

Services: Demand driven by large and growing global installed base

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Services demand driven by large and growing global installed base

1

ATTRACTIVE MARKET AND STRONG MARKET POSITION

Solid market share development in a large and growing market

2

COMPETITIVE OFFERING

Market's widest offering ensures the right combination of services for every stage in the lifecycle

3

BROAD CUSTOMER BASE

Strong presence in all markets covering all key customer corporations

4

SOLID TRACK RECORD

>5% CAGR in orders and steady improvement in EBITA

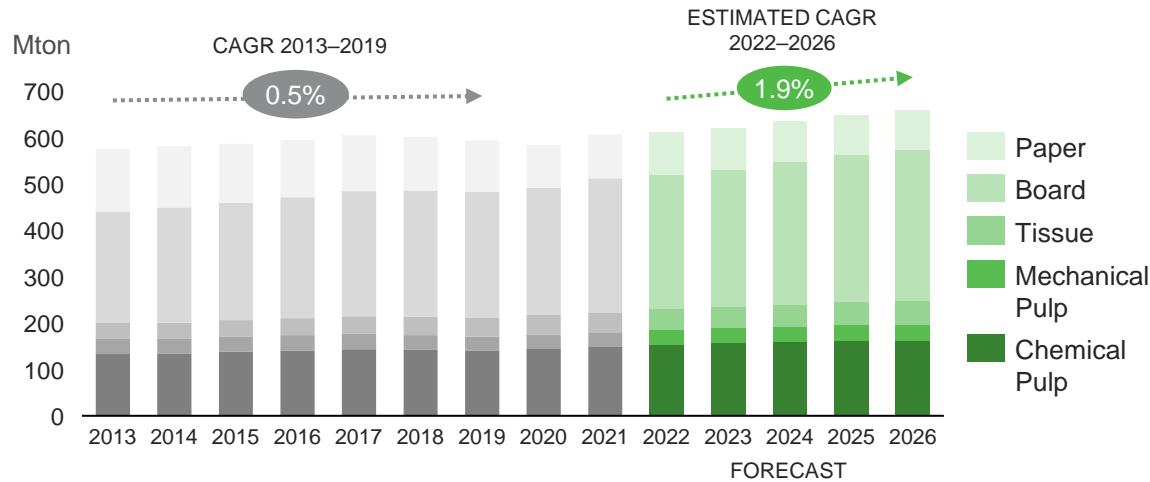
FINANCIAL TARGET

Net sales to grow over two times the market growth

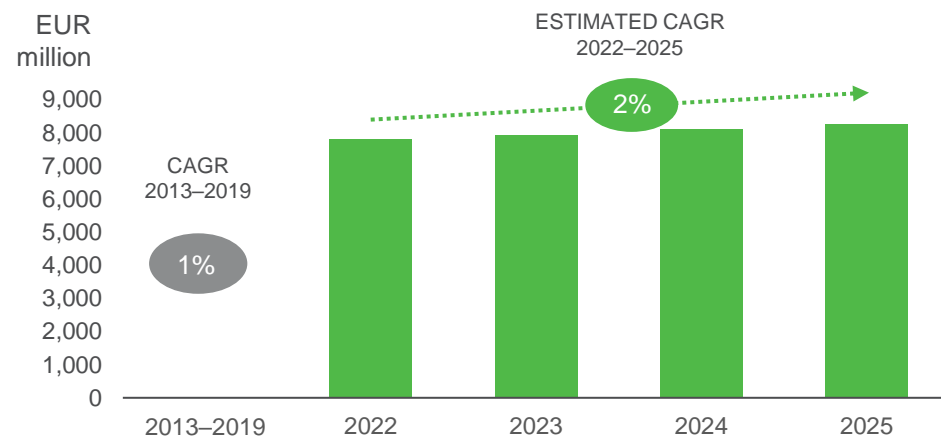


