

# Calvert site visit

**Tamara Weinert – President, BA Americas**  
**Carmen Pino – SVP, Commercial**  
**Joachim Stolz – SVP, Operations**

US site tour for Finnish institutional investors, arranged by Nordea  
September 20, 2022

# Outlining milestones to reach full potential

Tamara Weinert – President, BA Americas

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# Calvert is a modern integrated stainless site with a unique customer reach and a competitive cost structure

Trusted supplier  
in one of the  
strongest markets  
in the world

Efficient, reliable  
and cost competitive  
production

Secured and  
sustainable  
supply chain  
incl. scrap

High performing  
and flexible  
work force

Turnaround projects have set up BA Americas to take advantage of the strong market



# Phase 1 successfully completed – we are ready for Phase 2

## Sustainability

- Target significant CO<sub>2</sub> reduction
  - Optimized raw material mix
  - Yield and efficiency improvement
- Increased share of rail transport
- Engage with customers to take full commercial advantage of sustainable stainless steel in Americas market

## Growth from productivity

- Increase cold roll volume by 80kt with 6 small investments and productivity improvements
- Continued focus on slab cost, yield and maintenance optimization
- Commercial actions to support bringing additional volume to the market

## Customer-focused steering

- Improved supply chain planning practices and tools
- Build world-class enablers: teamwork, talent, IT & agility
- Develop longer-term strategies with the customers

# ESG initiatives in action

Environmental	Social	Governance
Increased recycled content	Substantial improvement in safety performance	Improved insight into supply chain and supplier governance
Internally sourced FeCr	Successful diversity, equity and inclusion (DEI) initiative in both USA and Mexinox	Stricter controls around supplier screening implemented
Metal recovery from slag	Procurement initiative for minority owned local businesses	Policies strengthened and improved training on all aspects of governance in our business
Increased focus on sustainability strategy with our customers	Support for local initiatives such as Internships and co-ops	Safety KPI included in all performance driven payments
20 projects on site (water, dust, landfill etc.) being implemented	Wellbeing at the fore front to retain and grow employees	Improved internal controls as a focus area in the last two years
Reduced CO <sub>2</sub> footprint and prioritizing rail delivery		

# Phase 2 deliverables: Target 80kt growth and \$200M EBITDA level

## Phase 2 summary

- Objective to strengthen sustainability position and unlock volume growth through productivity improvements

## Phase 2 target

- 80kt volume growth
- Supporting \$200 million EBITDA in normalized market conditions

