



The purpose of this newsletter is to summarize and iterate the key points of the second quarter in anticipation of the silent period.

Guidance for Q2/21 (May 6, 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.

Highlights in the second quarter of 2021:

- **Stainless steel market:** Stainless steel demand has continued strong throughout the second quarter and capacity utilizations have been on good level. Outokumpu remains committed to its volume guidance and group stainless steel deliveries are expected to increase by 0-5% in the second quarter compared to the previous quarter. According to CRU data, stainless steel prices have continued to increase.
- **Ferrochrome:** European benchmark price was settled at USD 1.56/lb for Q3/21 and remained stable compared to Q2/21.
- **Private placement:** On May 10, Outokumpu announced its intention to carry out a private placement of new shares to accelerate the de-leveraging of the company. On May 11, the company announced that it successfully carried out the offering of 40,500,000 new shares and raised EUR 209 million. The total amount of Outokumpu's shares after the private placement is 456,874,448.
- **Credit rating:** On May 12, it was announced that credit rating agency Moody's upgraded Outokumpu's issuer corporate family rating to B2 from the previous rating of B3 and probability default rating to B2-PD from the previous B3-PD. Moody's also upgraded the rating for Outokumpu's senior secured notes due 2024 to B1 from the previous rating of B2. Further, Moody's has upgraded the outlook on the ratings to positive – the previous outlook on ratings was stable.
- **Balance sheet:** Deleveraging and strengthening the balance sheet are the key priorities for Outokumpu. The company prepaid loans from financial institutions by EUR 210 million with the proceeds of the directed share issue.
- **Safeguards:** The decision to extend the safeguard measures, which were introduced in July 2018 and were about to expire in June 2021, was published on June 24. EU member states accepted European Commission's proposal to extend the safeguard measures for another three years until June 2024. All the modalities of the safeguard measures remained unchanged, including also the liberalisation rate (meaning the increase of quotas) of +3% per year. European Commission will however carry out a review in two years to evaluate if the measures are still needed.
- **Anti-dumping & anti-subsidy:** EU imposed provisional anti-dumping duties on cold rolled stainless steel from Indonesia and India in May. These duties will be in place for maximum of six months after which they can be made "definitive" for five years starting from November. The provisional duties were imposed at the level of ~20% for Indonesia and ~14-35% for India. Regarding the anti-subsidy investigation on cold rolled stainless steel from the same countries, EU will have a chance to impose provisional anti-subsidy duties in November 2021 and definitive duties in March 2022.
- **COVID-19 pandemic:** Outokumpu monitors the situation closely.

Our silent period starts on July 6, 2021 and continues until January-June 2021 result is published on August 5, 2021.

Q2/21 pre-silent conference call was arranged on July 5, 2021 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 Head of Investor Relations, [Linda Häkkinen](#) or visit our website www.outokumpu.com/investors

Best regards,

Outokumpu IR team

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