

November 11, 2020

# Capital Markets Day 2020



Metso:Outotec

# Forward looking statements

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

Such factors include, but are not limited to:

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

Capital Markets Day  
November 11, 2020

# Minerals

Stephan Kirsch, President, Minerals  
Sami Takaluoma, President, Consumables  
Markku Teräsvasara, President, Services



**Metso:Outotec**



# Our strong position in the growing minerals market

- Positive market sentiment with healthy metal prices
- High customer interest for full offering and high-value services
- Industry-leading installed base
- Offering matching the drive for sustainability and digitalization





# Leveraging our strong position in Minerals

## GROWTH

2016-2019  
CAGR 12%

Grow faster than  
the market

## PROFITABILITY

Adjusted EBITA 14%

Towards 20%  
adjusted EBITA

## Main growth areas in the Minerals segment:

- sales synergies
- standardization
- coverage of installed base
- value-adding services
- sustainability
- digital applications

# Our ambition in the minerals markets

**Equipment**

Market and technology leader

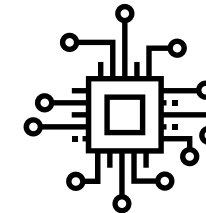
**Services**

The preferred services provider

**Consumables**

The best sustainable choice for value-driven wear solutions

Metso Outotec differentiates with **end-to-end sustainable and digital solutions**



