

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

Investor presentation November 2020

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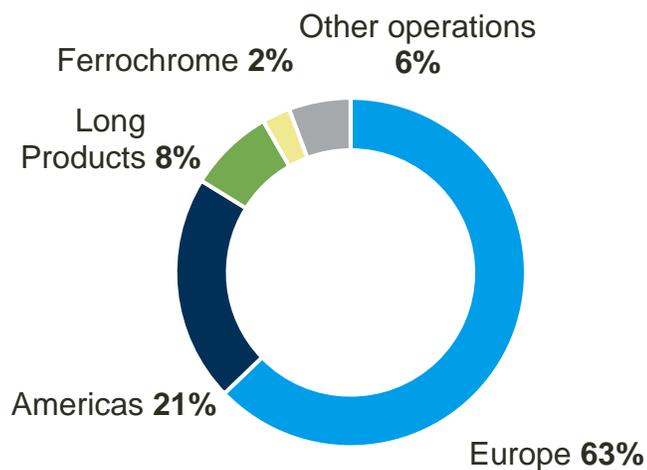
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Outokumpu in brief

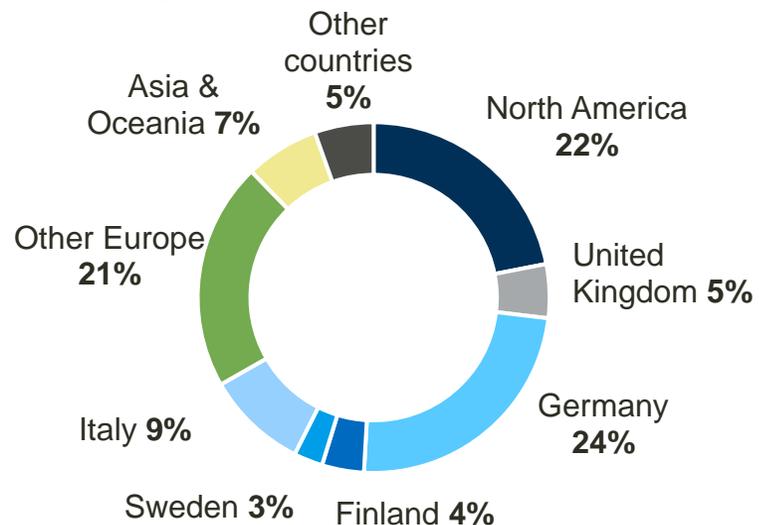
Outokumpu – global stainless steel producer



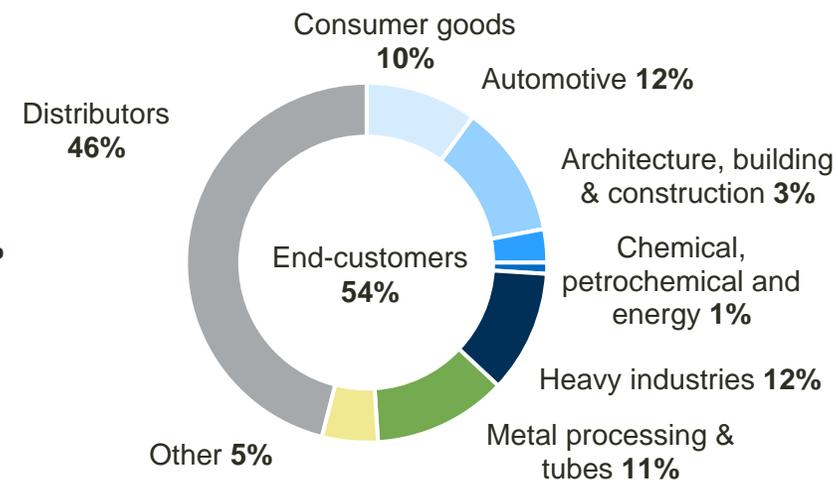
Sales by business area*



Sales by destination*

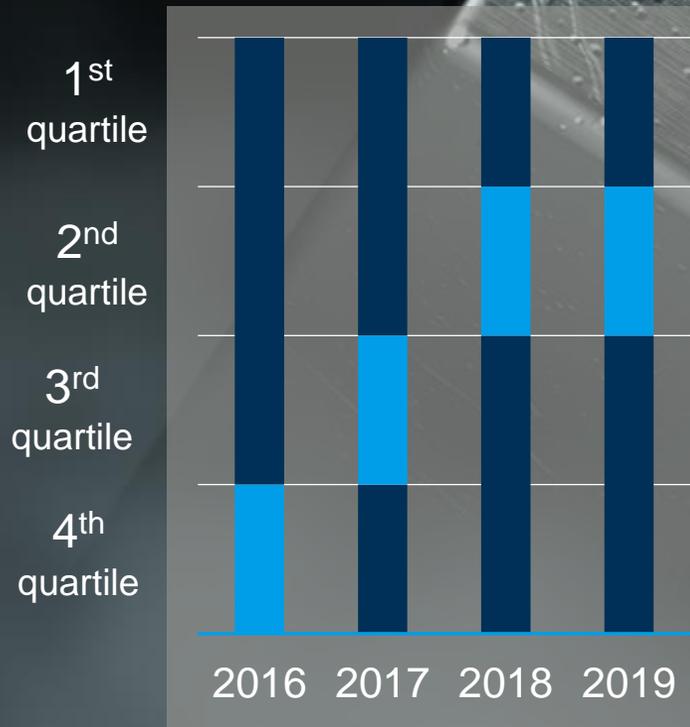


Sales by customer segment*

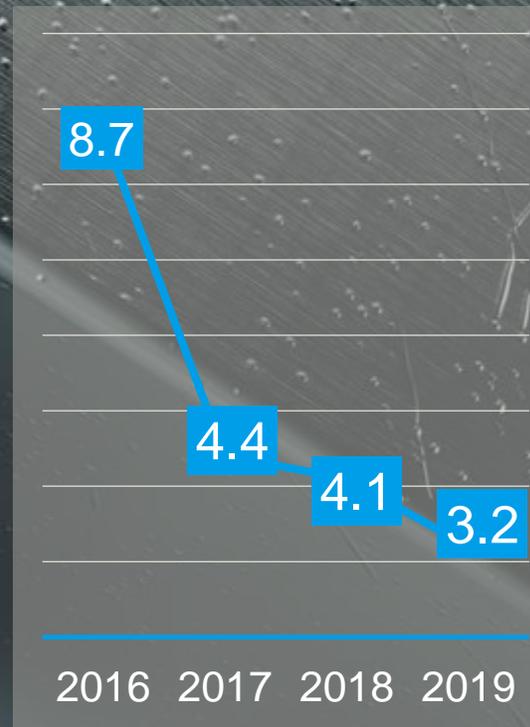


We take care of our employees and our customer satisfaction is by far the highest in the industry

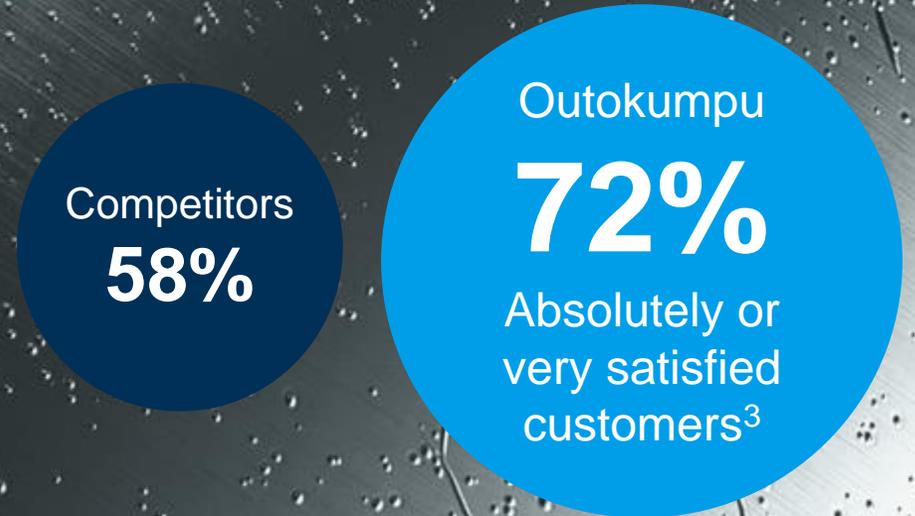
Organizational health index¹



Safety development²



Customer satisfaction³



1) McKinsey organizational health index
2) Total recordable injury frequency
3) Percentage, Outokumpu customer satisfaction survey 2019

Financial development in 2016–2019

Net debt
below

€1.1

billion*

Cumulative
adjusted EBITDA

€1.7

billion

Gearing
improved by

35%

* At the end of 2019, excluding IFRS16 adjustment; implementation impact on January 1, 2019

Flat stainless and ferrochrome core businesses, Long Products in accelerated turnaround

Core business			Turnaround
BA Europe	BA Americas	BA Ferrochrome	BA Long Products
<ul style="list-style-type: none"> • #1 in Europe in terms of volume • World-class mills in Finland, Sweden and Germany • Leading offering: unique & demanding specialties, best-in-class service capabilities 	<ul style="list-style-type: none"> • #2 in the US in terms of volume • Most modern stainless facility in the US, sole producer in Mexico • Ferritics investment, ramp-up starting in Q4 • Significant progress in production, distribution and product range 	<ul style="list-style-type: none"> • Unique integration to stainless steel • First quartile in terms of cost competitiveness • Kemi mine: the only chrome mine in EU area • CO₂ footprint 42% of the industry average • Deep Mine project to secure ore availability 	<ul style="list-style-type: none"> • Broad range of bars, wire rod, wire, rebar and semi-finished products • Strategic review finalized, accelerated turnaround program launched by the new management • Headcount reduction of approximately 100 people

Stainless steel is the future for sustainable modern society with its unbeatable features



Corrosion resistant

Sustainable

Heat resistant

Hygienic

High strength

Aesthetic

Durable

Cost efficient



**The world
needs long
lasting,
hygienic and
sustainable
solutions**



**Economic and
population growth**

Healthcare, clean
water, appliances..



**Infrastructure, mobility
and urbanization**

Buildings, elevators,
trains, bridges,...



**Climate change and
limited resources**

Energy investments,
resource efficiency,...

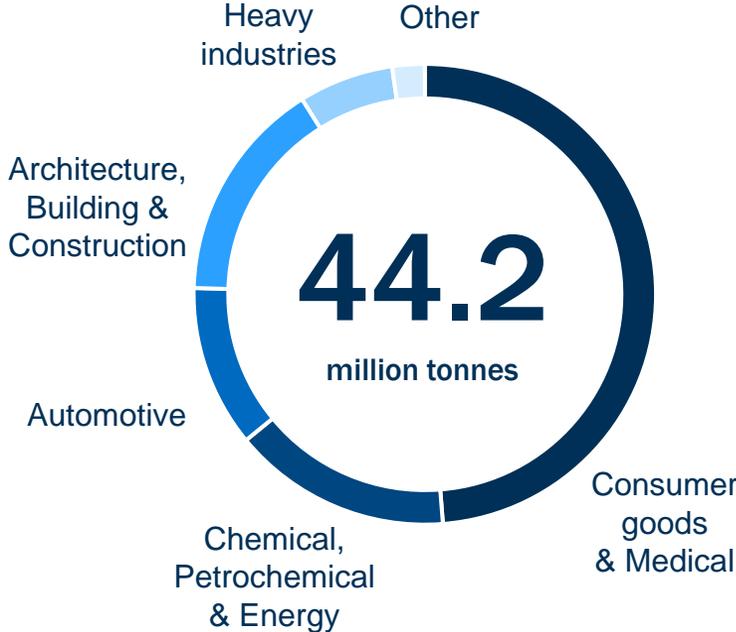


**Sustainable
stainless steel**

Long-lasting,
recyclable solutions

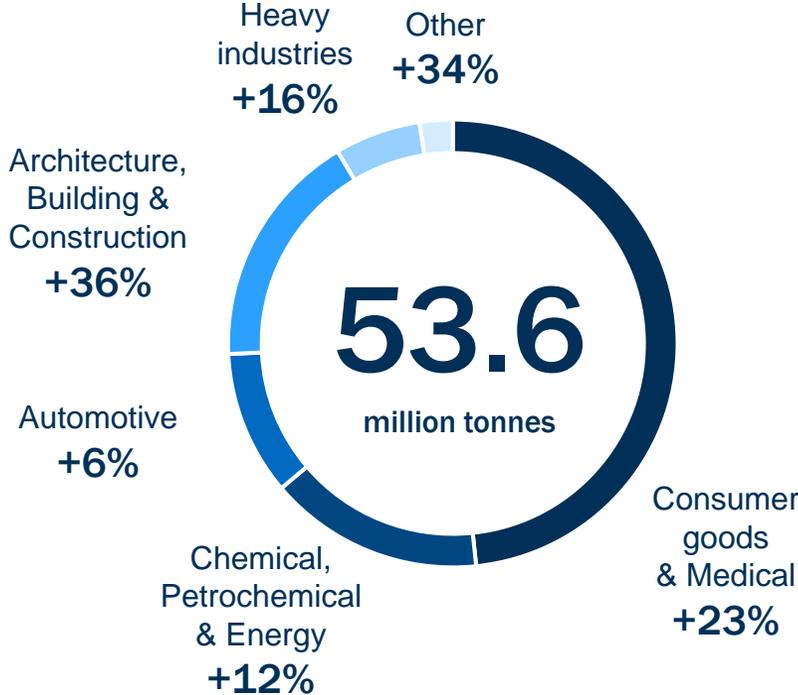
Expectations for real demand growth lowering

Global stainless steel real demand in 2019

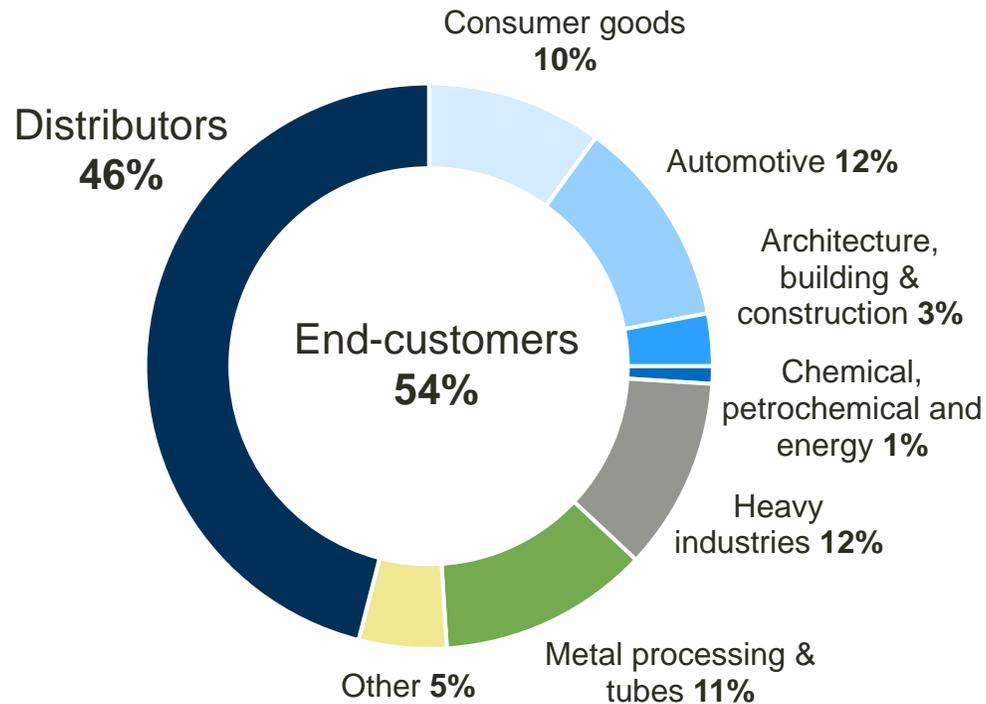


+21%

Expected stainless steel real demand in 2025



We have a balanced customer portfolio*



End-customers

54%

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

Distributors

46%

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

*Sales in 2019

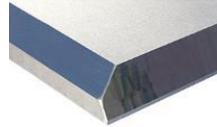
Outokumpu has the broadest product portfolio globally.

The use of our steel reduces the carbon footprint of our customers' products.

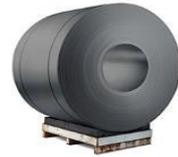
Flat products



Slab



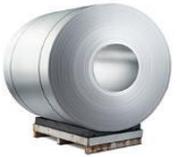
Quarto plate



Hot rolled black coil



Cold rolled white coil



Hot rolled white coil



Precision strip

Long products



Cast semis



Bar



Rolled and forged billet



Rebar



Wire rod



Wire

Ferrochrome

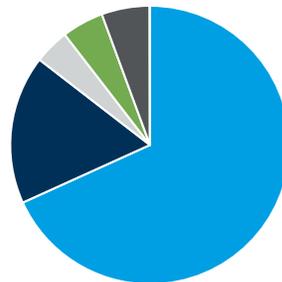


Chrome is the most important raw material used in stainless steel production.

Outokumpu has its own chrome mine and ferrochrome works and this makes us uniquely self-sufficient. Ferrochrome contains 50–54% of chrome. Most of our ferrochrome is used in our own melt shops and approximately 25% is sold to other producers.

Outokumpu is the only producer of Ferrochrome in Europe.

