



# Presentation of the Q2/2024 report

Martin Lindqvist, President & CEO  
Leena Craelius, CFO  
July 24, 2024

**SSAB**

# Agenda

- Q2/24 in brief
- Financials
- Outlook and summary
- Q&A



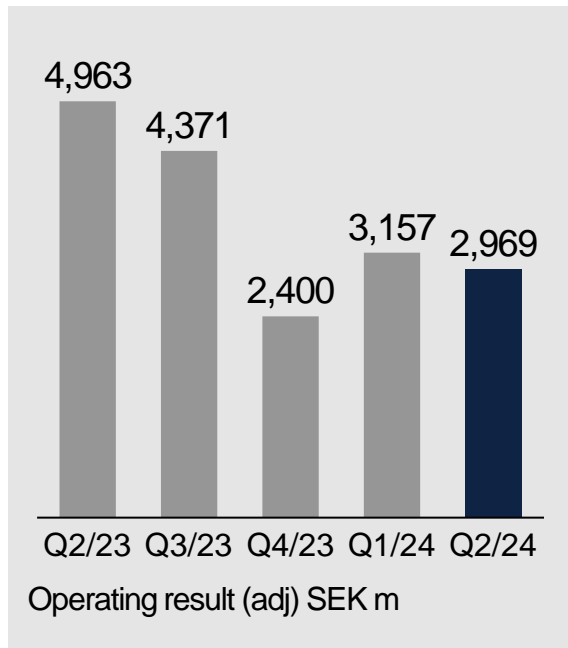
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Q2/24 in brief



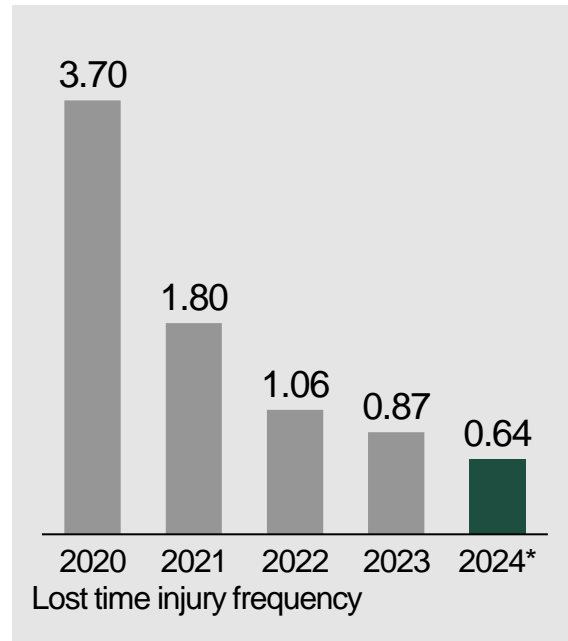
# Highlights in Q2 2024

## Fairly stable result vs Q1/24



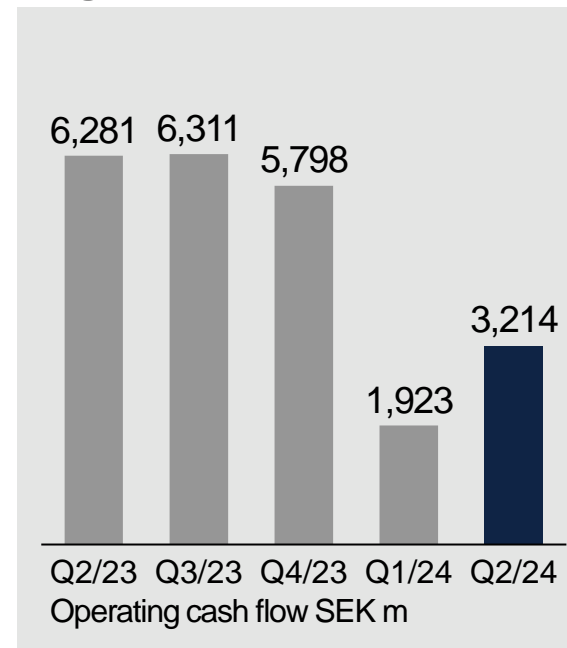
- Lower vs. Q2/23, mainly due to lower US plate price

## Safer workplace

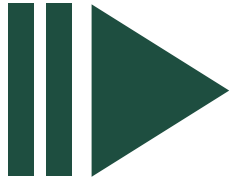


- LTIF and TRIF continues to decrease

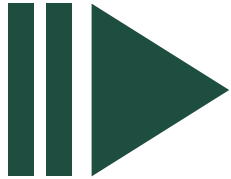
## Good cash flow generation



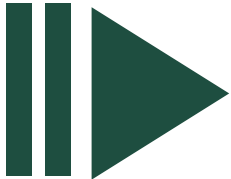
# Transformation to fossil-free steel making continues



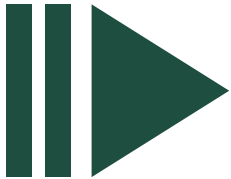
*40,000 tonnes of SSAB Zero produced*



*SSAB's updated targets to reduce greenhouse gas emissions were approved by the Science Based Targets initiative (SBTi). The targets are scientifically based and deliver on the goal of limiting global warming to 1.5°C*



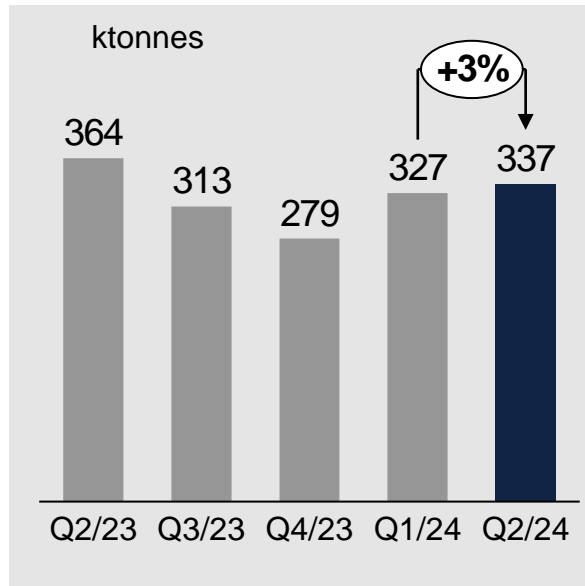
*New combined Green and Sustainability-Linked Finance Framework which provides an opportunity to issue both green and sustainability-linked financing instruments as well as a combination of the two*



*An Early Service Agreement (ESA) signed with supplier of a highly-automated technology solution for the new mini-mill in Luleå, consisting of two electric arc furnaces, secondary metallurgy, caster and strip mill*

