

Valmet – unique offering to support a growing market

Roadshow presentation  
August 2024

# Agenda

## Valmet roadshow presentation

- 1 Valmet in brief
- 2 Investment highlights
- 3 Financial targets and acquisitions
- 4 Q2/2024 financials, guidance and short-term market outlook
- 5 Summary



# Valmet in brief

# Valmet's offering is unique and the widest in the market

## Board and tissue

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

## Pulp

- Wood and pulp handling
- Fiber processing
- Recovery

## Energy

- Heat and power generation
- Air emission control
- Pyrolysis solutions

## Services

- Spare parts and components
- Production consumables
- Maintenance and shutdown services
- Process support and optimization
- Outsourcing services

## Process Technologies

Customer

Services

Automation

## Automation Systems

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

## Flow Control

- Valves
- Valve controllers
- Valve automation

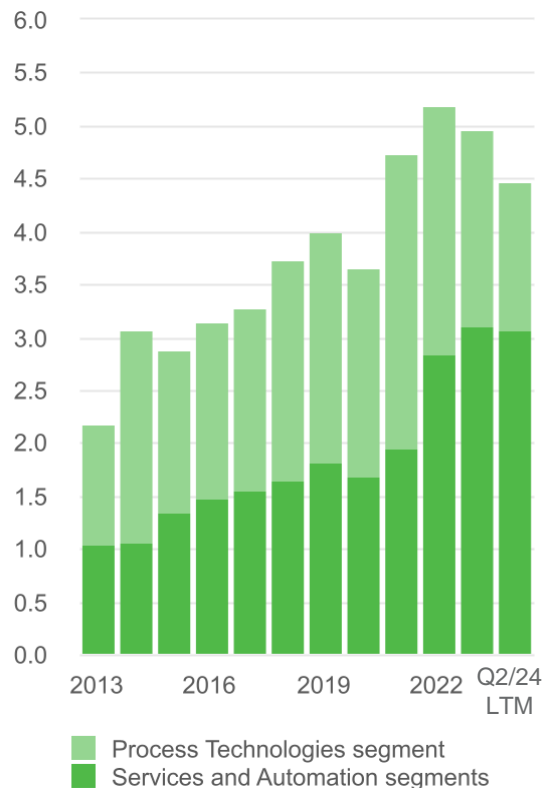


# We have strong market positions

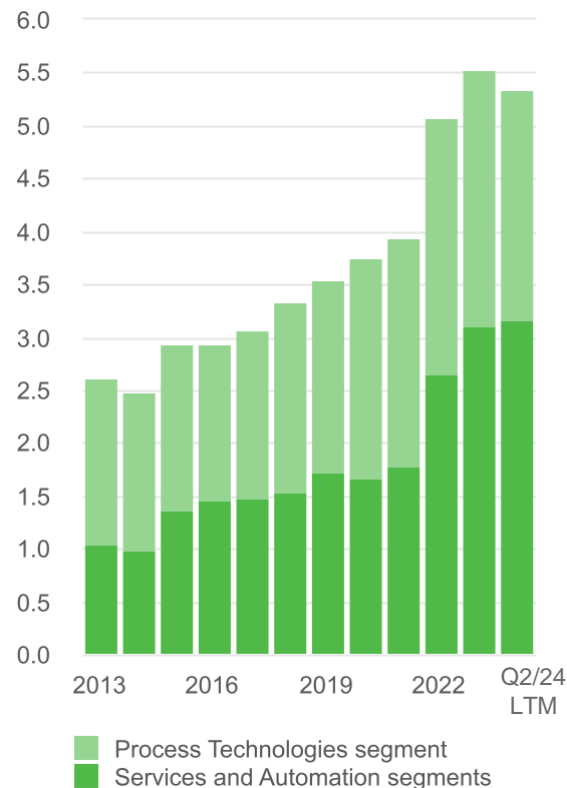


# Valmet's development since 2013

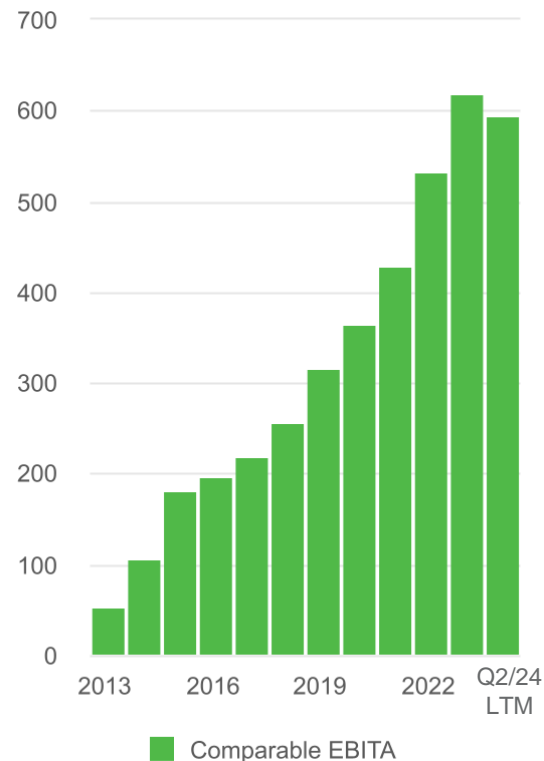
Orders received  
(EUR billion)



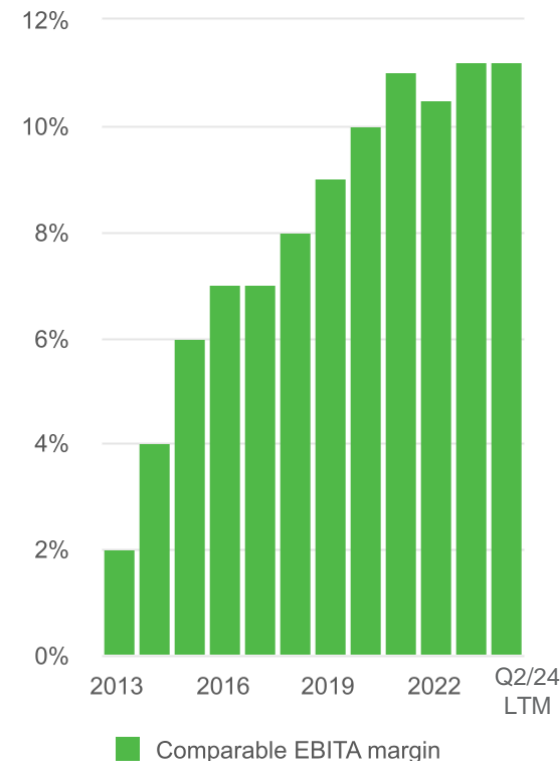
Net sales  
(EUR billion)



Comparable EBITA  
(EUR million)



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.

LTM = Last twelve months

# Valmet's key figures

Q2/2024 LTM

**Orders received**  
EUR 4,468 million

**Net sales**  
EUR 5,330 million

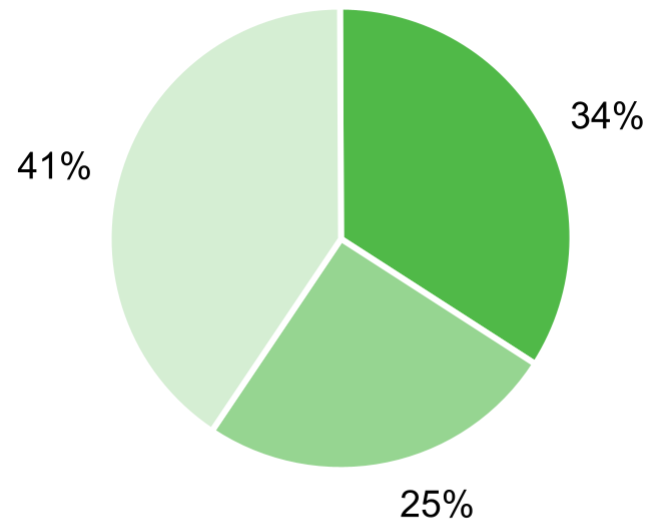
**Comparable EBITA**  
EUR 595 million

**Comparable EBITA margin**  
11.2%

**Order backlog**  
EUR 3,828 million

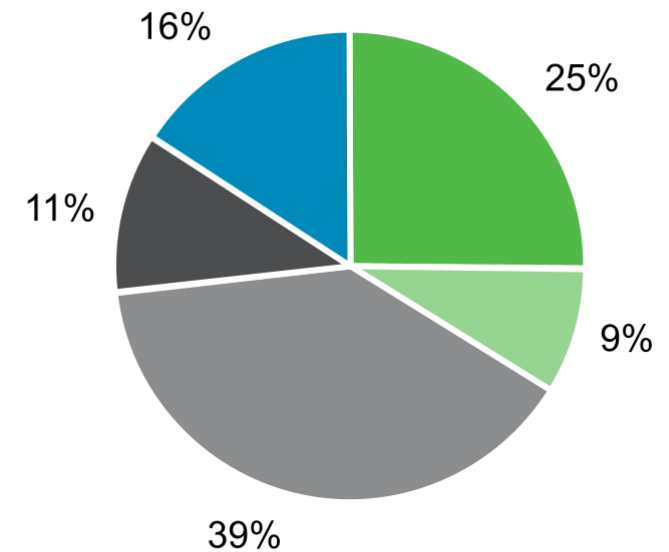
**Employees**  
19,434

Net sales by segment



- Services
- Automation
- Process Technologies

Net sales by area

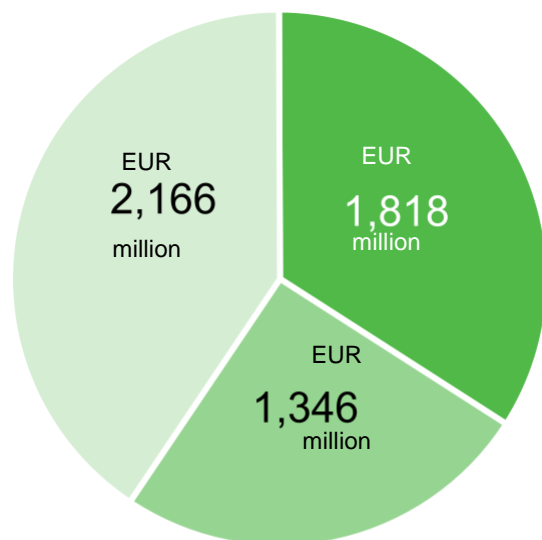


- North America
- South America
- EMEA
- China
- Asia-Pacific

# Valmet has three strong segments

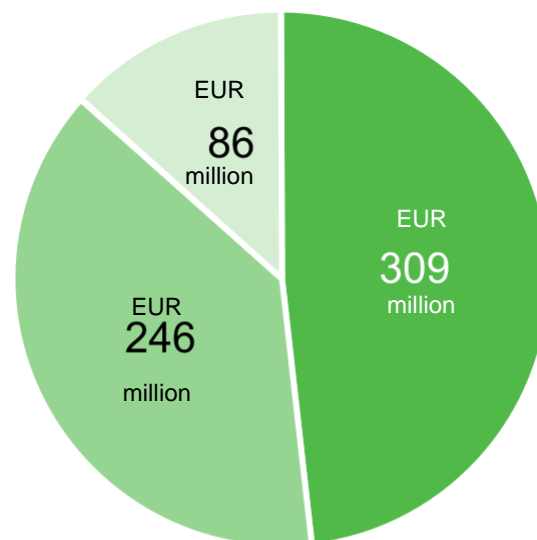
Q2/2024 LTM figures

### Net sales



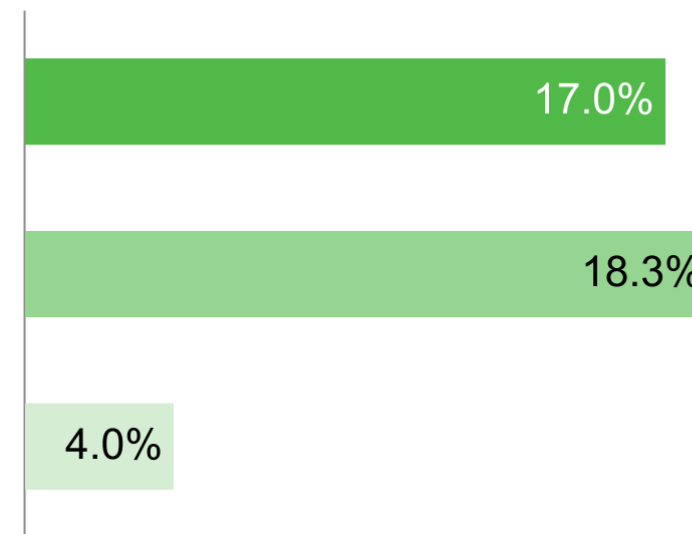
- Services
- Automation
- Process Technologies

### Comparable EBITA (excl. Other)



- Services
- Automation
- Process Technologies

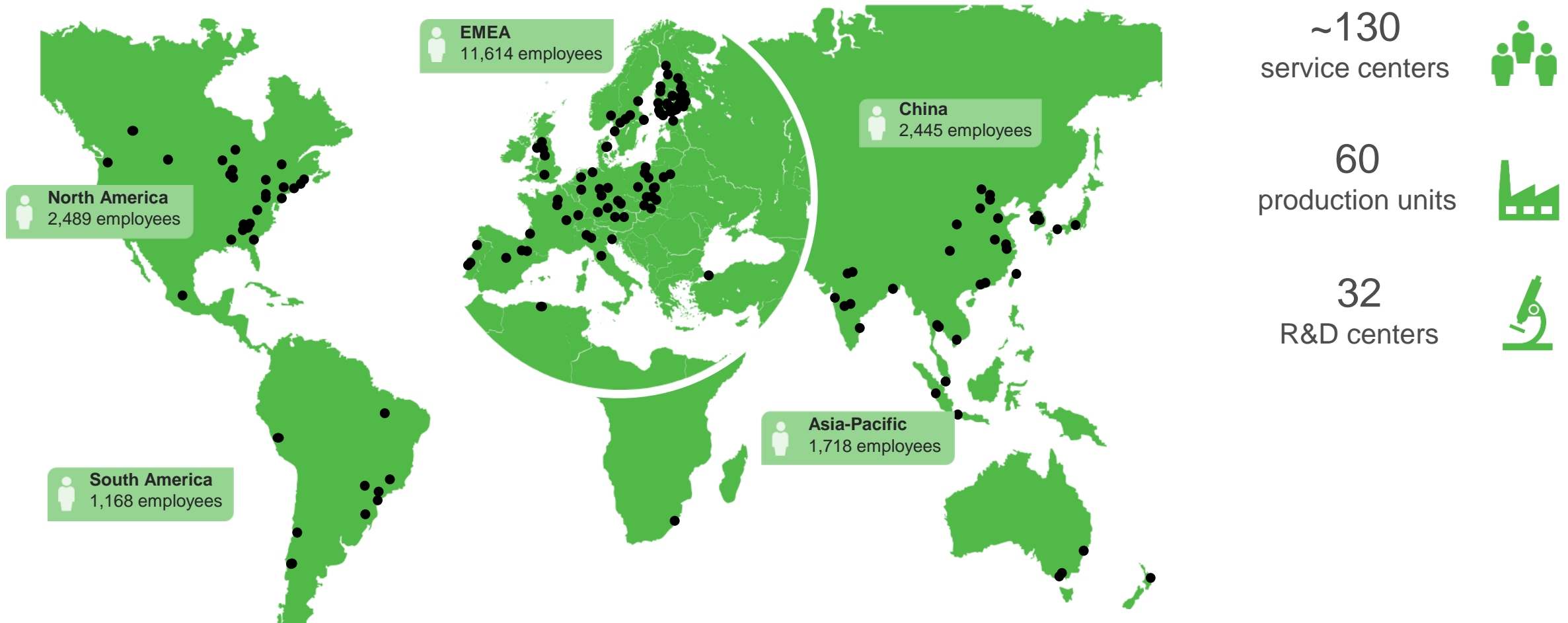
### Comparable EBITA margin (excl. Other)



- Services
- Automation
- Process Technologies



# Global presence creating a good platform for growth in Services and Automation



Personnel as at July 31, 2024.

# Mission statement refined to reflect the changes in our business portfolio and customer base

## Mission

We create sustainable results by converting renewable resources and making industrial processes reliable and efficient

## 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

## 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

- Climate change and resource efficient world
- Digitalization and new technologies
- Urban, responsible and globally connected people

# Valmet's R&D is aiming to address global megatrends

## R&D focus areas

- Promotion of renewable materials
- Raw material, water and energy efficiency
- Emission reductions
- Circularity
- Productivity and environmental improvements with digitalization

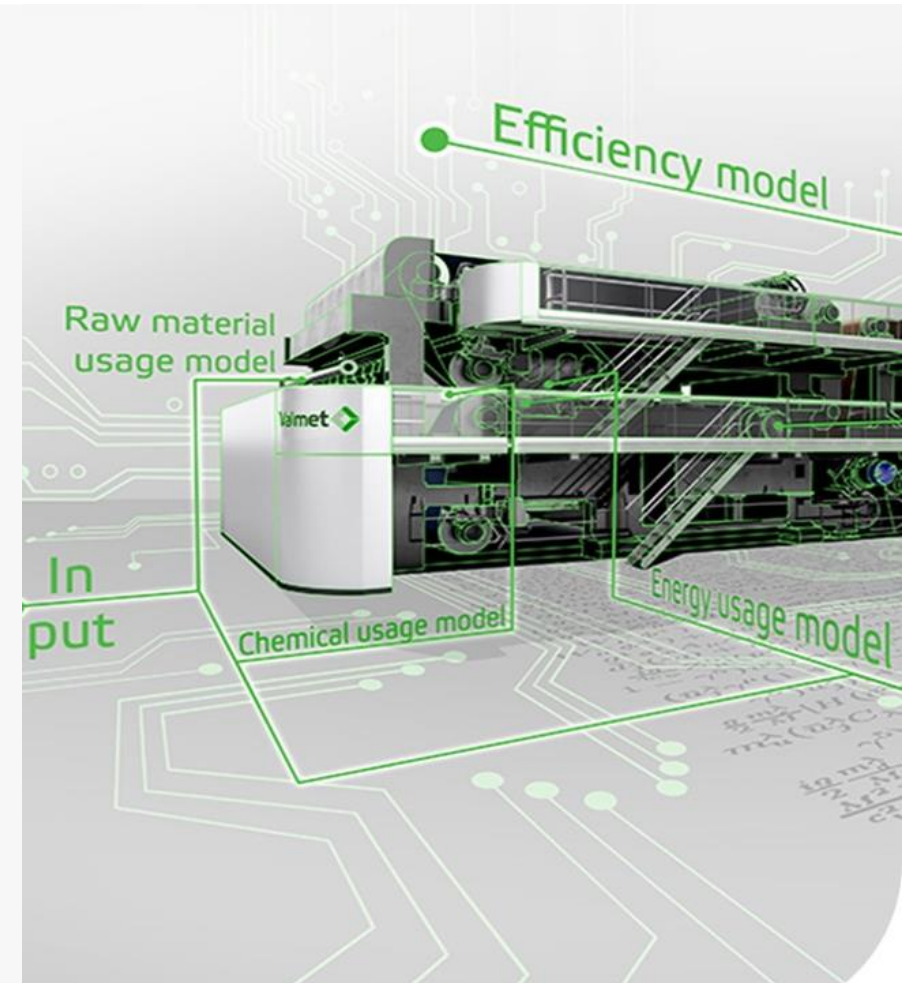
**32**  
research and  
development centers



EUR **114** million  
R&D spending  
in 2023



**~1,500**  
protected  
inventions



# Acknowledged leader in sustainability

360° approach to sustainability across value chain

## Good sustainability ratings

- In Dow Jones Sustainability Index for the tenth consecutive year
- AAA rating in the MSCI ESG Ratings assessment 2023
- A rating in CDP's climate program ranking 2023



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



FTSE4Good

# Valmet's Climate Program has progressed well

The target to enable carbon neutral production for pulp and paper industry customers achieved seven years ahead of schedule

## Targets by 2030 for the entire value chain

### SUPPLY CHAIN

**- 20%**

CO<sub>2</sub> emission reduction<sup>1</sup>

- First, 30 most relevant suppliers in terms of CO<sub>2</sub> emissions were engaged to the program
- Today already ~90 suppliers engaged
- All key and main suppliers of physical goods, around 150 suppliers, will be engaged by the end of 2024.

<sup>1</sup>) Baseline 2019

### OWN OPERATIONS

**- 80%**

CO<sub>2</sub> emission reduction<sup>1</sup>

- Emissions from fuels, heating, and electricity in Valmet's offices and production units have decreased by 41 percent
- During 2023, all electricity in Finland and Sweden, representing 60 percent of Valmet's total consumption, was purchased as carbon neutral

### USE PHASE OF VALMET'S TECHNOLOGIES

**- 20%**

Further reduced energy use of Valmet's current technologies

- Continuous R&D work to further enhance energy efficiency of existing technology offering

**100%**

Carbon neutral production process for pulp and paper industry customers

- We have reached this target seven years ahead of schedule



# Investment highlights

# Valmet's investment highlights

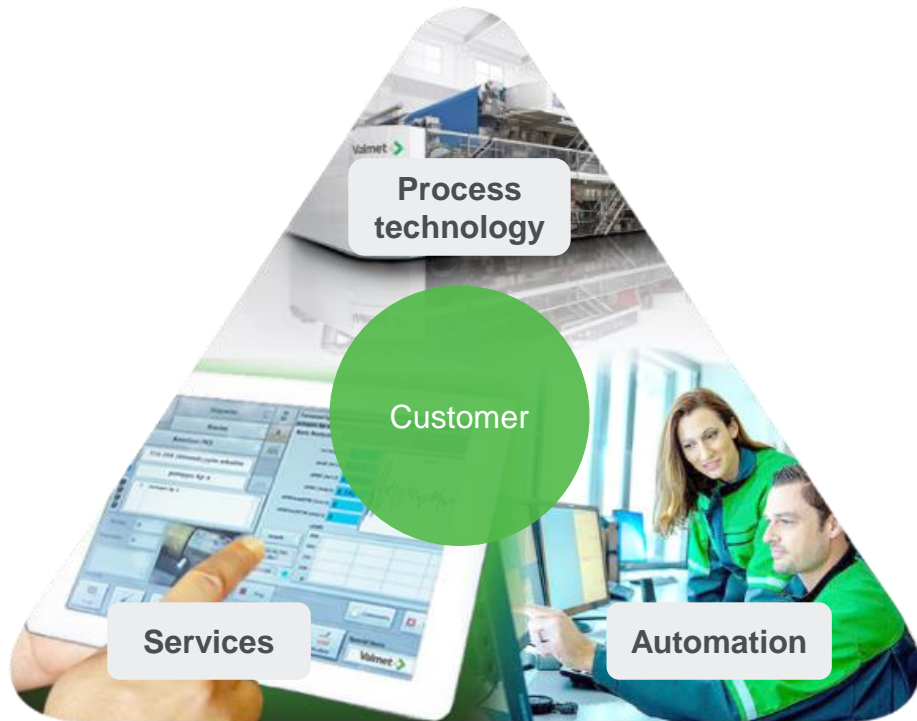
- 1 Unique offering to support a growing market
- 2 Process Technologies segment benefiting from the growing demand for bio-based products and energy
- 3 EUR 3.1 billion recurring and steadily growing stable business
- 4 Services segment's demand driven by large and growing global installed base
- 5 Automation segment with high growth and profitability
- 6 Future growth possibilities from new sustainable innovations
- 7 Building Valmet on positive megatrends and strategy of renewal and continuous development



# Unique offering to support a growing market

## Unique offering

Competitive advantage from the widest offering in the market



## Strong market drivers

### Process Technologies

- E-commerce and global trade
- Renewable materials replacing plastic packaging
- Conversions from paper to board
- Energy transition and CO<sub>2</sub> neutral energy production
- Energy supply security
- Tightening air emissions legislation and stricter directives

### Services

- Large and aging global installed base
- Customers' CO<sub>2</sub> reduction targets
- Energy and resource efficiency
- Productivity and end-product quality
- Digitalization, remote services and industrial internet

### Automation

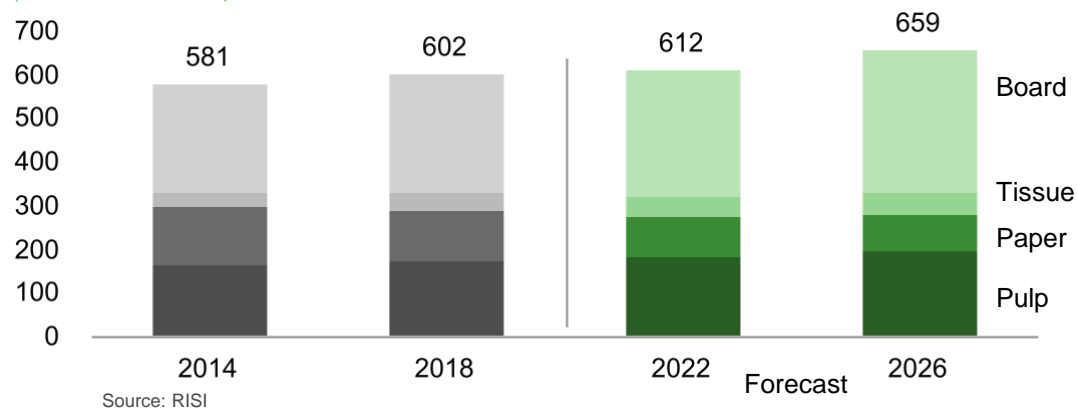
- Automation and digitalization are global megatrends
- Aging machines and installed automation systems
- Demand for raw material savings, process efficiencies and sustainability
- Customers' demands on safety, reliability and emissions



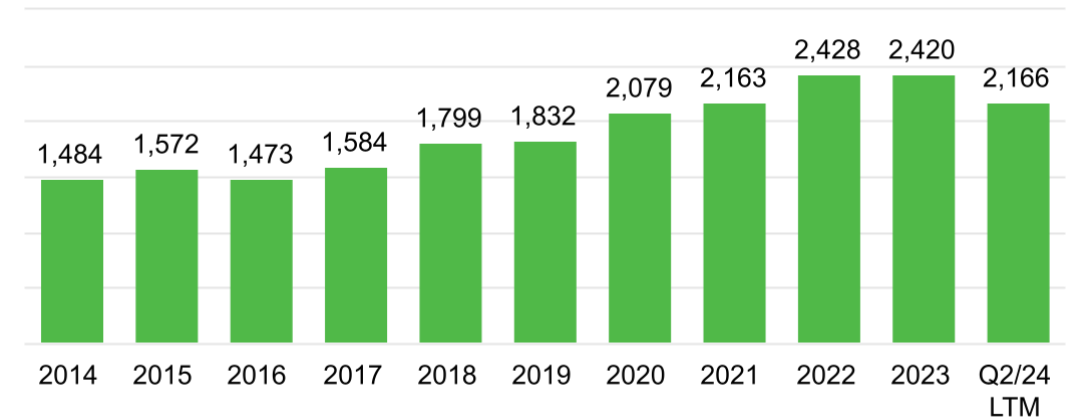
# Process Technologies segment benefiting from the growing demand for bio-based products and energy

- New pulp and paper capacity is needed as demand for bio-based products continues to grow
- Energy transition creates a growing market for Valmet's energy offering
- Large old and inefficient installed base generates a significant replacement market for Valmet
- Strong business model with large prepayments and low capacity costs
- Comparable EBITA margin 4.0% (Q2/2024 LTM)

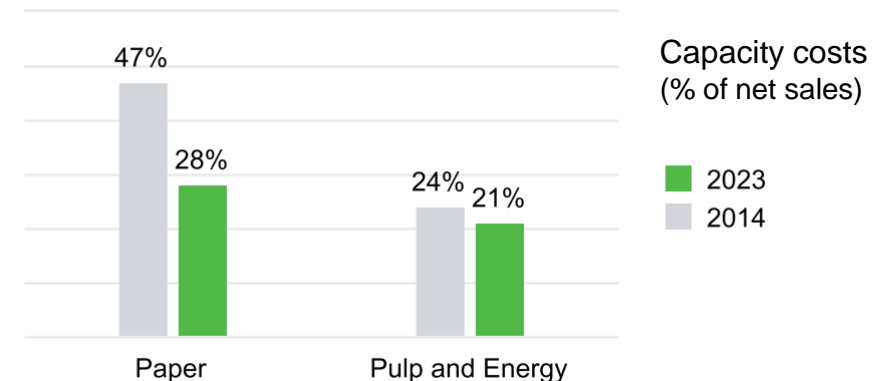
## Demand for pulp and paper continues to grow (Global demand, Mton)



