

# Presentation of the Q4/2024 report

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**SSAB**

# Agenda

- Introduction and FY 2024/Q4
- Transformation program
- Financials
- Outlook and summary
- Q&A



1.

# Introduction and FY 2024/Q4

► Our vision

A stronger,  
lighter and  
more  
sustainable  
world



SSA



# Strategy

## Leading the green transition

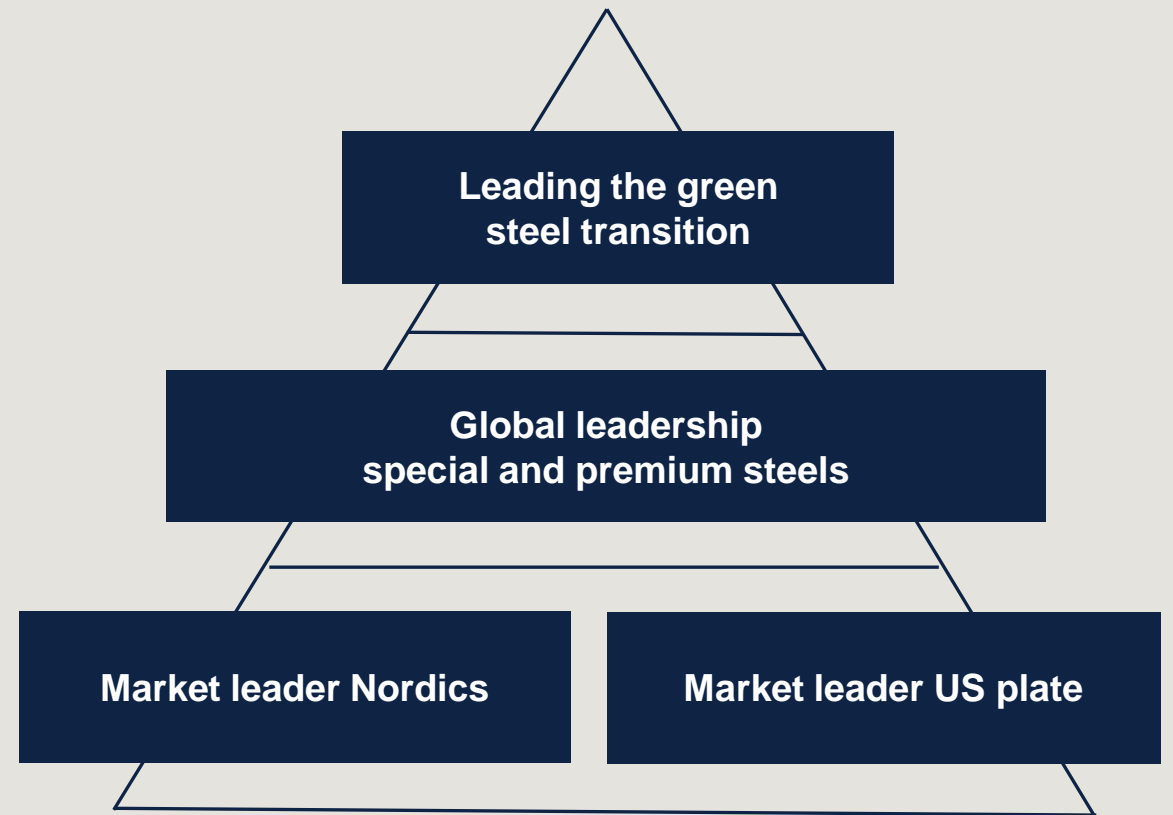
Introduce a new generation of sustainable steel products and transform current production footprint

## Targeting Industry-leading profitability

Combine a modern more efficient and fossil-free production system with global leadership in special and premium steels

## Home market leadership in standard products

Serve our customers from a solid market position which provide a base for our steel mills in the Nordics and US



# Strategic rationale for our transformation



Significant investment need due to aging equipment and inefficient logistics, mainly in the Swedish strip system



Increasing demand for lighter and stronger steel, as customers aim for better performance in their applications



Need to lower fixed cost and strengthen ability to manage short-term swings in demand. Avoid 100% dependency on iron ore pellet

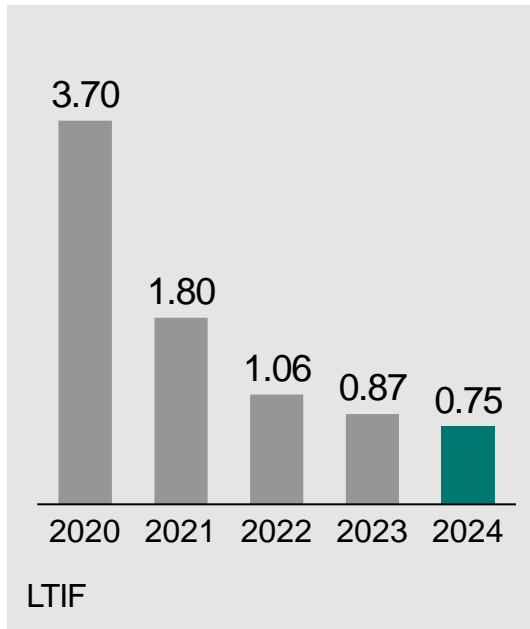


Eliminate CO<sub>2</sub> emissions from own operations to be long-term sustainable. Meet demand of emission free steels

Flexibility to carry out the transformation in a robust way, taking into account our financial capacity, customer demand and the overall market situation

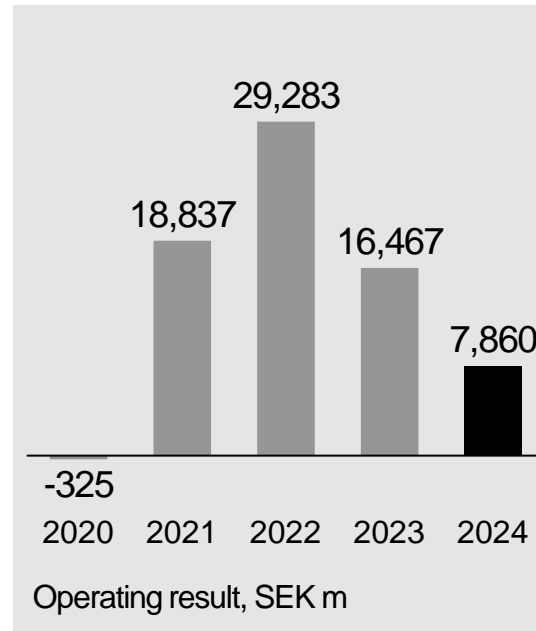
# Highlights 2024

## Good progress in safety



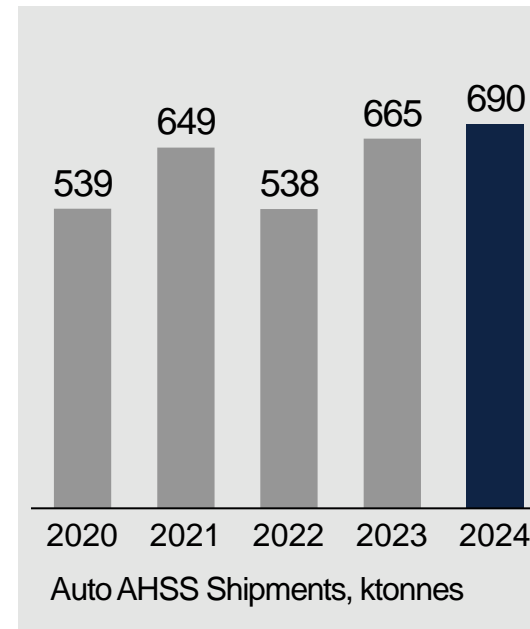
- Target to be the safest steel company

## Operating result



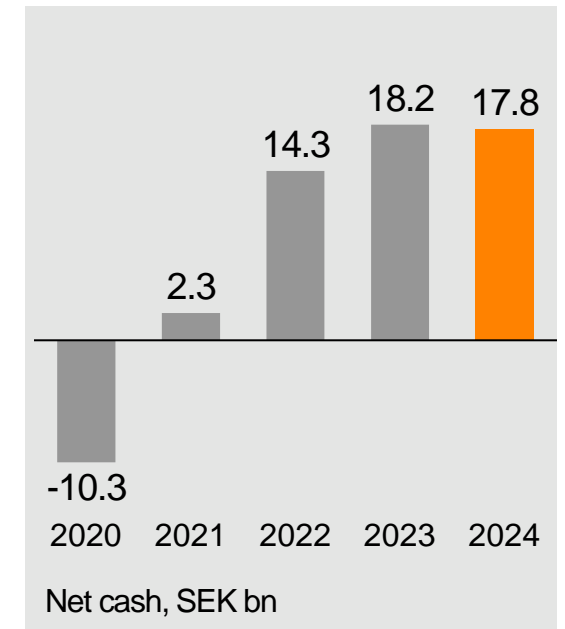
- Challenging conditions in main markets during 2024

