

INTERIM REPORT
JANUARY – SEPTEMBER 2020



Lower demand and planned
maintenance weighed on
earnings

October 22, 2020

SSAB

Interim Report January – September 2020

The third quarter

- Revenue was SEK 14,481 (18,840) million
- EBITDA was SEK -66 (1,327) million
- Operating profit/loss was SEK -973 (300) million
- Earnings per share were SEK -0.72 (0.03)

Key figures

SEK millions	2020 Q3	2019 Q3	2020 Q2	2020 Qs 1-3	2019 Qs 1-3	2019 Full year
Revenue	14,481	18,840	15,155	48,409	59,512	76,485
Operating profit/loss before depreciation and amortization, EBITDA ¹⁾	-66	1,327	705	1,925	6,501	6,375
Operating profit/loss ¹⁾	-973	300	-251	-881	3,290	2,159
Profit/loss after financial items ¹⁾	-1,075	201	-365	-1,220	3,014	1,770
Profit/loss after tax ¹⁾	-734	184	-280	-835	2,483	1,279
Earnings per share (SEK)	-0.72	0.03	-0.28	-0.83	2.25	1.04
Operating cash flow	313	1,038	629	530	3,872	5,194
Net debt	12,926	11,424	12,782	12,926	11,424	11,696
Net debt/equity ratio (%)	22	18	21	22	18	19

¹⁾ Excluding items affecting comparability. For detailed information, see page 28.

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

Comments by the CEO

SSAB's operating result for the third quarter of 2020 was SEK -973 (300) million, down SEK 1,273 million compared with the third quarter of 2019. The steel markets continued to be negatively affected by lower economic activity following the outbreak of Covid-19. Compared with the second quarter of 2020, earnings contracted by SEK 722 million, which was mainly due to the costs of planned maintenance of SEK 670 million. Cash flow was positive, which consolidates our strong financial position.

SSAB Special Steels' operating profit contracted to SEK 73 (358) million. The result was also lower than for the prior quarter, attributable to the planned maintenance outage and the adjustment of production volumes to lower demand.

SSAB Europe's shipments decreased to 751 (794) thousand tonnes. The costs of planned maintenance outages, lower capacity utilization and lower prices pulled the operating result down to SEK -631 (-480) million.

SSAB Americas' operating result for the third quarter decreased to SEK -435 (522) million. Weak demand, low margins and the costs of planned maintenance impacted the result.

Work on minimizing the effects and the risks of Covid-19 has continued. Through preventive measures with our suppliers, we avoided the spread of infection in conjunction with maintenance outages. The year's planned maintenance work has now been completed and we can quickly ramp up production when the market allows. Our cost savings continued to have a good effect during the third quarter and we reduced fixed costs by over SEK 600 million, compared with the corresponding period last year. Compared to the first nine months 2019, the fixed costs were SEK 1.5 billion lower. Some of the measures are continuing during the fourth quarter. Demand picked up towards the end of the period, especially in Europe and the activity level is expected to be somewhat higher in the fourth quarter.

SSAB continues to focus on developing the special steels business, as well as being the first with fossil-free steel. The target is to start shipments during 2026. During the third quarter of 2020, HYBRIT's world unique pilot plant started operating in Luleå, Sweden and SSAB's long-term targets for carbon dioxide emissions have been approved by the Science Based Targets initiative. The approval means that the objective is scientifically based and in line with the Paris Agreement.

Outlook for Q4 2020

Fourth quarter demand for steel is expected to recover somewhat, following two weak quarters. However, there are major uncertainties, mainly related to the spread of Covid-19. Normal seasonal slowdown is expected towards the end of the fourth quarter. Global demand for high-strength steel is expected to improve somewhat compared to the third quarter.

SSAB Americas' and SSAB Europe's shipments are expected to increase somewhat during the fourth quarter of 2020 compared with the third quarter. Also SSAB Special Steels' shipments are expected to increase somewhat.

Prices realized by SSAB Americas are expected to be relatively unchanged on average compared with the third quarter of 2020. For SSAB Europe, prices are expected to be somewhat lower because of a weaker product mix during the fourth quarter. For SSAB Special Steels, prices are expected to be relatively stable during the fourth quarter compared to the third quarter.

Major planned maintenance outages 2020

The Group's total maintenance costs for 2020 are expected to be SEK 805 million, compared to the earlier forecast of SEK 900 million. The difference is explained by the fact that costs during the third quarter were somewhat lower than expected in all divisions. The table below shows the major planned maintenance outages for the fourth quarter of 2020 and the costs of outages completed during 2019 and 2020. The figures include the impact of the direct maintenance cost and the cost of lower capacity utilization (underabsorption), but exclude lost margins.

SEK millions	2020 Q1	2019 Q1	2020 Q2	2019 Q2	2020 Q3	2019 Q3	2020 Q4	2019 Q4	2020 Full year	2019 Full year
SSAB Special Steels	-	-	-	-	250	-	-	300	250	300
SSAB Europe	-	-	-	-	250	285	85	135	335	420
SSAB Americas	-	-	50	-	170	-	-	415	220	415
Total	-	-	50	-	670	285	85	850	805	1,135

The market

According to the World Steel Association, global crude steel production for the first eight months of the year amounted to 1,188 (1,240) million tonnes, down 4.2% compared with the same period in 2019. Chinese steel production increased by just under 4% and steel production in both North America and the EU-28 decreased by 19% compared with the same period in 2019.

In North America, the heavy plate market remained cautious during the third quarter because of subdued demand from most customer segments, as a result of Covid-19. Inventory levels at distributors are assessed to still be at a low level.

In Europe, the market remained weak for most of the third quarter, but recovered towards the end of the quarter. Some customer segments, primarily Automotive and Heavy Transport, which more or less shuttered production entirely during the second quarter due to Covid-19, have restarted production and this impacted positively on demand.

Global demand for high-strength steel remained weak during most of the third quarter, but recovered towards the end of the quarter. Demand in some regions, especially China, was at a good level.

In North America, market prices for heavy plate fell during the first half of the third quarter but rose during the second half. In Europe, market prices for both strip and heavy plate rose during the third quarter. Prices for the same products rose somewhat in China.

SSAB Group – Nine month summary

Revenue and operating result

Revenue for the first nine months of 2020 was SEK 48,409 (59,512) million, down SEK 11,103 million or 19% compared with the same period in 2019. Operating result for the first nine months of 2020 was SEK -881 (3,290) million, down SEK 4,171 million compared with the same period in 2019. This decrease was primarily attributable to SSAB Europe and SSAB Americas.

Revenue and operating profit/loss by business segment

SEK millions	Revenue			Operating profit/loss ¹⁾		
	2020 Qs 1-3	2019 Qs 1-3	Change	2020 Qs 1-3	2019 Qs 1-3	Change
SSAB Special Steels	12,088	14,521	-2,434	1,015	1,580	-565
SSAB Europe	20,481	25,028	-4,547	-1,196	-68	-1,128
SSAB Americas	9,812	13,872	-4,060	-339	2,350	-2,689
Tibnor	6,210	6,977	-767	47	70	-22
Ruukki Construction	4,310	4,758	-448	242	215	27
Other	-	-	-	-389	-136	-253
Depr. surplus values	-	-	-	-263	-722	459
Group adjustments	-4,491	-5,645	1,153	-	-	-
Total	48,409	59,512	-11,103	-881	3,290	-4,171

¹⁾ Excluding items affecting comparability. For amounts, see page 28.

