

# Focus on navigating successfully through uncertainty

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## Outokumpu Q4 2024 results

Kati ter Horst, President & CEO

Marc-Simon Schaar, CFO

February 13, 2025

# Disclaimer

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## Outokumpu Q4 2024 results

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**Full-year adjusted EBITDA  
EUR 177 million - weak demand  
and significant import pressure**

Kati ter Horst, President & CEO

Vzug home appliances, washing machine | Switzerland



## Strong market positions maintained in difficult market conditions

**Adjusted EBITDA totaled  
EUR 177 million  
in 2024**

- Profitability burdened by the weak market and the political strike impact of EUR -60 million
- Balance sheet retained strongest in the industry
- Good progress with sustainability - emission reductions and world-class safety
- Solid performance in BA Ferrochrome provided stability
- EUR 144 million of capital returned to shareholders in 2024
- Strict measures to improve cost competitiveness

# Continuing to deliver on EBITDA run-rate improvement target of EUR 350 million by the end of 2025

Cumulative gross annualized EBITDA run-rate improvement, EUR million



EUR 101 million EBITDA run-rate improvement reached in 2024

- In Q4, EUR 22 million improvement driven by business areas Europe and Ferrochrome
- BA Europe contributed EUR 64 million in 2024, driven by restructuring and operational efficiency improvements



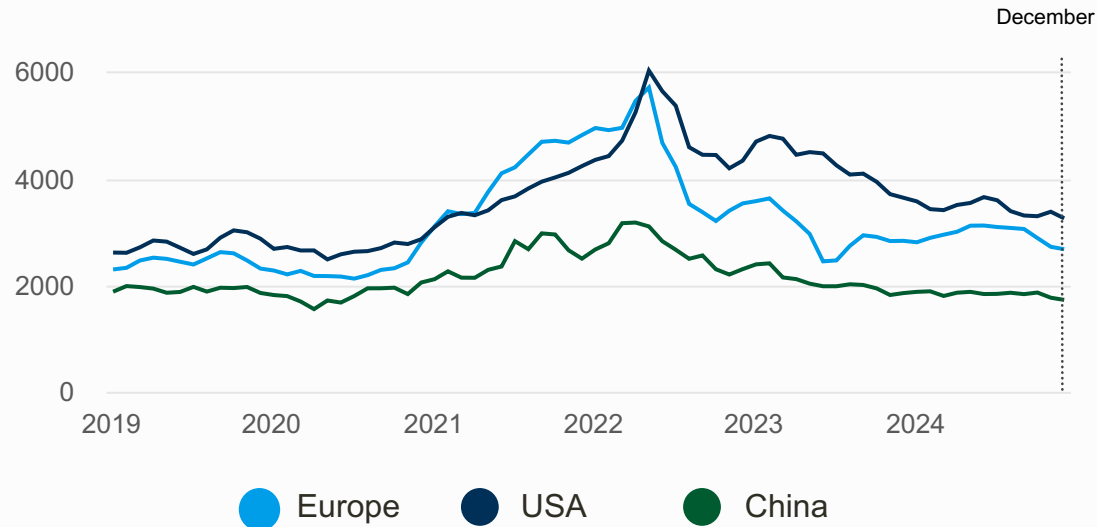
## Decisive short-term actions to support profitability

EUR 50 million of additional cost savings to be delivered in 2025

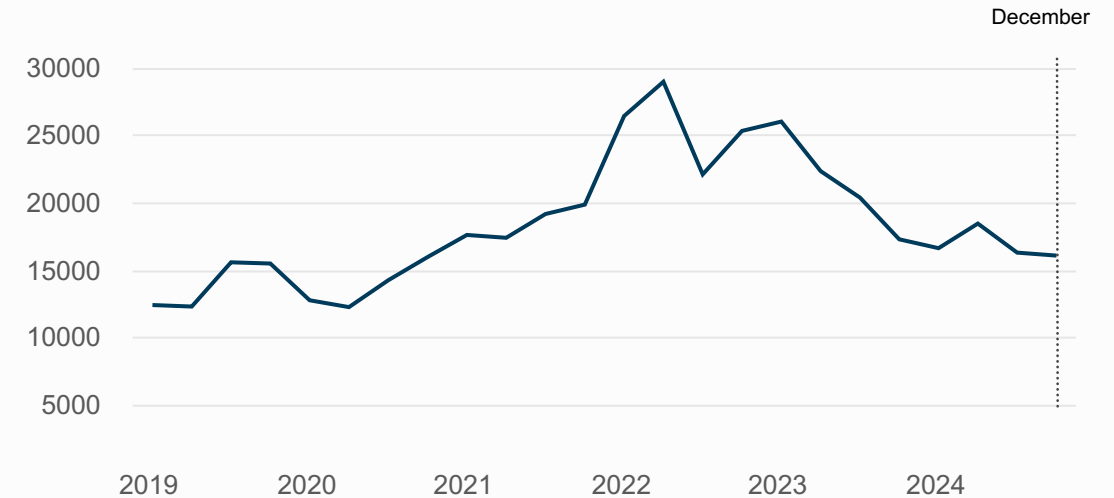
Planned capital expenditure cut to EUR 160 million for year 2025\*

## High Asian imports kept stainless steel prices under pressure in Europe and the U.S.

Transaction prices 304 stainless, USD/tonne\*



Nickel LME cash, USD/tonne



Source: CRU Stainless Steel Flat Products Monitor December 2024  
Nickel: London Metal Exchange (LME) Nickel Cash Official  
Stainless transaction prices 304 monthly figures, nickel quarterly figures

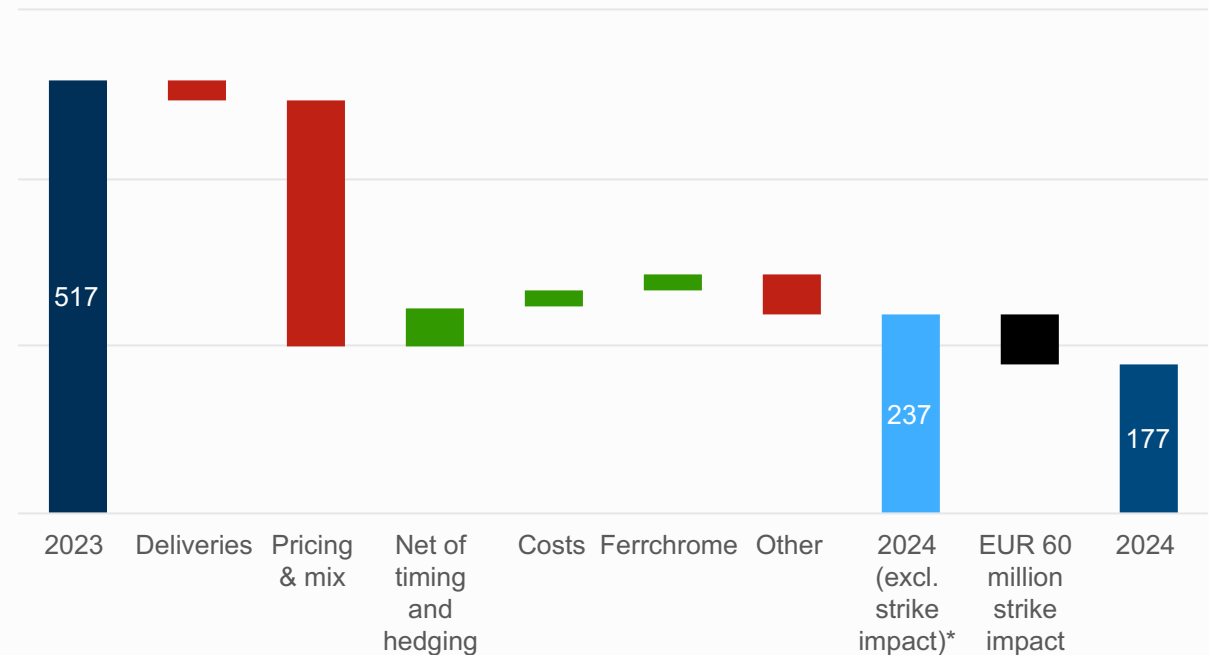
\*EUR/USD FX rate impacting USD transaction prices



