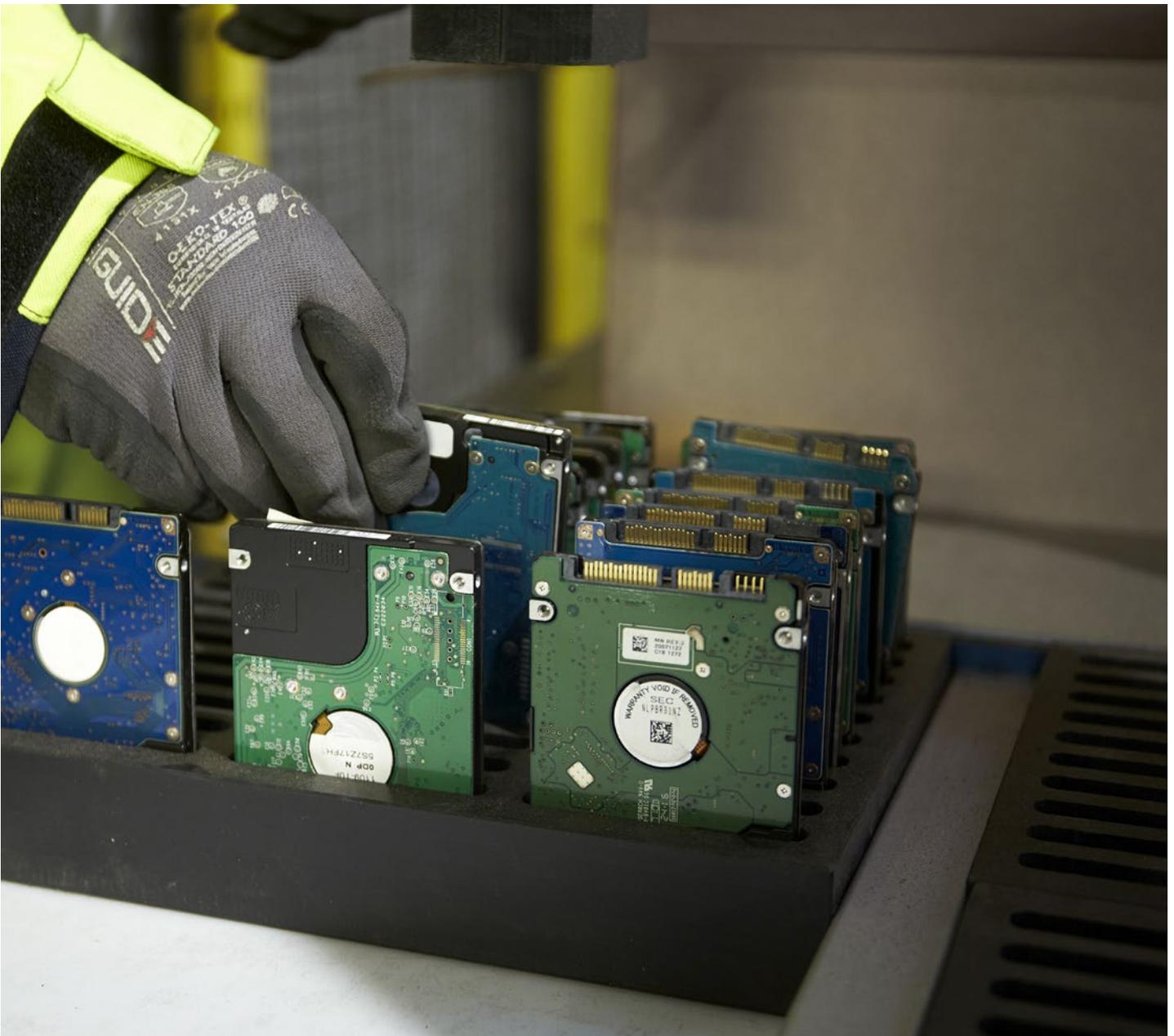


# STENA METALL GROUP



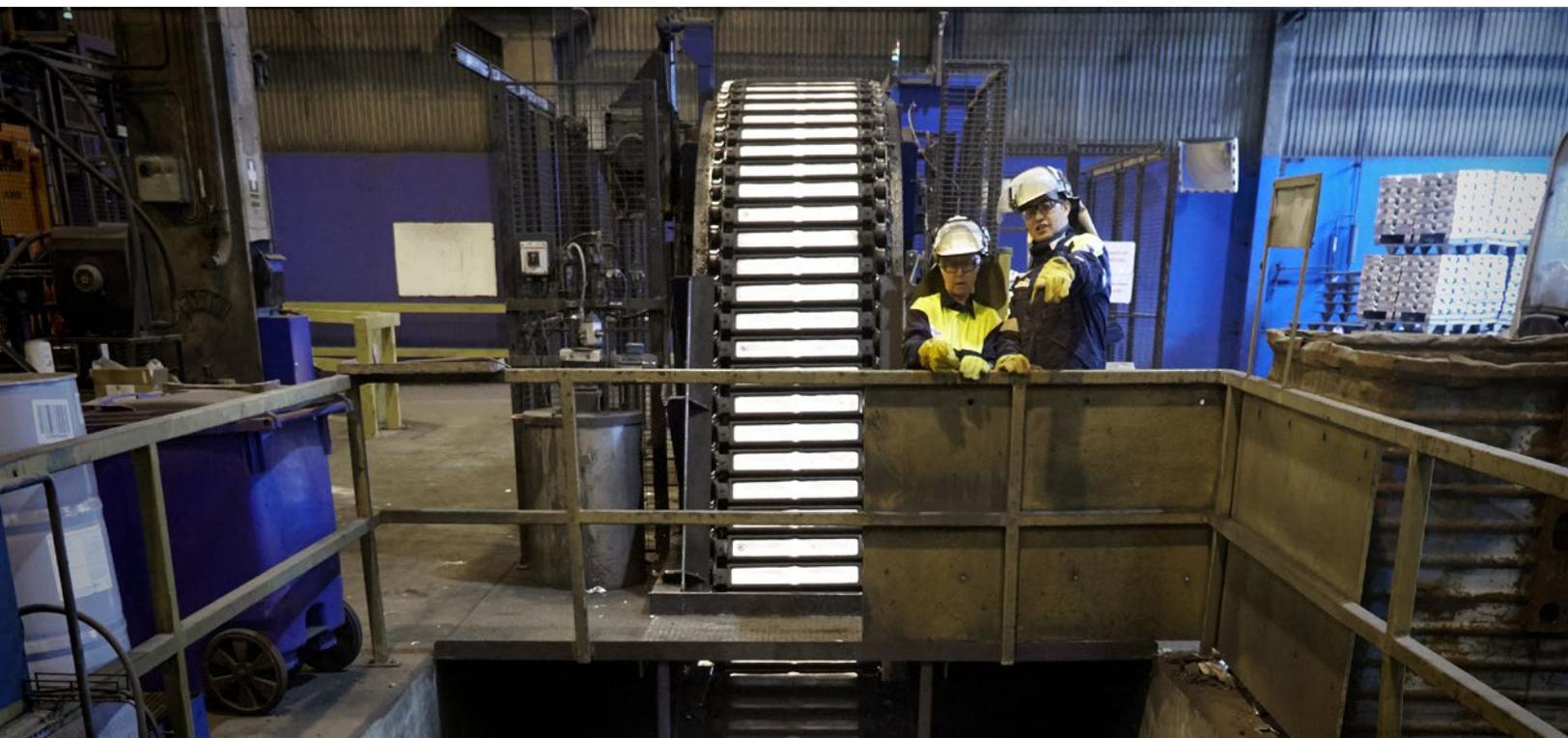
# COMMENTS AFTER THE SECOND QUARTER

- Stena Metall Group reported an EBITDA of SEK 1,438 million (SEK 1,945 million) and an EBT of SEK 759 million (SEK 1,368 million).
- Business areas Aluminium and Oil delivered improved results compared to the same period last year.
- Business area Recycling retained its business volumes and the result for the first six months was strong, despite cost pressure due to inflation.
- After the end of Q2, the new battery recycling facility in Halmstad, Sweden was inaugurated, strengthening the Group's position as the leading recycling partner within electrification.

