

A photograph of two workers in safety gear. The worker in the foreground is a woman with blonde hair, wearing a white hard hat with a headlamp, safety glasses, and a high-visibility yellow and orange jacket with a black patch that says "SSAB". The worker in the background is a man, also wearing a white hard hat with a headlamp, safety glasses, and a similar high-visibility yellow and orange jacket. The background is a blurred industrial setting.

Presentation of the Q3/2023 report

Martin Lindqvist, President & CEO
Leena Craelius, CFO
October 25, 2023

SSAB

Agenda

- Q3/23 in brief
- Financials
- Outlook and summary
- Q&A

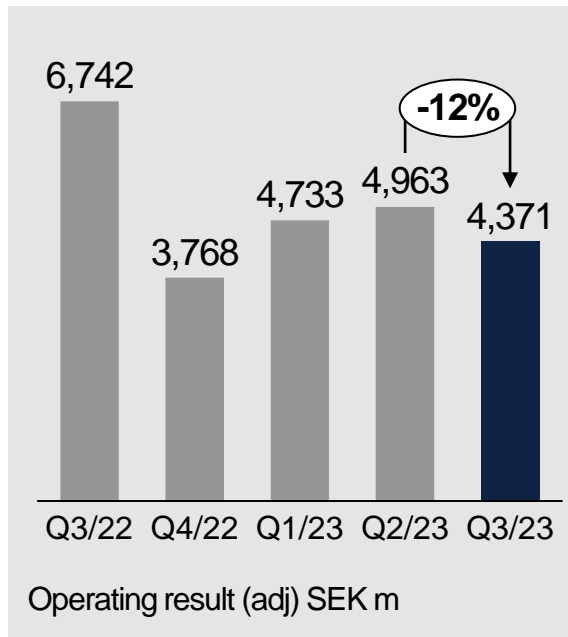


1.

Q3/23 in brief

Highlights in Q3

Somewhat lower earnings vs. Q2/23



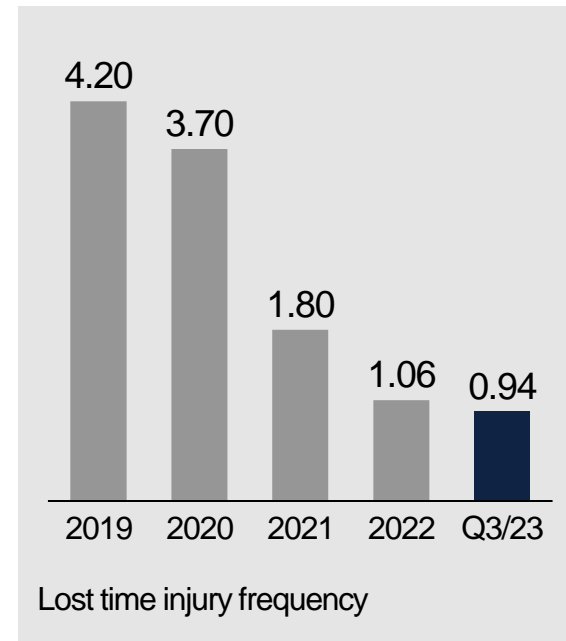
- Continued good result in Special Steels and Americas
- Weak European market and uncertain outlook

Focus on actions to lower costs

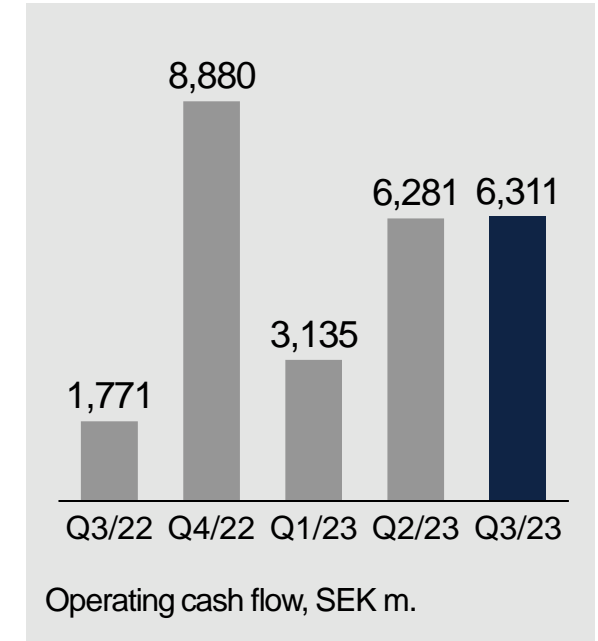


- Target to reduce Group costs by more than SEK 500m, 200m is structural
- Temporary and permanent layoffs, work-hours bank, restrictions on new hires and other fixed costs

