Alleima

Q4 2022

Interim and full year report

An eventful quarter and a year with all-time-high revenues

- Organic order intake growth for the rolling 12-months period was 19%. Order intake in the quarter increased by 37% to SEK 5,825 million (4,262), with organic growth of 17%, driven by major orders in the Oil and Gas and Medical segments. Organic order intake excl. major orders was -7% in the quarter.
- Revenues increased by 31% to SEK 5,159 million (3,935), with organic growth of 14%, driven by growth in all three divisions, and the Oil and Gas segment in particular.
- Adjusted operating profit (EBIT), amounted to SEK 555 million (353), corresponding to a margin of 10.8% (9.0), supported by higher volumes, a favorable product mix and strong execution of price increases which offset cost inflation.
- Operating profit (EBIT) amounted to SEK 407 million (392), corresponding to a margin of 7.9% (10.0), and included metal price effects of SEK -149 million (129) and items affecting comparability of SEK 0 million (-89).
- Adjusted earnings per share was SEK 2.11 (1.59). Earnings per share was SEK 1.65 (1.71).
- Cash flow from operating activities increased to SEK 1,107 million (940).
- Free operating cash flow increased to SEK 801 million (684).
- The Board of Directors proposes a dividend of SEK 1.40. The proposal corresponds to 38% of profit for the period (adjusted for metal price effects).
- Acquired Endosmart, a nitinol expert for medical devices.
- Commitment to set targets in line with the Science Based Targets initiative.

Financial overview

SEK M	Q4 2022	Q4 2021	Change, %	Full year 2022	Full year 2021	Change, %
Order intake	5,825	4,262	37	22,130	15,681	41
Organic growth, %	*17*	*41*	–	*19*	*26*	–
Revenues	5,159	3,935	31	18,405	13,847	33
Organic growth, %	*14*	*2*	–	*13*	*-3*	–
Adjusted EBITDA	785	557	41	2,540	1,811	40
Margin, %	*15.2*	*14.2*	–	*13.8*	*13.1*	–
Adjusted operating profit (EBIT)	555	353	58	1,681	1,055	59
Margin, %	*10.8*	*9.0*	–	*9.1*	*7.6*	–
Operating profit (EBIT)	407	392	4	2,122	1,379	54
Profit for the period	413	437	-5	1,483	1,228	21
Adjusted earnings per share, SEK	2.11	1.59	32	4.46	3.82	17
Earnings per share, SEK	1.65	1.71	-4	5.86	4.80	22
Free operating cash flow	801	684	17	505	1,046	-52
Net working capital to revenues, % [1]	33.0	29.7	–	32.8	31.2	–
Net debt/Equity ratio	0.00	0.11	–	0.00	0.11	–

Notes to the reader: Adjusted EBITDA and adjusted operating profit (EBIT) excludes items affecting comparability (IAC) and metal price effects, see Note 2 and the description of Alternative Performance Measures on page 29 for further details. Definitions and glossary can be found on www.alleima.com/investors
1) Quarter is quarterly annualized and the annual number is based on a four quarter average. Tables and calculations in the report do not always agree exactly with the totals due to rounding. Comparisons refer to the corresponding period last year, unless otherwise stated.

"An eventful quarter and a strong finish to a year with all-time-high revenues."

CEO's comment

As we conclude 2022, I am proud of what we have achieved as an organization. The year has been full of both challenges and opportunities, and we have written a new page in our history with the listing on the Nasdaq Stockholm Stock Exchange. Our new life as a listed company is truly exciting. We are sharing our story as Alleima, a world leading advanced materials company and although we have 160 years of experience behind us, our journey has just begun.

We finished the year strongly and noted several major orders, of which three for Oil and Gas products and one in the Medical segment. The subdued demand we noted for low-refined products in the Industrial and Consumer segments in the third quarter, persisted in the fourth quarter, mainly in Europe and North America, while demand was flat on a sequential basis. Customer activity in our other segments remained high in general, and underlying demand remained healthy. In total, this translates to a year on year organic order intake growth for the quarter of 17%, and -7% excluding major orders.

Revenues in the fourth quarter increased organically by 14%. We improved the adjusted EBIT margin to 10.8%, compared to 9.0% for the corresponding quarter last year and we successfully offset significant cost inflation through strong price execution. Free operating cash flow improved to SEK 801 million but decreased for the full year compared with 2021. This is normal in our business when we have an environment characterized by high raw material prices and strong topline growth. Our performance during the year is well in line with our financial targets, with organic revenue growth of 13%, and an adjusted EBIT margin of 9.1%. We have a solid financial position and we are almost debt free.

We have ambitious sustainability targets, and we are aiming for industry leadership both through our operations and our offering, not least by growing our portfolio of products to enable the green transition. During the quarter we received a breakthrough order for OCTG (Oil Country Tubular Goods) tubes for use in carbon capture and storage. This is a great example of how our existing products also fit in a more sustainable world. Although we already have one of the lowest CO_2 footprints in the industry, our ambition is to halve our emissions by 2030, and I am proud that we have committed to the Science Based Targets initiative (SBTi).

One of our focus areas is the profitable Medical segment. During the quarter, we received our very first major order for ultra-fine medical wire, the result of the commercialization of a new product used for remote monitoring of patients. We also acquired Endosmart, a nitinol expert for medical devices. This further expands our capabilities and increases our current addressable market.

However, we cannot escape the challenges of the current macroeconomic environment: the war in Ukraine, inflationary pressures, and energy supply restraints. This means that we will continue to work proactively to mitigate increased costs. We have proven that we can adapt quickly to changing market conditions and we are ready to take swift actions should market conditions deteriorate.

Despite these challenges, several long-term trends work in our favor, and we will continue our focus on profitable and less cyclical segments to reduce earnings volatility. Our view of an underinvested energy sector remains intact and the prospect list for Oil & Gas projects remains solid, at the same time as we are seeing an increasing number of prospects within renewable energy. We have a strong backlog that improved significantly in the quarter and gives us confidence going into 2023.

I would like to sincerely thank all our employees for their dedicated work during the year and to thank all our customers. I would also like to welcome our new shareholders. I am looking forward to a new year of great opportunities together.

Göran Björkman, President and CEO

Market development and outlook

Market development

Several customer segments continued on a stable or positive trajectory compared with the corresponding period last year, with long-term trends offsetting uncertainties in the market environment. Demand weakened year on year for the short-cycle business in Europe and North America due to an underlying slow-down, and was flat on a sequential basis. A positive development was noted in Asia.

- In the **Industrial segment,** a decrease in demand was noted for low-refined products compared with the corresponding period last year, mainly in Europe and North America. Demand was stable on a sequential basis, and is expected to remain subdued in the near term.
- In the **Oil and Gas segment,** offshore investments materialized with several major orders booked for umbilicals. Demand for OCTG and control lines was also up year on year. The strong development was the result of a combination of order catch-up effects resulting from delays in the previous quarter and increased activity in the underinvested energy sector, while the project list for umbilicals remains solid.
- Development of demand in the **Chemical and Petrochemical segment** was positive, mainly in Asia. Activity related to application tubing products remained high.
- The **Industrial Heating segment** noted increased demand driven by semiconductor, solar, glass, and steel end-customer segments, mainly in Asia. Gas-to-electric conversion inquiries remain at a high level in all regions.
- In the **Consumer segment,** demand for compressor valve steel and appliance wire, both used in white goods products, as well as knife steel, weakened year on year and sequentially. Demand is expected to remain subdued in the near term.
- Demand in the **Mining and Construction segment** declined year on year the back of last year's restocking in the wake of the pandemic. Underlying demand remains solid and is expected to recover in the medium-term.
- In the **Power Generation segment,** activity levels remain high. Discussions progressed well in relation to future power projects and a first commercial order for a prototype of "heat pipes" for a novel modular reactor design was received.
- In the **Transportation segment,** demand increased strongly year on year, driven mainly by precision tubing for hydraulic systems for aerospace as well as titanium tubing.
- Demand in the **Medical segment** showed continued strong underlying momentum and one major order was received.
- The **Hydrogen and Renewable Energy** segment noted continued momentum and a new market was entered with the receipt of a breakthrough order for carbon capture and storage.

Year on year underlying demand trend

	INDUSTRIAL	OIL AND GAS	CHEMICAL AND PETROCHEMICAL	INDUSTRIAL HEATING	CONSUMER
Year on year underlying demand trend	↘	↗	↗	↗	↘
% of Group revenues 2022	25%	17%	16%	12%	10%

	MINING AND CONSTRUCTION	POWER GENERATION	TRANSPORTATION	MEDICAL	HYDROGEN & RENEWABLE ENERGY
Year on year underlying demand trend	↘	→	↗	↗	↗
% of Group revenues 2022	7%	5%	4%	3%	1%

Outlook for the first quarter 2023

Momentum is positive for several of our customer segments, and underlying trends are expected to mitigate the impact of uncertainties in the macroeconomic environment during 2023. Demand is expected to remain subdued for the short-cycle Industrial segment and Consumer segment in the near-term, particularly in Europe and North America. Going into the first quarter, the product mix is expected to be similar or slightly improved compared with the fourth quarter. Cash flow is normally lower in the first half of the year compared with the second half due to seasonal inventory build-up ahead of summer stoppages.

Note: Comments about market development and outlook are based on the company's current perceptions.

17%

Organic order intake growth

Order intake and revenues

Order intake in the quarter increased by 37% to SEK 5,825 million (4,262). Organic order intake growth of 17% was mainly driven by major orders in the Oil and Gas, and Medical segments. The organic order intake for the rolling 12-month period was 19%. Excluding major orders of SEK 1,095 million (0), the organic growth was -7%. Excluding major orders, the regions of North America and Europe noted organic growth of -11% and -14%, respectively, due to a decrease in demand for low-refined products compared with the corresponding period last year. Demand was flat on a sequential basis. Organic order intake in Asia increased by 14% (no major orders), driven mainly by strong demand for application tubing for Chemical and Petrochemical and products for Industrial Heating. The order backlog remained solid.

