of SEK 25 million (SEK 6 million). Driven by the high demand of aluminium alloys, Stena Aluminium managed to deliver a strong gross profit as a result of a strong market with both price increases on alloys but also price increases on raw material. Productivity continues to improve and market conditions are better than last year. Stena Aluminium launched the circular aluminium story “Close your aluminium circle. Made of 100% recycled raw material” as part of the strategy towards being the premium supplier of circular aluminium alloys in Northern Europe.

BUSINESS AREA COMMENTS, CONT.

Oil

Stena Oil continues to operate the business with high volumes and good market conditions. A new 5600-dwt bunker tanker has been successfully delivered and is ready for operating activities in the Scandinavian market. Stena Oil ended the first six months with an EBITDA of SEK 65 million (SEK 104 million).

Steel

Stena Stål ended the first six months with an EBITDA of SEK 60 million (SEK 14 million). The market has experienced increasing prices during this fiscal year, and since November steel prices have moved up between 20 and 30%. Stena Stål have transferred this to the market and are gaining good profit on stock sales. The market for the building sector is still fairly good, and the industrial sector is gradually improving. The turnover is lower than last year due to a strategic decision to exit from Steel service center.

Components

Stena Components ended the first six months with an EBITDA of SEK 0 million (SEK -3 million). Focus on restructuring the business is ongoing, and productivity is gradually improving with margins better than last year. The activity level on the market has improved with increasing order income during the last quarter.

Finance

Additional fiscal stimulus in the US, coupled with political agreement reached in the Brexit negotiations and a start of Covid-19 vaccination program brightened sentiment in the second quarter. Monetary stimulus also continued to support the economic recovery. In the second half of February, volatility spiked in the fixed income markets. Concerns that stronger growth prospects would lead to rising inflation caused a heavy sell-off in the US 10Y-bond, despite dovish guidance from the Federal reserve. Consensus believes in a strong economic rebound in 2021-2022. Vaccine production ramp up, strong consumer demand due to high savings rates and additional fiscal expansion are the main factors behind this optimism. EBITDA was YTD SEK 144 million (SEK 57 million).

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

EBITDA

| SEK million | Second quarter 2020/2021 | Second quarter 2019/2020 | First six months 2020/2021 | First six months 2019/2020 | Full year 2019/2020 |
|--------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|------------------------|
| Recycling | 420 | 287 | 886 | 625 | 1,305 |
| Aluminium | 16 | 5 | 25 | 6 | -10 |
| Oil | 36 | 54 | 65 | 104 | 196 |
| Steel | 39 | 6 | 60 | 14 | 16 |
| Components | -1 | -4 | 0 | -3 | -1 |
| Finance | 84 | 23 | 144 | 57 | 48 |
| Other | 24 | 12 | 27 | 20 | 7 |
| TOTAL | 618 | 383 | 1,207 | 823 | 1,561 |

INCOME STATEMENT

| SEK million | Second quarter 2020/2021 | Second quarter 2019/2020 | First six months 2020/2021 | First six months 2019/2020 | Full year 2019/2020 |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|------------------------|
| Net sales | 6,554 | 6,527 | 12,725 | 13,194 | 23,658 |
| Cost of goods sold | -5,900 | -6,005 | -11,441 | -12,154 | -21,677 |
| GROSS PROFIT | 654 | 522 | 1,284 | 1,040 | 1,981 |
| Sales expenses | -96 | -99 | -194 | -200 | -397 |
| Administrative expenses | -282 | -276 | -547 | -540 | -1,053 |
| Other operating income & expenses | 121 | 23 | 223 | 95 | 167 |
| OPERATING PROFIT | 397 | 170 | 766 | 395 | 698 |
| Income from investments in associated companies | - | - | - | - | 4 |
| Interest net | -30 | -38 | -72 | -80 | -154 |
| Other financial income & expenses | 2 | -6 | -1 | 10 | 11 |
| PROFIT BEFORE TAX | 369 | 126 | 693 | 325 | 559 |
| Taxes | - | - | - | - | -110 |
| PROFIT FOR THE PERIOD | 369 | 126 | 693 | 325 | 449 |
| Other comprehensive income | -4 | -4 | -31 | -8 | -38 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 365 | 122 | 662 | 317 | 411 |
| Total comprehensive income for the period is attributable to: | | | | | |
| Parent Company's shareholders | 365 | 122 | 662 | 317 | 411 |
| Non-controlling interests | - | - | - | - | - |
| Total comprehensive income | 365 | 122 | 662 | 317 | 411 |

Stena Recycling is reporting the strongest result ever for Q2 as well as Q1, driven by improved margins as a result of a strong underlying market and strong demand for Stena Recycling's services.



