

SSAB



Results for the fourth quarter of 2013

Martin Lindqvist, President & CEO
Håkan Folin, CFO

February 7, 2014

Forward-looking statements

The presentation and the materials constituting it contain certain statements that are forward-looking statements within the meaning of the U.S. federal securities laws. Actual results could differ materially from the future results expressed or implied by these forward-looking statements due to factors that are beyond SSAB's ability to control or estimate precisely, such as the effect of general economic or political conditions, fluctuations in interest or exchange rates, changes in competition, the actions of courts, regulators, government agencies, competitors, customers, employees and other third parties, SSAB's ability to implement successfully its plans and the timing thereof, the benefits from SSAB's plans being less than anticipated, and other factors. These forward-looking statements speak only as of the date of this presentation. SSAB does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation, except as may be required by applicable securities laws.

This presentation contains unaudited non-IFRS financial measures, including EBITDA, EBIT, net debt and free cash flow. These non-IFRS financial measures should be considered in addition to, but not as substitutes for, the most directly comparable measures under generally accepted accounting principles.

This presentation is for information only and is not for distribution in, nor does it constitute an offer of securities in the United States, Australia, Canada, Hong Kong or Japan. Neither the presentation nor any copy of it may be taken or transmitted into the United States of America, its territories or possessions, or distributed, directly or indirectly, in the United States of America, its territories or possessions or to any US person as defined in Regulation S under the US Securities Act 1933 (the "Securities Act").

The material set forth herein is for informational purposes only and is not intended, and should not be construed, as an offer to sell, or as a solicitation of an offer to purchase, any securities. The securities described herein have not been and will not be registered under the Securities Act, or the laws of any state, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state laws.

This presentation is made to and directed only at (i) persons outside the United Kingdom, (ii) qualified investors or investment professionals falling within Article 19(5) and Article 49(2) (a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), and (iii) high net worth individuals, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (such persons collectively being referred to as "Relevant Persons").

This presentation and its contents are confidential and must not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person, whether or not such person is a Relevant Person. Failure to comply with this restriction may constitute a violation of applicable securities laws. If you have received this presentation and you are not a Relevant Person you must return it immediately to the Company. This presentation does not constitute a recommendation regarding the securities of SSAB.

Combination of SSAB and Rautaruukki

- ▶ Value creation through tangible synergies, improved earnings potential and increased flexibility & cost-effectiveness
- ▶ Annual cost synergies of up to SEK 1.4 billion (SEK 2 per share)
 - SEK 1 billion in base case, regardless of market situation
 - Additional MSEK 350 will be realized in periods of low market demand
- ▶ The combined company will have a global position and product offering within high strength steels, heavy plate, standard strip, and tubular products
- ▶ Offer recommended by both Boards of Directors and supported by the main shareholder in SSAB and in Rautaruukki respectively

SSAB and Rautaruukki – More competitive together



Milestones before closing

- ▶ Rautaruukki shareholders:
 - The tender offer document to be presented in March/April
 - Acceptance period to start shortly thereafter
- ▶ SSAB shareholders:
 - Approval of the rights issue at SSAB's AGM 9 April
- ▶ The transaction is subject to regulatory competition approval in the European Union and in a limited number of other jurisdictions
 - The pre-notification process has started
- ▶ Closing of the transaction expected to take place before summer

2013 in summary

- ▶ 2013 continued to be a challenging year for the steel industry, characterized by weak demand and low prices
- ▶ SSAB's shipments increased by 6%, however negative mix effects
- ▶ EBIT loss of MSEK 1,131
- ▶ SSAB continued to generate positive cash flow - operating cash flow of SEK 2 billion
- ▶ Signs of improvement towards end of 2013 and into 2014

