

Q1

INTERIM REPORT

JANUARY-MARCH 2018



 Sustainable use of
Earth's natural resources

Outotec

INTERIM REPORT JANUARY–MARCH 2018

Order intake and sales grew, cash flow and profitability improved

“Our first quarter order intake improved from the comparison period. The number of orders and also the sales funnel grew significantly compared to the first quarter last year, which reflects the improved market activity. Our profitability improved as a result of increased sales and savings in fixed costs. The cash flow was strong. The Minerals Processing segment continued to improve its profitability. The Metals, Energy & Water segment improved slightly, but remained unprofitable.

The progress in our must-win battles has been good. This is gradually strengthening our customer focus, service business, product competitiveness and delivery capabilities, enabling better profitability,” summarizes President & CEO **Markku Teräsvasara**.



Summary of key figures

EUR million	Q1 2018	Q1 2017	% ¹	% ²	Q1-Q4 2017
Order intake	333.8	318.4	5	10	1,204.6
Service order intake	130.8	115.1	14	23	494.9
Order backlog at end of period	1,053.8	1,077.4	-2	-	1,005.4
Sales	287.1	263.3	9	15	1,143.8
Service sales	103.0	99.4	4	13	480.4
Gross margin, %	22.8	23.7			23.6
Adjusted EBIT ³	7.0	0.7			33.5
Adjusted EBIT ³ , %	2.4	0.3			2.9
EBIT	5.4	-1.2			26.0
EBIT, %	1.9	-0.5			2.3
Net cash from operating activities	68.5	-34.1			39.6
Earnings per share, EUR	0.00	-0.03			-0.03

¹ Change, %

² Change in comparable currencies, %

³ Excluding restructuring and acquisition-related items as well as PPA amortizations.

Financial guidance for 2018 reiterated

The guidance for 2018 is based on the current order backlog as well as expected order intake.

- Sales are expected to be approximately EUR 1.2 - 1.3 billion, and
- Adjusted EBIT* is expected to be approximately 5 - 7%

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

MARKET DEVELOPMENT

The market activity continued to be positive in the reporting period. The demand for spare parts, equipment upgrades, plant modernizations and services were steady, and some larger investments materialized. Producers continued to focus on improving their cash flow and profitability, and their investments focused mainly on brownfield projects.

The demand for Minerals Processing equipment and services continued to be solid. Metals, Energy & Water saw increased demand for technologies associated with iron and sulfuric acid. Demand for hydrometallurgical and smelting solutions continued to be solid. The energy market was active, but decision-making slow.

Copper, gold, iron and sulfuric acid projects were the most active.

ORDER INTAKE AND BACKLOG

The order intake in the first quarter was EUR 334 (318) million, up 5% from the comparison period. The growth was mainly attributable to an increase in service orders. Service order intake increased to EUR 131 (115) million, up 14% from the comparison period.

Order intake by region, %	Q1 2018	Q1 2017	Q1-Q4 2017
EMEA	40	53	51
Americas	23	35	30
APAC	37	12	19
Total	100	100	100

Announced orders

Project/location (published)	Booked into order backlog	Value, EUR million	Segment
Iron ore pelletizing plant and filter press to India (March 14)	Q1	approx. 50	MEW/MP
Iron ore pelletizing technology to China (Feb 2)	Q1	over 40	MEW
Modular sulfuric acid plants to Democratic Republic of Congo (January 29)	Q1	approx. 33	MEW

The order backlog at the end of the reporting period was EUR 1,054 (1,077) million, down 2% from the comparison period. Services represented EUR 214 (220) million of the total order backlog. At the end of the first quarter, Outotec had 21 (21) projects with an order backlog value in excess of EUR 10 million, accounting for 54 (56) % of the total backlog. It is estimated that roughly 72% or EUR 760 million of the March-end order backlog value will be delivered in 2018.

SALES AND FINANCIAL RESULT

Sales and financial result	Q1	Q1			Q1-Q4
EUR million	2018	2017	%¹	%²	2017
Sales	287.1	263.3	9	15	1,143.8
Service sales ³	103.0	99.4	4	13	480.4
Share of service sales, %	35.9	37.7			42.0
Gross margin, %	22.8	23.7			23.6
Adjusted EBIT ⁴	7.0	0.7			33.5
Adjusted EBIT ⁴ , %	2.4	0.3			2.9
- Restructuring and acquisition-related items ⁵	0.0	-0.0			-0.2
- PPA amortization	-1.7	-1.9			-7.3
EBIT	5.4	-1.2			26.0
EBIT, %	1.9	-0.5			2.3
Result before taxes	3.2	-3.5			16.0
Result for the period	2.2	-2.9			2.9
Unrealized and realized exchange gains and losses ⁶	0.8	2.3			7.9

¹ Change, %

² Change in comparable currencies, %

³ Included in the sales figures of the two reporting segments.

⁴ Excluding restructuring and acquisition-related items and PPA amortizations.

⁵ Including restructuring-related items of EUR 0.0 (-1.0) million and no acquisition-related items (EUR -0.0) million. The comparison period also includes the positive impact of a EUR 0.9 million reduction from an earn-out payment liability related to acquisition.

⁶ Related to foreign exchange forward agreements and bank accounts.

Sales in the first quarter increased 9% from the comparison period. Growth was attributable mainly to increased plant orders in the Metal, Energy & Water segment in 2017. Service sales increased by 4% from the comparison period, representing 36 (38) % of sales. The growth was attributable to modernizations and spares.

Fixed costs in the first quarter, including selling and marketing, administrative, R&D and fixed delivery expenses, declined 8% (in comparable currencies -4%) from the comparison period, totaling EUR 64 (70) million, or 22 (26)% of sales.

Adjusted EBIT was positively impacted by increased sales and lower fixed costs, with negative impacts coming from increased project provisions.

The result before taxes was EUR 3 (-3) million, including net finance expenses of EUR 2 (2) million due to interest costs and the valuation of foreign exchange forward agreements. The net result in the first quarter was EUR 2 (-3) million. The net impact from taxes totaled EUR -1 (+1) million. Earnings per share totaled EUR 0.00 (-0.03).

MINERALS PROCESSING

Minerals Processing	Q1	Q1			Q1-Q4
EUR million	2018	2017	%¹	%²	2017
Order intake	162.5	146.4	11	18	727.0
Sales	159.9	151.7	5	14	668.4
Service sales	71.1	69.9	2	11	305.7
Adjusted EBIT ³	15.6	11.4			63.4
Adjusted EBIT ³ , %	9.8	7.5			9.5
PPAs	-0.7	-0.8			-3.1

Restructuring and acquisition-related items	-0.0	-0.3		-0.4
EBIT	15.0	10.4		60.0
EBIT, %	9.4	6.8		9.0
Unrealized and realized exchange gains and losses ⁴	0.2	-0.3		5.9

¹ Change, %

² Change in comparable currencies, %

³ Excluding restructuring and acquisition-related items as well as PPA amortizations

⁴ Related to foreign exchange forward agreements and bank accounts

The order intake in the Minerals Processing segment grew 11% from the comparison period, mainly due to increase in services. The segment's first quarter sales increased by 5% due to increased process equipment orders in 2017. The segment's profitability improved, mainly due to reduced fixed costs and higher utilization rates.

