



IR Newsletter

First quarter of 2023 has ended, and it is time to wrap up the quarter in anticipation of the silent period starting on Sunday, April 9. Outokumpu will publish its January-March 2023 interim report on Tuesday, May 9.

Outlook for Q1 2023 (published on February 9, 2023):

Group stainless steel deliveries in the first quarter are expected to increase by 10–20% compared to the fourth quarter.

Ferrochrome production continues at 50–60% of its full capacity as a result of the planned optimization due to high electricity prices and recent disruptions in one of the three furnaces.

Inflation in energy and consumable prices is expected to continue in the first quarter.

With current raw material prices, no significant raw material-related inventory and metal derivative impacts are expected to be realized in the first quarter

Guidance for Q1 2023: Adjusted EBITDA in the first quarter of 2023 is expected to be higher compared to the fourth quarter.

Main news in the first quarter of 2023:

- Annual General Meeting 2023:** Outokumpu's Annual General Meeting (AGM) was held on March 30, 2023, at the Dipoli congress center in Espoo, Finland. The AGM approved the financial statements and discharged the management of the company from liability for the financial year 2022. The AGM decided that a base dividend of 0.25 euros and an extra dividend of EUR 0.10 per share, totaling EUR 0.35 per share, will be paid for the financial year 2022.

The AGM also authorized the Board of Directors to repurchase the company's own shares, to decide on the issuance of shares as well as special rights entitling to shares, and to decide on donations for charitable purposes. In addition, the AGM also approved the proposals by the Shareholders' Nomination Board regarding the members of the Board of Directors and their remuneration. Read more information from [here](#).
- Successful completion of the Long Products divestment:** On January 3, 2023, Outokumpu announced that it has completed the divestment of the majority of its Long Products business. Melting, rod and bar operations in Sheffield, UK, bar operations in Richburg, US, and wire rod mill in Fagersta, Sweden were sold to Marcegaglia. The total consideration of the transaction on a debt and cash free basis was EUR 228 million and the estimated net debt impact approx. EUR 100 million in the first quarter of 2023.

On April 1, 2023, Outokumpu announced that it has signed an agreement to divest the remaining Long Products operations in Degerfors and Storfors, Sweden, to Italian Cogne Acciai Speciali and expects to complete the divestment in a couple of months. The enterprise value of the transaction is EUR 12 million and it has a positive cash impact. However, Outokumpu books a loss of approx. EUR 30 million based on the current estimates of the consideration. Read more information from [here](#).
- Share buyback program completed:** On March 24, 2023, Outokumpu completed its share buyback program, which was commenced on November 7, 2022. The company repurchased a total of 19,836,205 own shares and used EUR 100 million for the share repurchases. The average price per share was approx. EUR 5.04. After the completion of the share buyback program, Outokumpu holds a total of 23,109,206 treasury shares, representing 5.06% of the company's total number of shares.
- Collaboration with Fortum:** On March 23, 2023, Outokumpu and Fortum announced that they partner to accelerate industrial decarbonization of Outokumpu's steel manufacturing operations with emerging nuclear technology – Small Modular Reactors (SMR). Energy produced with SMR-technology is both emission free and independent of weather conditions. The agreement initiates a long-term process with the aim to access potential construction of a SMR in Finland. One possible option for the location would be the Tomio region in Finland, where Outokumpu's largest mill is situated.
- Metal powder business:** On March 29, 2023, Outokumpu announced that it is entering a new business by starting to produce metal powder at the company's mill in Krefeld, Germany in April 2023. The metal powder production further strengthens Outokumpu's ambitious sustainability strategy and circular economy efforts by using the steel scrap from local production to create new solutions to the market.
- Annual report 2022:** On March 1, 2023, Outokumpu published its Annual Report 2022 in English and Finnish. The Annual report includes the Annual review with the highlights of 2022, Sustainability review, Corporate Governance statement, Remuneration report, Financial Statements and Review by the Board of Directors. A lot of interesting information for everyone – [explore here!](#)

Operating environment in the first quarter of 2023:

- Stainless steel market:** The first quarter is seasonally a strong quarter in the stainless steel industry. Distributor de-stocking is still continuing in the US but ending in Europe. Group stainless steel deliveries in the first quarter are expected to increase by 10–20% compared to the fourth quarter, in line with Q1 2023 outlook.
- Operations:** Outokumpu has been running its stainless steel operations normally throughout the first quarter, while ferrochrome production has been at 50–60% of its full capacity – same level as in the previous quarter, and in line with Q1 2023 outlook.
- Cost inflation:** Energy prices declined in the first quarter and consequently, there was no negative impact from cost inflation compared to the fourth quarter.
- Net of timing & hedging:** As stated in the outlook, no significant raw material-related inventory and metal derivative impacts were realized in the first quarter.
- Ferrochrome furnaces:** On February 15, 2023, Outokumpu restarted its third ferrochrome furnace, which had been shut down since the planned maintenance break in September 2022. By restarting the third furnace earlier than planned, Outokumpu was able to optimize production as well as compensate for production disruptions in one of the other ferrochrome furnaces. Disruptions in one of the other ferrochrome furnaces will require a maintenance break, and that will occur in the third quarter.
- Harbour strike:** The harbour strike in Finland was successfully managed and consequently, there was no significant impact in the first quarter.
- EU safeguards:** The expiry review of the EU safeguards was initiated in the beginning of December 2022. This review investigates whether the measures should expire at the end of June 2023, or be in place for one more year, until the end of June 2024. The review will be finished by the end of June 2023
- Anti-dumping:** In the EU investigation concerning circumvention of the anti-dumping duties (17.3%) imposed on hot rolled stainless steel from Indonesia, the decision to expand the duties to Turkey is due in April.

The Q1/2023 pre-silent call hosted by CFO Pia Aaltonen-Forsell was arranged on Wednesday, April 5. The recording of the call can be found from our [website](#).

Our silent period starts on Sunday, April 9, 2023, and continues until the January-March 2023 interim report is published on Tuesday, May 9, 2023.

For more information, please contact Head of Investor Relations, [Linda Häkklä](#) or visit our website www.outokumpu.com/investors.

Best regards,
Outokumpu IR team

Working towards a world that lasts forever

Engage with Outokumpu on social channels:

