

Solid profitability and decisions to increase capacity

- Order intake for the rolling 12-month period decreased by 12% to SEK 19,646 million (22,362), with organic growth of -8%. The backlog remained solid with a good product mix.
- Revenues decreased by 3% to SEK 4,498 million (4,617), with organic growth of 3%.
- Adjusted operating profit (EBIT) amounted to SEK 314 million (350), corresponding to a margin of 7.0% (7.6).
- Operating profit (EBIT) amounted to SEK 290 million (206), corresponding to a margin of 6.5% (4.5), and included metal price effects of SEK -24 million (-144).
- Adjusted earnings per share, diluted, was SEK 1.02 (0.99).
- Earnings per share, diluted, was SEK 0.95 (0.55).
- Free operating cash flow amounted to SEK 411 million (812).

Financial overview

SEK M	Q3 2024	Q3 2023	Change, %	Q1-Q3 2024	Q1-Q3 2023	Change, %
Order intake, rolling 12 months ¹	19,646	22,362	-12	–	–	–
Organic growth, rolling 12 months ¹ , %	-8	0	–	–	–	–
Revenues	4,498	4,617	-3	14,597	15,631	-7
Organic growth, %	3	5	–	0	12	–
Adjusted operating profit (EBIT)	314	350	-10	1,360	1,559	-13
Margin, %	7.0	7.6	–	9.3	10.0	–
Operating profit (EBIT)	290	206	41	1,105	1,601	-31
Profit for the period	237	137	73	925	1,170	-21
Adjusted earnings per share, diluted, SEK	1.02	0.99	4	4.49	4.53	-1
Earnings per share, diluted, SEK	0.95	0.55	73	3.69	4.67	-21
Free operating cash flow	411	812	-49	1,064	1,288	-17
Net debt/Equity ratio	-0.03	-0.02	–	-0.03	-0.02	–

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 26 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.

"We continue to invest in capacity increases in more profitable and less cyclical segments."

CEO's comment

Market conditions

In the Tube division, we noted a high activity level in segments such as Oil and Gas, Nuclear and Transportation. For several other segments, the market conditions were more difficult to assess during the third quarter. In the Kanthal division, our Medical business continued its favorable performance, while we noted caution among our Industrial Heating customers. The market conditions for the Strip division improved during the quarter, and we are seeing signs that the market has stabilized at levels that are better, although somewhat low.

Order intake for the rolling 12-month period amounted to SEK 19,646 million (22,362), with organic growth of -8%. The development was primarily attributable to lower order intake in the Oil and Gas segment in the Tube division, compared with the strong build-up in the backlog in the year-earlier period. However, demand remained at high levels and the backlog is solid. Book-to-bill was 100% for the rolling 12-month period.

A solid performance in a seasonally weak quarter

Our revenues grew 3% organically in the quarter to SEK 4,498 million (4,617), with organic growth in all segments, except for Industrial and Industrial Heating.

Our diversified exposure to customer segments at different stages of the business cycle, and our strategy to grow in more profitable and less cyclical segments, have proven to be successful. The adjusted EBIT margin of 7.0% (7.6), which included a significant currency headwind, is a strong performance for a third quarter, which are seasonally weak due to scheduled summer and maintenance stoppages. This demonstrates how we have driven a positive product mix over the long term and kept our discipline in order bookings during weaker market conditions, thereby enabling profitability to be maintained.



Free operating cash flow amounted to SEK 411 million (812), which is a solid level, although it is compared against high cash flow in the third quarter of last year. Overall, our financial position remains strong, and we have plenty of flexibility to continue executing our strategy.

Strong position in energy

We have a leading position in the energy sector, which includes nuclear, oil and gas, electrification and emerging technologies in hydrogen and renewable energy. Demand within nuclear is growing globally, and to leverage growth opportunities we have now decided to increase our capacity by reopening a tube mill for steam generator tubes. This is a unique opportunity to relatively quickly meet the demand from our customers in the Nuclear segment. Through this facility, we will be able to deliver to both conventional nuclear power plants and emerging technologies such as small modular reactors (SMR).

Profitable growth in Medical

We are constantly seeing new opportunities in our profitable and rapidly growing Medical segment within Kanthal. We have now decided to establish a new production footprint for ultra-fine medical wire in Penang, Malaysia. This is an important and growing hub for medtech companies, and our local presence and expanded production capacity will allow us to serve both existing and new customers in Asia.

Focus on scaling up capacity for selected segments

Our focus is now on completing our capacity increases and scaling up our production for selected segments to drive profitable growth. In addition, we are continuing to adapt to the prevailing market conditions and it is satisfying to see how we have, over time, built a more agile and resilient organization. I want to extend my sincere thanks to all employees for their commitment, as they are a key part of this development.

Göran Björkman, President and CEO













Market development and outlook

Market development

- Demand in the **Oil and Gas** segment was stable at historically high levels, and the backlog remained solid.
- Demand in the **Industrial** segment was stable.
- Demand in the **Chemical and Petrochemical** segment declined. Overall, demand in Asia remained at a healthy level for the segment.
- Demand in the **Industrial Heating** segment declined, mainly driven by customers in the solar power and metal industries.
- 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 was stable overall, driven by the mining industry and with somewhat weaker demand related to the construction industry.
- Demand within 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.
- Demand within the **Hydrogen and Renewable Energy** segment was mixed, but declining overall due to the impact of delayed ramp-ups by certain customers.

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 fourth quarter 2024

Market conditions were mixed and slightly more difficult to assess at the close of the third quarter. At the same time, we take a positive view of the development in several of our customer segments, where the underlying megatrends are expected to continue to support the development in a somewhat cautious economic environment.

Our backlog is solid in several of 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 third quarter. Cash flow is normally higher in the second half of the year compared with the first half.



3%

Organic revenue growth in the quarter

Order intake and revenues

Order intake for the rolling 12-month period decreased by 12% to SEK 19,646 million (22,362), with organic growth of -8%. The development was primarily attributable to lower order intake in the Oil and Gas segment in the Tube division, compared with the strong build-up in the backlog in the year-earlier period. However, demand remained at high levels and the backlog is solid.

Revenues decreased by 3% to SEK 4,498 million (4,617), with organic growth of 3%. The Tube and Strip divisions displayed organic growth of 3% and 16%, respectively. Organic revenue growth in the Kanthal division was -3%.

Book-to-bill was 100% for the rolling 12-month period. The backlog remained solid with a good product mix.

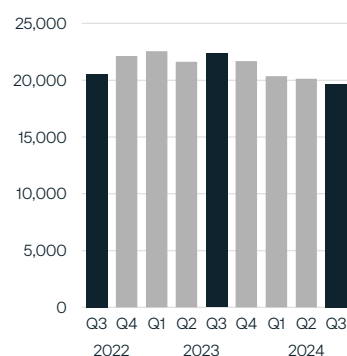
Growth bridge

SEK M	Order intake, R12	Revenues, Quarter
Q3 2023	22,362	4,617
Organic, %	-8	3
Structure, %	0	-
Currency, %	-1	-3
Alloys, %	-4	-2
Total growth, %	-12	-3
Q3 2024	19,646	4,498

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.