METALS, ENERGY & WATER

Metals, Energy & Water EUR million	Q1 2018	Q1 2017	% ¹	% ²	Q1-Q4 2017
Order intake	171.3	171.9	-0	2	477.6
Sales	127.2	111.6	14	17	475.4
Service sales	31.9	29.5	8	16	174.7
Adjusted EBIT ³	-7.2	-9.3			-23.1
Adjusted EBIT ³ , %	-5.7	-8.3			-4.9
PPAs	-1.0	-1.1			-4.2
Restructuring and acquisition-related items	0.0	0.3			0.1
EBIT	-8.2	-10.2			-27.2
EBIT, %	-6.4	-9.1			-5.7
Unrealized and realized exchange gains and losses ⁴	0.6	2.6			2.0

¹ Change, %

² Change in comparable currencies, %

³ Excluding restructuring and acquisition-related items as well as PPA amortizations

⁴ Related to foreign exchange forward agreements and bank accounts

The order intake in the Metals, Energy & Water segment was at a similar level when comparing it with the first quarter of 2017. Service orders increased, due to modernizations. The segment's first quarter sales increased by 14%, due to growth in the order intake in 2017. Segment's profitability was positively impacted by reduced fixed costs, and negatively by increased provisions.

BALANCE SHEET, FINANCING AND CASH FLOW

Balance sheet, financing and cash flow EUR million	Q1 2018	Q1 2017	Q1-Q4 2017
Net cash from operating activities	68.5	-34.1	39.6
Net interest-bearing debt at end of period ¹	-56.0	44.1	-5.5
Equity at end of period	454.3	485.6	466.9
Gearing at end of period, % ¹	-12.3	9.1	-1.2
Equity-to-assets ratio at end of period, % ¹	41.7	39.2	41.1
Net working capital at end of period	-62.7	11.2	-9.4

¹ If the hybrid bond were treated as a liability: net interest-bearing debt would be EUR 94.0 million, gearing 30.9%, and the equity-to-assets ratio 27.9% on March 31, 2018 (March 31, 2017: EUR 194.1 million, 57.8% and 27.1% respectively).

The consolidated balance sheet total on March 31, 2018 was EUR 1,319 (1,436) million.

Outotec's cash and cash equivalents at the end of the reporting period totaled EUR 253 (195) million. Net cash flow from operating activities was EUR 69 (-34) million, mainly due to advance payments and reduced receivables. Advance and milestone payments received at the end of the reporting period came to EUR 230 (198) million. Advance and milestone payments to subcontractors totaled EUR 39 (64) million. During the reporting period, Outotec paid EUR 11 (11) million in hybrid bond annual interest.

Net interest-bearing debt on March 31, 2018 was EUR -56 (44) million and gearing was -12 (9) %. Outotec's equity-to-assets ratio was 42 (39) %. The company's capital expenditure, related mainly to IT programs and IPRs, totaled EUR 5 (4) million during 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 648 (544) million.

Equity attributable to shareholders of the parent company totaled EUR 451 (482) million, representing EUR 2.49 (2.66) per share. Equity was impacted by the Hybrid bond annual interest of EUR 9 (9) million net of tax, net result of EUR 2 (-3) million, and translation differences of EUR -7 (3) million.

RESEARCH & DEVELOPMENT

During the reporting period, Outotec's research and development expenses represented 5 (5) % of sales.

R&D	Q1 2018	Q1 2017	Q1-Q4 2017
R&D expenses, EUR million	14	14	56
New priority applications filed	7	15	38
New national patents granted	106	132	672
Number of patent families	762	785	763
Number of national patents or patent applications	6,665	6,806	6,521

PERSONNEL

At the end of the reporting period, Outotec had a total of 4,157 (4,169) employees. During the reporting period, it had an average of 4,148 (4,151) employees. Temporary personnel accounted for 6 (5) % of the total.

Personnel by region	March 31, 2018	March 31, 2017	Change	December 31, 2017
EMEA	2,800	2,778	22	2,813
Americas	776	833	-57	758
APAC	581	558	23	575
Total	4,157	4,169	-12	4,146

At the end of the reporting period, the company had, in addition to its own personnel, 377 (359) full-time equivalent, contracted professionals working in project execution.

Salaries and other employee benefits during the reporting period totaled EUR 81 (91) million.

RESOLUTIONS OF OUTOTEC'S AGM 2018

Outotec Oyj's Annual General Meeting (AGM) was held on March 27, 2018, in Helsinki, Finland. The AGM approved the parent company's financial statements and the consolidated financial statements and discharged the members of the Board of Directors and the President and CEO from liability for the 2017 financial year. The AGM decided that no dividend would be distributed for the financial year ending on December 31, 2017.

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

The AGM confirmed the Board's remunerations for 2018, of which 60% will be paid in cash and 40% in shares:

- Chairman of the Board of Directors: EUR 72,000
- Members of the Board of Directors: EUR 36,000
- Vice Chairman of the Board and the Chairman of the Audit and Risk Committee: additional EUR 12,000
- Attendance fee EUR 600/meeting
- Reimbursement for the direct costs arising from Board-related work

PricewaterhouseCoopers Oy, a firm of Authorized Public Accountants, was re-elected as the company's auditor.

The AGM authorized the Board of Directors to decide on the repurchase and issuance of shares and special rights entitling holders to shares. Both authorizations relate to an aggregate maximum of 18,312,149 (approximately 10%) of the company's own shares. The authorizations will be in force until the closing of the next AGM. The authorizations have not been exercised as of April 25, 2018.

The Board of Directors elected Anja Korhonen (Chairman of the Committee), Klaus Cawén, Hanne de Mora, and Ian W. Pearce as members of the Audit and Risk Committee.

Matti Alahuhta (Chairman of the Committee) Eija Ailasmaa, Patrik Nolåker, and Timo Ritakallio were elected as members of the Human Capital Committee.

CHANGES IN SHAREHOLDING

March 23: Tamares Nordic Investments B.V. notified that its holdings in shares of Outotec Oyj has fallen below 5% and is zero (0) shares/votes.