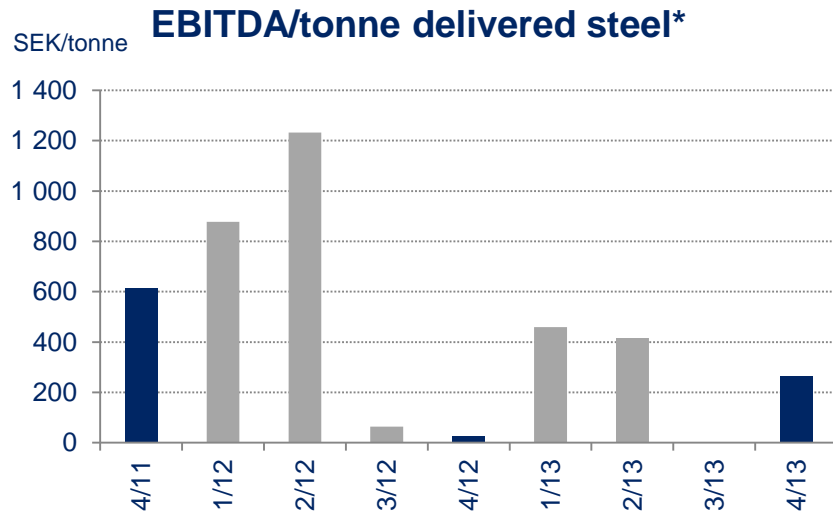
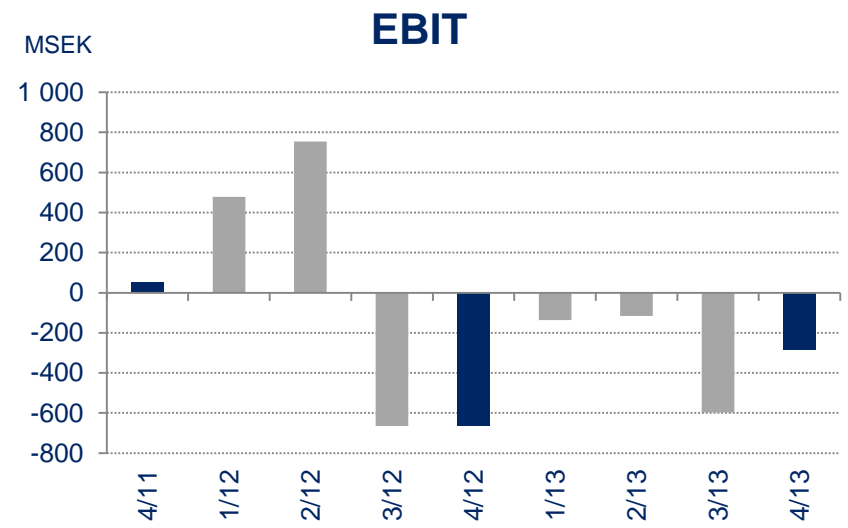
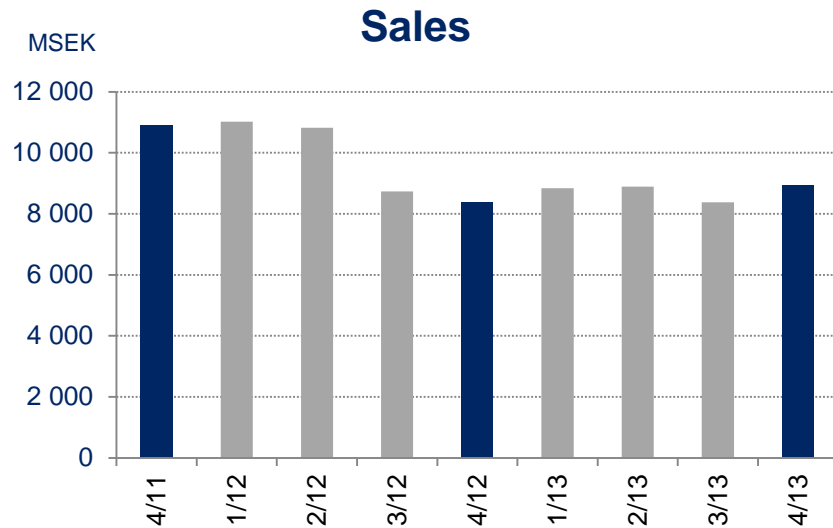


Highlights in Q4 2013

- ▶ EBIT loss of MSEK 282
 - Improvement of MSEK 316 vs. Q3 2013 and MSEK 383 vs. Q4 2012
- ▶ Higher volumes vs. Q3 2013 and Q4 2012
 - Shipments up 10% vs. Q3 and up 24% vs. Q4 2012
- ▶ Q4 result was negatively affected by low prices and negative mix effects
- ▶ Strong cash flow generation - operating cash flow of MSEK 575
- ▶ Positive outlook for the US steel market, improvement from low level in Europe expected and some indications of better steel markets in Asia















Group - Sales EBIT EBITDA/Tonne



*Reflecting the steel operations; EMEA, Americas, APAC

Key customer segments

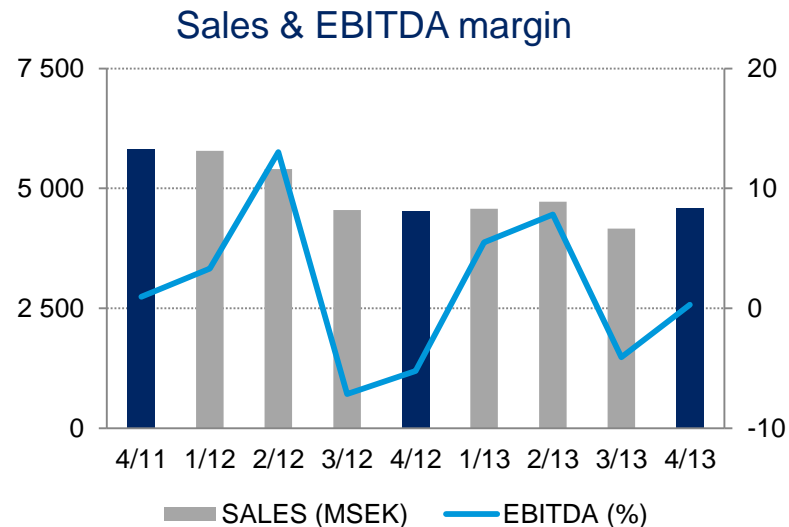
Segment	Q4 vs. Q3	Comments	Outlook Q1 vs. Q4
Heavy Transport		<ul style="list-style-type: none"> ▶ EU heavy equipment demand picking up from low levels, especially for trailers ▶ US heavy equipment manufacturers have slightly better build schedules 	
Automotive		<ul style="list-style-type: none"> ▶ The US automotive market has remained strong, and China stable ▶ EU automotive expected to grow for the first time in 7 years 	
Construction Machinery		<ul style="list-style-type: none"> ▶ Construction has remained weak in Europe ▶ Slight recovery in construction in the US 	
Mining		<ul style="list-style-type: none"> ▶ General slow down in South American mining, and Europe still slow ▶ Australia has recently showed small positive signals 	
Energy		<ul style="list-style-type: none"> ▶ Energy and energy related applications have continued to be the strongest end-use markets in US ▶ US wind tower activity expected to pick up in Q1 	
Service Centers (US)		<ul style="list-style-type: none"> ▶ Inventories remain fairly low ▶ Service centers remain cautious but are buying at a slightly improved level 	