Good trend in safety

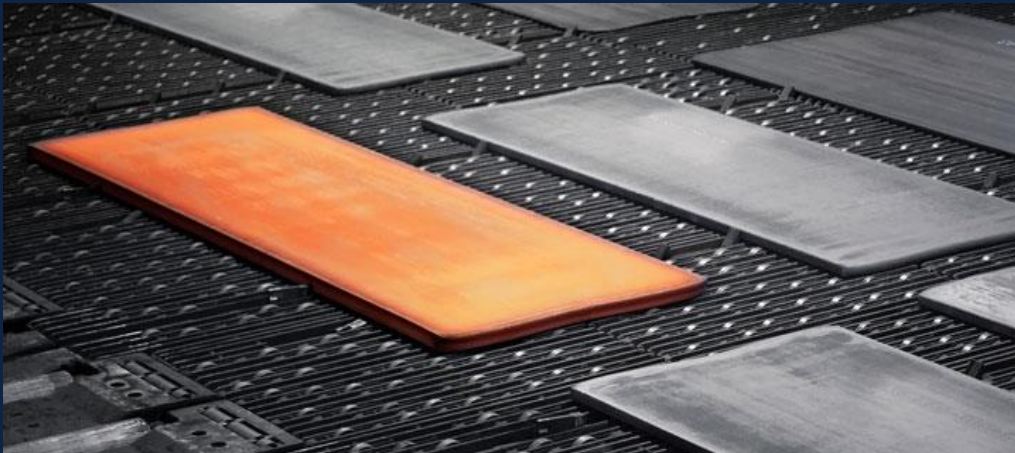


Strong cash flow generation

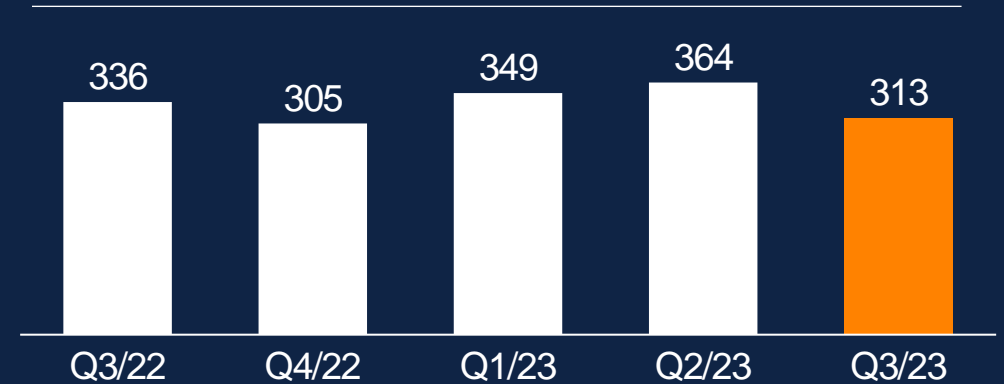


SSAB Special Steels

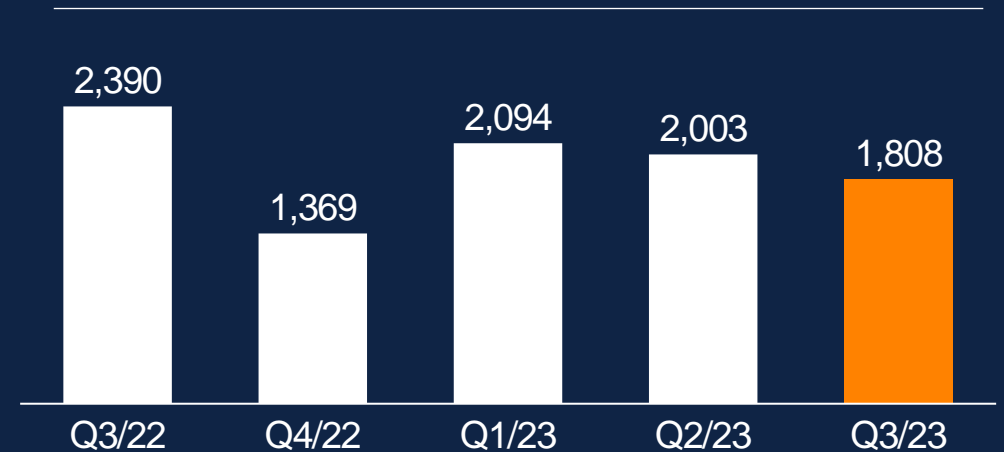
- Shipments impacted by weaker market, especially Europe
- Prices held up
- Strong market position with products that adds significant customer value in the form of higher productivity and sustainability performance – more stable prices over the business cycle



