

# Metso:Outotec



## Interim Report

January – March 2022



## Metso Outotec's Interim Report January 1 – March 31, 2022

Segment information for 2021 has been restated to reflect the segment structure changes that were announced in January 2022. Restated information, which was published on April 6, 2022, had a minor impact on all three reporting segments, while the Group's total figures were unchanged.

Figures in brackets refer to the corresponding period in 2021, unless otherwise stated.

### First-quarter 2022 in brief

- Strong market activity continued across all businesses
- Orders received increased 29% to EUR 1,424 million (EUR 1,102 million)
- Sales grew 26% to EUR 1,164 million (EUR 925 million)
- Adjusted EBITA increased to EUR 157 million, or 13.5% of sales (EUR 115 million, or 12.4%)
- Operating profit increased to EUR 139 million, or 12.0% of sales (EUR 91 million, or 9.8%)
- Cash flow from operations was EUR 74 million (EUR 165 million)
- Increased uncertainty caused by Russia's military offensive against Ukraine

## President and CEO Pekka Vauramo:



**"Thanks to higher sales as well as realized integration synergies and other improvement actions, our adjusted EBITA increased 37% to EUR 157 million and our adjusted EBITA margin to 13.5%"**

Our performance during the first quarter was good, despite the uncertainty caused by Russia's military offensive against Ukraine and the ensuing overall volatility in the market environment.

Since Russia started its military offensive, our priority has been the safety and well-being of our personnel. We announced a temporary suspension of deliveries to Russia as of late February and we have not taken new orders for deliveries to Russia. However, we continue to have a backlog to Russian customers and, while fully complying with the applicable sanctions regimes, we will wind down these contracts in a controlled way considering our stakeholders.

Our markets elsewhere continue to be very strong. If anything, the demand for minerals has increased and we expect that the market will enable us to compensate for Russian orders. The market activity during the quarter was reflected in the 29% growth in our order intake. Orders increased in all three segments, in both the equipment and services businesses. The strong market activity is driven by high commodity prices and production rates in the minerals and metals markets, as well as the healthy demand for aggregates equipment and services in North America in particular.

Our quarterly sales increased 26% as a result of higher equipment deliveries from the backlog and double-digit growth in the services business. Thanks to higher sales as well as realized integration synergies and other improvement actions, our adjusted EBITA increased 37% to EUR 157 million and our adjusted EBITA margin to 13.5%. While we saw cost increases from raw materials, components, freights and energy during the quarter, we were able to better mitigate those pressures compared to the second half of 2021, and those actions will continue going forward.

We have also made good progress towards reaching our sustainability targets related to reducing our own emissions and continue to help our customers improve their performance with our Planet Positive portfolio. We launched several new Planet Positive products during the quarter, such as Metso Outotec Geminex™, a digital twin that is designed to optimize customer processes by combining data from both internal and external sources to enable, for example, a reduced carbon footprint and more efficient use of resources.

After the reporting period in April, we announced a project to develop a new, complete range of electrically driven track-mounted Lokotrack® crushers and screens. This easy-to-use range of equipment that will provide customers with lower operational costs and the possibility to use renewable energy sources. These products, along with our existing Planet Positive portfolio, showcase our strong commitment to contribute to the 1.5-degree climate target. Also in April, we announced the acquisition of Tesab Engineering, which offers mostly mobile crushing equipment for aggregates applications. Tesab is a good fit for us, complementing our current offering in the mobile crushing and screening markets. We continue efforts with other potential acquisitions.

## Russia business update

Metso Outotec condemns Russia's military offensive against Ukraine and is deeply saddened by the humanitarian crisis it has caused. The offensive is having an impact on Metso Outotec's business and operations. Metso Outotec's Russia business mainly consisted of large capital equipment deliveries to various mining and metals customers. As of March 31, 2022, Metso Outotec had an order backlog of EUR 479 million to Russia, of which some EUR 315 million was expected to be recognized as sales in 2022 and the rest in later years. In early March, the company temporarily ceased its project deliveries to Russia and is not taking new orders for deliveries to Russia. The company has no production assets or property, plant, and equipment in Russia and only marginal physical assets. The Russian business is accounted for unchanged, on a going concern basis in this interim report.

As a result of the military offensive, the European Union, the United States and other countries have announced severe sanctions against Russia. Metso Outotec did not recognize any revenue during the first quarter from sanctioned customers or contracts. Of the original sales plan for the remainder of 2022, sales to customers currently sanctioned amount to approximately EUR 100 million. In addition to sanctions, restrictions on, for example, logistics and export controls can be expected to further limit deliveries into Russia. Having reviewed the ongoing projects, the company is working to wind down its existing contracts and deliveries with its non-sanctioned Russian customers during the coming months. Thereafter, the company does not expect any revenue from the remaining order backlog. The extent to which

winding down through final deliveries or termination agreements is possible depends on further escalation of the conflict, sanctions and export control restrictions, as well as the availability of banking and logistics. The value of operative assets (receivables and inventory) related to Russian customers accounted for approximately EUR 100 million at the end of March. These assets may be at risk if winding down in a controlled way is not possible.

Capital equipment deliveries to Russia are contracted in euros and include prepayments, which are typically secured with an advanced payment guarantee from a Western bank, and payments against deliveries during the course of the project are secured by letters of credit. At the end of March, Metso Outotec had EUR 269 million of advance payment guarantees tied to deliveries to Russian customers that are accounted for under contingent liabilities. The company is working with its customers and banks on the terms of these guarantees and their fair values in compliance with applicable sanctions regimes to limit cash outflow.

The company terminated its ruble hedging during the quarter, as the currency became untradeable in practice. As a result, a one-off cost of EUR 11 million was recorded in its financing costs.

The company continues to closely monitor the situation and seeks to find solutions for its stakeholders in this unprecedented and challenging situation.

## **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 strong level.





## Group review

### Key figures

EUR million	Q1/2022	Q1/2021	Change %	2021
Orders received	1,424	1,102	29	5,421
Orders received by services business	712	573	24	2,393
% of orders received	50	52	–	44
Order backlog	3,823	2,569	49	3,536
Sales	1,164	925	26	4,236
Sales by services business	551	494	11	2,126
% of sales	47	53	–	50
Adjusted EBITA	157	115	37	547
% of sales	13.5	12.4	–	12.9
Operating profit	139	91	53	425
% of sales	12.0	9.8	–	10.0
Earnings per share, continuing operations, EUR	0.11	0.08	32	0.35
Cash flow from operations	74	165	-55	608
Gearing, %	18.6	31.7	–	20.9
Personnel at end of period	15,746	15,773	0	15,630

### The Group's financial performance

Activity in Metso Outotec's customer industries continued to be healthy during the first quarter in both the equipment and services businesses. The Group's orders received increased 29% to EUR 1,424 million (EUR 1,102 million). Equipment orders grew 35% and services orders 24%.

