

November 11, 2020

Capital Markets Day 2020



Metso:Outotec

Forward looking statements

It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding expectations for general economic development and the market situation, expectations for customer industry profitability and investment willingness, expectations for company growth, development and profitability and the realization of synergy benefits and cost savings, and statements preceded by "expects", "estimates", "forecasts" or similar expressions, are forward looking statements. These statements are based on current decisions and plans and currently known factors. They involve risks and uncertainties which may cause the actual results to materially differ from the results currently expected by the company.

Such factors include, but are not limited to:

- 1) general economic conditions, including fluctuations in exchange rates and interest levels which influence the operating environment and profitability of customers and thereby the orders received by the company and their margins
- 2) the competitive situation, especially significant technological solutions developed by competitors
- 3) the company's own operating conditions, such as the success of production, product development and project management and their continuous development and improvement
- 4) the success of pending and future acquisitions and restructuring.

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Financial priorities and targets

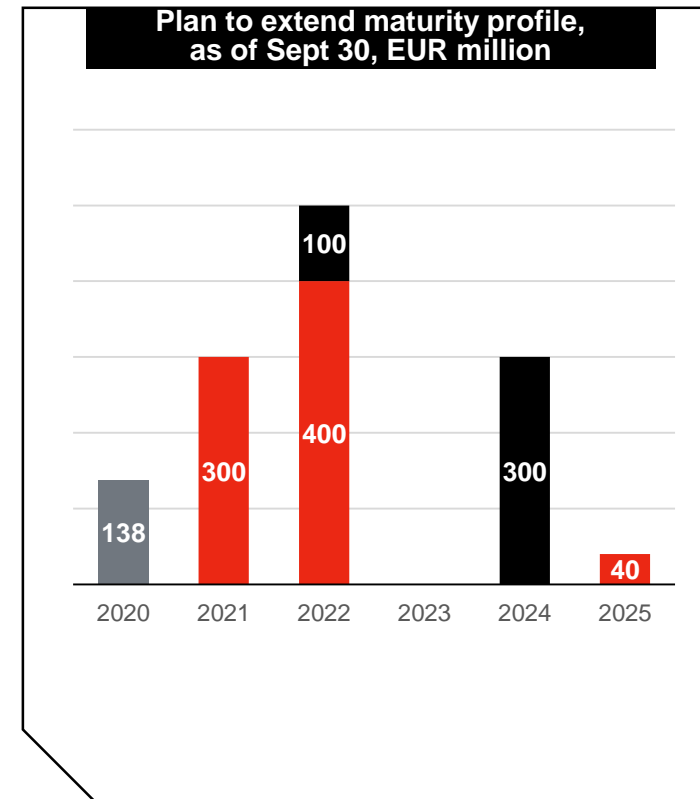
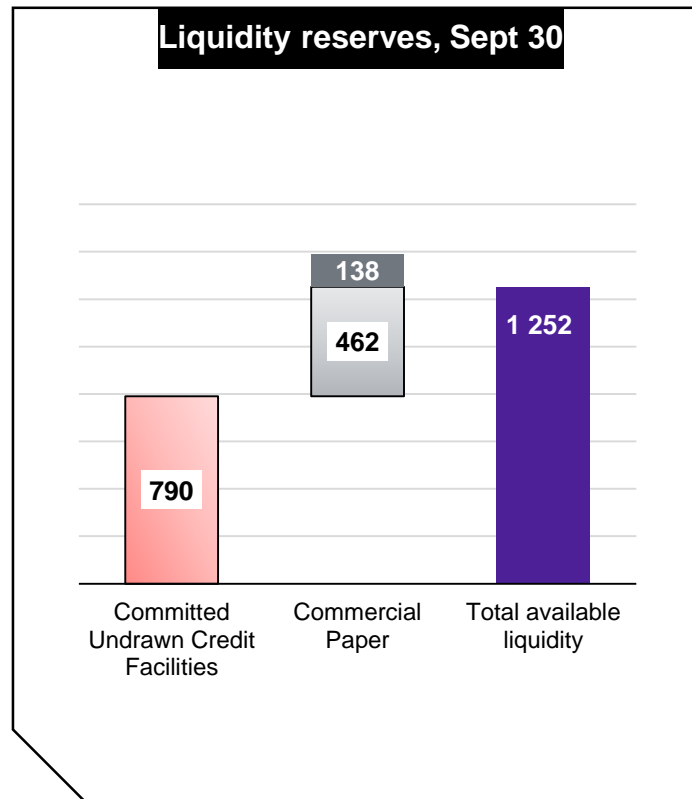
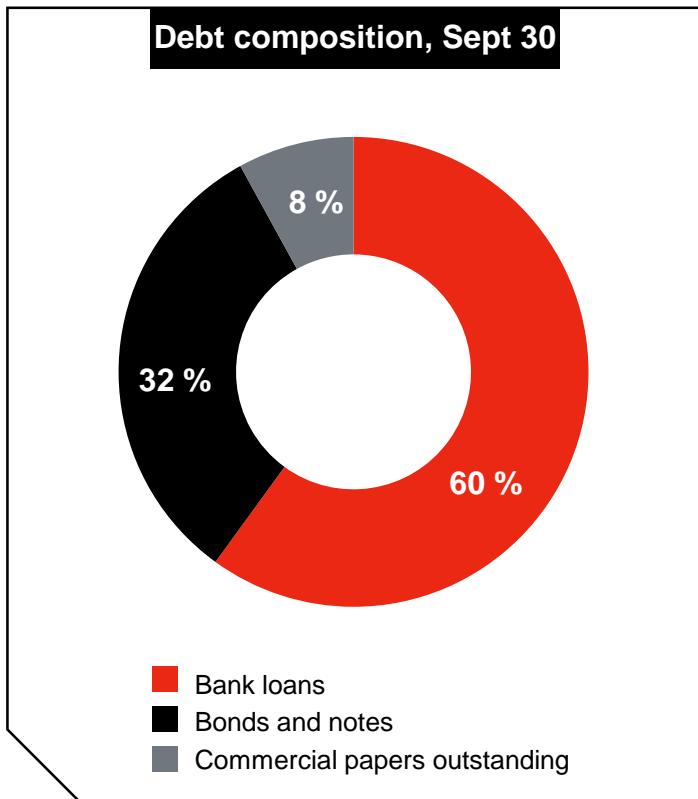
Eeva Sipilä, CFO



