



# Results for the first quarter 2012

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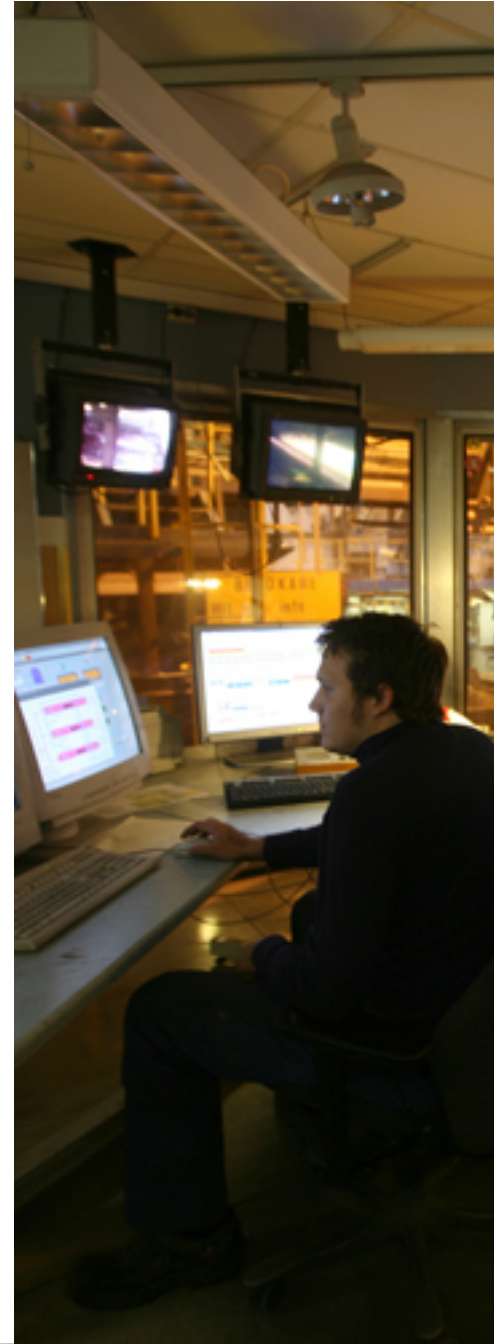
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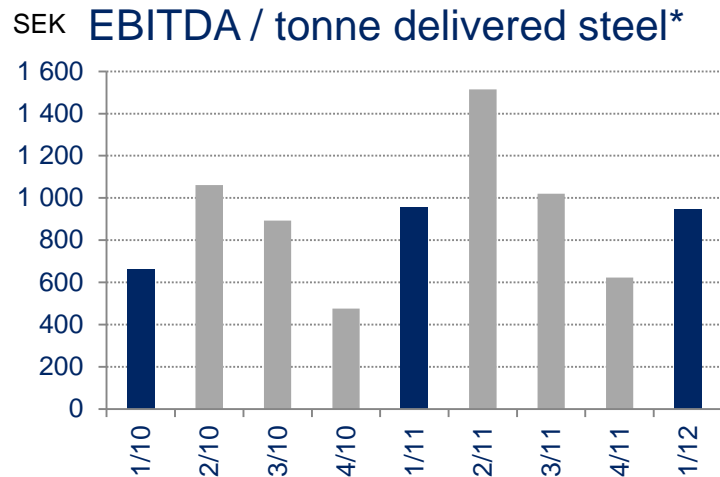
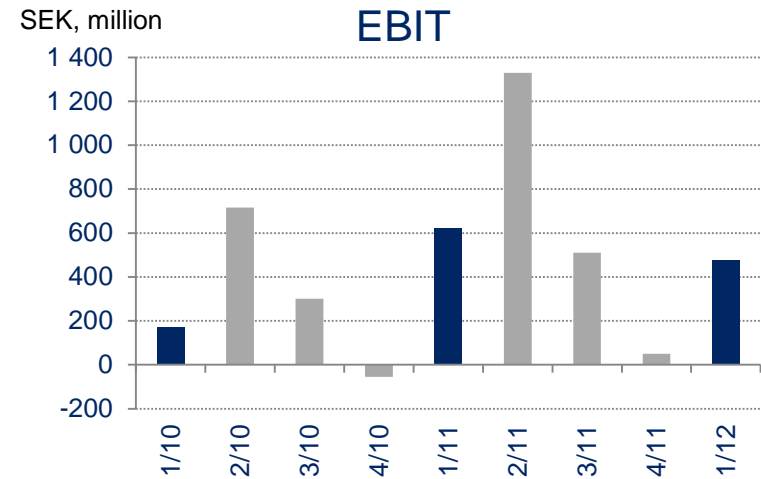
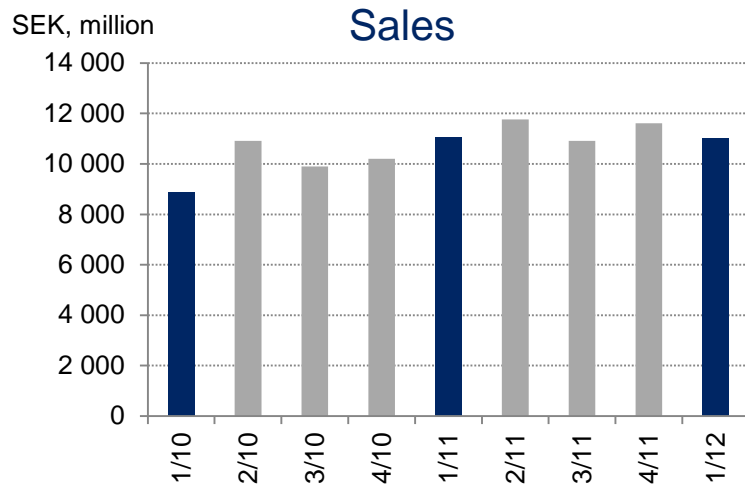
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# Highlights – Q1 2012

