



A year of many notable achievements

Financial Statements Review 2019

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Outotec

Figures for 2019 and 2018 quarters prior to Q4/2019 have been restated due to business divestments in the Metals, Energy & Water segment.

Figures for 2017 and earlier years have not been restated.

Business and market development

The market sentiment continued to be stable throughout 2019

- Brownfield investments continued at the previous year's level, also some larger greenfield investments
- Equipment and service business continued to develop favorably, copper, gold and nickel most active
- Hydrometallurgical technologies continued to be solid, activity level improved in smelting technologies
- Some projects materializing in iron ore pelletizing and sulfuric acid plant solutions



Market sentiment stable in 2019

Orders up 14% in Q4

Base metals

Two grinding mills to zinc concentrator plant, Mexico

- MP, typical value 20M€

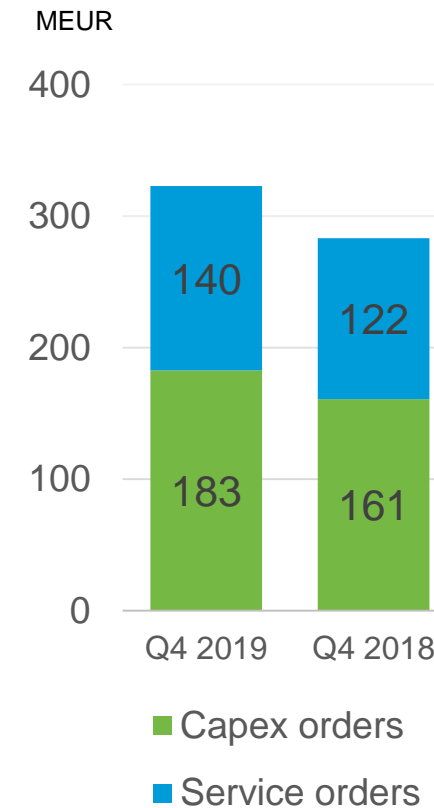
High intensity grinding mills and services for iron magnetite project, Australia

- MP, approx. 50M€

Copper concentrator modernization, Georgia

- MP, approx. 10M€

Order intake Q4

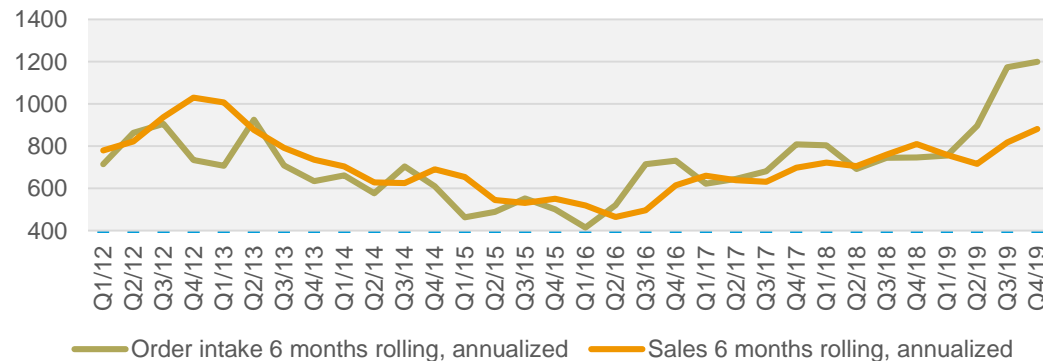


Order intake in MP grew 46% to all time high

Minerals Processing

- Order intake increased by 46% both in Q1-Q4 and in Q4
- Sales increase 5%
- Service sales grew by 13% in Q1-Q4, decreased by 6% in Q4 due to fewer service projects
- Share of service sales 46% in Q4

