



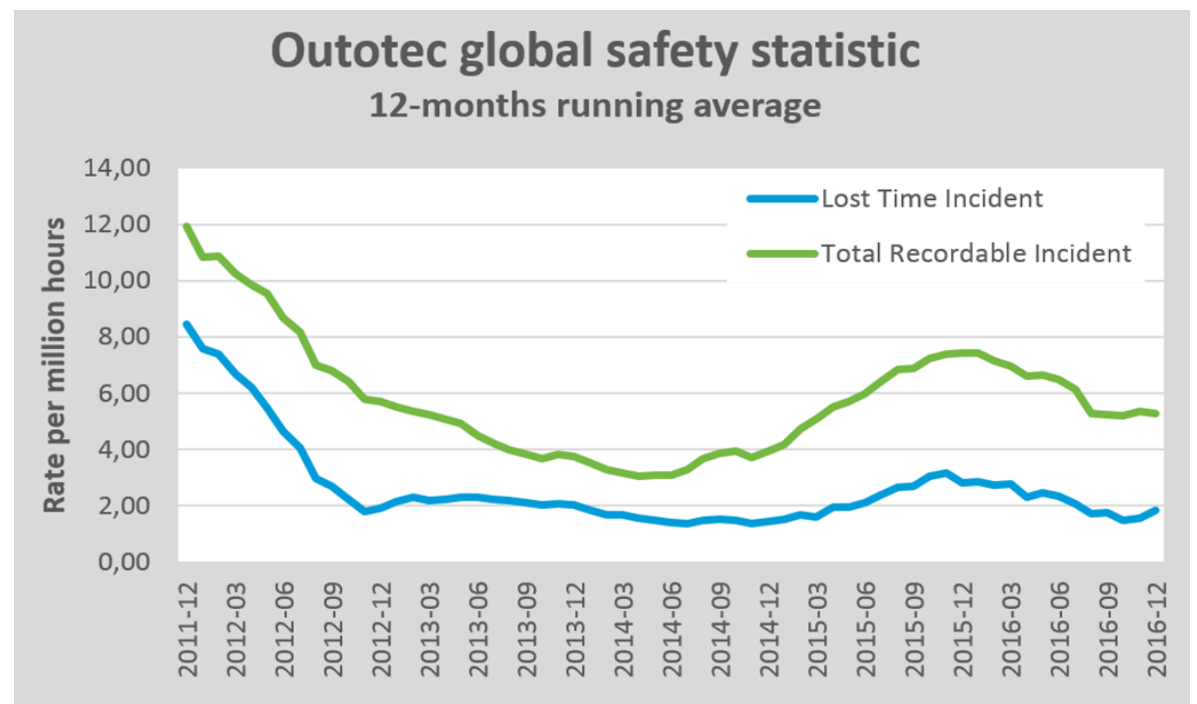
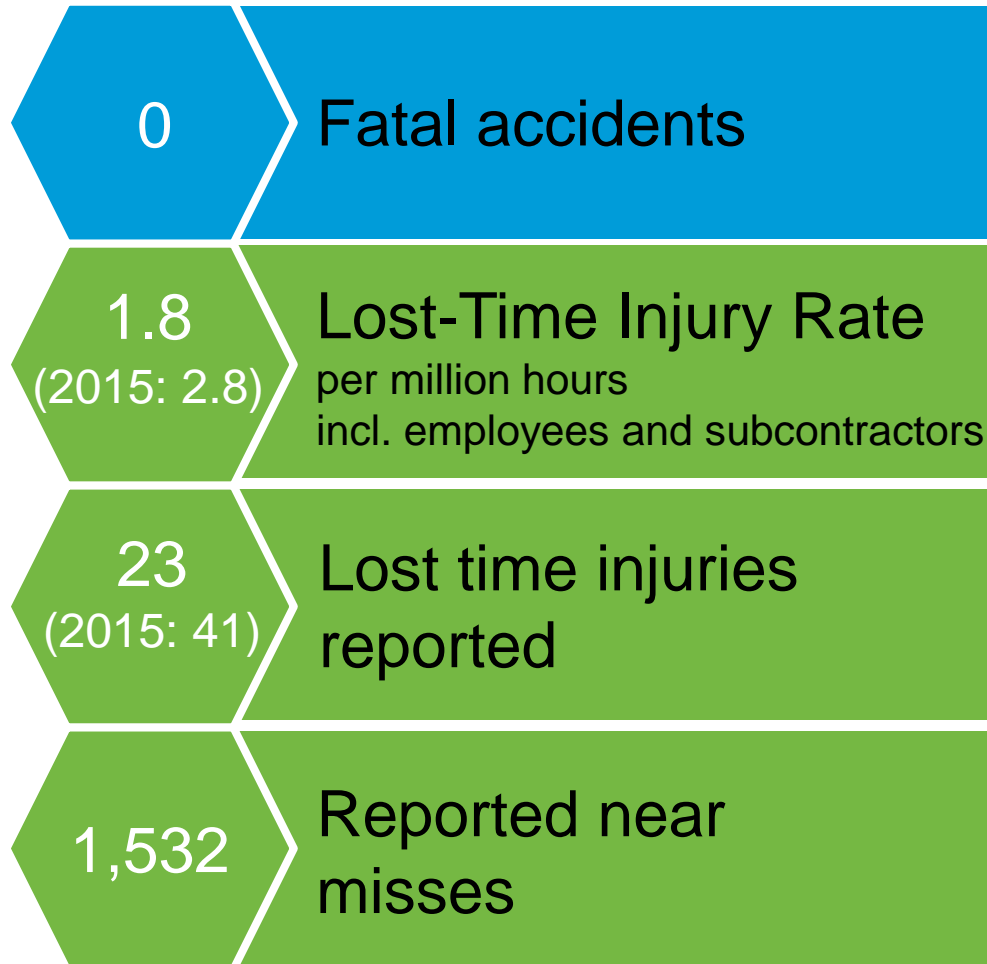
Outotec

