



# Creating an Industry-Leading Company

**Matti Alahuhta**  
Chairman of the Board

**Outotec**

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The unaudited pro forma financial information is presented for illustrative purposes only to give effect to the demerger and the acquisition of McCloskey International Limited by Metso Minerals to Outotec’s historical financial information. As the consolidated financial statements of the combined company will be prepared as a continuation of the carve-out financial statements of Metso Minerals following to the demerger, the unaudited pro forma financial information has been prepared on a basis consistent with the IFRS accounting principles applied by the Metso Minerals in its carve-out financial statements. For more information on the unaudited pro forma financial information, see section “Unaudited Pro Forma Financial Information” in the demerger and listing prospectus.

This presentation includes certain combined financial information presented for illustrative purposes. The figures presented in this presentation are as and for the year ended December 31, 2018, unless otherwise indicated. The illustrative combined financial information of Metso Outotec are presented assuming the activities were included in the same group from the beginning of each period. The illustrative combined financial information presented herein is based on a hypothetical situation and should not be viewed as pro forma financial information.

This presentation contains financial information regarding the businesses and assets of Metso and Outotec and their consolidated subsidiaries. Such financial information may not have been audited, reviewed or verified by any independent accounting firm. Certain financial data included in this presentation consists of “alternative performance measures.” These alternative performance measures, as defined by Metso and Outotec, may not be comparable to similarly-titled measures as presented by other companies, nor should they be considered as an alternative to the historical financial results or other indicators of Metso and Outotec cash flows based on IFRS. Even though the alternative performance measures are used by the management of Metso and Outotec to assess the financial situation, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of Metso’s or Outotec’s financial position or results of operations as reported under IFRS.

This presentation includes estimates relating to the cost and revenue synergy benefits expected to arise from the demerger as well as the related integration costs (which are forward-looking statements), which have been prepared by Metso and Outotec and are based on a number of assumptions and judgments. Such estimates present the expected future impact of the demerger on the combined company’s business, financial condition and results of operations. The assumptions relating to the estimated cost and revenue synergy benefits and related integration costs are inherently uncertain and are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause the actual cost and revenue synergy benefits from the demerger, if any, and related integration costs to differ materially from the estimates in this presentation. Further, there can be no certainty that the demerger will be completed in the manner and timeframe described in this presentation, or at all.

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# Background of the transaction

- Mutual aspiration
- Metso Minerals and Outotec are highly complementary
- Compelling possibilities for faster-than-market growth
- Joint product portfolio provides resilience against cycles
- Significant cost and revenue synergies
- Forerunner in sustainability

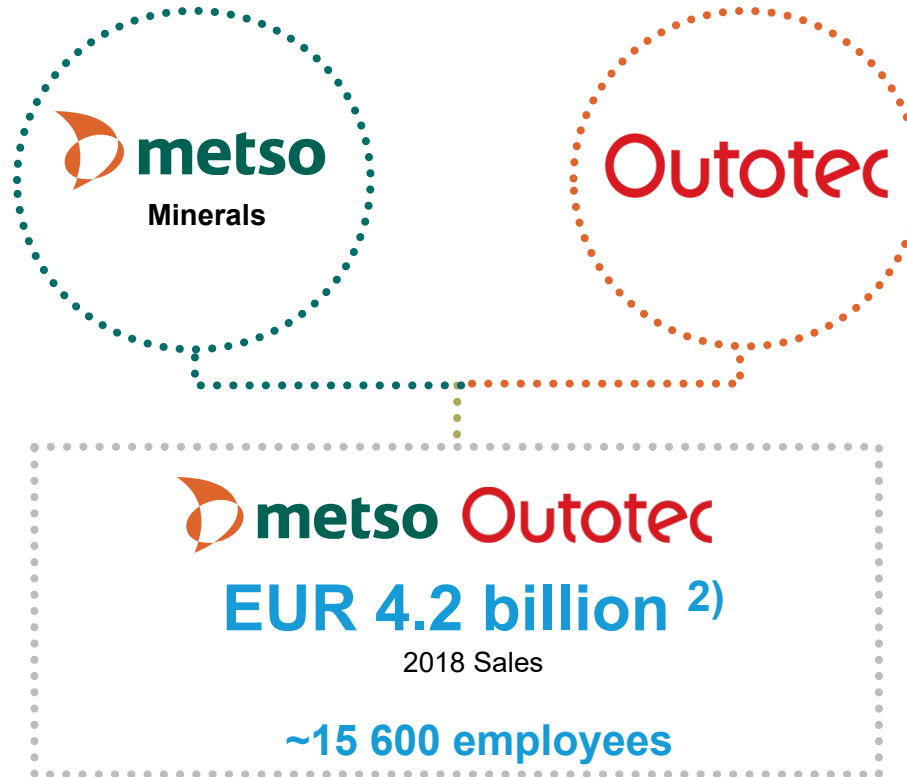




# Creating a leading company...

... in process technology, equipment and services

**EUR 2.9 billion<sup>1)</sup>**  
2018 Sales



**EUR 1.3 billion**  
2018 Sales

1) 2018 carve-out sales including EUR 302 million of McCloskey's estimated sales in the calendar year 2018.

