

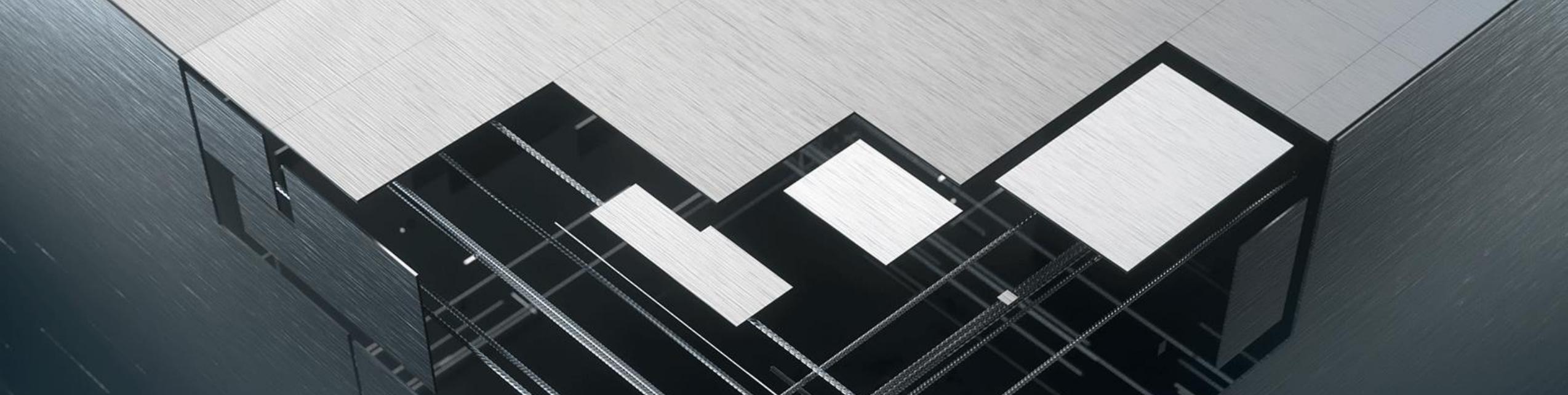
Outokumpu Q3 2021 results

Heikki Malinen, President & CEO
Pia Aaltonen-Forsell, CFO

November 4, 2021

Disclaimer

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Business & market update

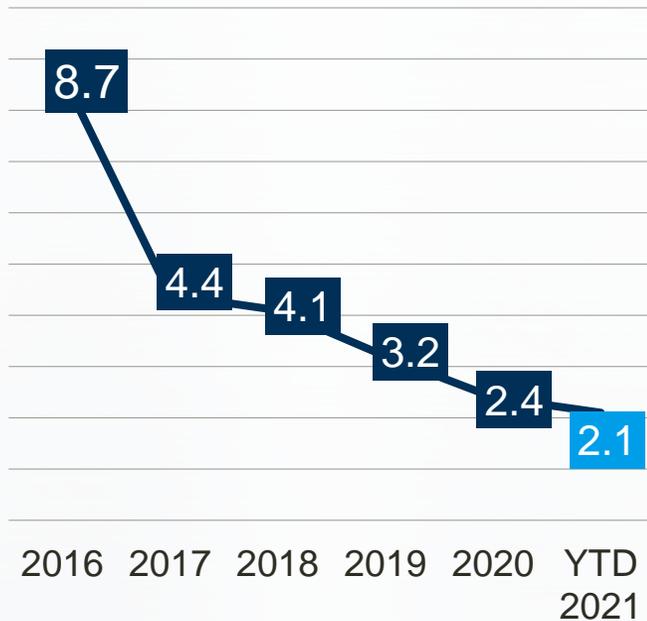
Heikki Malinen, President & CEO

**Adjusted EBITDA
increased to
€295 million
- best quarter in
Outokumpu's recent
history**

- Strong demand and high utilization continued across the group
- Realized prices for stainless steel continued to increase, driven by the strong COVID-19 rebound
- Strategy execution ahead of plan and EBITDA run-rate improvement target raised from €200 million to €250 million by the end of 2022
- Continuous progress in sustainability, new wind power deal signed

Sustainability is at the core of our strategy, covering all elements of ESG

Safety performance (TRIFR)



Organizational Health Index survey ongoing

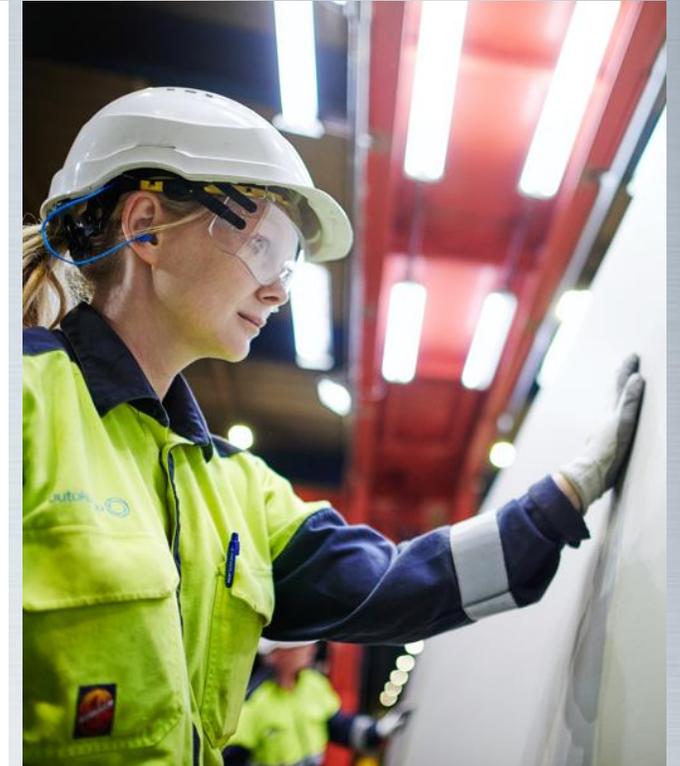
Leadership pipeline program to support empowering leadership

Vaccination centers in Germany & US

Diversity & Inclusion initiative in Americas

Human rights risk assessment in preparation in accordance with the **UNGP** on Business & Human Rights

Supplier Requirements updated & **Supplier Code of Conduct** in preparation



TRIFR = Number of total recordable incidents per million working hours
UNGP = United Nations Guiding Principles

High energy efficiency in the third quarter and recycled content remained above 90%*

Outokumpu featured as a Climate Leader in the Vision 2045 Summit by Reuters in connection with COP26



Updated 1.5 °C climate targets finalized and submitted to the **SBTi**

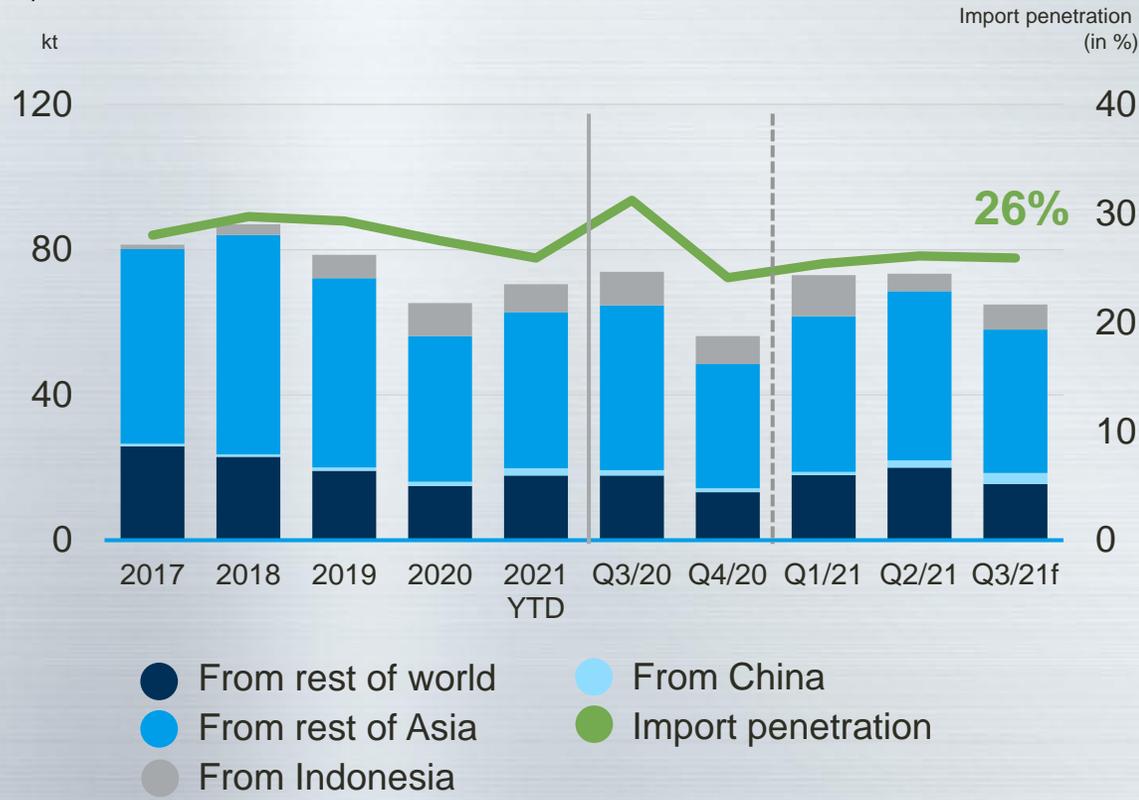
10-year power supply agreement signed to **increase the share of wind power** in energy mix

