



Outokumpu Oyj Annual General Meeting 2023

March 30, 2023



Opening of the meeting

Item 1 on the agenda

Kari Jordan, Chairman of the Board of Directors



Calling the meeting to order Item 2 on the agenda

**Election of persons to
scrutinize the minutes and
to supervise the counting of
votes**
Item 3 on the agenda



Recording the legality of the meeting Item 4 on the agenda

Recording the legality of the meeting

The notice to the Annual General Meeting was published as a stock exchange release and on Outokumpu's web pages on February 9, 2023.



**Recording the attendance
at the meeting and the
adoption of the list of votes
Item 5 on the agenda**

Presentation of the annual accounts, the review of the Board of Directors and the auditor's report for the year 2022

Item 6 on the agenda

CEO's and CFO's review, President and CEO Heikki Malinen and CFO Pia Aaltonen-Forsell

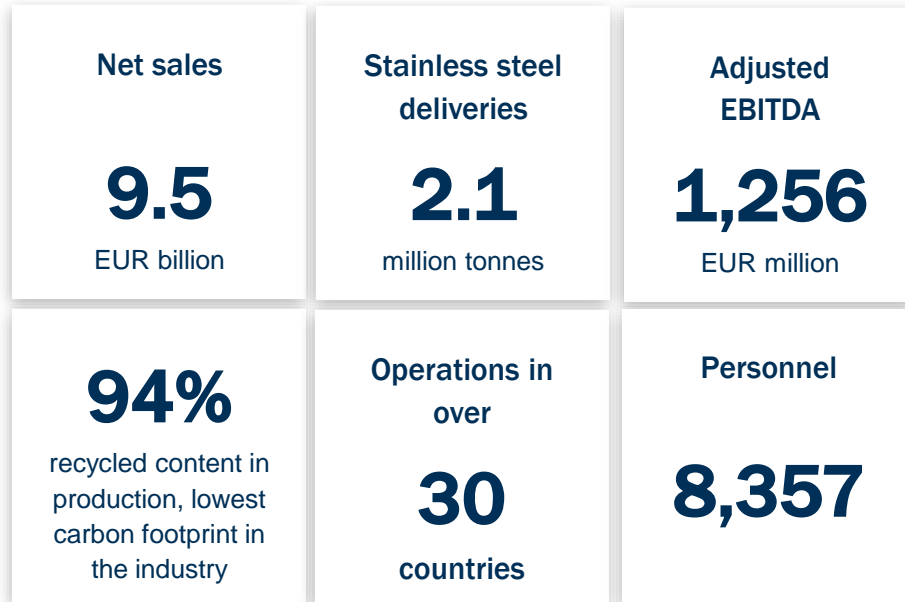


In 2022, Outokumpu delivered the best result in its history

Heikki Malinen, President and CEO

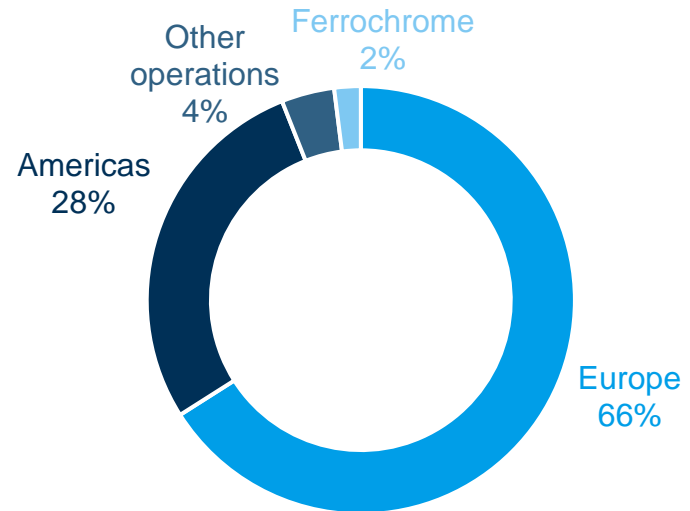
Outokumpu is the leading producer of sustainable stainless steel globally

Outokumpu's successful year 2022*



*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	80%	20%	90%	10%
Business area Americas	20%	80%	-	-

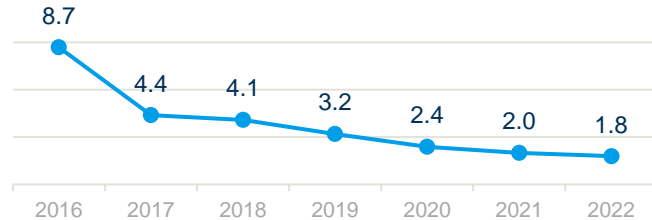
*Business area Europe sells advanced products also outside Europe. Business area Americas' advanced product sales are only a small portion of the whole sales.

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:

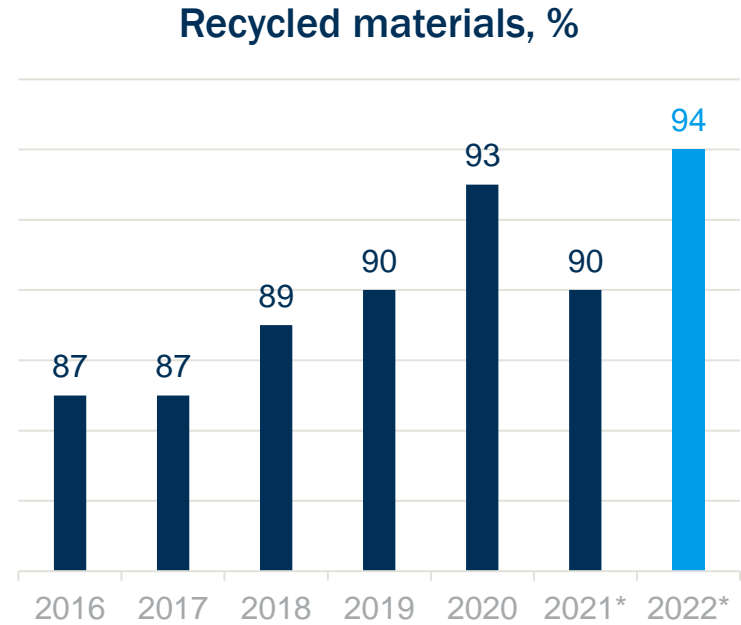
- Diverse leaders to leadership teams
- Equal access to opportunities
- Strengthen culture where everyone feels welcome