Solid market share development in a growing and attractive market

Pulp and paper consumption development



Service market development



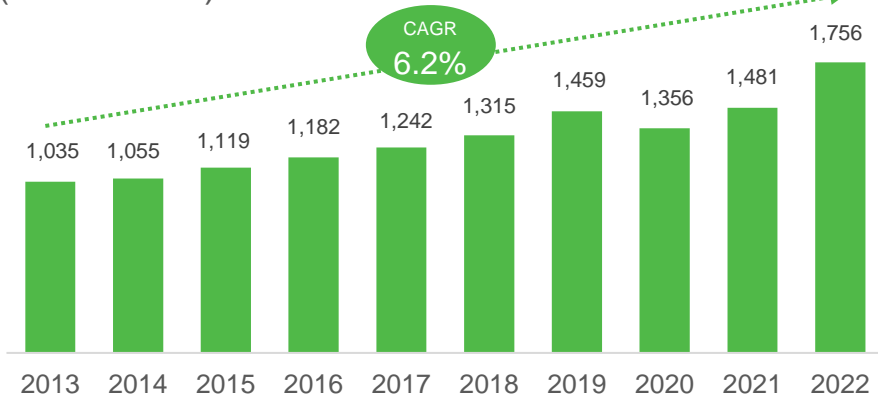
Market drivers

- Large global installed base
- Growth in installed base driven by e-commerce, urbanization and replacing plastics
- Sustainability, digitalization, efficiency and safety drive upgrades and services
- Customer focus on core business, aging workforce and labor shortages drive expert services
- Machine conversions and closures in printing papers

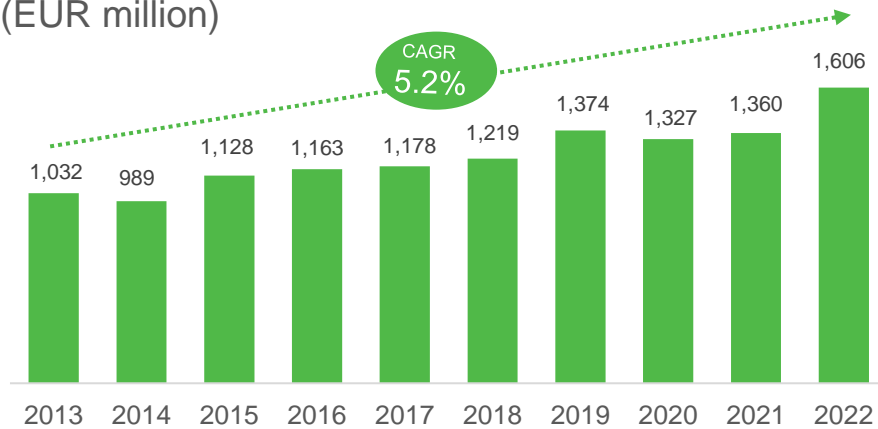
Market position	Market share	Market size, EUR	Market growth
#1–2	~21%	~8 bn	~2%

Services key figures

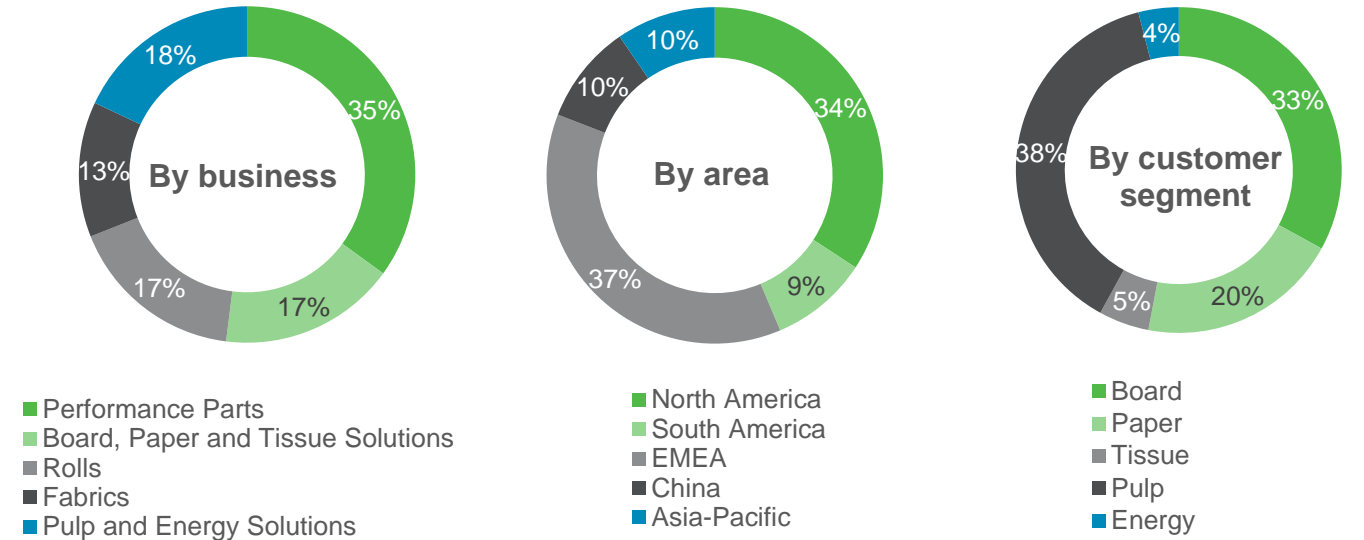
Orders received
(EUR million)



