



Results for the first quarter of 2014

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April 25, 2014

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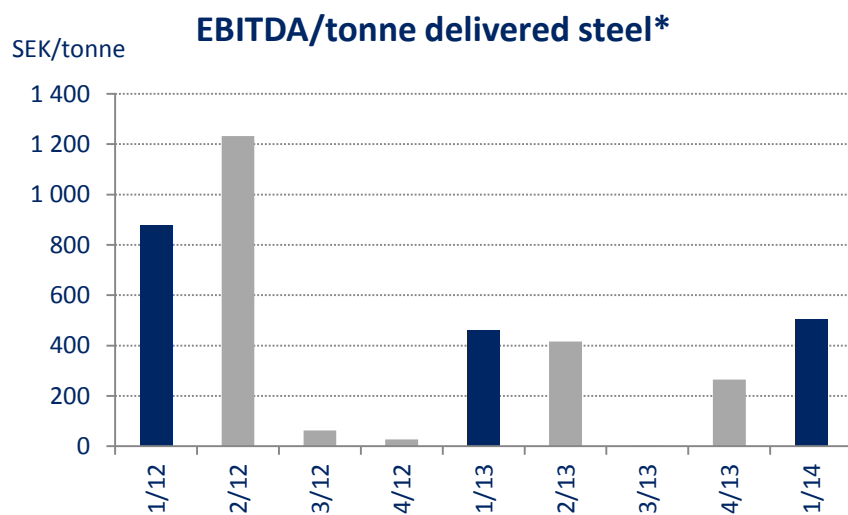
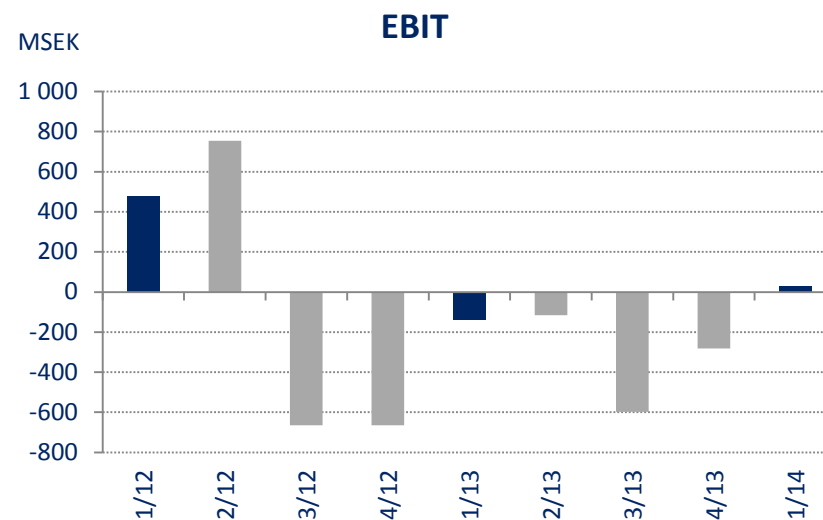
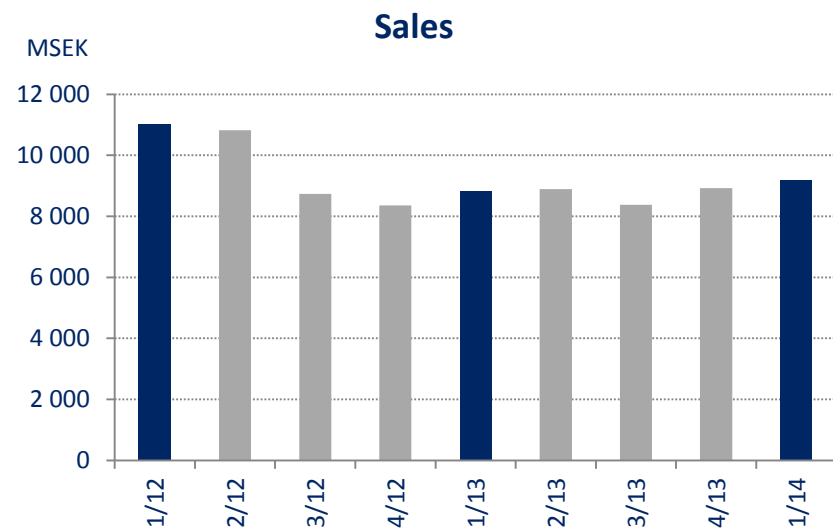
Highlights in Q1 2014

SSAB turned to positive operating profit

- ▶ EBIT of MSEK 26
 - Improvement of MSEK 162 versus Q1 2013 and MSEK 308 versus Q4 2013
- ▶ Main improvement due to higher volumes (EMEA) and higher prices (Americas)
- ▶ Negative operating cash flow as a consequence of increased accounts receivables related to increased sales
- ▶ Continued positive outlook for the US steel market and small signs of improvement from low level in Europe. No short term improvement in Asia expected