# Our unique offering meets our customers' needs

Leading solutions for world-class performance

Energy efficiency



Total cost of ownership



CO<sub>2</sub> emissions



Autonomous plants & digitalization



Scarce & complex ore bodies



Safety



Availability



Water efficiency and tailings management



Ore body

Prospecting, exploration, development

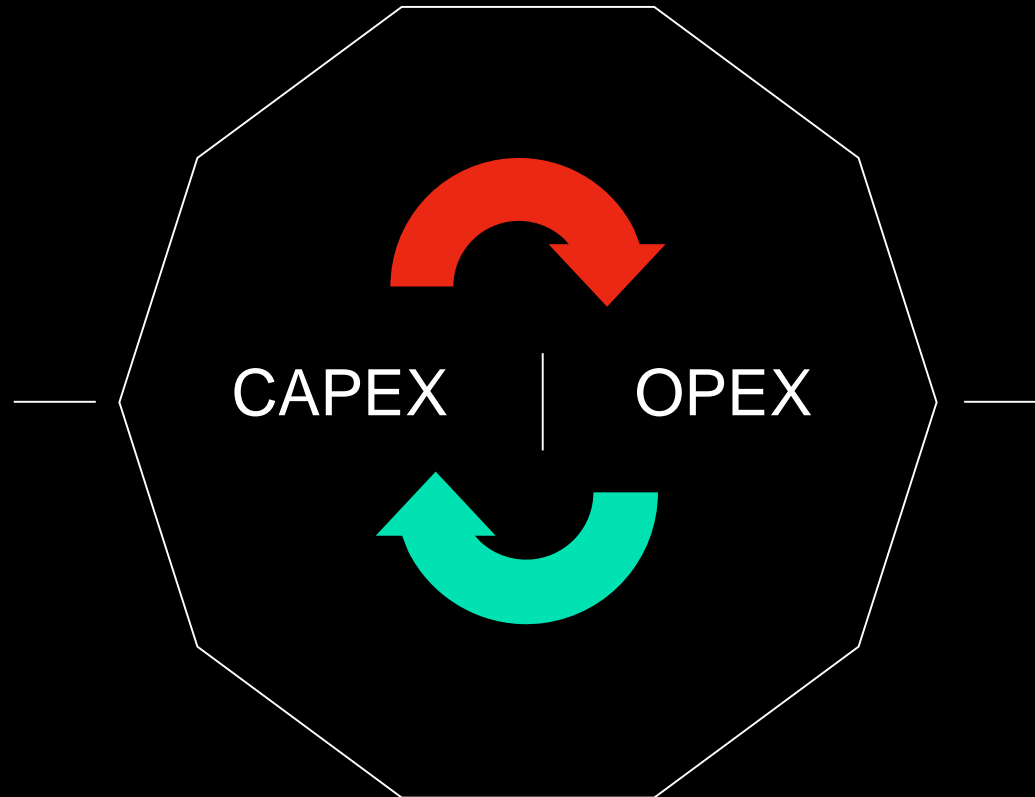
Minerals processing

Metal

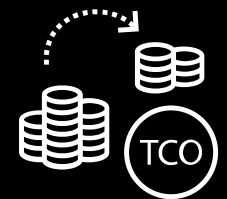
Equipment – process solutions – consumables – spare parts – life-cycle services

# We optimize customer's operations over the lifecycle

- Technology
- Design
- Manufacturing
- Installed base



Optimizing customers' process performance and **Total Cost of Ownership** over the lifecycle





# Sales synergies supporting growth

Utilizing increased end-to-end opportunities efficiently

- Crushers
- Grinding mills
- Pumps
- Screens
- Hydrocyclones
- Service presence
- Upgrades, modernizations
- Mill linings
- Life Cycle Services



- **Slurry pumps** transfer material (slurry) across the concentrator plant's wet processes
- Our offering covers all pumps needed for the plant
- Significant aftermarket potential

# Maximizing value by standardized product offering

Productization,  
modularization and  
supply chain development

## Examples

- Modular crushing stations
- Screening
- Process islands
- Grinding product harmonization
- Tailings management
- Modular standard-line filters





# Capturing the potential of industry's largest installed base

Ensure comprehensive installed base information availability

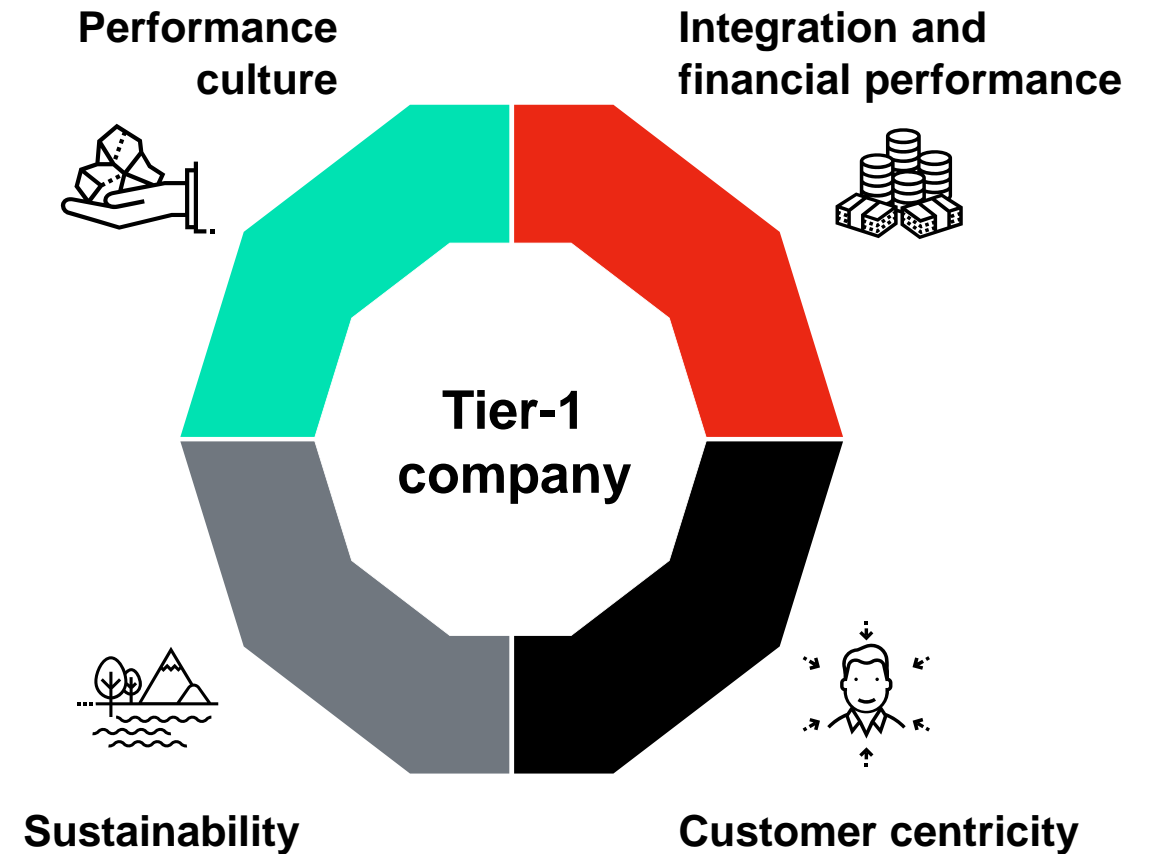
Analyze potential: customers, equipment and applications

