

A close-up photograph of a person's hands holding a rolled-up document. The person's face is blurred in the background, looking at the document. The document is light-colored and appears to be a report or certificate.

Presentation of the Q4/2022 report

Martin Lindqvist, President & CEO
Leena Craelius, CFO

January 27, 2023

SSAB

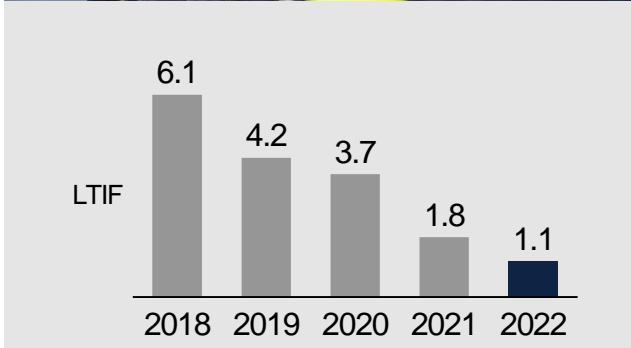
Agenda

1. FY 2022 and Q4 in brief
2. Financials
3. Outlook and summary
4. Q&A



1 FY 2022 and Q4 in brief

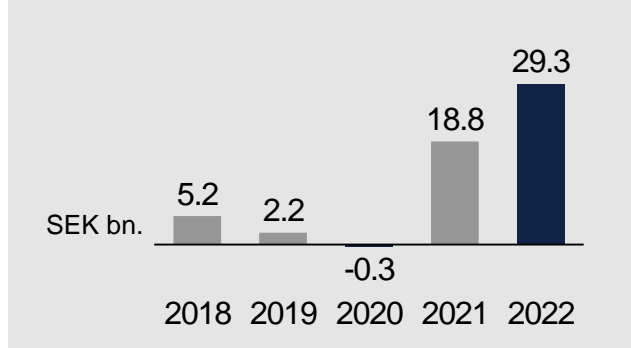
Record earnings in a volatile year



Improved safety

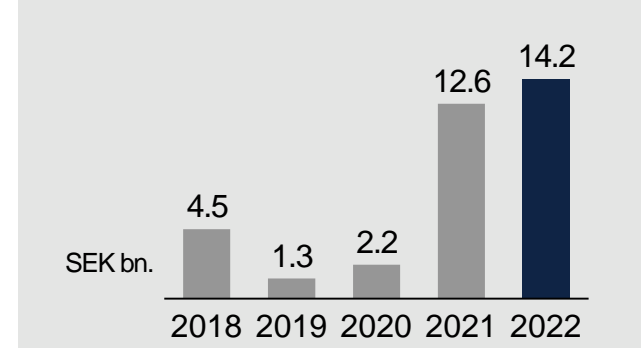
Lost Time Injury Frequency decreased to 1.06

Total recordable injury frequency (TRIF) decreased to 7.70 (9.20)



Record operating result

All steel divisions posted record earnings (adjusted basis)

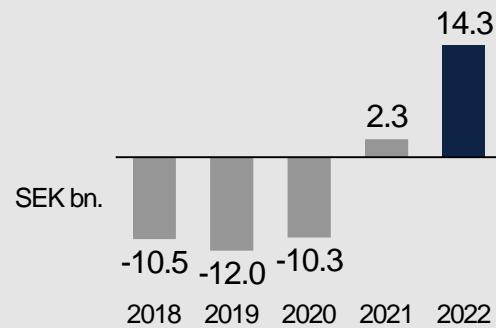


Strong cash generation

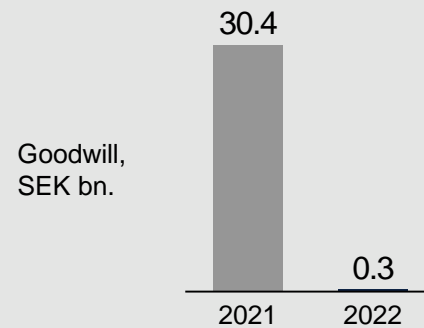
Cash flow before dividend rose to SEK 14.2 bn.

Release of working capital in Q4

Solid financial position

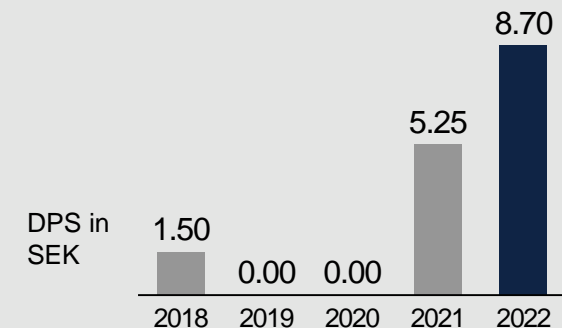


Significant net cash position
SEK 14.3 bn in net cash



Goodwill impairment reported in Q4
Related to acquisitions of Ipsco (2007) and Rautaruukki (2014)

No effect on underlying result or cash flow

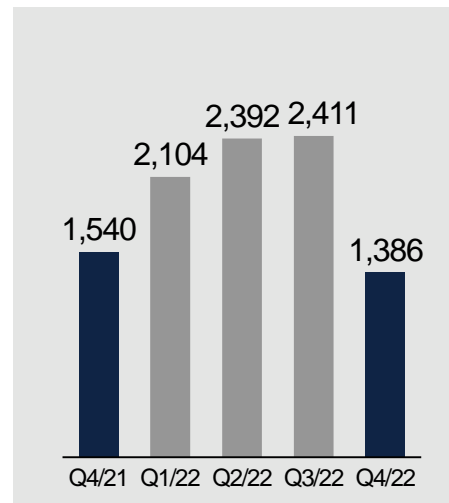


Higher dividend proposed
An authorization to buy back SSAB shares will be proposed to the AGM

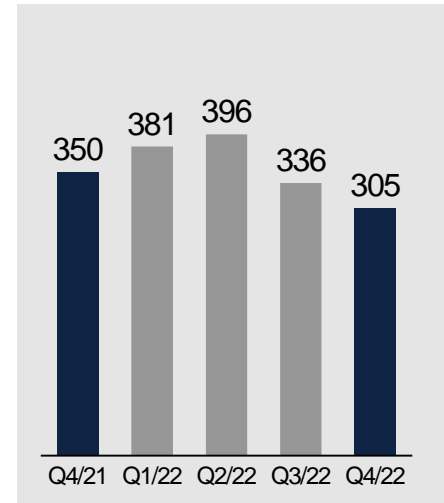
SSAB Special Steels



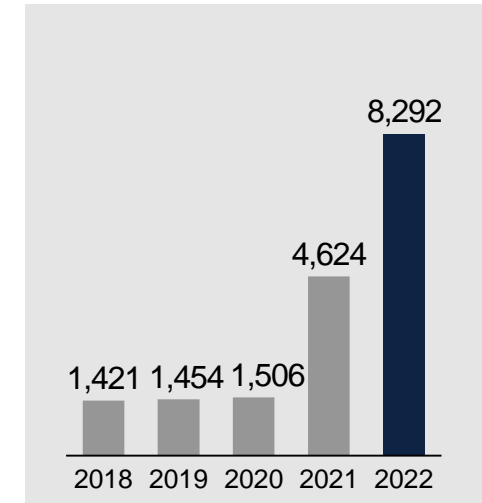
Quarterly adjusted operating result in SEK m.



Quarterly shipments, ktonnes



Annual adjusted operating result in SEK m.