2) Metso Outotec's pro forma sales in 2018 taking into account the demerger and the impact of the McCloskey acquisition.

# Combination of highly complementary companies and significant synergies



Strengths in different parts of the value chain



Complementary product portfolios



Outotec has strong technology expertise,  
Metso has strong global service footprint

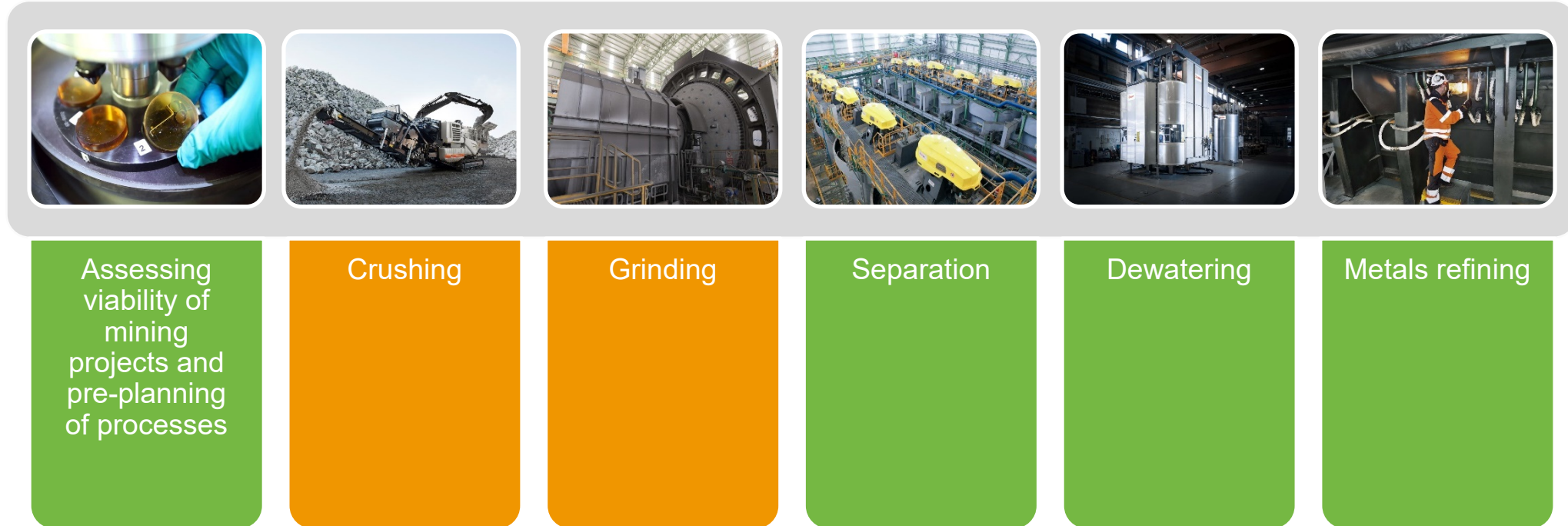


Strengths of the companies are in different geographical areas



Significant cost and revenue synergies

# Extensive offering for aggregates, minerals and metals processing industries



Outotec strengths



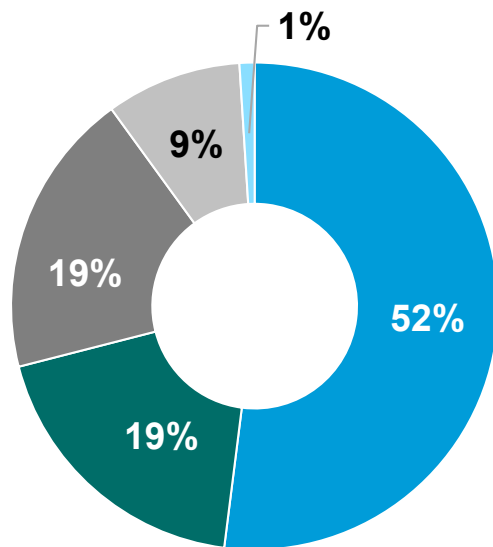
Metso strengths