Group – Sales, EBIT, EBITDA/tonne



* Reflecting the steel operations; EMEA, Americas, APAC

Key customer segments

Segment	Q1 vs Q4	Comments	Outlook
Heavy Transport		<ul style="list-style-type: none"> ▶ Stronger demand in EU for heavy equipment in Q1, especially for trailers ▶ Stable demand situation for heavy equipment in the US. Demand for railcars continues to be very strong 	
Automotive		<ul style="list-style-type: none"> ▶ Good demand in EMEA, especially in Germany ▶ The US automotive market has remained strong and stable demand situation in China 	
Construction Machinery		<ul style="list-style-type: none"> ▶ Positive signals from customers in Europe (yellow goods and agricultural and forestry) ▶ Construction was slow in US in Q1 due to weather situation. Expected to improve in Q2 	
Mining		<ul style="list-style-type: none"> ▶ Mining is expected to stay slow in North and South America ▶ Uncertain demand development in Russia ▶ Positive signals in China and Australia 	
Energy		<ul style="list-style-type: none"> ▶ Energy continues to be stable in the US, driven by high wind tower activity ▶ Mixed signals in Europe 	
Service Centers (US)		<ul style="list-style-type: none"> ▶ Demand from service centers remained stable in Q1 ▶ Inventory levels in balance at the end of the first quarter. Higher import in the end of Q1 	

Market environment

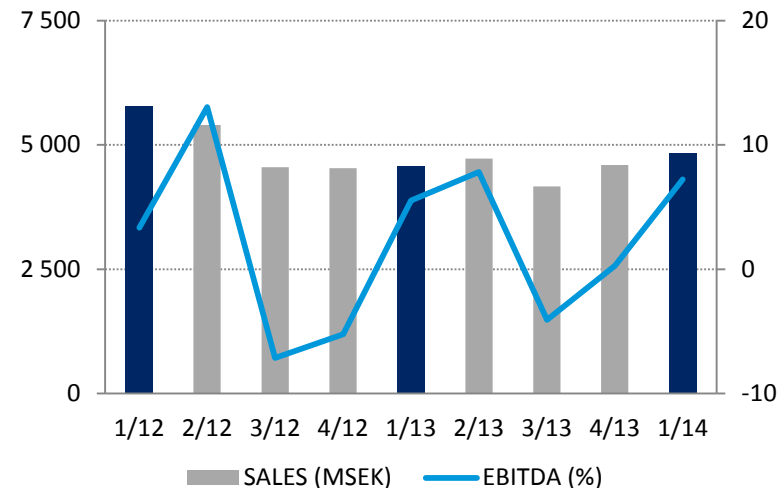
- ▶ WSA estimates that global steel production increased by 2% (Jan–March 2014)
 - Production in EU increased by 7%
 - Production in North America increased by 1% (negatively affected by extreme weather conditions)
 - Production in China increased by 2%
- ▶ Market prices in Europe for strip steel declined somewhat during Q1, while plate prices were relatively stable
- ▶ In North America, the spot prices of plate increased
- ▶ In China, prices of both strip and plate products fell slightly during the first quarter
- ▶ A degree of re-stocking occurred in Europe during the quarter, but inventory levels continue to be in balance
- ▶ In North America inventory levels at distributors decreased somewhat during the quarter and are estimated to be in balance

SSAB EMEA

MSEK	Q1-14	Q1-13	Change
Sales	4 838	4 573	6%
EBITDA	349	252	n.m.
EBIT	58	-53	n.m.
EBIT margin	1.2%	-1.2%	

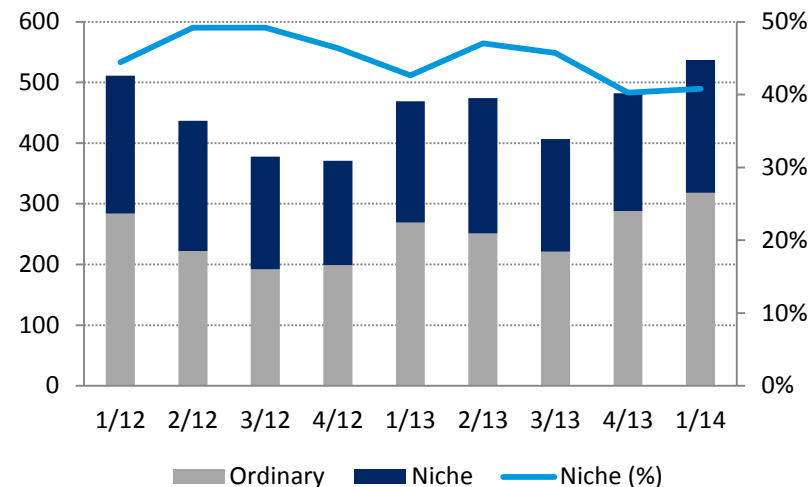
- ▶ Shipments increased by 11% vs. Q4 and by 14% versus Q1 2013
- ▶ Demand from several segments increased, particularly from the Construction Machinery segment and Service Centers
- ▶ Prices increased by 3% for standard steels (mainly due to mix), while prices for high strengths steels fell by 1% vs. Q4 (local currency)
- ▶ High strengths steels accounted for 41% (43%) of shipments