- ▶ EBIT for Q1-12 amounted to MSEK 479 (621)
- ▶ Group cash flow of SEK 1.9bn, where SSAB EMEA accounted for SEK 1.2bn
- ▶ Demand improved in the period, partly due to replenishment of stocks
- ▶ SSAB EMEA's Q1-12 price contracts lower than in Q4-11
- ▶ The cost efficiency program in SSAB EMEA proceeds according to plan
- ▶ The commissioning of new quenching capacity is ongoing and proceeds well



# SSAB – Sales, EBIT & EBITDA/tonne



\* Reflecting the steel operations; EMEA, Americas, APAC

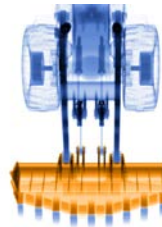
# Mining and Yellow Goods growth drivers

## Heavy Transport



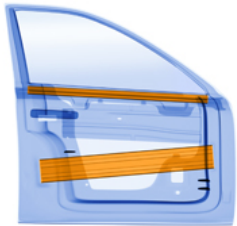
- ▶ **Truck market remains good**
- ▶ **Railcar builders ask for more steel** in America
- ▶ **Solid barge orders** in our books

## Mining



- ▶ **Australian Mining market very positive** – aftermarket focus area with high potential
- ▶ **Indonesia also develops well** with several large OEM's establishing themselves locally

## Automotive



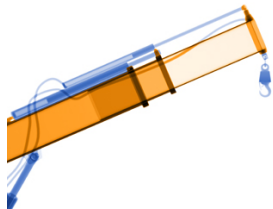
- ▶ **EU light vehicle sales down 7.7%** in Q1 vs. Q1 2011
- ▶ **Overall the automotive demand in China is still good** – however increased competition is expected

## Energy



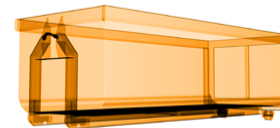
- ▶ **Several segments remain good**
- ▶ **Wind tower demand steady, but uncertainty for 2013** with still no Production Tax Credit extension

## Construction Equipment



- ▶ **Yellow goods demand remains good** in EMEA and Americas
- ▶ **Chinese lifting industry have increased production** in Q1
- ▶ **Chinese OEMs moving into European market**

## Service centers (US)

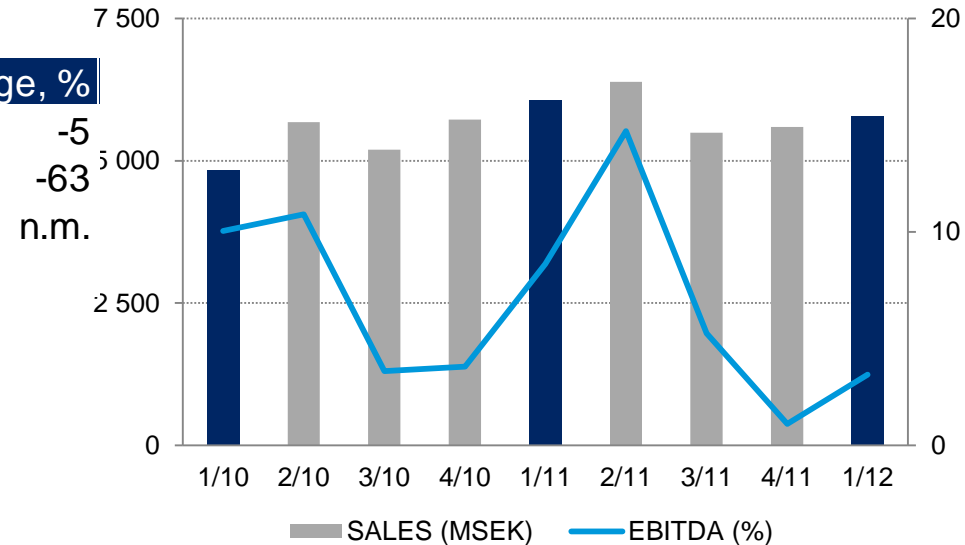


- ▶ **Order placement remain cautious** – everyone trying to determine correct price level
- ▶ **Inventory levels rose slightly** in both the U.S. and Canada at the end of February

# SSAB EMEA

MSEK	Q1-12	Q1-11	Chge, %
Sales	5,780	6,071	-5
EBITDA	192	516	-63
EBIT	-124	236	n.m.
EBIT-margin, %	-2	4	

