Outokumpu – the global leader in sustainable stainless steel

Investor presentation 2024

September 2024

Outokumpu investor presentation 2024

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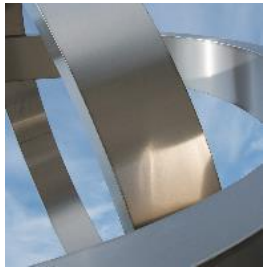
Focus on long-term value creation and shareholder returns



Stainless steel is a healthy market

Stainless steel is a light, strong and endlessly recyclable material for the increasing needs of the modern world.

Well defined, three-phase strategy

We focus on strengthening the core by maximizing value from sustainability, cost and market leadership.

Improved financial and risk profile

We have improved profit generation, strong balance sheet and enhanced downturn resilience.

Industry leader in sustainability

We are the only stainless steel company with an approved 1.5 C Science Based Target and 91% of our sales are EU-taxonomy eligible and aligned.

Market and cost leader in stainless sector

We are well positioned as the market leader in advanced products and cost leader in high-volume products.

Stable shareholder returns

We are back returning cash to shareholders via stable and growing dividend.

We are the global leader in sustainable stainless steel

Outokumpu's year 2023

Sales
7
EUR billion

Stainless steel deliveries
1.9
million tonnes

Adjusted EBITDA
517
EUR million

95%
Record-high recycled material content in production

#1 market position in Europe

#2 market position in North America

Circle Green®
Product line with up to 93% lower carbon footprint than global average

Outokumpu's core business is stainless steel flat products and ferrochrome

Slab

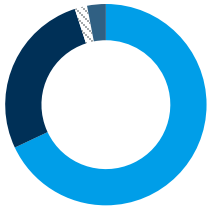
Coil

Ferrochrome

Three business areas

Sales split

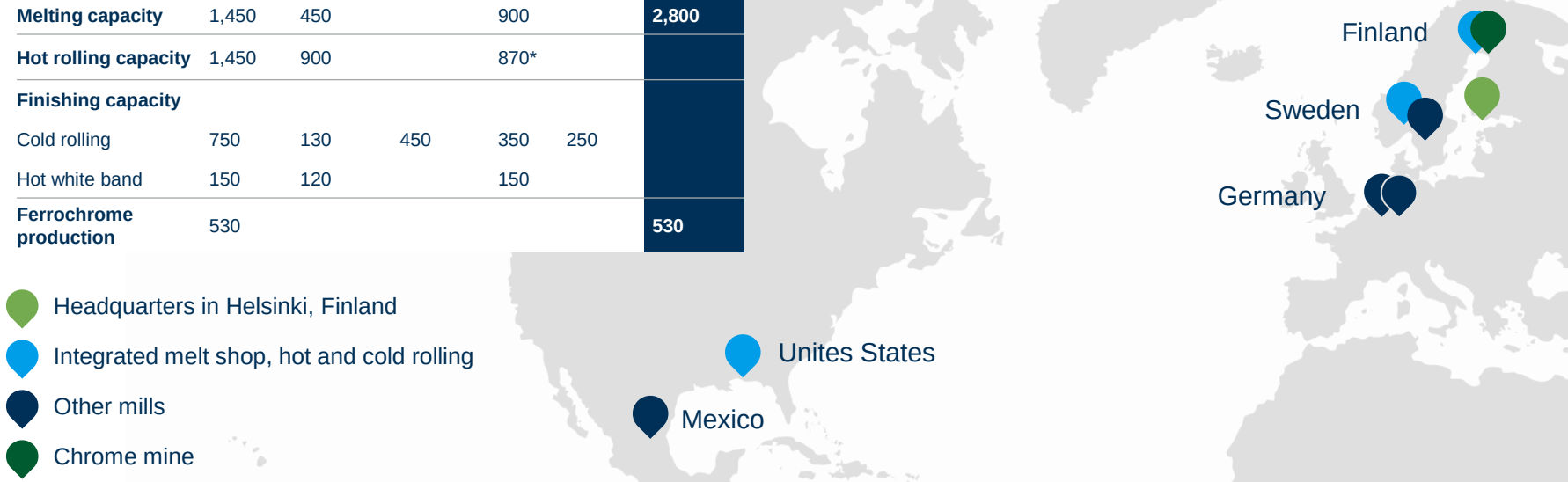
- Europe 68%
- Americas 27%
- Ferrochrome 3%
- Other operations



Solid presence in key regions and a fully integrated production asset base starting from our own chrome mine

Production capacity
1,000 tonnes

	Finland	Sweden	Germany	USA	Mexico	Total
Melting capacity	1,450	450		900		**2,800**
Hot rolling capacity	1,450	900		870*		
Finishing capacity						
Cold rolling	750	130	450	350	250	
Hot white band	150	120		150		
Ferrochrome production	530					**530**



- Headquarters in Helsinki, Finland
- Integrated melt shop, hot and cold rolling
- Other mills
- Chrome mine

