



Presentation of the Q2/2024 report

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Leena Craelius, CFO
July 24, 2024

SSAB

Agenda

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

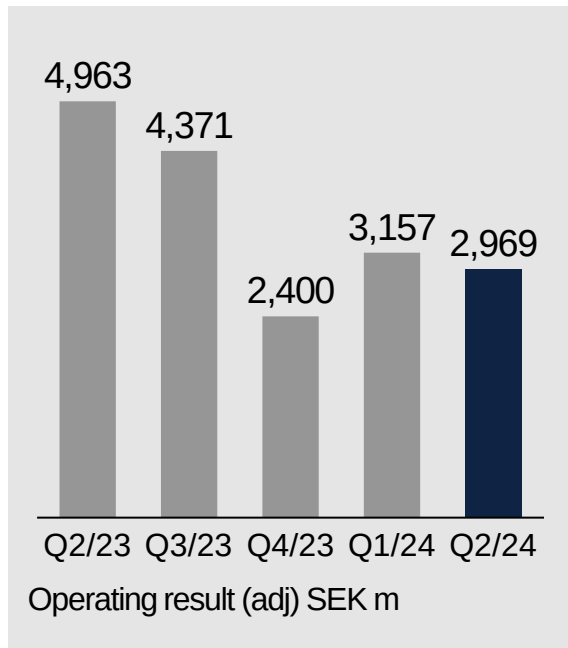


1.

Q2/24 in brief

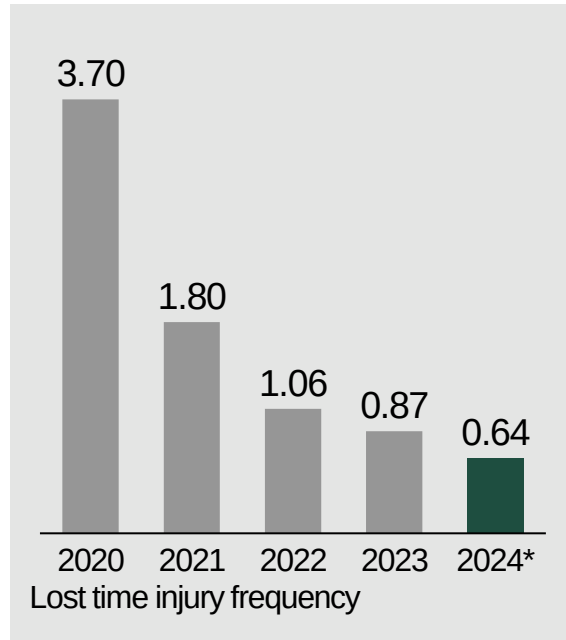
Highlights in Q2 2024

Fairly stable result vs Q1/24



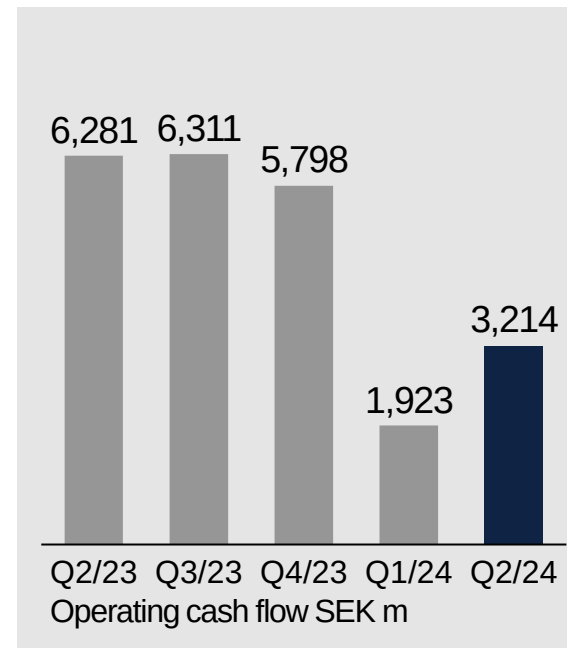
- Lower vs. Q2/23, mainly due to lower US plate price

Safer workplace

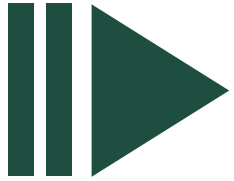


- LTIF and TRIF continues to decrease

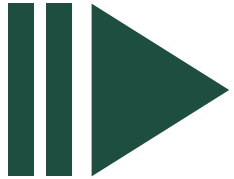
Good cash flow generation



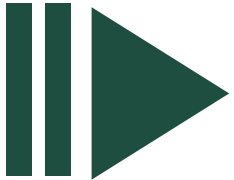
Transformation to fossil-free steel making continues



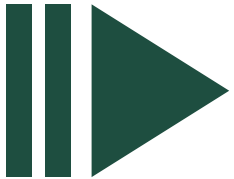
40,000 tonnes of SSAB Zero produced



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



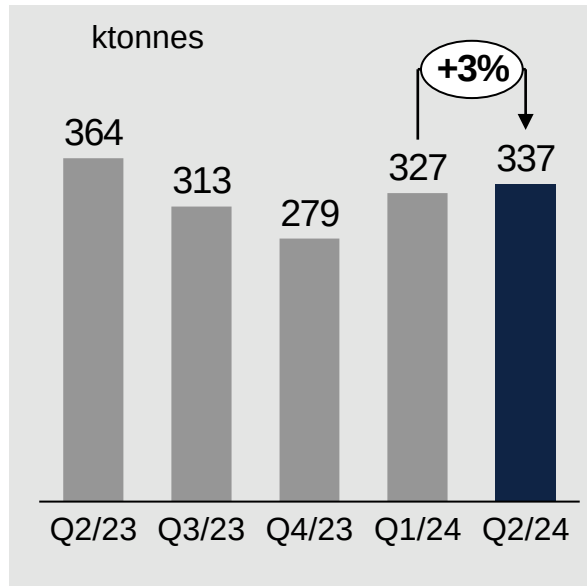
New combined Green and Sustainability-Linked Finance Framework which provides an opportunity to issue both green and sustainability-linked financing instruments as well as a combination of the two



