

Outokumpu interim statement Q1 2020

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Outokumpu first quarter interim statement 2020

First-quarter adjusted EBITDA at EUR 106 million; market uncertainty caused by coronavirus (COVID-19) pandemic is expected to continue throughout 2020

Highlights in Q1 2020

- Stainless steel deliveries were 588,000 tonnes (621,000 tonnes)¹.
- Adjusted EBITDA was EUR 106 million (EUR 54 million).
- EBITDA was EUR 106 million (EUR 40 million).
- Operating cash flow was EUR -32 million (EUR 39 million).
- Net debt was EUR 1,249 million (December 31, 2019: EUR 1,155 million).
- Gearing was 48.0% (December 31, 2019: 45.1%).

| Group key figures | | Q1/20 | Q1/19 | Q4/19 | 2019 |
|--|--------------|--------|--------|--------|--------|
| Sales | EUR million | 1,615 | 1,715 | 1,398 | 6,403 |
| EBITDA | EUR million | 106 | 40 | 90 | 266 |
| Adjusted EBITDA ¹⁾ | EUR million | 106 | 54 | 73 | 263 |
| EBIT | EUR million | 45 | -17 | 30 | 33 |
| Adjusted EBIT ¹⁾ | EUR million | 45 | -3 | 13 | 30 |
| Result before taxes | EUR million | 22 | -35 | 6 | -41 |
| Net result for the period | EUR million | 22 | -39 | -15 | -75 |
| Earnings per share | EUR | 0.05 | -0.09 | -0.04 | -0.18 |
| Diluted earnings per share | EUR | 0.05 | -0.09 | -0.04 | -0.18 |
| Return on capital employed | % | 2.3 | 4.3 | 0.8 | 0.8 |
| Net cash generated from operating activities | EUR million | -32 | 39 | 143 | 371 |
| Net debt at the end of period | EUR million | 1,249 | 1,370 | 1,155 | 1,155 |
| Debt-to-equity ratio at the end of period | % | 48.0 | 51.6 | 45.1 | 45.1 |
| Capital expenditure | EUR million | 52 | 50 | 65 | 221 |
| Stainless steel deliveries | 1,000 tonnes | 588 | 621 | 458 | 2,196 |
| Personnel at the end of period | | 10,315 | 10,449 | 10,390 | 10,390 |

¹⁾ Adjusted EBITDA or EBIT = EBITDA or EBIT – Items classified as adjustments.

¹ Figures in parentheses refer to the corresponding period for 2019, unless otherwise stated.

President & CEO Roeland Baan

“The breakout of the COVID-19 pandemic has cast a huge shadow over the world. It has led to a massive impact on individuals, companies and national economies around the globe. At Outokumpu, our priority is always to secure the health and safety of our employees and people around us. Thanks to our fast and decisive measures, the implications of COVID-19 on our operations, deliveries and customer service were limited during the first quarter. It goes without saying that the global economic impacts from the pandemic will have a negative effect also on Outokumpu’s performance.

Outokumpu’s first-quarter results were in line with our guidance with the Group adjusted EBITDA amounting to EUR 106 million.

Business area Americas had a strong start for the year with an adjusted EBITDA of EUR 20 million, which was almost EUR 40 million higher compared to the first quarter last year. This achievement demonstrates the effectiveness of the extensive measures the new management has implemented during the past year.

Business area Europe’s profitability remained on a good level despite high import penetration, low prices and weaker demand. Productivity continued to improve ahead of target as a result of rigorous execution of projects related to operational excellence. Tight cost control further added to a successful mitigation of the negative market dynamics.

The new provisional antidumping duties for hot-rolled products launched in April by the European Union are essential in protecting the European market from unfair trade practices. In the midst of the current COVID-19

crisis, it is extremely important that the European Union strengthens the safeguards in line with the new market reality. Demand will slow down into the second quarter while exporting countries will aggressively be looking for markets. Lowering of the import quotas in line with the reduced steel demand is needed to ward off diverted trade flows.

Weakening customer demand started to become apparent in April with some customers delaying deliveries and order intake trending down. The current uncertainty in the stainless steel market is expected to continue. Outokumpu has developed a range of scenarios with specific action plans linked to each one of them. These contingency plans will ensure continued customer service, mitigate operational risks and secure our financial position whichever of these potential scenarios will occur. Our liquidity is sufficient to take us through these exceptional times, and we have implemented the needed monitoring processes to trigger fast action in case we need to adjust our operations and reallocate our resources to even lower demand and further market deterioration.

I am extremely proud of the resilience of our people and operations during these difficult times. The transformation that Outokumpu has gone through during the past four years has made the company a much stronger entity, capable of surviving even the hardest of storms. We have a solid balance sheet, world class operations, a strong market position and a talented workforce. With these competitive advantages Outokumpu is not just able to tackle the current hurdles, but moreover recover swiftly from this crisis and is uniquely positioned to benefit from the following market opportunities.”



Outlook for Q2 2020

Due to the global economic uncertainty caused by the COVID-19 pandemic, Outokumpu will not give quarterly guidance on adjusted EBITDA until further notice.

The preventative measures and lockdowns related to the COVID-19 pandemic are expected to have a significant impact on the stainless steel industry during 2020. As a

result of lower industrial production and diminishing consumer spending, the demand for stainless steel is expected to decline from the first quarter. Outokumpu expects its stainless steel deliveries to decrease in all business areas by 10-20% compared to the first quarter of 2020.

