



# Results for the second quarter 2013

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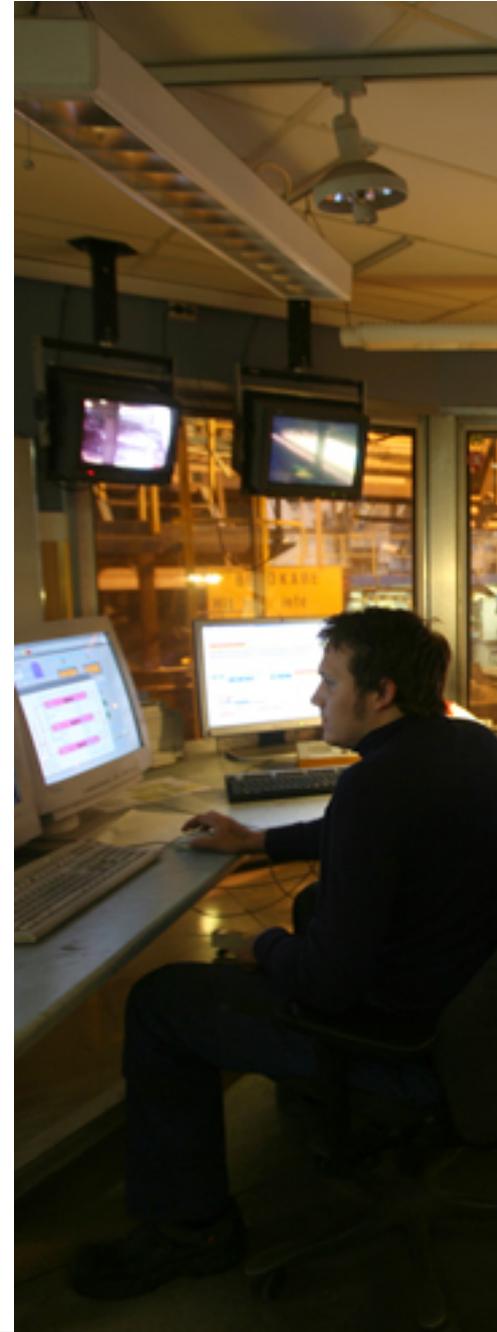
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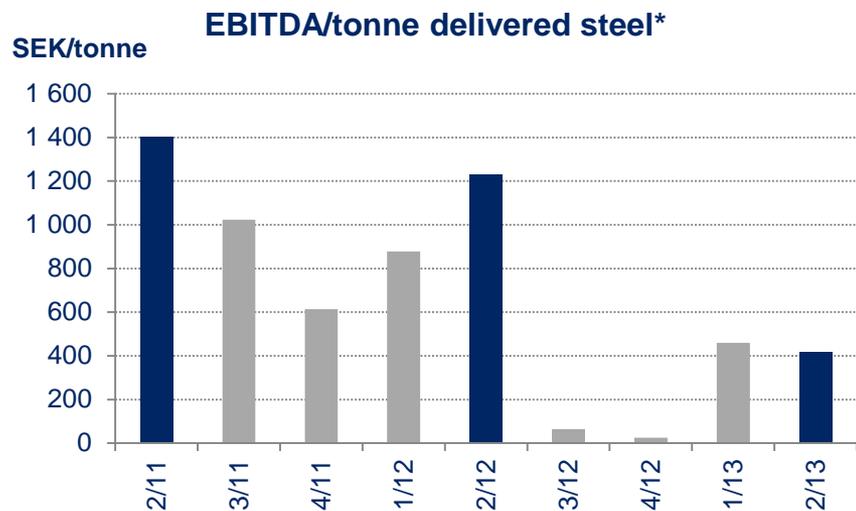
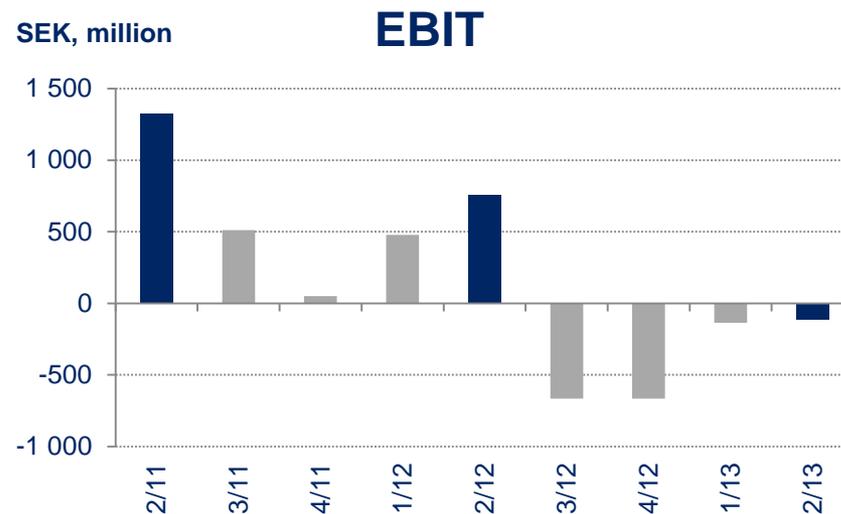
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# Highlights – Q2 2013