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

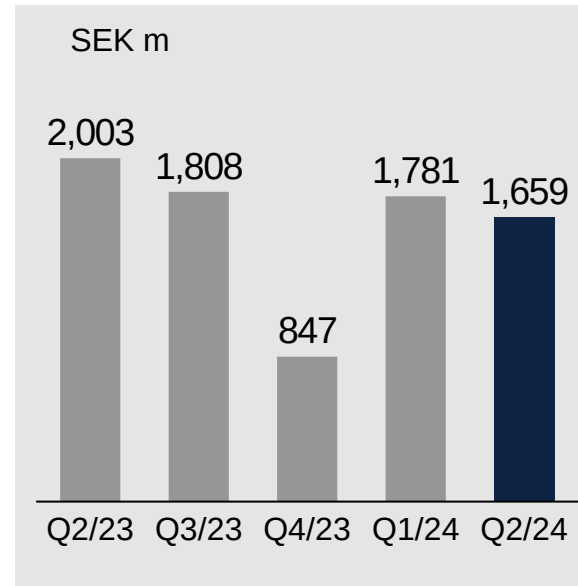
SSAB Special Steels

Shipments



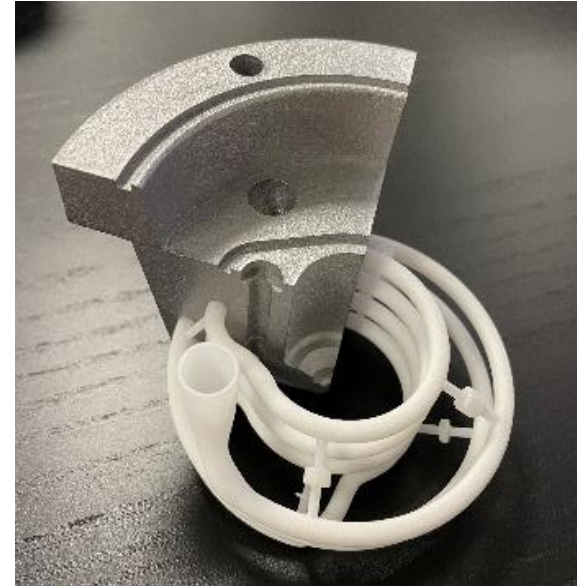
- Weak market in Europe
- More stable demand in rest of the world

Operating result



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

Additive Powder

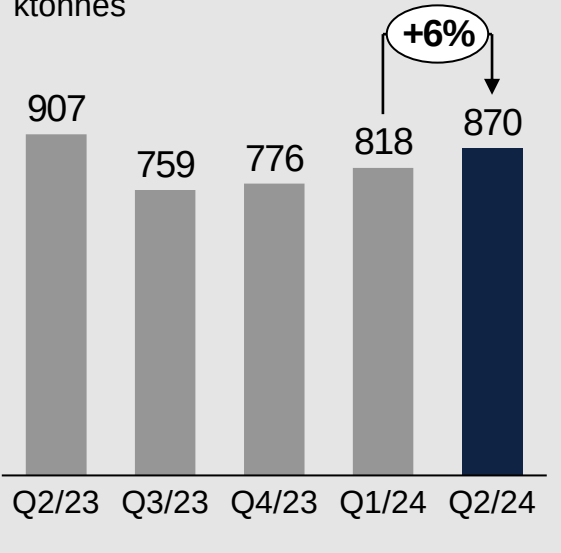


- World's first emission-free steel powder for commercial deliveries
- Combines the properties of SSAB's high-strength steel with the light structural possibilities of 3D-printing

SSAB Europe

Shipments

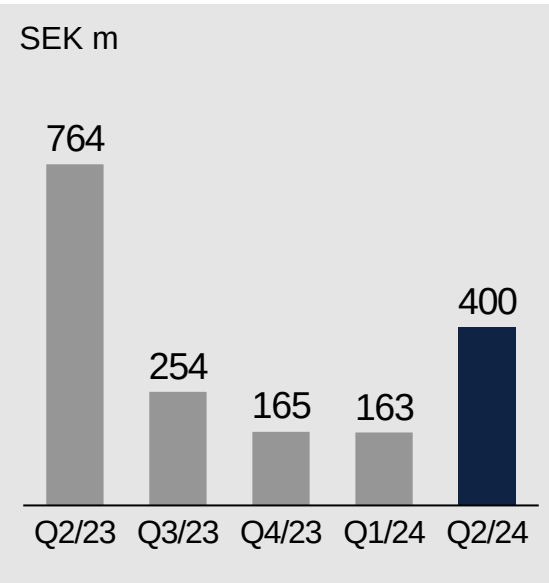
ktonnes



- Seasonal improvement vs Q1/24

Operating result

SEK m



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

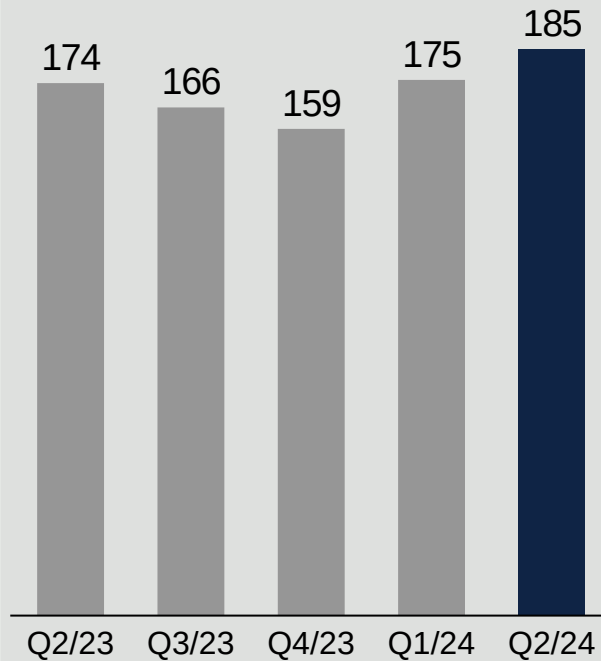


Strong market position in Automotive AHSS

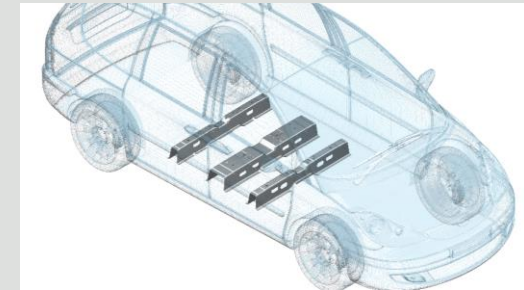
- Advanced product offering including martensitic grades, press hardening steel, 3rd gen dual phase with high formability etc.
- Leading position in emission free steel generates new business

