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SSAB.ST - Q4 2018 SSAB AB Earnings Call

EVENT DATE/TIME: JANUARY 29, 2019 / 8:00AM GMT

THOMSON REUTERS

CORPORATE PARTICIPANTS

Håkan Folin *SSAB AB (publ) - Executive VP & CFO*

Martin Lindqvist *SSAB AB (publ) - President, CEO & Director*

Per Hillström *SSAB AB (publ) - Head of IR*

CONFERENCE CALL PARTICIPANTS

Alain Gabriel *Morgan Stanley, Research Division - Equity Analyst*

Anssi Kiviniemi *SEB, Research Division - Analyst*

Bastian Synagowitz *Deutsche Bank AG, Research Division - Research Analyst*

Carsten Riek *UBS Investment Bank, Research Division - Executive Director, Head of European Steel Research and Equity Analyst, European Steel Research*

Christian Kopfer *Nordea Markets, Research Division - Senior Analyst of Metals, Mining & Oil and Sector Coordinator*

Ioannis Masvoulas *Macquarie Research - Analyst*

Johannes Grunselius *Handelsbanken Capital Markets AB, Research Division - Research Analyst*

Krishan M. Agarwal *Citigroup Inc, Research Division - Analyst*

Ola Soedermark *Kepler Cheuvreux, Research Division - Equity Research Analyst*

Oskar Lindstrom *Danske Bank Markets Equity Research - Senior Analyst*

Seth R. Rosenfeld *Jefferies LLC, Research Division - Equity Analyst*

PRESENTATION

Per Hillström - *SSAB AB (publ) - Head of IR*

Good morning, and welcome to this presentation of SSAB year-end report 2018. With us today is President and CEO, Martin Lindqvist; and also CFO, Håkan Folin.

And the agenda today: Martin will start here, go through a little bit highlights of 2018 then go through the divisions; then CFO, Håkan, will go through the financial; and then Martin comes back with the outlook; and we will also take any questions here as a final point on the agenda.

So by that, please, Martin, the floor is yours.

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

Thank you, Per, and good morning. I will start with this picture showing how we are doing against our 2020 targets that we presented during the Capital Markets Day 1.5 year ago. And I would say the super summary is that we are doing quite okay, some ups and some downs.

If we start with Special Steels, we said that we would reach 1.35 million tonnes at the latest 2020, and I think that will be doable.

If we look at Automotive, we are slightly behind plan, but I think we have a good chance to reach those 750,000 as well. And this is, for us, mainly advanced, high-strength steels to safety vehicles, so very small part of the Automotive. And what we experienced is that the structural growth within Automotive to light and more safer cars and -- is getting stronger and stronger.

When it comes to Services, we measure, of course, as one strategic target, the number of Hardox Wearparts suppliers. And this is, as you know, our downstream and aftermarket service, and we will reach that target as well. But it's also as important or even more important, the volumes we source via this network, and that is also moving in the right direction, and we will be able to meet the internal targets as well.

Premium mix. As you know, we are not increasing volume as a total, but we are shifting the mix to more profitable products or more advanced products. So every kilo of hot-rolled coils outside the Nordic that we can change to something else will be helpful for profitability. And we're currently at 36%, and the target is to reach 40% 2020, and I think we will be able to reach that target as well.

And then the plate market. We have an ambition to have a market share in North America of 30% over time. And we have had a couple of months, and -- where we reached 30%. But overall in -- during 2018, we ended up at 28%, so not very far from that target. So overall, moving along according to plan.

Another topic that is moving along according to plan, I would say, is the net debt reduction. We closed the year at a net gearing or net debt to equity of 14% compared to 22% at the end of last year. And we will continue to focus on capital efficiency and continue to focus on reducing net debt, and Håkan will come back to that. And I think we have a pretty good chance to continue to see a good or decent development in this area as well.

One of the most important things that happened during 2018 was the start of the pilot plant for HYBRIT, so the new way of producing steel without any carbon dioxide emissions. We had a groundbreaking ceremony in June, and we are now in the process of building this pilot plant up in Luleå. It will be finalized during 2020, and we will view in 2021 or early 2022 and know if this really works. And we are looking into this more and more. And all the more we are looking into it, the more convinced we are that this will work, but we will, as said, know 2021, 2022.

This is a fairly big investment, SEK 1.4 billion, and we are doing this together with Vattenfall and LKAB. And the Swedish Energy Agency decided also to contribute to this SEK 1.4 billion, so they are contributing with a bit more than SEK 500 million to this very interesting project. And as we have said before, if we are successful with this, we will take away 10% of all the carbon dioxide emissions in Sweden over time and 7% of all the carbon dioxide emissions in Finland.

Looking then at Q4 and the full year performance for SSAB. If we start with this showing the spot prices and some words about the markets, I would say, in North America, we saw during Q4 continued strong demand from, I would say, end users and distributors. We saw plate prices continued on a high level in Q4, and we expect that to continue into Q1 as well. In Europe, we saw during Q4 a stable demand, but we also saw that spot prices started to move down a bit towards the end of the quarter. And we also saw imports increasing a bit, not to any dramatic numbers, but still inventories in balance and a fairly decent market, I would say, in Q4. And I will come back to that, but we expect to see that also in Q1.

If we look at the full year for SSAB, EBIT of SEK 5.2 billion, up SEK 1.3 billion compared to 2017. And the big change is, of course, within SSAB Americas, where we have seen the second half of the year good volumes, good prices, good margins. With a strong operating cash flow of SEK 7 billion, and we had an earnings per share of SEK 3.45. And the board intend to propose to the AGM to increase the dividend from SEK 1 per share to SEK 1.50 per share. And that will, of course, be a decision then taken by the AGM, but that will be the proposal.

If you look at Q4 over Q4 last year, an improvement of almost SEK 200 million. We had higher prices. We had lower shipments. We had in all 3 steel divisions, and I would say especially in U.S., the maintenance outage in Q4, which was not the case previous year. So in Special Steels and in Montpelier, we had maintenance outages, which was not the case in Q4 2017. We continued to have a decent operating cash flow, and the earnings per share was close to SEK 0.70 during Q4.

