We are working towards a world that lasts forever.

Outokumpu interim report January–March 2024

Contents

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

Highlights in Q1 2024

- Stainless steel deliveries were 444,000 tonnes (505,000 tonnes)*.
- Adjusted EBITDA amounted to EUR 38 million (EUR 204 million).
- EBITDA was EUR 37 million (EUR 198 million).
- ROCE amounted to -5.7% (18.4%).
- Free cash flow was EUR -26 million (EUR 160 million incl. discontinued operations).
- Earnings per share was EUR -0.05 (EUR 0.22).
- The most recent share buyback program was completed on February 29, 2024, and during the first quarter, Outokumpu repurchased a total of 8,357,545 shares.
- Due to the political strike in Finland, Outokumpu issued two negative profit warnings during March.
- After the reporting period, on April 4, 2024, the Annual General Meeting approved a dividend of EUR 0.26 for year 2023 and the dividend was paid in April.

*Figures in parentheses refer to the corresponding period for 2023, unless otherwise stated.

Key figures		Q1/24	Q1/23	Q4/23	2023
Sales	EUR million	**1,479**	2,006	1,513	6,961
EBITDA	EUR million	**37**	198	15	416
Adjusted EBITDA [1)]	EUR million	**38**	204	72	517
EBIT	EUR million	**-19**	135	-314	-100
Adjusted EBIT [1)]	EUR million	**-17**	144	13	274
Result before taxes	EUR million	**-29**	128	-320	-133
Net result for the period	EUR million	**-23**	97	-242	-111
Earnings per share	EUR	**-0.05**	0.22	-0.56	-0.26
Return on capital employed, rolling 12 months (ROCE) [2)]	%	**-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

[1)] Adjusted EBITDA or EBIT = EBITDA or EBIT – Items affecting comparability.

[2)] The balance sheet component in 2022 includes the equity component of discontinued operations.

During 2022, Outokumpu announced that it had signed an agreement to divest the majority of the Long Products business operations to Marcegaglia Steel Group and Outokumpu reclassified its Long Products businesses to be divested assets held for sale and discontinued operations. The divestment was completed on January 3, 2023, and the gain on sale of EUR 6 million was reported in discontinued operations. In this report all the comparative numbers are reported as continued operations without the impact of the gain on sale, if not otherwise stated.

President & CEO Heikki Malinen

After a weak second half of the year 2023, the new year started off relatively well. However, a wave of unexpected political strikes in Finland impacted Outokumpu. Most of our operations and port in Tornio, Finland were shut down for four weeks. We regret any inconvenience this caused our customers. We have done everything under our control to mitigate the situation in order to limit the negative impacts of the four-week strike to EUR 60 million from the earlier estimated EUR 80 million.

In the first quarter of 2024, Outokumpu's adjusted EBITDA amounted to EUR 38 million. The political strike had negative impact of approximately EUR 30 million and we expect a similar impact in the second quarter. Compared to the previous quarter, our stainless steel deliveries slightly decreased in the first quarter. Our profitability was also burdened by the tightened scrap market, which is due to lower supply of recycled material, resulting from weaker industrial activity and high interest rates.

From a market perspective, we have seen positive signals. Gradual recovery in Europe has continued. The third quarter of 2023 was the lowest point in the cycle. Our realized stainless prices reflect this development.

Due to the above-mentioned challenges, business area Europe's adjusted EBITDA was weak and amounted to EUR 4 million. Stainless steel deliveries were 7% lower compared to the previous quarter, but higher realized stainless steel prices supported our profitability.

In business area Americas, our adjusted EBITDA amounted to EUR 24 million. Stainless steel deliveries seasonally increased by 15%. However, tight scrap supply and weak stainless steel pricing, especially in Mexico burdened the financial result. Americas' situation remains fundamentally strong, and we confirm the normalized annual EBITDA of USD 170 million.

Business area Ferrochrome generated a solid adjusted EBITDA of EUR 22 million. One of the ferrochrome furnaces has been shut down since January as market demand remained modest.

We are now in the midst of the second phase of our strategy. We have met the targets we set for ourselves, but the overall market environment is tough. I want to emphasize that we are determined to push forward and therefore we are now raising our EBITDA run-rate improvement target from EUR 200 million to EUR 350 million. This is also necessary to recover from the losses of the four-week strike.

In April, our Chief Financial Officer, Pia Aaltonen-Forsell announced her decision to leave Outokumpu to pursue a career opportunity outside the company. I want to thank her for the past five years – Outokumpu has truly changed during that time and is today financially much stronger than ever before.

I am pleased that we have found an excellent successor internally. Our new Chief Financial Officer, Marc-Simon Schaar will start in his new position on June 1, 2024. With his strong background in finance, business, and procurement, I am confident that Outokumpu continues to create long-term value.

After 12 years at Outokumpu with four years as Chief Executive Officer following eight years on the Board, I have decided to pursue another opportunity outside the company. During the past four years, we have transformed the company into a leader in sustainable stainless steel with the strongest balance sheet in the industry. I look forward to a smooth transition to my successor.

In the first quarter, we completed our second share buyback program and the Annual General Meeting also decided that a dividend of EUR 0.26 per share was paid for the year 2023. Strong shareholder returns and long-term value creation remain at the center of our strategy.

Outlook for Q2 2024

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

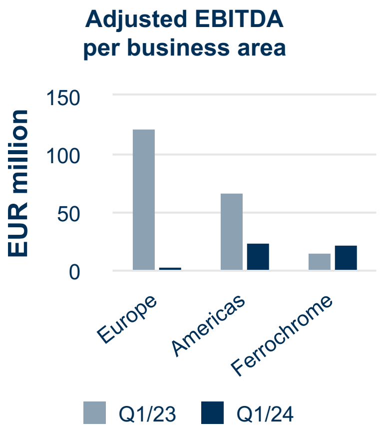
The recent political strike in Finland is expected to have approximately EUR 30 million negative financial impact in the second quarter.

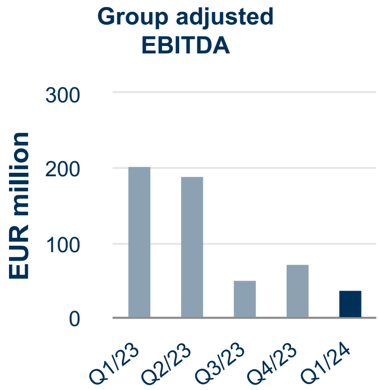
The scrap market is expected to remain tight.

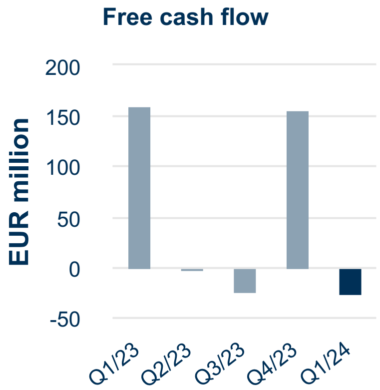
With current raw material prices, some raw material-related inventory and metal derivative losses are expected to be realized in the second quarter.

