



Presentation of the Q3/2024 report

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Oct 23, 2024

SSAB

Agenda

- Q3/24 in brief
- Financials
- Outlook and summary
- Q&A



1.

Q3/24 in brief

Transformation according to plan

Oxelösund

- Construction of Electric Arc Furnace on-going
- Closing down coking plant and two blast furnaces
- Keep existing advanced rolling mill and Q&T lines

Luleå

- Preparations for mini-mill on-going
- Environmental permit expected in Q4



SSABs transformation – building a stronger company

Strong demand for emission-free steels from key segments:

Automotive industry

Heavy vehicles and construction machinery

Construction and industrial equipment

Distribution partners and consumer products

Transforming steel mills to fossil-free steel production

Decided investment plans for Oxelösund and Luleå

SSAB targets substantial benefits:

More flexible production at lower cost

More capacity for high-strength and premium steels

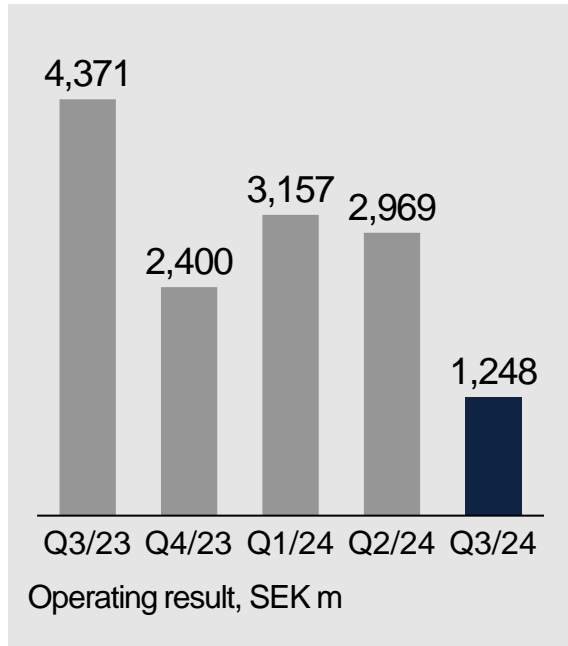
Elimination of CO₂ emissions from own operations

Meet the growing demand of emission free products

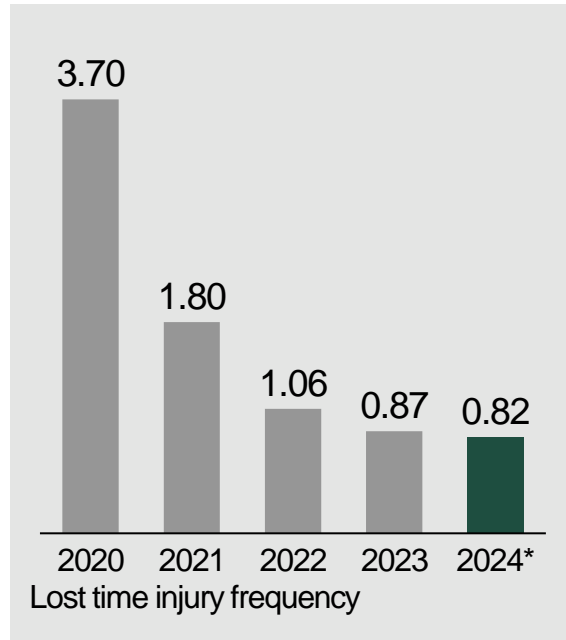
SSAB

Summary of Q3 2024

Operating result



Safer workplace



Focus areas in Q4

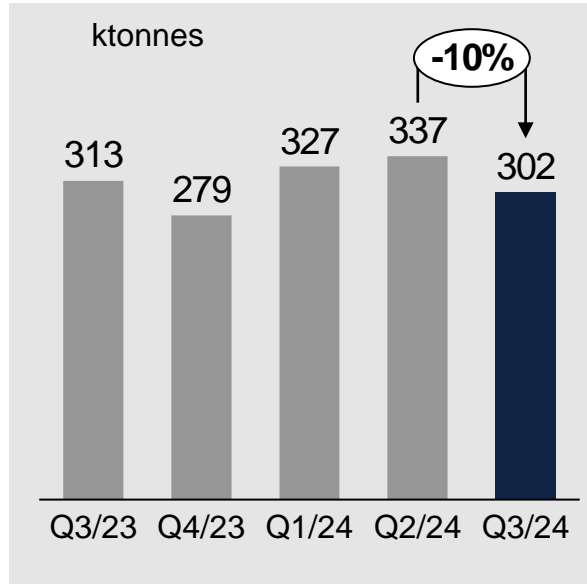
- Finalize planned maintenance in Q4 and adjusting production to low demand
- Utilize framework for flexible working hours
- Restrictive approach to costs