Sustainable use of
Earth's natural resources

Financial Statements Review

2016

Safety performance in 2016



Financial Statements Review 2016

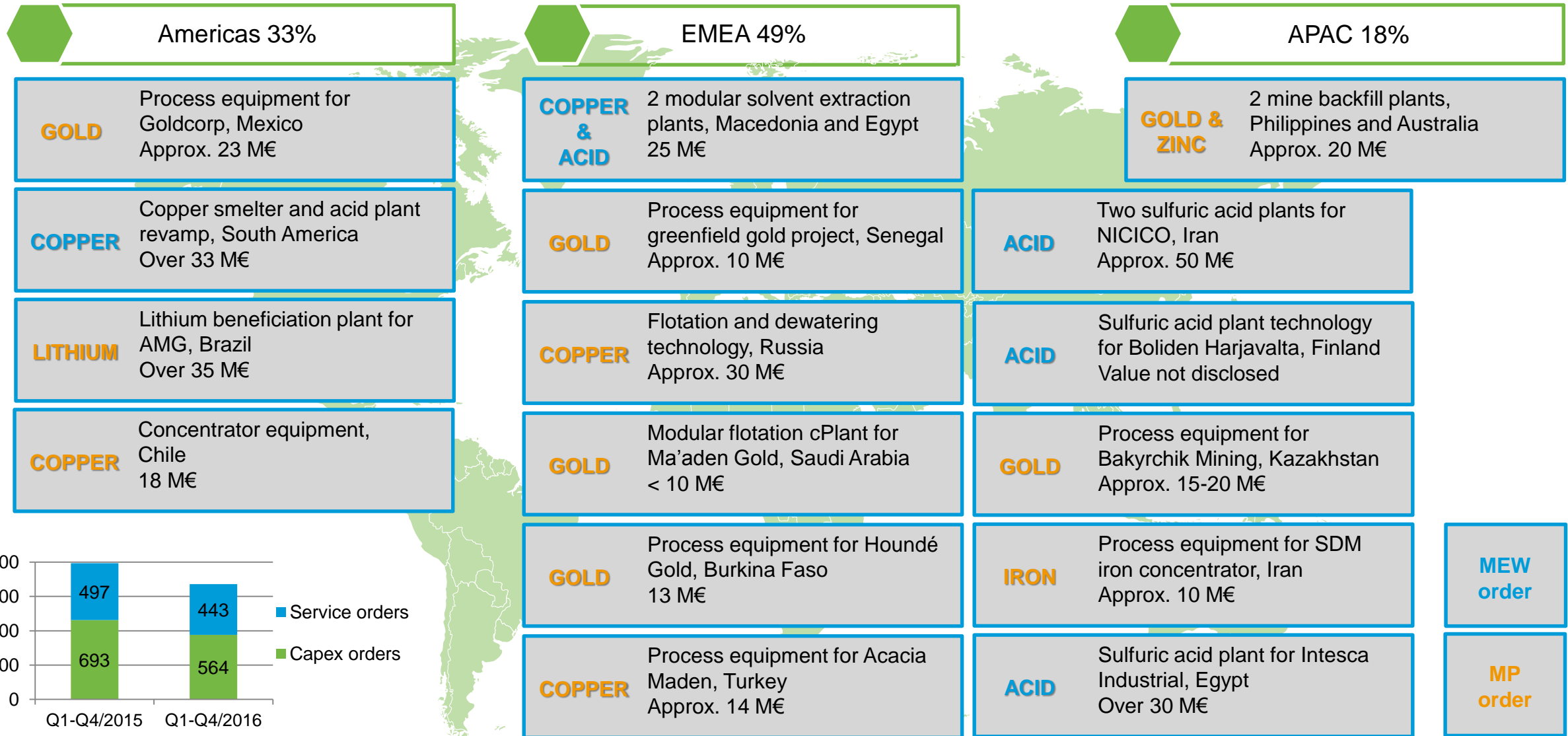