# BA Americas is prepared to grow in the undersupplied USMCA market

Carmen Pino – SVP, Commercial

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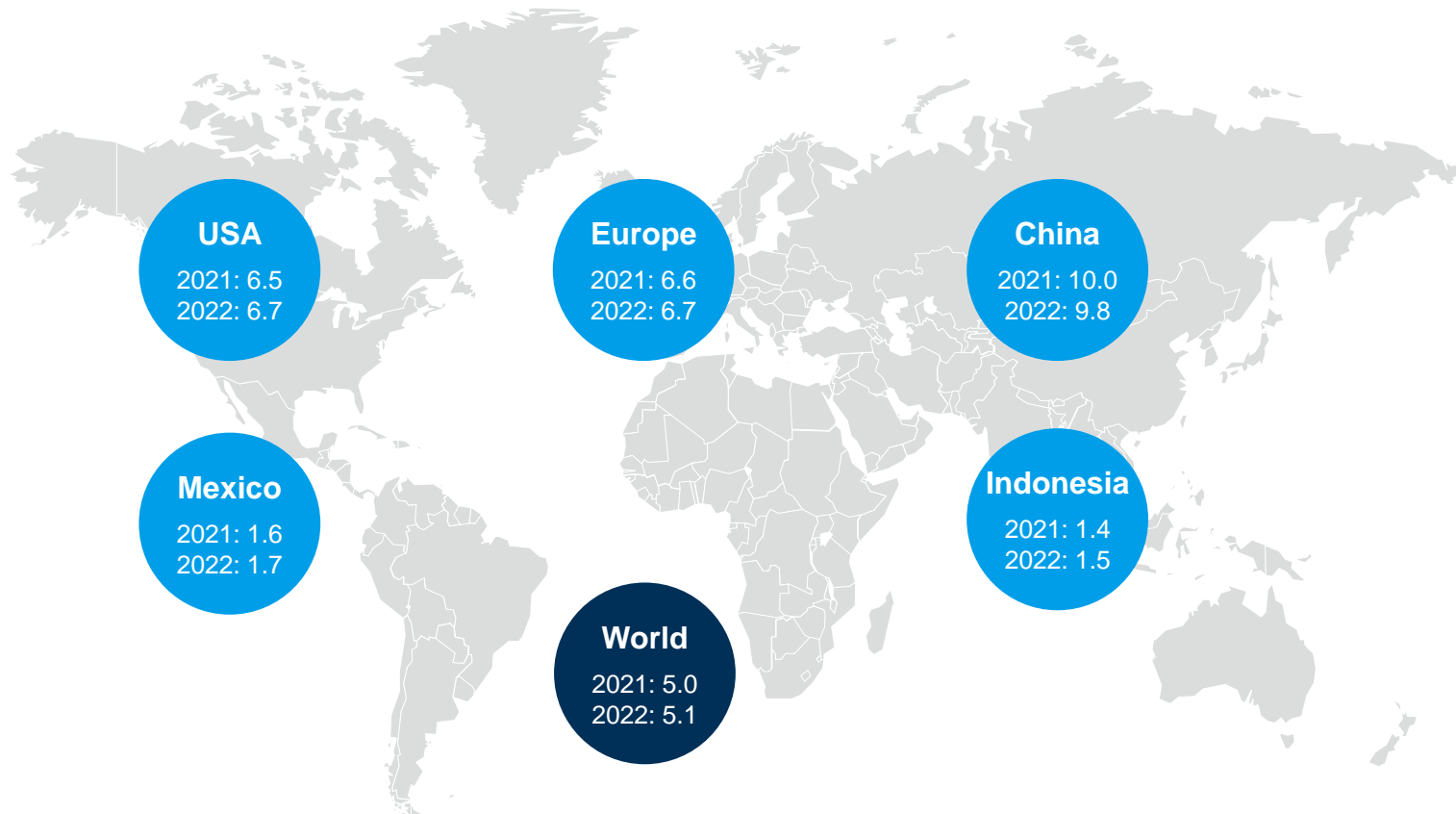


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# USMCA stainless steel market remains coveted for its growth and protected trade

Stainless steel flat consumption in kg per capita – 2021/2022 outlook



- US market consists of large private and publicly traded distributors
- Highly competitive with high service expectations
- Strong economic trade policies support local stainless steel industry

# BA Americas is well positioned to serve various customers in the USMCA market

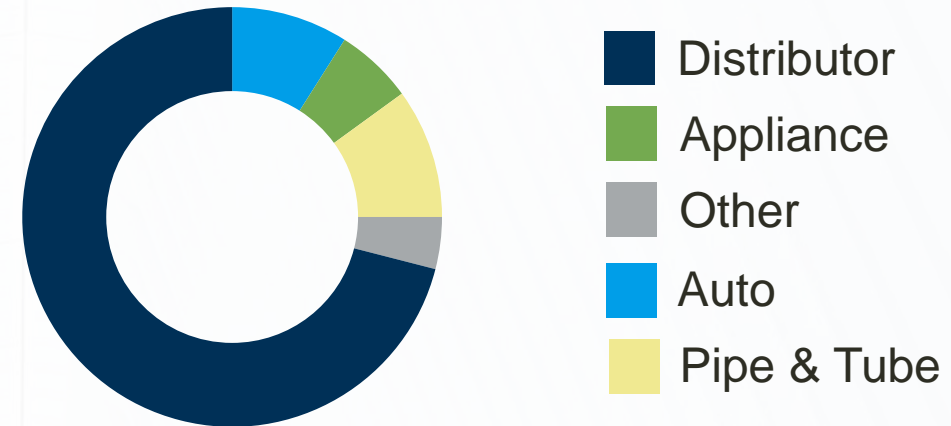
Diverse portfolio serving multiple market sectors