Shipments at record level

ktonnes



KIRCHHOFF
AUTOMOTIVE

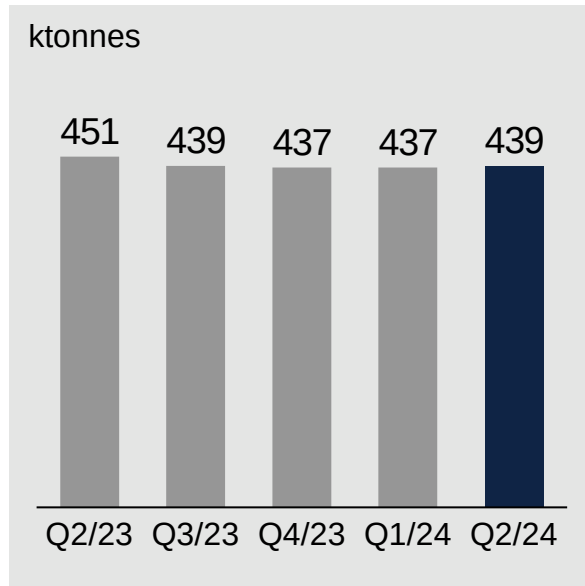


**Seat cross members for
battery protection, ID. Buzz**
Docol CR PHS2000-UC

SSAB

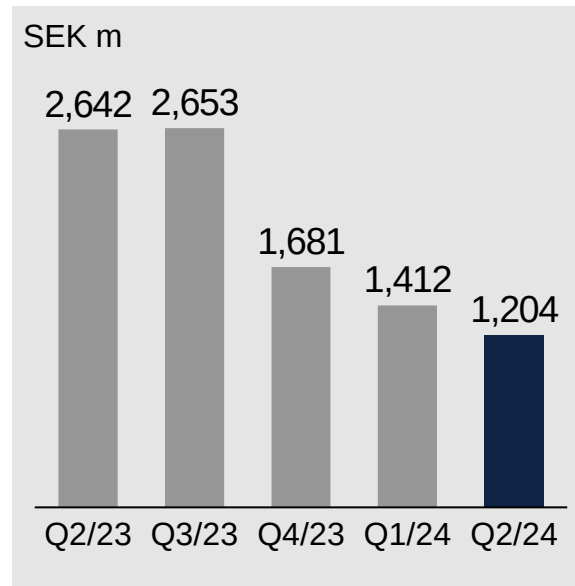
SSAB Americas

Shipments



- Cautious market

Operating result



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

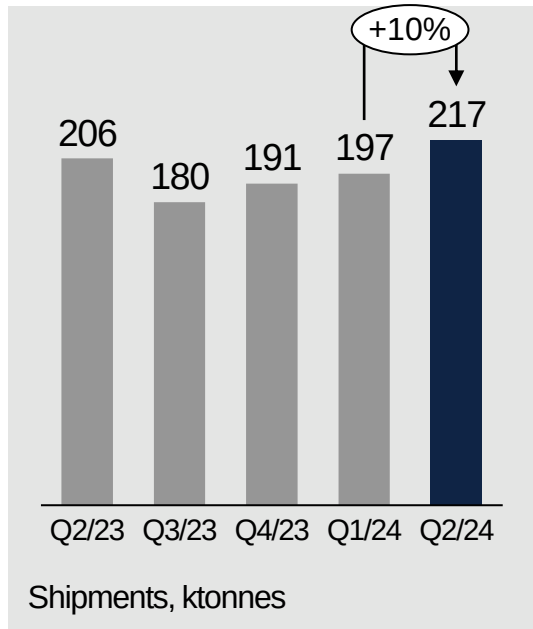
SSAB Zero



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

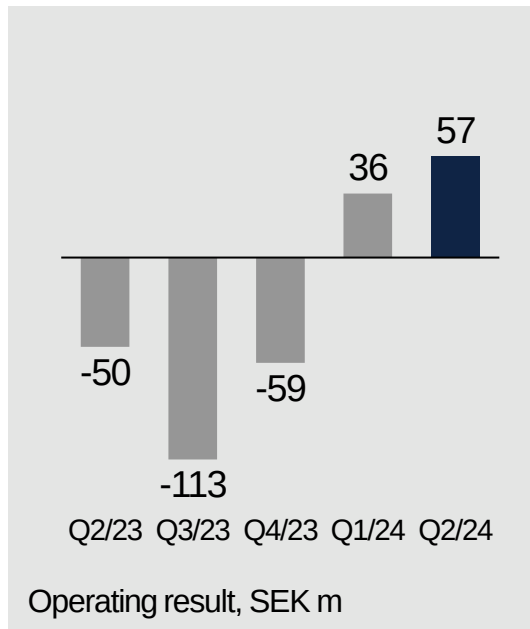
Tibnor

Higher shipments



- Shipments supported by large project orders
