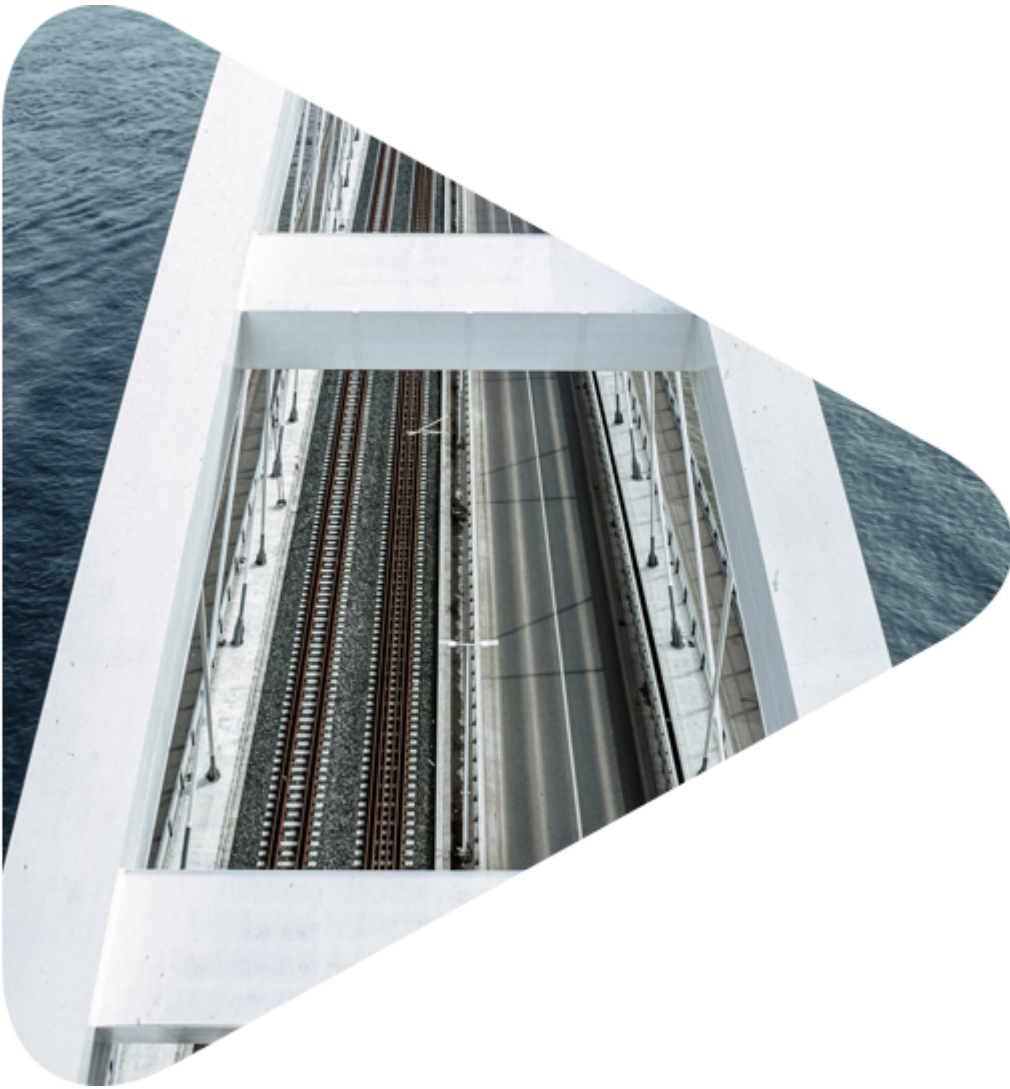


INTERIM REPORT JANUARY - MARCH 2024



High-strength steels resilient
in a weak market

April 24, 2024

SSAB

Report for Q1 2024

The first quarter

- Revenue was SEK 27,148 (31,904) million
- Operating result was SEK 3,157 (4,733) million
- Earnings per share were SEK 2.57 (3.59)
- Net cash was SEK 18.2 (15.6) billion
- Investment decision of EUR 4.5 billion for fossil-free steel mill in Luleå

Key figures

SEK millions	2024 Q1	2023 Q1	2023 Q4	2023 Full-year
Revenue	27,148	31,904	26,469	119,489
EBITDA	4,142	5,600	3,364	20,141
Operating result	3,157	4,733	2,400	16,467
Result for the period	2,573	3,701	1,901	13,038
Earnings per share (SEK)	2.57	3.59	1.86	12.67
Operating cash flow	1,923	3,135	5,798	21,524
Net debt (+) / Net cash (-)	-18,195	-15,590	-18,206	-18,206
Net debt/equity ratio (%)	-25	-22	-27	-27
Return on capital employed, rolling 12 months (%)	21	-5	22	22
Number of employees at end of period	14,496	14,634	14,565	14,565

Comments by the CEO

SSAB's operating result for the first quarter of 2024 amounted to SEK 3,157 (4,733) million. The decrease compared to a year earlier was primarily due to US plate prices that reversed from a high level. The market in Europe continued to be relatively weak, whereas the market for high-strength steel was more stable. The transformation to fossil-free steelmaking continues and SSAB has taken a decision to invest EUR 4.5 billion in the steel mill in Luleå. Besides eliminating 7% of Sweden's carbon dioxide emissions, the investment entails a string of other benefits including lower production costs, greater flexibility and a stronger product mix.

SSAB Special Steels had an operating result of SEK 1,781 (2,094) million and an operating margin of 23% (24%) during the quarter. SSAB Special Steels' unique offering provides added value for our customers and this in turn translates into more stable prices than for standard products.

SSAB Americas' operating result for the first quarter decreased to SEK 1,412 (2,675) million and the operating margin was 23% (35%), as prices weakened from a high level. SSAB Europe had an operating result of SEK 163 (0) million and an operating margin of 2% (0%). The market was weak and the political strikes in Finland had a negative effect of around SEK 350 million, while the development of high-strength steel for the car industry was good. The strike in April is estimated to impact the second quarter negatively by around SEK 125 million.