Yield improvement activities successfully continued in Americas

SBTi = Science-Based Targets initiative
*rolling last 12 month average

In September, EU published decision to renew the current anti-dumping duties on cold rolled from China and Taiwan for another five years

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



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

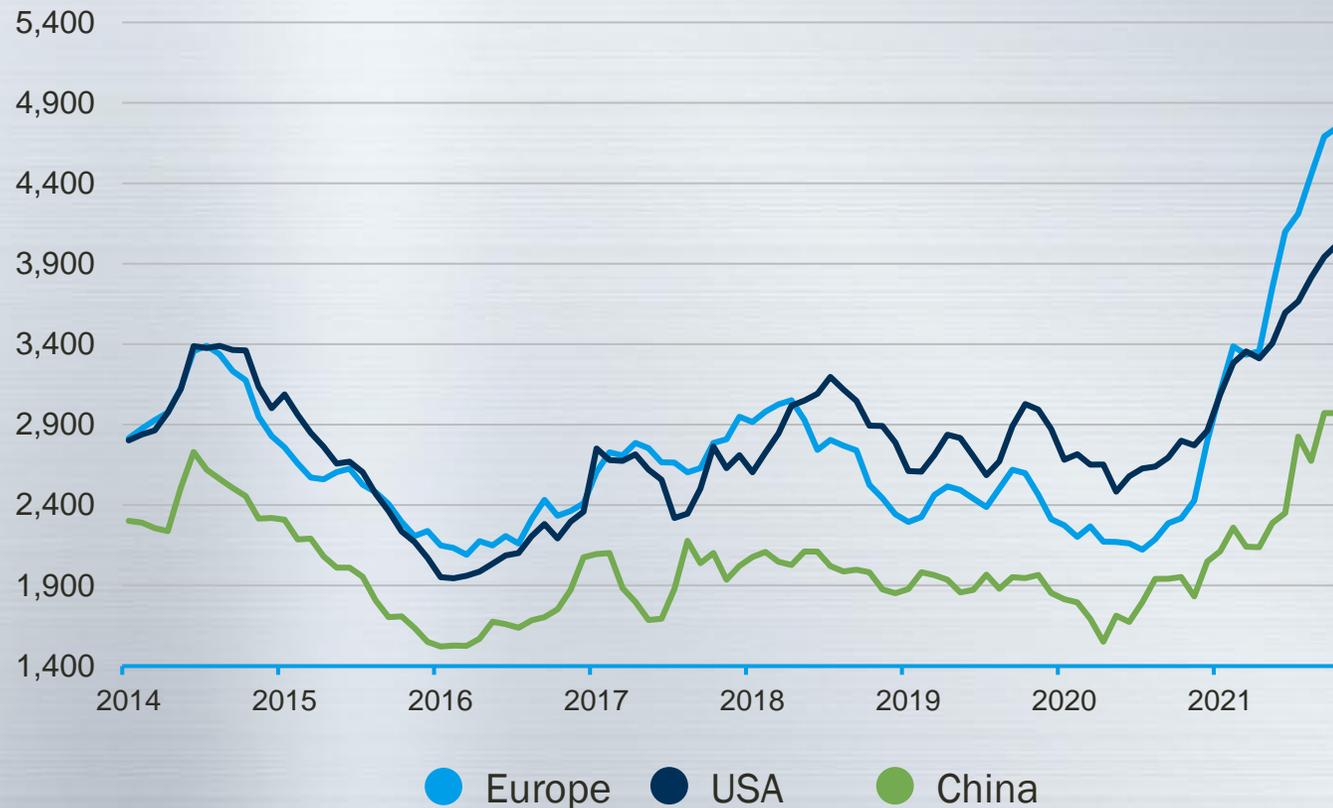


1. Cold rolled, monthly average. Source: Eurofer, October 2021 (Q3'21 based on Jul-Aug actuals, preliminary figures for September).
 2. Cold rolled, monthly average. Source: Foreign Trade Statistics, American Iron & Steel Institute, October 2021 (Q3'21 based on Jul-Aug)

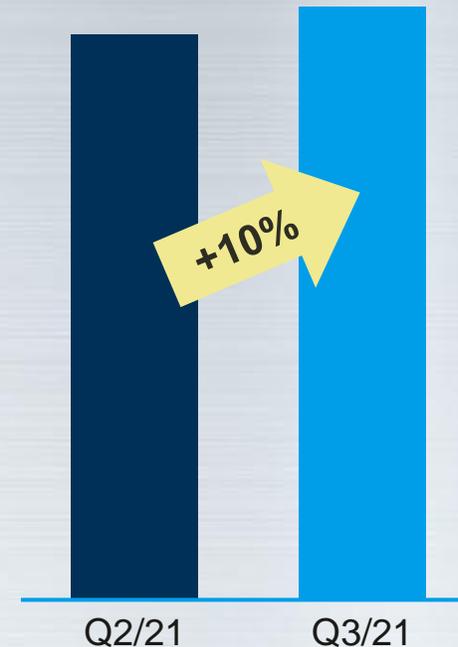


Global spot prices continued to rise due to ongoing supply shortages and logistical challenges that constrain global trade

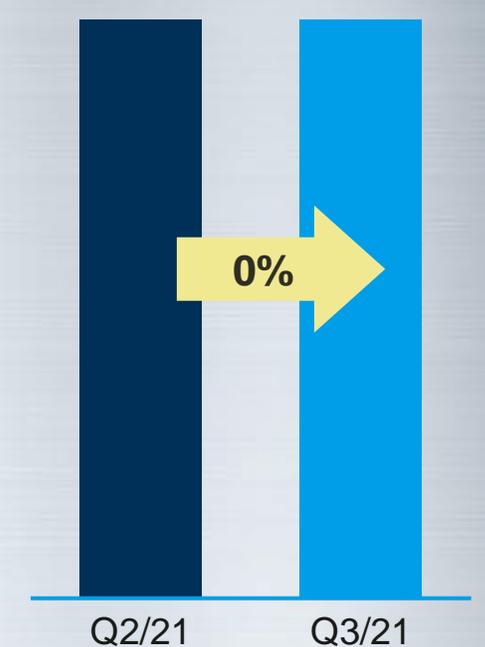
Transaction prices 304 stainless, USD/tonne



Average nickel price, USD/tonne

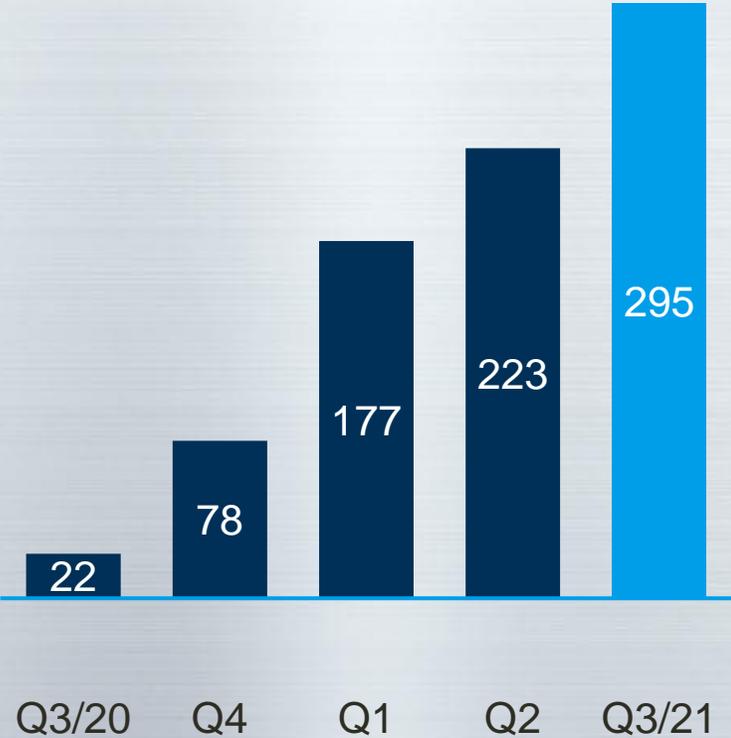


Ferrochrome benchmark price, USD/lb.