Market environment

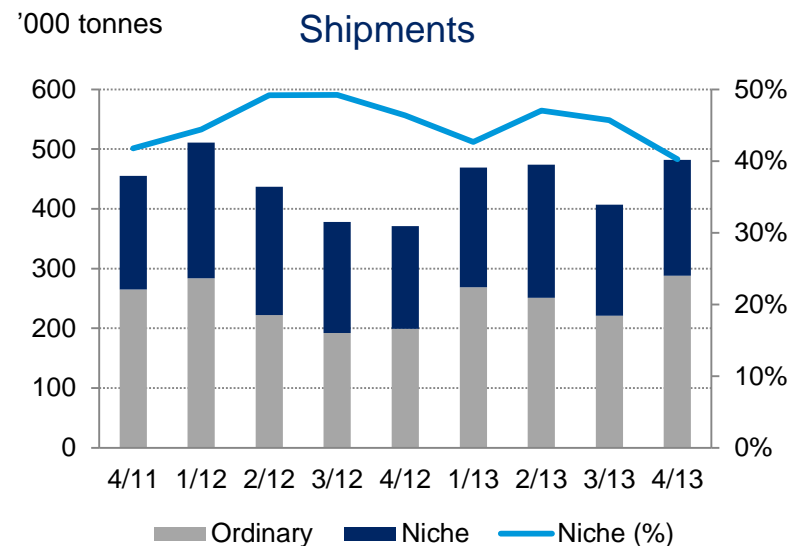
- ▶ WSA estimates that global steel production increased by 3% in 2013;
 - Production in China increased by 8%
 - Production in North America and EU 28 declined by 2%
- ▶ European strip and plate prices declined in beginning of Q4, but strip prices strengthened slightly during the latter part of the quarter and into 2014
- ▶ Spot plate prices moved up in Q4 on the back of several price announcements from the main suppliers
- ▶ Inventory levels in both Europe and North America are in balance, but at a low level
- ▶ In China, many customers continue to have high inventory level and need to reduce their stocks

SSAB EMEA

MSEK	Q4-13	Q4-12	Chge
Sales	4 594	4 529	1%
EBITDA	14	-237	n.m.
EBIT	-289	-545	n.m.
EBIT margin	-6,3%	-12,0%	

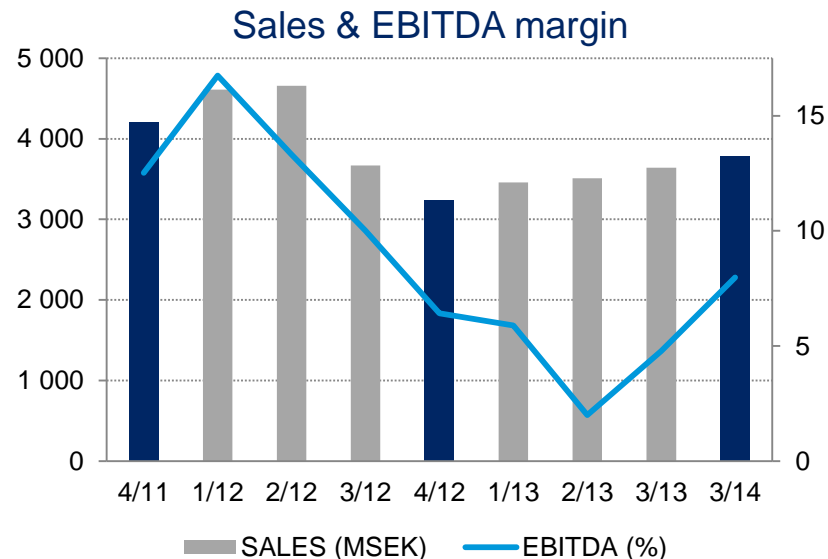


- ▶ Shipments increased by 18% vs. Q3 and by 29% vs. Q4 2012
- ▶ Heavy Transport and Automotive has developed favorable. Demand in general has improved from very low level
- ▶ In local currency, prices fell by 1% for niche products and by 4% for standard steels vs. Q3
- ▶ Niche products accounted for 40% (46%) of shipments