Both Tibnor and Ruukki Construction have implemented cost saving programs, including reduction of personnel, which will continue to have a positive impact in coming quarters.

Safety performance continued to improve and LTIF decreased to 0.81 (0.92) during the quarter.

There is great interest in products with no carbon dioxide emissions and in early April SSAB took the decision to build a state-of-the art, highly-efficient mini-mill in Luleå. The new mill will have a capacity of 2.5 million tonnes a year with two electric arc furnaces, advanced ladle metallurgy and an integrated rolling mill. The investment also includes a cold rolling and galvanizing complex to supply the vehicle industry with a broader offering of premium products.

The investment in Luleå amounts to EUR 4.5 billion including contingency. This will avoid replacement investments of around EUR 2 billion that would otherwise be needed until 2035 to sustain the current blast furnace, steel mill and coking plant in Luleå as well as the rolling mill in Borlänge. The value creation will be

significant, compared to the alternative of continuing to invest in the current system, and the annual EBITDA improvement is estimated to be more than SEK 5 billion at current commodity forecasts. The mill design includes a production increase of 0.5 million tonnes a year and improved mix with 1 million tonnes of special and premium steels a year. The transformation of Luleå will reduce Sweden’s carbon dioxide emissions by 7% in addition to the 3% reduction from the conversion of the mill in Oxelösund.

Outlook for the second quarter of 2024

Compared with the first quarter of 2024, SSAB Special Steels’ shipments are assessed to be higher during the second quarter, whereas prices are expected to be somewhat lower.

SSAB Europe’s shipments are assessed to be higher and prices to be stable during the second quarter of 2024 compared to the first quarter. The estimate includes the effects of political strikes in Finland in March and April.

SSAB Americas’ shipments are assessed to be somewhat higher and prices somewhat lower.

The costs of raw materials are expected to be somewhat lower compared to prior quarter.

Outlook for steel divisions

	Q2 2024 vs. Q1 2024	
	Shipments	Realized prices
SSAB Special Steels	Higher	Somewhat lower
SSAB Europe	Higher	Stable
SSAB Americas	Somewhat higher	Somewhat lower

Definitions: Significantly lower (>10 %), Lower (5-10 %), Somewhat lower (0-5 %), Stable (~0 %), Somewhat higher (0-5 %), Higher (5-10 %), Significantly higher (>10 %)

SSAB Group – First quarter of 2024

The market during the first quarter

Demand for high-strength steel was slightly lower compared to the start of 2023, mainly within segments related to the construction industry in Europe and North America.

Demand for standard steel in Europe was relatively weak during the quarter and among other things, the restocking was less pronounced than normal.

Market prices for strip and heavy plate in Europe took a downturn during the first quarter following the recovery that took place at the end of 2023. Distributors adopted a cautious approach during the quarter and import volumes increased compared to a year earlier. Inventory levels in the market are estimated to be normal.

In North America, demand for heavy plate was lower and market prices fell during the first quarter. Inventory levels at North American distributors were still low, but they were generally cautious against a backdrop of lower market prices.

Market prices in China for strip and heavy plate fell during the first quarter.

Revenue and operating result

Revenue for the first quarter of 2024 was SEK 27,148 (31,904) million, down 15% compared to the first quarter of 2023, mainly related to lower prices and lower shipments. Compared with the fourth quarter of 2023, revenue was up 3%.

Operating result was SEK 3,157 (4,733) million. The decrease compared to 2023 was primarily explained by lower margins on the North American plate market. Compared to the fourth quarter of 2023, operating result was up SEK 758 million. The previous quarter was impacted by costs of planned maintenance.

Revenue and operating result by business segment

SEK millions	Revenue			Operating result		
	2024 Q1	2023 Q1	Change	2024 Q1	2023 Q1	Change
SSAB Special Steels	7,716	8,573	-857	1,781	2,094	-312
SSAB Europe	10,817	12,293	-1,476	163	0	164
SSAB Americas	6,256	7,714	-1,458	1,412	2,675	-1,263
Tibnor	3,112	4,048	-936	36	1	35
Ruukki Construction	1,015	1,329	-313	-78	-9	-69
Other	—	—	—	-157	-29	-129
Group adjustments	-1,769	-2,053	284	—	—	—
Total	27,148	31,904	-4,756	3,157	4,733	-1,576

Analysis of total change in revenue and operating result compared to prior periods

% change	Revenue		SEK millions	Operating result	
	Vs. Q1 2023	Vs. Q4 2023		Change vs. Q1 2023	Change vs. Q4 2023
Price	-5	-1	Price and product mix	-1,380	-740
Product mix	0	1	Volume	-820	370
Volume	-9	6	Variable costs	1,025	170
Currency effects	1	-2	Fixed costs	70	820
Other sales	-2	-1	Capacity utilization	-370	330
			Currency effects	-100	30
			Other	—	-222
Total	-15	3	Total	-1,576	758

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 per million hours worked (LTIF) improved to 0.81 (0.92). Total recordable injury frequency (TRIF) was 6.0 (7.5).

Energy intensity and CO₂e intensity in production were relatively stable compared to the figures for the first quarter of 2023.

Key sustainability figures – rolling 12 months

	2024 Q1	2023 Q1	2023 Full-year
Safety			
Lost time injury frequency (LTIF) ¹⁾	0.81	0.92	0.87
Total number of injuries (LTI) ²⁾	23	26	25
Total recordable injury frequency (TRIF) ³⁾	6.0	7.5	6.2
Environment			
Energy consumption, GWh ⁴⁾	9,159	9,080	9,165
Energy intensity, kWh/tonnes crude steel	1,193	1,197	1,178
CO ₂ e-emissions (Scope 1), thousand tonnes	9,949	9,741	10,007
Indirect CO ₂ e-emissions (Scope 2), thousand tonnes	1,132	1,135	1,087
CO ₂ e-intensity, tonnes of CO ₂ e/tonnes crude steel ⁵⁾	1.44	1.43	1.43

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 Recordable Injury Frequency, number of lost time injuries, medical treatment injuries and restricted work injuries per million hours worked, own employees and contractors, except for medical treatment injuries and restricted work injuries for contractors in the US.

