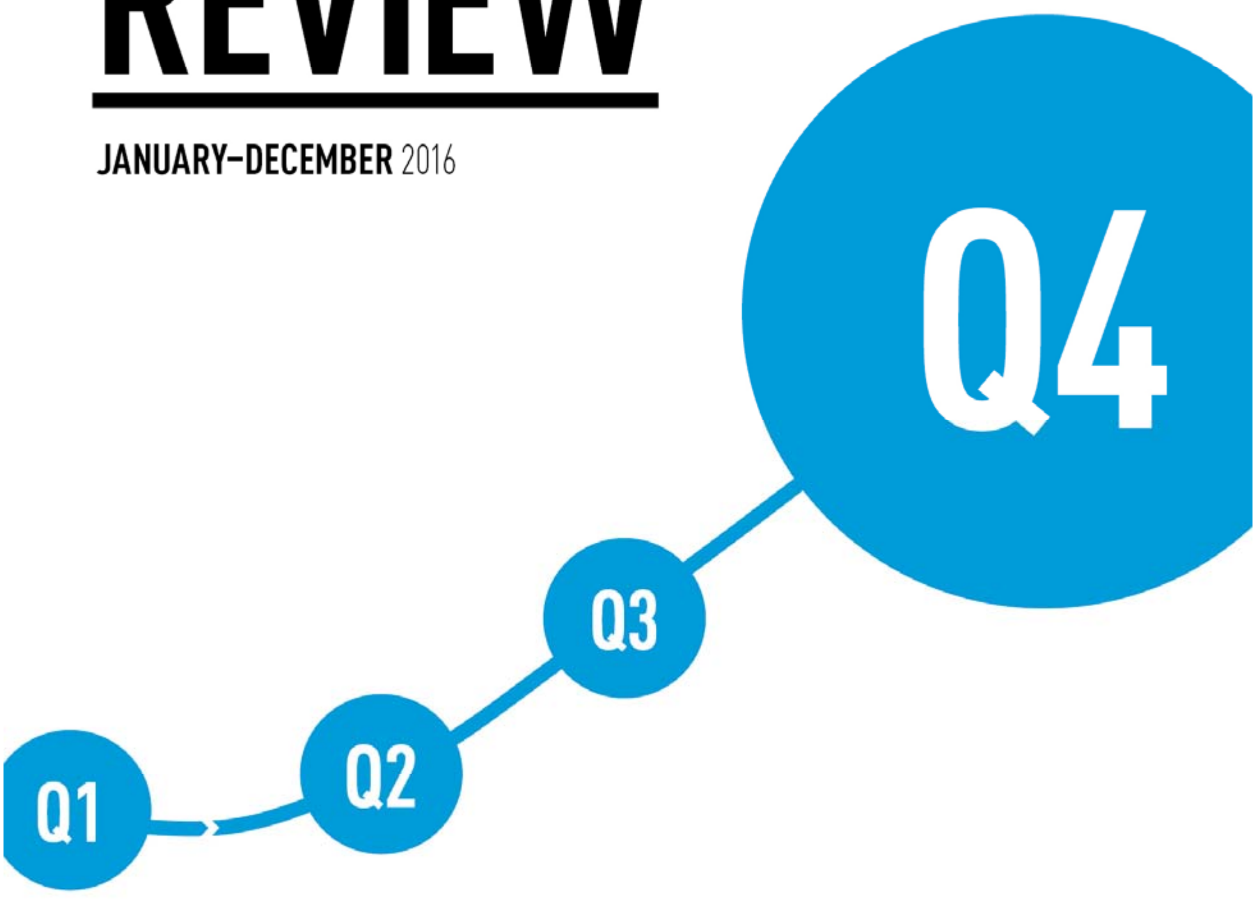
# FINANCIAL STATEMENTS REVIEW

**JANUARY–DECEMBER** 2016




Sustainable use of
Earth's natural resources

Outotec

FEBRUARY 13, 2017

# FINANCIAL STATEMENTS REVIEW JANUARY-DECEMBER 2016

## Good development in Minerals Processing business

### January-December 2016 in brief (comparison period January-December 2015):

- Order intake: EUR 1,008 (1,190) million, -15% (in comparable currencies -12%)
- Service order intake: EUR 443 (497) million, -11% (in comparable currencies -6%)
- Order backlog: EUR 1,002 (1,103) million, -9%
- Sales: EUR 1,058 (1,201) million, -12% (in comparable currencies -9%)
- Service sales: EUR 447 (511) million, -13% (in comparable currencies -8%)
- EBIT: EUR -68 (-12) million
- Adjusted EBIT*: EUR -23 (56) million
- Adjusted EBIT*: -2 (5)%
- Net cash flow from operating activities: EUR -85 (70) million
- Earnings per share: EUR -0.42 (-0.10)
- Due to the negative net result in 2016, the Board of Directors proposes to the AGM that no dividend is paid for the year 2016

### October-December 2016 in brief (comparison period October-December 2015):

- Order intake: EUR 283 (267) million, 6% (in comparable currencies 6%)
- Service order intake: EUR 108 (109) million, -1% (in comparable currencies -3%)
- Sales: EUR 305 (306) million, 0% (in comparable currencies -1%)
- Service sales: EUR 127 (138) million, -8% (in comparable currencies -8%)
- EBIT: EUR -53 (-31) million
- Adjusted EBIT*: EUR -25 (18) million
- Adjusted EBIT*: -8 (6)%

### Financial guidance for 2017

Guidance for 2017 is based on the current order backlog and market outlook as well as achieved cost savings.

- Sales are expected to be approximately EUR 1,050–1,150 million, and
- Adjusted EBIT* is expected to be approximately 3–5%

* Excluding restructuring and acquisition-related costs as well as purchase price allocation amortizations.

| Summary of the Group’s key figures | **Q4 2016** | Q4 2015 | **Q1-Q4 2016** | Q1-Q4 2015 |
|---|---|---|---|---|
| Order intake, EUR million | **282.7** | 267.2 | **1,007.7** | 1,189.9 |
| Service order intake, EUR million | **107.8** | 109.3 | **443.3** | 496.6 |
| Share of services in order intake, % | **38.2** | 40.9 | **44.0** | 41.7 |
| Order backlog at the end of the period, EUR million | **1,002.1** | 1,102.8 | **1,002.1** | 1,102.8 |
| Sales, EUR million | **305.4** | 305.7 | **1,057.9** | 1,201.2 |
| Service sales, EUR million | **127.4** | 138.0 | **447.0** | 511.3 |
| Share of services in sales, % | **41.7** | 45.1 | **42.3** | 42.6 |
| Gross margin, % | **15.6** | 26.4 | **22.1** | 27.9 |
| Adjusted EBIT[1], EUR million | **-24.8** | 17.6 | **-23.0** | 56.0 |
| Adjusted EBIT[1], % | **-8.1** | 5.8 | **-2.2** | 4.7 |
| EBIT, EUR million | **-53.5** | -30.6 | **-67.7** | -12.3 |
| EBIT, % | **-17.5** | -10.0 | **-6.4** | -1.0 |
| Result before taxes, EUR million | **-56.6** | -32.1 | **-78.1** | -22.9 |
| Net cash from operating activities, EUR million | **-11.9** | 47.7 | **-84.6** | 69.5 |
| Net interest-bearing debt at the end of the period, EUR million | **-4.5**[2] | 39.9 | **-4.5**[2] | 39.9 |
| Equity at the end of the period, EUR million | **498.1** | 404.7 | **498.1** | 404.7 |
| Equity-to-assets ratio at the end of the period, % | **40.0**[2] | 31.1 | **40.0**[2] | 31.1 |
| Gearing at the end of the period, % | **-0.9**[2] | 9.9 | **-0.9**[2] | 9.9 |
| Working capital at the end of the period, EUR million | **-23.5** | -89.4 | **-23.5** | -89.4 |
| Return on investment, %, LTM | **-9.4** | -1.5 | **-9.4** | -1.5 |
| Return on equity, %, LTM | **-15.4** | -4.0 | **-15.4** | -4.0 |
| Personnel at the end of the period | **4,192** | 4,859 | **4,192** | 4,859 |
| Earnings per share, EUR | **-0.30** | -0.13 | **-0.42** | -0.10 |

[1] *Excluding restructuring and acquisition-related costs and PPA amortizations.*

[2] *If the hybrid bond were treated as a liability the equity-to-assets ratio would be 27.9%, gearing 41.8%, and net interest-bearing debt EUR 145.5 million.*

### President & CEO Markku Teräsvasara:

“In 2016, our two business segments were in different phases. The order intake in the Minerals Processing segment started to increase from the second quarter, which together with the achieved cost savings, contributed to the segment’s good profitability. The segment ended the year with a solid order backlog, and the market is expected to continue to bring new opportunities. The Metals, Energy & Water segment’s order intake remained weak. However, we saw positive signs in the market towards the end of the year. Due to the segment’s lower order backlog, we have initiated further cost saving actions. Increased risk provisions especially in one large project significantly weakened the segment’s result.

In services, the recurring spare parts and technical maintenance orders grew slightly from 2015, and the growth accelerated towards the end of the year. Large shutdown service and new operation & maintenance contracts declined from the comparison period. The new Services business unit, which will start operations in April, will prioritize and develop our offering, as well as strengthen our customer service. Our strong global installed base brings us attractive service business opportunities.

We expect our profitability to improve due to the pick-up in the Minerals Processing segment as well as our cost-saving actions. Securing large orders will, in addition to cost savings action, remain crucial to stabilize the Metals, Energy & Water segment and to achieve sales growth in this segment.

The sentiment in the mining industry has improved. However, the global economic and political environment remains uncertain."

## FURTHER INFORMATION

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## FINANCIAL REPORTING SCHEDULE IN 2017

- Interim Report for January-March 2017: May 4
- Interim Report for January-June 2017: July 27
- Interim Report for January-September 2017: November 2

The Financial Statements for 2016 will be published in week 9 of 2017. The 2017 Annual General Meeting is planned for March 30, 2017.