Q4

Prices and product mix held up well

Planned maintenance and weaker market in Europe impacted shipments and result

FY 2022

Record earnings

Strong price realization

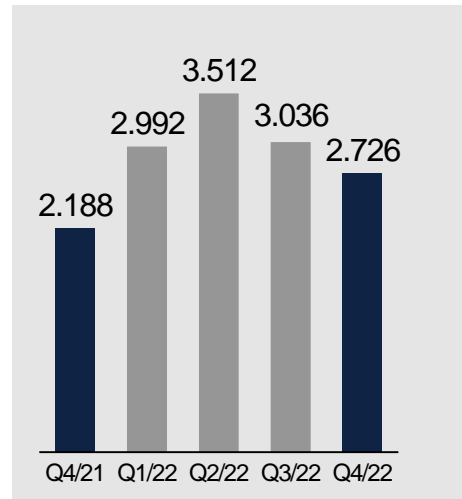
Adjusted EBIT margin 24.6%
(19.7%)



SSAB Americas



Quarterly adjusted operating result in SEK m.

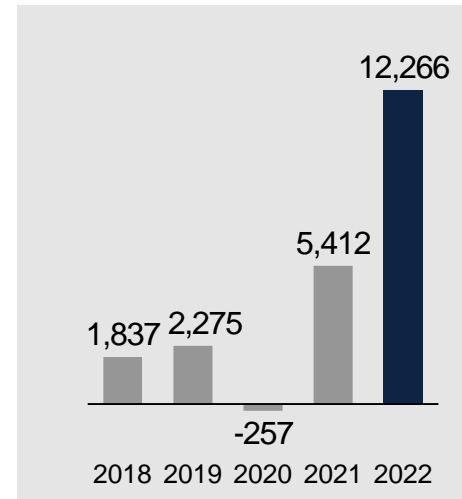


Q4

Continued good earnings development

Prices decreased from high level

Annual adjusted operating result in SEK m.



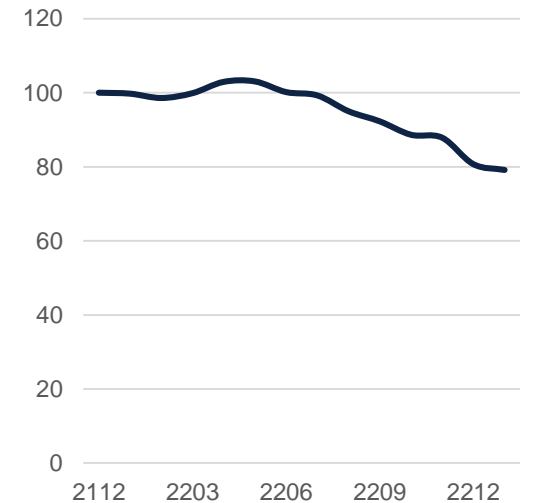
FY 2022

Record earnings

Higher realized prices

Adjusted EBIT margin 38.1% (26.2%)

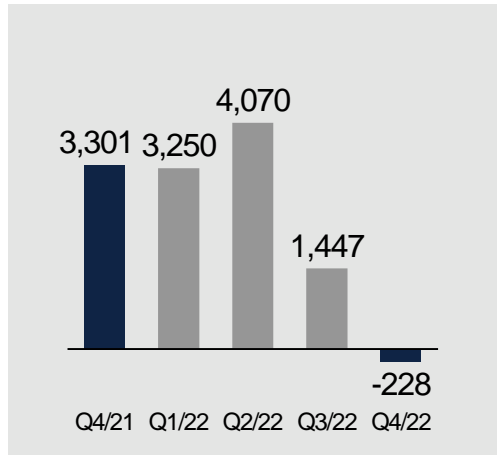
Monthly market price, US plate, indexed



Negative price trend in 2022, but on high level

Weaker European market impacting SSAB Europe, Tibnor and Ruukki

Quarterly adjusted operating result in SEK m.



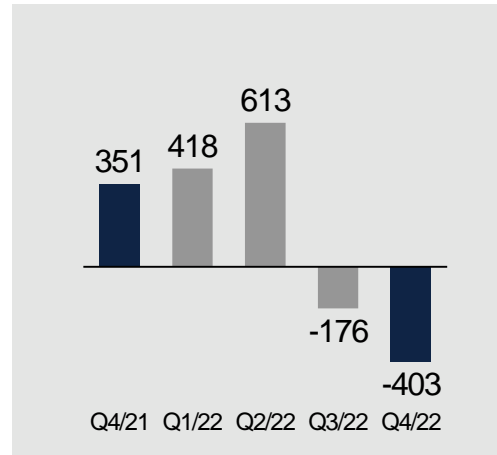
SSAB Europe Q4

Lower realized prices

Planned maintenance in Q4, including one of the blast furnaces in Raabe. Restart of BF in the beginning of 2023

Adjusted EBIT margin 17.1% (19.1%) for the full-year 2022

Quarterly adjusted operating result in SEK m.

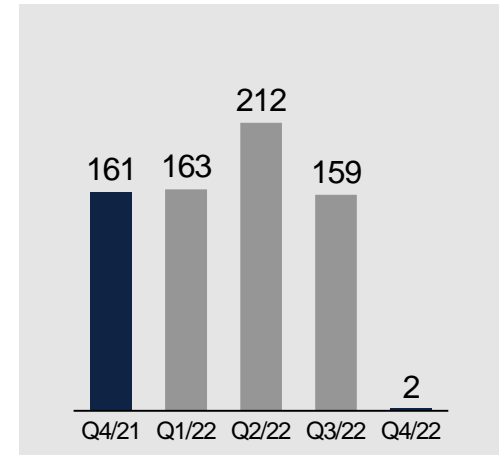


Tibnor Q4

Weak demand and lower prices

Inventory losses impacted the result

Quarterly adjusted operating result in SEK m.



