A man in a green safety vest and a woman are looking at a large screen displaying technical diagrams. The man is in the foreground, wearing a green safety vest over a dark shirt. The woman is behind him, looking at the screen. The screen shows a complex diagram with various lines and shapes. The background is a plain wall.

Valmet – unique offering with process technology, automation and services

Calle Loikkanen  
Director, Investor Relations

*September 5, 2018*

# Agenda

1

Valmet in brief

2

Investment highlights

3

Conclusion

4

Appendix



# Valmet in brief

# Key figures in 2017

**Orders received**  
EUR 3,272 million

**Net sales**  
EUR 3,058 million

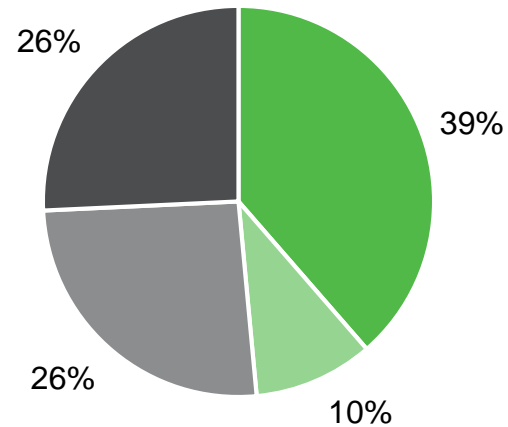
**Comparable EBITA**  
EUR 218 million

**Comparable EBITA margin**  
7.1%

**Order backlog**  
EUR 2,458 million

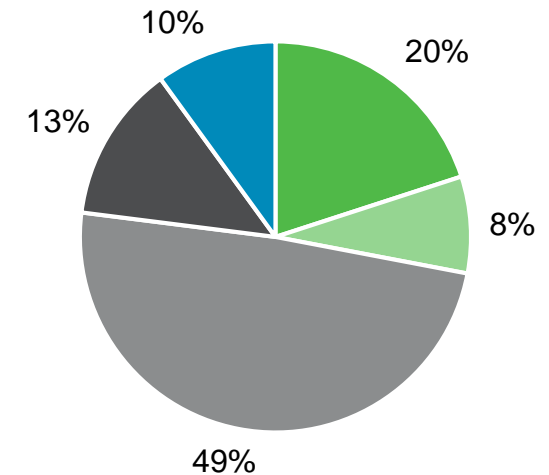
**Employees**  
12,268

Net sales by business line



- Services
- Automation
- Pulp and Energy
- Paper

Net sales by area

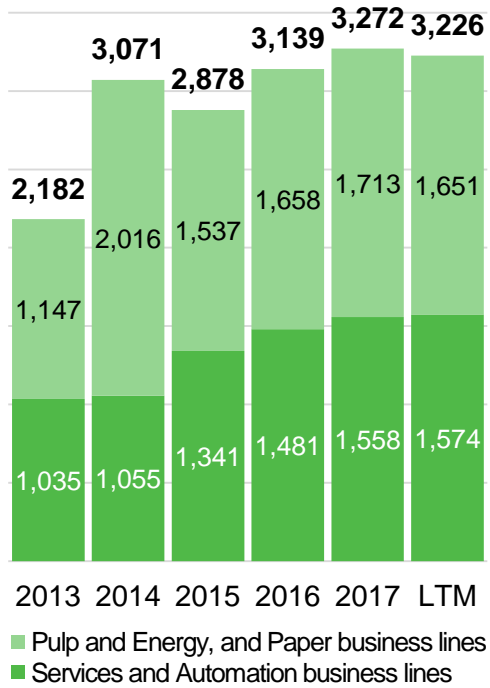


- North America
- South America
- EMEA
- China
- Asia-Pacific

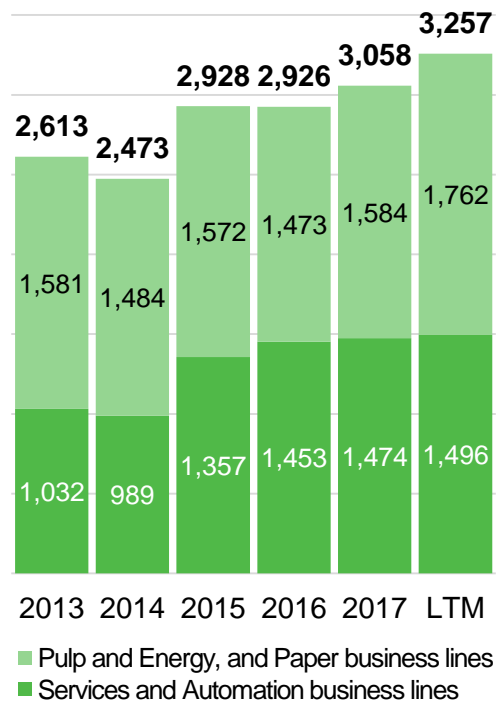
# Valmet's development

Comparable EBITA target 8–10%

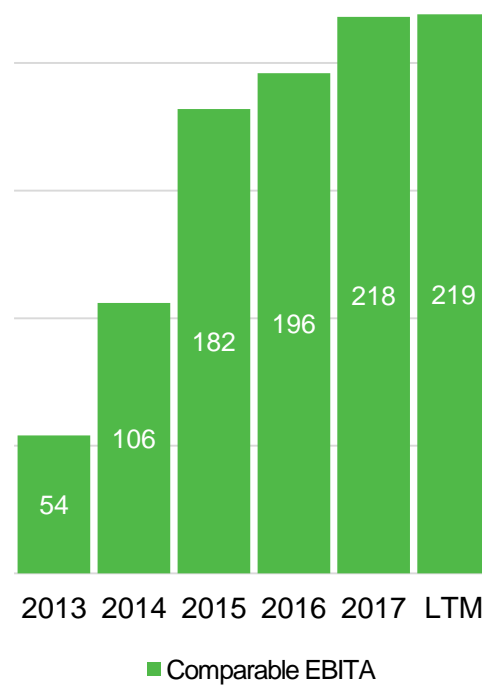
Orders received  
(EUR million)<sup>1</sup>



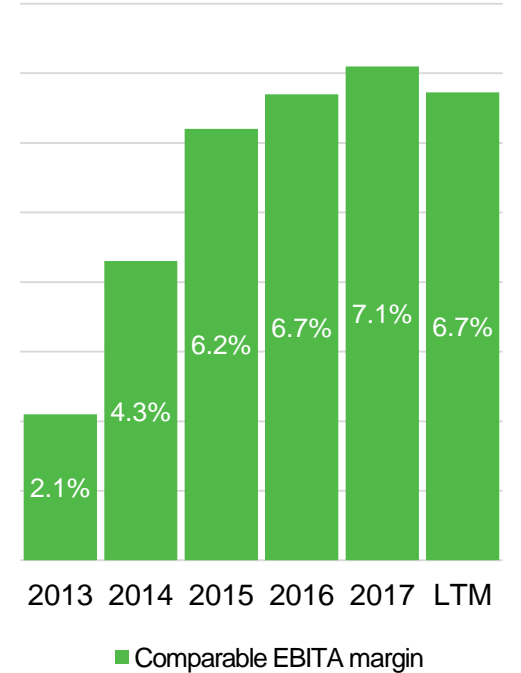
Net sales  
(EUR million)<sup>1</sup>



Comparable EBITA  
(EUR million)<sup>1</sup>



Comparable EBITA margin  
(%)<sup>1</sup>



1) 2013 figures on carve-out basis  
LTM = Last twelve months (July 1, 2017 – June 30, 2018)



# Our four business lines serve the same customer base



## Services

Mill and plant improvements, roll and workshop services, parts and fabrics, and life-cycle services



## Automation

Supplies and develops automation and information management systems, applications and services



## Pulp and Energy

Technologies and solutions for pulp production, power generation, and biomass conversion



## Paper

Technologies and solutions for board, tissue, and paper

# Process technology, services and automation

Valmet's unique offering differentiates the company from its competitors

## Paper

- Recycled fiber lines
- Tailor-made board and paper machines
- Modularized board and paper machines
- Tissue production lines
- Modernizations and grade conversions
- Standalone products

## Pulp and Energy

- Complete pulp mills
- Sections and solutions for pulp production
- Multifuel boilers
- Biomass and waste gasification
- Emission control systems
- Biotechnology solutions e.g. for producing bio fuels



Process-  
technology

Customer

## Services

- Spare parts and consumables
- Paper machine clothing and filter fabrics
- Rolls and workshop services
- Mill and plant improvements
- Maintenance outsourcing
- Services energy and environmental solutions

Services

Automation

## Automation

- Distributed control systems
- Quality control systems
- Analyzers and measurements
- Performance solutions
- Process simulators
- Safety solutions
- Industrial Internet solutions

# Significant, customer focused research and development work

## R&D focus areas

- Advanced and competitive technologies and services
- Raw material, water and energy efficiency
- Promotion of renewable materials

**16**

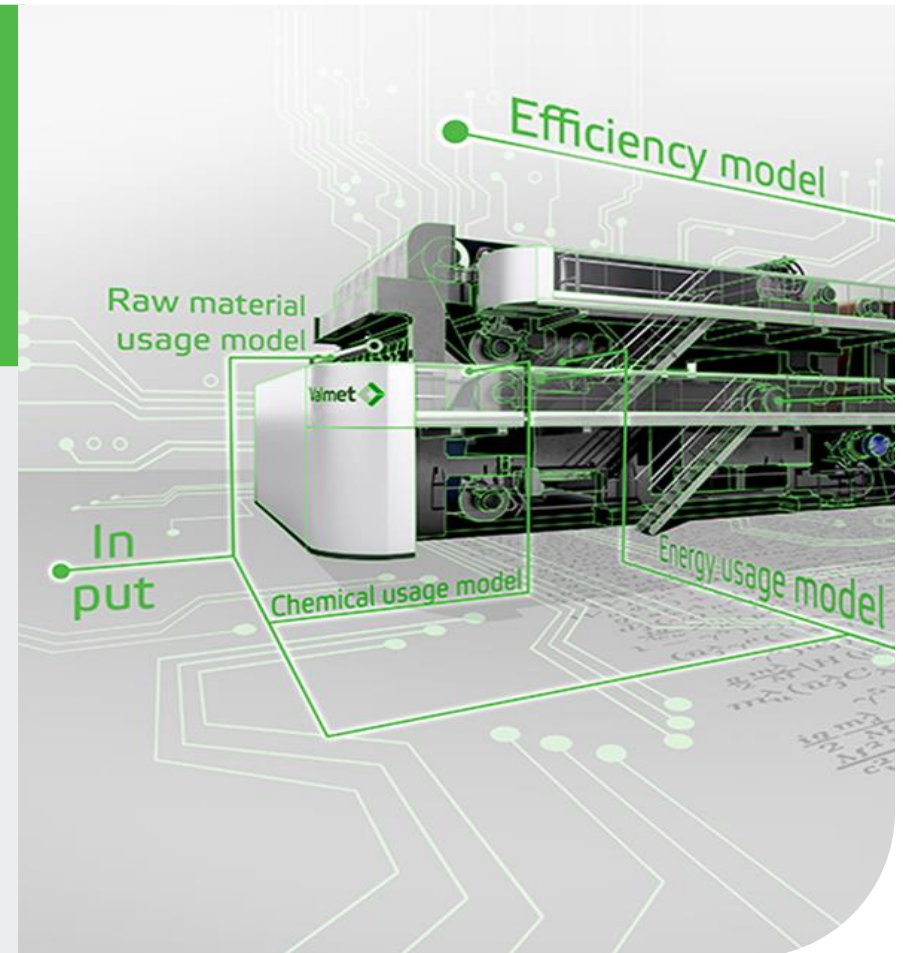
research and  
development  
centers



EUR **64** million  
R&D spending  
in 2017



**~1,500**  
protected  
inventions





# Acknowledged leader in sustainability

## 360° approach to sustainability

- In Dow Jones Sustainability Index for the fourth consecutive year
- Received Silver Class 2018 Sustainability Award
- Achieved A- rating in CDP's climate program in 2017
- In Ethibel Sustainability Index Excellence Europe



## Most material UN Sustainable Development Goals for Valmet



MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

**ROBECOSAM Sustainability Award Silver Class 2018**



**Best Annual Reports 2017**  
Report *Watch* by e.com

# Financial targets

## Growth



- Net sales for stable business to grow over two times the market growth
- Net sales for capital business to exceed market growth