- ▶ Strong operating cash flow of almost MSEK 800
- ▶ EBIT loss of MSEK 115, approx. the same level as in Q1-13
- ▶ Planned outage in Montpelier affected SSAB Americas negatively
- ▶ Shipments were stable compared with Q1-13, restocking which began in Q1-13 came to an end
- ▶ In general, SSAB's contract steel prices were stable to slightly lower compared with Q1-13
- ▶ SSAB EMEA had positive impact from the efficiency program according to plan



# Group – Sales, EBIT, EBITDA/tonne



Niche products were 40% of total shipments

\* Reflecting the steel operations; EMEA, Americas, APAC

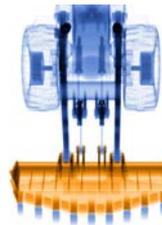
# SSAB key customer segments in Q2-13

## Heavy Transport



- ▶ EU Heavy Truck registration continued down in 1H-13
- ▶ US tank railcar still strong

## Mining



- ▶ Negative signals from Australia, west coast also slowed down
- ▶ Many projects in South America put on hold or spread out over time

## Automotive



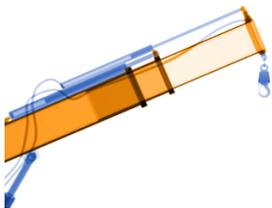
- ▶ US light vehicle sales remained strong
- ▶ European economy continued to weigh on car sales
- ▶ China market developed strongly with double digit growth 1H-13

## Energy



- ▶ Several line pipe inquiries ongoing
- ▶ Wind tower activity better than early 2013, but projects slow to finalize
- ▶ Transmission towers strong

## Construction Equipment



- ▶ China lifting segment has been weak
- ▶ Activities in European yellow goods starting to increase in Q2-13

## Service centers (US)

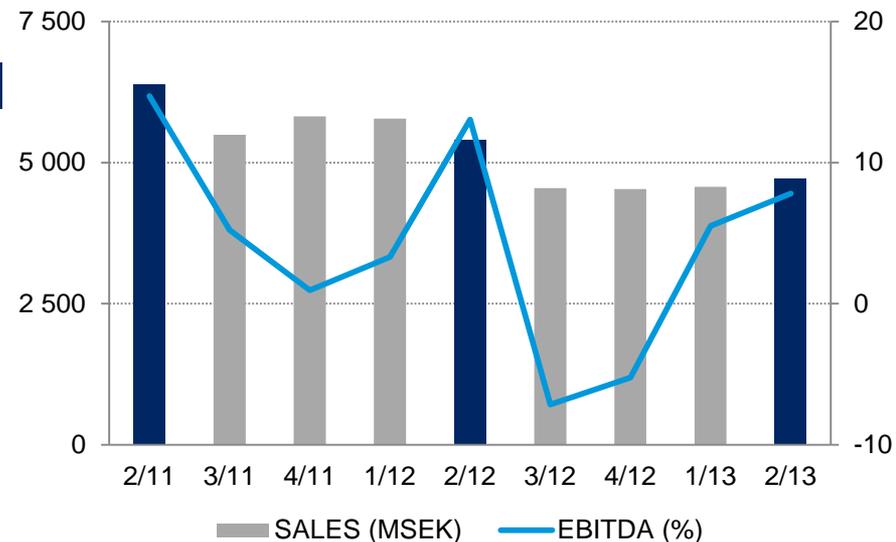


- ▶ Business for the Service centers has not improved
- ▶ Service centers have low inventories and have not been restocking