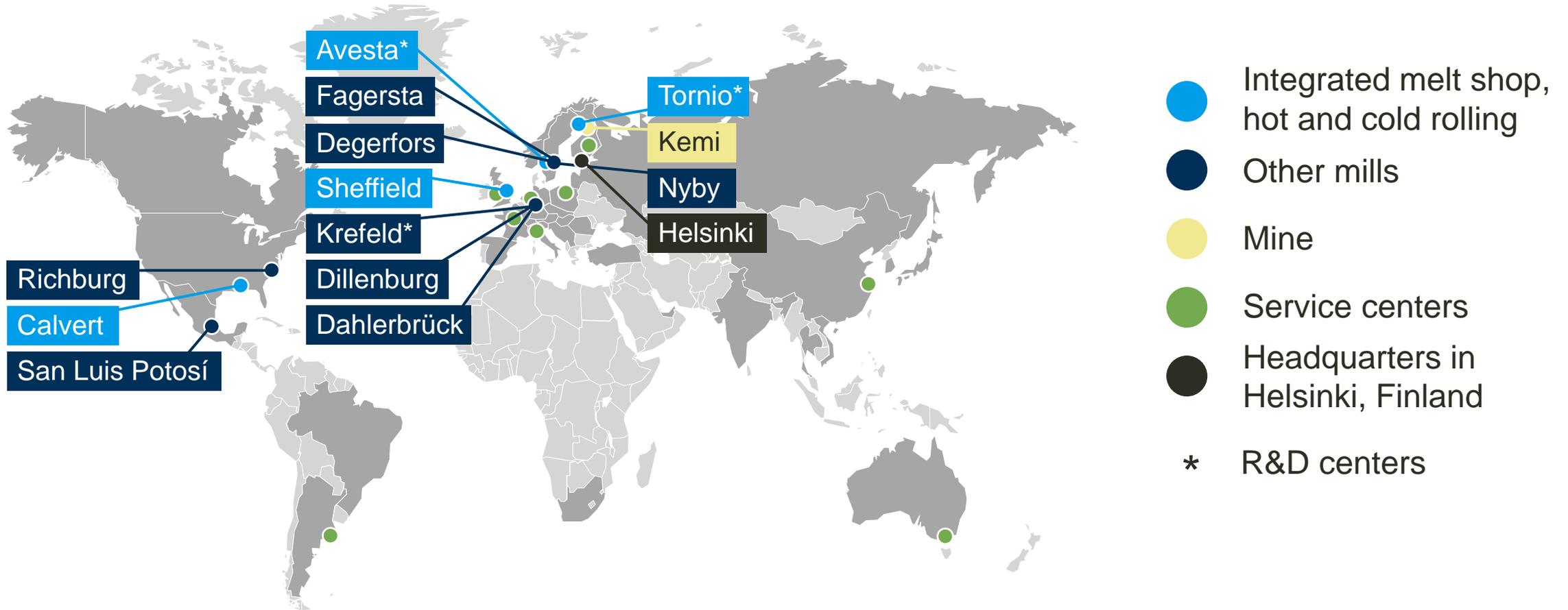
Outokumpu stainless steel deliveries by product form*



- Cold rolled **69%**
- Hot rolled white coil **17%**
- Quarto plate **4%**
- Long products **5%**
- Semi finished stainless steel products **6%**

* Sales in 2019

We have 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	

New strategy

Strong foundations support strategy execution

Megatrends drive
stainless steel
demand growth

Leader in
sustainability

High customer
satisfaction
72%

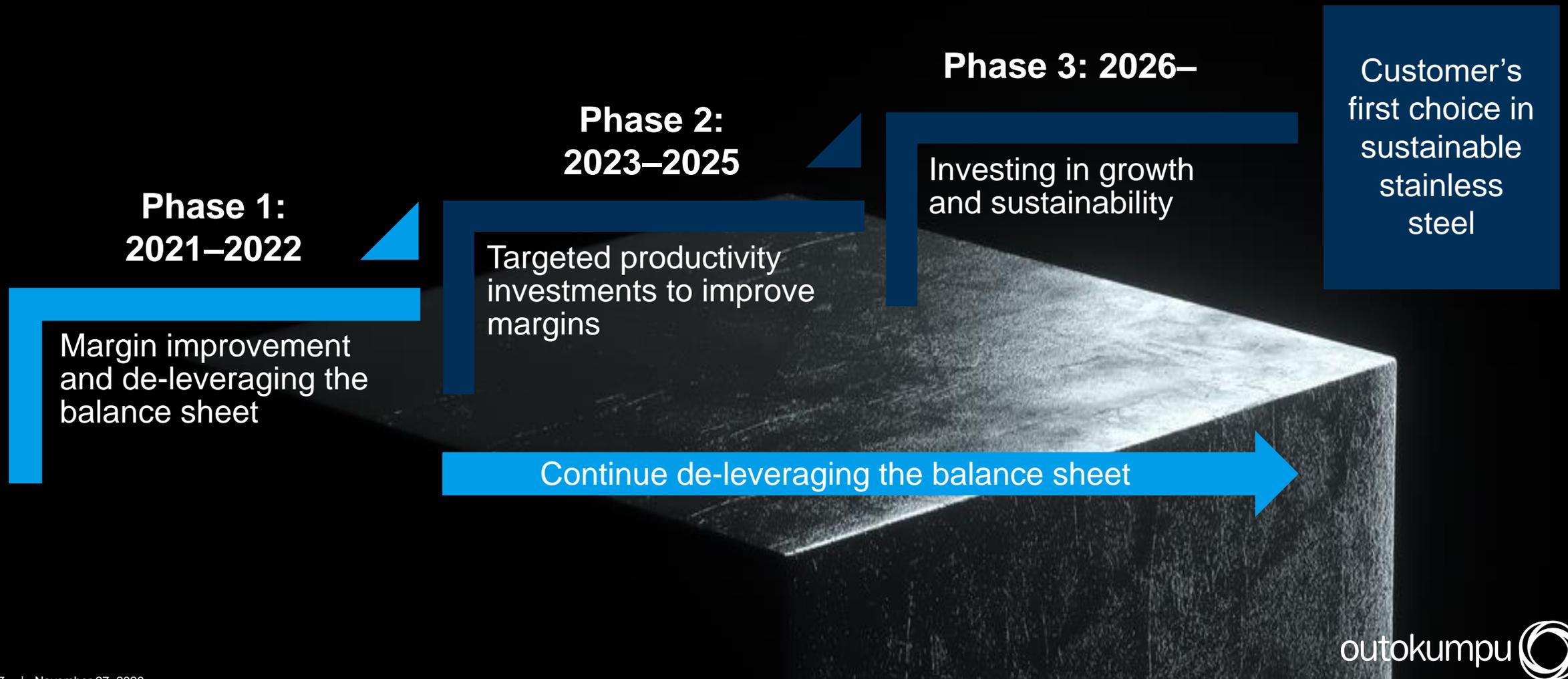
Great people and
strong safety
performance

Turnaround in the
Americas

Stable operations
and continuous
improvement
culture



Margin improvement, cash flow and de-leveraging as main sources of value creation



Our priority for 2021–2022: De-risking the company for strong returns

Strengthen accountability for performance

Lean & agile
organization

Active performance
management

Financial
discipline

Profitability improvement

Europe Continue operations and commercial excellence

Americas Commercial turnaround, incl. ferritics investment

Ferrochrome Commercial optimization

Long Products Holistic operations and commercial turnaround

Strong returns;
Reliable partner to stakeholders

**€200
million
EBITDA
improvement***

**<3.0x
Net debt /
EBITDA**

**run-rate improvement from
actions by year-end 2022.*

Strengthened accountability for performance

Lean and agile organization

- Simplified structure
- De-layered organization
- New management team
- 1,000 planned reductions
- Stronger business orientation in decision making

Active performance management

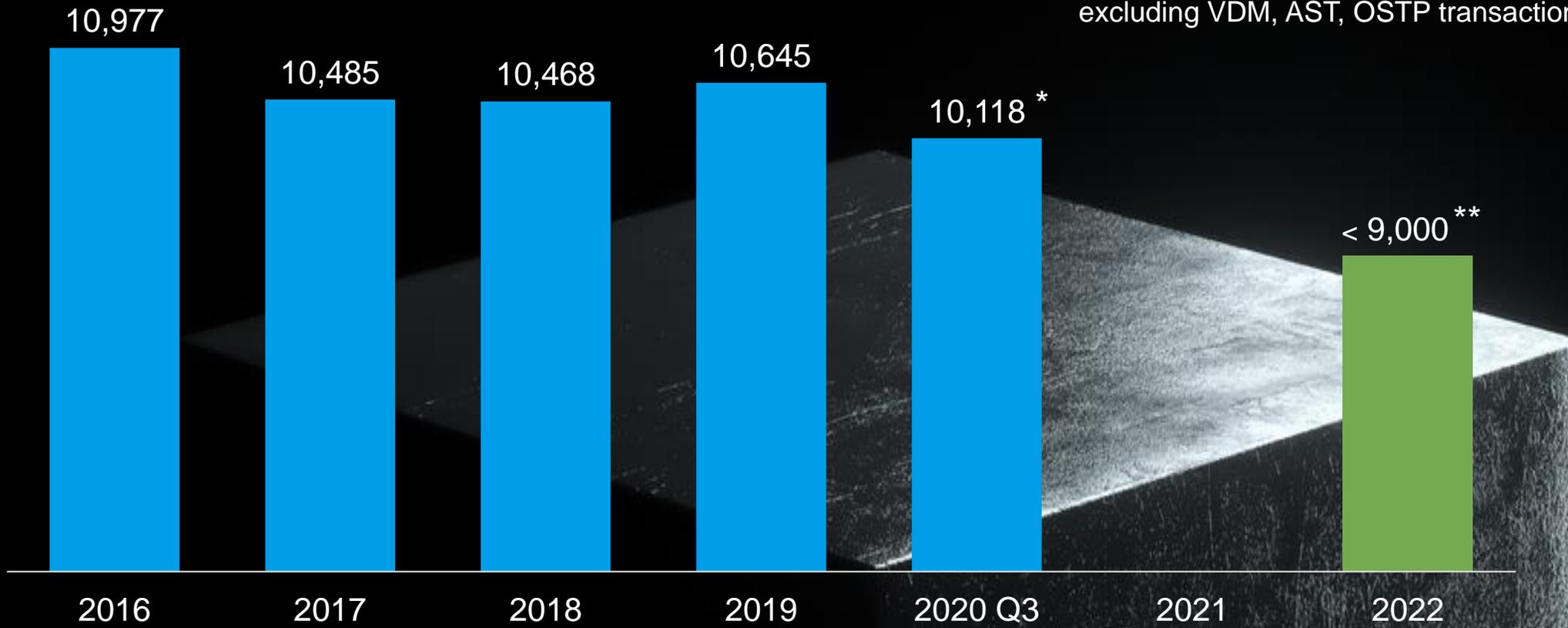
- Business Area Boards to manage performance
- Executional certainty through three-phase program
- Quarterly external reporting on progress with Q1 2021

Financial discipline

- Priority to secure strong balance sheet
- Highly selected investments to improve cost position
- Improved asset management to reduce maintenance capital expenditure

Planned headcount reductions will improve cost competitiveness

Legal headcount, average for the period excluding VDM, AST, OSTP transaction in 2013/14



* At the end of the period
** Planned headcount

€200 million EBITDA run-rate improvement delivered by end of 2022

Customer excellence	<ul style="list-style-type: none">• Enhanced product mix in all business areas• Growth in selected segments• Leverage specialty grades leadership
Cost & capital discipline	<ul style="list-style-type: none">• Increased raw material efficiency• Maintenance optimization• Strict asset management• Annual CAPEX €180 million in 2021 and 2022
Lean & agile organization	<ul style="list-style-type: none">• Planned 10% reduction in Group headcount by end of 2021• De-layered organization• Strong performance management



€200 million EBITDA improvement*

**run-rate improvement from actions by year-end 2022.*

New steering model ensures diligent strategy execution

- Concrete initiatives in each business area to deliver bottom-line impact
- Disciplined weekly tracking of progress by Transformation Office led by CFO
- Monthly CEO chaired Business Area Boards to address potential deviations
- External commitment: quarterly reporting on progress, starting with Q1/21

Business area Europe: Customer engagement at the core of the new strategy

Commercial excellence		Cost & capital discipline		Lean & agile organization	
Grow specialty grades sales supported by new products and high quality technical sales	Strengthen commodity grades sales through improved cost competitiveness and stronger customer engagement	Continue raw material cost optimization	Accelerate manufacturing excellence program	Personnel measures	De-layered structures
		Reduce fixed costs	Optimize maintenance spend & drive procurement savings		

Business area Americas: From turnaround to continuous improvement and growth

Commercial excellence		Cost & capital discipline		Lean & agile organization
Strengthen commercial footprint in the US and Mexico	Grow in automotive, appliances, and pipe & tube segments	Continue slab cost optimization	Optimize freight costs	Personnel measures in Mexico
Ferritics investment Capture full benefits from the €30 million investment made in ferritics offering, ramp-up starting		Continue manufacturing excellence program		

Business area Ferrochrome: Strong potential for future value creation

Increase
sales through
new product
development

Reduce
reliance on spot
market and
logistics costs

Improve
fine concentrating
plant capabilities
and mining
efficiencies

Deep Mine investment

Finalize the €283 million mine expansion investment to secure our ore availability until the beginning of the 2040s with current ferrochrome production.

- €123 million cash out Capex in 2021-2022



Business area Long Products: Turnaround driven by operational improvements & commercial excellence



Accelerated turnaround program launched by the new management will deliver significant improvement in financial performance

Reduce
headcount by approximately 100 people

Roll-out
manufacturing excellence program

Align
fixed costs to current volumes

Extract
fair value from the unique offering, especially in semis

Commercialize
investments made to Fagersta

Expand
bar product range and distributor presence

Improvement plans factor in potentially slow market recovery

Indexed market demand (Index, 2018 = 100)

Flat products Europe



Flat products NAFTA/USMCA



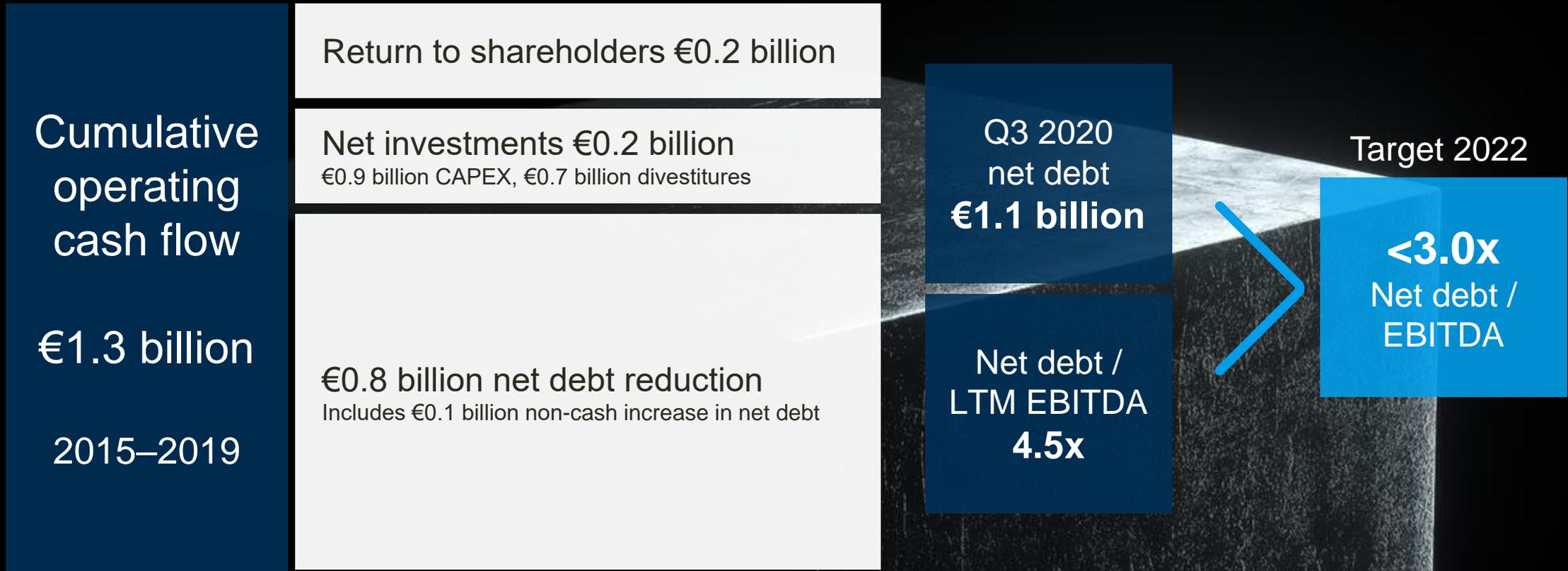
Long products¹



Market demand

Outokumpu planning premise

Significant progress to deleverage the company, but further improvement needed



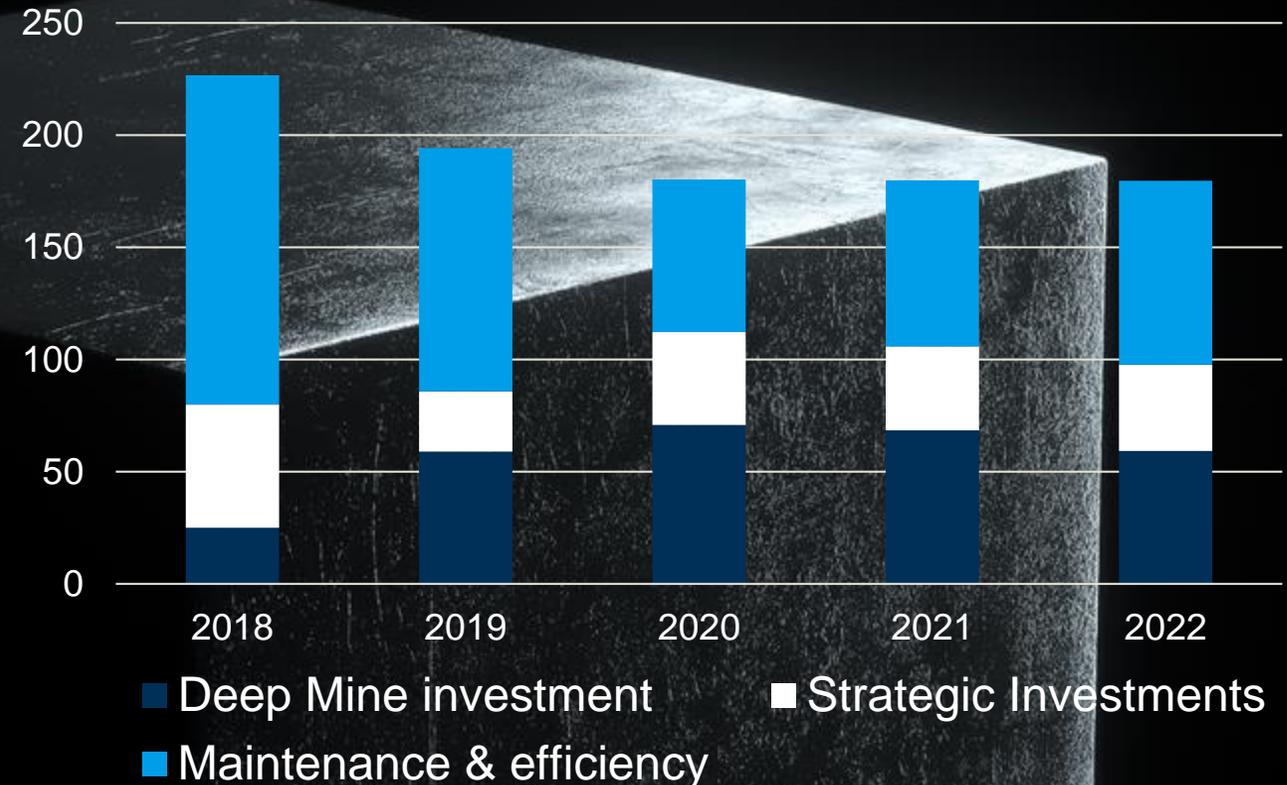
Priority to strengthen balance sheet to create shareholder value