Distribution focused business with strong customer relationships

Poised to leverage new ferritic capability in Calvert

Significantly improved customer experience, proven status as a reliable supplier

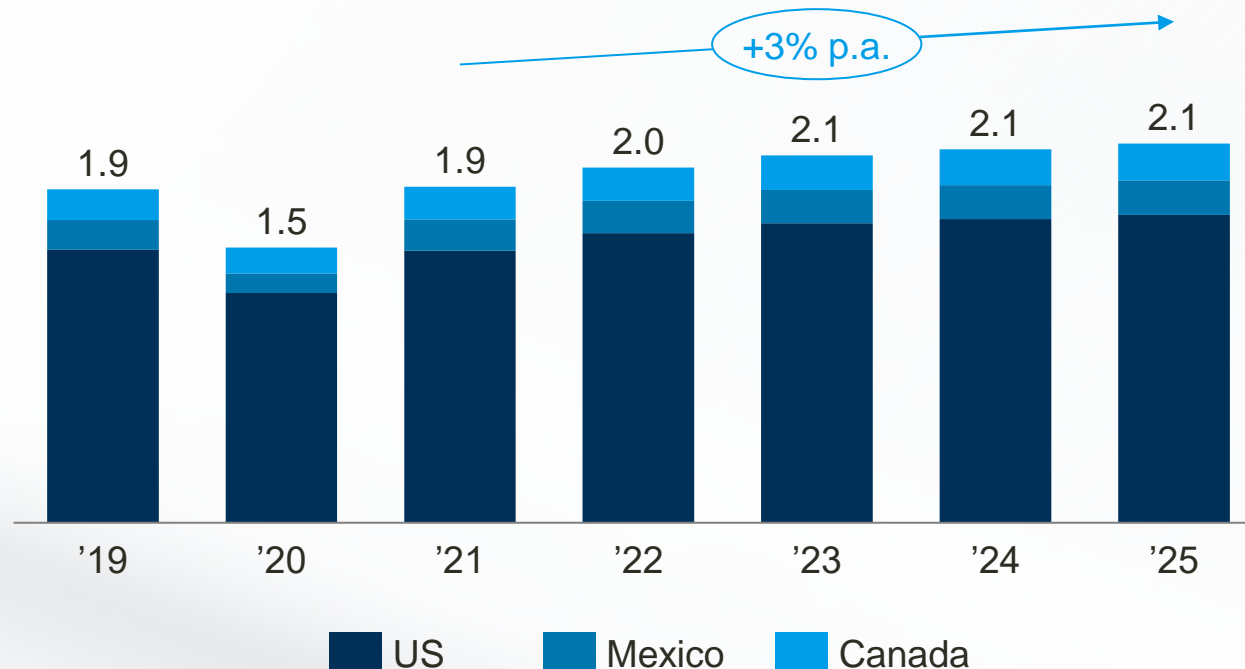
**BA Americas' sales split per customer segment (kt)**



→ Well positioned to grow in these key customer segments for Phase 2 of the strategy

# Market outlook continues to be positive, supporting Phase 2 strategy implementation

## USMCA cold rolled stainless steel demand (Mt)



## Growth drivers

- Recent US infrastructure bill supports growth
- Localization of supply chains
- Robust consumer demand
- Demand for locally produced and more sustainable products