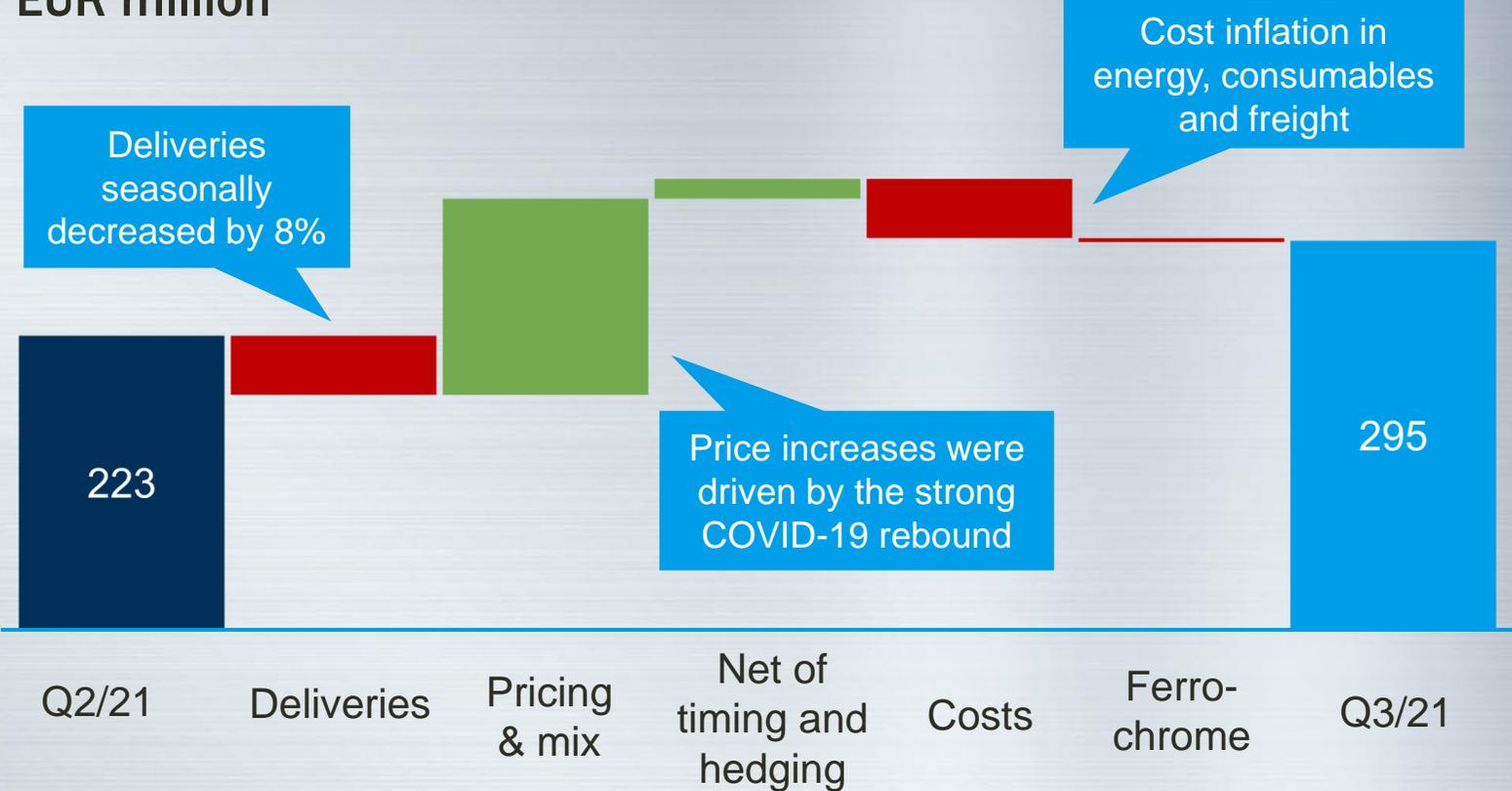


Q3 adjusted EBITDA €295 million - higher realized prices due to strong COVID-19 rebound

Group adjusted EBITDA, EUR million



Adjusted EBITDA quarter-on-quarter comparison¹, EUR million



1) Indicative columns based on management estimates

Financial targets of strategy phase 1 raised

Outokumpu has committed to de-risk the company by the end of 2022

EBITDA run-rate improvement target raised from €200 million to €250 million

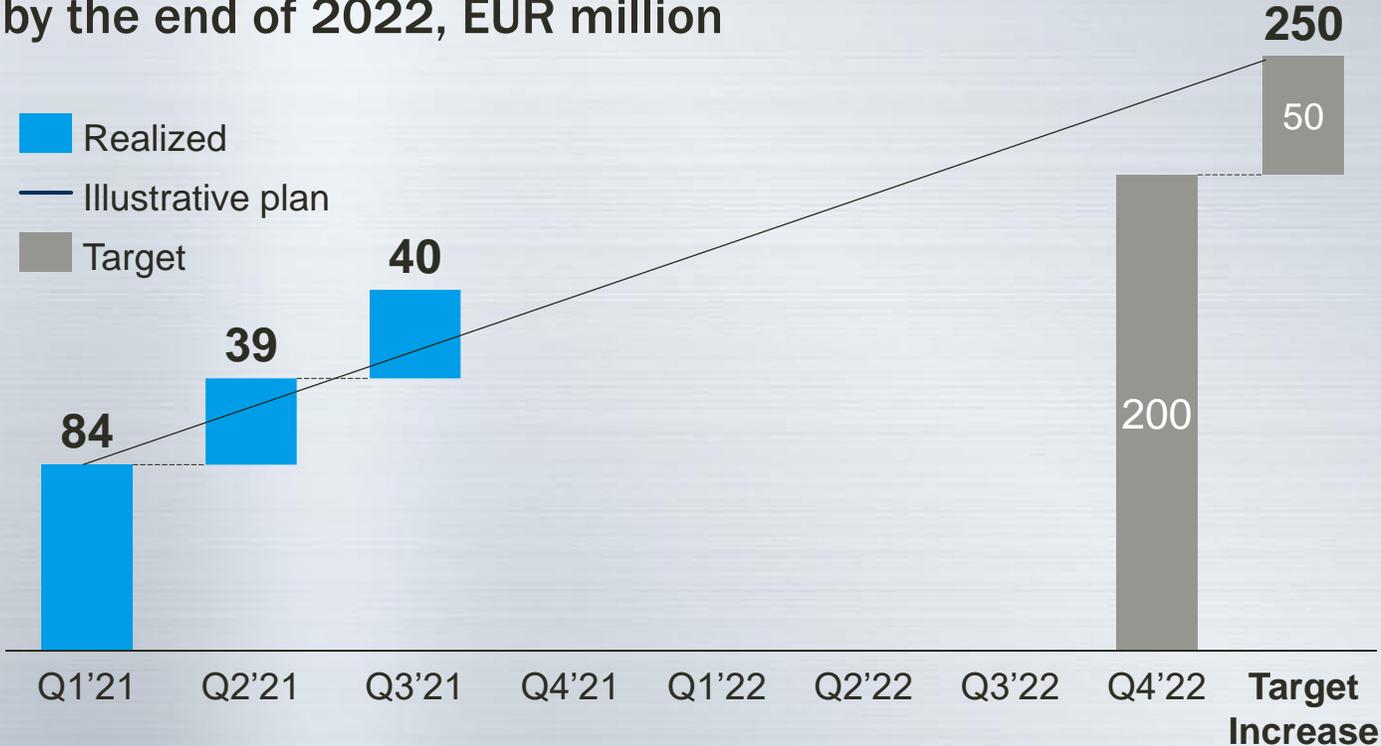
Deleveraging continues through the first phase of the strategy beyond the initial leverage target

Financial update

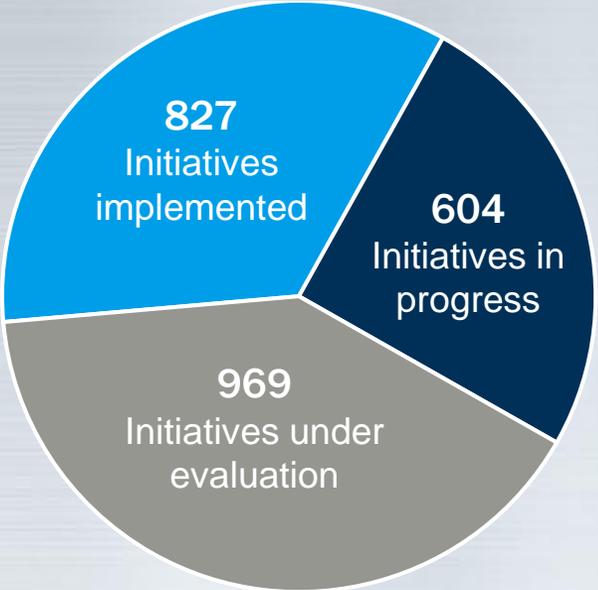
Pia Aaltonen-Forsell, CFO

Cumulative €163 million realized EBITDA run-rate improvement achieved already by the end of September