Revenues in the quarter increased by 31% to SEK 5,159 million (3,935), with organic growth of 14% compared to the same period last year. All divisions noted positive organic development compared with the corresponding year, with the main drivers being umbilicals and OCTG for Oil and Gas, and application tubing to the Chemical and Petrochemical segment. Book-to-bill was 113% in the quarter, and 120% on a rolling 12-month basis.

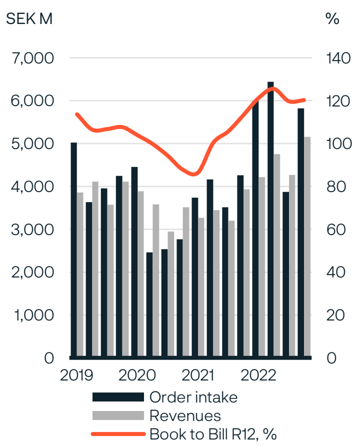
Structure had a positive impact of 1% on order intake and a neutral impact on revenues, while **currency** had an impact of 9% on order intake and 7% on revenues. **Alloy surcharges** had a positive impact of 9% on both order intake and revenues, mainly driven by higher nickel prices, compared to the same period last year.

Order intake and revenue bridge

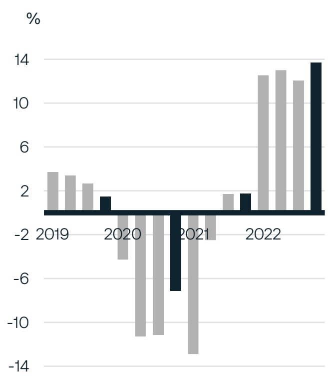
SEK M	Order intake	Revenues
Q4 2021	**4,262**	**3,935**
Organic, %	17	14
Structure, %	1	0
Currency, %	9	7
Alloys, %	9	9
Total growth, %	37	31
Q4 2022	**5,825**	**5,159**

Change compared to the same quarter last year.

Order intake and revenues



Organic revenue growth



Earnings

SEK M	Adjusted EBIT
Q4 2021	**353**
Organic	185
Currency	14
Structure	4
Q4 2022	**555**

Change compared to the same quarter last year.

Gross profit amounted to SEK 1,108 million (946). Adjusted gross profit increased by 59% to SEK 1,257 million (789), corresponding to an adjusted gross margin of 24.4% (20.0), driven by higher revenues and a stronger product mix.

Sales, administrative and R&D costs amounted to SEK -612 million (-651). Adjusted sales, administrative and R&D costs increased by 16% year on year to SEK -618 million (-532), mainly due to higher activity, cost inflation and increased costs for operating as a standalone company. Adjusted sales, administrative and R&D costs in relation to revenues decreased to 12.0% (13.5), which was attributable to higher revenues.

Adjusted EBIT increased by 58% to SEK 555 million (353) corresponding to a margin of 10.8% (9.0). The year on year development was attributable to a strong product mix, higher revenues and successful price execution offsetting cost inflation. Currency had a positive impact of SEK 14 million compared to the same period last year. Depreciation and amortization amounted to SEK -229 million (-205).

Reported EBIT increased to SEK 407 million (392), corresponding to a margin of 7.9% (10.0). Metal price effects had a negative impact of SEK -149 million (129) in the quarter. Items affecting comparability amounted to SEK 0 million (-89).

Net financial items were SEK 102 million (143), mainly due to positive effects from the revaluation of FX derivatives.

The reported tax rate was 18.8% (18.5) in the quarter. The normalized tax rate, excluding the impact related to metal price effects and items affecting comparability in operating profit, for the full year was 24.3% (24.9), in line with guidance.

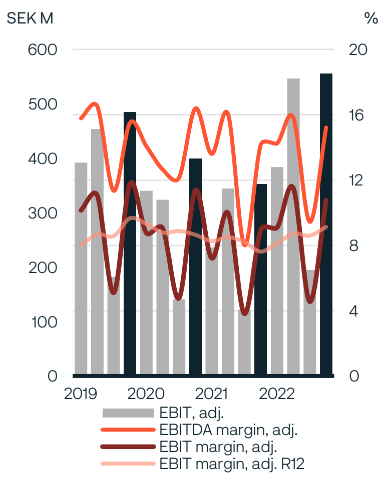
Profit for the period amounted to SEK 413 million (437), corresponding to earnings per share of SEK 1.65 (1.71). Adjusted profit for the period amounted to SEK 528 million (407) and adjusted earnings per share amounted to SEK 2.11 (1.59). See page 30 for further details.

Adjusted earnings per share

SEK

2.11

Adjusted EBITDA and Adjusted EBIT (%)



Adjusted EBIT margin

10.8%

Cash flow and financial position

Capital employed increased year on year to SEK 16,911 million (14,803), due to higher net working capital, currency effects and valuation effects for financial derivatives. Return on capital employed declined to 9.4% (10.8).

Net working capital increased year on year to SEK 6,519 million (4,567), while it declined sequentially. The year on year increase was driven by higher raw material prices, while inventories decreased compared with the preceding quarter. Net working capital in relation to revenues was 33.0% (29.7) for the quarter.

Net investments (capex) increased to SEK -319 million (-203), due to lower than normal levels last year, and growth investments in India and the US, corresponding to 175.3% (116.3) of scheduled depreciation and -6.2% (-5.1) of revenues in the quarter.

Total net debt decreased to SEK 21 million (1,324) mainly due to a new share issue and a capital contribution received from Sandvik before the separation. Sequentially net debt decreased from a positive cash flow in the quarter. The net debt to equity ratio was 0.00 (0.11). The financial net debt position was SEK -883 million (-22), i.e a net cash position. Available credit facilities and money market lines were unutilized at the end of Q4. With an increased discount rate in Sweden, the net pension liability decreased year on year to SEK -513 million (-1,147). Total net debt corresponded to 0.01 (0.73) of rolling 12-months adjusted EBITDA.

Cash flow from operating activities increased to SEK 1,107 million (940), positively impacted by higher earnings and in line with normal seasonality.

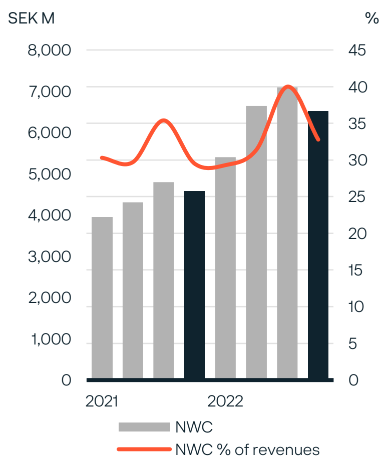
Free operating cash flow increased to SEK 801 million (684).

Free operating cash flow

SEK M	Q4 2022	Q4 2021	Full year 2022	Full year 2021
EBITDA	636	597	2,980	2,122
Non-cash items	21	-41	-130	-144
Changes in working capital	502	355	-1,590	-420
Capex[1]	-319	-203	-656	-436
Amortization, lease liabilities	-39	-24	-99	-76
Free operating cash flow[2]	**801**	**684**	**505**	**1,046**

1) Including investments in tangible and intangible assets of SEK -331 million (-219) for Q4 and SEK -679 million (-494) full year 2022.
2) Free operating cash flow before acquisitions and disposals of companies, net financial items and paid taxes.

Net working capital

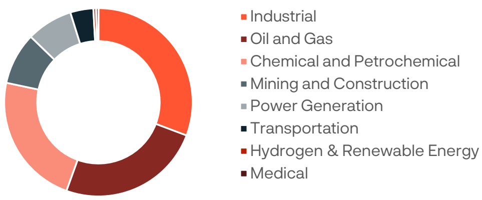


Net debt to Equity

Ratio

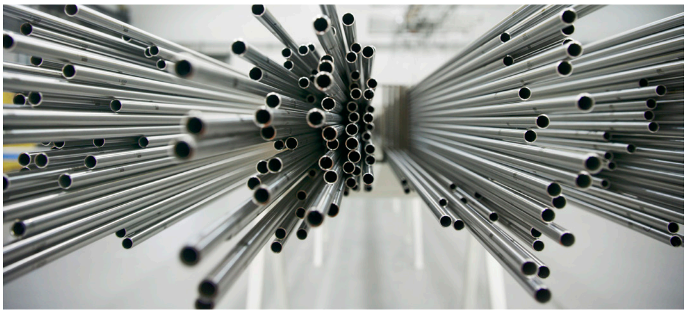
0.0x

Revenues per customer segment, 2022



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 Industrial, Chemical and Petrochemical, Oil and Gas, Mining and Construction, Power Generation and Transportation. The offering also includes products and solutions for the growing Hydrogen and Renewable Energy segment.



Order intake and revenues

Order intake increased by 40% to SEK 4,119 million (2,938), with organic growth of 19% compared to the same period last year. The main contributors to the positive development were several umbilical and OCTG orders for the Oil and Gas segment, as well as orders for precision and titanium tubing for the Transportation segment. Orders for low-refined products in the Industrial segment declined year on year, and remained stable on a sequential basis. Excluding major orders of approximately SEK 755 million, organic order intake growth was -5%. Organic order intake growth on a 12-month rolling basis was 25%.

Revenues increased by 30% to SEK 3,647 million (2,815), with organic growth of 12%, mainly driven by the Oil and Gas segment. Other main contributors to year on year organic growth were application tubing products for the Chemical and Petrochemical segment, although this was somewhat mitigated by a negative development for low-refined products to the Industrial segment in Europe, and rock drill steel for the Mining and Construction segment. Book-to-bill was 113% in the quarter, and 125% for the rolling 12-month period.

Earnings

Adjusted EBIT totaled SEK 374 million (271), corresponding to a margin of 10.2% (9.6). The increase was primarily due to higher revenues, mainly in the Oil and Gas segment, and a positive product mix across the division. EBIT amounted to SEK 259 million (380) and included metal price effects of SEK -112 million (98) and items affecting comparability of SEK -3 million (11). Changes in exchange rates had a negative impact of SEK -15 million (37). Amortization and depreciation amounted to SEK -188 million (-167).

