

January 24, 2025

Interim report

Fourth quarter 2024

Göran Björkman, President & CEO
Olof Bengtsson, CFO



Safety first

At Alleima our objective is zero harm to our people, the environment we work in, our customers and our suppliers.



Protective equipment



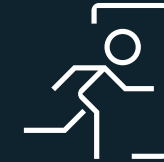
Emergency number



Psychological safety



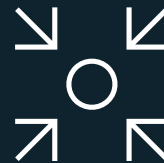
First aid kit



Emergency exit



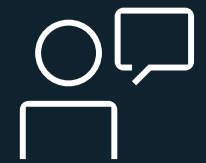
Alarm



Assembly point



Health & well-being



Speak Up

Full year 2024 highlights

Another successful year

- Mixed demand
- Continued organic revenue growth
- Stable earnings
- Strong financial position

Initiatives for a strengthened company

- Nuclear (SGT) capacity expansion
- Industrial Heating expansion in Japan
- Establishing Asian footprint for Medical
- Acquisition of Endox

Proposed dividend of SEK 2.30 per share (2.00)

- Corresponds to 37% of profit for the period (adjusted for metal price effects)

Revenues
(SEK M)

19,691

Organic revenue
growth

1%

Adj. EBIT
(SEK M)

1,944

Adj. EBIT margin

9.9%

Free op. cash flow
(SEK M)

1,266

Adj. EPS
(Diluted, SEK)

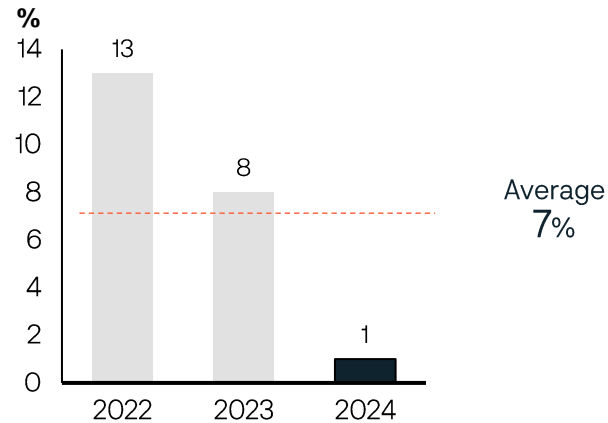
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Performance vs. financial targets

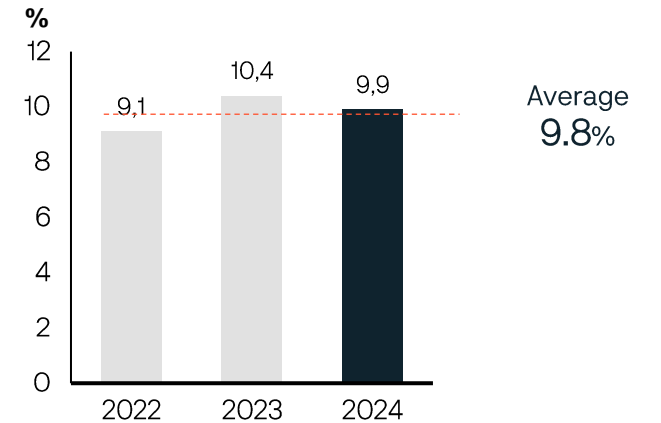
Organic growth

Deliver profitable organic revenue growth in line with or above growth in targeted end-markets over a business cycle



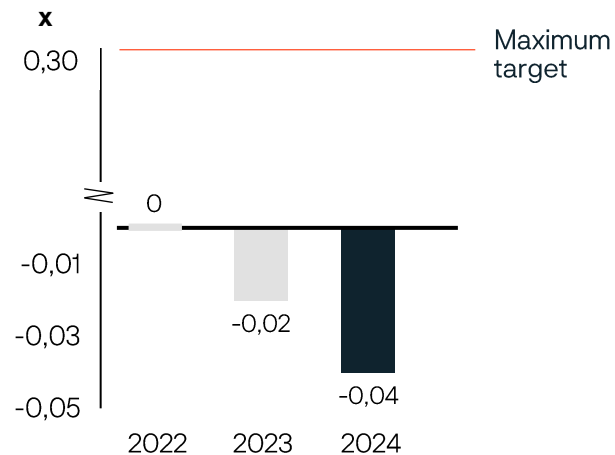
Earnings

Adjusted EBIT margin (excluding items affecting comparability and metal price effects) to average above 9% over a business cycle



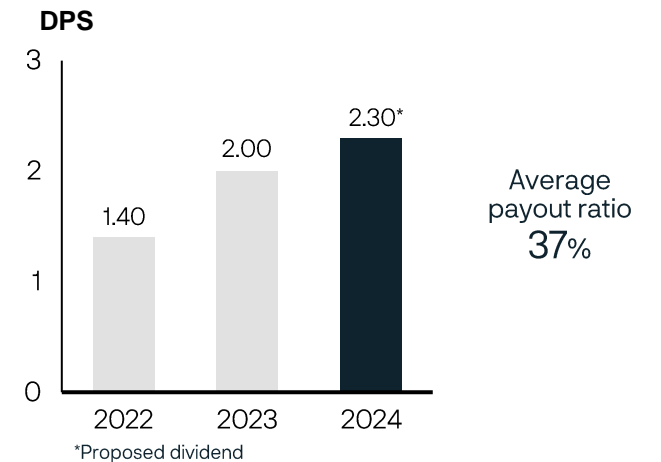
Capital Structure

A net debt to equity ratio below 0.3x



Dividend

Dividend on average 50% of net profit (adjusted for metal price effects) over a business cycle. Dividend to reflect financial position, cash flow and outlook



Q4 highlights

Solid financial performance

- Delivering from a solid backlog
- Revenue growth

Stability through mix shift

- Reducing volatility
- Increasing profitability long-term

Ongoing growth initiatives

- Acquisition of Endox
- Foundation for further growth

Revenues
(SEK M)

5,094

Organic revenue
growth

3%

Adj. EBIT
(SEK M)

584

Adj. EBIT margin

11.5%

Free op. cash flow
(SEK M)

202

Net debt
(SEK M)

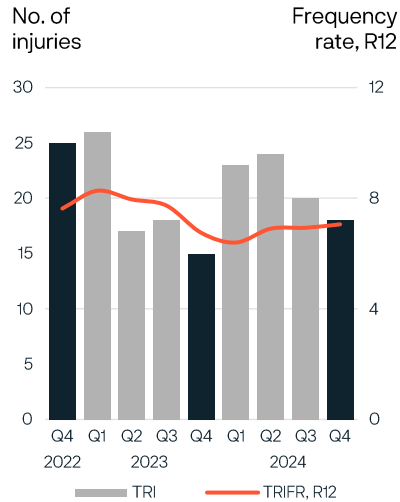
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Leading sustainability