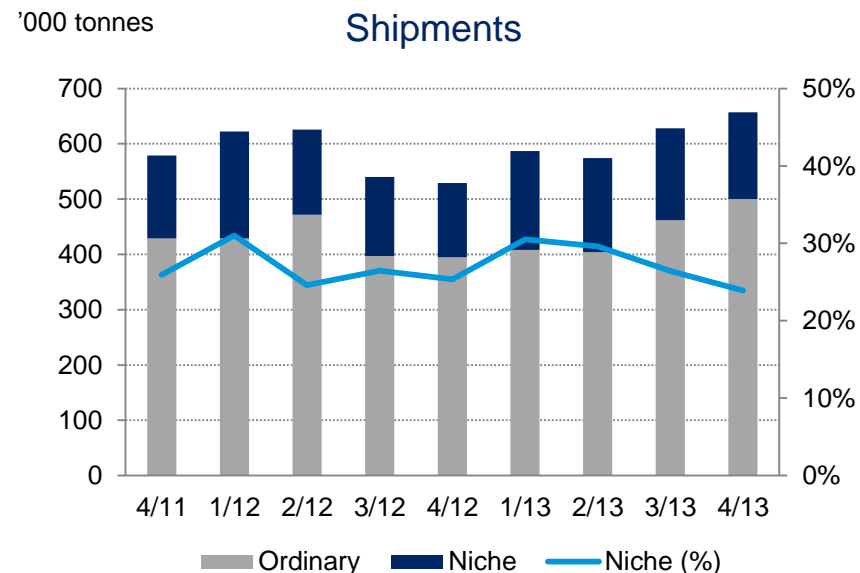


SSAB Americas

MSEK	Q4-13	Q4-12	Chge
Sales	3 775	3 238	17%
EBITDA	301	208	45%
EBIT	181	110	65%
EBIT margin	4,8%	3,4%	

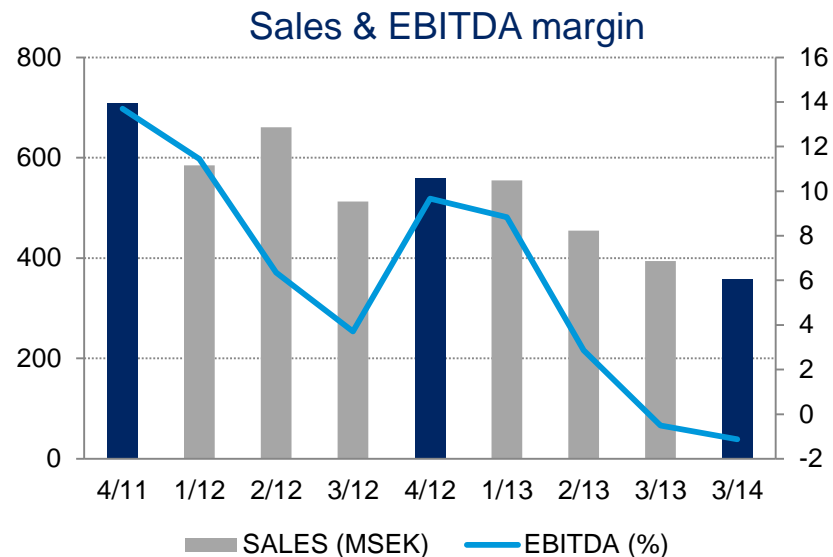


- ▶ Shipments increased by 5% vs. Q3 and by 24% vs. Q4 2012
- ▶ Demand from the Heavy Transport segment and Service Centers increased and demand from the Energy segment remained strong
- ▶ Unchanged prices in local currency in Q4
- ▶ Announced increases of in total USD 130/ton - gradual impact from Q1
- ▶ Seasonally high scrap prices in Q4 and beginning of Q1

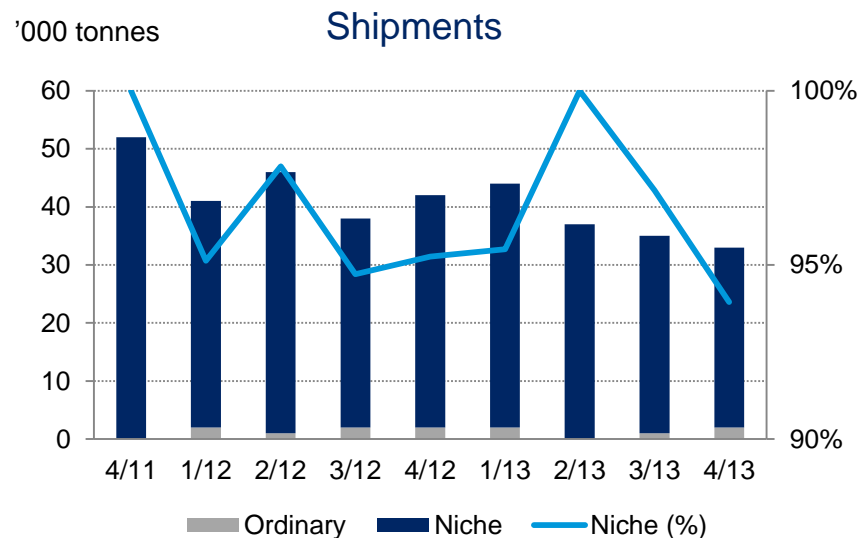


SSAB APAC

MSEK	Q4-13	Q4-12	Chge
Sales	357	559	-36%
EBITDA	-4	54	n.m.
EBIT	-12	46	n.m.
EBIT margin	-3,4%	8,2%	

