



**PRESS RELEASE**  
**April 22, 2016**

## SSAB will strengthen the balance sheet through a rights issue supported by the main shareholders and a debt refinancing package

**The Board of Directors of SSAB AB (publ) (“SSAB” or “the Company”) has resolved to launch a rights issue of Class B shares of around SEK 5 billion with preferential rights for existing shareholders subject to the approval by an extraordinary general meeting**

- SSAB’s two largest shareholders, Industrivärden and Solidium, have undertaken to subscribe for their pro rata shares of the rights issue. For the remaining amount, a syndicate of banks: Crédit Agricole Corporate and Investment Bank, Handelsbanken Capital Markets, Nordea Bank AB (publ) and Swedbank AB (publ) (together the “Joint Global Coordinators”), have entered into a standby underwriting commitment, subject to customary conditions
- In addition, Swedbank Robur and LKAB, together representing 4.4 per cent of the capital and 5.5 per cent of the votes have expressed their support for the rights issue and their intention to vote in favour of the rights issue at the extraordinary general meeting
- Extension of debt maturities, credit facilities and existing bank guarantees for a total of SEK 9.6 billion will secure liquidity and long-term financing for the coming years (partly subject to that the rights issue is realized)
- The rights issue combined with divestments of non-core assets and cash flow generation, will allow SSAB to reduce net debt by around SEK 10 billion and to improve net gearing to around 30 per cent by year-end 2017, which is in line with the Company’s long-term financial targets
- The increased financial flexibility will facilitate SSAB’s strategy to become the industry leading producer of high-strength steels and provider of value-added services globally, as well as strengthen the market leading position in its Nordic and North American home markets

*“This comprehensive financing package will enable us to fully focus on the activities that will restore us to industry leading profitability. A strongly improved financing position will mean that we are well placed to take advantage of opportunities in the market, while driving profitable growth in our focus areas. At the same time, we are well prepared to sustain periods of low demand,” says Martin Lindqvist, President and CEO.*



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## **Background and rationale**

SSAB has a unique global position in high-strength steels and value-added services, and leading positions in its Nordic and North American home markets. Having been focusing on integration and cost-cutting initiatives following the successful merger with Rautaruukki, SSAB now continues the transformation of its business model. The transformed business model includes product mix evolution in favour of growing the share of high-strength steels and other premium products, increased focus on service and after-market activities, as well as further growth in attractive market segments from the current well-invested asset base.

SSAB is now undertaking comprehensive measures to strengthen its balance sheet to pursue its journey toward achieving industry leading profitability. These measures will put SSAB in a competitive financial position, which together with the transformed business model, will enable long-term profitable growth and competitiveness.

Suggested measures to strengthen the balance sheet and improve flexibility going forward include a rights issue of around SEK 5 billion. The rights issue, combined with divestments of non-core assets and internal cash flow generation is expected to strengthen the Company's balance sheet, reduce net debt by around SEK 10 billion and improve net gearing to around 30 per cent by year end 2017, in line with SSAB's long-term financial targets.

Further financing measures taken include an extension of debt maturities of SEK 3.2 billion, existing bank guarantee extensions of SEK 3.7 billion and a new five-year (3+1+1 years) RCF of EUR 300-500 million (EUR 300 million is committed by three relationship banks and the remaining amount to be syndicated to other relationship banks). The financing package provided by shareholders and banks is expected to secure the refinancing needs during the next 3-5 years. Part of the financial package is subject to that the rights issue is realized.

## **Terms of the rights issue**

Subject to the approval by an extraordinary general meeting on May 27, 2016, SSAB's Board of Directors has resolved to launch a rights issue of Class B shares of around SEK 5 billion before transaction costs. The Company's shareholders have preferential rights to subscribe for Class B shares in the rights issue on a pro rata basis to the number of Class A and B shares held on the record date.

Allotment of Class B shares subscribed for without the exercise of subscription rights, will be allotted firstly to those who have subscribed for Class B shares by the exercise of subscription rights, irrespective of whether or not they were shareholders on the record date, pro rata in relation to the number of subscription rights exercised for the subscription of shares, secondly be allotted to other parties who have applied for subscription of Class B shares without the exercise of subscription rights, pro rata in relation to such declared interest and thirdly to the Joint Global Coordinators in proportion to their respective underwriting commitments.