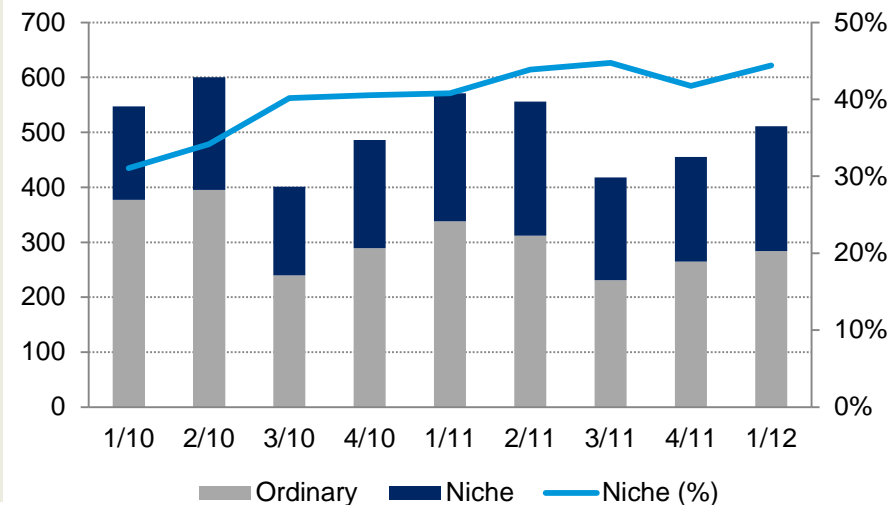
## Sales & EBITDA-margin



- ▶ Shipments were 11% lower vs. Q1-11, but 12% higher vs. Q4-11
- ▶ Niche products were 44% (41% in Q1-11) of shipments
- ▶ Local prices for niche and standard steels decreased by 5% vs. Q4-11
- ▶ Production of quenched steels in Borlänge
- ▶ The larger blast furnace in Oxelösund was re-started, the smaller one is planned to be idled in early May
- ▶ A gas pipe breakdown in Oxelösund caused a 10-day production outage

## Shipments

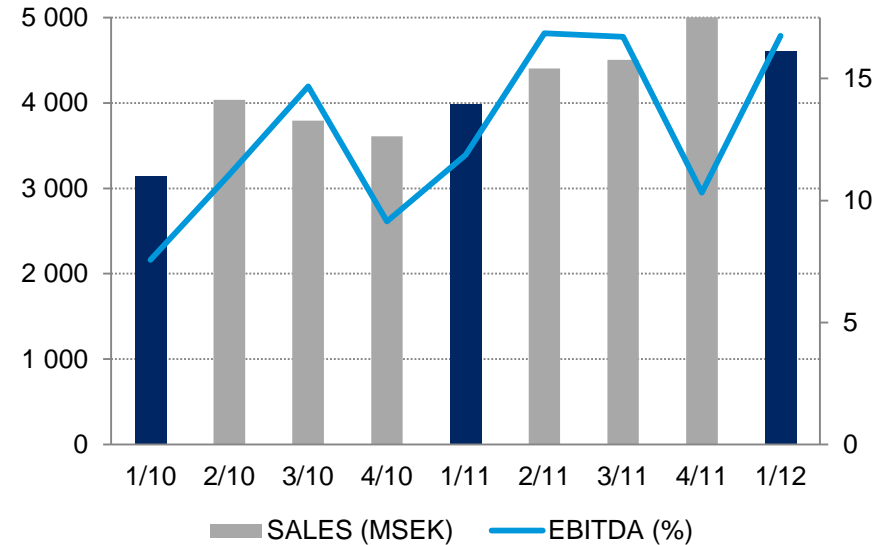
'000 tonnes



# SSAB Americas

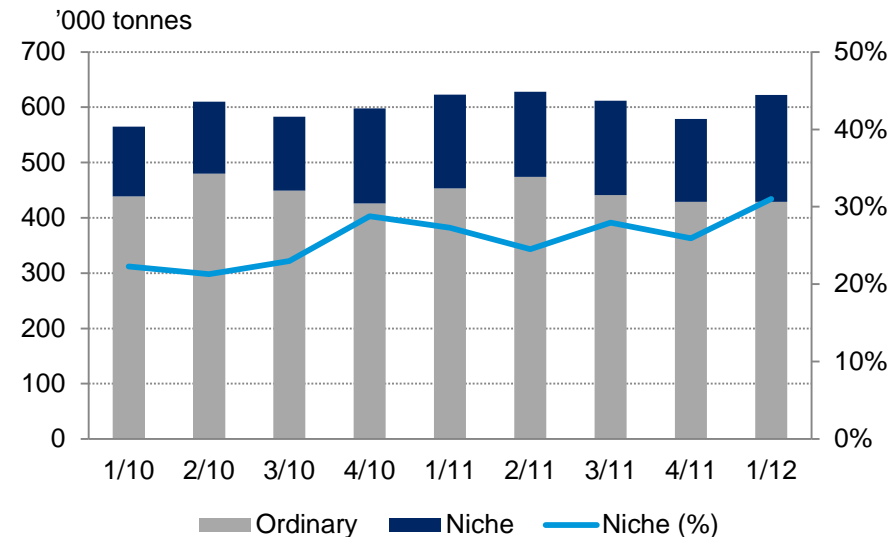
MSEK	Q1-12	Q1-11	Chge, %
Sales	4,609	3,984	16
EBITDA	772	473	63
EBIT	670	383	75
EBIT-margin, %	15	10	

