

July 18, 2025

Göran Björkman, President & CEO  
Olof Bengtsson, CFO

Interim report

Second quarter 2025



## Safety first

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



Protective equipment



Emergency number



Psychological safety



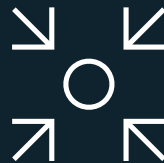
First aid kit



Emergency exit



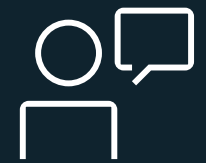
Alarm



Assembly point



Health & well-being



Speak Up

## Q2 highlights

### Mixed market demand

- Increased uncertainty
- Broad exposure reduces volatility
- Overall good backlog in key segments

### Margin resilience

- Solid product mix
- Lower volumes and FX headwind

### Long term strategy

- Growth initiatives in less cyclical and more profitable segments

Revenues  
(SEK M)

4,765

Organic revenue  
growth

-4%

Adj. EBIT  
(SEK M)

454

Adj. EBIT margin

9.5%

Free op. cash flow  
(SEK M)

347

Net debt  
(SEK M)

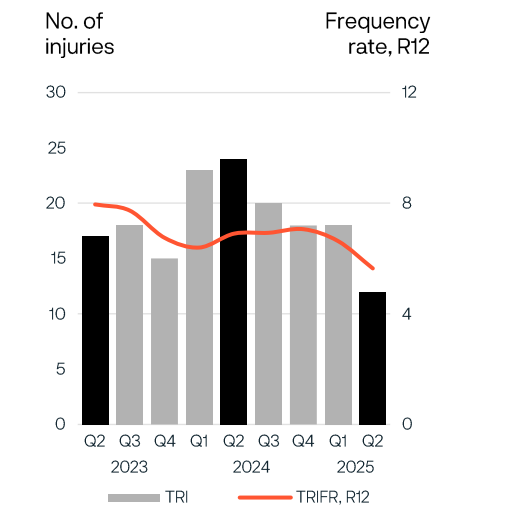
-33



# Leading sustainability

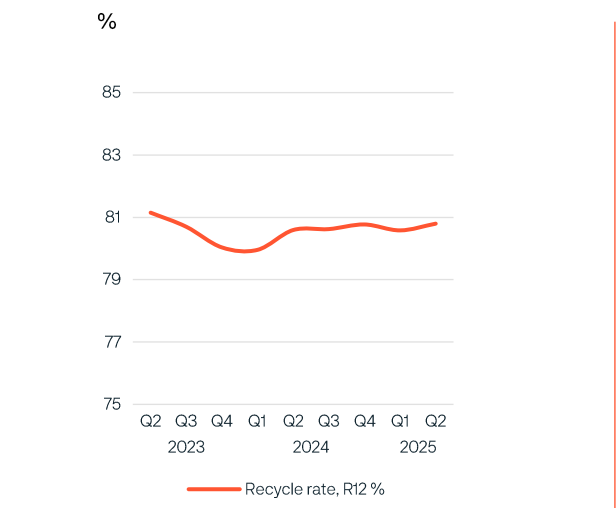
## Making an impact through our operations

- Prioritizing safety performance
- Share of recycled steel remains high
- Reducing CO<sub>2</sub> emissions
- Increasing the share of female managers



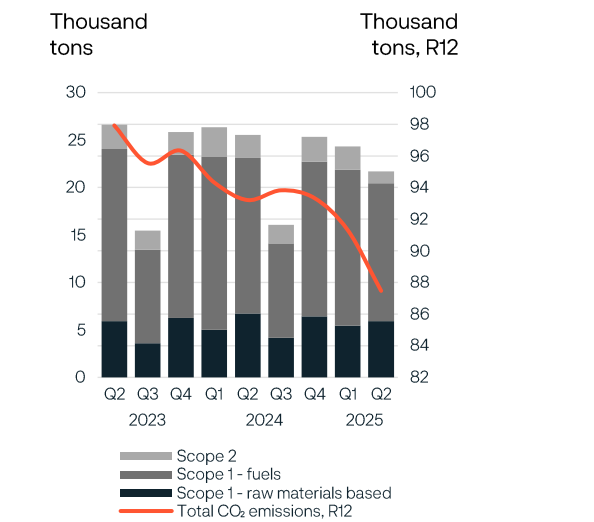
### Health and safety

— R12 total recordable injury frequency rate, TRIFR, was 5.6 (6.9). The quarterly outcome was 3.9 (7.8).