BALANCE SHEET

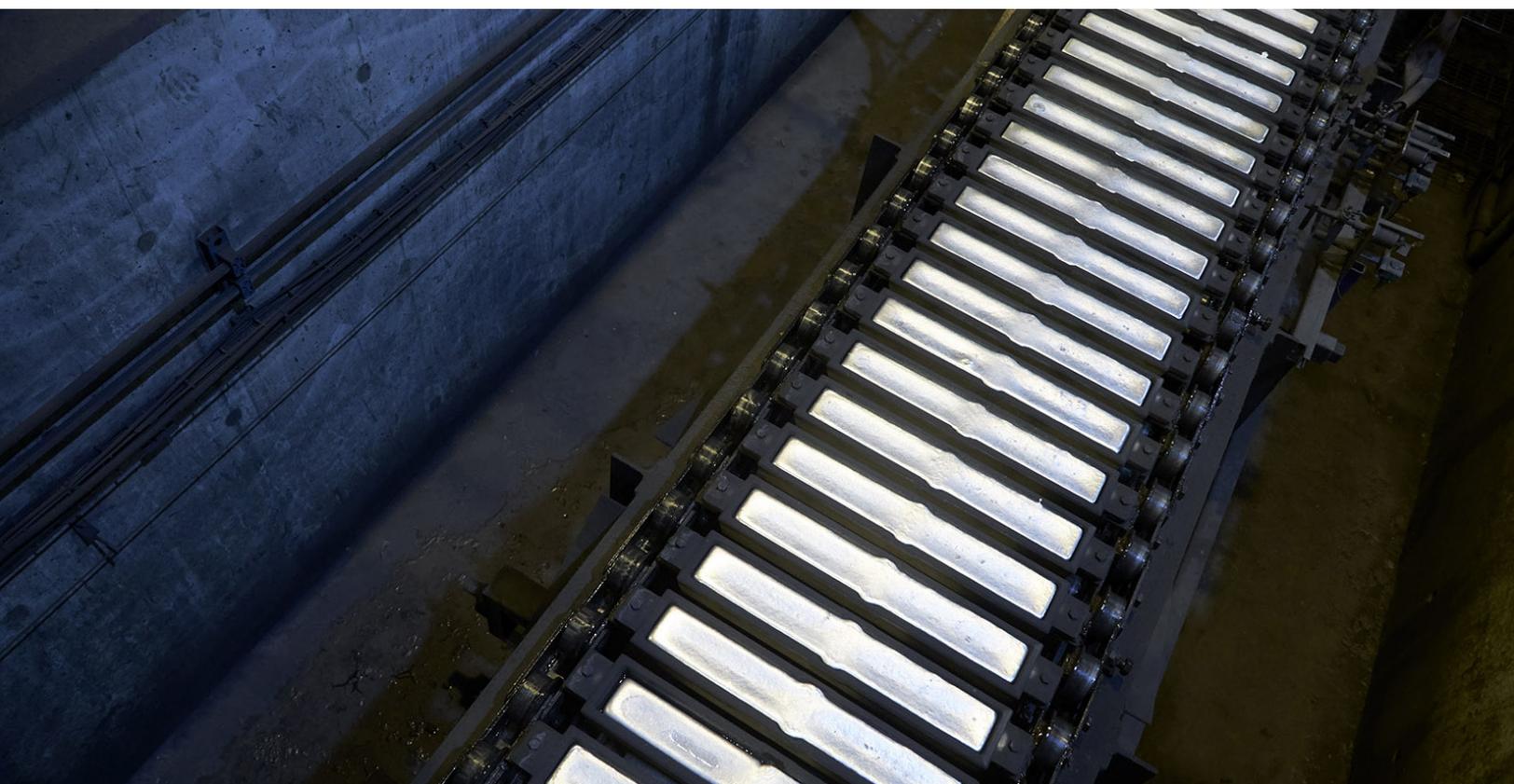
| SEK million | 2021-02-28 | 2020-02-29 | 2020-08-31 |
|---|---------------|---------------|---------------|
| ASSETS | | | |
| Fixed assets | | | |
| Intangible fixed assets | 919 | 941 | 927 |
| Tangible fixed assets | 5,530 | 5,698 | 5,513 |
| Financial fixed assets | 1,474 | 1,277 | 1,315 |
| TOTAL FIXED ASSETS | 7,923 | 7,916 | 7,755 |
| Current assets | | | |
| Inventories | 1,544 | 1,552 | 1,290 |
| Short-term receivables | | | |
| Accounts receivable | 2,913 | 2,705 | 2,103 |
| Other receivables | 1,142 | 1,086 | 939 |
| TOTAL SHORT-TERM RECEIVABLES | 4,055 | 3,791 | 3,042 |
| Short-term securities | 1,446 | 1,196 | 1,201 |
| Cash and cash equivalents | 1,582 | 821 | 2,578 |
| TOTAL CURRENT ASSETS | 8,627 | 7,360 | 8,111 |
| TOTAL ASSETS | 16,550 | 15,276 | 15,866 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' EQUITY | 7,377 | 6,732 | 6,825 |
| Long-term liabilities | | | |
| Provisions | 993 | 953 | 985 |
| Interest-bearing long-term liabilities | 4,099 | 3,033 | 4,029 |
| Other long-term liabilities | 7 | 3 | 2 |
| TOTAL LONG-TERM LIABILITIES | 5,099 | 3,989 | 5,016 |
| Current liabilities | | | |
| Interest-bearing short-term liabilities | 264 | 1,272 | 1,144 |
| Accounts payable | 1,773 | 1,621 | 1,297 |
| Other liabilities | 2,037 | 1,662 | 1,584 |
| TOTAL CURRENT LIABILITIES | 4,074 | 4,555 | 4,025 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 16,550 | 15,276 | 15,866 |