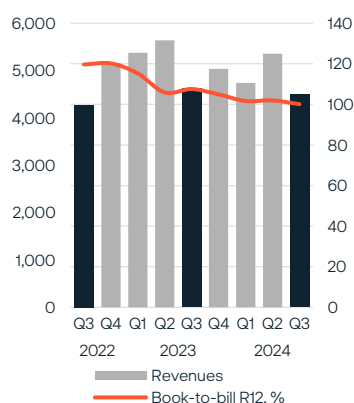
Order intake

Rolling 12 months
SEK M



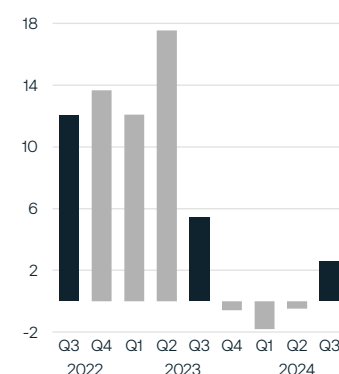
Revenues

Quarter
SEK M



Organic revenue growth

Quarter
%





Earnings

Gross profit increased by 5% to SEK 861 million (820), with a gross margin of 19.1% (17.8). This development was attributable to changed metal prices.

Sales, administrative and R&D costs decreased by 5% to SEK -570 million (-598).

Adjusted EBIT decreased by 10% to SEK 314 million (350), with a margin of 7.0% (7.6), impacted primarily by lower earnings in the Kanthal division and negative currency effects. The currency rates had a negative impact of SEK 51 million compared with the corresponding period last year. Depreciation and amortization amounted to SEK -224 million (-231).

Reported EBIT amounted to SEK 290 million (206), with a margin of 6.5% (4.5). Metal price effects had an impact of SEK -24 million (-144).

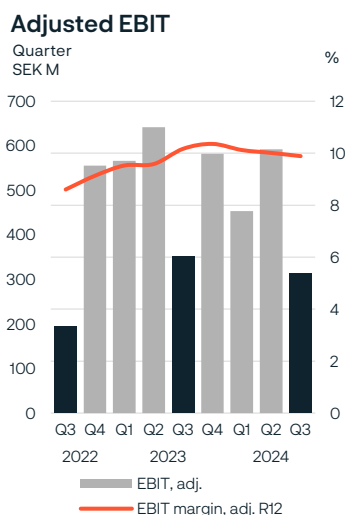
Net financial items were SEK 0 million (-15).

The reported tax rate was 18.4% (28.3) in the quarter. The normalized tax rate, excluding metal price effects in EBIT, was 23.7% (24.4) for the first nine months.

Adjusted profit for the period amounted to SEK 256 million (247) and adjusted earnings per share, diluted, amounted to SEK 1.02 (0.99). Profit for the period amounted to SEK 237 million (137), corresponding to earnings per share, diluted, of SEK 0.95 (0.55). See page 27 for further details.

SEK M	Adjusted EBIT
Q3 2023	350
Organic	14
Currency	-51
Structure	0
Q3 2024	314

Change compared to the corresponding quarter last year.



Adjusted EBIT margin

Quarter

7.0%

Cash flow and financial position

Capital employed excluding cash increased to SEK 15,720 million (15,610). Return on capital employed excluding cash decreased to 9.9% (12.5), due to changed metal prices.

Net working capital decreased year on year to SEK 6,884 million (7,108), and also decreased compared with the preceding quarter in line with normal seasonal variations. Net working capital in relation to revenues was 38.8% (40.2).

Capex amounted to SEK -249 million (-187). The increase was mainly driven by ongoing growth investments.

Net debt amounted to SEK -410 million (-293), i.e. a net cash position. The net debt to equity ratio was -0.03x (-0.02). The financial net debt was SEK -1,779 million (-1,239). Available credit facilities were unutilized at the end of the third quarter. The net pension liability increased year on year to SEK 938 million (449), primarily due to a lower long-term discount rate. Net debt corresponded to -0.14x (-0.10) of rolling 12-month adjusted EBITDA.

Free operating cash flow amounted to SEK 411 million (812), partly driven by increased growth investments. The lower cash flow year on year was also affected by a large reduction in accounts receivable in the comparative period.

Free operating cash flow

SEK M	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023
EBITDA	514	438	1,779	2,272
Non-cash items	77	25	96	1
Changes in working capital	105	567	-112	-445
Capex	-249	-187	-602	-453
Amortization, lease liabilities	-36	-31	-98	-87
Free operating cash flow¹	411	812	1,064	1,288

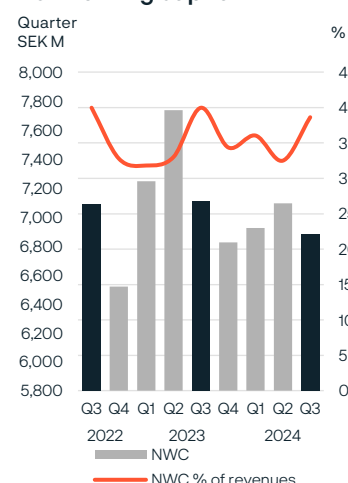
1) Free operating cash flow before acquisitions and disposals of companies, net financial items and paid taxes.

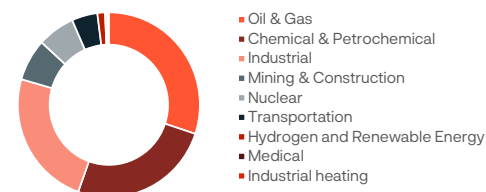
Net debt to Equity

Quarter, Ratio

-0.03x

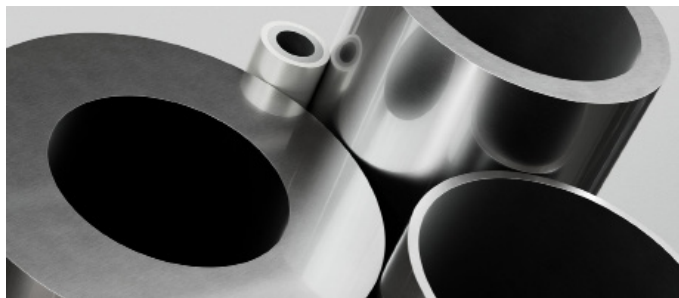
Net working capital





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 13% to SEK 14,232 million (16,401), with organic growth of -9%. The development was mainly attributable to lower order intake in the Oil and Gas segment, compared with the year-earlier backlog build-up. The backlog remained solid.
- Revenues in the quarter decreased by 2% to SEK 3,077 million (3,130), with organic growth of 3%. Organic growth was mainly driven by the Nuclear segment.
- Book-to-bill was 103% for the rolling 12-month period.

