



April 23, 2021

Q1/2021 interim report

Pekka Vauramo, President and CEO
Eeva Sipilä, CFO

Metso:Outotec

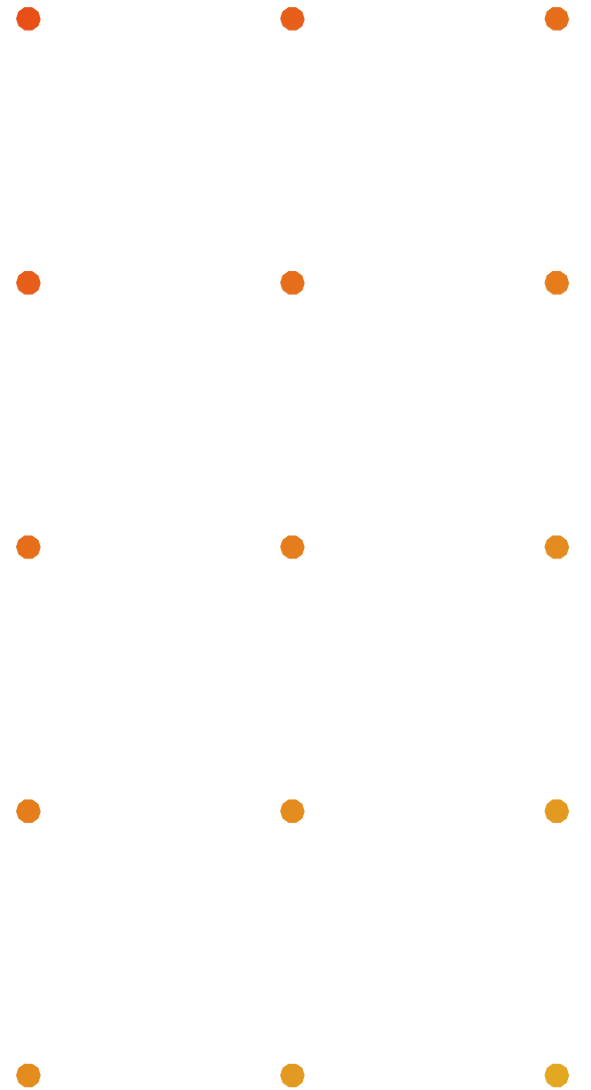


Forward looking statements

It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding expectations for general economic development and the market situation, expectations for customer industry profitability and investment willingness, expectations for company growth, development and profitability and the realization of synergy benefits and cost savings, and statements preceded by "expects", "estimates", "forecasts" or similar expressions, are forward looking statements. These statements are based on current decisions and plans and currently known factors. They involve risks and uncertainties which may cause the actual results to materially differ from the results currently expected by the company.

Such factors include, but are not limited to:

- 1) general economic conditions, including fluctuations in exchange rates and interest levels which influence the operating environment and profitability of customers and thereby the orders received by the company and their margins
- 2) the competitive situation, especially significant technological solutions developed by competitors
- 3) the company's own operating conditions, such as the success of production, product development and project management and their continuous development and improvement
- 4) the success of pending and future acquisitions and restructuring.



About this financial information

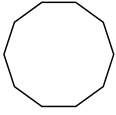
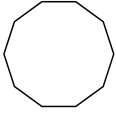
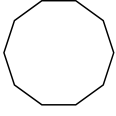
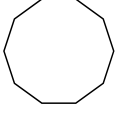
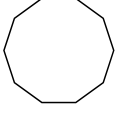
- Under IFRS, the merger of Metso's Minerals business and Outotec is treated as a reverse acquisition, where Metso Minerals is the accounting acquirer and Outotec the accounting acquiree.
- Metso Outotec has prepared both illustrative and IFRS-based historical quarterly segment information for January - June 2020. The illustrative historical segment information is presented as a combination of Metso Minerals carve-out information and Outotec information, according to the Metso Outotec segment structure. The Outotec information is based on Outotec's historical accounting principles, and Outotec's Minerals Processing segment is included in Metso Outotec's Minerals segment and Outotec's Metals Refining segment is included in Metso Outotec's Metals segment.