	Phase 1: 2021–2022	Phase 2: 2023–2025
Operating cash flow	Improved from low levels driven by €200 million EBITDA improvement	Continued focus, supported by higher and improving margins
Return to shareholders	<p>Following a review of the January-September 2020 financial results, Outokumpu's Board of Directors has decided that owing to the importance of strengthening the Company's balance sheet no dividend will be paid for the financial year 2019.</p> <p>The Board confirms that in the challenging market environment improving the Company's financial position will continue to be of highest priority.</p>	
CAPEX	€360 million of which €122 million to DeepMine	Continued capital discipline: High return investments to lower cost
Net debt / EBITDA	<3.0x by period end	De-leveraging continues

Focused capital allocation – annual CAPEX €180 million in 2021-2022

- In 2021-2022 CAPEX focused on ongoing strategic investments and retaining maintenance on a sustainable level
- Maintenance CAPEX optimized to support the current operational level
- Deep Mine investment to be finalized in 2022
- After 2022 potential to invest in productivity, sustainability and growth

Annual capital expenditure



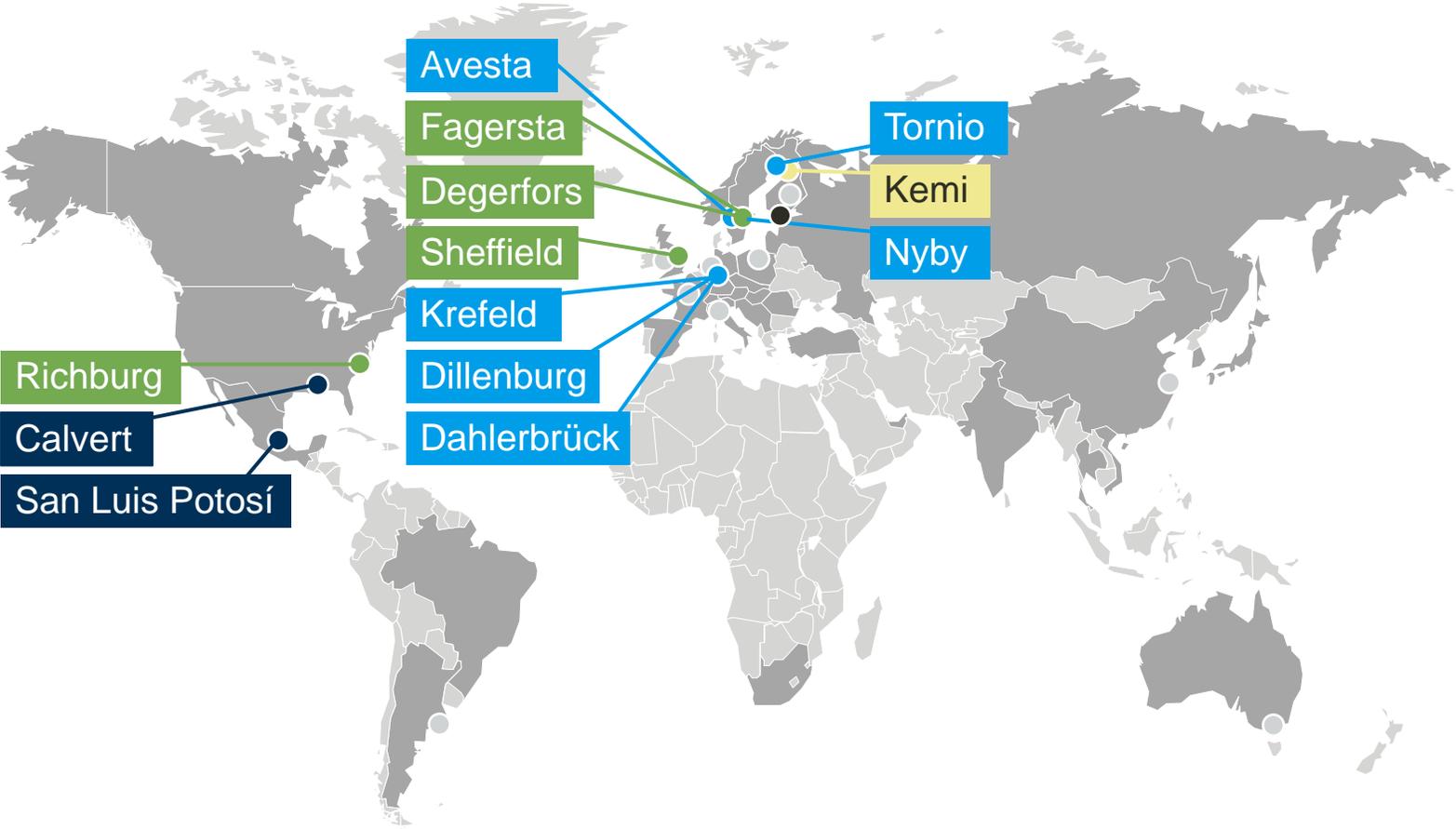
Actions to strengthen sustainability leadership

	Current sustainability performance	Targets
	Safety and wellbeing <ul style="list-style-type: none">• >50% reduction on incidents¹ since 2015• Organizational health index (OHI) in 2nd quartile	<ul style="list-style-type: none">• Ultimate goal zero accidents• Ensure industry leader position
	Circular economy <ul style="list-style-type: none">• >85% recycled content, highest in the industry• Energy efficient processes and reuse of side streams	<ul style="list-style-type: none">• Increase the share of recycled content
	CO₂ reduction <ul style="list-style-type: none">• >75% lower carbon footprint than Asian producers²• 8MT reduction on customers' CO₂ footprint in 2019³	<ul style="list-style-type: none">• 20% lower carbon footprint by 2023• Carbon neutral in 2050⁴

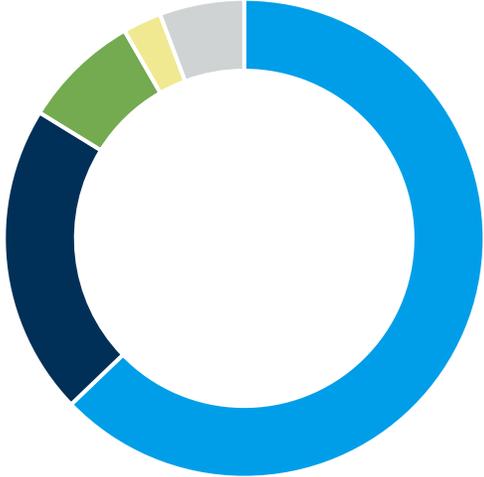
1. Lost time injury frequency rate
2. Outokumpu average carbon footprint: 1.6 t/ton of crude steel vs. China and Indonesia estimate at 7.6.
3. Outokumpu average carbon footprint: 1.6 t/ton of crude steel vs vs global average of 5.4. Outokumpu stainless deliveries of 2.2m in 2019
4. Our carbon neutrality 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

Business areas

Outokumpu's assets work as one integrated system



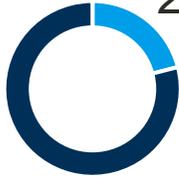
Sales by business area in 2019
€ 6,403 million



- Europe
- Americas
- Long Products
- Ferrochrome



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

Business area	EUROPE	AMERICAS	LONG PRODUCTS	FERROCHROME
Market share	#1  28%	#2  21%	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 – 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

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

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



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



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.

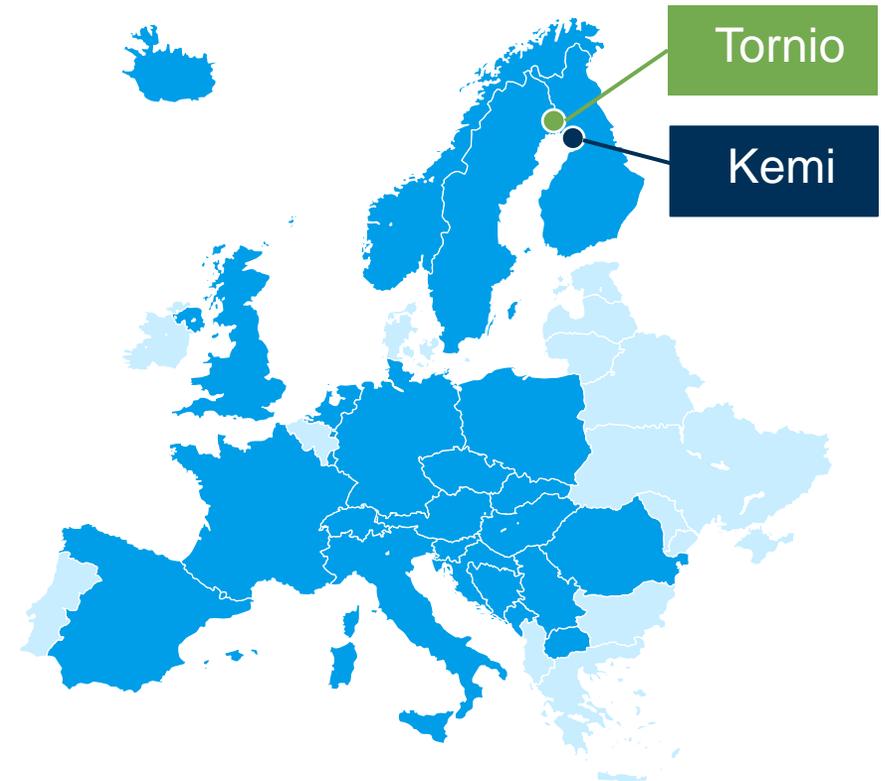


Tornio

- 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

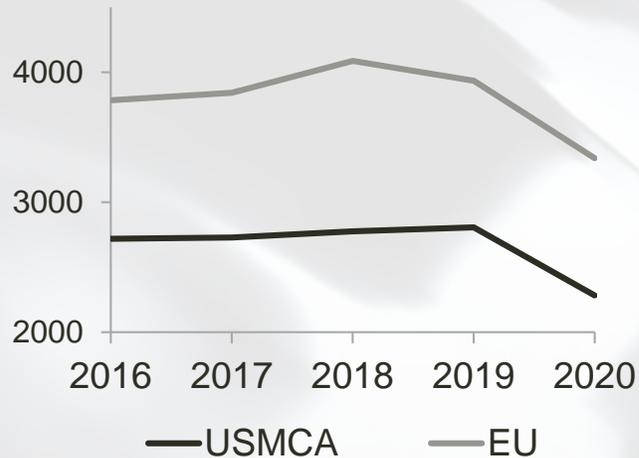
Efficient inventory
management

Markets

Current market requires decisive actions

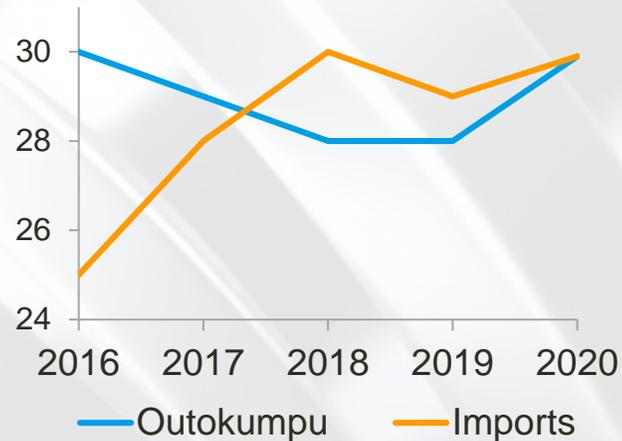
COVID-19 impacting stainless demand

Stainless flat consumption, kt



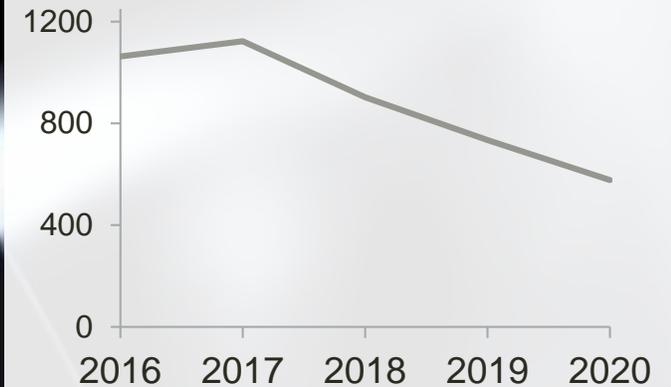
Low priced imports take market share

Market shares in Europe, %
Outokumpu vs. imports



Prices historically low

EU base price development, €/t



Source: SMR, McKinsey, Eurofer, CRU

High import penetration, price pressure and low demand have changed the market dynamics

Unfair trade practices and growing competition from Asian producers

Trade wars have led to market disruption

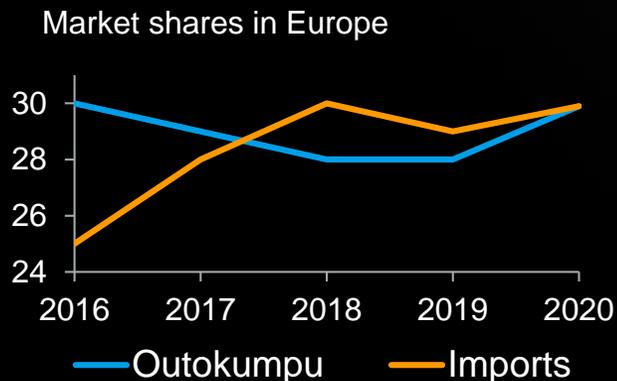
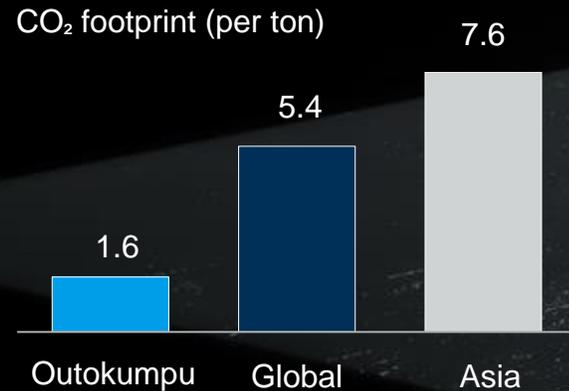
New pricing mechanisms: from alloy surcharge to transaction pricing

Shift towards NPI leads to a change in scrap pricing

Trade defense actions by EU insufficient – Urgent need to address unfair market practices and carbon leakage

Imports have significantly higher carbon footprint

Despite this, the share of imports has grown



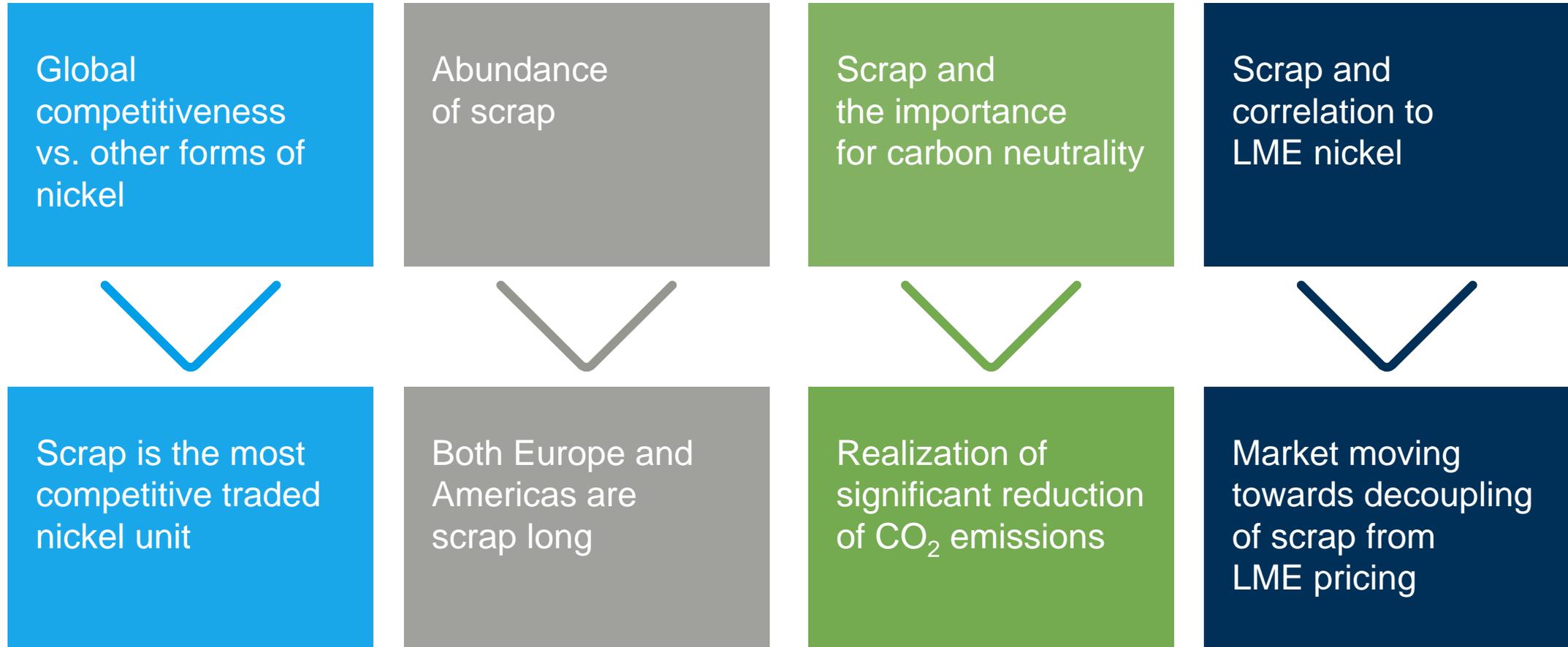
European **safeguards** need to be renewed and improved

