



CEO's review

President and CEO Heikki Malinen

March 31, 2022

Outokumpu – The leading producer of sustainable stainless steel globally

Outokumpu in 2021

Net sales

€7.7
billion

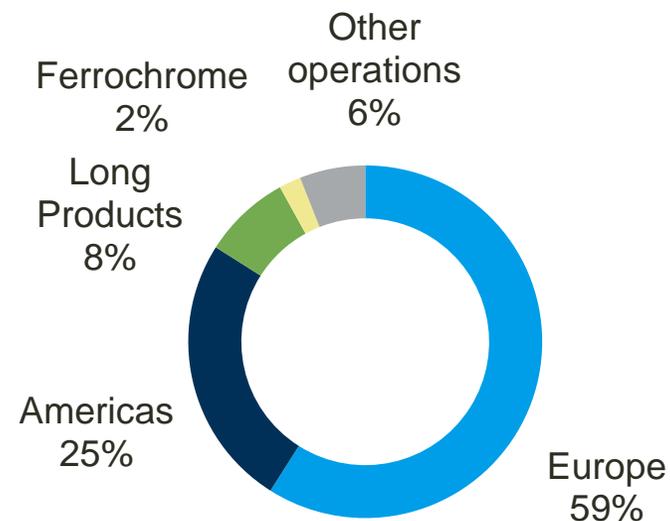
Stainless steel deliveries

2.4
million tonnes

Adjusted EBITDA

€1,021
million

Sales by business area



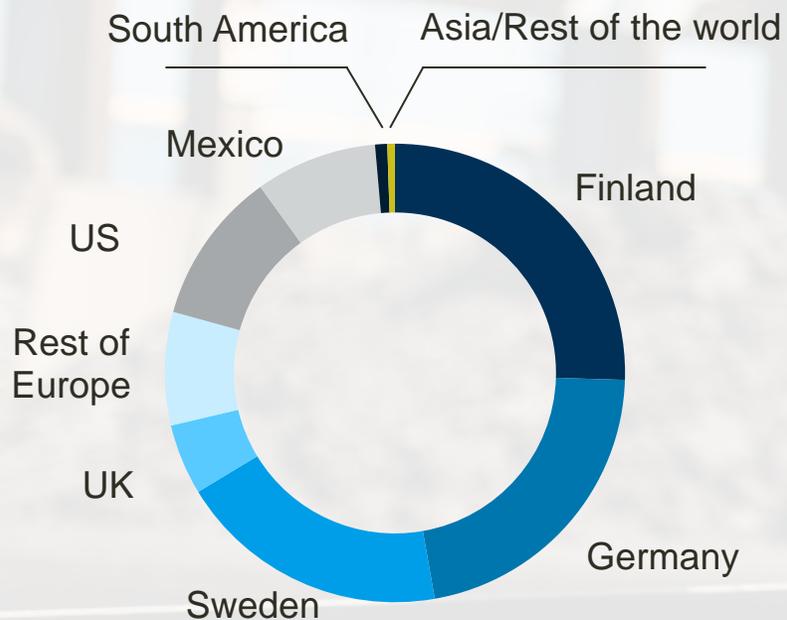
Over **90%** recycled content in production, lowest carbon footprint in the industry

Operations in over **30** countries

Listed on Nasdaq Helsinki

Our competent personnel is our most valuable asset

Our people by region in 2021



Organizational Health Index remained strong, better than industry average

86% of our employees participated in the survey

*Organizational Health Index, McKinsey



The modern world needs sustainable materials and stainless steel is the solution

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

Population and economic growth

Healthcare, clean water, appliances

Climate change and limited resources

Energy investments, resource efficiency

Urbanization

Infrastructure and construction, traffic, trains and bridges

Outokumpu's extensive portfolio consists of both standard and high-value products

Standard
products 70%



- Automotive
- Appliances
- Consumer durables

High-value
products 30%



- Process industry
- Construction
- Oil and gas industry

We supply sustainable stainless steel to Harvia

Harvia produces annually 200,000 sauna stoves to more than 80 countries.