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

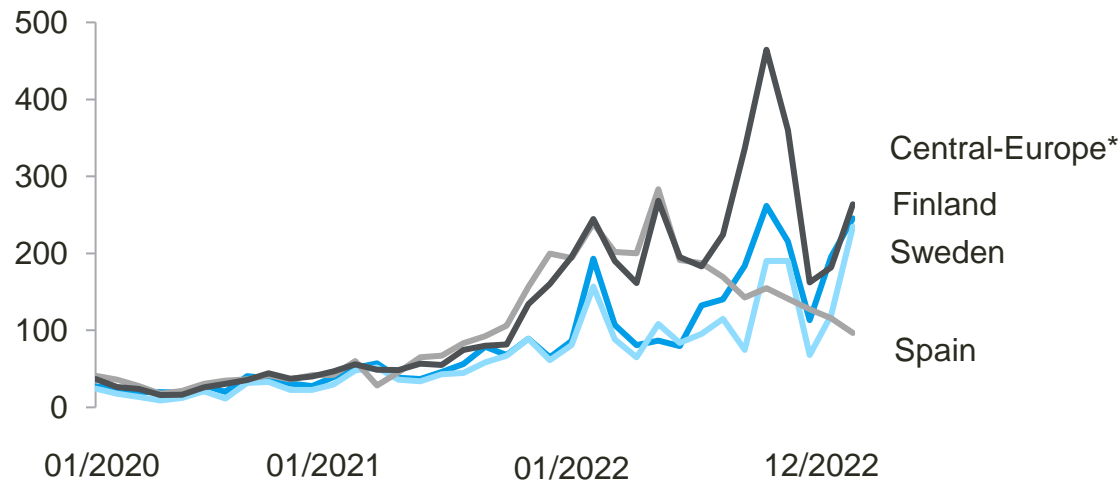
- Recycled material content of Outokumpu's stainless steel was the highest in the industry, 94%
- Emission intensity target was reached
- Energy efficiency was negatively affected by lower volumes and energy usage optimization
- 91% of Outokumpu's sales is both eligible and aligned with the EU taxonomy



*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

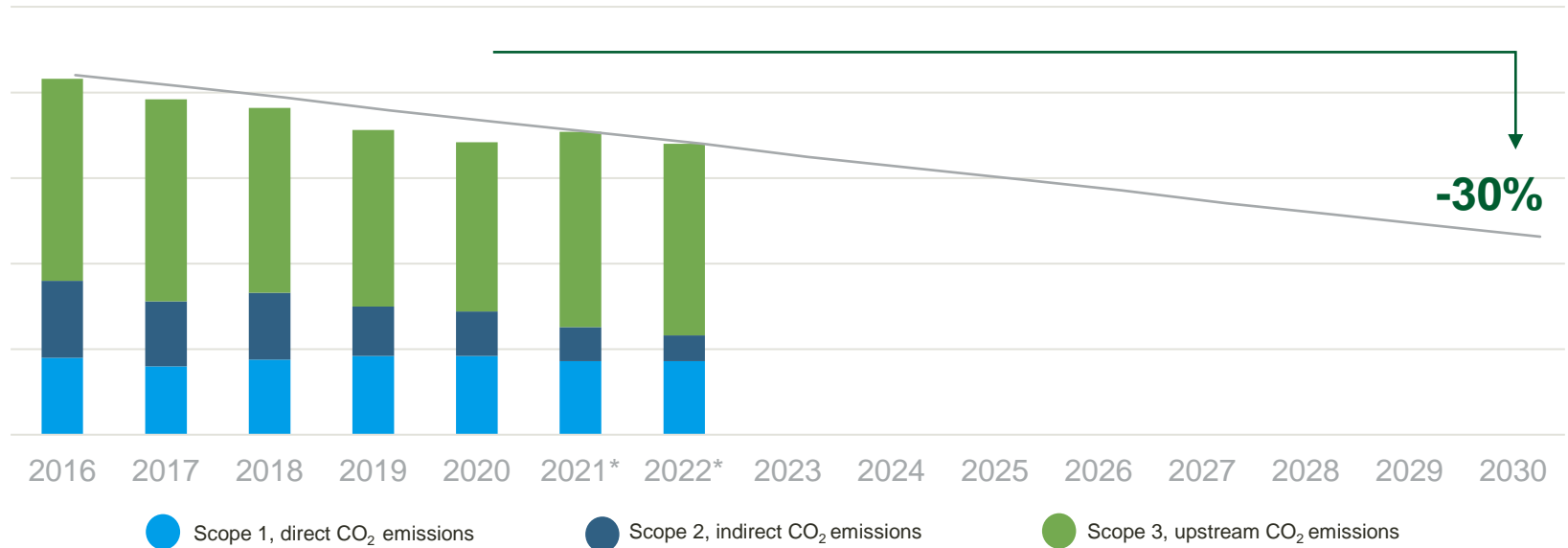
Collaboration between Outokumpu and Fortum

- 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 CO₂ emissions in line with the Science-Based Targets initiative's 1.5°C climate target