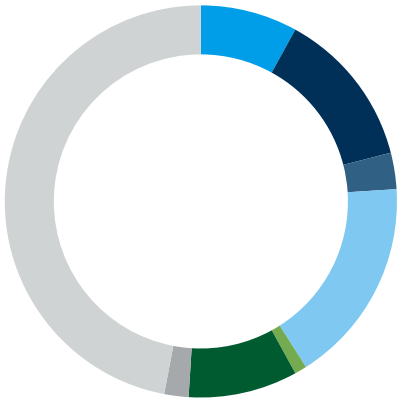
*Hot rolling mill owned and operated by AM/NS

Global customer base and a wide product portfolio: both high-value and standard stainless steel production

Sales in 2023 per customer segment

Wide customer base consisting of both end-customers and distributors

Appliances	8%
Automotive	13%
Architecture, building & construction	3%
Metal processing & tubes	17%
Chemical, petrochemical	1%
Heavy industries	9%
Other operations	2%
Distributors	47%



High-value stainless steel

(advanced materials)*

Applications which require special features, such as high resistance to stress, corrosion, cracking and/or strength.

→ *High-value stainless steel is used for example in process industry, construction, oil and gas industry*

Standard stainless steel

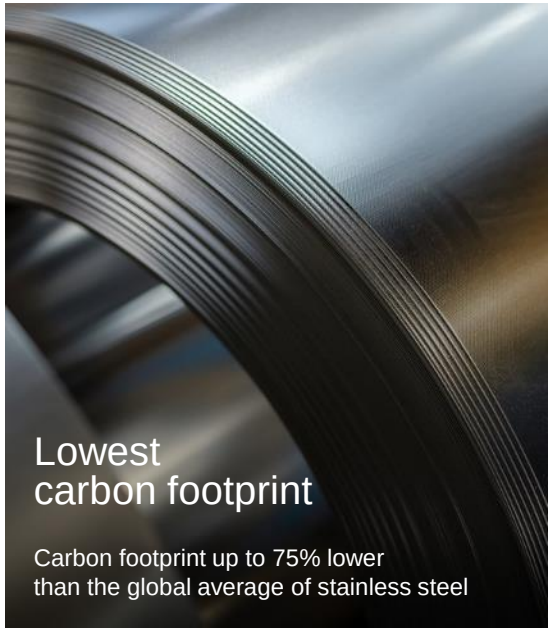
(commodity)

Versatile stainless steels with good combination of properties for wide range of applications.

→ *Standard stainless steel is used for example in automotive, appliances and consumer durables*

*All advanced materials are produced in business area Europe, but sold globally

We are accelerating green transition across the value chain



Our ambition in sustainability has been globally recognized

CDP DISCLOSER 2023

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
ALIGNED WITH 1.5°C

S&P Global
Sustainability Yearbook Member
S&P Global Corporate Sustainability Assessment (CSA) Score 2023

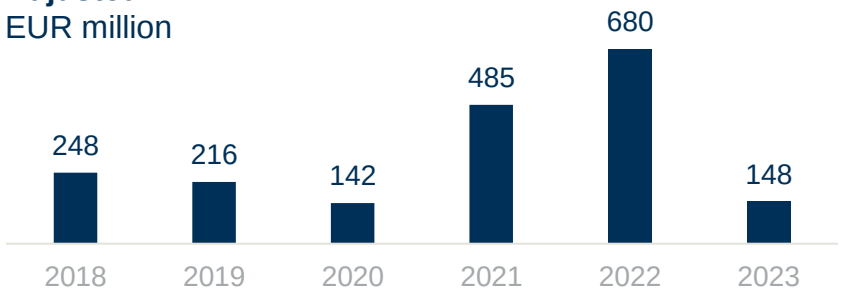
Responsible Steel

PLATINUM Top 1%
2023
ecovadis
Sustainability Rating

Business area Europe

- Market position **#1,** market share **33%**
- Production facilities: Finland, Sweden and Germany
- Largest customer segments: distributors, automotive, appliances, heavy industries
- Business area Europe sold 47% to distributors and 53% directly to end-customers in 2023
- Main competitors: Aperam, Acerinox

Adjusted EBITDA
EUR million



Stainless steel deliveries
1,000 tonnes

Lowest carbon footprint in the industry

75% smaller carbon footprint than the global average. Circle Green® product with up to 93% lower carbon footprint compared to the global industry average*

*) Global average CO_2 emissions (2023): 7 kg CO_2e per kg of stainless steel (Outokumpu's calculation based on data provided by CRU and worldstainless). Outokumpu Circle Green CO_2 emissions: down to 0.5 kg CO_2e per kg of stainless steel.