The Group's sales increased 26% to EUR 1,164 million (EUR 925 million), driven by 42% growth in equipment deliveries. Services sales grew 11% year-on-year, mainly thanks to pricing actions.

Adjusted EBITA increased to EUR 157 million and the adjusted EBITA margin to 13.5% (EUR 115 million and 12.4%). Adjusted EBITA increased in all segments, supported by higher sales volumes as well as realized synergies and other improvement actions. Cost pressures related to raw materials, components, logistics and energy have been increasingly mitigated through pricing and other measures.

The Group's operating profit (EBIT) increased to EUR 139 million and EBIT margin to 12.0% (EUR 91 million and 9.8%). Operating profit included negative adjustments of EUR 1 million (EUR 6 million negative), the majority of which were related to the Metso Outotec integration. PPA amortization totaled EUR 13 million. Net financing expenses totaled EUR -20 million (-7 million), including a one-off cost of EUR -11 million, which resulted from the termination of Russian ruble hedging.

Profit before taxes was EUR 119 million (EUR 84 million). The effective tax rate was 27% (25%). Earnings per share for continuing operations were EUR 0.11 (EUR 0.08).

## Impacts of currencies and structural changes

EUR million, %	Orders received	Sales
	Q1	Q1
<b>2021</b>	<b>1,102</b>	<b>925</b>
Organic growth in constant currencies, %	25	22
Impact of changes in exchange rates, %	4	3
Structural changes, %	0	0
<b>Total change, %</b>	<b>29</b>	<b>26</b>
<b>2022</b>	<b>1,424</b>	<b>1,164</b>

## The Group's financial position

The Group's net interest-bearing liabilities were EUR 443 million at the end of March (Dec 31, 2021: EUR 470 million), gearing declined to 18.6% (Dec 31, 2021: 20.9%) and the debt-to-capital ratio to 25.7% (Dec 31, 2021: 26.7%). The equity-to-assets ratio was 43.3% (Dec 31, 2021: 43.2%).

The Group's liquidity position is strong, supported by its healthy operative cash flow, maturity structure of its funding, and available back-up credit facilities. Liquid funds, consisting of cash and cash equivalents, amounted to EUR 501 million (Dec 31, 2021: EUR 473 million), and there were no deposits or securities with a maturity more than three months (Dec 31, 2021: EUR 0 million).

In addition, Metso Outotec has a committed syndicated revolving credit facility of EUR 600 million with a maturity in 2026. At the end of the period the facility was undrawn. The company also has a EUR 600 million Finnish commercial paper program, of which EUR 50 million was utilized at the end of the period.

Metso Outotec has agreed with Nordic Investment Bank on a EUR 100 million loan with a maturity of eight years. The loan was committed and undrawn at the end of March 2022.

In January, Metso Outotec made an early repayment of EUR 50 million to a bank term loan, which was originally 150 million and would have matured in June 2022.

Metso Outotec has a Euro Medium Term Note Program (EMTN) of EUR 2 billion, under which EUR 678 million at carrying value was outstanding at the end of March (Dec 31, 2021: EUR 687 million). EUR 578 million (Dec 31, 2021: EUR 587) of the outstanding amount was public bonds and EUR 100 million (Dec 31, 2021: EUR 100 million) private placements.

The average interest rate of total loans and derivatives was 1.45%, on March 31, 2022. The duration of medium- and long-term interest-bearing debt was 2.1 years and the average maturity 3.6 years.

S&P Global Ratings revised Metso Outotec's 'BBB-' long-term issuer credit rating outlook to positive in February 2022. Metso Outotec also has a 'Baa2' long-term issuer rating with stable outlook from Moody's Investor Service.

## Segment review

### Aggregates

	EUR million, %	Orders received	Sales
		Q1	Q1
– Strong market activity	<b>2021</b>	<b>356</b>	<b>265</b>
– Healthy volume growth	Organic growth in constant currencies, %	8	19
– Good profitability	Impact of changes in exchange rates, %	5	5
	Structural changes, %	0	0
	<b>Total change, %</b>	<b>13</b>	<b>24</b>
	<b>2022</b>	<b>402</b>	<b>329</b>

#### Operating environment and orders received

Market activity remained strong in the first quarter. Orders received increased 13% to EUR 402 million (356 million), with equipment orders up 10% and services orders up 19% year-on-year. The strongest order growth was seen in North America and China.

#### Financial performance

Sales increased 24% year-on-year in the first quarter, supported by a strong order backlog. Adjusted EBITA improved to EUR 45 million (EUR 37 million). The adjusted EBITA margin of 13.8% (14.1%) was affected by supply chain constraints and high freight rates in the services business.

#### Key figures

EUR million	Q1/2022	Q1/2021	Change %	2021
Orders received	402	356	13	1,374
Orders received by services business	125	105	19	429
% of orders received	31	30	–	31
Order backlog	606	492	23	545
Sales	329	265	24	1,202
Sales by services business	114	84	35	396
% of sales	34	32	–	33
Adjusted EBITA	45	37	22	161
% of sales	13.8	14.1	–	13.4
Operating profit	44	33	33	148
% of sales	13.5	12.6	–	12.3

## Segment review

### Minerals

	Orders received		Sales
	EUR million, %	Q1	Q1
– Strong demand and order growth	<b>2021</b>	<b>677</b>	<b>605</b>
– Services orders grew by 23%	Organic growth in constant currencies, %	26	18
– Profitability improved	Impact of changes in exchange rates, %	4	2
	Structural changes, %	0	0
	<b>Total change, %</b>	<b>30</b>	<b>21</b>
	<b>2022</b>	<b>880</b>	<b>731</b>

#### Operating environment and orders received

Customer activity continued to be strong in the first quarter for both new equipment and services, thanks to high commodity prices and production volumes. The segment's orders increased 30% to EUR 880 million (677 million). Equipment orders increased 44% year-on-year, consisting of small and mid-sized orders. Services order growth, which started in the second half of 2021, continued and was 23% during the quarter, driven by a solid demand for spare parts and consumables, and increased activity related to productivity improvements.

#### Financial performance

Sales increased 21% and totaled EUR 731 million (EUR 605 million). Sales of new equipment grew 49% and services sales grew 6%. Adjusted EBITA totaled EUR 108 million (EUR 84 million) and the adjusted EBITA margin increased to 14.7% (13.8%). Positive impacts related to higher volumes and realized synergies were somewhat offset by the lower share of services as well as supply chain challenges and higher freight and energy costs.