Pekka Vauramo
President and CEO

Results in brief



Q1 in short

- Market activity increased
 - Improved profitability in Aggregates and Minerals
 - Metals reorganization completed
 - EUR 83 million run rate of integration cost synergies achieved
 - Planet Positive is our new all-encompassing sustainability approach
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Group Q1 key figures, IFRS (comparison period illustrative combined)

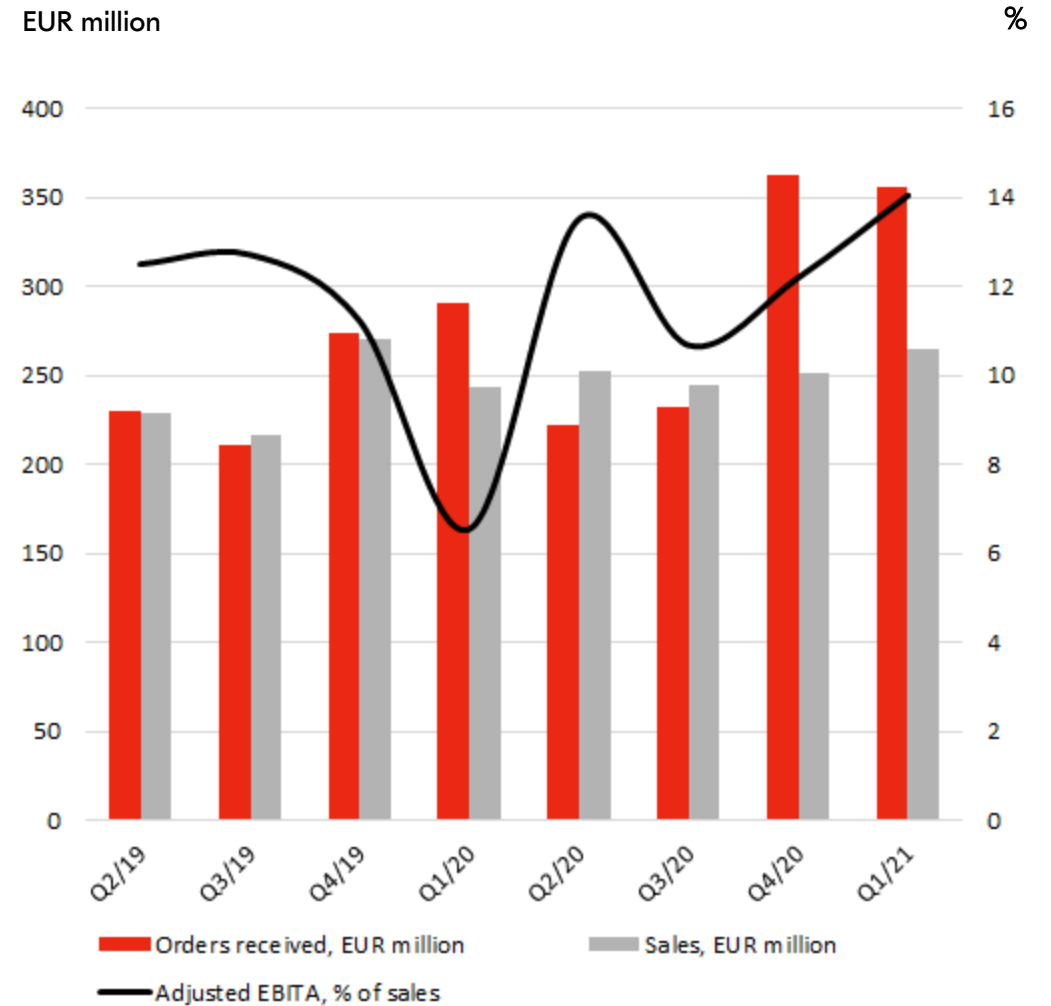
- Orders received EUR 1,102 million (EUR 1,084 million)
- Sales EUR 925 million (EUR 947 million)
- Adjusted EBITA EUR 115 million, or 12.4% of sales (EUR 95 million or 10.0%)
- EBIT EUR 91 million, or 9.8% of sales (EUR 68 million or 7.2%)
- Earnings per share EUR 0.08
- Cash flow from operations EUR 165 million

Covid-19 impacts in Q1

- Restrictions on workforce mobility and limited access to customer sites have affected especially the services business
- Some impact also on the decision-making and commissioning related to customers' large investments
- Our own operations have been running with additional health and safety measures and without major disruptions
- Roll out of vaccinations and the gradual opening of domestic travel in several countries support a view that the impact of the pandemic continues to diminish