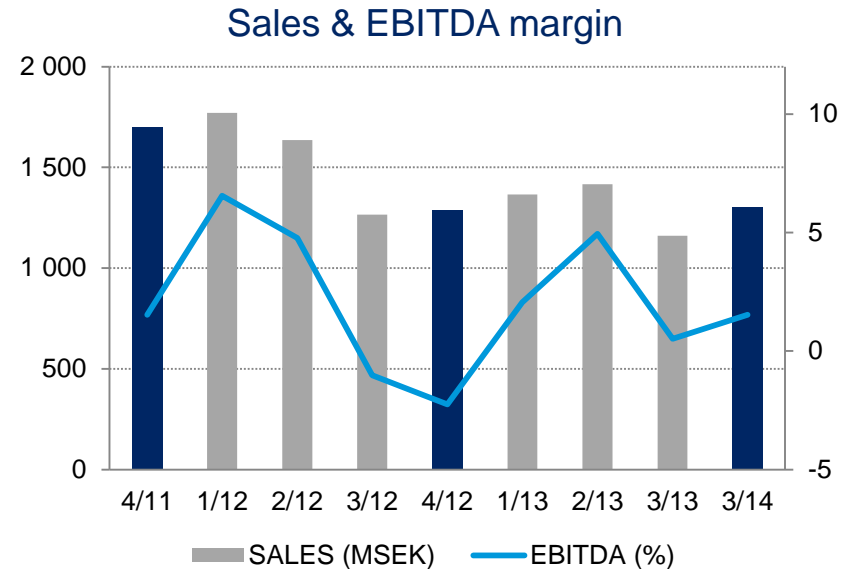


- ▶ Shipments of niche products decreased by 9% vs. Q3 and by 23% vs. Q4 2012
- ▶ Demand remained weak during the fourth quarter; however, the Automotive segment remained stable
- ▶ Prices of niche steels in local currencies were 2% lower than in Q3 2013



Tibnor

MSEK	Q4-13	Q4-12	Chge
Sales	1 302	1 288	1%
EBITDA	20	-29	n.m.
EBIT	7	-42	n.m.
EBIT margin	0,5%	-3,3%	



- ▶ Shipments increased by 15 % vs. Q3 and by 10% vs. Q4 2012
- ▶ Strip products, engineering steels and rebar products experienced positive growth compared with Q4 2012
- ▶ Earnings improvement related to higher volumes and lower fixed costs

Financials

Håkan Folin, CFO



Financials Q4 2013

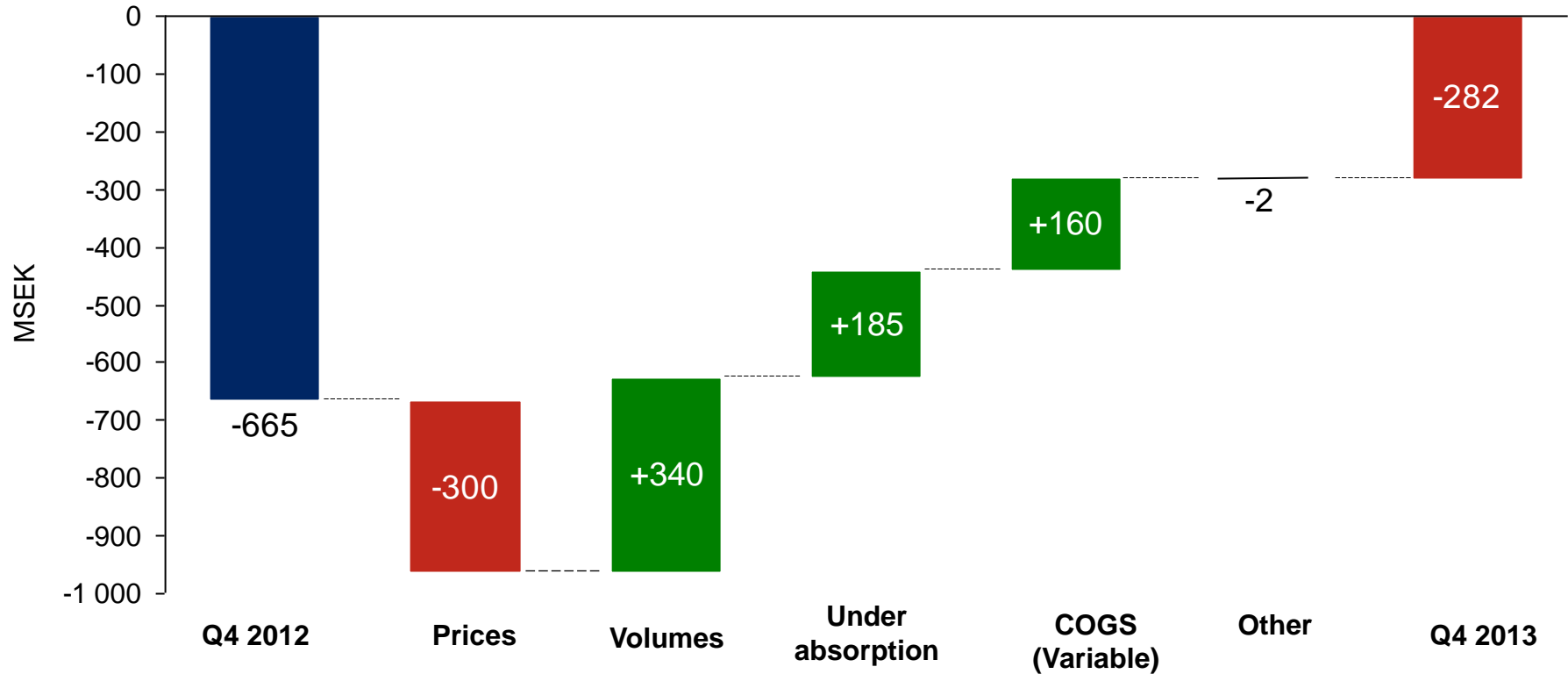
- ▶ Sales amounted to MSEK 8,920 (8,354)
- ▶ EBIT of MSEK -282 (-665)
- ▶ Operating cash flow of MSEK 575 (1,251)