Emission intensity [t CO₂ / t crude steel]

Outokumpu's CO₂ emission intensity



*continuing operations

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**

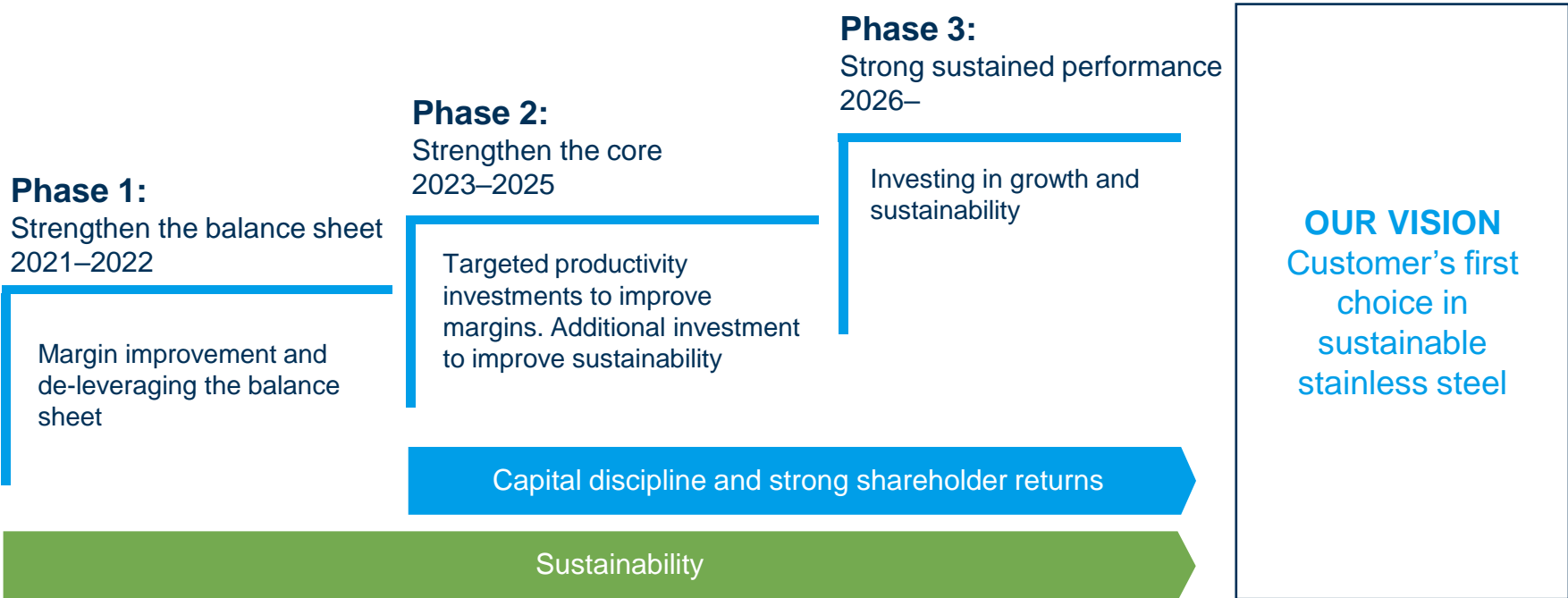
- Turnaround of the business area strengthened
- Extremely strong safety performance

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

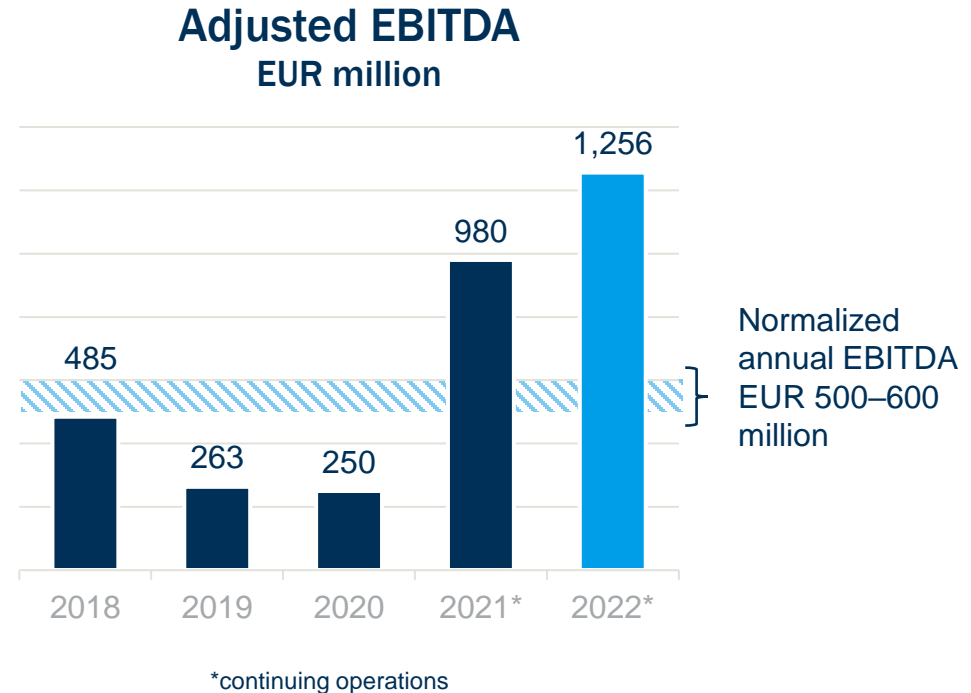


We are financially stronger than ever

Pia Aaltonen-Forsell, CFO

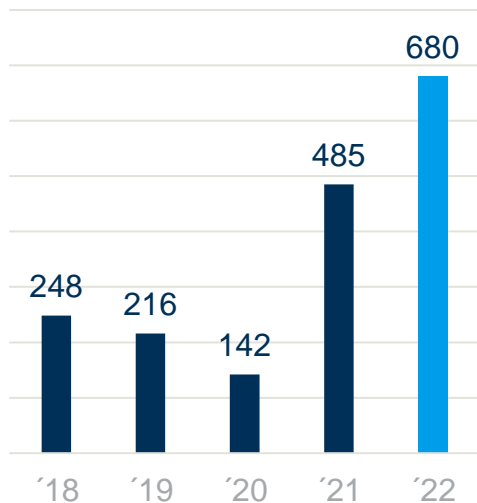
Outokumpu delivered record results in 2021 and 2022 in the exceptionally strong market environment