Gross annualized EBITDA run-rate improvement by the end of 2022, EUR million



Solid implementation pipeline



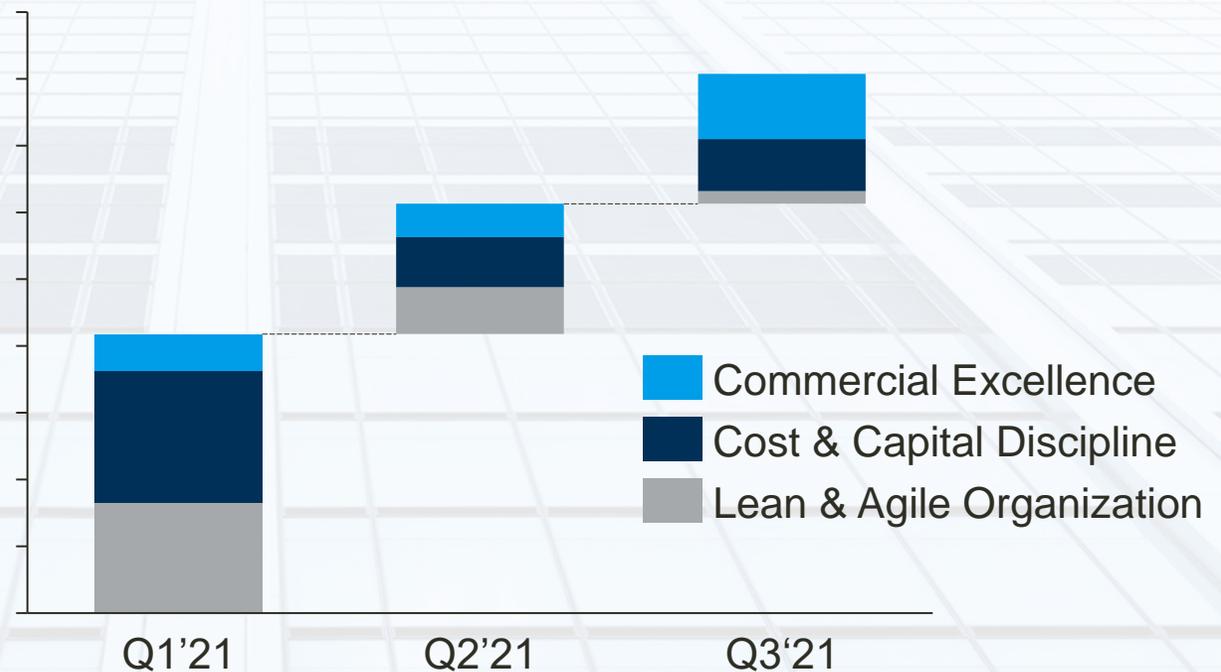
Note: Based on gross run-rate program impacts operationally implemented during the period; HC reductions will improve cost vs 2019 baseline as 2020 was abnormally low due to COVID related furloughs



Progress in Q3 was driven by the Cost & Capital Discipline and Commercial Excellence streams

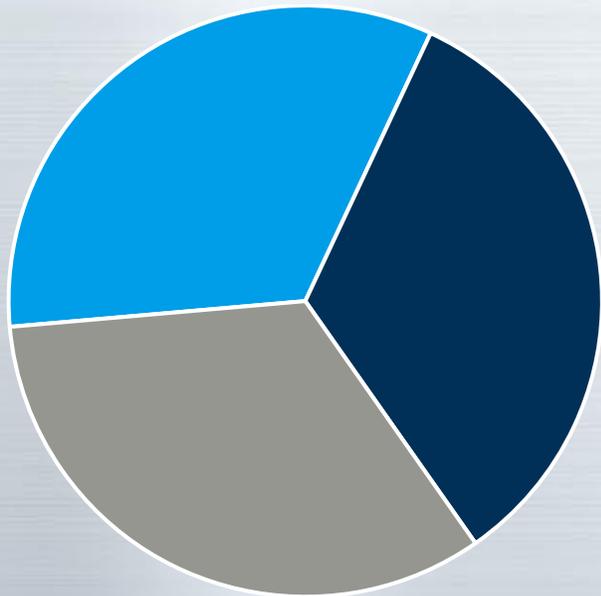
Lean & Agile Organization stream mainly completed

Gross annualized EBITDA run-rate improvement, EUR million

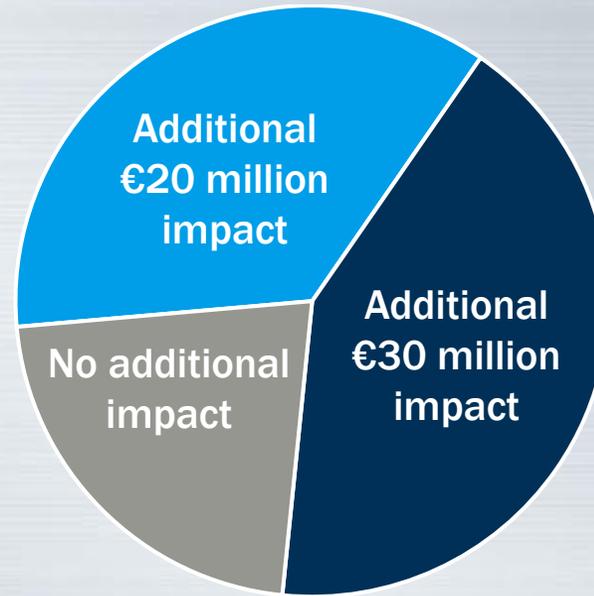


Additional €50 million target is driven by Cost & Capital Discipline and Commercial Excellence

Initial €200 million EBITDA
run-rate improvement target



Raised €250 million EBITDA
run-rate improvement target



- Commercial Excellence
- Cost & Capital Discipline
- Lean & Agile Organization

Key figures		Q3/21	Q3/20	Q2/21	2020
Stainless steel deliveries	1,000 tonnes	575	488	626	2,121
Sales	EUR million	1,949	1,254	1,873	5,639
Adjusted EBITDA	EUR million	295	22	223	250
Net result	EUR million	182	-63	129	-116
Earnings per share	EUR	0.40	-0.15	0.30	-0.28
Operating cash flow	EUR million	180	170	6	322
Net debt	EUR million	749	1,105	897	1,028
Net debt to adjusted EBITDA		1.0	4.5	1.8	4.1
Capital expenditure	EUR million	32	35	37	180
Return on capital employed, ROCE	%	12.9	0.2	5.2	-1.4
Personnel at the end of period, full-time equivalent *		9,137	9,815	9,088	9,602

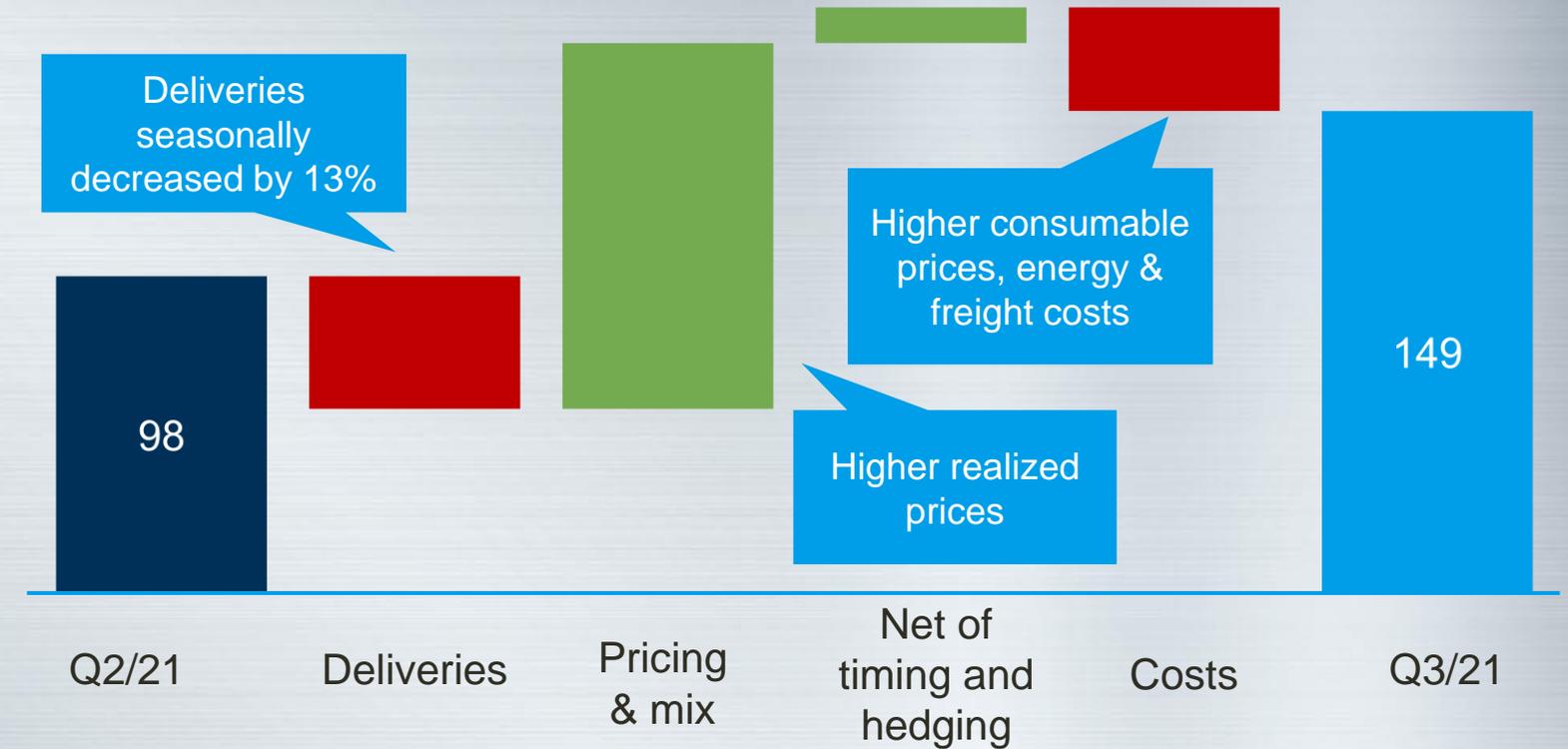
* In Q1/2021, Outokumpu changed its main personnel amount measure from headcount to full-time equivalent personnel. Comparative information is presented accordingly.

