



Valmet

Solid progress in exceptional times

Annual General Meeting 2021
Pasi Laine, President and CEO

Valmet

Contents

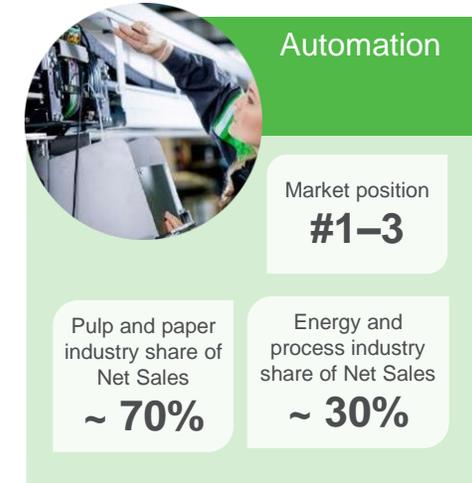
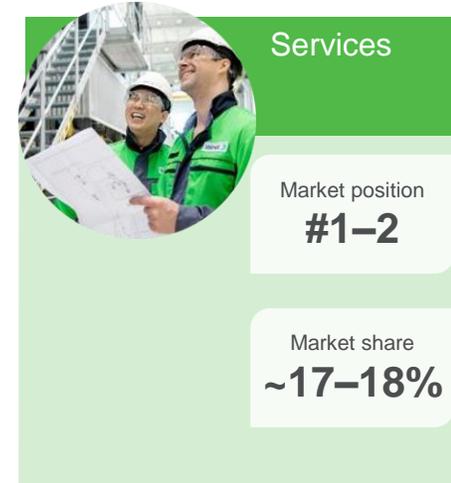
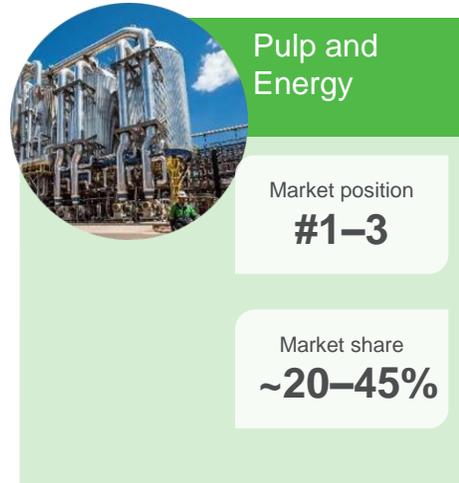
- 1 Valmet today
- 2 Financial development in 2020
- 3 Strong global presence and competent area organizations
- 4 Guidance and short-term market outlook



Valmet today

Valmet today

A leading provider of process technologies, services and automation to pulp, paper and energy industries



220 years of industrial experience

Strong global presence with

- 100 service centers
- 98 sales offices
- 43 production units
- 16 R&D centers

7 consecutive years in Dow Jones Sustainability Index

A unique and competitive offering

Paper

- Board, tissue and paper machines
- Modernizations and grade conversions

Pulp and Energy

- Pulp mills
- Multifuel boilers
- Environmental systems

Services

- Spare and process parts
- Production consumables
- Maintenance, shutdown and outsourcing services
- Process support and optimization

Automation

- Automation systems
- Industrial Internet solutions



Focus on customer benefits

Valmet's way forward

Our Mission

Converting renewable resources into sustainable results

Our Strategy

Valmet develops and supplies competitive process technology, services and automation to the pulp, paper and energy industries.

We are committed to moving our customers' performance forward with our unique offering and way to serve.