Create productized offering

Develop solutions for 3rd party installed base



# Discussing **Customer centricity and Sustainability** TOP priorities



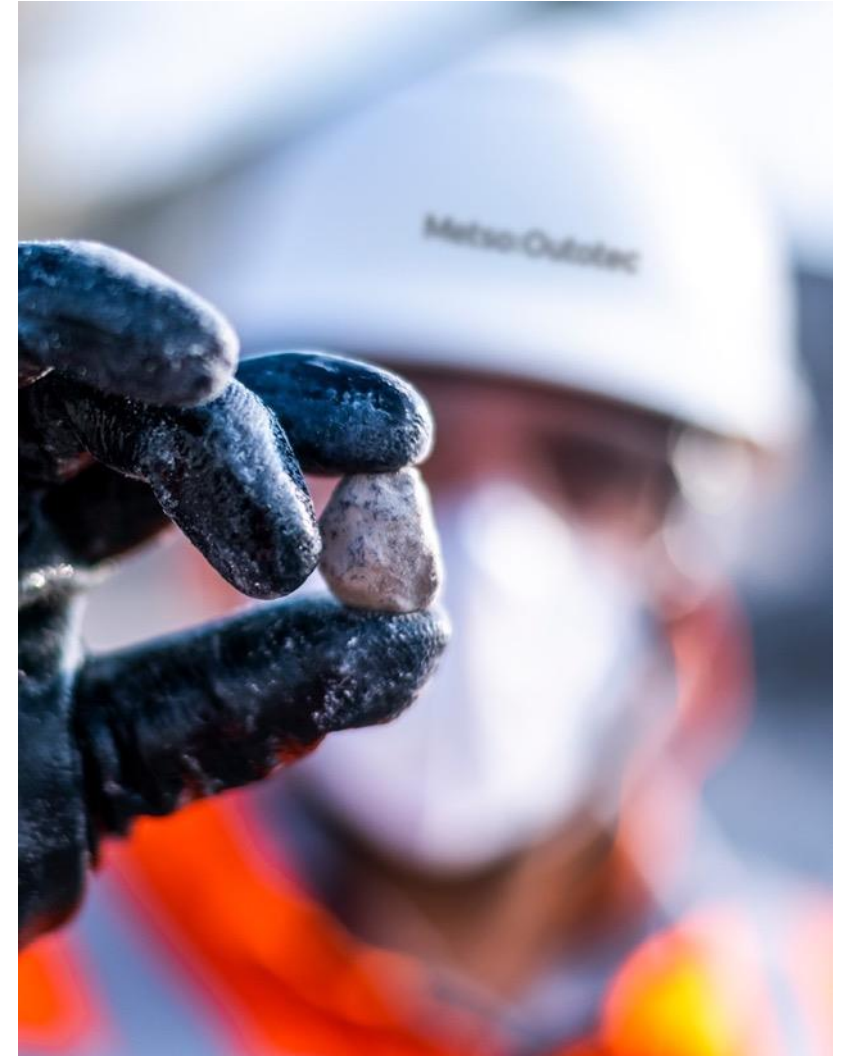
# Adding value through customer centricity