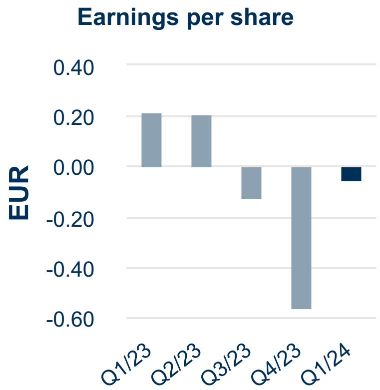
Guidance for Q2 2024:

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









Results

Q1 2024 compared to Q1 2023

Outokumpu's sales in the first quarter of 2024 decreased to EUR 1,479 million compared to the reference period (EUR 2,006 million). Total stainless steel deliveries were 12% lower as volumes decreased significantly in business area Europe.

Stainless steel deliveries and profitability in the first quarter of 2024 were negatively impacted by the political strike in Finland and a weaker overall market environment. As a result of these, adjusted EBITDA decreased to EUR 38 million (EUR 204 million).

Due to the political strike, the majority of Outokumpu's stainless steel and ferrochrome operations in Finland as well as the Port of Tornio in Finland were shut down for three weeks in March. The strike also impacted indirectly the company's operations in other countries through the disruption to internal material flows in both Europe and Americas. Outokumpu was, however, able to partially mitigate the adverse effects and the negative impact on the company's adjusted EBITDA in the first quarter of 2024 was approximately EUR 30 million.

In the first quarter of 2024, realized prices for stainless steel were higher in Europe, while decreased in the Americas compared to the reference period. The tight scrap market impacted the profitability of both stainless steel businesses while costs remained relatively stable. The result for business area Ferrochrome improved, mainly due to lower costs. Raw material-related inventory and metal derivative losses amounted to EUR 4 million (losses of EUR 6 million).

EBIT turned negative in the first quarter 2024 and amounted to EUR -19 million (EUR 135 million). ROCE for the rolling 12 months was -5.7% (18.4%), due to lower profitability and the significant impairment booking related to the renegotiated hot rolling contract in business area Americas at the end of 2023.

Net result decreased to EUR -23 million in the first quarter of 2024 (EUR 97 million) and earnings per share amounted to EUR -0.05 (EUR 0.22). Net financial expenses in the first quarter of 2024 increased to EUR 11 million (EUR 8 million) and interest expenses remained relatively stable at EUR 16 million (EUR 15 million).

Q1 2024 compared to Q4 2023

Outokumpu's sales amounted to EUR 1,479 million in the first quarter of 2024 (Q4/2023: EUR 1,513 million). Total stainless steel deliveries decreased slightly compared to the previous quarter (decrease of 1%). At the beginning of 2024, Outokumpu had expected its stainless steel deliveries to increase in the first quarter of 2024 compared to the fourth quarter of 2023, but the political strike in Finland had a negative impact on the company's volume development.

Outokumpu's adjusted EBITDA decreased to EUR 38 million in the first quarter (Q4/2023: EUR 72 million). The total negative impact of the political strikes on adjusted EBITDA was approximately EUR 30 million.

During the first quarter, realized prices for stainless steel continued to increase in Europe, while slightly decreased in the Americas. The scrap market remained tight throughout the quarter. Maintenance costs were lower due to less maintenance work, but the positive impact on profitability was offset by the negative impacts related to the strike. Raw material-related inventory and metal derivative losses amounted to EUR 4 million in the first quarter (Q4/2023: gains of EUR 0 million).

EBIT amounted to EUR -19 million in the first quarter 2024 (EUR -314 million). The reference period was negatively impacted by the significant impairment booking in business area Americas as well as other notable items affecting comparability. ROCE for the rolling 12 months was -5.7% (Q4/2023: -2.1%), mainly due to lower profitability.

Net result in the first quarter amounted to EUR -23 million (Q4/2023: EUR -242 million) and earnings per share was EUR -0.05 (Q4/2023: -0.56). Net financial expenses amounted to EUR 11 million (Q4/2023: EUR 6 million) and interest expenses EUR 16 million (Q4/2023: EUR 14 million).

Adjusted EBITDA by segment (EUR million)	Q1/24	Q1/23	Q4/23	2023
Europe	**4**	122	4	148
Americas	**24**	68	54	285
Ferrochrome	**22**	16	23	96
Other operations and intra-group items	**-11**	-2	-8	-12
Total adjusted EBITDA	**38**	204	72	517

Items affecting comparability (EUR million)	Q1/24	Q1/23	Q4/23	2023
Europe	**2**	-6	-46	-52
Americas	**—**	—	-7	-16
Ferrochrome	**—**	—	-3	-3
Other operations	**-3**	—	-1	-31
Total items affecting comparability in EBITDA	**-2**	-6	-58	-102
Total EBITDA	**37**	198	15	416

Strategy execution

Financial targets		Q1/24	Cumulative	Target
EBITDA run-rate improvement*	EUR million	**47**	233	350
Net debt to adjusted EBITDA		**0.0**	0.0	< 1.0

*target updated on May 7, 2024

Outokumpu's three-phase strategy

Outokumpu launched its three-phase strategy in November 2020. In the first phase, the aim was to de-risk the company by the end of 2022 and the phase was completed six months ahead of schedule. As a result, Outokumpu started the second phase in July 2022, and this phase will run until the end of 2025.

The third phase of the strategy will commence in 2026 and will most likely require new investments. Outokumpu started the preparations for the third phase already in 2023. The company's focus in the third phase will be to strengthen its market position further and to develop more globally diversified operations including Americas expansion, European competitiveness, value-chain integration, and sustainability leadership along with the possible biocoke investment.

The second phase of the strategy

In the second phase of the strategy, the aim is to strengthen Outokumpu's core. The second phase is focused on three key priorities: sustainability, growth from productivity, and customer-focused steering. Outokumpu remains committed to capital discipline, limiting its capital expenditure to EUR 600 million for the years 2023–2025, while also increasing its focus on shareholder returns.

Outokumpu's financial targets for the second phase include EUR 200 million EBITDA run-rate improvement by the end of 2025 and maintaining net debt to adjusted EBITDA ratio below 1.0 in normal market conditions. After the reporting period, on May 7, 2024, Outokumpu increased the EBITDA run-rate improvement target to EUR 350 million to emphasize the company's strong focus on continuous improvement. The additional improvement is expected to be achieved through further improvements in operational performance and efficiency as well as by focusing on strengthening the commercial aspects of the business.

For the second phase, Outokumpu launched two customer-differentiated strategies for business area Europe. The company aims to strengthen cost leadership in high-volume stainless steel products and global market leadership in advanced products. In business area Americas, the initial aim is to improve capacity by 80 kilotons with small investments as announced in June 2022. In business area Ferrochrome, carbon neutrality is a strategic priority.

Sustainability is one of the key focus areas in the second phase of Outokumpu's strategy. The company had a target of reducing its emission intensity by 14% by the end of 2025 from the 2020 baseline. At the end of 2023, Outokumpu already exceeded this target through all-time high recycled material content of 95% and by switching to low-emission electricity.

Strategy progress in 2024

Outokumpu has progressed with its strategy execution ahead of schedule, and by end of the first quarter of 2024, the company had already exceeded its initial EBITDA run-rate improvement target of EUR 200 million. The company improved its EBITDA run-rate by EUR 47 million during the first quarter and this translates into a cumulative improvement of EUR 233 million since the start of the second phase. As a result, after the reporting period, Outokumpu increased the target to EUR 350 million.

