

Q2 2024

Interim report

A well-executed quarter

- Order intake for the rolling 12-month period decreased by 7% to SEK 20,135 million (21,636), with organic growth of -4%. The backlog remained solid with a good product mix.
- Revenues decreased by 5% to SEK 5,359 million (5,638), with organic growth of 0%.
- Adjusted operating profit (EBIT) amounted to SEK 592 million (642), corresponding to a margin of 11.1% (11.4).
- Operating profit (EBIT) amounted to SEK 689 million (350), corresponding to a margin of 12.8% (6.2), and included metal price effects of SEK 96 million (-293).
- Adjusted earnings per share, diluted, was SEK 2.23 (1.79).
- Earnings per share, diluted, was SEK 2.54 (0.87).
- Free operating cash flow amounted to SEK 486 million (72).

Financial overview

SEK M	Q2 2024	Q2 2023	Change, %	Q1-Q2 2024	Q1-Q2 2023	Change, %
Order intake, rolling 12 months ¹	20,135	21,636	-7	–	–	–
Organic growth, rolling 12 months ¹ , %	-4	-4	–	–	–	–
Revenues	5,359	5,638	-5	10,099	11,014	-8
Organic growth, %	0	18	–	-1	15	–
Adjusted operating profit (EBIT)	592	642	-8	1,046	1,209	-13
Margin, %	11.1	11.4	–	10.4	11.0	–
Operating profit (EBIT)	689	350	97	814	1,395	-42
Profit for the period	636	218	192	688	1,033	-33
Adjusted earnings per share, diluted, SEK	2.23	1.79	24	3.46	3.54	-2
Earnings per share, diluted, SEK	2.54	0.87	192	2.74	4.12	-33
Free operating cash flow	486	72	577	645	476	35
Net debt/Equity ratio	-0.02	0.03	–	-0.02	0.03	–

Notes to the reader: 1) Order intake in the quarter refers to the rolling 12-month period. Adjusted operating profit (EBIT) excludes items affecting comparability (IAC) and metal price effects, see Note 5 and the description of Alternative Performance Measures on page 25 for further details. Definitions and glossary can be found on www.alleima.com/investors. Tables and calculations in the report do not always agree exactly with the totals due to rounding. Comments refer to performance in the quarter and comparisons refer to the corresponding period last year, unless otherwise stated.

"Our diversified exposure as well as our strategy to grow in more profitable and less cyclical niches provide clear opportunities for profitable growth over time."

CEO's comment

Cautiously improved market conditions

The market conditions improved in several of our customer segments during the quarter. Demand in the short-cycle business, mainly in the Industrial and Consumer segments, continued to strengthen and we noted a continued positive development for our Nuclear segment. The activity level in the Oil and Gas segment is high and the project list remains strong, even if order intake decreased in the period. In the Chemical and Petrochemical segment, demand increased. The Kanthal division's medical business has a favorable tailwind and we are constantly seeing new business opportunities. At the same time, we noted a continued caution among Kanthal's customers in Industrial Heating. This resulted in an organic order intake growth for the rolling 12-month period of -4%, from high absolute levels. Overall, we see slightly improved market conditions, although somewhat cautious, especially in North America. Book-to-bill is positive at 102% for the rolling 12-month period and we continue to strengthen our backlog.

Broad exposure increases resilience

Through our diversified exposure to customer segments at different stages of the business cycle, and our strategy to grow in more profitable and less cyclical niches, we have successfully navigated the generally softer industrial cycle. We are also benefiting from standing firm on our price leadership. Our adjusted EBIT margin of 11.1% is a result of constant improvements and consistent strategy execution. It is clear that more areas, such as Kanthal's medical business as an example, contribute to our increasingly resilient margin, with a generally stronger product mix for the Group as a whole.

Free operating cash flow amounted to SEK 486 million and our financial position remains strong. We are continuing our efforts across the entire organization to further improve net working capital, with particular focus on optimizing inventory.



Sustainability drives innovation and business

As the green transition progresses, sustainability demands on the manufacturing industry are also increasing. This benefits our product offering, and our strong expertise in research and development is a clear competitive advantage. During the quarter, the Strip division launched the new compressor valve steel, Freeflex® Versa. The new material enables design of smaller compressors and contributes to making the end-products, in most cases white goods and air conditioning units, more energy efficient. Additionally, the Tube division received several orders in all regions related to tubes for use in applications for the production of biofuel. We have also entered into a strategic partnership with Danieli, a major global supplier of technology for the production of direct reduced iron (DRI), relating to Kanthal's electric process gas direct-heating solution, Prothal® DH. The partnership aims to continue to jointly develop and scale up the process gas technology with the ambition that it can be used in sustainable steel production in DRI plants within a few years. These orders and initiatives are examples of how our strong customer relationships and platforms for joint development create organic growth opportunities in emerging segments that constitute an increasingly significant share of our business.

Continued long-term value creation

After the first six months, I still have a positive view on the full-year 2024. If we look beyond this year, we are well-positioned to further strengthen our product mix and continue to execute our strategic priorities as well as ongoing growth investments for continued long-term value creation.

Göran Björkman, President and CEO













Market development and outlook

Market development

- Demand in the **Oil and Gas** segment was stable at historically high levels.
- Demand in the **Industrial** segment increased.
- Demand in the **Chemical and Petrochemical** segment increased, driven primarily by Asia and Europe.
- Demand in the **Industrial Heating** segment declined from high levels.
- Demand in the **Consumer** segment continued to grow from low levels, driven primarily by the white goods industry.
- Demand in the **Mining and Construction** segment continued to increase, driven primarily by the mining industry.
- Demand in the **Medical** segment continued to grow from high levels.
- Demand in the **Nuclear** segment continued to strengthen.
- Demand in the **Transportation** segment increased, with high activity in the aerospace industry.
- The **Hydrogen and Renewable Energy** segment noted a mixed but overall stable underlying demand. Demand related to the production of biofuels grew, while demand in hydrogen fuel cells declined.

Perception underlying market demand

	OIL AND GAS	INDUSTRIAL	CHEMICAL AND PETROCHEMICAL	INDUSTRIAL HEATING	CONSUMER
Year on year underlying demand trend					
% of Group revenues 2023	21%	21%	18%	11%	8%
	MINING AND CONSTRUCTION	MEDICAL	NUCLEAR	TRANSPORTATION	HYDROGEN AND RENEWABLE ENERGY
Year on year underlying demand trend					
% of Group revenues 2023	5%	5%	5%	4%	2%

Outlook for the third quarter 2024

We view the development positively in several of our customer segments, and the underlying megatrends are expected to continue to support the development in a somewhat cautious economic environment. The backlog is solid in our key segments, and we have good visibility in our near-term deliveries. The product mix is expected to be similar to that of the second quarter.

Order intake, revenues and adjusted EBIT-margin are normally lower in the third quarter compared with the second quarter due to seasonal variations from summer shutdowns. Cash flow is normally higher in the second half of the year than in the first half.



0%

Organic revenue growth in the quarter

Order intake and revenues

Order intake for the rolling 12-month period decreased by 7% to SEK 20,135 million (21,636), with organic growth of -4%. The development was primarily attributable to lower order intake in the Oil and Gas segment in the Tube division, even though demand remains at high levels, as well as Industrial Heating in the Kanthal division.

Revenues decreased by 5% to SEK 5,359 million (5,638), with organic growth of 0%. Effects from changed alloy surcharges impacted revenues by -4%. The Kanthal and Strip divisions showed negative organic growth. Organic revenue growth in the Tube division was 1%.

Book-to-bill was 102% for the rolling 12-month period. The backlog remained solid with a good product mix.

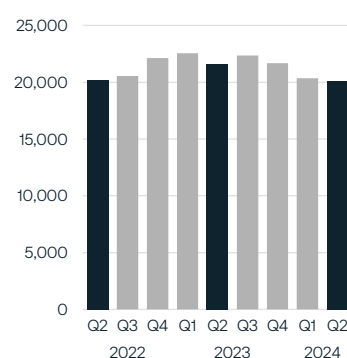
Growth bridge

SEK M	Order intake, R12	Revenues, Quarter
Q2 2023	21,636	5,638
Organic, %	-4	0
Structure, %	0	0
Currency, %	0	-1
Alloys, %	-4	-4
Total growth, %	-7	-5
Q2 2024	20,135	5,359

Change compared to the corresponding quarter last year. The table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

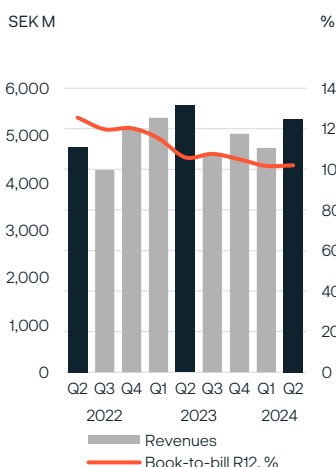
Order intake

Rolling 12 months
SEK M

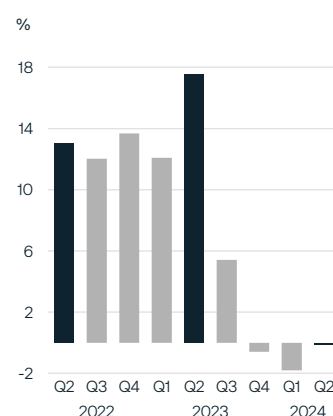


Revenues

SEK M



Organic revenue growth





Earnings

Gross profit increased by 33% to SEK 1,340 million (1,009), with a gross margin of 25.0% (17.9). The development was mainly attributable to positive metal price effects.