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

5) Includes Scope 1 and Scope 2.

Transformation to fossil-free steel

SSAB continues investments in transforming the steel mill in Oxelösund to fossil-free steelmaking and a start on construction of the new electric arc furnace was made in 2023. At the end of January 2024, the ruling on the granted concession for the power lines to Oxelösund gained legal force and the project continues according to plan.

There is strong demand for steel without carbon dioxide footprint and SSAB has entered into a large number of partnerships with major customers. During 2023, SSAB launched a completely new scrap-based steel, SSAB Zero, with 0.0 kg emissions of carbon dioxide equivalents (Scope 1 and 2) per kg of steel – the world's first commercial product of its kind. The ramp-up of SSAB Zero production continues and 21,000 tonnes were produced during the first quarter.

During the first quarter, SSAB launched the world's first emission-free steel powder for commercial deliveries, made of recycled SSAB Zero steel. The product will create opportunities for customers to 3D-print their unique designs in steel produced without fossil carbon dioxide emissions. The powder combines the properties of SSAB's high-strength steel with the light structural possibilities of 3D-printing.

In early April SSAB took the decision to build a state-of-the art, highly-efficient mini-mill in Luleå, Sweden. The new mill will have a capacity of 2.5 million tonnes a year with two electric arc furnaces, advanced ladle metallurgy and an integrated rolling mill. The investment also includes a cold rolling and galvanizing complex to supply the vehicle industry with a broader offering of premium products.

The investment in Luleå amounts to EUR 4.5 billion including contingency. This will avoid replacement investments of around EUR 2 billion that would otherwise be needed until 2035 to maintain the current blast furnace, steel mill and coking plant in Luleå as well as the rolling mill in Borlänge. The value creation will be significant, compared to the alternative of continuing to invest in the current system, the annual EBITDA improvement is estimated to be more than SEK 5 billion at current commodity forecasts.

The transformation of Luleå will reduce Sweden's carbon dioxide emissions by 7% in addition to the 3% reduction from the conversion of the mill in Oxelösund.

Major planned maintenance outages 2024

The Group's total maintenance costs for the full-year 2024 are expected to be SEK 1,555 (1,480) million, unchanged since the previous estimate. The table below shows the expected costs for 2024 and the actual costs during 2023. The figures include the impact of the direct maintenance cost and the cost of lower capacity utilization, but exclude lost margins.

Expected maintenance costs for 2024

	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
SEK millions	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4	Full-year	Full-year
SSAB Special Steels	0	0	0	0	100	75	330	550	430	625
SSAB Europe	0	0	0	0	375	325	225	210	600	535
SSAB Americas	0	0	0	0	450	0	75	320	525	320
Total	0	0	0	0	925	400	630	1,080	1,555	1,480

Raw materials

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

The table below shows the fluctuations in SSAB's purchase prices. Lead times and payment terms for iron ore have a combined effect which impacts the result around one quarter later than the change in market price, while coking coal has a lead time of around one and a half quarters. Scrap purchase prices have a lead time of around one month.

Change in SSAB's average purchase prices compared to prior periods

% change	Q1 2023		Q4 2023	
	USD	SEK	USD	SEK
Iron ore	-1%	-2%	4%	2%
Coking coal	-2%	-3%	18%	14%
Scrap metal	-3%	-3%	3%	1%

Production and shipments

SSAB's production and shipments were lower than those of the first quarter of last year, due to lower demand and the political strikes in Finland. Production and shipments were somewhat higher compared to the previous quarter, which was impacted by planned maintenance outages.

	2024	2023	2023	2023
Thousand tonnes	Q1	Q1	Q4	Full-year
Crude steel production	1,941	2,044	1,707	7,778
Rolling production	1,673	1,899	1,598	7,122
Steel shipments	1,583	1,737	1,491	6,460

Result for the period and earnings per share

The result for the period attributable to shareholders in the parent company was SEK 2,573 (3,699) million for the first quarter of 2024, equating to SEK 2.57 (3.59) per share. Income taxes were SEK -745 (-1,086) million.

Cash flow

Operating cash flow for the first quarter of 2024 decreased to SEK 1,923 (3,135) million, mainly due to the lower result. Net cash flow, after purchases of own shares of SEK 1,215 (–) million, amounted to SEK -717 (2,165) million.

Net cash at March 31, 2024 was SEK 18,195 (15,590) million. Cash and cash equivalents were SEK 28,977 (27,008) million and non-utilized credit facilities were SEK 8,548 (10,372) million, which combined corresponds to 33% (29%) of rolling 12-month revenue. The dividend of approximately SEK 5 billion is expected to be paid during the second quarter.

The term to maturity of the total loan portfolio at March 31, 2024 averaged 6.1 (5.4) years, with an average fixed interest period of 1.2 (0.8) years.

Capital expenditure

Capital expenditure amounted to SEK 1,028 (663) million during the first quarter of 2024. Strategic investments were SEK 508 (296) million. The strategic investments primarily relate to Oxelösund for conversion to fossil-free steelmaking. The total estimate of around SEK 5.5 billion for total maintenance and strategic expenditure for the full-year 2024 remains unchanged. The corresponding capital expenditure in 2023 was SEK 4.5 billion. The increase is mainly related to Oxelösund.

