## Program

<table>
<thead>
<tr>
<th>Time</th>
<th>Topic</th>
<th>Presenter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>12:30</td>
<td>Opening remarks</td>
<td>Tommi Järvenpää, VP – Investor Relations</td>
<td></td>
</tr>
<tr>
<td>12:35</td>
<td>Driving topline growth and efficiency</td>
<td>Roeland Baan, President &amp; CEO</td>
<td>6</td>
</tr>
<tr>
<td>13:05</td>
<td>Delivering solid cash flow</td>
<td>Chris de la Camp, CFO</td>
<td>29</td>
</tr>
<tr>
<td>13:45</td>
<td>Break</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14:00</td>
<td>Tangible growth potential in Europe</td>
<td>Roeland Baan, President &amp; CEO</td>
<td>41</td>
</tr>
<tr>
<td>14:20</td>
<td>On track to solid profitability</td>
<td>Michael S. Williams, President – the Americas</td>
<td>48</td>
</tr>
<tr>
<td>14:50</td>
<td>Capturing significant growth opportunities</td>
<td>Kari Tuutti, President – Long Products</td>
<td>62</td>
</tr>
<tr>
<td>15:10</td>
<td>Summary</td>
<td>Roeland Baan, President &amp; CEO</td>
<td></td>
</tr>
<tr>
<td>15:15</td>
<td>Break</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15:30</td>
<td>Breakouts</td>
<td>Liam Bates, EVP – Supply Chain Management Europe</td>
<td>76</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maciej Gwozdz, EVP – Operations Europe</td>
<td>86</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Olli Matti Saksi, EVP – Sales Europe</td>
<td>93</td>
</tr>
<tr>
<td>17:00</td>
<td>Cocktails</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Roeland Baan
President & CEO

Roeland joined the company in 2016 as the President & CEO. He is also President of business area Europe and head of the Outokumpu Leadership Team.

Chris de la Camp
CFO

Chris is the Chief Financial Officer and a member of the Outokumpu Leadership Team. He joined the company in 2016.

Michael S. Williams
President, Americas

Michael joined the company in 2015 as the head of business area Americas and a member of the Outokumpu Leadership Team.

Kari Tuutti
President, Long Products

Kari joined the company in 2011 and has been the head of business area Long Products since 2014. He has been a member of the Outokumpu Leadership Team since 2012.
Speakers

Liam Bates  
EVP – Supply Chain Europe

Liam joined the company in 1993 and he has been the head of Supply Chain Europe since 2016. He has been a member of the Outokumpu Leadership Team since 2015.

Maciej Gwozdz  
EVP – Operations Europe

Maciej joined Outokumpu as the head of Operations Europe and a member of the Outokumpu Leadership Team in 2016.

Olli-Matti Saksi  
EVP – Sales Europe

Olli-Matti joined the company in 2013 and he has been the head of Sales Europe since 2016. He has been a member of the Outokumpu Leadership Team since 2014.

Moderator:  
Tommi Järvenpää  
VP – Investor Relations

Tommi joined the company in 2014 and he has been the head of Investor Relations since 2016.
Disclaimer

This presentation contains, or may be deemed to contain, statements that are not historical facts but forward-looking statements. Such forward-looking statements are based on the current plans, estimates and expectations of Outokumpu's management based on information available to it on the date of this presentation. By their nature, forward-looking statements involve risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. Future results of Outokumpu may vary from the results expressed in, or implied by, the forward-looking statements, possibly to a material degree. Factors that could cause such differences include, but are not limited to, the risks described in the "Risk factors" section of Outokumpu's latest Annual Report and the risks detailed in Outokumpu's most recent financial results announcement. Outokumpu undertakes no obligation to update this presentation after the date hereof.
Driving topline growth and efficiency

Roeland Baan
President & CEO
Our must-win battles are yielding tangible results

Our 2020 financial targets are firmly within our reach

Key investment projects are securing our long-term efficiency

Driving topline growth and efficiency
Best value creator in stainless steel by 2020 through customer orientation and efficiency

Time bound: sense of urgency

1. Customers
2. Shareholders
3. Employees

Back to basics
Best value creator for our customers

Tremendous potential to improve and differentiate from competition

58% of our customers are absolutely or very satisfied

Source: Outokumpu, Dec 2016
Best value creator for our shareholders

Relative share price since the beginning of 2016

+180%
Best value creator for our employees

2017 OHI* completed:
Response rate at 80.4%
Scores improved in all practices

*Organizational health index, McKinsey&Company
Best-in-class safety correlates with improved quality and operational efficiency