Other quarterly highlights

With the receipt of an order for OCTG tubes to be used for a carbon capture and storage project, Alleima thus entered a new market, which is an important milestone to drive profitable growth by capitalizing on the green transition. The most common application for OCTG tubes is for downhole casing and production tubes in the Oil & Gas segment. Made from corrosion resistant materials, this product will now be used to capture CO_2 and store it in underground geological formations. The aim is to prevent the release of CO_2 and minimize negative climate effects. The order is valued at about SEK 40 million with deliveries scheduled for the first half of 2023.

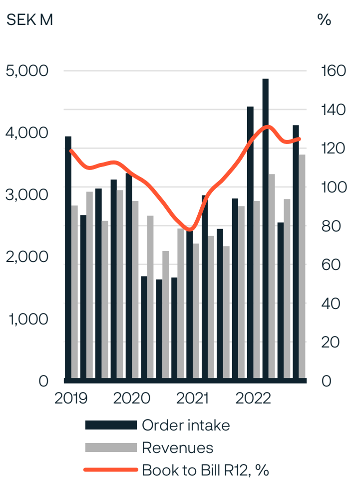
SEK M	Order intake	Revenues
Q4 2021	**2,938**	**2,815**
Organic, %	19	12
Structure, %	0	0
Currency, %	8	6
Alloys, %	11	11
Total growth, %	40	30
Q4 2022	**4,119**	**3,647**

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

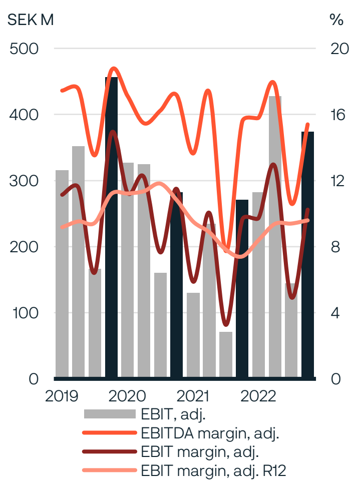
SEK M	Q4 2022	Q4 2021	Change %	Full year 2022	Full year 2021	Change %
Order intake	4,119	2,938	40	15,959	10,795	48
Organic growth, %	*19*	*61*	–	*25*	*26*	–
Revenues	3,647	2,815	30	12,804	9,530	34
Organic growth, %	*12*	*4*	–	*14*	*-10*	–
Adjusted EBITDA	562	438	28	1,922	1,311	47
Margin, %	*15.4*	*15.6*	–	*15.0*	*13.8*	–
Adjusted EBIT	374	271	38	1,229	707	74
Margin, %	*10.2*	*9.6*	–	*9.6*	*7.4*	–
EBIT	259	380	-32	1,691	1,168	45
Margin, %	*7.1*	*13.5*	–	*13.2*	*12.3*	–
Number of employees	3,931	3,652	8	3,931	3,652	8

Adjusted EBITDA and adjusted EBIT excludes items affecting comparability and metal price effects, for more information see page 25.

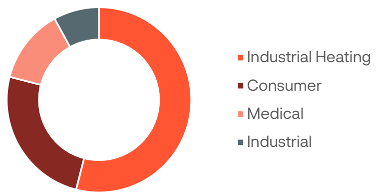
Order intake and revenues



Adj. EBITDA and Adj. EBIT (%)

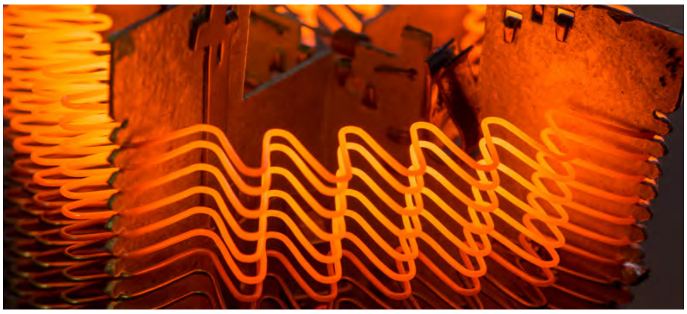


Revenues per customer segment, 2022



Kanthal

Kanthal is a leading supplier of heating materials, focusing on heating alloys for industrial, appliance and thermocouple applications, and heating systems, including heating elements, heating modules, and other products used in high temperature processes. The largest share of revenues is related to the Industrial Heating segment. The division also has an offering for ultra-fine wire for the Medical segment.



Order intake and revenues

Order intake increased 45% to SEK 1,279 million (883), with organic growth of 23% compared to the same period last year, mainly driven by a major order in the Medical segment. The Industrial Heating segment noted positive organic intake primarily attributable to growth of heating elements to semiconductor, solar, glass, and steel end-customer segments. Organic order intake declined for heating materials, due to lower demand for appliance wire for white goods in the Consumer segment, and industrial wire for the Industrial segment. The negative development was partly due to overstocked customers in Europe and North America, although an improvement was noted toward the end of the quarter. Excluding major orders of approximately SEK 350 million, organic order intake growth was -11%. Organic order intake growth on a 12-month rolling basis was 9%.

Revenues increased by 31% to SEK 1,031 million (786), with organic growth of 13%. The organic growth was driven by heating systems and heating materials, as well as yet another quarter with record-high revenues in the Medical segment. Book-to-bill was 124% in the quarter, and 112% for the rolling 12-month period.

Earnings

Adjusted EBIT amounted to SEK 193 million (121), corresponding to a margin of 18.7% (15.3). The improved margin was primarily attributable to higher revenues, a stronger product mix and successful price increase execution. EBIT amounted to SEK 164 million (145) and included metal price effects of SEK -26 million (27) and items affecting comparability of SEK -2 million (-2). Changes in exchange rates had a positive impact of SEK 11 million (8). Amortization and depreciation amounted to SEK -24 million (-21).

Other quarterly highlights

The strategically important Medical segment continued to note significant growth. During the quarter, Alleima acquired Endosmart, a Germany-based manufacturer of medical devices and components made from the shape memory alloy nitinol. In addition, the first major order (i.e above SEK 200 million) ever within the Medical segment was received, valued at approximately SEK 350 million. The order is the result of the commercialization of a new product used in remote monitoring of patients, thereby broadening Alleima's addressable market by accessing several new patient applications.

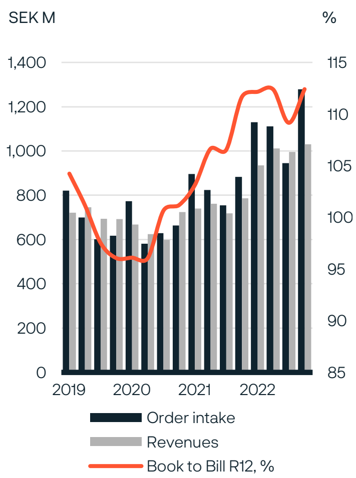
SEK M	Order intake	Revenues
Q4 2021	**883**	**786**
Organic, %	23	13
Structure, %	1	1
Currency, %	14	11
Alloys, %	3	4
Total growth, %	45	31
Q4 2022	**1,279**	**1,031**

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

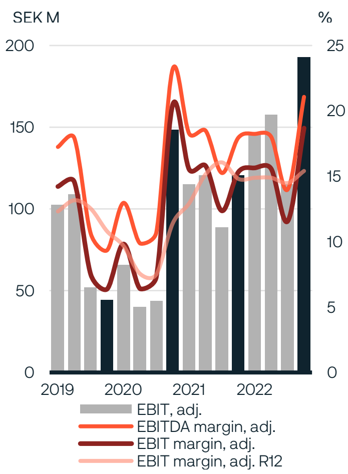
SEK M	Q4 2022	Q4 2021	Change %	Full year 2022	Full year 2021	Change %
Order intake	1,279	883	45	4,466	3,357	33
Organic growth, %	*23*	*21*	–	*9*	*28*	–
Revenues	1,031	786	31	3,972	3,007	32
Organic growth, %	*13*	*-1*	–	*9*	*15*	–
Adjusted EBITDA	217	141	54	708	526	35
Margin, %	*21.1*	*17.9*	–	*17.8*	*17.5*	–
Adjusted EBIT	193	121	60	611	445	37
Margin, %	*18.7*	*15.3*	–	*15.4*	*14.8*	–
EBIT	164	145	13	802	545	47
Margin, %	*15.9*	*18.4*	–	*20.2*	*18.1*	–
Number of employees	1,215	1,101	10	1,215	1,101	10

Adjusted EBITDA and adjusted EBIT excludes items affecting comparability and metal price effects, for more information see page 25.

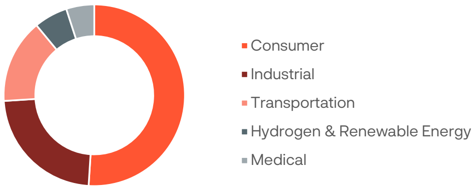
Order intake and revenues



Adj. EBITDA and Adj. EBIT (%)



Revenues per customer segment, 2022



Strip

Strip develops and manufactures a wide range of precision strip-steel products, such as razor blade steel and compressor valve steel, primarily for the Consumer, Industrial, Transportation (primarily automotive) and Medical customer segments. Through the Surface Technology business unit, the division is also exposed to the Hydrogen and Renewable Energy segment through its offering of pre-coated strip steel for one of the most critical components in the hydrogen fuel cell stack – the bipolar plates.

SEK M	Order intake	Revenues
Q4 2021	**441**	**334**
Organic, %	-11	33
Structure, %	–	–
Currency, %	4	4
Alloys, %	4	5
Total growth, %	-3	44
Q4 2022	**427**	**481**

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

Order intake and revenues

Order intake decreased -3% to SEK 427 million (441), with organic growth of -11%. Organic order intake in the Consumer segment declined year on year, mainly due to lower demand for stainless compressor valve steel in Asia, as well as knife steel. Demand for shock absorbers to the Transportation segment declined slightly. In the Industrial and Medical segments, demand remained solid. Organic order intake growth on a 12-month rolling basis was 2%.