- Challenging market conditions

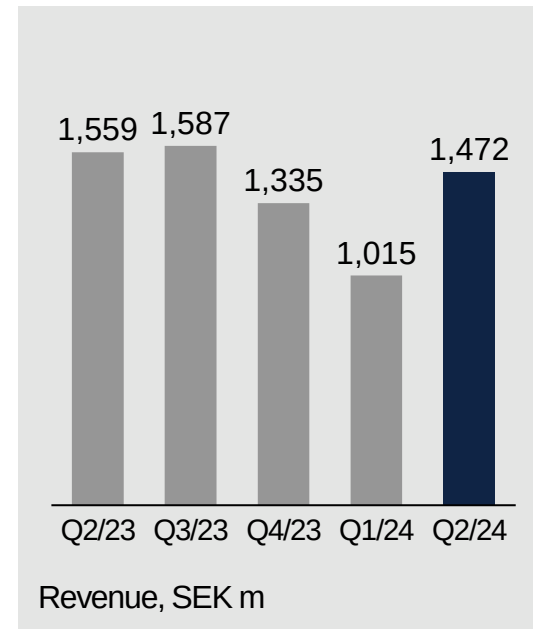
Improved earnings



- Positive effects from cost savings

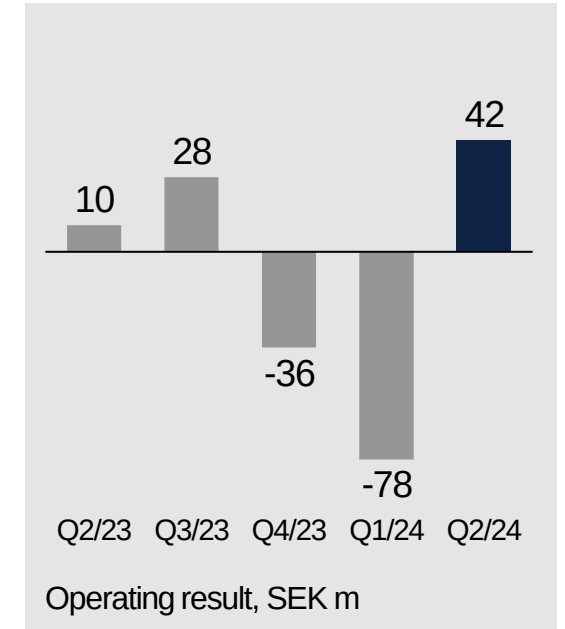
Ruukki Construction

Weak market



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

Improved earnings



- Positive effects from cost savings

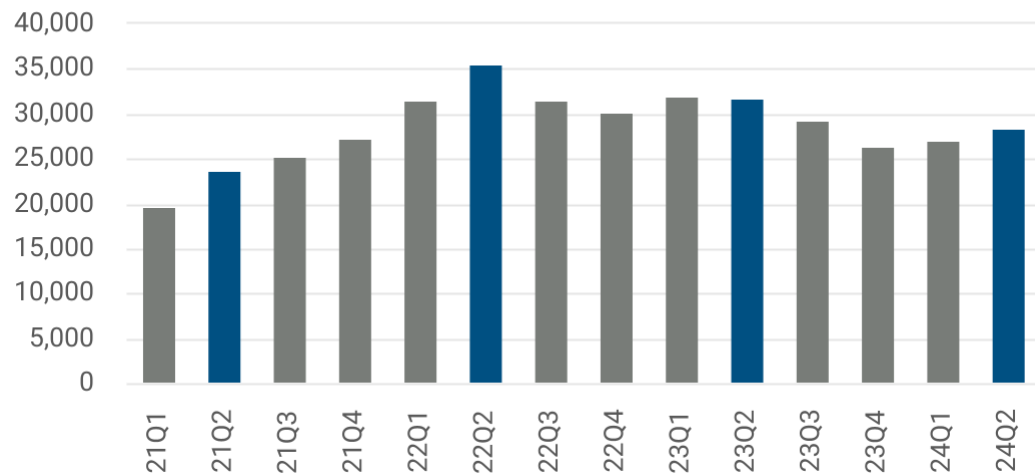


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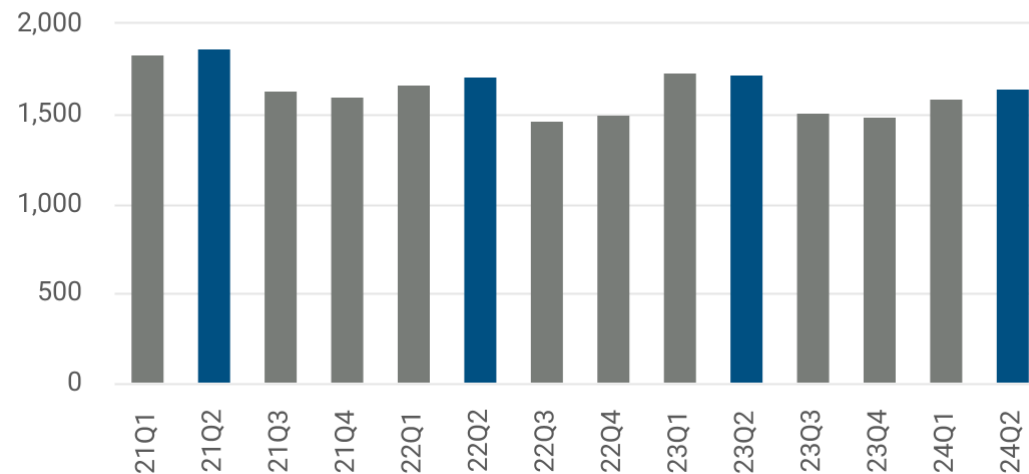
Financials

Somewhat higher shipments vs Q1/24

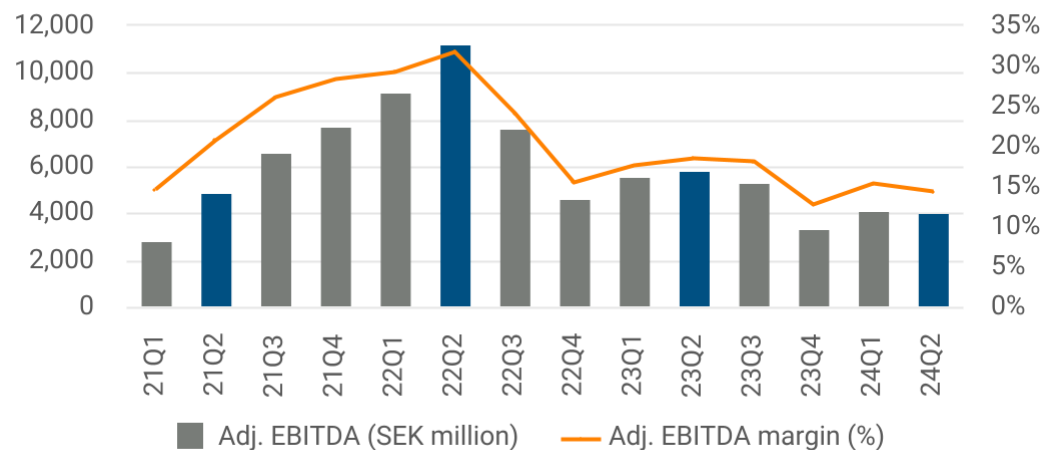
Revenue (SEK million)