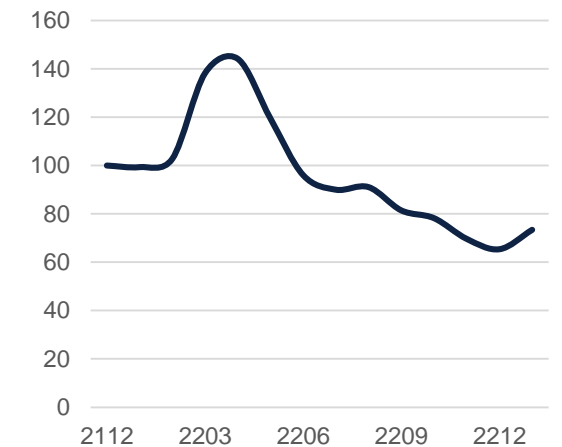
Ruukki Construction Q4

Continued weak demand

Higher inflation and interest rates impacting Construction segment

Margin decreased from a high level in Q4/21

Monthly market price, European HRC, indexed



Volatile market during 2022

Market stabilized at the end of 2022

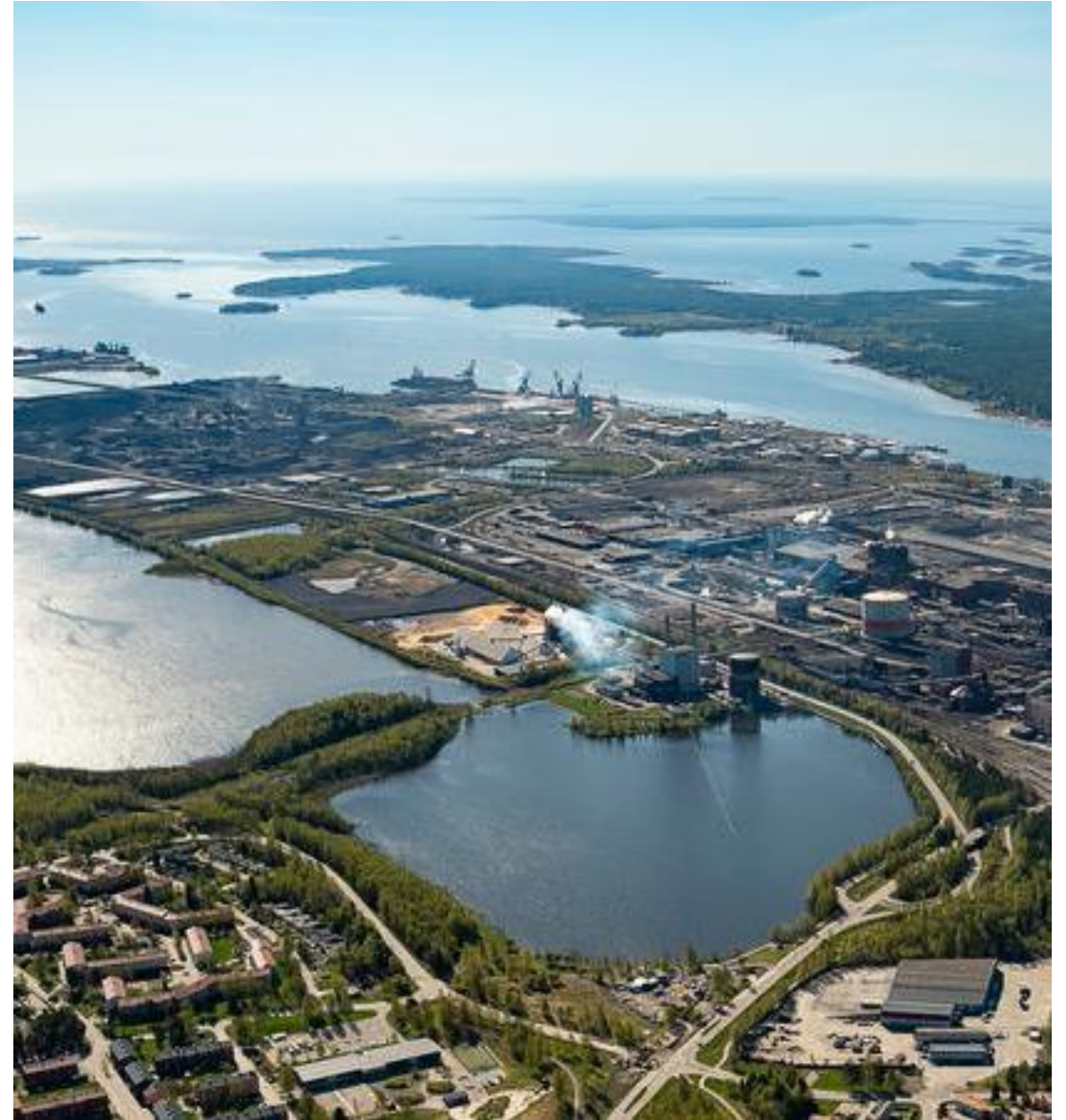
Leading the green transition of the steel industry

- In 2022, 500 tonnes of fossil-free steel delivered to strategic customers
- Partnerships in Automotive, Heavy Transport, Construction Machinery, Material Handling, Construction



Transformation to fossil-free steel making on plan

- Replacing blast furnaces and coke plants with new integrated mini-mills with electric arc furnaces, rolling mills and further processing
- Greater flexibility, shorter lead times and virtually no CO₂ emissions from own operations
- Feasibility studies for the planned mini-mills in Luleå and Raahe are ongoing
- Public consultation process for the plant in Luleå launched during Q4
- Hybrit Development AB has filed patent applications to the European Patent Office

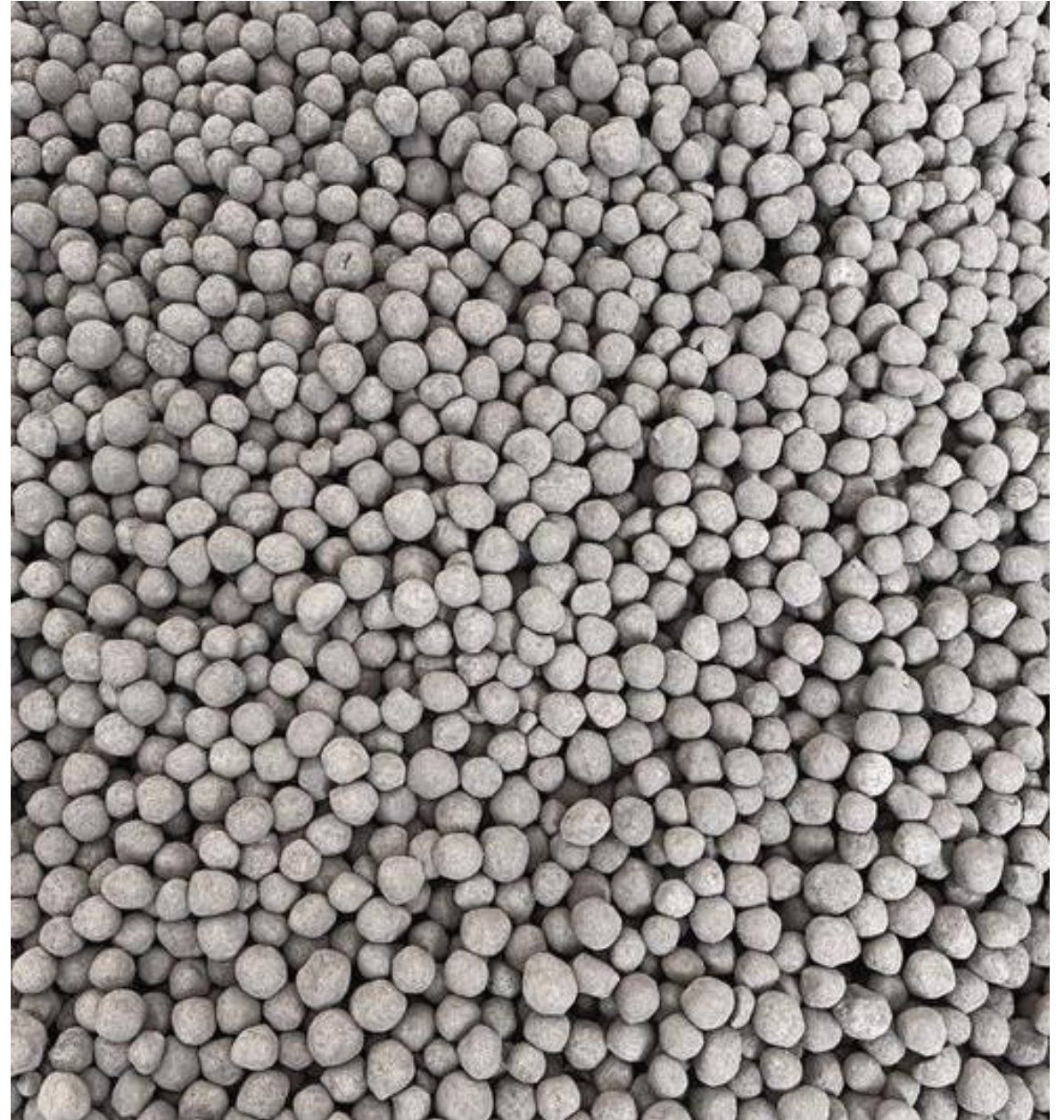


SSAB's own transformation requires 3-4 TWh

- SSAB's Nordic plants will need additionally ~3-4 TWh of fossil-free electricity around 2030 to replace blast furnaces with EAFs
- A flexible mix of scrap metal and fossil-free sponge iron can be used as a raw material in the new installations
- Will reduce 10% of Sweden's total CO₂ emissions and 7% of Finland's

Fossil-free value chain

- HYBRIT demonstration plant in Gällivare will need ~5 TWh (2026)
- Further expansion of fossil-free sponge iron production depends on competitive costs
 - Additional electricity production in the Nordics a key factor