Our Must-Wins

- Customer excellence
- Leader in technology and innovation
- Excellence in processes
- Winning team

Growth Accelerators

- Field services
- Industrial Internet and digitalization

Our Vision

To become the global champion in serving our customers

Our Values



Customers

We move our customers' performance forward



Renewal

We promote new ideas to create the future



Excellence

We improve every day to deliver results



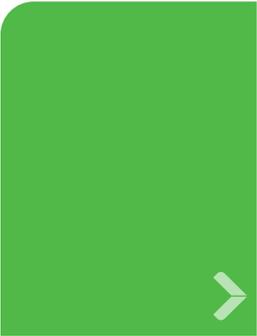
People

We work together to make a difference

Megatrends

- Resource efficient and clean world
- Digitalization and new technologies
- Urban, responsible and global consumer

Executive Team



Pasi Laine
President and CEO



Kari Saarinen
CFO



Julia Macharey
SVP, Human Resources and
Operational Development



Anu Salonsaari-Posti
SVP, Marketing, Communications
and Sustainability



Aki Niemi
Business Line President,
Services



Sami Riekkola
Business Line President,
Automation



Bertel Karlstedt
Business Line President,
Pulp and Energy



Jari Vähäpesola
Business Line President,
Paper



Dave King
Area President,
North America



Celso Tacla
Area President,
South America



Vesa Simola
Area President,
EMEA



Xiangdong Zhu
