

CEO's review

Heikki Malinen, President and CEO

March 31, 2021

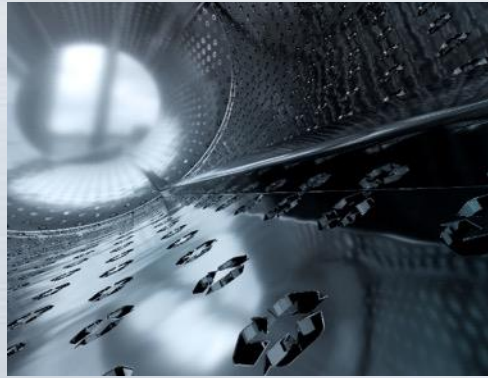
Outokumpu Annual General Meeting 2021

CEO's review

- Outokumpu as a company
- Market environment
- Sustainability
- Financial review
- Strategy
- Questions & answers

Outokumpu as a company

Stainless steel steers society towards more sustainable consumption



- Corrosion resistant
- Heat resistant
- High strength
- Hygienic
- Aesthetic
- Recyclable
- Cost efficient
- Durable

The world needs hygienic, recyclable and durable materials

Population and economic growth

- Healthcare
- Clean water
- Appliances

Urbanization

- Infrastructure and construction
- Traffic, trains and bridges

Climate change and limited resources

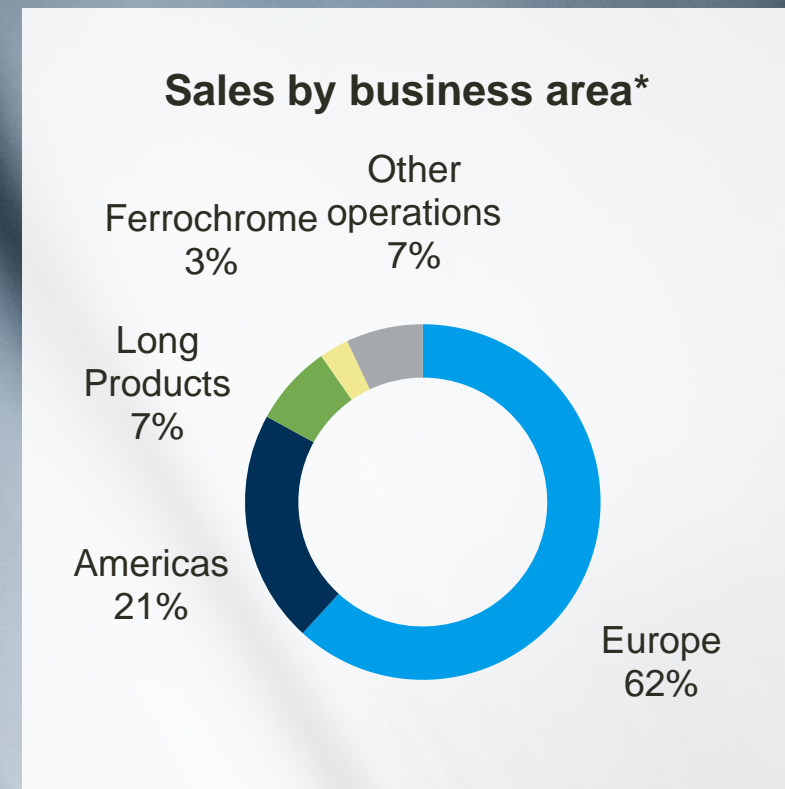
- Energy investments
- Resource efficiency

Stainless steel is sustainable

- Long-lasting, endlessly recyclable materials

Outokumpu – The leading producer of sustainable stainless steel globally

Outokumpu in 2020



* Outokumpu in 2020

Flat stainless steel products and ferrochrome are Outokumpu's core businesses

Flat products

Business areas Europe and the Americas produce flat stainless steel products that can be used diversely for different purposes in different industries.



Ferrochrome

Ferrochrome is an important raw material in the production of stainless steel, and Outokumpu owns the only chrome mine in Europe located in Kemi, Finland.



A vast product portfolio and extensive offering of specialty grades for demanding circumstances