## Profitability in 2024 reflects low point of the cycle

- Deliveries decreased by 6%, driven by business area Europe
- Profitability negatively impacted by lower realized prices for stainless steel and unfavorable effects from a tighter scrap market
- Solid result in BA Ferrochrome

Adjusted EBITDA year-on-year comparison<sup>1</sup>, EUR million

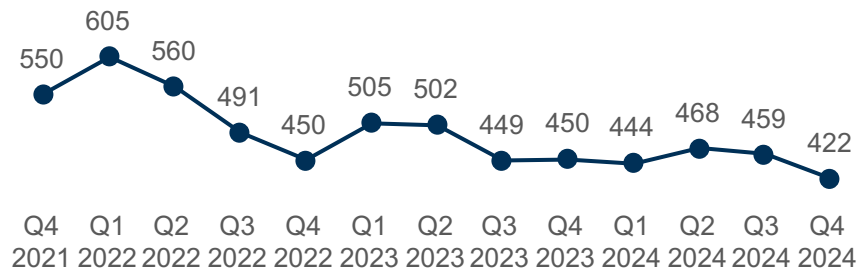


1) Indicative columns based on management estimates

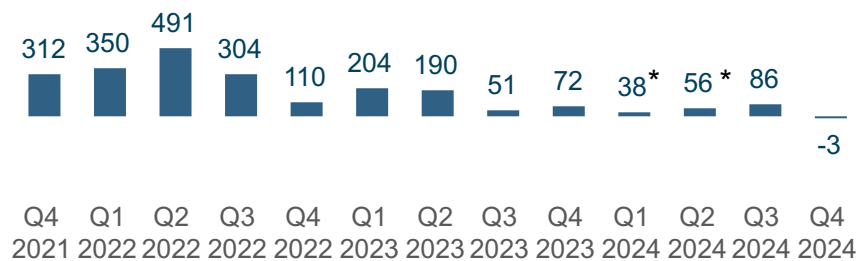
\*Indicative column based on the estimated strike impact

# Lower profitability in Q4 driven by weaker-than-expected market in Europe

Deliveries, kt

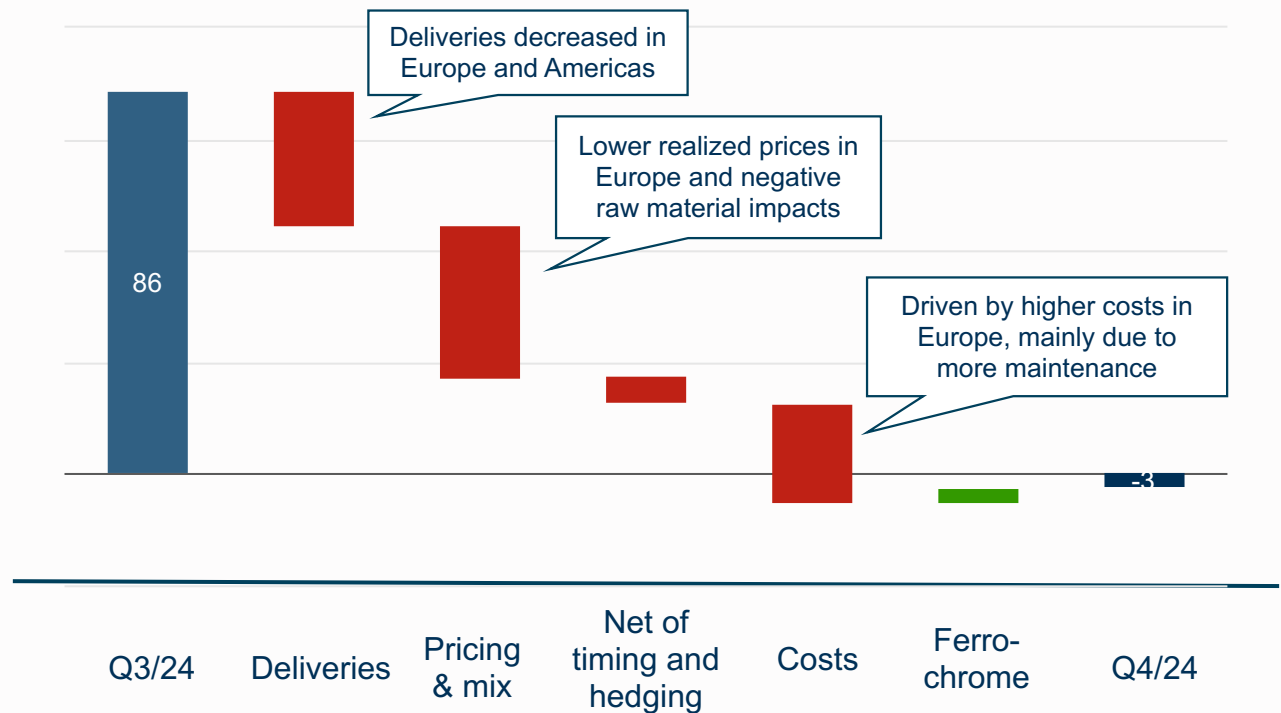


Group adjusted EBITDA, EUR million



\* Negative financial impact of EUR 30 million both in Q1/24 and Q2/24 due to the political strike in Finland

Adjusted EBITDA quarter-on-quarter comparison<sup>1</sup>, EUR million



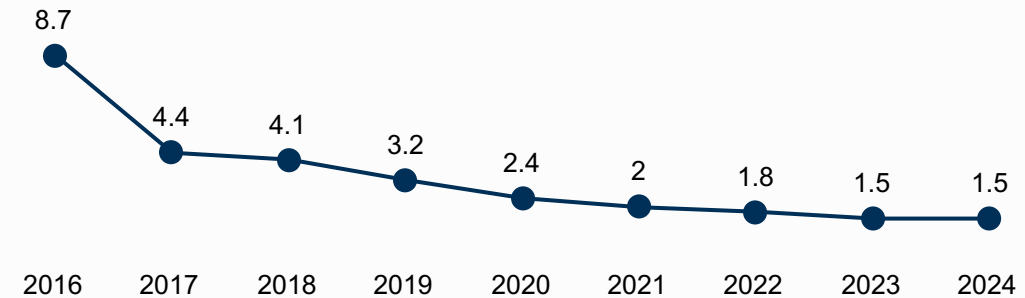
1) Indicative columns based on management estimates



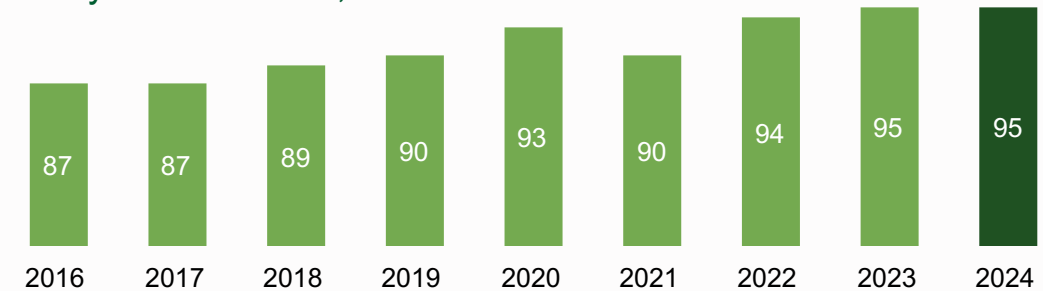
## World-class safety performance and good progress with smart decarbonization strategy

- Safety performance at world-class level
- Recycled material content remained at 95%, highest in the industry
- Good progress towards SBTi climate target (-32% against 2016 baseline)
- Investment decision of EUR 40 million in a biocarbon plant in Germany to reduce direct emissions in ferrochrome production
- Reaching carbon neutrality at Kemi mine by the end of 2025
- Increasing customer interest towards emission-minimized Outokumpu Circle Green®

Safety performance, TRIFR



Recycled materials, %



TRIFR = Number of total recordable incidents per million working hours 2021 and 2022 numbers include only continuing operations  
Recycled material content is 12 month rolling average, LTM = last 12 months