## Support from premium products



- Record shipments in Automotive AHSS
- Prices resilient in SSAB Special Steels

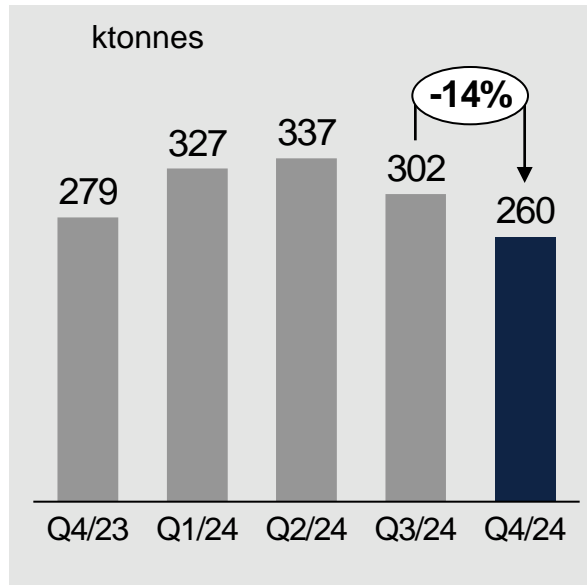
## Strong financial position



- SEK 2.60 dividend per share proposed

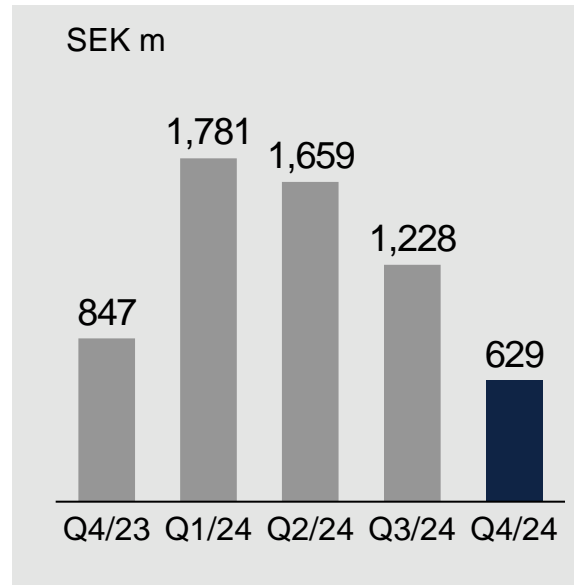
# SSAB Special Steels

## Shipments



- Weaker demand, slow end of the year in Europe
- Market share remains at a high level, gains in some key product groups

## Operating result



- Planned maintenance cost SEK 420m in Q4
- Prices stable vs. Q3/24
- Good pricing management in weak conditions, support from unique business model with local stock sales