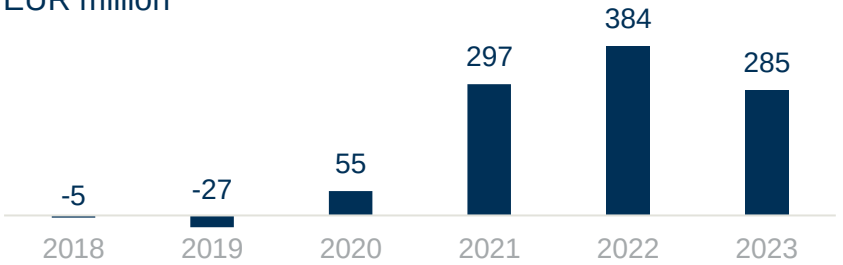
Business area Americas

- Market position **#2,** market share **23%**
- Production facilities: Alabama, the U.S. and Mexico
- Largest customer segments: mainly distributors (~70%), appliances, automotive, pipes and tubes
- Main competitors: NAS, Cleveland Cliffs (AK), ATI

The industry's most comprehensive technical expertise

With a growing portfolio of both austenitic and ferritic grades from our mill in Calvert, Alabama, and our stainless steel finishing mill in San Luis Potosí, Mexico, business area Americas is well-positioned to serve the expanding needs of the Americas' market.

Adjusted EBITDA
EUR million



Stainless steel deliveries
1,000 tonnes

Business area Ferrochrome

- Production facilities: Finland
- Our in-house ferrochrome mine in Kemi is a unique asset – only chrome mine in the EU area
- Outokumpu consumes majority of the ferrochrome produced internally at own mills
- The integrated ferrochrome and stainless steel mills at our Tornio site bring considerable efficiency advantages
- Main competitors: Glencore, Samancor, ERG

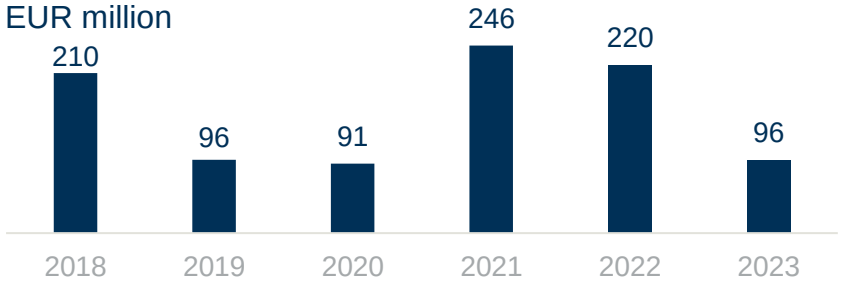
Low-carbon ferrochrome production

Ferrochrome is a crucial raw material in the production of stainless steel.

The carbon footprint of our ferrochrome is 67% smaller than the global average – this is a significant driver for the low carbon footprint of our stainless steel.

Adjusted EBITDA

EUR million



Ferrochrome deliveries

1,00 tonnes

Our own low-carbon ferrochrome production is a competitive advantage for us and a fundamental part of our fully integrated value chain

Outokumpu's chrome mine and ferrochrome operations in Kemi, Finland.

- We own the only chrome mine in the EU area, making Outokumpu well positioned with regards to Carbon Border Adjustment Mechanism (CBAM)
- We are the largest ferrochrome producer in Europe
- Our fully integrated ferrochrome and stainless steel operations in Kemi and Tornio provide several cost and operational benefits
- With recent investments to expand Kemi mine to -1,000 meters, ore availability has been ensured until the 2050'
- Kemi mine to become the first carbon-neutral mine in the world by 2025

Climate ambitions accelerate demand growth for low-emission stainless steel

Global megatrends increasing demand

→ **Energy investments**
→ **Resource efficiency**

Regulation such as carbon emission trading scheme increasing climate actions

Outokumpu uniquely positioned to benefit from Carbon Border Adjustment Mechanism (CBAM)

→ **Infrastructure**
→ **Traffic, trains & bridges**
→ **Mobility**

Clean investments driving demand for low-carbon steel

Global spending $1.8 trillion*

*Bloomberg, 2024

→ **Health care**
→ **Clean water**
→ **Appliances**

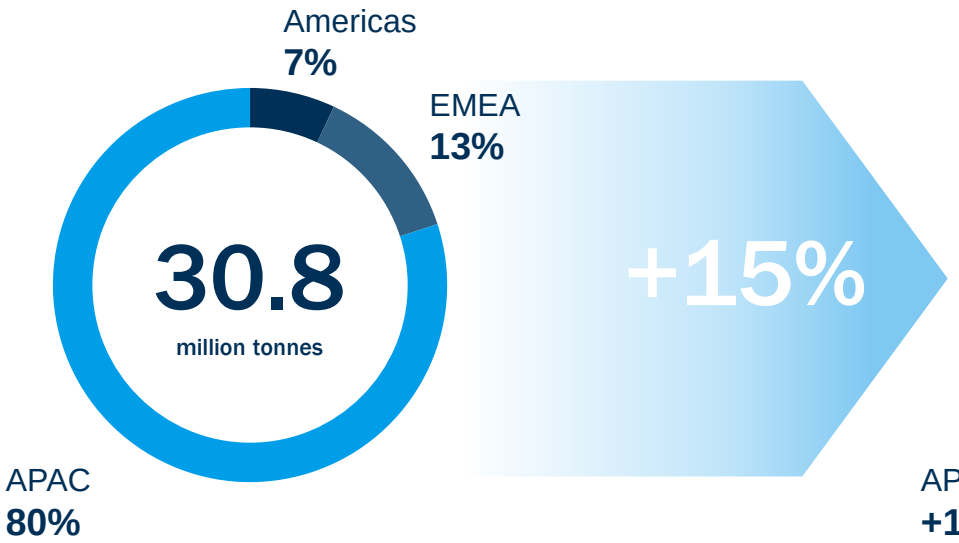
Growing end-customer needs representing opportunities to create value