# Securing financial strength

Marc-Simon Schaar, CFO

Central Park Tower | Location: New York City, USA



## Healthy financial condition

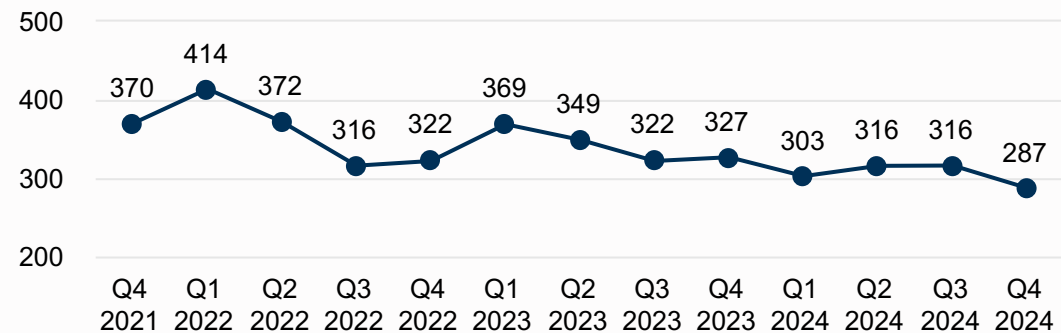
- Net debt EUR 189 million at year-end
- Cash and cash equivalents EUR 313 million, total liquidity reserves EUR 1.1 billion at year-end
- 2024 annual capex EUR 216 million
- Planned capex EUR 160 million for 2025, resulting in capex of approximately EUR 550 million for years 2023-2025

## BA Europe

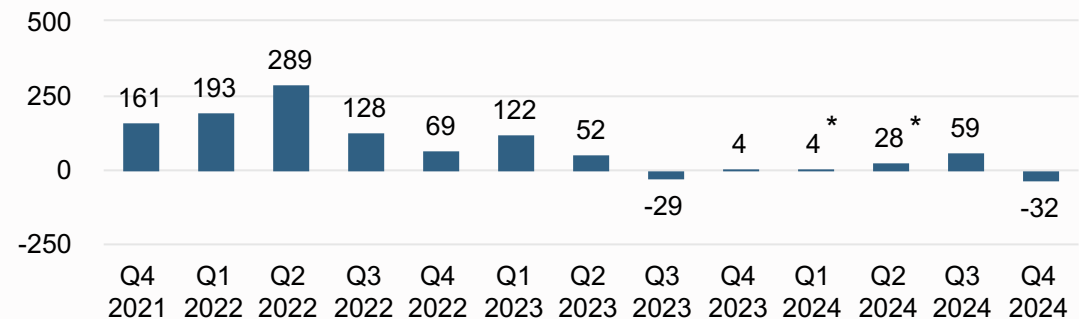
Decrease in profitability driven by weaker-than-expected market

- Stainless steel deliveries in Q4 decreased by 9% in a challenging market with historically low demand
- Strong market position maintained (30% in Q4)
- In Q4, imports remained at a high level of 25%, current trade measures not sufficient to combat unfair competition
- For a proper demand recovery, we need supportive investment climate to boost consumer confidence and industrial production

### BA Europe's stainless steel deliveries, 1,000 tonnes



### BA Europe's adjusted EBITDA, EUR million



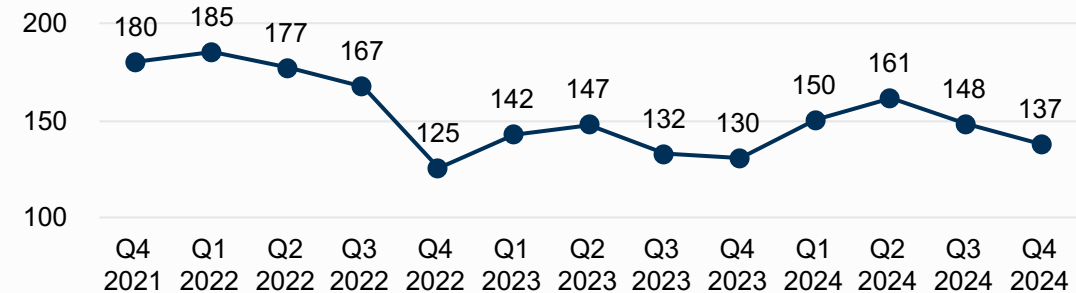
\* Total impact of the political strike in H1 2024 approx. EUR -40 million

## BA Americas

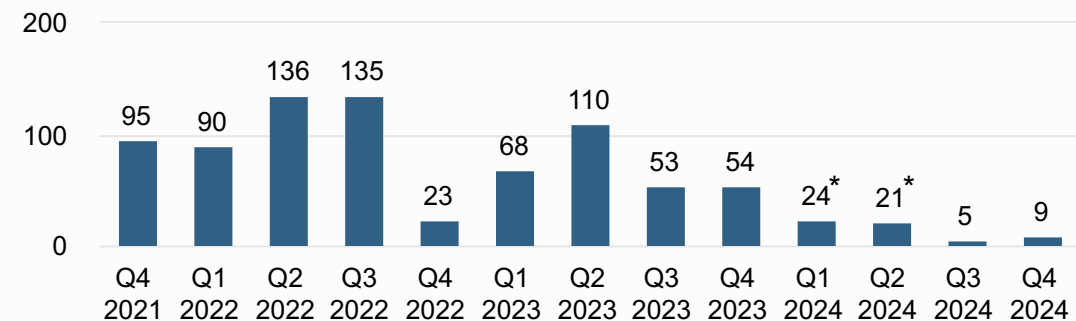
Significant import pressure together with weak industrial production impacted profitability

- Stainless steel deliveries decreased by 7% in Q4 in a challenging operating environment, market position maintained (22% in Q4)
- In Q4, imports were at a level of 25% in the U.S. and 38% in North America, continuing to put pressure on margins
- Market stimulus expected from increased domestic production and infrastructure investments

### BA Americas' stainless steel deliveries, 1,000 tonnes



### BA Americas adjusted EBITDA, EUR million



\* Total impact of the political strike in H1 2024 approx. EUR -10 million

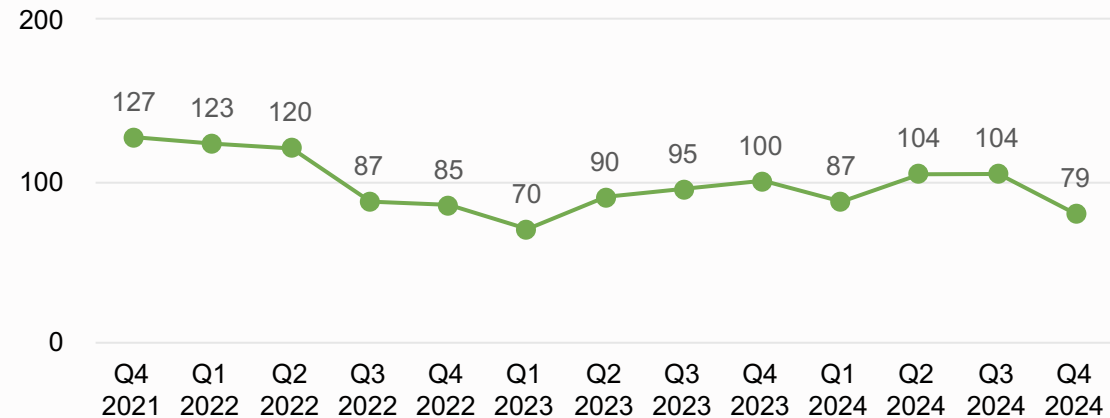


## BA Ferrochrome

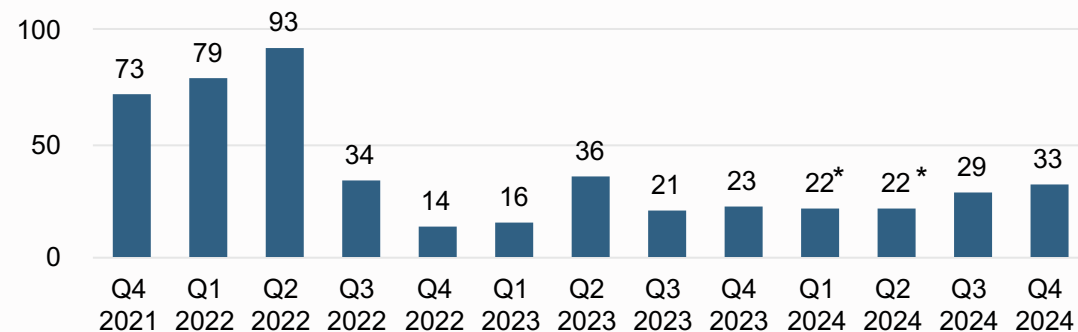
Strong performance continued, energy costs well managed due to successful production optimization