- 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

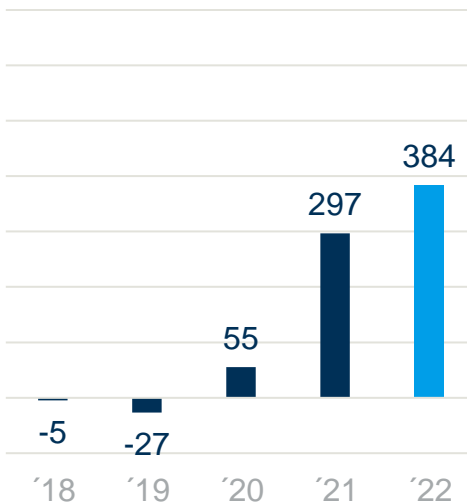


In 2022, both stainless business areas delivered their best result in history

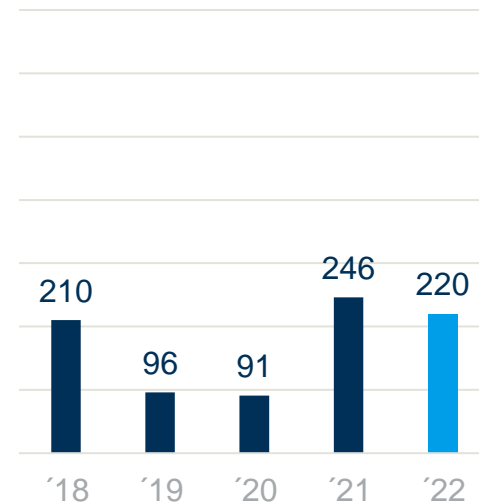
Business area Europe



Business area Americas



Business area Ferrochrome

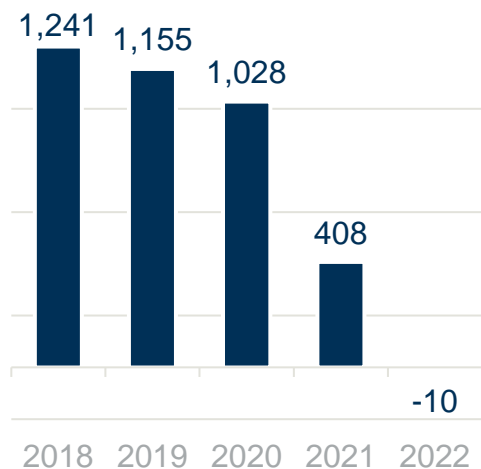


Strongest balance sheet in the industry

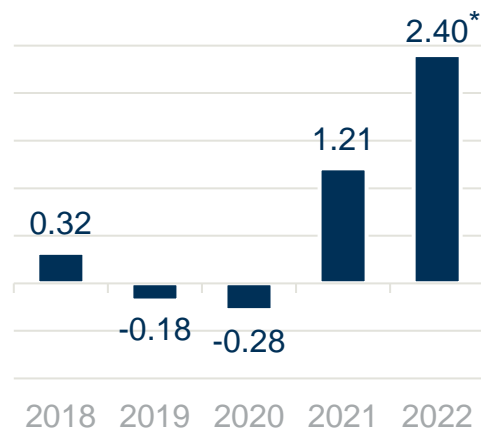
- Net debt was negative by EUR 10 million at the end of 2022
- Overall liquidity reserves were EUR 1.4 billion at the end of 2022
- At the end of year 2022 Outokumpu had EUR 800 million of committed credit facilities fully unutilized
- No commercial paper funding at year-end
- EUR 100 million share buyback 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 CO₂ 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**

An aerial photograph showing three cyclists riding on a paved road. The cyclist in the foreground is wearing a red and black plaid shirt and a black helmet. The cyclist in the middle is wearing a blue long-sleeved shirt and a blue helmet. The cyclist in the background is wearing a black and yellow cycling jersey and a black helmet. The road is dark asphalt, and there is a concrete curb and some greenery on the left side.

Outokumpu is now able to create value in changing conditions

Heikki Malinen, CEO

Outokumpu as an investment

**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**

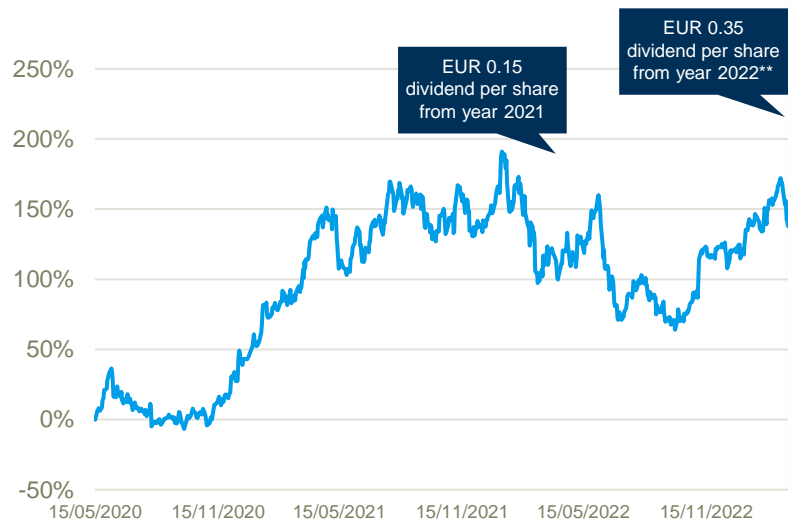
- a base dividend of EUR 0.25 per share will be paid according to dividend policy, plus
- an extra dividend of EUR 0.10 per share will be paid due to exceptionally strong financial results

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.