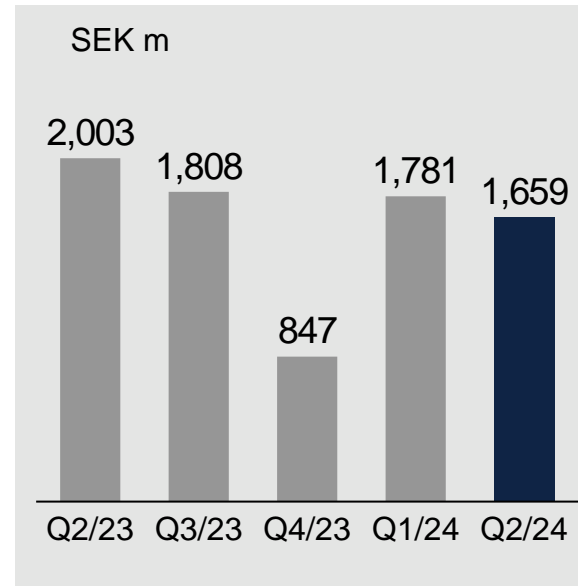
# SSAB Special Steels

## Shipments



- Weak market in Europe
- More stable demand in rest of the world

## Operating result



- Earnings on good level
- Prices -2% vs. Q1/24

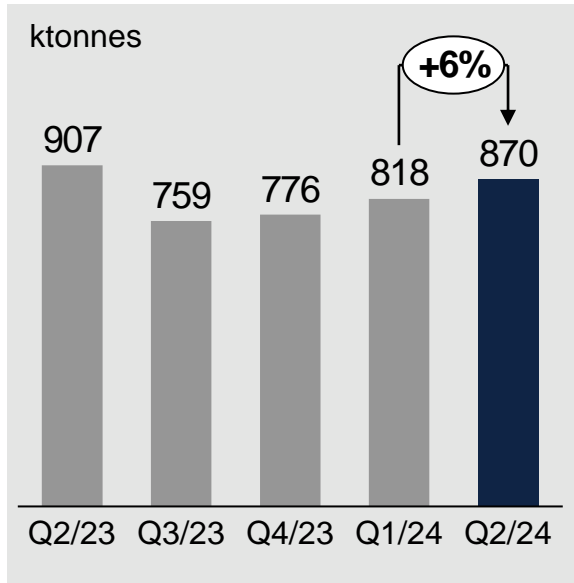
## Additive Powder



- World's first emission-free steel powder for commercial deliveries
- Combines the properties of SSAB's high-strength steel with the light structural possibilities of 3D-printing

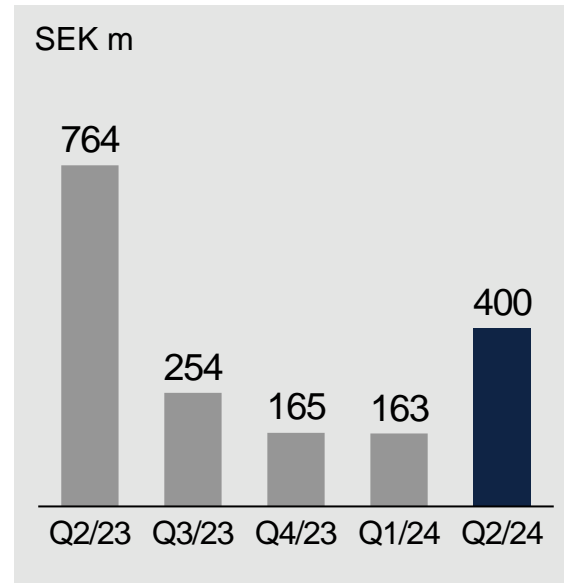
# SSAB Europe

## Shipments



- Seasonal improvement vs Q1/24

## Operating result



- Strikes in Finland had a negative effect of SEK 125m
- Prices +1% vs. Q1/24

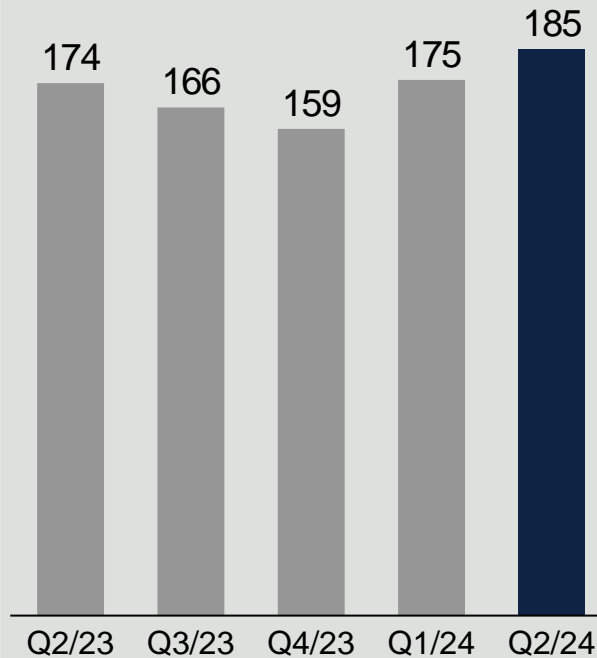


# Strong market position in Automotive AHSS

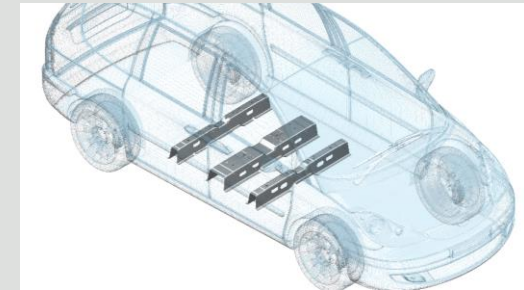
- Advanced product offering including martensitic grades, press hardening steel, 3rd gen dual phase with high formability etc.
- Leading position in emission free steel generates new business

## Shipments at record level

ktonnes



 **KIRCHHOFF**  
AUTOMOTIVE



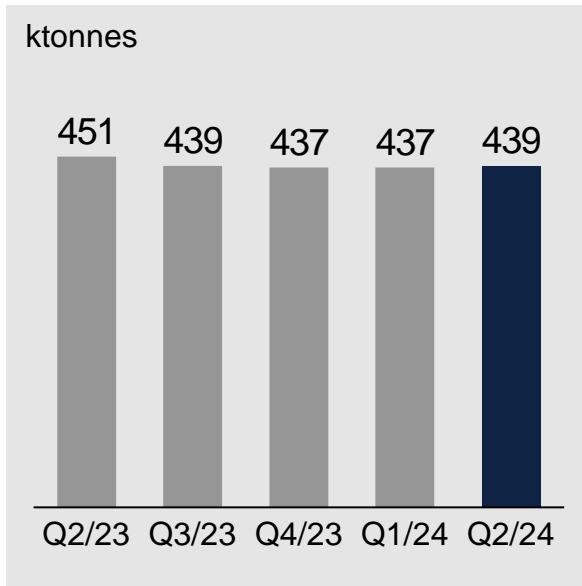
**Seat cross members for  
battery protection, ID. Buzz**  
Docol CR PHS2000-UC