BA Europe – higher realized prices offset the negative impact from seasonally lower deliveries and increased costs

Europe adjusted EBITDA, EUR million



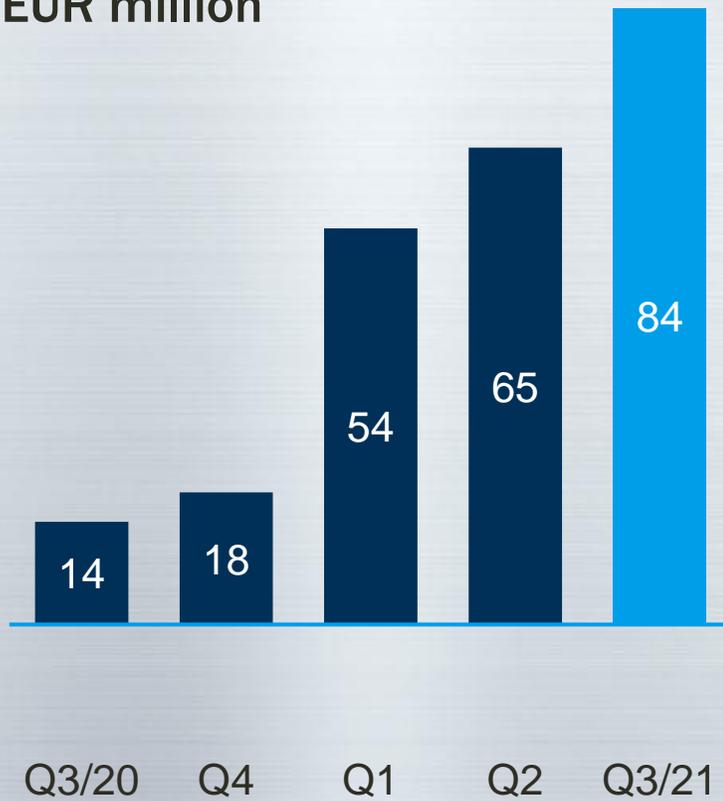
Adjusted EBITDA quarter-on-quarter comparison¹, EUR million



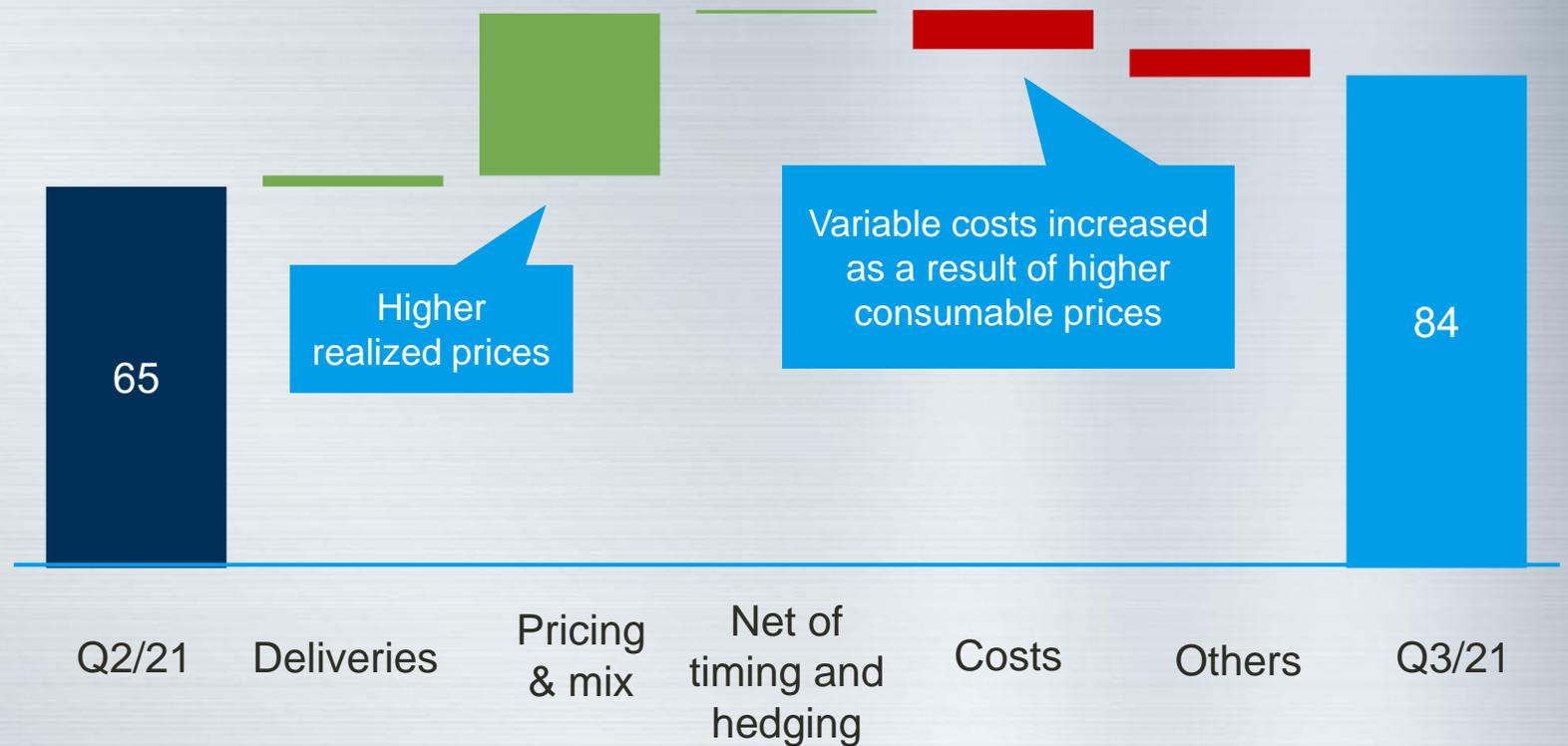
1) Indicative columns based on management estimates

BA Americas – strong demand and continued successful turnaround

Americas adjusted EBITDA, EUR million



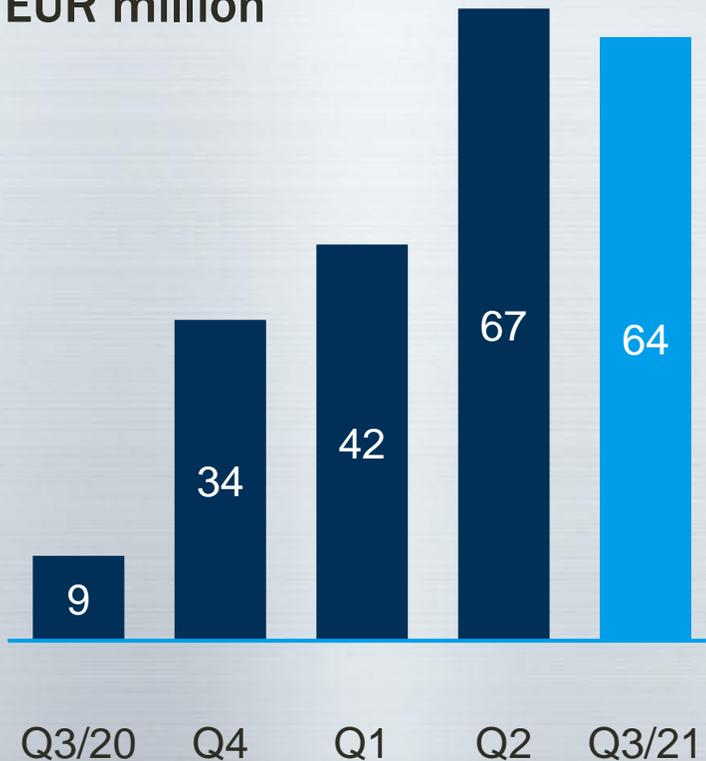
Adjusted EBITDA quarter-on-quarter comparison¹, EUR million



