

INTERIM REPORT JANUARY – MARCH 2020



Recovery, but outlook
uncertain

April 27, 2020

SSAB

Interim Report January – March 2020

The first quarter

- Revenue was SEK 18,772 (20,017) million
- EBITDA was SEK 1,286 (2,755) million
- Operating profit was SEK 343 (1,674) million
- Earnings per share were SEK 0.17 (1.24)

Key figures

SEK millions	2020 Q1	2019 Q1	2019 Q4	2019 Full year
Revenue	18,772	20,017	16,973	76,485
Operating profit/loss before depreciation and amortization, EBITDA ¹⁾	1,286	2,755	-127	6,375
Operating profit/loss ¹⁾	343	1,674	-1,131	2,159
Profit/loss after financial items ¹⁾	221	1,583	-1,245	1,770
Profit/loss after tax ¹⁾	178	1,285	-1,204	1,279
Earnings per share (SEK)	0.17	1.24	-1.21	1.04
Operating cash flow	-411	1,139	1,321	5,194
Net debt	12,692	10,114	11,696	11,696
Net debt/equity ratio (%)	20	16	19	19

¹⁾ Excluding items affecting comparability. For detailed information, see pages 28.
(In the report, the figures in parentheses refer to the corresponding period for the previous year.)

Comments by the CEO

SSAB's operating profit for the first quarter of 2020 was SEK 343 million, down SEK 1,331 million compared with the first quarter of 2019. The first quarter of last year was characterized by more favorable market conditions, especially for SSAB Americas. Compared with the fourth quarter of 2019, which was characterized by destocking, weak margins, as well as our yearly planned maintenance, earnings improved by SEK 1,474 million.

SSAB Special Steels' shipments were 305 (338) thousand tonnes. Operating profit was SEK 458 (678) million, lower volumes compared with the first quarter of 2019 had a negative impact. Compared with the previous quarter, demand recovered and earnings were up SEK 584 million.

For SSAB Europe, shipments were 955 (907) thousand tonnes and operating profit decreased to SEK 0 (347) million. Compared with the fourth quarter of 2019, shipments and earnings recovered.

SSAB Americas' operating profit for the first quarter decreased to SEK 106 (956) million. The first quarter a year earlier was characterized by favorable market conditions with high heavy plate prices.

Currently, our top priority is to minimize the effects and the risks of Covid-19. Several measures have been taken to safeguard the health and safety of our personnel while maintaining SSAB's operations. Furthermore, measures have been put in place to decrease the negative effects of lower shipments and higher underabsorption because of lower industrial activity among our customers.

We are adjusting production and costs to demand, rolling mill production in SSAB Europe is reduced by at least 25%, and one of the blast furnaces in Raahé was idled in mid-April. All three steel divisions have brought forward annual planned maintenance outages to the summer. Short-time work allowances and layoffs have been introduced, external services have been sharply reduced, projects have been pushed back and all other costs are being reviewed. These measures will deliver annualized savings totaling more than SEK 1 billion. We are postponing strategic investments of at least SEK 500 million that had been planned for 2020, but maintenance investments will be performed as planned.

SSAB has a strong balance sheet, as well as liquid assets and committed credit lines of approximately SEK 22 billion. Despite great uncertainty, SSAB continues to focus on developing the special steels business and the transition to fossil-free steel, both of which are deemed important to strengthen our long-term competitiveness.

Outlook

The industrial deceleration following the breakout of Covid-19 affects steel demand negatively. It is estimated that demand for high-strength steel will initially decrease somewhat less than demand for standard steel. From SSAB's perspective, demand for high-strength steel is expected to also gain some support by our global presence from, among others, Asian markets, where a recovery can be noticed.

The outlook uncertainty is higher than normal for SSAB. It is estimated that shipments for SSAB Americas and SSAB Europe will contract sharply during the second quarter compared with the first quarter of 2020. Likewise for SSAB Special Steels, it is estimated that volumes will contract compared with the previous quarter, albeit to a somewhat lesser extent than for SSAB Americas and SSAB Europe.

Prices realized by SSAB Americas during the second quarter of 2020 are expected to be lower than in the first quarter of 2020. For SSAB Special Steels, prices are expected to be somewhat lower and for SSAB Europe, prices are expected to be more or less flat, compared to the first quarter of 2020.

Major planned maintenance outages 2020

The table below shows all major planned maintenance outages for 2020 and the costs of outages completed during 2019. The planned maintenance outages for all three steel divisions have been brought forward. The outage will be less extensive at SSAB Americas and costs are expected to total SEK 230 million (the earlier forecast was SEK 355 million). The costs for SSAB Special Steels and SSAB Europe will be marginally higher, compared with the earlier forecast. Total maintenance costs for the year are expected to be SEK 880 million, compared with the earlier forecast of SEK 970 million. The figures include the impact of the direct maintenance cost and the cost of lower capacity utilization (underabsorption), but exclude lost margins.

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
SEK millions	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4	Full year	Full year
SSAB Special Steels	-	-	-	-	280	-	-	300	280	300
SSAB Europe	-	-	-	-	300	285	70	135	370	420
SSAB Americas	-	-	80	-	150	-	-	415	230	415
Total	-	-	80	-	730	285	70	850	880	1,135

The market

According to the World Steel Association, global crude steel production for the first three months of the year amounted to 443 (449) million tonnes, down 1.4% compared with the same period in 2019. Chinese steel production increased by more than 1% and steel production in North America decreased by 4%, whereas production in the EU-28 decreased by 10% compared with the same period in 2019.

In North America, the market for heavy plate weakened during the second half of the quarter. Both OEMs and distributors built up inventories somewhat after the destocking that marked the fourth quarter of 2019.

In Europe, demand during the first quarter was stable, albeit slowing toward the end of the quarter in the wake of decreased industrial activity, particularly in the Automotive segment, due to Covid-19. Both OEMs and distributors have increased their inventories during the quarter, partly as a result of destocking during the fourth quarter of 2019 and partly due to concerns about supply chains.

Demand for high-strength steel was stable during the first quarter, albeit demand in China was somewhat negatively affected because of Covid-19.

In North America, market prices for heavy plate fell during the second half of the first quarter. In Europe, market prices for both strip and heavy plate rose during the first quarter, but prices decreased in China.

SSAB Group – First quarter of 2020

Revenue and operating result

Revenue for the first quarter of 2020 was SEK 18,772 (20,017) million, down 6% compared with the first quarter of 2019 and up 11% compared with the fourth quarter of 2019.

Operating profit was SEK 343 (1,674) million, down SEK 1,331 million compared with the first quarter of 2019. This decrease was primarily related to SSAB Europe and SSAB Americas. Compared with the fourth quarter of 2019, earnings were up SEK 1,474 million.

