

INTERIM REPORT
JANUARY - SEPTEMBER 2021



Another record quarter

October 25, 2021

SSAB

Interim report January-September 2021

The third quarter

- Revenue was SEK 25,220 (14,481) million
- EBITDA was SEK 6,582 (-66) million
- Operating profit was SEK 5,800 (-973) million
- Earnings per share were SEK 4.35 (-0.72)

Key figures

SEK millions	2021 Q3	2020 Q3	2021 Q2	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year
Revenue	25,220	14,481	23,673	68,554	48,409	65,396
EBITDA	6,582	-66	4,899	14,341	1,925	3,364
Operating profit/loss	5,800	-973	4,083	11,876	-881	-325
Profit/loss after financial items	5,689	-1,075	3,981	11,557	-1,220	-802
Profit/loss after tax	4,481	-734	3,221	9,213	-835	-490
Earnings per share (SEK)	4.35	-0.72	3.13	8.94	-0.83	-0.50
Operating cash flow	3,478	313	3,910	8,817	530	3,460
Net debt	3,370	12,926	6,461	3,370	12,926	10,278
Net debt/equity ratio (%)	5	22	11	5	22	19

(In the report, the figures in parentheses refer to the corresponding period for the previous year.)

Comments by the CEO – continued strong earnings trend

SSAB reports a continued strong earnings trend for Q3 2021. High steel prices in combination with a strong and stable internal performance saw us exceed the record in Q2, despite planned maintenance outages. During the quarter, SSAB made the world's first fossil-free steel and delivered it to Volvo Group. We also signed a number of new collaboration agreements for fossil-free steel, including one with Mercedes Benz.

Operating profit for Q3 2021 increased to SEK 5,800 (-973) million, a new record for a single quarter. Net cash flow was strong and amounted to SEK 2.8 (0) billion and net debt decreased to SEK 3.4 billion, equating to a net debt/equity ratio of 5% (22%).

SSAB Special Steels' shipments were 348 (259) thousand tonnes. Operating profit increased to SEK 1,006 (34) million and the operating margin to 17% (1%). Our special steels support, among other things, our customers' sustainability strategies and their aim to improve productivity and sustainability performance in machinery and other equipment.

SSAB Europe's result increased to SEK 2,524 (-631) million and the operating margin to 23% (-10%). The upswing was primarily explained by a high price level. SSAB Americas' result increased to SEK 1,871 (-395) million, driven by rising market prices for heavy plate. The operating margin increased to 31% (-15%).

The spread of Covid-19 is at a low level at SSAB's production sites and society's restrictions have largely been phased out. SSAB follows national and local recommendations in its operations. We have made progress with our focus on safety work and lost time injury frequency (LTIF) has decreased to 1.9 (4.0).

Looking ahead, we expect Q4 to show good development, partly because there is a certain lag in the realization of our steel prices, compared to the spot market. However, there is uncertainty in demand on the European market, among other things due to the shortage of semiconductors, which primarily affects the vehicle industry.

During the year, SSAB has strengthened its position as the driving force in the green transition in the steel industry. For the first time ever, iron ore has been reduced at a pilot scale using 100% fossil-free hydrogen. During Q3, the first fossil-free steel was rolled and delivered to Volvo Group. The great interest shown by customers means that we are exploring the prerequisites to convert to fossil-free production earlier than the original plan. However, this requires that society can ensure power transmission, effective permit processes and a level playing field within Europe and beyond.

Outlook for the fourth quarter of 2021

Demand for steel during the fourth quarter of 2021 is estimated to be good, however, in Europe a softening of demand is expected primarily due to the shortage of semiconductors, which affects the vehicle industry. In addition, a seasonal slowdown is expected in Europe towards the end of the year. In North America, demand is expected to be strong during the fourth quarter and likewise, global demand for high-strength steel is estimated to be strong during the fourth quarter in more or less all markets.

SSAB Special Steels' shipments are expected to be stable during the fourth quarter compared to the third quarter because of a certain seasonal slowdown towards the end of the year. SSAB Europe's shipments are expected to be higher during the fourth quarter than in the third quarter. On the other hand, SSAB America's shipments are expected to be significantly lower during the fourth quarter compared to the third quarter since the three-week long planned maintenance outage in Mobile will affect shipments negatively.

For SSAB Special Steels, prices are estimated to be higher in the fourth quarter of 2021 than in the third quarter, whereas prices realized by SSAB Europe are expected to be somewhat higher. Prices realized by SSAB Americas are expected on average to be significantly higher than in the third quarter 2021.

Outlook for steel divisions

	Q4 2021 vs. Q3 2021	
	Shipments	Realized prices
SSAB Special Steels	Stable	Higher
SSAB Europe	Higher	Somewhat higher
SSAB Americas	Significantly lower	Significantly higher

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

Major planned maintenance outages 2021

The Group's total maintenance costs for the full year 2021 are expected to be SEK 1,265 million, compared with the earlier forecast of SEK 1,210 million communicated in the report for the second quarter. This higher figure is explained by extended maintenance work in SSAB Special Steels during the third quarter. The table below shows the major planned maintenance outages for 2021 and the costs of outages completed during 2020. The figures include the impact of the direct maintenance cost and the cost of lower capacity utilization (underabsorption), but exclude lost margins.

Expected maintenance costs for 2021

	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
SEK millions	Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4	Full-year	Full-year
SSAB Special Steels	-	-	-	-	440	250	150	-	590	250
SSAB Europe	-	-	-	-	270	250	140	85	410	335
SSAB Americas	-	-	-	50	-	170	265	-	265	220
Total	-	-	-	50	710	670	555	85	1,265	805

The distribution of maintenance costs for the fourth quarter 2021 has been adjusted to reflect that the steel mill in Mobile is a part of SSAB Special Steels since the third quarter of 2021.

The market

According to the World Steel Association, global crude steel production for the first eight months of 2021 amounted to 1,322 (1,195) million tonnes, up 10.6% compared to the same period in 2020. Chinese steel production increased by more than 5%. Steel production increased in North America by 19% and in the EU-27 by 21%.

In North America, demand for heavy plate was strong in most customer segments during the third quarter. Inventory levels at distributors are still low.

In Europe, demand was good during the third quarter, albeit with the usual seasonal slowdown. The shortage of semiconductors somewhat muted demand from the vehicle industry. Imports into Europe increased during the quarter and the supply of steel has improved.

Global demand for high-strength steel was strong during the quarter. In principle, markets in all geographies are showing good demand, which is exceeding supply.

In North America, the sharp increase in prices for heavy plate continued during the third quarter. In Europe on the other hand, market prices for strip and heavy plate decreased during the third quarter, whereas in China, prices for similar products rose somewhat during the third quarter.

SSAB Group – nine month summary

Revenue and operating result

Revenue for the first nine months of 2021 was SEK 68,554 (48,409) million, up 42% compared to the same period a year earlier. However, the first nine months of 2020 were characterized by the outbreak of Covid-19 and if revenue is compared to the first nine months of 2019 instead, the increase amounts to SEK 9,042 million, or 15%.