Operating cash flow and net debt

SEK millions	2024 Q1	2023 Q1	2023 Full-year
EBITDA	4,142	5,600	20,141
Change in working capital	-1,477	-1,618	4,836
Maintenance capital expenditures	-520	-367	-2,585
Other	-221	-480	-867
Operating cash flow	1,923	3,135	21,524
Financial items	118	104	437
Income taxes	-1,036	-754	-3,879
Cash flow from current operations	1,005	2,485	18,082
Strategic expenditures in plants and machinery	-508	-296	-1,889
Acquisitions of shares and operations	–	-24	-52
Investments/contributions in affiliated companies and joint ventures	–	–	-20
Divestments of shares and operations	–	–	61
Cash flow before dividend	497	2,165	16,182
Dividend, parent company's shareholders	–	–	-8,960
Dividend, non-controlling interest	–	–	-8
Purchases of own shares	-1,215	–	-1,292
Net cash flow	-717	2,165	5,922
Net cash (+) / Net debt (-) at beginning of period	18,206	14,287	14,287
Net cash flow	-717	2,165	5,922
Other ¹⁾	706	-862	-2,003
Net cash (+) / Net debt (-) at the end of period	18,195	15,590	18,206

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

Equity

With a result for the period of SEK 2,573 (3,699) million and other comprehensive income (mostly consisting of translation differences) of SEK 2,071 (-404) million attributable to the owners of the parent company, the shareholders' equity attributable to the owners of the parent company amounted to SEK 71,356 (70,417) million, equating to SEK 69.29 (68.38) per share.

Share buyback program

The 2023 Annual General Meeting gave the Board of Directors an authorization to decide on the purchase of own Class A and/or Class B shares. In October, 2023, SSAB's Board of Directors resolved to implement a share buyback program for a total maximum amount of SEK 2.5 billion. The purpose of the program was to adjust the company's capital structure to create greater value for its shareholders.

The share buyback program was completed during the first quarter and at March 31, 2024, SSAB held 33,217,659 (–) treasury shares, of which 8,216,940 (–) were Class A shares and 25,000,719 (–) Class B shares. The treasury shares had a value of SEK 2,507 (–) million including transaction costs of SEK 7 million related to the program.

The Board of Directors is to propose to the Annual General Meeting 2024 that it resolves to reduce the share capital by canceling the shares acquired by the company, as communicated earlier. The reduction in the share capital will be made by canceling 8,216,940 Class A shares and 25,000,719 Class B shares that are held by the company. If the Annual General Meeting adopts the proposal, the company's total number of shares will be 996,617,667 shares, of which 295,966,330 will be Class A shares and 700,651,337 Class B shares.

Business segments – First quarter of 2024

SSAB Special Steels

First quarter in brief

- Somewhat weaker demand
- Shipments decreased 6% to 327 (349) thousand tonnes
- Operating result was SEK 1,781 (2,094) million

Key figures

	2024 Q1	2023 Q1	2023 Q4	2023 Full-year
Revenue (SEK millions)	7,716	8,573	6,913	32,145
EBITDA (SEK millions)	2,143	2,380	1,199	8,010
Operating result (SEK millions)	1,781	2,094	847	6,752
Operating cash flow (SEK millions)	1,329	1,940	1,599	7,755
Crude steel production (thousand tonnes)	586	608	409	2,252
Rolling production (thousand tonnes)	419	454	300	1,620
Steel shipments (thousand tonnes)	327	349	279	1,304
Number of employees at end of period	4,017	4,079	4,056	4,056

Market trend

Demand in the customer segment related to the construction industry was weak. Other customer segments were more stable, for example Material Handling, which comprises mining and recycling.

Development compared to Q1/23

Compared with a year earlier, demand was somewhat weaker, which was seen in production and shipments. Revenue was down 10% compared to the first quarter of 2023 and amounted to SEK 7,716 (8,573) million. Lower shipments had a negative impact of 6 percentage points and lower prices 5 percentage points.

Operating result was SEK 1,781 (2,094) million. Lower prices and lower shipments were partly compensated by lower variable costs, primarily of raw material.

Operating cash flow during the first quarter was SEK 1,329 (1,940) million. The lower cash flow was primarily due to the lower result and increased working capital.

Capital expenditure during the first quarter was SEK 571 (275) million, of which SEK 408 (185) million were strategic investments in Oxelösund.

Development compared to Q4/23

Production and shipments increased, primarily due to seasonal impacts, as well as due to planned maintenance during the previous quarter. Revenue increased by 12% and higher shipments had an impact of 17 percentage points. Negative currency effects had an impact of 3 percentage points and lower prices reduced revenue by 2 percentage points.

Operating result increased by SEK 934 million. Higher shipments had a positive impact and the previous quarter was affected by planned maintenance both in Oxelösund and Mobile.

SSAB Europe

First quarter in brief

- Cautious market and political strikes in Finland
- Lower shipments, but better product mix through growth in Automotive AHSS
- Operating result increased to SEK 163 (0) million

Key figures

	2024	2023	2023	2023
	Q1	Q1	Q4	Full-year
Revenue (SEK millions)	10,817	12,293	10,072	46,227
EBITDA (SEK millions)	600	418	599	2,906
Operating result (SEK millions)	163	0	165	1,183
Operating cash flow (SEK millions)	41	-1,347	1,252	3,906
Crude steel production (thousand tonnes)	1,077	1,141	1,028	4,367
Rolling production (thousand tonnes)	973	1,157	1,034	4,402
Steel shipments (thousand tonnes)	818	912	776	3,354
Number of employees at end of period	6,786	6,783	6,802	6,802

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

Market trend

Demand was cautious during the first quarter. In segments like Steel Service Centers and Construction, demand continued to be weak. SSAB continued to make progress in high-strength steels (AHSS) to the Automotive segment, partly due to the leading position in emission-free steels, and the market was at a relatively good level. A downturn from high levels was noticed in Heavy Transport, especially in heavy-duty trucks.

SSAB Europe's production and shipments were affected by political strikes in Finland, which had a total negative impact of around SEK 350 million on the first quarter operating result. Since the strikes continued into the first week of April, they will also somewhat impact the operating result for the second quarter, around SEK 125 million negative.

Development compared to Q1/23

Production and shipments were lower compared with the same quarter last year, mainly due to a political strike in Finland. Revenue was down 12% and amounted to SEK 10,817 (12,293) million, lower shipments had an impact of 10 percentage points, the strike reduced shipments by around 100 thousand tonnes. Lower prices impacted revenue by 3 percentage points.