Metso:Outotec

First finance priority has been on liquidity and cost savings

Focus will move to debt reduction and lengthening maturities



Balance sheet key figures on September 30, 2020, IFRS

Liquid funds EUR 477m	Net debt EUR 943m	Gearing 47%	Equity-to-assets ratio 39%	Debt-to-capital ratio 39%
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We are on track in delivering the integration synergies

Synergies at announcement of transaction (July 4, 2019):

- EUR 100 million cost synergies
- EUR 150 million revenue synergies
- In three years

Synergies confirmed after merger (August 4, 2020):

- EUR 120 million cost synergies by end of 2021
- EUR 50 million run-rate by end of 2020
- EUR 150 million revenue synergies by end of 2022

Current update at Q3/2020:

- EUR 31 million run-rate in cost synergies achieved
- EUR 50 million run-rate to be delivered by end of 2020

Business specific profitability improvement actions continue

Earlier initiated actions continue uninterrupted in Minerals and Aggregates, Metals restructuring and turnaround actions under planning



Supply footprint

- Ensuring scale and competitiveness
- Focusing on reducing internal logistics and complexity
- Improving lead times to reduce working capital



Customer centricity

- Improving on-time delivery
- Ensuring availability and reliability



R&D

- Ensuring consistent roadmap and gate structure
- Focusing on productization, serviceability and sustainability