Sales, administrative and R&D costs increased by 3% to SEK -666 million (-650).

Adjusted EBIT decreased by 8% to SEK 592 million (642), with a margin of 11.1% (11.4), impacted primarily by lower earnings in the Kanthal division. Currency had a positive impact of SEK 27 million compared with the corresponding period last year. Depreciation and amortization amounted to SEK -224 million (-224).

Reported EBIT amounted to SEK 689 million (350), with a margin of 12.8% (6.2). Metal price effects had an impact of SEK 96 million (-293).

Net financial items amounted to SEK 137 million (-39), impacted by adjustments of hedge accounting for financial instruments of SEK 39 million.

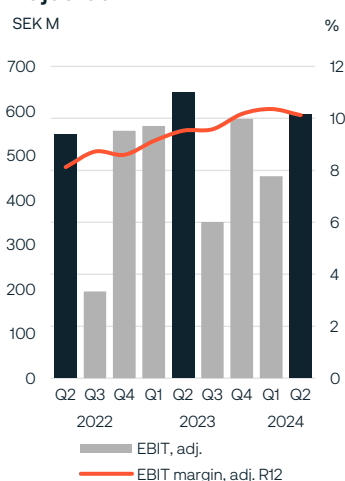
The reported tax rate was 23.0% (29.7) in the quarter. The normalized tax rate, excluding metal price effects in EBIT, was 23.8% (24.2) for the first six months.

Adjusted profit for the period amounted to SEK 559 million (449) and adjusted earnings per share, diluted, amounted to SEK 2.23 (1.79). Profit for the period amounted to SEK 636 million (218), corresponding to earnings per share, diluted, of SEK 2.54 (0.87). See page 26 for further details.

SEK M	Adjusted EBIT
Q2 2023	642
Organic	-77
Currency	27
Structure	0
Q2 2024	592

Change compared to the corresponding quarter last year.

Adjusted EBIT



Adjusted EBIT margin

Quarter

11.1%

Cash flow and financial position

Capital employed excluding cash decreased to SEK 15,766 million (16,446). Return on capital employed excluding cash decreased to 9.3% (11.1), due to changes in metal prices.

Net working capital decreased year on year to SEK 7,094 million (7,738), and increased slightly compared with the preceding quarter in line with normal seasonal variations. Net working capital in relation to revenues was 32.7% (33.2).

Capex amounted to SEK -212 million (-150). The increase was mainly driven by investments in growth.

Net debt amounted to SEK -277 million (448), i.e. a net cash position. The net debt to equity ratio was -0.02x (0.03). The financial net debt was SEK -1,496 million (-516). Available credit facilities were unutilized at the end of the second quarter. During the quarter, a dividend of SEK 502 million was paid to shareholders. The net pension liability increased year on year to SEK 761 million (569), primarily due to a lower long-term discount rate. Net debt corresponded to -0.10x (0.16) of rolling 12-month adjusted EBITDA.

Free operating cash flow increased to SEK 486 million (72).

Free operating cash flow

SEK M	Q2 2024	Q2 2023	Q1-Q2 2024	Q1-Q2 2023
EBITDA	912	572	1,265	1,835
Non-cash items	76	-13	20	-24
Changes in working capital	-252	-310	-217	-1,012
Capex	-212	-150	-353	-267
Amortization, lease liabilities	-39	-27	-70	-55
Free operating cash flow¹	486	72	645	476

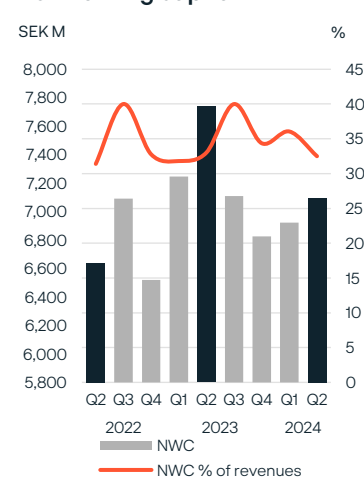
¹ Free operating cash flow before acquisitions and disposals of companies, net financial items and paid taxes.

Net debt to Equity

Quarter, Ratio

-0.02x

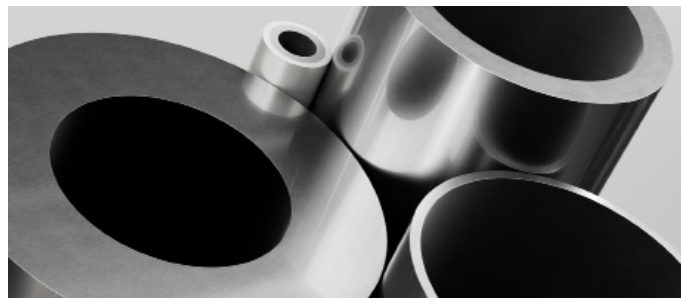
Net working capital





Tube

Tube develops and manufactures seamless tubes and other long products in advanced stainless steels and special alloys used primarily in the customer segments of Oil and Gas, Chemical and Petrochemical, Industrial, Mining and Construction, Nuclear and Transportation. The offering also includes products and solutions for the growing Hydrogen and Renewable Energy segment.

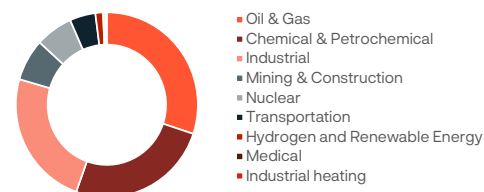


Order intake and revenues

- Order intake for the rolling 12-month period decreased by 7% to SEK 14,552 million (15,637), with organic growth of -4%. The development was mainly attributable to lower order intake in the Oil and Gas segment.
- Revenues in the quarter decreased by 3% to SEK 3,890 million (4,025), with organic growth of 1%. The organic growth was mainly driven by the Oil and Gas segment.
- Book-to-bill was 105% for the rolling 12-month period.

Earnings

- Adjusted EBIT amounted to SEK 454 million (457), corresponding to a margin of 11.7% (11.4), driven primarily by a stronger product mix and positive currency effects.
- EBIT amounted to SEK 544 million (189) and included metal price effects of SEK 90 million (-268).
- Changes in exchange rates had a positive impact of SEK 30 million compared with the year-earlier period.
- Depreciation and amortization amounted to SEK -180 million (-178).



SEK M	Order intake R12	Revenues Q	Adj. EBIT Q
Q2 2023	15,637	4,025	457
Organic	-4%	1%	-33
Structure	0%	0%	-1
Currency	1%	-1%	30
Alloys	-4%	-4%	N/A
Total growth	-7%	-3%	-3
Q2 2024	14,552	3,890	454

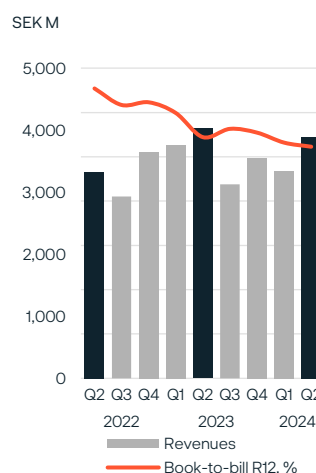
Change compared to same period last year. For order intake and revenues, the table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

SEK M	Q2 2024	Q2 2023	Change %	Q1-Q2 2024	Q1-Q2 2023	Change %
Order intake, R12 ¹	14,552	15,637	-7	–	–	–
Organic growth, R12 ¹ , %	-4	-5	–	–	–	–
Revenues	3,890	4,025	-3	7,237	7,787	-7
Organic growth, %	1	20	–	0	17	–
Adjusted EBIT	454	457	-1	762	861	-11
Margin, %	11.7	11.4	–	10.5	11.1	–
EBIT	544	189	188	578	1,027	-44
Margin, %	14.0	4.7	–	8.0	13.2	–
Total workforce ²	4,591	4,450	3	4,591	4,450	3

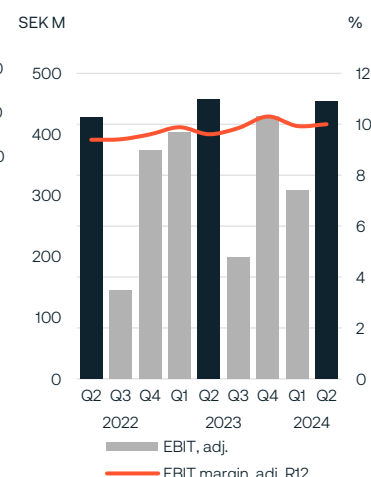
1) Order intake in the quarter refers to the rolling 12-month period.