## Net sales (EUR million)

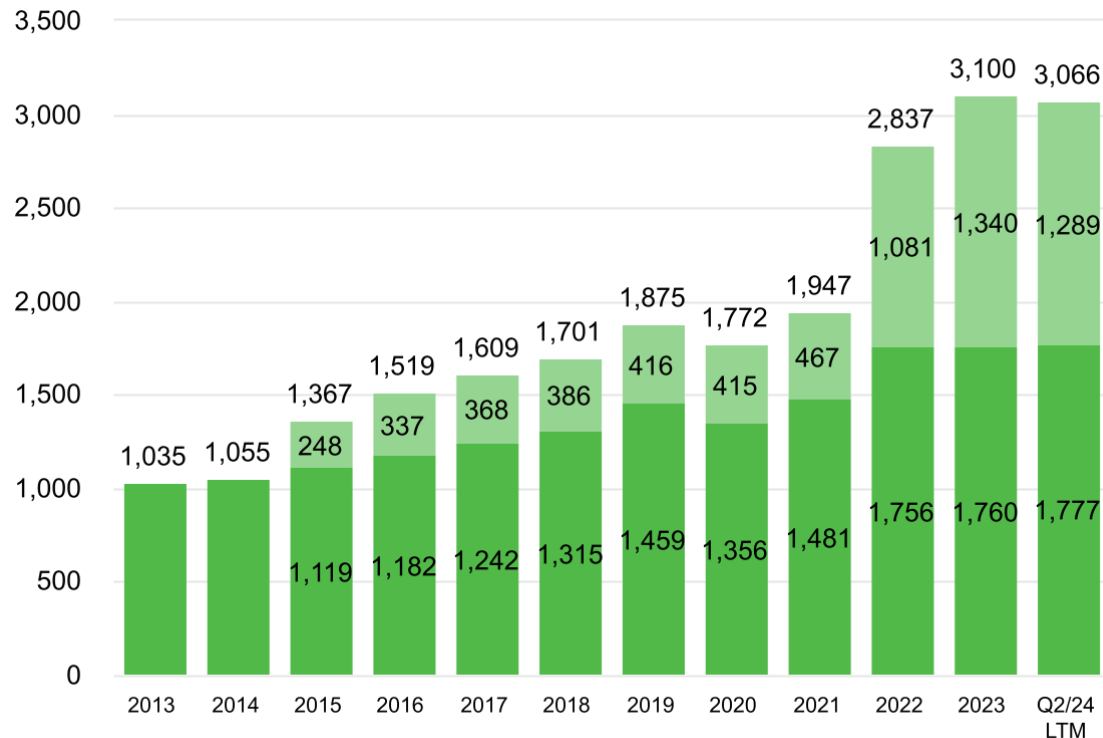


## Valmet's operational efficiency has increased



# EUR 3.1 billion recurring and steadily growing stable business

Orders received  
(EUR million)



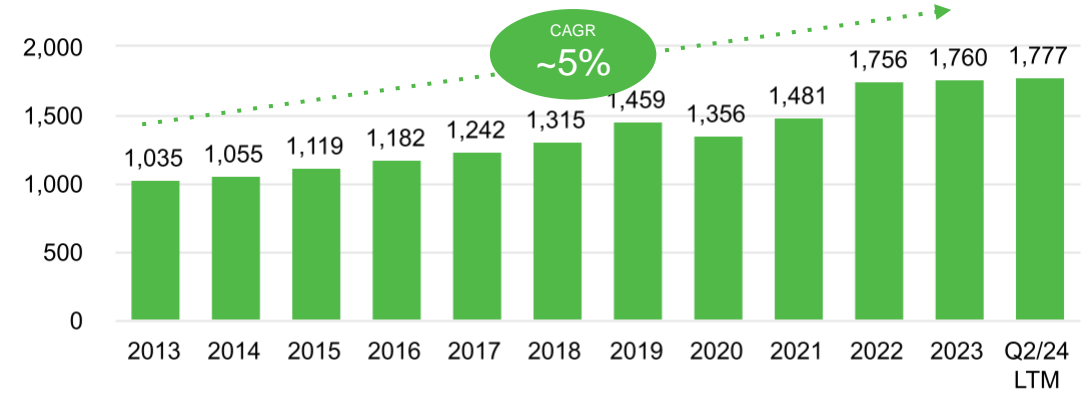
Figures in dark green for Valmet Services segment, light green for Valmet Automation segment.  
2013-2020 figures have not been restated.

- Valmet's stable business has grown steadily since 2014
- Future growth possibilities are supported by favorable megatrends
- Stable business provides resilience to business cycles and makes Valmet's order intake less cyclical

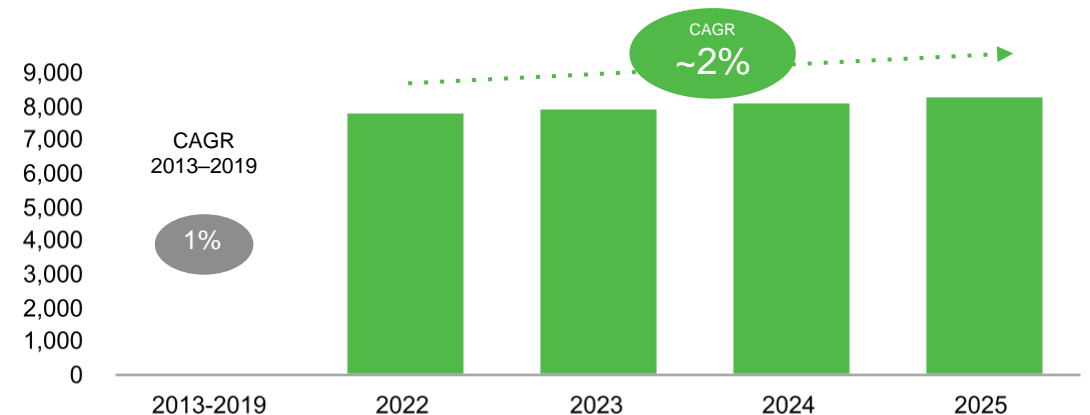
# Services segment's demand driven by large and growing global installed base

- Valmet's Services is a growing and recurring business
- Demand driven by large and growing global installed base
- Roughly EUR 8 billion addressable market estimated to grow 2% annually
- Target to continue to grow over two times the market growth
- Competitive advantage from the widest offering in the market
- Strong presence in all market areas covering all key customer corporations
- Solid track record for growth
- Comparable EBITA margin 17.0% (Q2/2024 LTM)

Orders received (EUR million)



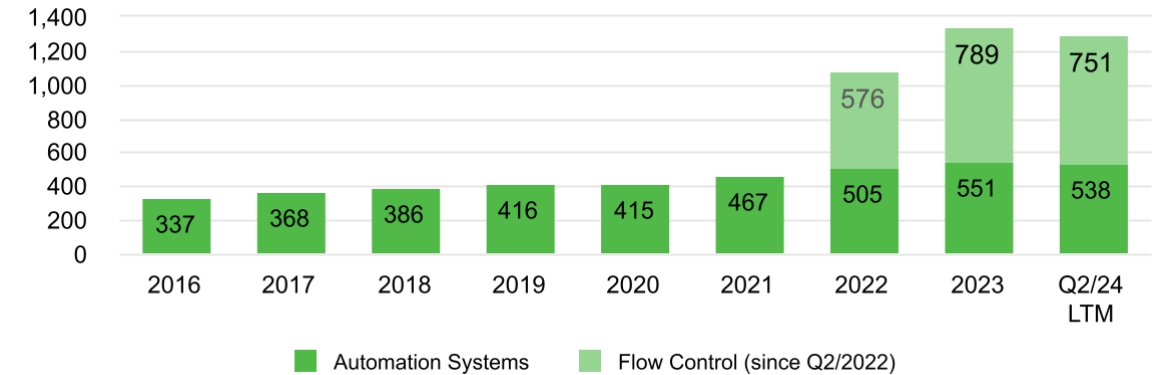
Service market development and estimate (EUR million)



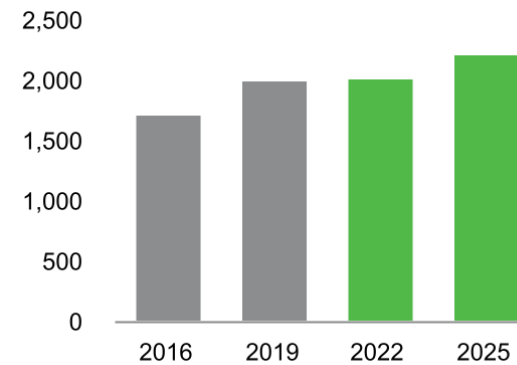
# Automation segment with high growth and profitability

- Valmet's Automation is a growing and recurring business
- Large addressable target market estimated to grow ~3% annually
- Target to continue to grow over two times the market growth
- Sustainability, digitalization and targets for operational efficiency drive the market for Automation Systems
- Flow control market for critical valves and valve automation has barriers of entry enabling solid profitability for leading players
- Opportunities to grow outside the core pulp and paper industry organically and through M&A
- Comparable EBITA margin 18.3% (Q2/2024 LTM)

Orders received (EUR million)

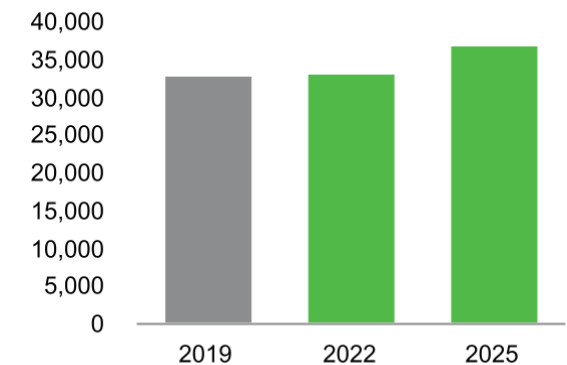


Automation Systems target market (EUR million)



Source: ARC 2021-2026 material

Flow Control market (EUR million)



Source: Frost & Sullivan

# Future growth possibilities from new sustainable innovations



## Textile fibres

- Technology to produce viscose pulp from recycled clothes and other textiles
- Technology for cellulose based textile fiber production



## Valmet 3D fiber

- Next generation of molded fiber
- More efficient production process compared to current solutions
- Produces ready-made 3D packages directly from wet pulp
- High-quality end product could replace plastics in various packaging solutions



## New bioproducts

- Lignin usage to replace fossil-based carbon in batteries
- Pyrolysis for biochemicals and biofuels production to replace fossil-based fuels



## Flow Control and Automation Systems

- Solid position to grow in green hydrogen in Flow Control
- Renewal of Automation Systems platform creates opportunities for further growth
- Growth opportunities in energy and process industries in Automation

# Building Valmet on positive megatrends and strategy of renewal and continuous development

Demand for bio-based products and energy continues to grow	New growth opportunities	Steadily growing stable business	Strategy
<ul style="list-style-type: none"><li>• The large pulp and paper market is growing and supported by favorable megatrends and sustainability</li><li>• Energy transition creates a growing market for Valmet's energy offering</li><li>• Valmet has strong market positions and opportunities to increase market share</li></ul>	<ul style="list-style-type: none"><li>• Future growth possibilities from new sustainable innovations</li><li>• Growth opportunities in energy and process industries in Automation</li></ul>	<ul style="list-style-type: none"><li>• EUR 3.1 billion stable business with high margin</li><li>• Stable business has high margins and resilience to market cycles</li><li>• Large and aging installed base generates a significant market</li></ul>	<ul style="list-style-type: none"><li>• Strong track record of successful acquisitions and possibility to continue to invest in selected acquisitions</li><li>• Strategy based on building the future systematically with renewal and continuous improvement</li></ul>



# Financial targets and acquisitions

# Financial targets

## Growth

Net sales for Services and Automation segments to grow over two times the market growth

Net sales for Process Technologies segment to exceed market growth

## Profitability

Comparable EBITA:  
12–14%

## ROCE

Comparable return on capital employed (ROCE) before taxes<sup>1</sup> at least 15%

## Dividend policy

Dividend payout at least 50% of net profit

1: Comparable ROCE before taxes = (profit before taxes + interests and other financial expenses +/- items affecting comparability) / (balance sheet total - non-interest-bearing liabilities (average for the period))



# Concrete actions to reach Comparable EBITA target of 12–14% through must-wins

## Customer

- Grow stable business over two times the market growth
- Maintain and improve market share in Process Technologies
- Improve price and sales management

## Technology

- Leverage strong R&D for new product innovations
- Continue to bring advanced technology to the market
- Improve product cost competitiveness

## Processes

- Ensure good project operations to reach a positive margin deviation in projects
- Improve supply chain operations to harvest cost savings
- Manage quality throughout the supply chain to minimize quality costs

## People

- Increase procurement, production and engineering capabilities in cost-competitive countries
- Utilize global training portfolio to strengthen Must-Win execution

Targeting to increase Comparable EBITA margin in all three segments

# Improvement in Comparable EBITA is the biggest driver for ROCE

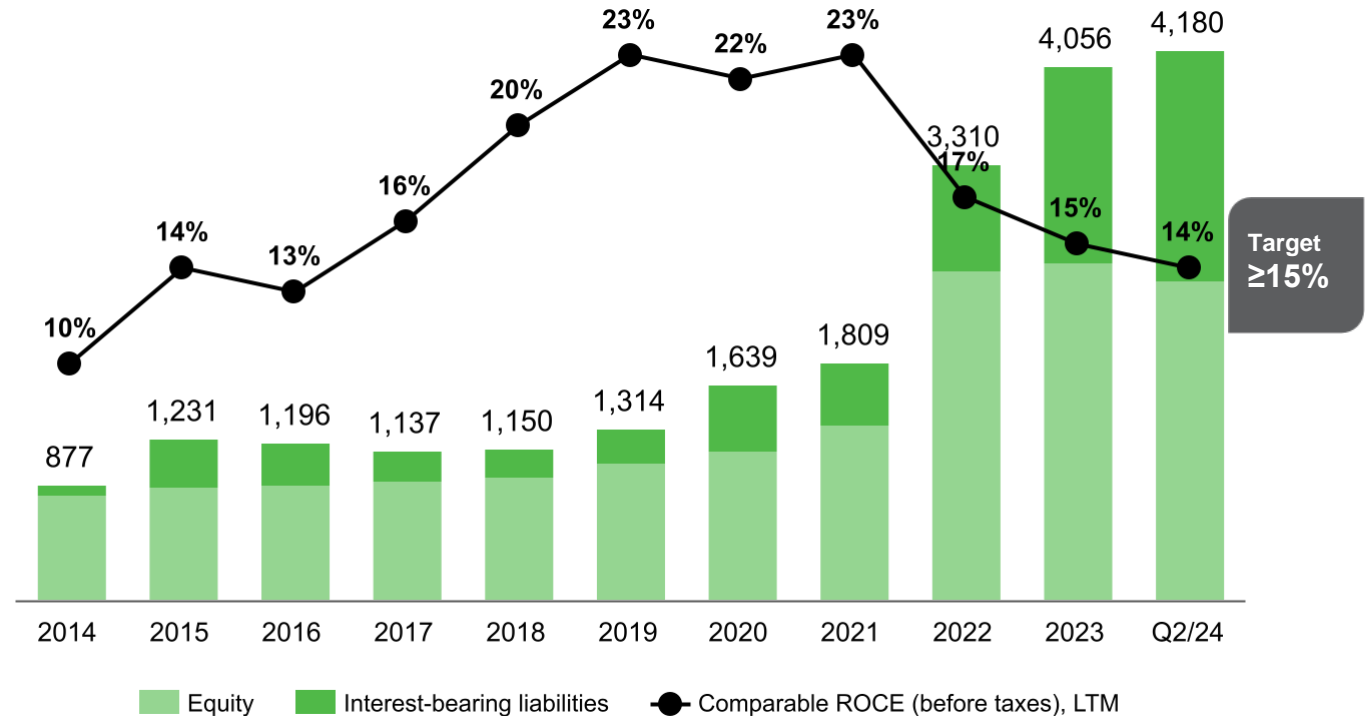
## Main drivers for ROCE:

- Improvement in Comparable EBITA is the biggest driver for ROCE
- Capital employed increased in 2022 due to the Neles merger

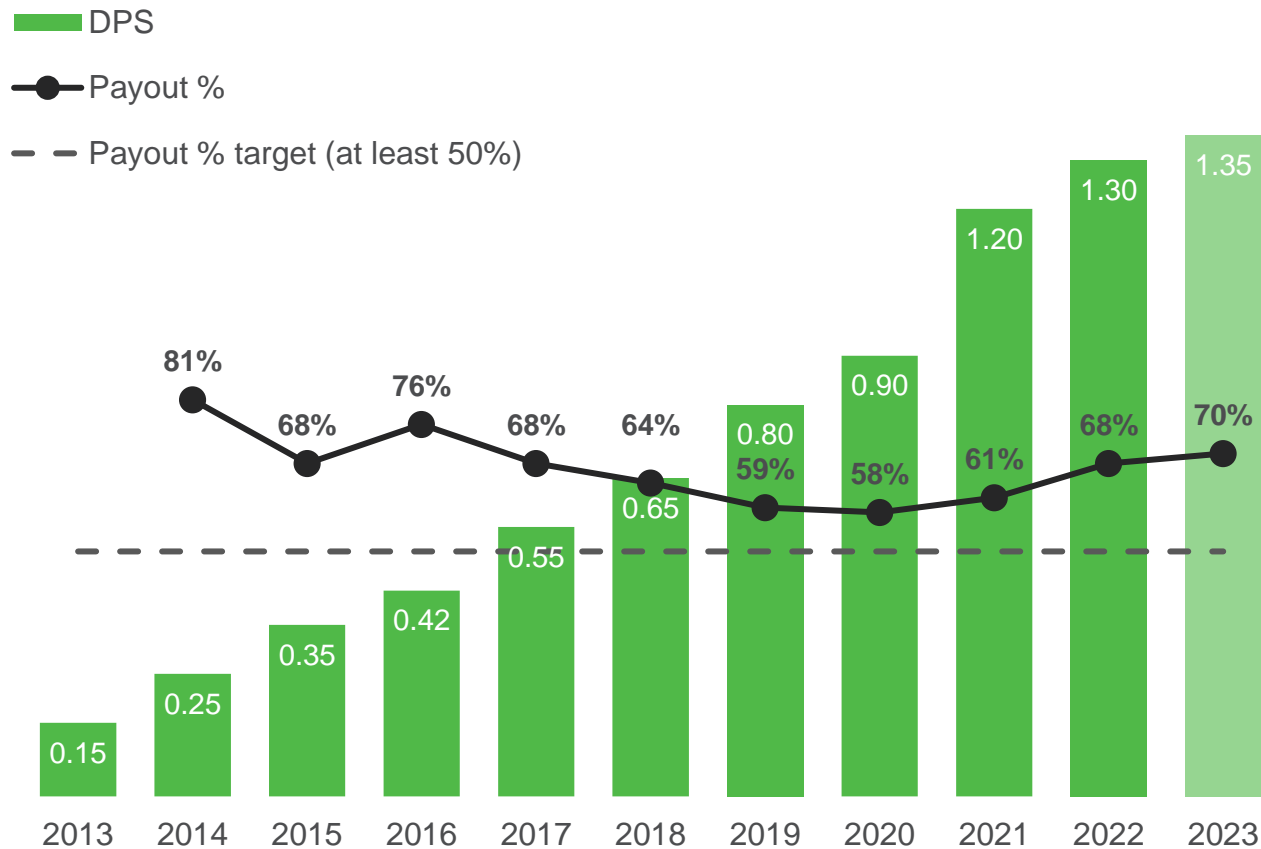
## Track record

Capital employed (EUR million)

Comparable ROCE (% , before taxes)



# Valmet has paid attractive dividend



- Payout target at least 50% of net profit
- Target has been exceeded every year
- Constant dividend growth

Total payout (EUR)  
in dividends since  
2013

**1.2bn**

# Opportunities to strengthen Services, Automation and Process Technologies segments through acquisitions

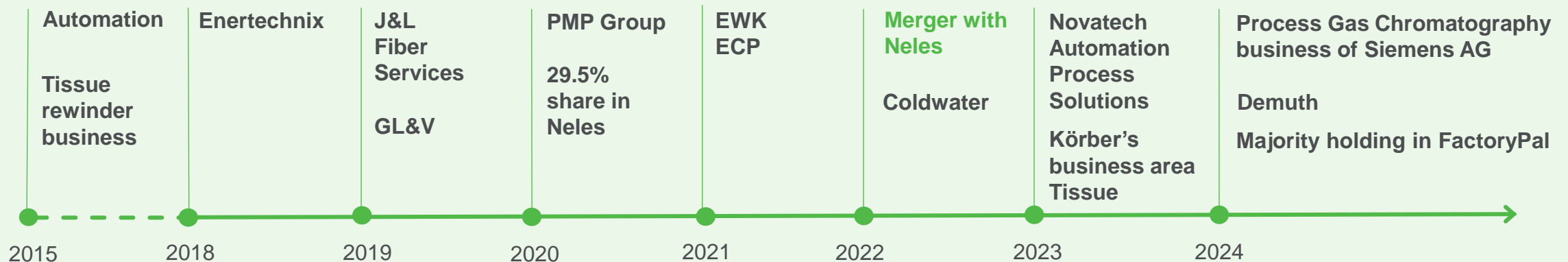
## Strong track record of successful acquisitions


- 14 acquisitions made since becoming an independent company in 2014
- Total investment in acquisitions and in the merger with Neles about EUR 2.5 billion

## Acquisition strategy

- Opportunities to strengthen Services, Automation and Process Technologies segments
- Selective acquisitions with a clear industrial logic and synergies
- Targeting to support Valmet in reaching financial targets
- Approximately 50 cases evaluated annually

## Track record of successful acquisitions





# Q2/2024 financials, guidance and short-term market outlook

# Key figures

EUR million	Q2/2024	Q2/2023	Change	Q1–Q2/2024	Q1–Q2/2023	Change
Orders received	<b>1,283</b>	1,268	1%	<b>2,333</b>	2,821	-17%
Order backlog <sup>1</sup>	<b>3,828</b>	4,414	-13%	<b>3,828</b>	4,414	-13%
Net sales	<b>1,324</b>	1,417	-7%	<b>2,536</b>	2,738	-7%
Comparable EBITA	<b>141</b>	153	-8%	<b>262</b>	286	-9%
% of net sales	<b>10.6%</b>	10.8%	-0.2 pp	<b>10.3%</b>	10.5%	-0.1 pp
EBITA	<b>132</b>	155	-15%	<b>245</b>	286	-14%
Operating profit (EBIT)	<b>103</b>	136	-24%	<b>189</b>	232	-18%
% of net sales	<b>7.8%</b>	9.6%	-1.8 pp	<b>7.5%</b>	8.5%	-1.0 pp
Adjusted earnings per share, EUR <sup>2</sup>	<b>0.43</b>	0.60	-28%	<b>0.84</b>	1.11	-24%
Earnings per share, EUR	<b>0.31</b>	0.54	-42%	<b>0.62</b>	0.92	-33%
Comparable ROCE, LTM <sup>3</sup>				<b>14%</b>	15%	-2 pp
Cash flow provided by operating activities	<b>128</b>	-37		<b>267</b>	172	55%
Net debt to EBITDA <sup>4</sup> ratio				<b>1.63</b>	0.77	
Gearing <sup>1</sup>				<b>45%</b>	23%	22 pp

Items affecting comparability: EUR -9 million in Q2/2024 (EUR 2 million in Q2/2023) and EUR -16 million in Q1–Q2/2024 (EUR 0 million in Q1–Q2/2023).

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, LTM (last twelve months)

4. Last twelve months (LTM) EBITDA

# Segment key figures

Orders received, EUR million	Q2/2024	Q2/2023	Change	Q1–Q2/2024	Q1–Q2/2023	Change
Services	497	430	15%	1,024	1,007	2%
Automation	352	340	4%	681	732	-7%
Process Technologies	434	497	-13%	628	1,082	-42%
Total	1,283	1,268	1%	2,333	2,821	-17%

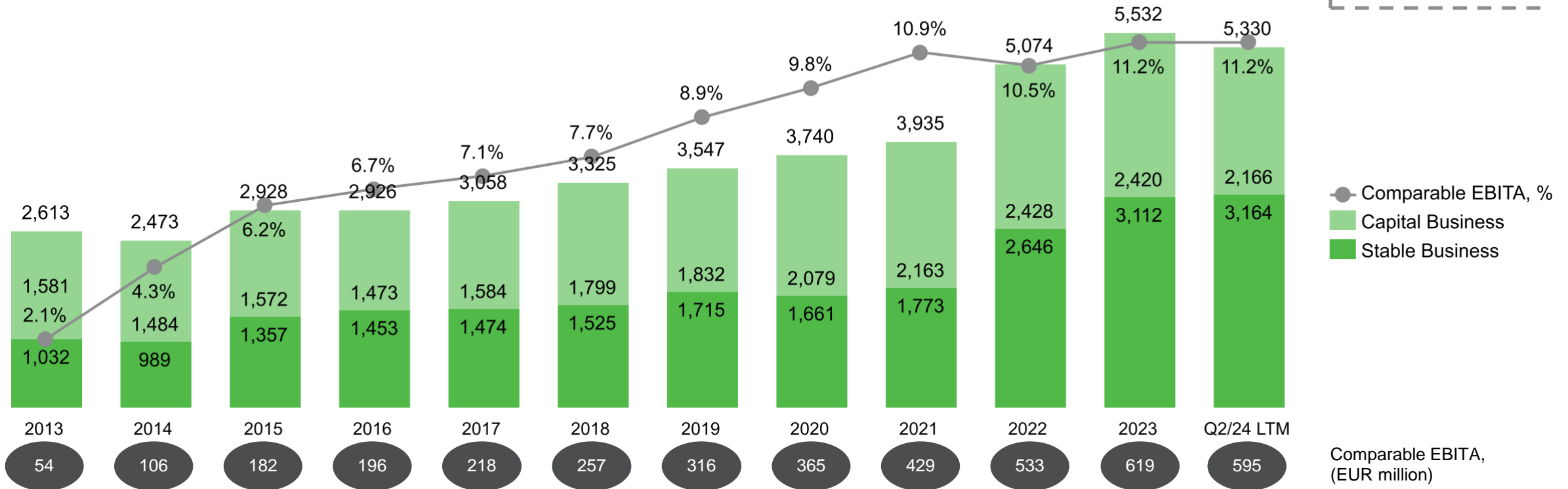
Net sales, EUR million	Q2/2024	Q2/2023	Change	Q1–Q2/2024	Q1–Q2/2023	Change
Services	473	457	4%	880	846	4%
Automation	351	338	4%	659	642	3%
Process Technologies	500	623	-20%	997	1,251	-20%
Total	1,324	1,417	-7%	2,536	2,738	-7%

Comparable EBITA, EUR million	Q2/2024	Q2/2023	Change	Q1–Q2/2024	Q1–Q2/2023	Change
Services	80	80	0%	140	142	-2%
Automation	58	61	-5%	109	110	-1%
Process Technologies	15	30	-50%	36	59	-40%
Other	-12	-17	-26%	-23	-26	-11%
Total	141	153	-8%	262	286	-9%

Comparable EBITA margin, % of net sales	Q2/2024	Q2/2023	Change	Q1–Q2/2024	Q1–Q2/2023	Change
Services	16.9%	17.5%	-0.6 pp	15.9%	16.8%	-1.0 pp
Automation	16.5%	17.9%	-1.5 pp	16.5%	17.2%	-0.7 pp
Process Technologies	3.0%	4.8%	-1.8 pp	3.6%	4.7%	-1.2 pp
Total	10.6%	10.8%	-0.2 pp	10.3%	10.5%	-0.1 pp

# Comparable EBITA margin development

Net sales and Comparable EBITA (EUR million and %)¹

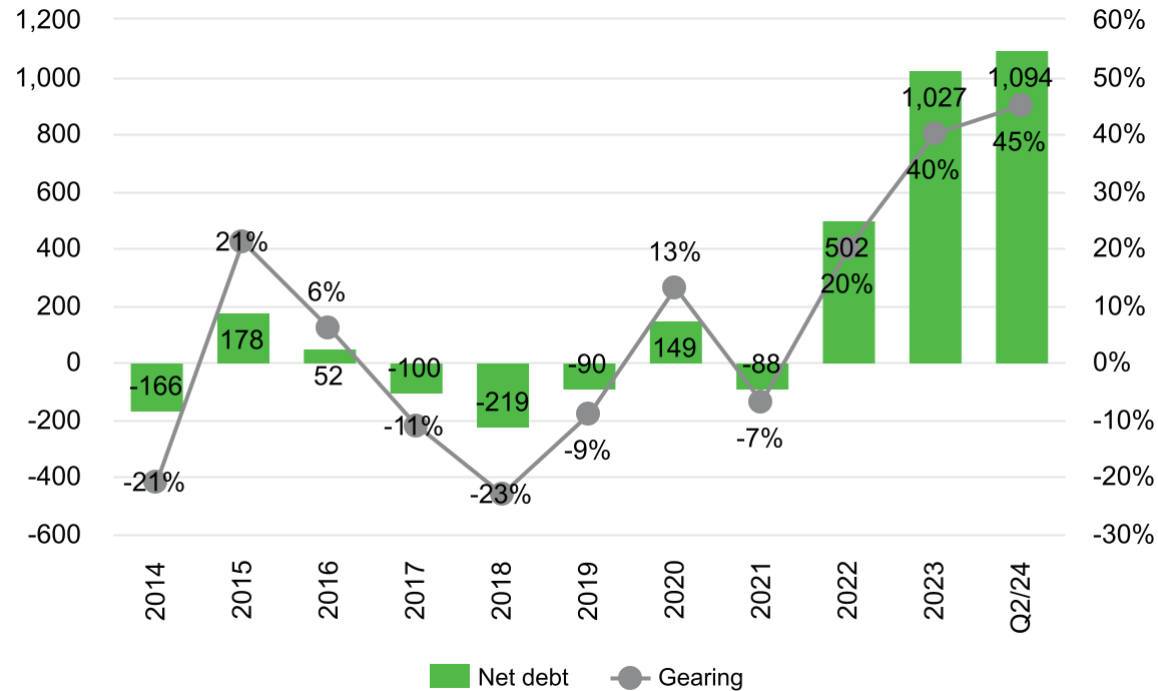


1. Valmet implemented IFRS 15 – Revenue from Contracts with Customers as of January 1, 2018 by applying full retrospective method. 2014–2020 figures have not been restated to reflect Valmet's current reporting structure. Thus, figures presented are not fully comparable.