# SSAB EMEA

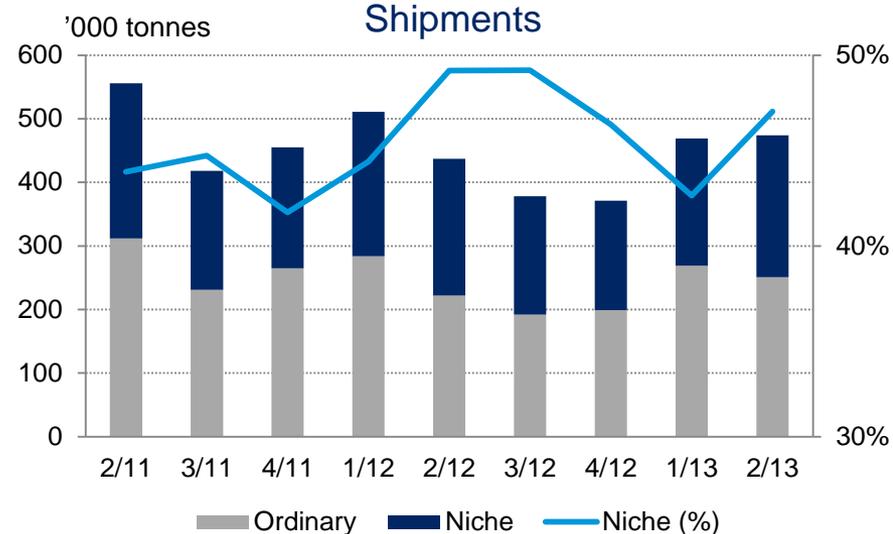
MSEK	Q2-13	Q2-12	Chge
Sales	4,723	5,400	-13%
EBITDA	369	704	-48%
EBIT	56	383	-85%
EBIT margin	1.2%	7.1%	

## Sales & EBITDA margin



- ▶ Shipments were 1% higher vs. Q1-13, and 8% higher vs. Q2-12
- ▶ Local prices were unchanged for niche steels, and increased 3% for standard steels vs. Q1-13
- ▶ Niche products were 47% (49% in Q2-12) of shipments
- ▶ Demand leveled off vs. Q1-13 as restocking has come to an end

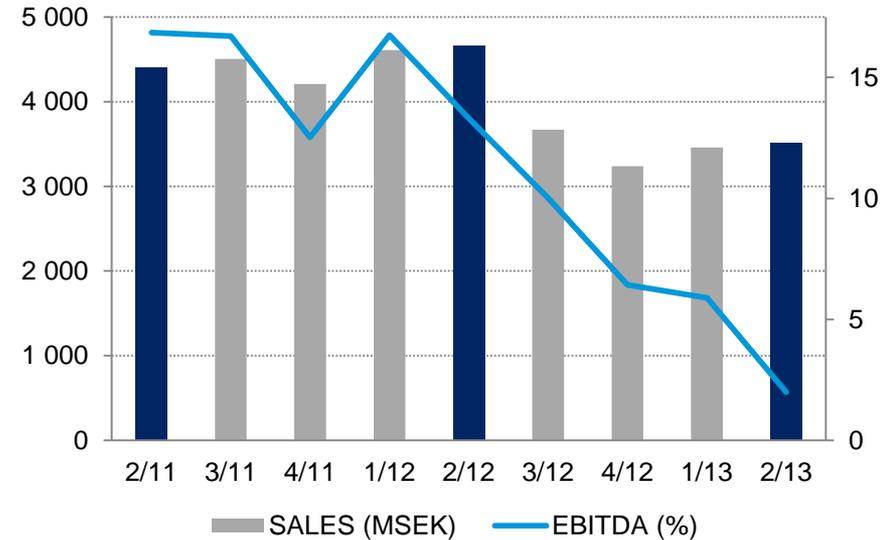
## Shipments



# SSAB Americas

MSEK	Q2-13	Q2-12	Chge
Sales	3,508	4,657	-25%
EBITDA	70	621	-89%
EBIT	-49	537	n.m.
EBIT margin	-1.4%	11.5%	

Sales & EBITDA margin



- ▶ Shipments were 2% lower vs. Q1-13, and 8% lower vs. Q2-12
- ▶ Local prices were unchanged for niche steels, and increased 2% for standard steels vs. Q1-13
- ▶ Niche products were 30% (25% in Q2-12) of shipments
- ▶ Planned outage in Mobile in Q3-13, will affect earnings negatively by MSEK ~50
- ▶ Demand from the Automotive segment remained good during the quarter, while demand from other segments was more hesitant