Operating result for the first nine months of 2021 was SEK 11,876 (-881) million, up SEK 12,757 million compared to the same period a year earlier. All business segments contributed to the improvement. If the operating result is compared to the first nine months of 2019, the increase was SEK 8,586 million, or 261%.

Revenue and operating profit/loss by business segment

SEK millions	Revenue			Operating profit/loss		
	2021	2020	Change	2021	2020	Change
	Jan-Sep	Jan-Sep		Jan-Sep	Jan-Sep	
SSAB Special Steels	16,961	12,132	4,829	3,084	952	2,133
SSAB Europe	29,864	20,481	9,383	4,795	-1,196	5,991
SSAB Americas	14,527	9,791	4,736	3,224	-275	3,499
Tibnor	8,934	6,210	2,724	1,182	47	1,134
Ruukki Construction	4,481	4,310	171	439	242	197
Other	-	-	-	-639	-389	-250
Depr. surplus values	-	-	-	-209	-263	53
Group adjustments	-6,213	-4,515	-1,698	-	-	-
Total	68,554	48,409	20,146	11,876	-881	12,757

Operating result for SSAB Special Steels and SSAB Americas has been restated taking into account the reorganization of Mobile, see page 8 for details.

Result after tax and earnings per share

The result after tax (attributable to shareholders in the parent company) for the first nine months of 2021 was SEK 9,204 (-853) million, equating to SEK 8.94 (-0.83) per share. Tax was SEK -2,345 (385) million.

Cash flow, financing and liquidity

Operating cash flow for the first nine months of 2021 amounted to SEK 8,817 (530) million. Compared with the first nine months of 2020, cash flow was impacted primarily by higher operating profit.

Net cash flow amounted to SEK 7,039 (-675) million. Net debt at September 30, 2021 was SEK 3,370 (12,926) million.

The term to maturity of the total loan portfolio at September 30, 2021 averaged 6.7 (4.9) years, with an average fixed interest period of 1.2 (0.9) years.

Cash and cash equivalents were SEK 9,594 (5,412) million and non-utilized credit facilities were SEK 8,554 (14,804) million, which combined corresponds to 21.2% (30.9%) of rolling 12-month revenue.

Return on capital employed/equity

Return on capital employed before tax for the last 12 months was 19% and return on equity after tax was 16%, whereas the figures for the full year of 2020 were 2% and -1% respectively.

Equity

With earnings of SEK 9,204 (-853) million and other comprehensive income (mostly consisting of translation differences) of SEK 3,309 (-1,474) million, the parent company's shareholders' equity amounted to SEK 66,428 (57,987) million, equating to SEK 64.50 (56.31) per share.

SSAB Group – Third quarter of 2021

Revenue and operating result

Revenue for the third quarter of 2021 was SEK 25,220 (14,481) million, up 74% compared to the third quarter of 2020 and up 7% compared to the second quarter of 2021.

Operating result for the third quarter of 2021 was SEK 5,800 (-973) million, up SEK 6,773 million compared to the third quarter of 2020. All business segments contributed to the improvement. Compared with the second quarter of 2021, earnings were up SEK 1,717 million.

Revenue and operating profit/loss by business segment

SEK millions	Revenue			Operating profit/loss		
	2021 Q3	2020 Q3	Change	2021 Q3	2020 Q3	Change
SSAB Special Steels	5,993	3,581	2,412	1,006	34	972
SSAB Europe	10,789	6,153	4,636	2,524	-631	3,155
SSAB Americas	6,061	2,709	3,353	1,871	-395	2,267
Tibnor	3,063	1,752	1,311	515	6	509
Ruukki Construction	1,766	1,391	375	229	145	85
Other	-	-	-	-300	-50	-251
Depr. surplus values	-	-	-	-45	-82	37
Group adjustments	-2,452	-1,105	-1,346	-	-	-
Total	25,220	14,481	10,739	5,800	-973	6,773

Operating result for SSAB Special Steels and SSAB Americas has been restated taking into account the reorganization of Mobile, see page 8 for details.

Analysis of total change in revenue and operating profit/loss

Revenue	Change vs Q3 2020 %	Operating profit/loss	
			Change vs Q3 2020 Mkr
Volume	11	Price and product mix	8,660
Price	59	Volume	590
Product mix	2	Variable costs	-2,150
Currency effects	-2	Fixed costs	-850
Other sales	4	Currency effects	-120
		Capacity utilization	585
		Other	58
Total	74	Total	6,773

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, third quarter of 2021

% change	Q3 2020		Q2 2021	
	USD	SEK	USD	SEK
Iron ore	101%	96%	9%	13%
Coking coal	64%	60%	31%	34%
Scrap metal	68%	63%	1%	4%

Production and shipments

Crude steel production during the third quarter of 2021 was up 21% compared with the third quarter of 2020, whereas it was down 15% compared with the second quarter of 2021.

Rolling production during the third quarter of 2021 was up 23% compared with the same quarter of 2020, whereas it is down 14% compared with the second quarter of 2021.

SSAB's steel shipments during the third quarter of 2021 were 1,627 (1,472) thousand tonnes, up 11% compared with the third quarter of 2020 but down 13% compared with the second quarter of 2021.

Production and shipments

	2021	2020	2021	2021	2020	2020
Thousand tonnes	Q3	Q3	Q2	Jan-Sep	Jan-Sep	Full-year
Crude steel production	1,842	1,519	2,168	6,113	5,379	7,535
Rolling production	1,766	1,438	2,050	5,751	4,967	6,937
Steel shipments	1,627	1,472	1,861	5,326	4,681	6,459

Earnings after tax and earnings per share

The result after tax (attributable to shareholders in the parent company) for the third quarter of 2021 was SEK 4,478 (-741) million, equating to SEK 4.35 (-0.72) per share. Tax was SEK -1,208 (342) million.

Cash flow

Operating cash flow for the third quarter of 2021 amounted to SEK 3,478 (313) million. Compared with the third quarter of 2020, cash flow was impacted primarily by higher operating profit.

Net cash flow amounted to SEK 2,810 (27) million. Net debt at September 30, 2021 was SEK 3,370 (12,926) million.

Capital expenditure

Capital expenditure, including acquisitions and divestments of operations, totaled SEK 679 (451) million during the third quarter of 2021. Strategic investments were SEK 218 (75) million. The assessment remains that total maintenance and strategic investments will amount to between SEK 3.0 billion and SEK 3.5 billion for the full year 2021 (compared to SEK 2.2 billion in 2020). The increase compared to 2020 is primarily related to the strategic investments in Mobile and Oxelösund, which were paused during the pandemic.