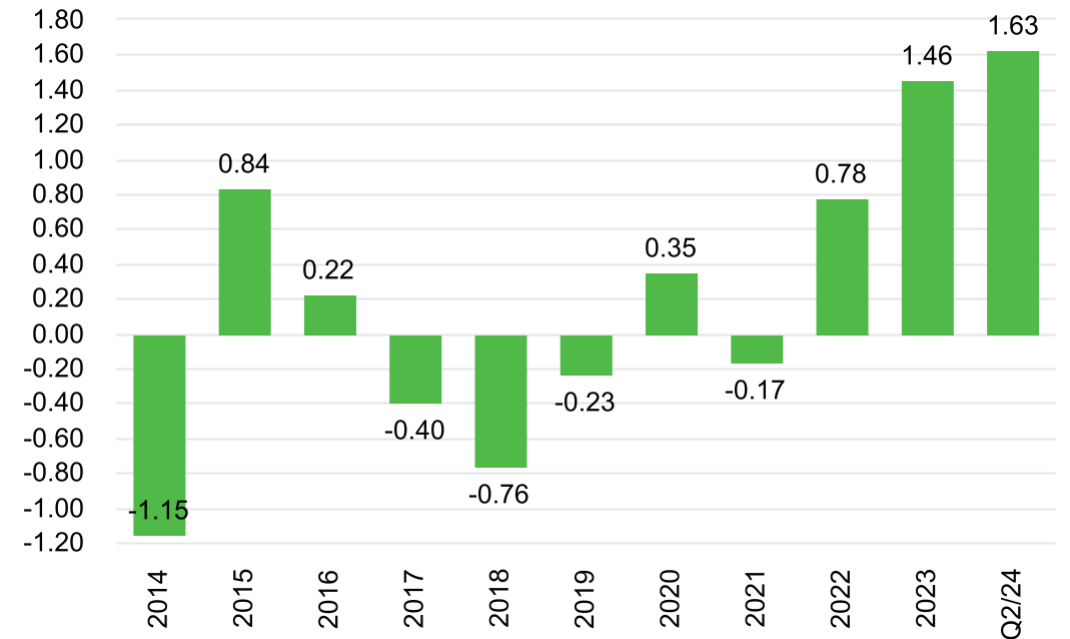


# Strong balance sheet enabling solid operations, dividends and growth also through acquisitions

Net debt (EUR million) and gearing (%)



Net debt to EBITDA\* ratio



Valmet implemented IFRS 16 – Leases as of January 1, 2019 by applying the simplified transition method and therefore 2018 figures are not restated.

\*Last twelve months (LTM) EBITDA

# Guidance and short-term market outlook

Guidance for 2024 (Published on June 13, 2024)

<b>Guidance</b>	<p>Valmet estimates that net sales in 2024 will remain at the previous year's level in comparison with 2023 (EUR 5,532 million) and Comparable EBITA in 2024 will increase in comparison with 2023 (EUR 619 million).</p>
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## Short-term market outlook

		Q3/2023	Q4/2023	Q1/2024	Q2/2024
<b>Services</b>		Good / Satisfactory	Good / Satisfactory	Good	Good
<b>Automation</b>	Flow Control	Good	Good	Good	Good
	Automation Systems	Good	Good	Good	Good
<b>Pulp and Energy</b>	Pulp	Satisfactory	Satisfactory	Weak	Satisfactory
	Energy	Good	Good	Good	Satisfactory
<b>Paper</b>	Board and Paper	Satisfactory	Satisfactory	Weak / Satisfactory	Satisfactory
	Tissue	Satisfactory	Satisfactory	Satisfactory	Satisfactory

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 following the reported quarter. The scale is 'weak-satisfactory-good'.



# Summary

# Valmet's investment highlights

- 1 Unique offering to support a growing market
- 2 Process Technologies segment benefiting from the growing demand for bio-based products and energy
- 3 EUR 3.1 billion recurring and steadily growing stable business
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# Important notice

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 growth, profitability and investment willingness, expectations for company development, growth and profitability and the realization of synergy benefits and cost savings, and statements preceded by “anticipates”, “believes”, “estimates”, “expects”, “foresees” or similar expressions, are forward-looking statements. Since these statements are based on current decisions and plans, estimates and projections, they involve risks and uncertainties which may cause the actual results to materially differ from the results currently expressed. 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 of the company or economic growth in the company’s principal geographic markets.
- 2) industry conditions, intensity of competition situation, especially potential introduction of significant technological solutions developed by competitors, financial condition of the customers and the competitors of the company,
- 3) the company’s own operating factors, such as the success of production, product development and project management and the efficiencies therein including continuous development and improvement
- 4) the success of pending and future acquisitions and restructuring.



# Appendix

1 Financials

2 Growth and profitability improvement

3 Shareholders and share price development

4 Offering

5 Management and remuneration

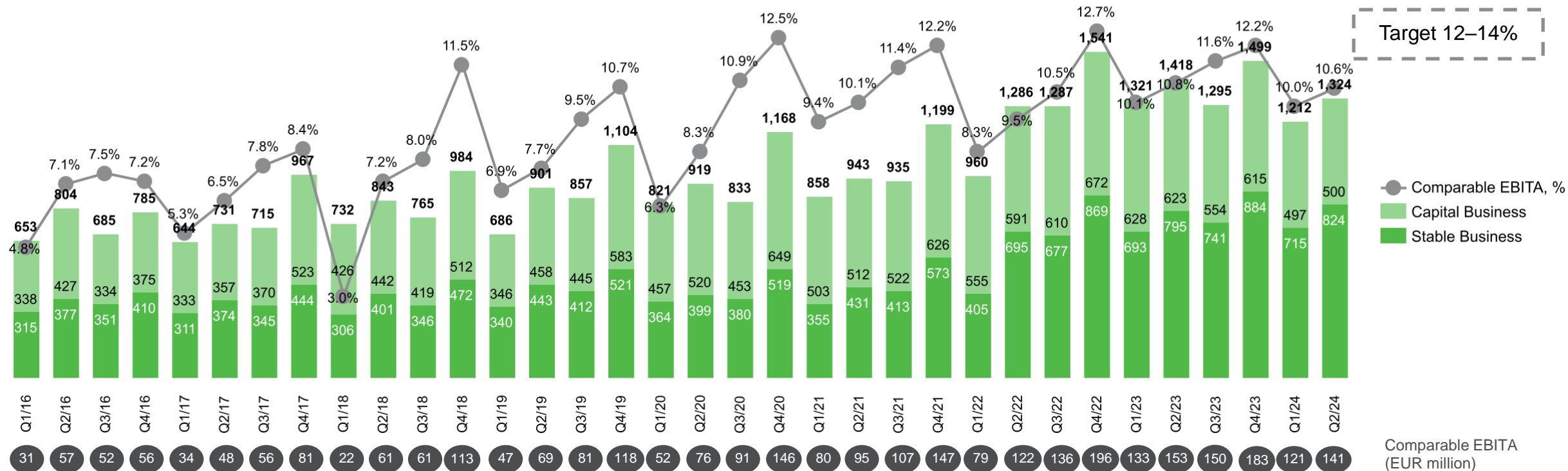


Appendix  
**Financials**



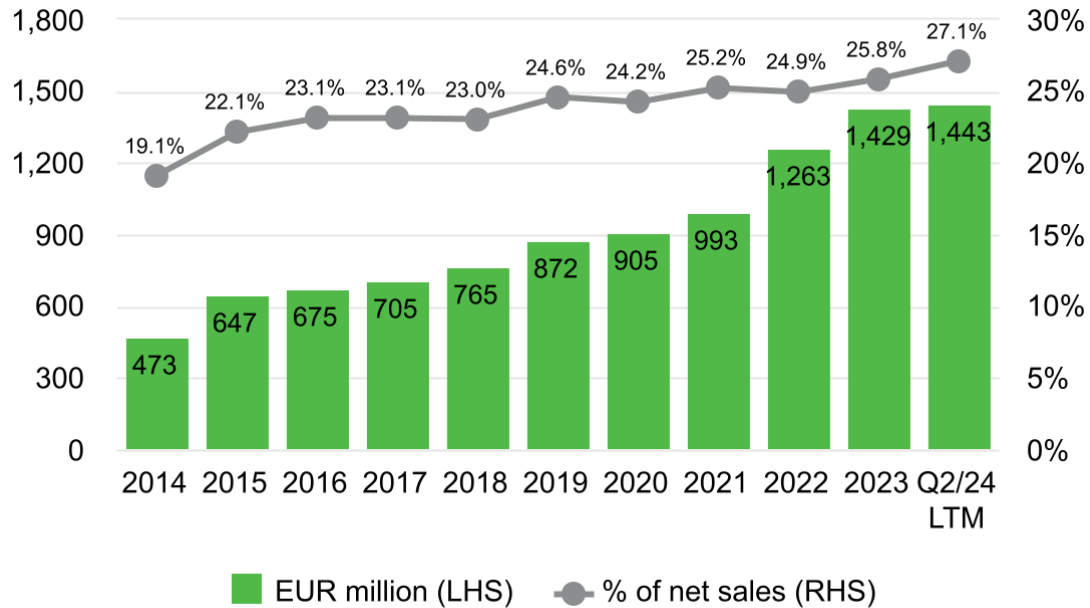
# Quarterly Comparable EBITA margin development

Net sales and Comparable EBITA (EUR million and %)

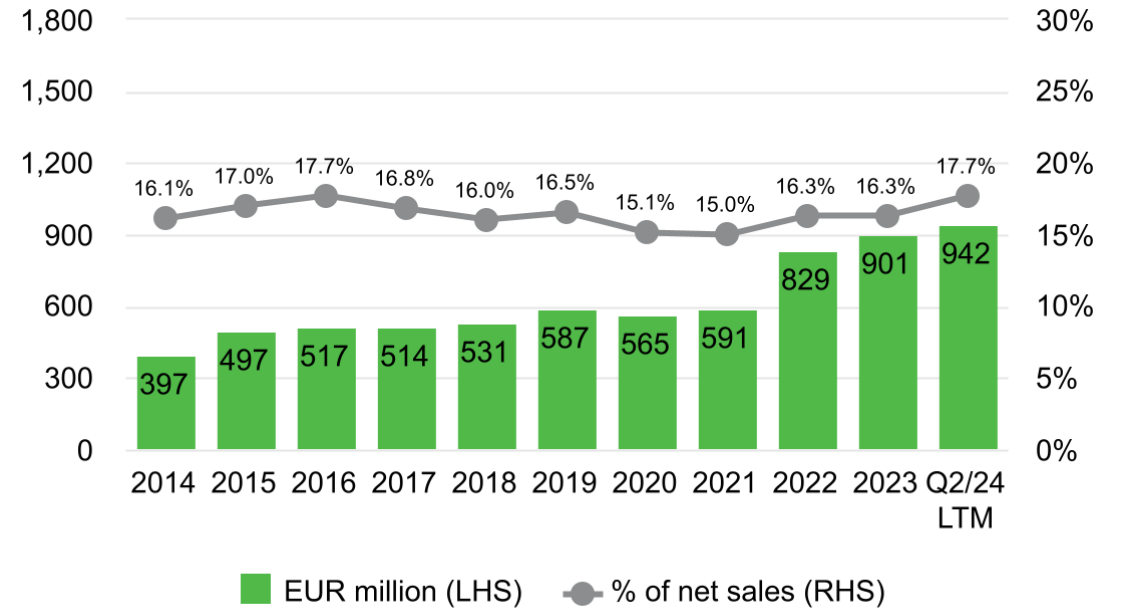


# Comparable gross profit and SG&A expenses development

Comparable gross profit  
(EUR million and % of net sales)



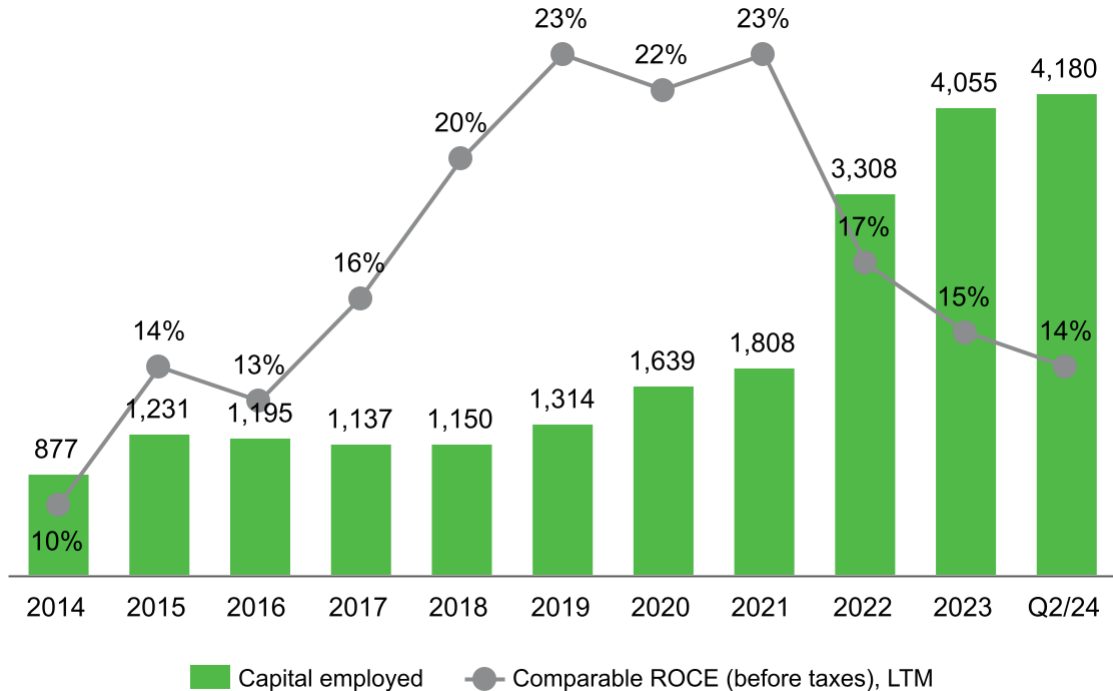
Comparable SG&A expenses  
(EUR million and % of net sales)



- Comparable gross profit was 27.8% of net sales in Q2/2024 (26.0% in Q2/2023)
  - Stable business represented 62% of net sales (56% in Q2/2023)
- Comparable SG&A expenses were EUR 27 million higher in Q2/2024 compared with Q2/2023
  - Comparable SG&A expenses of the acquired Tissue Converting and Analyzer Products and Integration amounted to EUR 26 million in Q2/2024
  - Comparable SG&A expenses were 19.2% of net sales in Q2/2024 (16.1% in Q2/2023)

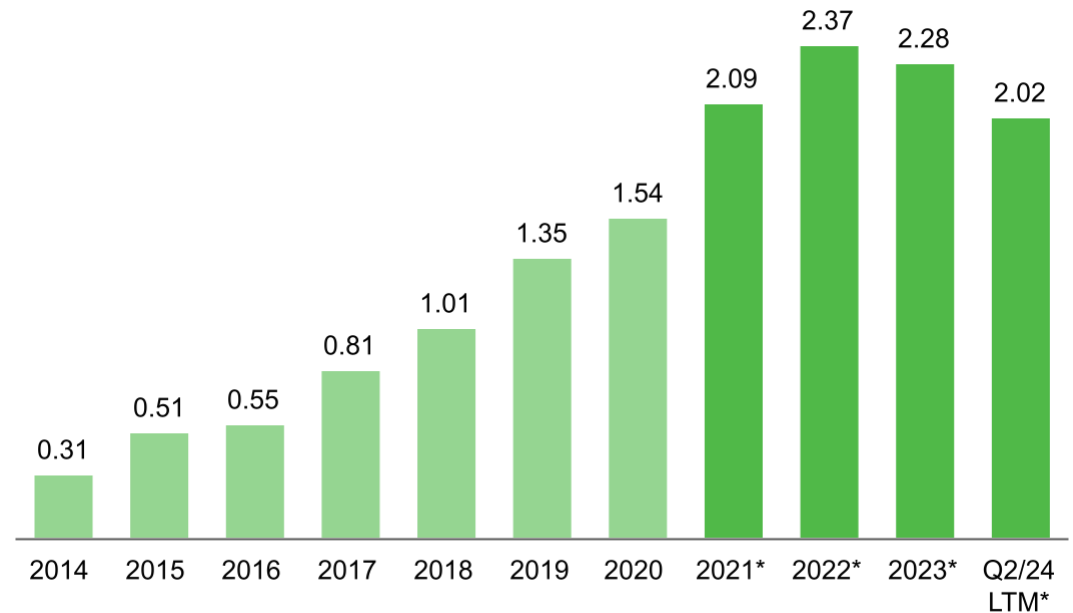
# Capital employed, Comparable ROCE and EPS

Capital employed (EUR million) and Comparable return on capital employed (ROCE), before taxes (%)



- The acquisitions of Analyzer Products and Integration in 2024 and Tissue Converting in 2023 and the integration of Flow Control into Valmet in 2022 have increased capital employed

Earnings per share (EPS) and Adjusted EPS, EUR



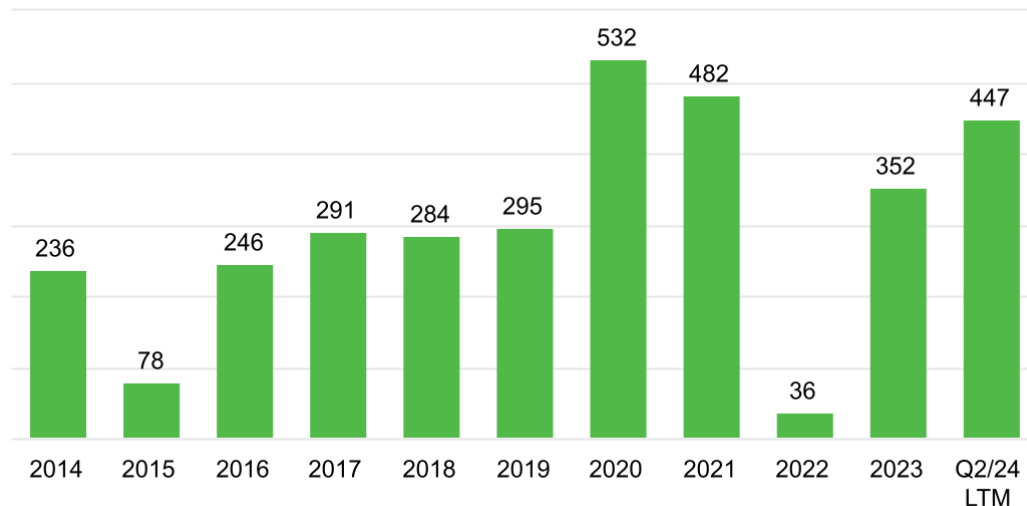
- Q2/2024 LTM Adjusted EPS decreased compared with 2023 mainly due to lower EBITA and higher net financial expenses

Valmet implemented IFRS 16 – Leases as of January 1, 2019 by applying the simplified transition method, and IFRS 15 – Revenue from Contracts with Customers as of January 1, 2018 by applying full retrospective method. Thus, figures presented are not fully comparable. LTM = Last twelve months.

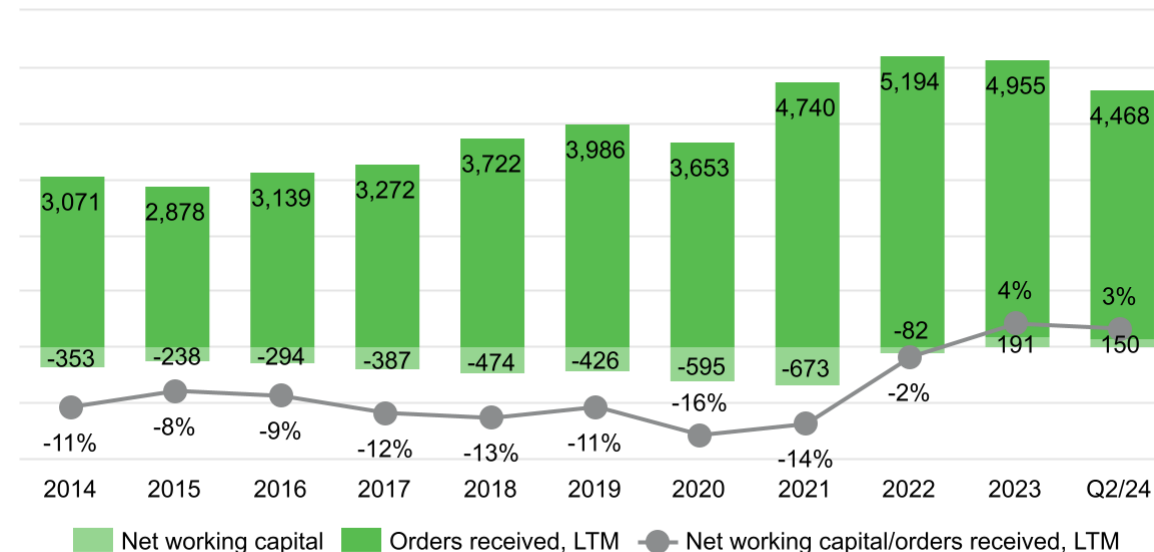
\*Adjusted EPS. Adjusted earnings per share is an alternative performance measure that excludes the impact of fair value adjustments arising from business combinations, net of tax.

# Cash flow provided by operating activities and net working capital

Cash flow provided by operating activities (EUR million)



Net working capital<sup>1</sup> and orders received (EUR million)



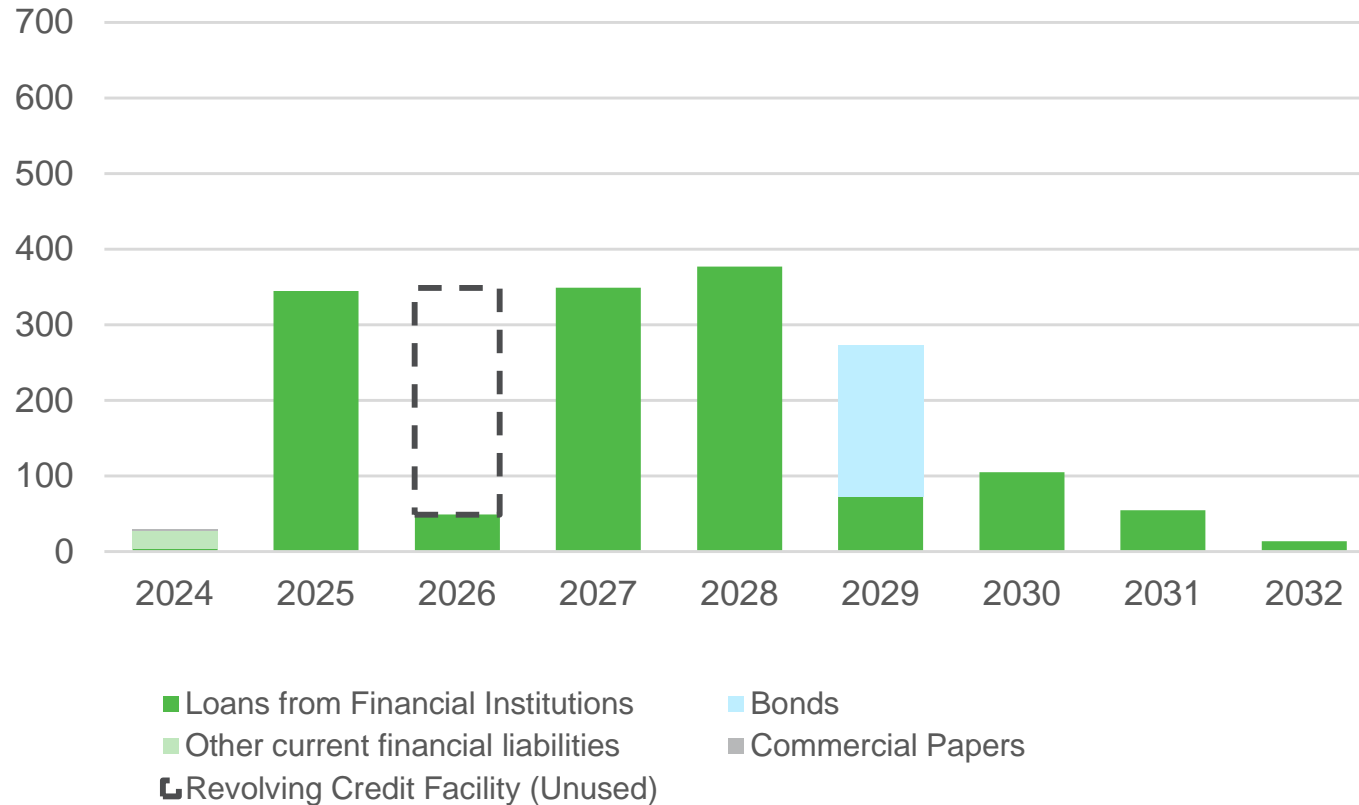
- Cash flow provided by operating activities amounted to EUR 128 million in Q2/2024
- CAPEX<sup>2</sup> amounted to EUR 28 million in Q2/2024
- Net working capital<sup>1</sup> amounted to EUR 150 million, which equals 3% of last 12 months orders received
  - Compared to year 2021, Valmet's net working capital has increased mainly in capital business and due to integration of Flow Control and Tissue Converting into Valmet
  - Today, Valmet's business mix contains more stable business, which typically ties up more net working capital than capital business
- Change in net working capital<sup>3</sup> EUR 28 million in Q2/2024

Valmet implemented IFRS 16 – Leases as of January 1, 2019 by applying the simplified transition method and therefore 2018 figures are not restated.

