



SSAB Special Steels

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SSAB

Global steel and service partner in Advanced High Strength Steels and Quenched & Tempered steels

Our Special Steels product offering

Know-how and services

Wear Steels

Wear steels for maximum payload and service life

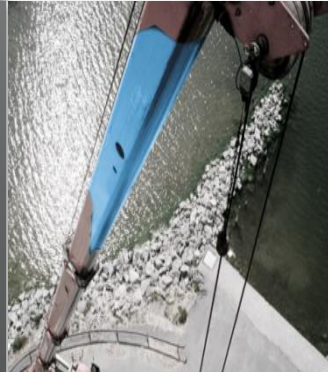


HARDOX®
WEAR PLATE

RUUKKI
Raex®

Structural Steels

High strength steels for demanding, sustainable & lightweight solutions



DOMEX®
HIGH STRENGTH STEEL

WELDOX®
HIGH STRENGTH STEEL

RUUKKI
Optim®

Protection and Tooling

Protection steel for the safety of life and property



ARMOX®
PROTECTION PLATE

RUUKKI
Ramor®

Ready-to-use engineering tool steel for saving time to market

TOOLOX®
ENGINEERING & TOOL STEEL

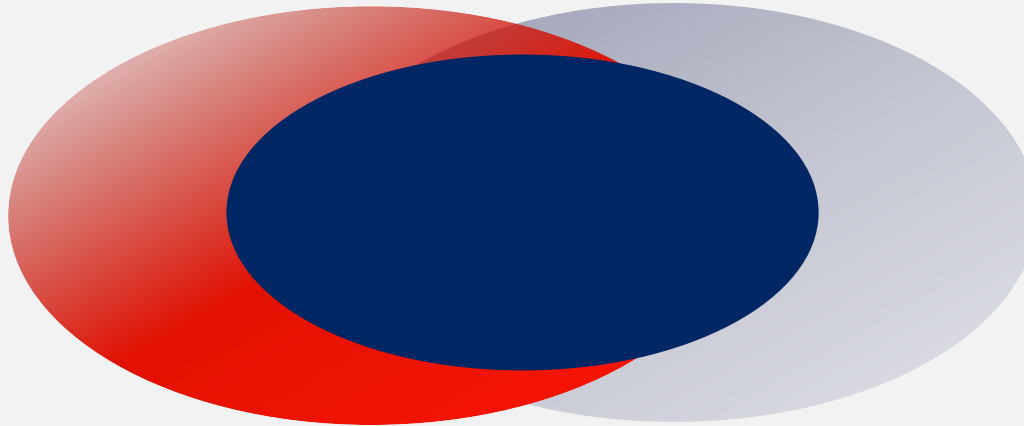
SSAB

SSAB Special Steels – a subset of former SSAB and Ruukki definitions

Scope of new Special Steels division

- ▶ Only Hot Rolled products
- ▶ All Quenched and Tempered products
- ▶ Highest grades of Advanced High Strength Steels (AHSS products ≥ 700 MPa)

Former Ruukki
“special” definition



Former SSAB
“niche” definition

Both SSAB Europe and SSAB Americas will continue to market and sell products that was formerly included in Niche/Special definitions

Global production system for improved service

Mobile

- ▶ Two Q&T lines for plate
- ▶ Cost effective production for the Americas and Asian markets

Raahe

- ▶ Two Q&T lines, one for strip and one for plate products
- ▶ Integrated site with advanced metallurgy
- ▶ Long experience in direct quenching

Borlänge

- ▶ Newly built Q&T line for strip products
- ▶ Long history in AHSS strip products

