

Welcome to SSAB Alabama

April 1, 2019



SSAB



Chuck Schmitt

EVP, SSAB
Head of Americas

SSAB

Our businesses

– Leaders in their respective sectors



SSAB SPECIAL STEELS

Global steel supplier and service partner in Quenched & Tempered Steels (Q&T) and Advanced High-Strength Steels (AHSS)



SSAB EUROPE

Leading Nordic-based steel producer of high-quality strip, plate and tube products



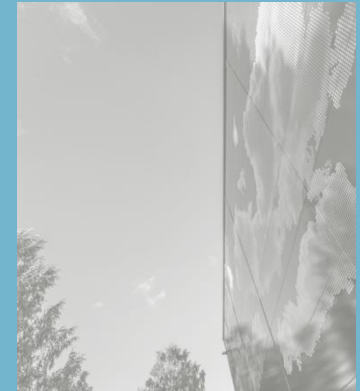
SSAB AMERICAS

Market-leading North American producer of quality steel plate and coil



TIBNOR

Leading Nordic supplier of steel, other metals and processing services



RUUKKI CONSTRUCTION

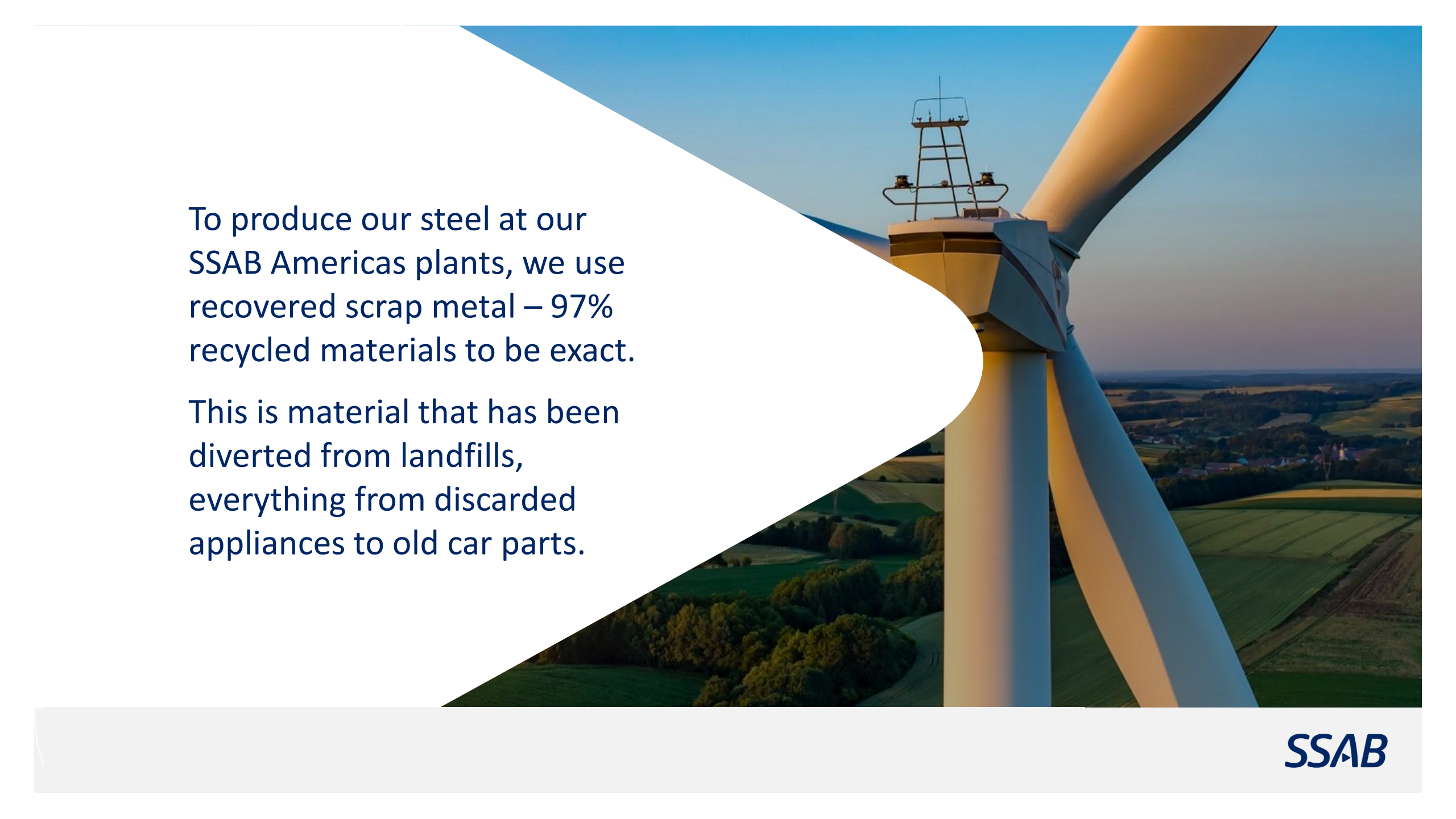
Sustainable building and construction products and services in Europe

About SSAB Americas

A large wind turbine is the central focus, with its three blades extending across the frame. The blades are white with orange and yellow stripes near the tips. The tower is white and has a service platform with a ladder. The background shows a rolling landscape of green fields and trees under a sky with a warm sunset glow. A white line graphic starts from the top left and curves around the tower.

Our steel
turns something old
into something new

SSAB

A large wind turbine is the central focus, its white blades and tower extending from the bottom right towards the top center. The background shows a rolling landscape of green fields and trees under a soft, twilight sky. A large, white, semi-transparent callout bubble is positioned on the left side of the image, containing two paragraphs of text.

To produce our steel at our
SSAB Americas plants, we use
recovered scrap metal – 97%
recycled materials to be exact.

This is material that has been
diverted from landfills,
everything from discarded
appliances to old car parts.