Earnings

- Adjusted EBIT totaled SEK 202 million (199), corresponding to a margin of 6.6% (6.4), driven primarily by a stronger product mix.
- EBIT amounted to SEK 179 million (94) and included negative metal price effects of SEK 23 million (-105).
- Changed exchange rates had a negative impact of SEK 15 million compared with the year-earlier period.
- Depreciation and amortization amounted to SEK -177 million (-184).

SEK M	Order intake R12	Revenues Q	Adj. EBIT Q
Q3 2023	16,401	3,130	199
Organic	-9%	3%	18
Structure	0%	–	0
Currency	-1%	-2%	-15
Alloys	-4%	-3%	N/A
Total growth	-13%	-2%	3
Q3 2024	14,232	3,077	202

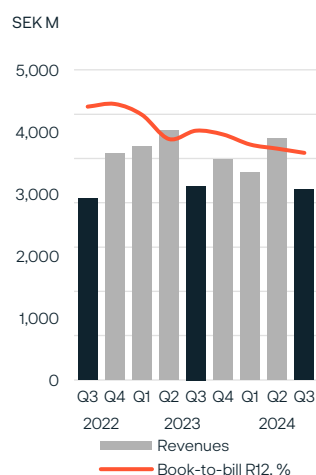
Change compared to same period last year. For order intake and revenues, the table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

SEK M	Q3 2024	Q3 2023	Change %	Q1-Q3 2024	Q1-Q3 2023	Change %
Order intake, R12 ¹	14,232	16,401	-13	–	–	–
Organic growth, R12 ¹ , %	-9	2	–	–	–	–
Revenues	3,077	3,130	-2	10,314	10,917	-6
Organic growth, %	3	4	–	1	13	–
Adjusted EBIT	202	199	1	965	1,060	-9
Margin, %	6.6	6.4	–	9.4	9.7	–
EBIT	179	94	90	757	1,121	-32
Margin, %	5.8	3.0	–	7.3	10.3	–
Total workforce ²	4,630	4,470	4	–	–	–

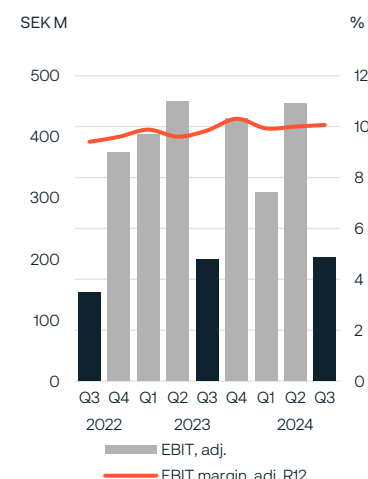
1) Order intake in the quarter refers to the rolling 12-month period.

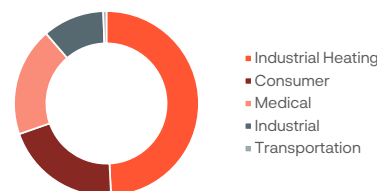
2) Total workforce includes employees and third-party workers and is based on full-time equivalents.

Revenues



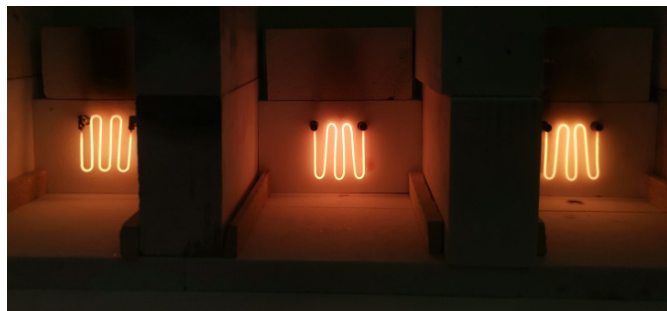
Adjusted EBIT





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 14% to SEK 3,986 million (4,619), with organic growth of -8%, primarily attributable to lower order intake in the Industrial Heating segment. The Medical segment reported a continued healthy order intake.
- Revenues in the quarter decreased by 9% to SEK 1,049 million (1,153), with organic growth of -3%. Revenues decreased in the Industrial Heating and Industrial segments and increased in the Medical segment.
- Book-to-bill was 93% for the rolling 12-month period.

Earnings

- Adjusted EBIT totaled SEK 174 million (214), corresponding to a margin of 16.6% (18.6), driven primarily by negative currency effects and lower revenues.
- EBIT amounted to SEK 168 million (182) and included negative metal price effects of SEK 5 million (-33).
- Changed exchange rates had a negative impact of SEK 32 million compared with the year-earlier period.
- Depreciation and amortization amounted to SEK -28 million (-30).

SEK M	Order intake R12	Revenues Q	Adj. EBIT Q
Q3 2023	4,619	1,153	214
Organic	-8%	-3%	-9
Structure	0%	–	0
Currency	-1%	-4%	-32
Alloys	-5%	-3%	N/A
Total growth	-14%	-9%	-40
Q3 2024	3,986	1,049	174

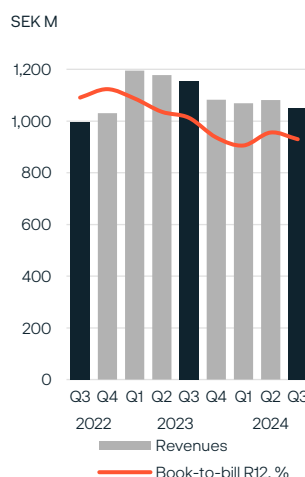
Change compared to same period last year. For order intake and revenues, the table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

SEK M	Q3 2024	Q3 2023	Change %	Q1-Q3 2024	Q1-Q3 2023	Change %
Order intake, R12 ¹	3,986	4,619	-14	–	–	–
Organic growth, R12 ¹ , %	-8	4	–	–	–	–
Revenues	1,049	1,153	-9	3,201	3,527	-9
Organic growth, %	-3	13	–	-2	13	–
Adjusted EBIT	174	214	-19	569	637	-11
Margin, %	16.6	18.6	–	17.8	18.1	–
EBIT	168	182	-7	524	618	-15
Margin, %	16.1	15.8	–	16.4	17.5	–
Total workforce ²	1,419	1,419	0	–	–	–

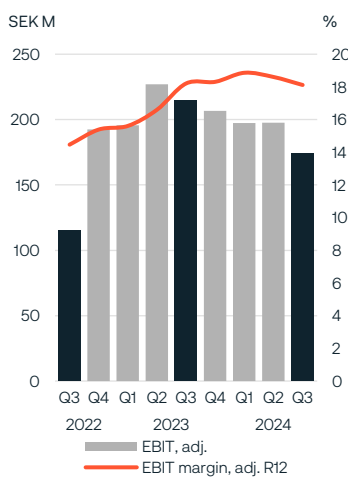
1) Order intake in the quarter refers to the rolling 12-month period.