Sales & EBITDA-margin



Shipments

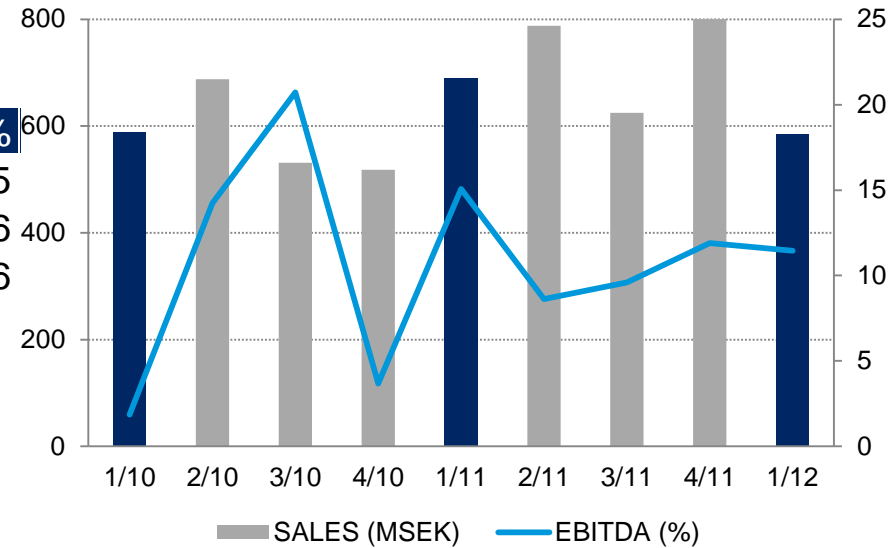
- ▶ Shipments were unchanged vs. Q1-11 and 7% higher vs. Q4-11
- ▶ Niche products were 31% (27% in Q1-11) of shipments
- ▶ Local prices for niche and standard steels increased by 1% vs. Q4-11
- ▶ The new quenching line in Mobile in full commission during Q2-12



# SSAB APAC

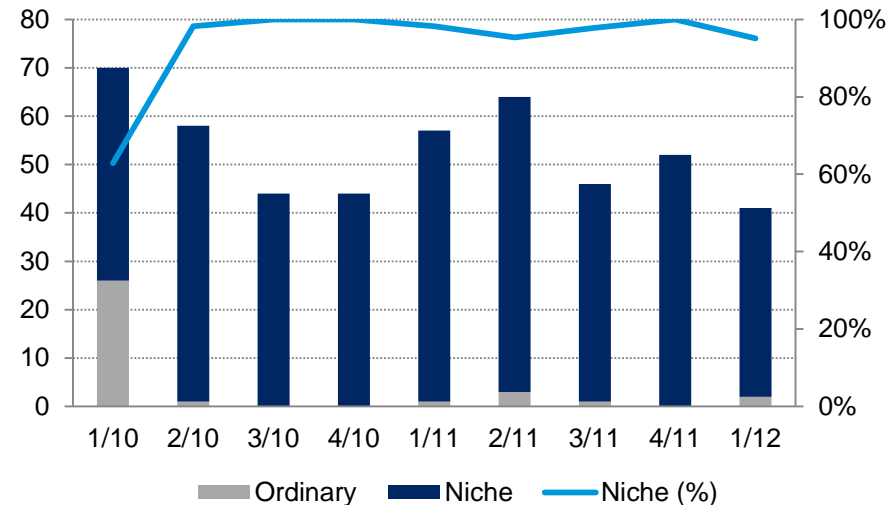
MSEK	Q1-12	Q1-11	Chge, %
Sales	585	690	-15
EBITDA	67	104	-36
EBIT	65	102	-36
EBIT-margin, %	11	15	

