

Report for First Quarter 2015

April 28, 2015

OVAKO

Brief overview Report for First Quarter 1(3)

1. Positive development during the quarter, with an order intake that picked up in pace.

- The quarter began with weak order intake, which gradually improved.
- Order intake was 10 percent lower than in the strong first quarter of 2014.
- Sales volumes were impacted by the weak order intake at the end of last year and decreased by 8 percent compared with the first quarter of 2014. An improved sales mix limited the decrease in revenue to 7 percent
- Low industrial production in Sweden during the first quarter and weaknesses in some volume segments in Germany are two of the main reasons for the variation.

Brief overview Report for First Quarter 2(3)

2. Ovako stands on solid ground in an uncertain market, with an improved product mix and cost control.

- Operating profit before depreciation and amortisation (EBITDA) amounted to EUR 27 (30) million and operating profit (EBIT) amounted to EUR 17 (18) million
- Demand in advanced applications for renewable energy and fuel injection systems was strong in the quarter, affecting the mix in a positive way.
- That together with a good cost control, and an improved exchange rate balanced out most of the negative volume effects. Contribution margin per ton remained strong and stable.

Brief overview Report for First Quarter 3(3)

3. Important and innovative steps have been taken during the quarter to strengthen our customer offer.

- The acquisition of Tibnor Oy means that Ovako can broaden our customer offering in the Finnish market and enhance our contact with end customers regarding all of Ovako's products.
- During the quarter the SZ-Steel® brand for cold climate applications was launched. Ovako has during the last two years completed the introduction of our customer offer with five new brands.

Short-term outlook

- The demand is expected to remain stable compared to the first quarter this year and also compared to the second quarter last year

Summary of First Quarter 2015

First quarter 2015

- The quarter began with weak order intake, which gradually improved. Order intake was 10 percent lower than in the strong first quarter of 2014
- Sales volumes were impacted by the weak order intake at the end of last year and decreased by 8 percent compared with the first quarter of 2014. An improved sales mix limited the decrease in revenue to 7 percent
- Operating profit before depreciation and amortisation (EBITDA) amounted to EUR 27 (30) million and operating profit (EBIT) amounted to EUR 17 (18) million
- Cash flows from operating activities amounted to EUR -5 (5) million
- Steel and metals distributor Ovako Metals Oy Ab (formerly Tibnor Oy) in Finland was acquired on March 31 which has led to a 3 MEUR positive one-off effect on operating profit

Amounts in brackets in this report refer to the corresponding period in the previous year.

Summary of key figures

Group key figures

		2015 Q1	2014 Q1	2014 Full year
Sales volumes	kton	188	204	697
Net revenue	EURm	229	246	862
Operating profit before depreciation (EBITDA)	EURm	27	30	69
EBITDA margin	%	11.7%	12.2 %	7.9 %
Operating profit (EBIT)	EURm	17	18	15
EBIT margin	%	7.2 %	7.3 %	1.7 %
Net profit/loss	EURm	8	8	-15
Earnings per share	EUR	149	162	-302
Cash flow from operating activities	EURm	-5	5	66
Net debt/equity ratio	%	154 %	141 %	152 %
Return on capital employed (ROCE)	%	4 %	4 %	3 %
Full time employees at end of period (FTE)	No.	2,981	2,973	2,925