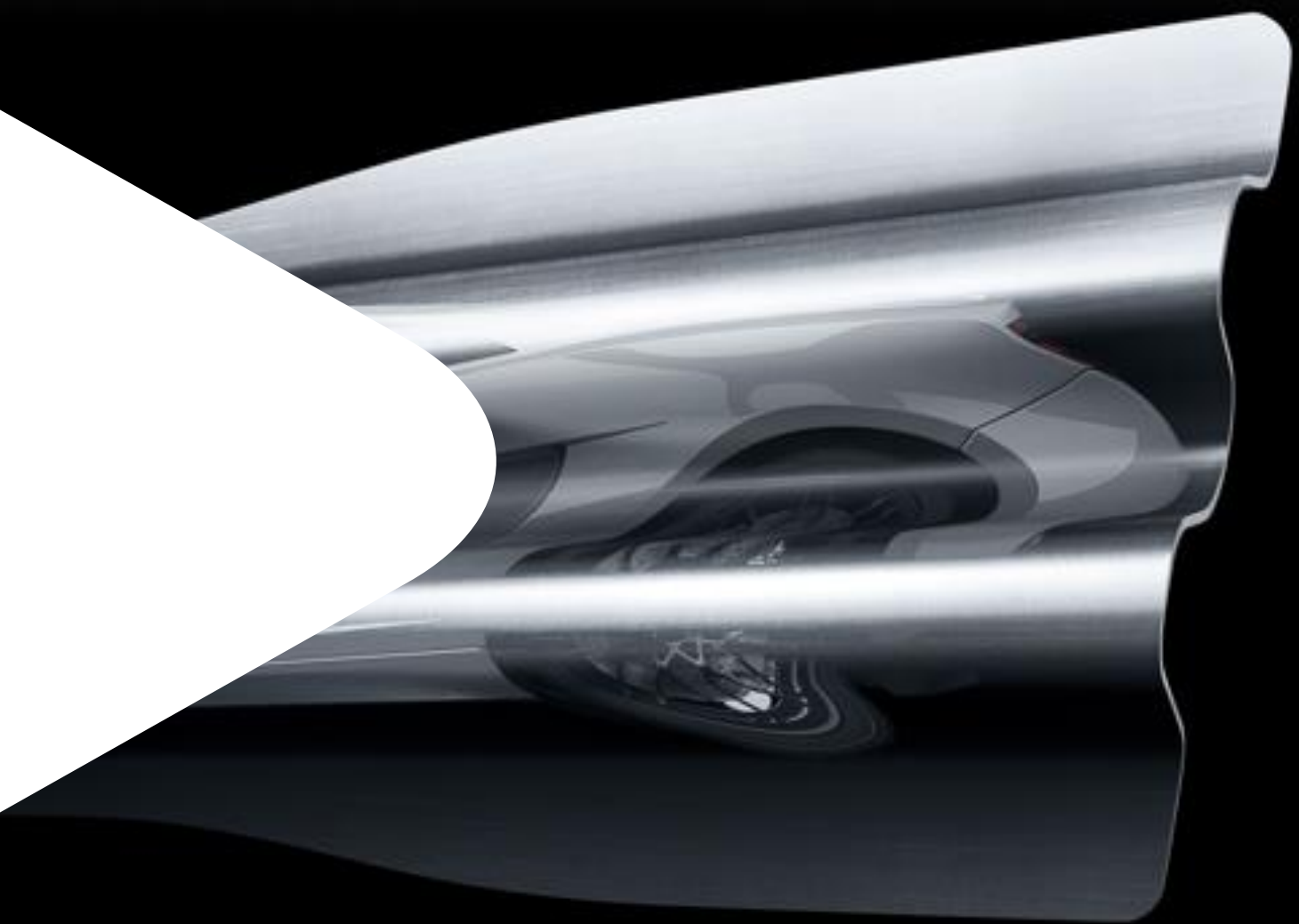


# Automotive premium growth

Tony Harris  
VP Sales, SSAB Europe



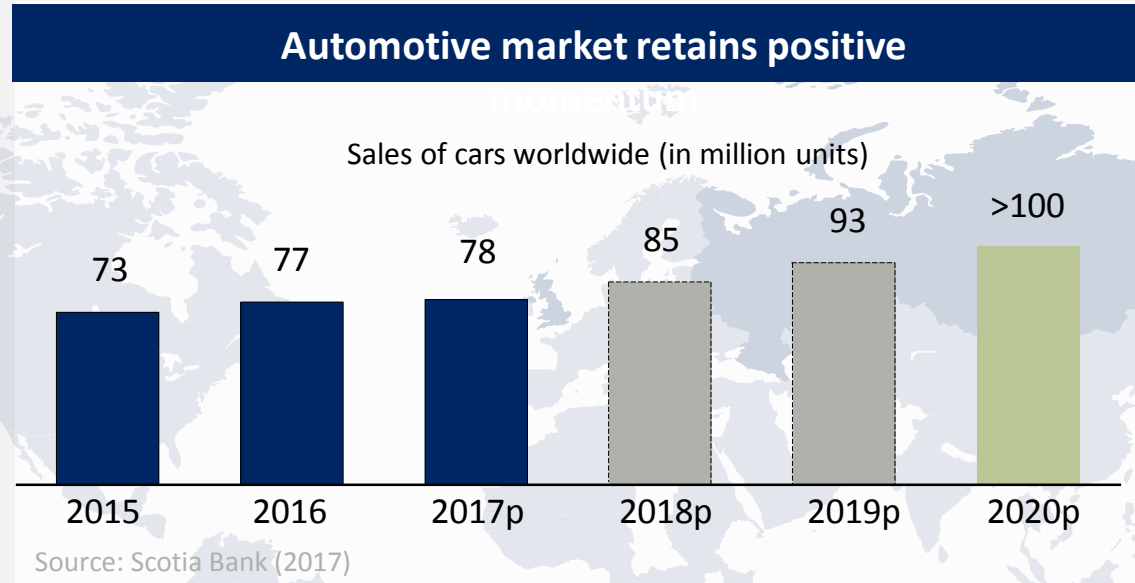
# Agenda

- ▶ The Automotive industry environment

- ▶ SSAB's position in the Automotive industry