Presentation of the annual accounts, the review of the Board of Directors and the auditor's report for the year 2022

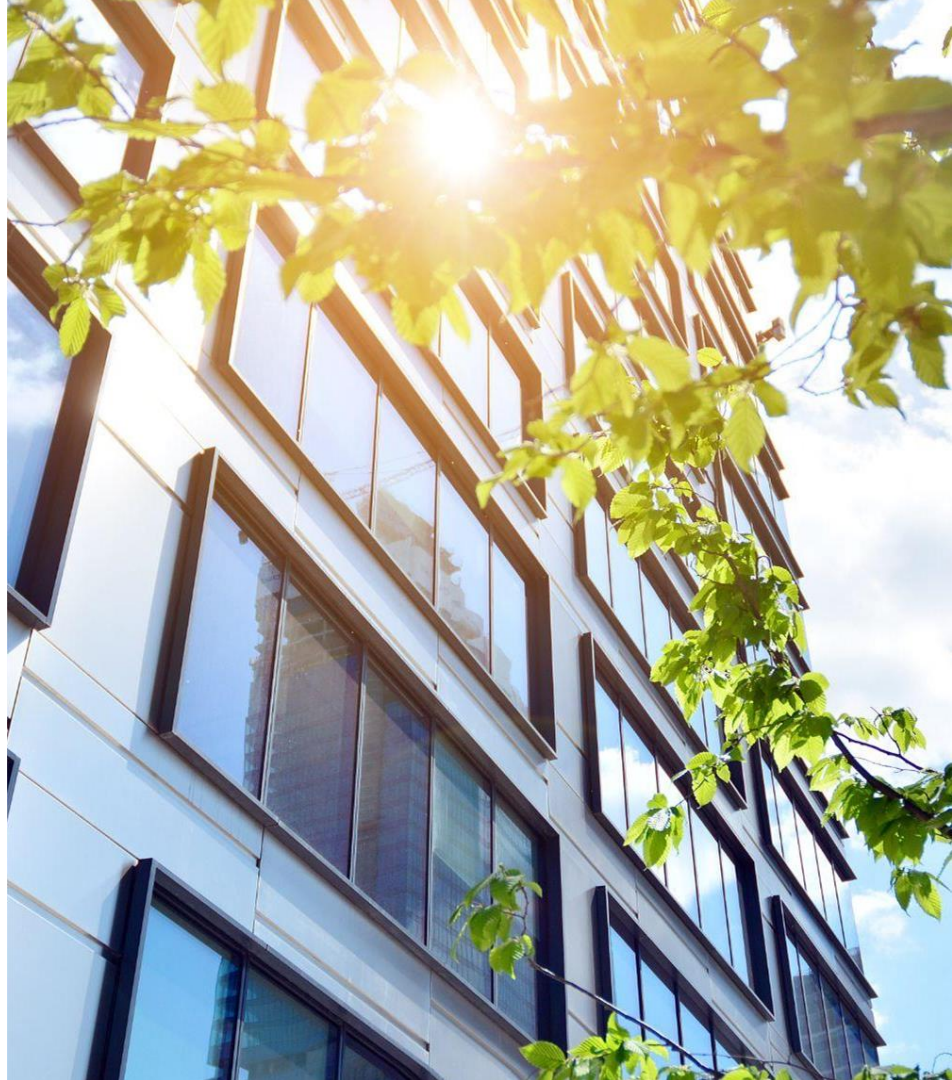
Item 6 on the agenda

Presentation of the auditors' report, Janne Rajalahti, Authorised Public Accountant (KHT), auditor in charge, PricewaterhouseCoopers Oy

Auditor's Report 2022 Outokumpu Oyj Annual General Meeting

PricewaterhouseCoopers Oy
Authorised Public Accountants

Janne Rajalahti
Authorised Public Accountant (KHT),
auditor in charge



Audit 2022



What we have audited

- Group financial statements
- Parent company financial statements

Group financial statements audit scope

- 10 group companies in 7 countries
- Covers the vast majority of the Group's sales, assets and liabilities
- Globally approx. 75 PwC auditors and specialists participated in the audit

Key Audit Matters

- Valuation of goodwill
- Valuation of Property, Plant and Equipment
- Valuation of Deferred Tax Assets in the US
- Valuation of inventories
- System environment and internal controls
- Valuation of subsidiary shares in the parent company's financial statements

To the Annual General Meeting of Outokumpu Oyj

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position and financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements in Finland and comply with statutory requirements.

Other statements

The proposal by the Board of Directors regarding the treatment of distributable funds is in compliance with the Limited Liability Companies Act. We support that the Board of Directors of the parent company and the President and CEO be discharged from liability for the financial period audited by us.

