

REPORT FOR THE FIRST QUARTER 2017



Solid earnings improvement
driven by SSAB Europe

April 21, 2017

SSAB

Report for the first quarter of 2017

The quarter

- Sales were SEK 15,739 (12,964) million
- Operating profit before depreciation/amortization was SEK 1,627 (741) million
- Operating profit/loss was SEK 702 (-193) million
- The result after financial items was SEK 449 (-347) million
- Earnings per share were SEK 0.49 (-0.18)
- Operating cash flow was SEK 876 (77) million

Key numbers

SEK millions	2017 Q 1	2016 Q 1	2016 Q 4	2016 Full year
Sales	15,739	12,964	14,442	55,354
Operating profit before depreciation/amortization, EBITDA	1,627	741	1,066	4,951
Operating profit/loss	702	-193	107	1,213
Profit/loss after financial items	449	-347	-139	324
Profit/loss after tax	502	-133	73	943
Earnings per share (SEK) 1)	0.49	-0.18	0.07	1.04
Operating cash flow	876	77	1,053	3,207
Net debt/equity ratio (%)	32	53	34	34

1) Earnings per share for 2016 have been adjusted to reflect the bonus issue 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 posted an operating profit of SEK 702 million for the first quarter of 2017. This was a solid improvement compared with both the previous quarter and the same period a year earlier. Improved earnings were primarily driven by SSAB Europe through increased shipments and prices, and a high and stable production. SSAB Special Steels also improved earnings despite the rolling mill in Oxelösund being out of operation for more than five weeks at the start of the year following the breakdown occurring in late 2016. The division was able to maintain a good level of shipments since our production flexibility (which enables high-strength steels to be produced at several mills) outperformed expectations. A high rate of production in Oxelösund also contributed once the rolling mill was up and running again in the beginning of February.

SSAB Special Steels is growing structurally on the market driven by customer demand for increasingly lighter and stronger products. Demand improved in many segments during the first quarter. The breakdown in Oxelösund caused SSAB Special Steels to sustain a total production loss of around 70,000 tonnes during the first quarter. Discussions as to the extent this loss can be indemnified are ongoing with the insurance company.

SSAB Europe had a strong quarter, with good underlying demand and a 9% increase in shipments compared to the previous quarter. Realized prices also improved and production was at a high rate. Market prices increased slightly at the start of the year before stabilizing towards the end of the quarter.

In North America, SSAB Americas saw an increase in realized prices during the quarter. The price of scrap also rose, which meant a relatively modest strengthening of margins. The costs of the planned maintenance outage in Mobile impacted negatively on earnings and, despite steady underlying demand, resulted in somewhat lower shipments than during the previous quarter.

SSAB's aim to reduce net debt by SEK 10 billion between the start of the first quarter of 2016 and the end of 2017 is progressing to plan, with a net cash flow of SEK 0.6 billion during the quarter. A further SEK 2.3 billion will be achieved during the three remaining quarters of the year through cash flow generated from operations, structural reduction in working capital and through possible divestment of non-core assets.

We have now entered the next phase in executing our “Taking the Lead” strategy, having last year created a platform for profitable growth through our cost reduction and efficiency programs, including synergies, together with the refinancing package put in place during the second quarter of 2016. Our goal is industry-leading profitability. One focus area is to continue to drive efficiency through continuous improvements in all our operations. At the same time, we will continue to grow in Special Steels and Automotive segment. During the year, we will also continue to further develop the aftermarket business by, among other things, signing up new members to our Hardox Wearparts network.

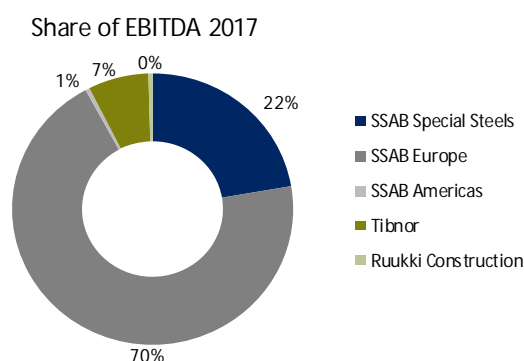
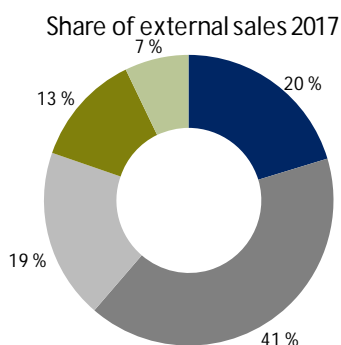
HYBRIT, our long-term initiative for a sustainable carbon-dioxide-free steel industry, received financial support during the first quarter from the Swedish Energy Agency and we are now setting up a joint venture with LKAB and Vattenfall to take the project forward.

Sales per business segment

SEK millions	2017 Q 1	2016 Q 1	2016 Q 4	2016 Full year
SSAB Special Steels	3,925	3,132	3,066	12,582
SSAB Europe	7,657	6,040	7,001	25,831
SSAB Americas	3,019	2,428	2,825	10,639
Tibnor	2,019	1,707	1,813	6,879
Ruukki Construction	1,131	928	1,353	5,304
Other, incl. Group adjustments	-2,012	-1,271	-1,616	-5,881
Total	15,739	12,964	14,442	55,354

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

SEK millions	2017 Q 1	2016 Q 1	2016 Q 4	2016 Full year
SSAB Special Steels	377	345	111	1,453
SSAB Europe	1,182	244	746	2,458
SSAB Americas	8	209	136	737
Tibnor	118	1	57	191
Ruukki Construction	8	-10	45	322
Other	-66	-48	-29	-210
Total	1,627	741	1,066	4,951



The market

According to the World Steel Association (WSA), global steel production for the first two months of 2017 was 264 (250) million tonnes, up 5.8% compared with the first two months of 2016. Chinese crude steel production likewise increased by 5.8%. In the EU-28, steel production rose by just under 2%, whereas production in North America was up more than 4% during the same period.