# FINANCIAL STATEMENTS REVIEW JANUARY-DECEMBER 2016

## OPERATING ENVIRONMENT

In 2016, the recovery in metal prices allowed customers to strengthen their financial position, increasing their willingness to update investment plans and place orders. The demand for smaller process equipment and spare parts picked up in minerals processing since the second quarter. Activity in Metals, Energy & Water was weak, but it increased towards the year-end.

Market activity varied by metals, regions, and technologies. Markets in the Middle East, South and Central America, as well as in Russia were more active during 2016. Towards the year-end, market activity picked up also in Europe, North America, Australia and Africa. Market activity in Asia continued to be slow. Gold, copper, nickel, zinc and lithium projects were most active. Competition remained intense.

## ORDER INTAKE AND BACKLOG

Order intake in the fourth quarter was EUR 283 (267) million, up 6% (6% in comparable currencies) from the comparison period. The growth was attributable to equipment and service orders in the Minerals Processing segment. Order intake in 2016 totaled EUR 1,008 (1,190) million, down 15% (-12% in comparable currencies) from the comparison period. The decline was mainly due to fewer large plant orders and weaker service order intake in the Metals, Energy & Water segment.

Service order intake in the fourth quarter decreased 1% (-3% in comparable currencies) from the comparison period to EUR 108 (109) million. Service order intake included fewer long-term service contracts and shutdown orders while spare part orders grew approximately 35%.

In 2016, service order intake decreased 11% (-6% in comparable currencies) from the comparison period and totaled EUR 443 (497) million, mainly due to a decline in shutdown services and fewer new long-term services contracts in the Metals, Energy & Water segment.

| **Order intake by region, %** | **Q1-Q4 2016** | Q1-Q4 2015 |
|---|---|---|
| EMEA (including CIS) | **49** | 56 |
| Americas | **33** | 26 |
| APAC | **18** | 18 |
| Total | **100** | 100 |

### Announced orders in 2016

**Project/location (published)**

| Booked into order backlog Q4/2016: | Customer | Value, EUR million | Business unit |
|---|---|---|---|
| Two sulfuric acid plants, Iran (January 18) | NICICO | 50 | Metals, Energy & Water |
| Copper concentrator technology, Chile (December 30) | Not disclosed | 18 | Minerals Processing |
| Lithium beneficiation plant, Brazil (November 18) | AMG | 35 | Minerals Processing |

| | | | |
|---|---|---|---|
| Booked into order backlog Q3/2016: | | | |
| Flotation and dewatering technology, Russia (August 15) | Not disclosed | Approx. 30 | Minerals Processing |
| Process equipment (pyrite leach process), Mexico (August 23) | Goldcorp's Peñasquito Mine | Approx. 23 | Minerals Processing |
| Process equipment to greenfield gold project, Senegal (August 26) | Lycopodium Minerals Pty Ltd. | Approx. 10 | Minerals Processing |
| Mine backfill plant, Philippines (September 30) | OceanaGold (Philippines) Inc. | not disclosed, similar Approx. 10 | Minerals Processing |
| Mine backfill plant, Australia (October 3) | MMG Limited | not disclosed, similar over 10 | Minerals Processing |
| Two VSF®X Modular Solvent Extraction technology packages, Macedonia and Egypt (October 7) | Sardich MC in Kazandol and Desmet Ballestra S.p.A | 25 | Metals, Energy & Water |
| New modular flotation cPlant, Saudi Arabia (October 14) | Ma'aden Gold | Nearly 10 | Minerals Processing |
| Booked into order backlog Q2/2016: | | | |
| Process equipment, Burkina Faso (April 25) | Houndé Gold Operation | 13 | Minerals Processing |
| Sulfuric acid technology, Egypt (June 2) | Intesca Industrial | Over 30 | Metals, Energy & Water |
| Copper smelter and sulfuric acid plant revamp, South America (June 20) | not published | Over 33 | Metals, Energy & Water |
| Process equipment for the greenfield Gökirmak copper project, Turkey (July 4) | Acacia Maden Isletmeleri | Approx. 14 | Minerals Processing |
| Process equipment for the gold project, Kazakhstan (July 12) | Bakyrchik Mining | Approx. 15-20 | Minerals Processing |
| Process equipment to iron project, Iran (July 26) | Shangdong Province Metallurgical Engineering | Approx. 10 | Minerals Processing |
| Booked into order backlog Q1/2016: | | | |
| Proprietary equipment for a sulfuric acid plant, Finland (March 31) | Boliden | not disclosed | Metals, Energy & Water |

The order backlog at the end of 2016 was EUR 1,002 (1,103) million, down 9% from the comparison period. Services represented EUR 204 (229) million of the total order backlog. In addition to the reported backlog, Outotec has approximately EUR 200 (230) million in orders from Iran that will be booked when payments are secured.

At the end of 2016, Outotec had 24 (24) projects with an order backlog value in excess of EUR 10 million, accounting for 58 (66) % of the total backlog. It is estimated that roughly 74 (70) % or EUR 740 (760) million of the year-end order backlog value will be delivered in 2017.

## SALES AND FINANCIAL RESULT

| **Sales and financial result** EUR million | **Q4 2016** | Q4 2015 | **Q1-Q4 2016** | Q1-Q4 2015 |
|---|---|---|---|---|
| Sales | **305.4** | 305.7 | **1,057.9** | 1,201.2 |
| Service sales[1] | **127.4** | 138.0 | **447.0** | 511.3 |
| Share of service sales, % | **41.7** | 45.1 | **42.3** | 42.6 |
| Gross margin, % | **15.6** | 26.4 | **22.1** | 27.9 |
| Adjusted EBIT[2], EUR million | **-24.8** | 17.6 | **-23.0** | 56.0 |
| Adjusted EBIT[2], % | **-8.1** | 5.8 | **-2.2** | 4.7 |
| - Restructuring and acquisition-related costs[3] | **-26.8** | -45.8 | **-37.2** | -58.9 |
| - PPA amortization | **-1.9** | -2.4 | **-7.4** | -9.4 |
| EBIT | **-53.5** | -30.6 | **-67.7** | -12.3 |
| EBIT, % | **-17.5** | -10.0 | **-6.4** | -1.0 |
| Result before taxes | **-56.6** | -32.1 | **-78.1** | -22.9 |
| Result for the period | **-52.4** | -23.6 | **-69.3** | -17.2 |
| Unrealized and realized exchange gains and losses[4] | **-4.5** | -1.7 | **-8.1** | -5.3 |

*[1] Included in the sales figures of the two reporting segments.*

*[2] Excluding restructuring and acquisition-related costs and PPA amortizations.*

*[3] Including restructuring-related costs of EUR 31.3 (48.9) million, acquisition-related costs of EUR 1.5 (2.0) million, and arbitration costs related to past acquisition EUR 4.4 (9.0) million. The comparison period included a positive impact of a EUR 1.0 million reduction from an earn-out payment liability related to acquisition.*

*[4] Related to foreign exchange forward agreements and bank accounts.*

| **Sales by region** EUR million | **2016** | **2015** | **% 2016** | **Change %** |
|---|---|---|---|---|
| EMEA (incl. the CIS) | **547.4** | 640.7 | 52 | -14.6 |
| Americas | **315.6** | 368.5 | 30 | -14.3 |
| APAC | **194.9** | 192.0 | 18 | 1.5 |
| Total | **1,057.9** | 1,201.2 | 100 | -11.9 |

| **Sales by materials, %** | **2016** | **2015** |
|---|---|---|
| Copper | 28 | 32 |
| Nickel | 5 | 11 |
| Zinc | 2 | 4 |
| Ferroalloys | 3 | 4 |
| Aluminum | 11 | 7 |
| Iron | 11 | 17 |
| Precious metals | 12 | 8 |
| Other metals | 0 | 4 |
| Energy and environmental solutions (incl. water, sulfuric acid and off-gas) | 12 | 8 |
| Other industries | 16 | 6 |
| Total | 100 | 100 |

Sales in the fourth quarter remained at the same level (-1% in comparable currencies) as in the comparison period and totaled EUR 305 (306) million. Sales in 2016 decreased by 12% (-9% in comparable currencies) from previous year and totaled EUR 1,058 (1,201) million. Reduced order intake in the Metals, Energy & Water segment in the first half of 2016 was the main reason for the decrease in sales.

Service sales in the fourth quarter decreased by 8% (-8% in comparable currencies) from the comparison period and totaled EUR 127 (138) million. The reduction derived from the decline in shut-down and long-term service contract orders. In 2016, service sales fell 13% (-8% in comparable currencies) from the comparison period and totaled EUR 447 (511) million, representing 42 (43) % of sales. The decline resulted mainly from fewer upgrades and long-term service contracts in the Metals, Energy & Water segment.

Fixed costs in the fourth quarter, including selling and marketing, administrative, R&D and fixed delivery expenses, declined 1% (in comparable currencies -2%) from the comparison period and totaled EUR 72 (73) million. Fixed costs in 2016 fell 17% (in comparable currencies -16%) from the comparison period and totaled EUR 277 (334) million or 26 (28)% of sales.

Adjusted EBIT in the fourth quarter was negative EUR 25 (positive 18) million and in 2016 negative EUR 23 (positive 56) million. The poor performance of a few large projects in the Metals, Energy & Water segment contributed to the negative result. In the fourth quarter, EUR 40 million risk provision was booked related to project issues, especially in one large project in the Metals, Energy & Water segment. Negative impact from exchange losses in the fourth quarter totaled EUR 5 (-2) million and EUR 8 (-5) million in 2016. Provision releases related to the progress and completion of projects as well as higher service sales improved profitability in the comparison period.