Harvia's production facility in Muurame has used Outokumpu's stainless steel exclusively since 2017.

Stainless steel in Harvia's products has 70% smaller carbon footprint than other producers' stainless steel.

Sauna stove's life-cycle is some 15 years, after which it is fully recyclable.





Successful year of 2021

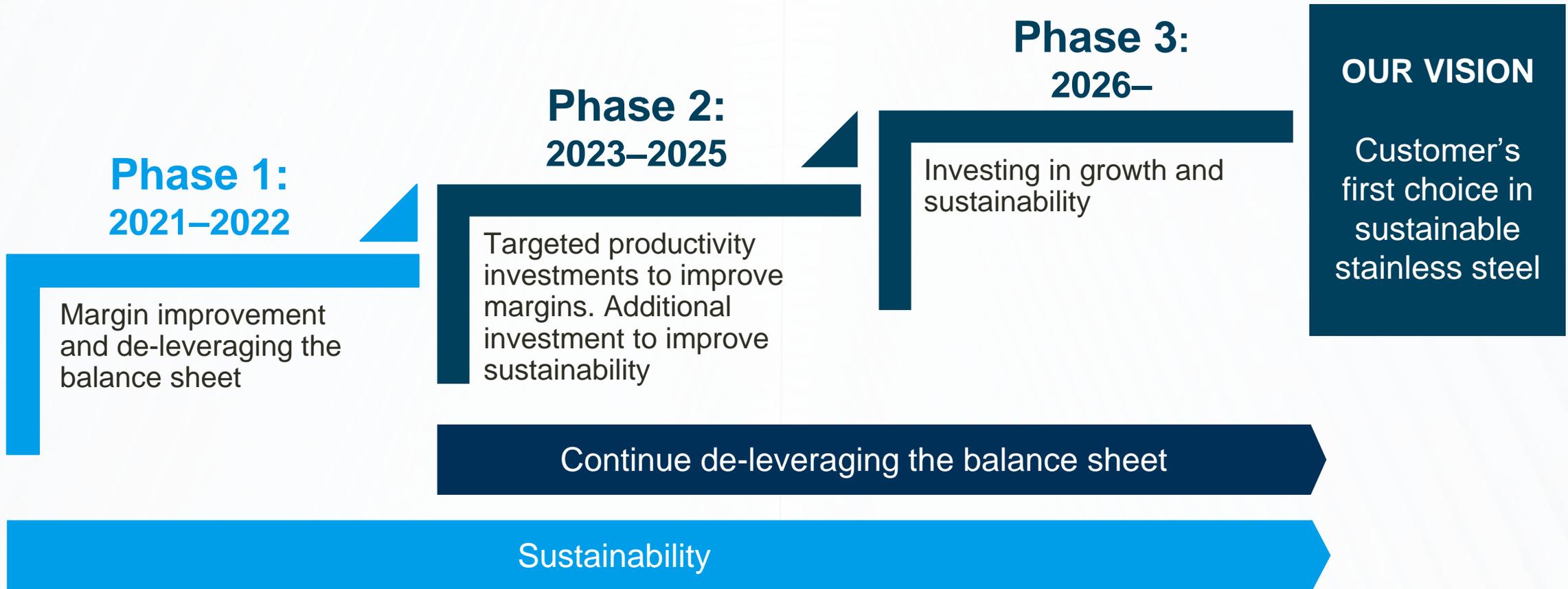
President and CEO Heikki Malinen



In the highly successful year of 2021, Outokumpu's adjusted EBITDA reached over EUR 1 billion

- Exceptionally **strong market** environment
- High **capacity utilization** throughout the year
- **Strategy execution** ahead of plan
- **1.5°C climate targets approved** by the Science Based Targets initiative (SBTi)
- Best **safety performance** ever

Our focus throughout the year 2021 has been on our strategic aim to de-risk the company



We set two financial targets for ourselves for the first phase of the strategy: execution ahead of plan

