



IR Newsletter

Third quarter of 2023 has ended, and it is time to wrap up the quarter in anticipation of the silent period starting on Sunday, October 8. Outokumpu will publish its January-September 2023 interim report on Tuesday, November 7.

Outlook for Q3 2023 (published on August 3, 2023):

Group stainless steel deliveries in the third quarter are expected to decrease by 5–15% compared to the second quarter, in line with the seasonal pattern. For business area Europe, the market environment is challenging in the third quarter.

The planned maintenance break in business area Ferrochrome is expected to have an approximately EUR 10 million negative impact on the business area's adjusted EBITDA.

Maintenance costs for the rest of the group in the third quarter are expected to increase by up to EUR 10 million compared to the second quarter.

With current raw material prices, some raw material related inventory and metal derivative losses are expected to be realized in the third quarter.

Guidance for Q3 2023: Adjusted EBITDA in the third quarter of 2023 is expected to be lower compared to the second quarter

Highlights in the third quarter of 2023:

- On October 6, 2023, after the reporting period, Outokumpu announced it signs a letter of intent with Greenland Resources Inc. to strengthen the future supply chain of low-emission high quality molybdenum. Outokumpu has been exploring opportunities to secure sustainable molybdenum supplies from western suppliers – as a part of its long-term strategy for value-chain integration. Molybdenum is a critical and strategically important raw material for Outokumpu's stainless steel production. [Read more.](#)
- On October 6, 2023, after the reporting period, Outokumpu announced it will take a significant step forward in reaching the target of Kemi mine becoming the first carbon-neutral mine in the world by 2025. Outokumpu replaces fossil fuels with renewable solutions provided by Neste, the world's leading producer of renewable diesel. [Read more](#)
- On September 28, 2023, Outokumpu announced it has agreed with Fissler on the first deliveries of the world's first towards-zero stainless steel, Outokumpu Circle Green®, with up to 92% lower carbon footprint than the industry average. The collaboration supports the mutual mission of both companies to build things that last – and to show the direction of reducing emissions from the appliance industry. [Read more](#)
- On September 20, 2023, Outokumpu arranged a live webcast, where we discussed about the long-term outlook on the North American market and our plans to strengthen Outokumpu's position in the U.S. The webcast was hosted by Tamara Weinert (President, business area Americas) and Pia Aaltonen-Forsell (CFO). The webcast recording and presentation material can be found from our [website](#).
- On August 3, 2023, Outokumpu announced it explores options to strengthen its position in the U.S. as a part of phase three strategic preparations. The company is conducting a feasibility study and seeking to increase its existing cold rolling capacity and investigating different options for its hot rolling arrangements in Calvert, Alabama. Outokumpu's focus in the strategy phase three, which will start in 2026 will be to strengthen its market position further and develop more globally diversified operations including Americas expansion, European competitiveness, value-chain integration, and sustainability leadership along with the possible biocoal investment. [Read more](#)
- On August 1, 2023, Outokumpu announced it has completed the divestment of the remaining Long Products units and therefore, fully exited the long products business. The enterprise value of the transaction is EUR 12 million and it has a positive cash impact for Outokumpu. Outokumpu books a loss of approx. EUR 30 million for the third quarter. The amount of the book loss is still subject to final consideration, closing accounts and accumulated translation difference.

Operating environment in the third quarter of 2023:

- Stainless steel market:** Market environment in Europe was challenging in the third quarter as indicated earlier. Group stainless steel deliveries in the third quarter are expected to decrease by 5–15% compared to the second quarter, in line with the seasonal pattern.
- Operations:** Maintenance costs in business area Europe and Ferrochrome increased in the third quarter compared to the second quarter. However, the major maintenance break in business area Ferrochrome, which was planned to be started in September and continue in the fourth quarter has only started in October.
- Net of timing and hedging:** Net of timing and hedging losses in the third quarter are expected to be higher than initially expected, mainly due to the recent decline in nickel price. The realized net of timing and hedging losses in the third quarter are estimated to be approx. EUR 30-40 million.
- Anti-dumping:** In August, the EU initiated an anti-circumvention investigation on anti-dumping and anti-subsidy duties on cold rolled stainless steel from Indonesia. Countries targeted are Taiwan, Turkey and Vietnam, where slabs or hot rolled coils originating from Indonesia have been further processed and exported to the EU, to avoid the duties on Indonesia. This investigation will take a maximum of nine months and potential duties on targeted countries will also be collected retroactively, beginning from the date of the initiation.

The Q3/2023 pre-silent call hosted by CFO Pia Aaltonen-Forsell was arranged on Thursday, October 5, 2023. The recording of the call can be found from our [website](#).

Our silent period starts on Sunday, October 8, 2023, and continues until January-September 2023 interim report is published on Tuesday, November 7, 2023.

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

Best regards,
Outokumpu IR team

Working towards a world that lasts forever

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