SSAB Americas leads industry in North America

#1 producer
of steel plate
and coil
in North America



SSAB

Production facilities across the Americas

Montpelier, Iowa

- ▶ Established: 1997
- ▶ Heavy plate mill
- ▶ R&D Center
- ▶ Employees: 500



Cut-to-length lines

- ▶ Toronto, Ontario
- ▶ St. Paul, Minnesota
- ▶ Houston, Texas



Mobile, Alabama

- ▶ Established: 2001
- ▶ Heavy plate mill
- ▶ Employees: 600



Processing centers

- ▶ Vancouver, BC
- ▶ Montreal, Quebec
- ▶ Northport, Alabama
- ▶ Lima, Santiago, Chile

SSA has maintained leading North American plate position

- ▶ **Leading market position** with 28% YTD market share in 2018 (+1% YOY), maintaining position as #1 plate supplier in the US
- ▶ **Recovering market situation** with imports easing due to trade barriers and positive outlook in key customer segments
- ▶ **Strong preferred supplier status** within large accounts for manufacturing icons such as Komatsu, John Deere, Trinity Industries (rail, wind and marine) and Caterpillar
- ▶ **Growing premium product portfolio** driven by line pipe and transportation recoveries
- ▶ **Collaboration with other SSAB divisions** with QT products produced in Mobile, automotive sales support and sales of non-automotive SSE material

World-class research and development



State-of-the-art, LEED certified R&D
facility in Montpelier, Iowa

SSAB Americas customers agree



JOHN DEERE

CATERPILLAR®

KOMATSU®



TRINITYRAIL®

- ▶ Ranked #1 in quality against industry competitors
- ▶ Numerous preferred supplier awards from top OEMs including Deere, Komatsu, Caterpillar, Trinity and more

SSAB

Low cost position: ~\$10M USD impact annually

Multiple methods

- ▶ **SSAB One/ROCE projects** focusing on purchasing and operational stability initiatives
- ▶ **Black Belt/Green Belt projects** focusing on productivity and yield improvements

Sample projects in 2018

- ▶ Reducing electrical energy consumption in Montpelier (\$6.8M)
- ▶ Reducing VTD Hot and Cold Delays (\$750K)

Low Cost/High Flexibility Strategy



A commitment to customers and the environment

- ▶ Nearly 100% scrap based steel production
 - Low carbon dioxide emissions supported by renewable energy sources in our steel production
- ▶ Numerous recycling projects:
 - Scrap tire recycling program
 - Electric arc furnace dust recycling
 - Facility recycling/sorting areas
- ▶ Launched EcoSmart in 2016, a new customer awareness program to demonstrate commitment to environmental sustainability



Award winning innovation and stewardship

- ▶ Won AMM Award for Steel Excellence for Environmental Responsibility/Stewardship in 2105, 2017 and 2018
- ▶ Nominated in 2019 for two awards:
 - Environmental Responsibility/Stewardship
 - Best Innovation – Product



SSAB Americas Q4'18 performance highlights

- ▶ Demand remained strong, with spot plate prices at high level
- ▶ EBIT in Q4/18 was USD 61M, up from Q4/17
 - + Higher prices
 - Maintenance outage
- ▶ Shipments -6% vs. Q4/17 and -5% vs. Q3/18 due to the planned maintenance outage



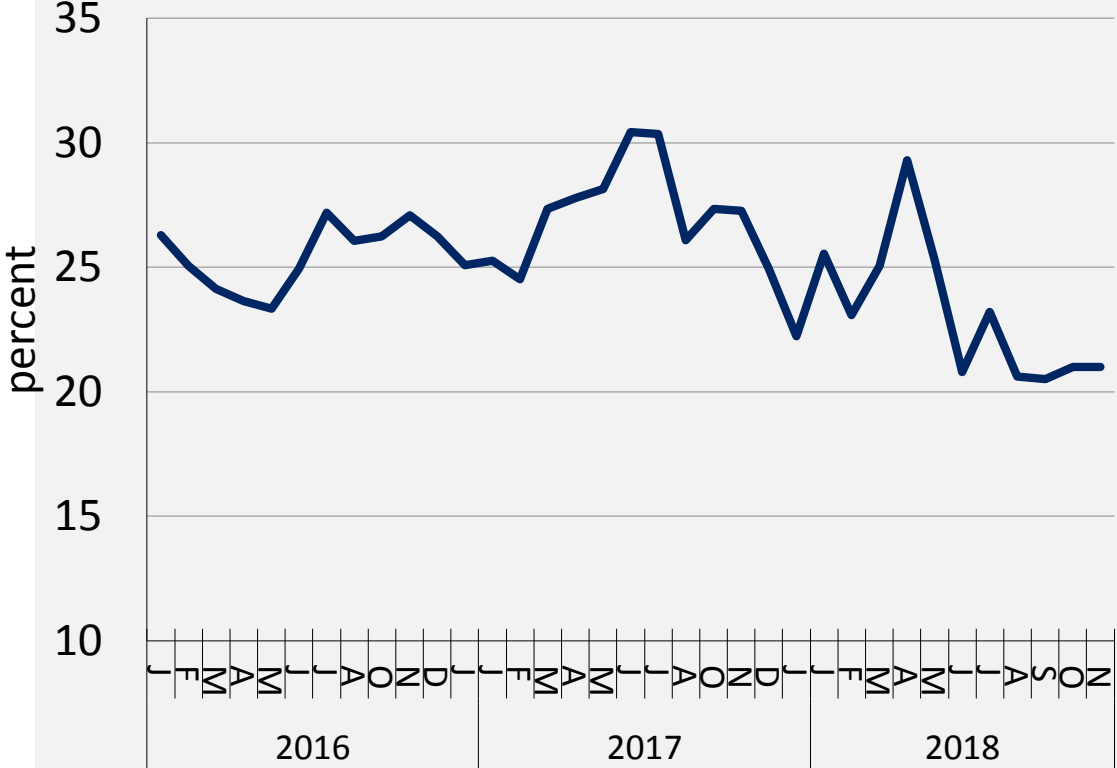
SSAB Americas key figures

USDm	Q4/2018	Q4/2017	Q3/2018	2018	2017
Sales	527	389	531	1,942	1,492
EBITDA	77	17	109	283	96
Shipments (ktonnes)	491	525	517	2,039	1,971
Price per ton	\$1,073	\$741	\$1,064	\$952	\$753