- ▶ SSAB's Automotive strategy

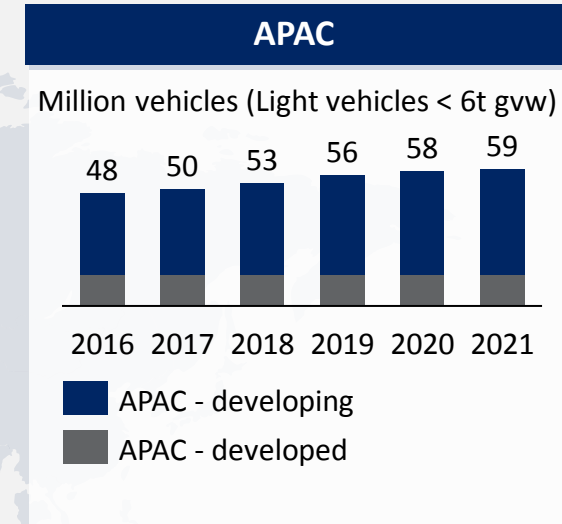
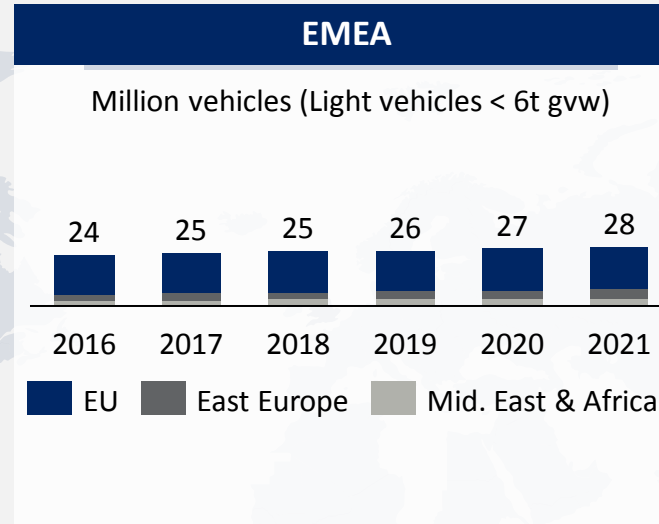
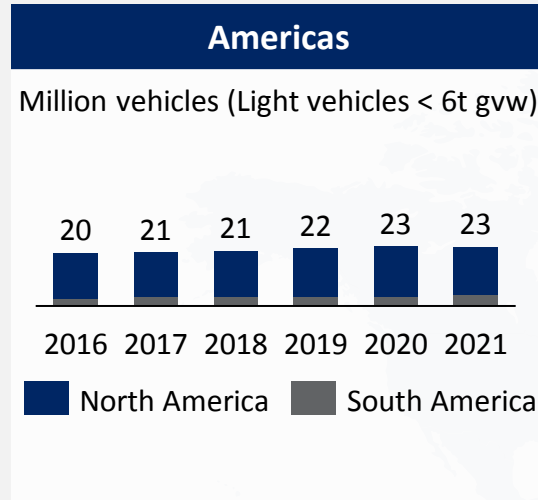
# Automotive market continued positive outlook



