

De-risking the company for strong returns by the end of 2022

Investor presentation May 2021

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Outokumpu in brief

Outokumpu – The leading producer of sustainable stainless steel globally

Outokumpu in 2020

Net sales
EUR
5.6
billion

Stainless steel
deliveries
2.12
million tonnes

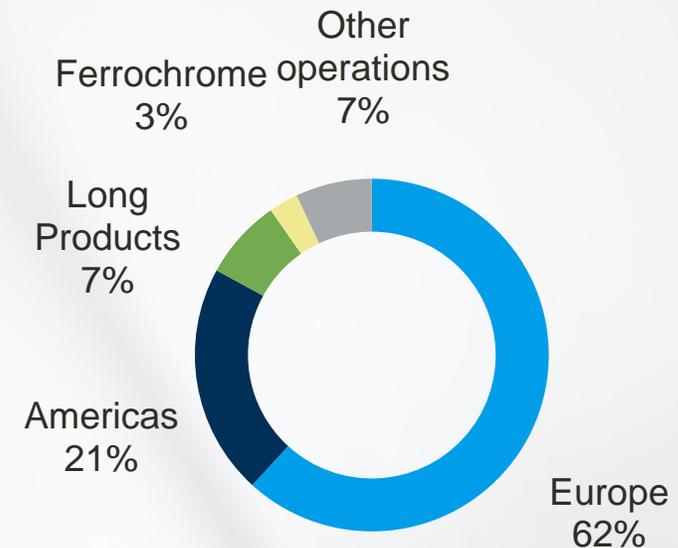
Adjusted
EBITDA
EUR
250
million

Over **90%**
recycled content
in production,
lowest carbon
footprint in the
industry

Operations in
over
30
countries

Listed on
Nasdaq
Helsinki

Sales by business area



Flat stainless steel products and ferrochrome are Outokumpu's core businesses

Flat products

Business areas Europe and the Americas produce flat stainless steel products that can be used diversely for different purposes in different industries.



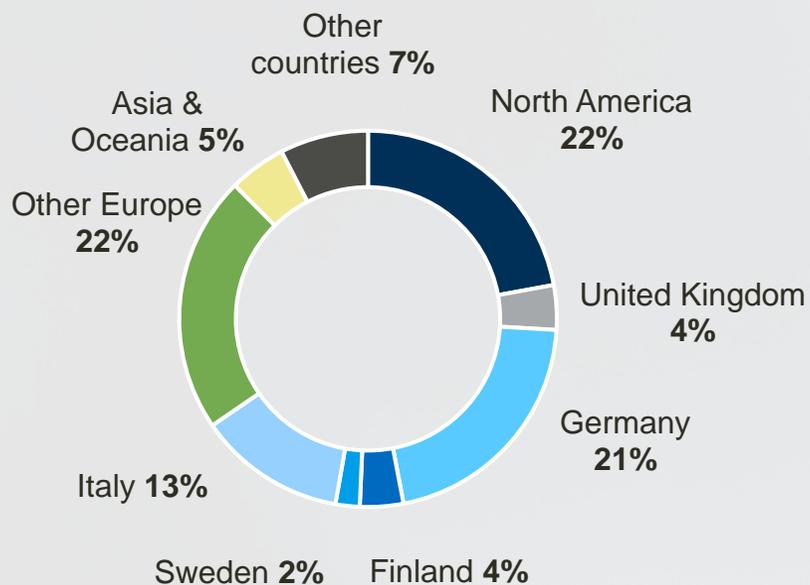
Ferrochrome

Ferrochrome is an important raw material in the production of stainless steel, and Outokumpu owns the only chrome mine in Europe located in Kemi, Finland.

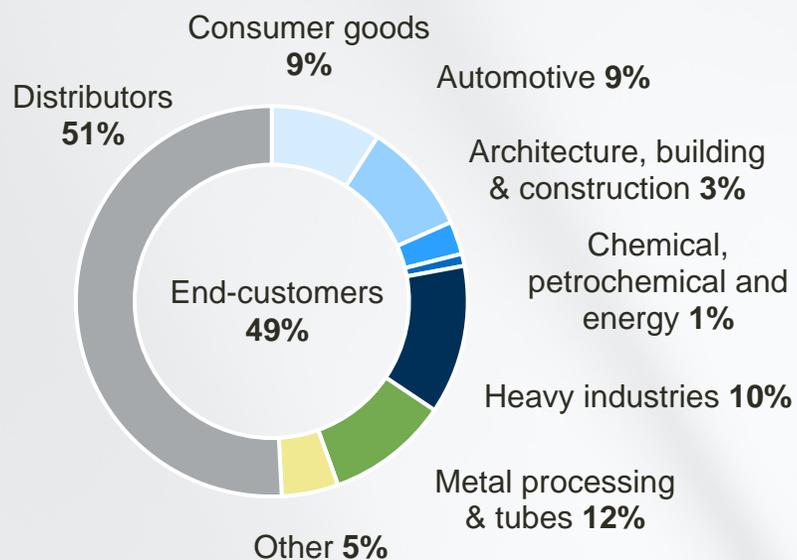


Outokumpu has a balanced customer portfolio

Sales by destination in 2020



Sales by customer segment in 2020



End-customers 49%

- Long term contracts
- Large quantities
- Special grades
- Ferritics and duplex
- Technical advice
- Develop relationships & receive volume discounts

Distributors 51%

- Spot contracts
- Standard products and grades
- Austenitic cold rolled and tubular products
- Speculative behaviour
- Value added services

A vast product range and extensive offering of specialty grades for demanding circumstances

**Standard
products 70%**



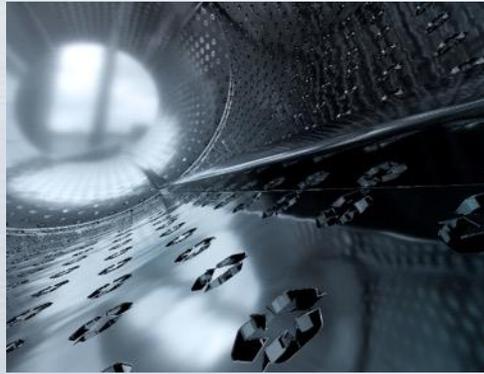
- Automotive
- Appliances
- Consumer durables

**High-value
products 30%**



- Process industry
- Construction
- Oil and gas industry

Stainless steel steers society towards more sustainable consumption



- Corrosion resistant
- Heat resistant
- High strength
- Hygienic
- Aesthetic
- Recyclable
- Cost efficient
- Durable

The world needs hygienic, recyclable and durable materials

Population and economic growth

- Healthcare
- Clean water
- Appliances

Urbanization

- Infrastructure and construction
- Traffic, trains and bridges

Climate change and limited resources

- Energy investments
- Resource efficiency

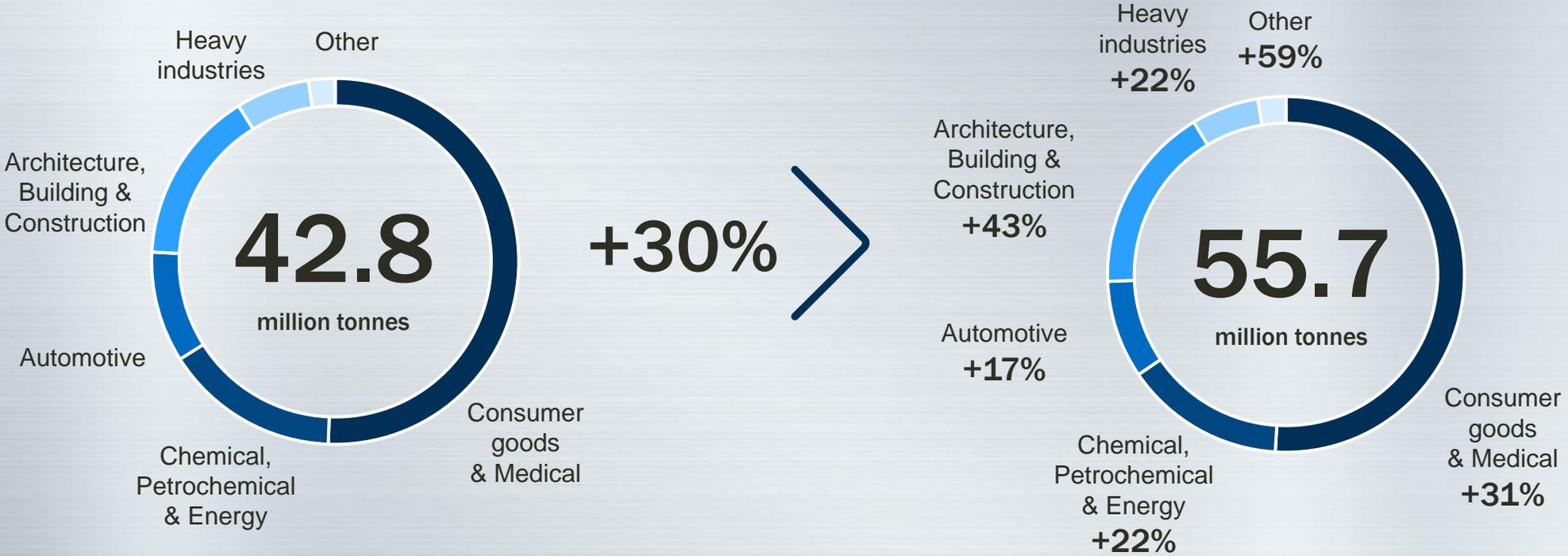
Stainless steel is sustainable

- Long-lasting, endlessly recyclable materials

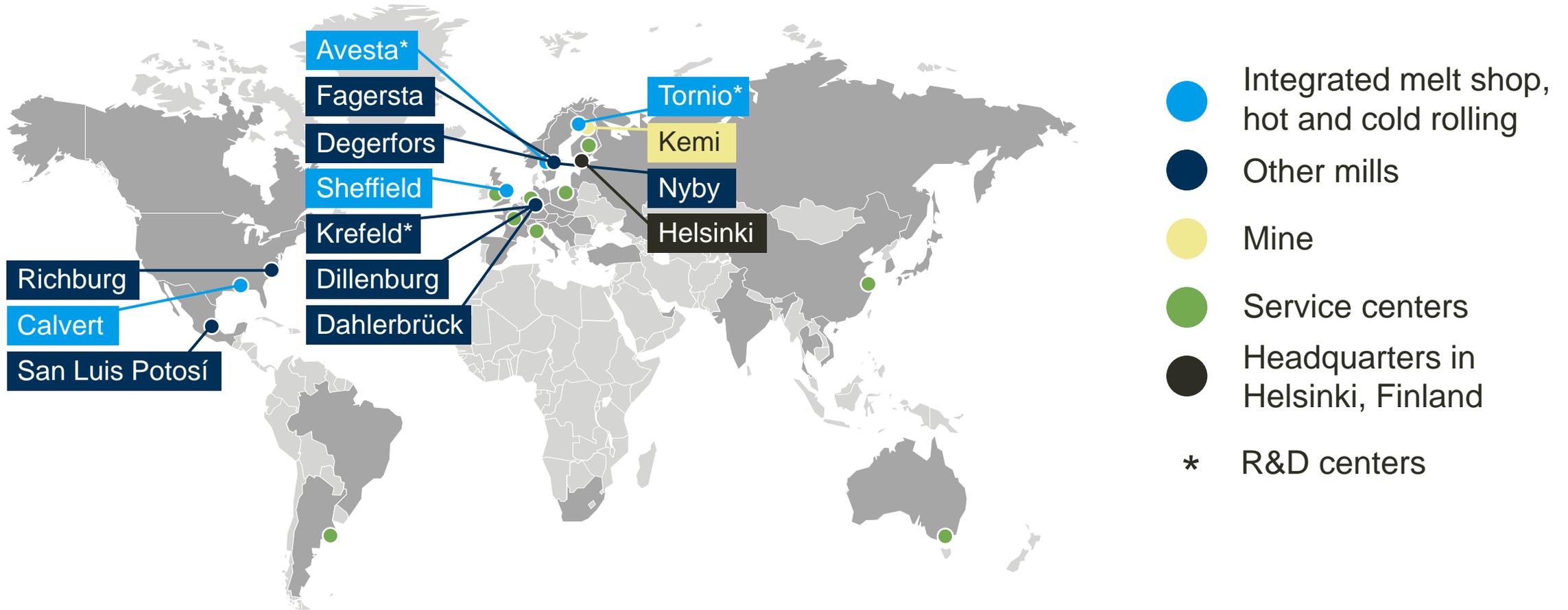
High real demand growth expected, based on a COVID-19 affected lower market size in 2020

Global stainless steel real demand in 2020

Expected stainless steel real demand in 2026



Outokumpu has a solid presence in key regions



Fully integrated production asset base

	Europe				Americas		Long Products				Total
1,000 tonnes	Tornio Finland	Avesta + Nyby Sweden	Krefeld + Dillenburg Germany	Degerfors Sweden	Calvert USA	Mexinox Mexico	Sheffield UK	Richburg USA	Degerfors Sweden	Fagersta Sweden	
Melting	1,450	450			900		450				3,250
Hot rolling	1,450	900			870						3,220
Finishing											2,720
Cold rolling	750	130	500		350	250					
Hot white band	150	120			150						
Quarto plate				150							
Long products							25	40	40	65	

Strategy execution

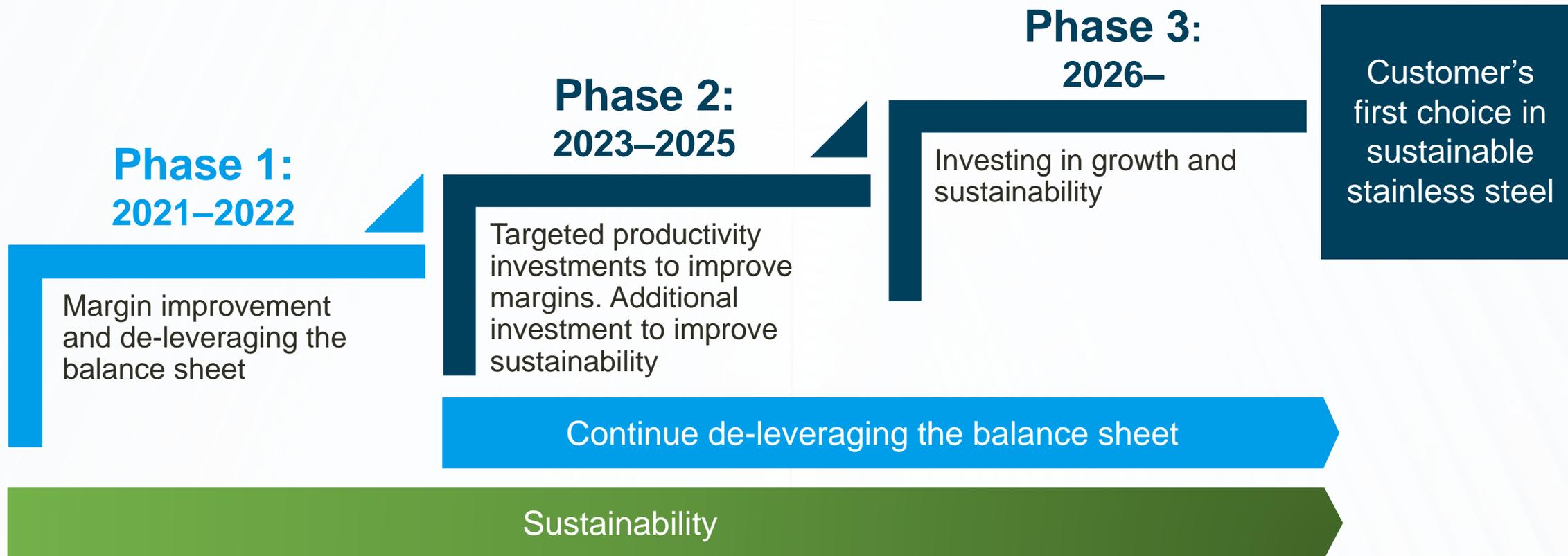
Strategy execution on track

Headcount reduced as planned

Significant progress in other **cost savings**

Strengthened customer relationships
rewarded with **strong volumes**

Our strategy framework: De-risking remains our priority



Clear step forward in strategy execution...

Decisive first steps taken across our strategy initiatives.

- Lean and Agile Organization
- Cost and Capital Discipline
- Commercial Excellence

Successful Q1'21; strategy execution supporting response to strong market.

Realistic program in place to support strategy delivery.