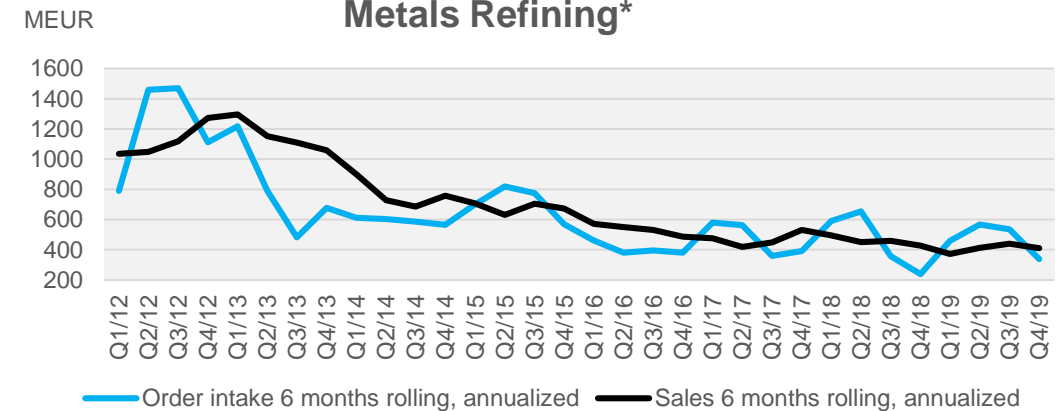
Minerals Processing*



Metals Refining

- Orders increased by 1% in 2019, decreased by 45% in Q4 due to delays in orders
- Sales decreased 6% in 2019 due to fewer plant orders in H2/2018 and increased by 6% in Q4
- Service sales increased by 26% in Q1-Q4, decreased by 10% in Q4

Metals Refining*



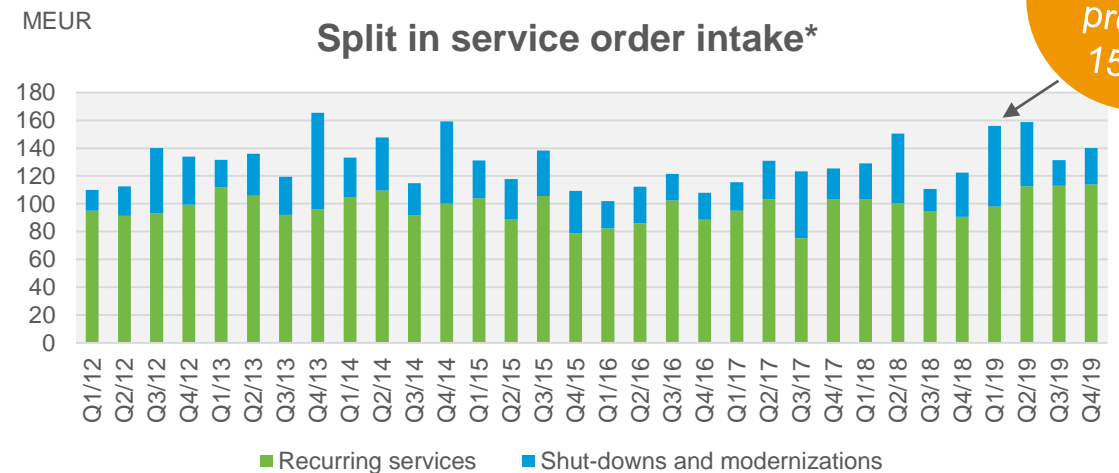
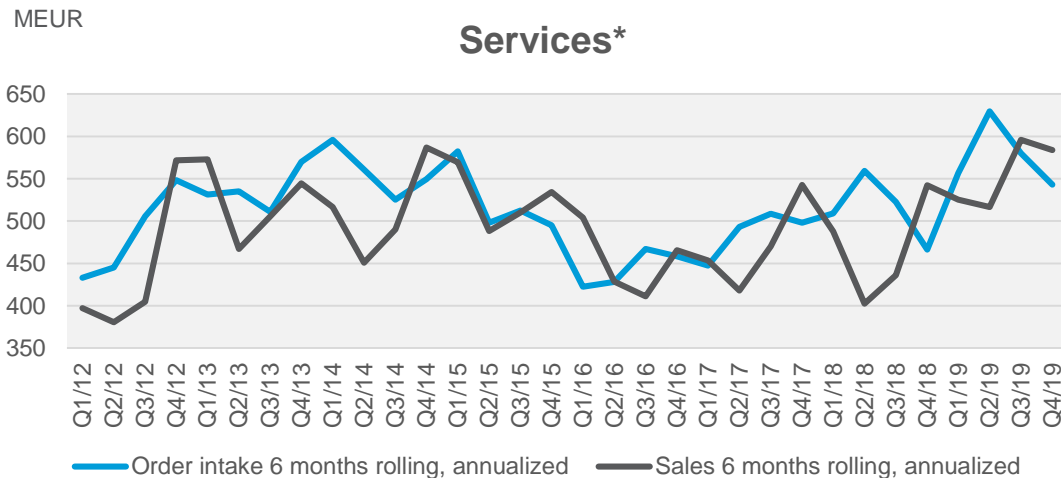
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Service order intake grew 14% and sales grew 16% yoy