+25–35% low-emission stainless steel demand by 2030 in Europe**

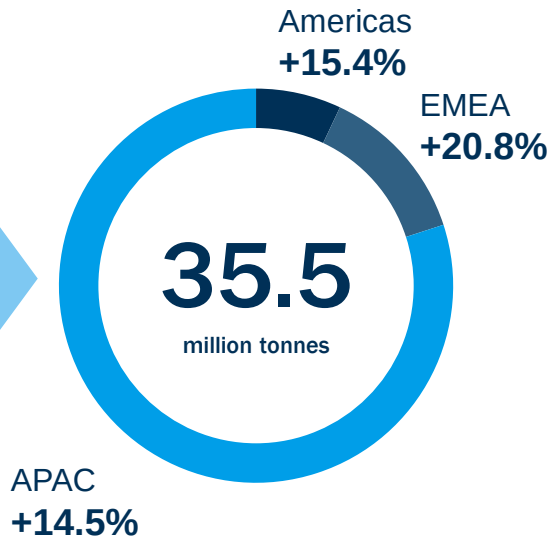
**Calculation based on the assumptions behind carbon steel and the consumption of stainless

Demand for stainless steel expected to grow

Global stainless steel demand* in 2023



Expected stainless steel demand* in 2027



+15%

Source: Source: CRU Stainless Steel Flat Products Market Outlook November 2023 | * Demand refers to Apparent Consumption (= Production + Imports – Exports), Cold Rolled Flat Products

Our three-phase strategy enables strong shareholder returns

OUR VISION

Customer's first choice
in sustainable stainless steel

Phase 1: 2021–2022

Strengthen the balance sheet

Margin improvement and
de-leveraging the balance sheet

Phase 2: 2023–2025

Strengthen the core

Targeted productivity investments to improve margins. Additional investment to improve sustainability

Phase 3: 2026–

Strong sustained performance

Americas expansion, European competitiveness, value-chain integration and sustainability leadership

Capital discipline and strong shareholder returns

Sustainability

WHERE WE ARE NOW:

Phase 1: 2021–2022

De-risking the company and strengthening balance sheet

- Key priorities: commercial excellence, cost and capital discipline and lean and agile organization
- De-risking of the company succeeded ahead of schedule
- Both financial targets achieved, EUR 250 million EBITDA run-rate improvement and net debt to EBITDA ratio to below 3.0.
- Significantly improved resilience, providing a strong foundation going forward, in all market conditions

Phase 2: 2023–2025

Strengthening the core of the company

- Key priorities: Sustainability, growth from productivity and customer-focused steering
- Aim to reduce CO_2 emissions by 14% in line with our SBTi 1.5- degree climate target.
- BA Europe: aim to strengthen cost leadership in high-volume stainless steel products and global market leadership in advanced products, and to increase capacity by 100kt
- BA Americas: Focus on sustaining the high profitability levels, and increasing cold rolling capacity by 80kt
- BA Ferrochrome:
  Focus on carbon neutrality

Phase 3: 2026–

Next steps - Third phase of the strategy 2026 onwards

- Focus will be in strengthening our market position further and developing more globally diversified operations
- Three focus areas:
  Americas expansion, European competitiveness, value-chain integration, and sustainability leadership along with the possible biocoke investment.
- Investments most likely required

Strategy phase 2: strengthening the core of the company, reducing CO_2 emissions and focusing on shareholder returns

Financial targets for 2023-2025

EBITDA run-rate improvement	Net debt to adjusted EBITDA	CAPEX over the next 3 years	Stable and growing dividend	Emission intensity tCO_2/t crude steel
350 EUR million	**<1.0x** in normal market conditions	**600** EUR million		**-14 %** compared to 2021 baseline

Situation at the end of 2023

EBITDA run-rate improvement	Net debt to adjusted EBITDA	CAPEX	EUR 0.26 per share paid for year 2023	Emission intensity tCO_2/t crude steel
186 EUR million	**-0.1x**	**170** EUR million		**-14.6 %**

Sustainability at the core of our strategy

Climate
Committment to reduce emissions across scope 1, 2 and 3 by 42% by 2030*.

