



A decade of consistent progress

Annual General Meeting 2024

Pasi Laine

President and CEO

Valmet 

Valmet 

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Valmet today

Unique offering combining process technologies, services and automation

Now complemented with tissue converting technologies and services

Board and paper technologies

- Board and paper production lines
- Tissue production and converting lines
- Rebuilds
- Machine sections

Pulp technologies

- Complete pulp mills
- Pulp mill processes
 - Wood handling, Cooking and fiber line, Pulp drying and baling, Chemical recovery

Energy technologies

- Heat and power generation
- Air emission control
- Biofuels production

Services

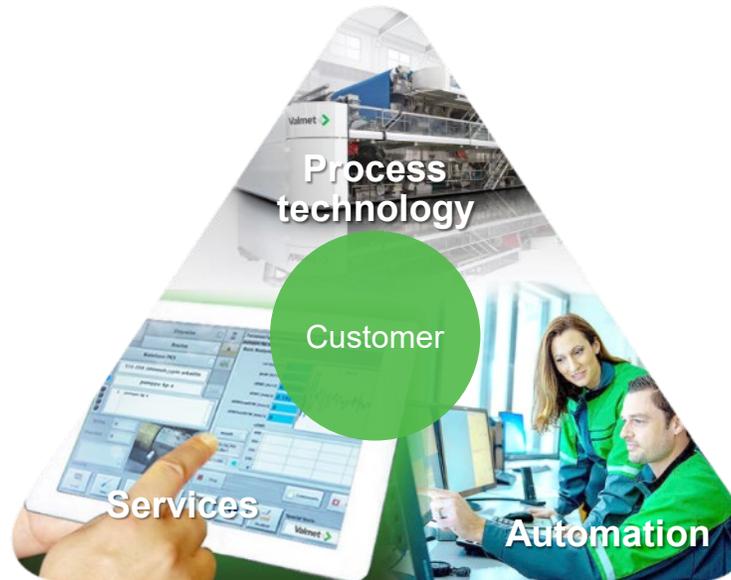
- Spare and process parts
- Workshop and roll services
- Fabrics
- Maintenance development and outsourcing
- Field services
- Process upgrades
- Industrial Internet solutions

Automation systems

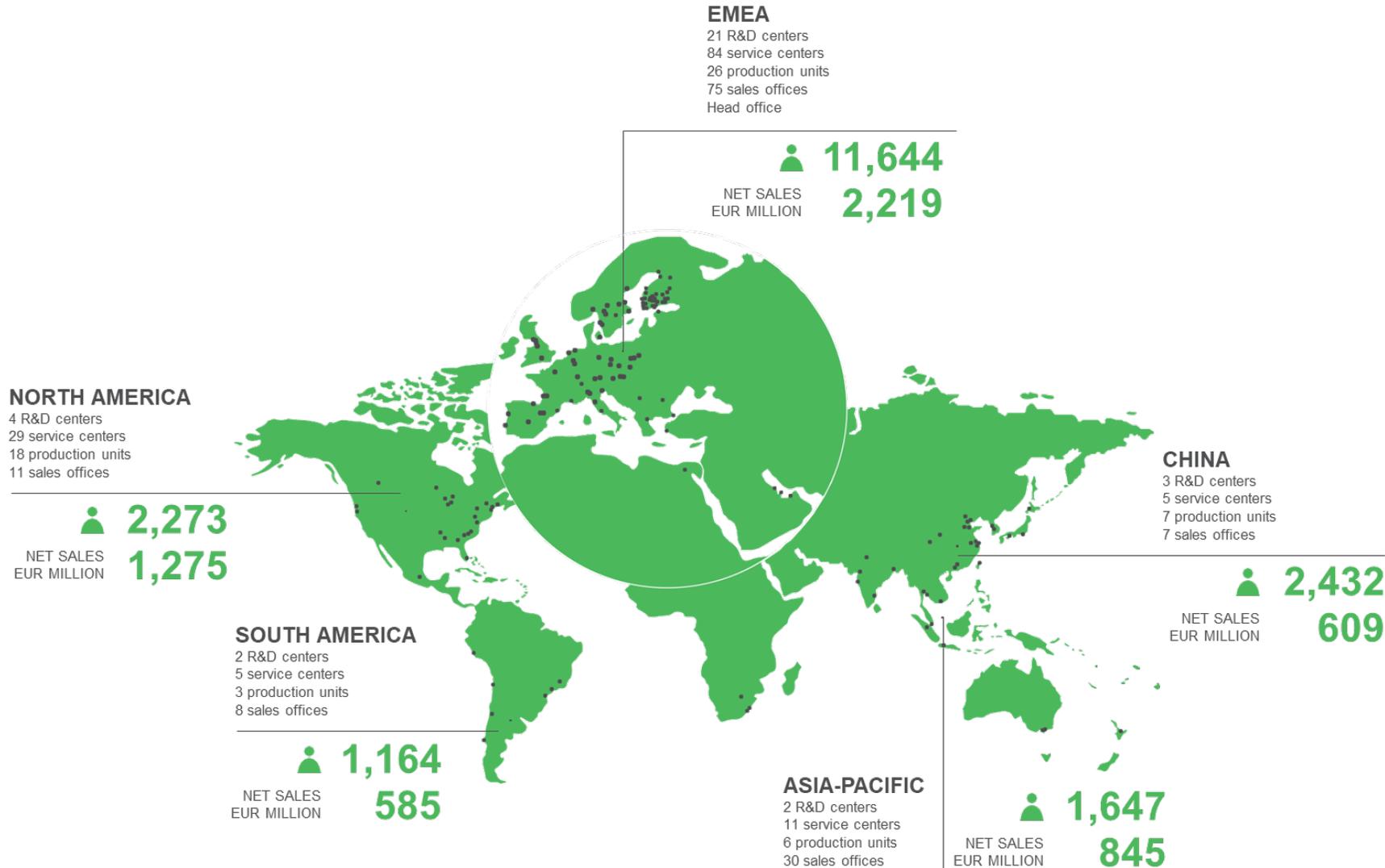
- Distributed Control Systems (DCS)
- Quality Management Systems (QMS)
- Analyzers and measurements
- Services and Industrial Internet solutions