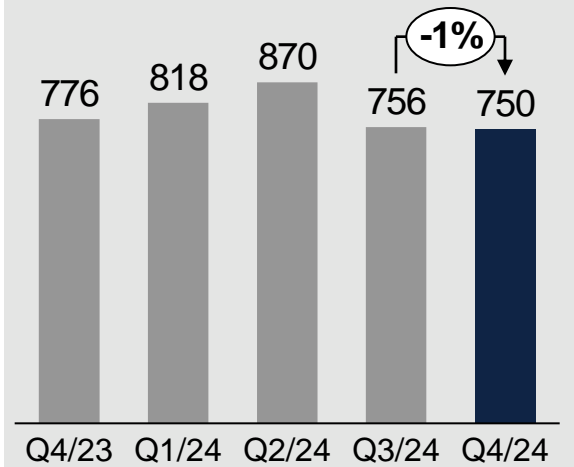




# SSAB Europe

## Shipments

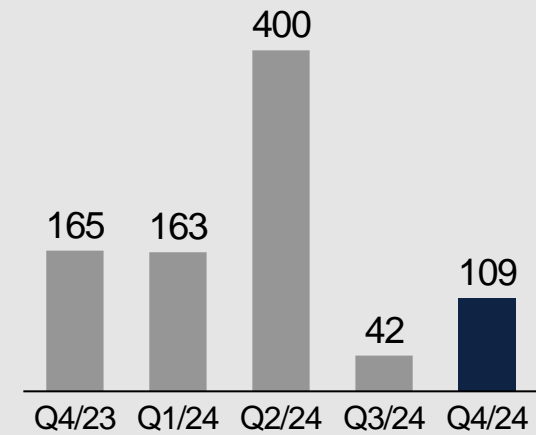
ktonnes



- Weak market
- Record level of Automotive AHSS shipments

## Operating result

SEK m

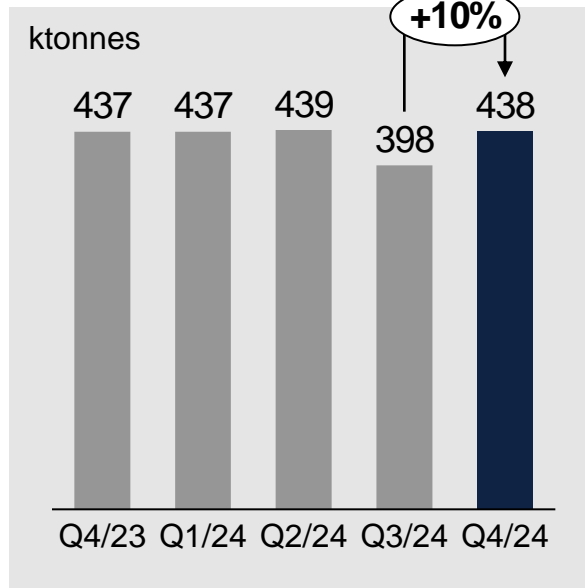


- Prices -4% vs. Q3/24
- Planned maintenance cost SEK 270m in Q4



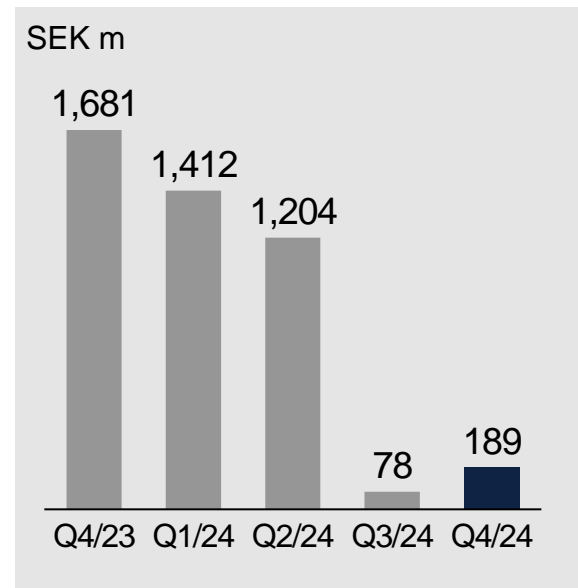
# SSAB Americas

## Shipments



- Cautious market
- Planned maintenance impacted Q3/24

## Operating result

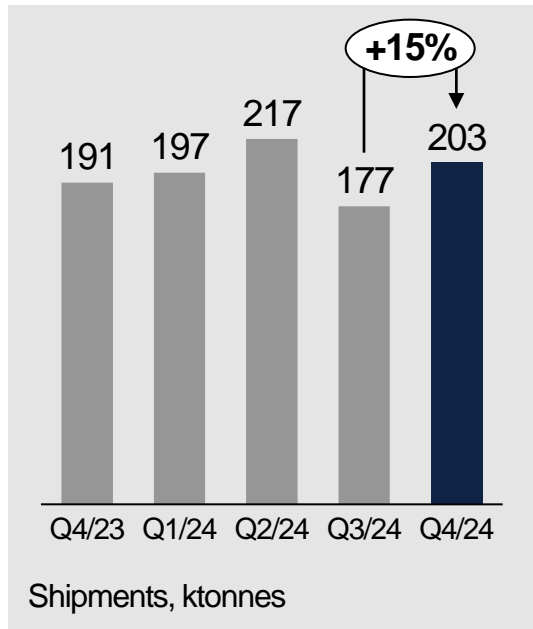


- Prices -9% vs Q3/24



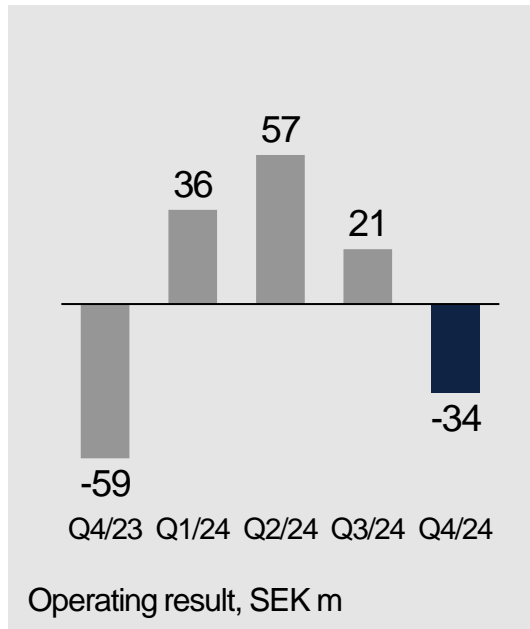
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## Shipments



- Weak market, Q4 supported by a few larger orders

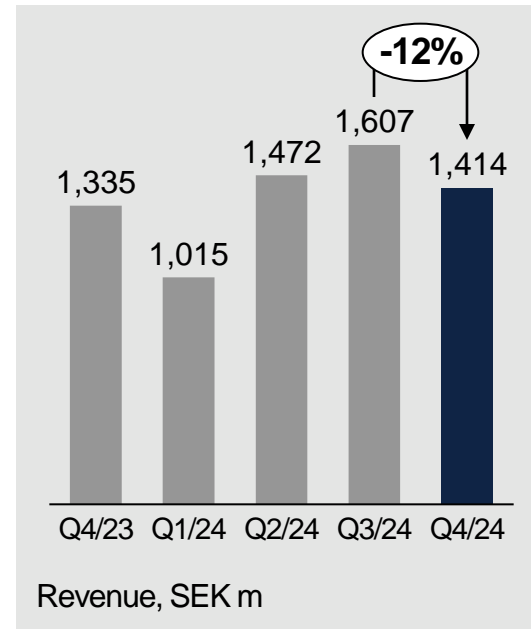
## Operating result



- Lower inventory losses vs. Q4/23
- Lower prices, but positive effects from cost savings

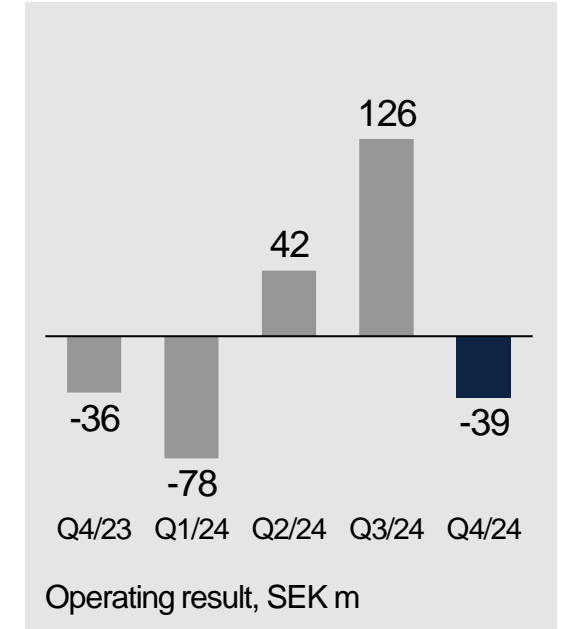
# Ruukki Construction

## Revenue



- Underlying market still weak
- Seasonal slow down vs Q3/24

## Operating result



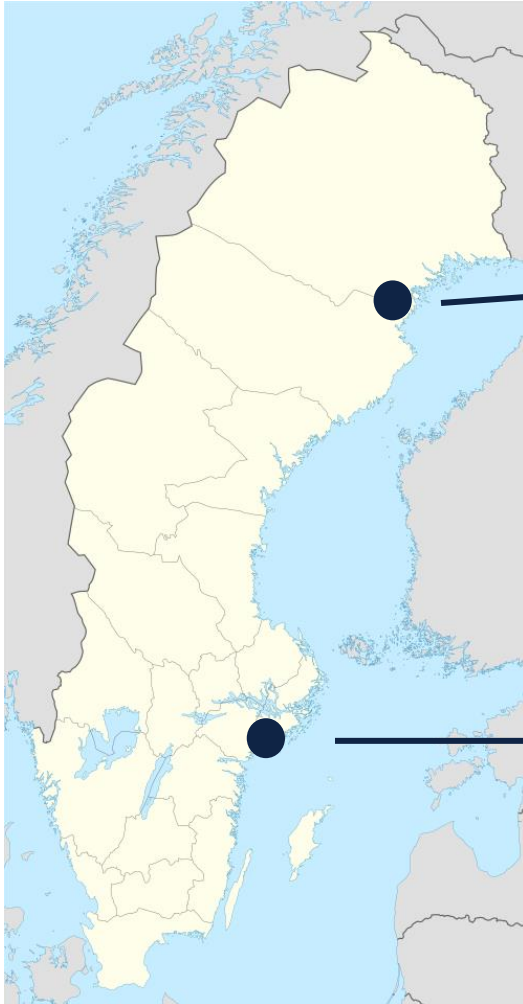
- Q4 impacted by lower margins



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# Transformation program

# Nordic transformation projects



## Luleå – new mini-mill

- Two EAFs with total capacity of 2.5 Mt
- New cold mill complex for premium products
- Environmental permit in Q4/24



## Oxelösund – new EAF

- One EAF with capacity of 1.5 Mt
- Good progress during 2024





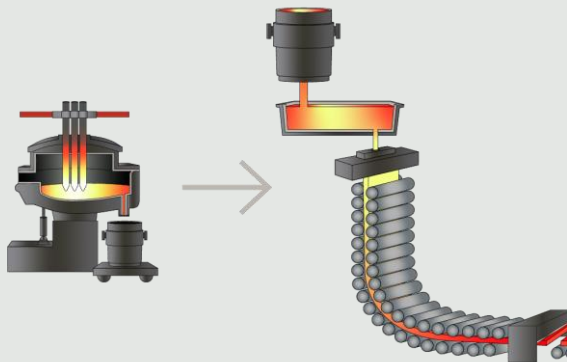
# Luleå project includes two major parts

1

**Hot end** (Replacement investment)  
EUR 3.2bn - Capacity 2.5 Mt

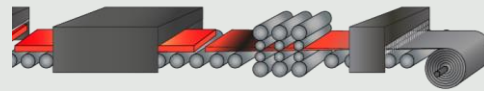
**EAF**

**Moving from primary (BF/BOF) to secondary steelmaking (EAF)**  
Reduced cost of CO<sub>2</sub>, shift of fixed cost to variable, and capability to produce low emission steel



**Hot strip mill**

**Replacing Hot strip mill in Borlänge with Luleå direct rolling**  
Reduced transportation needs, reduced energy costs and improved production efficiency with lower fixed costs