The projects that contributed to the EBITDA run-rate improvement in the first quarter were mainly related to business area Europe. The successful commercialization of nickel alloy 825 in context of Outokumpu's portfolio additions was one of the main contributors. Furthermore, business area Europe succeeded in streamlining the melting process of the commodity products, and this contributed to keeping recycled material content at an all-time high of 95%.

In business area Americas, the further yield improvements in both Calvert, Alabama and San Luis Potosi, Mexico, which were achieved already during 2023, have now been considered in the reported EBITDA run-rate improvement. Also, business area Ferrochrome's position as the sustainability benchmark has enabled Outokumpu to successfully create value through its low-emission offering.

Outokumpu has completed a total of 800 projects towards the recently increased EBITDA run-rate improvement target of EUR 350 million. The company has a strategic implementation pipeline of more than 1,300 projects, of which more than 500 projects were in the implementation stage at the end of the first quarter of 2024.

Sustainability

Sustainability KPIs	Q1/24	Q1/23	2023
Recycled material content, %	95	94	95
Safety performance TRIFR	1.2	1.8	1.5

Outokumpu's vision is to be the customer's first choice in sustainable stainless steel with a purpose of working towards a world that lasts forever. While steel accounts for 7–9 % of global greenhouse gas emissions, stainless steel has a pivotal role in accelerating the green transition. Outokumpu is committed to keeping global warming below 1.5 degrees. In addition to the climate targets, the company is committed to improving energy efficiency and aiming for zero environmental incidents. The company's targets also include achieving zero safety incidents, enhancing diversity, equity and inclusion and fostering our supply chain sustainability.

Based on the double materiality analysis, Outokumpu is committed to the United Nations' Sustainable Development Goals of affordable and clean energy; decent work and economic growth; industry, innovation, and infrastructure; responsible consumption and production; climate action; and partnerships for the goals.

Climate and circular economy

Today, Outokumpu supports its customers with a carbon footprint that is up to 75% lower than the global industry average. Outokumpu has an ambitious climate target of reducing direct (Scope 1), indirect (Scope 2) and supply chain emissions (Scope 3) by 42% by 2030 from a 2016 baseline. By the end of 2023, Outokumpu had reduced emissions by 27% from the 2016 baseline. This was achieved through an all-time high recycled material content rate of 95% and use of low-emission electricity.

Currently, Outokumpu has only one active mine, the Kemi chrome mine in Finland, which produces ferrochrome with a carbon footprint that is 67% lower than the global industry average. In 2023, Outokumpu took significant steps towards reaching carbon neutrality at the Kemi mine by 2025.

Outokumpu sees carbon pricing as a pivotal instrument to combat climate change. Due to its low-emission stainless steel and own production of ferrochrome, Outokumpu is in a unique position to capture value from Carbon Boarder Adjustment Mechanism (CBAM).

Energy efficiency

Outokumpu has an ambitious energy efficiency program, in which the target is to improve energy efficiency by 8% by the end of 2024 across Outokumpu's operations from the January–September 2022 baseline. By the end of the first quarter, Outokumpu had achieved a cumulative run-rate improvement of 229 GWh, representing 37% of the target. Outokumpu also approved nine additional investment projects to improve energy efficiency. The majority of these projects focus on waste heat recovery and contribute to the decarbonization target.

Safety

Safety performance, measured as the total recordable incident frequency rate (TRIFR) improved further and amounted to 1.2 in the first quarter of 2024 (Q4/2023: 1.3; Q1/2023: 1.8). Despite Outokumpu's strong focus on safety, a contractor fatality sadly took place in San Luis Potosi, Mexico while a contractor was working at height. Full measures were taken to investigate the incident jointly with the authorities and improvements were taken across sites. Outokumpu had not reported any fatalities since May 2017.

At the beginning of 2024, the next phase of the cross-assessment program was launched with a focus on process safety management. To ensure collaboration and execution of the 2024 roadmap, the safety network with representatives from all sites met in person. In business area Ferrochrome, an AI-enabled robot was deployed. With this addition, three robots across the company ensure that the exposure of employees in hazardous areas is significantly reduced.

Highlights of the quarter

In the first quarter, Outokumpu managed to maintain the 95% recycled material content in its production and proceeded towards its science-based climate target. The company had three environmental incidents with one permit breach, which were all reported to the authorities.

Outokumpu was ranked among the top 50 companies in the world on the Corporate Knights list of Clean 200 rating companies capturing the green transition in full flight and earning most from sustainable sources. Outokumpu was also included in the Sustainability Yearbook by S&P for the fourth consecutive year. In the first quarter, Outokumpu joined the Climate Leadership Coalition to drive changes in global regulations to mitigate climate change. Outokumpu was acknowledged for its diversity and equity work, and the company also received Fair Pay Workplace certification, the first in the industry to do so.

Financial position and cash flow

Cash flow and net working capital

		Q1/24	Q1/23	Q4/23	2023
Free cash flow	EUR million	**-26**	160	156	290
Change in working capital	EUR million	**17**	-48	197	54
Capital expenditure	EUR million	**59**	15	86	170
Inventories	EUR million	**1,621**	1,814	1,581	1,581

Free cash flow amounted to EUR -26 million (EUR 160 million, including discontinued operations). The decrease in free cash flow compared to the reference period was driven by weaker profitability and higher capital expenditure, slightly offset by higher paid taxes in the first quarter of 2023 and positive development in net working capital. Also, the reference period was positively impacted by the cash proceeds from the Long Products divestment of EUR 100 million.

Net working capital decreased by EUR 17 million in the first quarter of 2024 (increase of EUR 48 million). The typical net working capital development seasonality was muted by the impacts of the political strike in Finland.

Capital expenditure amounted to EUR 59 million in the first quarter of 2024 (EUR 15 million). The main drivers for the difference compared to the reference period were the CRONIMET North-East GmbH acquisition, completed in the first quarter, and different quarterly timing of capital expenditure in 2023. The planned annual capital expenditure for 2024 is EUR 220 million and Outokumpu remains committed to limiting its capital expenditure to EUR 600 million for years 2023–2025.

Inventories on the balance sheet increased during the first quarter of 2024 and stood at EUR 1,621 million at the end of March (December 31, 2023: EUR 1,581 million). The inventory increase of EUR 40 million in the first quarter was driven by both higher volumes and metal prices.

Financial position

		Q1/24	Q1/23	2023
Net debt	EUR million	**-12**	-166	-60
Gross debt	EUR million	**414**	548	441
Gearing	%	**-0.3**	-4.1	-1.6
Cash and cash equivalents	EUR million	**425**	714	502
Liquidity reserves	EUR billion	**1.2**	1.5	1.3

Net debt remained negative and amounted to EUR -12 million at the end of March 2024 (December 31, 2023: EUR -60 million). Gross debt was EUR 414 million (December 31, 2023: EUR 441 million). The decrease in gross debt is mainly due to the share repurchases of EUR 34 million in the first quarter of 2024. The share repurchases had only a cash impact in the first quarter as the liability was recognized in equity and net debt already at the end of 2023. Gearing amounted to -0.3% at the end of March 2024 (December 31, 2023: -1.6%).

Cash and cash equivalents amounted to EUR 425 million at the end of March 2024 (December 31, 2023: EUR 502 million) and overall liquidity reserves were EUR 1.2 billion (December 31, 2023: 1.3 billion). The liquidity reserves include cash and cash equivalents and EUR 800 million of outstanding committed credit facilities, which were fully unutilized.