Net sales
(EUR million)



Orders received split 2022
(% of total)

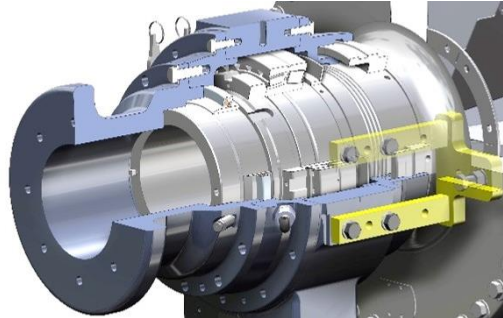


Strong market position, growth in all business units

Growth in all market areas

Growth in pulp, board, tissue and energy

Strong market position with market's widest offering



Performance Parts

- Spare parts
- Consumables

- High-quality spare parts, upgraded parts and retrofits
- Process consumables with process knowledge



Fabrics

- Paper machine clothing
- Filter fabrics

- Application expertise with high-quality clothing
- Various filtration applications and reliable deliveries
- High market share in projects



Rolls and workshop services

- Rolls
- Roll covers
- Roll maintenance
- Workshop services

- Wide geographical workshop coverage
- New competitive products



Board, Paper and Tissue Solutions

- Improvement projects
- Field services
- Lifecycle agreements
- Outsourcing

- Large and growing Valmet installed base
- Process and project execution knowhow
- Strong Field services network
- Strong references



