



Positive trend in earnings and strong cash flow

Presentation of the Q3/2017 result

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SSAB

Agenda

- ▶ Q3/2017 and performance by division
- ▶ Financials
- ▶ Outlook
- ▶ Q&A

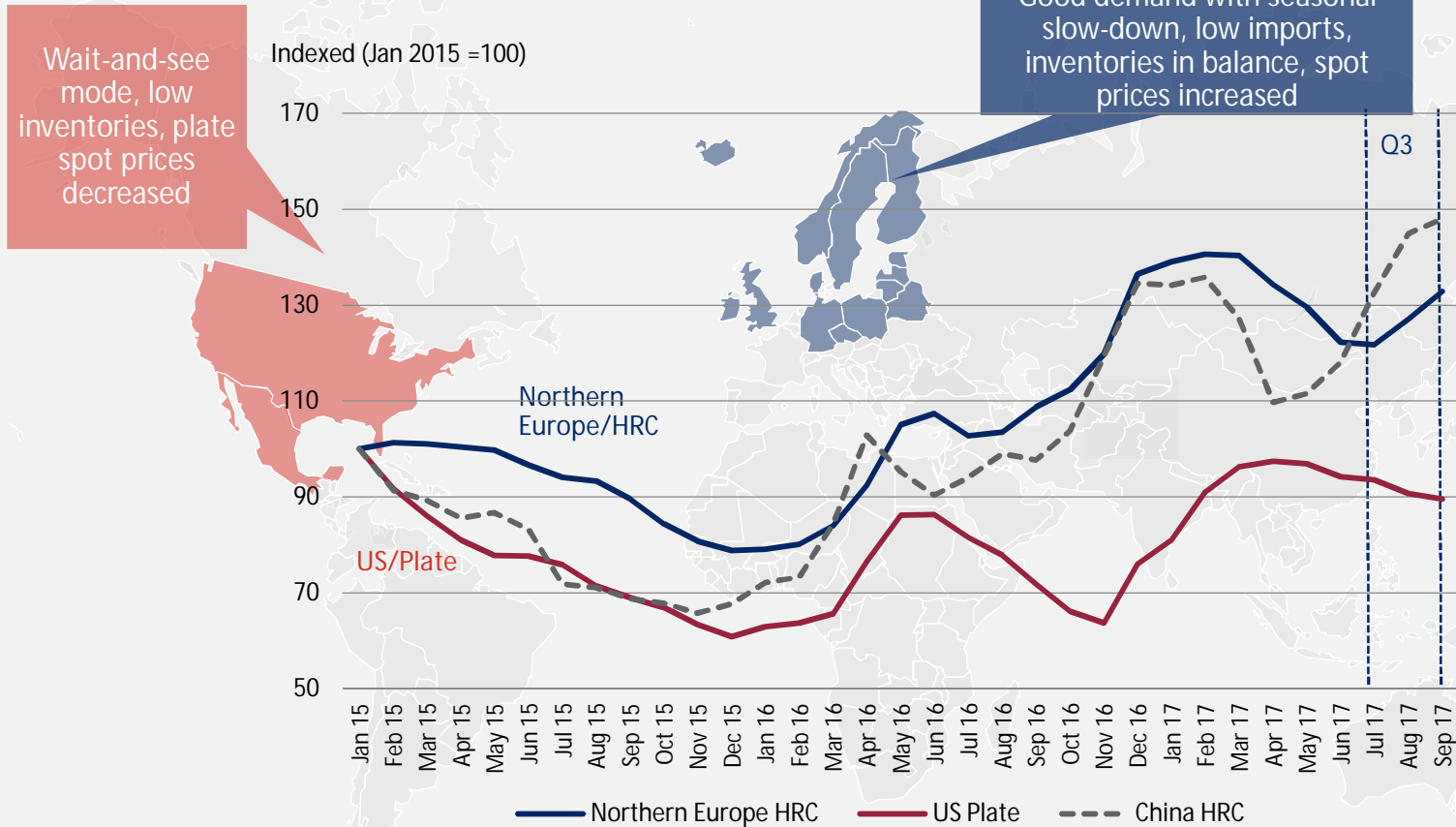


Q3/2017 and performance by division

Good demand in Europe, wait-and-see mode in North America

Spot price development: Hot Rolled Coil (HRC) in Northern Europe, Plate in US, HRC in China

Indexed (Jan 2015 = 100)



Summary of Q3/2017

Positive trend in earnings and continued strong cash flow

- ▶ EBIT of SEK 1,089m, up SEK 382m vs. Q3/16

- + Higher prices
- + Higher volumes
- Higher costs of raw materials

- ▶ EBIT was down SEK 116m compared with Q2/17

- + Lower fixed costs
- + Higher shipments in US
- Seasonally lower volumes in Europe
- Maintenance outages

- ▶ Operating cash flow at SEK 1,590m

- ▶ Gearing down to 27% (Q2/17: 30%)

Key figures

SEKm	Q3/2017	Q3/2016	Q2/2017	FY 2016
Sales	16,188	13,477	17,115	55,354
EBITDA	2,016	1,635	2,167	4,951
EBIT	1,089	707	1,205	1,213
Operating cash flow	1,590	926	1,069	3,207

SSAB Special Steels

Positive demand trend

- ▶ Shipments increased 21% vs. Q3/16, but decreased slightly vs. Q2/17
 - + Increased demand, especially in Mining and Construction Machinery segments
 - + Upgrading customers
- ▶ EBIT was SEK 219m, down SEK 143m vs. Q2/17
 - + Lower fixed costs
 - Maintenance outage

SEKm	Q3/2017	Q3/2016	Q2/2017	2016
Sales	3,627	2,986	4,133	12,582
EBITDA	353	587	495	1,453
EBIT	219	453	362	902
Shipments, ktonnes	293	242	304	1,008