In 2021, Outokumpu signed a deal on three cargo vessels with Langh Ship to reduce CO_2 emissions in transports. The cargo vessels will become operational during the first half of 2024. The net debt impact is expected to be approximately EUR 38 million in the first half of 2024, of which approximately EUR 25 million in the second quarter.

Market development

According to CRU's latest estimates, global apparent consumption of stainless steel flat products is set to increase by 5.3% in the first quarter of 2024 compared to the same period last year. While demand in EMEA is expected to increase by 4.1%, the Americas is expected to increase by 2.8% and APAC by 5.7%, respectively.

Compared to the fourth quarter of 2023, global apparent consumption of stainless steel flat products may decrease only slightly by 0.4% during the first quarter of 2024. The main part of this negative development is to be reported for APAC, with a decrease of 2.3%, whereas both EMEA and the Americas are expected to increase by 8.2% and 4.2%.

In EMEA 2024, the year started on a weak footing with orders limited to immediate demand. Distributor levels were below pre-COVID levels as market participants had adapted their inventory levels to the new "normal".

Real demand from most US end-use industries remained flat, except for public infrastructure and defense spending, and also service centers reduced their inventory levels or acted very cautiously when increasing them. The Chinese market also remained slow, preparing for the holiday season around Chinese New Year. Even after that and despite government financial stimulus, a real recovery in end-user demand failed to materialize.

For 2024, only a slow recovery in apparent consumption is expected with the geopolitical situation and trade policy affecting stainless steel demand.

According to CRU's latest estimates, the second quarter of 2024 is expected to show a growth rate of 5.1% in global apparent consumption of stainless steel flat products, compared to the previous quarter. This growth is expected to be driven by APAC (5.3%) and EMEA (5.7%), whereas the increase in the Americas will be at a somewhat lower level (2.0%). Compared to the second quarter of 2023, the total world apparent consumption is expected to show an increase of 2.0% in the second quarter of 2024.

Demand for stainless steel flat products is expected to recover slowly in Europe as key industries are showing robust demand, while demand in the US is expected to remain limited. The Chinese market is expected to slow down as it is undergoing capacity constraints and trade restrictions and suffering from an underperforming real estate sector.

In 2024, global apparent consumption of stainless steel flat products is expected to increase by 2.6% compared to 2023. While EMEA is expected to grow at 6.3%, APAC and the Americas are assumed to grow by 2.1% and 1.9%, respectively.

(Source: CRU Stainless Steel Flat Products Market Outlook February 2024)

Business area Europe

Europe key figures		Q1/24	Q1/23	Q4/23	2023
Stainless steel deliveries	1,000 tonnes	**303**	369	327	1,367
Sales	EUR million	**1,015**	1,444	1,066	4,818
Adjusted EBITDA	EUR million	**4**	122	4	148
Items affecting comparability	EUR million	**2**	-6	-46	-52
EBITDA	EUR million	**5**	116	-42	96
Operating capital	EUR million	**1,804**	1,984	1,850	1,850
ROOC, rolling 12 months	%	**-4.4**	24.4	1.5	1.5

Results

Q1 2024 compared to Q1 2023

Sales decreased to EUR 1,015 million (EUR 1,444 million).

Adjusted EBITDA amounted to EUR 4 million (EUR 122 million)

- Stainless steel deliveries were 18% lower.
- A positive impact from higher realized prices for stainless steel.
- Profitability was negatively impacted by the effects of the tighter scrap market.
- Variable costs decreased, mainly due to lower energy and consumable prices.
- Profitability was negatively impacted by the strike and higher maintenance work.
- Raw material-related inventory and metal derivative gains amounted to EUR 3 million (losses of EUR 15 million in Q1 2023).

ROOC was -4.4% (24.4%).

Q1 2024 compared to Q4 2023

Sales decreased to EUR 1,015 million (EUR 1,066 million).

Adjusted EBITDA amounted to EUR 4 million (EUR 4 million).

- Stainless steel deliveries decreased by 7%.
- Realized prices for stainless steel were higher and product mix slightly improved.
- Profitability was negatively impacted by the effects of the tighter scrap market.
- Maintenance costs and variable costs decreased, mainly due to lower energy prices, but the positive effect was offset by the negative impacts of the strike.
- Raw material-related inventory and metal derivative gains amounted to EUR 3 million (gains of EUR 6 million in Q4 2023).

ROOC was -4.4% (1.5%).

Market

- In Q1 2024, apparent consumption in EMEA increased by 4.1% compared to Q1 2023 and by 8.7% compared to Q4 2023. (Source: CRU Stainless Steel Flat Products Market Outlook February 2024)
- Distributor inventories remain below the pre-pandemic levels and distributors have adapted to these levels as a new "normal".
- The share of EU cold-rolled imports from third countries remained at a low level of 13% in Q1 2024. Buyers remained cautious due to long lead times and ongoing trade investigations on material from Taiwan, Turkey and Vietnam. (Source: EUROFER April 2024)

Business area Americas

Americas key figures		Q1/24	Q1/23	Q4/23	2023
Stainless steel deliveries	1,000 tonnes	**150**	142	130	552
Sales	EUR million	**435**	498	423	1,892
Adjusted EBITDA	EUR million	**24**	68	54	285
Items affecting comparability	EUR million	**—**	—	-7	-16
EBITDA	EUR million	**24**	68	46	270
Operating capital	EUR million	**609**	900	594	594
ROOC, rolling 12 months	%	**23.6**	29.8	25.8	25.8

Results

Q1 2024 compared to Q1 2023

Sales decreased to EUR 435 million (EUR 498 million).

Adjusted EBITDA amounted to EUR 24 million (EUR 68 million).

- Stainless steel deliveries increased by 5%.
- Realized prices for stainless steel decreased.
- Profitability was negatively impacted by higher costs, some of which due to temporary operational challenges and negative indirect impacts of the political strike in Finland, and the negative effects resulting from the tighter scrap market.
- Raw material-related inventory and metal derivative losses amounted to EUR 7 million (gains of EUR 9 million in Q1 2023).

ROOC was 23.6% (29.8%).

Q1 2024 compared to Q4 2023

Sales amounted to EUR 435 million (EUR 423 million).

Adjusted EBITDA decreased to EUR 24 million (EUR 54 million).

- Stainless steel deliveries increased by 15%.
- Weaker profitability was mainly driven by lower realized prices for stainless steel, particularly in Mexico as the trade protection is weak.
- Profitability was also negatively affected by the impacts of the tighter scrap market.
- Costs remained relatively stable, but there were some temporary operational challenges and the negative indirect impacts of the political strike in Finland.
- Raw material-related inventory and metal derivative losses amounted to EUR 7 million (loss of EUR 6 million in Q4 2023).

ROOC was 23.6% (25.8%).

Market

- During Q1 2024, apparent consumption in Americas for cold-rolled flat products increased by 13% compared to Q4 2023 and by 21% compared to Q1 2023. (Source: American Iron and Steel Institute, AISI) However, according to CRU apparent consumption of stainless steel flat products in the Americas is expected to increase by 4.2% in Q1 2024 compared to Q4 2023 (Source: CRU stainless steel market outlook, February 2024).
- The share of cold-rolled imports into the US decreased from a level of 26% in Q4 2023 to a level of 23% in Q1 2024. (Source: AISI)
- During Q1 2024, U.S. distributors continued to maintain lean inventory levels, relatively flat compared to Q4 2023. U.S. distributors' cold-rolled inventories have decreased by 25% in Q1 2024 compared to Q1 2023.