# Breadth across business units, geographical areas and materials to provide enhanced performance



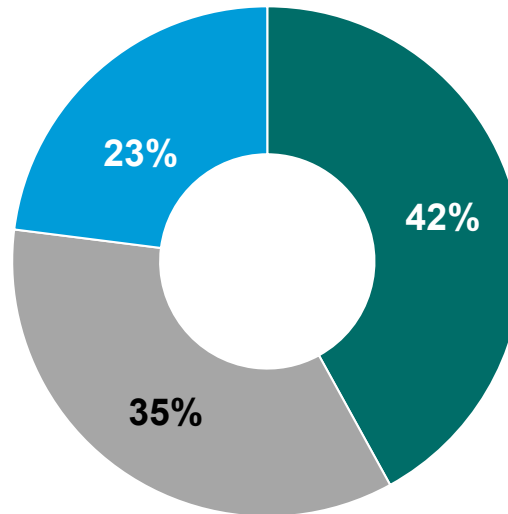
## Business units <sup>1)</sup>

- Services
- Aggregates
- Minerals processing
- Metals, Energy & Water
- Recycling



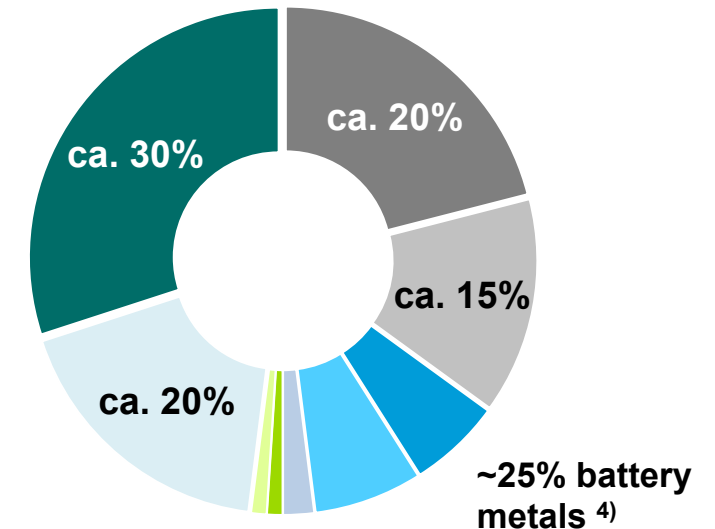
## Geographical areas <sup>2)</sup>

- EMEA
- Americas
- APAC



## Materials <sup>3)</sup>

- Copper
- Industrial minerals
- Aluminum
- Lithium
- Rock material
- Ferrous metals
- Precious metals
- Nickel
- Other



1) Illustrative combined share of sales in the year ended December 31, 2018. Based on the combined sales of Outotec and Metso's Minerals segment and taking into account McCloskey's estimated sales in the calendar year 2018.