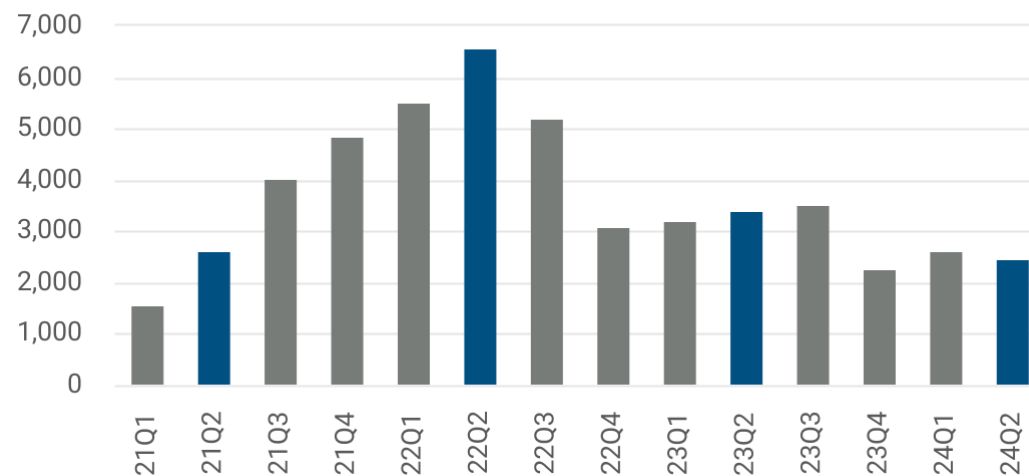
Steel shipments (ktonnes)