Sales and EBITDA margin



SSAB

SSAB Europe

Continued strong performance

- ▶ Shipments +1% vs. Q3/16, -12% vs. Q2/17
 - + Strong demand in Heavy transport segment
 - + Automotive premium continued at good level; +28% vs. Q3/16
- ▶ EBIT in Q3 was SEK 680m, down SEK 342m vs. Q2/17
 - + Stronger mix
 - + Lower fixed costs
 - Seasonally lower shipments
 - Maintenance outage

SEKm	Q3/2017	Q3/2016	Q2/2017	2016
Sales	7,245	6,122	8,378	25,831
EBITDA	1,031	789	1,381	2,458
EBIT ¹	680	426	1,022	1,000
Shipments, ktonnes	871	863	991	3,720

Sales and EBITDA margin

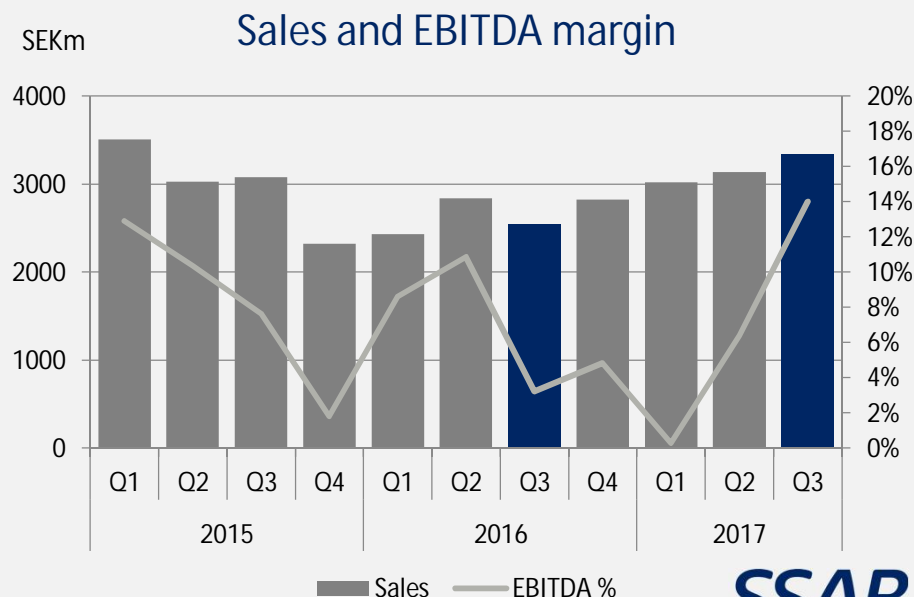


SSAB Americas

Higher prices and volumes

- ▶ Shipments +21% vs. Q3/16, +12% vs. Q2/17
 - + Good demand in Energy segment
 - Demand from Steel Service Centers was weak during Q3
- ▶ EBIT was SEK 316m, up SEK 277m from Q2/17
 - + Higher prices
 - + Higher volumes
 - + Maintenance outage in Q2
- ▶ EBITDA margin 14% in Q3

SEKm	Q3/2017	Q3/2016	Q2/2017	2016
Sales	3,340	2,545	3,138	10,639
EBITDA	468	83	201	737
EBIT ¹	316	-73	39	110
Shipments, ktonnes	508	421	452	1,924

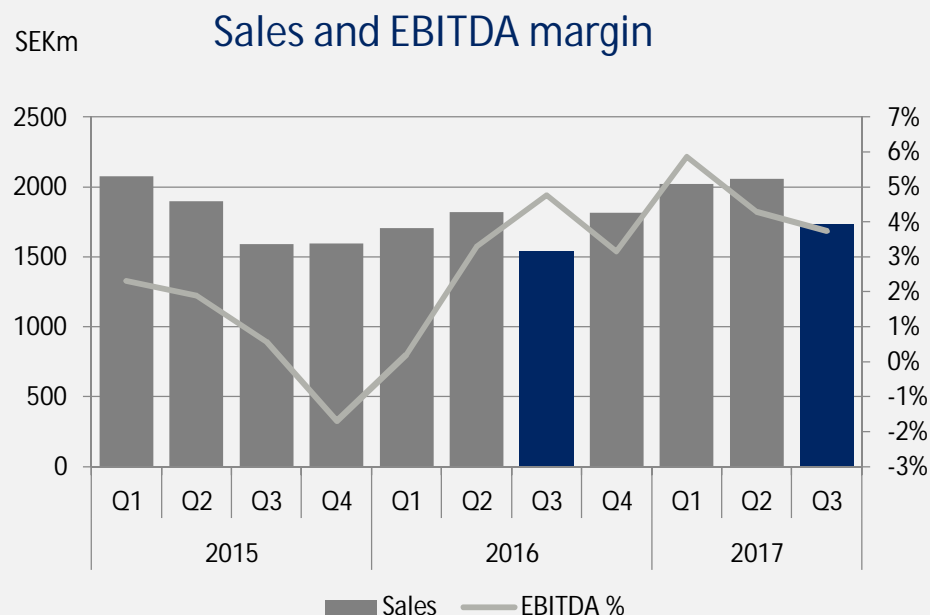


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Solid demand

- ▶ Sales were up 13% vs. Q3/16, but decreased 16% vs. Q2/17 due to seasonality
- ▶ EBIT was SEK 44m, down SEK 23m vs. Q2/17
 - Lower volumes
- ▶ EBIT was down by SEK 9m vs. Q3/16
 - + Underlying performance improved
 - Inventory gains in Q3/16

SEKm	Q3/2017	Q3/2016	Q2/2017	2016
Sales	1,733	1,539	2,057	6 879
EBITDA	65	73	88	191
EBIT ¹	44	53	67	106