**Standard
products 70%**



- Automotive
- Appliances
- Consumer durables

**High-value
products 30%**

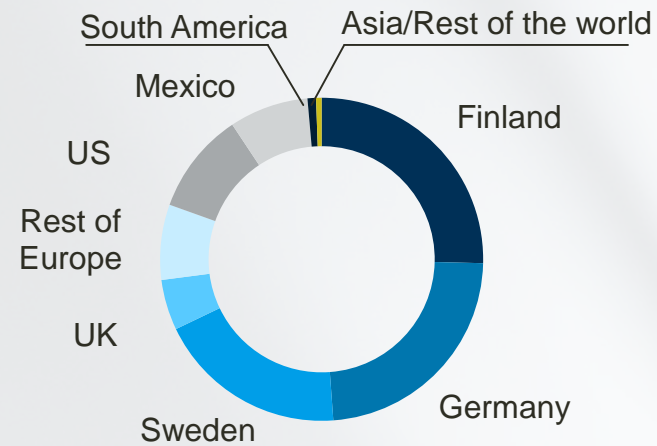


- Process industry
- Construction
- Oil and gas industry

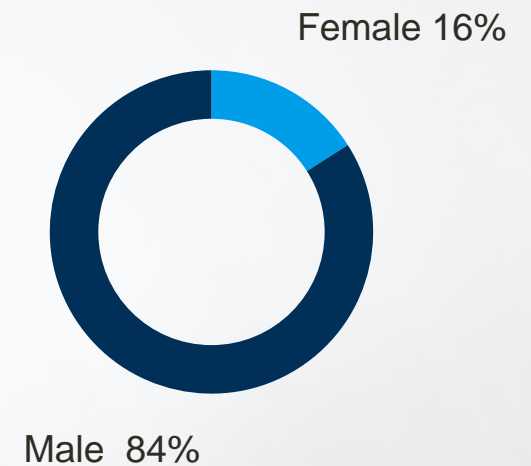
Competent personnel guarantees our success



Personnel distribution by country in 2020



Personnel distribution by gender in 2020



Market environment

In 2020, the operating environment was exceptionally challenging

The COVID-19 pandemic impacted demand

Low priced imports from Asia took market share

Prices were historically low in Europe

Ferronickel and stainless steel production in Asia has grown immensely

Asia

- Significant overcapacity
- Capacity is export-driven and maintained by state subsidies



North America

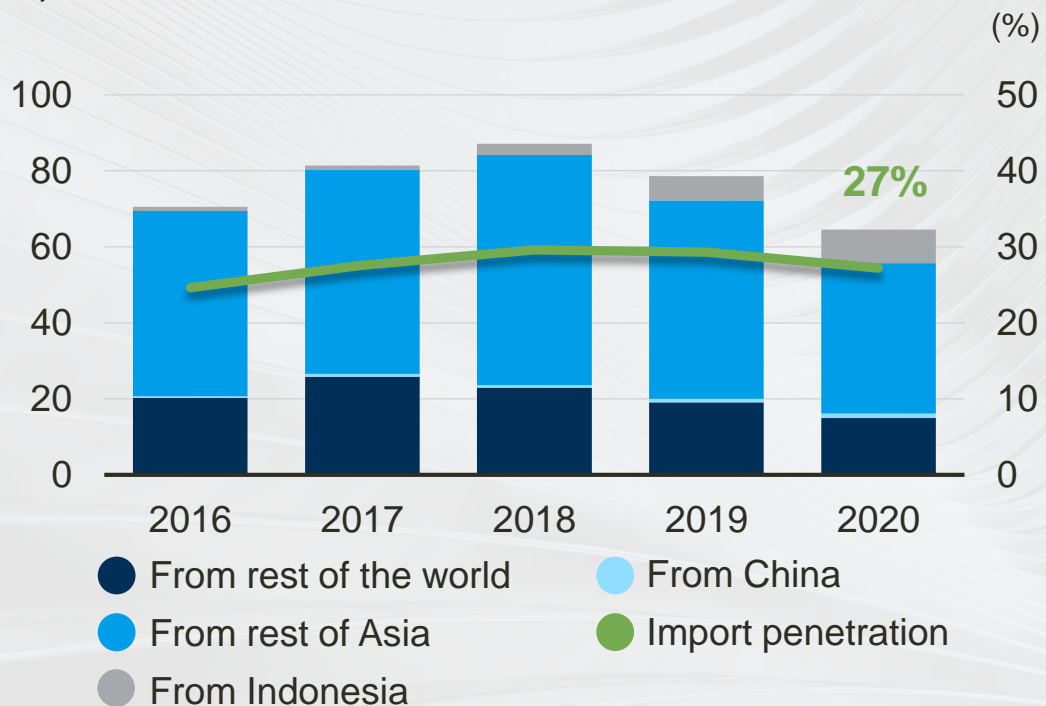
- Low level of imports after U.S. import tariffs (Section 232) in 2018
- Aggressive implementation of protection measures

Europe

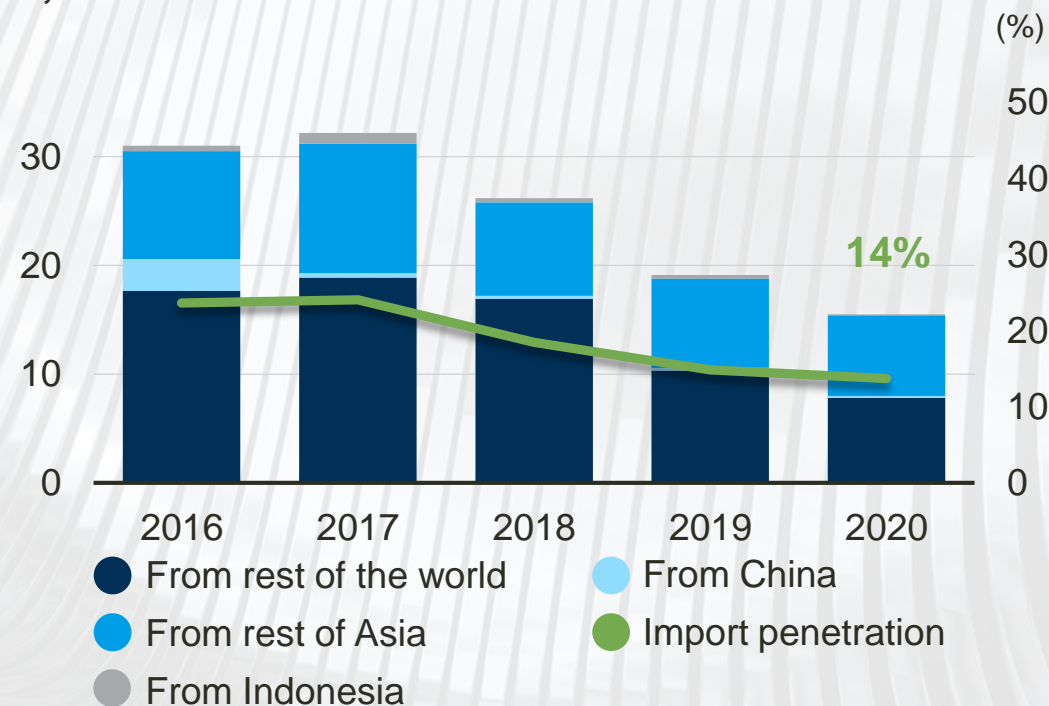
- Import pressure from Asia
- Import quotas set in 2018 after U.S. import tariffs
- Other protection measures (China, Indonesia, Taiwan)
- Cautious implementation of protection measures