If we look into the divisions then and start with Special Steels. We continue to see a strong demand for these products, and we took during the quarter, when we had the original -- the planned maintenance outage in Oxelösund, we took the decision to prolong that and go through the full production chain and do some things that we maybe normally wouldn't have done during a normal summer stop in order to -- or maintenance stop, in order to get a better starting point and get better possibilities to run stable production going forward. And I think that was affecting Q4, but we are not optimizing results per quarter, but this will be a good decision going forward.

But if we compare them to Q4 2017, we had higher prices, higher costs of raw material, the prolonged outage. But we also, during the quarter, started up the second blast furnace that has been closed for quite a while. And the reason, as we discussed before, is, of course, that we had the midterm repair of one of the blast furnaces this summer in Raahe. And then 2020, we have the midterm repair of the second blast furnace. So this is what we do to keep the slab balance in check and be able to sell -- produce and sell what the market demands.

If we look at Europe, we saw a seasonal slowdown that we expected to see end of Q4. EBIT was up compared to Q4 last year. We had a higher share of premium products. We got an insurance compensation of roughly SEK 100 million in Europe this quarter. And we also had lower shipments compared to Q4 2017, but I would say a decent quarter in SSAB Europe.

Americas, I would say strong demand, good volumes, maintenance outage, yes, but -- and strong markets, so Americas came out, I would say, in line with what we had foreseen.

Tibnor, stable demand, but here we also saw the seasonal slowdown. And we expected to see that in -- as you know, in the Nordic region, after the 20th of December, there were mainly only 2 working days, so volumes slightly lower; somewhat lower margins compared to Q4 2017, but that is mainly an effect of reevaluation of inventories. Also during the quarter, we took the decision to acquire Sanistål's steel distribution in Denmark in order to get the better presence in the Danish market.

Ruukki Construction. I think they continue to develop their business. We had good development when it comes to market share, volumes, margins, prices, costs. We also completed the important divestment of Ruukki Construction in Russia, so I would say a good performance in Q4 in line with our internal expectations.

So with that, Håkan, if you want to take us through the financials.

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

Thank you, Martin. Good morning, everyone. I will, as usual, give you some more detail on the financials, on the net debt radius, cash flow investment.

We start with an overview. Actually, despite Q4 this year being heavily impacted by the maintenance outage, we saw an improvement when we compared to Q4 last year. We see that sales were up by 13%. Shipments were actually lower by 6%. EBITDA, as Martin mentioned before, compared to Q4, around SEK 200 million higher. And then when we look at the EBITDA-per-tonne delivered steel, well, with a higher EBITDA but with lower shipments, the EBITDA per tonne increased from around SEK 1,000 per tonne last year to SEK 1,200 this quarter. It's not as high as we had in Q2 and Q3 this year, but when we look at the whole 3 years, '16, '17 and '18, it's still on a fairly good level. If we then look in more details what happened between the quarters, and we start comparing Q4 '18 with Q4 '17, it was an improvement with close to SEK 200 million or SEK 192 million, a very big impact coming from price, Americas being the biggest contributor, also Special Steel, we saw good development and some positive impact in Europe as well. Volumes, lower in all steel division, somewhat counteracted then by Ruukki Construction having clearly high volumes Q4 '18 versus '17.

But on the valuable COGS side, this is to a very large extent raw material. It's also partly because we had more maintenance outage Q4 this year than Q4 last year, which also spills over here on the fixed cost, or it's also impacting the fixed cost, where we have SEK 400 million higher cost in '18 versus '17. It's the outages. It's also a general salary increase. In the U.S., we had production-related bonuses. However, what we have focused very much on is that fixed manning we have kept at a basically totally flat level. Since beginning of '16, we have increased some of the temporary, but we've kept the fixed manning on a fixed level.

FX is very minor. In other year, we have underabsorption which is higher '18 and '17. And we also had higher insurance compensation in '17 and '18.

We've had big items fluctuate, but in summary, you can say that on the volumes that we sold, we had a clearly better margin Q4 '18 and '17. However, we sold less volumes, and we had higher costs for the maintenance outages.

If we then compare Q4 with the previous quarter, Q3, there's a drop in the profit from SEK 1,600 million down to SEK 1,035 million, so SEK 565 million. Prices were up here as well but not at all as much. This is mainly, as I say, the Americas. Volumes slightly higher. Here, Europe, which is seasonally low in Q3, had clearly higher volumes. Tibnor also had somewhat higher volumes and then mitigated by Special Steel in Americas. And in Special Steel in Americas, the lower volumes are not because we saw slower demand in Q4, but it's because our own supply capacity given that we had some stop in the productions.

Variable COGS, somewhat higher, it's iron ore, and it's partly the maintenance outages. Fixed costs, clearly higher than in Q3. You remember that we have always had roughly half of that is related to -- we have seasonally lower fixed costs in Q3 in the Nordic areas. And the rest is basically related to the maintenance outages.

Some positive impacts from FX. And then in other here, the positive impact is -- well, among other thing here, we have the insurance compensation now in Q4, we had better underabsorption in Europe but then worse in Special Steels. And in total, these other items add up to SEK 80 million.

If we then move on to the cash flow. We had in Q4 a continued strong cash flow. Operating cash flow close to SEK 2 billion and a net cash flow in the quarter close to SEK 1.6 billion, helping us then continue to reduce our net debt. In the quarter, we had actually quite high maintenance expenditures of SEK 800 million, but they were basically mitigated here by the positive development in working capital of SEK 850 million.

If we look at the full year, we had an operating cash flow of SEK 6 billion or close to that and a net cash flow after dividend of SEK 3.4 billion. And on the working capital side here, well here we actually had -- in the full year, we have built working capital of close to SEK 1 billion. On the other hand, we actually have an increase in sales of 13% or SEK 9 billion, so it's hard not to build working capital with that sales development. But we're going to dive in a little bit more into the details of working capital.