Operating result increased to SEK 163 (0) million, up SEK 164 million compared with the same quarter in 2023. Lower prices, lower shipments and lower capacity utilization were more than offset by lower variable costs, primarily for raw materials and a better product mix driven by good development in Automotive AHSS.

Operating cash flow increased to SEK 41 (-1,347) million, mainly related to release of working capital and a better result.

Capital expenditure during the first quarter was SEK 335 (236) million, of which SEK 53 (46) million were strategic investments.

Development compared to Q4/23

Production was relatively stable compared to the prior quarter, despite the strike in Finland. Revenue increased by 7%. Higher shipments had a positive impact of 5 percentage points and somewhat higher prices contributed 1 percentage point.

Compared to the fourth quarter of 2023, operating result was stable.

SSAB Americas

First quarter in brief

- Lower prices
- Shipments decreased by 8% to 437 (476) thousand tonnes
- Operating result was SEK 1,412 (2,675) million

Key figures

	2024	2023	2023	2023
	Q1	Q1	Q4	Full-year
Revenue (SEK millions)	6,256	7,714	6,711	29,775
EBITDA (SEK millions)	1,473	2,728	1,739	9,874
Operating result (SEK millions)	1,412	2,675	1,681	9,651
Operating cash flow (SEK millions)	931	2,584	2,393	9,509
Crude steel production (thousand tonnes)	278	295	271	1,159
Rolling production (thousand tonnes)	281	288	264	1,100
Steel shipments (thousand tonnes)	437	476	437	1,803
Number of employees at end of period	695	677	691	691

Market trend

A somewhat cautious market, especially among Steel Service Centers, impacted shipments during the first quarter. Activity was good in Energy and Heavy Transport, including railcars.

Development compared to Q1/23

Production and shipments were lower during the first quarter. Revenue was down 19% and amounted to SEK 6,256 (7,714) million. Lower prices had a negative impact of 10 percentage points and lower shipments 8 percentage points.

Operating result for the first quarter of 2024 decreased to SEK 1,412 (2,675) million, primarily due to lower prices. Lower shipments also had a negative impact.

Operating cash flow during the first quarter of 2024 was SEK 931 (2,584) million. The decrease was primarily due to the lower result.

Capital expenditure during the first quarter was SEK 58 (46) million, of which SEK 2 (3) million were strategic investments.

Development compared to Q4/23

Production was somewhat higher compared to the fourth quarter of 2023, whereas shipments were stable. Revenue was down 7% and lower prices had a negative impact of 3 percentage points. Currency effects and other income also had a negative impact.

Compared to the fourth quarter of 2023, operating result was down SEK 269 million. The decrease was due to lower prices and higher raw material costs, primarily scrap. The fourth quarter of 2023 was affected by planned maintenance costs, whereas insurance compensation had a positive impact of around SEK 220 million.

Tibnor

First quarter in brief

- Weak market and 19% lower shipments
- Revenue 23% lower than last year
- Operating result improved to SEK 36 (1) million primarily because of lower inventory losses

Key figures

	2024	2023	2023	2023
	Q1	Q1	Q4	Full-year
Revenue (SEK millions)	3,112	4,048	3,030	13,691
EBITDA (SEK millions)	89	50	-6	-13
Operating result (SEK millions)	36	1	-59	-220
Operating cash flow (SEK millions)	287	361	543	1,025
Shipments (thousand tonnes)	197	242	191	820
Number of employees at end of period	1,058	1,099	1,059	1,059

Market trend

The market was weak during the first quarter. The sharpest fall was seen in the construction-related customer segment, but the market was also weak in the industry-related segment.

Development compared to Q1/23

Tibnor has implemented cost saving measures of SEK 150 million on an annual basis, of which around SEK 100 million are structural.

Revenue decreased 23% compared with the first quarter of 2023 and amounted to SEK 3,112 (4,048) million. Lower prices and a weaker product mix had a combined negative effect of 6 percentage points. Lower shipments impacted by 19 percentage points. The weak market had a negative impact.

Operating result for the first quarter of 2024 was up SEK 35 million compared with the same period in 2023 and amounted to SEK 36 (1) million. The improvement was mainly due to lower inventory losses.

Operating cash flow during the first quarter of 2024 was SEK 287 (361) million. The improved result had a positive impact, which was counteracted by increased working capital.

Capital expenditure during the first quarter was SEK 10 (30) million, of which SEK 3 (11) million were strategic investments.

Development compared to Q4/23

Revenue was up 3% compared with the fourth quarter of 2023 due to higher shipments.

Operating result increased by SEK 95 million compared the fourth quarter of 2023. The improvement was primarily due to lower inventory losses and higher shipments.

Ruukki Construction

First quarter in brief

- Weak demand and negative seasonal impact
- Operating result decreased to SEK -78 (-9) million

Key figures

	2024 Q1	2023 Q1	2023 Q4	2023 Full-year
Revenue (SEK millions)	1,015	1,329	1,335	5,810
EBITDA (SEK millions)	-18	41	14	201
Operating result (SEK millions)	-78	-9	-36	-6
Operating cash flow (SEK millions)	-197	36	194	412
Number of employees at end of period	1,385	1,487	1,410	1,410

Market trend

The market for Ruukki Construction continued to weaken and during the first quarter 2024, seasonality also had a negative impact since activity in the construction sector decreases during the winter. The start of new residential construction is very weak in Sweden and Finland.

Development compared to Q1/23

Ruukki Construction has implemented cost savings and due to the weak market, further measures may be considered.

Revenue decreased by 24% and amounted to SEK 1,015 (1,329) million. Operating result decreased by SEK 69 million to SEK -78 (-9) million, due to generally lower volumes and lower prices.

Operating cash flow during the first quarter decreased to SEK -197 (36) million, related to a lower result and increased working capital. Capital expenditure during the first quarter was SEK 58 (70) million, of which SEK 43 (50) million were strategic investments.

Development compared to Q4/23

Compared to the fourth quarter of 2023, revenue was down 24% and operating result was down SEK 42 million, primarily due to a seasonally weaker market for Roofing.