Result after tax and earnings per share

The result after tax (attributable to shareholders in the parent company) for the first nine months of 2020 was SEK -853 (2,317) million, equating to SEK -0.83 (2.25) per share. Tax was SEK 385 (-531) million. Positive tax was attributable to the negative result.

Cash flow

Operating cash flow for the first nine months of 2020 amounted to SEK 530 (3,872) million. Compared with the first nine months of 2019, cash flow was impacted primarily by a lower operating result. Net cash flow amounted to SEK -675 (-676) million. The first nine months of 2019 were impacted by the acquisition of Sanistål's Danish distribution business by Tibnor and payment of a dividend to shareholders. Net debt at September 30, 2020 was SEK 12,926 (11,424) million.

Return on capital employed/equity

Return on capital employed before tax for the last 12 months was -1% and return on equity after tax was -3%, whereas the figures for the full year 2019 were 3% and 2% respectively.

Equity

With earnings of SEK -853 (2,317) million and other comprehensive income (mostly consisting of translation differences) of SEK -1,474 (4,178) million, shareholders' equity in the company amounted to SEK 57,987 (64,371) million, equating to SEK 56.31 (62.51) per share.

SSAB Group – Third quarter of 2020

Revenue and operating result

Revenue for the third quarter of 2020 was SEK 14,481 (18,840) million, down 23% compared with the third quarter of 2019 and down 4% compared with the second quarter of 2020.

Operating result for the third quarter of 2020 was SEK -973 (300) million, down SEK 1,273 compared with the third quarter of 2019. The decrease was primarily related to the three steel divisions. Compared with the second quarter of 2020, earnings were down SEK 722 million.

Revenue and operating profit/loss by business segment

SEK millions	Revenue			Operating profit/loss ¹⁾		
	2020 Q3	2019 Q3	Change	2020 Q3	2019 Q3	Change
SSAB Special Steels	3,569	4,509	-940	73	358	-285
SSAB Europe	6,153	7,637	-1,484	-631	-480	-150
SSAB Americas	2,715	4,446	-1,731	-435	522	-957
Tibnor	1,752	2,179	-427	6	2	4
Ruukki Construction	1,391	1,794	-403	145	134	11
Other	-	-	-	-50	-52	2
Depr. surplus values	-	-	-	-82	-184	102
Group adjustments	-1,099	-1,725	626	-	-	-
Total	14,481	18,840	-4,359	-973	300	-1,273

¹⁾ Excluding items affecting comparability. For amounts, see page 28.

Analysis of total change in revenue and operating profit/loss^{*)}

	Revenue		Operating profit/loss	
	Change vs Q3, 2019 %		Change vs Q3, 2019 SEK m.	
Volume	-9	Price and product mix	-1,820	
Price	-7	Volume	-380	
Product mix	-1	Variable cost	980	
Currency effects	-4	Fixed cost	600	
Other sales	-2	Currency effects	-180	
		Capacity utilization	-575	
		Other	102	
Total	-23		-1,273	

^{*)} Estimated change, the figures in the table have been rounded.

Raw materials

SSAB sources iron ore from LKAB in Sweden and from Severstal in Russia, and prices vary depending on the market index. SSAB sources coking coal from Australia, the USA and Canada, usually on annual supply contracts with monthly pricing. SSAB Americas regularly purchases scrap metal on the spot market as a raw material for their production.

Change in SSAB's average purchase prices, third quarter of 2020

% change	Change vs. 2019 Q3		Change vs. 2020 Q2	
	USD	SEK	USD	SEK
Iron ore	-12%	-19%	17%	8%
Coking coal	-46%	-51%	-26%	-32%
Scrap metal	3%	-5%	-4%	-12%

Production and shipments

Crude steel production during the third quarter of 2020 was down 20% compared with the third quarter of 2019 and down 15% compared with the second quarter of 2020.

Rolling production during the third quarter of 2020 was down 15% compared with the same quarter of 2019 and down 9% compared with the second quarter of 2020.

Production figures for the third quarter were affected negatively by planned maintenance at all steel divisions and adjustment to lower demand.

SSAB's steel shipments during the third quarter of 2020 were 1,472 (1,614) thousand tonnes, down 9% compared with the third quarter of 2019, but 4% higher compared with the second quarter of 2020.

Production and shipments

	2020	2019	2020	2020	2019	2019
Thousand tonnes	Q3	Q3	Q2	Qs 1-3	Qs 1-3	Full year
Crude steel production	1,519	1,902	1,779	5,379	6,002	7,623
Rolling production	1,438	1,696	1,573	4,967	5,510	6,994
Steel shipments	1,472	1,614	1,422	4,681	5,081	6,560

Earnings after tax and earnings per share

The result after tax (attributable to shareholders in the parent company) for the third quarter of 2020 was SEK -741 (28) million, equating to SEK -0.72 (0.03) per share. Tax was SEK 342 (-16) million. Positive tax was attributable to the negative result.

Cash flow, financing and liquidity

Operating cash flow for the third quarter of 2020 amounted to SEK 313 (1,038) million. Compared with the third quarter of 2019, cash flow was negatively impacted primarily by lower operating profit, whereas the change in working capital had a somewhat positive effect.

Net cash flow amounted to SEK 27 (398) million. Net debt at September 30, 2020 was SEK 12,926 (11,424) million.

The term to maturity of the total loan portfolio at September 30, 2020 averaged 4.9 (7.0) years, with an average fixed interest period of 0.9 (1.1) years.

Cash and cash equivalents were SEK 5,412 (4,266) million and non-utilized credit facilities were SEK 14,804 (6,935) million, which combined corresponds to 30.9% (12.3%) of rolling 12-month revenue.

Capital expenditure

Capital expenditure, including acquisitions and divestments of operations, totaled SEK 451 (694) million during the third quarter of 2020. Strategic investments were SEK 75 (235) million. As earlier announced, SSAB has decided to postpone some of the strategic investments that had been planned for 2020, primarily the investment in Mobile and the start-up of the investment in Oxelösund to convert to electric arc furnaces. The goal to deliver fossil-free steel by 2026 still stands. Maintenance investments will be performed as planned. The assessment that the total of maintenance and strategic investments will amount to between SEK 2.0 billion and SEK 2.5 billion for the full year of 2020 remains unchanged.

Operating cash flow and net debt

SEK millions	2020 Q3	2019 Q3	2020 Qs 1-3	2019 Qs 1-3	2019 Full year
Operating profit before depreciation/amortization	-66	1,177	1,925	6,351	6,177
Change in working capital	699	205	-465	-1,291	896
Maintenance expenditures	-332	-456	-1,016	-1,209	-1,875
Other	11	113	87	22	-4
Operating cash flow	313	1,038	530	3,872	5,194
Financial items	-164	-140	-460	-383	-432
Taxes	3	-262	-178	-1,218	-1,315
Cash flow from current operations	151	636	-108	2,272	3,447
Strategic expenditures in plants and machinery	-75	-235	-467	-579	-1,035
Acquisitions of shares and operations	-43	-3	-196	-773	-1,221
Divestments of shares and operations	-1	-	105	-	118
Cash flow before dividend	32	398	-667	920	1,309
Dividend paid to shareholders	-	-	-	-1,545	-1,545
Dividend, non-controlling interest	-4	0	-8	-6	-7
Acquisition, non-controlling interest	-	-	-	-45	-46
Net cash flow	27	398	-675	-676	-289
Net debt at beginning of period	-12,782	-11,809	-11,696	-8,582	-8,582
Adjustment net cash flow, IFRS 16	-	-	-	-1,945	-1,945
Net cash flow	27	398	-675	-676	-289
Revaluation of liabilities against equity ¹⁾	168	-370	177	-607	-287
Other ²⁾	-340	357	-731	386	-593
Net debt at the end of period	-12,926	-11,424	-12,926	-11,424	-11,696

¹⁾ Revaluation of hedges 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. 2019 including acquired net debt.