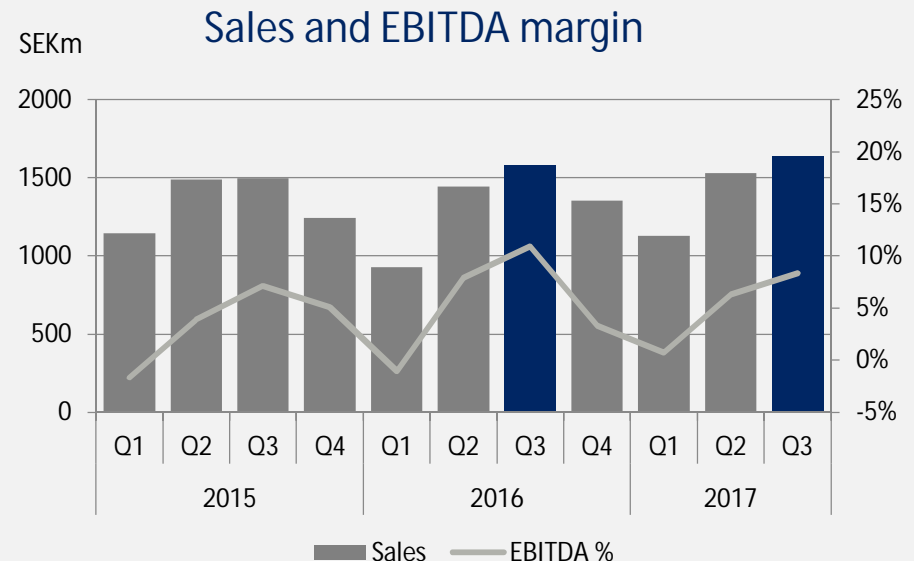
1) Excluding depreciation/amortization on surplus values on intangible and tangible fixed assets related to the acquisition of Rautaruukki

Ruukki Construction

Continued good demand in most markets

- ▶ Seasonally higher demand
- ▶ Sales +4% vs. Q3/16
 - + Demand is higher than previous year in most markets
- ▶ EBIT was SEK 105m, down SEK 32m vs. Q3/16
 - Lower margins due to higher input costs

SEKm	Q3/2017	Q3/2016	Q2/2017	2016
Sales	1,640	1,579	1,531	5,304
EBITDA	137	173	97	322
EBIT ¹	105	137	63	171



1) Excluding depreciation/amortization on surplus values on intangible and tangible fixed assets related to the acquisition of Rautaruukki