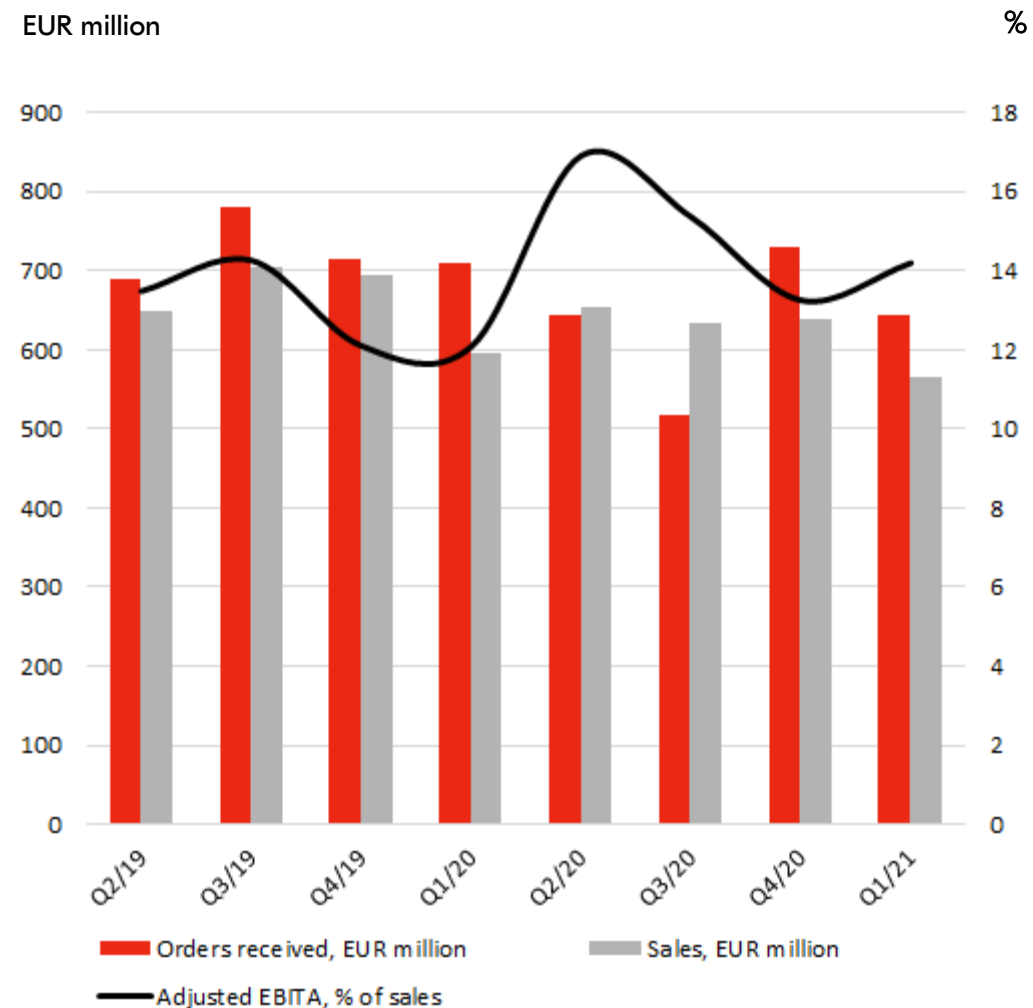
Aggregates segment quarterly highlights

- Orders received EUR 356 million (EUR 290 million)
 - Organic growth +27%
 - Driven by equipment
 - Strongest markets Europe and North America
- Sales EUR 265 million (EUR 244 million)
 - Organic growth +13%
 - Order growth gradually visible
- Adjusted EBITA EUR 37 million (EUR 16 million)
 - Margin of 14.1% (6.6%)
 - Volume growth, lower costs and successful implementation of other improvement measures



