

RESULTS FOR 2017



Improved earnings and strong cash flow, net debt reduction target exceeded

January 26, 2018

SSAB

Results for 2017

The quarter

- Sales were SEK 17,017 (14,442) million
- Operating profit before depreciation/amortization was SEK 1,782 (1,066) million
- Operating profit was SEK 843 (107) million
- The result after financial items was SEK 636 (-139) million
- The result includes SEK 265 million compensation for the breakdown in Oxelösund
- Earnings per share were SEK 0.32 (0.07)
- Operating cash flow was SEK 2,976 (1,053) million

The full year

- Sales were SEK 66,059 (55,354) million
- Operating profit before depreciation/amortization was SEK 7,591 (4,951) million
- Operating profit was SEK 3 838 (1,213) million
- The result after financial items was SEK 2,863 (324) million
- Earnings per share were SEK 2.23 (1.04)
- Operating cash flow was SEK 6,511 (3,207) million
- Net debt/equity ratio was 22% (34%)
- The Board proposes a dividend of SEK 1.00 per share

Key numbers

SEK millions	2017 Q 4	2016 Q 4	2017 Q 3	2017 Full year	2016 Full year
Sales	17,017	14,442	16,188	66,059	55,354
Operating profit before depreciation/amortization, EBITDA	1,782	1,066	2,016	7,591	4,951
Operating profit	843	107	1,089	3,838	1,213
Profit/loss after financial items	636	-139	864	2,863	324
Profit after tax	341	73	583	2,311	943
Earnings per share (SEK) 1)	0.32	0.07	0.56	2.23	1.04
Operating cash flow	2,976	1,053	1,590	6,511	3,207
Net debt/equity ratio (%)	22	34	27	22	34

1) Earnings per share for the full year 2016 have been adjusted to reflect the bonus element in the rights issue completed during the second quarter of 2016.

(In the report, the figures in parentheses refer to the corresponding period for the previous year.)

Comments by the CEO

SSAB's full-year operating profit amounted to SEK 3,838 million, up by SEK 2,625 million. Improved earnings were primarily driven by higher prices and continued growth for high-strength steels in the Automotive segment within SSAB Europe, and significantly higher shipments within SSAB Special Steels. Operating profit for the fourth quarter increased to SEK 843 (107) million. Cash flow showed a strong improvement during 2017 and we exceeded by SEK 2.2 billion our target to reduce net debt by SEK 10 billion. Since the end of the first quarter of 2016, net debt has been reduced by SEK 12.2 billion.

Customer needs for increasingly lighter and stronger products continues to drive structural growth in SSAB Special Steels, and demand recovered from, among others, the Mining and Construction Machinery segments. The positive trend in demand is expected to continue during the first quarter. For SSAB Special Steels, operating profit for the fourth quarter increased to SEK 641 million, which includes SEK 265 million in compensation for the breakdown that occurred in Oxelösund in December 2016 and also impacted the first quarter of 2017. The production breakdown was related to a faulty design in a newly installed control system, resulting in damaged transformers.

The market remained good for SSAB Europe, with a normal seasonal slowdown towards the end of the year. Higher prices boosted earnings compared with the fourth quarter of 2016, whereas a weaker product mix and more planned maintenance resulted in lower earnings compared with the previous quarter. Demand is expected to continue at a good level, with a seasonal improvement during the first quarter.

The heavy plate market in North America deteriorated during the fall, leading to lower realized prices and lower operating profit compared with the previous quarter. Nevertheless, demand picked up towards the end of the year and market prices for heavy plate rose sharply. These higher prices will gradually reflect earnings from the first quarter onwards and demand is expected to continue at a good level.

SSAB made good progress with the growth initiatives during 2017. SSAB Special Steels' shipments increased by 18% to 1.2 million tonnes. Shipments of high-strength steel in the Automotive segment rose 21%, an important contributory factor why SSAB Europe's share of premium products increased to 32% (from 30% in 2016). The number of Hardox Wearparts members was 360 (265) at the end of 2017.

During 2017, we updated the Group's financial targets and are also raising our environmental targets. We also presented long-term sustainability objectives during 2017. These included operating completely fossil-free production across the group in 2045, with the HYBRIT initiative playing a key role.

Overall, I have a positive view of 2018. SSAB has strong market positions on our home markets and in our global niches. We have strengthened our balance sheet considerably and have good opportunities to continue to deliver good cash flow. SSAB has thus built a strong platform to continue to drive initiatives for profitable growth.

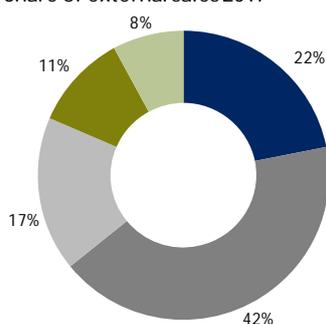
Sales per business segment

SEK millions	2017 Q 4	2016 Q 4	2017 Q 3	2017 Full year	2016 Full year
SSAB Special Steels	4,368	3,066	3,627	16,053	12,582
SSAB Europe	7,768	7,001	7,245	31,048	25,831
SSAB Americas	3,230	2,825	3,340	12,727	10,639
Tibnor	2,012	1,813	1,733	7,821	6,879
Ruukki Construction	1,471	1,353	1,640	5,773	5,304
Other, incl. Group adjustments	-1,832	-1,616	-1,397	-7,363	-5,881
Total	17,017	14,442	16,188	66,059	55,354

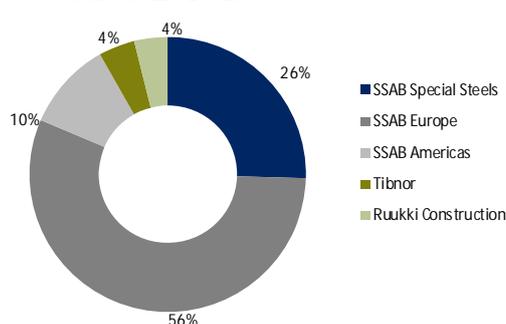
Operating profit/loss before depreciation/amortization (EBITDA) per business segment

SEK millions	2017 Q 4	2016 Q 4	2017 Q 3	2017 Full year	2016 Full year
SSAB Special Steels	777	111	353	2,002	1,453
SSAB Europe	811	746	1,031	4,405	2,458
SSAB Americas	141	136	468	818	737
Tibnor	63	57	65	334	191
Ruukki Construction	65	45	137	307	322
Other, incl. Group adjustments	-75	-29	-38	-275	-210
Total	1,782	1,066	2,016	7,591	4,951

Share of external sales 2017



Share of EBITDA 2017



The market

According to the World Steel Association (WSA), global crude steel production for 2017 was 1,675 (1,587) million tonnes, up 5.5% compared with 2016. Chinese steel production increased by 6% during 2017. However, the actual increase of steel production is estimated to be clearly below 6%, because some production has moved from illegal capacity (that has been shut down), to steel mills that are included in the official statistics. In the EU-28, production rose by slightly more than 4%, whereas production in North America was up by almost 5% during 2017.

In North America, demand was weak early on in the fourth quarter, but improved as the quarter progressed. Demand increased especially from distributors, whose stock levels were low during the quarter. No decision has yet been taken regarding the Section 232 steel investigation (which could result in further import duties on the grounds of USA security) and there is continued prevailing uncertainty as to if and when further duties or quotas on imported steel could be introduced. In Europe, demand during the fourth quarter continued to be good, however with a certain usual seasonal slowdown towards the end of the quarter. Stock levels at distributors in Europe are considered to be in balance.

Taking the year as a whole, demand in North America was volatile, with a strong start to the year followed by a sharp mid-year slowdown. This was followed by a period of weak demand, which subsequently improved towards the end of the year. Demand in Europe was considerably more stable throughout the year, with slight demand growth.

In North America, market prices for heavy plate decreased somewhat early on in the fourth quarter, but rose sharply during the second half of the quarter. In Europe, market prices for strip were stable during the fourth quarter, but decreased for heavy plate. In China, market prices for both strip and heavy plate rose during the quarter.

Raw materials

SSAB sources its iron ore from LKAB in Sweden and from Severstal in Russia. The agreement with LKAB runs from April 1, 2017 until March 31, 2018 and prices are fixed monthly. The agreement with Severstal runs from October 1, 2015 until September 30, 2018 and prices are fixed monthly. SSAB's purchase prices for pellets were on average 4% higher in terms of USD and 1% lower in SEK compared with the fourth quarter of 2016. Average prices for pellets during the fourth quarter of 2017 were 2% lower in terms of USD and unchanged in terms of SEK compared with the third quarter of 2017. Purchase prices for the full year 2017 were 29% higher in terms of USD and 30% higher in SEK compared with the full year 2016.

SSAB sources coking coal from Australia, the USA, Canada and Russia. SSAB's purchase prices during the fourth quarter of 2017 were on average 8% lower in terms of USD and 15% lower in SEK compared with the fourth quarter of 2016. Coal prices during the fourth quarter of 2017 were 2% higher in terms of USD and 4% higher in SEK compared with the third quarter of 2017. The average coal price for the full year 2017 was 54% higher in terms of USD and 52% higher in SEK compared with the full year 2016.