Flow Control

- Valves
- Valve automation
- Valve controls



Strong global presence creating a good platform for continued growth



- 19,160 employees
- >130 service centers
- 60 Production units
- 32 R&D centers

Valmet is an acknowledged leader in sustainability

360° approach to sustainability across value chain

Environment

We enhance circularity and environmental efficiency and reduce CO₂ emissions through the entire value chain

Social

We promote an engaging work environment, commit to the health and safety of our people and partners, and strive to be a responsible corporate citizen

Governance

We follow ethical business practices, ensure a sustainable supply chain and report in a transparent manner



Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA



Valmet's Way Forward

Mission

Converting renewable resources into sustainable results

Strategy

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

Our automation business covers a wide base of global process industries.

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

Continuous improvement and renewal

Must-Wins

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

Business accelerators

Vision

To become the global champion in serving our customers and in moving the industries forward

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



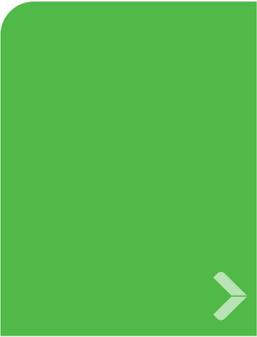
People

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



Katri Hokkanen
CFO



Anu Salonsaari-Posti
SVP, Marketing, Communications
and Sustainability



Janne Pynnönen
SVP, Operational Development



Aki Niemi
Business Line President,
Services



Emilia Torttila-Miettinen
Business Line President,
Automation Systems



Sami Riekkola
Business Line President,
Pulp and Energy



Petri Rasinmäki
Business Line President,
Paper



Simo Säskilahti
Business Line President,
Flow Control



Jukka Tiitinen
Area President,
North America



Celso Tacla
Area President,
South America



Tero Kokko
Area President,
EMEA



Xiangdong Zhu
Area President,
China



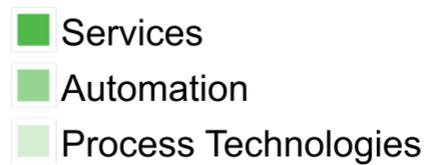
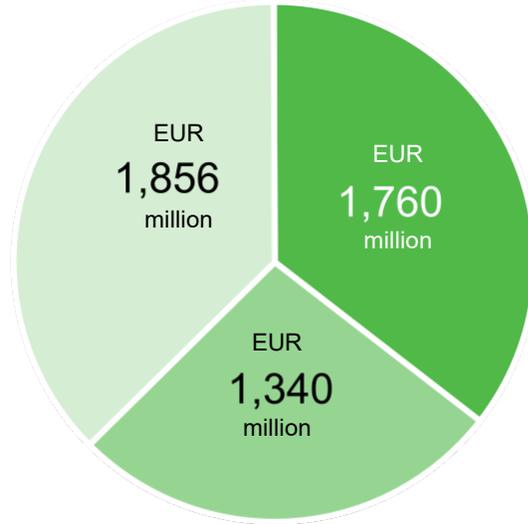
Petri Paukkunen
Area President,
Asia Pacific



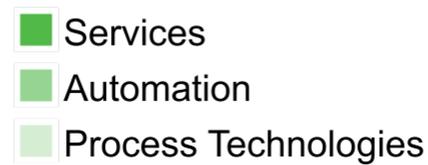
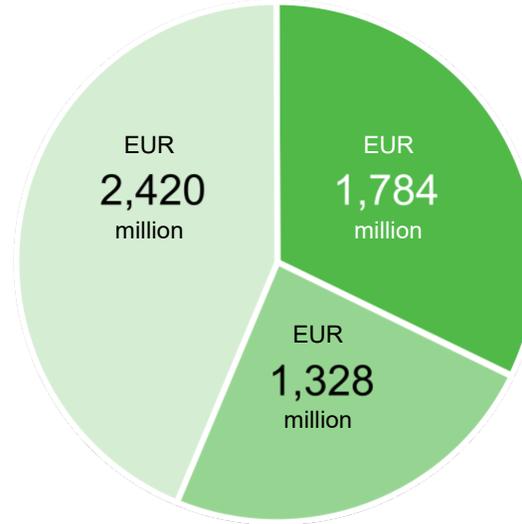
2023 in brief