Other

- The renegotiated hot rolling agreement with AM/NS came into effect on January 1, 2024.

Business area Ferrochrome

Ferrochrome key figures		Q1/24	Q1/23	Q4/23	2023
Ferrochrome production	1,000 tonnes	**89**	70	76	390
Ferrochrome deliveries	1,000 tonnes	**87**	70	100	355
Sales	EUR million	**107**	99	123	467
Adjusted EBITDA	EUR million	**22**	16	23	96
Items affecting comparability	EUR million	**—**	—	-3	-3
EBITDA	EUR million	**22**	16	20	93
Operating capital	EUR million	**891**	857	894	894
ROOC, rolling 12 months	%	**5.3**	13.2	5.0	5.0

Results

Q1 2024 compared to Q1 2023

Sales increased to EUR 107 million (EUR 99 million).

Adjusted EBITDA amounted to EUR 22 million (EUR 16 million).

- Ferrochrome production was 27% higher, mainly because the reference period was negatively affected by the optimization of the ferrochrome production due to exceptionally high electricity price and a disruption in one of the furnaces.
- Profitability was negatively impacted by weaker ferrochrome sales price, the political strike in Finland and the recently established mining tax (approximately EUR 2 million).
- Variable costs decreased significantly, mainly due to lower electricity and reductant prices, and also maintenance costs were lower.

ROOC was 5.3% (13.2%).

Q1 2024 compared to Q4 2023

Sales decreased to EUR 107 million (EUR 123 million).

Adjusted EBITDA amounted to EUR 22 million (EUR 23 million).

- Production increased by 16%.
- Profitability was negatively impacted by a lower ferrochrome sales price, the political strike in Finland and the recently established mining tax.
- Variable costs decreased significantly, mainly due to the lower electricity price but also somewhat lower reductant price. Also, the reference period was positively impacted by the electrification aid.
- Fixed costs decreased, mainly due to less maintenance work.

ROOC was 5.3% (5.0%).

Market

- The ferrochrome market started to pick up at the beginning of Q1 2024 from the weak levels experienced in Q4 2023.

Other

- In January 2024, Outokumpu closed one of its three ferrochrome furnaces and one of the two sintering plants and ferrochrome production is expected to continue at 80% of the full capacity until fall 2024.

Personnel

On March 31, 2024, Outokumpu's full-time equivalent number of personnel totaled[1)] 8,462 (December 31, 2023: 8,453).

Shares

On March 31, 2024, Outokumpu's share capital was EUR 311 million and the total number of shares was 456,874,448. At the end of March, Outokumpu held 33,188,820 treasury shares. The average number of shares outstanding was 425,906,357 in the first quarter of 2024 (439,449,963). The closing share price at the end of the period, on March 28, was EUR 4.03.

Share buyback program

On February 29, 2024, Outokumpu completed its most recent share buyback program of up to EUR 50 million. In the first quarter of 2024, the company repurchased a total of 8,357,545 shares.

Through the share buyback program, Outokumpu seeks to mitigate and manage the dilutive impact of the company's outstanding convertible bonds. The repurchased shares will be initially held by Outokumpu as treasury shares and may be used to meet its obligations under the convertible bonds. Alternatively, Outokumpu may decide to cancel any or all of the repurchased shares and reduce its capital accordingly. The share repurchases were funded by using funds from the unrestricted equity.

On March 31, 2024, Outokumpu held 33,188,820 treasury shares.

1) In the first quarter of 2024, the full-time equivalent number of personnel has been redefined and restated

Risks and uncertainties

Outokumpu is exposed to various risks and uncertainties that may have an adverse impact on its business and operations. However, the company has taken prompt measures to manage and control these risks.

The development of the global economy, geopolitical tensions, and the continued war in Ukraine all expose Outokumpu to risks and uncertainties within its operating environment. The main uncertainties in the global economy relate to slow global economic growth, inflation, high interest rates, and continued uncertainties concerning China’s economy. Geopolitical tensions and conflicts, including the Red Sea, Israel–Hamas war and possible adverse escalations could all further disrupt energy markets and global supply chains. The consequences of these disruptions could impact Outokumpu's operating environment, business, and stainless steel demand.

The increased energy price sensitivity to the adverse geopolitical situation exposes Outokumpu to price risks. Any severe disruption or possible further sanctions in the natural gas supply could affect the prices or availability of gas for Outokumpu’s operations in Europe. Outokumpu acquires energy gases from the European market, for which Russia is one of the indirect suppliers.

During the first quarter, electricity prices declined but Outokumpu remains exposed to an increase in energy costs as uncertainties in volatility and price peaks remain for part of the consumption. Outokumpu’s energy portfolio has been hedged with more than two thirds of the estimated consumption for 2024. Possible increases in the cost of electricity would mainly affect the Ferrochrome business area due to the high electricity consumption in ferrochrome production. The activities implemented in relation to electricity optimization enable the mitigation of peaks in spot market electricity prices.

Cyber security threats, trade disruptions on raw materials and dependencies on critical suppliers expose Outokumpu to the risk of operational disruptions and additional costs. Further tightening of the scrap market could impact on the scrap price and availability.

Outokumpu does not purchase any scrap or nickel of Russian origin for its operations. At the end of the first quarter of 2024, an indirect supply from Russia still exists for a very limited amount of raw material, and the company is demanding that its supplier finds alternative sources globally.

The company remains exposed to risks related to volatile metal prices, especially nickel. Volatile metal prices may impact Outokumpu’s result, among other financial risks.

The EU is reviewing the safeguard measures and will conclude by the end of June 2024 if these measures will be renewed or expire. The EU safeguard measures decrease the risk of a sudden import surge. The anti-circumvention investigations initiated in August 2023 on cold rolled stainless steel from Indonesia continued to decrease the risk of imports from Taiwan, Turkey, and Vietnam.

Outokumpu Corporation has been joined in arbitration proceedings over a dispute between Fennovoima and Rosatom entities related to the termination of the EPC (Engineering, Procurement and Construction) contract. Outokumpu disputes the existence of any contractual relationship, obligation, or arbitration agreement between Outokumpu and any Rosatom entity.

For more information on Outokumpu’s risks, please refer to the Annual Report for 2023 and the Notes to the 2023 Financial Statements.

Other events during the reporting period

On March 21, Outokumpu issued a second negative profit warning due to the impacts of the political strike in Finland on adjusted EBITDA in the first quarter of 2024.

On March 11, 2024, Outokumpu issued the first negative profit warning due to the impacts of the political strike in Finland on adjusted EBITDA in the first quarter of 2024.

On January 24, 2024, Outokumpu announced it has completed the partnership agreement to accelerate circularity and became a minority shareholder in CRONIMET North-East GmbH.

Events after the reporting period

After the reporting period, on May 7, 2024, Outokumpu announced that it will increase the EBITDA run-rate improvement target of the second phase of the strategy from EUR 200 million to EUR 350 million to further strengthen competitiveness by the end 2025.

After the reporting period, on May 2, 2024, Outokumpu announced that President and CEO Heikki Malinen had decided to leave Outokumpu to pursue a career opportunity outside the company.