The result before taxes in the fourth quarter was negative EUR 57 (-32) million and in 2016 negative EUR 78 (-23) million. It included net finance expenses of EUR 10 (11) million due to interest costs and the valuation of foreign exchange forward agreements. The net result in the fourth quarter was negative EUR 52 (-24) million and in 2016 negative EUR 69 (-17) million. The net impact from taxes in 2016 totaled EUR 9 (6) million. Earnings per share totaled EUR -0.42 (-0.10).

## SEGMENTS

### Minerals Processing

| EUR million | **Q4 2016** | Q4 2015 | **Q1-Q4 2016** | Q1-Q4 2015 | **Change %** |
|---|---|---|---|---|---|
| Order intake | **164.9** | 102.6 | **626.7** | 495.6 | **26**[1] |
| Sales | **178.8** | 147.0 | **539.5** | 548.8 | **-2**[2] |
| Service sales | **85.8** | 83.2 | **283.1** | 311.9 | **-9**[3] |
| Adjusted EBIT[4], EUR million | **15.2** | 0.0 | **37.1** | 19.5 | |
| Adjusted EBIT[4], % | **8.5** | 0.0 | **6.9** | 3.5 | |
| PPAs | **-0.8** | -0.8 | **-3.3** | -3.3 | |
| Restructuring and acquisition-related costs | **-6.6** | -26.5 | **-12.2** | -32.6 | |
| EBIT | **7.8** | -27.3 | **21.6** | -16.5 | |
| EBIT, % | **4.4** | -18.6 | **4.0** | -3.0 | |
| Unrealized and realized exchange gains and losses[5] | **-2.8** | -1.2 | **-3.8** | -3.9 | |

[1] *In comparable currencies 33%*
[2] *In comparable currencies 2%*
[3] *In comparable currencies -5%*
[4] *Excluding restructuring and acquisition-related costs and PPA amortizations*
[5] *Related to foreign exchange forward agreements and bank accounts*

In 2016, the order intake in the Minerals Processing segment grew 26% from the comparison period mainly due to increase in equipment orders. The segment's sales decreased 2% due to low order intake in the fourth quarter of 2015 and the first half of 2016. Fixed cost savings and high utilization rate contributed to improved profitability.

### Metals, Energy & Water

| EUR million | Q4 2016 | Q4 2015 | Q1-Q4 2016 | Q1-Q4 2015 | Change % |
|---|---|---|---|---|---|
| Order intake | **117.8** | 164.6 | **381.0** | 694.3 | **-45[1]** |
| Sales | **126.4** | 158.8 | **518.4** | 652.4 | **-21[2]** |
| Service sales | **41.6** | 54.7 | **163.9** | 199.4 | **-18[3]** |
| Adjusted EBIT[4], EUR million | **-38.4** | 18.1 | **-55.0** | 42.5 | |
| Adjusted EBIT[4], % | **-30.4** | 11.4 | **-10.6** | 6.5 | |
| PPAs | **-1.1** | -1.5 | **-4.2** | -6.0 | |
| Restructuring and acquisition-related costs | **-20.2** | -17.3 | **-22.9** | -23.5 | |
| EBIT | **-59.7** | -0.6 | **-82.1** | 13.0 | |
| EBIT, % | **-47.2** | -0.4 | **-15.8** | 2.0 | |
| Unrealized and realized exchange gains and losses[5] | **-1.5** | -0.5 | **-4.0** | -1.5 | |

*[1] In comparable currencies -44%*
*[2] In comparable currencies -19%*
*[3] In comparable currencies -14%*
*[4] Excluding restructuring and acquisition-related costs and PPA amortizations*
*[5] Related to foreign exchange forward agreements and bank accounts*

In 2016, the order intake in the Metals, Energy & Water segment decreased 45% from the comparison period due to the decline in plant and service orders. The segment's sales declined 21% due to fewer plant deliveries and upgrade services. Lower sales, low utilization rates and weak performance in certain projects impacted profitability. In the fourth quarter, EUR 40 million risk provision was booked related to project issues especially in one large project.

## BALANCE SHEET, FINANCING AND CASH FLOW

| **Balance sheet, financing and cash flow** EUR million | Q4 2016 | Q4 2015 | Q1-Q4 2016 | Q1-Q4 2015 |
|---|---|---|---|---|
| Net cash from operating activities | **-11.9** | 47.7 | **-84.6** | 69.5 |
| Net interest-bearing debt at the end of the period | **-4.5[1]** | 39.9 | **-4.5[1]** | 39.9 |
| Equity at the end of the period | **498.1** | 404.7 | **498.1** | 404.7 |
| Equity-to-assets ratio at the end of the period, % | **40.0[1]** | 31.1 | **40.0[1]** | 31.1 |
| Gearing at the end of the period, % | **-0.9[1]** | 9.9 | **-0.9[1]** | 9.9 |
| Working capital at the end of the period | **-23.5** | -89.4 | **-23.5** | -89.4 |

*[1] If the hybrid bond were treated as a liability the equity-to-assets ratio would be 27.9%, gearing 41.8%, and net interest-bearing debt EUR 145.5 million.*

The consolidated balance sheet total on December 31, 2016, was EUR 1,427 (1,531) million. Equity to shareholders of the parent company totaled EUR 495 (402) million, representing EUR 2.73 (2.22) per share. In 2016, Outotec issued a EUR 150 million hybrid bond. In addition, equity was impacted by the negative net result of EUR 69 (-17) million and positive translation differences of EUR 14 (-9) million.

Outotec's cash and cash equivalents at the end of 2016 totaled EUR 233 (301) million. The net cash from operating activities was EUR -85 (70) million. The main reasons for the change in cash flow were large projects tying up more capital, the lack of large advance payments, and restructuring-related payments. The advance and milestone payments received at the end of 2016 came to EUR 181 (232) million. The advance and milestone payments to subcontractors totaled

EUR 53 (61) million. In 2016, the net effect of the drawdown of the hybrid bond (EUR 150 million) and repayment of bank loan (EUR 100 million) exerted a positive impact on cash and cash equivalents.

Net interest-bearing debt on December 31, 2016, was EUR -4 (40) million and gearing was -1 (10) %. Outotec's equity-to-assets ratio was 40 (31) %. The company's capital expenditure, related mainly to IT programs and IPRs, totaled EUR 22 (105) million in the reporting period.

Guarantees for commercial commitments, including advance payment guarantees issued by the parent and other Group companies at the end of the reporting period, totaled EUR 551 (632) million.

## COST-SAVING PROGRAM

Outotec achieved targeted EUR 70 million annualized savings in fixed costs by reference to the Q3/2015 situation. Approximately 650 jobs were reduced as part of the program. Total restructuring costs related to this program totaled EUR 40 million and EUR 5 million (Q3/2016: 1, Q2/2016: 3, Q1/2016: 2, Q4/2015: 28) in the fourth quarter of 2016.

Employee cooperation negotiations with respect to the restructuring and possible reduction of the workforce in the filters manufacturing units (November 1) and in certain units in the Metals, Energy & Water segment (November 17) were initiated in Finland and Germany. On December 30, 2016, employee cooperation negotiations in Finland were completed, leading to a reduction of approximately 50 employees. Temporary lay-offs may also be applied. In Germany, negotiations will continue in 2017 and may lead to the reduction of approximately 100 permanent positions. Some individual redundancies may also be made in other countries. The related restructuring costs of EUR 23 million were booked during the fourth quarter of 2016.

## DEVELOPMENT OF PRODUCT, TECHNOLOGY, AND SERVICE OFFERING

During the reporting period, Outotec's research and development expenses totaled EUR 55 (61) million, representing 5 (5) % of sales.

Outotec filed 57 (93) new priority applications, and 630 (531) new national patents were granted. At the end of the reporting period, Outotec had 786 (824) patent families, including a total of 6,772 (7,458) national patents or patent applications.

On September 15, Outotec announced a partnership with Thermo-System GmbH, a Germany-based global leader in low-energy drying technology, to complement its waste-to-energy and sludge incineration technologies.

On March 11, Outotec announced that Outotec and Newcrest Mining have agreed on a strategic partnership to develop and use new metallurgical technologies in Newcrest's businesses. Newcrest, which is based in Melbourne, Australia, and operates globally, is one of the world's largest gold and copper mining companies.

### Product launches in 2016

On August 17, Outotec announced the successful delivery of a new type of mine backfill system together with operation, maintenance and management services to OZ Minerals for the Prominent Hill copper-gold mine in South Australia.

On May 23, Outotec introduced a cost-effective modular product for water treatment – the Outotec® EWT-40. The Electrochemical Water Treatment process solution is a highly automated process to handle contaminated waste waters and effluents in remote mining and metallurgical operations.

In March, Outotec published the “Outotec Flotation Modernization Guidebook” providing insight into how Outotec services can improve grade and recovery, process stabilization, process control, capacity, maintenance cost, availability, energy consumption, wear life and safety.

## SUSTAINABILITY

Outotec's approach to sustainability is defined in the company's mission, strategy, values, code of conduct, and management system documents. Outotec’s most significant impact on sustainability occurs indirectly through its customers’ resource-efficient operations. “Sustainable use of Earth’s natural resources” is the mission that the company works to achieve in cooperation with its customers. According to its core value, “committed to sustainability”, Outotec intends to incorporate sustainability – consisting of all the social, economic, and environmental elements of sustainability – into every aspect of its operations.

In December 2016, the University of Helsinki and Outotec launched a challenge-based Sustainability Master Class program for students, young researchers and professionals interested in new approaches to innovation, as well as learning-by-doing and co-creation as tools for building a vision and concrete solutions for a sustainable future. The multidisciplinary *Sustainability Master Class* will discuss and tackle issues such as social impacts and social license to operate in the mining industry, the integration of sustainability into business decisions and disruptive business models, as well as technology transfer and leapfrogging. During the four-month program, multidisciplinary teams will explore, analyze and challenge the topics and create new solutions to specific problems (re)defined as part of the process.