Valmet in 2023

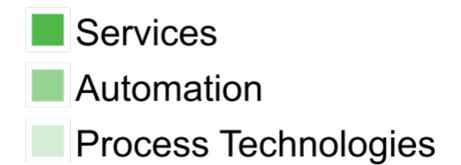
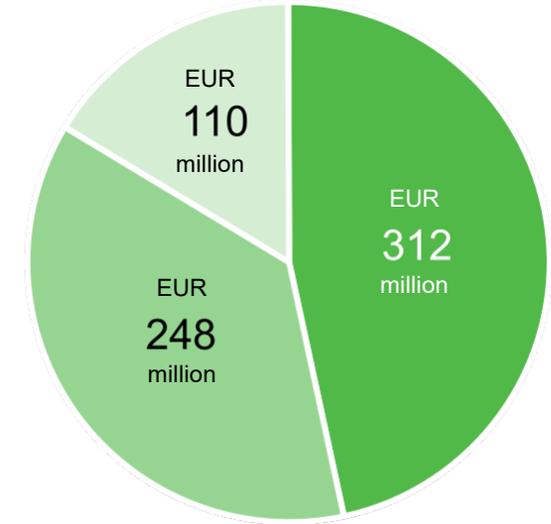
Orders received



Net sales



Comparable EBITA (excl. Other)



Orders received EUR 4,955 million	Net sales EUR 5,532 million	Comparable EBITA EUR 619 million	Comparable EBITA margin 11.2%	Order backlog EUR 3,973 million	Employees 19,160
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Key figures development compared to 2022

EUR million	2023	2022	Change
Orders received	4,955	5,194	-5%
Order backlog ¹	3,973	4,403	-10%
Net sales	5,532	5,074	9%
Comparable EBITA	619	533	16%
% of net sales	11.2%	10.5%	0.7 pp
EBITA	605	550	10%
Operating profit (EBIT)	507	436	16%
% of net sales	9.2%	8.6%	0.6 pp
Adjusted earnings per share, EUR ²	2.28	2.37	-4%
Earnings per share, EUR	1.94	1.92	1%
Comparable ROCE ³	15%	17%	-2 pp
Cash flow provided by operating activities	352	36	>100%
Net debt to EBITDA ratio	1.46	0.78	
Gearing ¹	40%	20%	20 pp

Items affecting comparability: EUR -14 million in 2023 (EUR 17 million in 2022).

1. At end of period
2. Adjusted earnings per share excludes the impact of fair value adjustments arising from business combinations, net of tax
3. Comparable return on capital employed (ROCE) before taxes

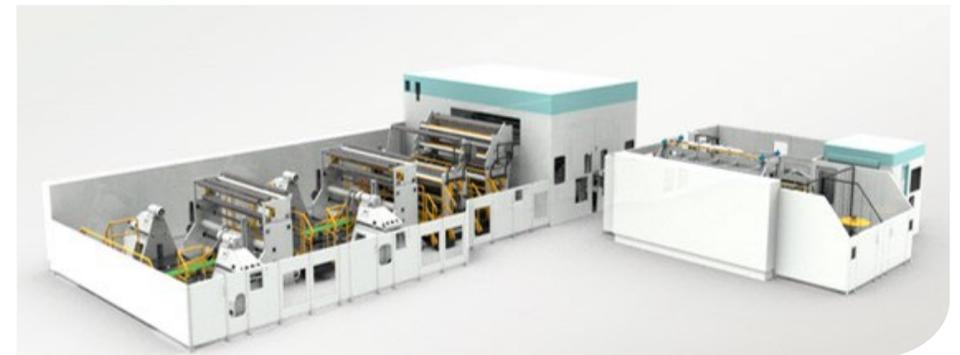


Acquisitions in 2023

- **Process Solutions business from NovaTech Automation**
 - ✓ Strengthens Automation segment with a reliable batch distributed control system (DCS)
- **Tissue Converting business from Körber Group**
 - ✓ Strengthens Valmet's Process Technologies and Services segments
- **Process Gas Chromatography business from Siemens**
 - ✓ Will strengthen Automation segment and process automation offering
 - ✓ Estimated to be completed on 1 April 2024 at the earliest
- **Demuth**
 - ✓ Will strengthen wood handling technology offering and services presence in South America
 - ✓ Subject to relevant competition authority approvals and estimated to be completed during the second or third quarter of 2024



Converting line for tissue rolls



Converting line for folded tissue

Progress in sustainability 2023

10th consecutive year in Dow Jones Sustainability Index and the best A rating in CDP Climate ranking

Environment



- Enabled **100%** carbon-neutral* production for pulp and paper industry customers seven years ahead of target
- **100%** of the electricity purchases in Finland and Sweden was carbon neutral in 2023
- Engaged **78** highest emitting suppliers to our Climate Program. The total number of engaged suppliers is 91.