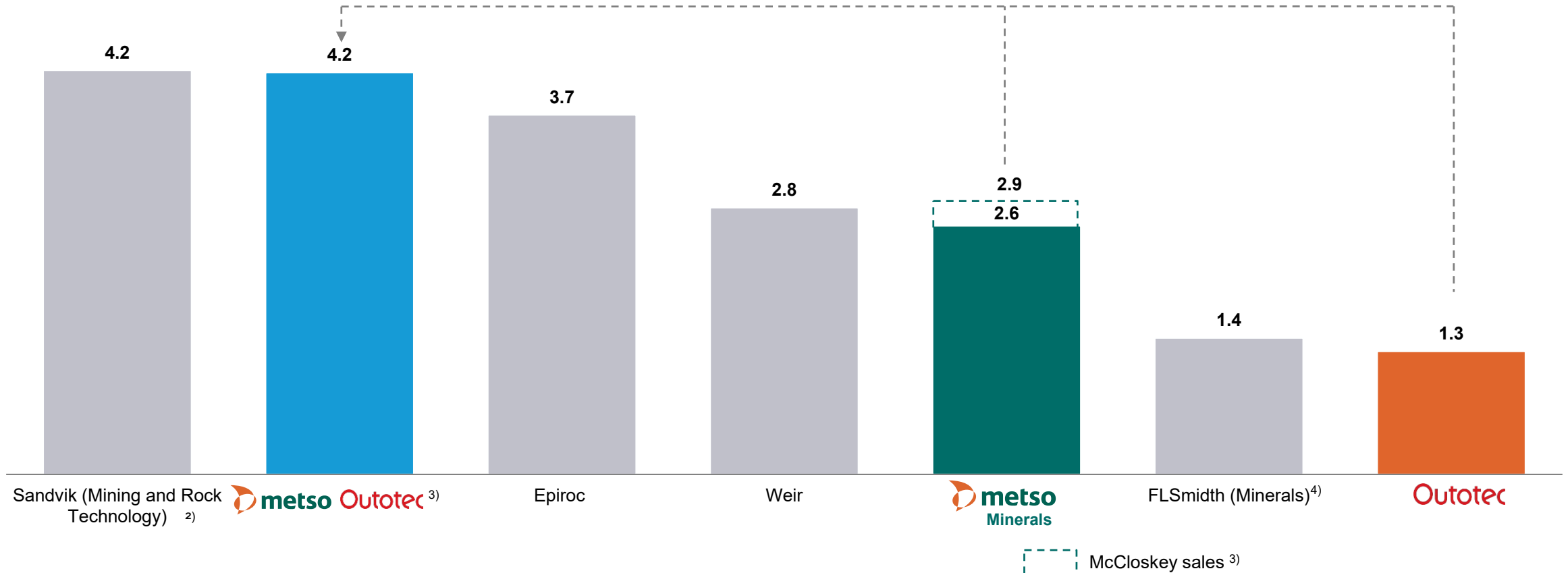
2) Illustrative combined share of sales in the year ended December 31, 2018 is calculated by combining Outotec's and Metso's Minerals segment's sales by geographical areas and taking into account McCloskey's estimated sales in the calendar year 2018.

3) Illustrative division of sales by materials of Metso's Minerals segment and Outotec in the year ended December 31, 2018 and taking into account McCloskey's estimated sales in the calendar year 2018.

4) Copper, nickel, lithium, cobalt, tungsten

# Metso Outotec would be one of the biggest companies in its industry

Key industry participants by 2018 annual sales (EUR billion) <sup>1)</sup>



Source: Company materials

1. Financials converted to EUR using 2018 calendar year average FX rates: EUR/DKK 7.4533; EUR/SEK 10.2596; EUR/GBP 0.8847; EUR/CAD 1.5297

2. Represents Sandvik's Mining and Rock Technology segment sales. Corresponds to 43% of 2018 group sales, as per 2018 Annual Report

3. Including EUR 302 million of McCloskey's estimated sales in the calendar year 2018

4. Represents 56% of 2018 group sales, as per split between Minerals (56%) and Cement (44%) in the 2018 Annual Report



# Proposed Metso Outotec Board composition



**Mikael Lilius**  
Chairman



**Matti Alahuhta**  
Vice Chairman



**Christer  
Gardell**



**Antti  
Mäkinen**



**Kari  
Stadigh**



**Arja  
Talma**



To be appointed at  
Metso's AGM 2020



**Klaus  
Cawén**



**Hanne  
de Mora**



**Ian W.  
Pearce**

Current Metso Board member

Current Outotec Board member

# Metso Outotec management

**Pekka Vauramo**  
President & CEO



Born: 1957  
Education: M. Sc.  
(Tech.) Mining  
Engineering

**Work experience:**  
President and CEO,  
Metso, 2018–  
President and CEO,  
Finnair, 2013–18  
Several leading  
positions at Cargotec  
and Sandvik,  
1995–2013