OTHER MAIN ANNOUNCEMENTS AND EVENTS IN Q1/2018

January 23: Announcement that for the sixth consecutive year Outotec was included in the Global 100 Index of most sustainable companies in the world, ranking fifth in the index (2016: 90th).

SHORT-TERM RISKS AND UNCERTAINTIES

Major investments continue to develop relatively slowly, and new investments may be delayed or existing projects may be put on hold or cancelled. There is also a continued risk of credit losses, especially in receivables from emerging markets. The supply situation may tighten, which may cause delays or escalations. Any uncertainty in the global macroeconomic environment, especially China's economic outlook, may impact demand for metals and their prices as well as Outotec's operations and financials.

Outotec has identified a risk of disputes related to project execution, 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 has identified a significant risk of claims related to a few large projects in the Metals, Energy & Water segment. If the project risks are materialized in full, they could have a material impact on Outotec's financial results, and could lead to decreasing headroom under financial covenants related to capital structure and liquidity.

Risks related to Outotec's business operations are high in certain markets, such as the Middle East, Russia, and Turkey. The geopolitical situation, sanctions, security situation, economic conditions and regulatory environment may change rapidly, causing ongoing business to be delayed, suspended or cancelled; or completely prevent Outotec from operating in these areas. These may result in a material impact on Outotec's financial results and valuation of its assets.

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

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.

MAIN EVENTS AFTER THE REPORTING PERIOD

April 4: Outotec announced outsourcing of some project engineering activities in Germany to Citec.

MARKET OUTLOOK

The demand for many metals is expected to continue to grow, and the sentiment in the mining and metals industry is expected to remain solid. Generally, investments in the mining industry move along the value chain starting from the mine, followed by minerals processing and then metals refining. Replacement cycles typically range from five to ten years at the mine site to over twenty years in metals refining.

New metal uses, such as in electric vehicles, support the long-term view. New technologies and reprocessing of tailings are used to maximize metals recovery from existing sites. Decisions, however, may be delayed over the short-term, due to volatility in metal prices and uncertainty in China's economic outlook.

Investments in minerals processing will continue to be driven by increased mining activity, production levels and continued emphasis on optimizing existing operations. Metals demand growth projections, and more complex ores continue to provide opportunities for process

optimization, equipment deliveries, and services. Copper, nickel, zinc, lithium, cobalt, aluminum and gold projects are expected to continue to be the most active.

The Metals, Energy & Water segment's technology portfolio provides opportunities in a few end markets. Currently, copper, zinc, lithium and gold projects are the most active. There is a global need for waste-to-energy and sludge incineration solutions, but investments are often linked to regional needs and decisions made by the public sector.

FINANCIAL GUIDANCE FOR 2018 REITERATED

The guidance for 2018 is based on the current order backlog as well as expected order intake.

- Sales are expected to be approximately EUR 1.2 - 1.3 billion, and
- Adjusted EBIT* is expected to be approximately 5 - 7%

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

Espoo, April 25, 2018

Outotec Oyj
Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Consolidated statement of comprehensive income	Q1	Q1	Q1-Q4
EUR million	2018	2017	2017
Sales	287.1	263.3	1,143.8
Cost of sales	-221.6	-200.9	-873.6
Gross profit	65.5	62.4	270.2
Other income	0.9	3.4	10.1
Selling and marketing expenses	-29.8	-32.5	-119.6
Administrative expenses	-17.7	-19.5	-75.9
Research and development expenses	-13.6	-13.6	-55.6
Other expenses	-0.0	-1.2	-3.2
Share of results of associated companies	0.0	-0.1	0.0
EBIT	5.4	-1.2	26.0
Finance income and expenses			
Interest income and expenses	-0.3	-1.0	-3.4
Market price gains and losses	-0.4	-0.6	-2.6
Other finance income and expenses	-1.5	-0.7	-4.0
Net finance income or expense	-2.2	-2.3	-10.0
Result before income taxes	3.2	-3.5	16.0
Income taxes	-0.9	0.6	-13.1
Result for the period	2.2	-2.9	2.9
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit obligations	0.5	-2.9	-3.7
Income tax relating to items that will not be reclassified to profit or loss	-0.1	0.8	1.1
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations	-7.5	2.7	-23.0
Cash flow hedges	1.2	3.7	4.3
Other shares and securities	-0.0	0.0	-0.1
Income tax relating to items that may be reclassified to profit or loss	-0.3	-1.0	-0.9
Other comprehensive income for the period	-6.3	3.2	-22.3
Total comprehensive income for the period	-4.0	0.4	-19.4
Result for the period attributable to:			
Equity holders of the parent company	2.2	-2.9	3.0
Non-controlling interest	0.0	0.1	-0.1
Total comprehensive income for the period attributable to:			
Equity holders of the parent company	-4.1	0.3	-19.3
Non-controlling interest	0.0	0.1	-0.1
Earnings per share for result attributable to the equity holders of the parent company:			
Basic earnings per share, EUR	0.00	-0.03	-0.03
Diluted earnings per share, EUR	0.00	-0.03	-0.03

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.

All 2017 comparative figures have been restated due to adoption of IFRS 15 standard (find further information in the notes).

Condensed consolidated statement of financial position EUR million	March 31, 2018	March 31, 2017	December 31, 2017
ASSETS			
Non-current assets			
Intangible assets	350.1	384.5	359.1
Property, plant and equipment	54.5	62.3	56.0
Deferred tax asset	91.9	101.8	90.9
Non-current financial assets			
Interest-bearing	3.7	3.9	3.8
Non-interest-bearing	7.2	7.4	7.2
Total non-current assets	507.5	559.9	517.0
Current assets			
Inventories ¹	193.9	246.4	195.9
Current financial assets			
Interest-bearing	0.1	0.1	0.1
Non-interest-bearing	364.5	433.9	413.6
Cash and cash equivalents	252.7	195.5	230.2
Total current assets	811.2	875.9	839.8
TOTAL ASSETS	1,318.7	1,435.7	1,356.8
EQUITY AND LIABILITIES			
Equity			
Share capital	17.2	17.2	17.2
Retained earnings	220.2	221.4	226.6
Hybrid bond	150.0	150.0	150.0
Other components of equity	63.7	93.8	70.0
Equity attributable to the equity holders of the parent company	451.1	482.3	463.8
Non-controlling interest	3.2	3.3	3.2
Total equity	454.3	485.6	466.9
Non-current liabilities			
Interest-bearing ³	183.2	188.5	183.5
Deferred tax liabilities	35.6	36.8	39.7
Other non-interest-bearing ³	65.5	65.0	66.7
Total non-current liabilities	284.4	290.3	289.9
Current liabilities			
Interest-bearing	17.3	55.0	45.0
Non-interest-bearing			
Advances received ²	229.5	198.1	220.2
Other non-interest-bearing	333.2	406.7	334.6
Total current liabilities	580.0	659.8	599.9
Total liabilities	864.4	950.1	889.8
TOTAL EQUITY AND LIABILITIES	1,318.7	1,435.7	1,356.8

¹ Of which advances paid for inventories amounted to EUR 38.7 million on March 31, 2018 (March 31, 2017: EUR 63.9 million, December 31, 2017: EUR 36.5 million).

