



# In 2022, Outokumpu delivered the best result in its history

Heikki Malinen, President and CEO

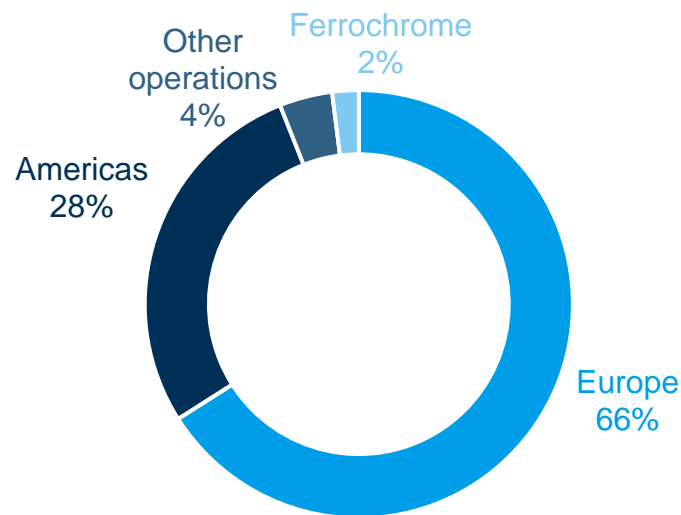
# Outokumpu is the leading producer of sustainable stainless steel globally

Outokumpu's successful year 2022\*

<p>Net sales</p> <p><b>9.5</b></p> <p>EUR billion</p>	<p>Stainless steel deliveries</p> <p><b>2.1</b></p> <p>million tonnes</p>	<p>Adjusted EBITDA</p> <p><b>1,256</b></p> <p>EUR million</p>
<p><b>94%</b></p> <p>recycled content in production, lowest carbon footprint in the industry</p>	<p>Operations in over</p> <p><b>30</b></p> <p>countries</p>	<p>Personnel</p> <p><b>8,357</b></p>

\*continuing operations

Sales by business area\*



# Outokumpu's core business is stainless steel flat products and ferrochrome

## Stainless steel flat products

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

## Ferrochrome

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

Outokumpu  
divested its Long  
Products  
business in the  
beginning of  
2023

# Global megatrends move society towards sustainable solutions, supporting the demand for stainless steel



## Population and economic growth

- Appliances
- Medicine
- Clean water



## Urbanization

- Automotive
- Infrastructure and construction
- Bridges



## Climate change and limited resources

- Energy investments
- Hydrogen
- Resource efficiency

# Outokumpu has a wide customer base, which consists of both direct end customers and distributors

Net sales split in 2022



- End customers 53%
- Distributors 47%

**Miele**

FISKARS  
◆  
GROUP

Valmet 

klöckner & co

**HARVIA**  
Sauna & Spa

  
**GRUNDFOS**



A | S  
—  
G | G

**STELA**  
TUBE

Knight Architects

## Majority of business area Europe's sales goes directly to end customers, while the United States is a very distributor dominant market

	Standard products		Advanced products*	
	Direct sales	Indirect sales (distributors)	Direct sales	Indirect sales (distributors)
Business area Europe	<b>80%</b>	<b>20%</b>	<b>90%</b>	<b>10%</b>
Business area Americas	<b>20%</b>	<b>80%</b>	-	-

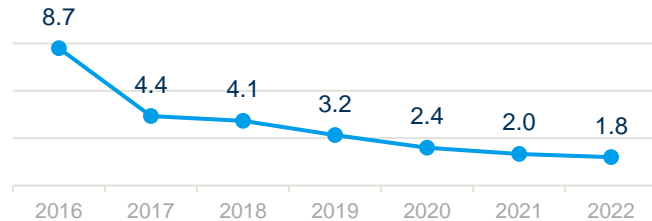
\*Business area Europe sells advanced products also outside Europe. Business area Americas' advanced product sales are only a small portion of the whole sales.

# Competent personnel is our most important asset

## Safety performance at top level

Only 1.8 recordable incidents per million working hours in 2022

- Our ultimate target is zero accidents
- Total recordable injury frequency rate has improved continuously since 2016



## Diversity, equity and inclusion

In 2022, we completed our first global inclusion survey and set targets for year 2025:

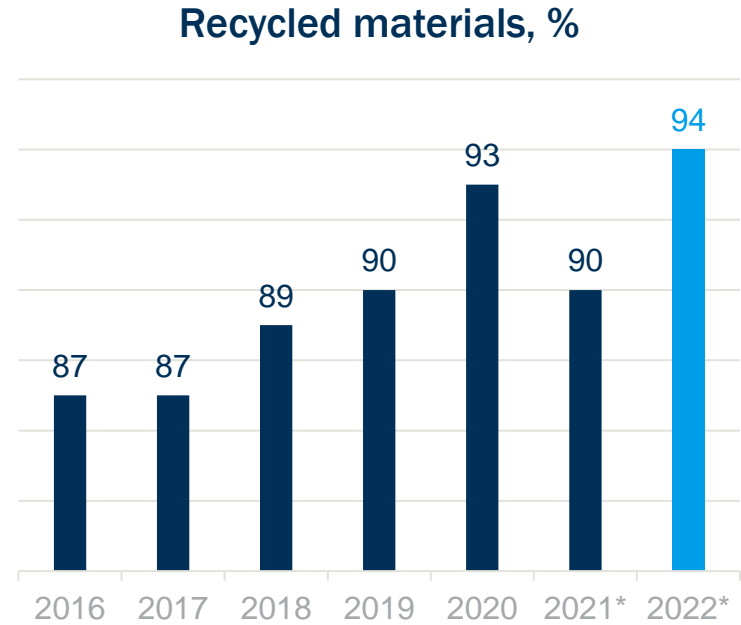
- Diverse leaders to leadership teams
- Equal access to opportunities
- Strengthen culture where everyone feels welcome

Wellbeing of the personnel is measured regularly with surveys.

# As the sustainability leader in its industry, Outokumpu's business is based on circular economy

## Outokumpu further improved its position in 2022

- Recycled material content of Outokumpu's stainless steel was the highest in the industry, 94%
- Emission intensity target was reached
- Energy efficiency was negatively affected by lower volumes and energy usage optimization
- 91% of Outokumpu's sales is both eligible and aligned with the EU taxonomy

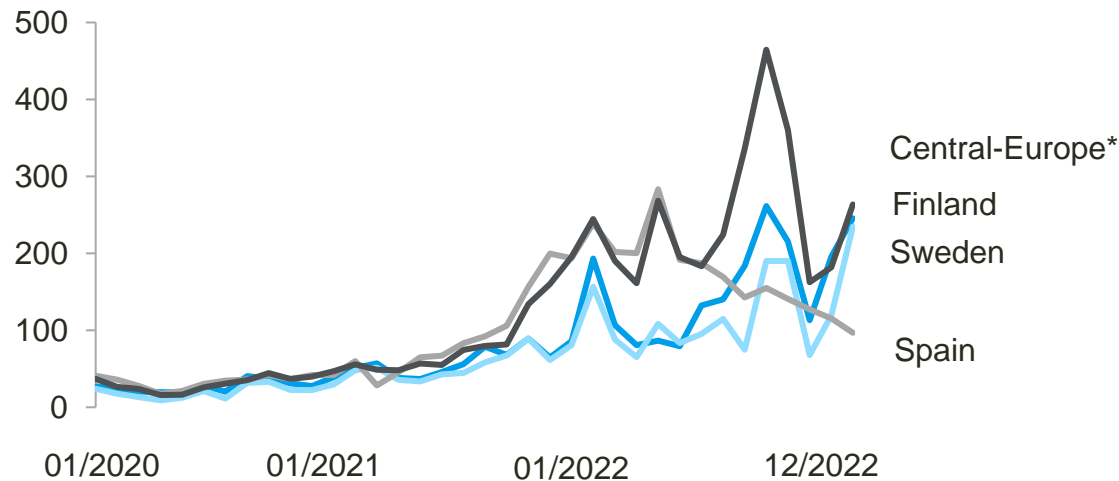


\*continuing operations



# Affordable electricity has been a competitive advantage in the Nordics, cost competitive and carbon-free energy is needed also going forward