Full potential of **trade defense measures** (anti-dumping & anti-subsidy) to be applied

WTO dispute against Indonesian export restriction on raw materials

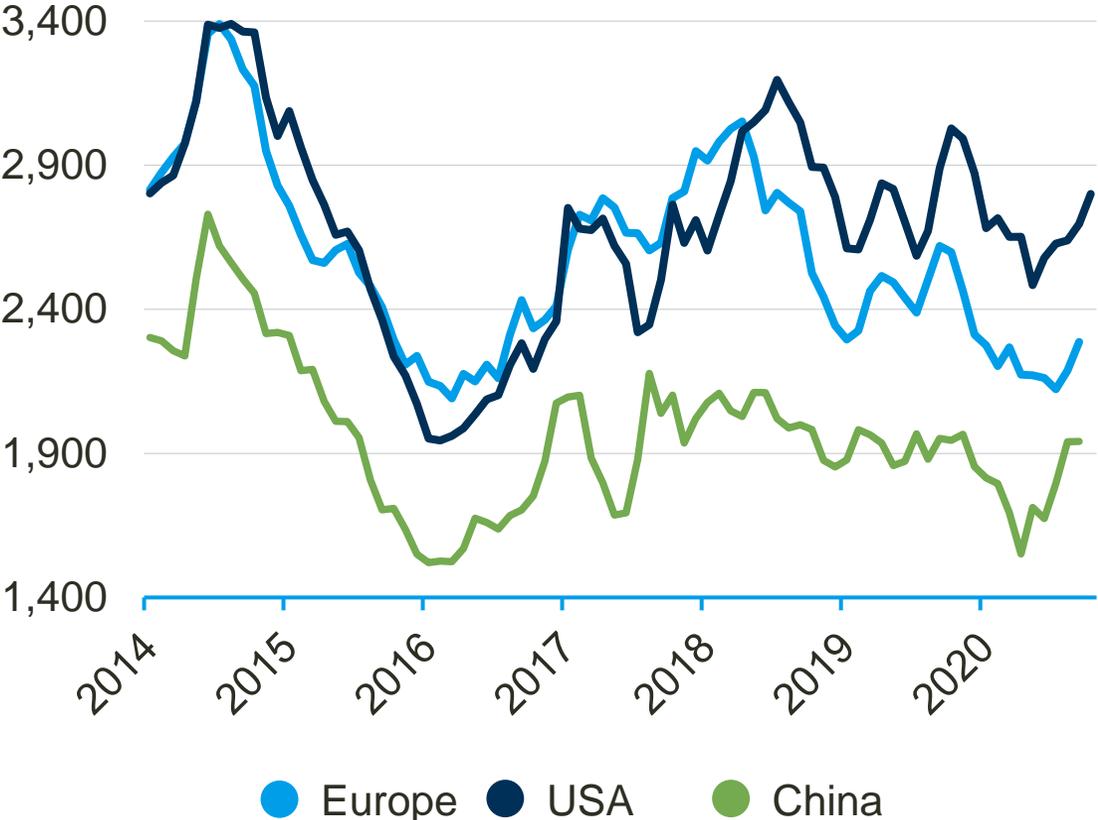
Effective measures needed **to prevent carbon leakage**

Scrap is a competitive advantage and driver for sustainability

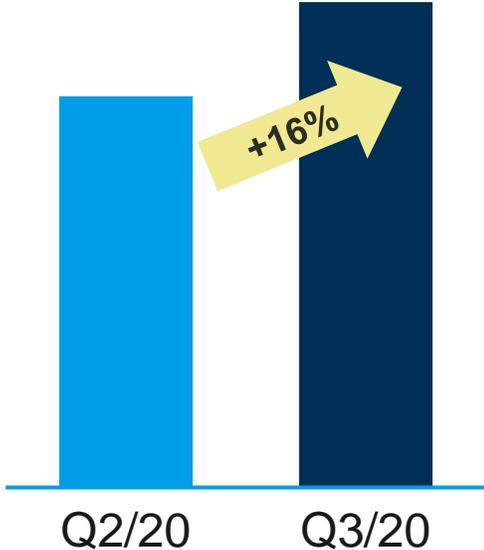


Nickel price climbed higher during Q3/20

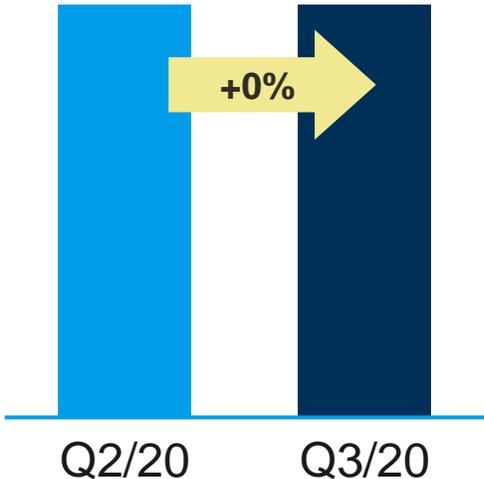
Transaction prices 304 stainless, USD/tonne



Average nickel price, USD/tonne



Ferrochrome benchmark price, USD/lb.

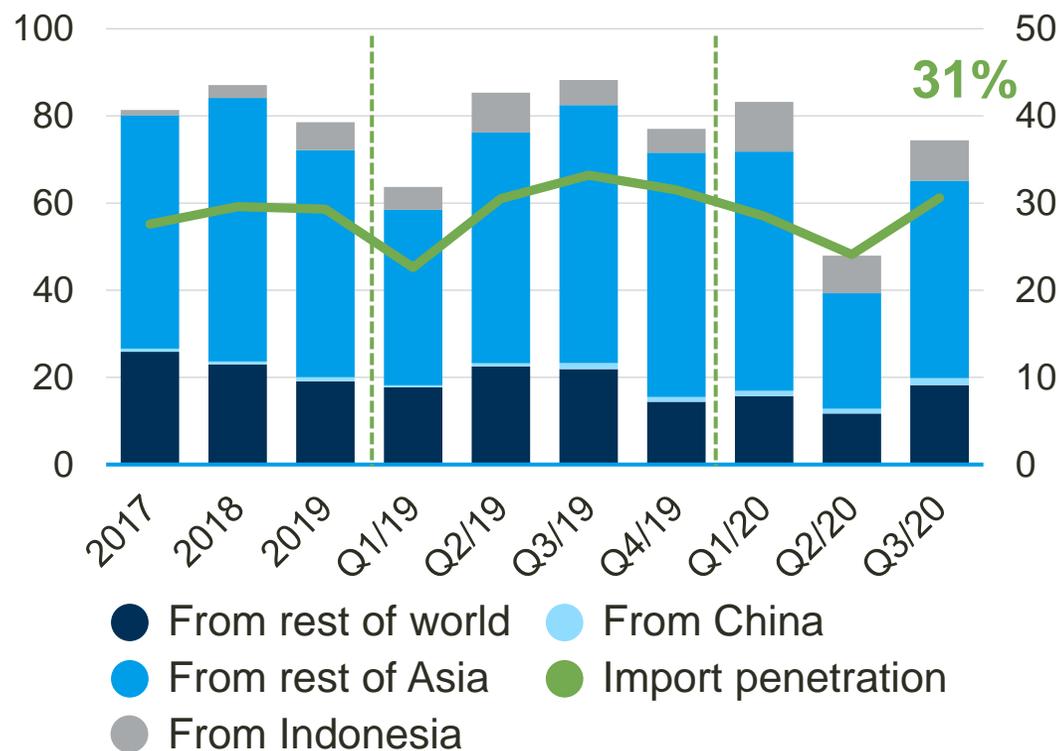


Source: CRU & Metal Bulletin

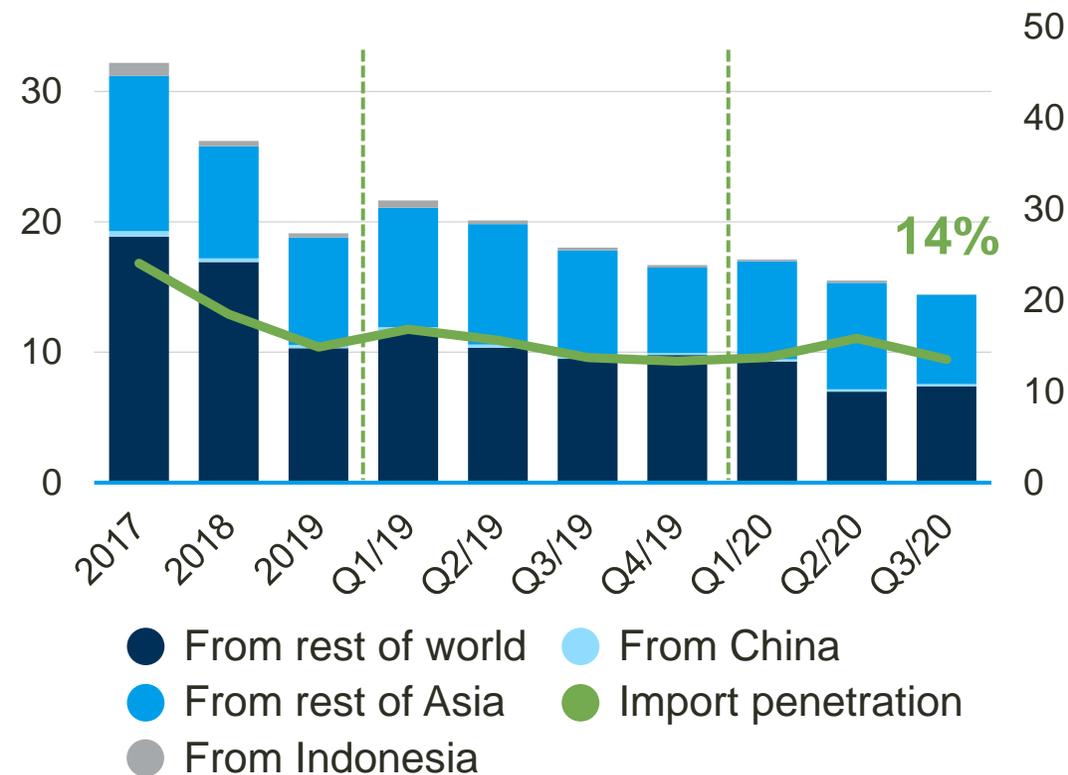


Imports into Europe spiked in July as the new quarterly import quota period started

Third-country cold rolled imports¹ into Europe, 1,000 tonnes



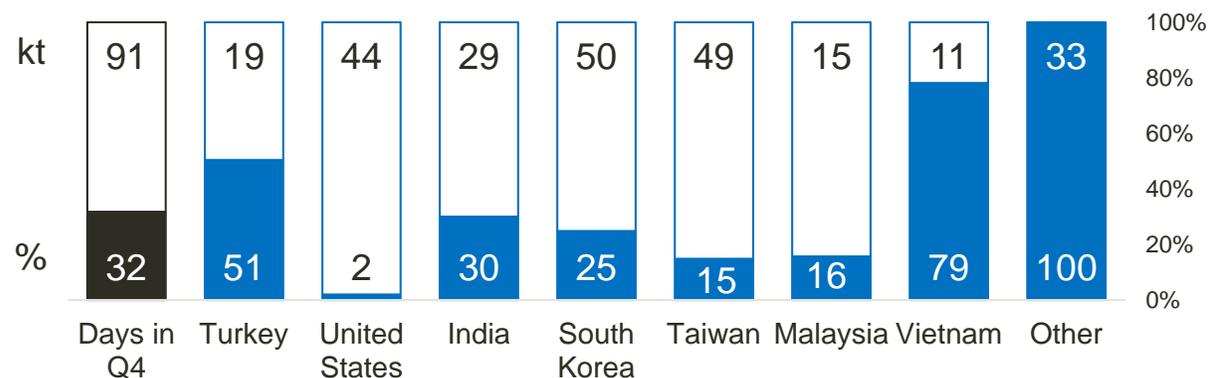
Third-country cold rolled imports² into the US, 1,000 tonnes



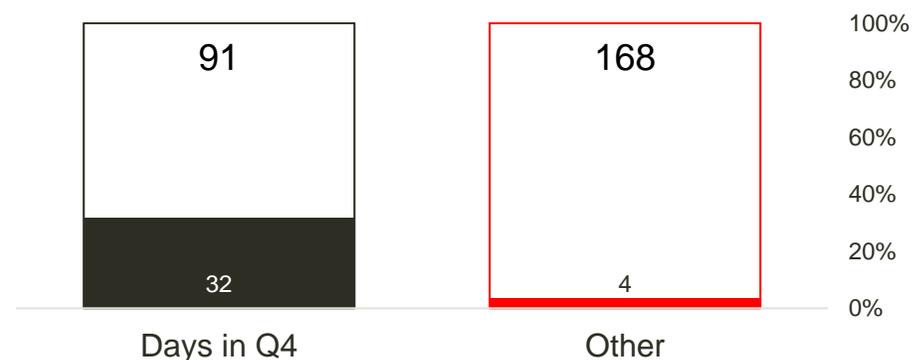
1. Cold rolled, monthly average. Source: Eurofer, October 2020 (Q3'20 based on Jul-Aug actuals and forecast for September)
 2. Cold rolled, monthly average. Source: Foreign Trade Statistics, American Iron & Steel Institute, Oct 2020 (Q3'20 based on Jul-Aug)

New import quota period started in October, quota for other countries already fully utilized

EU cold-rolled quota utilization*



EU hot-rolled quota utilization*



European safeguards

- Current safeguards will expire in June 2021
- Safeguards need to be renewed and improved

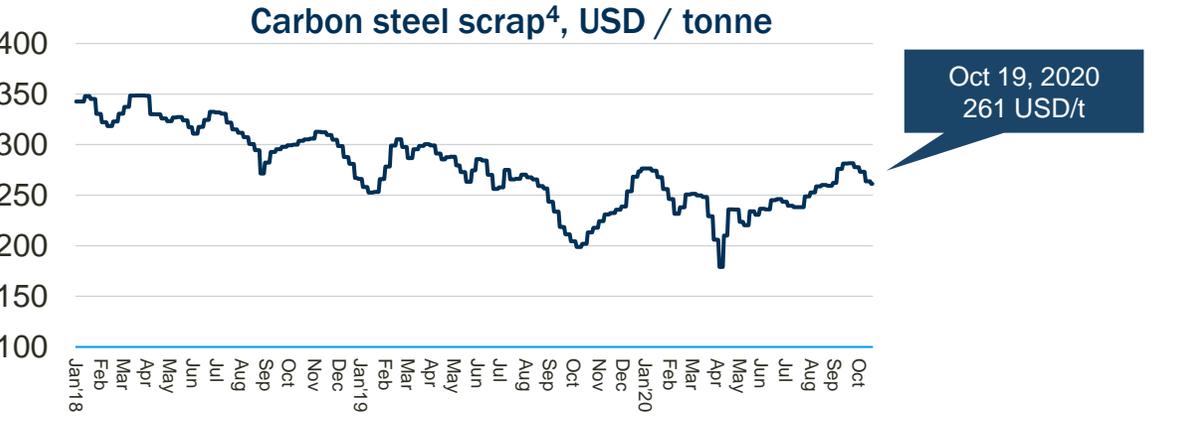
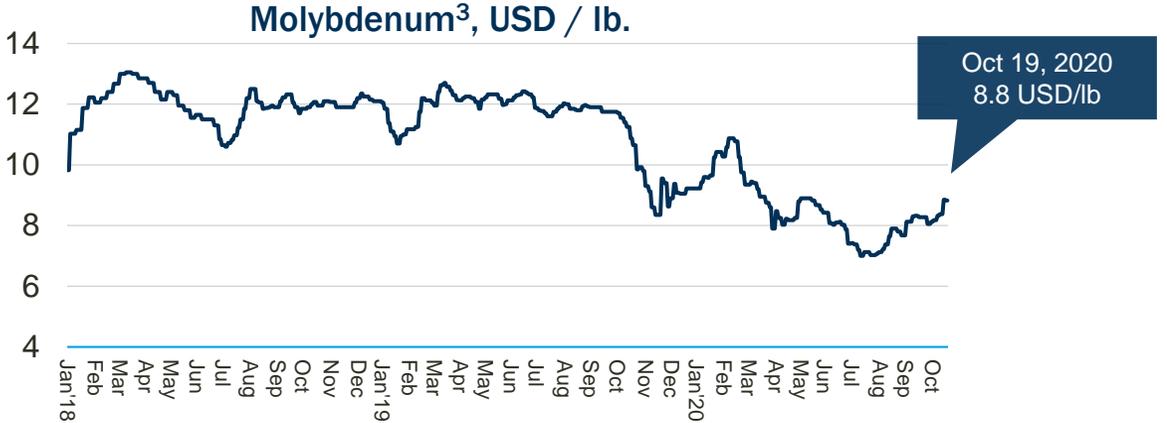
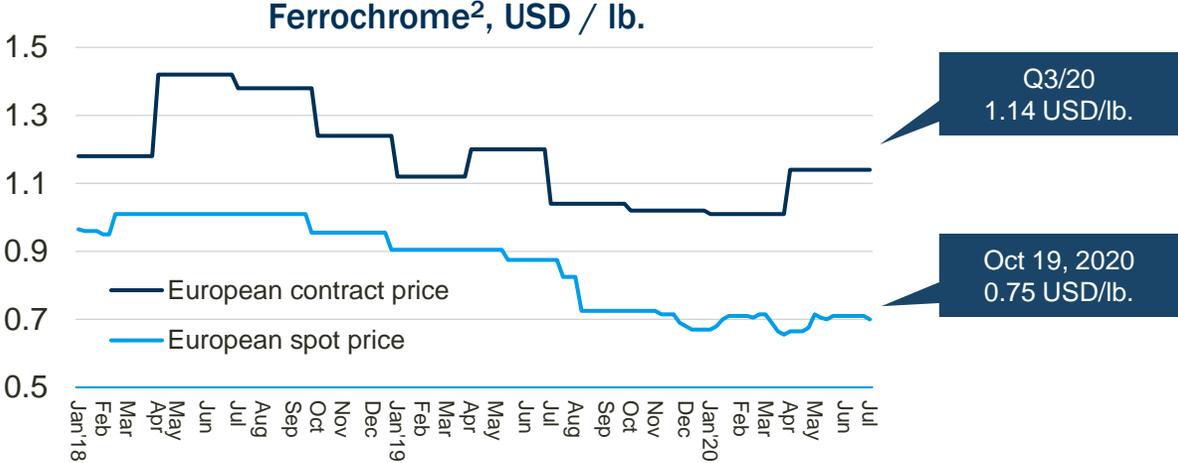
Carbon Border Adjustment