Area President,
China



Jukka Tiitinen
Area President,
Asia Pacific



Financial development in 2020

Valmet in 2020

Orders received
EUR 3,653 million

Net sales
EUR 3,740 million

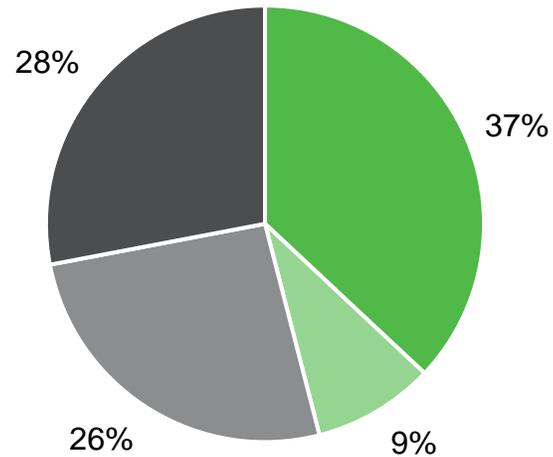
Comparable EBITA
EUR 365 million

Comparable EBITA margin
9.8%

Order backlog
EUR 3,257 million

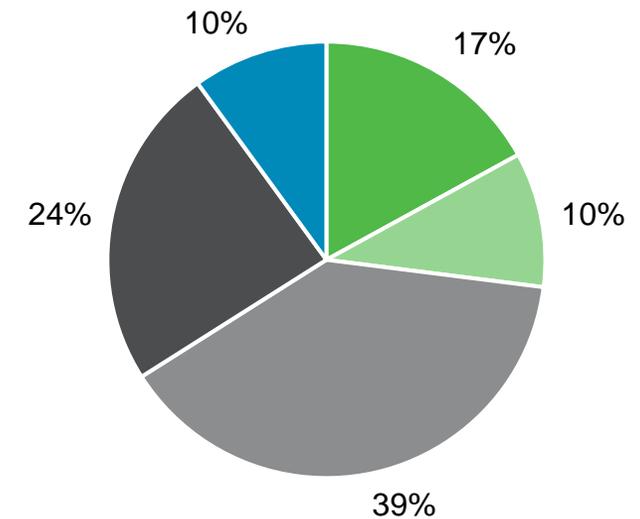
Employees
14,046

Orders received by business line



- Services
- Automation
- Pulp and Energy
- Paper

Orders received by area



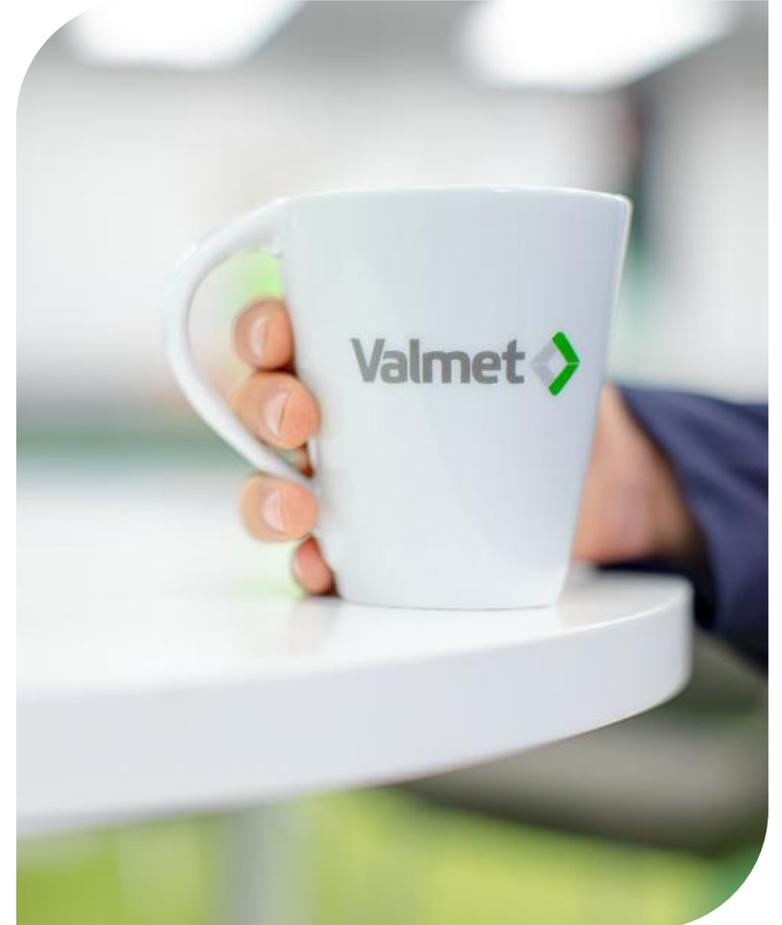
- North America
- South America
- EMEA
- China
- Asia-Pacific

Key figures

EUR million	2020	2019	Change
Orders received	3,653	3,986	-8%
Order backlog ¹	3,257	3,333	-2%
Net sales	3,740	3,547	5%
Comparable EBITA	365	316	16%
% of net sales	9.8%	8.9%	
EBITA	355	315	13%
Operating profit (EBIT)	319	281	13%
% of net sales	8.5%	7.9%	
Earnings per share, EUR	1.54	1.35	15%
Return on capital employed (ROCE) before taxes	22%	23%	
Cash flow provided by operating activities	532	295	81%
Gearing ¹	13%	-9%	

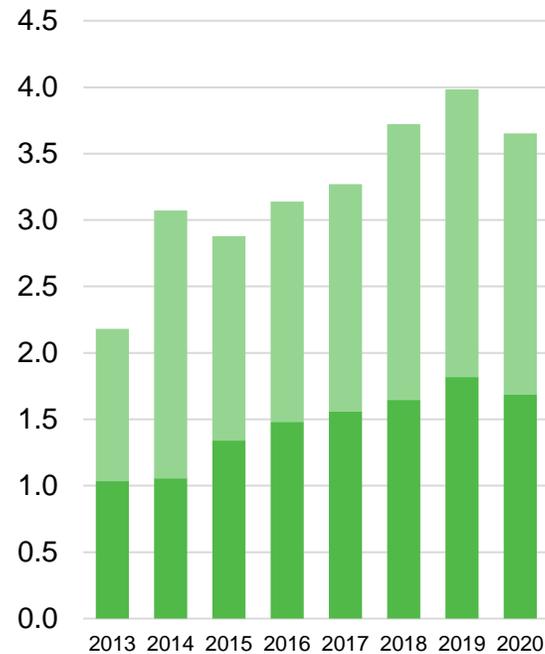
Items affecting comparability: EUR -10 million in 2020 (EUR -1 million in 2019)
Valmet's investment in Neles had a positive impact on EBITA of EUR 2.8 million

