

INTERIM REPORT
JANUARY - JUNE 2021



Historical quarter – Solid
internal performance in a
strong market

21 July, 2021

SSAB

Interim report January-June 2021

The second quarter

- Revenue was SEK 23,673 (15,155) million
- EBITDA was SEK 4,899 (705) million
- Operating profit was SEK 4,083 (-251) million
- Earnings per share were SEK 3.13 (-0.28)

Key figures

SEK millions	2021 Q2	2020 Q2	2021 Q1	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year
Revenue	23,673	15,155	19,661	43,334	33,927	65,396
EBITDA	4,899	705	2,860	7,759	1,991	3,364
Operating profit/loss	4,083	-251	1,993	6,076	92	-325
Profit/loss after financial items	3,981	-365	1,887	5,869	-145	-802
Profit/loss after tax	3,221	-280	1,510	4,732	-102	-490
Earnings per share (SEK)	3.13	-0.28	1.46	4.59	-0.11	-0.50
Operating cash flow	3,910	629	1,429	5,339	218	3,460
Net debt	6,461	12,782	8,896	6,461	12,782	10,278
Net debt/equity ratio (%)	11	21	15	11	21	19

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

Comments by the CEO – a historical quarter for SSAB

For Q2 2021, we report the highest quarterly operating profit ever, driven by strong demand, high steel prices and stable production. At the same time, we consolidated our position as the leading force in the green transition of the steel industry. The quarter saw us take groundbreaking steps towards full-scale fossil-free steelmaking and enter into new collaboration agreements, which will enable also our customers to reduce their climate footprint.

The result for Q2 2021 increased to SEK 4,083 (-251) million, a historic high for a single quarter. Net cash flow was strong and amounted to SEK 3,024 (48) million.

SSAB Special Steels' shipments remained high and rose to 388 (266) ktonnes. Operating profit increased to SEK 1,109 (485) million and the operating margin to 19% (12%). Growth in high-strength steel is a key element in our strategy for improved profitability. Our special steels are also important for the sustainability strategies of our customers to reduce their climate footprint, since our steels contribute to lighter weight and a longer useful life in many applications.

SSAB Europe's operating profit rose to SEK 1,512 (-566) million and the operating margin increased to 15% (-9%), driven by a strong market, stable production and an improved product mix. SSAB America's operating profit increased to SEK 1,151 (-10) million, driven by rising market prices for plate. The operating margin rose to 24% (0%).

The spread of Covid-19 has decreased at SSAB's production sites. We continue with a number of measures to limit the risks of infection and production has run without impact. Looking ahead, the market outlook is positive. During Q3, SSAB Special Steels and SSAB Europe will complete planned maintenance and we expect seasonally lower activity on the European market.

SSAB has long been at the forefront of the green transition in the steel industry. During Q2, we took further steps towards being first in the world to get fossil-free steel on the market. For the first time ever, iron ore has been directly reduced at a pilot scale using hydrogen made from fossil-free electricity. This groundbreaking step took place at HYBRIT's plant in Luleå. So far, over 100 tonnes of sponge iron of good quality have been produced. We have also initiated a strategic collaboration with Volvo Cars, which will be the first carmaker to secure SSAB steel made from hydrogen-reduced iron ore. The great interest shown by customers means that we are exploring the prerequisites to convert to fossil-free production in Luleå earlier than the original plan. We see positive effects from our leading position in sustainability and in June, we issued a five-year sustainability-linked (SLBP) bond of SEK 2bn. This gives us better conditions to finance activities and to reach our sustainability goals.

Outlook for the third quarter of 2021

Demand for steel during the third quarter of 2021 is estimated to be strong, driven both by underlying demand and by customer restocking. Albeit a seasonal slowdown, especially in Europe, is expected. Global demand for high-strength steel is expected to be very strong during the third quarter in more or less all geographical markets.

SSAB Special Steels' shipments are expected to remain at a high level, considering the seasonality during the third quarter, albeit significantly lower than the record high level seen in the second quarter of 2021, primarily because of the planned annual maintenance outage in Oxelösund during the quarter. Also SSAB Europe's shipments are expected to be significantly lower during the third quarter than in the second quarter, due to planned annual maintenance outages and a seasonal slowdown. SSAB Americas' shipments are expected to be stable during the third quarter compared with the second quarter of 2021.

Prices realized by SSAB Americas and SSAB Europe are expected to be significantly higher on average than in the second quarter of 2021. For SSAB Special Steels, prices are expected to be higher in the third quarter than in the second quarter of 2021. Improved prices will be partly counteracted by higher costs of raw materials, primarily iron ore, in the third quarter.

Outlook for steel divisions

	Q3 2021 vs. Q2 2021	
	Shipments	Realized prices
SSAB Special Steels	Significantly lower	Higher
SSAB Europe	Significantly lower	Significantly higher
SSAB Americas	Stable	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 1,210 million, compared to the earlier forecast of SEK 1,165 million communicated in the report for the first quarter. The somewhat higher figure can be explained by higher estimated costs for SSAB Special Steels. 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	-	-	-	-	370	250	-	-	370	250
SSAB Europe	-	-	-	-	275	250	145	85	420	335
SSAB Americas	-	-	-	50	-	170	420	-	420	220
Total	-	-	-	50	645	670	565	85	1,210	805

The market

According to the World Steel Association, global crude steel production for the first five months of 2021 amounted to 838 (731) million tonnes, up 14.6% compared to the same period in 2020. Chinese steel production increased by just under 14%. Steel production increased in North America by 11% and in the EU-27 by 15%.

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

In Europe, demand was also strong during the second quarter. The shortage of semiconductors somewhat muted demand from the vehicle industry. Imports into Europe increased somewhat during the quarter, but a shortage of steel still prevails on the market.

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 market prices for heavy plate continued during the second quarter. In Europe, market prices for strip and heavy plate rose sharply during the second quarter. In China, prices for strip and heavy plate rose during the second quarter, albeit to a lesser extent than in North America and Europe.

SSAB Group – First half year of 2021

Revenue and operating result

Revenue for the first half of 2021 was SEK 43,334 (33,927) million, up 28% compared to the first half of 2020. The first half of 2020 was characterized by the outbreak of Covid-19 and if revenue is compared to the first half of 2019, the increase amounts to 7%.