Revenue and operating profit/loss by business segment

SEK millions	Revenue			Operating profit/loss		
	2020 Q1	2019 Q1	Change	2020 Q1	2019 Q1	Change
SSAB Special Steels	4,536	4,874	-338	458	678	-220
SSAB Europe	8,139	8,577	-437	0	347	-347
SSAB Americas	3,878	4,871	-994	106	956	-849
Tibnor	2,421	2,264	157	12	38	-26
Ruukki Construction	1,480	1,274	205	11	-14	25
Other	-	0	-	-153	-67	-87
Depr. surplus values	-	-	-	-91	-265	173
Group adjustments	-1,681	-1,843	162	-	-	-
Total	18,772	20,017	-1,245	343	1,674	-1,331

Analysis of total change in revenue and operating profit/loss ^{*)}

	Revenue		Operating profit/loss	
	Change vs Q1, 2019 %		Change vs Q1, 2019 SEK m.	
Volume	2	Price and product mix	-2,240	
Price	-11	Volume	140	
Product mix	-1	Variable cost	580	
Currency effects	2	Fixed cost	40	
Other sales	2	Currency effects	-150	
		Capacity utilization	130	
		Other	169	
Total	-6		-1,331	

^{*)} Estimated change, the figures in the table have been rounded.

Raw materials

SSAB sources iron ore from LKAB in Sweden and from Severstal in Russia, and prices vary depending on the market index. SSAB sources coking coal from Australia, the USA and Canada, usually on annual supply contracts with monthly pricing. SSAB Americas regularly purchases scrap metal on the spot market as a raw material for their production.

Change in SSAB's average purchase prices, first quarter of 2020

% change	Change vs. 2019 Q1		Change vs. 2019 Q4	
	USD	SEK	USD	SEK
Iron ore	-18%	-14%	1%	1%
Coking coal	-34%	-31%	-5%	-5%
Scrap metal	-13%	-9%	22%	23%

Production and shipments

Crude steel production during the first quarter of 2020 was up 4% compared with the first quarter of 2019 and up 28% compared with the fourth quarter of 2019.

Rolling production during the first quarter of 2020 was up 3% compared with the same quarter of 2019 and up 32% compared with the fourth quarter of 2019.

SSAB's steel shipments during the first quarter of 2020 were 1,787 (1,774) thousand tonnes, up 1% compared with the first quarter of 2019 and up 21% compared with the fourth quarter of 2019.

Production and shipments

	2020	2019	2019	2019
Thousand tonnes	Q1	Q1	Q4	Full year
Crude steel production	2,081	2,000	1,621	7,623
Rolling production	1,955	1,889	1,484	6,994
Steel shipments	1,787	1,744	1,479	6,560

Earnings after tax and earnings per share

Earnings after tax (attributable to shareholders in the parent company) for the first quarter of 2020 were SEK 176 (1,280) million, equating to SEK 0.17 (1.24) per share. Tax was SEK -42 (-298) million.

Return on capital employed/equity

Return on capital employed before tax for the last 12 months was 2% and return on equity after tax was 0%, whereas the figures for the full year 2019 were 3% and 2% respectively.

Equity

With earnings of SEK 176 million and other comprehensive income (mostly consisting of translation differences) of SEK 3,957 million, the parent company's shareholders' equity amounted to SEK 64,447 (62,113) million, equating to SEK 62.58 (60.31) per share.

Cash flow, financing and liquidity

Operating cash flow for the first quarter of 2020 amounted to SEK -411 (1,139) million. Compared with the first quarter of 2019, cash flow was impacted by lower operating profit and higher tied up working capital.

Net cash flow amounted to SEK -751 (503) million. Net debt at March 31, 2020 was SEK 12,692 (10,114) million.

The term to maturity of the total loan portfolio at March 31, 2020 averaged 5.2 (6.3) years, with an average fixed interest period of 0.8 (1.0) years.

Cash and cash equivalents were SEK 7,012 (4,873) million and non-utilized credit facilities were SEK 15,108 (7,091) million, which combined corresponds to 29% (18%) of rolling 12-month revenue.

Capital expenditure

Capital expenditure, including acquisitions and divestments, totaled SEK 536 (640) million during the first quarter of 2020. Strategic investments primarily included increased capacity in high-strength steel in Mobile and Borlänge. Given the uncertainty in the outlook, SSAB has decided to postpone some of the strategic investments that had been planned for the rest of 2020, primarily the investment in Mobile and the start-up of the investment in Oxelösund to convert to electric arc furnaces. However, the target to deliver fossil-free steel by 2026 is unchanged. Maintenance investments will be performed as planned. It is estimated that the total of maintenance and strategic investments will amount to between SEK 2.0 billion and SEK 2.5 billion for the full year of 2020, compared with the earlier estimate of around SEK 3 billion.

Operating cash flow and net debt

SEK millions	2020 Q1	2019 Q1	2019 Full year
Operating profit before depreciation/amortization	1,286	2,755	6,177
Change in working capital	-1,401	-1,256	896
Maintenance expenditures	-303	-352	-1,875
Other	7	-9	-4
Operating cash flow	-411	1,139	5,194
Financial items	-94	-93	-432
Taxes	-8	-254	-1,315
Cash flow from current operations	-513	791	3,447
Strategic expenditures in plants and machinery	-162	-113	-1,035
Acquisitions of shares and operations	-71	-175	-1,221
Divestments of shares and operations	-	-	118
Cash flow before dividend	-747	503	1,309
Dividend paid to shareholders	-	-	-1,545
Dividend, non-controlling interest	-4	-	-7
Acquisition, non-controlling interest	-	-	-46
Net cash flow	-751	503	-289
Net debt at beginning of period	-11,696	-8,582	-8,582
Adjustment net cash flow, IFRS 16	-	-1,945	-1,945
Net cash flow	-751	503	-289
Revaluation of liabilities against equity ¹⁾	-362	-191	-287
Other ²⁾	116	101	-593
Net debt at the end of period	-12,692	-10,114	-11,696

¹⁾ Revaluation of hedges of currency risks in foreign operations.

²⁾ Mainly consisting of cash flow effects on derivative instruments and revaluation of other financial instruments in foreign currency, 2019 including acquired net debt.

Business segments – First quarter of 2020

The information in the tables below excludes the depreciation/amortization on surplus values on tangible and intangible assets relating to the acquisitions of IPSCO and Rautaruukki and excludes items affecting comparability. For more information about the business segments, see page 21.