**SSAB**



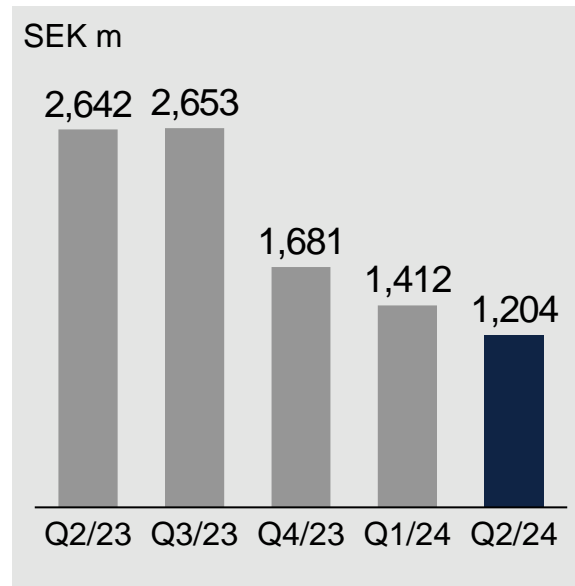
# SSAB Americas

## Shipments



- Cautious market

## Operating result



- Prices -7% vs Q1/24
- Prices have decreased from a high level

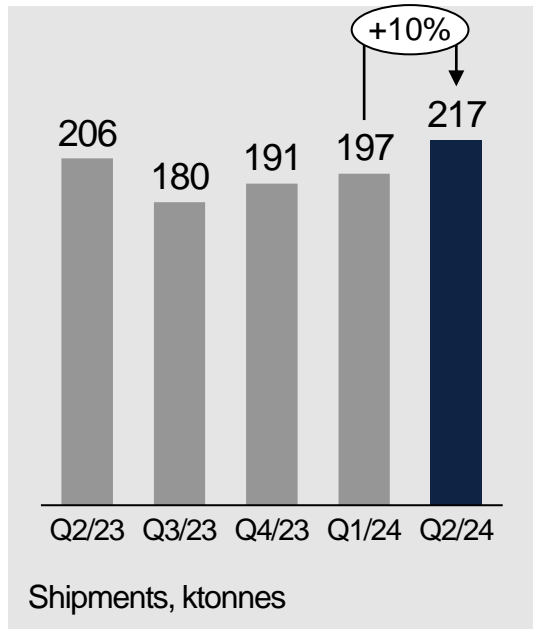
## SSAB Zero



- Ramp-up continues
- 40,000 tonnes produced in Q2

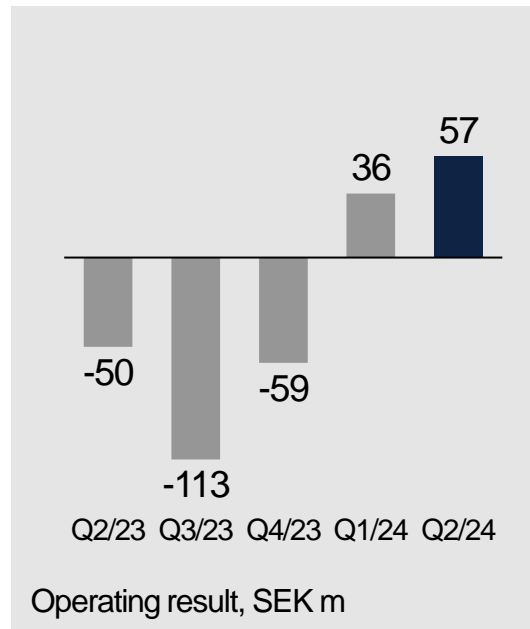
# Tibnor

## Higher shipments



- Shipments supported by large project orders
- Challenging market conditions

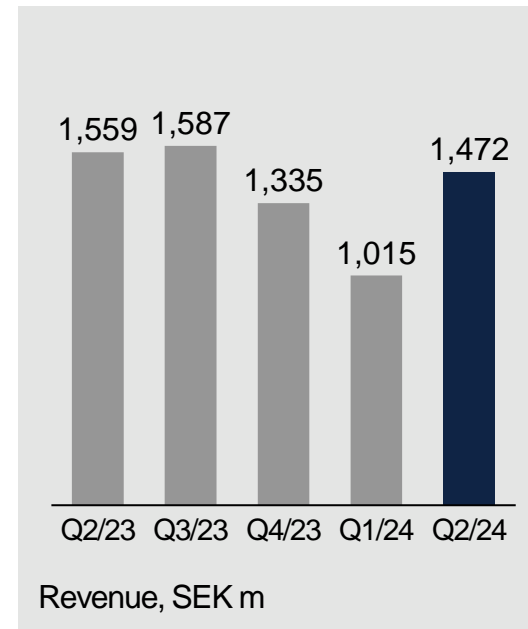
## Improved earnings



- Positive effects from cost savings