KEY RATIOS	Second quarter 2022/2023	Second quarter 2021/2022	First six months 2022/2023	First six months 2021/2022	Full year 2021/2022
Net sales	10,734	9,743	23,170	19,313	43,509
EBITDA	635	952	1,438	1,945	3,644
EBITDA margin	5.9%	9.8%	6.2%	10.1%	8.4%
Operating profit	347	702	879	1,418	2,597
Equity/assets ratio	44.6%	43.7%	44.6%	43.7%	45.1%
Net debt	1,382	582	1,382	582	610
Cash flow after investments	562	499	-257	495	472
Average number of employees			4,279	3,719	3,842

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 outcome of the second quarter shows a continued strong result, below the record high performance the same period last year, but still on historically high levels. Gross margins are stable despite an upwards cost pressure and outlooks of somewhat weaker demand in the construction industry.

Prices for raw materials have decreased during the quarter. With stable volumes and prices still historically high, the need to maintain financial discipline is key. The topics of inflation and hawkish rhetorics from central banks are still present and the main goal for all central banks is to fight the inflation signals.

The Group's proven business model, with delegated business acumen and decision making close to the customers, continues to serve us well. We are proud of the ability to work together with our customers and finding new businesses in the fast-moving environment.

The Stena Metall Group EBITDA for the first six months ended at SEK 1,438 million (SEK 1,945 million) and EBT at SEK 759 million (SEK 1,368 million).



Gothenburg, April 2023

Kristofer Sundsgård

## BUSINESS AREA COMMENTS

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### Recycling

Stena Recycling ended the second quarter with an accumulated EBITDA of SEK 1,086 million (SEK 1,281 million). Although the main markets were characterized by continuous uncertainty and price volatility, the volumes remained stable. Stena Recycling also maintained a strong gross margin, and hence gross profit. Costs have continued to be challenging with general inflation, and especially energy prices increased compared to the second quarter last year.

When the markets are challenging and volatile, Stena Recycling's proven operating business model with delegated business acumen and decisions close to the customers helps the business to adapt quickly. One highlight in the second quarter was the completion of the battery recycling facility in Halmstad, Sweden. The facility was officially inaugurated in March and this is the company's first industrial battery recycling facility for lithium-ion batteries, an investment of a quarter of

a billion SEK. Integration of the newly acquired Finnish company Encore Environmental Service (Encore Ympäristöpalvelut Oy) continued during the quarter. The customer offering develops, and Stena Recycling remains attractive on the market. During the quarter, new partnerships were established with several new strategic customers.

### Aluminium

Despite a challenging market situation, where there has been uncertainty in which direction the market will develop, demand from customers in both Sweden and foreign markets remains at good levels. During the second quarter, the sourcing of raw material has been more challenging, both in terms of availability and cost increase. Stena Aluminium has also carried out a reorganization in production which resulted in a productivity increase of 5% in Q2 compared to last year.

## BUSINESS AREA COMMENTS, CONT.

A project between Stena Aluminium and Polestar started in February, after the parties signed a Research Project Agreement for Polestar Zero – a climate neutral manufactured car by 2030.

Stena Aluminium ended the second quarter with an accumulated EBITDA of SEK 63 million (SEK 57 million).

### Oil

The Scandinavian market is still very competitive and over supplied, but Stena Oil continues to operate the business with high volumes in volatile market conditions. Margins are at lower levels than seen during the last year. Even though volumes continue at historically high levels operations are handled with the same setup as previous year. The future terminal setup in Fredrikshavn, Denmark, is ongoing according to a revised plan and a project to decommission the Dalanäs terminal is currently in progress to achieve the wanted operational setup.

Together with shipping partner OljOla Shipping, a bunker tanker designed to meet future marine fuel requirements for reducing carbon emissions in the shipping industry is currently being built. The new vessel will support Stena Oil's transition into offering lower carbon liquid fuels, and expands its current fleet with a tanker capable of bunkering methanol and biofuels.

Stena Oil ended the second quarter with an accumulated EBITDA of SEK 162 million (SEK 104 million).