Responding to COVID-19

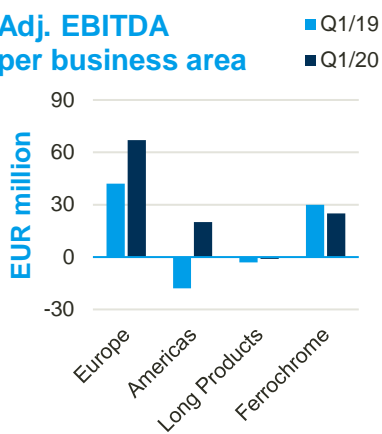
Protecting the health and safety of employees is a top priority in Outokumpu. Since the outbreak of the COVID-19 pandemic in February, Outokumpu has taken numerous measures to secure the health, safety and the wellbeing of employees and continues to monitor the COVID-19 situation closely. These measures include for example suspending all travel, face-to-face meetings and attendance at any gatherings or events, limiting visitor access to the sites to business critical support, encouraging remote work whenever possible, and imposing quarantine for employees as needed. As a result of these actions, the impact of the COVID-19 on Outokumpu's operations, customer service and deliveries was limited during the first quarter.

The global economic slowdown and overall market uncertainty caused by COVID-19 started to affect Outokumpu's operations and customer demand during April. Outokumpu has contingency plans in place to mitigate operational and financial risks and lower production volumes caused by the pandemic through overall cost reduction, tight inventory management and net working capital reduction of EUR 100 million during 2020 as well as cutting annual capital expenditure by EUR 40 million to EUR 180 million. Outokumpu continues the divestments of its non-core assets and expects to book approximately EUR 40 million of proceeds in 2020, of which half is expected to be

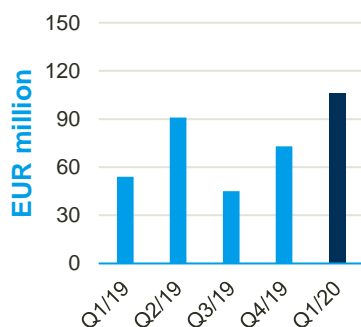
confirmed during the second quarter. Other potential measures include shorter working hours, temporary site closures and co-determination negotiations in line with local labor laws and regulations. To avoid layoffs, Outokumpu can utilize government support schemes in its operating countries. These schemes vary country by country, but on average approximately 50% of Outokumpu's personnel costs can be covered with these subsidies in case of site shutdowns.

Outokumpu's financial position is stable with a solid balance sheet. The company's liquidity is sufficient to carry over this difficult period with cash and cash equivalents amounting to EUR 411 million. Outokumpu has set up a special task force to coordinate scenario-based financial planning. At the end of the first quarter, the total liquidity reserves amounted to EUR 0.9 billion including some EUR 450 million of syndicated facilities available for withdrawal. In addition, the EUR 78 million financing facility for the Kemi mine remains unutilized. Outokumpu reduced its refinancing risk already before the outbreak of the COVID-19 pandemic by improving its debt maturity profile. The financial covenants of Outokumpu's financial agreements are based on debt-to-equity ratio.

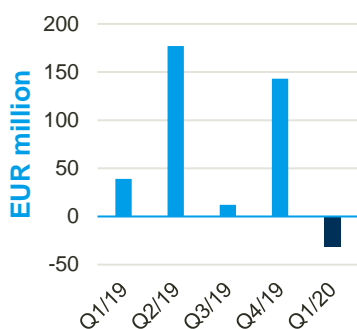
Adj. EBITDA per business area



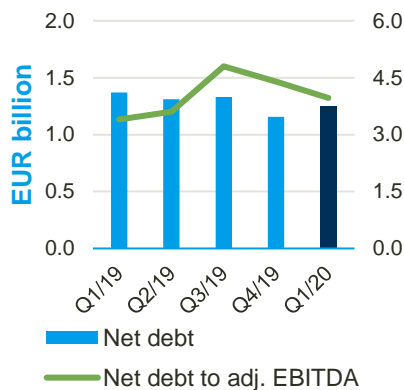
Group adj. EBITDA



Operating cash flow



Net debt and leverage



Results

Q1 2020 compared to Q1 2019

Outokumpu's sales decreased to EUR 1,615 million the first quarter of 2020 (EUR 1,715 million) while adjusted EBITDA increased to EUR 106 million (EUR 54 million). Stainless steel deliveries in the first quarter declined by 5% compared to the reference period in 2019 and realized prices were lower. Profitability was however positively impacted by significantly improved raw material efficiency and lower costs. Raw material-related inventory and metal derivative losses were EUR 22 million (losses of EUR 13 million). Lower ferrochrome benchmark price had a negative impact on business area Ferrochrome's profitability. Other operations and intra-group items' adjusted EBITDA was EUR -6 million (EUR 1 million).

Q1 2020 compared to Q4 2019

Outokumpu's sales increased to EUR 1,615 million in the first quarter of 2020 compared to EUR 1,398 million in the fourth quarter of 2019. Adjusted EBITDA increased to EUR 106 million (Q4/19: EUR 73 million). Volumes were higher across the Group and the total stainless steel deliveries increased by 28% compared to the previous quarter. Profitability was negatively impacted by weaker prices but supported by lower costs. Raw material-related inventory and metal derivative losses increased in the first quarter by EUR 13 million compared to the fourth quarter of 2019.