Financials

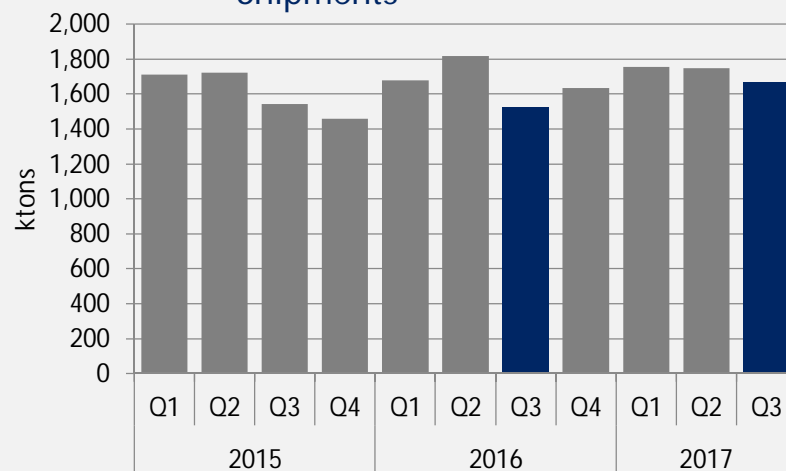
Profitability remained at good level

EBITDA margin above 12%, lower shipments due to seasonality

Sales



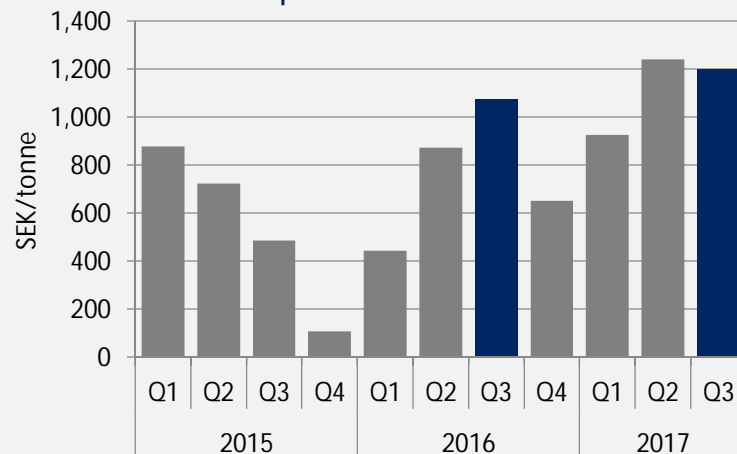
Shipments¹



EBITDA and EBITDA margin

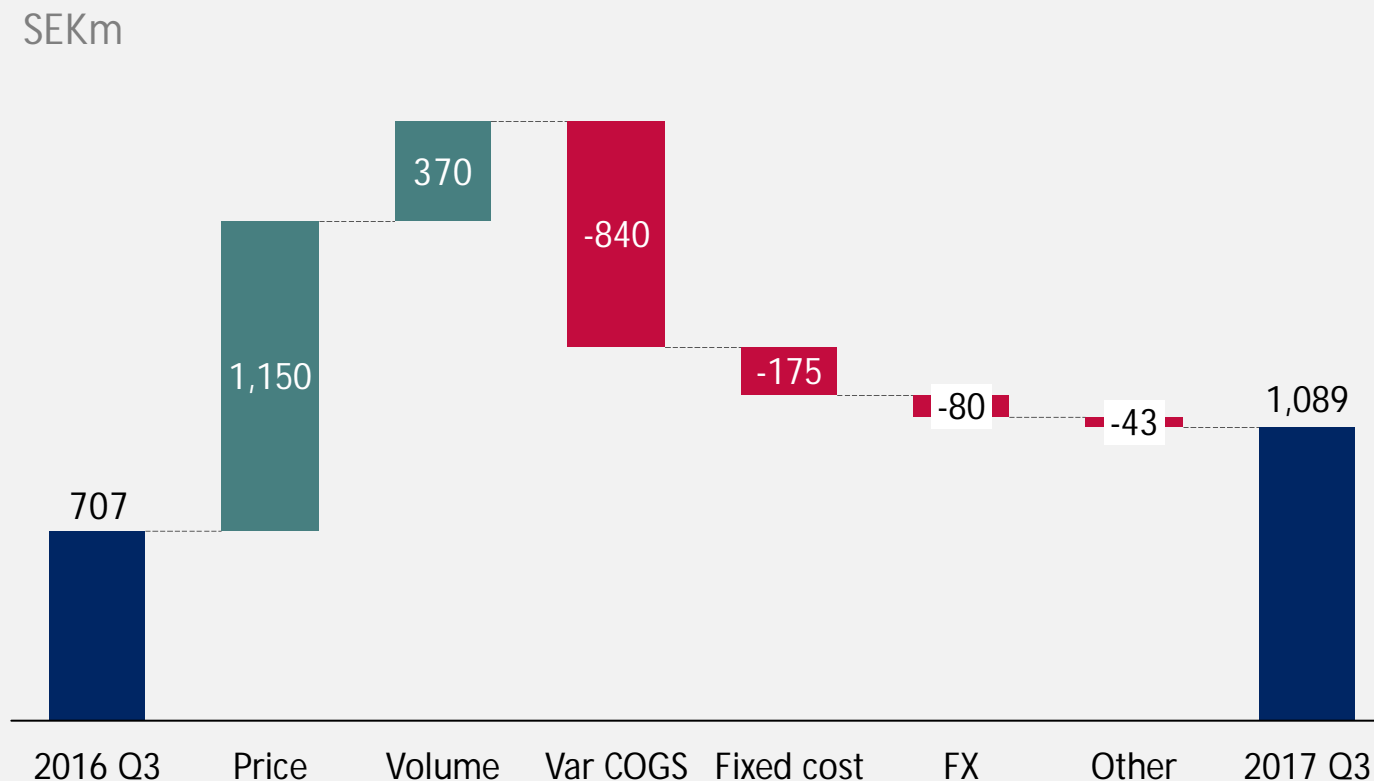


EBITDA per tonne delivered steel



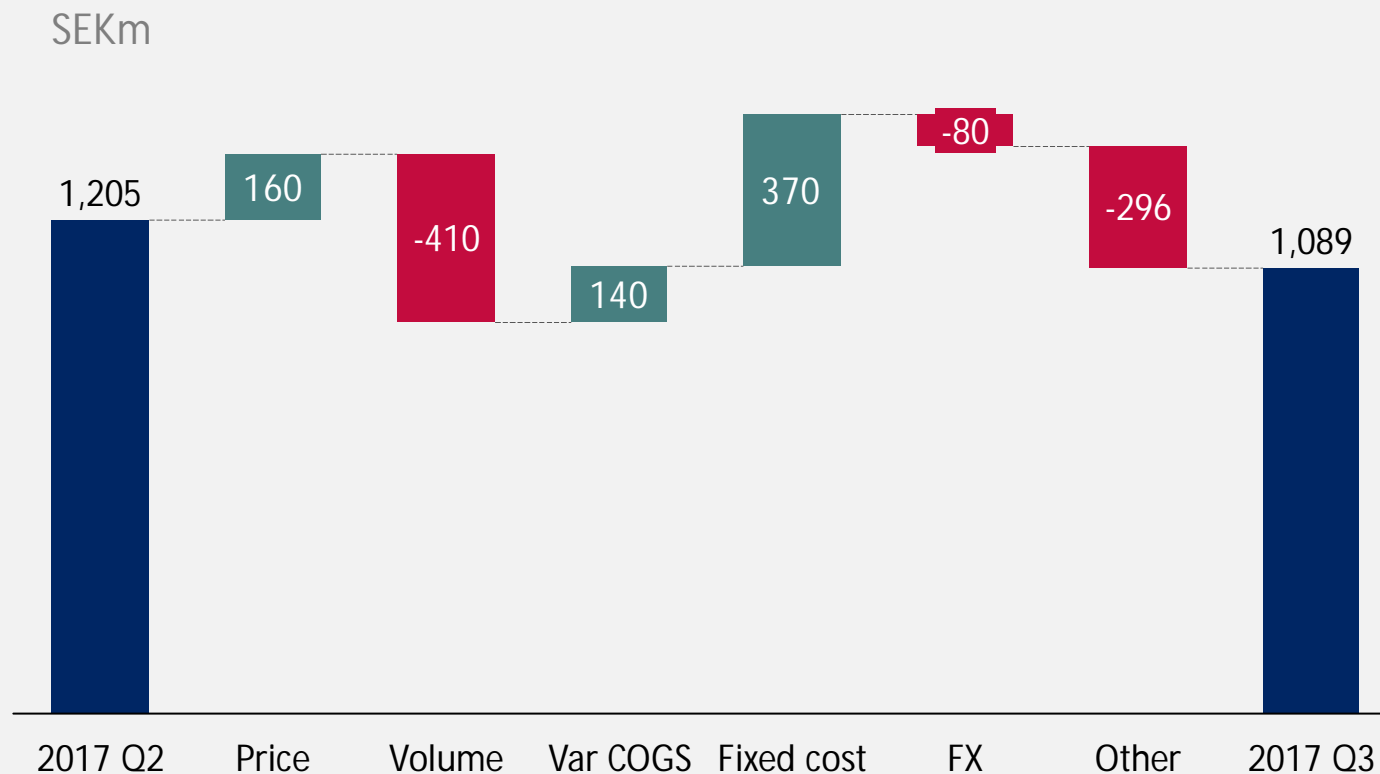
Change in operating profit

Q3/2017 vs. Q3/2016



Change in operating profit

Q3/2017 vs. Q2/2017



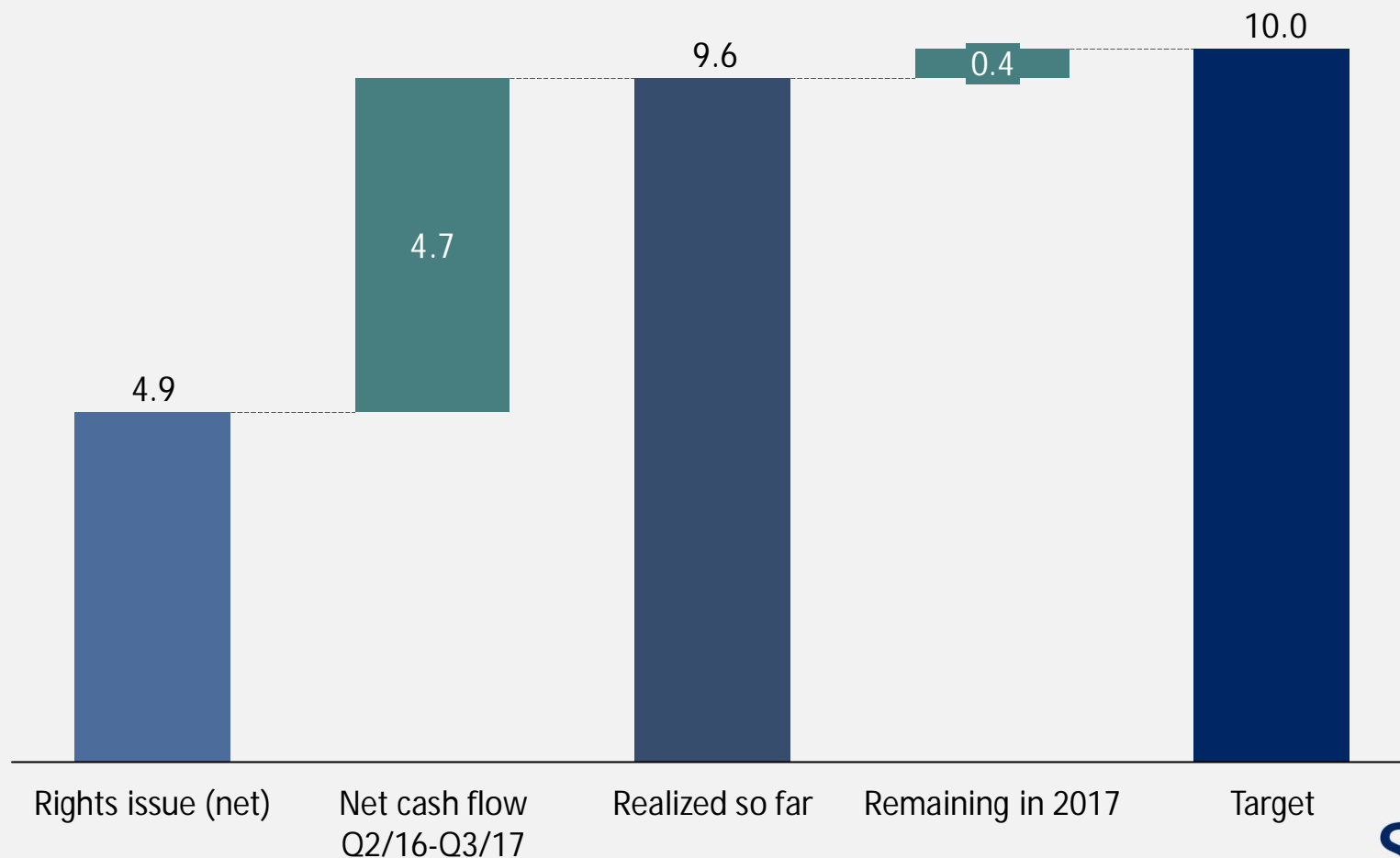
Strong cash flow

SEKm	Q3/2017	Q3/2016	Q2/2017	2016
Operating profit before depreciation/amortization	2,015	1,635	2,167	4,951
Change in working capital	-38	-536	-869	-661
Maintenance expenditure	-346	-206	-242	-1,053
Other	-41	33	13	-30
Operating cash flow	1,590	926	1,069	3,207
Financial items	-180	-186	-344	-994
Taxes	-61	-66	-73	80
Cash flow from current operations	1,349	674	652	2,293
Strategic capital expenditure in plant and machinery	-68	-33	-40	-273
Acquisitions of shares and operations	0	-25	-11	-46
Divestments of shares and operations	0	0	0	-
Cash flow before dividend	1,281	616	601	1,974

