



Well started quarter turned challenging due to the political strike in Finland

Outokumpu Q1 2024 results

Heikki Malinen, President & CEO

Pia Aaltonen-Forsell, CFO

May 7, 2024

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Gradual market recovery continued in Europe, while the political strike in Finland burdened results

Heikki Malinen, President & CEO



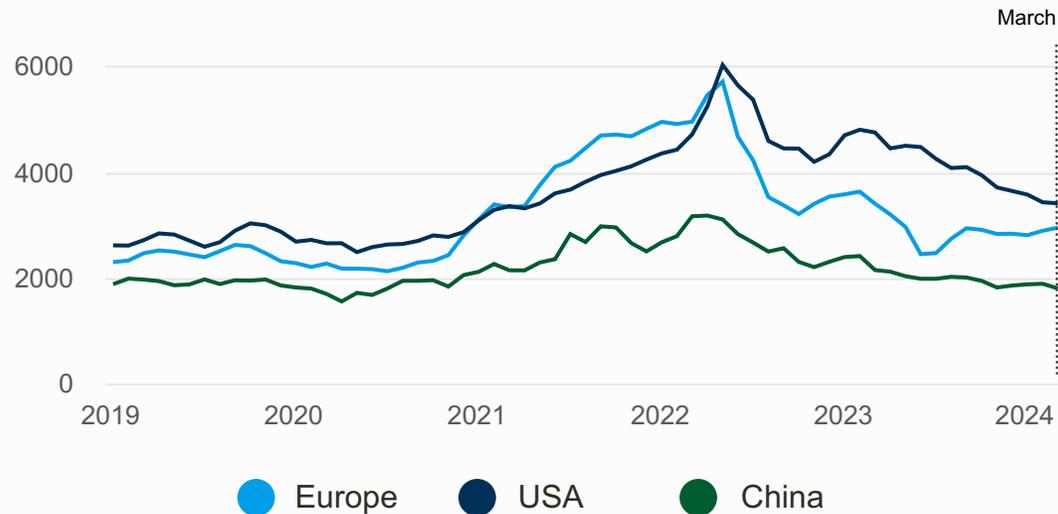
First quarter of 2024 started off relatively well – decisive actions taken to minimize the negative financial impacts of the political strike in Finland

Adjusted EBITDA totaled
EUR 38 million
in the first quarter of 2024

- Gradual market recovery in Europe continued from the lowest point in Q3 2023 as expected
- The tightened scrap market burdened profitability of both stainless businesses
- The recent political strike in Finland had approx. EUR 30 million negative impact in Q1 2024
- Strategy phase 2 EBITDA run-rate improvement target increased to EUR 350 million to further strengthen competitiveness
- 10% acquisition of CRONIMET North-East GmbH completed in January

European stainless steel prices have picked up but remained at a low level, softening of prices in the U.S. continued

Transaction prices 304 stainless, USD/tonne*



Nickel LME cash, USD/tonne



Source: CRU Stainless Steel Flat Products Monitor April 2024
 Nickel: London Metal Exchange (LME) Nickel Cash Official
 Stainless transaction prices 304 monthly figures, nickel quarterly figures

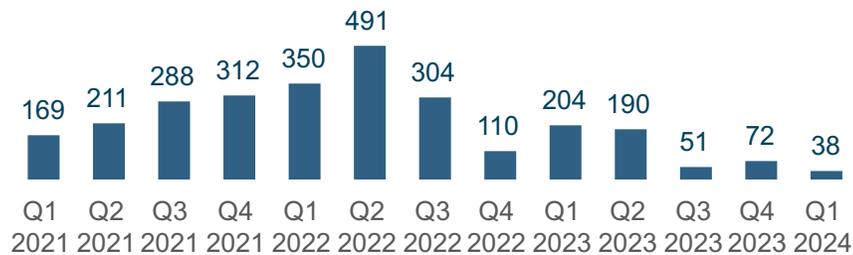
*EUR/USD FX rate impacting USD transaction prices

