



# Interim Report

January - September 2020

**Metso:Outotec**



## Metso Outotec Interim Report January 1 – September 30, 2020

The demerger of Metso Corporation and the combination of Metso's Minerals business and Outotec was completed on June 30, 2020. In the transaction, the legal acquirer Outotec issued new shares to Metso shareholders and received all assets, rights, debts and liabilities related to Metso's Minerals business.

This transaction is treated in IFRS reporting as a reverse acquisition, where Metso Minerals is the accounting acquirer and Outotec the accounting acquiree. The historical IFRS-based information for 2019 and January-June 2020 includes only Metso Minerals carve-out information.

In this interim report, the segment reporting is based on the new Metso Outotec organization, consisting of the Minerals, Aggregates, and Metals & Recycling segments.

Metso Outotec has prepared both illustrative and IFRS-based historical quarterly segment information for 2019 and January - June 2020. The illustrative historical segment information is presented as a combination of Metso Minerals carve-out information and Outotec information, according to the Metso Outotec segment structure. The Outotec information is based on Outotec's historical accounting principles, and Outotec's Minerals Processing segment is included in Metso Outotec's Minerals segment and Outotec's Metals Refining segment is included in Metso Outotec's Metals & Recycling segment.

Figures in brackets refer to the corresponding period in 2019, unless otherwise stated.

### Third-quarter 2020 in brief, IFRS (comparison period illustrative combined)

- Orders received EUR 836 million (EUR 1,169 million)
- Sales EUR 985 million (EUR 1,073 million)
- Adjusted EBITA EUR 109 million, or 11.1% of sales (EUR 153 million or 14.3%)
- EBIT EUR 47 million, or 4.8% of sales (EUR 126 million or 11.7%)
- Earnings per share EUR 0.03
- EUR 31 million annual run rate of the integration cost synergies realized

### January-September 2020, IFRS and illustrative combined

- Orders received EUR 2,926 million (EUR 3,428 million)
- Sales EUR 3,011 million (EUR 3,054 million)
- Adjusted EBITA EUR 344 million, or 11.4% (EUR 378 million or 12.4%)
- EBIT EUR 206 million, or 6.9% of sales (EUR 327 million or 10.7%)
- Earnings per share EUR 0.15
- Cash flow from operations EUR 410 million (IFRS)
- Net debt EUR 943 million (IFRS)
- Gearing 47% (IFRS)

## President and CEO Pekka Vauramo:



July 1 marked Day 1 for the new Metso Outotec, and we have since proceeded quickly with the integration and realization of the first synergies. By the end of September, we had made a large majority of the nominations to the new organization, and the organizational restructuring was completed in many countries. This work has resulted in a significant amount of headcount reductions, which are unfortunate but unavoidable due to the combination of the organizations.

At the end of the quarter, we had reached an annual run rate of EUR 31 million in cost synergies, which compares to the end of the year estimate of EUR 50 million and the total cost synergy estimate of EUR 120 million by the end of 2021. In addition, we were able to realize the first revenue synergies during the quarter by capitalizing on cross-selling opportunities in the services business.

The Covid-19 pandemic continued to have an impact on our end markets during the quarter. The most significant impacts resulted from the limited access to customer sites and the slow decision-making related to new project and modernization orders and non-critical services. These affected our order and sales volumes. At the same time, our performance was supported by the McCloskey acquisition, which we can be very pleased about overall.

Our operative result (adjusted EBITA) was affected by lower sales year-on-year and the loss reported in the Metals & Recycling segment. Due to further weakening of the metals refining market, the Metals business scope and cost structure will be addressed via a restructuring and turnaround program which is expected to show results next year.

  
**We have proceeded quickly with the integration and realization of the first synergies.**

During the past months, we have worked on our strategy and targets for the new company and they will soon be ready for publication. We are confident that Metso Outotec has a strong and unique platform that we can develop further through synergies, innovation and sustainability, building the company into an industry-leading technology and services provider with strong financial performance.

### Covid-19 market update

The Covid-19 pandemic continued to affect Metso Outotec's end markets and customer operations during the third quarter. The situation was largely unchanged, compared to the end of the second quarter, with the most significant impacts relating to restrictions on workforce mobility and limited access to customer sites. Metso Outotec's own operations have been running with additional health and safety measures and without major disruptions since early June.

The aggregates business, which faced the most rapid and negative impacts during the second quarter, has seen demand stabilize to the end of June levels of about 75-80% of normal, while continuing to see further strong market growth in China.

In the minerals and metals markets, decision-making related to bigger investment projects continues to be slow and hampered by mobility restrictions. The services business continues to be affected by limited access to planning, preparing and carrying out maintenance and modernization work at customer sites. The demand for spare parts and consumables has been good, thanks to healthy utilization rates at mines.

### Market outlook

According to its disclosure policy, Metso Outotec's market outlook describes the expected sequential development of market activity during the following six-month period using three categories: improve, remain at the current level, or decline.

Metso Outotec expects the market activity to remain at the current level, subject to a possible worsening of the Covid-19 pandemic.

Q3

## Key figures (Q3/2020 IFRS, other periods illustrative combined)

EUR million	Q3/2020 IFRS	Q3/2019	Change %	Q1-Q3/2020	Q1-Q3/2019	2019
Orders received	836	1,169	-28	2,926	3,428	4,510
Orders received by services business	477	599	-20	1,607	1,799	2,390
% of orders received	57	51	-	55	53	53
Order backlog	-	-	-	2,095	2,562	2,478
Sales	985	1,073	-8	3,011	3,054	4,186
Sales by services business	537	599	-10	1,587	1,671	2,269
% of sales	54	56	-	53	55	54
Adjusted EBITA	109	153	-29	344	378	519
% of sales	11.1	14.3	-	11.4	12.4	12.4
Operating profit	47	126	-63	206	327	433
% of sales	4.8	11.7	-	6.9	10.7	10.3
Earnings per share, EUR (IFRS)	0.03	-	-	0.17*	-	-
Earnings per share, EUR				0.15**		
Cash flow from operations (IFRS)	-	-	-	410	-	-
Gearing, % (IFRS)	-	-	-	47	-	-
Personnel at end of period	-	-	-	16,062	-	-

\* based on average number of outstanding shares (707,228 thousand)

\*\*based on the number of outstanding shares at the end of period (827,979 thousand)

## The Group's financial performance in July – September, IFRS (comparison period illustrative combined)

Metso Outotec Group's orders received totaled EUR 836 million, compared to EUR 1,169 million in the third quarter of 2019. Orders declined 37% in the equipment business, due to slow decision-making by customers and a couple of big projects in the comparison period. In the services businesses, orders declined 20%, due to limited access to customer sites and low activity in non-critical service work, both a result of Covid-19.

The Group's sales totaled EUR 985 million (EUR 1,073 million). Equipment sales were 5% lower and services sales 10% lower compared to the third quarter of 2019.

Adjusted EBITA totaled EUR 109 million and adjusted EBITA margin was 11.1% of sales (EUR 153 million and 14.3%). The decline was largely due to weak profitability of the Metals & Recycling segment.

The Group's operating profit (EBIT) was EUR 47 million and EBIT margin 4.8% (EUR 126 million and 11.7%). Operating profit included negative adjustments of EUR 24 million (EUR 17 million negative), the majority of which were related to the Metso Outotec transaction. PPA amortization totaled EUR 32 million.

## Impacts of currency and structural changes

EUR million, %	Orders received		Sales	
	Q3	Q1-Q3	Q3	Q1-Q3
2019	1,169	3,428	1,073	3,054
Organic growth in constant currencies, %	-27%	-16%	-7%	-2%
Impact of changes in exchange rates, %	-7%	-5%	-7%	-5%
Structural changes, %	6%	6%	6%	6%
<b>Total change, %</b>	<b>-28%</b>	<b>-15%</b>	<b>-8%</b>	<b>-1%</b>
2020	836	2,926	985	3,011





## The Group's financial performance in January – September, illustrative combined

Orders received totaled EUR 2,926 million, compared to EUR 3,428 million in the same period in 2019. Sales totaled EUR 3,011 million (EUR 3,054 million). Adjusted EBIT totaled EUR 344 million (EUR 378 million) and adjusted EBITA margin was 11.4% (12.4%). Negative adjustments of EUR 77 million (EUR 22 million negative) had an impact on operating profit (EBIT), which was EUR 206 million (EUR 327 million), and EBIT margin of 6.9% (10.7%). PPA amortization totaled EUR 38 million. Profit before taxes totaled EUR 181 million, and profit for the period totaled EUR 123 million. Earnings per share were EUR 0.15 based on number of outstanding shares at the end of period (827,979 thousand).

## The Group's financial position

The Group's net interest-bearing liabilities were EUR 943 million at the end of September, gearing was 47% and the debt-to-capital ratio 39%. The equity-to-assets ratio was 39%.

Metso Outotec's liquidity position is solid. In addition to liquid funds amounting to EUR 477 million, the company had committed and undrawn revolving credit facilities of EUR 790 million at the end of September. The one-year extension option of the syndicated EUR 600 million revolving credit facility was utilized during Q3, and the facility now has a maturity in 2025 with a second one-year extension option remaining. Additionally, in order to be prepared for any Covid-19 related liquidity needs, Metso Outotec has arranged further liquidity buffers: EUR 100 million revolving credit facilities maturing in 2021 and EUR 90 million in 2022.

Metso Outotec also has a EUR 600 million Finnish commercial paper program, under which EUR 138 million was issued at the end of the period.

Metso Outotec repaid Outotec's EUR 150 million hybrid bond in July 2020. The refinancing of the hybrid bond was done with a bank term loan of EUR 150 million with a maturity until 2022 with a one-year extension option.

Metso Outotec repaid Outotec's EUR 150 million bond in September 2020 with a bank term loan with a maturity until 2022.

## Update on the integration and synergy process

Metso Outotec integration started on July 1, after the transaction was completed on June 30, 2020. The integration proceeded quickly during the third quarter, and a large majority of the nominations to the new organization had been made by the end of September.

In early August, Metso Outotec announced an updated timetable and scope of the cost synergies to be realized from the merger. The cost synergy target was raised to EUR 120 million of annual pre-tax cost synergies and the implementation will be accelerated so that the run rate of the synergies is expected to be realized by the end of 2021. About EUR 50 million of the annual run rate of the cost synergies is expected to be achieved already by the end of 2020. Procurement is estimated to represent about 25% of the total cost synergies, and the rest will come from personnel, functional and other cost synergies.

The realization of the cost synergies is proceeding according to plan: by the end of the third quarter, an annual run rate of EUR 31 million had been reached. The main source of the synergies realized has been the restructuring of the organization.

Also in August, the company maintained its original EUR 150 million annual revenue run-rate synergy target by the end of 2022 but noted that the Covid-19 situation creates uncertainty about the market development. At the end of the third quarter, the first revenue synergies had been achieved and booked in orders received.

The realization of cost and revenue synergies is expected to result in one-off, pre-tax costs of approximately EUR 100 million, which is in line with the earlier estimate. Most of these costs are expected to be incurred by the end of 2021.

The initial synergy targets, published in July 2019, were EUR 100 million of run rate pre-tax cost synergies and EUR 150 million additional revenue synergies. Both targets were initially expected to materialize in three years after the merger has completed.

## Segment review

### Aggregates

July – September 2020 based on IFRS, other periods illustrative combined

EUR million, %	Orders received		Sales	
	Q3	Q1-Q3	Q3	Q1-Q3
<b>2019</b>	<b>211</b>	<b>692</b>	<b>217</b>	<b>657</b>
Organic growth in constant currencies, %	-14%	-19%	-12%	-14%
Impact of changes in exchange rates, %	-5%	-2%	-5%	-2%
Structural changes, %	29%	29%	30%	28%
<b>Total change, %</b>	<b>10%</b>	<b>8%</b>	<b>13%</b>	<b>13%</b>
<b>2020</b>	<b>232</b>	<b>744</b>	<b>244</b>	<b>741</b>

- Orders and sales affected by Covid-19
- McCloskey contributed well, despite challenging market environment
- Sales mix had an impact on profitability

Q3

#### Operating environment and orders received

Customer activity globally was around 75-80% of the normal level of activity at this time of the year, due to the negative impact from Covid-19. Sequentially compared to the second quarter, the market was strong in China and improved slightly in India, whereas activity in the North American and European markets was unchanged. The Chinese demand is supported by strong infrastructure investments in the country.

Orders received totaled EUR 232 million in the third quarter (211 million). The growth resulted from McCloskey, which was not yet included in the comparison quarter.