Financial position and cash flow

Operating cash flow amounted to EUR -32 million in the first quarter (EUR 39 million). Net working capital increased by EUR 106 million, compared to a decrease of EUR 32 million in the first quarter of 2019. Inventories decreased to EUR 1,360 million (Dec 31, 2019: EUR 1,424 million).

Capital expenditure amounted to EUR 52 million in the first quarter (EUR 50 million). The ongoing investments include the Kemi mine expansion and the digital transformation project Chorus, including the ERP renewal.

Net debt amounted to EUR 1,249 million at the end of the first quarter (Dec 31, 2019: EUR 1,155 million). Gearing increased to 48.0% during the first quarter (Dec 31, 2019: 45.1%). Net financial expenses were EUR 23 million in the first quarter (EUR 18 million) and interest expenses were EUR 19 million (EUR 18 million).

Cash and cash equivalents were EUR 411 million at the end of the first quarter (Dec 31, 2019: EUR 325 million) and the total liquidity reserves were EUR 0.9 billion (Dec 31, 2019 EUR 1.0 billion). In addition to these reserves, Outokumpu has unutilized EUR 78 million of the EUR 120 million financing facility, which can be used to finance the Kemi mine investment. In February, Outokumpu repaid its EUR 250 million convertible bond. To improve the debt maturity profile, EUR 120 million Finnish pension loan was refinanced by agreeing a new equal size ten-year pension loan. The Group's cash balance was also increased in March by drawing SEK 2,200 million from the revolving credit facility.

Market development

According to CRU's latest estimates (April 2020), global apparent stainless steel consumption decreased by 11.9% in the first quarter of 2020 compared to the same period last year. Consumption in EMEA plummeted by 15.5%, in APAC by 11.7% and in Americas by 4.8%.

Business area Europe

| Europe key figures | | Q1/20 | Q1/19 | Q4/19 | 2019 |
|---|--------------|-------|-------|-------|-------|
| Stainless steel deliveries | 1,000 tonnes | 391 | 415 | 297 | 1,459 |
| Sales | EUR million | 1,025 | 1,124 | 862 | 4,089 |
| Adjusted EBITDA | EUR million | 67 | 42 | 68 | 216 |
| Adjustments | | | | | |
| Gain on the sale of real estate in Benrath, Germany | EUR million | - | - | 70 | 70 |
| Restructuring costs in Germany | EUR million | - | - | -53 | -53 |
| EBITDA | EUR million | 67 | 42 | 85 | 233 |
| Operating capital | EUR million | 1,878 | 2,055 | 1,901 | 1,901 |

Results

Q1 2020 compared to Q1 2019

Sales amounted to EUR 1,025 million (EUR 1,124 million).

Adjusted EBITDA amounted to EUR 67 million (EUR 42 million).

- Stainless steel deliveries decreased by 6% as a result of continued high import penetration and lower demand.
- Prices were lower.
- Profitability was positively impacted by significantly lower input costs and better raw material efficiency.
- Raw material-related inventory and metal derivative losses were EUR 13 million compared to gains of EUR 2 million in Q1/19.

Q1 2020 compared to Q4 2019

Adjusted EBITDA amounted to EUR 67 million (Q4/19: EUR 68 million).

- Stainless steel deliveries increased by 32%, supported by typical seasonality.
- Weaker product mix had a negative impact on the result.
- Lower input costs supported profitability.
- Fixed costs were significantly lower as the comparison period includes EUR 15 million maintenance costs related to the Tornio stainless steel mill.
- Raw material-related inventory and metal derivative losses were EUR 13 million compared to gains of EUR 6 million in Q4/19.

Market

- During the first quarter of 2020, apparent consumption in EMEA decreased by 2.6% compared to Q1/19 and remained at the same level as in Q4/19.
- EU cold-rolled imports from the third countries were at a level of 29% in Q1/20, below the level of 32% in Q4/19. (Source: EUROFER, April 2020).
- Distributor inventories were above the long-term average level in March.

Business area Americas

| Americas key figures | | Q1/20 | Q1/19 | Q4/19 | 2019 |
|----------------------------|--------------|-------|-------|-------|-------|
| Stainless steel deliveries | 1,000 tonnes | 168 | 164 | 134 | 601 |
| Sales | EUR million | 359 | 364 | 302 | 1,346 |
| Adjusted EBITDA | EUR million | 20 | -18 | 10 | -27 |
| EBITDA | EUR million | 20 | -18 | 10 | -27 |
| Operating capital | EUR million | 957 | 1,028 | 914 | 914 |

Results

Q1 2020 compared to Q1 2019

Sales amounted to EUR 359 million (EUR 364 million).

Adjusted EBITDA increased to EUR 20 million (EUR -18 million).

- Stainless steel deliveries increased by 2%.
- Lower prices impacted negatively on profitability and offset the benefits of the good product mix.
- Higher raw material efficiency and lower input costs supported the result.
- Raw material-related inventory and metal derivative losses were EUR 3 million compared to losses of EUR 14 million Q1/19.

Q1 2020 compared to Q4 2019

Adjusted EBITDA increased to EUR 20 million (Q4/19: EUR 10 million).

- Stainless steel deliveries increased by 25% due to typical seasonality.
- Positive impacts from profitable product mix were offset by lower prices and higher costs.
- Raw material-related inventory and metal derivative losses were EUR 3 million compared to losses of EUR 8 million in Q4/19.