Key figures

SEK million (except for EPS and Dividend)	Q4-13	Q4-12	2013 Full year	2012 Full year
Sales	8 920	8 354	35 022	38 923
Operating profit	-282	-665	-1 131	-96
Pre-tax profit	-436	-842	-1 728	-693
Net profit	-265	-227	-1 066	15
Earnings per share, SEK	-0,82	-0,70	-3,29	0,05
Operating cash-flow	575	1 251	1 956	4 929
Debt/Equity, %	55	54	55	54
ROCE, %	-	-	-2	0
ROE, %	-	-	-4	0
Dividend, SEK per share	-	-	-	1,00

Change in operating profit, Q4 2013 vs. Q4 2012



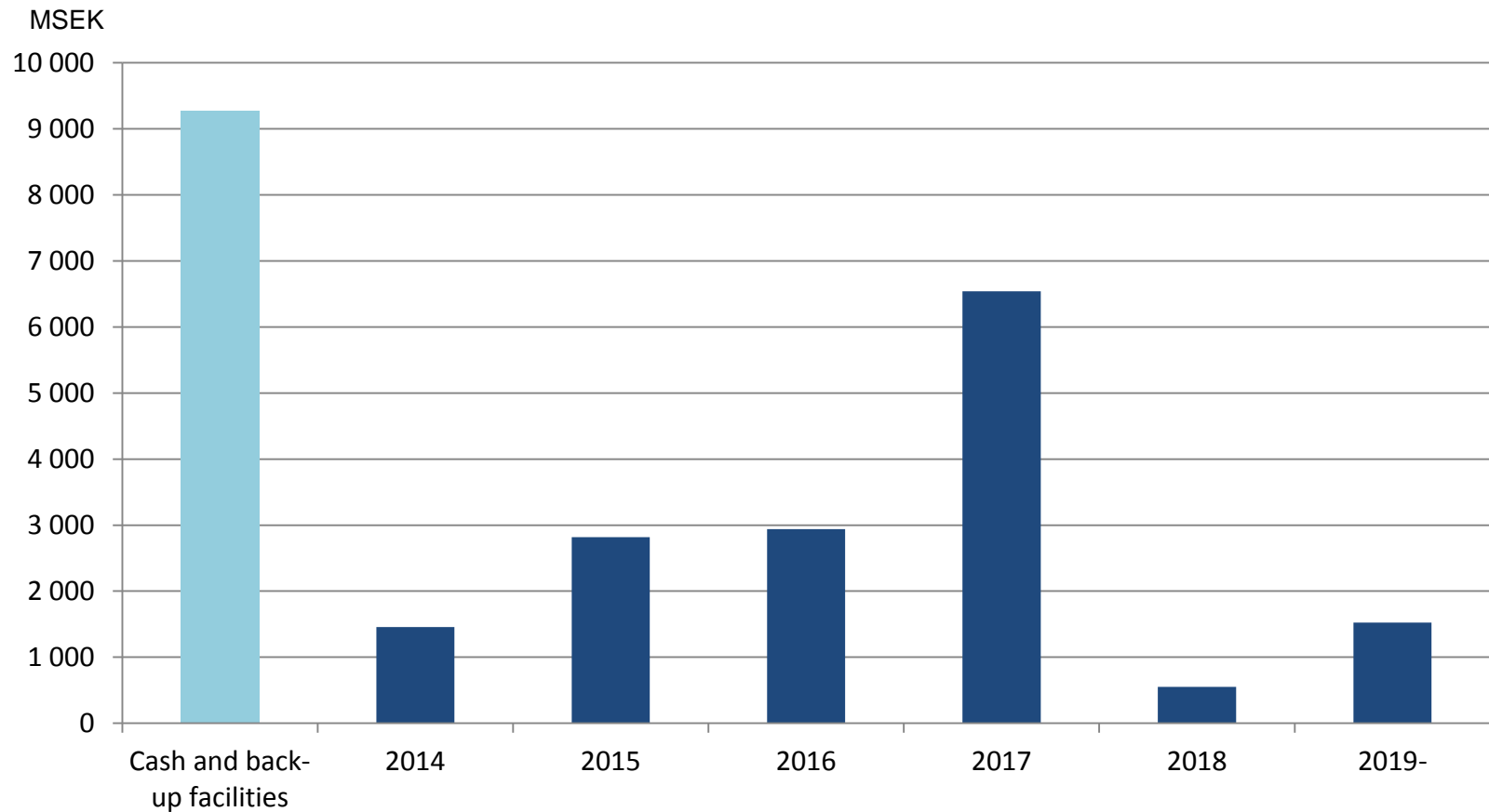
Cash flow

MSEK			2013	2012
	Q4-13	Q4-12	Full year	Full year