Business segments – Third quarter of 2020

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 and excludes items affecting comparability. For more information about the business segments, see page 22.

SSAB Special Steels

Third quarter in brief

- Operating profit decreased to SEK 73 (358) million, primarily due to planned maintenance
- Shipments decreased 13% to 259 (299) thousand tonnes
- Cost savings had a positive impact

Key figures

	2020	2019	2020	2020	2019	2019
SEK millions	Q3	Q3	Q2	Qs 1-3	Qs 1-3	Full year
Revenue	3,569	4,509	3,983	12,088	14,521	18,495
Operating profit before depreciation/amortization, EBITDA	228	509	639	1,481	2,053	2,081
Operating profit/loss	73	358	485	1,015	1,580	1,454
Operating cash flow	640	60	439	1,476	1,258	668
Number of employees at end of period	2,810	2,918	2,832	2,810	2,918	2,886

Revenue and operating profit

Revenue was down 21% compared with the third quarter of 2019 and amounted to SEK 3,569 (4,509) million. Lower volumes had a negative impact of 13 percentage points and negative currency effects 8 percentage points. Lower prices had an impact of 1 percentage point, whereas other sales had a positive impact of 1 percentage point.

Compared with the second quarter of 2020, revenue was down 10%. Negative currency effects had an impact of 5 percentage points and lower volumes 3 percentage points. A weaker product mix and lower prices each impacted 1 percentage point.

Operating profit for the third quarter of 2020 was SEK 73 (358) million, down SEK 285 million compared with the third quarter of 2019. The costs of planned maintenance and weaker capacity utilization to adjust production to lower demand, pulled down the result. Also lower volumes and currency effects had a negative impact. Lower prices were more than offset by lower variable costs, primarily raw material costs. Cost savings, which include short-time working, time banks and fewer summer seasonal workers impacted positively.

Compared with the second quarter of 2020, earnings were down SEK 412 million. The costs of planned maintenance, weaker capacity utilization and negative currency effects pulled down the result. Lower prices were offset by lower variable costs (primarily for raw materials). Seasonally lower fixed costs had a positive impact.

Market trend

Demand during the third quarter was negatively affected by Covid-19 and the ensuing lower economic activity. Also seasonal effects, primarily in Europe, had a negative impact compared to the second quarter. The Heavy Transport customer segment recovered compared to the second quarter, whereas larger OEMs in Construction Machinery continued to be cautious. Material Handling, which includes mining equipment, was relatively stable.

Production and shipments

Crude steel production was down 71% compared with the third quarter of 2019 and down 65% compared with the second quarter of 2020.

Rolling production during the third quarter of 2020 was down 55% compared with the same period in 2019 and down 62% compared with the second quarter of 2020.

Lower production figures for the third quarter were primarily attributable to planned maintenance and adjustment to lower demand.

External shipments of steel during the third quarter of 2020 were down 13% compared with the same period in 2019 and down 3% compared with the second quarter of 2020.

Production and shipments

	2020	2019	2020	2020	2019	2019
Thousand tonnes	Q3	Q3	Q2	Qs 1-3	Qs 1-3	Full year
Crude steel production	102	355	295	691	1,083	1,225
Rolling production	60	134	156	367	410	493
Shipments	259	299	266	830	975	1,224

Figures for steel shipments include high-strength steel produced at SSAB Europe's and SSAB Americas' steel mills but sold by SSAB Special Steels.

Cash flow and capital expenditure

Operating cash flow during the third quarter was SEK 640 (60) million. The change compared to the same period a year earlier is explained primarily by more working capital being released.

Capital expenditure during the third quarter was SEK 78 (98) million, of which SEK 18 (9) million were strategic investments.

SSAB Europe

Third quarter in brief

- Operating result decreased to SEK -631 (-480) million, mainly due to lower prices and weaker capacity utilization
- Shipments decreased 5% to 751 (794) thousand tonnes
- Cost savings had a positive impact

Key figures

	2020	2019	2020	2020	2019	2019
SEK millions	Q3	Q3	Q2	Qs 1-3	Qs 1-3	Full year
Revenue	6,153	7,637	6,189	20,481	25,028	31,730
Operating profit/loss before depreciation/amortization, EBITDA	-221	-67	-133	58	1,140	945
Operating profit/loss ¹⁾	-631	-480	-566	-1,196	-68	-677
Operating cash flow	-242	-90	650	-717	-484	182
Number of employees at end of period	6,768	6,838	6,827	6,768	6,838	6,853

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 60 (62) million during the third quarter.

Revenue and operating profit

Revenue was down 19% compared with the third quarter of 2019 and amounted to SEK 6,153 (7,637) million. Lower volumes and lower prices each had a negative impact of 5 percentage points. Other sales had a negative impact of 6 percentage points and negative currency effects 2 percentage points. Product mix had a negative impact of 1 percentage point.

Compared with the second quarter of 2020, revenue was down 1%. Lower prices had a negative impact of 4 percentage points and negative currency effects 3 percentage points. Other revenue and the product mix each reduced revenue by 1 percentage point. Higher volumes had a positive impact of 8 percentage points.

Operating result for the third quarter decreased to SEK -631 (-480) million, down SEK 151 million compared with the third quarter of 2019. Lower steel prices had a negative impact, which was partly offset by lower variable costs (primarily for raw materials). Also currency effects, lower volumes and weaker capacity utilization pulled down the result. Cost savings, which include short-time working, time banks and fewer summer seasonal workers impacted positively.

Compared with the second quarter of 2020, earnings were down by SEK 65 million. Lower prices and the costs of planned maintenance had a negative impact on earnings. Higher volumes and seasonally lower fixed costs had a positive impact on earnings.

One of the blast furnaces in Raahe was closed in mid-April and restarted in mid-September.

Market trend

Compared with the second quarter, demand improved within the Automotive customer segment, albeit from a very low level. Demand also improved in Heavy Transport although demand is still considerably lower than before the pandemic. The Construction segment in the Nordic region continued to show good development. Steel Service Centers continued to adopt a cautious sentiment.

Production and shipments

Crude steel production during the third quarter of 2020 was down 10% compared with the third quarter of 2019 and down 4% compared with the second quarter of 2020.

Rolling production was down 12% compared with the third quarter of 2019, whereas it was up 3% compared with the second quarter of 2020.

Production figures for the third quarter were affected by planned maintenance and a lower production rate to adjust to weaker demand.

External shipments of steel during the third quarter of 2020 were down 5% compared with the third quarter of 2019 whereas they were up 8% compared with the second quarter of 2020.

Production and shipments

	2020	2019	2020	2020	2019	2019
Thousand tonnes	Q3	Q3	Q2	Qs 1-3	Qs 1-3	Full year
Crude steel production	837	930	872	2,839	3,043	3,969
Rolling production	864	980	836	2,890	3,341	4,217
Shipments	751	794	695	2,401	2,610	3,362

Production figures include high-strength steel made for SSAB Special Steels. These volumes are not included in SSAB Europe's shipments.