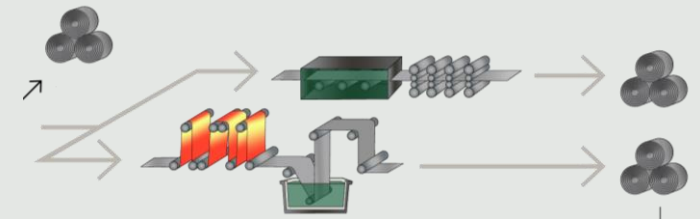


2

**Cold mill complex** (Strategic)  
EUR 1.3bn - Capacity 1.3 Mt

**Cold rolling and galvanizing**

**Adding new capacity in the most critical bottlenecks to increase special and premium steel grades produced**



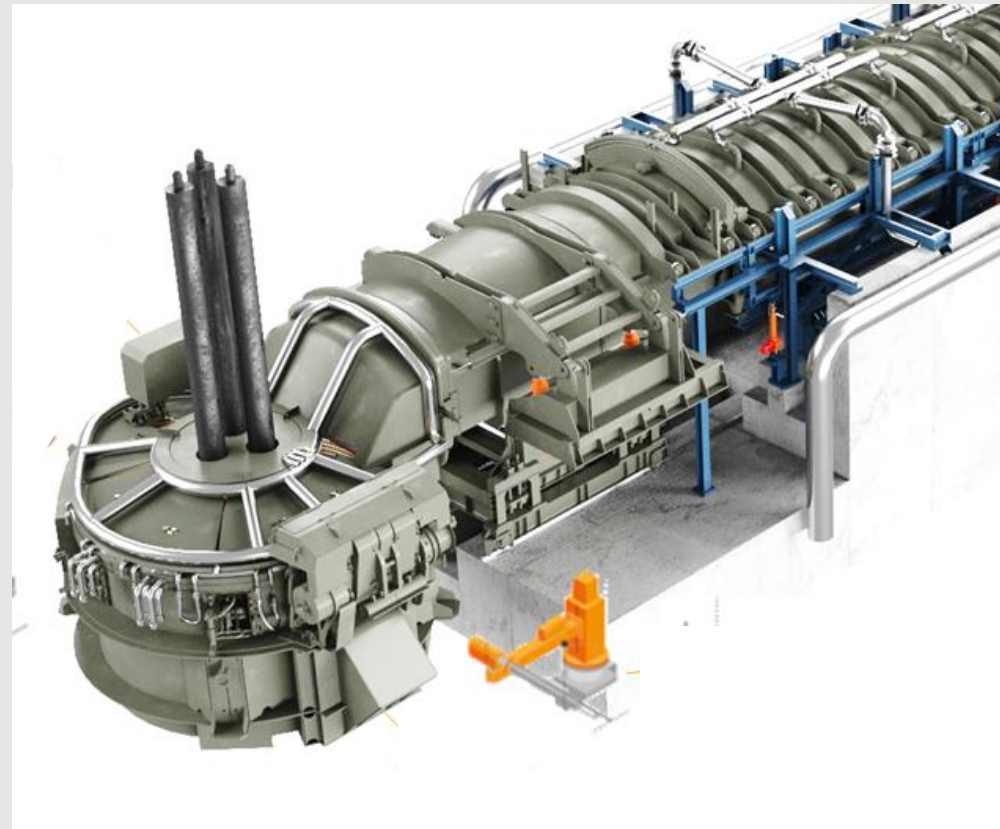
**SSAB**

# New advanced EAF-based melt shop

Improved flexibility in production and raw materials

## vs previous EAF generation

- Less emissions
- Continuous scrap feed
- No need for LNG burners
- Lower consumption of graphite electrodes
- Individual steering of graphite electrodes
- Lower flicker levels



## vs current blast furnace

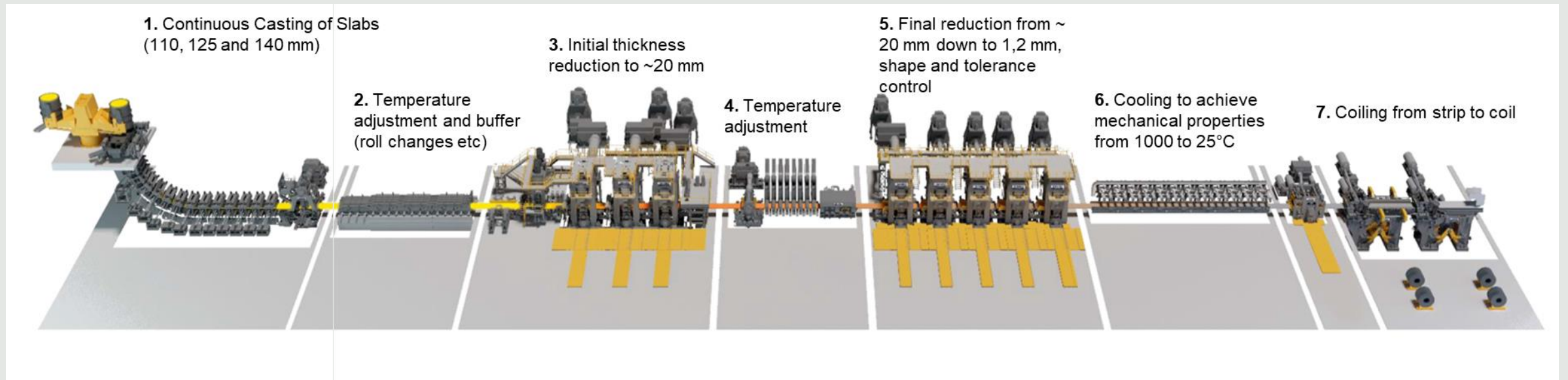
- Production flexibility
  - A blast furnace shutdown means a minimum of 2-4 weeks, new melt shop allows shutdowns with less complexity and in as soon as 4 hours
- Raw material flexibility
  - Recycled scrap and fossil-free sponge iron from HYBRIT, as well as pig iron and natural gas-based sponge iron (HBI)
- Emission free steels
  - More volume of SSAB Zero and SSAB Fossil-free

# Hot strip mill with new capabilities

Significantly shorter lead times and more dimensions

- From liquid steel to coil in one process
- Significant lower energy consumption and better logistics
- New dimensions of standard, AHSS and Q&T products

- Thickness range of 1.3-25 mm and width up to 2,000 mm
- ¼ EN tolerance as standard (SSAB today at 1/3)
- Production lead time reduced from 2 weeks to 3 hours



# Cold mill complex – more premium products

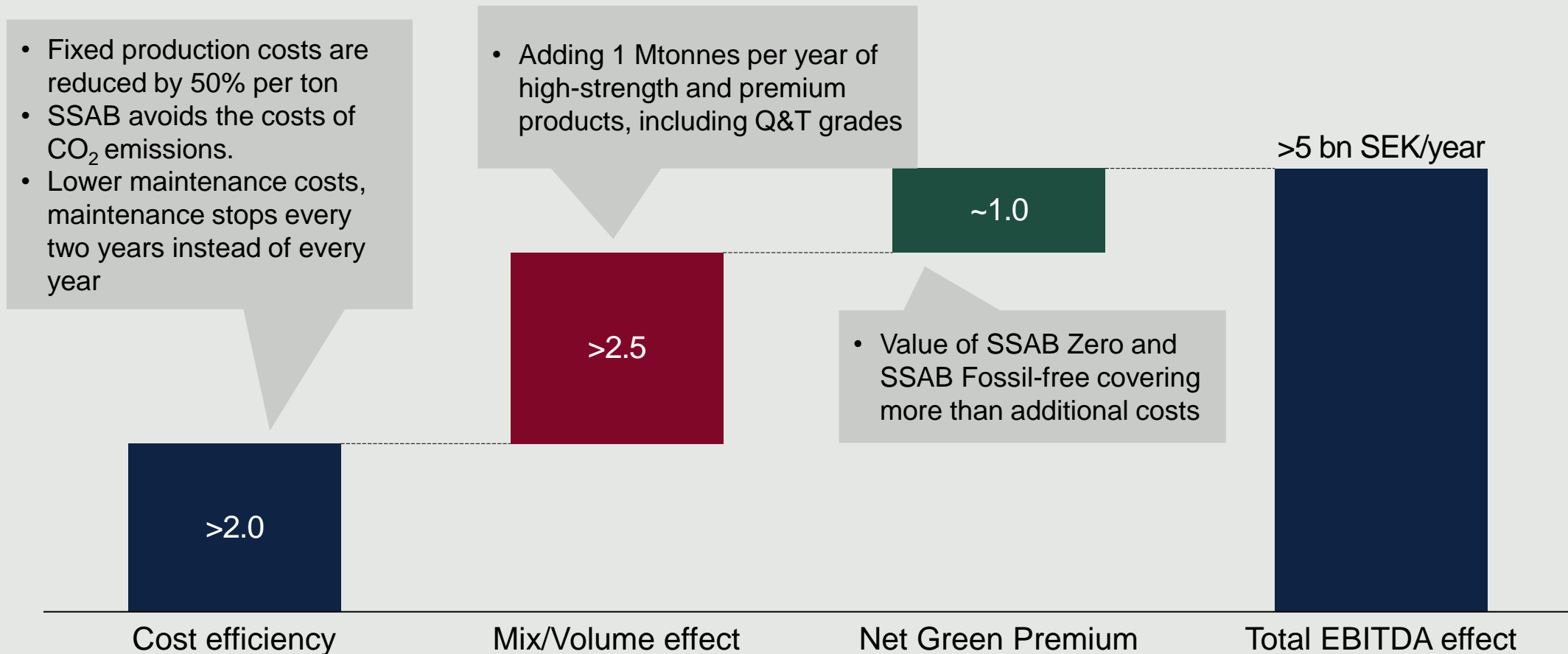
Annealing/Galvanizing (combo) Line

Galvanizing Line



- Coupled pickling and tandem mill
- New products
  - 3<sup>rd</sup> generation AHSS (for example Dual Phase with high formability/ductility (DH) with superb and progressive crash-energy absorption
  - Width up to 1,900 mm
  - Capacity for exposed panels
  - New coatings – Magnesium-Zinc and Aluminium-Silicon
- Combining annealing and galvanizing in one line for both product and volume flexibility
- Highly automated