Shipments, ktonnes



Operating result (adj), SEK m



World leading product offering in high-strength steels

Wear QT

Key segments:
Truck & body builder
Material handling



HARDOX[®]
WEAR PLATE

Structural QT

Key segments:
Lifting
Forestry



STRENX[®]
PERFORMANCE STEEL

Protection QT

Key segments:
Civil
Military



ARMOX[®]
PROTECTION PLATE

Tooling QT

Key segments:
Tooling
Engineering



TOOLOX[®]
ENGINEERING & TOOL STEEL

Additive Powder

Key segments:
Tooling
Automotive

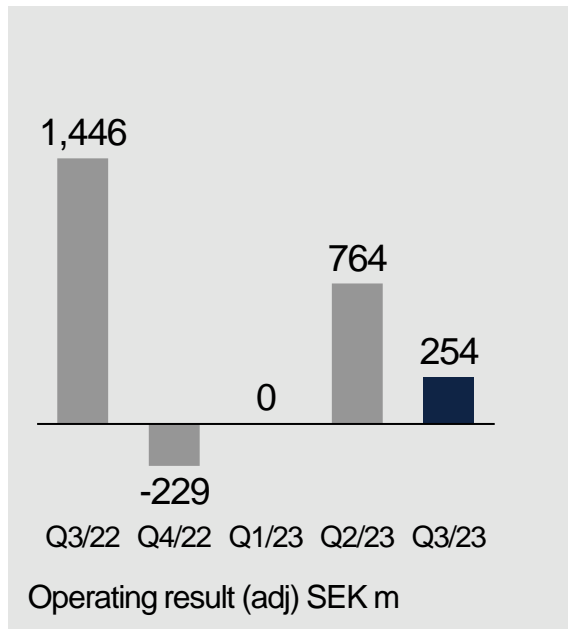


AM Powder

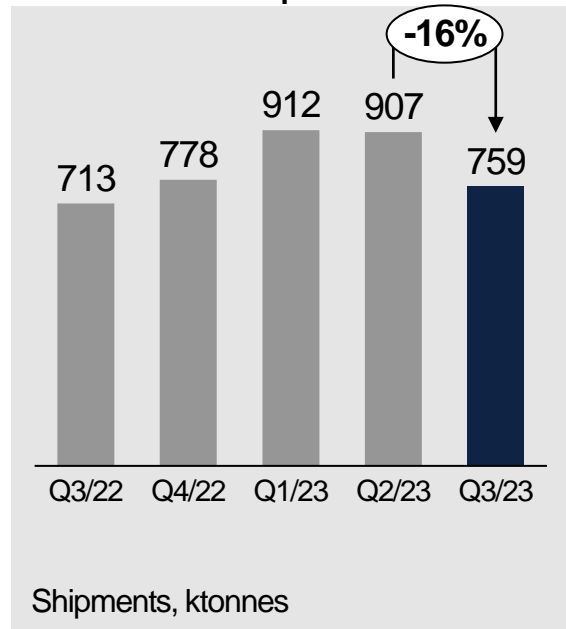
SSAB

SSAB Europe

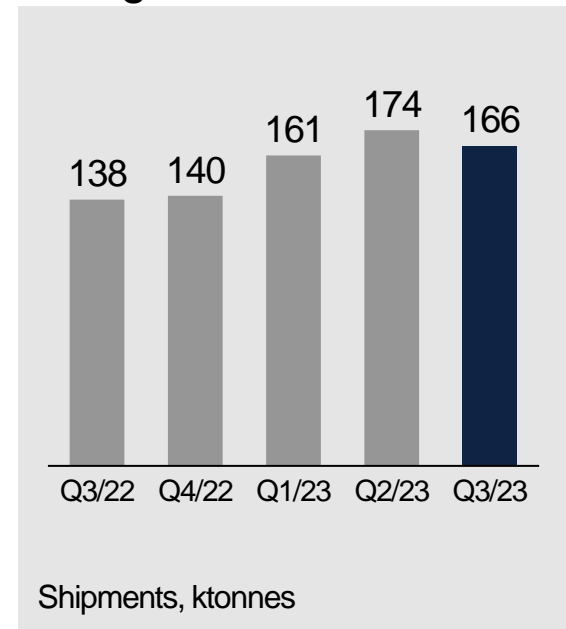
Weak market



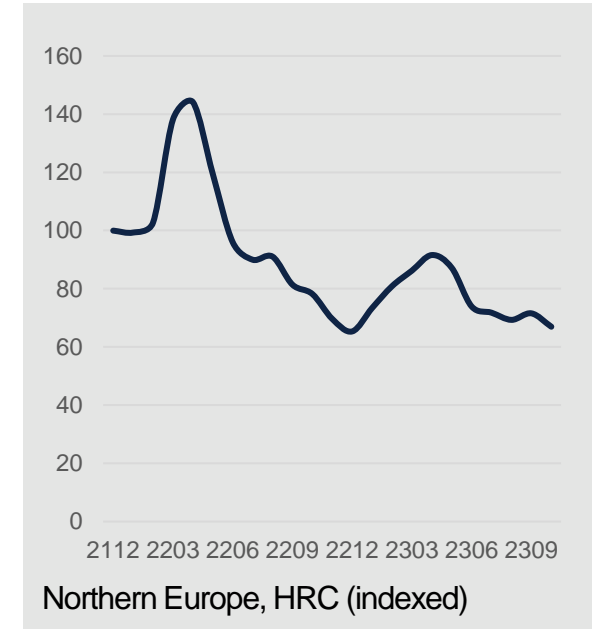
Lower shipments



Automotive AHSS at good level



Weak market prices in Q3



- Measures to lower costs
- Prices -1% vs. Q2/23

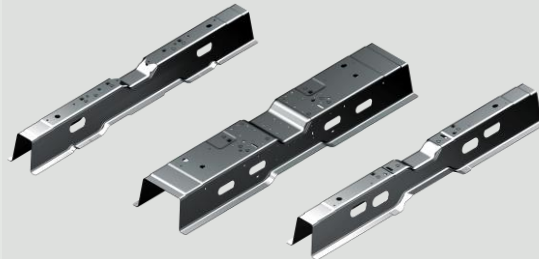
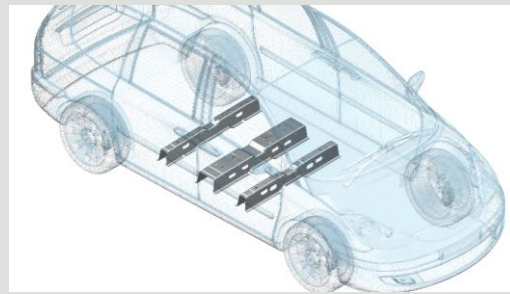
- More pronounced seasonal slow down than normal
- Low shipments of construction related products

Strong market position in Automotive AHSS

Leading green transition opens new opportunities



Roof rail, several Ford models
Docol CR 1700M-UC



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



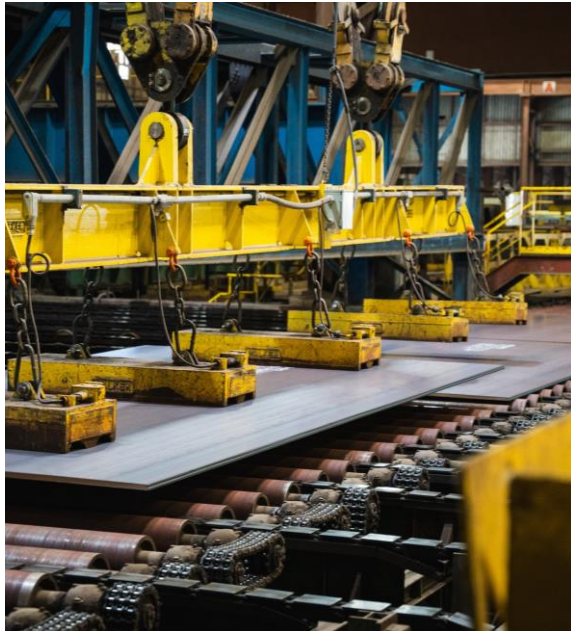
Lower-control-arm, Toyota Yaris
Docol HR 1000CP-UC



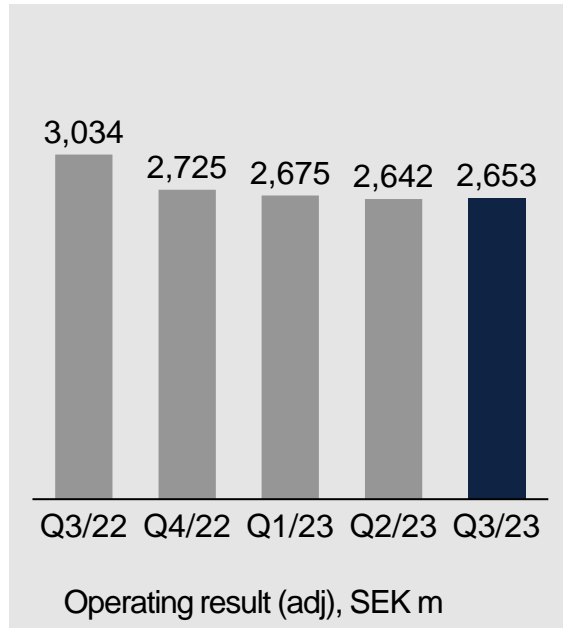
Prototype Door-beam
Docol CR 1700M-EG



SSAB Americas

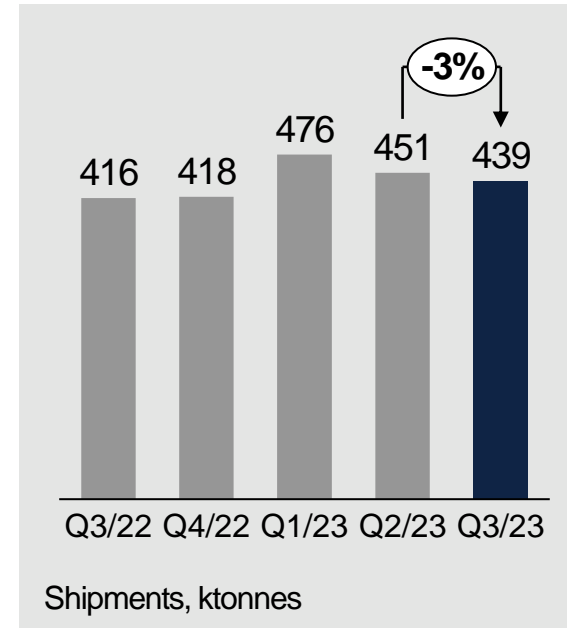


Earnings at good level



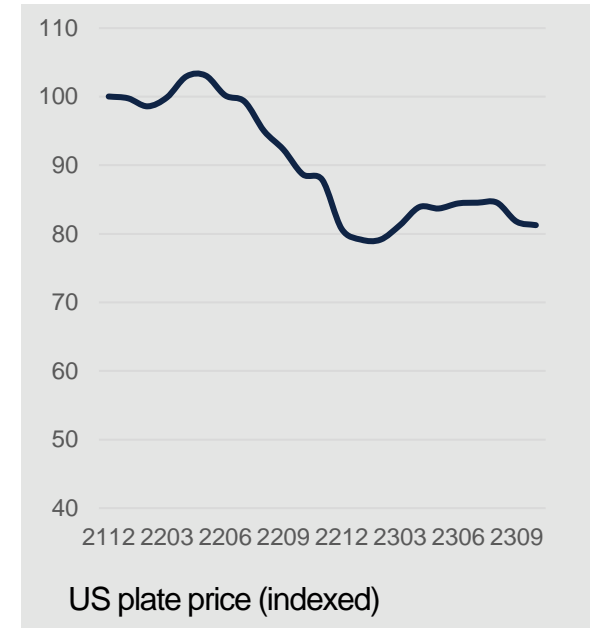
- Stable prices vs. Q2/23

Shipments slightly lower



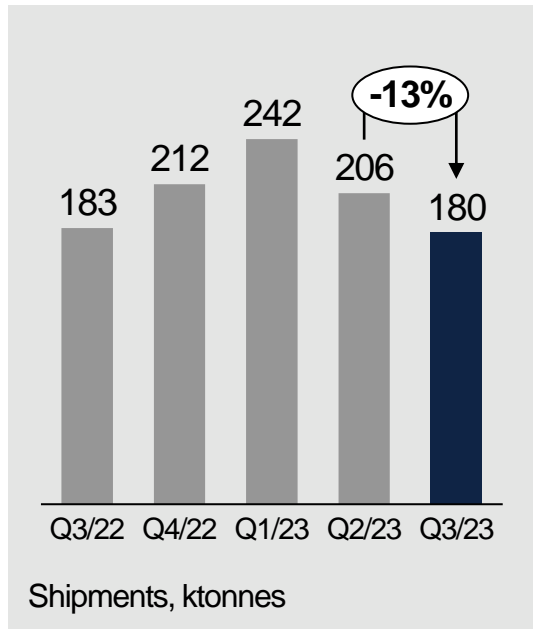
- Generally stable demand
- Some transport problems