Operating result for the first half of 2021 was SEK 6,076 (92) million, up SEK 5,984 million compared to the first half of 2020. All business segments contributed to the improvement. If the operating result is compared to the first half of 2019, the increase is SEK 3,086 million.

Revenue and operating profit/loss by business segment

SEK millions	Revenue			Operating profit/loss		
	2021	2020	Change	2021	2020	Change
	Jan-Jun	Jan-Jun		Jan-Jun	Jan-Jun	
SSAB Special Steels	10,929	8,519	2,411	2,012	942	1,070
SSAB Europe	19,075	14,328	4,747	2,270	-566	2,836
SSAB Americas	8,482	7,097	1,385	1,419	96	1,323
Tibnor	5,870	4,457	1,413	667	41	626
Ruukki Construction	2,715	2,919	-203	210	97	113
Other	-	-	-	-338	-339	1
Depr. surplus values	-	-	-	-164	-180	16
Group adjustments	-3,738	-3,393	-345	-	-	-
Total	43,334	33,927	9,407	6,076	92	5,984

Result after tax and earnings per share

The result after tax (attributable to shareholders in the parent company) for the first half of 2021 was SEK 4,726 (-111) million, equating to SEK 4.59 (-0.11) per share. Tax was SEK -1,137 (43) million.

Cash flow, financing and liquidity

Operating cash flow for the first half of 2021 amounted to SEK 5,339 (218) million. Compared with the first half of 2020, cash flow was impacted primarily by higher operating profit.

Net cash flow amounted to SEK 4,229 (-703) million. Net debt at June 30, 2021 was SEK 6,461 (12,782) million.

The term to maturity of the total loan portfolio at June 30, 2021 averaged 6.1 (5.3) years, with an average fixed interest period of 1.2 (0.9) years.

Cash and cash equivalents were SEK 8,058 (5,559) million and non-utilized credit facilities were SEK 8,519 (14,757) million, which combined corresponds to 22% (29%) of rolling 12-month revenue.

Return on capital employed/equity

Return on capital employed before tax for the last 12 months was 10% and return on equity after tax was 8%, whereas the figures for the full year of 2020 were 2% and -1% respectively.

Equity

With earnings of SEK 4,726 million and other comprehensive income (mostly consisting of translation differences) of SEK 1,752 (-4,015) million, the parent company's shareholders' equity amounted to SEK 60,392 (60,146) million, equating to 58.64 (58.40) per share.

SSAB Group – Second quarter of 2021

Revenue and operating result

Revenue for the second quarter of 2021 was SEK 23,673 (15,155) million, up 56% compared to the second quarter of 2020 and up 20% compared to the first quarter of 2021.

Operating result for the second quarter of 2021 was SEK 4,083 (-251) million, up SEK 4,334 million compared to the second quarter of 2020. All business segments contributed to the improvement. Compared with the first quarter of 2021, earnings were up SEK 2,090 million.

Revenue and operating profit/loss by business segment

SEK millions	Revenue			Operating profit/loss		
	2021	2020	Change	2021	2020	Change
	Q2	Q2		Q2	Q2	
SSAB Special Steels	5,824	3,983	1,841	1,109	485	624
SSAB Europe	10,246	6,189	4,057	1,512	-566	2,078
SSAB Americas	4,831	3,219	1,612	1,151	-10	1,161
Tibnor	3,214	2,037	1,177	449	29	420
Ruukki Construction	1,593	1,439	154	162	86	76
Other	-	-	-	-218	-186	-32
Depr. surplus values	-	-	-	-81	-89	8
Group adjustments	-2,034	-1,712	-322	-	-	-
Total	23,673	15,155	8,518	4,083	-251	4,334

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

	Revenue		Operating profit/loss	
	Change vs Q2 2020	%	Change vs Q2 2020	Mkr
Volume	31		Price and product mix	4,110
Price	31		Volume	1,550
Product mix	1		Variable costs	-1,630
Currency effects	-11		Fixed costs	-540
Other sales	4		Currency effects	150
			Capacity utilization	650
			Other	44
Total	56		Total	4,334

^{*)} 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. The increase in purchase prices of iron ore during the second quarter will affect SSAB's earnings during the third quarter of 2021.

Change in SSAB's average purchase prices, second quarter of 2021

% change	Q2 2020		Q1 2021	
	USD	SEK	USD	SEK
Iron ore	115%	90%	17%	18%
Coking coal	-7%	-19%	8%	8%
Scrap metal	59%	38%	7%	7%

Production and shipments

Crude steel production during the second quarter of 2021 was up 22% compared with the second quarter of 2020 and up 3% compared with the first quarter of 2021.

Rolling production during the second quarter of 2021 was up 30% compared with the same quarter of 2020 and up 6% compared with the first quarter of 2021.

SSAB's steel shipments during the second quarter of 2021 were 1,861 (1,422) thousand tonnes, up 31% compared with the second quarter of 2020 and up 1% compared with the first quarter of 2021.

Production and shipments

	2021	2020	2021	2021	2020	2020
Thousand tonnes	Q2	Q2	Q1	Jan-Jun	Jan-Jun	Full-year
Crude steel production	2,168	1,779	2,103	4,271	3,860	7,535
Rolling production	2,050	1,573	1,935	3,984	3,528	6,937
Steel shipments	1,861	1,422	1,837	3,698	3,209	6,459

Earnings after tax and earnings per share

The result after tax (attributable to shareholders in the parent company) for the second quarter of 2021 was SEK 3,219 (-287) million, equating to SEK 3.13 (-0.28) per share. Tax was SEK -760 (86) million.

Cash flow

Operating cash flow for the second quarter of 2021 amounted to SEK 3,910 (629) million. Compared with the second quarter of 2020, cash flow was impacted primarily by higher operating profit.

Net cash flow amounted to SEK 3,024 (48) million. Net debt at June 30, 2021 was SEK 6,461 (12,782) million.

