

Outokumpu Q1 2021 results

Heikki Malinen, President & CEO
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May 6, 2021

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Business & market update

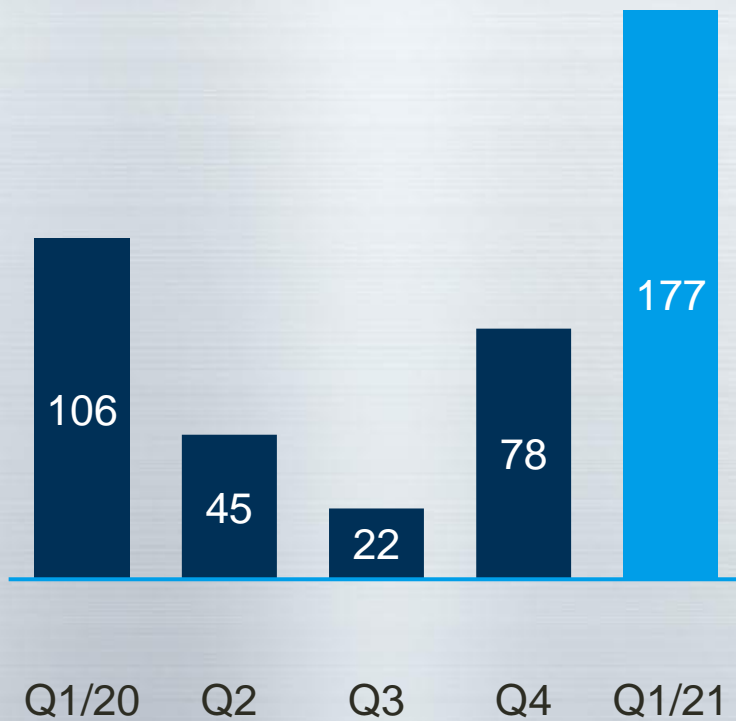
Heikki Malinen, President & CEO

**Adjusted EBITDA
increased to
€177 million
in the first quarter**

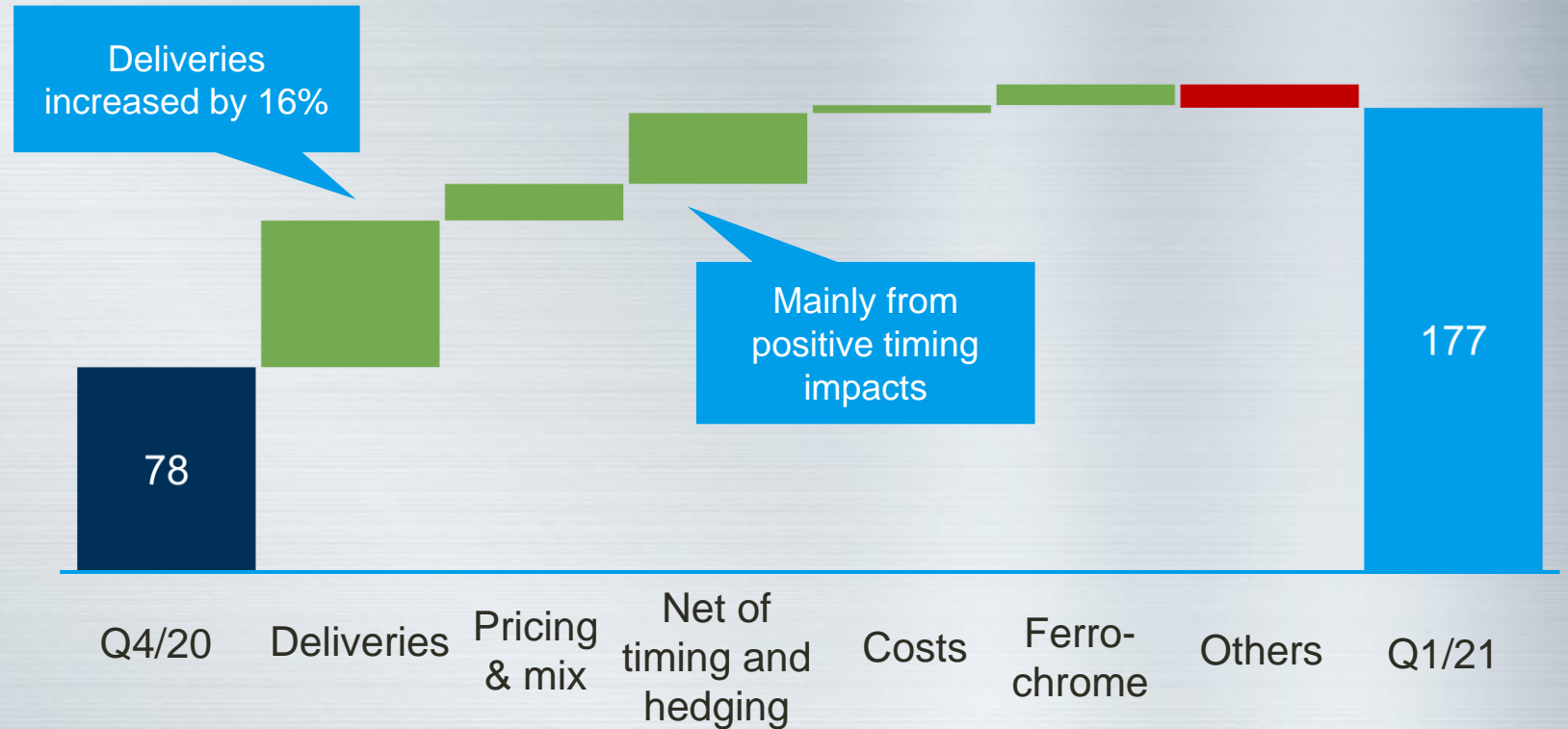
- Q1 result supported by higher demand, improved capacity utilization and positive impacts from raw materials
- Strategy execution starting to deliver benefits; structurally lower headcount and improved cost base
- Record high safety performance