Pulp and Energy Solutions

- Improvement projects
- Field services
- Lifecycle agreements
- Outsourcing

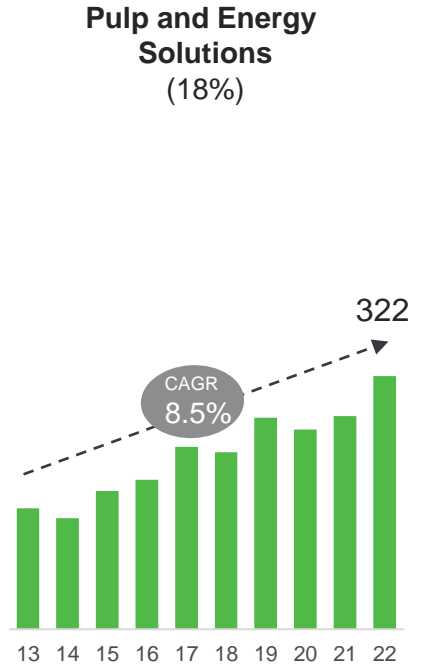
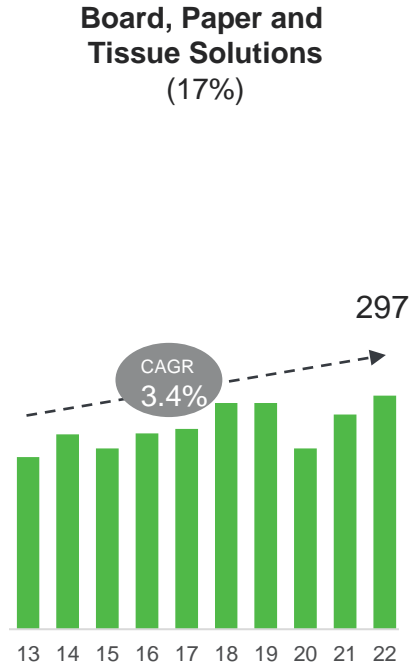
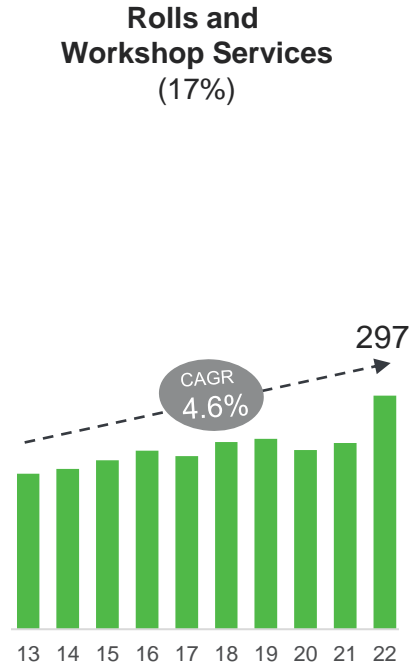
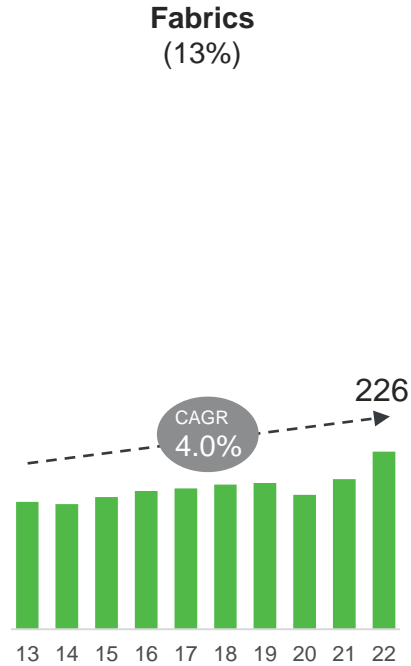
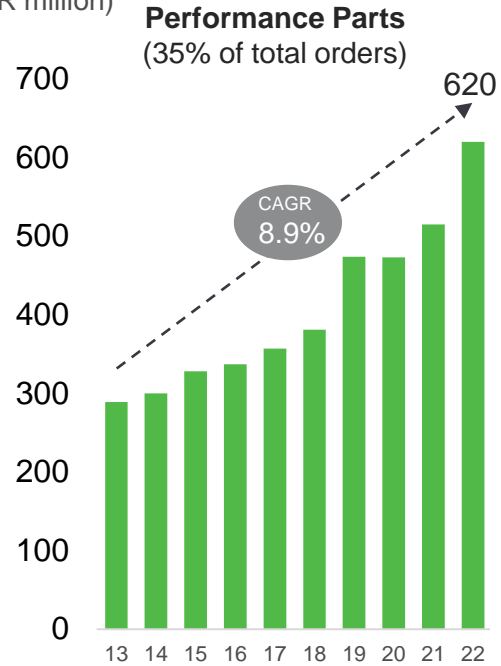
- Large and growing Valmet installed base
- Process and project execution knowhow
- Strong Field services network
- Strong references

Offering

Competitive advantages

Solid growth in all business units

Orders received
(EUR million)