² Gross advances received before percentage of completion revenue recognition amounted to EUR 1,598.0 million (March 31, 2017: EUR 1,445.2 million, December 31, 2017: EUR 1,490.4 million).

³ comparatives have been reclassified by transferring a bond revaluation item from Other non-interest-bearing to Interest-bearing

Condensed consolidated statement of cash flows	Q1	Q1	Q1-Q4
EUR million	2018	2017	2017
Cash flows from operating activities			
Result for the period	2.2	-2.9	2.9
Adjustments for			
Depreciation and amortization	9.7	10.4	40.9
Other adjustments	2.6	3.3	23.9
Decrease (+) / Increase (-) in net working capital	55.5	-41.9	-21.8
Dividend received	-	-	0.3
Interest received	1.2	0.9	4.5
Interest paid	-0.6	-1.7	-8.6
Income tax paid	-2.1	-2.4	-2.5
Net cash from operating activities	68.5	-34.1	39.6
Purchases of assets	-4.8	-4.6	-20.9
Acquisition of subsidiaries and business operations, net of cash	-	-0.2	-0.2
Proceeds from sale of assets	0.2	0.5	2.3
Cash flows from other investing activities	-	-0.2	-0.2
Net cash used in investing activities	-4.6	-4.5	-18.9
Cash flow before financing activities	63.9	-38.6	20.7
Repayments of non-current debt	-0.1	-0.1	-7.9
Decrease in current debt	-28.2	-4.0	-22.2
Increase in current debt	-	14.9	29.0
Interest paid on hybrid bond	-11.1	-11.1	-11.1
Cash flows from other financing activities	-0.0	-0.2	-0.7
Net cash used in financing activities	-39.4	-0.5	-12.9
Net change in cash and cash equivalents	24.5	-39.1	7.8
Cash and cash equivalents at beginning of period	230.2	233.0	233.0
Foreign exchange rate effect on cash and cash equivalents	-2.1	1.6	-10.6
Net change in cash and cash equivalents	24.5	-39.1	7.8
Cash and cash equivalents at end of period	252.7	195.5	230.2

Consolidated statement of changes in equity

EUR million	Attributable to the equity holders of the parent company									Non-controlling interest	Total equity
	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	Total equity attributable to equity holders of parent company		
Equity at January 1, 2017	17.2	20.2	-15.7	-15.9	95.7	150.0	6.2	237.1	494.8	3.3	498.1
IFRS 15 restatement ¹	-	-	-	-	-	-	-	-4.2	-4.2	-	-4.2
Restated equity at January 1, 2017	17.2	20.2	-15.7	-15.9	95.7	150.0	6.2	233.0	490.6	3.3	493.9
Hybrid bond interest (net of tax)	-	-	-	-	-	-	-	-8.9	-8.9	-	-8.9
Share-based compensation	-	-	-	-	-	-	-	0.2	0.2	-	0.2
Total comprehensive income for the period	-	-	0.5	-	-	-	2.7	-2.9	0.3	0.1	0.4
Equity at March 31, 2017	17.2	20.2	-15.2	-15.9	95.7	150.0	8.9	221.4	482.3	3.3	485.6
Equity at January 1, 2018 ²	17.2	20.2	-15.0	-15.0	96.6	150.0	-16.7	226.6	463.8	3.2	466.9
IFRS 9 restatement ¹	-	-	-	-	-	-	-	-0.8	-0.8	-	-0.8
IFRS 2 restatement ¹	-	-	-	-	-	-	-	0.8	0.8	-	0.8
Restated equity at January 1, 2018	17.2	20.2	-15.0	-15.0	96.6	150.0	-16.7	226.6	463.8	3.2	466.9
Hybrid bond interest (net of tax)	-	-	-	-	-	-	-	-8.9	-8.9	-	-8.9
Share-based compensation	-	-	-	-	-	-	-	0.3	0.3	-	0.3
Total comprehensive income for the period	-	-	1.2	-	-	-	-7.5	2.2	-4.1	0.0	-4.0
Equity at March 31, 2018	17.2	20.2	-13.8	-15.0	96.6	150.0	-24.2	220.2	451.1	3.2	454.3

¹ IAS 8 change in accounting policies (net of tax)

Key figures	Q1 2018	Q1 2017	Last 12 months	Q1-Q4 2017
Order intake, EUR million	333.8	318.4	1,220.0	1,204.6
Service order intake, EUR million	130.8	115.1	510.5	494.9
Share of service in order intake, %	39.2	36.2	41.8	41.1
Order backlog at end of period, EUR million	1,053.8	1,077.4	1,053.8	1,005.4
Sales, EUR million	287.1	263.3	1,167.6	1,143.8
Service sales, EUR million	103.0	99.4	484.0	480.4
Share of service in sales, %	35.9	37.7	41.4	42.0
Gross margin, %	22.8	23.7	23.4	23.6
Adjusted EBIT ¹ , EUR million	7.0	0.7	39.8	33.5
Adjusted EBIT ¹ , %	2.4	0.3	3.4	2.9
EBIT, EUR million	5.4	-1.2	32.6	26.0
EBIT, %	1.9	-0.5	2.8	2.3
Result before taxes, EUR million	3.2	-3.5	22.6	16.0
Result before taxes in relation to sales, %	1.1	-1.3	1.9	1.4
Result for the period in relation to sales, %	0.8	-1.1	0.7	0.3
Earnings per share ² , EUR	0.00	-0.03	-0.00	-0.03
Net cash from operating activities, EUR million	68.5	-34.1	142.3	39.6
Net interest-bearing debt at end of period, EUR million ³	-56.0	44.1	-56.0	-5.5
Gearing at end of period ³ , %	-12.3	9.1	-12.3	-1.2
Equity-to-assets ratio at end of period ³ , %	41.7	39.2	41.7	41.1
Equity at end of period	454.3	485.6	454.3	466.9
Equity per share, EUR	2.49	2.66	2.49	2.56
Net working capital at end of period, EUR million	-62.7	11.2	-62.7	-9.4
Capital expenditure, EUR million	5.1	4.5	21.2	20.7
Capital expenditure in relation to sales, %	1.8	1.7	1.8	1.8
Research and development expenses, EUR million	13.6	13.6	55.6	55.6
Research and development expenses in relation to sales, %	4.7	5.2	4.8	4.9
Return on investment, %, LTM	4.0	-7.7	4.0	3.0
Return on equity, %, LTM	1.7	-11.8	1.7	0.6
Personnel at end of period	4,157	4,169	4,157	4,146

¹Excluding restructuring and acquisition-related items and PPA amortizations.