SSAB EMEA	323	478	1 024	2 260
SSAB Americas	257	567	552	2 390
SSAB APAC	-24	102	266	99
Tibnor	61	181	164	378
Other	-42	-77	-50	-198
Operating cash flow	575	1 251	1 956	4 929
Financial items	-237	-219	-570	-572
Taxes	-121	17	-283	-432
Cash flow from current operations	217	1 049	1 103	3 925
Strategic capex and acquisitions	-36	-99	-172	-686
Divestments	19	-	88	31
Cash flow before dividends and financing	200	950	1 019	3 270
Dividends	-	-	-324	-648
Net Cash flow	200	950	695	2 622

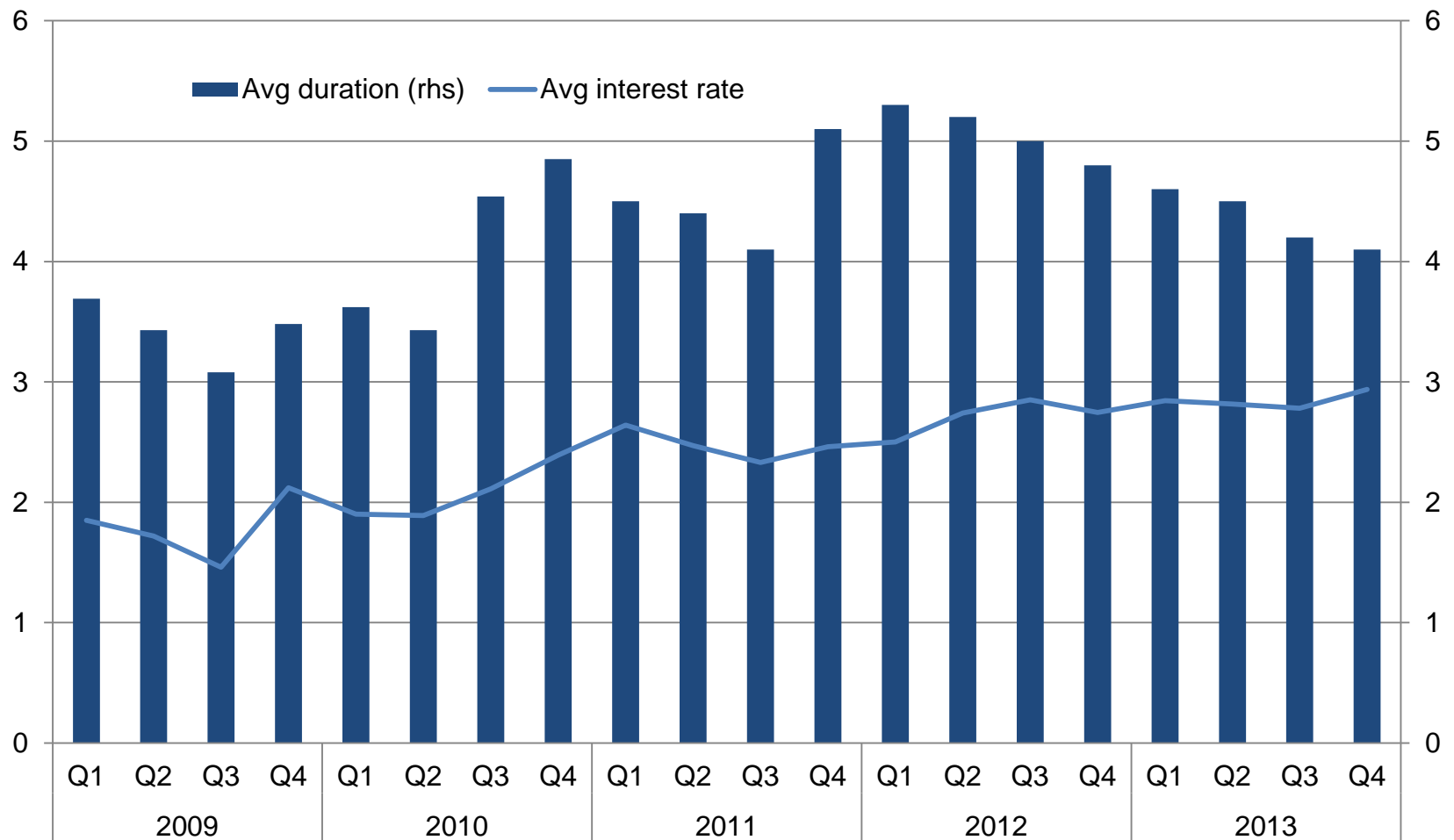
Financing & Liquidity – 31 December 2013