...with sustained progress across all businesses

Group-wide

- New organization with 479 lower headcount (1,000 headcount negotiated)
- Program for 2021 – 2022 to support strategy delivery

BA Europe

- Strong Q1 volumes and margins with record low fixed costs
- Enabled by commercial and manufacturing excellence

BA Americas

- Strong Q1 in favourable market
- Solid basis through successful turnaround

BA Ferrochrome

- Efficient mining and smelting operations in strong market
- Strategic plans on track to improve competitiveness

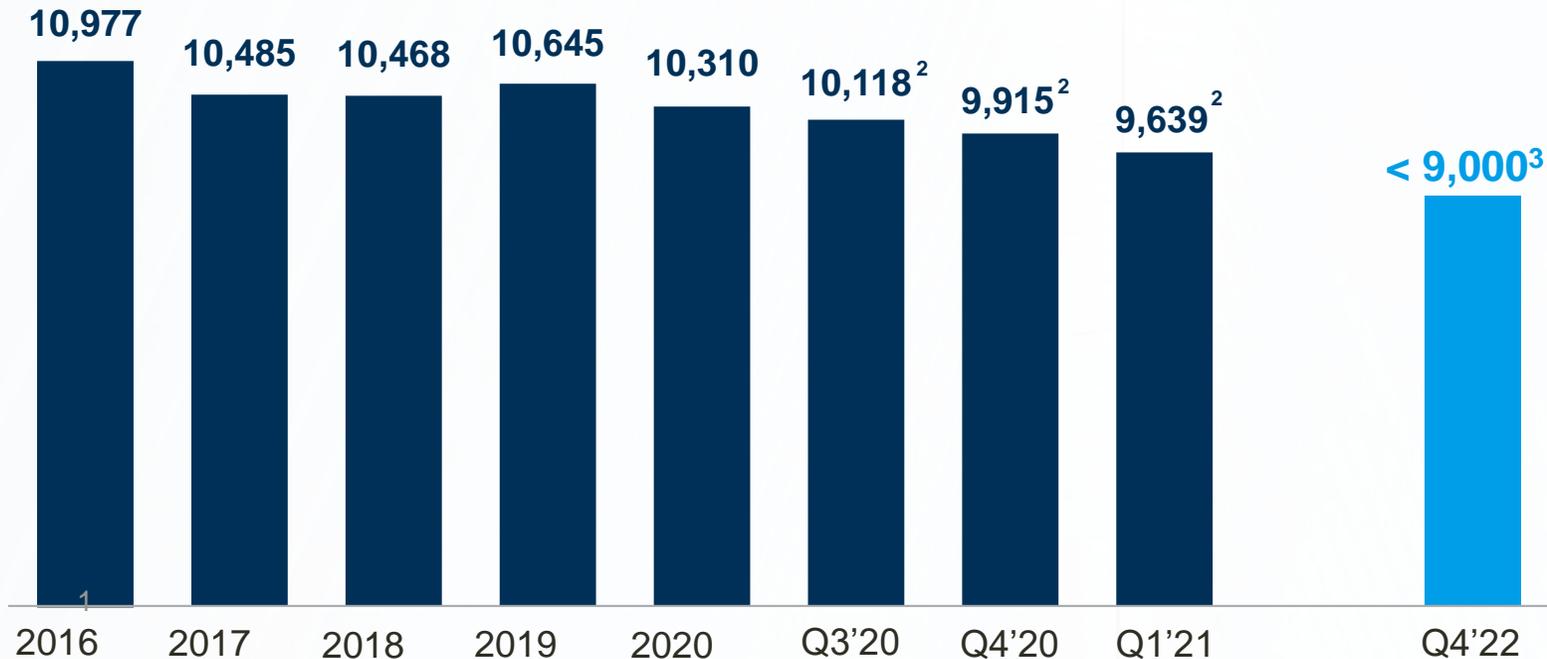
BA Long Products

- Turnaround execution progressing as planned

CORE BUSINESS

Lean & agile organization: Step change in competitiveness

Headcount¹



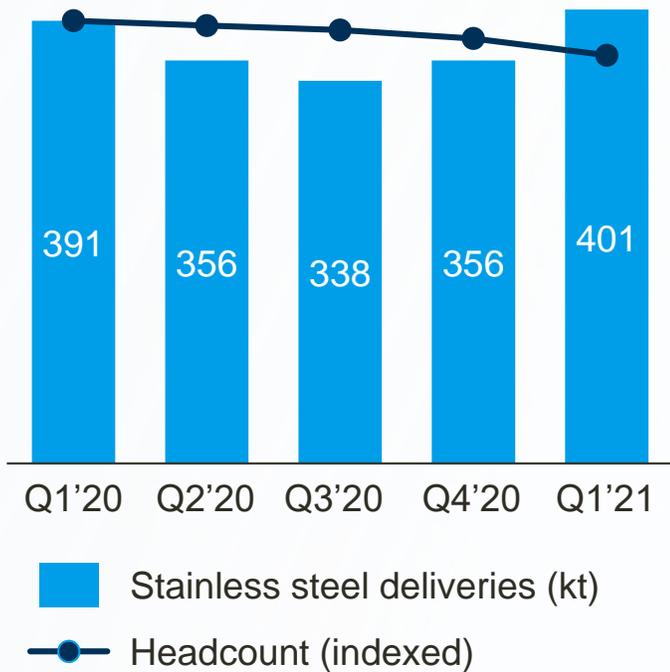
1,000 headcount reduction by the end of 2022 progressing as planned.

Legal headcount trailing due to notice periods.

Creating a **de-layered** and **more agile** organization.

- 1) Legal headcount, average for the period
- 2) Legal Headcount at the end of period
- 3) Planned headcount by end of Q'22

Business area Europe: Strategic initiatives contributing to a strong quarter



Commercial
excellence

- Focus on **mix optimization**
- Mix optimization **enables higher margins**

Cost and
capital
discipline

- **Manufacturing excellence & digitalization:** High Q1 deliveries with lower headcount
- **Maintenance:** Risk-based prioritization enabled significant spend reduction with same uptime
- **Sourcing:** Tighter collaboration with operations to reduce costs, raw material optimization

Business area Americas: Successful turnaround over last 2 years

Commercial excellence

- Profitability focused **commercial strategy** – **starting to deliver**
- Ferritics investment completed to **strengthen business** resilience

Cost and capital discipline

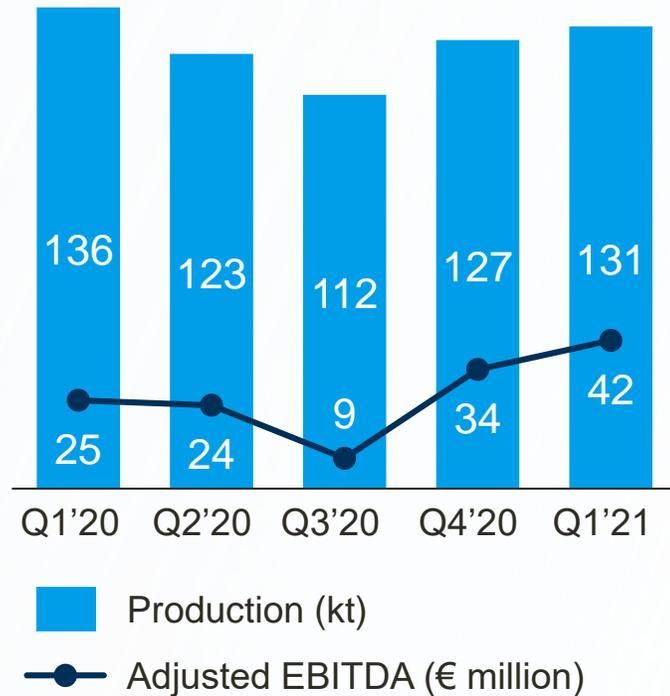
- **Holistic slab cost optimization**
- **Fixed costs** through HR cost variabilization, operational excellence, logistics

Full potential for
business area
Americas*:

\$150–200 million
adjusted EBITDA

*with current assets

Business area Ferrochrome: Invest for long-term competitiveness and sustainability



- Q1 focus on **maximizing value creation** in strong market
- Strategy implementation progressing with **commercial excellence** and **operational efficiency improvement**
- Strategic **investments for long-term competitiveness & sustainability** proceeding as planned
 - Deep Mine
 - Fine concentrating plant expansion

Business area Long Products: Turnaround program progressing as planned



- First step to **lower fixed costs**: Headcount reductions of 100 FTEs (~12%)
- **Manufacturing excellence**: Focus on improving availability & fixed cost reduction, shift models & maintenance optimization
- First steps taken to **expand bar range** to mid ranges and **strengthening distributor presence**

On track to meet financial targets

Successful start to strategy implementation aiming at de-risking the company.

Reaching targets builds confidence on **execution success**.

Updated sustainability strategy important step to becoming customer's first choice.

Recap: Target to deliver €200 million EBITDA run-rate improvement

Commercial excellence

- Enhanced product mix in all business areas
- Growth in selected segments
- Leverage specialty grades leadership

Cost and capital discipline

- Increased raw material efficiency
- Maintenance optimization
- Strict asset management
- Annual CAPEX €180 million in 2021 and 2022

Lean & agile organization

- Planned 10% reduction in Group headcount by end of 2022
- De-layered organization
- Strong performance management

> **€200 million**
EBITDA
improvement¹

Realistic program in place to support strategy delivery

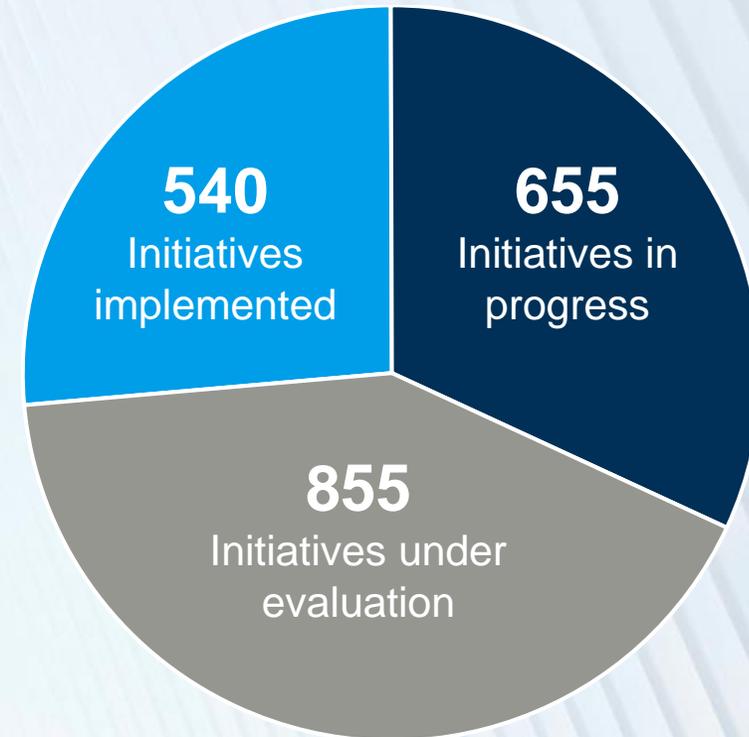
All business agendas focused on three key areas:

- Lean and Agile Organization
- Cost and Capital Discipline
- Commercial Excellence

Increased accountability and transparency through line led, supported by a Transformation Office

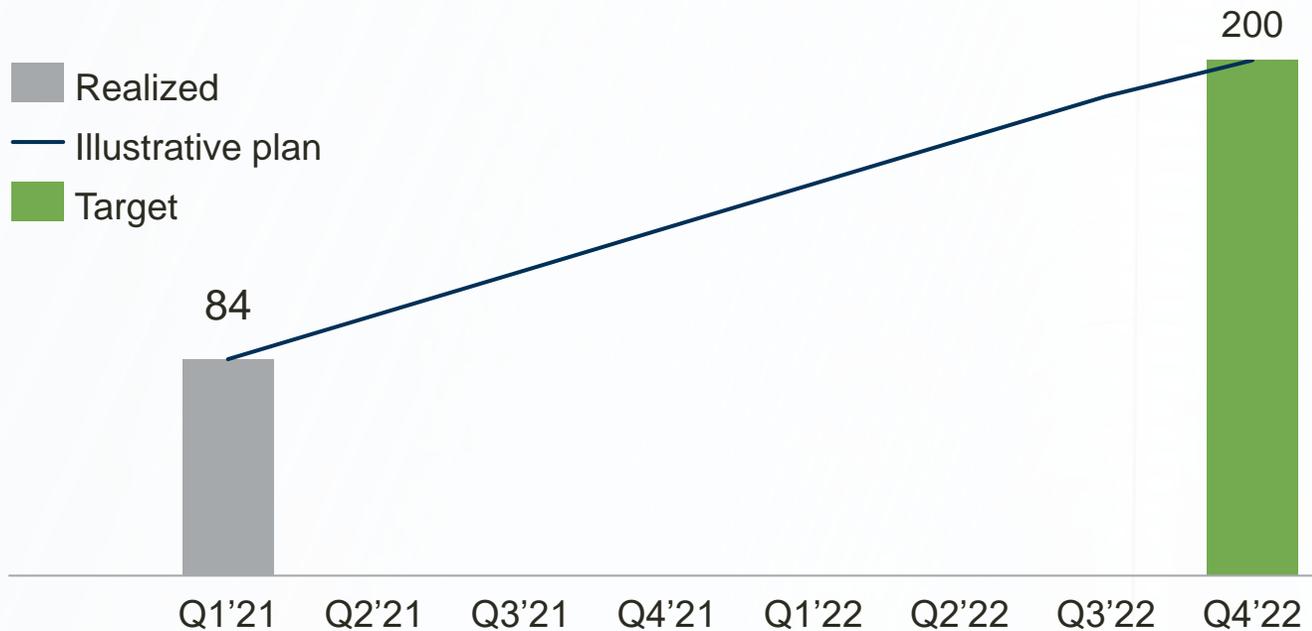
Best practice tracking of progress

2050 initiatives in 2021 – 2022



€84 million realized impact, on-track to meet target

Gross run-rate EBITDA improvement (€ million)



- **Strategy on track** to meet Q4'22 target of €200 million annualized run-rate impact.
- Majority of improvement from **Lean & agile organization** and **Cost & capital discipline** programs.
- **Fast ramp-up** supported by preparations started in 09/20.
- **Commercial excellence** about 15% of achieved run-rate impact, contributing more at a later stage.
- **Diverse pipeline of initiatives** secures delivery, not dependent on single initiatives.

Note: Based on gross run-rate program impacts operationally implemented during the period; HC reductions will improve cost vs 2019 baseline as 2020 was abnormally low due to COVID related furloughs

Program on track to meet our financial targets

Financial target

€200 million

EBITDA run-rate improvement

<3.0x

Net debt / EBITDA

Outcome after Q1

€84
million

- On track to meet target
- Measured as gross-run rate impacts from strategy implementation actions by end of 2022

3.3x

- Current net debt €1,073 million
- Capital discipline continues: CAPEX on track with €360 million target for 2021– 2022, including necessary investments to ESG
- Priority to decrease net debt to improve long-term ability to invest and pay dividends. Deleveraging will continue in Phase 2 of the strategy

ESG

Updated sustainability strategy launched

- **Our holistic sustainability strategy** will set a new benchmark for the industry.
- **Our commitment to the Business Ambition for 1.5°C** and we are ramping-up towards that.

**"Customer's first choice in
sustainable stainless steel"**

We are the leading producer of sustainable stainless steel globally with lowest carbon footprint in the industry

Carbon footprint less than

30%

of the global industry average

Industry leading recycled content globally

90%

Low ferrochrome carbon footprint:

42%

of industry average

High usage of carbon neutral electricity

76%

We are committed to reaching carbon neutrality by 2050 – in-line with EU Green Deal targets

Current targets

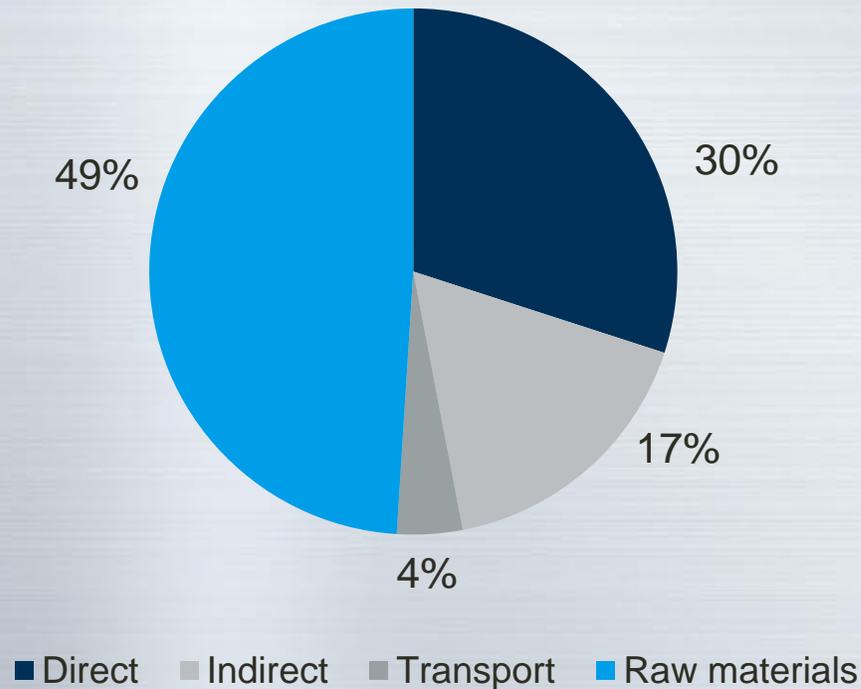
20% lower
carbon footprint
by 2023

Carbon neutral by
2050 ¹

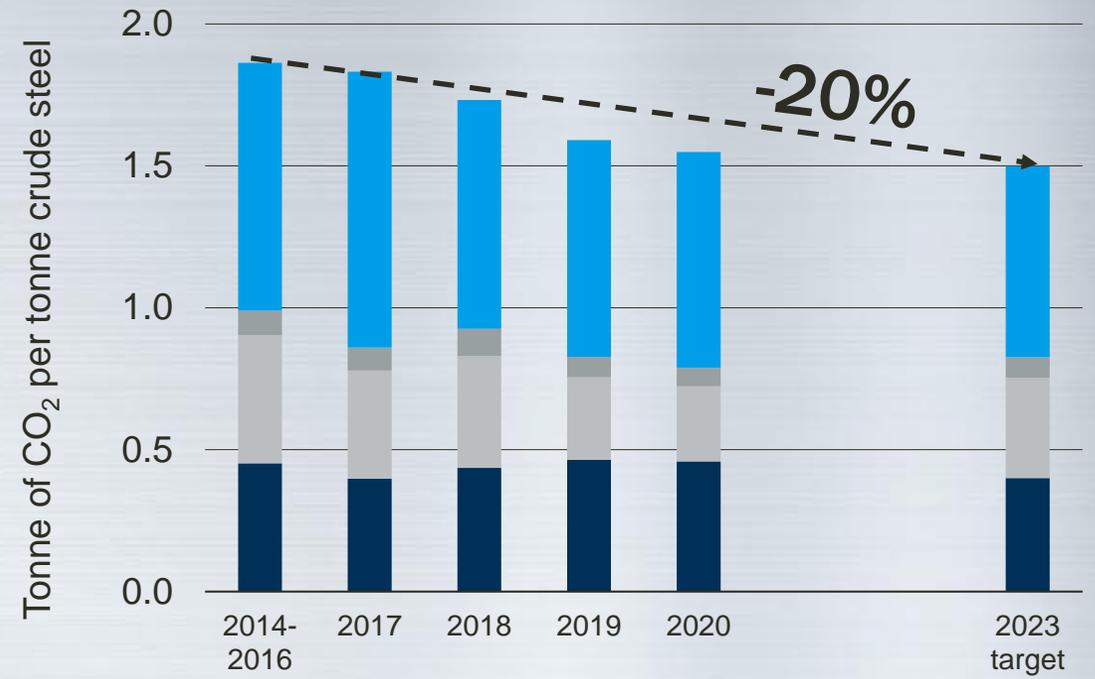
1) Our carbon neutrality commitment relates to scope 1+2.
Regarding scope 3, we're working closely with our RM suppliers
to ensure that they identify opportunities to reach carbon neutrality by 2050

We are on track to meet our target of reducing our carbon footprint by 20% by 2023

Outokumpu CO₂ footprint by category (2020)



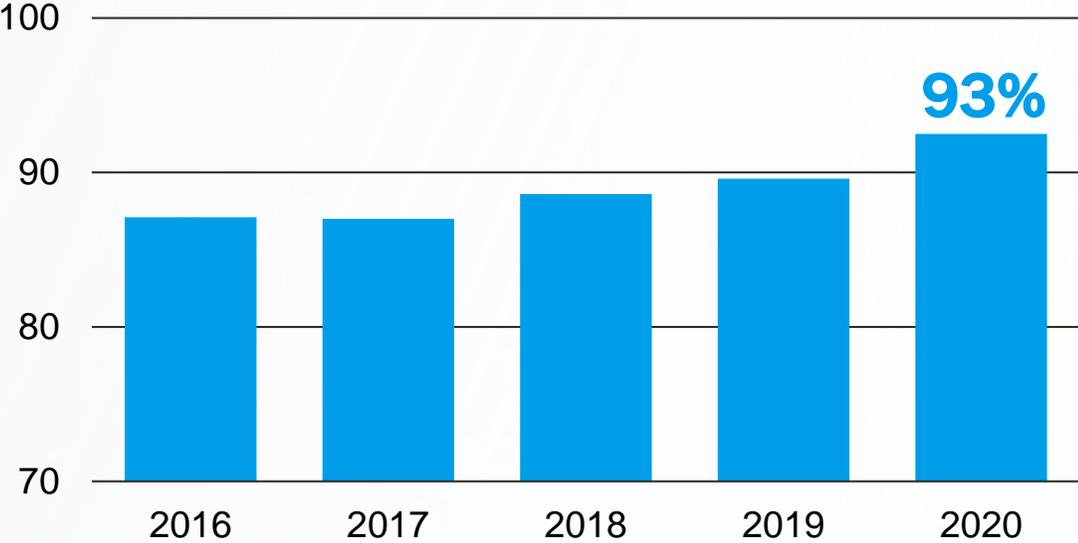
Outokumpu CO₂ emissions intensity ¹



1) CO₂ emissions per ton of stainless steel

Recycled content at a record-breaking level in 2020 – the highest recycled content in the industry

Outokumpu's recycled content in production (%)



A Yale study reveals comparative recycled content of stainless steels by region



Global average is only 44%

*Others includes Russia, Ukraine, South Africa & Brazil

Yale University study for Team Stainless: The Global Life Cycle of Stainless Steels

TRIFR at 1.4 in Q1 2021

- Best first-quarter safety results in years

Safety performance (TRIFR)



Sustainability highlights in Q1

- Total recordables improved 6x since 2016
- CO2 emissions well aligned with current Science Based Targets (SBTi)
- Energy efficiency improved significantly, resulting to lower emissions
- Recycled content remained above 90%*
- Measures taken to improve supplier monitoring and transparency in sourcing

Updated sustainability strategy reinforces our leadership position

Strong demand for sustainable stainless steel driven both by customers and stakeholders.