#### Key figures

EUR million	Q3/2020	Q3/2019	Change %	Q1-Q3/2020	Q1-Q3/2019	2019
Orders received	232	211	+10	744	692	967
Orders received by services business	75	87	-14	236	264	355
% of orders received	32	41		32	38	37
Order backlog	-	-		303	298	338
Sales	244	217	+13	741	657	928
Sales by services business	75	85	-12	239	255	336
% of sales	31	39		32	39	36
Adjusted EBITA	26	28	-5	76	81	112
% of sales	10.7	12.7		10.3	12.3	12.0
Operating profit	21	23	-8	64	73	98
% of sales	8.7	10.7		8.7	11.2	10.6

#### Financial performance

Sales increased 13% in the third quarter, supported by the McCloskey acquisition. Organically, sales declined 12%, due to low orders in the second quarter as a result of Covid-19. Adjusted EBITA of EUR 26 million (EUR 28 million) and adjusted EBITA margin of 10.7% (12.7%) were affected by a weaker sales mix with a lower share of services. This offset the positive impact of cost savings.

#### January-September in brief

Orders increased 8% and sales grew 13%, thanks to the McCloskey acquisition. Adjusted EBITA totaled EUR 76 million and adjusted EBITA margin 10.3% of sales (EUR 81 million and 12.3%).

## Segment review

### Minerals

July – September 2020 based on IFRS, other periods illustrative combined

- **Orders affected by Covid-19**
- **Sales flat organically**
- **Profitability improved**

EUR million, %	Orders received		Sales	
	Q3	Q1-Q3	Q3	Q1-Q3
2019	781	2,154	704	1,931
Organic growth in constant currencies, %	-26%	-7%	-1%	5%
Impact of changes in exchange rates, %	-8%	-7%	-9%	-7%
Structural changes, %	0	0	0	0
<b>Total change, %</b>	<b>-34%</b>	<b>-13%</b>	<b>-10%</b>	<b>-2%</b>
2020	516	1,871	634	1,883

#### Operating environment and orders received

The activity related to small and brownfield-driven equipment investments continued to be healthy in the third quarter. Bigger investment projects were being planned and prepared, but decision-making was slow. The services business saw good demand for spare parts and consumables, while Covid-19 limited opportunities for upgrades and modernization services. Quarterly orders of EUR 516 million were 34% lower year-on-year, due to slow decision-making by customers and a couple of big project orders in the comparison period. Services orders declined 20%.

#### Key figures

EUR million	Q3/2020	Q3/2019	Change %	Q1-Q3/2020	Q1-Q3/2019	2019
Orders received	516	781	-34	1,871	2,154	2,870
Orders received by services business	375	467	-20	1,263	1,333	1,788
% of orders received	73	60		68	62	62
Order backlog	-	-		1,341	1,571	1,547
Sales	634	704	-10	1,883	1,931	2,627
Sales by services business	413	444	-7	1,209	1,228	1,680
% of sales	65	63		64	64	64
Adjusted EBITA	97	100	-3	280	265	349
% of sales	15.3	14.3		14.9	13.7	13.3
Operating profit	72	90	-20	242	244	319
% of sales	11.3	12.8		12.8	12.7	12.1

#### Financial performance

Sales declined 10% to EUR 634 million. Equipment sales were 14% lower and services sales 7% lower year-on-year. Adjusted EBITA was EUR 97 million (EUR 100 million) and adjusted EBITA margin 15.3% (14.3%). Profitability improved thanks to a stronger sales mix and better profitability of the consumables business.

#### January-September in brief

Order intake totaled EUR 1,871 million (EUR 2,154 million). Sales were EUR 1,883 million (EUR 1,931 million). Adjusted EBITA improved to EUR 280 million from EUR 265 million and adjusted EBITA margin to 14.9% from 13.7%.

## Segment review

# Metals & Recycling

July – September 2020 based on IFRS, other periods illustrative combined

Q3

- Volumes lower due to Covid-19 and high comparisons
- Weak profitability
- Restructuring and turnaround program initiated

EUR million, %	Orders received		Sales	
	Q3	Q1-Q3	Q3	Q1-Q3
2019	176	581	152	465
Organic growth in constant currencies, %	-47%	-45%	-27%	-15%
Impact of changes in exchange rates, %	-3%	-1%	-3%	-2%
Structural changes, %	0	0	0	0
<b>Total change, %</b>	<b>-50%</b>	<b>-47%</b>	<b>-30%</b>	<b>-17%</b>
2020	88	311	107	387

### Operating environment and orders received

Customer activity in Metals was affected by Covid-19 related uncertainty, which had an impact on decision-making relating to large projects and modernization services. This, coupled with a strong order intake in the comparison period, resulted in significantly lower orders in the third quarter. In Recycling the metals recycling equipment market has been weak throughout the year due to uncertainty in scrap markets and low scrap prices. In waste recycling, market activity has been better and improved during the third quarter.

### Key figures

EUR million	Q3/2020	Q3/2019	Change %	Q1-Q3/2020	Q1-Q3/2019	2019
Orders received	88	176	-50	311	581	673
Orders received by services business	27	44	-39	108	202	246
% of orders received	31	25		35	35	37
Order backlog	-	-		450	692	592
Sales	107	152	-30	387	465	631
Sales by services business	50	70	-29	139	187	253
% of sales	46	46		36	40	40
Adjusted EBITA	-10	29	-	6	43	68
% of sales	-9.1	19.2		1.6	9.3	10.7
Operating profit	-22	27	-	-12	36	57
% of sales	-20.2	17.6		-3.2	7.7	9.0

### Financial performance

Third-quarter sales were EUR 107 million, which is 30% lower year-on-year. The decline was due to a low order intake during the previous quarters. Low sales and a high fixed-cost structure compared to the volume resulted in a negative adjusted EBITA of EUR -10 million and adjusted EBITA margin of -9.1% (EUR 29 million and 19.2%). The comparison period included one-off items relating to project deliveries. Turnaround actions were initiated in Metals recycling during the quarter, and the planning of actions is ongoing in the Metals business.

### January-September in brief

Orders totaled EUR 311 million (EUR 581 million) and sales were EUR 387 million (EUR 465 million). Adjusted EBITA was EUR 6 million (EUR 43 million) and adjusted EBITA margin 1.6% (9.3%).





## Capital expenditure and investments

Gross capital expenditure excluding business acquisitions was EUR 74 million in January-September 2020. The investments included the renewal of the footprint of the Consumables business, in which manufacturing operations have been closed in Ersmark, Sweden, and a new production plant for high-quality rubber and poly-met wear parts for the mining industry has been established in Lithuania.

## Research and development

In January-September, research and development (R&D) expenses and investments were EUR 69 million, or 2.3% of sales.

## Personnel

Metso Outotec had 16,062 employees at the end of September 2020.

### Personnel by area on September 30, 2020

	Share, %
Europe	36
North and Central America	14
South America	26
Asia Pacific	13
Africa, Middle East and India	11
Total	100

## Outotec Annual General Meeting 2020

Outotec Oyj's Annual General Meeting (AGM) was held on March 11, 2020 in Helsinki, Finland. The AGM adopted the parent company and consolidated Financial Statements and discharged the members of the Board of Directors and the CEO from liability for the financial year 2019.

The AGM resolved that a dividend of EUR 0.10 per share, i.e. EUR 18,212,825.40 in total, will be paid for the financial year 2019. The dividend was paid on March 31, 2020.

The AGM resolved to adopt the Remuneration Policy for the governing bodies (including the members of the Board of Directors and the President and CEO).

The AGM authorized the Board of Directors to decide on the repurchase of an aggregate maximum of 18,312,149 of the company's own shares. The number of shares corresponds to approximately 10 percent of all shares prior to the merger. However, the company together with its subsidiaries cannot at any moment own more than 10 percent of all the shares of the company.

Authorized Public Accountants Ernst & Young Oy was chosen as the company's Auditor for a term commencing on the completion of the merger and ending at the end of the next annual general meeting of Metso Outotec. The Auditor will be paid remuneration against the Auditor's reasonable invoice approved by the company.

## Metso Outotec Board of Directors

Outotec Oyj's Annual General Meeting resolved that the number of members of the Board of Directors is increased by two upon completion of the merger, i.e. to a total of ten Board members. The AGM elected Matti Alahuhta, Ian W. Pearce, Klaus Cawén and Hanne de Mora, each previously members of the Outotec Board, to serve on the Board of Metso Outotec. From the Board of Directors of Metso, the AGM elected Mikael Lilius, Christer Gardell, Antti Mäkinen, Kari Stadigh and Arja Talma as new members of the Board of Metso Outotec. In addition, Emanuela Speranza was elected as a member of the Board of Metso Outotec, conditional upon her election to Metso's Board of Directors at Metso's AGM 2020. Mikael Lilius was elected as the Chair of the Board of Metso Outotec and Matti Alahuhta as the Vice Chair. The Board's term commenced on June 30, 2020 and will end at the end of the next annual general meeting of Metso Outotec.

On July 1, 2020, after the registration of the demerger of Metso Corporation, Metso Outotec's Board of Directors established an Audit Committee and a Remuneration and HR Committee.

Arja Talma was elected Chair and Klaus Cawén and Antti Mäkinen as members of the Audit Committee. Antti Mäkinen was elected Chair and Christer Gardell and Hanne de Mora as members of the Remuneration and HR Committee.

The following annual remunerations were decided to be paid to the members of the Board as well as to the members of the Board committees:

- EUR 150,000 for Chair of the Board
- EUR 80,000 for Vice Chair of the Board
- EUR 65,000 for each member of the Board
- EUR 23,000 for Chair of the Audit Committee
- EUR 10,000 for each member of the Audit Committee
- EUR 12,000 for Chair of the Remuneration and HR Committee
- EUR 5,000 for each member of the Remuneration and HR Committee

The Board's annual remuneration has been paid pro rata to the length of the term of office commencing on July 1, 2020, until the end of the company's next annual general meeting of Metso Outotec.

In addition, the Annual General Meeting resolved that meeting fees for attendance at each board and committee meeting be paid to members of the Board of Metso Outotec as follows: EUR 900 for each member residing in the Nordic countries, EUR 1,800 for each member residing in other European countries and EUR 2,700 for each member residing outside Europe each. In addition, Board members shall be reimbursed direct costs arising from board work.

### Composition of the Shareholders' Nomination Board

On July 3, 2020, Metso Outotec's largest shareholders Solidium (14.9% of shares and votes), Cevian Capital Partners (8.5% of shares and votes), Ilmarinen Mutual Pension Insurance Company (2.7% of shares and votes) and Varma Mutual Pension Insurance Company (2.6% of shares and votes) nominated the following members to the Shareholders' Nomination Board:

- Annareetta Lumme-Timonen, Investment Director, Solidium
- Niko Pakalén, Partner, Cevian Capital Partners Ltd
- Mikko Mursula, Deputy CEO, Ilmarinen
- Risto Murto, President & CEO, Varma

Mikael Lilius, Chair of Metso Outotec's Board of Directors, serves as the Nomination Board's fifth member. The Shareholders' Nomination Board should provide its proposals relating to the composition of the Board and Board remuneration to the Metso Outotec Board of Directors on January 31, 2021, at the latest.

### Metso Outotec Executive Team

Metso Outotec's Executive Team consists of the following members:

Pekka Vauramo, President and CEO  
Eeva Sipilä, CFO, Deputy CEO  
Markku Simula, President, Aggregates  
Stephan Kirsch, President, Minerals  
Jari Älgars, President, Metals  
Uffe Hansen, President, Recycling  
Markku Teräsvasara, President, Services, and Deputy CEO

Sami Takaluoma, President, Consumables  
Nina Kiviranta, General Counsel  
Piia Karhu, Senior Vice President, Business Development  
Carita Himberg, Senior Vice President, Human Resources

## Shares and share trading

Before the combination of Metso's Minerals business and Outotec was completed, Outotec's share capital was EUR 17,186,442.52 and the total number of shares was 183,121,492. After the transaction was completed on June 30, 2020, a total of 645,850,948 new Outotec shares were issued as demerger consideration to Metso's shareholders based on their shareholdings in Metso on the same day. Trading in the new shares on the official list of Nasdaq Helsinki commenced on July 1, 2020. After the transaction was completed, the total number of Metso Outotec shares was 828,972,440 and its share capital was EUR 107,186,442.52. Treasury shares totaled 993,238 at the end of the third quarter.

### Metso Outotec share performance on Nasdaq Helsinki July 1 - September 30, 2020

EUR	Q3/2020
Closing price	6.00
Highest share price	6.77
Lowest share price	4.43
Volume-weighted average trading price	5.55

## Flagging notifications

On July 2, 2020, Cevian Capital Partners Ltd. flagged its 8.5% holding and Varma Mutual Insurance Company flagged its less than 5% holding in Metso Outotec. Metso Outotec is not aware of any shareholders' agreements regarding the ownership of the company's shares and voting rights.

## Other events during the third quarter

On July 1, 2020, the Board of Directors of Metso Outotec decided on the establishment of new share-based long-term incentive programs for the Company's management and selected key employees. The programs include a Performance Share Plan (also "PSP") for the top management, a Deferred Share Plan (also "DSP") for other senior management and selected key employees, and a Restricted Share Plan (also "RSP") as a complementary structure for specific situations.

On July 1, 2020, Metso Outotec announced that it will redeem the Outotec Oyj EUR 150,000,000 Hybrid Bond (ISIN: FI4000201207) (the "Capital Securities") issued on March 24, 2016. The redemption was made on July 31, 2020, in accordance with Clause 7.2 (Corporate Restructuring Event) of the terms and conditions of the Capital Securities for the amount equal to 101 per cent of the principal amount, in whole, together with any accrued interest.