The US operations regularly purchase scrap metal as a raw material for their production. Spot prices were 8% higher in terms of USD at the end of the fourth quarter of 2017 compared with the end of the fourth quarter of 2016 and 1% lower compared with the end of the third quarter of 2017.

The graphite electrode market was turbulent during the second half of 2017 and prices rose sharply. This mostly impacts electric arc furnace steel production. Similarly, very strong upward price trend seen in the market for refractory material (magnesite) during 2017 impacted on the costs of steelmaking irrespective of the method used. SSAB has secured access to graphite electrodes and refractory material until the end of 2018 through agreements with several suppliers.

Outlook

In North America, demand for heavy plate is expected to be good during the first quarter of 2018. Similarly in Europe, demand for strip and heavy plate is expected to remain good. It is anticipated that the underlying demand for high-strength steel will continue to show positive development. Shipments by SSAB Europe and SSAB Americas during the first quarter of 2018 are expected to be somewhat higher than during the fourth quarter of 2017, whereas shipments by SSAB Special Steels are expected to be stable. It is anticipated that overall the prices realized during the first quarter by SSAB's three steel divisions will be somewhat higher compared with the fourth quarter of 2017, although this impact will to a certain extent be counteracted by higher raw material costs.

There are no major planned maintenance outages during the first quarter of 2018. The table below shows all major planned maintenance outages during 2018, the impact of the estimated direct maintenance cost and the cost of lower capacity utilization (underabsorption), but excluding lost margins.

Major maintenance outages in 2018

	2018	2018	2018	2018	2018	2017	2016
SEK millions	Q 1	Q 2	Q 3	Q 4	Full year	Full year	Full year
SSAB Special Steels	-	-	-	230	230	230	250
SSAB Europe	-	40	200	125	365	390	300
SSAB Americas	-	-	-	280	280	390	290
Total	-	40	200	635	875	1,010	840

SSAB Group

Full year summary

Shipments and production

SSAB's steel shipments during the full year 2017 were 6,908 (6,652) thousand tonnes, up 4% compared with the full year 2016.

Crude steel production for the full year 2017 was at the same level as for the full year 2016, whereas rolling production was up 3% compared with the full year 2016.

Sales

Sales for the full year 2017 amounted to SEK 66,059 (55,354) million, up 19% compared with the full year 2016. Higher prices had a positive impact of 14 percentage points, higher volumes of 4 percentage points, a better product mix of 1 percentage point and other sales of 1 percentage point, whereas currency effects had a negative impact of 1 percentage point.

Earnings

Operating profit for the full year 2017 amounted to SEK 3,838 (1,213) million, up SEK 2,625 million compared with the full year 2016. Improved earnings were primarily due to higher prices (SEK 6,300m) and higher volumes (SEK 800m), whereas higher variable (SEK 4,500m) costs, primarily from raw materials, had a negative impact on earnings.

Financial items for the full year 2017 amounted to SEK -976 (-889) million and the result after financial items amounted to SEK 2,863 (324) million.

Profit after tax and earnings per share

Profit after tax (attributable to shareholders) for the full year 2017 amounted to SEK 2,295 (937) million, equating to SEK 2.23 (1.04) per share. Tax for the full year 2017 was SEK -552 (619) million.

Cash flow, financing and liquidity

Operating cash flow for the full year 2017 amounted to SEK 6,511 (3,207) million. Cash flow was positively impacted primarily by operating profit and by somewhat lower working capital.

Net cash flow amounted to SEK 5,068 (6,875) million. Net cash flow was affected, among other things, by payments for strategic expenditures, including acquisitions of operations and businesses of SEK 248 (319) million. Total capital expenditure was SEK 1,614 (1,372) million. During 2016, cash flow was impacted by proceeds of SEK 4,907 million from the rights issue. Net debt decreased by SEK 6,313 million during the full year 2017 and at December 31 amounted to SEK 11,574 million. The net debt/equity ratio was slightly below 22% (34%).

The term to maturity of the total loan portfolio at December 31 averaged 5.5 (5.1) years, with an average fixed interest period of 1.1 (0.8) years.

Cash and cash equivalents were SEK 4,249 (3,879) million and non-utilized credit facilities were SEK 8,263 (7,096) million, which combined corresponds to 19% (20%) of rolling 12 months' sales.

Return on capital employed/equity

Return on capital employed before tax and return on equity after tax for the whole year were 6% and 4% respectively, whereas figures for the full year 2016 were both 2%.

Equity

With earnings of SEK 2,295 million and other comprehensive income (mostly consisting of translation differences) of SEK -1,955 million, shareholders' equity in the company amounted to SEK 53,231 (52,891) million, equating to SEK 51.69 (51.36) per share.

Maintenance outages in 2017

The table below shows the impact on earnings of all major planned maintenance outages during 2017. The impact on earnings comprises the direct maintenance cost and the cost of lower capacity utilization (underabsorption), but excludes lost margins.

Major maintenance outages in 2017

SEK millions	2017 Q 1	2016 Q 1	2017 Q 2	2016 Q 2	2017 Q 3	2016 Q 3	2017 Q 4	2016 Q 4	2017 Full year	2016 Full year
SSAB Special Steels	-	-	-	-	230	-	-	250	230	250
SSAB Europe	20	-	50	-	125	80	195	220	390	300
SSAB Americas	160	20	230	20	-	200	-	50	390	290
Total	180	20	280	20	355	280	195	520	1,010	840

Goodwill

Consolidated goodwill amounts are allocated to the group's cash-generating units as shown in the table below:

Goodwill per cash-generating unit

SEK millions	2017 Dec. 31	2016 Dec. 31
SSAB North America (incl. the SSAB Americas division)	22,408	24,741
SSAB Special Steels	2,714	2,636
SSAB Europe	2,046	1,985
Tibnor	502	487
Ruukki Construction	60	60
Total goodwill	27,730	29,909
Ruukki Construction (Rautaruukki tradename)	440	427
Total assets with an undeterminable useful life 1)	28,170	30,336

1) All changes in value compared with the previous year are due to currency effects.

Goodwill is tested for impairment each year towards the end of the fourth quarter. The impairment test showed no need for an impairment charge.

Development during the fourth quarter

Shipments and production

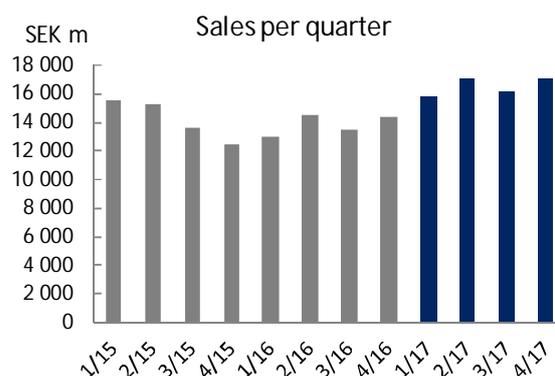
SSAB's steel shipments during the fourth quarter were 1,744 (1,633) thousand tonnes, up 7% compared with the fourth quarter of 2016 and up 4% compared with the third quarter of 2017.

Crude steel production during the fourth quarter of 2017 was up 2% compared with the fourth quarter of 2016 and up 2% compared with the third quarter of 2017. Rolling production during the fourth quarter of 2017 was up 3% compared with the fourth quarter of 2016, but down 1% compared with the third quarter of 2017.

Sales

Sales for the fourth quarter of 2017 were SEK 17,017 (14,442) million, up 18% compared with the fourth quarter of 2016. Higher prices had a positive impact of 12 percentage points, higher volumes of 7 percentage points, a better product mix and other sales each had a positive impact of 1 percentage point, whereas currency effects had a negative impact of 3 percentage points on sales.

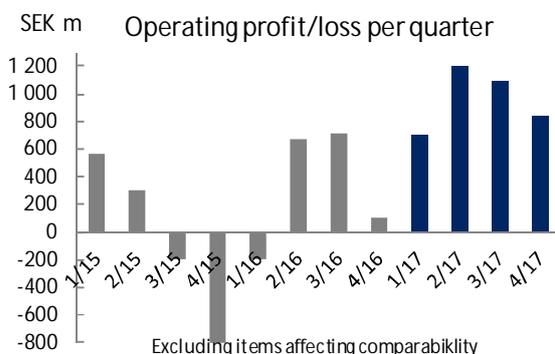
Compared with the third quarter of 2017, sales were up 5%. Higher volumes had a positive impact of 4 percentage points, currency effects and higher other sales each had a positive impact of 2 percentage points, whereas lower prices had a negative impact of 2 percentage points and a weaker product mix of 1 percentage point on sales.



Earnings

Operating profit for the fourth quarter of 2017 was SEK 843 (107) million, up SEK 736 million compared with the fourth quarter of 2016. Improved earnings were primarily due to higher prices (SEK 1,600m), higher volumes (SEK 300m), insurance compensation for the breakdown in Oxelösund (SEK 265m) and higher capacity utilization (SEK 200m) whereas both higher variable (SEK 1,200m) and fixed (SEK 275m) costs had a negative impact on earnings.

