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Interim Report January–March 2026: Lower earnings and weaker market conditions

LKAB began the first quarter of 2026 with lower earnings compared to the same period in the previous year. The lower earnings are mainly attributable to poor market conditions with a weaker US dollar and lower pellets premiums, combined with higher energy prices.

Net sales for the first quarter 2026 totalled MSEK 7,907 (9,622), a decline linked to weaker US dollar (USD), lower iron ore prices and lower pellets premiums. Lower delivery volumes also impacted sales revenues, which totalled 6.3 (6.5) Mt for the quarter. Operating profit for the quarter totalled MSEK 860 (3,638) and the lower earnings are primarily a result of the lower sales revenues and higher energy prices during the quarter.

The global spot price for iron ore products remains at stable levels compared to the same period previous year. The average price was USD 104 (104) per tonne during the first quarter, and at the end of the quarter the price was USD 108 per tonne. Quoted pellet premiums for the quarter were around USD 7 per tonne lower than in the same period last year.

The lower delivery volumes during the quarter were largely due to disruptions in transport flows in the Middle East, where the closure of the Strait of Hormuz meant delivery challenges for customers in the region. If the closure continues, there is also a potential delivery shortfall for the second quarter.

“Current global events demand flexibility and an ability to adapt to changing circumstances. The way ahead will require perseverance and a continued focus on factors within our own control. We maintain close dialogues with customers affected by delivery constraints to find potential solutions while continuing to ensure deliveries to our other customers and markets,” says Johan Menckel, President and CEO of LKAB.

The quarter presented stable production volumes totalling 6.5 (6.6) Mt. However, we expect lower production volume during the next quarter and beyond as a result of changed local geotechnical conditions in the Kiruna mine. The reduced volumes are expected to entail a delivery shortfall of around 2 million tonnes in 2026.



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2 (2)

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