Welcome to SSAB Alabama

April 1, 2019
Chuck Schmitt
EVP, SSAB
Head of Americas
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
Our steel turns something old into something new
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

Service centers
Industrial applications
Heavy transport
Building construction & infrastructure
Construction machinery
Energy
Production facilities across the Americas

Montpelier, Iowa
- Established: 1997
- Heavy plate mill
- R&D Center
- Employees: 500

Mobile, Alabama
- Established: 2001
- Heavy plate mill
- Employees: 600

Process centers
- Vancouver, BC
- Montreal, Quebec
- Northport, Alabama
- Lima, Santiago, Chile

Cut-to-length lines
- Toronto, Ontario
- St. Paul, Minnesota
- Houston, Texas
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

- Ranked #1 in quality against industry competitors
- Numerous preferred supplier awards from top OEMs including Deere, Komatsu, Caterpillar, Trinity and more
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)
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 2015, 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

<table>
<thead>
<tr>
<th>USDm</th>
<th>Q4/2018</th>
<th>Q4/2017</th>
<th>Q3/2018</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>527</td>
<td>389</td>
<td>531</td>
<td>1,942</td>
<td>1,492</td>
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<tr>
<td>EBITDA</td>
<td>77</td>
<td>17</td>
<td>109</td>
<td>283</td>
<td>96</td>
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<tr>
<td>Shipments (ktonnes)</td>
<td>491</td>
<td>525</td>
<td>517</td>
<td>2,039</td>
<td>1,971</td>
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<tr>
<td>Price per ton</td>
<td>$1,073</td>
<td>$741</td>
<td>$1,064</td>
<td>$952</td>
<td>$753</td>
</tr>
</tbody>
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*Excluding depreciation/amortization on surplus values on intangible and tangible fixed assets related to the acquisition of IPSCO.*
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

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<th>Northern Business Unit (NBU)</th>
<th>Southern Business Unit (SBU)</th>
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| **Main geographic markets** | • Northern US  
• Canada               | • Southern US  
• Mexico                |
| **Customer segments in focus** | • Energy (wind)  
• Construction machinery  
• Industrial applications (bridge) | • Energy (oil, gas)  
• Heavy transportation (rail, road, barge)  
• Industrial applications (tanks) |
| **Product portfolio** | • Non-premium: Commercial grades  
• Premium: Some high-strength grades | • Non-premium: Commercial grades  
• Premium: normalized steel, high-strength grades |
| **Strengths** | • Located in area with large plate demand  
• Low cost operating model  
• Lower scrap prices  
• Two CTLs to act as distribution centers | • Rich product portfolio including QT (SSS) and normalized steels  
• Good access to transportation  
• One CTL to act as distribution center |
| **Challenges** | • Constrained slab capacity  
• Less rich product mix than SBU  
• Wind segment depends on tax subsidies  
• Limited transportation options | • Constrained on rolling capacity  
• Higher raw material and utility costs  
• Sensitive to imports due to location |
| **Other** | | • 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.
Kjell Bäckman
Vice President and Head of Sales
SSAB Special Steels
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

R_{p0.2} MPa

Structural Steel

Tool Steel

Wear Resistant Steel

HBW

Strenx® 700
Strenx® 900
Strenx® 960
Strenx® 1000
Strenx® 1300
Toolox® 33
Toolox® 44
Hardox® HiTuf
Hardox® 400
Hardox® 450
Hardox® 500
Hardox® 550
Hardox® 600
Hardox® Extreme

Higher Payload, Increased Service Life
Savings on CO₂

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.

Productivity and sustainability – Case EcoUpgraded

Upgrade: Hardox 400 -> Hardox 450
Weight reduction: 28.3 -> 27 tonnes = 5%
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

SSAB Special Steels Stocks
SSAB Special Steels Sales and Sales Local Office
Limited or no SSAB Special Steels Sales
Apps

- SSAB
- SmartSteel
- WearCalc
- WeldCalc
- EcoUpgraded
SSAB is the largest social media actor in the steel industry
Tom Toner
Vice President, Operations
SSAB Americas
About SSAB Alabama
Safety is top priority

2018 TOTAL LOST TIME CASE RATE COMPARISON
(thru December 2018)

Lost Workday Case Rate per 200,000 hours worked

North Star Bluescope Steel LLC
AltaSteel (Scaw Metals)
Vallourec Star
Steel Dynamics
SSAB Mobile-Alabama
SSAB Americas (Steel Mills)
SSAB Montpelier-Iowa
Arkansas Steel
Gerdau Long Steel North America
Nucor Corporation
Commercial Metals Company
SMA Totals
Ivaco
Chicago Heights Steel
Charter Steel (Wisconsin & Ohio)
Bayou Steel Group LaPlace
TMK IPSCO Koppel-Pennsylvania
Sterling Steel
Cascade Steel

SSAB Americas

SSAB Americas
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
New investment of $100M approved for Mobile operations

SSAB is the driver of the Q&T market

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 +/- 75°C vs. modern standard of +/- 20°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
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
A stronger, lighter and more sustainable world