Oxelösund

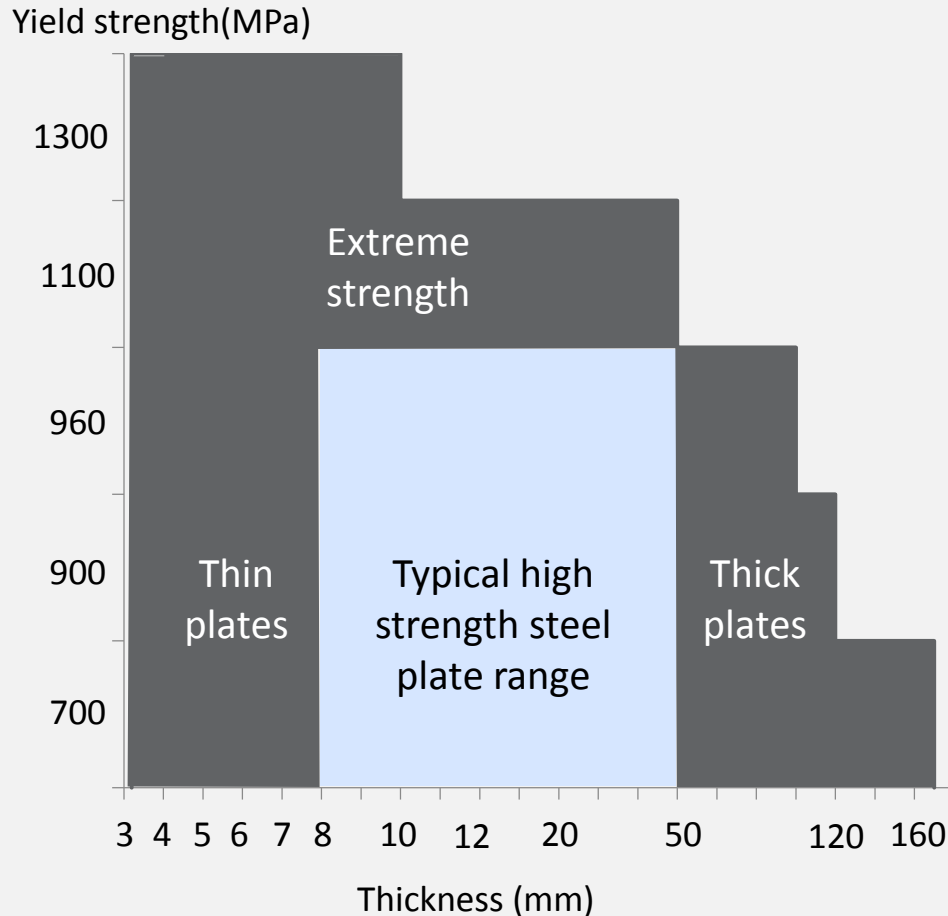
- ▶ Four Q&T lines for plate
- ▶ Site dedicated to Q&T products with most advanced metallurgy

Kunshan

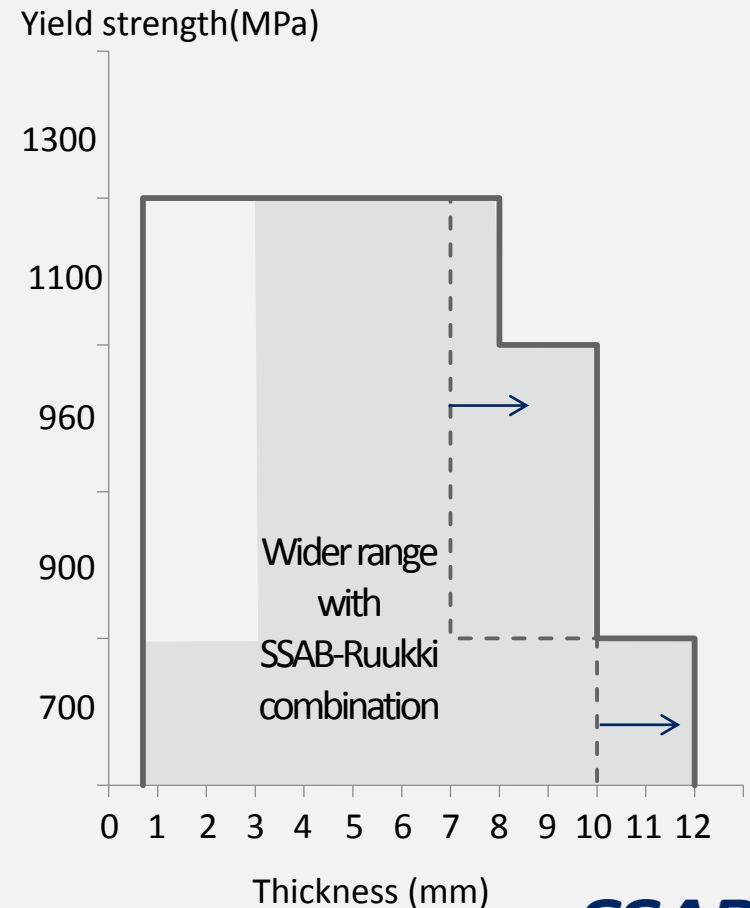
- ▶ Finishing center for Q&T products
- ▶ Reduces lead time and improves service to Asian customers