- Part of the European Green Deal

Anti-dumping & anti-subsidy investigation

- In August, expiry review of the current anti-dumping duties on cold-rolled stainless steel from China and Taiwan (imposed in 2015) was initiated
- In September, anti-dumping investigation on cold-rolled stainless steel from India and Indonesia started
- In October, definitive anti-dumping duties on hot-rolled stainless steel from Indonesia, China and Taiwan was imposed for five years

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	2019	2018
Tsingshan	9.8	10.2
TISCO	4.5	5.5
POSCO (incl. ZPSS)	3.3	3.3
Acerinox	3.3	3.2
Outokumpu	3.2	3.3
Aperam	3.0	2.1

Outokumpu's market share

	2019
Europe	28%
NAFTA	21%
Globally	~6%



Sustainability

We are committed to reaching carbon neutrality by 2050 in-line with EU Green Deal 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 the leading producer of sustainable stainless steel globally and we have the 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

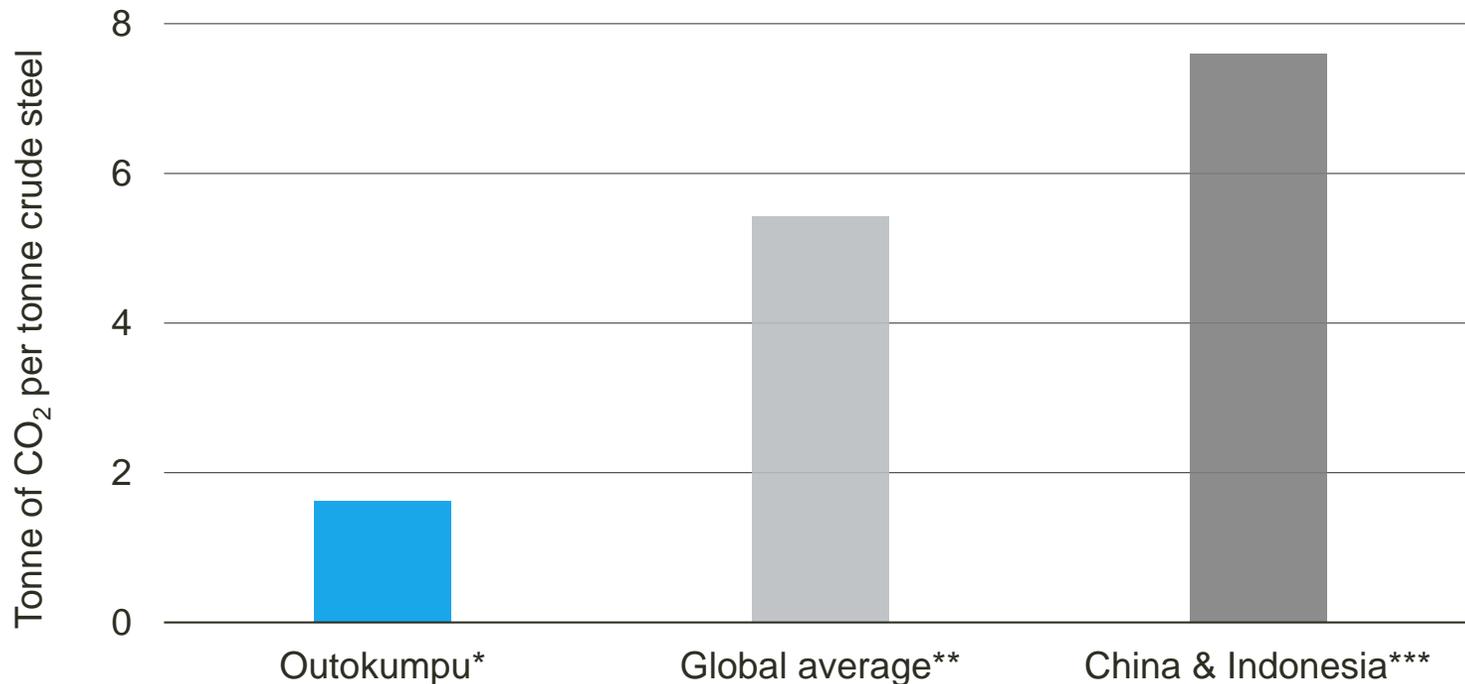
High usage of carbon neutral electricity in Europe

+80%

Energy and material efficiency

Stainless steel from China and Indonesia has up-to five times higher carbon footprint

CO₂ emissions of stainless steel producers



Drivers of high carbon footprint for Chinese and Indonesian stainless steel

1. Low utilization of recycled material
2. Low nickel content ore and high emissions from blast furnaces
3. Use of coal as main electricity source

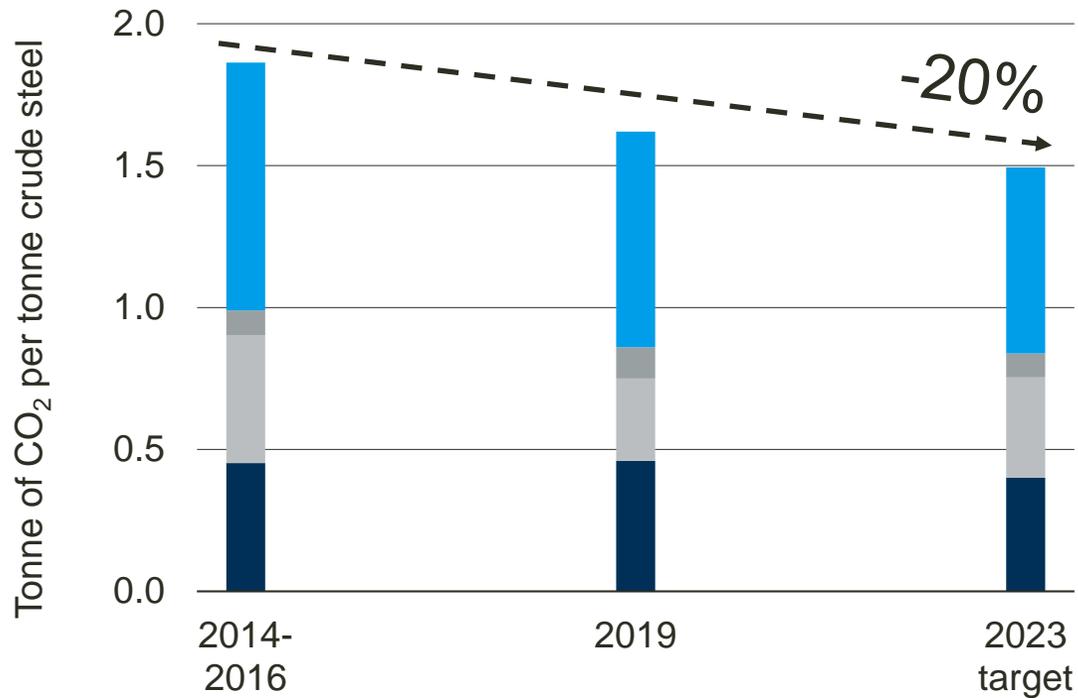
*) Source: Outokumpu January 2020

**) Average of ISSF study 2018 and China and Indonesia

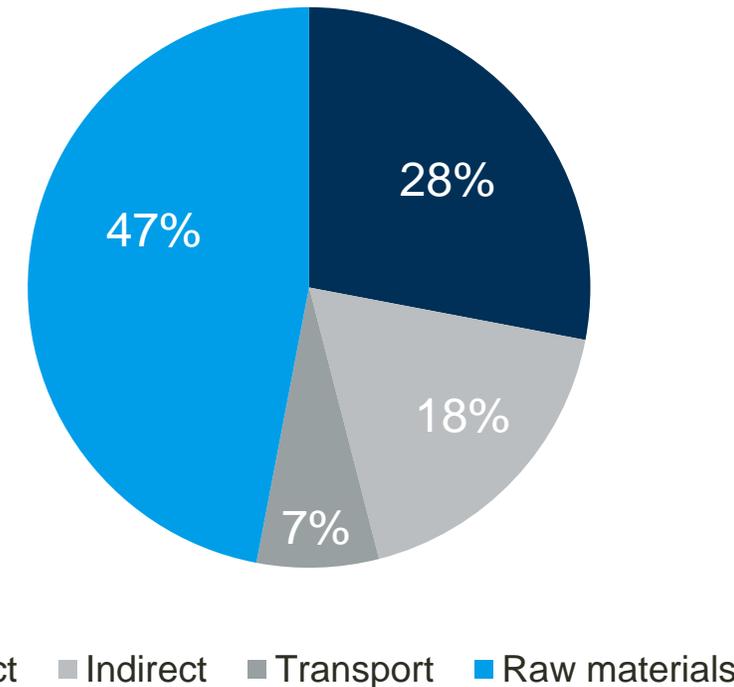
***) Outokumpu estimates for China and Indonesia

We are on track to reach our science based target 20% lower carbon footprint by 2023

Outokumpu CO₂ emissions intensity ¹



Outokumpu CO₂ footprint by category (2019)



1) CO₂ emissions per ton of stainless steel

Our sustainability work has been recognised...



Gold rating – top 5% performer – from supplier sustainability platform EcoVadis



Outokumpu is included in the Sustainability Yearbook 2020 indicating we are in the top 15% sustainability performers of steel industry



Outokumpu is rated “Prime” by ISS ESG indicating that our sustainability performance is above the sector-specific threshold fulfilling ambitious performance requirements

...and we have clear priorities to do more

Carbon neutral roadmap	Sustainability credentials	Lobbying to achieve a level playing field
<ul style="list-style-type: none">• Energy efficiency improvements• Selected capex• Green electricity sourcing• Carbon Capture Utilization• EU Green deal funding	<ul style="list-style-type: none">• Customer engagement• Develop sustainability certificates• ResponsibleSteel™ membership	<ul style="list-style-type: none">• Secure legislation that supports our business• Trade defense• EU safe guards• Energy taxation• Carbon border adjustment

We focus on 6 UN Sustainable Development Goals



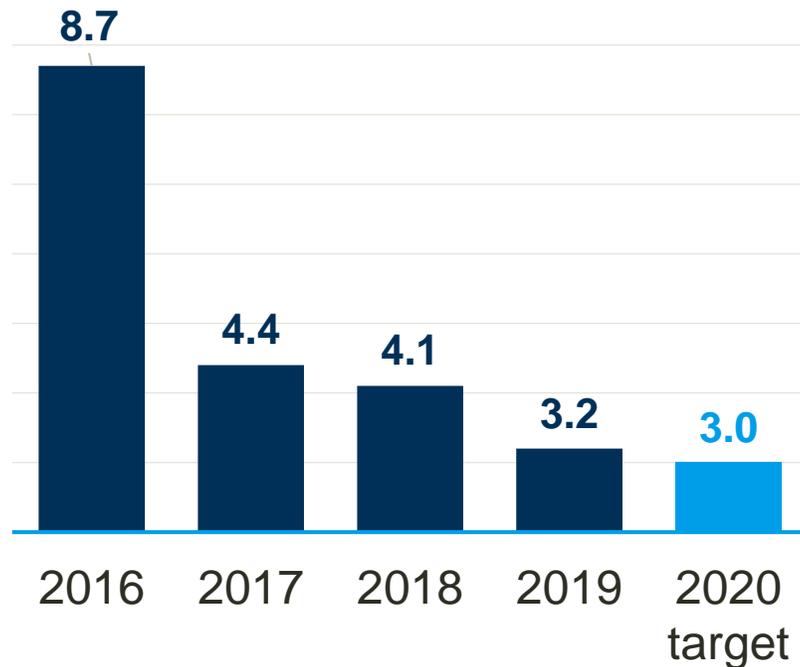
We are committed to the United Nation's Sustainable Development Goals (SDGs) and our focus was realigned with the updated strategy during 2019. We have selected six SDGs that are the most relevant to us in terms of our contribution.

Outokumpu business is based on recycling and is a part of circular economy. Company focuses on resource efficiency as recycled content, the use of by-products to replace natural resources, as well as increasing the energy efficiency in production process. This sustainable approach is supported by several key performance indicators which focus on efficiency.

Products: Stainless steel is long lasting, requires low maintenance and is 100% recyclable. The main raw material is recycled steel. This makes stainless steel products a solution for responsible consumption.

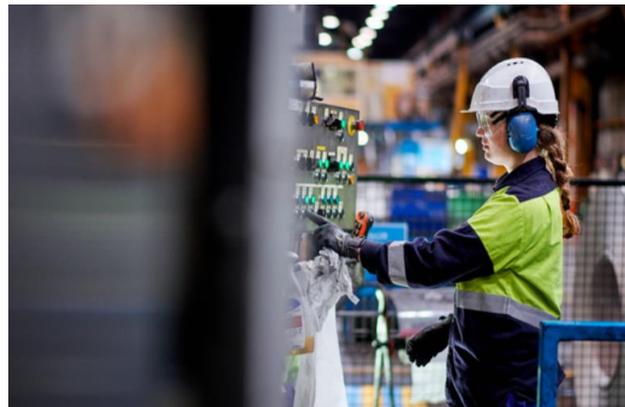
Safety of our employees is our undisputed priority

Total recordable injury frequency rate (TRIFR)



TRIFR target
for 2020

<3.0



We aim to be among the industry leaders in safety with the ultimate goal of zero accidents.

R&D

We are using R&D and technology to increase our customers' competitiveness

Our R&D vision 2023

Being the industry benchmark in profitable stainless steel solutions and becoming the development partner of choice for our customers.

Our unmatched technical competence creates extraordinary value and attracts new talents

Current and future product demands

Product support and problem solving capabilities

New process technologies

Ensuring and improving process efficiency

Digital tools and data science

R&D expenses EUR 17 million in 2019 (0.3% of net sales)

Automotive applications for major OEMs



Enabler for battery packs

- Qualified by major OEMs
- H-Series stainless steel
- Higher passenger protection

Fuel cell technology

- New design by Outokumpu
- Close collaboration with a German OEM

Weldable Sandwich

- Sound dampening
- High strength
- Formable

Marine applications for demanding environments



Exhaust cleaning (Scrubbers)

- Excellent corrosion performance
- Long lifetime in harsh conditions
- Close collaboration with market leaders

Ocean thermal energy

- Heat exchanger with superior corrosion resistance
- Improved heat transfer

Oil, Gas & Off-Shore

- High corrosion resistance
- Highly durable
- Tests in > 2 km Atlantic depth

Process development for higher efficiency

Inclusion Reduction

- Smart melt shop treatment to reduce inclusions
- Excellent results with up to 40% reduction

Surface quality

- Substantial scratch defect reduction in German operations
- Frequency reduced by 70%

Digital Manufacturing

- Connected quality inspection along process route
- Artificial Intelligence
- Digitally enabled process improvements

Latest financials

Q3 2020

Highlights during Q3

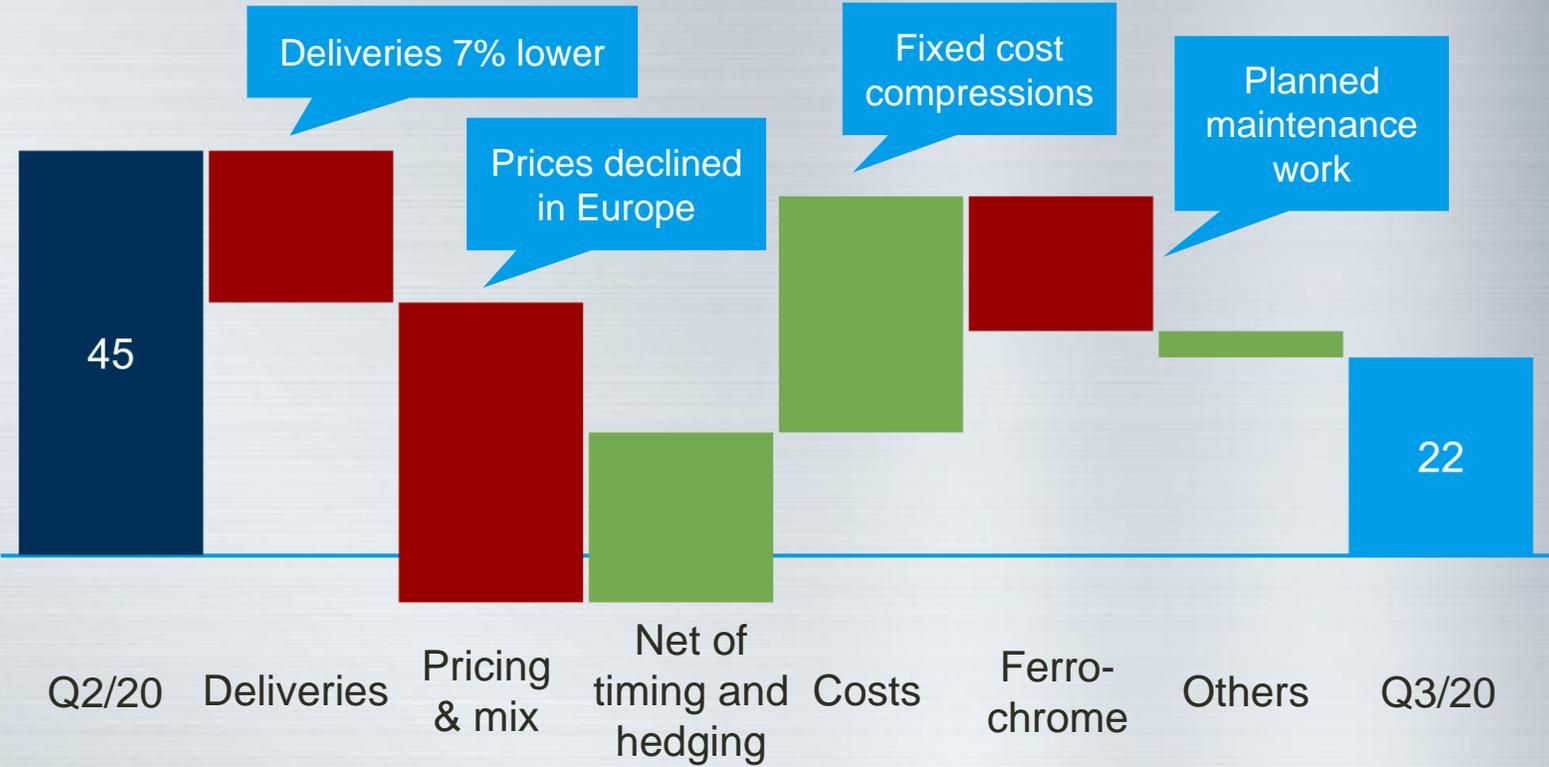
- Result negatively impacted by lower demand due to COVID-19 and typical seasonality in Europe
- Safety performance remained strong
- Strong performance in Americas
- Import penetration spiked in Europe
- Long Products' strategic review concluded, accelerated turnaround program initiated by the new management team

