

INTERIM REPORT

THIRD QUARTER 2022



Strong earnings for Special
Steels and Americas

October 25, 2022

SSAB

Interim Report Third Quarter 2022

The third quarter

- Revenue was SEK 31,516 (25,220) million
- Operating profit, excluding items affecting comparability, was SEK 6,742 (5,800) million
- Earnings per share were SEK 4.93 (4.35)
- Net cash was SEK 8,739 (net debt SEK 3,370) million
- Transformation to fossil-free steel production on plan

Key figures

SEK millions	2022 Q3	2021 Q3	2022 Q2	2022 Jan-Sep	2021 Jan-Sep	2021 Full-year
Revenue	31,516	25,220	35,516	98,607	68,554	95,891
EBITDA 1)	7,599	6,582	11,241	28,038	14,341	22,094
Operating profit/loss 1)	6,742	5,800	10,395	25,515	11,876	18,837
Profit/loss after financial items	6,560	5,689	10,254	24,604	11,557	18,416
Profit/loss for the period	5,076	4,481	8,023	19,115	9,213	14,673
Earnings per share (SEK)	4.93	4.35	7.79	18.55	8.94	14.24
Operating cash flow	1,771	3,478	7,124	13,813	8,817	15,296
Net debt (+) / Net cash (-)	-8,739	3,370	-7,163	-8,739	3,370	-2,346
Net debt/equity ratio (%)	-8	5	-8	-8	5	-3

¹⁾ Excluding items affecting comparability. For further information see page 26.

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

Comments by the CEO – strong earnings for Specials Steels and Americas

SSAB's operating profit for the third quarter increased compared to the same period in 2021 and amounted to SEK 6.7 (5.8) billion. A weaker European market was compensated by continued strong development in SSAB Special Steels and SSAB Americas. The Group operating profit was down compared with the record level for the previous quarter. SSAB started its first fossil-free steel partnership on the US market, thereby further strengthening the company's position as leader in the green transition in the steel industry.

SSAB Special Steels' operating profit increased to SEK 2,411 (995) million for the quarter. The operating margin rose to 28.6% (16.6%). High-strength steel is SSAB's primary area of growth and it supports our customers' ambitions to improve productivity and sustainability performance in machinery and other equipment. SSAB Europe's operating profit for the third quarter decreased to SEK 1,447 (2,524) million and the operating margin decreased to 12.1% (23.4%). SSAB America's operating profit increased to SEK 3,036 (1,882) million and the operating margin rose to 36.6% (31.1%).

Safety performance continued to improve and Lost Time Injury Frequency (LTIF) decreased to 1.15 (1.90).

The market outlook is uncertain due, among other things, to rising inflation, component shortages and bottlenecks in logistics chains as well as to the fallout from the war in Ukraine. The European market has weakened and SSAB Europe has adjusted production by lower volumes of construction-related products. To reduce capacity in the fourth quarter, maintenance of one of the blast furnaces in Raahe will be brought forward and start in mid-November. The maintenance work is expected to last for 6-8 weeks. The outlook for the markets of SSAB Special Steels and SSAB Americas is considered to be more stable.

Customer demand for fossil-free steel continues to increase. During the third quarter, Volvo Trucks began the small-scale introduction of SSAB fossil-free steel in heavy electric trucks. SSAB started a partnership with Oshkosh Corporation, which will be the first in the US to develop prototypes for commercial vehicles in fossil-free steel.

Feasibility studies for SSAB's planned mini-mills in Luleå and Raahe are ongoing. The goal is fossil-free steel production in around 2030, but the transition requires sufficient availability of fossil-free electricity in the right place at the right time. It is also key for there to be a level playing field across Europe regarding state aid for the transition.

Outlook for the fourth quarter of 2022

The market outlook is uncertain against a background of rising inflation, a shortage of components and the risks of continued fallout from the war in Ukraine. The market in Europe is expected to be weak during the fourth quarter and there is a risk of low activity in the last few weeks of the year. The heavy plate market in North America is assessed to be relatively stable.

Compared with the third quarter of 2022, SSAB Special Steels shipments are assessed to be somewhat lower, primarily because of the planned maintenance outage in Oxelösund. Realized prices are also expected to be somewhat lower.

SSAB Europe's shipments are assessed to be stable, albeit at a low level, against a background of a cautious market and planned maintenance outages. Realized prices are expected to be significantly lower during the fourth quarter compared to those seen in the prior quarter.

SSAB Americas' shipments are assessed to be higher since the prior quarter was affected by a planned maintenance outage. Prices are expected to be somewhat lower.

Raw material costs in the fourth quarter are largely expected to be relatively stable compared to the prior quarter.

Outlook for steel divisions

	Q4 2022 vs. Q3 2022	
	Shipments	Realized prices
SSAB Special Steels	Somewhat lower	Somewhat lower
SSAB Europe	Stable	Significantly lower
SSAB Americas	Higher	Somewhat lower

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

Major planned maintenance outages 2022

The Group's total maintenance costs for the full year 2022 are expected to be SEK 1,590 million, higher than the earlier forecast of SEK 1,210 million. Maintenance of one of the blast furnaces in Raahe will be brought forward and start in the middle of November, which is one reason for the increase. In addition, price increases have impacted maintenance costs. The table below shows the expected costs of major planned maintenance outages for 2022 and the costs of outages completed during 2021. The figures include the impact of the direct maintenance cost and the cost of lower capacity utilization (underabsorption), but exclude lost margins.

Expected maintenance costs for 2022

	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
SEK millions	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4	Full-year	Full-year
SSAB Special Steels	-	-	-	-	90	440	370	150	460	590
SSAB Europe	-	-	-	-	205	270	520	160	725	430
SSAB Americas	-	-	-	-	335	-	70	250	405	250
Total	-	-	-	-	630	710	960	560	1,590	1,270

The market during the third quarter

Global demand for high-strength steel was good in most markets, but demand in Europe slowed and demand in China was hit by closures (related to lockdowns), among other things.

Demand for standard steel in Europe continued to be affected by caution and the recovery after the holiday season was weaker than normal. Inventory levels at distributors, among others, are assessed to be somewhat high. Import volumes into Europe were relatively high during the third quarter. In North America, demand for heavy plate was good in most customer segments. Inventory levels at North American distributors were still low.

European market prices for steel contracted during the third quarter compared with the prior quarter. The decline was somewhat more pronounced in heavy plate than in strip. The price of heavy plate in North America contracted during

the third quarter, from a high level. In China, market prices for strip and heavy plate decreased during the third quarter of 2022.

SSAB Group – Third quarter of 2022

Revenue and operating profit

Revenue for the third quarter of 2022 was SEK 31,516 (25,220) million, up 25% compared to the third quarter of 2021. The increase was mainly due to higher steel prices. Compared with the second quarter of 2022, revenue was down 11%.

Operating profit, excluding items affecting comparability, was SEK 6,742 (5,800) million. The increase was mainly explained by higher prices. Compared to the second quarter of 2022, operating profit was down SEK 3,653 million.