On July 27, 2020, Metso Outotec published preliminary information on its second-quarter 2020 results.

On August 3, 2020, Metso Outotec closed the acquisition of the Australia-based fastener and wear monitoring technology provider Davies Wear Plate Systems. The acquired company will extend Metso Outotec's wear lining portfolio and capabilities. Its sales in fiscal year 2020 were around AUD 17 million, or EUR 10 million, and it has approx. 30 employees.

On September 28, 2020, Metso Outotec started operations at its new manufacturing site in the region of Šiauliai (Šiauliai län) in northern Lithuania. The new plant further strengthens the company's capability to produce high-quality rubber and poly-met wear parts for its mining customers. The investment was announced in March 2020.

## Events after the reporting period

On October 1, the cooperation negotiations in Finland relating to the restructuring of Metso Outotec's operations were concluded. As a result, Metso Outotec will reduce a total of 254 jobs in Finland. Of these, 87 are permanent jobs through redundancies and the rest through other arrangements, such as non-renewal of fixed-term contracts, retirement arrangements and voluntary resignations.

## Short-term business risks and market uncertainties

Covid-19 continues to pose significant short-term risks and uncertainties to Metso Outotec's market and operations. The development of the pandemic is difficult to predict. Further possible abrupt measures taken by various national and local governments to restrict the spread may impact the demand for Metso Outotec's products and services as well as Metso Outotec's operations, which could restrict our ability to provide services at customer sites and to run our manufacturing sites. The company may also, in order to protect its personnel, need to take abrupt measures that are likely to affect the efficiency of its operations and customer deliveries.

The severity and longevity of the pandemic's impact on global economic growth, together with uncertain political- and trade-related developments, could have a longer impact on our customer industries, reduce the investment appetite and spending among our customers, weaken the demand for Metso Outotec's products and services as well as affect our business operations.

There are also other market- and customer-related risks that could cause on-going projects to be postponed, delayed, or discontinued.

The impact of tariffs or other trade barriers could pose challenges to our supply chain and price management, impacting our capability to secure customer deliveries and margins.

Uncertain market conditions could adversely affect our customers' payment behavior and increase the risk of lawsuits, claims and disputes taken against Metso Outotec in various countries related to, among other things, Metso Outotec's products, projects and other operations.

Exchange rate fluctuations and changes in commodity prices could affect our orders received, sales and financial position. Metso Outotec hedges currency exposure linked to firm delivery and purchase agreements.

Information security and cyber threats could disturb or disrupt Metso Outotec's businesses and operations.

Metso Outotec has identified a significant risk related to its ilmenite smelter project in Saudi Arabia in line with earlier disclosures. Provisions have been made against this risk. Factors such as the contractual position and other factual circumstances will ultimately determine the eventual liability and financial impact.

Disputes related to project execution and resulting in extra costs and/or penalties are a risk for Metso Outotec. 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. Even though the provisions are provided for according to accounting principles, there is no certainty that additional liabilities would not materialize.

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

## Market outlook

According to its disclosure policy, Metso Outotec's market outlook describes the expected sequential development of market activity during the following six-month period using three categories: improve, remain at the current level, or decline.

Metso Outotec expects the market activity to remain at the current level, subject to a possible worsening of the Covid-19 pandemic.

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Helsinki, October 27, 2020

Metso Outotec Corporation's Board of Directors



# Metso Outotec Interim Report January 1 – September 30, 2020: Tables

## Contents

Consolidated statement of income, IFRS
Consolidated statement of comprehensive income, IFRS
Consolidated balance sheet, IFRS
Consolidated statement of changes in shareholders' equity, IFRS
Condensed consolidated statement of cash flow, IFRS
Pro forma income statement
Pro forma adjustments
Key figures
Key figures formulas

Q3

## Consolidated statement of income, IFRS

EUR million	Metso Outotec 7–9/2020	Metso Minerals combined 7–9/2019	Metso Outotec 1–9/2020	Metso Minerals combined 1–9/2019	Metso Minerals combined 1–12/2019
<b>Sales</b>	985	763	2 432	2 179	2 976
Cost of sales	-742	-534	-1 756	-1 535	-2 117
<b>Gross profit</b>	243	229	676	644	858
Selling and marketing expenses	-89	-68	-215	-194	-266
Administrative expenses	-87	-57	-218	-159	-212
Research and development expenses	-18	-6	-33	-21	-30
Other operating income and expenses, net	-2	-17	-18	-24	-25
Share of results of associated companies	0	0	0	1	1
<b>Operating profit</b>	47	80	193	247	325
Finance income	6	0	9	2	4
Finance income, Metso Group	0	1	1	2	3
Foreign exchange gains/losses	-3	3	1	4	1
Finance expenses	-13	-10	-30	-31	-42
Finance income and expenses, net	-9	-6	-20	-23	-34
<b>Profit before taxes</b>	38	75	173	224	292
Income taxes	-15	-23	-51	-51	-69
<b>Profit for the period for continuing operations</b>	23	52	122	173	223
Profit from discontinued operations	1	–	1	–	–
<b>Profit for the period</b>	24	52	123	173	223
Profit from continuing operations attributable to					
Shareholders of the parent company	23	53	122	174	224
Non-controlling interests	0	-1	0	-1	-1
Earnings per share, EUR <sup>1)</sup>	0.03	0.08	0.17	0.27	0.35

<sup>1)</sup> More information on side Key figures



# Consolidated statement of comprehensive income, IFRS

EUR million	Metso Outotec 7–9/2020	Metso Minerals combined 7–9/2019	Metso Outotec 1–9/2020	Metso Minerals combined 1–9/2019	Metso Minerals combined 1–12/2019
<b>Continuing Operations</b>					
Profit for the period	23	52	122	173	223
Other comprehensive income					
Cash flow hedges, net of tax	2	2	0	2	3
Currency translation on subsidiary net investment	-19	4	-72	8	2
Items that may be reclassified to profit or loss in subsequent periods	-17	5	-72	10	4
Defined benefit plan actuarial gains and losses	0	0	-0	-	-3
Items that will not be reclassified to profit or loss	0	0	0	-	-3
Other comprehensive income	-18	5	-72	10	1
<b>Total comprehensive income</b>	<b>6</b>	<b>58</b>	<b>50</b>	<b>183</b>	<b>224</b>
Attributable to					
Shareholders of parent company	6	58	50	184	225
Non-controlling interests	0	-1	0	-1	-1

Q3

# Consolidated Balance Sheet – Assets, IFRS

EUR million	Metso Outotec Sep 30, 2020	Metso Minerals Sep 30, 2019	combined Dec 31, 2019
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Goodwill	1,045	478	556
Other intangible assets	982	70	167
<b>Total intangible assets</b>	<b>2,027</b>	<b>549</b>	<b>723</b>
<b>Property, plant and equipment</b>			
Land and water areas	43	35	43
Buildings and structures	112	76	98
Machinery and equipment	157	116	128
Assets under construction	41	46	46
<b>Total property, plant and equipment</b>	<b>353</b>	<b>273</b>	<b>315</b>
<b>Right-of-use assets</b>	<b>126</b>	<b>85</b>	<b>89</b>
<b>Other non-current assets</b>			
Investments in associated companies	10	5	8
Non-current financial assets	4	3	3
Loan receivables	7	6	6
Loan receivables, Metso Group	-	26	25
Derivative financial instruments	4	4	2
Deferred tax asset	170	93	108
Other non-current receivables	42	40	42
Other non-current receivables, Metso Group	-	142	88
<b>Total other non-current assets</b>	<b>237</b>	<b>318</b>	<b>282</b>
<b>Total non-current assets</b>	<b>2,743</b>	<b>1,225</b>	<b>1,409</b>
<b>Current assets</b>			
Inventories	1,098	865	975
Trade receivables	612	579	577
Trade receivables, Metso Group	-	9	10
Customer contract assets	301	111	87
Loan receivables	1	0	1
Loan receivables, Metso Group	-	26	25
Cash pool receivables, Metso Group	-	21	17
Derivative financial instruments	34	20	16
Income tax receivables	61	53	44
Other current receivables	147	119	139
Other current receivables, Metso Group	-	0	1
Deposits and securities, maturity more than three months	-	4	0
Cash and cash equivalents	477	543	156
Liquid funds	477	547	156
<b>Total current assets</b>	<b>2,732</b>	<b>2,350</b>	<b>2,048</b>
<b>Assets held for sale</b>	<b>37</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>5,511</b>	<b>3,575</b>	<b>3,457</b>

Q3

# Consolidated Balance Sheet – Equity and liabilities, IFRS

EUR million	Metso Outotec	Metso Minerals combined	
	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
<b>Equity</b>			
Share capital	107	-	-
Share premium fund	20	-	-
Cumulative translation adjustments	-223	-144	-151
Fair value and other reserves	1,127	-1	0
Retained earnings	969	1,349	1,403
<b>Equity attributable to shareholders</b>	<b>2,000</b>	<b>1,204</b>	<b>1,252</b>
Non-controlling interests	4	10	3
<b>Total equity</b>	<b>2,003</b>	<b>1,213</b>	<b>1,254</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	1,130	689	801
Lease liabilities	99	65	69
Post-employment benefit obligations	128	60	61
Provisions	73	34	33
Derivative financial instruments	2	3	2
Deferred tax liability	236	33	66
Other non-current liabilities	3	2	2
Other non-current liabilities, Metso Group	-	6	6
<b>Total non-current liabilities</b>	<b>1,671</b>	<b>891</b>	<b>1,040</b>
<b>Current liabilities</b>			
Borrowings	167	229	24
Lease liabilities	30	21	21
Cash pool liabilities, Metso Group	-	93	86
Trade payables	504	357	385
Trade payables, Metso Group	-	4	1
Provisions	144	59	71
Advances received	197	209	189
Customer contract liabilities	224	68	63
Derivative financial instruments	21	28	13
Income tax liabilities	55	85	47
Other current liabilities	432	316	251
Other current liabilities, Metso Group	-	0	11
<b>Total current liabilities</b>	<b>1,775</b>	<b>1,470</b>	<b>1,163</b>
<b>Total liabilities</b>	<b>3,446</b>	<b>2,362</b>	<b>2,202</b>
<b>Liabilities held for sale</b>	<b>62</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,511</b>	<b>3,575</b>	<b>3,457</b>

Q3

# Consolidated statement of changes in shareholders' equity, IFRS

EUR million	Share capital	Share premium fund	Cumulative translation adjustments	Fair value and other reserves	Retained earnings	Equity attributable to shareholders	Non-controlling interests	Total equity
<b>Jan 1, 2019</b>	-	-	-153	-3	1,325	1,170	10	1,180
<b>Profit for the period</b>	-	-	-	-	174	174	-1	173
<b>Other comprehensive income</b>								
Cash flow hedges, net of tax	-	-	-	2	-	2	-	2
Currency translation on subsidiary net investments	-	-	8	-	-	8	-	8
Defined benefit plan actuarial gains (+) and losses (-), net of tax	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	8	2	174	184	-1	183
Dividends	-	-	-	-	-144	-144	0	-144
Dividends to related party	-	-	-	-	-3	-3	-	-3
Share-based payments, net of tax	-	-	-	-	0	0	-	0
Changes in invested equity	-	-	-	-	11	11	-	11
Net change from winding up the consolidated tax groups	-	-	-	-	-12	-12	-	-12
Other items	-	-	-	-	-2	-2	0	-1
Changes in non-controlling interests	-	-	-	-	-	-	-	-
<b>Sep 30, 2019</b>	-	-	-144	-1	1,349	1,204	10	1,213
<b>Jan 1, 2020</b>	-	-	-151	0	1,403	1,252	3	1,254
<b>Profit for the period</b>	-	-	-	-	123	123	0	123
<b>Other comprehensive income</b>								
Cash flow hedges, net of tax	-	-	-	0	-	0	-	0
Currency translation on subsidiary net investments	-	-	-72	-	-	-72	0	-72
Defined benefit plan actuarial gains (+) and losses (-), net of tax	-	-	-	-	0	0	-	0
<b>Total comprehensive income</b>	-	-	-72	0	122	51	0	51
Dividends	-	-	-	-	-177	-177	-	-177
Dividends to related party	-	-	-	-	-2	-2	-	-2
Share-based payments, net of tax	-	-	-	1	-4	-3	-	-3
Changes in invested equity	-	-	-	-	-16	-16	-	-16
Demerger effect	90	-	-	266	-356	-	-	-
Reverse acquisition	17	20	-	860	-	897	1	898
Other items	-	-	-	0	-2	-2	0	-2
Changes in non-controlling interests	-	-	-	-	-	0	-	-
<b>Sep 30, 2020</b>	<b>107</b>	<b>20</b>	<b>-223</b>	<b>1,127</b>	<b>969</b>	<b>2,000</b>	<b>4</b>	<b>2,003</b>