In North America, demand was relatively good during the quarter. Import volumes of heavy plate were lower than the same period in 2016 and this has increased demand for North American steel producers. The final import duties on heavy plate were announced towards the end of the quarter and were somewhat higher than the preliminary duties introduced in November 2016. Demand in Europe was good during the first quarter driven by a general recovery in the European economy. In Europe, stock levels at distributors are considered as being in balance, whereas they are thought to be somewhat low in North America.

In North America, market prices for heavy plate rose noticeably during the quarter as a result of a number of price increases announced by leading heavy plate producers. In Europe, market prices for strip were stable after having risen in 2016, whereas prices for heavy plate rose somewhat during the quarter. In China, market prices for heavy plate rose during the quarter, whereas strip prices were stable earlier in the quarter before falling towards the end of the quarter.

Raw materials

SSAB sources its iron ore from LKAB in Sweden and from Severstal in Russia. A new price agreement for supplies of iron ore was signed with LKAB during the first quarter of 2017 and is valid from April 1, 2017 until March 31, 2018. Prices are fixed monthly. The agreement with Severstal runs from October 1, 2015 until September 30, 2018 and prices are fixed monthly. SSAB's prices for pellets were 48% higher in terms of USD and 57% higher in SEK compared with the first quarter of 2016. Average prices for pellets during the first quarter of 2017 were 13% higher in terms of USD and 15% higher in SEK compared with the fourth quarter of 2016.

SSAB sources coking coal from Australia, the USA, Canada and Russia. Price agreements for Australian, Canadian and Russian coal are entered into monthly, whereas price agreement for most USA coal is entered into quarterly. SSAB's prices during the first quarter of 2017 were 147% higher in terms of USD and 162% higher in SEK compared with the first quarter of 2016. SSAB's price for coal during the first quarter of 2017 was 3% higher in USD and 2% higher in SEK compared with the fourth quarter of 2016.

The US operations regularly purchase scrap metal as a raw material for their production. Spot prices for scrap metal were volatile during the first quarter of 2017. Spot prices were 20% higher in terms of USD at the end of the quarter compared with the end of the first quarter 2016 and 6% higher in USD compared with the end of the fourth quarter 2016.

Outlook

In North America, demand for heavy plate both from end customers and distributors is anticipated to be good during the second quarter. In Europe, demand is likewise expected to be good during the second quarter, with no major changes expected in either end customer or distributor stock levels. It is anticipated that import volumes into North America will remain lower than the same period a year earlier, whereas in Europe no major change in import volumes is expected. It is expected that the underlying demand for high-strength steels will show positive development during the second quarter. Second quarter shipments will not to any larger extent be impacted by the breakdown in the rolling mill in Oxelösund that occurred in the end of 2016, as the restart in February went according to plan. Overall, SSAB's shipments are expected to be somewhat higher during the second quarter than during the first quarter. It is anticipated that prices realized by SSAB during the second quarter will increase compared to prior quarter, however mitigated by increased raw material costs.

Work started on a major maintenance outage in Mobile during the end of the first quarter and was completed during the beginning of the second quarter. This outage had an impact of around SEK 160 million on earnings during the first quarter. The table below shows all planned maintenance outages during 2017 and the impact of the estimated direct maintenance cost and the cost of lower capacity utilization (under absorption), but excluding lost margins.

Major maintenance outages in 2017

SEK millions	2017 Q 1	2017 Q 2	2017 Q 3	2017 Q 4	2017 Full year
SSAB Special Steels			230		230
SSAB Europe	20	20	170	100	310
SSAB Americas	160	230			390
Total	180	250	400	100	930

SSAB Group

Development during the first quarter

Shipments and production

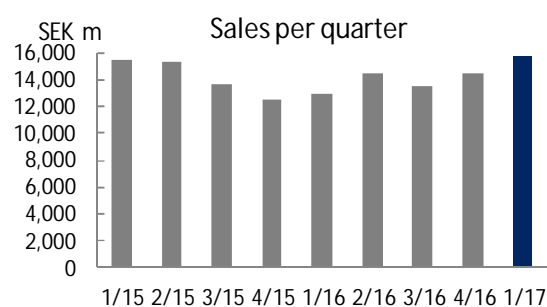
SSAB's shipments during the first quarter were 1,745 (1,677) thousand tonnes, up 4% compared with the first quarter of 2016 and up 7% compared with the fourth quarter of 2016.

Crude steel production was unchanged compared with the first quarter of 2016 and up 2% compared with the fourth quarter of 2016. Rolling production was up 4% compared with the first quarter of 2016 and up 8% compared with the fourth quarter of 2016.

Sales

Sales for the first quarter of 2017 were SEK 15,739 (12,964) million, up 21% compared with the first quarter of 2016. Higher prices had a positive impact of 11 percentage points, higher volumes had a positive impact of 4 percentage points, currency effects has a positive impact of 4 percentage points, other sales has a positive impact of 1 percentage point and a better product mix had a positive impact of 1 percentage point.

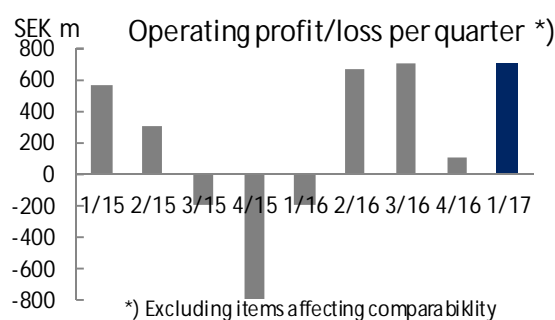
Compared with the fourth quarter of 2016, sales were up 9%. Higher volumes and higher prices each had a positive impact of 7 percentage points, whereas other sales had a negative impact of 3 percentage points and currency effects had a negative impact of 2 percentage points.