**End-to-end customer engagement**

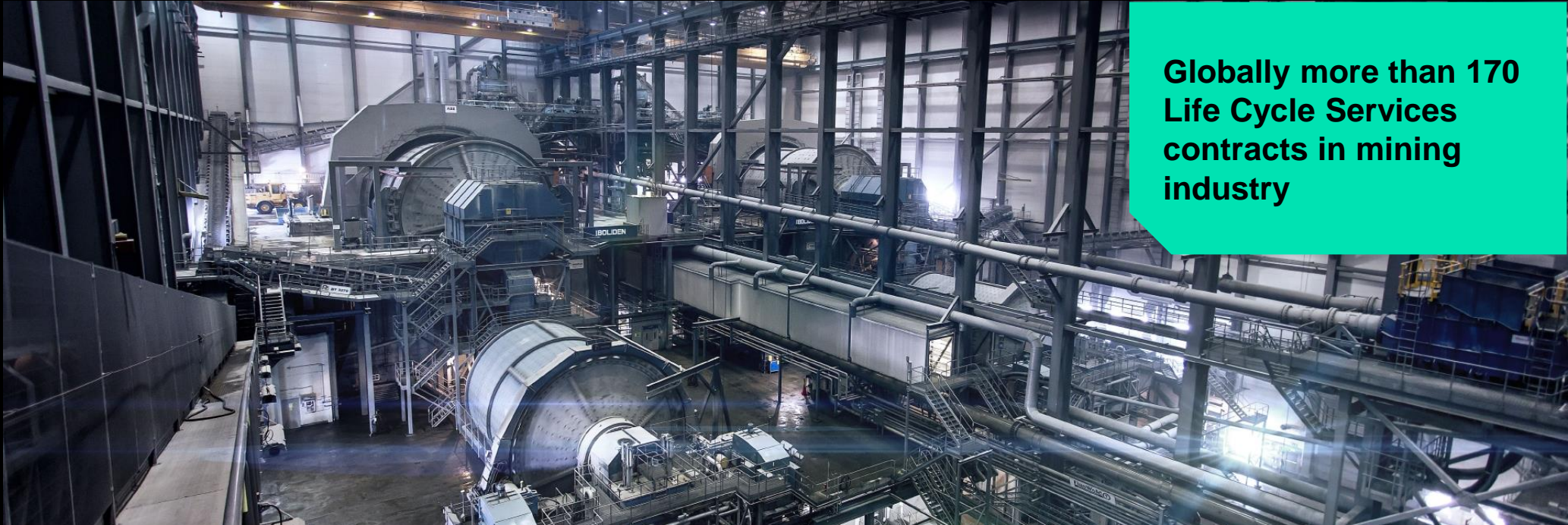
**Service level improvement**

**Commercial excellence**

**Using feedback to improve**



# Our services provide the best value over the life cycle



## Productivity improvements - OEM maintenance support - Maintenance enhancement

Wears and spares	Shutdown improvements	Maintenance	Operations support
Process optimization and audits	Modernization	Training	Financial solutions



# Boliden Aitik – Life Cycle Services contract

World's most efficient open-pit copper mine, produces 40,700 kt a year

## Customer needs

- Shorter maintenance time – Increase the wear-life of parts
- Sustainability – Safety