Import share trending down, capacity utilization up

Finished import market share

Sources: U.S. Census Bureau, AISI

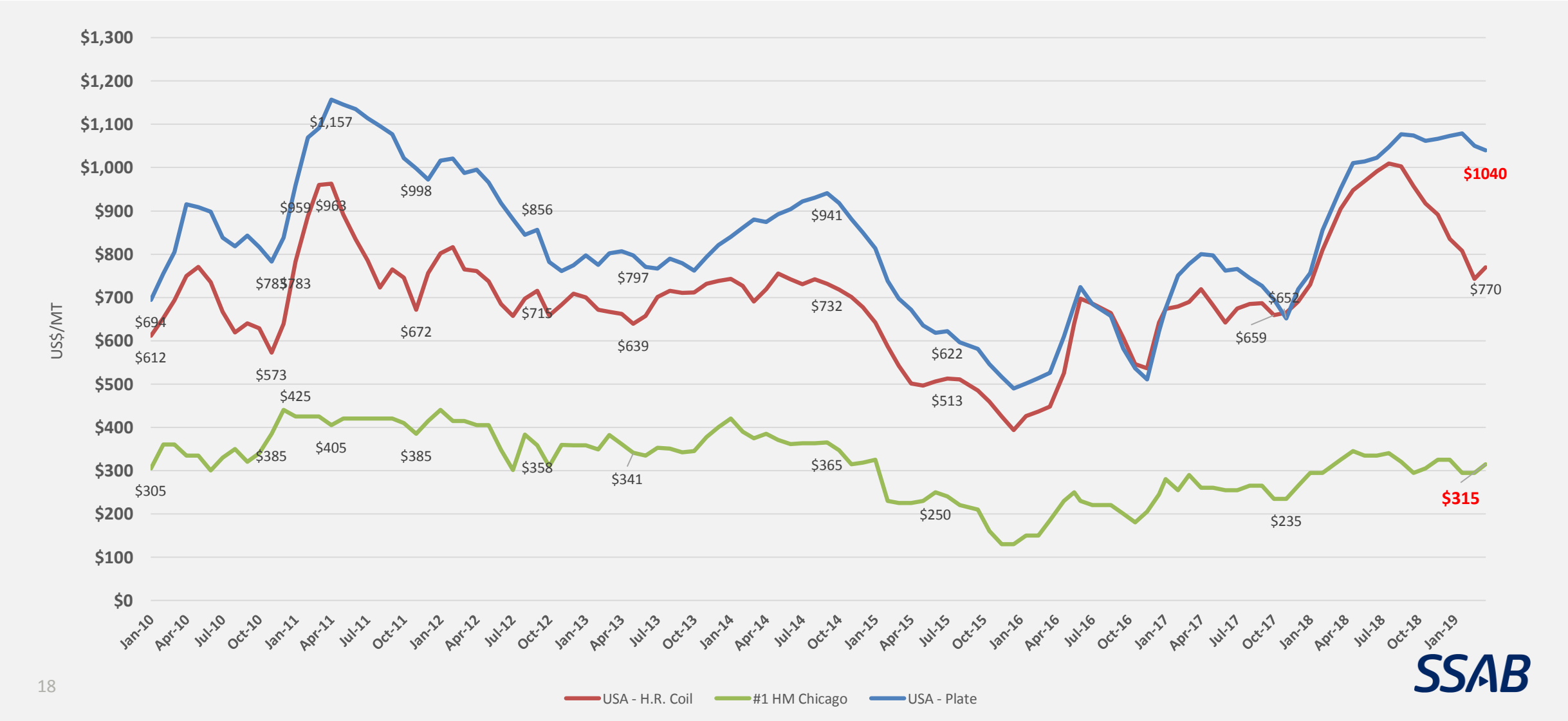


Raw steelmaking capacity utilization



Source: AISI



Pricing comparison to scrap



Leveraging mills' unique characteristics to reach targets

	Northern Business Unit (NBU) 	Southern Business unit (SBU) 
Main geographic markets	<ul style="list-style-type: none"> Northern US Canada 	<ul style="list-style-type: none"> Southern US Mexico
Customer segments in focus	<ul style="list-style-type: none"> Energy (wind) Construction machinery Industrial applications (bridge) 	<ul style="list-style-type: none"> Energy (oil, gas) Heavy transportation (rail, road, barge) Industrial applications (tanks)
Product portfolio	<ul style="list-style-type: none"> Non-premium: Commercial grades Premium: Some high-strength grades 	<ul style="list-style-type: none"> Non-premium: Commercial grades Premium: normalized steel, high-strength grades
Strengths	<ul style="list-style-type: none"> Located in area with large plate demand Low cost operating model Lower scrap prices Two CTLs to act as distribution centers 	<ul style="list-style-type: none"> Rich product portfolio including QT (SSS) and normalized steels Good access to transportation One CTL to act as distribution center
Challenges	<ul style="list-style-type: none"> Constrained slab capacity Less rich product mix than SBU Wind segment depends on tax subsidies Limited transportation options 	<ul style="list-style-type: none"> Constrained on rolling capacity Higher raw material and utility costs Sensitive to imports due to location
Other		<ul style="list-style-type: none"> 25-30% of capacity is used for Special Steels QT
Market Diversification		

Five elements of SSAB Americas' strategy

Industry Leadership in Safety

- We'll run the **safest steel making operations** in North America, striving for zero lost time accidents.

Leading Home Market Position

- We'll be **number one in the American plate market** in terms of EBITDA % and market share with significant focus on premium products.

Superior Customer Experience

- We'll be **number one in customer service** against our peers based on quarterly third-party surveys, and increase our **premium market share**.

Low Cost/High Flexibility Strategy

- We'll have the **best cost position** versus our peer EAF competitors and will aggressively pursue continuous improvement projects and the SSAB One way of working.

Market Diversification

- We'll be the **number one or number two supplier** in targeted market segments, focusing on a richer mix of premium and value-added offerings.