Risks and uncertainty factors

For information regarding material risks and uncertainty factors, reference is made to the detailed description in the Annual Report 2023.

Events after the end of the reporting period

On April 2, 2024, SSAB's Board of Directors took a decision to proceed with the next step in SSAB's transformation, and to build a state-of-the-art fossil-free mini-mill in Luleå, Sweden. When completed, SSAB will close the current blast furnace-based production system. Startup of the new mill is planned at the end of 2028 with full capacity one year later.

Following the investment decision, SSAB will revise the remaining useful life estimates of the assets that will be replaced and become obsolete by the new production system so that these assets will be depreciated to their residual values by the end of 2028. As of April 2024, the change in useful lives will increase SSAB's annual depreciation by approximately SEK 300 million.

On April 8, 2024, SSAB announced that President and CEO Martin Lindqvist has decided to leave SSAB to further his board career. Martin Lindqvist has six months' notice, but has agreed to stay on until his successor is in place. A recruitment process to find his successor has been started immediately.

Stockholm, April 24, 2024

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	2024	2023	2023
	Q1	Q1	Full-year
Revenue	27,148	31,904	119,489
Cost of goods sold	-22,396	-25,753	-96,936
Gross profit	4,752	6,151	22,553
Selling and administrative costs	-1,478	-1,461	-6,048
Other operating income and expenses	-103	41	-8
Affiliated companies, profit/loss after tax	-14	2	-29
Operating result	3,157	4,733	16,467
Financial items	161	54	248
Result before tax	3,318	4,787	16,716
Income tax	-745	-1,086	-3,677
Result for the period	2,573	3,701	13,038
Of which attributable to:			
- Parent company's shareholders	2,573	3,699	13,029
- Non-controlling interest	1	2	9

Consolidated statement of comprehensive income

SEK millions	2024	2023	2023
	Q1	Q1	Full-year
Result for the period	2,573	3,701	13,038
Other comprehensive income			
<i>Items that may be subsequently reclassified to the profit or loss</i>			
Translation differences for the period	2,272	165	-1,454
Translation differences due to hyperinflation after tax	26	-2	80
Cash flow hedges	-267	-761	-1,072
Income tax on cash flow hedges	54	152	215
Net investment hedges in foreign operations	–	–	267
Income tax on net investment hedges in foreign operations	–	–	-55
Total items that may be subsequently reclassified to the profit or loss	2,085	-446	-2,019
<i>Items that will not be reclassified to the profit or loss</i>			
Net defined benefit liability re-measurement	-16	51	50
Income tax on net defined benefit liability re-measurement	3	-10	-10
Total items that will not be reclassified to the profit or loss	-13	41	40
Total other comprehensive income for the period	2,072	-406	-1,978
Total comprehensive income for the period	4,645	3,295	11,060
Of which attributable to:			
- Parent company's shareholders	4,643	3,293	11,053
- Non-controlling interest	2	2	7

Consolidated statement of financial position

SEK millions	2024 Mar 31	2023 Mar 31	2023 Dec 31
Assets			
Intangible assets	1,525	1,977	1,496
Tangible fixed assets	28,419	26,117	27,341
Right-of-use assets	2,790	2,971	2,701
Investments in affiliated companies and joint ventures	968	1,012	959
Deferred tax receivables	580	560	548
Non-current financial assets	507	766	503
Total non-current assets	34,790	33,403	33,548
Inventories	32,993	35,918	32,485
Accounts receivable	13,005	14,189	10,673
Current tax receivables	1,154	836	733
Other current receivables	2,091	1,492	1,485
Cash and cash equivalents	28,977	27,008	28,916
Total current assets	78,220	79,444	74,291
Total assets	113,010	112,846	107,839
Equity and liabilities			
Equity for the shareholders in the parent company	71,356	70,417	67,872
Non-controlling interest	78	79	76
Total equity	71,435	70,495	67,948
Deferred tax liabilities	2,974	3,146	2,887
Non-current provisions	572	541	566
Non-current interest-bearing liabilities	6,418	6,278	6,282
Non-current lease liabilities	2,222	2,408	2,148
Other non-current liabilities	230	259	235
Total non-current liabilities	12,416	12,634	12,119
Accounts payable	18,302	17,420	17,001
Current tax liabilities	1,190	1,537	1,135
Current interest-bearing liabilities	1,410	1,937	1,428
Current lease liabilities	798	750	764
Other current liabilities and provisions	7,460	8,073	7,445
Total current liabilities	29,159	29,718	27,773
Total equity and liabilities	113,010	112,846	107,839
Pledged assets	45	45	48
Contingent liabilities	5,559	5,083	5,362

Consolidated statement of changes in equity

SEK millions	Equity attributable of the parent company's shareholders					Non-controlling interest	Total equity
	Share capital	Other contributed funds	Reserves	Retained earnings	Total equity		
Total equity, Dec 31, 2022	9,063	23,022	15,891	19,149	67,124	66	67,191
Changes Jan 1 - Mar 31, 2023							
Total comprehensive income for the period			-444	3,738	3,293	2	3,295
Non-controlling interest through business acquisition					—	11	11
Total equity, Mar 31, 2023	9,063	23,022	15,447	22,885	70,417	79	70,495
Changes Apr 1 - Dec 31, 2023							
Total comprehensive income for the period			-1,654	9,412	7,760	5	7,765
Dividend, parent company's shareholders				-8,960	-8,960		-8,960
Dividend, non-controlling interest						-8	-8
Purchases of own shares				-1,347	-1,347		-1,347
Total equity, Dec 31, 2023	9,063	23,022	13,794	21,993	67,872	76	67,948
Changes Jan 1 - Mar 31, 2024							
Total comprehensive income for the period			2,058	2,586	4,643	2	4,645
Reclassification to assets under construction			2		2		2
Purchases of own shares				-1,160	-1,160		-1,160
Total equity, Mar 31, 2024	9,063	23,022	15,853	23,418	71,356	78	71,435