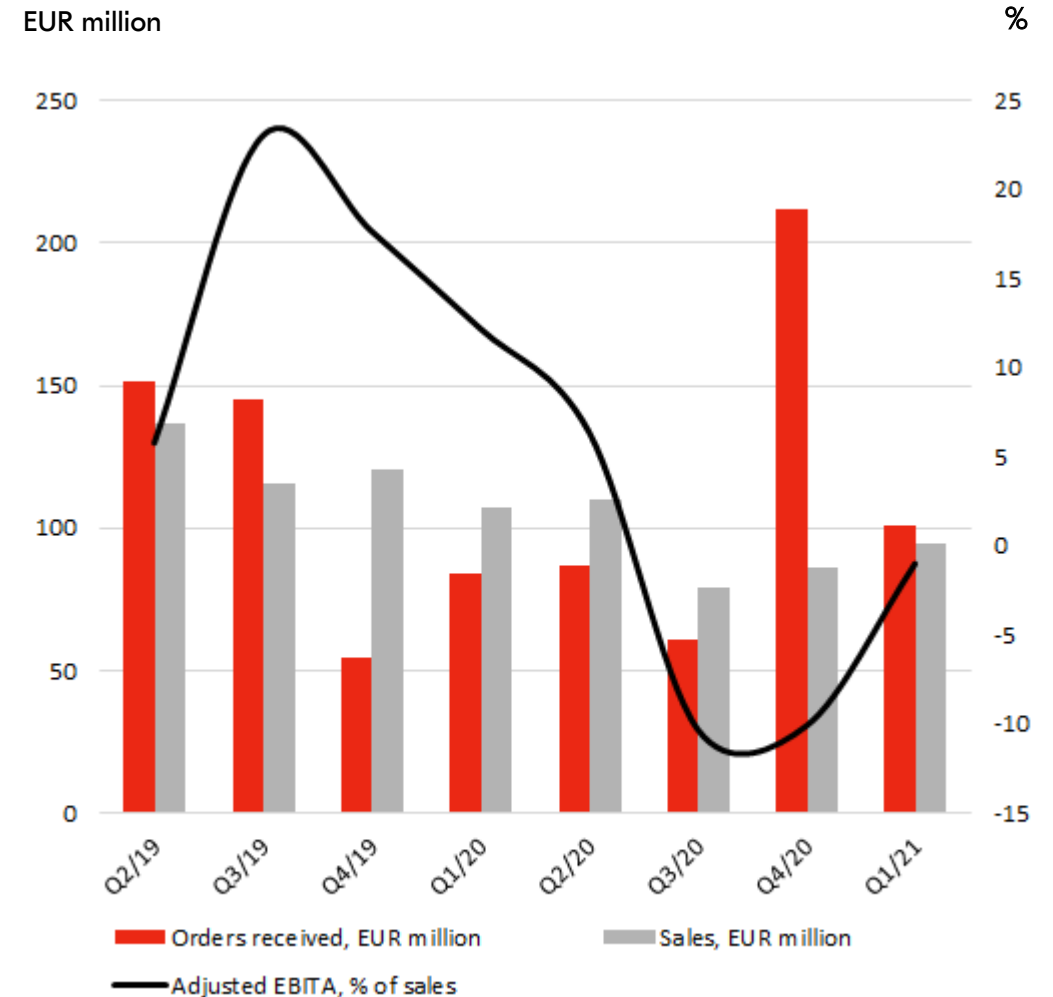
Minerals segment quarterly highlights

- Orders EUR 645 million (EUR 710 million)
 - Improved market activity, no large orders
 - Services affected by Covid-19
 - Currency impact -6%
- Sales EUR 566 million (EUR 596 million)
 - Organic growth +1%
 - Services share 68% (65%)
 - Some logistical challenges
- Adjusted EBITA EUR 80 million (EUR 72 million)
 - Margin of 14.2% (12.1%)
 - Supported by synergies and mix



Metals segment quarterly highlights

- Orders received EUR 101 million (EUR 84 million)
 - Improved market activity
- Sales EUR 95 million (EUR 107 million)
 - Timing of deliveries from backlog
- Adjusted EBITA EUR -1 million (EUR 7 million)
 - Low volume
- Turnaround actions visible in coming quarters
 - EUR 15 million savings, 150 jobs reduced



Eeva Sipilä

CFO

Financials in detail

Income Statement (illustrative combined)

| EUR million | Q1/2021 | Q1/2020 | 1-12/2020 |
|------------------|---------|---------|-----------|
| Sales | 925 | 947 | 3,897 |
| Gross profit | 263 | 270 | 1,035 |
| % of sales | 28.4 | 28.5 | 26.6 |
| SG&A expenses | -170 | -186 | -748 |
| Adjusted EBITA | 115 | 95 | 448 |
| % of sales | 12.4 | 10.0 | 11.5 |
| Adjustments | -6 | -15 | -97 |
| Operating profit | 91 | 68 | 253 |
| % of sales | 9.8 | 7.2 | 6.5 |