Outokumpu is **the sustainability leader** in stainless steel driven by our heritage, people and operations.

We will further **strengthen this leadership** with a more ambitious sustainability strategy.

Cornerstones for the updated sustainability strategy:

- Outokumpu will become the industry benchmark for sustainability
- Commitment to the Business Ambition for 1.5 °C campaign of SBTi and partners

Increasing demand for sustainable stainless steel



Customers

- **18x increase** in number of companies with SBTi targets in the past 4 years.
- 60% of consumer durable OEMs committed to **value chain decarbonization**.
- Large and increasing share of end-users **prefer sustainable** appliances¹.



Stakeholders

- **Regulators:** Outokumpu is well aligned with EU Taxonomy requirements for high alloy steel in EAF with >70% scrap.
- **Employees:** A clear commitment to ESG is important; majority prefers employers with strong environmental policies².

1) EY Nachhaltiger Konsum 2020 | EY – Deutschland;

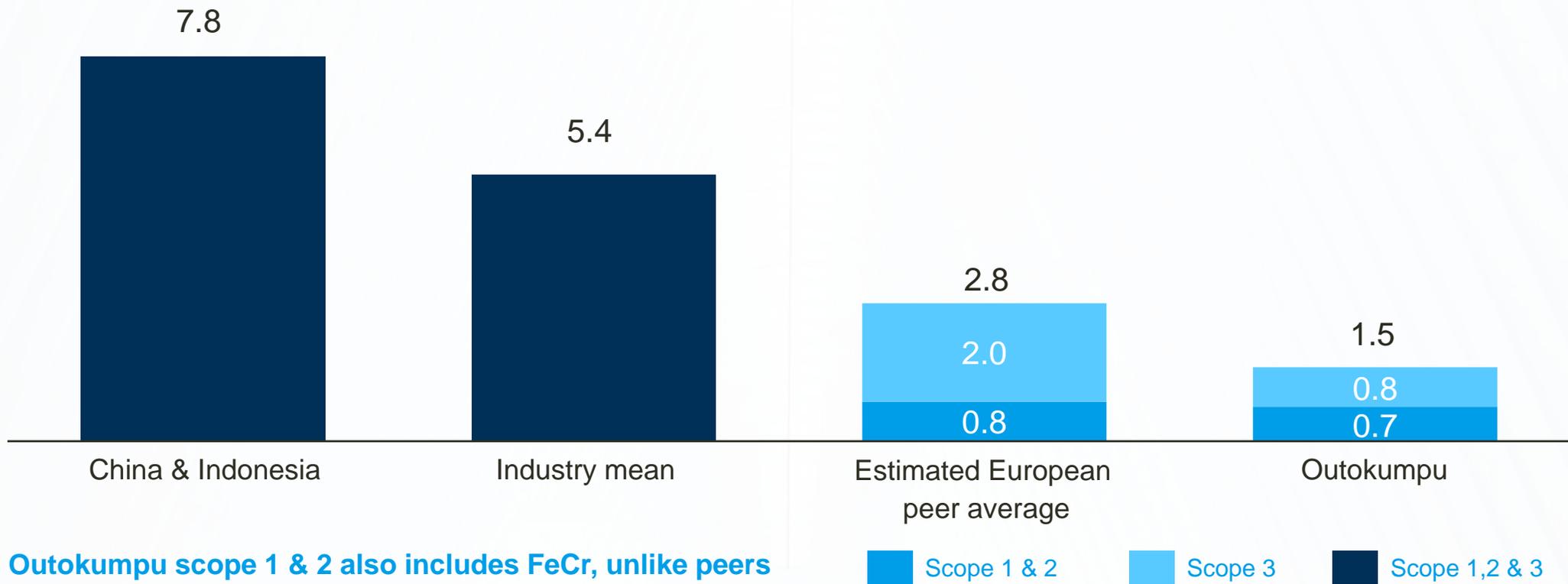
2) "Employees want climate-positive action from companies" | Reuters Events | Sustainable business
SBTi Companies taking action: From 74 to 1366 between 2016-2021

Strong current performance as a result of our heritage

	Our heritage	Our performance
Safety	Focus on employee safety and well-being	70% reduction in TRIFR since 2016 due to systematic improvements
Supply chain	Own FeCr supply chain integrated with Tornio stainless steel mill	58% lower emissions from FeCr production than industry average
Production	Highly electrified production technology, low fossil power mix	76% of electricity from low-carbon sources in 2020
Circular economy	Long history of using and producing recyclable materials	>90% production from recycled content

Outokumpu is the industry benchmark for stainless steel carbon footprint

Value chain emissions, tCO₂-eq/t of stainless steel



Source: ISSF for stainless steel industry mean emissions, companies' annual reports, 3rd party estimate of European peer average emissions in Scope 3

Our Environmental, Social and Governance foundation

Customer's first choice in sustainable stainless steel

Environment

Reduce emissions and provide solutions for a sustainable future

Social

Health and safety of our people in everything we do

Governance

Ensure transparency and compliant processes

Sustainability is integral to our strategy and implemented with programmatic approach

Core elements

Electrified production
Digitalization

Sustainable sourcing
Partnerships

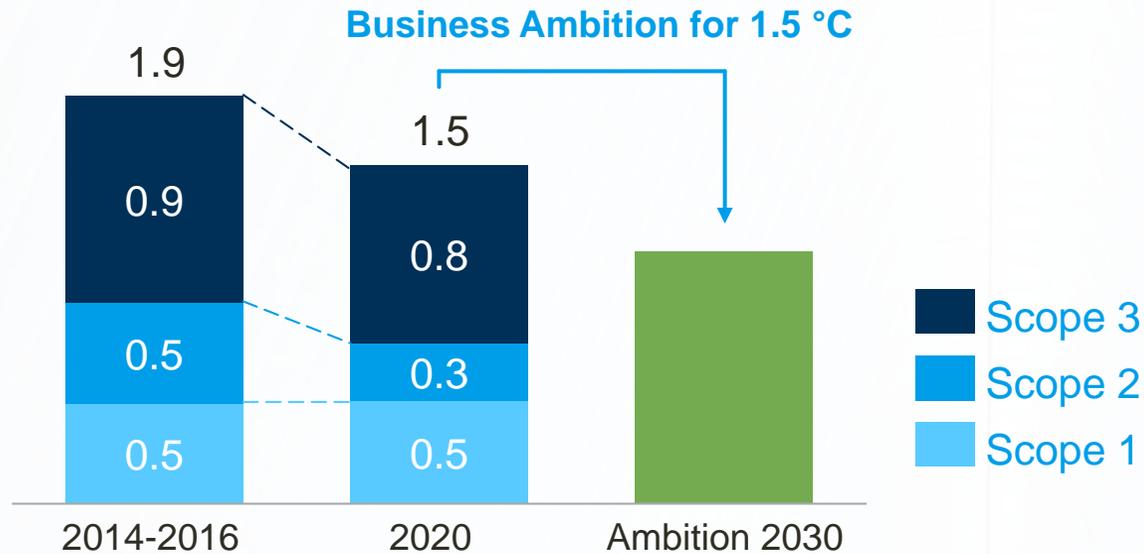
Inclusion and diversity
Outokumpu values

Leadership and culture
Group standards

Compliance
Zero corruption

Our SBTi ambition raises the bar in green stainless steel...

Outokumpu's value chain emissions,
tCO₂-eq/t stainless steel



- Commitment to the **Business Ambition for 1.5 °C** campaign of SBTi and partners
- Reporting emissions in **all scopes 1, 2 & 3**



...on our roadmap towards carbon neutrality

Outokumpu's greenhouse gas emission reduction roadmap

20% GHG reduction

from 2014-2016 baseline will be achieved ahead of time

2014

Emission reduction

with technologically proven and low CAPEX levers on short term

2021

Targeted investments

to low emission production and emission reduction technologies

2023

Commitment to the Business Ambition for 1.5 °C

Campaign by SBTi and partners

2030

Commitment towards carbon neutrality by 2050

2050

Key levers for emission reduction

Efficiency & yield improvements

Decarbonize fuel mix

Systematic sustainability evaluation

Investments within overall strategy

Tracking & transparency is a part of our ESG strategy

Environment



GHG emissions

Scopes 1-3



Metals used in production

Recycled steel, recovered metals, alloys slag formers, chromite ore



Energy & electricity sources

Energy used by source



Byproducts and waste

In steel production and mining
Hazardous and non-hazardous



Emissions to air and water

Dust, nitrogen oxides and sulfur dioxide, metals and nitrates



Water used and water discharges

By source and discharge destination



Biodiversity

Sites close to high biodiversity areas

Social



Safety

Fatalities, LTIFR, restricted work injuries, medically treated injuries, first-aid treated injuries, TIFR, proactive safety action frequency



Direct economic value generated and distributed

Value distributed to society (employee benefits & taxes), value retained in business



Workforce, Diversity & Talent

By gender, age, color, years of service, contract type and region, hires and leavers



Employee wellbeing

Organizational health, employee engagement, sick rates, worktime management



Continuous performance development

Share of employees with regular development discussion

Governance



Share of local suppliers

Share of suppliers in countries with significant production sites



Number of raw material suppliers in countries with ESG risk

Out of top 20 suppliers



Number of female BoD members



Number of independent BoD members



Executive compensation



Share of employees Code of Conduct training



ESG Advisory Council

Outokumpu is committed to the UN SDGs



Products: Stainless steel is the most durable and hygienic material for water pipes and treatment.

Operations: In our production, the recycling of water is maximized. Wastewater is treated, controlled and analyzed before discharging.



Products: Due to its excellent properties stainless steel is a key material in sustainable industrialization and modern infrastructure.

Operations: We have long history in developing new steel grades. Our R&D works closely with customers to find the most sustainable material solution.



Products: Stainless steel is the only long lasting material for many applications of clean energy production, e.g. solar farms and biofuels.

Operations: We follow sustainable energy supply practices to gain secure and stable energy.



Products: Our stainless steel has the lowest carbon footprint of the industry. It reduces our customers' overall carbon footprint by 8 million tonnes annually.

Operations: Our carbon footprint is less than 30% of the global industry average. We are committed to reach carbon neutrality by 2050.



Products: Stainless steel is a key element in building modern, efficient and wellbeing society. Therefore the use of stainless steel is continuously increasing.

Operations: We contribute to the community well-being through direct and indirect employment, taxes and other involvement.



Products: Our stainless steel has the highest recycled content, over 85%. Stainless steel is also the single most recycled material globally.

Operations: Our business is based on circular economy. Our mills are among the largest material recycling facilities in the world.



SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

SUSTAINABLE DEVELOPMENT GOALS

Our efforts on sustainability have been recognized

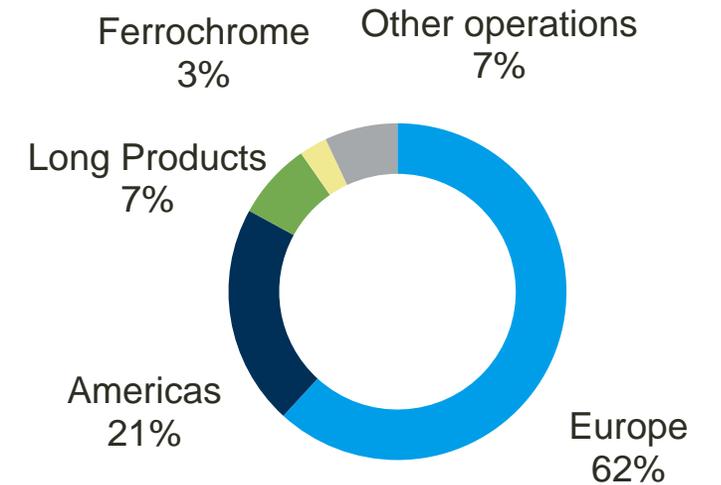


Business areas

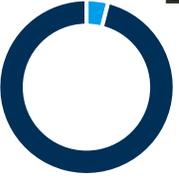
Outokumpu's assets work as one integrated system



Sales by business area in 2020
€ 5,639 million



#1 stainless steel producer in Europe, #2 in the US

Business area	EUROPE	AMERICAS	LONG PRODUCTS	FERROCHROME
Market share	#1  30%	#2  22%	US  11% Europe  10%	#6  4%
Production facilities	Finland, Sweden & Germany	US & Mexico	UK, Sweden & US	Finland
Largest customer segments	Distributors Automotive Appliances Heavy industries	Distributors Appliances Automotive Pipes & tubes	Distributors Metal processing Heavy industries Tubes	Stainless steel producers
Main competitors	  	  	  	  

State-of-the-art production facilities – Europe

Outokumpu's assets work as one integrated system with large integrated sites in Tornio, Finland and Avesta, Sweden feeding rest of the mills Europe. Outputs include a wide range of austenitic and ferritic standard stainless steel grades and tailored and high performance products.

Tornio

- Largest single site stainless steel production facility in Europe by cold rolling capacity
- Only stainless steel facility in the world fully integrated with ferrochrome
- Most sustainable stainless steel mill in the world and largest recycling center in Europe
- Unique rolling, annealing and pickling ("RAP") line producing minimum thickness tolerance, high surface quality and corrosion resistance

Avesta

- Fully integrated site with focus on high performance stainless grades
- Inventor of duplex stainless steel grades
- Prefab and press plate special manufacturing units
- Delivers hot band to Nyby and sites in Germany for cold rolling and slabs to Degerfors for quarto plate production

Degerfors

- Site producing quarto plate in high performance stainless steel
- Plate service center for complex projects
- Also part of BA Long Products

Nyby

- Cold rolling mill focusing in duplex, high-alloyed austenitic and heat resistant special grades

Dillenburg

- Cold rolling mill specialized in customized finishing processes for unique decorative surfaces

Krefeld

- Cold rolling mill producing comprehensive range of grades, dimensions and surface finishes

Dahlerbruck

- Cold rolling mill producing precision strip



1,000 tonnes	Tornio Finland	Avesta + Nyby Sweden	Krefeld + Dillenburg Germany	Degerfors Sweden
Melting	1,450	450		
Hot rolling	1,450	900		
Finishing				
• Cold rolling	750	130	500	
• Hot white band	150	120		
• Quarto plate				150

State-of-the-art production facilities – Americas

The Americas' production units are located in Alabama, US and San Luis Potosí, Mexico. The production sites are supported by distribution centers in Illinois, Pennsylvania and California, US and a service center in Argentina. The business area produces standard austenitic and ferritic grades as well as tailored products.

Calvert, US

- Fully integrated site with comprehensive product portfolio
- Most technically advanced mill in the USA
- Feeds hot rolled coils to Mexinox
- Austenitic and duplex grades, ferritics capabilities built by 2020

San Luis Potosí, Mexico

- Cold rolling mill specialized in ferritic stainless steel grades
- Only stainless steel mill in Mexico serving both domestic market and supplying ferritics back to the USA



1,000 tonnes	Calvert	San Luis Potosí
Melting	900	
Hot rolling	870	
Finishing		
• Cold rolling	350	250
• Hot white band	150	

State-of-the-art production facilities – Ferrochrome

Ferrochrome is an integral part of Outokumpu's operations, and supported by our Kemi mine. It is a clear competitive advantage to us. Majority of the produced ferrochrome is consumed internally by our own mills, and approximately 25% is sold to other producers outside the company.

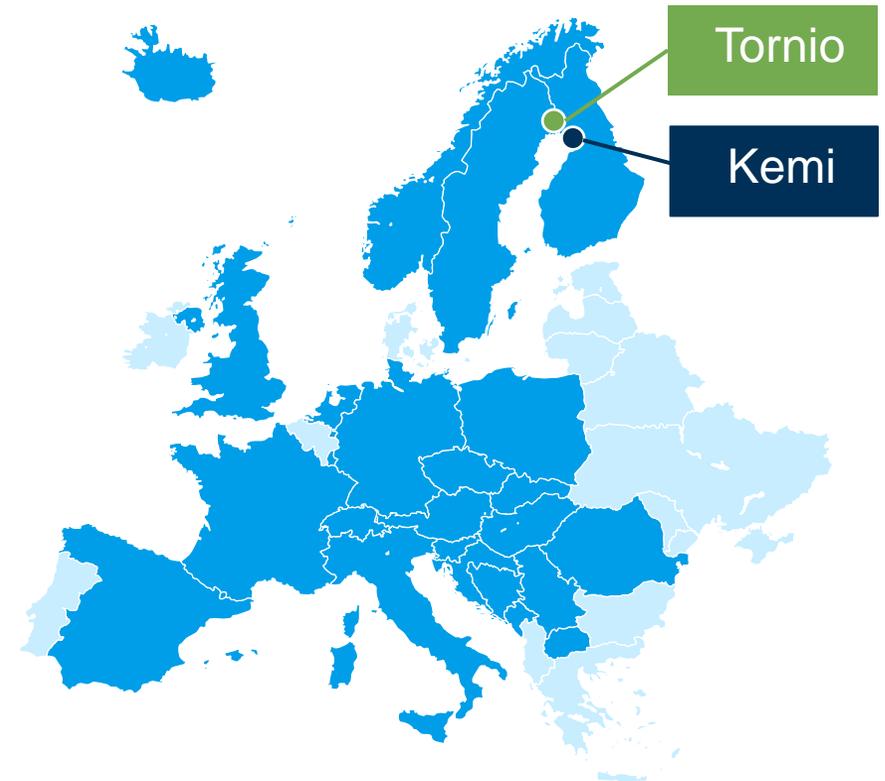


Tornio

- Ferrochrome works with three smelting furnaces – at the same site as our integrated stainless steel mill
- Integrated operations in Tornio allow ferrochrome to be transferred to stainless steel melt shop in liquid form enabling considerable cost and energy savings
- Annual ferrochrome production capacity 530kt

Kemi

- The only chrome mine in the EU area
- One of the most cost competitive ferrochrome producers globally
- Low carbon footprint
- Expansion extends the underground mining activities to 1,000 meters to secure continuous chrome supply for coming decades



We secure future long-term ore supply by deepening of Kemi mine

EUR 283 million investment in vertical mine expansion

New main level at 1,000 meters depth: new ore handling and hoisting system

CO₂ footprint of our ferrochrome only

42%

of the industry average

We extract significant value through integrated ownership of mines and smelters

Competitive
cost base

Predictable
cost and quality

Fast response
to changes

Efficient inventory
management

State-of-the-art production facilities – Long Products

The integrated mill in Sheffield, UK feeds semi-finished products to finishing facilities in Sweden and US. Long Products' product offering consists of a broad range of bars, wire-rod, wire, rebar and semi-finished products in standard and tailored grades.