Consolidated statement of cash flows, in summary

SEK millions	2024 Q1	2023 Q1	2023 Full-year
OPERATING ACTIVITIES			
Operating result	3,157	4,733	16,467
<i>Reversal of non-cash items:</i>			
-Depreciation, amortization and write-down of fixed assets	985	867	3,674
-Other non-cash items	30	-50	-61
Received and paid interest	118	104	437
Income taxes paid	-1,036	-754	-3,879
Change in working capital	-1,477	-1,618	4,836
Cash flow from operating activities	1,776	3,281	21,473
INVESTING ACTIVITIES			
Investments in intangible and tangible fixed assets	-2,030	-1,148	-6,567
Sales of intangible and tangible fixed assets	750	4	1,264
Acquisitions, shares and operations	—	-24	-52
Investments/contributions in affiliated companies and joint ventures	—	—	-20
Divested shares and operations	—	—	61
Other investing activities	—	51	23
Cash flow from investing activities	-1,279	-1,116	-5,291
FINANCING ACTIVITIES			
Dividend, parent company's shareholders	—	—	-8,960
Dividend, non-controlling interest	—	—	-8
Purchases of own shares	-1,215	—	-1,292
Change in loans	-47	23	-557
Other financing	1,503	-108	-1,948
Cash flow from financing activities	242	-85	-12,765
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of period	28,916	24,900	24,900
Cash flow for the period	739	2,079	3,417
Translation differences, cash and cash equivalents	-678	29	599
CASH AND CASH EQUIVALENTS, END OF PERIOD	28,977	27,008	28,916
Contracted, non-utilized overdraft facilities	8,548	10,372	8,239
Disposable cash and cash equivalents (incl. non-utilized overdraft facilities)	37,525	37,380	37,155

Key figures

	2024 Q1	2023 Q1	2023 Full-year
Operating margin (%)	12	15	14
Earnings per share (SEK)	2.57	3.59	12.67
Equity per share (SEK)	69.29	68.38	65.91
Net debt/equity ratio (%)	-25	-22	-27
Equity ratio (%)	63	62	63
Return on capital employed, rolling 12 months (%)	21	-5	22
Return on equity, rolling 12 months (%)	17	-15	19
Average number of shares outstanding during the period (millions)	1,001.2	1,029.8	1,028.0
Number of shares at end of period (millions)	1,029.8	1,029.8	1,029.8
Number of employees at end of period	14,496	14,634	14,565

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 IFRS Accounting 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 2023.

The Council for Swedish Financial Reporting Supervision (The Council) has done a review of the SSAB Annual Report for 2022. SSAB has provided supplementary information in an ongoing dialogue. The Council has issued a formal notice regarding a part of the goodwill impairment reported in December 2022. SSAB's firm opinion is that the impairment, audited by the company's auditors, was in accordance with IFRS.

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 7,548 million at March 31, 2024 while its fair value was SEK 7,021 million. Since the loans will be held until maturity, they are not reported at fair value.

Derivative assets and liabilities

SEK millions	2024 Mar 31	2023 Mar 31	2023 Dec 31
Derivative assets recognized in			
Non-current financial assets	192	471	187
Other current receivables	279	372	232
Derivative liabilities recognized in			
Other non-current liabilities	34	53	43
Other current liabilities and provisions	168	145	319

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 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 2023.

External revenue by business segment, geographical area and product area

External revenue Q1 2024	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	215	2,084	—	1,177	264	3,740
Finland	102	1,045	—	505	243	1,895
Other Europe	3,062	5,164	14	1,389	504	10,133
USA	1,702	566	5,876	—	1	8,145
Rest of the world	2,479	395	353	6	2	3,234
Total	7,560	9,253	6,243	3,077	1,014	27,148
Product area						
Steel products	7,292	8,536	6,243	—	—	22,071
Trading operations	—	—	—	3,077	—	3,077
Ruukki Construction operations	—	—	—	—	1,014	1,014
Slabs, by-products and scrap	236	711	—	—	—	946
Other	32	7	—	—	—	39
Total	7,560	9,253	6,243	3,077	1,014	27,148
External revenue Q1 2023	Business segments					
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	Total
SEK millions						
Geographical areas						
Sweden	258	1,753	—	1,458	394	3,863
Finland	182	1,527	—	776	372	2,856
Other Europe	3,228	6,406	76	1,777	559	12,046
USA	1,849	494	6,960	—	1	9,304
Rest of the world	2,855	307	669	4	—	3,834
Total	8,373	10,487	7,704	4,014	1,325	31,904
Product area						
Steel products	8,148	9,735	7,704	—	—	25,588
Trading operations	—	—	—	4,014	—	4,014
Ruukki Construction operations	—	—	—	—	1,325	1,325
Slabs, by-products and scrap	144	740	—	—	—	884
Other	81	12	—	—	—	93
Total	8,373	10,487	7,704	4,014	1,325	31,904

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

	2024	2023	2023
SEK millions	Q1	Q1	Full-year
Operating result	3,157	4,733	16,467
Items affecting comparability	—	—	—
Adjusted operating result	3,157	4,733	16,467

EBITDA and adjusted EBITDA

	2024	2023	2023
SEK millions	Q1	Q1	Full-year
Operating result	3,157	4,733	16,467
Depreciation, amortization and impairment	985	867	3,674
EBITDA	4,142	5,600	20,141
Items affecting comparability	—	—	—
Adjusted EBITDA	4,142	5,600	20,141

Financial information, per quarter

The Group's adjusted result per quarter

SEK millions	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Revenue	31,575	35,516	31,516	30,138	31,904	31,777	29,339	26,469	27,148
Operating expenses	-22,381	-24,289	-23,922	-25,505	-26,303	-25,892	-24,028	-23,094	-22,992
Depreciation/amort.	-821	-844	-857	-869	-869	-907	-935	-963	-985
Affiliated companies	4	12	5	4	2	-14	-5	-12	-14
Financial items	-101	-136	-20	259	54	56	78	61	161
Result before tax	8,276	10,260	6,722	4,027	4,787	5,019	4,449	2,460	3,318