## Automotive mega trends supporting continued growth

- ▶ **AHSS remains the most popular material** for weight reduction on mass produced vehicles
- ▶ **Passive safety regulations predicted to be tightened** through development of autonomous vehicles
- ▶ **Life cycle assessment will show that steel is the most efficient material**
- ▶ **Electric vehicles development** will bring new opportunities such as battery protection

# Emerging markets leading automotive growth



Source: PWC Autofacts Q1 2017, SSAB Analysis - Developed Asia-Pacific includes Australia, Japan, South Korea ,  
Developing Asia-Pacific includes China, India, Indonesia, Malaysia, Pakistan, Philippines, Taiwan, Thailand, Vietnam

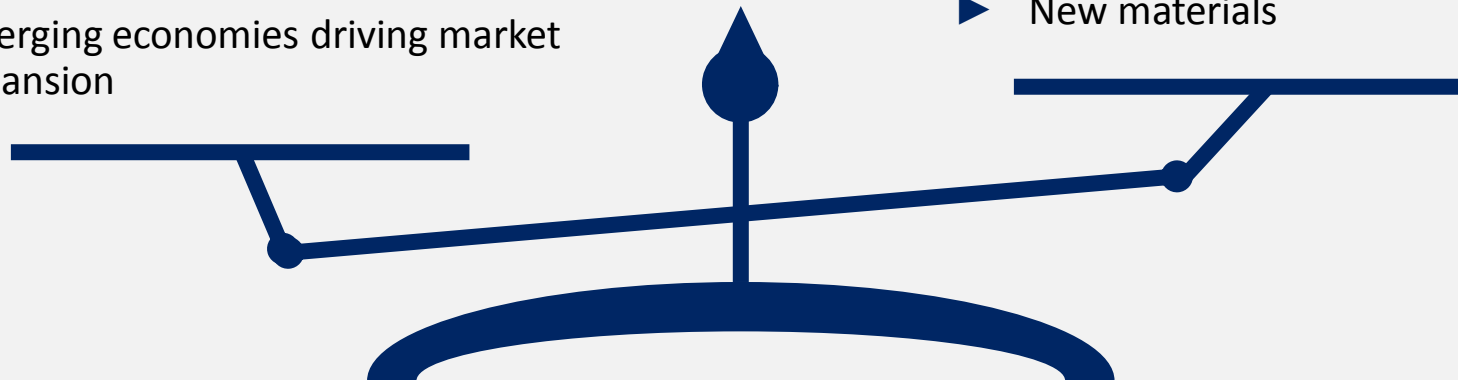
# Drivers for AHSS demand stronger than risks

## Positive drivers

- ▶ AHSS most cost-efficient light-weighting alternative
- ▶ Strong underlying demand for cars
- ▶ Electric autos new opportunity
- ▶ Increased safety regulations supporting passive safety
- ▶ Emerging economies driving market expansion

