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Interim Report April–June 2025: Lower iron ore prices and weaker US dollar reduce profits

LKAB's operating profit for the second quarter amounted to SEK 1.1 bn. Despite improved production stability, an uncertain and turbulent global landscape with falling iron ore prices and a weakened US dollar has had a substantial negative impact on earnings.

Net sales for the second quarter totalled MSEK 7,820 (9,851). The lower sales figure is mainly due to lower iron ore prices and a weaker US dollar. Operating profit for the quarter was MSEK 1,074 (2,666). For the first half of the year, net sales amounted to MSEK 17,442 (15,322). Operating profit for the first half of the year amounted to MSEK 4,711 (4,036), where more consistent production and fewer disruptions had a positive impact on earnings.

The average global spot price for iron ore products was USD 98 (112) per tonne in the quarter, which was USD 14 per tonne lower than in the same period last year and USD 6 per tonne lower than in the previous quarter of 2025. Quoted pellet premiums for the quarter were around USD 7 per tonne lower than in the same period last year.

Production remains stable and has increased compared to the same period last year, which was affected by extensive production disruptions. Despite improved production stability, external factors had a significant impact on earnings during the quarter. Uncertainty in the global landscape, including concerns about US tariffs, has had a strong effect on the market and thus contributed to lower iron ore prices and a weakened US dollar.

"We are very much affected by market developments and external factors. However, our focus is on what we can influence and improve ourselves – our delivery reliability and production stability. Increased volumes are a prerequisite for our success both in the short term and in a longer perspective, especially in light of the major investments we are facing," says Jan Moström, President and CEO of LKAB.

In parallel with the improvement and safety work, permitting processes are underway. During the quarter it was announced that the environmental permit process for the operations in Malmberget is going into the main hearing. The permit review aims to secure the company's current and future mining operations in Gällivare, which also include new facilities for the transition to carbon-free processes and products.

"We are working intensively on a joint review for Malmberget with the Land and Environment Court (Mark- och miljödomstolen). This is an extensive effort where we need clear and efficient permitting processes. The iron and steel industry is facing an important shift in which we need to secure long-term competitiveness, and permitting issues are a crucial factor," says Jan Moström.

This information constitutes information that Luossara-Kiirunavaara AB is required to disclose under Sweden's Securities Markets Act. It was released for publication at 13.00 CEST on 14 August 2025.

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