# EBITDA effect of Luleå transformation vs current structure





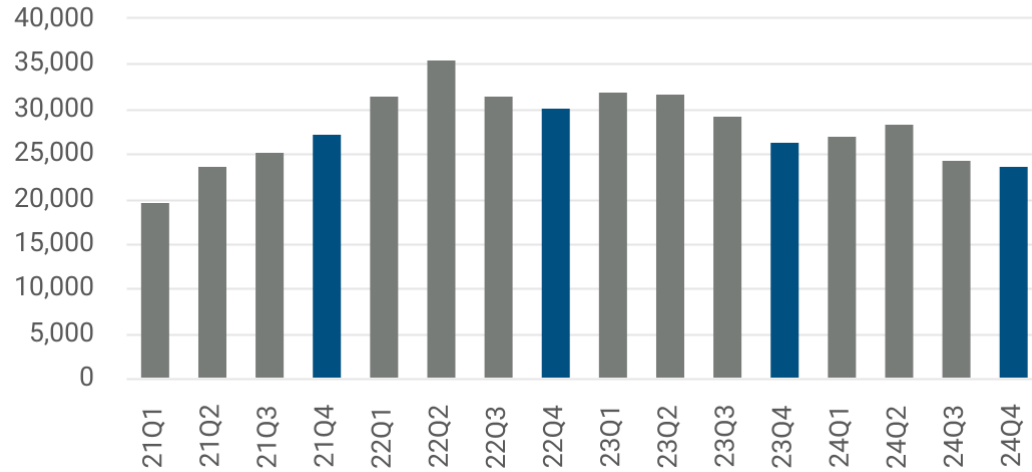


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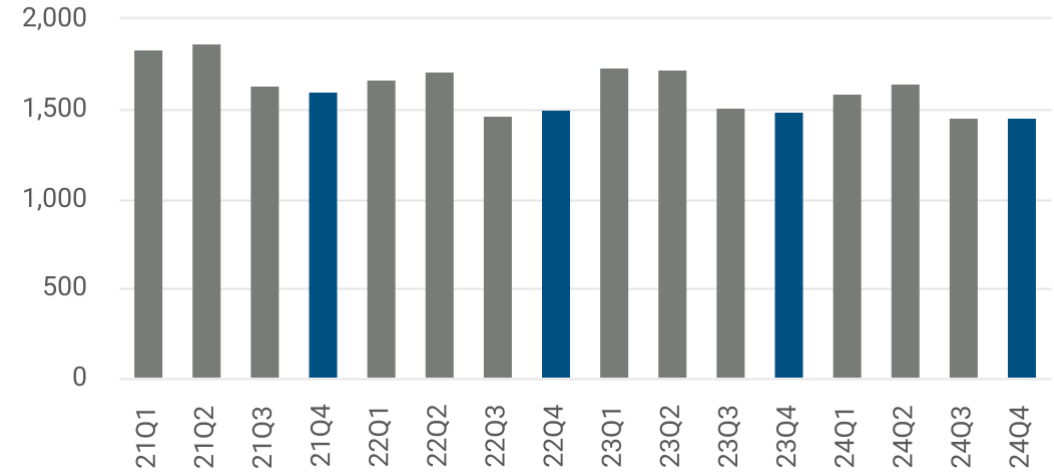
# Financials

# Weak European market - Premium more stable

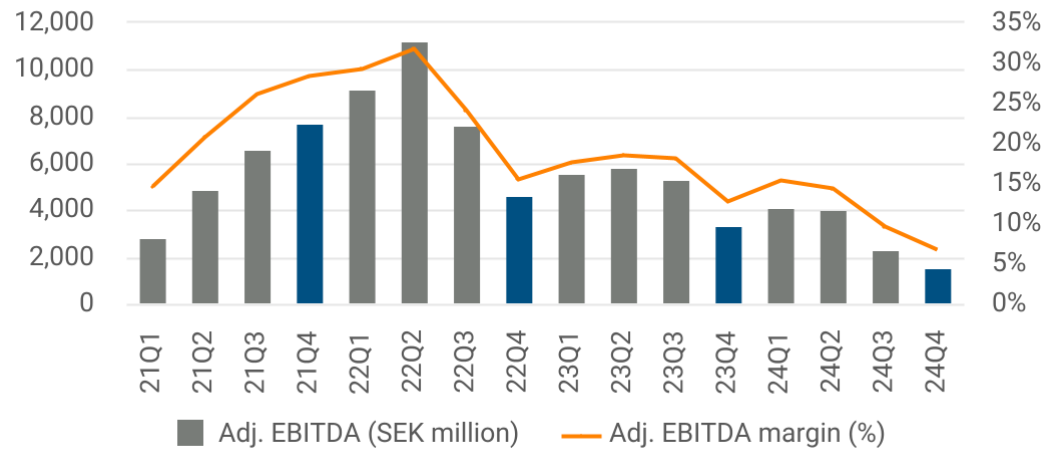
Revenue (SEK million)



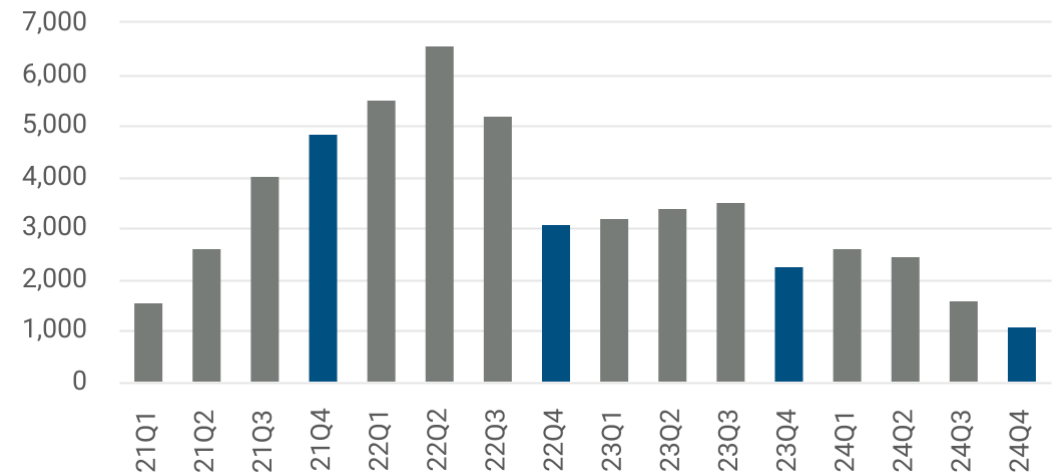
Steel shipments (ktonnes)