- Q3 impacted by planned maintenance SEK -950m as well as weak market conditions

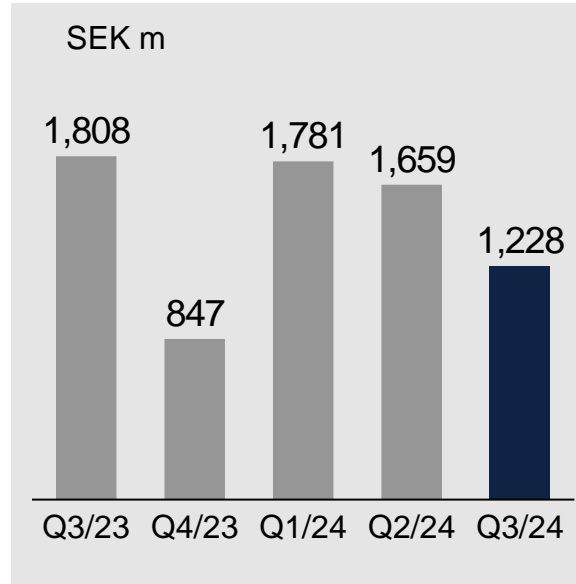
SSAB Special Steels

Shipments



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

Operating result



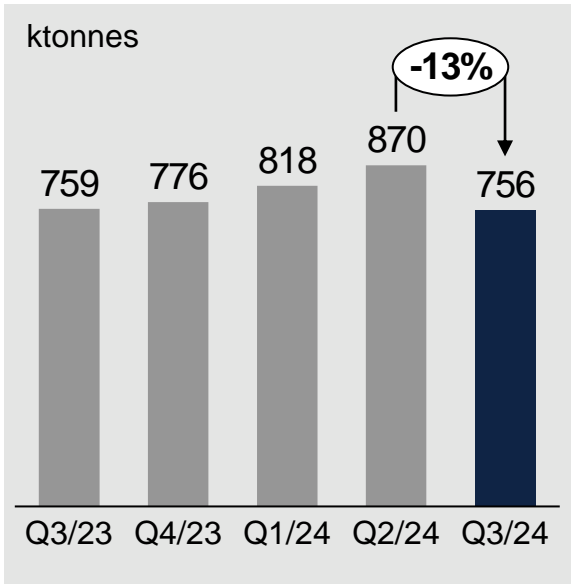
- Earnings on good level
- Prices +1% vs. Q2/24
- Good pricing management in weak conditions



SSAB Europe

Shipments

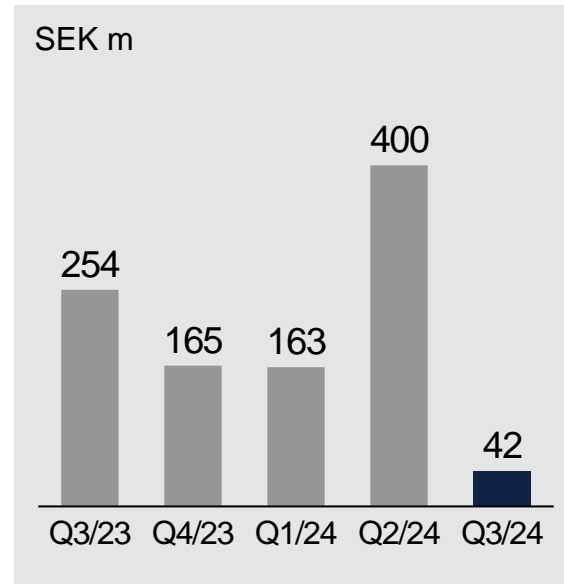
ktonnes



- Seasonal slowdown vs Q2/24, weak apparent demand

Operating result

SEK m

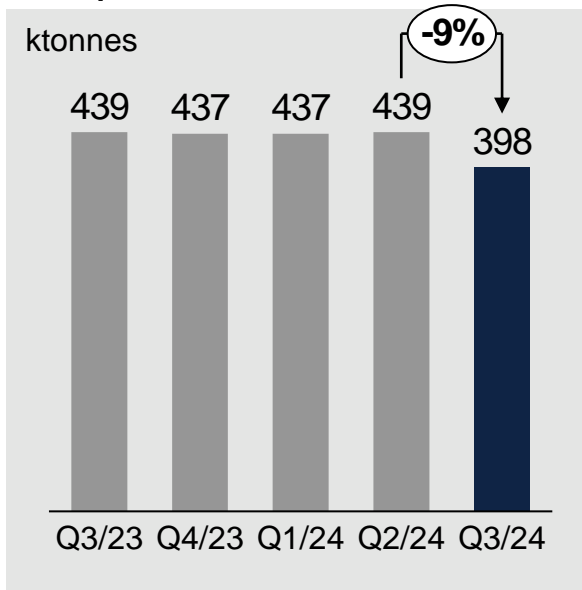


- Prices stable vs. Q2/24
- Planned maintenance impacted SEK -390m in Q3



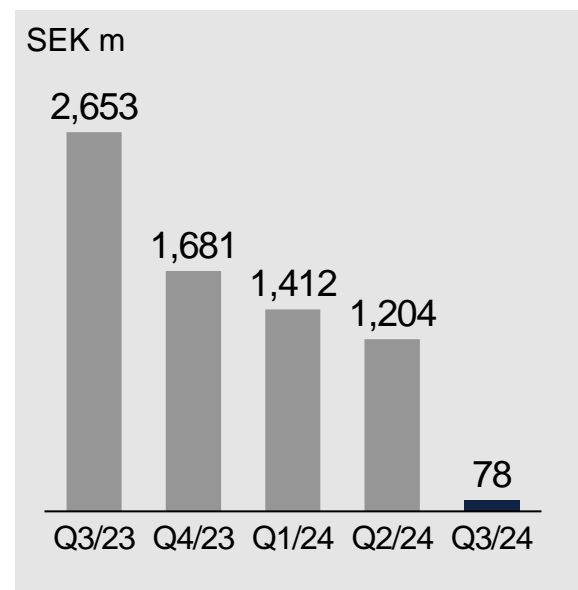
SSAB Americas

Shipments



- Cautious market
- Planned maintenance in Montpelier impacted shipments

Operating result

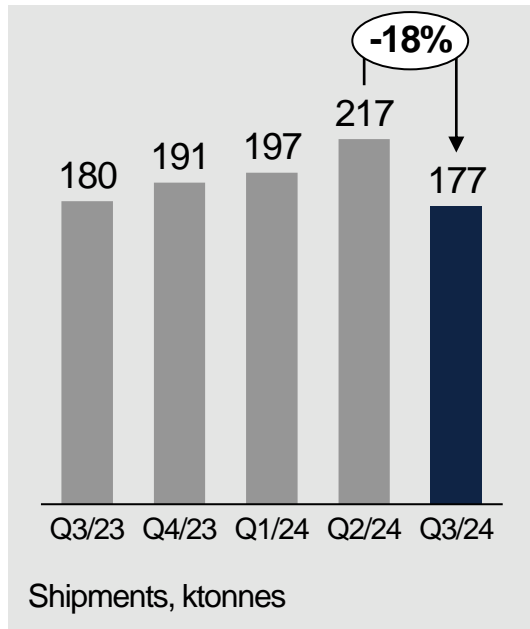


- Prices -8% vs Q2/24, planned maintenance SEK -450m
- Prices have decreased from a high level