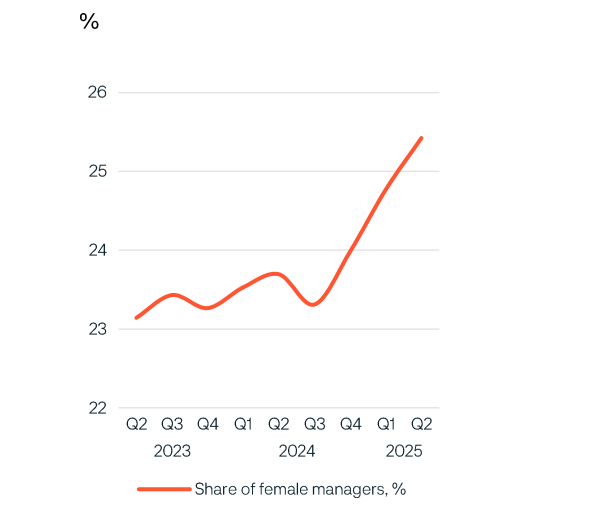
### Recycled steel

— R12 share of recycled steel in the steel manufacturing amounted to 80.8% (80.6). The quarterly figure amounted to 81.6% (80.8).



### CO<sub>2</sub> emissions

— R12 CO<sub>2</sub> emissions amounted to 87 kton (93), a reduction of 6%. Emissions for the quarter amounted to 22 kton (26), a decrease of 15%.



### Share of female managers

— The share of female managers amounted to 25.4% (23.7) in the quarter.



# Enabling the sustainable transition

## Making an impact through our products

**Kanthal to deliver first process gas heater for commercial use in DRI**

- Partnership with Danieli
- Pilot-scale of 1 MW - Prothal® DH
- Suitable for both hydrogen and natural gas





# Market development

- Mixed marked demand
- Weak sentiment in Europe and North America, while Asia was solid yet slightly more uncertain
- Momentum in several key segments

## Perceived year on year underlying market demand trend

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



# Order intake and revenues

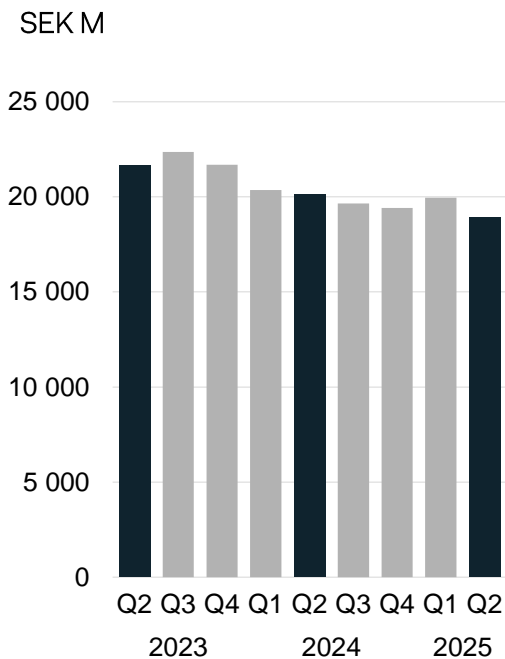
Order intake R12  
(SEK M)

18,911

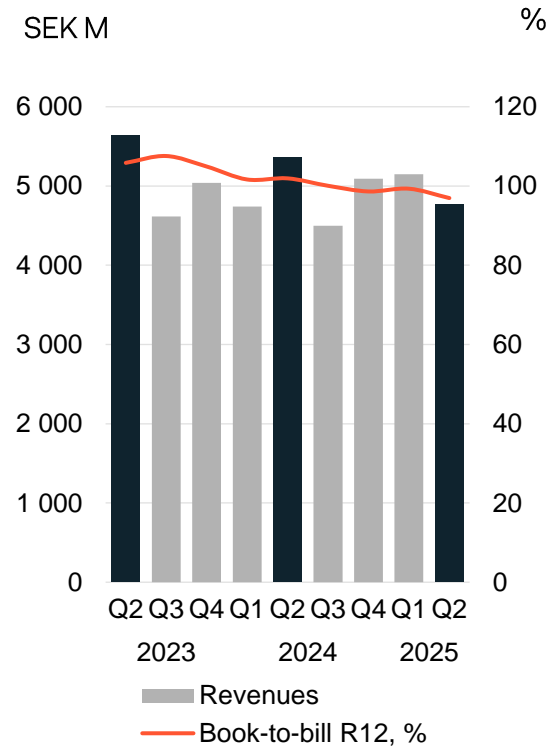
Revenues  
(SEK M)

4,765

Order intake R12



Revenues and book-to-bill



- Organic order intake growth of -2% for rolling 12 months
- Organic revenue growth of -4%
- R12 book-to-bill 97%



