

INTERIM REPORT JANUARY – JUNE 2023



Weaker market in Europe,
more stable for Special
Steels and Americas

July 21, 2023

SSAB

Report for Q2 and first half of 2023

The second quarter

- Revenue was SEK 31,777 (35,516) million
- Operating result was SEK 4,963 (10,390) million
- Earnings per share were SEK 3.81 (7.79)
- Net cash was SEK 11.7 (7.2) billion
- Investment decision for Oxelösund, transition to fossil-free steelmaking progressing to plan

Key figures

SEK millions	2023 Q2	2022 Q2	2023 Q1	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
Revenue	31,777	35,516	31,904	63,681	67,091	128,745
Adjusted EBITDA	5,871	11,241	5,600	11,470	20,439	32,675
Adjusted operating result	4,963	10,395	4,733	9,696	18,773	29,283
Operating result	4,963	10,390	4,733	9,696	18,552	-4,355
Result for the period	3,926	8,023	3,701	7,627	14,039	-10,877
Earnings per share (SEK)	3.81	7.79	3.59	7.40	13.63	-10.57
Operating cash flow	6,281	7,124	3,135	9,416	12,042	22,693
Net debt (+) / Net cash (-)	-11,707	-7,163	-15,590	-11,707	-7,163	-14,287
Net debt/equity ratio (%)	-17	-8	-22	-17	-8	-21
Return on capital employed, rolling 12 months (%)	-12	39	-5	-12	39	-1
Number of employees at end of period	14,632	14,472	14,634	14,632	14,472	14,568

Comments by the CEO

SSAB's operating result for the second quarter of 2023 was SEK 4,963 (10,390) million. The result decreased compared to last year's record level primarily because of a weaker market for SSAB Europe, Tibnor and Ruukki Construction, while the results for SSAB Special Steels and SSAB Americas were more stable. Compared with the first quarter of 2023, the result of the Group increased by SEK 230 million. Demand on the European market has weakened and we continued to initiate measures to adjust production, costs and staffing.

SSAB Special Steels' operating result* was SEK 2,003 (2,373) million and the operating margin was 23% (26%). SSAB Americas' operating result was SEK 2,642 (3,511) million and the operating margin was 34% (40%). SSAB Europe's operating result* fell to SEK 764 (4,069) million and the operating margin was 6% (28%).

Safety performance continued to improve and Lost Time Injury Frequency (LTIF) decreased to 1.01 (1.56) in the second quarter.

Demand in Europe has weakened and market prices of steel decreased during the quarter, which affects SSAB after a certain delay. To meet the weaker demand, measures to adjust production, costs and staffing were initiated. The target is to reduce cost by more than SEK 500 million on an annual basis. The measures include temporary and permanent layoffs, use of work-hours banks and restrictions on new hires and other fixed costs. Further measures to adjust costs are ready to be implemented, if the market conditions so require. Customers are showing signs of a more cautious sentiment also on SSAB Special Steels markets. The heavy plate market in North America was stable during the quarter.

Investments in the Nordic production system to remove carbon dioxide emissions, lower costs and strengthen the product portfolio continue according to plan. In order to continue to keep up a high pace and lead to fossil-free transformation, SSAB's Board has taken the decision to invest SEK 6.2 billion in a new electric arc furnace and raw material handling in Oxelösund. However, the transformation requires final approval for the necessary power line to Oxelösund.

There is strong demand for steel with no carbon dioxide footprint and the focus is on the ramp-up of SSAB's unique new product, SSAB Zero, with 0.0 kg emissions of fossil carbon dioxide equivalents per kg of steel. During the quarter, SSAB launched a study with Fortum to explore the possibilities of making direct reduced sponge iron in Raahe. The study is expected to complete early next year.

*) Adjusted operating result is applied for comparative information, no items affecting comparability were reported in the second quarter of 2023.

During the quarter, SSAB and Ponsse, one of the world's largest manufacturers of forest machines, signed a fossil-free steel cooperation agreement.

Outlook for the third quarter of 2023

Demand in Europe weakened during the second quarter and there is a risk of a more pronounced downturn than normal in the third quarter. Demand on the heavy plate market in North America is expected to continue at a good level. Demand for high-strength steel has been good, but customers are showing signs of a more cautious sentiment.

Compared to the second quarter of 2023, SSAB Special Steels' shipments are assessed to be somewhat lower, due to somewhat weaker market, as well as the planned maintenance outage in Oxelösund. Prices are assessed to be somewhat lower.

SSAB Europe's shipments are expected to be significantly lower, due to planned maintenance and a weaker market. Prices are expected to be lower in the third quarter than in the second quarter of 2023.

SSAB Americas' shipments are assessed to be somewhat higher and prices stable.

The costs of raw materials are expected to be somewhat lower than in the prior quarter, especially related to lower coal prices.

Outlook for steel divisions

	Q3 2023 vs. Q2 2023	
	Shipments	Realized prices
SSAB Special Steels	Somewhat lower	Somewhat lower
SSAB Europe	Significantly lower	Lower
SSAB Americas	Somewhat higher	Stable

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 2023

The Group's total maintenance costs for the full-year 2023 are expected to be SEK 1,550 (1,540) million, unchanged compared with the earlier forecast. The table below shows the expected costs for 2023 and the actual costs during 2022. 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 2023

	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
SEK millions	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4	Full-year	Full-year
SSAB Special Steels	0	0	0	0	75	90	600	400	675	490
SSAB Europe	0	0	0	0	350	205	200	450	550	655
SSAB Americas	0	0	0	0	0	335	325	60	325	395
Total	0	0	0	0	425	630	1,125	910	1,550	1,540

The market during the second quarter

Demand for high-strength steel was good in most markets, but it weakened somewhat in Europe and continued to be weak in China.

Demand for standard steel in Europe weakened during the second quarter and import volumes into Europe increased. The capacity that was temporarily idled in Europe during 2022, has now mostly been restarted. In Europe, market prices for strip and heavy plate fell during the second quarter. Inventory levels are assessed to be normal. In North America, demand for heavy plate was generally good and the market price was relatively stable. Inventory levels at North American distributors were still low.

In China, market prices for strip and heavy plate fell during the second quarter.

SSAB Group – Second quarter of 2023

Revenue and operating result

Revenue for the second quarter of 2023 was SEK 31,777 (35,516) million, down 11% compared to last year. Revenue was virtually unchanged compared to the first quarter of 2023.

Operating result was SEK 4,963 (10,390) million and adjusted operating result was SEK 4,963 (10,395) million, no items affecting comparability were reported in the second quarter of 2023. The decrease compared to 2022 was explained by a weaker European market that impacted SSAB Europe, Tibnor and Ruukki Construction with lower prices and higher raw material costs at the same time. Compared to the first quarter of 2023, adjusted operating result was up SEK 230 million.