The increase in share capital, the number of shares to be issued and the subscription price in the rights issue, is expected to be announced at the latest on May 24, 2016.

The subscription period will run from June 3, 2016, up to and including June 17, 2016, or such later date as decided by the Board of Directors. Trading in subscription rights is expected to take place from June 3, 2016, up to and including June 15, 2016 for shares traded on Nasdaq Stockholm and from June 3, 2016, up to and including June 13, 2016 for shares traded on Nasdaq Helsinki.

The resolution by the Board of Directors on the rights issue is subject to the approval of the extraordinary general meeting to be held on May 27, 2016. For more



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information, please see the notice to attend the extraordinary general meeting in a separate press release to be announced shortly.

### **Shareholder support and underwriting commitments**

The Company's two largest shareholders Industrivärden and Solidium, together representing 28.7 per cent of the capital and 29.3 per cent of the votes, have committed to subscribe for their pro rata shares in the rights issue. The above-mentioned shareholders have also committed to vote in favour of the rights issue at the extraordinary general meeting.

For the remaining amount, the Joint Global Coordinators, have entered into a standby underwriting commitment, subject to customary conditions.

In addition, Swedbank Robur and LKAB, whom together represent 4.4 per cent of the capital and 5.5 per cent of the votes have expressed their support for the rights issue and their intention to vote in favour of the rights issue at the extraordinary general meeting.

### **Indicative timetable for the rights issue**

May 24, 2016	Announcement of complete terms and conditions, including subscription price and subscription ratio
May 27, 2016	Extraordinary general meeting to approve the rights issue resolved by the Board of Directors
May 27, 2016	Last day of trading in shares including right to participate in the rights issue
May 30, 2016	First day of trading in shares excluding right to participate in the rights issue
May 31, 2016	Estimated date for publication of the prospectus
May 31, 2016	Record date for participation in the rights issue, i.e. holders of shares who are registered in the share register on this day will receive subscription rights for participation in the rights issue
June 3 – June 15, 2016	Trading in subscription rights on Nasdaq Stockholm
June 3 – June 13, 2016	Trading in subscription rights on Nasdaq Helsinki
June 3 – June 17, 2016	Subscription period
On or around June 22, 2016	Announcement of preliminary results of the rights issue
On or around June 27, 2016	Announcement of final results of the rights issue



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### **Financial and legal advisors**

Crédit Agricole Corporate and Investment Bank, Handelsbanken Capital Markets, Nordea Bank AB (publ) and Swedbank AB (publ) are acting as financial advisors and Mannheimer Swartling Advokatbyrå as legal advisor to SSAB in connection with the rights issue.

Stockholm April 22, 2016

**SSAB AB (publ)**

Board of Directors

### **Invitation to SSAB's first quarter 2016 results briefing**

SSAB invites you to a presentation of the quarterly report at 09.30am CEST on Friday April 22, 2016. The report is scheduled for publication at 07.30am CEST on the same date.

The press conference will be held in English and webcast live on SSAB's website [www.ssab.com](http://www.ssab.com). It is also possible to participate in the briefing via telephone.

**Venue and time of briefing:** World Trade Center (WTC) Stockholm, Kungsbron 1, Conference room Manhattan, 09.30am CEST.

#### **Telephone numbers:**

+ 46 8 505 564 74 (Sweden),

+ 44 203 364 5374 (UK),

+ 1 855 753 2230 (USA).

Link to webcast: [Go to webcast](#)

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*SSAB AB (publ) discloses the information in this press release according to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information was provided for public release on April 22, 2016 at 7.15a.m.*

SSAB is a Nordic and US-based steel company. SSAB offers value added products and services developed in close cooperation with its customers to create a stronger, lighter and more sustainable world. SSAB has employees in over 50 countries. SSAB has production facilities in Sweden, Finland and the US. SSAB is listed on the Nasdaq OMX Nordic Exchange in Stockholm and has a secondary listing on the Nasdaq OMX in Helsinki. [www.ssab.com](http://www.ssab.com).



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This press release contains certain forward-looking information that reflects SSAB's present view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "believe", "estimate" and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. Forward-looking information is not a guarantee of future results or development and actual outcomes may differ materially from the statements set forth in the forward-looking information.