Revenue and operating profit/loss by business segment

SEK millions	Revenue			Operating profit/loss 1)		
	2022 Q3	2021 Q3	2022 Q2	2022 Q3	2021 Q3	2022 Q2
SSAB Special Steels	8,431	5,994	8,985	2,411	995	2,392
SSAB Europe	11,989	10,789	14,357	1,447	2,524	4,070
SSAB Americas	8,302	6,061	8,842	3,036	1,882	3,512
Tibnor	3,594	3,063	4,783	-176	515	613
Ruukki Construction	1,739	1,766	2,020	159	229	212
Other	0	-	-	-104	-300	-374
Depr. surplus values	-	-	-	-30	-45	-29
Group adjustments	-2,539	-2,453	-3,472	-	-	-
Total	31,516	25,220	35,516	6,742	5,800	10,395

1) Excluding items affecting comparability, items affecting comparability were SEK -148 (-) million during the third quarter of 2022. For further information see page 26.

Analysis of total change in revenue and operating profit/loss

	Revenue			Operating profit/loss	
	Change vs Q3 2021 %	Change vs Q2 2022 %		Change vs Q3 2021 SEK m	Change vs Q2 2022 SEK m
Volume	-10	-14	Price and product mix	6,805	265
Price	19	-	Volume	-1,030	-1,970
Product mix	1	-	Variable costs	-4,515	-2,425
Currency effects	11	3	Fixed costs	-360	695
Other sales	4	-	Currency effects	-40	40
			Capacity utilization	65	-260
			Other	16	2
Total	25	-11	Total	941	-3,653

Leading sustainability performance

SSAB's objective is to become the world's safest steel company and to achieve zero accidents and work-related injuries and illnesses. The lost time injury frequency resulting in an absence of at least one day (LTIF) was 1.15 (1.90) on a rolling 12 months basis. Total recordable injury frequency (TRIF) was 8.68 (8.50) on a rolling 12 months basis.

Direct emissions (Scope 1) increased during the past 12 months, while indirect emissions (Scope 2) decreased, among other things through increased use of renewable energy at the facility in Montpelier.

Against a background of pressures on the Nordic electricity market, SSAB is reviewing how we can switch production to off-peak hours. SSAB has hedged most of its electricity consumption in the Nordics. More information on SSAB's electricity consumption and hedging can be found in the Annual Report.

Key sustainability figures – rolling 12 months

	2022 Q3	2021 Q3	2022 Q2	2021 Full-year
Safety				
Lost time injury frequency (LTIF) 1)	1.15	1.90	1.56	1.80
Total number of injuries (LTI) 2)	32	50	43	47
Environment				
Energy consumption, GWh 3)	9,019	9,561	9,125	9,409
Energy intensity, kWh/tonnes crude steel	1,169	1,156	1,194	1,150
CO ₂ e-emissions (Scope 1), thousand tonnes	10,161	9,807	10,088	9,917
Indirect CO ₂ e-emissions (Scope 2), thousand tonnes	928	1,115	958	1,070
CO ₂ e-intensity, tonnes of CO ₂ e/tonnes crude steel 4)	1.44	1.30	1.44	1.34

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) Includes Scope 1 and Scope 2.

Transformation to fossil-free steel

Customer demand for fossil-free steel continues to increase. During the third quarter, Volvo Trucks began the small-scale introduction of SSAB fossil-free steel in heavy electric trucks. SSAB started a partnership with Oshkosh Corporation, which will be the first in the US to develop prototypes for commercial vehicles in fossil-free steel.

In October, new test results from the HYBRIT pilot plant revealed that direct reduced iron (DRI) with hydrogen creates a product with superior mechanical and aging properties compared to direct reduced iron using fossil-based reducing gas such as natural gas. Hybrit Development AB has filed patent applications to the European Patent Office.

Feasibility studies for SSAB's planned mini-mills in Luleå and Raahe are ongoing. The goal is fossil-free steel production in around 2030, but the transition requires sufficient availability of fossil-free electricity in the right place at the right time. It is also key for there to be a level playing field across Europe regarding state aid for the transition. In October, the Swedish Energy Markets Inspectorate approved the application for two 130 kV power lines to SSAB steel mill in Oxelösund. The decision can be subject to appeal.

Raw materials

SSAB sources iron ore primarily from LKAB in Sweden and prices vary depending on the market index. SSAB sources coking coal from Australia, the US and Canada, usually on annual supply contracts with monthly prices. SSAB's mills in the US use recycled steel material and source scrap metal on the spot market. During the first quarter of 2022, SSAB ceased new purchases of iron ore and coal from Russia.

The table below shows SSAB's purchase prices. The purchase prices of iron ore affect the result after a lag of around one quarter, while coking coal has a lag of around one and a half quarters. Scrap purchase prices have a lag of around one month.

Change in SSAB's average purchase prices, third quarter of 2022

% change	Q3 2021		Q2 2022	
	USD	SEK	USD	SEK
Iron ore	-33%	-19%	-19%	-13%
Coking coal	87%	128%	-33%	-28%
Scrap metal	-17%	1%	-25%	-19%

Production and shipments

Production in the third quarter was affected by planned maintenance outages in SSAB Europe and SSAB Americas. The outages also impacted shipments negatively. In addition, SSAB Europe's production and shipments was impacted by lower demand.

Production and shipments

Thousand tonnes	2022 Q3	2021 Q3	2022 Q2	2022 Jan-Sep	2021 Jan-Sep	2021 Full-year
Crude steel production	1,916	1,842	1,985	5,652	6,113	8,179
Rolling production	1,672	1,766	1,835	5,223	5,751	7,568
Steel shipments	1,465	1,627	1,711	4,839	5,326	6,921

Profit for the period and earnings per share

The profit for the period (attributable to shareholders in the parent company) was SEK 5,074 (4,478) million for the third quarter, equating to SEK 4.93 (4.35) per share. Tax was SEK -1,484 (-1,208) million.

Cash flow

Operating cash flow for the third quarter amounted to SEK 1,771 (3,478) million. Compared to the third quarter of 2021, cash flow was negatively impacted primarily by higher working capital. The increase in working capital was related to higher revenue and increased raw material inventories, which occurred when Russia invaded Ukraine. In addition, inventory of finished goods increased as a result of weaker demand in Europe as well as preparation for the planned maintenance outages in the fourth quarter.

Net cash flow amounted to SEK -285 (2,810) million. Net cash at September 30, 2022 was SEK 8,739 (-3,370) million.

Capital expenditure

Capital expenditure, including acquisitions and divestments of operations, totaled SEK 931 (679) million during the third quarter. Strategic investments were SEK 430 (218) million. The increase compared to the third quarter of 2021 is primarily related to the strategic investments in Mobile to increase capacity of high-strength steel and in Oxelösund for the conversion to fossil-free steelmaking. The sum of maintenance and strategic expenditure is expected to be unchanged at around SEK 5 billion for the full-year of 2022. The corresponding capital expenditure for 2021 was SEK 2.9 billion.