Revenue and adjusted operating result by business segment

SEK millions	Revenue			Adjusted operating result 1)		
	2023 Q2	2022 Q2	Change	2023 Q2	2022 Q2	Change
SSAB Special Steels	8,646	8,985	-339	2,003	2,373	-370
SSAB Europe	12,953	14,357	-1,404	764	4,069	-3,305
SSAB Americas	7,728	8,842	-1,114	2,642	3,511	-869
Tibnor	3,600	4,783	-1,184	-50	608	-658
Ruukki Construction	1,559	2,020	-461	10	209	-199
Other	-	-	-	-405	-374	-31
Group adjustments	-2,709	-3,472	762	-	-	-
Total	31,777	35,516	-3,739	4,963	10,395	-5,432

1) Excluding items affecting comparability SEK 0 (-6) million. From January 1, 2023 onwards, the adjusted operating result of the business segments includes depreciation/ amortization on surplus values on tangible and intangible assets related to the acquisitions of Ipsco and Rautaruukki. Comparative information has been updated accordingly.

Analysis of total change in revenue and adjusted operating result

Revenue			Adjusted operating result		
	Change vs. Q2 2022 %	Change vs. Q1 2023 %		Change vs. Q2 2022 SEK m	Change vs. Q1 2023 SEK m
Volume	0	-1	Price and product mix	-2,895	1,270
Price	-12	3	Volume	-300	-105
Product mix	-1	1	Variable costs	-2,055	-645
Currency effects	5	1	Fixed costs	-365	-420
Other revenue	-4	-4	Currency effects	58	40
			Capacity utilization	125	90
Total	-11	0	Total	-5,432	230

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 1.01 (1.56). Total recordable injury frequency (TRIF) was 6.90 (8.94).

Energy intensity and CO₂e intensity in production were stable compared to the figures for the second quarter of 2022.

Key sustainability figures – rolling 12 months

	2023 Q2	2022 Q2	2023 Q1	2022 Full-year
Safety				
Lost time injury frequency (LTIF) 1)	1.01	1.56	0.92	1.06
Total number of injuries (LTI) 2)	29	43	26	30
Total recordable injury frequency (TRIF)	6.90	8.94	7.50	7.70
Environment				
Energy consumption, GWh 3)	9,127	9,125	9,080	8,961
Energy intensity, kWh/tonnes crude steel	1,187	1,194	1,197	1,229
CO ₂ e-emissions (Scope 1), thousand tonnes	9,930	10,088	9,741	9,827
Indirect CO ₂ e-emissions (Scope 2), thousand tonnes	1,126	958	1,135	1,180
CO ₂ e-intensity, tonnes of CO ₂ e/tonnes crude steel 4)	1.44	1.44	1.43	1.51

1) Lost Time Injury Frequency, number of accidents resulting in an absence of more than one day per million working hours, own employees and contractors.

2) Lost Time Injuries, number of accidents resulting in an absence of more than one day, own employees and contractors.

3) Total energy consumption (electricity, purchased fuels and purchased heat).

4) Includes Scope 1 and Scope 2.

Transformation to fossil-free steel

Investments in the Nordic production system to remove carbon dioxide emissions, lower costs and strengthen the product portfolio continue according to plan. In order to continue to keep up a high pace and lead the fossil-free transformation, SSAB's Board has taken the decision to invest SEK 6.2 billion in a new electric arc furnace and raw material handling in Oxelösund. However, the transformation requires final approval for the necessary power line to Oxelösund. Oxelösund is the first step in SSAB's plan to convert the entire Nordic production system by around 2030.

During the second quarter, SSAB and Fortum launched a FEED (Front-End Engineering Design) study to explore the possibilities of making hydrogen-reduced sponge iron in Raahe, Finland. The study is scheduled to complete in the first quarter of 2024.

The EU-US Trade and Technology Council (TTC) meeting within the framework of the Swedish EU presidency took place in Luleå, Sweden, in May with a visit to SSAB and Hybrit. SSAB highlighted the importance of continued good conditions for the green transition, including the need for Europe, together with the US, to develop ambitious green standards that support the transformation of the steel industry globally. The TTC is the principal forum for the coordination of US and EU strategies in key global trade and technology issues. During the meeting, US Secretary of State Antony Blinken and the EU Commissioner for Competition Margrethe Vestager, among others, visited the HYBRIT facility in Luleå.

During the second quarter SSAB and Ponsse, one of the world's largest manufacturers of forest machines, signed a fossil-free steel cooperation agreement.

During the first quarter, SSAB launched a completely new scrap-based steel, SSAB Zero, with 0.0 kg emissions of carbon dioxide equivalents per kg of steel – the first commercial product of its kind. The objective is to deliver 40,000 tonnes of SSAB Zero during 2023 and to increase production to around 100,000 tonnes during 2025.

Raw materials

SSAB sources iron ore primarily from LKAB in Sweden at prices linked to market index. SSAB sources coking coal from Australia, the USA and Canada, usually on annual supply contracts with monthly prices. The mills in the USA use recycled steel material and source scrap metal on the spot market.

The table below shows the development in SSAB's purchase prices. Lead times and payment terms for iron ore have a combined effect which impacts the result after a delay of around one quarter, while coking coal has a delay of around one and a half quarters. Scrap purchase prices have a delay of around one month.

Change in SSAB's average purchase prices, second quarter of 2023

% change	Q2 2022		Q1 2023	
	USD	SEK	USD	SEK
Iron ore	-29%	-24%	-4%	-3%
Coking coal	-40%	-37%	0%	1%
Scrap metal	-18%	-12%	-3%	-2%

Production and shipments

Production and shipments were relatively stable during the second quarter, both compared to the previous quarter and Q2 of 2022.

Production and shipments

Thousand tonnes	2023 Q2	2022 Q2	2023 Q1	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
Crude steel production	2,090	1,985	2,044	4,135	3,736	7,293
Rolling production	1,898	1,835	1,899	3,797	3,551	6,727
Steel shipments	1,722	1,711	1,737	3,459	3,375	6,341

Result for the period and earnings per share

The result for the period attributable to shareholders in the parent company was SEK 3,923 (8,021) million for the second quarter of 2023, equating to SEK 3.81 (7.79) per share. Income taxes were SEK -1,093 (-2,232) million.

Cash flow

Operating cash flow for the second quarter of 2023 amounted to SEK 6,281 (7,124) million. The decrease compared to last year was due to a lower result, which was partly compensated by the release of working capital. Net cash flow, after dividends of SEK 8,960 (5,406) million, amounted to SEK -4,526 (-593) million. Net cash amounted to SEK 11,707 (7,163) million on June 30, 2023.

Capital expenditure

Capital expenditure, including acquisitions and divestments of operations, totaled SEK 737 (1,055) million during the second quarter of 2023. Strategic investments were SEK 325 (478) million. The strategic investments primarily relate to Oxelösund for conversion to fossil-free steelmaking. Total maintenance and strategic capital expenditure is expected to be around SEK 5 billion for the full-year of 2023 (unchanged). The corresponding capital expenditure in 2022 was SEK 4.1 billion. The increase is mainly related to the ramp up of investments in Oxelösund.