SSAB Special Steels

First quarter in brief

- Operating profit decreased to SEK 458 (678) million, primarily due to lower shipments
- Shipments decreased to 305 (338) thousand tonnes, but increased quarter on quarter
- Margins remained at a stable level

Key figures

	2020	2019	2019	2019
SEK millions	Q1	Q1	Q4	Full year
Revenue	4,536	4,874	3,973	18,495
Operating profit before depreciation/amortization, EBITDA	614	842	28	2,081
Operating profit/loss	458	678	-126	1,454
Operating cash flow	397	440	-591	668
Number of employees at end of period	2,835	2,899	2,886	2,886

Revenue and operating profit

Revenue was down 7% compared with the first quarter of 2019 and amounted to SEK 4,536 (4,874) million. Lower volumes had a negative impact of 10 percentage points and lower prices 2 percentage points. Currency effects had a positive impact of 2 percentage points and other revenue 3 percentage points.

Compared with the fourth quarter of 2019, revenue was up 14%. Higher volumes had a positive impact of 22 percentage points. Lower prices reduced revenue by 4 percentage points and other revenue had a negative impact of 2 percentage points. A weaker product mix and negative currency effects each impacted 1 percentage point.

Operating profit for the first quarter of 2020 was SEK 458 (678) million, down SEK 220 million compared with the first quarter of 2019. Lower volumes had a negative impact.

Compared with the fourth quarter of 2019, earnings were up SEK 584 million. Improved volumes contributed positively. The previous quarter was impacted by planned maintenance costs and lower capacity utilization, when production was adjusted to weaker demand.

Given the weaker outlook, SSAB Special Steels has taken a number of measures to reduce costs during the second quarter and onwards. Short-time work allowances have been introduced and time banks provide additional flexibility. The maintenance outage planned for the fourth quarter has been brought forward to the summer and this, among other things, reduces the need for summer employees.

Market trend

Compared with the previous quarter, demand recovered during the first quarter of 2020 in large customer segments such as Heavy Transport and Material Handling, which includes mining equipment. Continued weak demand was seen in the Construction Machinery customer segment. Covid-19 had no major impact on SSAB Special Steels' shipments during the first quarter, although weaker order intake was seen toward the end of the quarter.

Production and shipments

Crude steel production was down 24% compared with the first quarter of 2019, while it was up 106% compared with the fourth quarter of 2019. The decrease compared to the first quarter of 2019 was because both blast furnaces in Oxelösund were operating until mid-September 2019.

Rolling production for the first quarter of 2020 was up 4% compared with the same period in 2019 and up 82% compared with the fourth quarter of 2019.

Production of crude steel and plate during the fourth quarter of 2019 was at a low level because of planned maintenance outage and adjustment to lower demand.

External shipments of steel during the first quarter of 2020 were down 10% compared with the same period in 2019 and up 22% compared with the fourth quarter of 2019.

Production and shipments

	2020	2019	2019	2019
Thousand tonnes	Q1	Q1	Q4	Full year
Crude steel production	293	385	142	1,225
Rolling production	151	145	83	493
Shipments	305	338	249	1,224

Figures for steel shipments include high-strength steel produced at SSAB Europe's and SSAB Americas' steel mills but sold by SSAB Special Steels.

Cash flow and capital expenditure

Operating cash flow during the first quarter was SEK 397 (440) million. Lower earnings were partly counteracted by lower tied up working capital compared with the first quarter of 2019.

Capital expenditure payments during the first quarter were SEK 86 (68) million, of which SEK 10 (11) million were strategic investments.

SSAB Europe

First quarter in brief

- Operating profit fell to SEK 0 (347) million, primarily due to lower prices
- Shipments increased to 955 (907) thousand tonnes

Key figures

SEK millions	2020	2019	2019	2019
	Q1	Q1	Q4	Full year
Revenue	8,139	8,577	6,702	31,730
Operating profit/loss before depreciation/amortization, EBITDA	413	738	-194	945
Operating profit/loss ¹⁾	0	347	-609	-677
Operating cash flow	-1,125	-543	666	182
Number of employees at end of period	6,865	6,868	6,853	6,853

¹⁾ Excluding depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki. Depreciation/amortization on surplus values was SEK 61 (59) million during the first quarter.

Revenue and operating profit

Revenue was down 5% compared with the first quarter of 2019 and amounted to SEK 8,139 (8,577) million. Lower prices had a negative impact of 9 percentage points and other revenue was down 3 percentage points. Higher volumes had a positive impact of 5 percentage points and positive currency effects 2 percentage points.

Compared with the fourth quarter of 2019, revenue was up 21%. Higher volumes had a positive impact of 27 percentage points and other revenue was up 1 percentage point. Lower prices had a negative impact of 7 percentage points.

Operating profit for the first quarter fell to SEK 0 (347) million, down SEK 347 million compared with the first quarter of 2019. Weaker earnings are largely explained by lower steel prices.

Compared with the fourth quarter of 2019, earnings were up by SEK 609 million. Higher volumes had a positive impact on earnings. The previous quarter was affected by planned maintenance outages, strikes and the adjustment of production to lower demand.

SSAB Europe is now cutting production at the rolling mills in Borlänge and Hämeenlinna by at least 25%. One of the blast furnaces in Raabe was idled in mid-April and will remain idled for at least 1-2 months. Short-time work allowances and layoffs have been introduced in Sweden and Finland. Development projects have been put on hold and other costs are under review.

Market trend

The first quarter of 2020 was marked by inventory build-up at distributors and OEMs following the low activity that characterized the fourth quarter of 2019. Order intake weakened toward the end of the quarter, due to the effects of Covid-19. The Automotive customer segment was affected as vehicle production in Europe and North America was idled in March. Compared to the first quarter of 2019, volumes in SSAB Europe's Automotive business, which consists of high-strength steel, were higher driven by new delivery contracts.

Production and shipments

Crude steel production during the first quarter of 2020 was up 14% compared with the first quarter of 2019 and up 22% compared with the fourth quarter of 2019. The previous quarter was negatively affected by the idling of one of the blast furnaces in Raabe to adjust production to lower demand.

Rolling production was up 2% compared with the first quarter of 2019 and up 36% compared with the fourth quarter of 2019. The fourth quarter of 2019 had lower production rates because of declining demand and strikes in Finland.

External shipments of steel during the first quarter of 2020 were up 5% compared with the first quarter of 2019 and up 27% compared with the fourth quarter of 2019.

Production and shipments

	2020	2019	2019	2019
Thousand tonnes	Q1	Q1	Q4	Full year
Crude steel production	1,130	993	926	3,969
Rolling production	1,190	1,162	876	4,217
Shipments	955	907	752	3,362

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

Cash flow and capital expenditure

Operating cash flow during the first quarter was SEK -1,125 (-543) million. Compared with the first quarter of 2019, cash flow was impacted negatively by lower earnings and higher tied up working capital.

Capital expenditure payments during the first quarter of 2020 were SEK 255 (246) million, of which SEK 83 (59) million were strategic investments.