²Weighted average number of shares used in calculation of EPS is 181,420 thousand for Q1/2018 (Q1/2017: 181,226 thousand shares). EPS includes a reduction of accrued hybrid bond interest.

³If the hybrid bond were treated as a liability: net interest-bearing debt would be EUR 94.0 million, gearing 30.9%, and the equity-to-assets ratio 27.9% on March 31, 2018 (March 31, 2017: EUR 194.1 million, 57.8% and 27.1% respectively).

Definitions for key financial figures

Net interest-bearing debt	=	Interest-bearing debt - interest-bearing assets
<hr/>		
Gearing	=	$\frac{\text{Net interest-bearing debt}}{\text{Total equity}} \times 100$
<hr/>		
Equity-to-assets ratio	=	$\frac{\text{Total equity}}{\text{Total assets - advances received}} \times 100$
<hr/>		
Return on investment	=	$\frac{\text{EBIT + finance income}}{\text{Total assets - non-interest-bearing debt (average for the period)}} \times 100$
<hr/>		
Return on equity	=	$\frac{\text{Result for the period}}{\text{Total equity (average for the period)}} \times 100$
<hr/>		
Research and development expenses	=	Research and development expenses in the statement of comprehensive income (including expenses covered by grants received)
<hr/>		
Earnings per share	=	$\frac{\text{Result for the period attributable to the equity holders of the parent company - hybrid bond interest}}{\text{Average number of shares during the period}}$
<hr/>		
Diluted earnings per share	=	$\frac{\text{Result for the period attributable to the equity holders of the parent company - hybrid bond interest}}{\text{Diluted average number of shares during the period}}$
<hr/>		
Dividend per share	=	$\frac{\text{Dividend for the financial year}}{\text{Number of shares at end of period}}$
<hr/>		
Adjusted EBIT (aEBIT)	=	EBIT excluding (but not limited to) restructuring related transactions, costs related to mergers and acquisitions, purchase price allocation amortizations, and goodwill impairments
<hr/>		
Comparable currencies, some key figures	=	Reporting period's figures converted using foreign exchange rates from the comparison period
<hr/>		
Net 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, except for the changes specified below. These Interim Financial Statements are unaudited.

The following new standards and interpretations have been adopted on January 1, 2018:

IFRS 15 – Revenue from Contracts with Customers

Outotec has adopted the IFRS 15 standard as of January 1, 2018. As a result, Outotec restated the figures for 2017 using the full retrospective method. The main impacts of the restatement are:

- EUR 4.2 million negative cumulative restatement in retained earnings as of January 1, 2017, which represents the cumulative change in net result for previous periods
- EUR 4.6 million increase in revenue in the income statement for 2017
- EUR 1.4 million increase in EBIT and adjusted EBIT in the income statement for 2017
- EUR 1.0 million increase in the result of the period in the income statement for 2017
- EUR 11.1 million increase in the total assets, of which EUR 9.8 million relates to current assets and EUR 1.3 million to non-current assets as of December 31, 2017
- EUR 14.3 million increase in the current liabilities as of December 31, 2017
- EUR 17.2 million increase in the order backlog as of December 31, 2017; the restated order backlog is EUR 1,005.4 million as of December 31, 2017

The impact of IFRS 15 on the Statement of comprehensive income and Statement of financial position for 2017 is disclosed below. The restated financial information is unaudited. The restatement has no impact on Outotec's financial guidance given for the year 2018.

Background

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 replaced the IAS 18 and IAS 11 standards and related interpretations.

Outotec recognizes revenue when control of the good or service is transferred to the customer in an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods or services. These principles are applied using the following five steps: (1) Identify the contract(s) with a customer, (2) Identify the performance obligations in the contract, (3) Determine the transaction price, (4) Allocate the transaction price to the performance obligations in the contract and (5) Recognize revenue.

Main changes in accounting principles

When applying the new standard, Outotec focused especially on the need to combine contracts for revenue recognition purposes, identification of performance obligations, estimation of variable considerations and revenue recognition over time or at a point in time.

Identification of performance obligations

Outotec delivers customized solutions and services to its customers. Customized solution deliveries include complete plant deliveries as well as technology package and equipment deliveries. These project deliveries are typically considered as one performance obligation, as the goods and services delivered to customers are not distinct according to IFRS 15. The new standard requirements on identifying the performance obligations or combining the customer contracts mainly impacts the revenue recognition process at Outotec.

Recognition of revenue

The criteria for recognizing revenue over time is typically met in Outotec's customized solution contracts as well as in modernization contracts. Outotec's performance creates an asset with no alternative use, and Outotec has an enforceable right to payment for the performance completed to date. To measure progress, Outotec previously used the cost-to-cost method, under which the percentage of completion is defined as the ratio of costs incurred to total estimated costs. This method will be used also going forward to measure the stage of completion for the contracts for which revenue is recognized over time. Nevertheless, management assessed that certain customer contracts, previously recognized as revenue over time, were to be recognized as revenue at a point in time.

Outotec continues to recognize revenue for standard equipment and spare part deliveries at a point in time based on delivery terms. Revenue for long-term service contracts and shutdown services are recognized when benefits have been rendered to the customer. There were no changes in transition to IFRS 15 with regard to standard equipment, spare part deliveries, long-term service contracts or shutdown services.

Other steps of the revenue recognition model

Outotec's management assessed that the new principles regarding identification of a customer contract or allocation of the transaction price to the performance obligations identified in the contract do not significantly affect the amount or timing of revenue and cost recognition.

Outotec's contracts often involve elements of variable consideration, such as penalties, liquidated damages or performance bonus arrangements. Management estimates that the reassessment of the transaction prices at each reporting date, requiring a significant amount of judgment, will not exert material impact on the timing of revenue recognition according to the new standard.

