

Interim Report Q4 2024 – Focus on Stability and the Future

Kaunis Holding AB today publishes its report for the fourth quarter of 2024, presenting a quarter marked by a continued challenging market. Despite global uncertainties and a tough market environment, the company's cost reduction and cash flow strengthening measures have started to yield results.

Summary of the Quarter

- **Net sales:** 691 MSEK (769 MSEK for Q4 2023), impacted by continued market pressure and increased sea freight costs due to uncertainty in the Red Sea.
- **Deliveries:** 670 ktons from Narvik (572 ktons in Q4 2023), an increase enabled by improved railway capacity and strategic stock withdrawals from Pitkäjärvi.
- **Earnings before depreciation (EBITDA):** 89 MSEK (262 MSEK in Q4 2023), affected by a price drop of 21 USD on Platts 65 compared to the same period last year. However, cost-saving initiatives have reduced the company's expenses by 29 MSEK during the quarter.
- **Operating profit (EBIT):** 15 MSEK (212 MSEK in Q4 2023).
- **Cash flow:** Negative cash flow of -135 MSEK.
- **Investments:** 102 MSEK, primarily consisting of capitalized stripping costs (42 MSEK), permit-related investments, and projects tied to future mining operations.

During the quarter, Kaunis Iron continued to adapt its operations to the challenging market conditions. The cost reductions and cash flow strengthening measures initiated in Q3 have been implemented and are already showing results, although the full impact will not be seen until the first quarter of 2025. These measures included a significant reduction in the workforce and cost reductions across multiple areas.

At the same time, the company has taken strategic actions to manage the logistical disruptions that affected operations between December 2023 and June 2024. By increasing transport capacity to three trains per day between Pitkäjärvi and Narvik, stock levels approached normal levels by year-end, with a full recovery expected in early 2025.

The company has also made important progress in the permit process for continued and expanded mining operations. The main hearing in the Land and Environment Court of Appeal was held on November 4–7, where Kaunis Iron presented its long-term plan for sustainable mining. No Swedish authorities have chosen to appeal, which is a positive sign. However, the court's decision has been postponed from February 7 to April 3, 2025, creating some uncertainty regarding future investments.

The iron ore market has shown signs of stabilization during the quarter. Platts 65 increased from 101 USD/ton at the end of September to 120 USD/ton at the end of December. Additionally, China's economic stimulus package is expected to drive higher demand in the long term, although global uncertainty remains.

CEO Comment

"The global iron ore market remains highly uncertain, but our efforts to strengthen the company's competitiveness are beginning to pay off. We look forward to the Land and Environment Court of Appeal's decision in April and remain optimistic about a positive outcome. As we enter 2025 on a more stable foundation, I am confident that through the right strategic decisions and operational focus, we are better positioned to meet both today's and tomorrow's challenges and create long-term value for our stakeholders," says Klas Dagertun, CEO of Kaunis Iron AB.

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Image Attachments

[Kaunisvaara winter](#)

Attachments

[Delårsrapport Q4 2024 Kaunis Holding AB](#)