Revenues increased by 44% to SEK 481 million (334), with organic growth of 33%, reaching record-high revenues for a single quarter. The revenue increase was driven by broad-based positive development across the division. Book-to-bill was 89% in the quarter, and 105% for the rolling 12-month period.

Earnings

Adjusted EBIT totaled SEK 82 million (40), corresponding to a margin of 17.0% (12.0). The significant margin increase was driven by strong production output, higher revenues with an improved mix and leverage effects from price increases, which fully offset increased costs. EBIT amounted to SEK 71 million (52) and included metal price effects of SEK -10 million (4) and items affecting comparability of SEK -1 million (8). Changes in exchange rates had a positive impact of SEK 19 million (-10). Amortization and depreciation amounted to SEK -11 million (-12).

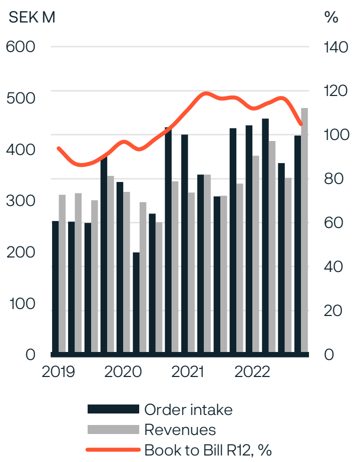
Other quarterly highlights

The Medical segment is a cornerstone in the strategy for profitable growth. For some time now, Alleima has delivered medical steel for orthopedic implants to the market. Due to consistent quality and on-time local sales support, Alleima has built a good market reputation. During the quarter, an order for medical steel was received. Using the Alleima steel grade for medical products, the customer will be able to manufacture orthopedic implants with absolute cleanliness and an excellent surface.

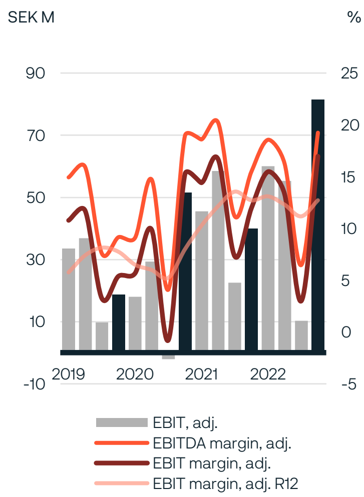
SEK M	Q4 2022	Q4 2021	Change %	Full year 2022	Full year 2021	Change %
Order intake	427	441	-3	1,705	1,529	12
Organic growth, %	*-11*	*-4*	–	*2*	*22*	–
Revenues	481	334	44	1,628	1,310	24
Organic growth, %	*33*	*-6*	–	*14*	*8*	–
Adjusted EBITDA	92	52	79	254	216	18
Margin, %	*19.2*	*15.5*	–	*15.6*	*16.5*	–
Adjusted EBIT	82	40	104	207	167	24
Margin, %	*17.0*	*12.0*	–	*12.7*	*12.7*	–
EBIT	71	52	37	232	202	15
Margin, %	*14.8*	*15.5*	–	*14.2*	*15.4*	–
Number of employees	519	508	2	519	508	2

Adjusted EBITDA and adjusted EBIT excludes items affecting comparability and metal price effects, for more information see page 25.

Order intake and revenues



Adj. EBITDA and Adj. 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 its product offering and its operations. Developing a sustainable product offering, combined with several initiatives to reduce the overall environmental impact of the production process, is considered one of the most important success factors.

Having an impact through our offering

Capitalizing on global megatrends, including the green transition, is one of the key pillars in the strategy for profitable growth. During the quarter, Alleima continued to grow the Hydrogen and Renewable Energy segment, receiving an order for duplex tubes from a customer in the geothermal industry in Europe. The tubes are used in the final sections of a well at a depth of 2,500 meters and high-quality materials are therefore crucial, with the tubes designed to last for up to 30 years. This is a corrosive environment with high levels of chlorides combined with high levels of CO_2, in addition to temperatures of around 90° Celsius, making the duplex material a good choice. This is one of many examples of how Alleima's offering contributes positively to sustainability.

Having an impact through our operations

- 12-month rolling Total Recordable Injury Frequency Rate, TRIFR, was 7.8 (8.4). The quarterly figure was weak at 9.4 (5.0).
- Share of scrap metal input in steel manufacturing amounted to 82.6% (81.8) for the full year, corresponding to an improvement of 1% compared with last year. The quarterly figure amounted to 82.4 (81.7).
- Greenhouse Gas (GHG) emissions for the full year amounted to 108 kton, corresponding to a reduction of 11% compared with last year. Emissions for the quarter decreased 28% to 25 kton (35). Relative to produced tons, annual GHG emissions decreased by 9% compared with last year.
- Share of female managers increased to 22.8% year on year (21.1), resulting in a record-high share of female managers in the company.

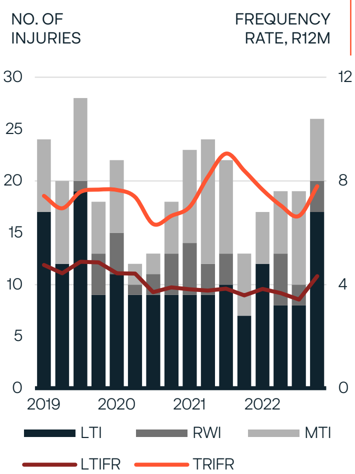
Definitions and glossary can be found at www.alleima.com/investors.

Sustainability overview

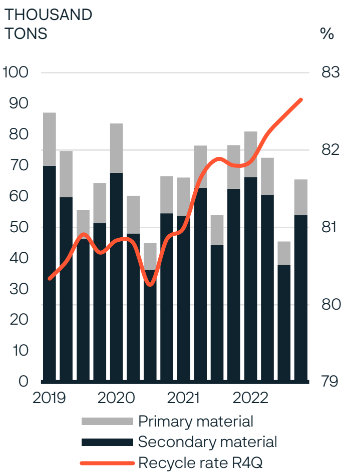
	Q4 2022	Q4 2021	Change, %	R12M, Q4 2022	R12M, Q4 2021
TRIFR [1]	9.4	5.0	87.8	7.8	8.4
CO_2, thousand tons	25	35	-28.2	108	121
Recycled steel, %	82.4	81.7	0.9	82.6	81.8
Share of female managers, %	22.8	21.1	8.3	-	-

1) Total Recordable Injury Frequency Rate. Normalization factor: 1,000,000 exposure hours.

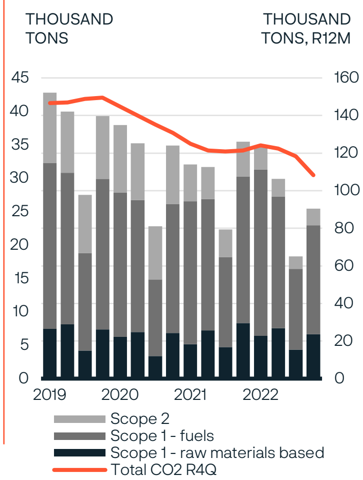
Health and safety – TRIFR



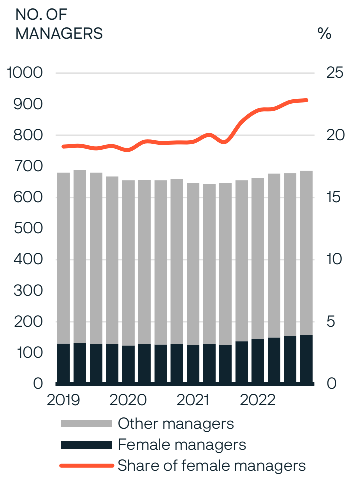
Recycled steel



GHG emissions



Share of female managers



Full year 2022

Market development, order intake and revenues
The positive trend in market demand continued across most customer segments compared with the corresponding year-earlier period, supported by long-term industry trends. However, demand in the short-cycle business, mainly related to low-refined products for the Industrial customer segment as well as demand in the Consumer segment, softened toward the second half of the year. The year was impacted by supply chain issues, longer than normal freight lead times, and uncertainties related to energy supply issues and prices in Europe, as well as raw material price inflation, especially related to nickel prices.

Order intake in the period increased by 41% to SEK 22,130 million (15,681) year on year, with organic growth of 19%. All three divisions noted positive year on year development, mainly driven by orders related to the Power Generation, Oil and Gas, Industrial Heating and Medical customer segments. Order intake in the regions of North America and Asia noted a favorable trend, with organic growth of 37% and 23%, respectively, including major orders, and growth of -1% and 7%, respectively, excluding major orders. Europe noted negative organic order intake of -1% including major orders, and -3% excluding major orders. Excluding major orders of approximately SEK 2.7 billion (0) for the Group, organic order intake growth was 3% in the period.

Revenues increased by 33% to SEK 18,405 million (13,847), with organic revenue growth of 13%. All customer segments and all three divisions noted positive development compared with last year, particularly the Oil and Gas segment.
The book-to-bill ratio was 120% in the period.

Structure had a positive impact of 1% on both order intake and revenues, while currency had an impact of 6% on order intake and revenues. Alloy surcharges had a positive impact of 13% on order intake and 11% on revenues, mainly driven by increased nickel prices.

Earnings
Adjusted EBIT increased by 59% to SEK 1,681 million (1,055) corresponding to a margin of 9.1% (7.6). The year on year growth was attributable to higher revenues and an improved product mix, somewhat offset by higher costs for freight and energy, and costs related to operating as a stand-alone company. Depreciation and amortization amounted to SEK -859 million (-743).

Reported EBIT increased to SEK 2,122 million (1,379), corresponding to a margin of 11.5% (10.0). Metal price effects had a positive impact of SEK 695 million (487) in the period. Items affecting comparability amounted to SEK -254 million (-164), mainly related to the separation from Sandvik AB and the listing on Nasdaq Stockholm.

Net financial items were SEK -184 million (127) mainly due to negative effects from revaluations of FX derivatives.

Profit for the period amounted to SEK 1,483 million (1,228), corresponding to earnings per share of SEK 5.86 (4.80). Adjusted profit for the period amounted to SEK 1,131 million (980) and adjusted earnings per share amounted to SEK 4.46 (3.82). See page 30 for further details.