Cash flow and capital expenditure

Operating cash flow during the third quarter was SEK -242 (-90) million. Compared with the third quarter of 2019, cash flow was impacted negatively by lower earnings and more working capital being tied up.

Capital expenditure during the third quarter of 2020 was SEK 246 (407) million, of which SEK 38 (126) million were strategic investments.

SSAB Americas

Third quarter in brief

- Operating result fell to SEK -435 (522) million, mostly due to lower prices and planned maintenance
- Shipments decreased 11% to 462 (521) thousand tonnes

Key figures

	2020	2019	2020	2020	2019	2019
SEK millions	Q3	Q3	Q2	Qs 1-3	Qs 1-3	Full year
Revenue	2,715	4,446	3,219	9,812	13,872	17,460
Operating profit/loss before depreciation/amortization, EBITDA	-263	697	178	209	2,853	2,852
Operating profit/loss ¹⁾	-435	522	-10	-339	2,350	2,128
Operating cash flow	-94	943	-158	-101	3,020	3,540
Number of employees at end of period	1,206	1,240	1,226	1,206	1,240	1,254

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 16 (118) million during the third quarter.

Revenue and operating profit

Revenue was down 39% compared with the third quarter of 2019 and amounted to SEK 2,715 (4,446) million. Lower prices had a negative impact of 22 percentage points and lower volumes 11 percentage points. Currency effects had a negative impact of 5 percentage points and a weaker product mix 1 percentage point.

Compared with the second quarter of 2020, revenue was down 16%. Lower prices had a negative impact of 9 percentage points and currency effects 7 percentage points.

Operating result for the third quarter of 2020 was SEK -435 (522) million, down SEK 957 million compared with the third quarter of 2019. Lower earnings were mainly attributable to lower prices since the third quarter last year was characterized by more favorable market conditions. Lower volumes and the costs of planned maintenance also pulled earnings down.

Compared with the second quarter of 2020, operating profit was down SEK 425 million. Lower prices and the costs of planned maintenance pulled down the result.

Market trend

Demand was impacted by Covid-19 and lower economic activity. Shipments overall were at the same level as in the second quarter, where the Energy customer segment and Steel Service Centers increased.

Production and shipments

Crude steel production was down 6% compared with the third quarter of 2019 and 5% compared with the second quarter of 2020.

Rolling production was down 11% compared with both the third quarter of 2019 and the second quarter of 2020.

Production figures for the third quarter were impacted negatively by planned maintenance.

External shipments of steel were down 11% compared with the third quarter of 2019 and more or less flat compared with the second quarter of 2020.

Production and shipments

	2020	2019	2020	2020	2019	2019
Thousand tonnes	Q3	Q3	Q2	Qs 1-3	Qs 1-3	Full year
Crude steel production	580	617	612	1,849	1,875	2,429
Rolling production	515	581	580	1,710	1,759	2,285
Shipments	462	521	460	1,450	1,496	1,974

Production figures include high-strength steel made for SSAB Special Steels. These volumes are not included in SSAB Americas' shipments.

Cash flow and capital expenditure

Operating cash flow during the third quarter of 2020 was SEK -94 (943) million. Compared with the third quarter of 2019, cash flow was impacted primarily by lower earnings and higher tied up working capital.

Capital expenditure during the third quarter was SEK 54 (138) million, of which SEK 12 (85) million were strategic investments.

Tibnor

Third quarter in brief

- Operating profit was SEK 6 (2) million
- The restructuring program mitigated the impact of a weaker market

Key figures

SEK millions	2020 Q3	2019 Q3	2020 Q2	2020 Qs 1-3	2019 Qs 1-3	2019 Full year
Revenue	1,752	2,179	2,037	6,210	6,977	9,149
Operating profit before depreciation/amortization, EBITDA	42	47	65	156	198	206
Operating profit/loss ¹⁾	6	2	29	47	70	30
Operating cash flow	-112	-111	-106	-98	-23	348
Shipments, thousand tonnes	172	190	190	583	596	786
Number of employees at end of period	999	1,171	1,010	999	1,171	1,133

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 third quarter.

Revenue and operating profit

Revenue was down 20% compared with the third quarter of 2019 and amounted to SEK 1, 752 (2,179) million.

Revenue was 14% lower compared with the second quarter of 2020, due to seasonality.

Operating profit for the third quarter of 2020 was somewhat higher compared with the same period a year earlier and amounted to SEK 6 (2) million. Lower volumes and prices were compensated by cost savings, related both to the restructuring program, as well as additional measures to mitigate the effects of the worsened market.

Compared with the second quarter of 2020, earnings were down SEK 23 million. Lower volumes and prices and revaluation of inventory had a negative impact on earnings.

Market trend

During the quarter, the market was characterized by the slowdown due to Covid-19, especially in OEMs and their subcontractors, including the engineering industry. Demand was seasonally lower compared to the second quarter.

Cash flow and capital expenditure

Operating cash flow during the third quarter was SEK -112 (-111) million.

Capital expenditure during the third quarter of 2020 was SEK 13 (18) million, of which SEK 1 (7) million was strategic investments.

Ruukki Construction

Third quarter in brief

- Operating profit increased to SEK 145 (134) million
- Stable underlying demand

Key figures

	2020	2019	2020	2020	2019	2019
SEK millions	Q3	Q3	Q2	Qs 1-3	Qs 1-3	Full year
Revenue	1,391	1,794	1,439	4,310	4,758	6,510
Operating profit before depreciation/amortization, EBITDA	185	179	128	368	350	466
Operating profit/loss ¹⁾	145	134	86	242	215	283
Operating cash flow	213	201	85	343	156	348
Number of employees at end of period	1,337	1,842	1,343	1,337	1,842	1,841

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 -1 (-3) million during the third quarter.

Revenue and operating profit

The revenues on a comparable basis were in principle unchanged, compared to the third quarter 2019. Reported revenue was down 22% compared with the third quarter of 2019 and amounted to SEK 1,391 (1,794) million, due to the divestment of Building Systems, which is included in the figures until the end of April 2020.

On a comparable basis, revenue compared with the second quarter increased, primarily driven by a seasonal improvement in Roofing.

Operating profit for the third quarter was SEK 145 (134) million. The increase was attributable to increased sales and better margins in Roofing.

Compared with the second quarter of 2020, earnings were up SEK 59 million, primarily due to seasonally higher volumes in Roofing.

Ruukki Construction's divested project business, Building Systems, had revenue of around SEK 1.5 billion in 2019 and a minor positive operating profit.

Market trend

Demand was at a good level during the third quarter with support from seasonal effects. A somewhat negative impact from Covid-19 was seen on the markets in Central and Eastern Europe, the Baltics and Norway.

Cash flow and capital expenditure

Operating cash flow during the third quarter was SEK 213 (201) million.

Capital expenditure during the third quarter was SEK 13 (31) million, of which SEK 6 (8) million were strategic investments.

