

# SSAB Europe Strategy and Nordic Transformation

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SSAB

# SSAB Europe

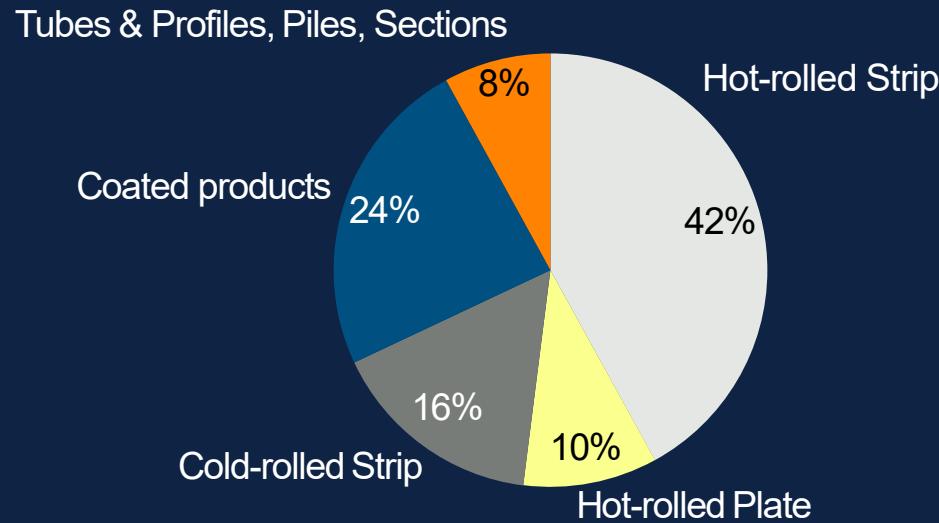
## Introduction and Strategy

# SSAB Europe in brief

**50.1** BILLION  
SEK

annual net sales in 2022

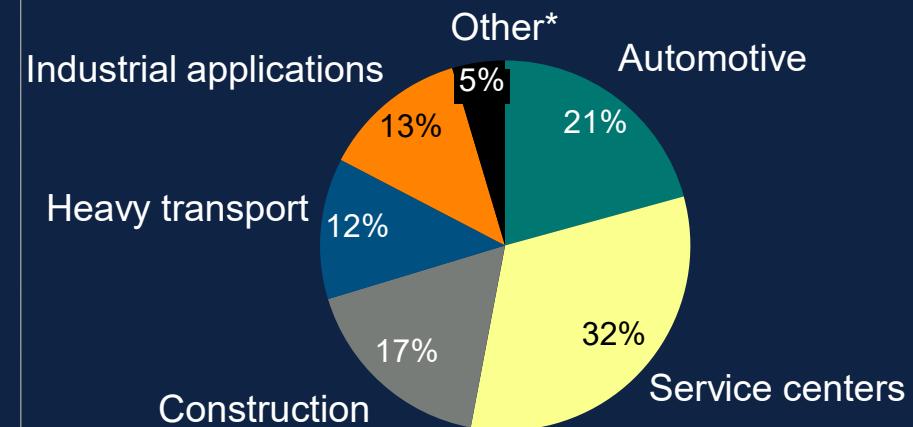
## Steel offering



**6,700**  
Professionals

Annual steel  
production capacity:  
**4.9** MILLION  
TONNES

## Core Segments



\*Construction machinery & Energy

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# Strong contribution to overall Group strategy

## Market leadership

- Strengthening the position on SSAB's Nordic home market



## Product mix improvement

- Growth in Premium and Automotive AHSS
- Reducing volume of standard products outside Nordics