Capital expenditure

Capital expenditure, including acquisitions and divestments of operations, totaled SEK 640 (588) million during the second quarter of 2021. Strategic investments were SEK 203 (230) million. The assessment remains that total maintenance and strategic investment 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 restart of the strategic investments in Mobile and Oxelösund.

Operating cash flow and net debt

	2021	2020	2021	2020	2020
SEK millions	Q2	Q2	Jan-Jun	Jan-Jun	Full-year
Operating profit before depreciation/amortization	4,899	705	7,759	1,991	3,364
Change in working capital	-586	237	-1,766	-1,164	1,570
Maintenance expenditures	-359	-381	-569	-684	-1,622
Other	-43	68	-84	75	147
Operating cash flow	3,910	629	5,339	218	3,460
Financial items	-113	-202	-176	-296	-545
Taxes	-359	-173	-390	-181	-56
Cash flow from current operations	3,438	254	4,773	-259	2,859
Strategic expenditures in plants and machinery	-203	-230	-308	-393	-582
Acquisitions of shares and operations	-79	-82	-103	-153	-231
Divestments of shares and operations	-	106	-	106	143
Cash flow before dividend	3,157	48	4,362	-699	2,189
Dividend, non-controlling interest	-7	-	-7	-4	-9
Acquisitions of shares, non-controlling interest	-127	-	-127	-	-
Net cash flow	3,024	48	4,229	-703	2,180
Net debt at beginning of period	-8,896	-12,692	-10,278	-11,696	-11,696
Net cash flow	3,024	48	4,229	-703	2,180
Revaluation of liabilities against equity 1)	82	370	-200	9	778
Other 2)	-671	-508	-212	-392	-1,540
Net debt at the end of period	-6,461	-12,782	-6,461	-12,782	-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 – Second 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. For more information about the business segments, see page 23.

SSAB Special Steels

Second quarter in brief

- Strong demand and stable production
- Operating profit increased to SEK 1,109 (485) million
- Shipments rose 46% to 388 (266) thousand tonnes

Key figures

	2021	2020	2021	2021	2020	2020
SEK millions	Q2	Q2	Q1	Jan-Jun	Jan-Jun	Full-year
Revenue	5,824	3,983	5,105	10,929	8,519	16,143
Operating profit before depreciation/amortization, EBITDA	1,269	639	1,059	2,328	1,253	2,126
Operating profit/loss	1,109	485	904	2,012	942	1,506
Operating cash flow	592	439	512	1,104	837	2,179
Number of employees at end of period 1)	3,317	3,223	3,259	3,317	3,223	3,228

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

Revenue and operating profit

Revenue was up 46% compared with the second quarter of 2020 and amounted to SEK 5,824 (3,983) million. Higher volumes had a positive impact of 46 percentage points and higher prices 12 percentage points. Currency effects had a negative impact of 12 percentage points and the product mix had a negative impact of 1 percentage point. Other revenue contributed 1 percentage point.

Compared with the first quarter of 2021, revenue was up 14%. Higher prices had a positive impact of 8 percentage points, and higher volumes and other revenue each had a positive impact of 3 percentage points.

Operating profit for the second quarter of 2021 was SEK 1,109 (485) million, up SEK 624 million compared with the second quarter of 2020. Higher prices and higher volumes had a positive impact, although this was partly counteracted by higher raw material costs.

Compared with the first quarter of 2021, earnings were up SEK 205 million. Higher prices primarily explained the higher earnings, which were partly counteracted by increased costs of raw material.

Market trend

Demand during the second quarter remained strong in all customer segments. The mining related business, which is included in Material Handling, has a positive trend with rising raw material prices driving investments in new equipment. Investments in new types of energy is another positive trend.

Production and shipments

Crude steel production was up 7% compared with the second quarter of 2020 and up 1% compared with the first quarter of 2021.

Rolling production during the second quarter of 2021 was unchanged compared with the same period in 2020. Compared with the first quarter of 2021, rolling production was up 6%.

External shipments of steel during the second quarter of 2021 were up 46% compared with the same period in 2020, and up 3% compared with the first quarter of 2021.

Production and shipments

	2021	2020	2021	2021	2020	2020
Thousand tonnes	Q2	Q2	Q1	Jan-Jun	Jan-Jun	Full-year
Crude steel production	315	295	311	626	588	1,000
Rolling production	156	156	147	303	307	484
Shipments	388	266	376	764	571	1,127

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 second quarter was SEK 592 (439) million. The improvement compared with the same period in 2020 is explained primarily by higher earnings, although increased working capital had a negative impact.

Capital expenditure during the second quarter was SEK 191 (84) million, of which SEK 108 (40) million were strategic investments.

SSAB Europe

Second quarter in brief

- Strong market and high prices
- Operating profit increased to SEK 1,512 (-566) million
- Shipments rose 41% to 980 (695) thousand tonnes

Key figures

	2021	2020	2021	2021	2020	2020
SEK millions	Q2	Q2	Q1	Jan-Jun	Jan-Jun	Full-year
Revenue	10,246	6,189	8,829	19,075	14,328	27,954
Operating profit/loss before depreciation/amortization, EBITDA	1,900	-133	1,139	3,039	280	554
Operating profit/loss 1)	1,512	-566	758	2,270	-566	-1,113
Operating cash flow	2,280	650	245	2,526	-475	702
Number of employees at end of period	6,637	6,827	6,696	6,637	6,827	6,701

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 58 (61) million during the second quarter.

Revenue and operating profit

Revenue was up 66% compared with the second quarter of 2020 and amounted to SEK 10,246 (6,189) million. Higher volumes contributed 41 percentage points and higher prices contributed 29 percentage points. Other revenue contributed 2 percentage points and a better product mix 1 percentage point, whereas negative currency effects reduced revenue by 7 percentage points.

Compared with the first quarter of 2021, revenue was up 16%. Higher prices had a positive impact of 15 percentage points and other revenue a positive impact of 1 percentage point.

Operating profit for the second quarter of 2021 was SEK 1,512 (-566) million, up SEK 2,078 million compared with the same quarter in 2020. Better prices lifted earnings. Higher volumes and better capacity utilization also had a positive impact. Higher variable costs of raw materials had a negative impact.