Q3

# Condensed consolidated statement of cash flows, IFRS

EUR million	Metso Outotec	Metso Minerals combined	
	1–9/2020	1–9/2019	1–12/2019
<b>Operating activities</b>			
Profit for the period	123	173	223
Adjustments			
Depreciation and amortization	99	51	71
Finance expenses, net	20	23	34
Income taxes	53	51	69
Other items	3	1	-7
Change in net working capital	112	-230	-216
<b>Net cash flow from operating activities before financial items and taxes</b>	<b>410</b>	<b>69</b>	<b>173</b>
Interests paid	-24	-20	-35
Interests received	8	4	5
Other financing items, net	-5	1	-1
Finance income and expenses paid, net	-21	-15	-31
Income taxes paid	-72	-59	-100
<b>Net cash flow from operating activities</b>	<b>317</b>	<b>-5</b>	<b>43</b>
<b>Investing activities</b>			
Capital expenditures on intangible assets and property, plant and equipment	-74	-62	-87
Proceeds from sale of intangible assets and property, plant and equipment	1	5	8
Proceeds from sale of intangible assets and property, plant and equipment, Metso Group	6	-	-
Proceeds from and investments in financial assets, net	-	31	31
Business acquisitions, net of cash acquired	209	-30	-214
Business acquisitions, net of cash acquired, Metso Group	-6	-	-
Proceeds from sale of businesses, net of cash sold	-	9	9
Proceeds from sale of businesses, net of cash sold, Metso Group	88	-	50
Investments in associated companies	-	-	-3
<b>Net cash flow from investing activities</b>	<b>224</b>	<b>-48</b>	<b>-207</b>
<b>Financing activities</b>			
Dividends paid	-177	-72	-144
Dividends paid, Metso Group	-2	-3	-4
Transactions with non-controlling interests	-	-	-13
Proceeds from and repayment of debt, net	134	317	148
Proceeds from and repayment of debt, net, Metso Group	-139	41	31
Repayments of lease liabilities	-20	-17	-24
<b>Net cash flow from financing activities</b>	<b>-204</b>	<b>265</b>	<b>-5</b>
<b>Net change in liquid funds</b>	<b>337</b>	<b>212</b>	<b>-169</b>
Effect from changes in exchange rates	-17	10	0
Liquid funds equivalents at beginning of period	156	325	325
<b>Liquid funds at end of period</b>	<b>477</b>	<b>547</b>	<b>156</b>

Q3



# Voluntary Unaudited Pro Forma Financial Information

Metso Outotec presents unaudited pro forma financial information for the nine months ended September 30, 2020 and for the year ended December 31, 2019 to illustrate the impacts of the combination of Metso Minerals and Outotec on the business performance of Metso Outotec. The pro forma financial information has been presented for illustrative purposes only and addresses a hypothetical situation as if the combination took place on January 1, 2019 and therefore, does not represent the Metso Outotec's actual historical results of operations and does not purport to project the operating results of Metso Outotec.

For financial reporting purposes, the combination is accounted for as a reverse acquisition using the IFRS acquisition method of accounting where the Metso Minerals has been defined to be the accounting acquirer and Outotec the acquiree. As the consolidated financial statements of Metso Outotec are prepared as a continuation of the carve-out financial statements of the Metso Minerals following the completion of the combination, the pro forma financial information has been prepared in accordance with the accounting principles of Metso Outotec which are consistent with the accounting principles applied by Metso Minerals in its carve-out financial statements.

Outotec's net assets have been identified and recognized at their fair values as of the acquisition date on June 30, 2020 and the pro forma statements of income for the periods presented illustrate the P&L impact on these fair values. The pro forma financial information also takes into account the effects of the demerger on the financial information, estimated direct transaction costs related to the demerger and combination, certain accounting policy alignments between Metso Minerals and Outotec as well as certain refinancing transactions. Certain reclassifications have also been made to Outotec's historical financial information to align to Metso Outotec's financial statements presentation. The pro forma financial information does not reflect any cost savings, synergy benefits or future integration costs that are expected to be generated or may be incurred as a result of the combination.

## Pro forma adjustments

The pro forma financial information reflects the application of pro forma adjustments that are based upon certain assumptions, described below, that management believes are reasonable under the circumstances.

### *Fair valuation of Outotec's net assets*

Upon the completion of the combination, Metso Outotec prepared the detailed valuation of all assets and liabilities of Outotec as of the acquisition date. As a result, aggregate fair value adjustment of EUR 810 million of intangible assets related to customer relationships, marketing, technology and order backlog were recognized in the acquisition balance sheet. Amortization period for these intangible assets varies from 0,5 to 20 years. Respectively fair value adjustment of EUR 5 million of property, plant and equipment were recognized to the acquisition balance sheet. Depreciation period is 5,5 years. The depreciations and amortizations from the fair value adjustments have been recognized to pro forma periods accordingly. In addition, historical amortizations for certain intangible assets written off in the combination have been eliminated from the pro forma periods.

### *Demerger impact and accounting alignment*

The existing interest-bearing intra-group receivables and liabilities including cash pool receivables and liabilities between the Metso Minerals and Metso Group have been settled on the date of combination. Impact of arising intra-group finance income and expenses has been eliminated from pro forma statements of income as a demerger impact.

Estimated amount of transaction costs of EUR 69 million have been expensed in connection with the demerger and combination primarily comprise financial, legal and advisory costs (excluding financing transaction costs and costs related to issuance of Demerger Consideration Shares) as well as certain employee benefits to be paid to the management and personnel in connection with the completion of the demerger. These transactions costs have been recorded as Administrative expenses in the pro forma statement of income as if they have been incurred as at January 1, 2019. For pro forma purposes, the costs already recorded as an expense of EUR 46 million for the nine months ended September 30, 2020, have been eliminated. In addition, tax expense of EUR 1 million recorded by Metso Minerals in connection with the demerger for the nine months ended September 30, 2020 have been eliminated and recorded as tax expense in the pro forma statement of income as if incurred at January 1, 2019.

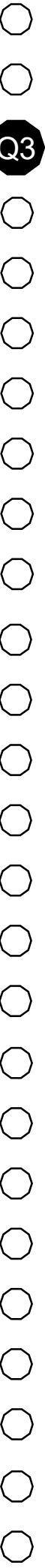
In connection with the accounting policy alignment, Sales related to certain Outotec's current receivables written off in the combination have been eliminated from the pro forma periods.

### *Refinancing*

On July 1, 2020 Metso Outotec redeemed Outotec's EUR 150 million hybrid bond. To refinance the hybrid bond, the Company has drawn up the EUR 150 million term loan. Impact of refinancing is recorded in the pro forma statement of income as finance expense. The pro forma adjustment reflects the interest calculated using the effective interest rate method for the EUR 150 million term loan assumed to be drawn for pro forma purposes as at January 1, 2019 including estimated impact of transaction costs and fees.



The pro forma adjustment for income taxes has been calculated based on the tax deductibility of the pro forma adjustments in the jurisdiction and accordingly, tax rates used for pro forma purposes differ depending on the nature of the underlying pro forma adjustment. Tax rate used for the fair value adjustments has been the Finnish statutory tax rate of 20 percent or the blended tax rate of 22.9 percent as applicable.



## Pro forma Income Statement 1–9/2020, Continuing Operations

EUR million	Metso Outotec IFRS 1–9/2020	Outotec historical reclassified 1–6/2020	Metso Outotec combined 1–9/2020	Pro forma adjustments 1–9/2020	Metso Outotec pro forma 1–9/2020
<b>Sales</b>	2,432	579	3,011	1	3,012
Cost of sales	-1,756	-433	-2,189	15	2,174
<b>Gross profit</b>	676	146	822	17	838
Selling and marketing expenses	-215	-52	-267	-7	-274
Administrative expenses	-218	-30	-248	46	-201
Research and development expenses	-33	-26	-59	-4	-62
Other operating income and expenses, net	-18	-24	-42	-	-42
Share in profits of associated companies	0	0	1	-	1
<b>Operating profit</b>	193	14	206	52	258
Finance income	9	2	12	-	12
Finance income, Metso Group	1	-	1	-1	-
Foreign exchange gains/losses	1	-3	-2	-	-2
Finance expenses	-30	-5	-35	0	-35
<b>Profit before taxes</b>	173	8	181	52	233
Income taxes	-51	2	-49	-9	-58
<b>Profit for the period, continuing operations</b>	122	10	133	42	175

### ADJUSTED EBITDA, EBITA AND OPERATING PROFIT

	Metso Outotec IFRS 1–9/2020	Outotec historical reclassified 1–6/2020	Metso Outotec combined 1–9/2020	Pro forma adjustments 1–9/2020	Metso Outotec pro forma 1–9/2020
<b>Adjusted EBITDA</b>	342	62	404	1	406
% of sales	14.1	10.7	13.4		13.5
Depreciation on PPE and right-of-use assets	-49	-11	-60	0	-61
<b>Adjusted EBITA</b>	293	51	344		345
% of sales	12.0	8.9	11.4		11.5
Amortization of intangible assets	-49	-12	-61	5	-55
Adjustment items	-52	-26	-77	46	-32
<b>Operating profit</b>	193	14	206	52	258
% of sales	7.9	2.4	6.9		8.6
Amortization of intangible assets	-49	-12	-61	5	-55
Depreciation on property, plant and equipment	-29	-4	-33	0	-33
Depreciation on right-of-use assets	-20	-7	-27	-	-27
<b>Amortization and depreciation total</b>	-98	-23	-121	5	-116
Capacity adjustment costs	-17	-2	-20	-	-20
Acquisition costs	0	0	0	-	0
Metso Outotec integration costs	-9	-2	-12	-	-12
Metso Outotec transaction costs	-26	-21	-46	46	-
<b>Adjustment items total</b>	-52	-26	-77	46	-32

## Pro forma Adjustments 1–9/2020

EUR million	Fair valuation of Outotec's net assets 1–9/2020	Demerger impact and accounting alignment 1–9/2020	Refinancing 1–9/2020	Pro forma adjustments 1–9/2020
<b>Sales</b>	-	1	-	1
Cost of sales	15	-	-	15
<b>Gross profit</b>	15	1	-	17
Selling and marketing expenses	-7	-	-	-7
Administrative expenses	1	46	-	46
Research and development expenses	-4	-	-	-4
Other operating income and expenses, net	-	-	-	-
Share in profits of associated companies	-	-	-	-
<b>Operating profit</b>	5	47	-	52
Finance income	-	-	-	-
Finance income, Metso Group	-	-1	-	-1
Foreign exchange gains/losses	-	-	-	-
Finance expenses	-	-	0	0
<b>Profit before taxes</b>	5	46	0	52
Income taxes	-1	-8	0	-9
<b>Profit for the period, continuing operations</b>	4	38	0	42

Q3

## Pro forma Income Statement 1–12/2019, Continuing Operations

EUR million	Metso Minerals carve-out historical 1–12/2019	Outotec historical reclassified 1–12/2019	Metso Outotec combined 1–12/2019	Pro forma adjustments 1–12/2019	Metso Outotec pro forma 1–12/2019
<b>Sales</b>	2,976	1,210	4,186	-54	4,132
Cost of sales	-2,117	-850	-2,968	-47	-3,015
<b>Gross profit</b>	858	360	1,218	-101	1,117
Selling and marketing expenses	-266	-117	-383	-14	-398
Administrative expenses	-212	-77	-289	-44	-333
Research and development expenses	-30	-55	-86	-7	-93
Other operating income and expenses, net	-25	-4	-30	-	-30
Share in profits of associated companies	1	1	2	-	2
<b>Operating profit</b>	325	107	433	-167	265
Finance income	4	6	10	-	10
Finance income, Metso Group	3	-	3	-3	-
Foreign exchange gains/losses	1	-3	-2	-	-2
Finance expenses	-42	-17	-59	-1	-60
<b>Profit before taxes</b>	292	93	385	-172	213
Income taxes	-69	-21	-89	35	-55
<b>Profit for the period, continuing operations</b>	223	73	296	-137	159

**ADJUSTED EBITDA, EBITA AND OPERATING PROFIT**

	Metso Minerals carve-out historical 1–12/2019	Outotec historical reclassified 1–12/2019	Metso Outotec combined 1–12/2019	Pro forma adjustments 1–12/2019	Metso Outotec pro forma 1–12/2019
<b>Adjusted EBITDA</b>	432	165	598	-54	544
% of sales	14.5	13.7	14.3		13.2
Depreciation on PPE and right-of-use assets	-55	-24	-79	-1	-79
<b>Adjusted EBITA</b>	377	142	519	-55	464
% of sales	12.7	11.7	12.4		11.2
Amortization of intangible assets	-16	-24	-40	-67	-107
Adjustment items	-36	-10	-46	-46	-92
<b>Operating profit</b>	325	107	433	-167	265
% of sales	10.9	8.9	10.3		6.4
Amortization of intangible assets	-16	-24	-40	-67	-107
Depreciation on property, plant and equipment	-32	-9	-41	-1	-42
Depreciation on right-of-use assets	-23	-15	-38	-	-38
<b>Amortization and depreciation total</b>	-71	-48	-119	-67	-186
Capacity adjustment costs	-15	1	-14	-	-14
Acquisition costs	-4	1	-3	-	-3
Loss on disposal	-2	-	-2	-	-2
Metso Outotec integration costs	-3	-1	-4	-	-4
Metso Outotec transaction costs	-12	-11	-23	-46	-69
<b>Adjustment items total</b>	-36	-10	-46	-46	-92