## Developing channels to market

- Synergies with Tibnor and Ruukki Construction

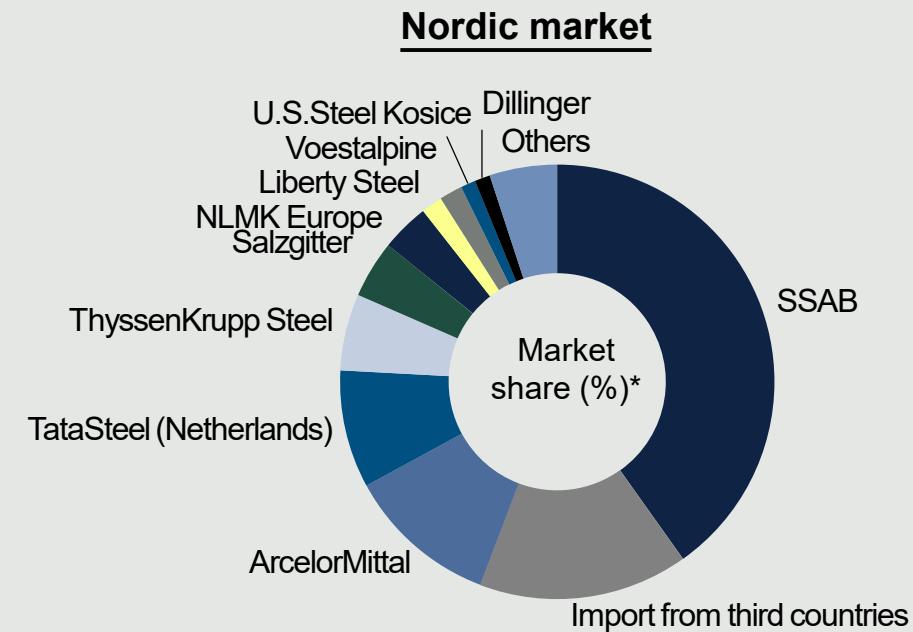


## Green transition

- Transforming the Nordic strip system from blast furnaces to efficient, EAF-based mini-mills
- Developing fossil-free offering

# Nordic home market strategy

1. Trusted partner
2. Broadest offering
3. Unbeatable logistics
4. Most effective sales model
5. Synergies with Tibnor and Ruukki Construction



*Fossil-free steel strengthens long-term relationship with customers*

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# Premium strategy – key success factors

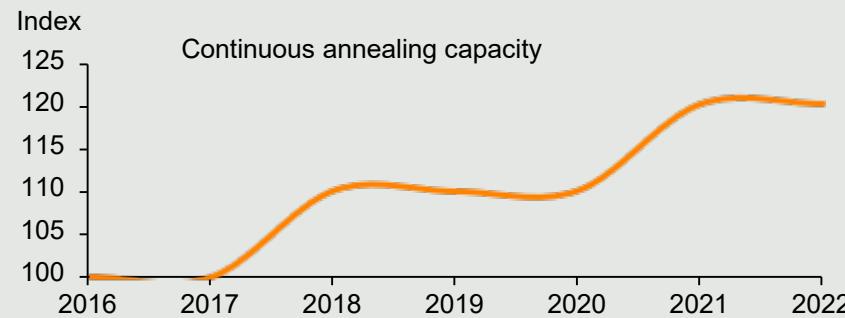
Strategic sales plan targeting growth segments

Product development – often with advanced customers

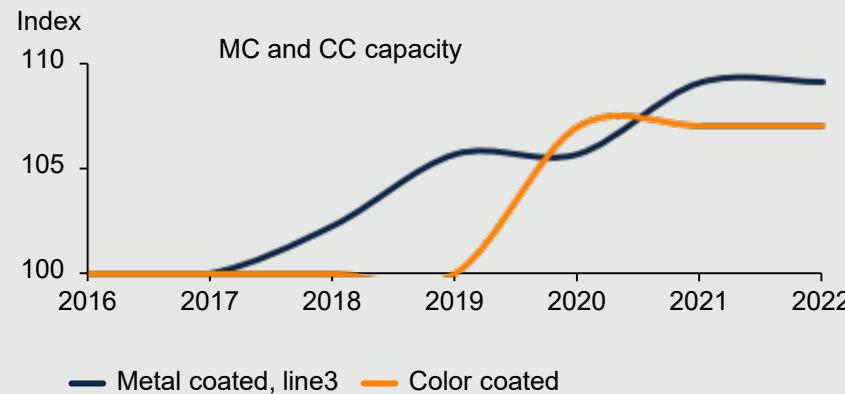
Growth based on investments and better efficiency