Strike related impacts weighted down adjusted EBITDA in Q1 2024

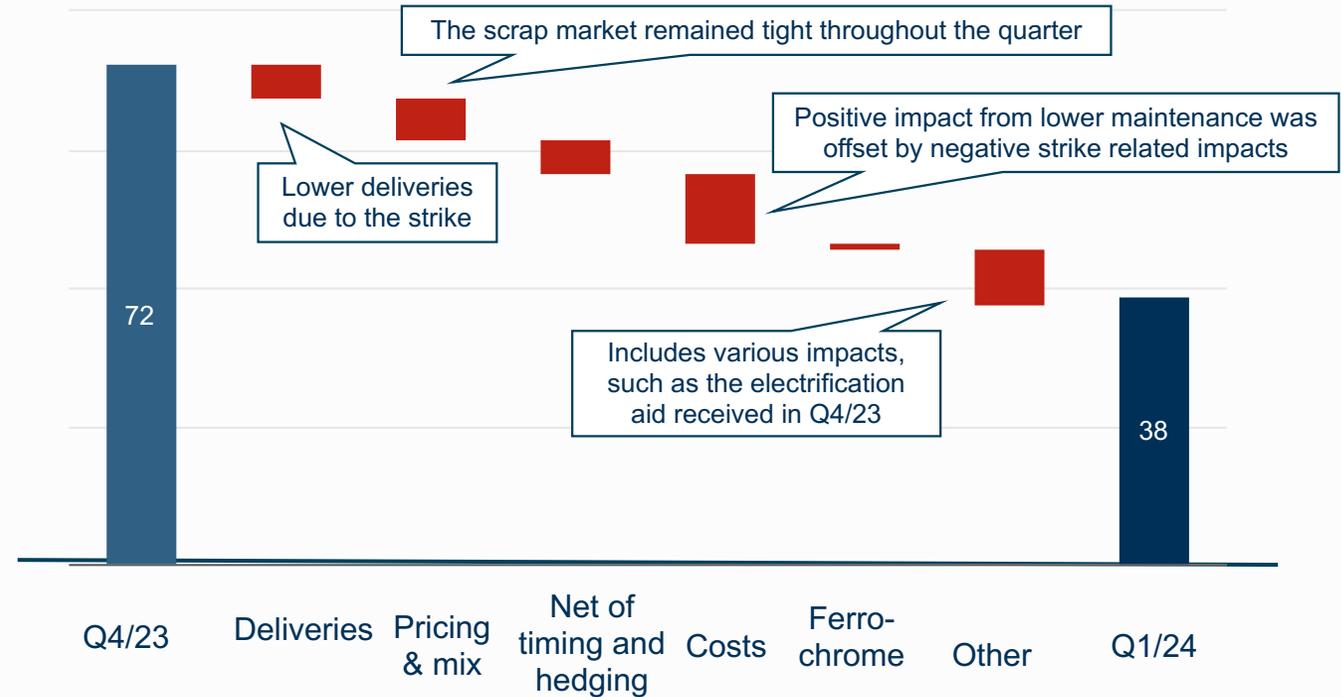
Deliveries, kt



Group adjusted EBITDA, EUR million



Adjusted EBITDA quarter-on-quarter comparison¹, EUR million

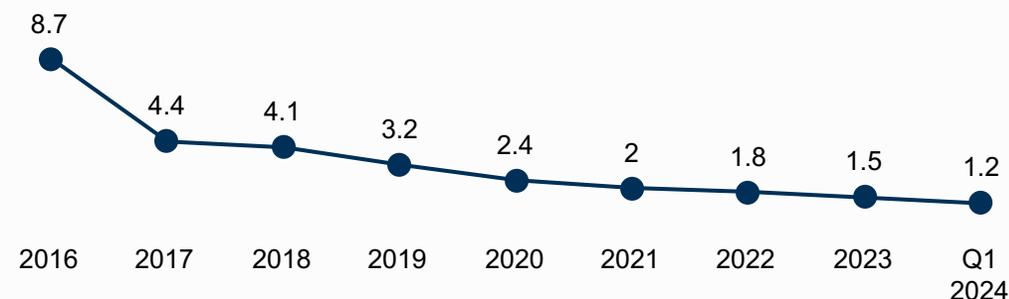


1) Indicative columns based on management estimates

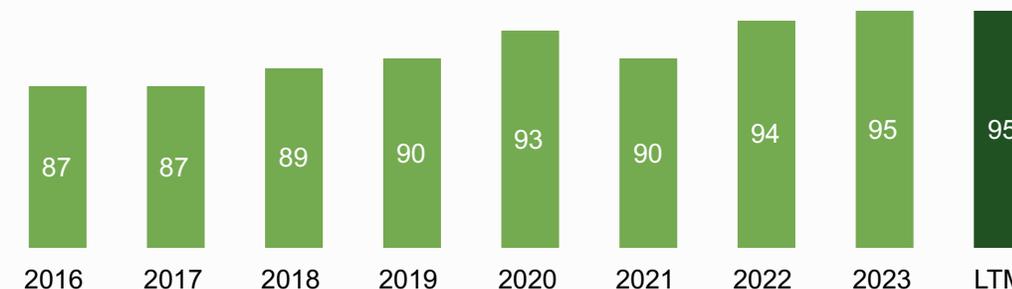
High recycled material content supporting Outokumpu's journey towards decarbonization

- Safety performance continued strong
- Recycled material content remained all-time high of 95%
- Energy efficiency initiatives delivering results - cumulative run-rate improvement 229 GWh representing 37% of the target
- Outokumpu was ranked among top 50 companies in the world on The Corporate Knight's Clean200 rating
- Outokumpu was acknowledged for its diversity and equity work and received a Fair Pay Workplace certification first in the industry

Safety performance, TRIFR



Recycled materials, %



TRIFR = Number of total recordable incidents per million working hours
 2021 and 2022 numbers include only continuing operations
 Recycled material content is 12 month rolling average, LTM = last 12 months



Strong focus on shareholder returns and a commitment to paying a stable and growing dividend

- Dividend of EUR 0.26 per share for the year 2023 was paid in April, in line with our dividend policy
- The second share buyback program was completed in February
- Considering dividends and share buybacks, EUR 144 million of capital returned to the shareholders in 2024

Changes in the Outokumpu leadership team

- **CEO Heikki Malinen** and **CFO Pia Aaltonen-Forsell** have decided to leave company to pursue a career opportunity outside Outokumpu
- **Marc-Simon Schaar** appointed as Chief Financial Officer as of June 1, 2024
 - Served as a Chief Procurement Officer and a leadership team member since 2023
 - Joined Outokumpu in 2011 and has held senior roles in business controlling, treasury, M&A, and procurement

Balance sheet remains the strongest in the industry

Pia Aaltonen-Forsell, CFO



Strong liquidity position, net debt remains negative

- Net debt EUR -12 million
- Cash and cash equivalents EUR 425 million
- Liquidity reserves EUR 1.2 billion, of which EUR 800 million of outstanding committed credit facilities fully unutilized
- Annual capex frame EUR 220 million, in line with the announced EUR 600 million capex frame for strategy phase 2 for years 2023–2025
- Shareholder returns remain a high priority



Solid progress with strategy phase 2. However, strike and tough market environment require more performance improvement measures