Operating cash flow and net debt

SEK millions	2022 Q3	2021 Q3	2022 Jan-Sep	2021 Jan-Sep	2021 Full-year
EBITDA	7,451	6,582	27,681	14,341	22,094
Change in working capital	-5,400	-2,693	-13,200	-4,458	-5,485
Maintenance capital expenditures	-478	-461	-1,179	-1,030	-2,053
Other	198	49	511	-35	741
Operating cash flow	1,771	3,478	13,813	8,817	15,296
Financial items	41	-125	-16	-302	-373
Taxes	-1,644	-322	-4,634	-712	-1,357
Cash flow from current operations	168	3,031	9,163	7,803	13,566
Strategic expenditures in plants and machinery	-430	-218	-1,247	-526	-835
Acquisitions of shares and operations	-22	-	-442	-103	-130
Cash flow before dividend	-285	2,812	7,474	7,174	12,602
Dividend, Parent company's shareholders	-	-	-5,406	-	-
Dividend, non-controlling interest	-	-2	-7	-9	-9
Acquisitions of shares, non-controlling interest	-	-	-	-127	-157
Net cash flow	-285	2,810	2,061	7,039	12,436
Net cash (+) / Net debt (-) at beginning of period	7,163	-6,461	2,346	-10,278	-10,278
Net cash flow	-285	2,810	2,061	7,039	12,436
Other 1)	1,861	281	4,332	-131	188
Net cash (+) / Net debt (-) at the end of period	8,739	-3,370	8,739	-3,370	2,346

1) Mainly valuation changes of derivatives and revaluations of other financial assets and liabilities in foreign currencies

SSAB Group – nine-month summary 2022

Revenue and operating profit

Revenue for the first nine months of 2022 was SEK 98,607 (68,554) million, up 44% compared to the same period of 2021.

Operating profit was SEK 25,515 (11,876) million, up SEK 13,639 million compared to the first nine months of 2021.

Revenue and operating profit/loss by business segment

SEK millions	Revenue			Operating profit/loss 1)		
	2022	2021	Change	2022	2021	Change
	Jan-Sep	Jan-Sep		Jan-Sep	Jan-Sep	
SSAB Special Steels	25,323	16,961	8,363	6,906	3,084	3,822
SSAB Europe	39,003	29,864	9,139	8,767	4,795	3,972
SSAB Americas	24,609	14,527	10,082	9,540	3,224	6,316
Tibnor	12,840	8,934	3,907	854	1,182	-328
Ruukki Construction	5,346	4,481	865	534	439	95
Other	0	-	0	-999	-639	-361
Depr. surplus values	-	-	-	-86	-209	123
Group adjustments	-8,515	-6,213	-2,302	-	-	-
Total	98,607	68,554	30,053	25,515	11,876	13,639

1) Excluding items affecting comparability, items affecting comparability were SEK -369 (-) million during the first nine months of 2022. For further information see page 26.

Profit for the period and earnings per share

Profit for the period (attributable to shareholders in the parent company) for the first nine months of 2022 was SEK 19,108 (9,204) million, equating to SEK 18.55 (8.94) per share. Tax was SEK -5,489 (-2,345) million.

Cash flow, financing and liquidity

Operating cash flow for the first nine months of 2022 increased to SEK 13,813 (8,817) million, primarily due to higher operating profit.

Net cash flow, after dividends of SEK 5,406 (-) million, amounted to SEK 2,061 (7,039) million. Net cash at September 30, 2022 was SEK 8,739 (-3,370) million.

The term to maturity of the total loan portfolio at September 30, 2022 averaged 6.1 (6.7) years, with an average fixed interest period of 1.0 (1.2) years.

Cash and cash equivalents were SEK 17,649 (9,594) million and non-utilized credit facilities were SEK 10,097 (8,554) million, which combined corresponds to 22% (21%) of rolling 12-month revenue.

Return on capital employed

Return on capital employed before tax for the last 12 months was 39% and return on equity after tax was 29%, whereas the figures for the full year of 2021 were 27% and 23% respectively.

Equity

With profit for the period of SEK 19,108 (9,204) million and other comprehensive income (mostly consisting of translation differences) of SEK 15,743 (3,312) million, the parent company's shareholders' equity amounted to SEK 102,961 (66,428) million, equating to 99.98 (64.50) per share.

Business segments – Third quarter of 2022

The information in the tables below excludes the depreciation/amortization on surplus values on tangible and intangible assets and excludes items affecting comparability. For more information about the business segments, see page 20.

SSAB Special Steels

Third quarter in brief

- Stable demand and higher prices
- Shipments decreased 3% to 336 (348) thousand tonnes
- Operating profit rose to record-high SEK 2,411 (995) millions

Key figures

	2022	2021	2022	2022	2021	2021
SEK millions	Q3	Q3	Q2	Jan-Sep	Jan-Sep	Full-year
Revenue	8,431	5,994	8,985	25,323	16,961	23,510
EBITDA	2,674	1,210	2,648	7,671	3,789	5,567
Operating profit	2,411	995	2,392	6,906	3,084	4,624
Operating cash flow	132	1,431	643	2,860	2,861	3,916
Number of employees at end of period	4,040	3,893	4,022	4,040	3,893	3,922

Operating profit excludes depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of IPSCO. Depreciation/amortization on surplus values during the third quarter was SEK 20 (16) million. Comparable figures have been restated to reflect the move of the Mobile mill from SSAB Americas to SSAB Special Steels in the third quarter of 2021.

Thousand tonnes						
Crude steel production	592	469	634	1,856	1,767	2,312
Rolling production	430	395	460	1,309	1,316	1,667
Shipments	336	348	396	1,114	1,112	1,462

Comparable figures have been restated to reflect the move of the Mobile mill from SSAB Americas to SSAB Special Steels in the third quarter of 2021.

Market trend

Most customer segments continued to show good demand and SSAB Special Steels is benefiting from the strategy of global sales, which reduces volatility when certain regions are impacted by lower economic activity. The Construction Machinery (primarily Lifting) and Material Handling (primarily Mining and Recycling) saw good demand, as did the Energy customer segment. A slowdown was noted in the Construction segment, especially in Europe.

Development compared to Q3/21

Production increased, since the steel mill in Oxelösund underwent planned maintenance during the third quarter last year. Shipments of high-strength steel were 336 (348) thousand tonnes. Revenue was up 41% compared to the third quarter of 2021 and amounted to SEK 8,431 (5,994) million. Higher prices contributed 32 percentage points, currency effects 12 percentage points. Lower shipments had a negative impact of 3 percentage points.

Operating profit was SEK 2,411 (995) million, up SEK 1,416 million compared to the third quarter of 2021 and the highest ever for SSAB Special Steels. Higher prices had a positive impact, whereas higher raw material costs had a negative impact. Capacity utilization was better, as last year was affected by planned maintenance.

Development compared to Q2/22

Production and shipments contracted compared to the second quarter. This was because the planned maintenance outage in Oxelösund started at the end of the third quarter, as well as weaker demand in certain customer segments in

Europe. Revenue was down 6%, due to lower shipments (15 percentage points). This was counteracted by higher prices and currency impacts of 6 and 3 percentage points respectively.

Operating profit increased somewhat. Higher prices were counteracted by seasonally lower shipments in Europe and high raw material costs.

Cash flow and capital expenditure

Operating cash flow during the third quarter of 2022 was SEK 132 (1,431) million. Higher earnings were counteracted by higher working capital, partly related to higher inventory in preparation for planned maintenance in the fourth quarter.