## Sales & EBITDA-margin



## Shipments

'000 tonnes

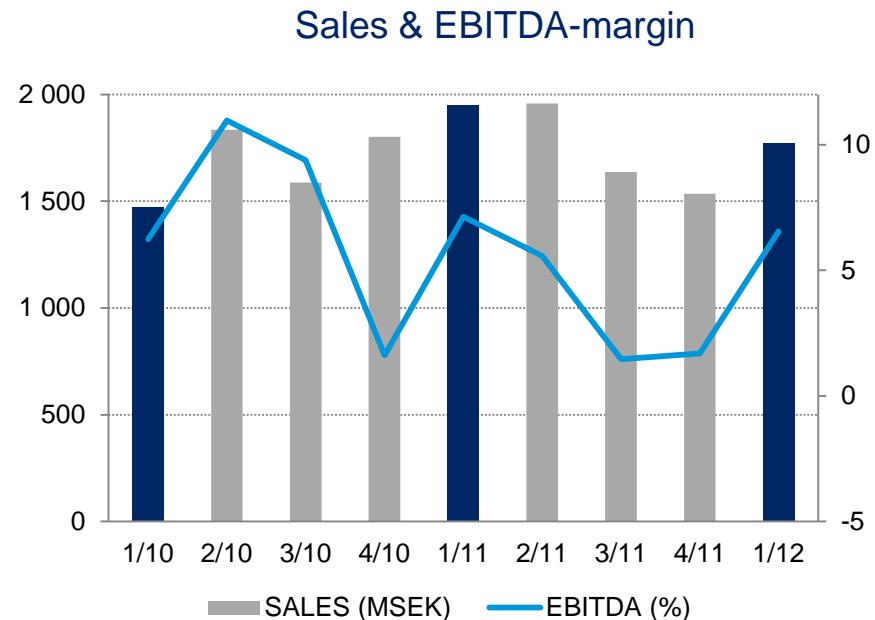


- ▶ Shipments of niche products were 30% lower vs. Q1-11 and 25% lower vs. Q4-11, due to destocking among customers
- ▶ Local prices for niche steels increased by 2% vs. Q4-11
- ▶ The finishing line is currently being commissioned
- ▶ Start-up of the new R&D center is ongoing



# Tibnor

MSEK	Q1-12	Q1-11	Chge, %
Sales	1,771	1,951	-9
EBITDA	116	139	-17
EBIT	105	128	-18
EBIT-margin, %	6	7	



- ▶ Shipments were 6% lower vs. Q1-11, but increased by 8% vs. Q4-11
- ▶ Lower prices and volumes affected sales negatively compared with Q1-11
- ▶ Operating cash flow was MSEK 95 (79)

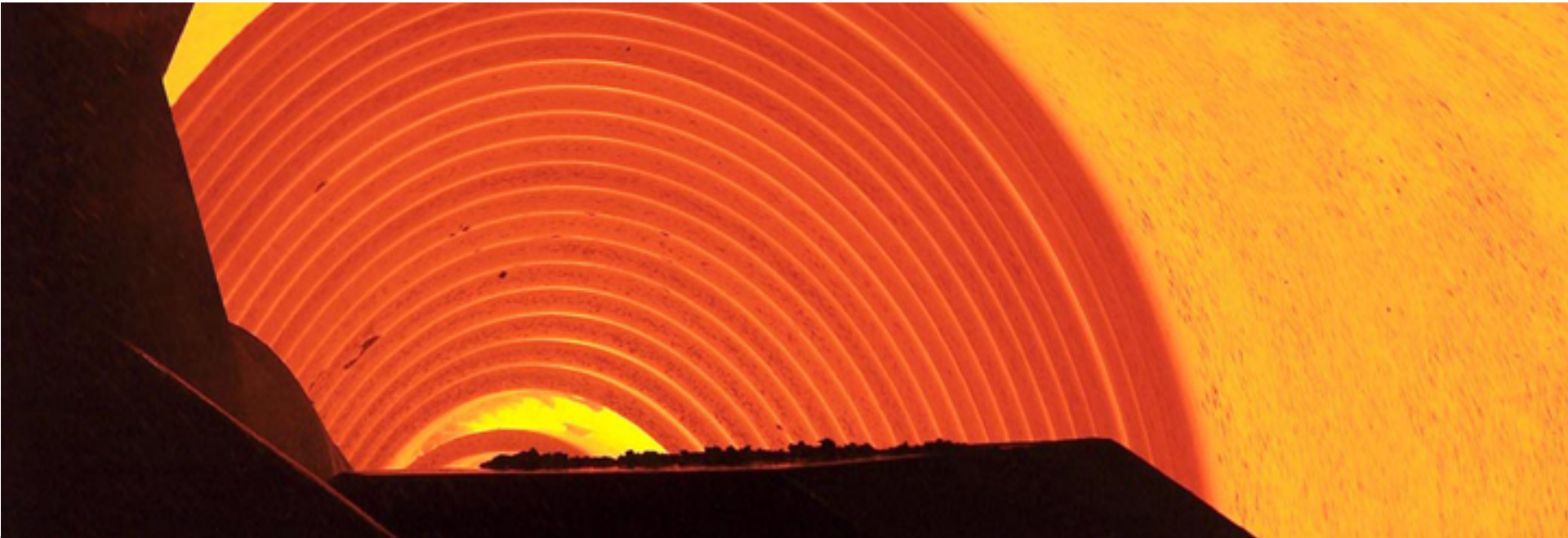
# Market environment and outlook

- ▶ Global steel production increased by 1% to 377 mt in Q1-12, compared with Q1-11
- ▶ Continued recovery in the North American steel market
- ▶ The macro-economic outlook in Europe remains uncertain
- ▶ Demand in Q1-12 impacted by some replenishment of inventories among customers, following the pronounced destocking in Q4-11
- ▶ The strongest segments are Material Handling, large Construction Equipment and the U.S. Energy sector
- ▶ Spot prices, in general, increased in Q1-12 vs.Q4-11



# Financials

Marco Wirén, CFO



# Q1 2012 Financials

- ▶ Sales largely unchanged and was MSEK 11,023 (11,056)
- ▶ Operating profit amounted to MSEK 479 (621)
- ▶ Operating cash flow of MSEK 1,887 (242)
- ▶ Reduction of net gearing to 57% from 60% by end of 2011

