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Public affairs
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Strong increase in profit

SSAB today presented its accounts for the first quarter of 2004. Profit after financial items amounted to SEK 723 (414) million.

- These are the best first quarter results we have posted since 1996. The improvement over the preceding year is due to an increased portion of core niche products and lower processing costs, states CEO Anders Ullberg.

- Deliveries of our core niche products have continued to grow strongly, emphasises Anders Ullberg. Deliveries of extra and ultra high-strength sheet increased by 32% compared with the first quarter of last year, primarily due to increases within the heavy transport and automotive sectors in Western Europe and the United States. The corresponding increase in deliveries of quenched steels was 26%. The increased volumes were primarily sold to the crane and construction machinery sectors in Germany, Italy and the United States. The rate of increase is well in line with our strategic goal of increasing volumes of extra and ultra high-strength sheet by 100% and volumes of quenched steel by 50% over a five-year period.

- In absolute terms, our processing costs were lower than during the first quarter of last year. This was thanks to a number of cost-cutting projects which were commenced during the second half of last year, continues Ander Ullberg. In addition, cash flow improved by almost SEK 700 million to SEK 351 (-336) million.

- During 2004, we are continuing to concentrate on our three focus areas: of increasing volumes of core niche products, of maintaining processing costs unchanged, and of creating a strong cash flow. Today’s report demonstrates that the activities and projects carried out are achieving the desired effect at the same time as we are now entering into a period of large increases in the prices of raw materials and steel, emphasises Anders Ullberg.

In conclusion, Anders Ullberg notes that it has been possible to continue to increase plate and sheet prices pending the second quarter. In the agreements entered into thus far, the price increases amount to approx. 8% and are expected to affect approx 50% of delivery volumes. Price increases, though, are not expected to wholly offset the increased raw material costs.