SSAB Americas

First quarter in brief

- Operating profit fell to SEK 106 (956) million due to lower prices
- Shipments increased to 527 (500) thousand tonnes

Key figures

SEK millions	2020 Q1	2019 Q1	2019 Q4	2019 Full year
Revenue	3,878	4,871	3,588	17,460
Operating profit/loss before depreciation/amortization, EBITDA	294	1,119	-1	2,852
Operating profit/loss ¹⁾	106	956	-222	2,128
Operating cash flow	151	1,239	521	3,540
Number of employees at end of period	1,243	1,238	1,254	1,254

¹⁾ Excluding depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of IPSCO.

Depreciation/amortization on surplus values was SEK 25 (201) million during the first quarter.

Revenue and operating profit

Revenue was down 20% compared with the first quarter of 2019 and amounted to SEK 3,878 (4,871) million. Lower prices had a negative impact of 30 percentage points. Higher volumes had a positive impact of 6 percentage points and positive currency effects 4 percentage points.

Compared with the fourth quarter of 2019, revenue was up 8%. Higher volumes had a positive impact of 10 percentage points, whereas lower prices had a negative impact of 2 percentage points.

Operating profit for the first quarter of 2020 was SEK 106 (956) million, down SEK 850 million compared with the first quarter of 2019. Lower earnings were mainly attributable to lower prices since the first quarter last year was marked by more favorable market conditions with high prices for heavy plate.

Compared with the fourth quarter of 2019, operating profit was up SEK 328 million. The previous quarter was negatively impacted by the costs of planned maintenance outage, which also affected shipments.

Given the weaker outlook, SSAB Americas has brought forward the annual planned maintenance outage to the summer. The outage will be less extensive and costs are expected to be SEK 230 million, compared with the earlier forecast of SEK 355 million. SSAB Americas has a relatively high share of variable costs, which allows for flexibility when market conditions change.

Market trend

Shipments increased during the first quarter driven by the Steel Service Centers and Heavy Transport customer segments (primarily in marine applications). Toward the end of the quarter, there were signs of weaker demand in among others the Construction Machinery and Energy (oil and gas) customer segments.

Production and shipments

Crude steel production was up 6% compared with the first quarter of 2019 and up 19% compared with the fourth quarter of 2019.

Rolling production was up 6% compared with the first quarter of 2019 and up 17% compared with the fourth quarter of 2019.

In the fourth quarter of 2019, crude steel production and rolling production was negatively affected by planned maintenance outages.

External shipments of steel were up 5% compared with the first quarter of 2019 and up 10% compared with the fourth quarter of 2019.

Production and shipments

	2020	2019	2019	2019
Thousand tonnes	Q1	Q1	Q4	Full year
Crude steel production	658	621	554	2,429
Rolling production	614	581	526	2,285
Shipments	527	500	478	1,974

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

Cash flow and capital expenditure

Operating cash flow during the first quarter of 2020 was SEK 151 (1,239) million. Compared with the first quarter of 2019, cash flow was impacted negatively by lower earnings.

Capital expenditure payments during the first quarter were SEK 81 (75) million, of which SEK 65 (11) million were strategic investments.

Tibnor

First quarter in brief

- Operating profit fell to SEK 12 (38) million, primarily due to lower margins
- The restructuring program progresses according to plan

Key figures

	2020	2019	2019	2019
SEK millions	Q1	Q1	Q4	Full year
Revenue	2,421	2,264	2,172	9,149
Operating profit before depreciation/amortization, EBITDA	50	78	8	206
Operating profit/loss ¹⁾	12	38	-39	30
Operating cash flow	120	79	370	348
Shipments, thousand tonnes	222	188	189	786
Number of employees at end of period	1,068	1,079	1,133	1,133

¹⁾ Excluding depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki. Depreciation/amortization on surplus values was SEK 6 (6) million during the first quarter.

Revenue and operating profit

Compared with the first quarter of 2019, revenue increased and amounted to SEK 2,421 (2,264) million. The acquisition of Sanistål's steel distribution business, completed in April 2019, contributed SEK 416 million during the first quarter of 2020.

Revenue was higher compared with the fourth quarter of 2019, which was characterized by a cautious sentiment from many customers.

Operating profit for the first quarter of 2020 was SEK 12 (38) million, down SEK 26 million compared with the first quarter of 2019. Lower earnings were primarily attributable to lower margins, including revaluation of inventory.

Compared with the fourth quarter of 2019, earnings were up SEK 51 million. Higher shipments and margins had a positive impact on earnings.

Tibnor's restructuring program is progressing according to plan and is expected to lower costs by around SEK 200 million on an annual basis, with full effect from the second half of 2020 onwards. Due to the uncertain outlook, further savings measures are being taken during the second quarter.

Market trend

Demand improved compared with the fourth quarter of 2019 and shipments increased. Toward the end of the first quarter, a slowdown was seen in most markets following the outbreak of Covid 2019.

Cash flow and capital expenditure

Operating cash flow during the first quarter was SEK 120 (79) million. Compared with the first quarter of 2019, tied up working capital was lower.

Capital expenditure payments during the first quarter of 2020 were SEK 13 (46) million, of which SEK 0 (23) million were strategic investments.

Ruukki Construction

First quarter in brief

- Operating profit increased to SEK 11 (-14) million, driven by higher revenue
- Stable underlying demand

Key figures

SEK millions	2020 Q1	2019 Q1	2019 Q4	2019 Full year
Revenue	1,480	1,274	1,752	6,510
Operating profit before depreciation/amortization, EBITDA	55	30	116	466
Operating profit/loss ¹⁾	11	-14	67	283
Operating cash flow	45	-20	192	348
Number of employees at end of period	1,837	1,802	1,841	1,841

¹⁾ Excluding depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki. Depreciation/amortization on surplus values was SEK -3 (-3) million during the first quarter.

Revenue and operating profit

Revenue was up 16% compared with the first quarter of 2019 and amounted to SEK 1,480 (1,274) million, among other things because of the acquisition of Piristeel, which was completed during the first quarter of 2019. Volumes in Building Envelopes were somewhat weaker. Compared with the fourth quarter of 2019, revenue was down 16%, primarily attributable to seasonally weaker demand.

Operating profit for the first quarter was SEK 11 (-14) million. Improved earnings compared with the first quarter of 2019 were due to Roofing and Building Systems.

Compared with the fourth quarter of 2019, earnings were down SEK 56 million, primarily due to seasonally lower volumes.

During the third quarter of 2019, an agreement was signed to divest Ruukki Construction's project business, Building Systems. The transaction is expected to be completed during the first half of 2020. Building Systems had revenue of around SEK 1.5 billion in 2019 and a slightly positive operating profit. During the first quarter, revenue amounted to SEK 0.4 billion and operating profit was positive.

Market trend

Demand was seasonally lower during the first quarter, but somewhat better compared to a year earlier. There was continued good underlying demand in the main markets.