## Electricity price development EUR/MWh



\*Average of prices in Germany, Belgium and France

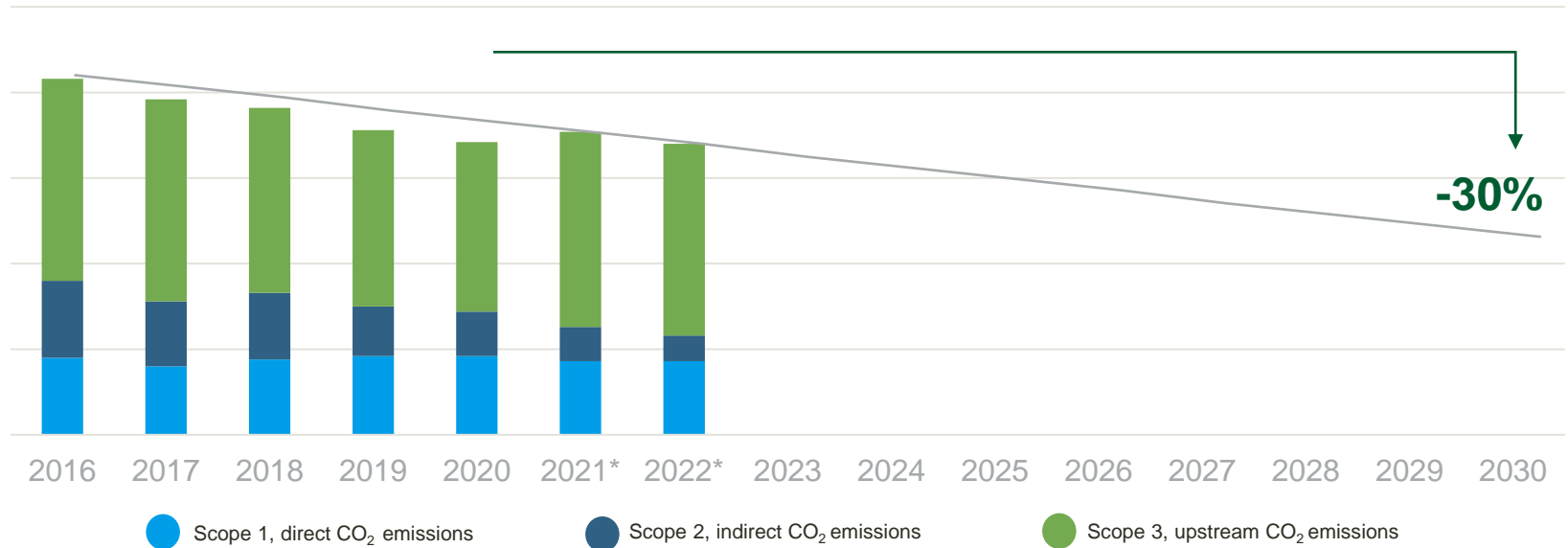
## Collaboration between Outokumpu and Fortum

- Outokumpu and Fortum have agreed to explore the use of Small Modular Reactors (SMR) for industrial needs
- Energy produced with SMR-technology is both emission free and independent of weather conditions
- One possible option for the location of the small nuclear power plant would be Tornio region in Finland, where Outokumpu's largest mill is located

# We have successfully reduced our CO<sub>2</sub> emissions in line with the Science-Based Targets initiative's 1.5°C climate target

Emission intensity [t CO<sub>2</sub> / t crude steel]

## Outokumpu's CO<sub>2</sub> emission intensity



# Record year 2022 and net debt free balance sheet

**Adjusted EBITDA**  
**EUR 1.3 billion**

**Return on capital  
employed 22.6 %**

**Earnings per share**  
**EUR 2.40\***

# All business areas delivered strong annual results

## Europe

**Adjusted EBITDA  
EUR 680 million**

- Solid profitability
- Successful customer-focused sales

## Americas

**Adjusted EBITDA  
EUR 384 million**

- Turnaround of the business area strengthened
- Extremely strong safety performance

## Ferrochrome

**Adjusted EBITDA  
EUR 220 million**

- Energy usage optimization in difficult conditions

# Outokumpu's three-phase strategy enables strong shareholder returns



## Industry leader in green innovations



We introduced Outokumpu Circle Green - stainless steel with up to 92% lower carbon footprint than global average

”

*Collaboration with Outokumpu is a great example of pioneering design applied at every step of the product's journey; from innovative, lower emission raw materials to long-lasting, quality cookware.*