The way we look at working capital internally is that we very much follow the ratio between working capital and between sales. We obviously, at any given time, want to release working capital in absolute term, but the most important thing is that we are being efficient with the working capital that we have. And this graph is showing that development since 2016. And during 2016, when we were -- when we launched the target of reducing our net debt to SEK 10 billion, we also launched a program to improve our working capital efficiency. And we started in 2016 at around 26%. And we had a very steep development in '17. And actually, also in '18 a fairly decent development. And we are now down to 20.4% of working capital over sales. During 2018, we went from 22.8% down to 20.4%, so a 2.4 percentage increase during the last year.

And when we look going forward, we have set targets for each divisions. We want to continue to increase this efficiency. I would be extremely happy if we can have the trend line continue being as steep. I think that might be a bit overambitious. You can say that we have now picked the low hanging -- or at least the lower hanging fruit, and now it's a lot about continuing turning every stone, making sure we are being a little bit more efficient in everything that we do. But our expectation is that maybe not that steep, but we should still continue to see a downwards trend on this ratio.

On the investments side, we invested in total in 2018 SEK 2.3 billion. That was somewhat higher than in 2017 when we were at SEK 1.7 billion. And what we have guided for, too, is that we should have investments of around SEK 2 billion for these years. We were slightly lower in '17, slightly higher in '18. If you add them both together, well then, we were spot on the SEK 2 billion.

We are still below the long-term average CapEx of SEK 2.7 billion, but in the last few years, we have not had any major realigning of the blast furnaces, and we had not had any major capacity expansion. When we had those as in the year -- in 2015, then we had clearly higher investments. Moving forward, with the announcement of the new -- or the added capacity of quenching and tempering in Mobile, we will have CapEx for '19 and '20 of around SEK 2.5 billion.

Moving on to net debt. I actually only had one slide this time on the net debt given that it's rather undramatic right now. We continue to decrease our net debt. It's now down to SEK 8.6 billion. We have an average maturity as long as 6.5 years. It has continued to increase in the quarter. And when we look at what we have coming up for maturity in the coming 3 years, it actually only totals SEK 6 billion. We will, as we had done the last few years, continue to try to move out maturities out in time. But given the cash flow generation that we have had the last few years and expect going forward, refinancing this will obviously not be a problem for us.

On the net gearing side, as Martin said, it decreased to 14%. It was 22% at the end of '17. It was 17% at the end of Q3. So we continued also in this quarter to get the lower net gearing. However, with the new IFRS 16 rules that we are applying now from 1st of January, it means that we will take operational leases, such as office rental, car leases, they will be put as a liability on the balance sheet and will increase our net debt. So when we have done the calculations now, this net gearing, as we have is 14% today or at the end of '18, will actually be 17% when we move into 2019, obviously, despite any actual changes.

On the raw material side, we saw iron ore and coking coal purchase prices increase in Q4. Pellet, the most increased by 15% in Swedish kronor or 14% in dollars. Coking coal is somewhat less, 7% in Swedish kronor and 6% in U.S. dollar. Given the time lag from when we purchased these until they hit the P&L, we have seen some of it, we have seen some of the iron ore impact in Q4, but we see more of it coming now as higher raw material costs in our P&L in Q1. That goes especially for iron ore. Coking coal is a bit more of a lag.

In the U.S., for our operations there, we use scrap in the electric arc furnaces. Those prices were very stable in Q4, almost unchanged, our purchase prices compared to Q3. What we have actually seen in January is that scrap prices have gone down somewhat in the U.S.

Finally then from my side is an overview of our plain maintenance outage -- planned maintenance outage for 2019. If we start with Special Steels, the plan is that we will have the outage in Q4, like we had in 2018. And the cost will be approximately SEK 290 million, less than what he had in '18. But then as Martin explained, we had a prolonged outage but no major change there. For SSAB Europe, it's also the same timing in '19 as in '18, most of the Swedish operations in Q3 and most of the Finnish in Q4. It will actually be in total somewhat less in '19 than '18. We did an extra maintenance effort on an oxygen tank in Sweden in 2018 that we don't need to repeat in '19. Finally, then for Americas, we will have the outage in Mobile in Q4. We had Montpelier now in Q4 '18. We will have Mobile in Q4 '19 at a somewhat higher cost, SEK 400 million versus SEK 285 million. The logic for that is that when we had the outage in Montpelier, it was 2 years ago. When we will have it in Mobile now in Q4, it will be 2.5 years, which means we will have to do a little bit more extra work. And also in Mobile, we have the quenching operations. We have 2 quenching lines, so Mobile is a larger site, you can say, than Montpelier and, therefore, somewhat higher maintenance costs. However, if you add it all up, well, the timing of the maintenance is basically the same in '19 as in '18. The total cost, well, it's slightly below 1 -- sorry, slightly above SEK 1 billion, so it's fairly much in line in '19 as it was in '18.

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

Thank you, Håkan. So looking into Q1 then and looking at the segments, and we decided to show this, this time, it looks -- actually it looks quite okay.

We'll start with Heavy Transport. We see a high level of demand in Europe and especially in the heavy truck segment. But we also see the positive trend in North America when it comes to rail cars and barges. And it was a while ago since we saw good development in these segments in Americas.

Automotive, yes, weakening trend in Europe and China, but as said in the beginning, in the market where we are, we continue to see a structural growth. We expect to continue to grow these volumes within SSAB, the advanced high-strength steels into safety details. And as you know, what we are focusing on is only a small fraction of the market; in total, I would say less than 5% of the total Automotive market.

Construction Machinery. It's leveling out a bit or a lower growth momentum but still at a high level. And when we talk to the big customers, we expect Q1 to continue to be strong or at a healthy level.

Material Handling. High activity in Mining in several regions, both maintenance and new equipment. So we expect that to be strong or we see it to be strong.

And we did solid demand in wind energy, and that will continue beyond Q1. But we also see high activity when it comes to oil and gas in North America, a number of pipeline projects, energy distribution now here in Q1.

Construction, yes, it's seasonally lower during the winter season and some uncertainty, I would say, mainly in residential market in Scandinavia, which is not a huge market for us, so we keep that yellow.

And then Service Centers. And I would say, in U.S., we saw end of Q4 some hesitations. The underlying demand, good; apparent demand, a bit more up and down and hesitation in end of Q4, beginning of Q1. But overall, and the visibility we have is Q1, it looks quite okay, to be honest.