Operating cash flow and net debt

SEK millions	2023 Q2	2022 Q2	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
EBITDA	5,871	11,234	11,470	20,230	32,340
Change in working capital	1,094	-3,396	-524	-7,800	-8,279
Maintenance capital expenditures	-473	-429	-840	-700	-2,196
Other	-211	-286	-691	313	828
Operating cash flow	6,281	7,124	9,416	12,042	22,693
Financial items	91	-42	194	-57	-17
Income taxes	-1,672	-1,636	-2,426	-2,990	-5,947
Cash flow from current operations	4,699	5,446	7,184	8,995	16,729
Strategic expenditures in plants and machinery	-325	-478	-621	-817	-1,952
Acquisitions of shares and operations	0	-148	-24	-370	-537
Investments/contributions in affiliated companies and joint ventures	-	-	-	-49	-79
Divestments of shares and operations	61	-	61	-	-
Cash flow before dividend	4,435	4,820	6,600	7,759	14,161
Dividend, Parent company's shareholders	-8,960	-5,406	-8,960	-5,406	-5,406
Dividend, non-controlling interest	-2	-7	-2	-7	-7
Net cash flow	-4,526	-593	-2,361	2,346	8,748
Net cash (+) / Net debt (-) at beginning of period	15,590	5,667	14,287	2,346	2,346
Net cash flow	-4,526	-593	-2,361	2,346	8,748
Other 1)	642	2,090	-219	2,472	3,194
Net cash (+) / Net debt (-) at the end of period	11,707	7,163	11,707	7,163	14,287

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

SSAB Group – First half of 2023

Revenue and operating result

Revenue for the first half of 2023 was SEK 63,681 (67,091) million, down 5% compared to the first half of 2022.

Operating result was SEK 9,696 (18,552) million and adjusted operating result was SEK 9,696 (18,773) million, down SEK 9,076 million compared to the first half of 2022. SSAB Special Steels and SSAB Americas had continued good earnings, while the weaker European market impacted SSAB Europe, Tibnor and Ruukki Construction with lower prices and higher raw material costs at the same time.

Revenue and adjusted operating result by business segment

SEK millions	Revenue			Adjusted operating result 1)		
	2023 Jan-Jun	2022 Jan-Jun	Change	2023 Jan-Jun	2022 Jan-Jun	Change
SSAB Special Steels	17,219	16,893	326	4,097	4,458	-361
SSAB Europe	25,246	27,014	-1,768	763	7,317	-6,554
SSAB Americas	15,443	16,307	-864	5,317	6,502	-1,185
Tibnor	7,648	9,246	-1,598	-48	1,022	-1,070
Ruukki Construction	2,888	3,607	-720	1	369	-368
Other	-	-	-	-434	-896	462
Group adjustments	-4,763	-5,976	1,213	-	-	-
Total	63,681	67,091	-3,410	9,696	18,773	-9,076

1) Excluding items affecting comparability SEK 0 (-221) million. From January 1, 2023 onwards, the adjusted operating result of the business segments includes depreciation/ amortization on surplus values on tangible and intangible assets related to the acquisitions of Ipsco and Rautaruukki. Comparative information has been updated accordingly.

Result for the period and earnings per share

The result for the period attributable to shareholders in the parent company for the first half of 2023 was SEK 7,622 (14,035) million, equating to SEK 7.40 (13.63) per share. Income taxes were SEK -2,179 (-4,005) million.

Cash flow, financing and liquidity

Operating cash flow for the first half of 2023 decreased to SEK 9,416 (12,042) million following the lower result. Net cash flow, after dividends of SEK 8,960 (5,406) million, amounted to SEK -2,361 (2,346) million.

Net cash at June 30, 2023 was SEK 11,707 (7,163) million. Cash and cash equivalents were SEK 24,517 (16,204) million and non-utilized credit facilities were SEK 8,750 (9,976) million, which combined corresponds to 27% (22%) of rolling 12-month revenue. The term to maturity of the total loan portfolio at June 30, 2023 averaged 5.6 (6.2) years, with an average fixed interest period of 1.3 (1.1) years.

During the quarter, SSAB issued two five-year senior unsecured sustainability-linked bonds in the combined amount of SEK 2,100 million under its EMTN program. The new bonds are due in June 2028 and carry a coupon of 3 month Stibor + 170 bps for the floating rate notes (SEK 600 million) respectively 4.875% for the fixed rate notes (SEK 1,500 million). The transactions generated strong interest from investors and the issue was well oversubscribed. Sustainability-Linked Bond Principles are a voluntary framework with guidelines on how forward-looking sustainability performance is integrated into bonds. By integrating sustainability performance, the company undertakes to make investments that lead to more sustainable operations.

Equity

With a result for the period of SEK 7,622 (14,035) million and other comprehensive income (mostly consisting of translation differences) of SEK 1,903 (9,772) million attributable to the owners of the parent company, the shareholders' equity attributable to the owners of the parent company amounted to SEK 67,689 (91,918) million, equating to SEK 65.73 (89.25) per share. The decrease in equity was related to the goodwill impairment in the fourth quarter of 2022.

Business segments – Second quarter of 2023

From January 1, 2023 onwards, the adjusted operating result of the business segments includes depreciation/amortization on surplus values on tangible and intangible assets related to the acquisitions of Ipsco and Rautaruukki. Comparative information has been updated accordingly.

SSAB Special Steels

Second quarter in brief

- Good demand on several markets, weaker in Europe
- Shipments decreased 8% to 364 (396) thousand tonnes, due to a weaker European market
- Adjusted operating result was SEK 2,003 (2,373) million

Key figures

SEK millions	2023 Q2	2022 Q2	2023 Q1	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
Revenue	8,646	8,985	8,573	17,219	16,893	33,666
Adjusted EBITDA	2,305	2,648	2,380	4,685	4,997	9,320
Adjusted operating result	2,003	2,373	2,094	4,097	4,458	8,217
Operating cash flow	1,727	911	1,940	3,667	2,727	5,044
Number of employees at end of period	4,012	4,022	4,079	4,012	4,022	4,072

A goodwill impairment of SEK 18,139 million was made in the fourth quarter 2022. The impairment was reported as an item affecting comparability and is not included in the above figures. No items affecting comparability were reported during the second quarter of 2023.

Thousand tonnes	2023 Q2	2022 Q2	2023 Q1	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
Crude steel production	651	634	608	1,259	1,264	2,309
Rolling production	447	460	454	901	879	1,667
Shipments	364	396	349	712	778	1,419

Crude steel and rolling production includes Oxelösund and Mobile. A part of the production in Mobile is shipped by SSAB Americas. Shipments include volumes produced by SSAB Europe.