Sales and EBITDA margin



'000 tonnes

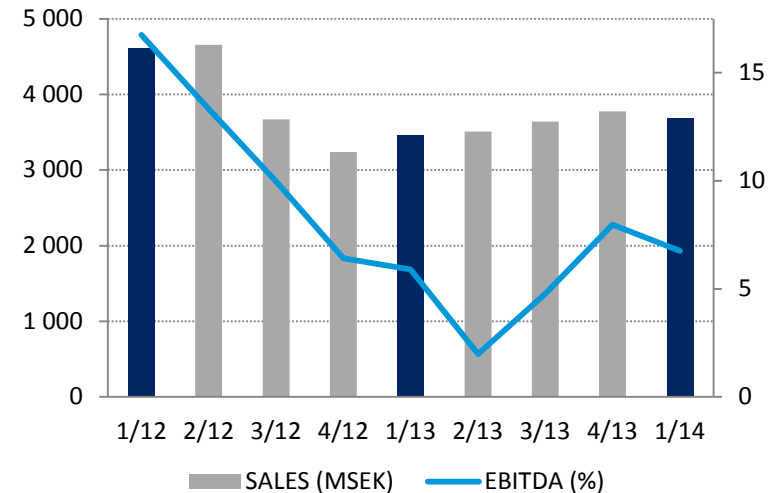
Shipments



SSAB Americas

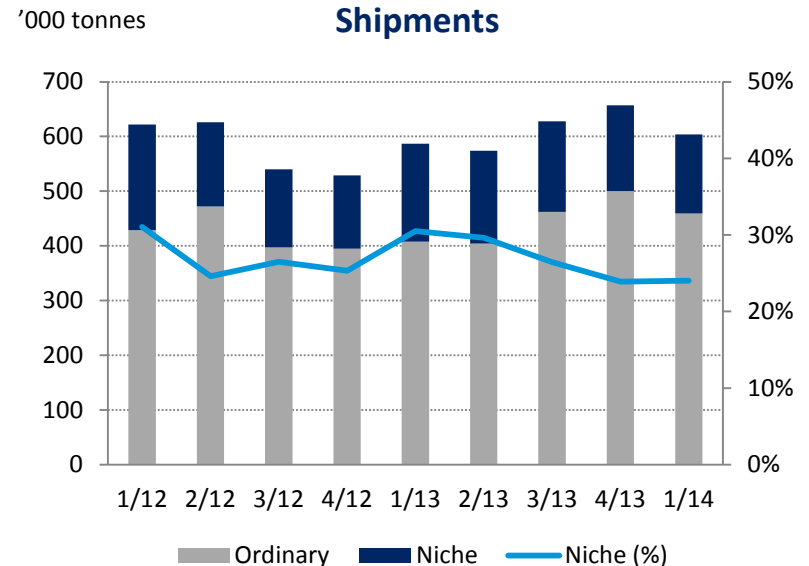
MSEK	Q1-14	Q1-13	Change
Sales	3 685	3 460	7%
EBITDA	249	204	22%
EBIT	126	87	45%
EBIT margin	3.4%	2.5%	

Sales and EBITDA margin



- ▶ Shipments decreased by 8% vs. Q4 but increased by 3% vs. Q1 2013
- ▶ Demand from the Automotive and Construction Machinery segments strengthened during the quarter
- ▶ Prices of standard steels were up 7% and 3 % for high strength steels versus Q4 (local currency)
- ▶ Severe weather situation and seasonally high scrap prices in the beginning of Q1 had a negative impact