- ▶ The net gearing was 55% by end of Q4 2013 (54% Q4 2012)
- ▶ Net debt decreased from SEK 15.0 billion in Q3 to 14.8 billion in Q4
- ▶ Liquidity preparedness as percentage of annual sales (rolling 12 months) was 26% (incl. commercial paper)
- ▶ Commercial paper amounted to MSEK 305
- ▶ The average term on the loan portfolio at 4.1 years with an interest term of 0.9 years

Debt Maturity, 31 December 2013



Debt Cost and Duration



Trends in raw material prices

▶ Iron ore

- Iron ore prices was 4% in lower in SEK vs. Q3 and 13% higher vs. Q4 2012
- Quarterly price adjustments in the contract with LKAB. Current volume contract expires in 31 March 2014

▶ Coking coal

- The price for coking coal was 9% lower in SEK vs. Q3 and 28% lower vs. Q4 2012

▶ Scrap

- US scrap prices increased sharply during Q4, spot prices up 20% by end Q4 vs. end of Q3 and up 12% vs. Q4 2012
- High scrap prices will impact Q1 2014 result



Outlook

Martin Lindqvist, President & CEO

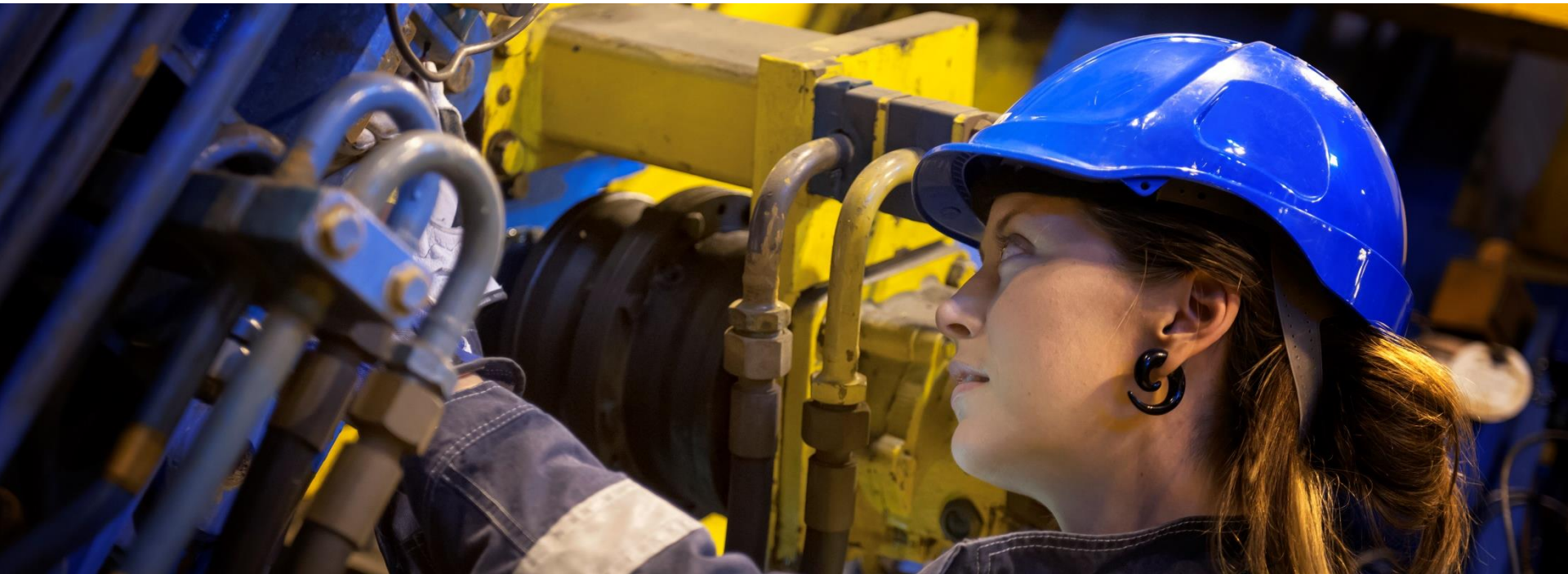


Outlook

- ▶ In Europe, the demand situation is expected to improve slightly from low level
- ▶ The positive economic trend in North America is expected to have a positive impact on demand
 - Higher US plate prices in 2014 – SSAB has announced price increases of USD 130/ton which will gradually impact Q1 and Q2
 - Partly offset by higher scrap prices (also impacted by extreme weather)
- ▶ Maintenance stop in the US between Q1/Q2 2014 - impact of MSEK 150
- ▶ Inventory levels fairly low in Europe, have slightly moved up in North America and no major re- or destocking is expected
- ▶ Asian steel market continues to be challenging
- ▶ SSAB's total shipments in Q1 2014 expected to be in line with the level in Q4 2013

Questions & Answers

- ▶ Please state your name and the company that you represent
- ▶ Please state one question at the time





LET'S SHAPE
TOMORROW



www.ssab.com

SSAB