# Earnings

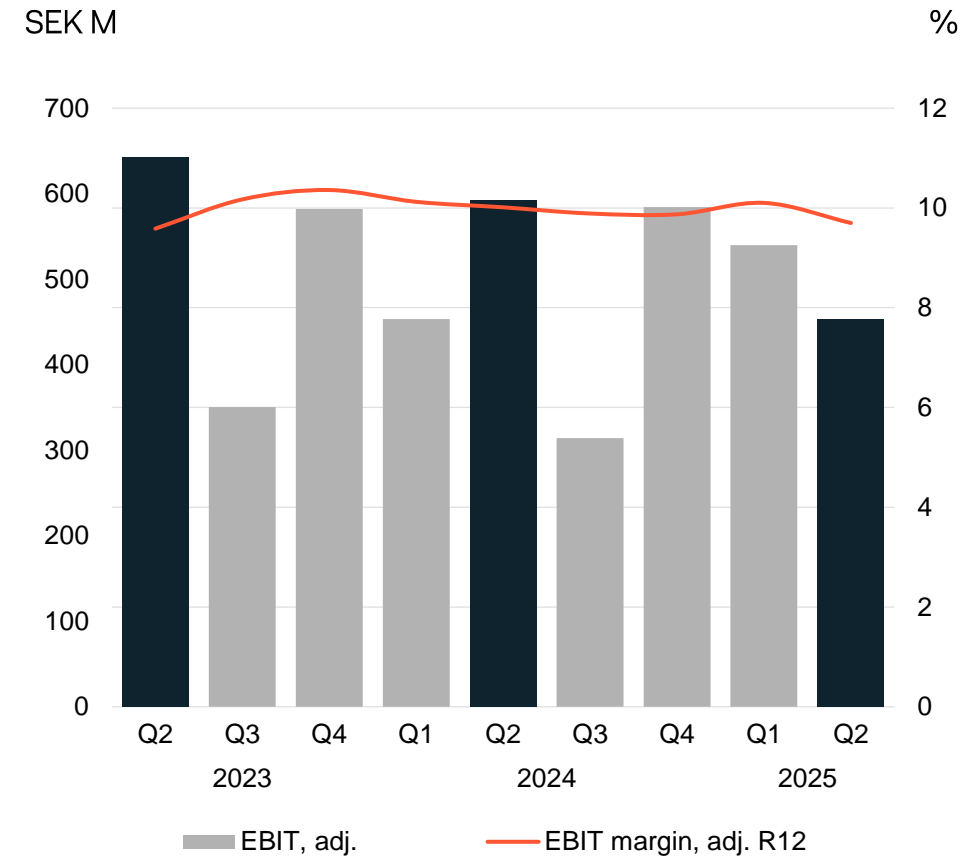
Adjusted EBIT at SEK 454 million (592)

- Margin of 9.5% (11.1)
- Underlying resilience
- Solid product mix
- Significant FX headwind

Free operating cash flow of SEK 347 million (486)

- Lower EBIT and higher capex

## Adjusted EBIT





# Tube

## Mixed market sentiment

- Organic order intake growth of -6% R12
- Book-to-bill of 94% R12
- Organic revenue growth of -5%

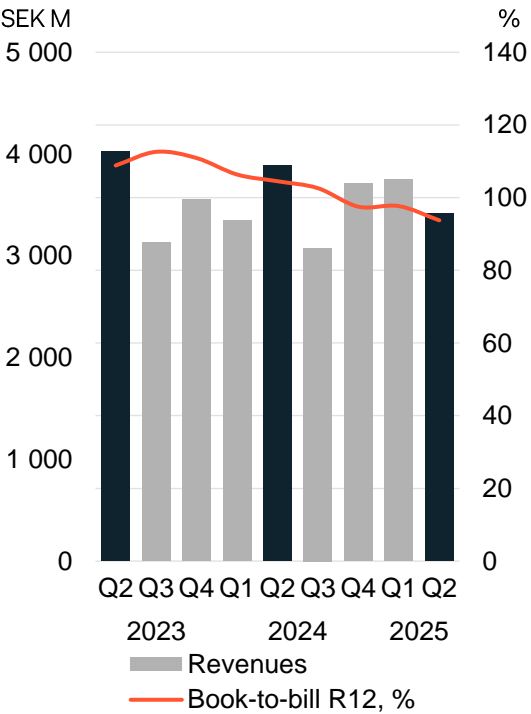
## Earnings resilience

- Adj. EBIT margin of 11.2% (11.7)
- Solid product mix
- FX headwind of SEK -81 million yoy

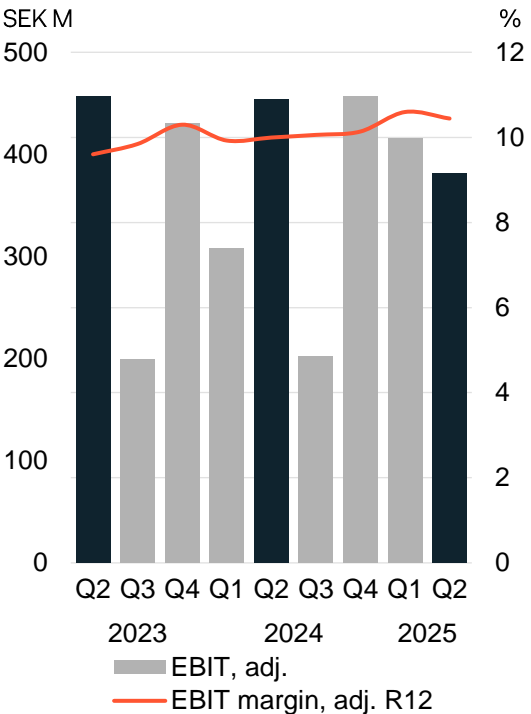


SEK M	Q2 2025	Q2 2024	Q1-Q2 2025	Q1-Q2 2024
Order intake, R12	13,082	14,552	-	-
Organic growth, R12, %	-6	-4	-	-
Revenues	3,413	3,890	7,163	7,237
Organic growth, %	-5	-1	3	0
Adj. EBIT	382	454	797	762
Margin, %	11.2	11.7	11.1	10.5