Sustainability

Key figures – rolling 12 months

	2020 Q3	2019 Q3	2020 Q2	2019 Full year
<u>Responsible partner</u>				
Lost time injury frequency (LTIF) ¹⁾	4.2	4.7	4.3	4.2
Total number of injuries (LTI) ²⁾	117	140	125	126
<u>Sustainable operations</u>				
Energy consumption, GWh ³⁾	8,752	9,274	8,941	9,093
Energy intensity, kWh/tonnes crude steel	1,250	1,163	1,211	1,193
Carbon dioxide emissions (Scope 1), thousand tonnes ⁴⁾	8,553	9,878	8,996	9,433
Carbon dioxide emissions (Scope 2), thousand tonnes ⁵⁾	1,112	1,193	1,137	1,171
Intensity, tonnes of CO ₂ /tonnes crude steel ⁶⁾	1.38	1.39	1.37	1.39

¹⁾ Number of accidents resulting in an absence of more than one day per million working hours (LTIF, Lost Time Injury Frequency), own employees and contractors

²⁾ Number of accidents resulting in an absence of more than one day (LTIs, Lost Time Injuries), including contractors

³⁾ Total energy consumption (electricity, purchased fuels and purchased heat)

⁴⁾ Direct emissions from production (Scope 1)

⁵⁾ Indirect emissions from the generation of purchased electricity, heating and steam (Scope 2)

⁶⁾ Includes Scope 1 and Scope 2

Responsible partner – Health and Safety

SSAB's lost time injury frequency resulting in an absence of at least one day (LTIF) was 4.2 (4.7) (rolling 12 months), which is a clear improvement, with particularly good development in SSAB Special Steels and Ruukki Construction. SSAB Europe is experiencing challenges in its safety work and has therefore initiated a special program in order to improve the situation.

SSAB has continued with the measures to prevent the spread of Covid-19 and to safeguard the health of employees and subcontractors. Examples of these measures include restrictions on business travel, working from home, not allowing external visitors at sites and restricting face-to-face meetings. SSAB has contingency plans in place for all production sites and key functions.

Sustainable operations – Environment and HYBRIT

SSAB's total energy consumption related to electricity, purchased fuels and purchased heat was 8,752 (9,274) GWh (rolling 12 months). SSAB's direct (Scope 1) CO₂ emissions were 8,553 (9,878) thousand tonnes and indirect (Scope 2) CO₂ emissions were 1,112 (1,193) thousand tonnes.

During the quarter, SSAB's target for greenhouse gas emissions was approved by the Science Based Targets initiative. The approved science based target means that SSAB commits to reducing greenhouse gas emissions by 35 percent by 2032 (compared to 2018 and measured as CO₂e). The target applies to both direct and indirect emissions (Scope 1 and 2) and is in line with the Paris Agreement and the objective of keeping global warming well below 2°C. We have set annual targets leading up to a 35 percent reduction. SSAB's overarching goal is to be fossil-free by 2045.

SSAB is transforming toward a fossil-free steelmaking process through HYBRIT (Hydrogen Breakthrough Ironmaking Technology), which is a joint venture between SSAB, LKAB, and Vattenfall. During the third quarter a world unique pilot plant for fossil-free steel, producing sponge iron (DRI/HBI), was started up in Luleå, Sweden. At the plant, HYBRIT will perform tests in several stages in the use of hydrogen in the direct reduction of iron ore. Tests will be carried out between 2020 and 2024, first using natural gas and then hydrogen to be able to compare production results.

Preparations will now start on scaling up the tests further on an industrial scale in a demonstration plant. The Swedish Energy Agency continued its support for HYBRIT and granted the joint venture SEK 22 million for a study to establish the prerequisites for the demonstration plant. The plan is to start construction of the demonstration plant in 2023, with the goal of bringing the plant into operation in 2025 and demonstrate full-scale production with a capacity of over one million tonnes of sponge iron per year. The goal is to be the first in the world, already in 2026, with a fossil-free steel value chain.

More information on sustainability at SSAB is available at www.ssab.com/company/sustainability.

Risks and uncertainty factors

The spread of Covid-19 and its impact on global industrial production and economic development have affected and are likely to continue to affect SSAB's revenue and earnings negatively. The extent of this impact on the upcoming quarter is difficult to quantify due to the prevailing uncertainty.

For information regarding other material risks and uncertainty factors, reference is made to the detailed description in the Annual Report for 2019.

Accounting principles

This interim 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 2019.

Review

This interim report has not been reviewed by the auditors.

Stockholm, October 22, 2020

Martin Lindqvist
President & CEO

Financial reports in accordance with IFRS – Group

The figures in the tables have been rounded, which might affect aggregates

Consolidated statement of profit and loss, in summary

SEK millions	2020 Q3	2019 Q3	2020 Qs 1-3	2019 Qs 1-3	2019 Full year
Revenue	14,481	18,840	48,409	59,512	76,485
Cost of goods sold	-14,594	-17,467	-46,166	-52,998	-70,191
Gross profit/loss	-113	1,373	2,243	6,514	6,293
Selling and administrative costs	-857	-1,182	-3,065	-3,694	-4,956
Other operating income and expenses	1	-53	-60	242	560
Affiliated companies, profit/loss after tax	-5	12	1	78	64
Operating profit/loss	-973	150	-881	3,140	1,961
Financial income	595	396	1,510	683	504
Financial expenses	-697	-495	-1,849	-959	-893
Profit/loss for the period after financial items	-1,075	51	-1,220	2,864	1,572
Tax	342	-16	385	-531	-479
Profit/loss for the period	-734	34	-835	2,333	1,093
Of which attributable to:					
- Parent Company's shareholders	-741	28	-853	2,317	1,075
- Non-controlling interest	8	6	17	16	18

Consolidated statement of comprehensive income

SEK millions	2020 Q3	2019 Q3	2020 Qs 1-3	2019 Qs 1-3	2019 Full year
Profit/loss for the period after tax	-734	34	-835	2,333	1,093
Other comprehensive income					
<u>Items that may be subsequently reclassified to the income statement</u>					
Translation differences for the period	-1,560	2,766	-1,463	4,882	1,990
Cash flow hedges	15	-14	-168	-183	-239
Hedging of currency risks in foreign operations ¹⁾	168	-370	177	-607	-287
Share in other comprehensive income of affiliated companies and joint ventures	-	-	-	-	8
Tax attributable to items that may be subsequently reclassified to the income statement	-39	82	-4	169	-68
Reclassification Items that will not be reclassified to the income statement	-	-	-	-	-88
Total items that may be subsequently reclassified to the income statement	-1,416	2,465	-1,459	4,261	1,316
<u>Items that will not be reclassified to the income statement</u>					
Remeasurements of the net defined benefit liability	-2	-39	-20	-101	-54
Tax attributable to items that will not be reclassified to the income statement	0	8	4	20	12
Share in other comprehensive income of affiliated companies and joint ventures	-	-	-	-	-
Reclassification Items that may be subsequently reclassified to the income statement	-	-	-	-	88
Total items that will not be reclassified to the income statement	-1	-31	-16	-80	46
Total other comprehensive income for the period, net after tax	-1,417	2,434	-1,474	4,181	1,362
Total comprehensive income for the period	-2,151	2,468	-2,310	6,514	2,455
Of which attributable to:					
- Parent Company's shareholders	-2,159	2,461	-2,327	6,495	2,440
- Non-controlling interest	8	7	17	17	15

