Calvert site visit

Calvert investor site visit, April 2, 2019
<table>
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<tr>
<th>Time</th>
<th>Topic</th>
<th>Presenter</th>
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</thead>
<tbody>
<tr>
<td>10:30 am</td>
<td>Opening remarks</td>
<td>Tommi Järvenpää, VP – Investor Relations</td>
<td></td>
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<tr>
<td>10:35 am</td>
<td>Decisive actions taken in the Americas</td>
<td>Roeland Baan, President &amp; CEO</td>
<td>4</td>
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<tr>
<td>11:05 am</td>
<td>Solid operational foundation enabling commercial growth</td>
<td>Michael S. Williams, President – BA Americas</td>
<td>9</td>
</tr>
<tr>
<td>11:35 am</td>
<td>Efficient and reliable operations established</td>
<td>Tim Lynch, VP – Operations, BA Americas</td>
<td>24</td>
</tr>
<tr>
<td>12:00 pm</td>
<td>Lunch</td>
<td></td>
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<tr>
<td>12:30 pm</td>
<td>Mill tour</td>
<td></td>
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<tr>
<td>3:00 pm</td>
<td>Transportation to the Battle House Hotel</td>
<td></td>
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<tr>
<td>5:40 pm</td>
<td>Transportation to the Bluegill from the Battle House Hotel</td>
<td></td>
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<tr>
<td>6:00 pm</td>
<td>Dinner at the Bluegill</td>
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Disclaimer

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Decisive actions taken in the Americas

Calvert investor site visit, April 2, 2019
Roeland Baan – President & CEO
Our development stagnated in 2018

BA Americas’ adjusted EBITDA, € million

Positive development continues...
- Cost-efficient operations
- Delivery reliability
- Product quality

...but was overshadowed in 2018
- Input and freight cost headwinds of over €40 million
- Weaknesses in commercial and supply chain management
We have been slow to react to changes in the market

| Disconnected sales and supply chain processes | Untimely market and sales intelligence | Under-developed sales organization | Misalignment between business targets and incentives |
Work has started in all areas, results expected as the year progresses

Finalized

- CCO Olli-Matti Saksi took over commercial responsibility
- Commercial organization structure
- New target setting and performance management process
- Renewed reporting and forecasting tools and practices

Ongoing

- Recruitment to strengthen the sales team
- Implementing best-in-class S&OP process
- Adaptation of the Group’s best working capital management practices
- New incentivization principles
Unique assets with further growth potential

US cold-rolled demand increasing

Most modern assets in North America with growth potential

Widening product portfolio
Solid operational foundation enabling commercial growth
Leading safety and employee satisfaction performance in the Group

Safety

20%

Organizational health

2nd quartile

reduction on incidents since 2015
Calvert has established its market share

<table>
<thead>
<tr>
<th>Stable operational performance</th>
<th>&gt;20% market share gained</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calvert as the most efficient mill in the Group</td>
<td>Improved regional and product mix</td>
</tr>
</tbody>
</table>
Year 2018 was disappointing for the Americas

Adjusted EBITDA year-on-year comparison$^1$, EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>Deliveries</th>
<th>Pricing &amp; mix</th>
<th>Net of timing &amp; hedging</th>
<th>Costs</th>
<th>Other</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>21</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-5</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</table>

1. Strong operational performance continues and our reliability has improved significantly
2. Result was heavily impacted by higher input and freight costs
3. We were unable to capture strong base prices

$^1$ Indicative columns based on management estimates

Mainly driven by improved product mix

Includes input and freight costs increase of ~€40 million

€6 million accrual release in 2017 and various other small items
Solid operational foundation enables profitability improvement of €100 million

**Commercial growth**

€60m

- Customer & product mix
- Market share in Mexico
- New products

**Efficiency gains**

€40m

- Mexinox restructuring
- Logistics cost reduction
- Raw material optimization
- Delivery reliability
New distribution strategy implemented to offset part of increased truck transport costs

>€15 million negative impact in 2018 vs 2017

Planned distribution central

New distribution central

Calvert

Planned distribution central
Our raw material sourcing is efficient

1/3 from Houston area
1/3 from within 150 km

Calvert

Ferro-chrome from Tornio
Our regional mix is developing according to plans...