Reducing presence in some standard segments outside Nordics

## Example of investment

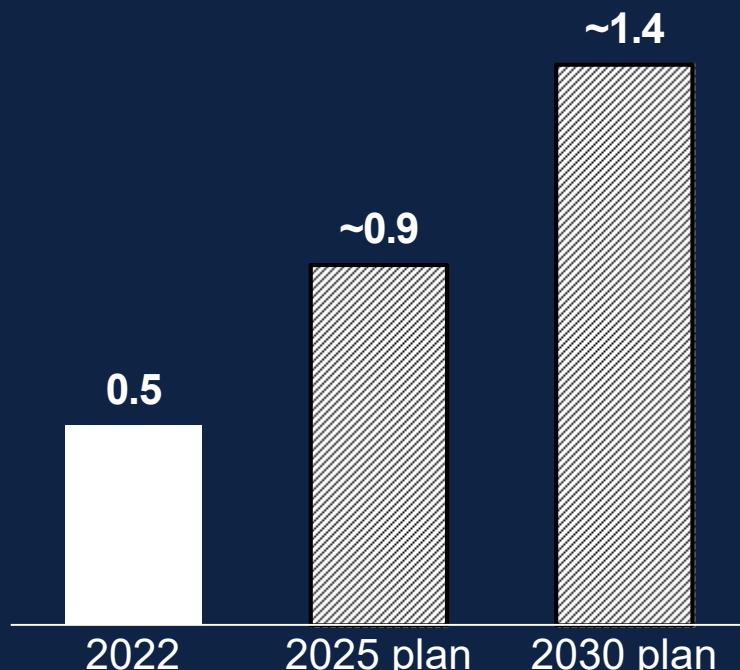


## Example of efficiency improvement

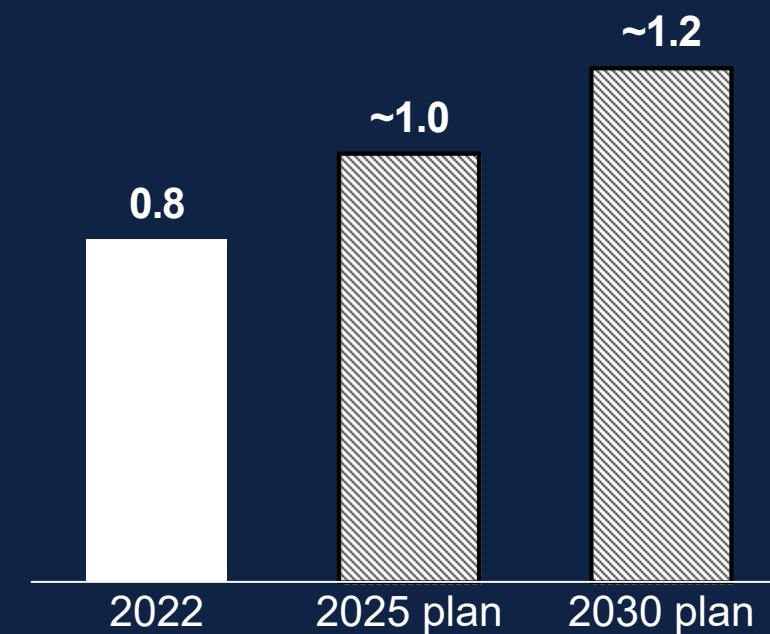


# New growth targets

Automotive AHSS



Premium products



Million tonnes

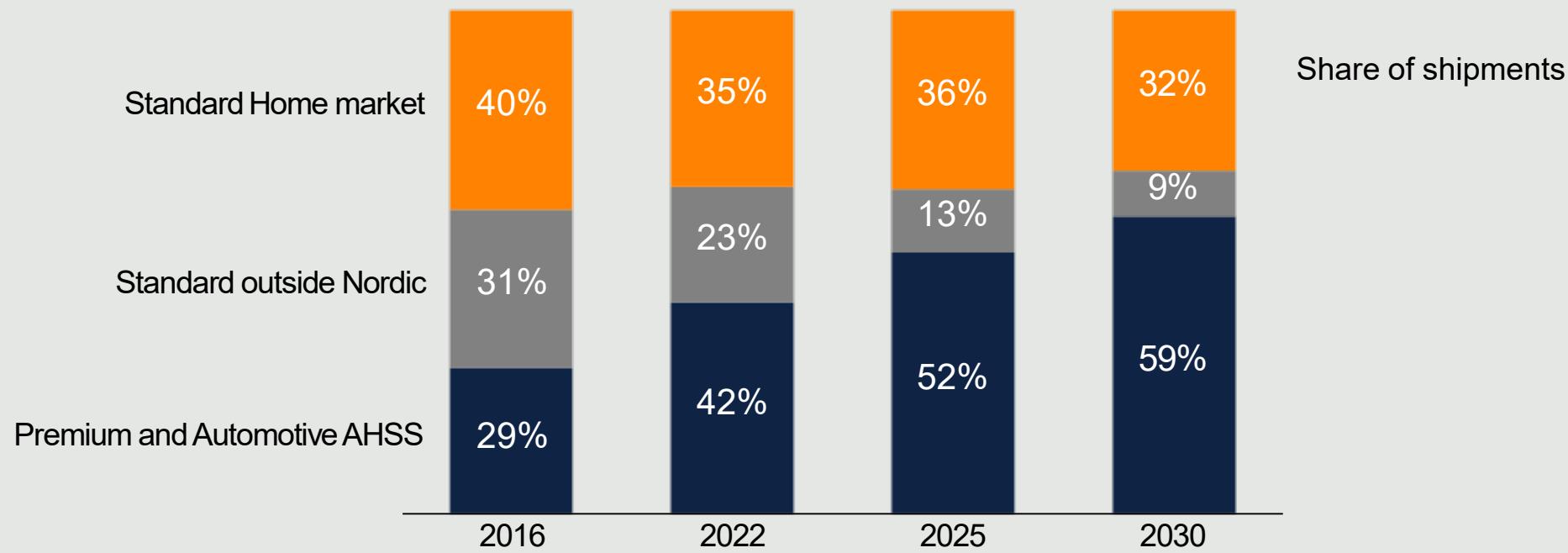
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# Nordic market leader with improving product mix