Capital expenditure during the third quarter was SEK 440 (323) million, of which SEK 311 (160) million were strategic investments.

SSAB Europe

Third quarter in brief

- Shipments decreased by 10% to 713 (795) thousand tonnes
- Lower margins
- Operating profit decreased to SEK 1,447 (2,524) million

Key figures

SEK millions	2022 Q3	2021 Q3	2022 Q2	2022 Jan-Sep	2021 Jan-Sep	2021 Full-year
Revenue	11,989	10,789	14,357	39,003	29,864	42,311
EBITDA	1,856	2,912	4,476	9,982	5,950	9,640
Operating profit	1,447	2,524	4,070	8,767	4,795	8,095
Operating cash flow	-743	604	2,433	3,933	3,129	5,893
Number of employees at end of period	6,664	6,646	6,700	6,664	6,646	6,705

Operating profit excludes depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki. Depreciation/amortization on surplus values was SEK 1 (21) million during the third quarter.

Thousand tonnes	2022 Q3	2021 Q3	2022 Q2	2022 Jan-Sep	2021 Jan-Sep	2021 Full-year
Crude steel production	1,068	1,080	1,049	3,006	3,442	4,635
Rolling production	1,010	1,081	1,093	3,167	3,578	4,741
Shipments	713	795	838	2,395	2,756	3,588

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

Market trend

Besides the seasonally weaker market in the third quarter, the European strip market was also affected by generally lower demand as a result of higher inflation and energy costs among other things. Demand in the Automotive segment continued to be affected by a shortage of components and demand is very weak in the Construction segment. Demand is good in the Energy segment, driven by investments in renewable energy production in Europe.

During the third quarter, SSAB Europe adjusted production volumes of construction-related products. To reduce production in the fourth quarter, maintenance of one of the blast furnaces in Raahe (annual capacity of 1.3 million tonnes) will be brought forward. The maintenance work is expected to start in mid-November and last for 6-8 weeks.

Development compared to Q3/21

Rolling production and shipments were lower than last year due to a weaker market. Revenue was up 11% compared with the third quarter of 2021 and amounted to SEK 11,989 (10,789) million. Higher prices and other revenue contributed with 13 percentage points and 4 percentage points respectively. Currency effects contributed with 4 percentage points. Lower shipments impacted negatively with 10 percentage points.

Operating profit for the third quarter of 2022 was SEK 1,447 (2,524) million, down SEK 1,077 million compared with the same quarter in 2021. Higher prices were counteracted primarily by higher raw material costs. Lower shipments and lower capacity utilization due to a weaker market had a negative impact.

Development compared to Q2/22

Crude steel production was flat compared to the prior quarter, whereas shipments decreased. Revenue was down 16% due to lower shipments and lower prices, which impacted negatively by 15 and 3 percentage points respectively. Other revenue and currency effects each had a positive impact of 1 percentage point.

Compared to the second quarter of 2022, operating profit was down SEK 2,623 million. This was due to lower shipments and prices, but above all to higher raw material costs.

Cash flow and capital expenditure

Operating cash flow during the third quarter of 2022 was SEK -743 (2,433) million. The decrease compared to the third quarter of 2021 is explained primarily by higher inventories, as a result of a weaker market as well as preparation for the planned maintenance outage in the fourth quarter.

Capital expenditure during the third quarter was SEK 344 (262) million, of which SEK 70 (19) million were strategic investments.

SSAB Americas

Third quarter in brief

- Continued stable demand
- Shipments decreased by 14% to 416 (484) thousand tonnes, due to planned maintenance
- Operating profit increased to SEK 3,036 (1,882) million, primarily due to higher prices

Key figures

	2022	2021	2022	2022	2021	2021
SEK millions	Q3	Q3	Q2	Jan-Sep	Jan-Sep	Full-year
Revenue	8,302	6,061	8,842	24,609	14,527	20,680
EBITDA	3,089	1,926	3,563	9,692	3,354	5,587
Operating profit	3,036	1,882	3,512	9,540	3,224	5,412
Operating cash flow	3,558	1,489	3,833	9,109	2,385	4,922
Number of employees at end of period	648	651	645	648	651	644

Operating profit excludes depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of IPSCO. Depreciation/amortization on surplus values was SEK 1 (1) million during the third quarter. Comparable figures have been restated to reflect the move of the Mobile mill from SSAB Americas to SSAB Special Steels in the third quarter of 2021.

Thousand tonnes						
Crude steel production	256	293	303	790	905	1,233
Rolling production	232	291	282	746	857	1,160
Shipments	416	484	476	1,330	1,458	1,871

Shipment figures include heavy plate made at SSAB Special Steels' steel mill in Mobile but sold by SSAB Americas. Comparable figures have been restated to reflect the move of the Mobile mill from SSAB Americas to SSAB Special Steels in the third quarter of 2021.

Market trend

Good demand continued for heavy plate, especially in the Heavy Transport (Rail) and Energy segments. Steel Service Centers are generally cautious and have low inventory levels.

Development compared to Q3/21

Production and shipments were lower compared to the third quarter of 2021. This is explained by the annual maintenance outage in Montpelier during the third quarter of 2022. Revenue was up 37% compared with the third quarter of 2021 and amounted to SEK 8,302 (6,061) million. Higher prices had a positive impact of 25 percentage points and currency effects had a positive impact of 24 percentage points. Other revenue contributed with 2 percentage points. Lower shipments decreased revenue by 14 percentage points.

Operating profit for the third quarter of 2022 was SEK 3,036 (1,882) million, up SEK 1,154 million. The increase was explained primarily by higher prices.

Development compared to Q2/22

Production and shipments contracted compared to the second quarter. Compared to the second quarter of 2022, revenue was down 6%. Lower shipments had a negative impact of 13 percentage points, whereas currency effects and other revenue had a positive impact of 6 and 1 percentage points respectively.

Compared to the second quarter of 2022, operating profit decreased by SEK 476 million. The decrease was explained primarily by the planned maintenance outage.

Cash flow and capital expenditure

Operating cash flow during the third quarter of 2022 was SEK 3,558 (1,489) million. Compared to the third quarter of 2021, cash flow was impacted positively by higher earnings.

Capital expenditure during the third quarter was SEK 48 (27) million, of which SEK 6 (6) million were strategic investments.

Tibnor

Third quarter in brief

- Lower demand
- Operating profit fell to SEK -176 (515) million
- Inventory losses due to the sharp market downturn

Key figures

SEK millions	2022 Q3	2021 Q3	2022 Q2	2022 Jan-Sep	2021 Jan-Sep	2021 Full-year
Revenue	3,594	3,063	4,783	12,840	8,934	12,377
EBITDA	-133	552	653	977	1,290	1,680
Operating profit	-176	515	613	854	1,182	1,533
Operating cash flow	-909	56	248	-1,161	481	500
Shipments, thousand tonnes	183	190	229	664	668	869
Number of employees at end of period	1,074	1,003	1,058	1,074	1,003	1,007

Operating profit excludes depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki. Depreciation/amortization on surplus values was SEK 4 (5) million during the third quarter.

Market trend

Demand was low during the quarter due to customers reducing inventories combined with uncertainties related to high inflation, energy prices and a shortage of components.