Operating environment

CEO Markku Teräsvasara

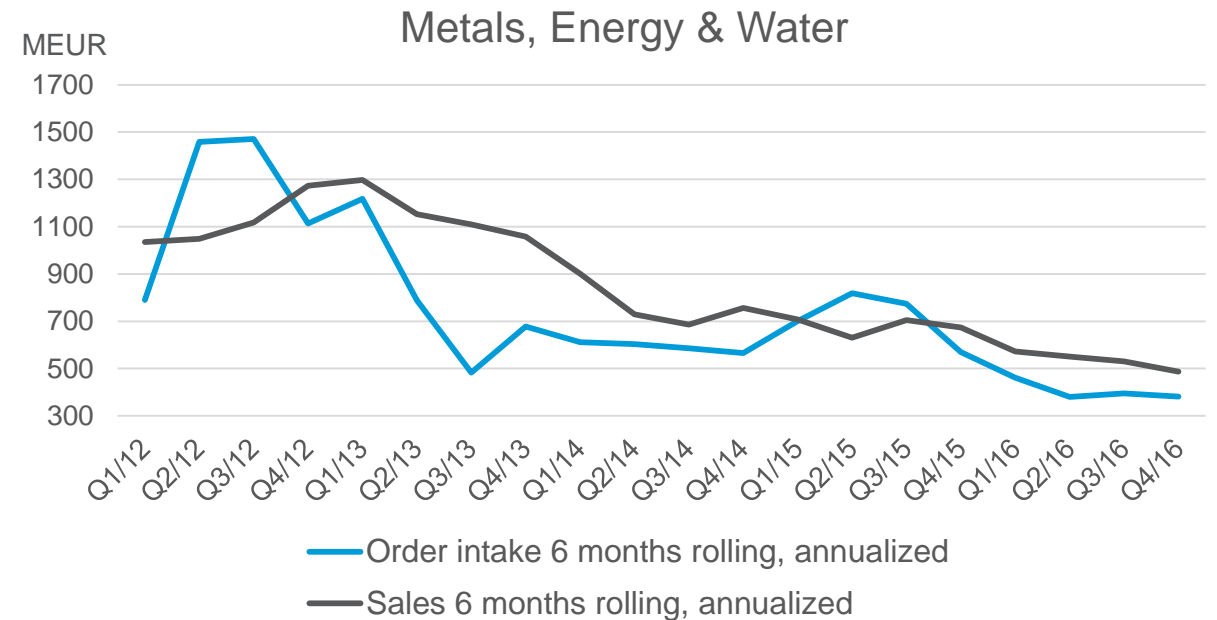
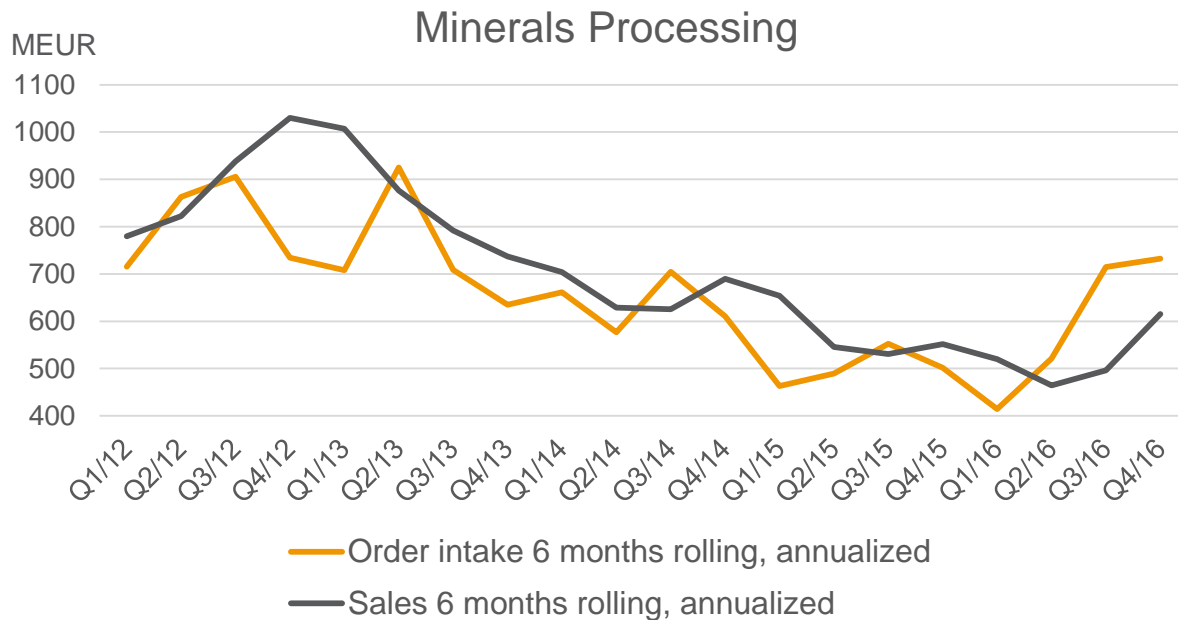
2016 in a nutshell