Revenue per quarter and business segment

SEK millions	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
SSAB Special Steels	7,907	8,985	8,431	8,343	8,573	8,646	8,013	6,913	7,716
SSAB Europe	12,657	14,357	11,989	11,065	12,293	12,953	10,909	10,072	10,817
SSAB Americas	7,465	8,842	8,302	7,554	7,714	7,728	7,620	6,711	6,256
Tibnor	4,463	4,783	3,594	3,784	4,048	3,600	3,012	3,030	3,112
Ruukki Construction	1,588	2,020	1,739	1,534	1,329	1,559	1,587	1,335	1,015
Other	–	–	–	–	–	–	–	–	–
Group adjustments	-2,504	-3,472	-2,539	-2,143	-2,053	-2,709	-1,802	-1,593	-1,769
Total	31,575	35,516	31,516	30,138	31,904	31,777	29,339	26,469	27,148

Adjusted EBITDA, per quarter and business segment

SEK millions	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
SSAB Special Steels	2,350	2,648	2,674	1,649	2,380	2,305	2,126	1,199	2,143
SSAB Europe	3,650	4,476	1,856	189	418	1,196	694	599	600
SSAB Americas	3,041	3,563	3,089	2,782	2,728	2,697	2,710	1,739	1,473
Tibnor	457	653	-133	-361	50	2	-58	-6	89
Ruukki Construction	209	263	206	56	41	63	83	14	-18
Other	-508	-361	-92	323	-18	-393	-247	-181	-145
Total	9,198	11,241	7,599	4,637	5,600	5,871	5,307	3,364	4,142

Adjusted operating result per quarter and business segment

SEK millions	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
SSAB Special Steels	2,086	2,373	2,390	1,369	2,094	2,003	1,808	847	1,781
SSAB Europe	3,249	4,069	1,446	-229	0	764	254	165	163
SSAB Americas	2,991	3,511	3,034	2,725	2,675	2,642	2,653	1,681	1,412
Tibnor	414	608	-181	-408	1	-50	-113	-59	36
Ruukki Construction	160	209	156	-1	-9	10	28	-36	-78
Other	-522	-374	-104	311	-29	-405	-260	-198	-157
Total	8,377	10,395	6,742	3,768	4,733	4,963	4,371	2,400	3,157

No items affecting comparability were reported in 2023 or 2024.

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

SEK millions	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
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 2022 related mainly to impairment of goodwill.

Production and shipments

Thousand tonnes	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Crude steel production									
SSAB Special Steels	630	634	592	453	608	651	584	409	586
SSAB Europe	889	1,049	1,068	905	1,141	1,142	1,056	1,028	1,077
SSAB Americas	232	303	256	283	295	297	296	271	278
Total	1,751	1,985	1,916	1,641	2,044	2,090	1,936	1,707	1,941
Rolling production									
SSAB Special Steels	419	460	430	358	454	447	418	300	419
SSAB Europe	1,065	1,093	1,010	873	1,157	1,186	1,026	1,034	973
SSAB Americas	233	282	232	273	288	265	283	264	281
Total	1,716	1,835	1,672	1,505	1,899	1,898	1,727	1,598	1,673
Steel shipments									
SSAB Special Steels	381	396	336	305	349	364	313	279	327
SSAB Europe	844	838	713	778	912	907	759	776	818
SSAB Americas	438	476	416	418	476	451	439	437	437
Total	1,664	1,711	1,465	1,502	1,737	1,722	1,510	1,491	1,583

Analysis of total change in revenue per business segment

%	Change vs. Q1 2023			Change vs. Q4 2023		
	SSAB Special Steels	SSAB Europe	SSAB Americas	SSAB Special Steels	SSAB Europe	SSAB Americas
Price	-5	-3	-10	-2	1	-3
Product mix	0	1	0	0	0	-1
Volume	-6	-10	-8	17	5	0
Currency effects	1	2	-1	-3	-2	-1
Other sales	0	-2	0	0	3	-2
Total	-10	-12	-19	12	7	-7

Financial reports – The Parent company

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

	2024	2023	2023
SEK millions	Q1	Q1	Full-year
Gross profit	–	–	–
Selling and administrative costs	-161	-139	-638
Other operating income/expenses	110	94	370
Operating result	-51	-45	-268
Financial items	150	24	10,165
Result after financial items	100	-21	9,897
Appropriations	–	–	65
Result before tax	100	-21	9,962
Income tax	-21	4	-16
Result for the period	79	-17	9,946

Parent company's statement of comprehensive income, in summary

	2024	2023	2023
SEK millions	Q1	Q1	Full-year
Result for the period	79	-17	9,946
Other comprehensive income			
<i>Items that may be classified to the income statement</i>			
Cash flow hedges	-4	-13	-61
Income tax attributable to cash flow hedges	1	3	13
Other comprehensive income	-3	-10	-49
Total comprehensive income for the period	76	-27	9,897

Parent company's statement of financial position, in summary

	2024	2023	2023
SEK millions	Mar 31	Mar 31	Dec 31
Assets			
Fixed assets	76,609	71,513	76,458
Other current assets	3,744	9,164	3,100
Cash and cash equivalents	27,518	25,099	27,398
Total assets	107,871	105,776	106,957
Equity and liabilities			
Restricted equity	9,964	9,964	9,964
Unrestricted equity	64,110	65,576	65,193
Total equity	74,074	75,540	75,157
Non-current liabilities and provisions	4,329	4,426	4,346
Current liabilities and provisions	29,468	25,810	27,453
Total equity and liabilities	107,871	105,776	106,957

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

SSAB AB, org. no. 556016-3429

Introduction

We have reviewed the condensed interim report for SSAB AB as of 31 March 2024 and for the three 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 the date of our electronic signature

Ernst & Young AB

Rickard Andersson

Authorised Public Accountant

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Interim report for January-June 2024

The interim report for the first six months of 2024 will be published on July 24, 2024.

SSAB

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