2) Total workforce includes employees and third-party workers and is based on full-time equivalents.

Revenues



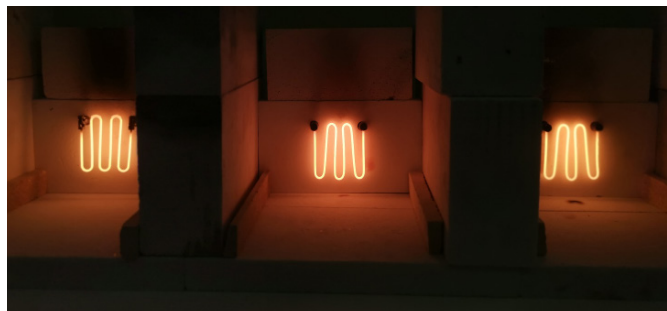
Adjusted EBIT





Kanthal

Kanthal is a provider of products and services in the area of industrial heating technology and resistance materials, and also offers ultra-fine wire in stainless steel for use in medical appliances. The customers are primarily in the segments Industrial Heating, Consumer, Medical and Industrial.



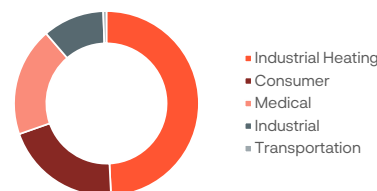
Order intake and revenues

- Order intake for the rolling 12-month period decreased by 8% to SEK 4,196 million (4,561), with organic growth of -4%, primarily attributable to lower order intake in the Industrial Heating segment. The Medical segment reported a solid order intake.
- Revenues in the quarter decreased by 8% to SEK 1,082 million (1,179), with organic growth of -3%. Revenues decreased in the Industrial and Industrial Heating segments and increased in the Medical segment.
- Book-to-bill was 96% for the rolling 12-month period.

Earnings

- Adjusted EBIT amounted to SEK 198 million (227), corresponding to a margin of 18.3% (19.3), impacted primarily by lower delivery volumes in Industrial Heating.
- EBIT amounted to SEK 202 million (203) and included metal price effects of SEK 4 million (-24).
- Changes in exchange rates had an impact of SEK -2 million compared with the year-earlier period.
- Depreciation and amortization amounted to SEK -23 million (-29).

Revenues per customer segment, 2023



SEK M	Order intake R12	Revenues Q	Adj. EBIT Q
Q2 2023	4,561	1,179	227
Organic	-4%	-3%	-27
Structure	1%	–	1
Currency	0%	0%	-2
Alloys	-5%	-5%	N/A
Total growth	-8%	-8%	-29
Q2 2024	4,196	1,082	198

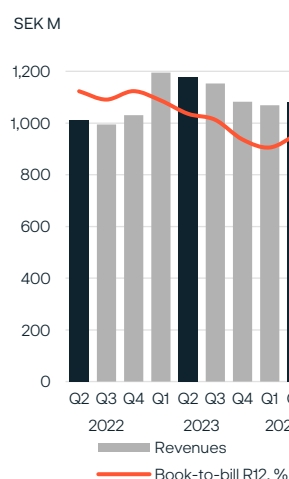
Change compared to same period last year. For order intake and revenues, the table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

SEK M	Q2 2024	Q2 2023	Change %	Q1-Q2 2024	Q1-Q2 2023	Change %
Order intake, R12 ¹	4,196	4,561	-8	–	–	–
Organic growth, R12 ¹ , %	-4	4	–	–	–	–
Revenues	1,082	1,179	-8	2,151	2,374	-9
Organic growth, %	-3	15	–	-1	13	–
Adjusted EBIT	198	227	-13	395	423	-7
Margin, %	18.3	19.3	–	18.4	17.8	–
EBIT	202	203	0	355	436	-18
Margin, %	18.7	17.2	–	16.5	18.4	–
Total workforce ²	1,429	1,398	2	1,429	1,398	2

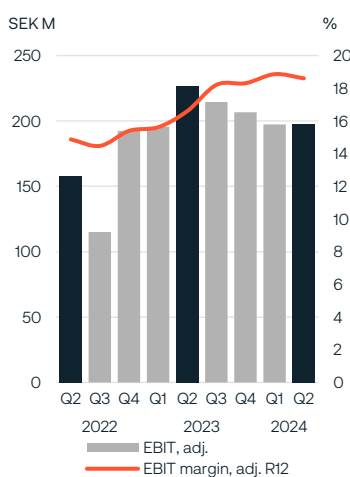
1) Order intake in the quarter refers to the rolling 12-month period.

2) Total workforce includes employees and third-party workers and is based on full-time equivalents.

Revenues



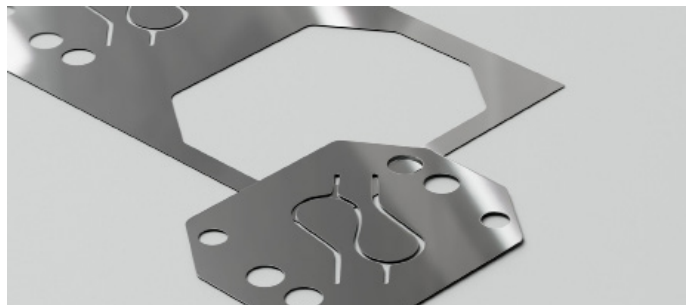
Adjusted EBIT





Strip

Strip develops and manufactures a wide range of precision strip steel products and also offers pre-coated strip steel for one of the most critical components in the hydrogen fuel cell stack – the bipolar plates. The customers are in the segments consumer, industrial, transportation, hydrogen and renewable energy as well as medical.

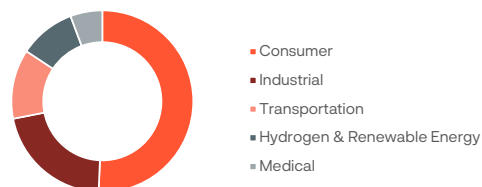


Order intake and revenues

- Order intake for the rolling 12-month period decreased by 4% to SEK 1,386 million (1,438), with organic growth of 0%. Order intake grew in the Consumer and Transportation segments.
- Revenues in the quarter decreased by 11% to SEK 387 million (435), with organic growth of -6%, driven by lower deliveries in most segments, with the exception of the Consumer segment.
- Book-to-bill was 96% for the rolling 12-month period.

Earnings

- Adjusted EBIT amounted to SEK 39 million (44), corresponding to a margin of 10.2% (10.0). The margin increase was mainly attributable to an improved cost position and improved product mix.
- EBIT amounted to SEK 42 million (44) and included metal price effects of SEK 2 million (0).
- Changes in exchange rates had an impact of SEK 4 million compared with the year-earlier period.
- Depreciation and amortization amounted to SEK -11 million (-11).



SEK M	Order intake R12	Revenues Q	Adj. EBIT Q
Q2 2023	1,438	435	44
Organic	0%	-6%	-8
Structure	–	–	0
Currency	-2%	-2%	4
Alloys	-2%	-3%	N/A
Total growth	-4%	-11%	-4
Q2 2024	1,386	387	39

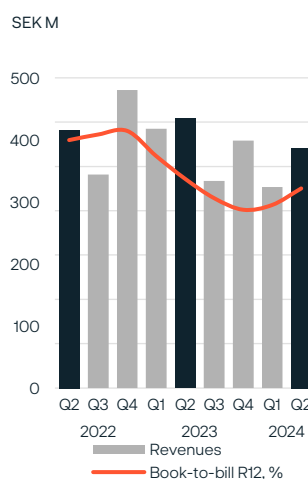
Change compared to same period last year. For order intake and revenues, the table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

SEK M	Q2 2024	Q2 2023	Change %	Q1-Q2 2024	Q1-Q2 2023	Change %
Order intake, R12 ¹	1,386	1,438	-4	–	–	–
Organic growth, R12 ¹ , %	0	-19	–	–	–	–
Revenues	387	435	-11	711	853	-17
Organic growth, %	-6	1	–	-12	1	–
Adjusted EBIT	39	44	-10	50	84	-41
Margin, %	10.2	10.0	–	7.0	9.9	–
EBIT	42	44	-4	43	91	-53
Margin, %	10.8	10.0	–	6.0	10.7	–
Total workforce ²	495	516	-4	495	516	-4

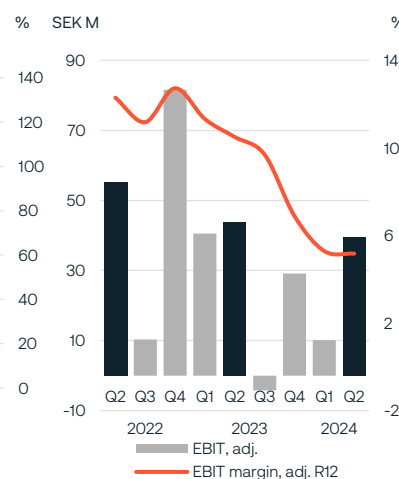
1) Order intake in the quarter refers to the rolling 12-month period.