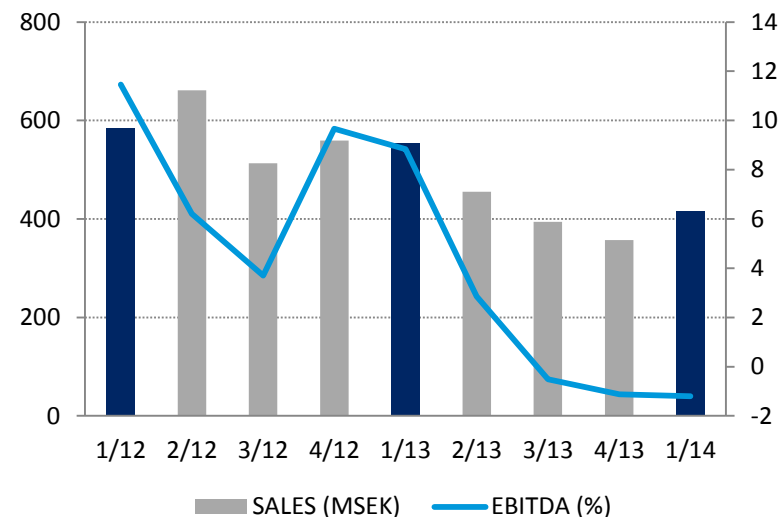
Shipments



SSAB APAC

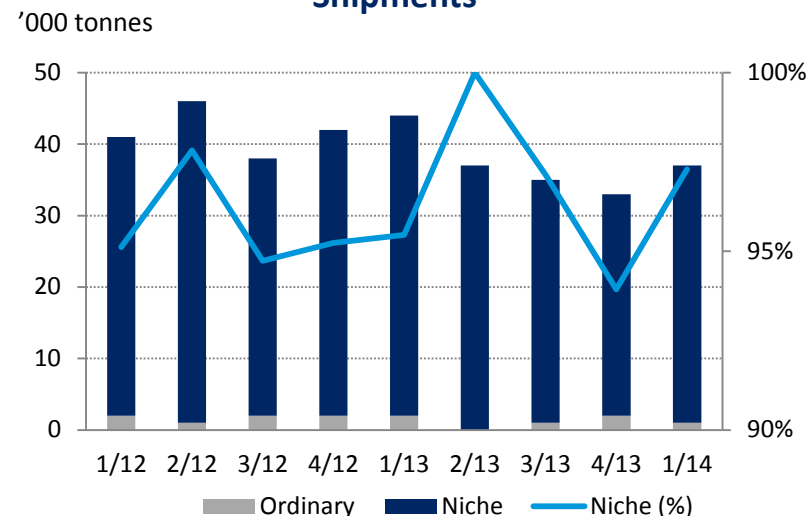
MSEK	Q1-14	Q1-13	Change
Sales	416	555	-25%
EBITDA	-5	49	n.m.
EBIT	-12	42	n.m.
EBIT margin	-2.9%	7.6%	

Sales and EBITDA margin



- ▶ External shipments of high strength steels increased by 16% vs. Q4 but were 14% lower than in Q1 2013
- ▶ Demand from most segments within APAC was somewhat higher in Q1 versus Q4
- ▶ Prices of high strength steels in local currency were 1% lower than in Q4

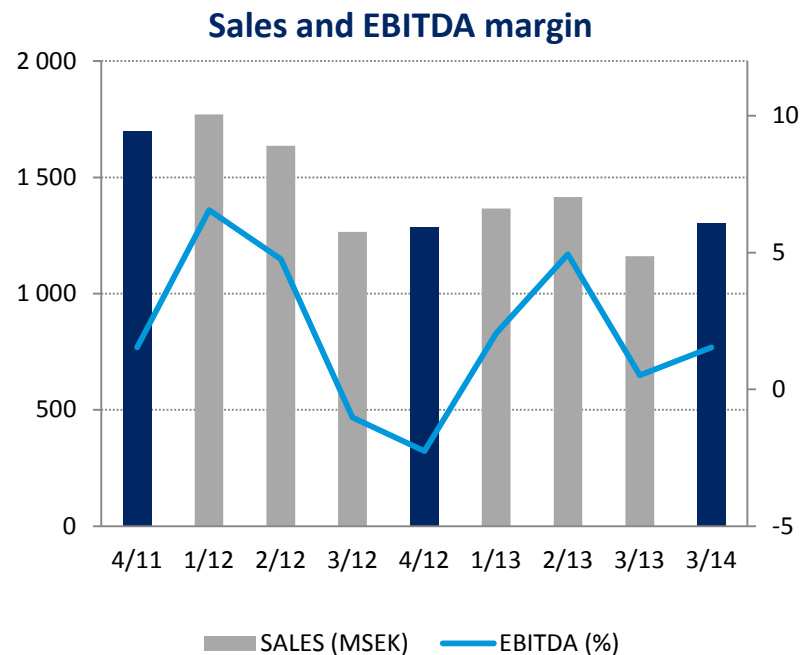
Shipments



Tibnor

MSEK	Q1-14	Q1-13	Change
Sales	1 341	1 366	-2%
EBITDA	34	28	n.m.
EBIT	22	15	n.m.
EBIT margin	1.6%	1.1%	

- ▶ Total shipments were slightly higher than in Q4 and Q1 2013
- ▶ The heavy plate, reinforcement steels, specialty steels and strip steel product groups developed positively compared with Q1 2013