## Profitability



- Comparable EBITA: 8–10%

## ROCE

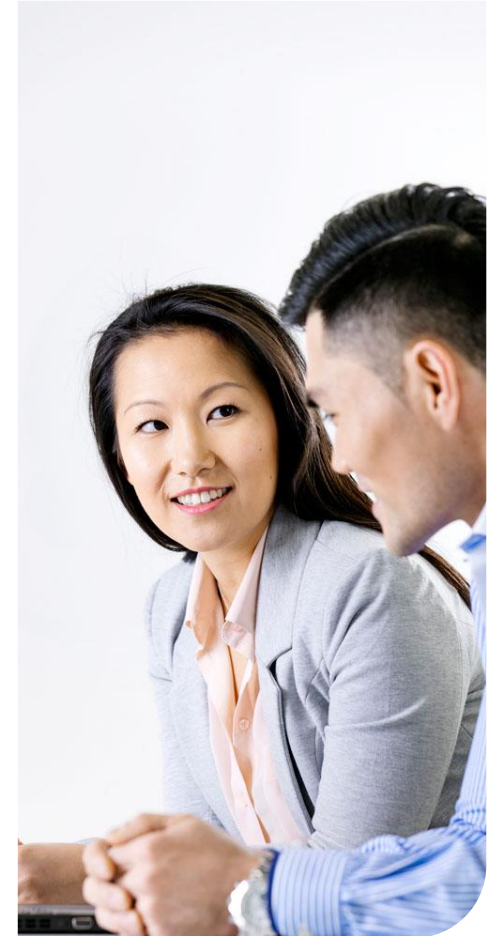


- Comparable return on capital employed (pre-tax), ROCE<sup>1</sup>: 15–20%

## Dividend policy



- Dividend payout at least 50% of net profit



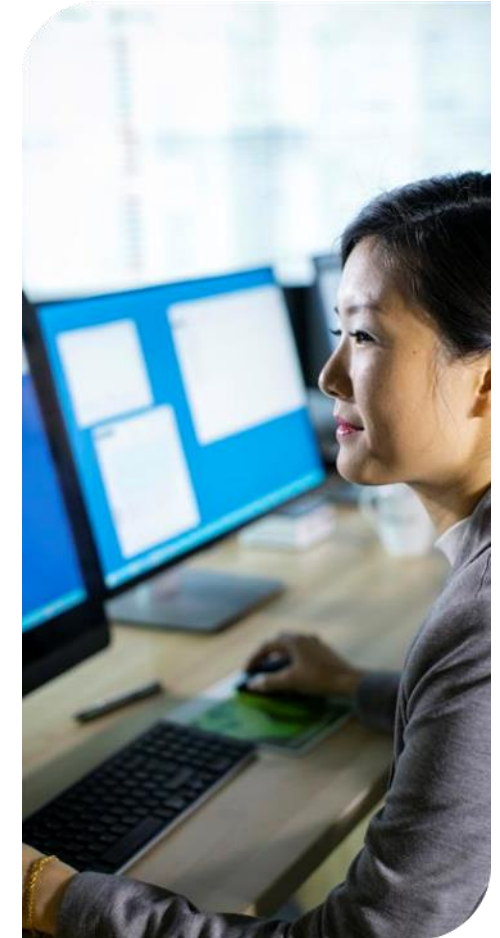
1)  $ROCE \text{ (pre-tax)} = (\text{profit before taxes} + \text{interests and other financial expenses}) / (\text{balance sheet total} - \text{non-interest-bearing liabilities})$



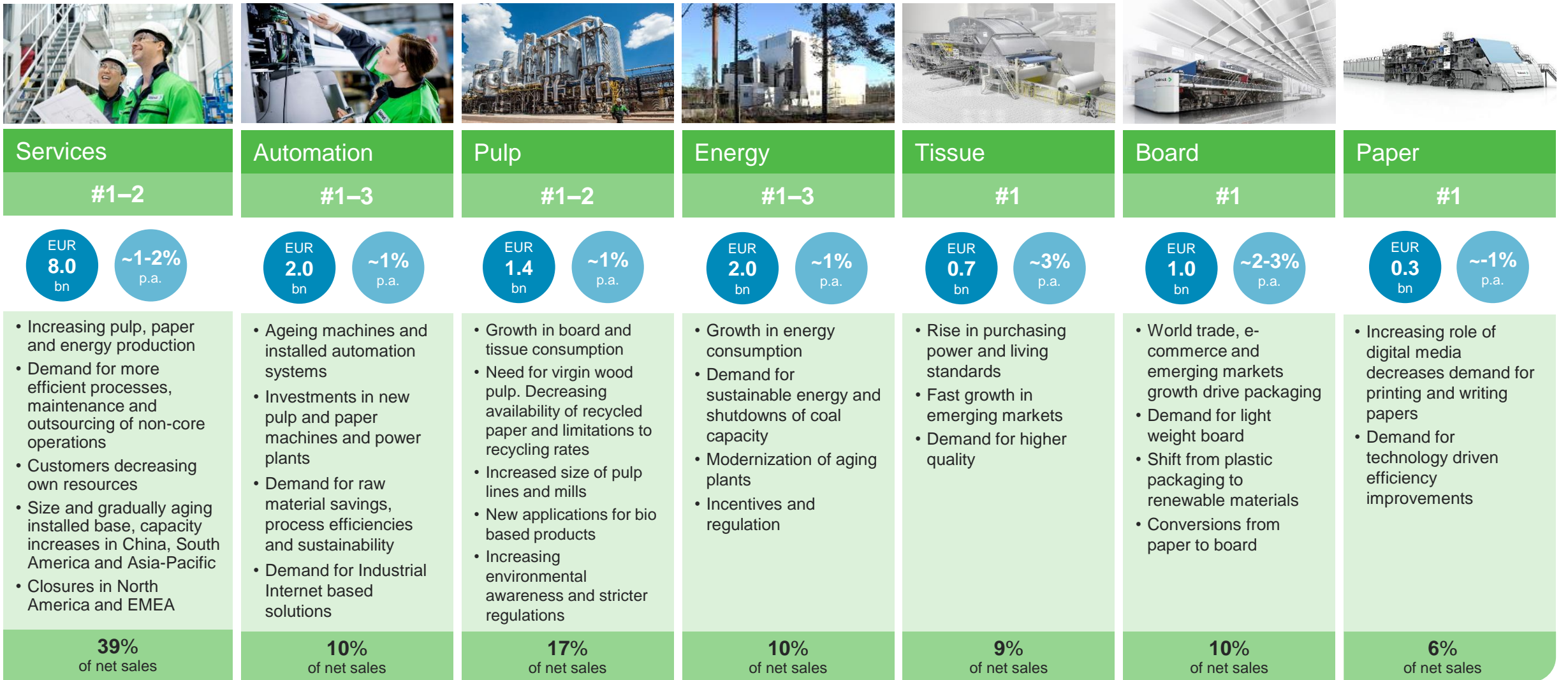
# Investment highlights

# Investment highlight summary

- 1 Strong market position in markets that grow**
- 2 Stable business, with EUR 1.5 billion of net sales, offering stability, growth and profitability**
- 3 Capital business, with flexible cost structure, offering growth and profitability potential**
- 4 Continuous systematic development**
- 5 Technology leader with unique offering**

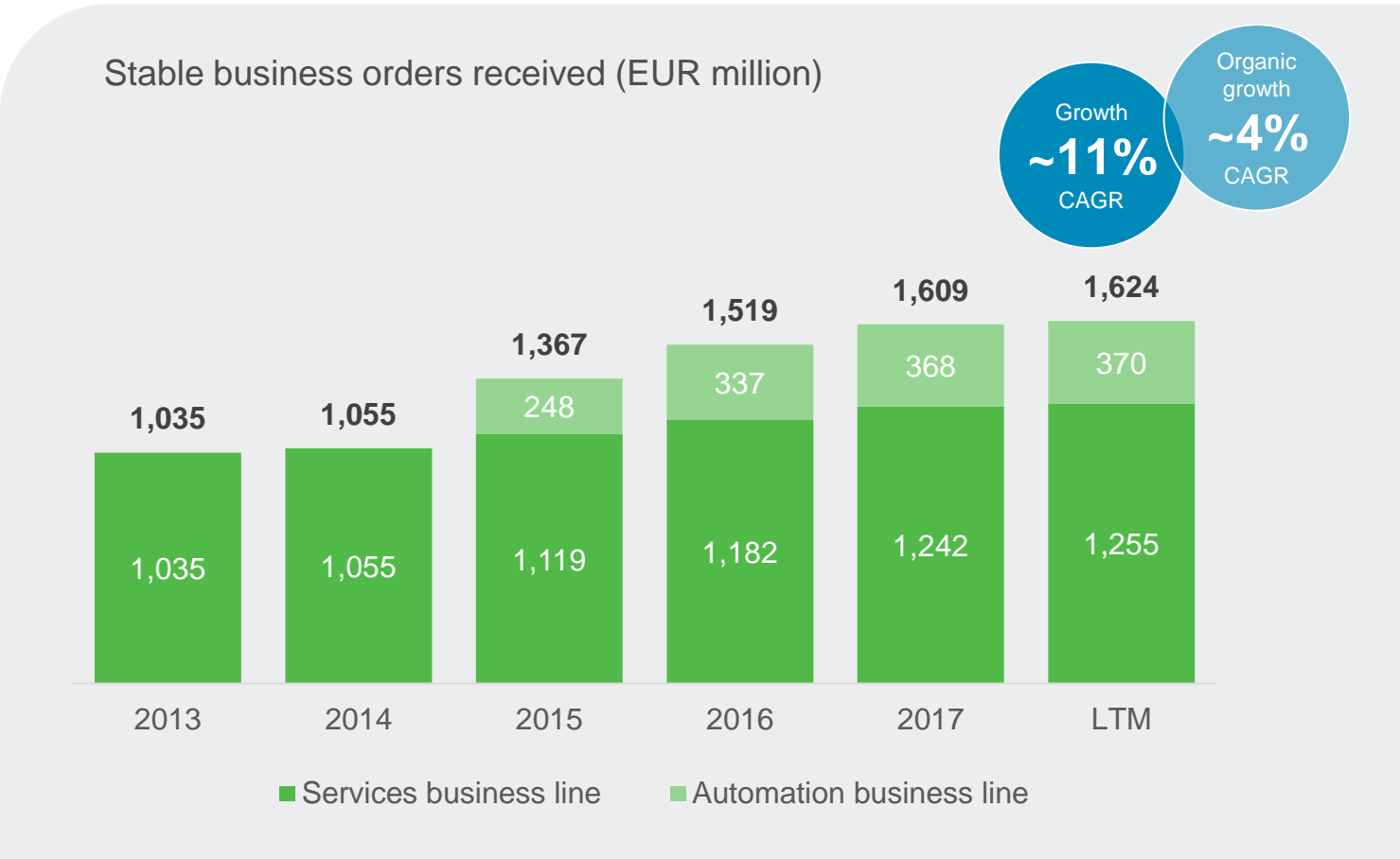


# Strong market position in markets that grow



● Estimated market size for current offering (EUR)     
 ● Anticipated long-term market growth     
  Market drivers     
  % of net sales (2017)

# Stable business, with EUR 1.5 billion of net sales, offering stability, growth and profitability



**Key potential in stable business**

- Valmet Way to Serve
- Industrial Internet

**Services**

- Strengthening the presence close to customers
- Continuous flow of new products

**Automation**

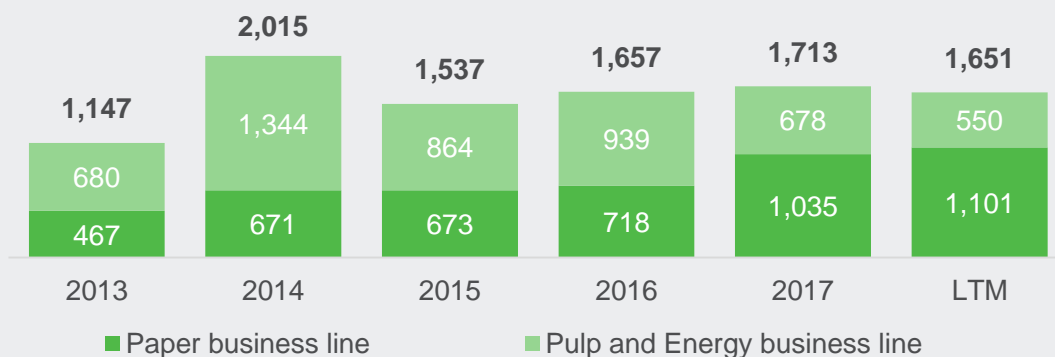
- Market share increase via competitor replacements
- Capitalizing Valmet level synergies

LTM = Last twelve months (July 1, 2017 – June 30, 2018). Automation business line figures include internal orders received.