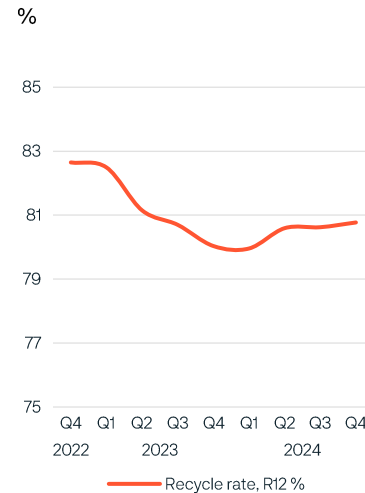
Making an impact through our operations

- Prioritizing safety performance
- Share of recycled steel remains high
- Reducing CO₂ emissions
- Increasing the share of female managers



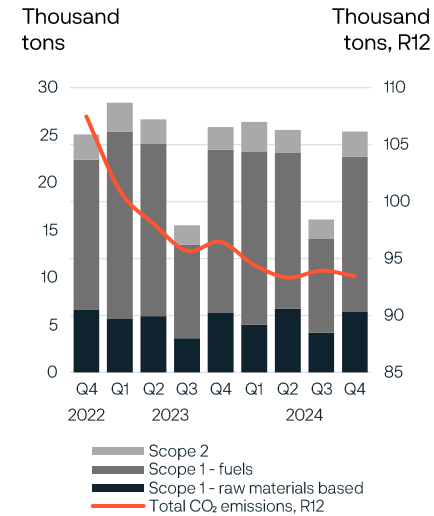
Health and safety

— R12 total recordable injury frequency rate, TRIFR, was 7.1 (6.8). The quarterly outcome was 5.8 (5.2).



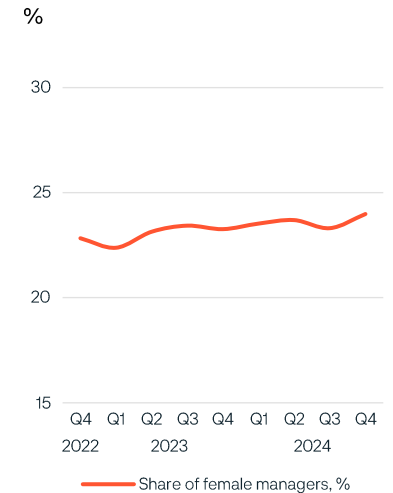
Recycled steel

— R12 share of recycled steel in the steel manufacturing amounted to 80.8% (80.0). The quarterly figure improved to 80.7% (80.0).



CO₂ emissions

— R12 CO₂ emissions amounted to 93 kton (96), a reduction of 3%. Emissions for the quarter amounted to 25 kton (26), a decrease of 2%.



Share of female managers

— The share of female managers amounted to 24.0% (23.3) in the quarter.



Enabling the sustainable transition

Making an impact through our products

Delivering Sanicro® 35 to Preem's plant for Sustainable Aviation Fuel (SAF)

- Committed to strengthen our position as enabler of the energy transition
- Challenging processes requires advanced materials



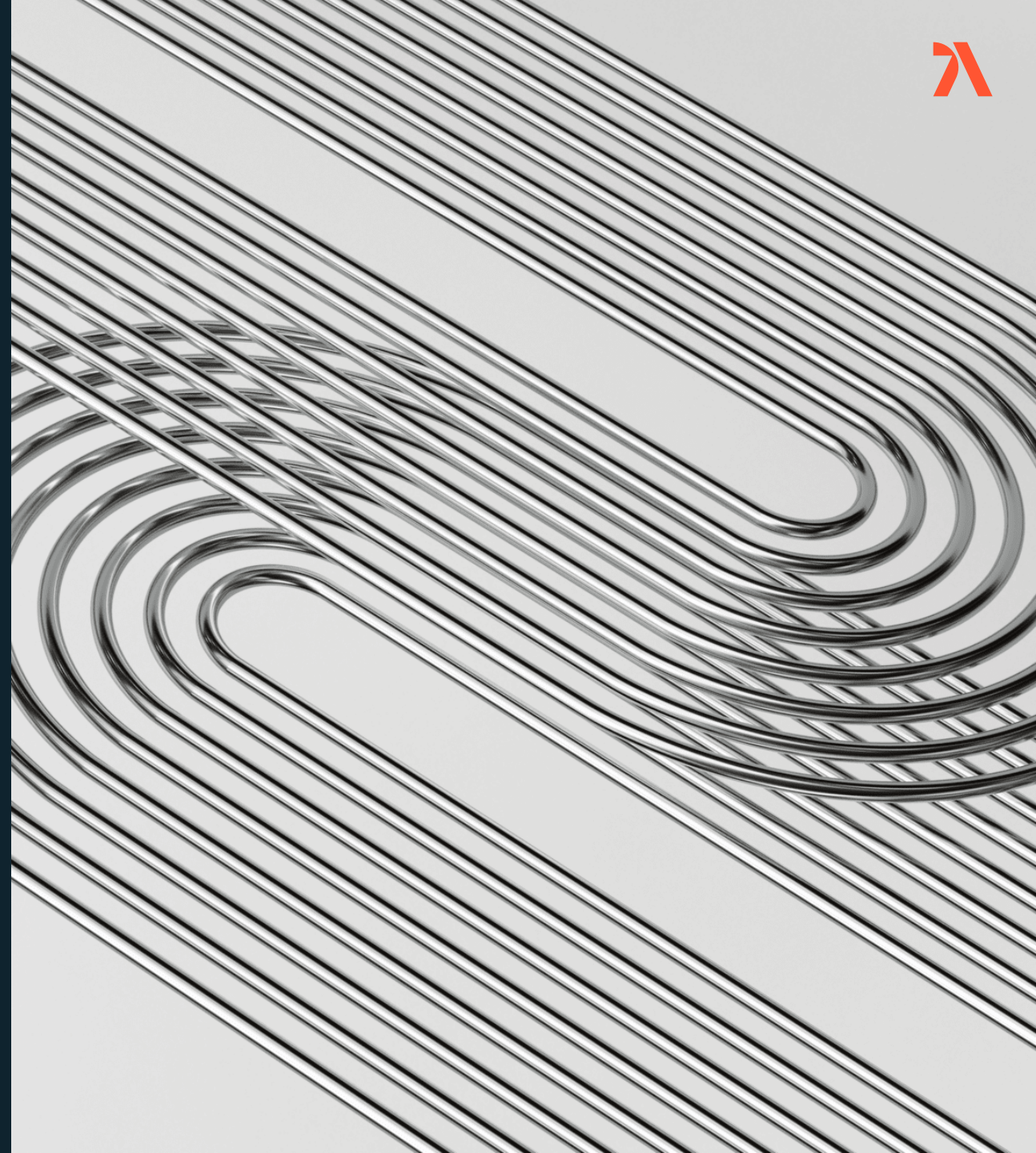


Enabling the sustainable transition

Making an impact through our products

High activity in the Nuclear segment

- Second SGT order for small modular reactors (SMR) received
- Several large orders for conventional nuclear power
- Adding capacity and building backlog