Merged product portfolio is the widest in the world

High strength plates

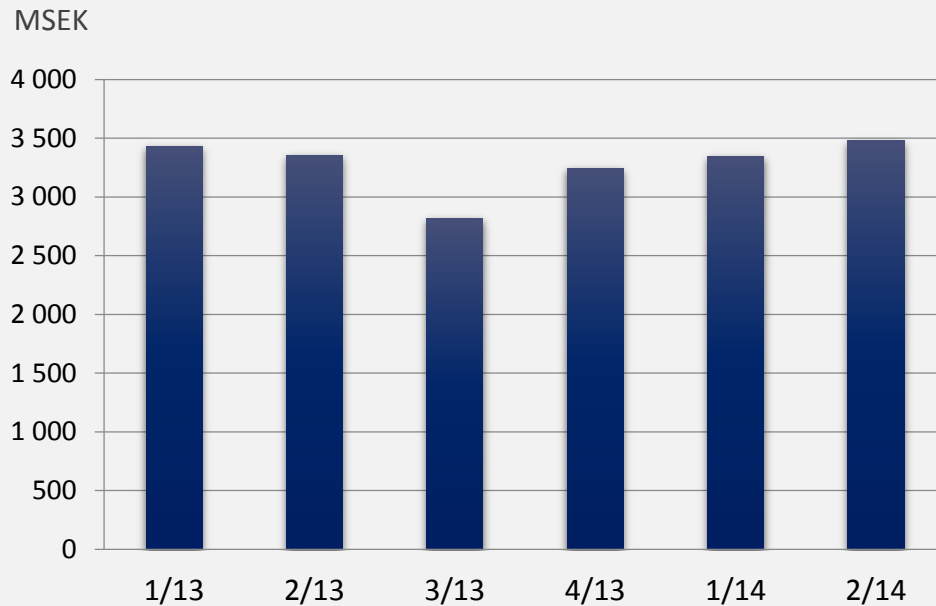


High strength strips



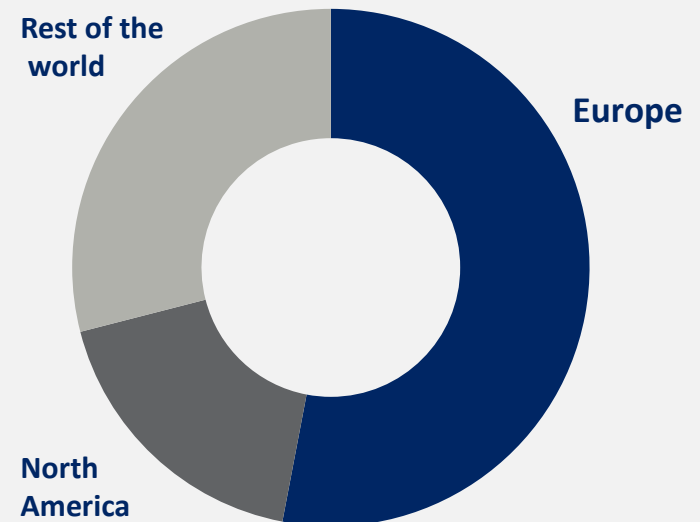
Sales split and development

Quarterly Net sales



- ▶ Sales development reflects a stable demand at somewhat low level
- ▶ Annual seasonal slow down in Q3