Nathalie Ahlström,  
President and CEO, Fiskars Group

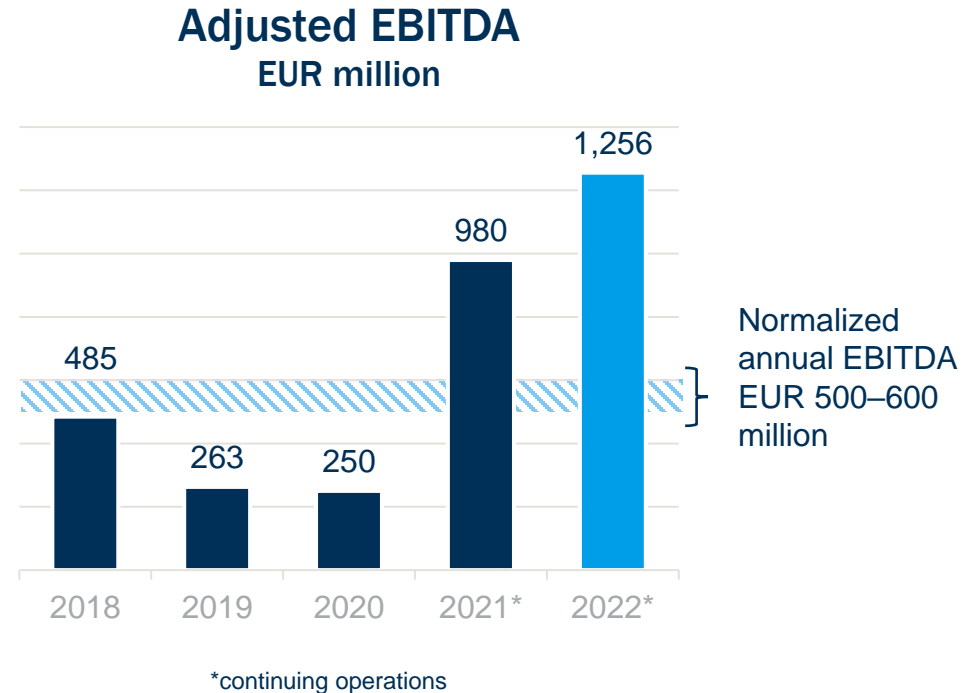


# We are financially stronger than ever

Pia Aaltonen-Forsell, CFO

# Outokumpu delivered record results in 2021 and 2022 in the exceptionally strong market environment

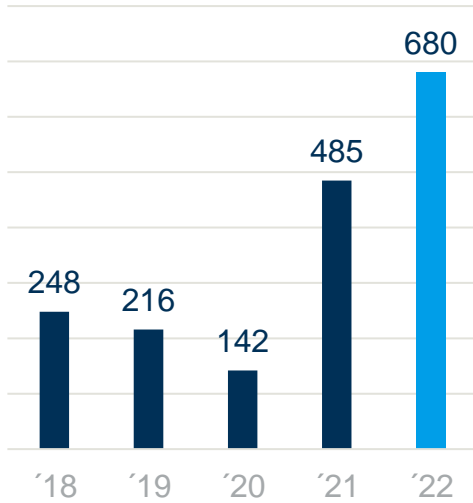
- Stainless steel industry is cyclical, and this causes volatility in the company's earnings
- Strong market environment in the first half of 2022, clear weakening in the second half – cycle seems to have turned
- As part of our strategy, we have improved our EBITDA run-rate: normalized annual EBITDA is around EUR 500–600 million