Market development

- Mixed marked demand
- Soft European market, solid development in Asia, slight recovery in North America

Perceived year on year underlying market demand trend

	OIL AND GAS	CHEMICAL AND PETROCHEMICAL	INDUSTRIAL	INDUSTRIAL HEATING	CONSUMER
Year on year underlying demand trend					
% of Group revenues 2024	23%	17%	17%	11%	8%
	MEDICAL	MINING AND CONSTRUCTION	NUCLEAR	TRANSPORTATION	HYDROGEN AND RENEWABLE ENERGY
Year on year underlying demand trend					
% of Group revenues 2024	6%	6%	6%	5%	1%



Order intake and revenues

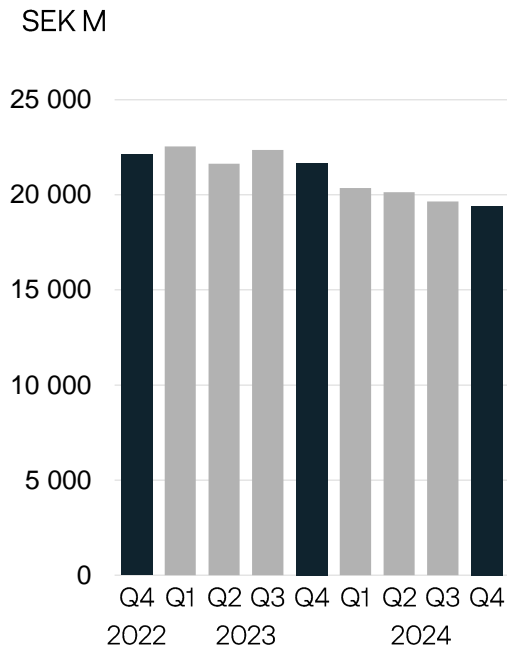
Order intake R12
(SEK M)

19,419

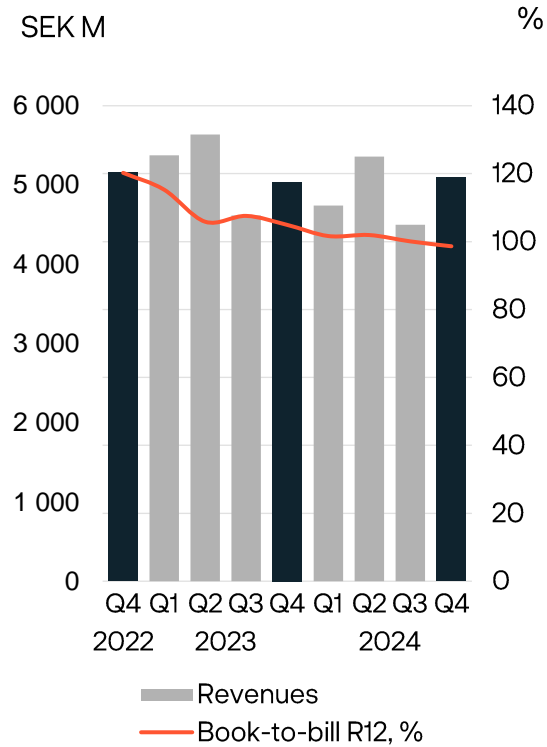
Revenues
(SEK M)

5,094

Order intake R12



Revenues and book-to-bill



- Organic order intake growth of -6% for rolling 12 months
- Organic revenue growth of 3%
- R12 book-to-bill 99%



Earnings

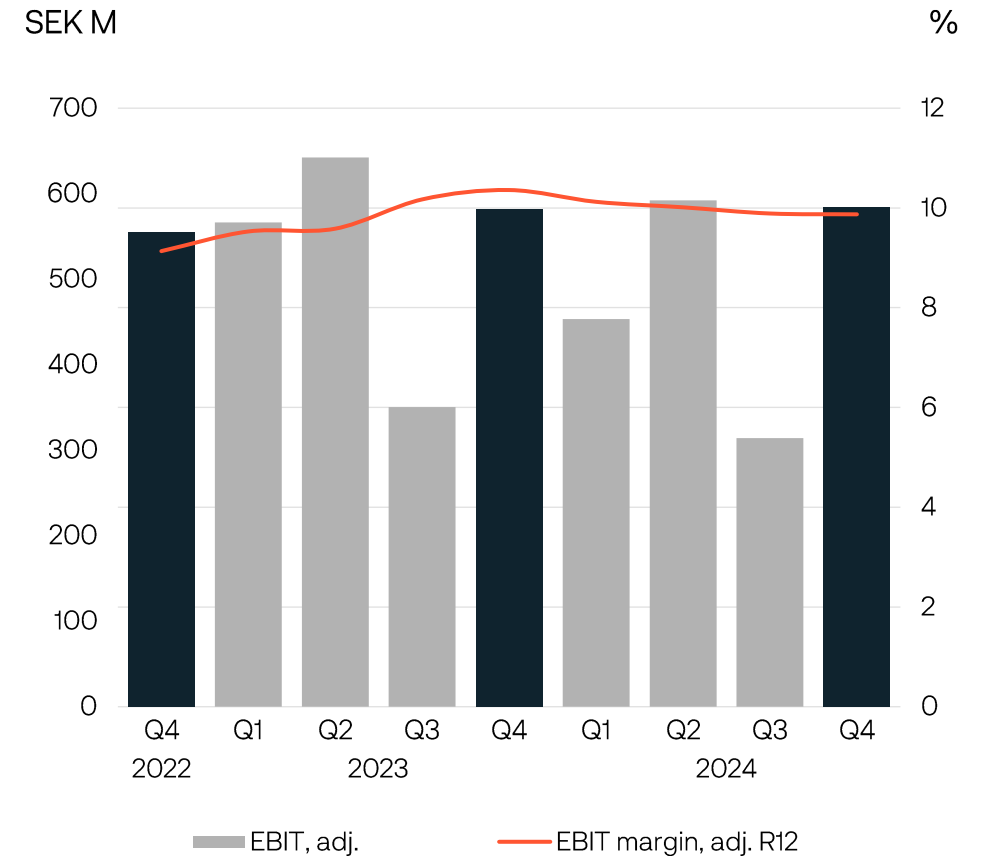
Adjusted EBIT at SEK 584 million (582)