Some pressure on market prices in Q3

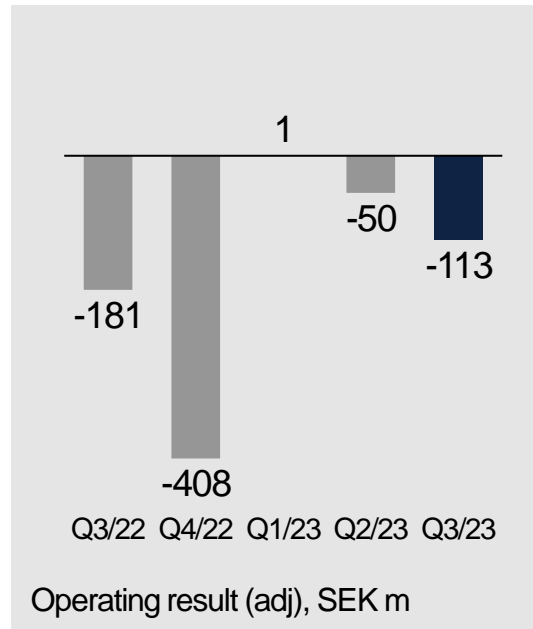


Tibnor

Lower shipments



Inventory losses continue

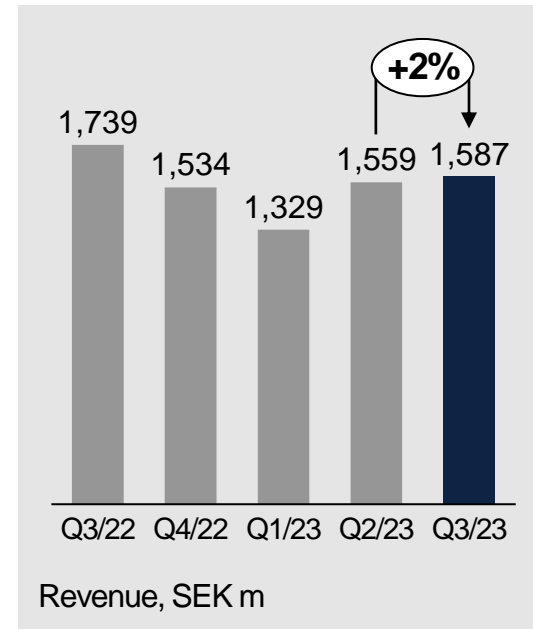


- Weak market conditions

- Measures to lower costs
- Positive underlying operating result in Q3

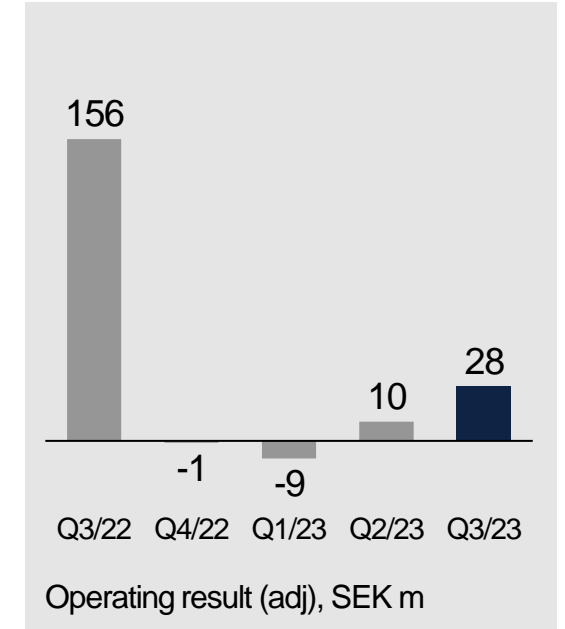
Ruukki Construction

Weak market



- Seasonal improvement vs. Q2/23 less pronounced than normal

Actions to reduce costs



Ramp-up of SSAB Zero continues

- Based on recycled steel, fossil-free electricity, bio carbon and bio gas
- No carbon emission offsetting or mass balancing allocation schemes
- Strong demand from key segments, Heavy Transport, Automotive, Construction, both in Europe and the US
- Platform to leverage growth



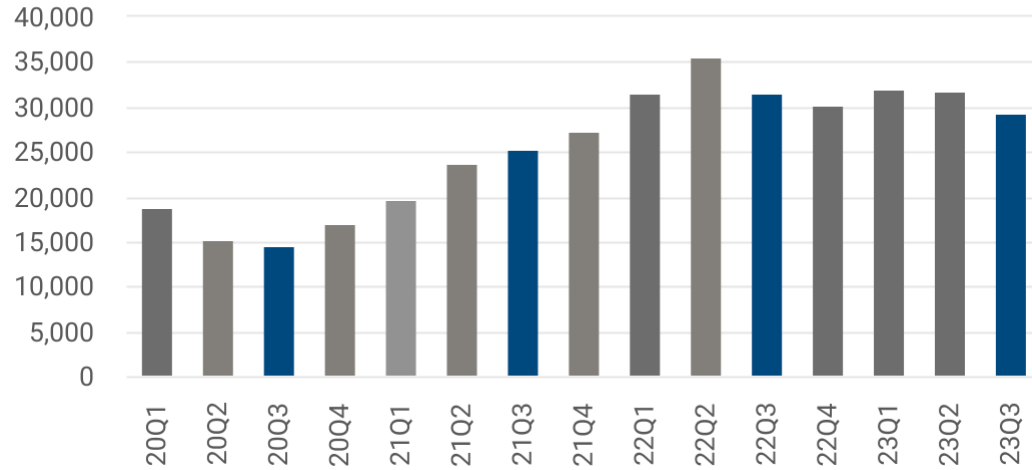


2.