Sheffield

- Melt shop & continuous casting, a bar finishing facility and wire rod mill
- Inventor of martensitic stainless steel grades
- Feeds Long Products' other mills with blooms and billets and BA Europe with slabs
- Also houses a stocking, processing and distribution center

Degerfors

- Hot rolling mill that is a global supplier of high quality bars as well as rolled and forged billets in a wide range of stainless steel grades

Richburg

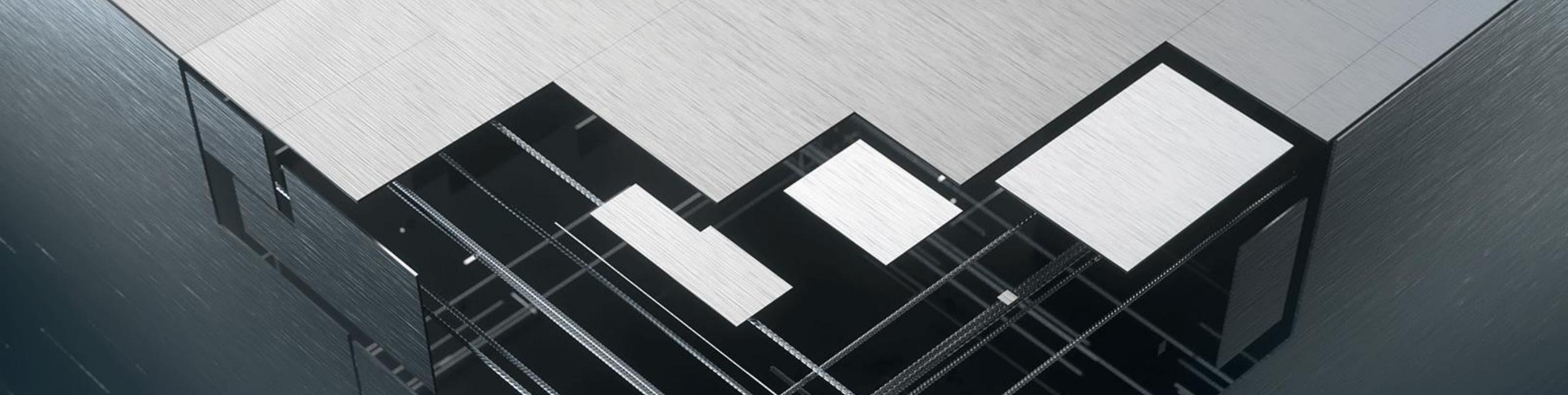
- Cold finished long products manufacturing facility serving the American market
- Flexible high quality production of comprehensive range of long products

Fagersta

- Global wire rod supplier in a broad range of stainless steel grades and sizes.
- Belongs to the world's leading producers of stainless wire rod with a flexible and high quality manufacturing program



1,000 tonnes	Sheffield UK	Richburg US	Degerfors Sweden	Fagersta Sweden
Melting	450			
Finishing				
• Long Products	45	40	40	65



BA Americas – From turnaround to full potential

Calvert facility: Modern, fully integrated site now with upgraded ferritics capabilities

What is Calvert

Fully integrated, modern site with comprehensive product portfolio.

Most technically advanced mill in the USA¹

- Stainless melt shop capacity 900kt
- CR capacities 350kt in Calvert & 250kt Mexinox

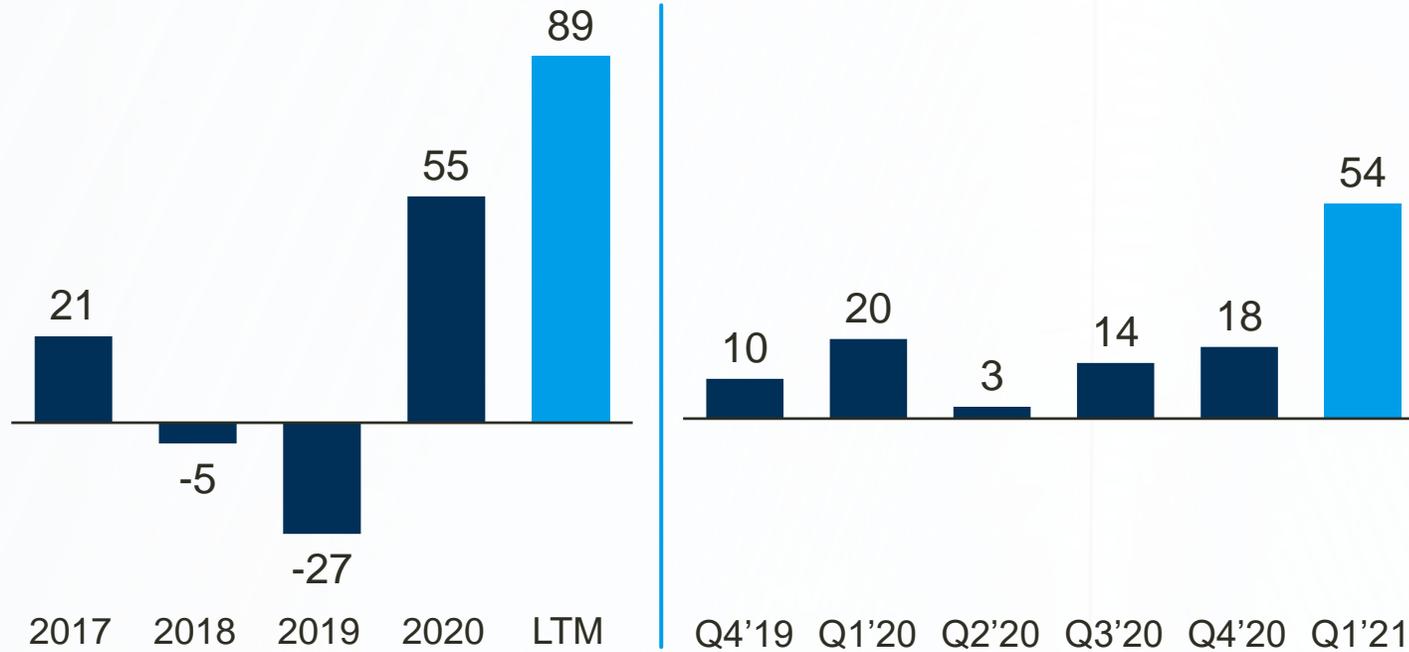
Unique location in Alabama, US.

After recent ferritics investment able to serve better the market.



Successful 2-year turnaround and strong Q1'21

Adjusted EBITDA, € million



Already 6 consecutive quarters of positive adjusted EBITDA.

Q1 profitability supported by high utilization & favorable grade mix.

Strong Q1 supported by our own **commercial push** and **improved cost levels**.

In addition, adjusted EBITDA supported by favorable changes in raw materials.

Turnaround actions undertaken since 2019

Commercial turnaround

Systematic work to improve raw material efficiency and lower fixed costs in operations.

Strengthening resilience with ferritic investment.

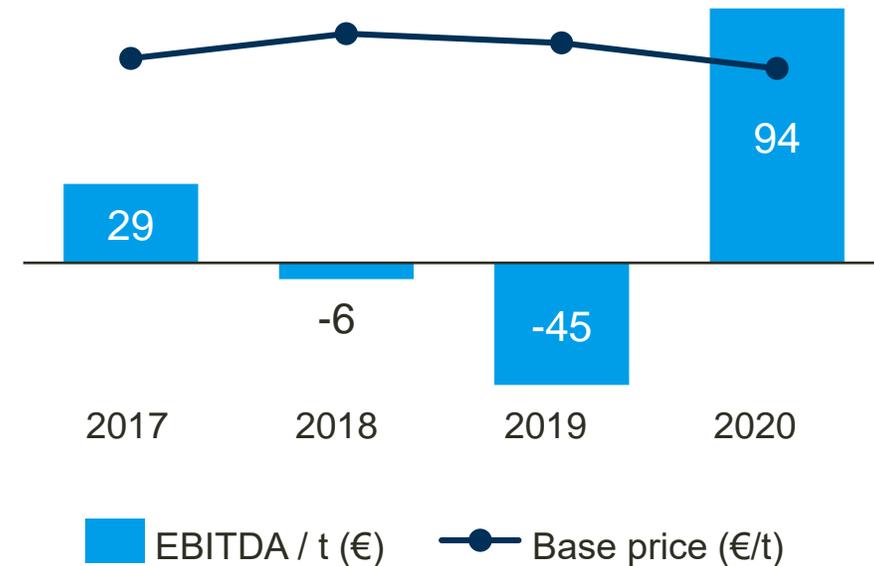
Commercial turnaround since 2019...

- **New commercial strategy**
- **Systematic improvement in organizational maturity:** targets, processes, steering and accountability
- **Increased market share** driven by appliance, pipe & tube and large distributors
- Cold-rolled market share improved from 21% in 2019 to 24%¹



...with significant turnaround in operational efficiency

- **Raising operational maturity:**
Organization, processes, steering, continuous improvement
- **Holistic slab cost optimization**
- **Fixed costs reduction and variabilization**
- **Improved planning and forecasting**
resulting in lower inventories



Investment in ferritic capabilities completed on time & on budget

Improving **business resilience** from broader presence and product portfolio.

More competitive cost position in ferritics in the US.

Stronger position especially in **appliances and automotive**.

Ferritics market is ~600kt, **long-term target fair share**.

Positive outlook: executing our strategy in a healthy market

Favorable market outlook

- Robust outlook driven by appliances and auto
- Short-term upside 6-7% economic growth, Biden stimulus, more focus on sustainability

Good position in a healthy market

- Section 232 still in force
- Strong relationships with key distributors
- Unique position for investments in South US

Strategy to drive profitable growth

- Commercial excellence: Improve service to key customers
- Cost & Capital Discipline: Slab cost, manufacturing excellence and logistics

Determined actions to reach full potential of \$150–200 million adjusted EBITDA

Commercial excellence

- Further **strengthen** and expand **customer relationships** by consistently improving service.
- **Drive growth** in selected segments distributors, appliances, auto, pipe & tube and in value added grades.

Cost and capital discipline

- **Slab cost:** Optimize melt shop operations and raw materials sourcing end-to-end.
- **Manufacturing excellence:** Improve quality, yield, availability and cost.

Lean & agile organization

- Shift focus from short-term cost reduction to **sustaining high performance**.

Market environment

In 2020, the operating environment was exceptionally challenging

The COVID-19 pandemic impacted demand

Low priced imports from Asia took market share

Prices were historically low in Europe

Ferronickel and stainless steel production in Asia has grown immensely

Asia

- Significant overcapacity
- Capacity is export-driven and maintained by state subsidies



North America

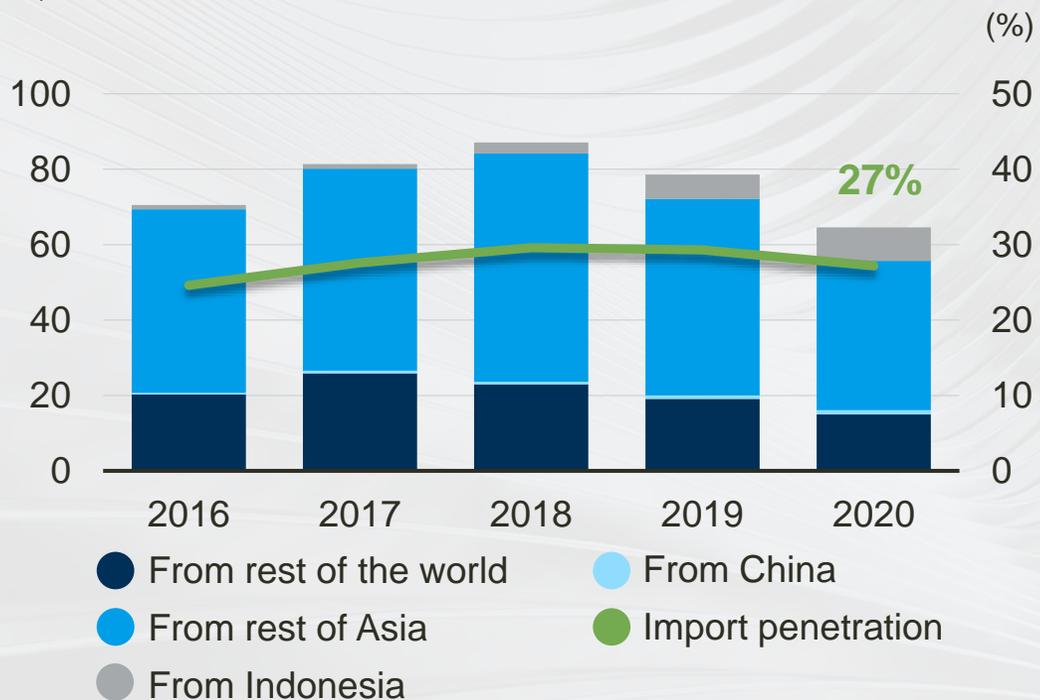
- Low level of imports after U.S. import tariffs (Section 232) in 2018
- Aggressive implementation of protection measures

Europe

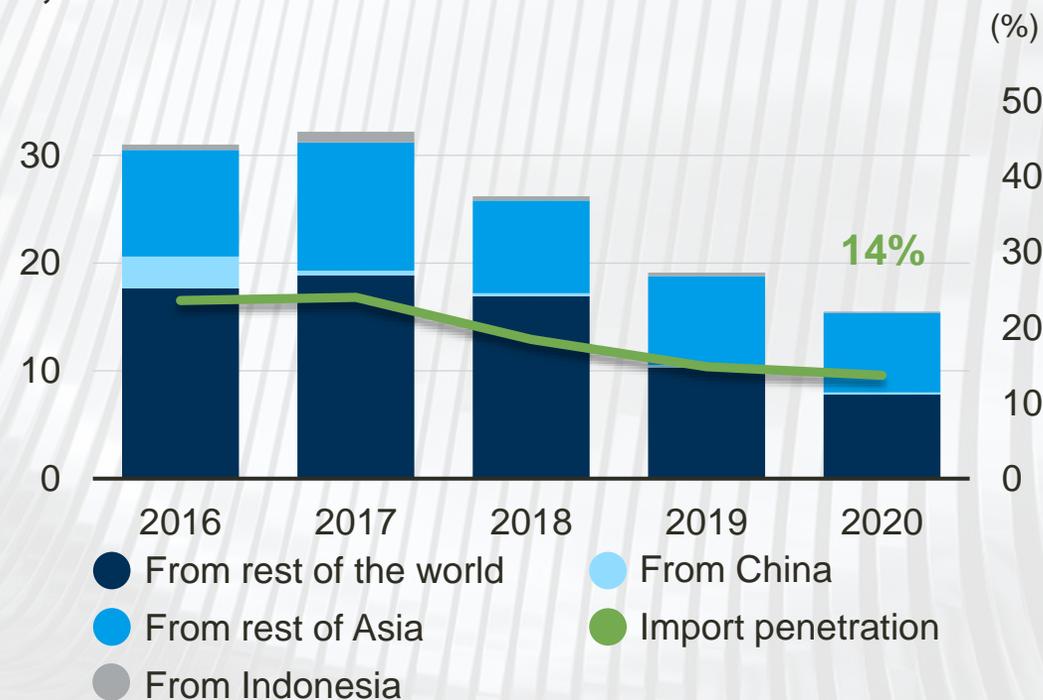
- Import pressure from Asia
- Import quotas set in 2018 after U.S. import tariffs
- Other protection measures (China, Indonesia, Taiwan)
- Cautious implementation of protection measures

Imports into Europe have remained at a high level

Cold-rolled steel imports¹ into Europe, 1,000 tonnes



Cold-rolled steel imports² into the United States, 1,000 tonnes



1. Cold rolled, monthly average. Source: Eurofer, March 2021

2. Cold rolled, monthly average. Source: Foreign Trade Statistics, American Iron & Steel Institute, February 2021

All available tools for use to ensure fair competition and a sustainable future

European safeguards
(import quotas)

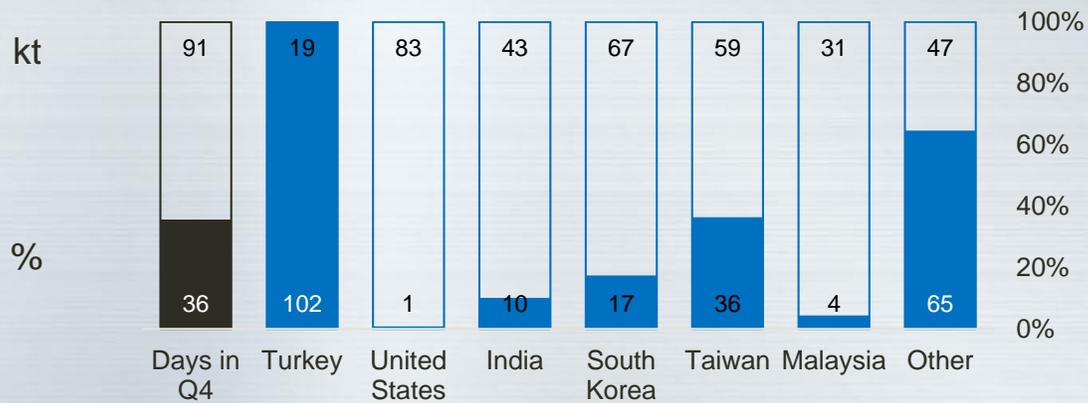
Anti-dumping
duties

Anti-subsidy
duties

Carbon border
adjustment

Multiple trade defence investigations ongoing by EU

EU cold-rolled quota utilization at 25%*



EU hot-rolled quota utilization at 1%*

- remains on a low level

European safeguards

- Current safeguards will expire in June 2021
- Expiry review started at the end of February

Anti-dumping & anti-subsidy investigations

- In anti-dumping investigation on cold-rolled from India and Indonesia, registration of the imports started in the beginning of March. Provisional duties to be imposed by the end of May.
- Anti-subsidy investigation on cold-rolled from India and Indonesia initiated in February
- Expiry review of anti-dumping on cold-rolled from China and Taiwan on-going