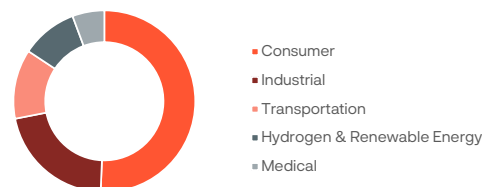
2) Total workforce includes employees and third-party workers and is based on full-time equivalents.

Revenues



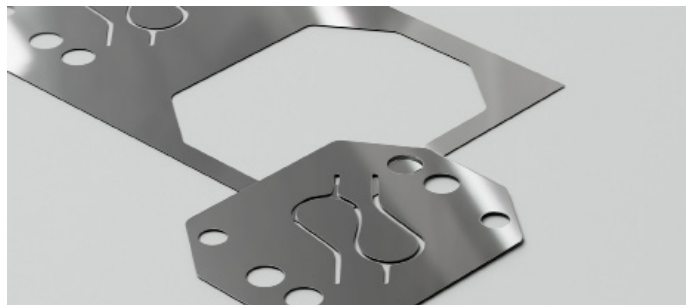
Adjusted EBIT





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 increased by 6% to SEK 1,428 million (1,342), with organic growth of 11%, primarily attributable to higher order intake in the Consumer, Industrial and Transportation segments.
- Revenues in the quarter increased by 11% to SEK 372 million (334), with organic growth of 16%. Revenues increased within the Consumer, Industrial and Transportation segments.
- Book-to-bill was 96% for the rolling 12-month period.

Earnings

- Adjusted EBIT totaled SEK -7 million (-4), with a margin of -1.9% (-1.3). This development was impacted by an impairment of SEK 6 million related to the scrapping of obsolete material due to a product exit.
- EBIT amounted to SEK -2 million (-10) and included positive metal price effects of SEK 5 million (-6).
- Changed exchange rates had a negative impact of SEK 5 million compared with the year-earlier period.
- Depreciation and amortization amounted to SEK -12 million (-11).

SEK M	Order intake R12	Revenues Q	Adj. EBIT Q
Q3 2023	1,342	334	-4
Organic	11%	16%	2
Structure	–	–	0
Currency	-2%	-2%	-5
Alloys	-2%	-2%	N/A
Total growth	6%	11%	-3
Q3 2024	1,428	372	-7

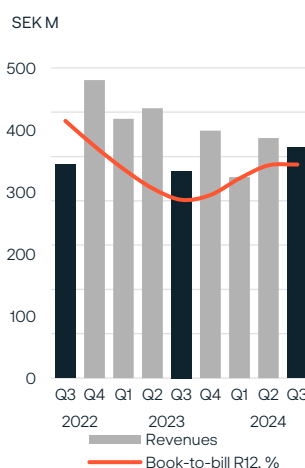
Change compared to same period last year. For order intake and revenues, the table is multiplicative, i.e. the different components must be multiplied to determine the total effect.

SEK M	Q3 2024	Q3 2023	Change %	Q1-Q3 2024	Q1-Q3 2023	Change %
Order intake, R12 ¹	1,428	1,342	6	–	–	–
Organic growth, R12 ¹ , %	11	-25	–	–	–	–
Revenues	372	334	11	1,083	1,187	-9
Organic growth, %	16	-3	–	-5	0	–
Adjusted EBIT	-7	-4	–	42	80	-47
Margin, %	-1.9	-1.3	–	3.9	6.7	–
EBIT	-2	-10	–	41	81	-49
Margin, %	-0.5	-3.1	–	3.8	6.8	–
Total workforce ²	499	499	0	–	–	–

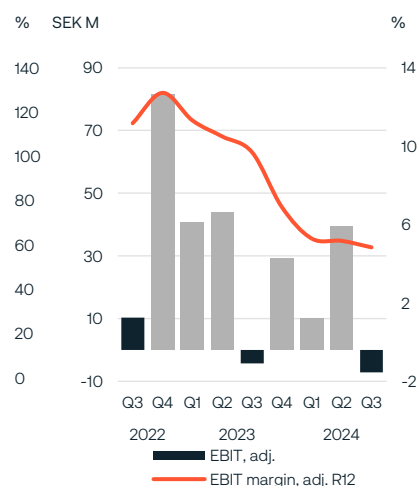
1) Order intake in the quarter refers to the rolling 12-month period.

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.

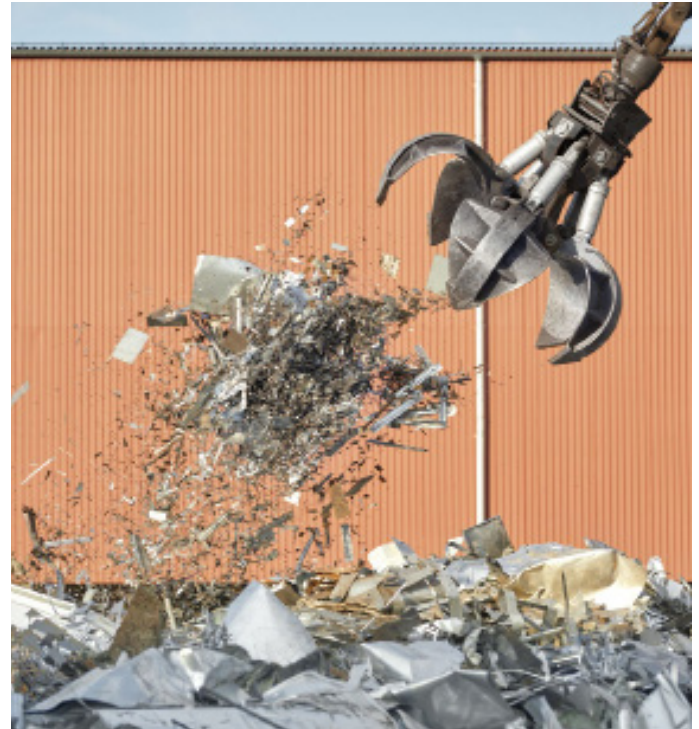
Making an impact through our offering

Since the 1960s, Alleima has been a leading supplier to the nuclear power industry. During the quarter, a decision was taken to expand capacity to meet growing global demand and further strengthen the company's leading market position in steam generator tubing. This expansion comprises refurbishing and reopening one of Alleima's tube mills for steam generator tubing. This will increase production capacity and strengthen the ability to leverage growth opportunities in steam generator tubing for full-scale nuclear power plants and small modular reactors (SMR).

Making an impact through our operations

- The total recordable injury frequency rate (TRIFR) for the rolling 12-month period was 6.9 (7.7). TRIFR in the quarter was 7.1 (7.0).
- Share of recycled steel, i.e., scrap metal input in steel manufacturing, for the rolling 12-month period was 80.7% (80.7). The share for the quarter totaled 81.0% (80.9).
- CO₂ emissions for the rolling 12-month period amounted to 93.9 kton (95.7), corresponding to a reduction of 2%. CO₂ emissions during the quarter amounted to 16.1 kton (15.5), corresponding to an increase of 4%.
- The share of female managers amounted to 23.3% (23.4).