#### Key figures

EUR million	Q1/2022	Q1/2021	Change %	2021
Orders received	880	677	30	3,437
Orders received by services business	561	456	23	1,914
% of orders received	64	67	–	56
Order backlog	2,514	1,706	47	2,330
Sales	731	605	21	2,724
Sales by services business	425	400	6	1,689
% of sales	58	66	–	62
Adjusted EBITA	108	84	29	371
% of sales	14.7	13.8	–	13.6
Operating profit	94	69	36	311
% of sales	12.9	11.5	–	11.4



## Segment review

### Metals

	Orders received		Sales
	EUR million, %	Q1	Q1
– Good demand and order growth	<b>2021</b>	<b>69</b>	<b>55</b>
– Increased deliveries from backlog	Organic growth in constant currencies, %	97	84
	Impact of changes in exchange rates, %	9	4
– Profitability on healthy level	Structural changes, %	0	0
	<b>Total change, %</b>	<b>106</b>	<b>87</b>
	<b>2022</b>	<b>141</b>	<b>104</b>

#### Operating environment and orders received

Market activity continued to be good and orders received totaled EUR 141 million, compared to EUR 69 million in the comparison period. Order growth was largely attributable to pellet plants and shutdown services.

#### Financial performance

Sales increased 87% to EUR 104 million (EUR 55 million), driven by increased deliveries from the backlog. Higher volumes and an improved cost structure resulted in the increase of adjusted EBITA to EUR 10 million (EUR -4 million) and the improvement of the adjusted EBITA margin to 9.2% (-7.8%).

#### Key figures

EUR million	Q1/2022	Q1/2021	Change %	2021
Orders received	141	69	106	610
Orders received by services business	25	12	115	50
% of orders received	18	17	–	8
Order backlog	703	372	–	662
Sales	104	55	87	310
Sales by services business	12	10	24	41
% of sales	12	17	–	13
Adjusted EBITA	10	-4	–	24
% of sales	9.2	-7.8	–	7.7
Operating profit	8	-7	–	13
% of sales	7.8	-13.3	–	4.2

# Sustainability

	Sustainability KPI (%)	Target	Q1/2022*	FY 2021
<ul style="list-style-type: none"> <li>– Good progress with sustainability agenda</li> <li>– Several Planet Positive launches</li> <li>– Green-gas certificate initiative finalized in Brazil</li> </ul>	Lost time injury frequency rate (LTIFR)	Zero harm	1.1	1.1
	Total recordable injury frequency rate (TRIFR)	Zero harm	2.9	3.1
	Planet Positive sales (EUR million)*	Group sales growth +3%	636	592
	Reduction of CO <sub>2</sub> emissions: own operations**	Net zero by 2030; -50% by 2024	N/A	-57%
	Reduction of CO <sub>2</sub> emissions: logistics***	-20% by 2025	-18%	-18%
	Spend with suppliers having set Science Based Targets	30% by 2025	10.7%	10.1%

\* Planet Positive sales and logistics emissions are rolling 12 months as of the end of February 2022. \*\* Scope 1 and 2, baseline 2019. \*\*\* Baseline 2019.

**Health and safety.** Progress in safety in the first quarter was good with a slight improvement in performance from 2021. New lifesaving rules are being issued after extensive consultation, and the fatal risk management program continued according to plan.

**Planet Positive sales and orders.** The Planet Positive portfolio included over 100 products. Rolling 12-month Planet Positive sales as of the end of February 2022 were EUR 636 million. During the first quarter, one mid-size order with a significant Planet Positive element was booked and consisted of tailings filtration technology for a greenfield laterite nickel ore project in Indonesia. The value of the order was over EUR 30 million.

**Planet Positive products.** Launches in the Planet Positive portfolio during the first quarter included:

- Ferroflame LowNOx burner for improving the combustion process and reducing NOx emissions
- Energy- and water-efficient AC filter for advanced and sustainable battery metals processing
- MDM900 mill discharge pump for minimize slurry velocities in the pumps and a reduced wear rate
- Metso Outotec Geminex™, a digital solution that simulates customers' processes safely and enables e.g. a reduced carbon footprint and more efficient use of resources. It is designed to optimize minerals, pyro- and hydrometallurgical processes by combining operational data from both internal and external data sources.

**Footprint.** CO<sub>2</sub> emissions from own operations are roughly at the same level as year-end 2021, i.e. around 60% below 2019. This reduction was thanks to several actions implemented over the last years, including the investment in a new and modern air compressor at the Sorocaba Foundry in Brazil, and the installation of solar panels in Ballina, Australia, during the first quarter. Renewable energy certification (REC) is already in process for 2022 and negotiations are ongoing for the upcoming years. Over 50% of the RECs for 2022 have already been purchased. During the first quarter, an initiative for purchasing green-gas certificates aiming to reduce the CO<sub>2</sub> emissions from natural gas was finalized in Sorocaba, Brazil. This was the first time Metso Outotec purchased green-gas certificates, and the supplier is also the first company approved by the national institute of Brazil to commercialize these kinds of certificates. Going forward, the plan is to expand the use of green-gas certificates in other countries as well.

**Research and development.** After the reporting period, it was announced that Metso Outotec is developing a new, complete range of electrically driven track-mounted crushers and screens. The new Lokotrack® range will be built on a unique platform that Metso Outotec has been developing since 2020. This transformational technology will support crushing and screening customers by providing easy-to-use diesel-electric equipment that can be run from an integrated Genset or connected to an external power source which lowers operational costs and allows access to renewable energy sources.



## Capital expenditure and investments

Gross capital expenditure, excluding right-of-use assets, was EUR 26 million in January–March 2022 (EUR 17 million). This consisted of small investments in the company's foundries and manufacturing sites.

## Research and development

Research and development (R&D) expenses and investments were EUR 17 million, or 1.4% of sales in January–March 2022 (EUR 15 million, or 1.6% of sales).

## Personnel

Metso Outotec had 15,746 (15,773) employees at the end of March 2022.

### Personnel by area on March 31, 2022

	Share, %
Europe	35
North and Central America	13
South America	27
Asia Pacific and Greater China	13
Africa, Middle East, and India	12
<b>Total</b>	<b>100</b>

## Shares and share trading

Metso Outotec has a total of 828,972,440 shares and its share capital is EUR 107,186,442.52. Treasury shares totaled 318,174 at the end of March.