- Margin of 11.5% (11.6)
- Diversified product mix contribution

Free operating cash flow of SEK 202 million (400)

- Impacted by higher capex

Adjusted EBIT





Tube

Organic revenue growth

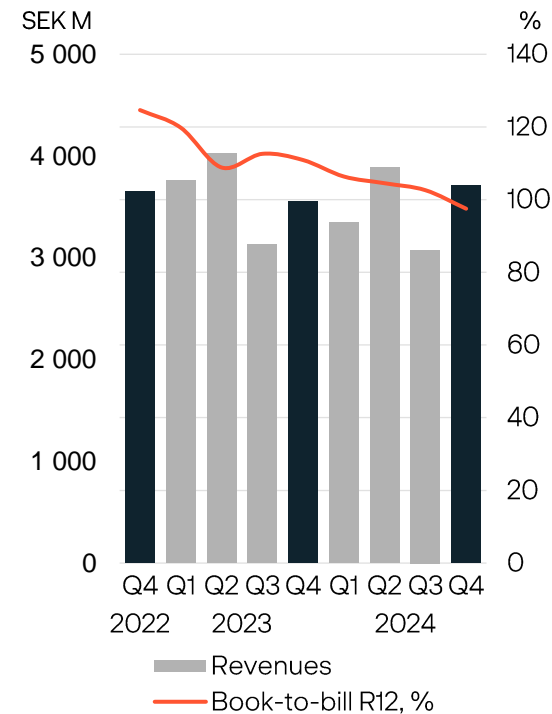
- Organic order intake growth of -10% R12
- Book-to-bill of 98% R12
- Organic revenue growth of 7%

Product mix shift supporting margin

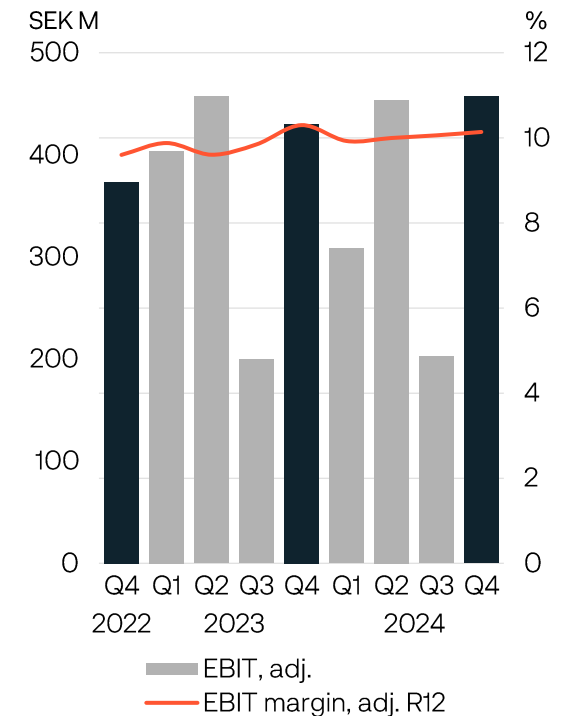
- Adj. EBIT margin increased to 12.3% (12.1)
- Positive product mix
- FX headwind of SEK -3 million yoy

SEK M	Q4 2024	Q4 2023	FY 2024	FY 2023
Order intake, R12	13,677	16,052	13,677	16,052
Organic growth, R12, %	-10	-3	-10	-3
Revenues	3,713	3,557	14,027	14,475
Organic growth, %	7	-1	2	9
Adj. EBIT	457	430	1,422	1,491
Margin, %	12.3	12.1	10.1	10.3

Revenues and Book-to-bill



Adjusted EBIT, (%)





Kanthal

Mixed market demand

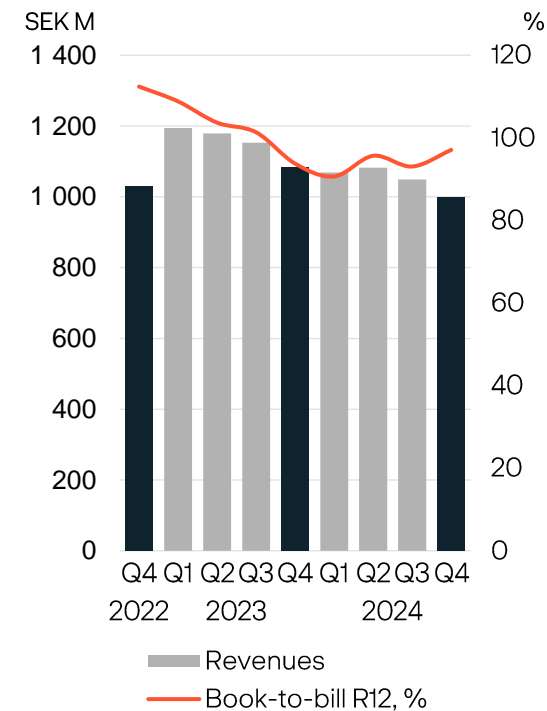
- Flat organic order intake growth R12
- Organic revenue growth of -6%
- Book-to-bill of 97% R12