€250 million

EBITDA
run-rate
improvement*

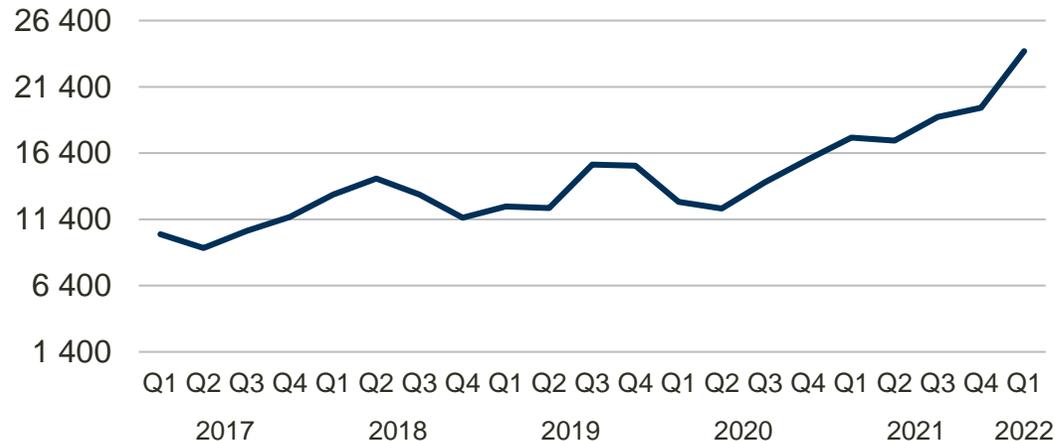
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Net debt to
EBITDA ratio