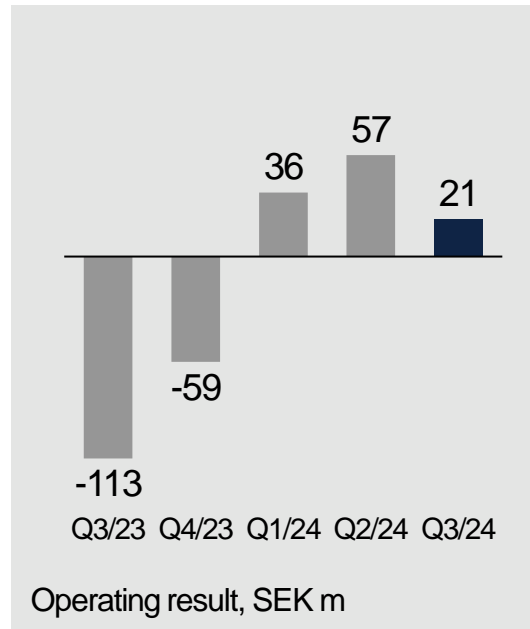
Tibnor

Lower shipments



- Shipments impacted by seasonality and weak market

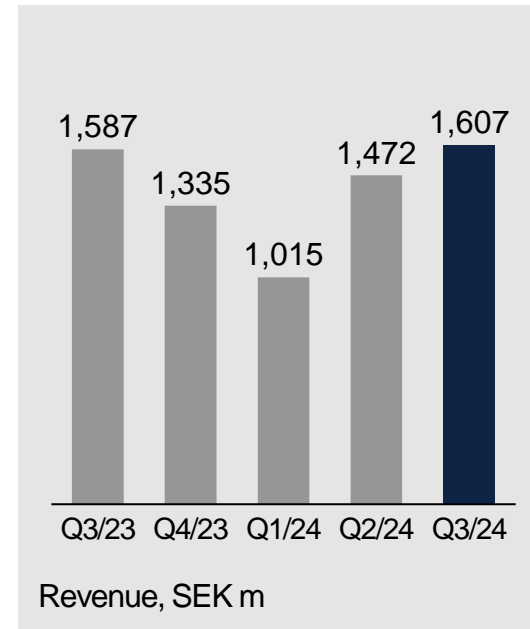
Improved earnings



- Lower inventory losses vs. Q3/23
- Positive effects from cost savings

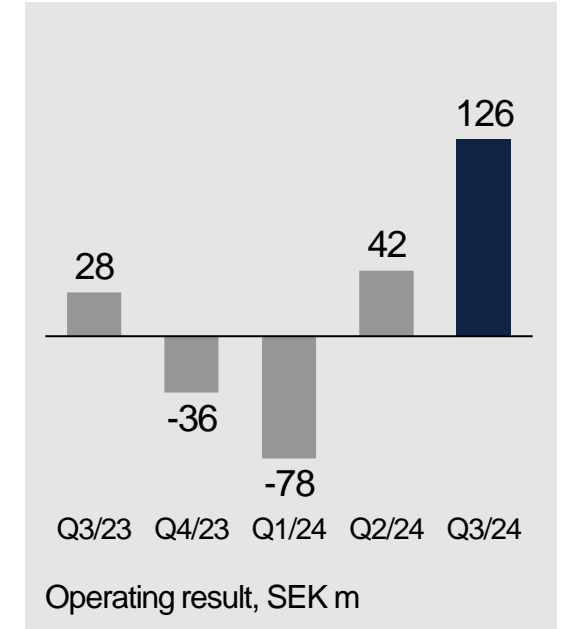
Ruukki Construction

Seasonal improvement



- Underlying market still weak
- Focus on renovation segment

Higher earnings



- Positive effects from cost savings

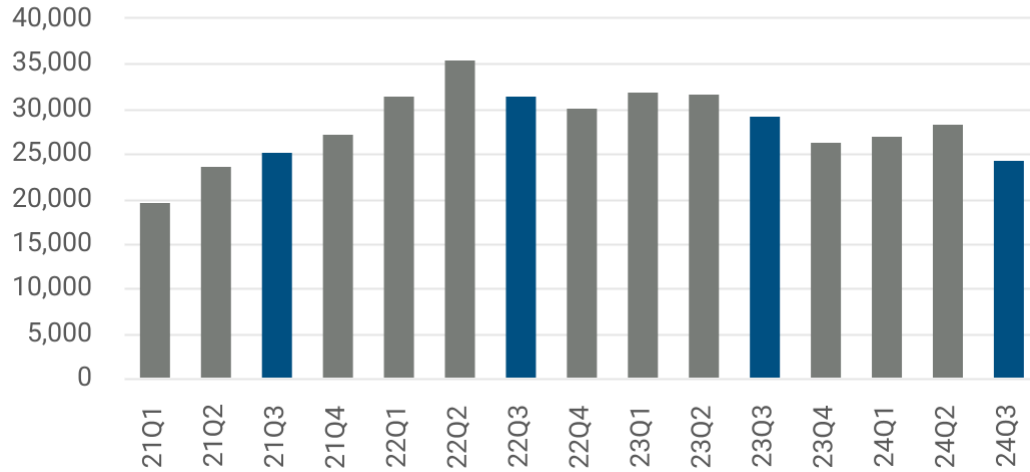


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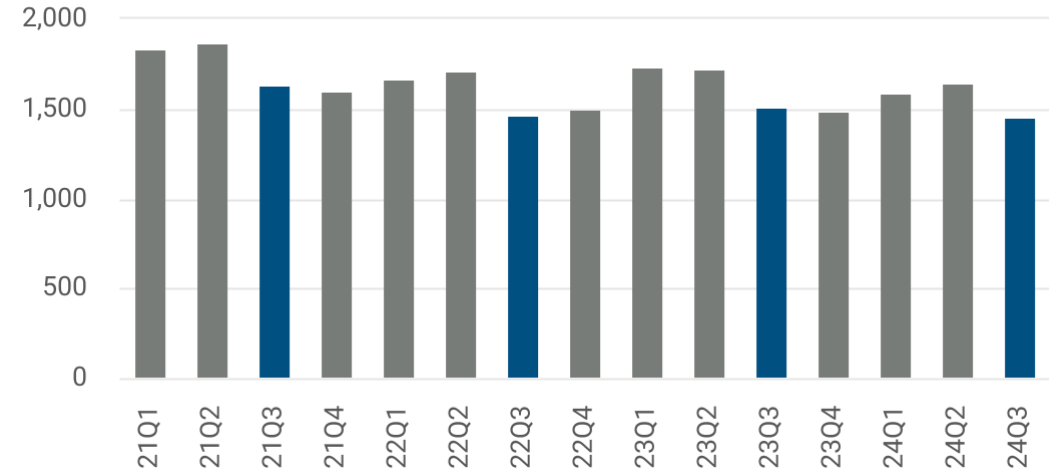
Financials