## Negative drivers

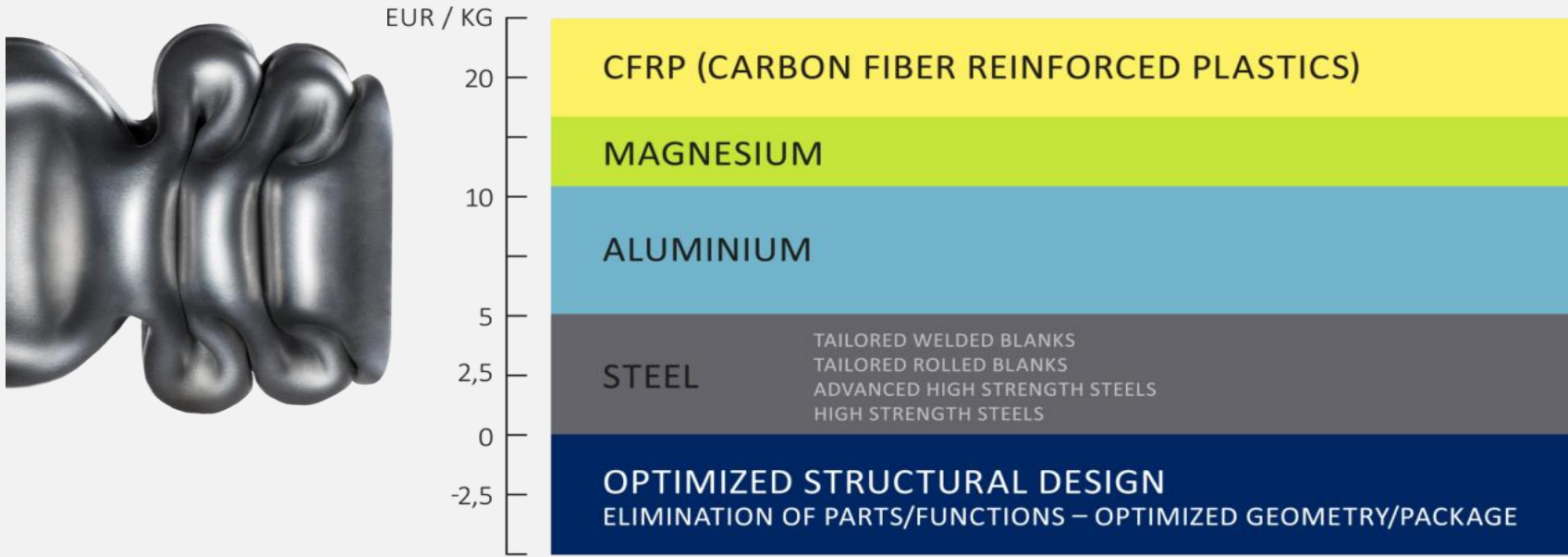
- ▶ Car sharing negatively affects new car sales
- ▶ Increasing protectionism
- ▶ Past peak sales in mature markets
- ▶ New materials



# Steel is the most competitive choice

AHSS Steel is the material of choice for upgrading Automotive mass produced vehicles, driven by:

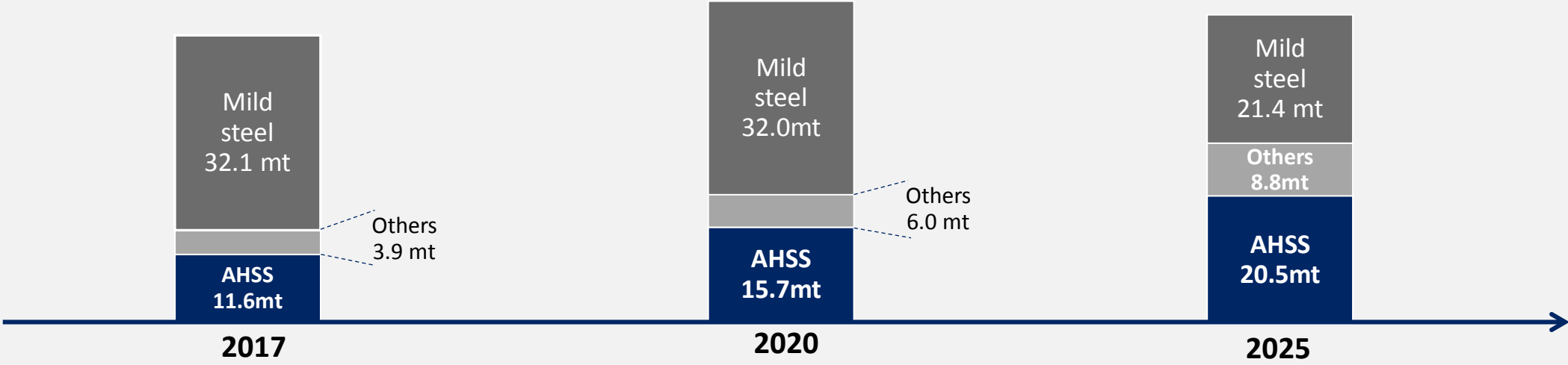
Cost by kilo for weight reduction base 1 Kg



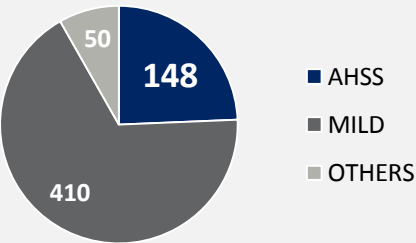
SOURCE: BMW

- ▶ Cost efficiency
- ▶ Recyclability; 95% of a car has to be recycled and steel is 100% recyclable
- ▶ Competence/experience; Steel has an extensive history within Automotive manufacturing