Operating cash flow and net debt

	2021	2020	2021	2020	2020
SEK millions	Q3	Q3	Jan-Sep	Jan-Sep	Full-year
Operating profit before depreciation/amortization	6,582	-66	14,341	1,925	3,364
Change in working capital	-2,693	699	-4,458	-465	1,570
Maintenance expenditures	-461	-332	-1,030	-1,016	-1,622
Other	49	11	-35	87	147
Operating cash flow	3,478	313	8,817	530	3,460
Financial items	-125	-164	-302	-460	-545
Taxes	-322	3	-712	-178	-56
Cash flow from current operations	3,031	151	7,803	-108	2,859
Strategic expenditures in plants and machinery	-218	-75	-526	-467	-582
Acquisitions of shares and operations	-	-43	-103	-196	-231
Divestments of shares and operations	-	-1	-	105	143
Cash flow before dividend	2,812	32	7,174	-667	2,189
Dividend, non-controlling interest	-2	-4	-9	-8	-9
Acquisitions of shares, non-controlling interest	-	-	-127	-	-
Net cash flow	2,810	27	7,039	-675	2,180
Net debt at beginning of period	-6,461	-12,782	-10,278	-11,696	-11,696
Net cash flow	2,810	27	7,039	-675	2,180
Revaluation of liabilities against equity 1)	-19	168	-219	177	778
Other 2)	300	-340	88	-731	-1,540
Net debt at the end of period	-3,370	-12,926	-3,370	-12,926	-10,278

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.

Business segments – Third quarter of 2021

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. From the third quarter of 2021 onwards, SSAB Special Steels assumed responsibility for SSAB's steel mill in Mobile, Alabama from SSAB Americas. The change is in line with SSAB strategy to continue to grow and be a leader within special steel in the global market. The new organizational set up will provide a specialization of the American sites, following a clearer focus for future development and investments. The change entails a certain effect on the figures for SSAB Special Steels and SSAB Americas and all reference figures have been restated accordingly to reflect the new structure. For more information about the business segments, see page 21.

SSAB Special Steels

Third quarter in brief

- Strong demand and stable production
- Operating profit increased to SEK 1,006 (34) million
- Shipments rose 34% to 348 (259) thousand tonnes

Key figures

SEK millions	2021 Q3	2020 Q3	2021 Q2	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year
Revenue	5,993	3,581	5,845	16,961	12,132	16,201
Operating profit/loss before depr./amort., EBITDA	1,220	313	1,390	3,789	1,810	2,604
Operating profit/loss	1,006	34	1,175	3,084	952	1,470
Operating cash flow	1,382	601	617	2,861	1,282	2,372
Number of employees at end of period	3,893	3,781	3,893	3,893	3,781	3,806

From the third quarter of 2021 onwards, the steel mill in Mobile is part of SSAB Special Steels and the reference figures have been restated accordingly to reflect this. The number of employees for 2020 has also been adjusted due to Abraservice. Operating profit excludes depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of IPSCO. Depreciation/amortization on surplus values during the third quarter was SEK 16 (17) million.

Revenue and operating profit

Revenue was up 67% compared with the third quarter of 2020 and amounted to SEK 5,993 (3,581) million. Higher volumes had a positive impact of 34 percentage points and higher prices 32 percentage points. Currency effects had a negative impact of 2 percentage points. Other revenue contributed 3 percentage points.

Compared with the second quarter of 2021, revenue was up 3%. Higher prices had a positive impact of 12 percentage points, whereas lower volumes had a negative impact of 10 percentage points. Currency effects had a positive impact of 1 percentage point.

Operating profit for the third quarter of 2021 was SEK 1,006 (34) million, up SEK 972 million compared with the third quarter of 2020. Higher prices and higher volumes had a positive impact, although higher raw material costs had a somewhat negative impact. Higher capacity utilization had a positive impact. Fixed costs increased somewhat since the same quarter a year earlier was characterized by weak demand and savings measures.

Compared with the second quarter of 2021, earnings were down SEK 169 million. The maintenance outage in Oxelösund, which was largely carried out according to plan, had a negative impact through lower volumes, lower capacity utilization and direct maintenance costs. Higher prices offset some of the negative effects.

Market trend

Demand on the European market was seasonally lower during the third quarter. Underlying demand in large customer segments was stable. Heavy Transport, Material Handling and Construction Machinery, especially the sub segment Lifting, were at a high level during the third quarter. Heavy Transport was somewhat negatively affected by the shortage of components.

Production and shipments

Crude steel production was up 13% compared with the third quarter of 2020, whereas it was 28% down compared with the second quarter of 2021.

Rolling production during the third quarter of 2021 was up 18% compared with the same period in 2020. Compared with the second quarter of 2021, rolling production was down 15%.

External shipments of steel during the third quarter of 2021 were up 34% compared with the same quarter in 2020, whereas they were down 10% compared with the second quarter of 2021.

The planned maintenance outage in Oxelösund affected production and shipments during the third quarter. The third quarter last year was characterized by the adjustment of production to weak demand.

Production and shipments

	2021	2020	2021	2021	2020	2020
Thousand tonnes	Q3	Q3	Q2	Jan-Sep	Jan-Sep	Full-year
Crude steel production	469	415	649	1,767	1,662	2,307
Rolling production	395	336	466	1,316	1,257	1,687
Shipments	348	259	388	1,112	830	1,127

The figures for 2020 and the first half of 2021 have been restated to reflect the new setup involving Mobile.

Cash flow and capital expenditure

Operating cash flow during the third quarter was SEK 1,382 (601) million. The improvement compared with the same period in 2020 is explained primarily by higher earnings.

Capital expenditure during the third quarter was SEK 323 (106) million, of which SEK 160 (30) million were strategic investments.

SSAB Europe

Third quarter in brief

- Strong market and high prices
- Operating profit increased to SEK 2,524 (-631) million
- Shipments rose 6% to 795 (751) thousand tonnes

Key figures

	2021	2020	2021	2021	2020	2020
SEK millions	Q3	Q3	Q2	Jan-Sep	Jan-Sep	Full-year
Revenue	10,789	6,153	10,246	29,864	20,481	27,954
Operating profit before depr./amort., EBITDA	2,912	-221	1,900	5,950	58	554
Operating profit/loss	2,524	-631	1,512	4,795	-1,196	-1,113
Operating cash flow	604	-242	2,280	3,129	-717	702
Number of employees at end of period	6,646	6,768	6,637	6,646	6,768	6,701

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

Depreciation/amortization on surplus values was SEK 21 (60) million during the third quarter.

Revenue and operating profit

Revenue was up 75% compared with the third quarter of 2020 and amounted to SEK 10,789 (6,153) million. Higher prices contributed 66 percentage points and higher volumes 6 percentage points. Other revenue contributed 5 percentage points, whereas negative currency effects reduced revenue by 2 percentage points.

Compared with the second quarter of 2021, revenue was up 5%. Higher prices had a positive impact of 23 percentage points and currency effects 1 percentage point. Lower volumes reduced revenue by 19 percentage points.

Operating profit for the third quarter of 2021 was SEK 2,524 (-631) million, up SEK 3,155 million compared with the same quarter in 2020. Higher prices were the main driver behind the uplift in earnings, which were partly counteracted by higher variable costs of raw material. Better capacity utilization had a positive impact. Fixed costs increased somewhat since the third quarter of 2020 was affected by savings measures, whereas there has been a significantly higher level of activity in 2021.

Compared with the second quarter of 2021, earnings were up SEK 1,012 million. Higher prices, which to some extent were counteracted by higher raw material costs, lifted earnings. Planned maintenance outages had a negative impact through lower volumes, lower capacity utilization and direct maintenance costs.