Carbon Border Adjustment

- The tool to mitigate carbon leakage, part of the EU Green Deal
- Important to keep the current tools

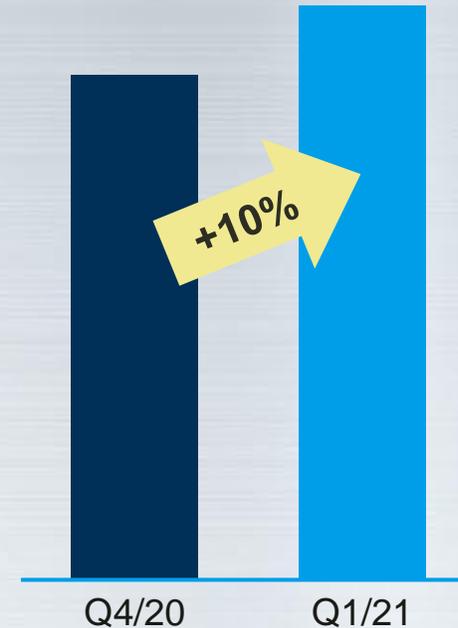
Increase in transaction and raw material prices

Transaction prices 304 stainless, USD/tonne

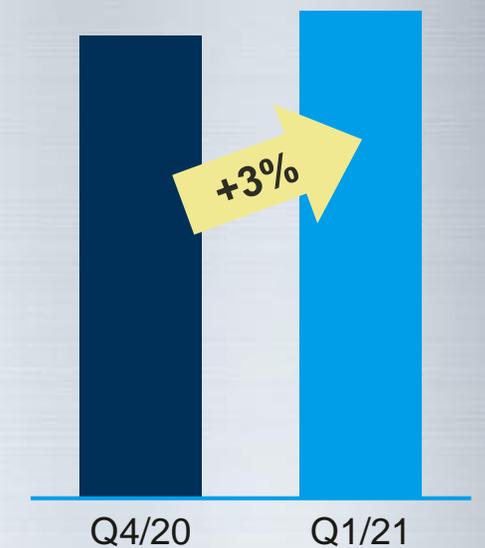


● Europe ● USA ● China

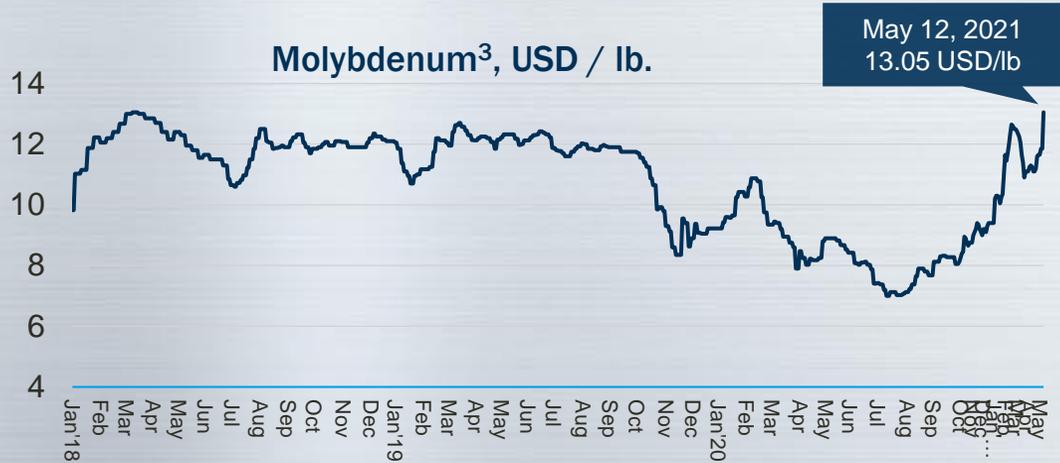
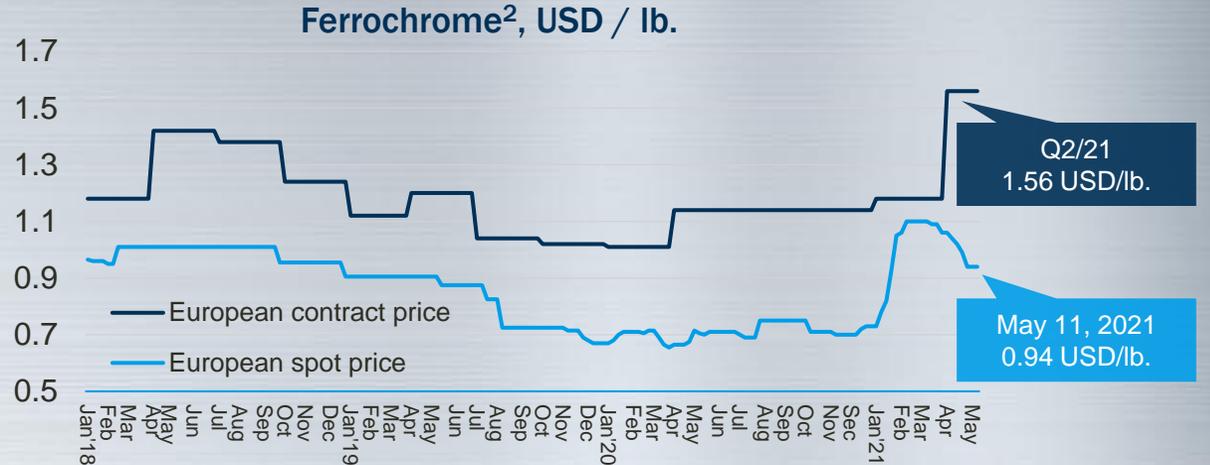
Average nickel price, USD/tonne



Ferrochrome benchmark price, USD/lb.



Raw materials - price development



Data source:

1) Nickel Cash LME Daily Official

2) Contract - MetalBulletin - Ferro-chrome Lumpy CR charge basis 52% & Cr quarterly major European destinations Cr ; Spot: Platts Charge Chrome 52% DDP Europe

3) MetalBulletin - Molybdenum Drummed molybdic oxide Free market Mo in warehouse; 4 Ferrous Scrap Index HMS 1&2 (80:20 mix) \$ per tonne fob Rotterdam

Stainless steel market

Major stainless steel producers

Million tonnes	2020	2019
Tsingshan	9.8	9.8
TISCO	4.5	4.5
POSCO (incl. ZPSS)	3.3	3.3
Acerinox	3.3	3.3
Outokumpu	3.2	3.2
Aperam	3.0	3.0

Outokumpu's market share

	2020
Europe	30%
USMCA	24%
Globally	~6%



Sources: Stainless steel production capacity of slabs, CRU November 2020; EUROFER, SMR, US: Foreign Trade Statistics, American Iron & Steel Institute

Latest financials Q1 2021

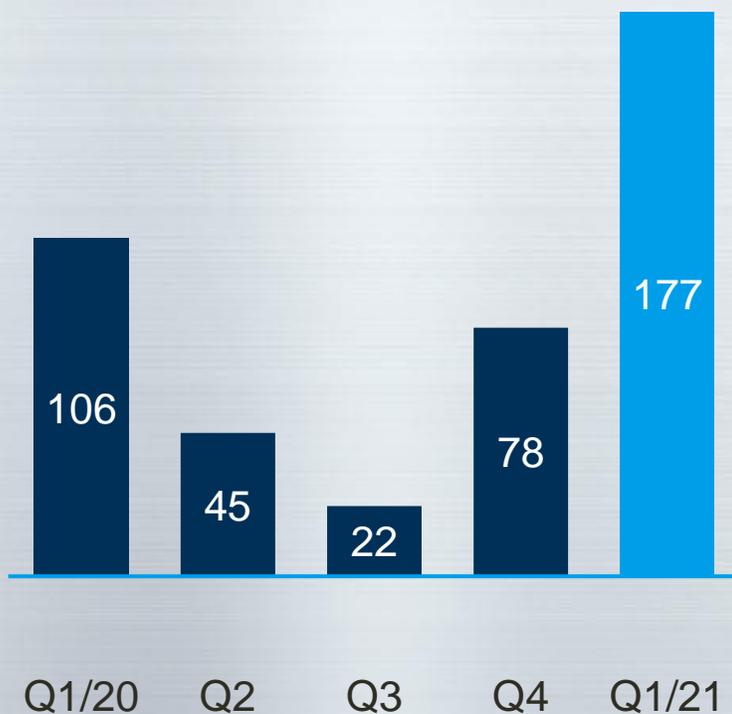
| May 26, 2021

**Adjusted EBITDA
increased to
€177 million
in the first quarter**

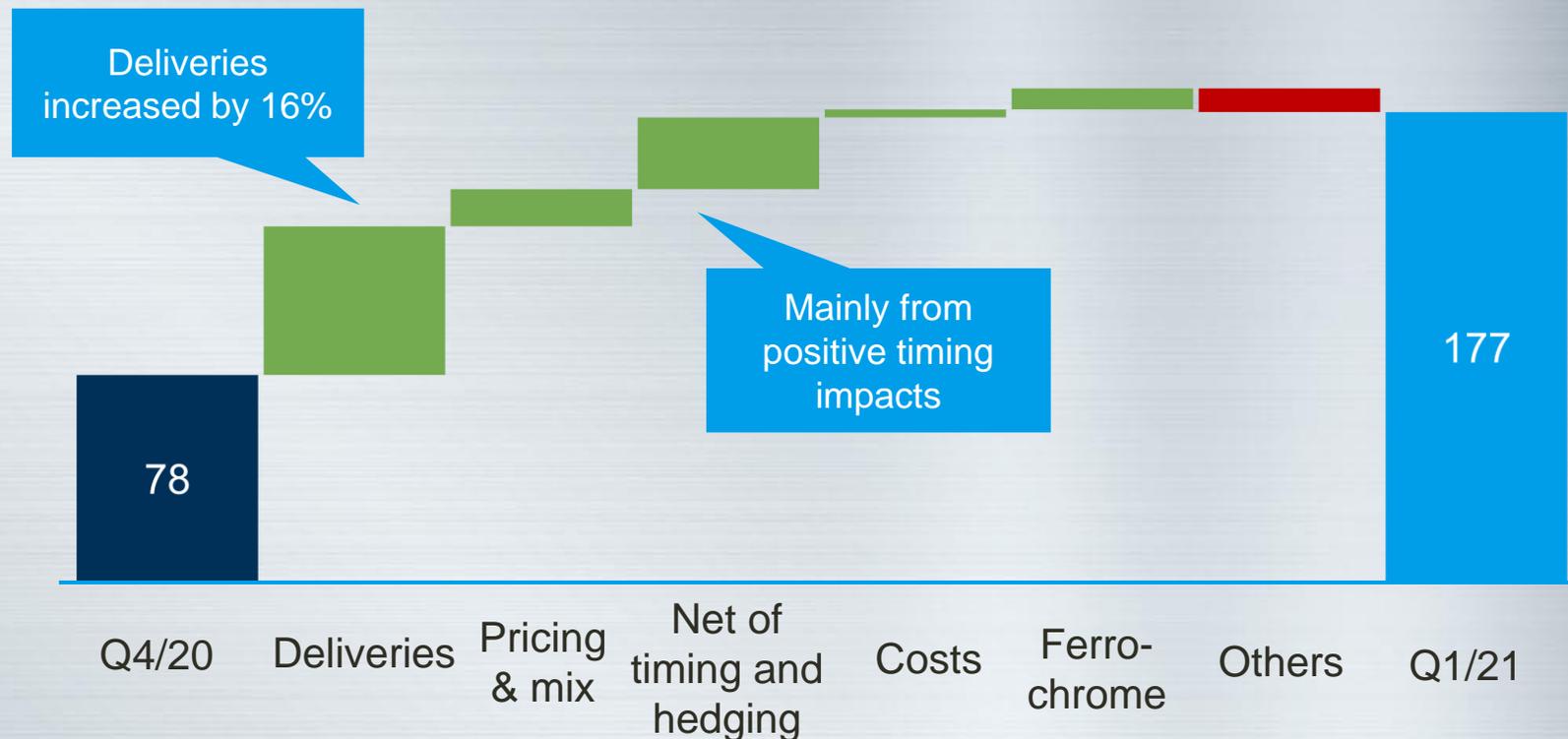
- Q1 result supported by higher demand, improved capacity utilization and positive impacts from raw materials
- Strategy execution starting to deliver benefits; structurally lower headcount and improved cost base
- Record high safety performance

Strong performance in all businesses

Group adjusted EBITDA,
EUR million



Adjusted EBITDA quarter-on-quarter comparison¹,
EUR million



1) Indicative columns based on management estimates

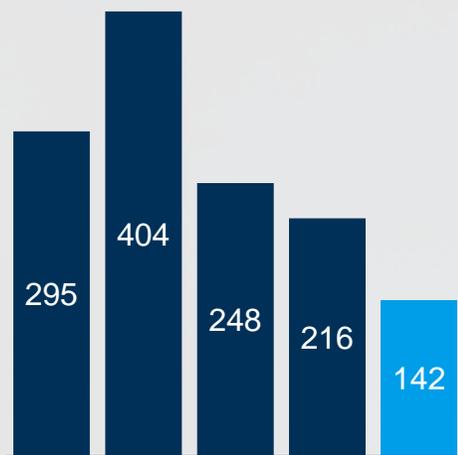
Key figures		Q1/21	Q1/20	Q4/20	2020
Stainless steel deliveries	1,000 tonnes	608	588	523	2,121
Sales	EUR million	1,673	1,615	1,350	5,639
Adjusted EBITDA	EUR million	177	106	78	250
Net result	EUR million	82	22	-39	-116
Earnings per share	EUR	0.20	0.05	-0.09	-0.28
Operating cash flow	EUR million	27	-32	112	322
Net debt	EUR million	1,073	1,249	1,028	1,028
Gearing	%	43.7	48.0	43.6	43.6
Capital expenditure	EUR million	47	58	35	180
Return on capital employed, ROCE	%	0.5	2.3	-1.4	-1.4
Personnel at the end of period, full-time equivalent *		9,256	9,996	9,602	9,602

* In Q1/2021, Outokumpu changed its main personnel amount measure from headcount to full-time equivalent personnel.