### Share performance on Nasdaq Helsinki

EUR	January 1-March 31, 2022
Closing price	7.68
Highest share price	10.59
Lowest share price	5.92
Volume-weighted average trading price	8.39

## **Other main events between January 1 and March 31, 2022**

### **Development of the Metals business**

On January 17, 2022, Metso Outotec announced that it will transfer its Hydrometallurgy business from the Metals segment to the Minerals segment and commence a strategic review in the remaining Metals business area. The target of the review is to evaluate the best environment for developing the Metals business and its strategic fit in Metso Outotec's business portfolio. Restated segment information for 2021 was published on April 6.

### **Conveyance of own shares based on the long-term incentive plans**

On February 9, 2022, the Board of Directors decided to convey a total of 624,516 Metso Outotec's treasury shares without consideration to 60 key persons and executives in accordance with the terms and conditions of the Performance Share Plans 2019–2021 (PSP 2019–2021), Restricted Share Plan 2019–2021 (RSP 2019–2021) and Matching Share Plan directed to the President and CEO (MSP 2018–2021). The directed share issue was based on an authorization given by the Annual General Meeting held on April 23, 2021.

### **Annual report for 2021**

On March 16, 2022, Metso Outotec published its Annual Report for 2021. The report consists of five sections: Business Overview, Financial Review, Corporate Governance Statement, Remuneration Report and GRI Supplement.

### **Changes in Metso Outotec Executive Team**

On March 29, 2022, the following changes were made in the Metso Outotec Executive Team with immediate effect. Piia Karhu was nominated President, Metals business area. Her previous role in the Executive Team was Senior Vice President, Business Development. The previous President of the Metals business area, Jari Älgars, resigned from Metso Outotec.

### **Events after the reporting period**

#### **Acquisition of Tesab Engineering Ltd**

On April 11, 2022, Metso Outotec signed an agreement to acquire Tesab Engineering Ltd, a Northern Ireland-based company offering mobile crushing equipment for aggregates applications, including quarrying, recycling, asphalt and concrete. Tesab's turnover in 2021 was approx. EUR 30 million, and it has more than 60 employees primarily in Europe. The value of the deal is not disclosed. Closing is expected to take place during the second quarter of 2022.

### **Short-term business risks and market uncertainties**

The current unprecedented uncertainty in the global markets may affect Metso Outotec's market environment. Russia's military offensive has raised energy prices globally and created supply chain disruptions, the impacts of which are yet to be fully seen. Higher production costs and the lack of availability of many raw materials have generated inflationary pressure in many markets. Whilst higher prices of minerals and metals typically have a positive impact on demand for Metso Outotec's products and services, the recent high volatility is challenging for customers and suppliers. There are also other market and customer-related risks that could cause on-going projects to be postponed, delayed, or discontinued.

Russia's military offensive against Ukraine and the related sanctions and export control restrictions have led to Metso Outotec winding down its current contracts and deliveries to non-sanctioned Russian customers and counterparties. The extent to which this can be done depends on possible further escalation of the conflict, sanctions and export controls, as well as availability of banking and logistics. This may result in additional costs, cash outflow or asset write-downs related to deliveries to Russia.

Covid-19's impact on the market and Metso Outotec have gradually softened, but there is still a risk of further variants spreading and causing similar business challenges to those seen in 2020 and 2021 remains. Restrictions continue to ease globally with the stark exception of China, where the zero-tolerance policy is causing serious restrictions on Metso Outotec's operations and personnel. Also, due to the significance of China as a global supply chain hub, the restrictions could lead to further delays and lack of availability and higher cost of containers and ocean freight. Metso Outotec remains vigilant and ready to take various measures to protect the health and safety of its people.

Global supply chains continue to be very tight, which is visible in inflation and in challenges in the availability of materials and components; these challenges may be further exacerbated and jeopardize the company's ability to deliver on-time and on-budget. The financial position of suppliers may be at risk and could also lead to challenges with on-time deliveries if suppliers are unable to deliver and the company is unable to find alternative sources in the time required. Recently, the volatile energy price has emerged as an additional risk for the company's cost base.

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. 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 provisions are provided for, in accordance with 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 strong level.

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Helsinki, April 21, 2022

Metso Outotec Corporation's Board of Directors



# Metso Outotec Interim Report

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### Consolidated statement of income, IFRS

EUR million	1–3/2022	1–3/2021	1–12/2021
Sales	1,164	925	4,236
Cost of sales	-843	-662	-3,058
<b>Gross profit</b>	<b>320</b>	<b>263</b>	<b>1,178</b>
Selling and marketing expenses	-95	-83	-348
Administrative expenses	-74	-72	-321
Research and development expenses	-15	-15	-66
Other operating income and expenses, net	3	-2	-18
Share of results of associated companies	0	0	-1
<b>Operating profit</b>	<b>139</b>	<b>91</b>	<b>425</b>
Finance income	1	1	4
Foreign exchange gains/losses	-11	2	-4
Finance expenses	-10	-10	-40
Finance income and expenses, net	-20	-7	-39
<b>Profit before taxes</b>	<b>119</b>	<b>84</b>	<b>385</b>
Income taxes	-32	-21	-92
<b>Profit for the period from continuing operations</b>	<b>88</b>	<b>63</b>	<b>294</b>
Profit from discontinued operations	1	-4	48
<b>Profit for the period</b>	<b>88</b>	<b>59</b>	<b>342</b>
Profit attributable to			
Shareholders of the Parent Company	88	59	342
Non-controlling interests	0	0	0
Earnings per share, EUR	0.11	0.07	0.41
Earnings per share, diluted, EUR	0.11	0.07	0.41
Earnings per share from continuing operations, EUR	0.11	0.08	0.35

More information under "Key figures, IFRS".

## Consolidated statement of comprehensive income, IFRS

EUR million	1-3/2022	1-3/2021	1-12/2021
Profit for the period	88	59	342
Other comprehensive income			
Cash flow hedges, net of tax	-1	-7	-13
Currency translation on subsidiary net investment	43	33	46
Items that may be reclassified to profit or loss in subsequent periods	42	26	33
Defined benefit plan actuarial gains and losses, net of tax	-1	—	5
Items that will not be reclassified to profit or loss	-1	—	5
Other comprehensive income	40	26	38
<b>Total comprehensive income</b>	<b>129</b>	<b>85</b>	<b>380</b>
Attributable to			
Shareholders of the Parent Company	128	85	380
Non-controlling interests	0	0	0

