

Q1 2018

report presentation

April 25, 2018

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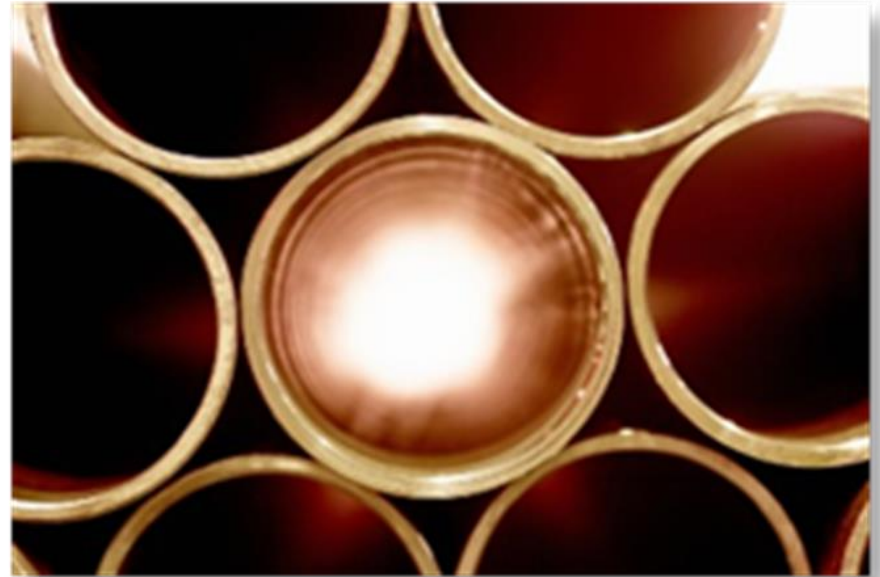
Financial highlights Q1 2018

- Continued commercial momentum drove higher revenues and earnings
- Order intake was higher than the last three quarters, reflecting the continued strong market
- Sales volume was 216 (204) kton, 6 % higher y-o-y, and revenue rose by 16 % to EUR 271 (233) M
- EBITDA before restructuring costs grew by 28 % to EUR 41 (32) M
- The restructuring program continued to deliver ahead of plan
- Cash flow from operating activities amounted to EUR -4 (-3) M. We continued to reduce trade working capital as share of revenue



Business highlights Q1 2018

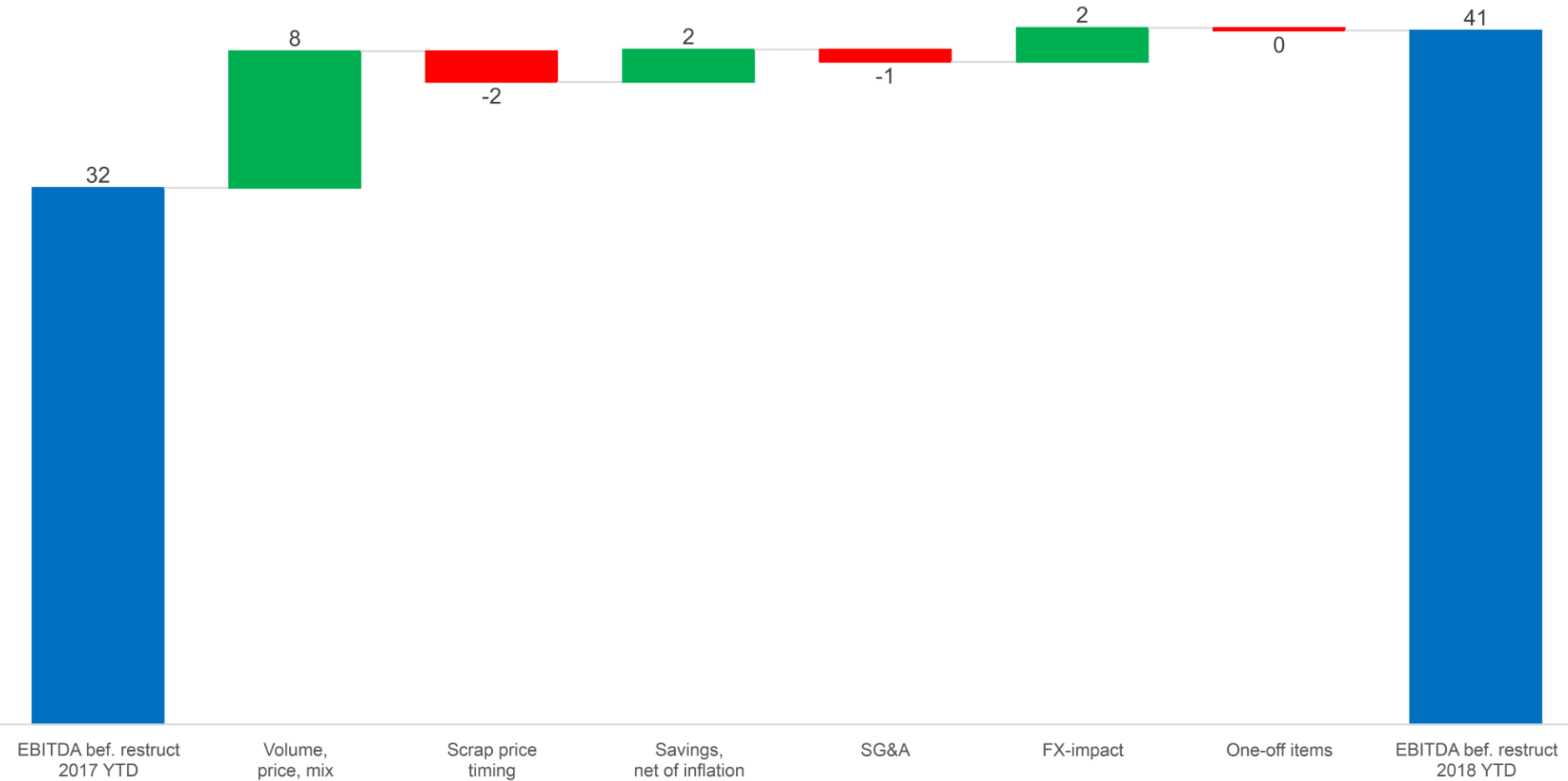
- Nippon Steel & Sumitomo Metal Corporation (NSSMC), one of the world's largest steel producers, has signed an agreement to acquire 100 percent of Ovako*
- Upon closing of the transaction it is Ovako's intention to redeem the Ovako AB (publ) EUR 310 million 5.00 percent senior secured notes, due 2022
- EU received a temporary exemption regarding the US steel and aluminum tariffs. The exemption expires May 1, pending ongoing negotiations
- Ovako launched digital Heat Treatment Guide