Cash flow and capital expenditure

Operating cash flow during the first quarter was SEK 45 (-20) million. The improvement was attributable to improved earnings and lower tied up working capital. Capital expenditure payments during the first quarter were SEK 27 (23) million, of which SEK 4 (8) million were strategic investments.

Sustainability

Key figures – rolling 12 months

	2020 Q1	2019 Q1	2019 Full year
<u>Responsible partner</u>			
Lost time injury frequency (LTIF) ¹⁾	4.3	6.0	4.2
Total number of injuries (LTI) ²⁾	128	180	126
<u>Sustainable operations</u>			
Energy consumption, GWh ³⁾	9,096	9,454	9,093
Energy intensity, kWh/tonnes crude steel	1,181	1,187	1,193
Carbon dioxide emissions (Scope 1), thousand tonnes ⁴⁾	9,315	9,806	9,433
Carbon dioxide emissions (Scope 2), thousand tonnes ⁵⁾	1,163	1,186	1,171
Intensity, tonnes of CO ₂ /tonnes crude steel ⁶⁾	1.36	1.38	1.39

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

²⁾ Number of accidents resulting in an absence of more than one day (LTIs, Lost Time Injuries), including contractors

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

⁴⁾ Direct emissions from production (Scope 1)

⁵⁾ Indirect emissions from the generation of purchased electricity, heating and steam (Scope 2)

⁶⁾ Includes Scope 1 and Scope 2

Responsible partner – Health and Safety

SSAB's lost time injury frequency resulting in an absence of at least one day (LTIF) was 4.3 (6.0) (rolling 12 months), which means a clear improvement. The positive trend in safety performance is a result of systematic and consistent work across the organization.

SSAB has taken several measures to prevent the spread of Covid-19 and to safeguard the health of its employees and subcontractors. Examples of the measures taken include a ban on all business travel, employees working from home where possible, not allowing external visitors at sites and restricting face-to-face meetings. SSAB has contingency plans in place for all production sites and key functions. SSAB is monitoring the situation closely and is prepared to take additional actions where required.

Sustainable operations – Environment and HYBRIT

SSAB's total energy consumption related to electricity, purchased fuels and purchased heat was 9,096 (9,454) GWh (rolling 12 months). SSAB's direct (Scope 1) CO₂ emissions were 9,315 (9,806) thousand tonnes and indirect (Scope 2) CO₂ emissions were 1,163 (1,186) thousand tonnes.

SSAB is transforming toward a fossil-free steelmaking process through HYBRIT (Hydrogen Breakthrough Ironmaking Technology), which is a joint initiative from SSAB, LKAB, and Vattenfall. The pilot plant for HYBRIT will be brought into use in the summer of 2020 and a demonstration plant is planned for 2025, three years ahead of original plan. It will then be possible to produce iron ore-based fossil-free steel for commercial use already in 2026.

More information on sustainability at SSAB is available at www.ssab.com/company/sustainability.

Risks and uncertainty factors

The spread of Covid-19 and its impact on global industrial production, political decisions and economic development will affect SSAB's revenue and earnings negatively. The extent of this impact is currently difficult to quantify, due to the prevailing uncertainty.

For information regarding other material risks and uncertainty factors, reference is made to the detailed description in the Annual Report for 2019.

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 2019.

Review

This report has not been reviewed by the auditors.

Stockholm, April 27, 2020

Martin Lindqvist
President & CEO

Financial reports in accordance with IFRS – Group

The figures in the tables have been rounded, which might affect aggregates

Consolidated statement of profit and loss, in summary

SEK millions	2020 Q1	2019 Q1	2019 Full year
Revenue	18,772	20,017	76,485
Cost of goods sold	-17,186	-17,242	-70,191
Gross profit/loss	1,586	2,775	6,293
Selling and administrative costs	-1,218	-1,252	-4,956
Other operating income and expenses	-39	118	560
Affiliated companies, profit/loss after tax	13	33	64
Operating profit/loss	343	1,674	1,961
Financial income	674	215	504
Financial expenses	-796	-307	-893
Profit/loss for the period after financial items	221	1,583	1,572
Tax	-42	-298	-479
Profit/loss for the period	178	1,285	1,093
Of which attributable to:			
- Parent Company's shareholders	176	1,280	1,075
- Non-controlling interest	2	5	18

Consolidated statement of comprehensive income

SEK millions	2020 Q1	2019 Q1	2019 Full year
Profit/loss for the period after tax	178	1,285	1,093
Other comprehensive income			
<u>Items that may be subsequently reclassified to the income statement</u>			
Translation differences for the period	4,425	1,675	1,990
Cash flow hedges	-289	-130	-239
Hedging of currency risks in foreign operations ¹⁾	-362	-191	-287
Share in other comprehensive income of affiliated companies and joint ventures	-	-7	8
Tax attributable to items that may be subsequently reclassified to the income statement	135	69	-68
Reclassification Items that will not be reclassified to the income statement	-	-	-88
Total items that may be subsequently reclassified to the income statement	3,909	1,416	1,316
<u>Items that will not be reclassified to the income statement</u>			
Remeasurements of the net defined benefit liability	66	-34	-54
Tax attributable to items that will not be reclassified to the income statement	-13	7	12
Share in other comprehensive income of affiliated companies and joint ventures	-	7	-
Reclassification Items that may be subsequently reclassified to the income statement	-	-	88
Total items that will not be reclassified to the income statement	53	-20	46
Total other comprehensive income for the period, net after tax	3,962	1,396	1,362
Total comprehensive income for the period	4,140	2,681	2,455
Of which attributable to:			
- Parent Company's shareholders	4,133	2,675	2,440
- Non-controlling interest	7	6	15

¹⁾ Hedging is structured such that the net/equity ratio is unchanged in the event of changed exchange rates.

Consolidated statement of changes in equity, in summary

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		
Equity, December 31, 2018	9,062	23,021	5,715	21,638	59,437	78	59,514
<u>Changes Jan. 1 – Mar. 31, 2019</u>							
Total comprehensive income for the period			1,415	1,260	2,675	6	2,683
Non-controlling interest through business acquisition ¹⁾						47	47
Equity, March 31, 2019	9,062	23,021	7,131	22,898	62,113	131	62,244
<u>Changes Apr. 1 – Dec. 31, 2019</u>							
Total comprehensive income for the period			-97	-138	-235	9	-228
Investments, non-controlling interest			-3	-14	-17	-30	-47
Dividend, Parent company shareholders				-1,545	-1,545		-1,545
Dividend, non-controlling interest						-7	-7
Equity, December 31, 2019	9,062	23,021	7,030	21,201	60,314	103	60,417
<u>Changes Jan. 1 - Mar. 31, 2020</u>							
Total comprehensive income for the period			3,904	229	4,133	7	4,140
Dividend, non-controlling interest						-4	-4
Equity, March 31, 2020	9,062	23,021	10,934	21,430	64,447	106	64,553

There are 1,029,835,326 shares with a quotient value of SEK 8.80.