Strengthen the Nordic home market leadership

Allocate more of the production capacity to premium and AHSS

Reduce shipments of standard products outside of Nordics

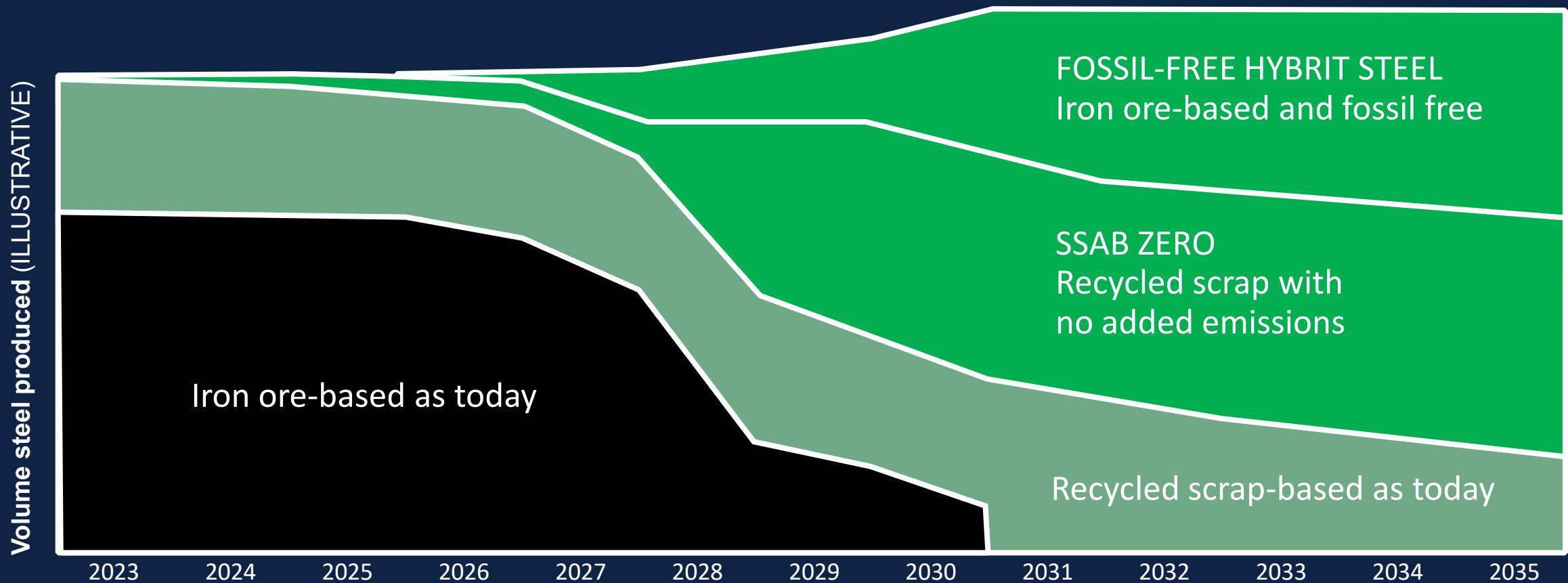




# Nordic Transformation



# Transform SSAB to a fully sustainable steel portfolio





0.0

kg CO<sub>2</sub>e emissions per kg steel