Imports into Europe have remained at a high level

Cold-rolled steel imports¹ into Europe, 1,000 tonnes



Cold-rolled steel imports² into the United States, 1,000 tonnes



1. Cold rolled, monthly average. Source: Eurofer, March 2021

2. Cold rolled, monthly average. Source: Foreign Trade Statistics, American Iron & Steel Institute, February 2021

All available tools for use to ensure fair competition and a sustainable future

European safeguards
(import quotas)

Anti-dumping
duties

Anti-subsidy
duties

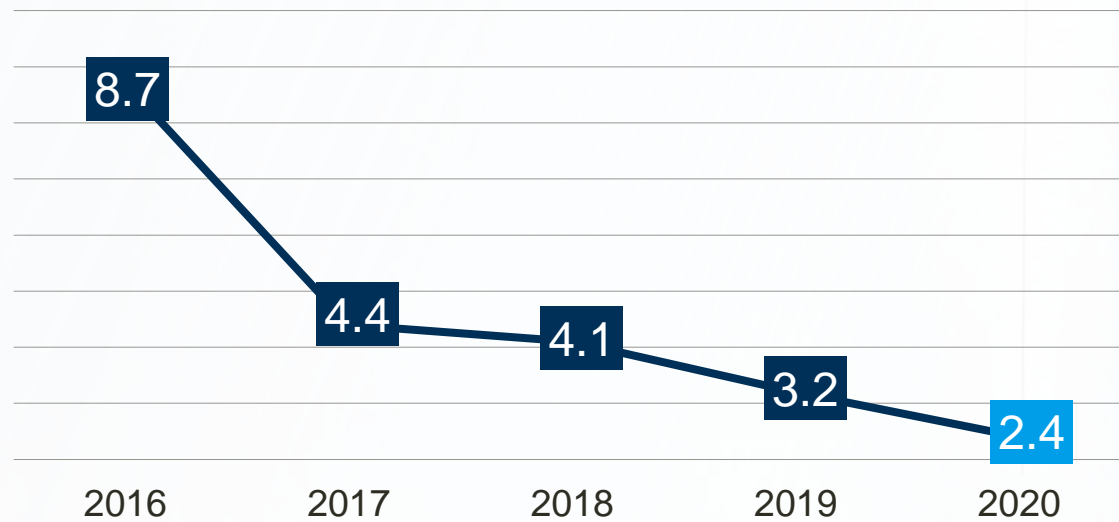
Carbon border
adjustment



Sustainability

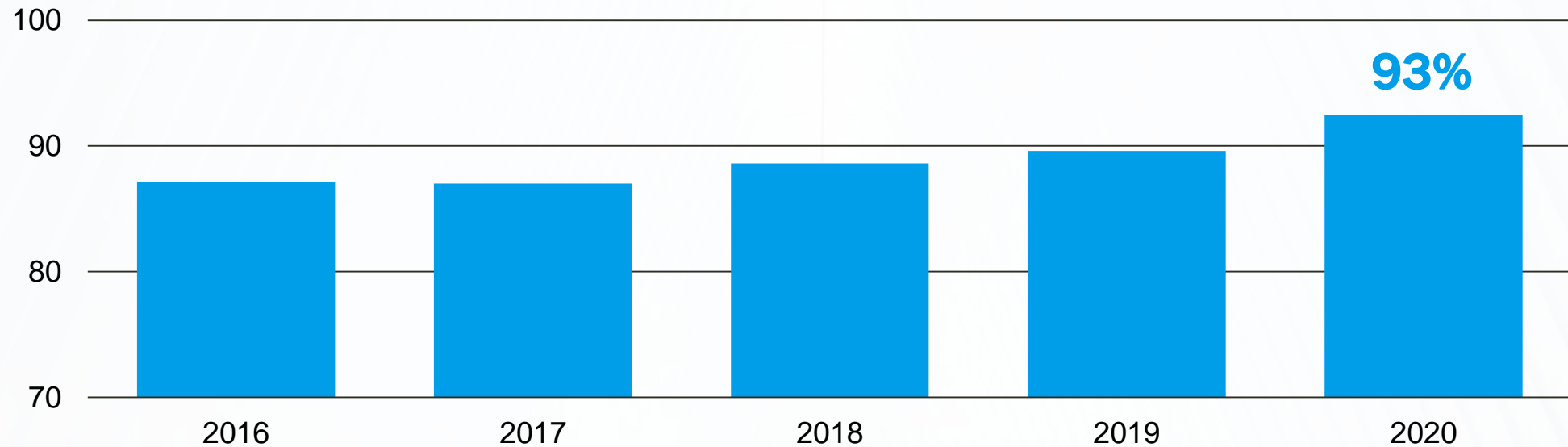
The best occupational safety results in history despite the pandemic