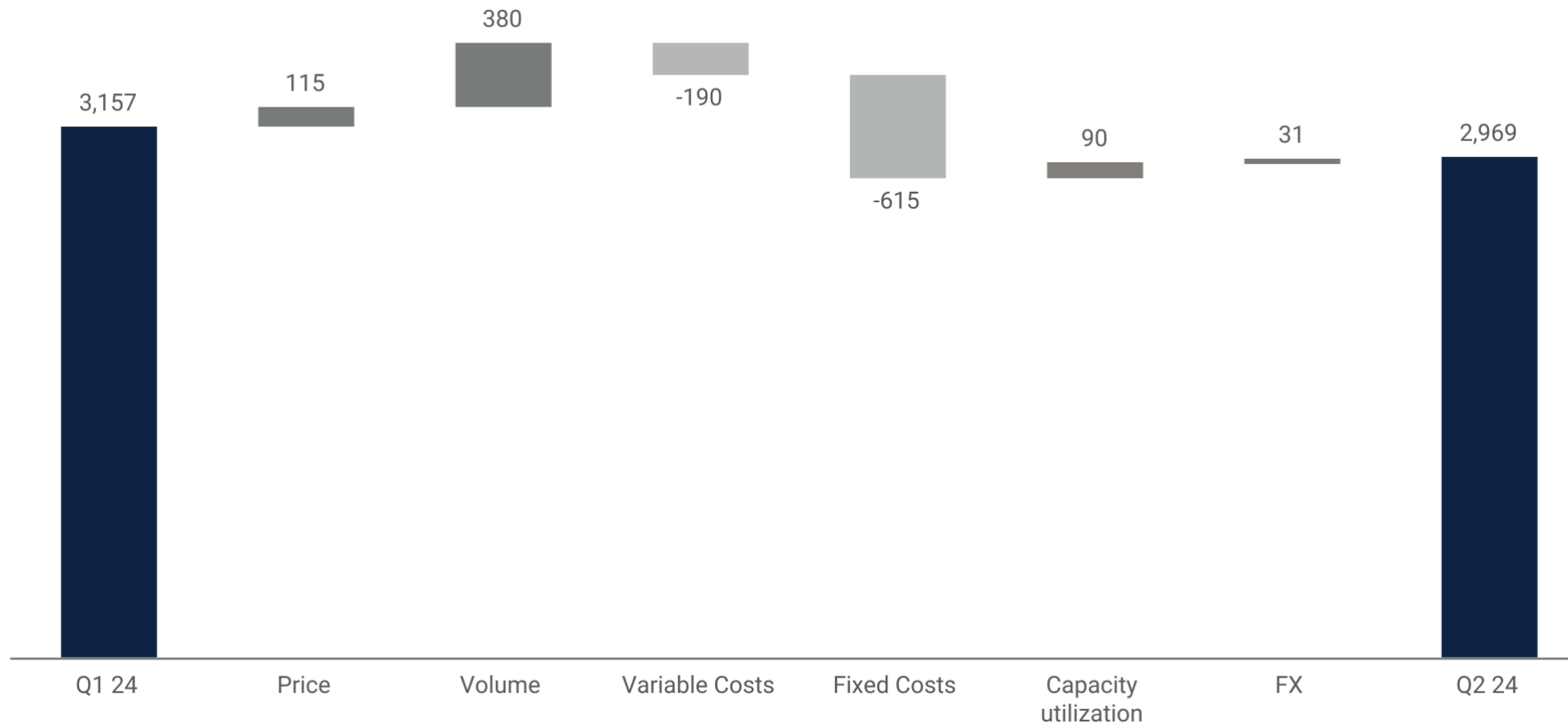
Adjusted EBITDA



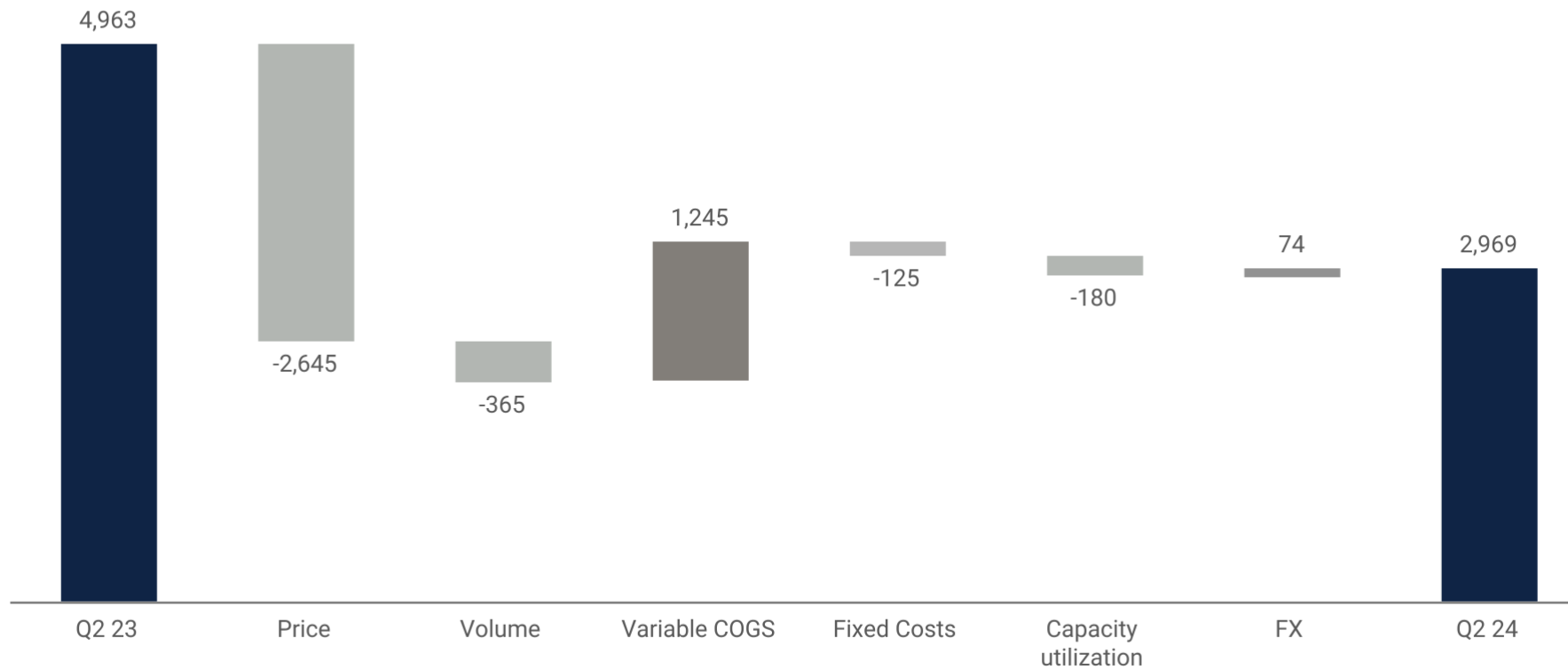
Adjusted EBITDA per tonne delivered steel (SEK/tonne)



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



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



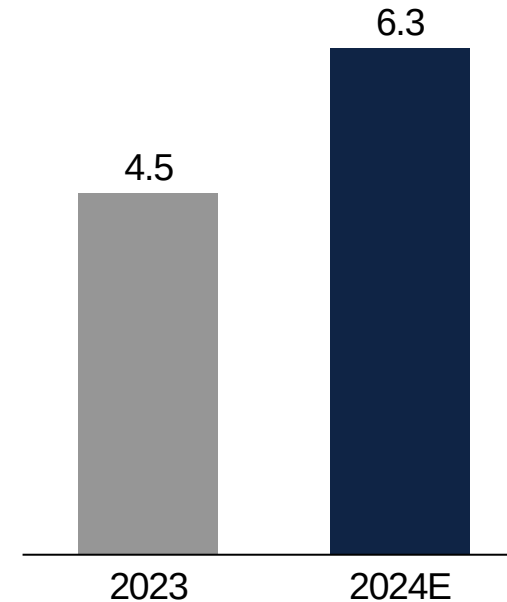
Net cash flow impacted by dividend to shareholders

SEK millions	2024 Q2	2023 Q2	2024 Jan-Jun	2023 Jan-Jun	2023 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
Operating cash flow	3,214	6,281	5,137	9,416	21,524
Financial items	86	91	205	194	437
Income taxes	-1,246	-1,672	-2,282	-2,426	-3,879
Cash flow from current operations	2,054	4,699	3,059	7,184	18,082
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
Cash flow before dividend	1,439	4,435	1,936	6,600	16,182
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	—	—
Net cash flow	-3,584	-4,526	-4,301	-2,361	5,922