Weaker European and US market - Special Steels more stable

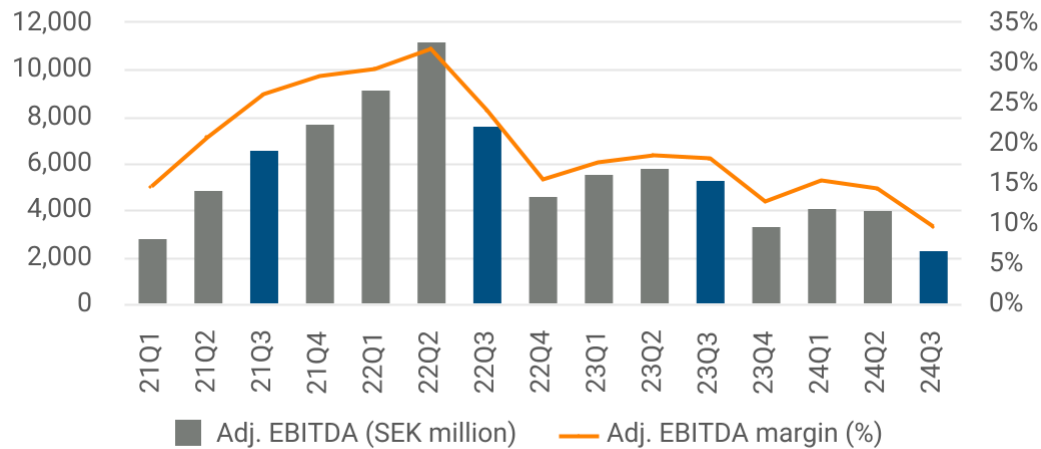
Revenue (SEK million)



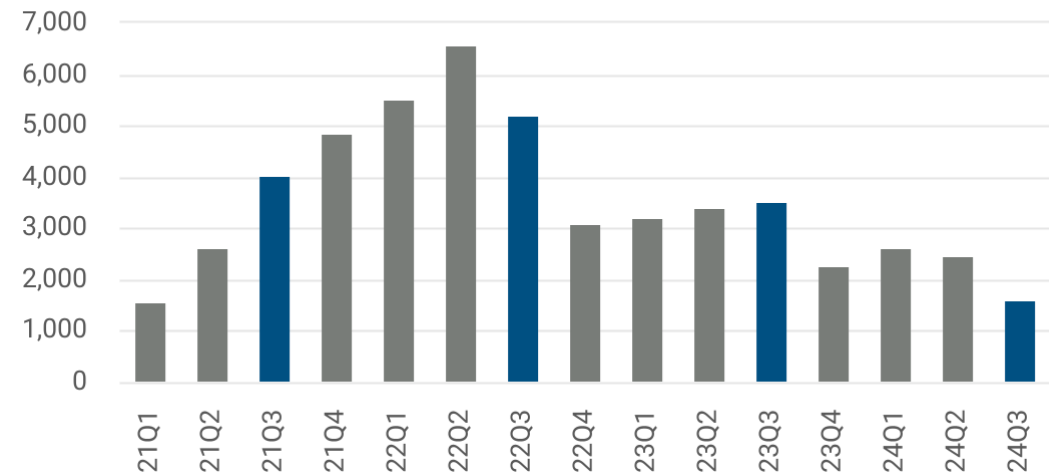
Steel shipments (ktonnes)