### Steel

The demand for steel and the prices decreased during the first quarter and continued to drop during Q2. The situation is the same for Sweden and the rest of Europe. The manufacturing industry maintains its production rate. For construction, things look weaker with reduced willingness to invest due to the increased interest rate. Stena Stål's focus to improve delivery performance continued during the quarter and contributed to the overall result.

Stena Stål ended the second quarter with an accumulated EBITDA of SEK 61 million (SEK 136 million).

### Finance

With tight labor markets and solid macro indicators, inflation remained the main topic in this quarter. Central banks seemed even more committed to restoring price stability, communicating hawkish messages, both in terms of interest rate levels and liquidity reductions. Fixed income markets fluctuated heavily, while equity markets more focused on a potential US economy soft landing.

The European economy enjoyed an unusually mild winter, reducing the demand and price on gas, which gave some comfort to the strained European consumers.

Stena Metall Finans ended the second quarter with an EBITDA of SEK 21 million (SEK 145 million).

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

## EBITDA

SEK million	Second quarter 2022/2023	Second quarter 2021/2022	First six months 2022/2023	First six months 2021/2022	Full year 2021/2022
Recycling	482	598	1,086	1,281	2,362
Aluminium	22	28	63	57	97
Oil	63	58	162	104	357
Steel	8	49	61	136	300
Finance	37	39	21	145	154
Other	23	180	45	222	374
<b>TOTAL</b>	<b>635</b>	<b>952</b>	<b>1,438</b>	<b>1,945</b>	<b>3,644</b>