1) At end of period



Valmet's development since 2013

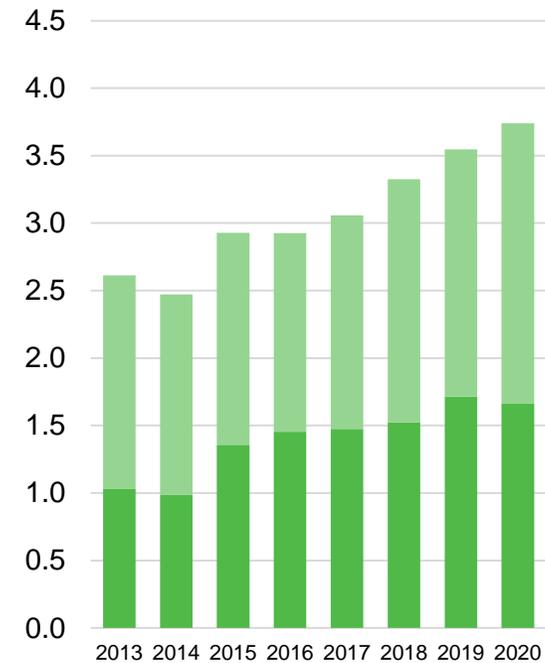
Orders received
(EUR billion)



Business lines

- Services and Automation
- Pulp, Energy and Paper

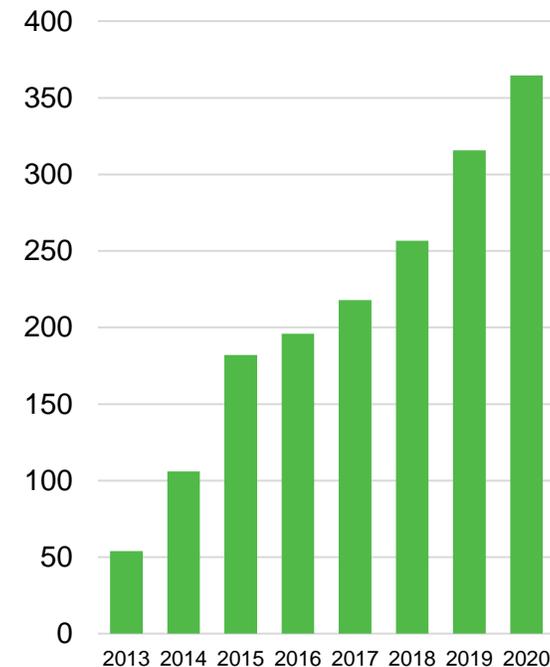
Net sales
(EUR billion)



Business lines

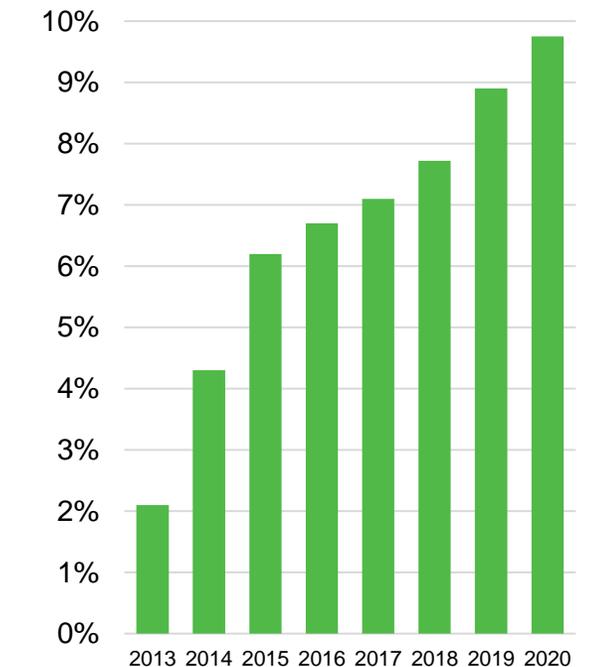
- Services and Automation
- Pulp, Energy and Paper

Comparable EBITA
(EUR million)



- Comparable EBITA

Comparable EBITA margin
(%)