Cash flow and financial position
Capital employed increased year on year to SEK 16,911 million (14,803), due to higher net working capital, currency effects and valuation effects for financial derivatives. Return on capital employed was 13.2% (10.4).

Net working capital increased year on year to SEK 6,519 million (4,567), driven by an increase in inventories due to higher activity, higher raw material prices and longer freight times, with the Tube division accounting for the largest increase. Net working capital in relation to revenues was 32.8% (31.2) for the period.

Net investments (capex) increased to SEK -656 million (-436), mainly due to lower than normal levels in the preceding year, corresponding to 90.7% (65.3) of scheduled depreciation and -3.6% (-3.1) of revenues in the period.

Cash flow from operating activities decreased year on year to SEK 687 million (1,151) due to increased working capital from higher activity levels and the negative impact of higher raw material prices.

Free operating cash flow decreased to SEK 505 million (1,046), mainly due to increased working capital and higher capex.

Significant events

During the quarter

-On October 6, Alleima announced the appointment of the Nomination Committee for the 2023 Annual General Meeting.

-On November 17 and December 22, Alleima announced that it had received three major orders for advanced tubes; umbilicals, for the Oil and Gas customer segment, to a total value of about SEK 755 million.

-On November 18, Alleima announced that it had signed an agreement to acquire Endosmart Gesellschaft für Medizintechnik GmbH (Endosmart), a Germany-based manufacturer of medical devices and components made of the shape memory alloy nitinol. The acquisition was completed on November 30, 2022.

-On November 22, Alleima appointed Robert Stål as President of Kanthal division and new member of the Alleima Group Executive Management, effective latest May 22, 2023. He succeeds Anders Björklund, who has, as previously announced, left Alleima for a position outside the company.

-On November 23, Alleima announced that it had received a major order for ultra-fine wire in the Medical customer segment, with a total value of approximately SEK 350 million.

-On December 15, Alleima announced its commitment to set science-based net-zero targets consistent with the Paris Agreement.

After the quarter

-On January 4, it was announced that the President of Tube division, Michael Andersson, will leave Alleima as of July 2023 at the latest.

-On January 18, it was announced that Alleima will be the supplier of OCTG tubes with Corrosion Resistant Alloys (CRA) material in a new long-term frame agreement between Tenaris and Petrobras. The agreement includes the three-year supply for offshore Brazil.

Guidance and financial targets

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

Guidance

Capex (Cash) (full year)	Estimated at approximately SEK 800 million for 2023.
Currency effects (quarterly)	Based on currency rates at the end of December 2022, it is estimated that transaction and translation currency effects will have a positive impact of about SEK 100 million on operating profit (EBIT) for the first quarter of 2023, compared to the same period last year.
Metal price effects (quarterly)	In view of currency rates, inventory levels and metal prices at the end of December 2022, it is estimated that there will be an impact of approximately SEK 300 million on operating profit (EBIT) for the first quarter of 2023.
Tax rate, normalized (full year)	Estimated at 24-26% for 2023.

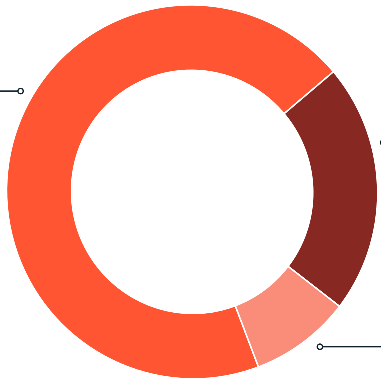
Financial targets

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 percent over a business cycle.
Capital structure	A net debt to equity ratio below 0.3x.
Dividend policy	Dividend on average 50 percent of net profit (adjusted for metal price effects) over a business cycle. Dividend to reflect financial position, cash flow and outlook.

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

Alleima's 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.

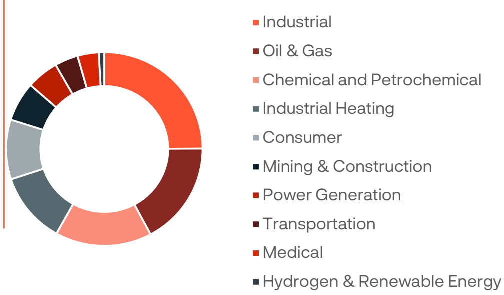
Strategy

Alleima's 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 towards new business opportunities, defending and strengthening the current business and widening of the material portfolio; Operational and commercial excellence through continuous improvement, footprint optimization, price management, mix optimization, cost flexibility and resilience, and industry-leading sustainability that provide benefits to the global climate, contribute to increased circularity and support general health and wellbeing, both through product offering as well as operations.

Customer segments sales exposure

Revenues per customer segment based on full year 2022. Historically, these percentages have not changed substantially between the quarters and the full year figures of 2022 will therefore give a good approximation.

Revenues per customer segment, full year 2022



Other information

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 rates, raw material prices, 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 for 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 Alleima Group's prospectus.

Covid-19 and the conflict in Ukraine
The market demand has now recovered from the decline related to the Covid-19 pandemic. Uncertanties in the economy caused by the Covid-19 pandemic and the conflict in Ukraine may however still be visible, and the constantly evolving nature makes it difficult to predict its ultimate adverse impact on Alleima. Alleima has no significant direct exposure to Russia and Ukraine. Alleima is impacted by longer lead times, indirect supply chain disruptions, higher freight and energy costs as well as raw material price inflation, with uncertainty regarding its ultimate length and trajectory. Consequently, the Covid-19 pandemic and the conflict in Ukraine continues to present uncertainty and risk and could have material adverse effects on revenues, cash flows, financial condition, and results of operations.

Stockholm, January 24, 2023
Alleima AB (publ)
559224-1433

The Board of Directors

The Company's Auditor has not reviewed the report for the fourth quarter and full year 2022.

Financial reports summary

The Group

Condensed consolidated income statement

SEK M	Note	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Revenues		5,159	3,935	18,405	13,847
Cost of goods sold		-4,050	-2,989	-13,692	-10,379
Gross profit		**1,108**	**946**	**4,713**	**3,468**
Selling expenses		-314	-266	-1,177	-952
Administrative expenses		-245	-327	-1,203	-1,047
Research and development costs		-53	-58	-209	-214
Other operating income		14	152	145	266
Other operating expenses		-104	-55	-148	-141
Operating profit/loss	**2**	**407**	**392**	**2,122**	**1,379**
Financial income		154	165	185	390
Financial expenses		-51	-22	-368	-263
Net financial items		**102**	**143**	**-184**	**127**
Profit/loss after net financial items		**509**	**536**	**1,938**	**1,506**
Income tax	3	-96	-99	-455	-278
Profit/loss for the period		**413**	**437**	**1,483**	**1,228**
Profit/loss for the period attributable to					
Owners of the parent company		413	429	1,470	1,205
Non-controlling interests	7	-	8	12	23
Earnings per share, SEK					
Basic and diluted [1]		1.65	1.71	5.86	4.80

1) Alleima has no potential dilution of shares

The Group
Condensed consolidated comprehensive income

SEK M	Note	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Profit/loss for the period		**413**	**437**	**1,483**	**1,228**
Other comprehensive income					
Items that will not be reclassified to profit (loss)					
Actuarial gains (losses) on defined benefit pension plans		-19	159	660	426
Tax relating to items that will not be reclassified		5	-46	-129	-100
Total items that will not be reclassified to profit (loss)		**-14**	**112**	**531**	**326**
Items that may be reclassified to profit (loss)					
Foreign currency translation differences		-95	-167	438	-110
Hedge reserve adjustment	1	-468	-	667	-
Tax relating to items that may be reclassified	1	96	-	-137	-
Total items that may be reclassified to profit (loss)		**-467**	**-167**	**967**	**-110**
Total other comprehensive income		**-481**	**-54**	**1,498**	**216**
Total comprehensive income		**-68**	**382**	**2,981**	**1,445**
Total comprehensive income attributable to					
Owners of the parent company		-68	351	2,967	1,397
Non-controlling interests	7	-	32	14	47

The Group
Condensed consolidated balance sheet

SEK M	Note	Dec 31, 2022	Dec 31, 2021
Goodwill		1,615	1,352
Other intangible assets		194	123
Property, plant and equipment		7,350	7,251
Right-of-use assets		392	204
Financial assets	4	714	253
Deferred tax assets		174	218
Non-current assets		**10,440**	**9,401**
Inventories		7,355	5,372
Current receivables	4	4,712	3,452
Cash and cash equivalents		892	1,661
Current assets		**12,960**	**10,485**
Total assets		**23,399**	**19,886**
Equity attributable to owners of the parent company	6	15,901	11,663
Non-controlling interest	5,7	0	97
Total equity		**15,901**	**11,761**
Non-current interest-bearing liabilities		916	1,351
Non-current non-interest-bearing liabilities	4	1,398	840
Non-current liabilities		**2,314**	**2,191**
Current interest-bearing liabilities		94	1,691
Current non-interest-bearing liabilities	4	5,090	4,243
Current liabilities		**5,184**	**5,934**
Total equity and liabilities		**23,399**	**19,886**

The Group

Condensed consolidated cash flow statement

SEK M	Note	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Operating activities					
Operating profit		407	392	2,122	1,379
Adjustments for non-cash items:					
Depreciation, amortization and impairments		229	205	859	743
Other non-cash items		21	-41	-130	-144
Received and paid interest		-11	61	-281	-218
Income tax paid		-41	-33	-292	-189
Changes in working capital		502	355	-1,590	-420
Cash flow from operating activities		**1,107**	**940**	**687**	**1,151**
Investing activities					
Additions to intangible and tangible assets		-331	-219	-679	-494
Proceeds from sale of intangible and tangible assets		12	17	23	58
Acquisition and sale of shares and participations	7	-171	-60	-312	-54
Other investments and financial assets, net		-6	-9	0	-17
Cash flow from investing activities		**-495**	**-272**	**-968**	**-507**
Financing activities					
Proceeds from loans		-702	1,628	-1	1,628
Repayments of loans		-1	-85	-1,638	-85
Amortization of lease liabilities		-39	-24	-99	-76
New share issue and capital contribution from shareholders	6	-	-	1,400	-
Dividends paid		-	-	-3	-
Change in net Group cash pool		-	-1,105	-	-31
Cash flow from financing activities		**-742**	**414**	**-341**	**1,436**
Net change in cash and cash equivalents		**-131**	**1,082**	**-622**	**2,080**
Cash and cash equivalents at beginning of period		1,086	1,207	1,661	179
Exchange rate differences in cash and cash equivalents		-40	3	48	13
Other cash flow from transactions with shareholders		-24	-631	-195	-611
Cash and cash equivalents at end of the period		**892**	**1,661**	**892**	**1,661**