Adjusted EBITDA development by business area, EUR million

Europe

Downward trend must be turned around

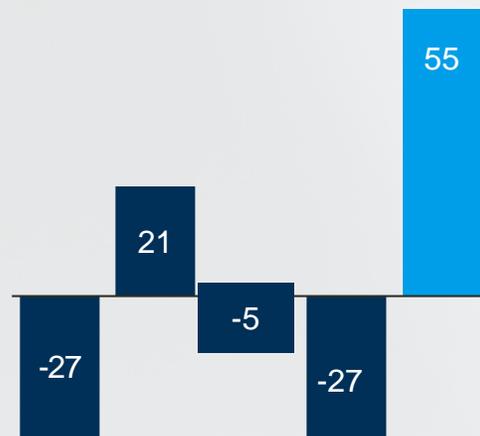


2016 2017 2018 2019 2020

EUR million

Americas

Profitability improved already significantly

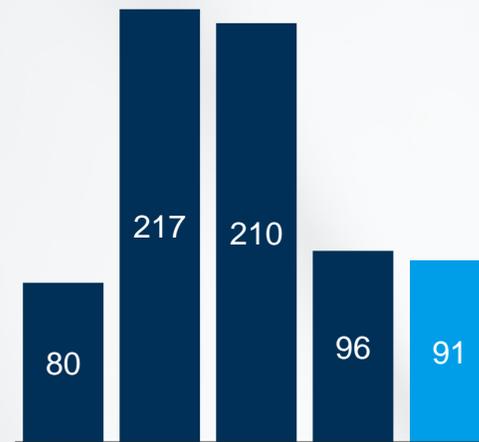


2016 2017 2018 2019 2020

EUR million

Ferrochrome

Successful maintenance break

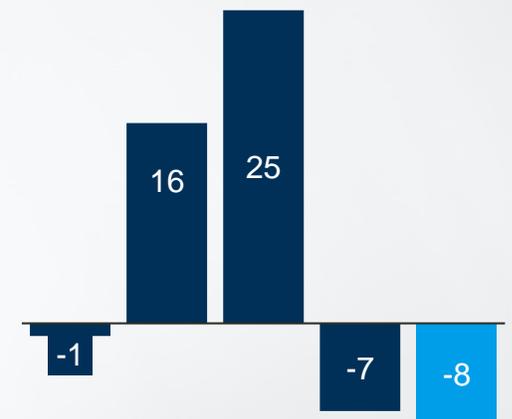


2016 2017 2018 2019 2020

EUR million

Long Products

The turnaround has started

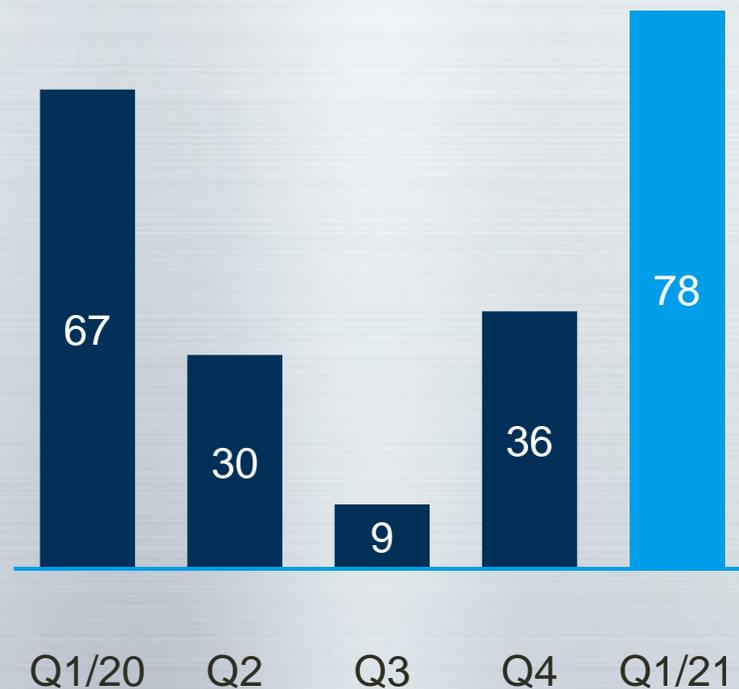


2016 2017 2018 2019 2020

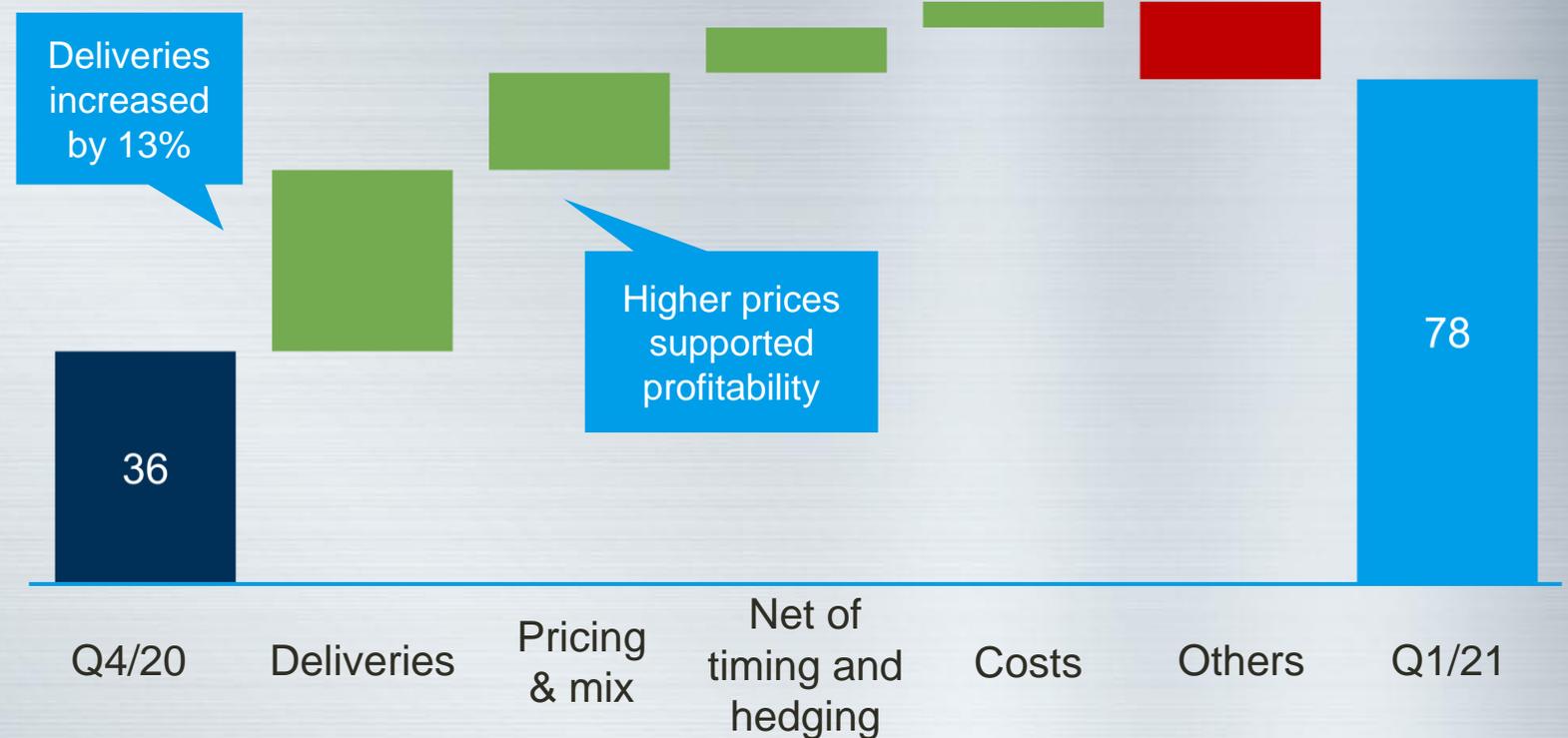
EUR million

BA Europe – Higher demand and improved capacity utilization boosted result to €78 million

Europe adjusted EBITDA, EUR million



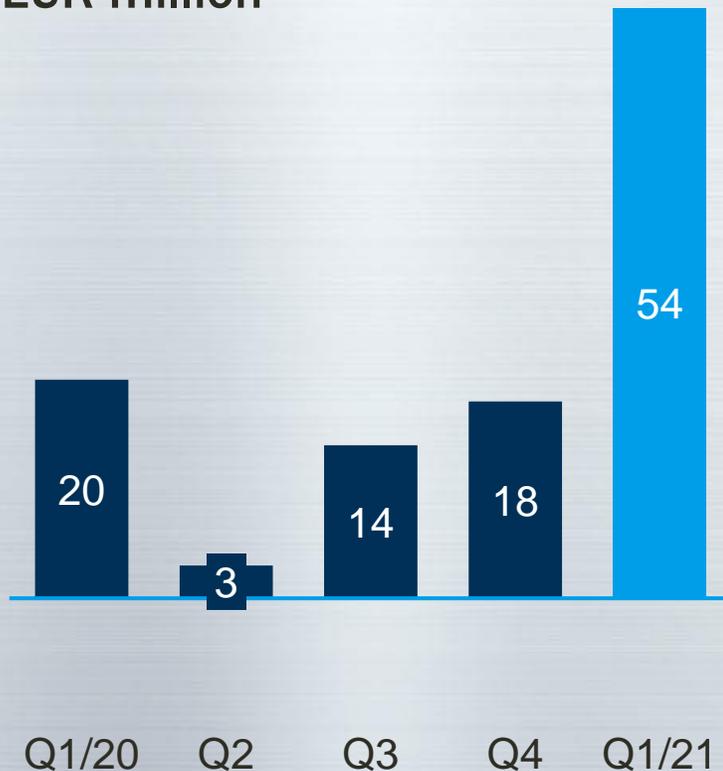
Adjusted EBITDA quarter-on-quarter comparison¹, EUR million



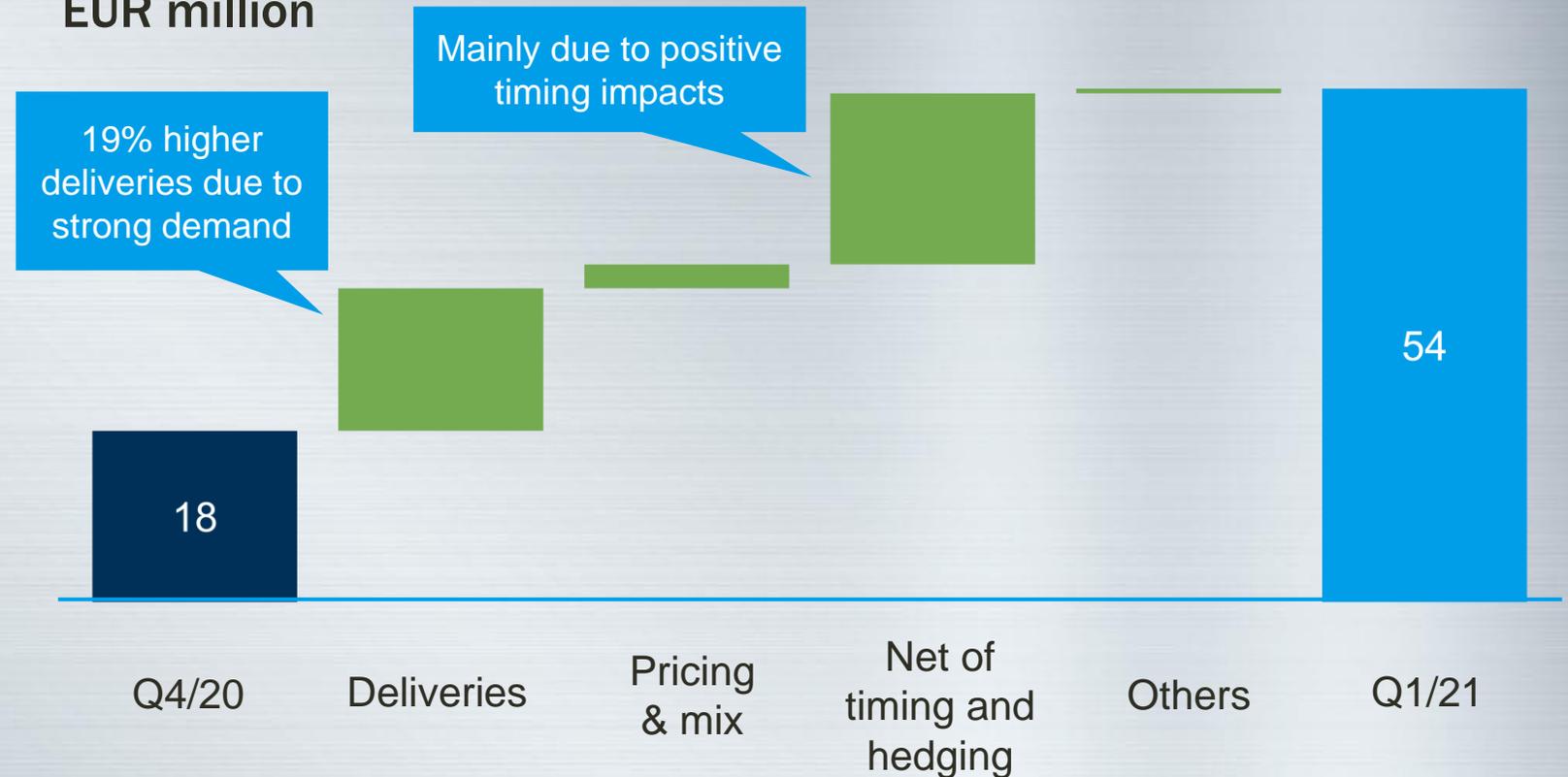
1) Indicative columns based on management estimates

BA Americas – Strongest quarter in history due to higher demand and positive raw material impacts

Americas adjusted EBITDA, EUR million



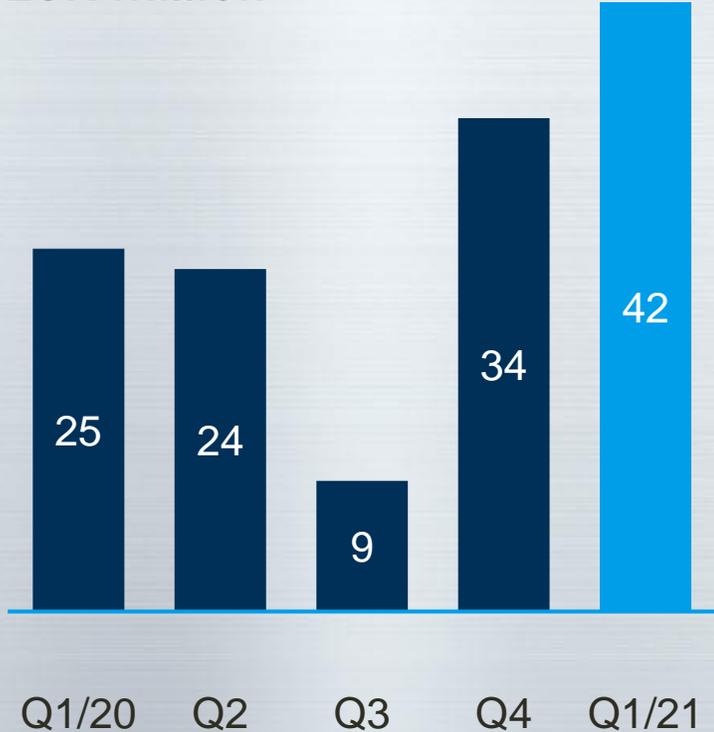
Adjusted EBITDA quarter-on-quarter comparison¹, EUR million



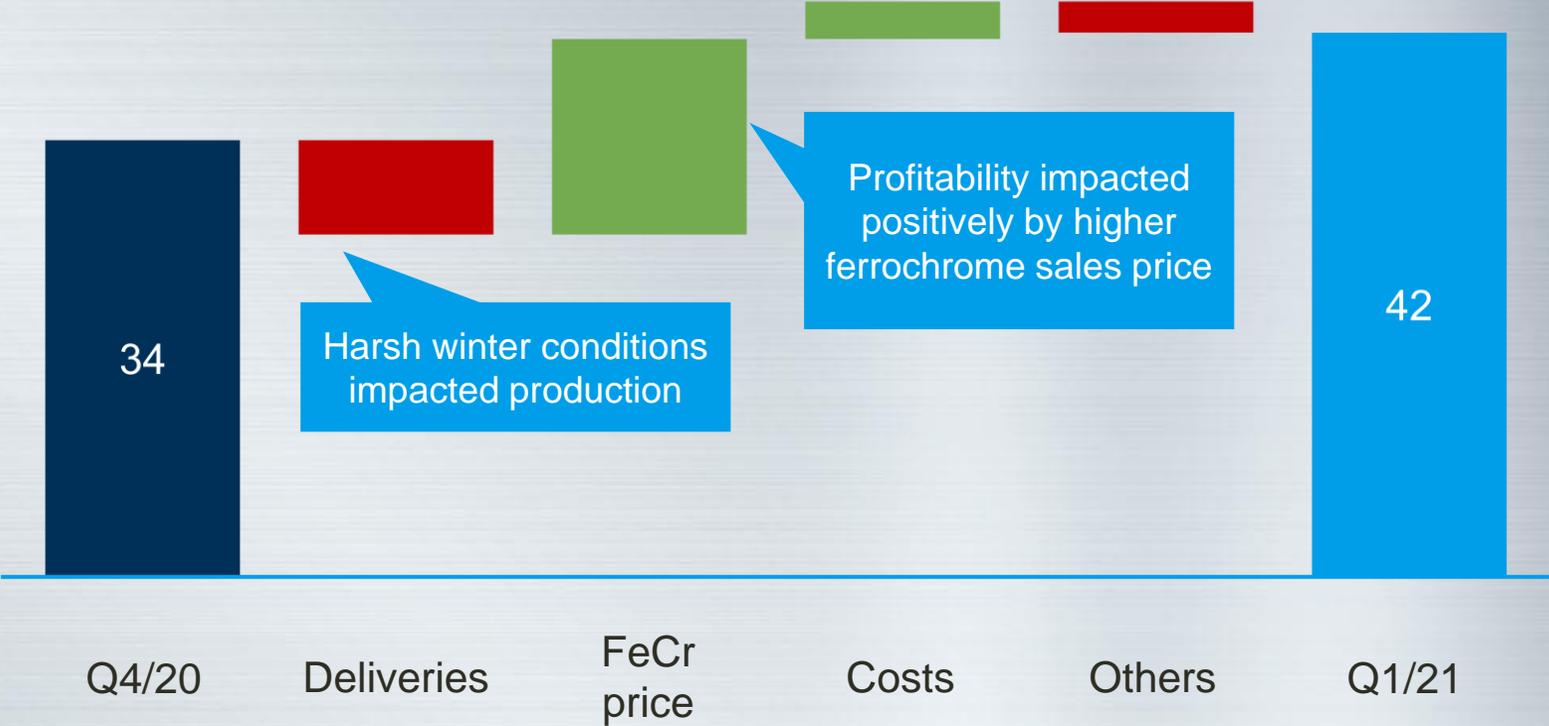
1) Indicative columns based on management estimates

BA Ferrochrome – Higher sales price supported result

Ferrochrome adjusted EBITDA, EUR million



Adjusted EBITDA quarter-on-quarter comparison¹, EUR million

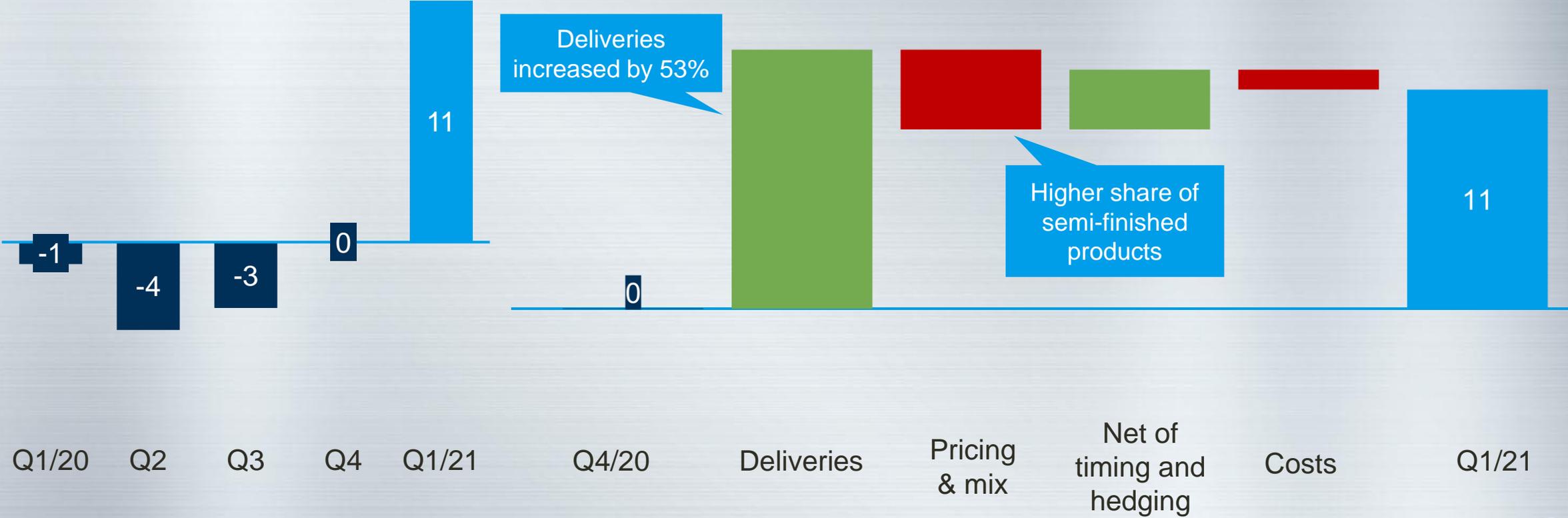


1) Indicative columns based on management estimates

BA Long Products – Turnaround proceeding, result driven by increased volumes

Long Products adjusted EBITDA, EUR million

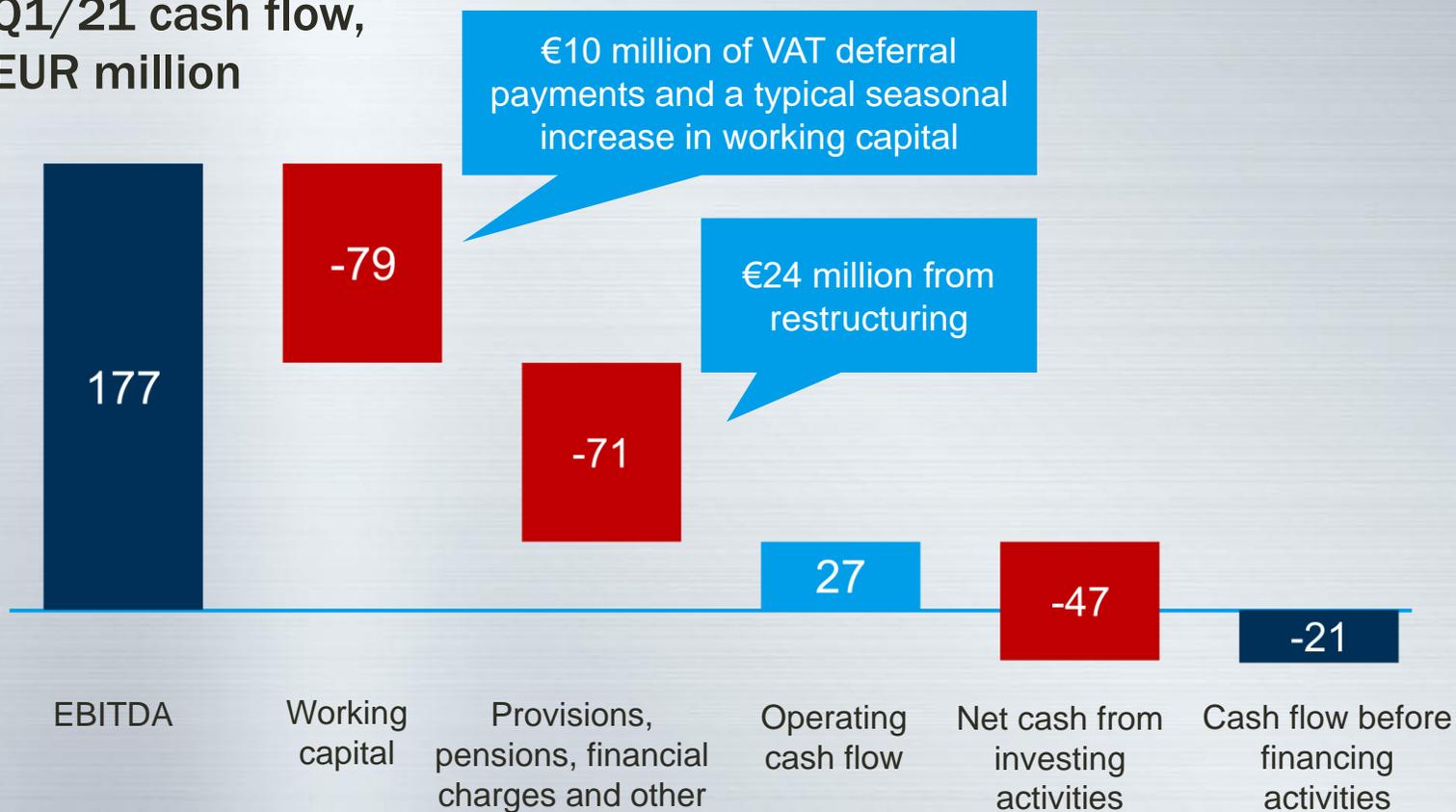
Adjusted EBITDA quarter-on-quarter comparison¹, EUR million