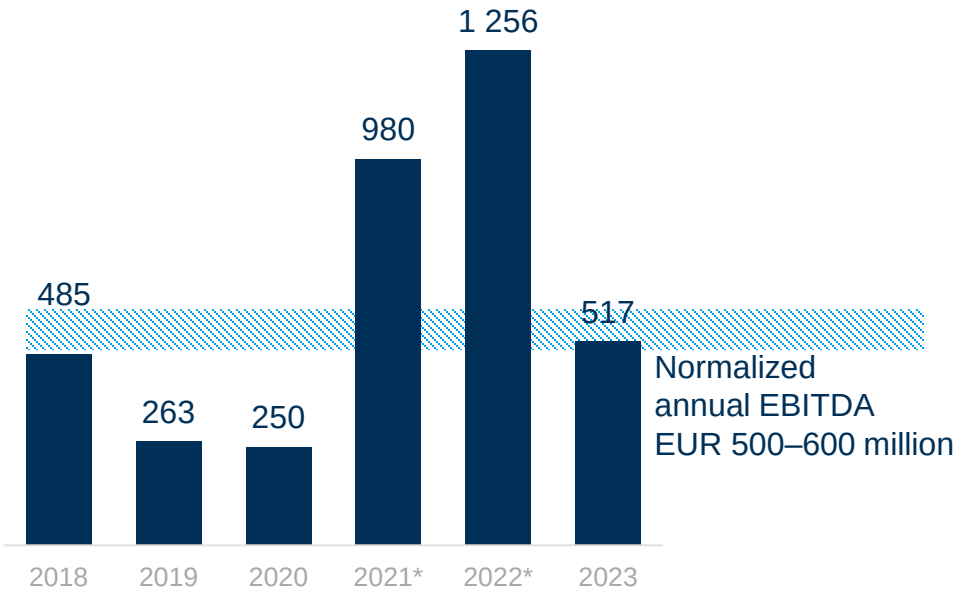
Circularity
Target to achieve over 90% recycled material content.

Energy efficiency
Improve energy efficiency by 8% by the end of 2024.

People & safety
Long-term vision of zero accidents. Minimum of 30% of diverse leaders in all international management teams by the end of 2025 and pay equity certification in 2024.

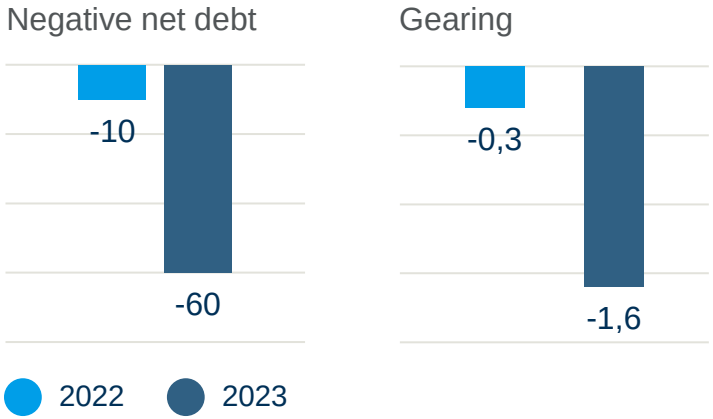
*From the 2016 baseline

Significantly improved resilience and capability to create value in a cyclical stainless steel industry



Solid foundation to create value over the cycle

Strong balance sheet is required in a volatile industry to withstand also challenging market conditions

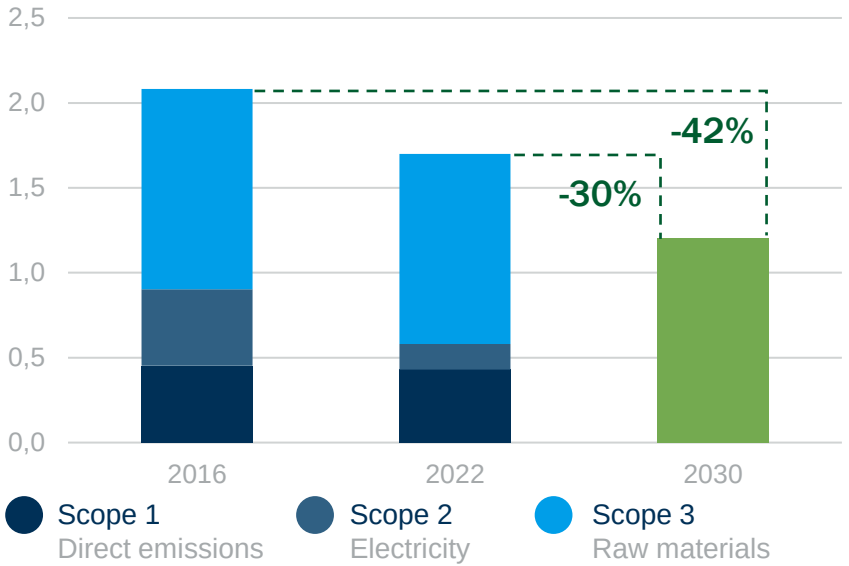


We accelerate green transition with low-emission stainless steel and continue to decarbonize our value chain with our partners