1) Indicative columns based on management estimates

BA Ferrochrome – favorable price development offset by decrease in volumes

Ferrochrome adjusted EBITDA, EUR million



Adjusted EBITDA quarter-on-quarter comparison¹, EUR million

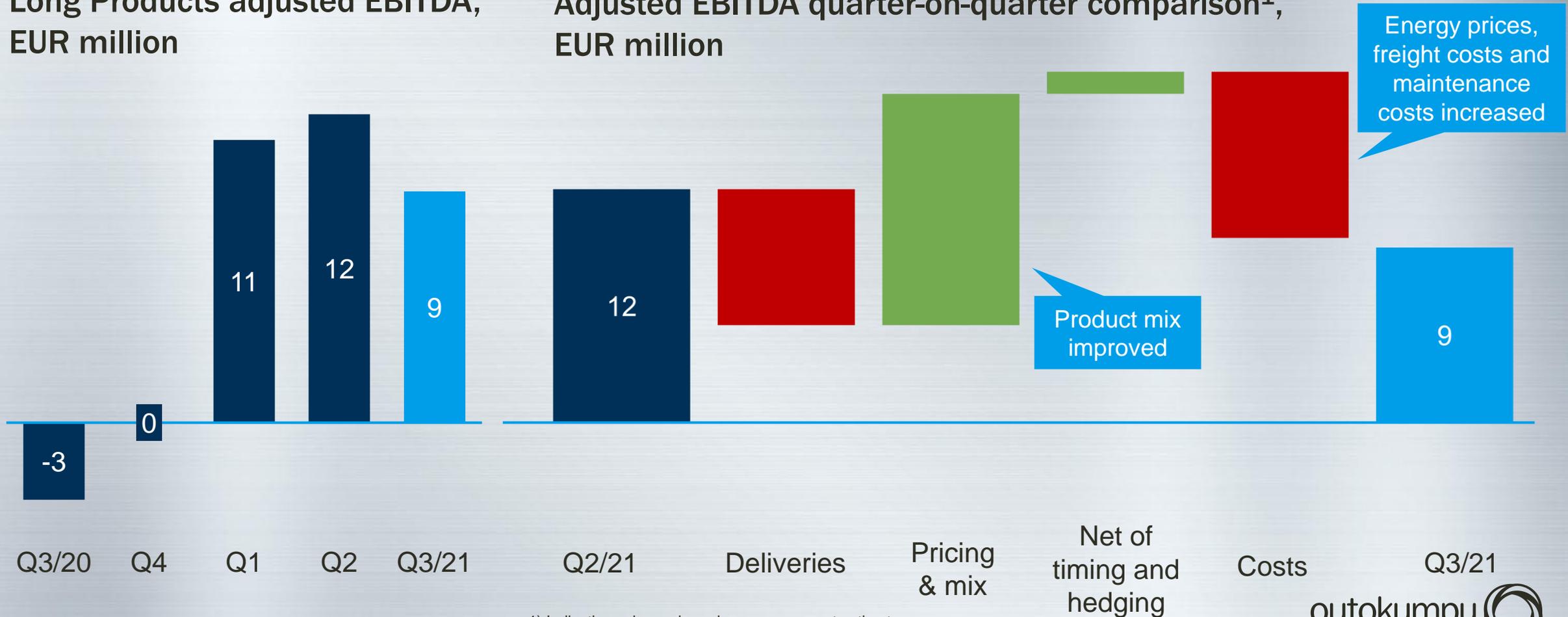


1) Indicative columns based on management estimates

BA Long Products – continued positive progress on turnaround strategy despite seasonally lower volumes

Long Products adjusted EBITDA, EUR million

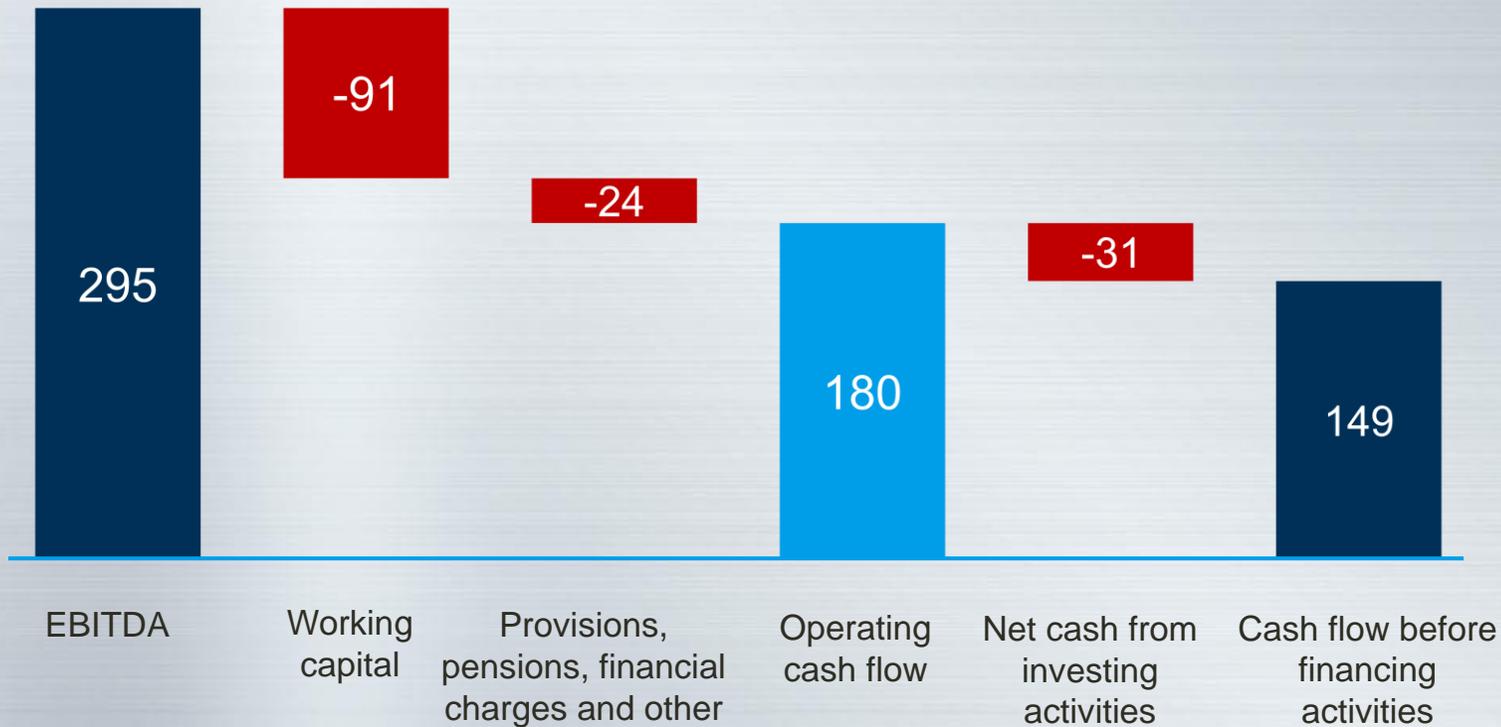
Adjusted EBITDA quarter-on-quarter comparison¹, EUR million



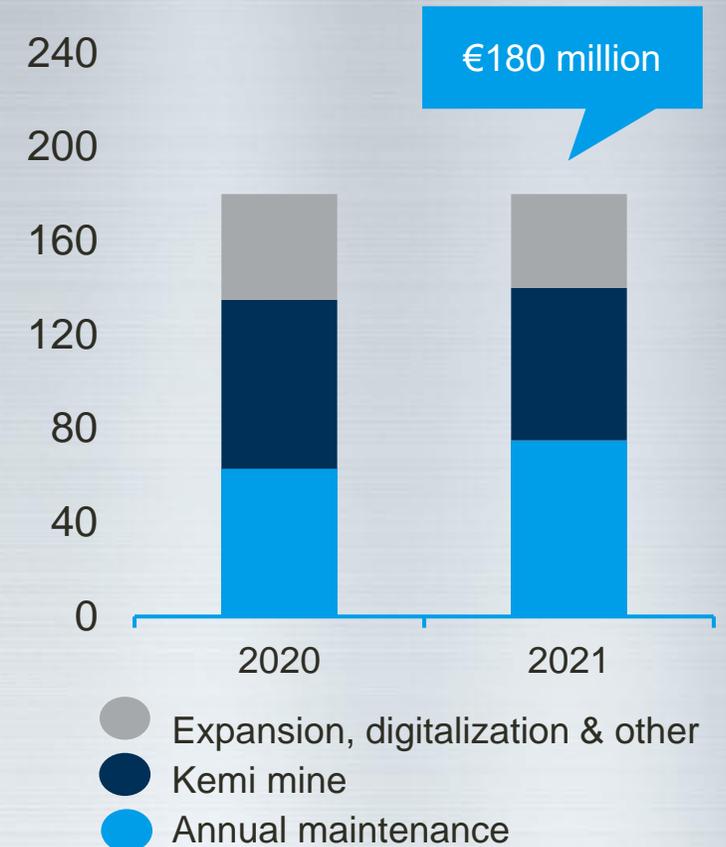
1) Indicative columns based on management estimates