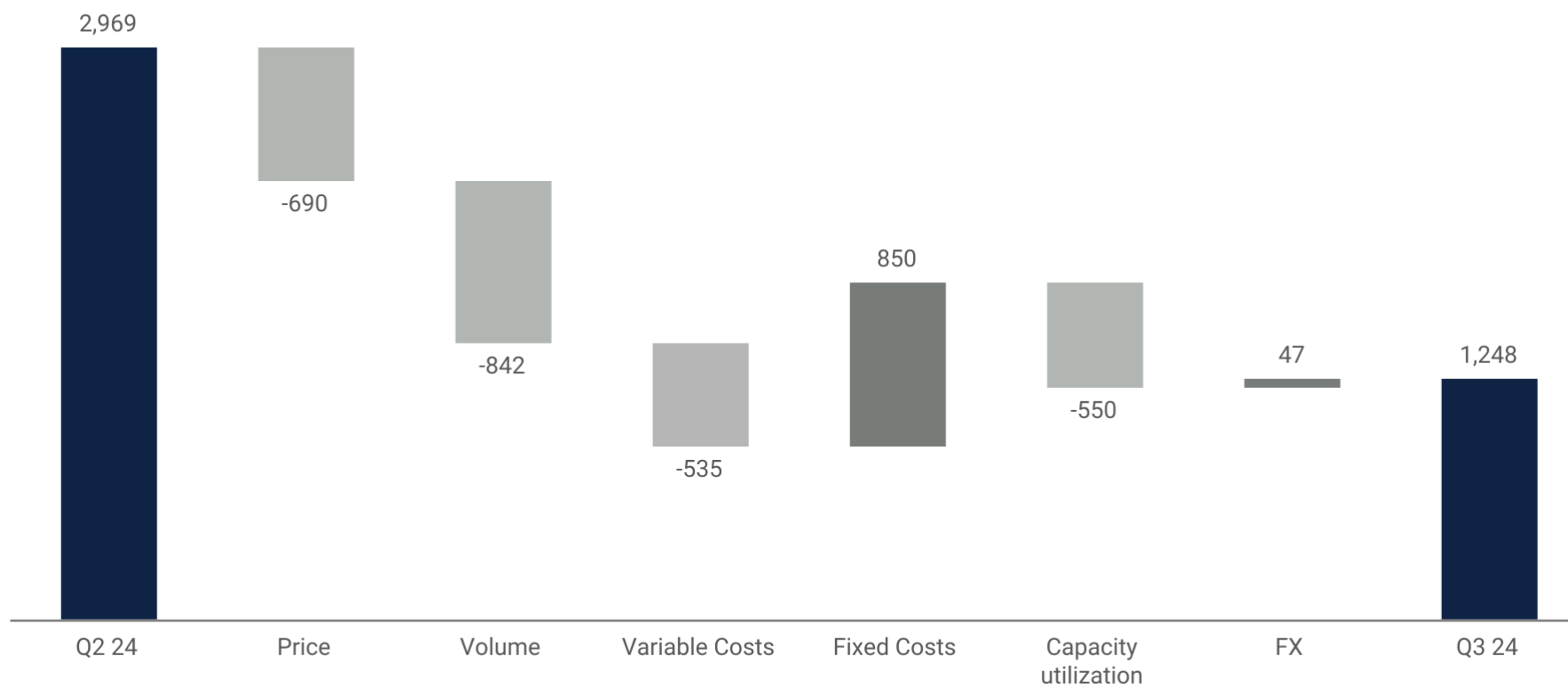
Adjusted EBITDA



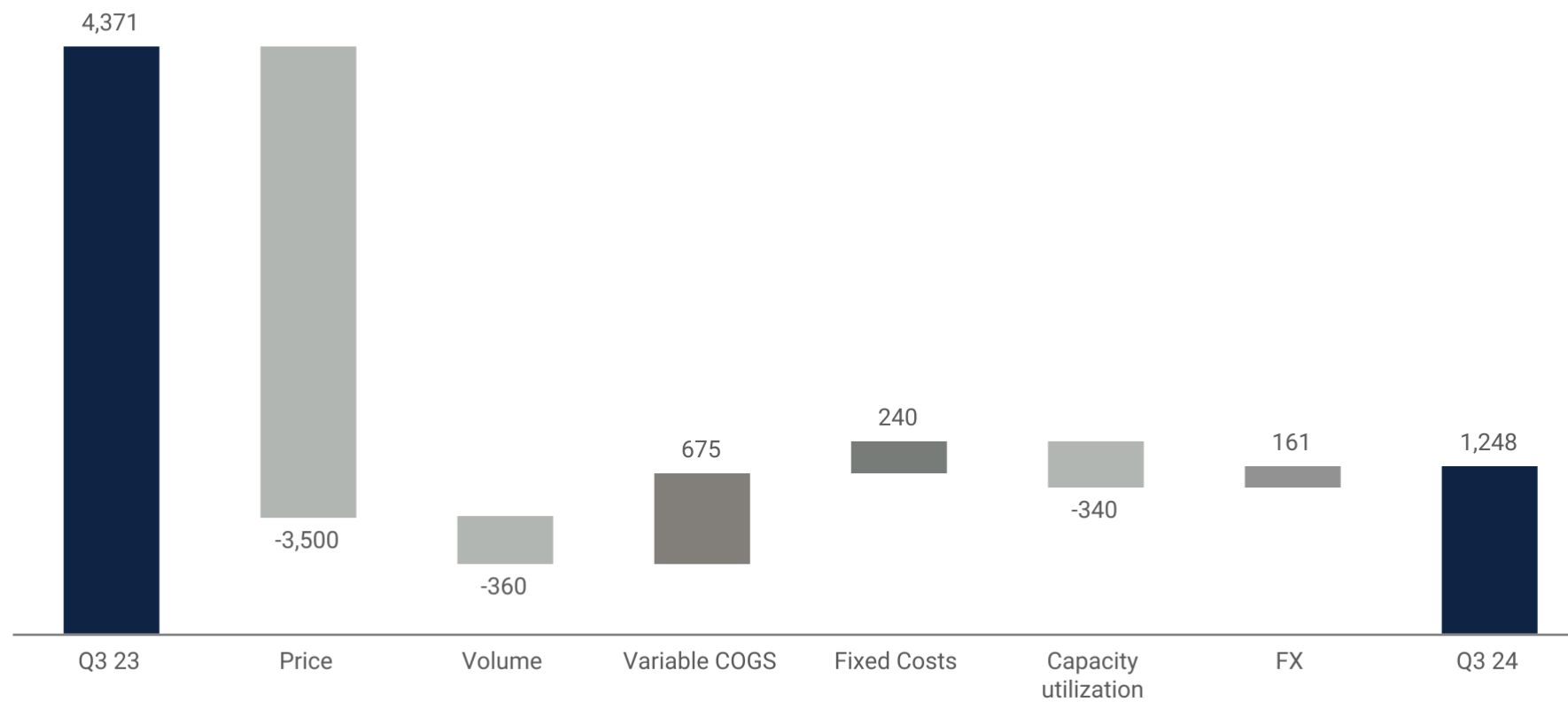
Adjusted EBITDA per tonne delivered steel (SEK/tonne)