Number of total recordable incidents per million working hours



Recycled content at a record-breaking level – the highest recycled content in the industry

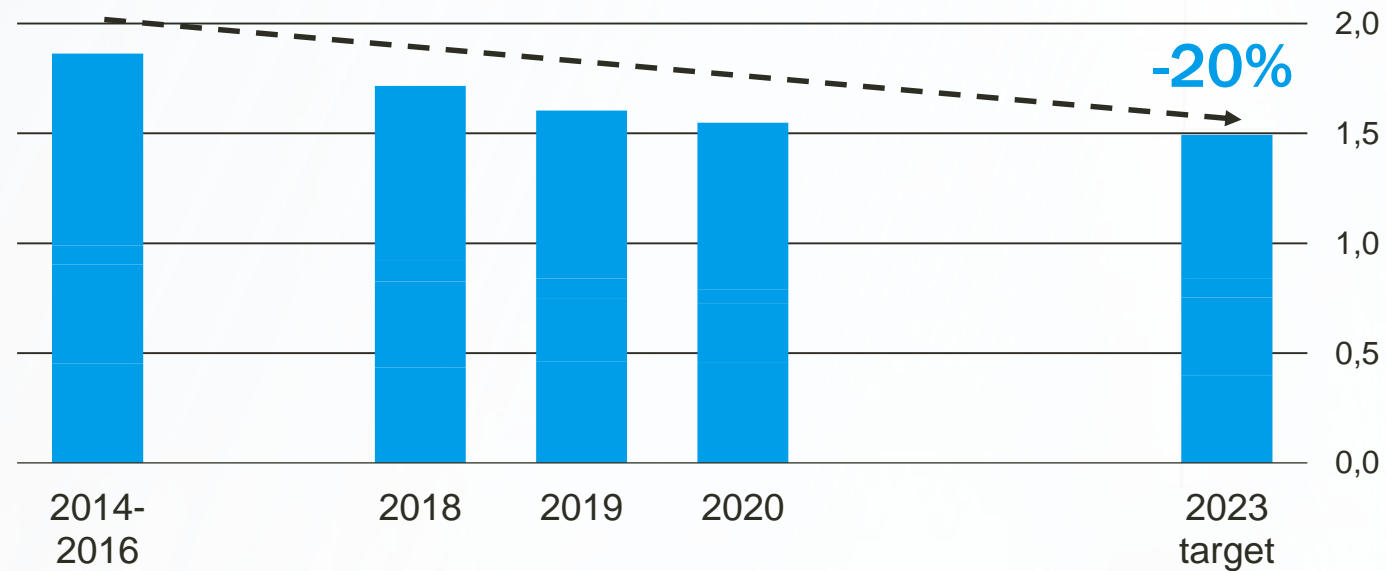
Recycled content in production (%)



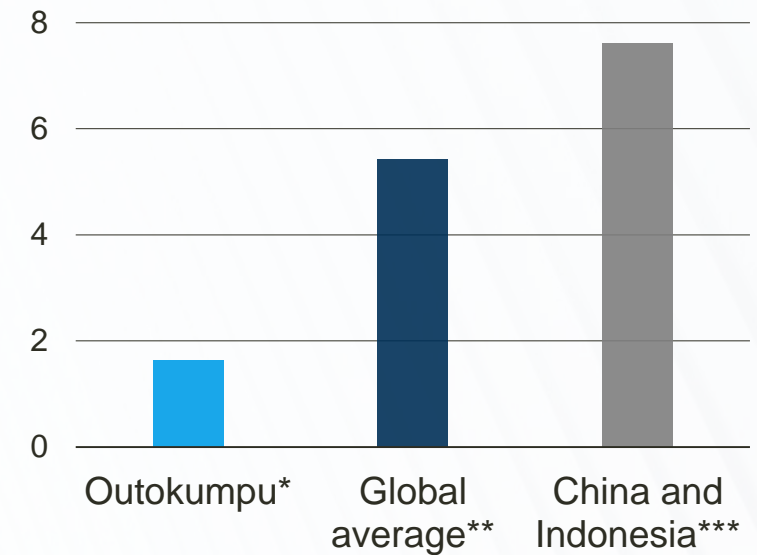
Only one fifth of the Asian producers' CO2 emissions

The aim is to reduce our carbon footprint by 20% by 2023 and achieve carbon neutrality by 2050¹

Our CO2 emissions per tonne of steel



Other producers' CO2 emissions per a tonne of steel



1) Our commitment to carbon neutrality includes both direct and indirect emissions. We engage in close cooperation with our suppliers regarding our raw material production and transport to ensure that our suppliers identify their opportunities to reach carbon neutrality by 2050.