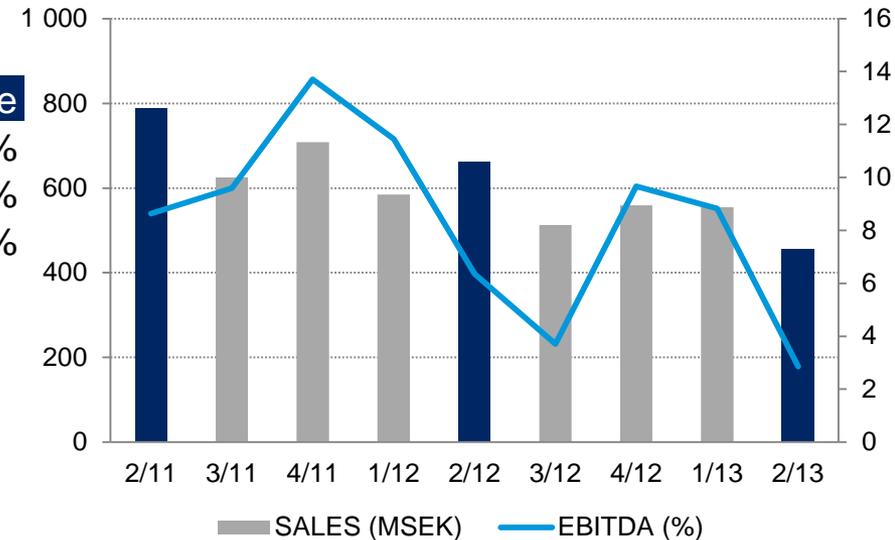
Shipments



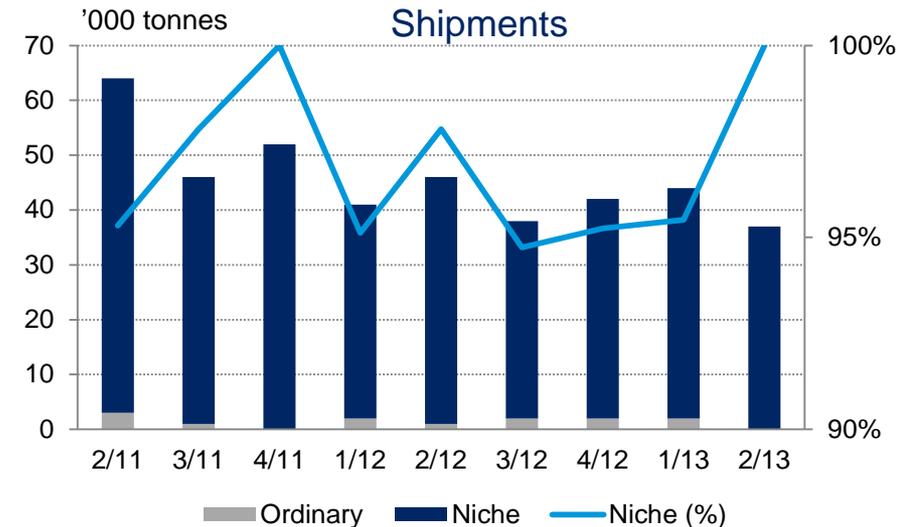
# SSAB APAC

MSEK	Q2-13	Q2-12	Chge
Sales	455	661	-31%
EBITDA	13	41	-68%
EBIT	6	40	-85%
EBIT margin	1.3%	6.1%	

## Sales & EBITDA margin

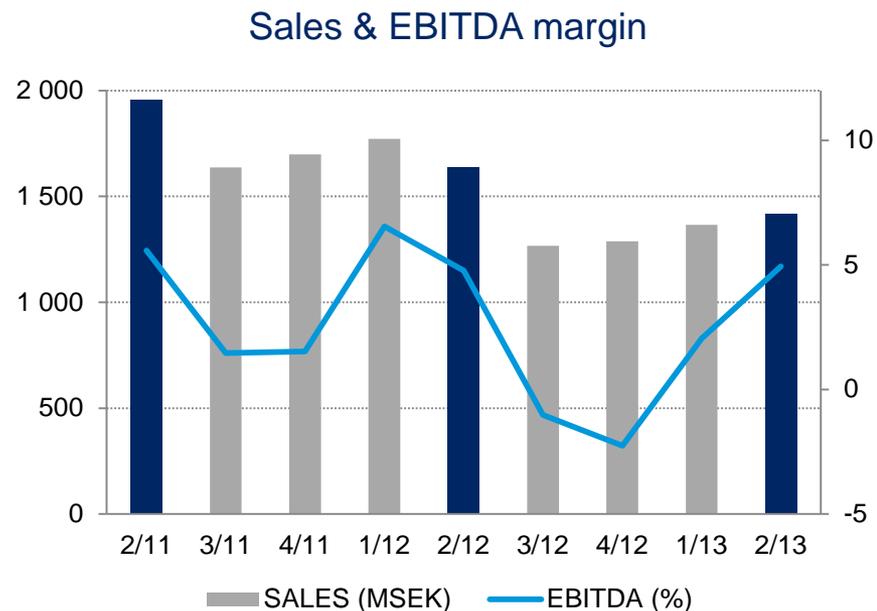


- ▶ Shipments of niche products were 12% lower vs. Q1-13, and 18% lower vs. Q2-12
- ▶ Local prices for niche steels were 1% lower vs. Q1-13
- ▶ Demand continued to weaken during the period, although Automotive showed some improvement
- ▶ Downturn in the Australian mining industry had a clear impact on demand