Earnings

Operating profit for the first quarter of 2017 was SEK 702 (-193) million, up SEK 895 million compared with the first quarter of 2016. Improved earnings were primarily due to higher prices (SEK 1,700m), higher volumes (SEK 270m) and currency effects (SEK 50m), whereas higher variable (SEK 1,100m) and fixed (SEK 100m) costs had a negative impact on earnings.

Compared with the fourth quarter of 2016, earnings were up SEK 595 million. Improved earnings were primarily due to higher prices (SEK 750m), higher volumes (SEK 450m), better capacity utilization (SEK 160m) and lower fixed costs (SEK 90m), whereas higher variable costs (SEK 700m) and currency effects (SEK 170m) had a negative impact on earnings.



Financial items for the first quarter were SEK -253 (-154) million and the result after financial items was SEK 449 (-347) million.

Profit/loss after tax and earnings per share

Profit/loss after tax (attributable to shareholders) for the first quarter was SEK 500 (-134) million, equating to SEK 0.49 (-0.18) per share. Tax for the first quarter was positive at SEK 53 (214) million.

Cash flow, financing and liquidity

Operating cash flow for the first quarter was SEK 876 (77) million. Cash flow was positively impacted primarily by operating profit.

Net cash flow was SEK 589 (-244) million. Net cash flow was affected, among other things, by payments for strategic expenditures, including acquisitions of operations and businesses, of SEK 44 (95) million (total capital expenditure was SEK 259 (314) million). Net debt decreased by SEK 857 million during the first quarter and at 31 March amounted to SEK 17,030 million. The net debt/equity ratio was 32% (53%).

Operating cash flow and net debt

SEK millions	2017 Q 1	2016 Q 1	2016 Full year
Operating profit before depreciation/amortization	1,627	741	4,951
Change in working capital	-526	-476	-661
Maintenance expenditures	-215	-219	-1,053
Other	-10	31	-30
Operating cash flow	876	77	3,207
Financial items	-222	-178	-994
Taxes	-21	-48	80
Cash flow from current operations	633	-149	2,293
Strategic capital expenditures in plants and machinery	-44	-88	-273
Acquisitions of shares and operations	0	-7	-46
Divestments of shares and operations	-	-	-
Cash flow before dividend	589	-244	1,974
Dividend to the Parent Company's shareholders	-	-	-
Rights issue	-	-	4,907
Dividend to non-controlling interest	-	-	-6
Net cash flow	589	-244	6,875
Net debt at beginning of period	-17,887	-23,156	-23,156
Net cash flow	589	-244	6,875
Revaluation of liabilities against equity 1)	246	352	-1,342
Other 2)	22	-165	-264
Net debt at end of period	-17,030	-23,213	-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.

The term to maturity of the total loan portfolio at 31 March averaged 4.9 (4.4) years, with an average fixed interest period of 0.7 (0.9) years.

Cash and cash equivalents were SEK 3,606 (2,629) million and non-utilized credit facilities were SEK 7,081 (8,362) million, which combined corresponds to 18 (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 most recent 12-month period were both 3%, whereas figures for the whole of 2016 were both 2%.

Equity

With earnings of SEK 500 million and other comprehensive income (mostly consisting of translation differences) of SEK -436 million, shareholders' equity in the company was SEK 52,955 (43,777) million, equating to SEK 51.42 (79.70) per share.

Information about the 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 20 for more information about the business segments.

SSAB Special Steels

Key numbers

SEK millions	2017 Q 1	2016 Q 1	2016 Q 4	2016 Full year
Sales	3,925	3,132	3,066	12,582
Operating profit before depreciation/amortization, EBITDA	377	345	111	1,453
Operating profit/loss	243	202	-29	902
Operating cash flow	56	-496	346	437
Number of employees at end of period	2,769	2,801	2,772	2,772

Demand grew during the first quarter of 2017 primarily from the Heavy Transport, Construction Machinery and the Material Handling segments.

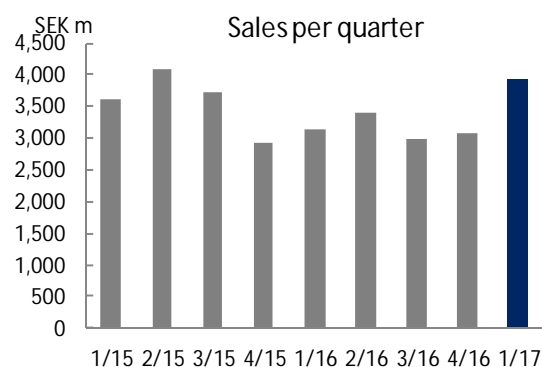
External shipments of steel during the first quarter of 2017 were up 8% compared with the first quarter of 2016 and up 19% compared with the fourth quarter of 2016. External shipments were 277 (256) thousand tonnes. Despite the breakdown in Oxelösund, our production flexibility enabled us to maintain a good level of shipments since several mills are able to produce high-strength steels.

Crude steel production during the first quarter of 2017 was up 22% compared with the first quarter of 2016 and 49% compared with the fourth quarter of 2016. This rise was primarily due to the planned maintenance outage during the fourth quarter of 2016.

Rolling production was down 36% compared with the first quarter of 2016 and 2% compared with the fourth quarter of 2016. This sharp fall compared with the first quarter of 2016 was due to the production breakdown in Oxelösund, which occurred towards the end of the fourth quarter of 2016 and which had a negative impact on much of the first quarter of 2017. Rolling production has been running at full capacity since the beginning of February.