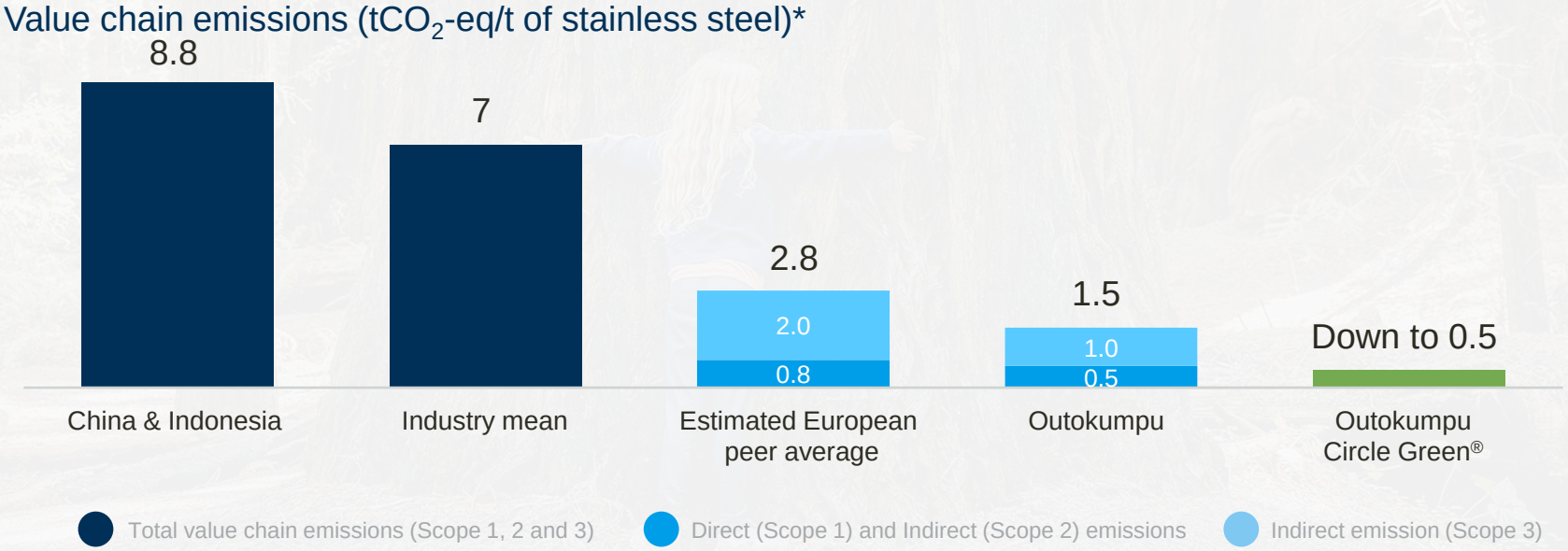
- 90% of Outokumpu's sales in 2023 is both eligible and aligned with the EU taxonomy
- Outokumpu has a sufficient amount of carbon allowances until the end of the decade assuming that the planned emission reductions realize according to plans
- We are well positioned within Carbon Border Adjustment Mechanism (CBAM) due to low stainless steel carbon footprint and the only chrome mine within EU area with a low carbon footprint

Emission intensity

($tCO_{2\text{-}eq}$/t of stainless steel)



Outokumpu supports customers to reduce their emissions with the lowest carbon footprint in the industry



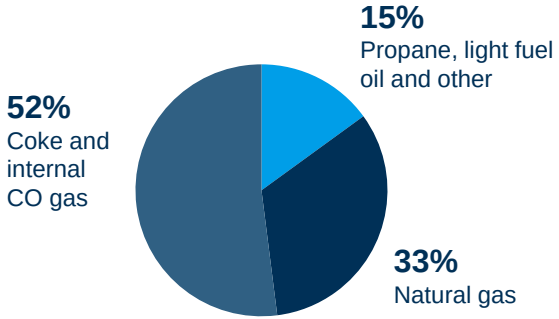
*China & Indonesia and Industry mean: Outokumpu's calculation based on Gyllenram & Wei 2022 and data from CRU and worldstainless.
Estimated European peer average: 3rd party estimate of European peer average emissions in Scope 3 for 2019.

Our starting point for emission reductions

Emissions per scope in 2023

Scope 1

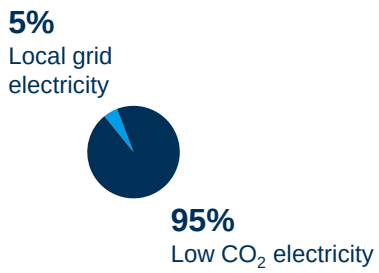
Total: 1,013 $ktCO_2$



Addressing coke and fuel use has a significant impact on Scope 1 emissions, which constituted 29% of our emissions.