Outotec announced on April 7, 2016 that it has published its annual sustainability report, describing the company's approach to sustainability, performance and achievements in 2015 as well as future targets. “Working for resource efficiency” is the theme of the report, illustrating the positive impacts of Outotec's solutions and services in the circular economy context.

In January 2016, Outotec was ranked for the second time as the world’s third most sustainable company on the Global 100 Index of Corporate Knights. Outotec also received the Silver Class distinction for its excellent sustainability performance in RobecoSAM’s annual Corporate Sustainability Assessment.

## PERSONNEL

At the end of December 2016, Outotec had a total of 4,192 (4,859) and on average 4,344 (4,855) employees in the reporting period. Temporary personnel accounted for 5 (8) % of total personnel.

| **Personnel by region** | **December 31, 2016** | December 31, 2015 | **Change** |
|---|---|---|---|
| EMEA (including the CIS) | **2,824** | 3,159 | **-335** |
| Americas | **801** | 1,012 | **-211** |
| APAC | **567** | 688 | **-121** |
| **Total** | **4,192** | 4,859 | **-667** |

At the end of the reporting period, the company had, in addition to its own personnel, 330 (405) full-time equivalent, contracted professionals working in project execution.

For the reporting period, salaries and other employee benefits totaled EUR 329 (353) million.

## CHANGES IN THE MANAGEMENT

Outotec appointed Mr Kimmo Kontola as Executive Vice President and President of the Minerals Processing segment and a member of the Executive Board of Outotec as of January 1, 2017.

Outotec appointed Dr Kalle Härkki as Executive Vice President and President of the Metals, Energy & Water segment as of October 24, 2016.

Outotec's Board of Directors appointed Mr Markku Teräsvasara as Outotec's new President & CEO. He commenced work in his new position on October 1, 2016. Mr Pertti Korhonen left the CEO position on June 22, 2016.

Outotec appointed Ms Kaisa Aalto-Luoto as Senior Vice President, Human Resources and Communications as of April 1, 2016.

Outotec appointed Mr Olli Nastamo as Senior Vice President, Strategy, Marketing and Operational Excellence and member of the Executive Board as of April 1, 2016.

Outotec announced the resignation of Mr Robin Lindahl, head of the Metals, Energy & Water segment, and he left the company on March 30, 2016.

## RESOLUTIONS OF OUTOTEC’S AGM

Outotec Oyj's Annual General Meeting (AGM) was held on April 11, 2016, in Helsinki, Finland.

### Financial Statements

The AGM approved the parent company and the consolidated Financial Statements, and discharged the members of the Board of Directors and the President and CEO from liability for the 2015 financial year.

### Dividend

The AGM decided that no dividend would be distributed for the financial year ending on December 31, 2015.

### The Board of Directors and auditors

The AGM decided that the total number of Board members, including the Chairman and Vice Chairman, will be eight (8). Dr Matti Alahuhta, Ms Eija Ailasmaa, Ms Anja Korhonen, Dr Timo Ritakallio, Mr Chaim (Poju) Zabludowicz, Mr Ian W. Pearce and Mr Klaus Cawén were re-elected as members of the Board of Directors, and Mr Patrik Nolåker was elected as a new member of the Board for the term expiring at the next AGM.

The AGM elected Matti Alahuhta as the Chairman, and Timo Ritakallio as Vice Chairman of the Board of Directors.

The AGM confirmed the annual remunerations to the Board members as follows: EUR 72,000 for the Chairman of the Board of Directors and EUR 36,000 for the other members of the Board of Directors each, as well as an additional EUR 12,000 for both the Vice Chairman of the Board, and the Chairman of the Audit and Risk Committee; and that each member of the Board be paid EUR 600 for attendance at each board and committee meeting as well as be reimbursed for the direct costs arising from Board-related work.

Of the annual remuneration, 60 percent will be paid in cash and 40 percent in the form of Outotec Oyj shares, which will be acquired from the stock exchange within one week from the date of the Annual General Meeting in amounts corresponding to EUR 28,800 for the Chairman, EUR 19,200 for the Vice Chairman of the Board and the Chairman of the Audit and Risk Committee each, and EUR 14,400 for each of the other members of the Board of Directors. The part of the annual fee payable in cash corresponds to the approximate sum necessary for the payment of the income taxes on the annual remuneration, and will be paid no later than May 11, 2016. The annual fees encompass the full term of office of the Board of Directors. The attendance fee will be paid in cash.

### Auditor

Public Accountants PricewaterhouseCoopers Oy was re-elected as the company's auditor. The auditor will be paid remuneration against the auditor's reasonable invoice approved by the company.

### Board's authorizations

The AGM authorized the Board of Directors to decide on the repurchase of an aggregate maximum of 18,312,149 of the company's own shares. The amount of shares corresponds to approximately 10 percent of all the current shares of the company. However, the company together with its subsidiaries cannot at any moment own more than 10 percent of all shares of the company. Own shares may be repurchased on the basis of this authorization only by using unrestricted equity. Own shares can be repurchased at a price formed in trading on the regulated market on the date of the repurchase or otherwise at a price formed on the market. The Board of Directors is entitled to determine how shares are repurchased. Own shares may be repurchased otherwise than in proportion to the shares held by the shareholders (directed repurchase).

The AGM further authorized the Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares referred to in Chapter 10, Section 1 of the Companies Act as follows: The number of shares to be issued on the basis of this authorization shall not exceed an aggregate maximum of 18,312,149 shares, which corresponds to approximately 10 percent of all the current shares of the company. The Board of Directors is entitled to decide on all terms of the issuance of shares and of special rights entitling to shares, and is entitled to deviate from the shareholders' pre-emptive subscription rights (directed issue). This authorization applies to both the issuance of new shares and the conveyance of own shares held by the company.

The authorizations shall be in force until the closing of the next AGM.

### Board's assembly meeting

In its assembly meeting, the Board of Directors elected Anja Korhonen, Timo Ritakallio, Ian W. Pearce and Klaus Cawén as members of the Audit and Risk Committee, with Anja Korhonen as the Chairman of the Committee.

Eija Ailasmaa, Matti Alahuhta and Poju Zabludowicz act as members of the Human Capital Committee with Matti Alahuhta as the Chairman of the Committee.

## CHANGES IN SHAREHOLDING IN 2016

On December 5, 2016, Outotec announced that Harris Associates L.P.'s holding in shares of Outotec Oyj (OTE1V) on December 1, 2016 has fallen below 5% and was 9,146,947 shares, which represents 4.99% of the share capital and votes in the company.

On June 27, 2016, Outotec announced that Harris Associates Investment Trust's Oakmark International Small Cap Fund's holding in shares of Outotec Oyj (OTE1V) on June 23, 2016 had fallen below 5% and were 8,807,514 shares, which represents 4.81% of the share capital and votes in the company.

On March 31, 2016, Outotec announced that Edinburgh Partners Limited's holdings in shares of Outotec Oyj on March 30, 2015 had fallen below 5% and were 8,951,358 shares, which represents 4.89% of the share capital. Of these shares voting authority applies to 6,167,802 (3.37%).

On February 29, 2016, Outotec announced that Edinburgh Partners Limited's holdings in shares of Outotec Oyj on February 26, 2016 had exceeded 5% and were 9,294,508 shares, which represents 5.08% of the share capital. Of these shares, voting authority applies to 6,167,802 (3.37%).

## SHARES AND SHARE CAPITAL

Outotec's shares are listed on the Nasdaq Helsinki (OTE1V). At the end of the reporting period, Outotec's share capital was EUR 17,186,442.52, consisting of 183,121,492 shares. Each share entitles its holder to one vote at the company's general shareholder meetings.

## OUTOTEC OYJ OWN SHAREHOLDING

At the end of the reporting period, the company held directly a total of 1,803,963 Outotec shares, which represents a relative share of 0.99% of Outotec Oyj's shares and votes.

Outotec has an agreement with a third-party service provider concerning the administration and hedging of the Share-based Incentive Program for key personnel. At the end of 2016, the number of these shares was 0 (675).

## TRADING, MARKET CAPITALIZATION, AND SHAREHOLDERS

### Shares on NASDAQ Helsinki

| January-December 2016 | No. of shares traded | Total value EUR | High EUR | Low EUR | Average EUR[1] | Last paid EUR |
|---|---|---|---|---|---|---|
| OTE1V | 283,186,658 | 1,108,551,050 | 5.63 | 2.49 | 3.91 | 4.99 |

[1] *Volume weighted average*

| | December 31, 2016 | December 31, 2015 |
|---|---|---|
| Market capitalization, EUR million | **914** | 623 |
| No. of shareholders | **29,686** | 33,830 |
| Nominee registered shareholders (no of registers 10), % | **30.6** | 27.0 |
| Finnish private investors, % | **25.6** | 21.1 |

## SHARE-BASED INCENTIVES

Outotec has a Share-based Incentive Program for the company's key personnel and Employee Share Savings Program for all employees globally. All shares related to the programs are acquired through public trading. More detailed information about present and past programs is available at www.outotec.com/cg.

## LEGAL DISPUTES IN 2016

No new legal disputes were initiated during the reporting period. Ongoing material legal disputes are listed in the risk section of the company's website at www.outotec.com.

## OTHER ANNOUNCEMENTS AND MAIN EVENTS IN Q4/2016

December 30: Outotec announced that it has finalized the employee cooperation negotiations (November 17) in Finland related to the restructuring of the Metals, Energy & Water segment and filters manufacturing units (November 1), leading to an approximately 50 employee reduction. Depending on capacity utilization, employees may also be temporarily laid off during 2017. The negotiations to streamline and reduce approximately 100 permanent position in Germany continue in 2017. Some individual redundancies will also be made in other countries. The related costs and asset write-offs of the above restructuring were booked in Q4/2016.

December 30: Outotec announced it has achieved EUR 70 million annualized savings (as announced on November 20, 2015) in fixed costs compared to the Q3/2015 situation. Restructuring costs from the program were EUR 40 million and 650 positions were reduced.