Change in operating result vs. Q2/24



Change in adjusted operating result vs. Q3/23

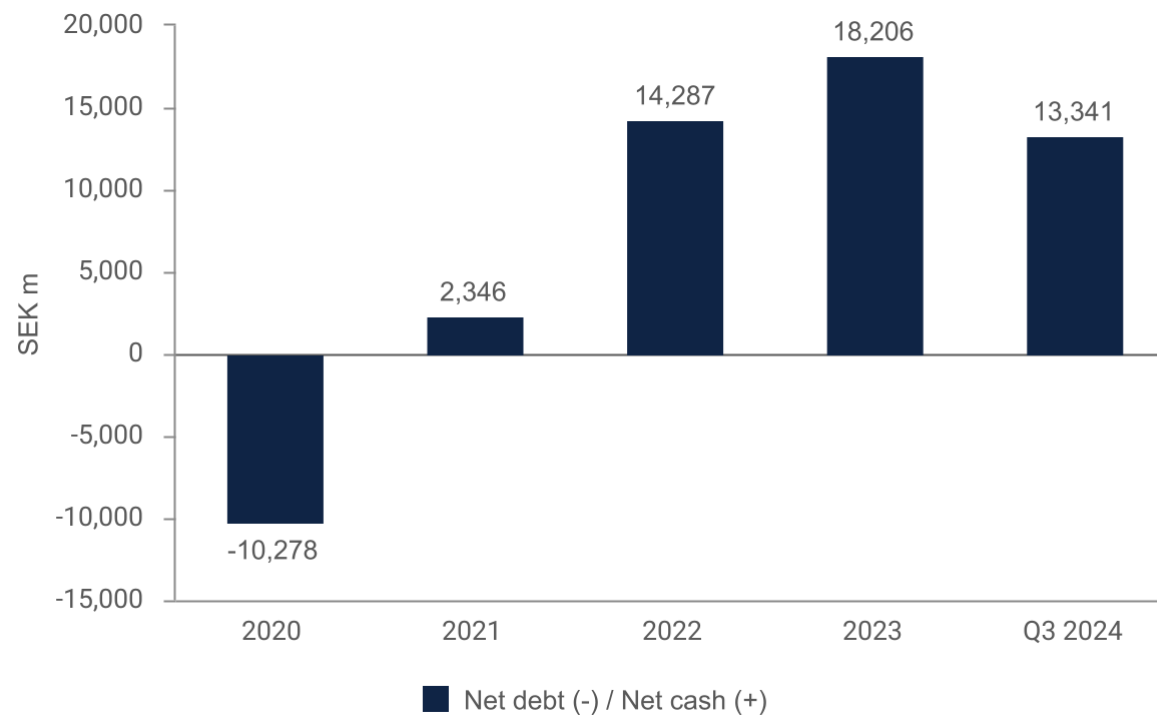


Cash flow

SEK millions	2024 Q3	2023 Q3	2024 Jan-Sep	2023 Jan-Sep	2023 Full-year
EBITDA	2,320	5,307	10,500	16,777	20,141
Change in working capital	483	1,599	-1,139	1,075	4,836
Maintenance capital expenditures	-642	-640	-1,797	-1,479	-2,585
Other	-734	44	-1,000	-647	-867
Operating cash flow	1,428	6,311	6,565	15,727	21,524
Financial items	97	96	302	291	437
Income taxes	-798	-967	-3,081	-3,393	-3,879
Cash flow from current operations	727	5,440	3,786	12,624	18,082
Strategic expenditures in plants and machinery	-601	-339	-1,725	-960	-1,889
Acquisitions of shares and operations	—	-3	—	-27	-52
Investments/contributions in affiliated companies and joint ventures	—	—	—	—	-20
Divestments of shares and operations	—	—	—	61	61
Cash flow before dividend	125	5,098	2,061	11,698	16,182
Dividend, parent company's shareholders	—	—	-4,983	-8,960	-8,960
Dividend, non-controlling interest	-3	-7	-4	-8	-8
Purchases of own shares	—	—	-1,215	—	-1,292
Acquisition of shares, non-controlling interest	-6	—	-45	—	—
Net cash flow	116	5,092	-4,186	2,730	5,922

Net cash position

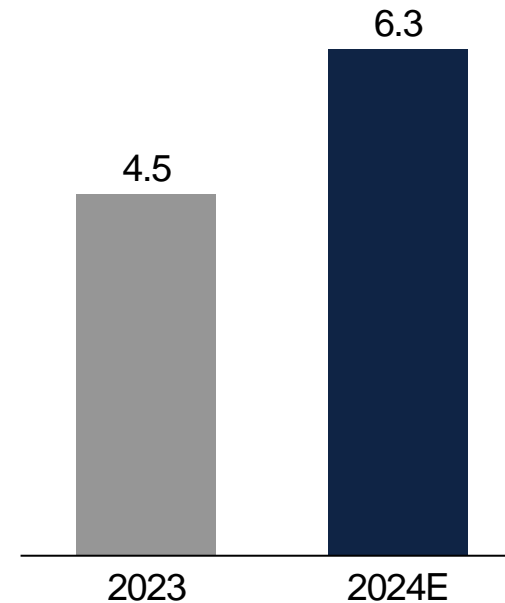
- Net cash of SEK 13.3 billion at the end of Q3 2024
- Net debt/equity ratio -20% (-24%)



Capex increasing due to transformation

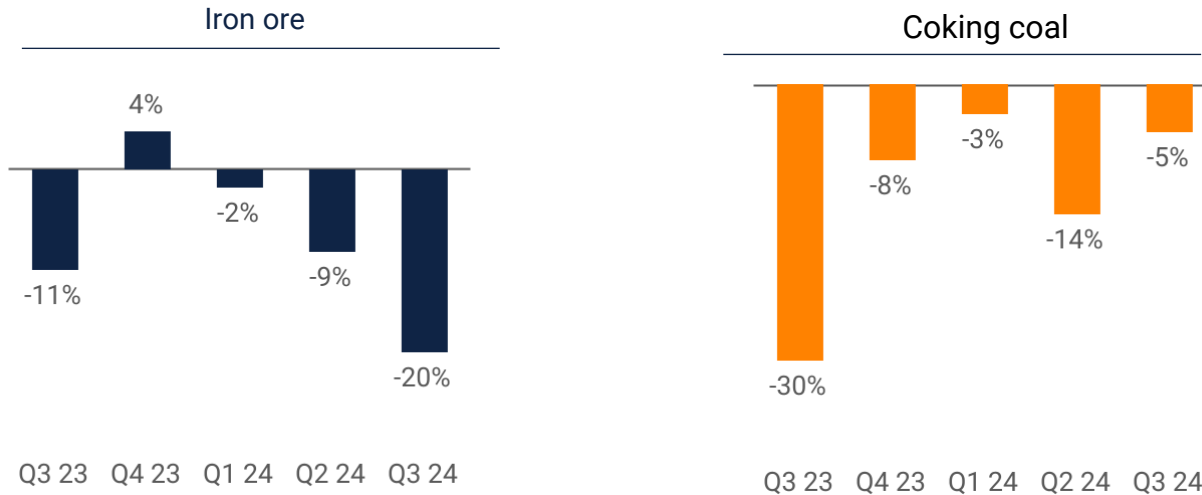
- Capital expenditure in 2024 estimated at SEK 6.3bn (unchanged)
 - Higher capex vs. 2023 due to ramp-up of Oxelösund EAF conversion and start of Luleå mini-mill
- High level of capex over the next years with estimated peak years in 2026 and 2027