Social

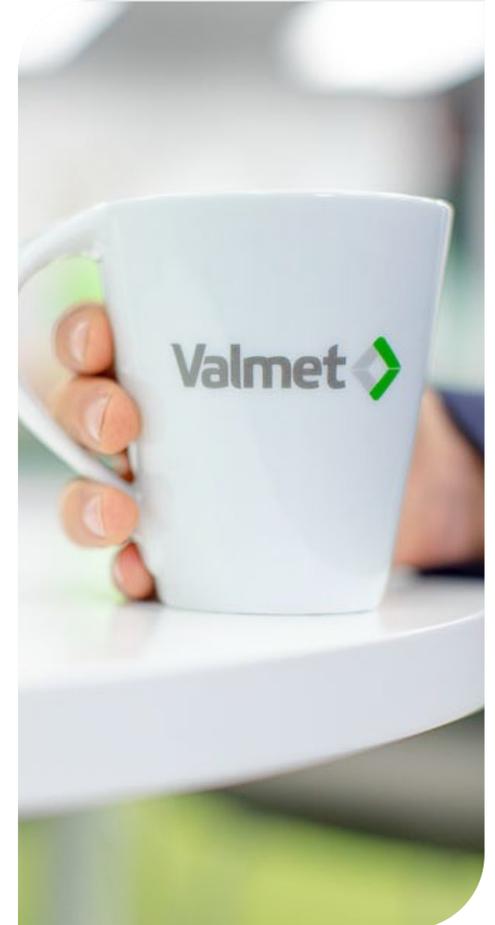


- Continued our safety work ending up with **3.0** (3.2) Total Recordable Incident Frequency (TRIF) for own employees and **4.6** (4.7) for external workers
- Carried out the sixth employee engagement survey. The overall employee engagement score was **70%** continuing the positive trend over the years
- Continued with six social responsibility projects around the world

Governance



- Developed our sustainability reporting to meet the new regulatory requirements
- Updated our Code of Conduct
- Conducted **43** supplier sustainability audits and already **91%** of suppliers has signed our Sustainable Supply Chain Policy



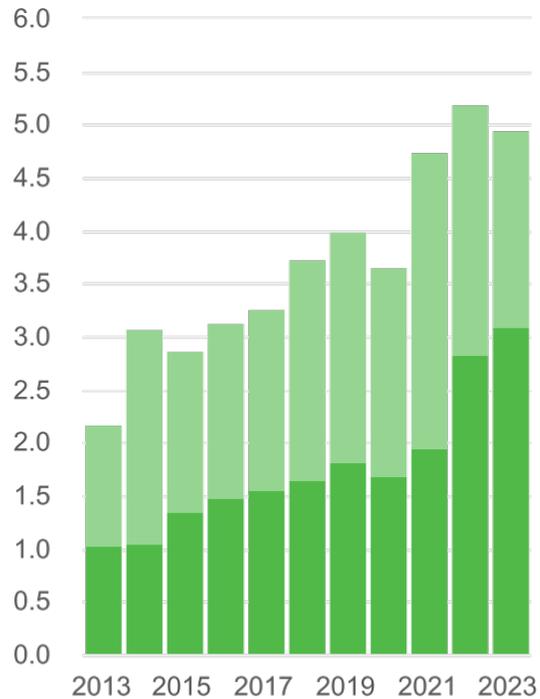
*if customer uses fossil-free fuels



A decade of consistent progress

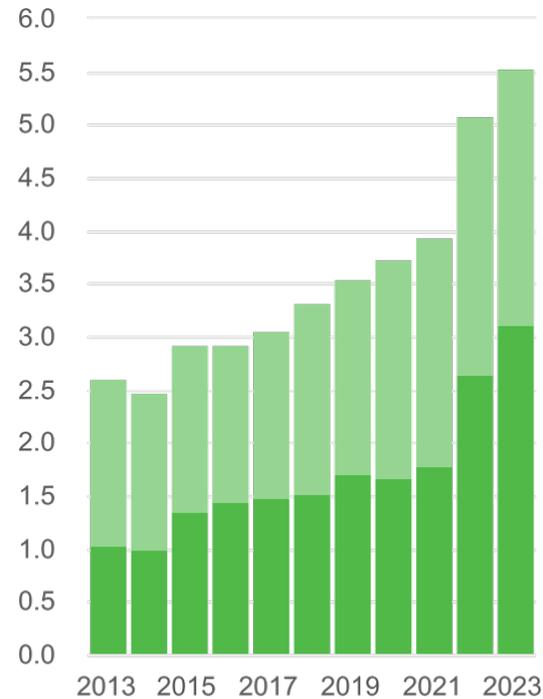
Valmet's financial development since 2013

Orders received
(EUR billion)



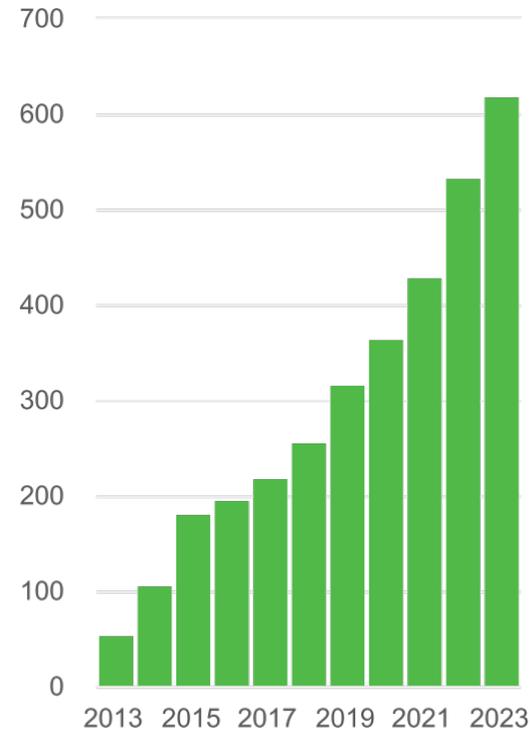
■ Process Technologies segment
■ Services and Automation segments

Net sales
(EUR billion)