Order intake in Minerals Processing picked up



Segments' order intake and sales development, recovery in Minerals Processing



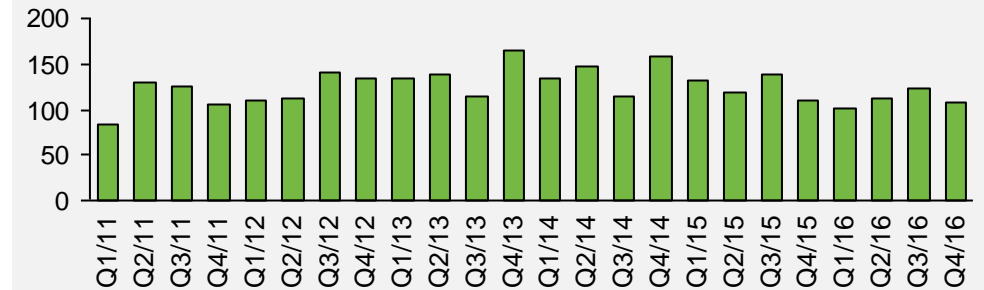
Recurring service orders grew in Q4

- Spare part orders grew 35% in Q4
- Service orders declined mainly due to fewer large shut-down and new operation & maintenance contracts

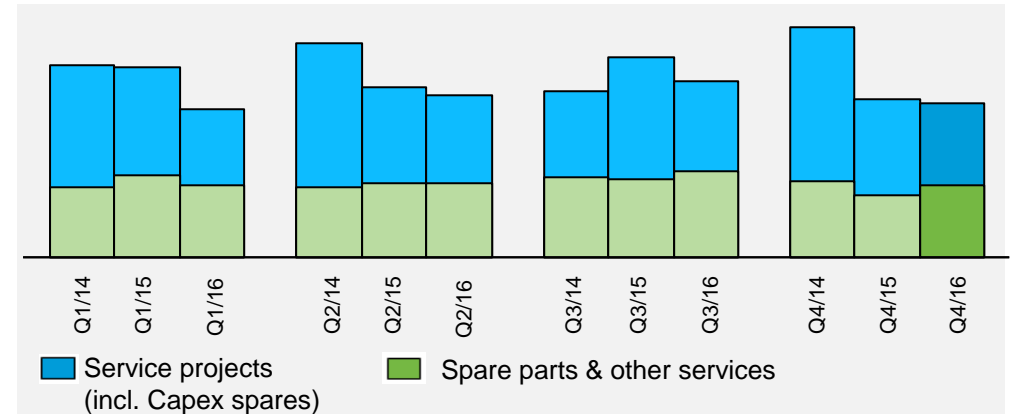


Service order intake by quarter

EUR million



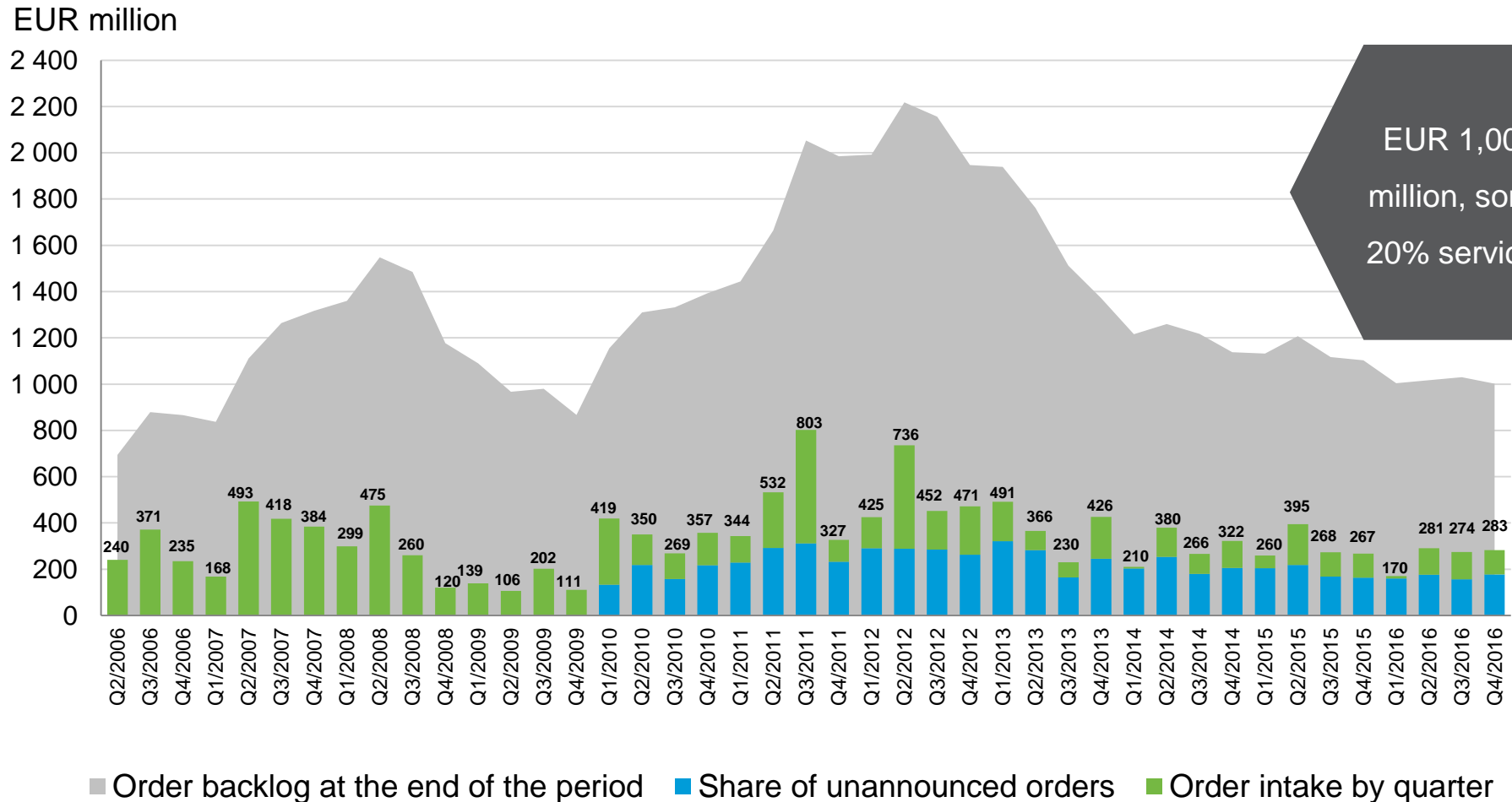