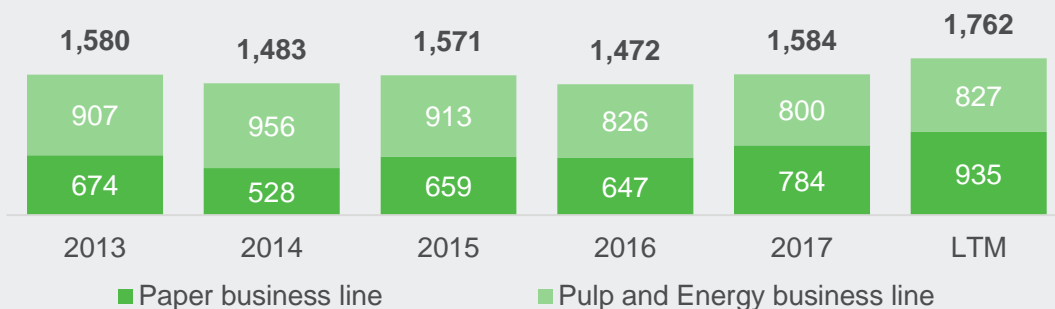


# Capital business, with flexible cost structure, offering growth and profitability potential

Orders received (EUR million)



Net sales (EUR million)



LTM = Last twelve months (July 1, 2017 – June 30, 2018)

## Key potential in capital business

- Product cost competitiveness to support the growth
- Cost structure development and increasing flexibility
- Strengthen project management

## Pulp and Energy business line

- Become market leader in Pulp
- Expand global market presence in Energy

## Paper business line

- Strengthening market position in South America
- Continue modularization and standardization

## Capacity cost to net sales (2017)

Pulp and Energy

**26%**

Paper

**34%**

# Continuous systematic development

## Supporting growth:

- New Valmet way to serve
- Improved sales process for complete offering

## Supporting profitability improvement:

- Reducing procurement costs
- Reducing quality costs
- Project management, R&D and ERP





# Technology leader with unique offering

## Cost-competitive, focused solutions in Paper

- 15 OptiConcept M machines sold
- 10 Advantage NTT machines sold

## Complete pulp mill delivery capability

- State-of-the-art technology for all types of pulps

## Comprehensive offering for energy customers

- Solutions for demanding fuels

## Leading the field

- New service concepts
- Constant flow of spearhead products
- Fit-for-purpose product offering
- Integration with customer operations



## A forerunner in Industrial Internet

- Serving our customers with intelligent technology, automation and services locally and remotely
- Enhancing mobility and introducing even more advanced automation technologies and embedded diagnostics

Strong focus on customer benefits



# Conclusion

# Conclusion



1

**Strong market position in markets that grow**

2

**Stable business, with EUR 1.5 billion of net sales, offering stability, growth and profitability**

3

**Capital business, with flexible cost structure, offering growth and profitability potential**

4

**Continuous systematic development**

5

**Technology leader with unique offering**



## Valmet's Capital Markets Day 2018

Watch live webcast on September 18, 2018 at 12:00 noon EET. More information at

[www.valmet.com/cmd2018](http://www.valmet.com/cmd2018)

# 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 Shareholders

3 Strategy and offering

4 Management



# Appendix

## Financials

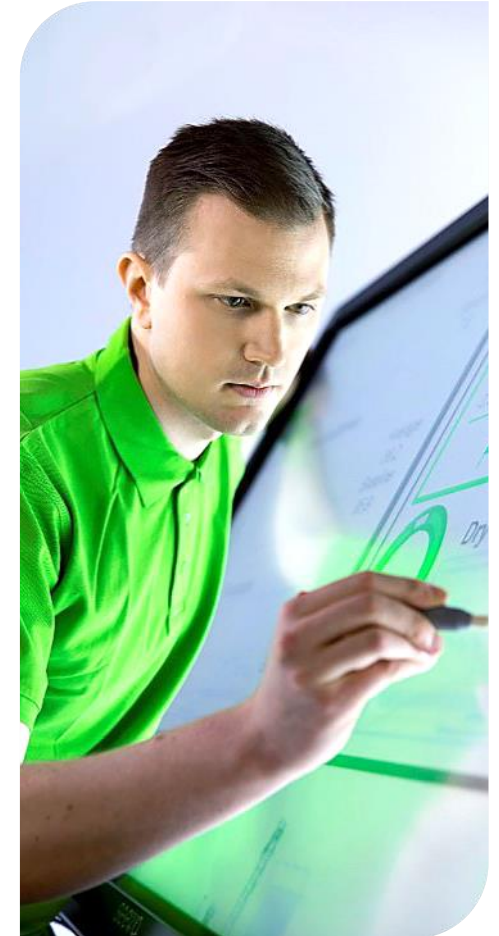
# Key figures

EUR million	Q2/2018	Q2/2017	Change	Q1–Q2/2018	Q1–Q2/2017	Change
Orders received	865	796	9%	1,756	1,802	-3%
Order backlog <sup>1</sup>	2,621	2,714	-3%	2,621	2,714	-3%
Net sales	844	732	15%	1,575	1,376	14%
Comparable EBITA	61	48	27%	82	82	1%
% of net sales	7.2%	6.5%		5.2%	5.9%	
EBITA	57	47	22%	76	84	-10%
Operating profit (EBIT)	49	39	27%	61	68	-10%
% of net sales	5.9%	5.3%		3.9%	4.9%	
Earnings per share, EUR	0.23	0.18	32%	0.29	0.30	-4%
Return on capital employed (ROCE) before taxes <sup>2</sup>				11%	11%	
Cash flow provided by operating activities	3	31	-91%	22	125	-83%
Gearing <sup>1</sup>				0%	4%	

Items affecting comparability: EUR -4 million in Q2/2018 (EUR -1 million in Q2/2017), EUR -7 million in Q1–Q2/2018 (EUR 2 million in Q1–Q2/2017)

1) At the end of period

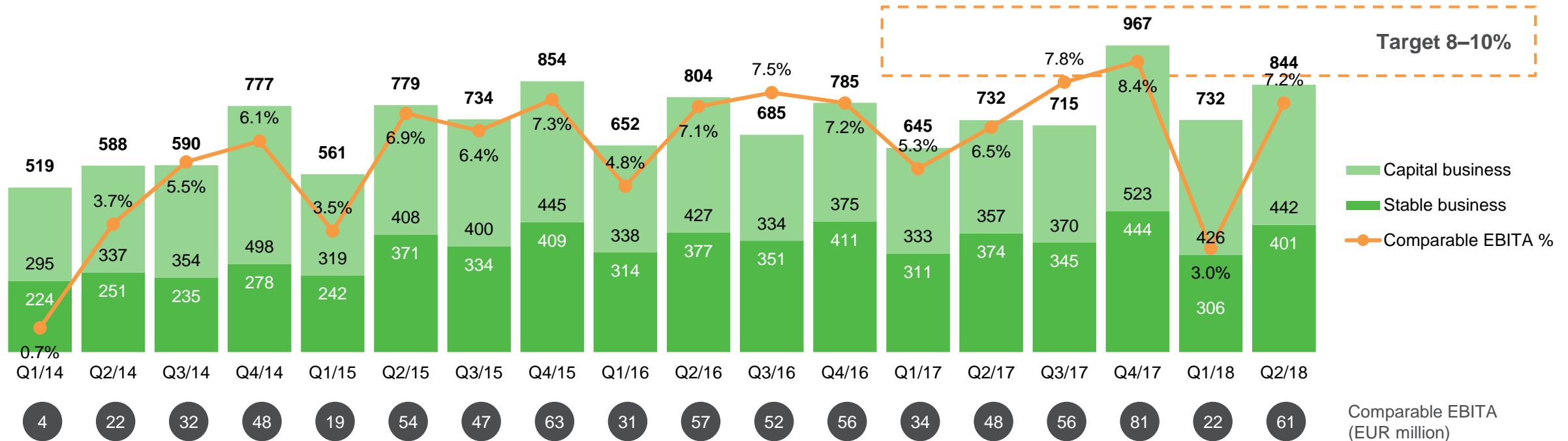
2) Annualized. In the calculation of 2017 figures, data points from 2016 that have not been restated have been used.





# Comparable EBITA margin development


Net sales and Comparable EBITA (EUR million and %)



- Net sales and Comparable EBITA increased compared with Q2/2017
  - Profitability improved due to higher net sales

# Guidance and short-term market outlook

## Guidance for 2018 (as announced on July 17, 2018)

<b>Guidance</b> 	Valmet estimates that net sales in 2018 will increase in comparison with 2017 (EUR 3,058 million) and Comparable EBITA in 2018 will increase in comparison with 2017 (EUR 218 million).
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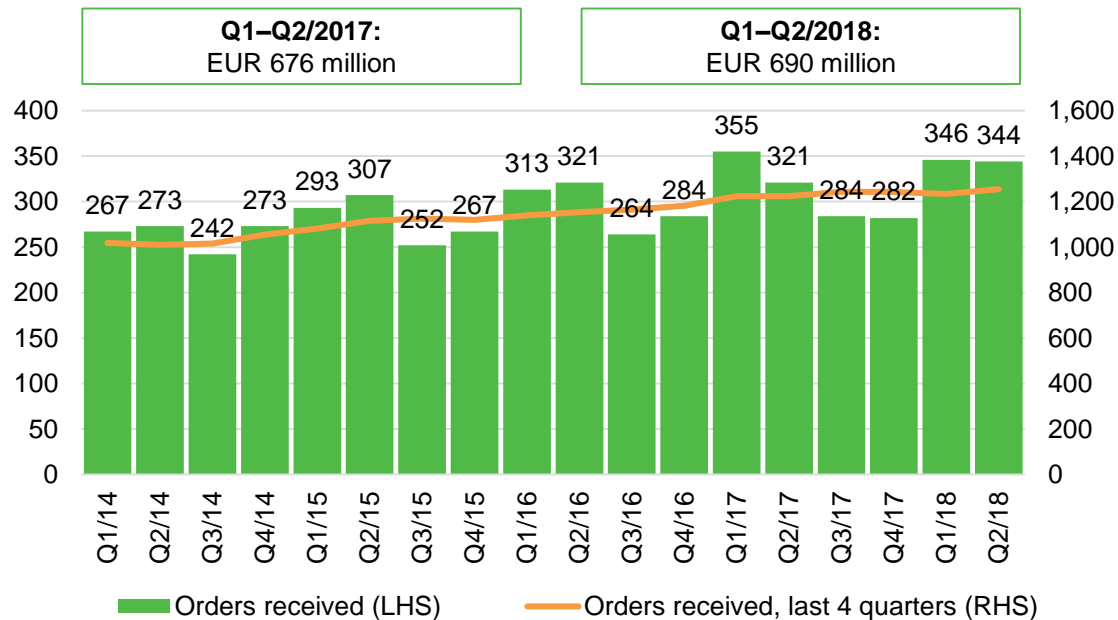
## Short-term market outlook

		Q3/2017	Q4/2017	Q1/2018	Q2/2018
Services		Good	Good	Good	Good
Automation		Satisfactory	Good	Good	Good
Pulp and Energy	Pulp	Weak	Weak	Weak	Weak
	Energy	Satisfactory	Satisfactory	Satisfactory	Satisfactory
Paper	Board and Paper	Good	Good	Good	Good
	Tissue	Good	Good	Good	Good

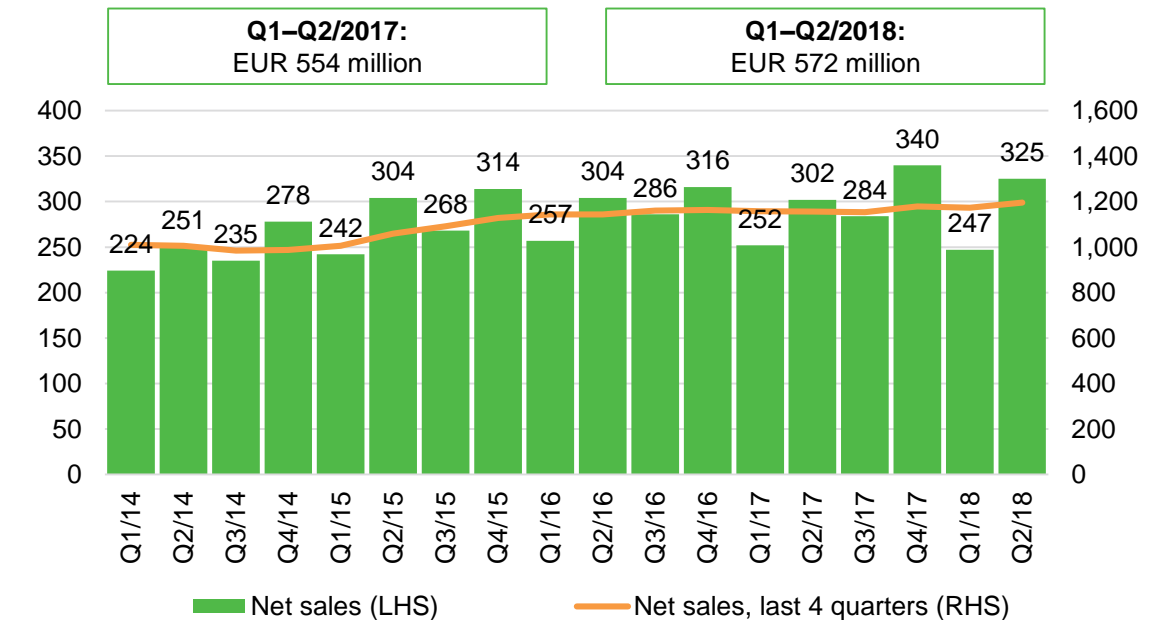
The short-term market outlook is based on customer activity (50%) and Valmet's capacity utilization (50%) and is given for the next six months from the end of the respective quarter. The scale is 'weak-satisfactory-good'.