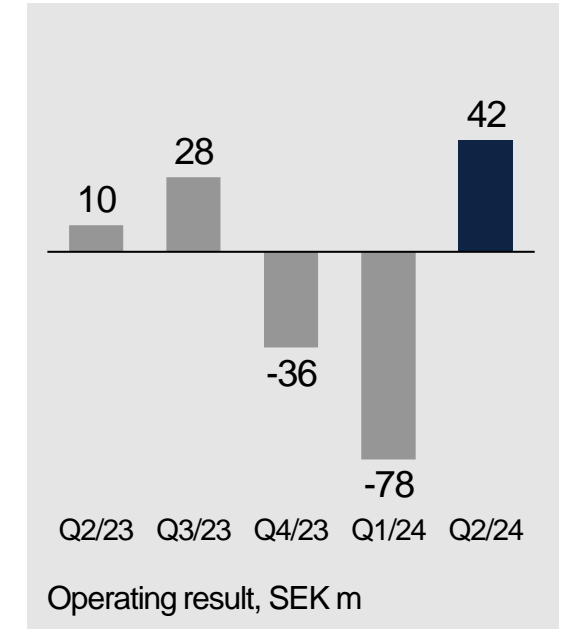
# Ruukki Construction

## Weak market



- Seasonal improvement vs. Q1/24
- Challenging market conditions

## Improved earnings



- Positive effects from cost savings

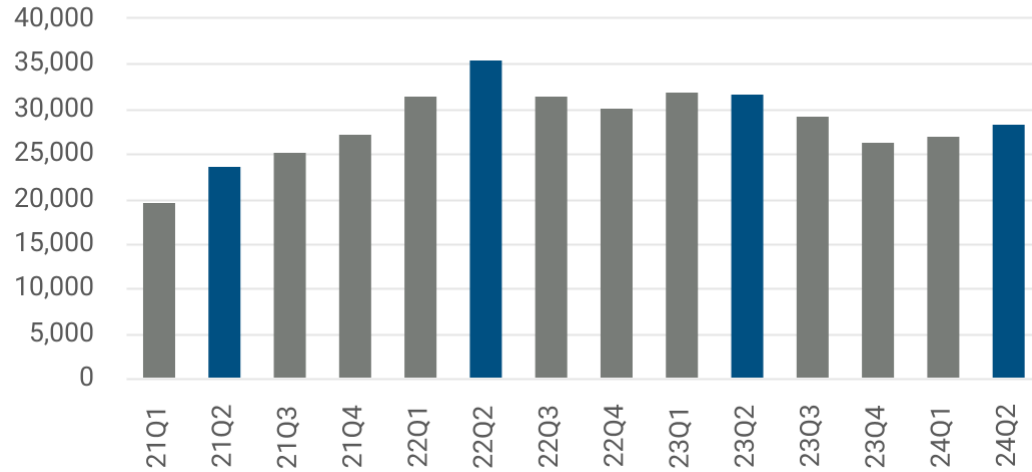


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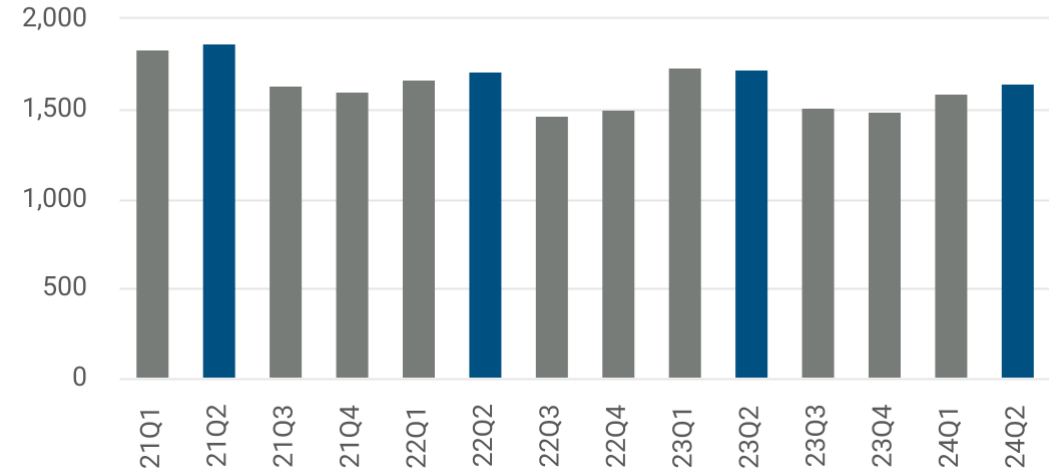
# Financials

# Somewhat higher shipments vs Q1/24

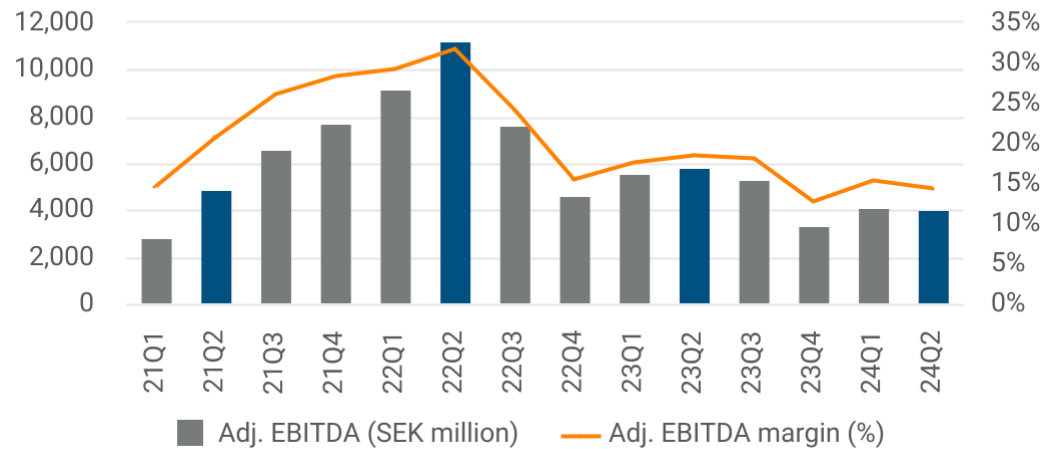
Revenue (SEK million)



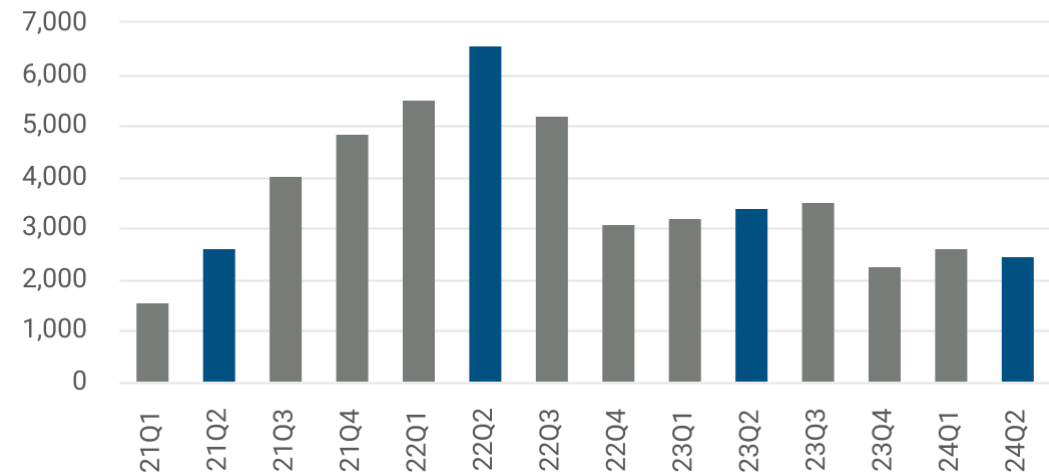
Steel shipments (ktonnes)