After the reporting period, on April 24, 2024, Outokumpu announced it will close its Dahlerbrück and Hockenheim sites in Germany as the related negotiations have been completed with an agreement on the restructuring measures. Outokumpu will start to centralize advanced materials production in Germany to Dillenburg.

After the reporting period, on April 22, 2024, Outokumpu announced that Marc-Simon Schaar has been appointed as Chief Financial Officer as of June 1, 2024. He has worked at Outokumpu since 2011 in senior roles in Business Controlling, Treasury, M&A and Procurement, most recently as Chief Procurement Officer, and as a member of the leadership team since 2023. Marc-Simon Schaar is a German citizen. He reports to President & CEO Heikki Malinen.

After the reporting period, on April 10, 2024, Outokumpu announced that Pia Aaltonen-Forsell, CFO and a member of the leadership team, has decided to leave Outokumpu in order to pursue a career opportunity outside the company.

Annual General Meeting 2024

Outokumpu's Annual General Meeting 2024 was held on April 4, 2024, at the Clarion Hotel Helsinki in Helsinki, Finland. The Annual General Meeting supported all of the proposals by the Board of Directors and the Shareholders' Nomination Board.

The Annual General Meeting approved the financial statements and discharged the Board of Directors and the CEO of the company from liability for the financial year 2023. The Annual General Meeting decided that a dividend of EUR 0.26 be paid for the financial year 2023. The Annual General Meeting also authorized the Board of Directors to repurchase the company's own shares and to decide on the issuance of shares as well as special rights entitling to shares. In addition, the Annual General Meeting approved the proposals by the Shareholders' Nomination Board regarding the members of the Board of Directors and their remuneration. The Annual General Meeting also approved the amendment of the Articles of Association and the revised charter of the Shareholders' Nomination Board.

According to the proposal by the Shareholders' Nomination Board, the Annual General Meeting decided that the Board of Directors shall consist of eight (8) members. The Annual General Meeting re-elected Heinz Jörg Fuhrmann, Kati ter Horst, Kari Jordan, Päivi Luostarinen, Jyrki Mäki-Kala, Petter Söderström, Pierre Vareille and Julia Woodhouse as the members of the Board of Directors, all for the term of office ending at the end of the next Annual General Meeting. The Annual General Meeting also re-elected Kari Jordan as the Chairman and Kati ter Horst as the Vice Chairman of the Board of Directors.

Dividend

The Annual General Meeting decided that a dividend of, in total, EUR 0.26 per share be paid based on the balance sheet to be adopted for the financial year ended on December 31, 2023. The total dividend amount is EUR 110 million. The dividend was paid in a single installment on April 15, 2024. According to the dividend policy, Outokumpu aims to distribute a stable and growing dividend, to be paid annually.

Helsinki, May 7, 2024

Outokumpu Corporation
Board of Directors

Financial information

Condensed statement of income (EUR million)	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Continuing operations			
Sales	**1,479**	2,006	6,961
Cost of sales	**-1,404**	-1,791	-6,474
Gross margin	**75**	215	486
Other operating income	**7**	5	62
Sales, general and administrative costs	**-87**	-80	-346
Other operating expenses	**-14**	-5	-302
EBIT	**-19**	135	-100
Share of results in associated companies	**0**	2	4
Interest expenses	**-16**	-15	-60
Net other financial income and expenses	**6**	7	23
Total financial income and expenses	**-11**	-8	-37
Result before taxes	**-29**	128	-133
Income taxes	**6**	-32	22
Net result for the period from continuing operations	**-23**	97	-111
Discontinued operations			
Net result for the period from discontinued operations	**—**	6	5
Net result for the period	**-23**	103	-106
Earnings per share for result from continuing operations attributable to the equity holders of the parent company			
Earnings per share, EUR	**-0.05**	0.22	-0.26
Diluted earnings per share, EUR	**-0.05**	0.21	-0.22
Earnings per share for result attributable to the equity holders of the parent company			
Earnings per share, EUR	**-0.05**	0.23	-0.24
Diluted earnings per share, EUR	**-0.05**	0.22	-0.21

Statement of comprehensive income (EUR million)	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Net result for the period	**-23**	103	-106
Other comprehensive income, continuing operations			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations			
Change in exchange differences	**29**	-37	-58
Cash flow hedges			
Fair value changes during the financial year	**1**	31	71
Reclassification to profit or loss	**-15**	43	-15
Income taxes	**3**	-8	-6
Items that will not be reclassified to profit or loss:			
Remeasurements on defined benefit plans			
Changes during the accounting period	**—**	-4	-15
Income taxes	**—**	1	5
Equity investments at fair value through other comprehensive income	**0**	-17	-23
Share of other comprehensive income in associated companies	**0**	1	1
Other comprehensive income, continuing operations, net of tax	**18**	11	-41
Other comprehensive income, discontinued operations, net of tax	**—**	-12	-12
Other comprehensive income, net of tax	**18**	-1	-53
Total comprehensive income for the period	**-6**	102	-159

Net result for the period and total comprehensive income for the period are fully attributable to the equity holders of the parent company.

Condensed statement of financial position (EUR million)	Mar 31 2024	Mar 31 2023	Dec 31 2023
ASSETS			
Non-current assets			
Intangible assets	**564**	548	556
Property, plant, and equipment	**2,061**	2,347	2,052
Investments in associated companies	**74**	53	62
Other financial assets	**13**	8	12
Deferred tax assets	**461**	365	454
Trade and other receivables	**10**	3	12
Total non-current assets	**3,184**	3,325	3,148
Current assets			
Inventories	**1,621**	1,814	1,581
Other financial assets	**42**	72	60
Trade and other receivables	**613**	876	636
Cash and cash equivalents	**425**	714	502
Total current assets	**2,701**	3,476	2,779
TOTAL ASSETS	**5,885**	6,801	5,927
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent company	**3,761**	4,064	3,762
Non-current liabilities			
Non-current debt	**366**	468	359
Other financial liabilities	**7**	10	8
Deferred tax liabilities	**22**	0	31
Employee benefit obligations	**211**	211	212
Provisions	**69**	57	73
Trade and other payables	**16**	19	16
Total non-current liabilities	**690**	765	700
Current liabilities			
Current debt	**48**	79	82
Other financial liabilities	**23**	32	40
Provisions	**34**	40	37
Trade and other payables	**1,329**	1,821	1,307
Total current liabilities	**1,434**	1,972	1,465
TOTAL EQUITY AND LIABILITIES	**5,885**	6,801	5,927

In the second quarter of 2023, the process for netting the deferred tax assets and liabilities was redefined.