SSAB will produce steel based on both **virgin iron ore**  
and **recycled steel**

SSAB's sustainable offer provides customers with the world's lowest emission steel  
now and in the future

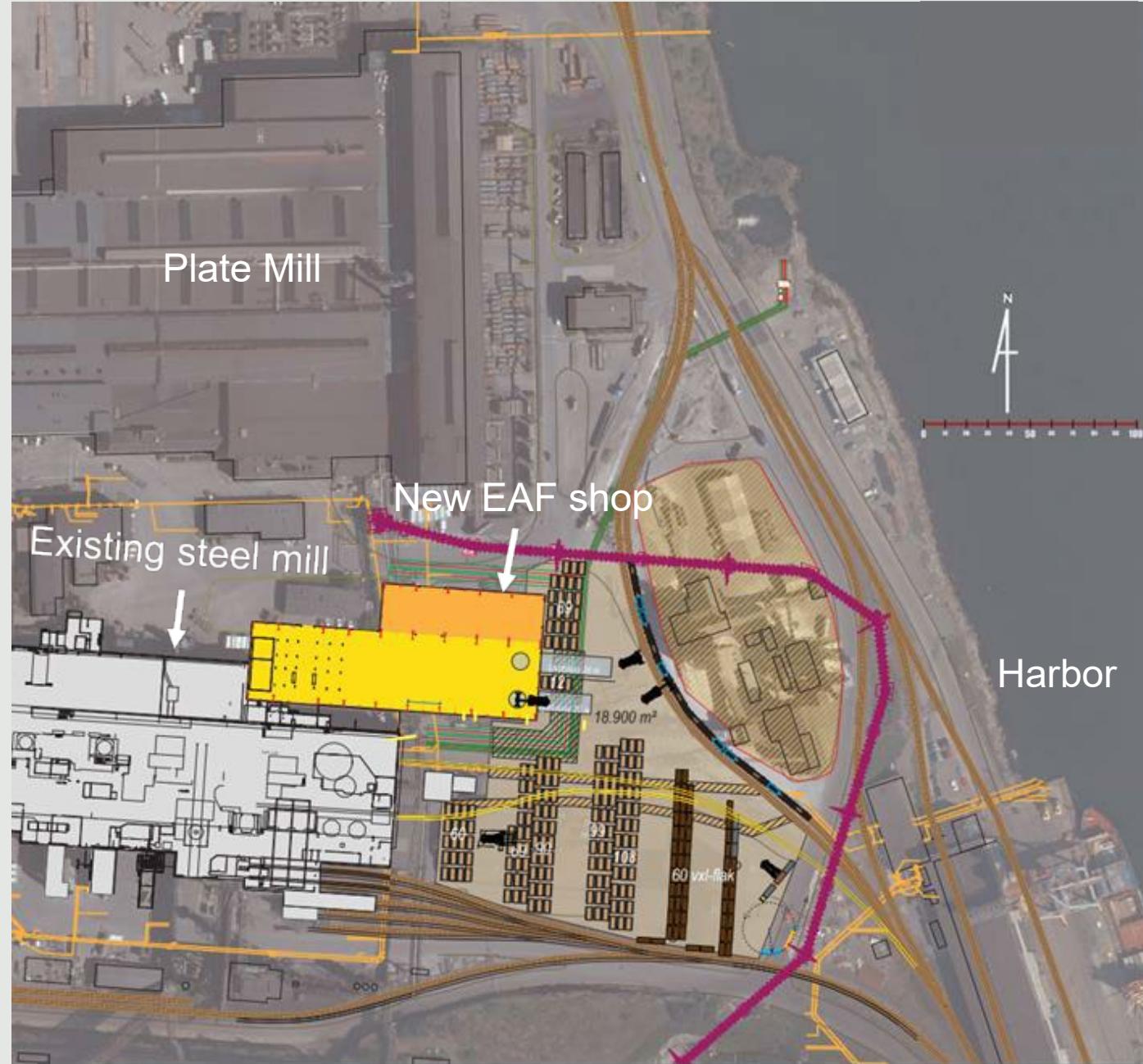
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# Step-wise transformation plan until 2030