**Markku Teräsvasara**  
Deputy CEO



Born: 1965  
Education: B.Sc. Civil  
engineering

**Work experience:**  
President and CEO,  
Outotec, 2016–  
Several leading  
positions at Atlas  
Copco, 1997–2016

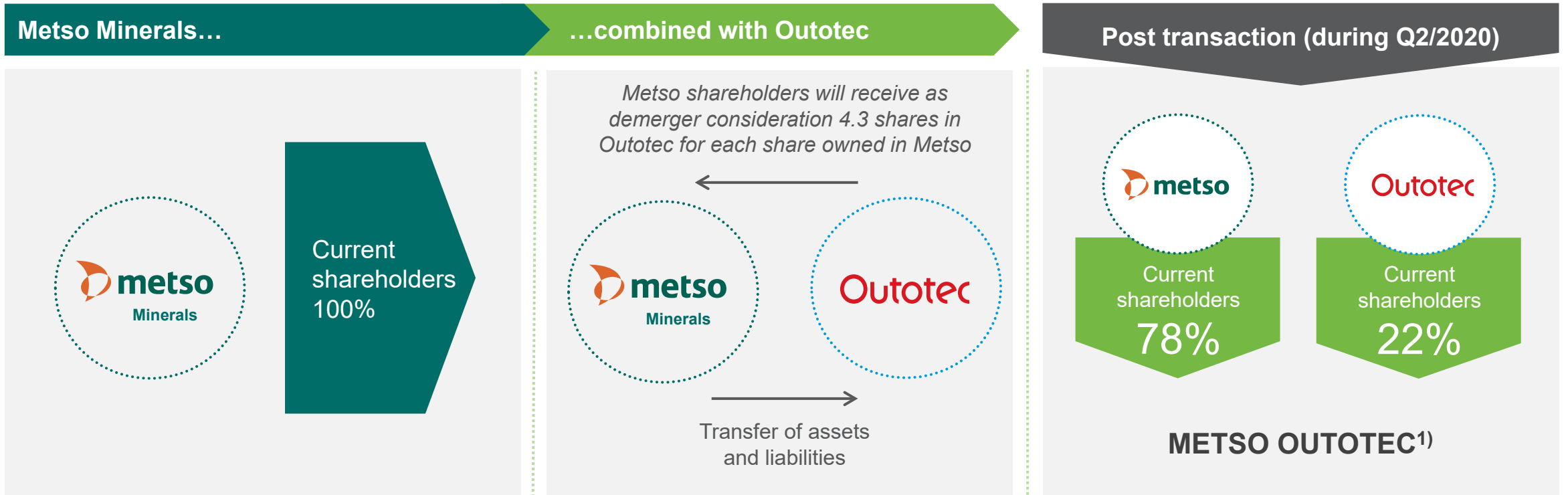
**Eeva Sipilä**  
CFO



Born: 1973  
Education: M.Sc.  
(Econ.)

**Work experience:**  
CFO, Metso, 2016–  
CFO, Cargotec,  
2008–2016

# Execution of the transaction



- Unanimously recommended by the boards of both Metso and Outotec
- Irrevocable undertakings from largest shareholders to vote in favor of the transaction

1) The ownership has been calculated assuming that none of Metso's shareholders demand that their demerger consideration be redeemed.

# Metso Outotec ownership after the completion of the combination

Shareholder	Percent of shares and votes
Solidium Oy	14.9
Cevian Capital Partners Ltd	10.8
Ilmarinen	3.0
Varma	3.0
Keva	1.2
Total five largest shareholders	32.9
Other shareholders	67.1
<b>Total</b>	<b>100.0</b>
Current shareholders of Outotec	22.0
Current shareholders of Metso	78.0

## Bases and assumptions

- Post-combination shareholder base based on Outotec's and Metso's shareholder registers as at September 30, 2019 maintained by Euroclear Finland (excluding treasury shares)
- Exchange ratio according to the demerger plan is 4.3 Outotec shares for each Metso share