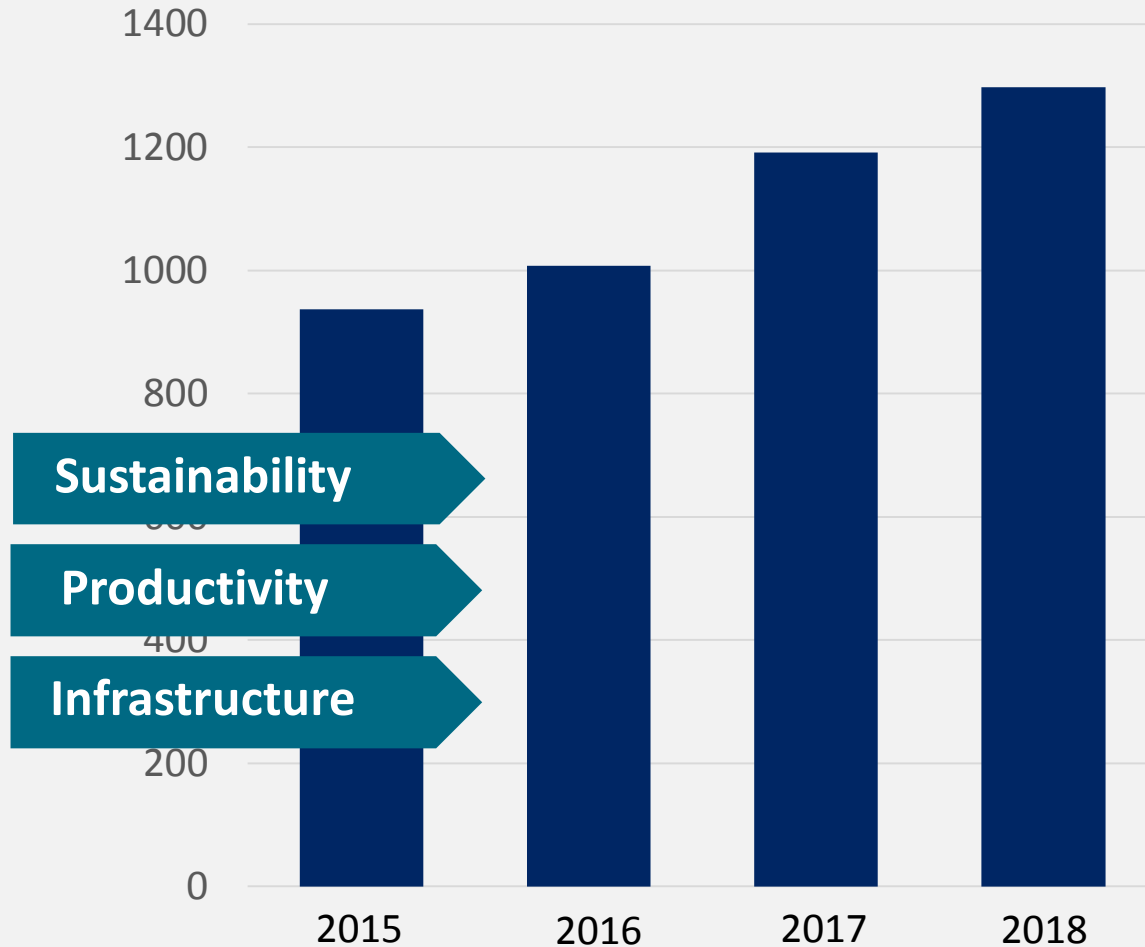
A photograph of a large industrial steel mill. In the foreground, a large, flat, orange-colored metal plate is being processed on a blue conveyor system. The plate has some text printed on it, including "SSAB OXELUND 8000" and "HARBY 400". In the background, a worker in a blue uniform and orange vest is standing near a large piece of machinery. The mill has a high ceiling with various pipes and structural elements. The lighting is industrial, with some yellow and blue tones.

Kjell Bäckman

Vice President and Head of Sales

SSAB Special Steels

Special Steels Shipments



Number of employees: Approximately 2,800

Sales in 2018: SEK 18,869 million (16,053)

Sales per ton 2018: SEK 14,537 (13,467)

Steel Shipments 2018: 1.3 million tonnes

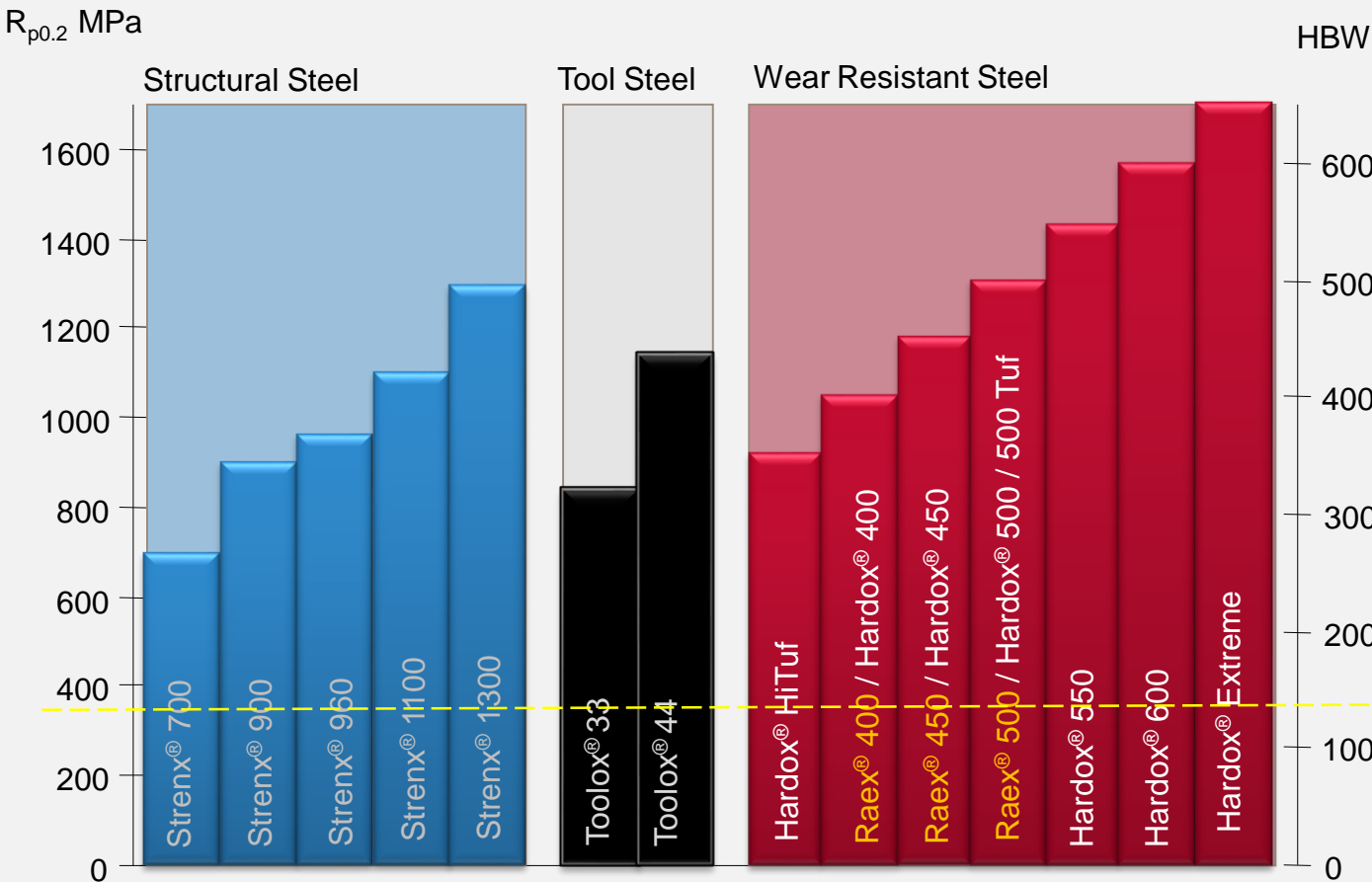
Steel Shipments 2017: 1.2 million tonnes