Total recordable incident frequency, TRIF

- 2015: 15.0
- 2016: 7.4
- 9M/17: 4.8
- 2020 target: 4.5

- We have reduced the number of accidents
- We are implementing Standardized Safety Processes
- We are developing safety culture and consequence management

Best-in-class safety correlates with improved quality and operational efficiency.
Stainless steel demand continues to grow

Global stainless steel real demand in 2015:

- **37.4 million tonnes**

Expected global stainless steel real demand in 2020:

- 46.2 million tonnes

Segment-wise growth:

- **Consumer goods & Medical**: +26%
- **Automotive**: +21%
- **Architecture, Building & Construction**: +31%
- **Heavy industries**: +11%
- **Chemical, Petrochemical and Energy**: +15%
- **Other**: +19%

Source: SMR, Oct 2017
Stainless steel demand is growing faster than industrial production...

<table>
<thead>
<tr>
<th>Year</th>
<th>World industrial production growth, %</th>
<th>Stainless steel demand growth, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>3.4</td>
<td>4.6</td>
</tr>
<tr>
<td>2018</td>
<td>3.0</td>
<td>4.9</td>
</tr>
<tr>
<td>2019</td>
<td>2.6</td>
<td>4.3</td>
</tr>
<tr>
<td>2020</td>
<td>2.3</td>
<td>3.3</td>
</tr>
</tbody>
</table>

Source: SMR Oct 2017, Oxford Economics Sep 2017
...and overcapacity is expected to diminish

Source: SMR Real Demand Oct 2017; CRU Capacity Aug 2017
Our financial targets are based on conservative market assumptions

- **EBITDA**: EUR 750 million
- **ROCE**: 12%
- **Gearing**: <35%
Raw material prices have supported our earnings in 2017

Sources:
- Base prices: CRU, Oct 2017, 2mm cold rolled stainless steel sheet
- Nickel: LME settlement quotation
- Ferrochrome: Metal Bulletin, quarterly contract price
We continue to create value through our must-win battles

VISION 2020:
To be the best value creator in stainless steel by 2020 through customer orientation and efficiency.

The best value in the industry for customers, shareholders and employees through:

- Safety
- High Performing Organization
- World Class Supply Chain
- Manufacturing Excellence
- Commercial Excellence
- Americas
Topline growth and cost reductions will deliver EBITDA of EUR 750 million.

Rigorous cost management is yielding tangible results

- **SG&A costs** reduced by EUR 85 million
- **Variable costs per tonne**\(^*\) down by 4%
- **Procurement costs reduced** by EUR 90 million

*\(^*\)Variable costs excluding procurement

---

**Ongoing**

- Achieve 3% annual productivity improvement
- EUR 100 million lower SG&A cost run rate to be achieved by the end of 2017
- Further savings from procurement initiatives to realize in 2018

9M/17 compared to FY15
Commercial initiatives are progressing according to plan

**Increased Americas’ deliveries by 43%**

**Mix improvement and pricing excellence in Europe**

**We have the best customer satisfaction in the industry**

**Ongoing**

- Increase volume through efficiency and debottlenecking
- Richer mix through enhanced capability and selective sales strategy
- Value based selling
- Improve customer satisfaction to 75%

9M/17 compared to FY15
Stainless profitability has improved as a result of self-help

Adjusted EBITDA, EUR million

<table>
<thead>
<tr>
<th></th>
<th>Stainless</th>
<th>Ferrochrome</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>58</td>
<td>107</td>
</tr>
<tr>
<td>2016</td>
<td>229</td>
<td>80</td>
</tr>
<tr>
<td>9M/17</td>
<td>388</td>
<td>161</td>
</tr>
</tbody>
</table>

European base price +6.3%
US base price +1.9%
New business area structure improves visibility in stainless development
Integrated ferrochrome operations bring significant strategic advantages

Our ferrochrome operations rank in top 10 among major ferrochrome smelters

Production costs, USD/lb

Outokumpu

Profitability value from integrated mine and smelting operations

One of the most cost competitive ferrochrome producers globally

Strategic advantage and significant cost benefit for the company

Source: CRU, June 2017
Kemi mine expansion will secure ore supply for coming decades

- Current mining area to be exhausted early 2020's
- Expansion extends the underground mining activities to 1,000 meters
- Ensuring safe, profitable and long-term mining process chrome feed
- Supporting the continuation of the integrated operations in Kemi-Tornio sites beyond 2020
We are harmonizing our business and culture through project Chorus...