December 30: Outotec announced booking of maximum EUR 28 million restructuring costs in Q4/2016 from savings actions. Costs consist of personnel related restructuring costs mainly in the Metals, Energy & Water segment and asset write-offs related to premises, machinery and ICT systems.

December 21: Outotec announced that it will establish a Services business unit as of April 1, 2017.

December 21: Outotec announced that Mr Kimmo Kontola, has been appointed President of the Minerals Processing business unit and a member of the Executive Board of Outotec as of January 1, 2017.

December 20: Outotec announced that its profitability guidance for 2016 has been lowered due to EUR 40 million increased risk provisions in the Metals, Energy & Water segment.

October 28: Outotec announced that Board of Directors decided to continue Employee Share Savings Plan in 2017.

October 24: Outotec announced that Dr Kalle Härkki, has been appointed Executive Vice President and President of the Metals, Energy & Water segment as of October 24.

October 10: Outotec celebrated its 10th anniversary and launched a history book "150 years' evolution toward a greener future - the Outotec story".

October 4: Outotec announced the following representatives for Outotec's Nomination Board: Mr. Kari A.J. Järvinen (Solidium Oy), Mr Pekka Pajamo (Varma Mutual Pension Insurance Company), Mr Mikko Mursula (Ilmarinen Mutual Pension Insurance Company), and Dr Matti Alahuhta (Chairman of the Board of Directors of Outotec Oyj). The Nomination Board will give its proposals to the Board of Directors by February 15, 2017.

October 1: New President & CEO Mr Markku Teräsvasara commenced his duties.

## SHORT-TERM RISKS AND UNCERTAINTIES

The global economic and political uncertainty continues. Although metals prices have recovered, major investments continue to develop slowly and the global economic outlook is uncertain. This may cause delayed investments or existing projects to be put on hold or cancelled. With a significant amount of receivables from emerging markets, there is also a continued risk of credit losses.

Outotec sees a risk of disputes related to project implementation, which may result in extra costs and/or penalties. In the contracts related to the delivery of major projects, the liquidated damages attributable to, for instance, delayed delivery or non-performance may be significant. In particular, Outotec sees significant risk of claims and credit losses related to a few large projects in the Metals, Energy and Water segment. Outotec has booked increased project costs and risk provisions for these projects. In the fourth quarter of 2016, an additional EUR 40 million risk provision was booked to resolving project issues, especially in one large project. If the project risks would materialize in full, these could have a material impact on Outotec’s financial results.

Risks related to Outotec’s business operations are high in certain markets such as the Middle East, Russia, and Turkey. The geopolitical situation, sanctions, uncertainties around Brexit, security situation or economic conditions may change rapidly, and causing ongoing projects to be delayed, suspended, cancelled or completely prevent Outotec from operating in these areas. This may result in a material impact on Outotec’s assets.

Outotec is involved in a number of disputes which may lead to arbitration and court proceedings. Differing interpretations of international contracts and laws may cause uncertainty in estimating the final outcome of these disputes. The enforceability of contracts in certain market areas may be challenging or difficult to foresee.

Outotec’s policy is to hedge 100% of foreign exchange transaction risks. When there are significant currency fluctuations, the IFRS mark-to-market valuation of the foreign exchange forward agreements principle may cause volatility in Outotec’s quarterly profit and loss statements.

In the current market situation, the short-term risk and uncertainties involved may lead to decreasing headroom under financial covenants related to capital structure and liquidity in Outotec's main credit facilities.

More information about Outotec's business risks and risk management is available in the Notes to the Financial Statements, as well as on the company's website at www.outotec.com/investors.

## EVENTS AFTER THE REPORTING PERIOD

January 20: Outotec announced the appointment of Mr Adel Hattab as EVP, Strategic Customers and Business Development as of April 1, 2017.

Outotec Executive Board as of April 1, 2017:

- Markku Teräsvasara, President and CEO
- Kalle Härkki, Executive Vice President, President of Metals, Energy & Water
- Kimmo Kontola, Executive Vice President, President of Minerals Processing
- Markku Teräsvasara (act.), Executive Vice President, President of Services
- Adel Hattab, Executive Vice President, Strategic Customers and Business Development
- Jari Ålgars, Chief Financial Officer
- Kaisa Aalto-Luoto, Senior Vice President, Human Resources & Communications
- Nina Kiviranta, Senior Vice President, General Counsel
- Olli Nastamo, Senior Vice President, Operational Excellence

January 19: Outotec announced the delivery of a concentrate filtration plant to Southern Copper Corporation, to a concentrator expansion in Southern Peru. The contract value exceeds EUR 15 million, and it has been booked in the Q1/2017 order intake.

January 18: Outotec announced that for the fifth consecutive year it was included in the Global 100 Index of most sustainable companies in the world (rank 90th).

January 9: Outotec announced that it had settled a patent dispute with Outokumpu regarding ferroalloys technology inventions.

## MARKET OUTLOOK

The overall sentiment in the mining industry has improved. The Minerals Processing market started to grow from the second quarter of 2016 and is expected to continue to bring new opportunities. Activity increased in the Metals, Energy & Water segment's markets towards the end of 2016. This is expected to continue. It is, however, more difficult to predict customers' decision-making due to the current global economic and political uncertainty.

## FINANCIAL GUIDANCE FOR 2017

Guidance for 2017 is based on the current order backlog and market outlook as well as achieved cost savings.

- Sales are expected to be approximately EUR 1,050-1,150 million, and
- Adjusted EBIT* is expected to be approximately 3-5%

* Excluding restructuring and acquisition-related costs as well as purchase price allocation amortizations.

Espoo, February 13, 2017

Outotec Oyj
Board of Directors

## CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

| **Consolidated statement of comprehensive income**<br>EUR million | **Q4<br>2016** | Q4<br>2015 | **Q1-Q4<br>2016** | Q1-Q4<br>2015 |
|---|---|---|---|---|
| **Sales** | **305.4** | 305.7 | **1,057.9** | 1,201.2 |
| | | | | |
| Cost of sales | **-257.8** | -225.1 | **-824.6** | -866.6 |
| **Gross profit** | **47.6** | 80.6 | **233.3** | 334.6 |
| | | | | |
| Other income | **0.4** | 0.6 | **1.2** | 3.2 |
| Selling and marketing expenses | **-29.7** | -25.8 | **-114.8** | -108.4 |
| Administrative expenses | **-25.2** | -25.8 | **-85.5** | -113.9 |
| Research and development expenses | **-14.3** | -12.2 | **-55.2** | -61.2 |
| Other expenses | **-32.2** | -47.9 | **-46.4** | -66.1 |
| Share of results of associated companies | **-0.2** | - | **-0.4** | -0.4 |
| **EBIT** | **-53.5** | -30.6 | **-67.7** | -12.3 |
| | | | | |
| Finance income and expenses | | | | |
| Interest income and expenses | **-0.8** | -1.4 | **-4.2** | -5.1 |
| Market price gains and losses | **-1.7** | 0.2 | **-3.6** | -2.3 |
| Other finance income and expenses | **-0.7** | -0.4 | **-2.6** | -3.2 |
| Net finance income expense | **-3.2** | -1.6 | **-10.4** | -10.6 |
| | | | | |
| **Result before income taxes** | **-56.6** | -32.1 | **-78.1** | -22.9 |
| | | | | |
| Income tax expenses | **4.2** | 8.5 | **8.8** | 5.7 |
| **Result for the period** | **-52.4** | -23.6 | **-69.3** | -17.2 |
| | | | | |
| **Other comprehensive income** | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Remeasurements of defined benefit obligations | **8.6** | -2.5 | **-0.6** | 0.5 |
| Income tax relating to items that will not be reclassified to profit or loss | **-2.5** | 0.8 | **0.2** | -0.1 |
| Items that may be subsequently reclassified to profit or loss | | | | |
| Exchange differences on translating foreign operations | **12.2** | 4.4 | **14.4** | -8.5 |
| Cash flow hedges | **-2.6** | -1.6 | **-1.6** | -2.0 |
| Available for sale financial assets | **-0.1** | 0.0 | **0.1** | 0.0 |
| Income tax relating to items that may be reclassified to profit or loss | **0.6** | 0.5 | **0.4** | 0.5 |
| **Other comprehensive income for the period** | **16.2** | 1.6 | **12.8** | -9.6 |
| | | | | |
| **Total comprehensive income for the period** | **-36.2** | -22.0 | **-56.5** | -26.7 |
| | | | | |
| **Result for the period attributable to:** | | | | |
| Equity holders of the parent company | **-52.5** | -23.5 | **-69.6** | -17.3 |
| Non-controlling interest | **0.1** | -0.1 | **0.3** | 0.2 |
| | | | | |
| **Total comprehensive income for the period attributable to:** | | | | |
| Equity holders of the parent company | **-36.3** | -22.0 | **-56.9** | -26.9 |
| Non-controlling interest | **0.1** | -0.1 | **0.4** | 0.2 |
| | | | | |
| **Earnings per share for result attributable to the equity holders of the parent company:** | | | | |
| Basic earnings per share, EUR | **-0.30** | -0.13 | **-0.42** | -0.10 |
| Diluted earnings per share, EUR | **-0.30** | -0.13 | **-0.42** | -0.10 |