- Demand for our low-emission European ferrochrome remained stable in a challenging market
- Deliveries decreased mainly due to weaker internal demand
- Mineral reserves at the Kemi mine increased by 95%, ore availability ensured until 2050's without any major investments
- Market outlook for our ferrochrome remains positive

### BA Ferrochrome's deliveries, 1,000 tonnes



### BA Ferrochrome's adjusted EBITDA, EUR million

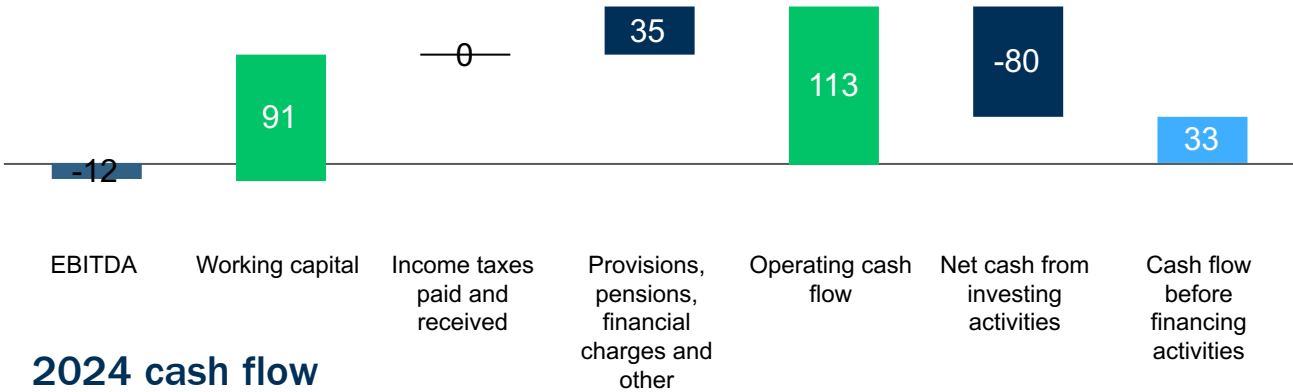


\* Total impact of the political strike in H1 2024 approx. EUR -10 million

# Net debt well managed in challenging market conditions

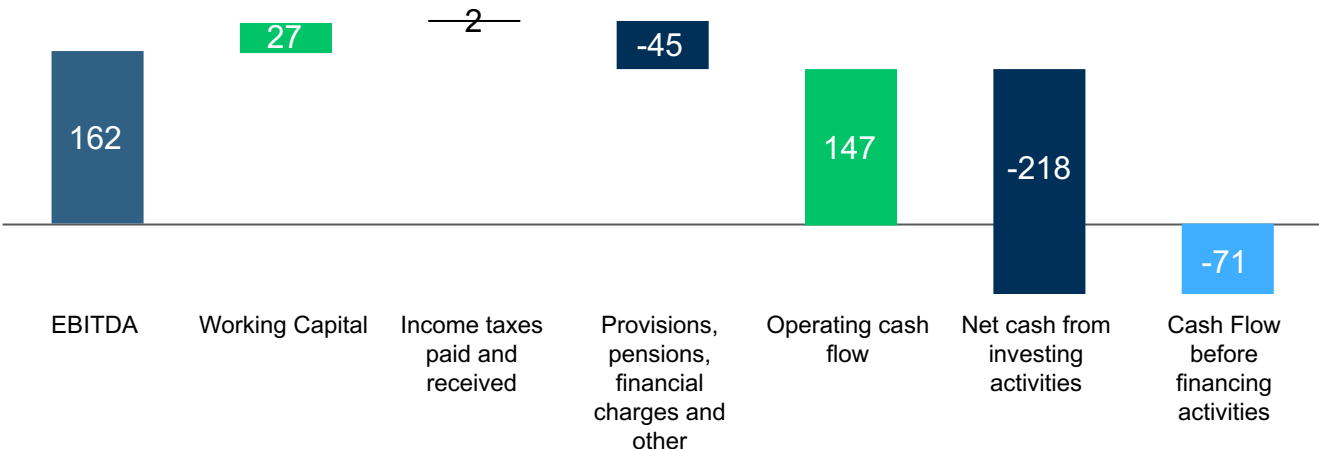
## Q4/24 cash flow

EUR million

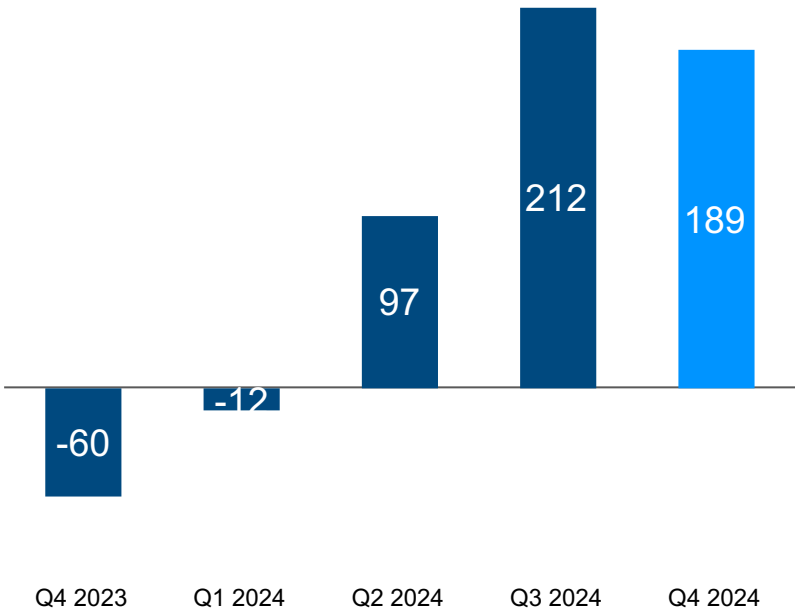


## 2024 cash flow

EUR million



## Net debt development in 2024






## **Solid financial position and a positive long-term outlook supports shareholder returns**

Kati ter Horst, President & CEO

Harvia Cilindro sauna heaters | Finland



A close-up photograph of a man's torso and arm. He is wearing a dark blue blazer over a textured orange sweater. His right hand is gripping a polished metal railing. On his left wrist, he wears a luxury watch with a black dial, silver-toned case, and black leather strap. The watch face features the 'Sarpaneva' brand name and 'SWISS MADE' text. A semi-transparent white rectangular box is overlaid on the right side of the image, containing text about a dividend proposal.

The Board of Directors  
proposes a dividend of  
EUR 0.26 per share  
for the year 2024,  
to be paid in two installments



## Outlook for Q1 2025

Group stainless steel deliveries in the first quarter are expected to increase by 10-20% compared to the fourth quarter (including the impact of a one week's strike), while pressure on realized stainless steel prices is expected to continue during the first quarter.

Maintenance costs are forecasted to decrease by approximately EUR 10 million in the first quarter compared to the fourth quarter.

The one-week strike in Finland in January is expected to have an approximately EUR -15 million impact on adjusted EBITDA in the first quarter.

The risk of further strikes causes uncertainty for Outokumpu's earnings development in the first quarter. The impact of each additional week of strike is expected to be approximately EUR -15 million on adjusted EBITDA.

With the current raw material prices, some raw material related inventory and metal derivative losses are forecasted to be realized in the first quarter.

### Guidance for Q1 2025:

Adjusted EBITDA in the first quarter of 2025 is expected to be higher compared to the fourth quarter. This guidance includes the impact of the one-week strike.