Consolidated statement of comprehensive income 2017						
EUR million	Q1 Rep.	Q1 Rstm	Q1 Restated	Q1-Q4 Rep.	Q1-Q4 Rstm	Q1-Q4 Restated
Sales	267.7	-4.4	263.3	1,139.2	4.6	1,143.8
Cost of sales	-204.9	4.0	-200.9	-870.5	-3.2	-873.6
Gross profit	62.8	-0.4	62.4	268.8	1.4	270.2
Other income	3.4	-	3.4	10.1	-	10.1
Selling and marketing expenses	-32.5	-	-32.5	-119.6	-	-119.6
Administrative expenses	-19.5	-	-19.5	-75.9	-	-75.9
Research and development expenses	-13.6	-	-13.6	-55.6	-	-55.6
Other expenses	-1.2	-	-1.2	-3.2	-	-3.2
Share of results of associated companies	-0.1	-	-0.1	0.0	-	0.0
EBIT	-0.8	-0.4	-1.2	24.6	1.4	26.0
Finance income and expenses						
Interest income and expenses	-1.0	-	-1.0	-3.4	-	-3.4
Market price gains and losses	-0.6	-	-0.6	-2.6	-	-2.6
Other finance income and expenses	-0.7	-	-0.7	-4.0	-	-4.0
Net finance income or expense	-2.3	-	-2.3	-10.0	-	-10.0
Result before income taxes	-3.1	-0.4	-3.5	14.5	1.4	16.0
Income taxes	0.5	0.1	0.6	-12.6	-0.4	-13.1
Result for the period	-2.6	-0.3	-2.9	1.9	1.0	2.9
Other comprehensive income for the period	3.2	-	3.2	-22.3	-	-22.3
Total comprehensive income for the period	0.6	-0.3	0.4	-20.4	1.0	-19.4
Result for the period attributable to:						
Equity holders of the parent company	-2.6	-0.3	-2.9	2.0	1.0	3.0
Non-controlling interest	0.1	-	0.1	-0.1	-	-0.1
Total comprehensive income for the period attributable to:						
Equity holders of the parent company	0.6	-0.3	0.3	-20.3	1.0	-19.3
Non-controlling interest	0.1	-	0.1	-0.1	-	-0.1
Earnings per share for result attributable to the equity holders of the parent company:						
Basic earnings per share, EUR	-0.03	-0.0	-0.03	-0.04	0.01	-0.03
Diluted earnings per share, EUR	-0.03	-0.0	-0.03	-0.04	0.01	-0.03

Condensed consolidated statement of financial position 2017	Mar 31	Mar 31	Mar 31	Dec 31	Dec 31	Dec 31
EUR million	Rep.	Rstm	Restated	Rep.	Rstm	Restated
ASSETS						
Non-current assets						
Intangible assets	384.5	-	384.5	359.1	-	359.1
Property, plant and equipment	62.3	-	62.3	56.0	-	56.0
Deferred tax asset	100.0	1.8	101.8	89.6	1.3	90.9
Non-current financial assets						
Interest-bearing	3.9	-	3.9	3.8	-	3.8
Non-interest-bearing	7.4	-	7.4	7.2	-	7.2
Total non-current assets	558.0	1.8	559.9	515.7	1.3	517.0
Current assets						
Inventories ¹	227.6	18.8	246.4	185.8	10.1	195.9
Current financial assets						
Interest-bearing	0.1	-	0.1	0.1	-	0.1
Non-interest-bearing	440.3	-6.4	433.9	413.9	-0.4	413.6
Cash and cash equivalents	195.5	-	195.5	230.2	-	230.2
Total current assets	863.5	12.4	875.9	830.0	9.8	839.8
TOTAL ASSETS	1,421.5	14.2	1,435.7	1,345.7	11.1	1,356.8
EQUITY AND LIABILITIES						
Equity						
Share capital	17.2	-	17.2	17.2	-	17.2
Retained earnings	225.8	-4.5	221.4	229.8	-3.2	226.6
Hybrid bond	150.0	-	150.0	150.0	-	150.0
Other components of equity	93.8	-	93.8	70.0	-	70.0
Equity attributable to the equity holders of the parent company	486.8	-4.5	482.3	467.0	-3.2	463.8
Non-controlling interest	3.3	-	3.3	3.2	-	3.2
Total equity	490.1	-4.5	485.6	470.1	-3.2	466.9
Non-current liabilities						
Interest-bearing ³	188.5	-	188.5	183.5	-	183.5
Deferred tax liabilities	36.8	-	36.8	39.7	-	39.7
Other non-interest-bearing ³	65.0	-	65.0	66.7	-	66.7
Total non-current liabilities	290.3	-	290.3	289.9	-	289.9
Current liabilities						
Interest-bearing	55.0	-	55.0	45.0	-	45.0
Non-interest-bearing						
Advances received ²	178.3	19.8	198.1	203.4	16.8	220.2
Other non-interest-bearing	407.8	-1.1	406.7	337.2	-2.6	334.6
Total current liabilities	641.1	18.7	659.8	585.6	14.3	599.9
Total liabilities	931.4	18.7	950.1	875.6	14.3	889.8
TOTAL EQUITY AND LIABILITIES	1,421.5	14.2	1,435.7	1,345.7	11.1	1,356.8
¹ of which advances paid for inventories	56.8	7.1	63.9	33.3	3.2	36.5
² gross advances received before revenue recognition over time (percentage of completion)	1,445.2	-	1,445.2	1,490.4	-	1,490.4

³ reported numbers have been reclassified by transferring a bond revaluation item from Other non-interest-bearing to Interest-bearing

IFRS 9 – Financial Instruments

Outotec adopted the IFRS 9 standard as of January 1, 2018. The new standard replaces the 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. Adopting IFRS 9 did not have material impact on the recognition and measurement principles regarding the financial assets or liabilities.

The effect on the group cash flow hedges in terms of hedging reserves in balance sheet is not material. Under IFRS 9, the hedging reserves in profit and loss statement are recognized in sales, when hedging relates to order backlog. The overall impact on profit and loss as well as profitability was not significant. There were no changes to the fair value of hedges with regard to the interest rate swaps.

Outotec has established a model for evaluating credit losses under IFRS 9 and has updated bad debt provision policy as well as the related processes. The Group's previous bad debt policy focused on case-by-case decision-making, whereas IFRS 9 requires a more systematic approach when it comes to bad debt provisions. For undue and 0-360 day overdue accounts receivable, a 0.5 - 2.0% provision is applied:

Percentage used calculating accounts receivable bad debt provision

Undue	0 - 60 days	61 - 180 days	181 - 365 days	> 365 days
0.5%	1.0%	1.5%	2.0%	Case by case

Case by case -credit loss provision decisions are still to be implemented for overdue accounts receivables over 360 days, due to the project nature of Outotec's business. Bad debt provision was increased by EUR 1.2 million in accordance with the new policy. Outotec did not restate the comparative periods, and the impact of the transition period was recognized in the opening balance of retained earnings on January 1, 2018.

IFRS 2 – Share-based payment

Outotec has adopted the amended IFRS 2 standard as of January 1, 2018. The standard amendments relate to the classification and measurement of share-based payment transactions.

