

**Announcement of Periodic Review: Moody's announces completion of a periodic review of ratings of Metso Outotec**

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07 Oct 2020

Stockholm, October 07, 2020 -- Moody's Investors Service ("Moody's") has completed a periodic review of the ratings of Metso Outotec and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Since 1 January 2019, Moody's practice has been to issue a press release following each periodic review to announce its completion.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Credit ratings and outlook/review status cannot be changed in a portfolio review and hence are not impacted by this announcement. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody's.com](http://www.moody's.com) for the most updated credit rating action information and rating history.

Key rating considerations are summarized below.

The Baa2 long-term issuer rating of Metso Outotec is underpinned by its good market position and comprehensive solutions offering within the mid- and downstream mining and aggregates value chain with high share of aftermarket sales, which should support relative stability of profitability through the cycle; its diversified revenue base in terms of both geography and commodity; and the firm's commitment to maintaining an investment-grade rating.

At the same time, Metso Outotec's rating incorporates its somewhat narrow end-market exposure, because 55% of revenue is derived from the highly cyclical mining sector; relatively low profitability compared with that of its peers within the rating category; risks related to the complex project business; and its initially low-single-digit free cash flow (FCF)/debt in percentage terms.

This document summarizes Moody's view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Manufacturing Methodology published in March 2020. Please see the Rating Methodologies page on [www.moody's.com](http://www.moody's.com) for a copy of this methodology.

This announcement applies only to EU rated and EU endorsed ratings. Non EU rated and non EU endorsed ratings may be referenced above to the extent necessary, if they are part of the same analytical unit.

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