*) Source: Outokumpu January 2020

**) ISSF's study from 2018 and the figures for China and Indonesia

***) Outokumpu estimate

Sustainable supply chain

- We are developing the monitoring of our supply chain further
- We increase the transparency of our procurement and monitoring

Ferronickel supplier Vale in Brazil

- Independent on-site audit
- Regular reviews of the situation
- We influence on the basis of our commercial relationship

Financial review

Pia Aaltonen-Forsell, CFO

The financial review of the year 2020

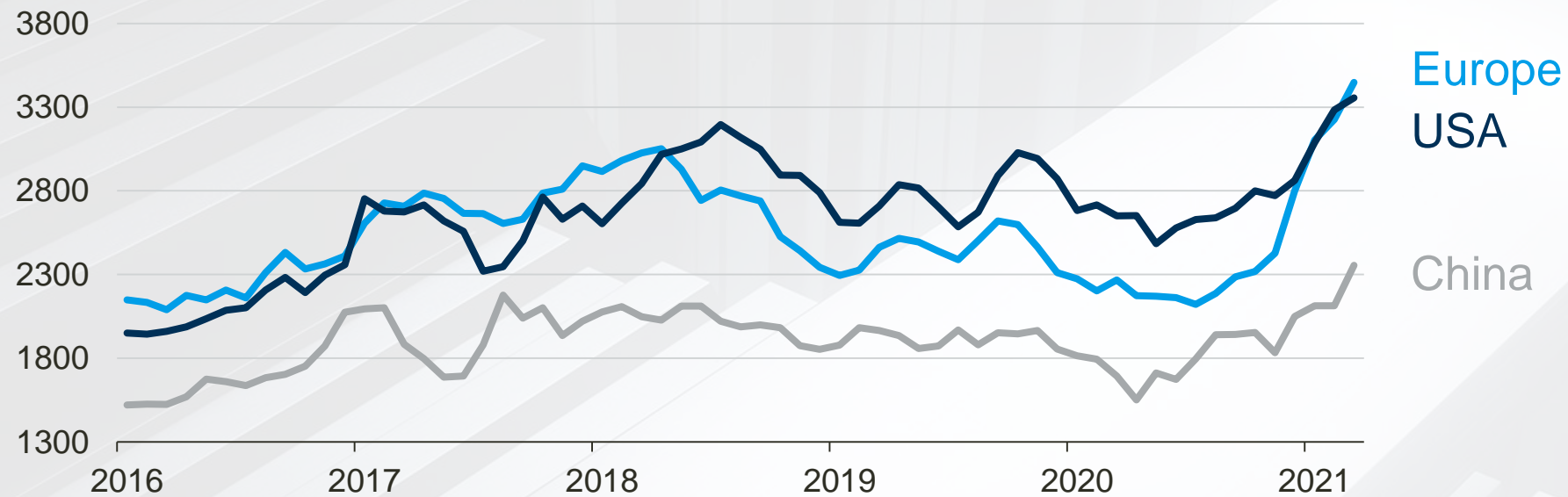
- Financial development almost at 2019 level despite the pandemic
- Stabilizing financial position
- Strong cash flow
- Lower net debt, we continue to strengthen our balance sheet
- We are executing the first phase of the new strategy

Group key figures

		2020	2019
Stainless steel deliveries	1,000 tonnes	2,121	2,196
Net sales	EUR million	5,639	6,403
Adjusted EBITDA	EUR million	250	263
Net income/loss	EUR million	-116	-75
Earnings per share	EUR	-0.28	-0.18
Cash flow from operations	EUR million	322	371
Interest-bearing net debt	EUR million	1,028	1,155
Debt-to-equity ratio	%	43.6	45.1
Personnel at the end of the period		9,915	10,390