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

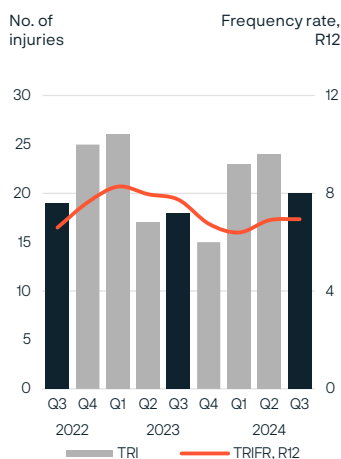


Sustainability overview

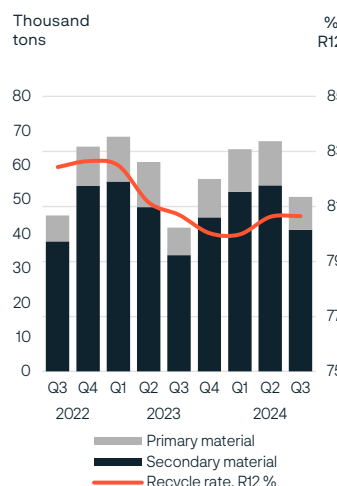
	Q3 2024	Q3 2023	Change, %	R12, Q3 2024	R12, Q3 2023	Change, %
TRIFR ¹	7.1	7.0	2	6.9	7.7	-10
Recycled steel, %	81.0	80.9	0	80.7	80.7	0
CO ₂ emissions, thousand tons	16.0	15.5	4	93.9	95.7	-2
Share of female managers, %	23.3	23.4	-1	-	-	-

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

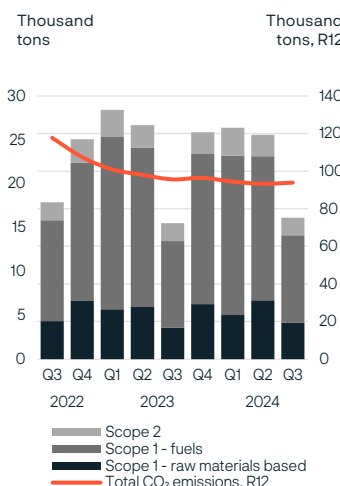
Health and safety



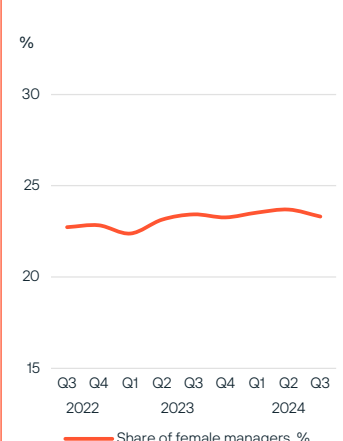
Recycled steel



CO₂ emissions



Share of female managers





Significant events

During the quarter

- On September 27, it was announced that Alleima decided to expand its steam generator tubing (SGT) facilities in Sandviken, Sweden. The investment is estimated to approximately SEK 330 million.

After the quarter

- On October 22, it was announced that Alleima decided to establish a new production facility for ultra-fine medical wire in Penang, Malaysia.

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 1,050 million for 2024.
Currency effects (quarterly)	Based on currency rates at the end of September 2024, it is estimated that transaction and translation currency effects will have an impact of about SEK -40 million on operating profit (EBIT) for the fourth 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 September 2024, it is estimated that there will be an impact of approximately SEK -200 million on operating profit (EBIT) for the fourth 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 nine months

Market development and revenues

- Market development was mixed for the various customer segments during the first nine months. The short-cycle business, mainly related to low-refined products in the Industrial segment, was stable at low levels, while the Consumer segment strengthened somewhat from low levels. Demand in mainly Nuclear and Medical remained high and increased compared with the corresponding period last year. In the Chemical and Petrochemical and Oil and Gas segments, demand was high, although not growing. Demand in the Industrial Heating segment declined.
- Revenues decreased by 7% to SEK 14,597 million (15,631), with organic growth of 0%. The Tube division noted positive organic growth, while the development was negative for Kanthal and Strip.

Earnings

- Adjusted EBIT decreased by 13% to SEK 1,360 million (1,559) corresponding to a margin of 9.3% (10.0). The development was mainly attributable to lower revenues.
- Currency had a neutral impact on EBIT compared with the corresponding period last year.

- Depreciation and amortization amounted to SEK -674 million (-671).
- Reported EBIT amounted to SEK 1,105 million (1,601), corresponding to a margin of 7.6% (10.2). Metal price effects had an impact of SEK -255 million (42).
- Profit for the period amounted to SEK 925 million (1,170), corresponding to earnings per share, diluted, of SEK 3.69 (4.67).

Cash flow and financial position

- Capital employed excluding cash increased to SEK 15,720 million (15,610). Return on capital employed excluding cash amounted to 9.9% (12.5).
- Capex amounted to SEK -602 million (-453), corresponding to 89.3% (67.5) of scheduled depreciation and 4.1% (2.9) of revenues. The increase was mainly attributable to optimizations of production and investments in growth.
- Free operating cash flow declined to SEK 1,064 million (1,288).

Stockholm, October 22, 2024

Alleima AB (publ)
559224-1433

Göran Björkman
President and CEO



Auditor's report

Alleima AB (publ) . reg. no. 559224-1433

Introduction

We have reviewed the condensed interim financial information (interim report) of Alleima AB (publ) as of 30 September 2024 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 22 October 2024

PricewaterhouseCoopers AB

Magnus Svensson Henryson
Authorized Public Accountant



About us

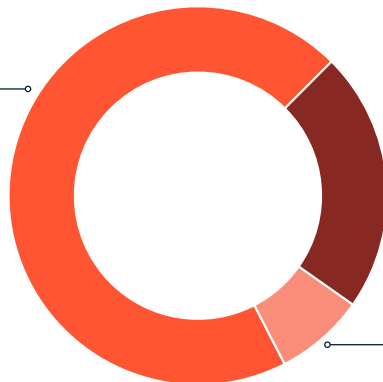
Alleima is a world-leading developer, manufacturer, and supplier of high value-added products in advanced stainless steels and special alloys as well as products for industrial heating, operating with a global footprint. Based on close and long-term customer partnerships, Alleima advances processes and 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

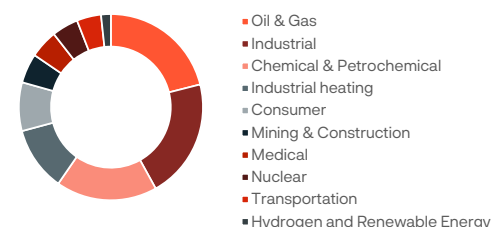
The strategy is based on four pillars:

- *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	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023
Revenues	3	4,498	4,617	14,597	15,631
Cost of goods sold		-3,637	-3,797	-11,670	-12,135
Gross profit		861	820	2,927	3,496
Selling expenses		-294	-318	-937	-970
Administrative expenses		-208	-231	-722	-712
Research and development costs		-67	-49	-208	-182
Other operating income		23	59	100	168
Other operating expenses		-24	-75	-55	-199
Operating profit	4,5	290	206	1,105	1,601
Financial income		40	21	170	43
Financial expenses		-40	-36	-76	-95
Net financial items		0	-15	95	-52
Profit after net financial items		291	191	1,200	1,550
Income tax	6	-53	-54	-275	-379
Profit for the period		237	137	925	1,170
<i>Profit for the period attributable to</i>					
Owners of the parent company		237	137	925	1,170
Non-controlling interests		-	-	-	-
Earnings per share, SEK					
Basic	9	0.95	0.55	3.69	4.67
Diluted	9	0.95	0.55	3.69	4.67

The Group | Condensed consolidated comprehensive income

SEK M	Note	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023
Profit for the period		237	137	925	1,170
Other comprehensive income					
<i>Items that will not be reclassified to profit (loss)</i>					
Actuarial gains (losses) on defined benefit pension plans		-179	119	-81	63
Tax relating to items that will not be reclassified		37	-25	17	-13
Total items that will not be reclassified to profit (loss)		-142	94	-64	50
<i>Items that may be reclassified to profit (loss)</i>					
Foreign currency translation differences		-146	-135	46	143
Hedge reserve adjustment		198	-167	164	-1,303
Tax relating to items that may be reclassified		-41	34	-34	268
Total items that may be reclassified to profit (loss)		11	-268	176	-892
Total other comprehensive income		-131	-174	112	-842
Total comprehensive income		106	-37	1,037	328
<i>Total comprehensive income attributable to</i>					
Owners of the parent company		106	-37	1,037	328
Non-controlling interests		-	-	-	-



The Group | Condensed consolidated balance sheet

SEK M	Note	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
Goodwill		1,641	1,686	1,621
Other intangible assets		303	269	292
Property, plant and equipment		7,291	7,290	7,281
Right-of-use assets		423	495	502
Financial assets	7	82	197	103
Deferred tax assets		295	185	164
Non-current assets		10,035	10,123	9,963
Inventories		7,480	7,722	7,360
Current receivables	7	3,611	3,724	4,077
Cash and cash equivalents		1,781	1,245	1,595
Current assets		12,872	12,691	13,033
Total assets		22,907	22,814	22,996
Equity attributable to owners of the parent company	1,9	16,130	15,815	15,732
Non-controlling interest		0	0	0
Total equity		16,130	15,815	15,732
Non-current interest-bearing liabilities		1,292	919	1,266
Non-current non-interest-bearing liabilities	7	1,035	1,061	971
Non-current liabilities		2,327	1,980	2,237
Current interest-bearing liabilities		122	120	130
Current non-interest-bearing liabilities	7	4,329	4,898	4,897
Current liabilities		4,451	5,018	5,027
Total equity and liabilities		22,907	22,814	22,996



The Group | Condensed consolidated cash flow statement

SEK M	Note	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023
Operating activities					
Operating profit		290	206	1,105	1,601
Adjustments for non-cash items:					
Depreciation, amortization and impairments		224	231	674	671
Other non-cash items		77	25	96	1
Received and paid interest		5	-20	31	-9
Income tax paid		-122	-60	-392	-381
Cash flow from operating activities before changes in working capital		474	382	1,514	1,883
Changes in working capital		105	567	-112	-445
Cash flow from operating activities		579	949	1,402	1,438
Investing activities					
Investments in intangible and tangible assets		-251	-194	-605	-462
Proceeds from sale of intangible and tangible assets		1	7	3	9
Acquisition and sale of shares and participations	10	-	-	-	-170
Other investments and financial assets, net		0	-1	0	-1
Cash flow from investing activities		-250	-188	-602	-625
Financing activities					
Proceeds from loans		-	-	-	18
Repayments of loans		-1	-20	-3	-22
Amortization of lease liabilities		-36	-31	-98	-87
Equity swap	9	-	-	-20	-20
Dividends paid	9	-	-	-501	-351
Cash flow from financing activities		-36	-51	-622	-461
Net change in cash and cash equivalents		293	711	178	352
Cash and cash equivalents at beginning of period		1,499	542	1,595	892
Exchange rate differences in cash and cash equivalents		-11	-8	7	1
Cash and cash equivalents at end of the period		1,781	1,245	1,781	1,245



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		1,170	-	1,170
Other comprehensive income for the period, net of tax		-842	-	-842
<i>Total comprehensive income for the period</i>		<i>328</i>	<i>-</i>	<i>328</i>
Cash flow hedge, transferred to cost of hedged item		-56	-	-56
Tax on cash flow hedge, transferred to cost		12	-	12
<i>Net cash flow hedge, transferred to cost</i>		<i>-44</i>	<i>-</i>	<i>-44</i>
Shared-based payments	9	1	-	1
Equity swap		-20	-	-20
Dividends		-351	-	-351
<i>Total transactions with owners</i>		<i>-370</i>	<i>-</i>	<i>-370</i>
Equity at September 30, 2023	1	15,815	0	15,815
<i>Changes</i>				
Net profit		403	-	403
Other comprehensive income for the period, net of tax		-410	-	-410
<i>Total comprehensive income for the period</i>		<i>-7</i>	<i>-</i>	<i>-7</i>
Cash flow hedge, transferred to cost of hedged item		-109	-	-109
Tax on cash flow hedge, transferred to cost		32	-	32
<i>Net cash flow hedge, transferred to cost</i>		<i>-77</i>	<i>-</i>	<i>-77</i>
Shared-based payments	9	1	-	1
<i>Total transactions with owners</i>		<i>1</i>	<i>-</i>	<i>1</i>
Equity at December 31, 2023	1	15,732	0	15,732
<i>Changes</i>				
Net profit		925	-	925
Other comprehensive income for the period, net of tax		112	-	112
<i>Total comprehensive income for the period</i>		<i>1,037</i>	<i>-</i>	<i>1,037</i>
Cash flow hedge, transferred to cost of hedged item		-154	-	-154
Tax on cash flow hedge, transferred to cost		32	-	32
<i>Net cash flow hedge, transferred to cost</i>		<i>-122</i>	<i>-</i>	<i>-122</i>
Shared-based payments	9	4	-	4
Equity swap	9	-20	-	-20
Dividends	9	-501	-	-501
<i>Total transactions with owners</i>		<i>-517</i>	<i>-</i>	<i>-517</i>
Equity at September 30, 2024		16,130	0	16,130