Sum of maintenance and strategic capex

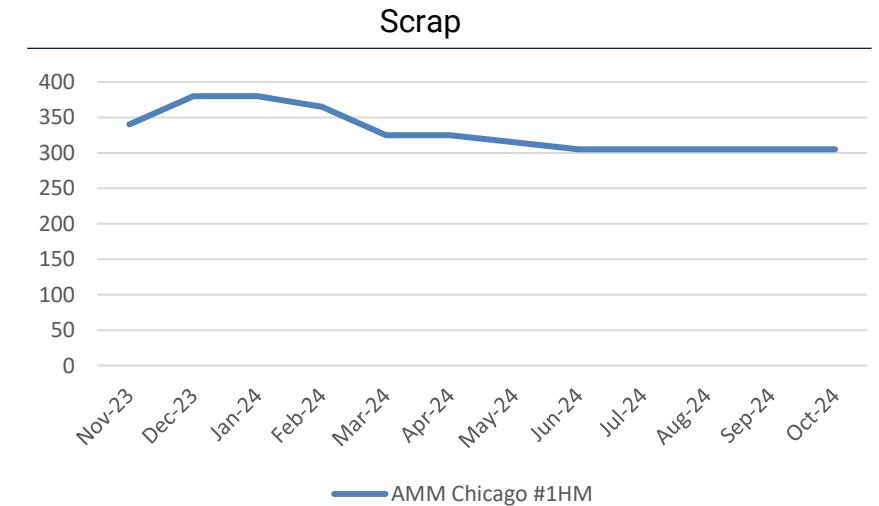


Raw material

SSAB's purchase price, year over year changes



Market prices (AMM, USD/ton)



- The costs of raw materials for SSAB Special Steels are expected to be somewhat lower compared to the prior quarter. Raw material costs for SSAB Europe are expected to be stable, whereas for SSAB Americas the costs are expected to be somewhat higher compared to prior quarter
- Iron ore spot market saw an upturn at the end of September

- Scrap prices relatively flat during Q3
- 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 1,650 (1,480) million, higher compared to the previous forecast of SEK 1,555 million
- Increase related to somewhat extended maintenance by SSAB Special Steels and SSAB Europe during Q4

SEK millions	2024	2024	2024	2024	2024
	Q1	Q2	Q3	Q4	Full-year
SSAB Special Steels	–	–	110	365	475
SSAB Europe	–	–	390	290	680
SSAB Americas	–	–	450	45	495
Total	–	–	950	700	1,650











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 Q4/2024

Segment	Demand	Comments	 Strong	 Neutral	 Weak
Heavy Transport		<ul style="list-style-type: none"> - Slowdown of heavy truck production in Europe continues - Stable trend for railcars, shipbuilding in the US 			
Automotive		<ul style="list-style-type: none"> - Structurally growing AHSS market - European market weakening, US market more stable 			
Construction Machinery		<ul style="list-style-type: none"> - Weak demand in Europe and slowdown in North America - China stabilizing 			
Material Handling		<ul style="list-style-type: none"> - Stable demand in mining 			
Energy		<ul style="list-style-type: none"> - Good demand for wind power and other renewables 			
Construction		<ul style="list-style-type: none"> - Weak Nordic market 			
Service Centers		<ul style="list-style-type: none"> - Cautious approach both in Europe and the US - Inventory levels on lower side 			

SSAB's outlook for Q4/2024

- Planned maintenance in SSAB Special Steels (Oxelösund) and SSAB Europe (Raahe) in Q4

Volume and pricing outlook		
Q4/24 vs. Q3/24	Shipments	Realized prices
SSAB Special Steels	Somewhat lower	Somewhat lower
SSAB Europe	Somewhat lower	Lower
SSAB Americas	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

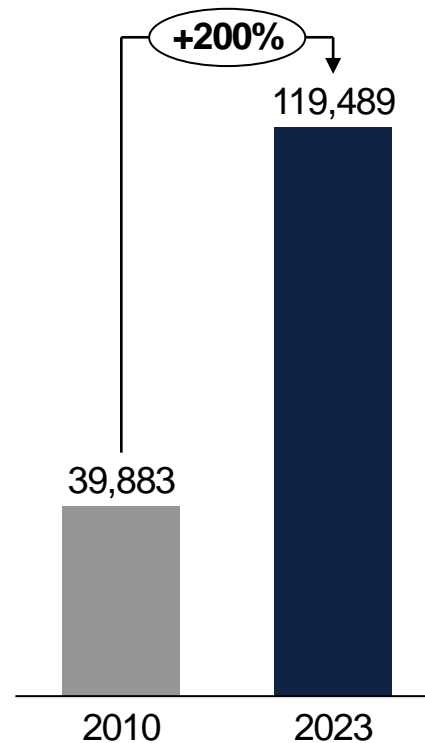
- Strong focus on safety is yielding results
- Good level of earnings in SSAB Special Steels – focus on pricing management
- Investment programs for Luleå and Oxelösund continues, targeting substantial benefits:
 - More flexible production at lower cost
 - Platform to grow high-strength and premium steels
 - Elimination of CO₂ emissions from operations
 - Meet the growing demand of emission free products



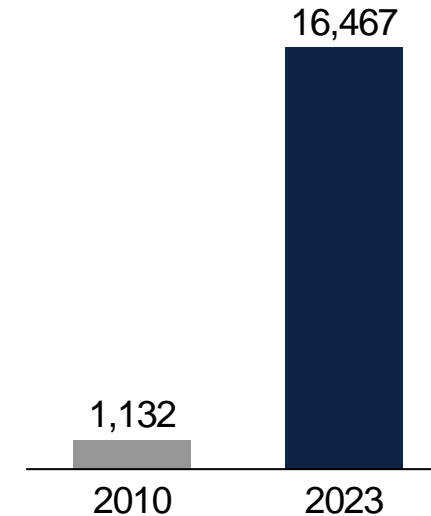
After presenting 55 interim reports as CEO – Thank you!