- **Local processes, fragmented systems and data** (2015)
- **New organization, global processes and ways of working** (2016)
- **Roll out of new integrated tools and processes** (2017)
- **Increased efficiency and transparency, best customer experience, unified platform** (2018-2020)
- **Chorus established**
- **Vision 2020 launched**
- **New CRM**
- **Sales & operations planning tool**
- **ERP roll-out**
- **Digital transformation**
...which creates opportunities beyond 2020

- Significantly shorter lead times
- Higher share of automation and robotics
- Integrated systems with customers and suppliers
Driving topline growth and efficiency

- Our must-win battles are yielding tangible results
- Our 2020 financial targets are firmly within our reach
- Key investment projects are securing our long-term efficiency
Delivering solid cash flow

Chris de la Camp
CFO
Delivering solid cash flow

- Significant contribution from self-help
- Strengthening of balance sheet remains a key priority
- Solid cash flow generation will open options for future
2020 financial targets are firmly within our reach

- **EBITDA**: EUR 750m
  
  9M/17: EUR 549m

- **ROCE**: 12%
  
  9M/17: 12.4%

- **Gearing**: <35%
  
  9M/17: 44.4%
Solid EBITDA development due to self-help measures and supportive market...

Adjusted EBITDA, EUR million

- Rigorous cost management
- Good progress with commercial initiatives
- Supportive market environment
... with all business areas improving significantly

Europe adjusted EBITDA, EUR million

- Stainless
- Ferrochrome

<table>
<thead>
<tr>
<th>Year</th>
<th>Stainless</th>
<th>Ferrochrome</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>107</td>
<td>203</td>
<td>300</td>
</tr>
<tr>
<td>2016</td>
<td>80</td>
<td>295</td>
<td>375</td>
</tr>
<tr>
<td>9M/17</td>
<td>161</td>
<td>367</td>
<td>528</td>
</tr>
</tbody>
</table>

Americas adjusted EBITDA, EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>Stainless</th>
<th>Ferrochrome</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>-120</td>
<td>-27</td>
<td>-147</td>
</tr>
<tr>
<td>9M/17</td>
<td>22</td>
<td></td>
<td>22</td>
</tr>
</tbody>
</table>

Long Products adjusted EBITDA, EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>Stainless</th>
<th>Ferrochrome</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>10</td>
<td>-1</td>
<td>9</td>
</tr>
<tr>
<td>9M/17</td>
<td>13</td>
<td></td>
<td>13</td>
</tr>
</tbody>
</table>
Annual capex stable at slightly above EUR 200 million

Capex cash flow estimates, EUR million

- Growth opportunities
- Chorus
- Kemi mine
- Expansion and other
- Maintenance

Chorus
EUR ~100 million

Kemi mine
EUR ~250 million

Annual maintenance
EUR 80-90 million
Chorus enables efficiency improvements throughout the organization

- Reduced IT costs through simplification
- Reduced SG&A costs through centralization of shared services
- Creating platform for future digitalization
Halving interest expenses by 2020

Debt structure*, %

- Bonds: 33%
- Convertible bonds: 33%
- Long-term loans: 8%
- Pension loans: 8%
- Finance leases: 2%
- Finance leases: 16%
- Commercial paper: 0%

Net interest expenses, EUR million

- 2016: 120
- 2017e: 100
- 2020e: 50

Interest expenses down 50% by 2020

- **2017:**
  - 2019 bond called
  - 2021 bond partly repaid
  - Reduction of factoring
  - Pension loan refinanced
  - Prepayment of debt by disposal proceeds
  - Further cost optimization of debt portfolio
- **Short-term:**
  - Revolving credit facility will be refinanced before February
- **Medium-term:**
  - Further improvement of debt structure

* Sep 30, 2017
Tax-loss carry forwards will keep cash taxes moderate

Example:

Tax loss carry forwards of EUR 100 million in country A
→ Sufficient taxable income generated in country A
→ Tax loss carry forwards are recognized as further deferred tax income
→ Tax rate in country A of 35%

Net result:
+ EUR 35 million

Equity:
+ EUR 35 million

Gearing:
-0.6% ¹)