# Why Metso Outotec?

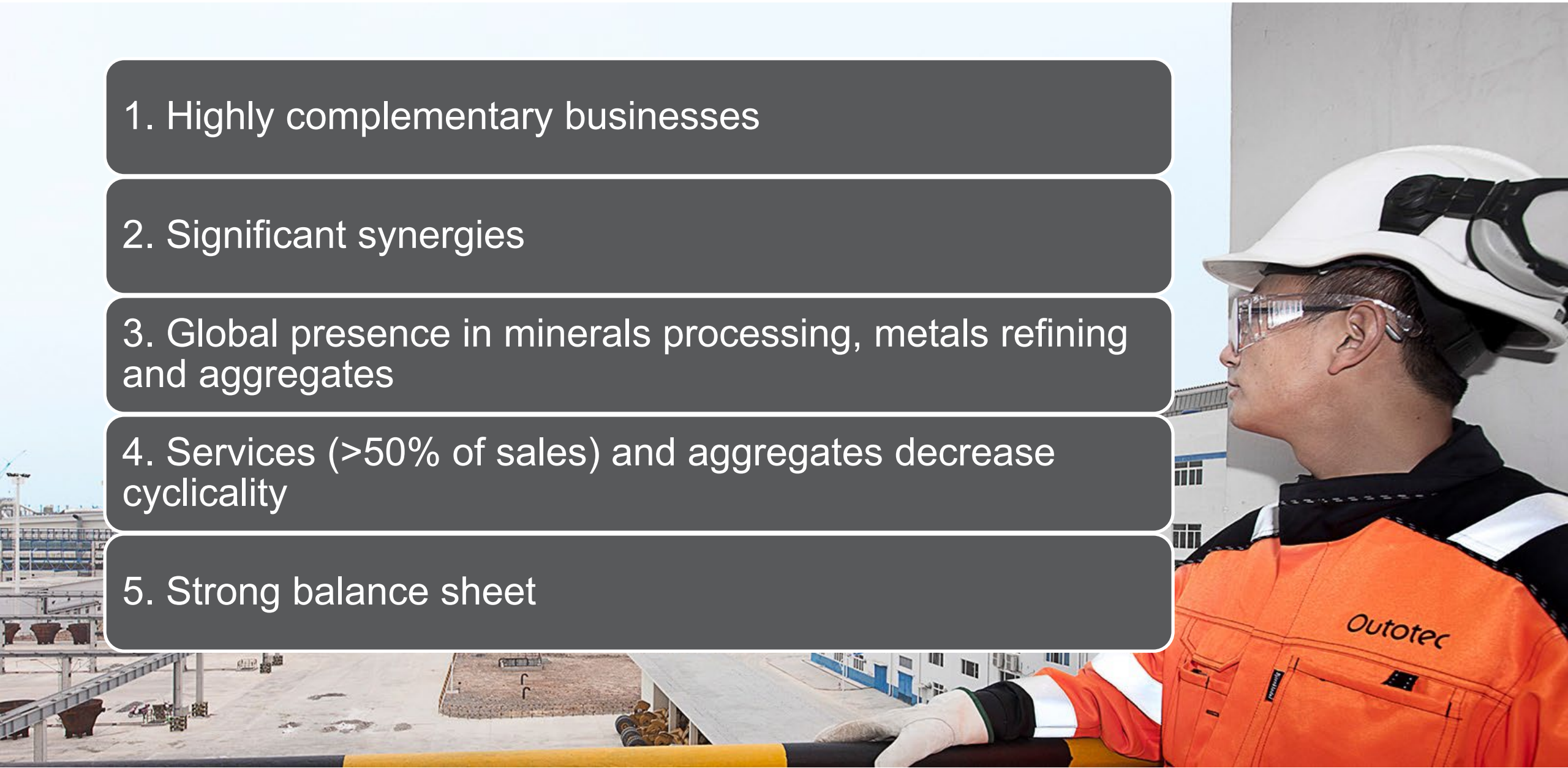
1. Highly complementary businesses

2. Significant synergies

3. Global presence in minerals processing, metals refining and aggregates

4. Services (>50% of sales) and aggregates decrease cyclicality

5. Strong balance sheet







# Creating an Industry-Leading Company

Markku Teräsvasara  
President & CEO

Outotec

# Metso Outotec in brief

Aggregates **29 %**  
Of sales<sup>1)</sup>

Mining **55 %**  
Of sales<sup>1)</sup>

Metals,  
energy,  
water,  
recycling **16 %**  
Of sales<sup>1)</sup>

Orders received <sup>2)</sup>  
EUR 4,123 million

Sales <sup>3)</sup>  
EUR 4,159 million

Adjusted EBITA  
6.7% (9.4%<sup>4)</sup>)



~15,600  
Employees



~50  
Countries



52 %  
Service sales <sup>5)</sup>

- 1) Illustrative combined business units information is calculated by combining Metso's Minerals segment's 2018 sales, including the estimated 2018 sales of McCloskey, and Outotec's 2018 sales.
- 2) Illustrative combined received orders of Metso Outotec is calculated by combining Metso Minerals business' 2018 carve-out figures and Outotec's 2018 figures.
- 3) Metso Outotec 2018 pro forma sales.
- 4) Metso Outotec 2018 pro forma adjusted EBITA from which the profit and loss effects of the provision related to the ilmenite smelter project have been eliminated.
- 5) Illustrative combined share of sales is calculated by combining Metso's Minerals segment's and Outotec's 2018 figures and it has been adjusted by the estimated service sales of McCloskey.