Compared with the third quarter of 2017, earnings were down SEK 246 million. This was primarily due to higher fixed costs (SEK 475m, seasonally lower fixed costs in the third quarter) and lower prices (SEK 300m) whereas insurance compensation (SEK 265m), higher volumes (SEK 200m) and higher capacity utilization (SEK 100m) had a positive impact on earnings.



Financial items for the fourth quarter were SEK -207 (-246) million and the result after financial items was SEK 636 (-139) million.

Profit after tax and earnings per share

Profit after tax (attributable to shareholders) for the fourth quarter of 2017 was SEK 332 (71) million, equating to SEK 0.32 (0.07) per share. Tax for the fourth quarter of the year was SEK -295 (212) million.

Cash flow, financing and liquidity

Operating cash flow for the fourth quarter of 2017 was SEK 2,976 (1,053) million. Cash flow was positively impacted primarily by operating profit and lower working capital primarily due to lower stocks.

Net cash flow was SEK 2,601 (937) million. Net cash flow was affected, among other things, by payments of SEK 85 (83) million for strategic expenditures. Total capital expenditure was SEK 648 (448) million. Net debt decreased by SEK 2,420 million during the fourth quarter and at December 31, 2017 was SEK 11,574 million. The net debt/equity ratio was slightly below 22% (34%).

Operating cash flow and net debt

SEK millions	2017 Q 4	2016 Q 4	2017 Full year	2016 Full year
Operating profit before depreciation/amortization	1,782	1,066	7,591	4,951
Change in working capital	1,736	417	303	-661
Maintenance expenditures	-563	-365	-1,366	-1,053
Other	21	-65	-17	-30
Operating cash flow	2,976	1,053	6,511	3,207
Financial items	-197	-271	-943	-994
Taxes	-94	244	-249	80
Cash flow from current operations	2,685	1,026	5,319	2,293
Strategic capital expenditures in plants and machinery	-85	-83	-237	-273
Acquisitions of shares and operations	-	-	-11	-46
Divestments of shares and operations	1	-	1	-
Cash flow before dividend	2,601	943	5,072	1,974
Dividend to the Parent Company's shareholders	-	-	-	-
Rights issue	-	-	-	4,907
Dividend to non-controlling interest	-	-6	-4	-6
Net cash flow	2,601	937	5,068	6,875
Net debt at beginning of period	-13,994	-18,192	-17,887	-23,156
Net cash flow	2,601	937	5,068	6,875
Revaluation of liabilities against equity 1)	-150	-657	1,286	-1,342
Other 2)	-31	25	-41	-264
Net debt at end of period	-11,574	-17,887	-11,574	-17,887

1) Revaluation of hedging of currency risks in foreign operations.

2) Mainly consisting of cash flow effects on derivative instruments and revaluation of other financial instruments in foreign currency.

Information about business segments

The information in the tables below excludes the depreciation/amortization on surplus values on tangible and intangible assets relating to the acquisitions of IPSCO and Rautaruukki. See page 25 for more information about the business segments.

SSAB Special Steels

Key numbers

	2017	2016	2017	2017	2016
SEK millions	Q 4	Q 4	Q 3	Full year	Full year
Sales	4,368	3,066	3,627	16,053	12,582
Operating profit before depreciation/amortization, EBITDA	777	111	353	2,002	1,453
Operating profit/loss	641	-29	219	1,465	902
Operating cash flow	627	345	70	909	437
Number of employees at end of period	2,834	2,772	2,764	2,834	2,772

Demand during the fourth quarter of 2017 increased compared with the third quarter. The Construction Machinery and Material Handling segments showed most positive development. Demand during the full year 2017 increased compared with the full year 2016, primarily from the Mining, Heavy Transport and Construction Machinery segments.

External shipments of steel during the fourth quarter of 2017 were up 36% compared with the fourth quarter of 2016. This was primarily due to a stronger market, as well as to the maintenance outage during the fourth quarter of 2016. The external shipments of steel were up 9% compared with the third quarter of 2017. External shipments were 318 (233) thousand tonnes during the fourth quarter of 2017 and 1,192 (1,008) thousand tonnes, up 18%, for the full year 2017.

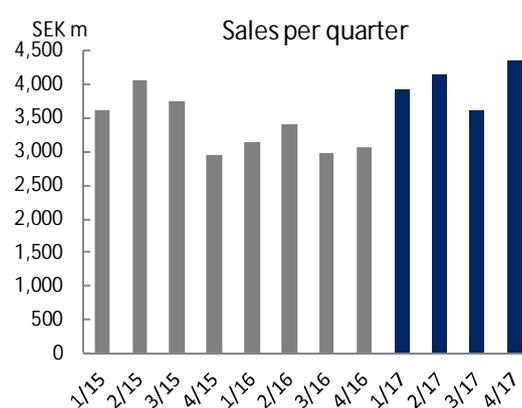
Crude steel production was up 58% compared with the fourth quarter of 2016 and up 57% compared with the third quarter of 2017. Increased crude steel production during the fourth quarter of 2017 was due to planned maintenance outages both in the fourth quarter of 2016 and in the third quarter of 2017. Crude steel production during the full year 2017 was 956 (975) thousand tonnes, down 2% compared with the full year 2016.

Rolling production during the fourth quarter of 2017 was up 82% compared with the fourth quarter of 2016, primarily due to the planned maintenance outage and the breakdown in Oxelösund towards the end of 2016. Rolling production was up 40% compared with the third quarter of 2017. This was primarily due to the planned maintenance outage in Oxelösund during the third quarter of 2017. Rolling production for the full year 2017 was at the same level as for the full year 2016.

Sales for the fourth quarter of 2017 were SEK 4,368 (3,066) million, up 42% compared with the fourth quarter of 2016. Higher volumes had a positive impact of 36 percentage points, higher prices 9 percentage points and higher other sales (incl. internal sales of steel slabs) 4 percentage points, whereas currency effects had a negative impact of 5 percentage points and a weaker product mix had a negative impact of 2 percentage points.

Compared with the third quarter of 2017, sales were up 20%. Higher volumes had a positive impact of 9 percentage points, higher other sales (incl. internal sales of steel slabs) of 7 percentage points, higher prices and currency effects 2 percentage points each.

Sales for the full year 2017 were SEK 16,053 (12,582) million, up 28% compared with the full year 2016. Higher volumes had a positive impact of 18 percentage points, higher other sales had a positive impact of 7 percentage points and higher prices of 5 percentage points, whereas a weaker product mix and currency effects each had a negative impact of 1 percentage point.



Operating profit for the fourth quarter of 2017 was SEK 641 (-29) million, up SEK 670 million compared with the fourth quarter of 2016. Improved earnings were primarily due to insurance compensation for the breakdown in Oxelösund during the fourth quarter of 2016, higher capacity utilization (because of the planned maintenance outage and breakdown in Oxelösund during the fourth quarter of 2016), higher prices and higher volumes, the impact of which was counteracted by higher variable costs.

Compared with the third quarter of 2017, earnings were up SEK 422 million. Higher earnings were primarily due to the insurance compensation, higher capacity utilization (because of the maintenance outage in Oxelösund during the third quarter) and higher volumes, the impact of which was counteracted by both higher fixed (seasonally lower fixed costs in the third quarter) and variable costs.

Operating profit for the full year 2017 was SEK 1,465 (902) million, up SEK 563 million compared with the full year 2016. Improved earnings were primarily due to higher volumes and prices, the impact of which was counteracted by higher variable costs.

Operating cash flow for the fourth quarter of 2017 was SEK 627 (345) million. Cash flow was positively impacted by operating profit for the fourth quarter of 2017. Operating cash flow for the full year 2017 was SEK 909 (437) million. Cash flow was positively impacted primarily by operating profit for the full year 2017. However, this positive impact was counteracted by higher working capital, primarily as a result of higher stocks and higher accounts receivable due to higher sales.

Capital expenditure payments during the fourth quarter were SEK 138 (107) million, of which SEK 3 (10) million were strategic investments. Capital expenditure payments during the full year 2017 were SEK 374 (275) million, of which SEK 23 (25) million were strategic investments.

SSAB Europe

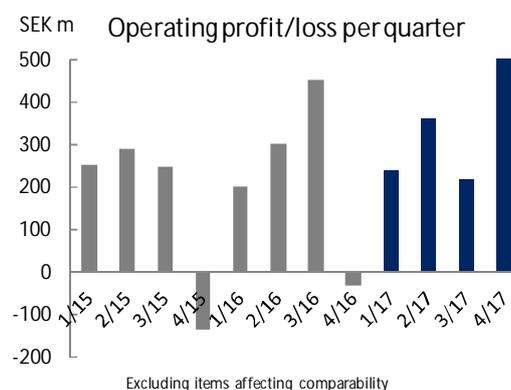
Key numbers

	2017	2016	2017	2017	2016
SEK millions	Q 4	Q 4	Q 3	Full year	Full year
Sales	7,768	7,001	7,245	31,048	25,831
Operating profit before depreciation/amortization, EBITDA	811	746	1,031	4,405	2,458
Operating profit/loss 1)	460	375	680	2,988	1,000
Operating cash flow	1,016	278	1,478	3,782	2,113
Number of employees at end of period	6,798	6,851	6,826	6,798	6,851

1) Excluding depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki. Depreciation/amortization on surplus values was SEK 55 (55) million during the fourth quarter.