2) Total workforce includes employees and third-party workers and is based on full-time equivalents.

Revenues



Adjusted EBIT





Sustainability

Alleima's strategy includes to be leading in the market from a sustainability perspective, contribute to increased circularity and support general health and well-being, both through our product offering and our operations. Developing a sustainable product offering, combined with several initiatives to reduce the overall environmental impact of the production process, are some of the most important success factors.

Making an impact through our offering

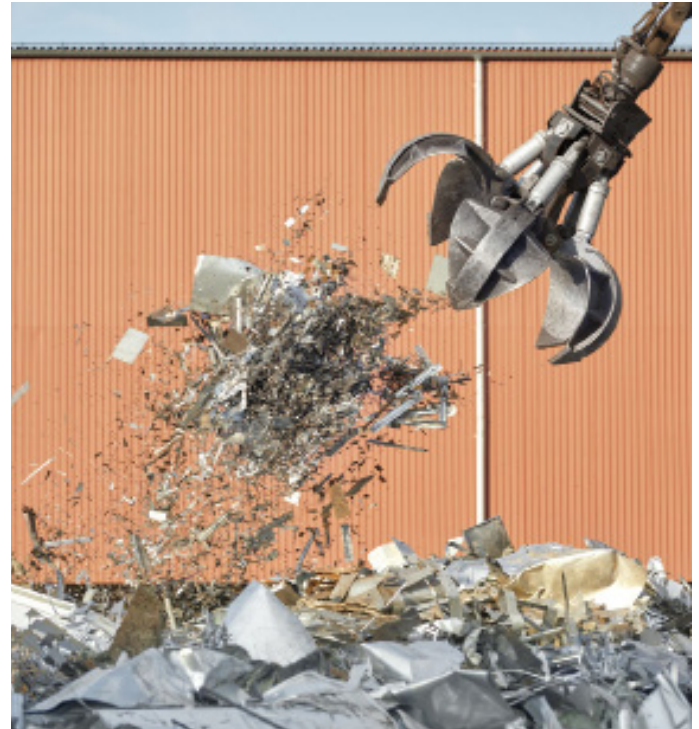
Kanthal has developed a direct heated electric solution for high-temperature process gas heating, an important step to enable zero-emission DRI (direct reduced iron) plants, a prerequisite for fossil-free steel. Kanthal's solution, Prothal® DH, is being developed for hydrogen and natural gas, as well as hybrid solutions, which enables upgrading or retrofitting of existing plants.

During the quarter, Kanthal entered a strategic partnership with Danieli, a major global supplier to the iron and steel industry, with the aim of scaling up Prothal® DH to a capacity of up to 100's of megawatts. Prothal® DH has been verified in a pilot project and the ambition is, together with Danieli, to have a commercial solution in place by 2027.

Making an impact through our operations

- The total recordable injury frequency rate (TRIFR) for the rolling 12-month period was 6.9 (8.0). TRIFR in the quarter was 7.8 (5.9).
- Share of recycled steel, i.e., scrap metal input in steel manufacturing, for the rolling 12-month period was 80.6% (81.1), corresponding to a reduction of 1%. The share improved during the quarter by 3% to 80.8% (78.4).
- CO₂ emissions for the rolling 12-month period amounted to 93 kton (98), corresponding to a reduction of 5%. CO₂ emissions during the quarter amounted to 26 kton (27), corresponding to a reduction of 4%.
- The share of female managers increased to 23.7% (23.1).

Definitions and glossary can be found at www.alleima.com/investors.

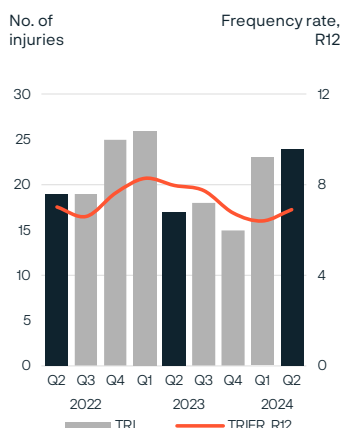


Sustainability overview

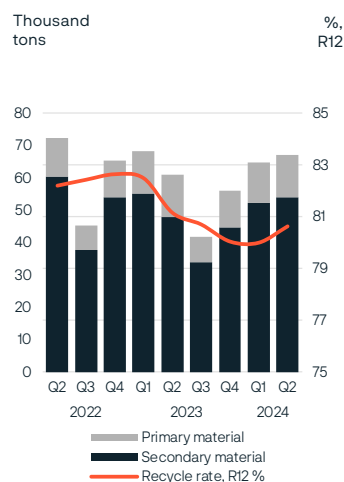
	Q2 2024	Q2 2023	Change, %	R12, Q2 2024	R12, Q2 2023	Change, %
TRIFR ¹	7.8	5.9	32	6.9	8.0	-13
CO ₂ emissions, thousand tons	26	27	-4	93	98	-5
Recycled steel, %	80.8	78.4	3	80.6	81.1	-1
Share of female managers, %	23.7	23.1	2	-	-	-

¹) Total recordable injury frequency rate. Normalization factor: 1,000,000 exposure hours.

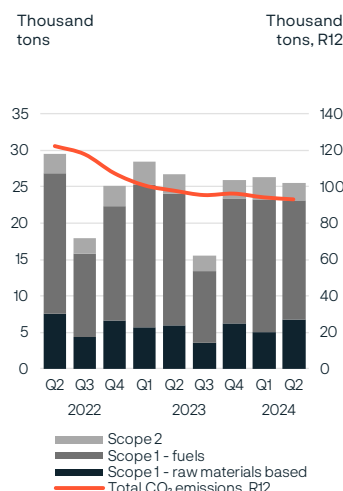
Health and safety



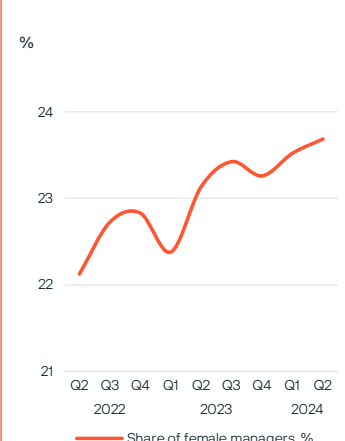
Recycled steel



CO₂ emissions



Share of female managers





Significant events

During the quarter

- On May 2, it was announced that Victoria Van Camp was elected as new Board member at the Annual General Meeting of Alleima.

After the quarter

- There were no significant events after the quarter.

Guidance and financial targets

Guidance

Guidance relating to certain non-operational key figures considered useful when modeling financial outcome is provided below:

Capex (Cash) (full year)	Estimated at approximately SEK 950 million for 2024.
Currency effects (quarterly)	Based on currency rates at the end of June 2024, it is estimated that transaction and translation currency effects will have an impact of about SEK -15 million on operating profit (EBIT) for the third quarter of 2024, compared to the corresponding period last year.
Metal price effects (quarterly)	In view of currency rates, inventory levels and metal prices at the end of June 2024, it is estimated that there will be an impact of approximately SEK -50 million on operating profit (EBIT) for the third quarter of 2024.
Tax rate, normalized (full year)	Estimated at 24-26% for 2024.

Financial targets

Alleima has four long-term 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 policy	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.



First six months

Market development and revenues

- During the first half of the year, market development was positive within most customer segments. The short-cycle business, mainly related to low-refined products in the Industrial and Consumer segments, strengthened from low levels. Demand in mainly Chemical and Petrochemical, Nuclear and Medical remained high and increased compared with the corresponding period last year. In the Oil and Gas segment demand was high, but not increasing. Demand in the Industrial Heating segment was lower.
- Revenues decreased by 8% to SEK 10,099 million (11,014), with organic growth of -1%. The Tube division noted neutral organic growth, while Kanthal and Strip noted a negative development.

Earnings

- Adjusted EBIT decreased by 13% to SEK 1,046 million (1,209), corresponding to a margin of 10.4% (11.0). The development was mainly attributable to lower revenues.
- Currency had a positive impact of SEK 51 million compared with the corresponding period last year.

- Depreciation and amortization amounted to SEK -450 million (-442).
- Reported EBIT amounted to SEK 814 million (1,395), with a margin of 8.1% (12.7). Metal price effects had a negative impact of SEK -231 million (186).
- Profit for the period amounted to SEK 688 million (1,033), corresponding to earnings per share, diluted, of SEK 2.74 (4.12).

Cash flow and financial position

- Capital employed excluding cash decreased to SEK 15,766 million (16,446). Return on capital employed excluding cash amounted to 9.3% (11.1).
- Capex amounted to SEK -353 million (-267), corresponding to 78.3% (71.2) of scheduled depreciation and 3.5% (2.4) of revenues. The increase was mainly attributable to production optimizations and growth investments.
- Free operating cash flow increased to SEK 645 million (476).

