



The second quarter of 2025 is ending soon, and it is time to wrap up the quarter in anticipation of the silent period starting on Tuesday, July 1. Outokumpu will publish its January-June 2025 half-year report on Thursday, July 31.

Capital Markets Day 2025

Outokumpu hosted its Capital Markets Day 2025 on Wednesday, June 11, 2025, at Scandic Grand Central hotel in Helsinki, Finland. On the following day, Thursday, June 12, 2025, we hosted a site visit to our operations in Avesta, Sweden. Webcast recording and presentation from the CMD can be found from our [Website](#)

Outokumpu's new strategy EVOLVE drives the company growth and shareholder value during the strategy period 2026-2030 by classifying businesses to allocate investments either foundational or transformative ones.

The three cornerstones of the strategy EVOLVE are:

- Driving cost competitiveness and cash generation in sustainable stainless steel
- Growing profitably in advanced materials and alloys
- Revolutionizing value creation with innovative materials and technologies

The role of foundational businesses is to provide cash for growth. Capital expenditure will be limited to maintenance and mandatory and targeted investments into competitiveness and smart decarbonization with an internal rate of return (IRR) threshold of 15%. Outokumpu has estimated a total of EUR 600 million for disciplined maintenance and mandatory capital expenditures for 2026-2030. The annual spend is expected to be EUR 100 million, except for EUR 200 million in 2026. Foundational initiatives also include planned investments of EUR 200 million in the annealing and pickling line at Tornio, Finland.

The transformative actions aim to unlock high-value growth opportunities with a targeted minimum internal rate of return (IRR) of 20% by expanding into higher-growth, higher-margin, and less cyclical markets, in which Outokumpu has a unique position to win. It also explores selective inorganic opportunities where there is strong strategic alignment and clear value creation potential. On a concrete note, Outokumpu is conducting a feasibility study for investing in high-nickel alloys at the Avesta advanced materials site in Sweden. Another potential capital expenditure project in the transformative category involves proprietary materials technology development and commercialization. The first deployment would be the Kemi chromite ore, which has strong economics and strategic fit.

During the CMD, Outokumpu announced the company's capital allocation priorities as follows:

- Operational health; mandatory and maintenance capital expenditure
- Competitiveness and smart decarbonization capital expenditure (Foundational)
- Transformative capital expenditure and mergers and acquisitions (M&A) (Transformational)
- Dividend
- Share buybacks

While allocating capital expenditure, the company keeps in mind the net debt to EBITDA target ratio of 1.0x, maintaining disciplined financial flexibility to support strategic investments and manage cyclical market conditions, allowing the ratio to exceed 2.0x only temporarily. Outokumpu takes a balanced approach to debt and expects that growth will be financed mostly by cash flow. To support cash flow generation, the company has set a target of EUR 250 million EBITDA improvement during the strategy period.

More detailed capital expenditure estimates are planned to be provided for each year.

Outlook for Q2 2025 (published on May 8, 2025)

Group stainless steel deliveries in the second quarter are expected to increase by 0-10% compared to the first quarter, which was impacted by the strike in Finland.

Maintenance break in business area Ferrochrome is expected to have up to EUR -10 million impact on adjusted EBITDA in the second quarter. Also, opportunities for electricity optimization are more limited during the summer months.

With the current raw material prices, some raw material-related inventory and metal derivative gains are forecasted to be realized in the second quarter.

Geopolitics and other significant uncertainties related to tariffs, might impact the global economy and consequently, Outokumpu's operating environment, deliveries, metal prices, and foreign exchange rates.

Guidance for Q2 2025:

Adjusted EBITDA in the second quarter of 2025 is expected to be at a similar or higher level compared to the first quarter.

Convertible bond

Outokumpu has EUR 125 million senior unsecured convertible bonds maturing in July 2025. The bonds are convertible into new and/or existing ordinary shares in Outokumpu at a set conversion price. Outokumpu has prepared for the potential conversions of the convertible bonds through its share buyback programs to mitigate and manage the possible dilutive impact.

On June 10, 2025, Outokumpu announced the latest share subscription on the conversion of the convertible bond and simultaneous cancellation of treasury shares. Out of the EUR 125 million senior unsecured convertible bond EUR 113 million was outstanding at the publication date. Outokumpu had received conversion notices pursuant to which bonds amounting to EUR 19,100,000 are converted to a total of 7,195,599 Outokumpu's shares (the "conversion shares"). On the publication date, Outokumpu had resolved to issue new shares as conversion shares and cancel the corresponding amount of its own shares, which means that the total number of Outokumpu's shares did not change. After the cancellation, Outokumpu hold a total of 20,928,223 own shares.

Other main announcements in Q2 2025

- On June 16, 2025, Outokumpu announced a partnership with Alstom for the supply of low-emission stainless steel for metro cars. [Read more](#)
- On June 10, 2025, Outokumpu announced its new strategy, EVOLVE, to drive growth and shareholder value, with updated financial targets and dividend policy. [Read more](#)
- On June 9, Outokumpu announced that the company ranked 25th among the most sustainable companies in Europe on Corporate Knights' Top 50 list. [Read more](#)
- On May 28, 2025, Outokumpu announced that it supports Grundfos in decarbonizing the company's global supply chain and water solutions with Circle Green. [Read more](#)
- On May 20, 2025, Outokumpu announced that the company pioneers stainless steel metal powder in additive manufacturing for aerospace and aviation industry applications. [Read more](#)
- On April 4, 2025, Outokumpu announced that the company has resolved on a directed share issue of new shares and cancellation of treasury shares related to its EUR 125 million convertible bonds. [Read more](#)
- On April 1, 2025, Outokumpu announced that the company has received Platinum rating from EcoVadis for the second time in a row – placing the company to the top 1% in industry sustainability performance. [Read more](#)

Operating environment in the second quarter

- Stainless steel market:** The operating environment in the second quarter has been impacted by economic and political uncertainty, which has caused a wait-and-see attitude in the market. Outokumpu has geographically diversified assets and strong market positions in both Europe and the U.S., which makes the company resilient amid the turbulent geopolitical situation.
- Stainless steel deliveries:** In line with the given outlook, Outokumpu's stainless steel deliveries in the second quarter of 2025 are expected to increase by 0-10% compared to the first quarter of 2025 but are expected to be closer to the lower end of the range.
- Ferrochrome:** Demand for Outokumpu's low-emission European ferrochrome remained solid in the second quarter of 2025.

Please note that Outokumpu will not host a separate pre-silent call in Q2.

Outokumpu's Head of Investor Relations Linda Häkklä has moved towards new challenges during Q2, and for more information, please contact SVP, Investor Relations and Strategic Advisory Ulla Paajanen or visit our website www.outokumpu.com/investors

Best regards,
Outokumpu IR team

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