- Comparable EBITA margin

Valmet continued the implementation of its acquisition strategy

The acquisition of PMP Group and 29.5% ownership in Neles

Well-considered and selective acquisitions with clear industrial logic

- to strengthen Services and Automation
 - to expand business in pulp, paper and energy value chain
- The acquisition of PMP Group
 - Widened technology offering by adding small and medium size machinery to Tissue, Board and Paper
 - Extended expertise and assets to further strengthen our ability to serve our customers
 - The acquisition of 29.5% of Neles
 - The goal is to have an active long-term role in the development of Neles
 - In the long term, combination of Valmet and Neles would create a Nordic based global leader with a unique offering for process industries
 - A platform for further growth in automation business





Strong global presence and competent
area organizations

North America

Strong services market with good opportunities for new technology projects

An active market for new projects. Large aging installed base creates demand for services, automation, rebuilds and upgrades.

- 18 service centers
- 12 production units
- 12 sales offices
- 1 Performance Center



1,542



Highlights 2020

- Start-up of a large number of customer projects with only remote global support
- Keeping facilities up and running in spite of numerous government shutdowns related to COVID-19 pandemic



South America

Strong pulp project market is today an active board and tissue project market as well

An active market for pulp, board and tissue technologies, services and automation

- 4 service centers
- 2 production units
- 6 sales offices
- 1 Performance Center



595



Highlights 2020

- Order for key pulp mill technology and automation to Brazil
- Valmet Service Center ramp-up in Concepcion, Chile
- “Great Place to Work” award in Brazil



EMEA – Europe, Middle East and Africa

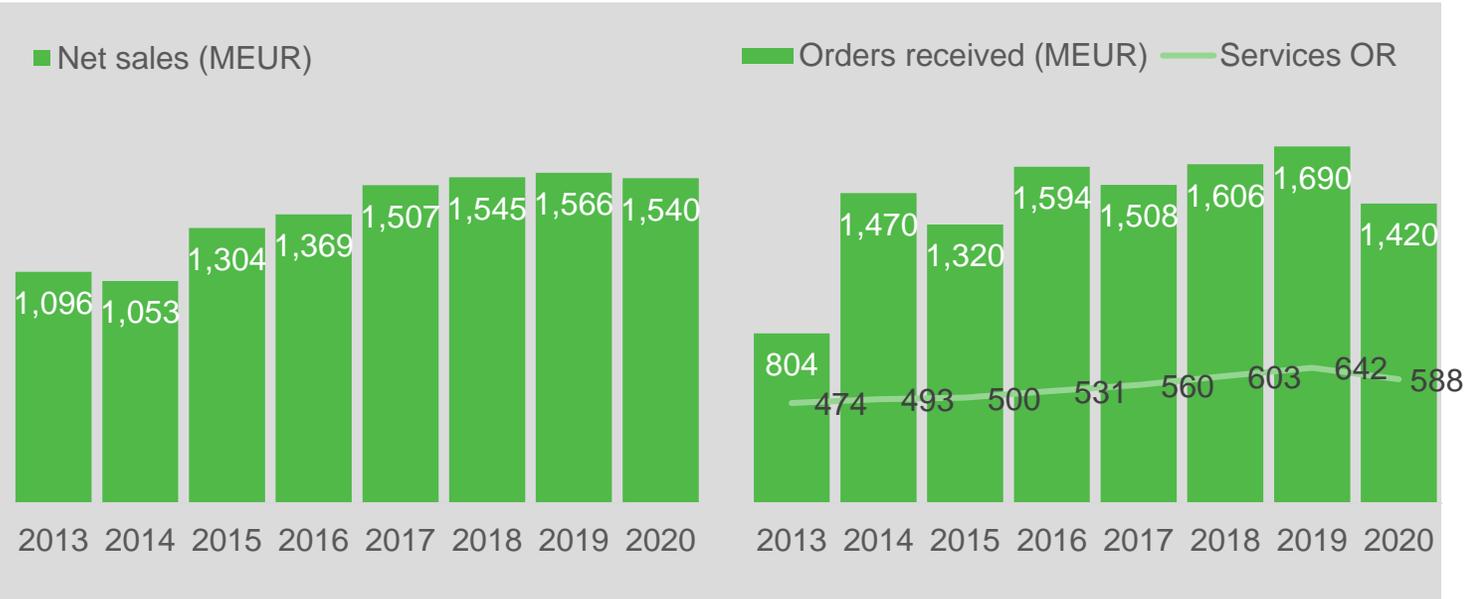
Valmet's biggest area with significant markets for all businesses and a large installed base