Revenues and Book-to-bill



Adjusted EBIT, (%)



# Kanthal

## Organic order intake growth

- Organic order intake growth R12 of 1%
- Organic revenue growth of -5%
- Book-to-bill of 102% R12

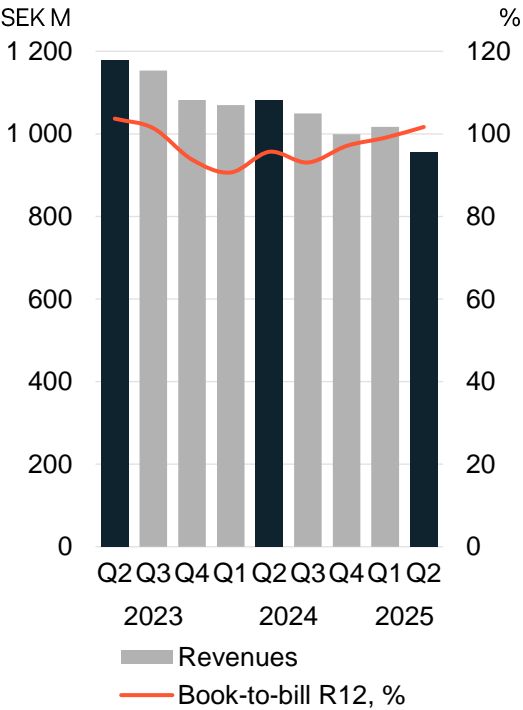
## Medical momentum

- Adjusted EBIT margin at 16.7% (18.3)
- Low volumes in Industrial Heating
- Negative effect from FX of SEK 29 million yoy

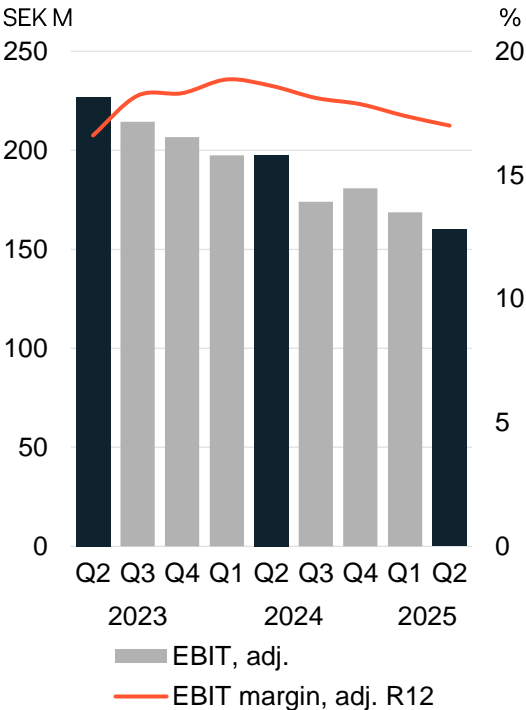


SEK M	Q2 2025	Q2 2024	Q1-Q2 2025	Q1-Q2 2024
Order intake, R12	4,088	4,196	-	-
Organic growth, R12, %	1	-4	-	-
Revenues	956	1,082	1,973	2,151
Organic growth, %	-5	-3	-6	-1
Adj. EBIT	160	198	329	395
Margin, %	16.7	18.3	16.7	18.4

Revenues and Book-to-bill



Adjusted EBIT, (%)





# Strip

## Top line growth

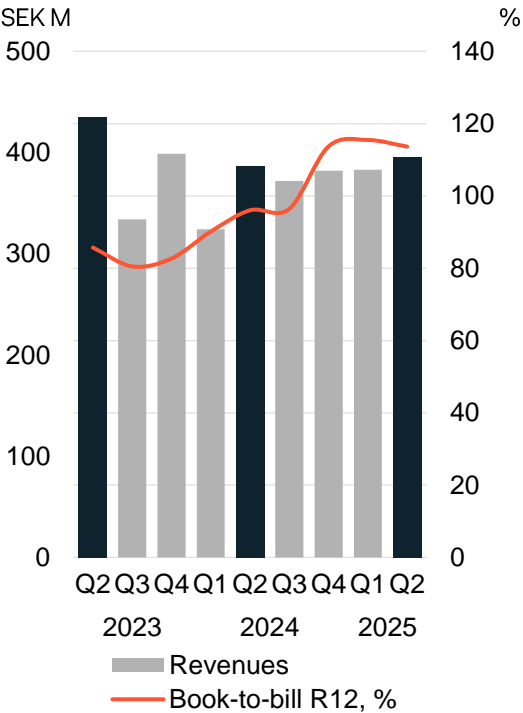
- Organic order intake growth of 30% R12
- Organic revenue growth of 8%
- Book-to-bill of 114% R12