## The Metso Outotec approach

Renewed 2+3 years Lifecycle Services contract (2020-2025)\*

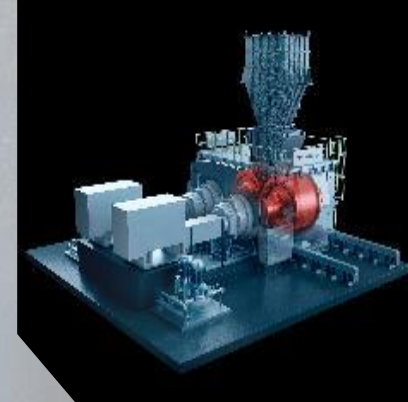
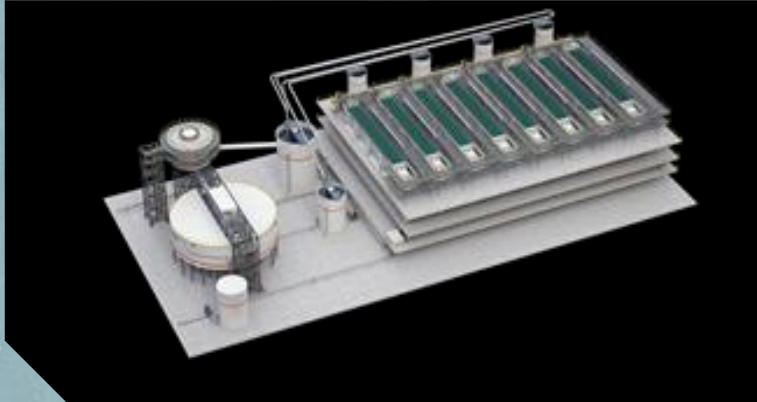
- Performance-based cost-per-ton agreement
- Grinding mills continue to use the innovative Megaliner<sup>TM</sup> mill lining
- Developing capabilities to recycle and dispose worn wears in a sustainable manner