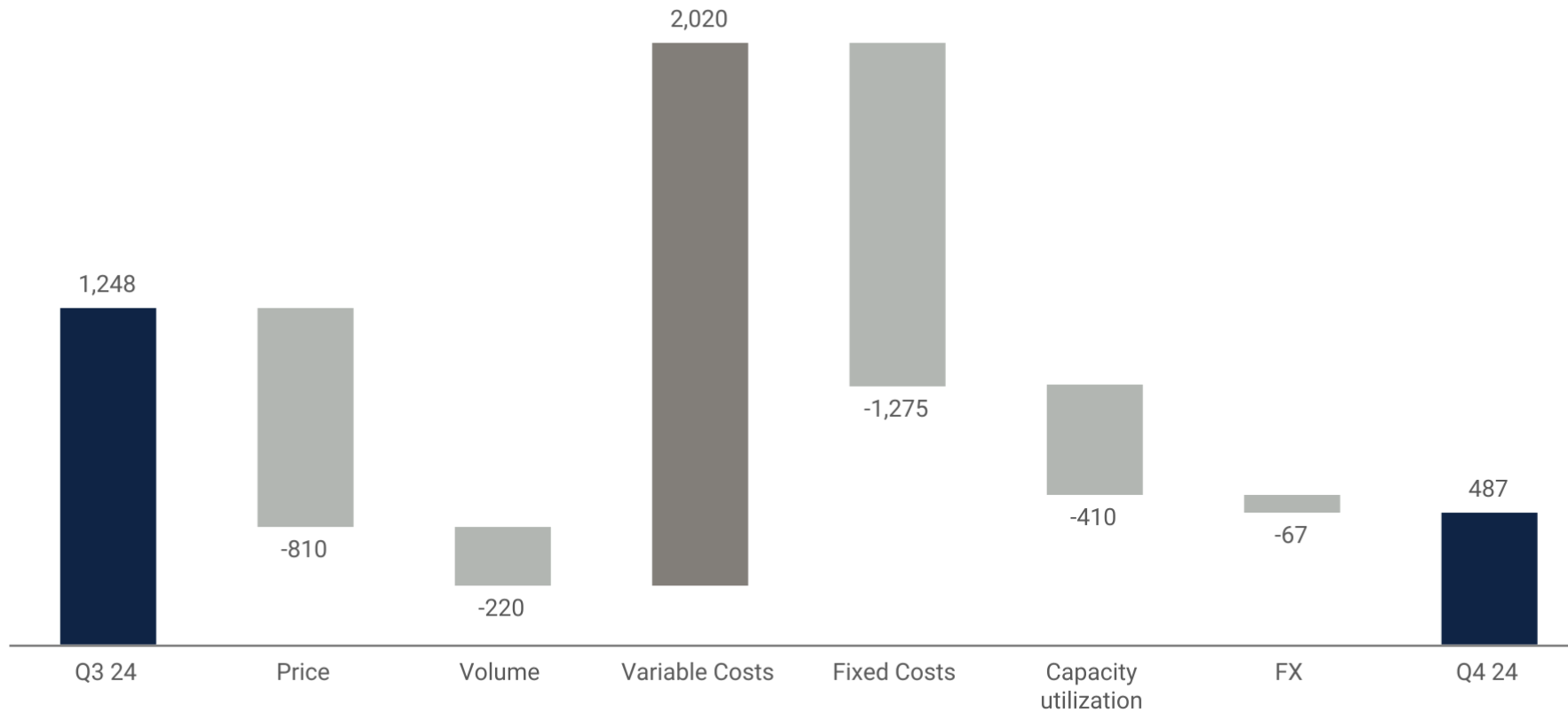
Adjusted EBITDA



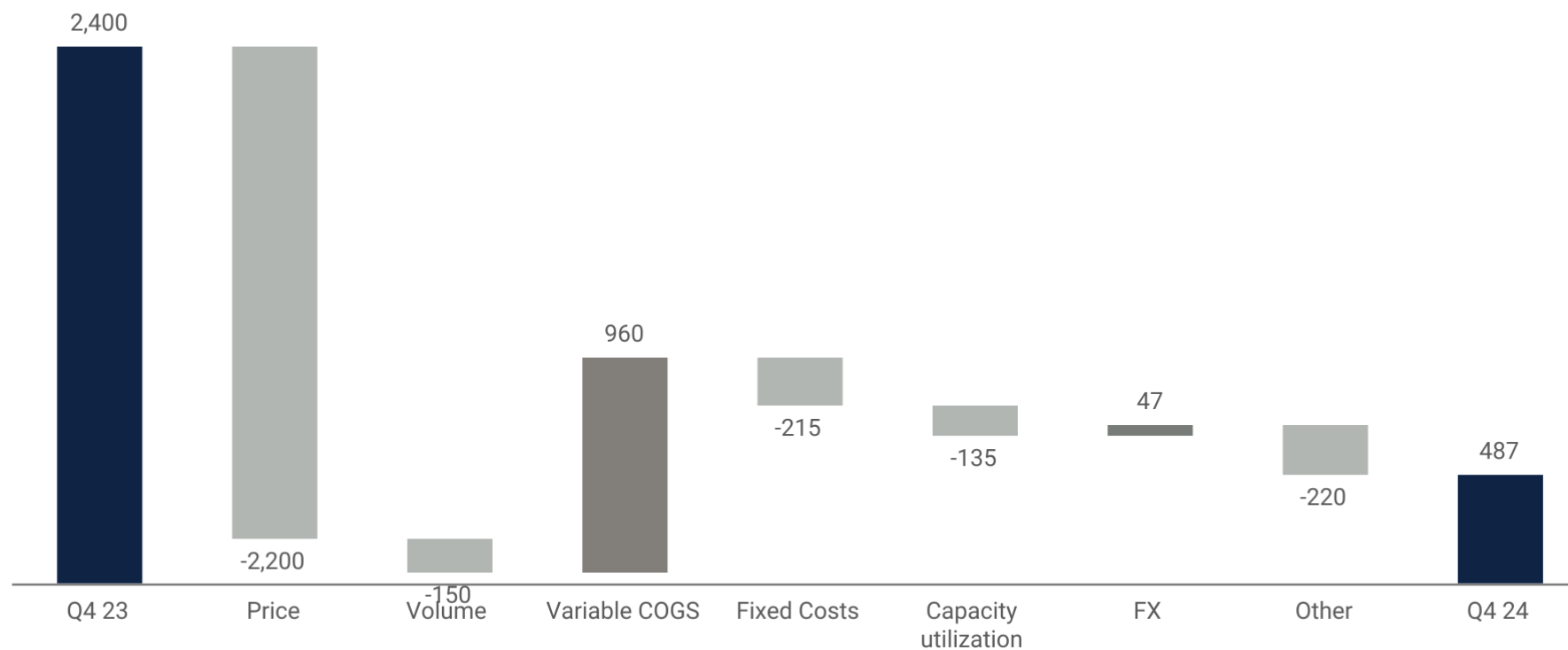
Adjusted EBITDA per tonne delivered steel (SEK/tonne)



# Change in operating result Q4/24 vs. Q3/24



# Change in operating result Q4/24 vs. Q4/23



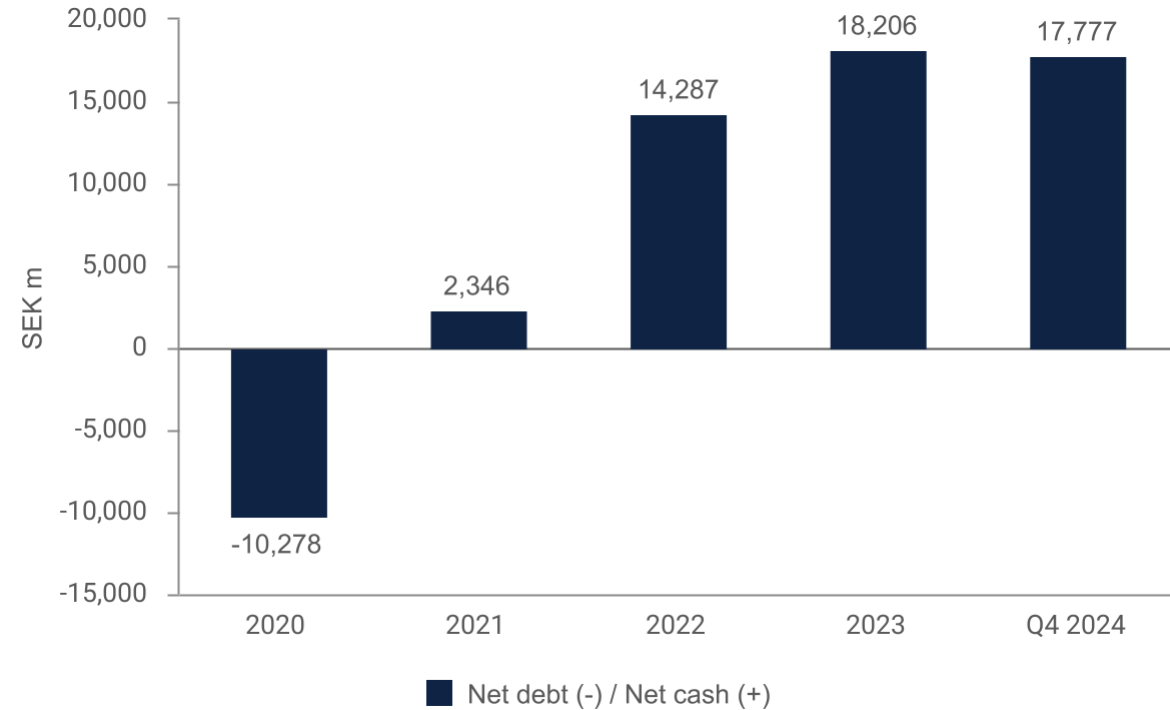
# Cash flow in Q4 supported by working capital