- 9,200 employees of which
 - 2,200 in area organization
 - 7,000 in business lines and corporate functions
- 16 R&D centers
- 64 service centers
- 23 production units
- 61 sales offices
- 5 global Performance Centers



Highlights 2020

- Boiler plants to Finland and Sweden
- Several tissue machine orders and board and paper machine rebuilds and upgrades



Asia Pacific

A large area covering multiple countries with different cultures and market dynamics

An active and developing market providing growth opportunities for all Valmet's businesses

- 12 service centers
- 1 production unit
- 14 sales offices

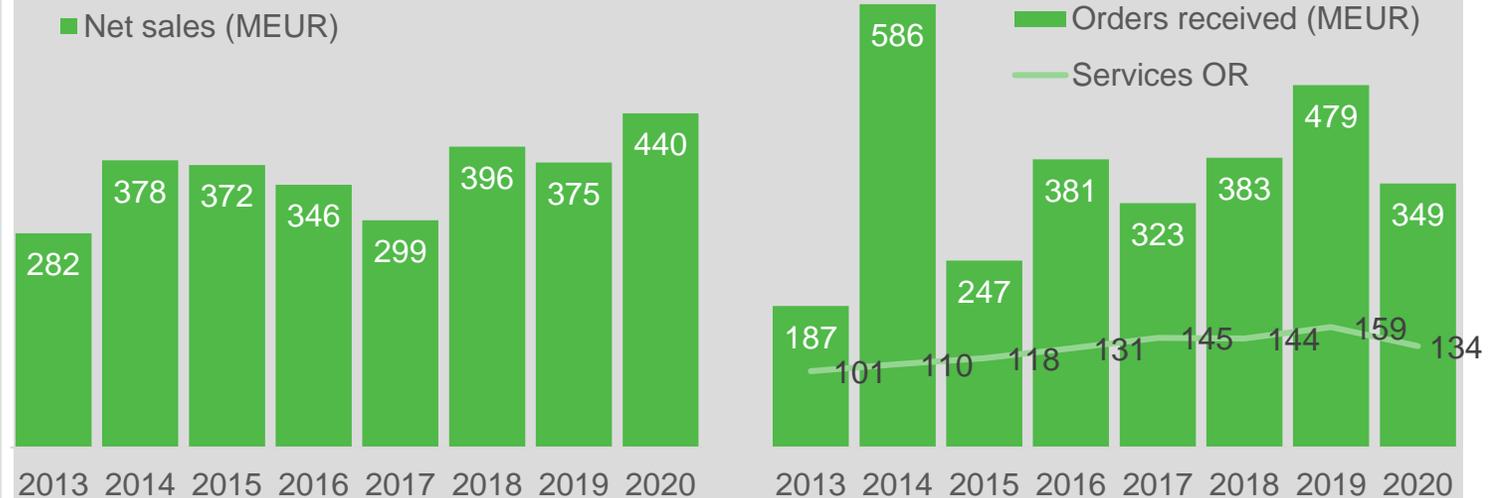


888



Highlights 2020

- Containerboard machine technology order to India
- Mill outsourcing agreement continuation in Australia
- Twinroll wash press technologies order to Thailand
- Marine scrubber systems with automation to Japan
- Continuous cooking technology order to Indonesia