Market trend

The third quarter was characterized by seasonally lower activity, including within Steel Service Centers. The Automotive and Heavy Transport customer segments suffered lower production as a result of the shortage of semiconductors. Activity in Construction was robust and demand was good also in Construction Machinery.

Production and shipments

Crude steel production during the third quarter of 2021 was up 29% compared with the third quarter of 2020, whereas it was down 10% compared with the second quarter of 2021.

Rolling production was up 25% compared with the third quarter of 2020, whereas it was down 16% compared with the second quarter of 2021.

Production figures for the third quarter of last year were affected by planned maintenance and adjustment to lower demand and among other things, one of the blast furnaces in Raabe was temporarily idled.

External shipments of steel during the third quarter of 2021 were up 6% compared with the third quarter of 2020, whereas they were down 16% compared with the second quarter of 2021.

Production and shipments

	2021	2020	2021	2021	2020	2020
Thousand tonnes	Q3	Q3	Q2	Jan-Sep	Jan-Sep	Full-year
Crude steel production	1,080	837	1,204	3,442	2,839	4,046
Rolling production	1,081	864	1,290	3,578	2,890	4,111
Shipments	795	751	980	2,756	2,401	3,314

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 third quarter was SEK 604 (-242) million. Compared with the third quarter of 2020, cash flow was positively impacted by higher earnings, which were partly counteracted by higher tied-up working capital.

Capital expenditure during the third quarter was SEK 262 (246) million, of which SEK 19 (38) million were strategic investments.

SSAB Americas

Third quarter in brief

- Operating profit increased to SEK 1,871 (-395) million, primarily due to higher prices
- Shipments increased by 5% to 484 (462) thousand tonnes

Key figures

	2021	2020	2021	2021	2020	2020
SEK millions	Q3	Q3	Q2	Jan-Sep	Jan-Sep	Full-year
Revenue	6,061	2,709	4,822	14,527	9,791	13,239
Operating profit/loss before depr./amort., EBITDA	1,917	-348	1,126	3,354	-120	-63
Operating profit/loss	1,871	-395	1,084	3,224	-275	-257
Operating cash flow	1,538	-55	843	2,385	93	222
Number of employees at end of period	651	650	633	651	650	646

From the third quarter of 2021 onwards, the steel mill in Mobile is no longer part of SSAB Americas' organization and the reference figures have been restated accordingly to reflect this. Operating profit excludes depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of IPSCO. Depreciation/amortization on surplus values was SEK 1 (-1) million during the third quarter.

Revenue and operating profit

Revenue was up 124% compared with the third quarter of 2020 and amounted to SEK 6,061 (2,709) million. Higher prices had a positive impact of 121 percentage points. Higher volumes contributed 5 percentage points. A better product mix and other revenue each contributed 1 percentage point. Currency effects had a negative impact of 4 percentage points.

Compared with the second quarter of 2021, revenue was up 26%. Higher prices had a positive impact of 25 percentage points. Currency effects had a positive impact of 3 percentage points, whereas lower volumes had a negative impact of 2 percentage points.

Operating profit for the third quarter of 2021 was SEK 1,871 (-395) million, up SEK 2,226 million compared with the third quarter of 2020. Higher prices, which were to some extent counteracted by higher scrap prices, mostly explained the upswing.

Compared with the second quarter of 2021, earnings were up SEK 787 million. The increase was primarily explained by higher prices.

Market trend

Compared to the same period last year, shipments were higher driven among others by Heavy Transport and Steel Service Centers. Demand is generally strong.

Production and shipments

Crude steel production was up 10% compared with the third quarter of 2020, whereas it was down 7% compared with the second quarter of 2021.

Rolling production during the third quarter of 2021 was up 22% compared with the third quarter of 2020, whereas it was down 1% compared with the second quarter of 2021.

External shipments of steel were up 5% compared with the third quarter of 2020, whereas they were down 2% compared with the second quarter of 2021.

Production and shipments

	2021	2020	2021	2021	2020	2020
Thousand tonnes	Q3	Q3	Q2	Jan-Sep	Jan-Sep	Full-year
Crude steel production	293	267	315	905	878	1,182
Rolling production	291	238	294	857	819	1,140
Shipments	484	462	494	1,458	1,450	2,019

Shipments figures include heavy plate made at SSAB Special Steels' steel mill in Mobile but sold by SSAB Americas. From the third quarter of 2021 onwards, the steel mill in Mobile is no longer part of SSAB Americas' organization and the reference figures have been restated accordingly to reflect this.

Cash flow and capital expenditure

Operating cash flow during the third quarter of 2021 was SEK 1,538 (-55) million. Compared with the third quarter of 2020, cash flow was positively impacted by higher earnings.

Capital expenditure during the third quarter was SEK 27 (26) million, of which SEK 6 (-) million were strategic investments.

Tibnor

Third quarter in brief

- Operating profit increased to SEK 515 (6) million
- Better margins and higher shipments

Key figures

	2021	2020	2021	2021	2020	2020
SEK millions	Q3	Q3	Q2	Jan-Sep	Jan-Sep	Full-year
Revenue	3,063	1,752	3,214	8,934	6,210	8,241
Operating profit before depr./amort., EBITDA	552	42	486	1,290	156	240
Operating profit/loss	515	6	449	1,182	47	96
Operating cash flow	56	-112	137	481	-98	186
Shipments, thousand tonnes	190	172	242	668	583	781
Number of employees at end of period	1,003	999	990	1,003	999	981

Excluding depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of Rautaruukki. Depreciation/amortization on surplus values was SEK 5 (6) million during the second quarter.

Revenue and operating profit

Revenue was up 75% compared with the third quarter of 2020 and amounted to SEK 3,063 (1,752) million, driven by a strong market with high prices.

Compared with the second quarter of 2021, revenue was down 5%.

Operating profit for the third quarter of 2021 was up SEK 509 million compared with the same period a year earlier and amounted to SEK 515 (6) million. Inventory gains, higher prices and higher volumes contributed to the improvement.

Compared with the second quarter of 2021, earnings were up SEK 66 million. Better prices and inventory gains explained the improvement.

Market trend

Demand was seasonally lower compared with the previous quarter. Nevertheless, activity was higher compared with the same period last year even if some customer segments were affected by a shortage of components. The construction related segments showed good development.

Cash flow and capital expenditure

Operating cash flow during the third quarter was SEK 56 (-112) million. Compared with the third quarter of 2020, cash flow was positively impacted by higher earnings, whereas higher tied-up working capital had a negative impact.

Capital expenditure during the third quarter was SEK 15 (13) million, of which SEK 4 (1) million were strategic investments.

Ruukki Construction

Third quarter in brief

- Operating profit increased to SEK 229 (145) million, driven by higher volumes
- Good underlying demand

Key figures

SEK millions	2021 Q3	2020 Q3	2021 Q2	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year
Revenue	1,766	1,391	1,593	4,481	4,310	5,516
Operating profit before depr./amort., EBITDA	270	185	202	560	368	484
Operating profit/loss	229	145	162	439	242	314
Operating cash flow	209	213	233	451	343	481
Number of employees at end of period	1,381	1,337	1,368	1,381	1,337	1,362

Excluding depreciation/amortization on surplus values on tangible and intangible assets related to the acquisition of. Depreciation/amortization on surplus values was SEK 2 (-1) million during the second quarter.