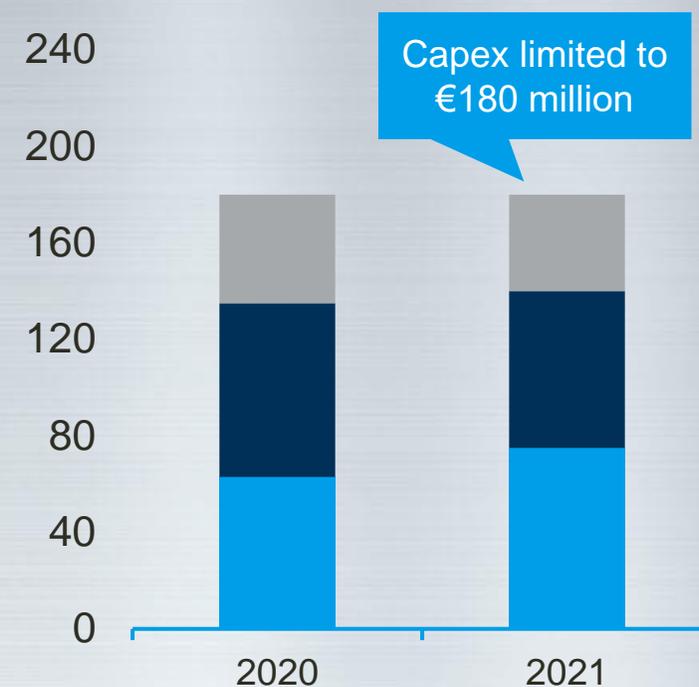
1) Indicative columns based on management estimates

Positive operating cash flow despite significant pay-outs for restructuring and VAT deferral

Q1/21 cash flow, EUR million



Annual Capex, EUR million



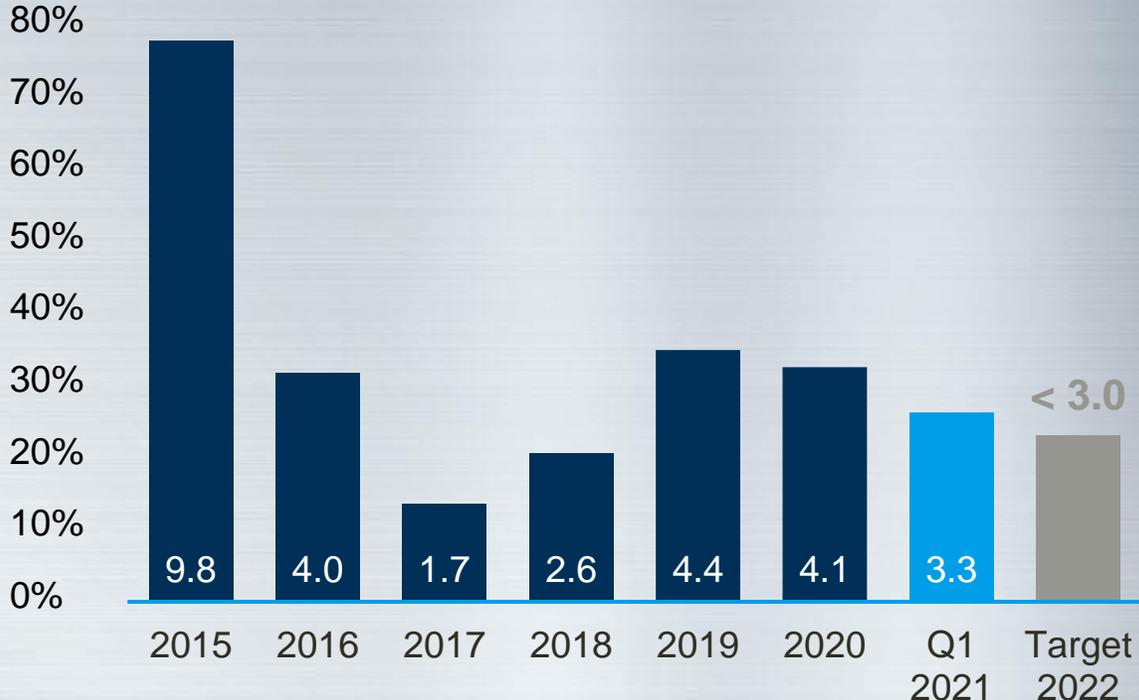
- Expansion, digitalization & other
- Kemi mine
- Annual maintenance

Decrease in leverage driven by strong EBITDA

Net debt, EUR million



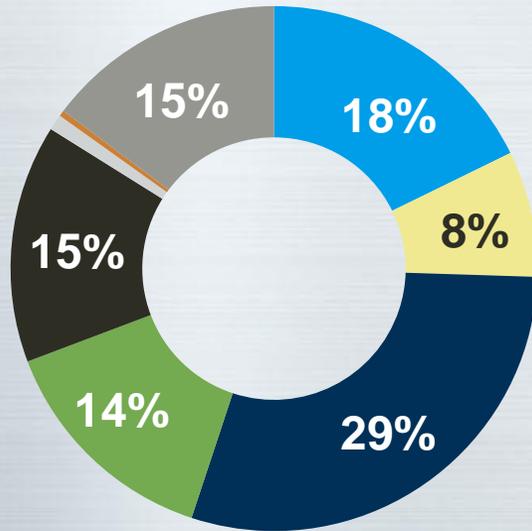
Net debt/LTM adjusted EBITDA



* Implementation impact on Jan 1, 2019 at EUR 131 million

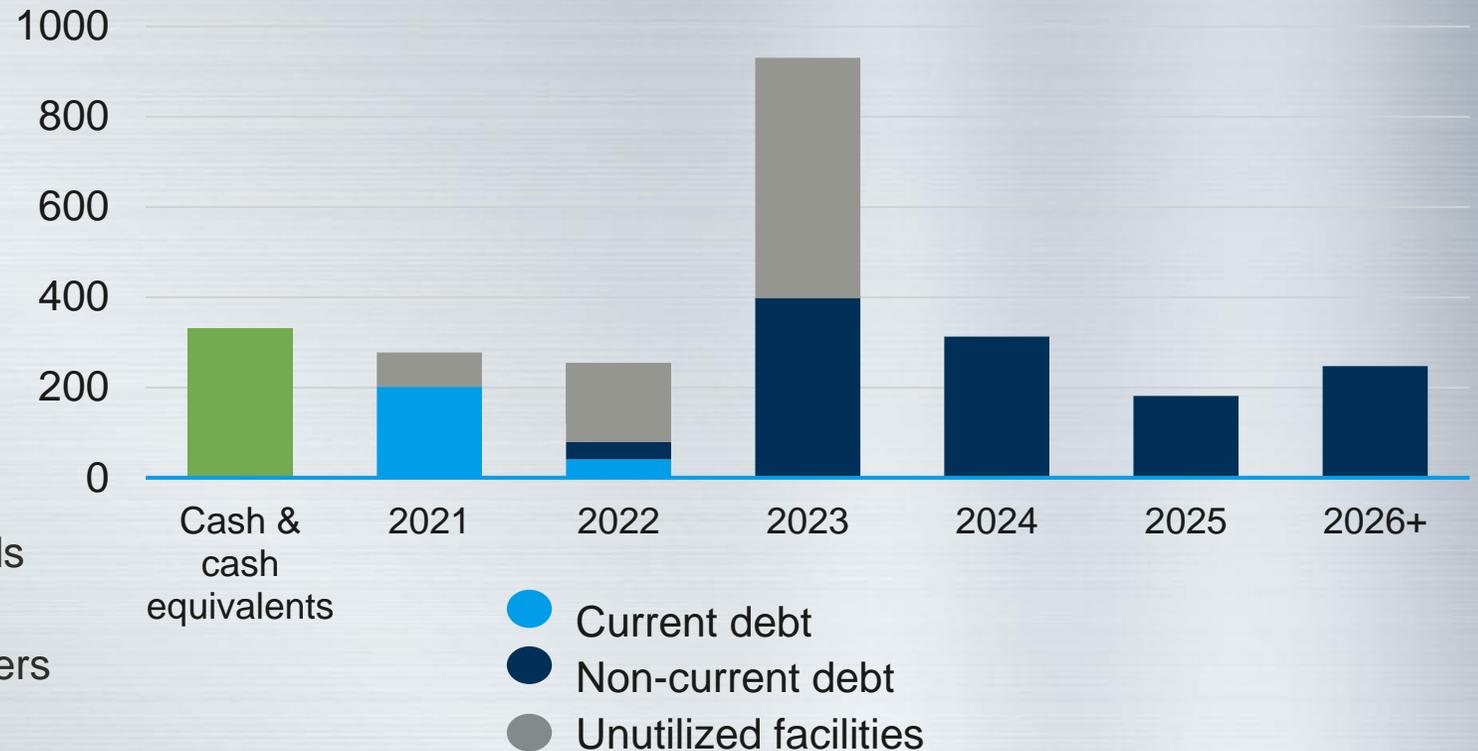
Outokumpu has a balanced debt structure

Debt structure*



- Bonds
- Long-term loans from financial institutions
- Lease liabilities
- Other long-term loans
- Convertible bonds
- Pension loans
- Commercial papers
- Short-term loans

Debt maturity profile*, EUR million



Successful private placement of new shares - raising EUR 209 million

- Launch May 10, 2021
- Main purpose to accelerate de-leveraging
- The ABB procedure enabled the execution in a rapid and cost-efficient manner

Outlook for Q2 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.

For more information, call Outokumpu Investor Relations or visit www.outokumpu.com/investors



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Appendix

Production steps – cold rolled coil

Kemi mine

Underground mine Hoisting

Crushing Heavy medium separation

Grinding Spiral concentration

Ferrochrome works

Sintering furnace

Smelter

Storage

Steel melting shop

Liquid ferrochrome Recycled steel

Ferrochrome Converter Electric Arc Furnace

AOD Converter

Continuous Casting Machine

Hot rolling mill

Walking Beam Furnace

Roughing Mill

Steckel Mill

Tandem Mill Bell Furnace

Cold rolling plant

Hot annealing and pickling line

Sendzimir Mill

Cold annealing and pickling line

Polishing line

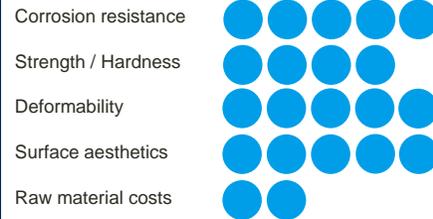
Slitting Line Cut-to-length Line

Stainless steels can be divided in four groups

Stainless steels are iron-chromium (Fe-Cr) alloys often with nickel (Ni) additions that "do not rust in sea water", "are resistant to concentrated acids" and "do not scale at temperatures up to 1100 °C". Molybdenum (Mo) and other alloying elements are sometimes added to achieve specific properties. Over the years ever since the development of stainless steel, the number of grades have increased rapidly.

Austenitics

Nickel content
Non-magnetic



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

Ferritics

No nickel
Magnetic



Applications which have lower requirements regarding corrosion and deformability

Duplex

Low nickel content
Magnetic



Applications which require a high resistance to stress, corrosion, cracking and/or strength

Martensitic

No nickel
Magnetic



Applications which require high strength and hardness

Stainless steel prices reflect various factors

Macro-economic trends

Raw material prices and currency fluctuations

Short-term and long-term capacity utilization

Transport costs

Development in consumer industries

Cost of capital

Competition

Import duties and other trade restrictions

Traditional stainless steel base price model consists of three components



Base price

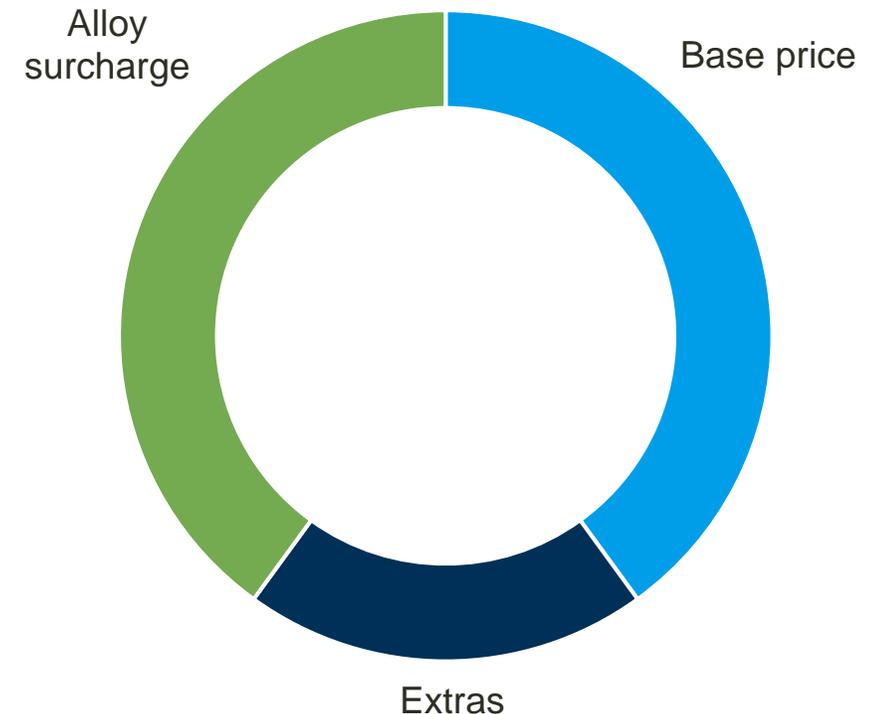
Customer-specific, usually monthly base price

Extras

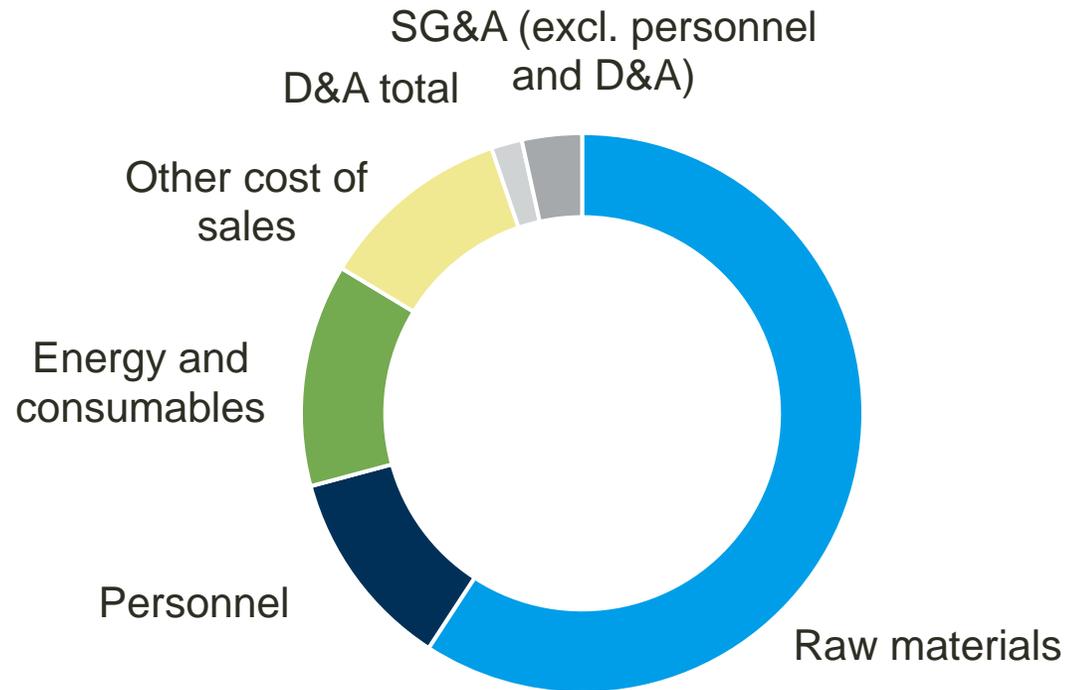
Material-specific charges for non-standardized products

Alloy surcharge

Product-specific instrument to pass alloy costs along the value chain



Outokumpu operative cost components



- Raw materials 60%
- Energy and other consumables 10–15%
- Personnel expenses 10–15%
- Other cost of sales includes e.g. freight, maintenance and rents and leases

The logics behind our net of timing and hedging

Metal hedging	Underlying position	Exposure	Hedging
Net realizable value NRV, accounting principle	Committed* sales	Short	100%
	Committed** purchases	Long	100%
	Excess stock	Long	100%
	Base stock	Long	Balance between managing earnings & cash flow volatility
Timing Pricing in, pricing out			

* priced-out or pricing out
** priced-in or pricing in

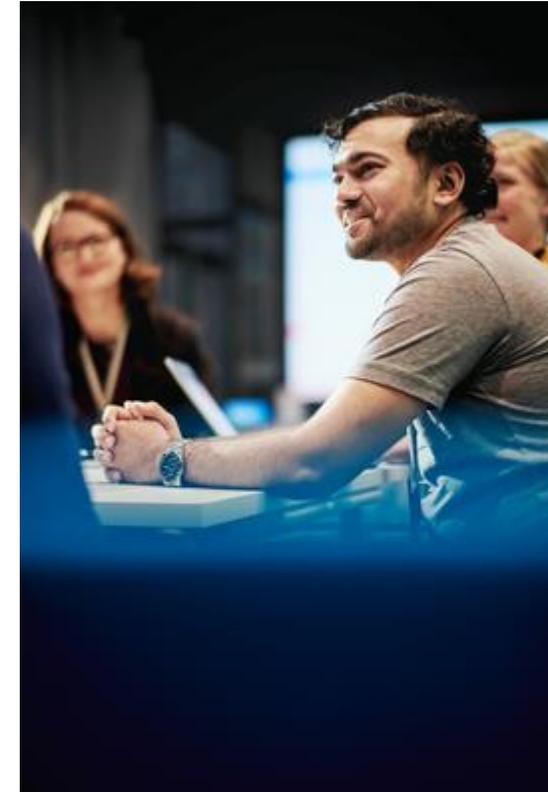
Corporate Governance

Outokumpu Oyj, the Group's parent company, is a public limited liability company, listed on Nasdaq Helsinki and incorporated and domiciled in Finland. In its corporate governance and management, Outokumpu Oyj complies with the laws and regulations applicable to Finnish public companies, the company's Articles of Association and the Corporate Governance Policy approved by the company's Board of Directors.