Stainless steel prices have strengthened significantly lately

Transaction prices, 304 grade, stainless steel, USD per ton

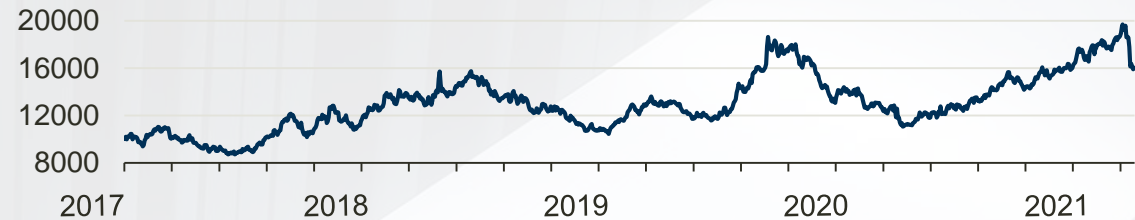


Global competition requires stronger competitiveness

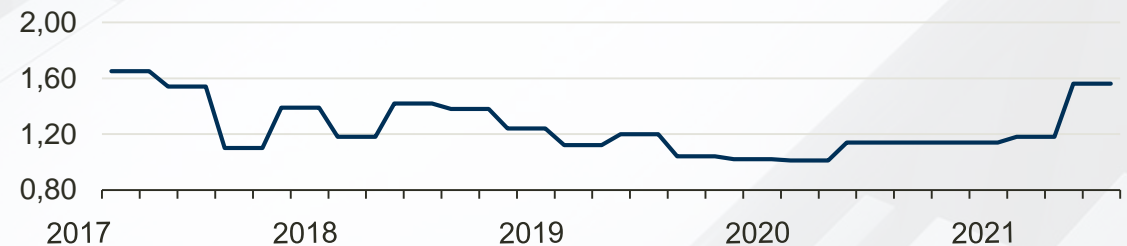
Cost structure

- Raw materials 60%
- Energy and consumables 10–15%
- Personnel expenses 10–15 %

Nickel prices, USD per ton



Ferrochrome prices, USD per pound



Significant cost savings supported profitability in 2020

Group adjusted EBITDA, EUR million



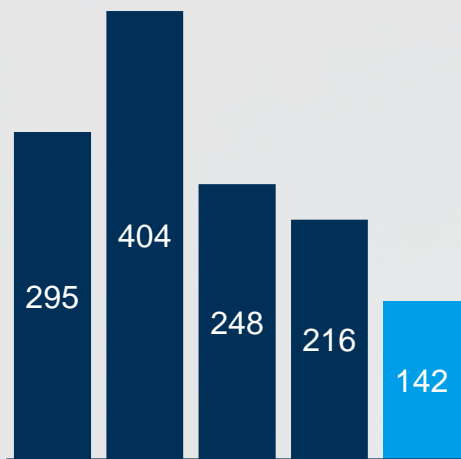
Year 2020 compared to 2019

- Demand was weaker and stainless steel deliveries decreased by 3%
- Prices were significantly lower especially in Europe but also in Americas
- We lowered our cost level