Strong cost mitigation actions in the third quarter

Group adjusted EBITDA, EUR million



Adjusted EBITDA quarter-on-quarter comparison¹, EUR million



1) Indicative columns based on management estimates

Key figures		Q3/20	Q3/19	Q2/20
Stainless steel deliveries	1,000 tonnes	488	533	523
Sales	EUR million	1,254	1,590	1,420
Adjusted EBITDA	EUR million	22	45	45
Net result	EUR million	-63	-27	-37
Earnings per share	EUR	-0.15	-0.06	-0.09
Operating cash flow	EUR million	170	12	72
Net debt	EUR million	1,105	1,336	1,243
Gearing	%	45.1	51.4	49.2
Capital expenditure*	EUR million	35	48	52
Return on capital employed, ROCE	%	0.2	1.0	1.1
Personnel at the end of the period		10,118	10,507	10,213

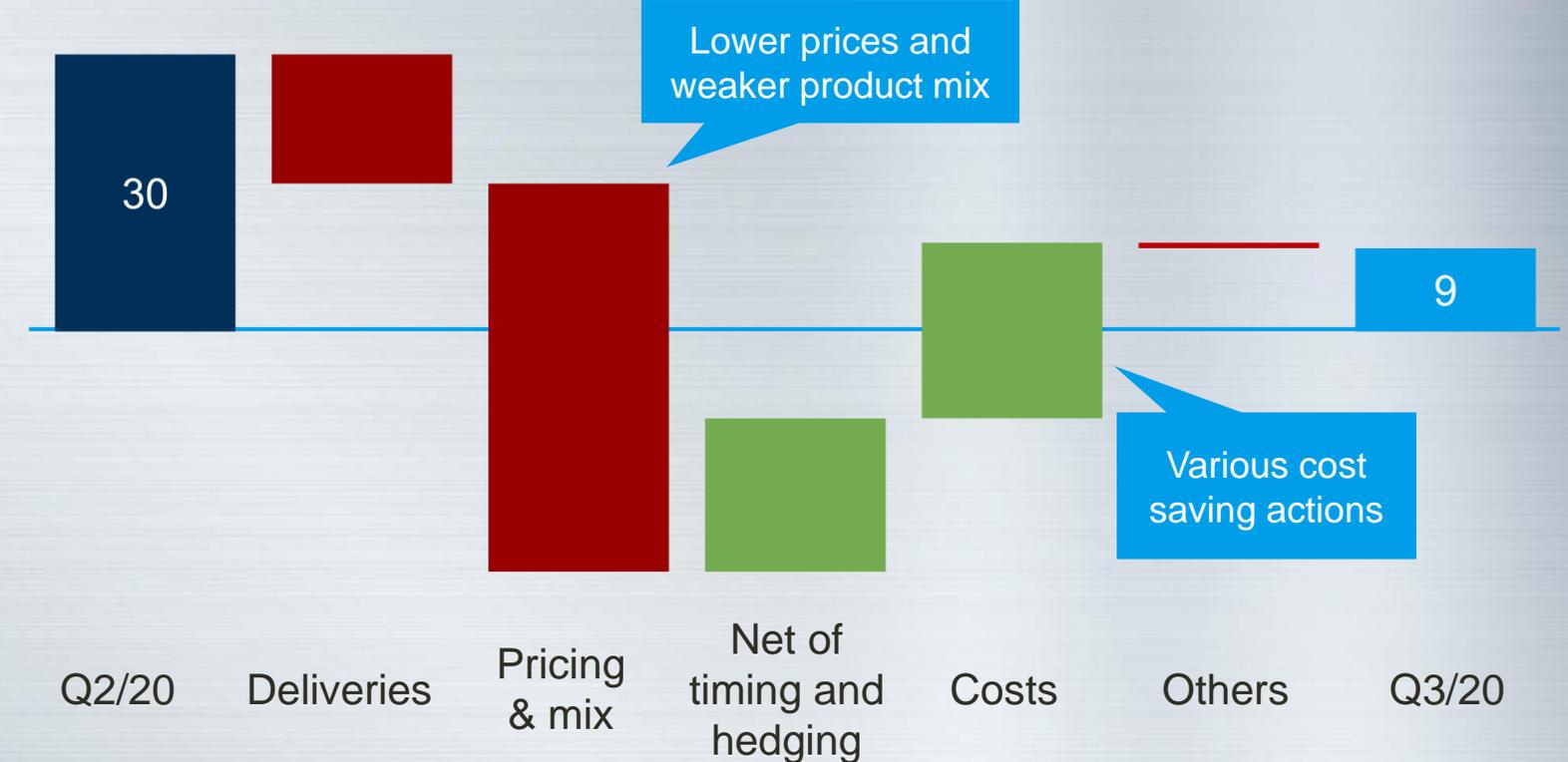
*Capex cash flow

BA Europe – high import pressure, typical seasonality and lower prices resulted in a challenging quarter

Europe adjusted EBITDA, EUR million



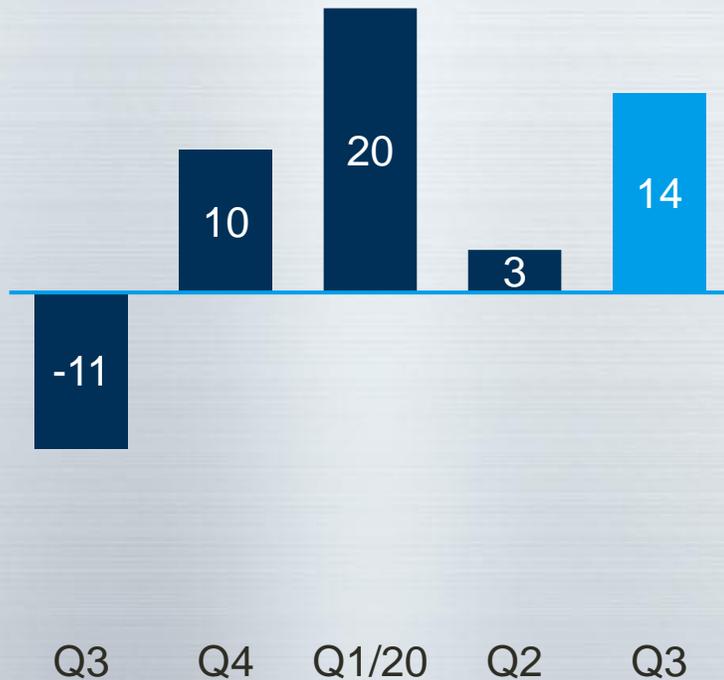
Adjusted EBITDA quarter-on-quarter comparison¹, EUR million



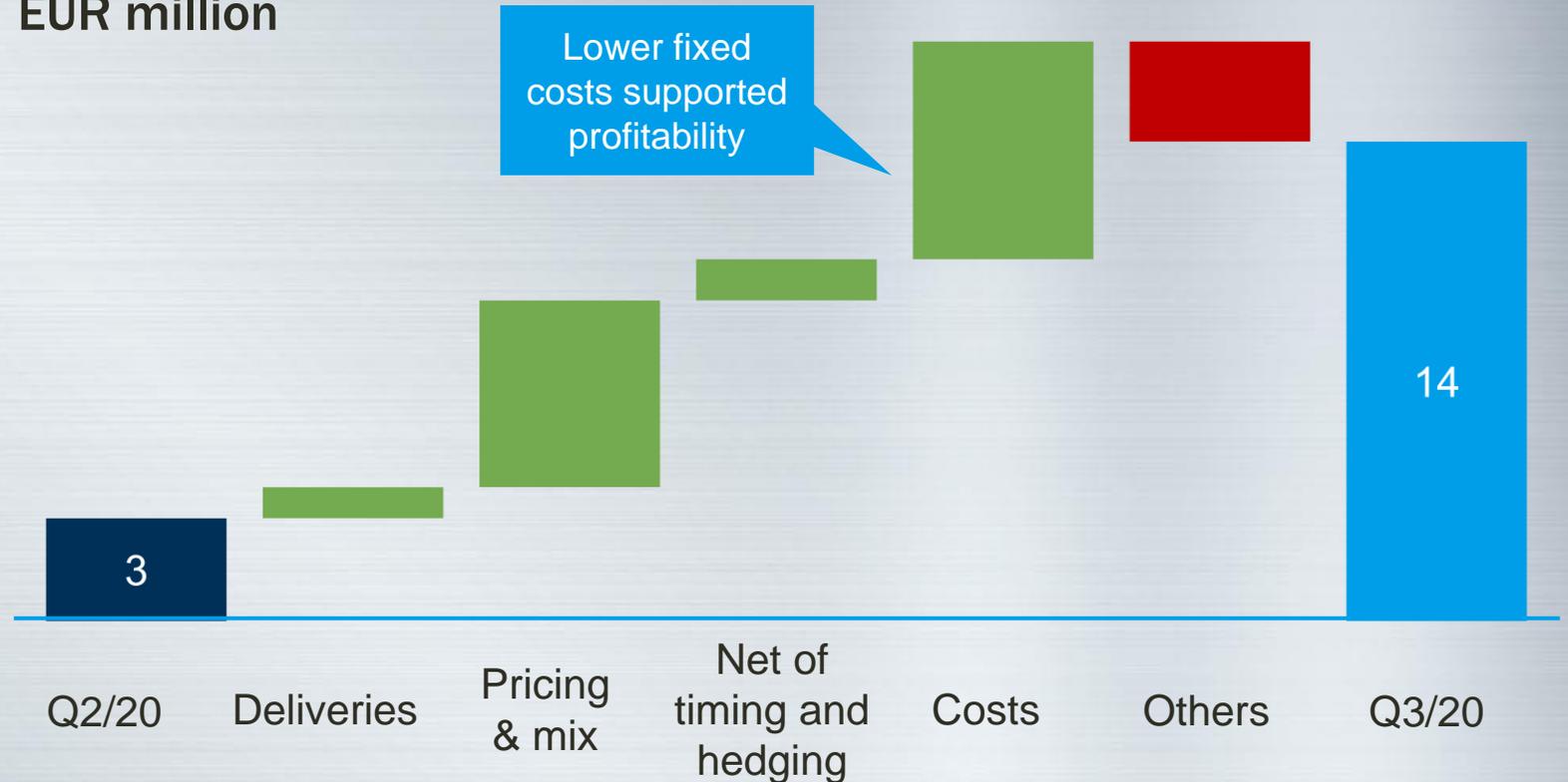
1) Indicative columns based on management estimates

BA Americas – solid performance and cost compression actions improved the result

Americas adjusted EBITDA, EUR million



Adjusted EBITDA quarter-on-quarter comparison¹, EUR million

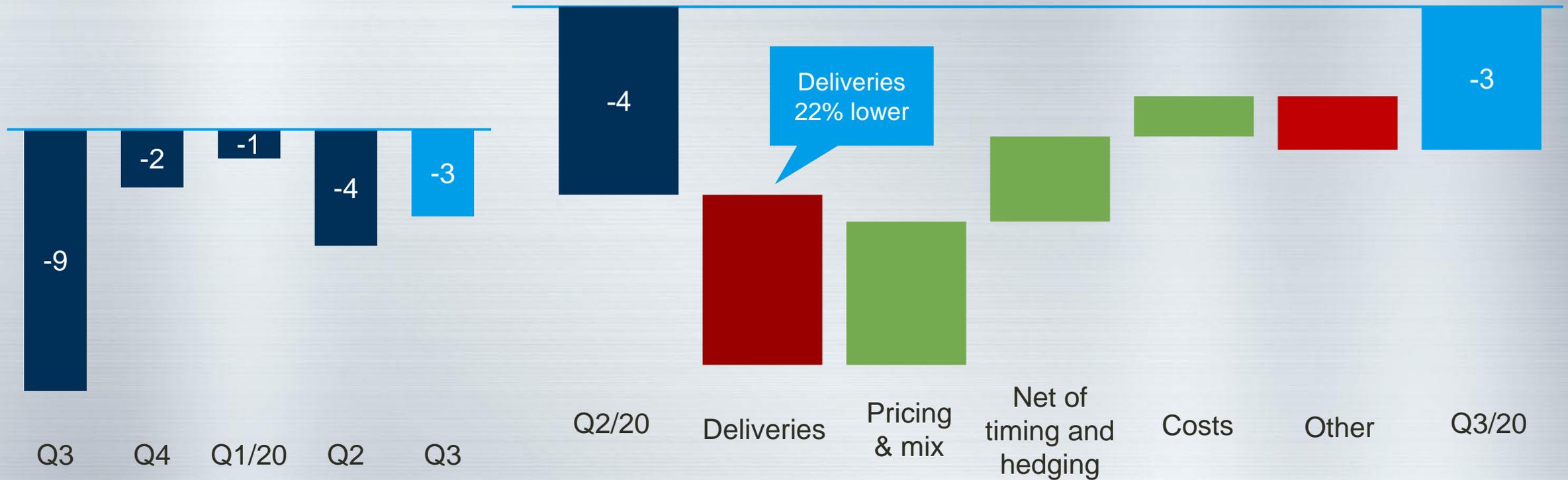


1) Indicative columns based on management estimates

BA Long Products – weak performance continued, accelerated turnaround program starts

Long Products adjusted EBITDA, EUR million

Adjusted EBITDA quarter-on-quarter comparison¹, EUR million



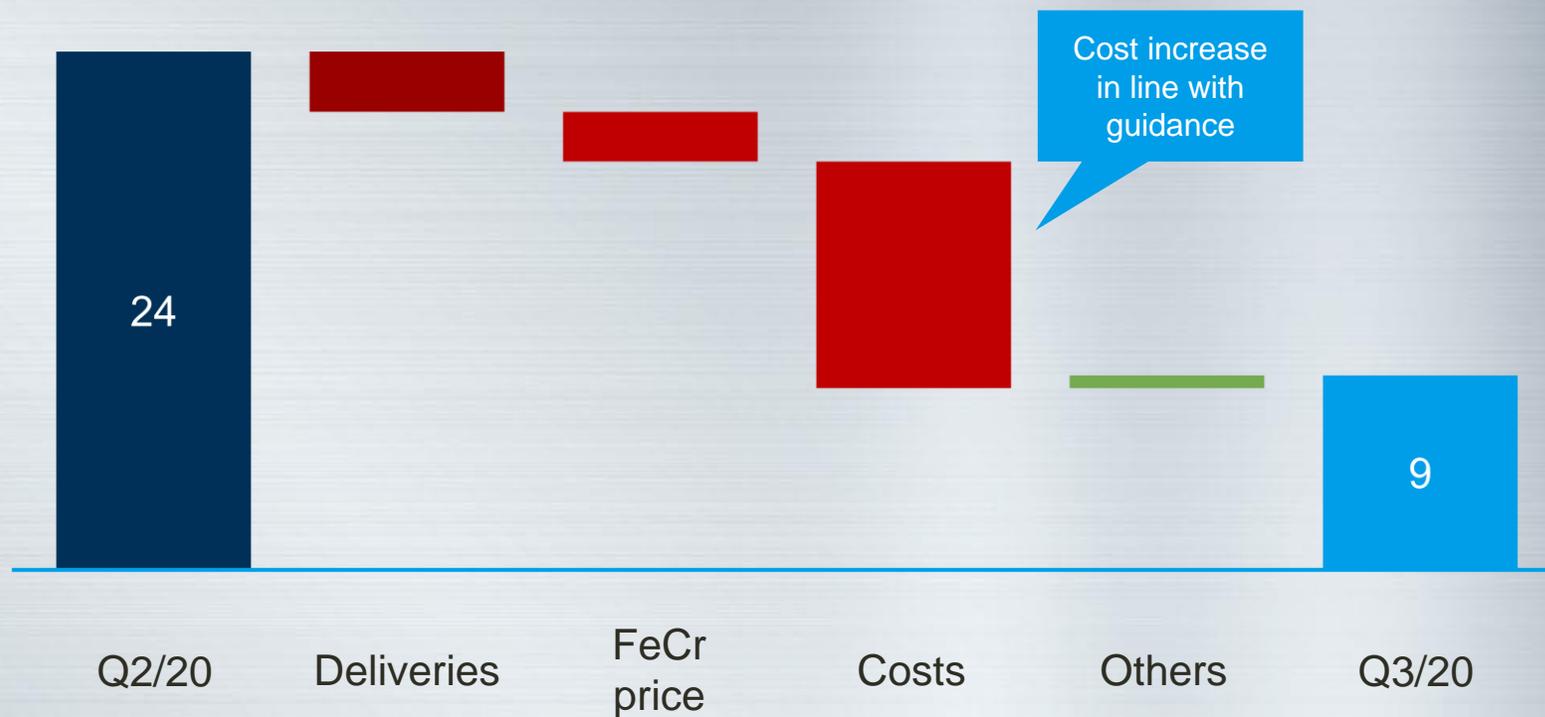
1) Indicative columns based on management estimates