OPEX

More CAPEX

Key growth actions

- Efficient and systematic sales
- Trial runs
- Investments
- Acquisitions

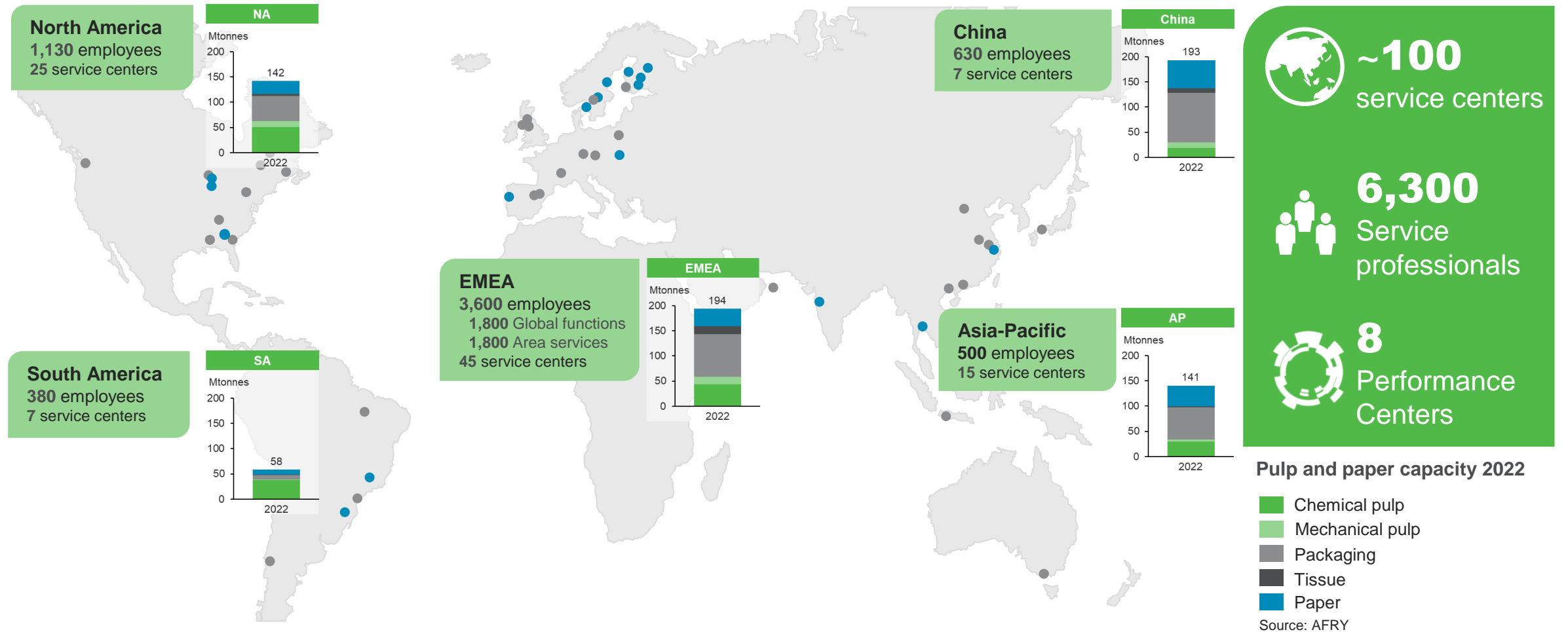
- Increase agreement business
- Mining focus in filtration
- Investments and footprint development

- Increase agreement business
- Growth in replacement equipment
- Growth in pulping

- Field service localization and growth
- Local capability
- Performance agreements