\* first long-term service contract with the customer was signed in 2010

# Focus areas in sustainable products and technologies

## Leading



### Tailings management

#### Dry tailings plant

Reduction of environmental footprint through

- dewatering,
- dry-stacking,
- re-processing,
- paste backfill

Resource efficiency

Energy efficiency

Safety

## Developing



Electrification,  
emission  
reduction



Process  
water  
management



# Our industry leading safety & sustainability focused aftermarket

Safety



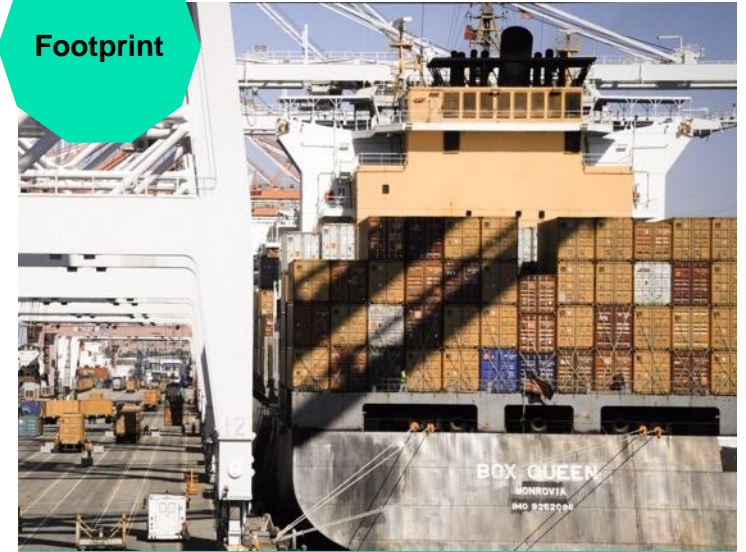
Deploying best practices

Handprint



Delivering value-adding sustainable services

Footprint



End-to-end efficiency;  
Decreasing CO<sub>2</sub> emissions



# Strong supply chain capability: The most efficient manufacturing methods for consumables



**Production  
capacity and product  
range development**



**Manufacturing  
process improvements  
to reduce lead times**



**RECYCLING SOLUTIONS  
FOR THE WORN  
MATERIALS**



**DECREASING  
EMISSIONS**



**ZERO DEFECTS**  
**LTIF 0**



**Competitive  
supply chain  
footprint**



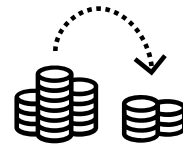
**Efficient  
logistics  
network**

# Reducing emissions in our logistics operations while improving availability and reliability

## BENEFITS

- Improved customer service
- Optimized footprint
- Synergy benefits
- Easy scalability & agile resourcing
- Working capital improvement
- Decreasing CO<sub>2</sub> emissions

## Warehouse footprint development



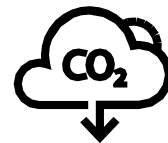
Combine and consolidate two warehouse networks  
→ Optimized warehouse presence in all main customer markets

## Transportation



**Short term development:**  
January – September 2.50 > 2.28 stops  
**Target:** One stop principle

## Reducing emissions in logistics



**Q3 2020:** 7% less emissions y-o-y  
**Target:** 20% less CO<sub>2</sub> emissions by 2025



# Focus areas and examples of our digital solutions

## Existing



**Smart and Connected Equipment**

Smart crushers

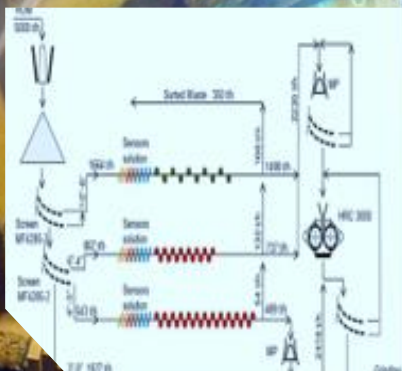


**Remote support**

All assets connected

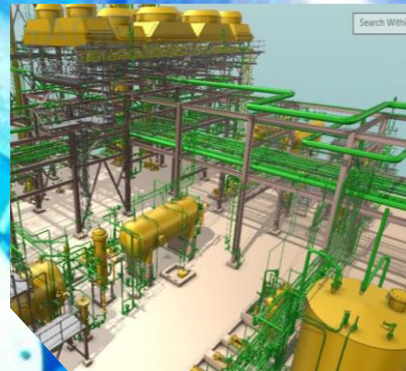


## Developing



**AI-powered Ore Sorting Solutions**

Pre-concentration



**Digital Twins**

Equipment, process & metallurgical twins

**Advanced process automation and control systems**

Process optimizers






# Digital wear management will maximize uptime

1. Wear monitoring

2. Wear prediction

3. Optimization

 <p><b>Traditional</b> Machine stopped (longer)</p>	 <p><b>3D scanning</b> Machine stopped (shorter)</p>	 <p><b>Online monitoring</b> Machine in operation</p>
<p><b>Manual</b></p> <ul style="list-style-type: none"><li>• Wear predictions</li><li>• Liner optimization</li></ul>	<p><b>Automated</b></p> <ul style="list-style-type: none"><li>• Wear predictions</li><li>• Shutdown recommendations (scope, scheduling)</li><li>• Production, warehouse, logistics and ordering optimization</li><li>• Full optimization using wear and equipment data</li></ul>	