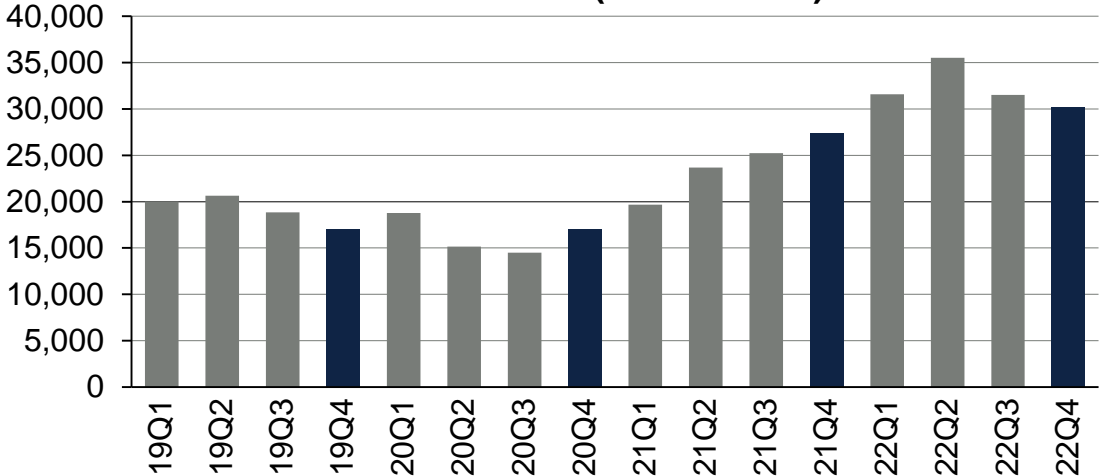


2 Financials

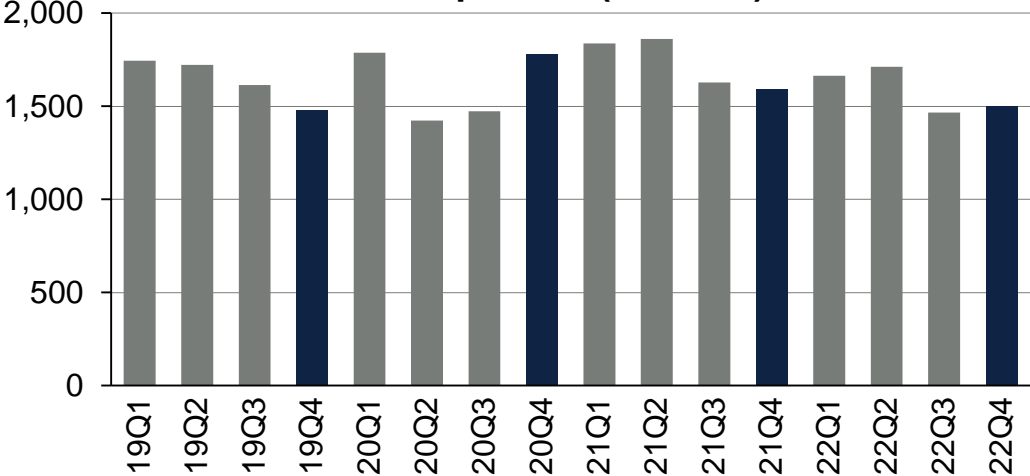
Q4 impacted by weak European market and maintenance

SSAB Special Steels and SSAB Americas held up

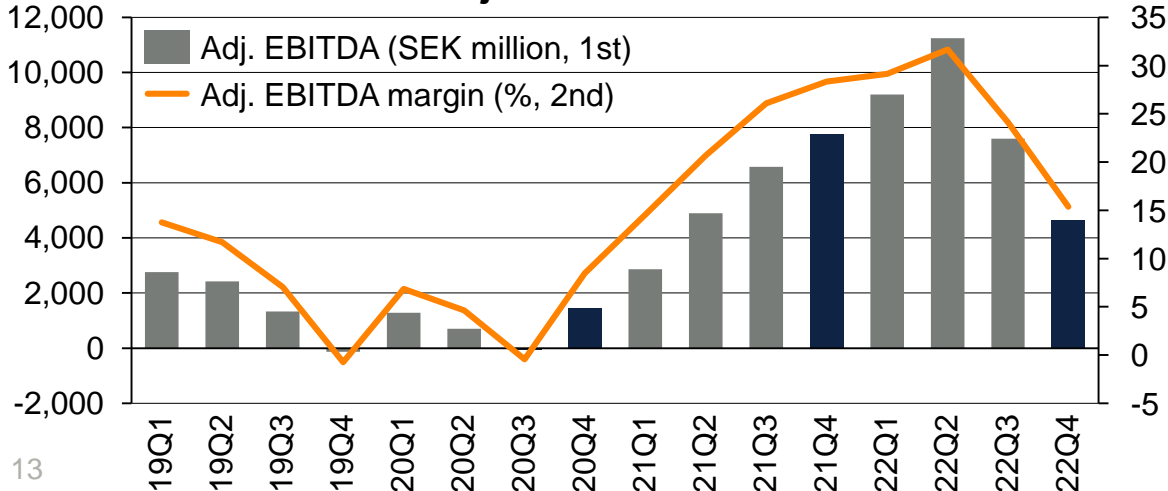
Sales (SEK million)



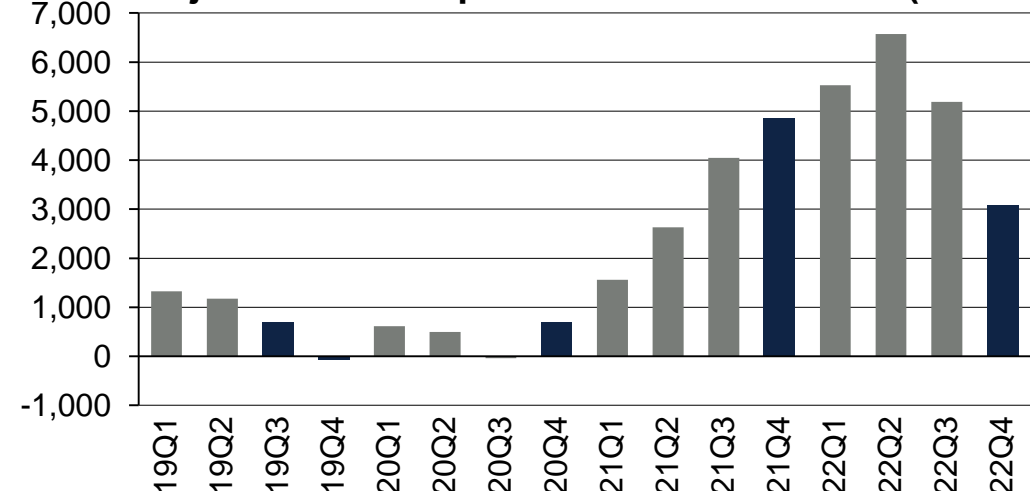
Steel shipments (ktonnes)



