

STENA METALL GROUP



COMMENTS AFTER THE THIRD QUARTER

- The EBITDA YTD ended at SEK 3,243 million (SEK 2,139 million) and EBT at SEK 2,369 million (SEK 1,369 million).
- The first nine months of the fiscal year 2021/2022 have been very good in all business areas.
- Business area Recycling delivers a strong result driven by improved margins and a strong demand for services in all product areas.
- The German cools business of Stena Recycling GmbH was divested. There was no significant impact on the Group's account.
- Stena Metall Finans issued a dark green bond. The amount was SEK 1 billion with a maturity of five years.

KEY RATIOS	Third quarter 2021/2022	Third quarter 2020/2021	First nine months 2021/2022	First nine months 2020/2021	Full year 2020/2021
Net sales	13,133	8,260	32,446	20,985	28,191
EBITDA	1,298	932	3,243	2,139	3,062
EBITDA margin	9.9%	11.3%	10.0%	10.2%	10.9%
Operating profit	1,041	699	2,459	1,465	2,129
Equity/assets ratio	42.7%	45.9%	42.7%	45.9%	44.3%
Net debt	559	-131	559	-131	974
Cash flow after investments	6	278	501	368	-1 024
Average number of employees			3,763	3,475	3,562

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 third quarter of the fiscal year continued in a positive manner. The Group delivers the strongest result ever for the first nine months and it is very satisfying to see that all companies within the Group are contributing to the performance.

In the beginning of the third quarter we experienced continued price increases for raw materials which was accelerated by the war in Ukraine. Towards the end of the quarter, the upwards trend in price development has reversed and prices have started to decline. The war, increasing inflation and interest rates rising, create uncertainty in the global economy. I am proud that we have been able to keep our focus and progress throughout the period.

During the third quarter Stena Metall Finans issued a new dark green bond amounting to SEK 1 billion and we are pleased by the great interest the investors showed in the Group's business.

The overall business acumen has remained strong, but now going into harsher times it is very important to maintain the same power and energy in the organization

going forward. Similar to how we handled the major uncertainties we faced during the pandemic, I believe that the key lies in continuing to stimulate our delegated business acumen and staying close to our customers, suppliers and other business partners.

The Stena Metall Group EBITDA for the first nine months ended at SEK 3,243 million (SEK 2,139 million) and EBT at SEK 2,369 million (SEK 1,369 million).



Gothenburg, July 2022

Anders Jansson

BUSINESS AREA COMMENTS

Recycling

The third quarter was characterized by one of the more turbulent market situations in recent years. After Russia's invasion of Ukraine the immediate effect on most commodities was substantially higher prices. The high prices remained for about a month and then started to decline towards the end of the quarter. The general market sentiment was also changed during the quarter due to lockdowns in China, higher inflation and risk of recession. Stena Recycling has handled the turbulent market situation well and the third quarter became the most successful quarter in the history of the company, mainly driven by stable volumes and gross margin improvements.

Following the end of the quarter, Business Area Recycling has signed an agreement to acquire 100% of the shares in Encore Ympäristöpalvelut Oy with operations in Finland. The acquisition is subject of approval by the competition authority.

Stena Recycling ended the third quarter with an accumulated EBITDA of SEK 2,090 million (SEK 1,510 million). All main markets and product areas are contributing to the result with improvements compared to last year.

BUSINESS AREA COMMENTS, CONT.

Aluminium

The interest for secondary Aluminium continues to accelerate as a way to reduce virgin materials as part of customers' sustainability agendas. Market movements seen during the first two quarters continued upwards in the beginning of the third quarter, followed by decreasing prices. After the price peak in March, prices have decreased by approximately 20% during the third quarter. Stena Aluminium has managed market conditions well and perform at all-time high levels.

Stena Aluminium ended the third quarter with an accumulated EBITDA of SEK 99 million (SEK 59 million).

Oil

Prices on oil products have increased dramatically during the year with an extreme intraday volatility. Since the invasion of Ukraine started, markets are very unstable. Russian crude, oil products and feedstock are off the market since early March. Stena Oil does not trade in Russian oil and do not bunker vessels to or from Russia. Stena Oil continues to operate the business with high volumes and margins at all-time high levels.

Stena Oil ended the second quarter with an accumulated EBITDA of SEK 284 million (SEK 86 million).

Steel

Even though the higher prices on the market have given margins a push upwards, the challenge to handle rapid price movements on raw material is still very much valid. Due to the war in Ukraine, uncertainty and unstablity has created a shortage situation on some products, especially stainless steel and special steel.