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, 2021		**10,317**	**50**	**10,368**
Changes				
Net profit		1,205	23	1,228
Other comprehensive income for the period, net of tax		192	24	216
Total comprehensive income for the period		*1,397*	*47*	*1,445*
Transactions with shareholders		-51	-	-51
Total transactions with owners		*-51*	-	*-51*
Equity at December 31, 2021		**11,663**	**97**	**11,761**
Changes				
Net profit		1,470	12	1,483
Other comprehensive income for the period, net of tax		1,496	2	1,498
Total comprehensive income for the period		*2,967*	*14*	*2,981*
Cash flow hedge, transferred to cost of hedged item		37	-	37
Tax on cash flow hedge, transferred to cost		-8	-	-8
Net cash flow hedge, transferred to cost		*30*	-	*30*
New share issue	6	251	-	251
Capital contribution from shareholders	6	1,149	-	1,149
Dividends		-	-3	-3
Transactions with shareholders	5	-123	0	-123
Transactions with non-controlling interests	5,7	-36	-109	-145
Total transactions with owners		*1,241*	*-112*	*1,130*
Equity at December 31, 2022		**15,901**	**0**	**15,901**

The Parent Company

Condensed income statement

SEK M	Note	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Revenues		5	4	20	4
Gross profit		**5**	**4**	**20**	**4**
Administrative expenses		-53	-8	-143	-8
Operating loss		**-48**	**-4**	**-122**	**-4**
Dividend from group companies		0	0	500	0
Interest revenue and similar income		5	0	6	0
Profit/loss after financial items		**-43**	**-4**	**383**	**-4**
Appropriations		41	5	111	5
Income tax		0	0	1	0
Profit/loss for the period		**-2**	**1**	**495**	**0**

Condensed balance sheet

SEK M	Note	Dec 31, 2022	Dec 31, 2021
Financial assets		11,907	11,907
Deferred tax assets		1	0
Non-current assets		**11,908**	**11,907**
Current receivables		1,441	11
Current assets		**1,442**	**11**
Total assets		**13,350**	**11,918**
Restricted equity	6	251	0
Unrestricted equity	6	13,069	11,425
Total equity		**13,320**	**11,425**
Non-interest-bearing liabilities		4	-
Non-current liabilities		**4**	**-**
Current interest-bearing liabilities		0	482
Current non-interest-bearing liabilities		25	10
Current liabilities		**26**	**492**
Total equity and liabilities		**13,350**	**11,918**

Order intake by division and region

SEK M	Note	Q4 2022	Q4 2021	Organic %	Organic ex. major orders[1] %	Full year 2022	Full year 2021	Organic %	Organic ex. major orders[1] %
Tube									
North America		1,130	641	47	4	3,922	2,116	56	6
Europe		2,164	1,878	-2	-12	7,783	6,550	0	-3
Asia		409	328	6	6	2,494	1,527	32	2
Other		415	91	300	70	1,760	602	169	97
Total		**4,119**	**2,938**	**19**	**-5**	**15,959**	**10,795**	**25**	**4**
Kanthal									
North America		641	360	42	-37	1,712	1,211	10	-14
Europe		289	290	-13	-13	1,298	1,087	-2	-2
Asia		320	218	34	34	1,271	940	18	18
Other		29	15	75	75	185	119	35	35
Total		**1,279**	**883**	**23**	**-11**	**4,466**	**3,357**	**9**	**0**
Strip									
North America		41	36	-11	-11	192	150	4	4
Europe		172	223	-27	-27	765	729	0	0
Asia		208	181	6	6	724	621	5	5
Other		7	1	422	422	24	29	-32	-32
Total		**427**	**441**	**-11**	**-11**	**1,705**	**1,529**	**2**	**2**
GROUP									
North America		1,812	1,037	43	-11	5,827	3,476	37	-1
Europe		2,625	2,392	-6	-14	9,846	8,366	-1	-3
Asia		937	727	14	14	4,488	3,088	23	7
Other		451	106	270	74	1,969	750	140	83
Total		**5,825**	**4,262**	**17**	**-7**	**22,130**	**15,681**	**19**	**3**

1) Major orders are defined as orders above SEK 200 million.

Revenues by division and region

SEK M	Note	Q4 2022	Q4 2021	Organic %	Full year 2022	Full year 2021	Organic %
Tube							
North America		657	666	-20	2,960	2,147	15
Europe		1,666	1,565	-9	6,817	5,492	6
Asia		793	424	59	2,049	1,444	15
Other		533	161	214	978	446	99
Total		**3,647**	**2,815**	**12**	**12,804**	**9,530**	**14**
Kanthal							
North America		351	260	7	1,429	992	12
Europe		361	258	25	1,259	1,014	1
Asia		267	234	5	1,111	871	13
Other		53	34	30	172	130	12
Total		**1,031**	**786**	**13**	**3,972**	**3,007**	**9**
Strip							
North America		51	25	66	168	100	38
Europe		224	162	32	792	613	24
Asia		201	141	32	643	567	1
Other		4	5	-46	26	30	-28
Total		**481**	**334**	**33**	**1,628**	**1,310**	**14**
GROUP							
North America		1,059	950	-10	4,558	3,238	15
Europe		2,250	1,985	-1	8,867	7,120	7
Asia		1,261	799	38	3,803	2,883	12
Other		589	200	175	1,176	606	74
Total		**5,159**	**3,935**	**14**	**18,405**	**13,847**	**13**

Quarterly by division

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	Full year 2022	Full year 2021	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Order intake, SEK M											
Tube		15,959	10,795	4,119	2,552	4,869	4,419	2,938	2,449	2,992	2,416
Kanthal		4,466	3,357	1,279	945	1,111	1,130	883	755	823	896
Strip		1,705	1,529	427	372	460	447	441	308	351	429
Total[1]		**22,130**	**15,681**	**5,825**	**3,869**	**6,440**	**5,996**	**4,262**	**3,512**	**4,165**	**3,742**
Revenues, SEK M											
Tube		12,804	9,530	3,647	2,931	3,329	2,897	2,815	2,169	2,336	2,210
Kanthal		3,972	3,007	1,031	995	1,012	934	786	719	762	740
Strip		1,628	1,310	481	344	416	388	334	309	351	316
Total[1]		**18,405**	**13,847**	**5,159**	**4,270**	**4,757**	**4,219**	**3,935**	**3,197**	**3,449**	**3,266**
Adjusted EBITDA, SEK M	2										
Tube		1,922	1,311	562	311	592	458	438	168	404	301
Kanthal		708	526	217	139	182	170	141	110	141	135
Strip		254	216	92	22	68	72	52	35	71	59
Common functions		-344	-243	-86	-69	-90	-99	-73	-55	-63	-51
Total[1]		**2,540**	**1,811**	**785**	**403**	**751**	**601**	**557**	**257**	**553**	**444**
Adjusted EBITDA margin, %											
Tube		15.0	13.8	15.4	10.6	17.8	15.8	15.6	7.7	17.3	13.6
Kanthal		17.8	17.5	21.1	14.0	18.0	18.2	17.9	15.2	18.5	18.2
Strip		15.6	16.5	19.2	6.5	16.2	18.6	15.5	11.2	20.2	18.6
Common functions		N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M
Total[1]		**13.8**	**13.1**	**15.2**	**9.4**	**15.8**	**14.2**	**14.2**	**8.0**	**16.0**	**13.6**
Adjusted EBIT, SEK M	2										
Tube		1,229	707	374	145	428	282	271	71	235	130
Kanthal		611	445	193	115	158	146	121	89	120	115
Strip		207	167	82	10	55	60	40	23	59	46
Common functions		-367	-263	-92	-75	-94	-105	-79	-60	-69	-55
Total[1]		**1,681**	**1,055**	**555**	**195**	**547**	**384**	**353**	**123**	**344**	**236**
Adjusted EBIT margin, %											
Tube		9.6	7.4	10.2	4.9	12.9	9.7	9.6	3.3	10.0	5.9
Kanthal		15.4	14.8	18.7	11.6	15.6	15.6	15.3	12.4	15.8	15.5
Strip		12.7	12.7	17.0	3.0	13.3	15.5	12.0	7.3	16.7	14.4
Common functions		N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M
Total[1]		**9.1**	**7.6**	**10.8**	**4.6**	**11.5**	**9.1**	**9.0**	**3.8**	**10.0**	**7.2**
EBIT, SEK M											
Tube		1,691	1,168	259	12	914	507	380	263	309	216
Kanthal		802	545	164	107	297	234	145	138	124	139
Strip		232	202	71	15	73	73	52	31	65	54
Common functions		-603	-536	-87	-160	-177	-179	-184	-137	-142	-73
Total[1]		**2,122**	**1,379**	**407**	**-26**	**1,106**	**635**	**392**	**295**	**355**	**336**

1) Internal transactions had negligible effect on division profits.

Notes

Note 1 | Accounting principles

The financial statements of the Group were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by 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 applied in the preparation of this interim report comply with the accounting principles presented in the prospectus "Admission to trading of shares in Alleima AB on Nasdaq Stockholm" in Note 1 "Significant accounting principles - assessments and assumptions for accounting purposes" in the combined financial statements on page F-40 and forward.

IASB has published amendments of standards that are effective as of January 1, 2022 or later. The standards have not had any material impact on the financial reports.