# Services: Orders received and net sales increased

Orders received (EUR million)



Net sales (EUR million)

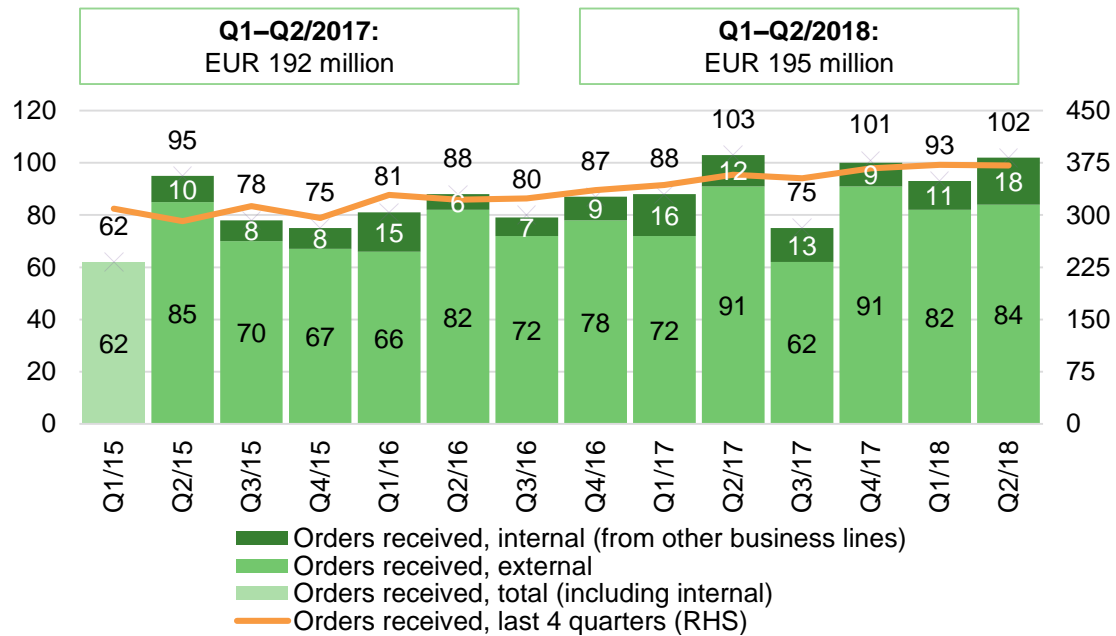


- Orders received increased compared with Q2/2017
  - Orders received increased in EMEA and China, remained at the previous year's level in North America and decreased in South America and Asia-Pacific
  - Orders received increased in Performance Parts, Rolls, and Energy and Environmental, and remained at the previous year's level in Mill Improvements, and Fabrics
- Net sales increased compared with Q2/2017

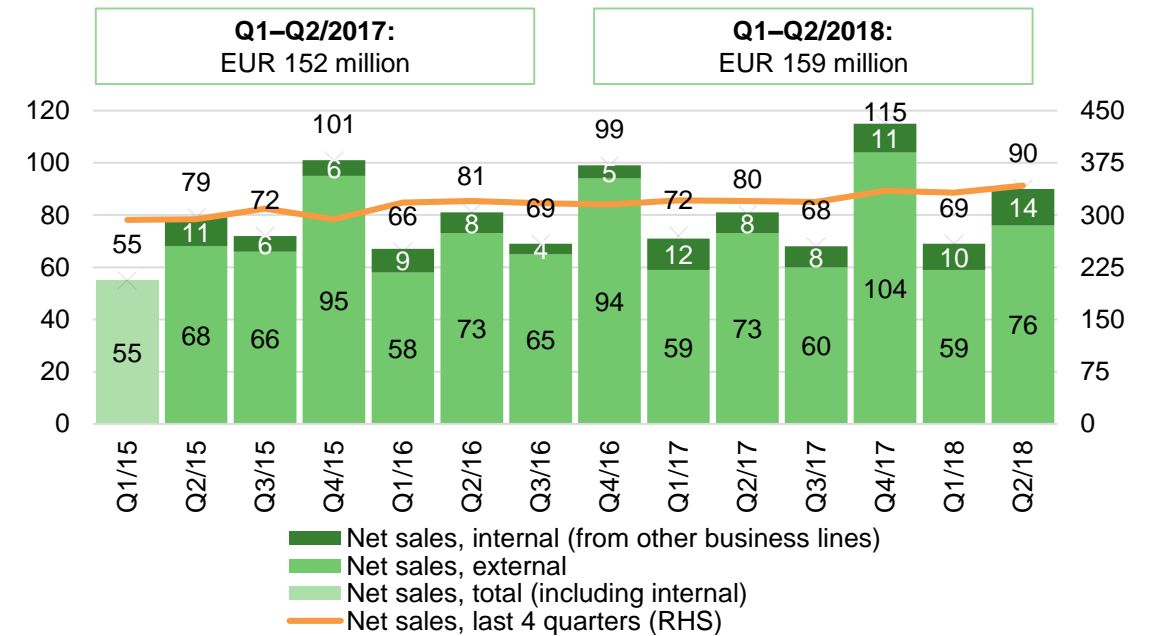


# Automation<sup>1</sup>: Orders received remained at the previous years level and net sales increased

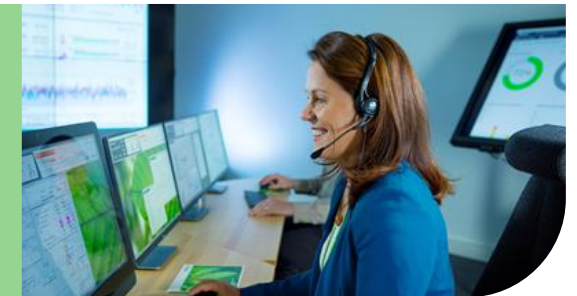
Orders received<sup>2</sup> (EUR million)



Net sales<sup>2</sup> (EUR million)



- Orders received remained at the previous year's level
  - Orders received increased in South America, remained at the previous year's level in EMEA and Asia-Pacific, and decreased in China and North America
  - Orders received increased in Energy and Process and decreased in Pulp and Paper
- Net sales increased compared with Q2/2017

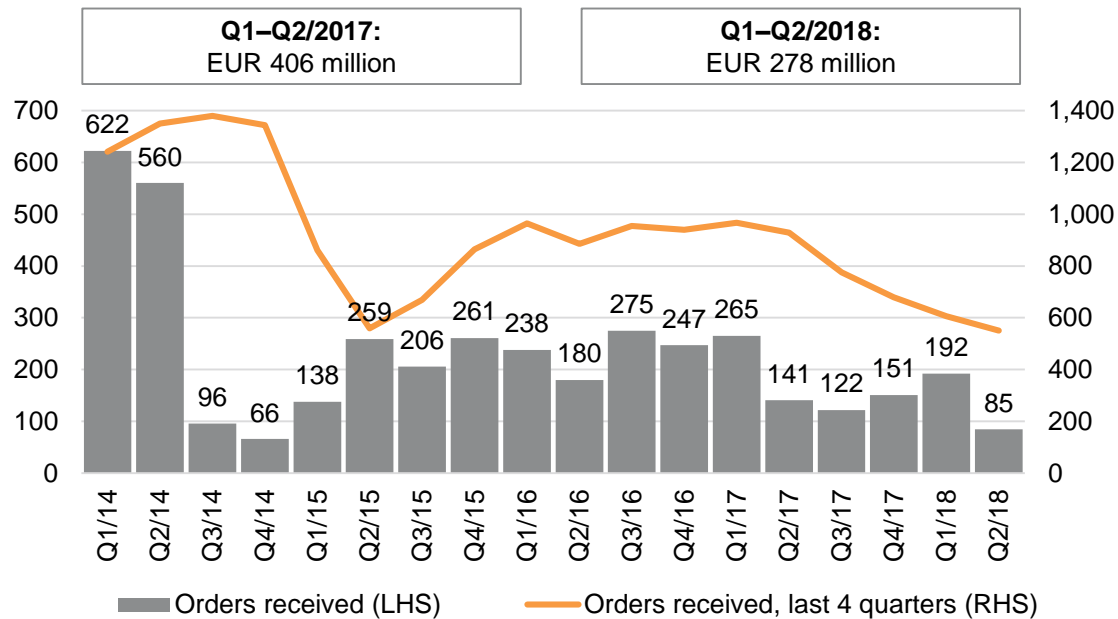


1) Comments refer to orders received and net sales including also internal orders received and net sales.

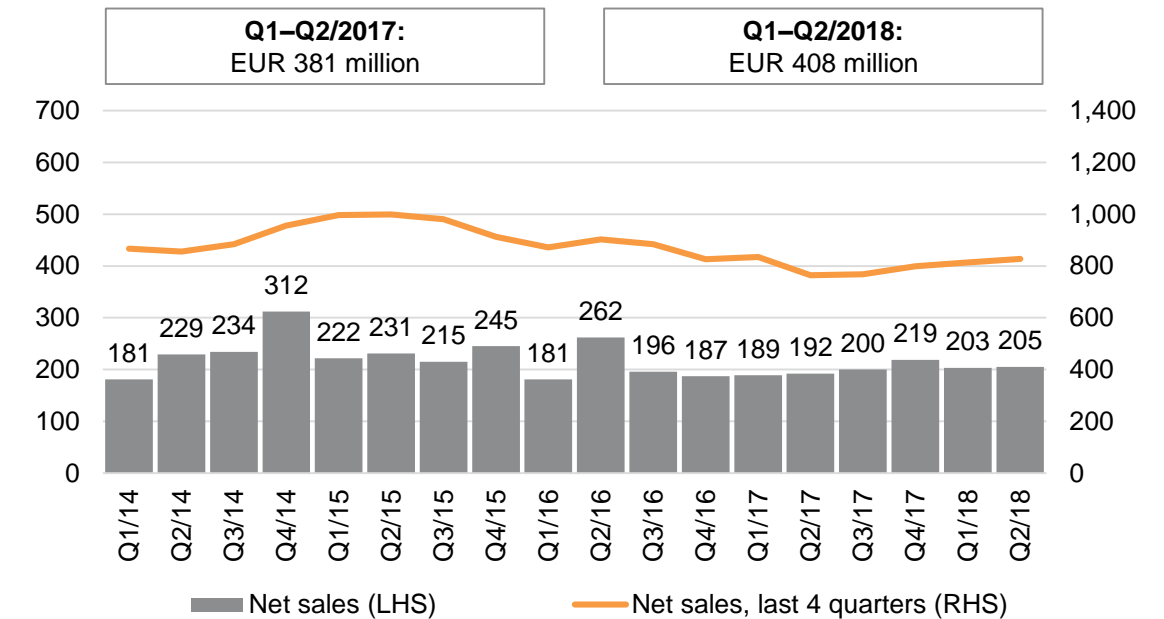
2) Q1/2015 orders received and the underlying figures for 'Orders received, last 4 quarters' and 'Net sales, last 4 quarters' are calculated based on Metso's reported figures and pro forma figures excluding Process Automation Systems and are therefore indicative only.