Net debt reduction according to plan

SEK 10 bn between the end of Q1/16 and the end of 2017

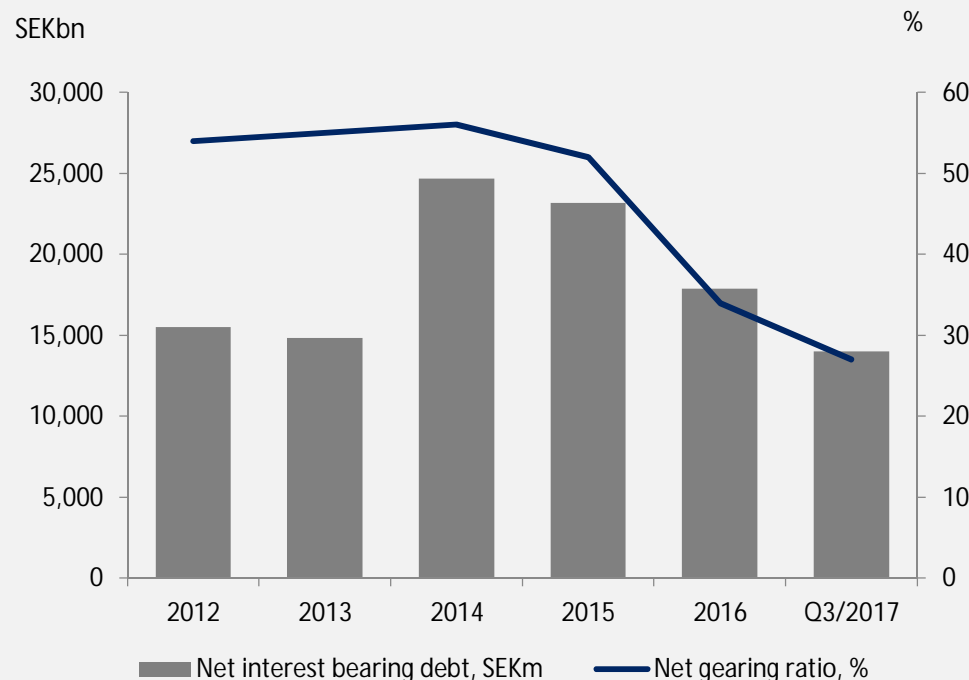
SEK bn



Net debt and gearing continued to decrease

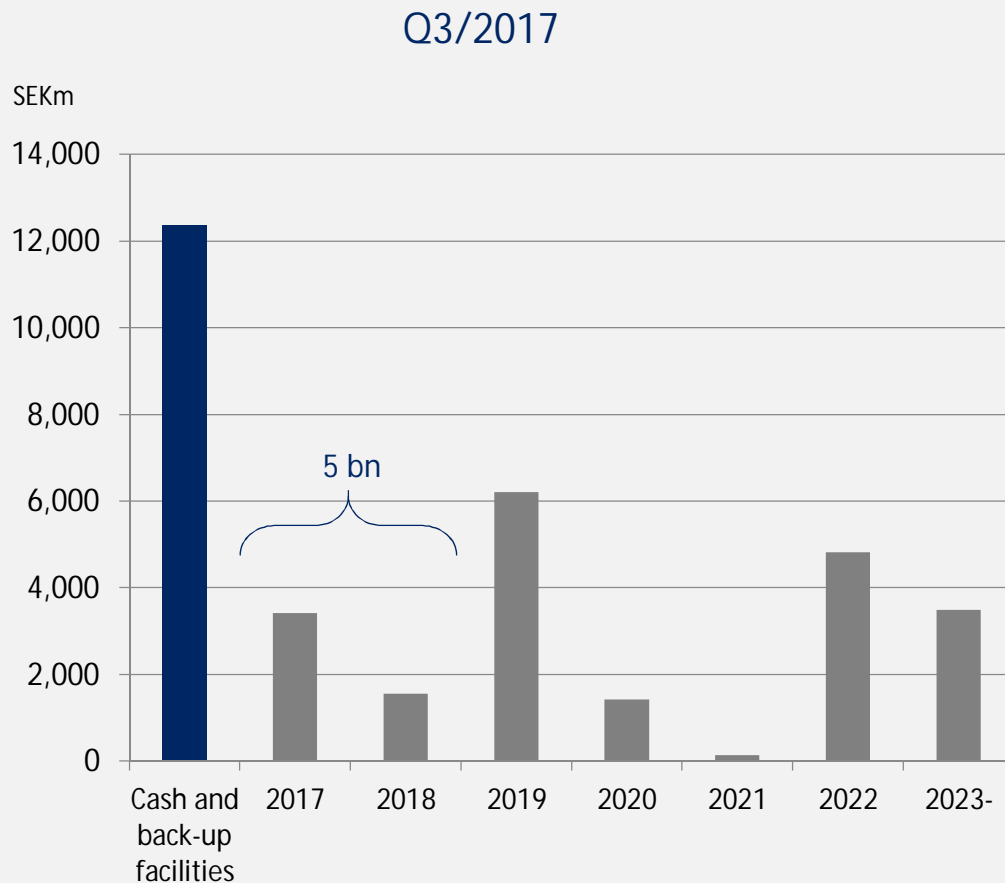
- ▶ Net gearing ratio decreased from 30% at the end of Q2/17 to 27%
- ▶ Net debt decreased by SEK 1.7bn and amounted to SEK 14.0bn

Net debt and net debt/equity ratio



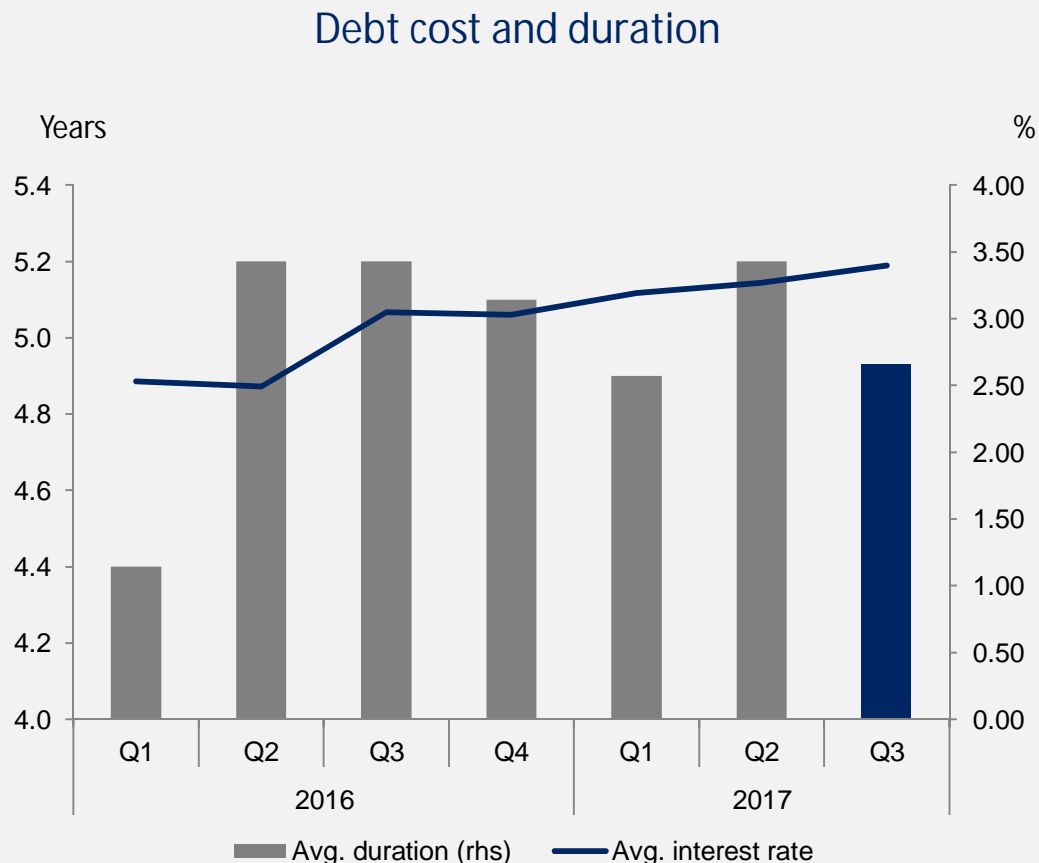
Balanced maturity profile in coming years