Adjusted EBITDA

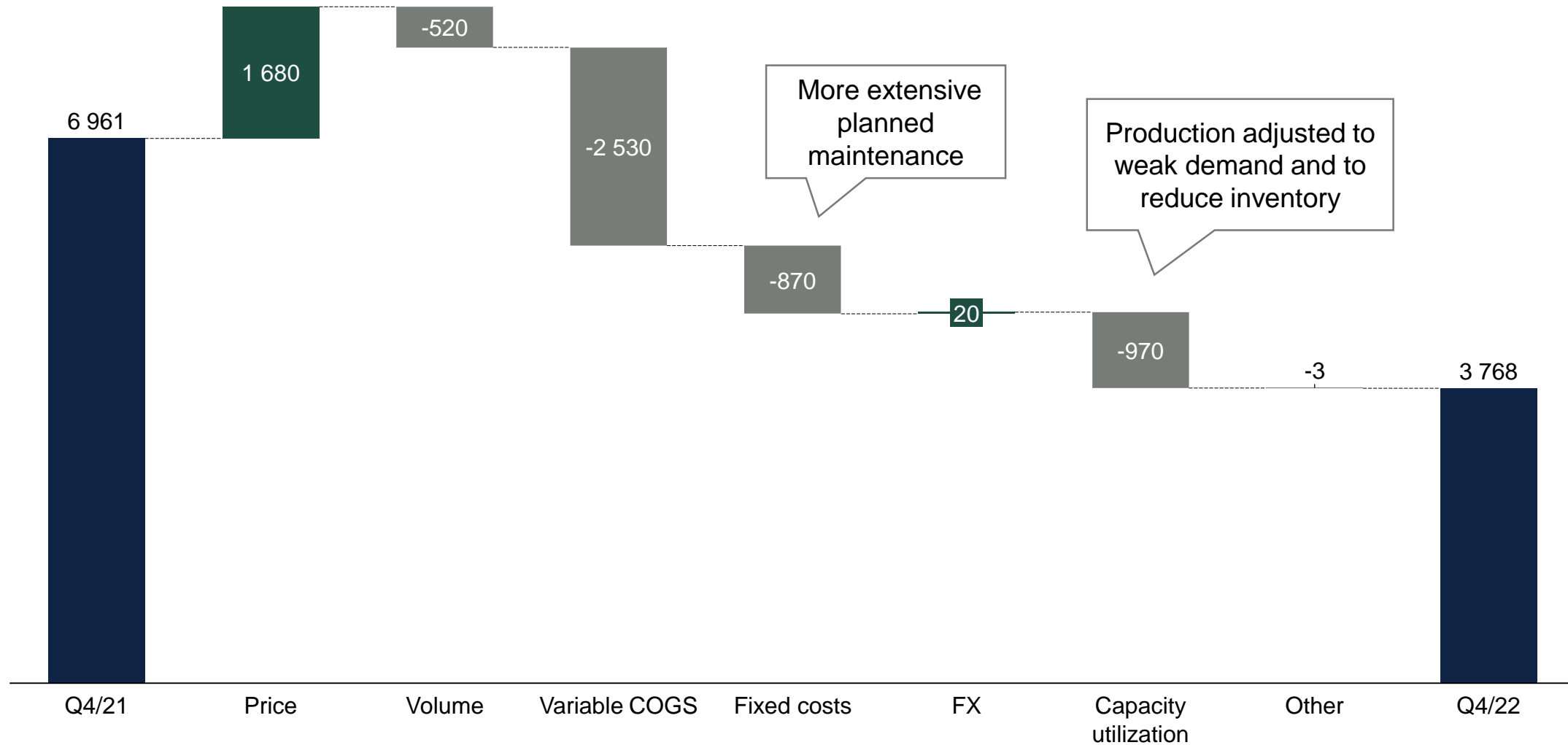


Adjusted EBITDA per tonne delivered steel (SEK/tonne)