# Pulp and Energy: Orders received decreased and net sales increased

Orders received (EUR million)



Net sales (EUR million)

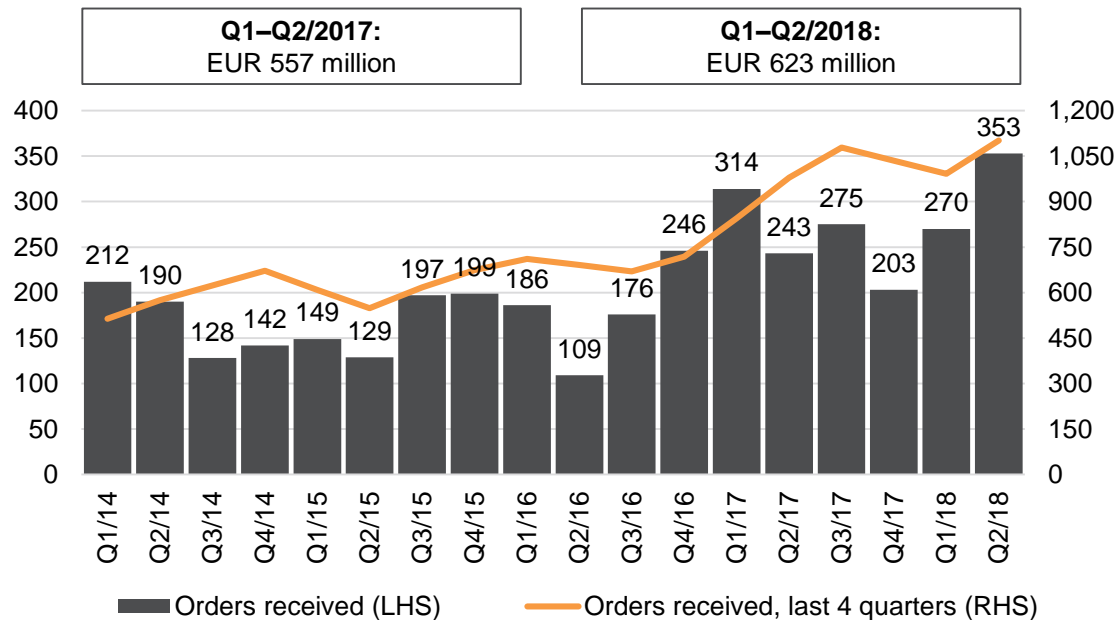


- Orders received decreased compared with Q2/2017
  - Orders received increased in North America, and decreased in the other regions
  - Orders received increased in Pulp and decreased in Energy
- Net sales increased compared with Q2/2017

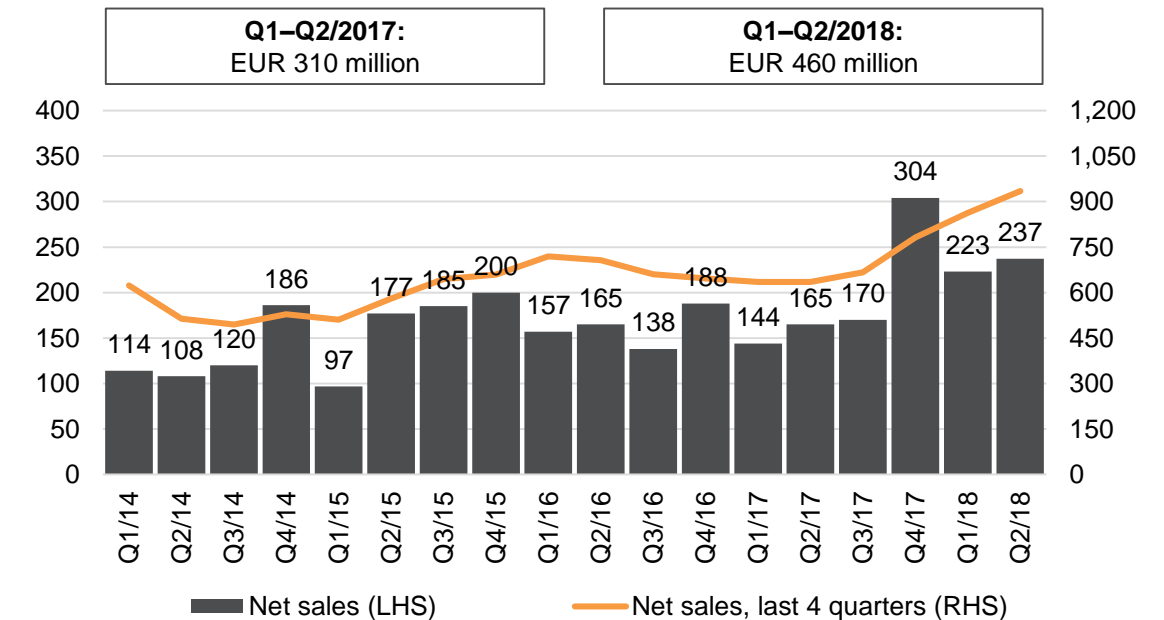


# Paper: Orders received and net sales increased

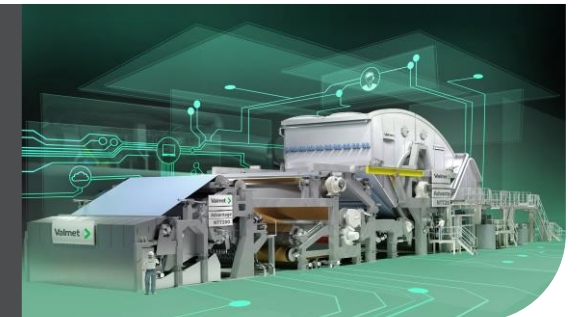
## Orders received (EUR million)



## Net sales (EUR million)



- Orders received increased compared with Q2/2017
  - Orders received increased in South America, EMEA and China, remained at the previous year's level in North America, and decreased in Asia-Pacific
  - Orders received increased in Board and Paper, and decreased in Tissue
- Net sales increased compared with Q2/2017

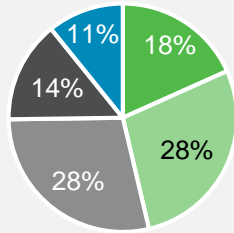


# Net sales split by business unit

Net sales split, business units (2017)

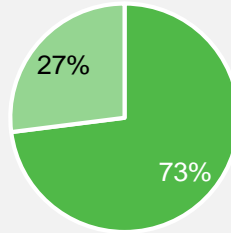
## Stable business

Services



- Rolls
- Mill Improvements
- Performance Parts
- Fabrics
- Energy and Environmental

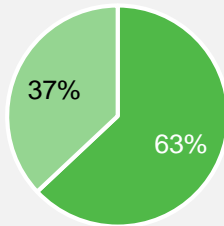
Automation



- Pulp and Paper
- Energy and Process

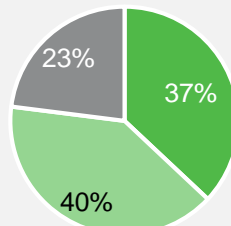
## Capital business

Pulp and Energy



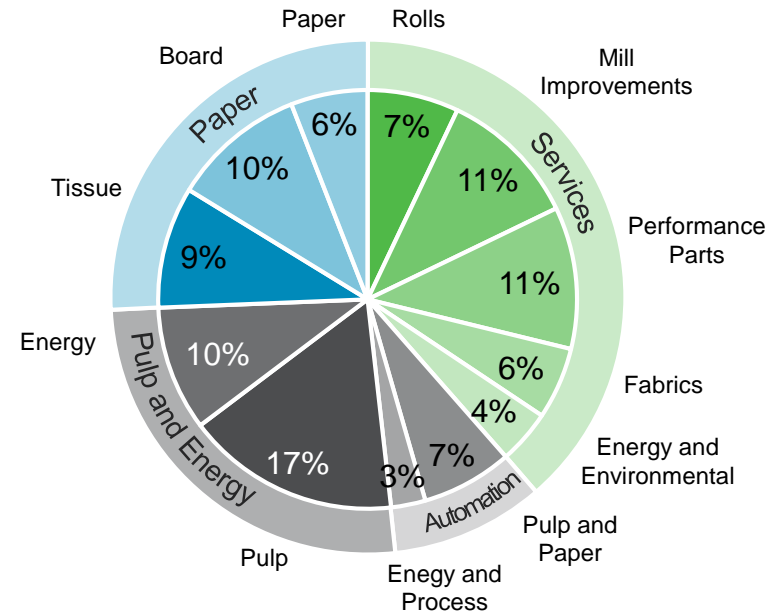
- Pulp
- Energy

Paper



- Tissue
- Board
- Paper

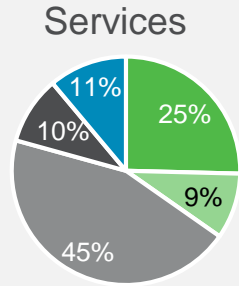
Net sales split, Valmet (2017)



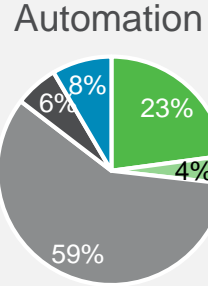
# Net sales split by area

Net sales split, areas (2017)

Stable business

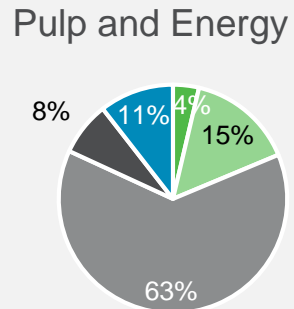


- North America
- South America
- EMEA
- China
- Asia-Pacific

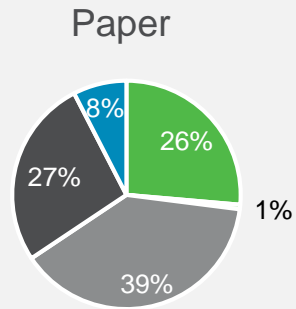


- North America
- South America
- EMEA
- China
- Asia-Pacific

Capital business

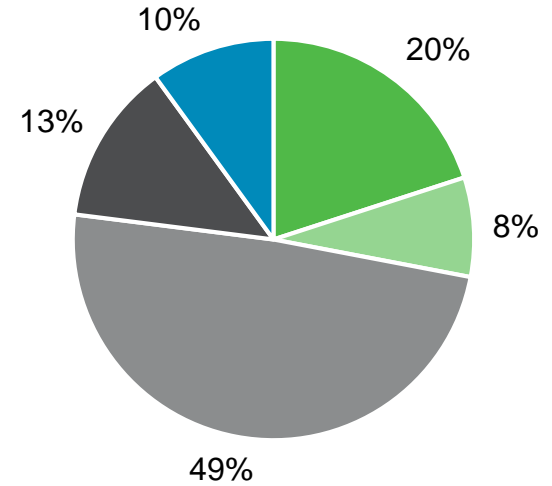


- North America
- South America
- EMEA
- China
- Asia-Pacific



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

Net sales split, Valmet (2017)