## Addressing current situation before moving into the next strategy phase

- Profit improvement actions essential in the current challenging market environment
- Decision not to invest in cold rolling capacity expansion in the U.S. at this point of time
- Study finalized on Small Modular Reactor (SMR) – looking for an investor interested in energy production next to our Tornio site in Finland
- More on the next strategy phase during our Capital Markets Day on June 11, 2025



# Thank you!

## Questions & answers



Our ambition in sustainability has been globally recognized





A photograph of the Stonecutters Bridge in Hong Kong, a cable-stayed bridge with a tall central pylon and numerous stay cables. The bridge is set against a clear blue sky. The text is overlaid on the left side of the image.

# Save the date Outokumpu Capital Markets Day

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June 11, 2025

# Key financials for FY2024

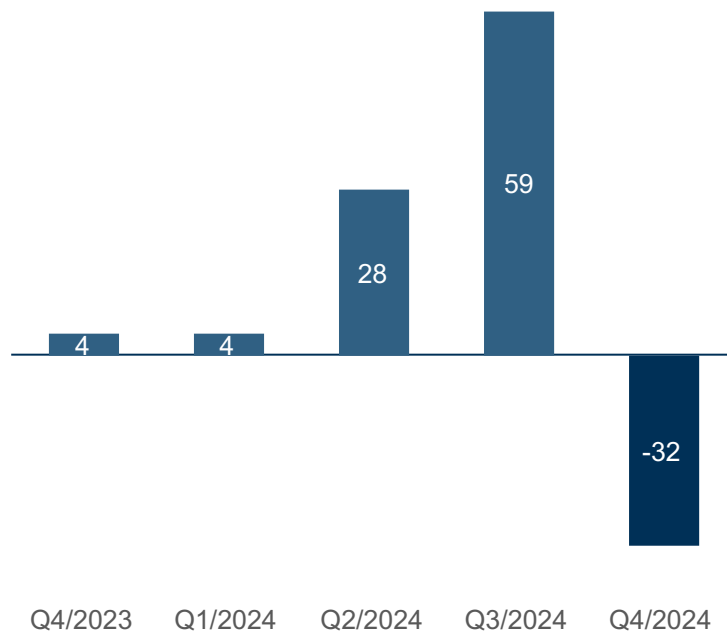
- Adj. EBITDA EUR 177 million
- Net result EUR -40 million
- Earnings per share EUR -0.09
- ROCE -1.2%

Key figures		Q4 2024	Q4 2023	Q3 2024	2024	2023
Sales	EUR million	1,405	1,513	1,518	5,942	6,961
EBITDA	EUR million	-12	15	81	162	416
Adjusted EBITDA	EUR million	-3	72	86	177	517
EBIT	EUR million	-65	-314	32	-51	-100
Adjusted EBIT	EUR million	-58	13	31	-43	274
Result before taxes	EUR million	-74	-320	22	-89	-133
Net result	EUR million	-32	-242	20	-40	-111
Earnings per share	EUR	-0.07	-0.56	0.05	-0.09	-0.26
Return on capital employed, ROCE	%	-1.2	-2.1	-7.1	-1.2	-2.1
Capital expenditure	EUR million	83	86	37	216	170
Free cash flow	EUR million	33	156	-113	-71	290
Stainless steel deliveries	1,000 tonnes	422	450	459	1,793	1,906
Net result for the period from all operations incl discontinued operations	EUR million	-32	-242	20	-40	-106

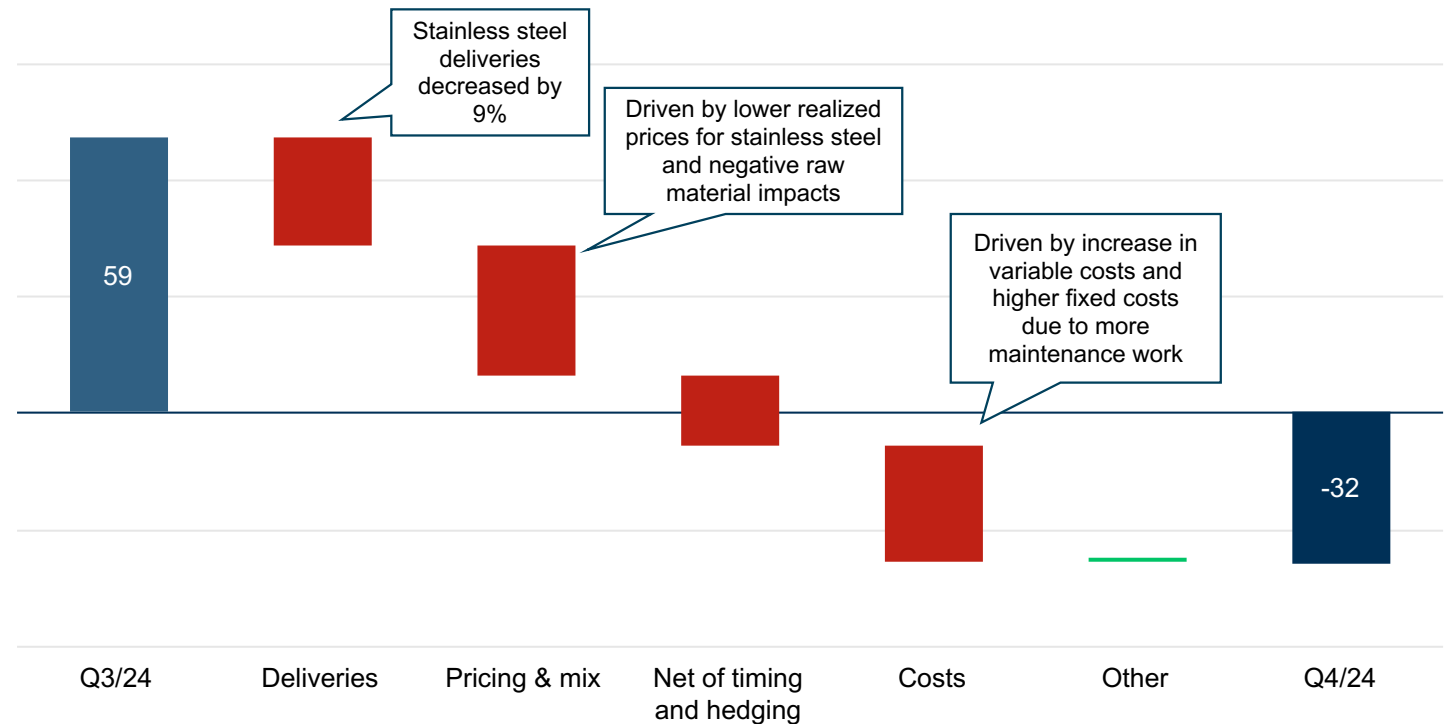


# BA Europe's adjusted EBITDA was EUR -32 million in Q4 2024

Adjusted EBITDA, EUR million



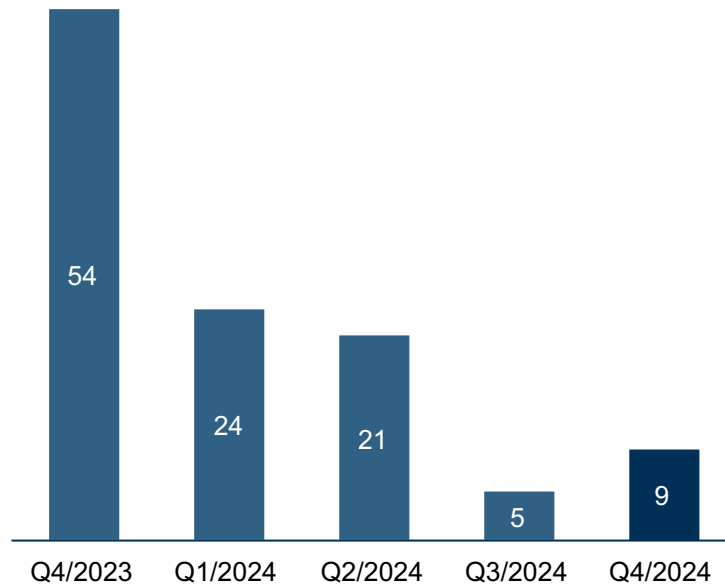
Adjusted EBITDA quarter-on-quarter comparison<sup>1</sup>, EUR million