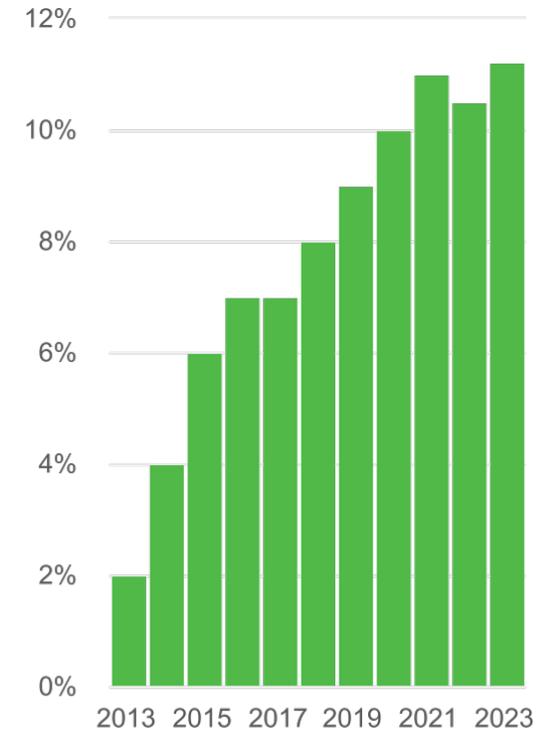
■ Process Technologies segment
■ Services and Automation segments

Comparable EBITA
(EUR million)



■ Comparable EBITA

Comparable EBITA margin
(%)



■ Comparable EBITA margin

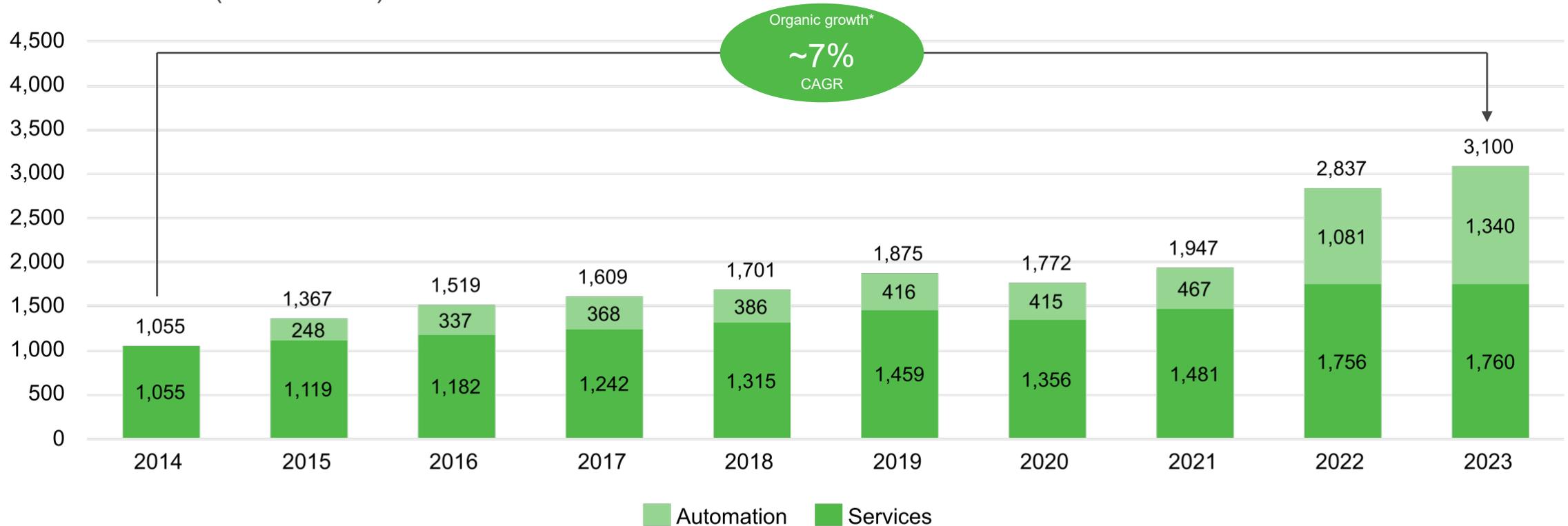
2013 figures on carve-out basis.

2013–2020 figures have not been restated to reflect the new segment reporting structure which Valmet implemented as of January 1, 2022.