Services

- Service orders rose by 14% in 2019, 15% in Q4
 - Spare parts
 - Long-term service agreements
 - Large pellet plant modernization order in Q1
- Q4-end service backlog reached 208 (193) M€

- Service sales grew by 16% in 2019, in Q4 decreased by 7%
 - Spare parts and modernizations
- Service sales mix included spare parts, modernizations and technical services

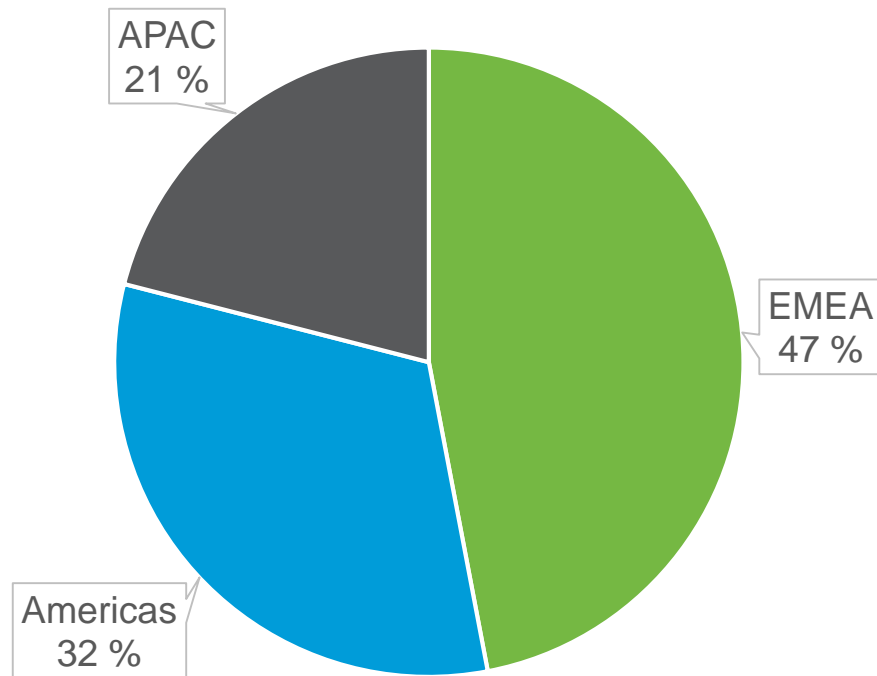


Including SER project 15M€

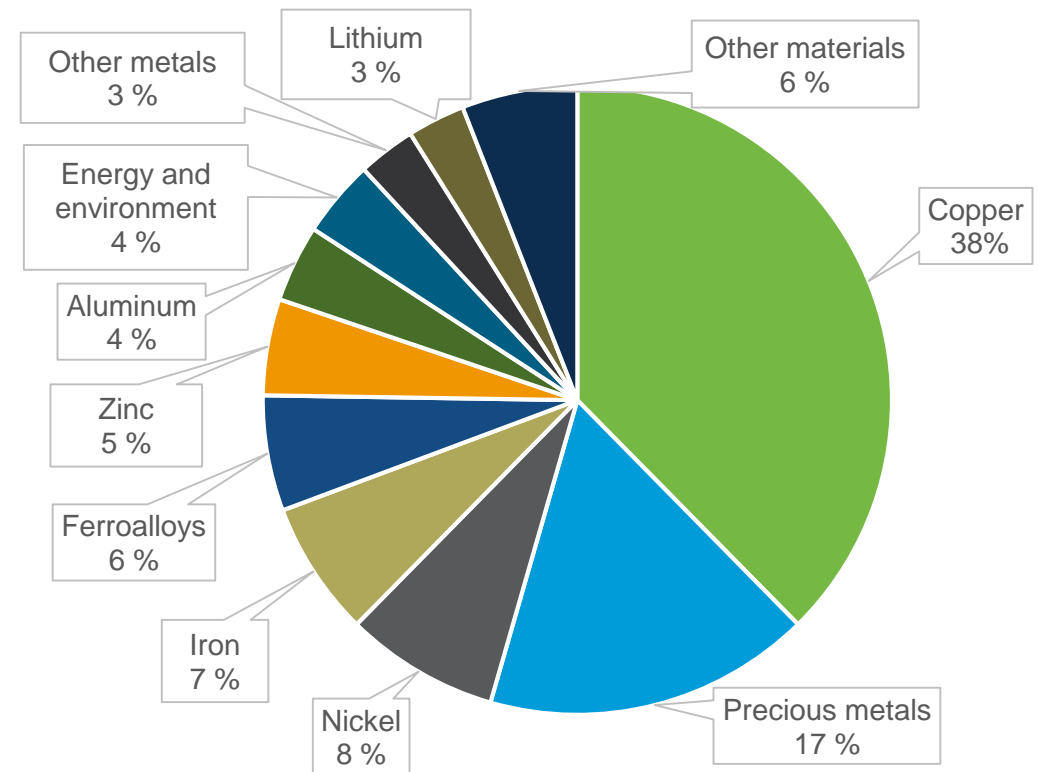
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Sales distribution by region and end product in 2019

Sales by region



Sales by end product



Full year view: Product and service offering news



Outotec® MH Series Grinding Mills

MH Series Grinding Mills offer a cost-effective and easy to operate and maintain grinding solution across the mill's lifecycle.



Outotec® Polymer HSB System

Polymer HSB system significantly improves radial and axial bearing reliability and longevity.



Outotec® Larox® PF-DS Double-side Filter

PF-DS meets the challenging process requirements in the chemical process industry, and various other applications, e.g. chemicals and battery metal slurries.



Outotec® FluxLess & Auto Lance Coupling

FluxLess Converting is an evolution to the continuous Flash Converting. Auto Lance Coupling removes the need for manual connect, improving safety, up-time and productivity.



Outotec® FP-S Filter Press

For standard filtration applications. Short delivery lead-time. Efficient solid-liquid separation for wide range of configurations. Outotec's expert technical services



Outotec Water Quality and Quantity Management

A cloud based reporting solution to improve water balance management capability. Reduces water related business risks and enables increased water recycling.



Outotec® 2nd Generation Paste Thickener

Consistent and efficient dewatering performance in changing process conditions. Thickener maximizes tailings storage facility. Safer operations and maximized lifespan.



Outotec® Modular Paste Backfill Plant

A high-quality, cost-effective plant solution for underground non-ferrous mining applications with low-range backfill throughput requirements.

Business divestments in Metals, Energy & Water

Business divestments

Aluminum

Waste-to-energy

Sludge incineration

More focused business portfolio

Enables technology leadership, profitability and better focus on core technologies in minerals processing and metals refining

Businesses to be divested treated as discontinued operations in Outotec's financial accounting

Metals, Energy & Water segment renamed Metals Refining (MR) to reflect changes in technology portfolio

Status of the ilmenite smelter project in MR

We remain confident that EUR 110 million provision booked for 2018 is adequate

- Further updates will be announced following any substantial news



2020 Key financials

*Figures for 2019 and 2018 quarters prior to Q4/2019 have been restated due to business divestments in the Metals, Energy & Water segment.
Figures for 2017 and earlier years have not been restated.*