Scope 2

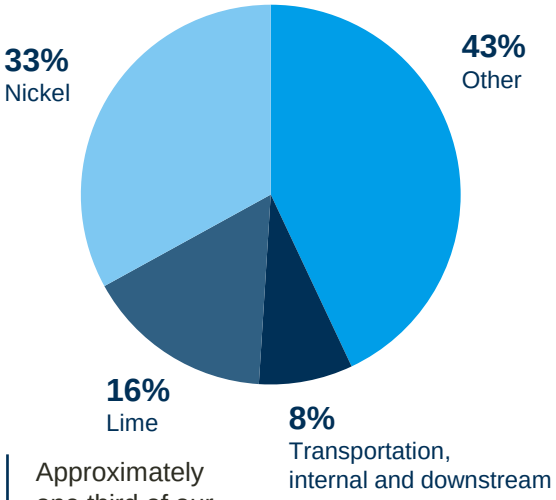
Total: 142 $ktCO_2$



Absolute emissions has been significantly reduced by increasing the share of low-carbon electricity up to 95% of our electricity consumed. Scope 2 emissions constitute 4% of our emissions.

Scope 3

Total: 2,309 $ktCO_2$

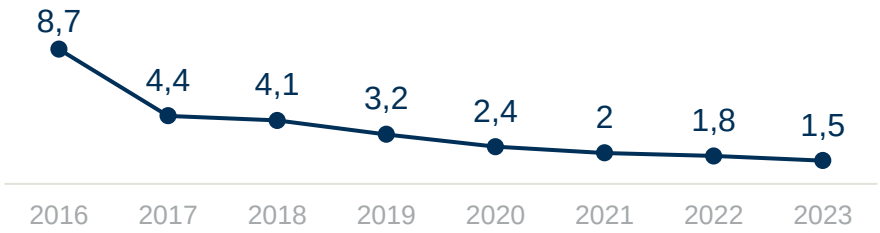


Approximately one third of our value chain emissions come from production of nickel. Scope 3 emissions constitute 67% of our emissions.

People are our most valuable asset

World-class safety performance

TRIFR*



Personnel

8,469

full-time equivalent

Increase in diverse leaders

+26%

from 2022 baseline

Improving pay equity

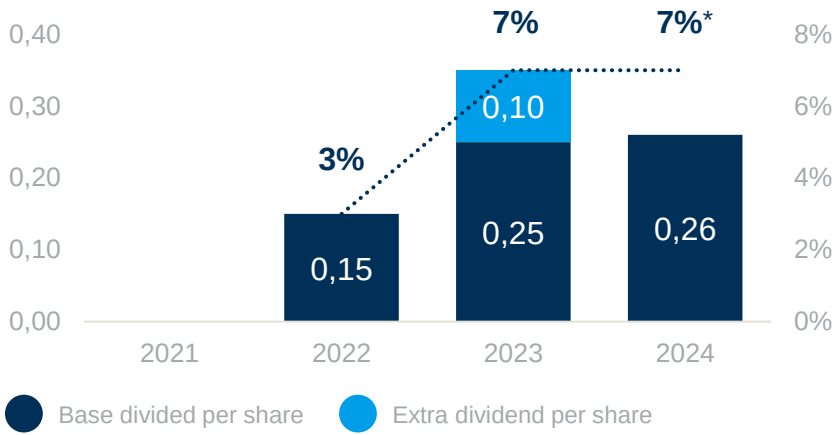
0.99

women's euro with an external verification

TRIFR = Number of total recordable incidents per million working hours.
2021 and 2022 numbers include only continuing operations.

Strong commitment to paying a stable and growing dividend in line with our dividend policy

Dividend per share, EUR and dividend yield, %
Year of dividend payment

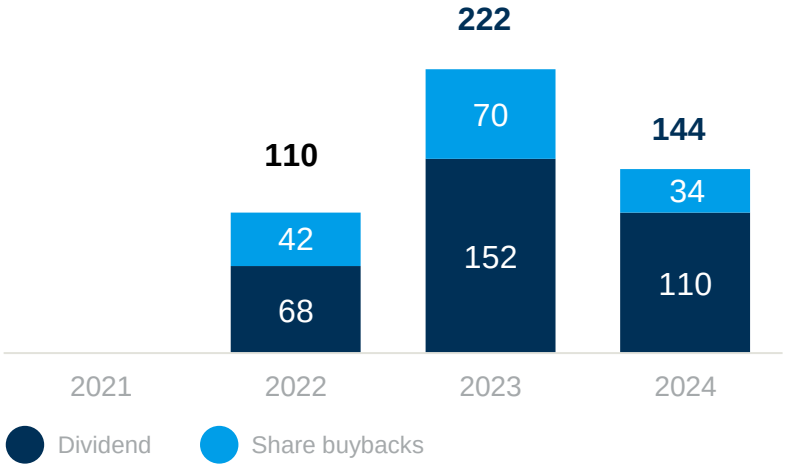


* closing share price on March 21, 2024

Share buybacks are another tool to return capital to the shareholders

31 million shares repurchased in 2022–2024
to manage the dilutive impact from the convertible bond