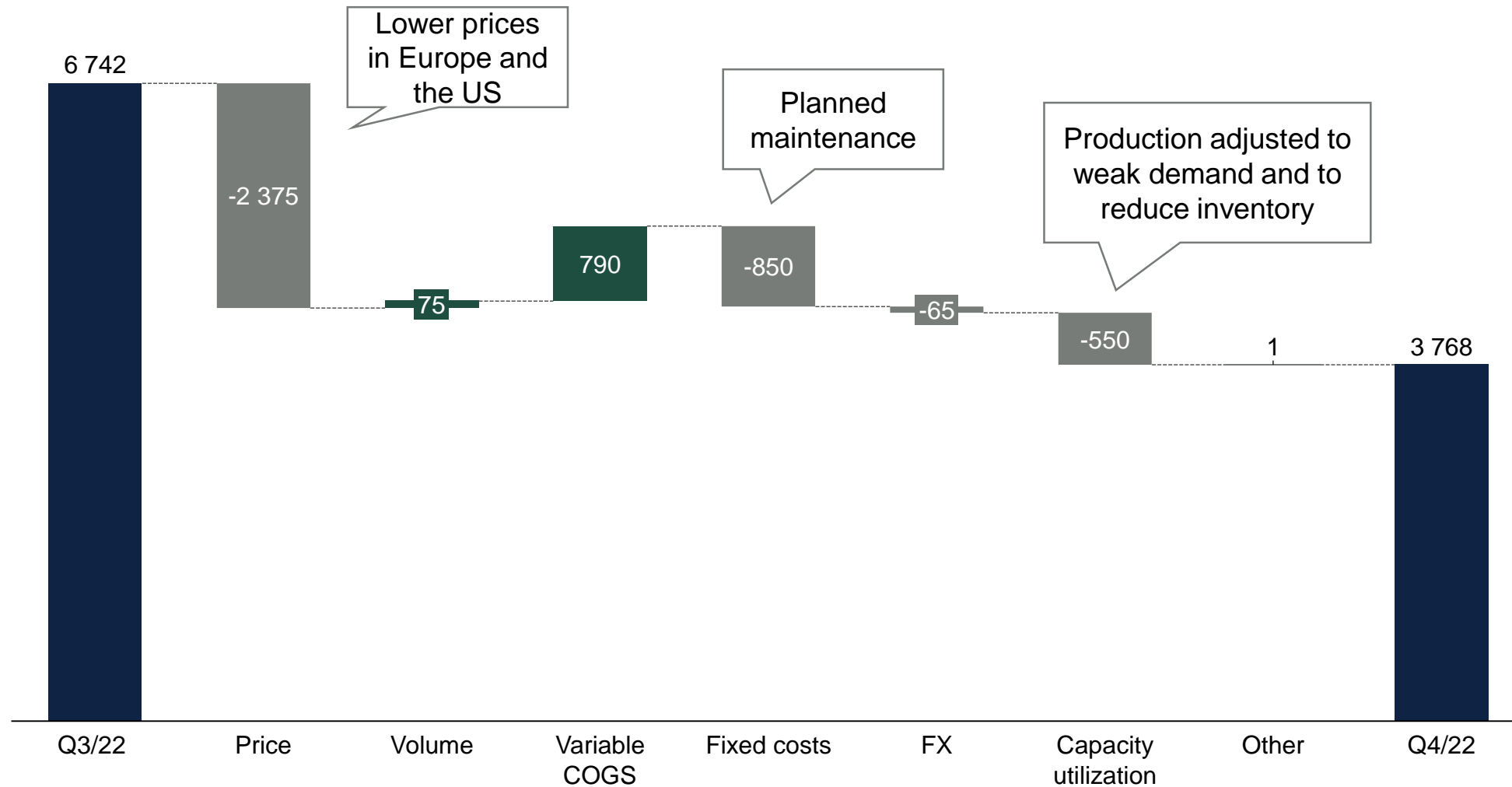
Change in adjusted operating result

Q4/22 vs. Q4/21



Change in adjusted operating result

Q4/22 vs. Q3/22

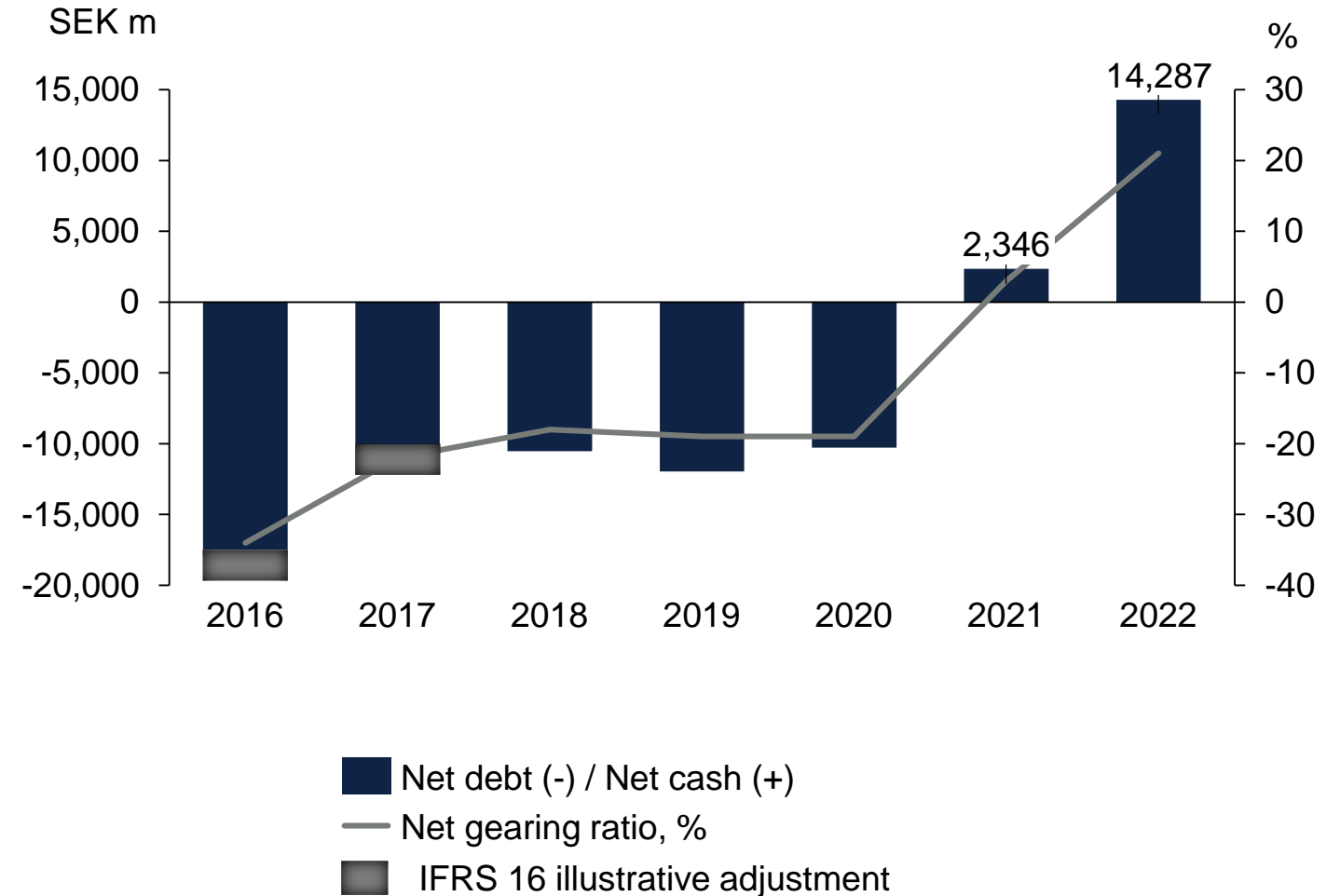


Release of working capital in Q4/22

SEK millions	2022 Q4	2022 Full year	2021 Full year
EBITDA	4,659	32,340	22,094
Change in working capital	4,921	-8,279	-5,485
Maintenance capex	-1,018	-2,196	-2,053
Other	317	828	741
Operating cash flow	8,880	22,693	15,296
Financial items	-1	-17	-373
Taxes	-1,313	-5,947	-1,357
Cash flow from current operations	7,566	16,729	13,566
Strategic capex, plants and machinery	-705	-1,952	-835
Acquisitions of shares and operations	-174	-616	-130
Cash flow before dividend	6,687	14,161	12,602
Dividend, Parent company's shareholders	-	-5,406	-
Dividend, non-controlling interest	-	-7	-9
Acquisitions of shares, non-controlling interest	-	-	-157
Net cash flow	6,687	8,748	12,436

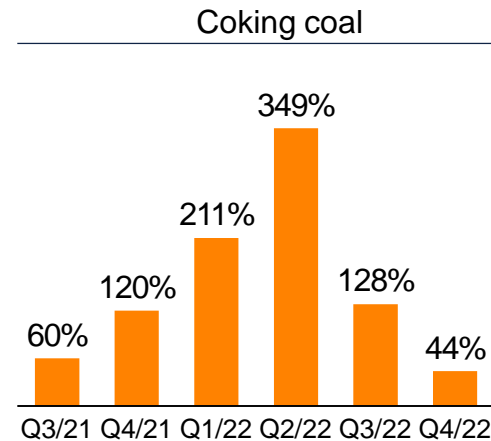
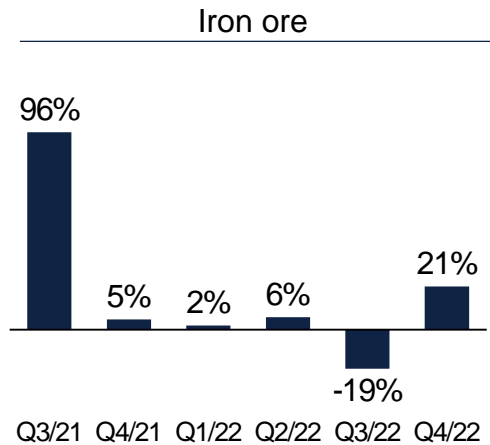
Strong financial position

- Group is debt free with net cash of SEK 14.3bn (2.3bn) at the end of 2022
- The board proposes dividend of SEK 8.70 per share, corresponding to a total of SEK 9 bn.
- An authorization to buy back up to 10% of all outstanding SSAB shares will be proposed to the AGM
- Impairment of goodwill in Q4/22
 - SEK 33.3 bn referring to the acquisitions of Ipsco (2007) and Rautaruukki (2014)
- No effect on cash flow or tax

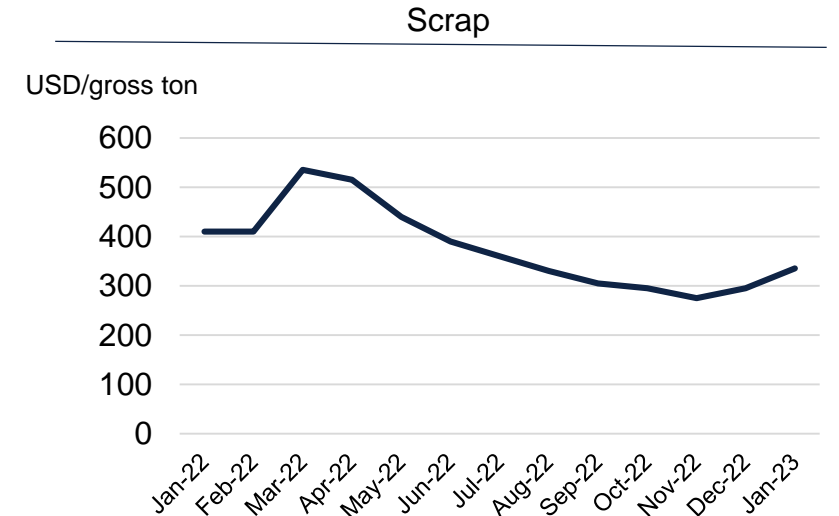


Raw material

SSAB's purchase price, year over year changes



Market prices (AMM)

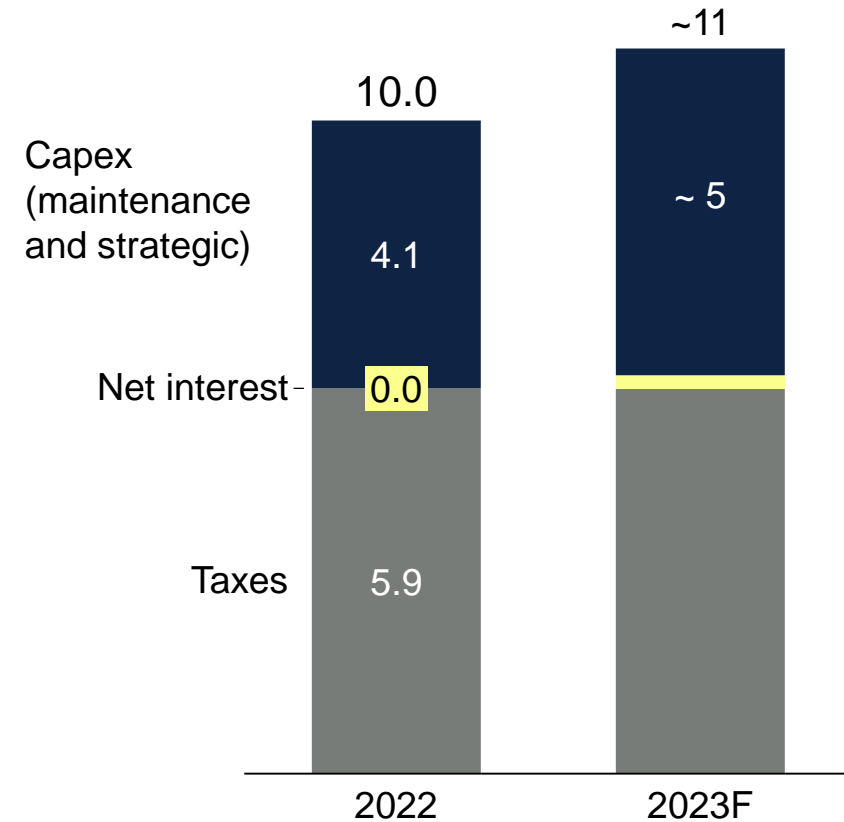


- Lower than normal purchase volume in Q4/22 to reduce inventory
- Upturn in iron ore market prices in Q4 will impact Q1