Helsinki 9 February 2023

PricewaterhouseCoopers Oy
Authorised Public Accountants

Janne Rajalahti
Authorised Public Accountant (KHT)





Adoption of the annual accounts Item 7 on the agenda

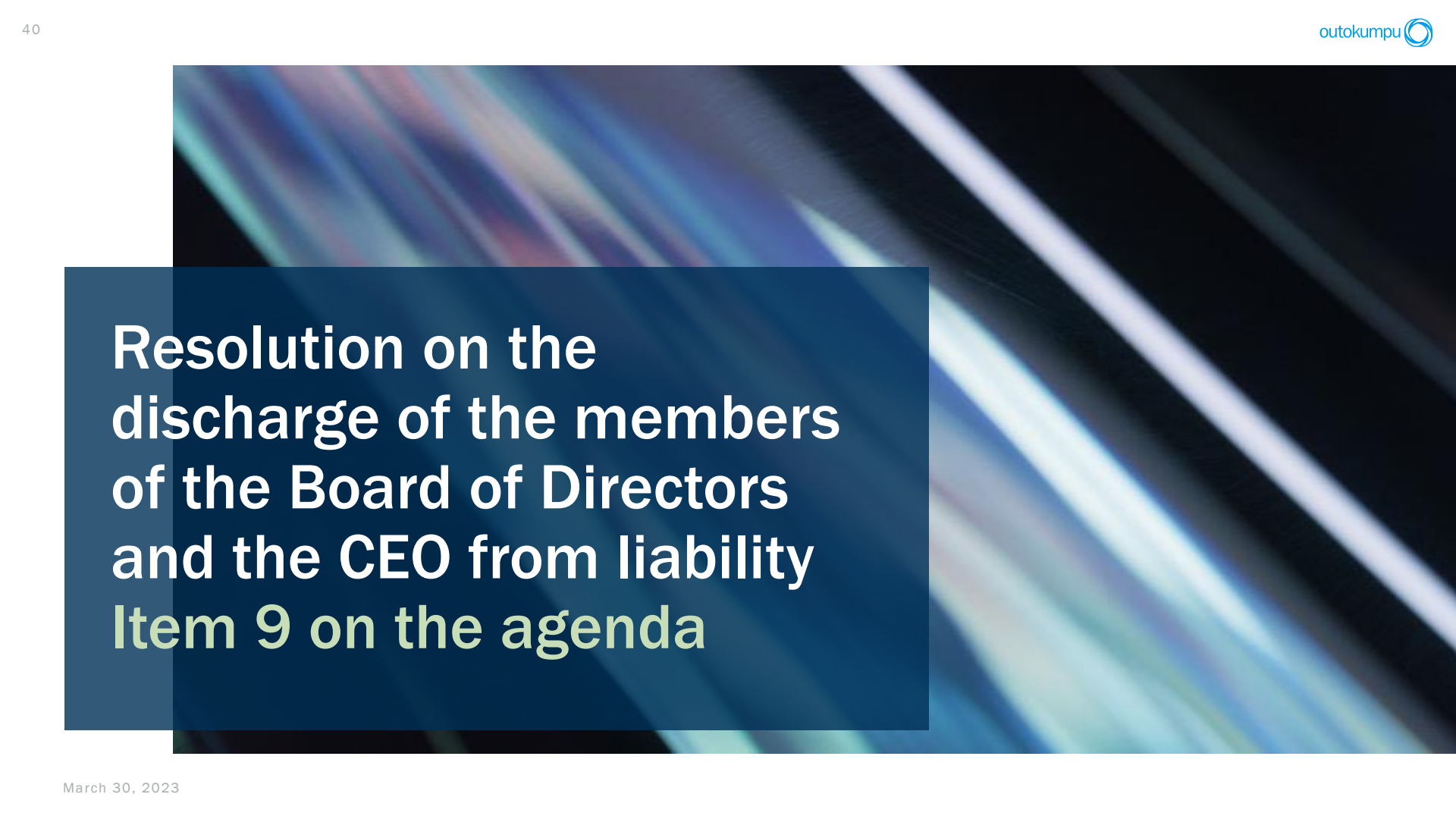
**Resolution on the use of
the profit shown on the
balance sheet and the
payment of dividend
Item 8 on the agenda**

Dividend proposal by the Board of Directors

The Board of Directors proposes to the Annual General Meeting that a **base dividend** of EUR 0.25 per share plus an **extra dividend** of EUR 0.10 per share, totaling EUR 0.35 per share, will be paid for the year 2022.

- The amount of the base dividend of EUR 0.25 is the basis for future dividend distributions.
- The extra dividend of EUR 0.10 is a one-time extra dividend that is proposed to be distributed to the shareholders for the exceptionally good result of the account period.
- The dividend record date is **April 3, 2023**, and the Board of Directors proposes that the dividend be paid in a single instalment on **April 12, 2023**.





**Resolution on the
discharge of the members
of the Board of Directors
and the CEO from liability**
Item 9 on the agenda

Resolution on the discharge of the members of the Board of Directors and the CEO from liability for the financial year January 1–December 31, 2022

The Board of Directors

- Kari Jordan, Chairman of the Board
- Kati ter Horst, Vice Chairman of the Board
- Heinz Jörg Fuhrmann, Board member
- Päivi Luostarinen, Board member
- Eeva Sipilä, Board member until March 31, 2022
- Petter Söderström, Board member as of March 31, 2022

- Vesa Pekka Takala, Board member
- Pierre Vareille, Board member
- Julia Woodhouse, Board member

President and CEO

- Heikki Malinen

**Presentation of the remuneration
report of the governing bodies and
the Annual General Meeting's
advisory resolution on the approval
of the remuneration report**
Item 10 on the agenda

Resolution on the remuneration of the members of the Board of Directors

Item 11 on the agenda

Pekka Pajamo, member of the Nomination Board introduces the work of the Nomination Board and presents the proposals by the Nomination Board for the items 11, 12 and 13 on the agenda

The Shareholders' Nomination Board 2022

- **Reima Rytsölä**, CEO at Solidium Oy
- **Pekka Pajamo**, CFO at Varma Mutual Pension Insurance Company
- **Jouko Pölönen**, President and CEO at Ilmarinen Mutual Pension Insurance Company
- **Outi Antila**, Director General at The Social Insurance Institution of Finland
- **Kari Jordan**, Chairman of the Outokumpu Board of Directors
- Reima Rytsölä acted as the Chairman of the Nomination Board.
- The Nomination Board convened three times, and the attendance rate was 100%.