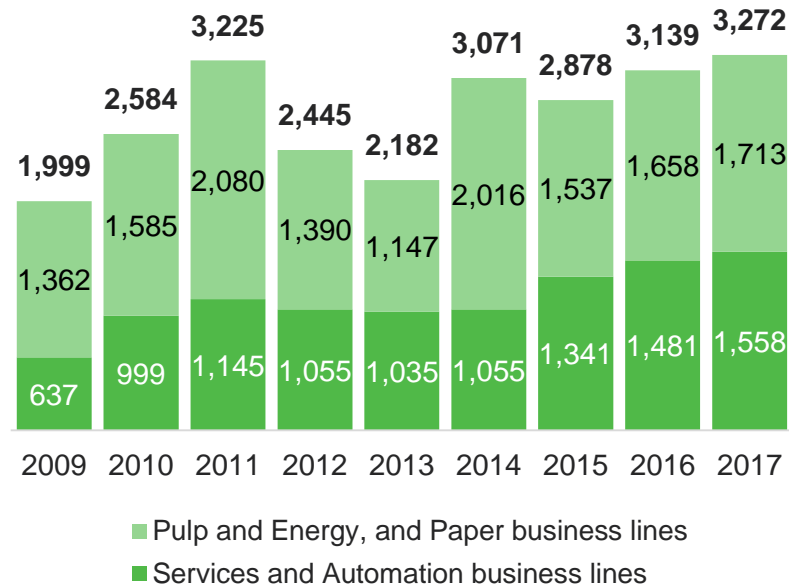


- North America
- South America
- EMEA
- China
- Asia-Pacific

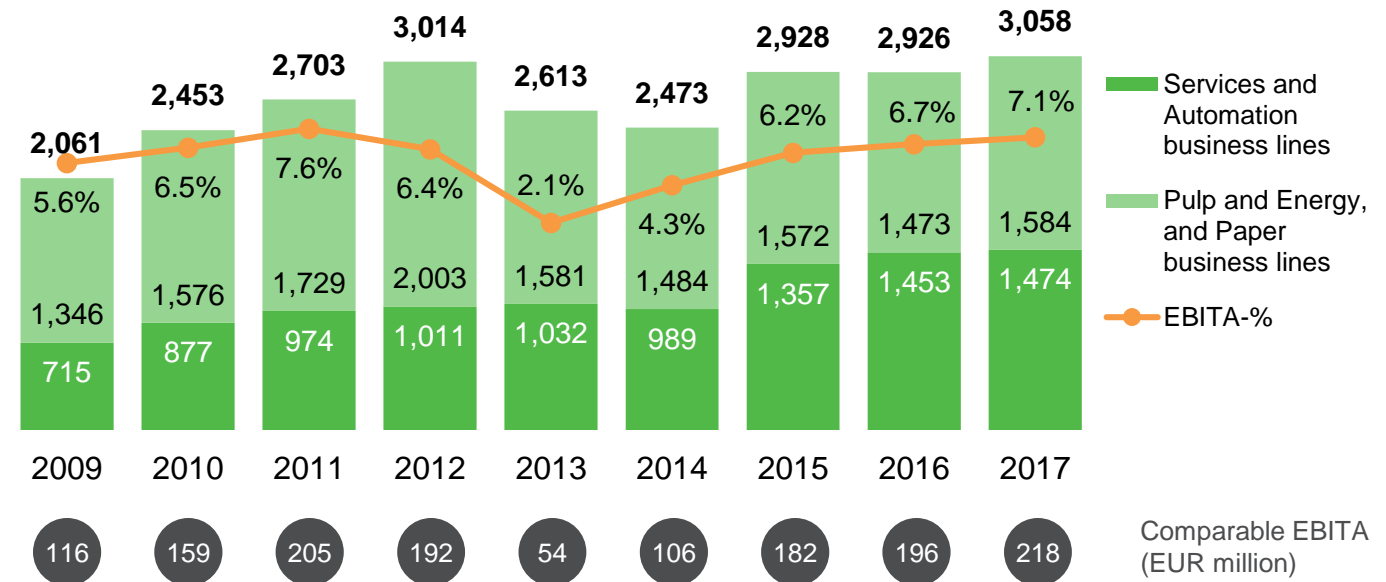


# Profitability and orders received development, annual

Orders received (EUR million)<sup>1</sup>



Net sales and Comparable EBITA (EUR million)<sup>1</sup>



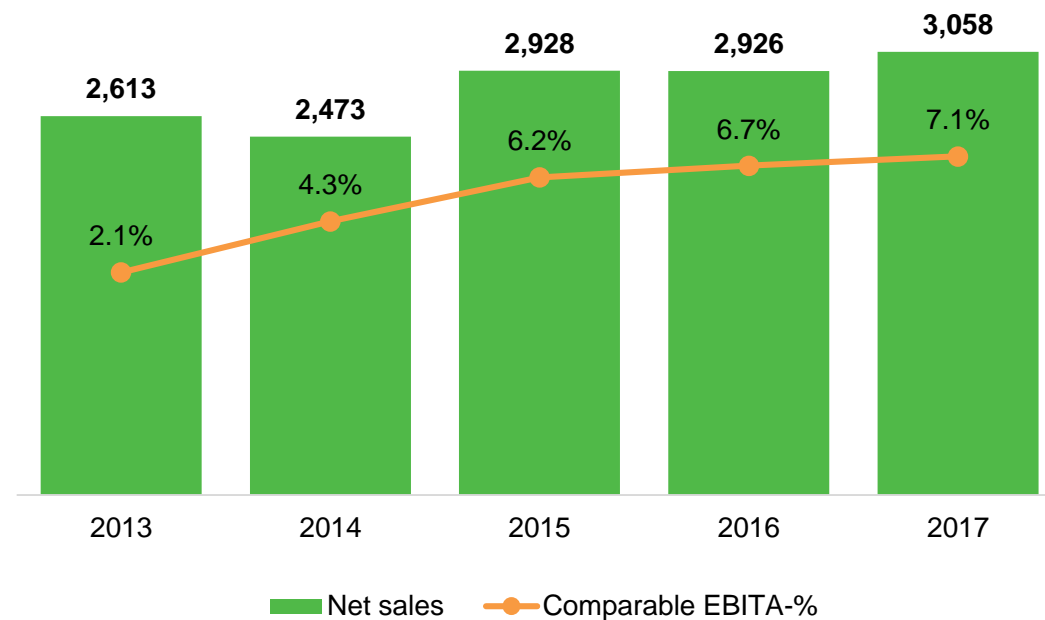
- Timing of large projects has had an impact on the level of net sales
- Good stimulus-driven demand in China 2009–2010 supported orders
- The paper machine market has shifted to smaller and lower-cost machines
- In 2013, the power generation market was affected by low-cost shale gas and political and economical uncertainty in Europe
- From 2014 onwards profitability has improved as a result of cost savings, implementation of Must-Wins and the acquisition of Automation
- Volatility in market activity is high in the capital business

<sup>1)</sup> Carve-out figures for 2010-2013; as reported for Metso's Pulp, Paper and Power segment for 2006-2009. Automation has been consolidated into Valmet's financials since April 1, 2015, when the acquisition of Automation was completed.

# Actions to reach EBITA target

Comparable EBITA margin in 2015	6.2%
Sales process management	~1%
Project management and project execution	~1%
Procurement & quality	~1%
Technology, R&D and ERP	~1%
Long-term EBITA target	8–10%

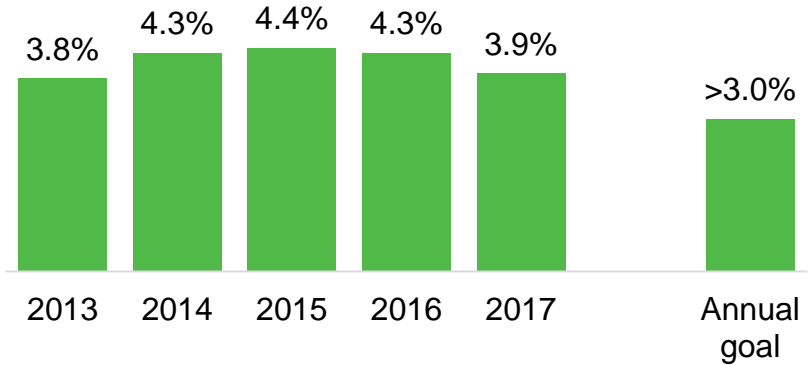
Net sales (EUR million) and Comparable EBITA margin (%)



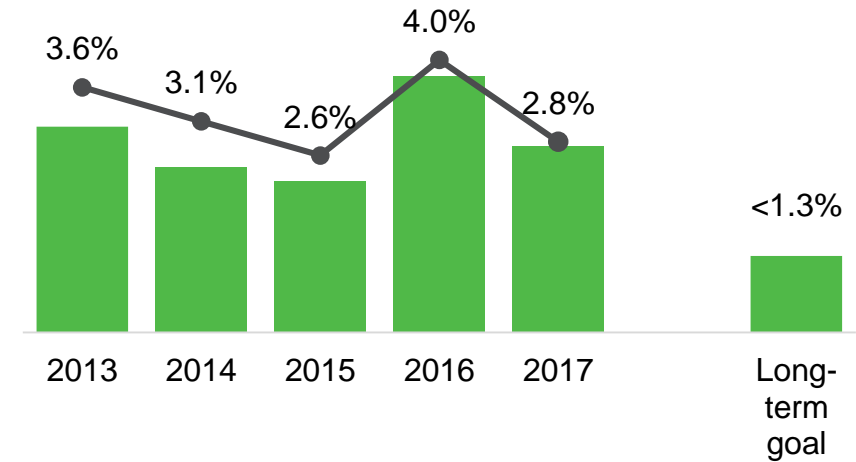
2013 figures on carve-out basis

# Procurement and quality cost development

Implemented procurement savings of annual direct spend



Quality costs (% of net sales)



## Targeting >3% of procurement savings annually

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

## Long-term quality costs goal <1.3% of net sales

- Adding focus in root cause analysis of the quality deviations
- Extensive Lean implementation and training
  - Over 4,000 Valmet employees completed Lean e-learning
  - Lean being deployed in all major locations and businesses



# Appendix

## Shareholders

# Largest shareholders on August 31, 2018

Based on the information given by Euroclear Finland Ltd.

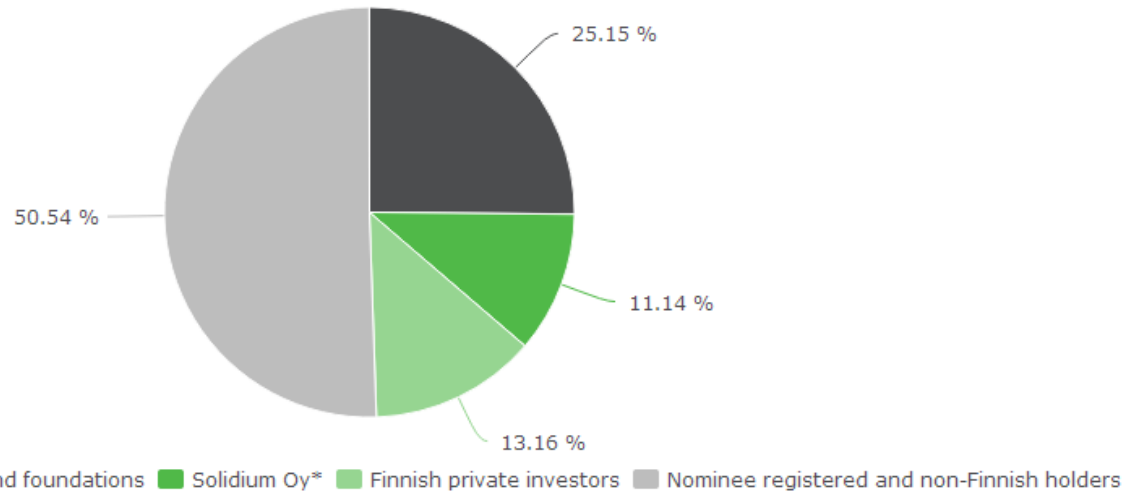
#	Shareholder name	Number of shares	% of shares and votes
1	Solidium Oy	16,695,287	11.14%
2	Varma Mutual Pension Insurance Company	4,165,465	2.78%
3	Elo Pension Company	3,600,000	2.40%
4	Ilmarinen Mutual Pension Insurance Company	3,416,000	2.28%
5	OP Funds	1,834,432	1.22%
6	The State Pension Fund	1,545,000	1.03%
7	Keva	1,502,166	1.00%
8	Evli Funds	1,082,376	0.72%
9	Mandatum Life Insurance Company Limited	1,022,537	0.68%
10	Nordea Funds	890,689	0.59%
	10 largest shareholders, total	35,753,952	23.84%
	Other shareholders	114,110,667	76.16%
	<b>Total</b>	<b>149,864,619</b>	<b>100%</b>

## Latest flagging notifications

Date of transaction	Shareholder	Number of shares	% of shares and votes
May 15, 2018	BlackRock, Inc.	Below 5%	Below 5%
May 14, 2018	BlackRock, Inc.	7,499,877	5.00%
May 10, 2018	BlackRock, Inc.	Below 5%	Below 5%
May 9, 2018	BlackRock, Inc.	7,587,402	5.06%
May 7, 2018	BlackRock, Inc.	Below 5%	Below 5%
May 3, 2018	BlackRock, Inc.	7,541,851	5.03%
May 2, 2018	BlackRock, Inc.	Below 5%	Below 5%
March 26, 2018	BlackRock, Inc.	7,504,487	5.00%
March 20, 2018	BlackRock, Inc.	Below 5%	Below 5%

1) A holding company that is wholly owned by the Finnish State

# Shareholder structure on August 31, 2018



Sector	Number of shareholders	% of total shareholders	Number of shares	% of shares
Nominee registered and non-Finnish holders <sup>1</sup>	340	0.76%	75,741,275	50.54%
Finnish institutions, companies and foundations	2,375	5.27%	37,693,583	25.15%
Solidium Oy <sup>2</sup>	0	0.00%	16,695,287	11.14%
Finnish private investors	42,360	93.98%	19,726,394	13.16%
On issuer account	0	0.00%	8,080	0.01%
<b>Total:</b>	<b>45,075</b>	<b>100.00%</b>	<b>149,864,619</b>	<b>100.00%</b>