Capital returns
EUR million

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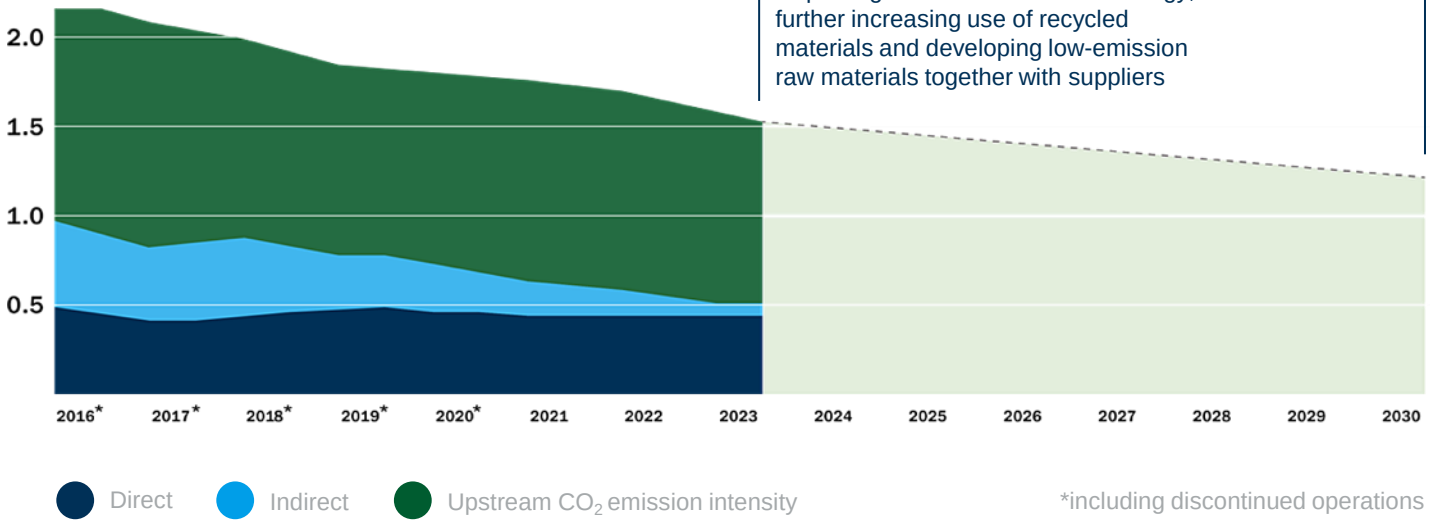
Continue our climate strategy to further reduce our emissions aligned with 1.5 degrees – circularity and innovation at the core

2016–2023
High recycled material content, low-emission energy, energy efficiency and incremental process improvements

2023 results
-27% tCO_2/ton CS

2023–2030
Replacing fossil coke and fossil energy, further increasing use of recycled materials and developing low-emission raw materials together with suppliers

2030 target
-42% tCO_2/ton CS



*including discontinued operations

Strong partnerships with customers to drive the green transition forward in stainless steel industry

September 2024

outokumpu

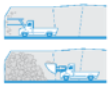
Circle Green®

Up to 93% lower carbon footprint compared to the industry average*

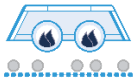
*Global average CO_2 emissions (2023): 7 kilos of CO_2e per kg of stainless steel (based on data provided by CRU and worldstainless). Outokumpu Circle Green CO_2 emissions: down to 0.5 kilos of CO_2e per kg of stainless steel.

How is cold rolled stainless coil produced at Outokumpu?

Kemi mine

1. Underground mine 
2. Hoisting 
3. Crushing 
4. Heavy medium separation 
5. Grinding 
6. Spiral concentration 

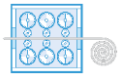

Ferrochrome works

1. Sintering furnace 
2. Smelter 
3. Storage 


Steel melting shop

1. Liquid ferrochrome 
2. Recycled steel 
3. Ferrochrome Converter 
4. Electric Arc Furnace 
5. AOD Converter 
6. Continuous Casting Machine 

Hot rolling mill

1. Walking Beam Furnace 
2. Roughing Mill 
3. Steckel Mill 
4. Tandem Mill 
5. Bell Furnace 

Cold rolling plant

1. Hot annealing and pickling line 
2. Sendzimir Mill 
3. Cold annealing and pickling line 
4. Polishing line 
5. Slitting Line 
6. Cut-to-lenght Line 

Appendix

Latest financial materials and presentations

https://www.outokumpu.com/en/investors/materials

Latest CEO's review

https://www.outokumpu.com/en/investors/outokumpu-as-an-investment/ceos-review

Latest outlook

https://www.outokumpu.com/en/investors/outokumpu-as-an-investment/outlook-and-risks

Major shareholders and ownership structure

https://www.outokumpu.com/en/investors/outokumpu-share/shareholders

Financing and credit information

https://www.outokumpu.com/en/investors/financing-and-credit-information

Sustainability data tool

https://www.outokumpu.com/en/sustainability/reporting-and-data/sustainability-data

Board of Directors

https://www.outokumpu.com/en/about-outokumpu/organization/board-of-directors

Outokumpu Leadership Team

https://www.outokumpu.com/en/about-outokumpu/organization/leadership-team

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