① <b>SSAB Zero</b>	② <b>Oxelösund EAF</b>	③ <b>1st Mini-mill</b>	④ <b>2nd Mini-mill</b>
<ul style="list-style-type: none"><li>• Produce Zero steel in Iowa, USA</li><li>• Fossil-free pilot shipments continue</li></ul> <p><b>100-200 ktonnes CO<sub>2</sub> saved per year</b></p> <p><b>Now</b></p>	<ul style="list-style-type: none"><li>• Replace current blast furnaces and coke plant</li><li>• Melt scrap and HYBRIT sponge iron also in Europe</li></ul> <p><b>~1.5 million tonnes CO<sub>2</sub> saved per year</b></p> <p><b>~2026</b></p> <p>Point of decision: H1 2023</p>	<ul style="list-style-type: none"><li>• First mini-mill operational – either Luleå or Raahe</li><li>• Close current coal based system</li></ul> <p><b>~4 million tonnes CO<sub>2</sub> saved per year</b></p> <p><b>~2028</b></p> <p>Point of decision: 2024</p>	<ul style="list-style-type: none"><li>• Second mini-mill operational – either Luleå or Raahe</li><li>• Close current coal based system</li></ul> <p><b>~4 million tonnes CO<sub>2</sub> saved per year</b></p> <p><b>~2030</b></p> <p>Point of decision: 2026</p>