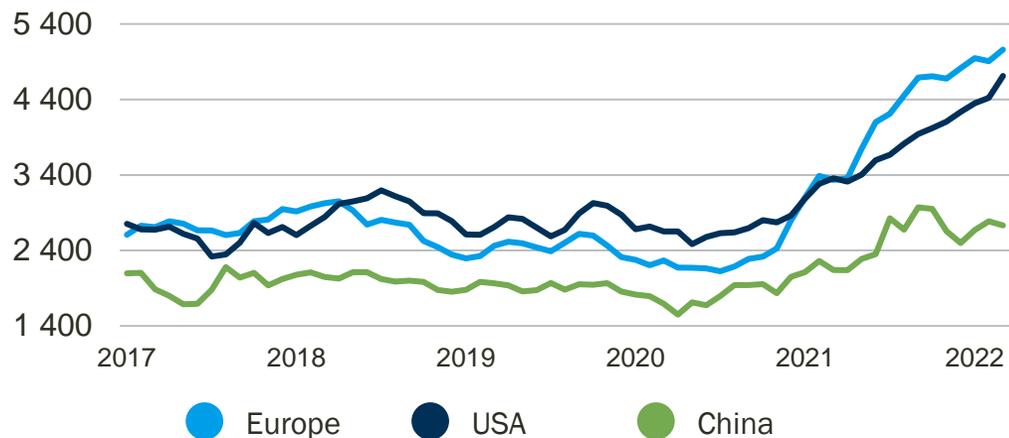
* By the end of 2022

Nickel, ferrochrome and stainless steel prices increased last year

Nickel, USD/tonne



Transaction spot prices 304 stainless, USD/tonne

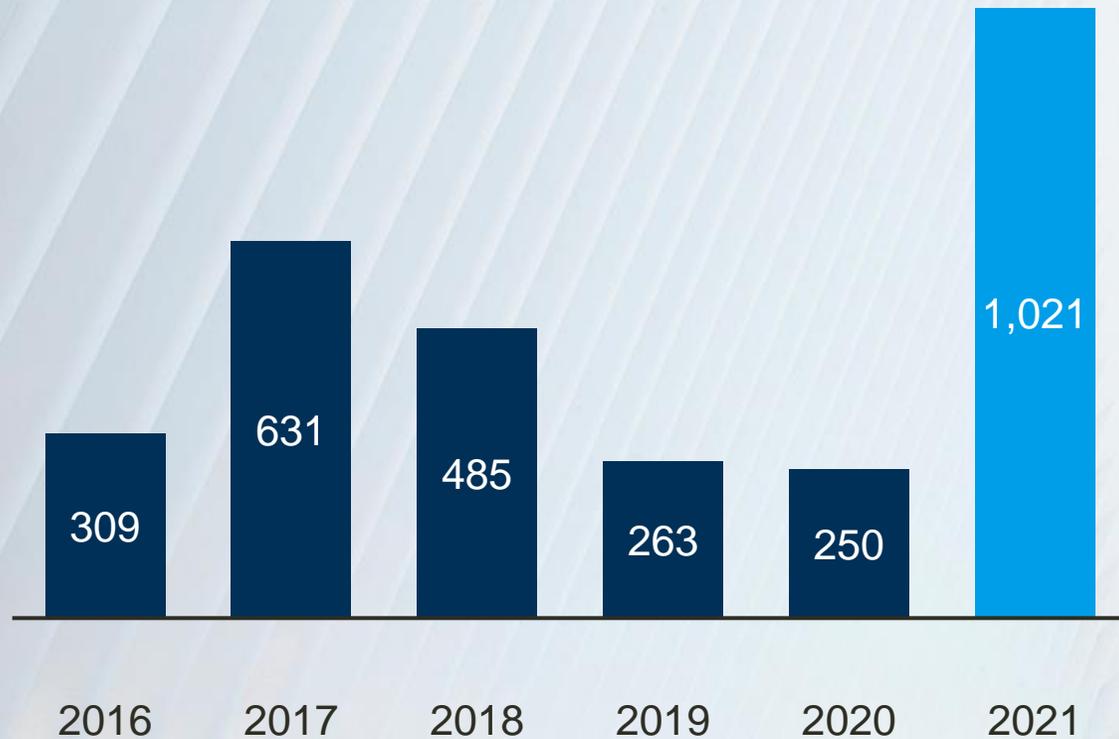


Ferrochrome, USD/lb



Full year adjusted EBITDA reached EUR 1,021 million in the exceptionally strong market

Group adjusted EBITDA, EUR million



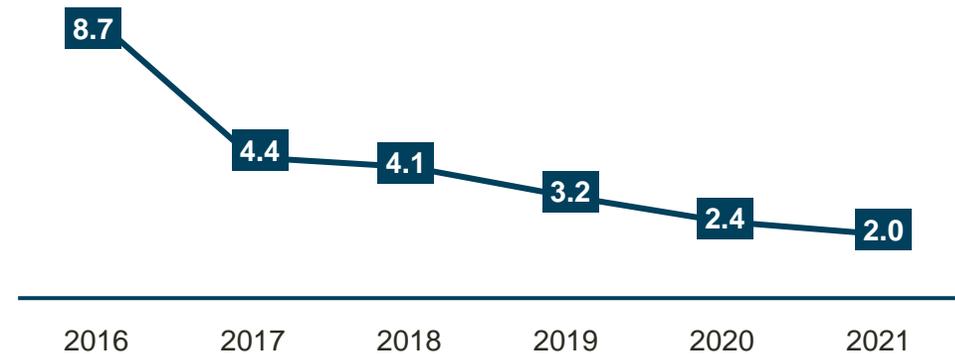
Record year 2021 compared to 2020

- **Strong demand** as a result of COVID-19 rebound continued throughout the year
- Successful execution of **commercial strategy** and **cost discipline**
- **Increased stainless steel prices** supported by supply shortages
- Higher **ferrochrome sales price**
- Profitability impacted by higher **energy** and **consumable prices**