*All figures in the tables have been rounded to the nearest whole number and consequently the sum of individual figures may deviate from the sum presented. Key figures have been calculated using exact figures.*

| **Condensed consolidated statement of financial position**<br>EUR million | **December 31, 2016** | December 31, 2015 |
|---|---|---|
| **ASSETS** | | |
| | | |
| **Non-current assets** | | |
| Intangible assets | **386.3** | 405.0 |
| Property, plant and equipment | **65.9** | 83.0 |
| Deferred tax asset | **92.7** | 88.6 |
| **Non-current financial assets** | | |
| Interest-bearing | **3.6** | 4.1 |
| Non-interest-bearing | **8.0** | 8.0 |
| **Total non-current assets** | **556.4** | 588.7 |
| | | |
| **Current assets** | | |
| Inventories[1] | **210.0** | 202.2 |
| **Current financial assets** | | |
| Interest-bearing | **0.1** | 0.1 |
| Non-interest-bearing | **427.5** | 439.7 |
| Cash and cash equivalents | **233.0** | 300.7 |
| **Total current assets** | **870.6** | 942.6 |
| | | |
| **TOTAL ASSETS** | **1,427.0** | 1,531.4 |
| | | |
| | | |
| **EQUITY AND LIABILITIES** | | |
| | | |
| **Equity** | | |
| Share capital | **17.2** | 17.2 |
| Retained earnings | **237.1** | 310.3 |
| Hybrid bond | **150.0** | - |
| Other components of equity | **90.5** | 74.3 |
| **Equity attributable to the equity holders of the parent company** | **494.8** | 401.8 |
| Non-controlling interest | **3.3** | 2.9 |
| **Total equity** | **498.1** | 404.7 |
| | | |
| **Non-current liabilities** | | |
| Interest-bearing | **183.7** | 291.4 |
| Non-interest-bearing | **103.5** | 123.8 |
| **Total non-current liabilities** | **287.3** | 415.2 |
| | | |
| **Current liabilities** | | |
| Interest-bearing | **43.1** | 47.7 |
| Non-interest-bearing | | |
| Advances received[2] | **180.7** | 232.1 |
| Other non interest-bearing liabilities | **417.8** | 431.7 |
| **Total current liabilities** | **641.6** | 711.5 |
| | | |
| **Total liabilities** | **928.9** | 1,126.7 |
| | | |
| **TOTAL EQUITY AND LIABILITIES** | **1,427.0** | 1,531.4 |

*[1] Of which advances paid for inventories amounted to EUR 52.5 million at December 31, 2016 (December 31, 2015: EUR 61.1 million).*
*[2] Gross advances received before percentage of completion revenue recognition amounted to EUR 1,446.2 million at December 31, 2016 (December 31, 2015: EUR 1,565.1 million).*

| **Condensed consolidated statement of cash flows**<br>EUR million | **Q1-Q4**<br>**2016** | Q1-Q4<br>2015 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Result for the period | **-69.3** | -17.2 |
| Adjustments for | | |
| Depreciation and amortization | **42.6** | 40.2 |
| Other adjustments | **20.5** | -0.1 |
| Decrease (+)/Increase (-) in working capital | **-66.8** | 54.1 |
| Interest received | **4.8** | 4.4 |
| Interest paid | **-9.9** | -8.6 |
| Income tax paid | **-6.4** | -3.3 |
| **Net cash from operating activities** | **-84.6** | 69.5 |
| | | |
| Purchases of assets | **-21.7** | -56.1 |
| Acquisition of subsidiaries and business operations, net of cash | **-3.0** | -30.8 |
| Acquisition of shares in associate companies | **-0.0** | - |
| Proceeds from sale of assets | **1.8** | 0.6 |
| Cash flows from other investing activities | **0.0** | -0.5 |
| **Net cash used in investing activities** | **-22.9** | -86.8 |
| **Cash flow before financing activities** | **-107.5** | -17.3 |
| | | |
| Repayments of non-current debt | **-111.5** | -11.5 |
| Borrowings of non-current debt | **-** | 60.0 |
| Decrease in current debt | **-35.6** | -2.8 |
| Increase in current debt | **30.1** | 16.5 |
| Hybrid bond | **150.0** | - |
| Dividends paid | **-** | -18.1 |
| Cash flows from other financing activities | **-0.9** | 1.4 |
| **Net cash used in financing activities** | **32.1** | 45.4 |
| | | |
| **Net change in cash and cash equivalents** | **-75.5** | 28.2 |
| | | |
| **Cash and cash equivalents at the beginning of the period** | **300.7** | 281.9 |
| Foreign exchange rate effect on cash and cash equivalents | **7.8** | -9.3 |
| Net change in cash and cash equivalents | **-75.5** | 28.2 |
| **Cash and cash equivalents at the end of the period** | **233.0** | 300.7 |

**Consolidated statement of changes in equity**

| EUR million | Share capital | Share premium fund | Fair value and other reserves | Treasury shares | Reserve for invested non-restricted equity | Hybrid bond | Cumulative translation differences | Retained earnings | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | Attributable to the equity holders of the parent company | | | | | | | | | |
| Equity at January 1, 2015 | 17.2 | 20.2 | -13.1 | -18.0 | 93.0 | - | 0.4 | 345.5 | - | 445.3 |
| Dividends | - | - | - | - | - | - | - | -18.3 | - | -18.3 |
| Share-based compensation | - | - | - | 0.6 | 0.7 | - | - | 0.2 | - | 1.5 |
| Total comprehensive income for the period | - | - | -1.0 | - | - | - | -8.5 | -17.3 | 0.2 | -26.7 |
| Acquisition of non-controlling interest in subsidiaries | - | - | - | - | - | - | - | - | 2.7 | 2.7 |
| Other changes | - | - | 0.0 | - | - | - | - | 0.2 | - | 0.2 |
| Equity at December 31, 2015 | 17.2 | 20.2 | -14.2 | -17.4 | 93.8 | - | -8.1 | 310.3 | 2.9 | 404.7 |
| | | | | | | | | | | |
| Equity at January 1, 2016 | 17.2 | 20.2 | -14.2 | -17.4 | 93.8 | - | -8.1 | 310.3 | 2.9 | 404.7 |
| Proceeds from hybrid bond | - | - | - | - | - | 150.0 | - | - | - | 150.0 |
| Hybrid bond expenses | - | - | - | - | - | - | - | -0.7 | - | -0.7 |
| Share-based compensation | - | - | - | 1.5 | 1.9 | - | - | -2.7 | - | 0.8 |
| Total comprehensive income for the period | - | - | -1.6 | - | - | - | 14.3 | -69.6 | 0.4 | -56.5 |
| Other changes | - | - | - | - | - | - | - | -0.1 | - | -0.1 |
| **Equity at December 31, 2016** | **17.2** | **20.2** | **-15.7** | **-15.9** | **95.7** | **150.0** | **6.2** | **237.1** | **3.3** | **498.1** |

| **Group key figures** | **Q4 2016** | Q4 2015 | **Q1-Q4 2016** | Q1-Q4 2015 |
|---|---|---|---|---|
| Sales, EUR million | **305.4** | 305.7 | **1,057.9** | 1,201.2 |
| Gross margin, % | **15.6** | 26.4 | **22.1** | 27.9 |
| EBIT, EUR million | **-53.5** | -30.6 | **-67.7** | -12.3 |
| EBIT, % | **-17.5** | -10.0 | **-6.4** | -1.0 |
| Result before taxes, EUR million | **-56.6** | -32.1 | **-78.1** | -22.9 |
| Result before taxes in relation to sales, % | **-18.5** | -10.5 | **-7.4** | -1.9 |
| Net cash from operating activities, EUR million | **-11.9** | 47.7 | **-84.6** | 69.5 |
| Net interest-bearing debt at the end of period, EUR million | **-4.5**[1] | 39.9 | **-4.5**[1] | 39.9 |
| Gearing at the end of period, % | **-0.9**[1] | 9.9 | **-0.9**[1] | 9.9 |
| Equity-to-assets ratio at the end of period, % | **40.0**[1] | 31.1 | **40.0**[1] | 31.1 |
| Working capital at the end of period, EUR million | **-23.5** | -89.4 | **-23.5** | -89.4 |
| Capital expenditure, EUR million | **5.4** | 26.1 | **21.6** | 104.8 |
| Capital expenditure in relation to sales, % | **1.8** | 8.5 | **2.0** | 8.7 |
| Return on investment, %, LTM | **-9.4** | -1.5 | **-9.4** | -1.5 |
| Return on equity, %, LTM | **-15.4** | -4.0 | **-15.4** | -4.0 |
| Order backlog at the end of period, EUR million | **1,002.1** | 1,102.8 | **1,002.1** | 1,102.8 |
| Order intake, EUR million | **282.7** | 267.2 | **1,007.7** | 1,189.9 |
| Personnel at the end of the period | **4,192** | 4,859 | **4,192** | 4,859 |
| Result for the period in relation to sales, % | **-17.2** | -7.7 | **-6.6** | -1.4 |
| Research and development expenses, EUR million | **14.3** | 12.2 | **55.2** | 61.2 |
| Research and development expenses in relation to sales, % | **4.7** | 4.0 | **5.2** | 5.1 |
| Earnings per share, EUR | **-0.30** | -0.13 | **-0.42** | -0.10 |
| Equity per share, EUR | **2.73** | 2.22 | **2.73** | 2.22 |

[1] *If the hybrid bond were treated as a liability: the equity-to-assets ratio would be 27.9%, gearing 41.8%, and net interest-bearing debt EUR 145.5 million.*

**Definitions for key financial figures**

Net interest-bearing debt = Interest-bearing debt - interest-bearing assets

$$\text{Gearing} = \frac{\text{Net interest-bearing debt}}{\text{Total equity}} \times 100$$

$$\text{Equity-to-assets ratio} = \frac{\text{Total equity}}{\text{Total assets - advances received}} \times 100$$

$$\text{Return on investment} = \frac{\text{EBIT + finance income}}{\text{Total assets – non-interest-bearing debt (average for the period)}} \times 100$$

$$\text{Return on equity} = \frac{\text{Result for the period}}{\text{Total equity (average for the period)}} \times 100$$

| | | |
|---|---|---|
| Research and development expenses | = | Research and development expenses in the statement of comprehensive income (including expenses covered by grants received) |
| Earnings per share | = | $\frac{\text{Result for the period attributable to the equity holders of the parent company – hybrid bond interest}}{\text{Average number of shares during the period}}$ |
| Diluted earnings per share | = | $\frac{\text{Result for the period attributable to the equity holders of the parent company – hybrid bond interest}}{\text{Diluted average number of shares during the period}}$ |
| Dividend per share | = | $\frac{\text{Dividend for the financial year}}{\text{Number of shares at the end of the period}}$ |
| Adjusted EBIT (aEBIT) | = | EBIT excluding (but not limited to) restructuring related transactions, merger and acquisition related costs and purchase price allocation amortizations and goodwill impairments |
| Comparable currencies, some key figures | = | Reporting period's figures converted with comparison period's foreign exchange rates |
| Working capital | = | Other non-current assets + Inventories + Trade and other receivables + Project related receivables + Derivatives (assets) - Provisions - Trade and other payables - Net advances received - Other project liabilities - Derivatives (liabilities) |

## NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME AND FINANCIAL POSITION

These Interim Financial Statements are prepared in accordance with IAS 34 Interim Financial Reporting. In these Interim Financial Statements, the same accounting policies and methods have been applied as in the latest Annual Financial Statements. These Interim Financial Statements are unaudited.