- Lower average purchase prices in Q4/22, but scrap prices moved up in December and January
- The purchase prices of scrap ore affect the result after a lag of around one month

Cash needs of the business

- Total cash needs¹⁾ in 2023 estimated at around SEK 11bn
- Higher strategic capex vs. 2022 due to ramp-up of Oxelösund conversion
- As a starting point, a stable taxes paid has been assumed. It will, however, depend on the level of earnings in 2023. Some of the tax cost incurred in 2022 (~SEK 2bn) will be paid in 2023, due to normal delay.













1) Cash needs defined as capex, interest paid and taxes paid.
Excluding working capital

3

Outlook and summary

SSAB's outlook for main customer segments Q1/2023

Segment	Demand	Comments	 Strong	 Neutral	 Weak
Heavy Transport		<ul style="list-style-type: none"> - Improved supply chain for heavy trucks in Europe - Improvement in railcar (US) 			
Automotive		<ul style="list-style-type: none"> - Improved supply of components to OEMs - Risk in end-user demand (higher interest rates) 			
Construction Machinery		<ul style="list-style-type: none"> - Stable demand in several regions, China weak - Lifting applications strong in several markets 			
Material Handling		<ul style="list-style-type: none"> - Generally good demand in mining and recycling 			
Energy		<ul style="list-style-type: none"> - Good demand for wind power and other renewables 			
Construction		<ul style="list-style-type: none"> - European market impacted by inflation, higher interest rates - Seasonally low activity in Q1 			
Service Centers		<ul style="list-style-type: none"> - Very low inventories in the US - Destocking in Europe in Q4, more balanced situation into Q1 			

SSAB's outlook for Q1/2023

- Continued uncertainty (inflation, interest rates, Ukraine)
- Stabilization of European market
- Relatively stable demand on North American market (heavy plate)
- Demand for high-strength steels slowed somewhat, mainly in Europe
- Relatively stable raw material prices (higher costs for iron ore and scrap; lower costs for coal)

Volume and pricing outlook		
Q1 2023 vs. Q4 2022	Shipments	Realized prices
SSAB Special Steels	Significantly higher	Lower
SSAB Europe	Significantly higher	Lower
SSAB Americas	Somewhat higher	Lower

Definitions: Significantly lower (>10%), Lower (5-10%), Somewhat lower (0-5%), Stable (~0%), Somewhat higher (0-5%), Higher (5-10%), Significantly higher (>10%)

Summary

- Record earnings in FY 2022
- Continued good trend in safety
- Release of working capital in Q4
- Strong financial position
 - Dividend per share of SEK 8.70 proposed
 - An authorization to buy back SSAB shares will be proposed to the AGM
- Leading the green transition
 - Pilot shipments of 500 tonnes in 2022
 - SSAB's transformation on plan



4

Questions & Answers

Capital Markets Day 2023

- SSAB invites institutional investors, financial analysts and journalists to the Capital Markets Day
- 28 March – presentations in Stockholm. Venue: Epicenter, Mäster Samuelsgatan 36.
- 29 March – site visit to SSAB Luleå and Hybrit
- To attend, please register, link available on ssab.com, IR calendar



Appendix

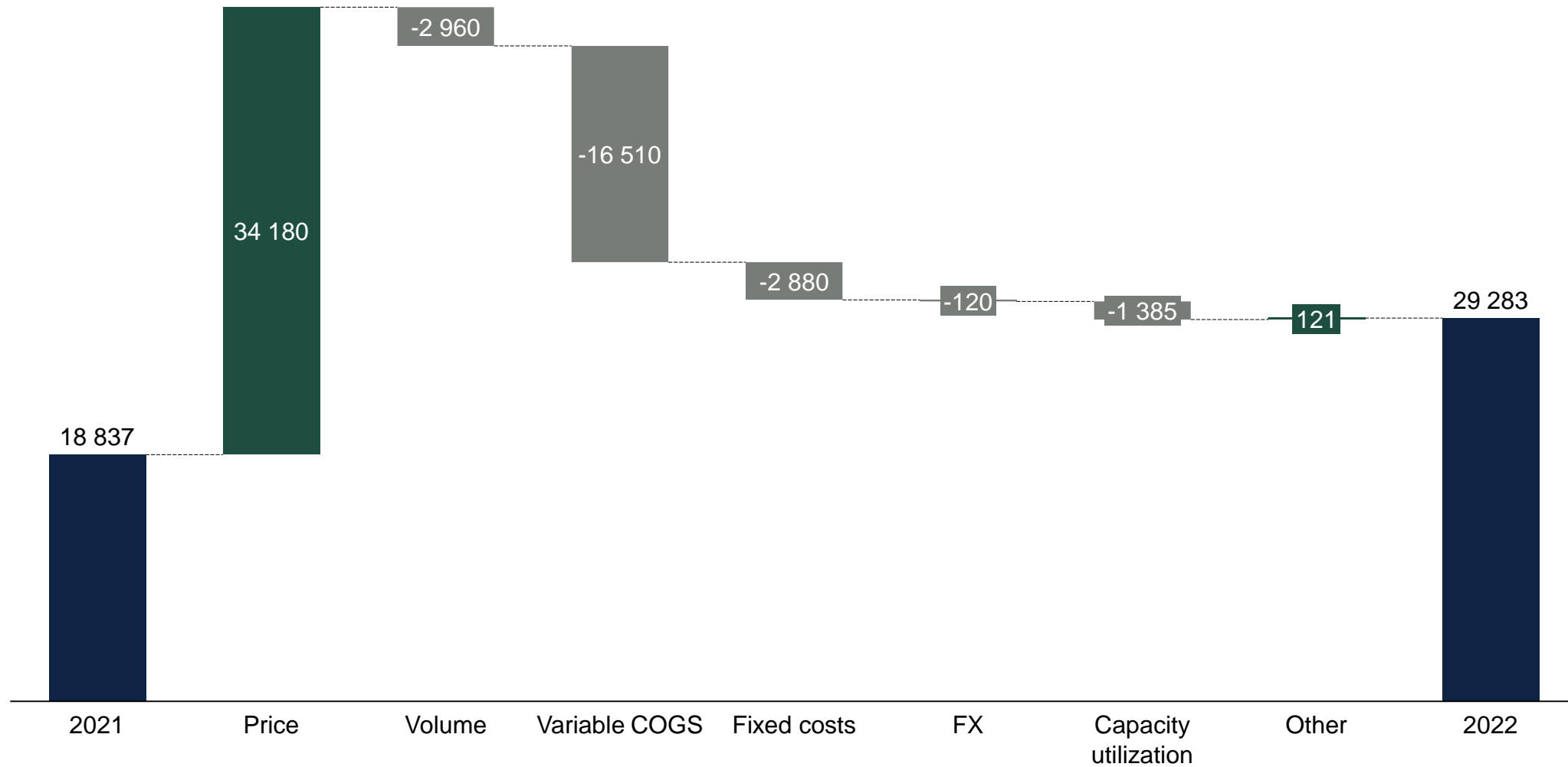
Expected maintenance costs

- SSAB's total maintenance costs for 2023 are expected to be SEK 1,550 (1,540) million.