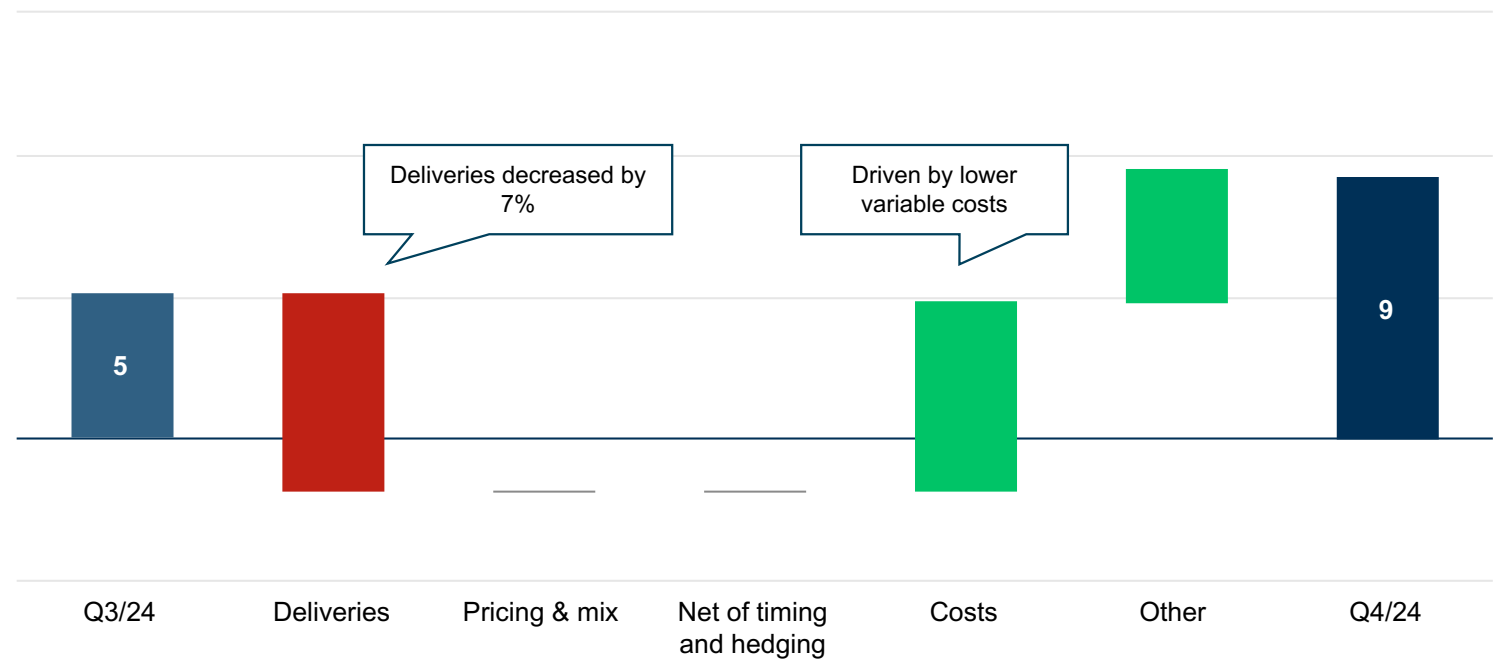
1) Indicative columns based on management estimates

## BA Americas' adjusted EBITDA was EUR 9 million in Q4 2024

Adjusted EBITDA, EUR million



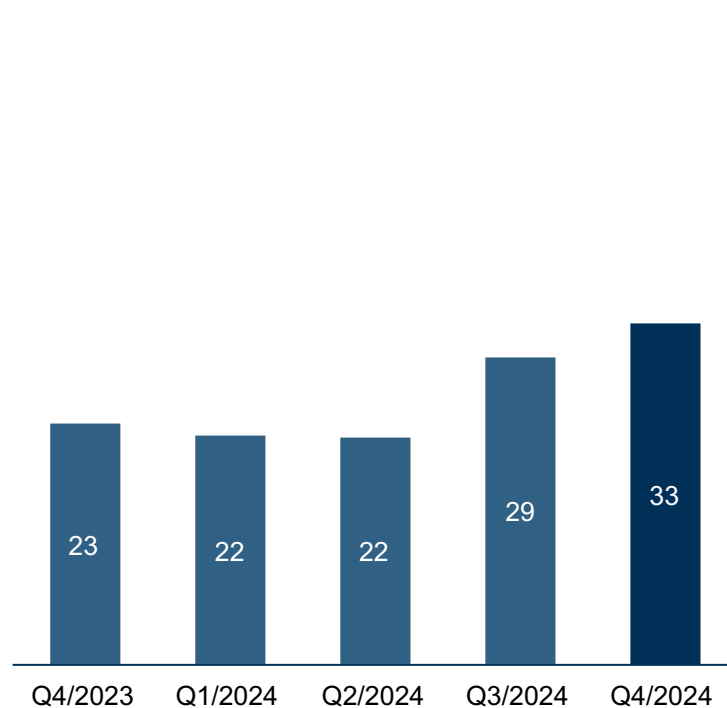
Adjusted EBITDA quarter-on-quarter comparison<sup>1</sup>, EUR million



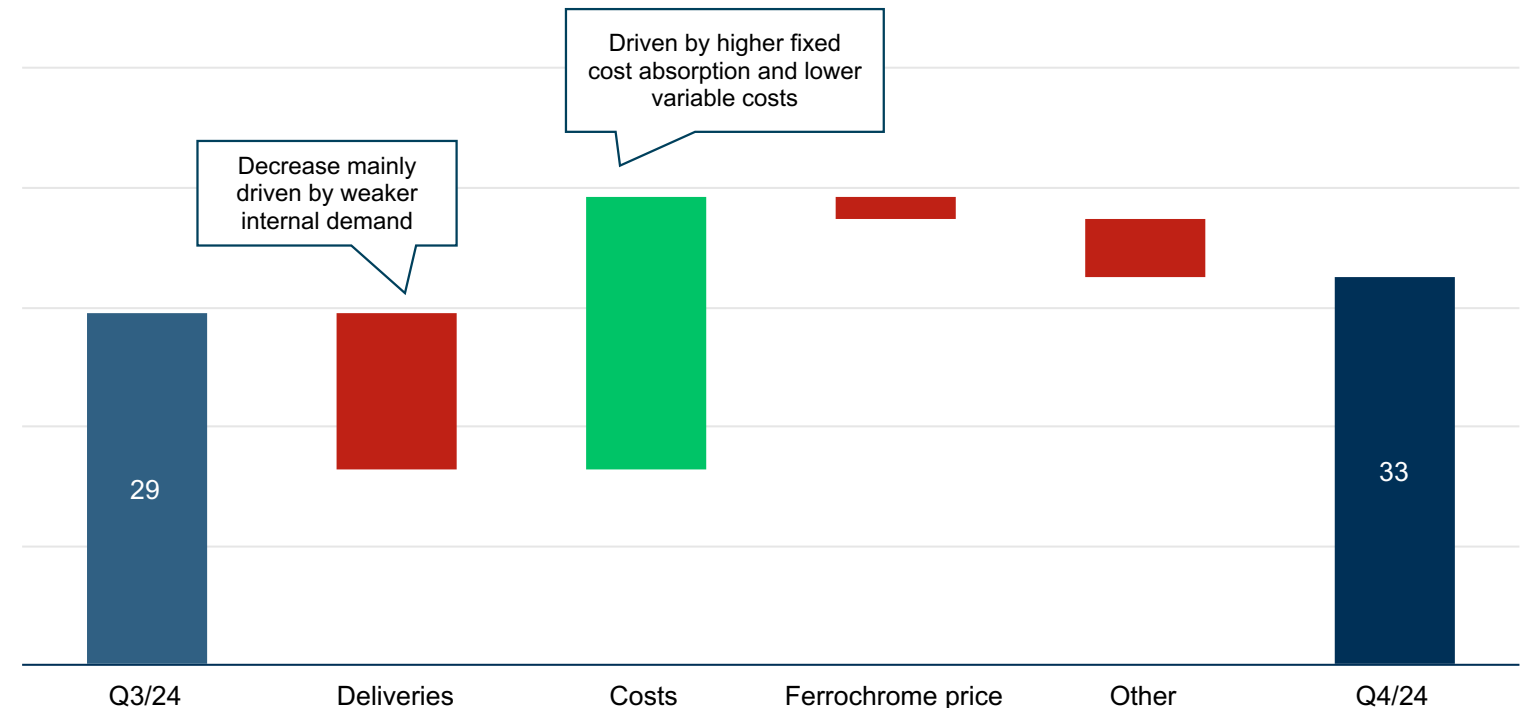
1) Indicative columns based on management estimates