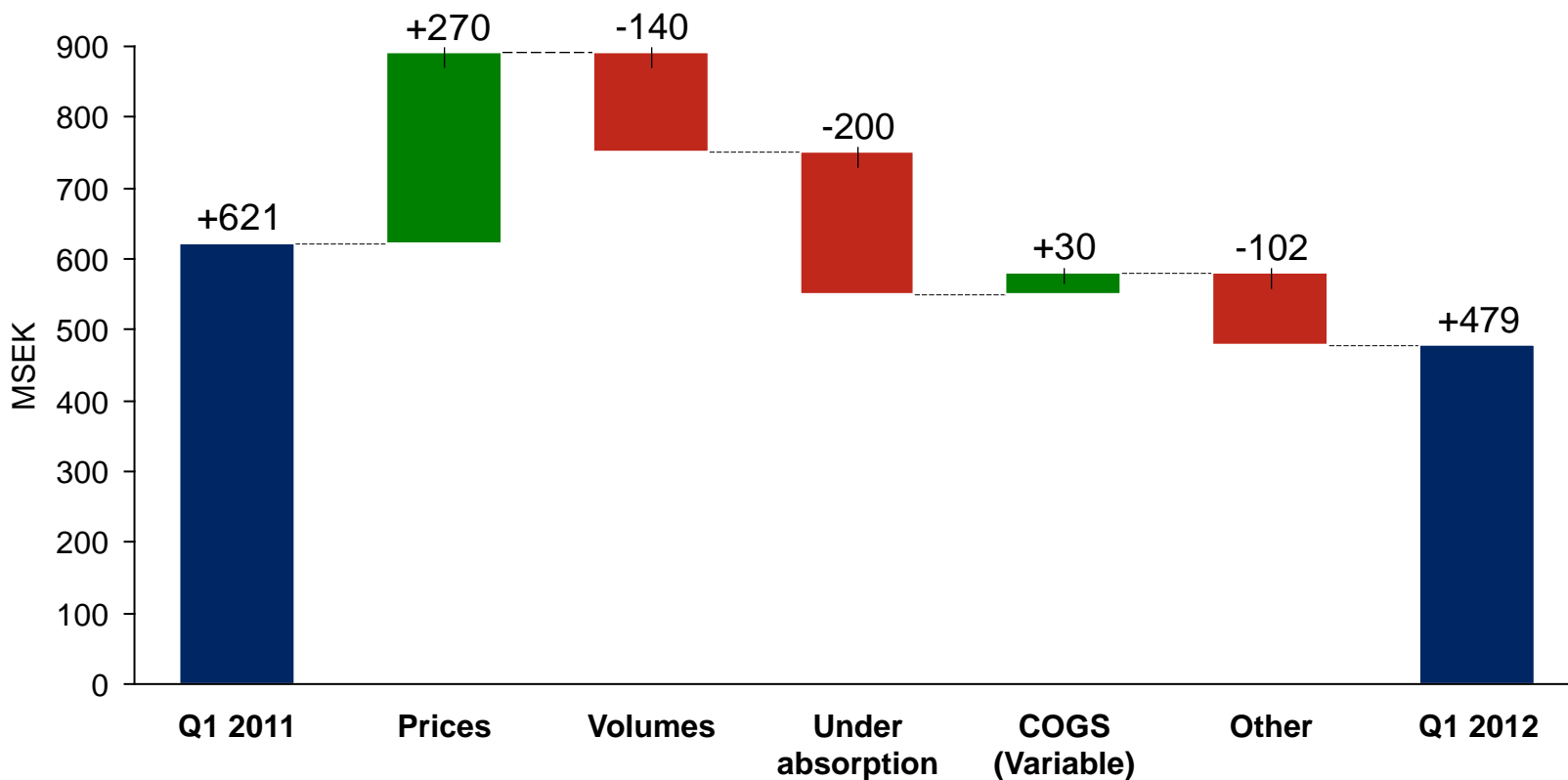


# Key Figures

SEK million (except for EPS and Dividend)	Q1-12	Q1-11	April - 11 May -12	2011 Full year
Sales	<b>11,023</b>	11,056	<b>44,607</b>	<b>44,640</b>
Operating profit	<b>479</b>	621	<b>2,370</b>	<b>2,512</b>
Pre-tax profit	<b>329</b>	509	<b>1,818</b>	<b>1,998</b>
Net profit	<b>281</b>	391	<b>1,450</b>	<b>1,560</b>
Earnings per share, SEK	<b>0.87</b>	1.16	<b>4.52</b>	<b>4.82</b>
Operating cash-flow	<b>1,887</b>	242	<b>4,466</b>	<b>2,821</b>
Debt/Equity, %	<b>57</b>	61	<b>57</b>	<b>60</b>
ROCE, %	-	-	<b>5</b>	<b>5</b>
ROE, %	-	-	<b>5</b>	<b>5</b>
Dividend, SEK	-	-	-	<b>2.00</b>

# Change in operating profit, Q1 2012 vs. Q1 2011

Change in operating profit, excluding non-recurring items, between the first quarters of 2012 and 2011 (SEK millions)