And when we try to sum this up, I would put it this way. In North America, demand for heavy plate is expected to remain strong in Q1. In Europe, demand is expected to be fairly stable. And the global demand for high-strength steels and especially Q&T will continue in Q1 to be strong. We expect realized prices in North America to be somewhat higher compared to Q4, stable for Special Steels and slightly lower for SSAB Europe, so no dramatic changes when it comes to pricing either.

So before we open up for question, just to sum it up then, I think as I showed at my first slide, we are on track to reach the 2020 targets. We are slightly behind when it comes to Automotive, but I think the reasons are there. And I would not be surprised if we met those targets, or I expect us to meet those targets 2020.

Q4 of 2018 characterized by maintenance outages and the prolonged outages in -- outage in Oxelösund, but fairly good or stable, decent outlook for Q1. And a proposal from the board to increase dividends to SEK 1.50 to the AGM. And what we focus on is safety and production stability. That will be -- continue to be very important. And we work with and worked during Q4 with preventive actions. And we did more than we usually should have done, but this is an important issue for us.

And then we work better and better with continuous improvements. And the system we have called SSAB One is now being implemented everywhere, and we try to do things slightly better today than yesterday and slightly better next week compared to previous week. And that system is working better and better. We will continue even though with higher -- slightly higher investments and an increased dividend, we will continue to reduce net debt, and we will see a stronger and stronger balance sheet, and I think that is very important over the business cycle. And that will also give us opportunity to do things that we believe are the right things for SSAB regardless of business cycles. And we should be able to continue to invest and also take an educated look at the smaller bolt-on acquisitions when they present themselves and without being afraid of destroying the balance sheet. So that's the operative plan.

So with that, dear friends, we open up for questions.

QUESTIONS AND ANSWERS

Per Hillström - *SSAB AB (publ) - Head of IR*

I mean, just a few words before we start here in Stockholm then, taking questions from the floor, and then please state your name and your company when you pose a question. And also, it's perfectly fine to have more questions than one, but please state them one at a time to give Martin and Håkan time to answer them one at a time. It will go smoother then, so...

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

To be honest, give Martin a chance to remember them.

Per Hillström - *SSAB AB (publ) - Head of IR*

That one also. So please, may we -- yes, we have some questions right here.

Ola Soedermark - *Kepler Cheuvreux, Research Division - Equity Research Analyst*

Ola Soedermark, Kepler Cheuvreux. Can you try to give us understanding of the underlying earnings in Special Steel? I mean, it was a steel order from the unplanned stop in the blast furnace from Q3 and the prolonged maintenance stop. And maybe if you could try to explain the lower volumes, what kind of impact they could have.

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

No, but I would say that the prolonged stop, I mean, that's -- the direct cost for that is the difference between what we guided for and the costs for the planned stop and what was the outcome. And then we pushed some volumes because we didn't have production to deliver the volumes. We pushed some volumes into Q1, so lower volumes. And then also during the fourth quarter, we started up the small blast furnace, and we had the costs for that but not the, what do you call it, higher absorption effect and so on. So I would say, no drama in the underlying profitability. That was quite okay, but the decisions we took in the startup and so on and pushing the volumes affected the Q4 result. But if we are right then, we will have that back during 2019, and it will prove then to be a good decision, to make sure that we can run production at a better level because it wasn't working perfectly in 2018.

Ola Soedermark - *Kepler Cheuvreux, Research Division - Equity Research Analyst*

But in order -- so we understand, is it possible to quantify the different parts, I mean, it's 3 to 4 different parts?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

I think maybe maintenance roughly SEK 100 million; lost margins, roughly the same. And then on that -- on top of that, costs for starting blast -- the small blast furnace.

Ola Soedermark - *Kepler Cheuvreux, Research Division - Equity Research Analyst*

And it's SEK 50 million or...

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

Something like that. That's consistent.

Johannes Grunselius - *Handelsbanken Capital Markets AB, Research Division - Research Analyst*

It's Johannes Grunselius, Handelsbanken. Yes, I also have a question on the previous question -- or the previous topic. And could you help us a little bit in trying to understand how we should look at Q1 and Q2? I mean, it's a very low number, and you helped us here with some components. But is it possible for you to sort of reach the level we saw a year ago? I'm not after a specific guidance as such but more on the rough level what we can expect in terms of the next quarters for Special Steel.

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

Roughly, you should -- yes, why not. I mean, stable production; the underlying demand, quite good; slightly higher raw material costs; but overall, not a huge difference.

Johannes Grunselius - *Handelsbanken Capital Markets AB, Research Division - Research Analyst*

So I mean, last year is a relevant reference for us to start with?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

Yes, yes. So nothing has really happened on the markets since last year, with the exception maybe prices slightly higher, raw material costs higher. I don't have the exact figures, but the run rate and then the difference with pricing and raw material.

Johannes Grunselius - *Handelsbanken Capital Markets AB, Research Division - Research Analyst*

Yes. And then if you could give us some color on your price comments for Q1, you're talking about slightly lower prices than Europe and Special Steel. What we can't see...

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

No, no, not for Special Steel, no. Now stable, yes.

Johannes Grunselius - *Handelsbanken Capital Markets AB, Research Division - Research Analyst*

Yes. And slightly lower for Europe. So if we look at spot prices, we can see they are maybe down EUR 50. So if we look at sort of bulk grades, spot levels versus Q4 average and 2018 average and so on, so that's clearly significantly down. Could you help us in understanding why you're guiding for somewhat lower Europe? Is it because of your mix is better? Or is it because you're not so active in spot market?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

We are not so active in the spot market. Our mix is better. And no, we don't expect to see EUR 50 down, no. And we have also mix of different contract lengths. We have yearly contracts, semi-annual contracts and quarterly contracts, so I'm talking about overall realized prices.