Net sales by market area



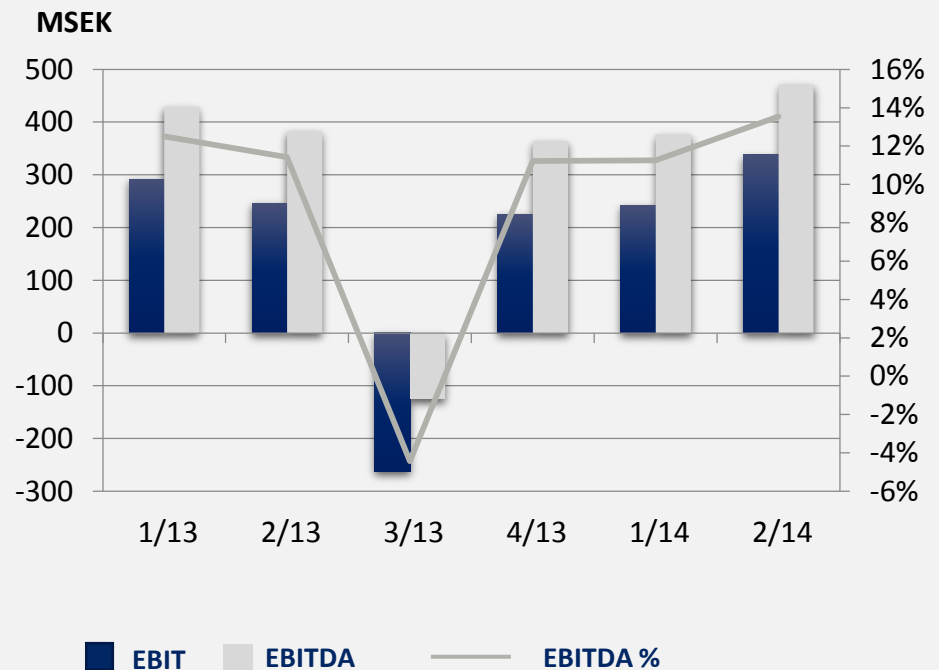
- ▶ Shipments 2013: 1.1 million tonnes

Profitability

EBIT and EBITDA

	H1/14	H1/13	2013
EBITDA	848	812	1051
EBITDA, %	12%	12%	8%
EBIT	580	538	501
EBIT %	8%	8%	4%

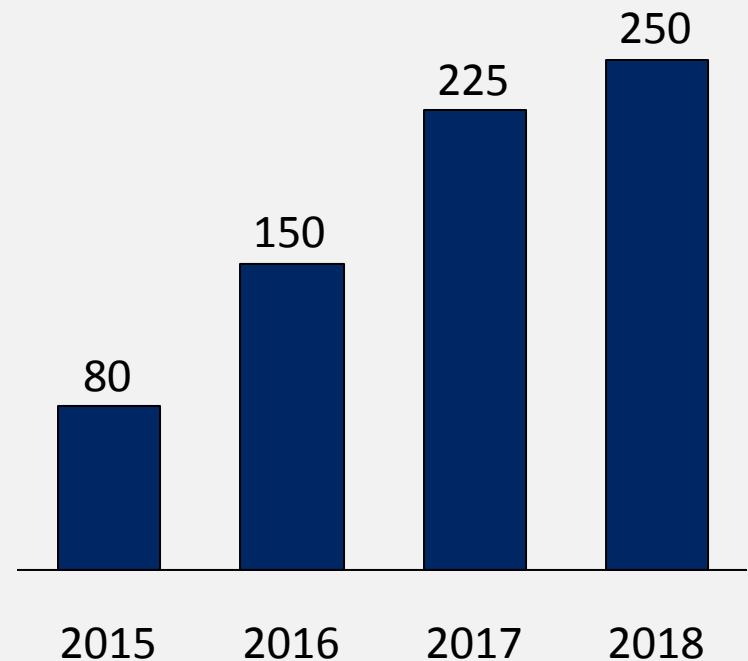
- Positive effect from cost savings program



We expect to capture MSEK 250 in synergies over the next 3 years

- ▶ We have identified and verified MSEK 250 of cost synergies
- ▶ Most of the synergies are deriving from production/raw material optimization and integration of sales and support functions
- ▶ Full effect in 2018
- ▶ In addition, top line synergy opportunities from merging the product portfolios are being pursued

Impact of synergies (MSEK)



Short-term demand outlook for special steels improving slightly in several geographies

North America

- ▶ Improving demand in recycling, construction machinery and heavy transport
- ▶ Modest recovery in lifting equipment
- ▶ Mining showing signs of recovery from very low levels

Latin America

- ▶ Demand for new mining equipment remains subdued, bottom likely reached
- ▶ More positive outlook for lifting equipment in longer-term

Europe

- ▶ Heavy transport demand stable – expect gradual improvement
- ▶ Construction lifting equipment stable at subdued levels
- ▶ Large regional variations