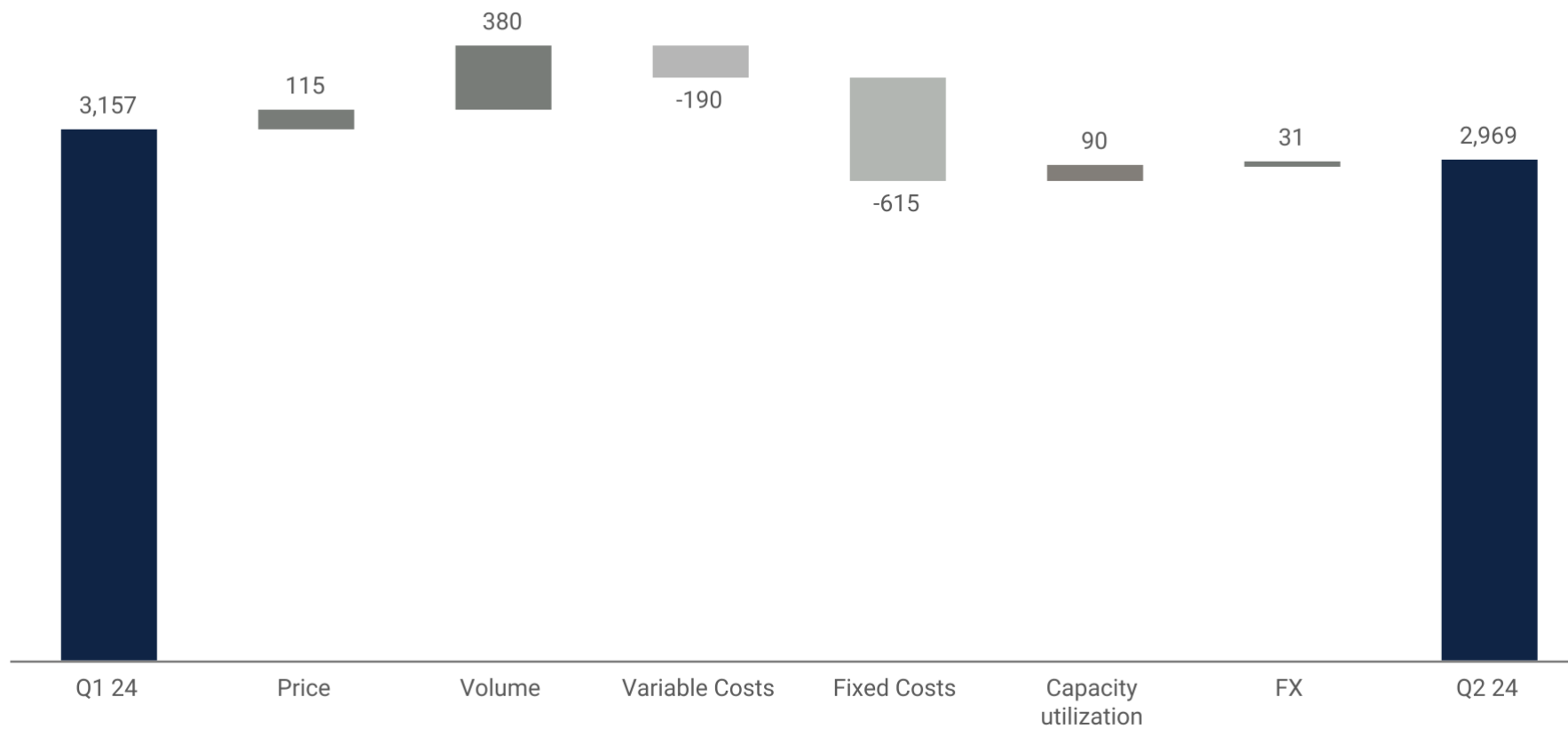
Adjusted EBITDA



Adjusted EBITDA per tonne delivered steel (SEK/tonne)