Strong performance in all businesses

Group adjusted EBITDA,
EUR million



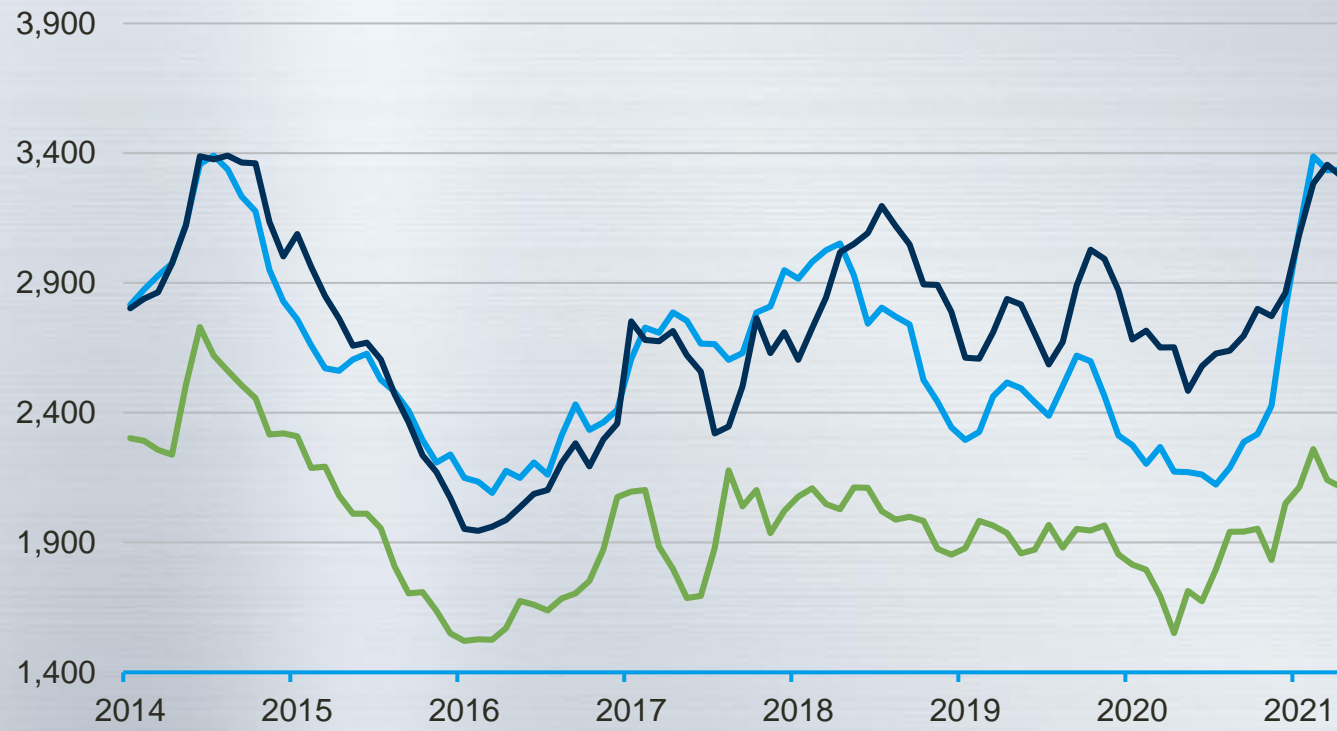
Adjusted EBITDA quarter-on-quarter comparison¹,
EUR million



1) Indicative columns based on management estimates

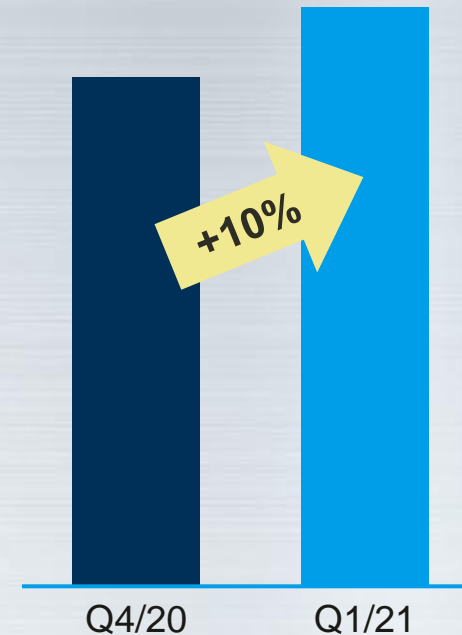
Increase in transaction and raw material prices

Transaction prices 304 stainless, USD/tonne

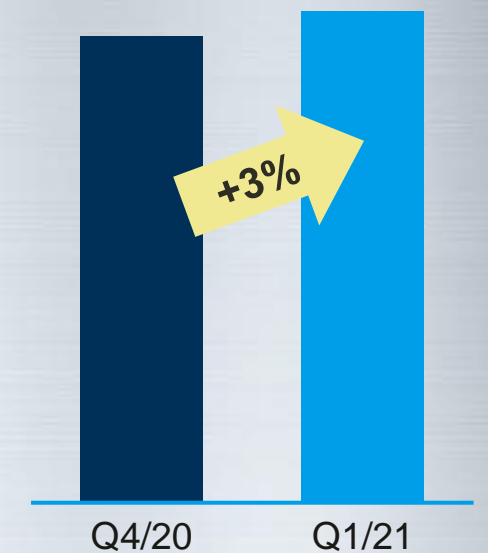


● Europe ● USA ● China

Average nickel price, USD/tonne



Ferrochrome benchmark price, USD/lb.

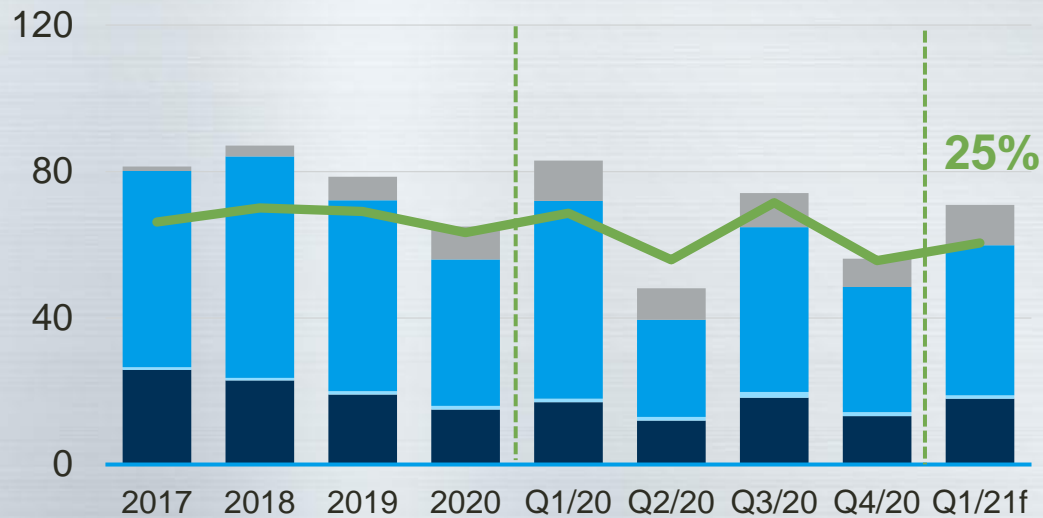


Source: CRU & Metal Bulletin



Import penetration into Europe higher in Q1

Third-country cold rolled imports¹ into Europe, 1,000 tonnes



Third-country cold rolled imports² into the US, 1,000 tonnes



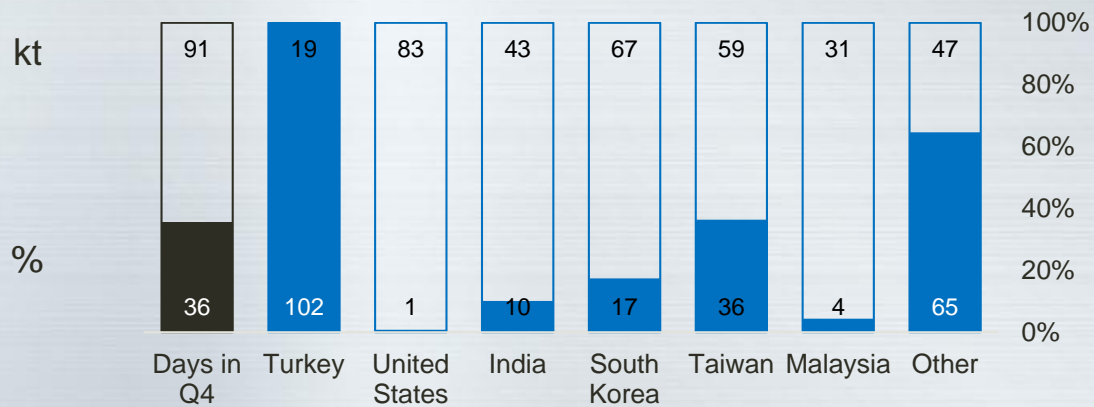
- From rest of world
- From rest of Asia
- From Indonesia
- From China
- Import penetration