Split in service order intake



Stable order backlog

Iranian projects not included in Q4 end backlog: EUR 200 (230) million

Roughly EUR 740 million of 2016 YE backlog to be delivered in 2017



EUR 1,002 million, some 20% services

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Key financials

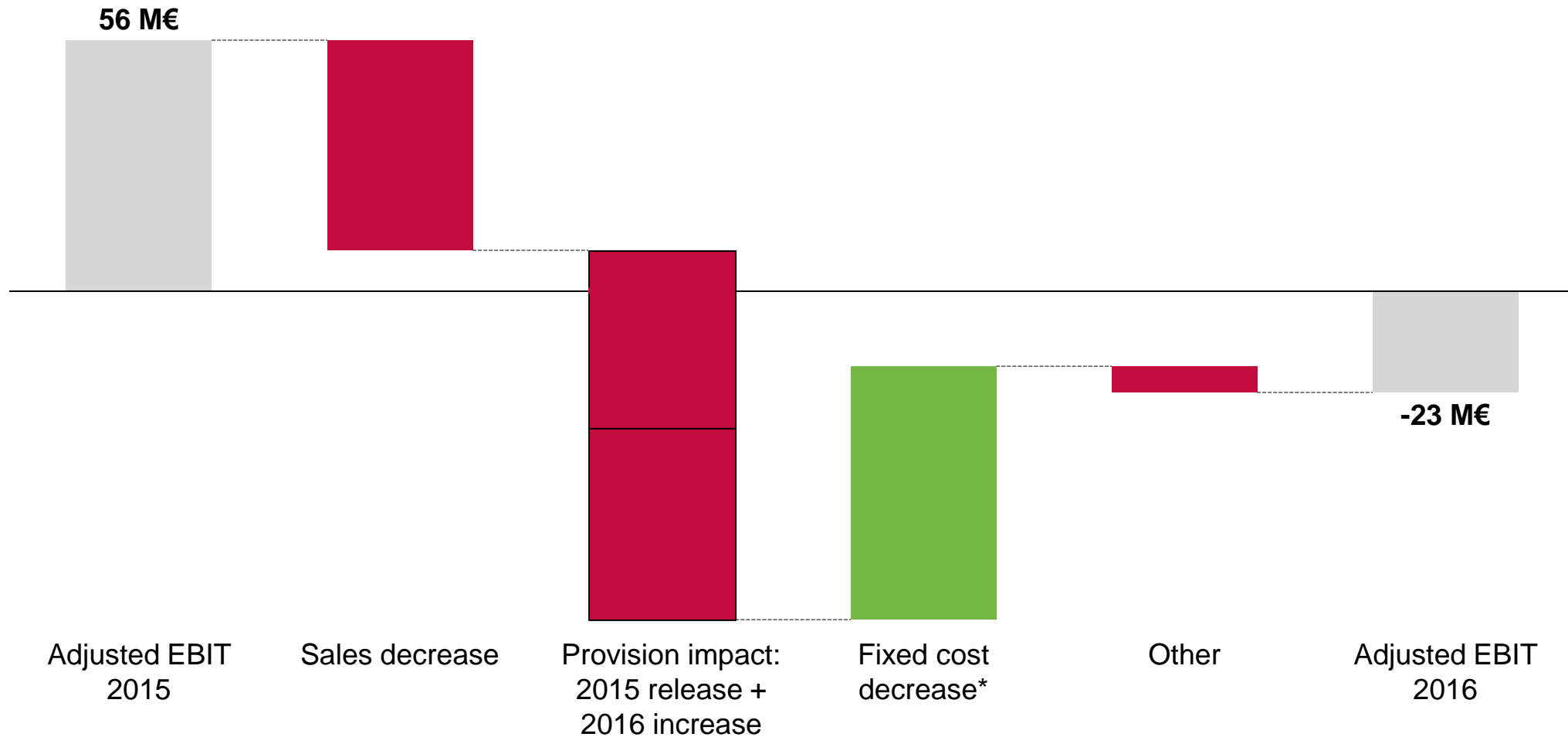
CFO Jari Ålgars

Weak performance in one project impacted profitability

EUR million	Q4 2016	Q4 2015	Q1-Q4 2016	Q1-Q4 2015	Change, %	In comparable currencies
Sales	305	306	1,058	1,201	-12%	-9%
Service sales	127	138	447	511	-13%	-8%
Share of services in sales, %	42	45	42	43		
Gross margin, %	16	26	22	28		
Adjusted EBIT [*]	-25	18	-23	56		
Adjusted EBIT [*] , %	-8	6	-2	5		
- Restructuring and acquisition-related costs	-27	-46	-37	-59		
- PPA amortization	-2	-2	-7	-9		
EBIT	-53	-31	-68	-12		
EBIT, %	-18	-10	-6	-1		
Result for the period	-52	-24	-69	-17		

^{*} Excl. restructuring and acquisition-related costs and PPA amortizations.