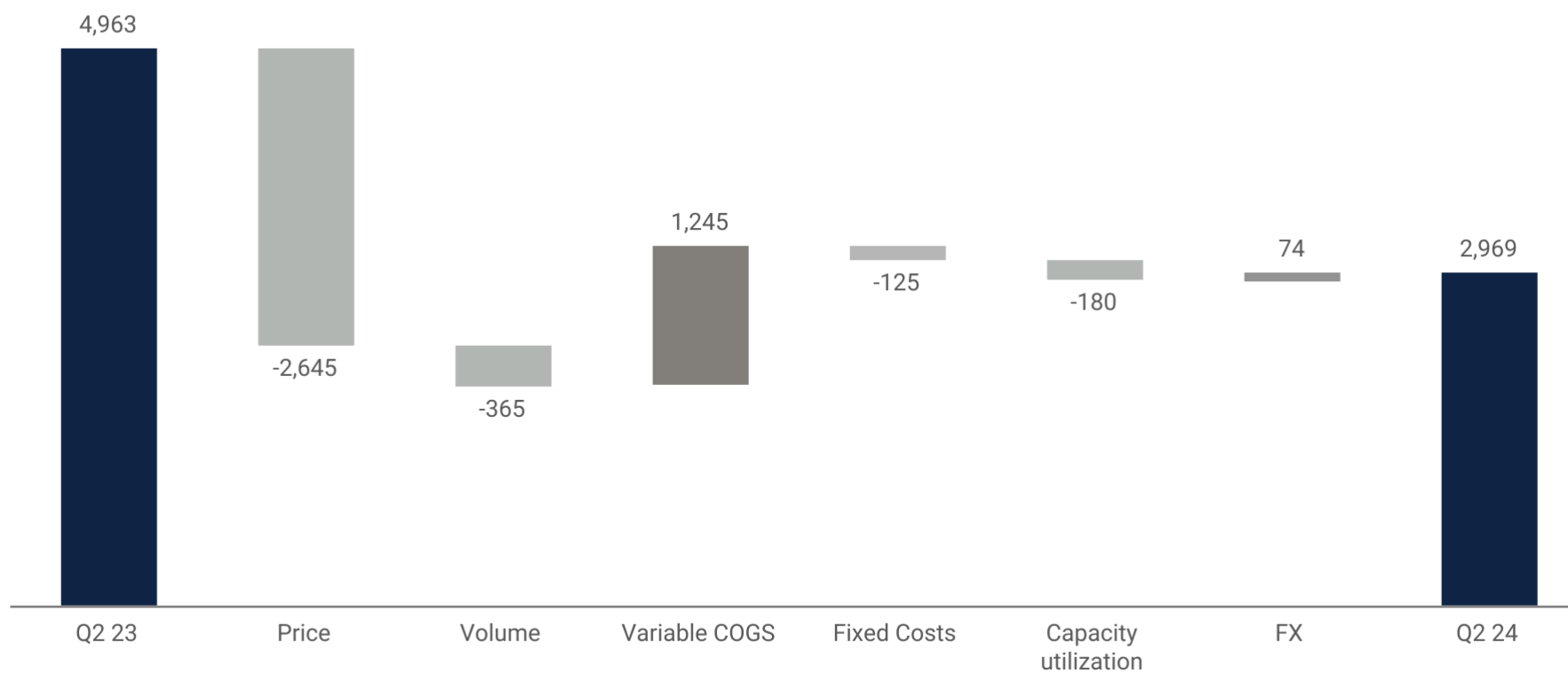


## Change in operating result vs. Q1/24 (SEK m)





## Change in adjusted operating result vs. Q2/23 (SEK m)



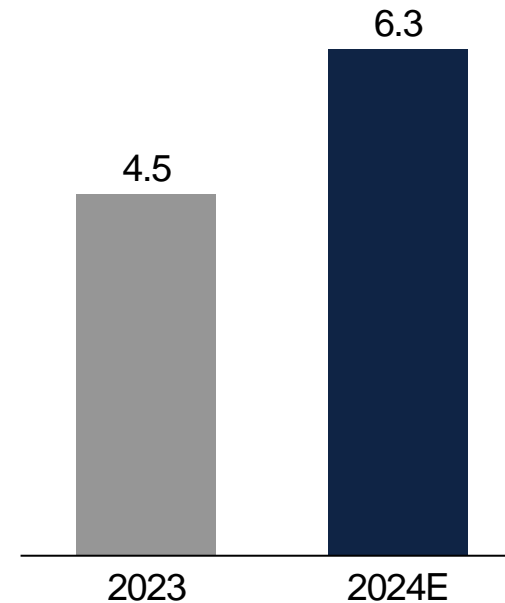
## Net cash flow impacted by dividend to shareholders

| SEK millions   | 2024<br>Q2    | 2023<br>Q2    | 2024<br>Jan-Jun | 2023<br>Jan-Jun | 2023<br>Full-year |
|--|---------------|---------------|-----------------|-----------------|-------------------|
| EBITDA   | 4,038         | 5,871         | 8,180           | 11,470          | 20,141            |
| Change in working capital  | -145          | 1,094         | -1,623          | -524            | 4,836             |
| Maintenance capital expenditures                                     | -635          | -473          | -1,155          | -840            | -2,585            |
| Other  | -45           | -211          | -266            | -691            | -867              |
| <b>Operating cash flow</b>   | <b>3,214</b>  | <b>6,281</b>  | <b>5,137</b>    | <b>9,416</b>    | <b>21,524</b>     |
| Financial items  | 86            | 91            | 205             | 194             | 437               |
| Income taxes   | -1,246        | -1,672        | -2,282          | -2,426          | -3,879            |
| <b>Cash flow from current operations</b>                             | <b>2,054</b>  | <b>4,699</b>  | <b>3,059</b>    | <b>7,184</b>    | <b>18,082</b>     |
| Strategic expenditures in plants and machinery                       | -616          | -325          | -1,124          | -621            | -1,889            |
| Acquisitions of shares and operations                                | —             | —             | —               | -24             | -52               |
| Investments/contributions in affiliated companies and joint ventures | —             | —             | —               | —               | -20               |
| Divestments of shares and operations                                 | —             | 61            | —               | 61              | 61                |
| <b>Cash flow before dividend</b>                                     | <b>1,439</b>  | <b>4,435</b>  | <b>1,936</b>    | <b>6,600</b>    | <b>16,182</b>     |
| Dividend, parent company's shareholders                              | -4,983        | -8,960        | -4,983          | -8,960          | -8,960            |
| Dividend, non-controlling interest                                   | -1            | -2            | -1              | -2              | -8                |
| Purchases of own shares  | —             | —             | -1,215          | —               | -1,292            |
| Acquisition of shares, non-controlling interest                      | -38           | —             | -38             | —               | —                 |
| <b>Net cash flow</b>   | <b>-3,584</b> | <b>-4,526</b> | <b>-4,301</b>   | <b>-2,361</b>   | <b>5,922</b>      |

# Capex increasing due to transformation

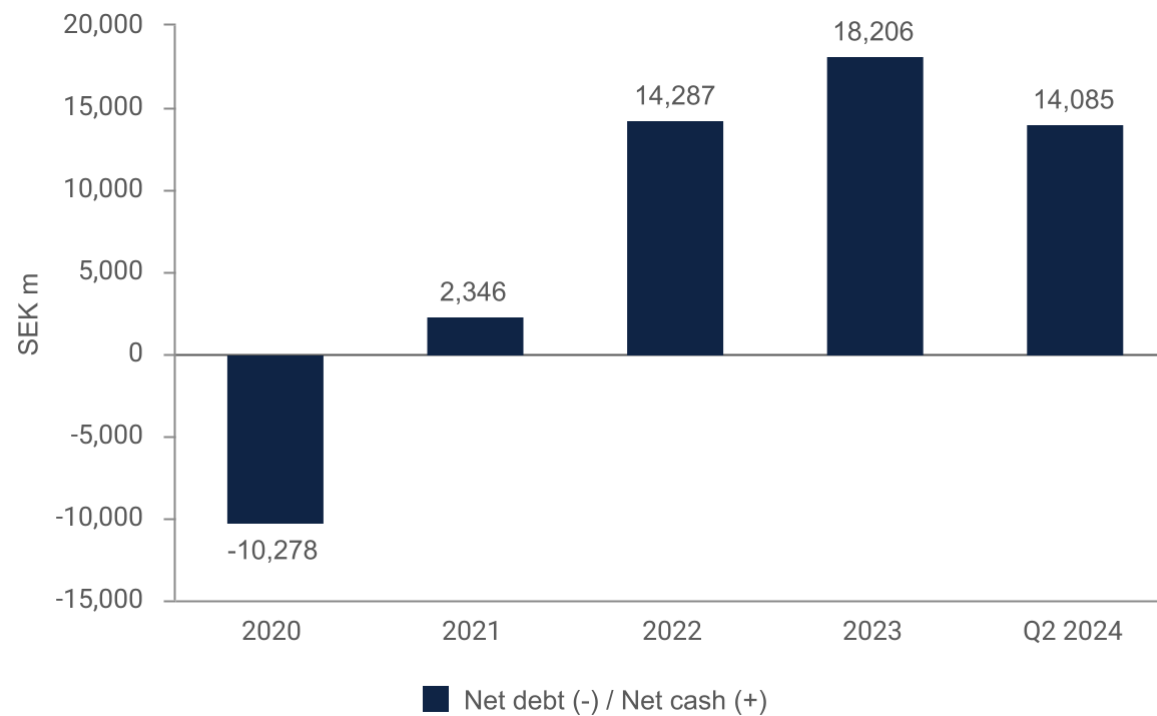
- Capital expenditure in 2024 estimated at SEK 6.3bn (previous estimate 5.5bn)
  - Higher vs. previous estimate due to start of spending of the Luleå mini-mill later later this year
  - Higher capex vs. 2023 due to ramp-up of Oxelösund EAF conversion and start of Luleå mini-mill
- High level of capex over the next five years with peak years in 2026 and 2027