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

1. Cold rolled, monthly average. Source: Eurofer, April 2021 (Q1'21 based on Jan-Feb actuals & preliminary figures for March based on SURV2)
 2. Cold rolled, monthly average. Source: Foreign Trade Statistics, American Iron & Steel Institute, April 2021 (Q1'21 based on Jan-Feb actuals)

Multiple trade defence investigations ongoing by EU

EU cold-rolled quota utilization at 25%*



EU hot-rolled quota utilization at 1%*

- remains on a low level

European safeguards

- Current safeguards will expire in June 2021
- Expiry review started at the end of February

Anti-dumping & anti-subsidy investigations

- In anti-dumping investigation on cold-rolled from India and Indonesia, registration of the imports started in the beginning of March. Provisional duties to be imposed by the end of May.
- Anti-subsidy investigation on cold-rolled from India and Indonesia initiated in February
- Expiry review of anti-dumping on cold-rolled from China and Taiwan on-going

Carbon Border Adjustment

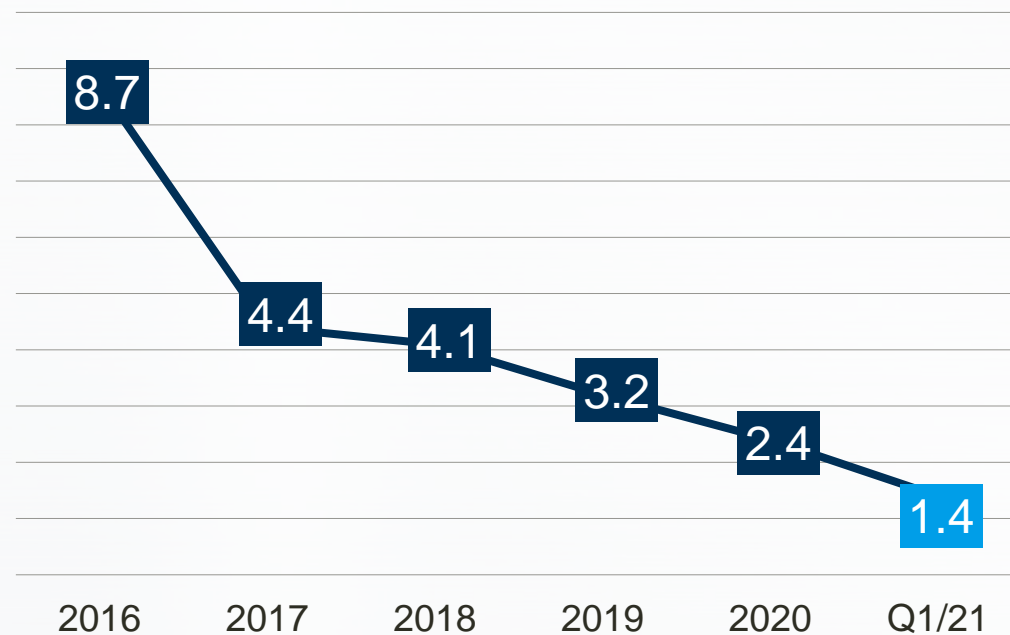
- The tool to mitigate carbon leakage, part of the EU Green Deal
- Important to keep the current tools

*Source: European Commission's website for tariff quota consultation, situation in May 3, 2021, after transfer of the unused quotas from the previous quarters

TRIFR at 1.4

- Best first-quarter safety results in years

Safety performance (TRIFR)



Sustainability highlights in Q1

- Total recordables improved 6x since 2016
- CO2 emissions well aligned with current Science Based Targets (SBTi)
- Energy efficiency improved significantly, resulting to lower emissions
- Recycled content remained above 90%*
- Measures taken to improve supplier monitoring and transparency in sourcing

TRIFR = Number of total recordable incidents per million working hours
*rolling last 12 month average

Financial update

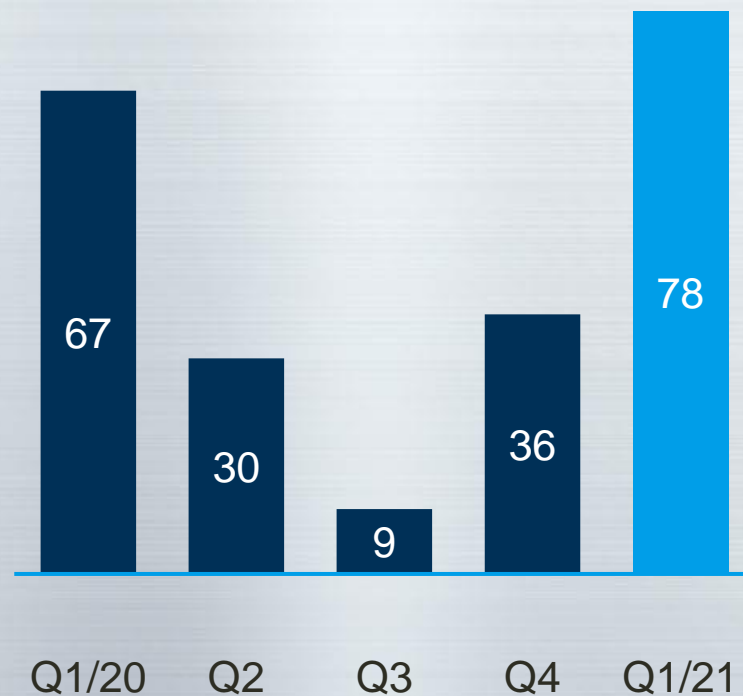
Pia Aaltonen-Forsell, CFO

Key figures		Q1/21	Q1/20	Q4/20	2020
Stainless steel deliveries	1,000 tonnes	608	588	523	2,121
Sales	EUR million	1,673	1,615	1,350	5,639
Adjusted EBITDA	EUR million	177	106	78	250
Net result	EUR million	82	22	-39	-116
Earnings per share	EUR	0.20	0.05	-0.09	-0.28
Operating cash flow	EUR million	27	-32	112	322
Net debt	EUR million	1,073	1,249	1,028	1,028
Gearing	%	43.7	48.0	43.6	43.6
Capital expenditure	EUR million	47	58	35	180
Return on capital employed, ROCE	%	0.5	2.3	-1.4	-1.4
Personnel at the end of period, full-time equivalent *		9,256	9,996	9,602	9,602