Solid underlying margin

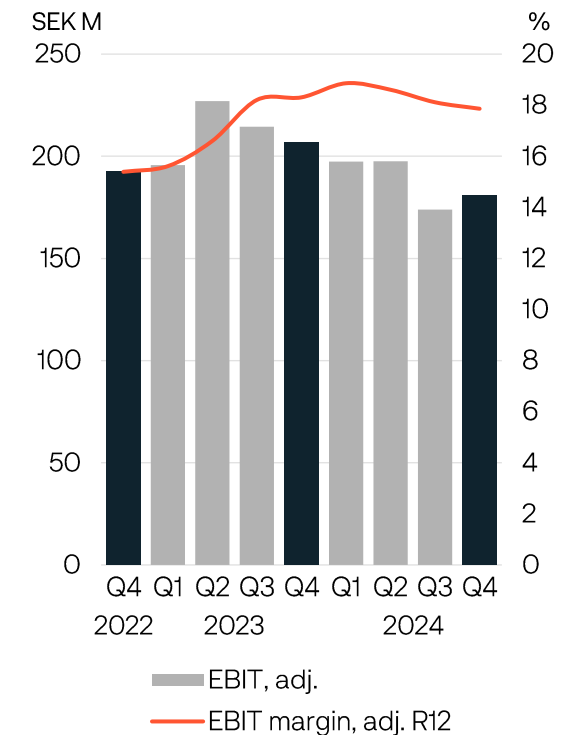
- Adjusted EBIT margin at 18.1% (19.1)
- Negative product mix in certain segments
- Positive effect from FX of SEK 1 million yoy

SEK M	Q4 2024	Q4 2023	FY 2024	FY 2023
Order intake, R12	4,077	4,321	4,077	4,321
Organic growth, R12, %	0	-7	0	-7
Revenues	999	1,082	4,200	4,609
Organic growth, %	-6	6	-3	11
Adj. EBIT	181	207	750	844
Margin, %	18.1	19.1	17.9	18.3

Revenues and Book-to-bill



Adjusted EBIT, (%)





Strip

Strong order intake growth

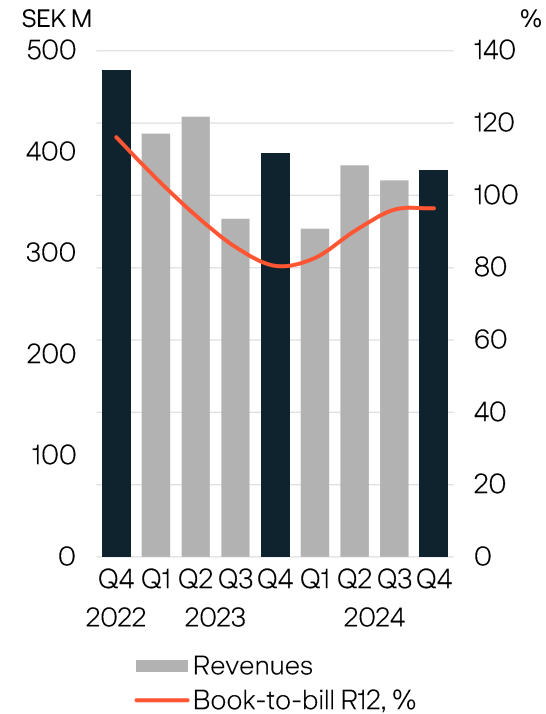
- Organic order intake growth of 32% R12
- Organic revenue growth of -3%
- Book-to-bill of 114% R12

Continued market rebound

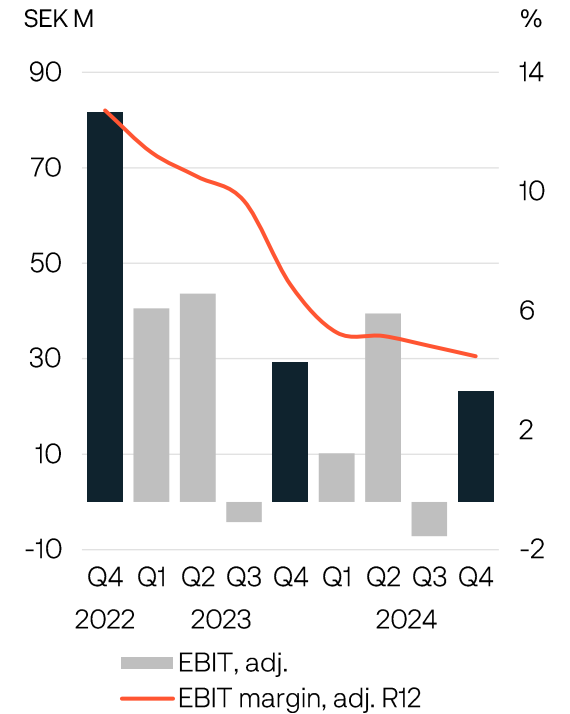
- Large order of pre-coated strip steel
- Adjusted EBIT margin of 6.1% (7.3)
- FX headwind of SEK -8 million yoy

SEK M	Q4 2024	Q4 2023	FY 2024	FY 2023
Order intake, R12	1,665	1,310	1,665	1,310
Organic growth, R12, %	32	-24	32	-24
Revenues	382	399	1,465	1,585
Organic growth, %	-3	-15	-4	-5
Adj. EBIT	23	29	66	109
Margin, %	6.1	7.3	4.5	6.9

Revenues and Book-to-bill



Adjusted EBIT, (%)





Financial summary

SEK M	Q4 2024	Q4 2023	FY 2024	FY 2023
Order intake, R12	19,419	21,684	19,419	21,684
Revenues	5,094	5,038	19,691	20,669
Adj. EBIT	584	582	1,944	2,141
<i>Adj. EBIT margin, %</i>	11.5	11.6	9.9	10.4
Metal price effects	-191	-138	-446	-95
Items affecting comparability	0	0	0	0
EBIT	393	444	1,498	2,046
<i>EBIT margin, %</i>	7.7	8.8	7.6	9.9
Net financial items	-22	80	73	28
<i>Normalized tax rate, %</i>	20.4	23.8	23.9	24.2
<i>NWC, %¹</i>	33.6	34.6	35.1	34.3
Free operating cash flow	202	400	1,266	1,688
<i>ROCE excl. cash, %²</i>	9.5	12.9	9.5	12.9
Adj. EPS, diluted	1.79	2.04	6.27	6.56

SEK M	Order intake, R12	Revenues
Q4 2023	21,684	5,083
Organic, %	-6	3
Structure, %	0	-
Currency, %	-1	0
Alloys, %	-4	-2
Total growth, %	-10	1
Q4 2024	19,419	5,094

Change compared to the same quarter last year

1) Quarter is quarterly annualized and the annual number is based on a four quarter average.

2) Based on rolling 12 months and a four-quarter average.