Development compared to Q3/21

Revenue was up 17% compared with the third quarter of 2021 and amounted to SEK 3,594 (3,063) million, driven by higher prices.

Operating profit was down SEK 691 million compared with the same period a year earlier and amounted to SEK -176 (515) million. Inventory losses, due to the fall in steel prices during the second and third quarter this year, were the main reason for the decrease.

Development compared to Q2/22

Revenue was down 25% compared with the second quarter of 2022.

Operating profit was down SEK 789 million compared with the second quarter of 2022. The decrease was due primarily to inventory losses and lower shipments.

Cash flow and capital expenditure

Operating cash flow during the third quarter of 2022 was SEK -909 (56) million. The decrease is explained primarily by lower earnings and higher working capital.

Capital expenditure during the third quarter was SEK 12 (15) million, of which SEK 3 (4) million were strategic investments.

Ruukki Construction

Third quarter in brief

- Lower demand
- Operating profit weakened to SEK 159 (229) million

Key figures

	2022	2021	2022	2022	2021	2021
SEK millions	Q3	Q3	Q2	Jan-Sep	Jan-Sep	Full-year
Revenue	1,739	1,766	2,020	5,346	4,481	5,999
EBITDA	206	270	263	677	560	762
Operating profit	159	229	212	534	439	599
Operating cash flow	46	209	41	93	451	466
Number of employees at end of period	1,483	1,381	1,468	1,483	1,381	1,403

Operating profit excludes depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki. Depreciation/amortization on surplus values was SEK 3 (2) million during the third quarter.

Market trend

Demand was lower as construction activity slowed down, especially in Roofing, whereas the Building Envelopes segment was more stable.

Development compared to Q3/21

Revenue was down 2% compared to the third quarter of 2021 and amounted to SEK 1,739 (1,766) million.

Operating profit for the third quarter of 2022 decreased by SEK 70 million to SEK 159 (229) million, due primarily to the weakening within Roofing.

Development compared to Q2/22

Compared to the second quarter of 2022, revenue was down 14% and operating profit was down SEK 53 million, primarily because of lower volumes and somewhat lower prices.

Cash flow and capital expenditure

Operating cash flow during the third quarter was SEK 46 (209) million because of lower earnings and higher working capital.

Capital expenditure during the third quarter was SEK 70 (42) million, of which SEK 13 (30) million were strategic investments.

Risks and uncertainty factors

The Russian invasion of Ukraine in February 2022 entails, among other things, the risk of disruptions in supply chains and/or higher purchase prices, including energy prices, as well as the risk of a general downturn in the economy. Russia and Ukraine normally export steel, slabs and various raw materials to Europe.

For information regarding other material risks and uncertainty factors, reference is made to the detailed description in the Annual Report 2021.

Changes in employment terms and conditions

SSAB's Board of Directors has raised the retirement age for the company's president and CEO from 62 to 65 years. Other employment terms and conditions were not changed.

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 2021.

Since the second quarter of 2022, Türkiye has been classified as a hyperinflationary economy. In accordance with IAS 29, SSAB's subsidiaries in Türkiye have been reported in the Group's consolidated financial statements after revaluation for hyperinflation. The index used is the consumer price index with a base period January 2003. Monetary net loss has been reported as financial expenses in the consolidated statement of profit and loss and amounted SEK 21 million during the third quarter.

Affirmation

This interim report has not been reviewed by the auditors.

Stockholm, October 25, 2022

Martin Lindqvist
President and CEO

Financial reports – The Group

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

Consolidated statement of profit and loss

SEK millions	2022 Q3	2021 Q3	2022 Jan-Sep	2021 Jan-Sep	2021 Full-year
Revenue	31,516	25,220	98,607	68,554	95,891
Cost of goods sold	-23,460	-18,288	-68,835	-53,491	-72,425
Gross profit/loss	8,056	6,932	29,772	15,063	23,466
Selling and administrative costs	-1,204	-1,111	-4,087	-3,288	-4,620
Other operating income and expenses	-263	-26	-560	72	13
Affiliated companies, profit/loss after tax	5	5	22	29	-22
Operating profit/loss	6,594	5,800	25,146	11,876	18,837
Financial income	1,929	375	4,290	1,159	2,095
Financial expenses	-1,963	-486	-4,832	-1,477	-2,516
Profit/loss after financial items	6,560	5,689	24,604	11,557	18,416
Tax	-1,484	-1,208	-5,489	-2,345	-3,743
Profit/loss for the period	5,076	4,481	19,115	9,213	14,673
Of which attributable to:					
- Parent Company's shareholders	5,074	4,478	19,108	9,204	14,662
- Non-controlling interest	2	2	7	9	11

Consolidated statement of comprehensive income

SEK millions	2022 Q3	2021 Q3	2022 Jan-Sep	2021 Jan-Sep	2021 Full-year
Profit/loss for the period	5,076	4,481	19,115	9,213	14,673
<i>Other comprehensive income</i>					
Items that may be subsequently reclassified to the income statement					
Translation differences for the period	5,643	1,453	14,219	3,204	4,745
Translation differences due to hyperinflation after tax	-22	-	10	-	-
Cash flow hedges	404	128	1,675	260	348
Hedging of currency risks in foreign operations 1)	-	-19	-	-219	-218
Tax attributable to items that may be subsequently reclassified to the income statement	-82	-22	-336	-7	-25
Total items that may be subsequently reclassified to the income statement	5,943	1,541	15,568	3,238	4,850
Items that will not be reclassified to the income statement					
Remeasurements of the net defined benefit liability	33	21	219	94	71
Tax attributable to items that will not be reclassified to the income statement	-7	-5	-44	-20	-12
Total items that will not be reclassified to the income statement	26	16	175	74	59
Total other comprehensive income for the period, net after tax	5,969	1,557	15,743	3,312	4,909
Total comprehensive income for the period	11,045	6,037	34,858	12,526	19,581
Of which attributable to:					
- Parent Company's shareholders	11,041	6,034	34,848	12,513	19,568
- Non-controlling interest	4	3	10	13	13

1) Hedging is structured such that the net/equity ratio is unchanged in the event of changed exchange rates.

Consolidated statement of financial position

SEK millions	2022 Sept 30	2021 Sept 30	2021 Dec 31
Assets			
Intangible assets	37,792	30,667	31,455
Tangible fixed assets	25,372	22,097	23,044
Right of use assets	2,400	2,575	2,457
Financial assets	2,990	1,645	1,559
Deferred tax receivables	619	205	309
Total fixed assets	69,172	57,188	58,824
Inventories	41,733	23,085	25,599
Accounts receivable	14,928	11,944	10,870
Current tax receivables	952	488	452
Other current receivables 1)	3,930	2,324	2,479
Cash and cash equivalents	17,649	9,594	13,796
Total current assets	79,193	47,435	53,195
Total assets	148,364	104,623	112,019
Equity and liabilities			
Equity for the shareholders in the Parent Company	102,961	66,428	73,477
Non-controlling interest	63	55	31
Total equity	103,024	66,483	73,508
Deferred tax liabilities	2,511	594	1,476
Other long-term provisions	530	571	632
Long-term non-interest bearing liabilities	220	241	218
Long-term interest-bearing liabilities	6,454	9,407	8,492
Lease liability	1,864	2,005	1,920
Total long-term liabilities and provisions	11,580	12,818	12,736
Short-term interest-bearing liabilities	1,939	1,697	1,430
Lease liability	708	688	670
Accounts payable	21,068	15,990	16,219
Current tax liabilities	2,827	1,709	1,662
Other current liabilities and provisions	7,220	5,238	5,795
Total current liabilities and provisions	33,761	25,322	25,774
Total equity and liabilities	148,364	104,623	112,019
Pledged assets	1,195	939	1,024
Contingent liabilities	4,533	2,679	3,640

1) Other current receivables comprise short-term bank deposits (escrow agreement) in the amount of SEK 1,165 (878) million.