Steel Shipments 2016: 1.0 million tonnes

Steel Shipments 2015: 0,95 million tonnes

Head of SSAB Special Steels: Johnny Sjöström, EVP

Special Steel Product Range





Productivity and sustainability – Case EcoUpgraded

Upgrade: Hardox 400 -> Hardox 450

Weight reduction: 28.3 -> 27 tonnes = 5%

Savings on CO₂



LESS STEEL PRODUCED



LOWER WEIGHT



HIGHER CAPACITY

SSAB EcoUpgraded

Together with our customers, SSAB continually upgrades steel and equipment designs. SSAB EcoUpgraded saves CO₂ both in steel production and during the full lifetime of the machine.

From the CO₂ payback time and onwards, every extra hour brings additional savings.

SSAB
ECO
UPGRADED

CO₂
SAVINGS



32

TONS/LIFETIME

CO₂
PAYBACK TIME



1.3

YEARS

FUEL
REDUCTION



9,700

L/LIFETIME

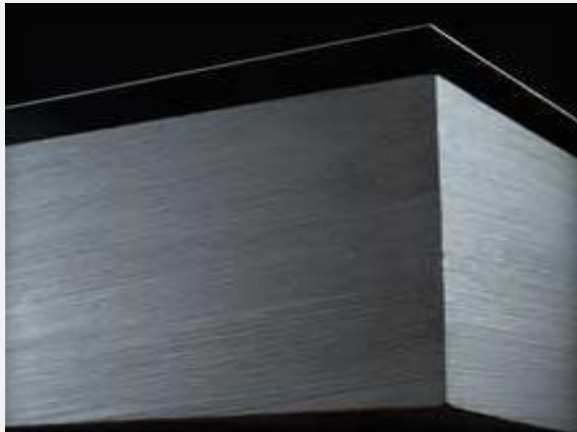
HARDOX®
WEAR PLATE

Hardox 500 TUF - the next generation QT Steel.



- ▶ **Hardox 500 TUF** delivers exceptional strength, hardness and toughness in one and the same wear plate.
- ▶ Combines the best properties from Hardox 450 and Hardox 500 - a wear plate that has no real competition on the market
- ▶ Several end-user benefits, e.g. for a Tipper
 - Reduced thickness from 8 to 6 mm, 25% weight reduction
 - Increased payload by 500-750 kg/cycle