Improved safety



Fewer people



Real-time wear tracking



More optimized process




Increased uptime

# Remote support provides unique value to customers



## M:O PERFORMANCE CENTERS AND REMOTE SUPPORT CAPABILITIES

 **Remote connectivity**  
Analyze | Anticipate | Accel.

 **Connected Field Expert**  
Digital process & work



### Performance Center support model

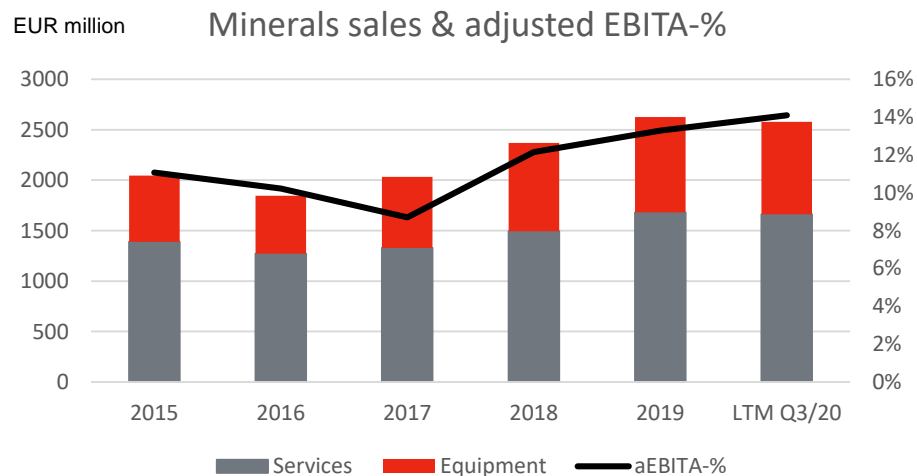
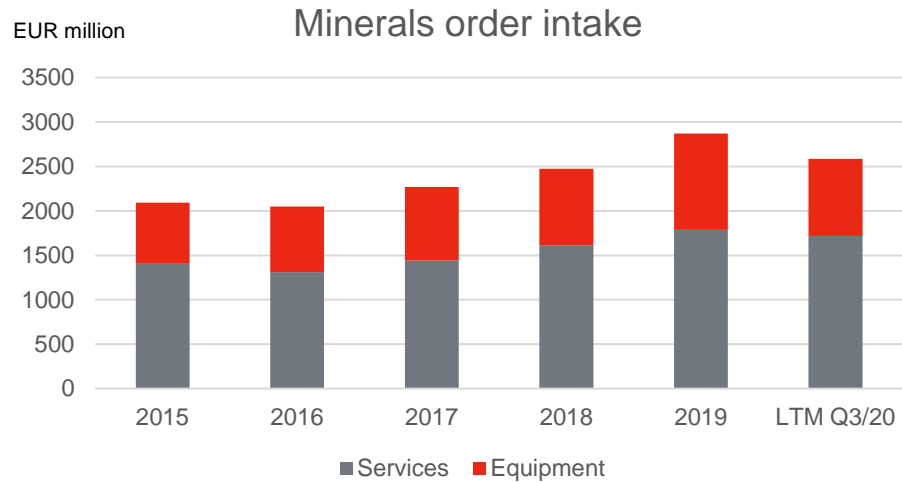
#### Our centers

- Santiago, Chile
- Espoo, Finland
- Changsa, China

Analyze	Life Cycle Services
Anticipate	
Accelerate	



# Continuing profitable growth



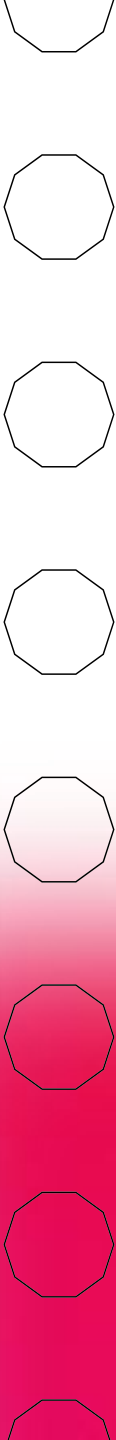
Metso:Outotec

Figures are illustrative combined segment information

## Profitability improvement in Minerals

- Deliver integration synergies, incl. procurement
- Streamline manufacturing footprint and logistics
- Grow in aftermarket
- Standardize offering
- Strengthen commercial excellence

November 11, 2020



# Partner for positive change