Demand during the fourth quarter of 2017 increased somewhat compared with the third quarter and continued to be at a good level. Increased demand was primarily driven by Steel Service Centers and by the Heavy Transport and Automotive segments. Demand for the full year 2017 was good, with demand growth primarily in the Automotive segment, which was an important contributory factor why the share of premium products increased to 32 (30) % of sales.

External shipments of steel during the fourth quarter of 2017 were at the same level as during the fourth quarter of 2016 and 3% higher compared with the third quarter of 2017. External shipments were 901 (898) thousand tonnes. External shipments for the full year 2017 were 3,745 (3,720) thousand tonnes, up 1%.



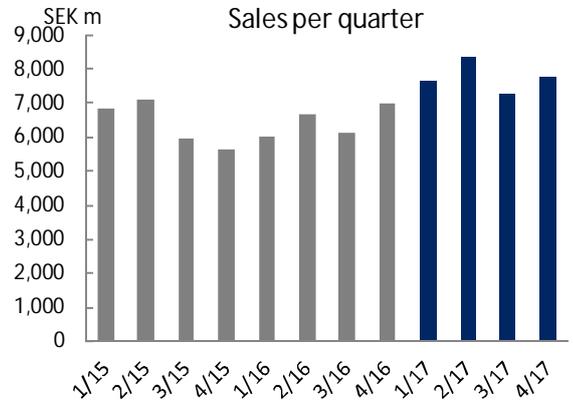
Crude steel production during the fourth quarter of 2017 was down 11% compared with the fourth quarter of 2016 and down 5% compared with the third quarter of 2017. This was primarily due to the planned maintenance outage in Raahe during the fourth quarter of 2017. Crude steel production for the full year 2017 was 4,599 (4,681) thousand tonnes, down 2% compared with the full year 2016.

Rolling production was down 5% compared with the fourth quarter of 2016 and down 4% compared with the third quarter of 2017. Rolling production for the full year 2017 was up 4% compared with the full year 2016.

Sales for the fourth quarter of 2017 were SEK 7,768 (7,001) million, up 11% compared with the fourth quarter of 2016. Higher prices had a positive impact of 12 percentage points and a better product mix 1 percentage point, whereas other sales and currency effects each had a negative impact of 1 percentage point.

Compared with the third quarter of 2017, sales were up 7%. Other sales had a positive impact of 4 percentage points, higher volumes of 3 percentage points and currency effects of 2 percentage points, whereas lower prices had a negative impact of 2 percentage points.

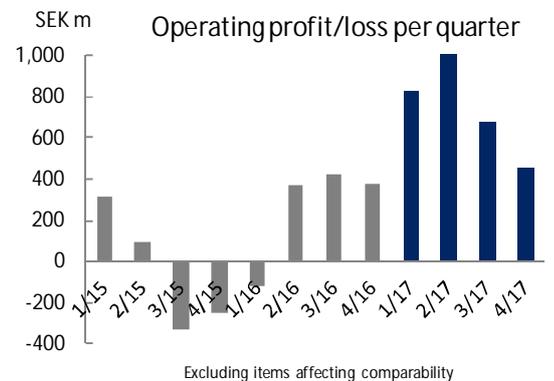
Sales for the full year 2017 were SEK 31,048 (25,831) million, up 20% compared with the full year 2016. Higher prices had a positive impact of 20 percentage points, higher volumes and a better product mix each had a positive impact of 1 percentage point, whereas currency effects and other sales each had a negative impact of 1 percentage point.



Operating profit for the fourth quarter of 2017 was SEK 460 (375) million, up SEK 85 million compared with the fourth quarter of 2016. Improved earnings were primarily due to higher prices, the impact of which was counteracted both by higher variable costs and by lower capacity utilization.

Compared with the third quarter of 2017, earnings were down SEK 220 million. This was primarily due to higher fixed costs (seasonally lower fixed costs during the third quarter) and lower capacity utilization (because of the planned maintenance outage in Raahe), the impact of which was counteracted by higher volumes.

Operating profit for the full year 2017 was SEK 2,988 (1,000) million, up SEK 1,988 million compared with the full year 2016. Improved earnings were primarily due to higher prices, including a better product mix, the impact of which was counteracted by higher variable and fixed costs.



Operating cash flow for the fourth quarter of 2017 was SEK 1,016 (278) million. During the fourth quarter, cash flow was impacted positively by operating profit and lower working capital, primarily due to lower stocks. Operating cash flow for the full year 2017 was SEK 3,782 (2,113) million. Cash flow was impacted positively by operating profit and lower working capital.

Capital expenditure payments during the fourth quarter were SEK 398 (236) million, of which SEK 66 (22) million were strategic investments. Capital expenditure payments during the full year 2017 were SEK 859 (687) million, of which SEK 137 (127) million were strategic investments.

SSAB Americas

Key numbers

	2017	2016	2017	2017	2016
SEK millions	Q 4	Q 4	Q 3	Full year	Full year
Sales	3,230	2,825	3,340	12,727	10,639
Operating profit before depreciation/amortization, EBITDA	141	136	468	818	737
Operating profit/loss 1)	-15	-34	316	183	110
Operating cash flow	814	165	165	1,166	426
Number of employees at end of period	1,228	1,222	1,226	1,228	1,222

1) Excluding depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of IPSCO. Depreciation/amortization on surplus values was SEK 182 (160) million during the fourth quarter.

Demand increased during the fourth quarter of 2017 compared with the third quarter. The increase in demand was mainly from Steel Service Centers, but demand increased also from the Heavy Transport segment. Compared with the full year 2016, demand increased during 2017 in the Energy and Construction Machinery segments.

External shipments of steel during the fourth quarter of 2017 were up 5% compared with the fourth quarter of 2016 and up 3% compared with the third quarter of 2017. External shipments were 525 (502) thousand tonnes. External shipments of steel for the full year 2017 were up 2% at 1,971 (1,924) thousand tonnes.

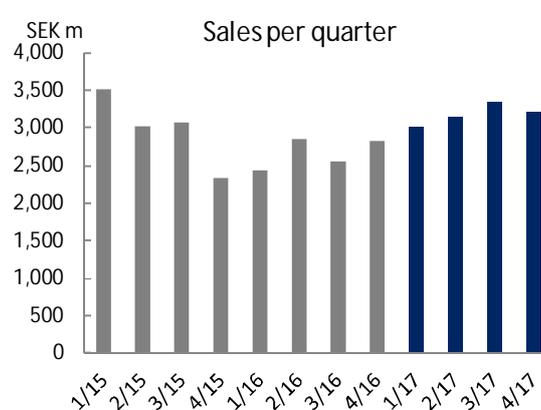
Crude steel production during the fourth quarter of 2017 was up 14% compared with the fourth quarter of 2016, but was at the same level compared with the third quarter of 2017. Crude steel production for the full year 2017 was up 5% at 2,440 (2,331) thousand tonnes compared with the full year 2016.

Rolling production was up 7% compared with the fourth quarter of 2016, but down 3% compared with the third quarter of 2017. The increase compared with the fourth quarter last year was primarily due to the planned maintenance outage in Montpelier which partly took place during the fourth quarter of 2016. Rolling production for the full year 2017 was up 4% compared with the full year 2016.

Sales for the fourth quarter of 2017 were SEK 3,230 (2,825) million, up 14% compared with the fourth quarter of 2016. Higher prices had a positive impact of 18 percentage points and higher volumes of 5 percentage points, whereas currency effects had a negative impact of 9 percentage points.

Compared with the third quarter of 2017, sales were down 3%. Lower prices had a negative impact of 8 percentage points and a weaker product mix of 1 percentage point, whereas higher volumes had a positive impact of 3 percentage points, currency effects of 2 percentage points and other sales of 1 percentage point.

Sales for the full year 2017 were SEK 12,727 (10,639) million, up 20% compared with the full year 2016. Higher prices had a positive impact of 16 percentage points, other sales and higher volumes each had a positive impact of 2 percentage points.



Operating loss for the fourth quarter was SEK 15 million (loss of SEK 34m), an improvement of SEK 19 million compared with the fourth quarter of 2016. Improved earnings were primarily due to higher prices and better capacity utilization, the impact of which was counteracted by higher variable and fixed costs.

Compared with the third quarter of 2017, earnings were down SEK 331 million. This was primarily due to lower prices.

Operating profit for the full year 2017 was SEK 183 (110) million, up SEK 73 million compared to the full year 2016. Improved earnings were primarily due to higher prices, the impact of which was counteracted by higher variable costs.

Operating cash flow for the fourth quarter of 2017 was SEK 814 (165) million. During the fourth quarter, cash flow was impacted positively by lower working capital, primarily due to lower stocks and higher accounts payable. Operating cash flow for the full year 2017 was SEK 1,166 (426) million. Cash flow was impacted positively by operating profit and by lower working capital.