# Operating cash flow

SEK millions	Q1-12	Q1-11	April - 11 May -12	2011 Full year
SSAB EMEA	1,198	210	2,249	1,261
SSAB Americas	699	65	1,930	1,296
SSAB APAC	-79	-93	38	24
Tibnor	95	79	372	356
Other	-26	-19	-123	-116
<b>Operating cash flow</b>	<b>1,887</b>	242	<b>4,466</b>	<b>2,821</b>
Financial items	-104	-106	-479	-481
Taxes	-99	-225	-14	-140
<b>Cash flow from current operations</b>	<b>1,684</b>	-89	<b>3,973</b>	<b>2,200</b>
Strategic investments & acquisitions	-265	-350	-1,846	-1,931
Divestment of businesses and operations	31	-	31	-
<b>Cash flow before dividend and financing</b>	<b>1,450</b>	<b>-439</b>	<b>2,158</b>	<b>269</b>
Dividend to shareholders, holdings without controlling interest	-	-45	-648	-693
Acquisition of non-controlling interests	-	-	-393	-393
<b>Net cash flow</b>	<b>1,450</b>	<b>-484</b>	<b>1,117</b>	<b>-817</b>

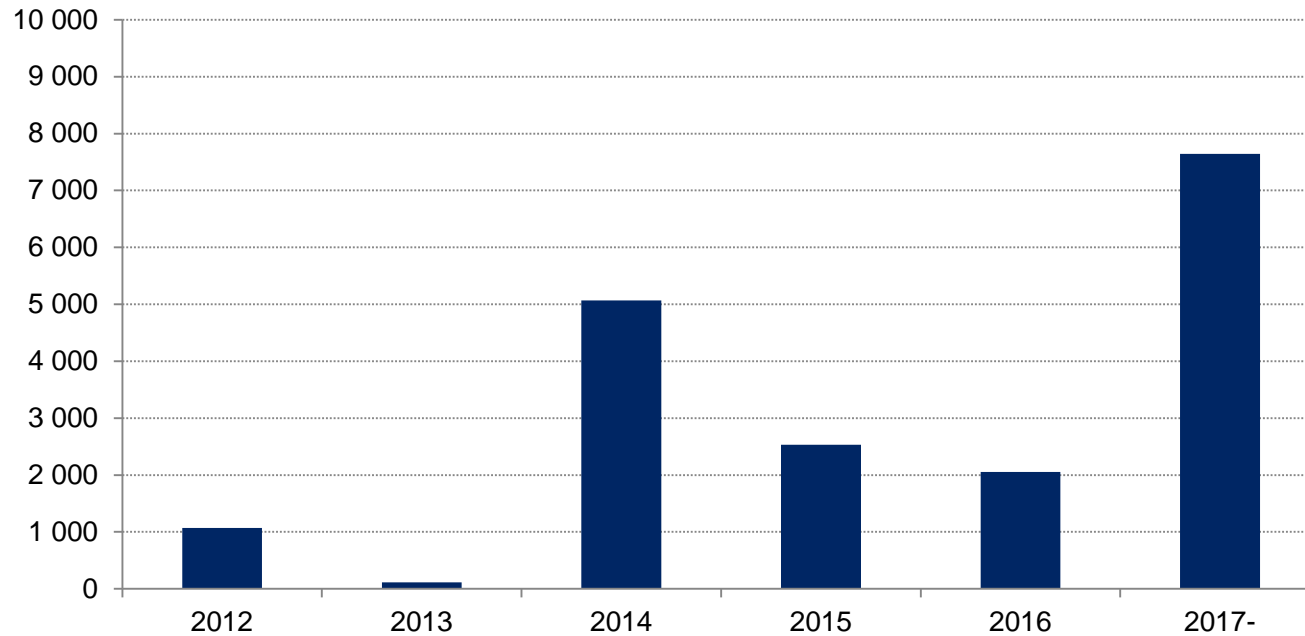
# Financing & Liquidity – March 31

- ▶ Net debt decreased by SEK 1.8 to SEK 16.7 bn from the previous quarter
- ▶ The net gearing was reduced to 57% (60% Q4-11)
- ▶ Liquidity preparedness as percentage of annual sales (rolling 12 mths) was 29% (incl. commercial paper)
- ▶ The average term on the loan portfolio at 5.3 years (5.1 end of Q4-11) with an interest term of 1.2 years
- ▶ Commercial paper amounted to MSEK 900