Transformation journey

Phase 1

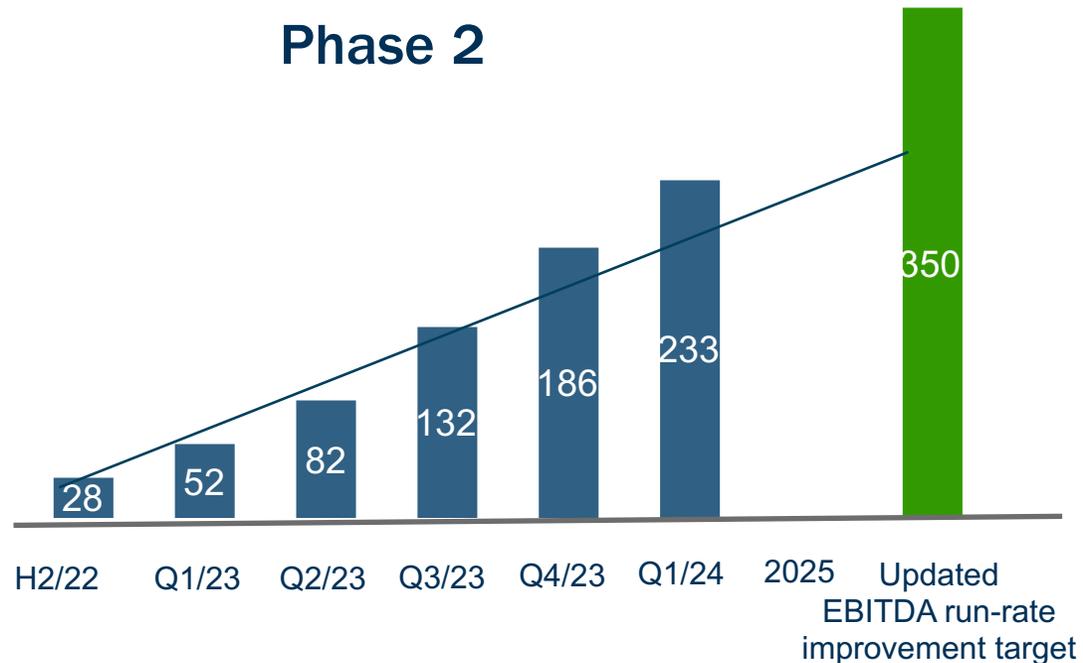
EBITDA run-rate improvement target:

EUR 250 million

Actual improvement:

EUR 260 million

Phase 2



Gross annualized EBITDA run-rate improvement, EUR million

■ Realized — Illustrative plan ■ Updated target

- Cumulative EBITDA run-rate improvement of EUR 233 million achieved by the end of Q1 2024 – initial target of EUR 200 million exceeded
- Phase 2 EBITDA run-rate improvement target increased by EUR 150 million to EUR 350 million
- Further improvements in operational performance and efficiency as well as by focusing on strengthening the commercial aspects of the business

BA Europe

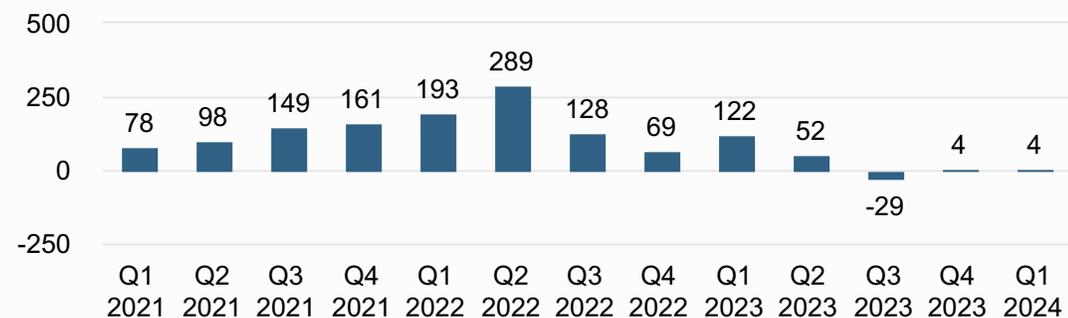
Gradual market recovery continued, profitability negatively impacted by the political strike and a tighter scrap market

- Most of operations and port in Tornio, Finland were shut down for four weeks due to the political strike
- Restructuring in Germany proceeding
- Distributor inventories remain below the pre-pandemic levels and distributors have adapted to these levels
- Strengthened order book, also for advanced materials

Europe's stainless steel deliveries, 1,000 tonnes



Europe's adjusted EBITDA, EUR million



BA Americas

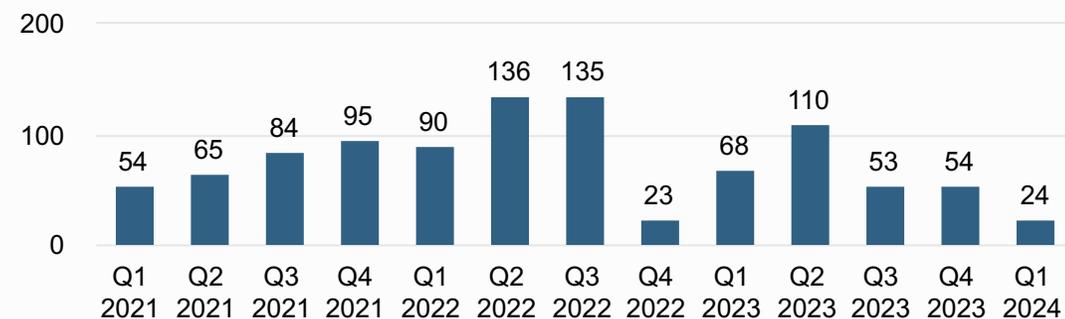
Profitability negatively driven by tighter scrap market, lower realized stainless steel prices, especially in Mexico, and some temporary operational challenges

- Renewed hot rolling agreement with AM/NS came into effect on January 1, 2024
- Long-term outlook on the North American market remains positive – normalized annual EBITDA for business area Americas is USD 170 million
- Strengthened order book

Americas' stainless steel deliveries, 1,000 tonnes



Americas adjusted EBITDA, EUR million



BA Ferrochrome

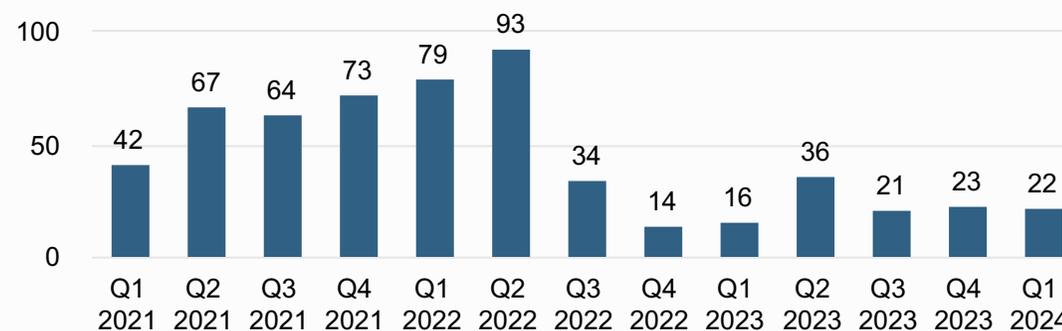
Profitability driven by higher ferrochrome production, lower costs and a lower ferrochrome sales price