**The acquisition is subject to regulatory approval*

EBITDA before restructuring cost; Q1 2017 to Q1 2018

MEUR



Summary of key figures

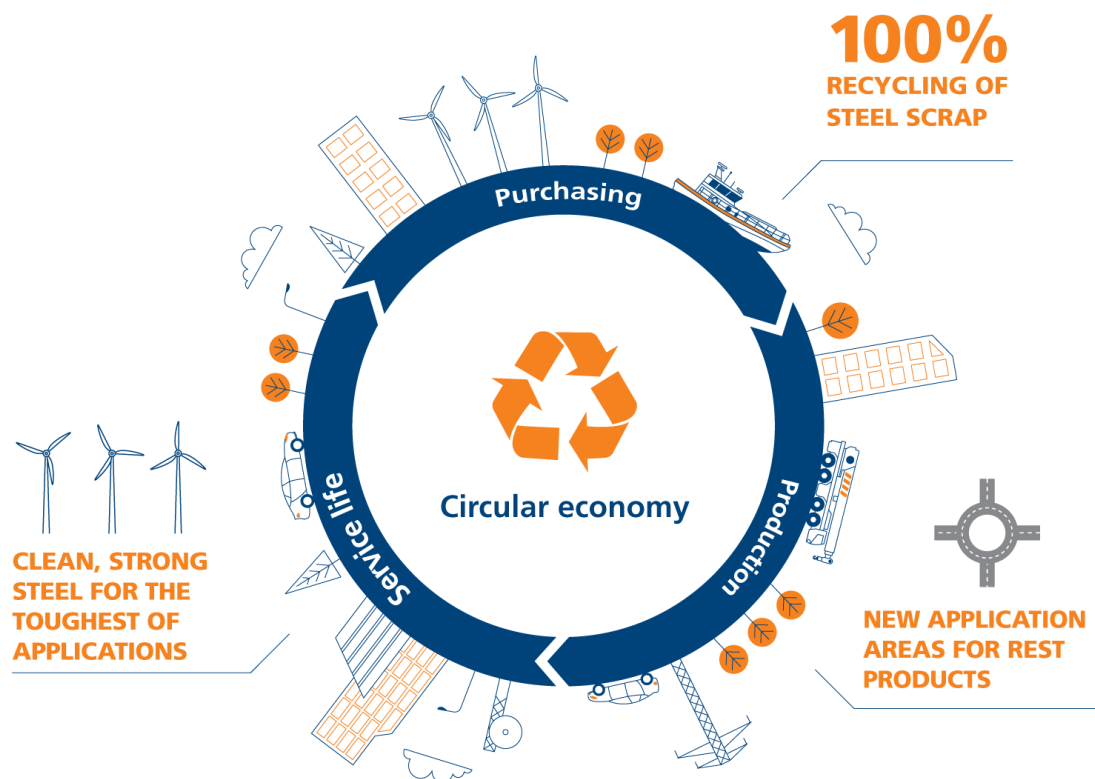
KPI		2018	2017	2017
		Q1	Q1	Full year
Sales volumes	kton	216	204	783
Revenue	EURm	271	233	921
EBITDA before restructuring cost	EURm	41	32	100
<i>Adjusted EBITDA margin</i>		15.3 %	13.7 %	10.8 %
Operating profit (EBITA) before restructuring cost	EURm	34	24	69
<i>Adjusted operating margin (EBITA)</i>		12.6 %	10.3 %	7.4 %
EBIT	EURm	32	21	56
Net profit/loss	EURm	18	11*	15
Cash flow from operating activities	EURm	-4	-3	39
Net debt (excl pension liabilities)/equity ratio		218 %	210 %	219 %
Full time employees at end of period (FTE)	No	3,130	2,839	3,040

*Comparatives have been changed due to restatement of previously reported deferred tax

Short-term outlook

- In light of continued high industrial activity among our customers and a strong order stock, we expect sales volume in the second quarter 2018 to be higher than in the corresponding period last year.

Questions & Answers



Ovako – part of a circular economy