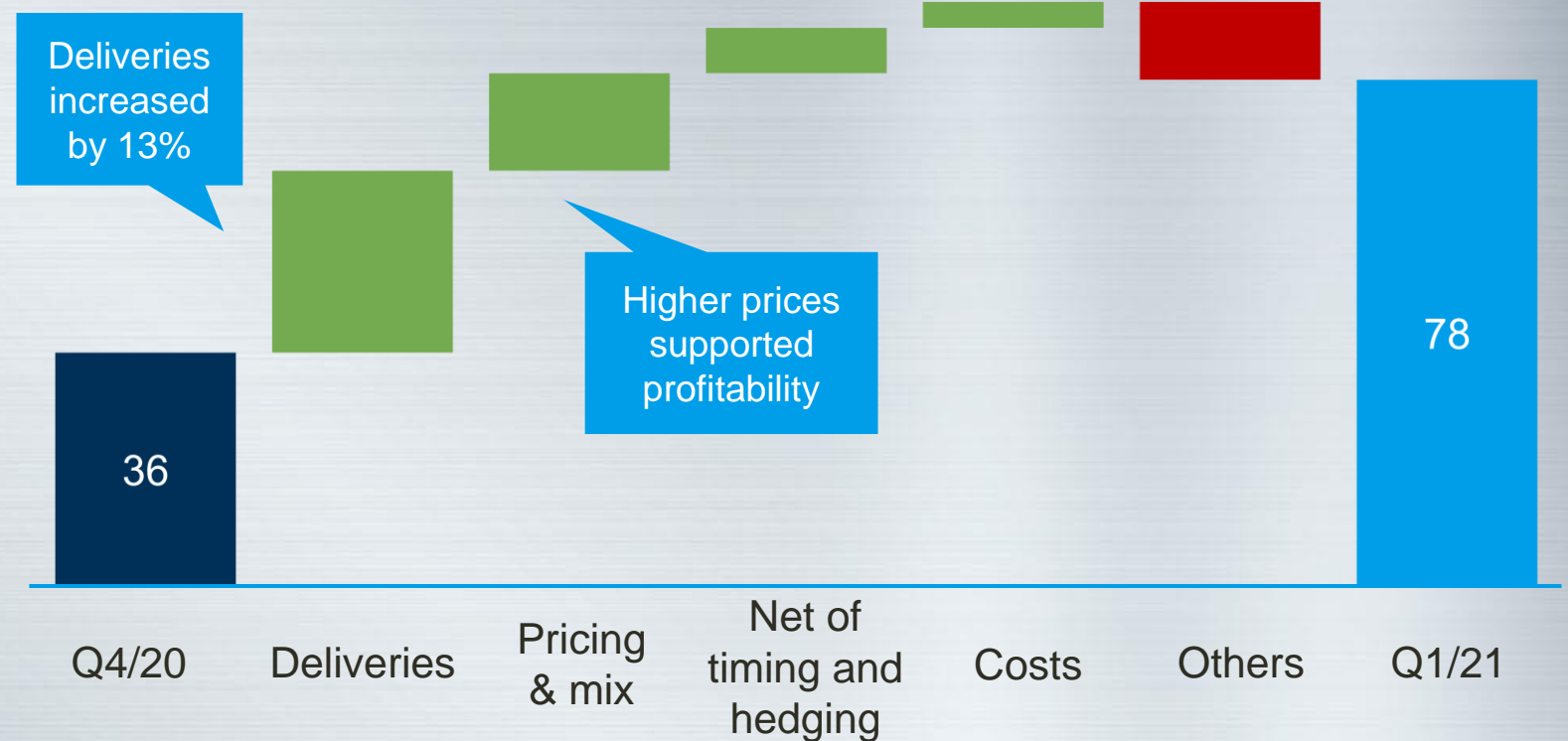
* In Q1/2021, Outokumpu changed its main personnel amount measure from headcount to full-time equivalent personnel.

BA Europe – Higher demand and improved capacity utilization boosted result to €78 million

Europe adjusted EBITDA, EUR million



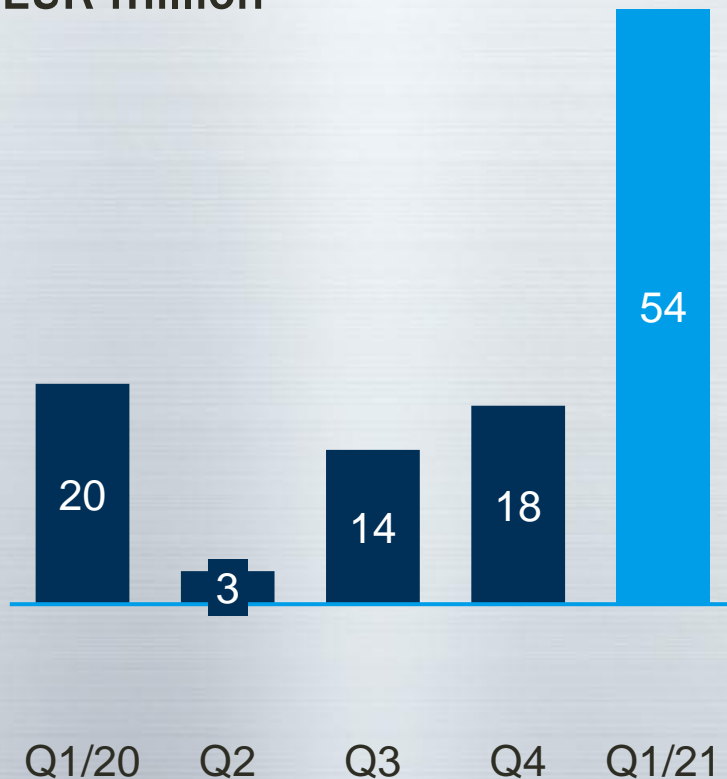
Adjusted EBITDA quarter-on-quarter comparison¹, EUR million