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, in summary

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, 2018	9,063	23,022	5,715	21,638	59,437	78	59,514
<u>Changes Jan. 1 – Sep. 30, 2019</u>							
Total comprehensive income for the period			4,261	2,234	6,495	17	6,514
Non-controlling interest through business acquisition						47	47
Investments, non-controlling interest			-3	-14	-17	-30	-47
Dividend, Parent company shareholders				-1,545	-1,545	-	-1,545
Dividend, non-controlling interest						-6	-6
Equity, September 30, 2019	9,063	23,022	9,973	22,313	64,371	106	64,477
<u>Changes Oct. 1 – Dec. 31, 2019</u>							
Total comprehensive income for the period			-2,945	-1,112	-4,057	-2	-4,059
Dividend, non-controlling interest						-1	-1
Equity, December 31, 2019	9,063	23,022	7,028	21,202	60,314	103	60,417
<u>Changes Jan. 1 - Sep. 30, 2020</u>							
Total comprehensive income for the period			-1,459	-868	-2,327	17	-2,310
Dividend, non-controlling interest						-8	-8
Equity, September 30, 2020	9,063	23,022	5,569	20,333	57,987	111	58,099

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

Consolidated statement of financial position, in summary

SEK millions	2020 30 Sep	2019 30 Sep	2019 31 Dec
Assets			
Intangible assets	31,570	33,782	32,508
Tangible fixed assets	23,073	24,100	23,987
Right of use assets	2,524	2,328	2,545
Financial assets	1,390	1,315	1,260
Deferred tax receivables ¹⁾	283	439	254
Total fixed assets	58,841	61,965	60,554
Inventories	18,834	22,881	20,391
Accounts receivable	7,147	8,752	6,945
Current tax receivables	540	265	422
Other current receivables ²⁾	2,084	1,993	1,411
Cash and cash equivalents	5,412	4,266	3,591
Total current assets	34,018	38,157	32,760
Assets held for sale	-	652	664
Total assets	92,859	100,774	93,978
Equity and liabilities			
Equity for the shareholders in the Parent Company	57,987	64,371	60,314
Non-controlling interest	111	106	103
Total equity	58,099	64,477	60,417
Deferred tax liabilities	39	289	581
Other long-term provisions	700	681	665
Long-term non-interest bearing liabilities ¹⁾	414	286	320
Long-term interest-bearing liabilities	9,645	10,239	9,853
Lease liability	1,977	1,827	2,025
Total long-term liabilities	12,775	13,322	13,444
Short-term interest-bearing liabilities	6,696	3,184	2,756
Lease liability	658	561	604
Accounts payable	10,188	14,527	12,067
Current tax liabilities	284	268	114
Other current liabilities	4,159	4,134	4,206
Total current liabilities and provisions	21,985	22,672	19,746
Liabilities held for sale	-	303	371
Total equity and liabilities	92,859	100,774	93,978
Pledged assets	965	1,352	62
Contingent liabilities	2,560	2,203	2,432

¹⁾ Of the Deferred tax receivable, SEK 114 (84) million constitutes a valuation of the future tax credits regarding investments in Alabama, USA. Since the credits cannot yet be booked as income, a corresponding liability has been booked as Long-term non-interest bearing liabilities.

²⁾ Other current receivables comprise short-term bank deposits (escrow agreement) in the amount of SEK 903 (1,290) million.

Valuation of financial 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 240 (676) million and in the balance sheet item "Other current liabilities" derivatives are valued at a total of SEK 278 (108) million. In the balance sheet item "Financial assets" derivatives are valued at a total of SEK 5 (88) million and in the balance sheet item "Long-term non-interest bearing liabilities", derivatives are included valued at a total of SEK 106 (22) 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 the short-term part) would exceed the reported amount by SEK 205 (212) 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.

Consolidated statement of cash flows, in summary

SEK millions	2020 Q3	2019 Q3	2020 Qs 1-3	2019 Qs 1-3	2019 Full year
Operating profit/loss	-973	150	-881	3,140	1,961
Adjustment for depreciation and impairment	907	1,027	2,806	3,211	4,216
Adjustment for other non-cash items	6	131	-4	46	37
Received and paid interest	-164	-140	-460	-383	-454
Tax paid	3	-262	-178	-1,218	-1,315
Change in working capital	699	205	-465	-1,291	896
Cash flow from operating activities	477	1,111	817	3,506	5,341
Investments in plant and machinery	-406	-692	-1,483	-1,816	-2,939
Investments/acquisitions, shares and operations	-43	-3	-198	-736	-1,140
Divested shares and operations	-1	-	105	-	118
Other investing activities	5	-18	91	3	11
Cash flow from investing activities	-445	-713	-1,485	-2,548	-3,950
Dividend paid to shareholders	-	-	-	-1,545	-1,545
Dividend, non-controlling interest	-4	0	-8	-6	-7
Change in loans	281	-1,179	3,994	804	-661
Change in financial investments	26	1,123	-839	2,156	2,074
Acquisition, non-controlling interest	-	-	-	-45	-46
Other financing activities	-675	-532	-757	-721	-235
Cash flow from financing activities	-372	-588	2,389	642	-421
Cash flow for the period	-340	-190	1,721	1,600	971
Cash and cash equivalents at beginning of period	5,559	4,428	3,597	2,598	2,598
Exchange rate difference in cash and cash equivalents	193	42	94	82	28
Cash and cash equivalents at end of period ¹⁾	5,412	4,280	5,412	4,280	3,597
Contracted, non-utilized overdraft facilities	14,804	6,935	14,804	6,935	6,727
Disposable cash and cash equivalents (incl. non-utilized overdraft facilities)	20,216	11,215	20,216	11,215	10,324

¹⁾ Includes cash flows from assets and liabilities held for sale

Key figures

	2020 Q3	2019 Q3	2020 Qs 1-3	2019 Qs 1-3	2019 Full year
Operating margin (%)	-7	1	-2	5	3
Earnings per share (SEK)	-0.72	0.03	-0.83	2.25	1.04
Equity per share (SEK)	56.31	62.51	56.31	62.51	58.57
Net debt/equity ratio (%)	22	18	22	18	19
Equity ratio (%)	62	64	62	64	64
Adjusted average number of shares during the period (millions)	1,029.8	1,029.8	1,029.8	1,029.8	1,029.8
Number of shares at end of period (millions)	1,029.8	1,029.8	1,029.8	1,029.8	1,029.8
Number of employees at end of period	13,617	14,561	13,617	14,561	14,514

Financial reports – The Parent Company

Parent Company's statement of profit and loss, in summary

SEK millions	2020 Q3	2019 Q3	2020 Qs 1-3	2019 Qs 1-3	2019 Full year
Gross profit	-	-	-	-	-
Selling and administrative costs	-56	-87	-229	-287	-385
Other operating income/expenses	38	36	137	121	174
Operating loss	-18	-51	-92	-166	-211
Financial items	207	2,841	235	2,593	2,958
Profit/loss after financial items	189	2,790	143	2,427	2,747
Appropriations	-	-	-	-	218
Profit before tax	189	2,790	143	2,427	2,964
Tax	14	93	27	169	58
Profit after tax	203	2,883	170	2,596	3,023

Parent Company's statement of comprehensive income

SEK millions	2020 Q3	2019 Q3	2020 Qs 1-3	2019 Qs 1-3	2019 Full year
Profit after tax	203	2,883	170	2,596	3,023
Other comprehensive income					
<u>Items that may be classified to the income statement</u>					
Cash flow hedges	0	0	-8	-7	1
Tax attributable to other comprehensive income	0	0	2	2	0
Total items that will be reclassified to the income statement	0	0	-6	-6	1
Other comprehensive income, net after tax	0	0	-6	-6	1
Total comprehensive income for the period	203	2,883	164	2,591	3,024

Parent Company's statement of financial position, in summary

SEK millions	2020 30 Sep	2019 30 Sep	2019 31 Dec
Assets			
Fixed assets	76,024	71,526	72,146
Other current assets	9,106	9,728	10,700
Cash and cash equivalents	3,776	2,474	2,066
Total assets	88,906	83,728	84,912
Equity and liabilities			
Restricted equity	9,964	9,964	9,964
Unrestricted equity	54,630	54,034	54,467
Total equity	64,594	63,998	64,431
Long-term liabilities and provisions	7,389	7,588	7,379
Current liabilities and provisions	16,922	12,142	13,102
Total equity and liabilities	88,906	83,728	84,912

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 (AHSS) with yield strengths of 690 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.