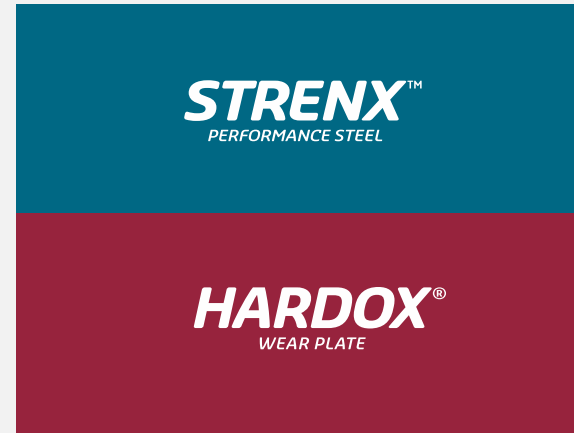
Special Steels Market Cornerstones



Product Range



Product Quality



Brand Names & Recognition

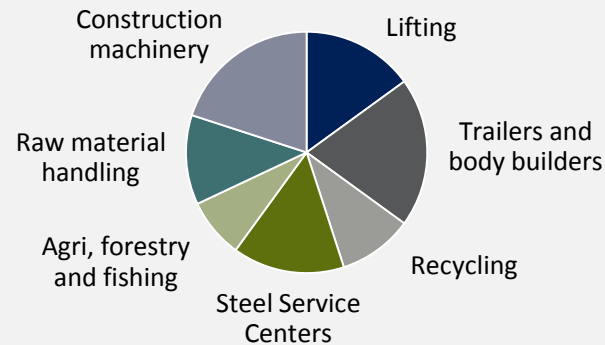


Local Worldwide

Local Worldwide – a unique Business Model

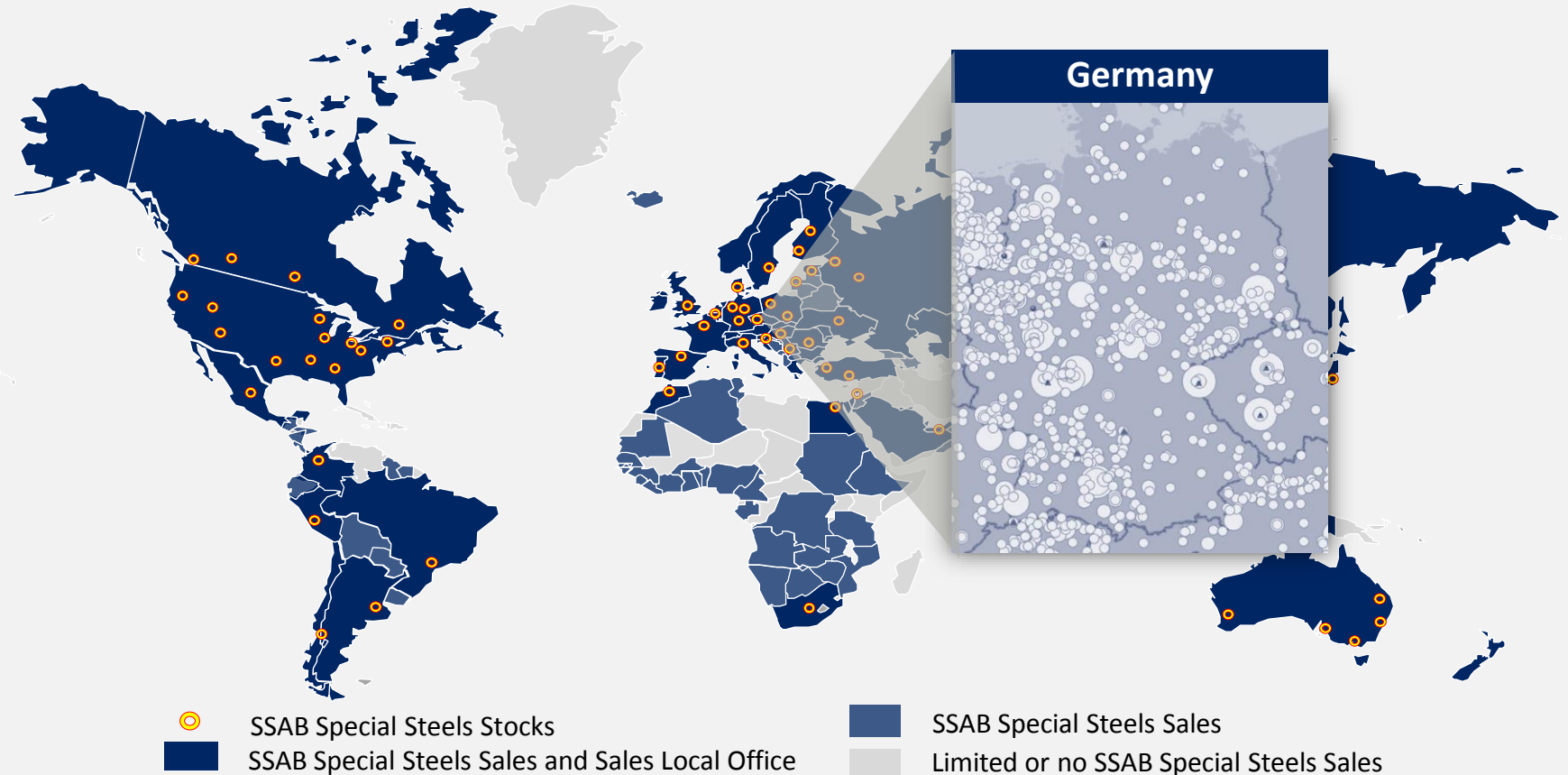
Market Diversification

- Geographical Markets
- Customers +10,000
- Segments
- Applications

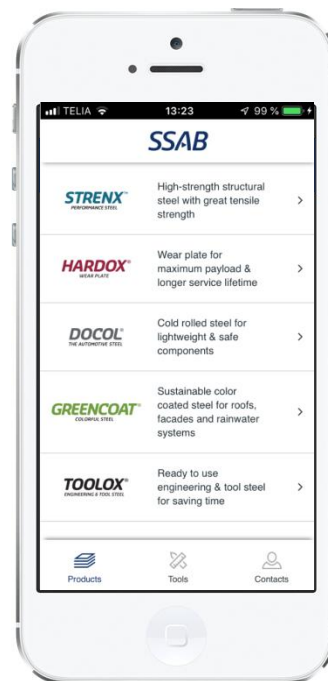


Supported by

- Global Organization
- Local Support & Service



Apps



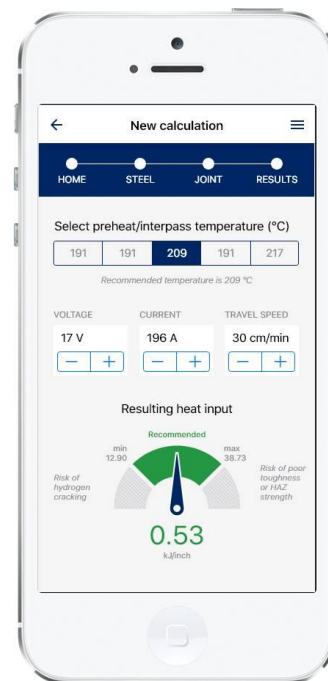
SSAB



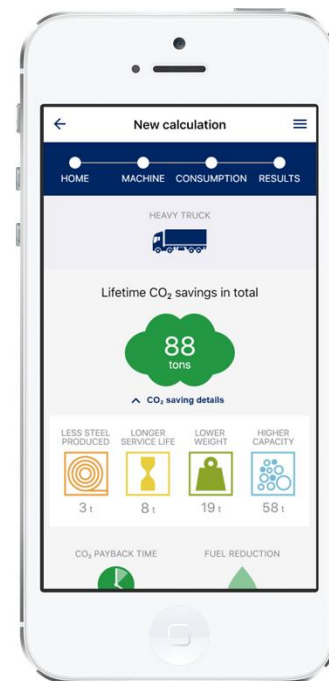
SmartSteel



WearCalc



WeldCalc



EcoUpgraded



SSAB

Social Media

SSAB is the largest social media actor in the steel industry



	Instagram	Facebook	LinkedIn	Twitter	YouTube	WeChat
Hardox	hardox_official	hardoxofficial	hardox	hardoxofficial	hardoxhardox	
Strenx	strenx_official	strenxofficial	strenx	strenxofficial	strenxofficial	
Toolox	toolox	tooloxofficial	toolox	toolox_		
Armox	armoxofficial			armoxofficial		
Hardox In My Body	hardoxinmybody			hardoxinmybody	hardoxinmybody	
My Inner Strenx	myinnerstrenx			myinnerstrenx		
Hardox Wearparts	hardoxwearparts	hardoxwearparts	hardoxwearparts	hardoxwearparts	hardoxwearparts	
SSAB	ssab_steel	ssab.ab	ssab	ssab_ab	ssab_steel	ssab