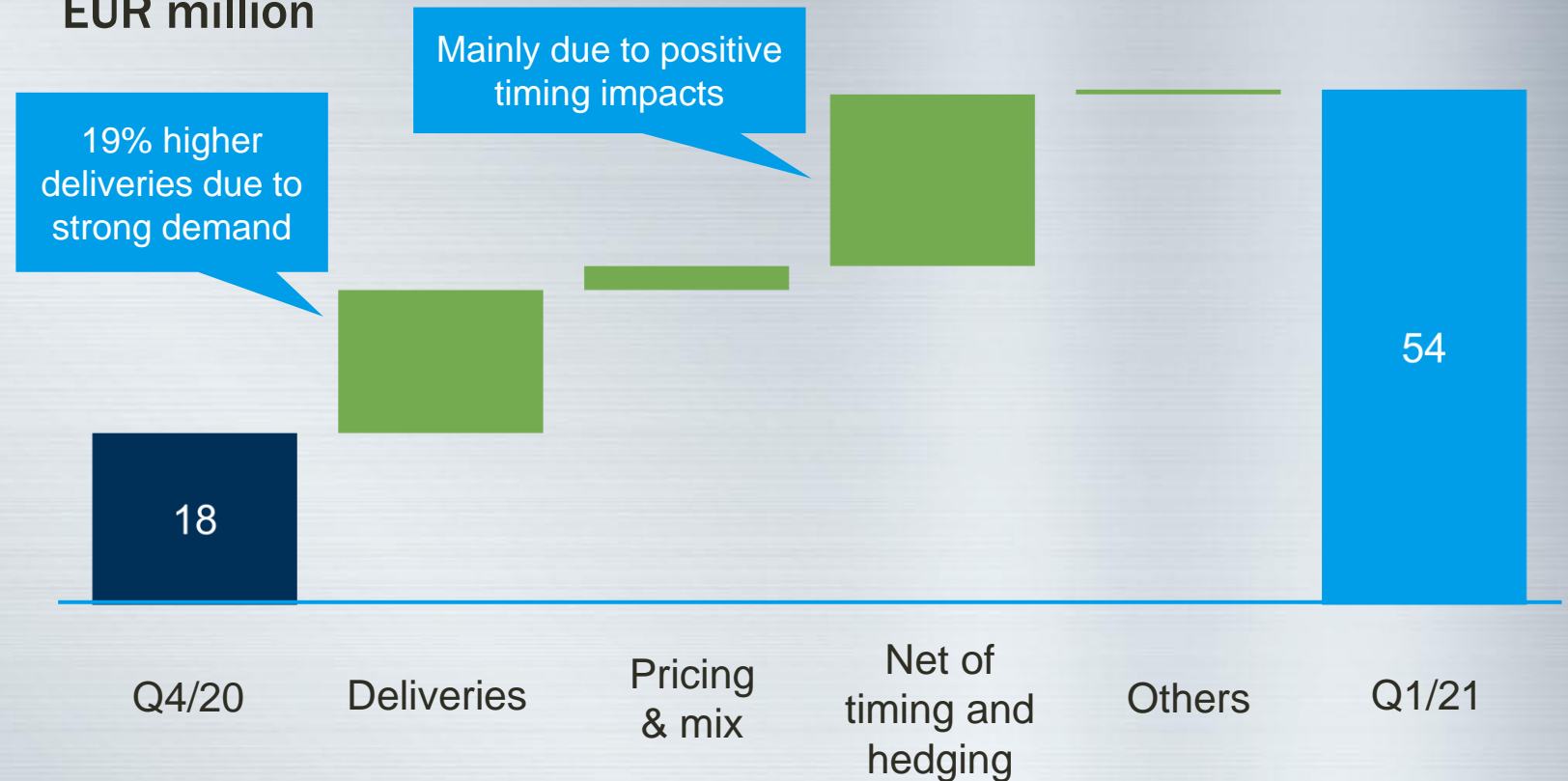
1) Indicative columns based on management estimates

BA Americas – Strongest quarter in history due to higher demand and positive raw material impacts

Americas adjusted EBITDA, EUR million



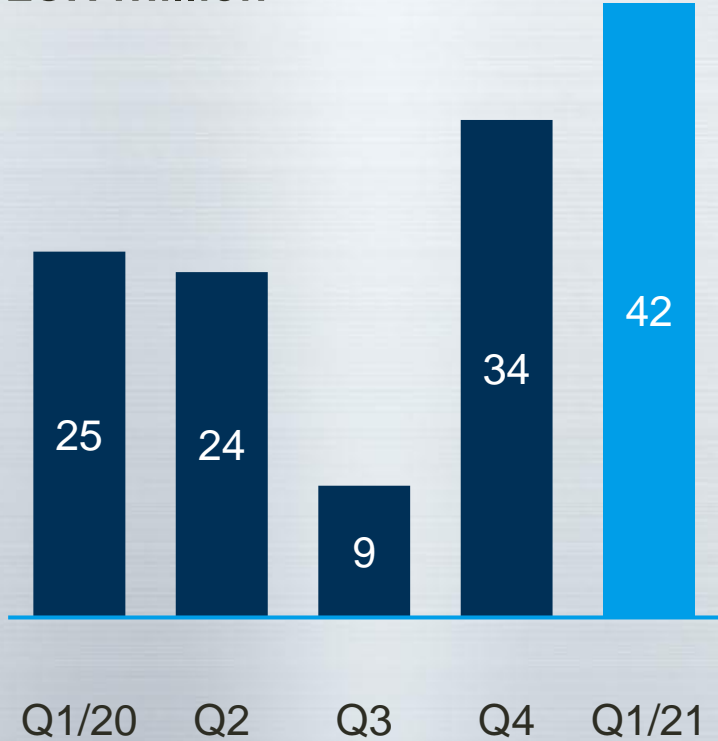
Adjusted EBITDA quarter-on-quarter comparison¹, EUR million



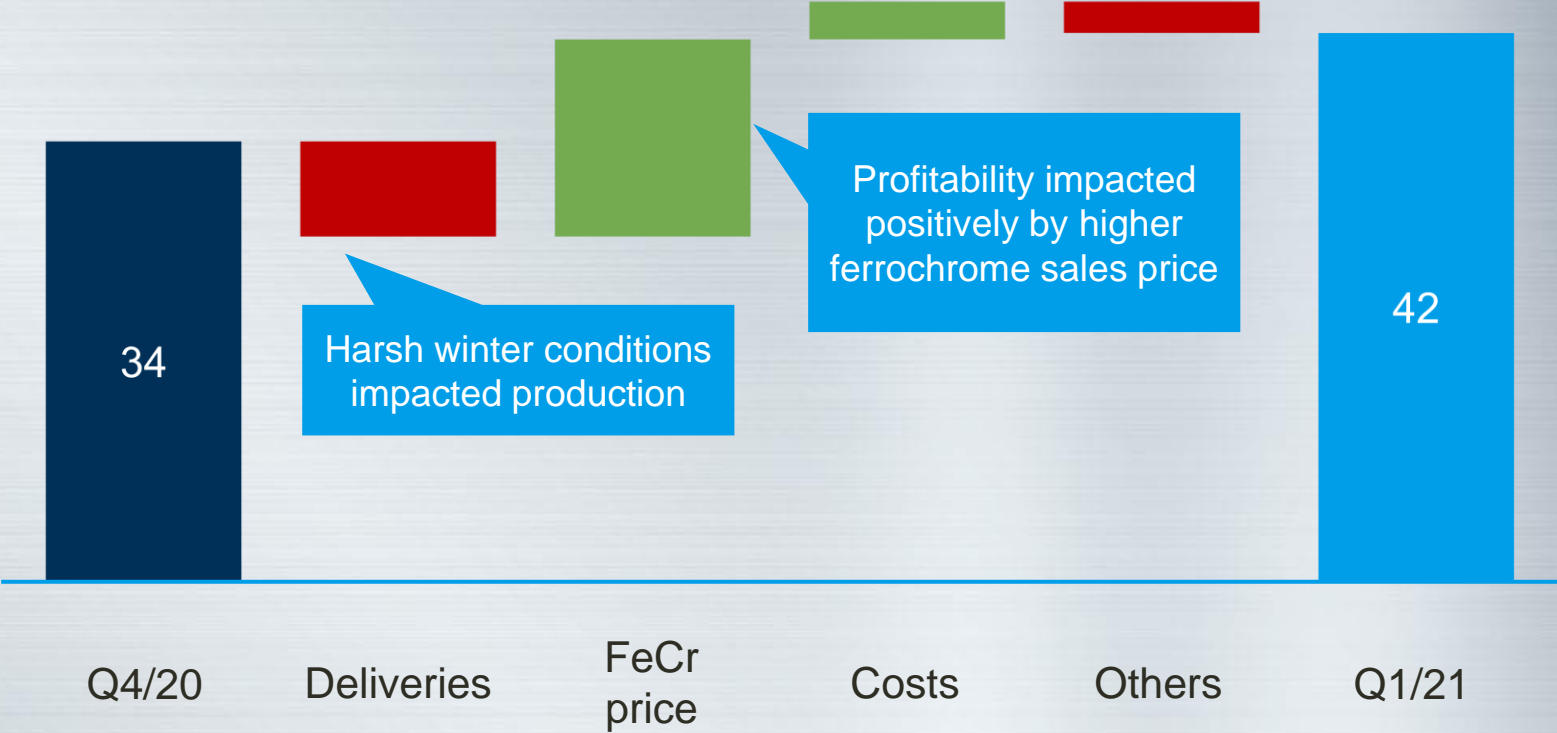
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BA Ferrochrome – Higher sales price supported result