Alleima has as of January 1, 2022 started to apply hedge accounting for derivatives that are used to hedge the Group's exposure to electricity price risk, and as of April 1, 2022 hedge accounting for derivatives that are used to hedge the exposure to gas- and metal price risk, and in addition, as of July 1, 2022 hedge accounting for some derivatives that are used to hedge the exchange rate exposure in orders and investments. Changes in the fair value of the derivatives designated for hedge accounting are recognised in Other comprehensive income and accumulated in the Hedge reserve within equity. Changes in fair value are subsequently reclassified to profit or loss in the same period as the Group reports the expense of the hedged consumption of electricity, gas and metal or included in the carrying amount of the purchased metals or acquired property, plant and equipment as appropriate. Any ineffectiveness is recognised immediately in profit or loss.

The interim information on pages 1–33 is an integrated part of these financial statements.

The Parent Company

The parent company follows the same accounting policies as the Group with the following exceptions.

Shares in subsidiaries are recognized at cost, including expenses directly related to the acquisition, less any impairment. Group contributions are reported as appropriations in the income statement.

IFRS 9 Financial Instruments is adopted, except regarding financial guarantees where the exception allowed in RFR 2 is chosen. Financial guarantees are included in contingent liabilities.

Internal loans are managed by the Group's Teasury function and all internal credit facilities are reviewed on regular basis. Internal loans are managed to collect contractual cash flows and is therefore designated as amortized cost. Impairment losses are calculated based on expected credit losses.

Note 2 | Adjustment items on EBITDA/EBIT

SEK M	Full year 2022	Full year 2021	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
EBITDA										
Items affecting comparability										
Tube	-12	63	-3	-4	-3	-2	11	31	22	0
Kanthal	-5	26	-2	-1	-3	1	-2	29	0	0
Strip	-1	8	-1	0	0	0	8	0	0	0
Common functions	-236	-273	5	-85	-83	-74	-105	-77	-73	-18
Total	**-254**	**-176**	**0**	**-90**	**-89**	**-75**	**-89**	**-18**	**-51**	**-19**
Metal price effect										
Tube	474	385	-112	-129	489	226	98	161	40	86
Kanthal	196	74	-26	-7	142	88	27	20	3	24
Strip	25	28	-10	5	17	13	4	9	6	9
Total	**695**	**487**	**-149**	**-131**	**649**	**327**	**129**	**190**	**50**	**119**
Total adjustment items EBITDA										
Tube	462	448	-115	-133	486	224	109	192	61	86
Kanthal	190	101	-29	-8	139	88	24	49	3	24
Strip	24	35	-11	5	17	13	12	9	6	9
Common functions	-236	-273	5	-85	-83	-74	-105	-77	-73	-18
Total	**441**	**311**	**-149**	**-221**	**559**	**252**	**40**	**172**	**-2**	**100**
EBIT										
Impairment of tangible and intangible fixed assets										
Tube	0	13	0	0	0	0	0	0	13	0
Total	**0**	**13**	**0**	**0**	**0**	**0**	**0**	**0**	**13**	**0**
Total adjustment items EBIT										
Tube	462	461	-115	-133	486	224	109	192	74	86
Kanthal	190	101	-29	-8	139	88	24	49	3	24
Strip	24	35	-11	5	17	13	12	9	6	9
Common functions	-236	-273	5	-85	-83	-74	-105	-77	-73	-18
Total	**441**	**324**	**-149**	**-221**	**559**	**252**	**40**	**172**	**11**	**100**
Items affecting comparability, EBITDA, consists of:										
Separation costs	-254	-305	0	-90	-89	-75	-130	-80	-77	-19
Reversal restructuring provisions	0	99	0	-	-	-	41	32	25	-
Capital gain from divestment of property	0	29	0	-	-	-	-	29	-	-
Total	**-254**	**-176**	**0**	**-90**	**-89**	**-75**	**-89**	**-18**	**-51**	**-19**
Items affecting comparability, impairments, consists of:										
Reversal of impairment	0	13	0	-	-	-	-	-	13	-
Total	**0**	**13**	**0**	**-**	**-**	**-**	**-**	**-**	**13**	**-**
Total items affecting comparability	**-254**	**-164**	**0**	**-90**	**-89**	**-75**	**-89**	**-18**	**-39**	**-19**

Note 3 | Taxes

SEK M	Q4 2022		Q4 2021		Full year 2022		Full year 2021	
Reported tax	-96	*18.8%*	-99	*18.5%*	-455	*23.5%*	-278	*18.4%*
Tax on adjustment items (note 2)	-34	*-22.8%*	10	*-5.9%*	89	*-20.1%*	76	*-23.4%*
Tax excluding adjustment items	**-130**	***19.7%***	**-89**	**24.5%**	**-367**	***24.5%***	**-202**	**17.1%**
Adjustment for one time items taxes	-13	2.0%	-24	*6.5%*	3	*-0.2%*	-92	*7.8%*
Normalized tax rate	**-143**	***21.7%***	**-113**	**31.0%**	**-364**	***24.3%***	**-294**	**24.9%**

Adjustment for one time items taxes during 2022 consist of revaluation of tax loss-carry-forwards of SEK -3 million (-29) and temporary differences of SEK -13 million (139) and other one time tax items of SEK 13 million (-18).

Note 4 | Financial assets and liabilities

Financing
During Q2 2022, Alleima has established a commercial paper program with a framework amount of SEK 3 billion with the aim of being able to raise short-term financing. During Q2, Alleima also entered into an agreement with a syndicate of lenders for revolving credit facilities of SEK 3 billion. The credit can be drawn in a number of currencies and runs for five years (with two possibilities for extension). In addition, Alleima has entered into bilateral bank facilities on short-term financing. At December 31, 2022. the credit facilities were not availed.

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 hierachy, 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	Dec 31, 2022	Dec 31, 2021
Financial assets derivatives	1,540	489
Financial liabilities derivatives	623	208

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 5 | 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.

On August 31, 2022 the Alleima shares were delivered to the shareholders of Sandvik and Alleima is no longer part of the Sandvik Group. Alleima former shareholder was Sandvik AB. Transactions with Sandvik Group are presented in the prospectus “Admission to trading of shares in Alleima AB on Nasdaq Stockholm” in Note 1 and in Note 27 in the combined financial statements. Where also remuneration to senior executives for Alleima is presented in Note 3. Between the Groups there are historical trade receivables and payables as well as cash pool and other short term liabilities. The short term loan from Sandvik was amortized before the listing. Transactions related to transfer of assets and liabilities as part of the formation of the Alleima Group between Sandvik group and Alleima Group have been classified as transactions with shareholders. The transactions with the shareholders that have been carried out via equity are presented in the Condensed consolidated statements of changes in equity. Alleima has also purchased services from the Sandvik Group such as IT services and administrative services.

During Q2 2022, the subsidiary Sandvik Materials Technology Rock Drill Steel AB (RDS) made a directed share issue to Sandvik AB regarding 10,000 B-shares in the company, which resulted in the majority owner Alleima now owning 90% of the shares in RDS, i.e. all A-shares, and Sandvik 10%. The Class B shares held by Sandvik are not subject to future dividends. According to agreement between the parties, Alleima has, subject to certain conditions, the right, but not the obligation to acquire, Sandvik's Class B shares at its quota value (SEK 2,778). Furthermore, Alleima has issued a call option to Sandvik, which can only be exercised if a few predetermined events occur and in the event that the call option is exercised, the purchase price shall be set at Fair Market Value. Alleima has in all previous periods presented prior to the rights issue consolidated RDS to 100%, i.e. without accounting for a non-controlling interest. In the new issue of Class B shares, Alleima will report in its consolidated financial statements a minority shareholding of SEK 2,778 corresponding to the issue proceeds that RDS received from Sandvik AB. No "profit share" belonging to the minority shareholder Sandvik AB will be reported in the future as Sandvik is not entitled to any dividend. This means that the minority share in equity will be SEK 2,778 in all future periods unless Alleima acquires Sandvik AB's B shares in accordance with the agreement or Alleima divests RDS at fair value according to the agreement's call option.

Note 6 | Equity

To the Annual General Meeting on May 2, 2023, Alleima's Board of Directors proposes for the financial year 2022 an ordinary dividend of SEK 1.40 per share (SEK 0.4 billion), to be paid in May 2023.

An extraordinary general meeting held on March 7, 2022, resolved on a directed share issue with right for the shareholder Sandvik AB, Reg. No. 556000-3468, to subscribe for 250,827,184 shares in Alleima AB and that all shares, in accordance with the terms and conditions in the general meeting’s decision, have been subscribed for. Following the decision at an extraordinary general meeting, in March 2022, one existing share in Alleima AB was divided into fifty shares. Total number of shares after the split and the share issue amounted to 250,877,184.

In addition, in March 2022, the company received an unconditional shareholder contribution in the amount of SEK 1,149 million by way of cash payment from the shareholder Sandvik AB.

Note 7 | Business acquisitions

On November 30, 2022 Alleima acquired Endosmart Gesellschaft für Medizintechnik mbH (Endosmart), a German-based manufacturer of medical devices and components made of the shape memory alloy nitinol. The company is reported in division Kanthal. Endosmart has more than 90 employees and is headquartered in Karlsruhe, Germany. For the twelve-month period ending September 2022, it had revenues of approximately SEK 105 million, and an EBIT margin neutral to Alleima. In 2022, the company's impact on Alleima's revenues and profit was minimal. Impact on Alleima's earnings per share will initially be neutral. The acquisition was made through the purchase of 100% of shares and voting rights. Alleima assumed control over the operations upon the date of closing. No equity instruments have been issued in connection with the acquisition. The acquisition have been accounted for using the acquisition method.

On April 26, 2022 Alleima acquired the remaining 30% of the US based joint venture Pennsylvania Extruded Tube Company (PEXCO).