# BA Ferrochrome's adjusted EBITDA was EUR 33 million in Q4 2024

Adjusted EBITDA, EUR million



Adjusted EBITDA quarter-on-quarter comparison<sup>1</sup>, EUR million

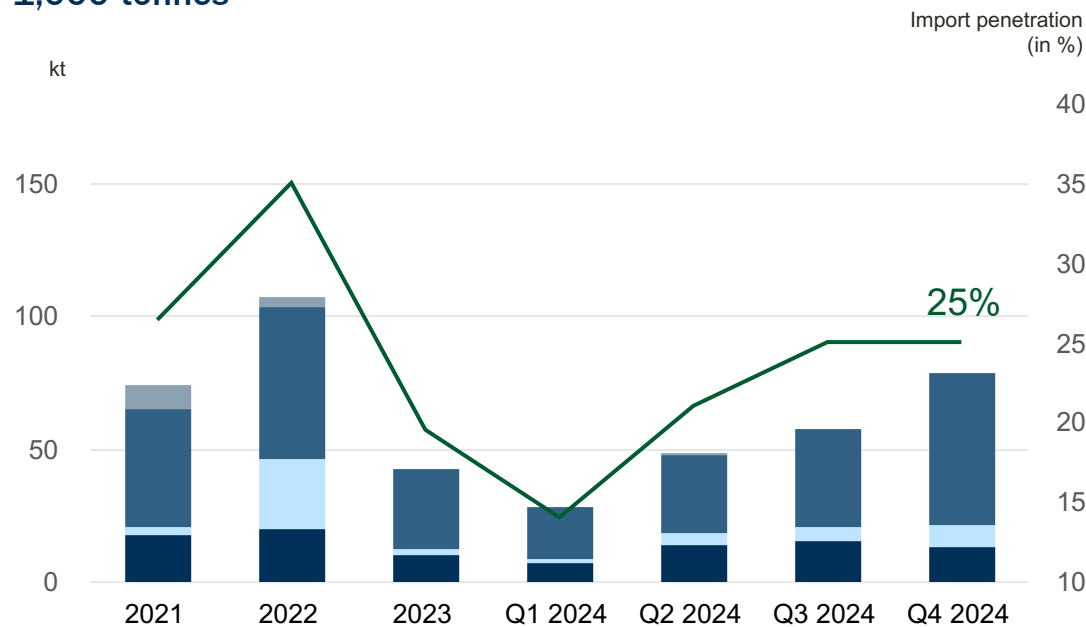


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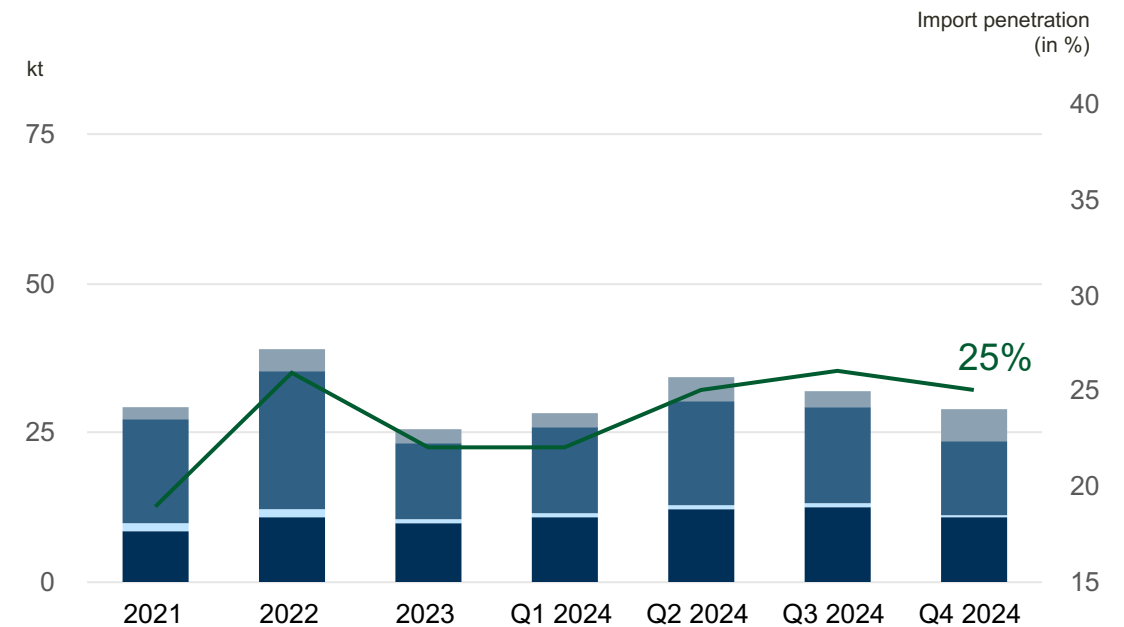
# High import penetration in both regions in 2024

Third-country cold rolled imports<sup>1</sup> into Europe,  
1,000 tonnes



- From rest of world
- From rest of Asia
- From Indonesia
- From China
- Import penetration

Third-country cold rolled imports<sup>2</sup> into the US,  
1,000 tonnes

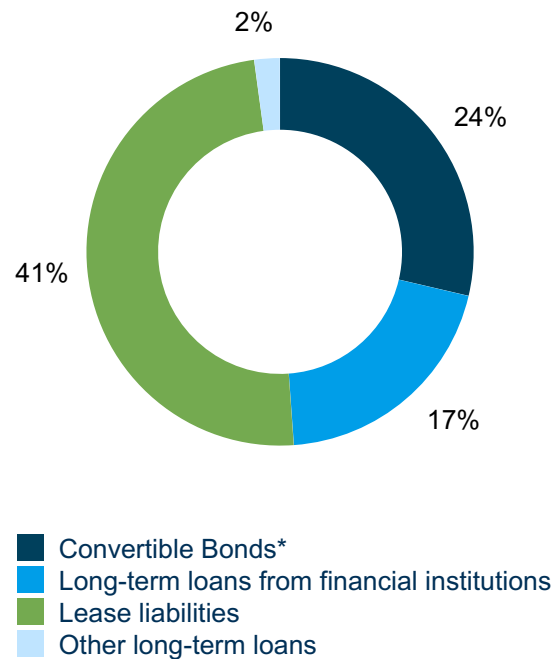


- From rest of world
- From rest of Asia
- From Indonesia
- From China
- Import penetration

1. Cold rolled, monthly average. Source: Eurofer, December 2024  
2. Cold rolled, monthly average. Source: AISI, December 2024