China

An exceptionally active customer market in 2020

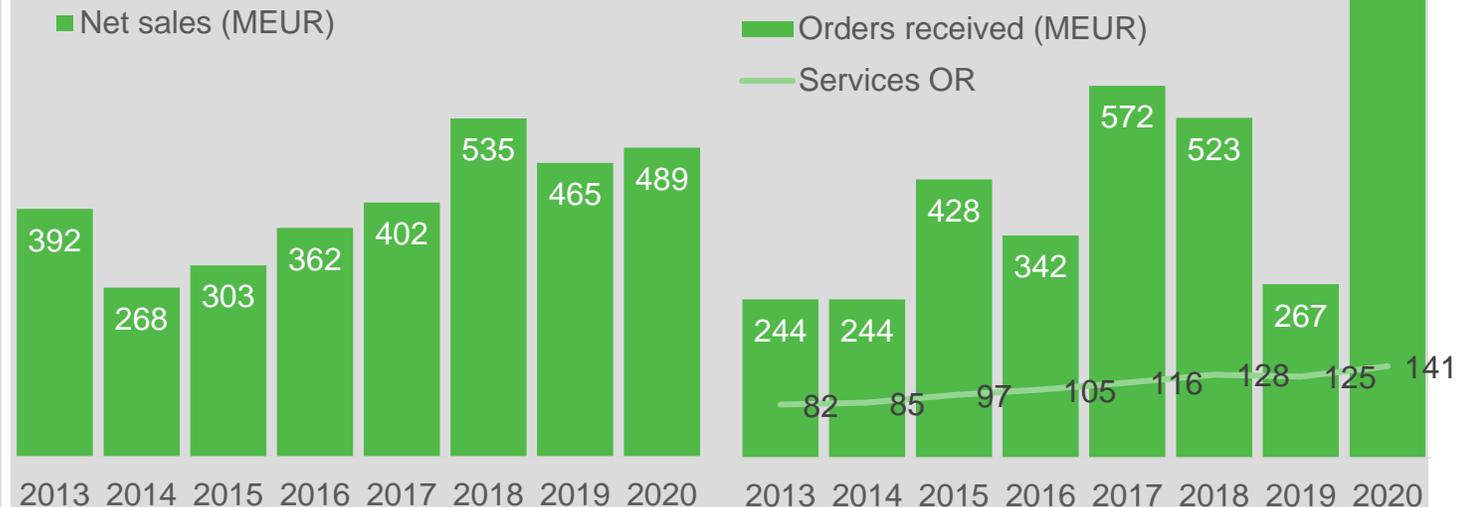
Good pulp, paper, board and tissue technology and automation project opportunities and a growing services market

- 4 service centers
- 5 production units
- 5 sales offices
- 1 Performance Center



Highlights 2020

- World's fastest coated board making line order
- World's largest bleached chemi thermo mechanical pulp line order
- A cooking and fiberline order
- A containerboard line order
- A fine paper line order





Guidance and short-term market outlook

Guidance and short-term market outlook

Guidance for 2021

Guidance	<p>Valmet estimates that net sales in 2021 will remain at the previous year's level in comparison with 2020 (EUR 3,740 million) and Comparable EBITA in 2021 will remain at the previous year's level in comparison with 2020 (EUR 365 million).</p>
-----------------	--

Short-term market outlook

		Q1/2020	Q2/2020	Q3/2020	Q4/2020
Services		Satisfactory / Weak	Satisfactory / Weak	Satisfactory / Weak	Satisfactory / Weak
Automation		Good / Satisfactory	Good / Satisfactory	Good / Satisfactory	Good
Pulp and Energy	Pulp	Good	Good	Good	Good
	Energy	Satisfactory	Satisfactory	Satisfactory	Weak
Paper	Board and Paper	Good	Good	Good	Good
	Tissue	Satisfactory	Satisfactory	Satisfactory	Good

The short-term market outlook is based on customer activity (50%) and Valmet's capacity utilization (50%) and is given for the next six months from the end of the respective quarter. The scale is 'weak-satisfactory-good'.