SEK million	2023 Q1	2023 Q2	2023 Q3	2023 Q4	FY 2023
SSAB Special Steels	--	--	275	400	675
SSAB Europe	--	--	350	200	550
SSAB Americas	--	--	175	150	325
Total	--	--	800	750	1,550

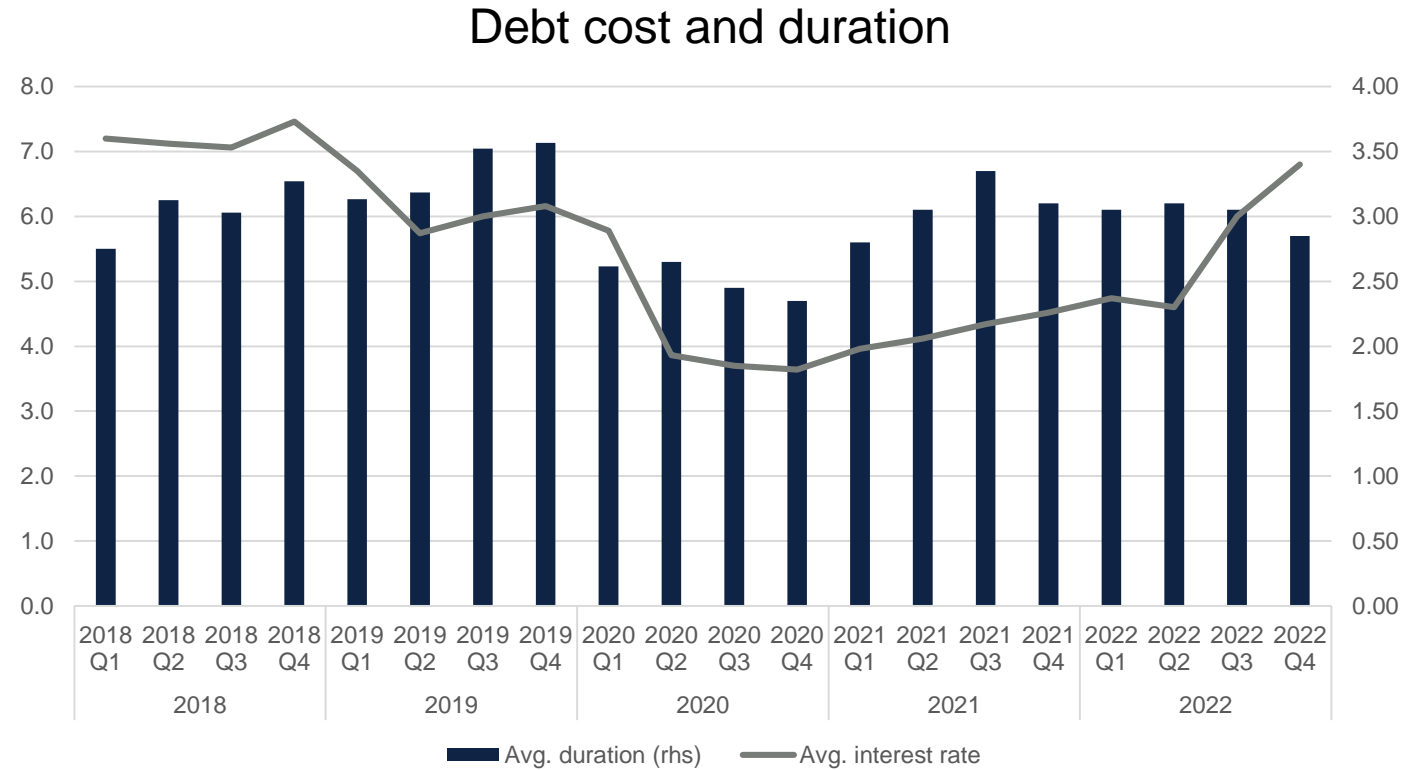
Note: The estimates shown in table includes direct maintenance cost and cost of lower capacity utilization (under absorption) but excludes lost margins.

Change in adjusted operating result 2022 vs. 2021



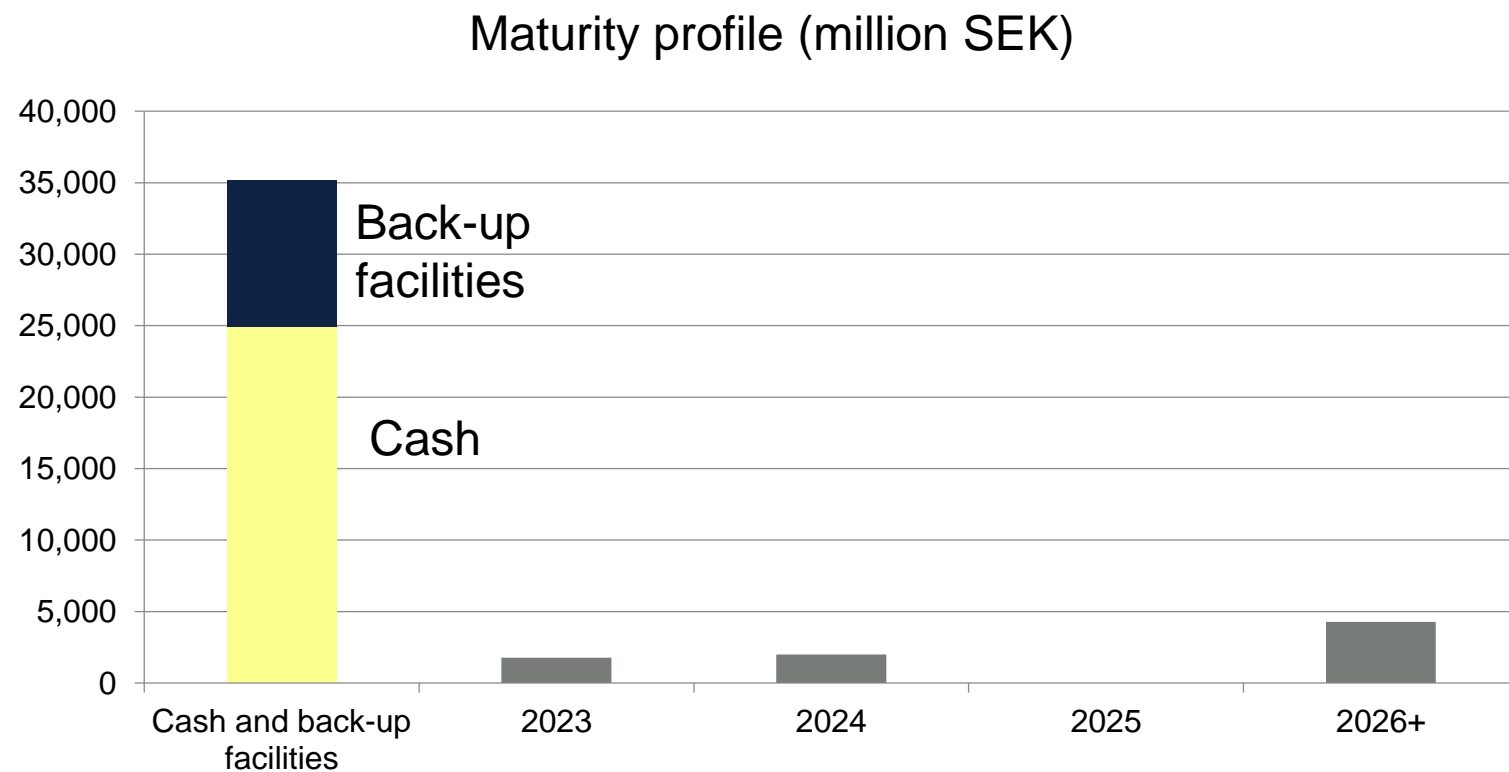
Debt portfolio duration and interest rate

- Duration of the loan portfolio was 5.7 (6.2) years
- Averaged fixed interest term was 0.9 (1.2) years
- Average interest rate was 3.4% (2.3%)



Maturity profile

- Liquid assets and committed credit lines at SEK 35.2 bn



SSAAB