SEK millions	2024 Q4	2023 Q4	2024 Full-year	2023 Full-year
EBITDA	1,569	3,364	12,069	20,141
Change in working capital	3,610	3,760	2,470	4,836
Maintenance capital expenditures	-977	-1,106	-2,773	-2,585
Other	-74	-220	-1,074	-867
<b>Operating cash flow</b>	<b>4,127</b>	<b>5,798</b>	<b>10,692</b>	<b>21,524</b>
Financial items	159	146	461	437
Income taxes	-149	-486	-3,230	-3,879
<b>Cash flow from current operations</b>	<b>4,137</b>	<b>5,457</b>	<b>7,923</b>	<b>18,082</b>
Strategic expenditures in plants and machinery	-876	-929	-2,601	-1,889
Acquisitions of shares and operations	-38	-25	-38	-52
Investments/contributions in affiliated companies and joint ventures	—	-20	—	-20
Divestments of shares and operations	—	—	—	61
<b>Cash flow before dividend</b>	<b>3,223</b>	<b>4,484</b>	<b>5,284</b>	<b>16,182</b>
Dividend, parent company's shareholders	—	—	-4,983	-8,960
Dividend, non-controlling interest	—	—	-4	-8
Purchases of own shares	—	-1,292	-1,215	-1,292
Acquisition of shares, non-controlling interest	-2	—	-47	—
<b>Net cash flow</b>	<b>3,221</b>	<b>3,192</b>	<b>-964</b>	<b>5,922</b>



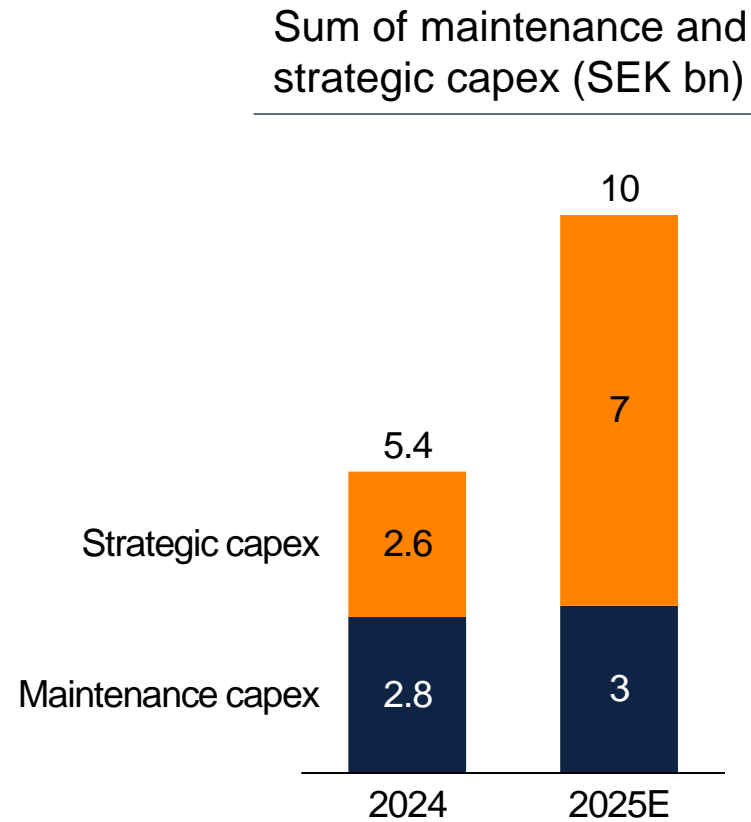
# Strong net cash position

- Net cash of SEK 17.8 billion at the end of Q4 2024
- Net debt/equity ratio -25% (-27%)
- Dividend of SEK 2.60 per share proposed, SEK 2.6bn to be paid to shareholders in Q2 2025



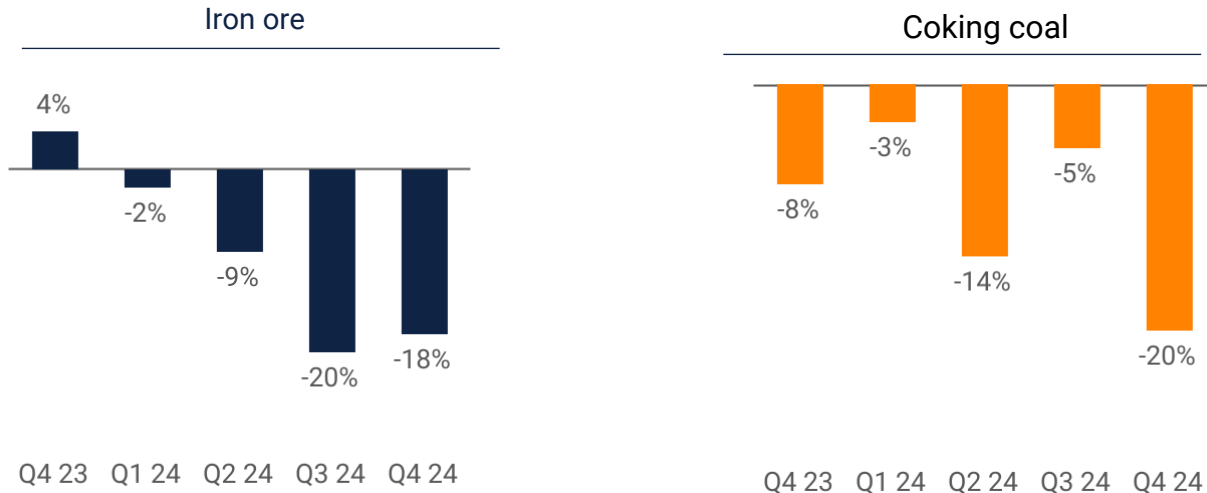
# Capex increasing due to transformation

- Capital expenditure in 2025 estimated at SEK 10bn
  - Higher strategic capex vs. 2024 due to the start of Luleå mini-mill
- Estimated peak years in 2026 and 2027

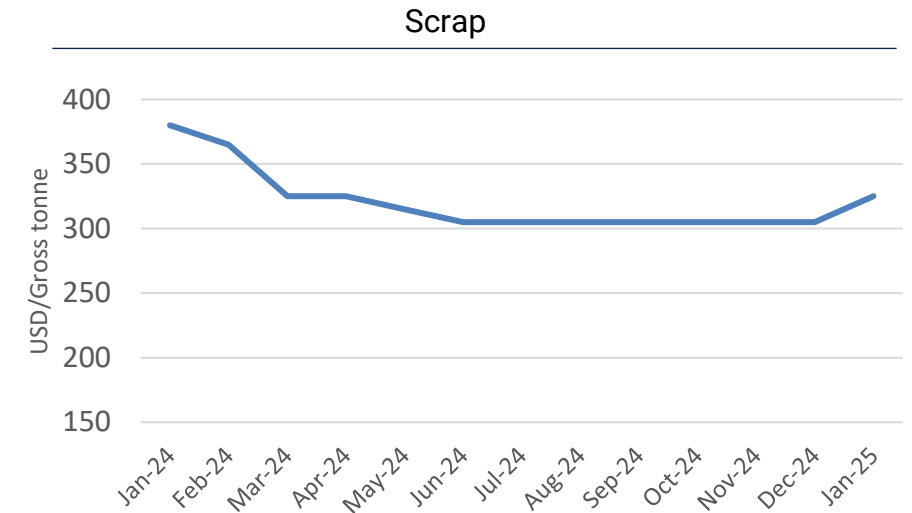


# Raw material

SSAB's purchase price, year over year changes



Market prices (AMM)



- Raw material costs is expected to be stable for SSAB Special Steels and SSAB Europe compared to prior quarter. Raw material costs for SSAB Americas are expected to be somewhat higher

- Higher scrap prices in the start of Q1/25
- The purchase prices of scrap affect the result after a lag of around one month

# Expected maintenance costs

- SSAB's total maintenance costs for 2025 are expected to be SEK 1,520 (1,640) million
- Most maintenance to be carried out in Q4

SEK millions	2025	2025	2025	2025	2025
	Q1	Q2	Q3	Q4	Full-year
SSAB Special Steels	–	–	90	580	670
SSAB Europe	–	–	290	230	520
SSAB Americas	–	–	0	330	330
<b>Total</b>	–	–	<b>380</b>	<b>1,140</b>	<b>1,520</b>











Note: The estimates shown in table includes direct maintenance cost and cost of lower capacity utilization (under absorption) but excludes lost margins.