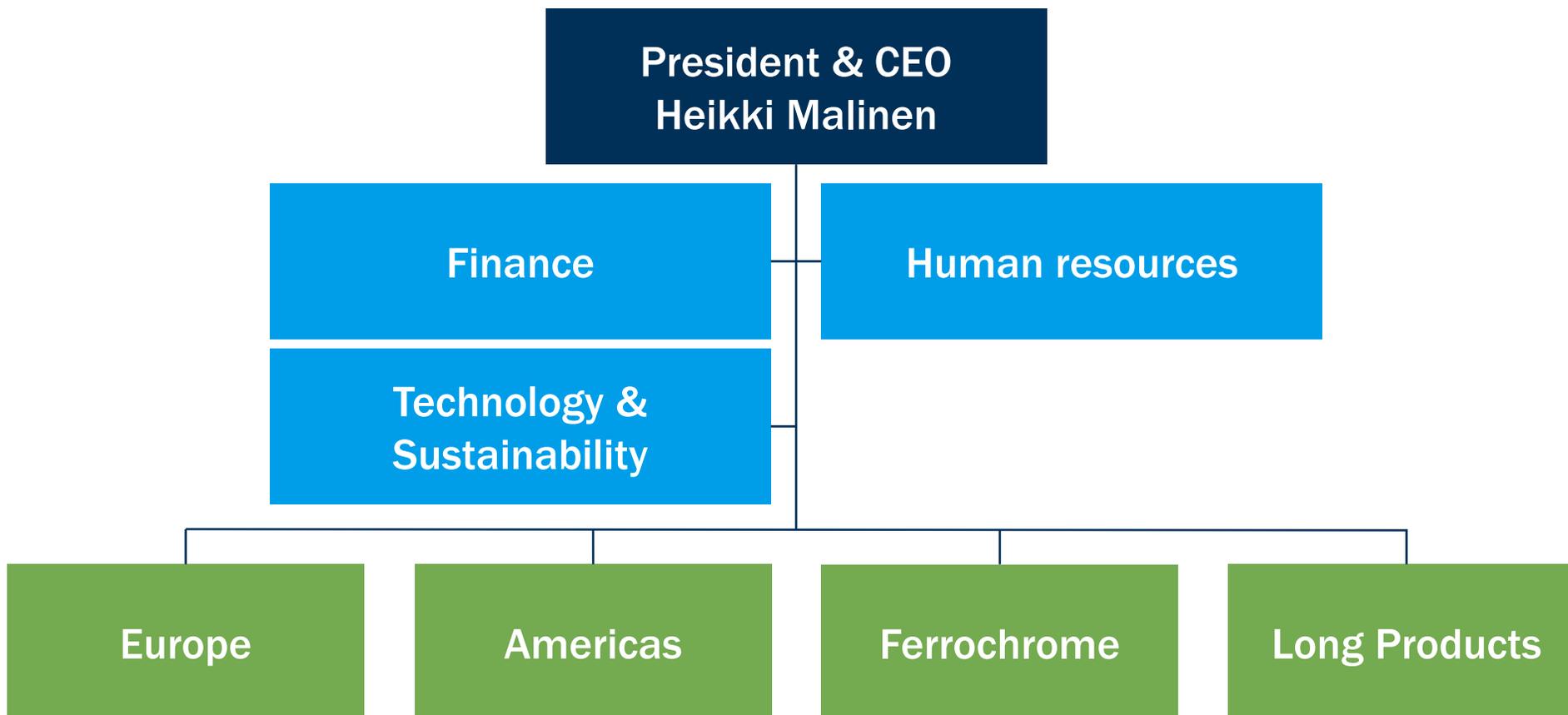
Outokumpu Oyj follows the Finnish Corporate Governance Code, effective as of January 1, 2016. The Finnish Corporate Governance Code is issued by the Finnish Securities Market Association and adopted by Nasdaq Helsinki.

The governing bodies of the parent company Outokumpu Oyj, i.e. the General Meeting of Shareholders, the Board of Directors, and the President and Chief Executive Officer (CEO), have the ultimate responsibility for the management and operations of the Outokumpu Group ("the Group"). The Outokumpu Leadership Team supports and assists the CEO in the efficient management of the Group's operations. The latest Corporate Governance Statement and other updated corporate governance information can be found on the Group's Corporate Governance website.

The General Meeting of Shareholders convenes at least once a year. Under the Finnish Companies Act, certain important decisions such as the approval of financial statements, decisions on dividends and increases or reductions in share capital, amendments to the Articles of Association, and election of the Board of Directors and auditors, fall within the exclusive domain of the General Meeting of Shareholders

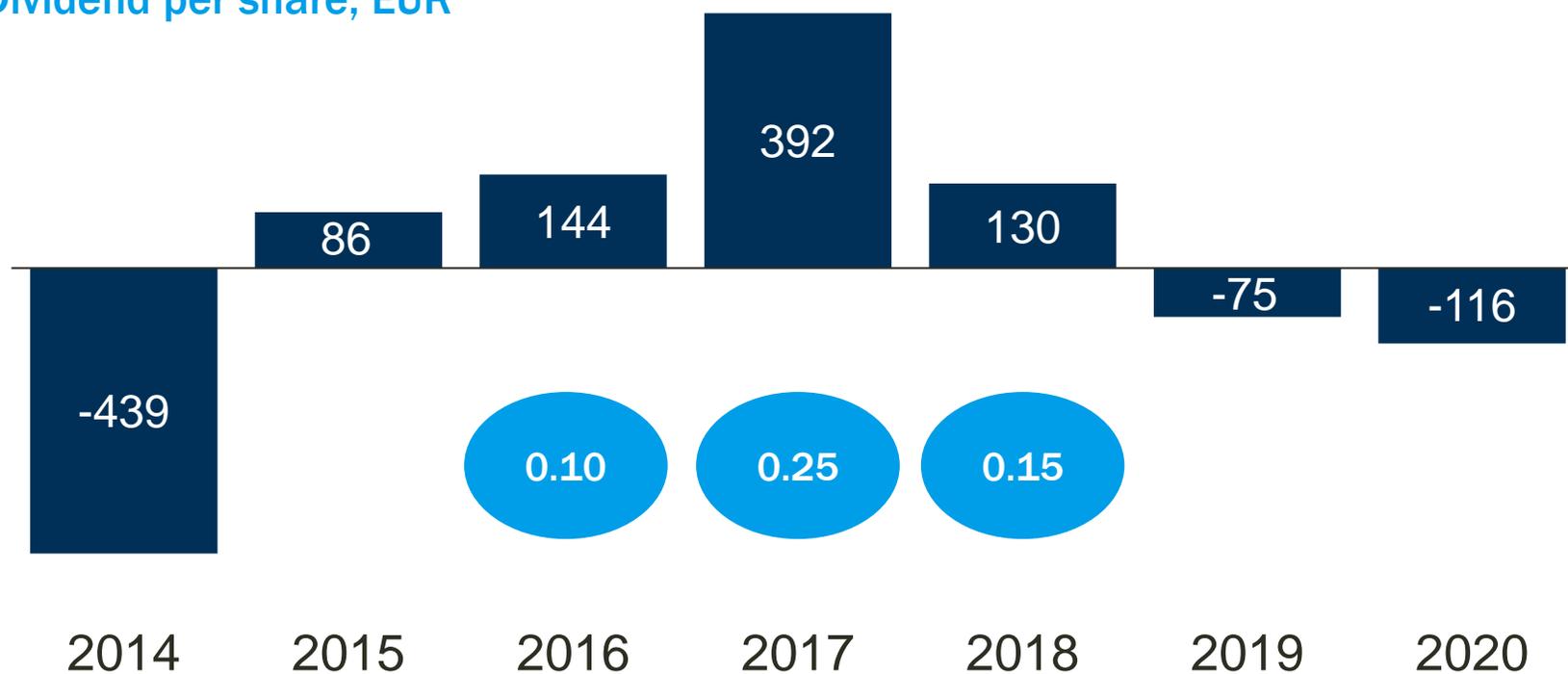


Outokumpu organization



Dividend payments

Net income, EUR million
Dividend per share, EUR



Ownership structure & major shareholders



- Nominee registered and non-Finnish holders **36%**
- Finnish institutions, companies and foundations **16%**
- Solidium **19%**
- Households **29%**

#	Name	Shares	Share %
1	Solidium Oy	86,472,208	18.93 %
2	Ilmarinen Mutual Pension Insurance Company	11,220,000	2.46 %
3	Varma Mutual Pension Insurance Company	10,453,112	2.29 %
4	The Social Insurance Institution of Finland	9,298,652	2.04 %
5	State Pension Fund	6,327,142	1.38 %
6	Keskinäinen Työeläkevakuutusyhtiö Elo	5,460,988	1.20 %
7	Säästöpankki Kotimaa -Sijoitusrahasto	3,696,492	0.81 %
8	Mandatum Henkivakuutusosakeyhtiö	3,618,030	0.79 %
9	Säästöpankki Korko Plus -Sijoitusrahasto	3,380,000	0.74 %
10	Nordea Henkivakuutus Suomi Oy	2,919,359	0.64 %

Solidium and governance

- Holding company wholly owned by the State of Finland AA
- Major shareholder in 12 listed companies including SSAB, Elisa, Sampo, Nokia, Tieto, Metso and Valmet
- Mission is to strengthen and stabilize Finnish ownership in nationally important companies and to increase the value of their holdings in the long term
- Shareholder of Outokumpu following its takeover of the 31.1% government stake in 2009
- Participated in the Outokumpu rights issues in 2012 and 2014
- Currently no seat in Outokumpu Board of Directors but they use power via Shareholder's Nomination Board work.

Outokumpu Board of Directors



Kari Jordan
Chairman of the Board of Directors



Eeva Sipilä
Vice Chairman of the Board of Directors



Kati ter Horst
Member of the Board of Directors



Heinz Jörg Fuhrmann
Member of the Board of Directors



Päivi Luostarinen
Member of the Board of Directors



Vesa-Pekka Takala
Member of the Board of Directors



Pierre Vareille
Member of the Board of Directors



Julia Woodhouse
Member of the Board of Directors

Outokumpu Leadership Team



Heikki Malinen
President & CEO



Pia Aaltonen-Forsell
CFO



Thomas Anstots
Executive Vice President, Commercial,
Business Area Europe



Niklas Wass
Executive Vice President, Operations,
Business Area Europe



Tamara Weinert
Acting President, Business Area Americas



Martti Sassi
President, Business Area Ferrochrome



Johann Steiner
Chief Human Resources Officer



Stefan Erdmann
Chief Technology Officer & Sustainability

Group key financials

Key figures		2020	2019 ¹⁾	2018	2017	2016
Stainless steel deliveries	1,000 tonnes	2,121	2,196	2,428	2,448	2,444
Sales	€ million	5,639	6,403	6,872	6,356	5,690
Adjusted EBITDA	€ million	250	263	485	631	309
Net result	€ million	-116	-75	130	392	144
Return on equity ²⁾	%	-4.7	-2.8	4.8	15.4	6.4
Return on capital employed ²⁾	%	-1.4	0.8	7.0	11.3	2.6
Operating cash flow	€ million	322	371	214	328	389
Net debt	€ million	1,028	1,155	1,241	1,091	1,242
Gearing	%	43.6	45.1	45.1	40.1	51.4
Capital expenditure ³⁾	€ million	180	193	218	174	164
Personnel at the end of the period ⁴⁾	headcount	9,915	10,390	10,449	10,485	10,977

1) Outokumpu has adopted IFRS 16 – Leases on January 1, 2019. Comparative information for previous years has not been restated.

2) Key figure definition changed in 2016. Figures for 2015 have been restated. Figures for 2014 have not been restated

3) In Q4/2020, Outokumpu changed its capital expenditure definition from accrual-based to cash-based capital expenditure. Comparative information for years 2018-2020 is presented accordingly.

4) In Q1/2021, Outokumpu changed its main personnel amount measure from headcount to full-time equivalent personnel. Comparative information for 2020 is presented accordingly.

Balance sheet

Assets (EUR million)	2020	2019
Non-current assets		
Intangible assets	610	607
Property, plant and equipment	2,631	2,767
Investments in associated companies	38	38
Other financial assets	54	36
Deferred tax assets	264	229
Defined benefit plan assets	64	68
Trade and other receivables	1	2
Total non-current assets	3,663	3,747
Current assets		
Inventories	1,177	1,424
Other financial assets	44	28
Trade and other receivables	537	514
Cash and cash equivalents	376	325
Total current assets	2,134	2,291
TOTAL ASSETS	5,797	6,038

Equity and liabilities (EUR million)	2020	2019
Equity attributable to the equity holders of the Company	2,360	2,562
Non-current liabilities		
Non-current debt	1,153	1,053
Deferred tax liabilities	7	12
Defined benefit and other long-term employee benefit obligations	329	335
Provisions	84	85
Trade and other payables	45	29
Total non-current liabilities	1,618	1,514
Current liabilities		
Current debt	251	427
Other financial liabilities	32	17
Provisions	31	25
Trade and other payables	1,505	1,493
Total current liabilities	1,820	1,962
TOTAL EQUITY AND LIABILITIES	5,797	6,038

Share-related key figures

Key figures		2020	2019	2018	2017	2016
Earnings per share ^{1) 2)}	€	-0.28	-0.18	0.32	0.95	0.35
Cash flow per share	€	0.78	0.90	0.52	0.79	0.94
Equity per share ^{1) 2)}	€	5.73	6.22	6.70	6.59	5.84
Dividend per share	€	-	-	0.15	0.25	0.10
Dividend yield	%	-	-	4.7	3.2	1.2
Price/earnings ratio ^{1) 2)}		neg.	neg.	10.00	8.15	24.31
Trading price at the end of the period	€	3.22	2.81	3.20	7.74	8.51
Market cap at the end of the period	€ million	1,327	1,155	1,312	3,223	3,541
Number of shares at the end of the period ⁴⁾		412,002,212	411,774,715	410,563,719	412,671,549	413,860,600
Trading volume ⁵⁾	1,000 shares	1,100,628	884,254	826,636	1,021,607	955,682

1) IFRS 16 – Leases has been adopted on January 1, 2019 using the modified retrospective approach. Comparative information has not been restated.

2) Figures for 2017 have been restated due to IFRS 15 adoption in 2018. Figures for 2014–2016 have not been restated.

3) The Board of Directors' proposal to the Annual General Meeting

4) Excluding treasury shares

5) Includes only Nasdaq Helsinki trading

Cash flow

Key figures		2020	2019	2018	2017	2016
Net result for the financial year	€ million	-116	-75	130	392	144
Total adjustments	€ million	339	330	313	259	134
Change in working capital	€ million	247	218	-112	-180	307
Provisions, pensions, financial charges and other	€ million	-138	-97	-112	-135	-187
Income taxes paid	€ million	-10	-5	-5	-8	-9
Operating cash flow	€ million	322	371	214	328	389
Net cash from investing activities	€ million	-175	-65	-229	-63	-81
Cash before financing activities	€ million	147	306	-14	264	308

Business area Europe

Key figures		2020	2019	2018	2017	2016
Stainless steel deliveries	1,000 tonnes	1,440	1,459	1,547	1,592	1,625
Sales	€ million	3,568	4,089	4,267	4,156	3,767
of which intra-group	€ million	83	66	97	81	93
Adjusted EBITDA	€ million	142	216	248	404	295
Adjustments to EBITDA	€ million	-47	17	10	-	-26
EBITDA	€ million	95	233	259	404	270
Adjusted EBIT	€ million	-0	82	134	281	143
Depreciation and amortization	€ million	-140	-134	-114	-123	-160
Capital expenditure	€ million	34	51	75	70	81
Operating capital	€ million	1,573	1,901	1,934	1,848	1,808
Personnel at the end of period	headcount	6,196	6,753	6,806	6,748	7,038

Business area Americas

Key figures		2020	2019	2018	2017	2016
Stainless steel deliveries	1,000 tonnes	588	601	762	742	690
Sales	€ million	1,195	1,346	1,715	1,546	1,325
of which intra-group	€ million	1	3	45	33	21
Adjusted EBITDA	€ million	55	-27	-5	21	-27
Adjustments to EBITDA	€ million	-2	-	-	-	21
EBITDA	€ million	53	-27	-5	21	-6
Adjusted EBIT	€ million	0	-84	-56	-31	-81
Depreciation and amortization	€ million	-54	-56	-51	-52	-54
Capital expenditure	€ million	16	21	19	18	17
Operating capital	€ million	801	914	1,084	1,072	1,127
Personnel at the end of period	headcount	1,810	1,934	1,991	2,094	2,219

Business area Ferrochrome

Key figures		2020	2019	2018	2017	2016
Ferrochrome production	1,000 tonnes	498	505	497	415	469
Sales	€ million	411	461	542	610	371
of which intra-group	€ million	260	293	345	483	269
Adjusted EBITDA	€ million	91	96	210	217	80
Adjustments to EBITDA	€ million	-1	-	-	-	-0
EBITDA	€ million	90	96	210	217	80
Adjusted EBIT	€ million	57	67	179	187	48
Depreciation and amortization	€ million	-34	-29	-30	-29	-29
Capital expenditure	€ million	92	77	47	34	20
Operating capital	€ million	766	692	640	648	617
Personnel at the end of period	headcount	467	472	441	437	426

Business area Long Products

Key figures		2020	2019	2018	2017	2016
Stainless steel deliveries	1,000 tonnes	175	226	285	264	245
Sales	€ million	493	642	740	591	487
of which intra-group	€ million	78	137	220	186	153
Adjusted EBITDA	€ million	-8	-7	25	16	-1
Adjustments to EBITDA	€ million	-3	-	-	-	19
EBITDA	€ million	-11	-7	25	16	18
Adjusted EBIT	€ million	-19	-16	18	10	-8
Depreciation and amortization	€ million	-10	-8	-6	-7	-7
Capital expenditure	€ million	3	16	22	8	8
Operating capital	€ million	133	157	179	113	139
Personnel at the end of period	headcount	784	883	892	584	628

Disclaimer

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