IFRS Income Statement

| EUR million | Q1/2021 | 1-12/2020 |
|--|---------|-----------|
| Sales | 925 | 3,319 |
| Adj. EBITA | 115 | 397 |
| Adj. EBITA, % | 12.4 | 11.9 |
| Operating profit | 91 | 239 |
| Operating profit, % | 9.8 | 7.2 |
| Net financial expenses | -7 | -38 |
| Profit before taxes | 84 | 201 |
| Income taxes | -21 | -52 |
| Profit for the period, continuing operations | 63 | 149 |
| Profit for the period | 59 | 138 |
| Earnings per share | 0.07 | 0.19 |

IFRS Balance Sheet

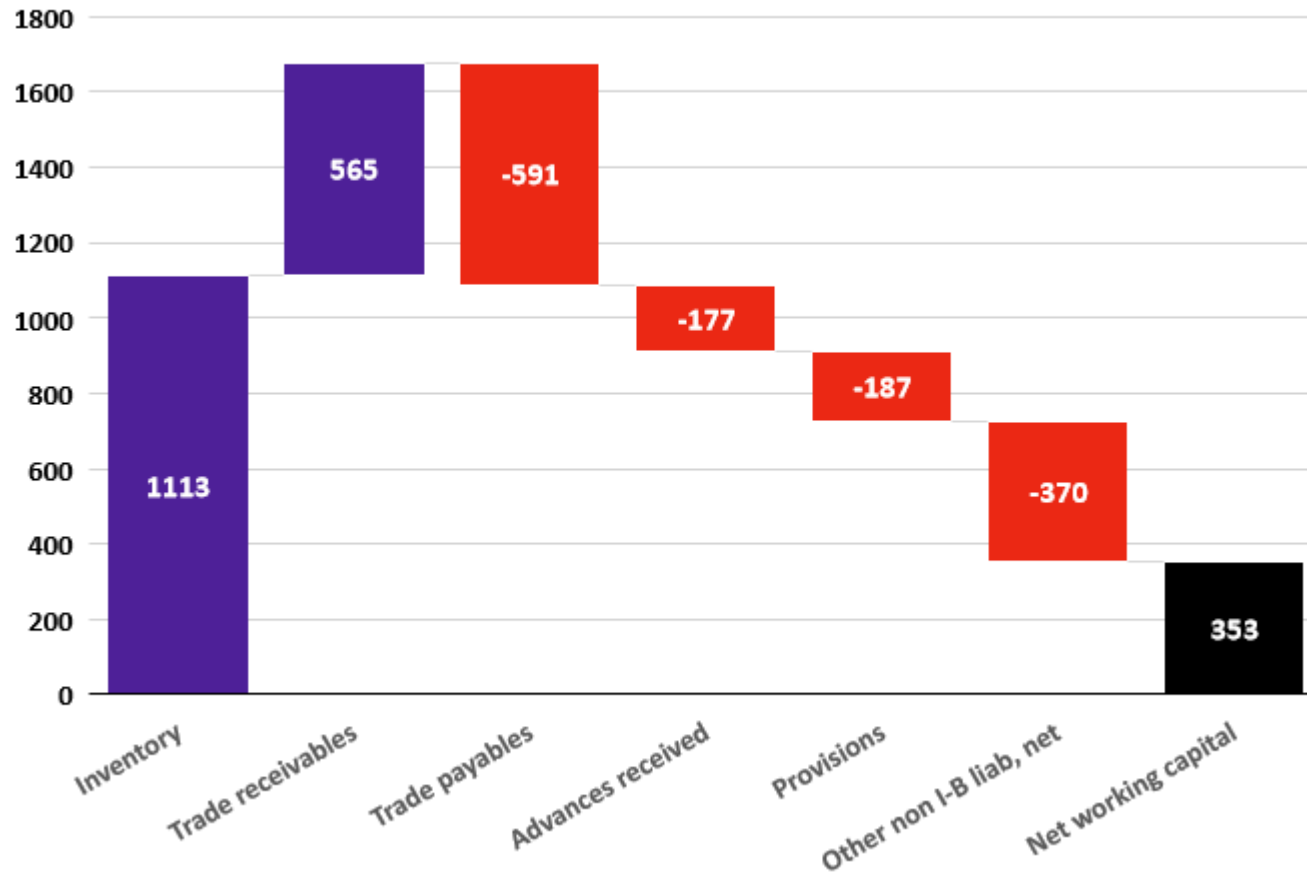
| EUR million | March 31, 2021 | December 31, 2020 |
|-------------------------------------|----------------|-------------------|
| Intangible assets | 1,994 | 1,994 |
| Total property, plant and equipment | 361 | 356 |
| Right-of-use assets | 136 | 132 |
| Other non-current assets | 252 | 223 |
| Inventories | 1,113 | 1,038 |
| Receivables (trade and other) | 1,079 | 1,083 |
| Liquid funds | 516 | 537 |
| Assets held for sale | 142 | 145 |
| TOTAL ASSETS | 5,592 | 5,508 |
| Total equity | 2,128 | 2,040 |
| Interest bearing liabilities | 1,199 | 1,345 |
| Non-interest-bearing liabilities | 2,138 | 1,976 |
| Liabilities held for sale | 127 | 148 |
| TOTAL EQUITY AND LIABILITIES | 5,592 | 5,508 |