4.

# Outlook and summary

# SSAB's outlook for main customer segments Q1/2025

Segment	Demand	Comments	 Strong	 Neutral	 Weak
Heavy Transport		<ul style="list-style-type: none"> <li>- Slowdown of heavy truck production in Europe continues</li> <li>- Stable trend for railcars, shipbuilding in the US</li> </ul>			
Automotive		<ul style="list-style-type: none"> <li>- Structurally growing AHSS market</li> <li>- European market weakening, US market more stable</li> </ul>			
Construction Machinery		<ul style="list-style-type: none"> <li>- Weak demand in Europe and slowdown in North America</li> <li>- China stabilizing</li> </ul>			
Material Handling		<ul style="list-style-type: none"> <li>- Stable demand in mining</li> </ul>			
Energy		<ul style="list-style-type: none"> <li>- Good demand for wind power and other renewables</li> </ul>			
Construction		<ul style="list-style-type: none"> <li>- Weak Nordic market</li> </ul>			
Service Centers		<ul style="list-style-type: none"> <li>- Cautious approach both in Europe and the US</li> <li>- Inventory levels on lower side</li> </ul>			



# SSAB's outlook for Q1/2025

- Demand is expected to remain weak on SSAB's home markets, Europe and North America, during the first quarter of 2025
- Seasonal improvement in shipments
- Outlook excludes effects of Finnish strikes

Volume and pricing outlook		
Q1/25 vs. Q4/24	Shipments	Realized prices
<b>SSAB Special Steels</b>	Significantly higher	Somewhat lower
<b>SSAB Europe</b>	Significantly higher	Lower
<b>SSAB Americas</b>	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%)*

# Summary

- Strong focus on safety is yielding results
- Good level of earnings in SSAB Special Steels – relatively stable prices
- Investment programs for Luleå and Oxelösund continues, targeting substantial benefits:
  - Enables SSAB Europe to take major step in improving product mix and to re-position in the market
  - Substantially lower fixed cost
  - Raw material flexibility
  - Better ability to manage short-term swings in demand
  - Elimination of CO<sub>2</sub> emissions from operations and meet demand of emission free products





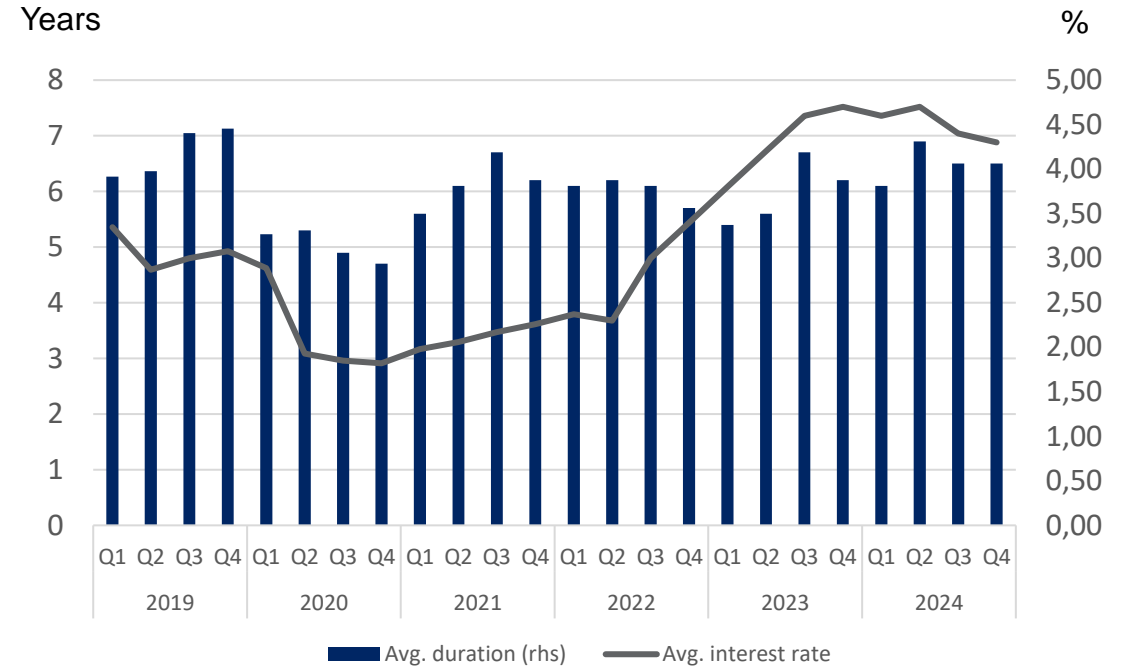
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# Questions and Answers

# Appendix

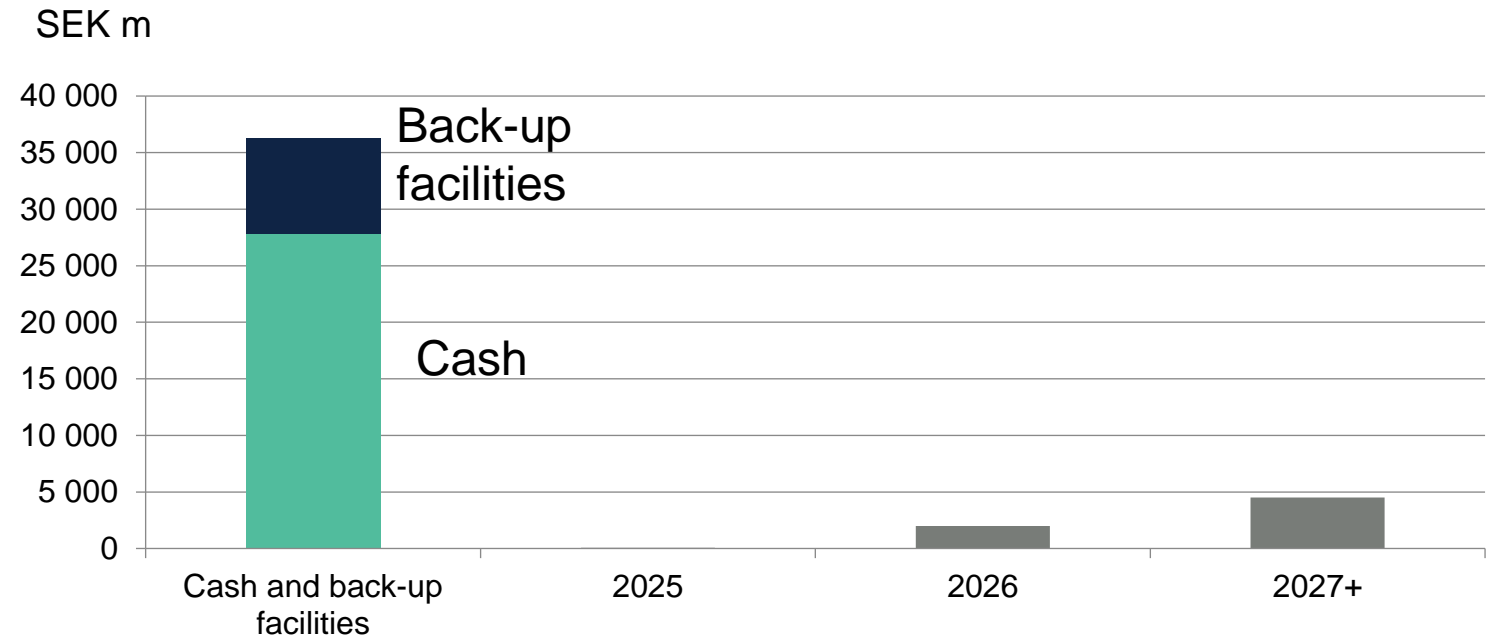
# Debt portfolio duration and interest rate

- Duration of the loan portfolio was 6.5 (6.2) years
- Averaged fixed interest term was 1.1 (1.4) years
- Average interest rate was 4.3% (4.7%)



# Maturity profile

- Liquid assets and committed credit lines at SEK 36.3bn at the end of Q4





SSAB