Strategy execution will result in measurable financial improvement

Financial targets

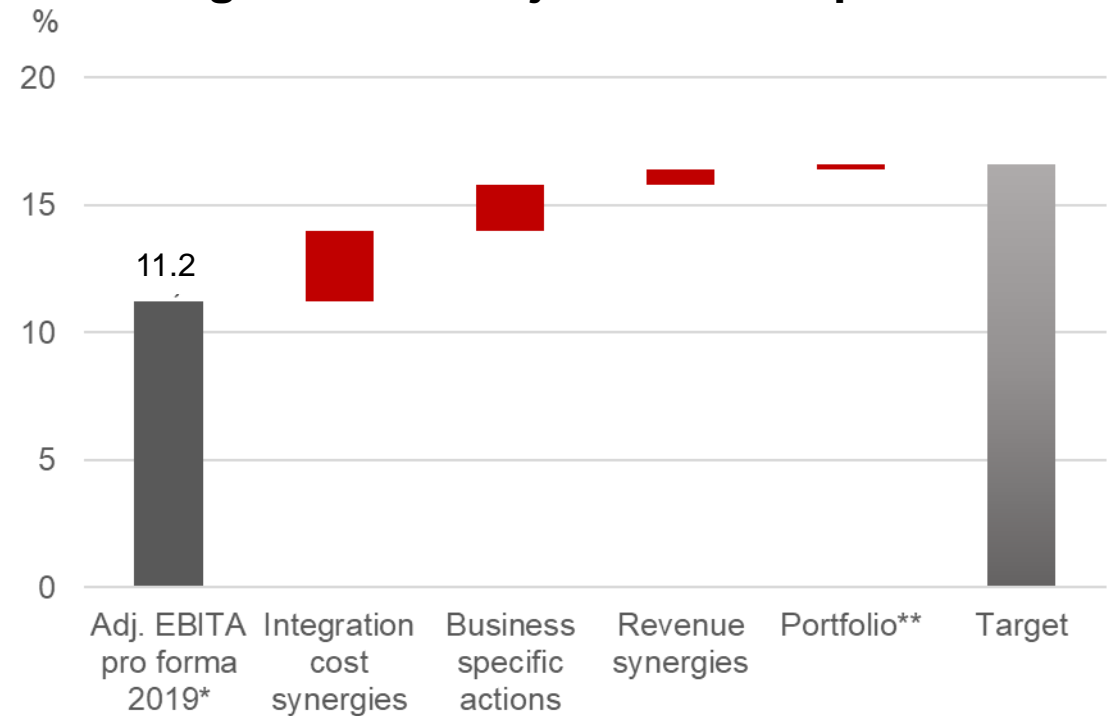
Adjusted EBITA >15% over the cycle

Maintaining an 'investment-grade' credit rating

Dividend pay-out of at least 50% of earnings per share

Progress in sustainability in alignment with the 1.5 °C commitment

Building blocks of adj. EBITA % improvement



* Pro forma as published for continuing operations

** Recycling divestment considered, Metals turnaround tbc (work-in-progress)

Investment grade rating encompasses improved margins, cash flow generation and strong balance sheet



Profitability and margin improvement over the cycle



Net working capital efficiency



Period of heavy footprint development with higher growth capex coming to end



Main KPIs to measure progress

- Liquidity
- Debt / EBITDA
- Free cash flow / debt

Portfolio evaluation based on addressable market, ability to win, profitability and synergies



Addressable Market

Projected **greenfield and brownfield spending** in medium and long-term

Expected business mix (region, type, technology, size)

x

M:O Ability to win

Trend in relative M:O competitiveness and ability to capture or maintain market share in the next 10 years