Johannes Grunselius - *Handelsbanken Capital Markets AB, Research Division - Research Analyst*

And in the U.S., which should be the -- by far the strongest spot for you at the moment. I mean, are you seeing the strength rolling over to the second quarter? Are you taking orders in the second quarter at this point?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

We comment the first quarter where we have this ability, and the first quarter seems strong. And as said in the beginning, when I talk to customers, I'm not right now believing that we will see a dramatic drop in Q2. So my base case is that the first half is quite okay. I mean, we will not see the end of the world during the first half of the year.

Per Hillström - *SSAB AB (publ) - Head of IR*

Thank you. Do we have any further questions here in Stockholm? Okay then, then we can open up questions from the telephone lines. And then I would ask the operator please to provide the instructions there.

Operator

(Operator Instructions) Our first question comes from the line of Alain Gabriel from Morgan Stanley.

Alain Gabriel - *Morgan Stanley, Research Division - Equity Analyst*

I have just one question on your capital allocation strategy. You are clearly now well below your gearing targets. How should we think about the incremental dollar spend from here onwards? In free cash flow, do you have any soft targets that we should start to aspire to? Or would you think about stepping up your cash returns? If you give us a bit more color in the context of where we are today versus where we have been in the last 2 years, that would be much appreciated.

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

Yes. We have guided for slightly higher investments, as Håkan went through during his presentation for 2019 and 2020. So that will, of course, consume slightly more cash than during 2017 and 2018. I mean, the board will also propose a higher dividend, to increase dividend with 50% to SEK 1.50, that will also consume some cash. And on top of that, I think we should have a strong balance sheet, and let's discuss exactly what we do with the balance sheet when we have cash on hand, so to say. Our operational focus is to continue with the capital efficiency. And I think we still have things to do. Even though the development so far, as Håkan showed, has been positive, there are still things to do. So my only message is that you should expect us to continue to reduce net debt and strengthen the balance sheet. And let's come back to your questions and your discussion if and when that materialize. But we haven't changed any net gearing target or anything like that, so -- and we are obviously in line or well in line with the net gearing target.

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

And that on the dividend side, the proposal from the board of SEK 1.50 would represent 43% or close to 44% of net profit. And we have said the dividend target is 30 to 50, so we are actually in the upper range of that target as well.

Operator

And the next question comes from the line of Seth Rosenfeld from Jefferies.

Seth R. Rosenfeld - *Jefferies LLC, Research Division - Equity Analyst*

Just 2 points on the European business, please. First, you called out in the release several times the benefit of an insurance payment received in the fourth quarter. Please quantify the scale of that benefit in Q4. And then secondly, can you speak a little bit about the outlook for apparent demand? You did comment that apparent demand weakened towards the end of the quarter. How would attribute that to a mix of either higher import penetration if you're losing share to imports? Or the fact that with lower prices, we simply saw a buyers' strike similar to what was witnessed in the U.S. market over the course of the quarter?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

Thank you. Look, the answer to the first question, roughly SEK 100 million or so in insurance. And when it comes to apparent consumption, when there is -- I mean, there is -- typically, we see a seasonal slowdown in Q4 and especially when spot prices are expected to go down or on a downward trend, which was the case. But we don't see any big difference in underlying demand. So when we look at the order intake for Q1 and so on, we don't see a huge change in real demand. We continue to see strong real demand, but then apparent demand typically moves around a bit over year-end.

Seth R. Rosenfeld - *Jefferies LLC, Research Division - Equity Analyst*

Just to clarify, I think you commented on shipments for Q1 being roughly stable in Europe. Like given that you saw weaker seasonality in Q4 and also the impact of weakening prices, keeping buyers on the sidelines, would that not, all else equal, lead to higher shipments in Q1 versus Q4?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

Yes. We did guide for higher shipments in Q1.

Seth R. Rosenfeld - *Jefferies LLC, Research Division - Equity Analyst*

And can you comment on the scale of that, what do -- when do you expect a reversal of the Q4 headwind?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

We haven't said exactly what kind of volumes, but we will have the higher shipments in Q1 in Europe compared to Q4. And that's what I'm trying to say. I'm -- underlying demand, stable. Apparent demand, a bit down in end of Q4 and a bit up in beginning of Q1.

Operator

And the next question comes from the line of Ioannis Masvoulas from Macquarie.

Ioannis Masvoulas - *Macquarie Research - Analyst*

Two questions from my side. The first one, at SSAB Americas, we saw one of your competitors in U.S. heavy plate announcing a greenfield project recently targeting a further expansion in value-added products. Is there a direct competition with your planned expansion there that you announced also recently? And if so, does it change your very attractive return metrics? And I'll stop there for the first question.

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

No, I wouldn't say that. What we are -- we are expanding in Q&T capacity and capability is in Mobile. This will be a plant that will be up and running, if I read it correctly, 2022 in Midwest. So it's partly then, of course, competing with our Montpelier plant, but I would say to a large extent competing -- but with a slightly different product range. So more competing, I would say, with other producers, so not competing with Mobile and not competing with Q&T in Mobile but being placed in Midwest somewhere where we have the Montpelier plant, where we only produce standard grades for heavy plate.

Ioannis Masvoulas - *Macquarie Research - Analyst*

And then my second question about SSAB Europe. The guidance on somewhat lower realized pricing in Q1, is that factoring in an improvement -- a seasonal improvement in the product mix relative to Q4?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

We expect -- I don't know if there will be any big changes compared to Q4. But we, as said in the beginning, expect to continue to strengthen the product mix. So less and less, if you put it that simple, hot-rolled coils and more and more tubes cut to length, safety material and so on. So we will

gradually continue to improve over the years the product mix, but the shifts may vary between quarters, so it's not a huge shift in mix compared to Q4. You should more look at it 2019 over 2018.

Ioannis Masvoulas - *Macquarie Research - Analyst*

And more specifically on the seasonal element of the product mix, I mean, you have traditionally guided to a weaker mix in Q4. Sequentially, what business -- the strongest quarter for the product mix? Is it Q2?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

Q2 and Q3, where we sell the majority of the color-coated material, which has a higher price and gives a better average price. So Q4, I would say, is weaker in that aspect; and also Q1 and, typically, Q1 a bit weaker even than Q4.

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

Material goes, to a large extent, to the construction building, for example, roofing. And when there is winter season here in the Nordics, we don't build as much, and therefore, we sell less of the material.