The Parent Company | Condensed income statement

SEK M	Note	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023
Revenues		7	6	20	18
Gross profit		7	6	20	18
Administrative expenses		-17	-16	-56	-58
Other operating expenses		1	0	-0	0
Operating loss		-9	-10	-36	-41
Dividend from group companies		1,076	-	1,076	-
Interest revenue and similar income		9	8	28	23
Interest expense and similar costs		-0	0	-1	0
Profit/loss after financial items		1,076	-3	1,067	-18
Appropriations		6	20	6	20
Income tax		-1	-4	1	-1
Profit for the period		1,081	14	1,074	1

The Parent Company | Condensed balance sheet

SEK M	Note	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
Financial assets		11,907	11,907	11,907
Deferred tax assets		3	0	2
Non-current assets		11,910	11,908	11,909
Current receivables		2,135	1,085	1,580
Current assets		2,135	1,085	1,580
Total assets		14,045	12,992	13,490
Restricted equity		251	251	251
Unrestricted equity	9	13,745	12,700	13,188
Total equity		13,996	12,951	13,439
Non-current interest-bearing liabilities		2	0	2
Non-current non-interest-bearing liabilities		14	11	13
Non-current liabilities		16	11	14
Current non-interest-bearing liabilities		33	30	36
Current liabilities		33	30	36
Total equity and liabilities		14,045	12,992	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 1–30 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 Q3 2024	R12 Q3 2023	Organic %
Tube				
Europe		7,978	9,711	-14
North America		3,047	3,202	-1
Asia		2,267	2,076	19
Other		940	1,412	-32
Total		14,232	16,401	-9
Kanthal				
Europe		1,187	1,334	-7
North America		1,443	1,620	-3
Asia		1,090	1,468	-21
Other		265	197	33
Total		3,986	4,619	-8
Strip				
Europe		637	539	22
North America		111	157	-25
Asia		663	625	11
Other		17	22	-21
Total		1,428	1,342	11
GROUP				
Europe		9,802	11,584	-11
North America		4,601	4,979	-3
Asia		4,021	4,169	4
Other		1,222	1,631	-24
Total		19,646	22,362	-8



Revenues by division and region

SEK M	Note	Q3 2024	Q3 2023	Organic %	Q1-Q3 2024	Q1-Q3 2023	Organic %
Tube							
Europe		1,586	1,659	0	5,853	5,977	5
North America		740	656	18	2,072	2,193	0
Asia		532	420	34	1,663	1,491	21
Other		219	396	-40	726	1,257	-40
Total		3,077	3,130	3	10,314	10,917	1
Kanthal							0
Europe		274	367	-21	935	1,143	-12
North America		371	374	7	1,140	1,218	3
Asia		327	359	-3	933	1,025	-2
Other		76	53	50	193	141	40
Total		1,049	1,153	-3	3,201	3,527	-2
Strip							0
Europe		151	137	14	461	542	-12
North America		31	51	-36	83	180	-52
Asia		188	137	43	520	447	23
Other		2	9	-73	19	18	6
Total		372	334	16	1,083	1,187	-5
GROUP							
Europe		2,011	2,163	-3	7,249	7,661	1
North America		1,143	1,081	12	3,295	3,591	-2
Asia		1,047	916	21	3,116	2,963	13
Other		297	457	-31	938	1,416	-31
Total		4,498	4,617	3	14,597	15,631	0



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-Q3 2024	Q1-Q3 2023	Full year 2023	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Order intake, rolling 12 months, SEK M¹											
Tube		-	-	16,052	14,232	14,552	14,954	16,052	16,401	15,637	16,377
Kanthal		-	-	4,321	3,986	4,196	4,064	4,321	4,619	4,561	4,606
Strip		-	-	1,310	1,428	1,386	1,344	1,310	1,342	1,438	1,567
Total²		-	-	21,684	19,646	20,135	20,362	21,684	22,362	21,636	22,550
Revenues, SEK M											
Tube		10,314	10,917	14,475	3,077	3,890	3,347	3,557	3,130	4,025	3,763
Kanthal		3,201	3,527	4,609	1,049	1,082	1,069	1,082	1,153	1,179	1,195
Strip		1,083	1,187	1,585	372	387	324	399	334	435	418
Total²		14,597	15,631	20,669	4,498	5,359	4,740	5,038	4,617	5,638	5,376
Adjusted EBIT, SEK M											
Tube		965	1,060	1,491	202	454	308	430	199	457	404
Kanthal		569	637	844	174	198	197	207	214	227	196
Strip		42	80	109	-7	39	10	29	-4	44	41
Common functions		-217	-218	-303	-55	-99	-63	-84	-59	-86	-73
Total²		1,360	1,559	2,141	314	592	453	582	350	642	567
Adjusted EBIT margin, %											
Tube		9.4	9.7	10.3	6.6	11.7	9.2	12.1	6.4	11.4	10.7
Kanthal		17.8	18.1	18.3	16.6	18.3	18.5	19.1	18.6	19.3	16.4
Strip		3.9	6.7	6.9	-1.9	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	N/M
Total¹		9.3	10.0	10.4	7.0	11.1	9.6	11.6	7.6	11.4	10.5
EBIT, SEK M											
Tube		757	1,121	1,460	179	544	34	339	94	189	838
Kanthal		524	618	778	168	202	153	161	182	203	233
Strip		41	81	110	-2	42	1	29	-10	44	48
Common functions		-217	-218	-303	-55	-99	-63	-84	-59	-86	-73
Total²		1,105	1,601	2,046	290	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-Q3 2024	Q1-Q3 2023	Full year 2023	Q3 2024	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	0
Kanthal	0	0	0	0	0	0	0	0	0	0
Strip	0	0	0	0	0	0	0	0	0	0
Common functions	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0
Metal price effect										
Tube	-208	61	-30	-23	90	-274	-91	-105	-268	434
Kanthal	-45	-19	-65	-5	4	-44	-46	-33	-24	38
Strip	-2	1	0	5	2	-9	-1	-6	0	7
Total	-255	42	-95	-24	96	-328	-138	-144	-293	479
Total adjustment items EBIT										
Tube	-208	61	-30	-23	90	-274	-91	-105	-268	434
Kanthal	-45	-19	-65	-5	4	-44	-46	-33	-24	38
Strip	-2	1	0	5	2	-9	-1	-6	0	7
Common functions	0	0	0	0		0	0	0	0	0
Total	-255	42	-95	-24	96	-328	-138	-144	-293	479



Note 6 | Taxes

SEK M	Q3 2024		Q3 2023		Q1-Q3 2024		Q1-Q3 2023	
Reported tax	-53	18.4%	-54	28.3%	-275	22.9%	-379	24.5%
Tax on adjustment items (note 5)	-5	-19.6%	-34	-23.5%	-54	-21.4%	8	-17.8%
Tax excluding adjustment items	-58	18.5%	-88	26.2%	-329	22.7%	-372	24.7%
Adjustment for one time items taxes	-15	5.1%	4	-1.1%	-15	1.2%	4	-0.3%
Normalized tax rate	-73	23.1%	-84	25.1%	-344	23.7%	-368	24.4%

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 September 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	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
Financial assets derivatives	132	169	327
Financial liabilities derivatives	219	683	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

	Sep 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	250,320,847	250,630,812
Number of shares after dilution	250,862,889	250,870,108
Number of shares after dilution, weighted average	250,867,986	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 September 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. As of September 30, 2024, LTI 2023 comprises 380,901 share rights (403,544).

