Welcome to Outokumpu Americas

March 7, 2017

Michael S. Williams – Head of Americas
Timothy J. Lynch – Head of Americas Operations
Timothy Lynch heads Operations for the Americas business area of Outokumpu.

Timothy joined the company in 2015 with over 20 years of experience in the global metals industry. He holds a bachelor’s degree in Business Administration.

Michael Williams heads the Americas business area of Outokumpu.

Michael joined the company in 2015 with over 30 years of experience in aluminum and carbon steel in the United States. He holds a Bachelor of Science degree in Information Science.
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Best value creator in stainless steel by 2020 through customer orientation and efficiency

1. Customers
2. Shareholders
3. Employees

Time bound: sense of urgency

Back to basics
Outokumpu – global leader in stainless steel

85% recycled content raw materials

Stainless steel is 100% recyclable

Over 10,000 people in over 30 countries

85% of sales is direct sales to end-customers

Sales of EUR 5.7 billion in 2016

~55% of sales is direct sales to end-customers

~30% Europe

~25% NAFTA

Global

66% Europe

23% Americas

17% Other operations

15% Long Products

5% Other operations

Strong market position 1)

Consumer goods & medical

Automotive

Architecture, building & construction

Chemical, petrochem. and energy

Metal processing & tubes

Heavy industries

Over 10,000 people in over 30 countries

Stainless steel is 100% recyclable

85% recycled content raw materials

~55% of sales is direct sales to end-customers

Sales of EUR 5.7 billion in 2016

Strong market position 1)

~30% Europe

~25% NAFTA

Global

1) Market shares 2016 are calculated based on cold rolled deliveries. Source: Eurofer February 2017, AISI February 2017, SMR February 2017
We have a strong presence in key regions.
Outokumpu returned to profitability in 2016

Underlying EBIT, EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>Europe</th>
<th>Americas</th>
<th>Long Products</th>
<th>Other operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>-377</td>
<td>-163</td>
<td>-377</td>
<td>-30</td>
</tr>
<tr>
<td>2014</td>
<td>-88</td>
<td>-91</td>
<td>-88</td>
<td>-48</td>
</tr>
<tr>
<td>2015</td>
<td>-101</td>
<td>-7</td>
<td>-101</td>
<td>-7</td>
</tr>
<tr>
<td>2016</td>
<td>45</td>
<td>-48</td>
<td>45</td>
<td>-7</td>
</tr>
</tbody>
</table>
Our strategic plan

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
- Americas
- Commercial Excellence
America’s stainless market is growing

Total Americas cold rolled market 2016: 2,500 ktons

Canada
2016-20: +21 ktons  
CAGR: 3.1%

Mexico
2016-20: +70 ktons  
CAGR: 4.7%

US
2016-20: +180 ktons  
CAGR: 2.7%

South America
2016-20: +66 ktons  
CAGR: 4.1%

Source: SMR, Dec 2016
We are firmly established in the market

Americas’ underlying EBIT, EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>-91</td>
<td>-163</td>
<td>-91</td>
<td>-91</td>
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<td>2015</td>
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<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>-43</td>
<td>-24</td>
<td>-7</td>
<td>-18</td>
</tr>
</tbody>
</table>

• Strong #2 in the US
• 25% market share in NAFTA in 2016
• Full commercial capability in place in 2018
Antidumping action lead to recovering base prices in the US

**US base prices**, USD/tonne

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD/tonne</td>
<td>1,200</td>
<td>1,250</td>
<td>1,300</td>
<td>1,350</td>
<td>1,400</td>
</tr>
</tbody>
</table>

**Third-country imports into the US, 1,000 tonnes**

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

Imports from China into the US decreased significantly from 25.0% in Q4 2016.

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1. 2mm sheet cold rolled 304 grade. CRU February 2017
NAFTA cold rolled market size (1,000 tonnes) and Outokumpu market share

Source: AISI December 2016, SMR December 2016, Outokumpu
Distributors and service centers are the predominant route-to-market in the US.
On track to profitability with Americas must-win battles

SAFETY

HIGH PERFORMING ORGANIZATION

MANUFACTURING EXCELLENCE

WORLD CLASS SUPPLY CHAIN

COMMERCIAL EXCELLENCE
We have actions in place to achieve best-in-class safety

Background
Top performers in any process industry are the ones which have top safety performance too. We have been clearly behind best-in-class level.

Our target
Standardized and disciplined approach to safety that correlates with improved quality and operational efficiency, leading to a top decile position in the industry.