Capex increasing due to transformation

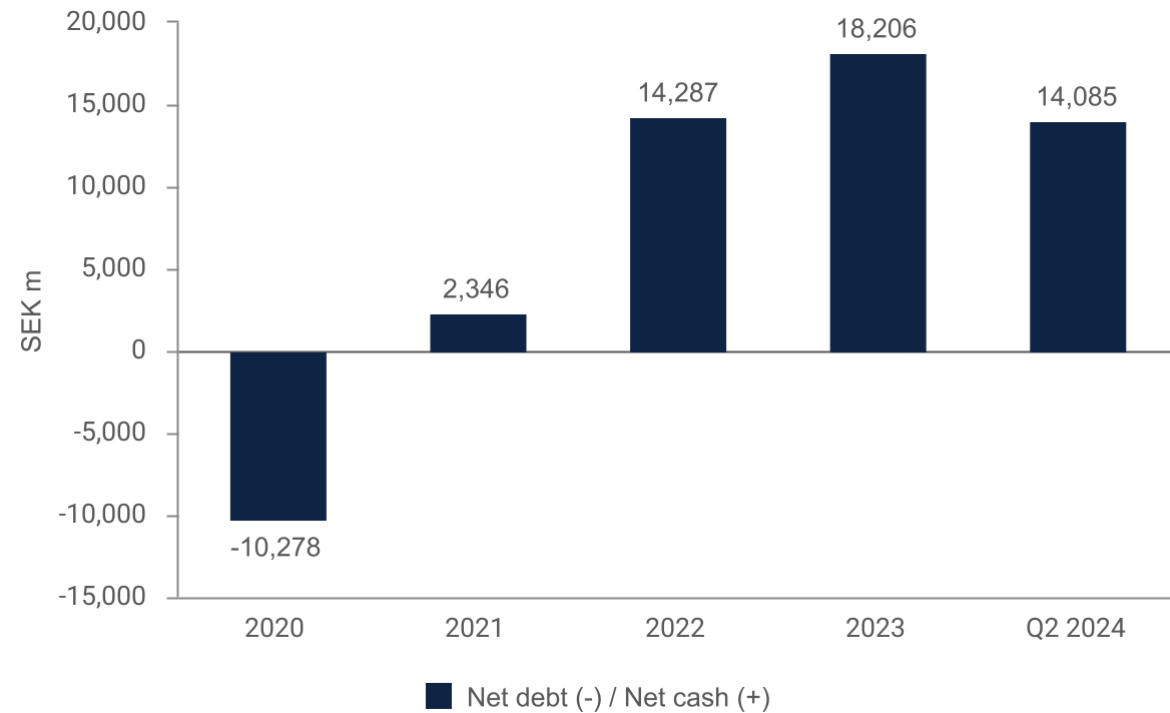
- Capital expenditure in 2024 estimated at SEK 6.3bn (previous estimate 5.5bn)
 - Higher vs. previous estimate due to start of spending of the Luleå mini-mill later later this year
 - Higher capex vs. 2023 due to ramp-up of Oxelösund EAF conversion and start of Luleå mini-mill
- High level of capex over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

Sum of maintenance and strategic capex



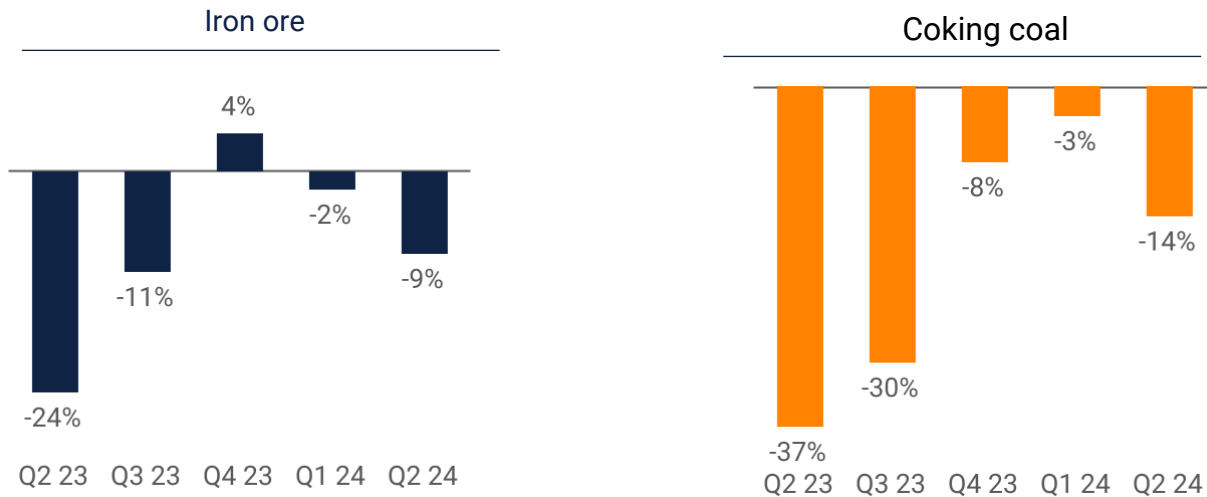
Net cash position

- 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



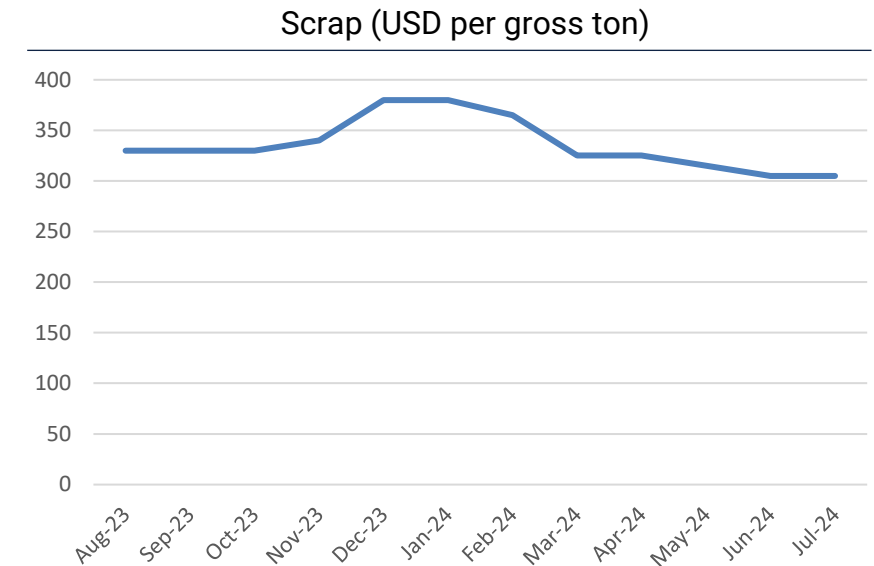
Raw material

SSAB's purchase price, year over year changes



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

Market prices (AMM)



- 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
Total	—	—	945	610	1,555

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"> - Reduction in heavy truck production in Europe - Stable trend for railcars 			
Automotive		<ul style="list-style-type: none"> - Structurally growing AHSS market - SSAB in strong position 			
Construction Machinery		<ul style="list-style-type: none"> - Weaker demand in Europe and slowdown in North America - Potential for some recovery in China 			
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 normal or on the lower side 			