Tom Toner

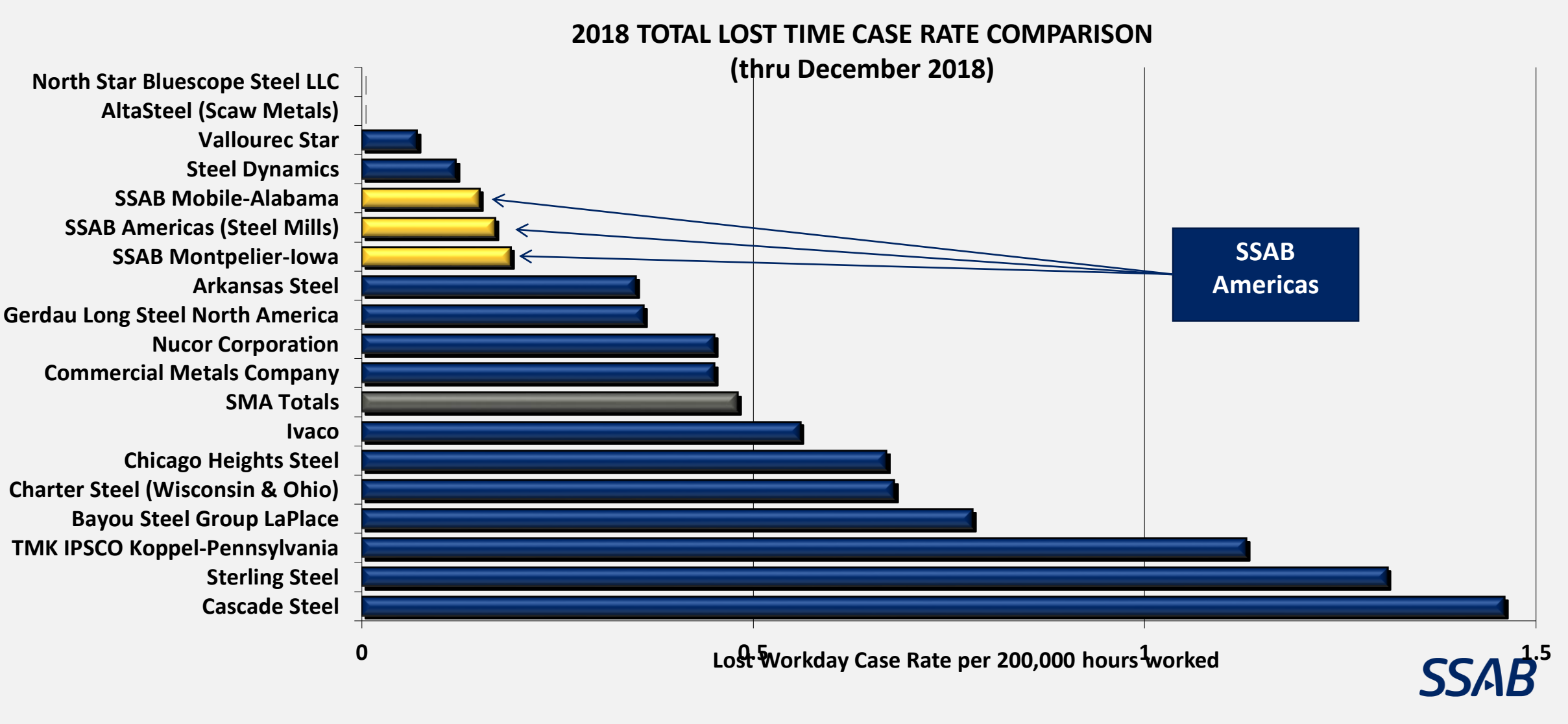
Vice President, Operations
SSAB Americas