# Metso Outotec relevant pro forma figures

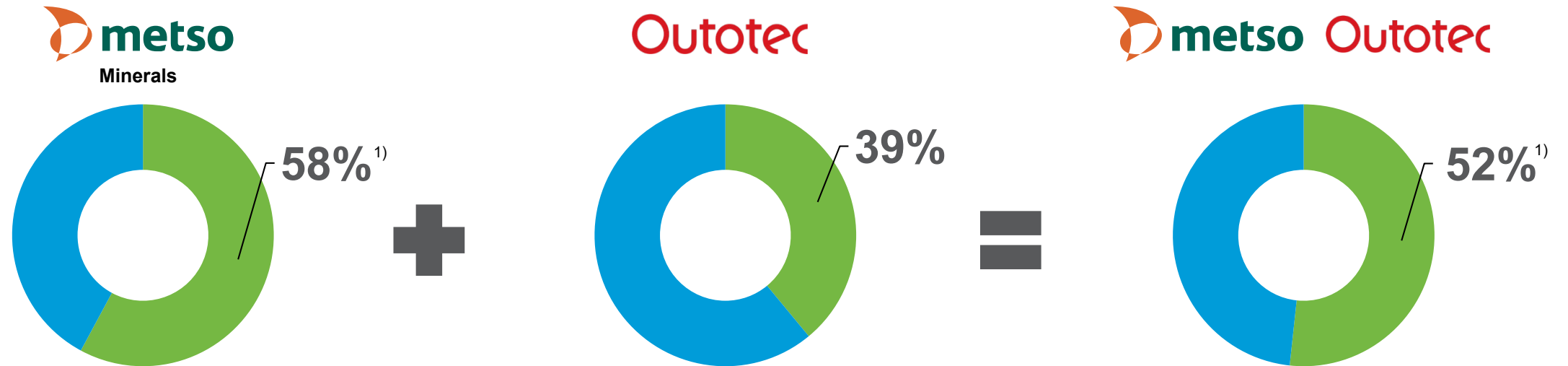
MEUR	2018	H1 2019
Sales	4,159	2,155
Adjusted EBITA	279	229
Adjusted EBITA, % of sales	6.7 (9.4 <sup>1)</sup> )	10.6
Result for the period	14	122
EPS	0.02	0.15
No of shares, qty		827,177,386 <sup>2)</sup>
Debt-to-equity ratio, %		48.8
Gearing, %		38.0
<b>Balance sheet total</b>		<b>5,631</b>

**Note:** Definitions of key figures can be found on page 78 of Metso Outotec Prospectus.

1) Metso Outotec 2018 pro forma adjusted EBITA from which the profit and loss effects of the provision related to the ilmenite smelter project have been eliminated.

2) Metso Outotec's expected amount of outstanding shares after the completion of the demerger assuming that none of Metso's shareholders demand that their demerger consideration be redeemed.

# Strong service business provides resilience against cycles



## Key combination benefits for service business

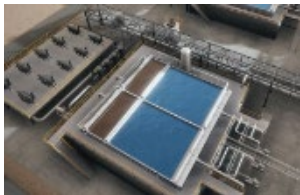
- Complementary footprint of service centers
- Potential for cross-selling through combined installed base
- Significant service sales upside

1) Illustrative combined share of sales is calculated by combining Metso's Minerals segment's and Outotec's 2018 figures and it has been adjusted by the estimated service sales of McCloskey.

# Forerunner in technology and R&D



**Resource efficiency**



**Energy and water efficiency**



**Digitalization to drive productivity**



**Climate change**



**New uses e.g. EV, battery raw materials**

## Metso Outotec capabilities

- Approximately EUR 100 million R&D expenditures (2018)<sup>1)</sup>
- Strong patent portfolio
- Decades of process and minerals know-how
- Unique R&D centers
- In-house pilot plants

1) Metso Outotec pro forma figure as at December 31, 2018 in which digital costs of Metso Minerals business have been added.



# Sustainability at the core of operations in both companies



Responsible supply chain

Sustainability targets in R&D projects

Outotec included in the Global 100 index of most sustainable companies in the world seven consecutive years