## Consolidated balance sheet – Assets, IFRS

EUR million	Restated		
	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Goodwill	1,131	1,060	1,124
Other intangible assets	862	933	878
<b>Total intangible assets</b>	<b>1,993</b>	<b>1,994</b>	<b>2,002</b>
<b>Property, plant and equipment</b>			
Land and water areas	35	42	35
Buildings and structures	123	116	121
Machinery and equipment	182	165	174
Assets under construction	48	37	43
<b>Total property, plant and equipment</b>	<b>388</b>	<b>361</b>	<b>373</b>
<b>Right-of-use assets</b>	<b>123</b>	<b>136</b>	<b>127</b>
<b>Other non-current assets</b>			
Investments in associated companies	7	10	7
Non-current financial assets	4	4	4
Loan receivables	6	6	6
Derivative financial instruments	—	0	2
Deferred tax assets	212	185	178
Other non-current receivables	38	46	38
<b>Total other non-current assets</b>	<b>267</b>	<b>252</b>	<b>234</b>
<b>Total non-current assets</b>	<b>2,771</b>	<b>2,742</b>	<b>2,737</b>
<b>Current assets</b>			
Inventories	1,430	1,113	1,269
Trade receivables	707	565	668
Customer contract assets	289	299	324
Loan receivables	3	2	3
Derivative financial instruments	49	23	46
Income tax receivables	31	39	36
Other current receivables	251	151	210
Liquid funds	501	516	473
<b>Total current assets</b>	<b>3,261</b>	<b>2,709</b>	<b>3,028</b>
Assets held for sale	92	142	65
<b>TOTAL ASSETS</b>	<b>6,124</b>	<b>5,592</b>	<b>5,830</b>

The balance sheet for March 31, 2021 has been restated due to adjustments in the fair values of Outotec at the acquisition date. The adjustments affect goodwill, non-current deferred tax assets and liabilities, income tax liabilities, other current liabilities and liabilities held for sale.

## Consolidated balance sheet – Equity and liabilities, IFRS

EUR million	Mar 31, 2022	Restated	
		Mar 31, 2021	Dec 31, 2021
<b>Equity</b>			
Share capital	107	107	107
Share premium fund	20	20	20
Cumulative translation adjustments	-121	-177	-164
Fair value and other reserves	1,135	1,131	1,130
Retained earnings	1,227	1,042	1,156
<b>Equity attributable to shareholders</b>	<b>2,369</b>	<b>2,124</b>	<b>2,250</b>
Non-controlling interests	10	4	1
<b>Total equity</b>	<b>2,378</b>	<b>2,128</b>	<b>2,251</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	618	1,027	627
Lease liabilities	103	109	104
Post-employment benefit obligations	124	119	124
Provisions	49	66	45
Derivative financial instruments	13	2	6
Deferred tax liability	225	234	209
Other non-current liabilities	7	2	2
<b>Total non-current liabilities</b>	<b>1,139</b>	<b>1,560</b>	<b>1,117</b>
<b>Current liabilities</b>			
Borrowings	204	30	192
Lease liabilities	29	33	30
Trade payables	718	591	692
Provisions	188	120	178
Advances received	278	177	235
Customer contract liabilities	360	288	388
Derivative financial instruments	80	27	52
Income tax liabilities	95	54	76
Other current liabilities	611	458	585
<b>Total current liabilities</b>	<b>2,563</b>	<b>1,777</b>	<b>2,428</b>
Liabilities held for sale	43	127	35
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,124</b>	<b>5,592</b>	<b>5,830</b>

The balance sheet for March 31, 2021 has been restated due to adjustments in the fair values of Outotec at the acquisition date. The adjustments affect goodwill, non-current deferred tax assets and liabilities, income tax liabilities, other current liabilities and liabilities held for sale.

## 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
Jan 1, 2022	107	20	-164	1,130	1,156	2,250	1	2,251
Profit for the period	—	—	—	—	88	88	0	88
Other comprehensive income								
Cash flow hedges, net of tax	—	—	—	-1	—	-1	—	-1
Currency translation on subsidiary net investments	—	—	43	—	—	43	—	43
Defined benefit plan actuarial gains (+) / losses (-), net of tax	—	—	—	—	-1	-1	—	-1
Total comprehensive income	—	—	43	-1	87	128	0	129
Dividends	—	—	—	—	—	—	—	—
Share-based payments, net of tax	—	—	—	6	-3	3	—	3
Other items	—	—	—	0	-5	-5	0	-5
Changes in non-controlling interests	—	—	—	—	-8	-8	8	0
Mar 31, 2022	107	20	-121	1,135	1,227	2,369	10	2,378

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
Jan 1, 2021	107	20	-210	1,136	983	2,037	3	2,040
Profit for the period	—	—	—	—	59	59	0	59
Other comprehensive income								
Cash flow hedges, net of tax	—	—	—	-7	—	-7	—	-7
Currency translation on subsidiary net investments	—	—	33	0	0	33	0	33
Defined benefit plan actuarial gains (+) / losses (-), net of tax	—	—	—	—	—	—	—	—
Total comprehensive income	—	—	33	-7	59	85	0	85
Dividends	—	—	—	—	—	—	—	—
Share-based payments, net of tax	—	—	—	2	0	2	—	2
Other items	—	—	—	0	1	1	0	1
Changes in non-controlling interests	—	—	—	—	—	—	—	—
Mar 31, 2021	107	20	-177	1,131	1,042	2,124	4	2,128



## Condensed consolidated statement of cash flows, IFRS

EUR million	1-3/2022	1-3/2021	1-12/2021
<b>Operating activities</b>			
Profit for the period	88	59	342
Adjustments:			
Depreciation and amortization	38	39	167
Financial expenses, net	20	7	39
Income taxes	31	20	92
Other items	3	10	-2
Change in net working capital	-107	30	-31
<b>Net cash flow from operating activities before financial items and taxes</b>	<b>74</b>	<b>165</b>	<b>608</b>
Financial income and expenses paid, net	-26	-6	-35
Income taxes paid	-14	-16	-64
<b>Net cash flow from operating activities</b>	<b>33</b>	<b>143</b>	<b>508</b>
<b>Investing activities</b>			
Capital expenditures on non-current assets	-25	-17	-91
Proceeds from sale of non-current assets	3	2	22
Proceeds from sale of businesses, net of cash sold	-2	—	74
Proceeds from sale of associated companies	—	—	1
<b>Net cash flow from investing activities</b>	<b>-23</b>	<b>-15</b>	<b>5</b>
<b>Financing activities</b>			
Dividends paid	—	—	-166
Transactions with non-controlling interests	0	—	—
Change in loan receivables, net	0	0	0
Proceeds from and repayments of non-current debt, net	-50	-100	-350
Proceeds from and repayment of current debt, net	62	-49	-37
Repayment of lease liabilities	-9	-10	-38
<b>Net cash flow from financing activities</b>	<b>3</b>	<b>-159</b>	<b>-591</b>
<b>Net change in liquid funds</b>	<b>13</b>	<b>-30</b>	<b>-78</b>
Effect from changes in exchange rates	14	10	14
Cash classified as assets held for sale	0	-1	0
Liquid funds equivalents at beginning of period	473	537	537
<b>Liquid funds at end of period</b>	<b>501</b>	<b>516</b>	<b>473</b>