Successful transformation to a more stable company

Stable business orders received totaled EUR 3,100 million in 2023

Orders received (EUR million) in stable business



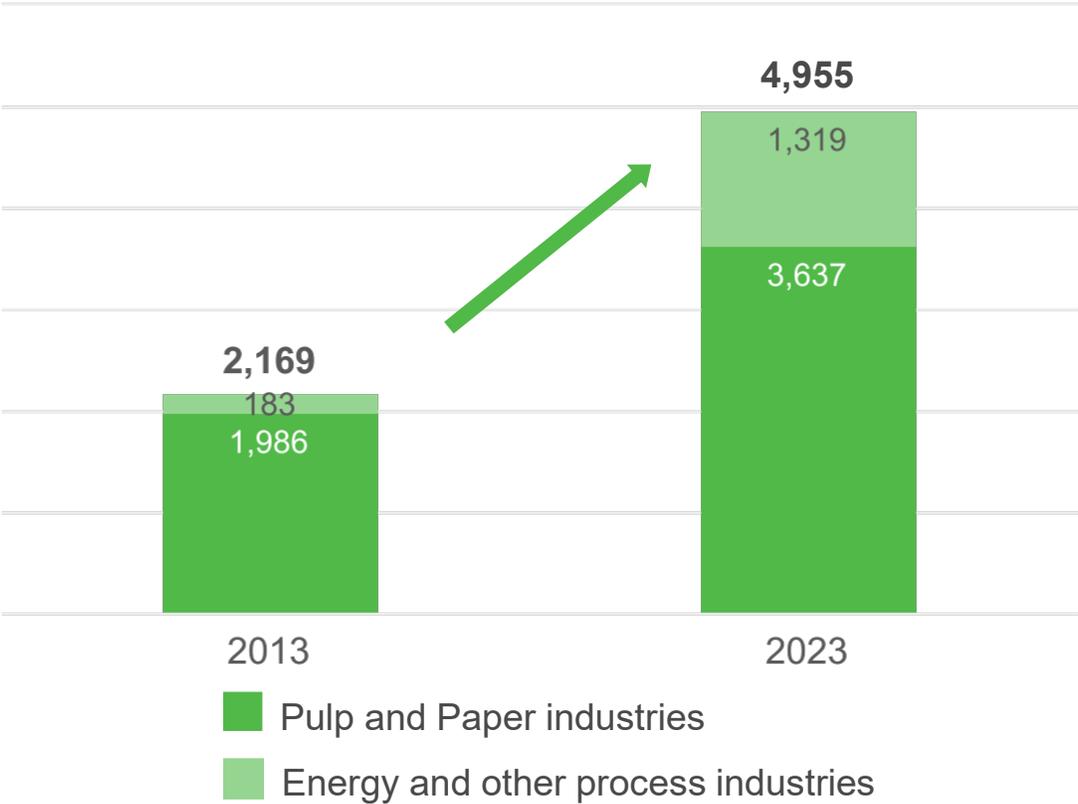
- Stable business represented 63% of Valmet's orders received in 2023 (34% in 2014)

2014–2020 figures have not been restated and 2015–2020 figures include internal orders received for the Automation Systems business line.

*Adjusted for acquisitions and foreign exchange rates (in calculating organic growth, 2023 orders received in euro translated by applying 2014 average exchange rates). Indicative only.

A more diversified customer industry exposure contributes to stability

Orders received (EUR million)



- Valmet’s orders received from energy and other process industries amounted to over EUR 1.3 billion in 2023
- Since 2013 Valmet’s orders received have grown organically and through acquisitions both in pulp and paper, and in energy and other process industries

Consistently developed strong brand and reputation

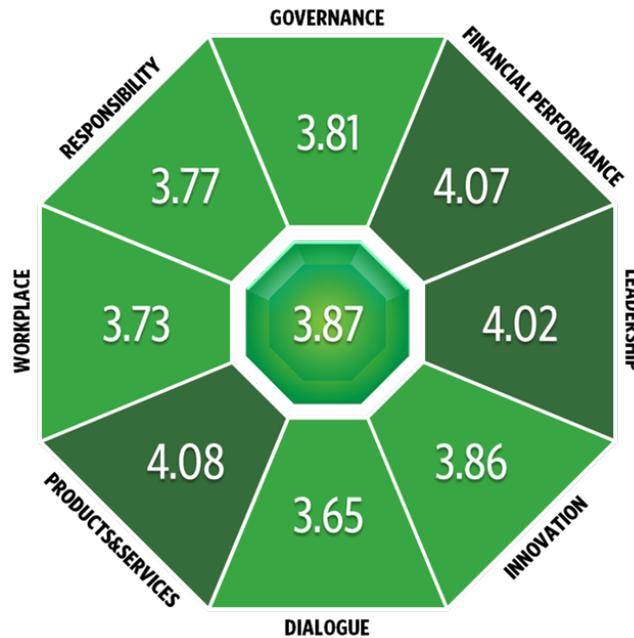
Reputation development among global customers¹



— Global reputation index

1. Based on Valmet's regular reputation survey among global customers

Reputation among private investors in Finland²



2. independent private investor survey by T-media in 2023

Employer brand development³

#1 among engineering professionals in Finland

2017	2023
20.	1.

#2 among engineering students in Finland

2017	2023
9.	2.

3. Independent annual study by Universum

Systematic progress in sustainability since 2013

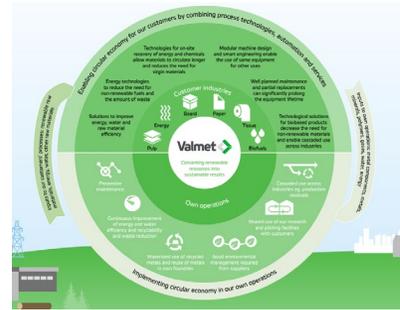
- **Sustainability 360° Agenda**, management model, key policies and commitments for the new Valmet created



- **Sustainable Supply Chain (SSC) process** and harmonized supplier audit protocol created and implemented globally



2013-2014



- Valmet's role and approach to circular economy defined
- Framework for **human rights due diligence management** created

2016



- **Supplier Sustainability Engagement program** for medium and high-risk suppliers globally started

2018



- **Climate program** created and launched in 2021 with Science Based Targets.

Comprehensive **internal and supplier e-learnings and trainings** introduced to support program implementation globally.