Sum of maintenance and strategic capex



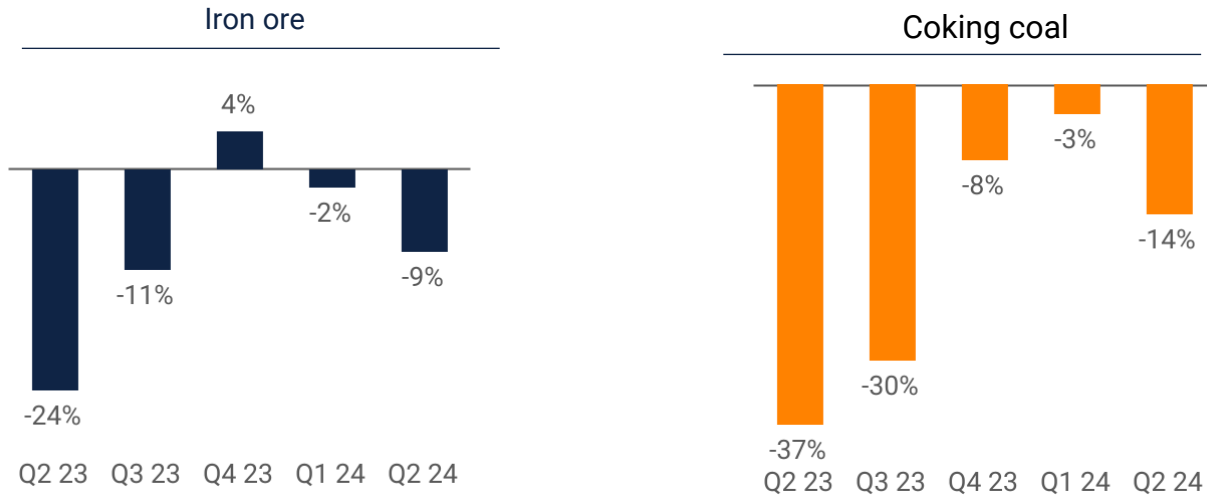
# Net cash position

- Net cash of SEK 14.1bn at the end of Q2 2024
- Net debt/equity ratio -21% (-17%)
- Dividend of SEK 5bn paid in Q2

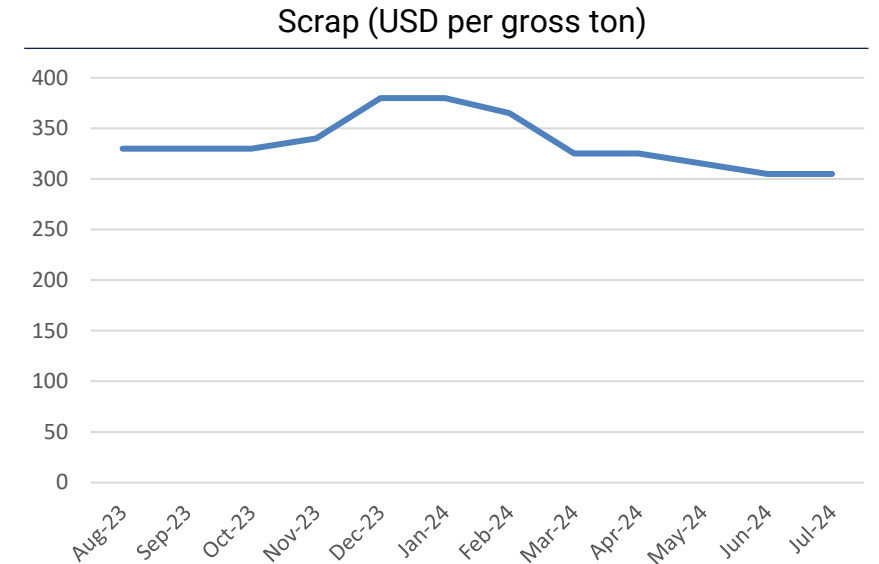


# Raw material

## SSAB's purchase price, year over year changes



## Market prices (AMM)



- The cost of most raw materials is expected to be somewhat lower than prior quarter

- Slightly decreasing scrap prices during Q2
- The purchase prices of scrap affect the result after a lag of around one month



## Expected maintenance costs

- SSAB’s total maintenance costs for 2024 are expected to be SEK 1,555 (1,480) million, unchanged compared to previous forecast
- Most maintenance to be carried out in Q3
- SSAB Americas has brought forward the maintenance compared to previous plan

| SEK millions        | 2024 | 2024 | 2024       | 2024       | 2024         |
|---------------------|------|------|------------|------------|--------------|
|                     | Q1   | Q2   | Q3         | Q4         | Full-year    |
| SSAB Special Steels | –    | –    | 100        | 320        | 420          |
| SSAB Europe         | –    | –    | 375        | 240        | 615          |
| SSAB Americas       | –    | –    | 470        | 50         | 520          |
| <b>Total</b>        | –    | –    | <b>945</b> | <b>610</b> | <b>1,555</b> |











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



3.

# Outlook and summary

# SSAB's outlook for main customer segments Q3/2024

| Segment                | Demand  | Comments  |  Strong |  Neutral |  Weak |
|------------------------|---|---|--|---|--|
| Heavy Transport        |    | <ul style="list-style-type: none"> <li>- Reduction in heavy truck production in Europe</li> <li>- Stable trend for railcars</li> </ul>                    |  |   |  |
| Automotive             |    | <ul style="list-style-type: none"> <li>- Structurally growing AHSS market</li> <li>- SSAB in strong position</li> </ul>                                   |  |   |  |
| Construction Machinery |    | <ul style="list-style-type: none"> <li>- Weaker demand in Europe and slowdown in North America</li> <li>- Potential for some recovery in China</li> </ul> |  |   |  |
| Material Handling      |    | <ul style="list-style-type: none"> <li>- Stable demand in mining</li> </ul>   |  |   |  |
| Energy                 |    | <ul style="list-style-type: none"> <li>- Good demand for wind power and other renewables</li> </ul>   |  |   |  |
| Construction           |  | <ul style="list-style-type: none"> <li>- Weak Nordic market</li> </ul>  |  |   |  |
| Service Centers        |  | <ul style="list-style-type: none"> <li>- Cautious approach both in Europe and the US</li> <li>- Inventory levels normal or on the lower side</li> </ul>   |  |   |  |

# SSAB's outlook for Q3/2024

- Seasonal downturn more pronounced than normal
- Planned maintenance will adjust production to lower demand
- SSAB Americas has brought forward the maintenance compared to previous plan

| Volume and pricing outlook |                     |                 |
|----------------------------|---------------------|-----------------|
| Q2/24 vs. Q1/24            | Shipments           | Realized prices |
| SSAB Special Steels        | Lower               | Somewhat lower  |
| SSAB Europe                | Lower               | Lower           |
| SSAB Americas              | Significantly lower | 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