Condensed statement of cash flows (EUR million)[1]	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Net result for the period	**-23**	103	-106
Adjustments			
Depreciation, amortization, and impairments	**55**	63	516
Other non-cash adjustments	**28**	22	-25
Change in working capital	**17**	-48	54
Provisions and employee benefit obligations	**-11**	-11	6
Interests and dividends received	**4**	4	19
Interests paid	**-17**	-15	-47
Other financial items	**-12**	—	-9
Income taxes paid	**-4**	-44	-84
Net cash from operating activities	**38**	74	325
Purchases of assets	**-64**	-15	-170
Proceeds from the disposal of shares in Group companies and businesses, net of cash	**—**	100	97
Proceeds from the sale of assets	**0**	1	37
Other investing cash flow	**0**	—	1
Net cash from investing activities	**-64**	86	-35
Cash flow before financing activities	**-26**	160	290
Dividends paid	**—**	—	-152
Repurchase of treasury shares	**-34**	-59	-70
Repayment of non-current debt	**-16**	-30	-208
Change in current debt	**0**	0	0
Net cash from financing activities	**-50**	-89	-430
Net change in cash and cash equivalents	**-76**	71	-140
Cash and cash equivalents at the beginning of the period	**502**	644	644
Net change in cash and cash equivalents	**-76**	71	-140
Foreign exchange rate effect	**0**	-1	-2
Cash and cash equivalents at the end of the period	**425**	714	502

[1] In the second quarter of 2023, cash flow presentation within the net cash from operating activities was changed. The impact is not material.

Statement of changes in equity (EUR million)	Attributable to the equity holders of the parent company										
	Share capital	Premium fund	Other restricted reserves	Invested unrestricted equity reserve	Treasury shares	Fair value reserve from equity investments	Fair value reserve from derivatives	Cumulative translation differences	Remeasurements of defined benefit plans	Other retained earnings	Total equity
Equity on January 1, 2023	**311**	**714**	**3**	**2,308**	**-129**	**-93**	**-48**	**3**	**-128**	**1,179**	**4,119**
Net result for the period	—	—	—	—	—	—	—	—	—	103	103
Other comprehensive income	—	—	—	—	—	-17	67	-47	-5	1	-1
Total comprehensive income for the period	—	—	—	—	—	-17	67	-47	-5	103	102
Transactions with equity holders of the parent company											
Contributions and distributions											
Dividend distribution	—	—	—	—	—	—	—	—	—	-152	-152
Share-based payments	—	—	—	—	9	—	—	—	—	-11	-2
Fair value transfer to inventory	—	—	—	—	—	—	0	—	—	—	0
Other	—	—	-3	—	—	—	—	—	—	—	-3
Equity on March 31, 2023	**311**	**714**	**0**	**2,308**	**-120**	**-110**	**18**	**-44**	**-133**	**1,119**	**4,064**
Equity on January 1, 2024	**311**	**714**	**0**	**2,307**	**-169**	**1**	**5**	**-38**	**-139**	**770**	**3,762**
Net result for the period	—	—	—	—	—	—	—	—	—	-23	-23
Other comprehensive income	—	—	—	—	—	0	-11	29	—	0	18
Total comprehensive income for the period	—	—	—	—	—	0	-11	29	—	-23	-6
Transactions with equity holders of the parent company											
Contributions and distributions											
Repurchase of treasury shares[1)]	—	—	—	—	4	—	—	—	—	—	4
Share-based payments	—	—	—	—	6	—	—	—	—	-6	0
Fair value transfer to inventory	—	—	—	—	—	—	1	—	—	—	1
Equity on March 31, 2024	**311**	**714**	**0**	**2,307**	**-159**	**1**	**-5**	**-9**	**-139**	**741**	**3,761**

1) On February 29, 2024, Outokumpu completed its up to EUR 50 million share buyback program which was announced on November 29, 2023. Shares were repurchased using funds in the Invested unrestricted equity reserve. Due to the nature of the contract with a third party, Outokumpu recognized a EUR 38 million financial liability in December 2023 related to this share buyback program and the maximum amount of EUR 50 million impacted Group equity in 2023. During the program, Outokumpu repurchased a total of 11,000,000 of its own shares and used a total of EUR 46 million for the repurchase of shares. As the original commitment was higher, a EUR 4 million impact was recognized in equity during the Q1 2024 in relation to this program.

Items affecting comparability in EBITDA and in EBIT (EUR million)	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Loss on disposal of shares in Group companies and businesses	**-3**	—	-26
Onerous contracts provisions	**—**	-6	-7
Restructuring costs	**-1**	—	-50
Inventory revaluations	**2**	—	-20
Items affecting comparability in EBITDA	**-2**	-6	-102
Impairments on non-current assets	**—**	-3	-272
Items affecting comparability in EBIT	**-2**	-9	-374

In 2024, the loss on the disposal of shares in Group companies and businesses of EUR 3 million is due to final escrow account agreement relating to the sale of Long Products businesses in 2023.

In 2023, Outokumpu recognized items affecting comparability relating to the sale of the remaining Long Products business in Degerfors and Storfors, Sweden, with a loss of EUR 26 million; an onerous contracts provision of EUR 7 million related to the metal powder plant in Germany; and a propane-related inventory write-down of EUR 20 million. Outokumpu also recognized restructuring costs totaling EUR 50 million, of which EUR 26 million is related to restructuring in Germany and EUR 16 million to the renegotiated hot rolling agreement in business area Americas; regarding these two items, impairments of EUR 5 million and EUR 264 million were also booked, respectively.

Group key figures		Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Scope of activity				
Capital employed at the end of period	EUR million	**4,175**	4,612	4,204
Capital expenditure	EUR million	**59**	15	170
Depreciation and amortization	EUR million	**-55**	-60	-242
Impairments	EUR million	**-1**	-3	-274
Personnel at the end of period, full-time equivalent[1)]		**8,462**	8,351	8,453
- average for the period[1)]		**8,470**	8,332	8,412
Personnel at the end of period, headcount		**8,776**	8,647	8,750
Profitability[2)]				
Adjusted EBITDA	EUR million	**38**	204	517
Items affecting comparability in EBITDA	EUR million	**-2**	-6	-102
EBITDA	EUR million	**37**	198	416
Earnings per share	EUR	**-0.05**	0.22	-0.26
Diluted earnings per share	EUR	**-0.05**	0.21	-0.22
Adjusted weighted average number of shares[3)]	1,000 shares	**425,906**	439,450	435,090
Return on equity, rolling 12 months (ROE)[4)]	%	**-5.8**	25.4	-2.6
Return on capital employed, rolling 12 months (ROCE)[4)]	%	**-5.7**	18.4	-2.1
Financing and financial position				
Non-current debt	EUR million	**366**	468	359
Current debt	EUR million	**48**	79	82
Cash and cash equivalents	EUR million	**-425**	-714	-502
Net debt at the end of period	EUR million	**-12**	-166	-60
Net debt to Adjusted EBITDA[4)]		**0.0**	-0.1	-0.1
Equity-to-assets ratio at the end of period	%	**64.2**	60.0	63.8
Debt-to-equity ratio at the end of period (gearing)	%	**-0.3**	-4.1	-1.6
Equity per share at the end of period[3)]	EUR	**8.88**	9.37	8.73

[1)] In the first quarter of 2024, Personnel at the end of period, full-time equivalent and average for the period have been redefined and restated.

[2)] Comparative information includes only continued operations, see more detailed explanations in the section Basis of preparation.

[3)] Excluding treasury shares.

[4)] Comparative information includes the impact from discontinued operations, see more detailed explanations in the section Basis of preparation.