Revenue and operating profit

Revenue was up 27% compared with the third quarter of 2020, driven by higher volumes and prices in both Roofing and Building Envelopes.

Compared with the second quarter of 2021, revenue was up 11%, primarily related to a seasonal improvement in Roofing.

Operating profit for the third quarter of 2021 increased to SEK 229 (145) million, the improvement was primarily attributable to better volumes.

Compared with the second quarter of 2021, earnings were up SEK 67 million, primarily due to seasonally higher volumes in Roofing.

Building Systems had revenue of around SEK 600 million until divestment in April 2020 and a minor positive operating profit.

Market trend

Demand in the construction industry was seasonally strong during the third quarter. Demand is generally higher compared with recent years and those markets (mainly Eastern Europe and Norway) that had been affected by Covid-19 are now back to a normal or even higher level.

Cash flow and capital expenditure

Operating cash flow during the third quarter was SEK 209 (213) million. Cash flow was impacted positively by higher earnings, which were partly offset by higher tied-up working capital.

Capital expenditure during the third quarter was SEK 42 (13) million, of which SEK 30 (6) million were strategic investments.

Sustainability

Key figures – rolling 12 months

	2021 Q3	2020 Q3	2021 Q2	2020 Full-year
Responsible partner				
Lost time injury frequency (LTIF) 1)	1.9	4.0	2.0	3.7
Total number of injuries (LTI) 2)	50	104	60	101
Sustainable operations				
Energy consumption, GWh 3)	9,561	8,752	9,312	9,070
Energy intensity, kWh/tonnes crude steel	1,156	1,250	1,172	1,204
Carbon dioxide emissions (Scope 1), thousand tonnes 4)	9,807	8,553	9,374	8,906
Carbon dioxide emissions (Scope 2), thousand tonnes 5)	1,115	1,112	1,110	1,142
Intensity, tonnes of CO ₂ /tonnes crude steel 6)	1.3	1.4	1.3	1.3

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.

Leading sustainability performance

SSAB's goal is to become the world's safest steel company and to achieve zero accidents and work-related injuries and illnesses. During the quarter, lost time injury frequency resulting in an absence of at least one day (LTIF) was 1.9 (4.0) (rolling 12 months). The reduction was largely attributable to long-term work including work to improve the safety culture. Total recordable injury frequency (TRIF) was 8.5 (10.7).

There was somewhat of an increase in energy use and direct emissions from production compared with a year earlier. These increases were in line with increased production.

First with fossil-free steel

During the year, SSAB has strengthened its leading position in the green transition of the steel industry. During the quarter, we rolled our first fossil-free steel, which we delivered to Volvo Group. SSAB's fossil-free steel is based on HYBRIT technology, where the coal and coke used in traditional ore-based steelmaking is replaced with fossil free electricity and hydrogen. The process virtually eliminates carbon dioxide emissions in steelmaking and production is underway at HYBRIT's pilot plant in Luleå. By 2026, SSAB plans to supply the market with fossil-free steel at a commercial scale following the replacement of the blast furnaces in Oxelösund with electric arc furnaces.

We entered into more new partnerships during the third quarter, including one with Mercedes-Benz, to work together to reach a fully fossil-free value chain. The great interest shown by customers means that we are exploring the prerequisites to convert to fossil-free production earlier than the original plan. However, this requires that society can ensure power transmission, effective permit processes and a level playing field with similar conditions within Europe and beyond.

Already now, SSAB's customers can improve the sustainability performance of their products by using steel better. The goal is that, by increased use of high-strength steels, SSAB's customers will, in 2021, achieve annual CO₂ savings of 10 million tonnes during the use phase of their end products. This amount corresponds to SSAB's direct CO₂ emissions. The CO₂ savings will be achieved through the SSAB EcoUpgraded concept (8.0m tonnes) and through Automotive premium products (2.0m tonnes).

More information on sustainability at SSAB is available at <https://www.ssab.com/company/sustainability>.

Risks and uncertainty factors

SSAB's fully owned subsidiary SSAB EMEA AB has a 50% holding in Oxelösunds Hamn AB. A legal process has been underway since 2017, when Swedish Customs has imposed specific purchase taxes and VAT on imports to a value of around SEK 260 million. There is a risk of Oxelösunds Hamn being required to pay the amount in full or in part and that SSAB EMEA AB will have to make a shareholder contribution so that Oxelösunds Hamn is able to pay. SSAB's view is that there is no obligation to impose specific purchase taxes and VAT and, hence, no provision has been made.

For information regarding other material risks and uncertainty factors, reference is made to the detailed description in the Annual Report for 2020.

Extraordinary general meeting – Board changes

An extraordinary general meeting will take place on October 28, 2021. The notice of the meeting can be found on SSAB's website. In consequence of the ownership changes SSAB taking place in May and June, Bengt Kjell, chairman of the Board of Directors, informed the Board in September that he wished to resign from the Board, at the earliest convenience. SSAB's Nomination Committee has decided to propose Lennart Evrell, who is currently a member of SSAB's Board, as the new chairman. In September, also Annareetta Lumme-Timonen, a member of the Board, requested her resignation at the upcoming extraordinary general meeting. This was in consequence of recent ownership changes in SSAB in Finland. The Nomination Committee has decided to propose that she be replaced on the Board by Maija Strandberg.

Changes in Group management

Leena Craelius has been appointed acting CFO at SSAB. She has long experience of the steel industry and has earlier held several senior positions at SSAB. She will take up her new position on November 1, 2021. She succeeds Håkan Folin.

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 2020.

Review

This interim report has not been reviewed by the auditors.

Stockholm, October 25, 2021

Martin Lindqvist
President and CEO

Financial reports in accordance with IFRS – The Group

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

Consolidated statement of profit and loss, in summary

SEK millions	2021 Q3	2020 Q3	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year
Revenue	25,220	14,481	68,554	48,409	65,396
Cost of goods sold	-18,288	-14,594	-53,491	-46,166	-61,617
Gross profit/loss	6,932	-113	15,063	2,243	3,780
Selling and administrative costs	-1,111	-857	-3,288	-3,065	-4,074
Other operating income and expenses	-26	1	72	-60	-30
Affiliated companies, profit/loss after tax	5	-5	29	1	-1
Operating profit/loss	5,800	-973	11,876	-881	-325
Financial income	375	595	1,159	1,510	2,130
Financial expenses	-486	-697	-1,477	-1,849	-2,607
Profit/loss for the period after financial items	5,689	-1,075	11,557	-1,220	-802
Tax	-1,208	342	-2,345	385	312
Profit/loss for the period	4,481	-734	9,213	-835	-490
Of which attributable to:					
- Parent Company's shareholders	4,478	-741	9,204	-853	-510
- Non-controlling interest	2	8	9	17	20