**Pro forma Adjustments 1–12/2019**

EUR million	Fair valuation of Outotec's net assets 1–12/2019	Demerger impact and accounting alignment 1–12/2019	Refinancing 1–12/2019	Pro forma adjustments 1–12/2019
<b>Sales</b>	-	-54	-	-54
Cost of sales	-47	-	-	-47
<b>Gross profit</b>	-47	-54	-	-101
Selling and marketing expenses	-14	-	-	-14
Administrative expenses	1	-46	-	-44
Research and development expenses	-7	-	-	-7
Other operating income and expenses, net	-	-	-	-
Share in profits of associated companies	-	-	-	-
<b>Operating profit</b>	-67	-100	-	-167
Finance income	-	-	-	-
Finance income, Metso Group	-	-3	-	-3
Foreign exchange gains/losses	-	-	-	-
Finance expenses	-	-	-1	-1
<b>Profit before taxes</b>	-67	-103	-1	-172
Income taxes	15	19	0	35
<b>Profit for the period, continuing operations</b>	-52	-84	-1	-137



## Key figures, IFRS

EUR million, %	Metso Outotec Sep 30, 2020
Profit for the period	123
Earnings per share, EUR <sup>1</sup>	0.17
Equity / share at end of period, EUR	2.42
Number of outstanding shares at Sep 30, 2020 (thousands)	183,121
New shares issued as demerger consideration to Metso's shareholders (thousands)	645,851
The total number of outstanding shares at end of period (thousands)	828,972
Own shares held by Parent Company (thousands)	993
The number of outstanding shares at end of period (thousands)	827,979
Average number of outstanding shares (thousands)	707,228
Net debt	943
Gearing, %	47.0
Equity to assets ratio, %	39.4
Debt to capital, %	39.3
Debt to equity, %	64.8
Net working capital (NWC)	513

<sup>1</sup> Based on average number of outstanding shares of 707,228

### NET DEBT AND GEARING

EUR million, %	Metso Outotec Sep 30, 2020
Borrowings	1,298
Lease liabilities	129
Cash pool liabilities, Metso Group	-
Gross debt	1,427
Loan receivables	8
Liquid funds	477
<b>Net debt</b>	<b>943</b>
<b>Gearing</b>	<b>47.0</b>

## Key figures, pro forma for continuing operations

EUR million, %	1-9/2020	1-12/2019
Sales	3,012	4,132
Adjusted EBITDA	406	544
% of sales	13.5	13.2
Adjusted EBITA	345	464
% of sales	11.5	11.2
Operating profit	258	265
% of sales	8.6	6.4
Profit for the period	175	159
Earnings per share, EUR	0.21	0.19
The number of outstanding shares at end of period (thousands)	827,979	827,979

## Formulas for key figures

<b>Earnings before financial expenses, net, taxes and amortization, adjusted (adjusted EBITA)</b>	=	Operating profit + adjustment items + amortization	
<b>Earnings per share, basic</b>	=	$\frac{\text{Profit attributable to shareholders}}{\text{Average number of outstanding shares during the period}}$	
<b>Equity/share</b>	=	$\frac{\text{Equity attributable to shareholders}}{\text{Number of outstanding shares at the end of the period}}$	
<b>Gearing, %</b>	=	$\frac{\text{Net interest bearing liabilities}}{\text{Total equity}} \times 100$	x 100
<b>Equity to assets ratio, %</b>	=	$\frac{\text{Total equity}}{\text{Balance sheet total - advances received}} \times 100$	x 100
<b>Debt to capital, %</b>	=	$\frac{\text{Interest bearing liabilities} - \text{lease liabilities}}{\text{Total equity} + \text{interest bearing liabilities} - \text{lease liabilities}} \times 100$	x 100
<b>Debt to equity, %</b>	=	$\frac{\text{Interest bearing liabilities} - \text{lease liabilities}}{\text{Total equity}} \times 100$	x 100
<b>Interest bearing liabilities (Gross debt)</b>	=	Interest bearing liabilities, non-current and current + lease liabilities, non-current and current	
<b>Net interest bearing liabilities (Net debt)</b>	=	Interest bearing liabilities - non-current financial assets - loan and other interest bearing receivables (current and non-current) - liquid funds	
<b>Net working capital (NWC)</b>	=	Inventories + trade receivables + other non-interest bearing receivables + customer contract assets and liabilities, net - trade payables - advances received - other non-interest bearing liabilities	

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## Alternative Performance Measures

Metso Outotec presents certain key figures (alternative performance measures) as additional information to the financial measures presented in the consolidated statements of comprehensive income, consolidated balance sheet and cash flows prepared in accordance with IFRS. In Metso Outotec's view, alternative performance measures provide meaningful supplemental information on its operational results, financial position and cash flows and are widely used by analysts, investors and other parties.

To improve the comparability between periods, Metso Outotec presents adjusted EBITA, being earnings before interest, tax and amortization adjusted by capacity adjustment costs, acquisition costs, gains and losses on business disposals as well as Metso Outotec transaction and integration costs. Their nature and net effect on cost of goods sold, selling, general and administrative expenses, as well as other income and expenses are presented in the segment information. Net debt, gearing, equity-to-asset ratio, debt-to-capital ratio, debt-to-equity ratio are presented as complementing measures because, in Metso Outotec's view, they are useful measures of Metso Outotec's ability to obtain financing and service its debts. Net working capital provide additional information concerning the cash flow needs of Metso Outotec's operations.

Alternative performance measures should not be viewed in isolation or as a substitute to the IFRS financial measures. All companies do not calculate alternative performance measures in a uniform manner, and therefore Metso Outotec's alternative performance measures may not be comparable with similarly named measures presented by other companies.



## Contents

1. Basis of preparation
2. New accounting standards
3. Disaggregation of sales
4. Financial risk management
5. Borrowings and lease liabilities
6. Fair value estimation
7. Notional amounts of derivative instruments
8. Contingent liabilities and commitments
9. Acquisitions and business disposals
10. Segment information, IFRS
11. Exchange rates
12. Events after reporting period

Appendix - Illustrative Historical Financial Information

### 1. Basis of preparation

This interim report has been prepared in accordance with IAS 34 'Interim Financial Reporting', applying the accounting policies of Metso Outotec which are consistent with the accounting policies of Metso Minerals carve-out Financial Statements 2019. New accounting standards have been adopted as described in note 2. This interim report is unaudited.

All figures presented have been rounded and consequently the sum of individual figures might differ from the presented total figure.

The partial demerger of Metso Corporation and combination of Metso's Minerals business and Outotec was completed on June 30, 2020. In the consolidated financial statements according to IFRS this transaction is treated as a reverse acquisition, where Metso Minerals is the accounting acquirer and Outotec the accounting acquiree. The historical IFRS based statement of income and cash flow for 2019 and January-June 2020 include only Metso Minerals carve-out data. July-September 2020 consolidated statement of income and cash flows include Metso Outotec group financial data.

The consolidated statement of income and statement of cash flows for January-June 2020 present Metso Minerals as a single economic entity and are based on historical financial information of the relevant entities and business by using the same accounting principles and carrying amounts as in Metso Group. Metso Minerals carve-out financial statements have been prepared on a basis that combined financial statements of the legal entities and operating units attributable to the Minerals business are combined to Outotec Group.

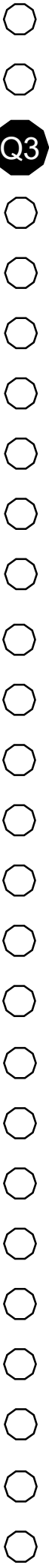
### Reporting segments

Metso Outotec Group is a global supplier of sustainable technologies, end-to-end solutions and services for the minerals processing, aggregates, metals refining and recycling industries. Metso Outotec has a broad offering in terms of equipment, solutions and various type of aftermarket services. Reportable segments of Metso Outotec are based on end customer groups, which are differentiated by both offering and business model: Aggregates, Minerals and Metals & Recycling. The segments are reported in a manner consistent with the internal reporting provided to the Board of Directors, Metso Outotec's chief operating decision-maker and responsible for allocating resources and assessing the performance of the segments, deciding on strategy, selecting key employees, as well as deciding on major development projects, business acquisitions, investments, organizational structure and financing. The accounting principles applied to the segment reporting are the same as those used in preparing the consolidated financial statements.

Aggregates offers a wide range of equipment, aftermarket parts and services for quarries, aggregates contractors and construction companies. Minerals supplies a wide portfolio of process solutions, equipment and aftermarket services, as well as plant delivery capability for mining operations. Metals and Recycling provides sustainable solutions for processing virtually all types of ores and concentrates to refined metals as well as equipment, parts, and services for metal and waste recycling operations. Metals and Recycling segment includes two operating segments Metals and Recycling. These two operating segments have been aggregated to one segment due to their size and similar operating model. Group Head Office and other segment is comprised of the parent company with centralized group functions, such as treasury and tax, as well as shared service centers and holding companies.

Metso Outotec measures the performance of segments with operating profit/loss. In addition, Metso Outotec uses alternative performance measures to reflect the underlying business performance and to improve comparability between financial periods: "earnings before interest, tax and amortization, adjusted (adjusted EBITA)". Alternative

performance measures should not, however, be considered as a substitute for measures of performance in accordance with the IFRS.



## 2. New accounting standards

New and amended standards adopted 2020

Metso Outotec has applied the following revised IFRS Standards that have been effective since January 1, 2020. These amendments have not had a material impact on the reported figures.

- Amendments to IFRS 3 Definition of a business
- Amendments to IAS 1 and IAS 8 Definition of material
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform

## 3. Disaggregation of sales

### SALES

EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019
Aggregates	244	217	741	657	928
Minerals	634	491	1,472	1,360	1,828
Metals and Recycling	107	55	219	162	220
<b>Sales</b>	<b>985</b>	<b>763</b>	<b>2,432</b>	<b>2,179</b>	<b>2,976</b>

### EXTERNAL SALES BY CATEGORY

EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019
Sales of service	<b>537</b>	<b>453</b>	<b>1,363</b>	<b>1,266</b>	<b>1,719</b>
Aggregates	75	85	239	255	336
Minerals	413	344	1,036	944	1,292
Metals and Recycling	50	24	88	67	91
Sales of projects, equipment and goods	<b>448</b>	<b>310</b>	<b>1,069</b>	<b>913</b>	<b>1,257</b>
Aggregates	170	132	502	402	592
Minerals	221	148	436	416	536
Metals and Recycling	57	31	131	95	129
<b>Sales</b>	<b>985</b>	<b>763</b>	<b>2,432</b>	<b>2,179</b>	<b>2,976</b>

### EXTERNAL SALES BY TIMING OF REVENUE RECOGNITION

EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019
At a point in time	724	651	1,961	1,841	2,485
Over time	262	112	471	339	491
<b>Sales</b>	<b>985</b>	<b>763</b>	<b>2,432</b>	<b>2,179</b>	<b>2,976</b>

### EXTERNAL SALES BY DESTINATION

EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019
Europe	275	183	674	586	820
North and Central America	192	153	543	448	624
South America	160	157	410	400	548
APAC	215	176	483	448	599
Africa, Middle East & India	143	93	322	297	385
<b>Sales</b>	<b>985</b>	<b>763</b>	<b>2,432</b>	<b>2,179</b>	<b>2,976</b>

## 4. Financial risk management

As a global company, Metso Outotec is exposed to a variety of business and financial risks.

Covid-19 continues to pose significant short-term risks and uncertainties to Metso Outotec's market and operations. The development of the pandemic is difficult to predict. Further possible abrupt measures taken by various national and local governments to restrict the spread may impact the demand for Metso Outotec's products and services as well as Metso Outotec's operations, which could restrict our ability to provide services at customer sites and to run our manufacturing sites. The company may also, in order to protect its personnel, need to take abrupt measures that are likely to affect the efficiency of its operations and customer deliveries.

The severity and longevity of the pandemic's impact on global economic growth, together with uncertain political- and trade- related developments, could have a longer impact on our customer industries, reduce the investment appetite and spending among our customers, weaken the demand for Metso Outotec's products and services as well as affect our business operations.

Financial risks are managed centrally by the Group Treasury under annually reviewed written policies approved by the Board of Directors. Treasury operations are monitored by the Treasury Management Team chaired by the CFO. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the operating units. Group Treasury functions as counterparty to the operating units, manages centrally external funding and is responsible for the management of financial assets and appropriate hedging measures. The objective of financial risk management is to minimize potential adverse effects on Metso Outotec's financial performance.