• Safety audits completed in 2016
• Implementation of Safe Start program
• Increasing data-driven intelligence – piloting data analytics program
• Mandatory Safety Behavior Observations

Total recordable incident frequency, TRIFR (Group level)

<table>
<thead>
<tr>
<th>Year</th>
<th>Frequency</th>
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<tbody>
<tr>
<td>FY/16</td>
<td>8.7</td>
</tr>
<tr>
<td>2020</td>
<td>5.0</td>
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New leaders shaping the team into a High Performing Organization

- New organization, new top leaders
- Upskilled talent in commercial and operations teams
- SG&A cost reduction on track
- Business service center in San Luis Potosi, Mexico
- Continued investment in training and development
- Energized and engaged team: 96% OHI response rate – 2nd quartile results
World Class Supply Chain efforts yielding results

**Immediate logistics optimization and spend reduction**
- Integrated supply chain organization
- Transportation Management System implemented, transportation contracts rationalized: 12-18% savings in freight in US

**Ongoing development**
- On-time delivery
- Transportation Management System implementation in Mexinox
- Strengthening regional sources of raw materials
- Raw material optimization
- Supplier rationalization
Manufacturing Excellence has a big profitability impact, with proven results

Overall Equipment Effectiveness: increasing volume beyond nameplate capacity

• 22% throughput achievement at CAPL
• Melt shop heat sequencing improvement of 15%
• 25% variable cost per tonne improvement
• Yield improvement greater than 8%
• Overall quality claims decreased to less than 1%

Every 1% of yield improvement = approximately 5 M USD
Cost competitive operations in Calvert

**Cost components**

- **Raw materials**
  - Scrap ratio of 80-85%
  - Annual austenitic scrap usage of ~400 kt

- **Energy**
  - Long-term contracts with Alabama Power and Sempra Gas

- **Labor**
  - Highly competitive labor costs
  - Workforce flexibility

- **Others**
  - Logistics
  - Maintenance and reliability
  - Rents and leases
Calvert’s production flow
Synergies through optimized work-share with Mexinox

**Mexinox**

**Regional**
- Main focus on Mexico (~70%) cross regional supply
- Limited capabilities of Mexinox mill
- Production cost advantages

**Specialization**
- Ferritics
- Medium & light gauges
- Bright Annealed/Rolled-On/Polished
- Tailored Solutions

**Calvert**

**Regional**
- Main focus on the US (~70%)

**Specialization**
- Austenitics
- 72" wide
- Polished
- Growing portfolio
- Continuous mill plate
Commercial Excellence builds further inroads into the market, with a lot of runway.

**Market share growth**
- earning our fair share
  - Increased production capability
  - Broader portfolio
  - Building confidence and trust – solution-based selling
  - Focused approach to segments, customers, gauges & grades

**Becoming the preferred partner of choice**
- Outperforming the market in quality - as volumes increase
- Recognized customer orientation
- Unmatched technical expertise and support
- One-stop shop: leveraging Outokumpu’s global capabilities
We have significant improvement potential

Cost improvement is the biggest lever
- 25% improvement in variable costs per tonne achieved in 2016
- 10% of SG&A cost reduced

Further efficiency gains underway in operations, supply chain and SG&A

Topline growth
- Volume increase
- Market share growth
- Profitable sales growth through increased production capability and broader portfolio
We are on our way to solid profitability

- Strong foothold and good position in the Americas
- Significant further improvement potential in costs and topline growth
- Clear focus and strong execution drive
Outokumpu Americas leadership team

Americas
Michael S. Williams

Business Controlling
Patrick Grundke

Human Resources and Organizational Development
David Scheid

Communications
Donna Lutter

IT
Julia Ferguson

Sales
Stephen Letnich

Supply Chain Management
Jose Ramon Salas

Operations
Tim Lynch
Mexinox, Stainless Steel Finishing Mill
Mexinox – excellence in tailored solutions

- Founded in 1976
- Capacity to cold roll 250K MT
- Expertise in austenitic and ferritic grades
- Tailored finishing solutions: slitting, cut-to-length, blanks, circles
- Winner of 2016 ISSF Sustainability Award for water recycling
Fortinox – service center excellence
Value-added services at Fortinox

- CTL Lines
- Blanking
- Slitting Lines
- Grinding & Polishing Lines
- Grinding & Polishing Lines
- Grinding & Polishing Lines
The US market demand is recovering
Prices still below historical averages

Demand is recovering: + 2% in 2017*

Stock levels slightly below historical averages

Preliminary antidumping duties dampening Chinese imports

Prices increasing, but below historical averages

*Source: SMR, October 2016
Global megatrends call for long lasting and sustainable solutions

Economic and population growth
- Medical engineering
- Sea water desalination related investments
- Chemical and pharmaceutical growth
- Energy investments
- Commercial catering and household goods
  ..and many more

Climate change and limited resources

Mobility and urbanization
- Buildings
- Elevators
- Automotive
- Aerospace
- Train
- Transportation
  ..and many more