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

And it's mainly a Nordic business, with Ruukki Construction being one of the biggest customers.

Operator

And the next question comes from the line of Anssi Kiviniemi from SEB.

Anssi Kiviniemi - *SEB, Research Division - Analyst*

First question on Americas and what is the contract situation there. I'm now thinking about how much of your shipments have you locked in for the first half of 2019? And thus, perhaps also pricing, could you give us kind of some kind of indication what is the current order book like?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

The current order book looks quite okay, and we have a mix between quarterly contracts, project contracts and spot businesses. And I would say that we have a fairly good view or visibility about Q1, but that's it. So America doesn't differ so much from other divisions, with the exception of some project business with slightly longer, call it, visibility and then slightly more spot business than the other divisions with slightly lower visibility then. But overall, what we can talk about and what we see right now is Q1. We have a view of Q2. And then after the summer, the visibility is very limited.

Anssi Kiviniemi - *SEB, Research Division - Analyst*

Okay, great. And then a couple of more overall questions. I'm not quite sure, did you specify your CapEx mix for 2019 and 2020? But could you please elaborate on those ones?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

As Håkan said, roughly SEK 2.5 billion for 2019 and 2020.

Anssi Kiviniemi - *SEB, Research Division - Analyst*

Okay. That's clear. Then a question on European Commission safeguards. It seems like for your core products in SSAB Europe, the quotas and the new scheme is quite loose. So could you elaborate a little bit on your thinking around that and kind of a new situation in Europe?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

No, but I think it depends how you see it. First of all, I think what we are really aiming for is the combination of free and fair trade. And the reason why there are quotas in Europe and trade barriers in U.S. is because that we -- many of the, call it, market-driven steel companies can't really afford -- can't really compete with subsidized import. So that's the reason, I guess, why the politicians took that decision. And then with the new -- what came out from the commission, I think it will be on the margin maybe slightly better than it was before then, but no big changes as I see it. And we haven't -- even though import has increased during 2018, mainly from Russia and Turkey, it has not been a big game changer for SSAB. So you'll typically see it more in Southern Europe than in Northern Europe. So on the margin, maybe -- I mean, from a, what do you say, balanced perspective, positive but no big changes as I see it.

Anssi Kiviniemi - *SEB, Research Division - Analyst*

Okay, great. Then my last question on IFRS 16. I appreciate that you highlight the net debt impact and kind of elaborate that a bit. But could you also give us some kind of indication what kind of P&L FX we should wait from you guys coming from this accounting change? Mainly thinking about EBITDA boost and EBIT boost, how big are those? Could you give us some kind of indication for 2019 meaning?

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

Yes. Very rough. For EBIT, it's almost negligible. It's really no big impact on EBIT. For EBITDA, it will be positive with around SEK 1.6 billion or so.

Anssi Kiviniemi - *SEB, Research Division - Analyst*

EBITDA?

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

Yes.

Anssi Kiviniemi - *SEB, Research Division - Analyst*

Okay. And that's for the whole year 2019?

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

Yes. If you compare us with other companies, it's not a huge impact. And especially on EBIT, basically, it's almost 0. But on the -- for full year '19 on EBITDA, roughly SEK 1.6 billion positive.

Operator

And the next question comes from the line of Carsten Riek from UBS.

Carsten Riek - *UBS Investment Bank, Research Division - Executive Director, Head of European Steel Research and Equity Analyst, European Steel Research*

Three questions from my side. I'd start with the first one. On the fourth quarter, I noticed that you build inventories even though you had a net working capital release. Could you give us a breakdown per division where you -- and what kind of division you actually build inventories in order to get a feeling when you can actually release that? That's the first one.

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

It was a bit of a mix. In Special Steels, we build some on the raw material side given that we -- as we talked about now a few times, we did not produce as much as we planned. We had more raw material coming in than we were actually using in the end. And then in Europe, we've entered a quarter with quite low stocks given that we haven't been producing as planned earlier in the year. And in Q4, production in Europe was actually running quite well, so in Europe, we were building inventories of work in progress and of finished goods.

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

And also slabs.

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

And also slabs, yes. And that means that if you take both actually, Special Steels and Europe, while raw material now we're up and running production fully again in Special Steels, which means we will adjust the raw material; and also in Europe, now that we have built the slabs and have built the work in progress and the finished goods, we are more back to a normal level in SSAB Europe. We were at the lower level before. Now we are more at the lower level.

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

Normal.

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

Oh sorry, at a normal level.

Carsten Riek - *UBS Investment Bank, Research Division - Executive Director, Head of European Steel Research and Equity Analyst, European Steel Research*

Okay, understood. The second question I have is on your guidance for the first quarter. You simply say the higher raw materials will actually impact your P&L predominantly in the first quarter. And you guide for -- except for U.S., you guide for stable to lower prices. What does -- I mean, what does that mean now for the earnings? Do we expect that, actually, we'll see a margin squeeze in the first quarter? Or do you think you can compensate that with the price increases you see in Americas, in particular?

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

Well, if you take division by division, Americas, there we guide for somewhat higher prices. Raw material there so far in the quarter is actually somewhat down. And if you then take Special Steel, well, stable prices but with slightly higher raw material costs. And Europe, slightly lower prices. And we talked about the spot prices before. They've been clearly down. So in that sense, it is hard for us to adjust and just raise the prices when spot prices have developed as they have. So on the margin side, yes, with higher raw material costs, slightly lower price in Europe, that will be a squeeze on the margin, yes -- on the gross margin per product, yes.