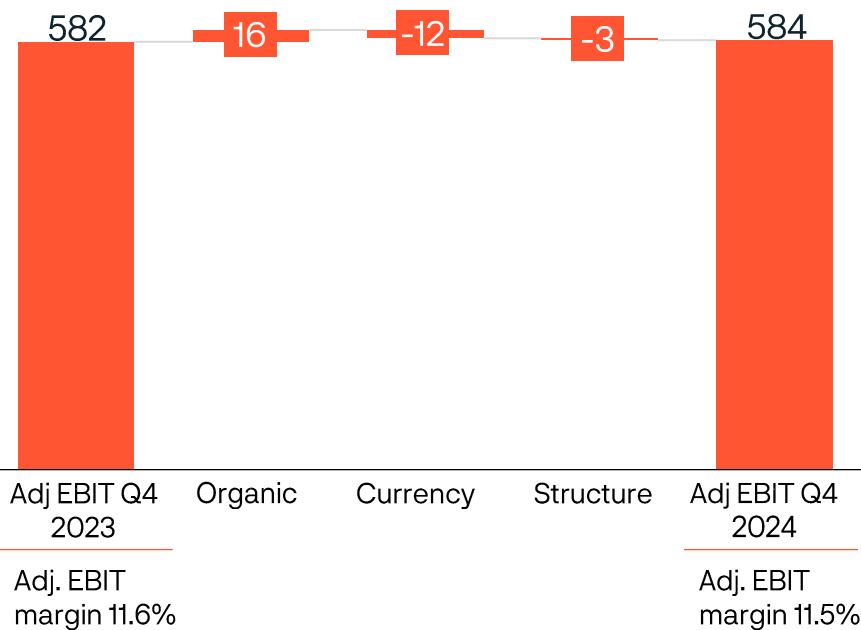


Bridge analysis, adjusted EBIT

Q4 2024

SEK million

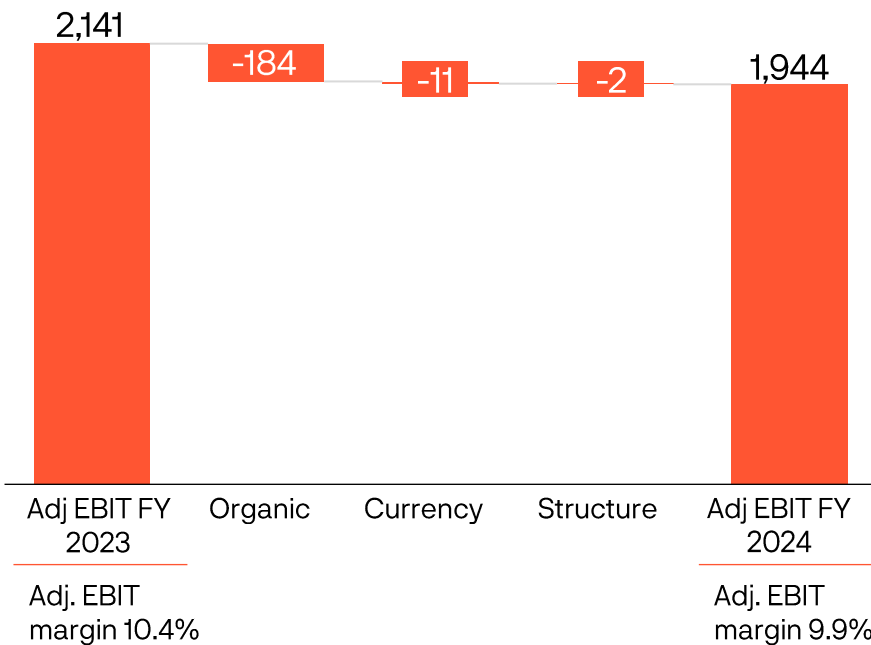
Leverage: +10%



FY 2024

SEK million

Leverage: N/A



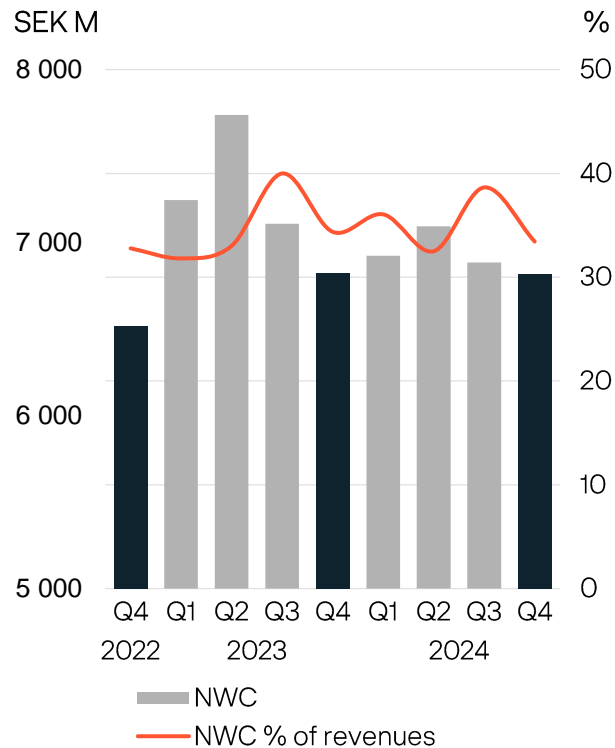
- Positive organic development
- Currency headwind on Adj. EBIT FY2024



Capital efficiency

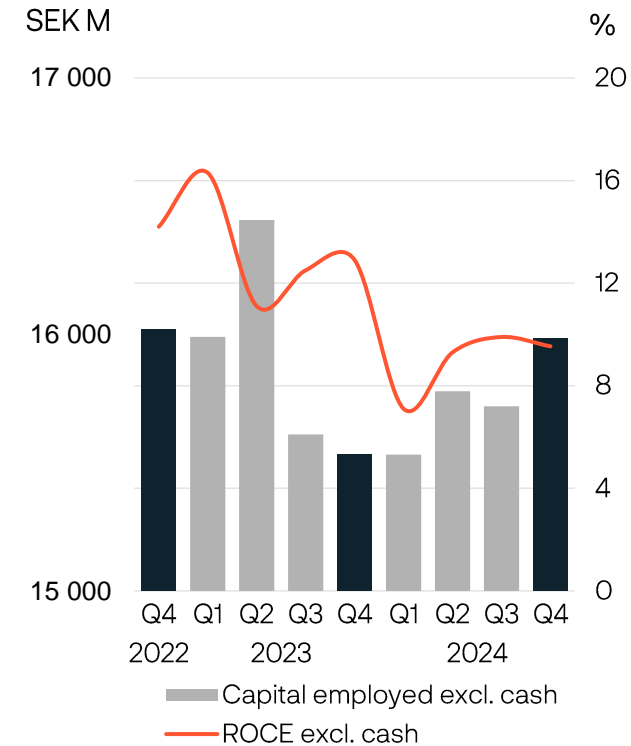
- NWC amounted to SEK 6,821 million (6,825)
- Sequential NWC decrease due to seasonal inventory release
- NWC in relation to revenues declined to 33.6% (34.6)

Net working capital



- Capital employed excl. cash increased to SEK 15,983 million (15,533)
- ROCE excl. cash decreased to 9.5% (12.9) in the quarter

Capital employed excl. cash



Note: Based on rolling 12 months and a four-quarter average. Historical ROCE excl. cash figures are not available prior to Q4 2022.