Specification of revenue, nine months

The following table describes external revenue by business segments broken down by geographical areas and product areas.

External revenue, Jan-Sep 2020	Business segments					
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	Total
SEK millions						
<u>Geographical areas</u>						
Sweden	231	3,742	-	2,287	1,111	7,371
Finland	175	2,689	-	1,095	1,224	5,184
Denmark	77	891	1	1,328	35	2,332
Germany	789	1,405	-	21	1	2,217
Poland	402	1,278	-	16	588	2,284
Italy	558	790	-	1	0	1,348
Great Britain	259	606	-	0	6	871
Other EU-27	1,667	2,980	-	347	817	5,812
Norway	52	384	-	1,001	396	1,833
Other Europe	855	488	-	12	101	1,456
USA	2,428	613	8,716	-	1	11,758
Canada	645	-	931	-	2	1,578
Rest of the world	3,600	666	85	11	1	4,363
Total	11,737	16,533	9,733	6,120	4,286	48,409
<u>Product area</u>						
Steel products	11,341	15,510	9,733	-	-	36,585
Trading operations	-	-	-	6,120	-	6,120
Ruukki Construction operations	-	-	-	-	4,286	4,286
Slabs, by-products and scrap	170	954	-	-	-	1,124
Other	225	69	0	-	0	293
Total	11,737	16,533	9,733	6,120	4,286	48,409
<hr/>						
External revenue, Jan-Sep 2019	Business segments					
SEK millions	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	Total
<u>Geographical areas</u>						
Sweden	252	4,712	-	2,903	1,056	8,923
Finland	205	3,411	-	1,200	1,649	6,465
Denmark	114	1,012	-	1,125	81	2,332
Germany	1,257	1,804	-	23	8	3,092
Poland	541	1,485	-	73	637	2,736
Italy	662	931	-	1	1	1,595
Great Britain	449	908	-	0	-	1,357
Other EU-27	2,050	3,234	-	341	819	6,444
Norway	74	464	-	1,158	363	2,058
Other Europe	808	561	-	11	105	1,485
USA	2,983	1,002	13,051	0	1	17,037
Canada	839	0	644	-	4	1,486
Rest of the world	3,835	598	38	26	3	4,501
Total	14,069	20,123	13,733	6,861	4,727	59,512
<u>Product area</u>						
Steel products	13,537	18,651	13,722	-	1	45,911
Trading operations	-	-	-	6,861	-	6,861
Ruukki Construction operations	-	-	-	-	4,726	4,726
Slabs, by-products and scrap	338	1,403	-	-	-	1,741
Other	193	69	10	-	0	273
Total	14,069	20,123	13,733	6,861	4,727	59,512

Specification of revenue during the third quarter

External revenue, Q3, 2020	Business segments					
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	Total
SEK millions						
<u>Geographical areas</u>						
Sweden	72	1,157	-	740	295	2,263
Finland	48	824	-	306	420	1,598
Denmark	28	195	0	336	15	575
Germany	200	426	-	6	0	632
Poland	96	471	-	10	212	789
Italy	145	220	-	0	-	365
Great Britain	81	196	-	0	0	277
Other EU-27	428	837	-	104	274	1,643
Norway	19	128	-	221	123	491
Other Europe	257	223	-	3	48	531
USA	728	230	2,389	-	1	3,348
Canada	183	-	276	-	2	461
Rest of the world	1,232	233	42	3	0	1,509
Total	3,515	5,140	2,708	1,729	1,390	14,481
<u>Product area</u>						
Steel products	3,418	4,814	2,708	-	-	10,940
Trading operations	-	-	-	1,729	-	1,729
Ruukki Construction operations	-	-	-	-	1,390	1,390
Slabs, by-products and scrap	24	301	-	-	-	324
Other	73	25	0	-	0	99
Total	3,515	5,140	2,708	1,729	1,390	14,481
<hr/>						
External revenue, Q3, 2019	Business segments					
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	Total
SEK millions						
<u>Geographical areas</u>						
Sweden	44	1,252	-	809	470	2,575
Finland	57	996	-	366	510	1,929
Denmark	32	308	-	465	26	831
Germany	342	591	-	7	0	940
Poland	158	504	-	55	253	970
Italy	184	240	-	-	-	425
Great Britain	155	335	-	-	-9	481
Other EU-27	575	991	-	108	339	2,014
Norway	19	133	-	321	144	617
Other Europe	253	256	-	5	46	560
USA	951	343	4,148	0	0	5,442
Canada	257	-1	228	-	1	486
Rest of the world	1,358	199	7	6	0	1,570
Total	4,386	6,146	4,384	2,143	1,782	18,840
<u>Product area</u>						
Steel products	4,243	5,728	4,384	-	0	14,355
Trading operations	-	-	-	2,143	-	2,143
Ruukki Construction operations	-	-	-	-	1,791	1,791
Slabs, by-products and scrap	77	393	-	-	-	470
Other	66	25	-1	-	-10	80
Total	4,386	6,146	4,384	2,143	1,782	18,840

Divestments

During the second quarter of 2020, the divestment of Ruukki Construction's project business, Building Systems was completed. An adjustment to the transaction price was done during the third quarter of 2020. During 2019, related assets and liabilities was classified as Assets and Liabilities held for sale.

The divestment contributed with a positive cash flow of SEK 105 million and a profit of SEK 21 million.

Value of assets and liabilities divested during 2020

SEK millions	Sep. 30 2020
Fixed assets	265
Current assets	485
Liabilities	-472
Total divested net assets ¹⁾	278
Accumulated exchange rate difference at the time of the divesture	-20
Total divested net assets, excluding exchange rate differences	258
Result divested assets and liabilities	-111
Reported result in the consolidated statement of profit and loss, 2019	-132
Reported result in the consolidated statement of profit and loss, 2020	21
Cash and cash equivalents in divested companies	-2
Final payment receivable, preliminary	-40
Net cash received and impact on the Group's cash and cash equivalents, September 30 2020	105

¹⁾ Of the net assets, SEK 664 million was reported as Assets held for sale and SEK 371 million as Liabilities held for sale in the balance sheet on December 31, 2019.