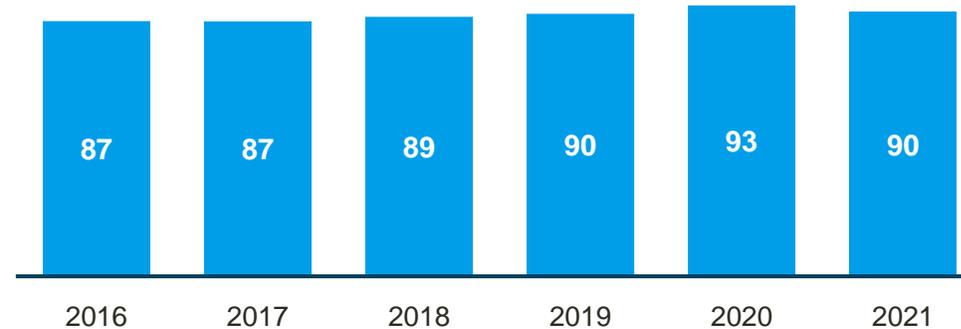
In 2021, we had our best annual safety performance ever and improved our energy intensity by 10%

- **TRIFR 2.0**, recordable accidents decreased by 15%
- **1.5°C CO₂ emission reduction** target approved by SBTi
- **High material efficiency** continued:
 - Recycled material content >90%
 - Waste intensity decreased by 12%
 - Water intensity decreased by 18%

Safety performance, TRIFR



Recycled materials, %

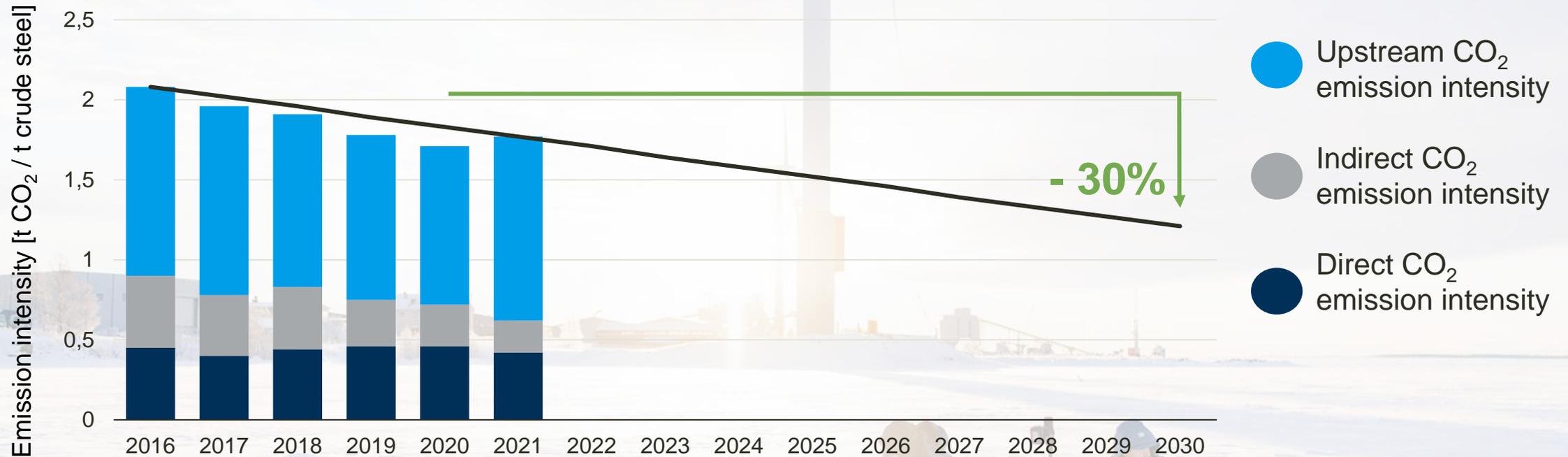


TRIFR = Number of total recordable incidents per million working hours
SBTi = Science-Based Targets initiative