• Remaining unutilized tax loss carry forwards amount to EUR 2,546 million, mainly from Germany and the US
• Can be recognized as further deferred tax income when generating sufficient taxable income in these countries

¹) Based on current debt and equity levels
Aiming to reduce leverage to below 1.0

Net debt and gearing

- Net debt, EUR billion
- Gearing

<table>
<thead>
<tr>
<th>Year</th>
<th>Net debt, EUR billion</th>
<th>Gearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>3.56</td>
<td>188%</td>
</tr>
<tr>
<td>2014</td>
<td>1.97</td>
<td>93%</td>
</tr>
<tr>
<td>2015</td>
<td>1.61</td>
<td>69%</td>
</tr>
<tr>
<td>2016</td>
<td>1.24</td>
<td>51%</td>
</tr>
<tr>
<td>III/17</td>
<td>1.13</td>
<td>44%</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td>&lt;1.0</td>
</tr>
</tbody>
</table>

Net debt / LTM adjusted EBITDA:
- 9.8
- 4.0
- 1.7
- <1.0

Net debt and gearing:
Aiming to reduce leverage to below 1.0
Targeting solid cash flow generation by 2020

Potential free cash flow, EUR million

Cash utilization options:

1. Shareholder return
2. Investment projects

Dividend policy:
- 1/3 of net profit over a business cycle
- Aim of stable annual payments
Delivering solid cash flow

- Significant contribution from self-help
- Strengthening of balance sheet remains a key priority
- Solid cash flow generation will open options for future
Tangible growth potential in Europe

Roeland Baan
President & CEO
Our successful strategy execution paves the way for future growth

SAFETY
TRIF* down to 5.6

HIGH PERFORMING ORGANIZATION
Lean and flat organization

MANUFACTURING EXCELLENCE
3% annual productivity improvement on track

WORLD CLASS SUPPLY CHAIN
Significant savings in procurement costs

COMMERCIAL EXCELLENCE
Mix improved

TRIF* = total recordable incident frequency
Stainless profitability has significantly outperformed the market

Europe adjusted EBITDA, EUR million

Profitability boosted by self-help, index

Source: European average base price: CRU, Oct 2017. 2mm cold rolled 304 stainless steel
Nickel price: LME settlement
Completed restructuring creates solid basis for Europe

- We have kept stable market share despite the closure of Benrath mill in 2016
- Ferritics optimization investment in Krefeld was completed successfully
- Delivery performance of our German mills has increased from ~70% to >90%*
- We have realized >EUR 50 million SG&A cost savings

*9M/17 compared to FY15
Healthy market environment continues in Europe

- Stock levels are at historical averages
- Imports have increased particularly from Korea & Taiwan
- Cold rolled market expected to grow by over 400,000 tonnes in 2015-2020

Sources:
SMR, Oct 2017 / Eurofer, Sep 2017
Our path to future growth

Markets
Strong market position secured through higher efficiency and debottlenecking

Operations
Global production standards in all mills & efficient inventory management

Innovation
Clear R&D focus on solutions and process technologies

Digitalization
Unified tools and processes through Chorus
We have visible achievements from restructuring and efficiency improvements.

We have become the best value creator in stainless steel in Europe.

We are ready to leverage our capabilities to meet further growth opportunities.

Tangible growth potential in Europe
On track to solid profitability

Michael S. Williams
President, Americas
Our market position strengthens further

We continue to improve yield and decrease operating costs

Higher margin product mix and increased volume boost topline growth

We are on track to solid profitability
Must win battles remain our core focus

<table>
<thead>
<tr>
<th>AMERICAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAFETY</td>
</tr>
<tr>
<td>HIGH PERFORMING ORGANIZATION</td>
</tr>
<tr>
<td>MANUFACTURING EXCELLENCE</td>
</tr>
<tr>
<td>WORLD CLASS SUPPLY CHAIN</td>
</tr>
<tr>
<td>COMMERCIAL EXCELLENCE</td>
</tr>
</tbody>
</table>
High Performing Organization continues to improve efficiencies

- Organization fully engaged with safety: 100% participation in SafeStart
- Organizational Health Index response rate at 86%
- New top sales leaders in place
- Organizational restructuring underway in Mexico
Manufacturing Excellence continues to drive value growth

- 52% reduction in Lost Time Incidents
- Higher demonstrated capacity
- Sales volume up by 10%
- Significant OEE* improvement: 26% at melt shop, 33% at cold rolling
- Variable costs per tonne reduced significantly
- Prime yield improvement of 1.1%

*OEE: Operational Equipment Efficiency = Availability x Performance x Quality
Operational efficiency leading to significant change and results

- Melt shop raw material optimization
- Hot line slitter project to decrease costs
- Targeted yield improvement to decrease costs
- OEE improvement to maximize contribution per bottleneck hour
Americas’ stainless market is growing...