BA Ferrochrome – planned maintenance work completed, start-up successful

Ferrochrome adjusted EBITDA, EUR million



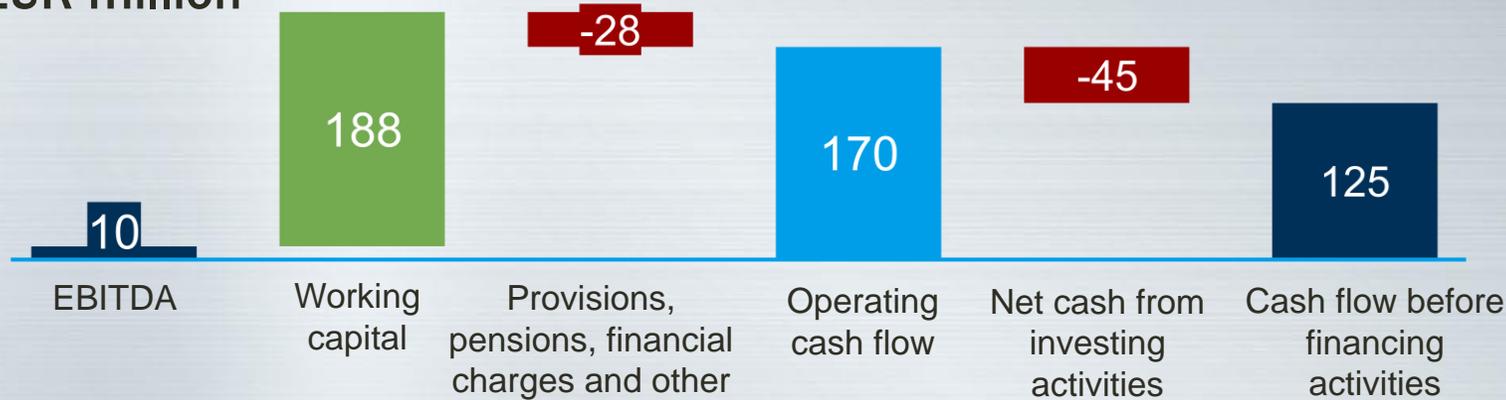
Adjusted EBITDA quarter-on-quarter comparison¹, EUR million



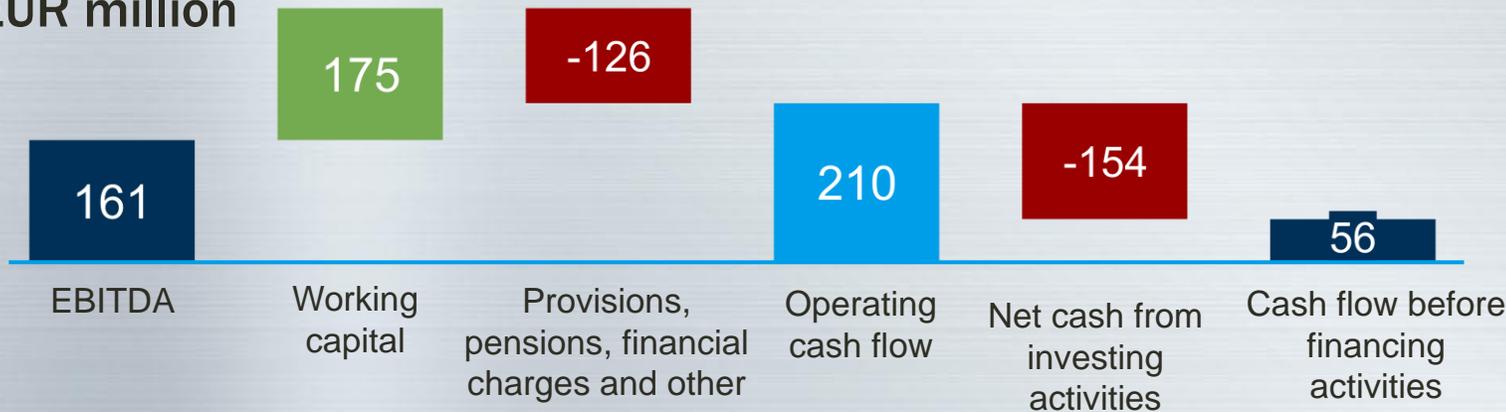
1) Indicative columns based on management estimates

Decisive working capital management and EUR 72 million VAT deferral boosted cash flow

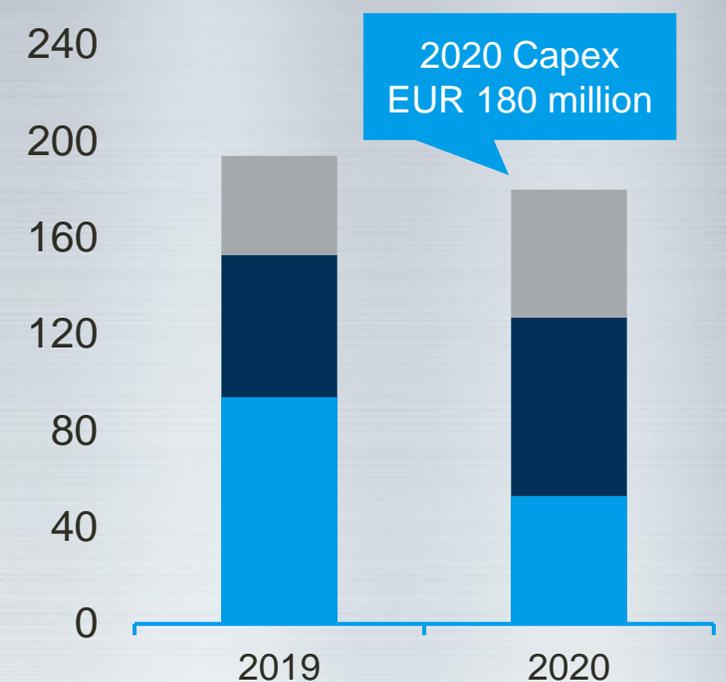
Q3/20 cash flow, EUR million



2020 cumulative cash flow, EUR million



Annual Capex, EUR million



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

Net debt reduced to EUR 1.1 billion, gearing at 45%

Net debt, EUR million



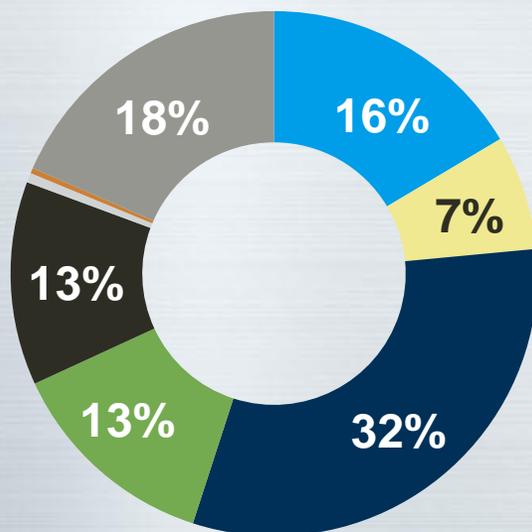
Net debt/LTM adjusted EBITDA



* Implementation impact on Jan 1, 2019

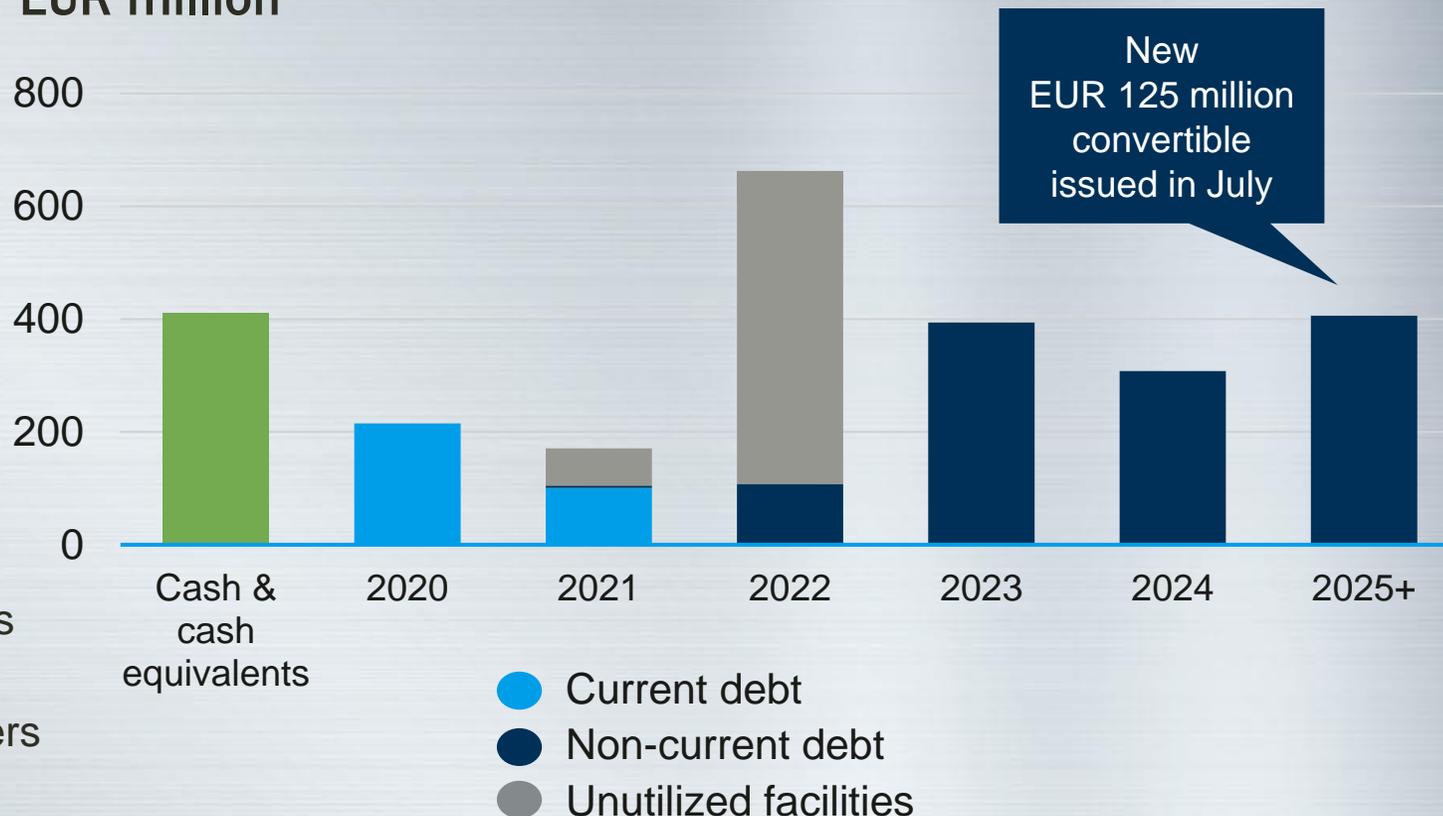
Total liquidity reserves amounted to EUR 0.9 billion at the end of September

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



Outlook for Q4 2020

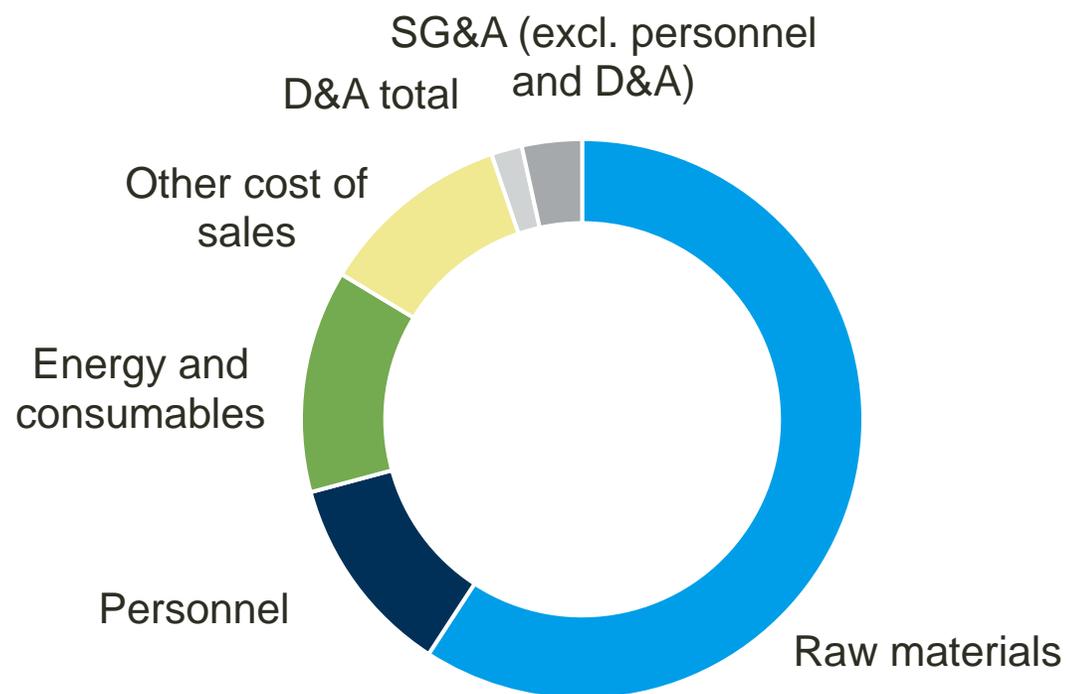
As communicated previously, the COVID-19 pandemic is expected to have a significant impact on the stainless steel industry throughout 2020, and increases uncertainty.

Outokumpu expects its stainless steel deliveries for the whole Group to remain stable in the fourth quarter compared to the third quarter.

The seasonal year-end maintenance work in Tornio, Finland is expected to have an approximately EUR 10 million negative impact on the fourth quarter result compared to the third quarter.

Adjusted EBITDA is expected to remain at the same level during the fourth quarter compared to the third quarter.

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

Over 4% productivity improvement in 2019 – more to come in 2020



Productivity improvement is based on numerous local projects

Raw material excellence

Reduction of net working capital

Procurement initiatives

Continuous debottlenecking of key equipment

Moving towards a single operating system

Reliability

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

Linda Häkkilä

Investor Relations Manager

Mobile: +358 40 071 9669

E-mail: linda.hakkila@outokumpu.com

Päivi Laajaranta

Executive Assistant

Phone +358 9 421 4070

Mobile +358 400 607 424

E-mail: paivi.laajaranta@outokumpu.com

Q4 result

The date to be confirmed

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

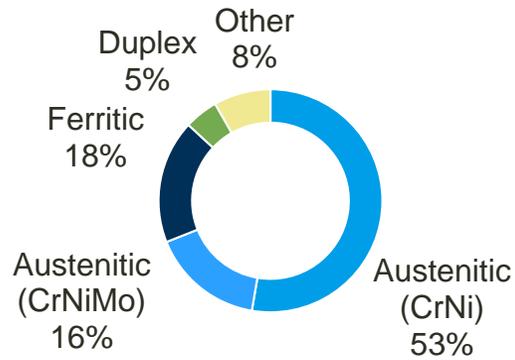
Cold annealing and pickling line

Polishing line

Slitting Line Cut-to-length Line

Outokumpu is a global leader of advanced solutions and our stainless steels can be divided in four groups

Deliveries by product group in 2019



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	Ferritics	Duplex	Martensitic
	Nickel content Non-magnetic	No nickel Magnetic	Low nickel content Magnetic	No nickel Magnetic
Corrosion resistance				
Strength / Hardness				
Deformability				
Surface aesthetics				
Raw material costs				
	Versatile stainless steels with good combination of properties for wide range of applications	Applications which have lower requirements regarding corrosion and deformability	Applications which require a high resistance to stress, corrosion, cracking and/or strength	Applications which require high strength and hardness

Stainless steel prices reflect various factors



Traditional stainless steel base price model consists of three components



Base price

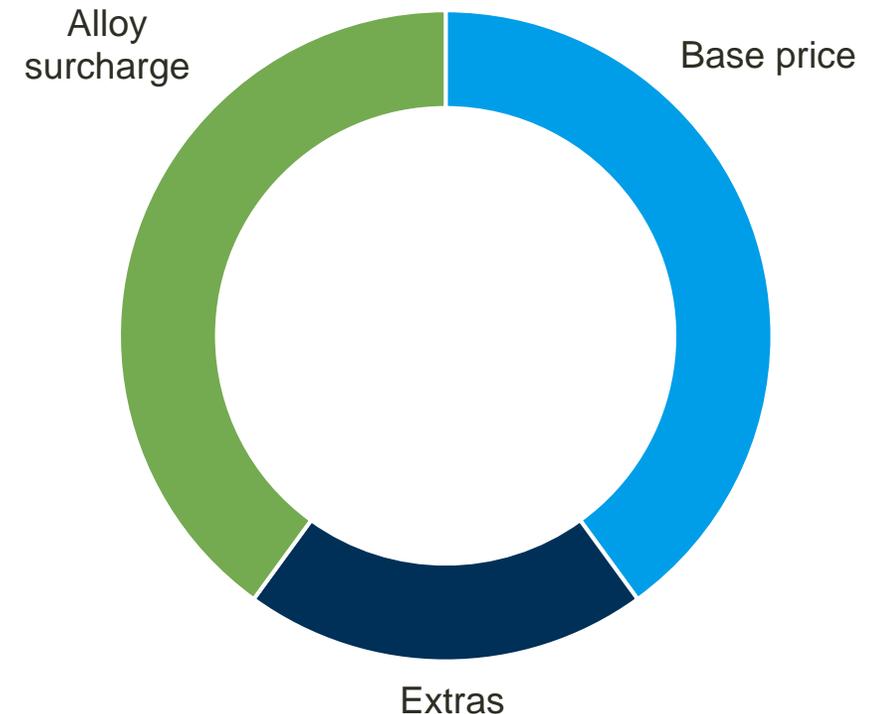
Customer-specific, usually monthly base price

Extras

Material-specific charges for non-standardized products

Alloy surcharge

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



The logics behind our net of timing and hedging

	Underlying position	Exposure	Hedging
Metal hedging	Committed* sales	Short	100%
Net realizable value NRV, accounting principle	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

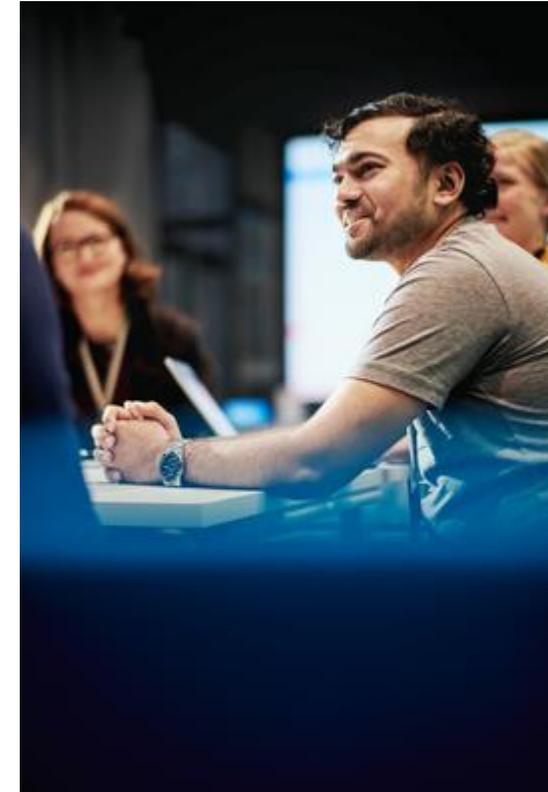
Corporate Governance

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.