Market

- In the first quarter of 2020, US real demand rose by 2% compared to Q1/19.
- Cold-rolled imports into the US decreased by 16% in the first quarter compared to Q1/19. (Source: American Iron & Steel Institute, April 2020).
- Distributor inventories in January and February were below both the average and first quarter of 2019 level. (Source: Metals Service Center Institute, April 2020).

Business area Long Products

| Long Products key figures | | Q1/20 | Q1/19 | Q4/19 | 2019 |
|----------------------------|--------------|-------|-------|-------|------|
| Stainless steel deliveries | 1,000 tonnes | 61 | 70 | 44 | 226 |
| Sales | EUR million | 170 | 185 | 135 | 642 |
| Adjusted EBITDA | EUR million | -1 | -3 | -2 | -7 |
| EBITDA | EUR million | -1 | -3 | -2 | -7 |
| Operating capital | EUR million | 172 | 178 | 157 | 157 |

Results

Q1 2020 compared to Q1 2019

Sales amounted to EUR 170 million (EUR 185 million).

Adjusted EBITDA amounted to EUR -1 million (EUR -3 million).

- Stainless steel deliveries decreased by 13%.
- Product mix was better, and costs were lower.
- Raw material-related inventory and metal derivative losses were EUR 5 million compared to losses of EUR 2 million in Q1/19.

Q1 2020 compared to Q4 2019

Adjusted EBITDA amounted to EUR -1 million (Q4/19: EUR -2 million).

- Stainless steel deliveries increased by 40%.
- Both external deliveries and internal deliveries to business area Europe were higher, but product mix was weaker.
- Costs were lower in several areas.
- Raw material-related inventory and metal derivative losses were EUR 5 million compared to losses of EUR 0 million in Q4/19.

Market

- Long products market recovered during the first quarter of 2020 after a weak Q4/19. Demand was particularly strong in Europe while the market in the US was flat compared to Q4/19.
- Demand in the automotive segment was subdued while demand in other segments was supported by low year-end inventories.

Business area Ferrochrome

| Ferrochrome key figures | | Q1/20 | Q1/19 | Q4/19 | 2019 |
|-------------------------|--------------|-------|-------|-------|------|
| Ferrochrome production | 1,000 tonnes | 136 | 133 | 112 | 505 |
| Sales | EUR million | 112 | 126 | 104 | 461 |
| Adjusted EBITDA | EUR million | 25 | 30 | 16 | 96 |
| EBITDA | EUR million | 25 | 30 | 16 | 96 |
| Operating capital | EUR million | 736 | 683 | 692 | 692 |

Results

Q1 2020 compared to Q1 2019

Sales amounted to EUR 112 million (EUR 126 million).

Adjusted EBITDA decreased to EUR 25 million (EUR 30 million).

- Ferrochrome production was 3% higher.
- Profitability was negatively impacted by USD 0.11/lb lower ferrochrome benchmark price.
- Input and maintenance costs were lower.

Q1 2020 compared to Q4 2019

Adjusted EBITDA increased to EUR 25 million (Q4/19: EUR 16 million).

- Ferrochrome production increased by 22%.
- Ferrochrome benchmark price was USD 0.01/lb lower than in the fourth quarter.
- Lower input and maintenance costs supported profitability.

Market

- The European benchmark price for ferrochrome decreased in Q1/20 by USD 0.01/lb to USD 1.01/lb from USD 1.02/lb in Q4/19.
- For Q2/20, the European benchmark price increased by USD 0.13/lb to USD 1.14/lb.

Sustainability

Outokumpu is the leading producer of sustainable stainless steel globally. Our sustainability strategy is based on three pillars – Climate, Environment and Society. We are committed to the United Nation's Sustainable Development Goals with a focus on the following six goals: clean water and sanitation, affordable and clean energy, decent work and economic growth, industry, innovation and infrastructure, responsible consumption and production, and climate action.

Outokumpu is the only stainless steel company globally to have an approved Science Based Target with the aim of reducing our greenhouse gas emissions by 20% per tonne of stainless steel in 2023. Our longer-term target is to reach carbon neutrality in 2050 in-line with EU Green Deal objectives. Outokumpu's other sustainability targets include improved organizational health, improved safety, increased energy efficiency, zero environmental incidents and high material recycling. During the first quarter, Outokumpu conducted a survey among customers to assess their needs and expectations regarding sustainability.

Safety

The total recordable injury frequency rate (TRIFR) was 2.5 in Q1/20 (Q1/19: 3.7) against the target of less than 3.0. Outokumpu has never before had such a strong safety performance in the first quarter as this year. Outokumpu has encouraged the reporting of serious near misses, and the amount of reported cases has increased allowing the company to focus on the root causes of incidents and eliminate accidents before they happen. Outokumpu has safety management systems, policies, instructions and trainings in place to increase the safety awareness among employees to reach our safety vision of zero accidents.

To mitigate the impacts of the COVID-19 pandemic, Outokumpu has taken numerous measures including a travel ban, remote work, social distancing, limited visitor access to all sites and enhanced focus on cleanliness and hygiene at all sites to protect the health and safety of employees and people close to the company and at the same secure the continuity of the business.

Personnel

Outokumpu's headcount decreased by 75 compared to the end of 2019 and totaled 10,315 at the end of the first quarter (Dec 31, 2019: 10,390). The restructuring measures in Germany will lead to further headcount reductions.

Shares

On March 31, 2020, Outokumpu's share capital was EUR 311 million, and the total number of shares was 416,374,448. At the end of the first quarter, Outokumpu held 4,550,586 treasury shares. The average number of shares outstanding was 411,792,789 for the first quarter.