Consolidated statement of changes in equity

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			
Total equity, Dec 31, 2020	9,063	23,022	1,247	20,655	53,987	109	54,096	
Changes Jan 1 - Sep 30, 2021								
Total comprehensive income for the period			3,234	9,279	12,513	13	12,526	
Result from transaction with owners of non-controlling interest				-72	-72	-58	-130	
Dividend, non-controlling interest						-9	-9	
Total equity, Sep 30, 2021	9,063	23,022	4,481	29,862	66,428	55	66,483	
Changes Oct 1 - Dec 31, 2021								
Total comprehensive income for the period			1,614	5,442	7,055	3	7,058	
Result from transaction with owners of non-controlling interest				-6	-6	-18	-24	
Dividend, non-controlling interest						-9	-9	
Total equity, Dec 31, 2021	9,063	23,022	6,095	35,298	73,477	31	73,508	
Changes Jan 1 - Sep 30, 2022								
Total comprehensive income for the period			15,555	19,293	34,848	10	34,858	
Non-controlling interest through business acquisition						29	29	
Result from transaction with owners of non-controlling interest				42	42		42	
Dividend, Parent company shareholders				-5,406	-5,406		-5,406	
Dividend, non-controlling interest						-7	-7	
Total equity, Sep 30, 2022	9,063	23,022	21,650	49,226	102,961	63	103,024	

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 as well as electricity and iron ore derivatives are valued at fair value. In the balance sheet item "Other current receivables" derivatives are valued at a total of SEK 1,718 (386) million and in the balance sheet item "Other current liabilities" derivatives are valued at a total of SEK 111 (43) million. In the balance sheet item "Financial assets" derivatives are valued at a total of SEK 1,647 (135) million and in the balance sheet item "Long-term non-interest bearing liabilities", derivatives are included valued at a total of SEK - (4) million.

Other financial assets and liabilities in the balance sheet are reported at acquisition value. A write-down of SEK 272 million was made to the investment in Voimaosakeyhtiö SF (Fennovoima power plant) during the first quarter of 2022. An additional write-down of SEK 14 million was made during the third quarter. The investment is reported in the balance sheet item "Financial assets" at a total value of SEK 0 million on September 30, 2022. 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 38 (-146) 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	2022 Q3	2021 Q3	2022 Jan-Sep	2021 Jan-Sep	2021 Full-year
BUSINESS OPERATIONS					
<i>Profit from operating activities</i>					
Operating profit/loss	6,594	5,800	25,146	11,876	18,837
<i>Reversal of non-cash items:</i>					
-Depreciation, amortization and write-down of fixed assets	857	782	2,535	2,465	3,257
-Other non-cash items	184	19	128	-103	-6
Received and paid interest	41	-125	-16	-302	-373
Tax paid	-1,644	-322	-4,634	-712	-1,357
Change in working capital	-5,400	-2,693	-13,200	-4,458	-5,485
Cash flow from operating activities	632	3,462	9,959	8,766	14,873
INVESTING ACTIVITIES					
Investments in intangible and tangible fixed assets	-908	-679	-2,610	-1,556	-3,382
Sales of plant and machinery	12	25	524	59	1,235
Acquisitions, shares and operations	-18	-	-396	-103	-130
Other investing activities	2	5	44	8	6
Cash flow from investing activities	-912	-649	-2,438	-1,592	-2,271
FINANCING ACTIVITIES					
Dividend, Parent company's shareholders	-	-	-5,406	-	-
Dividend, non-controlling interest	-	-2	-7	-9	-9
Change in loans	0	-1,390	-2,237	-4,249	-5,674
Change in financial investments	-96	-39	91	-7	-133
Acquisitions shares, non-controlling interest	-	-	-	-127	-157
Other financing	3,556	388	7,735	197	944
Cash flow from financing activities	3,461	-1,044	176	-4,195	-5,029
CASH AND CASH EQUIVALENTS					
Cash and cash equivalents at beginning of period	16,204	8,058	13,796	7,051	7,051
Cash flow for the period	3,181	1,769	7,696	2,979	7,572
Translation differences, cash and cash equivalents	-1,735	-233	-3,843	-437	-827
CASH AND CASH EQUIVALENTS, END OF PERIOD	17,649	9,594	17,649	9,594	13,796
Contracted, non-utilized overdraft facilities	10,097	8,554	10,097	8,554	8,605
Disposable cash and cash equivalents (incl. non-utilized overdraft facilities)	27,746	18,148	27,746	18,148	22,401

Key figures

	2022 Q3	2021 Q3	2022 Jan-Sep	2021 Jan-Sep	2021 Full-year
Operating margin (%)	21	23	26	17	20
Earnings per share (SEK)	4.93	4.35	18.55	8.94	14.24
Equity per share (SEK)	99.98	64.50	99.98	64.50	71.35
Net debt/equity ratio (%)	-8	5	-8	5	-3
Equity ratio (%)	69	63	69	63	66
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	14,492	14,130	14,492	14,130	14,235

Financial reports – The Parent Company

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

SEK millions	2022 Q3	2021 Q3	2022 Jan-Sep	2021 Jan-Sep	2021 Full-year
Gross profit	-	-	-	-	-
Selling and administrative costs	-97	-99	-313	-317	-464
Other operating income/expenses	50	56	170	165	248
Operating loss	-47	-43	-143	-152	-216
Financial items	-48	-30	-117	-214	-225
Profit/loss after financial items	-95	-73	-260	-367	-441
Appropriations	-	-	-	-150	833
Profit before tax	-95	-73	-260	-517	392
Tax	20	16	54	100	-140
Profit after tax	-76	-57	-206	-416	252

Parent company's statement of comprehensive income

SEK millions	2022 Q3	2021 Q3	2022 Jan-Sep	2021 Jan-Sep	2021 Full-year
Profit after tax	-76	-57	-206	-416	252
<i>Other comprehensive income</i>					
Items that may be classified to the income statement					
Cash flow hedges	19	1	123	7	22
Tax attributable to other comprehensive income	-4	-0	-25	-1	-5
Total items that will be reclassified to the income statement	15	1	97	5	18
Other comprehensive income, net after tax	15	1	97	5	18
Total comprehensive income for the period	-61	-56	-109	-410	269