The acquisition of Abrahamssons Järn, made in the second quarter, is a good contribution to Stena Stål's strategic plan moving forward.

Stena Stål ended the second quarter with an accumulated EBITDA of SEK 321 million (SEK 130 million).

Finance

Production bottlenecks, the Russia-Ukraine war, and an increased numbers of Covid-19 cases in China disturbed financial markets during the quarter. Inflation forecasts were revised upwards and interest rates rose in almost every major economy. The headwinds to growth intensified and a stagflation scenario was perceived as more likely than a soft landing. Most equity markets declined and the US 10Y rose by more than 100 bps. Stena Metall Finans ended the first nine months with an EBITDA of SEK 224 million (SEK 302 million).

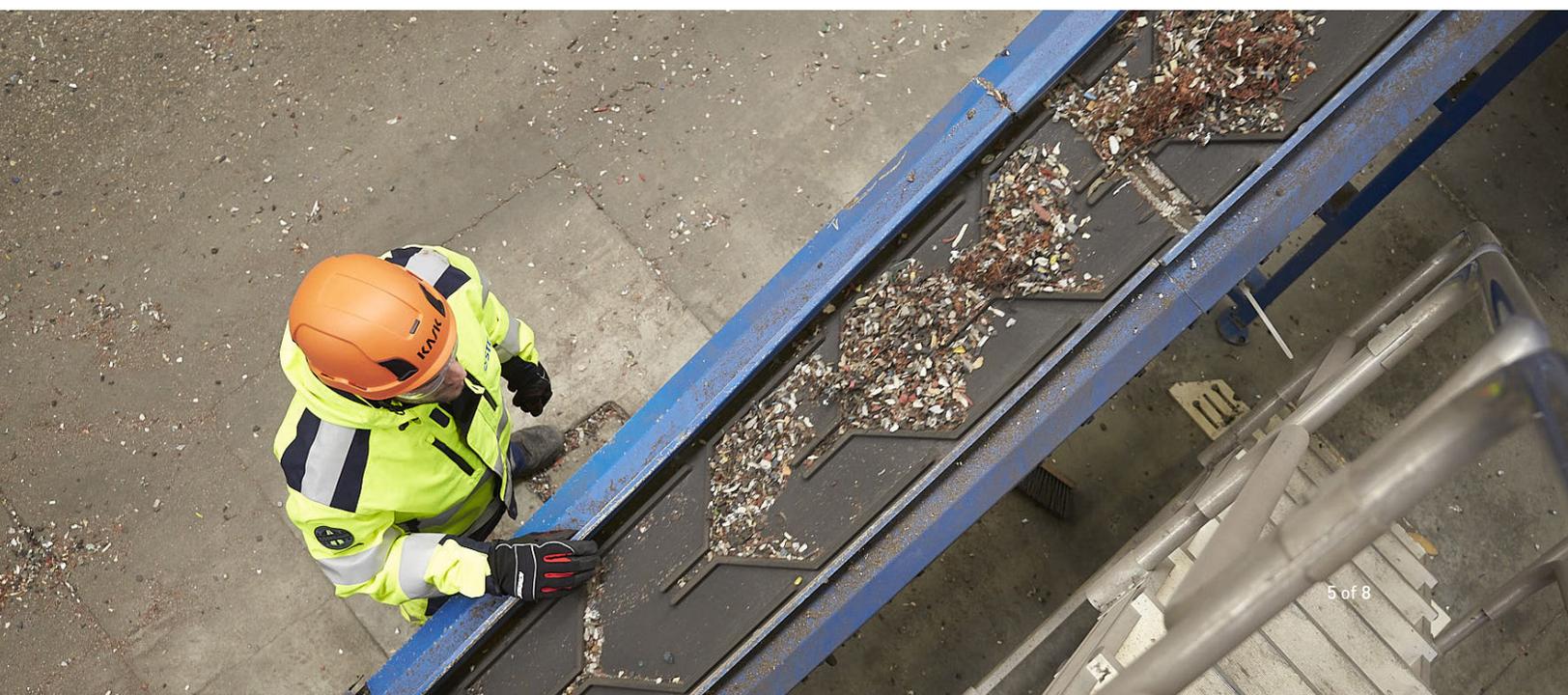
Note: Figures in parentheses refer to the same period the previous year.