- Ferrochrome market started to pick up in the beginning of Q1 2024 from the weak levels experienced in Q4 2023
- One of the three ferrochrome furnaces remains temporarily closed until autumn
- Ferrochrome made out of our own chrome has an estimated 67% lower carbon footprint than the global industry average

Ferrochrome production, 1,000 tonnes



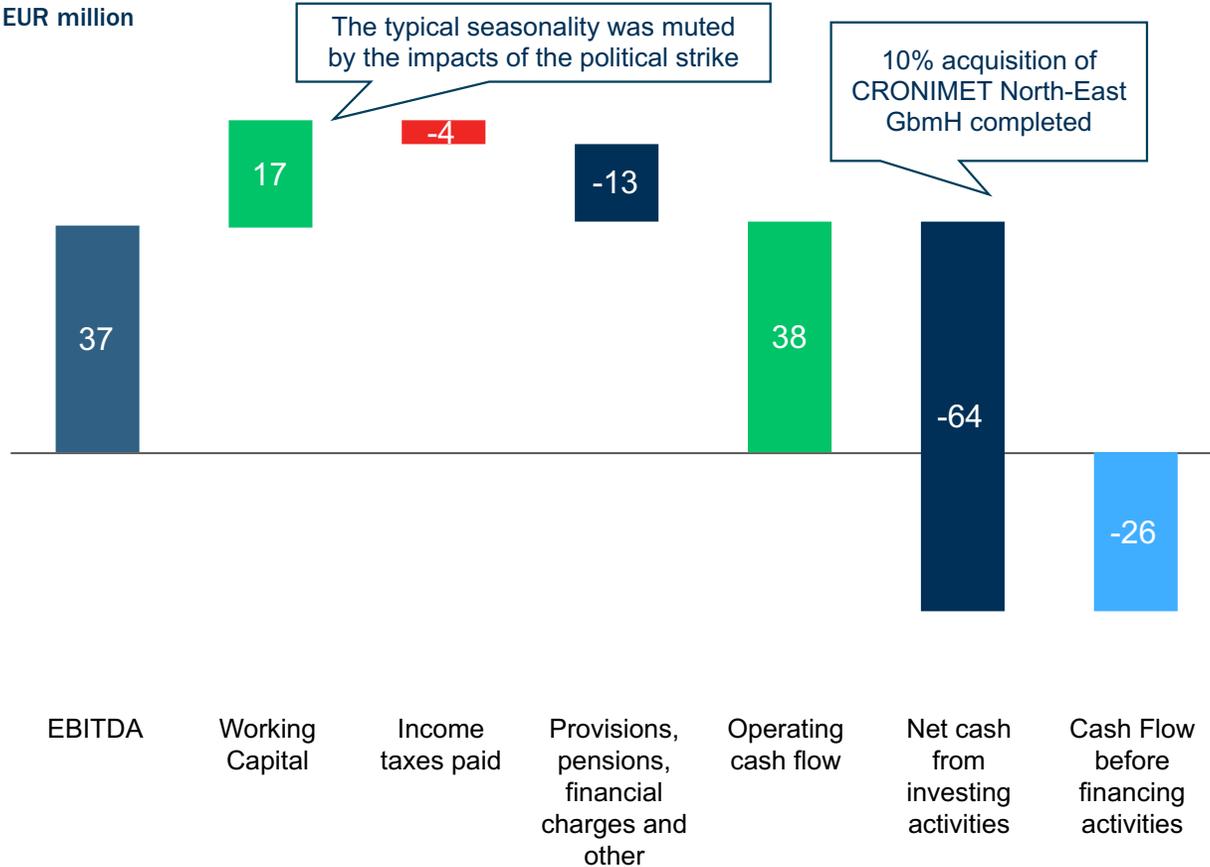
Ferrochrome's adjusted EBITDA, EUR million



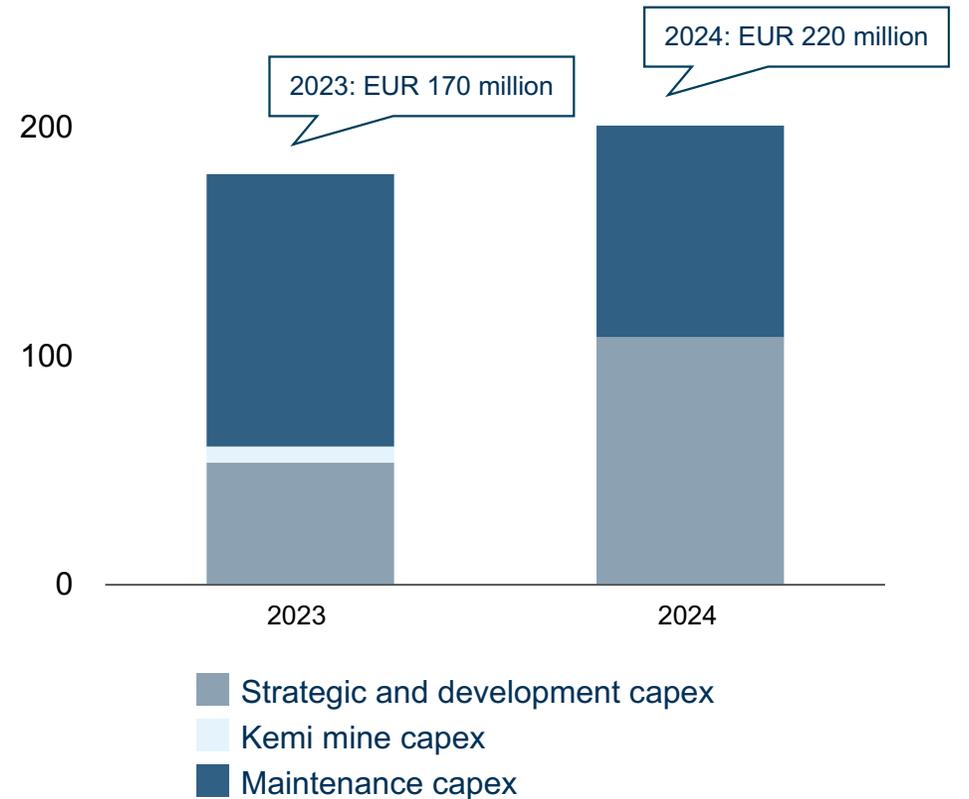
Prudent net working capital management continued in Q1 2024, annual capex frame for 2024 is EUR 220 million