Financials

Håkan Folin, CFO



Financials Q1 2014

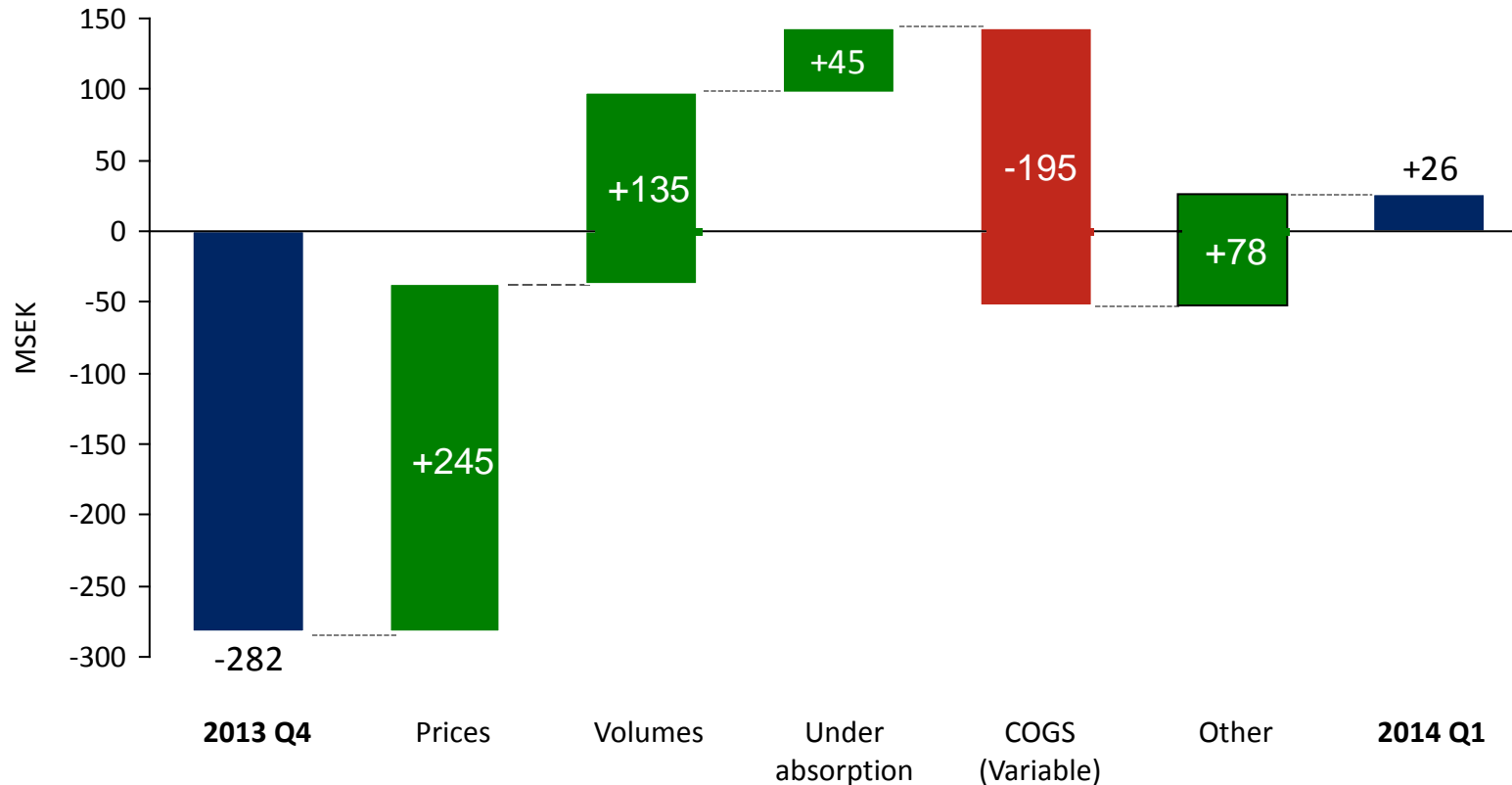
- ▶ Sales amounted to MSEK 9 169 (8 833)
- ▶ EBIT of MSEK 26 (-136)
- ▶ Operating cash flow of MSEK -275 (85)