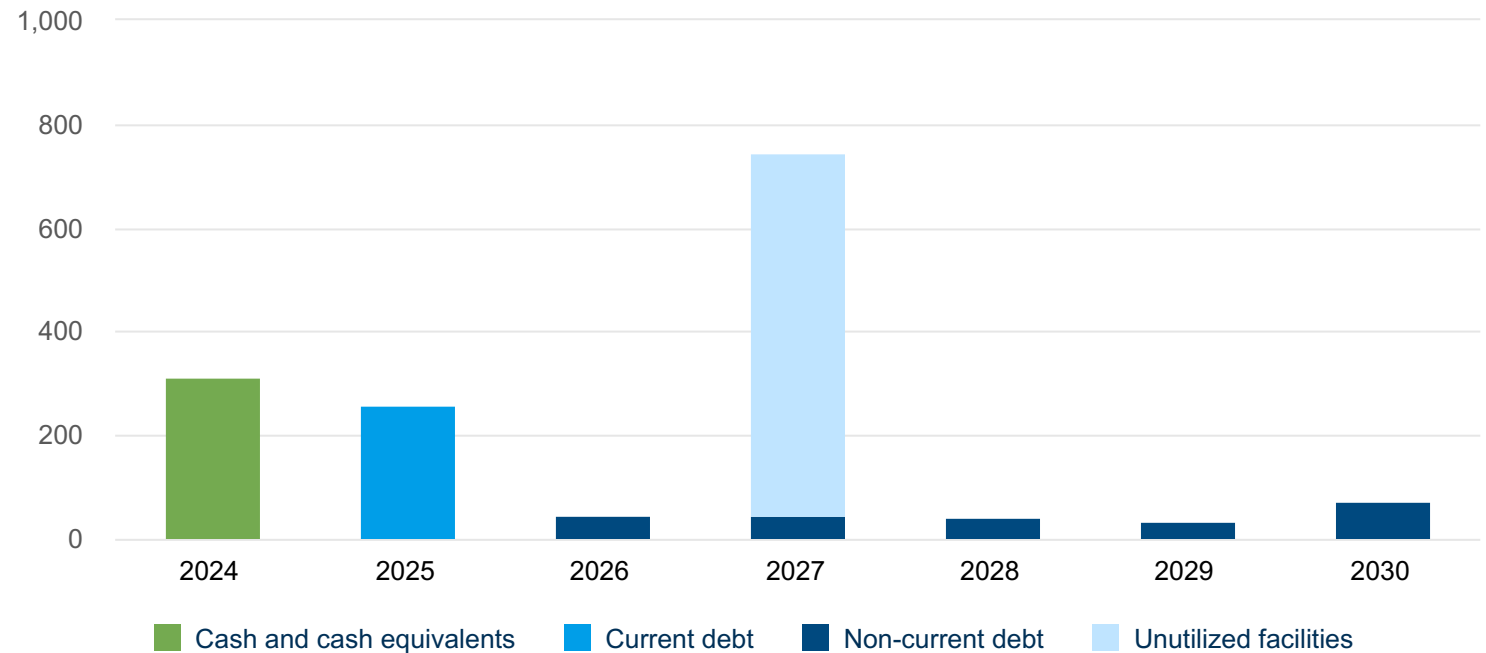
# Good liquidity position remains

## Debt structure at the end of 2024



\*Part of the Convertible Bonds reported as equity

## Debt maturity profile at the end of 2024, EUR million

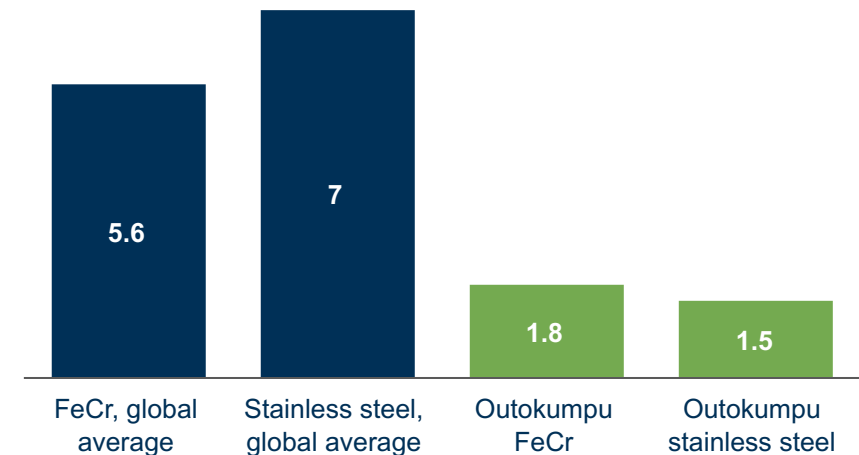


Total liquidity reserves decreased from €1.3 billion to €1.1 billion in 2024

# Outokumpu uniquely positioned to capture value from Carbon Border Adjustment Mechanism – low carbon ferrochrome production a competitive asset for Outokumpu

- The EU's Carbon Border Adjustment Mechanism (CBAM) approved in April 2023 aiming to reduce carbon leakage and encourage greener production
- Iron and steel sector – including stainless steel – main sectors to be impacted by CBAM
- Outokumpu's position is strong due to own ferrochrome production in Finland and low carbon footprint - assumption based on EY's position paper\* made in January 2024
- End-products not included which might impact on production being transferred outside Europe

Outokumpu's CO2 emissions (scopes 1, 2, 3) per tonne



Sources: based on Outokumpu's 2023 Sustainability Review; data collected from worldstainless; 3rd party estimate of European peer average emissions in scope 3 for 2019; ICDA calculation for global ferrochrome carbon footprint 2021; Environmental Product declaration Ferrochrome

\* [www.outokumpu.com/en/CBAM](http://www.outokumpu.com/en/CBAM)



## We continue our climate strategy to further reduce our emissions aligned with 1.5 degrees – circularity and innovation at the core

### 2016–2024

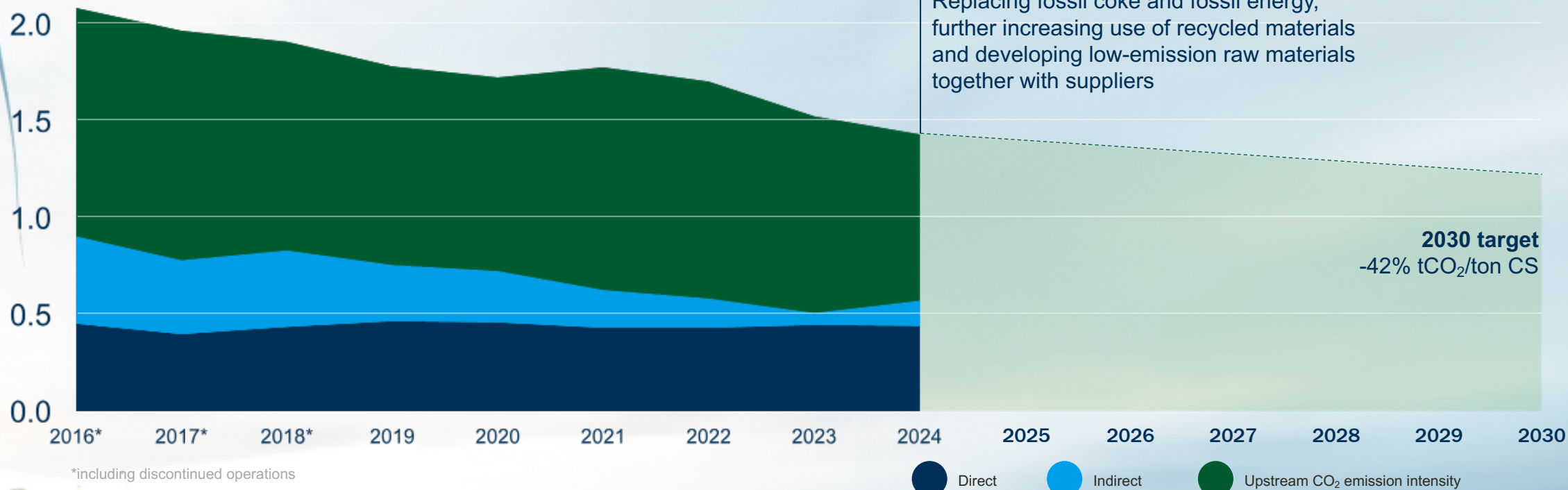
High recycled material content, low-emission energy, energy efficiency and incremental process improvements

### 2024 results

-32% tCO<sub>2</sub>/ton CS against 2016 baseline

### 2024–2030

Replacing fossil coke and fossil energy, further increasing use of recycled materials and developing low-emission raw materials together with suppliers



# Strong partnerships with customers to drive the green transition forward in stainless steel industry



FISKARS  
EST. GROUP 1649



klöckner & co

PUREM  
by Eberspächer

BOYSEN  
INNOVATIONEN ABGASTECHNOLOGIE

SVERDRUP  
STEEL

NORDIC STEEL  
part of great solutions

Fissler



STALA  
TUBE



STAHLKREB  
our steel. YOUR BUSINESS.

SIEMENS



## Up to 93% lower carbon footprint compared to the industry average\*

\*Global average CO<sub>2</sub> emissions (2023): 7 kilos of CO<sub>2</sub>e per kg of stainless steel (based on data provided by CRU and worldstainless). Outokumpu Circle Green CO<sub>2</sub> emissions: down to 0.5 kilos of CO<sub>2</sub>e per kg of stainless steel.