Capital expenditure payments during the fourth quarter were SEK 69 (49) million, of which SEK 2 (18) million were strategic investments. Capital expenditure payments during the full year 2017 were SEK 212 (218) million, of which SEK 8 (55) million were strategic investments.

Tibnor

Key numbers

SEK millions	2017 Q 4	2016 Q 4	2017 Q 3	2017 Full year	2016 Full year
Sales	2,012	1,813	1,733	7,821	6,879
Operating profit before depreciation/amortization, EBITDA	63	57	65	334	191
Operating profit/loss 1)	42	34	44	252	106
Operating cash flow	263	211	-122	472	191
Number of employees at end of period	1,091	1,137	1,106	1,091	1,137

1) Excluding depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki. Depreciation/amortization on surplus values was SEK 6 (6) million during the fourth quarter.

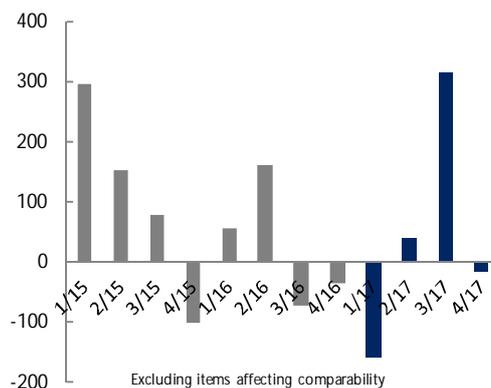
Total shipments during the fourth quarter of 2017 were at the same level as during the fourth quarter of 2016, but 13% higher than during the third quarter of 2017. Compared with the third quarter of 2017, shipments were up in all segments, but particularly in Long Products and Strip Products. Total shipments for the full year 2017 were up 1% compared with the full year 2016. The Rebar Products and Tubes segments grew during the year, but the impact of this was counteracted by lower shipments in the other segments.

Sales for the fourth quarter of 2017 were SEK 2,012 (1,813) million, up 11% compared with the fourth quarter of 2016. This was primarily due to higher prices.

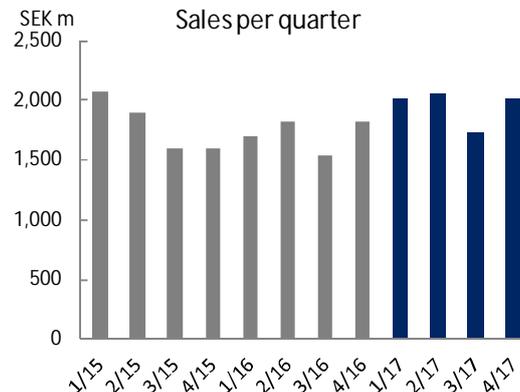
Compared with the third quarter of 2017, sales were up 16%. This was primarily due to higher volumes and higher prices.

Sales for the full year 2017 were SEK 7,821 (6,879) million, up 14% compared with the full year 2016. This was primarily due to higher prices and somewhat higher volumes.

SEK m Operating profit/loss per quarter



SEK m Sales per quarter



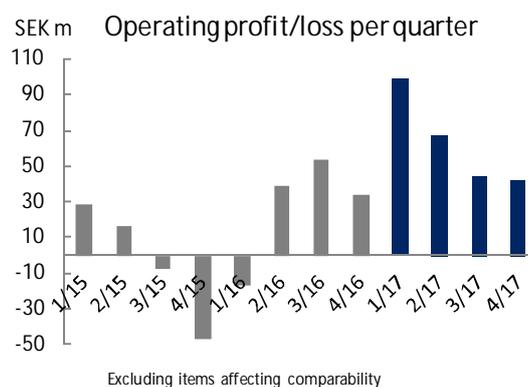
Operating profit for the fourth quarter of 2017 was SEK 42 (34) million, up SEK 8 million compared with the fourth quarter of 2016. Improved earnings were primarily due to higher margins.

Compared with the third quarter of 2017, earnings were down SEK 2 million. This was primarily due to higher fixed costs (seasonally lower fixed costs in the third quarter), but the impact of this was partly offset by higher volumes.

Operating profit for the full year 2017 was SEK 252 (106) million, up SEK 146 million compared with the full year 2016. Improved earnings were primarily due to better margins.

Operating cash flow for the fourth quarter of 2017 was SEK 263 (211) million. Cash flow during the fourth quarter was impacted primarily by lower working capital due to lower stocks and lower accounts receivable. Operating cash flow for the full year 2017 was SEK 472 (191) million. Cash flow was impacted positively by operating profit and by lower working capital.

Capital expenditure payments during the fourth quarter were SEK 10 (23) million, of which SEK 0 (22) million were strategic investments. Capital expenditure payments during the full year 2017 were SEK 63 (51) million, of which SEK 31 (26) million were strategic investments.



Ruukki Construction

Key numbers

SEK millions	2017 Q 4	2016 Q 4	2017 Q 3	2017 Full year	2016 Full year
Sales	1,471	1,353	1,640	5,773	5,304
Operating profit before depreciation/amortization, EBITDA	65	45	137	307	322
Operating profit 1)	32	7	105	171	171
Operating cash flow	260	66	71	340	243
Number of employees at end of period	2,502	2,543	2,522	2,502	2,543

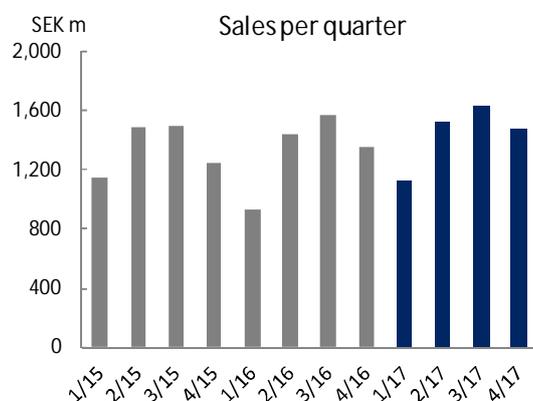
1) Excluding depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki. Depreciation/amortization on surplus values was SEK -7 (-7) million during the fourth quarter.

Demand was seasonally low during the fourth quarter. Demand increased however within the Building Components segment. Demand was good on the Nordic markets, but this was counteracted by low demand in Russia and Ukraine. Except for Russian and Ukraine, demand increased in all markets in the full year 2017 compared with the full year 2016.

Sales for the fourth quarter of 2017 were SEK 1,471 (1,353) million, up 9% compared with the fourth quarter of 2016. This was primarily due to higher sales in the Building Components segment and a slight increase in the Residential Roofing segment.

Compared with the third quarter of 2017, sales were down 10%. This was primarily due to seasonally lower sales in the construction industry, primarily in the Residential Roofing and Building Systems segments.

Sales for the full year 2017 were SEK 5,773 (5,304) million, up 9% compared with the full year 2016. This was primarily due to higher sales in the Building Components segment.



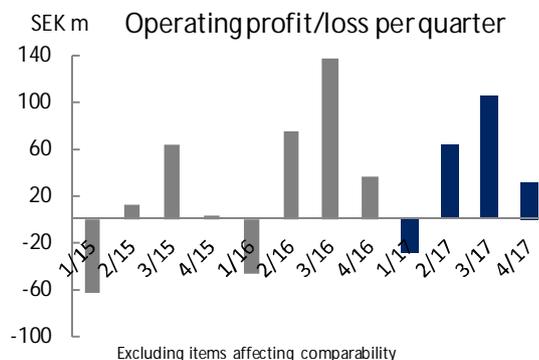
Operating profit for the fourth quarter of 2017 was SEK 32 (7) million, up SEK 25 million compared with the fourth quarter of 2016. Improved earnings were primarily due to higher prices and volumes, the impact of which was counteracted by higher variable costs.

Compared with the third quarter of 2017, earnings were down SEK 73 million. This was primarily due to seasonally lower volumes.

Operating profit for the full year 2017 was SEK 171 (171) million, unchanged compared with the full year 2016. Higher prices and volumes had a positive impact on earnings, but the impact of this was counteracted by higher variable and fixed costs.

Operating cash flow for the fourth quarter of 2017 was SEK 260 (66) million. Cash flow during the fourth quarter was impacted positively by lower working capital due to lower accounts receivable and lower stocks. Operating cash flow for the full year 2017 was SEK 340 (243) million. Cash flow was impacted positively by operating profit and by lower working capital due to lower stocks and accounts receivable.

Capital expenditure payments during the fourth quarter were SEK 19 (24) million, of which SEK 13 (12) million were strategic investments. Capital expenditure payments during the full year 2017 were SEK 65 (114) million, of which SEK 39 (87) million were strategic investments.



Sustainability

New environmental targets for 2020

SSAB has updated its environmental targets. SSAB will reduce the use of purchased energy, compared to 2014 baseline, by 400 GWh by the end of 2020. The previous target of 300 GWh by the end of 2019 was already achieved at the end of 2017.

SSAB has also set an updated target to achieve a lasting reduction of 300,000 tonnes in CO₂ emissions, compared to the 2014 baseline, by the end of 2020. The previous target of a reduction of 200,000 tonnes in CO₂ emissions had already been achieved at the end of 2017.