1. Net working capital excluding EUR 123 million non-cash net working capital impact from dividend liability.
2. Excluding business combinations and right-of-use assets.
3. Change in net working capital in the consolidated statement of cash flows.

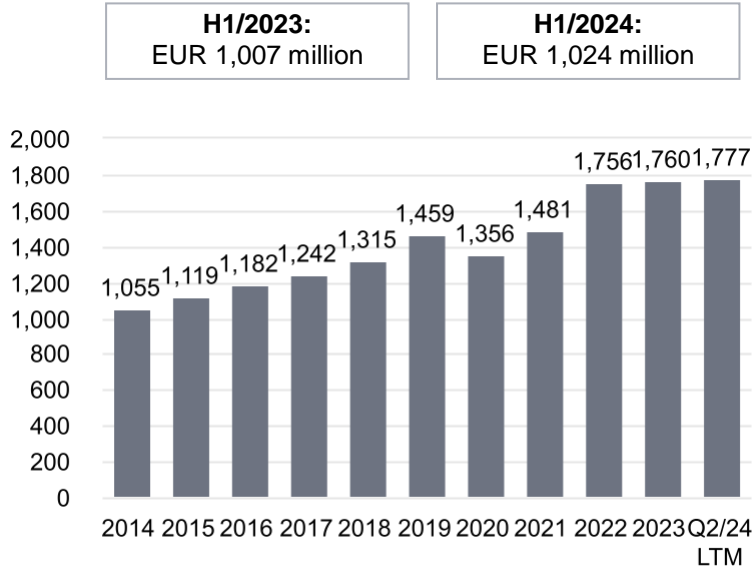
# Debt maturity structure

As at June 31, 2024, EUR million (excluding lease liabilities)

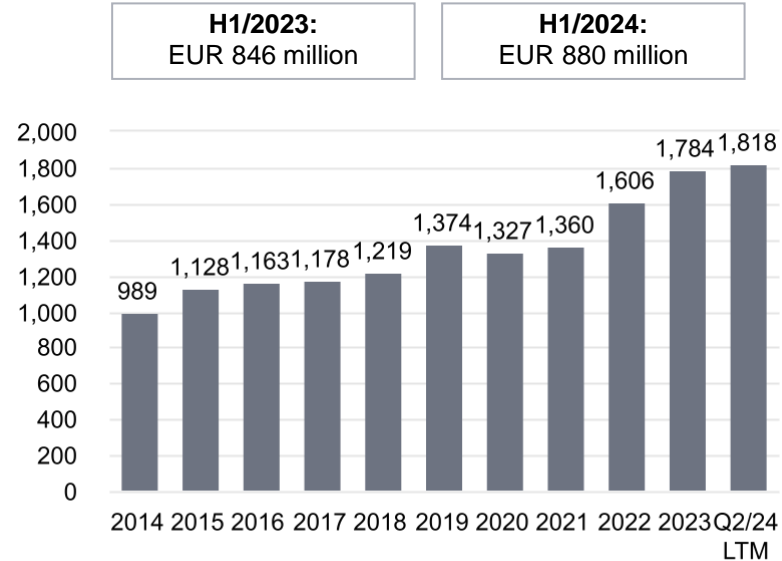


# Services: Orders received remained at the previous year's record-high level at EUR 1.0 billion in H1/2024

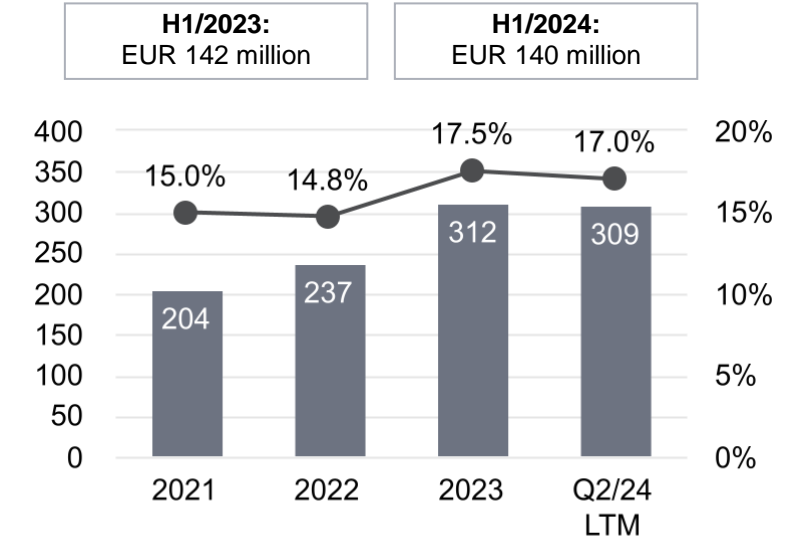
Orders received (EUR million)



Net sales (EUR million)



Comparable EBITA (EUR million and % of net sales)

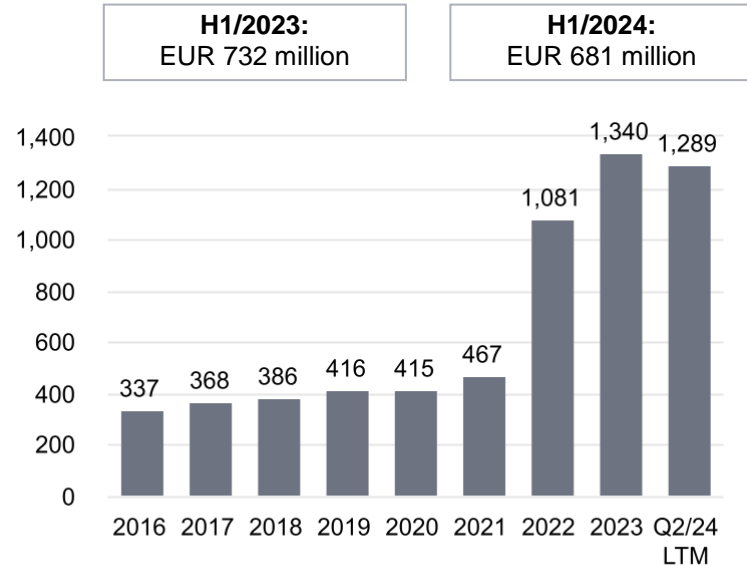


- Orders received remained at the previous year's level compared with H1/2023
  - Orders received were record high in H1/2023 and included a large single order
  - Orders received increased in North America and China, remained at the previous year's level in EMEA and Asia-Pacific and decreased in South America
  - Excluding Tissue Converting, orders received remained at the previous year's level in Fabrics, Rolls and Board, Paper and Tissue Solutions and decreased in Pulp and Energy Solutions and Performance Parts
- Net sales remained at the previous year's level compared with H1/2023
- Comparable EBITA remained at the previous year's level compared with H1/2023

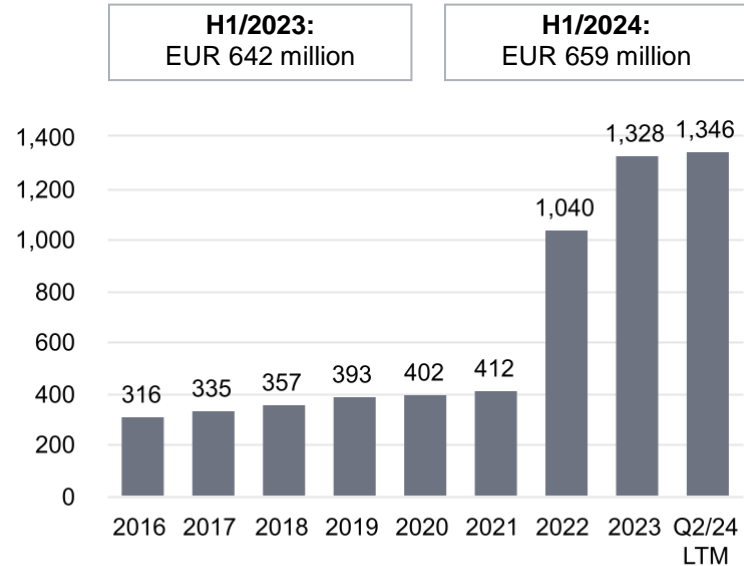


# Automation: Orders received decreased to EUR 681 million in H1/2024

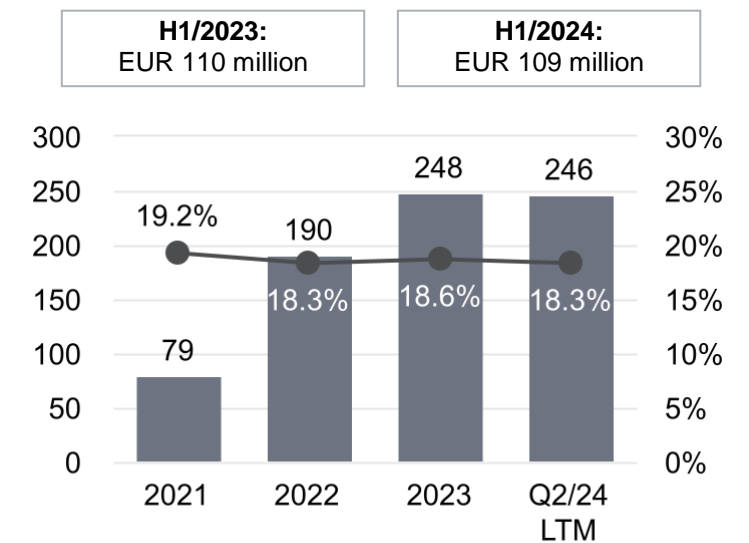
Orders received (EUR million)



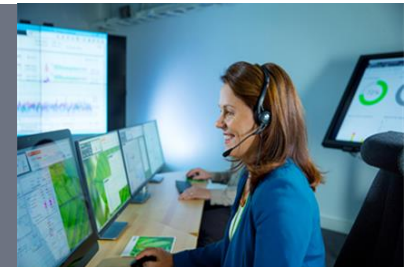
Net sales (EUR million)



Comparable EBITA (EUR million and % of net sales)

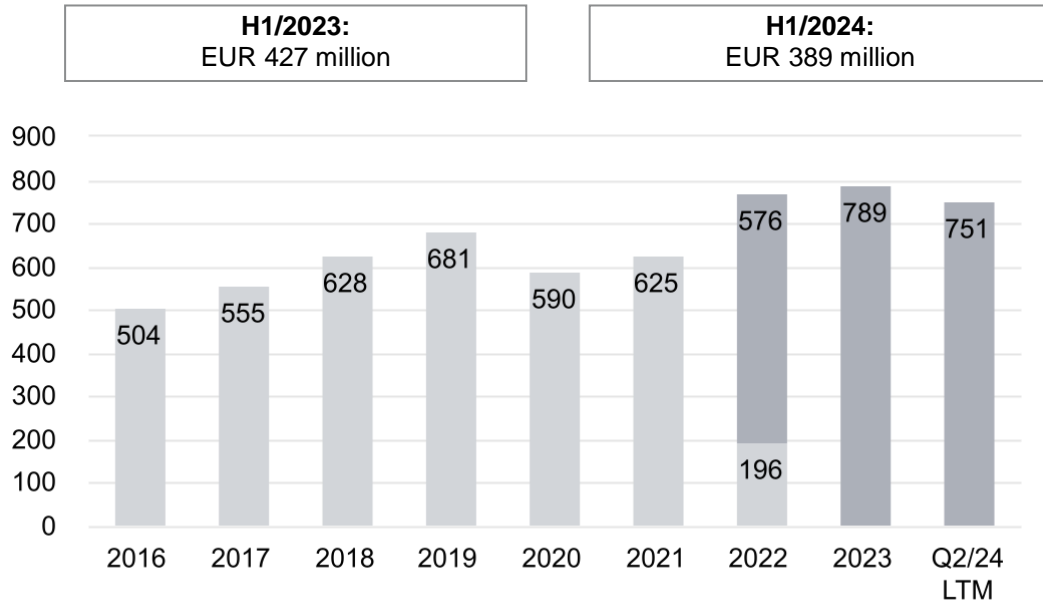


- Orders received decreased compared with H1/2023
- Net sales remained at the previous year's level compared with H1/2023
- Comparable EBITA remained at the previous year's level compared with H1/2023

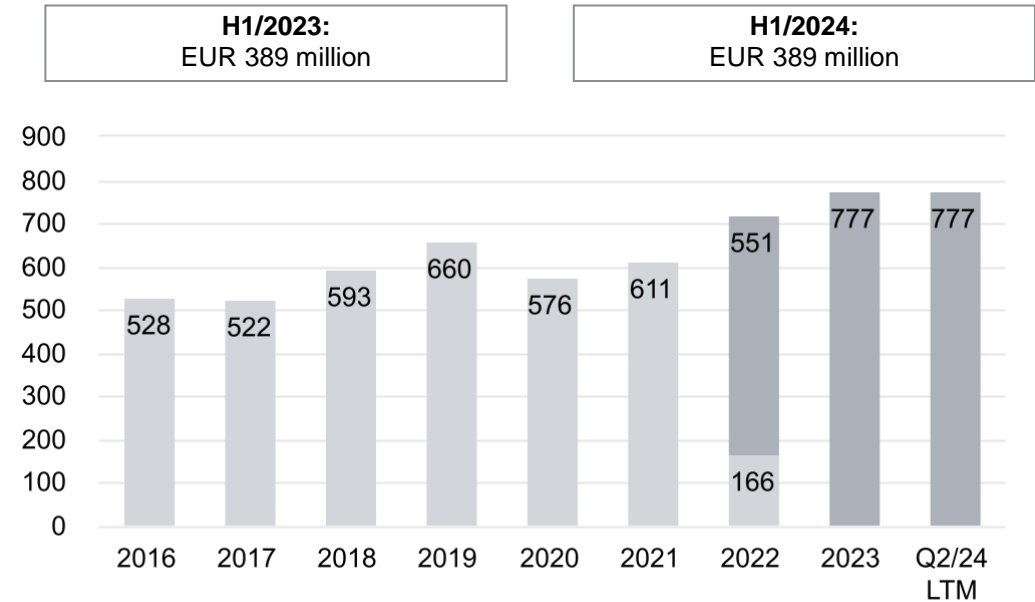


# Flow Control business line: Orders received decreased to EUR 389 million in H1/2024

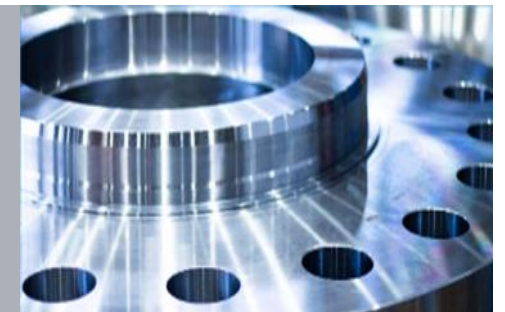
Orders received (EUR million)\*



Net sales (EUR million)\*



- Orders received decreased to EUR 389 million in H1/2024
  - Orders received increased in Asia-Pacific, remained at the previous year's level in North America and decreased in South America, China and EMEA
  - Orders received remained at the previous year's level in MRO (Maintenance and Repair Operations) & Services and decreased in Projects and Valve controls & Actuators
- Net sales remained at the previous year's level at EUR 389 million in H1/2024

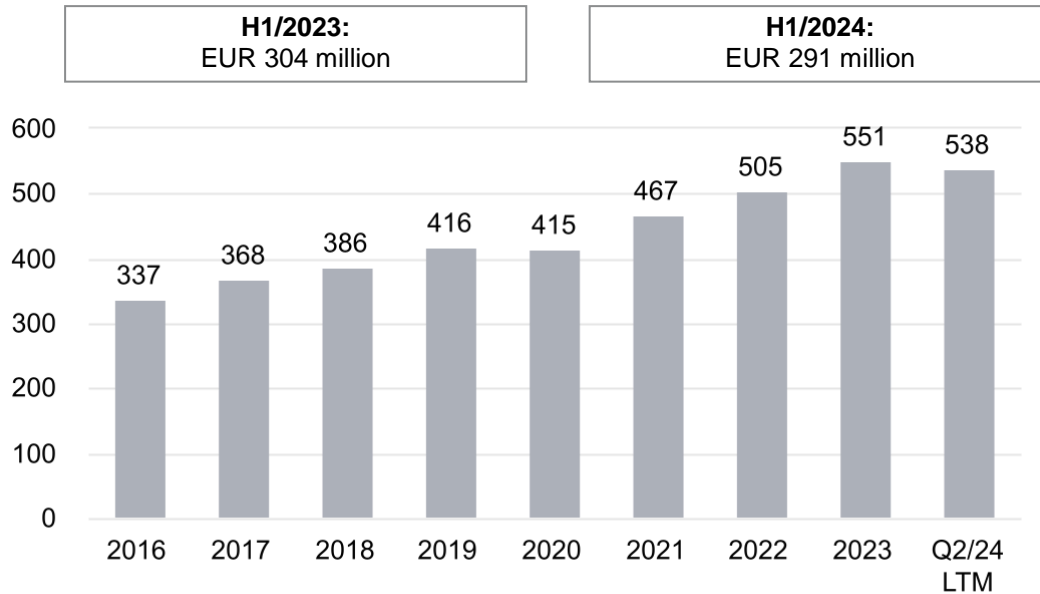


\* 2016–2017 financials based on carve-out numbers; 2018–2019 financials based on Metso's "Continuing operations" as in 2019 annual report; Q1/2020–Q1/2022 financials as reported in Neles' Q1/2022 interim review.

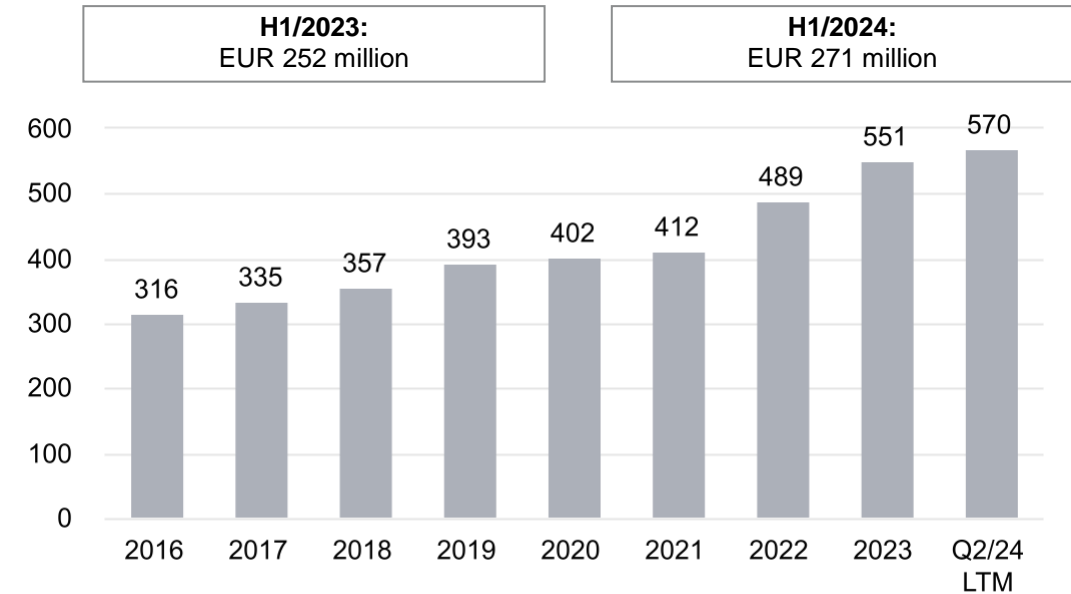


# Automation Systems business line: Orders received remained at the previous year's level at EUR 291 million in H1/2024

Orders received (EUR million)



Net sales (EUR million)

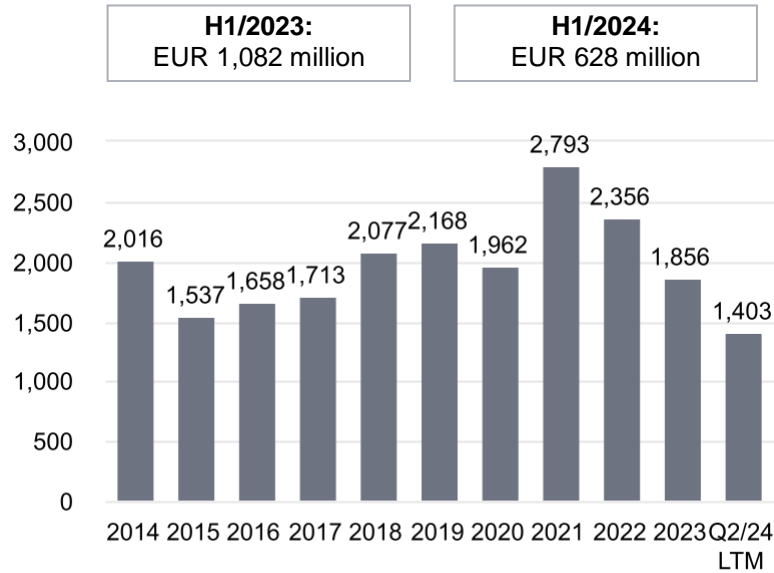


- Orders received remained at the previous year's level compared with H1/2023
  - Orders received increased in automation services and decreased in capital
  - Orders received increased in Energy and Process and decreased in Pulp and Paper
- Net sales increased compared with H1/2023
- The acquisition of Analyzer Products and Integration was completed on April 2, 2024

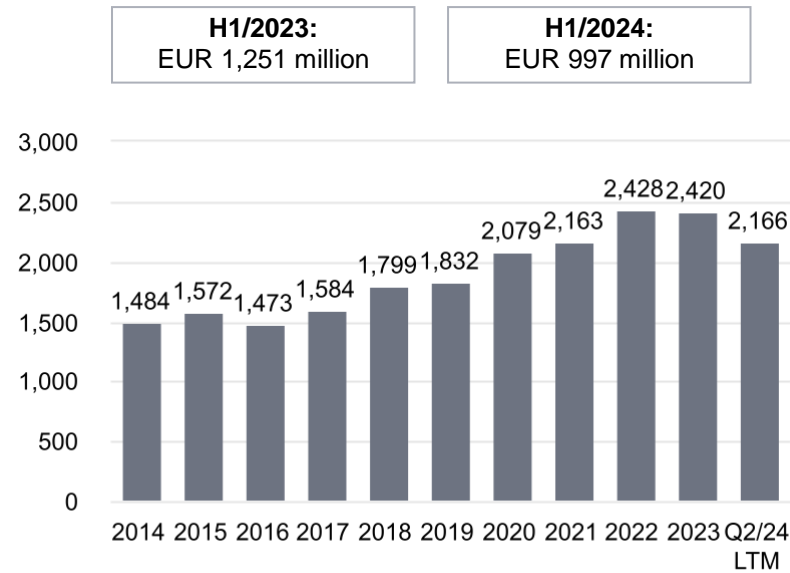


# Process Technologies: Orders received increased from Q1/2024 and amounted to EUR 434 million in Q2/2024

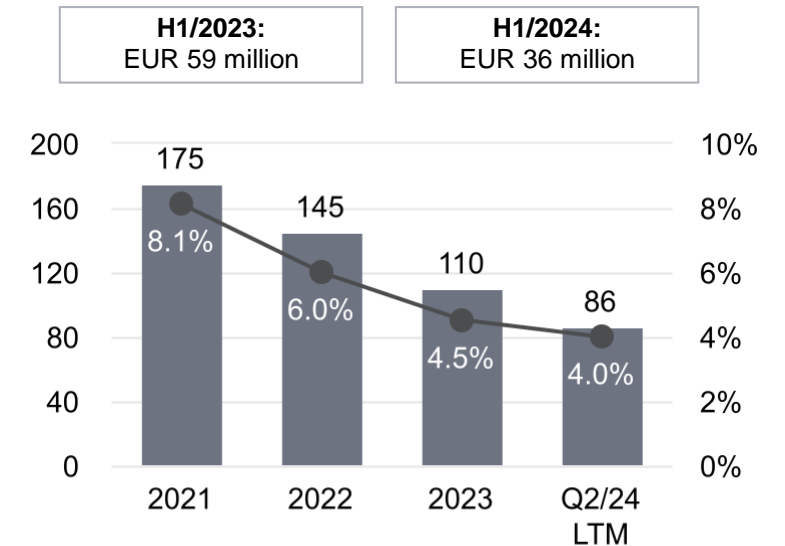
Orders received (EUR million)



Net sales (EUR million)



Comparable EBITA (EUR million and % of net sales)

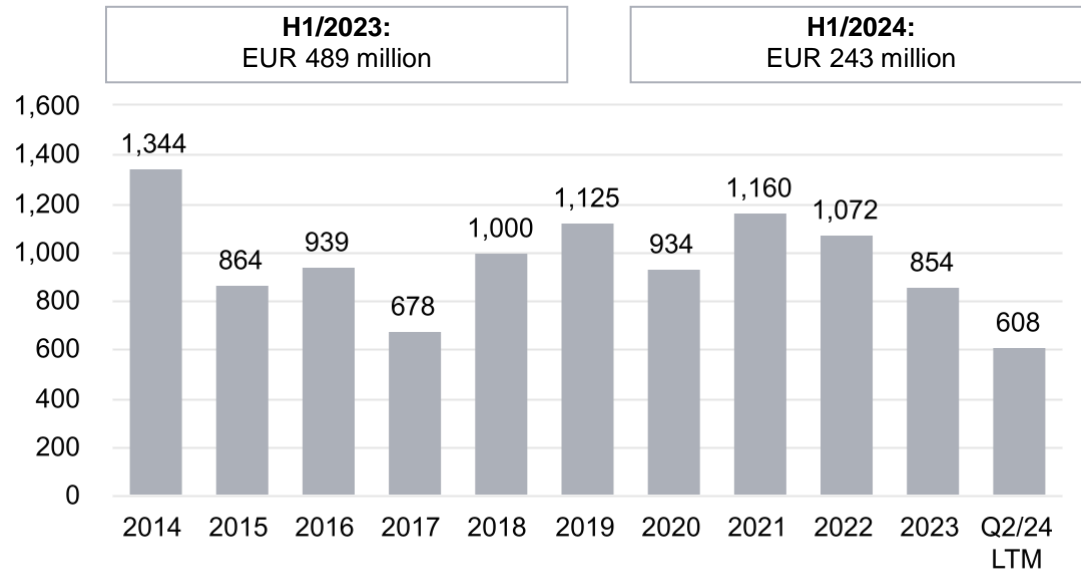


- Orders received increased from EUR 195 million in Q1/2024 to EUR 434 million in Q2/2024
- Net sales remained at the previous quarter's level in Q2/2024
- Comparable EBITA amounted to EUR 15 million in Q2/2024

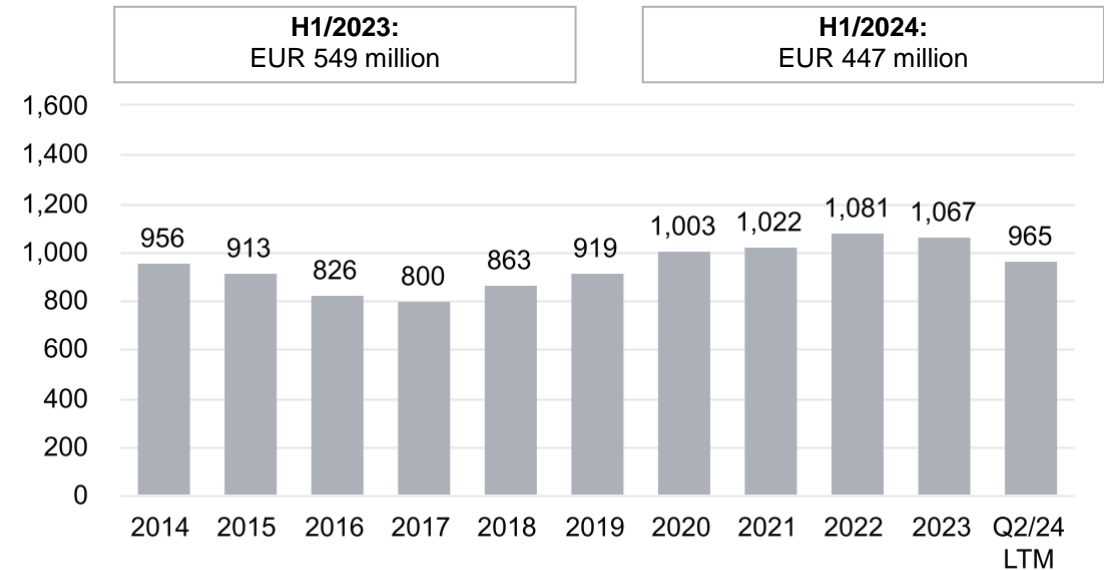


# Pulp and Energy business line: Orders received increased from Q1/2024 and amounted to EUR 187 million in Q2/2024

Orders received (EUR million)