Total Americas cold rolled market 2017: 2,600,000 tonnes

Canada
2017-20: +7 ktons
CAGR: 1.2%

Mexico
2017-20: +23 ktons
CAGR: 2.0%

US
2017-20: +239 ktons
CAGR: 4.5%

South America
2017-20: +42 ktons
CAGR: 3.9%

Source: SMR, Oct 2017
...and the US market demand is recovering

Average prices rose in September

Sources:
SMR, Oct 2017 / MSCI, Sep 2017 / AISI, Aug 2017

Demand is recovering: +2% in 2017

Stock levels below historical averages

Prices moved above historical average in September

China imports replaced by other Asia & Taiwan
Earning our fair share of the market in the Americas

- Improving SOTIF*
- Key focus in appliance and automotive segments
- Leading customer quality performance
- New sales force dedicated to target growth areas
- Earning back market share in Mexico
- Leveraging our global capabilities

IMPROVED MIX IS THE KEY PROFITABILITY DRIVER

*Shipped on time in full
Targeting for a more profitable mix

10% volume improvement, 2% increase in cold rolled prime material

- Cold rolled
- Continuous mill plate
- Hot band white
- Hot band black
Higher market penetration in southeastern US adds to profitable growth
We have improved our EBITDA significantly...

- New sales professionals dedicated to target growth areas
- Improving customer satisfaction – sales back office transition
- All 26 operating units trained and measured consistently
- Mexinox restructuring underway
- Lean manufacturing principles incorporated into onboarding process
- Logistics optimization and procurement savings plans gaining traction

Americas adjusted EBITDA, EUR million

- 2015: -120
- 2016: -27
- 9M/17: 22

We have improved our EBITDA significantly...
...but there is still runway left

COST IMPROVEMENTS WILL CONTINUE

• ~3% yield improvement in both Calvert and Mexinox
• Variable cost improvements continue
• Significant efficiency gain with Mexinox restructuring

TOPLINE GROWTH IS OUR BIGGEST LEVER

• Positive market share development
• Profitable sales development
  • Product mix
  • Production capability
  • Market penetration to gain richer product mix
• New market segment participation
We are on track to solid profitability

Our market position strengthens further

We continue to improve yield and decrease operating costs

Higher margin product mix and increased volume boost topline growth
Capturing significant growth opportunities

Kari Tuutti
President – Long Products
Capturing significant growth opportunities

- Targeting cost leadership
- Continue to grow our US long products business
- Grow in Europe – both in standard and special products
We have made great progress since 2016

1. Returned to healthy profitability in 2017
2. Divested Stainless Pipe in US with high valuation
3. Continued cost reduction
4. We have grown US bar volumes by 20% with 100% profit growth
5. We have grown special shapes bar volumes in Europe by 100% with excellent margins
We have ~10% share in Europe and NAFTA

Stainless long products demand by region (2017)

- China: 38%
- Asia, excl. China: 34%
- EMEA: 21%
- NAFTA: 6%
- Other: 1%

TOTAL: 6.0 mtonnes

Core markets: Europe and NAFTA

- NAFTA: 22%
- Germany: 19%
- Birthday: 19%
- Other Europe: 22%
- Sweden: 4%
- Spain: 5%
- France: 9%

TOTAL: 1.6 mtonnes

Source: SMR Sep 2017
Positive demand outlook in key segments: 4% growth during 2017-2020

End-customer industries

- Automotive & Heavy Transport
- ABC & Infrastructure
- Chemical, Petrochemical & Energy
- Consumer Goods & Medical
- Industrial & Heavy Industry
- Other

TOTAL: 6.0 mtonnes

Growth by segment (2017-2020)

- Industrial & Heavy Industry
- Chemical, Petrochem. and Energy
- Consumer Goods and Medicals
- ABC and Infrastructure
- Automotive & Heavy Transport
- Others

Positive demand outlook in key segments: 4% growth during 2017-2020

Source: SMR Sep 2017
Solid profit growth in 2017...

