



November 14, 2017 at 1.00 pm EET

Outokumpu Capital Markets Day – Driving topline growth and efficiency

Outokumpu hosts a Capital Markets Day today in London starting at 2.30 pm EET. The focus of the event will be on the progress the company has made towards achieving its 2020 vision and financial targets. Key Outokumpu leaders will provide insights into different business areas, markets and key business drivers.

Solid progress towards becoming the best value creator in stainless steel by 2020

Outokumpu is making solid progress to become the best value creator in stainless steel by 2020 through customer orientation and efficiency. The company has made significant improvements since the launch of the vision and is solidly on track to achieve its financial targets.

As adjusted EBITDA is Outokumpu's key performance indicator, the 2020 profitability target - EBIT of EUR 500 million – has been revised, and the corresponding adjusted EBITDA target is EUR 750 million in 2020.

Says Roeland Baan, President and CEO: "We have made substantial progress since the launch of our 2020 vision and the financial targets we set ourselves in 2016 are solidly within reach. Our profitability has improved considerably and our financial position is healthy. The underlying improvement we have made is tangible and real, even excluding additional support from the market this year."

Outokumpu's cost reductions have yielded solid results since 2015. SG&A costs have been reduced by EUR 85 million and procurement costs by EUR 90 million. In addition, other variable costs have been cut by 4% as a result of increased efficiency. Commercially, delivery volumes have increased in the Americas and the product mix has improved in Europe.

New business area structure to increase management focus and transparency

Outokumpu will change its business area structure in the beginning of 2018, and Ferrochrome operations will be separated from business area Europe. After the change, Outokumpu will have four business areas – Europe, the Americas, Long Products and Ferrochrome. The first-quarter 2018 interim statement will reflect the new structure.

Says Roeland Baan: "Ferrochrome is an integral part of Outokumpu's operations and supported by our Kemi mine, it is a clear competitive advantage to us. The reporting change will increase transparency of our business internally and externally and hence, provide the financial community a better understanding on Outokumpu's business drivers."

Key investment projects secure long-term competitiveness

To secure continuous chrome supply for the coming decades, Outokumpu invests approximately EUR 250 million in Kemi mine expansion during 2017-2020. In addition, the company is investing approximately EUR 100 million by 2020 in business transformation project Chorus which focuses on harmonizing business processes and ways of working and paves the way for Outokumpu's digital transformation beyond 2020.

Outokumpu updates its capital expenditure guidance for upcoming years. Due to the ongoing projects, annual capital expenditure is expected to remain stable, slightly above EUR 200 million level until 2020. Earlier Outokumpu expected its annual capital expenditure to be between EUR 150-200 million over the coming years. Capital expenditure in 2017 is expected to be approximately EUR 180 million.

Balance sheet remains a key priority

Outokumpu's solid cash flow generation has strengthened the balance sheet significantly over the past two years. Improved financial position enables the company to reduce financing costs remarkably.

Says Christoph de la Camp, CFO: "We are targeting to halve our interest expenses by 2020. Obviously, solid cash flow generation will open options for the future but strengthening the balance sheet remains a key priority. We are aiming to reduce our net debt to EBITDA ratio to below 1.0."

Online live webcast from Outokumpu Capital Markets Day will be held today at 2.30 pm EET (1.30 pm CET, 12.30 pm UK time and 7.30 am US time) and is available at <http://view-w.tv/981-1388-18540/en>. Presentations will be available at www.outokumpu.com/en/investors/IR-events/capital-markets-day.

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Outokumpu Group

Outokumpu is the global leader in stainless steel. We aim to be the best value creator in stainless by 2020, through our competitive edge of customer orientation and efficiency. The foundation of our business is our ability to tailor stainless steel into any form and for almost any purpose. Stainless steel is sustainable, durable and designed to last forever. Our customers use it to create civilization's basic structures and its most famous landmarks as well as products for households and various industries. Outokumpu employs 10,000 professionals in more than 30 countries, with headquarters in Helsinki, Finland and shares listed in Nasdaq Helsinki. www.outokumpu.com outokumpu.com/stainless-news choosestainless.outokumpu.com