Q1/24 cash flow

EUR million



Capex frame EUR 600 million for years 2023–2025





Strong shareholder returns and long-term value creation remain at the center of our strategy

Heikki Malinen, President & CEO



Opportunities and uncertainties

Opportunities

- Very strong U.S. fiscal stimulus
- German PMIs bottoming
- Strengthened order book in Europe and U.S.
- Distributor inventories remain low, re-stocking?
- Green transition investments in the horizon

Uncertainties

- Possible postponement of rate cuts in the U.S. and Europe
- War in Ukraine and Israel-Hamas war
- Chinese overcapacities

Outlook for Q2 2024

Group stainless steel deliveries in the second quarter are expected to increase by 5–15% compared to the first quarter.

The recent political strike in Finland is expected to have approximately EUR 30 million negative financial impact in the second quarter.

The scrap market is expected to remain tight.

With current raw material prices, some raw material-related inventory and metal derivative losses are expected to be realized in the second quarter.

Guidance for Q2 2024:

Adjusted EBITDA in the second quarter of 2024 is expected to be at a similar or higher level compared to the first quarter.



Thank you! Questions & answers



Our ambition in sustainability has been globally recognized

S&P Global

**Sustainability
Yearbook Member**
S&P Global ESG Score 2022



Political strike in Finland burdened results in Q1 2024

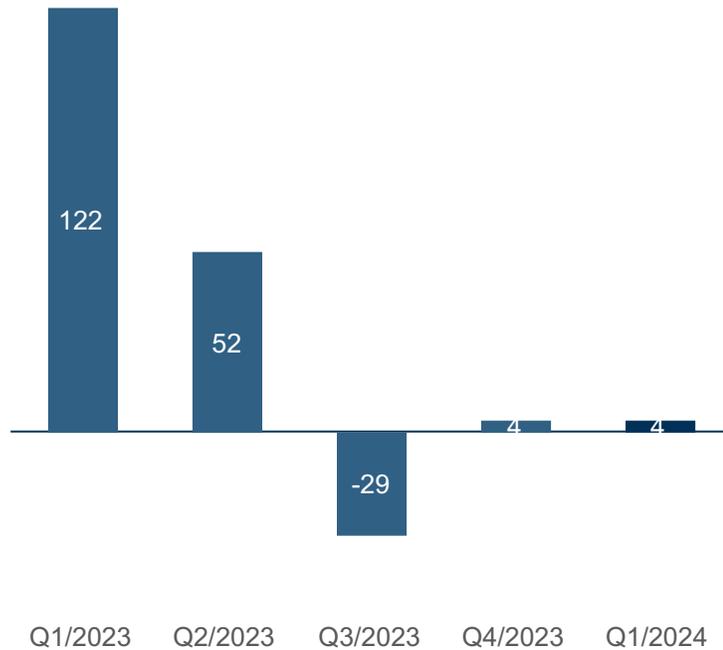
Q1 2024 financials

- Net result EUR -23 million
- Earnings per share EUR -0.05
- ROCE -5.7%

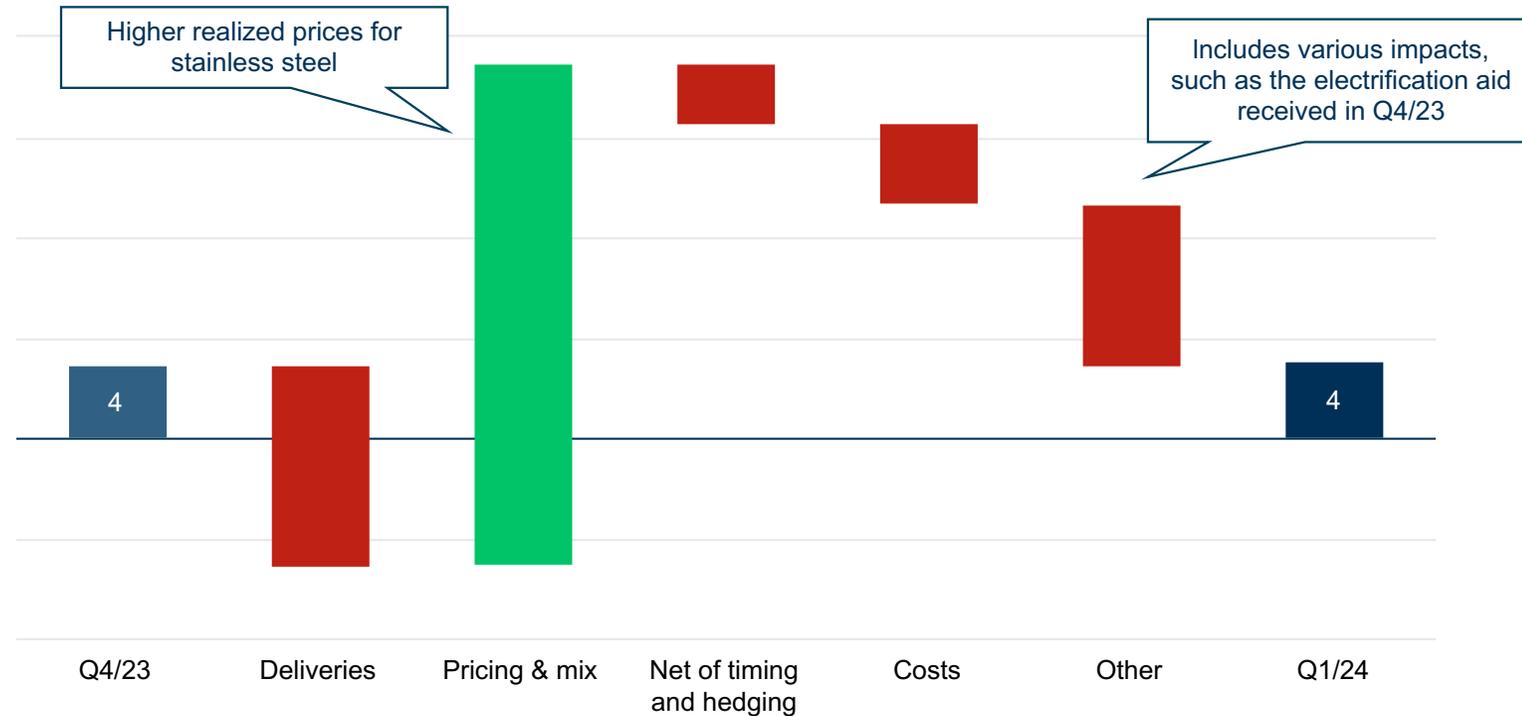
Key figures		Q1 2024	Q1 2023	Q4 2023	2023
Sales	EUR million	1,479	2,006	1,513	6,961
EBITDA	EUR million	37	198	15	416
Adjusted EBITDA	EUR million	38	204	72	517
EBIT	EUR million	-19	135	-314	-100
Adjusted EBIT	EUR million	-17	144	13	274
Result before taxes	EUR million	-29	128	-320	-133
Net result	EUR million	-23	97	-242	-111
Earnings per share	EUR	-0.05	0.22	-0.56	-0.26
Return on capital employed, ROCE	%	-5.7	18.4	-2.1	-2.1
Capital expenditure	EUR million	59	15	86	170
Free cash flow	EUR million	-26	160	156	290
Stainless steel deliveries	1,000 tonnes	444	505	450	1,906
Net result for the period from all operations incl discontinued operations	EUR million	-23	103	-242	-106

BA Europe's adjusted EBITDA was EUR 4 million in Q1

Adjusted EBITDA, EUR million



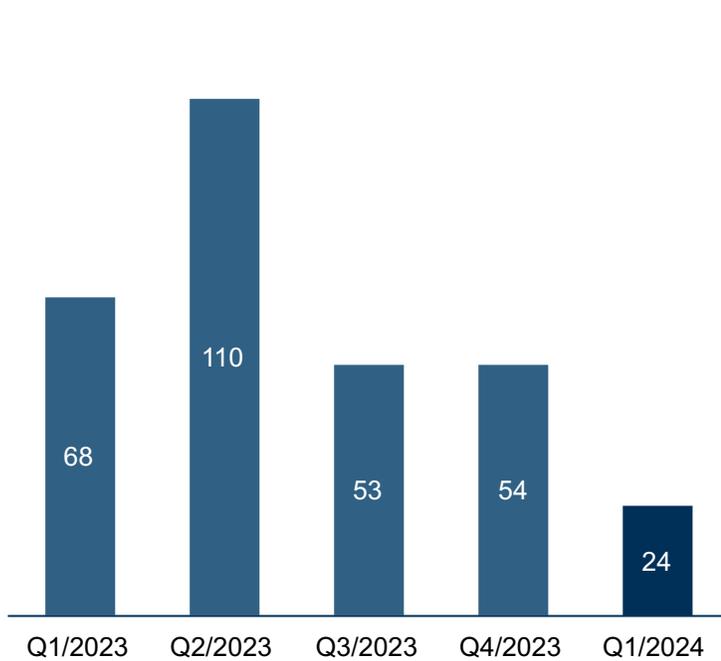
Adjusted EBITDA quarter-on-quarter comparison¹, EUR million



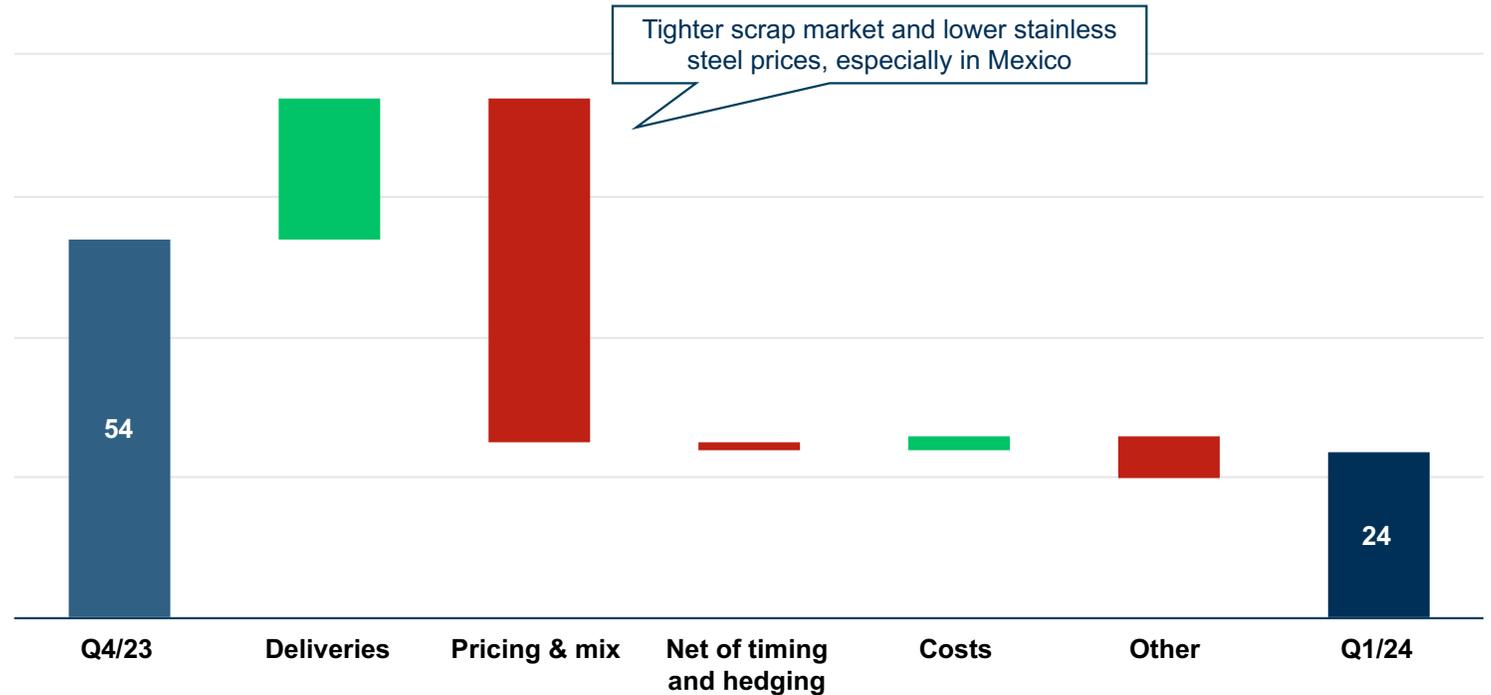
1) Indicative columns based on management estimates