Certification

The Board of Directors and the CEO certify that the six-month report gives a fair overview of the Parent Company's and the Group's operations, financial position and results, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, July 19, 2024
Alleima AB (publ)
559224-1433

Andreas Nordbrandt
Chairman of the Board

Claes Boustedt
Board member

Ulf Larsson
Board member

Susanne Pahlén Åklundh
Board member

Victoria Van Camp
Board member

Karl Åberg
Board member

Tomas Kärnström
Board member,
Employee representative

Mikael Larsson
Board member,
Employee representative

Göran Björkman
President and CEO,
Board member



About us

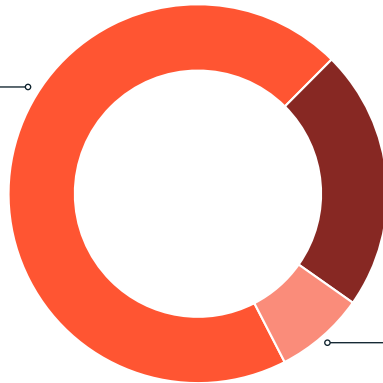
Alleima is a world-leading developer, manufacturer, and supplier of high value-added products in advanced stainless steels and special alloys as well as products for industrial heating, operating with a global footprint. Based on close and long-term customer partnerships, Alleima advances processes and applications in the most demanding industries through materials that are lightweight, durable,

corrosion-resistant and able to withstand extremely high temperatures and pressures.

Through its offering and in-depth expertise in materials technology, metallurgy and industrial processes, Alleima enables its customers to become more efficient, profitable, safe and sustainable.

Tube

Tube develops and manufactures seamless tubes and other long products in advanced stainless steels and special alloys.



Kanthal

Kanthal is a provider of products and services in the area of industrial heating technology and resistance materials, and also offers ultra-fine wire in stainless steel for use in medical appliances.

Strip

Strip develops and manufactures a wide range of precision strip steel products and also offers pre-coated strip steel.

Purpose

We advance industries through materials technology

Our unique and leading expertise enables more efficient, more profitable and more sustainable processes, products and applications for our customers.

Values

We care > **We deliver** > **We evolve**

Business model

The business model is based on close customer cooperation and extensive industry knowledge in combination with materials and process competence and a global footprint. Customer relationships are often characterized by a high degree of technical collaboration, including identifying the customers' needs and finding innovative ways to solve complex challenges. Approximately 80 percent of products are sold directly through Alleima's own global sales network and the remainder is often sold through distributors. Alleima has a fully integrated value chain, including in-house R&D, two steel mills with melt shops, five extrusion presses and several hot working, cold working and finishing facilities.

Strategy

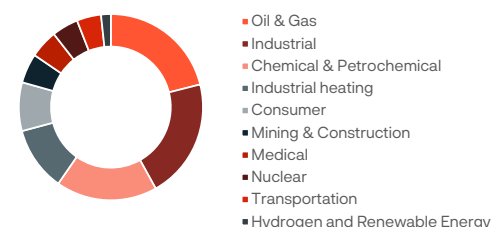
The strategy is based on four pillars:

- *Drive profitable growth* by capitalizing on global megatrends such as energy transition, energy efficiency, electrification and medical growth
- *Continuous focus of R&D* activities and digital innovations toward new business opportunities, defending and strengthening the current business and widening of the material portfolio
- *Operational and commercial excellence* through continuous improvement, price management, mix optimization, cost flexibility, footprint optimization and resilience
- *Industry-leading sustainability* that benefits the climate, increases circularity and supports general health and wellbeing, both through product offering as well as operations.

Customer segments sales exposure

Revenues per customer segment is based on full-year 2023. Historically, these percentages have not changed substantially between the quarters and the full year figures of 2023 will therefore give a good approximation.

Revenues per customer segment, full year 2023





Financial reports summary

The Group | Condensed consolidated income statement

SEK M	Note	Q2 2024	Q2 2023	Q1-Q2 2024	Q1-Q2 2023
Revenues	3	5,359	5,638	10,099	11,014
Cost of goods sold		-4,019	-4,629	-8,033	-8,338
Gross profit		1,340	1,009	2,066	2,676
Selling expenses		-339	-330	-642	-652
Administrative expenses		-254	-248	-514	-481
Research and development costs		-74	-71	-140	-133
Other operating income		32	71	77	119
Other operating expenses		-17	-81	-32	-135
Operating profit/loss	4,5	689	350	814	1,395
Financial income		84	-26	131	22
Financial expenses		53	-13	-36	-59
Net financial items		137	-39	95	-37
Profit/loss after net financial items		826	310	909	1,358
Income tax	6	-190	-92	-222	-325
Profit/loss for the period		636	218	688	1,033
<i>Profit/loss for the period attributable to</i>					
Owners of the parent company		636	218	688	1,033
Non-controlling interests		0	-	0	-
Earnings per share, SEK					
Basic	9	2.54	0.87	2.75	4.12
Diluted	9	2.54	0.87	2.74	4.12

The Group | Condensed consolidated comprehensive income

SEK M	Note	Q2 2024	Q2 2023	Q1-Q2 2024	Q1-Q2 2023
Profit/loss for the period		636	218	688	1,033
Other comprehensive income					
<i>Items that will not be reclassified to profit (loss)</i>					
Actuarial gains (losses) on defined benefit pension plans		-30	-107	97	-56
Tax relating to items that will not be reclassified		6	22	-20	12
Total items that will not be reclassified to profit (loss)		-24	-85	77	-45
<i>Items that may be reclassified to profit (loss)</i>					
Foreign currency translation differences		-69	224	192	278
Hedge reserve adjustment		60	-261	-34	-1,135
Tax relating to items that may be reclassified		-12	54	7	234
Total items that may be reclassified to profit (loss)		-21	17	166	-624
Total other comprehensive income		-45	-68	243	-668
Total comprehensive income		591	150	931	365
<i>Total comprehensive income attributable to</i>					
Owners of the parent company		591	150	931	365
Non-controlling interests		-	-	-	-



The Group | Condensed consolidated balance sheet

SEK M	Note	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Goodwill		1,662	1,750	1,621
Other intangible assets		306	223	292
Property, plant and equipment		7,296	7,331	7,281
Right-of-use assets		450	395	502
Financial assets	7	72	365	103
Deferred tax assets		221	162	164
Non-current assets		10,006	10,227	9,963
Inventories		7,688	8,095	7,360
Current receivables	7	3,978	4,609	4,077
Cash and cash equivalents		1,499	542	1,595
Current assets		13,165	13,245	13,033
Total assets		23,171	23,472	22,996
Equity attributable to owners of the parent company	1,9	16,043	15,908	15,732
Non-controlling interest		0	0	0
Total equity		16,043	15,908	15,732
Non-current interest-bearing liabilities		1,136	957	1,266
Non-current non-interest-bearing liabilities	7	982	1,093	971
Non-current liabilities		2,117	2,049	2,237
Current interest-bearing liabilities		126	124	130
Current non-interest-bearing liabilities	7	4,885	5,391	4,897
Current liabilities		5,011	5,515	5,027
Total equity and liabilities		23,171	23,472	22,996



The Group | Condensed consolidated cash flow statement

SEK M	Note	Q2 2024	Q2 2023	Q1-Q2 2024	Q1-Q2 2023
Operating activities					
Operating profit/loss		689	350	814	1,395
Adjustments for non-cash items:					
Depreciation, amortization and impairments		224	222	450	440
Other non-cash items		76	-13	20	-24
Received and paid interest		-11	-7	34	11
Income tax paid		-155	-131	-271	-320
Cash flow from operating activities before changes in working capital		823	422	1,048	1,501
Changes in working capital		-252	-310	-217	-1,012
Cash flow from operating activities		571	111	831	489
Investing activities					
Investments in intangible and tangible assets		-212	-151	-355	-268
Proceeds from sale of intangible and tangible assets		0	1	2	2
Acquisition and sale of shares and participations	10	0	-170	0	-170
Other investments and financial assets, net		0	-1	0	0
Cash flow from investing activities		-211	-321	-352	-437
Financing activities					
Proceeds from loans		0	18	0	18
Repayments of loans		-1	-1	-2	-2
Amortization of lease liabilities		-39	-27	-70	-55
Equity swap	9	-20	-20	-20	-20
Dividends paid	9	-501	-351	-501	-351
Cash flow from financing activities		-561	-381	-594	-410
Net change in cash and cash equivalents		-202	-590	-115	-359
Cash and cash equivalents at beginning of period		1,713	1,124	1,595	892
Exchange rate differences in cash and cash equivalents		-12	8	18	9
Cash and cash equivalents at end of the period		1,499	542	1,499	542