Compared with the first quarter of 2021, earnings were up SEK 754 million. Higher prices, which to some extent were counteracted by higher raw material costs, lifted earnings.

Market trend

Demand was very strong during the second quarter and production in most customer segments continued to show positive development. Despite availability problems with semiconductors being experienced by some of SSAB's customers in the automotive industry, shipments were at a high level, with record volumes of Automotive AHSS products. Activity in Construction is high and overall the share of premium products was significantly higher than a year earlier.

Production and shipments

Crude steel production during the second quarter of 2021 was up 38% compared with the second quarter of 2020 and up 4% compared with the first quarter of 2021.

Rolling production was up 54% compared with the second quarter of 2020 and up 7% compared with the first quarter of 2021.

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

External shipments of steel during the second quarter of 2021 were up 41% compared with the same period in 2020, but were unchanged compared with the first quarter of 2021.

Production and shipments

	2021	2020	2021	2021	2020	2020
Thousand tonnes	Q2	Q2	Q1	Jan-Jun	Jan-Jun	Full-year
Crude steel production	1,204	872	1,157	2,362	2,002	4,046
Rolling production	1,290	836	1,207	2,497	2,026	4,111
Shipments	980	695	980	1,960	1,650	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 second quarter was SEK 2,280 (650) million. Compared with the second quarter of 2020, the cash flow was positively impacted by higher earnings.

Capital expenditure during the second quarter was SEK 233 (353) million, of which SEK 47 (57) million were strategic investments.

SSAB Americas

Second quarter in brief

- Operating profit increased to SEK 1,151 (-10) million, primarily due to higher prices
- Shipments increased by 7% to 494 (460) thousand tonnes

Key figures

SEK millions	2021 Q2	2020 Q2	2021 Q1	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year
Revenue	4,831	3,219	3,651	8,482	7,097	13,266
Operating profit/loss before depreciation/amortization, EBITDA	1,247	178	431	1,679	472	415
Operating profit/loss 1)	1,151	-10	268	1,419	96	-293
Operating cash flow	868	-158	355	1,223	-8	415
Number of employees at end of period	1,209	1,226	1,216	1,209	1,226	1,211

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 17 (20) million during the second quarter.

Revenue and operating profit

Revenue was up 50% compared with the second quarter of 2020 and amounted to SEK 4,831 (3,219) million. Higher prices had a positive impact of 62 percentage points. Higher volumes contributed 7 percentage points and other revenue 2 percentage points. Currency effects had a negative impact of 21 percentage points.

Compared with the first quarter of 2021, revenue was up 32%. Higher prices had a positive impact of 27 percentage points, higher volumes 3 percentage points, and currency effects and other revenue each had an impact of 1 percentage point.

Operating profit for the second quarter of 2021 was SEK 1,151 (-10) million, up SEK 1,161 million compared with the second quarter of 2020. Higher prices, which were to some extent counteracted by higher scrap prices, mostly explained the increase.

Compared with the first quarter of 2021, earnings were up SEK 883 million. The increase was primarily explained by higher prices.

Market trend

Compared to the first quarter, shipments increased in the Construction Machinery, Heavy Transport and Steel Service Centers customer segments. Besides strong underlying demand, customers are restocking to adjust to a higher level of activity.

Production and shipments

Crude steel production was up 6% compared with the second quarter of 2020 and up 2% compared with the first quarter of 2021.

Rolling production during the second quarter of 2021 was up 4% compared with the second quarter of 2020 and up 4% compared with the first quarter of 2021.

External shipments of steel were up 7% compared with the second quarter of 2020, and up 3% compared with the first quarter of 2021.

Production and shipments

	2021	2020	2021	2021	2020	2020
Thousand tonnes	Q2	Q2	Q1	Jan-Jun	Jan-Jun	Full-year
Crude steel production	649	612	634	1,283	1,269	2,489
Rolling production	604	580	581	1,185	1,195	2,343
Shipments	494	460	480	974	988	2,019

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 second quarter was SEK 868 (-158) million. Compared with the second quarter of 2020, the cash flow was positively impacted by higher earnings.

Capital expenditure during the second quarter was SEK 75 (132) million, of which SEK 15 (108) million were strategic investments.

Tibnor

Second quarter in brief

- Operating profit increased to SEK 449 (29) million
- Better margins and higher shipments

Key figures

	2021	2020	2021	2021	2020	2020
SEK millions	Q2	Q2	Q1	Jan-Jun	Jan-Jun	Full-year
Revenue	3,214	2,037	2,656	5,870	4,457	8,241
Operating profit before depreciation/amortization, EBITDA	486	65	252	738	115	240
Operating profit/loss 1)	449	29	218	667	41	96
Operating cash flow	137	-106	288	425	14	186
Shipments, thousand tonnes	242	190	236	478	411	781
Number of employees at end of period	990	1,010	971	990	1,010	981

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 second quarter.

Revenue and operating profit

Revenue was up 58% compared with the second quarter of 2020 and amounted to SEK 3,214 (2,037) million, driven by a strong market.

Compared with the first quarter of 2021, revenue was up 21%.

Operating profit for the second quarter of 2021 was up SEK 420 million compared with the same period a year earlier and amounted to SEK 449 (29) million. Inventory gains, higher volumes and higher prices contributed to the improvement.

Compared with the first quarter of 2021, earnings were up SEK 231 million. Better prices, inventory gains and higher volumes explained the improvement.

Market trend

The strong market seen in the first quarter continued during the second quarter. A shortage of steel has resulted in higher prices on all markets. Volumes were up compared with the first quarter.

Cash flow and capital expenditure

Operating cash flow during the second quarter was SEK 137 (-106) million. Compared with the second quarter of 2020, the cash flow was positively impacted by higher earnings.

Capital expenditure during the second quarter was SEK 17 (12) million, of which SEK 7 (4) million were strategic investments.