CO₂ emissions in line with our SBTi 1.5 °C target

Roadmap developed to reduce emissions by 30% from 2020 level

Outokumpu's CO₂ emission intensity



Sustainable sourcing is a core element in our renewed ESG strategy

Key activities in 2021

- 199 supplier assessments conducted, incl. raw materials and general procurement – 21 of which in high-risk countries
- 19 suppliers in the supplier sustainability rating platform EcoVadis, average rating 51 on a scale 1-100
- Impact assessments started: Brazil (done in 2021), Guatemala (April 2022)

Outokumpu is a top performer in EcoVadis sustainability rating



Impact assessment in high-risk countries

- Outokumpu is committed to the UN Guiding Principles on Business and Human Rights and supports its suppliers in implementing sustainable practices.
- Suppliers in several high-risk countries will be assessed during 2022 with an independent consultancy.
- Independent advisors help to interpret situations that are often contradictory.
- Continuous monitoring and strong commitment are needed to solve local environmental and social challenges.



Outokumpu's team making impact assessment in Guatemala in February 2022..

We condemn Russian acts of war in Ukraine and want to sever all connections to Russia

- We have decided stop sales and deliveries to Russia.
- In procuring recycled steel, all connections to a Russian-origin recycled material have now been severed.
- A limited amount of raw materials needed in stainless steel, for example nickel, has been procured from Russia. We are actively looking for alternative sources globally. This process is still ongoing, but we will do our utmost to find a solution.
- Outokumpu acquires energy gases from the European market, where Russia is one of indirect suppliers. We are also looking alternative sources for energy gases, and we called for a back-up plan from our Finnish gas supplier.
- Outokumpu is a shareholder in the Finnish Voimaosakeyhtiö SF, an owner of Fennovoima. We wrote off the project into zero in our financial statements release on February 8, 2022.

Outokumpu's Board of Directors has proposed a dividend of EUR 0.15 per share (EUR 68 million) for year 2021.

Outokumpu's Board of Directors proposes that it is authorized to decide on donations of up to EUR 1 million for relief work relating to the war in Ukraine.



Financial review

CFO Pia Aaltonen-Forsell



Significant net debt reduction from EUR 1,028 million to EUR 408 million through various actions

- Diligent **strategy execution** and **capital allocation**
- **Equity raise** completed in May
- 2024 **bond redemption** in December
- Further de-risking through **buy-in insurance contract** for UK pensions
- Credit rating agency Moody's upgraded Outokumpu's **credit rating** from B3 to Ba3

Many financials reached record levels in 2021

- Net result EUR 553 million
- Exceptionally high earnings per share
- Net debt to EBITDA 0.4x
- ROCE 18.8%

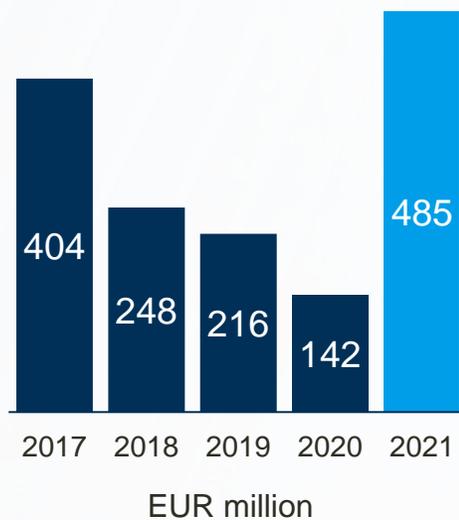
Key figures		2021	2020
Stainless steel deliveries	1,000 tonnes	2,395	2,121
Sales	EUR million	7,709	5,639
Adjusted EBITDA	EUR million	1,021	250
Net result	EUR million	553	-116
Earnings per share	EUR	1.26	-0.28
Operating cash flow	EUR million	597	322
Net debt	EUR million	408	1,028
Net debt to adjusted EBITDA	x	0.4	4.1
Capital expenditure	EUR million	175	180
Return on capital employed, ROCE	%	18.8	-1.4
Personnel at the end of period, full-time equivalent *		9,096	9,602

* In Q1/2021, Outokumpu changed its main personnel amount measure from headcount to full-time equivalent personnel. Comparative information is presented accordingly.