- ▶ Loans maturing in 2017-2018 amounts to around SEK 5bn
- ▶ Of the total maturities in 2017, commercial paper accounts for SEK 0.4bn



Duration on debt portfolio and interest rate

- ▶ Duration of the loan portfolio was 4.9 years (5.2 at the end of Q2)
- ▶ Averaged fixed interest term was 1.1 years (0.8 in Q2)
- ▶ Average interest rate was 3.40% (3.27 % in Q2)



Lower raw material prices

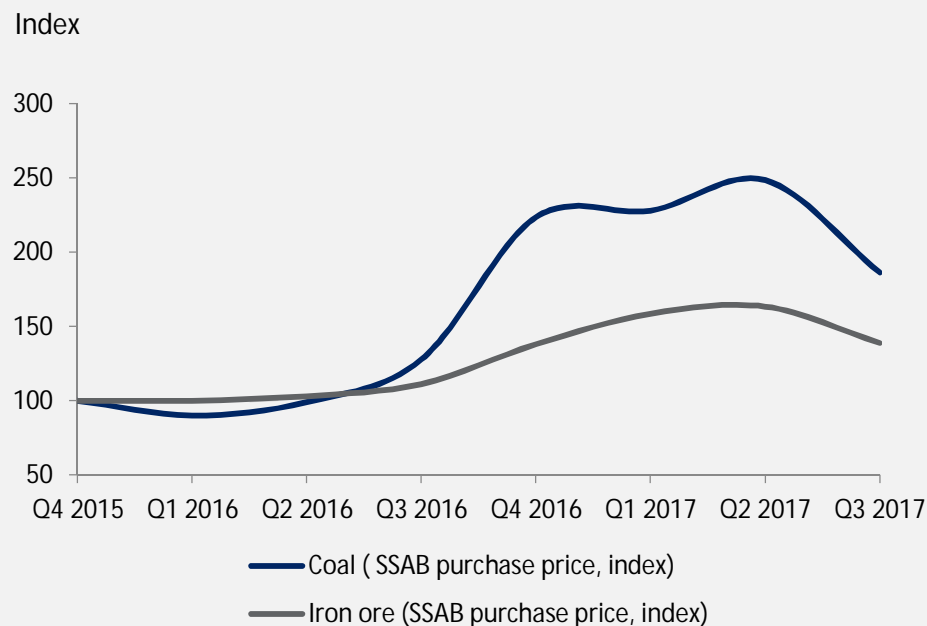
Coking coal

- ▶ Average coking coal purchase price in Q3 was 25% lower in SEK (-19% in USD) vs. Q2/17

Iron ore

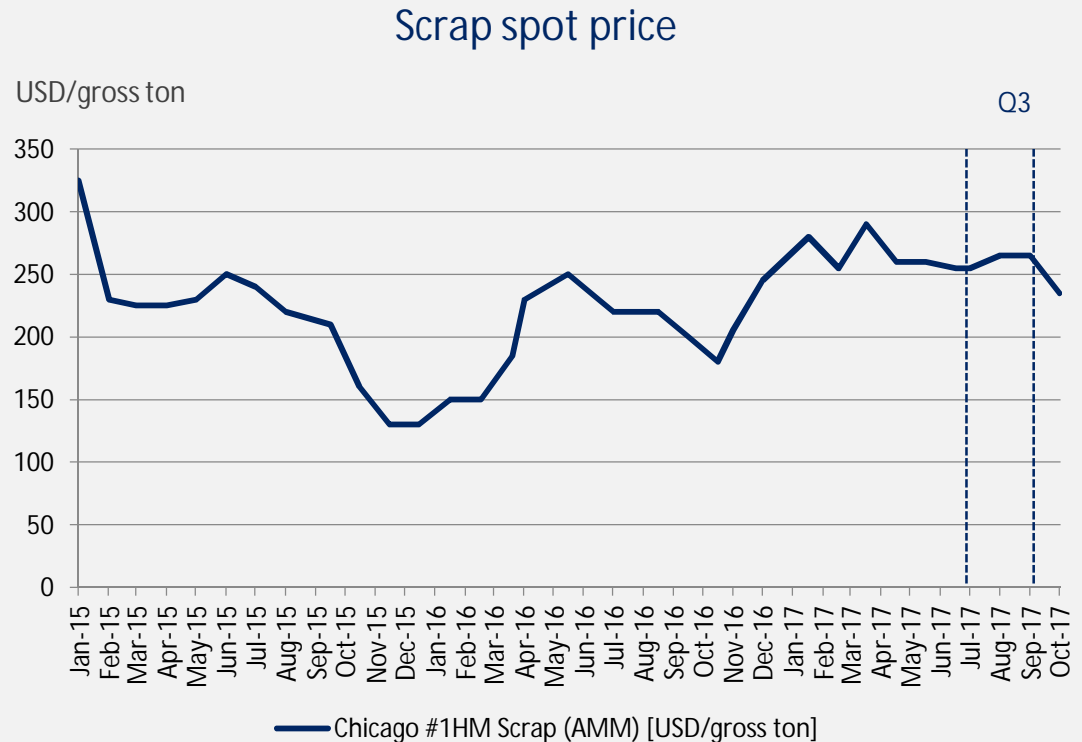
- ▶ Average pellet purchase price in Q3 was 15% lower in SEK (-8% in USD) vs. Q2/17
- ▶ Contract with LKAB for the period Apr 2017-Mar 2018
 - Prices are adjusted on monthly basis