Consolidated statement of financial position, in summary

SEK millions	2020 31 Mar	2019 31 Mar	2019 31 Dec
Assets			
Intangible assets	34,899	32,273	32,508
Tangible fixed assets	24,779	23,608	23,987
Right of use assets	2,879	2,463	2,545
Financial assets	1,357	1,351	1,260
Deferred tax receivables ¹⁾	292	419	254
Total fixed assets	64,206	60,114	60,554
Inventories	20,065	20,105	20,391
Accounts receivable	8,448	9,737	6,945
Current tax receivables	489	133	422
Other current receivables ²⁾	3,009	2,807	1,411
Cash and cash equivalents	7,012	4,873	3,591
Total current assets	39,022	37,656	32,760
Assets held for sale	654	-	664
Total assets	103,882	97,771	93,978
Equity and liabilities			
Equity for the shareholders in the Parent Company	64,447	62,113	60,314
Non-controlling interest	106	131	103
Total equity	64,553	62,244	60,417
Deferred tax liabilities	458	746	581
Other long-term provisions	625	670	665
Long-term non-interest bearing liabilities ¹⁾	472	306	320
Long-term interest-bearing liabilities	10,374	8,554	9,853
Lease liability	2,285	1,842	2,025
Total long-term liabilities	14,214	12,118	13,444
Short-term interest-bearing liabilities	7,878	5,076	2,756
Lease liability	701	658	604
Accounts payable	11,259	12,785	12,067
Current tax liabilities	239	451	114
Other current liabilities	4,710	4,438	4,206
Total current liabilities and provisions	24,786	23,408	19,746
Liabilities held for sale	329	-	371
Total equity and liabilities	103,882	97,771	93,978
Pledged assets	1,074	1,356	62
Contingent liabilities	2,546	2,054	2,432

¹⁾ Of the Deferred tax receivable, SEK 122 (118) million constitutes a valuation of the future tax credits regarding investments in Alabama, USA. Since the credits cannot yet be booked as income, a corresponding liability has been booked as Long-term non-interest bearing liabilities.

²⁾ Other current receivables comprise short-term bank deposits (escrow agreement) in the amount of SEK 1,010 (1,294) million.

Valuation of financial assets and liabilities

Financial assets and liabilities in the balance sheet are valued based on their classification at acquisition value or fair value. Both interest rate derivatives and currency derivatives are valued at fair value. In the balance sheet item "Other current receivables" derivatives are valued at a total of SEK 901 (332) million and in the balance sheet item "Other current liabilities" derivatives are valued at a total of SEK 271 (115) million. In the balance sheet item "Financial assets" derivatives are valued at a total of SEK 15 (153) million and in the balance sheet item "Long-term non-interest bearing liabilities", derivatives are included valued at a total of SEK 146 (11) million.

Other financial assets and liabilities in the balance sheet are reported at acquisition value. In the case of valuation at fair value, the loans reported in the balance sheet item "Long-term interest-bearing liabilities" (including the short-term part) would exceed the reported amount by SEK 47 (69) million. However, since the loans will be held until maturity, this does not affect the reported value.

Assessment of the fair value of financial instruments

Classification takes place hierarchically on three different levels based on the input data used in valuing instruments. On level 1, listed prices on an active market are used, e.g. stock exchange prices. On level 2, observable market data regarding assets and liabilities other than listed prices are used, e.g. interest rates and return curves. On level 3, the fair value is determined based on a valuation technique which is based on assumptions which are not based on prices or observable data.

The fair value valuation of the financial assets 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.

Consolidated statement of cash flows, in summary

SEK millions	2020 Q1	2019 Q1	2019 Full year
Operating profit/loss	343	1,674	1,961
Adjustment for depreciation and impairment	942	1,080	4,216
Adjustment for other non-cash items	1	12	37
Received and paid interest	-94	-93	-454
Tax paid	-8	-254	-1,315
Change in working capital	-1,401	-1,256	896
Cash flow from operating activities	-216	1,164	5,341
Investments in plant and machinery	-465	-493	-2,939
Investments/acquisitions, shares and operations	-66	-175	-1,140
Divested shares and operations	-	-	118
Other investing activities	6	7	11
Cash flow from investing activities	-525	-661	-3,950
Dividend paid to shareholders	-	-	-1,545
Dividend, non-controlling interest	-4	-	-7
Change in loans	5,024	788	-661
Change in financial investments	-973	959	2,074
Acquisition, non-controlling interest	-	-	-46
Other financing activities	618	-51	-235
Cash flow from financing activities	4,666	1,697	-421
Cash flow for the period	3,924	2,237	971
Cash and cash equivalents at beginning of period	3,597	2,598	2,598
Exchange rate difference in cash and cash equivalents	-483	37	28
Cash and cash equivalents at end of period ¹⁾	7,039	4,873	3,597
Contracted, non-utilized overdraft facilities	15,108	7,091	6,727
Disposable cash and cash equivalents (incl. non-utilized overdraft facilities)	22,147	11,964	10,324

¹⁾ Includes cash flows from assets and liabilities held for sale

Key figures

	2020 Q1	2019 Q1	2019 Full year
Operating margin (%)	2	8	3
Earnings per share (SEK)	0.17	1.24	1.04
Equity per share (SEK)	62.58	60.31	58.57
Net debt/equity ratio (%)	20	16	19
Equity ratio (%)	62	64	64
Adjusted average number of shares during the period (millions)	1,029.8	1,029.8	1,029.8
Number of shares at end of period (millions)	1,029.8	1,029.8	1,029.8
Number of employees at end of period	14,391	14,415	14,514

Financial reports – The Parent Company

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

SEK millions	2020 Q1	2019 Q1	2019 Full year
Gross profit	-	-	-
Selling and administrative costs	-102	-102	-385
Other operating income/expenses	53	41	174
Operating loss	-50	-61	-211
Financial items	-355	-208	2,958
Profit/loss after financial items	-405	-268	2,747
Appropriations	-	-	218
Profit before tax	-405	-268	2,964
Tax	89	56	58
Profit after tax	-316	-212	3,023

Parent Company's statement of comprehensive income

SEK millions	2020 Q1	2019 Q1	2019 Full year
Profit after tax	-316	-212	3,023
Other comprehensive income			
<u>Items that may be classified to the income statement</u>			
Cash flow hedges	-2	-1	1
Tax attributable to other comprehensive income	0	0	0
Total items that will be reclassified to the income statement	-1	-1	1
Other comprehensive income, net after tax	-1	-1	1
Total comprehensive income for the period	-318	-213	3,024

Parent Company's statement of financial position, in summary

SEK millions	2020 31 Mar	2019 31 Mar	2019 31 Dec
Assets			
Fixed assets	72,000	72,764	72,146
Other current assets	12,372	7,757	10,700
Cash and cash equivalents	5,256	3,508	2,066
Total assets	89,628	84,029	84,912
Equity and liabilities			
Restricted equity	9,964	9,964	9,964
Unrestricted equity	54,149	52,775	54,467
Total equity	64,113	62,739	64,431
Long-term liabilities and provisions	7,790	6,012	7,379
Current liabilities and provisions	17,725	15,278	13,102
Total equity and liabilities	89,628	84,029	84,912

Information about business segments

SSAB has been 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.