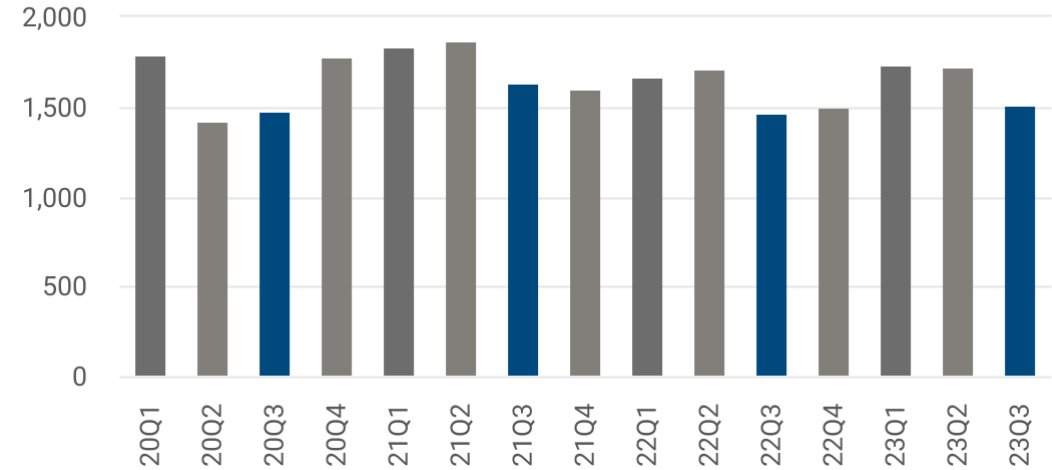
Financials

Weak European market - Special Steels and Americas more stable

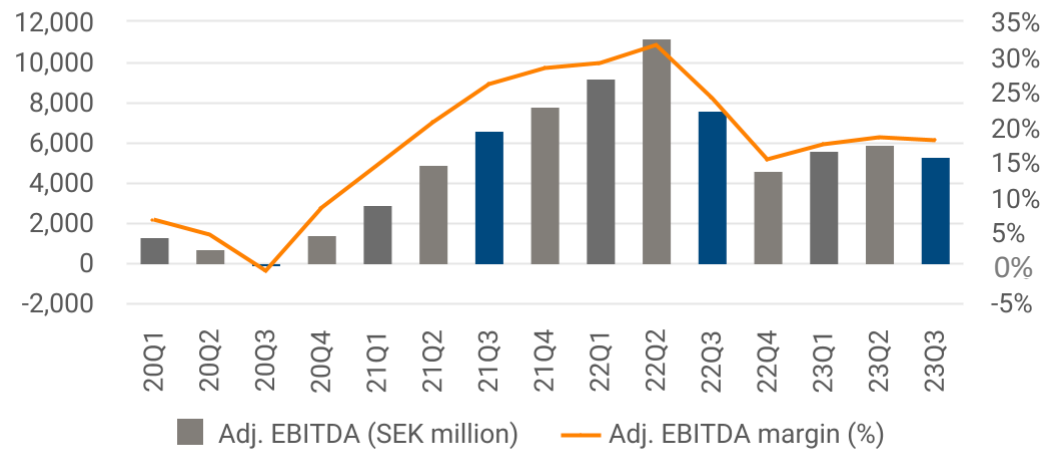
Revenue (SEK million)



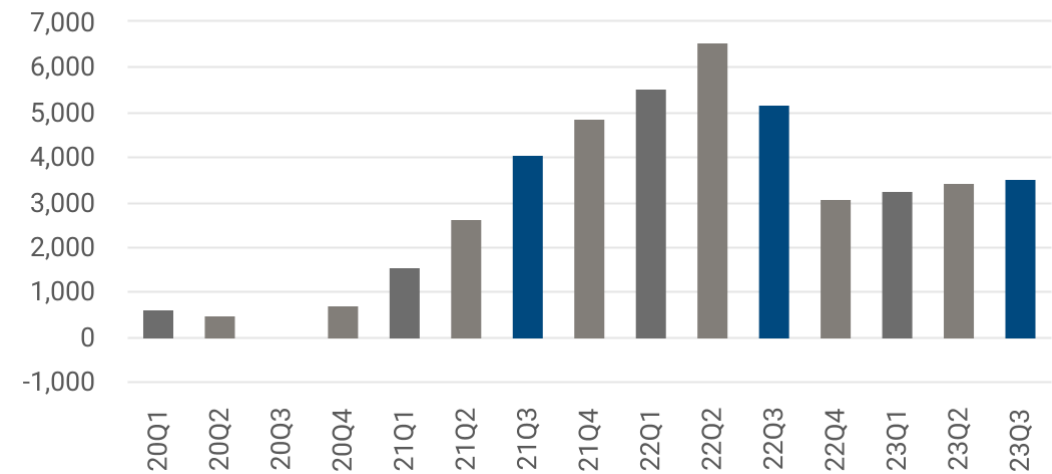
Steel shipments (ktonnes)