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 CO₂ 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





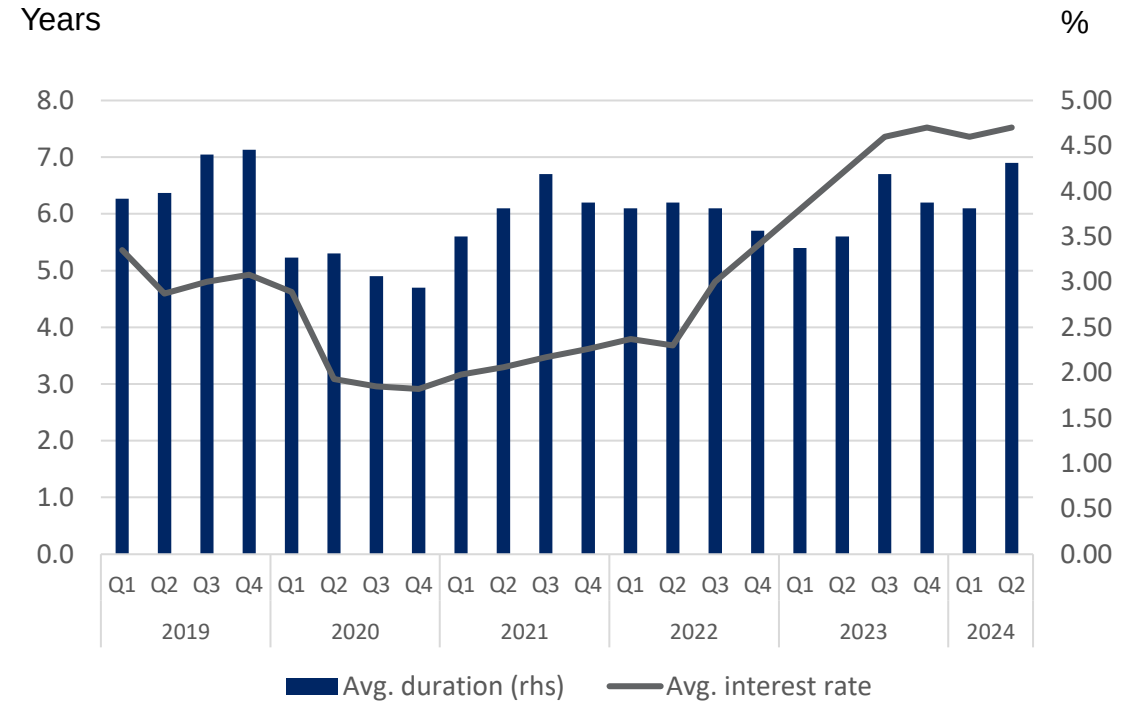
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Questions and Answers

Appendix

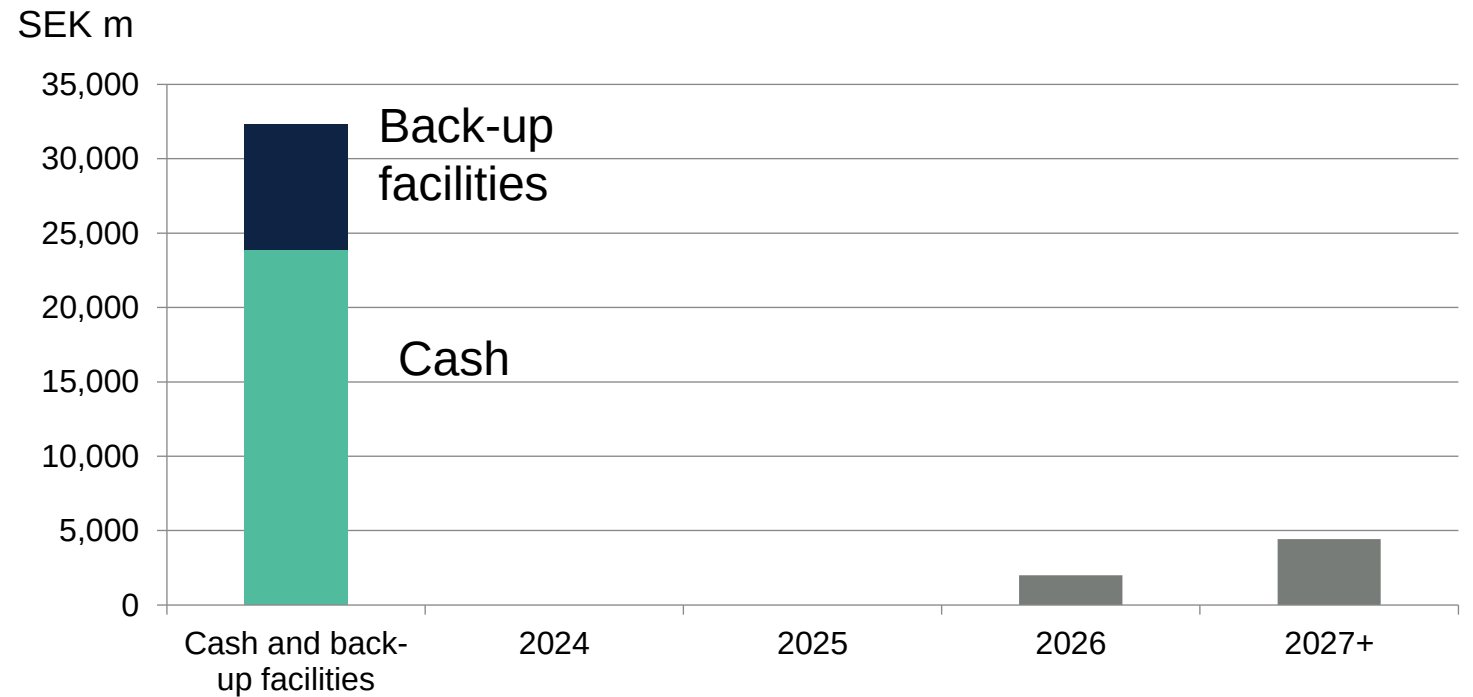
Debt portfolio duration and interest rate

- 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



SSA*B*