SSAB Special Steels

SSAB Special Steels has global responsibility for the marketing and sales of all SSAB's quenched and tempered steels (Q&T) and hot-rolled, advanced high-strength steels (AHSS) with yield strengths of 690 MPa and above. SSAB Special Steels is responsible for steel and rolling production in Oxelösund (Sweden), and for sales of the above products produced in Mobile (USA), Raahe (Finland) and Borlänge (Sweden). When SSAB Special Steels sells steels made by another division, the revenue is reported by SSAB Special Steels and the accounts are settled between the divisions at the cost of goods sold.

SSAB Europe

SSAB Europe has responsibility for strip, plate and tubular products in Europe, and global profit responsibility for the Automotive segment (cold-rolled strip). SSAB Europe is responsible for steel and plate production in Raahe and Hämeenlinna (Finland), and in Luleå and Borlänge (Sweden).

SSAB Americas

SSAB Americas has profit responsibility for heavy plate in North America, and for steel and plate production in Montpelier and Mobile, USA.

Tibnor

Tibnor is the Group's distributor of a full range of steel and non-ferrous metals in the Nordic region and Baltics. Tibnor buys and sells materials produced both by SSAB and other suppliers.

Ruukki Construction

Ruukki Construction is responsible for the sales and production of energy-efficient building and construction solutions, with a focus on northern and Eastern Europe. Ruukki Construction includes Plannja.

Specification of revenue during the first quarter

The following table describes external revenue by business segments broken down by geographical areas and product areas.

External revenue, Quarter 1, 2020 SEK millions	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
<u>Geographical areas</u>						
Sweden	82	1,522	-	887	438	2,928
Finland	67	979	-	406	408	1,860
Denmark	28	394	-	539	8	970
Germany	344	607	-	10	0	962
Poland	174	483	-	6	183	846
Italy	239	335	-	0	0	574
Great Britain	114	263	-	-	1	377
Other EU-27	690	1,321	-	121	260	2,392
Norway	20	137	-	400	143	701
Other Europe	323	191	-	6	24	544
USA	942	275	3,479	-	0	4,696
Canada	175	0	367	-	1	543
Rest of the world	1,189	165	19	5	1	1,379
Total	4,387	6,672	3,865	2,380	1,468	18,772
<u>Product area</u>						
Steel products	4,236	6,262	3,865	-	-	14,769
Trading operations	-	-	-	2,380	-	1,972
Ruukki Construction operations	-	-	-	-	1,468	1,468
Slabs, by-products and scrap	77	387	-	-	-	467
Other	73	23	0	-	0	96
Total	4,387	6,672	3,865	2,380	1,468	18,772

External revenue, Quarter 1, 2019	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
<u>Geographical areas</u>						
Sweden	111	1,741	-	1,038	388	3,277
Finland	70	1,119	-	413	281	1,884
Denmark	48	389	-	169	32	638
Germany	416	667	-	9	6	1,098
Poland	187	476	-	8	175	846
Italy	232	343	-	0	1	575
Great Britain	158	284	-	-	8	449
Other EU-27	730	1,100	-	118	201	2,149
Norway	26	166	-	450	153	795
Other Europe	255	138	-	3	18	414
USA	1,051	332	4,619	-	0	6,002
Canada	282	-	206	-	1	490
Rest of the world	1,146	219	21	12	1	1,400
Total	4,710	6,974	4,847	2,220	1,266	20,017
<u>Product area</u>						
Steel products	4,526	6,453	4,840	-	0	15,819
Trading operations	-	-	-	2,220	-	2,220
Ruukki Construction operations	-	-	-	-	1,266	1,266
Slabs, by-products and scrap	122	500	-	-	-	623
Other	62	20	7	-	0	89
Total	4,710	6,974	4,847	2,220	1,266	20,017

Acquisition of Abraservice – Final purchase price allocation

During the third quarter of 2019, SSAB EMEA AB acquired 100% of the shares in Abraservice Holding SAS. The purchase price allocation has been finalized during the first quarter of 2020 and is presented in the tables below.

Final calculation of net assets and goodwill

SEK millions	Preliminary	Final
Purchase price	401	401
Fair value of acquired net assets	-356	-347
Total goodwill	45	54

Assets and liabilities on date of acquisition

SEK millions	Acquired book value	Preliminary fair value	Final fair value
Intangible assets	-	141	89
Tangible fixed assets	129	129	167
Other fixed assets	7	7	7
Inventory	194	194	194
Other current assets	185	185	185
Long-term liabilities	-68	-115	-110
Short-term liabilities	-185	-185	-185
Total acquired net assets	262	356	347

Changes in the Group's cash and cash equivalents at the time of the acquisition

SEK millions	
Purchase price paid	-401
Cash and cash equivalents in acquired company	46
Total change in the Group's cash and cash equivalents	-355

Assets and liabilities held for sale

During the third quarter of 2019 assets and liabilities were reclassified as holding for the purposes of sale. These assets and liabilities refer to the divestment of Ruukki Construction's project business, Building Systems. The sale is expected to be completed during the first half of 2020.

Relevant reconciliations of non-IFRS-based performance measures

SSAB has applied the guidelines issued by ESMA (European Securities and Markets Authority) on alternative performance measures (AFMs). These performance measures are not defined or specified in accordance with IFRS, but provide complementary information to investors and company management about the company's financial position and development. Besides the definitions below, definitions of the non-IFRS-based performance measures below can be found in the Annual Report.

Operating profit/loss before depreciation/amortization, EBITDA

SEK millions	2020 Q1	2019 Q1	2019 Full year
Operating profit/loss	343	1,674	1,961
Depreciation and impairment	942	1,080	4,216
Operating profit/loss before depreciation/amortization, EBITDA	1,286	2,755	6,177

Operating profit/loss before depreciation/amortization, EBITDA, excl. items affecting comparability

SEK millions	2020 Q1	2019 Q1	2019 Full year
Operating profit/loss before depreciation/amortization, EBITDA	1,286	2,755	6,177
Items affecting comparability	-	-	197
Operating profit/loss before depreciation/amortization, EBITDA, excl. items affecting comparability	1,286	2,755	6,375

Return on capital employed before tax, rolling 12 months

SEK millions	Apr 19- Mar 20	Apr 18- Mar 19	2019 Full year
Operating profit	630	5,699	1,961
Financial income	915	435	457
Total	1,545	6,134	2,418
Average capital employed	80,404	75,706	79,121
Return on capital employed before tax, %	2%	8%	3%

Return on equity after tax, rolling 12 months

SEK millions	Apr 19- Mar 20	Apr 18- Mar 19	2019 Full year
Profit for the period, after tax	-14	4,180	1,093
Average equity	62,954	59,223	62,544
Return on equity after tax, %	0%	7%	2%

Operating cash flow

SEK millions	2020 Q1	2019 Q1	2019 Full year
Cash flow from operating activities	-216	1,164	5,341
Reversal received and paid interests	94	93	432
Reversal tax paid	8	254	1,315
Maintenance expenditures ¹⁾	-303	-352	-1,875
Other investing activities ²⁾	6	-21	-19
Operating cash flow	-411	1,139	5,194

¹⁾ See the definition of Maintenance capital expenditures in the Annual Report.