- Strong focus on safety is yielding results
- Good level of earnings in SSAB Special Steels – focus on pricing management
- Record level of Automotive AHSS shipments
- Investment programs for Luleå and Oxelösund continues, targeting substantial benefits:
  - Elimination of CO<sub>2</sub> emissions from operations
  - Meet the growing demand of emission free products – harvest green premium
  - More flexible production with lower cost
  - Continued growth of high-strength and premium steels







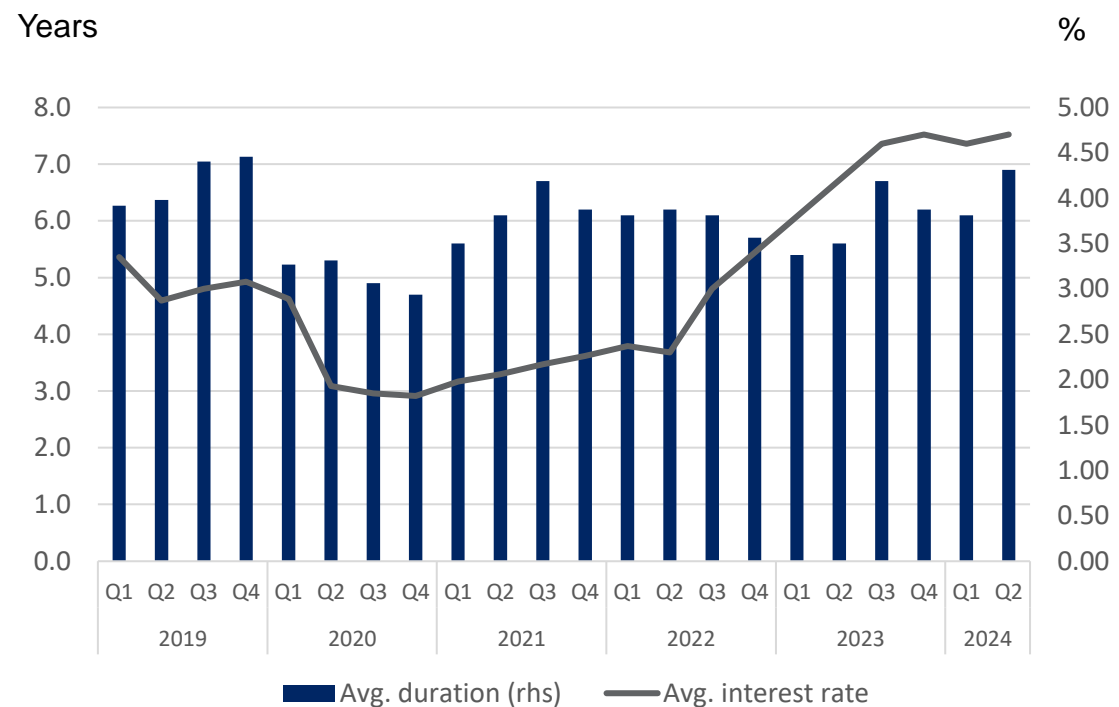
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# Questions and Answers

# Appendix

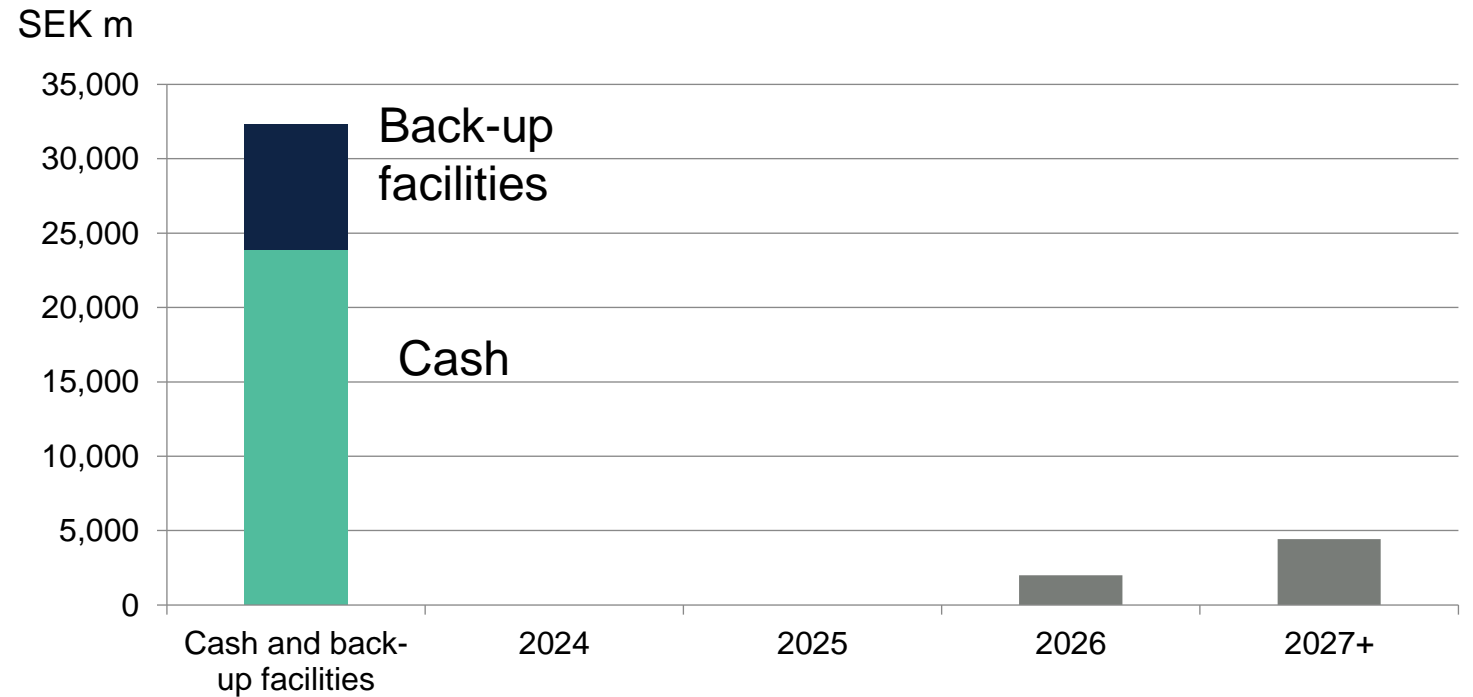
# Debt portfolio duration and interest rate

- Duration of the loan portfolio was 6.9 (5.6) years
- Averaged fixed interest term was 1.3 (1.3) years
- Average interest rate was 4.7% (4.2%)



# Maturity profile

- Liquid assets and committed credit lines at SEK 32.3bn at the end of Q2



SSAB