The Nomination Board's proposal on the remuneration of the members of the Board of Directors

- The Shareholders' Nomination Board proposes following annual remuneration and meeting fees compared to the previous year:

Remuneration and meeting fees	2023	2022
Chairman	174,000	169,000
Vice Chairman/Chairman of the Audit Committee	93,500	93,500
Other Board members	72,500	72,500
Meeting fees	800	600
Meeting fees outside country of residence	1,600	1,200

- 40% of the annual remuneration would be paid in the company's own shares using treasury shares or shares to be purchased from the market at a price formed in public trading and in accordance with the applicable insider regulations.
- If a Board member, on the date of the Annual General Meeting, owns shares of the company, which based on the closing price of that day represent a value exceeding the annual remuneration, he or she can opt to receive the remuneration in cash.
- Meeting fees are paid in cash.



**Resolution on the number
of the members of the
Board of Directors**
Item 12 on the agenda

Proposal for the Board composition

The Shareholders' Nomination Board proposes that the Board of Directors would consist of eight (8) members.





Election of the members of the Board of Directors Item 13 on the agenda

Election of the members of Board of Directors

The Shareholders' Nomination Board proposes that

- of the current members of the Board of Directors **Heinz Jörg Fuhrmann, Kati ter Horst, Kari Jordan, Päivi Luostarinen, Petter Söderström, Pierre Vareille** and **Julia Woodhouse** would be re-elected, and that **Jyrki Mäki-Kala** would be elected as a new member, all for the term of office ending at the end of the next Annual General Meeting.
- **Vesa-Pekka Takala** informed the Shareholders' Nomination Board that he is no longer available for the re-election to the Board of Directors.



Proposed Board members 1/2



Kari Jordan, b. 1956,
M.Sc. (Econ.)

Outokumpu Board
member and Chairman of
the Board 2018–

Chairman of the
Remuneration Committee



Kati ter Horst, b. 1968,
M.Sc. (Econ.), MBA

Outokumpu Board
member 2016– and Vice
Chairman 2022–

Member of the
Remuneration Committee



Heinz Jörg Fuhrmann,
b. 1956, PhD, Metallurgy

Outokumpu Board
member 2021–

Member of the
Remuneration Committee



Päivi Luostarinen,
b. 1955, LL.M.

Outokumpu Board
member 2021–

Member of the Audit
Committee

Proposed Board members 2/2



Petter Söderström, b. 1976, M.Sc. (Econ.)

Outokumpu Board member 2022–

Member of the Audit Committee



Pierre Vareille, b. 1957, M.Sc.

Outokumpu Board member 2018–

Member of the Remuneration Committee



Julia Woodhouse, b. 1958, BA (hons), History

Outokumpu Board member 2019–

Member of the Audit Committee

More information on the members of the Board of Directors is available on Outokumpu's website.

Proposed new Board member



Jyrki Mäki-Kala, b. 1961

Finnish citizen

M. Sc. (Econ.), Vaasa,
Finland

Work experience

Chief Financial Officer: **Neste Oyj** 2013–2022

Chief Financial Officer: **Kemira Oyj** 2008–2013

Several managerial positions: **Kemira Pulp and Paper** 2005–2008

Several managerial positions: **Nokia Chemicals/Finnish Chemicals** (later Kemira Chemicals) 1988–2005

Positions of trust

Member of the Board of Directors: **Orthex** 2022–

Chairman of the Audit Committee: **Anora** (formerly Altia) 2021–

Chairman of the Board of Directors: **Neste Marketing & Services** 2017–2022

Member of the Board of Directors: **Tesi** (Finnish Industry Investment Ltd) 2019–2021