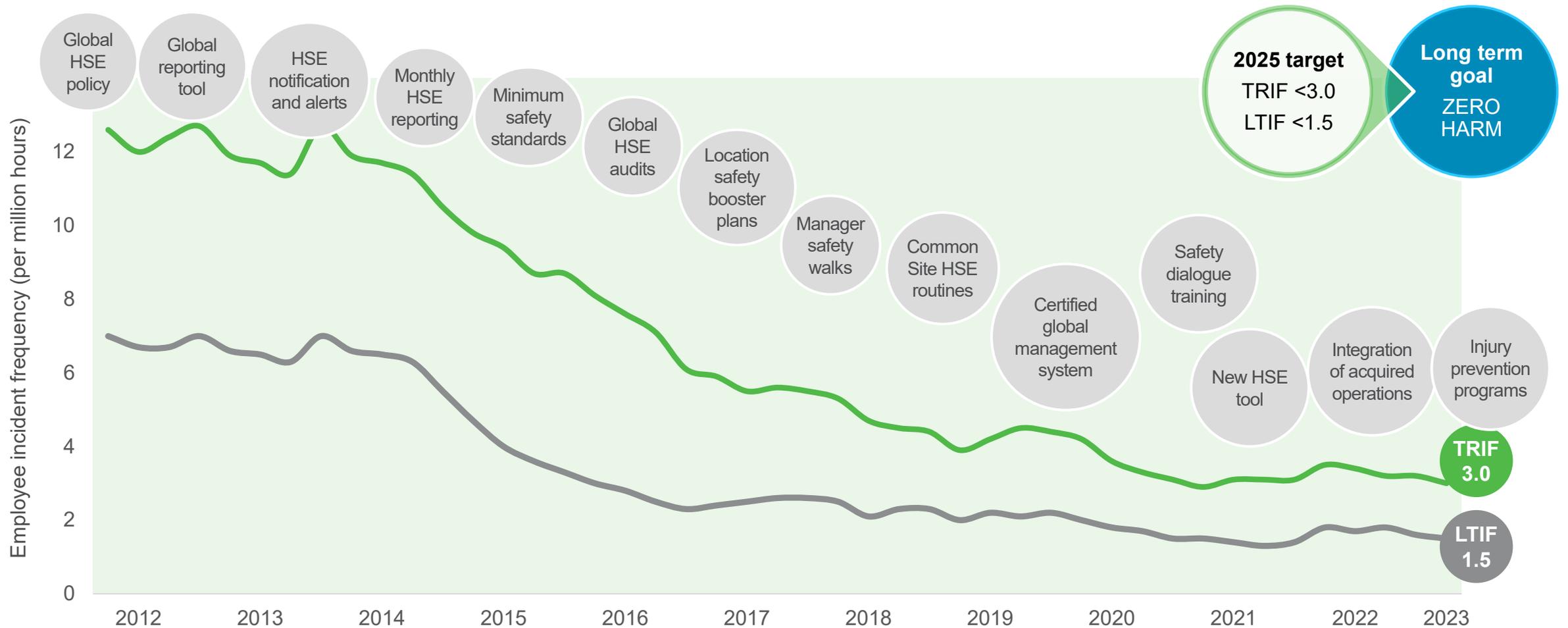
2020



- **Renewed Sustainability 360° Agenda** covering all ESG aspects with related annual action plans launched
- **6 social responsibility programs** started around the world based on the suggestions by Valmet employees

2022 - 2023

Continuously improved safety performance



LTIF = LT1 + LT4 (per million work hours, Valmet personnel)
TRIF = LT1 + LT4 + MT+RW (per million work hours, Valmet personnel)

Strategy driven people development

Must-Wins

Customer excellence

Leader in technology and innovation

Excellence in processes

Winning team

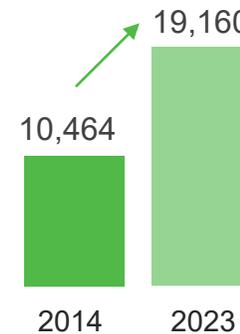
Training program

- Sales Journey
 - Champions in Services
-
- Innovation Pathways
 - Technology school
-
- Leading through Lean
 - Excellence in Project Management
 - World Class Supply Chain
-
- Forward Together
 - Forward for Managers

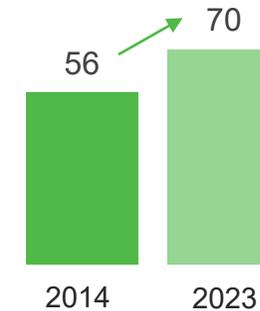


In total
EUR 3 million
invested in
training programs to
accelerate strategy
execution