Cash flow

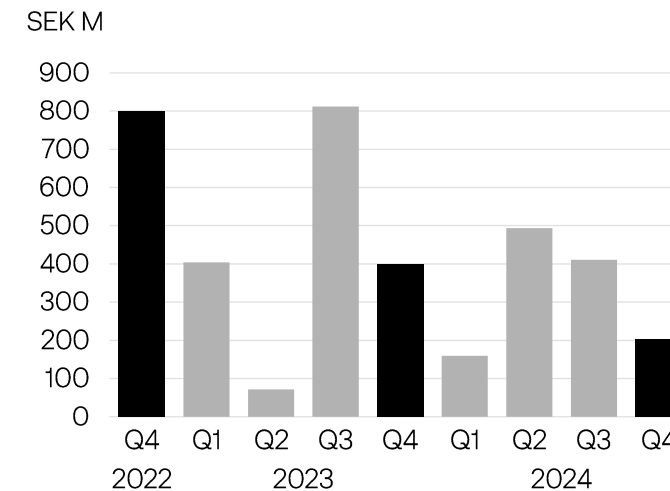
- Free operating cash flow of SEK 202 million (400)
- Higher capex due to growth investments

Free operating cash flow

SEK M	Q4 2024	Q4 2023	FY 2024	FY 2023
EBITDA	631	685	2,410	2,957
Non-cash items	52	54	148	54
Changes in working capital	144	65	33	-380
Capex	-588	-362	-1,190	-815
Amortization, lease liabilities	-37	-41	-135	-128
Free operating cash flow¹	202	400	1,266	1,688

1) Free operating cash flow before acquisitions and disposals of companies, net financial items and paid taxes.

Free operating cash flow quarterly





Ongoing growth initiatives to strengthen the company long-term

- M&A
- Capex / growth investments
- Industrial Heating
- Medical
- Hydrogen and Renewable Energy
- Chemical and Petrochemical
- Transportation (Aerospace)
- Nuclear

Capability and capacity Expansion
2023-2025: Zhenjiang, China, expansion

Capacity Expansion
2023-2025: Increase capacity for process gas heaters & modules, Germany

Capacity Expansion
2023 - : Increase medical wire capacity, US, EU

Capability Expansion
2023 - : Broaden the US product portfolio, US

Capacity Expansion
2023-2026: Increase SiC capacity, UK, US

Capacity Expansion
2024-2025: Increase remelting capacity Sweden

Capacity Expansion
2024-2025: Increase heating solutions capacity, Japan

Capacity Expansion
2024-2026: Increase Nuclear (SGT) capacity, Sweden

Capacity Expansion
2024-2026: Establish medical wire footprint in Asia, Malaysia

Acquisition:
2025: Endox, Germany



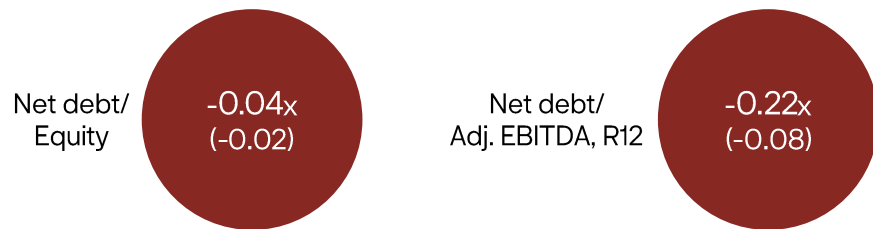
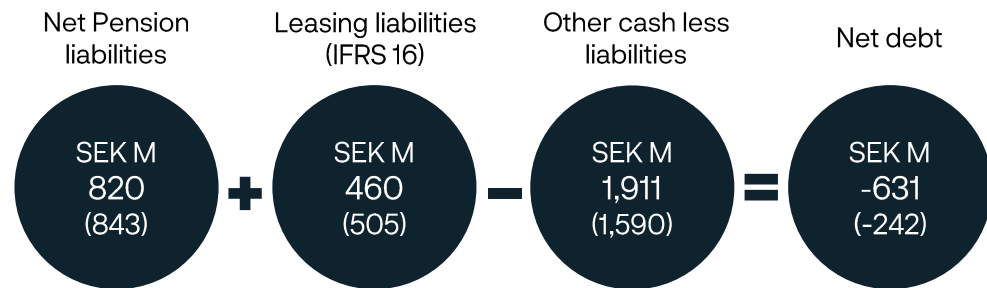
Ongoing activities