Ferrochrome adjusted EBITDA, EUR million



Adjusted EBITDA quarter-on-quarter comparison¹, EUR million

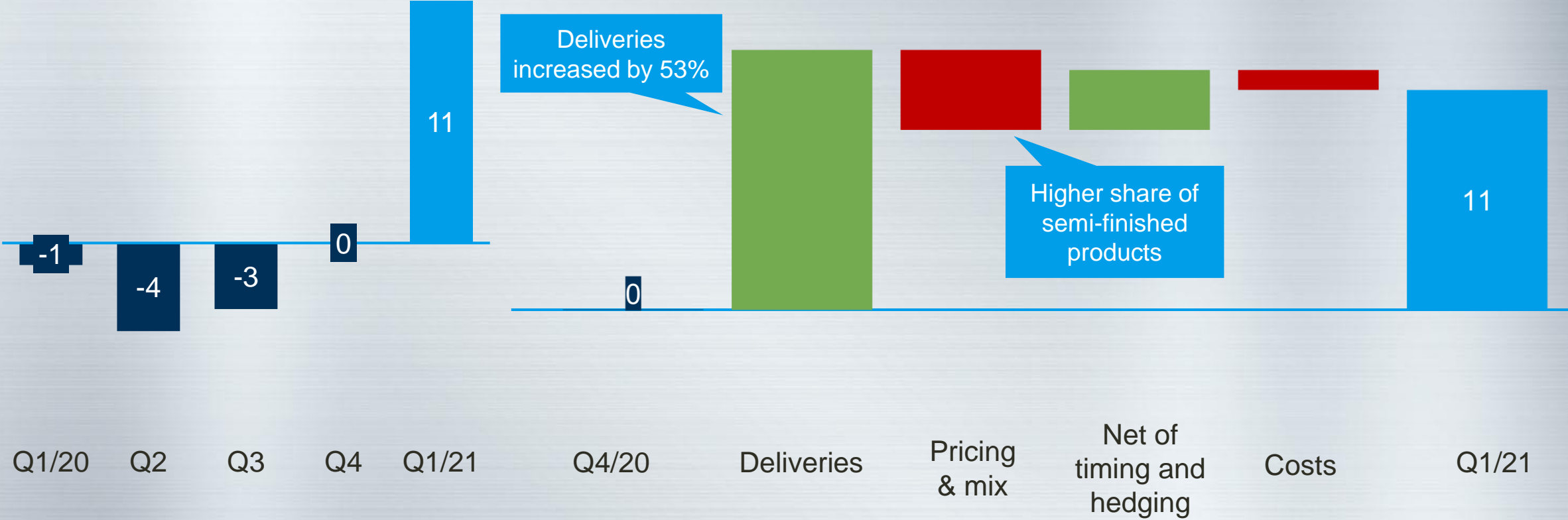


1) Indicative columns based on management estimates

BA Long Products – Turnaround proceeding, result driven by increased volumes

Long Products adjusted EBITDA, EUR million

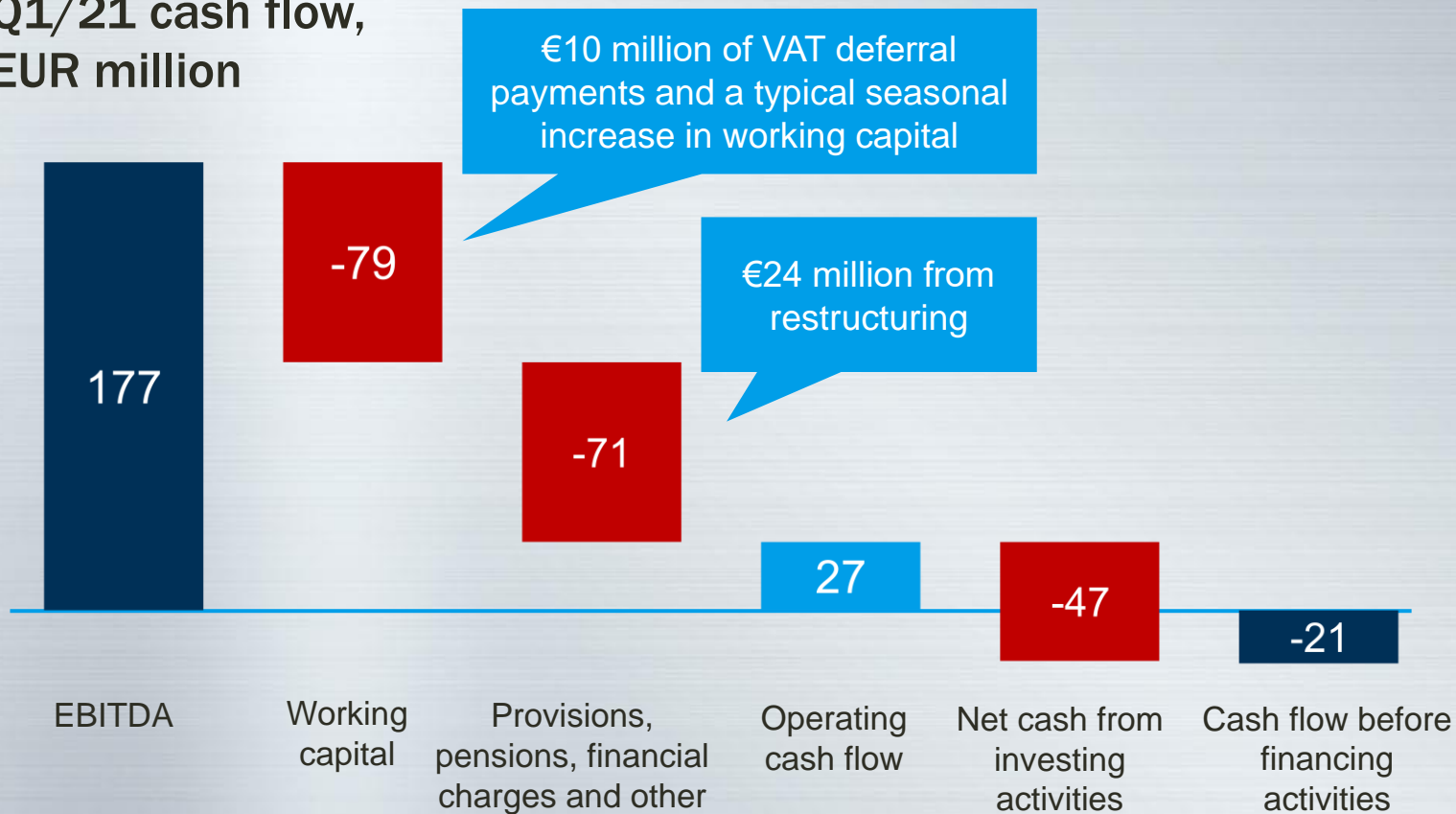
Adjusted EBITDA quarter-on-quarter comparison¹, EUR million