Orders up 29%, improved project execution and higher share of service sales reflected in higher margins

EUR million	Q4 2019	Restated ⁶ Q4 2018	Change, %	Q1-Q4 2019	Restated ⁶ Q1-Q4 2018	Change, %
Order intake	323	283	14	1,501	1,166	29
Sales	336	320	5	1,210	1,198	1
Service sales ¹	146	156	-7	550	472	16
Share of services in sales, %	43	49		45	39	
Gross margin, %	29	-5		30	17	
Adjusted EBITA ²	42	-70		145	-7	
Adjusted EBITA ² , %	13	-22		12	-1	
Adjusted EBIT ^{3,4}	37	-77		122	-32	
Adjusted EBIT ^{3,4} , %	11	-24		10	-3	
- Restructuring and acquisition-related costs ⁵	-9	-3		-10	-11	
- PPA amortization	-1	-1		-4	-4	
EBIT	27	-81		107	-47	
EBIT, %	8	-25		9	-4	
Result for the period	-1	-74		27	-67	

¹ Included in the sales figures of the two reporting segments.

² Excluding all amortizations, as well as adjustment items consisting of restructuring and capacity adjustment costs, costs related to mergers and acquisitions, outcome of material intellectual rights property disputes, gains and losses on business disposals and goodwill impairments. Since the second quarter of 2019, Outotec has added adjusted EBITA to the reported numbers on the Group level to reflect the planned combination.

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

⁴ Adjusted EBIT for Q1-Q4/2018 was EUR 78.4 million (6.5%), excluding the provision for the ilmenite smelter project.

⁵ Including restructuring-related items of EUR 1.0 (-10.8) million and items related to acquisitions or business combinations of EUR -13.2 (0.3) million. The reporting period also includes the positive impact of a EUR 2.0 million reduction from an earn-out payment liability related to acquisition.

⁶ Comparison figures related to the income statement have been restated due to business divestments in the Metals, Energy & Water segment being classified as discontinued operations.

MP: All time high order intake, service sales +13% yoy, profitability impacted by inventory write-down and sales cost

Minerals Processing MEUR	Q4 2019	Q4 2018	Change, %	Q1-Q4 2019	Q1-Q4 2018	Change, %
Order intake	268	184	46	1,049	719	46
Sales	228	218	5	799	758	5
Service sales	104	110	-6	388	344	13
Adjusted EBIT*	20	29		81	84	
Adjusted EBIT*, %	9	13		10	11	

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

Figures for 2019 and 2018 quarters prior to Q4/2019 have been restated due to business divestments in the Metals, Energy & Water segment. Figures for 2017 and earlier years have not been restated.

MR: Better project execution and provision releases from project completions significantly improved profitability