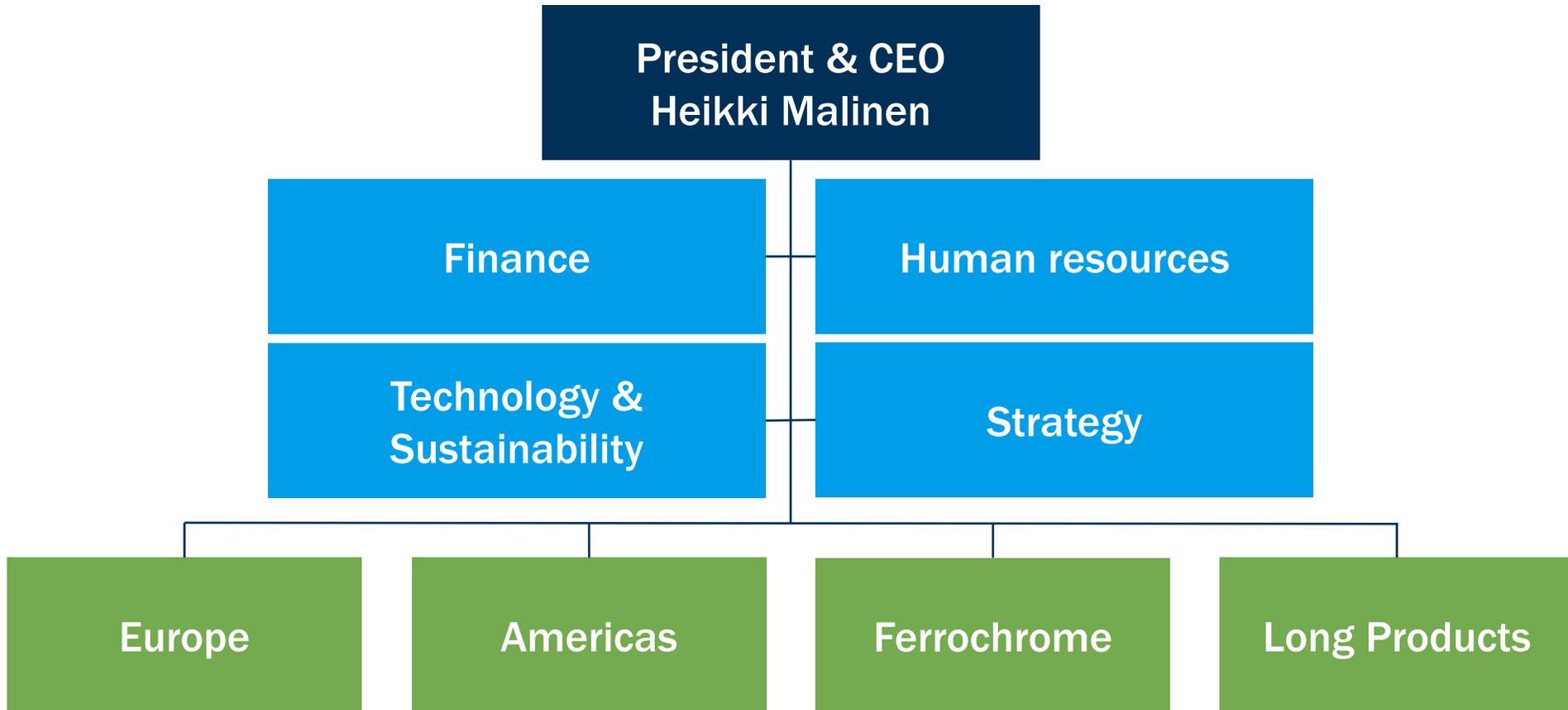
Outokumpu Oyj follows the Finnish Corporate Governance Code, effective as of January 1, 2016. The Finnish Corporate Governance Code is issued by the Finnish Securities Market Association and adopted by Nasdaq Helsinki.

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

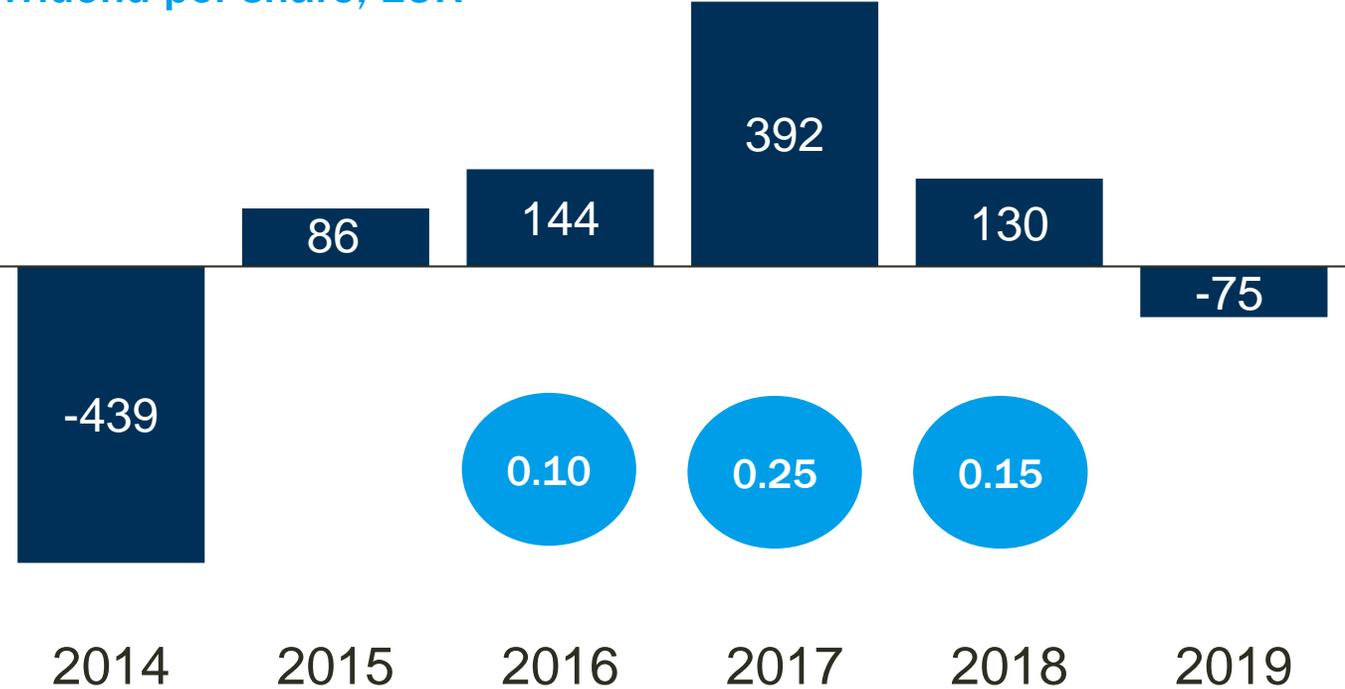


Outokumpu organization



Dividend payments

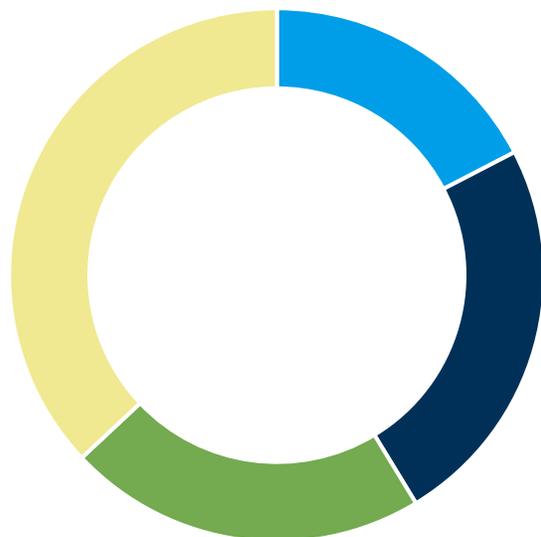
Net income, EUR million
Dividend per share, EUR



Following a review of the January-September 2020 financial results, Outokumpu's Board of Directors has decided that owing to the importance of strengthening the Company's balance sheet no dividend will be paid for the financial year 2019.

The Board confirms that in the challenging market environment improving the Company's financial position will continue to be of highest priority.

Ownership structure & major shareholders



- Nominee registered and non-Finnish holders **17%**
- Finnish institutions, companies and foundations **24%**
- Solidium **22%**
- Households **37%**

#	Name	Shares	Share %
1	Solidium Oy	90,324,385	21.69 %
2	The Social Insurance Institution of Finland	9,298,652	2.23 %
3	Ilmarinen Mutual Pension Insurance Company	9,100,000	2.19 %
4	State Pension Fund	6,827,142	1.64 %
5	Keskinäinen Työeläkevakuutusyhtiö Elo	5,710,988	1.37 %
6	Varma Mutual Pension Insurance Company	5,453,112	1.31 %
7	Mandatum Henkivakuutusosakeyhtiö	3,668,048	0.88 %
8	Nordea Henkivakuutus Suomi Oy	3,091,942	0.74 %
9	Tutkimuksen Vaikuttavuuden Tukisäätiö Sr	2,820,000	0.68 %
10	Merivirta Jyri Tapio	2,000,000	0.48 %

1) Directly registered shareholders on September 30, 2020

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.

Board of Directors

Chairman of the Board of Directors



Members of the Board of Directors



Outokumpu leadership team



Heikki Malinen
President & CEO



Pia Aaltonen-Forsell
CFO



Thomas Anstots
EVP, Commercial,
Business Area Europe



Niklas Wass
EVP, Operations,
Business Area Europe



Tamara Weinert
Acting President,
Business Area Americas



Martti Sassi
President, Business
Area Ferrochrome



Johann Steiner
Chief Human
Resources Officer



Jan Hofmann
Chief Strategy Officer



Stefan Erdmann
Chief Technology
Officer

Group key financials

Key figures		2019	2018	2017 ³⁾	2016	2015
Stainless steel deliveries	1,000 tonnes	2,196	2,428	2,448	2,444	2,381
Sales	€ million	6,403	6,872	6,356	5,690	6,384
Adjusted EBITDA	€ million	263	485	631	309	165
Net result	€ million	-75	130	392	144	86
Return on equity ¹⁾	%	-2.8	4.8	15.4	6.4	3.9
Return on capital employed ¹⁾	%	0.8	7.0	11.3	2.6	5.3
Operating cash flow ²⁾	€ million	371	214	328	389	-34
Net debt	€ million	1,155	1,241	1,091	1,242	1,610
Gearing	%	45.1	45.1	40.1	51.4	69.1
Capital expenditure ²⁾	€ million	221	260	174	164	154
Personnel at the end of the period	headcount	10,390	10,449	10,485	10,977	11,833

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

2) 2014 presented for continuing operations.

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

Balance sheet

Assets (EUR million)	2019	2018
Non-current assets		
Intangible assets	607	585
Property, plant and equipment	2,767	2,659
Investments in associated companies and joint ventures	38	53
Financial assets at fair value	31	86
Derivative financial instruments	5	2
Deferred tax assets	229	247
Defined benefit plan assets	68	72
Trade and other receivables	2	2
Total non-current assets	3,747	3,706
Current assets		
Inventories	1,424	1,555
Investments at fair value	13	13
Derivative financial instruments	15	15
Trade and other receivables	514	640
Cash and cash equivalents	325	68
Total current assets	2,291	2,292
TOTAL ASSETS	6,038	5,998

Equity and liabilities (EUR million)	2019	2018
Equity attributable to the equity holders of the Company	2,562	2,750
Non-current liabilities		
Non-current debt	1,053	798
Derivative financial instruments	-	1
Deferred tax liabilities	12	12
Defined benefit and other long-term employee benefit obligations	335	318
Provisions	85	65
Trade and other payables	29	35
Total non-current liabilities	1,514	1,229
Current liabilities		
Current debt	427	511
Derivative financial instruments	17	20
Provisions	25	5
Current tax liabilities	17	12
Trade and other payables	1,475	1,471
Total current liabilities	1,962	2,019
TOTAL EQUITY AND LIABILITIES	6,038	5,998

Share-related key figures

Key figures		2019	2018	2017	2016	2015
Earnings per share ^{1) 2)}	€	-0.18	0.32	0.95	0.35	0.23
Cash flow per share	€	0.90	0.52	0.79	0.94	-0.08
Equity per share ^{1) 2)}	€	6.22	6.70	6.59	5.84	5.60
Dividend per share	€	0.10 ³⁾	0.15	0.25	0.10	-
Dividend yield	%	3.6	4.7	3.2	1.2	-
Price/earnings ratio ^{1) 2)}		neg.	10.00	8.15	24.31	11.85
Trading price at the end of the period	€	2.81	3.20	7.74	8.51	2.73
Market cap at the end of the period	€ million	1,155	1,312	3,223	3,541	1,138
Number of shares at the end of the period ⁴⁾		411,774,715	410,563,719	412,671,549	413,860,600	415,489,308
Trading volume ⁵⁾	1,000 shares	884,254	826,636	1,021,607	955,682	1,345,515

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

Business area Europe

Key figures		2019	2018	2017	2016	2015
Stainless steel deliveries	1,000 tonnes	1,459	1,547	1,592	1,625	1,578
Sales	€ million	4,089	4,267	4,156	3,767	4,156
of which intra-group	€ million	66	97	81	93	120
Adjusted EBITDA	€ million	216	248	404	295	203
Adjustments to EBITDA	€ million	17	10	-	-26	-25
EBITDA	€ million	233	259	404	270	177
Adjusted EBIT	€ million	82	134	281	143	38
Depreciation and amortization	€ million	-134	-114	-123	-160	-165
Capital expenditure	€ million	44	76	70	81	85
Operating capital	€ million	1,901	1,934	1,848	1,808	2,061
Personnel at the end of period	headcount	6,753	6,806	6,748	7,038	7,394

Business area Americas

Key figures		2019	2018	2017	2016	2015
Stainless steel deliveries	1,000 tonnes	601	762	742	690	533
Sales	€ million	1,346	1,715	1,546	1,325	1,214
of which intra-group	€ million	3	45	33	21	37
Adjusted EBITDA	€ million	-27	-5	21	-27	-120
Adjustments to EBITDA	€ million	-	-	-	21	-17
EBITDA	€ million	-27	-5	21	-6	-136
Adjusted EBIT	€ million	-84	-56	-31	-81	-200
Depreciation and amortization	€ million	-56	-51	-52	-54	-80
Capital expenditure	€ million	20	18	18	17	19
Operating capital	€ million	914	1,084	1,072	1,127	1,279
Personnel at the end of period	headcount	1,934	1,991	2,094	2,219	2,265

Business area Long Products

Key figures		2019	2018	2017	2016	2015
Stainless steel deliveries	1,000 tonnes	226	285	264	245	213
Sales	€ million	642	740	591	487	551
of which intra-group	€ million	137	220	186	153	162
Adjusted EBITDA	€ million	-7	25	16	-1	10
Adjustments to EBITDA	€ million	-	-	-	19	-
EBITDA	€ million	-7	25	16	18	10
Adjusted EBIT	€ million	-16	18	10	-8	2
Depreciation and amortization	€ million	-8	-6	-7	-7	-8
Capital expenditure	€ million	18	30	8	8	7
Operating capital	€ million	157	179	113	139	151
Personnel at the end of period	headcount	883	892	584	628	658

Business area Ferrochrome

Key figures		2019	2018	2017	2016	2015
Ferrochrome production	1,000 tonnes	505	497	415	469	457
Sales	€ million	461	542	610	371	410
of which intra-group	€ million	293	345	483	269	295
Adjusted EBITDA	€ million	96	210	217	80	107
Adjustments to EBITDA	€ million	-	-	-	-0	-
EBITDA	€ million	96	210	217	80	107
Adjusted EBIT	€ million	67	179	187	48	76
Depreciation and amortization	€ million	-29	-30	-29	-29	-31
Capital expenditure	€ million	103	79	34	20	21
Operating capital	€ million	692	640	648	617	634
Personnel at the end of period	headcount	472	441	437	426	428

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