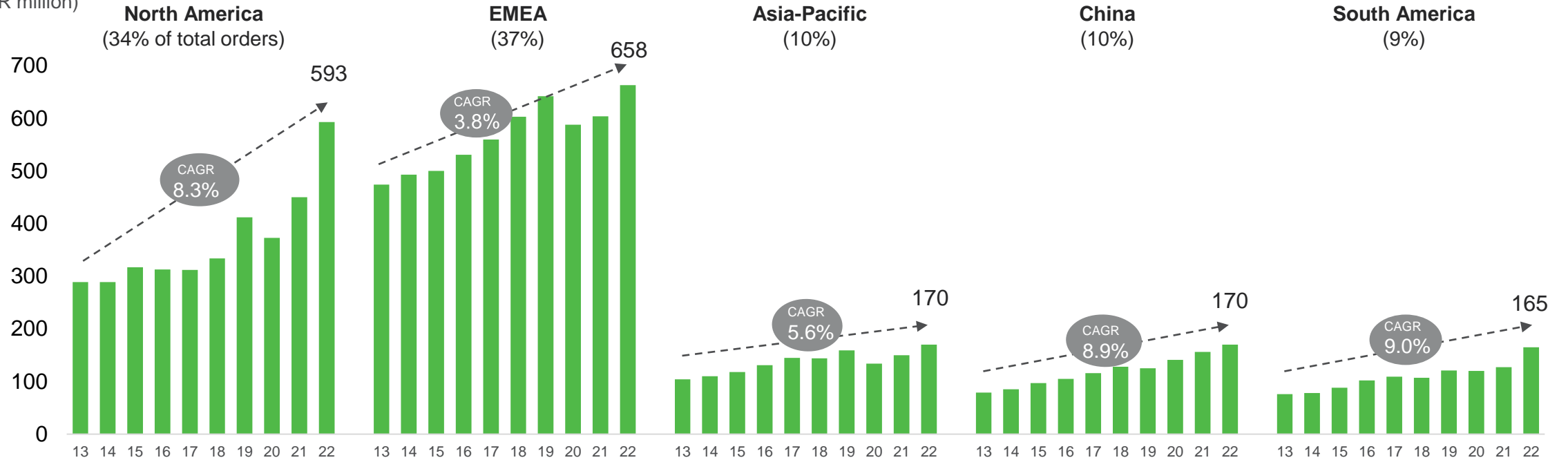
- Field service localization and growth
- Local capability
- Process and reliability services

Strong area organization is a competitive advantage



Solid growth in all geographical areas

Orders received
(EUR million)



Mature market

Developing market

Key growth actions

- Systematic sales (large market)
- Agreements
- Local capability development
- Acquisitions

- Systematic sales (large market)
- Agreements
- Energy savings and process optimization services
- Local capability development

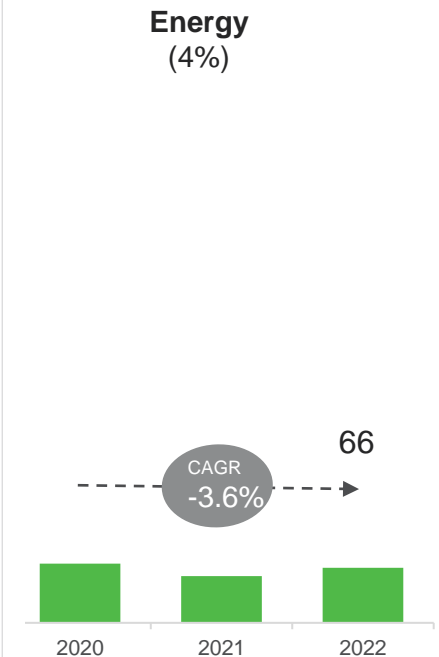
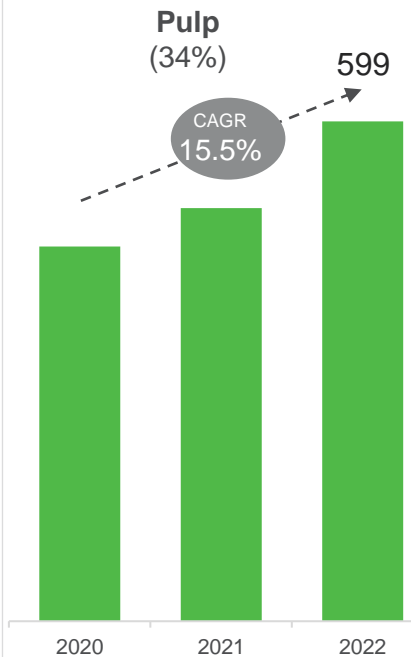
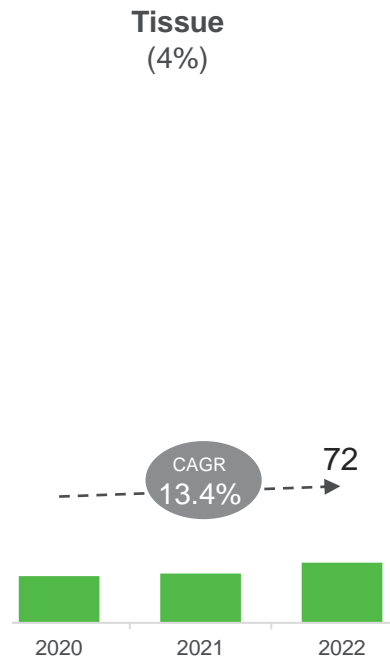
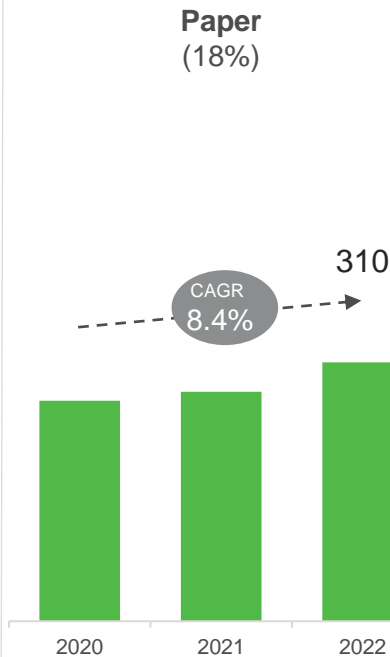
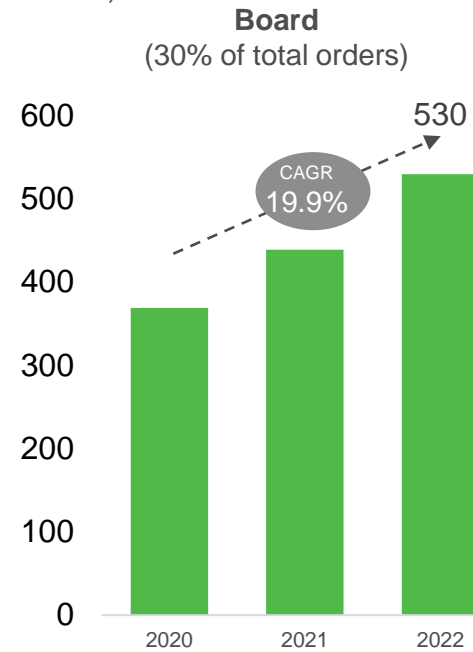
- Systematic sales (large market)
- Local capacity and capability development
- Strengthened presence in developing countries