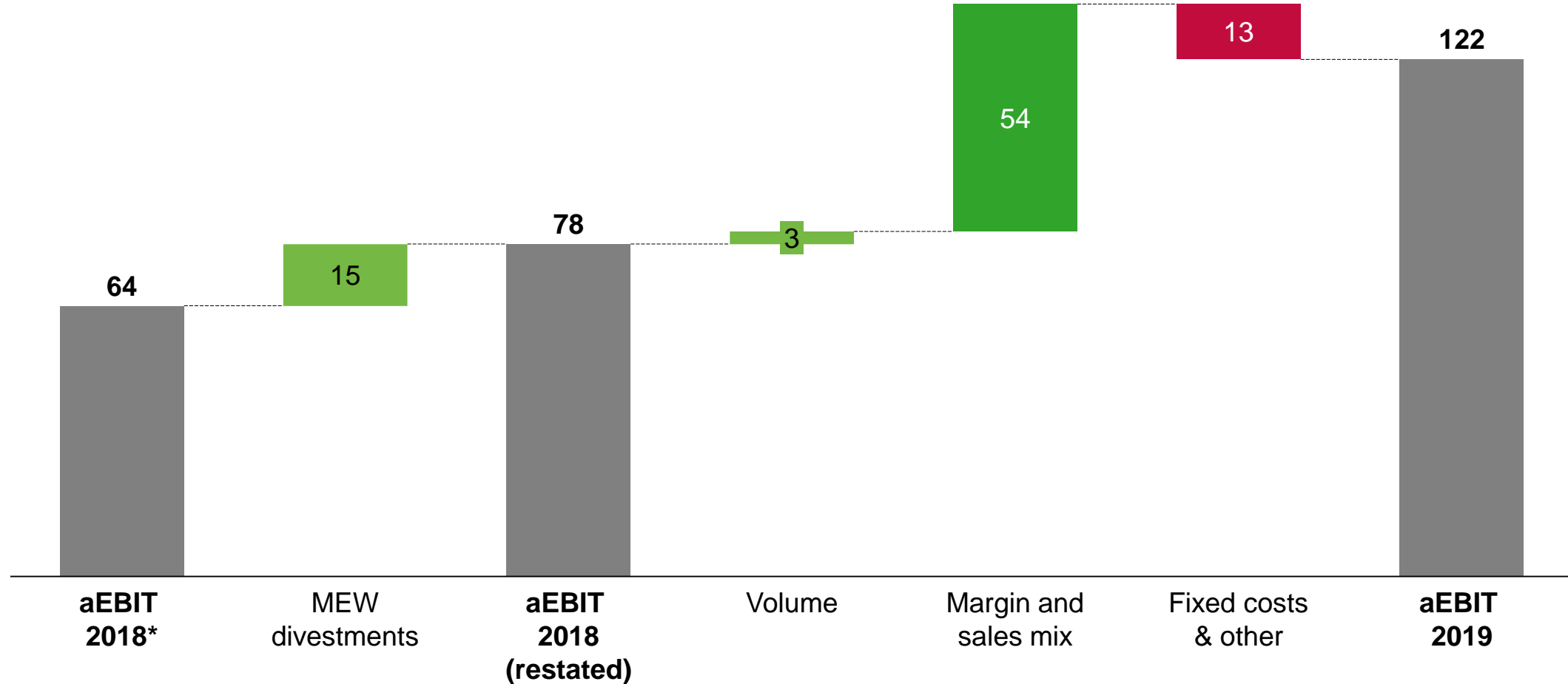
Metals Refining MEUR	Q4 2019	Restated ³ Q4 2018	Change, %	Q1-Q4 2019	Restated ³ Q1-Q4 2018	Change, %
Order intake	55	99	-45	453	447	1
Sales	108	102	6	411	440	-6
Service sales	42	46	-10	162	128	26
Adjusted EBIT ¹	19	-106		46	-110	
Adjusted EBIT ^{1 2} , %	18	-104		11	-25	

¹ Excluding restructuring and acquisition-related items as well as PPA amortizations

² Adjusted EBIT for Q1-Q4/2018 was EUR -0.4 million (-0.1%) excluding the provision for the ilmenite smelter project.

³ Comparison figures related to the income statement have been restated due to business divestments in the Metals, Energy & Water segment being classified as discontinued operations.

Improved project execution, project completions and higher share of service sales increased adjusted EBIT YoY



**excluding EUR 110 million provision for the ilmenite smelter project*

Cash flow solid due to positive development in trade rec. & payables

EUR MILLION	Q1-Q4 2019	Q1-Q4 2018
OPERATING PROFIT	107	-47
Total depreciation and amortization	48	35
EBITDA	155	-12
Total change in net working capital	-29	113
Capital Expenditure	-18	-21
Other	-50	-24
FREE CASH FLOW	59	56
Acquisitions	-9	
Net interest received and paid	-3	-1
Income tax paid	-6	-6
INTEREST AND TAXES	-9	-7
FREE CASH FLOW AFTER INTEREST AND TAXES	40	49
Change in non-current & current debt and other changes	24	-27
Repayment of lease liabilities	-14	-
Hybrid bond interest	-11	-11
NET CASH FROM FINANCING ACTIVITIES	-1	-38
NET CHANGE IN CASH AND CASH EQUIVALENTS	39	11
Foreign exchange rate effect on cash and cash equivalents	-1	-8
Cash classified as assets held for sale	-4	-
Cash and cash equivalents at December 31	267	233