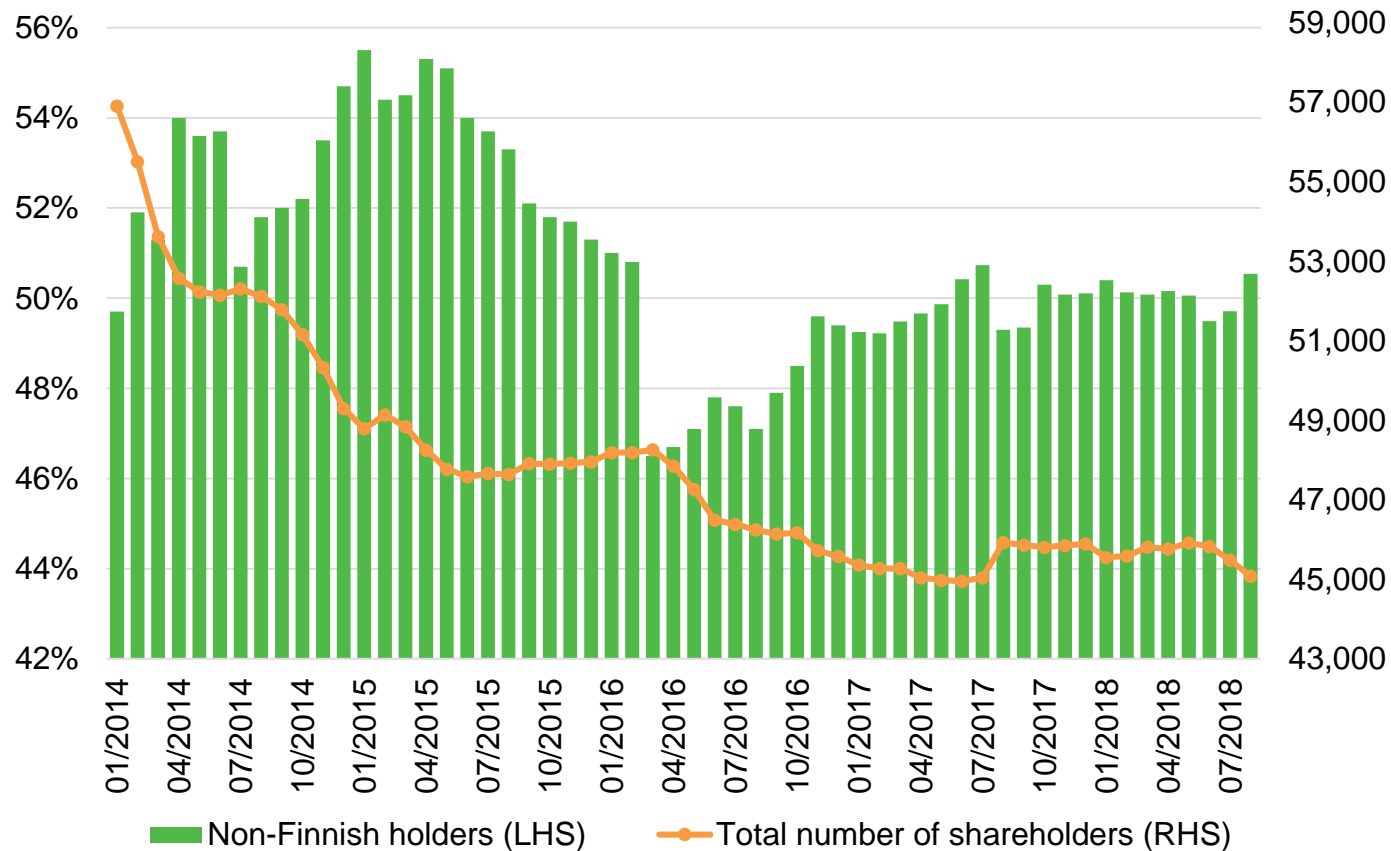
The shareholder structure is based on the classification of sectors determined by Statistics Finland.

<sup>1</sup> Of which 73,972,427 nominee registered shares

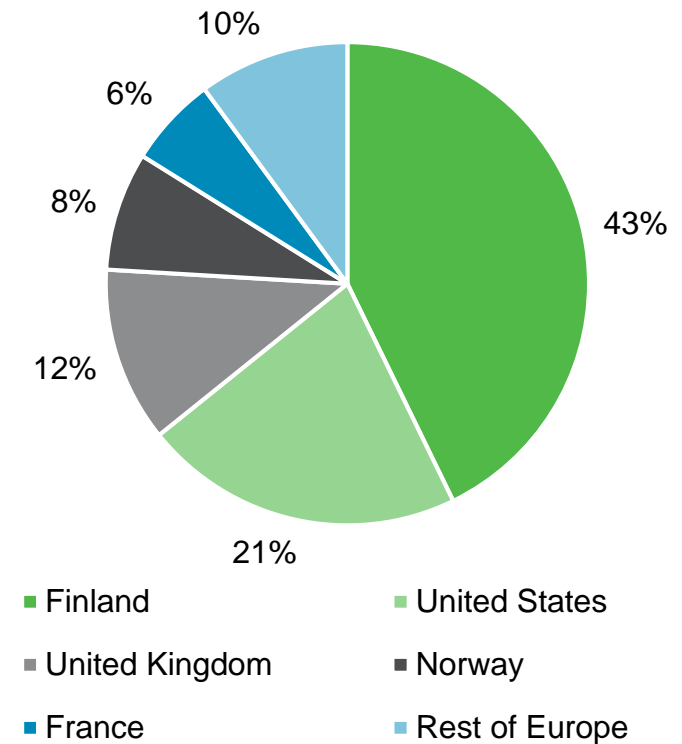
<sup>2</sup> A holding company that is wholly owned by the Finnish State

# Share of non-Finnish holders and area split of shareholders

Share of non-Finnish holders and number of shareholders



Approximate geographical split of institutional shareholders\*



\*) in December 2017. Source: Nasdaq Corporate Solutions



# Appendix

Strategy and offering



# Valmet's Way Forward

## Our Mission

Converting renewable resources into sustainable results

## Our Strategy

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

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

## Our Must-Wins

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

## Our Vision

To become the global champion in serving our customers

## Our Values



### Customers

We move our customers' performance forward



### Renewal

We promote new ideas to create the future



### Excellence

We improve every day to deliver results



### People

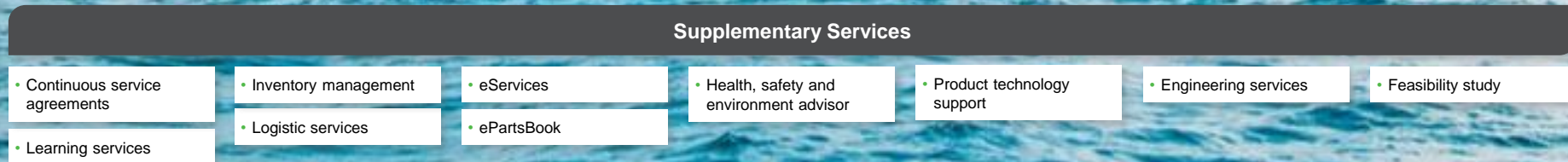
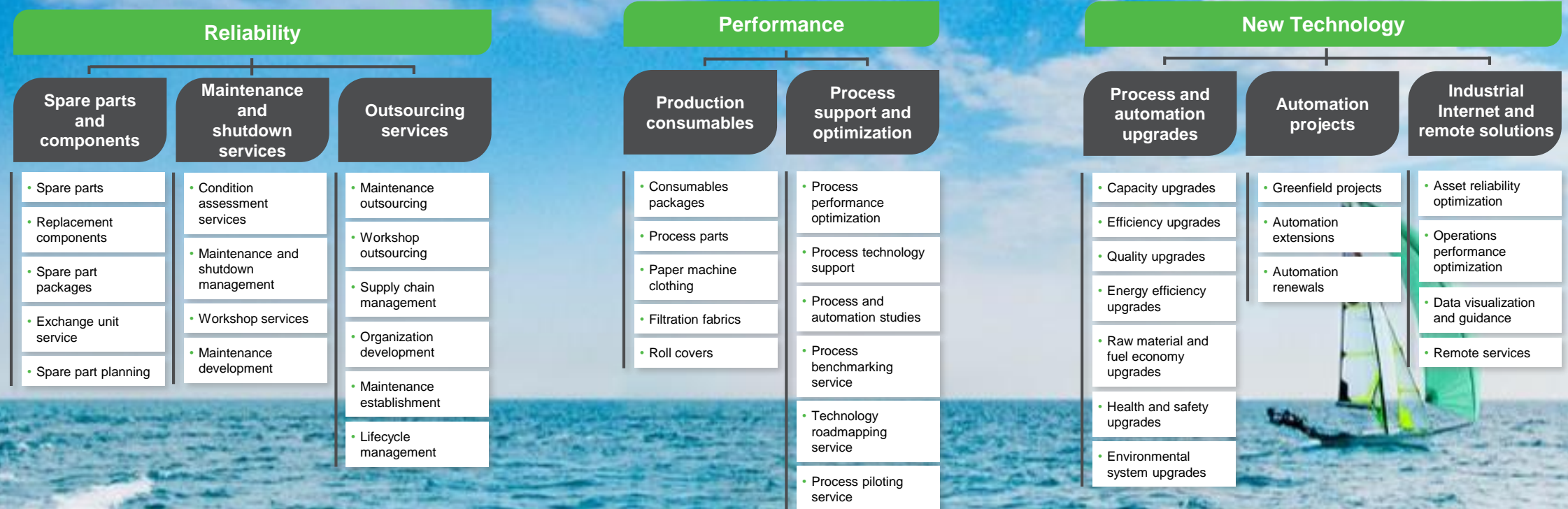
We work together to make a difference

## Megatrends

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

# Valmet Way to Serve – Services offering portfolio

## Shared Journey Forward



# Comprehensive life-cycle services offering and large customer base with significant potential

Comprehensive life-cycle services offering



Over 2,000 customer mills and plants served globally

## Performance Parts

- All original equipment manufacturer (OEM) spare parts and standard parts in Valmet deliveries
- Inventory management services and process parts, such as consumables and auxiliary products

## Fabrics

- Paper machinery clothing
- Filter fabrics used in the pulp and paper, mining and chemical industries and power plants for various filtration purposes as well as in commercial laundries

## Mill Improvements

- Plant upgrades
- Modifications and environmental improvements
- Troubleshooting
- Shutdown maintenance
- Maintenance outsourcing for the entire customer plant

## Rolls and workshop services

- Maintenance services on rotating equipment: roll covers, spare rolls and roll upgrades
- Rebuilds for all manufacturers' board, tissue, pulp and paper machines
- Workshop services: pressure part manufacturing, boiler component services, parts to protect and enhance boiler performance and fiber equipment refurbishing

## Energy and Environmental

- Services for evaporation plants, power and recovery boilers, and environmental equipment

# Our automation offering and market overview

## Advanced automation and process monitoring solutions and services:

- Distributed Control System (DCS) – Valmet DNA
- Performance solutions
- Quality Control System (QCS)
- Profilers
- Analyzers and measurements
- Industrial internet solutions
- Automation services
- Process simulators
- Safety systems and solutions

Over 4,500 automation systems and over 40,000 analyzers and measurements delivered

	Scope/product	Market size	Main competitors
<b>Distributed Control System (DCS)</b> #3	<ul style="list-style-type: none"> <li>• DCS for process and machines controls</li> <li>• Condition monitoring</li> <li>• Information management</li> <li>• APC</li> </ul>	Pulp and paper DCS market: <ul style="list-style-type: none"> <li>• EUR 900 million</li> </ul> Power DCS market: <ul style="list-style-type: none"> <li>• EUR 700 million</li> </ul>	<ul style="list-style-type: none"> <li>• ABB</li> <li>• Honeywell</li> <li>• Emerson</li> <li>• Siemens</li> <li>• Yokogawa</li> </ul>
<b>Quality Management System</b> #1-2	<ul style="list-style-type: none"> <li>• QCS (Quality Control Systems)</li> <li>• Profilers</li> <li>• Web inspection and web break analysis systems</li> </ul>	Estimated market size: <ul style="list-style-type: none"> <li>• &gt;EUR 200 million</li> </ul>	<ul style="list-style-type: none"> <li>• ABB</li> <li>• Honeywell</li> <li>• Voith</li> <li>• Paperchine</li> <li>• Procemex</li> <li>• Cognex</li> <li>• Isra Vision</li> </ul>
<b>Analyzers and measurements</b> #1	<ul style="list-style-type: none"> <li>• Paper analyzers</li> <li>• Pulp analyzers</li> <li>• Pulp consistency measurements</li> <li>• Conductivity measurements</li> <li>• Power analyzers</li> </ul>	Estimated market size: <ul style="list-style-type: none"> <li>• &lt;EUR 200 million</li> </ul>	<ul style="list-style-type: none"> <li>• ABB</li> <li>• BTG</li> </ul>



# Full scope offering for the pulp and paper industry

## Technologies

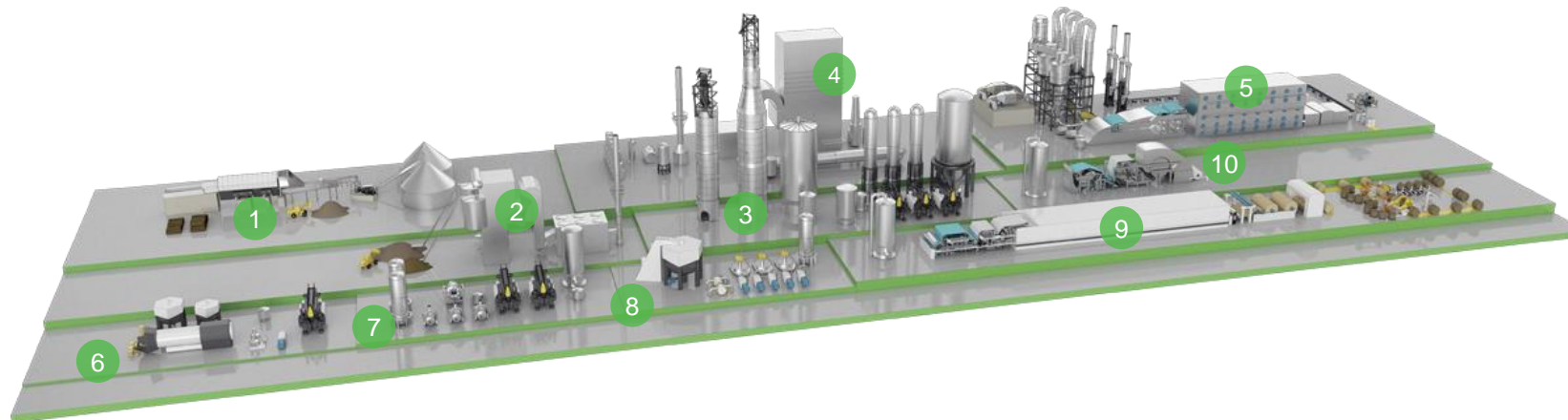
- 1 Wood handling
- 2 Heat and power production
- 3 Chemical pulping
- 4 Chemical recovery
- 5 Pulp drying
- 6 Recycled fiber
- 7 Mechanical fiber
- 8 Stock preparation
- 9 Board and paper making
- 10 Tissue making