Asia Pacific

- ▶ Moderate growth in Chinese heavy transport
- ▶ Softer market environment in Chinese construction and lifting equipment
- ▶ Mining production in Australia continues at good level, but demand for new equipment remains low

Our strategic priorities

1

Accelerate growth in Q&T and AHSS
using the strengthened capabilities
from the combination

3

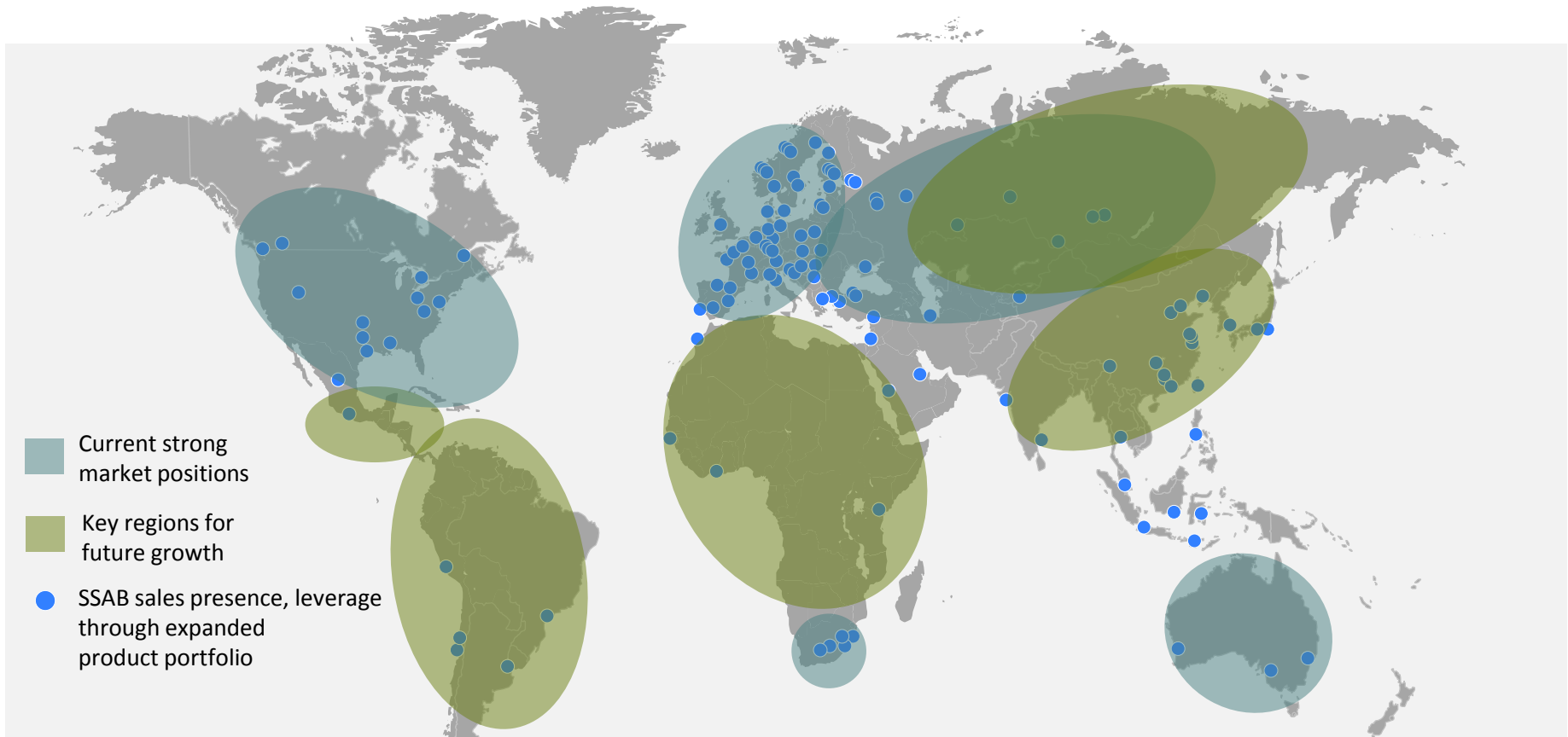
Improve customer service and reduce costs
by leveraging the new global production system and increased scale



2

Build new businesses in wear services and use of high strength steels
together with our customers