Financial position remained stable

	Q1-Q4 2019	Restated ³⁾ Q1-Q4 2018
Net interest-bearing debt ^{1) 2)} , EUR million	18	-38
Gearing ^{1) 2)} , %	5	-10
Equity-to-assets ratio ^{1) 2)} , %	30	33
Return on investment ²⁾ , %, LTM	18	-6
Return on equity, %, LTM	19	-12
Net working capital at the end of the period, EUR million	-101	-123
Advances received	200	211
Equity, EUR million	379	377
Balance sheet total, EUR million	1,482	1,358

¹⁾ If the hybrid bond were treated as a liability: net interest-bearing debt would be EUR 168.0 million, gearing 73.3%, and the equity-to-assets ratio 17.9% on December 31, 2019 (December 31, 2018: EUR 111.9 million, 49.2% and 19.8% respectively).

²⁾ Excluding the impact of implementing IFRS 16 in 2019: net interest-bearing debt would be EUR -44.2 million, gearing -11.7%, equity-to-assets ratio 31.1% and return on investment (LTM) 18.9%.

³⁾ Comparison figures related to the income statement have been restated due to business divestments in the Metals, Energy & Water segment being classified as discontinued operations.

Outlook for 2020

Events after Q4

- **On January 31**, Outotec introduced a major version upgrade to Outotec® HSC Chemistry® process modeling platform, widely used in the metallurgical and chemical industry and universities for R&D, process design, and training workshops.
- **On January 30**, Outotec and Neste introduced 100% bio-based diluent as a new solution for metals extraction.
- **On January 28**, Outotec launched Outotec® Pretium Water Advisor to improve sustainability of mining operations through monitoring and optimizing mine water use .
- **On January 21**, Outotec ranked 18th on the Global 100 list of the world's most sustainable companies, marking the eighth consecutive year Outotec is included in the Global 100 list.
- **On January 8**, Outotec was awarded a Gold level recognition for its corporate responsibility practices third consecutive year and ranked in the top 5% of companies evaluated by Ecovadis.



Outlook for 2020

“ The market activity in minerals processing and metals refining is currently expected to remain at present level. Copper, gold and nickel projects are expected to continue to be the most active. The timing of large investments is uncertain.