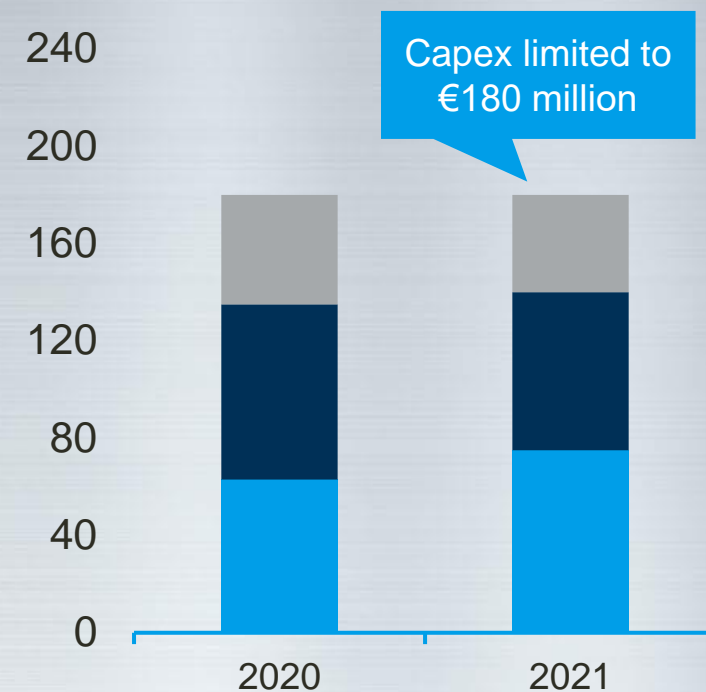
1) Indicative columns based on management estimates

Positive operating cash flow despite significant pay-outs for restructuring and VAT deferral

Q1/21 cash flow, EUR million



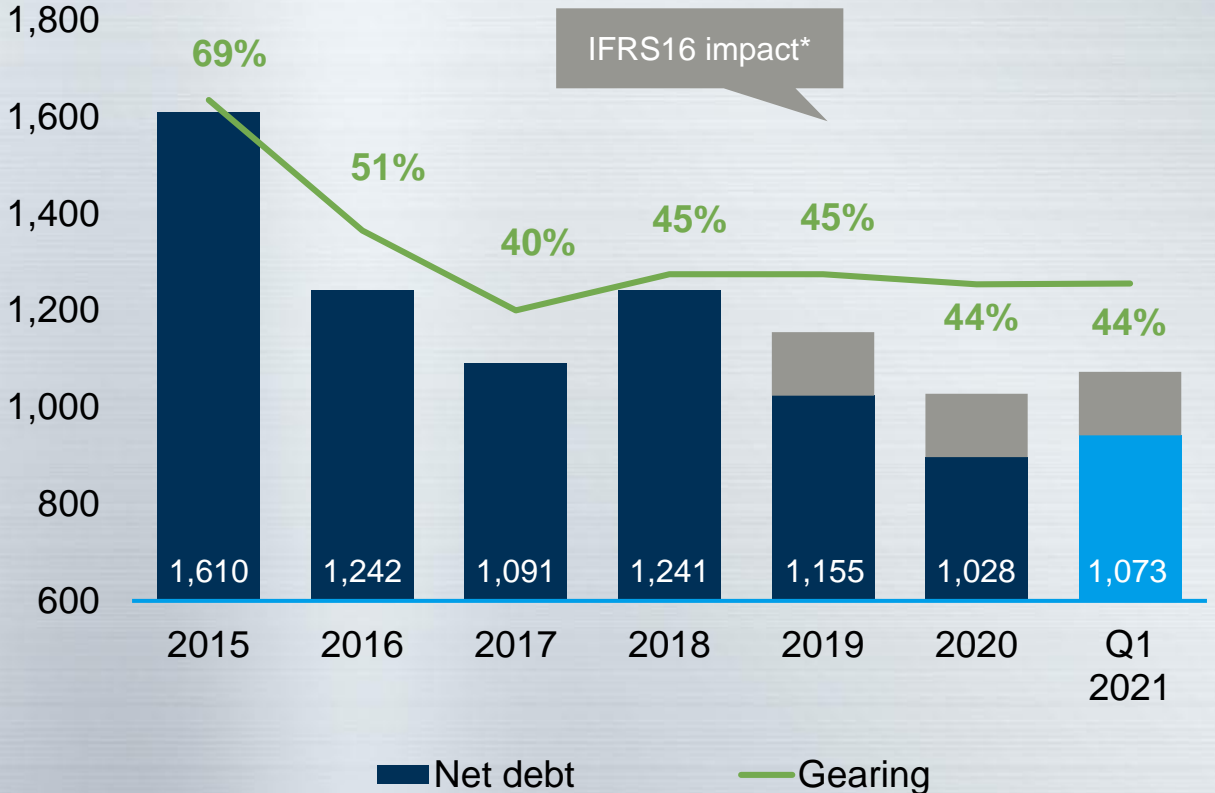
Annual Capex, EUR million



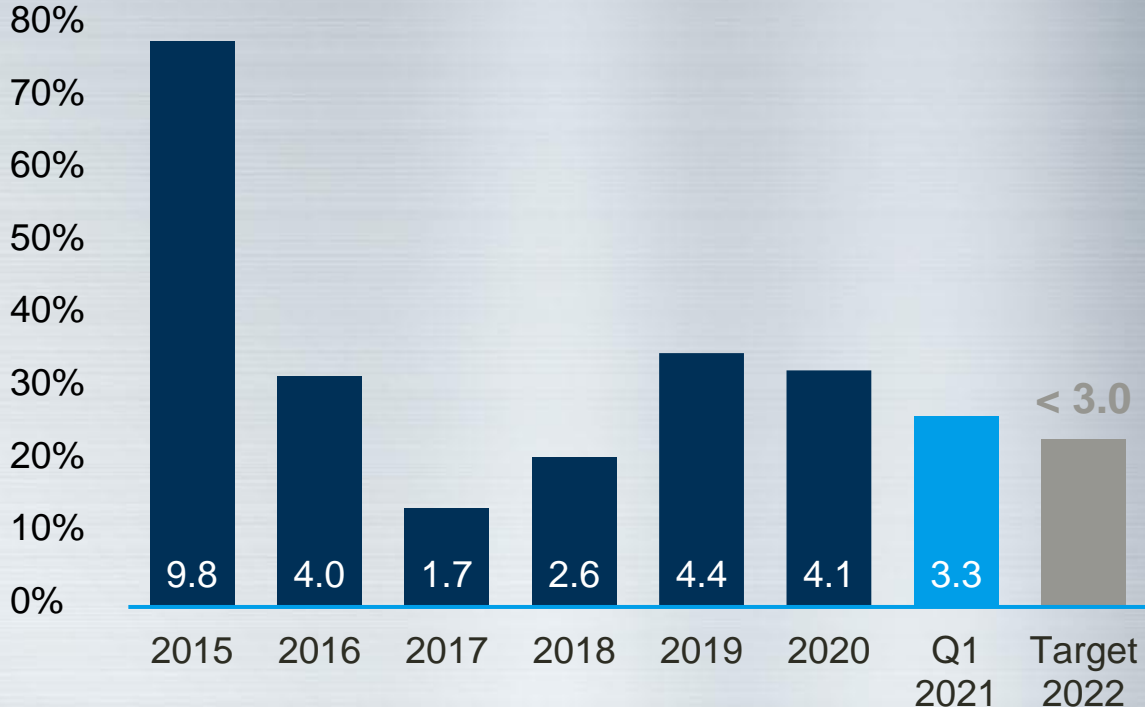
- Expansion, digitalization & other
- Kemi mine
- Annual maintenance