Net sales (EUR million)

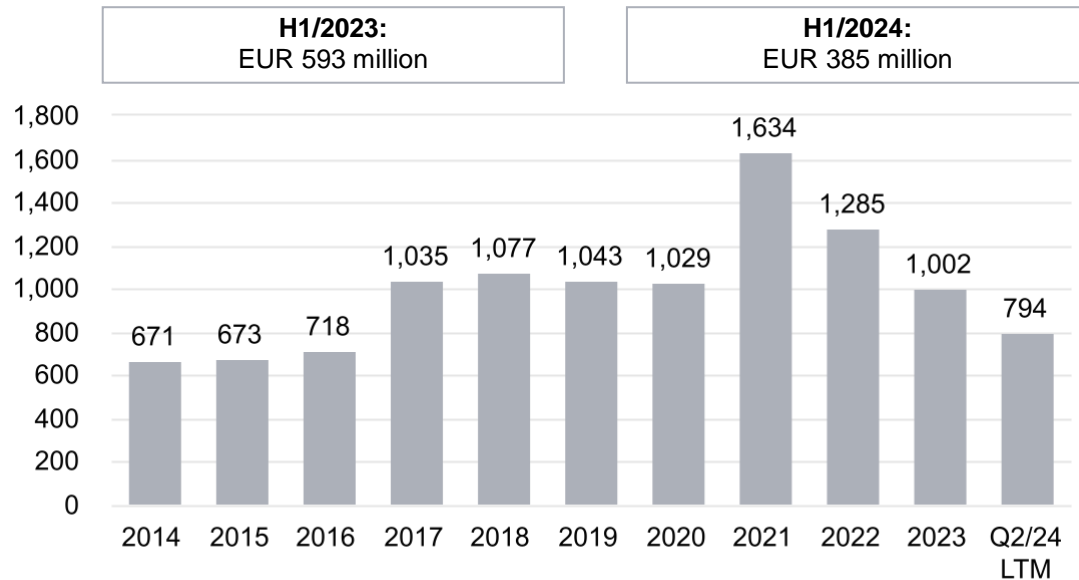


- Orders received increased from EUR 57 million in Q1/2024 to EUR 187 million in Q2/2024
- Net sales remained at the previous quarter's level in Q2/2024

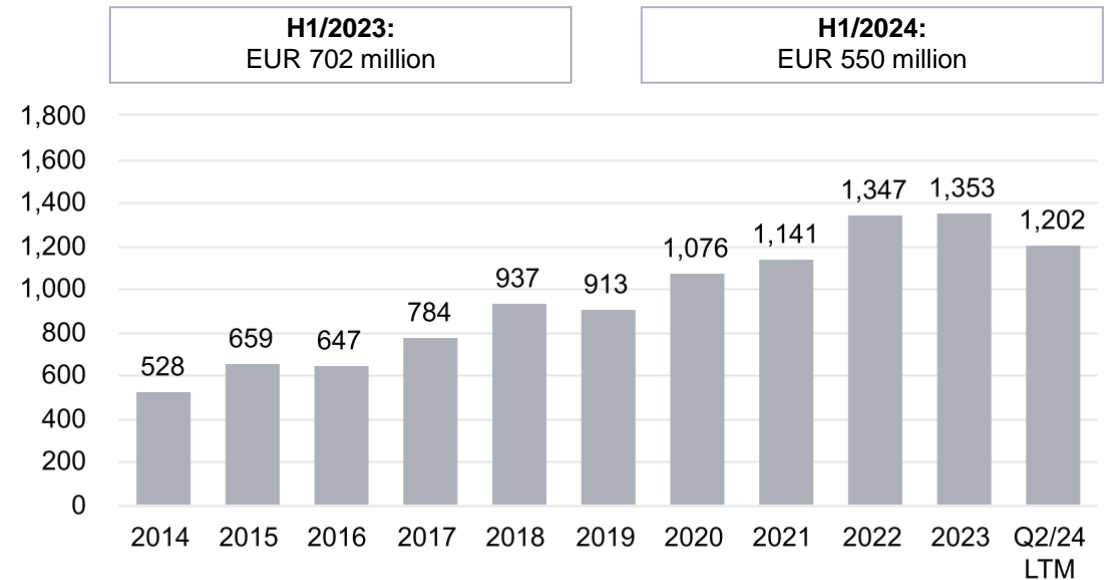


# Paper business line: Orders received increased from Q1/2024 and amounted to EUR 247 million in Q2/2024

Orders received (EUR million)



Net sales (EUR million)

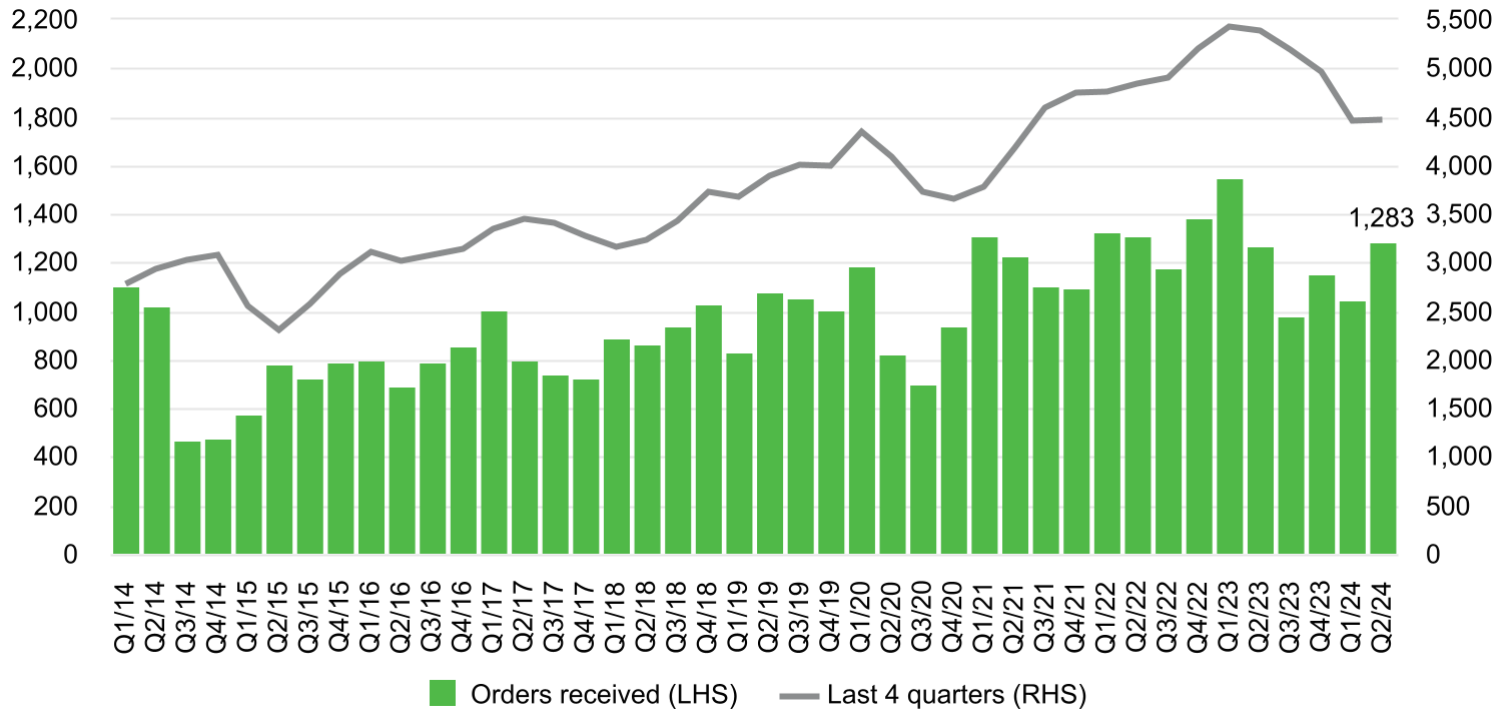


- Orders received increased from EUR 138 million in Q1/2024 to EUR 247 million in Q2/2024
- The integration of Tissue Converting business is proceeding well, with the first synergy orders realized during H1/2024
- Net sales remained at the same level as in Q1/2024
- The fire at Rautpohja factory site in Finland in 2022 impacted Paper business line's operations during H1/2024

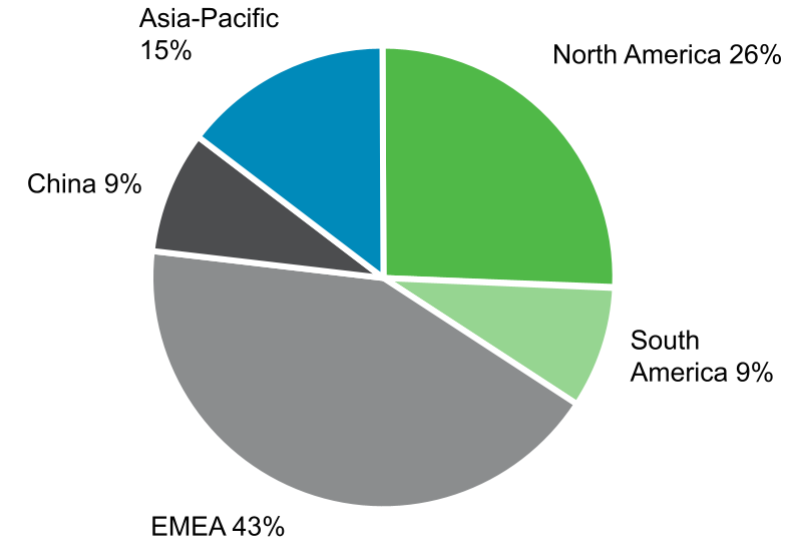


# Orders received remained at the previous year's level and amounted close to EUR 1.3 billion in Q2/2024

Orders received (EUR million)



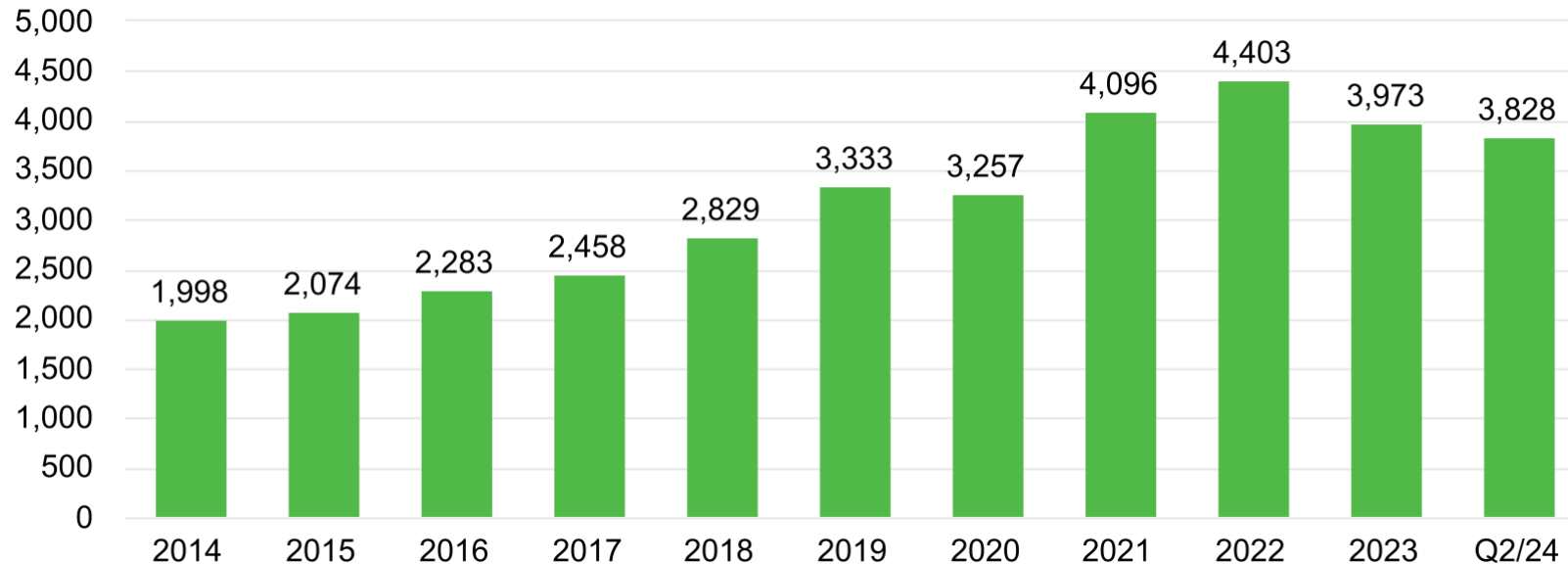
Orders received in H1/2024 by area



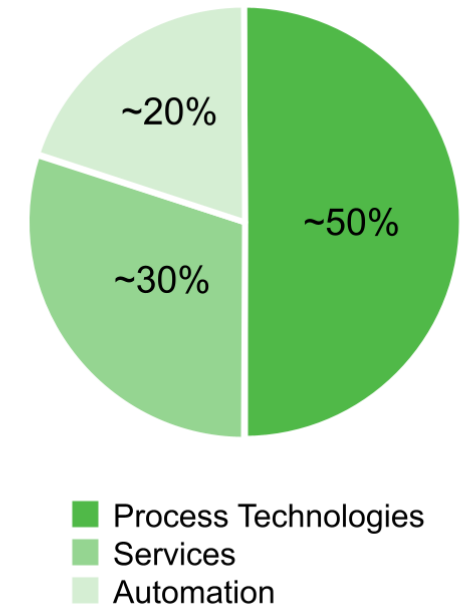
- Orders received remained at the previous year's level in EMEA and decreased in China, South America, Asia-Pacific and North America in H1/2024 compared with H1/2023
  - South America, China and Asia-Pacific together accounted for 32% of orders received

# Order backlog EUR 3.8 billion at the end of Q2/2024

Order backlog (EUR million)



Structure of order backlog by segment



- Order backlog was EUR 145 million lower than at the end of 2023
- Approximately 60% of the order backlog is currently expected to be realized as net sales during 2024 (at the end of Q2/2023, ~50% during 2023)
  - Approximately an additional EUR 70 million is expected to be realized as net sales in H2 compared with 2023
- Valmet's delivery times have decreased and returned close to pre-covid levels
- Approximately 50% of the order backlog relates to stable business (~40% at the end of Q2/2023)

# Announced orders booked in H1/2024

Booked quarter	Date	Description	Business line	Country	Value
Q1	Mar 19	Advantage DCT 200 tissue production line to Crown Paper Mill	Paper	Saudi Arabia	Not disclosed
Q1	Apr 16	Boiler rebuild to E.ON's power station	Pulp and Energy	United Kingdom	Not disclosed
Q1	May 2	Fiberline upgrade to the Lecta Zaragoza mill in Spain	Pulp and Energy	Spain	Not disclosed
Q1	May 29	Multiple agreements with Papierfabrik Palm	Services	Germany	Not disclosed
Q1	June 19	Converting lines to Metsä Tissue	Paper	Sweden	Not disclosed
Q2	June 10	A pellet-fired heating plant to Göteborg Energi AB	Pulp and Energy	Sweden	Not disclosed
Q2	June 25	A tissue machine to Andhra Paper	Paper	India	Not disclosed
Q2	June 26	A papermaking line and a paper machine rebuild to a customer in Asia-Pacific	Paper	Asia-Pacific	Not disclosed, but the papermaking line is typically worth between EUR 90 million and EUR 120 million, and the rebuild between EUR 20 million and EUR 40 million.
Q2	July 9	Advantage DCT 200 tissue production line to Velvet CARE Paper Mill	Paper	Poland	Not disclosed

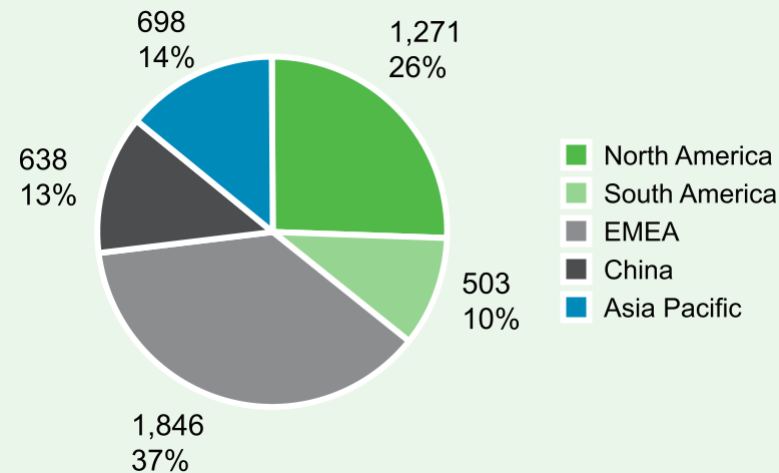
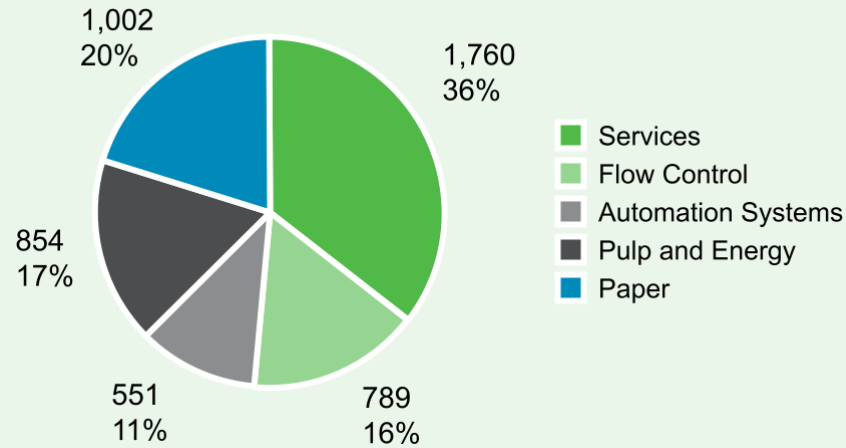
# Announced orders booked in H2/2023

Booked quarter	Date	Description	Business line	Country	Value
Q3	Oct 2	An Advantage DCT 200 tissue production line to Sofidel	Paper	USA	Not disclosed.
Q3	Oct 25	Multiple technologies to Liansheng Pulp & Paper	Paper, Pulp and Energy	China	Not disclosed
Q4	Oct 10	A biomass power plant to Göteborg Energi	Pulp and Energy	Sweden	Not disclosed.
Q4	Jan 11	Key technology for Shandong Jin Tian He Paper's board machine	Paper	China	Not disclosed, but such an order is typically worth of EUR 20 million to EUR 30 million
Q4 & Q1/24	Jan 30	A tissue paper making line, tissue converting equipment and a biomass boiler to Suzano Paper e Celulose in Brazil	Paper, Pulp and Energy	Brazil	Not disclosed, but such an order is typically worth around EUR 100 million
Q4	Feb 13	Electrostatic precipitators to Nordic Paper's Bäckhammar mill in Sweden	Pulp and Energy	Sweden	Not disclosed
Q4	Feb 21	Valmet to add biomass co-firing to a coal-fired circulating fluidized bed boiler for PT. Cikarang Listrindo in Indonesia	Pulp and Energy	Indonesia	Not disclosed

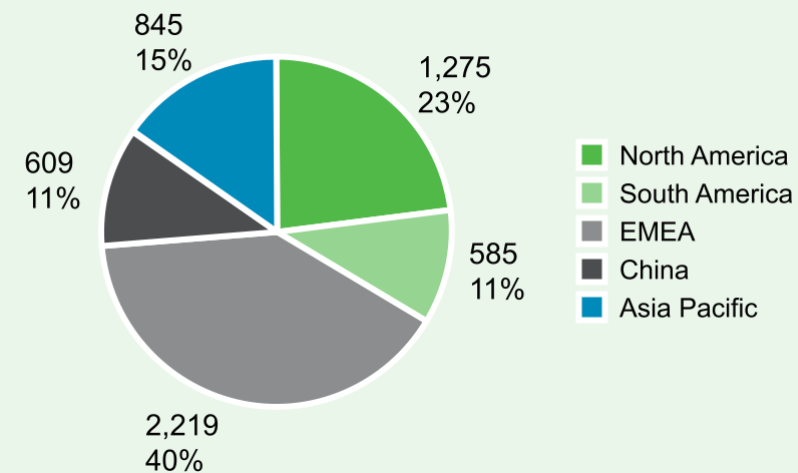
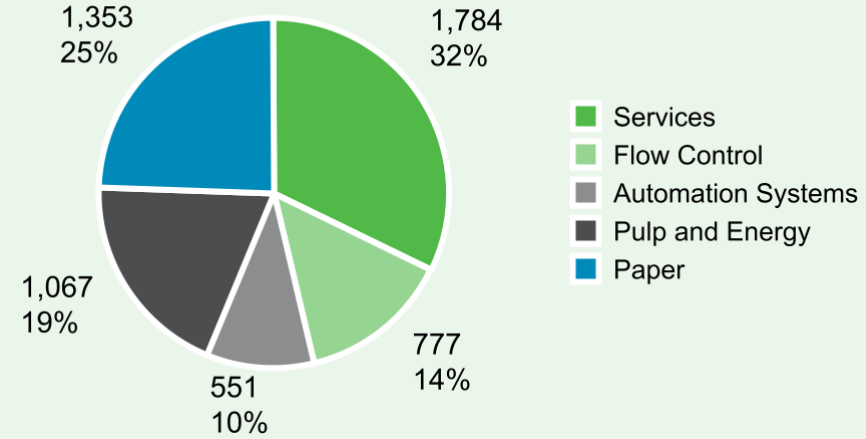