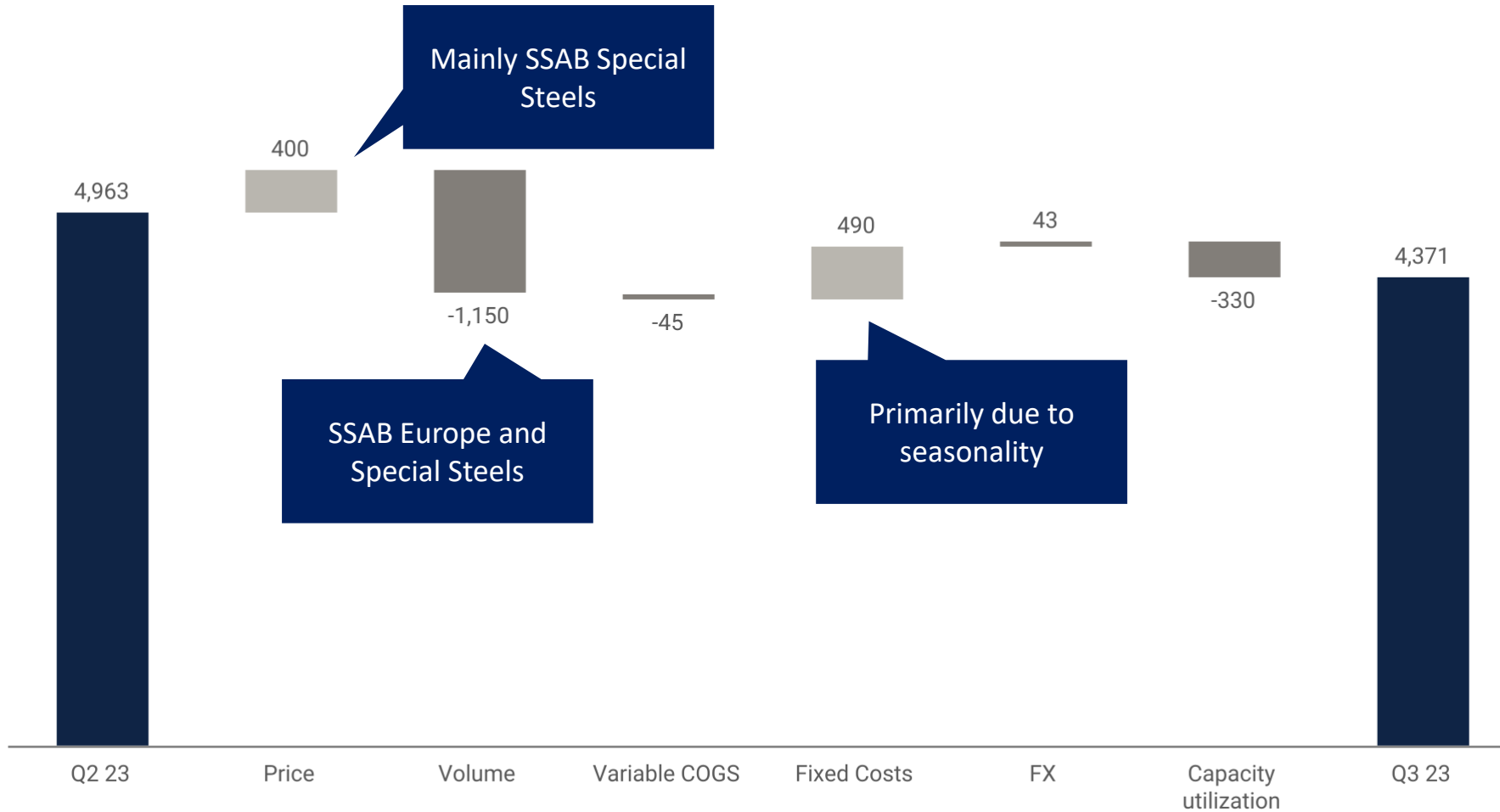
Adjusted EBITDA



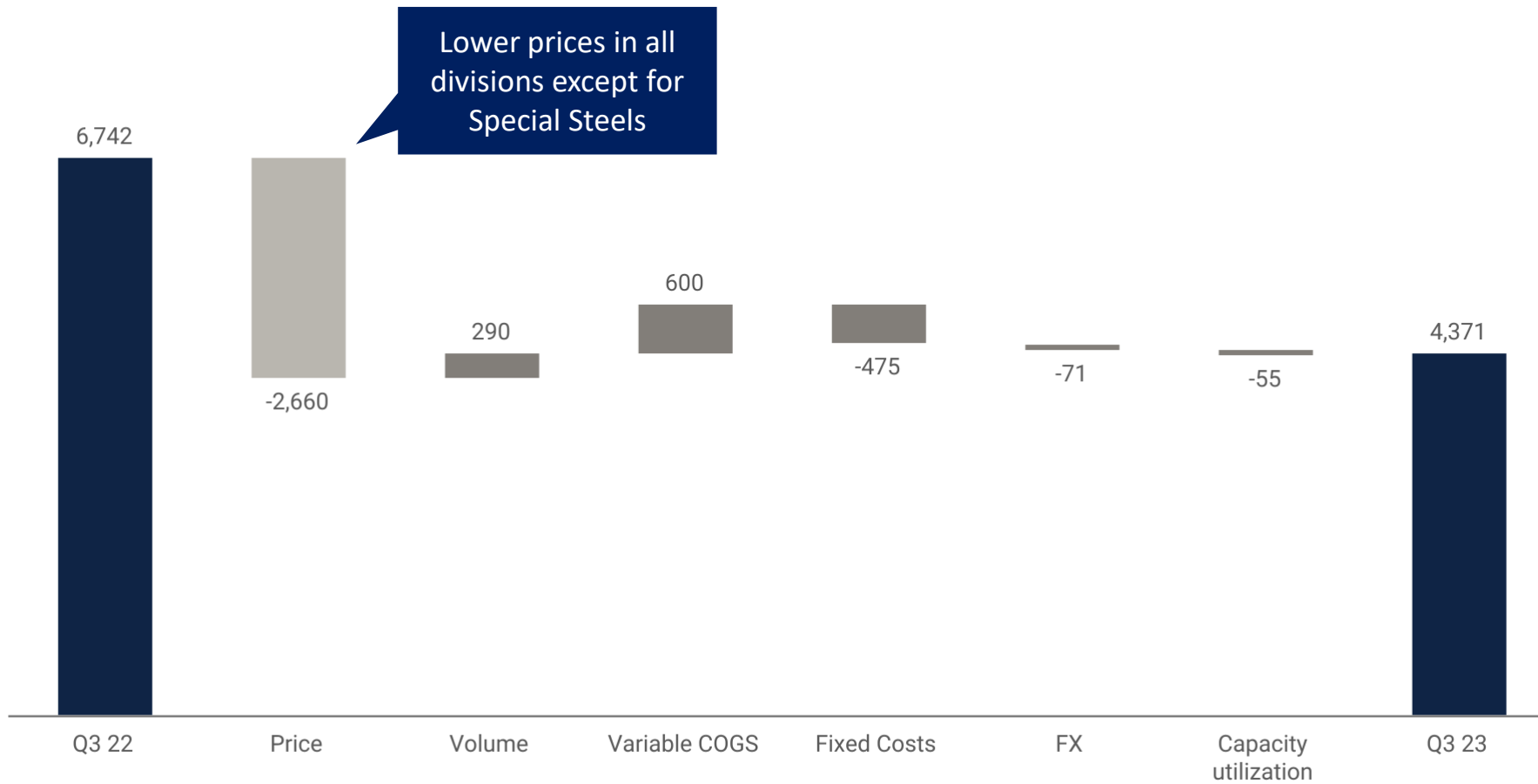
Adjusted EBITDA per tonne delivered steel (SEK/tonne)



Change in adjusted operating result Q3 23 vs. Q2 23



Change in adjusted operating result Q3 23 vs. Q3 22

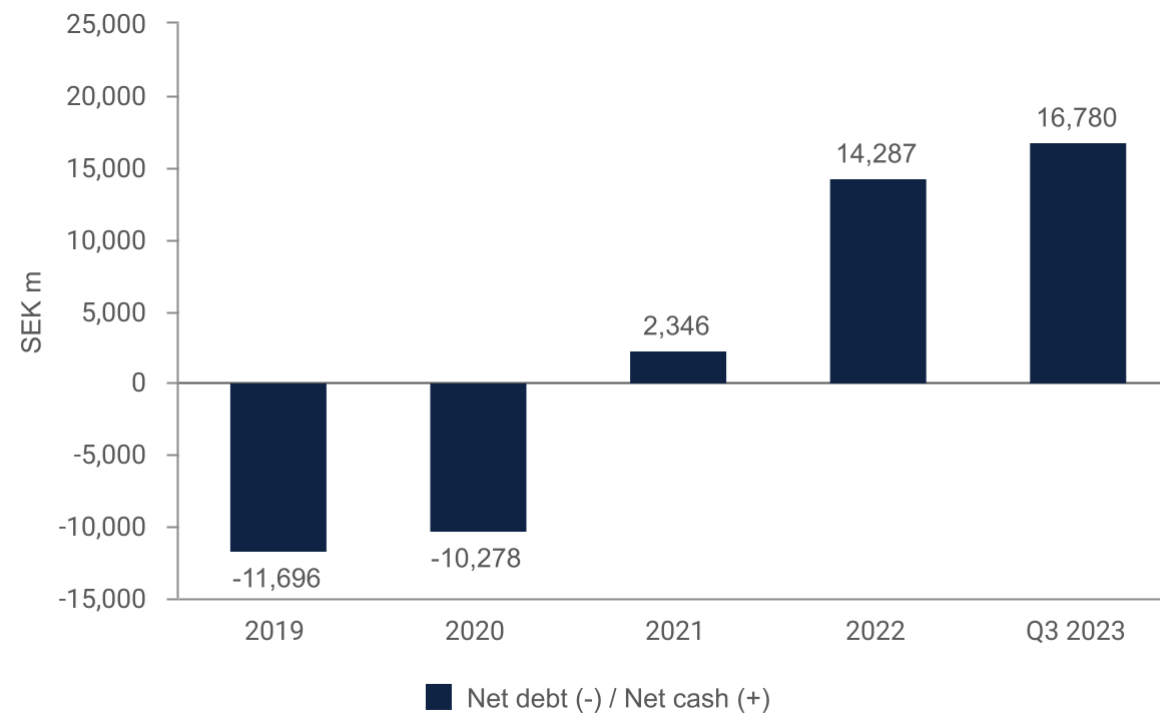


Strong cash flow

SEK millions	2023 Q3	2022 Q3	2022 Full-year
EBITDA	5,307	7,451	32,340
Change in working capital	1,599	-5,400	-8,279
Maintenance capex	-640	-478	-2,196
Other	44	198	828
Operating cash flow	6,311	1,771	22,693
Financial items	96	41	-17
Taxes	-967	-1,644	-5,947
Cash flow from current operations	5,440	168	16,729
Strategic capex, plants and machinery	-339	-430	-1,952
Acquisitions of shares and operations	-3	-12	-537
Investments/contributions in affiliated companies and JVs	—	-10	-79
Cash flow before dividend	5,098	-285	14,161
Dividend, Parent company's shareholders	—	—	-5,406
Dividend, non-controlling interest	-7	—	-7
Net cash flow	5,092	-285	8,748