Adjusted EBITDA development by business area, EUR million

Europe

Downward trend must be turned around

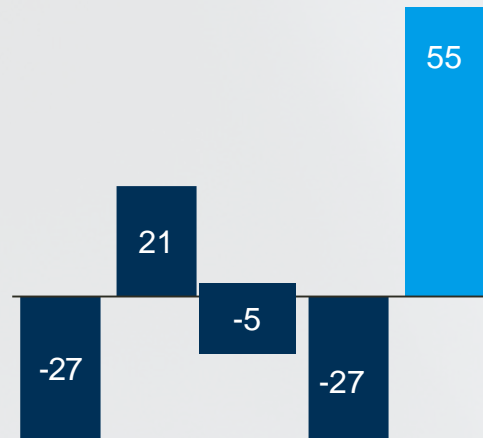


2016 2017 2018 2019 2020

EUR million

Americas

Profitability improved already significantly

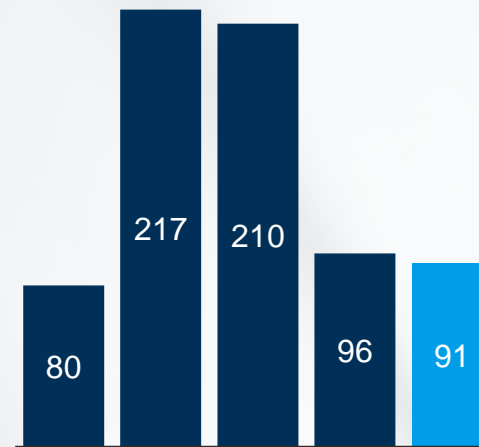


2016 2017 2018 2019 2020

EUR million

Ferrochrome

Successful maintenance break

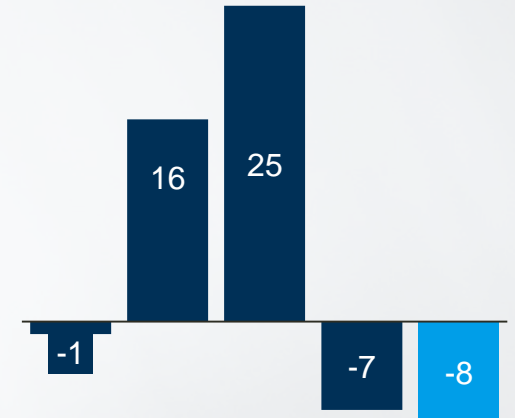


2016 2017 2018 2019 2020

EUR million

Long Products

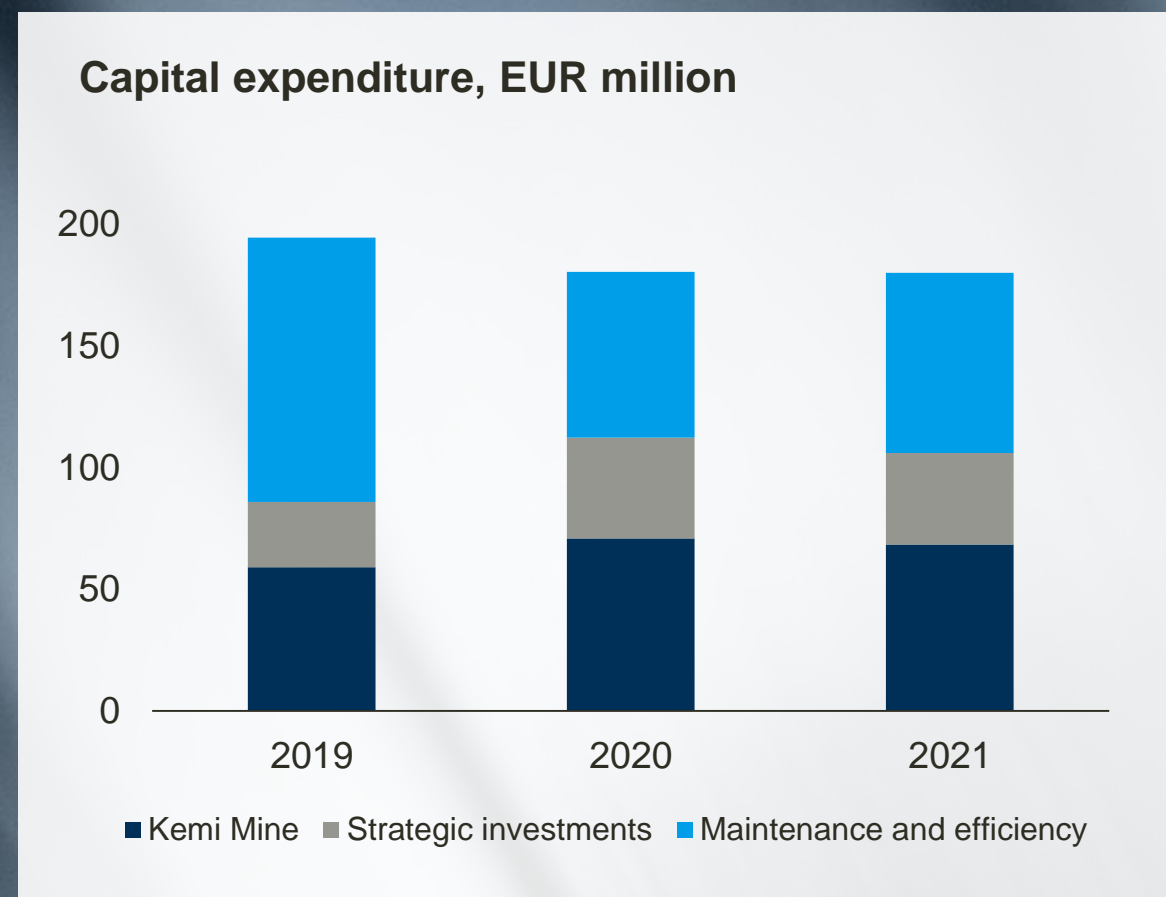
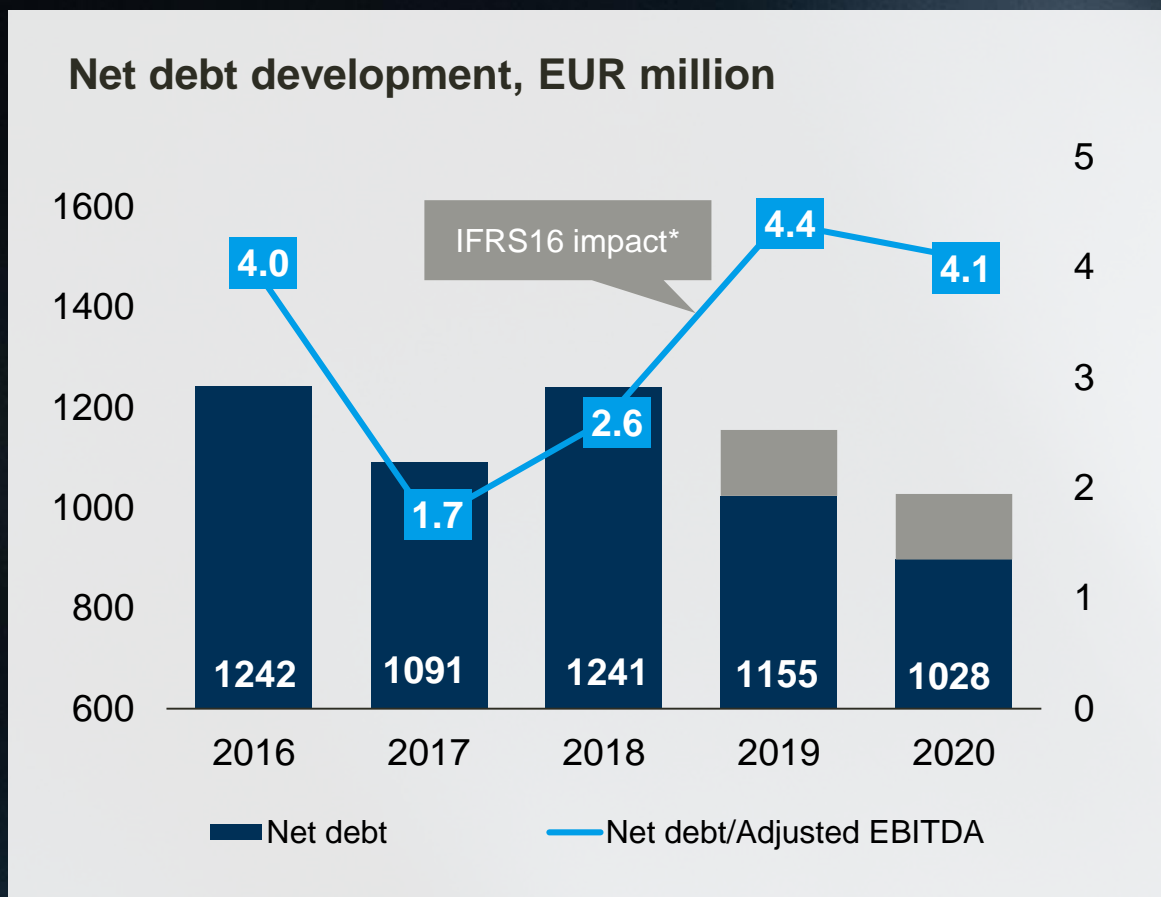
The turnaround has started