# Orders received and net sales split in 2023

**Orders received** (EUR million and % of total)



**Net sales** (EUR million and % of total)



# Services segment in 2023

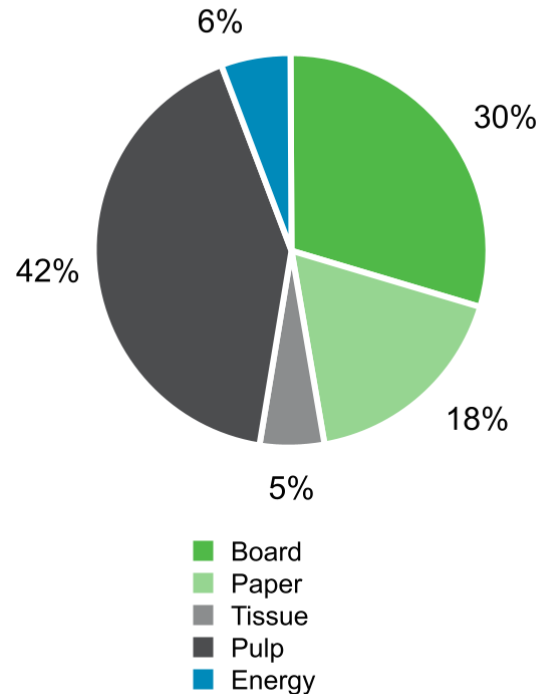
**Orders received**  
EUR 1,760 million

**Net sales**  
EUR 1,784 million

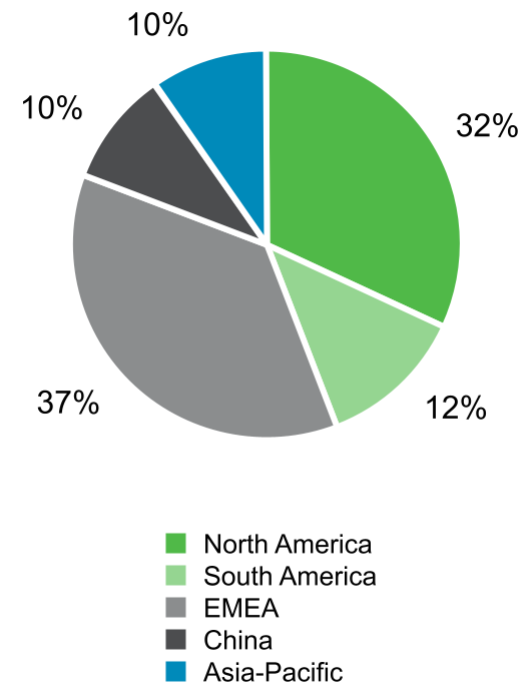
**Employees**  
6,493

**Market position**  
#1–2 Services

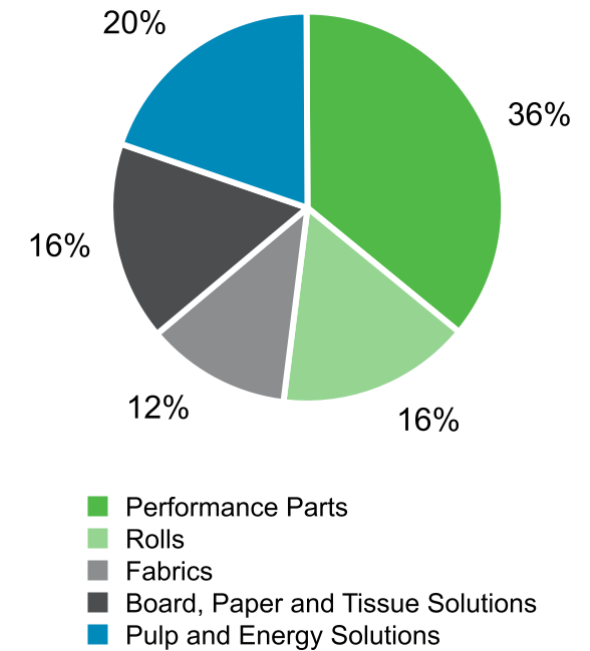
Orders received by customer segment



Orders received by area



Orders received by business



# Flow Control business line in 2023

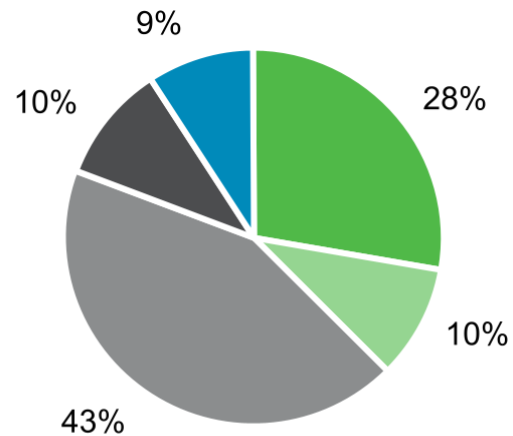
**Orders received**  
EUR 789 million

**Net sales**  
EUR 777 million

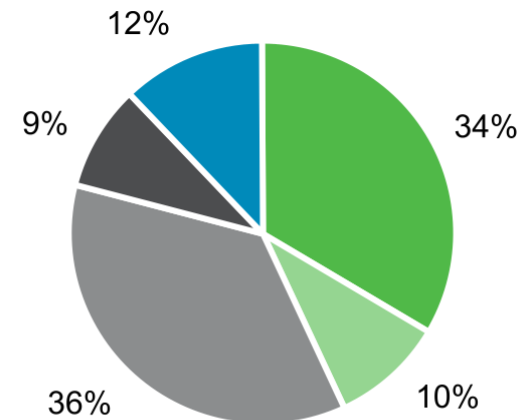
**Employees**  
2,841

**Market position**  
#1 Pulp and Paper  
#1–2 Industrial Gases  
Top 10 Refining and Chemicals

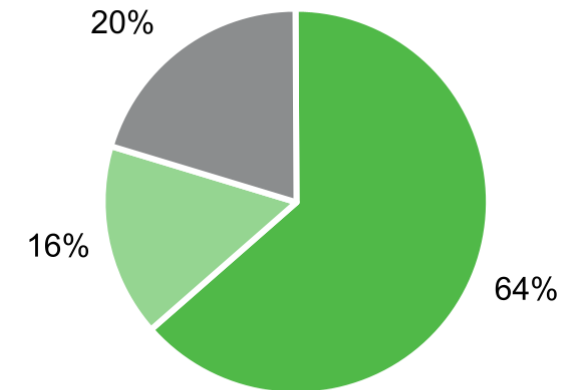
Orders received by customer industry



Orders received by area



Orders received by business



# Automation Systems business line in 2023

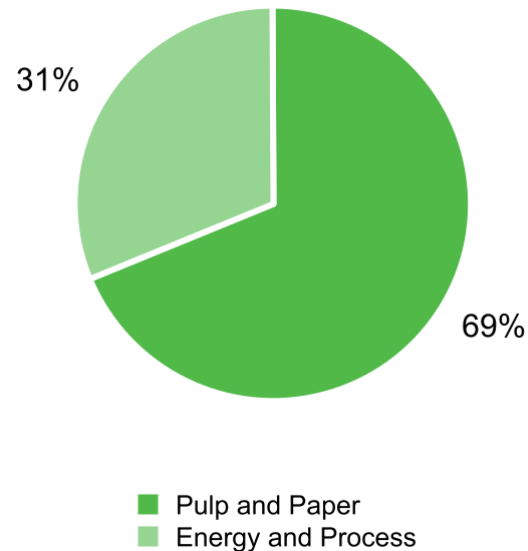
**Orders received**  
EUR 551 million

**Net sales**  
EUR 551 million

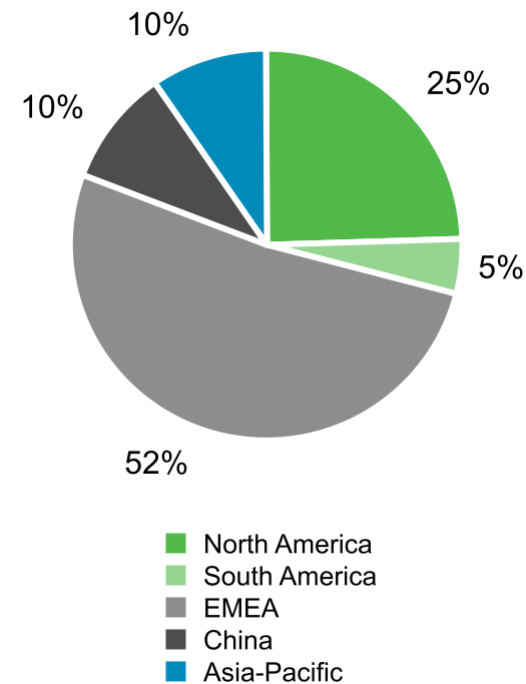
**Employees**  
2,330

**Market position**  
#1–3 Pulp and Paper  
#2–4 Energy and Process

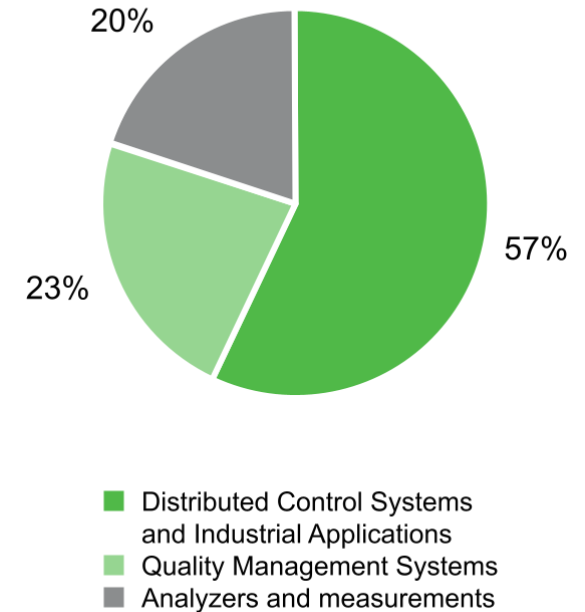
Orders received by industry



Orders received by area



Orders received by product



Service 52%

Capital 48%

# Pulp and Energy business line in 2023

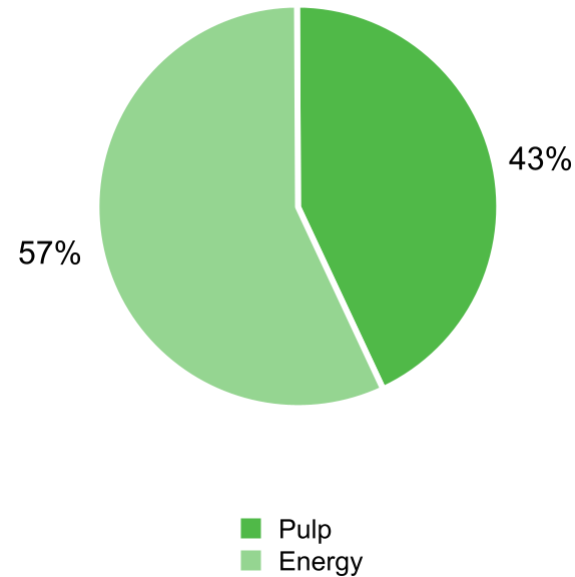
**Orders received**  
EUR 854 million

**Net sales**  
EUR 1,067 million

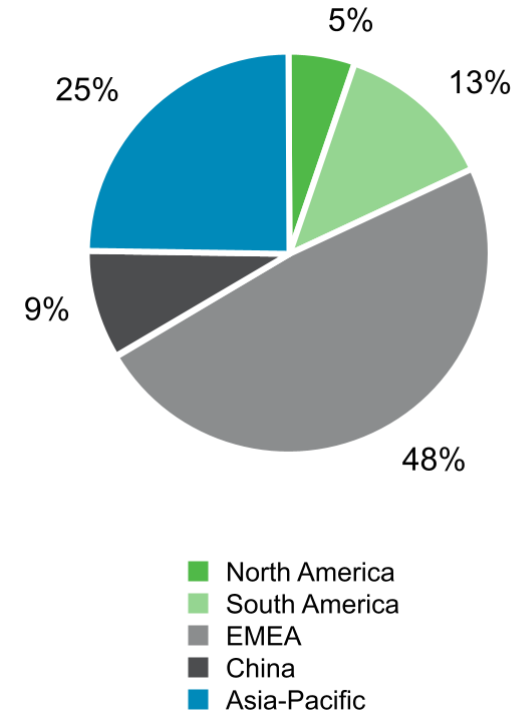
**Employees**  
1,948

**Market position**  
#2 Pulp  
#1–3 Energy

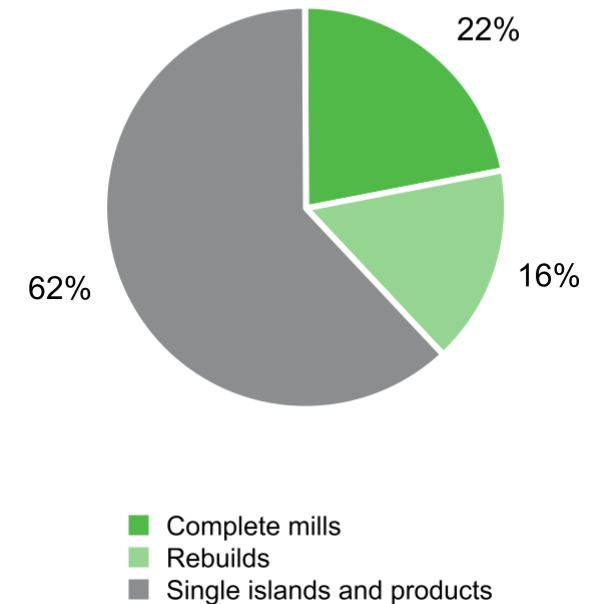
Orders received by industry



Orders received by area



Orders received by scope



# Paper business line in 2023

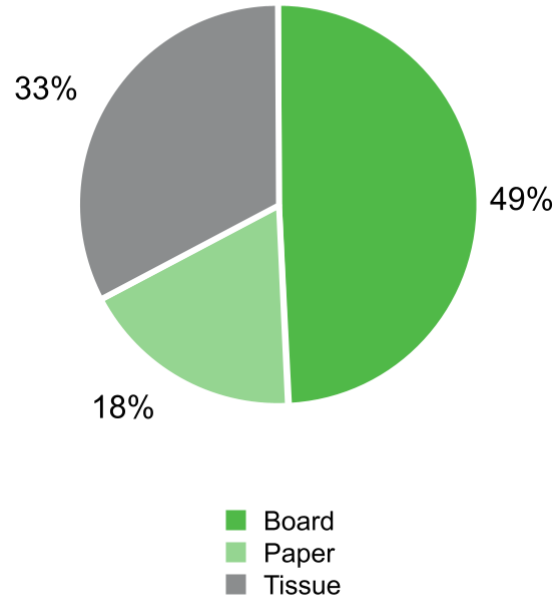
**Orders received**  
EUR 1,002 million

**Net sales**  
EUR 1,353 million

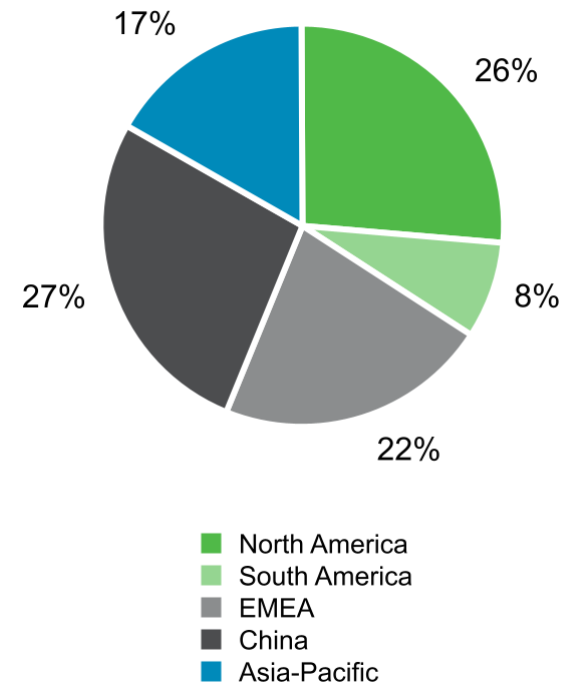
**Employees**  
4,759

**Market position**  
#1 Tissue  
#1 Board  
#1 Paper

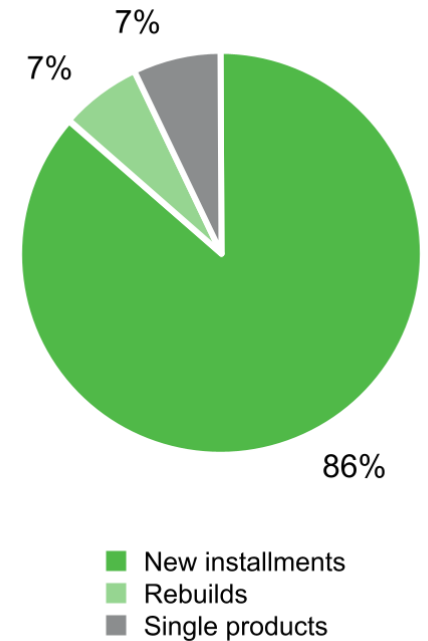
Orders received by paper grade



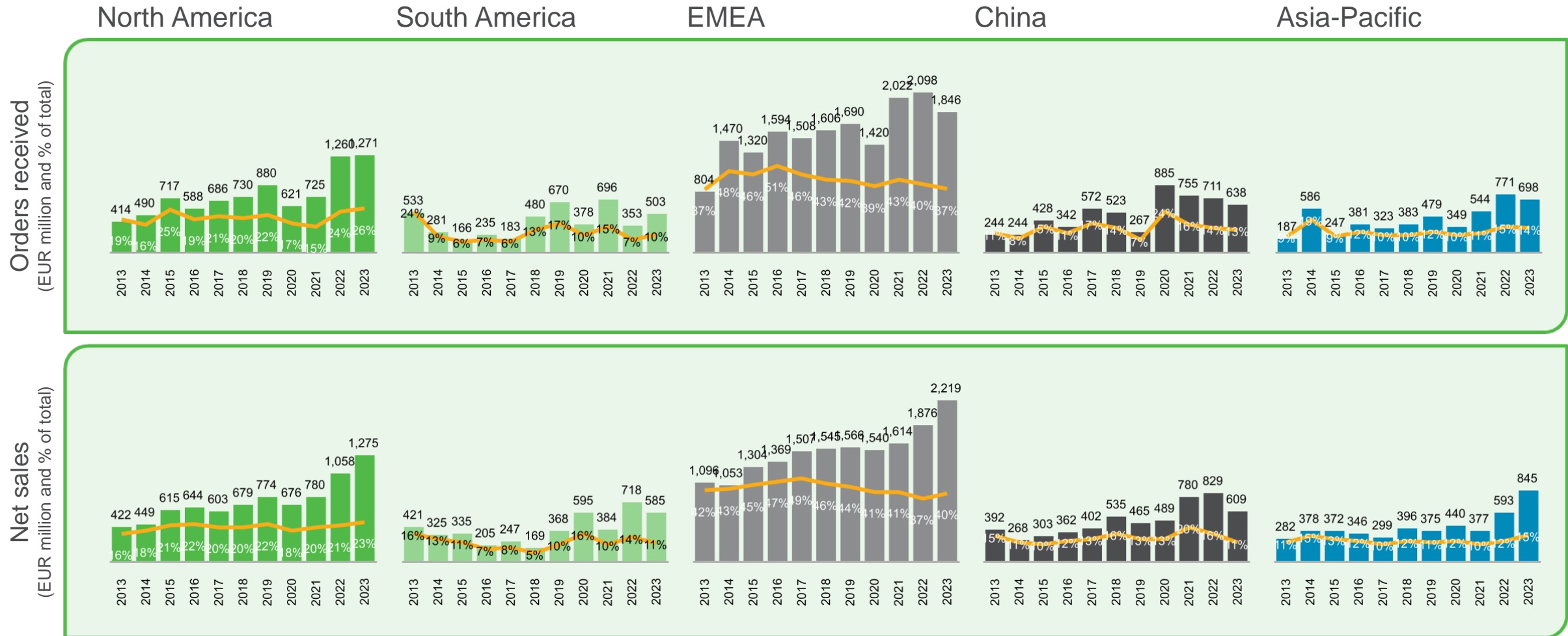
Orders received by area



Orders received by scope

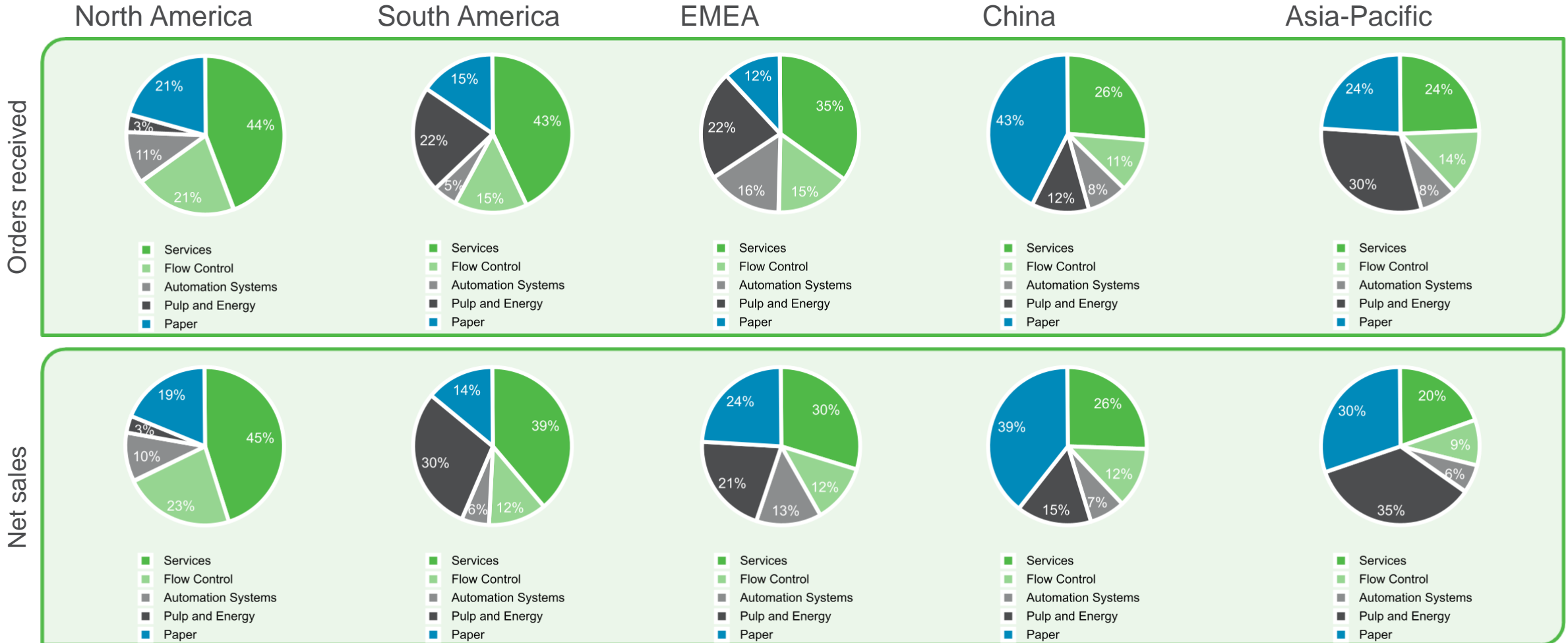


# Areas: Orders received and net sales development



2013 figures on a carve-out basis.

# Areas: Business line split in 2023



Figures have not been restated.





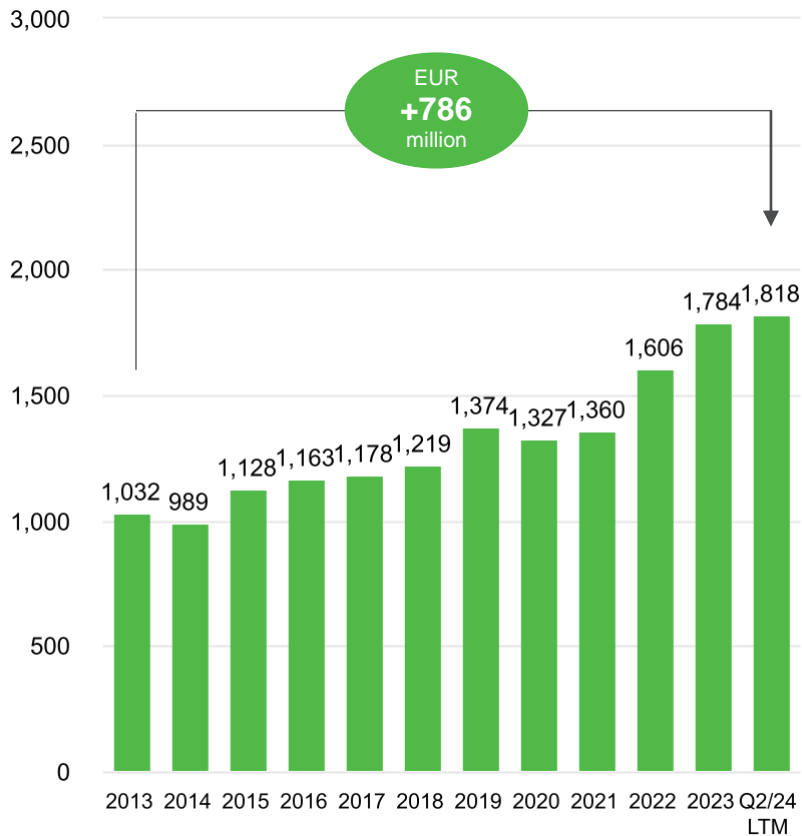
Appendix

# Growth and profitability improvement

# Strong track record of net sales growth in all segments

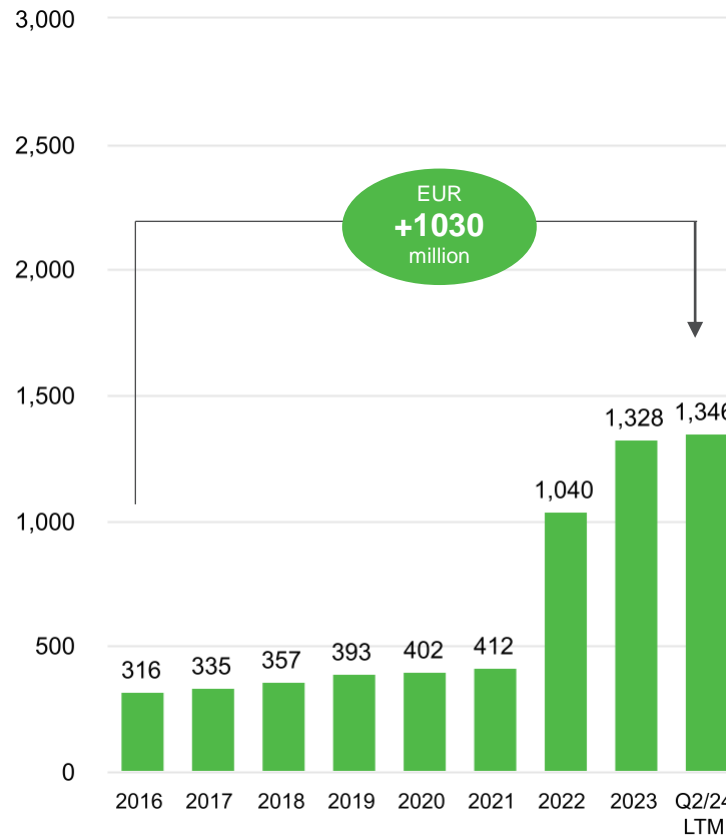
## Services

Net sales (EUR million)



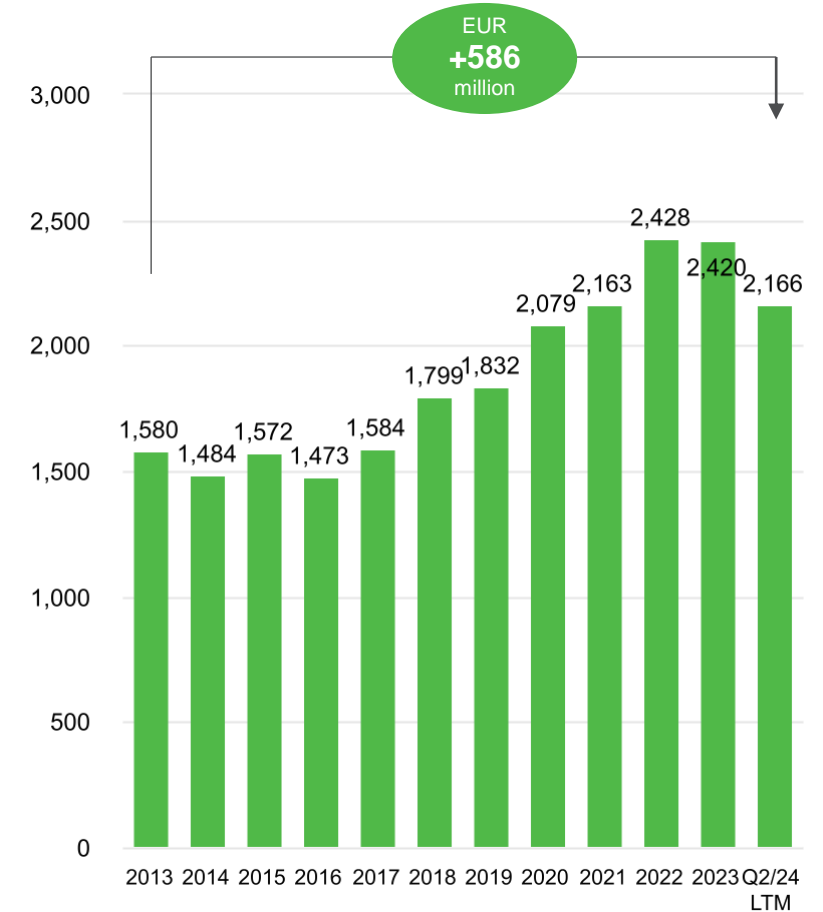
## Automation

Net sales (EUR million)



## Process Technologies

Net sales (EUR million)



# Unique offering to support a growing market

## Unique offering

Competitive advantage from the widest offering in the market



## Strong market drivers

### Process Technologies

- E-commerce and global trade
- Renewable materials replacing plastic packaging
- Conversions from paper to board
- Energy transition and CO<sub>2</sub> neutral energy production
- Energy supply security
- Tightening air emissions legislation and stricter directives

### Services

- Large and aging global installed base
- Customers' CO<sub>2</sub> reduction targets
- Energy and resource efficiency
- Productivity and end-product quality
- Digitalization, remote services and industrial internet

### Automation

- Automation and digitalization are global megatrends
- Aging machines and installed automation systems
- Demand for raw material savings, process efficiencies and sustainability
- Customers' demands on safety, reliability and emissions

# Building Valmet on positive megatrends and strategy of renewal and continuous development

Demand for bio-based products and energy continues to grow	New growth opportunities	Steadily growing stable business	Strategy
<ul style="list-style-type: none"><li>• The large pulp and paper market is growing and supported by favorable megatrends and sustainability</li><li>• Energy transition creates a growing market for Valmet's energy offering</li><li>• Valmet has strong market positions and opportunities to increase market share</li></ul>	<ul style="list-style-type: none"><li>• Future growth possibilities from new sustainable innovations</li><li>• Growth opportunities in energy and process industries in Automation</li></ul>	<ul style="list-style-type: none"><li>• EUR 3.1 billion stable business with high margin</li><li>• Stable business has high margins and resilience to market cycles</li><li>• Large and aging installed base generates a significant market</li></ul>	<ul style="list-style-type: none"><li>• Strong track record of successful acquisitions and possibility to continue to invest in selected acquisitions</li><li>• Strategy based on building the future systematically with renewal and continuous improvement</li></ul>

# Concrete actions to reach Comparable EBITA target of 12–14% through must-wins

## Customer

- Grow stable business over two times the market growth
- Maintain and improve market share in Process Technologies
- Improve price and sales management

## Technology

- Leverage strong R&D for new product innovations
- Continue to bring advanced technology to the market
- Improve product cost competitiveness

## Processes

- Ensure good project operations to reach a positive margin deviation in projects
- Improve supply chain operations to harvest cost savings
- Manage quality throughout the supply chain to minimize quality costs

## People

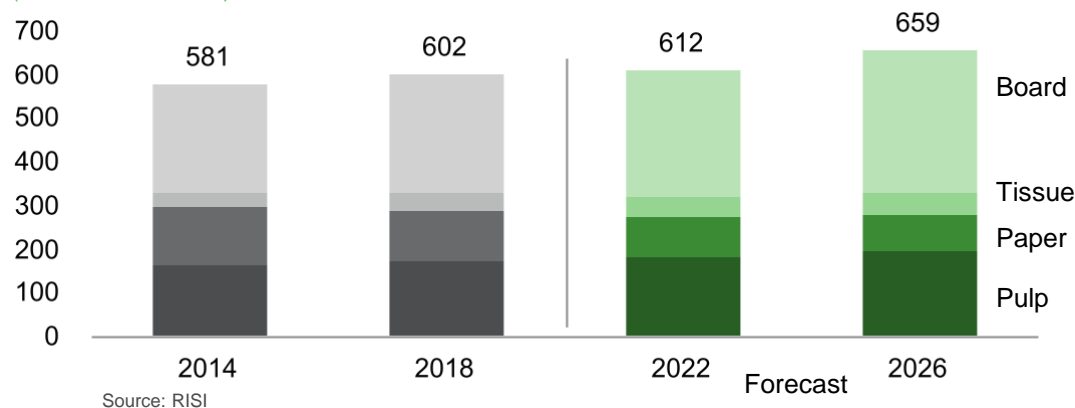
- Increase procurement, production and engineering capabilities in cost-competitive countries
- Utilize global training portfolio to strengthen Must-Win execution