## Soft product mix

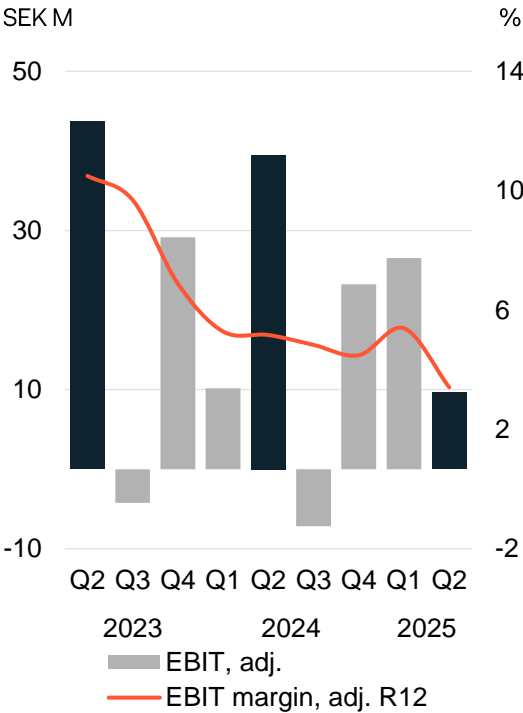
- Adjusted EBIT margin of 2.4% (10.2)
- Temporary performance issues
- Cost related to inventory adjustment
- FX headwind of SEK -9 million yoy

SEK M	Q2 2025	Q2 2024	Q1-Q2 2025	Q1-Q2 2024
Order intake, R12	1,741	1,386	-	-
Organic growth, R12, %	30	0	-	-
Revenues	396	387	779	711
Organic growth, %	8	-6	13	-12
Adj. EBIT	10	39	36	50
Margin, %	2.4	10.2	4.6	7.0

Revenues and Book-to-bill



Adjusted EBIT, (%)





# Financial summary

SEK M	Q2 2025	Q2 2024	Q1-Q2 2025	Q1-Q2 2024
Order intake, R12	18,911	20,135	-	-
Revenues	4,765	5,359	9,914	10,099
Adj. EBIT	454	592	993	1,046
<i>Adj. EBIT margin, %</i>	<i>9.5</i>	<i>11.1</i>	<i>10.0</i>	<i>10.4</i>
Metal price effects	-171	96	-198	-231
Items affecting comparability	0	0	0	0
EBIT	282	689	796	814
<i>EBIT margin, %</i>	<i>5.9</i>	<i>12.8</i>	<i>8.0</i>	<i>8.1</i>
Net financial items	18	137	30	95
<i>Normalized tax rate, %</i>	<i>24.1</i>	<i>23.4</i>	<i>23.8</i>	<i>23.8</i>
<i>NWC, % <sup>1</sup></i>	<i>36.1</i>	<i>32.7</i>	<i>35.4</i>	<i>36.1</i>
Free operating cash flow	347	486	393	645
<i>ROCE excl. cash, % <sup>2</sup></i>	<i>8.6</i>	<i>9.3</i>	<i>8.6</i>	<i>9.3</i>
Adj. EPS, diluted	1.35	2.23	3.00	3.46

SEK M	Order intake, R12	Revenues
Q2 2024	20,135	5,359
Organic, %	-2	-4
Structure, %	+0	+0
Currency, %	-2	-4
Alloys, %	-2	-3
Total growth, %	-6	-11
Q2 2025	18,911	4,765