Consolidated statement of comprehensive income

SEK millions	2021 Q3	2020 Q3	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year
Profit/loss for the period after tax	4,481	-734	9,213	-835	-490
<i>Other comprehensive income</i>					
Items that may be subsequently reclassified to the income statement					
Translation differences for the period	1,453	-1,560	3,204	-1,463	-6,252
Cash flow hedges	128	15	260	-168	-131
Hedging of currency risks in foreign operations 1)	-19	168	-219	177	778
Tax attributable to items that may be subsequently reclassified to the income statement	-22	-39	-7	-4	-181
Total items that may be subsequently reclassified to the income statement	1,541	-1,416	3,238	-1,459	-5,787
Items that will not be reclassified to the income statement					
Remeasurements of the net defined benefit liability	21	-2	94	-20	-38
Tax attributable to items that will not be reclassified to the income statement	-5	0	-20	4	2
Total items that will not be reclassified to the income statement	16	-1	74	-16	-35
Total other comprehensive income for the period, net after tax	1,557	-1,417	3,312	-1,474	-5,823
Total comprehensive income for the period	6,037	-2,151	12,526	-2,310	-6,312
Of which attributable to:					
- Parent Company's shareholders	6,034	-2,159	12,513	-2,327	-6,327
- Non-controlling interest	3	8	13	17	15

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

Consolidated statement of financial position, in summary

SEK millions	2021 30 Sep	2020 30 Sep	2020 31 Dec
Assets			
Intangible assets	30,667	31,570	28,896
Tangible fixed assets	22,097	23,073	22,022
Right of use assets	2,575	2,524	2,344
Financial assets	1,645	1,390	1,348
Deferred tax receivables 1)	205	283	233
Total fixed assets	57,188	58,841	54,843
Inventories	23,085	18,834	17,444
Accounts receivable	11,944	7,147	6,905
Current tax receivables	488	540	417
Other current receivables 2)	2,324	2,084	1,942
Cash and cash equivalents	9,594	5,412	7,051
Total current assets	47,435	34,018	33,759
Total assets	104,623	92,859	88,601
Equity and liabilities			
Equity for the shareholders in the Parent Company	66,428	57,987	53,987
Non-controlling interest	55	111	109
Total equity	66,483	58,099	54,096
Deferred tax liabilities	594	39	376
Other long-term provisions	571	700	657
Long-term non-interest bearing liabilities 1)	241	414	316
Long-term interest-bearing liabilities	9,407	9,645	9,031
Lease liability	2,005	1,977	1,801
Total long-term liabilities and provisions	12,818	12,775	12,181
Short-term interest-bearing liabilities	1,697	6,696	5,960
Lease liability	688	658	652
Accounts payable	15,990	10,188	11,068
Current tax liabilities	1,709	284	233
Other current liabilities and provisions	5,238	4,159	4,412
Total current liabilities and provisions	25,322	21,985	22,324
Total equity and liabilities	104,623	92,859	88,601
Pledged assets	939	965	878
Contingent liabilities	2,679	2,560	2,338

1) Of the Deferred tax receivable, SEK 38 (114) 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 878 (903) million.

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, Dec 31, 2019	9,063	23,022	7,028	21,202	60,314	103	60,417
Changes Jan 1 - Sep 30, 2020							
Total comprehensive income for the period			-1,459	-868	-2,327	17	-2,310
Dividend, non-controlling interest					-	-8	-8
Equity, Sep 30, 2020	9,063	23,022	5,569	20,333	57,987	111	58,099
Changes Oct 1 - Dec 31, 2020							
Total comprehensive income for the period			-4,322	322	-4,000	-1	-4,002
Dividend, non-controlling interest					-	-1	-1
Equity, Dec 31, 2020	9,063	23,022	1,247	20,655	53,987	109	54,096
Changes Jan 1 - Sep 30, 2021							
Total comprehensive income for the period			3,234	9,279	12,513	13	12,526
Result from transaction with owners of non-controlling interest				-72	-72	-58	-130
Dividend, non-controlling interest					-	-9	-9
Equity, Sep 30, 2021	9,063	23,022	4,481	29,862	66,428	55	66,483

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 as well as electricity derivatives are valued at fair value. In the balance sheet item "Other current receivables" derivatives are valued at a total of SEK 386 (240) million and in the balance sheet item "Other current liabilities" derivatives are valued at a total of SEK 43 (278) million. In the balance sheet item "Financial assets" derivatives are valued at a total of SEK 135 (5) million and in the balance sheet item "Long-term non-interest bearing liabilities", derivatives are included valued at a total of SEK 4 (106) 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 146 (205) 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	2021 Q3	2020 Q3	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year
BUSINESS OPERATIONS					
<i>Profit from operating activities</i>					
Operating profit/loss	5,800	-973	11,876	-881	-325
<i>Reversal of non-cash items:</i>					
-Depreciation, amortization and write-down of fixed assets	782	907	2,465	2,806	3,689
-Other non-cash items	19	6	-103	-4	32
Received and paid interest	-125	-164	-302	-460	-545
Tax paid	-322	3	-712	-178	-56
Change in working capital	-2,693	699	-4,458	-465	1,570
Cash flow from operating activities	3,462	477	8,766	817	4,366
INVESTING ACTIVITIES					
Investments in plant and machinery	-679	-406	-1,556	-1,483	-2,204
Investments/acquisitions, shares and operations	0	-43	-103	-198	-233
Divested shares and operations	-	-1	-	105	143
Other investing activities (+decrease)	30	5	68	91	116
Cash flow from investing activities	-649	-445	-1,592	-1,485	-2,178
FINANCING ACTIVITIES					
Dividend, non-controlling interest	-2	-4	-9	-8	-9
Change in loans	-1,390	281	-4,249	3,994	3,302
Change in financial investments	-39	26	-7	-839	-715
Acquisitions shares, non-controlling interest	0	-	-127	-	-
Other financing (+increase)	388	-675	197	-757	-1,893
Cash flow from financing activities	-1,044	-372	-4,195	2,389	685
CASH AND CASH EQUIVALENTS					
Cash and cash equivalents at beginning of period	8,058	5,559	7,051	3,597	3,597
Cash flow for the period	1,769	-340	2,979	1,721	2,872
Translation differences, cash and cash equivalents	-233	193	-437	94	581
CASH AND CASH EQUIVALENTS, END OF PERIOD	9,594	5,412	9,594	5,412	7,051
Contracted, non-utilized overdraft facilities	8,554	14,804	8,554	14,804	14,471
Disposable cash and cash equivalents (incl. non-utilized overdraft facilities)	18,148	20,216	18,148	20,216	21,522

Key figures

	2021 Q3	2020 Q3	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year
Operating margin (%)	23	-7	17	-2	-1
Earnings per share (SEK)	4.35	-0.72	8.94	-0.83	-0.50
Equity per share (SEK)	64.50	56.31	64.50	56.31	52.42
Net debt/equity ratio (%)	5	22	5	22	19
Equity ratio (%)	63	62	63	62	61
Adjusted average number of shares during the period (millions)	1,029.8	1,029.8	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	1,029.8	1,029.8
Number of employees at end of period ¹⁾	14,130	14,012	14,130	14,012	13,974

1) The number employees of 2020 has been adjusted due to Abraservice.