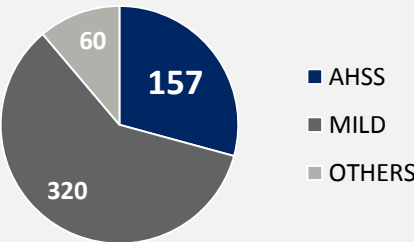
# Growth of AHSS will outperform the overall market



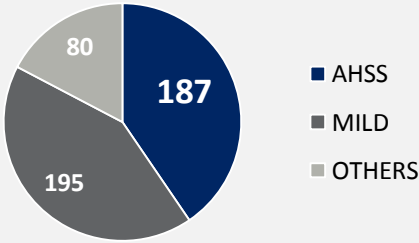
Total AHSS use car body (kg)



Total AHSS use in car body (kg)



Total AHSS use in car body (kg)



# Agenda

▶ The Automotive industry environment

▶ **SSAB's position in the Automotive industry**

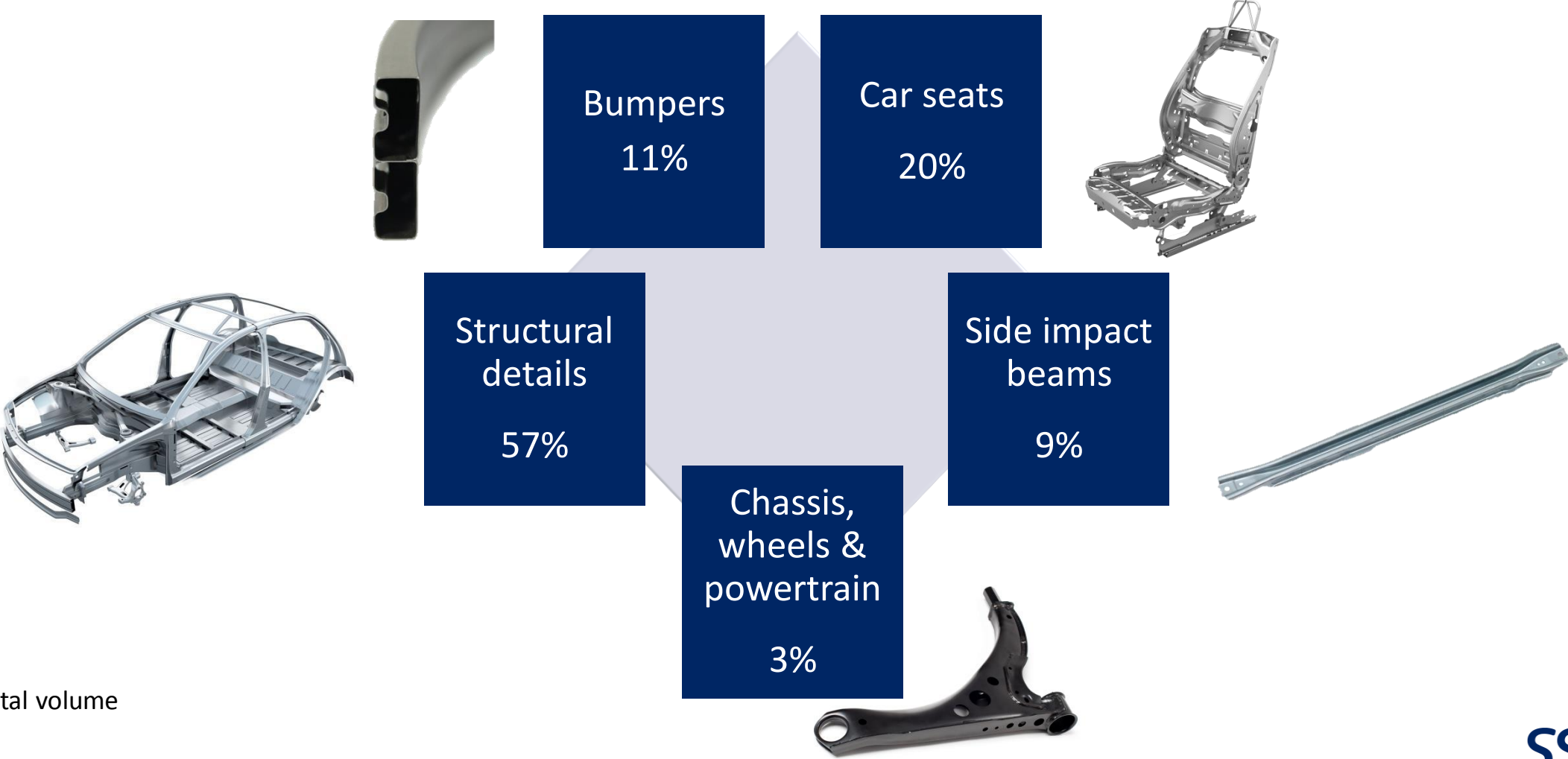
▶ SSAB's Automotive strategy



# SSAB serves leading Automotive customers – directly or through tier suppliers



# SSAB automotive focuses on five strategic applications



% of total volume

# SSAB competitive strength in Automotive

- ▶ SSAB industrial capacity and proven manufacturing capability recognized as **'Best in Class'**
- ▶ **Industry leading** position in the development of Martensitic Steels
- ▶ **Strong and flexible product portfolio** with a high level of customization
- ▶ Collaborative approach in the **design phase** helps shape material choice
- ▶ **Unparalleled quality and service** make SSAB the supplier of choice for challenging applications



# Agenda

- ▶ The Automotive industry environment