# Tibnor

MSEK	Q2-13	Q2-12	Chge
Sales	1,416	1,636	-13%
EBITDA	70	79	-11%
EBIT	57	67	-15%
EBIT margin	4.0%	4.1%	



- ▶ Shipments were 5% higher vs. Q1-13, but 3% lower vs. Q2-12
- ▶ EBIT positively affected by MSEK 57 from divestiture of real estate
- ▶ Operating cash flow was MSEK 91 (98)
- ▶ Increased shipments in several product groups vs. Q2-12, however strip products shipments declined

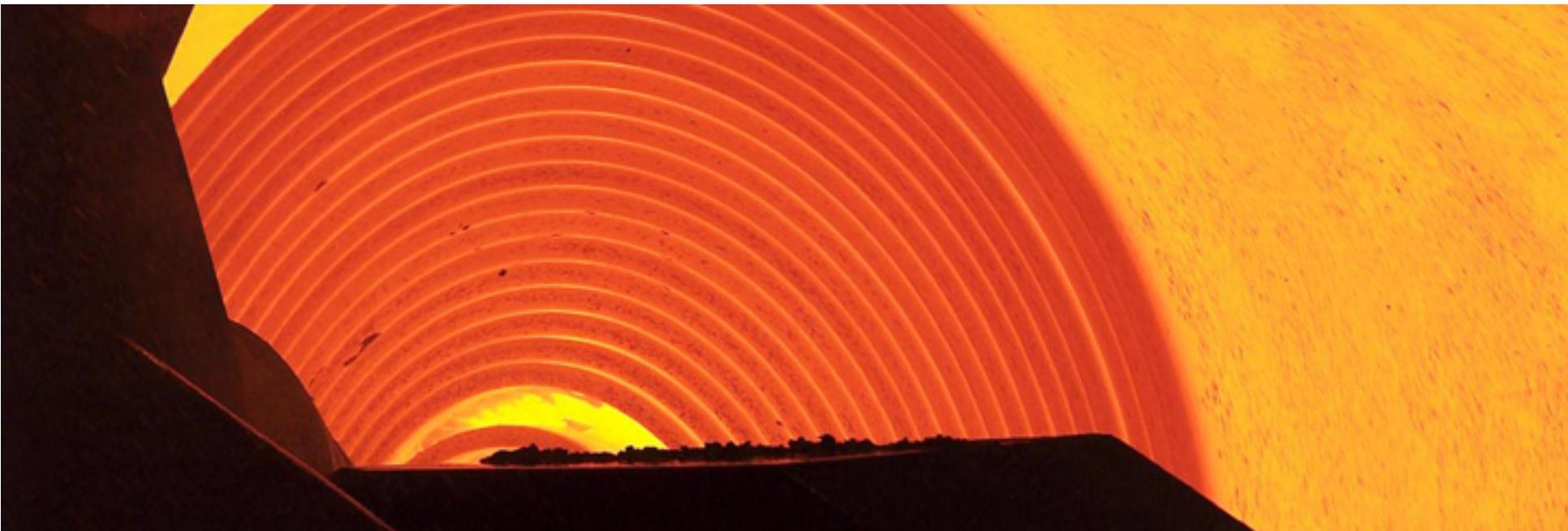
# Market environment and outlook

- ▶ Global steel production increased 2% in Jan-June 2013, Chinese production rose 7%, European and US steel production fell 5% and 6% respectively
- ▶ Inventories are now at balanced levels throughout the value chain, and no major re- or destocking is expected
- ▶ European strip spot prices have been under pressure, whereas plate prices have leveled off since mid-Q2-13
- ▶ Plate prices in the US have been under pressure, but recently SSAB and Nucor announced price increases
- ▶ In China, strip prices stabilized towards end of Q2, but plate prices have been under some pressure



# Financials

Håkan Folin, CFO



# Financials Q2-13

- ▶ Sales was MSEK SEK 8,894 (10,816)
- ▶ EBIT of MSEK -115 (755)
- ▶ Operating cash flow of MSEK 796 (948)
- ▶ Negative currency impact of MSEK 340 compared with Q2-12