Financial reports – The Parent Company

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

	2021	2020	2021	2020	2020
SEK millions	Q3	Q3	Jan-Sep	Jan-Sep	Full-year
Gross profit	-	-	-	-	-
Selling and administrative costs	-99	-56	-317	-229	-315
Other operating income/expenses	56	38	165	137	164
Operating loss	-43	-18	-152	-92	-150
Financial items	-30	207	-214	235	-39
Profit/loss after financial items	-73	189	-367	143	-190
Appropriations	-	-	-150	-	-312
Profit before tax	-73	189	-517	143	-502
Tax	16	14	100	27	-14
Profit after tax	-57	203	-416	170	-516

Parent company's statement of comprehensive income

	2021	2020	2021	2020	2020
SEK millions	Q3	Q3	Jan-Sep	Jan-Sep	Full-year
Profit after tax	-57	203	-416	170	-516
<i>Other comprehensive income</i>					
Items that may be classified to the income statement					
Cash flow hedges	1	0	7	-8	-5
Tax attributable to other comprehensive income	0	0	-1	2	1
Total items that will be reclassified to the income statement	1	0	5	-6	-4
Other comprehensive income, net after tax	1	0	5	-6	-4
Total comprehensive income for the period	-56	203	-410	164	-520

Parent Company's statement of financial position, in summary

	2021	2020	2020
SEK millions	30 Sep	30 Sep	31 Dec
Assets			
Fixed assets	72,530	76,024	75,096
Other current assets	7,882	9,106	8,084
Cash and cash equivalents	7,843	3,776	5,662
Total assets	88,254	88,906	88,842
Equity and liabilities			
Restricted equity	9,964	9,964	9,964
Unrestricted equity	53,535	54,630	53,947
Total equity	63,499	64,594	63,911
Long-term liabilities and provisions	7,414	7,389	7,055
Current liabilities and provisions	17,341	16,922	17,876
Total equity and liabilities	88,254	88,906	88,842

Information about the 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 Mobile (USA), as well as for sales of the aforementioned products made in 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, 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 external revenue

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

External revenue by business segments, January - September

External revenue Jan-Sep 2021	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	446	6,237	-	3,280	1,045	11,009
Finland	227	3,736	-	1,529	1,174	6,665
Denmark	154	1,229	-	2,086	120	3,589
Germany	1,039	1,729	-	47	1	2,816
Poland	670	1,695	-	30	749	3,144
Italy	914	1,547	-	0	-	2,461
Other EU-27	2,262	4,561	82	534	818	8,257
Great Britain	395	1,013	-	0	0	1,408
Norway	43	461	-	1,292	409	2,205
Other Europe	1,213	610	-	13	148	1,983
USA	3,249	732	12,649	0	1	16,630
Canada	1,082	9	1,448	-	4	2,543
Rest of the world	4,692	870	269	11	2	5,844
Total	16,386	24,428	14,448	8,821	4,472	68,554
Product area						
Steel products	15,959	22,651	14,448	-	-	53,058
Trading operations	-	-	-	8,821	-	8,821
Ruukki Construction operations	-	-	-	-	4,472	4,472
Slabs, by-products and scrap	178	1,711	-	-	-	1,889
Other	250	65	0	-	-	315
Total	16,386	24,428	14,448	8,821	4,472	68,554

External revenue Jan-Sep 2020	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	231	3,742	-	2,287	1,111	7,371
Finland	175	2,689	-	1,095	1,224	5,184
Denmark	77	891	1	1,328	35	2,332
Germany	789	1,405	-	21	1	2,217
Poland	402	1,278	-	16	588	2,284
Italy	558	790	-	1	0	1,348
Other EU-27	1,667	2,980	-	347	817	5,812
Great Britain	259	606	-	0	6	871
Norway	52	384	-	1,001	396	1,833
Other Europe	855	488	-	12	101	1,456
USA	2,428	613	8,716	-	1	11,758
Canada	645	-	931	-	2	1,578
Rest of the world	3,600	666	85	11	1	4,363
Total	11,737	16,533	9,733	6,120	4,286	48,409
Product area						
Steel products	11,341	15,510	9,734	-	-	36,585
Trading operations	-	-	-	6,120	-	6,120
Ruukki Construction operations	-	-	-	-	4,286	4,286
Slabs, by-products and scrap	170	954	-	-	-	1,124
Other	225	69	0	-	0	293
Total	11,737	16,533	9,733	6,120	4,286	48,409

External revenue by business segments, the third quarter

External revenue Q3 2021	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	233	2,190	-	1,075	379	3,877
Finland	142	1,302	-	550	472	2,466
Denmark	38	468	-	720	40	1,265
Germany	420	484	-	21	0	926
Poland	261	663	-	10	281	1,214
Italy	435	426	-	0	-	861
Other EU-27	604	1,730	34	196	354	2,918
Great Britain	165	315	-	0	0	480
Norway	11	140	-	449	149	748
Other Europe	438	222	-	0	84	744
USA	1,286	201	5,368	-	0	6,856
Canada	372	8	543	-	1	924
Rest of the world	1,329	528	78	4	0	1,940
Total	5,734	8,677	6,022	3,027	1,760	25,220
Product area						
Steel products	5,622	8,048	6,022	-	-	19,692
Trading operations	-	-	-	3,027	-	3,027
Ruukki Construction operations	-	-	-	-	1,760	1,760
Slabs, by-products and scrap	42	599	-	-	-	641
Other	69	30	0	-	-	99
Total	5,734	8,677	6,022	3,027	1,760	25,220

External revenue Q3 2020	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	72	1,157	-	740	295	2,263
Finland	48	824	-	306	420	1,598
Denmark	28	195	0	336	15	575
Germany	200	426	-	6	0	632
Poland	96	471	-	10	212	789
Italy	145	220	-	0	-	365
Other EU-27	428	837	-	104	274	1,643
Great Britain	81	196	-	0	0	277
Norway	19	128	-	221	123	491
Other Europe	257	223	-	3	48	531
USA	728	230	2,389	-	1	3,348
Canada	183	-	276	-	2	461
Rest of the world	1,232	233	42	3	0	1,509
Total	3,515	5,140	2,708	1,729	1,390	14,481
Product area						
Steel products	3,418	4,814	2,708	-	-	10,940
Trading operations	-	-	-	1,729	-	1,729
Ruukki Construction operations	-	-	-	-	1,390	1,390
Slabs, by-products and scrap	24	301	-	-	-	324
Other	73	25	0	-	0	99
Total	3,515	5,140	2,708	1,729	1,390	14,481

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

	2021	2020	2021	2020	2020
SEK millions	Q3	Q3	Jan-Sep	Jan-Sep	Full-year
Operating profit/loss	5,800	-973	11,876	-881	-325
Depreciation and impairment	782	907	2,465	2,806	3,689
Operating profit/loss before depreciation/amortization, EBITDA	6,582	-66	14,341	1,925	3,364

Return on capital employed before tax, rolling 12 months

	Oct 20-	Oct 19-	2020
SEK millions	Sep 21	Sep 20	Full-year
Operating profit/loss	12,432	-2,059	-325
Financial income	1,779	1,283	2,130
Total	14,211	-776	1,805
Average capital employed	75,517	80,120	79,298
Return on capital employed before tax, %	19%	-1%	2%