Decisions in 2024

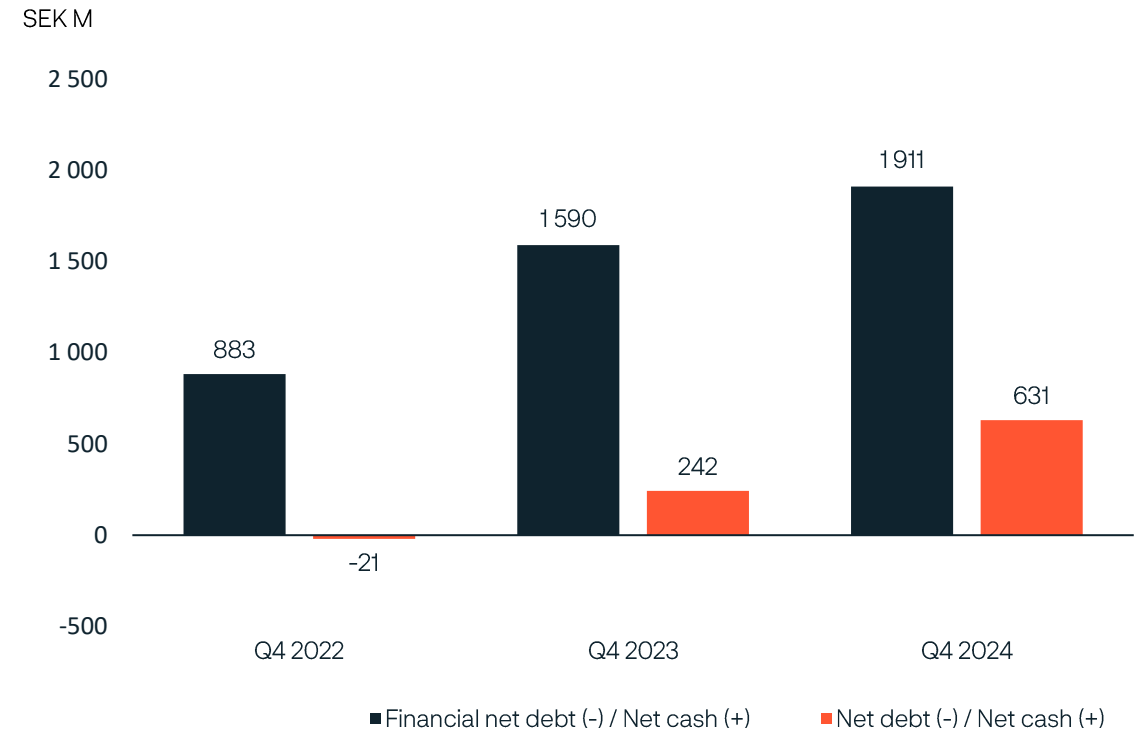


Strong financial position

Capital structure



Net debt and Financial net debt





Guidance ahead of the quarter and outcome

	Outcome Q4 2024	Guidance ahead of Q4 2024
Capex (Cash)	SEK 1,190 million FY 2024	Approximately SEK 1,050 million in FY 2024
Currency transaction and translation effect	SEK -5 million in Q4	SEK -40 million in Q4
Total currency effect	SEK -12 million in Q4	-
Metal price effect	SEK -191 million in Q4	SEK -200 million in Q4
Tax rate, normalized	23.9% FY 2024	24-26% in FY 2024



Guidance Q1 2025 and FY 2025

Capex (cash)

- Estimated to approximately SEK 1,200 million for FY 2025

Currency effects (transaction and translation)

- SEK +85 million on operating profit (EBIT) for Q1 2025, compared to the corresponding period last year

Metal price effects

- Neutral effect on operating profit (EBIT) for Q1 2025

Tax rate

- The normalized tax rate is estimated to 23-25% for FY 2025



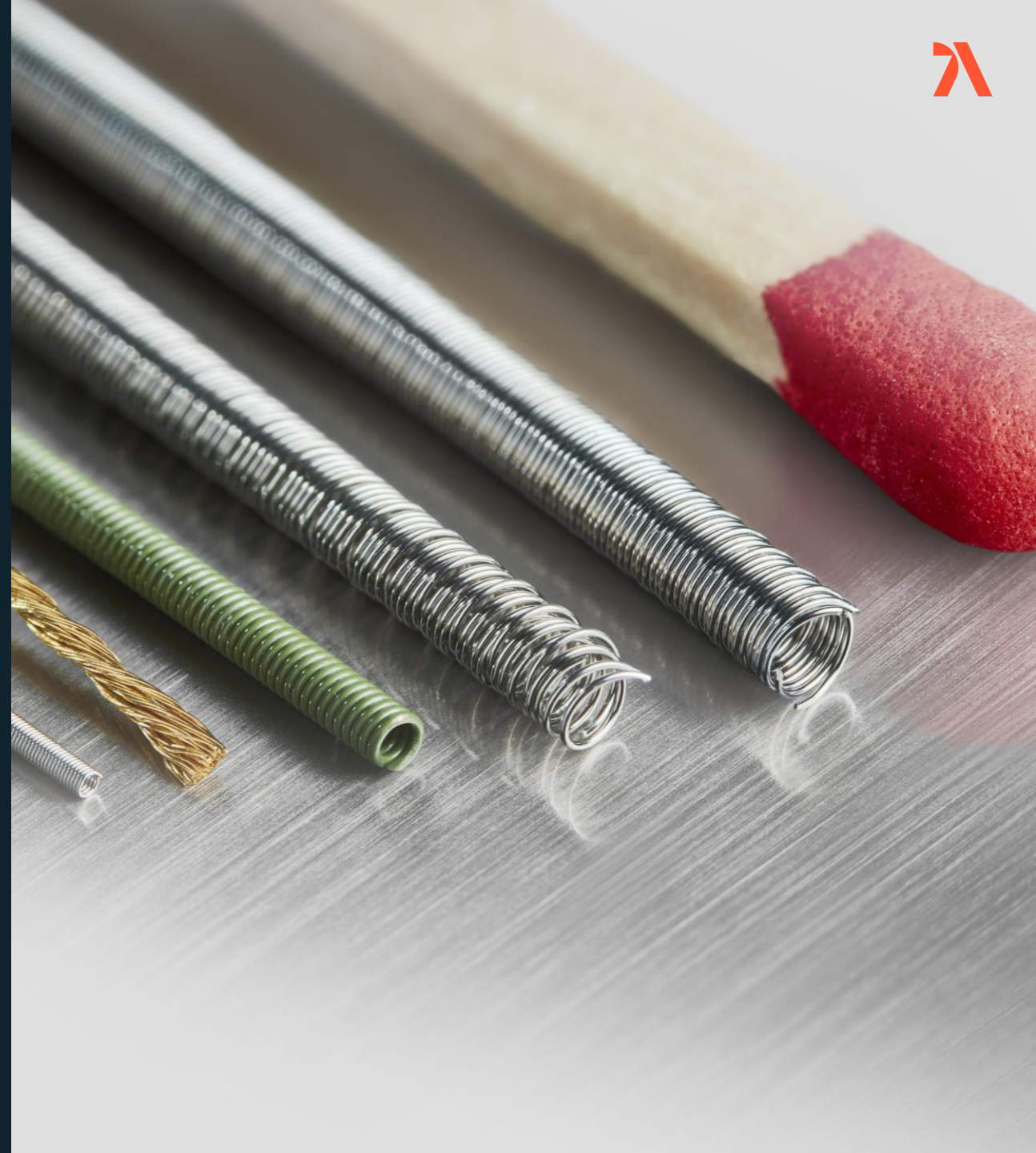
Outlook for the first quarter 2025

- Mixed market demand
- Positive development expected to mitigate effects from the cautious economic environment
- Solid backlog in key segments
- Product mix is expected to be similar to Q4
- Cash flow normally lower in H1



Summary

- Mixed market sentiment
- Organic revenue growth
- Stable earnings development
- Ongoing growth initiatives
- Strong financial position





Q&A

Thank you
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