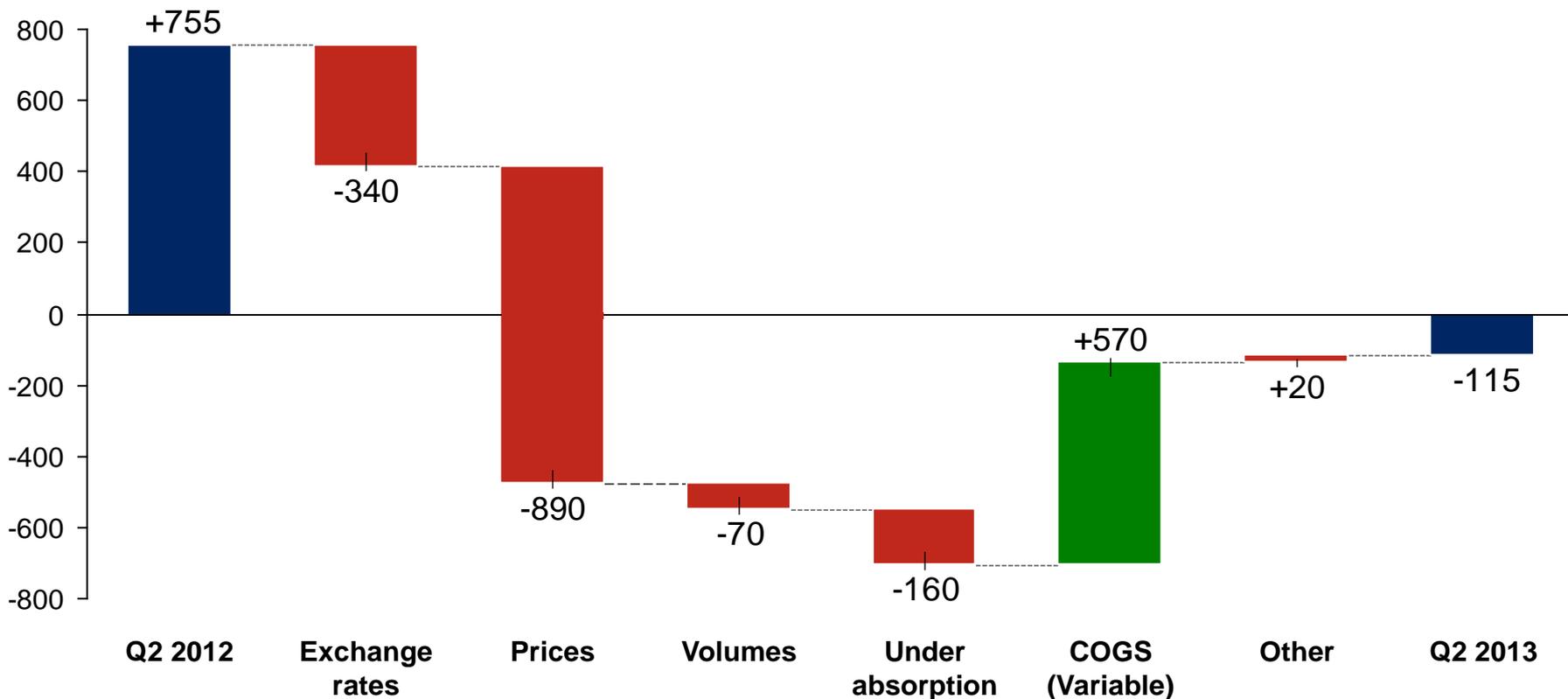


# Key Figures

SEK million (except for EPS and Dividend)	Q2-13	Q2-12	Jul-12 Jun-13	2012 Full year
Sales	8,894	10,816	35	38,923
Operating profit	-115	755	-2	-96
Pre-tax profit	-273	609	-2	-693
Net profit	-144	480	-1	15
Earnings per share, SEK	-0.44	1.48	-3.17	0.05
Operating cash-flow	796	948	3	4,929
Debt/Equity, %	54	56	54	54
ROCE, %	-	-	-3	0
ROE, %	-	-	-4	0
Dividend, SEK	-	-	-	1.00

# Change in operating profit, Q2 2013 vs. Q2 2012

Change in operating profit, excluding non-recurring items, between the second quarters of 2013 and 2012 (SEK millions)