Market trend

Demand was somewhat weaker in Europe during the quarter and a more cautious sentiment was seen in customer segments, such as Construction Machinery, that are affected either directly or indirectly by lower activity in the construction sector. Material Handling, which includes mining related equipment, and Heavy Transport were more stable, but with signs of a more cautious sentiment. The Chinese market was still relatively weak.

SSAB Special Steels has adopted a more restrictive approach to costs and has prepared for further measures if the market worsens.

Development compared to Q2/22

Compared with a year earlier, the European market was somewhat weaker and this was seen in shipments, which contracted to 364 (396) thousand tonnes. Revenue was down 4% compared to the second quarter of 2022 and amounted to SEK 8,646 (8,985) million. Lower shipments had a negative effect of 8 percentage points, while currency effects had a positive impact of 5 percentage points and prices a positive effect of 2 percentage points.

Adjusted operating result was SEK 2,003 (2,373) million, which was SEK 370 million lower compared to the second quarter of 2022. Higher costs, primarily for raw material, together with lower shipments impacted negatively, which was partly offset by higher prices.

Operating cash flow during the second quarter of 2023 was SEK 1,727 (911) million. The higher cash flow was primarily due to a smaller increase in working capital.

Capital expenditure during the second quarter was SEK 327 (490) million, of which SEK 186 (377) million were strategic investments. During the quarter, the shares in G&G Mining Fabrication were divested with a positive cash flow impact of SEK 61 million.

Development compared to Q1/23

Production and shipments increased somewhat compared to the first quarter of 2023. Revenue increased marginally. Higher shipments contributed 4 percentage points while other revenue had a negative impact of 2 percentage points.

Adjusted operating result decreased by SEK 91 million. Higher shipments were counteracted by higher costs.

SSAB Europe

Second quarter in brief

- Cautious market
- Shipments increased 8% to 907 (838) thousand tonnes
- Adjusted operating result decreased to SEK 764 (4,069) million, mainly due to lower prices

Key figures

SEK millions	2023 Q2	2022 Q2	2023 Q1	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
Revenue	12,953	14,357	12,293	25,246	27,014	50,068
Adjusted EBITDA	1,196	4,476	418	1,614	8,126	10,171
Adjusted operating result	764	4,069	0	763	7,317	8,535
Operating cash flow	2,837	2,433	-1,347	1,490	4,676	6,239
Number of employees at end of period	6,808	6,700	6,783	6,808	6,700	6,682

A goodwill impairment of SEK 2,209 million was made in the fourth quarter of 2022. The impairment was reported as an item affecting comparability and is not included in the above figures. No items affecting comparability were reported during the second quarter of 2023.

Thousand tonnes	2023 Q2	2022 Q2	2023 Q1	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
Crude steel production	1,142	1,049	1,141	2,284	1,938	3,911
Rolling production	1,186	1,093	1,157	2,343	2,158	4,040
Shipments	907	838	912	1,819	1,683	3,174

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

Market trend

Demand contracted during the second quarter and the Construction segment in particular remained weak. Shipments to the Automotive and Heavy Transport customer segments held up well, but the outlook is uncertain.

SSAB Europe continued to adjust costs to lower demand, especially within construction products, with temporary layoffs and a restrictive approach to new hires and other fixed costs. Further measures are ready to be implemented, if the market conditions so require.

Development compared to Q2/22

Production and shipments were higher than in the same quarter last year, which included a few issues that limited production. Revenue was down 10% and amounted to SEK 12,953 (14,357) million. Lower prices decreased revenue by 20 percentage points. This was partly compensated by higher shipments with a positive effect of 8 percentage points and positive currency effects contributed 5 percentage points.

Adjusted operating result for the second quarter of 2023 was SEK 764 (4,069) million, down SEK 3,305 million compared with the same quarter of 2022. Lower prices and higher raw material costs were the main reasons for the downturn.

Operating cash flow during the second quarter of 2023 was SEK 2,837 (2,433) million. The improvement was due to the release of working capital.

Capital expenditure during the second quarter was SEK 328 (300) million, of which SEK 85 (55) million were strategic investments.

Development compared to Q1/23

Production and shipments were stable compared to the prior quarter. Revenue increased by 5%. Higher prices increased revenue by 6 percentage points while other revenue had a negative effect of 3 percentage points.

Compared to the first quarter of 2023, the adjusted operating result increased by SEK 764. Higher prices were partly counteracted by higher costs.

SSAB Americas

Second quarter in brief

- Continued good market and result
- Shipments decreased by 5% to 451 (476) thousand tonnes, due to transportation issues
- Adjusted operating result was SEK 2,642 (3,511) million

Key figures

SEK millions	2023 Q2	2022 Q2	2023 Q1	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
Revenue	7,728	8,842	7,714	15,443	16,307	32,163
Adjusted EBITDA	2,697	3,563	2,728	5,425	6,603	12,474
Adjusted operating result	2,642	3,511	2,675	5,317	6,502	12,262
Operating cash flow	1,970	3,833	2,584	4,554	5,551	12,075
Number of employees at end of period	690	645	677	690	645	657

A goodwill impairment of SEK 12,401 million was made in the fourth quarter 2022. The impairment was reported as an item affecting comparability and is not included in the above figures. No items affecting comparability were reported during the second quarter of 2023.

Thousand tonnes	2023 Q2	2022 Q2	2023 Q1	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
Crude steel production	297	303	295	592	534	1,073
Rolling production	265	282	288	553	514	1,019
Shipments	451	476	476	927	914	1,748

Crude production and rolling production refers to Montpelier. Shipments also include volumes from SSAB Special Steels (Mobile)

Market trend

Demand continued to be stable during the second quarter, with good demand from the Energy customer segment among others. SSAB's shipments decreased somewhat because of bad weather conditions, which affected transport towards the end of the quarter.

Development compared to Q2/22

Production was relatively stable during the second quarter and shipments were somewhat lower. Revenue was down 13% and amounted to SEK 7,728 (8,842) million. Lower prices had a negative impact of 14 percentage points and lower shipments 5 percentage points. Currency effects had a positive impact of 5 percentage points.

Adjusted operating result for the second quarter of 2023 was SEK 2,642 (3,511) million, down SEK 869 million. The decrease was primarily explained by lower prices, which were partly offset by somewhat lower costs for scrap.

Operating cash flow during the second quarter of 2023 was SEK 1,970 (3,833) million. Compared to the second quarter of 2022, cash flow was impacted negatively by a lower result and increased working capital.

Capital expenditure during the second quarter was SEK 57 (46) million, of which SEK 10 (5) million were strategic investments.

Development compared to Q1/23

Shipments decreased somewhat compared to the first quarter of 2023. Revenue increased marginally. Lower shipments decreased revenue by 5 percentage points, whereas higher prices and other revenue had each a positive impact of 2 percentage points.