Carsten Riek - *UBS Investment Bank, Research Division - Executive Director, Head of European Steel Research and Equity Analyst, European Steel Research*

Okay, understood. The last one I have is on the point which you -- which Martin made actually on the summary. You have a greater flexibility, and I clearly agree on that, to act on investment opportunities. Are you currently looking at several opportunities or -- over 2019? And what kind of size do we talk about? Do we talk about sizable acquisition targets, let's say, in the area of SEK 5 billion plus? Or do we -- are we clearly below that level?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

Clearly below. So we're talking about, I mean, if you take the Denmark -- Danish acquisition was roughly SEK 0.5 billion or so. And we are talking about smaller bolt-on acquisitions or -- it's not small, but SEK 0.5 billion is a lot of money, but call it bolt-on acquisition whenever they present themselves. So I'm not saying that we are going to do a lot of things, but I think it is important for us to have that flexibility. So we are working a lot with flexibility -- call it flexibility in the balance sheet but more so flexibility in operations. Håkan talked about manning. They have kept the fixed manning at the same level as we had when we were finalized with a combination of Ruukki. And then we have somewhat higher total manning, but we have temporary employees and so on. So if and when the downturn hits us, we will be much quicker than we have been ever before to adjust to lower levels. And that has been important. So what we are trying to do when we talk about efficiency and flexibility is to build in as much flexibility as possible in a system that is not built to be flexible to start with. And that has been the game -- or the plan all the time and the target, not to give away anything of the synergies that we gain when we combined with Ruukki. So to keep cost levels, manning, investment efficiency and so on, capital efficiency, and that's what we are focusing on because we know that we are in a volatile industry, and that requires as much flexibility as possible and a decent strength in the balance sheet.

Operator

And the next question comes from the line of Oskar Lindstrom from Danske Bank.

Oskar Lindstrom - *Danske Bank Markets Equity Research - Senior Analyst*

Yes, I have 3 questions. The first one is, I mean you kindly outlined that the impact or extra impact on Oxelösund or Special Steel in the fourth quarter was roughly SEK 250 million negative as a consequence of those special actions you took. What would you say has been the sort of total cost for 2018 of the production problems and -- including the longer maintenance?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

We haven't guided for that. But I mean, the reason why we took that decision was that we continue to see -- if we would have expected a downturn in the market or less -- a big change in underlying demand, we would probably not have done this. But when we look forward, we see that the momentum for these kind of products continue to be good, so we said that let's -- I mean, given the problems we had in 2018. And we felt that it was a good decision for the future to go through the whole, call it, production changes then and do things that we normally wouldn't do in an ordinary maintenance stop and also take some extra time to do that. And in total, what -- the lost profitability has been on the production problems

we have had. As said, we haven't quantified that, but we are really now focusing on making sure that the history doesn't repeat itself. And that's why we took that decision, right the wrong, but I think it was the right decision, or I'm convinced it was the right decision.

Oskar Lindstrom - *Danske Bank Markets Equity Research - Senior Analyst*

Okay. My second question is more specific on Americas. Have you had any big projects impacting the fourth quarter? And more important, will there be any big projects having a large impact in -- well, in 2019 as far as you know now?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

That was a tricky question. Not for Q4 and Q1.

Oskar Lindstrom - *Danske Bank Markets Equity Research - Senior Analyst*

Okay. And then my third question is on Special Steels again. Did you push out volumes, you said, into Q1? Does that mean that we should have sort of an extra bump in Q1 deliveries? Or how should we understand that?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

We expect deliveries in Q1 to be higher than Q4.

Oskar Lindstrom - *Danske Bank Markets Equity Research - Senior Analyst*

More than just a seasonal effect?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

We haven't quantified what is what, but we expect volumes to be higher in Q1 than Q4 in Special Steels.

Operator

And the next questions come from the line of Bastian Synagowitz from Deutsche Bank.

Bastian Synagowitz - *Deutsche Bank AG, Research Division - Research Analyst*

Gentlemen, I've got a few questions. So firstly, again on Europe. So if we look at the quarter, basically, we obviously, had a similar maintenance charge versus what you had basically in 2017, and yet volumes obviously were down 6%. You didn't seem to be terribly bearish on underlying demand. So is it your view that this has been all driven by destocking? Or how would you explain this?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

It's a combination. As Håkan pointed out, we went into Q4 with fairly low or lower-than-normal finished goods and a lower-than-normal work in progress and then also in combination with a seasonal slowdown in Q4 made it lower volumes. And that's also why we guide for higher volumes in Q1. It's a combination, I would say. And the lower-than-normal, call it, finished goods and work in progress was due to the production issues we

had in Q3. If you could call it, it should be lower by then. But now we are in production, we're running quite good in Q4, so I would say that we are in more normalized levels now.

Bastian Synagowitz - *Deutsche Bank AG, Research Division - Research Analyst*

And then just on the maintenance schedule and the costs you're guided for, and the cost of this will be SEK 100 million higher in 2019 versus '18, as you already explained. Does this mean that the maintenance break itself will also be longer? Or is the higher cost mostly due to more expensive equipment?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

They will basically be the same timing. The Mobile, one, as I said, it was a longer time period since we had it last time. That will be slightly longer. But the other ones will not be longer, no. If we take Special Steel, we guided now for SEK 290 million. Originally, we said it's SEK 250 million for Q4 this year. Well, last year, when we do the maintenance break, then we have been running the 2 blast furnaces in Oxelösund, so we need to do maintenance on both of them, not just on one. That's basically the difference between the SEK 290 million and the SEK 250 million. But timing-wise, slightly longer in Mobile than in Montpelier, yes.

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

And the reason for that being that it was quite a while since we had a maintenance outage in Mobile, 2.5 years.

Bastian Synagowitz - *Deutsche Bank AG, Research Division - Research Analyst*

In terms of weeks, how would you quantify the Mobile outage in 2019 versus '18? Is this like a week longer, or is this like 2 weeks or 3 weeks longer? Or...

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

No, more 1, 1.5 weeks.

Bastian Synagowitz - *Deutsche Bank AG, Research Division - Research Analyst*

Yes, okay. Then just on the U.S., your order book here, you obviously have been guiding on volumes. But just on the very recent market dynamics, I think some articles suggest that the lead times for plate has started to come down. I mean, is this something which you can see as well? And what is the price dynamics in the market you've been seeing in the, say, last 2 to 3 weeks?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

We have had slightly different lead times than other competitors in U.S. So I mean, what -- but once again, what we see is Q1, and we don't see -- we don't have any huge worries for Q1. Then what happens in Q2 and especially after the summer, it's harder to predict and, I would say, impossible after the summer because we don't have that visibility.