## Key figures, IFRS

EUR million	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Profit for the period from continuing operations	88	63	294
Earnings per share from continuing operations, EUR <sup>1)</sup>	0.11	0.08	0.35
Profit for the period	88	59	342
Earnings per share, EUR	0.11	0.07	0.41
Equity / share at end of period, EUR	2.86	2.57	2.72
Total number of shares at end of period (thousands)	828,972	828,972	828,972
Own shares held by Parent Company (thousands)	318	925	925
Number of outstanding shares at end of period (thousands)	828,654	828,047	828,047
Average number of outstanding shares (thousands)	828,283	828,010	828,038

EUR million	Mar 31, 2022	Restated	
		Mar 31, 2021	Dec 31, 2021
Net debt	443	675	470
Gearing, %	18.6%	31.7%	20.9%
Equity to asset ratio, %	43.3%	41.5%	43.2%
Debt to capital, %	25.7%	33.2%	26.7%
Debt to equity, %	34.5%	49.7%	36.4%
Net working capital (NWC)	348	353	254
<b>Net debt and gearing</b>			
Borrowings	822	1,057	819
Lease liabilities	131	142	133
<b>Gross debt</b>	953	1,199	952
Loan receivables	9	9	9
Liquid funds	501	516	473
<b>Net debt</b>	443	675	470
<b>Gearing</b>	18.6%	31.7%	20.9%

The balance sheet for March 31, 2021 has been restated due to adjustments in the fair values of Outotec at the acquisition date.

## 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>Earnings per share, diluted</b>	=	$\frac{\text{Profit attributable to shareholders}}{\text{Average number of diluted shares during the period}}$	
<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-asset 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	

## 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 and the 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, and 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 provides 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.

# Notes to the Interim Report

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## 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 Outotec Financial Statements 2021. New accounting standards have been adopted, as described in note 2. This Interim Report is unaudited.

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

The partial 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. 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.

Outotec's net assets were identified and recognized at fair value as of the acquisition date on June 30, 2020. The preliminary acquisition calculation has been adjusted to final on June 30, 2021. Due to adjustments in the fair values of Outotec at the acquisition date, the balance sheet for year 2021 has been restated. The adjustments had no effect on the income statement. At the time of the acquisition, the balance sheet of Outotec included assets held for sale. In year 2021 the treatment of these assets been specified, and a significant portion of these assets has been transferred to continuing operations.

On October 28, 2020, Metso Outotec announced its decision to divest the Recycling business, and it has been classified as discontinued operations. The assets and liabilities held for sale have been transferred to separate lines in the consolidated balance sheet. The divestment of the Waste Recycling business was finalized on December 1, 2021. The divestment of Metal Recycling business was announced on December 31, 2021 and expected to close during H1/2022.

## Reporting segments

Metso Outotec's segment structure changed as of January 1, 2022. The Hydrometallurgy business in the Metals segment was transferred to the Minerals segment. In addition to changes in the Minerals and Metals segments, small changes have been made in the Aggregates segment that relate to the McCloskey and P.J. Jonsson och Söner businesses. As a result, part of the Aggregates business that had previously been reported under the equipment business, has been reclassified and reported as services. Due to the segment structure change as of January 1, 2022, Metso Outotec's comparison figures for 2021 have been restated according to the new segment structure. The restatement had no impact on the Group's total figures. More information on the segment restatement can be found in the stock exchange release published on April 6, 2022.

Metso Outotec Group is a global supplier of sustainable technologies, end-to-end solutions, and services for the minerals processing, aggregates, and metals refining industries. Metso Outotec has a broad offering in terms of equipment, solutions, and various types 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.

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 with responsibility 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 provides sustainable solutions for processing virtually all types of ores and concentrates to refined metals. The Group Head Office and other segment is comprised of the Parent Company with centralized Group functions, such as treasury and tax, as well as global business service center and holding companies.

Segment performance is measured with operating profit/loss (EBIT). 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 (EBITA), and adjusted net working capital. Alternative performance measures, however, should not be considered as a substitute for measures of performance in accordance with the IFRS.

## 2. New accounting standards

Metso Outotec has applied the revised IFRS Standards that have been effective since January 1, 2022. These amendments have not had a material impact on the reported figures.

## 3. Disaggregation of sales

Metso Outotec's segment structure changed as of January 1, 2022. Metso Outotec's comparison figures for 2021 have been restated according to the new segment structure.

### SALES BY SEGMENTS

EUR million	1-3/2022	1-3/2021	1-12/2021
Aggregates	329	265	1,202
Minerals	731	605	2,724
Metals	104	55	310
<b>Sales</b>	<b>1,164</b>	<b>925</b>	<b>4,236</b>

### SALES BY SEGMENTS

EUR million	1-3/2022	1-3/2021	1-12/2021
<b>Sales of services</b>	<b>551</b>	<b>494</b>	<b>2,126</b>
Aggregates	114	84	396
Minerals	425	400	1,689
Metals	12	10	41
<b>Sales of projects, equipment, and goods</b>	<b>613</b>	<b>431</b>	<b>2,111</b>
Aggregates	216	181	806
Minerals	305	205	1,035
Metals	92	46	270
<b>Sales</b>	<b>1,164</b>	<b>925</b>	<b>4,236</b>

### EXTERNAL SALES BY TIMING OF REVENUE RECOGNITION

EUR million	1-3/2022	1-3/2021	1-12/2021
At a point in time	802	695	3,215
Over time	361	231	1,021
<b>Sales</b>	<b>1,164</b>	<b>925</b>	<b>4,236</b>

### EXTERNAL SALES BY DESTINATION

EUR million	1-3/2022	1-3/2021	1-12/2021
Europe	319	266	1,198
North and Central America	237	192	861
South America	185	152	677
APAC	240	187	878
Africa, Middle East, and India	182	128	622
<b>Sales</b>	<b>1,164</b>	<b>925</b>	<b>4,236</b>



## 4. Financial risk management

As a global company, Metso Outotec is exposed to a variety of business and financial risks. 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 cooperation with the operating units. Group Treasury functions as counterparty to the operating units, centrally manages 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

Liquidity or refinancing risk arises when a company is not able to arrange funding at terms and conditions corresponding to its creditworthiness. Sufficient cash, short-term investments, and committed and uncommitted credit facilities are maintained to protect short-term liquidity. Diversification of funding among different markets and an adequate number of financial institutions is used to safeguard the availability of liquidity at all times. Group Treasury monitors bank account structures, cash balances, and forecasts of the operating units, and manages the utilization of the consolidated cash resources.