²⁾ Other investing activities primarily refer to cash flow from long-term receivables and investments and purchase of emission allowances.

Net debt

SEK millions	2020 31 Mar	2019 31 Mar	2019 31 Dec
Interest-bearing assets ¹⁾	9,133	6,608	4,189
Interest-bearing liabilities ²⁾	21,825	16,722	15,885
Net debt	12,692	10,114	11,696

¹⁾ Interest-bearing assets primarily refer to long-term and current interest-bearing receivables and investments, together with derivatives and cash and cash equivalents.

²⁾ Interest-bearing liabilities primarily consist of long-term and current interest-bearing debt, pension liability and derivatives.

Financial information, per quarter

The Group's result per quarter, excluding items affecting comparability

SEK millions	1/18	2/18	3/18	4/18	1/19	2/19	3/19	4/19	1/20
Revenue	17,388	19,263	19,038	19,251	20,017	20,654	18,840	16,973	18,772
Operating expenses	-15,572	-16,699	-16,487	-17,295	-17,295	-18,269	-17,524	-17,086	-17,500
Depreciation/ amortization	-920	-952	-961	-938	-1,081	-1,102	-1,028	-1,005	-942
Affiliated companies	21	18	11	16	33	33	12	-14	13
Financial items	-147	-202	-153	-34	-91	-86	-99	-114	-123
Result before tax	769	1,427	1,447	1,001	1,583	1,230	201	-1,245	221

Revenue per quarter and division

SEK millions	1/18	2/18	3/18	4/18	1/19	2/19	3/19	4/19	1/20
SSAB Special Steels	4,674	5,142	4,684	4,369	4,874	5,139	4,509	3,973	4,536
SSAB Europe	8,051	8,892	7,754	8,099	8,577	8,814	7,637	6,702	8,139
SSAB Americas	3,363	4,040	4,713	4,762	4,871	4,555	4,446	3,588	3,878
Tibnor	2,058	2,253	1,949	2,173	2,264	2,534	2,179	2,172	2,421
Ruukki Construction	1,088	1,578	1,799	1,674	1,274	1,690	1,794	1,752	1,480
Other	-	-	-	-	-	-	-	-	-
Group adjustments	-1,846	-2,642	-1,861	-1,827	-1,843	-2,077	-1,725	-1,215	-1,681
Total	17,388	19,263	19,038	19,251	20,017	20,654	18,840	16,973	18,772

Operating profit/loss before depreciation/amortization, EBITDA, per quarter and division, excluding items affecting comparability

SEK millions	1/18	2/18	3/18	4/18	1/19	2/19	3/19	4/19	1/20
SSAB Special Steels	569	656	670	52	842	703	509	28	614
SSAB Europe	998	1,259	814	1,082	738	469	-67	-194	413
SSAB Americas	283	526	951	699	1,119	1,037	697	-1	294
Tibnor	87	103	73	50	78	73	47	8	50
Ruukki Construction	-29	92	136	111	30	141	179	116	55
Other	-71	-53	-81	-24	-52	-3	-37	-83	-140
Total	1,836	2,582	2,563	1,971	2,755	2,419	1,327	-127	1,286

Operating profit/loss per quarter and division, excluding items affecting comparability

SEK millions	1/18	2/18	3/18	4/18	1/19	2/19	3/19	4/19	1/20
SSAB Special Steels	434	522	536	-72	678	544	358	-126	458
SSAB Europe	657	907	460	733	347	66	-480	-609	0
SSAB Americas	129	365	790	553	956	872	522	-222	106
Tibnor	67	83	53	28	38	29	2	-39	12
Ruukki Construction	-62	59	103	78	-14	95	134	67	11
Depreciation on surplus values, IPSCO	-179	-192	-198	-203	-201	-207	-118	-39	-25
Depreciation on surplus values, Rautaruukki	-54	-56	-57	-57	-64	-66	-67	-67	-66
Other	-76	-58	-86	-24	-67	-18	-52	-97	-153
Total	916	1,630	1,600	1,035	1,674	1,316	300	-1,131	343

Items affecting comparability in operating profit/loss, per quarter and business segment

SEK millions	1/18	2/18	3/18	4/18	1/19	2/19	3/19	4/19	1/20
SSAB Special Steels	-	-	-	-	-	-	-	-	-
SSAB Europe	-	-	-	-	-	-	-	-	-
SSAB Americas	-	-	-	-	-	-	-	-	-
Tibnor	-	-	-	-	-	-	-	-52	-
Ruukki Construction	-	-	-	-	-	-	-	-	-
Other	-	-	-213	-27	-	-	-150	5	-
Total	-	-	-213	-27	-	-	-150	-47	-

Production and shipments

Thousand tonnes	1/18	2/18	3/18	4/18	1/19	2/19	3/19	4/19	1/20
Crude steel production									
- SSAB Special Steels	234	305	217	162	385	343	355	142	293
- SSAB Europe	1,175	1,147	1,049	1,205	993	1,120	930	926	1,130
- SSAB Americas	652	629	645	609	621	637	617	554	658
- Total	2,061	2,081	1,911	1,976	2,000	2,100	1,902	1,621	2,081
Rolling production									
- SSAB Special Steels	121	138	145	89	145	130	134	83	151
- SSAB Europe	1,180	1,200	1,031	1,082	1,162	1,198	980	876	1,190
- SSAB Americas	607	603	612	582	581	597	581	526	614
- Total	1,909	1,941	1,788	1,753	1,889	1,926	1,696	1,484	1,955
Steel shipments									
- SSAB Special Steels	346	339	320	293	338	339	299	249	305
- SSAB Europe	939	963	810	850	907	909	794	752	955
- SSAB Americas	523	509	517	491	500	475	521	478	527
- Total	1,808	1,811	1,646	1,634	1,744	1,722	1,614	1,479	1,787

Note:

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.

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Interim report for the first six months of 2020

The interim report for January-June 2020 will be published on July 21, 2020



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