In order to support strong demand, we are investing in working capital while maintaining strict capex discipline

Q3/21 cash flow, EUR million

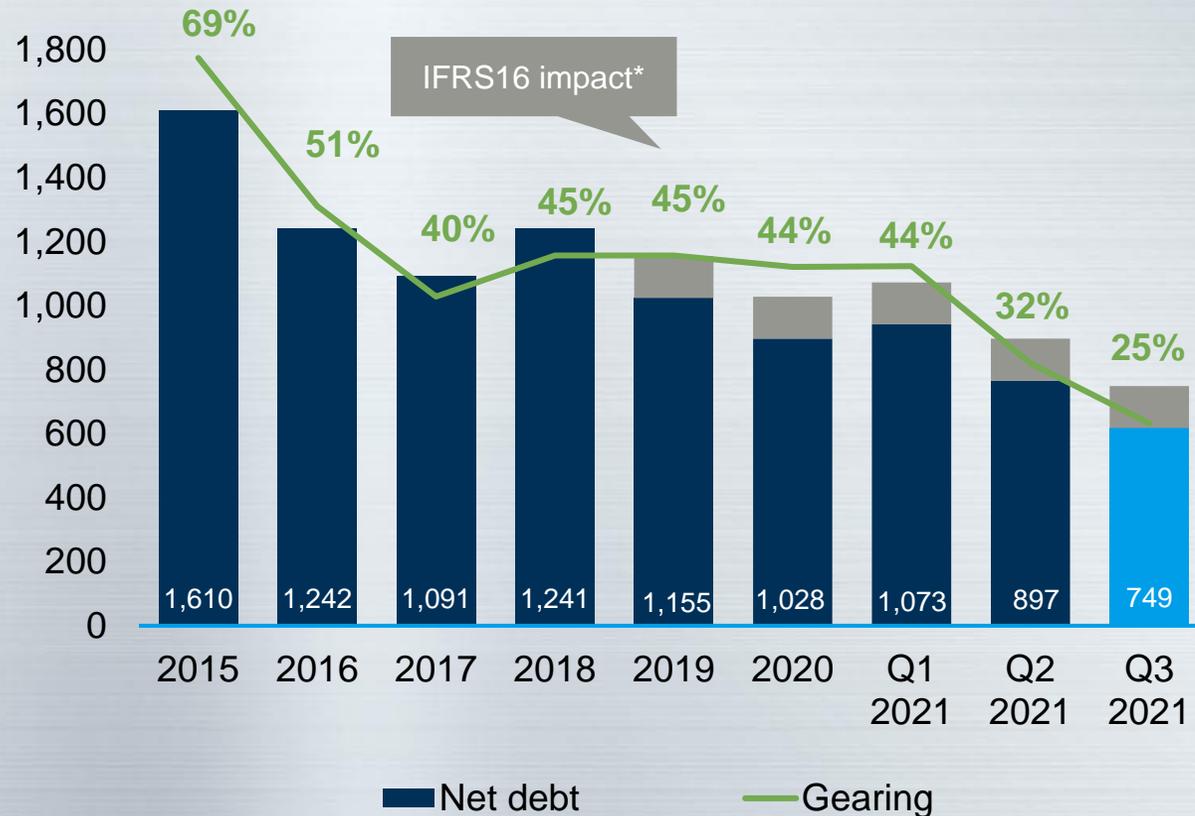


Annual capex, EUR million

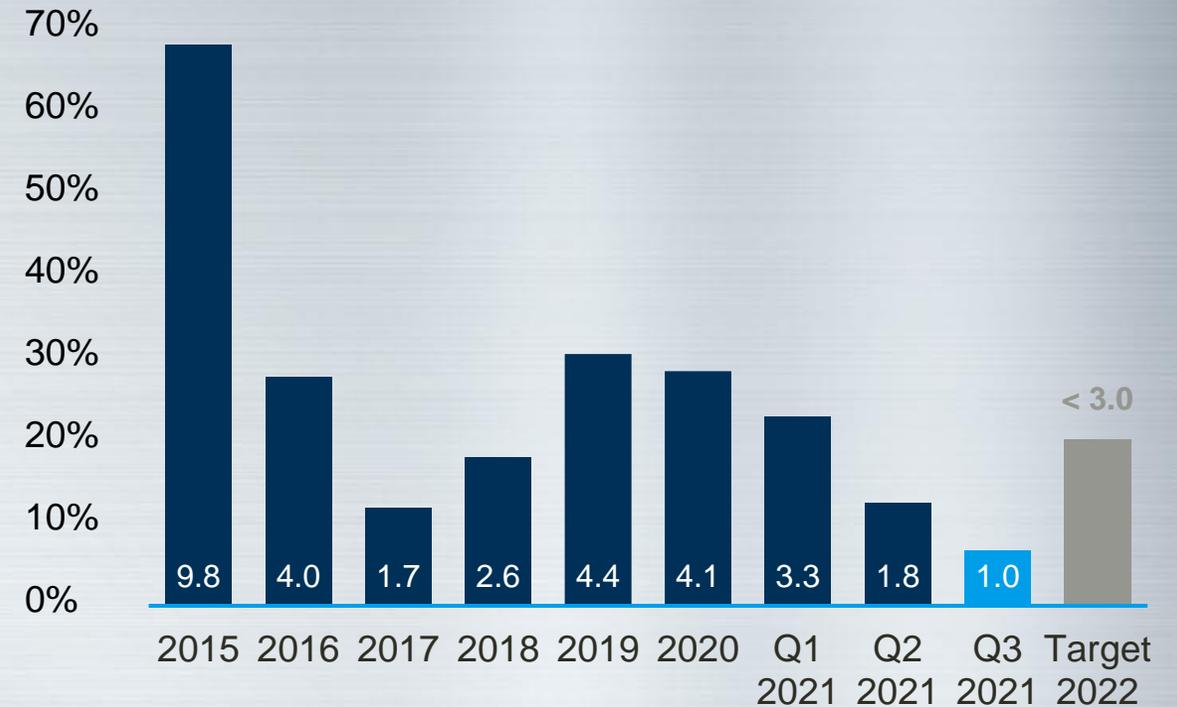


We will continue to deleverage through the first phase of the strategy until the end of 2022