# INCOME STATEMENT

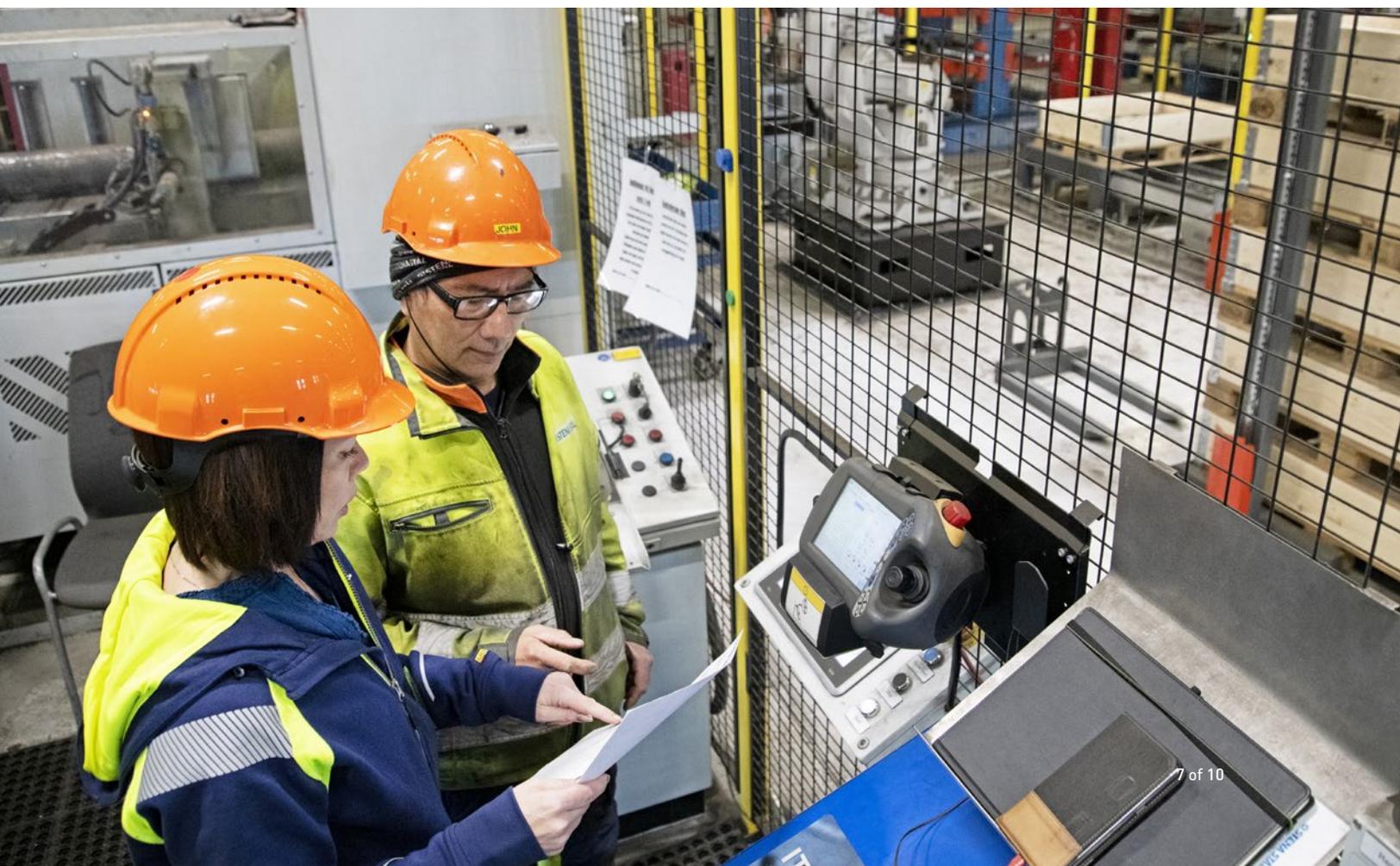
SEK million	Second quarter 2022/2023	Second quarter 2021/2022	First six months 2022/2023	First six months 2021/2022	Full year 2021/2022
Net sales	10,734	9,743	23,170	19,313	43,509
Cost of goods sold	-9,931	-8,870	-21,335	-17,491	-39,603
<b>GROSS PROFIT</b>	<b>803</b>	<b>873</b>	<b>1,835</b>	<b>1,822</b>	<b>3,906</b>
Sales expenses	-157	-116	-326	-243	-544
Administrative expenses	-395	-346	-773	-666	-1,344
Other operating income & expenses	96	291	143	505	579
<b>OPERATING PROFIT</b>	<b>347</b>	<b>702</b>	<b>879</b>	<b>1,418</b>	<b>2,597</b>
Income from investments in associated companies	-	-	-	-	2
Interest net	-65	-37	-117	-65	-144
Other financial income & expenses	1	13	-3	15	15
<b>PROFIT BEFORE TAX</b>	<b>283</b>	<b>678</b>	<b>759</b>	<b>1,368</b>	<b>2,470</b>
Taxes	-81	-87	-177	-203	-425
<b>PROFIT FOR THE PERIOD</b>	<b>202</b>	<b>591</b>	<b>582</b>	<b>1,165</b>	<b>2,045</b>
Other comprehensive income	-28	58	-10	68	139
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>174</b>	<b>649</b>	<b>572</b>	<b>1,233</b>	<b>2,184</b>
Total comprehensive income for the period is attributable to:					
Parent Company's shareholders	174	649	572	1,233	2,184
Non-controlling interests	-	-	-	-	-
Total comprehensive income	174	649	572	1,233	2,184

# BALANCE SHEET

SEK million	2023-02-28	2022-02-28	2022-08-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible fixed assets	1,415	1,136	1,180
Tangible fixed assets	7,844	6,929	7,383
Financial fixed assets	2,227	2,108	2,195
<b>TOTAL FIXED ASSETS</b>	<b>11,486</b>	<b>10,173</b>	<b>10,758</b>
<b>Current assets</b>			
<b>Inventories</b>	2,705	2,560	2,976
<b>Short-term receivables</b>			
Accounts receivable	4,068	3,868	3,918
Other receivables	2,022	1,573	1,414
<b>TOTAL SHORT-TERM RECEIVABLES</b>	<b>6,090</b>	<b>5,441</b>	<b>5,332</b>
<b>Short-term securities</b>	1,890	1,723	1,696
Cash and cash equivalents	688	1,012	1,579
<b>TOTAL CURRENT ASSETS</b>	<b>11,373</b>	<b>10,736</b>	<b>11,583</b>
<b>TOTAL ASSETS</b>	<b>22,859</b>	<b>20,909</b>	<b>22,341</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>	<b>10,205</b>	<b>9,133</b>	<b>10,084</b>
<b>Long-term liabilities</b>			
Provisions	1,129	1,080	1,116
Interest-bearing long-term liabilities	4,532	3,898	4,521
Other long-term liabilities	10	10	10
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>5,671</b>	<b>4,988</b>	<b>5,647</b>
<b>Current liabilities</b>			
Interest-bearing short-term liabilities	1,321	1,232	1,256
Accounts payable	2,584	2,741	2,525
Other liabilities	3,078	2,815	2,829
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,983</b>	<b>6,788</b>	<b>6,610</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>22,859</b>	<b>20,909</b>	<b>22,341</b>