Global position and ambition for accelerated growth



Trend to upgrade into high strength steels drives the demand growth

Developing the downstream business model with Wear Services

- ▶ Products and applications for the wear market and aftermarket
- ▶ “One stop shop” for Wear Services within, e.g. infrastructure and recycling
- ▶ Strengthen presence within the mining sector
- ▶ By expanding our offering, we become a more complete supplier
- ▶ With focused resources and work methods we work closely to the end-user

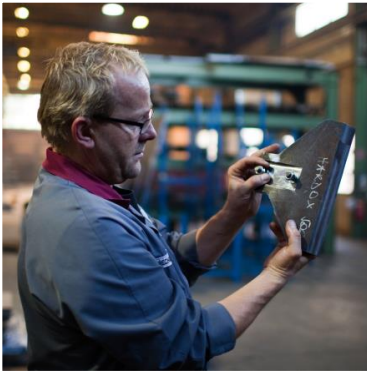


140 Hardox Wear parts centers world wide including own steel processing centers in Kunchan, Wroclaw, Gedhi, Maastricht, Amsterdam, Edinburgh, Johannesburg, Singapore, Northport, Montreal, Vancouver, Santiago, Perth



Full service offering in Wear Management gives higher effectiveness for customers

Spare parts



Hard Facing



Wear Monitoring



On Site Service



Fabrication



Reverse engineering



Customers will benefit from combined product portfolio: Serin Treyler, Turkey

Case
Example

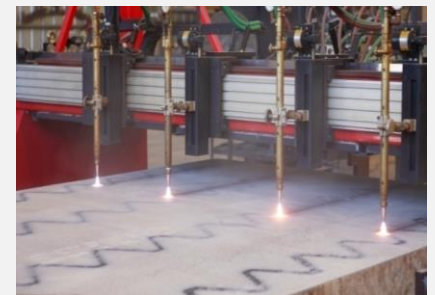
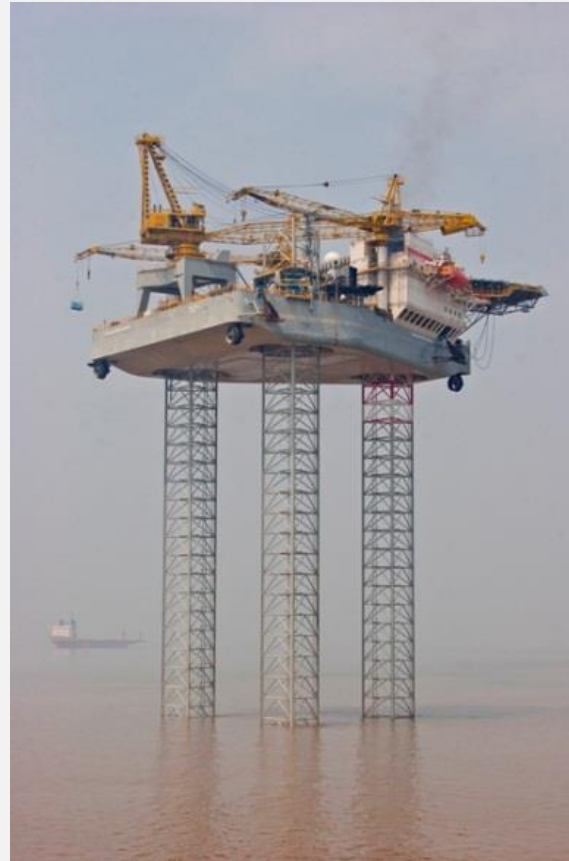
- ▶ Design combines Hardox 400&450 for bottom and side walls, and Optim 700MC for flanges and web
- ▶ 500kg lower weight and 3x longer lifetime expected as benefits, compared to design based on standard S355 steel



Thick plate quenching line opens up new segments

Case
Example

- ▶ New thick plate Weldom application
- ▶ Projects ongoing in US and Asia
- ▶ SSAB to provide Weldom 700 EQ70 up to 6.5" thick for side/back plates on Cameron jack-up's



Summary

- ▶ Market leading product portfolio
- ▶ Innovation leader
 - Applications
 - Product development
 - Fabrication
- ▶ Broad geographic coverage
 - Own sales and marketing resources in >50 countries
- ▶ Global production system
 - Improved service to customers
 - Synergies to be captured



SSAB



*A stronger,
lighter and more
sustainable world*