- Strong growth both in Europe and in the US
- Improved margins in all product categories
- Ramp-up of new special bar line in the US progressing as planned
...driven by significant improvements in cost competitiveness

Long Products fixed costs, index (2015=100)

- Improved operational performance through manufacturing excellence
- Reduced SG&A costs
- Increased capacity utilization
- Weakening of GBP vs. EUR and USD

2015 2016 2017
100 76 67
Long Products’ contributing to must-win battles

- SAFETY
- HIGH PERFORMING ORGANIZATION
- MANUFACTURING EXCELLENCE
- WORLD CLASS SUPPLY CHAIN
- AMERICAS
- COMMERCIAL EXCELLENCE
Driving growth through World Class Supply Chain

Our SOTIF* is at 90%

Our inventory rotation is below 60 days

High customer satisfaction at 79%

Ongoing

- Develop manufacturing excellence to increase production reliability and maintain low inventories
- Maintain SOTIF at >90%
- Develop inventory management and integration with customers to offer short lead times

*Shipped on time in full
Driving growth in Americas

- We have grown volumes by over 20% and profit by 100%
- New special bar line is in full production
- Established rebar go-to-market partnerships
Outokumpu Stainless Bar selected as the supplier of the year 2017 (stainless category) by ThyssenKrupp Materials NA Copper & Brass
Driving growth in Americas

We have grown volumes by over 20% and profit by 100%

New special bar line is in full production

Established rebar go-to-market partnerships

Ongoing

- Expand geographical reach with key service center partners
- Expand rebar business with key fabricator partners both in the US and in Canada
- Take market share from European imports
Driving growth through Commercial Excellence

We have grown special shapes bar volumes by over 100%

Increased Prodec high machinability bar sales

Expanded large bar capabilities and business

Ongoing

- Grow sales of high value added specialty products to most demanding customers
- Leverage reduced cost base to grow strategic semis customer base
- Further strengthen finished products business
Capturing significant growth opportunities

- Targeting cost leadership
- Continue to grow our US long products business
- Grow in Europe – both in standard and special products
Establishing seamless, fully integrated processes

Liam Bates
EVP – Supply Chain Management Europe
VISION 2020:
To be the best value creator in stainless steel by 2020 through customer orientation and efficiency.

The best value in the industry for customers, shareholders and employees through:

- Safety
- High Performing Organization
- World Class Supply Chain
- Manufacturing Excellence
- Commercial Excellence
- Americas
Moving to fully integrated processes

Efficiency

- Optimize routings
  - with least resources (NWC)
  - and lowest cost

Establishing one seamless, fully integrated sales and operations planning process

Key actions

- Understanding cost curves on through route costs
- Ad hoc work assessing variations
- Place NWC where it’s needed. Cut elsewhere
- Significant NWC reduction of EUR 358 million in 2016
Case: Dillenburg delivery performance improvements are clearly visible

- Clear reduction of process complexity
- Higher flexibility to cover unplanned production losses
- Delivery performance in Dillenburg has increased clearly above 90%
- Order backlogs have declined
Targeting EUR 150 million in procurement cost savings

Direct efforts

- Raw material optimization (mix / production)
- Scrap buying
- Direct procurement

Key actions

- Reorganization of procurement
- Focus on buying matched pair concept
- Administration centralized
- Internal and external initiatives yielding savings of ~EUR 50 million

Establishing one seamless, fully integrated sales and operations planning process
Case: Challenging the status quo saves money

Single biggest material handling contract renegotiated with should-cost model and renewal of 15-year contract

Bid included eight biggest service providers from Europe and Americas

13.5% annual savings with improved payment terms
Case: We achieved significant savings from a supplier change

Bidding major Stevedoring agreement and changing 10+ year old incumbent supplier to a new supplier with better industry references

26% annual savings with improved payment terms
Case: We renegotiated take-or-pay deal in energy

Long-term fixed contract for electricity became non-sustainable with current energy prices.