### Liquidity and refinancing risk, capital structure management

Metso Outotec's liquidity position is solid. In addition to the cash amounting to EUR 477 million, the company had committed and undrawn revolving credit facilities of EUR 790 million at the end of September. A syndicated EUR 600 million revolving credit facility has a maturity in 2025 with one one-year extension option.

In order to be prepared for any Covid-19 related liquidity needs, Metso Outotec arranged further liquidity buffers during the reporting period. EUR 100 million revolving credit facilities mature in 2021 and EUR 90 million in 2022.

Metso Outotec also has a EUR 600 million Finnish commercial paper program, under which EUR 138 million were issued at the end of the period.

Metso Outotec repaid Outotec's EUR 150 million bond in September 2020 with a bank term loan with a maturity until 2022.

Metso Outotec repaid Outotec's EUR 150 million hybrid bond in July 2020. The refinancing of the hybrid bond was done with a bank term loan of EUR 150 million with a maturity until 2022 with a one-year extension option.

Metso Outotec's refinancing risk is managed by balancing the proportion of short-term and long-term debt as well as the average remaining maturity of long-term debt.

Capital structure is assessed regularly by the Board of Directors and managed operationally by the Group Treasury. Capital structure management in Metso Outotec comprises both equity and interest-bearing debt and its objectives are to safeguard the ongoing business operations and to optimize the cost of capital. As of September 30, 2020, the equity attributable to shareholders was EUR 2,000 million, and the amount of gross debt was EUR 1,427 million. Metso Outotec has a target to maintain an investment grade credit rating.

Moody's Investor Service has assigned a 'Baa2' long-term issuer rating with stable outlook and S&P Global Ratings a 'BBB-' preliminary long-term issuer credit rating with negative outlook to Metso Outotec.

There are no prepayment covenants in Metso Outotec's financial contracts which would be triggered by changes in credit rating. Covenants included in some financing agreements refer to a combination of certain credit rating level and Metso Outotec's capital structure. Metso Outotec is in compliance with all covenants and other terms of its debt instruments.

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## 5. Borrowings and lease liabilities



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BORROWINGS AND LEASE LIABILITIES		Metso Outotec
EUR million	30.9.2020	
Bonds	391	
Loans from financial institutions	739	
<b>Total borrowings</b>	<b>1,130</b>	
Lease liabilities	99	
<b>Total long-term interest bearing debt</b>	<b>1,229</b>	
Loans from financial institutions	30	
Commercial papers	138	
<b>Total short-term borrowings</b>	<b>167</b>	
Lease liabilities	30	
<b>Total short-term interest bearing debt</b>	<b>197</b>	
<b>Total interest bearing debt</b>	<b>1,427</b>	

### BONDS

EUR million	Nominal interest rate	Effective interest rate	Outstanding carrying value	
	30.9.2020	30.9.2020	30.9.2020	2019
Public bond 2017-2024	1.125 %	2.33 %	291	288
Private placements maturing 2022	3.80 %	3.80 %	100	100
<b>Bonds total</b>			<b>391</b>	<b>388</b>

### Contractual maturities of interest bearing debt at Sep 30, 2020

EUR million	Borrowings	of which repayments	of which interests	Lease liabilities <sup>1</sup>
year 1	480	467	13	34
year 2	510	500	10	24
year 3	3	-	3	18
year 4	303	300	3	14
year 5	40	40	-	12
Later	-	-	-	45
<b>Metso Outotec total</b>	<b>1,337</b>	<b>1,307</b>	<b>30</b>	<b>147<sup>1</sup></b>

<sup>1</sup> Future lease payments at nominal value

## 6. Fair value estimation

For those financial assets and liabilities which have been recognized at fair value in the balance sheet, the following measurement hierarchy and valuation methods have been applied:

- Level 1 Quoted unadjusted prices at the balance sheet date in active markets. The market prices are readily and regularly available from an exchange, dealer, broker, market information service system, pricing service or regulatory agency. The quoted market price used for financial assets is the current bid price. Level 1 financial instruments include debt and equity investments classified as financial instruments at fair value through profit and loss.
- Level 2 The fair value of financial instruments in Level 2 is determined using valuation techniques. These techniques utilize observable market data readily and regularly available from an exchange, dealer, broker, market information service system, pricing service or regulatory agency. Level 2 financial instruments include:
- Over-the-counter derivatives classified as financial assets/liabilities at fair value through profit and loss or qualified for hedge accounting
  - Debt securities classified as financial instruments at fair value through profit and loss
  - Fixed rate debt under fair value hedge accounting
- Level 3 A financial instrument is categorized into Level 3 if the calculation of the fair value cannot be based on observable market data. There were no such instruments on September 30<sup>th</sup> in 2020.

The table below presents financial assets and liabilities that are measured at fair value. There have been no transfers between fair value levels during the presented period.

EUR million	Metso Outotec Sep 30, 2020		
	Level 1	Level 2	Level 3
<b>Assets</b>			
Financial assets at fair value through profit and loss			
Derivatives not under hedge accounting	-	20	-
Financial assets at fair value through other comprehensive income			
Derivatives under hedge accounting	-	17	-
Interest bearing investments	-	-	-
<b>Total</b>	<b>-</b>	<b>37</b>	<b>-</b>
<b>Liabilities</b>			
Financial liabilities at fair value through profit and loss			
Derivatives not under hedge accounting	-	11	-
Long term debt at fair value	-	103	-
Financial liabilities at fair value through other comprehensive income			
Derivatives under hedge accounting	-	11	-
<b>Total</b>	<b>-</b>	<b>125</b>	<b>-</b>

The carrying value of other financial assets and liabilities than those presented in this fair value level hierarchy table approximates their fair value. Fair values of other debt are calculated as net present values.

## 7. Notional amounts of derivative instruments

EUR million	Metso Outotec	Metso Minerals
	Sep 30, 2020	Dec 31, 2019
Forward exchange rate contracts	1,677	1,488
Interest rate swaps	145	145
Cross currency swaps	-	-
Option agreements	-	-



## 8. Contingent liabilities and other commitments

EUR million	Metso Outotec Sep 30, 2020	Metso Minerals Dec 31, 2019
Guarantees		
External guarantees given by parent and group companies	1,245	268
Other commitments		
Repurchase commitments	0	1
Other contingencies	1	1
<b>Total</b>	<b>1,246</b>	<b>270</b>

## 9. Acquisitions and business disposals

It was announced on July 4, 2019 that Metso's Minerals business and Outotec will be combined through a partial demerger of Metso Corporation. The Extraordinary General Meetings of Metso and Outotec approved the demerger and combination on October 29, 2019. All regulatory approvals for the combination were received on June 18, 2020. The completion of Metso's partial demerger was registered with the Finnish Trade Register on June 30, 2020 and the name of the combined company was changed to Metso Outotec Corporation. Metso shareholders received 4.3 newly issued shares in Outotec for each share owned in Metso on the record date. Thus, a total of 645,850,948 new Outotec shares were issued as demerger consideration to Metso's shareholders based on their shareholdings in Metso on June 30, 2020. After the transaction was completed, the total number of Metso Outotec shares was 828,972,440 and its share capital was EUR 107,186,442.52.

The purpose of the combination is to create a leading company in process technology, equipment and services serving the minerals, metals and aggregates industries. Metso Outotec will also have expertise in specialist areas, such as recycling and energy solutions. The combination is expected to deliver a range of strategic, commercial, operational and financial benefits.

The combination of Metso Minerals and Outotec is highly complementary and will create a unique company in the industry. Metso Outotec will leverage the strengths of both companies, including technology and R&D, product and process excellence, scale and global service offering footprint. The combination will deliver significant benefits to all stakeholders.

Metso Outotec expects to achieve material cost and revenue synergies. The cost synergies are expected to be realized from operations, with the balance from optimization of supply chain and procurement savings. The highly complementary product and service portfolio and the combined global footprint are expected to generate multiple cross-selling opportunities, leading to revenue synergies.

The partial demerger of Metso Corporation and combination of Metso's Minerals business and Outotec was completed on June 30, 2020. In the consolidated financial statements according to IFRS this transaction is treated as a reverse acquisition, where Metso Minerals is the accounting acquirer and Outotec the accounting acquiree. The acquisition of Outotec has been accounted for in the consolidated financial statements as business combination using the acquisition method. Outotec has been consolidated from the acquisition date 30 June 2020 onwards to Metso Minerals.

Q3

## Consideration transferred

The consideration transferred amounted to EUR 899 million and was measured using the market price of Outotec share (EUR 4.912) as of June 30, 2020 and the number of Outotec share shares outstanding (183.1 million) before the completion of the transaction.

## Recognized amounts of identifiable assets acquired and liabilities assumed

Outotec's net assets have been identified and recognized at their fair values as of the acquisition date on June 30, 2020. The following table summarizes the fair values of assets and liabilities assumed. The accounting of the acquisition is still provisional pending the finalization of the valuation of the assets and liabilities assumed. Measurement period adjustments have been made to the preliminary calculation of fair values compared to the June 30, 2020 calculation. The provisional amounts recognized may be adjusted within 12 months after the date of acquisition, to reflect new information obtained about the facts and circumstances that existed at the date of the acquisition.

### PRELIMINARY ASSETS AND LIABILITIES RECOGNIZED AS A RESULT OF THE ACQUISITION

EUR million	Outotec Fair value
Intangible assets	858
Property, plant and equipment	43
Right-of-use assets	61
Deferred tax assets	85
Other non-current assets	8
Inventory	220
Trade receivables	115
Customer contract assets	181
Income tax receivables	15
Other receivables	67
Liquid funds	215
<b>Assets</b>	<b>1,869</b>
Non-current interest bearing liabilities	-43
Deferred tax liability	-185
Other non-current liabilities	-124
Current interest bearing liabilities	-468
Trade payables	-126
Customer contract liabilities	-145
Accrued income taxes	-12
Other liabilities	-322
<b>Liabilities</b>	<b>-1,425</b>
Net liabilities	-39
<b>Net identifiable assets acquired at fair value</b>	<b>405</b>
Goodwill	495
<b>Purchase consideration</b>	<b>899</b>

The identified intangible assets relate to technology, customer relationships, Outotec trademark, and order backlog. Fair values for the intangible assets have been determined using appropriate valuation methods including multi-period excess earnings method (MEEM) for customer relationships and order backlog, Relief from royalty method (Rfr) for technology and Outotec trademark. The amortization period for these assets vary from 0.5 years to 20 years. Goodwill is attributable to market share, future products and technologies, geographical presence synergies and workforce. Goodwill will not be deductible for tax purposes.

**FAIR VALUE ADJUSTMENTS OF THE IDENTIFIABLE ASSETS OF OUTOTEC**

EUR million	Periods	Fair value adjustments	Amortization /depreciation 7–12/2020	2021
Customer related intangible assets	20 years	269	7	13
Marketing related intangible assets	20 years	53	1	3
Technology related intangible assets	20 years	449	11	22
Order backlog	0.5 year	39	39	-
<b>Total intangible assets</b>		<b>810</b>	<b>58</b>	<b>38</b>
Property, plant and equipment	5.5 years	5	0	1
<b>Fair value adjustments total</b>		<b>815</b>	<b>58</b>	<b>38</b>

The amount of the non-controlling interest in Outotec recognized at the acquisition date was EUR 1 million and was measured based on proportionate share of the value of net identifiable assets acquired.

IFRS based acquisition costs of EUR 26 million recognized by Metso Outotec and Metso Minerals during 2020 (EUR 12 million during the financial year of 2019) are expensed and included in administrative expenses in the income statement and in operating cash flow in the statement of cash flows. For further detailed specification of transaction costs, please see section “Voluntary Unaudited Pro Forma Financial Information”.

According to pro forma financial information on the combination the Group sales would have been EUR 3,012 million and operating profit EUR 258 million, if the combination had taken place at the beginning of the year. For more detailed description on pro forma financial information, please see section “Voluntary Unaudited Pro Forma Financial Information” in this interim report.

**Other acquisitions 2020**

On August 3, 2020, Metso Outotec acquired 100% share of the company Brian Investments Pty Ltd in Australia, which is the fastener and wear monitoring technology provider. The acquisition extends Metso Outotec's wear lining portfolio and capabilities. The acquired business was consolidated into the Minerals segment. The company's sales in fiscal year is about EUR 10 million. The company employs about 30 people.

**Preliminary assets and liabilities recognized as a result of the acquisitions**

EUR million	Brian Investments Pty Ltd
Fixed assets	4
Inventory	1
Receivables	4
Liquid funds	1
Liabilities	-3
<b>Net identifiable assets acquired at fair value</b>	<b>6</b>
Goodwill	3
<b>Purchase consideration</b>	<b>9</b>

Goodwill is attributable to personnel knowhow and synergies. The goodwill is not deductible for tax purposes. The initial calculation of goodwill generated is based on the result of acquired companies, adjusted by changes in accounting principles and effects from the fair value adjustment of acquired assets and related tax adjustments.