Targeting to increase Comparable EBITA margin in all three segments

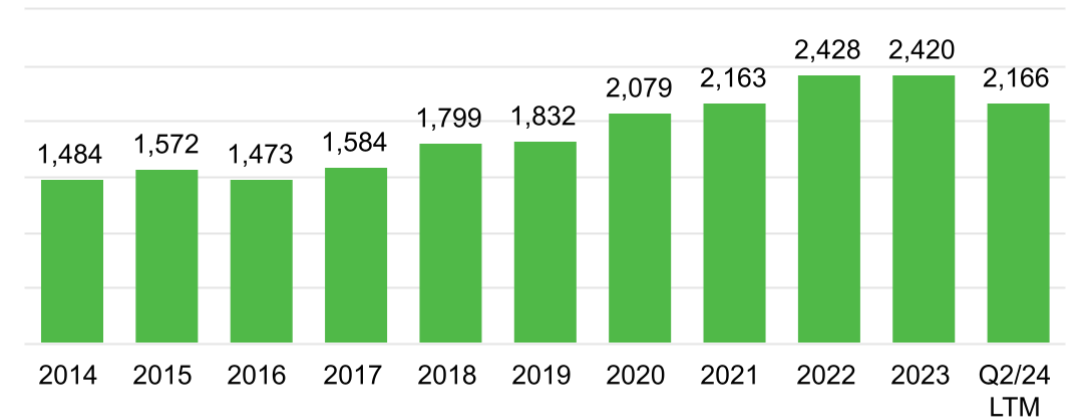
# Process Technologies segment benefiting from the growing demand for bio-based products and energy

- New pulp and paper capacity is needed as demand for bio-based products continues to grow
- Energy transition creates a growing market for Valmet's energy offering
- Large old and inefficient installed base generates a significant replacement market for Valmet
- Strong business model with large prepayments and low capacity costs
- Comparable EBITA margin 4.0% (Q2/2024 LTM)

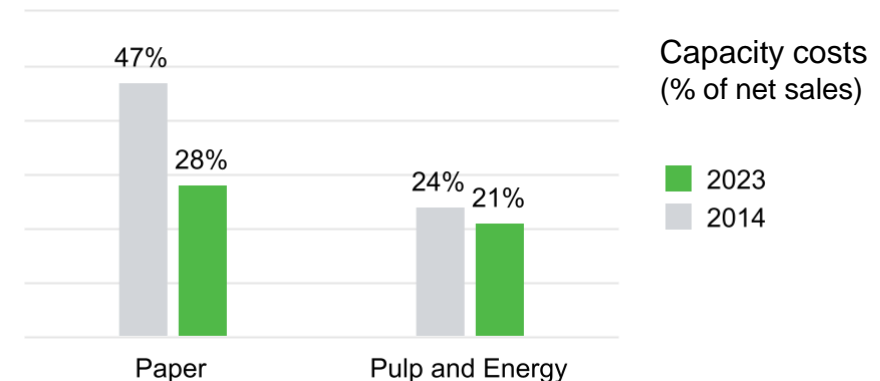
## Demand for pulp and paper continues to grow (Global demand, Mton)



## Net sales (EUR million)



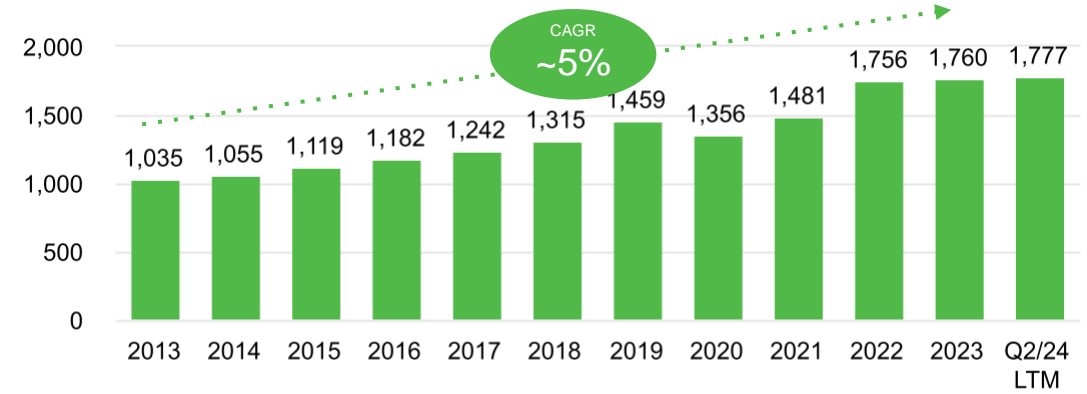
## Valmet's operational efficiency has increased



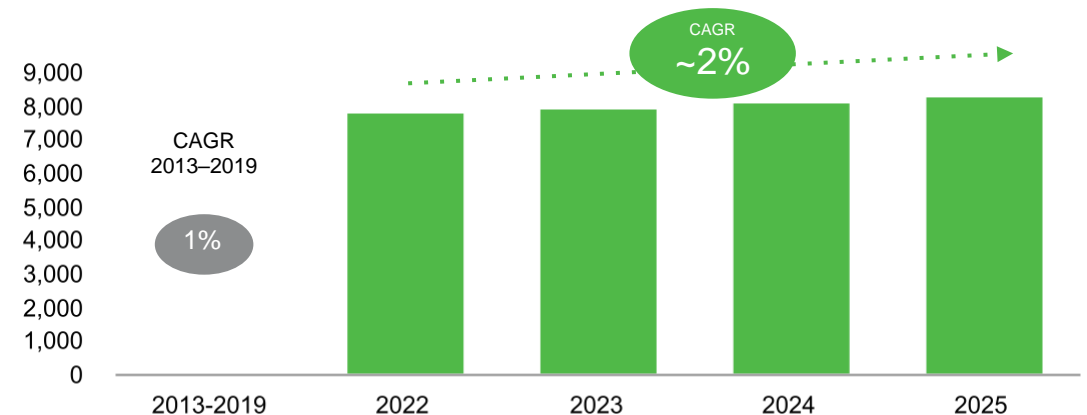
# Services segment's demand driven by large and growing global installed base

- Valmet's Services is a growing and recurring business
- Demand driven by large and growing global installed base
- Roughly EUR 8 billion addressable market estimated to grow 2% annually
- Target to continue to grow over two times the market growth
- Competitive advantage from the widest offering in the market
- Strong presence in all market areas covering all key customer corporations
- Solid track record for growth
- Comparable EBITA margin 17.0% (Q2/2024 LTM)

Orders received (EUR million)



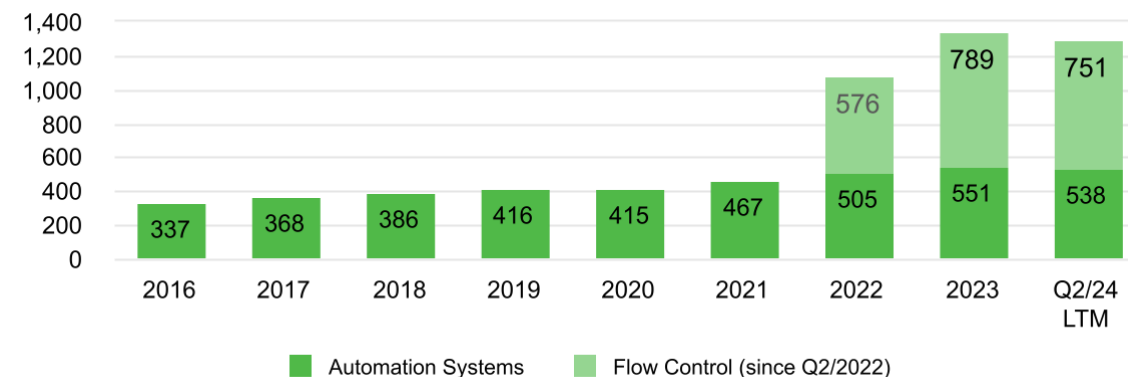
Service market development and estimate (EUR million)



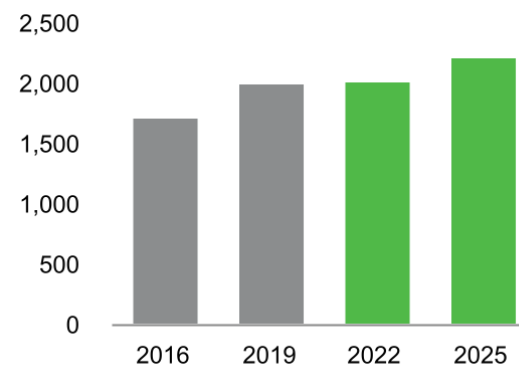
# Automation segment with high growth and profitability

- Valmet's Automation is a growing and recurring business
- Large addressable target market estimated to grow ~3% annually
- Target to continue to grow over two times the market growth
- Sustainability, digitalization and targets for operational efficiency drive the market for Automation Systems
- Flow control market for critical valves and valve automation has barriers of entry enabling solid profitability for leading players
- Opportunities to grow outside the core pulp and paper industry organically and through M&A
- Comparable EBITA margin 18.3% (Q2/2024 LTM)

Orders received (EUR million)

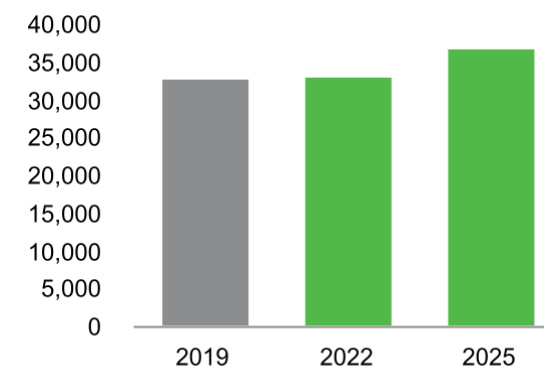


Automation Systems target market (EUR million)



Source: ARC 2021-2026 material

Flow Control market (EUR million)

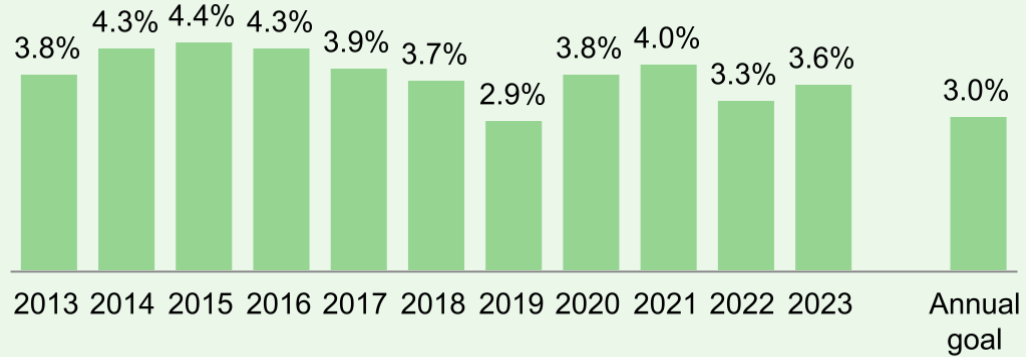


Source: Frost & Sullivan



# Procurement and quality cost development

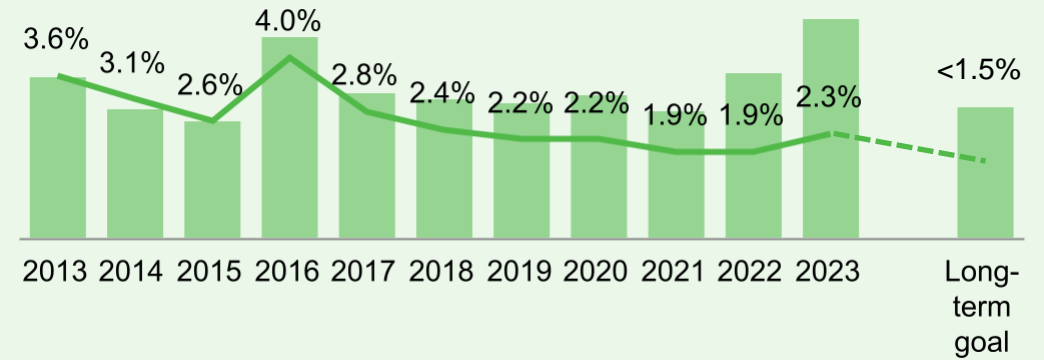
## Implemented procurement savings of annual direct spend



### Targeting >3% of procurement savings annually

- Increasing local and cost-competitive country purchases
- Increasing design-to-cost (DTC) to create new sources for savings
- More supplier involvement through supplier relationship management
- Continuing sustainable supply chain implementation

## Quality costs (% of net sales)

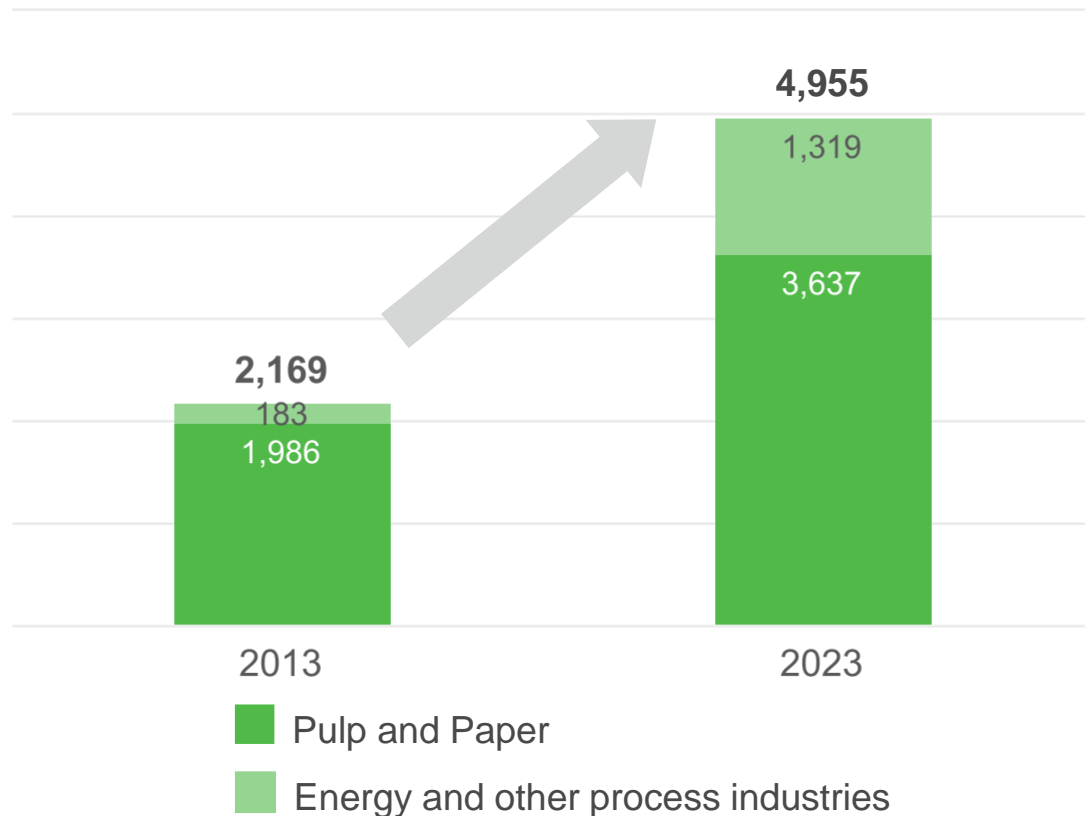


### Long-term quality costs goal <1.5% of net sales

- Adding focus on global processes and Global Management System
- Focused quality development projects related to supplier quality, quality assurance and quality control, continuous improvement, audit and risk management

# Valmet's development to a more stable company with more diversified industry exposure

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
- Valmet acquired Automation Systems in 2015 and the merger with Neles (Flow Control) was finalized in 2022
- EUR 744 million of the orders received in Energy and other process industries were from Automation segment in 2023

# Opportunities to strengthen Services, Automation and Process Technologies segments through acquisitions

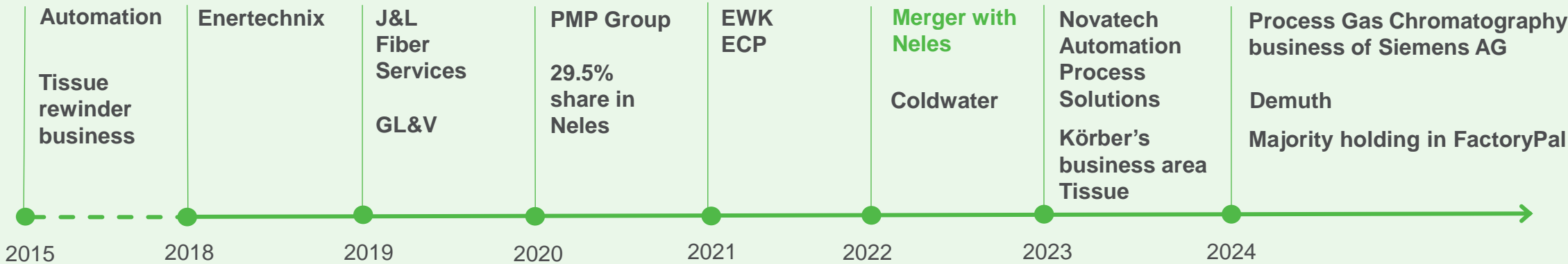
## Strong track record of successful acquisitions

- 14 acquisitions made since becoming an independent company in 2014
- Total investment in acquisitions and in the merger with Neles about EUR 2.5 billion

## Acquisition strategy

- Opportunities to strengthen Services, Automation and Process Technologies segments
- Selective acquisitions with a clear industrial logic and synergies
- Targeting to support Valmet in reaching financial targets
- Approximately 50 cases evaluated annually

### Track record of successful acquisitions



# Acquisitions in 2023 and 2024

## NovaTech Automation's Process Solutions business

- The acquisition strengthens Valmet's Automation segment with a reliable batch distributed control system (DCS)
- Net sales amounted to approximately USD 18 million in 2022 and the business operates in the United States and the Benelux countries
- Completed on January 3, 2023

## Tissue Converting business from Körber

- Tissue Converting strengthens Valmet's Process Technologies and Services segments
- In 2023, net sales of the business amounted to EUR 296 million, of which EUR 76 million was booked to Valmet
- The business employs around 1,170 employees in Italy, Brazil, the U.S., China and Japan
- Completed on November 2, 2023

## Process Gas Chromatography business of Siemens

- Process Gas Chromatography business strengthens Valmet's Automation segment and process automation offering
- In 2022, net sales of the business amounted to approximately EUR 120 million and pro-forma adjusted EBITDA margin was approximately 10%
- The business employs around 300 people, and its main locations are in the USA, Germany, and Singapore
- Completed on April 2, 2024

## Demuth

- Demuth strengthens Valmet's wood handling technology offering and services presence in South America
- Net sales of Demuth have been around EUR 20–30 million annually and the company employs around 300–400 people
- Completed on August 1, 2024

# Merger of Valmet and Neles created a leading company with a unique offering for process industries globally

- Merger of Valmet and Neles was registered and the combination of Valmet's and Neles' business operations completed on April 1, 2022
- Valmet acquired 29.5% of Neles shares in 2020 for EUR 456 million, average price per share was EUR 10.27
- Merger consideration to Neles' shareholders was approximately 34.7 million Valmet shares, amounting to EUR 978 million
- The total cost of Neles' shares acquired by Valmet amounted to EUR 1,434 million
- Valmet's share price at the end of March 31, 2022, was EUR 28.21
- Valmet's number of shares increased to approximately 184.5 million
- Neles' extra distribution before the merger to Neles shareholders was EUR 2.00 per share
- Starting from Q2/2022, Neles is part of Valmet's Automation segment and forms the fifth business line to Valmet, called Flow Control

# Acquisition of Körber's Business Area Tissue

## Acquisition in brief

- On July 7, 2023, Valmet entered into an agreement to acquire Körber Group's Business Area Tissue. The transaction was closed on November 2, 2023
- The enterprise value is approximately EUR 380 million<sup>1</sup>
- The acquired business will operate integrated in Valmet's Paper business line as business unit Tissue Converting
- In Valmet's reporting, the process technology part of the business will be consolidated to Paper business line and the services part to the Services business line

## Körber Group's Business Area Tissue in brief

- Process technologies as well as related services and automation for converting the jumbo reels of tissue paper into final tissue products for consumers and the Away from Home segment
- The broadest offering in the tissue converting industry
- In 2022, net sales amounted to EUR ~305 million and adj. EBITDA margin ~12%
- A strong and growing services business, which accounted for 36% of total net sales in 2022
- HQ in Italy and ~1,170 employees in Italy, Brazil, China, Japan and the U.S.

## Strategic rationale of the acquisition

- Creating the markets' widest technology, automation and services offering for the growing tissue industry
- Strengthen both Process Technologies and Services segments
- The combination of Valmet's legacy tissue offering and the acquired tissue converting is complementary and good strategic fit
- The combination forms a strong basis to create new business opportunities and serve our customers even better
- Valmet estimates that the acquisition will bring sales, service and cost synergies worth of EUR 8 million by the end of 2026

1) On a cash and debt free basis subject to ordinary post-closing adjustments



# Acquisition of the Process Gas Chromatography business of Siemens

## Acquisition in brief

- Valmet entered into an agreement on July 14, 2023, to acquire the Process Gas Chromatography business of Siemens AG
- The enterprise value is EUR 102.5 million<sup>1</sup>
- The acquisition was completed on April 2, 2024
- The acquired business is integrated into Valmet's Automation Systems business line as a business unit called Analyzer Products and Integration

## Siemens Process Gas Chromatography business in brief


- Gas Chromatographs are used to measure the chemical composition in gases and evaporable liquids in all stages of production
- Market leader in process gas chromatography
- The Maxum brand is widely known in process industries and used extensively by world's leading industrial customers
- In 2022, net sales of the acquired business amounted to approximately EUR 120 million and pro-forma adjusted EBITDA margin was approximately 10%

## Strategic rationale of the acquisition

- The acquired offering complements Valmet's existing automation offering, industry reach and expertise
- The acquisition strengthens Valmet's Automation segment and process automation offering
- The acquisition strengthens Automation Systems business footprint in North America, Asia-Pacific, and Europe



1) On a cash and debt free basis subject to ordinary post-closing adjustments



Appendix  
**Shareholders and share price  
development**



# Largest shareholders on July 31, 2024

Based on indicative data collected by Modular Finance

#	Shareholder name	Number of shares	% of shares and votes
1	Oras Invest Oy	19,200,000	10.40%
2	Solidium Oy	18,640,665	10.10%
3	Swedbank Robur Fonder	10,224,016	5.54%
4	Varma Mutual Pension Insurance Company	8,186,744	4.44%
5	Ilmarinen Mutual Pension Insurance Company	7,060,818	3.83%
6	Vanguard	6,448,396	3.49%
7	BlackRock	3,665,201	1.99%
8	Capital Group	3,518,554	1.91%
9	Dimensional Fund Advisors	3,402,235	1.84%
10	Norges Bank	3,042,793	1.65%
	<i>Top 10</i>	<i>83,389,422</i>	<i>45.19%</i>
	<i>Other shareholders</i>	<i>101,140,183</i>	<i>54.81%</i>
	<b>Total</b>	<b>184,529,605</b>	<b>100.0%</b>

## Five latest flagging notifications

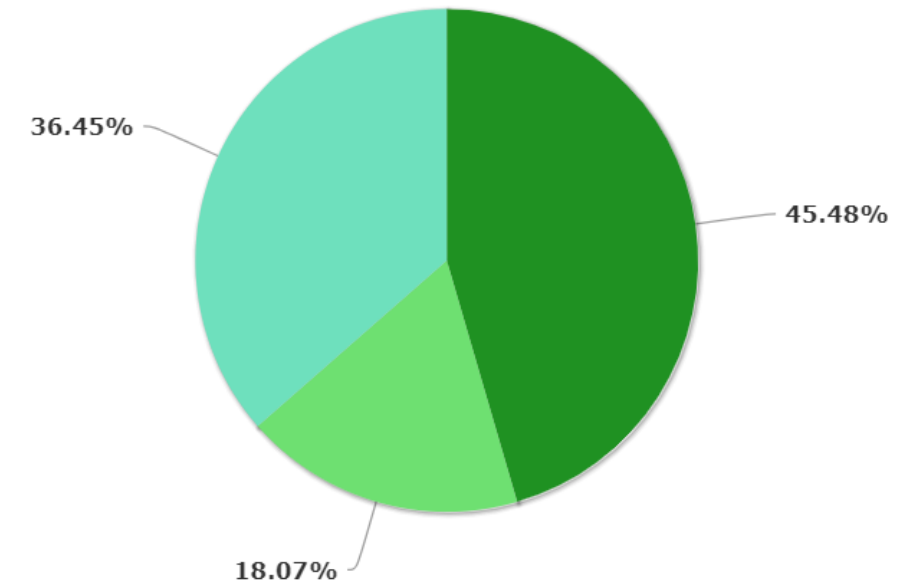
Date of transaction	Shareholder	Number of shares	% of shares and votes
August 9, 2024	The Goldman Sachs Group, Inc.	9,129,906	4.95%
August 7, 2024	The Goldman Sachs Group, Inc.	9,255,256	5.02%
Mar 8, 2024	Swedbank Robur Fonder AB	9,393,316	5.09%
Jan 26, 2024	Oras Invest Oy	18,850,000	10.22%
Jan 5, 2024	The Goldman Sachs Group, Inc.	4,898,323	2.65%



# Shareholder structure on July 31, 2024

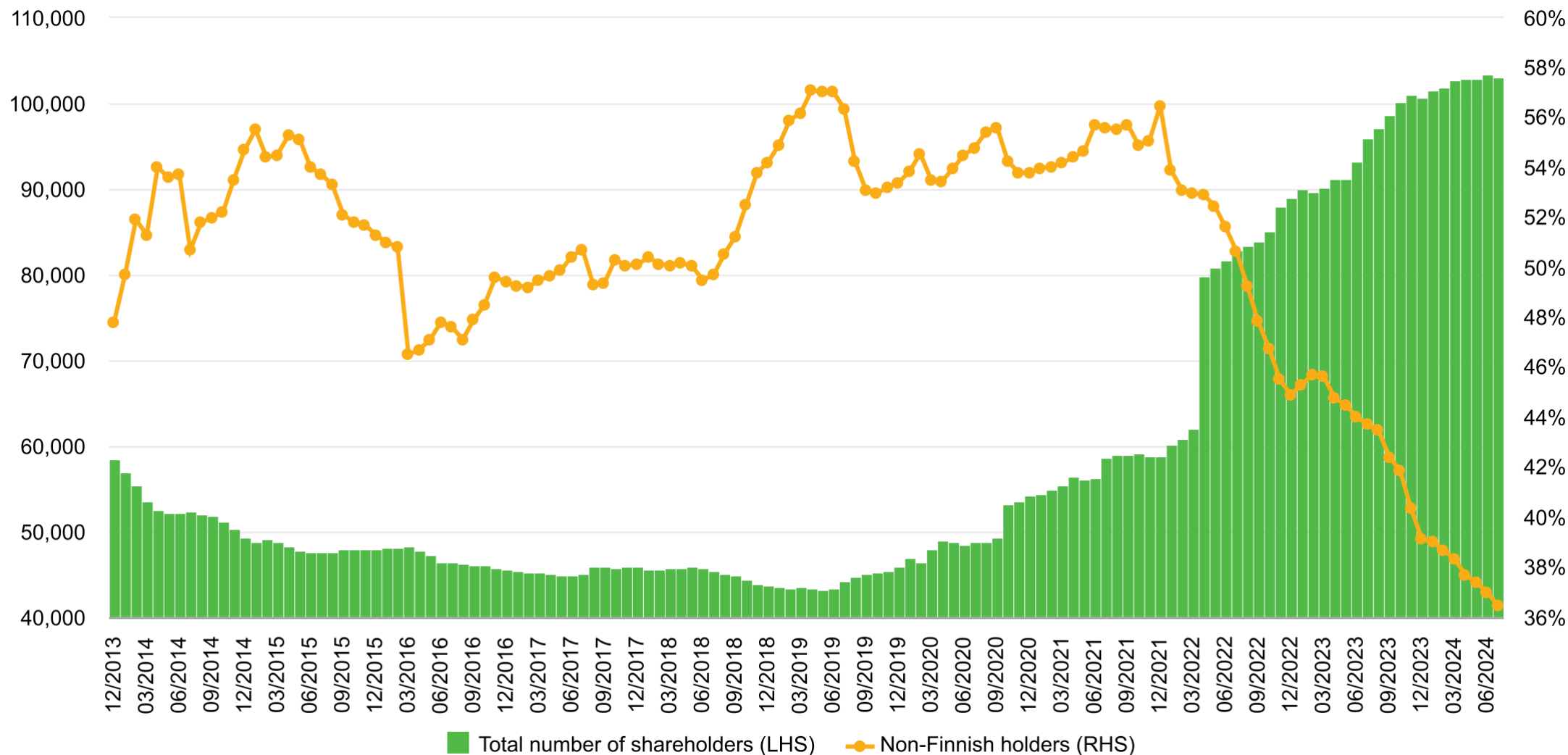
Based on Euroclear data. The classification of sectors determined by Statistics Finland.