Savings not sufficient to support profitability



*YoY -17% (in comparable currencies -16%)

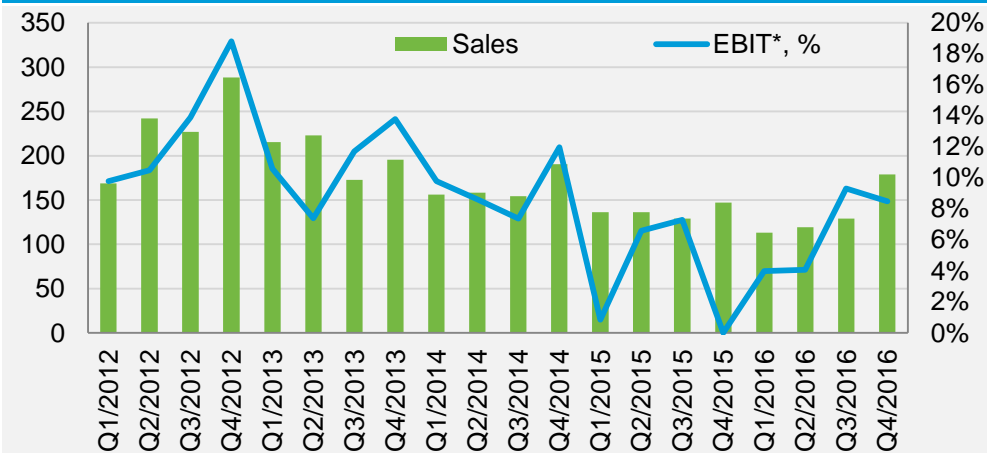
Minerals Processing

- Order intake up 33% in comparable currencies
- Sales flat due to low order intake in Q4/2015 and H1/2016
- Good profitability due to cost savings

Minerals Processing EUR million	Q1-Q4 2016	Q1-Q4 2015	Change, %	Change in comp currency, %
Order intake	627	496	26	33
Sales	540	549	-2	2
Service sales	283	312	-9	-5
Adjusted EBIT ^{*)}	37	19		
Adjusted EBIT ^{*)} , %	7	4		
Unrealized and realized losses related to valuation of FX forward agreements	-4	-4		



Sales and adjusted EBIT development, quarter



* Excl. restructuring and acquisition-related costs and PPA amortizations

Metals, Energy & Water

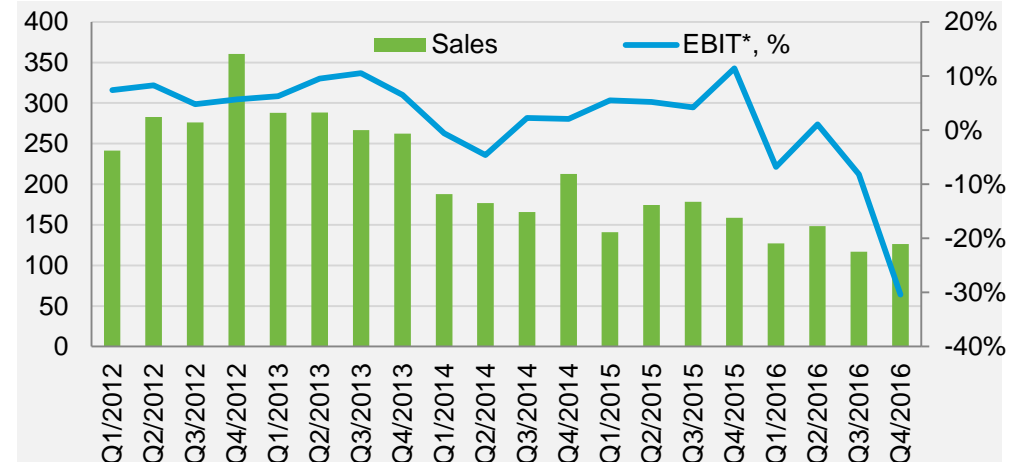
- Lack of large plant orders
- Low service volumes
- Significant negative impact from risk provisions
- More cost saving actions ongoing