BA Americas' adjusted EBITDA was EUR 24 million in Q1

Adjusted EBITDA, EUR million



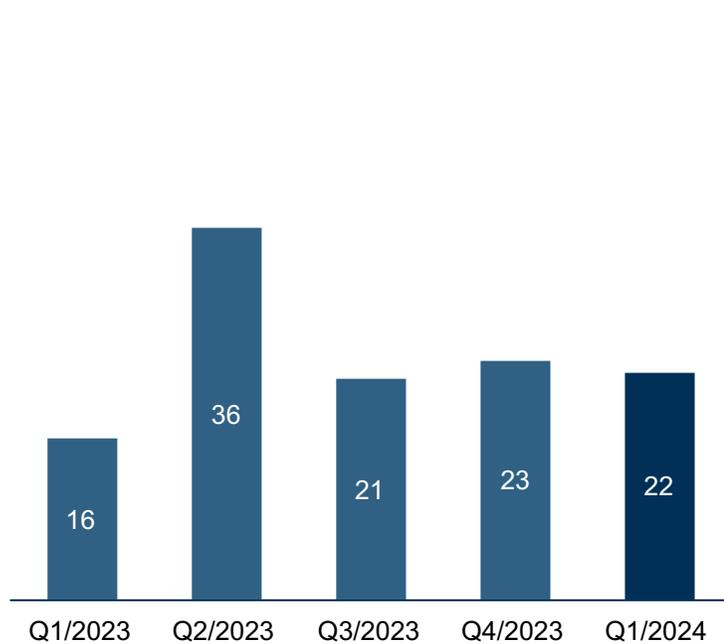
Adjusted EBITDA quarter-on-quarter comparison¹, EUR million



1) Indicative columns based on management estimates

BA Ferrochrome's adjusted EBITDA was EUR 22 million in Q1

Adjusted EBITDA, EUR million



Adjusted EBITDA quarter-on-quarter comparison¹, EUR million



1) Indicative columns based on management estimates

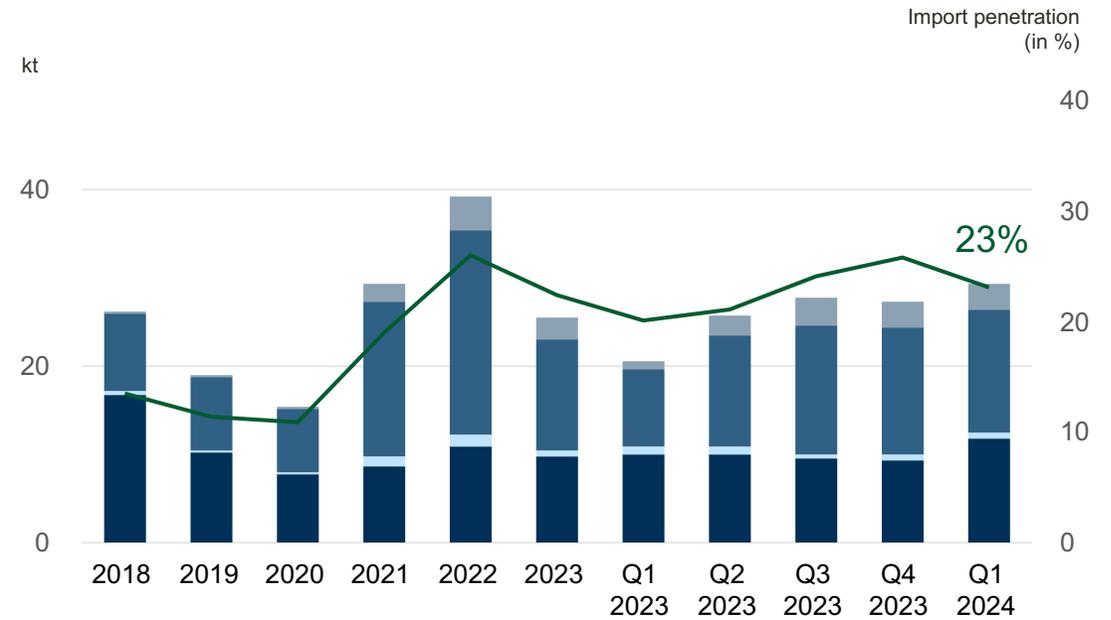
Imports into Europe remained at a low level in Q1 2024

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



- From rest of world
- From rest of Asia
- From Indonesia
- From China
- Import penetration