Compared to the first quarter of 2023, the adjusted operating result decreased marginally by SEK 33 million. Lower shipments and higher costs for scrap were largely offset by higher prices.

Tibnor

Second quarter in brief

- Weak demand and 25% reduction in revenue
- Adjusted operating result decreased to SEK -50 (608) million, impacted by lower prices and inventory losses

Key figures

SEK millions	2023 Q2	2022 Q2	2023 Q1	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
Revenue	3,600	4,783	4,048	7,648	9,246	16,625
Adjusted EBITDA	2	653	50	52	1,110	616
Adjusted operating result	-50	608	1	-48	1,022	434
Operating cash flow	114	248	361	475	-252	-386
Shipments, thousand tonnes	206	229	242	448	481	875
Number of employees at end of period	1,102	1,058	1,099	1,102	1,058	1,070

A goodwill impairment of SEK 542 million was made in the fourth quarter 2022. The impairment was reported as an item affecting comparability and is not included in the above figures. No items affecting comparability were reported during the second quarter of 2023.

Market trend

The market was generally weak during the second quarter, especially within customer segments related to construction. The market in Finland and the Baltics was slightly more stable.

Tibnor are implementing a number of measures to reduce costs and to adjust staffing levels to a weaker market.

Development compared to Q2/22

Revenue decreased by 25% compared with the second quarter of 2022 and amounted to SEK 3,600 (4,783) million. The weaker market, lower prices and a negative product mix had a combined negative effect on revenue of 16 percentage points. Lower shipments impacted with 10 percentage points.

Adjusted operating result for the second quarter of 2023 was down SEK 658 million compared with the same period in 2022 and amounted to SEK -50 (608) million. Lower prices and lower shipments had a negative effect. Tibnor had a record second quarter last year lifted by inventory gains, but the second quarter of 2023 was impacted by inventory losses.

Operating cash flow during the second quarter of 2023 was SEK 114 (248) million. The decrease was explained by the lower result, partly offset by smaller increase in working capital.

Capital expenditure during the second quarter was SEK 37 (23) million, of which SEK 14 (9) million were strategic investments.

Development compared to Q1/23

Revenue was down 11% compared with the first quarter of 2023, due to lower shipments.

Adjusted operating result decreased by SEK 51 million compared with the first quarter of 2023. The decrease was attributable to lower shipments.

Ruukki Construction

Second quarter in brief

- Continued weak demand
- Adjusted operating result decreased to SEK 10 (209) million
- Additional measures to reduce costs

Key figures

SEK millions	2023 Q2	2022 Q2	2023 Q1	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
Revenue	1,559	2,020	1,329	2,888	3,607	6,880
Adjusted EBITDA	63	263	41	104	472	734
Adjusted operating result	10	209	-9	1	369	524
Operating cash flow	-4	41	36	32	47	593
Number of employees at end of period	1,485	1,468	1,487	1,485	1,468	1,498

No items affecting comparability were reported during the second quarter of 2023.

Market trend

Demand during the second quarter was weak and especially within residential building on Ruukki Construction's main markets, Finland and Sweden.

Ruukki Construction has implemented structural cost savings and among other things is reducing staffing due to lower demand. The measures are expected to result in total annual savings of more than SEK 150 million, with full effect at the end of 2023.

Development compared to Q2/22

Revenue decreased by 23% and amounted to SEK 1,559 (2,020) million.

The adjusted operating result for the second quarter of 2023 decreased to SEK 10 (209) million, due to lower revenue and higher costs. Revenue and margins were at a record high level a year earlier.

Operating cash flow during the second quarter was SEK -4 (41) million. The decrease was related to a lower result.

Capital expenditure during the second quarter was SEK 45 (39) million, of which SEK 31 (31) million were strategic investments.

Development compared to Q1/23

Compared to the first quarter of 2023, revenue was up 17% and the adjusted operating result increased by SEK 19 million, due to seasonally higher volumes in Roofing. Measures to reduce costs had a positive impact of around SEK 20 million.

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 2022.

Annual General meeting and dividend

The annual general meeting was held in Oxelösund, Sweden on April 18, 2023. The annual general meeting resolved on a dividend of SEK 8.70 per share for the financial year 2022, totaling around SEK 9 billion were paid on April 25. The annual general meeting authorized the Board of Directors to, on one or several occasions up to the next AGM, resolve on acquisitions of own shares of series A and/or B on Nasdaq Stockholm and/or Nasdaq Helsinki. Acquisitions may be made of such amount of shares that the holding of the Company at any time does not exceed 10 percent of the total number of shares in the Company and may only be made at a price per share within the price range between the highest purchase price and lowest selling price applicable from time to time on Nasdaq Stockholm or Nasdaq Helsinki.

Affirmation

The Board of Directors and the President and CEO affirm that this interim report provides a fair and true view of the operations, financial position and earnings of the Parent Company and the Group, and describes the material risks and uncertainties facing the Parent Company and the Group.

Stockholm, July 21, 2023

Lennart Evrell
Chair

Petra Einarsson
Director

Bernard Fontana
Director

Marie Grönberg
Director

Tomas Karlsson
Director

Sven-Erik Rosén
Director

Mikael Mäkinen
Director

Maija Strandberg
Director

Patrick Sjöholm
Director

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	2023 Q2	2022 Q2	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
Revenue	31,777	35,516	63,681	67,091	128,745
Cost of goods sold	-25,262	-23,538	-51,015	-45,375	-127,096
Gross profit	6,515	11,978	12,666	21,716	1,649
Selling and administrative costs	-1,556	-1,601	-3,017	-2,884	-5,565
Other operating income and expenses	19	1	60	-297	-465
Affiliated companies, profit/loss after tax	-14	12	-12	17	26
Operating result	4,963	10,390	9,696	18,552	-4,355
Financial items	56	-135	110	-508	-286
Result before tax	5,019	10,254	9,806	18,044	-4,641
Income tax	-1,093	-2,232	-2,179	-4,005	-6,235
Result for the period	3,926	8,023	7,627	14,039	-10,877
Of which attributable to:					
- Parent Company's shareholders	3,923	8,021	7,622	14,035	-10,886
- Non-controlling interest	3	2	5	5	10

In the fourth quarter of 2022, a goodwill impairment of SEK 33,291 million was made.