- ▶ SSAB's position in the Automotive industry
- ▶ SSAB's Automotive strategy

# Key Actions for securing Automotive Growth

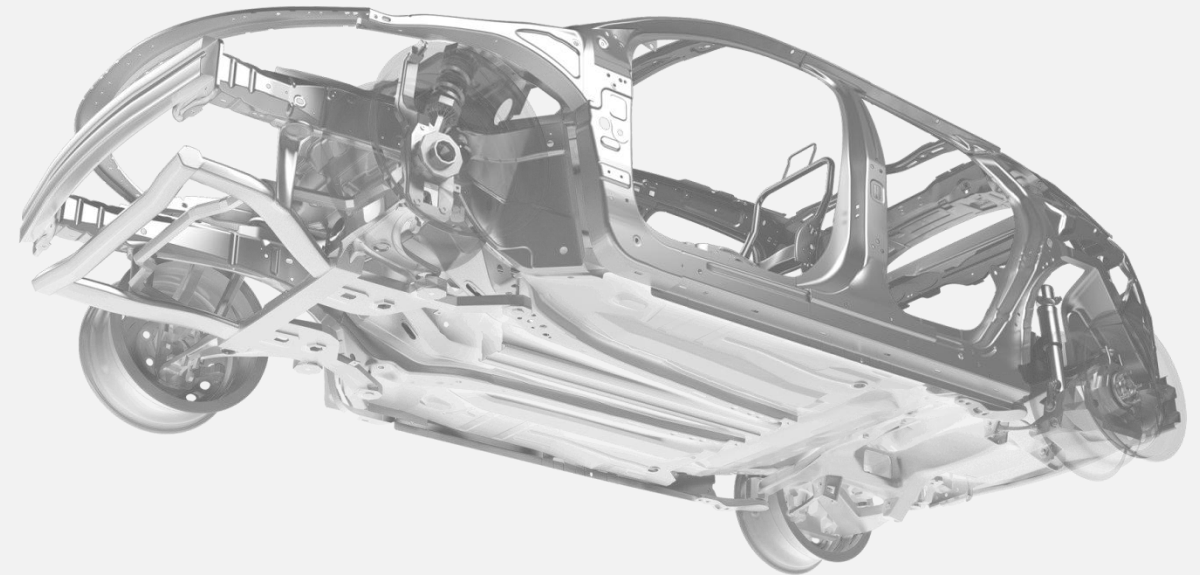
- 1 Maximize output value with current production assets –**  
Expand product range and secure greater share of purchases without adding investment cost
- 2 Align product to industry standard platform –**  
Reduce R&D expenditure and increase development speed with OEMs
- 3 Collaboration in design phase –**  
Shape material choice with OEMs
- 4 Expand into new applications and new technologies –**  
Increase focus on wheels and suspension and exploit new opportunities like electric vehicles and autonomous vehicles
- 5 Grow in Emerging Markets –**  
Through Global Account Management and effective supply chain and logistics



# SSAB Automotive Business Development

We have more than 60 long term business development opportunities

- ▶ Seat tracks
- ▶ Control arms
- ▶ Steel wheels
- ▶ Transmission and clutch systems
- ▶ Braking systems
- ▶ Mechanisms and stamped applications
- ▶ EV battery protection
- ▶ Body in white applications (A,B,C pillars)