Ruukki Construction

Second quarter in brief

- Operating profit increased to SEK 162 (86) million, driven by higher volumes
- Good underlying demand

Key figures

SEK millions	2021 Q2	2020 Q2	2021 Q1	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year
Revenue	1,593	1,439	1,122	2,715	2,919	5,516
Operating profit before depreciation/amortization, EBITDA	202	128	87	289	183	484
Operating profit/loss 1)	162	86	48	210	97	314
Operating cash flow	233	85	9	242	130	481
Number of employees at end of period	1,368	1,343	1,361	1,368	1,343	1,362

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

Revenue and operating profit

Revenue was up 11% compared with the second quarter of 2020, driven by both Roofing and Building Envelopes.

Compared with the first quarter of 2021, revenue was up 42%, primarily related to a seasonal upswing in Roofing.

Operating profit for the second quarter of 2021 increased to SEK 162 (86) million, the improvement was primarily attributable to better volumes.

Compared with the first quarter of 2021, earnings were up SEK 114 million, primarily due to seasonally higher volumes in Roofing.

Building Systems, which was divested in April 2020, had revenue of around SEK 600 million in the first half of 2020 and a minor positive operating profit.

Market trend

Demand in the construction industry was at a high level during the second quarter. Demand is generally higher compared with recent years and those markets (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 second quarter was SEK 233 (85) million. Cash flow was impacted positively by higher earnings and lower tied-up working capital.

Capital expenditure during the second quarter was SEK 41 (26) million, of which SEK 26 (21) million were strategic investments. During the second quarter of 2021, Ruukki Construction Oy acquired the remaining shares of Piristeel Oy for SEK 127 million. Piristeel Oy is now a fully owned subsidiary of SSAB.

Sustainability

Key figures – rolling 12 months

	2021 Q2	2020 Q2	2021 Q1	2020 Full-year
Responsible partner				
Lost time injury frequency (LTIF) 1)	2.3	4.3	2.9	3.7
Total number of injuries (LTI) 2)	60	125	76	101
Sustainable operations				
Energy consumption, GWh 3)	9,312	8,940	9,084	9,070
Energy intensity, kWh/tonnes crude steel	1,172	1,211	1,202	1,204
Carbon dioxide emissions (Scope 1), thousand tonnes 4)	9,374	9,001	9,001	8,906
Carbon dioxide emissions (Scope 2), thousand tonnes 5)	1,110	1,137	1,122	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

Safety has top priority in SSAB's work with leading sustainability performance. Our goal is to become the world's safest steel company and to achieve zero accidents and work-related injuries and illnesses. SSAB's lost time injury frequency resulting in an absence of at least one day (LTIF), was 2.3 (4.3) (rolling 12 months), which means a clear improvement. Total recordable injury frequency (TRIF) was 8.9.

First with fossil-free steel

SSAB is transitioning to fossil-free steelmaking through HYBRIT (Hydrogen Breakthrough Ironmaking Technology), which is a joint venture between SSAB, LKAB, and Vattenfall. Important steps are now being taken to be the first to market with fossil-free steel, with shipments for our customers' prototypes already this year. For the first time ever, iron ore has been directly reduced at a pilot scale using hydrogen made from fossil-free electricity. This took place at the HYBRIT plant in Luleå, Sweden during the second quarter. Since then, production has been continuous and of good quality. So far, over a 100 tonnes of sponge iron have been produced.

There is great interest from the market and SSAB can reduce customers' climate impact while strengthening their competitiveness. Collaboration agreements have been signed by AB Volvo and Volvo Cars. Given the growing demand, SSAB is now exploring the prerequisites to convert to fossil-free production in Luleå earlier than the original plan. The plan to convert Oxelösund remains unchanged.

During the first quarter, it was decided that the industrialization of HYBRIT would start in Gällivare with the world's first production facility for fossil-free sponge iron, the feedstock for fossil-free steel.

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, by 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 (8m tonnes) and through Automotive premium products (2.0m tonnes). Customers achieved CO₂ savings of 8.9m tonnes during 2020: savings of 7.4m tonnes through SSAB EcoUpgraded shipments and 1.5m tonnes through Automotive Premium shipments.

More information on sustainability at SSAB is available at 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 that 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.

Annual General Meeting and dividend

At the Annual General Meeting (AGM) on April 14, 2021, the Board's proposal that no dividend be paid for the 2020 financial year was approved.

Subsequent events

During the third quarter of 2021, the responsibility for SSAB's steel mill in Mobile, Alabama will be transferred to SSAB Special Steels 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 will have a certain effect on SSAB's financial reporting regarding SSAB Special Steels and SSAB Americas from July 1, 2021, but it will not impact the shipments of the divisions and have only a minor impact on the earnings of SSAB Special Steels and SSAB Americas.

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.

Affirmation

The Board of Directors and the President and CEO affirm that this half-year report provides a fair and true view of the operations, financial position and earnings of the Parent Company and the Group, and describes the material risks and uncertainties facing the Parent Company and the Group.

Stockholm, July 21, 2021

Bengt Kjell
Chairman

Bo Annvik
Director

Petra Einarsson
Director

Lennart Evrell
Director

Marie Grönborg
Director

Mikael Henriksson
Director

Tomas Jansson
Director

Tomas Karlsson
Director

Pasi Laine
Director

Annareetta Lumme-Timonen
Director

Martin Lindqvist
President and CEO

Review report

Introduction

We have reviewed the condensed interim report for SSAB AB as at June 30, 2021 and for the six months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, July 21, 2021

Ernst & Young AB

Rickard Andersson

Authorized Public Accountant

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 Q2	2020 Q2	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year
Revenue	23,673	15,155	43,334	33,927	65,396
Cost of goods sold	-18,512	-14,386	-35,203	-31,572	-61,617
Gross profit/loss	5,161	769	8,131	2,356	3,780
Selling and administrative costs	-1,130	-991	-2,177	-2,208	-4,074
Other operating income and expenses	48	-22	98	-61	-30
Affiliated companies, profit/loss after tax	4	-7	23	6	-1
Operating profit/loss	4,083	-251	6,076	92	-325
Financial income	284	241	784	915	2,130
Financial expenses	-385	-356	-991	-1,152	-2,607
Profit/loss for the period after financial items	3,981	-365	5,869	-145	-802
Tax	-760	86	-1,137	43	312
Profit/loss for the period	3,221	-280	4,732	-102	-490
Of which attributable to:					
- Parent Company's shareholders	3,219	-287	4,726	-111	-510
- Non-controlling interest	3	7	6	9	20