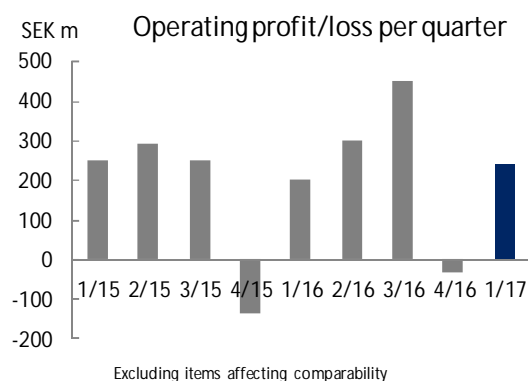
Sales for the first quarter of 2017 were SEK 3,925 (3,132) million, up 25% compared with the first quarter of 2016. Other sales (incl. internal sales of slabs) had a positive impact of 14 percentage points, higher volumes (of end products) had a positive impact of 8 percentage points and currency effects had a positive impact of 4 percentage points, whereas a weaker product mix had a negative impact of 1 percentage point.

Compared with the fourth quarter of 2016, sales were up 28%. Higher volumes (of end products) had a positive impact of 19 percentage points, higher other sales (incl. internal sales of steel slabs) had a positive impact of 12 percentage points and higher prices had a positive impact of 1 percentage point, whereas currency effects and a weaker product mix each had a negative impact of 2 percentage points.



Operating profit for the first quarter of 2017 was SEK 243 (202) million, up SEK 41 million compared with the first quarter of 2016. Improved earnings were primarily due to higher volumes and higher prices, the impact of which was counteracted by lower capacity utilization arising from the breakdown in Oxelösund.

Compared with the fourth quarter of 2016, earnings were up SEK 272 million. This was primarily due to higher volumes and lower fixed costs (primarily arising from the planned maintenance outage in the fourth quarter 2016), the impact of which was counteracted by higher variable costs.



Operating cash flow during the first quarter was SEK 56 (-496) million. Cash flow was impacted positively by operating profit during the first quarter of 2017. The impact of which was counteracted by higher working capital.

Capital expenditure payments during the first quarter were SEK 79 (42) million, of which SEK 7 (2) million were strategic investments.

SSAB Europe

Key numbers

SEK millions	2017 Q 1	2016 Q 1	2016 Q 4	2016 Full year
Sales	7,657	6,040	7,001	25,831
Operating profit before depreciation/amortization, EBITDA	1,182	244	746	2,458
Operating profit/loss 1)	826	-118	376	1,000
Operating cash flow	481	495	278	2,113
Number of employees at end of period	6,826	7,057	6,851	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 52 (52) million during the first quarter.

Demand during the first quarter of 2017 was good, primarily from the Automotive, Heavy Transport and Construction Building segments.

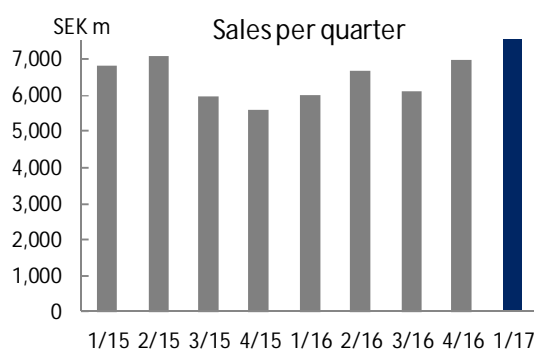
External shipments of steel during the first quarter were up 4% compared with the first quarter of 2016 and up 9% compared with the fourth quarter of 2016. External shipments were 982 (946) thousand tonnes.

Crude steel production was unchanged compared with the first quarter of 2016, but down 4% compared with the fourth quarter of 2016.

Rolling production was up 14% compared with the first quarter of 2016 and up 13% compared with the fourth quarter of 2016.

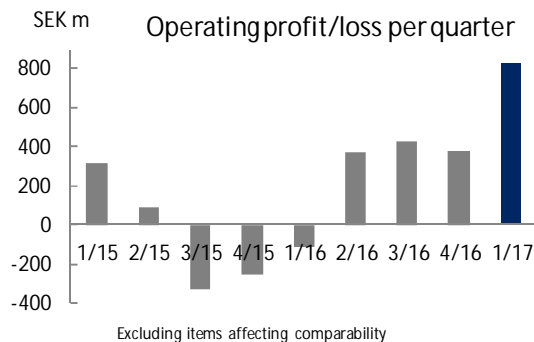
Sales for the first quarter of 2017 were SEK 7,657 (6,040) million, up 27% compared with the first quarter of 2016. Higher prices had a positive impact of 19 percentage points, higher volumes had a positive impact of 4 percentage points, currency effects had a positive impact of 2 percentage points, other sales had a positive impact of 1 percentage point and a better product mix had a positive impact of 1 percentage point.

Compared with the fourth quarter of 2016, sales were up 9%. Higher volumes had a positive impact of 9 percentage points and higher prices had a positive impact of 9 percentage points, whereas other sales (incl. internal sales) had a negative impact of 7 percentage points and currency effects had a negative impact of 2 percentage points.



Operating profit for the first quarter of 2017 was SEK 826 (-118) million, up SEK 944 million compared with the first quarter of 2016. This was primarily due to higher prices, higher volumes as well as better capacity utilization, the impact of which was counteracted by higher variable and fixed costs.

Compared with the fourth quarter of 2016, earnings were SEK 450 million higher. This was primarily due to higher prices, higher volumes as well as better capacity utilization, the impact of which was counteracted by higher variable costs and negative currency effects.



Operating cash flow during the first quarter was SEK 481 (495) million. Cash flow was impacted positively by operating profit, but negatively by higher working capital, primarily due to higher accounts receivable.

Capital expenditure payments during the first quarter were SEK 119 (139) million, of which SEK 15 (37) million were strategic investments.