Bastian Synagowitz - *Deutsche Bank AG, Research Division - Research Analyst*

No lead times...

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

Sorry?

Bastian Synagowitz - *Deutsche Bank AG, Research Division - Research Analyst*

So you could not say that your lead times actually have started to come down?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

I will not give you exact lead times, but as said, we are confident with Q1.

Bastian Synagowitz - *Deutsche Bank AG, Research Division - Research Analyst*

Okay, perfect. Then, Håkan, just one more question to follow up on your points regarding IFRS 16. So as you already guided, I think net debt will be up by SEK 1.6 billion technically because you're going to recapitalize those leases. And then did you say that your EBITDA and your depreciation will go up by SEK 1.6 billion as well for 2019, so basically, will depreciation and amortization basically go up to, what is it, like SEK 4.4 billion roughly?

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

Roughly that. It will -- EBITDA will go up SEK 1.6 billion. EBIT will be slightly higher with IFRS 16 than what it would have been otherwise. So depreciation won't go up as much but not a huge difference.

Bastian Synagowitz - *Deutsche Bank AG, Research Division - Research Analyst*

And then just to understand this because you'll obviously only capitalize SEK 1.6 billion, and you're going to have SEK 1.6 billion P&L effect as well, so balance sheet effect and P&L effect are exactly the same. Just the -- so does this mean basically this effect will disappear next year already? Or will you basically recapitalize on the debt side then and essentially keep the SEK 1.6 billion in your P&L? So how would we have to think about this beyond 2019? Because with the numbers you're giving, obviously, it just seems like we're going to get an increase in debt, but then basically, this will probably disappear after a year.

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

No, no it will not disappear. And one logic for that is that if you take one of the items, we will put on the balance sheet is a car lease, and we will take that up now, and some of the cars will expire by the end of '19, but then we will lease new cars, so there will be ongoing addition. So it's not a onetime effect, no.

Bastian Synagowitz - *Deutsche Bank AG, Research Division - Research Analyst*

So basically, the net debt number will essentially remain?

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

(inaudible) Oh sorry, Bastian.

Bastian Synagowitz - *Deutsche Bank AG, Research Division - Research Analyst*

So the net debt number basically -- will basically go up again then by the end of this year, and however, you keep this recurring SEK 1.6 billion effect in your depreciation as well?

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

Yes. And the debt will not go up again by the end of the year. It will basically go up now, and it will stay on that level.

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

1st of January.

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

Yes. Or it will increase with that amount for that reason.

Bastian Synagowitz - *Deutsche Bank AG, Research Division - Research Analyst*

With this on, yes. Okay, okay, perfect.

Operator

The next question comes from the line of Christian Kopfer from Nordea.

Christian Kopfer - *Nordea Markets, Research Division - Senior Analyst of Metals, Mining & Oil and Sector Coordinator*

Very briefly, time is running out here, but just a follow-up on the Special Steel side. You mentioned, Martin, that you are seeing some -- you tried to raise prices to -- in this area. And just on production level on Special Steel, is it fair to say that the underlying profitability on production level in Special Steel is more or less on the same levels in Q4 than in previous quarters?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

Roughly, yes.

Christian Kopfer - *Nordea Markets, Research Division - Senior Analyst of Metals, Mining & Oil and Sector Coordinator*

Okay. And then finally then, on the improved mix on -- in Europe, do you expect it to be gradually implemented with the improved mix on advanced high-strength steels? Is it -- but is it more back-end loaded towards 2020? Or do you expect pretty much linear development during these 2 years?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

I would say linear development but not maybe always linear between 2 quarters but, yes, linear development.

Operator

And the last question comes from the line of Krishan Agarwal from Citigroup.

Krishan M. Agarwal - *Citigroup Inc, Research Division - Analyst*

A quick follow-up on this IFRS 16. So when you say you're looking at SEK 1.6 billion impact on EBITDA, so do you have a rough divisional split of this impact?

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

Not off the top of my head, no, sorry. We can look into that.

Krishan M. Agarwal - *Citigroup Inc, Research Division - Analyst*

No worries. I can follow up with Per offline.

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

Okay, perfect.

Operator

(Operator Instructions) And as there are no further questions, I'll hand back to the speakers.

Per Hillström - *SSAB AB (publ) - Head of IR*

Okay, thank you. Is there any final follow-up here? Can we have a microphone here? Thanks.

Johannes Grunselius - *Handelsbanken Capital Markets AB, Research Division - Research Analyst*

I just did some calculations during the presentation. When it -- with regards to the margin, the margin is not bigger in Special Steels than in SSAB Europe or the Americas, not for this year. And if we exclude the Americas for last year, Europe was also more profitable than Special Steels. That comes as a bit of a surprise to me because I would have thought that you could squeeze out some more profitability out of Special Steels. Why is this?

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

But if you take 2017, we had that big production disruption in the beginning, and then we had production problems as well in 2018. So if you take it by product, there is a huge difference in profitability. So when we can get production running and get the volumes out, there will be a huge difference. And then Europe, Europe is one of the most profitable steel producers in Europe because that was the majority of the SEK 3 billion in synergies, and that we have kept. So we have lifted Europe at the completely level -- completely different level. So Europe are roughly on the level where they should be. And the swing effect, so to say, will come in Special Steels. With the increased volumes having covered the fixed costs and stable production, then you will see the big difference because the margins per product is -- they are different. Then Americas, it is -- I mean, due to very good margins over scrap. And if you look historically, the average, I would say, is around $500-or-so margins over scrap. And today, as we speak, we are on a higher level. But if you go back a year, we were -- a couple of years, as low as between $350 and $400, so that's a huge difference.

Per Hillström - *SSAB AB (publ) - Head of IR*

Okay, anything further? By that, we thank you, Martin and Håkan.

Martin Lindqvist - *SSAB AB (publ) - President, CEO & Director*

Thank you very much.

Per Hillström - *SSAB AB (publ) - Head of IR*

And that concludes today's conference, and we wish you a nice day. Thank you.

Håkan Folin - *SSAB AB (publ) - Executive VP & CFO*

Thank you for coming.