



## Guidance for Q3/20:

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 COVID-19 pandemic and related measures are expected to have a significant impact on the stainless steel industry throughout 2020.

Due to seasonally low quarter, especially in Europe, combined with the continuing COVID-19 situation, Outokumpu expects its stainless steel deliveries to decrease in the third quarter for the whole Group by approximately 10% compared to the second quarter. The European stainless steel market remains challenging as a result of continuing import and price pressure.

The planned maintenance work at the Ferrochrome mill in Tornio, Finland is expected to have approximately EUR 15 million negative impact on the third-quarter result.

## Key messages in investor and analyst meetings during the third quarter:

- **Stainless steel markets & deliveries:** Typical seasonality prevails in Europe and the market remains challenging as a result of import and price pressure. As per usual there is no such seasonal pattern in the Americas market. Stainless steel industry is expected to be impacted by the COVID-19 pandemic throughout this year, but we have started to see some improvement in our order book and lead times are returning to more normal levels.
- **COVID-19:** We continue to monitor the situation closely and have contingency plans in place if the situation changes.
- **Ferrochrome:** European benchmark price was settled at USD 1.14/lb for Q3/20 and remained unchanged for Q4/20.
- **Balance sheet:** We have continued the rigorous cost compression actions that were initiated immediately when the pandemic started to impact us in the second quarter. Focus is on efficient working capital management, strict capex control and overall strong cash preservation.
- **Business area Long Products:** The strategic review, that was accelerated in July by the new management has been concluded. As a result of the review, Outokumpu will initiate a turnaround program to develop the Long Product business internally. The turnaround program will be started immediately with personnel measures that might lead to a reduction of approximately 100 positions.
- **Safeguards & imports:** Imports into Europe increased significantly in July when the new quarterly managed quota period started but returned to lower level in August. New quota period started on October 1.
- **Anti-subsidy & anti-dumping:** European Commission (EC) has started an anti-dumping investigation on cold-rolled stainless steel originating from Indonesia and India.

## The new strategy

Outokumpu will announce its new strategy on November 5, 2020 in connection with the third-quarter financial results. Live webcast will be arranged on the same day.

Our pre-silent period starts on October 6, 2020 and continues until the third-quarter results are published on November 5, 2020.

Q3 pre-silent conference call was arranged on October 2, 2020 and the recording of the call can be found from our website:  
<https://www.outokumpu.com/en/investors/investor-calendar-and-events/webcasts>

For more information, please contact Investor Relations Manager, Linda Häkkinen [linda.hakkila@outokumpu.com](mailto:linda.hakkila@outokumpu.com) or visit our website [www.outokumpu.com/investors](http://www.outokumpu.com/investors)

Best regards,

Outokumpu IR team

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