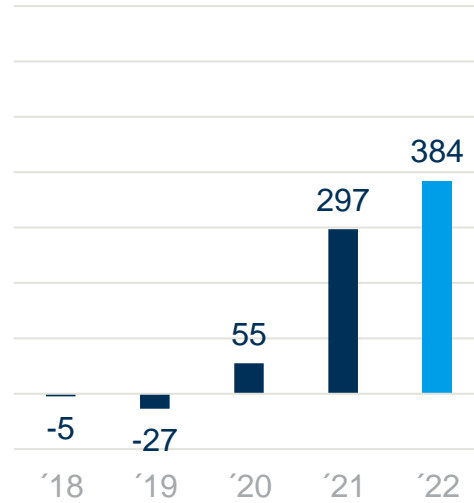


# In 2022, both stainless business areas delivered their best result in history

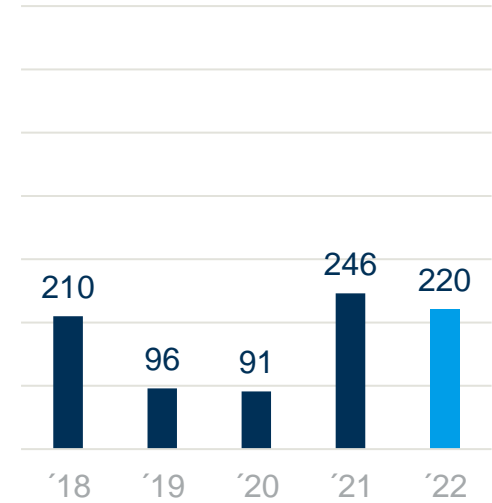
Business area  
Europe



Business area  
Americas



Business area  
Ferrochrome

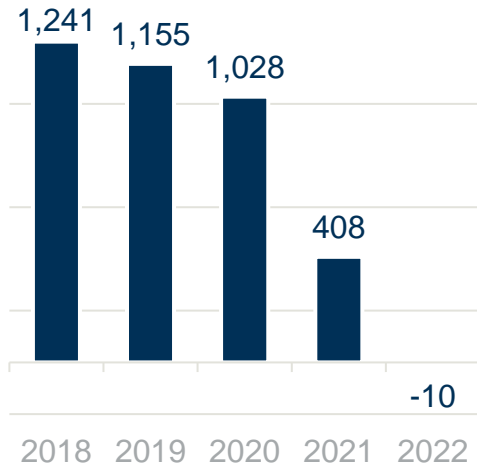


## Strongest balance sheet in the industry

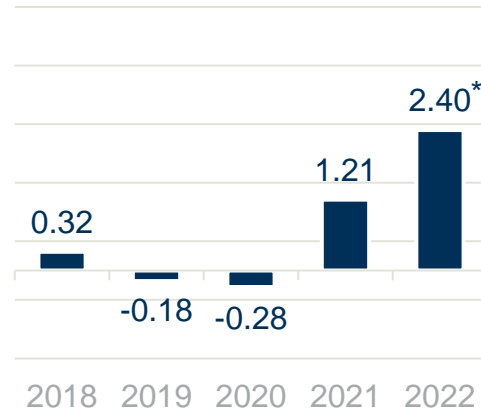
- Net debt was negative by EUR 10 million at the end of 2022
- Overall liquidity reserves were EUR 1.4 billion at the end of 2022
- At the end of year 2022 Outokumpu had EUR 800 million of committed credit facilities fully unutilized
- No commercial paper funding at year-end
- EUR 100 million share buyback program launched in November was completed on March 24, 2023

# We are now net debt free and made record earnings per share in 2022

## Net debt, EUR million



## Earnings per share, EUR



\*Includes EUR 0.67 positive one-off impact from the recognition of the deferred tax assets in BA Americas



# In the second phase of the strategy, we strengthen the core, reduce CO<sub>2</sub> emissions and focus on shareholder returns

Updated financial targets for years 2023-2025

Net debt to EBITDA

**<1.0x**

in normal market conditions

EBITDA run-rate improvement

**EUR 200 million**

CAPEX over the next 3 years

**EUR 600 million**

**Stable and growing  
dividend**



# Outokumpu is now able to create value in changing conditions

Heikki Malinen, CEO

# Why invest in Outokumpu

**Stainless steel is a  
healthy market**


**Well-defined  
strategy**

**Improved financial  
and risk profile**

**Industry leader in  
sustainability**

**Market and cost  
leader in stainless  
sector**

**Stable shareholder  
returns**



**Increased focus on  
shareholder returns –  
close to EUR 252  
million is returned to  
shareholders**

**Outokumpu's Board of Directors has proposed to the Annual General meeting that for year 2022**

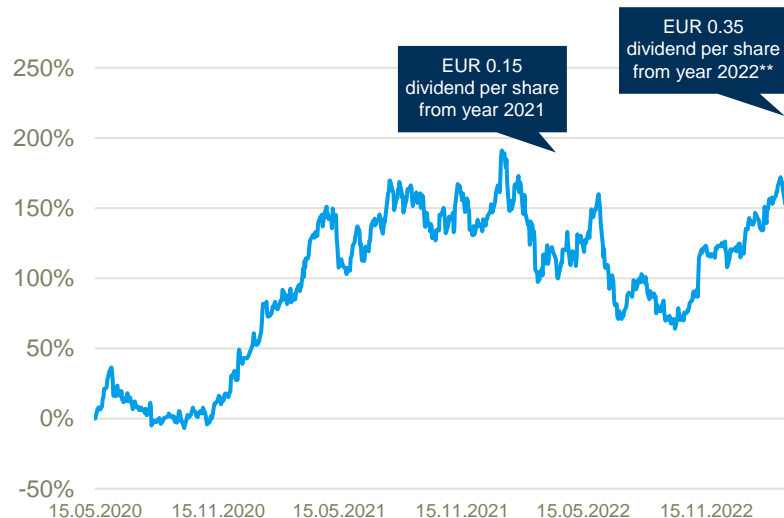
- a base dividend of EUR 0.25 per share will be paid according to dividend policy, plus
- an extra dividend of EUR 0.10 per share will be paid due to exceptionally strong financial results

**A total of EUR 0.35 per share**

- Total dividend amount of EUR 152 million
- Share buyback program of EUR 100 million

# Outokumpu creates value to its shareholders

## Total shareholder return, %\*



## Total shareholder return\*

# +150%

(Total return = Share price appreciation and paid dividends\*\*)

\*May 15, 2020 – March 24, 2023 (index = May 15, 2020)

\*\*Includes the assumption that the Annual General Meeting 2023 approves the dividend proposal of EUR 0.35 per share for 2022 by the Outokumpu Board of Directors.





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