- First presentation as CEO was Q4/2010
- Last fiscal year was 2023
- (In addition, 29 interim reports as CFO (Q1 2001-Q2 2008))

Revenue (SEK m)



Operating result (SEK m)





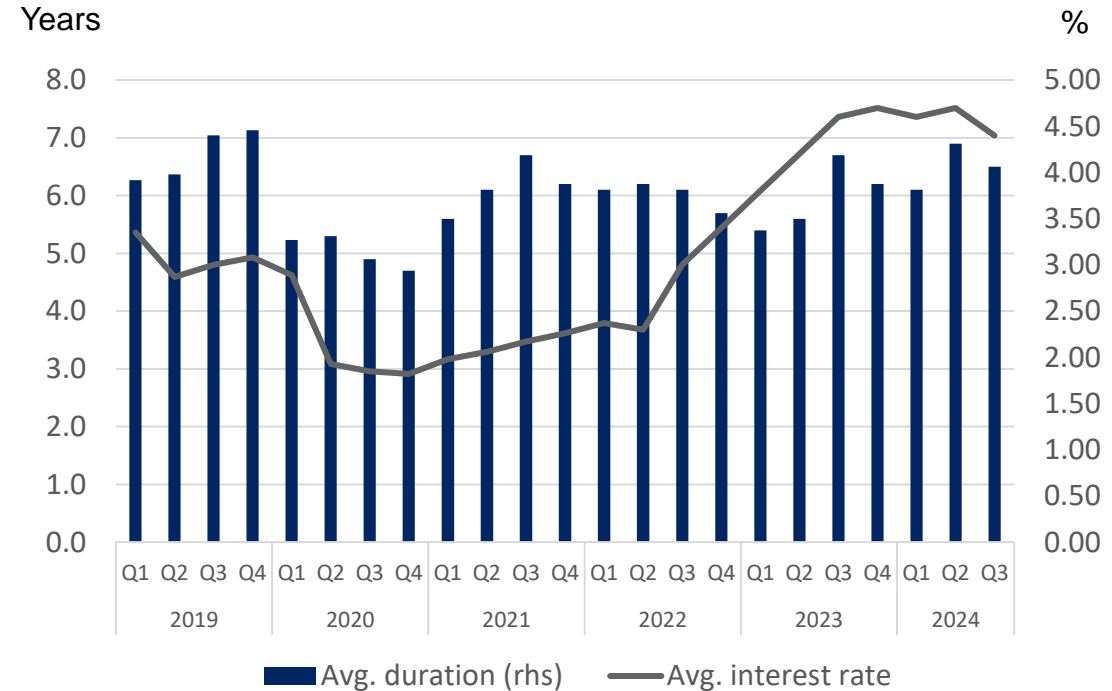
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Questions and Answers

Appendix

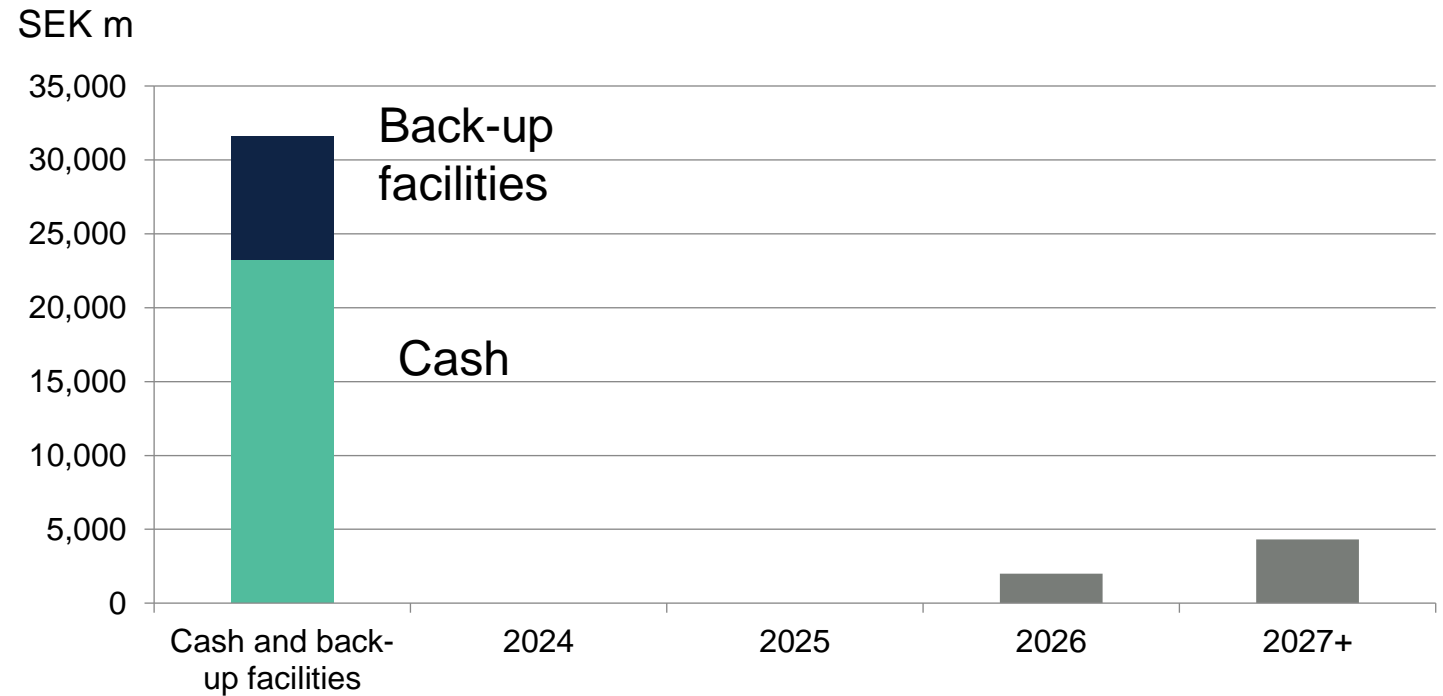
Debt portfolio duration and interest rate

- Duration of the loan portfolio was 6.5 (6.7) years
- Averaged fixed interest term was 1.2 (1.4) years
- Average interest rate was 4.4% (4.6%)



Maturity profile

- Liquid assets and committed credit lines at SEK 31.6bn at the end of Q3



SSAB