SSAB Americas

Key numbers

SEK millions	2017 Q 1	2016 Q 1	2016 Q 4	2016 Full year
Sales	3,019	2,428	2,825	10,639
Operating profit before depreciation/amortization, EBITDA	8	209	136	737
Operating profit/loss 1)	-157	55	-34	110
Operating cash flow	243	90	165	426
Number of employees at end of period	1,222	1,248	1,222	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 157 (160) million during the first quarter.

Demand grew during the first quarter of 2017 primarily from the Energy segment, whereas demand from the Heavy Transport segment continued to decrease.

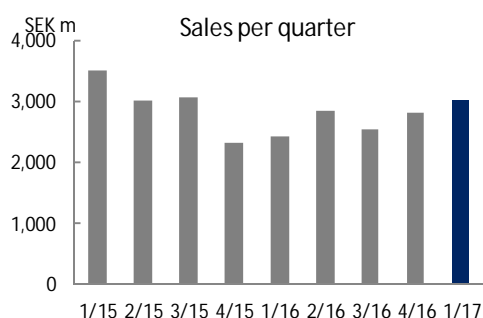
External shipments of steel during the first quarter of 2017 were up 2% compared with the first quarter of 2016, but down 3% compared with the fourth quarter of 2016 (as a result of the maintenance outage during 2017). External shipments were 486 (475) thousand tonnes.

Crude steel production was down 8% compared with the first quarter of 2016, but up 2% compared with the fourth quarter of 2016.

Rolling production was down 5% compared with the first quarter of 2016, but unchanged compared with the fourth quarter of 2016.

Sales for the first quarter of 2017 were SEK 3,019 (2,428) million, up 24% compared with the first quarter of 2016. Higher prices had a positive impact of 14 percentage points, currency effects had a positive impact of 7 percentage points, higher volumes had a positive impact of 2 percentage points and other sales had a positive impact of 1 percentage point.

Compared with the fourth quarter of 2016, sales were 7% higher. Higher prices had a positive impact of 11 percentage points, whereas lower volumes had a negative impact of 3 percentage points and currency effects had a negative impact of 1 percentage point.



Operating loss for the first quarter of 2017 was SEK 157 (operating profit 55) million, down SEK 212 million compared with the first quarter of 2016. Earnings were down primarily due to higher variable costs (higher scrap costs as well as maintenance outage in the first quarter of 2017) and lower capacity utilization, the impact of which was partly offset by higher prices and somewhat higher volumes.

Compared with the fourth quarter of 2016, earnings were down SEK 123 million. Weaker earnings were primarily due to higher variable costs (higher scrap costs as well as maintenance outage in the first quarter of 2017), the impact of which was partly offset by higher prices.

Operating cash flow during the first quarter of 2017 was SEK 243 (90) million. Cash flow was impacted positively primarily by lower working capital.

Capital expenditure payments during the first quarter were SEK 24 (77) million, of which SEK 3 (18) million were strategic investments.

Tibnor

Key numbers

SEK millions	2017 Q 1	2016 Q 1	2016 Q 4	2016 Full year
Sales	2,019	1,707	1,813	6,879
Operating profit before depreciation/amortization, EBITDA	118	1	57	191
Operating profit/loss 1)	99	-20	34	106
Operating cash flow	156	70	211	191
Number of employees at end of period	1,128	1,189	1,137	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 first quarter.

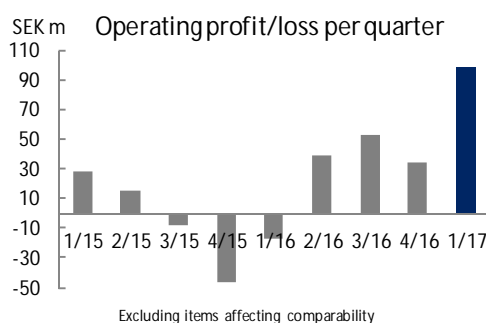
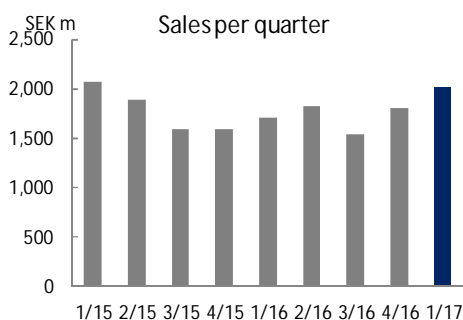
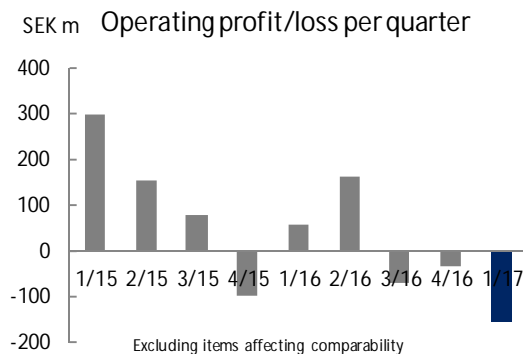
Total shipments during the first quarter of 2017 were up 7% compared with the first quarter of 2016, primarily in the Strip Products and Heavy Plate Products segments. Compared with the fourth quarter of 2016, shipments were up 8%, primarily in the Strip Products, Heavy Plate Products and Rebar Products segments.

Sales for the first quarter of 2017 were SEK 2,019 (1,707) million, up 18% compared with the first quarter of 2016. Higher sales were primarily due to higher volumes and higher prices.

Compared with the fourth quarter of 2016, sales were up 11%. This was primarily due to higher volumes.

Operating profit for the first quarter of 2017 was SEK 99 (-20) million, up SEK 119 million compared with the first quarter of 2016. Improved earnings were primarily due to improved margins and higher volumes.

Compared with the fourth quarter of 2016, earnings were up SEK 65 million. This was primarily due to improved margins and higher volumes.



Operating cash flow during the first quarter of 2017 was SEK 156 (70) million. Cash flow during the first quarter of 2017 was impacted positively by operating profit and lower working capital.