# Our Calvert operations are prepared to serve a growing market

Joachim Stolz – SVP, Operations

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# Calvert integrated mill

### Capacity

Melt shop **900kt**  
Hot rolling **900kt\***  
Cold rolling **550kt**

### Employees

**980** own employees  
**368** contractors

### Size of the area

**1,100** acres of which  
**2,000,000** sft are covered with buildings



River Terminal (scrap)

Slab Yard

Hot Strip Mill

Passive Annealing Furnace & Hot Black Band Slitter

Hot Annealing & Pickling Line

Melt Shop

Scrap Yard

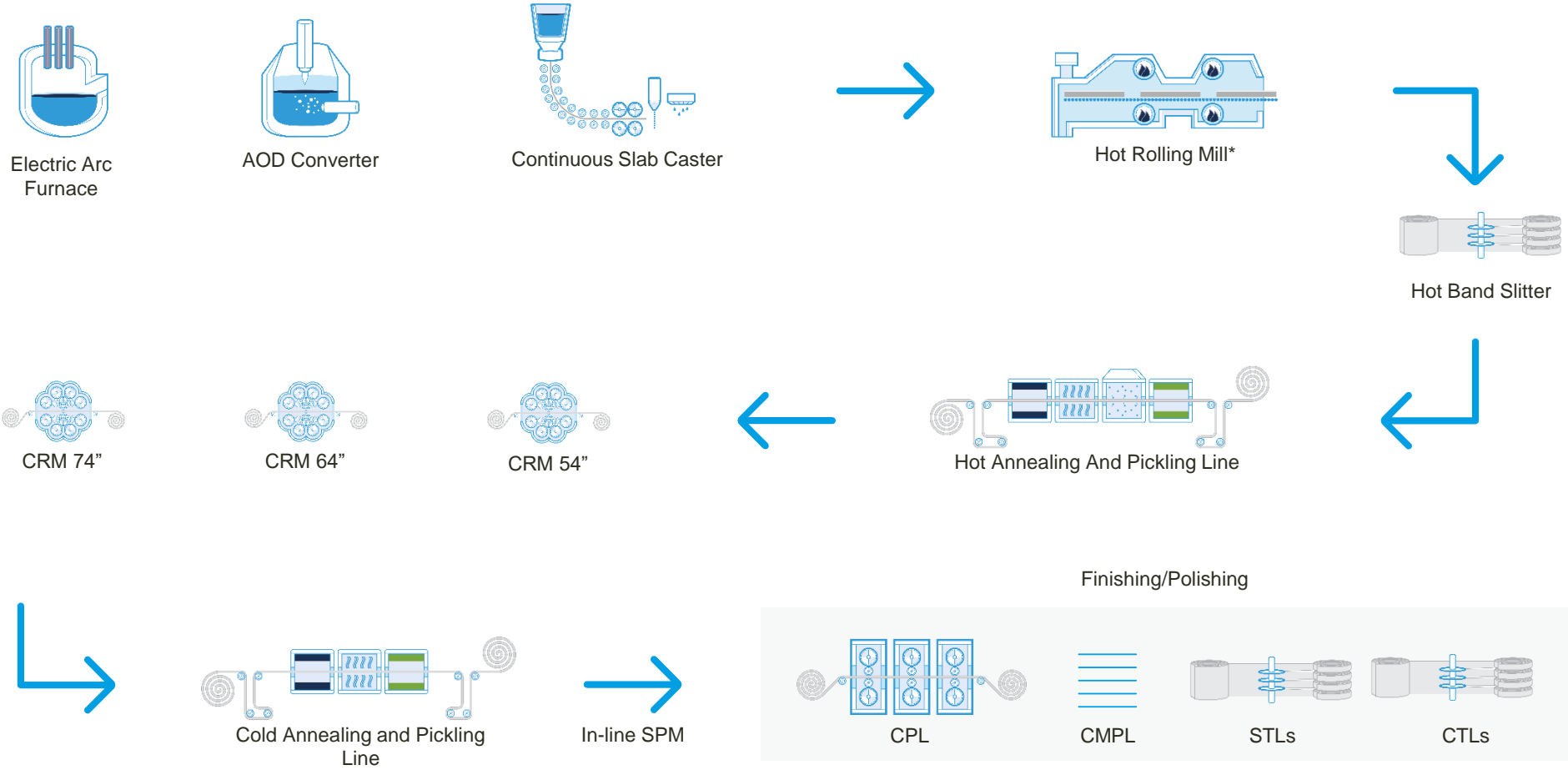
Finishing

Cold Rolling Mills

Cold Annealing & Pickling Line

\*hot rolling mill owned and operated by AM/NS

# Calvert's streamlined production flow

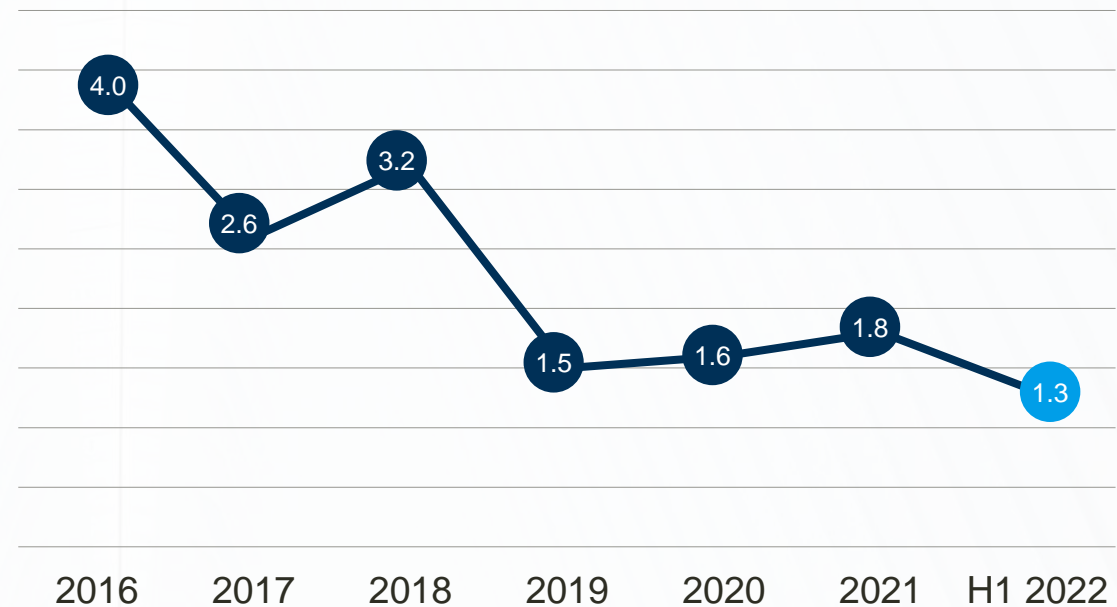


\*hot rolling mill owned and operated by AM/NS

# Safety is our priority in everything we do

Significant improvement in safety performance achieved during the past few years

BA Americas' total recordable injury frequency rate (TRIFR)  
Number of total recordable injuries per million working hours