Risks and uncertainties

The main realized risks in Q1 2020 were related to the COVID-19 pandemic and its impacts on global economy and stainless steel industry. For Outokumpu, the direct impacts of the COVID-19 pandemic in Q1 were limited to few minor and temporary shutdowns in Outokumpu's locations as well as marginal negative impacts on new sales orders.

Short-term risks and uncertainties

In the short term, Outokumpu focuses on mitigating its current exposures to the COVID-19 pandemic related risks and uncertainties to its business and operations, including but not limited to: risk of business interruptions due to closures in Outokumpu's production locations; weakened outlook for demand for stainless steel and consequently Outokumpu's expected product deliveries; impacts on personnel resources; dependencies on certain critical suppliers; overall price and availability of critical raw materials and supplies; impacts on payment terms with suppliers due to Outokumpu's weakened credit rating; increased overdues and realization of credit losses from customer receivables; liquidity and refinancing risks; changes in the prices of ferrochrome, nickel, electrical power and CO2 emission allowances; currency developments affecting the euro, US dollar, Swedish krona, and British pound; negative impacts on the amount of defined pension benefit assets and liabilities; changes in interest margins applied for Outokumpu; risks related to the fair value of shareholdings, e.g. investment in the Fennovoima project and project and investment implementation risks, including the ongoing project in the Kemi mine.

Possible further adverse changes in the global political and economic environment, including a severe and lengthened impacts from the coronavirus pandemic driving global economic downturn, may have a significant negative impact on Outokumpu's overall business and access to financial markets.

Annual General Meeting 2020 and new dividend proposal

On March 18, Outokumpu announced that it will postpone the Annual General Meeting 2020 to be held on a later date. As announced on April 30, the Annual General meeting will convene on May 28, 2020.

On April 29, Outokumpu's Board of Directors made a new dividend proposal to the Annual General Meeting that no dividend payment would be decided by the Annual General Meeting. Instead, the Board of Directors proposed that the Annual General Meeting would authorize the Board to decide at a later stage and in its discretion on a dividend payment in one or several instalments of a total maximum of EUR 0.10 per share. The authorization would be valid until the next Annual General Meeting, however, no longer than until May 31, 2021.

Events after the reporting period

On April 15, Outokumpu announced that Heikki Malinen was appointed as President and CEO of Outokumpu and the Chairman of the Leadership Team. He joined the company on May 1, 2020 and will assume his role as the CEO on May 16, 2020. Heikki Malinen had been a member of the Outokumpu Board of Directors since 2012, and due to his appointment, he resigned from the Board at the end of April 2020.

Helsinki, May 6, 2020

Outokumpu Oyj
Board of Directors

Financial information

| Condensed statement of income (EUR million) | Jan–March 2020 | Jan–March 2019 | Jan–Dec 2019 |
|---|-------------------|-------------------|-----------------|
| Sales | 1,615 | 1,715 | 6,403 |
| Cost of sales | -1,495 | -1,631 | -6,108 |
| Gross margin | 120 | 83 | 295 |
| Other operating income | 3 | 6 | 107 |
| Sales, general and administrative costs | -71 | -76 | -292 |
| Other operating expenses | -8 | -31 | -77 |
| EBIT | 45 | -17 | 33 |
| Share of results in associated companies and joint ventures | 1 | 0 | 6 |
| Interest expenses | -19 | -18 | -76 |
| Net other financial income and expenses | -4 | 0 | -4 |
| Total financial income and expenses | -23 | -18 | -80 |
| Result before taxes | 22 | -35 | -41 |
| Income taxes | 0 | -4 | -33 |
| Net result for the period | 22 | -39 | -75 |
| Earnings per share for result attributable to the equity holders of the Company | | | |
| Earnings per share, EUR | 0.05 | -0.09 | -0.18 |
| Diluted earnings per share, EUR | 0.05 | -0.09 | -0.18 |

| Statement of comprehensive income (EUR million) | Jan–March 2020 | Jan–March 2019 | Jan–Dec 2019 |
|--|-------------------|-------------------|-----------------|
| Net result for the period | 22 | -39 | -75 |
| Other comprehensive income | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences on translating foreign operations | | | |
| Change in exchange differences | 10 | 26 | 25 |
| Reclassification adjustments from other comprehensive income to profit or loss | - | - | 3 |
| Cash flow hedges | | | |
| Fair value changes during the financial year | -1 | -1 | 12 |
| Reclassification adjustments from other comprehensive income to profit or loss | -9 | -1 | -1 |
| Reclassification adjustments from other comprehensive income to inventory | 1 | - | -2 |
| Income tax relating to cash flow hedges | 0 | 0 | -1 |
| Items that will not be reclassified to profit or loss: | | | |
| Remeasurements on defined benefit obligation plans | | | |
| Changes during the accounting period | 44 | -8 | -43 |
| Income tax relating to remeasurements | -9 | 4 | 10 |
| Financial assets at fair value through other comprehensive income | -16 | -15 | -54 |
| Share of other comprehensive income in associated companies and joint ventures | -0 | -0 | -0 |
| Other comprehensive income for the period, net of tax | 21 | 5 | -49 |
| Total comprehensive income for the period | 44 | -34 | -124 |

Net result for the period and total comprehensive income for the period are fully attributable to the equity holders of the company.