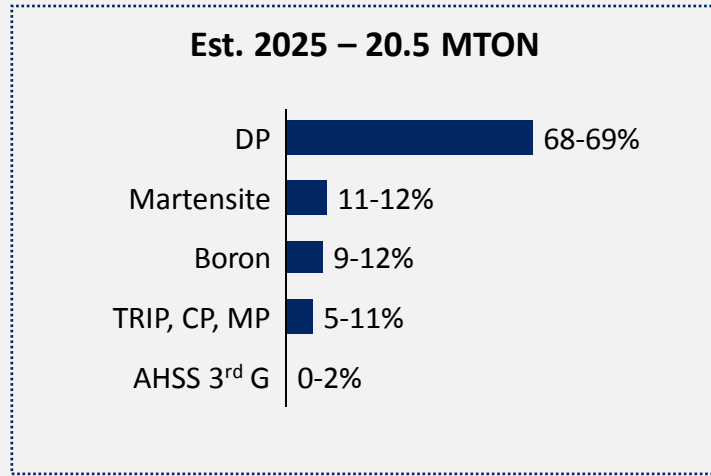
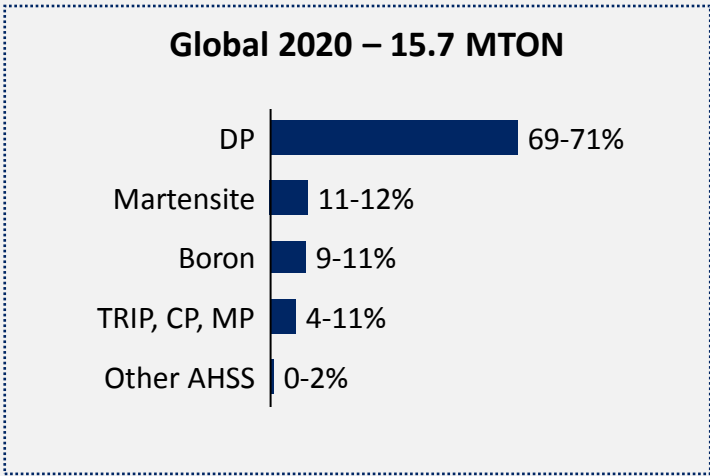
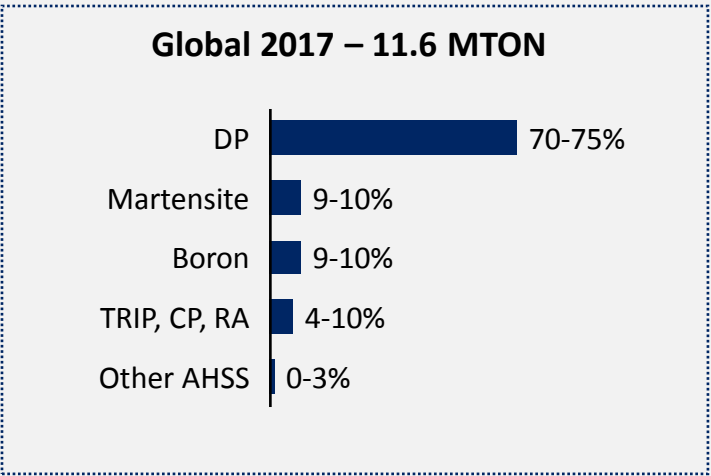
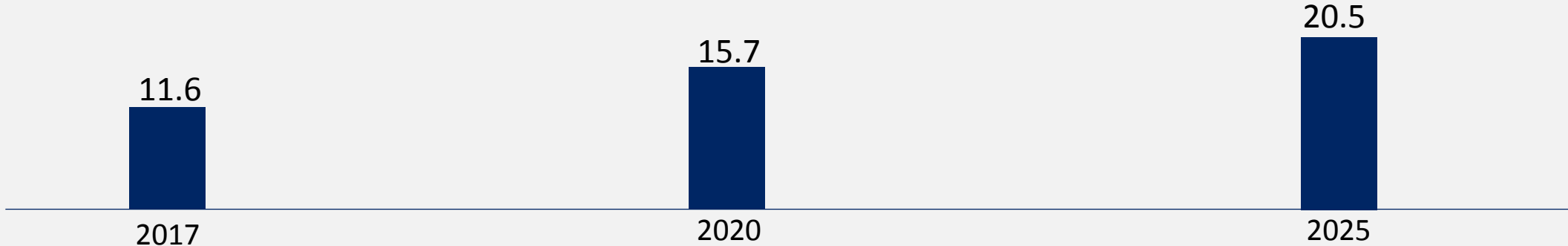


Most of these application are now covered by NDA and in several case protected by patents (Worldwide).