During the first nine months of 2024, the total pre-tax cost for the LTI programs amounted to SEK 6 (2) million.

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 current and previous year 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

	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Full year 2023	Full year 2022	Full year 2021	Full year 2020
Adjusted EBITDA, SEK M	538	583	2,034	2,233	3,056	2,540	1,811	1,933
Adjusted EBITDA margin, %	12.0	12.6	13.9	14.3	14.8	13.8	13.1	13.9
Adjusted EBIT, SEK M	314	350	1,360	1,559	2,141	1,681	1,055	1,205
Adjusted EBIT margin, %	7.0	7.6	9.3	10.0	10.4	9.1	7.6	8.7
Operating profit (EBIT), SEK M	290	206	1,105	1,601	2,046	2,122	1,379	492
Operating profit (EBIT) margin, %	6.5	4.5	7.6	10.2	9.9	11.5	10.0	3.5
Normalized tax rate, % (Note 6)	23.1	25.1	23.7	24.4	24.2	24.3	24.9	31.6
Net working capital to revenues, % ¹	38.8	40.2	35.5	34.3	34.3	32.8	31.2	30.4
Return on capital employed, % ²	9.3	11.9	9.3	11.9	12.2	13.2	10.4	3.8
Return on capital employed excluding cash, % ²	9.9	12.5	9.9	12.5	12.9	14.2	11.0	3.8
Net debt/Adjusted EBITDA ratio	-0.14	-0.10	-0.14	-0.10	-0.08	0.01	0.73	0.90
Net debt/Equity ratio	-0.03	-0.02	-0.03	-0.02	-0.02	0.00	0.11	0.17
Free operating cash flow, SEK M	411	812	1,064	1,288	1,688	505	1,046	1,483
Adjusted earnings per share, diluted, SEK	1.02	0.99	4.49	4.53	6.56	3.36 ⁴	3.82	3.69
Earnings per share adjusted for metalprice effects, diluted, SEK	1.02	0.99	4.49	4.53	6.56	2.55 ⁴	3.27	2.09
Average number of shares, diluted, at the end of the period (millions) (Note 9)	250.870	250.877	250.868	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	6,299	6,042	6,299	6,042	6,110	5,886	5,465	5,084
Number of consultants ³	512	596	512	596	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-Q3 2024	Q1-Q3 2023	Full year 2023	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Operating profit/loss	1,105	1,601	2,046	290	689	126	444	206	350	1,045
Reversal (Note 5):										
Items affecting comparability	0	0	0	0	0	0	0	0	0	0
Metal price effect	255	-42	95	24	-96	328	138	144	293	-479
Impairments	0	0	0	0	0	0	0	0	0	0
Adjusted operating profit (EBIT)	1,360	1,559	2,141	314	592	453	582	350	642	567
Revenues	14,597	15,631	20,669	4,498	5,359	4,740	5,038	4,617	5,638	5,376
Adjusted operating profit (EBIT) margin, %	9.3	10.0	10.4	7.0	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-Q3 2024	Q1-Q3 2023	Full year 2023	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Profit/loss for the period	925	1,170	1,574	237	636	51	403	137	218	815
Reversal:										
Adjustment items EBIT (Note 5)	255	-42	95	24	-96	328	138	144	293	-479
Tax on adjustment items (Note 6)	-54	8	-22	-5	19	-69	-30	-34	-61	103
Adjusted profit for the period	1,125	1,136	1,647	256	559	310	511	247	449	439
Attributable to										
Owners of the parent company	1,125	1,136	1,647	256	559	310	511	247	449	439
Non-controlling interests	-	-	-	-	-	-	-	-	-	-
Average number of shares, diluted, at the end of the period (millions)	250.868	250.877	250.876	250.870	250.870	250.866	250.874	250.877	250.877	250.877
Adjusted earnings per share, diluted, SEK	4.49	4.53	6.56	1.02	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	Q3 2024	Q3 2023	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
Inventories	7,480	7,722	7,480	7,722	7,360
Trade receivables	2,685	2,864	2,685	2,864	2,952
Account payables	-1,944	-1,955	-1,944	-1,955	-2,003
Other receivables	684	641	684	641	720
Other liabilities	-2,019	-2,162	-2,019	-2,162	-2,205
Net working capital	6,884	7,108	6,884	7,108	6,825
Average net working capital	6,989	7,423	6,967	7,141	7,087
Revenues annualized	17,992	18,469	19,635	20,790	20,669
Net working capital to revenues, %	38.8	40.2	35.5	34.3	34.3
Tangible assets			7,291	7,290	7,281
Intangible assets			1,944	1,955	1,913
Cash and cash equivalents			1,781	1,245	1,595
Other assets			11,848	12,324	12,206
Other liabilities			-5,364	-5,959	-5,868
Capital employed			17,501	16,854	17,128
Average capital employed			17,207	17,073	16,999
Operating profit rolling 12 months			1,548	2,008	2,046
Financial income, excl. derivatives, rolling 12 months			53	19	34
Total return rolling 12 months			1,601	2,026	2,080
Return on capital employed (ROCE), %			9.3	11.9	12.2
Average capital employed excl. cash			15,640	16,095	15,920
Return on capital employed excl. cash, %			9.9	12.5	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	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
Interest-bearing non-current liabilities	1,292	919	1,266
Interest-bearing current liabilities	122	120	130
Prepayment of pensions	-42	-87	-43
Cash & cash equivalents	-1,781	-1,245	-1,595
Net debt	-410	-293	-242
Net pension liability	-938	-449	-843
Leasing liabilities	-431	-497	-505
Financial net debt	-1,779	-1,239	-1,590
Adjusted EBITDA accumulated current year	2,034	2,233	3,056
Adjusted EBITDA previous year	823	785	-
Adjusted EBITDA rolling 12 months	2,857	3,018	3,056
Total equity	16,130	15,815	15,732
Net debt/Equity ratio	-0.03	-0.02	-0.02
Net debt/Adjusted EBITDA ratio (multiple)	-0.14	-0.10	-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.

Annual General Meeting

The Board of Directors has decided that the 2025 Annual General Meeting will be held in Sandviken, Sweden on April 28, 2025. The notice to convene the Annual General Meeting will be made in the prescribed manner.



For further information, please contact:

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Conference call and webcast:

A conference call will be held on October 22, 2024 at 13:00 PM CET.

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

Participants in the UK: +44 (0) 207 107 06 13

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

Financial calendar

Q4 interim report January - December

Q1 interim report January - March

Annual General Meeting, Sandviken

Q2 interim report January - June

Q3 interim report January - September

January 24, 2025

April 23, 2025

April 28, 2025

July 18, 2025

October 22, 2025

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