Consolidated statement of comprehensive income

SEK millions	2021 Q2	2020 Q2	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year
Profit/loss for the period after tax	3,221	-280	4,732	-102	-490
Translation differences for the period	-1,224	-4,329	1,751	96	-6,252
Cash flow hedges	103	106	132	-183	-131
Hedging of currency risks in foreign operations 1)	82	370	-200	9	778
Tax attributable to items that may be subsequently reclassified to the income statement	-38	-101	15	35	-181
Total items that may be subsequently reclassified to the income statement	-1,077	-3,953	1,697	-44	-5,787
Items that will not be reclassified to the income statement					
Remeasurements of the net defined benefit liability	23	-84	73	-18	-38
Tax attributable to items that will not be reclassified to the income statement	-5	17	-15	4	2
Total items that will not be reclassified to the income statement	18	-67	58	-14	-35
Total other comprehensive income for the period, net after tax	-1,059	-4,020	1,755	-58	-5,823
Total comprehensive income for the period	2,163	-4,300	6,488	-160	-6,312
Of which attributable to:					
- Parent Company's shareholders	2,160	-4,302	6,478	-168	-6,327
- Non-controlling interest	3	2	10	8	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

	2021	2020	2020
SEK millions	30 Jun	30 Jun	31 Dec
Assets			
Intangible assets	29,872	32,484	28,896
Tangible fixed assets	21,834	23,576	22,022
Right of use assets	2,668	2,679	2,344
Financial assets	1,461	1,369	1,348
Deferred tax receivables 1)	205	313	233
Total fixed assets	56,039	60,422	54,843
Inventories	19,654	20,129	17,444
Accounts receivable	10,842	6,796	6,905
Current tax receivables	442	518	417
Other current receivables 2)	2,199	2,355	1,942
Cash and cash equivalents	8,058	5,559	7,051
Total current assets	41,195	35,357	33,759
Total assets	97,234	95,779	88,601
Equity and liabilities			
Equity for the shareholders in the Parent Company	60,392	60,146	53,987
Non-controlling interest	55	107	109
Total equity	60,447	60,254	54,096
Deferred tax liabilities	552	328	376
Other long-term provisions	540	685	657
Long-term non-interest bearing liabilities 1)	259	409	316
Long-term interest-bearing liabilities	9,286	10,380	9,031
Lease liability	2,085	2,105	1,801
Total long-term liabilities	12,723	13,906	12,181
Short-term interest-bearing liabilities	3,073	5,836	5,960
Lease liability	699	678	652
Accounts payable	14,280	10,397	11,068
Current tax liabilities	789	278	233
Other current liabilities	5,223	4,429	4,412
Total current liabilities and provisions	24,064	21,619	22,324
Total equity and liabilities	97,234	95,779	88,601
Pledged assets	911	999	878
Contingent liabilities	2,538	2,695	2,338

1) Of the Deferred tax receivable, SEK 41 (112) 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 851 (937) 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, December 31, 2019	9,063	23,022	7,028	21,202	60,314	103	60,417
Changes Jan. 1 - June 30, 2020							
Total comprehensive income for the period			-43	-125	-168	8	-160
Dividend, non-controlling interest					-	-4	-4
Equity, June 30, 2020	9,063	23,022	6,985	21,076	60,146	107	60,254
Changes July 1 - December 31, 2020							
Total comprehensive income for the period			-5,738	-421	-6,159	3	-6,157
Dividend, non-controlling interest					-	-1	-1
Equity, December 31, 2020	9,063	23,022	1,247	20,655	53,987	109	54,096
Changes Jan. 1 - June 30, 2021							
Total comprehensive income for the period			1,694	4,784	6,478	10	6,488
Result from transaction with owners of non-controlling interest				-72	-72	-58	-130
Dividend, non-controlling interest					-	-6	-6
Equity, June 30, 2021	9,063	23,022	2,941	25,367	60,392	55	60,447

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 214 (216) million and in the balance sheet item "Other current liabilities" derivatives are valued at a total of SEK 80 (296) million. In the balance sheet item "Financial assets" derivatives are valued at a total of SEK 22 (7) million and in the balance sheet item "Long-term non-interest bearing liabilities", derivatives are included valued at a total of SEK 18 (104) 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 141 (175) 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 Q2	2020 Q2	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year
BUSINESS OPERATIONS					
<i>Profit from operating activities</i>					
Operating profit/loss	4,083	-251	6,076	92	-325
<i>Reversal of non-cash items:</i>					
-Depreciation, amortization and write-down of fixed assets	816	956	1,683	1,899	3,689
-Other non-cash items	-62	-11	-122	-10	32
Received and paid interest	-113	-202	-176	-296	-545
Tax paid	-359	-173	-390	-181	-56
Change in working capital	-586	237	-1,766	-1,164	1,570
Cash flow from operating activities	3,779	556	5,305	339	4,366
INVESTING ACTIVITIES					
Investments in plant and machinery	-561	-612	-878	-1,077	-2,204
Investments/acquisitions, shares and operations	-79	-61	-103	-155	-233
Divested shares and operations	-	106	-	106	143
Other investing activities (+decrease)	19	80	38	85	116
Cash flow from investing activities	-621	-487	-943	-1,040	-2,178
FINANCING ACTIVITIES					
Dividend, non-controlling interest	-7	-	-7	-4	-9
Change in loans	-106	-1,312	-2,859	3,713	3,302
Change in financial investments	22	108	32	-865	-715
Acquisitions shares, non-controlling interest	-127	-	-127	-	-
Other financing (+increase)	-519	-701	-191	-82	-1,893
Cash flow from financing activities	-736	-1,905	-3,151	2,761	685
CASH AND CASH EQUIVALENTS					
Cash and cash equivalents at beginning of period	5,507	7,039	7,051	3,597	3,597
Cash flow for the period	2,421	-1,836	1,211	2,060	2,872
Translation differences, cash and cash equivalents	130	357	-203	-98	581
CASH AND CASH EQUIVALENTS, END OF PERIOD	8,058	5,559	8,058	5,559	7,051
Contracted, non-utilized overdraft facilities	8,519	14,757	8,519	14,757	14,471
Disposable cash and cash equivalents (incl. non-utilized overdraft facilities)	16,577	20,316	16,577	20,316	21,522