SSAB's purchase price, coking coal and iron ore



Scrap spot prices increased during Q3

- Scrap spot prices in US were 6% higher at the end of Q3/17 vs. Q2/17



Source: AMM

Outlook

SSAB's outlook for Q4/2017

- ▶ In North America, demand for heavy plate is expected to be stable
- ▶ In Europe, demand is expected to be good
- ▶ Demand for high-strength steels is expected to continue to develop positively
- ▶ Overall, SSAB's shipments are expected to be in line with Q3/17
- ▶ Overall, realized prices are expected to be somewhat lower vs. Q3/17
- ▶ Maintenance outage in SSAB Europe
- ▶ Seasonal slowdown at the end of Q4

SSAB's new sustainability objectives

Sustainable operations

SSAB manages risks and takes responsibility for business ethics and responsible sourcing, and continuously strive to improve safety, diversity and employer attractiveness



Responsible partner

Fossil-free 2045

SSAB will stepwise move toward a fossil-free steelmaking process through the HYBRIT initiative and eliminate other fossil fuel related emissions, making it possible to be fossil free within the entire operation

Sustainable offering

10 Mtonne annual customer CO₂ savings 2025

By using SSAB's high-strength steels, customers can achieve CO₂ savings during their end product's use-phase that are as large as SSAB's direct production emissions

Questions & Answers

Appendix

Anti-dumping measures are in place and under preparation in EU and the US

Europe

In place

- ▶ Cold-rolled carbon steels (China, Russia)
- ▶ Hot-Rolled flat carbon steels (China)
 - Final AD duties for strip 18%-36% in April 2017 and 65%-74% for plate in Feb 2017
- ▶ Hot-Rolled flat carbon steels (Brazil, Russia, Iran, Serbia and Ukraine)
 - Definitive AD duties on imports of hot rolled coil from Brazil, Iran, Russia and Ukraine in Oct 2017

Under preparation

- ▶ Corrosion Resistant Steel (China)
 - Provisional anti-dumping duties of 17.2%-28.5% in Aug 2017

US

- ▶ Hot-rolled sheet and coils (China, Russia, India, Ukraine, Indonesia, Taiwan, Thailand)
- ▶ Hot-rolled sheet and coils (Australia, Brazil, Japan, Korea, Netherlands, Turkey)
- ▶ Heavy plate (China, India, Indonesia, Russia, Ukraine)
- ▶ Heavy plate (China, Austria, Belgium, Taiwan, France, Germany, Italy, Japan, South Korea)
 - Final AD decision for the 8 countries in March 2017 – increased duties vs. preliminary duties
 - Final AD and CVD decision on Chinese plate AD margin of 68% and a subsidy (CVD) margin of 251%

- ▶ Cold-rolled sheet and coils (Brazil, India, Korea, Russia, United Kingdom)
- ▶ Heavy plate (Turkey, Brazil, South Africa)
 - Preliminary AD decision in place for Turkey, Brazil, South Africa

Maintenance outages in 2017

- ▶ Costs were SEK 355m for Q3/17 (incl. direct costs and under absorption)
 - SSAB Special Steels SEK 230m, SSAB Europe SEK 125m
- ▶ Q4/17 costs are estimated to be SEK 180m all in SSAB Europe

Major, planned maintenance outages 2017

SEKm	Q1/17	Q2/17	Q3/17	Q3/16	Q4/17	Q4/16	2017	2016
SSAB Special Steels			230			250	230	250
SSAB Europe	20	50	125	80	180	220	375	300
SSAB Americas	160	230		200		50	390	290
Total	180	280	355	280	180	520	995	840

Note: The estimates shown in table includes direct maintenance cost and cost of lower capacity utilization (under absorption), but excludes lost margins.

SSAB's key customer segments – outlook

Segment	Outlook for Q4 vs. Q3	Comments on outlook
Heavy Transport	➡	<ul style="list-style-type: none"> ▶ Solid demand expected in Europe ▶ Railcar production in US is expected to remain on low level
Automotive	➡	<ul style="list-style-type: none"> ▶ Automotive is expected to remain at high level in Europe, increase in Asia and slow down in US
Construction Machinery	➡	<ul style="list-style-type: none"> ▶ Demand in the main European markets is expected to continue at good level ▶ Demand in US is showing some signs of recovery from low level
Mining	➡	<ul style="list-style-type: none"> ▶ Higher repair and maintenance activity in the Mining sector ▶ Signs of pick-up also in investments of new machinery
Energy	➡	<ul style="list-style-type: none"> ▶ Continued solid demand in wind energy segment expected ▶ Oil-related segments has improved
Construction Material	➡	<ul style="list-style-type: none"> ▶ Demand expected to be seasonally lower
Service Centers (US)	➡	<ul style="list-style-type: none"> ▶ Demand from Service Centers is expected to be fairly stable in Q4

SSAB



*A stronger,
lighter and more
sustainable world*