Condensed statement of financial position (EUR million)

| | March 31 2020 | March 31 2019 | Dec 31 2019 |
|--|------------------|------------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | 611 | 589 | 607 |
| Property, plant and equipment | 2,753 | 2,794 | 2,767 |
| Investments in associated companies and joint ventures | 39 | 49 | 38 |
| Other financial assets | 27 | 75 | 36 |
| Deferred tax assets | 215 | 248 | 229 |
| Defined benefit plan assets | 96 | 89 | 68 |
| Trade and other receivables | 2 | 2 | 2 |
| Total non-current assets | 3,744 | 3,847 | 3,747 |
| Current assets | | | |
| Inventories | 1,360 | 1,448 | 1,424 |
| Other financial assets | 44 | 21 | 28 |
| Trade and other receivables | 660 | 748 | 514 |
| Cash and cash equivalents | 411 | 132 | 325 |
| Total current assets | 2,475 | 2,348 | 2,291 |
| TOTAL ASSETS | 6,219 | 6,195 | 6,038 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to the equity holders of the Company | 2,605 | 2,656 | 2,562 |
| Non-current liabilities | | | |
| Non-current debt | 1,287 | 703 | 1,053 |
| Other financial liabilities | 0 | 0 | - |
| Deferred tax liabilities | 12 | 12 | 12 |
| Defined benefit and other long-term employee benefit obligations | 315 | 329 | 335 |
| Provisions | 82 | 61 | 85 |
| Trade and other payables | 28 | 35 | 29 |
| Total non-current liabilities | 1,724 | 1,140 | 1,514 |
| Current liabilities | | | |
| Current debt | 374 | 800 | 427 |
| Other financial liabilities | 22 | 17 | 17 |
| Provisions | 24 | 4 | 25 |
| Trade and other payables | 1,468 | 1,579 | 1,493 |
| Total current liabilities | 1,889 | 2,399 | 1,962 |
| TOTAL EQUITY AND LIABILITIES | 6,219 | 6,195 | 6,038 |

| Condensed statement of cash flows (EUR million) | Jan–March 2020 | Jan–March 2019 | Jan–Dec 2019 |
|--|-------------------|-------------------|-----------------|
| Net result for the period | 22 | -39 | -75 |
| Adjustments | | | |
| Depreciation, amortization and impairments | 61 | 57 | 233 |
| Other non-cash adjustments | 20 | 22 | 97 |
| Change in working capital | -106 | 32 | 218 |
| Provisions, and defined benefit and other long-term employee benefit obligations paid | -12 | -20 | -53 |
| Dividends and interests received | 0 | 0 | 12 |
| Interests paid | -13 | -12 | -56 |
| Income taxes paid | -5 | -2 | -5 |
| Net cash from operating activities | -32 | 39 | 371 |
| Acquired businesses, net of cash | - | - | -3 |
| Purchases of assets | -58 | -40 | -190 |
| Proceeds from the disposal of subsidiaries, net of cash | - | - | 9 |
| Proceeds from the sale of assets | 0 | 5 | 109 |
| Other investing cash flow | - | - | 10 |
| Net cash from investing activities | -58 | -35 | -65 |
| Cash flow before financing activities | -90 | 3 | 306 |
| Dividends paid | - | - | -62 |
| Borrowings of non-current debt | 319 | 50 | 515 |
| Repayment of non-current debt | -381 | -10 | -110 |
| Change in current debt | 239 | 20 | -396 |
| Other financing cash flow | 0 | 1 | 3 |
| Net cash from financing activities | 178 | 60 | -49 |
| Net change in cash and cash equivalents | 88 | 64 | 256 |
| Cash and cash equivalents at the beginning of the period | 325 | 68 | 68 |
| Net change in cash and cash equivalents | 88 | 64 | 256 |
| Foreign exchange rate effect | -1 | 0 | 0 |
| Cash and cash equivalents at the end of the period | 411 | 132 | 325 |

Statement of changes in equity
(EUR million)

Attributable to the equity holders of the parent

| | Share capital | Premium fund | Invested unrestricted equity reserve | Other reserves | Fair value reserve from financial assets at fair value through OCI | Fair value reserve from derivatives | Cumulative translation differences | Remeasurements of defined benefit plans | Treasury shares | Other retained earnings | Total equity |
|---|---------------|--------------|--------------------------------------|----------------|--|-------------------------------------|------------------------------------|---|-----------------|-------------------------|--------------|
| Equity on Jan 1, 2019 | 311 | 714 | 2,103 | 3 | 5 | -3 | -56 | -80 | -40 | -207 | 2,750 |
| Net result for the period | - | - | - | - | - | - | - | - | - | -39 | -39 |
| Other comprehensive income | - | - | - | - | -15 | -1 | 26 | -4 | - | -0 | 5 |
| Total comprehensive income for the period | - | - | - | - | -15 | -1 | 26 | -4 | - | -39 | -34 |
| Transactions with equity holders of the Company | | | | | | | | | | | |
| Contributions and distributions | | | | | | | | | | | |
| Dividend distribution | - | - | - | - | - | - | - | - | - | -62 | -62 |
| Share-based payments | - | - | - | - | - | - | - | - | 2 | -2 | 1 |
| Equity on March 31, 2019 | 311 | 714 | 2,103 | 3 | -10 | -4 | -31 | -84 | -37 | -310 | 2,656 |
| Equity on Dec 31, 2019 | 311 | 714 | 2,103 | 3 | -49 | 6 | -27 | -116 | -33 | -350 | 2,562 |
| Net result for the period | - | - | - | - | - | - | - | - | - | 22 | 22 |
| Other comprehensive income | - | - | - | - | -16 | -8 | 10 | 35 | - | -0 | 21 |
| Total comprehensive income for the period | - | - | - | - | -16 | -8 | 10 | 35 | - | 22 | 44 |
| Transactions with equity holders of the Company | | | | | | | | | | | |
| Contributions and distributions | | | | | | | | | | | |
| Share-based payments | - | - | - | - | - | - | - | - | 0 | -1 | -0 |
| Equity on March 31, 2020 | 311 | 714 | 2,103 | 3 | -65 | -2 | -17 | -81 | -32 | -329 | 2,605 |

| Adjustments to EBITDA and EBIT (EUR million) | Q1/2020 | Q1/2019 | 2019 |
|---|---------|---------|------|
| Gain on the sale of real estate in Benrath, Germany | - | - | 70 |
| Restructuring costs in Germany | - | - | -53 |
| Settlement with ThyssenKrupp | - | -14 | -14 |
| Adjustments to EBITDA and EBIT | - | -14 | 3 |

| Group key figures | | Q1/2020 | Q1/2019 | 2019 |
|---|--------------|---------|---------|---------|
| Scope of activity | | | | |
| Capital employed at the end of period | EUR million | 4,006 | 4,135 | 3,904 |
| Capital expenditure | EUR million | 52 | 50 | 221 |
| Depreciation and amortization | EUR million | -61 | -57 | -230 |
| Impairments | EUR million | - | - | -3 |
| Personnel at the end of period | | 10,315 | 10,449 | 10,390 |
| - average for the period | | 10,332 | 10,448 | 10,645 |
| Profitability | | | | |
| Adjusted EBITDA | EUR million | 106 | 54 | 263 |
| Adjustments to EBITDA | EUR million | - | -14 | 3 |
| EBITDA | EUR million | 106 | 40 | 266 |
| Earnings per share | EUR | 0.05 | -0.09 | -0.18 |
| Diluted earnings per share | EUR | 0.05 | -0.09 | -0.18 |
| Adjusted average number of shares ¹⁾ | 1,000 shares | 411,793 | 410,954 | 411,198 |
| Return on equity | % | -0.5 | 1.6 | -2.8 |
| Return on capital employed | % | 2.3 | 4.3 | 0.8 |
| Financing and financial position | | | | |
| Non-current debt | EUR million | 1,287 | 703 | 1,053 |
| Current debt | EUR million | 374 | 800 | 427 |
| Cash and cash equivalents | EUR million | -411 | -132 | -325 |
| Net debt at the end of period | EUR million | 1,249 | 1,370 | 1,155 |
| Net debt to Adjusted EBITDA | | 4.0 | 3.4 | 4.4 |
| Equity-to-assets ratio at the end of period | % | 42.0 | 43.0 | 42.5 |
| Debt-to-equity ratio at the end of period | % | 48.0 | 51.6 | 45.1 |
| Equity per share at the end of period ¹⁾ | EUR | 6.33 | 6.46 | 6.22 |

¹⁾ Excluding treasury shares.

| Sales by segment (EUR million) | Q1/2020 | Q1/2019 | 2019 |
|--------------------------------|---------|---------|-------|
| Europe total | 1,025 | 1,124 | 4,089 |
| of which intra-group | 32 | 12 | 66 |
| Americas total | 359 | 364 | 1,346 |
| of which intra-group | 0 | 1 | 3 |
| Long Products total | 170 | 185 | 642 |
| of which intra-group | 32 | 48 | 137 |
| Ferrochrome total | 112 | 126 | 461 |
| of which intra-group | 81 | 85 | 293 |
| Other operations total | 165 | 134 | 653 |
| of which intra-group | 71 | 71 | 290 |
| Group total sales | 1,615 | 1,715 | 6,403 |

| Adjusted EBITDA by segment (EUR million) | Q1/2020 | Q1/2019 | 2019 |
|--|---------|---------|------|
| Europe | 67 | 42 | 216 |
| Americas | 20 | -18 | -27 |
| Long Products | -1 | -3 | -7 |
| Ferrochrome | 25 | 30 | 96 |
| Other operations and intra-group items | -6 | 1 | -15 |
| Group total adjusted EBITDA | 106 | 54 | 263 |

| Adjustments to EBITDA and EBIT by segment (EUR million) | Q1/2020 | Q1/2019 | 2019 |
|---|---------|---------|------|
| Europe | - | - | 17 |
| Americas | - | - | - |
| Long Products | - | - | - |
| Ferrochrome | - | - | - |
| Other operations | - | -14 | -14 |
| Group total adjustments | - | -14 | 3 |

| EBITDA by segment (EUR million) | Q1/2020 | Q1/2019 | 2019 |
|--|---------|---------|------|
| Europe | 67 | 42 | 233 |
| Americas | 20 | -18 | -27 |
| Long Products | -1 | -3 | -7 |
| Ferrochrome | 25 | 30 | 96 |
| Other operations and intra-group items | -6 | -13 | -29 |
| Group total EBITDA | 106 | 40 | 266 |

| Adjusted EBIT by segment (EUR million) | Q1/2020 | Q1/2019 | 2019 |
|--|---------|---------|------|
| Europe | 33 | 10 | 82 |
| Americas | 6 | -31 | -84 |
| Long Products | -3 | -4 | -16 |
| Ferrochrome | 17 | 23 | 67 |
| Other operations and intra-group items | -7 | -0 | -19 |
| Group total adjusted EBIT | 45 | -3 | 30 |