- **2017**
  - Export
  - Domestic

- **2018**
  - Export
  - Domestic

14% improvement
...and our customer mix continues to improve gradually

**TIER 4**
- Market entrant
- Limited portfolio
- New workforce

**TIER 3**
- Established position
- Integrated operations
- Commodity portfolio
- Skilled workforce

**TIER 2**
- Acceptance as quality leader
- Leading portfolio
- Increased complexity in supply chain
- Fully integrated back office & commercial team

**TIER 1**
- Complete market acceptance
- Customer satisfaction leader
- High margin, demanding product offering
NAFTA cold-rolled market is approx. 220,000 tonnes per month

98% of NAFTA CR consumption is commodity grade (200, 300, 400 series)

85% of the market is owned by TOP10 distributors

USA 77%
Mexico 15%
Canada 8%
Demand growth prospects remain healthy

NAFTA flat product demand by segment*, million tonnes

- Consumer goods & medical: +10%
- Automotive & heavy transport: +3%
- Chemical, petrochemical & energy: +16%
- ABC & infrastructure: +28%
- Industrial & heavy industries: +9%

* SMR February 2019
Improving product mix provides substantial potential

Americas product mix split

|   | April 2, 2019
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<tbody>
<tr>
<td>2015</td>
<td>2016</td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Hot band black</td>
<td>Cold rolled</td>
<td>CMP &amp; Hot band white</td>
<td></td>
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43% cold rolled prime volume improvement since 2015

€60 million further profitability improvement potential

1. Calvert & Mexinox
2. Full capacity utilization
Investment in ferritic capabilities in Calvert enables further product mix improvement.

- Strengthen position in US ferritic segments
- Expand current product portfolio offerings
- Improve production efficiencies and capacities
- Improve the route-to-market strategy
- Annual profitability impact of €40 million from 2021 onwards
We are optimizing our production setup

Hot rolled coils shipped from Calvert to Mexinox are not subject to tariff

Cold rolled coils shipped to the US subject to 25% import tariff

Ferritic capabilities in Calvert will help us increase share of domestic deliveries in both countries
Solid operational foundation enabling commercial growth

- We have established efficient and reliable operations
- Demand growth prospects remain healthy
- Improving product mix provides substantial potential
Efficient and reliable operations established

Calvert investor site visit, April 2, 2019
Tim Lynch – Vice President Operations, BA Americas
Americas’ operational platform

Calvert

Mexinox
We achieved a step change in reliability in 2018...

- Average asset availability improved to **96.4%**
- Mean-time-between-failures on bottleneck units improved by **30%**
- External services reduced by **>40%**
- **Velocity**
- **Quality**
- **On-time delivery**

![Graph showing total maintenance spend as % replacement asset value (RAV)](image)

- **2nd quartile**
- **Top quartile**

|   April 2, 2019 | 26 |
...and we are aiming higher

<70% SOTIF* in 2017

82% SOTIF in Q4 2018

85% SOTIF target

* Shipped on-time in full uses the weighted average deliveries multiplied by the SOTIF of each business line, business area Americas
Mexinox restructuring unlocks further potential

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
<th>Improvement</th>
</tr>
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<tbody>
<tr>
<td>Mexinox FTE</td>
<td>13% reduction</td>
<td></td>
</tr>
<tr>
<td>Contractor FTE</td>
<td>40% reduction</td>
<td></td>
</tr>
<tr>
<td>CCC¹</td>
<td>10% reduction</td>
<td></td>
</tr>
<tr>
<td>OEE² Daily capacity</td>
<td>17% increase</td>
<td></td>
</tr>
<tr>
<td>Yield improvement</td>
<td>2.6% points</td>
<td></td>
</tr>
<tr>
<td>SOTIF³</td>
<td>8% improvement</td>
<td></td>
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Key investments

- Automated Vision Systems
- STL 10 tooling
- Wet Polish Line

1) Cash conversion cost
2) Overall equipment effectiveness
3) Shipped on-time in full
Majority of ferritic investment enhances capabilities of annealing and pickling processes

- 60% Cold Annealing & Pickling Line
- 30% Hot Annealing & Pickling Line
State-of-the-art operational platform

Continuous improvement mindset

Highly skilled workforce

<table>
<thead>
<tr>
<th>Improvement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity increases</td>
<td>17%</td>
</tr>
<tr>
<td>CCC reductions</td>
<td>20%</td>
</tr>
<tr>
<td>Rejects improvement</td>
<td>5%</td>
</tr>
<tr>
<td>Reworks improvement</td>
<td>22%</td>
</tr>
<tr>
<td>SOTIF improvement</td>
<td>17%</td>
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</table>
Thank you!

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[ln] [tw] [fb]

www.outokumpu.com