SSAB

About SSAB Alabama

Safety is top priority



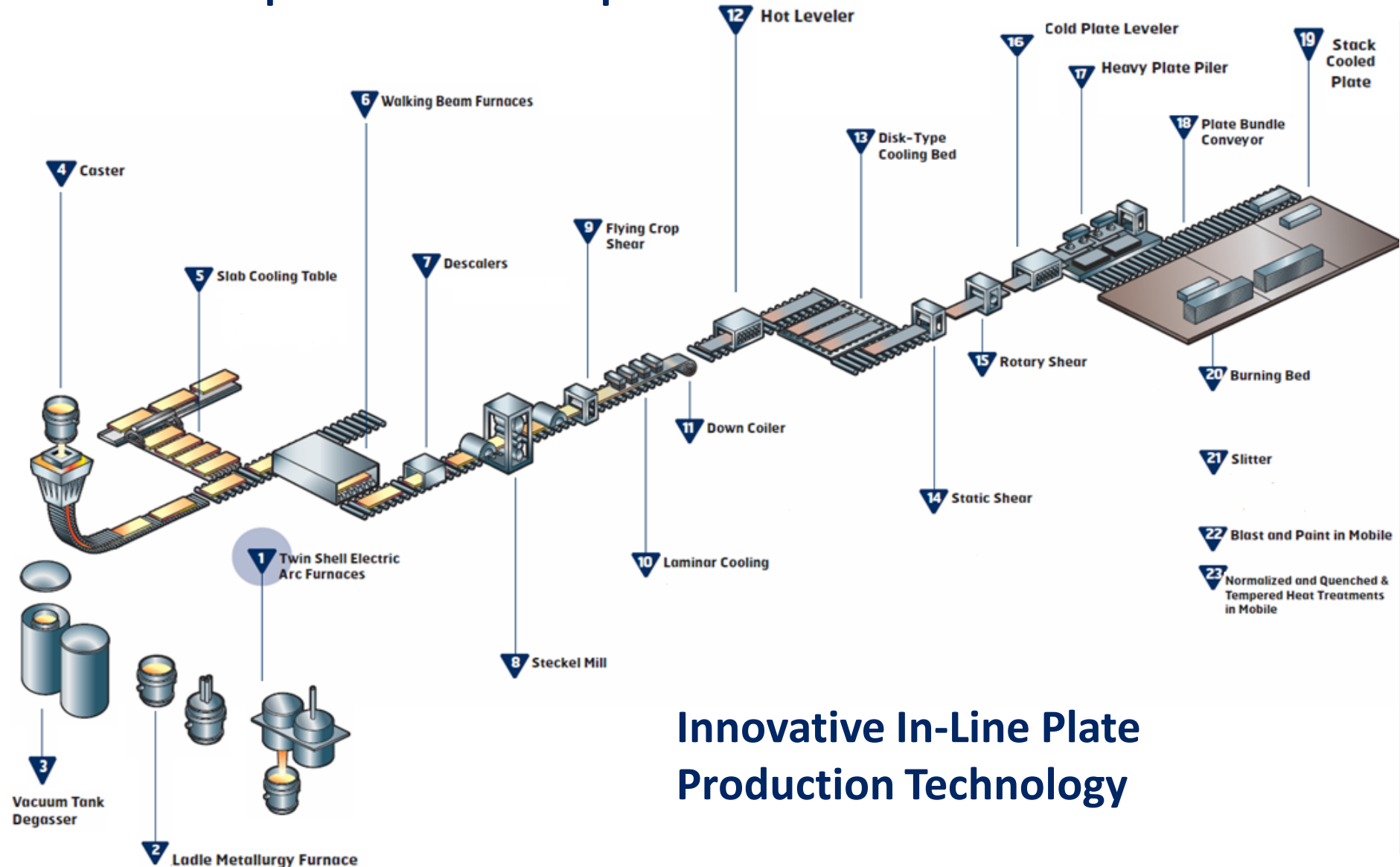
SSAB Alabama mill highlights

- ▶ Produces approximately 180 tons of liquid steel per hour (1.25 million tons per year)
- ▶ Steel scrap can be converted to finished plate and ready for shipment to customer in as few as 4 hours
- ▶ Currently more than 900 people working on site, including almost 600 SSAB employees and more than 350 full time contractor employees and/or consultants.
- ▶ Capable of casting slabs from 60" to 120" (1525-3048 mm) wide for immediate in-line rolling into discrete plate
- ▶ Ship finished products by truck, rail and barge
- ▶ ISO 9001 and 14001 certified





SSAB Alabama production process

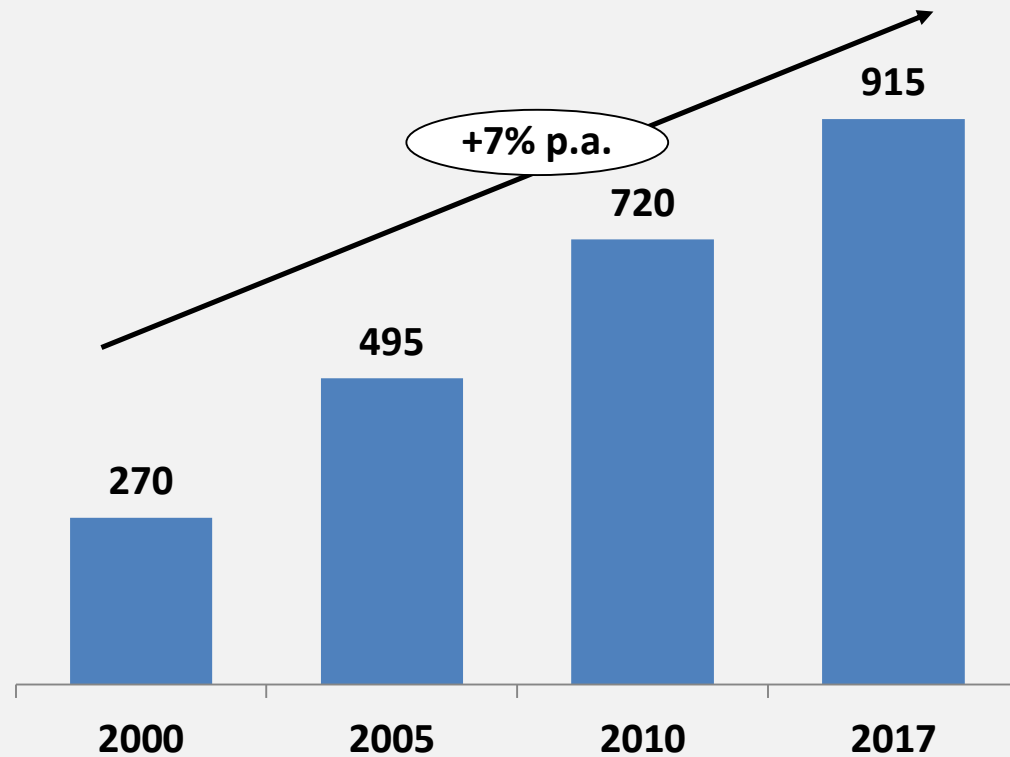


**Innovative In-Line Plate
Production Technology**

SSAB

New investment of \$100M approved for Mobile operations

SSAB is the driver of the Q&T market



SSAB Q&T shipments per year, KTON
(excludes AHSS material sold by Special Steels)

Strategic rationale:

- ▶ Total new investment of \$100 million over 2019-2021
- ▶ Q&T capacity increase from ~300 kton to ~400 kton and cost savings
- ▶ Investment includes new accelerated cooling system in rolling mill to reduce costs and increase capacity
- ▶ Pay-back time estimated at four years
- ▶ Potential for additional bottleneck investments

Upgrading the rolling mill cooling system

- ▶ **Current equipment designed for standard products**
 - Excellent Thermo-Mechanical Controlled Processing is less important for standard grades
- ▶ **Issues when producing high-strength premium products in current system**
 - *Higher cost:* Have to use expensive alloys to compensate for lack of rapid cooling
 - *Steals capacity:* Not powerful enough to cool quickly – use a workaround “rock & hold” to air cool 1-2 min. before water cooling (= 17.5 days per year!)
 - *Quality issues:* Lacks precision – capable of $\pm 75^{\circ}\text{C}$ vs. modern standard of $\pm 20^{\circ}\text{C}$
- ▶ **Upgrade will enable more premium products**
 - Will replace the first 12 meters of laminar cooling headers along with supporting water systems and automation controls



Cooling system investment benefits

Lower cost

- ▶ Less alloys needed – can reduce Manganese and/or Vanadium levels
- ▶ Impacts 43% of current portfolio

Increased capacity

- ▶ Frees up rolling capacity > reduced “rock & hold” delays

Better quality

- ▶ Improved temperature control should improve yields

Crafted in Mobile

Hardox:

Renowned hard and tough steel for aggressive environments

Strenx:

High-strength, high-performance steel

HARDOX®
WEAR PLATE



HIGHER PAYLOAD,
INCREASED
SERVICE LIFE

STRENX™
PERFORMANCE STEEL



HIGHER REACH,
INCREASED PAYLOAD,
INNOVATIVE DESIGNS

SSAB

Benefits of high-strength steels, for customers and the environment

- ▶ Lower weight
- ▶ Increased strength
- ▶ Higher payload
- ▶ Reduced fuel consumption
- ▶ Increased safety
- ▶ Increased lifespan
- ▶ More attractive products
- ▶ Lower production costs



SSAB



*A stronger,
lighter and more
sustainable world*