The change in Outotec relates to awards with net settlement features, where the cash settled component for withholding tax payments should be treated as equity-settled. Outotec has reclassified this component, totalling EUR 0.8 million for the on-going programs, from liabilities to equity in the opening balance at January 1, 2018. The revaluation change did not have a significant impact on the income statement and balance sheet. Outotec did not restate the comparative periods.

The following new standards and interpretations have been published, but they are not effective in 2018, nor has Outotec early-adopted them:

IFRS 16 – Leases

The new standard requires lessees to recognize assets and liabilities for most leases. Leases will no longer be classified as operating leases or finance leases, and all leases will have a single accounting model, with certain exemptions. There are no major changes for lessors. The new standard replaces the IAS 17 standard and related interpretations. Outotec has assessed the impacts of the standard. Outotec intends to adopt the standard 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 on 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, 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.

Allocation of sales	Q1	Q1	Q1-Q4
EUR million	2018	2017	2017
Minerals Processing			
Project sales (major portion recognized over time)	88.8	81.8	362.7
Service sales (major portion recognized at a point in time)	71.1	69.9	305.7
Sales total	159.9	151.7	668.4
Metals, Energy & Water			
Project sales (major portion recognized over time)	95.3	82.1	300.8
Service sales (major portion recognized at a point in time)	31.9	29.5	174.7
Sales total	127.2	111.6	475.4

Balance sheet items, customer contracts	March 31,	March 31,	December 31,
EUR million	2018	2017	2017
Gross advances received	1,598.0	1,445.2	1,490.4
Over time revenue recognition	-1,368.4	-1,247.1	-1,270.2
Contract liabilities (net advances received)	229.5	198.1	220.2
Contract assets	151.3	162.3	160.4

Restructuring and acquisition items	Q1	Q1	Q1-Q4
EUR million	2018	2017	2017
Personnel-related restructuring costs	-0.0	-1.0	-0.5
Impairments on non-current assets	0.0	0.0	-0.8
Other restructuring related items	-	-	-0.1
Items related to restructuring, total	0.0	-1.0	-1.4
Items related to acquisitions	-	-0.0	0.3
Reversal of earn-out liability from acquisitions	-	0.9	0.9
Arbitration cost related to past acquisitions	-	-	-
Restructuring and acquisition items, total ¹	-	-0.0	-0.2
Restructuring and acquisition items are allocated to:			
Minerals Processing	-0.0	-0.3	-0.4
Metals, Energy & Water	0.0	0.3	0.1
Unallocated items	-0.0	-0.0	-0.0

¹ Excluded from adjusted EBIT.

Income taxes	Q1	Q1	Q1-Q4
EUR million	2018	2017	2017
Current taxes	-4.7	-2.7	-5.1
Deferred taxes	3.8	3.3	-8.0
Total income taxes	-0.9	0.6	-13.1

Property, plant and equipment EUR million	March 31, 2018	March 31, 2017	December 31, 2017
Historical cost at beginning of period	151.2	155.5	155.5
Translation differences	-2.0	0.9	-4.7
Additions	2.2	1.8	8.8
Disposals	-0.4	-1.1	-4.9
Reclassifications	-	-0.0	-0.0
Impairment during the period	-	-3.4	-3.6
Historical cost at end of period	151.0	153.8	151.2
Accumulated depreciation and impairment at beginning of period	-95.2	-89.7	-89.7
Translation differences	1.3	-0.7	2.1
Disposals	0.2	0.7	3.1
Reclassifications	-	0.0	0.0
Depreciation during the period	-	-3.3	-12.6
Impairment during the period	-2.8	1.5	1.7
Accumulated depreciation and impairment at end of period	-96.5	-91.4	-95.2
Carrying value at the end of the period	54.5	62.3	56.0

Commitments and contingent liabilities EUR million	March 31, 2018	March 31, 2017	December 31, 2017
Guarantees for commercial commitments	459.9	417.6	475.2
Minimum future lease payments on operating leases	84.5	101.5	89.2

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 5.0 million at March 31, 2018 (March 31, 2017: EUR 13.4 million, December 31, 2017: EUR 7.1 million) and for commercial commitments including advance payment guarantees EUR 647.7 million at March 31, 2018 (March 31, 2017: EUR 544.0 million, December 31, 2017: EUR 679.8 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 EUR million	March 31, 2018	March 31, 2017	December 31, 2017
Fair values, net	6.3	2.8	1.4
of which designated as cash flow hedges from currency derivatives	0.9	-0.7	-0.6
of which designated as fair value hedge from interest derivatives	3.6	4.8	3.9
Nominal values	582.3	674.0	606.4

Carrying amounts of financial assets and liabilities by category

March 31, 2018

EUR million	Fair value through profit or loss	Amortized cost	Fair value through other comprehensive income	Carrying amounts by balance sheet item	Fair value
Non-current financial assets					
Derivative assets					
- foreign exchange forward contracts	0.3	-	-	0.3	0.3
- interest rate swaps	3.6	-	-	3.6	3.6
- foreign exchange forward contracts under hedge accounting	0.7	-	-	0.7	0.7
Other shares and securities	-	-	2.2	2.2	2.2
Trade and other receivables					
- interest-bearing	-	1.5	-	1.5	1.5
- non-interest-bearing	-	0.0	-	0.0	0.0
Current financial assets					
Derivative assets					
- foreign exchange forward contracts	5.2	-	-	5.2	5.2
- foreign exchange forward contracts under hedge accounting	0.7	-	-	0.7	0.7
Trade and other receivables					
- interest-bearing	-	0.1	-	0.1	0.1
- non-interest-bearing	-	358.5	-	358.5	358.5
Cash and cash equivalents	-	252.7	-	252.7	252.7
Carrying amount by category	10.5	612.9	2.2	625.6	625.6
Non-current financial liabilities					
Bonds	-	149.3	-	149.3	153.9
Loans from financial institutions	-	28.6	-	28.6	29.4
Finance lease liabilities	-	0.0	-	0.0	0.0
Derivative liabilities					
- foreign exchange forward contracts	0.0	-	-	0.0	0.0
- foreign exchange forward contracts under hedge accounting	0.1	-	-	0.1	0.1
Other non-current loans	-	1.6	-	1.6	1.6
Other non-current liabilities	-	1.8	-	1.8	1.8
Current financial liabilities					
Loans from financial institutions	-	4.1	-	4.1	4.8
Financial lease liabilities	-	0.0	-	0.0	0.0
Derivative liabilities					
- foreign exchange forward contracts	3.7	-	-	3.7	3.7
- foreign exchange forward contracts under hedge accounting	0.4	-	-	0.4	0.4
Other current loans	-	13.2	-	13.2	13.2
Trade payables	-	98.3	-	98.3	98.3
Carrying amount by category	4.3	296.9	-	301.2	307.2