Parent Company's statement of financial position, in summary

SEK millions	2022 Sept 30	2021 Sept 30	2021 Dec 31
Assets			
Fixed assets	72,551	72,530	72,358
Other current assets	12,434	7,882	8,728
Cash and cash equivalents	15,389	7,843	12,031
Total assets	100,374	88,254	93,117
Equity and liabilities			
Restricted equity	9,964	9,964	9,964
Unrestricted equity	48,700	53,535	54,216
Total equity	58,664	63,499	64,180
Long-term liabilities and provisions	5,254	7,414	6,605
Current liabilities and provisions	36,456	17,341	22,332
Total equity and liabilities	100,374	88,254	93,117

Information about the 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 Mobile (USA), as well as for sales of the aforementioned products made in 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, 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 external revenue

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

Revenue by business segments, January - September

External revenue Jan-Sep 2022	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	401	7,682	-	4,415	1,398	13,896
Finland	567	5,429	-	2,332	1,437	9,765
Denmark	195	1,633	-	3,041	149	5,017
Germany	1,617	2,321	-	54	16	4,008
Poland	1,037	2,084	-	35	738	3,894
Italy	1,386	2,031	-	0	-	3,417
Other EU-27	3,097	5,555	115	660	995	10,423
Great Britain	577	1,033	-	-	4	1,615
Norway	67	818	-	2,100	538	3,523
Other Europe	1,602	654	-	44	53	2,353
USA	5,576	1,097	22,234	0	3	28,911
Canada	1,684	26	1,618	-	4	3,332
Rest of the world	6,802	1,196	432	20	3	8,453
Total	24,609	31,558	24,399	12,702	5,338	98,607
Product area						
Steel products	24,112	28,920	24,399	-	-	77,432
Trading operations	-	-	-	12,702	-	12,702
Ruukki Construction operations	-	-	-	-	5,338	5,338
Slabs, by-products and scrap	257	2,516	-	-	-	2,773
Other	240	122	0	-	-	362
Total	24,609	31,558	24,399	12,702	5,338	98,607

External revenue Jan-Sep 2021	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	446	6,237	-	3,280	1,045	11,009
Finland	227	3,736	-	1,529	1,174	6,665
Denmark	154	1,229	-	2,086	120	3,589
Germany	1,039	1,729	-	47	1	2,816
Poland	670	1,695	-	30	749	3,144
Italy	914	1,547	-	0	-	2,461
Other EU-27	2,262	4,561	82	534	818	8,257
Great Britain	395	1,013	-	0	0	1,408
Norway	43	461	-	1,292	409	2,205
Other Europe	1,213	610	-	13	148	1,983
USA	3,249	732	12,649	0	1	16,630
Canada	1,082	9	1,448	-	4	2,543
Rest of the world	4,692	870	269	11	2	5,844
Total	16,386	24,428	14,448	8,821	4,472	68,554
Product area						
Steel products	15,959	22,651	14,448	-	-	53,058
Trading operations	-	-	-	8,821	-	8,821
Ruukki Construction operations	-	-	-	-	4,472	4,472
Slabs, by-products and scrap	178	1,711	-	-	-	1,889
Other	250	65	0	-	-	315
Total	16,386	24,428	14,448	8,821	4,472	68,554

External revenue by business segments, the third quarter

External revenue Q3 2022	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	-31	2,164	-	1,158	444	3,735
Finland	345	1,894	-	714	529	3,481
Denmark	32	471	-	851	35	1,390
Germany	537	742	-	17	8	1,303
Poland	281	583	-	10	216	1,091
Italy	391	531	-	-	-	922
Other EU-27	940	1,704	44	187	326	3,202
Great Britain	190	379	-	-	3	572
Norway	25	223	-	602	151	1,001
Other Europe	502	166	-	11	20	699
USA	2,011	460	7,467	-	1	9,939
Canada	567	23	502	-	1	1,093
Rest of the world	2,459	433	186	7	3	3,088
Total	8,250	9,773	8,198	3,557	1,737	31,516
Product area						
Steel products	8,111	8,824	8,198	-	-	25,134
Trading operations	-	-	-	3,557	-	3,557
Ruukki Construction operations	-0	-	-	-	1,737	1,736
Slabs, by-products and scrap	57	912	-	-	-	968
Other	83	38	0	-	-	121
Total	8,250	9,773	8,198	3,557	1,737	31,516

External revenue Q3 2021	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	233	2,190	-	1,075	379	3,877
Finland	142	1,302	-	550	472	2,466
Denmark	38	468	-	720	40	1,265
Germany	420	484	-	21	0	926
Poland	261	663	-	10	281	1,214
Italy	435	426	-	0	-	861
Other EU-27	604	1,730	34	196	354	2,918
Great Britain	165	315	-	0	0	480
Norway	11	140	-	449	149	748
Other Europe	438	222	-	0	84	744
USA	1,286	201	5,368	-	0	6,856
Canada	372	8	543	-	1	924
Rest of the world	1,329	528	78	4	0	1,940
Total	5,734	8,677	6,022	3,027	1,760	25,220
Product area						
Steel products	5,622	8,048	6,022	-	-	19,692
Trading operations	-	-	-	3,027	-	3,027
Ruukki Construction operations	-	-	-	-	1,760	1,760
Slabs, by-products and scrap	42	599	-	-	-	641
Other	69	30	0	-	-	99
Total	5,734	8,677	6,022	3,027	1,760	25,220

Alternative performance measures

SSAB has applied the guidelines issued by ESMA (European Securities and Markets Authority) on alternative performance measures (APMs). These performance measures are not defined 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, further definitions can be found in the Annual Report.

EBITDA

	2022	2021	2022	2021	2021
SEK millions	Q3	Q3	Jan-Sep	Jan-Sep	Full-year
Operating profit/loss	6,594	5,800	25,146	11,876	18,837
Depreciation and impairment	857	782	2,535	2,465	3,257
EBITDA	7,451	6,582	27,681	14,341	22,094

EBITDA, excl. items affecting comparability

	2022	2021	2022	2021	2021
SEK millions	Q3	Q3	Jan-Sep	Jan-Sep	Full-year
Operating profit/loss before depreciation, EBITDA	7,451	6,582	27,681	14,341	22,094
Items affecting comparability	148	-	357	-	-
EBITDA, excl. items affecting comparability	7,599	6,582	28,038	14,341	22,094

Return on capital employed before tax, rolling 12 months

	Oct 21- Sep 22	Oct 20- Sep 21	2021 Full-year
SEK millions			
Operating profit/loss	32,108	12,432	18,837
Financial income	5,226	1,779	2,095
Total	37,334	14,211	20,932
Average capital employed	96,419	75,517	77,975
Return on capital employed before tax, %	39%	19%	27%

Return on equity after tax, rolling 12 months

	Oct 21- Sep 22	Oct 20- Sep 21	2021 Full-year
SEK millions			
Profit/loss for the period	24,575	9,558	14,673
Average equity	83,856	58,735	62,586
Return on equity after tax, %	29%	16%	23%

Operating cash flow

	2022	2021	2022	2021	2021
SEK millions	Q3	Q3	Jan-Sep	Jan-Sep	Full-year
Cash flow from operating activities	632	3,462	9,959	8,766	14,873
Reversal received and paid interests	-41	125	16	302	373
Reversal tax paid	1,644	322	4,634	712	1,357
Maintenance capital expenditures 1)	-478	-461	-1,179	-1,030	-2,053
Other investing activities 2)	14	30	383	68	746
Operating cash flow	1,771	3,478	13,813	8,817	15,296

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

	2022	2021	2021
SEK millions	Sep 30	Sep 30	Dec 31
Interest-bearing assets 1)	20,104	10,876	15,337
Interest-bearing liabilities 2)	11,365	14,246	12,991
Net debt (+) / Net cash (-)	-8,739	3,370	-2,346

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.