# Cash flow

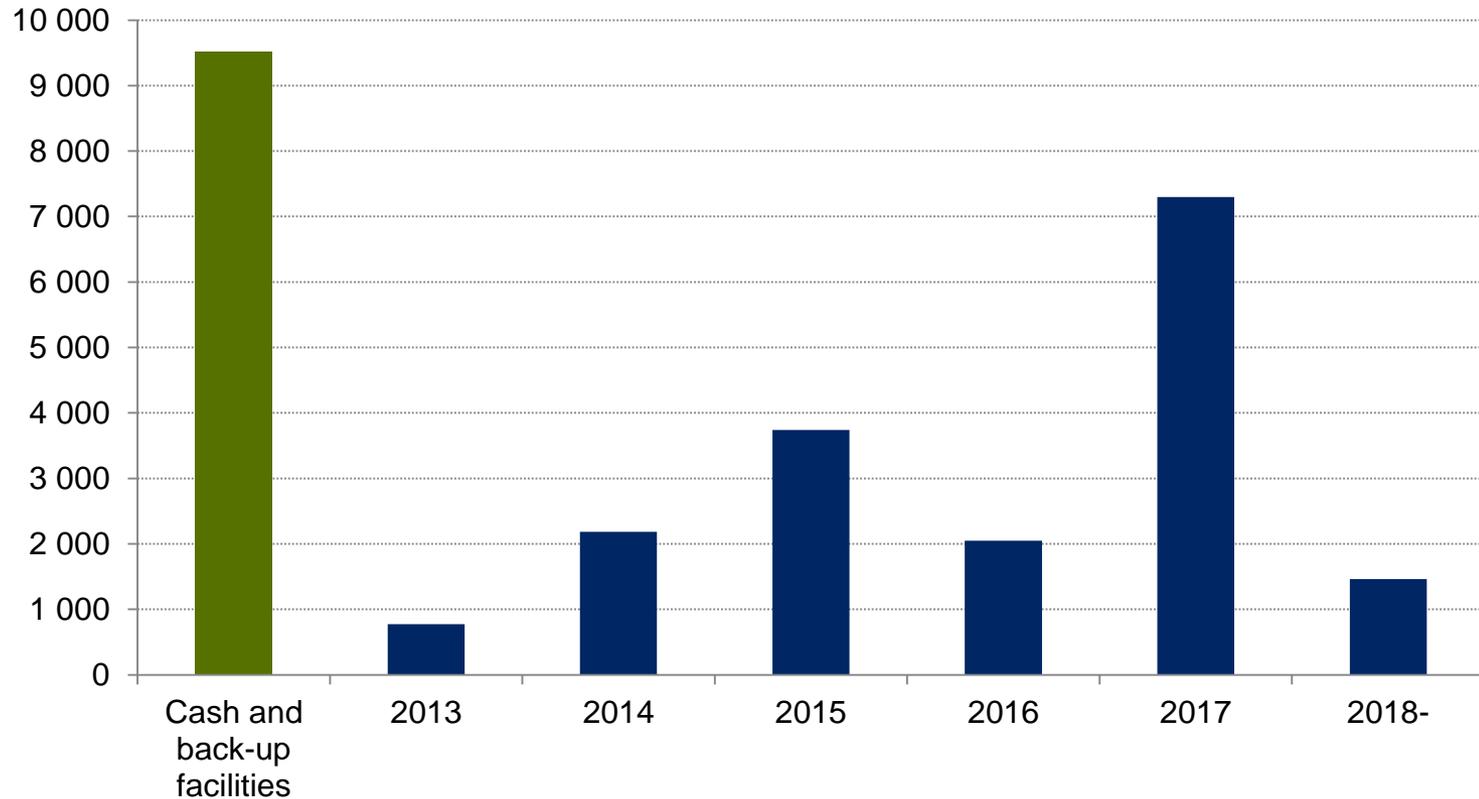
SEK millions	Q2-13	Q2-12	Jul-12 Jun-13	2012 Full year
SSAB EMEA	982	421	1,508	2,260
SSAB Americas	-350	573	923	2,390
SSAB APAC	87	-45	355	99
Tibnor	91	98	298	378
Other	-14	-99	-109	-198
<b>Operating cash flow</b>	<b>796</b>	<b>948</b>	<b>2,975</b>	<b>4,929</b>
Financial items	-125	-130	-567	-572
Taxes	-47	-323	-149	-432
<b>Cash flow from current operations</b>	<b>624</b>	<b>495</b>	<b>2,259</b>	<b>3,925</b>
Strategic investments & acquisitions	-41	-156	-359	-686
Divestment of businesses and operations	69	-	69	31
<b>Cash flow before dividend and financing</b>	<b>652</b>	<b>339</b>	<b>1,969</b>	<b>3,270</b>
Dividend to shareholders, holdings without controlling interest	-324	-648	-324	-648
<b>Net cash flow</b>	<b>328</b>	<b>-309</b>	<b>1,645</b>	<b>2,622</b>