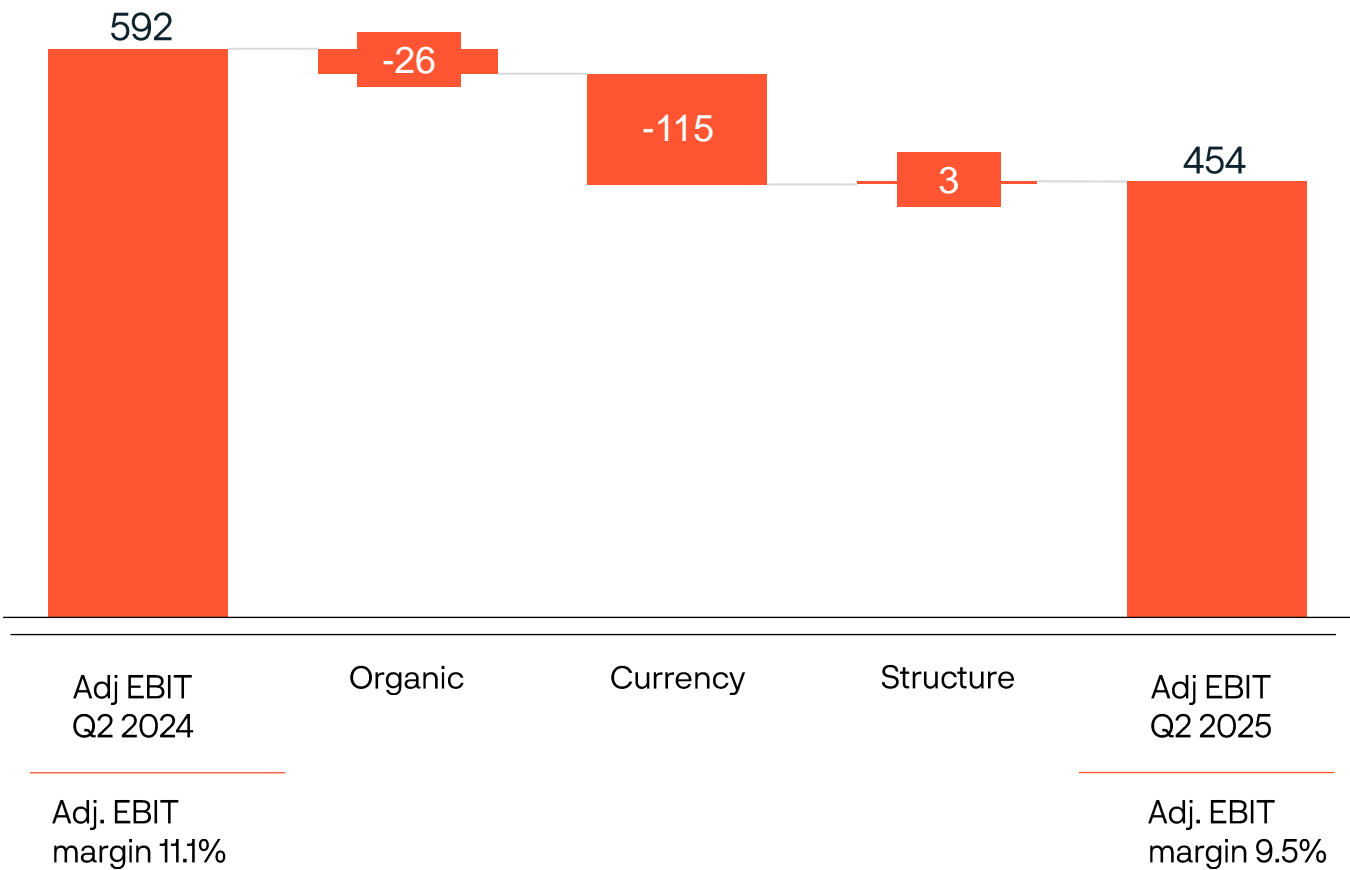
Change compared to the same quarter last year

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

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



# Bridge analysis, adjusted EBIT



Leverage:  
12%

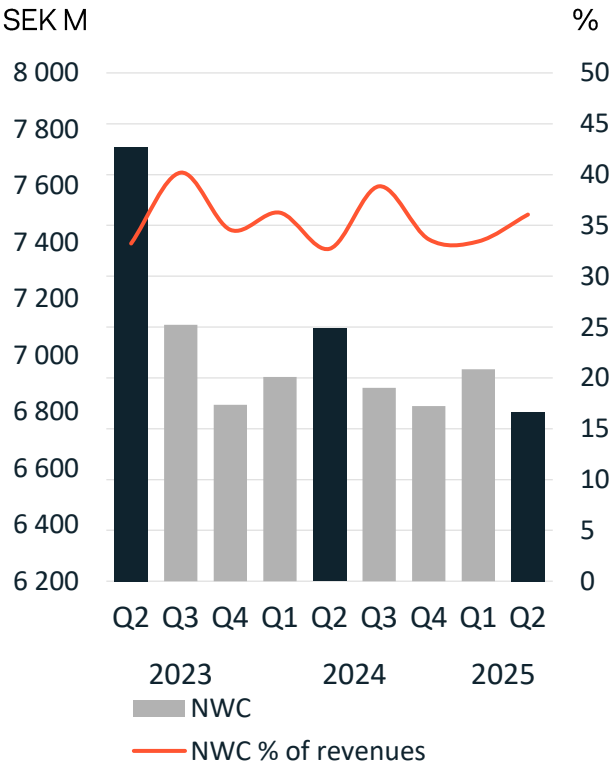
- Negative organic development driven by volume decrease
- FX had a negative impact of SEK 115 million yoy
- Structural contribution from Endox