Consolidated statement of comprehensive income

SEK millions	2023 Q2	2022 Q2	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
Result for the period	3,926	8,023	7,627	14,039	-10,877
Other comprehensive income					
<i>Items that may be subsequently reclassified to the profit or loss</i>					
Translation differences for the period	2,422	6,966	2,587	8,576	8,681
Translation differences due to hyperinflation after tax	0	32	-2	32	25
Cash flow hedges	-166	871	-927	1,271	1,033
Income tax on cash flow hedges	34	-173	186	-254	-207
Net investment hedges in foreign operations	-	-	-	-	371
Income tax on net investment hedges in foreign operations	-	-	-	-	-77
Total items that may be subsequently reclassified to the profit or loss	2,291	7,696	1,845	9,625	9,826
<i>Items that will not be reclassified to the profit or loss</i>					
Net defined benefit liability re-measurement	23	124	74	186	105
Income tax on net defined benefit liability re-measurement	-5	-25	-15	-37	-29
Total items that will not be reclassified to the profit or loss	18	99	59	149	77
Total other comprehensive income for the period	2,310	7,795	1,904	9,774	9,903
Total comprehensive income for the period	6,237	15,817	9,532	23,813	-974
Of which attributable to:					
- Parent Company's shareholders	6,232	15,815	9,525	23,807	-988
- Non-controlling interest	5	2	7	6	14

Consolidated statement of financial position

SEK millions	2023 June 30	2022 June 30	2022 Dec 31
Assets			
Intangible assets	1,547	35,350	1,416
Tangible fixed assets	26,935	24,465	26,087
Right-of-use assets	3,092	2,421	2,326
Investments in affiliated companies and joint ventures	997	1,013	1,004
Deferred tax receivables	543	555	621
Non-current financial assets	855	1,430	982
Total non-current assets	33,970	65,233	32,436
Inventories	36,620	35,951	37,907
Accounts receivable	14,730	17,357	12,048
Current tax receivables	995	765	205
Other current receivables	1,813	3,813	2,214
Cash and cash equivalents	24,517	16,204	24,900
Total current assets	78,676	74,091	77,275
Total assets	112,646	139,324	109,711
Equity and liabilities			
Equity for the shareholders in the Parent Company	67,689	91,918	67,124
Non-controlling interest	82	52	66
Total equity	67,771	91,971	67,191
Deferred tax liabilities	3,138	2,186	3,115
Non-current provisions	539	528	550
Non-current interest-bearing liabilities	6,481	7,873	6,291
Non-current lease liabilities	2,510	1,895	1,813
Other non-current liabilities	339	221	204
Total non-current liabilities	13,007	12,704	11,973
Accounts payable	19,093	23,380	19,566
Current tax liabilities	1,125	2,935	805
Current interest-bearing liabilities	3,080	328	1,882
Current lease liabilities	796	690	691
Other current liabilities and provisions	7,773	7,317	7,602
Total current liabilities	31,868	34,649	30,547
Total equity and liabilities	112,646	139,324	109,711
Pledged assets	44	1,087	68
Contingent liabilities	5,392	4,252	5,228

In the fourth quarter of 2022, a goodwill impairment of SEK 33,291 million was made.

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, 2021	9,063	23,022	6,095	35,298	73,477	31	73,508
Changes Jan 1 - Jun 30, 2022							
Total comprehensive income for the period			9,593	14,214	23,807	6	23,813
Non-controlling interest through business acquisition						22	22
Result from transaction with owners of non-controlling interest				42	42		42
Dividend, Parent company's shareholders				-5,406	-5,406		-5,406
Dividend, non-controlling interest						-7	-7
Total equity, Jun 30, 2022	9,063	23,022	15,688	44,147	91,918	52	91,971
Changes Jul 1 - Dec 31, 2022							
Total comprehensive income for the period			203	-24,999	-24,795	8	-24,787
Non-controlling interest through business acquisition						7	7
Total equity, Dec 31, 2022	9,063	23,022	15,891	19,149	67,124	66	67,191
Changes Jan 1 - Jun 30, 2023							
Total comprehensive income for the period			1,845	7,680	9,525	7	9,532
Non-controlling interest through business acquisition						11	11
Dividend, Parent company's shareholders				-8,960	-8,960		-8,960
Dividend, non-controlling interest						-2	-2
Total equity, Jun 30, 2023	9,063	23,022	17,736	17,869	67,689	82	67,771

Consolidated statement of cash flows, in summary

SEK millions	2023 Q2	2022 Q2	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
BUSINESS OPERATIONS					
<i>Profit from operating activities</i>					
Operating result	4,963	10,390	9,696	18,552	-4,355
<i>Reversal of non-cash items:</i>					
-Depreciation, amortization and write-down of fixed assets	907	845	1,774	1,678	36,695
-Other non-cash items	-19	-329	-69	-56	59
Received and paid interest	91	-42	194	-57	-17
Income taxes paid	-1,672	-1,636	-2,426	-2,990	-5,947
Change in working capital	1,094	-3,396	-524	-7,800	-8,279
Cash flow from operating activities	5,365	5,832	8,645	9,327	18,156
INVESTING ACTIVITIES					
Investments in intangible and tangible fixed assets	-1,469	-907	-2,617	-1,702	-4,948
Sales of intangible and tangible fixed assets	482	37	487	512	1,537
Acquisitions, shares and operations	0	-117	-24	-330	-433
Investments/contributions in affiliated companies and joint ventures	-	-	-	-49	-79
Divested shares and operations	61	-	61	-	-
Other investing activities	-4	5	47	42	32
Cash flow from investing activities	-929	-981	-2,045	-1,527	-3,891
FINANCING ACTIVITIES					
Dividend, Parent company's shareholders	-8,960	-5,406	-8,960	-5,406	-5,406
Dividend, non-controlling interest	-2	-7	-2	-7	-7
Change in loans	1,161	-2,059	1,184	-2,236	-2,324
Change in financial investments	-1	-122	6	187	1,229
Other financing	1,636	3,389	1,522	4,179	5,785
Cash flow from financing activities	-6,164	-4,205	-6,250	-3,285	-723
CASH AND CASH EQUIVALENTS					
Cash and cash equivalents at beginning of period	27,008	17,348	24,900	13,796	13,796
Cash flow for the period	-1,729	645	350	4,515	13,542
Translation differences, cash and cash equivalents	-761	-1,790	-732	-2,108	-2,439
CASH AND CASH EQUIVALENTS, END OF PERIOD	24,517	16,204	24,517	16,204	24,900
Contracted, non-utilized overdraft facilities	8,750	9,976	8,750	9,976	10,258
Disposable cash and cash equivalents (incl. non-utilized overdraft facilities)	33,267	26,180	33,267	26,180	35,158

Key figures

	2023 Q2	2022 Q2	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
Operating margin (%)	16	29	15	28	-3
Earnings per share (SEK)	3.81	7.79	7.40	13.63	-10.57
Adjusted earnings per share (SEK)	3.81	7.80	7.40	14.12	22.38
Equity per share (SEK)	65.73	89.26	65.73	89.26	65.18
Net debt/equity ratio (%)	-17	-8	-17	-8	-21
Equity ratio (%)	60	66	60	66	61
Return on capital employed, rolling 12 months (%)	-12	39	-12	39	-1
Return on equity, rolling 12 months (%)	-21	32	-21	32	-12
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	14,632	14,472	14,632	14,472	14,568

In the fourth quarter of 2022, a goodwill impairment of SEK 33,291 million was made.