2016 2017 2018 2019 2020

EUR million

Despite the exceptionally challenging year, we managed to decrease our net debt



1. * Implementation impact on January 1, 2019 EUR 131 million.

Outlook for Q1/2021

The stainless steel market has begun to recover after the global downturn caused by the COVID-19 pandemic.

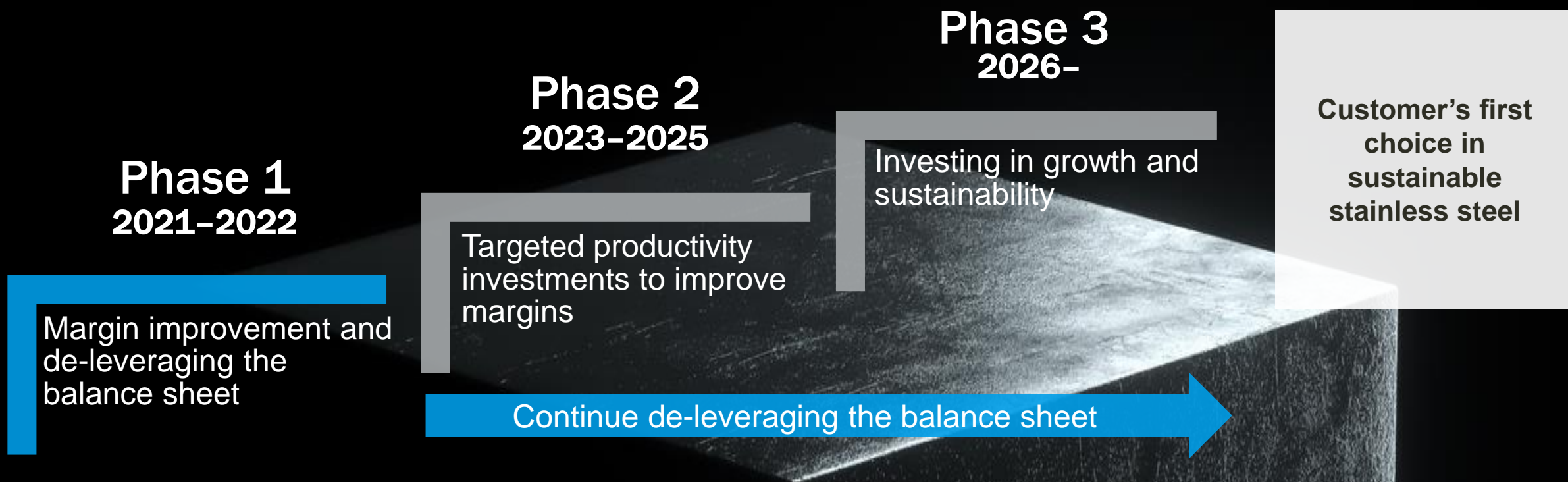
The demand for stainless steel is strengthening, and both business areas Europe and Americas are expected to see a seasonal increase in volumes.

Consequently, Outokumpu expects its stainless steel deliveries for the whole Group to increase in the first quarter by 10–20% compared to the fourth quarter.

Adjusted EBITDA for the first quarter of 2021 is expected to be higher compared to the fourth quarter of 2020.

Strategy

The new three-phase strategy was launched in November 2020, in the first phase we are de-risking the company



Key focus areas require determined implementation to improve performance

Key focus areas in the strategy

Customer excellence

Cost and capital discipline

Lean and agile organization



Group-level targets

**€200
million**
EBITDA
improvement*

<3.0x
Net debt /
EBITDA

*run-rate improvement from actions by year-end 2022.

Our experienced and competent management team is responsible for the strategy execution



Heikki Malinen
President & CEO



Pia Aaltonen-Forsell
CFO



Thomas Anstots
Executive Vice President, Commercial,
Business Area Europe



Niklas Wass
Executive Vice President, Operations,
Business Area Europe



Tamara Weinert
Acting President, Business Area Americas



Martti Sassi
President, Business Area Ferrochrome



Johann Steiner
Chief Human Resources Officer



Stefan Erdmann
Chief Technology Officer & Sustainability

Customer's first choice as a provider of sustainable stainless steel

Strategy

Phase 1 in 2021–2022
De-risking the company

Expertise

Committed and competent personnel
First-class occupational safety

Sustainability

Emissions, energy, supply chain

Questions & answers