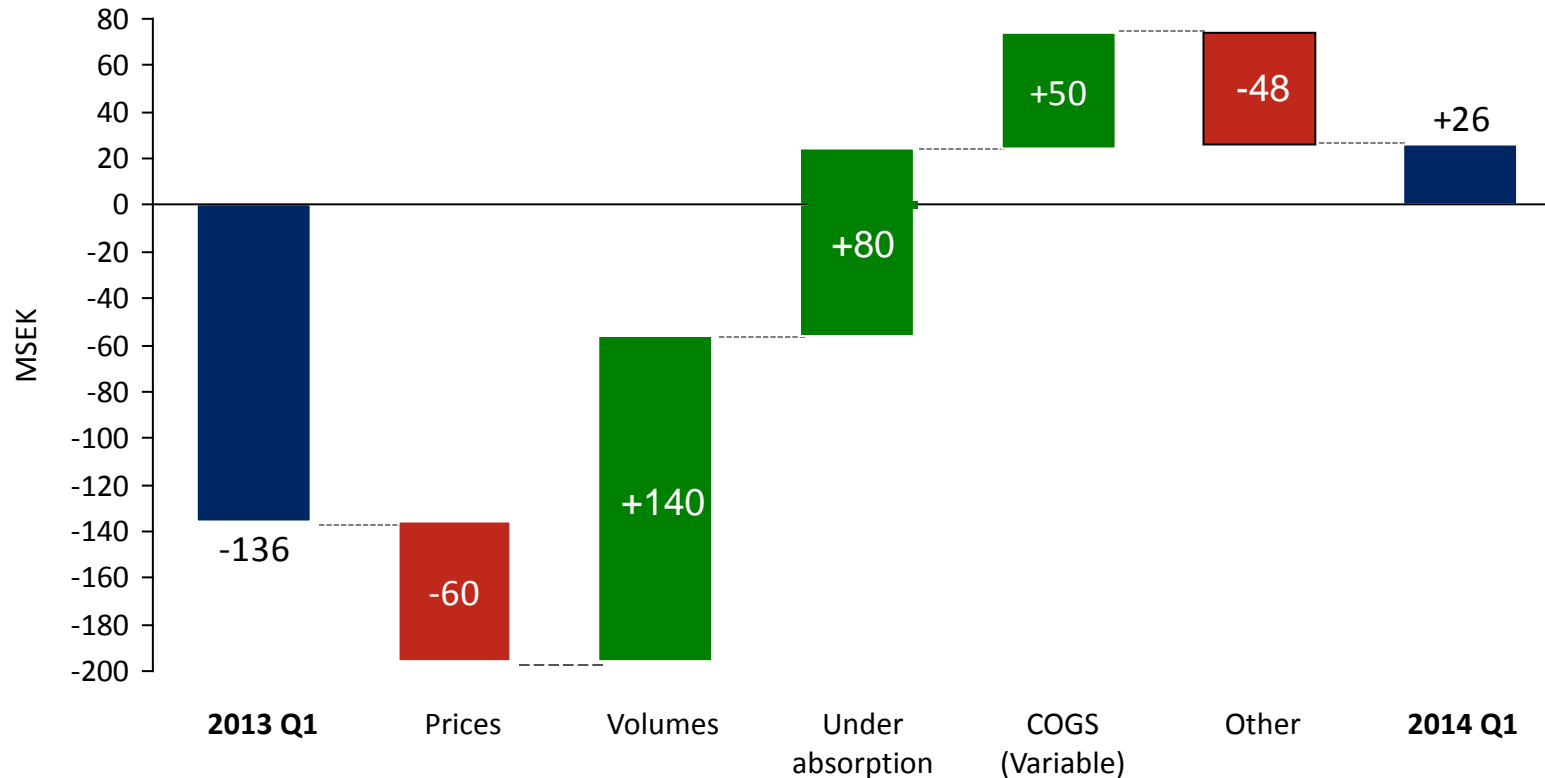
Key figures

MSEK (except for EPS and Dividend)	Q1-14	Q1-13	2013 Full year
Sales	9 169	8 833	35 022
Operating profit	26	-136	-1 131
Pre-tax profit	-135	-278	-1 728
Net profit	-49	-137	-1 066
Earnings per share, SEK	-0.15	-0.42	-3.29
Operating cash-flow	-275	85	1 956
Debt/Equity, %	56	55	55
ROCE, %	-	-	-2
ROE, %	-	-	-4
Dividend, SEK	-	-	-