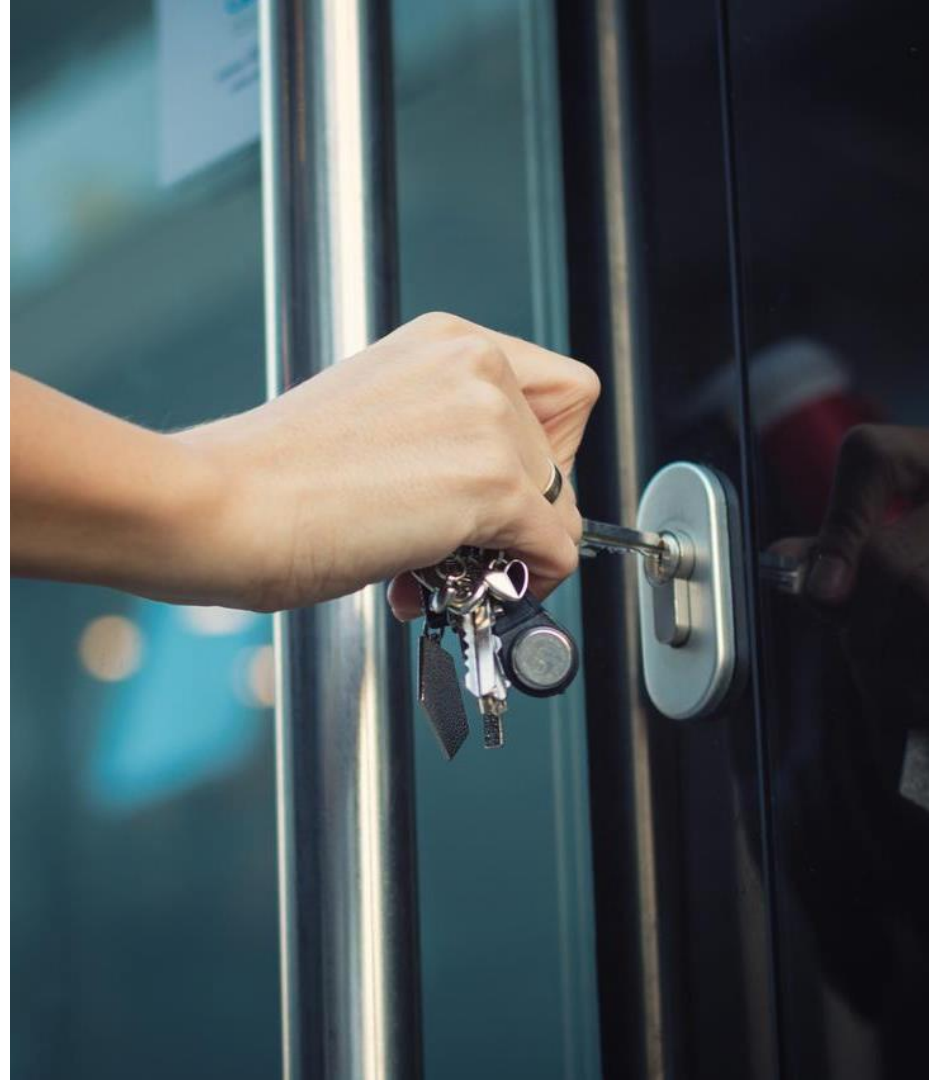
Member and Chairman of the Board of Directors: **Nynas AB** 2018–2021

Member of the Board of Directors: **Pohjolan Voima** 2008–2013

Member of the Board of Directors: **FC Energia** 1998–2005

Proposal for the election of the Chairman and Vice Chairman of the Board of Directors

- The Nomination Board also proposes that Kari Jordan would be re-elected as the Chairman and Kati ter Horst as the Vice Chairman of the Board of Directors.





Resolution on the remuneration of the auditor Item 14 on the agenda

Remuneration of the auditor

The Board of Directors proposes to the Annual General Meeting, on the recommendation of the Audit Committee, that the elected auditor be reimbursed in accordance with the auditor's invoice approved by the Board of Directors.





Election of auditor

Item 15 on the agenda

Election of the auditor

The Board of Directors proposes to the Annual General Meeting, on the recommendation of the Audit Committee, that the accounting firm **PricewaterhouseCoopers Oy** be elected as the auditor for the term of office ending at the end of the next Annual General meeting.

The auditor's assignment also includes giving the auditor's statement on the discharge of the members of the Board of Directors and the CEO from liability and on the proposal of the Board of Directors for distribution of profit.



**Authorizing the Board of
Directors to resolve on the
repurchase of the
company's own shares**
Item 16 on the agenda

Authorizing the Board of Directors to resolve on the repurchase of the company's own shares

- The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorized to resolve to repurchase a maximum of 45,000,000 of Outokumpu's own shares, currently representing approximately 9.85% of Outokumpu's total number of registered shares. The own shares may be repurchased pursuant to the authorization only by using unrestricted equity. The price payable for the shares shall be based on the price paid for the company's shares on the day of repurchase in public trading or otherwise at a price formed on the market.
- The Board of Directors resolves on how the own shares will be repurchased. The own shares may be repurchased in deviation from the proportional shareholdings of the shareholders (directed repurchase). Shares may also be acquired outside public trading. In executing the repurchase of the company's shares, derivative, share lending, or other agreements that are customary within the framework of capital markets may take place in accordance with legislative and regulatory requirements. The repurchased own shares may be held by the Company, cancelled, or transferred further. The aggregate number of the company's own shares held by Outokumpu and its subsidiaries may not, however, exceed 10% of the total number of the company's shares. The authorization will be in force until the end of the next Annual General Meeting, however expiring at the latest on May 31, 2024.
- Outokumpu currently holds 23,109,206 own shares.

**Authorizing the Board of
Directors to resolve on the
issuance of shares as well
as special rights entitling to
shares**
Item 17 on the agenda

Authorizing the Board of Directors to resolve on the issuance of shares as well as special rights entitling to shares

- The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorized to resolve to issue a maximum of 45,000,000 shares in one or several instalments through a share issue and/or by issuing special rights entitling to shares, as specified in Chapter 10, Section 1, of the Finnish Companies Act, not however option rights to Outokumpu's management and personnel for incentive purposes. 45,000,000 shares currently represent approximately 9.85% of Outokumpu's total number of registered shares.
- The Board of Directors resolves upon all other terms and conditions of the share issue and of the issue of special rights entitling to shares. The Board of Directors has the authority to resolve upon the issue of shares and special rights in deviation of the pre-emptive subscription right of the shareholders (directed issue). The authorization covers both the issuance of new shares and the transfer of treasury shares held by the company. The authorization is valid until the end of the next Annual General Meeting, however expiring at the latest on May 31, 2024.

**Authorizing the Board of
Directors to resolve on
donations for charitable
purposes**
Item 18 on the agenda

Donations for charitable purposes

The Board of Directors proposes that the Board of Directors be authorized to resolve on donations of up to EUR 500,000 in aggregate for relief work undertaken in Ukraine and abroad relating to the war in Ukraine, and to determine the recipients, purposes and other terms of the donations. The donations can be made in one or several instalments.

In addition to this authorization, the Board of Directors may decide on customary insignificant donations for other charitable or similar purposes. The authorization would be effective until the next Annual General Meeting.



Closing of the meeting Item 19 on the agenda

outokumpu 