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SEK million	First six months 2022/2023	First six months 2021/2022	Full year 2021/2022
Opening balance, September 1	10,084	8,349	8,349
Net profit for the period	582	1,165	2,045
Other comprehensive income	-10	68	139
Dividend	-450	-450	-450
Change in non-controlling interests	0	0	1
<b>CLOSING BALANCE</b>	<b>10,205</b>	<b>9,133</b>	<b>10,084</b>



# STATEMENT OF CASH FLOWS

SEK million	Second quarter 2022/2023	Second quarter 2021/2022	First six months 2022/2023	First six months 2021/2022	Full year 2021/2022
<b>Operating activities</b>					
Profit before tax	283	678	759	1,368	2,470
Reversal of amortization/depreciation fixed assets	288	250	559	527	1,048
Adjustments for other non-cash items	-1	-282	-22	-286	-312
Taxes paid	-92	-93	-333	-105	-267
Changes in working capital	523	-109	35	-533	-1,090
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,001</b>	<b>444</b>	<b>998</b>	<b>971</b>	<b>1,849</b>
<b>Investing activities</b>					
Acquisition and sale of subsidiaries/business units	-11	373	-293	323	288
Acquisition of intangible fixed assets	-59	-29	-129	-61	-152
Acquisition of tangible fixed assets	-340	-188	-606	-341	-1,190
Acquisition and sale of securities	-37	-117	-240	-417	-329
Other changes from investing activities	8	16	13	20	6
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-439</b>	<b>55</b>	<b>-1,255</b>	<b>-476</b>	<b>-1,377</b>
<b>CASH FLOW AFTER INVESTMENTS</b>	<b>562</b>	<b>499</b>	<b>-257</b>	<b>495</b>	<b>472</b>
<b>Financing activities</b>					
Changes in loans from credit institutions	-88	-90	-182	-179	409
Share dividend	-450	-450	-450	-450	-450
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-538</b>	<b>-540</b>	<b>-632</b>	<b>-629</b>	<b>-41</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>24</b>	<b>-41</b>	<b>-889</b>	<b>-134</b>	<b>431</b>
Cash and cash equivalents beginning of period	670	1,048	1,579	1,140	1,140
Translation difference in cash and cash equivalents	-6	5	-2	6	8
<b>CASH AND CASH EQUIVALENTS END OF PERIOD</b>	<b>688</b>	<b>1,012</b>	<b>688</b>	<b>1,012</b>	<b>1,579</b>

# NOTES TO THE FINANCIAL STATEMENTS

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## **Note 1 Basis of preparation**

This quarterly report has been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's annual consolidated financial statements as of August 31, 2022.

The accounting policies applied are consistent with what is set out in the 2021/2022 annual accounts except for the estimation of income tax. Income tax expense in the quarterly report is recognized based on management's

estimate of the weighted average effective annual income tax rate expected for the full financial year.

These interim financial statements were authorized for issue by the Company's board of directors on April 25, 2023.

The report has not been reviewed by the company's auditors.

## BOARD OF DIRECTOR'S ASSURANCE

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The Board and the CEO assures that this unaudited Quarterly Report provides a true and fair view of the Group's operations, financial position, and performance, and describes the material risks and uncertainties faced by the Group.

Gothenburg, April 25, 2023  
Stena Metall AB

Anders Jansson  
Chairman of the Board

Kristofer Sundsgård  
President and CEO

William Olsson

Mårten Hulterström

Dan Sten Olsson

Lena Olving

Marie Eriksson

Joakim Rosengren

Fabrice Angelini  
Employee Representative

# 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



## CONTACT

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