Capital expenditure payments during the first quarter were SEK 19 (5) million, of which SEK 11 (0) million were strategic investments.

Ruukki Construction

Key numbers

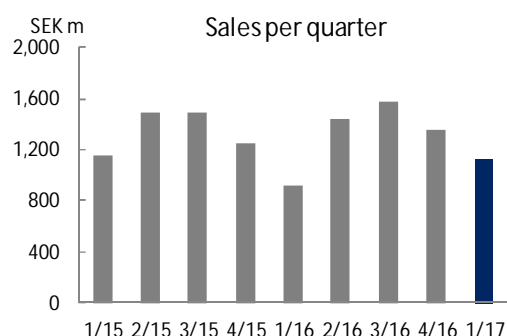
SEK millions	2017 Q 1	2016 Q 1	2016 Q 4	2016 Full year
Sales	1,131	928	1,353	5,304
Operating profit before depreciation/amortization, EBITDA	8	-10	45	322
Operating profit/loss 1)	-29	-48	7	171
Operating cash flow	36	-32	66	243
Number of employees at end of period	2,568	2,817	2,543	2,543

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 first quarter.

Demand declined seasonally within the construction sector.

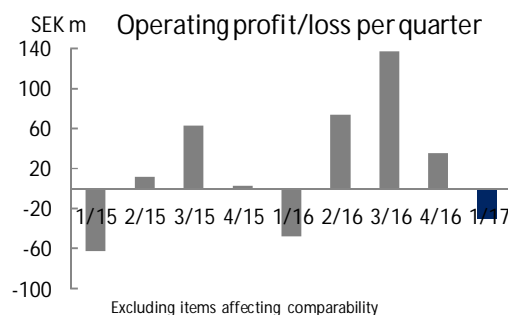
Sales for the first quarter of 2017 were SEK 1,131 (928) million, up 22% compared with the first quarter of 2016. This was primarily due to higher sales in the Building Components and Residential Roofing segments.

Compared with the fourth quarter of 2016, sales were down 17%. This was primarily due to seasonally lower sales in the construction sector, mostly in the Residential Roofing segment.



Operating loss for the first quarter of 2017 was SEK 29 (loss of 48) million, an improvement of SEK 19 million compared with the first quarter of 2016. This was primarily due to higher volumes.

Compared with the fourth quarter of 2016, earnings were down SEK 36 million. This was primarily due to seasonally lower volumes.



Operating cash flow during the first quarter of 2017 was SEK 36 (-32) million. Cash flow was impacted positively primarily by lower working capital.

Capital expenditure payments during the first quarter were SEK 14 (40) million, of which SEK 8 (39) million were strategic investments.

Sustainability

The GRI report is an integrated part of SSAB's Annual Report, published in March 2017, and can be found on www.ssab.com.

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 quarter.

Accounting principles

This interim report has been prepared in accordance 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.

IFRS 15, Revenue from contract with customers

This standard applies commencing from January 1, 2018. The Group will apply this from January 1, 2018 but will restate the financial reports for 2017 in accordance with IFRS 15. As of March 31, 2017, no quantitative estimates or calculations have been made. SSAB has focused on identifying the Group's sales models.

Subsequent events since the end of the reporting period

The annual general meeting was held on April 6, 2017 and elected Pasi Laine as a new director. The annual general meeting resolved not to pay a dividend for the financial year 2016.

Review

This interim report has not been subject to review by the auditors.

Stockholm, April 20, 2017

Martin Lindqvist
President & CEO

Financial reports in accordance with IFRS – the Group

Consolidated income statement

SEK millions	2017 Q 1	2016 Q 1	2016 Full year
Sales	15,739	12,964	55,354
Cost of goods sold	-14,046	-12,127	-50,240
Gross profit	1,693	837	5,114
Selling and administrative costs	-1,077	-1,083	-4,169
Other operating income and expenses 1)	69	39	212
Affiliated companies, profit after tax	17	14	56
Operating profit/loss	702	-193	1,213
Financial income	101	23	80
Financial expenses	-354	-177	-969
Profit/loss for the period after financial items	449	-347	324
Tax	53	214	619
Profit/loss for the period	502	-133	943
Of which attributable to:			
- Parent Company's shareholders	500	-134	937
- Non-controlling interest	2	1	6

Key numbers

	2017 Q 1	2016 Q 1	2016 Full year
Operating margin (%)	4	-1	2
Earnings per share (SEK) 2)	0.49	-0.18	1.04
Equity per share (SEK) 3)	51.42	79.70	51.36
Net debt/equity ratio (%)	32	53	34
Average number of shares during the period (millions)	1,029.8	549.2	794.8
Adjusted average number of shares during the period (millions) 2)	1,029.8	765.0	900.3
Number of shares at end of period (millions) 3)	1,029.8	549.2	1,029.8
Number of employees at end of period	14,977	15,757	14,980

1) The result for the quarter includes primarily currency effects on operating receivables / liabilities of SEK 49 (2) million.