The third new environmental target is to achieve a lasting improvement of 50,000 tonnes in the utilization of residuals, compared to the 2014 baseline, by the end of 2020. The previous target of a reduction of 30,000 tonnes had already been achieved by the end of 2016.

Long-term sustainability objectives

In 2017, SSAB announced new long-term sustainability objectives. SSAB is working towards a fossil-free steelmaking process through the HYBRIT (Hydrogen Breakthrough Ironmaking Technology) initiative and will also eliminate other fossil related emissions. The goal is fossil free production across the entire operation by 2045.

In the mid-term, SSAB's sustainable offering provides the greatest possibility to reduce emissions. By increased use of high-strength steels SSAB is aiming at 10 million tonnes in annual customer CO₂ savings by 2025. This saving is aimed at the user phase of customers' end-products. This amount is equal to SSAB's own direct CO₂ emissions. The savings will be reached by two initiatives: 7.8 million tonnes savings from SSAB EcoUpgraded deliveries and 2.2 million tonnes savings from Automotive Premium deliveries.

Unique products strengthen sustainable offering

In September 2017, SSAB launched the new unique Hardox® 500 Tuf wear plate, which has proven good performance in conditions of extreme cold. Its increased service life contributes to improved performance for tipper bodies, buckets and containers in challenging environments.

During the fourth quarter of 2017, SSAB launched a new, stronger press hardening steel for automotive safety components – Docol PHS 2000. Docol PHS 2000 is the result of close collaboration between SSAB and automotive component manufacturer Gestamp. Docol PHS 2000 achieved a 17% weight reduction compared with similar steel bumpers and a lower weight than comparable bumpers made from aluminum.

More information about SSAB's work with sustainability can be found on the company's website, www.ssab.com and in SSAB's Annual Report 2017.

Dividend

The Board proposes a dividend for 2017 of SEK 1.00 per share

Annual general meeting

The annual general meeting will be held in Stockholm on April 10, 2018 starting at 1pm. The annual report will be published during week 12 and will be available at the company's head office and at www.ssab.com. Notice to attend the annual general meeting may be given commencing March 2, 2018 up to and including 12 noon on April 4, 2018. Notice may be given online via SSAB's website or by telephone on +46 8 4545 760.

Risks and uncertainty factors

For information regarding material risks and uncertainty factors, reference is made to the detailed description in the annual report. No material new or changed risks and uncertainty factors have been identified during the year. See also the sensitivity analysis on page 28.

Accounting principles

This full-year report has been prepared in compliance with IAS 34.

The accounting principles are based on International Financial Reporting Standards as adopted by the EU and ensuing references to Chapter 9 of the Swedish Annual Accounts Act. The accounts of the parent company have been prepared in compliance with RFR 2 and the Swedish Annual Accounts Act.

No material changes in accounting principles have taken place since the Annual Report for 2016.

Changes in accounting principles applied from January 1, 2018

From January 1, 2018, the Group will apply two new accounting standards, IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers.

IFRS 9, Financial instruments

This standard applies from January 1, 2018. SSAB will apply IFRS 9 from January 1, 2018. IFRS 9 replaces IAS 39, Financial instruments; Recognition and measurement. IFRS 9 involves changes in how financial assets are classified and measured, introduces an impairment model for expected credit losses and changes in hedge accounting requirements.

IFRS 9 introduces a new model to calculate the credit loss reserve based on expected loan losses. The new impairment model affects SSAB regarding calculation of the credit loss reserve for accounts receivable, including those that have yet to fall due. SSAB will apply the simplified approach where the reserve will correspond to the expected credit loss over the full lifetime of the account receivable. During the transition, the reserve will increase in size in the balance sheet by an immaterial amount, which will be recognized against equity on January 1, 2018.

Regarding the changes in the requirements in hedge accounting, this will have no impact on SSAB's existing hedges but may impact future hedging arrangements.

IFRS 15, Revenue from contracts with customers

This standard applies commencing from January 1, 2018. SSAB will apply IFRS 15 from January 1, 2018. IFRS 15 is the new standard for revenue recognition and replaces IAS 18 Revenue and IAS 11 Construction Contracts and all the relevant interpretations (IFRIC and SIC).

SSAB has evaluated the Group's contracts and concluded that revenue recognition will not be impacted by the transition to IFRS 15.

Review

This report has not been subject to review by the company's auditors.

Stockholm, January 25, 2018

Martin Lindqvist
President & CEO

Financial reports in accordance with IFRS – the Group

Consolidated income statement

SEK millions	2017 Q 4	2016 Q 4	2017 Full year	2016 Full year
Sales	17,017	14,442	66,059	55,354
Cost of goods sold	-15,438	-13,300	-58,592	-50,240
Gross profit	1,579	1,142	7,467	5,114
Selling and administrative costs	-1,106	-1,074	-4,210	-4,169
Other operating income and expenses 1)	356	25	514	212
Affiliated companies, profit after tax	14	14	68	56
Operating profit/loss	843	107	3,839	1,213
Financial income	74	33	321	80
Financial expenses	-281	-279	-1,297	-969
Profit/loss for the period after financial items	636	-139	2,863	324
Tax	-295	212	-552	619
Profit/loss for the period	341	73	2,311	943
Of which attributable to:				
- Parent Company's shareholders	332	71	2,295	937
- Non-controlling interest	9	2	16	6

Key numbers

	2017 Q 4	2016 Q 4	2017 Full year	2016 Full year
Operating margin (%)	5	1	6	2
Earnings per share (SEK) 2)	0.32	0.07	2.23	1.04
Equity per share (SEK)	51.69	51.36	51.69	51.36
Net debt/equity ratio (%)	22	34	22	34
Equity ratio (%)	61	58	61	58
Average number of shares during the period (millions)	1,029.8	1,029.8	1,029.8	794.8
Adjusted average number of shares during the period (millions) 2)	1,029.8	1,029.8	1,029.8	900.3
Number of shares at end of period (millions) 3)	1,029.8	1,029.8	1,029.8	1,029.8
Number of employees at end of period	14,925	14,980	14,925	14,980

1) The result for the quarter includes primarily currency effects on operating receivables/liabilities of SEK 23 (11) million and of SEK 28 (113) million for the full year. The fourth quarter of 2017 includes insurance compensation of SEK 265 million for the breakdown in Oxelösund.

2) Average number of shares and earnings per share has been adjusted based on the bonus issue element in the rights issue completed in the second quarter of 2016. There are no outstanding share instruments, and thus no dilution is relevant.

3) Subsequent to the rights issue completed on June 27, 2016, the number of shares is 1,029,835,326

Consolidated statement of comprehensive income

SEK millions	2017 Q 4	2016 Q 4	2017 Full year	2016 Full year
Profit/loss for the period after tax	341	73	2,311	943
<i>Other comprehensive income</i>				
<u>Items that may be subsequently reclassified to the income statement</u>				
Translation differences for the period	478	1,487	-2,984	3,462
Cash flow hedges	31	101	26	291
Hedging of currency risks in foreign operations 1)	-150	-657	1,286	-1,342
Tax attributable to items that may be subsequently reclassified to the income statement	26	122	-289	237
Total items that may be subsequently reclassified to the income statement	385	1,053	-1,961	2,648
<u>Items that will not be reclassified to the income statement</u>				
Remeasurements of the net defined benefit liability	-11	115	-2	12
Tax attributable to items that will not be reclassified to the income statement	12	-26	10	-5
Total items that will not be reclassified to the income statement	1	89	8	7
Total other comprehensive income for the period, net after tax	386	1,142	-1,953	2,655
Total comprehensive income for the period	727	1,215	358	3,598
Of which attributable to:				
- Parent Company's shareholders	715	1,214	340	3,591
- Non-controlling interest	12	1	18	7

1) Hedging is structured such that the net/equity ratio is unchanged in the event of changed exchange rates.

Consolidated statement of changes in equity

SEK millions	Equity attributable to the Parent Company's shareholders						Non-controlling interest	Total equity
	Share capital	Other contributed funds	Reserves	Retained earnings	Total equity			
Equity, December 31, 2015	4,833	22,343	1,357	15,860	44,393	48	44,441	
<u>Changes Jan. 1 - Dec. 31, 2016</u>								
Total comprehensive income for the period	-	-	2,647	944	3,591	7	3,598	
Rights issue	4,229	678	-	-	4,907	-	4,907	
Dividend, non-controlling interest	-	-	-	-	-	-6	-6	
Equity, December 31, 2016	9,062	23,021	4,004	16,804	52,891	49	52,940	
<u>Changes Jan. 1 - Dec. 31, 2017</u>								
Total comprehensive income for the period	-	-	-1,963	2,303	340	18	358	
Dividend, non-controlling interest	-	-	-	-	-	-4	-4	
Equity, December 31, 2017	9,062	23,021	2,041	19,107	53,231	63	53,294	

There are 1,029,835,326 shares with a quotient value of SEK 8.80.