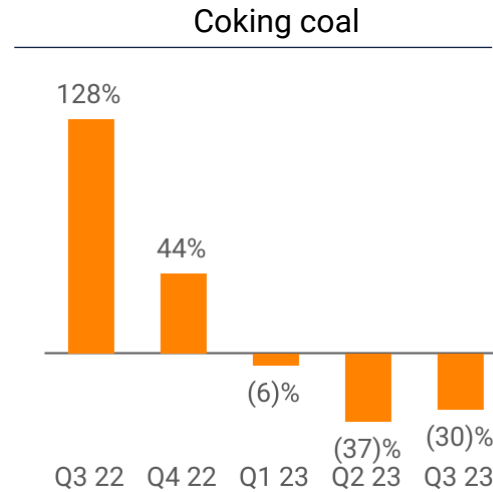
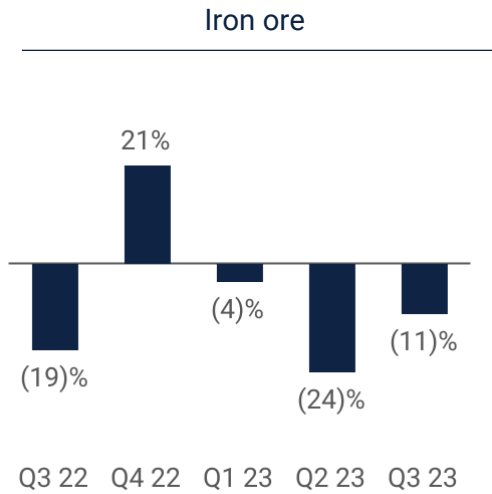
Net cash position increased

- Net cash of SEK 16,780m at the end of Q3 2023

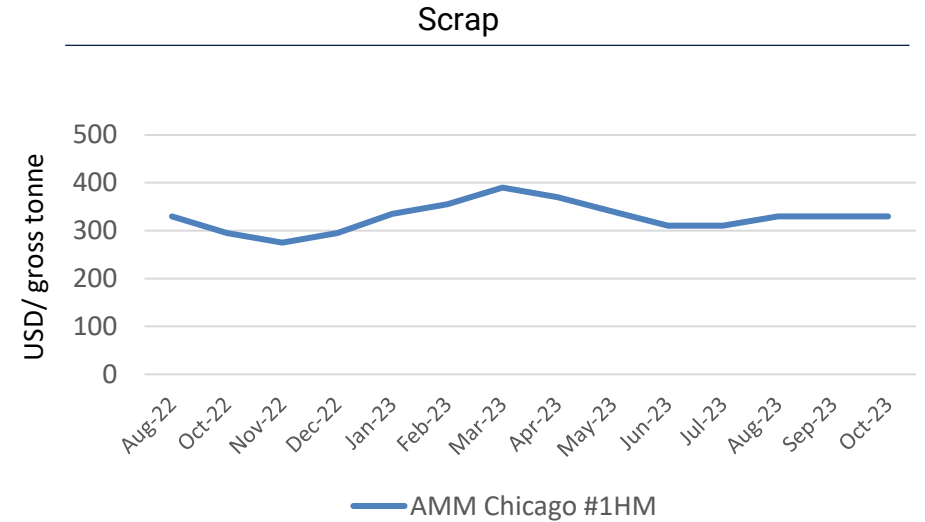


Raw material

SSAB's purchase price, year over year changes



Market prices (AMM)



- The costs of raw materials are expected to be fairly stable

- Scrap prices stable
- The purchase prices of scrap affect the result after a lag of around one month

Expected maintenance costs

- SSAB's total maintenance costs for 2023 are expected to be SEK 1,525 (1,540) million, virtually unchanged compared to previous forecast
- Most maintenance to be carried out in Q4

SEK millions	2023	2023	2023	2023	2023
	Q1	Q2	Q3	Q4	Full-year
SSAB Special Steels	–	–	75	600	675
SSAB Europe	–	–	325	200	525
SSAB Americas	–	–	–	325	325
Total	–	–	400	1,125	1,525


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 Q4/2023

Segment	Demand	Comments	 Strong	 Neutral	 Weak
Heavy Transport		<ul style="list-style-type: none"> - Healthy level of heavy truck production in Europe - Good activity in shipbuilding in the US 			
Automotive		<ul style="list-style-type: none"> - Structurally growing AHSS market - Signs of slowdown in car demand (inflation, higher interest rates) 			
Construction Machinery		<ul style="list-style-type: none"> - Good demand in North America - Weaker demand in Europe, China weak 			
Material Handling		<ul style="list-style-type: none"> - Somewhat cautious sentiment within mining - Stable demand in recycling 			
Energy		<ul style="list-style-type: none"> - Good demand for wind power and other renewables 			
Construction		<ul style="list-style-type: none"> - European market impacted by inflation, higher interest rates 			
Service Centers		<ul style="list-style-type: none"> - Focus on inventory management towards year-end 			

SSAB's outlook for Q4/2023

- The market in Europe was weak during the third quarter and the assessment is that demand will remain subdued during the fourth quarter
- The heavy plate market in North America is assessed to continue at a good level
- Demand for high-strength steel weakened during the third quarter, especially in Europe, and the fourth quarter outlook remains weak
- Planned maintenance in Q4

Volume and pricing outlook		
Q4/23 vs. Q3/23	Shipments	Realized prices
SSAB Special Steels	Stable	Somewhat lower
SSAB Europe	Somewhat lower	Significantly lower
SSAB Americas	Somewhat 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

- Continued good trend in safety
- Weak European market – measures to reduce cost
- Good cash flow generation
- Leading the green transition
 - Investments continues
 - Power cables to Oxelösund approved by the Land and Environment court (could be appealed)
 - Strong demand for SSAB Zero





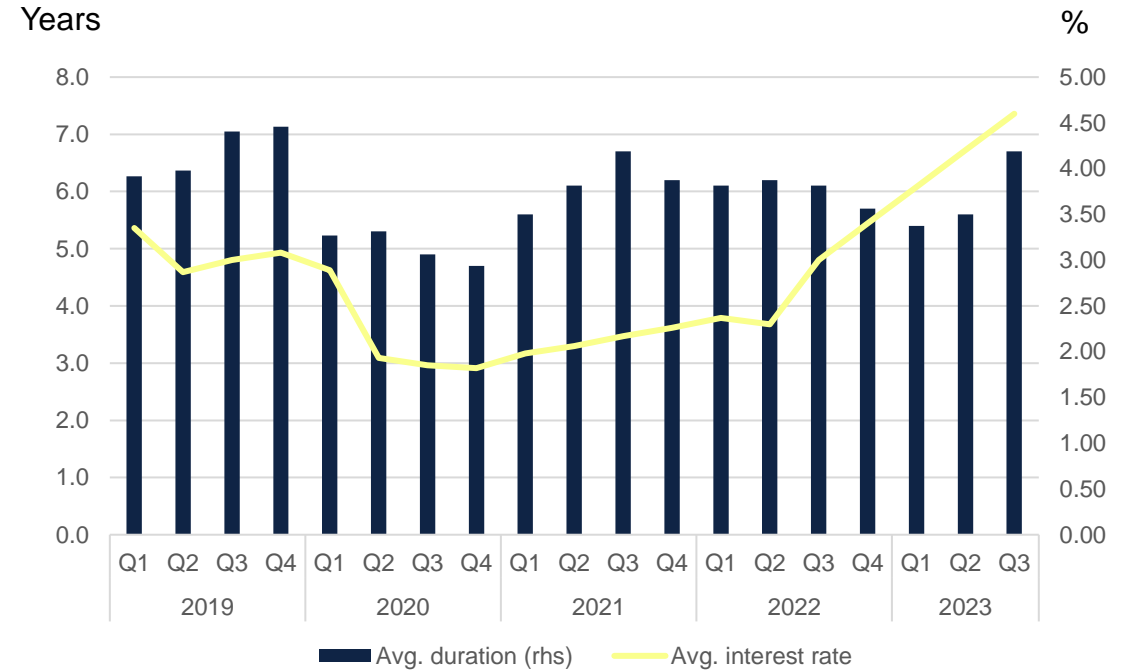
4.