**Net cash flow impact of the acquisitions**

EUR million	Brian Investments Pty Ltd	McCloskey International Ltd	Total 2020
Cash consideration paid	-9	1	-8
Cash and cash equivalents acquired	1	-	1
Net cash flow for the year	-8	1	-7
Contingent consideration	-	-	0
<b>Cash considerations, total</b>	<b>-8</b>	<b>1</b>	<b>-7</b>

Acquisition costs of EUR 0,2 million are expensed and included in administrative expenses in the income statement and in operating cash flow in the statement of cash flows.

## Discontinued operations

In late 2019, Outotec announced its decision to divest the businesses related to aluminum and waste-to-energy. The aluminum business to be divested includes green anode plant, rod shop and certain casthouse technologies as well as related service operations. The waste-to-energy business to be divested comprises of biomass, wood waste and various other fuel plants, including related service operations.

The divested businesses have been classified as discontinued operations, including the transfer of assets held for sale and liabilities directly attributable to them on separate lines in the statement of financial position. The figures in the statement of income have been adjusted to show the discontinued operations separately from continuing operations. The assets held for sale total EUR 37 million and the liabilities directly attributable to them EUR 62 million on September 30, 2020.

Pursuing these strategic actions will enable Metso Outotec to better focus on its core technologies in the Metals & Recycling business. Divestments of the businesses are expected to be implemented during 2020 through selling of the businesses.

## 10. Segment information, IFRS

### ORDERS RECEIVED

EUR million	7-9/2020	7-9/2019	1-9/2020	1-9/2019	10/2019-9/2020	1-12/2019
Aggregates	232	211	744	692	1,018	967
Minerals	516	449	1,520	1,374	1,968	1,821
Metals and Recycling	88	62	208	183	245	221
<b>Metso Outotec total</b>	<b>836</b>	<b>722</b>	<b>2,471</b>	<b>2,249</b>	<b>3,231</b>	<b>3,009</b>

### ORDERS RECEIVED BY SERVICES BUSINESS

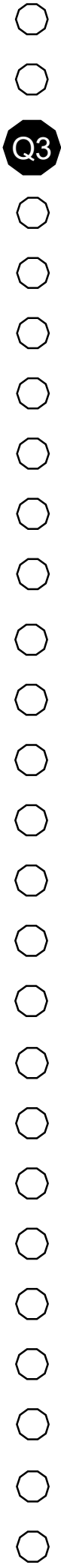
EUR million	7-9/2020	7-9/2019	1-9/2020	1-9/2019	10/2019-9/2020	1-12/2019
Aggregates	75	87	236	264	327	355
% of orders received	32.3	41.4	31.8	38.1	32.1	36.7
Minerals	375	362	1,075	1,026	1,416	1,368
% of orders received	72.6	80.6	70.7	74.7	72.0	75.1
Metals and Recycling	27	19	65	66	85	86
% of orders received	30.7	30.9	31.4	36.2	34.6	39.0
<b>Metso Outotec total</b>	<b>477</b>	<b>469</b>	<b>1,376</b>	<b>1,357</b>	<b>1,828</b>	<b>1,809</b>
% of orders received	57.1	64.9	55.7	60.3	56.6	60.1

### SALES

EUR million	7-9/2020	7-9/2019	1-9/2020	1-9/2019	10/2019-9/2020	1-12/2019
Aggregates	244	217	741	657	1,011	928
Minerals	634	491	1,472	1,360	1,940	1,828
Metals and Recycling	107	55	219	162	278	220
<b>Metso Outotec total</b>	<b>985</b>	<b>763</b>	<b>2,432</b>	<b>2,179</b>	<b>3,229</b>	<b>2,976</b>

### SALES BY SERVICES BUSINESS

EUR million	7-9/2020	7-9/2019	1-9/2020	1-9/2019	10/2019-9/2020	1-12/2019
Aggregates	75	85	239	255	320	336
% of sales	30.6	39.1	32.3	38.9	31.6	36.2
Minerals	413	344	1,036	944	1,385	1,292
% of sales	65.1	70.0	70.4	69.4	71.4	70.7
Metals and Recycling	50	24	88	67	111	91
% of sales	46.4	44.2	40.2	41.5	40.2	41.1
<b>Metso Outotec total</b>	<b>537</b>	<b>453</b>	<b>1,363</b>	<b>1,266</b>	<b>1,816</b>	<b>1,719</b>
% of sales	54.5	59.3	56.1	58.1	56.2	57.8



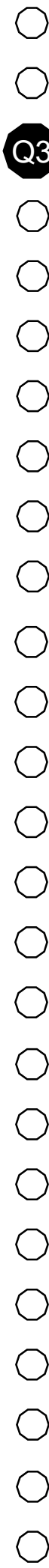
## ADJUSTED EBITA AND OPERATING PROFIT

EUR million, %	7-9/2020	7-9/2019	1-9/2020	1-9/2019	10/2019-9/2020	1-12/2019
<b>Aggregates</b>						
Adjusted EBITA	26	28	76	81	107	112
% of sales	10.7	12.7	10.3	12.3	10.6	12.0
Amortization of intangible assets	-3	-1	-10	-2	-12	-5
Adjustment items	-2	-4	-2	-6	-5	-9
<b>Operating profit</b>	<b>21</b>	<b>23</b>	<b>64</b>	<b>73</b>	<b>89</b>	<b>98</b>
% of sales	8,7	10,7	8,7	11,2	8,8	10,6
<b>Minerals</b>						
Adjusted EBITA	97	73	233	194	295	256
% of sales	15.4	14.8	15.8	14.3	15.2	14.0
Amortization of intangible assets	-24	-2	-26	-4	-27	-4
Adjustment items	-2	-7	-3	-8	-7	-13
<b>Operating profit</b>	<b>72</b>	<b>64</b>	<b>204</b>	<b>183</b>	<b>260</b>	<b>239</b>
% of sales	11,3	13,0	13,9	13,4	13,4	13,1
<b>Metals and Recycling</b>						
Adjusted EBITA	-10	4	-1	10	2	13
% of sales	-9.1	7.5	-0.6	6.0	0.7	5.9
Amortization of intangible assets	-10	0	-10	0	-10	0
Adjustment items	-2	-	-2	-	-2	-
<b>Operating profit</b>	<b>-22</b>	<b>4</b>	<b>-13</b>	<b>9</b>	<b>-10</b>	<b>13</b>
% of sales	-20.2	7.4	-6.1	5.9	-3.6	5.8
<b>Group Head Office and other</b>						
Adjusted EBITA	-5	-2	-15	-7	-12	-4
Amortization of intangible assets	-1	-2	-3	-5	-4	-7
Adjustment items	-18	-7	-44	-7	-52	-14
<b>Operating profit</b>	<b>-24</b>	<b>-11</b>	<b>-62</b>	<b>-19</b>	<b>-68</b>	<b>-25</b>
<b>Metso Outotec total</b>						
Adjusted EBITA	109	102	293	278	392	377
% of sales	11.1	13.4	12.0	12.8	12.1	12.7
Amortization of intangible assets	-37	-5	-49	-11	-53	-16
Adjustment items	-24	-17	-52	-21	-67	-36
<b>Operating profit</b>	<b>47</b>	<b>80</b>	<b>193</b>	<b>247</b>	<b>271</b>	<b>325</b>
% of sales	4.8	10.5	7.9	11.3	8.4	10.9

## ADJUSTING ITEMS BY CATEGORY

EUR million	7-9/2020	7-9/2019	1-9/2020	1-9/2019	10/2019-9/2020	1-12/2019
Capacity adjustment costs	-15	-9	-17	-9	-23	-15
Acquisition costs	0	-1	0	-3	-2	-4
Loss on disposal	-	-	-	-2	0	-2
Metso Outotec Integration costs	-4	-	-9	-	-12	-3
Carve-out related expenses	-	-	0	-	0	-
Metso Outotec transaction costs	-5	-7	-26	-7	-30	-12
<b>Adjustments items, total</b>	<b>-24</b>	<b>-17</b>	<b>-52</b>	<b>-21</b>	<b>-67</b>	<b>-36</b>

## Quarterly segment information, IFRS



ORDERS RECEIVED					
EUR million	7–9/2020	4–6/2020	1–3/2020	10–12/2019	7–9/2019
Aggregates	232	222	290	274	211
Minerals	516	486	517	448	449
Metals and Recycling	88	54	66	37	62
<b>Metso Outotec total</b>	<b>836</b>	<b>762</b>	<b>874</b>	<b>759</b>	<b>722</b>

SALES					
EUR million	7–9/2020	4–6/2020	1–3/2020	10–12/2019	7–9/2019
Aggregates	244	253	244	271	217
Minerals	634	440	399	467	491
Metals and Recycling	107	59	53	59	55
<b>Metso Outotec total</b>	<b>985</b>	<b>751</b>	<b>696</b>	<b>797</b>	<b>763</b>

Adjusted EBITA					
EUR million	7–9/2020	4–6/2020	1–3/2020	10–12/2019	7–9/2019
Aggregates	26	34	16	30	28
Minerals	97	81	55	62	73
Metals and Recycling	-10	6	2	3	4
Group Head Office and other	-5	-12	2	3	-2
<b>Metso Outotec total</b>	<b>109</b>	<b>110</b>	<b>74</b>	<b>99</b>	<b>102</b>

Adjusted EBITA, % OF SALES					
%	7–9/2020	4–6/2020	1–3/2020	10–12/2019	7–9/2019
Aggregates	10.7	13.5	6.6	11.2	12.7
Minerals	15.4	18.4	13.7	13.2	14.8
Metals and Recycling	-9.1	10.7	4.0	5.8	7.5
Group Head Office and other	n/a	n/a	n/a	n/a	n/a
<b>Metso Outotec total</b>	<b>11.1</b>	<b>14.6</b>	<b>10.7</b>	<b>12.4</b>	<b>13.4</b>

AMORTIZATION					
EUR million	7–9/2020	4–6/2020	1–3/2020	10–12/2019	7–9/2019
Aggregates	-3	-3	-3	-3	-1
Minerals	-24	-1	-1	-1	-2
Metals and Recycling	-10	0	0	0	0
Group Head Office and other	-1	-1	-1	-1	-2
<b>Metso Outotec total</b>	<b>-37</b>	<b>-5</b>	<b>-6</b>	<b>-5</b>	<b>-5</b>

ADJUSTMENT ITEMS					
EUR million	7–9/2020	4–6/2020	1–3/2020	10–12/2019	7–9/2019
Aggregates	-2	-1	0	-3	-4
Minerals	-2	0	0	-5	-7
Metals and Recycling	-2	0	-	-	-
Group Head Office and other	-18	-17	-9	-8	-7
<b>Metso Outotec total</b>	<b>-24</b>	<b>-18</b>	<b>-10</b>	<b>-15</b>	<b>-17</b>

**OPERATING PROFIT**

EUR million	7–9/2020	4–6/2020	1–3/2020	10–12/2019	7–9/2019
Aggregates	21	30	13	25	23
Minerals	72	79	53	56	64
Metals and Recycling	-22	6	2	3	4
Group Head Office and other	-24	-29	-9	-6	-11
<b>Metso Outotec total</b>	<b>47</b>	<b>87</b>	<b>59</b>	<b>79</b>	<b>80</b>

**OPERATING PROFIT, % OF SALES**

%	7–9/2020	4–6/2020	1–3/2020	10–12/2019	7–9/2019
Aggregates	8.7	12.0	5.2	9.2	10.7
Minerals	11.3	18.0	13.3	12.1	13.0
Metals and Recycling	-20.2	10.6	3.9	5.7	7.4
Group Head Office and other	n/a	n/a	n/a	n/a	n/a
<b>Metso Outotec total</b>	<b>4.8</b>	<b>11.5</b>	<b>8.4</b>	<b>9.9</b>	<b>10.5</b>

**ORDER BACKLOG**

EUR million	30.9.2020	30.6.2020	31.3.2020	31.12.2019	30.9.2019
Aggregates	303	321	356	338	298
Minerals	1,341	962	916	926	964
Metals and Recycling	450	149	155	144	182
<b>Metso Outotec total</b>	<b>2,095</b>	<b>1,431</b>	<b>1,427</b>	<b>1,408</b>	<b>1,444</b>

**11. Exchange rates**

Currency	1–9/2020	1–9/2019	1–12/2019	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
USD (US dollar)	1.1293	1.1241	1.1214	1.1708	1.0889	1.1234
SEK (Swedish krona)	10.5648	10.5547	10.5572	10.5713	10.6958	10.4468
GBP (Pound sterling)	0.8823	0.8841	0.8773	0.9124	0.8857	0.8508
CAD (Canadian dollar)	1.5246	1.4959	1.4882	1.5676	1.4426	1.4598
BRL (Brazilian real)	5.7015	4.3840	4.4195	6.6308	4.5288	4.5157
CNY (Chinese yuan)	7.8872	7.7167	7.7353	7.9720	7.7784	7.8205
AUD (Australian dollar)	1.6609	1.6081	1.6090	1.6438	1.6126	1.5995

**12. Events after reporting period**

There were no events to highlight after reporting period.

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 that 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.