# Deep-dive: Targeted productivity improvements yielding 80kt volume uplift

## Phase 2 productivity improvements

2022

2023

2024

2025

30kt

50kt

80kt

Cumulative volume increase

Calvert investments

De-bottleneck Calvert with productivity investments

Mexinox investments

Increase Mexinox cold rolling capacity with series of focused investments

Manufacturing excellence

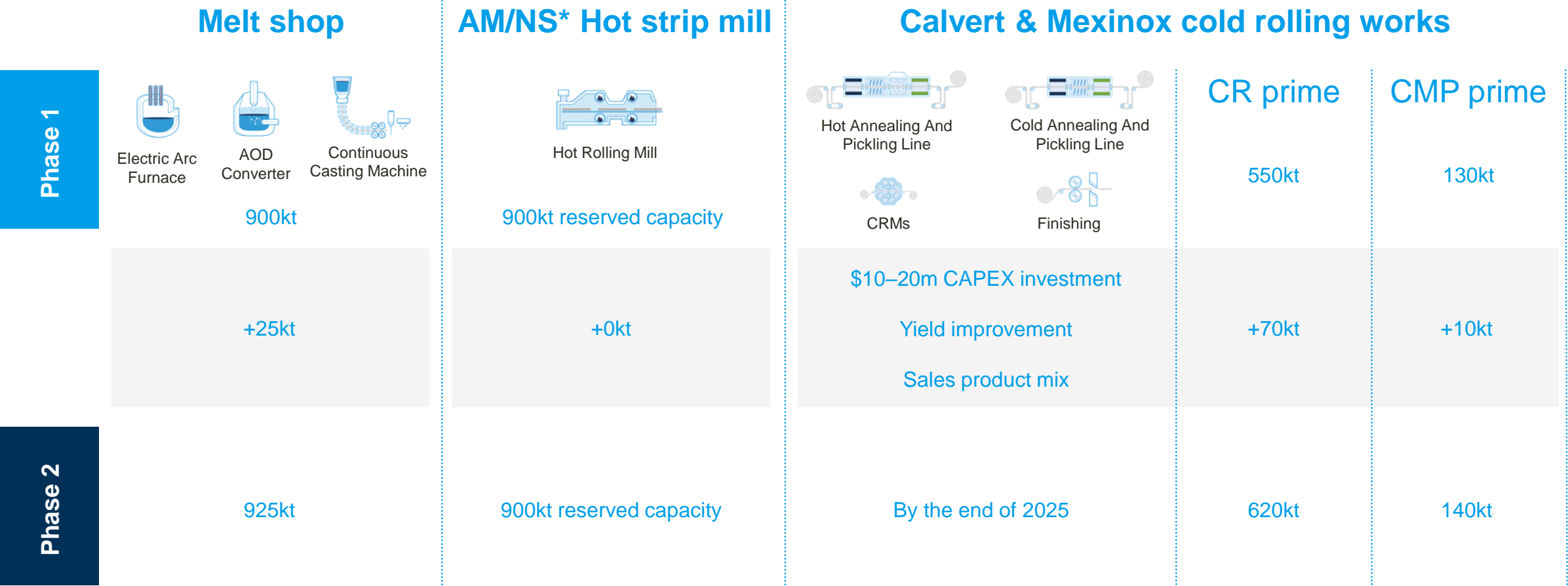
Improve yield and reduce Cold Annealing and Pickling Line speed & availability loss

Sales product mix improvement

Focus on optimized mix for mill productivity and margin generation



# Phase 2: Capacity increases by 80kt



\*hot rolling mill owned and operated by AM/NS

# Improve throughput by 80kt through targeted productivity investments and Lean Six Sigma

## Strong starting point

- Systematic work in past years to **stabilize operations**, **improve yield**, and **reduce fixed costs**

## Clear strategic priorities

- **Improve throughput** by de-bottlenecking through 6 targeted productivity investments and Lean Six Sigma projects
- **Improve Yield** to improve capacity and reduce CO<sub>2</sub> footprint
- **Digital in Operations** -> Increase visibility of line performance and improve process robustness
- **Maintenance optimization** through Reliability journey and condition-based maintenance

## Ambitious but realistic target

- 80kt **volume growth**

A photograph of three people standing in a field of dry grass under a clear blue sky. On the left is a man in a dark blue jacket with reflective yellow-green stripes and blue jeans. In the center is a woman in a dark jacket and blue jeans. On the right is a man in a dark blue work shirt with reflective yellow-green stripes, blue work pants, and a brown belt. The background shows a large industrial building and a yellow storage tank.

# Thank you!

Stay tuned and  
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