# Capital efficiency

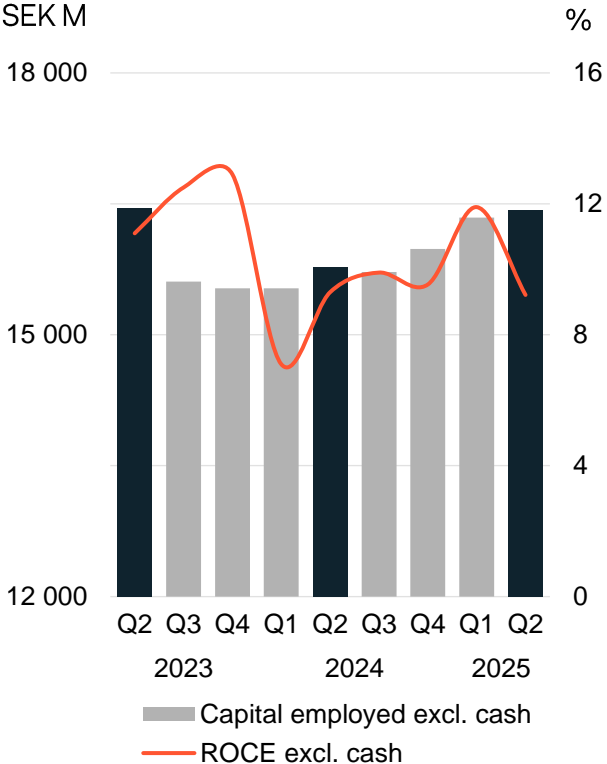
- NWC amounted to SEK 6,799 million (7,094)
- Sequential NWC decrease due to currencies
- NWC in relation to revenues increased to 36.1% (32.7)

Net working capital



- Capital employed excl. cash increased to SEK 16,424 million (15,766)
- ROCE excl. cash of 9.2% (9.3) in the quarter

Capital employed excl. cash



Note: Based on rolling 12 months and a four-quarter average.



# Cash flow

- Free operating cash flow of SEK 347 million (486)
- Higher capex due to growth investments
- Cash flow normally higher in H2

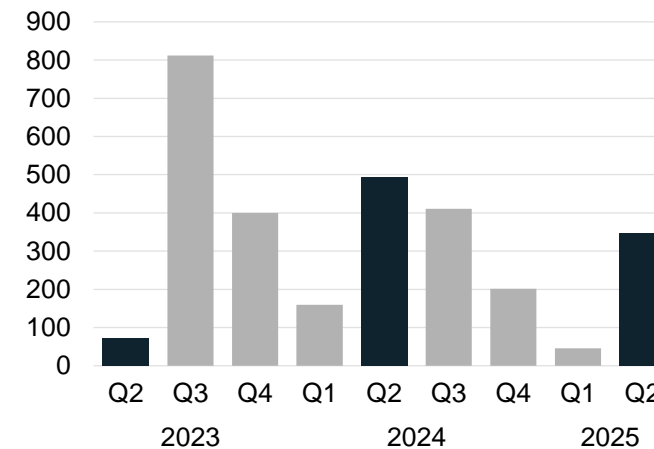
## Free operating cash flow

SEK M	Q2 2025	Q2 2024	Q1-Q2 2025	Q1-Q2 2024
EBITDA	511	912	1,256	1,265
Non-cash items	22	76	-49	20
Changes in working capital	94	-252	-288	-217
Capex	-243	-212	-456	-353
Amortization, lease liabilities	-36	-39	-70	-70
<b>Free operating cash flow<sup>1</sup></b>	<b>347</b>	<b>486</b>	<b>393</b>	<b>645</b>

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

## Free operating cash flow quarterly

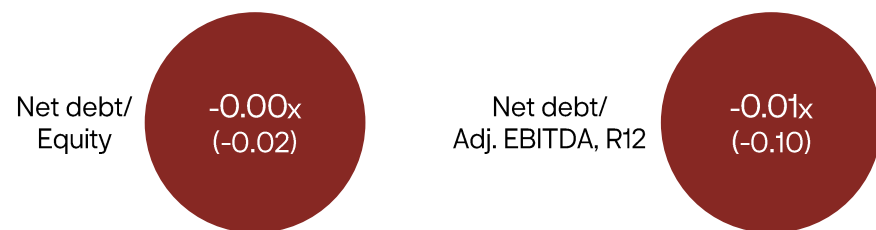
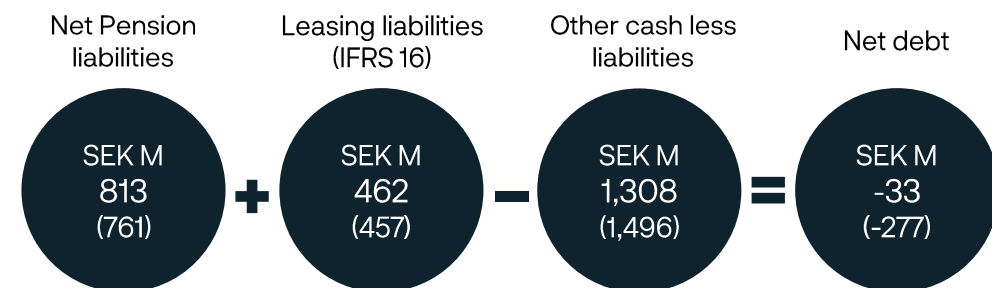
SEK M