**The following new standards and interpretations have been published, but they were not effective in 2016, neither has Outotec early adopted them:**

IFRS 9 – Financial Instruments:

- The new standard replaces current standard IAS 39 Financial Instruments: Recognition and measurement. It addresses the classification, measurement and recognition of financial assets and financial liabilities. Based on IFRS 9, financial assets are required to be classified into three measurement categories: amortized cost, fair value through other comprehensive income, or fair value through profit or loss. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

Standard also changes the recognition of impairment losses and the application of hedge accounting.

- Outotec is assessing the impact of IFRS 9 and intends to fully adopt it in 2018.
- The Group is not expecting categorization of financial assets to bring significant effect on income statement and balance sheet. The Group has paid attention especially to the amendments in applying hedge accounting. The changes are expected to at least moderately improve applicability of foreign exchange cash flow hedge accounting in Outotec's business operations and therefore to some extent decrease volatility in the income statement. Effect of changes in hedge accounting on balance sheet is not expected to be significant.
- The Group has established a model for evaluation of credit losses under IFRS 9. This model is not expected to have a significant impact on the income statement or balance sheet.

IFRS 15 – Revenue from Contracts with Customers:

- The new standard aims to establish principles for reporting useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with its customers. It replaces IAS 18 and IAS 11 standards and related interpretations. The new standard includes a five-step guideline to the recognition of revenue from contracts with customers.
- Outotec is assessing the impact of IFRS 15 and intends to adopt it in 2018. Outotec expects to transition to the new standard with full retrospective method. The Group has especially paid attention to the identification of performance obligations and the criteria for the recognition of revenue over time.
- Based on the impact analysis management's current understanding is that there will be no significant impact on Group's income statement and balance sheet. Management has assessed certain scenarios during the evaluation project. These scenarios relate mainly to combining contracts, identification of performance obligations, evaluating variable considerations and defining the method for revenue recognition. The new standard will, to some extent, even out the margin recognition over time, because of combining contracts. Certain customer contracts that are currently recognized as revenue over time, would be recognized at a point in time according to IFRS 15. However, the current understanding is, that these changes will not have significant impact on income statement or balance sheet.

IFRS 16 – Leases

- New standard requires lessees to recognize assets and liabilities for most leases. Leases are not classified as operating leases or finance leases anymore and all leases have a single accounting model with certain exemptions. For lessors there are not major changes. The new standard replaces the IAS 17 standard and related interpretations. Outotec is planning to assess the impacts of the standard and intends to adopt it in 2019.

### Use of estimates

IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses in the reporting period. Accounting estimates are employed in the financial statements to determine reported amounts, including the realizability of certain assets, the useful lives of tangible and intangible assets, income taxes, provisions, pension obligations, and the impairment of goodwill. These estimates are based on the management's best knowledge of current events and actions; however, it is possible that the actual results may differ from the estimates used in the financial statements.

### Alternative performance measures

Outotec has implemented the new European Securities and Market Authority (ESMA) guidelines on Alternative Performance Measures. The guidelines are aimed at promoting the usefulness and transparency of Alternative Performance Measures and are applied from July 3, 2016.

Outotec presents Adjusted EBIT as one Alternative Performance Measure. When calculating adjusted EBIT the following items are excluded: restructuring related transactions as well as merger and acquisition related costs, purchase price allocation amortizations, goodwill impairments and other similar items. Reconciliations are presented as part of the interim report tables. In addition, Outotec presents some key figures in comparable currencies. Comparable currencies are calculated by converting the reporting period's key figures by using the foreign exchange rates of the comparison period.

| **Restructuring and acquisition costs**<br>EUR million | **Q1-Q4**<br>**2016** | Q1-Q4<br>2015 |
|---|---|---|
| Costs related to restructuring[1, 2] | **-31.3** | -48.9 |
| Costs related to acquisitions[1] | **-1.5** | -2.0 |
| Reversal of earn-out liability from acquisitions[1] | **-** | 1.0 |
| Arbitration cost related to past acquisitions[1] | **-4.4** | -9.0 |

*[1] Excluded from adjusted EBIT. In segment reporting the costs related to restructuring programs and acquisitions have been divided to Metals, Energy and Water EUR 22.9 (2015: 23.5) million, Minerals Processing 12.2 (2015: 32.6) million and unallocated items EUR 2.1 (2015: EUR 2.8) million.*
*[2] Includes impairments on intangible, tangible and other long-term assets EUR 10.7 (2015: 9.4) million, personnel related restructurings of EUR 18.8 (2015: EUR 20.1) million and other restructuring related costs EUR 1.9 (2015: 19.3) million.*

| **Income tax expenses**<br>EUR million | **Q1-Q4**<br>**2016** | Q1-Q4<br>2015 |
|---|---|---|
| Current taxes | **-10.4** | 1.7 |
| Deferred taxes | **19.2** | 4.0 |
| **Total income tax expenses** | **8.8** | 5.7 |

| **Property, plant and equipment**<br>EUR million | **December 31,**<br>**2016** | December 31,<br>2015 |
|---|---|---|
| Historical cost at the beginning of the period | **170.5** | 159.3 |
| Translation differences | **2.6** | -2.5 |
| Additions | **6.2** | 15.6 |
| Disposals | **-5.3** | -5.4 |
| Acquired subsidiaries | **-** | 7.3 |
| Reclassifications | **-0.1** | -3.7 |
| Impairment during the period | **-18.3** | - |
| Historical cost at the end of the period | **155.5** | 170.5 |

| | | |
|---|---|---|
| Accumulated depreciation and impairment at the beginning of the period | **-87.5** | -81.2 |
| Translation differences | **-0.9** | 1.5 |
| Disposals | **3.6** | 4.8 |
| Reclassifications | **0.2** | 2.0 |
| Depreciation during the period | **-14.6** | -14.6 |
| Impairment during the period | **9.5** | - |
| Accumulated depreciation and impairment at the end of the period | **-89.7** | -87.5 |
| | | |
| **Carrying value at the end of the period** | **65.9** | 83.0 |

| **Commitments and contingent liabilities**<br>EUR million | **December 31, 2016** | December 31, 2015 |
|---|---|---|
| Guarantees for commercial commitments | **434.3** | 415.9 |
| Minimum future lease payments on operating leases | **105.6** | 125.3 |

No securities or collateral have been pledged. Commercial guarantees are related to performance obligations of project and equipment deliveries. These are issued by financial institutions or Outotec Oyj on behalf of group companies. The total value of commercial guarantees above does not include advance payment guarantees issued by the parent or other group companies or guarantees for financial obligations. The total amount of guarantees for financing issued by group companies amounted to EUR 13.6 million at December 31, 2016 (December 31, 2015: EUR 14.3 million) and for commercial guarantees including advance payment guarantees EUR 551.2 million at December 31, 2016 (December 31, 2015: EUR 632.3 million). High exposure of on-demand guarantees may increase the risk of claims that may have an impact on the liquidity of Outotec.

**Derivative instruments**

| **Currency and interest derivatives**<br>EUR million | **December 31, 2016** | December 31, 2015 |
|---|---|---|
| Fair values, net | **-0.5**[1] | 2.7[2] |
| Nominal values | **646.2** | 544.7 |

*[1] Of which EUR -3.2 million designated as cash flow hedges from currency derivatives and EUR 5.3 million designated as fair value hedge from interest derivatives.*

*[2] Of which EUR -2.3 million designated as cash flow hedges (EUR -2.1 million from currency derivatives, EUR -0.2 million from interest derivatives) and EUR 5.5 million designated as fair value hedge from interest derivatives.*