Sales by segment (EUR million)	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Europe total	**1,015**	1,444	4,818
of which intra-group	**-20**	-25	-69
Americas total	**435**	498	1,892
of which intra-group	**—**	-9	-8
Ferrochrome total	**107**	99	467
of which intra-group	**-60**	-56	-260
Other operations total	**52**	163	408
of which intra-group	**-49**	-109	-287
Total sales	**1,479**	2,006	6,961

Adjusted EBITDA by segment (EUR million)	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Europe	**4**	122	148
Americas	**24**	68	285
Ferrochrome	**22**	16	96
Other operations and intra-group items	**-11**	-2	-12
Total adjusted EBITDA	**38**	204	517

Items affecting comparability in EBITDA and EBIT by segment (EUR million)	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Europe	**2**	-6	-52
Americas	**—**	—	-16
Ferrochrome	**—**	—	-3
Other operations	**-3**	—	-31
Total items affecting comparability in EBITDA	**-2**	-6	-102
Europe	**—**	-3	-8
Americas	**—**	—	-264
Total items affecting comparability in EBIT	**-2**	-9	-374

EBITDA by segment (EUR million)	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Europe	**5**	116	96
Americas	**24**	68	270
Ferrochrome	**22**	16	93
Other operations and intra-group items	**-14**	-2	-43
Total EBITDA	**37**	198	416

Adjusted EBIT by segment (EUR million)	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Europe	**-25**	88	29
Americas	**15**	51	225
Ferrochrome	**8**	5	44
Other operations and intra-group items	**-14**	-1	-26
Total adjusted EBIT	**-17**	144	274

EBIT by segment (EUR million)	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Europe	**-23**	79	-31
Americas	**15**	51	-54
Ferrochrome	**8**	5	41
Other operations and intra-group items	**-17**	-1	-56
Total EBIT	**-19**	135	-100

Depreciation and amortization by segment (EUR million)	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Europe	**-29**	-34	-119
Americas	**-8**	-17	-60
Ferrochrome	**-14**	-11	-50
Other operations	**-3**	0	-14
Total depreciation and amortization	**-55**	-60	-242

Capital expenditure by segment (EUR million)	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Europe	**33**	7	64
Americas	**6**	2	32
Ferrochrome	**5**	6	32
Other operations	**14**	1	41
Total capital expenditure	**59**	15	170

Personnel at the end of period by segment, full-time equivalent[1)]	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023
Europe	**5,791**	5,699	5,791
Americas	**1,813**	1,791	1,808
Ferrochrome	**455**	408	462
Other operations	**404**	453	392
Total personnel at the end of period	**8,462**	8,351	8,453

[1)] In the first quarter of 2024, Personnel at the end of period by segment, full-time equivalent has been redefined and restated.

Definitions of financial key figures

EBITDA	=	EBIT before depreciation, amortization and impairments	
Items affecting comparability (IAC) in EBITDA or in EBIT	=	Material income and expense items which affect the comparability between periods because of their unusual nature, size or incidence resulting for example from group-wide restructuring programs or disposals of assets or businesses.	
Adjusted EBITDA or EBIT	=	EBITDA or EBIT – items affecting comparability	
Capital employed	=	Total equity + non-current debt + current debt	
Operating capital (segment reporting)	=	Capital employed – cash and cash equivalents – investments in associated companies – investments in equity at fair value through other comprehensive income – investments at fair value through profit or loss – net deferred tax asset – net asset held for sale + net employee benefit obligations	
Capital expenditure	=	Purchases of property, plant and equipment and intangible assets, other than emission allowances; and investments in equity at fair value through other comprehensive income and in associated companies and acquisitions of businesses	
Return on capital employed, rolling 12 months (ROCE)	=	EBIT + Share of results in associated companies (4-quarter rolling) / Capital employed (4-quarter rolling average)	× 100
Return on operating capital, rolling 12 months (ROOC) (segment reporting)	=	Adjusted EBIT (4-quarter rolling) / Operating capital (4-quarter rolling average)	× 100
Return on equity (ROE)	=	Net result for the financial period (4-quarter rolling) / Total equity (4-quarter rolling average)	× 100
Net debt	=	Non-current debt + current debt – cash and cash equivalents	
Equity-to-assets ratio	=	Total equity / Total assets – advances received	× 100
Debt-to-equity ratio (gearing)	=	Net debt / Total equity	× 100
Net debt to adjusted EBITDA	=	Net debt / Adjusted EBITDA (4-quarter rolling)	
Earnings per share	=	Net result for the financial period attributable to the equity holders / Adjusted weighted average number of shares during the period	
Diluted earnings per share	=	Net result for the financial period attributable to the equity holders + interest expenses on convertible bond, net of tax / Adjusted diluted weighted average number of shares during the period	
Equity per share	=	Equity attributable to the equity holders / Adjusted number of shares at the end of the period	
Personnel, full-time equivalent	=	Headcount adjusted to full-time equivalent number of personnel, excluding personnel on sick leave or parental leave of more than 6 months, excluding personnel whose employment has been terminated and who are on notice period without requirement to work and excluding interim workforce	
Free cash flow	=	Cash flow before financing activities	
Gross debt	=	Non-current debt + current debt	

Basis of preparation

This interim report is unaudited. It has been prepared on a going concern basis. The same accounting policies and methods of computation have been followed when preparing the financial information as in the financial statements for 2023, with the exception of new and amended standards applied from the beginning of 2024. These amendments did not have a material impact on Outokumpu's consolidated financial statements.

All presented figures in this report have been rounded and, consequently, the sum of individual figures can deviate from the presented figure. Key figures have been calculated using exact figures.

The sales, earnings, and working capital of Outokumpu are subject to seasonal variations as a result of, for example, industry demand, the number of working days, and vacation periods.

Management judgment and the use of estimates

The preparation of the financial statements in accordance with IFRS requires management to make judgments as well as estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and contingent liabilities at the reporting date, as well as the reported amounts of income and expenses during the reporting period.

Although these estimates are based on management's best knowledge of the circumstances at the end of the reporting period, actual outcomes may differ from the estimates and assumptions.

Discontinued operations in comparative period

During 2022, Outokumpu announced that it had signed an agreement to divest the majority of the Long Products business operations to Marcegaglia Steel Group and Outokumpu reclassified its Long Products businesses to be divested assets held for sale and discontinued operations. The divestment was completed on January 3, 2023, and the gain on sale of EUR 6 million was reported in discontinued operations. In this report all the comparative numbers are reported as continued operations without the impact of the gain on sale, if not otherwise stated. In the comparison period of 2023, the 12-month rolling average key figures include the equity component of the discontinued operations.

Acquisition of CRONIMET North-East GmbH

In November 2023, Outokumpu signed an agreement to become a minority shareholder in the German company, CRONIMET North-East GmbH with an ownership share of 10%. The transaction was finalized on January 24, 2024 and it was carried out as a share purchase. CRONIMET is reported as an associated company using the equity accounting method.

Share buyback program

On February 29, 2024, Outokumpu completed its most recent share buyback program of up to EUR 50 million. In the first quarter of 2024, the company repurchased a total of 8,357,545 shares.

Through the share buyback program, Outokumpu seeks to mitigate and manage the dilutive impact of the company's outstanding convertible bonds. The repurchased shares will be initially held by Outokumpu as treasury shares and may be used to meet its obligations under the convertible bonds. Alternatively, Outokumpu may decide to cancel any or all of the repurchased shares and reduce its capital accordingly. The share repurchases were funded by using funds from the unrestricted equity.

On March 31, 2024, Outokumpu held 33,188,820 treasury shares.

2024 result publication dates

January–June 2024 half-year report on August 8, 2024

January–September 2024 interim report on October 30, 2024