## Appendix - Illustrative Historical Financial Information

The following historical financial information is disclosed only for illustrative purposes. These are not part of the IFRS reporting. Metso Minerals data is presented based on carve-out accounting principles. The combined statement of income and combined statement of cash flows present Metso Minerals as a single economic entity and are based on historical financial information of the relevant entities and business by using the same accounting principles and carrying amounts as in Metso Group. Metso Minerals carve-out financial statements have been prepared on a basis that combined financial statements of the legal entities and operating units attributable to the Minerals business are combined to Outotec Group.

Outotec data is presented based on Outotec's accounting principles which are consistent with those used in the Outotec's annual financial statements for the year ended on 31 December 2019. Purchase price allocation adjustments are not reflected in the historical comparisons.

The illustrative historical segment information is presented as a combination of Metso Minerals carve-out information and Outotec information, according to the Metso Outotec segment structure. The Outotec information is based on Outotec's historical accounting principles, and the Outotec's Minerals Processing segment is included in Metso Outotec's Minerals segment and Outotec's Metals Refining segment is included in Metso Outotec's Metals & Recycling segment. The historical IFRS-based segment information for 2019 and January-June 2020 includes only Metso Minerals carve-out information.





## Balance sheet historical comparisons - Assets

EUR million	Metso Minerals carve-out historical 30.9.2019	Outotec historical reclassified 30.9.2019	Metso Minerals carve-out historical 31.12.2019	Outotec historical reclassified 31.12.2019
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Goodwill	478	226	556	226
Other intangible assets	70	101	167	92
<b>Total intangible assets</b>	<b>549</b>	<b>327</b>	<b>723</b>	<b>318</b>
<b>Property, plant and equipment</b>				
Land and water areas	35	3	43	2
Buildings and structures	76	24	98	18
Machinery and equipment	116	22	128	20
Asset under construction	46	3	46	3
<b>Total property, plant, equipment</b>	<b>273</b>	<b>51</b>	<b>315</b>	<b>42</b>
<b>Right-of-use assets</b>	<b>85</b>	<b>65</b>	<b>89</b>	<b>62</b>
<b>Other non-current assets</b>				
Investments in associated companies	5	1	8	1
Non-current financial assets	3	2	3	2
Loan receivables	6	4	6	2
Loan receivables, Metso Group	26	-	25	-
Derivative financial instruments	4	0	2	1
Deferred tax asset	93	91	108	72
Other non-current receivables	40	2	42	2
Other non-current receivables, Metso Group	142	-	88	-
<b>Total other non-current assets</b>	<b>318</b>	<b>100</b>	<b>282</b>	<b>79</b>
<b>Total non-current assets</b>	<b>1,225</b>	<b>543</b>	<b>1,409</b>	<b>502</b>
<b>Current assets</b>				
Inventories	865	222	975	196
Trade receivables	579	170	577	222
Trade receivables, Metso Group	9	-	10	-
Customer contract assets	111	207	87	145
Loan receivables	0	-	1	0
Loan receivables, Metso Group	26	-	25	-
Cash pool receivables, Metso Group	21	-	17	-
Derivative financial instruments	20	5	16	6
Income tax receivables	53	9	44	10
Other current receivables	119	66	139	76
Other current receivables, Metso Group	0	-	1	-
Deposits and securities, maturity more than three months	4	-	-	-
Cash and cash equivalents	543	239	156	267
Liquid funds	547	239	156	267
<b>Total current assets</b>	<b>2,350</b>	<b>919</b>	<b>2,048</b>	<b>923</b>
Discontinued operations / Asset held for sale	-	6	-	57
<b>TOTAL ASSETS</b>	<b>3,575</b>	<b>1 469</b>	<b>3,457</b>	<b>1,482</b>

Q3

## Balance sheet historical comparisons – Equity and Liabilities



EUR million	Metso Minerals carve-out historical 30.9.2019	Outotec historical reclassified 30.9.2019	Metso Minerals carve-out historical 31.12.2019	Outotec historical reclassified 31.12.2019
<b>Equity</b>				
Share capital	-	17	-	17
Cumulative translation adjustments	-144	-22	-151	-26
Hybrid bond	-	150	-	150
Fair value and other reserves	-1	63	0	70
Retained earnings	1,349	166	1,403	165
<b>Equity attributable to shareholders</b>	<b>1,204</b>	<b>374</b>	<b>1,252</b>	<b>376</b>
Non-controlling interests	10	3	3	3
<b>Total equity</b>	<b>1,213</b>	<b>377</b>	<b>1,254</b>	<b>379</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	689	1	801	1
Lease liabilities	65	51	69	48
Post-employment benefit obligations	60	71	61	69
Provisions	34	50	33	50
Derivative financial instruments	3	1	2	0
Deferred tax liability	33	7	66	8
Other non-current liabilities	2	5	2	7
Other non-current liabilities, Metso Group	6	-	6	-
<b>Total non-current liabilities</b>	<b>891</b>	<b>187</b>	<b>1,040</b>	<b>183</b>
<b>Current liabilities</b>				
Borrowings	229	191	24	225
Lease liabilities	21	14	21	14
Cash pool liabilities, Metso Group	93	-	86	0
Trade payables	357	126	385	148
Trade payables, Metso Group	4	-	1	-
Provisions	59	105	71	77
Advance received	209	0	189	0
Customer contract liabilities	68	238	63	200
Derivative financial instruments	28	16	13	8
Income tax liabilities	85	18	47	11
Other current liabilities	316	196	251	194
Other current liabilities, Metso Group	0	-	11	-
<b>Total current liabilities</b>	<b>1,470</b>	<b>904</b>	<b>1,163</b>	<b>877</b>
<b>Total liabilities</b>	<b>2,362</b>	<b>1,091</b>	<b>2,202</b>	<b>1,059</b>
Discontinued operations / Asset held for sale	-	1	-	43
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,575</b>	<b>1,469</b>	<b>3,457</b>	<b>1,482</b>

## Cash flow statements historical comparisons

EUR million	Metso Minerals carve-out historical 1-9/2019	Outotec historical 1-9/2019	Metso Minerals carve-out historical 1-12/2019	Outotec historical 1-12/2019
<b>Operating activities</b>				
Profit for the period	173	29	223	27
Adjustments:				
Depreciation and amortization	51	39	71	52
Financial expenses, net	23	7	34	9
Income taxes	51	11	69	21
Other items	1	-9	-7	-4
Change in net working capital	-230	-10	-216	-29
<b>Net cash flow from operating activities before financial items and taxes</b>	<b>69</b>	<b>67</b>	<b>173</b>	<b>77</b>
Interests paid	-20	-8	-35	-9
Interests received	4	5	5	6
Other financin items, net	1	0	-1	0
Financial income and expenses paid, net	-15	-3	-31	-2
Income taxes paid	-59	-5	-100	-6
<b>Net cash flow from operating activities</b>	<b>-5</b>	<b>58</b>	<b>43</b>	<b>68</b>
<b>Investing activities</b>				
Capital expenditures on intangible and tangible assets	-62	-13	-87	-18
Proceeds from sale of intangible and tangible assets	5	0	8	-
Proceeds from sale of intangible and tangible assets, Metso Group	-	-	-	-
Proceeds from and investments in financial assets, net	31	0	31	0
Business acquisitions, net of cash acquired	-30	-9	-214	-9
Business acquisitions, net of cash acquired, Metso group	-	-	-	-
Proceeds from sale of businesses, net of cash sold	9	-	9	-
Proceeds from sale of businesses, net of cash sold, Metso group	-	-	50	-
Investments in associated companies	0	-	-3	-
<b>Net cash flow from investing activities</b>	<b>-48</b>	<b>-22</b>	<b>-207</b>	<b>-27</b>
<b>Financing activities</b>				
Dividends paid	-72	-	-144	-
Dividends paid, Metso group	-3	-	-4	-
Transactions with non-controlling interests	-	-	-13	-
Proceeds from and repayment of debt, net	317	-	148	-
Proceeds from and repayment of debt, net, Metso Group	41	-	31	-
Repayment of lease liabilities	-17	-10	-24	-14
Net borrowings (+), payments (-)	-	-9	-	25
Interest on hybrid bond, Outotec group	-	-11	-	-11
Other items	-	0	-	-1
<b>Net cash flow from financing activities</b>	<b>265</b>	<b>-30</b>	<b>-5</b>	<b>-1</b>
<b>Net change in liquid funds</b>	<b>212</b>	<b>6</b>	<b>-169</b>	<b>39</b>
Effect from changes in exchange rates	10	3	0	-1
Liquid funds classified as assets held for sale	-	-4	-	-4
Liquid funds equivalents at beginning of period	325	233	325	233
<b>Liquid funds at end of period</b>	<b>547</b>	<b>239</b>	<b>156</b>	<b>267</b>

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## Illustrative segment information

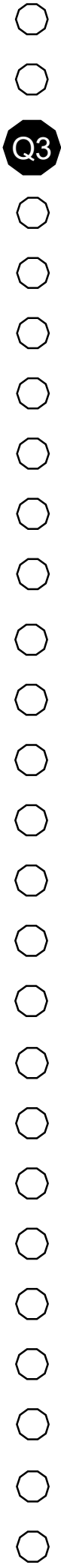
### ORDERS RECEIVED

EUR million	7-9/2019	1-9/2019	1-12/2019	7-9/2020	1-9/2020
Aggregates	211	692	967	232	744
Minerals	781	2,154	2,870	516	1,871
Metals and Recycling	176	581	673	88	311
<b>Metso Outotec total</b>	<b>1,169</b>	<b>3,428</b>	<b>4,510</b>	<b>836</b>	<b>2,926</b>

### SALES

EUR million	7-9/2019	1-9/2019	1-12/2019	7-9/2020	1-9/2020
Aggregates	217	657	928	244	741
Minerals	704	1,931	2,627	634	1,883
Metals and Recycling	152	465	631	107	387
<b>Metso Outotec total</b>	<b>1,073</b>	<b>3,054</b>	<b>4,186</b>	<b>985</b>	<b>3,011</b>

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## ADJUSTED EBITA AND OPERATING PROFIT

EUR million, %	7–9/2019	1–9/2019	1–12/2019	7–9/2020	1–9/2020
<b>Aggregates</b>					
Adjusted EBITA	28	81	112	26	76
% of sales	12.7	12.3	12.0	10.7	10.3
Amortization of intangible assets	-1	-2	-5	-3	-10
Adjustment items	-4	-6	-9	-2	-2
<b>Operating profit</b>	<b>23</b>	<b>73</b>	<b>98</b>	<b>21</b>	<b>64</b>
% of sales	10.7	11.2	10.6	8.7	8.7
<b>Minerals</b>					
Adjusted EBITA	100	265	349	97	280
% of sales	14.3	13.7	13.3	15.4	14.9
Amortization of intangible assets	-6	-15	-19	-24	-34
Adjustment items	-5	-6	-12	-2	-4
<b>Operating profit</b>	<b>90</b>	<b>244</b>	<b>319</b>	<b>72</b>	<b>242</b>
% of sales	12.8	12.7	12.1	11.3	12.8
<b>Metals and Recycling</b>					
Adjusted EBITA	29	43	68	-10	6
% of sales	19.2	9.3	10.7	-9.1	1.6
Amortization of intangible assets	-2	-8	-10	-10	-14
Adjustment items	0	0	-1	-2	-5
<b>Operating profit</b>	<b>27</b>	<b>36</b>	<b>57</b>	<b>-22</b>	<b>-12</b>
% of sales	17.6	7.7	9.0	-20.2	-3.2
<b>Group Head Office and other</b>					
Adjusted EBITA	-4	-11	-10	-5	-18
Amortization of intangible assets	-2	-5	-7	-1	-3
Adjustment items	-8	-10	-25	-18	-66
<b>Operating profit</b>	<b>-14</b>	<b>-27</b>	<b>-41</b>	<b>-24</b>	<b>-87</b>
<b>Metso Outotec total</b>					
Adjusted EBITA	153	378	519	109	344
% of sales	14.3	12.4	12.4	11.1	11.4
Amortization of intangible assets	-11	-29	-40	-37	-61
Adjustment items	-17	-22	-46	-24	-77
<b>Operating profit</b>	<b>126</b>	<b>327</b>	<b>433</b>	<b>47</b>	<b>206</b>
% of sales	11.7	10.7	10.3	4.8	6.9

## ADJUSTING ITEMS BY CATEGORY

EUR million, %	7–9/2019	1–9/2019	1–12/2019	7–9/2020	1–9/2020
Capacity adjustment costs	-7	-9	-14	-15	-20
Acquisition costs	1	-1	-3	0	0
Loss on disposal	-	-2	-2	-	-
Metso Outotec integration costs	-	-	-4	-4	-12
Carve-out related expenses	-	-	-	0	-0
Metso Outotec transaction costs	-10	-10	-23	-5	-46
<b>Adjustments items, total</b>	<b>-17</b>	<b>-22</b>	<b>-46</b>	<b>-24</b>	<b>-77</b>

**Metso Outotec's financial information**

Financial Statements Review for 2020 on February 16, 2021

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Metso:Outotec

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