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Interim Report April–June 2026: Lower earnings weighed down by foreign exchange effects and increased costs

LKAB ends the first half of 2026 with a decrease in earnings for the second quarter compared with the same period last year. Despite stable delivery volumes, the negative impact of foreign exchange effects and increased costs weighed down earnings.

Net sales for the second quarter of 2026 amounted to MSEK 7,187 (7,820). The lower sales revenue was mainly negatively affected by foreign exchange effects from currency hedging of the US dollar (USD). Operating profit for the quarter amounted to MSEK 63 (1,074), primarily as a result of the lower sales revenue as well as higher costs for energy, maintenance measures and development work. Higher costs for urban transformation also weighed down earnings.

During the quarter both production and delivery volumes were on par with the same period last year, despite production challenges in the Kiruna mine and delivery disruptions linked to the situation in the Strait of Hormuz. Production volumes for the quarter amounted to 6.0 (5.8) Mt and delivery volumes to 6.0 (6.1) Mt.

"Our ability to maintain stable production, despite the challenges in the Kiruna mine, has enabled us to keep all the processing plants operating and maintain stable operational flows. At the same time, we have demonstrated flexibility in our market and logistics management and have been able to redirect deliveries from the Middle East to other customers and markets. This confirms our ability to manage challenges and a complex external environment," says **Johan Menckel**, President and CEO of LKAB.

The average global spot price¹ for iron ore products in the second quarter was USD 122 (108) per tonne, which is around USD 14 per tonne higher than in the same period last year. Quoted pellet premiums for the quarter were around USD 6 per tonne lower than in the same period last year. The US dollar has strengthened against

¹ Refers to Platts IO Fines Fe 65%

the Swedish krona by around 3 percent since the first quarter, but on average was 3 percent weaker than in the same quarter last year.

During the quarter two important environmental permits were granted by the Land and Environment Court, for LKAB's planned industrial park for extracting critical minerals in Luleå and for continued and expanded operations in Malmberget in Gällivare. The permit for Malmberget includes continued and expanded mining and processing activities, a demonstration plant for fossil-free sponge iron production and an apatite plant that will supply the planned industrial park in Luleå with apatite concentrate for the extraction of critical minerals.

"These permits are extremely important to our development plans and we are pleased with the positive outcomes of both processes. At the same time, the process in Gällivare continues in the next level of review following the appeals that have been filed, which is a natural part of a comprehensive permitting process. Going forward, we will continue to work step by step to create the conditions necessary to operate and develop our business," says Johan Menckel.

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