Change in operating profit - Q1 2014 vs. Q4 2013



Change in operating profit - Q1 2014 vs. Q1 2013



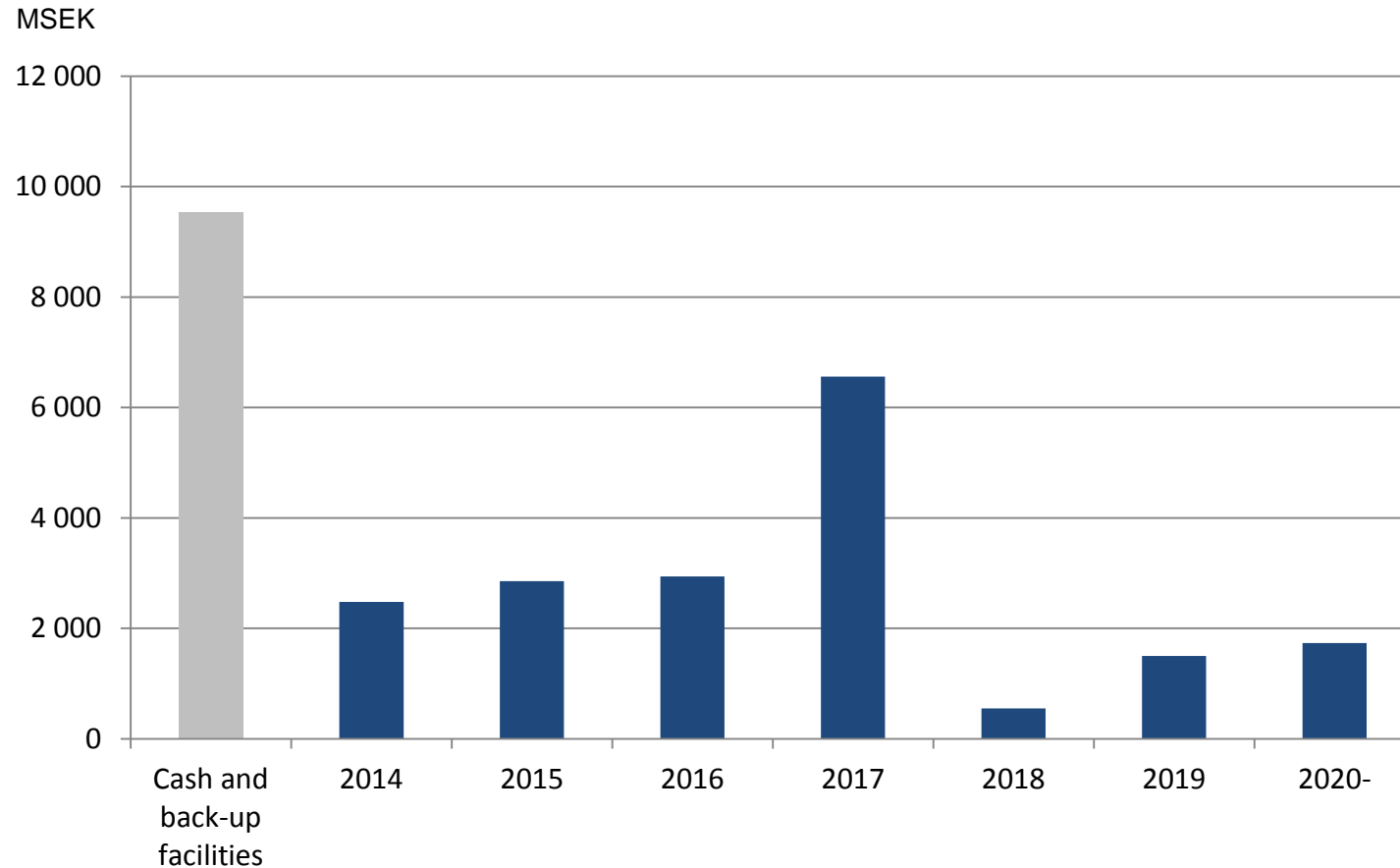
Cash flow

MSEK				2013
	Q1-14	Q1-13	Full year	
SSAB EMEA	18	-115	1 024	
SSAB Americas	-72	155	552	
SSAB APAC	-64	45	266	
Tibnor	-125	22	164	
Other	-32	-22	-50	
Operating cash flow	-275	85	1 956	
Financial items	-112	-104	-570	
Taxes	137	-92	-283	
Cash flow from current operations	-250	-111	1 103	
Strategic capex and acquisitions	-38	-53	-172	
Divestments	-	-	88	
Cash flow before dividends and financing	-288	-164	1 019	
Dividends	-	-	-324	
Net Cash flow	-288	-164	695	