Metals, Energy & Water EUR million	Q1-Q4 2016	Q1-Q4 2015	Change, %	Change in comp currency, %
Order intake	381	694	-45	-44
Sales	518	652	-21	-19
Service sales	164	199	-18	-14
Adjusted EBIT ^{*)}	-55	42		
Adjusted EBIT ^{*)} , %	-11	7		
Unrealized and realized losses related to valuation of FX forward agreements	-4	-1		

* Excl. restructuring and acquisition-related costs and PPA amortizations



Sales and adjusted EBIT development, quarter



Mature backlog, lack of large advance payments and restructuring costs impacted cash flow

EUR million	Q1-Q4 2016	Q1-Q4 2015
Result for the period	-69	-17
Adjustments		
- Depreciation & amortization	43	40
- Other adjustments	21	-0
Change in working capital	-67	54
Interest	-5	-4
Taxes	-6	-3
NET CASH FROM OPERATING ACTIVITIES	-85	70
NET CASH USED IN INVESTING ACTIVITIES (incl. Capex and acquisitions)	-23	-87
Repayments & borrowings of non-current debt	-112	49
Hybrid bond	150	-
Dividend	-	-18
Other financing activities	-7	15
NET CASH FROM FINANCING ACTIVITIES	32	45
NET CHANGE IN CASH AND CASH EQUIVALENTS	-76	28
Foreign exchange rate effect on cash and cash equivalents	8	-9
Cash and cash equivalents at Dec 31	233	301

Liquidity and equity remained solid

	Q4 2016	Q4 2015
Net interest-bearing debt, EUR million	-4*	40
Gearing, %	-1*	10
Equity-to-assets ratio, %	40*	31
Return on investment, %, LTM	-9	-1
Return on equity, %, LTM	-15	-4
Working capital at the end of the period, EUR million	-24	-89
Advances received	181	232
Equity, EUR million	498	405
Balance sheet total, EUR million	1,427	1,531

* 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.

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Market outlook, guidance, closing remarks

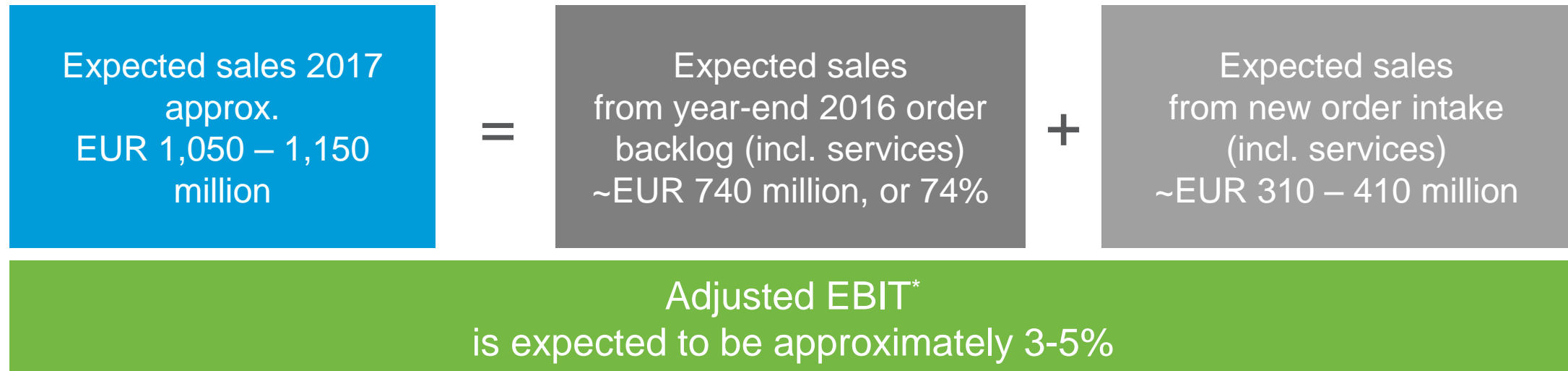
CEO Markku Teräsvasara

Market outlook



Financial guidance for 2017

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



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

Our focus areas for 2017



- Continue positive development in Minerals Processing
 - Value-add solutions to win orders in a competitive market
- Reach stability in Metals, Energy & Water
 - Timing of order intake is crucial
 - Cost saving actions continue
- New Services business unit as of April 1
 - Prioritize and develop service offering
 - Strengthen our customer service
- New organization
 - More focus, speed, and agility
- Review strategic focus areas
 - CMD on September 21, Outotec House

We can take Outotec back to profitable growth!

Outotec



Sustainable use of
Earth's natural resources