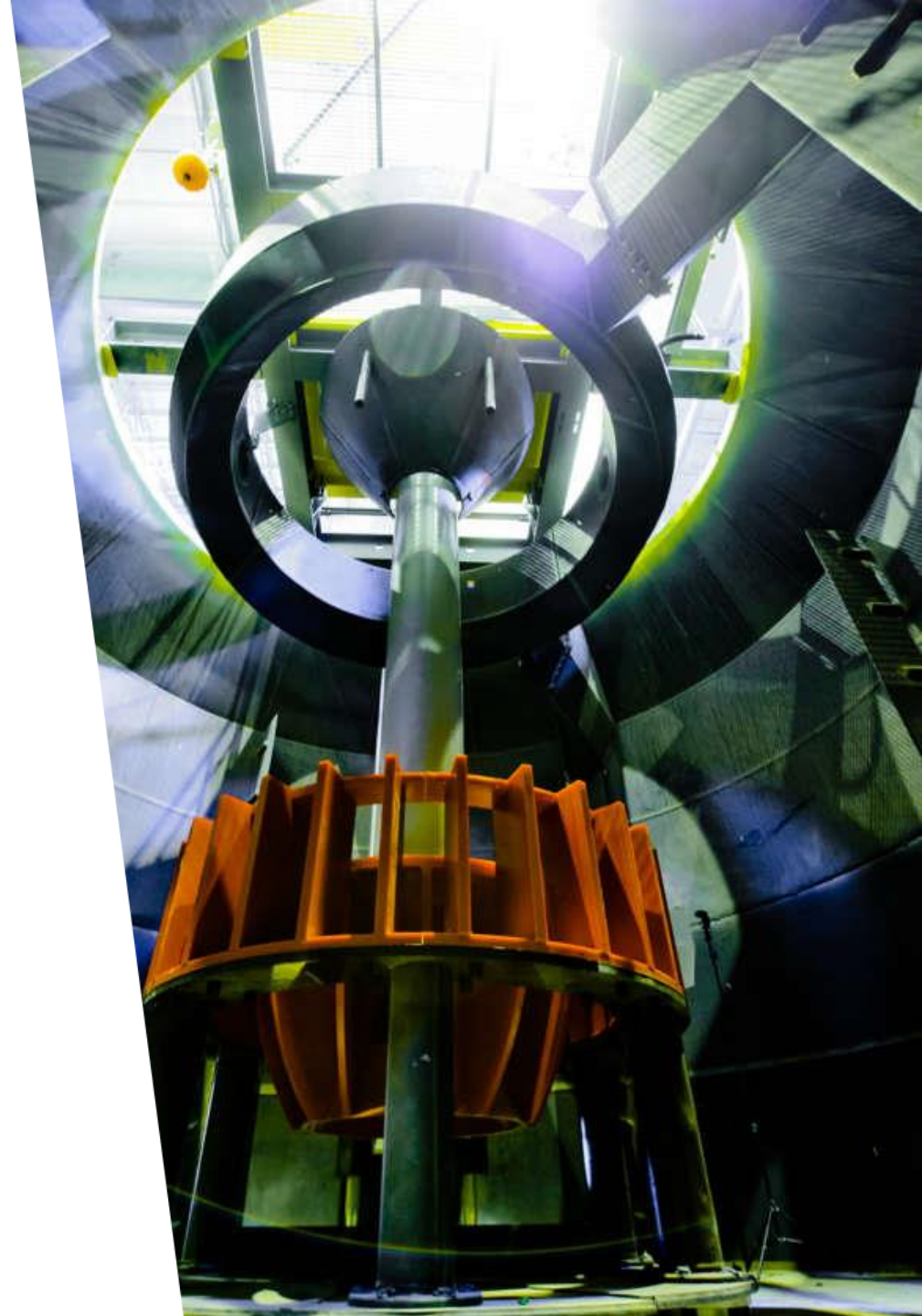
Outotec will not issue Group financial guidance for 2020, as the combination of Outotec and Metso's Minerals business is currently expected to take place on June 30, 2020. This remains subject to the receipt of all required regulatory and other approvals, including competition clearances.

”



Board of Directors Dividend Proposal to the AGM

The Board of Directors of Outotec proposes to the 2020 annual general meeting that a dividend of EUR 0.10 per share be paid from Outotec Oyj's distributable funds for December 31, 2019.



Combination of Metso Minerals and Outotec

Joint Disclaimer / Safe Harbour Statement

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Transaction to create Metso Outotec

The combination will create a leading company

in process technology equipment and services for minerals, metals and aggregates industries

Timing of the combination

Outotec and Metso have previously communicated that the completion of the combination of Outotec and Metso's Minerals business is expected to take place in the second quarter of 2020, subject to the receipt of all required regulatory and other approvals, including competition clearances.

Considering the progress of the regulatory approval process, Outotec and Metso currently expect the completion of the combination of Outotec and Metso's Minerals business to take place on June 30, 2020, subject to the receipt of all required regulatory and other approvals, including competition clearances.



Compelling combination for stakeholders



Customers

- Larger offering to deliver complete solutions
- Enhanced service focus, more feet-on-the-street
- Strong presence across verticals, geography and applications

Innovation and technology development

- Leverage combined group's technology and R&D
- Sustainability at the core of Metso Outotec's customer offering and operations

Attractive shareholder returns

- Significant revenue and cost synergies
- Larger share of service sales to bring stability
- Strong balance sheet and growth capabilities

People and governance

- Strong cultural fit, including customer focus and innovation
- Greater scale offers opportunities for industry experts
- Experienced board and management

Outotec



Sustainable use of
Earth's natural resources