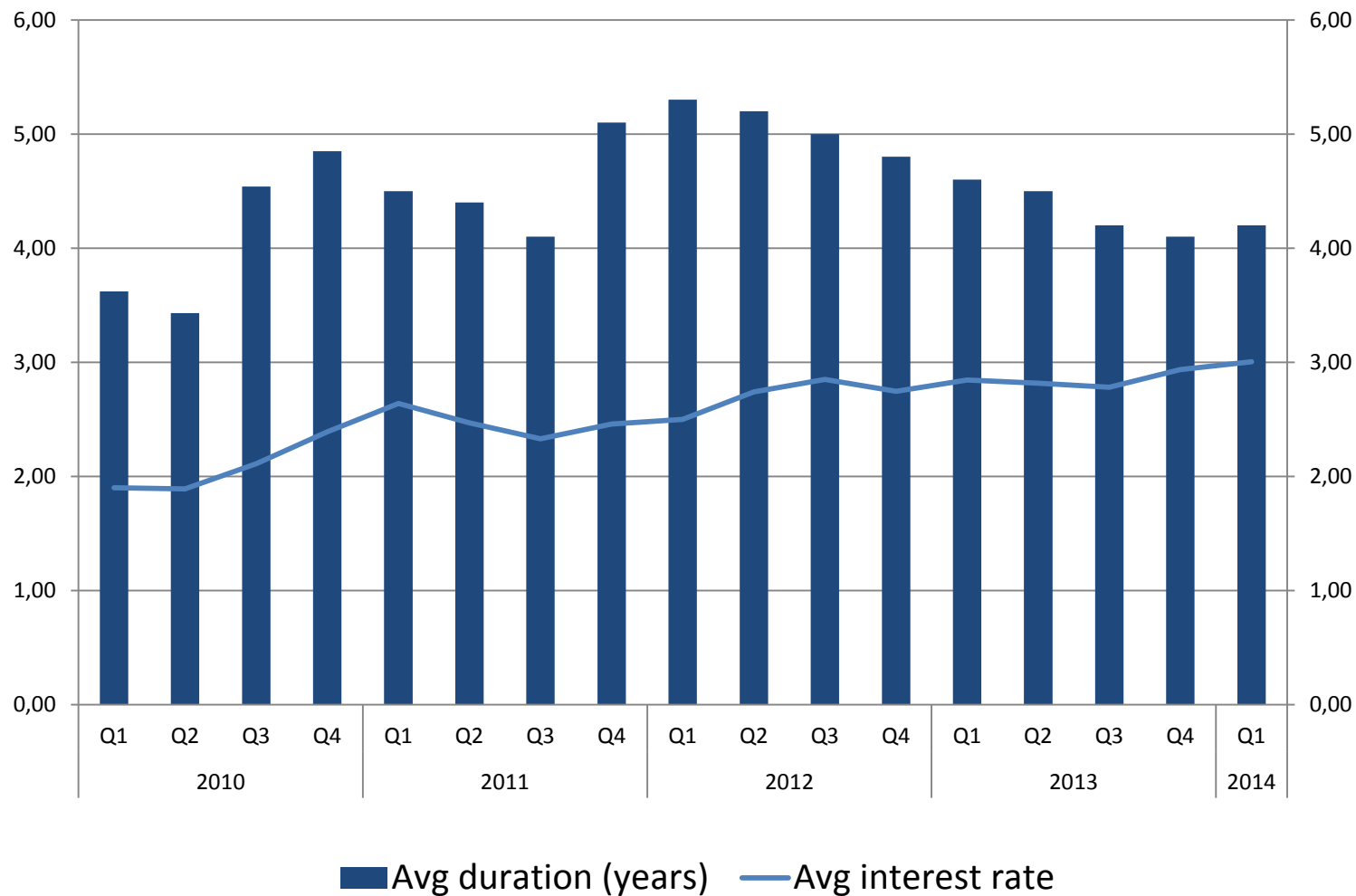
Financing and Liquidity – March 31, 2014

- ▶ Net debt increased by MSEK 300 from Q4 2013 and amounted to SEK 15.1 billion in Q4
- ▶ The net gearing was 56% by the end of Q1 2014 (55% Q1 2013)
- ▶ Liquidity preparedness as percentage of annual sales (rolling 12 months) was 28% (including commercial paper)
- ▶ Commercial paper amounted to MSEK 600
- ▶ The average term on the loan portfolio at 4.2 years with an interest term of 0.9 years
- ▶ During Q1, SSAB issued a five-year Swedish bond totaling MSEK 1 500 and in April SSAB issued a five-year bond in the European bond market totaling MEUR 350

Debt Maturity, March 31, 2014



Debt Cost and Duration



Trends in raw material prices

► Iron ore

- Iron ore prices was 7% in lower in SEK versus Q4 and 3% higher versus Q1 2013
- No new contract with LKAB signed (current contract expired March 31)

► Coking coal

- The price for coking coal was 6% lower in SEK versus Q4 and 29% lower versus Q1 2013

► Scrap

- US scrap prices increased sharply during beginning of the quarter but declined and ended 6% lower vs. end of Q4 2013



Outlook

Martin Lindqvist, President & CEO



Outlook for SSAB

- ▶ In North America, the demand for plate is expected to continue to develop positively
 - The previously announced price increases will gradually have further impact during Q2
 - Effect of increased import uncertain
 - Maintenance stop in Mobile in end March/beginning April – most of the total cost of SEK 150 million will impact earnings in Q2
- ▶ Small signs of improvement from low level in Europe
- ▶ No short term improvement in Asia expected
- ▶ SSAB's total shipments in Q2 2014 expected to be in line with the level in Q1 2014

Customer case – Chinese company DongFeng uses the advantages with SSAB's steel in their marketing



Weight reduction	Fuel saving /year	Increased payload income/100 km	Increased payload income/year	Increased profit /year
1T	7320元	70元	70000元	77320元

Combination with Rautaruukki - Milestones before closing

- ▶ SSAB shareholders approved the resolutions necessary for the rights issue at the AGM on April 9
- ▶ The offer document/prospectus was presented for Rautaruukki's shareholders on April 11 and the acceptance period started April 14
- ▶ The transaction is subject to regulatory competition approval in the European Union and in a limited number of other jurisdictions
 - SSAB has filed for approval in the jurisdictions outside EU
- ▶ Closing of the transaction expected to take place shortly after approvals from competition authorities

Questions and Answers

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





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