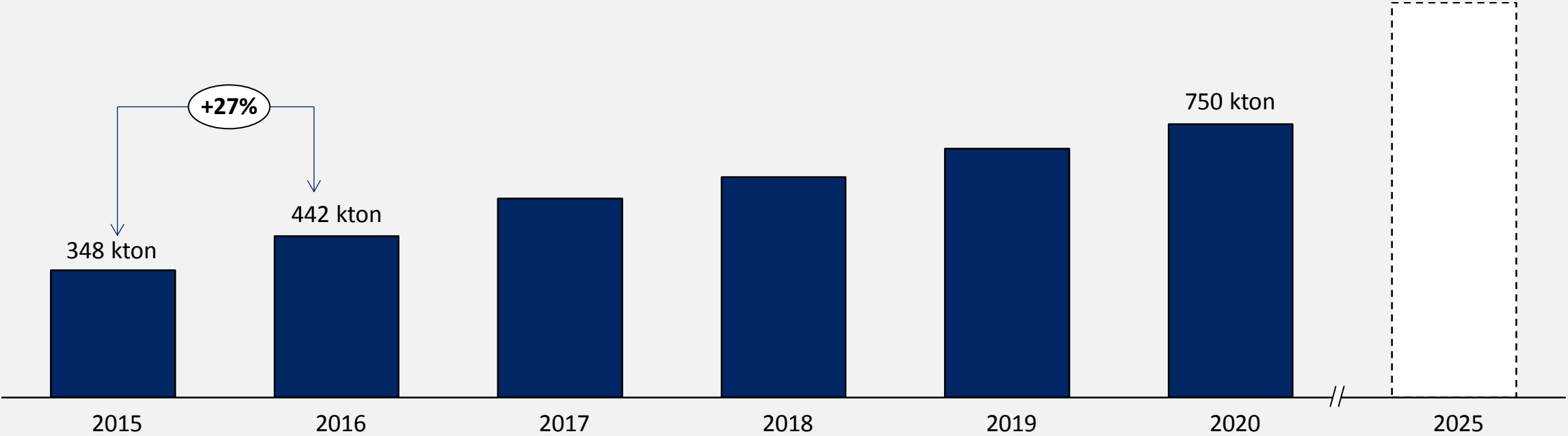
# SSAB has a strong position in Dual Phase and Martensite

AHSS in Global Automotive Industry and Forecast Share per Steel, MTON



# Strong growth momentum and market share aspiration

SSAB Automotive Premium Product sales volumes



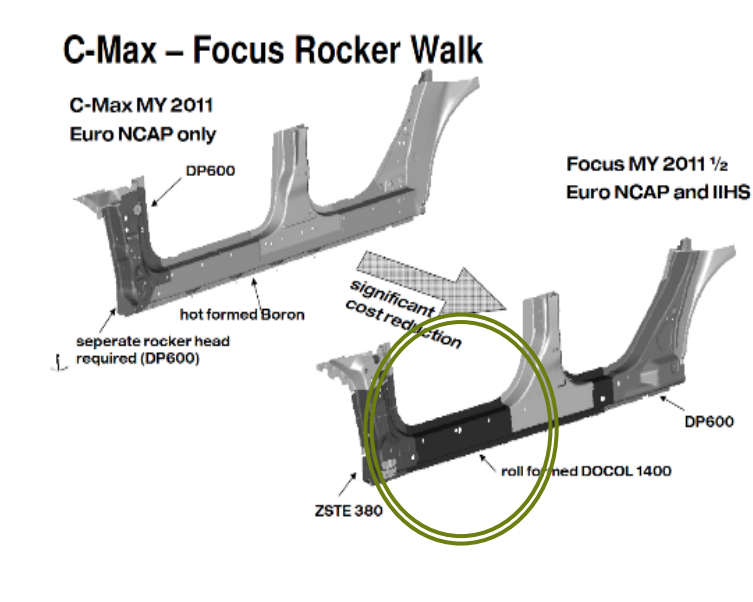
- ▶ Renewed focus on Automotive since merger delivers stronger than market growth
- ▶ Extended product portfolio and solid pipeline of projects support continued growth



# Case 1: Body component – rocker panel reinforcement for Ford Focus



Electrogalvanised Martensitic Docol - 1400M-EG



Result:  
Cost reduction of 40%

# Case 2 : Body components – battery protection for Chevy Volt



Electrogalvanised Martensitic  
– Docol 1300M-EG

**Result:**  
Weight reduction of abt. 45% compared  
to conventional mild steel

# SSAB Automotive – Key messages

Positive long-term outlook for Automotive markets

AHSS will remain the material of choice for mass produced vehicles

SSAB has a clearly defined growth strategy and execution is ahead of schedule

**#1** in Martensitic steel