Consolidated balance sheet

SEK millions	2017 Dec. 31	2016 Dec. 31
<i>Assets</i>		
Goodwill	27,730	29,909
Other intangible assets	1,918	2,704
Tangible fixed assets	23,931	25,866
Participations in affiliated companies	651	628
Financial assets	433	308
Deferred tax receivables 2)	291	1,054
Total fixed assets	54,954	60,469
Inventories	16,035	15,001
Accounts receivable	7,822	7,118
Current tax receivables	302	474
Other current receivables 1)	4,114	3,972
Cash and cash equivalents	4,249	3,879
Total current assets	32,522	30,444
Total assets	87,476	90,913
<i>Equity and liabilities</i>		
Equity for shareholders in the Company	53,231	52,891
Non-controlling interest	63	49
Total equity	53,294	52,940
Deferred tax liabilities	874	1,321
Other long-term provisions	591	529
Long-term non-interest bearing liabilities 2)	327	448
Long-term interest-bearing liabilities	16,072	18,751
Total long-term liabilities	17,864	21,049
Short-term interest-bearing liabilities	2,011	4,497
Accounts payable	10,215	8,224
Current tax liabilities	215	41
Other current liabilities	3,877	4,162
Total current liabilities	16,318	16,924
Total equity and liabilities	87,476	90,913
Pledged assets	2,513	1,871
Contingent liabilities	2,674	2,705

1) Other current receivables comprise short-term bank deposits (escrow agreement) in the amount of SEK 2 453 (1, 812) million.

2) Of the Deferred tax receivable, SEK 151 (219) million constitutes a valuation of the future tax credits regarding investments in Alabama, USA. Since the credits have not yet been booked as income, a corresponding liability has been booked as Long-term non-interest bearing liabilities.

Valuation of assets and liabilities

Financial assets and liabilities in the balance sheet are valued based on their classification at acquisition value or fair value. Both interest rate derivatives and currency derivatives are valued at fair value. In the balance sheet item "Other current receivables" derivatives are valued at a total of SEK 176 (423) million and in the balance sheet item "Other current liabilities" derivatives are valued at a total of SEK 185 (572) million. In the balance sheet item Financial assets derivatives are valued at a total of SEK 45 (-) million and in the balance sheet item "Long-term non-interest bearing liabilities", derivatives are included valued at a total of SEK 19 (62) million.

Other financial assets and liabilities in the balance sheet are reported at acquisition value. In the case of valuation at fair value, the loans reported in the balance sheet item "Long-term interest-bearing liabilities" (including short-term part) would exceed the reported amount by SEK 165 (115) million. However, since the loans will be held until maturity, this does not affect the reported value.

Assessment of the fair value of financial instruments

Classification takes place hierarchically on three different levels based on the input data used in valuing instruments. On level 1, listed prices on an active market are used, e.g. stock exchange prices. On level 2, observable market data regarding assets and liabilities other than listed prices are used, e.g. interest rates and return curves. On level 3, the fair value is determined based on a valuation technique which is based on assumptions which are not based on prices or observable data.

The fair value valuation of the financial assets in SSAB is based on data in accordance with level 2, with the exception of electricity derivatives, where the fair value is based on listed market prices, and which are therefore classified on level 1.

Cash flow

SEK millions	2017 Q 4	2016 Q 4	2017 Full year	2016 Full year
Operating profit/loss	843	107	3,838	1,213
Adjustment for depreciation and impairment	939	959	3,753	3,738
Adjustment for other non-cash items	29	-64	-52	-79
Received and paid interest	-197	-271	-943	-994
Tax paid	-94	244	-249	80
Change in working capital	1,736	417	303	-661
Cash flow from operating activities	3,256	1,392	6,650	3,297
Capital expenditure payments in plants and machinery	-648	-448	-1,603	-1,326
Acquisitions, shares and operations	-	-	-11	-46
Divested shares and operations	1	-	1	-
Other investing activities	-8	-1	35	49
Cash flow from investing activities	-655	-449	-1,578	-1,323
Dividend, non-controlling interest	-	-6	-4	-6
Rights issue	-	-	-	4,907
Change in loans	-3,205	-328	-4,008	-5,270
Change in financial investments	-9	-537	-15	-141
Other financing activities	-24	5	-656	-422
Cash flow from financing activities	-3,238	-866	-4,683	-932
Cash flow for the period	-637	77	389	1,042
Cash and cash equivalents at beginning of period	4,865	3,801	3,879	2,711
Exchange rate difference in cash and cash equivalents	21	1	-19	126
Cash and cash equivalents at end of period	4,249	3,879	4,249	3,879

Relevant reconciliations of non-IFRS-based performance measures

Besides the definitions below, definitions of the non-IFRS-based performance measures below can be found in the Annual Report.

Operating profit before depreciation/amortization, EBITDA

	2017	2016	2017	2016
SEK millions	Q 4	Q 4	Full year	Full year
Operating profit/loss	843	107	3,838	1,213
Depreciation & impairment	939	959	3,753	3,738
Operating profit before depreciation/amortization, EBITDA	1,782	1,066	7,591	4,951

Operating profit before depreciation/amortization, EBITDA, excluding items affecting comparability

	2017	2016	2017	2016
SEK millions	Q 4	Q 4	Full year	Full year
Operating profit before depreciation/amortization, EBITDA	1,782	1,066	7,591	4,951
Items affecting comparability 1)	-	-	-	79
Operating profit before depreciation/amortization, EBITDA, excluding items affecting comparability	1,782	1,066	7,591	5,030

Specification of items affecting comparability

	2017	2016	2017	2016
SEK millions	Q 4	Q 4	Full year	Full year
<u>Operating expenses</u>				
Restructuring related to synergies	-	-	-	-79
Effect on operating profit/loss	-	-	-	-79
<u>Financial costs</u>				
Financial items	-	-	-	-
Effect on profit after financial items	-	-	-	-79
<u>Taxes</u>				
Tax effects	-	-	-	17
Effect on profit/loss after tax	-	-	-	-62

Items affecting comparability in the operating profit/loss, per quarter and business segment

SEK millions	1/15	2/15	3/15	4/15	1/16	2/16	3/16	4/16	1/17	2/17	3/17	4/17
SSAB Special Steels	-	-	-	-	-	-27	-	-	-	-	-	-
SSAB Europe	-2	-2	-	-95	-	-49	-	-1	-	-	-	-
SSAB Americas	-	-	-	-	-	-	-	-	-	-	-	-
Tibnor	-20	-4	-	112	-3	-	-	1	-	-	-	-
Ruukki Construction	-2	-4	-	-93	-	-	-	-	-	-	-	-
Other	-6	1	-	-	-	-	-	-	-	-	-	-
Total	-30	-9	-	-76	-3	-76	-	-	-	-	-	-

Return on capital employed before tax, rolling 12 months

SEK millions	2017 Full year	2016 Full year
Operating profit/loss	3,838	1,213
Financial income	321	80
Total	4,159	1,293
Average capital employed	74,947	74,564
Return on capital employed before tax, %	6%	2%

Return on equity after tax, rolling 12 months

SEK millions	2017 Full year	2016 Full year
Profit/loss for the period, after tax	2,311	943
Average equity	52,832	48,822
Return on equity after tax, %	4%	2%

Operating cash flow

SEK millions	2017 Q 4	2016 Q 4	2017 Full year	2016 Full year
Cash flow from operating activities	3,256	1,392	6,650	3,297
Reversal received and paid interests	197	271	943	994
Reversal tax paid	94	-244	249	-80
Maintenance expenditures 1)	-563	-365	-1,366	-1,053
Other investing activities 2)	-8	-1	35	49
Operating cash flow	2,976	1,053	6,511	3,207

1) See the definition of Maintenance capital expenditures in the Annual Report.

2) Other investing activities primarily refer to cash flow from long-term receivables and investments.

Net debt

SEK millions	2017 Dec. 31	2016 Dec. 31
Interest-bearing assets 1)	7,037	6,312
Interest-bearing liabilities 2)	18,611	24,199
Net debt	11,574	17,887

1) Interest-bearing assets primarily refer to long-term and current interest-bearing receivables and investments, together with derivatives and cash and cash equivalents.

2) Interest-bearing liabilities primarily consist of long-term and current interest-bearing debt, pension liability and derivatives.

Information about business segments

SSAB has been organized into five reportable business segments with a clear profit responsibility. The business segments consist of the three steel divisions: SSAB Special Steels, SSAB Europe and SSAB Americas as well as the fully owned subsidiaries Tibnor and Ruukki Construction. Tibnor and Ruukki Construction are operated as independent subsidiaries.

SSAB Special Steels

SSAB Special Steels has global responsibility for the marketing and sales of all SSAB's quenched and tempered steels (Q&T) and hot-rolled, advanced high-strength steels with yield strengths of 700 MPa and above. SSAB Special Steels is responsible for steel and rolling production in Oxelösund (Sweden), and for sales of the above products produced in Mobile (USA), Raahе (Finland) and Borlänge (Sweden). When SSAB Special Steels sells steels made by another division, the revenue is reported by SSAB Special Steels and the accounts are settled between the divisions at the cost of goods sold.

SSAB Europe

SSAB Europe has responsibility for strip, plate and tubular products in Europe, and global profit responsibility for the Automotive segment (cold-rolled strip). SSAB Europe is responsible for steel and plate production in Raahе and Hämeenlinna (Finland), and in Luleå and Borlänge (Sweden).