# Financing & Liquidity – June 30

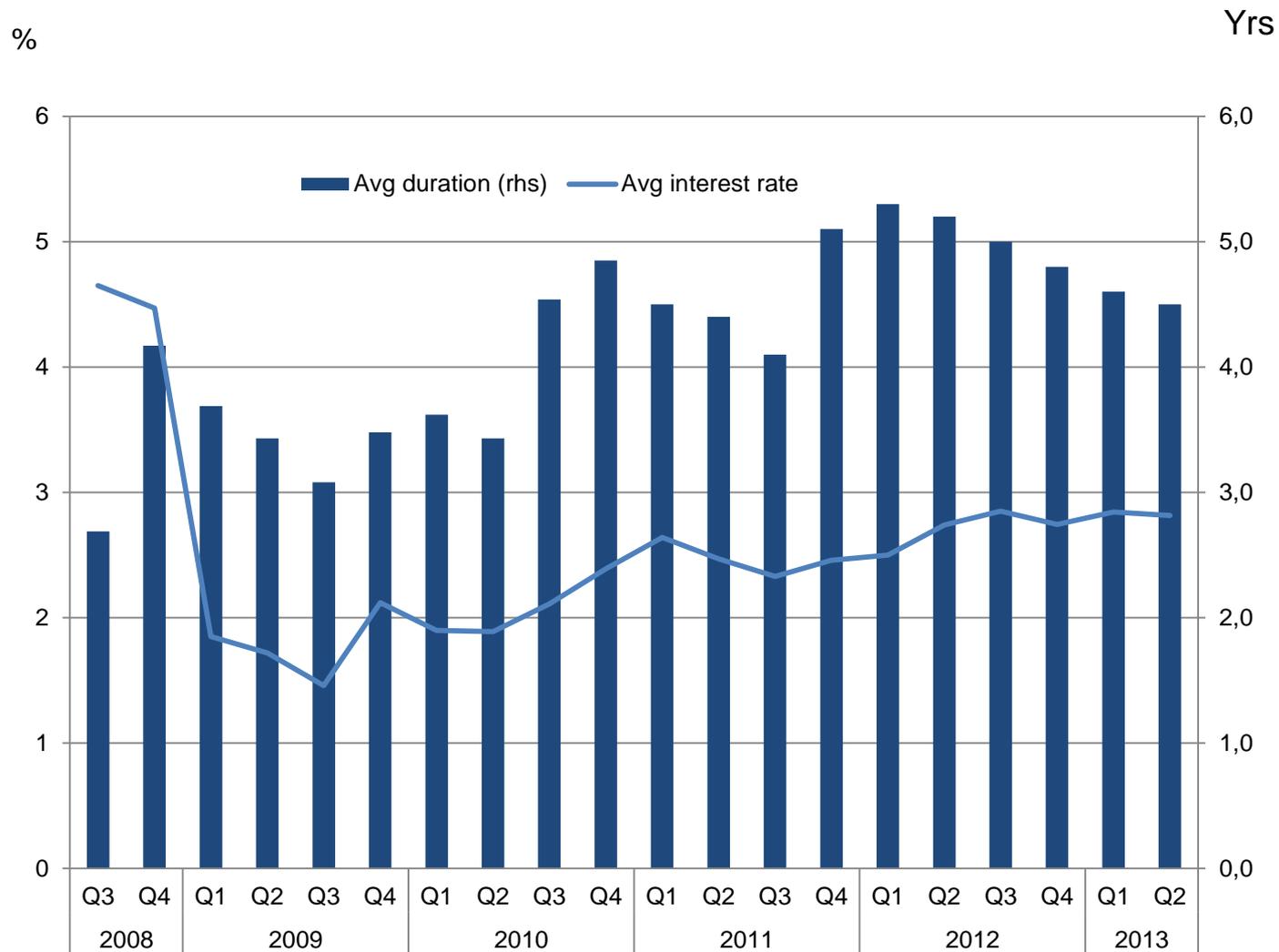
- ▶ The net gearing was 54% by end of Q2-13 (56% Q2-12)
- ▶ Net debt decreased slightly to SEK 15.6bn from the previous quarter
- ▶ Liquidity preparedness as percentage of annual sales (rolling 12 months) was 27% (incl. commercial paper)
- ▶ Commercial paper amounted to slightly less than MSEK 500
- ▶ The average term on the loan portfolio at 4.5 years (5.2 in Q2-12) with an interest term of 1.0 years

# Debt Maturity, June 30

SEK m



# Debt Cost and Duration



# Trends in raw material prices

- ▶ A new agreement with iron ore supplier LKAB has been signed
- ▶ The agreement is valid from April 1, 2013 to March 31, 2014, but prices are set quarterly
- ▶ For Q2-13, ore prices increase of 17% in USD vs. Q1-13. In SEK, the price increase was 6%
- ▶ The price for consumption of coking coal for Q2-13 was 4% lower in SEK vs. Q1-13
- ▶ US scrap prices declined during the quarter and were 10% lower than at the end of Q1-13



## Martin Lindqvist, President & CEO



# Outlook

- ▶ Steel demand in Northern and Eastern Europe fairly stable, weaker in Southern Europe
- ▶ In the US, steel demand expected to improve in the latter part of 2H-13, driven by the economic recovery
- ▶ China expected to stabilize, while growth in the mining industry, particularly Australia, expected to be weak
- ▶ Inventory levels seem to be in balance, at rather low levels, throughout the value chain
- ▶ Q3-13 will be affected by maintenance outages in Sweden and a scheduled outage in Mobile
- ▶ The efficiency program to impact results positively



# Questions

- ▶ Please state your name and the company that you represent