Relevant reconciliations of non-IFRS-based performance measures

SSAB has applied the guidelines issued by ESMA (European Securities and Markets Authority) on alternative performance measures (AFMs). These performance measures are not defined or specified in accordance with IFRS, but provide complementary information to investors and company management about the company's financial position and development. 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	2020 Q3	2019 Q3	2020 Qs 1-3	2019 Qs 1-3	2019 Full year
Operating profit/loss	-973	150	-881	3,140	1,961
Depreciation and impairment	907	1,027	2,806	3,211	4,216
Operating profit/loss before depreciation/amortization, EBITDA	-66	1,177	1,925	6,351	6,177

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

SEK millions	2020 Q3	2019 Q3	2020 Qs 1-3	2019 Qs 1-3	2019 Full year
Operating profit/loss before depreciation/amortization, EBITDA	-66	1,177	1,925	6,351	6,177
Items affecting comparability	-	150	-	150	197
Operating profit/loss before depreciation/amortization, EBITDA, excl. items affecting comparability	-66	1,327	1,925	6,501	6,375

Return on capital employed before tax, rolling 12 months

SEK millions	Oct 19- Sep 20	Oct 18- Sep 19	2019 Full year
Operating profit	-2,059	4,147	1,961
Financial income	1,283	794	457
Total	-776	4,940	2,418
Average capital employed	80,120	78,375	79,121
Return on capital employed before tax, %	-1%	6%	3%

Return on equity after tax, rolling 12 months

SEK millions	Oct 19- Sep 20	Oct 18- Sep 19	2019 Full year
Profit for the period, after tax	-2,076	3,032	1,093
Average equity	61,150	62,018	62,544
Return on equity after tax, %	-3%	5%	2%

Operating cash flow

SEK millions	2020 Q3	2019 Q3	2020 Qs 1-3	2019 Qs 1-3	2019 Full year
Cash flow from operating activities	477	1,111	817	3,506	5,341
Reversal received and paid interests	164	140	460	383	432
Reversal tax paid	-3	262	178	1,218	1,315
Maintenance expenditures ¹⁾	-332	-456	-1,016	-1,209	-1,875
Other investing activities ²⁾	5	-18	91	-25	-19
Operating cash flow	313	1,038	530	3,872	5,194

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 and purchase of emission allowances.

Net debt

SEK millions	2020 30 Sep	2019 30 Sep	2019 31 Dec
Interest-bearing assets ¹⁾	6,801	5,026	4,189
Interest-bearing liabilities ²⁾	19,727	16,450	15,885
Net debt	12,926	11,424	11,696

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.

Financial information, per quarter

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

SEK millions	1/18	2/18	3/18	4/18	1/19	2/19	3/19	4/19	1/20	2/20	3/20
Revenue	17,388	19,263	19,038	19,251	20,017	20,654	18,840	16,973	18,772	15,155	14,481
Operating expenses	-15,572	-16,699	-16,487	-17,295	-17,295	-18,269	-17,524	-17,086	-17,500	-14,442	-14,543
Depreciation/ amortization	-920	-952	-961	-938	-1,081	-1,102	-1,028	-1,005	-942	-956	-907
Affiliated companies	21	18	11	16	33	33	12	-14	13	-7	-5
Financial items	-147	-202	-153	-34	-91	-86	-99	-114	-123	-114	-102
Result before tax	769	1,427	1,447	1,001	1,583	1,230	201	-1,245	221	-365	-1,075

Revenue per quarter and division

SEK millions	1/18	2/18	3/18	4/18	1/19	2/19	3/19	4/19	1/20	2/20	3/20
SSAB Special Steels	4,674	5,142	4,684	4,369	4,874	5,139	4,509	3,973	4,536	3,983	3,569
SSAB Europe	8,051	8,892	7,754	8,099	8,577	8,814	7,637	6,702	8,139	6,189	6,153
SSAB Americas	3,363	4,040	4,713	4,762	4,871	4,555	4,446	3,588	3,878	3,219	2,715
Tibnor	2,058	2,253	1,949	2,173	2,264	2,534	2,179	2,172	2,421	2,037	1,752
Ruukki Construction	1,088	1,578	1,799	1,674	1,274	1,690	1,794	1,752	1,480	1,439	1,391
Other	-	-	-	-	-	-	-	-	-	-	-
Group adjustments	-1,846	-2,642	-1,861	-1,827	-1,843	-2,077	-1,725	-1,215	-1,681	-1,712	-1,099
Total	17,388	19,263	19,038	19,251	20,017	20,654	18,840	16,973	18,772	15,155	14,481

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

SEK millions	1/18	2/18	3/18	4/18	1/19	2/19	3/19	4/19	1/20	2/20	3/20
SSAB Special Steels	569	656	670	52	842	703	509	28	614	639	228
SSAB Europe	998	1,259	814	1,082	738	469	-67	-194	413	-133	-221
SSAB Americas	283	526	951	699	1,119	1,037	697	-1	294	178	-263
Tibnor	87	103	73	50	78	73	47	8	50	65	42
Ruukki Construction	-29	92	136	111	30	141	179	116	55	128	185
Other	-71	-53	-81	-24	-52	-3	-37	-83	-140	-172	-37
Total	1,836	2,582	2,563	1,971	2,755	2,419	1,327	-127	1,286	705	-66

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

SEK millions	1/18	2/18	3/18	4/18	1/19	2/19	3/19	4/19	1/20	2/20	3/20
SSAB Special Steels	434	522	536	-72	678	544	358	-126	458	485	73
SSAB Europe	657	907	460	733	347	66	-480	-609	0	-566	-631
SSAB Americas	129	365	790	553	956	872	522	-222	106	-10	-435
Tibnor	67	83	53	28	38	29	2	-39	12	29	6
Ruukki Construction	-62	59	103	78	-14	95	134	67	11	86	145
Depreciation on surplus values, IPSCO	-179	-192	-198	-203	-201	-207	-118	-39	-25	-20	-16
Depreciation on surplus values, Rautaruukki	-54	-56	-57	-57	-64	-66	-67	-67	-66	-69	-66
Other	-76	-58	-86	-24	-67	-18	-52	-97	-153	-186	-50
Total	916	1,630	1,600	1,035	1,674	1,316	300	-1,131	343	-251	-973

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

SEK millions	1/18	2/18	3/18	4/18	1/19	2/19	3/19	4/19	1/20	2/20	3/20
SSAB Special Steels	-	-	-	-	-	-	-	-	-	-	-
SSAB Europe	-	-	-	-	-	-	-	-	-	-	-
SSAB Americas	-	-	-	-	-	-	-	-	-	-	-
Tibnor	-	-	-	-	-	-	-	-52	-	-	-
Ruukki Construction	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-213	-27	-	-	-150	5	-	-	-
Total	-	-	-213	-27	-	-	-150	-47	-	-	-

Production and shipments

Thousand tonnes	1/18	2/18	3/18	4/18	1/19	2/19	3/19	4/19	1/20	2/20	3/20
Crude steel production											
- SSAB Special Steels	234	305	217	162	385	343	355	142	293	295	102
- SSAB Europe	1,175	1,147	1,049	1,205	993	1,120	930	926	1,130	872	837
- SSAB Americas	652	629	645	609	621	637	617	554	658	612	580
- Total	2,061	2,081	1,911	1,976	2,000	2,100	1,902	1,621	2,081	1,779	1,519
Rolling production											
- SSAB Special Steels	121	138	145	89	145	130	134	83	151	156	60
- SSAB Europe	1,180	1,200	1,031	1,082	1,162	1,198	980	876	1,190	836	864
- SSAB Americas	607	603	612	582	581	597	581	526	614	580	515
- Total	1,909	1,941	1,788	1,753	1,889	1,926	1,696	1,484	1,955	1,573	1,438
Steel shipments											
- SSAB Special Steels	346	339	320	293	338	339	299	249	305	266	259
- SSAB Europe	939	963	810	850	907	909	794	752	955	695	751
- SSAB Americas	523	509	517	491	500	475	521	478	527	460	462
- Total	1,808	1,811	1,646	1,634	1,744	1,722	1,614	1,479	1,787	1,422	1,472

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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Year-end report for January-December 2020

The Year-end report for 2020 will be published on January 29, 2021



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