- Systematic sales (large market)
- Local capacity and capability development
- Agreements
- Pulp market penetration

- Systematic sales
- Local capacity and capability development
- Board and paper market penetration

Strong development in key Services segments

Orders received
(EUR million)



Market characteristics

- Large market
- New machines and rebuilds
- Optimization for efficiency, capacity and quality

- Conversions and machine relocations
- Cost efficiency and optimization
- Specialty papers

- Steady investment activity
- Process upgrades
- Optimization for energy and CO₂ reduction

- Large market
- New investments and upgrades
- Longer service intervals

- Energy market affected by politics and public processes
- Tightening environmental directives
- Accelerated transfer from fossils to renewable fuels

Unified way to serve aims at excellent customer experience



We aim to understand customer strategy and needs

- Understanding customer strategy and need through Corporate account management and Mill Teams
- Mill team: Mill Sales Manager and product experts appointed for the mill
- Mill Team having annual targets to grow Valmet's market share at the customer
- One point of contact to customers



Sales actions planned based on customer needs

- Aligning customer targets with Valmet's sales and service actions through annual sales planning
- Over 10,000 actions each year



Continuous collaboration through lifecycle approach

- Right combination of services for every stage in the lifecycle
- Delivery by products, agreements, projects



High customer satisfaction

- Customer satisfaction measured with Net Promoter Score (NPS)
- NPS target 70%
- Detractor comments leading to fast corrective actions

Strategic focus areas

Services

Key actions to grow

- Capture higher market share in large global installed base
- High service market share in Valmet's new process technology deliveries
- Wide offering and new products for cost competitiveness, digitalization and sustainability
- Close to customers with mill teams, systematic sales, customer specific solutions, agreements and unified way to serve

Key actions to improve profitability

- Sales management, pricing and optimized product and customer mix
- Procurement savings, optimized footprint and investments
- Operative efficiency and new offering on cost competitiveness



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