Return on equity after tax, rolling 12 months

	Oct 20-	Oct 19-	2020
SEK millions	Sep 21	Sep 20	Full-year
Profit for the period, after tax	9,558	-2,076	-490
Average equity	58,735	61,150	59,430
Return on equity after tax, %	16%	-3%	-1%

Operating cash flow

	2021	2020	2021	2020	2020
SEK millions	Q3	Q3	Jan-Sep	Jan-Sep	Full-year
Cash flow from operating activities	3,462	477	8,766	817	4,366
Reversal received and paid interests	125	164	302	460	545
Reversal tax paid	322	-3	712	178	56
Maintenance expenditures 1)	-461	-332	-1,030	-1,016	-1,622
Other investing activities 2)	30	5	68	91	115
Operating cash flow	3,478	313	8,817	530	3,460

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

	2021	2020	2020
SEK millions	30 Sep	30 Sep	31 Dec
Interest-bearing assets 1)	10,876	6,801	8,289
Interest-bearing liabilities 2)	14,246	19,727	18,567
Net debt	3,370	12,926	10,278

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

Since July 1, 2021, the steel mill in Mobile in the USA has been part of SSAB Special Steels. To reflect the organizational change, SSAB has restated the historical figures as if the new set-up had taken place on December 31, 2018. These amounts have been restated applying the Group's accounting principles. The new set-up has had no impact on the Group's total financial reports only on the information about the business segments SSAB Special Steels and SSAB Americas. For further details, go to www.ssab.com.

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

SEK millions	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21
Revenue	20,017	20,654	18,840	16,973	18,772	15,155	14,481	16,988	19,661	23,673	25,220
Operating expenses	-17,295	-18,269	-17,524	-17,086	-17,500	-14,442	-14,543	-15,544	-16,820	-18,779	-18,644
Depreciation/amortization	-1,081	-1,102	-1,028	-1,005	-942	-956	-907	-885	-867	-815	-782
Affiliated companies	33	33	12	-14	13	-7	-5	-2	19	4	5
Financial items	-91	-86	-99	-114	-123	-114	-102	-138	-106	-101	-111
Result before tax	1,583	1,230	201	-1,245	221	-365	-1,075	418	1,887	3,981	5,689

Revenue per quarter and business segment

SEK millions	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21
SSAB Special Steels	4,897	5,159	4,531	3,988	4,553	3,997	3,581	4,070	5,122	5,845	5,993
SSAB Europe	8,577	8,814	7,637	6,702	8,139	6,189	6,153	7,472	8,829	10,246	10,789
SSAB Americas	4,862	4,546	4,441	3,583	3,871	3,211	2,709	3,448	3,644	4,822	6,061
Tibnor	2,264	2,534	2,179	2,172	2,421	2,037	1,752	2,031	2,656	3,214	3,063
Ruukki Construction	1,274	1,690	1,794	1,752	1,480	1,439	1,391	1,206	1,122	1,593	1,766
Other	0	0	0	0	-	-	-	-	-	-	-
Group adjustments	-1,857	-2,089	-1,741	-1,224	-1,691	-1,718	-1,105	-1,239	-1,713	-2,047	-2,452
Total	20,017	20,654	18,840	16,973	18,772	15,155	14,481	16,988	19,661	23,673	25,220

Historical figures have been restated due to the reorganization of Mobile in the third quarter of 2021.

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

SEK millions	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21
SSAB Special Steels	995	805	624	12	738	758	313	794	1,189	1,390	1,220
SSAB Europe	738	469	-67	-194	413	-133	-221	496	1,139	1,900	2,912
SSAB Americas	966	934	582	15	169	59	-348	57	301	1,126	1,917
Tibnor	78	73	47	8	50	65	42	83	252	486	552
Ruukki Construction	30	141	179	116	55	128	185	116	87	202	270
Other	-52	-3	-37	-83	-140	-172	-37	-106	-108	-206	-288
Total	2,755	2,419	1,327	-127	1,286	705	-66	1,439	2,860	4,899	6,582

Historical figures have been restated due to the reorganization of Mobile in the third quarter of 2021.

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

SEK millions	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21
SSAB Special Steels	717	528	352	-290	450	469	34	518	914	1,175	1,006
SSAB Europe	347	66	-480	-609	0	-566	-631	83	758	1,512	2,524
SSAB Americas	917	888	528	-58	115	6	-395	18	258	1,084	1,871
Tibnor	38	29	2	-39	12	29	6	48	218	449	515
Ruukki Construction	-14	95	134	67	11	86	145	72	48	162	229
Depr. surplus values, IPSCO	-201	-207	-118	-39	-25	-20	-16	-18	-19	-17	-18
Depr. surplus values, Rautaruukki	-64	-66	-67	-67	-66	-69	-66	-66	-63	-64	-28
Other	-67	-18	-52	-97	-153	-186	-50	-100	-120	-218	-300
Total	1,674	1,316	300	-1,131	343	-251	-973	557	1,993	4,083	5,800

Historical figures have been restated due to the reorganization of Mobile in the third quarter of 2021.

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

SEK millions	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21
SSAB Special Steels	-	-	-	-	-	-	-	-	-	-	-
SSAB Europe	-	-	-	-	-	-	-	-	-	-	-
SSAB Americas	-	-	-	-	-	-	-	-	-	-	-
Tibnor	-	-	-	-52	-	-	-	-	-	-	-
Ruukki Construction	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-150	5	-	-	-	-	-	-	-
Total	-	-	-150	-47	-	-	-	-	-	-	-

Production and shipments

Thousand tonnes	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21
Crude steel production											
- SSAB Special Steels	729	673	695	393	639	608	415	645	648	649	469
- SSAB Europe	993	1,120	930	926	1,130	872	837	1,207	1,157	1,204	1,080
- SSAB Americas	277	307	277	303	312	299	267	304	297	315	293
Total	2,000	2,100	1,902	1,621	2,081	1,779	1,519	2,156	2,103	2,168	1,842
Rolling production											
- SSAB Special Steels	459	435	449	323	465	455	336	430	456	466	395
- SSAB Europe	1,162	1,198	980	876	1,190	836	864	1,220	1,207	1,290	1,081
- SSAB Americas	267	292	266	285	300	282	238	321	272	294	291
Total	1,889	1,926	1,696	1,484	1,955	1,573	1,438	1,970	1,935	2,050	1,766
Steel shipments											
- SSAB Special Steels	338	339	299	249	305	266	259	297	376	388	348
- SSAB Europe	907	909	794	752	955	695	751	913	980	980	795
- SSAB Americas	500	475	521	478	527	460	462	569	480	494	484
Total	1,744	1,722	1,614	1,479	1,787	1,422	1,472	1,779	1,837	1,861	1,627

Historical figures for crude steel production and rolling production have been restated due to the reorganization of Mobile in the third quarter of 2021.

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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Year-end report for January-December 2021

The Year-end report for 2021 will be published on January 28, 2022.



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