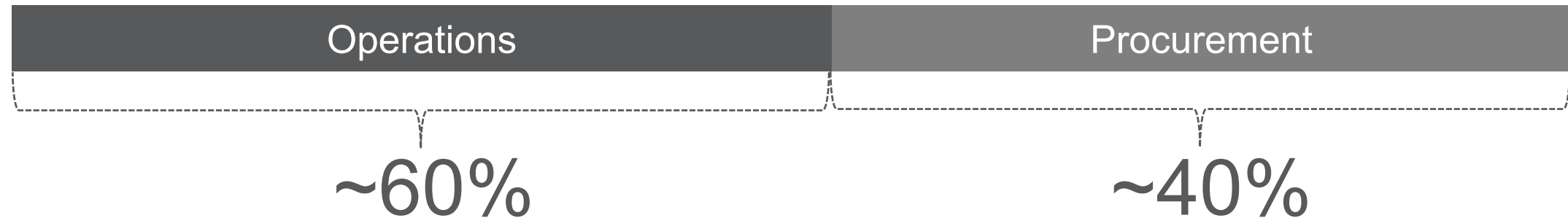
Environmental efficiency

HSE targets



# Combination with significant synergy benefits

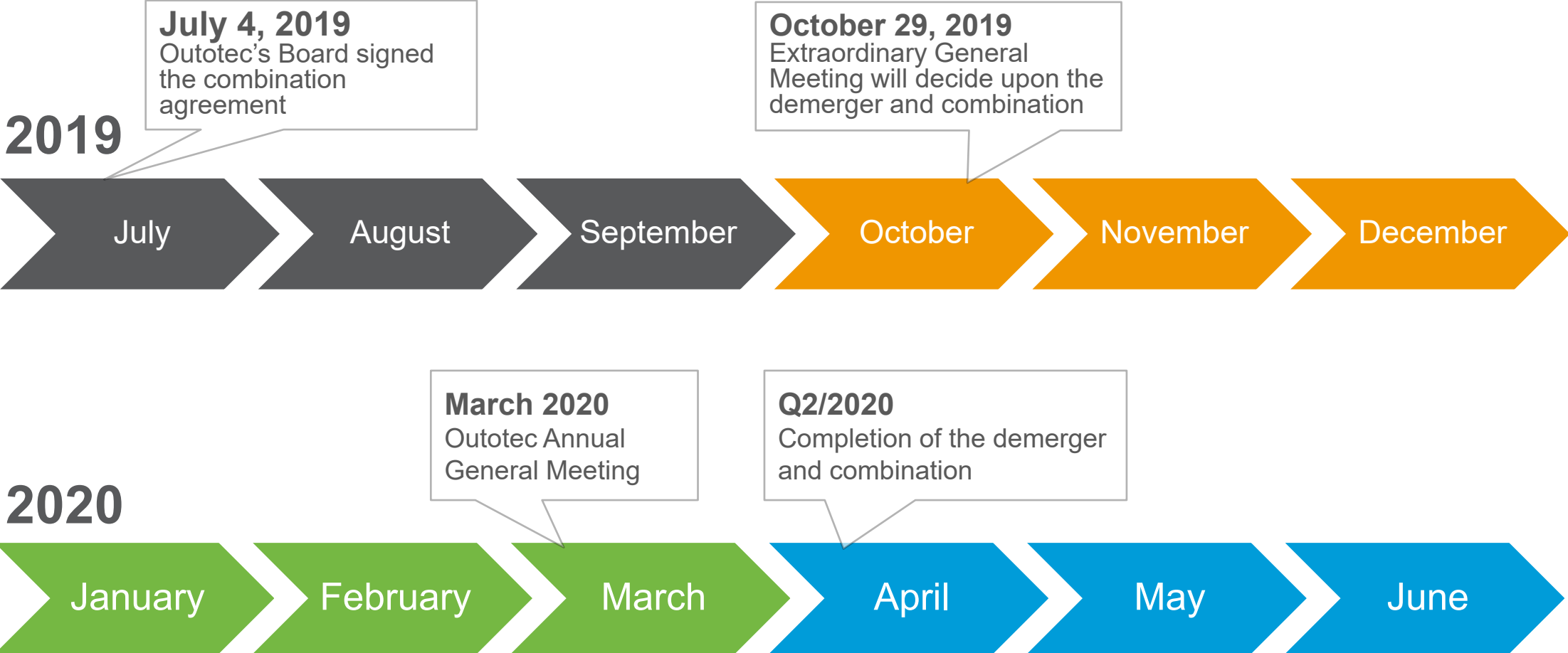
At least EUR 100 million run-rate annual cost synergies



At least EUR 150 million run-rate annual revenue synergies



# Transaction timeline – important dates



# January-September Interim Report in brief

# Highlights from the reporting period



Order intake

**EUR 1,203 (952) million, +26%**



Sales

**EUR 904 (939) million, -4%**



Adjusted EBIT

**EUR 52 (33) million, +58%**



EPS

**EUR 0,12 (0,00)**

Comparison period Jan-Sep 2018 in parenthesis



# Financial guidance for 2019 reiterated

“ *Based on the current market outlook, we expect sales to increase, and adjusted EBIT\* to increase significantly from the 2018 adjusted EBIT (EUR 63.8 million), excluding provision for the ilmenite smelter project.* ”

*\* Excluding restructuring- and acquisition-related items as well as PPA amortizations*



# Summary

# Compelling combination for stakeholders

A man in a blue shirt and a woman in a red scarf are looking out a window, smiling. They are standing behind a white railing. The background shows a modern office interior with a green wall and a window.

## 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