2) Average number of shares and earnings per share has been adjusted based on the bonus issue element in the rights issue. 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 1	2016 Q 1	2016 Full year
Profit/loss for the period after tax	502	-133	943
<i>Other comprehensive income</i>			
<u>Items that may be subsequently reclassified to the income statement</u>			
Translation differences for the period	-563	-704	3,462
Cash flow hedges	-75	-9	291
Hedging of currency risks in foreign operations 1)	246	352	-1,342
Share in other comprehensive income of affiliated companies and joint ventures	0	0	0
Tax attributable to items that may be subsequently reclassified to the income statement	-39	-74	237
Total items that may be subsequently reclassified to the income statement	-431	-435	2,648
<u>Items that will not be reclassified to the income statement</u>			
Remeasurements of the net defined benefit liability	-5	-59	12
Tax attributable to items that will not be reclassified to the income statement	1	12	-5
Total items that will not be reclassified to the income statement	-4	-47	7
Total other comprehensive income for the period, net after tax	-435	-482	2,655
Total comprehensive income for the period	67	-615	3,598
Of which attributable to:			
- Parent Company's shareholders	64	-616	3,591
- Non-controlling interest	3	1	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						
	Share capital	Other contributed funds	Reserves	Retained earnings	Total equity	Non-controlling interest	Total equity
Equity, December 31, 2015	4,833	22,343	1,357	15,860	44,393	48	44,441
<u>Changes Jan 1 - March 31, 2016</u>							
Total comprehensive income for the period			-435	-181	-616	1	-615
Equity, March 31, 2016	4,833	22,343	922	15,679	43,777	49	43,826
<u>Changes April 1 - Dec. 31, 2016</u>							
Total comprehensive income for the period			3,082	1,125	4,207	6	4,213
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 - March 31, 2017</u>							
Total comprehensive income for the period			-431	495	64	3	67
Equity, March 31, 2017	9,062	23,021	3,573	17,299	52,955	52	53,007

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

Consolidated balance sheet

SEK millions	2017 March 31	2016 March 31	2016 Dec. 31
<i>Assets</i>			
Goodwill	29,499	27,208	29,909
Other intangible assets	2,491	3,061	2,704
Tangible fixed assets	25,250	25,955	25,866
Participations in affiliated companies	630	568	628
Financial assets	324	500	308
Deferred tax receivables 2)	524	1,508	1,054
Total fixed assets	58,718	58,800	60,469
Inventories	15,598	12,385	15,001
Accounts receivable	8,077	6,949	7,118
Current tax receivables	477	436	474
Other current receivables 1)	4,319	2,698	3,972
Cash and cash equivalents	3,371	2,629	3,879
Total current assets	31,842	25,097	30,444
Total assets	90,560	83,897	90,913
<i>Equity and liabilities</i>			
Equity for shareholders in the Company	52,955	43,777	52,891
Non-controlling interest	52	49	49
Total equity	53,007	43,826	52,940
Deferred tax liabilities	663	2,177	1,321
Other long-term provisions	530	620	529
Long-term non-interest bearing liabilities 2)	380	566	448
Long-term interest-bearing liabilities	17,975	21,050	18,751
Total long-term liabilities	19,548	24,413	21,049
Short-term interest-bearing liabilities	4,781	5,984	4,497
Accounts payable	9,098	5,773	8,224
Current tax liabilities	134	95	41
Other current liabilities	3,992	3,806	4,162
Total current liabilities	18,005	15,658	16,924
Total equity and liabilities	90,560	83,897	90,913
Pledged assets	2,483	1,923	1,871
Contingent liabilities	3,359	2,430	2,705

1) Other current receivables comprise short-term bank deposits (escrow agreement) in the amount of SEK 2,424 (1,347) million.

2) Of the Deferred tax receivable, SEK 215 (258) 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 145 (281) million and in the balance sheet item "Other current liabilities" derivatives are valued at a total of SEK 473 (421) million. In the balance sheet item "Long-term noninterest bearing liabilities", derivatives are included valued at a total of SEK 63 (147) 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 at fixed interest reported in the balance sheet item "Long-term interest-bearing liabilities" (including short-term part) would exceed the reported amount by SEK 112 (115) million. However, since the loans will be held until maturity, this does not affect the reported value.

Assessment of 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 1	2016 Q 1	2016 Full year
Operating profit/loss	702	-193	1,213
Adjustment for depreciation and impairment	925	934	3,738
Adjustment for other non-cash items	-16	20	-79
Received and paid interest	-222	-178	-994
Tax paid	-21	-48	80
Change in working capital	-526	-476	-661
Cash flow from operating activities	842	59	3,297
Capital expenditure payments in plants and machinery	-259	-307	-1,326
Acquisitions, shares and operations	0	-7	-46
Other investing activities	6	11	49
Cash flow from investing activities	-253	-303	-1,323
Dividend, non-controlling interest	-	-	-6
Rights issue	-	-	4,907
Change in loans	-311	410	-5,270
Change in financial investments	-858	327	-141
Other financing activities	54	-608	-422
Cash flow from financing activities	-1,115	129	-932
Cash flow for the period	-526	-115	1,042
Cash and cash equivalents at beginning of period	3,879	2,711	2,711
Exchange rate difference in cash and cash equivalents	18	33	126
Cash and cash equivalents at end of period	3,371	2,629	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/loss before depreciation/amortization, EBITDA

SEK millions	2017 Q 1	2016 Q 1	2016 Full year
Operating profit/loss	702	-193	1,213
Depreciation & impairment	925	934	3,738
Operating profit before depreciation/amortization, EBITDA	1,627	741	4,951

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

SEK millions	2017 Q 1	2016 Q 1	2016 Full year
Operating profit before depreciation/amortization, EBITDA	1,627	741	4,951
Items affecting comparability 1)	-	3	79
Operating profit before depreciation/amortization, EBITDA, excluding items affecting comparability	1,627	744	5,030

Specification of items affecting comparability

SEK millions	2017 Q 1	2016 Q 1	2016 Full year
<u>Operating expenses</u>			
Restructuring related to synergies	-	-3	-79
Effect on operating profit/loss	-	-3	-79
<u>Financial costs</u>			
Financial items	-	-	-
Effect on profit after financial items	-	-3	-79
<u>Taxes</u>			
Tax effects	-	1	17
Effect on profit/loss after tax	-	-2	-62

Items affecting comparability incl. in 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
SSAB Special Steels	-	-	-	-	-	-27	-	-	-
SSAB Europe	-2	-2	-	-95	-	-49	-	-	-
SSAB Americas	-	-	-	-	-	-	-	-	-
Tibnor	-20	-4	-	112	-3	-	-	-	-
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	April 16- March 17	April 15 - March 16	2016 Full year
Operating profit/loss	2,107	-970	1,213
Financial income	158	52	80
Total	2,265	-918	1,293
Average capital employed	76,657	74,260	74,564
Return on capital employed before tax, %	3%	-1%	2%