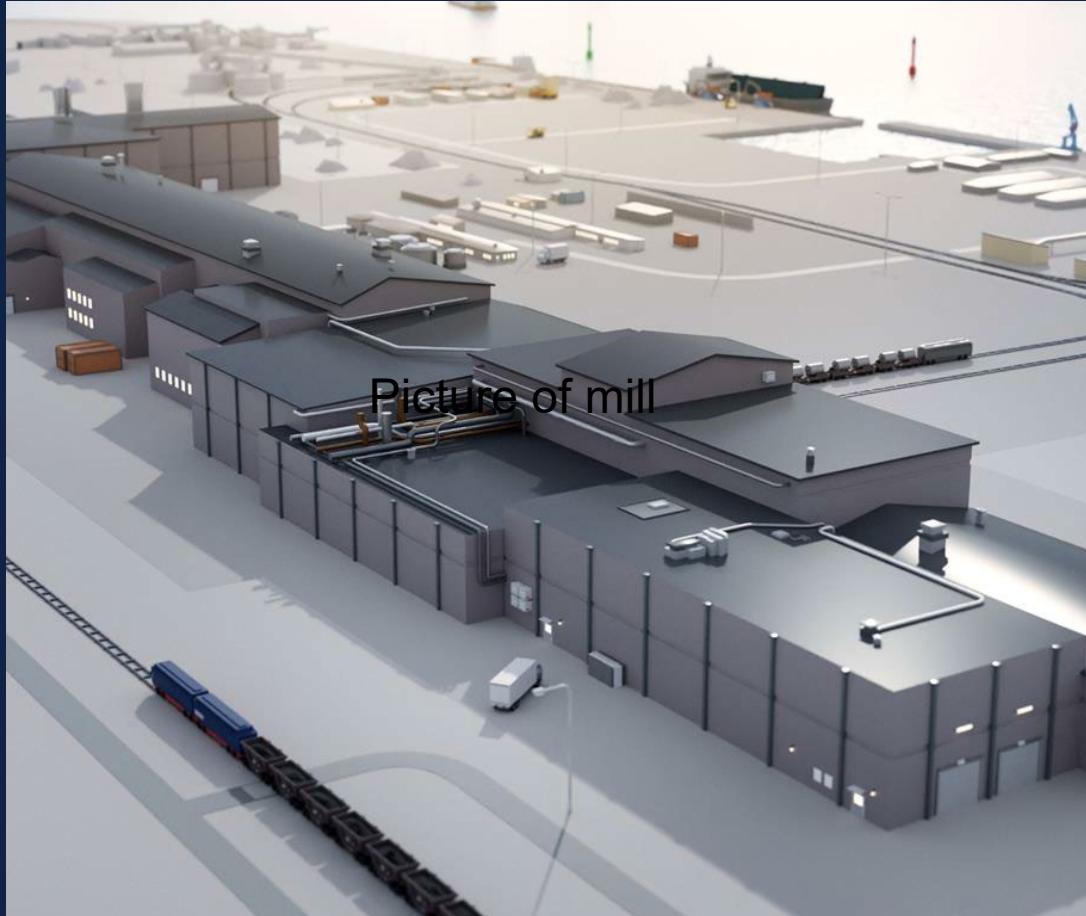
# Oxelösund conversion

- Policy decision in Jan 2022
- Closing down coking plant and 2 blast furnaces
- Construction of Electric Arc Furnace
- New infrastructure for biofuels
- Expansion of scrap handling and efficient material logistics
- Rolling mill and Q&T lines remains
- Large site, ability to run new and old production system in parallel during transition period



# Future footprint - efficient mini-mills and EAFs

Luleå mini-mill



Raahemini-mill



# Raahe mini-mill

- Policy decision in Jan 2022
- Close blast furnace, coking plant and strip mill
- Integrated process – steelmaking and direct rolling in one process line
- Option to add hydrogen DRI (Hybrit)



# Luleå mini-mill

- Policy decision in Jan 2022
- Closing coking plant, blast furnace and steel plant
- Integrated process – meltshop, hot strip mill and cold mill complex in one facility
- Production of high-strength and premium steel for the European market
  - 3<sup>rd</sup> generation of AHSS products
  - New dimensions of AHSS and Q&T products up to 2 meters wide
  - Improved tolerances and new coatings
- Strip products for further processing in SSAB's downstream assets



# Several benefits from transformation to mini-mills

Modelling indicate ~12% lower total cost per tonne after 2030 given current commodity forecasts, including CO<sub>2</sub>

**-12%**

Reduce the fixed cost per ton with ~50%, enabling a much more flexible cost base moving with the business cycle

**-50%**

Total capacity similar as today – with lower cost, higher flexibility and new capabilities enabling volume growth to ~8 million tonnes

**~8 Mt**

New capabilities supporting SSAB's product mix agenda towards 2/3 premium and special steels shipments

**~2/3**

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