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



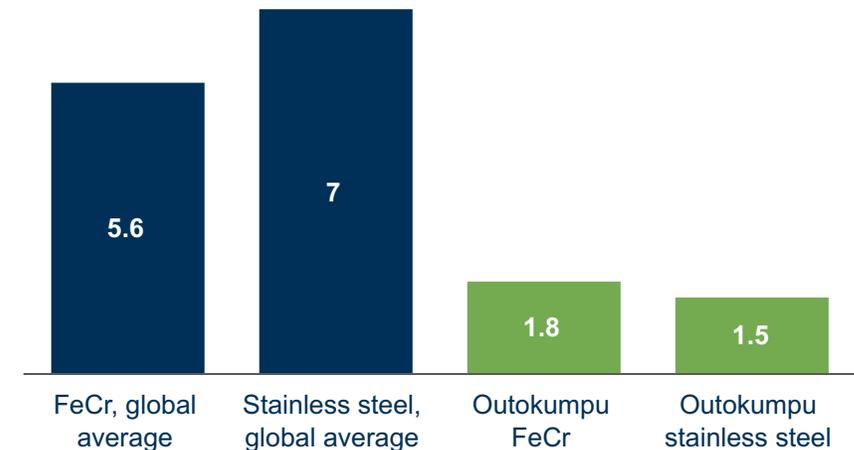
- From rest of world
- From rest of Asia
- From Indonesia
- From China
- Import penetration

1. Cold rolled, monthly average. Source: Eurofer, February 2024
 2. Cold rolled, monthly average. Source: AISI, January 2024

Outokumpu uniquely positioned to capture value from Carbon Border Adjustment Mechanism – low carbon ferrochrome production a competitive asset for Outokumpu

- The EU's Carbon Border Adjustment Mechanism (CBAM) approved in April 2023 aiming to reduce carbon leakage and encourage greener production
- Iron and steel sector – including stainless steel – main sectors to be impacted by CBAM
- Outokumpu's position strong due to own ferrochrome production in Finland and low carbon footprint - assumption based on EY's position paper* made in January 2024
- End-products not included which might impact on production being transferred outside Europe

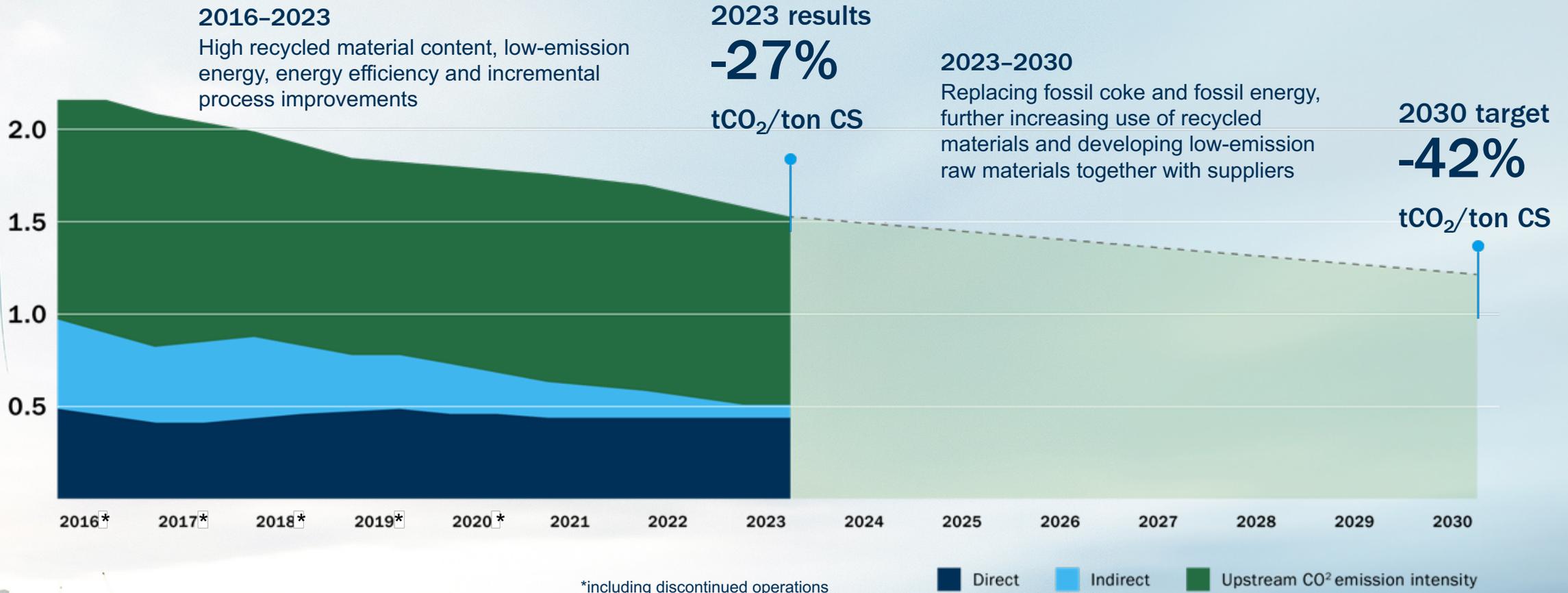
Outokumpu's CO2 emissions (scopes 1, 2, 3) per tonne



Sources: based on Outokumpu's 2023 Sustainability Review; data collected from worldstainless; 3rd party estimate of European peer average emissions in scope 3 for 2019; ICDA calculation for global ferrochrome carbon footprint 2021; Environmental Product declaration Ferrochrome

* www.outokumpu.com/en/CBAM

Outokumpu committed in the decarbonization strategy aligned with 1.5 degrees – circularity and innovation at the core



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



FISKARS
EST. GROUP 1649



klöckner & co

PUREM
by Eberspächer

BOYSEN
INNOVATIONEN ABGASTECHNOLOGIE

SVERDRUP
STEEL

NORDIC STEEL
part of great solutions

Fissler



STALA
TUBE



STAHLKREB
our steel. YOUR BUSINESS.

SIEMENS



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

*Global average CO₂ emissions (2023): 7 kilos of CO₂e per kg of stainless steel (based on data provided by CRU and worldstainless). Outokumpu Circle Green CO₂ emissions: down to 0.5 kilos of CO₂e per kg of stainless steel.