All business areas provided solid adjusted EBITDAs

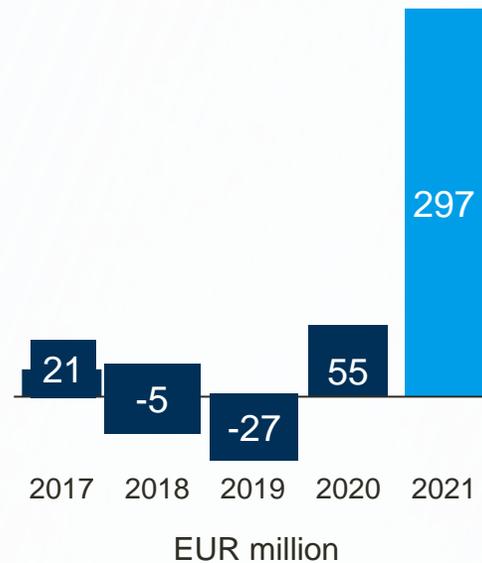
Europe

Record-high adjusted EBITDA supported by strategy execution



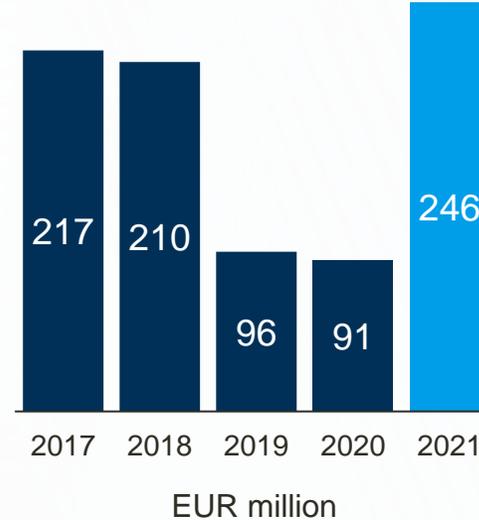
Americas

In the strong market, record-high result was reached



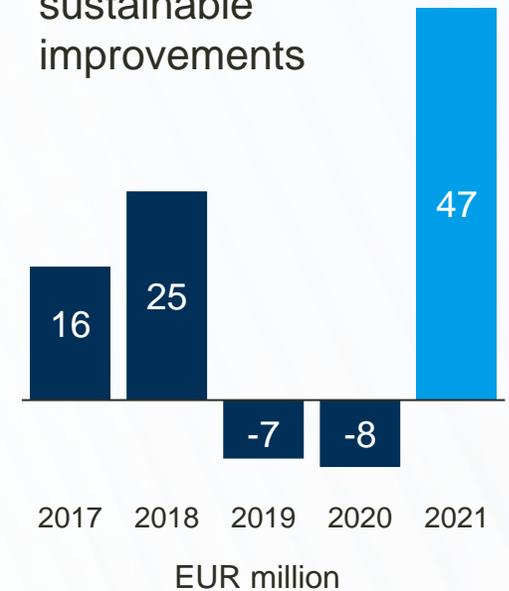
Ferrochrome

Increased production and strong market prices



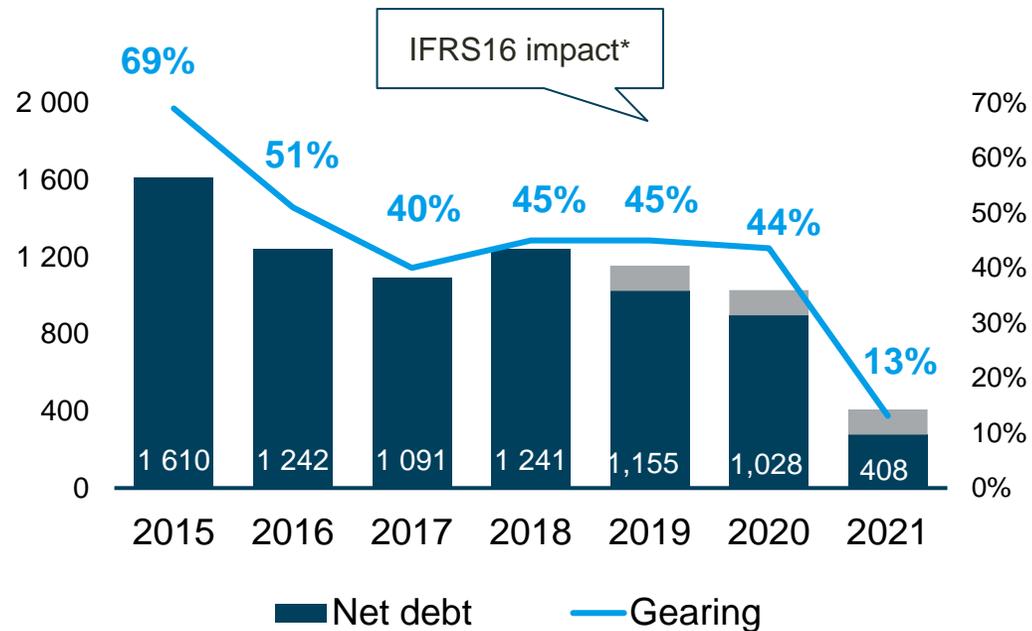
Long Products

Turnaround program brings sustainable improvements

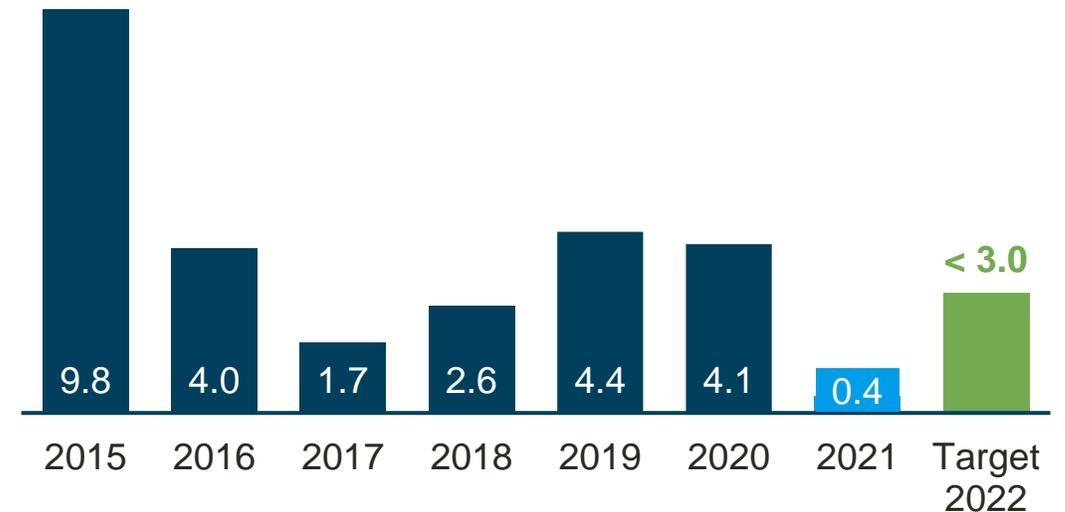


Outokumpu has taken significant actions in 2021 to reduce its net debt and leverage ratio

Net debt, EUR million



Net debt/LTM adjusted EBITDA



* Implementation impact on Jan 1, 2019, at EUR 131 million



Going forward

President and CEO Heikki Malinen

Outlook for Q1 2022

Group stainless steel deliveries in the first quarter are expected to increase compared to the fourth quarter.

The European ferrochrome benchmark price remained stable at USD 1.80/lb for the first quarter.

Higher stainless steel prices are reflected in the already received orders and more than offset the increase in energy and consumable prices.

COVID-19 remains a risk and could potentially impact operations and logistics.

Adjusted EBITDA in the first quarter of 2022 is expected to be on a similar or higher level compared to the fourth quarter.

Thank you!
Questions and answers