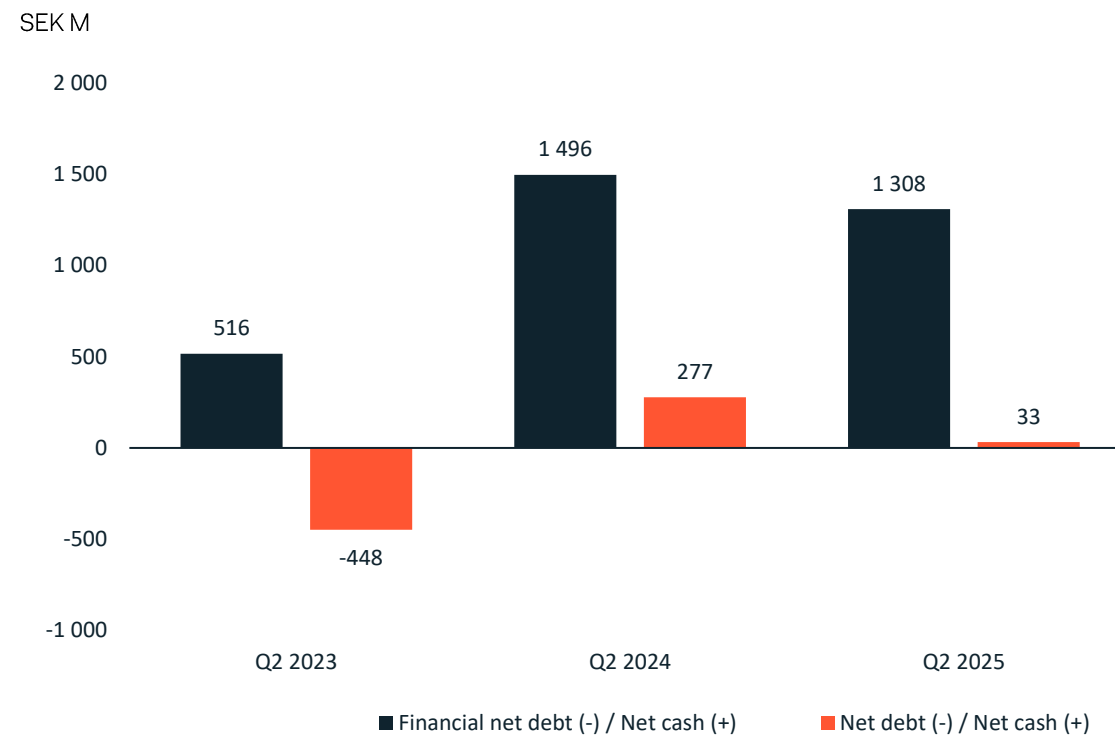


# Strong financial position

## Capital structure



## Net debt and Financial net debt







## Guidance ahead of the quarter and outcome

	Outcome Q2 2025	Guidance ahead of Q2 2025
Capex (Cash)	SEK 456 million YTD 2025	Approximately SEK 1,200 million in FY 2025
Currency transaction and translation effect	SEK -123 million in Q2	SEK -130 million in Q2
Total currency effect	SEK -115 million in Q2	-
Metal price effect	SEK -171 million in Q2	SEK -150 million in Q2
Tax rate, normalized	23.8 YTD 2025	23-25% in FY 2025



# Guidance Q3 2025 and FY 2025

## Capex (cash)

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

## Currency effects (transaction and translation)

- SEK -115 million on operating profit (EBIT) for Q3 2025, compared to the corresponding period last year

## Metal price effects

- SEK -150 million on operating profit (EBIT) for Q3 2025

## Tax rate

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



## Outlook for the third quarter 2025

- Uncertainties related to macro and mixed market demand
- Positive development in several segments and challenges in others
- Solid backlog in key segments, shorter backlog for the volume business
- Q3 seasonality
- Prolonged maintenance stop this summer
- Product mix is expected to be similar to Q2
- Estimated currency headwind in Q2
- Cash flow normally higher in H2

# Summary

- Earnings resilience
- Mixed market sentiment
- Organic revenue decline
- FX headwind
- Staying agile
- Ongoing growth initiatives
- Strong financial position





# Q&A

Thank you  
[alleima.com](https://alleima.com)



# Disclaimer

This presentation contains “forward-looking” statements that reflect the company’s current expectations. Although the company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations prove to have been correct as they are subject to risks and uncertainties that could cause actual results to differ materially due to a variety of factors. These factors include, but are not limited to, changes in consumer demand, changes in economic, market and competitive conditions, supply and production constraints, currency fluctuations, developments in product liability litigation, changes in the regulatory environment and other government actions. Forward-looking statements speak only as of the date they were made, and, other than as required by applicable law, the company undertakes no obligation to update any of them in light of new information or future events.