Carrying amounts of financial assets and liabilities by category

December 31, 2017	Fair value through profit or loss	Amortized cost	Fair value through other comprehensive income	Carrying amounts by balance sheet item	Fair value
EUR million					
Non-current financial assets					
Derivative assets					
- foreign exchange forward contracts	0.2	-	-	0.2	0.2
- interest rate swaps	0.5	-	-	0.5	0.5
- foreign exchange forward contracts under hedge accounting	3.9	-	-	3.9	3.9
Other shares and securities	-	-	2.2	2.2	2.2
Trade and other receivables					
- interest-bearing	-	1.5	-	1.5	1.5
- non-interest-bearing	-	0.0	-	0.0	0.0
Current financial assets					
Derivative assets					
- foreign exchange forward contracts	4.2	-	-	4.2	4.2
- foreign exchange forward contracts under hedge accounting	0.4	-	-	0.4	0.4
Trade and other receivables					
- interest-bearing	-	0.1	-	0.1	0.1
- non-interest-bearing	-	408.9	-	408.9	408.9
Cash and cash equivalents	-	230.2	-	230.2	230.2
Carrying amount by category	9.3	640.8	2.2	652.2	652.2
Non-current financial liabilities					
Bonds					
	-	149.3	-	149.3	155.3
Loans from financial institutions					
	-	28.6	-	28.6	29.6
Finance lease liabilities					
	-	-	-	-	-
Derivative liabilities					
- foreign exchange forward contracts	0.0	-	-	0.0	0.0
- foreign exchange forward contracts under hedge accounting	0.4	-	-	0.4	0.4
Other non-current loans	-	1.7	-	1.7	1.7
Other non-current liabilities	-	2.0	-	2.0	2.0
Current financial liabilities					
Loans from financial institutions					
	-	6.9	-	6.9	7.6
Financial lease liabilities					
	-	0.0	-	0.0	0.0
Derivative liabilities					
- foreign exchange forward contracts	6.4	-	-	6.4	6.4
- foreign exchange forward contracts under hedge accounting	1.1	-	-	1.1	1.1
Other current loans	-	38.1	-	38.1	38.1
Trade payables	-	99.5	-	99.5	99.5
Carrying amount by category	7.9	326.2	-	334.1	341.7

The presentation of the comparison category table has been changed due to IFRS 9 adoption. Adopting IFRS 9 did not have material impact on the recognition and measurement principles with regard to financial assets or liabilities.

Fair value hierarchy

March 31, 2018

EUR million	Level 1	Level 2	Level 3	Total
Other shares and securities	0.0	-	2.1	2.2
Derivative financial assets	-	10.5	-	10.5
	0.0	10.5	2.1	12.7
Bonds	-	153.9	-	153.9
Loans from financial institutions	-	34.2	-	34.2
Derivative financial liabilities	-	4.3	-	4.3
	-	192.3	-	192.3
December 31, 2017				
Other shares and securities	0.1	-	2.2	2.2
Derivative financial assets	-	9.3	-	9.3
	0.1	9.3	2.2	11.5
Bonds	-	155.3	-	155.3
Loans from financial institutions	-	37.2	-	37.2
Derivative financial liabilities	-	7.9	-	7.9
	-	200.3	-	200.3

Other shares and securities (level 3 of fair value hierarchy)

EUR million	Q1 2018	Q1 2017	Q1-Q4 2017
Carrying value on Jan 1	2.2	2.2	2.2
Translation differences	-0.0	0.0	-0.0
Disposals	-	-	-
Carrying value at end of period	2.1	2.2	2.2

Related party transactions

Transactions and balances with associated companies

EUR million	Q1 2018	Q1 2017	Q1-Q4 2017
Sales	0.1	-	0.3
Purchases	0.5	0.1	2.3
Loan receivables	1.5	1.5	1.5
Trade and other receivables	0.5	0.7	0.5
Current liabilities	0.1	0.1	0.2

Outotec has a 40% investment in Enefit Outotec Technology Oü, from which the company had EUR 1.5 million loan receivables at March 31, 2018 (March 31, 2017 and December 31, 2017: EUR 1.5 million).

Transactions and balances with management and prior management

Loan receivables from former key management were EUR 0.1 million at March 31, 2018 (March 31, 2017 and December 31, 2017: EUR 0.1 million)

Segments' sales and operating result by quarters

EUR million	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18
Sales									
Minerals Processing	112.5	119.3	128.9	178.8	151.7	167.7	147.8	201.2	159.9
Metals, Energy & Water	127.2	148.3	116.5	126.4	111.6	98.1	126.1	139.7	127.2
Unallocated items ¹ and intra-group sales	0.1	-0.0	-0.2	0.1	0.0	0.0	0.0	-0.1	0.0
Total	239.8	267.6	245.2	305.4	263.3	265.8	273.9	340.8	287.1
EBIT									
Minerals Processing	-0.3	3.3	10.8	7.8	10.4	14.2	14.3	21.1	15.0
Metals, Energy & Water	-10.2	-1.1	-11.2	-59.7	-10.2	-13.6	-0.6	-2.9	-8.2
Unallocated ² and intra-group items	-1.8	-3.0	-0.9	-1.6	-1.4	-2.0	-1.4	-2.0	-1.4
Total	-12.3	-0.8	-1.2	-53.5	-1.2	-1.4	12.3	16.2	5.4

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

² Unallocated items primarily include group management and administrative services

SHARES AND SHARE CAPITAL

Outotec's shares are listed on the Nasdaq Helsinki exchange (OTE1V). At the end of March 2018, 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 meetings.

OUTOTEC OYJ OWN SHAREHOLDING

At the end of March 2018, the company directly held a total of 1,677,929 Outotec shares, representing 0.92% of Outotec Oyj's shares and votes.

TRADING, MARKET CAPITALIZATION, AND SHAREHOLDERS

Shares on NASDAQ Helsinki

January-March 2018	Number of shares traded	Total value EUR	High EUR	Low EUR	Average EUR ¹	Last paid EUR
OTE1V	65,227,134	484,126,433	8.47	6.55	7.42	7.26

¹ Volume-weighted average

	March 31, 2018	March 31, 2017
Market capitalization, EUR million	1,329	1,041
Number of shareholders	23,705	28,066
Nominee registered shareholders (number of registers 10), %	41.1	34.3
Finnish private investors, %	12.8	24.7

SHARE-BASED INCENTIVES

Outotec has a Share-based Incentive Program for the company's key personnel as well as an 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/cq.

FINANCIAL REPORTING SCHEDULE AND EVENTS IN 2018

- Half Year Financial Report: July 25
- Interim Report Q1-Q3: October 31

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. www.outotec.com.