| EBIT by segment (EUR million) | Q1/2020 | Q1/2019 | 2019 |
|--|---------|---------|------|
| Europe | 33 | 10 | 99 |
| Americas | 6 | -31 | -84 |
| Long Products | -3 | -4 | -16 |
| Ferrochrome | 17 | 23 | 67 |
| Other operations and intra-group items | -7 | -14 | -34 |
| Group total EBIT | 45 | -17 | 33 |

| Depreciation and amortization by segment (EUR million) | Q1/2020 | Q1/2019 | 2019 |
|--|---------|---------|------|
| Europe | -35 | -33 | -134 |
| Americas | -14 | -14 | -56 |
| Long Products | -3 | -2 | -8 |
| Ferrochrome | -8 | -7 | -29 |
| Other operations | -1 | -1 | -4 |
| Group total depreciation and amortization | -61 | -57 | -230 |

| Capital expenditure by segment (EUR million) | Q1/2020 | Q1/2019 | 2019 |
|--|---------|---------|------|
| Europe | 9 | 12 | 44 |
| Americas | 3 | 5 | 20 |
| Long Products | 0 | 2 | 18 |
| Ferrochrome | 25 | 25 | 103 |
| Other operations | 14 | 7 | 35 |
| Group total capital expenditure | 52 | 50 | 221 |

| Operating capital by segment (EUR million) | Q1/2020 | Q1/2019 | 2019 |
|--|---------|---------|-------|
| Europe | 1,878 | 2,055 | 1,901 |
| Americas | 957 | 1,028 | 914 |
| Long Products | 172 | 178 | 157 |
| Ferrochrome | 736 | 683 | 692 |
| Other operations and intra-group items | 61 | -44 | 23 |
| Group total operating capital | 3,803 | 3,899 | 3,687 |

| Personnel at the end of period by segment | Q1/2020 | Q1/2019 | 2019 |
|--|---------|---------|--------|
| Europe | 6,724 | 6,806 | 6,753 |
| Americas | 1,897 | 1,968 | 1,934 |
| Long Products | 860 | 905 | 883 |
| Ferrochrome | 475 | 440 | 472 |
| Other operations | 359 | 330 | 348 |
| Group total personnel at the end of period | 10,315 | 10,449 | 10,390 |

Definitions of financial key figures

| | | | |
|-----------------------------------|---|--|--|
| EBITDA | = | EBIT before depreciation, amortization and impairments | |
| Adjustments to EBITDA or EBIT | = | Material income and expense items which affect the comparability between periods because of their unusual nature, size or incidence resulting for example from group-wide restructuring programs or disposals of assets or businesses. | |
| Adjusted EBITDA or EBIT | = | EBITDA or EBIT – items classified as adjustments | |
| Capital employed | = | Total equity + net debt + net defined benefit and other long-term employee benefit obligations + net interest rate derivative liabilities + net accrued interest expenses – net assets held for sale – loans receivable – financial assets at fair value through other comprehensive income – financial assets at fair value through profit or loss – investments in associated companies and joint ventures | |
| Operating capital | = | Capital employed – net deferred tax asset | |
| Return on capital employed (ROCE) | = | $\frac{\text{EBIT (4-quarter rolling)}}{\text{Capital employed (4-quarter rolling average)}} \times 100$ | |
| Return on equity (ROE) | = | $\frac{\text{Net result for the financial period (4-quarter rolling)}}{\text{Total equity (4-quarter rolling average)}} \times 100$ | |
| Net debt | = | Non-current debt + current debt – cash and cash equivalents | |
| Equity-to-assets ratio | = | $\frac{\text{Total equity}}{\text{Total assets – advances received}} \times 100$ | |
| Debt-to-equity ratio | = | $\frac{\text{Net debt}}{\text{Total equity}} \times 100$ | |
| Net debt to adjusted EBITDA | = | $\frac{\text{Net debt}}{\text{Adjusted EBITDA (4-quarter rolling)}}$ | |
| Earnings per share | = | $\frac{\text{Net result for the financial period attributable to the owners of the parent}}{\text{Adjusted average number of shares during the period}}$ | |
| Equity per share | = | $\frac{\text{Equity attributable to the owners of the parent}}{\text{Adjusted number of shares at the end of the period}}$ | |

Basis of preparation

This interim statement is unaudited. It has been prepared on going concern basis following the same accounting policies and methods of computation as when preparing the financial statements for 2019 with exception of new and amended standards applied as of the beginning of 2020.

All presented figures in this report have been rounded and consequently, the sum of individual figures can deviate from the presented sum. Key figures have been calculated using exact figures.

The sales, earnings and working capital of Outokumpu are subject to seasonal variations as result of for example industry demand, the number of working days and vacation periods.

Management judgment and the use of estimates

The preparation of the financial statements in accordance with IFRS requires management to make judgments, as well as estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and contingent liabilities at the reporting date, as well as the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of the circumstances at the end of the reporting period, actual results may differ from the estimates and assumptions.

Outokumpu's practice is to assess impairment indicator on quarterly basis. In relation to the scenario analysis of potential COVID-19 impacts on Outokumpu's business, the company has reviewed the projections used in the impairment test for intangible asset and property, plant and equipment for the financial year 2019. Also, other parameters, such as the discount rates, have been reviewed. The estimated recoverable amounts based on discounted cashflow projections continue to exceed the assets' carrying amounts for each business area, and consequently no impairment losses were recognized.