Net debt, EUR million

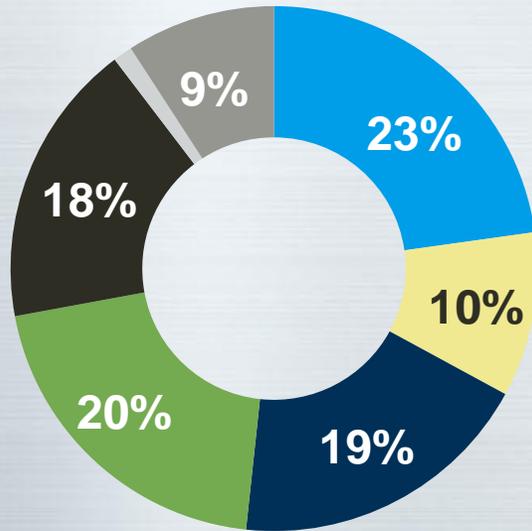


Net debt/LTM adjusted EBITDA



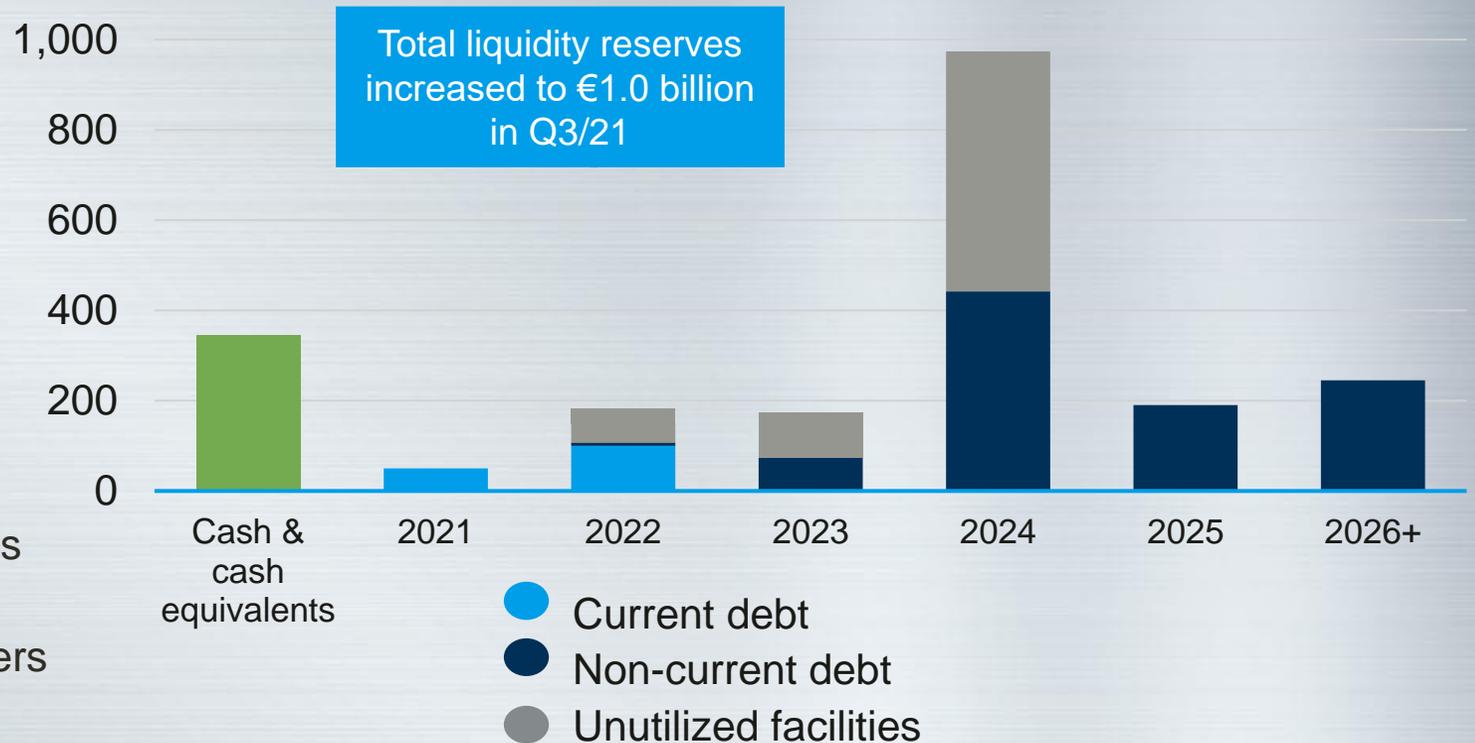
We are redeeming the 2024 bond in December to optimize capital structure and reduce interest expenses

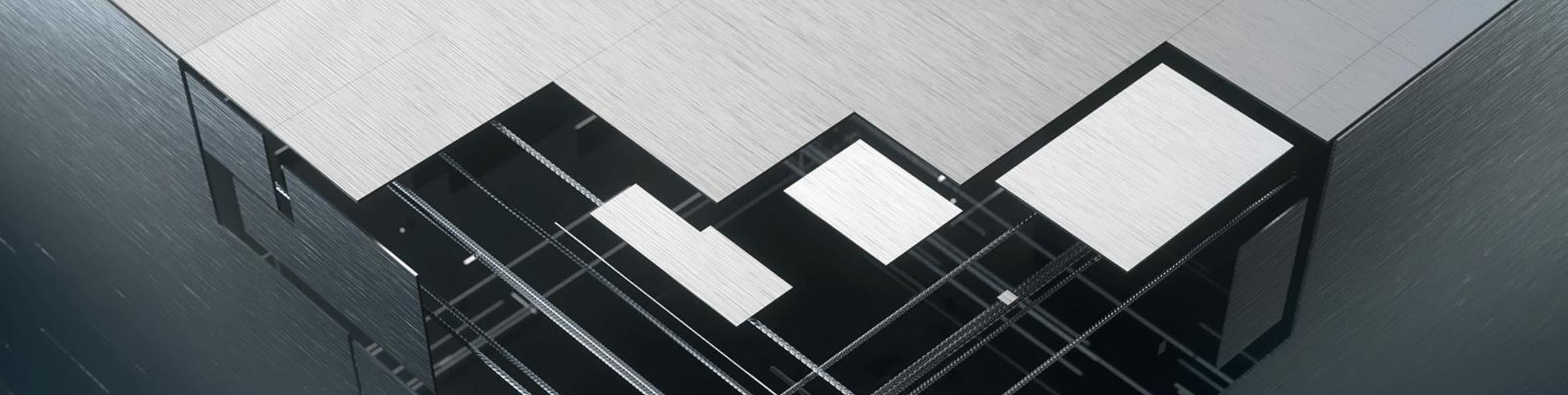
Debt structure*



- 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 Q4 2021

Group stainless steel deliveries in the fourth quarter are expected to remain at a similar level compared to the third quarter.

The European ferrochrome benchmark price increased to USD 1.80/lb for the fourth quarter.

Higher stainless steel prices are reflected in the already received orders and compensating the inflationary pressures in energy, consumables and freight in the fourth quarter.

Adjusted EBITDA in the fourth quarter of 2021 is expected to be higher compared to the third quarter.

Thank you!

**Questions
& answers**

More ambitious ESG strategy was launched in May

Environment

Reduce emissions and provide solutions for a sustainable future



GHG emissions

Scopes 1-3



Metals used in production

Recycled steel, recovered metals, alloys slag formers, chromite ore



Energy & electricity sources

Energy used by source



Byproducts and waste

In steel production and mining
Hazardous and non-hazardous



Emissions to air and water

Dust, nitrogen oxides and sulfur dioxide, metals and nitrates



Water used and water discharges

By source and discharge destination



Biodiversity

Sites close to high biodiversity areas

Social

Health and safety of our people in everything we do



Safety

Fatalities, LTIFR, restricted work injuries, medically treated injuries, first-aid treated injuries, TRIFR, proactive safety action frequency



Direct economic value generated and distributed

Value distributed to society (employee benefits & taxes), value retained in business



Workforce, Diversity & Talent

By gender, age, color, years of service, contract type and region, hires and leavers



Employee wellbeing

Organizational health, employee engagement, sick rates, worktime management



Continuous performance development

Share of employees with regular development discussion

Governance

Ensure transparency and compliant processes



Share of local suppliers

Share of suppliers in countries with significant production sites



Number of raw material suppliers in countries with ESG risk

Out of top 20 suppliers



Number of female BoD members



Number of independent BoD members



Executive compensation



Share of employees Code of Conduct training



ESG Advisory Council

SBTi is the highest CO₂ standard and Outokumpu is the only stainless steel company with an approved target

Previous target of SBTi 2.0 °C was upgraded with a commitment to SBTi 1.5 °C



Outokumpu's value chain emissions
tCO₂-eq/t stainless steel

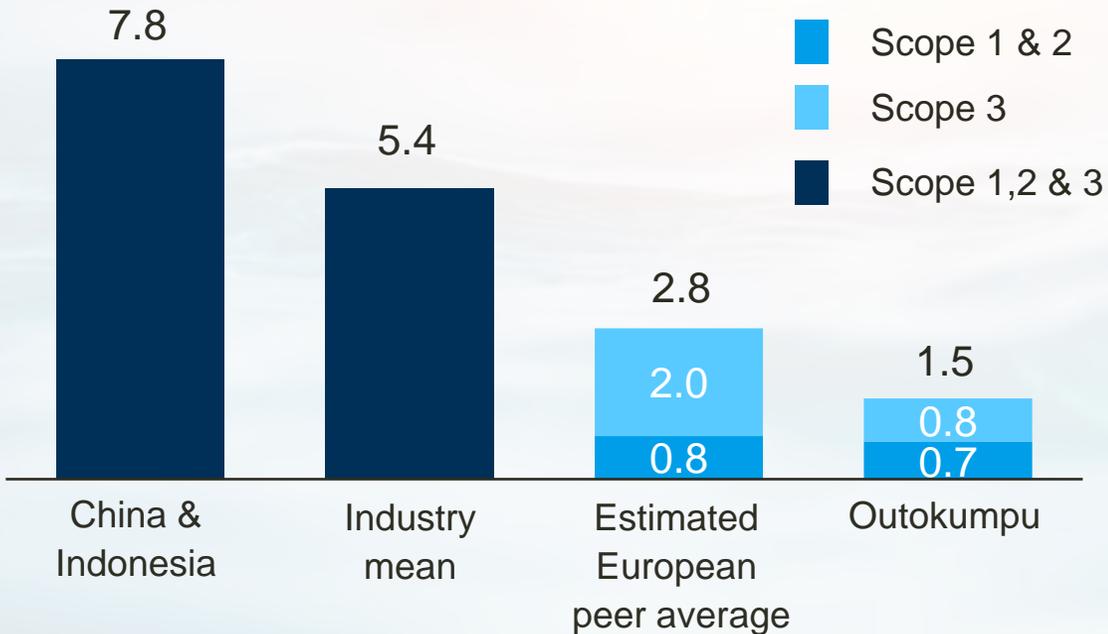


SBTi = Science-Based Target initiative; network for corporate climate targets in line with climate science



Outokumpu is the only stainless steel company reporting its emissions from all three scopes

Value chain emissions, tCO₂-eq/t of stainless steel



- With all three scopes included, Outokumpu has the lowest CO₂ footprint; only 1.5 tonnes of CO₂ per tonne of stainless steel
- Ferrochrome is included in Outokumpu's scope 1 & 2 emissions unlike peers
- Emissions from Outokumpu's ferrochrome production are 58% lower than industry average

Source: ISSF for stainless steel industry mean emissions, companies' annual reports, 3rd party estimate of European peer average emissions in Scope 3

Our efforts on sustainability have been globally recognized