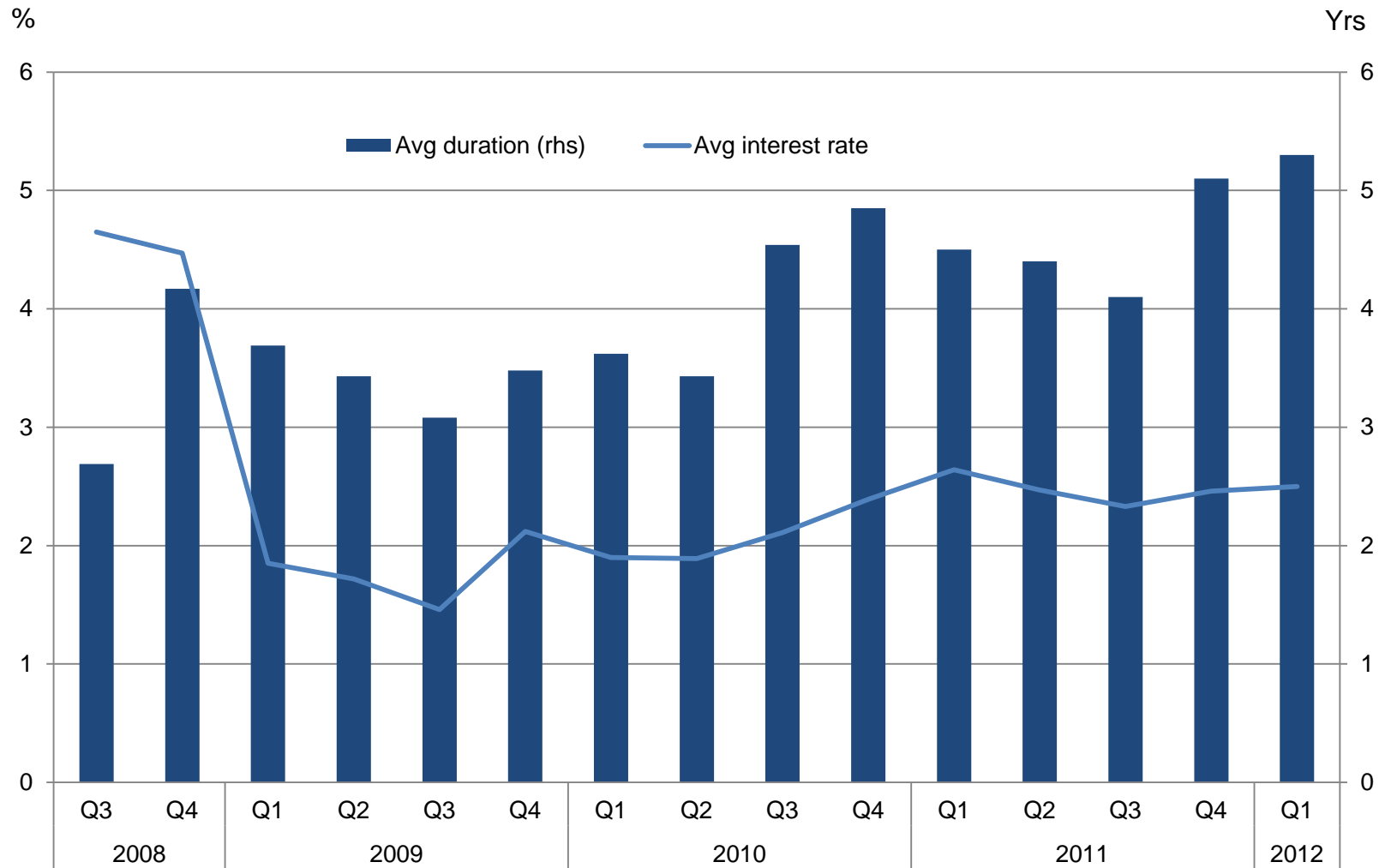


# Debt Maturity, March 31

SEK m



# Debt Cost and Duration



# Trends in raw material prices

- ▶ Iron ore prices for Q1-12 deliveries were 12% lower compared with Q4-11, will impact the P/L-account from Q2-12
- ▶ No new iron ore agreements have been signed as from Q2-12
- ▶ Coal procurement - Australia (monthly agreements);  
Due to the winter inventories, no deliveries took place in Q1-12
- ▶ Coal procurement - the U.S. (yearly agreements);  
~75% of SSAB's purchases for 2012 have been signed at prices more than 30% below the levels in 2011
- ▶ Impact in the P/L-account from new coal agreements from Q3-12
- ▶ U.S. spot scrap prices fell by 5% in Q1-12



## Martin Lindqvist, President & CEO



# Actions and Outlook

- ▶ The recovery in SSAB Americas expected to continue
- ▶ In Europe the market remains uncertain, whereas the outlook for SSAB APAC is stable
- ▶ European price contracts for Q2-12 somewhat higher than in Q1-12
- ▶ Lower prices for iron ore and coal will impact the P/L-account from Q2/Q3-12
- ▶ Start-up of the larger blast furnace in Oxelösund in Q1-12, idling of the smaller blast furnace planned for early May
- ▶ The MSEK 800 efficiency program within SSAB EMEA proceeds according to plan



# Summary

- ▶ Healthy cash generation of SEK 1.9bn, continued decrease in net gearing
- ▶ Strongest segments remain Material Handling, large Construction Equipment and Energy in the U.S
- ▶ Demand growth in the quarter partly driven by restocking
- ▶ Recovery expected to continue
- ▶ Quenching capacity in Borlänge and Mobile ramping up
- ▶ The investment program gives SSAB a solid platform for future growth



# SSAB steels: Benefits for the customer and the customer's customer



Weight	Material thickness	Number of components	Laser cutting	Number of bendings	Weld length
6,000 kg	9.2 mm	100	330 m	185	295 m
3,050 kg	7.3 mm	27	150 m	25	85 m

# Questions

- ▶ Please state your name and the company that you represent