EBITDA

SEK million	Third quarter 2021/2022	Third quarter 2020/2021	First nine months 2021/2022	First nine months 2020/2021	Full year 2020/2021
Recycling	809	624	2,090	1,510	2,052
Aluminium	42	34	99	59	63
Oil	180	21	284	86	126
Steel	185	70	321	130	193
Finance	79	158	224	302	582
Other	3	25	225	52	46
TOTAL	1,298	932	3,243	2,139	3,062

INCOME STATEMENT

SEK million	Third quarter 2021/2022	Third quarter 2020/2021	First nine months 2021/2022	First nine months 2020/2021	Full year 2020/2021
Net sales	13,133	8,260	32,446	20,985	28,191
Cost of goods sold	-11,680	-7,355	-29,171	-18,796	-25,288
GROSS PROFIT	1,453	905	3,275	2,189	2,903
Sales expenses	-160	-109	-403	-303	-419
Administrative expenses	-365	-323	-1,031	-870	-1,148
Other operating income & expenses	113	226	618	449	793
OPERATING PROFIT	1,041	699	2,459	1,465	2,129
Income from investments in associated companies	-	-	-	-	5
Interest net	-38	-31	-103	-103	-140
Other financial income & expenses	-2	8	13	7	-47
PROFIT BEFORE TAX	1,001	676	2,369	1,369	1,947
Taxes	-156	-	-359	-	-294
PROFIT FOR THE PERIOD	845	676	2,010	1,369	1,653
Other comprehensive income	25	6	93	-25	-18
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	870	682	2,103	1,344	1,635
Total comprehensive income for the period is attributable to:					
Parent Company's shareholders	870	682	2,103	1,344	1,635
Non-controlling interests	-	-	-	-	-
Total comprehensive income	870	682	2,103	1,344	1,635



BALANCE SHEET

SEK million	2022-05-31	2021-05-31	2021-08-31
ASSETS			
Fixed assets			
Intangible fixed assets	1,165	999	1,014
Tangible fixed assets	6,936	5,832	7,190
Financial fixed assets	2,121	1,472	1,943
TOTAL FIXED ASSETS	10,222	8,303	10,147
Current assets			
Inventories	2,769	1,655	1,986
Short-term receivables			
Accounts receivable	4,903	3,148	3,014
Other receivables	1,849	1,157	1,072
TOTAL SHORT-TERM RECEIVABLES	6,752	4,305	4,086
Short-term securities	1,736	1,495	1,476
Cash and cash equivalents	1,932	1,793	1,140
TOTAL CURRENT ASSETS	13,189	9,248	8,688
TOTAL ASSETS	23,411	17,551	18,835
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	10,003	8,059	8,349
Long-term liabilities			
Provisions	1,072	1,004	1,146
Interest-bearing long-term liabilities	5,408	3,368	4,203
Other long-term liabilities	11	7	7
TOTAL LONG-TERM LIABILITIES	6,491	4,379	5,356
Current liabilities			
Interest-bearing short-term liabilities	639	1,064	1,037
Accounts payable	2,928	1,882	2,040
Other liabilities	3,350	2,167	2,053
TOTAL CURRENT LIABILITIES	6,917	5,113	5,130
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	23,411	17,551	18,835

STATEMENT OF CASH FLOWS

SEK million	Third quarter 2021/2022	Third quarter 2020/2021	First nine months 2021/2022	First nine months 2020/2021	Full year 2020/2021
Operating activities					
Profit before tax	1,001	676	2,369	1,369	1,947
Reversal of amortization/depreciation fixed assets	257	233	784	674	933
Adjustments for other non-cash items	-44	-78	-330	-40	-90
Taxes paid	-25	-8	-130	1	-69
Changes in working capital	-946	-171	-1,479	-469	-577
CASH FLOW FROM OPERATING ACTIVITIES	243	652	1,214	1,535	2,144
Investing activities					
Acquisition and sale of subsidiaries and assets	-34	-131	289	-186	-191
Acquisition of tangible fixed assets	-316	-182	-657	-489	-2,102
Acquisition securities, net	146	-159	-271	-475	-662
Other changes from investing activities	-33	98	-74	-17	-213
CASH FLOW FROM INVESTING ACTIVITIES	-237	-374	-713	-1,167	-3,168
CASH FLOW AFTER INVESTMENTS	6	278	501	368	-1,024
Financing activities					
Changes in loans from credit institutions	912	-79	733	-1,044	-304
Share dividend	0	0	-450	-110	-110
CASH FLOW FROM FINANCING ACTIVITIES	912	-79	283	-1,154	-414
CASH FLOW FOR THE PERIOD	918	199	784	-786	-1,438
Cash and cash equivalents beginning of period	1,012	1,582	1,140	2,578	2,578
Translation difference in cash and cash equivalents	2	12	8	1	0
CASH AND CASH EQUIVALENTS END OF PERIOD	1,932	1,793	1,932	1,793	1,140

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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