Return on equity after tax, rolling 12 months

SEK millions	April 16- March 17	April 15 - March 16	2016 Full year
Profit/loss for the period, after tax	1,578	-921	943
Average equity	50,903	45,345	48,822
Return on equity after tax, %	3%	-2%	2%

Operating cash flow

SEK millions	2017 Q 1	2016 Q 1	2016 Full year
Cash flow from operating activities	842	59	3,297
Reversal received and paid interests	222	178	994
Reversal tax paid	21	48	-80
Maintenance expenditures 1)	-215	-219	-1,053
Other investing activities 2)	6	11	49
Operating cash flow	876	77	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 31 Mar.	2016 31 Mar.	2016 31 Dec.
Interest-bearing assets 1)	6,476	4,626	6,312
Interest-bearing liabilities 2)	23,506	27,841	24,199
Net debt	17,030	23,215	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), Raahe (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 Raahe 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 18 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
Sales	15,468	15,303	13,594	12,499	12,964	14,471	13,477	14,442	15,739
Operating expenses	-13,979	-14,077	-12,845	-12,352	-12,234	-12,904	-11,852	-13,390	-14,129
Depreciation/amortization 1)	-938	-944	-942	-960	-934	-917	-928	-959	-925
Affiliated companies	13	19	2	11	14	18	10	14	17
Financial items	-214	-213	-247	-249	-154	-243	-246	-246	-253
Result before tax	350	88	-438	-1,051	-344	425	461	-139	449

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
SSAB Special Steels	3,620	4,077	3,743	2,942	3,132	3,398	2,986	3,066	3,925
SSAB Europe	6,835	7,097	5,965	5,620	6,040	6,668	6,122	7,001	7,657
SSAB Americas	3,508	3,027	3,080	2,321	2,428	2,841	2,545	2,825	3,019
Tibnor	2,075	1,899	1,593	1,596	1,707	1,820	1,539	1,813	2,019
Ruukki Construction	1,147	1,488	1,496	1,243	928	1,444	1,579	1,353	1,131
Other	0	1	1	1	5	3	1	5	0
Group adjustments	-1,717	-2,286	-2,284	-1,224	-1,276	-1,703	-1,295	-1,621	-2,012
Total	15,468	15,303	13,594	12,499	12,964	14,471	13,477	14,442	15,739

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

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

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

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

Financial reports in accordance with IFRS – the Parent Company

The Parent Company's income statement

SEK millions	2017 Q 1	2016 Q 3 1)	2016 Full year 1)
Gross profit	0	0	0
Selling and administrative costs	-80	-55	-261
Other operating income/expenses	33	17	103
Operating profit/loss	-47	-38	-158
Financial items 1)	91	267	8,410
Profit/loss after financial items	44	229	8,252
Appropriations	-	-	1,100
Tax	-10	-49	211
Profit/loss after tax	34	180	9,563

1) During 2016, SSAB Finance UK distributed SEK 35 billion to the Parent Company, subsequent to which the shares in SSAB Finance UK were written down.

The Parent Company's statement of comprehensive income

SEK millions	2017 Q 1	2016 Q 3 1)	2016 Full year 1)
Profit/loss after tax	34	180	9,563
<i>Other comprehensive income</i>			
<u>Items that may be classified to the income statement</u>			
Cash flow hedges	0	-20	3
Tax attributable to other comprehensive income	0	4	-1
Total items that will be reclassified to the income statement	0	-16	2
Other comprehensive income, net after tax	0	-16	2
Total comprehensive income for the period	34	164	9,565

The Parent Company's balance sheet

SEK millions	2017 March 31	2016 March 31	2016 Dec. 31
<i>Assets</i>			
Fixed assets	68,155	57,402	34,512
Other current assets	15,845	14,319	49,810
Cash and cash equivalents	2,173	1,369	2,238
Total assets	86,173	73,090	86,560
<i>Equity and liabilities</i>			
Restricted equity	9,964	5,735	9,964
Unrestricted equity	50,470	40,356	50,436
Total equity	60,434	46,091	60,400
Untaxed reserves	-	-	-
Long-term liabilities and provisions	14,145	17,297	15,019
Current liabilities and provisions	11,594	9,702	11,141
Total equity and liabilities	86,173	73,090	86,560

1) Share capital increased by SEK 4,229 million following completion of the rights issue on June 27, 2016.

Production and shipments

Thousand tonnes	1/15	2/15	3/15	4/15	1/16	2/16	3/16	4/16	1/17
Crude steel production									
- SSAB Special Steels	354	380	401	226	218	288	291	178	265
- SSAB Europe	1,186	1,038	716	1,110	1,166	1,146	1,143	1,226	1,168
- SSAB Americas	555	546	607	474	617	623	533	558	569
- Total	2,095	1,964	1,724	1,810	2,001	2,058	1,967	1,962	2,002
Rolling production									
- SSAB Special Steels	119	141	142	103	130	137	146	85	83
- SSAB Europe	1,154	1,135	952	1,040	1,101	1,183	1,068	1,109	1,253
- SSAB Americas	518	521	559	469	576	584	493	544	545
- Total	1,791	1,798	1,653	1,612	1,807	1,904	1,707	1,738	1,881
Steel shipments									
- SSAB Special Steels	259	260	216	202	256	277	242	233	277
- SSAB Europe	976	991	823	823	946	1,013	863	898	982
- SSAB Americas	476	471	505	435	475	526	421	502	486
- Total	1,711	1,722	1,544	1,460	1,677	1,816	1,526	1,633	1,745

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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Half-year report 2017:

The half-year report for 2017 will be published on July 20, 2017.

SSAB

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