**Carrying amounts of financial assets and liabilities by category**

**December 31, 2016**

| EUR million | Financial assets at fair value through profit or loss | Loans and receiv-ables | Available-for-sale financial assets | Financial liabilities at fair value through profit or loss | Deriv-atives under hedge account-ing | Financial liabilities measured at amortized cost | Carrying amounts by balance sheet item | Fair value |
|---|---|---|---|---|---|---|---|---|
| **Non-current financial assets** | | | | | | | | |
| Derivative assets | | | | | | | | |
| - foreign exchange forward contracts | 0.0 | - | - | - | - | - | 0.0 | 0.0 |
| - interest rate swaps | - | - | - | - | 5.3 | - | 5.3 | 5.3 |
| Other shares and securities | - | - | 2.3 | - | - | - | 2.3 | 2.3 |
| Trade and other receivables | | | | | | | | |
| - interest-bearing | - | 1.3 | - | - | - | - | 1.3 | 1.3 |
| - non-interest-bearing | - | 0.0 | - | - | - | - | 0.0 | 0.0 |
| **Current financial assets** | | | | | | | | |
| Derivative assets | | | | | | | | |
| - foreign exchange forward contracts | 3.7 | - | - | - | 0.1 | - | 3.8 | 3.8 |
| Trade and other receivables | | | | | | | | |
| - interest-bearing | - | 0.1 | - | - | - | - | 0.1 | 0.1 |
| - non-interest-bearing | - | 423.7 | - | - | - | - | 423.7 | 423.7 |
| Cash and cash equivalents | - | 233.0 | - | - | - | - | 233.0 | 233.0 |
| **Carrying amount by category** | **3.7** | **658.2** | **2.3** | **-** | **5.4** | **-** | **669.6** | **669.6** |
| | | | | | | | | |
| **Non-current financial liabilities** | | | | | | | | |
| Bonds | - | - | - | - | - | 149.0 | 149.0 | 151.2 |
| Loans from financial institutions | - | - | - | - | - | 32.7 | 32.7 | 34.4 |
| Finance lease liabilities | - | - | - | - | - | 0.0 | 0.0 | 0.0 |
| Derivative liabilities | | | | | | | | |
| - foreign exchange forward contracts | - | - | - | 0.1 | 1.1 | - | 1.2 | 1.2 |
| Other non-current loans | - | - | - | - | - | 2.0 | 2.0 | 2.0 |
| Other non-current liabilities | - | - | - | - | - | 1.6 | 1.6 | 1.6 |
| **Current financial liabilities** | | | | | | | | |
| Loans from financial institutions | - | - | - | - | - | 12.9 | 12.9 | 13.7 |
| Financial lease liabilities | - | - | - | - | - | 0.0 | 0.0 | 0.0 |
| Derivative liabilities | | | | | | | | |
| - foreign exchange forward contracts | - | - | - | 6.2 | 2.2 | - | 8.4 | 8.4 |
| Other current loans | - | - | - | - | - | 30.2 | 30.2 | 30.2 |
| Trade payables | - | - | - | - | - | 88.4 | 88.4 | 88.4 |
| **Carrying amount by category** | **-** | **-** | **-** | **6.3** | **3.3** | **316.9** | **326.5** | **331.1** |

Carrying amounts of financial assets and liabilities by category

December 31, 2015

| EUR million | Financial assets at fair value through profit or loss | Loans and receivables | Available-for-sale financial assets | Financial liabilities at fair value through profit or loss | Derivatives under hedge accounting | Financial liabilities measured at amortized cost | Carrying amounts by balance sheet item | Fair value |
|---|---|---|---|---|---|---|---|---|
| Non-current financial assets | | | | | | | | |
| Derivative assets | | | | | | | | |
| - foreign exchange forward contracts | 0.0 | - | - | - | - | - | 0.0 | 0.0 |
| - interest rate swaps | - | - | - | - | 5.5 | - | 5.5 | 5.5 |
| Other shares and securities | - | - | 2.2 | - | - | - | 2.2 | 2.2 |
| Trade and other receivables | | | | | | | | |
| - interest-bearing | - | 1.9 | - | - | - | - | 1.9 | 1.9 |
| - non-interest-bearing | - | 0.0 | - | - | - | - | 0.0 | 0.0 |
| Current financial assets | | | | | | | | |
| Derivative assets | | | | | | | | |
| - foreign exchange forward contracts | 3.3 | - | - | - | 0.1 | - | 3.5 | 3.5 |
| Trade and other receivables | | | | | | | | |
| - interest-bearing | - | 0.1 | - | - | - | - | 0.1 | 0.1 |
| - non-interest-bearing | - | 436.2 | - | - | - | - | 436.2 | 436.2 |
| Cash and cash equivalents | - | 300.7 | - | - | - | - | 300.7 | 300.7 |
| Carrying amount by category | 3.3 | 738.9 | 2.2 | - | 5.7 | - | 750.1 | 750.1 |
| | | | | | | | | |
| Non-current financial liabilities | | | | | | | | |
| Bonds | - | - | - | - | - | 148.7 | 148.7 | 151.5 |
| Loans from financial institutions | - | - | - | - | - | 140.3 | 140.3 | 142.4 |
| Finance lease liabilities | - | - | - | - | - | 0.0 | 0.0 | 0.0 |
| Derivative liabilities | | | | | | | | |
| - foreign exchange forward contracts | - | - | - | 0.0 | 1.0 | - | 1.0 | 1.0 |
| Other non-current loans | - | - | - | - | - | 2.3 | 2.3 | 2.3 |
| Other non-current liabilities | - | - | - | - | - | 2.0 | 2.0 | 2.0 |
| Current financial liabilities | | | | | | | | |
| Loans from financial institutions | - | - | - | - | - | 18.4 | 18.4 | 19.3 |
| Loans from pension institutions | - | - | - | - | - | 0.2 | 0.2 | 0.2 |
| Finance lease liabilities | - | - | - | - | - | 0.0 | 0.0 | 0.0 |
| Derivative liabilities | | | | | | | | |
| - foreign exchange forward contracts | - | - | - | 3.9 | 1.2 | - | 5.2 | 5.2 |
| - interest rate swaps | - | - | - | - | 0.2 | - | 0.2 | 0.2 |
| Other current loans | - | - | - | - | - | 29.1 | 29.1 | 29.1 |
| Trade payables | - | - | - | - | - | 129.2 | 129.2 | 129.2 |
| Carrying amount by category | - | - | - | 3.9 | 2.4 | 470.3 | 476.7 | 482.4 |

**Fair value hierarchy**
**December 31, 2016**

| EUR million | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Available for sale financial assets | 0.1 | - | 2.2 | 2.3 |
| Derivative financial assets | - | 9.1 | - | 9.1 |
| | **0.1** | **9.1** | **2.2** | **11.4** |
| | | | | |
| Bonds | - | 151.2 | - | 151.2 |
| Loans from financial institutions | - | 48.1 | - | 48.1 |
| Derivative financial liabilities | - | 9.6 | - | 9.6 |
| | - | **208.9** | - | **208.9** |
| | | | | |
| December 31, 2015 | | | | |
| Available for sale financial assets | 0.0 | - | 2.2 | 2.2 |
| Derivative financial assets | - | 9.0 | - | 9.0 |
| | 0.0 | 9.0 | 2.2 | 11.2 |
| | | | | |
| Bonds | - | 151.5 | - | 151.5 |
| Loans from financial institutions | - | 161.7 | - | 161.7 |
| Loans from pension institutions | - | 0.2 | - | 0.2 |
| Derivative financial liabilities | - | 6.3 | - | 6.3 |
| | - | 319.7 | - | 319.7 |

| **Available-for-sale financial assets (level 3 of fair value hierarchy)**<br>EUR million | **Q1-Q4 2016** | Q1-Q4 2015 |
|---|---|---|
| Carrying value at the beginning of the period | **2.2** | 2.2 |
| Translation differences | **0.0** | 0.0 |
| Disposals | **-** | -0.0 |
| **Carrying value at the end of the period** | **2.2** | 2.2 |

**Related party transactions**

| **Transactions and balances with associated companies**<br>EUR million | **Q1-Q4 2016** | Q1-Q4 2015 |
|---|---|---|
| Sales | **0.0** | 0.0 |
| Other income | **-** | 0.1 |
| Purchases | **1.0** | 0.6 |
| Trade and other receivables | **0.5** | 0.2 |
| Current liabilities | **0.1** | 0.0 |
| Loan receivables | **1.3** | 1.9 |

Outotec has a 40% investment in Enefit Outotec Technology Oü from which the company had EUR 1.3 million loan receivable at December 31, 2016 (December 31, 2015: EUR 1.9 million).

**Transactions and balances with management and prior management**

There were no loan receivables from current key management at December 31, 2016 (December 31, 2015: EUR 0.0 million). Loan receivables from former key management were EUR 0.1 million at December 31, 2016.

**Segments' sales and operating result by quarters**

| EUR million | **Q4/14** | Q1/15 | Q2/15 | Q3/15 | **Q4/15** | Q1/16 | Q2/16 | Q3/16 | **Q4/16** |
|---|---|---|---|---|---|---|---|---|---|
| Sales | | | | | | | | | |
| Metals, Energy & Water | **212.6** | 141.0 | 174.5 | 178.2 | **158.8** | 127.2 | 148.3 | 116.5 | **126.4** |
| Minerals Processing | **190.6** | 136.4 | 136.4 | 129.0 | **147.0** | 112.5 | 119.3 | 128.9 | **178.8** |
| Unallocated items[1] and intra-group sales | **0.0** | 0.0 | 0.0 | 0.0 | **0.0** | 0.1 | 0.0 | -0.2 | **0.1** |
| Total | **403.2** | 277.5 | 310.8 | 307.2 | **305.7** | 239.8 | 267.6 | 245.2 | **305.4** |
| | | | | | | | | | |
| EBIT | | | | | | | | | |
| Metals, Energy & Water | **-7.5** | 5.1 | 4.8 | 3.7 | **-0.6** | -10.2 | -1.1 | -11.2 | **-59.7** |
| Minerals Processing | **12.4** | -0.1 | 5.5 | 5.4 | **-27.3** | -0.3 | 3.3 | 10.8 | **7.8** |
| Unallocated[2] and intra-group items | **-2.6** | -1.4 | -2.4 | -2.4 | **-2.6** | -1.8 | -3.0 | -0.9 | **-1.6** |
| Total | **2.3** | 3.6 | 8.0 | 6.7 | **-30.6** | -12.3 | -0.8 | -1.2 | **-53.5** |

[1] *Unallocated items primarily include invoicing of group management and administrative services*

[2] *Unallocated items primarily include group management and administrative services*

Outotec provides leading technologies and services for the Sustainable use of Earth's natural resources. As the global leader in minerals and metals processing technology, we have developed many breakthrough technologies over the decades for our customers in the metals and mining industry. We also provide innovative solutions for industrial water treatment, the utilization of alternative energy sources and the chemical industry. Outotec shares are listed on Nasdaq Helsinki.