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

Key figures

	2021 Q2	2020 Q2	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year
Operating margin (%)	17	-2	14	0	-1
Earnings per share (SEK)	3.13	-0.28	4.59	-0.11	-0.50
Equity per share (SEK)	58.64	58.40	58.64	58.40	52.42
Net debt/equity ratio (%)	11	21	11	21	19
Equity ratio (%)	62	63	62	63	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⁾	14,043	14,138	14,043	14,138	13,974

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

Financial reports – The Parent Company

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

SEK millions	2021 Q2	2020 Q2	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year
Gross profit	-	-	-	-	-
Selling and administrative costs	-110	-71	-218	-173	-315
Other operating income/expenses	55	46	108	98	164
Operating loss	-55	-24	-109	-74	-150
Financial items	97	384	-184	28	-39
Profit/loss after financial items	42	359	-293	-46	-190
Appropriations	-150	-	-150	-	-312
Profit before tax	-108	359	-443	-46	-502
Tax	15	-76	84	13	-14
Profit after tax	-93	284	-359	-33	-516

Parent company's statement of comprehensive income

SEK millions	2021 Q2	2020 Q2	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year
Profit after tax	-93	284	-359	-33	-516
<i>Other comprehensive income</i>	-	-	-	-	-
Items that may be classified to the income statement	-	-	-	-	-
Cash flow hedges	3	-6	6	-8	-5
Tax attributable to other comprehensive income	-1	1	-1	2	1
Total items that will be reclassified to the income statement	2	-5	5	-6	-4
Other comprehensive income, net after tax	2	-5	5	-6	-4
Total comprehensive income for the period	-91	279	-354	-39	-520

Parent Company's statement of financial position, in summary

SEK millions	2021 30 Jun	2020 30 Jun	2020 31 Dec
Assets			
Fixed assets	75,022	70,286	75,096
Other current assets	6,652	13,758	8,084
Cash and cash equivalents	6,497	4,055	5,662
Total assets	88,170	88,099	88,842
Equity and liabilities			
Restricted equity	9,964	9,964	9,964
Unrestricted equity	53,592	54,428	53,947
Total equity	63,556	64,392	63,911
Long-term liabilities and provisions	7,276	8,043	7,055
Current liabilities and provisions	17,338	15,664	17,876
Total equity and liabilities	88,170	88,099	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 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 half year

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

External revenue by business segments, January - June

External revenue Jan-Jun 2021	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	214	4,047	-	2,205	666	7,132
Finland	85	2,435	-	978	702	4,200
Denmark	117	761	-	1,366	80	2,324
Germany	619	1,245	-	26	1	1,889
Poland	409	1,032	-	19	469	1,930
Italy	479	1,120	-	0	-	1,600
Other EU-27	1,658	2,831	48	337	464	5,339
Great Britain	230	698	-	-	0	928
Norway	33	321	-	843	261	1,457
Other Europe	775	388	-	12	64	1,239
USA	1,962	531	7,281	0	0	9,774
Canada	710	1	905	-	3	1,619
Rest of the world	3,363	341	192	7	2	3,905
Total	10,653	15,751	8,426	5,793	2,712	43,334
Product area						
Steel products	10,336	14,603	8,426	-	-	33,365
Trading operations	-	-	-	5,793	-	5,793
Ruukki Construction operations	-	-	-	-	2,712	2,712
Slabs, by-products and scrap	136	1,112	-	-	-	1,248
Other	181	35	-0	-	-	216
Total	10,653	15,751	8,426	5,793	2,712	43,334

External revenue Jan-Jun 2020	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	159	2,585	-	1,548	817	5,108
Finland	127	1,866	-	789	804	3,586
Denmark	49	696	1	992	20	1,758
Germany	590	979	-	15	1	1,585
Poland	306	807	-	6	376	1,495
Italy	413	570	-	0	0	983
Other EU-27	1,239	2,144	-	243	543	4,169
Great Britain	179	410	-	0	6	594
Norway	33	256	-	780	273	1,342
Other Europe	598	265	-	9	54	925
USA	1,700	383	6,327	-	0	8,410
Canada	462	-	655	-	1	1,118
Rest of the world	2,368	433	43	8	1	2,854
Total	8,222	11,393	7,026	4,391	2,896	33,927
Product area						
Steel products	7,924	10,696	7,026	-	-	25,646
Trading operations	-	-	-	4,391	-	4,391
Ruukki Construction operations	-	-	-	-	2,896	2,896
Slabs, by-products and scrap	147	653	-	-	-	800
Other	151	44	-0	-	0	195
Total	8,222	11,393	7,026	4,391	2,896	33,927

External revenue by business segments, the second quarter

External revenue Q2 2021	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	117	2,166	-	1,201	374	3,857
Finland	-17	1,352	-	538	421	2,294
Denmark	68	427	-	740	46	1,280
Germany	296	693	-	15	0	1,004
Poland	192	570	-	14	276	1,052
Italy	187	662	-	0	-	849
Other EU-27	936	1,418	34	188	279	2,855
Great Britain	109	371	-	-	0	480
Norway	12	177	-	469	150	809
Other Europe	405	201	-	6	41	653
USA	1,098	291	4,130	0	0	5,519
Canada	391	1	517	-	2	910
Rest of the world	1,887	107	110	5	2	2,111
Total	5,680	8,435	4,790	3,177	1,591	23,673
Product area						
Steel products	5,510	7,795	4,791	-	-	18,095
Trading operations	-	-	-	3,177	-	3,177
Ruukki Construction operations	-	-	-	-	1,591	1,591
Slabs, by-products and scrap	74	623	-	-	-	697
Other	96	17	-0	-	-	113
Total	5,680	8,435	4,790	3,177	1,591	23,673