The Group | Condensed consolidated statements of changes in equity

SEK M	Note	Equity attributable to owners of the parent company	Non-controlling interest	Total equity
Equity at January 1, 2023	1	15,901	0	15,901
<i>Changes</i>				
Net profit		1,033	-	1,033
Other comprehensive income for the period, net of tax		-668	-	-668
<i>Total comprehensive income for the period</i>		<i>365</i>	<i>-</i>	<i>365</i>
Cash flow hedge, transferred to cost of hedged item		16	-	16
Tax on cash flow hedge, transferred to cost		-3	-	-3
<i>Net cash flow hedge, transferred to cost</i>		<i>13</i>	<i>-</i>	<i>13</i>
Equity swap		-20	-	-20
Dividends		-351	-	-351
<i>Total transactions with owners</i>		<i>-371</i>	<i>-</i>	<i>-371</i>
Equity at June 30, 2023	1	15,908	0	15,908
<i>Changes</i>				
Net profit		540	-	540
Other comprehensive income for the period, net of tax		-584	-	-584
<i>Total comprehensive income for the period</i>		<i>-43</i>	<i>-</i>	<i>-43</i>
Cash flow hedge, transferred to cost of hedged item		-166	-	-166
Tax on cash flow hedge, transferred to cost		32	-	32
<i>Net cash flow hedge, transferred to cost</i>		<i>-135</i>	<i>-</i>	<i>-135</i>
Shared-based payments	9	2	-	2
<i>Total transactions with owners</i>		<i>2</i>	<i>-</i>	<i>2</i>
Equity at December 31, 2023	1	15,732	0	15,732
<i>Changes</i>				
Net profit		688	-	688
Other comprehensive income for the period, net of tax		243	-	243
<i>Total comprehensive income for the period</i>		<i>931</i>	<i>-</i>	<i>931</i>
Cash flow hedge, transferred to cost of hedged item		-127	-	-127
Tax on cash flow hedge, transferred to cost		26	-	26
<i>Net cash flow hedge, transferred to cost</i>		<i>-100</i>	<i>-</i>	<i>-100</i>
Shared-based payments	9	2	-	2
Equity swap	9	-20	-	-20
Dividends	9	-501	-	-501
<i>Total transactions with owners</i>		<i>-520</i>	<i>-</i>	<i>-520</i>
Equity at June 30, 2024		16,043	0	16,043



The Parent Company | Condensed income statement

SEK M	Note	Q2 2024	Q2 2023	Q1-Q2 2024	Q1-Q2 2023
Revenues		7	6	13	12
Gross profit		7	6	13	12
Administrative expenses		-22	-22	-39	-42
Other operating expenses		0	0	-1	0
Operating loss		-15	-16	-28	-30
Interest revenue and similar income		10	8	19	15
Interest expense and similar costs		0	0	-1	0
Profit/loss after financial items		-6	-8	-9	-15
Income tax		1	2	2	3
Profit/loss for the period		-5	-7	-7	-13

The Parent Company | Condensed balance sheet

SEK M	Note	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Financial assets		11,907	11,907	11,907
Deferred tax assets		4	4	2
Non-current assets		11,911	11,911	11,909
Current receivables		1,053	1,061	1,580
Current assets		1,053	1,061	1,580
Total assets		12,964	12,972	13,490
Restricted equity		251	251	251
Unrestricted equity	9	12,662	12,685	13,188
Total equity		12,912	12,936	13,439
Non-current interest-bearing liabilities		2	9	2
Non-current non-interest-bearing liabilities		12	0	13
Non-current liabilities		15	9	14
Current non-interest-bearing liabilities		36	27	36
Current liabilities		37	27	36
Total equity and liabilities		12,964	12,972	13,490



Notes

Note 1 | Basis of preparation

The financial statements of the Group were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and the Swedish Annual Accounts Act, and for the parent company in accordance with the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities and other statements issued by the Swedish Financial Reporting Board. The accounting principles and computation methods applied in the preparation of this interim report are the same as those applied in the Annual Report 2023 as amended below. All amounts are in million SEK (SEK M) unless otherwise stated. Roundings may occur.

The interim information on pages 1–29 is an integrated part of these financial statements.

Changes in IFRS standards

IASB has published amendments of standards that are effective as of January 1, 2024 or later. The standards have not had any material impact on the financial reports.

Adjustment of hedge accounting

During Q2 2024 a correction of some hedge accounting transactions related to 2022 was made, which resulted in a restatement of the closing balance for equity as of December 31, 2022 between the hedge reserve and retained earnings of SEK -277 million. The adjustment had no effect on total equity. Retained earnings post the adjustment amounts to SEK 15,276 million as of December 31, 2023.

References

For more information concerning:

- Group summary, refer to page 1
- Significant events, refer to page 10

Note 2 | Risks and uncertainties

As an international group with a wide geographical spread, Alleima is exposed to several strategic, business and financial risks. Strategic risk at Alleima is defined as emerging risks affecting the business long-term, such as industry shifts, technological shifts, and macroeconomic developments. The business risks can be divided into operational, sustainability, compliance, legal and commercial risks. The financial risks include currency risks, interest rate risk, price risk, tax risks and more. These risk areas can all impact the business negatively both long and short-term but often also create business opportunities if managed well. Risk management at Alleima begins with an assessment in operational management teams where the material risks to their operations are first identified, followed by an evaluation of the probability of the risks occurring and their potential impact on the Group. Once the key risks have been identified and evaluated, risk mitigating activities to eliminate or reduce the risks are agreed on. For a more detailed description of Alleima's analysis of risks and risk universe, see the Annual Report 2023.

Situation by the Red Sea

The uncertainties that have arisen around the situation in the Red Sea and transports through the Suez Canal may have certain effects on freight costs, lead-times and capital tie-up as Alleima has some logistical exposure through the geographical area. As there is a general uncertainty regarding how the situation will evolve, it is difficult to foresee the final impact on Alleima's financial results and financial position.



Note 3 | Order intake by division and region

Order intake by division and region

SEK M	Note	R12 Q2 2024	R12 Q2 2023	Organic %
Tube				
Europe		7,906	9,455	-13
North America		3,276	2,850	16
Asia		2,311	1,955	27
Other		1,060	1,377	-24
Total		14,552	15,637	-4
Kanthal				
Europe		1,220	1,423	-14
North America		1,439	1,594	-3
Asia		1,273	1,317	2
Other		264	227	15
Total		4,196	4,561	-4
Strip				
Europe		601	600	2
North America		104	181	-41
Asia		661	636	9
Other		21	21	-6
Total		1,386	1,438	0
GROUP				
Europe		9,727	11,479	-13
North America		4,819	4,625	7
Asia		4,245	3,908	15
Other		1,344	1,625	-18
Total		20,135	21,636	-4



Revenues by division and region

SEK M	Note	Q2 2024	Q2 2023	Organic %	Q1-Q2 2024	Q1-Q2 2023	Organic %
Tube							
Europe		2,244	2,206	6	4,267	4,318	7
North America		749	833	-6	1,332	1,537	-8
Asia		615	613	12	1,131	1,071	15
Other		281	373	-33	506	861	-39
Total		3,890	4,025	1	7,237	7,787	0
Kanthal							
Europe		327	372	-7	661	776	-8
North America		387	427	-3	768	844	1
Asia		303	335	-5	605	666	-2
Other		65	45	45	117	88	34
Total		1,082	1,179	-3	2,151	2,374	-1
Strip							
Europe		169	192	-7	310	405	-20
North America		23	67	-65	52	129	-59
Asia		190	171	18	332	310	14
Other		5	6	-4	17	9	77
Total		387	435	-6	711	853	-12
GROUP							
Europe		2,740	2,770	3	5,238	5,499	3
North America		1,159	1,326	-8	2,152	2,510	-7
Asia		1,108	1,119	8	2,069	2,047	10
Other		351	423	-24	640	958	-32
Total		5,359	5,638	0	10,099	11,014	-1



Note 4 | Segment information

Alleima has three reportable operating segments, Tube, Kanthal and Strip. Items not included in the operating segments, mainly related to Group staff functions typically to run the Group or items Alleima considers to be centrally decided, are presented as Common functions.

	Note	Q1-Q2 2024	Q1-Q2 2023	Full year 2023	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Order intake, rolling 12 months, SEK M¹										
Tube		-	-	16,052	14,552	14,954	16,052	16,401	15,637	16,377
Kanthal		-	-	4,321	4,196	4,064	4,321	4,619	4,561	4,606
Strip		-	-	1,310	1,386	1,344	1,310	1,342	1,438	1,567
Total²		-	-	21,684	20,135	20,362	21,684	22,362	21,636	22,550
Revenues, SEK M										
Tube		7,237	7,787	14,475	3,890	3,347	3,557	3,130	4,025	3,763
Kanthal		2,151	2,374	4,609	1,082	1,069	1,082	1,153	1,179	1,195
Strip		711	853	1,585	387	324	399	334	435	418
Total²		10,099	11,014	20,669	5,359	4,740	5,038	4,617	5,638	5,376
Adjusted EBIT, SEK M										
Tube		762	861	1,491	454	308	430	199	457	404
Kanthal		395	423	844	198	197	207	214	227	196
Strip		50	84	109	39	10	29	-4	44	41
Common functions		-162	-159	-303	-99	-63	-84	-59	-86	-73
Total²		1,046	1,209	2,141	592	453	582	350	642	567
Adjusted EBIT margin, %										
Tube		10.5	11.1	10.3	11.7	9.2	12.1	6.4	11.4	10.7
Kanthal		18.4	17.8	18.3	18.3	18.5	19.1	18.6	19.3	16.4
Strip		7.0	9.9	6.9	10.2	3.1	7.3	-1.3	10.0	9.7
Common functions		N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M
Total¹		10.4	11.0	10.4	11.1	9.6	11.6	7.6	11.4	10.5
EBIT, SEK M										
Tube		578	1,027	1,460	544	34	339	94	189	838
Kanthal		355	436	778	202	153	161	182	203	233
Strip		43	91	110	42	1	29	-10	44	48
Common functions		-162	-159	-303	-99	-63	-84	-59	-86	-73
Total²		814	1,395	2,046	689	126	444	206	350	1,045

1) Order intake for the quarter refers to the rolling 12 months period.