In Q1 2022, Alleima completed the acquisition of the German-based company Gerling GmbH, a precision tube engineering company serving multiple industries including the fast-developing hydrogen market. The offering includes innovative engineering solutions such as high-pressure control technology in hydrogen refueling stations. The company is reported in division Tube. Gerling GmbH is headquartered in Hörste, Germany, with around 75 employees. In 2021 Gerling GmbH had revenues of approximately SEK 118 million, with an EBIT margin neutral to Alleima. During 2022 the company had external revenues of SEK 47 milion with an impact on Alleima profit for the period of SEK 11 million. Impact on Alleima earnings per share will initially be neutral. The acquisition was made through the purchase of 100% of shares and voting rights. Alleima assumed control over the operations upon the date of closing. No equity instruments have been issued in connection with the acquisition. The acquisition have been accounted for using the acquisition method.

Assets, liabilities and contingent liabilities included in the acquired operations are stated below. The valuations of acquired assets and assumed liabilities are still preliminary for the Kanthal acquisition.

SEK M	Tube	Kanthal
Intangible assets	9	0
Property, plant and equipment	38	12
Right of use assets	34	20
Inventories	25	23
Receivables	13	34
Cash and cash equivalents	19	8
Other liabilities and provisions	-105	-66
Deferred tax assets/liabilities, net	-3	0
Net identifiable assets and liabilities	**30**	**31**
Goodwill	1	158
Purchase consideration	**31**	**189**
Debt for additional purchase price	-16	-9
Less: cash and cash equivalents in acquired companies	-19	-9
Net cash outflow (+)	**-4**	**171**

Goodwill from the acquisitions is not deductible for tax purposes.

Note 8 | Significant events after the quarter

-On January 4, 2023 it was announced that the President of Tube division, Michael Andersson, will leave the Alleima Group within six months at the latest. The search for a successor is initiated.

-On January 18, 2023 it was announced that Alleima will be the supplier of OCTG tubes with Corrosion Resistant Alloys (CRA) material in a new long-term frame agreement between Tenaris and Petrobras. The agreement includes the three year supply for offshore Brazil.

Key ratios

	Q4 2022	Q4 2021	Full year 2022	Full year 2021	Full year 2020	Full year 2019
Adjusted gross margin, %	24.4	20.0	21.8	20.6	22.2	23.2
Adjusted EBITDA margin, %	15.2	14.2	13.8	13.1	13.9	14.9
Adjusted EBIT margin, %	10.8	9.0	9.1	7.6	8.7	9.7
Normalized tax rate, % (Note 3)			24.3	24.9	31.6	35.2
Net working capital to revenues, % [1,2]	33.0	29.7	32.8	31.2	30.4	26.1
Return on capital employed, % [1,2]	9.4	10.8	13.2	10.4	3.8	10.7
Net debt/Adjusted EBITDA ratio	0.01	0.73	0.01	0.73	0.90	2.04
Net debt/Equity ratio	0.00	0.11	0.00	0.11	0.17	0.54
Cash flow from operations, SEK M	1,107	940	687	1,151	1,671	1,617
Adjusted earnings per share, basic, SEK	2.11	1.59	4.46	3.82	3.69	2.94
Average number of shares at the end of the period (millions)	250.877	250.877	250.877	250.877	250.877	250.877
Number of shares at the end of the period (millions)	250.877	250.877	250.877	250.877	250.877	250.877
Number of employees [3]	5,886	5,465	5,886	5,465	5,084	5,726
Number of consultants [3]	612	413	612	413	287	513

1) Quarter is quarterly annualized and the annual number is based on a four quarter average.
2) 12-month rolling Q4 2022 ROCE reported at 13.6% (10.2) and NWC reported at 30.1% (31.0).
3) Full-time equivalent.

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 for Alleima. They should not be considered a substitute to 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 is 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 EBITDA and adjusted operating profit (EBIT)
Alleima considers Adjusted EBITDA and 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 EBITDA and margin: Operating profit (EBIT) excluding depreciations, amortization of intangible assets, items affecting comparability and metal price effects. Margin is expressed as a percentage of revenues.
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 EBITDA and adjusted operating profit (EBIT)

SEK M	Full year 2022	Full year 2021	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Operating profit/loss	**2,122**	**1,379**	**407**	**-26**	**1,106**	**635**	**392**	**295**	**355**	**336**
Reversal (Note 2):										
Items affecting comparability	254	176	0	90	89	75	89	18	51	19
Metal price effect	-695	-487	149	131	-649	-327	-129	-190	-50	-119
Impairments	0	-13	0	0	0	0	0	0	-13	0
Adjusted operating profit (EBIT)	**1,681**	**1,055**	**555**	**195**	**547**	**384**	**353**	**123**	**344**	**236**
Reversal:										
Depreciation and amortization	859	755	229	208	205	217	205	134	208	208
Adjusted EBITDA	**2,540**	**1,811**	**785**	**403**	**751**	**601**	**557**	**257**	**553**	**444**
Revenues	18,405	13,847	5,159	4,270	4,757	4,219	3,935	3,197	3,449	3,266
Adjusted operating profit (EBIT) margin, %	9.1	7.6	10.8	4.6	11.5	9.1	9.0	3.8	10	7.2
Adjusted EBITDA margin, %	13.8	13.1	15.2	9.4	15.8	14.2	14.2	8	16	13.6

Adjusted earnings per share

Alleima considers Adjusted earnings per share (EPS) to be relevant to understand the underlying performance, which excludes items affecting comparability and metal price effects between periods. Alleima has no potential dilution of shares.

Adjusted EPS: 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 outstanding during the year.

Adjusted profit for the period and adjusted earnings per share

SEK M	Full year 2022	Full year 2021	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Profit/loss for the period	**1,483**	**1,228**	**413**	**-154**	**669**	**555**	**437**	**272**	**365**	**154**
Reversal:										
Adjustment items EBITDA/EBIT (Note 2)	-441	-324	149	221	-559	-252	-40	-172	-11	-100
Tax on adjustment items (Note 3)	89	76	-34	-48	118	52	10	39	5	22
Adjusted profit for the period	**1,131**	**980**	**528**	**19**	**228**	**356**	**407**	**140**	**359**	**75**
Attributable to										
Owners of the parent company	1,118	958	528	19	228	343	399	133	355	70
Non-controlling interests	12	23	-	-	-	12	8	6	4	5
Average number of shares at the end of the period (millions)	250.877	250.877	250.877	250.877	250.877	250.877	250.877	250.877	250.877	250.877
Adjusted earnings per share, basic, SEK	4.46	3.82	2.11	0.07	0.91	1.37	1.59	0.53	1.42	0.28

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 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 relevant 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.

Capital employed: Total assets less non-interest-bearing liabilities (including deferred tax liabilities, excluding net cash pool balances Sandvik)
Return on capital employed (ROCE): Annualized Operating profit/loss plus financial income (excl derivatives), as a percentage of a four-quarter average capital employed.

SEK M	Q4 2022	Q4 2021	Dec 31, 2022	Dec 31, 2021
Inventories	7,355	5,372	7,355	5,372
Trade receivables	2,981	2,532	2,981	2,532
Account payables	-2,619	-2,128	-2,619	-2,128
Other receivables	662	497	662	497
Other liabilities	-1,860	-1,706	-1,860	-1,706
Net working capital	**6,519**	**4,567**	**6,519**	**4,567**
Average net working capital	6,805	4,682	6,044	4,326
Revenues annualized	20,634	15,741	18,405	13,847
Net working capital to revenues, %	33.0	29.7	32.8	31.2
Tangible assets	7,350	7,251	7,350	7,251
Intangible assets	1,809	1,475	1,809	1,475
Cash and cash equivalents	892	1,661	892	1,661
Other assets	13,348	9,499	13,348	9,499
Other liabilities	-6,488	-5,083	-6,488	-5,083
Capital employed	**16,911**	**14,803**	**16,911**	**14,803**
Average capital employed	17,204	14,565	16,280	13,306
Operating profit annualized	1,626	1,570	2,122	1,379
Financial income, excl derivatives, annualized	-7	8	28	5
Total return annualized	**1,619**	**1,577**	**2,150**	**1,384**
Return on capital employed (ROCE), %	9.4	10.8	13.2	10.4

Free operating cash flow (FOCF)
Alleima considers free operating cash flow (FOCF) to be useful to provide 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): 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

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	Dec 31, 2022	Dec 31, 2021
Interest-bearing non-current liabilities	916	1,351
Interest-bearing current liabilities	94	1,691
Prepayment of pensions	-97	-57
Cash & cash equivalents	-892	-1,661
Net debt	**21**	**1,324**
Net pension liability	-513	-1,147
Leasing liabilities	-391	-200
Financial net debt	**-883**	**-22**
Adjusted EBITDA accumulated current year	2,540	1,811
Adjusted EBITDA rolling 12 months	**2,540**	**1,811**
Total equity	**15,901**	**11,761**
Net debt/Equity ratio	0.00	0.11
Net debt/Adjusted EBITDA ratio (multiple)	0.01	0.73

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 apply in any instance where the two versions differ.

Annual General Meeting
The Annual General Meeting will be held in Sandviken, Sweden on May 2, 2023. The notice to convene the Annual General Meeting will be made in the prescribed manner. The Board of Directors proposes a cash dividend of SEK 1.40. The proposal corresponds to 38% of net profit (adjusted for metal price effects). The proposed record date to receive dividends is May 4, 2023. Assuming the general meeting accepts the dividend proposal, the expected date to receive dividends is May 9, 2023.

For further information, please contact:
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+46 79 060 87 17 or emelie.alm@alleima.com

Conference call and webcast:
A conference call will be on January 24, 2023 at 13:00 PM CEST.

Dial-in detalis for the conference call:
Participants in Sweden: +46 (0)8 5051 0031
Participants in UK: +44 (0) 207 107 06 13
Participants in US: +1 (1) 631 570 56 13

Presentation for download and webcast link:
https://www.alleima.com/en/investors/

Financial calendar

Annual report 2022, published on Alleima's website	March 23, 2023
Q1 interim report January - March	April 26, 2023
Annual General Meeting, Sandviken	May 2, 2023
Proposed record date to receive dividends	May 4, 2023
Proposed date to receive dividends	May 9, 2023
Q2 interim report January - June	July 21, 2023
Q3 interim report January - September	October 24, 2023

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