Sector	Shareholders		Shares	
	Number	%	Number	%
Finnish institutions, companies and foundations	4,907	4.76	83,927,078	45.48
Finnish private investors	97,647	94.75	33,339,000	18.07
Nominee registered and non-Finnish holders	499	0.48	67,252,958	36.45
Total	103,053	100.00	184,519,036	100.00
In the joint book-entry account	0		10,569	
Number of shares issued	103,053		184,529,605	



# Share of non-Finnish holders and number of shareholders

At the end of July 2024, Valmet had 103,053 shareholders and 36% of the shares were held by investors outside Finland



# Valmet share price development

Valmet share price development vs OMXH price index, last 3 years



Share price during 2024	Valmet	OMX Helsinki
<b>December 31, 2023</b>	26.11	10,098
<b>July 31, 2024</b>	26.17	9,983
<b>High</b>	27.82	10,445
<b>Low</b>	22.82	9,602
<b>Market Cap (EUR million)</b>	4,829	

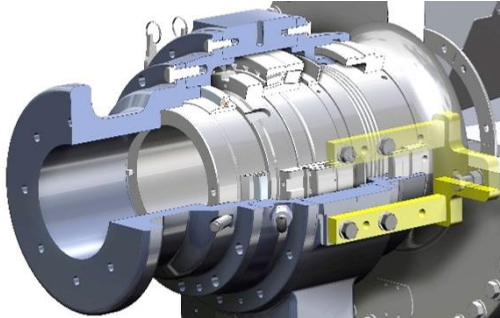
	Volume 2024	% of outstanding
<b>Total</b>	70,605,256	38.3%
<b>Median</b>	405,946	0.2%
<b>Average</b>	480,308	0.3%
<b>Average, Eur</b>	12,157,835	
<b>Max</b>	2,775,697	1.5%
<b>Min</b>	167,514	0.1%
<b>No. of shares outstanding</b>	184,168,205	

Source: FactSet, Nasdaq



Appendix  
**Offering**

# Services: 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



# Services: 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

# Flow Control: High-quality product portfolio for valve and valve automation needs



## Valve controllers

- Valve controllers for control and on-off valves
- Intelligent safety solenoids
- Limit switches

## Actuators

- Pneumatic actuators
- Hydraulic actuators
- Electric actuators

## Valves

- Control valves
- On-off valves
- ESD valves

## Flow Control market position<sup>1</sup>

# 2–3

# 5–7

# ~10



# Automation Systems: High technology and competitive offering



## Distributed Control Systems (DCS)

- Highly integrated, renewing Valmet DNA Automation System for process control, monitoring and applications for different industries
- Automation services and Industrial internet solutions



## Quality Management Systems (QMS)

- Valmet IQ Quality control system for pulp and paper
- Quality management applications to optimize resource usage and quality
- Automation services and Industrial internet solutions



## Analyzers and Measurements

- For measuring and optimizing different variables in industrial processes
- Automation services and Industrial internet solutions

Offering

Competitive advantages

- Integrated, industrial internet ready automation platform with wide application offering for focus industries
- User experience focused web-based user interface with secure access
- Future-proof technology - lifetime compatibility

- World's widest offering in quality management for board and paper
- Integrated to automation platform
- Quality optimization across the value chain all the way from fibers to finished product (e.g., carton board boxes)

- World's widest and most trusted offering for pulp and paper
- Measurements to adjacent markets like wastewater
- Unique combination of advanced process controls and optimization: a solid base of data for mill-wide optimization

# Automation Systems: Customers investing in improving their operations

Real-time & predictive control and optimization

**5. Optimization Applications**  
Optimized production of the entire mill, plant or fleet

**3. Analyzers & Measurements, Valves**  
Process data for control and optimization

**2. Intelligent Process Equipment**  
Diagnostics data for control and optimization

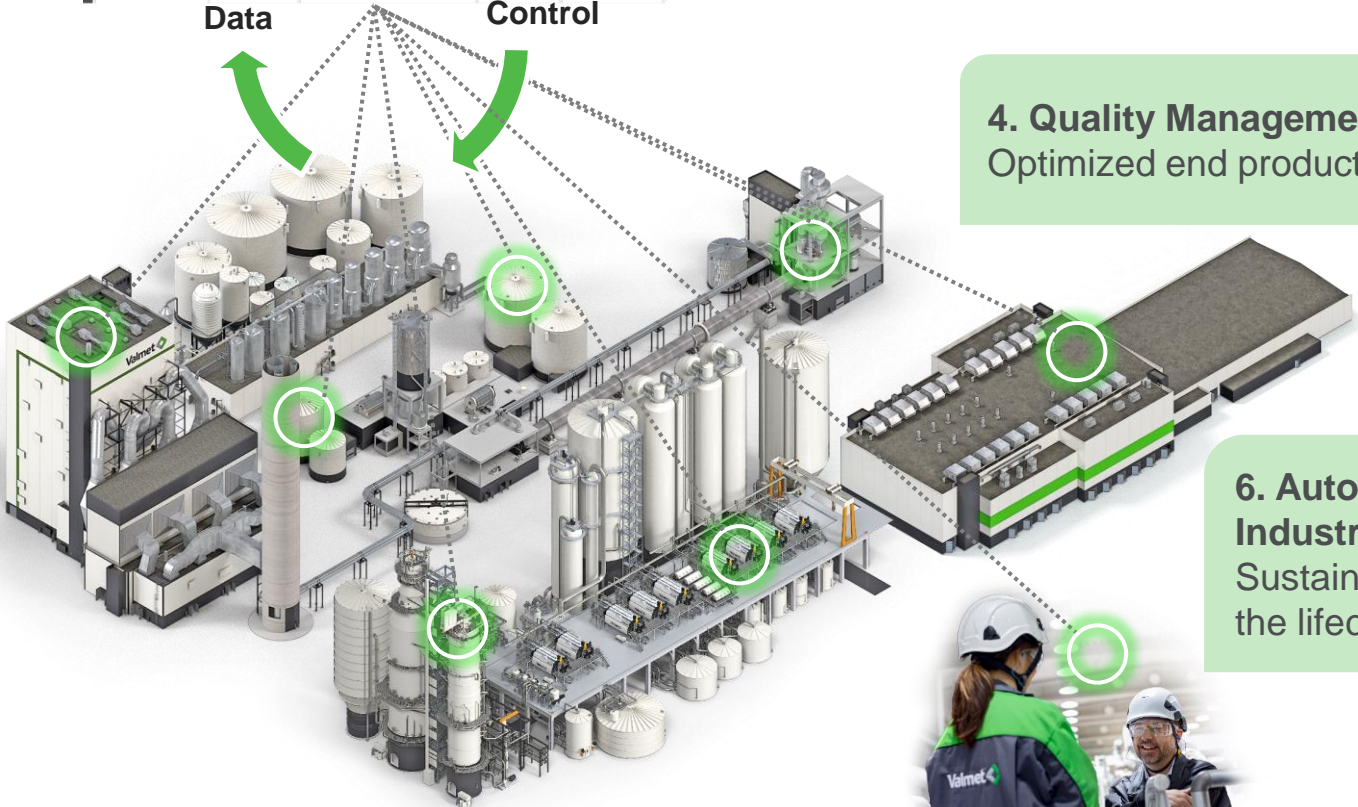


secure connection to cloud

**1. Distributed Control Systems**  
Reliable process control

**4. Quality Management Systems**  
Optimized end product quality

**6. Automation Services and Industrial Internet Solutions**  
Sustainable performance over the lifecycle

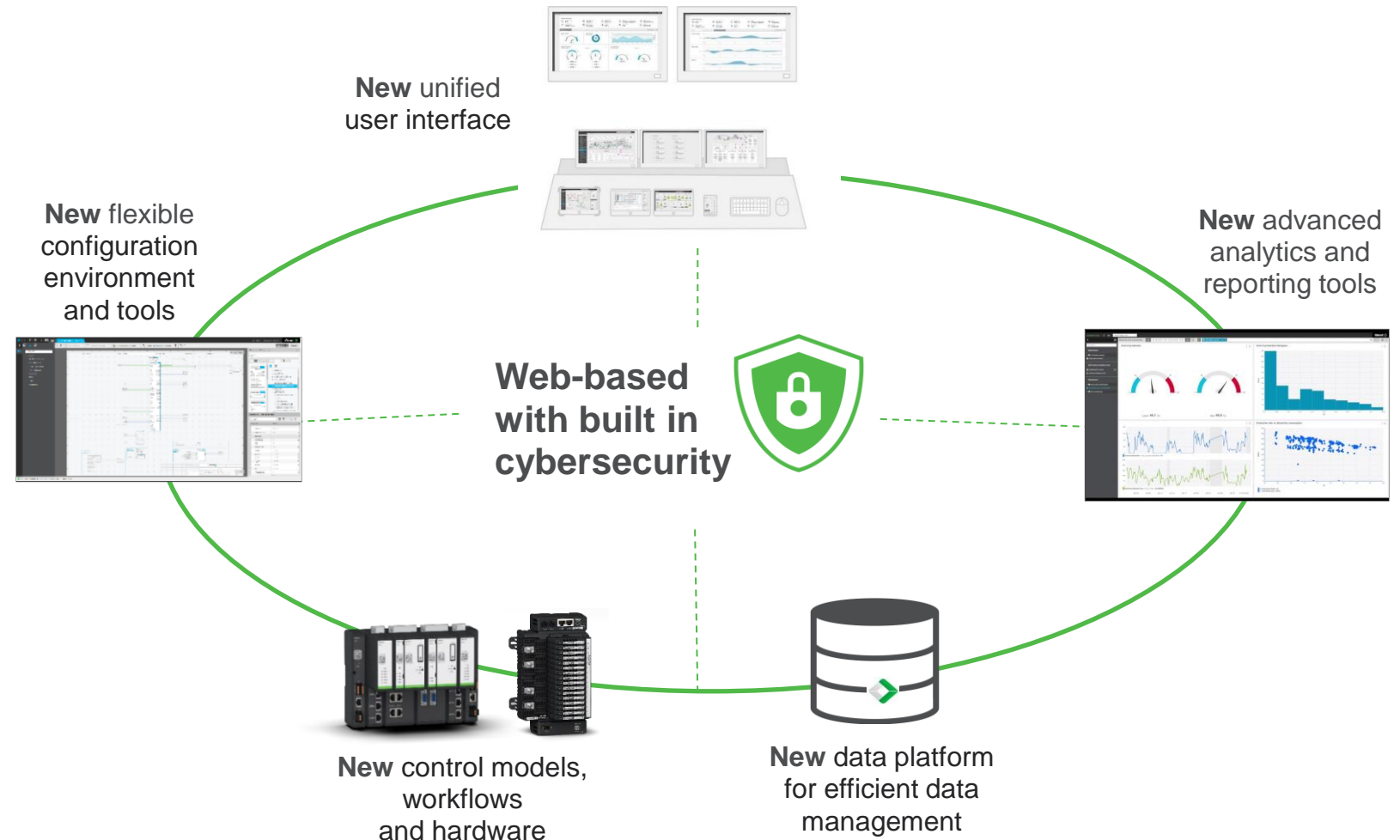


# Valmet DNAe – the future-proof Distributed Control System (DCS)

- On April 9, 2024, Valmet launched its new DCS system, Valmet DNAe
- Represents a major milestone in process automation and increases the competitiveness of Valmet's DCS offering
- Fully web-based platform with industry-leading user experience and cybersecurity
- Helps customers improve efficiency, productivity, sustainability and safety of their operations
- Provides a solid platform for moving towards more digitalized, autonomous operations
- In 2023, orders received of Valmet's DCS amounted to roughly EUR 314 million

Major step in Valmet's strategy for growing automation business further to a wide base of process industries globally

Supports Valmet's financial target of growing over two times the market growth in the Automation segment





# Leading pulp and energy technology offering



## Pulp

### Complete mills and lines

- Complete chemical pulp mills from wood handling to bales
- Mechanical pulping lines (BCTMP, CTMP)
- Plant-wide project execution and management

### Single islands and products

- Chemical pulp mill islands
- Defibrators for fiberboard production
- Prehydrolysis BioTrac systems
- LignoBoost plants
- Textile recycling technology

- Mill-wide offering with automation and services
- Optimized production, energy efficiency and environmental performance
- Local presence through Area organization

- Leading technology e.g. G3 Cooking with strong market success
- Leading mechanical pulping (CTMP) solutions
- Strong position in new products
- Excellent energy and environmental performance



## Energy

### Boilers and power plants

- Fluidized bed boilers – using biomass, waste and residues
- Biomass gasifiers
- Modular power plants
- Emission control systems (SOx, NOx and dust removal)

- Strong expertise in biomass-based power and heat
- Excellent fuel flexibility with fluidized bed technology
- Large reference base
- Local presence through Area organization and partners

### Rebuilds and conversions

- Boiler fuel conversions from fossil to biomass
- Boiler production capacity upgrades
- Emission reduction projects

- Technical knowledge of the process including fuel handling, combustion and emission control
- Various complementing technologies
- Large reference base

Offering

Competitive advantages

# Unmatched scope in Board, Paper and Tissue



**New instalments**

**Rebuilds**

**Single products**

Board

Stock preparation and recycled fiber lines

Capacity and quality improvements

e.g., headboxes, press rebuilds, surface treatment, winders, refiners

Paper

Paper, board and tissue machinery

Focus on productivity improvement

Automation Systems

Flow Control

Tissue

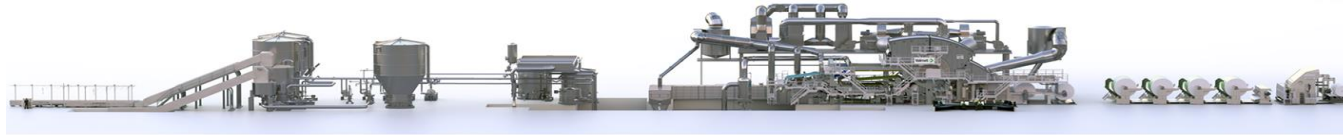
Services for optimized overall performance

Energy efficiency and productivity

e.g., headboxes, ViscoNip presses, rewinders, refiners

# Valmet Tissue Converting: Creating the market's widest offering for tissue industry

Technologies, services and automation for the entire tissue value chain – from fiber to a finished end product



Stock preparation

Tissue machine

Tissue rewinder



Converting line



- With Tissue Converting, Valmet now has the market's widest portfolio of process technologies, services and automation solutions for the entire tissue value chain
- The leading tissue making and converting technologies combined with Valmet Industrial Internet will enable significant productivity as well as end-product quality improvements for tissue customers

# Driving rebuilds towards resource-efficient board production

Energy consumption<sup>1</sup>  
**-18%**

2012–2022:  
from 1,150 to 950 kWh/t

Fiber savings<sup>1</sup>  
**-10%**

2012–2022:  
from 100 to 90 g/m<sup>2</sup>

Optimized performance  
with Industrial Internet  
solutions

Bio-packaging  
with new coating solutions

**OptiFlo with Aqua headbox**  
Solution for multilayering with single headbox

**OptiFormer Hybrid with Sleeve roll**  
Solution for capacity and strength improvement

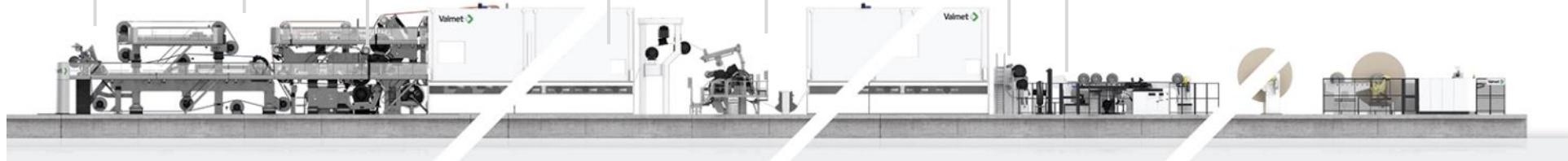
**OptiPress Center with Metal belt**  
Towards increased dry content and decreased draw

**Steel cylinder**  
Solution for higher drying efficiency

**OptiSizer HardSizer with Hard Nip**  
Solution for improved strength

**OptiCalender Metal Belt**  
Better surface quality and higher bulk

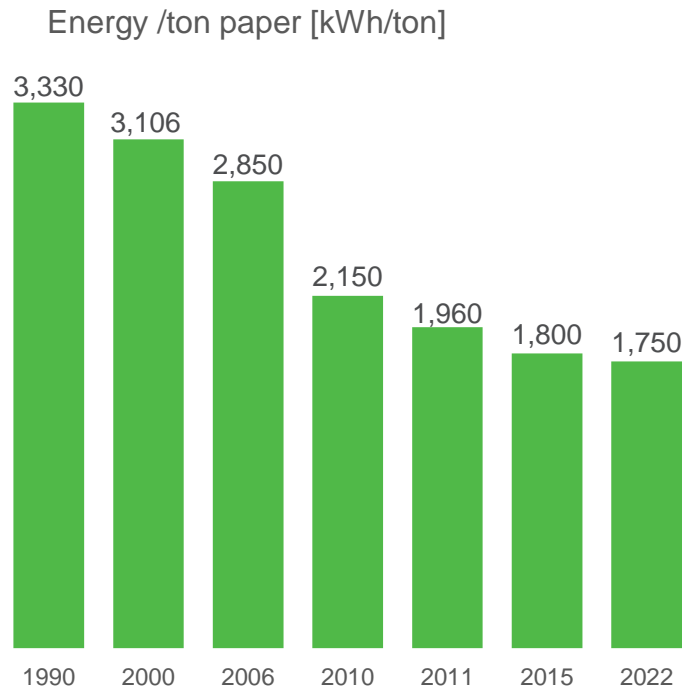
**Aqua Cooling**  
Improved bulk



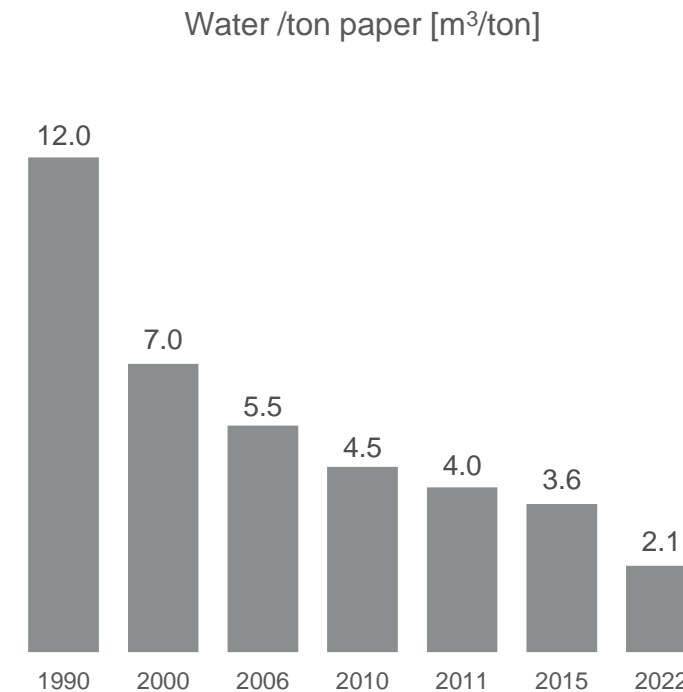


# Driving development of resource-efficient tissue production

## 47% less energy<sup>1</sup>



## 80% less water<sup>1</sup>



## Less fiber consumption<sup>2</sup>



<sup>1</sup> DCT type of mill, same production and basis weight

<sup>2</sup> Achieving the same main tissue specific paper properties





Appendix  
Management and remuneration

# Board of Directors



**Mikael Mäkinen**  
(b. 1956)  
Chair of the Board  
Finnish citizen

- M.Sc. (Eng.)
- Other positions of trust:
  - Chair of the Board of AkerArctic Technology Inc. and Corvus Energy
  - Board member in SSAB AB and Finnlines Oyj
- Share ownership: 11,906
- Independent of company: Yes
- Independent of owners: Yes



**Jaakko Eskola**  
(b. 1958)  
Vice Chair of the Board  
Finnish citizen

- M.Sc. (Eng.)
- Other positions of trust:
  - Chair of the Board of Enersense International Oyj, Cargotec Oyj, Varma Mutual Pension Insurance Company, Technology Industries of Finland, Oyj HIFK-Hockey Ab
- Share ownership: 4,870
- Independent of company: Yes
- Independent of owners: Yes



**Anu Hämäläinen**  
(b. 1965)  
Board member  
Finnish citizen

- M.Sc. (Econ.)
- CFO at Kesko Corporation
- Other positions of trust:
  - Board member of Finnish Fund for Industrial Cooperation Ltd. (FINNFUND) and Vähittäiskaupan Tilipalvelu VTP Oy
- Share ownership: 4,196
- Independent of company: Yes
- Independent of owners: Yes



**Pekka Kemppainen**  
(b. 1954)  
Board member  
Finnish citizen

- Lic.Sc. (Tech.)
- Other positions of trust:
  - Board member in Bittium Oyj and Junttan Oy
- Share ownership: 6,535
- Independent of company: Yes
- Independent of owners: Yes



**Per Lindberg**  
(b. 1959)  
Board member  
Swedish citizen

- M.Sc. (Eng.), PhD (Industrial Management)
- Senior Advisor at Peymar Holding AB
- Other positions of trust:
  - Chair of the BoD of Permascand AB and Nordic Brass Gusum AB
  - Board member in Boliden AB, Vattenfall AB and ReOcean AB
- Share ownership: 3,591
- Independent of company: Yes
- Independent of owners: Yes



**Annareetta Lumme-Timonen**  
(b. 1967)  
Board member  
Finnish citizen

- M.Sc. (Tech.), D.Sc. (Tech.)
- Investment Director at Solidium Oyj
- Other positions of trust:
  - Board member of Anora Group Plc
- Share ownership: 1,582
- Independent of company: Yes
- Independent of owners: No



**Monika Maurer**  
(b. 1956)  
Board member  
German citizen

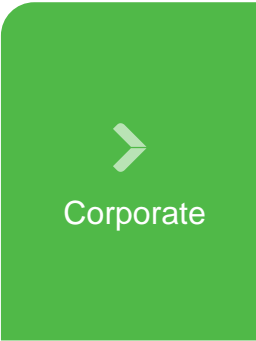
- Diploma in Physics and Chemistry
- Diploma in Pedagogy
- CEO of Radio Frequency Systems
- Other positions of trust:
  - Vice Chair of the Board of Nokia Shanghai Bell, Co. Ltd and Board member of Atos SE
- Share ownership: 6,535
- Independent of company: Yes
- Independent of owners: Yes



**Annika Paasikivi**  
(b. 1975)  
Board member  
Finnish citizen

- B.A., M.Sc. (Global Politics)
- President & CEO of Oras Invest Oyj
- Other positions of trust:
  - Vice Chair of the Board of Kemira Oyj, Board member of Georg Fischer Ltd and Varova Oy
- Share ownership: 1,449
- Independent of company: Yes
- Independent of owners: No

# Executive Team



**Thomas Hinnerskov**  
President and CEO



**Katri Hokkanen**  
CFO  
Share ownership: 9,295



**Anu Salonsaari-Posti**  
SVP, Marketing, Communications,  
Sustainability and Corporate Relations  
Share ownership: 37,300



**Janne Pynnönen**  
SVP, Operational Development  
Share ownership: 1,087



**Aki Niemi**  
Business Line President,  
Services  
Share ownership: 44,783



**Emilia Torttila-Miettinen**  
Business Line President,  
Automation Systems  
Share ownership: 2,884



**Simo Sääsilahti**  
Business Line President,  
Flow Control  
Share ownership: 6,855



**Sami Riekkola**  
Business Line President,  
Pulp and Energy  
Share ownership: 23,187



**Petri Rasinmäki**  
Business Line President,  
Paper  
Share ownership: 2,929



**Jukka Tiitinen**  
Area President,  
North America  
Share ownership: 45,040



**Celso Tacla**  
Area President,  
South America  
Share ownership: 78,512



**Tero Kokko**  
Area President,  
EMEA  
Share ownership: 4,104



**Xiangdong Zhu**  
Area President,  
China  
Share ownership: 38,079



**Petri Paukkunen**  
Area President,  
Asia Pacific  
Share ownership: 15,986

# Remuneration of the President and CEO

- The remuneration of the President and CEO is comprised of
  - fixed base salary (monthly base salary and customary fringe benefits<sup>1)</sup>)
  - short-term and long-term incentives, and
  - pension benefits and customary insurances
- In 2023, the President and CEO's monthly fixed compensation was EUR 63,293 and the fixed annual salary EUR 797,490 (incl. taxable benefits<sup>1)</sup>)
- The maximum relative proportion of the variable pay elements is 2–3 times the fixed salary
  - The maximum short-term incentive cannot exceed 100–150% of fixed salary, and the maximum long-term incentive cannot exceed 150–200% of fixed salary at grant.
- The President and CEO is recommended to own and hold Company shares equaling to the CEO's gross annual base salary (100 percent ownership recommendation)
  - Current ownership ca. EUR 5.0 million (calculated with EUR 25.00 share price)
- The additional pension plan is 20% of the annual base salary
- Severance pay (if the Company terminates the agreement) equals a six month notice period plus severance pay corresponding to the last total monthly salary multiplied by 18

1) Such as a car and a mobile phone in accordance with local legislation and market practice.

# Remuneration of the Executive Team

- The remuneration of the Executive Team members comprises
  - fixed base salary (incl. monthly salary and taxable benefits<sup>1</sup>)
  - short-term and long-term incentives, and
  - a supplementary pension plan
- Additional pension benefit in the form of a defined contribution pension plan equaling 15–20% of base salary depending on role
- Notice period is six months for both parties. If the company terminates the agreement, there is an additional severance pay equaling six times the last total monthly salary

<sup>1</sup>) Such as a company car and a phone allowance, according to the local legislation and market practice.

# Current Performance Share Plans and Deferred Share Plans

	LTI plan 2022–2024		LTI plan 2023–2025		LTI plan 2024–2026	
Plan name	PSP and DSP	PSP	PSP and DSP	PSP	DSP	PSP
Performance period	2022 (1 year)	2022–2024 (3 years)	2023 (1 year)	2023–2025 (3 years)	2024	2024, 2024–2026
Incentive based on	<ul style="list-style-type: none"> <li>• Comparable EBITA margin (50%)</li> <li>• Orders received growth in the stable business (50%)</li> </ul>	ESG Index, targets linked to implementing Valmet's Climate Program and Sustainability Agenda	<ul style="list-style-type: none"> <li>• Comparable EBITA margin (50%)</li> <li>• Orders received growth in the stable business (50%)</li> </ul>	Development of a valuation multiple of Valmet's share in comparison to peer group	Comparable EBITA as a percentage of net sales, and orders received growth of the stable business	<ul style="list-style-type: none"> <li>• Development of a valuation multiple of Valmet's share in comparison to peer group</li> <li>• Comparable EBITA as a percentage of net sales, and orders received growth of the stable business</li> </ul>
Reward payment	In spring 2023	In spring 2025	In spring 2024	In spring 2026	In spring 2025	In spring 2027
Restriction period	Until spring 2025		Until spring 2026		Until spring 2027	
Participants in PSP	14	11	15	13		14
Participants in DSP	121		128		192	
Total gross number of shares earned	Approximately 180,000	Approximately 29,000	Approximately 154,000 shares	Approximately 47,000 shares	As at June 30, 2024, a total of approximately 362,000 shares were allotted to participants.	As at June 30, 2024, a total of approximately 235,000 shares were allotted to participants.