2) Internal transactions had negligible effect on division profits.



Note 5 | Adjustment items on EBIT

SEK M	Q1-Q2 2024	Q1-Q2 2023	Full year 2023	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
EBIT									
Items affecting comparability									
Tube	0	0	0	0	0	0	0	0	0
Kanthal	0	0	0	0	0	0	0	0	0
Strip	0	0	0	0	0	0	0	0	0
Common functions	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Metal price effect									
Tube	-184	166	-30	90	-274	-91	-105	-268	434
Kanthal	-40	13	-65	4	-44	-46	-33	-24	38
Strip	-7	7	0	2	-9	-1	-6	0	7
Total	-231	186	-95	96	-328	-138	-144	-293	479
Total adjustment items EBIT									
Tube	-184	166	-30	90	-274	-91	-105	-268	434
Kanthal	-40	13	-65	4	-44	-46	-33	-24	38
Strip	-7	7	0	2	-9	-1	-6	0	7
Common functions	0	0	0		0	0	0	0	0
Total	-231	186	-95	96	-328	-138	-144	-293	479



Note 6 | Taxes

SEK M	Q2 2024		Q2 2023		Q1-Q2 2024		Q1-Q2 2023	
Reported tax	-190	23.0%	-92	29.7%	-222	24.4%	-325	23.9%
Tax on adjustment items (note 5)	19	-19.9%	-61	-21.0%	-50	-21.5%	41	-22.2%
Tax excluding adjustment items	-170	23.4%	-154	25.5%	-271	23.8%	-284	24.2%
Adjustment for one time items taxes	0	0.0%	0	-0.1%	0	0.0%	0	0.0%
Normalized tax rate	-170	23.4%	-153	25.4%	-271	23.8%	-283	24.2%

Note 7 | Financial assets and liabilities

Financing

During Q2 2024, Alleima has prolonged the revolving credit facility of SEK 3,000 million with one year by utilizing the last one-year prolongation option, extending the facility to 2029. The facility was not utilized as of June 30, 2024.

Financial instruments - fair values

In order to mitigate financial risks, the Group has entered into financial instruments such as currency-, commodity- and electricity- and gas derivatives. All derivatives belong to Level 2 in the fair value hierarchy, i.e. observable inputs have been used in deriving the fair values. Fair values, which equals carrying amounts, of outstanding derivatives amounted at each reporting period to the amounts below.

SEK M	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Financial assets derivatives	78	527	327
Financial liabilities derivatives	351	793	493

The carrying amounts for other financial assets and liabilities are considered to represent a good approximation of the fair values due to the short durations.

Note 8 | Related party transactions

The Group companies have related party relationships with their subsidiaries. All related party transactions are based on market terms and negotiated on an arm's length basis. For outstanding share right programs refer to Note 9. Other remunerations to senior executives for Alleima are presented in the Annual Report 2023 in Note 3.

Note 9 | Equity, number of shares and incentive programs

	Jun 30, 2024	Dec 31, 2023
Number of shares		
Total number of shares	250,877,184	250,877,184
Number of shares in equity swap (LTI)	-702,053	-410,620
Number of outstanding shares	250,175,131	250,466,564
Number of outstanding shares, weighted average	250,369,420	250,630,812
Number of shares after dilution	250,877,184	250,870,108
Number of shares after dilution, weighted average	250,869,684	250,875,769

Outstanding share right programs

Alleima's General Meeting held on May 2, 2024 approved the Board's proposal for a long-term share-based incentive program for 30 senior executives and key employees in the Group (LTI 2024). Participation requires an investment in Alleima shares. Each acquired Alleima share entitles the participant to be allotted, after a period of three years, a certain number of Alleima shares free of charge, provided that certain performance targets with respect to earnings per share and reduction of carbon dioxide (CO2) are met. As of June 30, 2024, LTI 2024 comprises 306,857 share rights. The delivery of these shares is secured through an equity swap agreement with a third party. Total costs before tax for outstanding rights in the incentive program are expensed over the three-year vesting period. These costs are expected to amount to SEK 19 million, of which social security costs amount to SEK 4 million.

Information regarding Alleima's long-term share-based incentive program 2023 (LTI 2023), such as the objective, conditions and requirements, is presented in Note 3 in the Annual Report for 2023. During the first six months of 2024, the total pre-tax cost for the program amounted to SEK 3 (0) million. As of June 30, 2024, LTI 2023 comprises 395,197 share rights (403,544).

Dividend

The Annual General Meeting held on May 2, 2024, resolved for the financial year 2023 on an ordinary dividend of SEK 2.00 per share. The dividend of SEK 502 million was distributed to the shareholders on May 10, 2024, of which SEK 1 million was repaid to Alleima in form of dividend related to the equity swap for LTI 2023.

Note 10 | Business combinations

The acquisitions of business combinations executed during the 12 months period are set out on the table below. For the acquisitions in 2023 please refer to details in the Alleima Annual report 2023, Note 28. Annual revenue and number of employees reflect the situation at the date of the respective transaction.

Division/Cash Generating Unit	Company	Country	Acquisition date	Annual revenue	No. of employees
Tube	Söderfors Steel Operations AB	Sweden	May 2, 2023	SEK 145 M in 2022	50



Key ratios

	Q2 2024	Q2 2023	Q1-Q2 2024	Q1-Q2 2023	Full year 2023	Full year 2022	Full year 2021	Full year 2020
Adjusted EBITDA, SEK M	813	866	1,496	1,651	3,056	2,540	1,811	1,933
Adjusted EBITDA margin, %	15.2	15.4	14.8	15.0	14.8	13.8	13.1	13.9
Adjusted EBIT, SEK M	592	642	1,046	1,209	2,141	1,681	1,055	1,205
Adjusted EBIT margin, %	11.1	11.4	10.4	11.0	10.4	9.1	7.6	8.7
Operating profit (EBIT), SEK M	689	350	814	1,395	2,046	2,122	1,379	492
Operating profit (EBIT) margin, %	12.8	6.2	8.1	12.7	9.9	11.5	10.0	3.5
Normalized tax rate, % (Note 6)	23.4	25.4	23.8	24.2	24.2	24.3	24.9	31.6
Net working capital to revenues, % ¹	32.7	33.2	36.1	34.5	34.3	32.8	31.2	30.4
Return on capital employed, % ²	8.9	10.5	8.9	10.5	12.2	13.2	10.4	3.8
Return on capital employed excluding cash, % ²	9.3	11.1	9.3	11.1	12.9	14.2	11.0	3.8
Net debt/Adjusted EBITDA ratio	-0.10	0.16	-0.10	0.16	-0.08	0.01	0.73	0.90
Net debt/Equity ratio	-0.02	0.03	-0.02	0.03	-0.02	0.00	0.11	0.17
Free operating cash flow, SEK M	486	72	645	476	1,688	505	1,046	1,483
Adjusted earnings per share, diluted, SEK	2.23	1.79	3.46	3.54	6.56	3.36 ⁴	3.82	3.69
Earnings per share adjusted for metalprice effects, diluted, SEK	2.23	1.79	3.46	3.54	6.56	2.55 ⁴	3.27	2.09
Average number of shares, diluted, at the end of the period (millions) (Note 9)	250.869	250.877	250.870	250.877	250.876	250.877	250.877	250.877
Number of shares at the end of the period (millions) (Note 9)	250.175	250.467	250.175	250.467	250.467	250.877	250.877	250.877
Number of employees ³	6,225	6,006	6,225	6,006	6,110	5,886	5,465	5,084
Number of consultants ³	546	613	546	613	596	612	413	287

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

2) Based on rolling 12 months operating profit, in percentage of a four-quarter average capital employed (including respectively excluding cash).

3) Full-time equivalent.

4) Earnings per share 2022 is adjusted due to correction of hedge accounting, refer to Note 1.

Alternative Performance Measures

This interim report contains certain alternative performance measures that are not defined by IFRS. These measures are included as they are considered to be important performance indicators of the operating performance and liquidity of Alleima. They should not be considered a substitute for Alleima's financial statements prepared in accordance with IFRS. Alleima's definitions of these measures are described below, and as other companies may calculate non IFRS measures differently, these measures are therefore not always comparable to similar measures used by other companies.