x

Fundamental Future Profitability

Gross Margin expected
Fixed costs associated

Additional considerations

Synergies across businesses

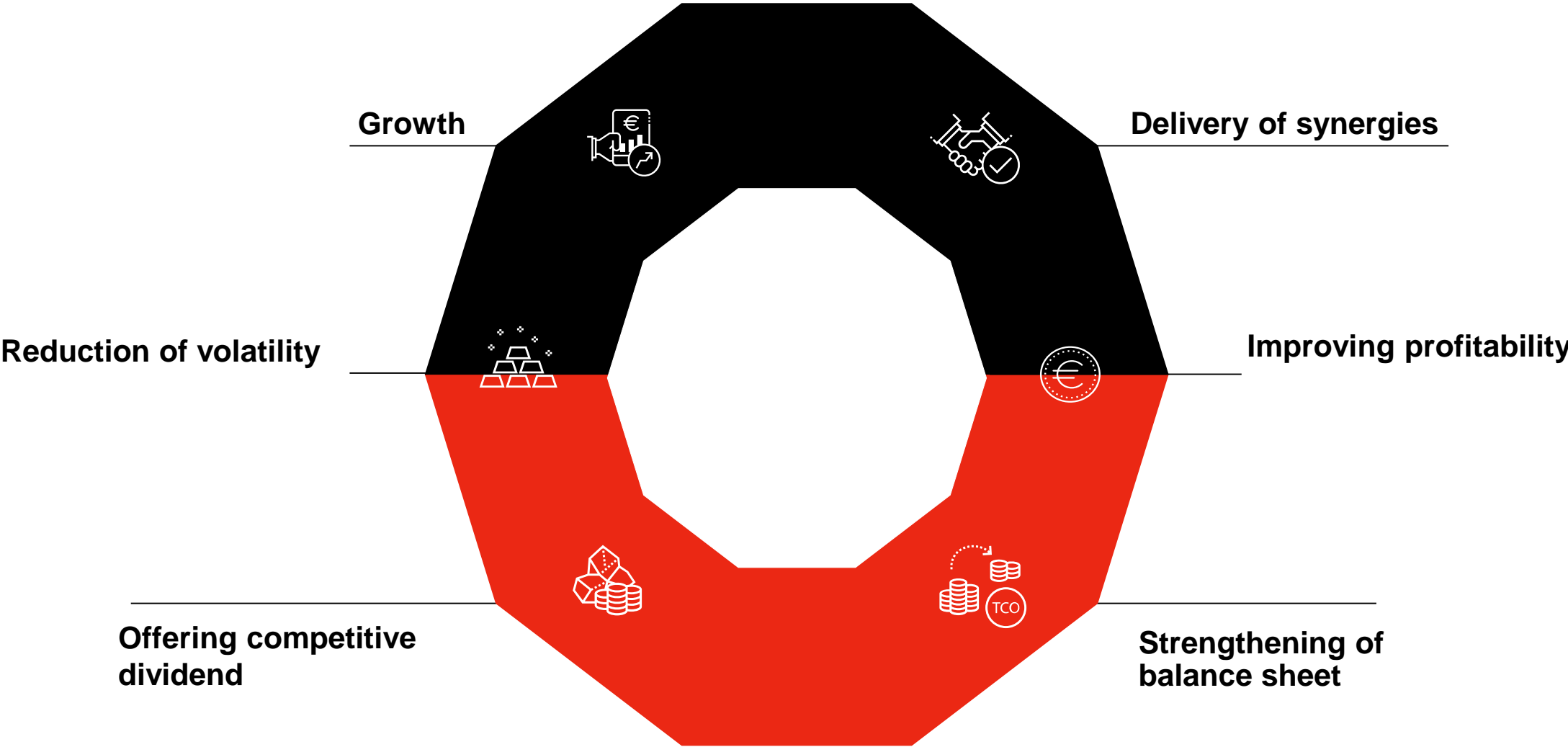
Interdependencies with other businesses

Degree of resource sharing

Customer value of broad offering

Divestment considerations

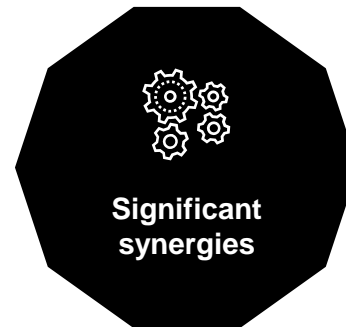
We will deliver shareholder value through various means

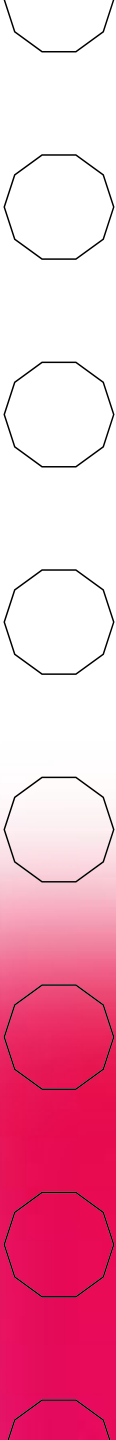


Metso Outotec investment highlights



We have created a stronger platform in an industry that is transforming through consolidation, digitalization and an increased focus on sustainability





Partner for positive change



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