Items affecting comparability

	2022	2021	2022	2021	2021
SEK millions	Q3	Q3	Jan-Sep	Jan-Sep	Full-year
<u>Operating expenses</u>					
Write-down assets Russia	-125	-	-281	-	-
Write-down assets Ukraine	-23	-	-88	-	-
Total effect on operating profit	-148	-	-369	-	-
<u>Financial items</u>					
Write-down investment in Fennovoima (Voimaosakeyhtiö SF)	-14	-	-285	-	-
Total effect on profit after financial items	-162	-	-654	-	-
Taxes	1	-	-13	-	-
Total effect on profit after tax	-161	-	-667	-	-

Financial information, per quarter

Since July 1, 2021, the steel mill in Mobile in the USA has been part of SSAB Special Steels. To reflect the organizational change, SSAB has restated the historical figures as if the new set-up had taken place on December 31, 2018. These amounts have been restated applying the Group's accounting principles. The new set-up has had no impact on the Group's total financial reports, only on the information about the business segments SSAB Special Steels and SSAB Americas. For further details, go to www.ssab.com.

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

SEK millions	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
Revenue	18,772	15,155	14,481	16,988	19,661	23,673	25,220	27,337	31,575	35,516	31,516
Operating expenses	-17,500	-14,442	-14,543	-15,544	-16,820	-18,779	-18,642	-19,534	-22,381	-24,289	-23,922
Depreciation/amort.	-942	-956	-907	-885	-867	-815	-784	-791	-821	-844	-857
Affiliated companies	13	-7	-5	-2	19	4	5	-51	4	12	5
Financial items	-123	-114	-102	-138	-106	-101	-111	-103	-101	-136	-20
Result before tax	221	-365	-1,075	418	1,887	3,981	5,689	6,859	8,276	10,260	6,722

Revenue per quarter and business segment

SEK millions	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
SSAB Special Steels	4,553	3,997	3,581	4,070	5,122	5,845	5,994	6,549	7,907	8,985	8,431
SSAB Europe	8,139	6,189	6,153	7,472	8,829	10,246	10,789	12,446	12,657	14,357	11,989
SSAB Americas	3,871	3,211	2,709	3,448	3,644	4,822	6,061	6,153	7,465	8,842	8,302
Tibnor	2,421	2,037	1,752	2,031	2,656	3,214	3,063	3,443	4,463	4,783	3,594
Ruukki Construction	1,480	1,439	1,391	1,206	1,122	1,593	1,766	1,518	1,588	2,020	1,739
Other	-	-	-	-	-	-	-	-	-	-	-
Group adjustments	-1,691	-1,718	-1,105	-1,239	-1,713	-2,047	-2,453	-2,773	-2,504	-3,472	-2,539
Total	18,772	15,155	14,481	16,988	19,661	23,673	25,220	27,337	31,575	35,516	31,516

Historical figures have been restated due to the reorganization of Mobile in the third quarter of 2021.

EBITDA, per quarter and business segment, excluding items affecting comparability

SEK millions	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
SSAB Special Steels	738	758	313	794	1,189	1,390	1,210	1,777	2,350	2,648	2,674
SSAB Europe	413	-133	-221	496	1,139	1,900	2,912	3,690	3,650	4,476	1,856
SSAB Americas	169	59	-348	57	301	1,126	1,926	2,235	3,041	3,563	3,089
Tibnor	50	65	42	83	252	486	552	390	457	653	-133
Ruukki Construction	55	128	185	116	87	202	270	202	209	263	206
Other	-140	-172	-37	-106	-108	-206	-288	-540	-508	-361	-92
Total	1,286	705	-66	1,439	2,860	4,899	6,582	7,753	9,198	11,241	7,599

Historical figures have been restated due to the reorganization of Mobile in the third quarter of 2021.

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

SEK millions	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
SSAB Special Steels	450	469	34	518	914	1,175	995	1,540	2,104	2,392	2,411
SSAB Europe	0	-566	-631	83	758	1,512	2,524	3,301	3,250	4,070	1,447
SSAB Americas	115	6	-395	18	258	1,084	1,882	2,188	2,992	3,512	3,036
Tibnor	12	29	6	48	218	449	515	351	418	613	-176
Ruukki Construction	11	86	145	72	48	162	229	161	163	212	159
Depr. surplus val, IPSCO	-25	-20	-16	-18	-19	-17	-17	-18	-19	-20	-21
Depr. surplus val, Rautaruukki	-66	-69	-66	-66	-63	-64	-28	-8	-9	-9	-9
Other	-153	-186	-50	-100	-120	-218	-300	-552	-522	-374	-104
Total	343	-251	-973	557	1,993	4,083	5,800	6,961	8,377	10,395	6,742

Historical figures have been restated due to the reorganization of Mobile in the third quarter of 2021.

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

SEK millions	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
SSAB Special Steels	-	-	-	-	-	-	-	-	-141	-5	-149
SSAB Europe	-	-	-	-	-	-	-	-	-25	-1	1
SSAB Americas	-	-	-	-	-	-	-	-	-	-	-
Tibnor	-	-	-	-	-	-	-	-	-	-	-
Ruukki Construction	-	-	-	-	-	-	-	-	-49	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-215	-6	-148

Items affecting comparability during the third quarter of 2022 relate to write-downs of assets in Russia.

Production and shipments

Thousand tonnes	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
Crude steel production											
SSAB Special Steels	639	608	415	645	648	649	469	545	630	634	592
SSAB Europe	1,130	872	837	1,207	1,157	1,204	1,080	1,193	889	1,049	1,068
SSAB Americas	312	299	267	304	297	315	293	328	232	303	256
Total	2,081	1,779	1,519	2,156	2,103	2,168	1,842	2,066	1,751	1,985	1,916
Rolling production											
SSAB Special Steels	465	455	336	430	456	466	395	351	419	460	430
SSAB Europe	1,190	836	864	1,220	1,207	1,290	1,081	1,163	1,065	1,093	1,010
SSAB Americas	300	282	238	321	272	294	291	303	233	282	232
Total	1,955	1,573	1,438	1,970	1,935	2,050	1,766	1,818	1,716	1,835	1,672
Steel shipments											
SSAB Special Steels	305	266	259	297	376	388	348	350	381	396	336
SSAB Europe	955	695	751	913	980	980	795	832	844	838	713
SSAB Americas	527	460	462	569	480	494	484	413	438	476	416
Total	1,787	1,422	1,472	1,779	1,837	1,861	1,627	1,595	1,664	1,711	1,465

Historical figures for crude steel production and rolling production have been restated due to the reorganization of Mobile in the third quarter of 2021.

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 2022

The Year-end report for 2022 will be published on January 27, 2023.



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