Notes to the condensed financial report

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 2022.

Valuation of financial assets and liabilities

Debt reported in the balance sheet as long-term interest-bearing liabilities (including the short-term part) amounted to SEK 9,381 million at June 30, 2023 while its fair value was SEK 9,399 million. Since the loans will be held until maturity, they are not reported at fair value.

In 2022, a write-down of SEK 288 million was made on the investment in Voimaosakeyhtiö SF (Fennovoima power plant). The investment was reported at zero at December 31, 2022.

Derivative assets and liabilities

SEK millions	2023 June 30	2022 June 30	2022 Dec 31
<i>Derivative assets recognized in</i>			
Non-current financial assets	524	1,128	735
Other current receivables	446	1,525	839
<i>Derivative liabilities recognized in</i>			
Other non-current liabilities	119	1	-
Other current liabilities and provisions	168	88	342

The fair value valuation of the financial instruments 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.

Information about the business segments

SSAB is 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. The descriptions of the reportable business segments can be found in the Annual Report 2022.

External revenue by business segment, geographical area and product area

External revenue Q2 2023	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	145	2,567	-	1,267	442	4,421
Finland	190	1,658	-	675	346	2,869
Other Europe	3,320	5,442	41	1,616	766	11,185
USA	2,002	621	6,966	-	1	9,590
Rest of the world	2,788	384	536	3	-	3,711
Total	8,445	10,672	7,543	3,561	1,556	31,777
Product area						
Steel products	8,301	9,975	7,543	-	-	25,820
Trading operations	-	-	-	3,561	-	3,561
Ruukki Construction operations	-	-	-	-	1,556	1,556
Slabs, by-products and scrap	76	689	-	-	-	765
Other	68	8	-	-	-	76
Total	8,445	10,672	7,543	3,561	1,556	31,777

External revenue Q2 2022	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	201	2,887	-	1,657	537	5,282
Finland	124	1,917	-	850	507	3,398
Other Europe	3,375	5,699	44	2,213	967	12,297
USA	2,041	424	7,979	-	1	10,445
Rest of the world	2,949	382	752	8	3	4,094
Total	8,689	11,309	8,775	4,728	2,016	35,516
Product area						
Steel products	8,496	10,407	8,775	-	-	27,677
Trading operations	-	-	-	4,728	-	4,728
Ruukki Construction operations	0	-	-	-	2,016	2,016
Slabs, by-products and scrap	120	861	-	-	-	981
Other	73	41	-	-	-	113
Total	8,689	11,309	8,775	4,728	2,016	35,516

External revenue Jan-Jun 2023	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	403	4,320	-	2,725	836	8,283
Finland	372	3,185	-	1,450	718	5,726
Other Europe	6,548	11,848	117	3,393	1,325	23,231
USA	3,851	1,116	13,926	-	2	18,895
Rest of the world	5,643	690	1,205	6	1	7,546
Total	16,818	21,160	15,247	7,575	2,881	63,681
Product area						
Steel products	16,449	19,711	15,247	-	-	51,407
Trading operations	-	-	-	7,575	-	7,575
Ruukki Construction operations	-	-	-	-	2,881	2,881
Slabs, by-products and scrap	220	1,430	-	-	-	1,649
Other	149	20	-	-	-	169
Total	16,818	21,160	15,247	7,575	2,881	63,681

External revenue Jan-Jun 2022	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	433	5,518	-	3,258	953	10,161
Finland	223	3,536	-	1,618	908	6,284
Other Europe	6,679	11,330	71	4,257	1,734	24,070
USA	3,565	637	14,768	0	2	18,972
Rest of the world	5,460	765	1,363	13	4	7,604
Total	16,359	21,785	16,201	9,145	3,601	67,091
Product area						
Steel products	16,001	20,096	16,202	-	-	52,298
Trading operations	-	-	-	9,145	-	9,145
Ruukki Construction operations	0	-	-	-	3,601	3,602
Slabs, by-products and scrap	200	1,605	-	-	-	1,805
Other	157	84	-1	-	-	241
Total	16,359	21,785	16,201	9,145	3,601	67,091

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. In addition to the definitions below, further definitions can be found in the Annual Report Note A.3.

Adjusted operating result

SEK millions	2023 Q2	2022 Q2	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
Operating result	4,963	10,390	9,696	18,552	-4,355
Items affecting comparability	-	6	-	221	33,638
Adjusted operating result	4,963	10,395	9,696	18,773	29,283

EBITDA and adjusted EBITDA

SEK millions	2023 Q2	2022 Q2	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
Operating result	4,963	10,390	9,696	18,552	-4,355
Depreciation, amortization and impairment	907	845	1,774	1,678	36,695
EBITDA	5,871	11,234	11,470	20,230	32,340
Items affecting comparability	-	6	-	209	335
Adjusted EBITDA	5,871	11,241	11,470	20,439	32,675

Items affecting comparability

SEK millions	2023 Q2	2022 Q2	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
<u>Operating expenses</u>					
Impairment of goodwill	-	-	-	-	-33,291
Write-down of assets in Russia and Ukraine	-	-6	-	-221	-347
Total effect on operating result	-	-6	-	-221	-33,638
<u>Financial items</u>					
Write-down investment in Fennovoima (Voimaosakeyhtiö SF)	-	-	-	-272	-288
Total effect on result before tax	-	-6	-	-492	-33,926
Taxes	-	-11	-	-14	-13
Total effect on result for the period	-	-16	-	-506	-33,939

Adjusted earnings per share

SEK millions	2023 Q2	2022 Q2	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
Company	3,923	8,021	7,622	14,035	-10,886
Items affecting comparability in the result for the period	-	-16	-	-506	-33,939
Parent Company	3,923	8,037	7,622	14,541	23,052
Average number of shares during the period (millions)	1,029.8	1,029.8	1,029.8	1,029.8	1,029.8
Adjusted earnings per share (SEK)	3.81	7.80	7.40	14.12	22.38

Financial information, per quarter

The Group's adjusted result per quarter

SEK millions	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23
Revenue	19,661	23,673	25,220	27,337	31,575	35,516	31,516	30,138	31,904	31,777
Operating expenses	-16,820	-18,779	-18,642	-19,534	-22,381	-24,289	-23,922	-25,505	-26,303	-25,892
Depreciation/amort.	-867	-815	-784	-791	-821	-844	-857	-869	-869	-907
Affiliated companies	19	4	5	-51	4	12	5	4	2	-14
Financial items	-106	-101	-111	-103	-101	-136	-20	259	54	56
Result before tax	1,887	3,981	5,689	6,859	8,276	10,260	6,722	4,027	4,787	5,019