Organic order intake and revenue growth

Change in order intake and revenues after adjustments for exchange rate effects and structural changes such as divestments and acquisitions and alloy surcharges. Organic growth is used to analyze the underlying sales performance in the Group, as most of its revenues are in currencies other than in the reporting currency (i.e. SEK, Swedish Krona). Alloy surcharges are used as an instrument to pass on changes in alloy costs along the value chain and the effects from alloy surcharges may fluctuate over time.

Adjusted operating profit (EBIT)

Alleima considers Adjusted operating profit (EBIT) and the related margin to be relevant measures to present profitability of the underlying business excluding metal price effects and items affecting comparability (IAC).

Metal price effect is the difference between sales price and purchase price on metal content used in the production of products. Metal price effect on operating profit in a particular period arises from changes in alloy prices arising from the timing difference between the purchase, as included in cost of goods sold, and the sale of an alloy, as included in revenues, when alloy surcharges are applied. IAC includes capital gains and losses from divestments and larger restructuring initiatives, impairments, capital gains and losses from divestments of financial assets as well as other material items having a significant impact on the comparability.

Adjusted operating profit (EBIT) and margin: Operating profit (EBIT) excluding items affecting comparability and metal price effects. Margin is expressed as a percentage of revenues.

Adjusted operating profit (EBIT)

SEK M	Q1-Q2 2024	Q1-Q2 2023	Full year 2023	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Operating profit/loss	814	1,395	2,046	689	126	444	206	350	1,045
Reversal (Note 5):									
Items affecting comparability	0	0	0	0	0	0	0	0	0
Metal price effect	231	-186	95	-96	328	138	144	293	-479
Impairments	0	0	0	0	0	0	0	0	0
Adjusted operating profit (EBIT)	1,046	1,209	2,141	592	453	582	350	642	567
Revenues	10,099	11,014	20,669	5,359	4,740	5,038	4,617	5,638	5,376
Adjusted operating profit (EBIT) margin, %	10.4	11.0	10.4	11.1	9.6	11.6	7.6	11.4	10.5



Adjusted earnings per share, diluted

Alleima considers Adjusted earnings per share (EPS), diluted to be relevant to understand the underlying performance, which excludes items affecting comparability and metal price effects between periods.

Adjusted EPS, diluted: Profit/loss, adjusted for items affecting comparability and metal price effects, attributable to equity holders of the Parent Company divided by the average number of shares, diluted, outstanding during the period.

Adjusted profit for the period and adjusted earnings per share, diluted

SEK M	Q1-Q2 2024	Q1-Q2 2023	Full year 2023	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Profit/loss for the period	688	1,033	1,574	636	51	403	137	218	815
Reversal:									
Adjustment items EBIT (Note 5)	231	-186	95	-96	328	138	144	293	-479
Tax on adjustment items (Note 6)	-50	41	-22	19	-69	-30	-34	-61	103
Adjusted profit for the period	869	888	1,647	559	310	511	247	449	439
Attributable to									
Owners of the parent company	869	888	1,647	559	310	511	247	449	439
Non-controlling interests	-	-	-	-	-	-	-	-	-
Average number of shares, diluted, at the end of the period (millions)	250.869	250.877	250.876	250.870	250.866	250.874	250.877	250.877	250.877
Adjusted earnings per share, diluted, SEK	3.46	3.54	6.56	2.23	1.24	2.04	0.99	1.79	1.75



Net working capital (NWC) in relation to revenues and return on capital employed (ROCE)

Alleima considers NWC in relation to revenues for the quarter relevant as a measure of both the Group's efficiency and its short-term financial health.

Net working capital (NWC): Total of inventories, trade receivables, account payables and other current non-interest-bearing receivables and liabilities, including those classified as liabilities and assets held for sale, but excluding tax assets and liabilities and provisions.

Net working capital (NWC) in relation to revenues: Quarter is quarterly annualized and year-to-date numbers are based on a four-quarter average.

Alleima considers ROCE to be useful for the readers of its financial reports as a complement in assessing the possibility of implementing strategic investments and considering the Group's ability to meet its financial commitments.

In addition, it is useful to also follow ROCE excluding cash, as it is focused on the operating capital employed.

Capital employed: Total assets less non-interest-bearing liabilities (including deferred tax liabilities).

ROCE: Rolling 12 months' operating profit/loss plus financial income (excl. derivatives), as a percentage of a four-quarter average capital employed.

ROCE excluding cash: Rolling 12 months' operating profit/loss, as a percentage of a four-quarter average capital employed excluding cash and cash equivalents.

SEK M	Q2 2024	Q2 2023	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Inventories	7,688	8,095	7,688	8,095	7,360
Trade receivables	3,221	3,556	3,221	3,556	2,952
Account payables	-2,288	-2,514	-2,288	-2,514	-2,003
Other receivables	578	663	578	663	720
Other liabilities	-2,105	-2,063	-2,105	-2,063	-2,205
Net working capital	7,094	7,738	7,094	7,738	6,825
Average net working capital	7,009	7,492	7,138	7,047	7,087
Revenues annualized	21,436	22,552	19,755	20,442	20,669
Net working capital to revenues, %	32.7	33.2	36.1	34.5	34.3
Tangible assets			7,296	7,331	7,281
Intangible assets			1,967	1,973	1,913
Cash and cash equivalents			1,499	542	1,595
Other assets			12,369	13,626	12,206
Other liabilities			-5,867	-6,484	-5,868
Capital employed			17,264	16,988	17,128
Average capital employed			17,096	17,030	16,999
Operating profit rolling 12 months			1,465	1,775	2,046
Financial income, excl. derivatives, rolling 12 months			51	13	34
Total return rolling 12 months			1,516	1,789	2,080
Return on capital employed (ROCE), %			8.9	10.5	12.2
Average capital employed excl. cash			15,777	16,035	15,920
Return on capital employed excl. cash, %			9.3	11.1	12.9



Free operating cash flow (FOCF)

Alleima considers free operating cash flow (FOCF) to be useful for providing an indication of the funds the operations generate to be able to implement strategic investments, make amortizations and pay dividends to the shareholders.

Free operating cash flow (FOCF): Operating profit (EBIT) excluding depreciations and amortizations (EBITDA), adjusted for non-cash items plus the change in net working capital minus investments and disposals of tangible and intangible assets and plus the amortization of lease liabilities.

Net debt to Equity and Net debt to Adjusted EBITDA

Alleima considers both Net debt to Equity and Net debt to Adjusted EBITDA to be useful for the readers of its financial reports as a complement for assessing the possibility of dividends, implementing strategic investments and considering

the Group's ability to meet its financial commitments. Net debt to Equity ratio is included in Alleima's financial targets.

Net debt: Interest-bearing current and non-current liabilities, including net pension liabilities and leases, less cash and cash equivalents.

Adjusted EBITDA: Operating profit (EBIT) before depreciation and amortizations, adjusted for metal price effects and items affecting comparability.

Financial net debt

Alleima considers financial net debt to be a useful indicator of the business's ability to pay off all debt, excluding pension liabilities and lease liabilities, at a certain point in time.

Financial net debt: Net debt, excluding net pension and lease liabilities.

Net debt to Equity and Net debt to Adjusted EBITDA

SEK M	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Interest-bearing non-current liabilities	1,136	957	1,266
Interest-bearing current liabilities	126	124	130
Prepayment of pensions	-40	-91	-43
Cash & cash equivalents	-1,499	-542	-1,595
Net debt	-277	448	-242
Net pension liability	-761	-569	-843
Leasing liabilities	-457	-395	-505
Financial net debt	-1,496	-516	-1,590
Adjusted EBITDA accumulated current year	1,496	1,651	3,056
Adjusted EBITDA previous year	1,405	1,188	-
Adjusted EBITDA rolling 12 months	2,901	2,839	3,056
Total equity	16,043	15,908	15,732
Net debt/Equity ratio	-0.02	0.03	-0.02
Net debt/Adjusted EBITDA ratio (multiple)	-0.10	0.16	-0.08

Shareholder information

Disclaimer statement

Some statements herein are forward-looking and the actual outcome could be materially different. In addition to the factors explicitly commented upon, the actual outcome could be materially affected by other factors, for example the effect of economic conditions, exchange-rate and interest-rate movements, political risks, impact of competing products and their pricing, product development, commercialization and technological difficulties, supply disturbances, and major customer credit losses.

This report is published in Swedish and English. The Swedish version shall prevail in any instance where the two versions differ.



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Conference call and webcast:

A conference call will be held on July 19, 2024 at 13:00 PM CEST.

Presentation for download and webcast link:

<https://www.alleima.com/en/investors/>

Dial-in details for the conference call:

Participants in Sweden: +46 (0)8 5051 0031

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Participants in the US: +1 (1) 631 570 56 13

Financial calendar

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Q4 interim report January - December
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