Number of employees

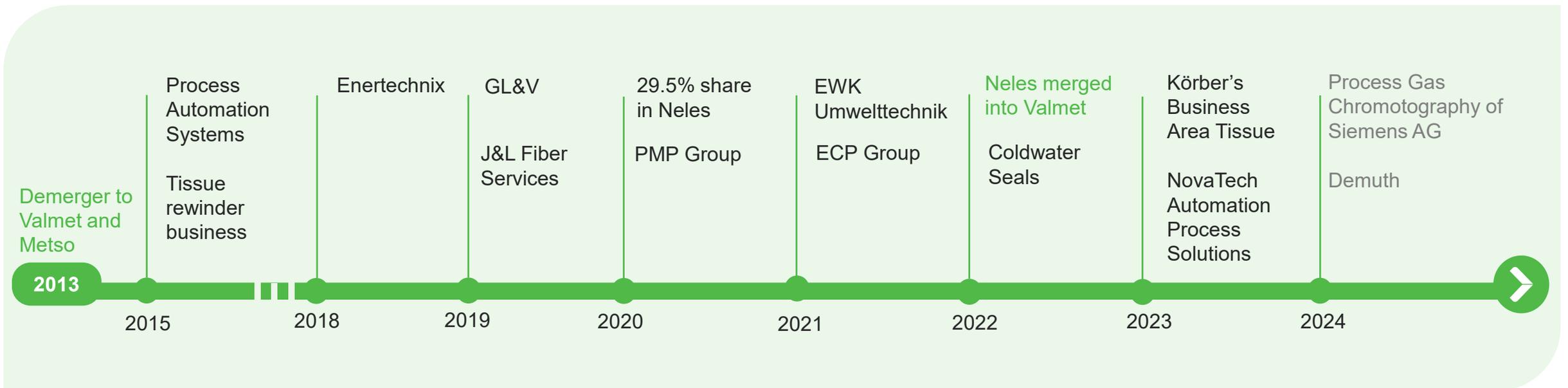


Employee engagement index (OurVoice survey)

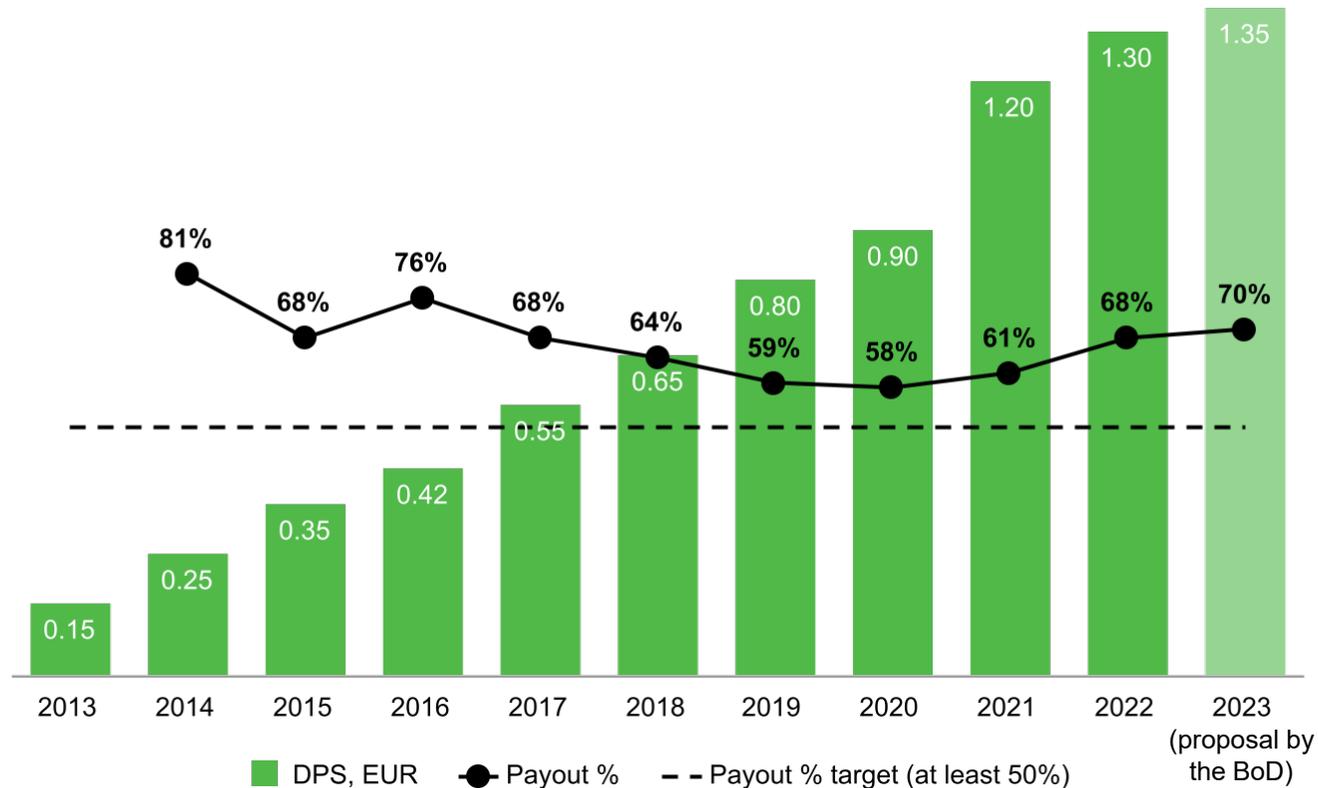


Profitable growth and stability through mergers and acquisitions

- 11 acquisitions completed since becoming an independent company in 2013
- Total investment in acquisitions and in the merger of Neles into Valmet ca. EUR 2 billion
- All acquisitions have been based on clear industrial logic and synergies



Ten consecutive years of increasing dividend



Dividend policy

- Dividend payout at least 50% of net profit

Board of Directors' dividend proposal to the Annual General Meeting

- EUR 1.35 dividend per share, which represents 70% payout ratio
- The dividend shall be paid in two installments

Total payout (EUR) in dividends since 2013 (incl. 2023)

- EUR 1.2 billion