Decrease in leverage driven by strong EBITDA

Net debt, EUR million



Net debt/LTM adjusted EBITDA

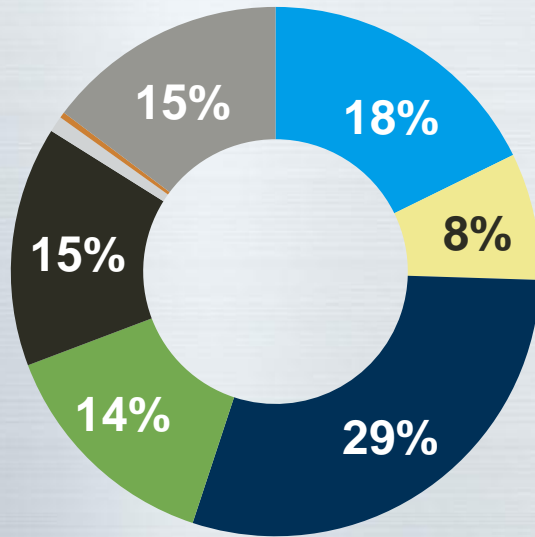


* Implementation impact on Jan 1, 2019 at EUR 131 million



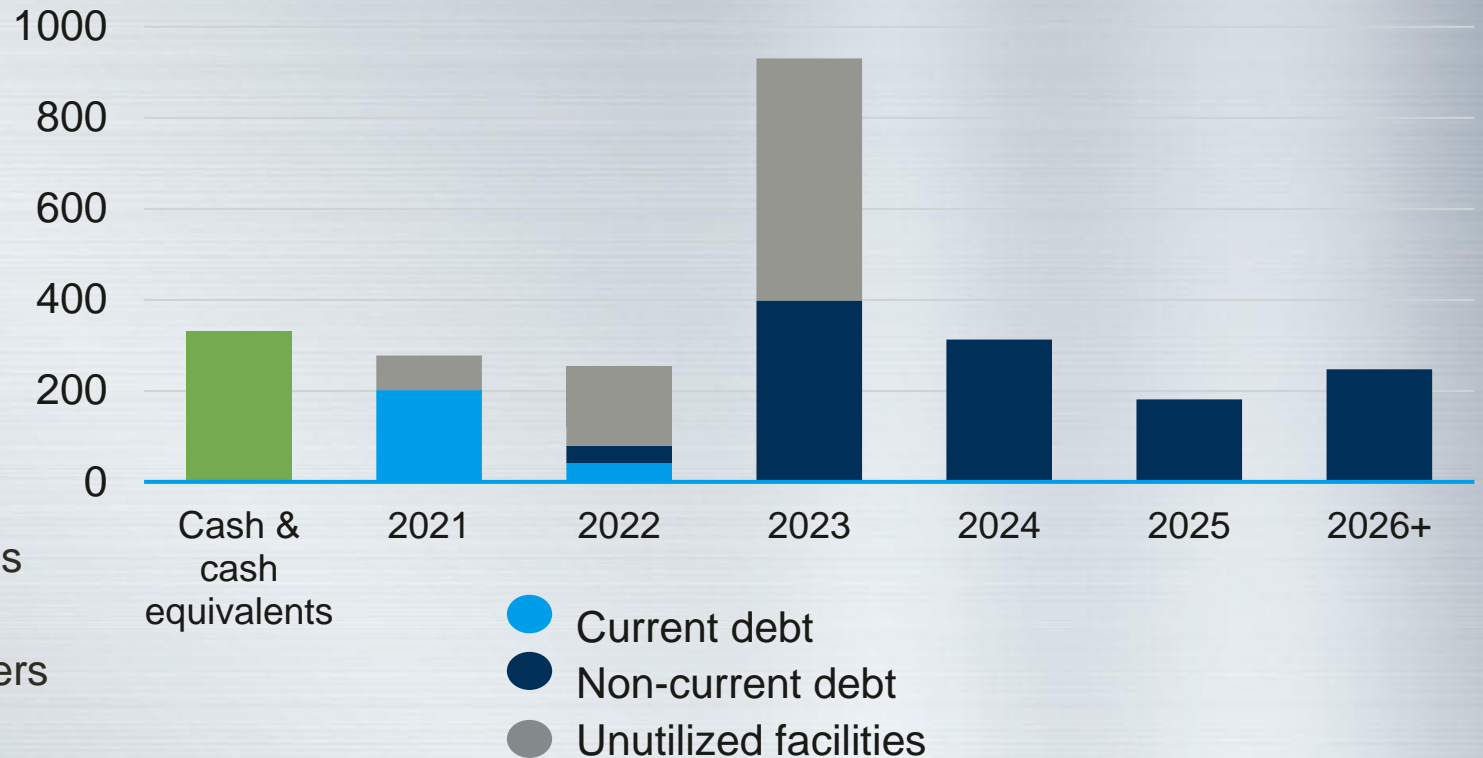
Outokumpu has a balanced debt structure

Debt structure*



- Bonds
- Long-term loans from financial institutions
- Lease liabilities
- Other long-term loans
- Convertible bonds
- Pension loans
- Commercial papers
- Short-term loans

Debt maturity profile*, EUR million



Outlook

Heikki Malinen, President & CEO

Outlook for Q2 2021

Stainless steel deliveries in the second quarter are expected to increase by 0–5% compared to the first quarter.

European ferrochrome benchmark price increased to USD 1.56/lb for the second quarter.

Planned maintenance costs are expected to increase by approximately EUR 10 million compared to the first quarter.

Raw material prices have recently been very volatile. With the current prices, the significant level of raw material-related inventory and metal derivative gains in the first quarter are not expected to be of the same magnitude in the second quarter.

Adjusted EBITDA in the second quarter of 2021 is expected to be on a similar or higher level compared to the first quarter.

Thank you!

**Questions
& answers**

Our efforts on sustainability have been recognized