Revenue per quarter and business segment

SEK millions	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23
SSAB Special Steels	5,122	5,845	5,994	6,549	7,907	8,985	8,431	8,343	8,573	8,646
SSAB Europe	8,829	10,246	10,789	12,446	12,657	14,357	11,989	11,065	12,293	12,953
SSAB Americas	3,644	4,822	6,061	6,153	7,465	8,842	8,302	7,554	7,714	7,728
Tibnor	2,656	3,214	3,063	3,443	4,463	4,783	3,594	3,784	4,048	3,600
Ruukki Construction	1,122	1,593	1,766	1,518	1,588	2,020	1,739	1,534	1,329	1,559
Other	-	-	-	-	-	-	-	-	-	-
Group adjustments	-1,713	-2,047	-2,453	-2,773	-2,504	-3,472	-2,539	-2,143	-2,053	-2,709
Total	19,661	23,673	25,220	27,337	31,575	35,516	31,516	30,138	31,904	31,777

Adjusted EBITDA, per quarter and business segment

SEK millions	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23
SSAB Special Steels	1,189	1,390	1,210	1,777	2,350	2,648	2,674	1,649	2,380	2,305
SSAB Europe	1,139	1,900	2,912	3,690	3,650	4,476	1,856	189	418	1,196
SSAB Americas	301	1,126	1,926	2,235	3,041	3,563	3,089	2,782	2,728	2,697
Tibnor	252	486	552	390	457	653	-133	-361	50	2
Ruukki Construction	87	202	270	202	209	263	206	56	41	63
Other	-108	-206	-288	-540	-508	-361	-92	323	-18	-393
Total	2,860	4,899	6,582	7,753	9,198	11,241	7,599	4,637	5,600	5,871

Adjusted operating result per quarter and business segment

SEK millions	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23
SSAB Special Steels	898	1,159	978	1,523	2,086	2,373	2,390	1,369	2,094	2,003
SSAB Europe	700	1,454	2,503	3,300	3,249	4,069	1,446	-229	0	764
SSAB Americas	254	1,083	1,882	2,186	2,991	3,511	3,034	2,725	2,675	2,642
Tibnor	212	443	510	347	414	608	-181	-408	1	-50
Ruukki Construction	49	163	228	158	160	209	156	-1	-9	10
Other	-121	-219	-301	-553	-522	-374	-104	311	-29	-405
Total	1,993	4,083	5,800	6,961	8,377	10,395	6,742	3,768	4,733	4,963

From January 1, 2023 onwards the adjusted operating result of the business segments includes depreciation/amortization on surplus values on tangible and intangible assets related to the acquisitions of Ipsco and Rautaruukki. Comparative information has been updated accordingly.

Items affecting comparability in operating result, per quarter and business segment

SEK millions	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23
SSAB Special Steels	-	-	-	-	-141	-5	-149	-18,124	-	-
SSAB Europe	-	-	-	-	-25	-1	1	-2,201	-	-
SSAB Americas	-	-	-	-	-	-	-	-12,401	-	-
Tibnor	-	-	-	-	-	-	-	-542	-	-
Ruukki Construction	-	-	-	-	-49	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-215	-6	-148	-33,269	-	-

Items affecting comparability during the fourth quarter of 2022 relate mainly to impairment of goodwill.

Production and shipments

Thousand tonnes	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23
Crude steel production										
-SSAB Special Steels	648	649	469	545	630	634	592	453	608	651
- SSAB Europe	1,157	1,204	1,080	1,193	889	1,049	1,068	905	1,141	1,142
- SSAB Americas	297	315	293	328	232	303	256	283	295	297
Total	2,103	2,168	1,842	2,066	1,751	1,985	1,916	1,641	2,044	2,090
Rolling production										
- SSAB Special Steels	456	466	395	351	419	460	430	358	454	447
- SSAB Europe	1,207	1,290	1,081	1,163	1,065	1,093	1,010	873	1,157	1,186
- SSAB Americas	272	294	291	303	233	282	232	273	288	265
Total	1,935	2,050	1,766	1,818	1,716	1,835	1,672	1,505	1,899	1,898
Steel shipments										
- SSAB Special Steels	376	388	348	350	381	396	336	305	349	364
- SSAB Europe	980	980	795	832	844	838	713	778	912	907
- SSAB Americas	480	494	484	413	438	476	416	418	476	451
Total	1,837	1,861	1,627	1,595	1,664	1,711	1,465	1,502	1,737	1,722

Analysis of total change in revenue per business segment

%	Change vs. Q2 2022			Change vs. Q1 2023		
	SSAB Special Steels	SSAB Europe	SSAB Americas	SSAB Special Steels	SSAB Europe	SSAB Americas
Volume	-8	8	-5	4	0	-5
Price	2	-20	-14	-1	6	2
Product mix	0	0	0	-1	1	0
Currency effects	5	5	5	1	2	1
Other revenue	-3	-2	2	-3	-3	2
Total	-4	-10	-13	1	5	0

Financial reports – The Parent Company

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

SEK millions	2023 Q2	2022 Q2	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
Gross profit	-	-	-	-	-
Selling and administrative costs	-166	-109	-305	-216	-485
Other operating income/expenses	100	59	193	120	274
Operating result	-66	-50	-111	-96	-210
Financial items	-12	-46	12	-69	16,972
Result after financial items	-78	-96	-99	-165	16,762
Appropriations	-	-	-	-	-
Result before tax	-78	-96	-99	-165	16,762
Income tax	18	20	22	34	-60
Result for the period	-61	-76	-78	-131	16,702

Parent company's statement of comprehensive income, in summary

SEK millions	2023 Q2	2022 Q2	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year
Result for the period	-61	-76	-78	-131	16,702
Other comprehensive income					
<i>Items that may be classified to the income statement</i>					
Cash flow hedges	-17	43	-30	104	116
Income tax attributable to cash flow hedges	4	-9	6	-21	-24
Other comprehensive income	-14	34	-24	83	92
Total comprehensive income for the period	-74	-42	-101	-48	16,794

Parent Company's statement of financial position, in summary

SEK millions	2023 June 30	2022 June 30	2022 Dec 31
Assets			
Fixed assets	71,579	73,958	71,929
Other current assets	9,268	8,781	9,782
Cash and cash equivalents	22,600	14,102	23,026
Total assets	103,447	96,841	104,738
Equity and liabilities			
Restricted equity	9,964	9,964	9,964
Unrestricted equity	56,542	48,761	65,603
Total equity	66,506	58,725	75,567
Non-current liabilities and provisions	4,676	6,512	4,612
Current liabilities and provisions	32,265	31,604	24,559
Total equity and liabilities	103,447	96,841	104,738

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.

Auditor's review report

Introduction

We have reviewed the condensed interim report for SSAB AB as at June 30, 2023 and for the six months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, July 21, 2023

Ernst & Young AB

Rickard Andersson

Authorized Public Accountant

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Interim report for January-September 2023

The report for January-September 2023 will be published on October 25, 2023.



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