SSAB Americas

SSAB Americas has profit responsibility for heavy plate in North America, and for steel and plate production in Montpelier and Mobile, USA.

Tibnor

Tibnor is the Group's distributor of a full range of steel and non-ferrous metals in the Nordic region and Baltics. Tibnor buys and sells materials produced both by SSAB and other suppliers.

Ruukki Construction

Ruukki Construction is responsible for the sales and production of energy-efficient building and construction solutions, with a focus on northern and eastern Europe. Ruukki Construction includes Plannja.

Financial information per quarter

The information in the tables below is reported excluding items affecting comparability. See the table on page 23 for items affecting comparability.

The Group's result per quarter, excluding items affecting comparability

SEK millions	1/15	2/15	3/15	4/15	1/16	2/16	3/16	4/16	1/17	2/17	3/17	4/17
Sales	15,468	15,303	13,594	12,499	12,964	14,471	13,477	14,442	15,739	17,115	16,188	17,017
Operating expenses	-13,979	-14,077	-12,845	-12,352	-12,234	-12,904	-11,852	-13,390	-14,128	-14,966	-14,192	-15,250
Depreciation/amortization 1)	-938	-944	-942	-960	-934	-917	-928	-959	-926	-961	-927	-939
Affiliated companies	13	19	2	11	14	18	10	14	17	17	20	14
Financial items	-214	-213	-247	-249	-154	-243	-246	-246	-253	-291	-225	-206
Result before tax	350	88	-438	-1,051	-344	425	461	-139	449	914	864	636

1) For depreciation and amortization, see table Operating profit/loss per quarter and business segment, excluding items affecting comparability below.

Sales per quarter and business segment

SEK millions	1/15	2/15	3/15	4/15	1/16	2/16	3/16	4/16	1/17	2/17	3/17	4/17
SSAB Special Steels	3,620	4,077	3,743	2,942	3,132	3,398	2,986	3,066	3,925	4,133	3,627	4,368
SSAB Europe	6,835	7,097	5,965	5,620	6,040	6,668	6,122	7,001	7,657	8,378	7,245	7,768
SSAB Americas	3,508	3,027	3,080	2,321	2,428	2,841	2,545	2,825	3,019	3,138	3,340	3,230
Tibnor	2,075	1,899	1,593	1,596	1,707	1,820	1,539	1,813	2,019	2,057	1,733	2,012
Ruukki Construction	1,147	1,488	1,496	1,243	928	1,444	1,579	1,353	1,131	1,531	1,640	1,471
Other	0	1	1	1	5	3	1	5	0	1	0	0
Group adjustments	-1,717	-2,286	-2,284	-1,224	-1,276	-1,703	-1,295	-1,621	-2,012	-2,123	-1,397	-1,832
Total	15,468	15,303	13,594	12,499	12,964	14,471	13,477	14,442	15,739	17,115	16,188	17,017

Operating profit/loss before depreciation/amortization, EBITDA, per quarter and business segment, excluding items affecting comparability

SEK millions	1/15	2/15	3/15	4/15	1/16	2/16	3/16	4/16	1/17	2/17	3/17	4/17
SSAB Special Steels	388	433	391	1	345	437	587	111	377	495	353	777
SSAB Europe	677	459	36	114	244	728	789	746	1,182	1,381	1,031	811
SSAB Americas	453	313	235	42	209	309	83	136	8	201	468	141
Tibnor	48	36	9	-28	4	60	73	57	118	88	65	63
Ruukki Construction	-19	57	106	64	-10	114	173	45	8	97	137	65
Other	-46	-52	-26	-36	-48	-63	-70	-29	-66	-95	-38	-75
Total	1,501	1,246	751	157	744	1,585	1,635	1,066	1,627	2,167	2,016	1,782

Operating profit/loss per quarter and business segment, excluding items affecting comparability

SEK millions	1/15	2/15	3/15	4/15	1/16	2/16	3/16	4/16	1/17	2/17	3/17	4/17
SSAB Special Steels	252	293	251	-134	202	303	453	-29	243	362	219	641
SSAB Europe	312	94	-328	-253	-118	366	426	376	826	1,022	680	460
SSAB Americas	296	154	78	-100	55	162	-73	-34	-157	39	316	-15
Tibnor	29	16	-8	-47	-17	39	53	33	99	67	44	42
Ruukki Construction	-62	13	64	3	-48	75	137	7	-29	63	105	32
Depreciation on surplus values, IPSCO	-158	-159	-161	-179	-160	-157	-160	-159	-157	-194	-180	-182
Depreciation on surplus values, Rautaruukki	-51	-50	-52	-52	-51	-50	-53	-54	-51	-53	-53	-54
Other	-54	-60	-35	-40	-53	-70	-76	-33	-72	-101	-42	-81
Total	564	301	-191	-802	-190	668	707	107	702	1,205	1,089	843

Financial reports in accordance with IFRS – the Parent Company

The Parent Company's income statement

SEK millions	2017 Q 4	2016 Q 4	2017 Full year	2016 Full year
Gross profit	0	0	0	0
Selling and administrative costs	-106	-56	-343	-261
Other operating income/expenses	26	28	118	103
Operating profit/loss	-80	-28	-225	-158
Financial items 1)	-283	8,525	1,164	8,410
Profit/loss after financial items	-363	8,497	939	8,252
Appropriations	1,423	1,100	1,423	1,100
Tax	-234	-82	-406	211
Profit/loss after tax	826	9,515	1,956	9,563

1) During the second quarter of 2017, SSAB Finance Brussels distributed SEK 5.6 billion to the Parent Company, subsequent to which the shares in SSAB Finance Brussels were written down.

The Parent Company's statement of comprehensive income

SEK millions	2017 Q 4	2016 Q 4	2017 Full year	2016 Full year
Profit/loss after tax	826	9,515	1,956	9,563
<i>Other comprehensive income</i>				
<u>Items that may be classified to the income statement</u>				
Cash flow hedges	18	19	21	3
Tax attributable to other comprehensive income	-4	-4	-5	-1
Total items that will be reclassified to the income statement	14	15	16	2
Other comprehensive income, net after tax	14	15	16	2
Total comprehensive income for the period	840	9,530	1,972	9,565

The Parent Company's balance sheet

SEK millions	2017 Dec. 31	2016 Dec. 31
<i>Assets</i>		
Fixed assets	71,426	34,512
Other current assets	11,140	49,810
Cash and cash equivalents	3,187	2,238
Total assets	85,753	86,560
<i>Equity and liabilities</i>		
Restricted equity	9,964	9,964
Unrestricted equity	52,407	50,436
Total equity	62,371	60,400
Untaxed reserves	-	-
Long-term liabilities and provisions	12,913	15,019
Current liabilities and provisions	10,469	11,141
Total equity and liabilities	85,753	86,560

Production and shipments

Thousand tonnes	1/15	2/15	3/15	4/15	1/16	2/16	3/16	4/16	1/17	2/17	3/17	4/17
Crude steel production												
- SSAB Special Steels	354	380	401	226	218	288	291	178	265	229	180	282
- SSAB Europe	1,186	1,038	716	1,110	1,166	1,146	1,143	1,226	1,168	1,196	1,146	1,089
- SSAB Americas	555	546	607	474	617	623	533	558	569	602	634	635
- Total	2,095	1,964	1,724	1,810	2,001	2,058	1,967	1,962	2,002	2,027	1,960	2,006
Rolling production												
- SSAB Special Steels	119	141	142	103	130	137	146	85	83	147	111	155
- SSAB Europe	1,154	1,135	952	1,040	1,101	1,183	1,068	1,109	1,253	1,203	1,104	1,058
- SSAB Americas	518	521	559	469	576	584	493	544	545	553	603	582
- Total	1,791	1,798	1,653	1,612	1,807	1,904	1,707	1,738	1,881	1,903	1,818	1,795
Steel shipments												
- SSAB Special Steels	259	260	216	202	256	277	242	233	277	304	293	318
- SSAB Europe	976	991	823	823	946	1,013	863	898	982	991	871	901
- SSAB Americas	476	471	505	435	475	526	421	502	486	452	508	525
- Total	1,711	1,722	1,544	1,460	1,677	1,816	1,526	1,633	1,745	1,747	1,672	1,744

Sensitivity analysis

The approximate full year effect on profit/loss after financial items and earnings per share of changes in significant factors is shown in the sensitivity analysis below.

	Change, %	Effect on earnings, SEK millions	Effect on earnings per share, SEK 2)
Steel price - steel operations	10	5,171	3.92
Volume - steel operations 1)	10	1,111	0.84
Iron ore prices	10	644	0.49
Coal prices	10	433	0.33
Scrap metal prices	10	676	0.51
Interest rate	1 % point	33	0.03
Krona index 3)	5	788	0,60

1) Excluding the effect of lower capacity utilization (underabsorption).

2) Calculated based on a 22% tax rate.

3) Calculated on SSAB's exposure without currency hedging. Any weakening of the Swedish krona entails a positive effect.

Note:

This report has been published in Swedish and English. In the event of any differences between the English translation and the Swedish original, the Swedish Report shall prevail.

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Report for the first quarter of 2018:

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SSAB

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