External revenue Q2 2020	Business segments					Total
	SSAB Special Steels	SSAB Europe	SSAB Americas	Tibnor	Ruukki Construction	
SEK millions						
Geographical areas						
Sweden	77	1,063	-	661	379	2,180
Finland	60	887	-	384	396	1,726
Denmark	21	301	1	453	11	788
Germany	246	372	-	5	1	623
Poland	132	324	-	-1	193	649
Italy	174	235	-	0	-	409
Other EU-27	549	822	-	123	283	1,777
Great Britain	65	147	-	0	5	217
Norway	13	119	-	380	130	641
Other Europe	275	74	-	3	29	381
USA	758	108	2,848	-	0	3,715
Canada	287	-0	288	-	0	575
Rest of the world	1,179	268	24	3	0	1,475
Total	3,835	4,721	3,161	2,011	1,427	15,155
Product area						
Steel products	3,687	4,434	3,161	-	-	11,282
Trading operations	-	-	-	2,011	-	2,011
Ruukki Construction operations	-	-	-	-	1,427	1,427
Slabs, by-products and scrap	70	266	-	-	-	335
Other	78	21	0	-	0	99
Total	3,835	4,721	3,161	2,011	1,427	15,155

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	2021 Q2	2020 Q2	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year
Operating profit/loss	4,083	-251	6,076	92	-325
Depreciation and impairment	816	956	1,683	1,899	3,689
Operating profit/loss before depreciation/amortization, EBITDA	4,899	705	7,759	1,991	3,364

Return on capital employed before tax, rolling 12 months

SEK millions	Jul 20- Jun 21	Jul 19- Jun 20	2020 Full-year
Operating profit/loss	5,659	-937	-325
Financial income	1,999	1,084	2,130
Total	7,657	148	1,805
Average capital employed	74,972	80,897	79,298
Return on capital employed before tax, %	10%	0%	2%

Return on equity after tax, rolling 12 months

SEK millions	Jul 20- Jun 21	Jul 19- Jun 20	2020 Full-year
Profit for the period, after tax	4,344	-1,308	-490
Average equity	56,931	62,602	59,430
Return on equity after tax, %	8%	-2%	-1%

Operating cash flow

	2021	2020	2021	2020	2020
SEK millions	Q2	Q2	Jan-Jun	Jan-Jun	Full-year
Cash flow from operating activities	3,779	556	5,304	339	4,366
Reversal received and paid interests	113	202	176	296	545
Reversal tax paid	359	173	390	181	56
Maintenance expenditures 1)	-359	-381	-569	-684	-1,622
Other investing activities 2)	19	80	38	85	115
Operating cash flow	3,910	629	5,339	218	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 Jun	30 Jun	31 Dec
Interest-bearing assets 1)	9,175	6,936	8,289
Interest-bearing liabilities 2)	15,636	19,718	18,567
Net debt	6,461	12,782	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

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

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
SSAB Special Steels	4,874	5,139	4,509	3,973	4,536	3,983	3,569	4,055	5,105	5,824
SSAB Europe	8,577	8,814	7,637	6,702	8,139	6,189	6,153	7,472	8,829	10,246
SSAB Americas	4,871	4,555	4,446	3,588	3,878	3,219	2,715	3,454	3,651	4,831
Tibnor	2,264	2,534	2,179	2,172	2,421	2,037	1,752	2,031	2,656	3,214
Ruukki Construction	1,274	1,690	1,794	1,752	1,480	1,439	1,391	1,206	1,122	1,593
Other	0	0	0	0	-	-	-	-	-	-
Group adjustments	-1,843	-2,077	-1,725	-1,215	-1,681	-1,712	-1,099	-1,231	-1,703	-2,034
Total	20,017	20,654	18,840	16,973	18,772	15,155	14,481	16,988	19,661	23,673

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
SSAB Special Steels	842	703	509	28	614	639	228	644	1,059	1,269
SSAB Europe	738	469	-67	-194	413	-133	-221	496	1,139	1,900
SSAB Americas	1,119	1,037	697	-1	294	178	-263	206	431	1,247
Tibnor	78	73	47	8	50	65	42	83	252	486
Ruukki Construction	30	141	179	116	55	128	185	116	87	202
Other	-52	-3	-37	-83	-140	-172	-37	-106	-108	-206
Total	2,755	2,419	1,327	-127	1,286	705	-66	1,439	2,860	4,899

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
SSAB Special Steels	678	544	358	-126	458	485	73	491	904	1,109
SSAB Europe	347	66	-480	-609	0	-566	-631	83	758	1,512
SSAB Americas	956	872	522	-222	106	-10	-435	45	268	1,151
Tibnor	38	29	2	-39	12	29	6	48	218	449
Ruukki Construction	-14	95	134	67	11	86	145	72	48	162
Depreciation on surplus values, IPSCO	-201	-207	-118	-39	-25	-20	-16	-18	-19	-17
Depreciation on surplus values, Rautaruukki	-64	-66	-67	-67	-66	-69	-66	-66	-63	-64
Other	-67	-18	-52	-97	-153	-186	-50	-100	-120	-218
Total	1,674	1,316	300	-1,131	343	-251	-973	557	1,993	4,083

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
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
Crude steel production										
- SSAB Special Steels	385	343	355	142	293	295	102	309	311	315
- SSAB Europe	993	1,120	930	926	1,130	872	837	1,207	1,157	1,204
- SSAB Americas	621	637	617	554	658	612	580	640	634	649
Total	2,000	2,100	1,902	1,621	2,081	1,779	1,519	2,156	2,103	2,168
Rolling production										
- SSAB Special Steels	145	130	134	83	151	156	60	117	147	156
- SSAB Europe	1,162	1,198	980	876	1,190	836	864	1,220	1,207	1,290
- SSAB Americas	581	597	581	526	614	580	515	633	581	604
Total	1,889	1,926	1,696	1,484	1,955	1,573	1,438	1,970	1,935	2,050
Steel shipments										
- SSAB Special Steels	338	339	299	249	305	266	259	297	376	388
- SSAB Europe	907	909	794	752	955	695	751	913	980	980
- SSAB Americas	500	475	521	478	527	460	462	569	480	494
Total	1,744	1,722	1,614	1,479	1,787	1,422	1,472	1,779	1,837	1,861

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 third quarter of 2021

The interim report for the third quarter of 2021 will be published on October 25, 2021.



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