Questions and Answers

Appendix

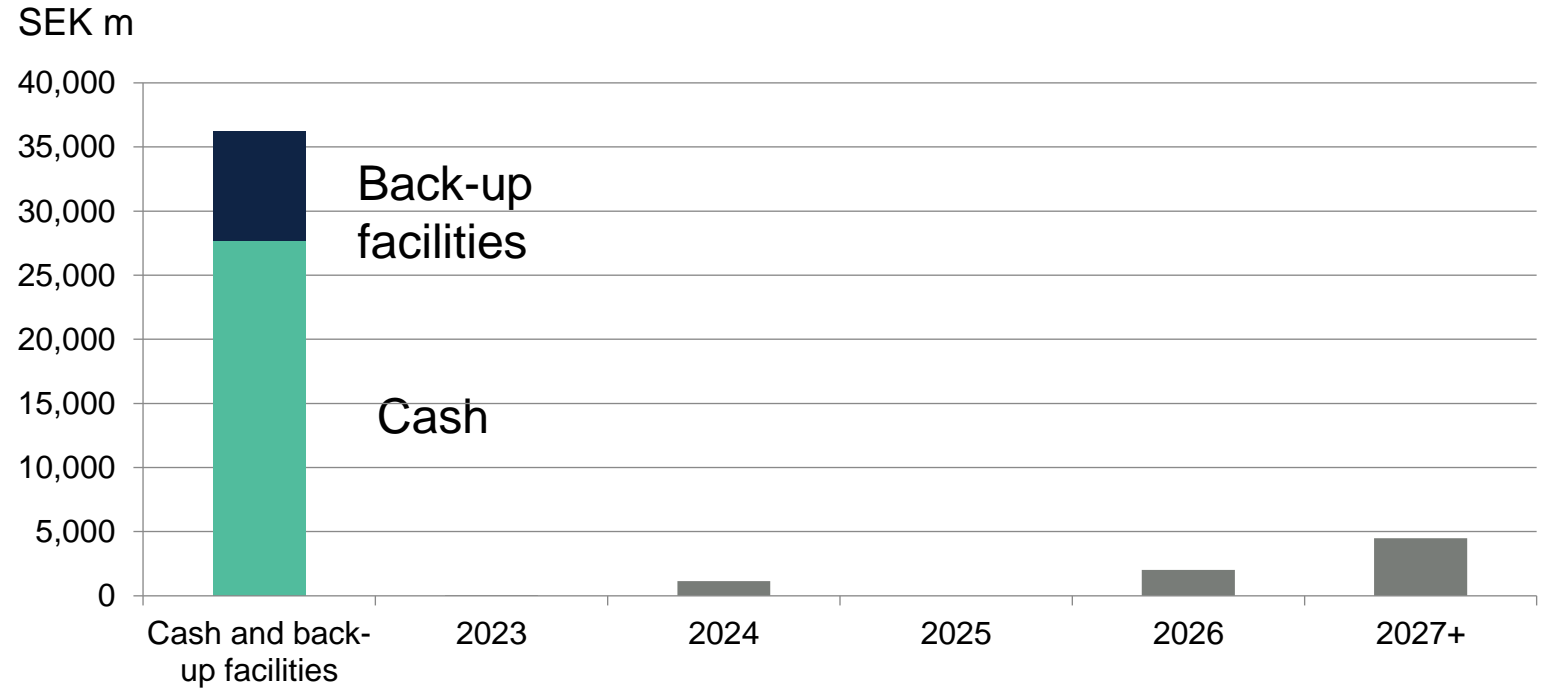
Debt portfolio duration and interest rate

- Duration of the loan portfolio was 6.7 (6.1) years
- Averaged fixed interest term was 1.4 (1.0) years
- Average interest rate was 4.6% (3.0%)



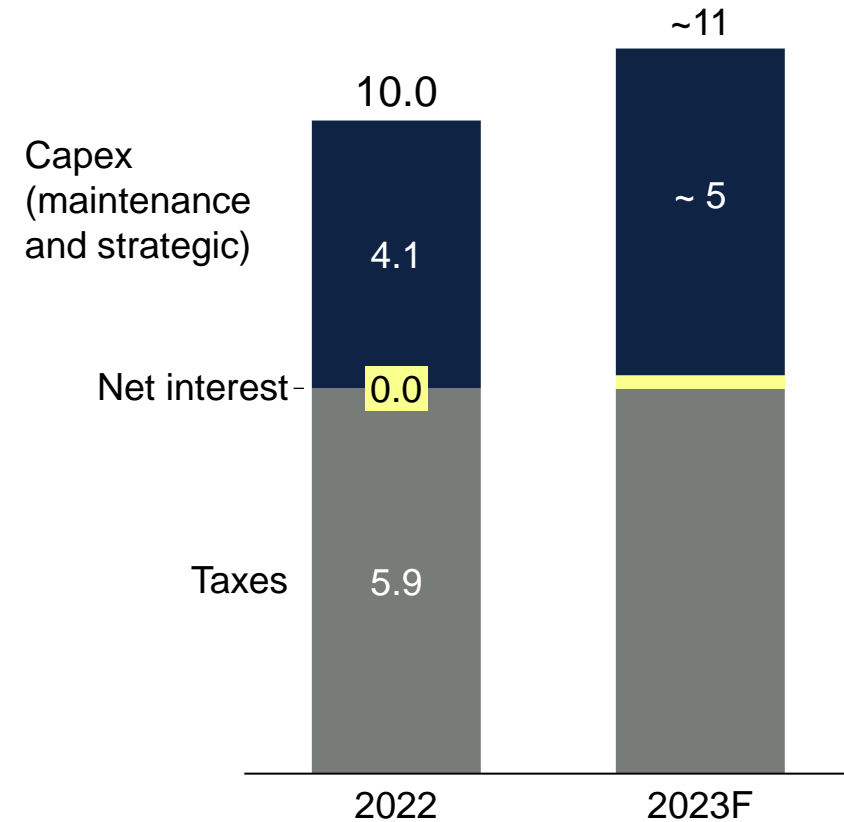
Maturity profile

- Liquid assets and committed credit lines at SEK 36.3bn at the end of Q3



Cash needs of the business

- Total cash needs¹⁾ in 2023 estimated at around SEK 11bn (unchanged)
- Higher strategic capex vs. 2022 due to ramp-up of Oxelösund conversion
- Based on assumption of payment of steady taxes. This will, however, depend on the outcome of FY 2023 earnings



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

SSAB