STATEMENT OF CASH FLOWS

| SEK million | Second quarter 2020/2021 | Second quarter 2019/2020 | First six months 2020/2021 | First six months 2019/2020 | Full year 2019/2020 |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|------------------------|
| Operating activities | | | | | |
| Profit before tax | 369 | 126 | 693 | 325 | 559 |
| Reversal of amortization/depreciation fixed assets | 221 | 213 | 441 | 428 | 863 |
| Adjustments for other non-cash items | 9 | 13 | 38 | 32 | 112 |
| Taxes paid | 19 | -14 | 9 | -26 | -45 |
| Changes in working capital | -200 | -210 | -298 | -132 | 483 |
| CASH FLOW FROM OPERATING ACTIVITIES | 418 | 128 | 883 | 627 | 1,972 |
| Investing activities | | | | | |
| Acquisition and sale of subsidiaries | -55 | -12 | -55 | 4 | 4 |
| Acquisition of tangible fixed assets | -221 | -97 | -307 | -198 | -523 |
| Acquisition securities, net | -177 | 95 | -316 | -326 | -446 |
| Other changes from investing activities | -23 | -23 | -115 | -12 | -45 |
| CASH FLOW FROM INVESTING ACTIVITIES | -476 | -37 | -793 | -532 | -1,010 |
| CASH FLOW AFTER INVESTMENTS | -58 | 91 | 90 | 95 | 962 |
| Financing activities | | | | | |
| Changes in loans from credit institutions | -40 | -43 | -965 | -510 | 385 |
| Share dividend | -110 | -110 | -110 | -110 | -110 |
| CASH FLOW FROM FINANCING ACTIVITIES | -150 | -153 | -1,075 | -620 | 275 |
| CASH FLOW FOR THE PERIOD | -208 | -62 | -985 | -525 | 1,237 |
| Cash and cash equivalents beginning of period | 1,795 | 882 | 2,578 | 1,347 | 1,347 |
| Translation difference in cash and cash equivalents | -5 | 1 | -11 | -1 | -6 |
| CASH AND CASH EQUIVALENTS END OF PERIOD | 1,582 | 821 | 1,582 | 821 | 2,578 |

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 |



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Stena Aluminium managed to deliver a strong gross profit as a result of a strong market with both price increases on alloys but also price increases on raw material.