With right partnership approach, we renegotiated the remaining deal:

- ~4% savings
  - with improved payment terms
Chorus enables us to move from fragmented processes to integrated funnel

Opportunities:
- Eliminate suboptimization
- Reduce NWC
- Lowest cost per route
Establishing seamless, fully integrated processes

We are reducing lead time through streamlined planning

We are aiming to achieve industry leading delivery performance

Chorus enables integration of the supply chain management planning processes
Delivering 3% annual productivity improvement

Maciej Gwozdz
EVP – Operations Europe
This is our roadmap for global manufacturing

Outokumpu Production System

- Consistent manufacturing excellence blueprint to drive operational efficiency
- Based on Lean Six Sigma
- Outokumpu Production Index (OPI) measures Manufacturing Excellence

1. People
2. Culture
3. Tools & Methods
4. Processes
5. KPIs
We are on track to deliver 3% productivity improvement in 2017

Since the start of 2017, 92 projects closed, 172 projects are ongoing

Financial project tracker in place

All 11 manufacturing locations have completed the leadership training

Six-week Black Belt training delivered
Case: Reduce working capital in Germany

OPPORTUNITY

- Work in progress handling causes a disturbed production flow
- High inventories, increased lead time and poor delivery performance

ACTIONS

- Process mapping
- Target state definition
- Gap analysis
- Setting the metrics for sustainable performance

IMPACT

Inventories reduced by 50%
Case: Eliminate processing speed loss in Sweden

OPPORTUNITY

• Scale formation on black hot band reduces processing speed (quality issue)

ACTIONS

• Six Sigma methodology to increase process stability
• Optimized furnace times and acid compositions

IMPACT

20% line speed increase
1,000 tonnes/month additional capacity
Case: Reduce idle time in Finland

OPPORTUNITY

- Improve Operating Equipment Efficiency (OEE) by reducing process idle time

ACTIONS

- Lean Tools applied through a set of workshops
- Standardized process in place for each product change

IMPACT

- Idle time down by 30%
- OEE up by 1.6 percentage points
Delivering 3% annual productivity improvement

We provide the roadmap for global manufacturing – Individual sites drive the transformation

Numerous local projects build up cost improvements

Sustainable financial impact
Creating value through customer orientation

Olli-Matti Saksi
Head of Sales Europe
Creating value through customer orientation

VISION 2020

Commercial targets

To be the best value creator in stainless steel by 2020 through customer orientation and efficiency

Main KPI / drivers

Improve profitability by >EUR 200 million by the end of 2020
Customer satisfaction to reach 75% by 2020

Volume
Product mix
Customer service excellence
Sales performance management

Creating value through customer orientation
We have improved margins through self-help

Improvement in contribution margin driven by

- Value selling
- Pricing excellence and mix improvement
- Efficiency improvements
- New sales organization
We are improving customer satisfaction

- **Global account management**: One face to the customer to make Outokumpu preferred supplier
  - Start Nov 2017

- **Sales academy**: To create best performing sales force in stainless steel industry
  - 2017-2018

- **Chorus**: Supporting tools to ensure best in class customer service
  - Rollout 2017-2020
Case: Focused customer support led to significant profitability improvement

**Background:**
Customer expansion into new products to become leading high-tech supplier

**Actions:**
Extensive global R&D and technical support and close cooperation with customer to achieve the right product mix

**Outcome:**
Provide customer with lean duplex grade for demanding applications

- Increased delivery share from 40% to 60%
- Improved profitability by over 100%

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume</th>
<th>Profitability</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td>+100%</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Case: We have increased our negotiation result by mix optimization

Grade C with highest profitability but 2016 volume was zero

Analysis phase

Contr. Margin €/t

Grade A Grade B Grade C

Volume

Grade A

Target setting 2017

Grade A

Grade C

Grade B

Negotiation result

+ >100 EUR/t
Oil Storage Tanks
Antwerp, Belgium

“More and more duplex stainless steels are chosen because of the very good price-performance ratio. Duplexes have a similar corrosion resistance as the austenitic stainless steels which are normally used, but offer an advantage to optimize plate thickness due to higher strengths without diminishing the total tank integrity”

Jan Jochems
Chief Technical Officer, Ivens Construction
Ping An International Finance Center
Shenzhen, China

“Outokumpu stood out for its rich global experience and highly efficient and customized products. Outokumpu’s vision, ‘a world that lasts forever’, and their mission of ‘creating long lasting and recyclable advanced materials’ is the perfect match to our vision of providing a sustainable testament to the pioneering spirit of Shenzhen.”

Spokesperson
Ping An Finance Center
Creating value through customer orientation

We are improving customer satisfaction

Our product portfolio and technical expertise translate into customer value

Improving profitability by more than EUR 200 million