The liquidity position of Metso Outotec remained good, supported by the healthy operative cash flow, maturity structure of the funding, and available back-up credit facilities. Liquid funds, consisting of cash and cash equivalents, amounted to EUR 501 million (EUR 473 million on December 31, 2021), and there were no deposits or securities with a maturity more than three months (EUR 0 million on December 31, 2021).

In addition, Metso Outotec has a committed and undrawn EUR 600 million syndicated revolving credit facility with a maturity in 2026. At the end of the period the facility was undrawn. The company also has a EUR 600 million Finnish commercial paper program, of which EUR 50 million was utilized at the end of the period.

In January 2022 Metso Outotec made an early repayment of the remaining EUR 50 million of the original EUR 150 million loan that would have matured in July 2022.

Metso Outotec has a sustainability linked loan agreement with Nordic Investment Bank for EUR 100 million with a maturity of eight years. The loan is committed and remained undrawn at the end of the period.

Capital structure management in Metso Outotec comprises both equity and interest-bearing debt. As of March 31, 2022, the equity attributable to shareholders was EUR 2,369 million (EUR 2,250 million on December 31, 2021), and the amount of interest-bearing debt, excluding lease liabilities, was EUR 822 million (EUR 819 million on December 31, 2021).

Metso Outotec has a target to maintain an investment-grade credit rating. In February 2022 S&P Global Ratings revised Metso Outotec's 'BBB-' long-term issuer credit rating outlook to positive. Metso Outotec also has 'Baa2' long-term issuer rating with stable outlook from Moody's Investor Service.

There are no prepayment covenants in Metso Outotec's financial contracts that 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.

## 5. Fair value estimation

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

- Level 1 Unadjusted quoted prices in active markets at the balance sheet date. 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 fund investments classified as 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 March 31, 2022, or on December 31, 2021.

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	Mar 31, 2022		
	Level 1	Level 2	Level 3
<b>Assets</b>			
Financial assets at fair value through profit and loss			
Derivatives not under hedge accounting	–	32	–
Financial assets at fair value through other comprehensive income			
Derivatives under hedge accounting	–	18	–
<b>Total</b>	–	50	–
<b>Liabilities</b>			
Financial liabilities at fair value through profit and loss			
Derivatives not under hedge accounting	–	60	–
Financial liabilities at fair value through other comprehensive income			
Derivatives under hedge accounting	–	34	–
<b>Total</b>	–	94	–

EUR million	Dec 31, 2021		
	Level 1	Level 2	Level 3
<b>Assets</b>			
Financial assets at fair value through profit and loss			
Derivatives not under hedge accounting	–	24	–
Financial assets at fair value through other comprehensive income			
Derivatives under hedge accounting	–	24	–
<b>Total</b>	–	48	–
<b>Liabilities</b>			
Financial liabilities at fair value through profit and loss			
Derivatives not under hedge accounting	–	29	–
Financial liabilities at fair value through other comprehensive income			
Derivatives under hedge accounting	–	29	–
<b>Total</b>	–	58	–

The carrying value of financial assets and liabilities other 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.

## 6. Notional amounts of derivative instruments

EUR million	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Forward exchange rate contracts	2,720	1,742	2,456
Interest-rate swaps	275	275	275

## 7. Contingent liabilities and commitments

EUR million	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Guarantees			
External guarantees given by Parent and Group companies	1,680	1,298	1,575
Other commitments			
Repurchase commitments	0	0	0
Other contingencies	1	1	1
<b>Total</b>	<b>1,682</b>	<b>1,299</b>	<b>1,577</b>

## 8. Acquisitions and business disposals

Metso Outotec did not acquire or dispose any business during the first quarter of 2022.

## 9. Segment information, IFRS

Metso Outotec's segment structure changed as of January 1, 2022. Metso Outotec's comparison figures for 2021 have been restated according to the new segment structure.

### ORDERS RECEIVED

EUR million	1-3/2022	1-3/2021	1-12/2021
Aggregates	402	356	1,374
Minerals	880	677	3,437
Metals	141	69	610
<b>Metso Outotec total</b>	<b>1,424</b>	<b>1,102</b>	<b>5,421</b>

### ORDERS RECEIVED BY SERVICES BUSINESS

EUR million	1-3/2022	1-3/2021	1-12/2021
Aggregates	125	105	429
% of orders received	31.1	29.5	31.3
Minerals	561	456	1,914
% of orders received	63.8	67.4	55.7
Metals	25	12	50
% of orders received	18.0	17.2	8.1
<b>Metso Outotec total</b>	<b>712</b>	<b>573</b>	<b>2,393</b>
% of orders received	50.0	52.0	44.1

### SALES

EUR million	1-3/2022	1-3/2021	1-12/2021
Aggregates	329	265	1,202
Minerals	731	605	2,724
Metals	104	55	310
<b>Metso Outotec total</b>	<b>1,164</b>	<b>925</b>	<b>4,236</b>

## SALES BY SERVICES BUSINESS

EUR million	1-3/2022	1-3/2021	1-12/2021
<b>Aggregates</b>	114	84	396
% of sales	34.5	31.7	32.9
<b>Minerals</b>	425	400	1,689
% of sales	58.2	66.2	62.0
<b>Metals</b>	12	10	41
% of sales	11.6	17.4	13.1
<b>Metso Outotec total</b>	551	494	2,126
% of sales	47.3	53.4	50.2

## ADJUSTED EBITA AND OPERATING PROFIT

EUR million, %	1-3/2022	1-3/2021	1-12/2021
<b>Aggregates</b>			
Adjusted EBITA	45	37	161
% of sales	13.8	14.1	13.4
Amortization of intangible assets	-4	-4	-14
Adjustment items	2	0	1
<b>Operating profit</b>	44	33	148
% of sales	13.5	12.6	12.3
<b>Minerals</b>			
Adjusted EBITA	108	84	371
% of sales	14.7	13.8	13.6
Amortization of intangible assets	-11	-12	-49
Adjustment items	-2	-2	-11
<b>Operating profit</b>	94	69	311
% of sales	12.9	11.5	11.4
<b>Metals</b>			
Adjusted EBITA	10	-4	24
% of sales	9.2	-7.8	7.7
Amortization of intangible assets	-1	-1	-7
Adjustment items	0	-2	-4
<b>Operating profit</b>	8	-7	13
% of sales	7.8	-13.3	4.2
<b>Group Head Office and other</b>			
Adjusted EBITA	-6	-2	-8
Amortization of intangible assets	-1	0	-3
Adjustment items	-1	-2	-36
<b>Operating profit</b>	-8	-4	-47
<b>Metso Outotec total</b>			
Adjusted EBITA	157	115	547
% of sales	13.5	12.4	12.9
Amortization of intangible assets	-17	-17	-72
Adjustment items	-1	-6	-50
<b>Operating profit</b>	139	91	425
% of sales	12.0	9.8	10.0