Analysis of Cash Flow

| EUR million | Q1/2021 | 1-12/2020 |
|---|------------|------------|
| Profit for the period | 59 | 138 |
| Adjustments: | 76 | 256 |
| Depreciation and amortization | 39 | 160 |
| Financial expenses, net | 7 | 38 |
| Income taxes | 20 | 58 |
| Other items | 10 | 0 |
| Change in net working capital | 30 | 193 |
| Net cash flow from operating activities before financial items and taxes | 165 | 587 |

Net working capital on March 31, 2021

EUR million



Financial position

- Committed and undrawn revolving credit facilities totaled EUR 790 million at the end of March
- EUR 100 million term loan, with maturity in 2022, was repaid using liquid funds
- Ratings:
Moody's (April 2021): 'Baa2' long-term rating with stable outlook
S&P (Aug 2020): 'BBB-' long-term rating with negative outlook

| EUR million | March 31, 2021 | Dec 31, 2020 |
|---------------------------|----------------|--------------|
| Liquid funds | 516 | 537 |
| Net debt | 675 | 799 |
| Gearing, % | 31.7 | 39.2 |
| Equity-to-assets ratio, % | 41.5 | 39.9 |
| Debt to capital, % | 33.2 | 37.2 |
| Equity/share, EUR | 2.57 | 2.46 |

Pekka Vauramo

President and CEO

Integration, strategy and outlook

Integration and synergies proceeding according to plan

- In cost synergies, a run rate of EUR 83 million was reached
- 75% of realized synergies come from the restructuring of the organization and the rest from facilities, IT, and procurement
- Realized revenue synergies as sales totaled EUR 11 million and additional EUR 60 million have been booked in the order backlog
- Around EUR 40 million of the estimated one-off, pre-tax costs of approximately EUR 75 million has been booked so far

Planet Positive – our 1.5°C journey

- We are committed to limiting global warming to 1.5°C with Science Based Targets
- Our ecological handprint is significantly bigger than our footprint
- Planet Positive portfolio focuses on the most impactful technologies (>100) in our current offering
- Sustainable value to customers through improved energy, emission and water efficiency, safety and circular business models
- First TCFD (Task Force on Climate-related Financial Disclosures) scenario analysis published

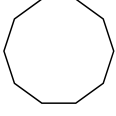




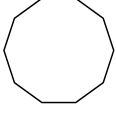
Market outlook

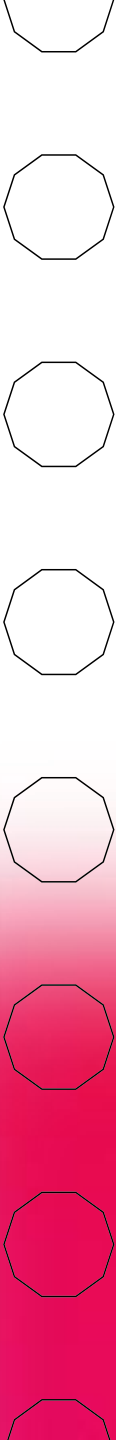


Metso Outotec expects the market activity to improve, subject to the development of the Covid-19 pandemic.



According to its disclosure policy, Metso Outotec's market outlook describes the expected sequential development of market activity during the following six-month period using three categories: improve, remain at the current level, or decline.





Partner for positive change