**ADJUSTMENT ITEMS BY CATEGORY**

EUR million, %	1-3/2022	1-3/2021	1-12/2021
Capacity adjustment costs	-2	-6	-59
Acquisition costs	3	—	6
Profit and loss on disposal	-2	—	3
<b>Adjustment items, total</b>	<b>-1</b>	<b>-6</b>	<b>-50</b>

**Quarterly segment information, IFRS****ORDERS RECEIVED**

EUR million	1-3/2022	10-12/2021	7-9/2021	4-6/2021	1-3/2021
Aggregates	402	331	325	363	356
Minerals	880	849	1,121	789	677
Metals	141	129	204	208	69
<b>Metso Outotec total</b>	<b>1,424</b>	<b>1,310</b>	<b>1,649</b>	<b>1,360</b>	<b>1,102</b>

**SALES**

EUR million	1-3/2022	10-12/2021	7-9/2021	4-6/2021	1-3/2021
Aggregates	329	324	293	320	265
Minerals	731	847	650	622	605
Metals	104	106	81	68	55
<b>Metso Outotec total</b>	<b>1,164</b>	<b>1,278</b>	<b>1,023</b>	<b>1,010</b>	<b>925</b>

**Adjusted EBITA**

EUR million	1-3/2022	10-12/2021	7-9/2021	4-6/2021	1-3/2021
Aggregates	45	34	42	47	37
Minerals	108	109	99	79	84
Metals	10	21	2	5	-4
Group Head Office and other	-6	-1	-5	0	-2
<b>Metso Outotec total</b>	<b>157</b>	<b>164</b>	<b>139</b>	<b>131</b>	<b>115</b>

**Adjusted EBITA, % OF SALES**

%	1-3/2022	10-12/2021	7-9/2021	4-6/2021	1-3/2021
Aggregates	13.8	10.6	14.4	14.6	14.1
Minerals	14.7	12.9	15.3	12.7	13.8
Metals	9.2	19.8	3.1	7.0	-7.8
Group Head Office and other	n/a	n/a	n/a	n/a	n/a
<b>Metso Outotec total</b>	<b>13.5</b>	<b>12.8</b>	<b>13.6</b>	<b>12.9</b>	<b>12.4</b>

**AMORTIZATION OF INTANGIBLE ASSETS**

EUR million	1-3/2022	10-12/2021	7-9/2021	4-6/2021	1-3/2021
Aggregates	-4	-3	-4	-3	-4
Minerals	-11	-11	-12	-14	-12
Metals	-1	-1	-1	-3	-1
Group Head Office and other	-1	-1	-1	-1	0
<b>Metso Outotec total</b>	<b>-17</b>	<b>-16</b>	<b>-18</b>	<b>-21</b>	<b>-17</b>

## ADJUSTMENT ITEMS

EUR million	1–3/2022	10–12/2021	7–9/2021	4–6/2021	1–3/2021
Aggregates	2	6	-1	-3	0
Minerals	-2	-7	3	-4	-2
Metals	0	-1	0	-1	-2
Group Head Office and other	-1	-15	-15	-4	-2
<b>Metso Outotec total</b>	<b>-1</b>	<b>-17</b>	<b>-14</b>	<b>-13</b>	<b>-6</b>

## OPERATING PROFIT

EUR million	1–3/2022	10–12/2021	7–9/2021	4–6/2021	1–3/2021
Aggregates	44	37	37	40	33
Minerals	94	91	90	61	69
Metals	8	19	1	0	-7
Group Head Office and other	-8	-17	-21	-5	-4
<b>Metso Outotec total</b>	<b>139</b>	<b>130</b>	<b>107</b>	<b>97</b>	<b>91</b>

## OPERATING PROFIT, % OF SALES

%	1–3/2022	10–12/2021	7–9/2021	4–6/2021	1–3/2021
Aggregates	13.5	11.5	12.7	12.6	12.6
Minerals	12.9	10.7	13.9	9.8	11.5
Metals	7.8	17.9	1.2	0.6	-13.3
Group Head Office and other	n/a	n/a	n/a	n/a	n/a
<b>Metso Outotec total</b>	<b>12.0</b>	<b>10.2</b>	<b>10.5</b>	<b>9.6</b>	<b>9.8</b>

## ORDER BACKLOG

EUR million	Mar 31, 2021	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021
Aggregates	606	545	560	536	492
Minerals	2,514	2,330	2,293	1,831	1,706
Metals	703	662	642	508	372
<b>Metso Outotec total</b>	<b>3,823</b>	<b>3,536</b>	<b>3,496</b>	<b>2,876</b>	<b>2,569</b>

## 10. Exchange rates

Currency	1–3/2022	1–3/2021	1–12/2021	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
USD (US dollar)	1.1196	1.2063	1.1851	1.1101	1.1725	1.1326
SEK (Swedish krona)	10.4205	10.1306	10.1469	10.3370	10.2383	10.2503
GBP (Pound sterling)	0.8383	0.8764	0.8615	0.8460	0.8521	0.8403
CAD (Canadian dollar)	1.4197	1.5317	1.4868	1.3896	1.4782	1.4393
BRL (Brazilian real)	5.8492	6.6089	6.3782	5.3009	6.7409	6.3101
CNY (Chinese yuan)	7.0996	7.8367	7.6388	7.0403	7.6812	7.1947
AUD (Australian dollar)	1.5443	1.5683	1.5792	1.4829	1.5412	1.5615

## 11. Events after the reporting period

On April 11, 2022, Metso Outotec announced that it has signed an agreement to acquire Tesab Engineering Ltd, a company based in Northern Ireland. Tesab's turnover in 2021 was approx. EUR 30 million, and they have more than 60 employees primarily in Europe. The closing of the transaction is expected to take place during the second quarter of 2022. The acquisition will not have a material impact on Metso Outotec's financials.

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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.

**Metso Outotec's financial information in 2022**

Half-Year Review for 2022 on July 22

Interim Report for January–September 2022 on October 28

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