## Automation

- Distributed Control System (DCS)
- Performance solutions
- Quality Control System (QCS)
- Profilers
- Analyzers and measurements
- Industrial internet solutions
- Automation services
- Process simulators
- Safety systems and solutions

## Services

- Mill and plant improvements
- Spare and wear parts
- Paper machine clothing and filter fabrics
- Roll services
- Services for evaporation plants, power and recovery boilers
- Services for environmental equipment



# Our offering for energy industry and biotechnologies

## Technologies

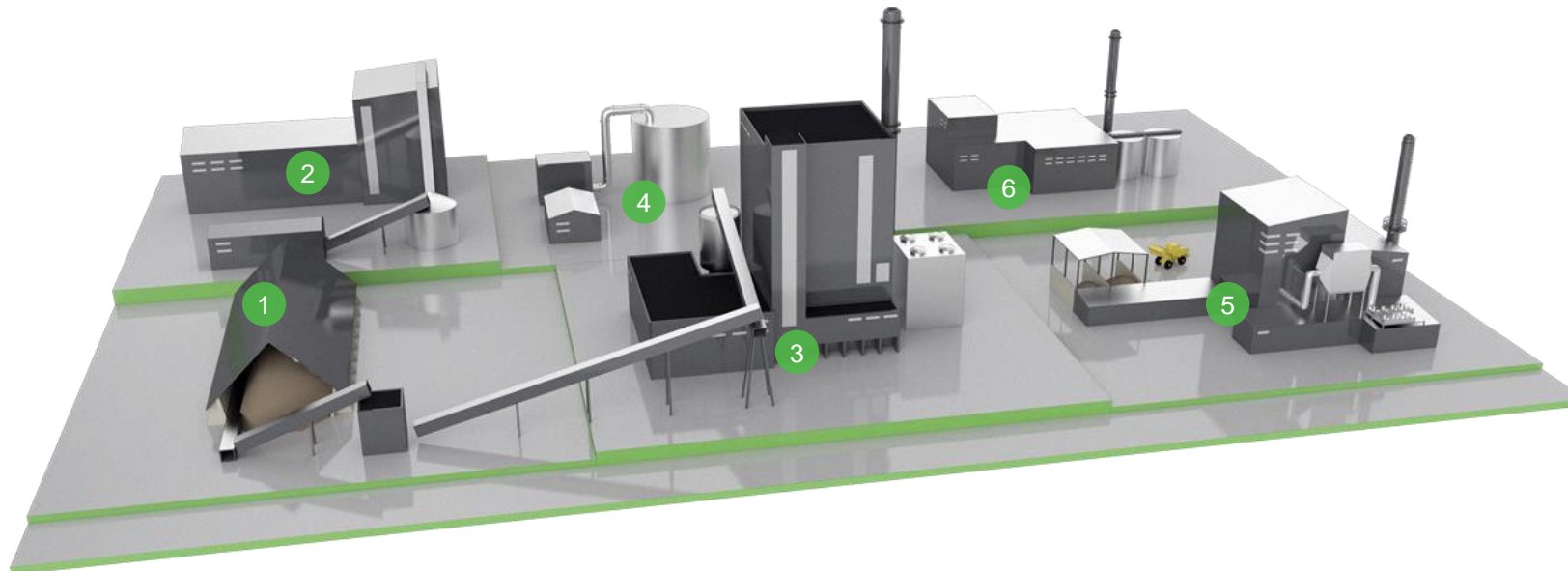
- 1 Fuel handling
- 2 Gasification
- 3 Boiler and flue gas cleaning
- 4 Bio-oil production
- 5 Modularized power plants
- 6 Prehydrolysis  
For biofuels, biomaterials and biochemicals, and bio coal production

## Automation

- Distributed Control System (DCS)
- Performance solutions
- Analyzers and measurements
- Industrial internet solutions
- Automation services

## Services

- Plant improvements
- Rebuilds
- Performance services
- Services for environmental equipment
- Components and spare parts
- Training



# Our pulp and energy technology offering



- Wood handling systems
- Cooking systems
- Complete fiber lines
- Pulp drying systems



- Evaporation systems
- Recovery islands



- Circulating fluidized bed boilers (CYMIC)
- Bubbling fluidized bed boilers (HYBEX)
- Biomass and waste gasification
- Oil and gas boilers
- Waste heat recovery
- Air pollution control systems



- Pyrolysis solutions for bio-oil production
- LignoBoost for lignin extraction
- Steam treated pellets production lines
- Biomass prehydrolysis for further refining to fuels or chemicals

300 complete fiber lines and 350 recovery islands delivered

400 boilers and environmental protection systems delivered

# Our paper technology offering



Board and paper

- Board and paper production lines
  - Recycled fiber lines
  - Tailor made OptiConcept machines
  - OptiConcept M modularized machines
- Rebuilds
  - Modernizations and grade conversions
- Stand-alone products
  - From stock preparation to roll handling

Over 1,600 board and paper machines delivered



Tissue

- Tissue production lines
  - Advantage DCT
  - Advantage NTT
  - Advantage Thru Air (TAD)
- Rebuilds
- Stand-alone products
  - e.g. Yankee cylinders

Over 200 tissue lines delivered



# Continuous investment in research and development to improve customers' processes



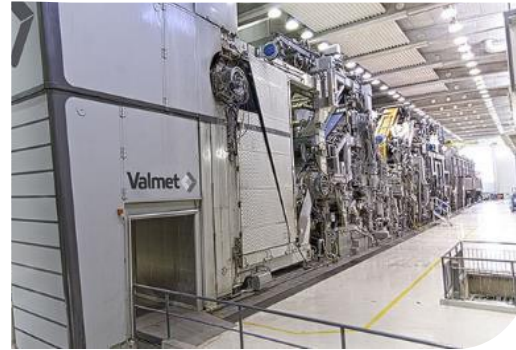
## Customers' needs

- Increase production efficiency
- Improve competitiveness
- Maximize value of raw materials
- Widen raw material base
- Provide high-value end products
- Develop new innovations and technologies



## Valmet's R&D focus

- Modularized and standardized products
- Energy, water and raw material efficiency
- Automation technology
- Biomass conversion technologies



## Valmet's R&D resources

- Own R&D centers and pilot facilities
- Annual R&D spend about EUR 65 million
- Around 1,500 protected inventions
- Cooperation with universities and research institutions



## Example of our R&D work – OptiConcept M board and paper machine

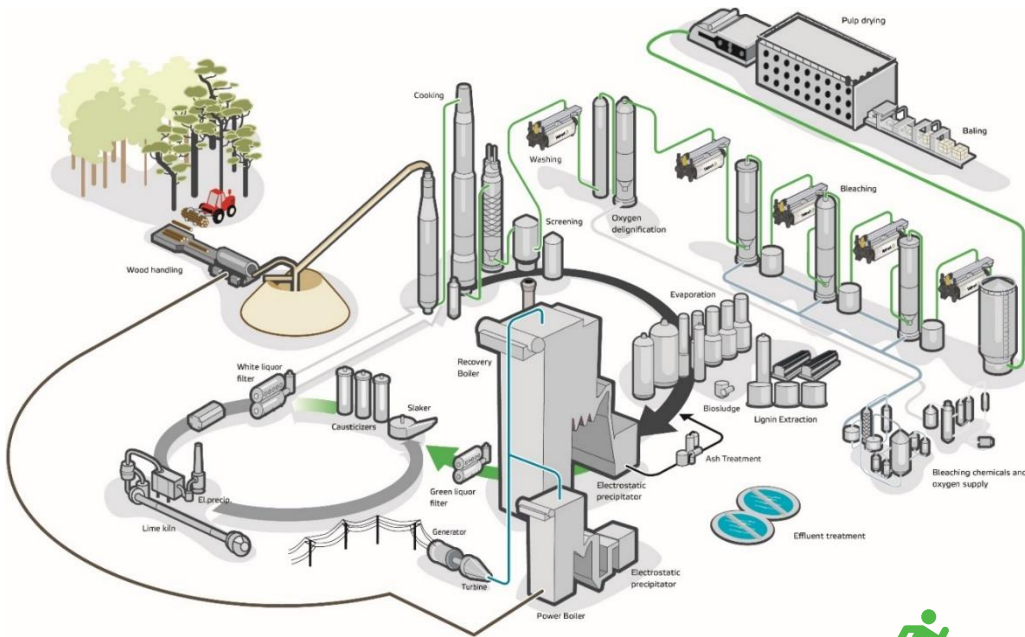
- Cost-efficient, high-quality, safe and flexible board making concept
- Significant savings in energy, water and raw material use
  - Energy efficiency improvement up to 30%
- Modular and compact size
  - Short delivery times, quick start-ups, and less production space
- Functional design brings increased safety and accessibility
  - Design acknowledged in Finnish design competition in 2014

# Today, customers are extensively utilizing our Industrial Internet capabilities



# Typical dimensions of pulp mills, and paper, board and tissue machines

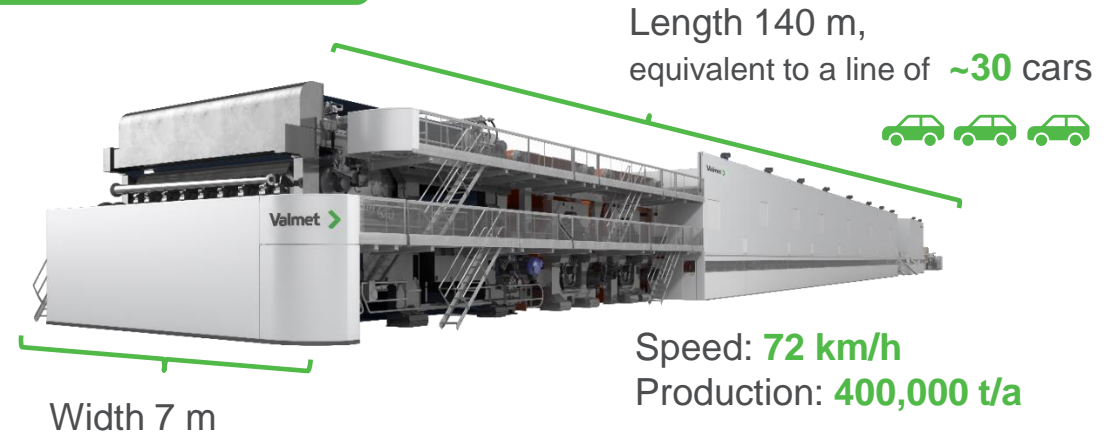
## Pulp mill



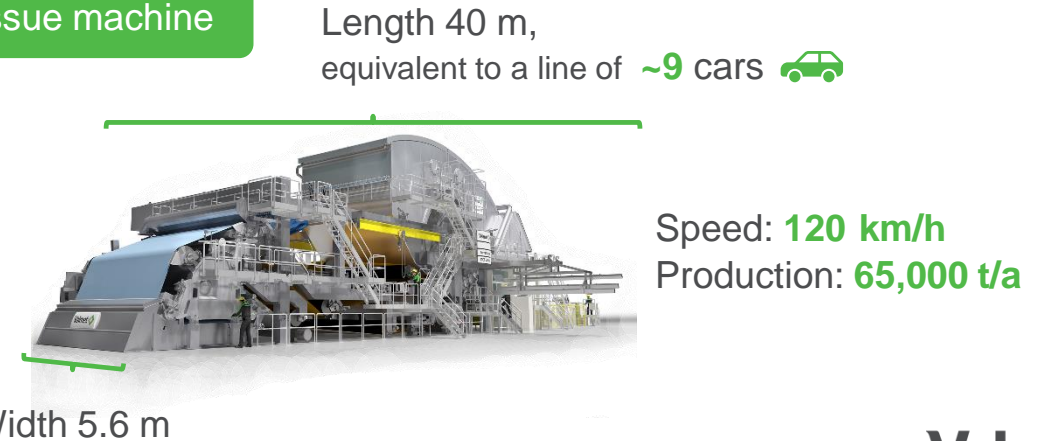
- Mill site area:  
500,000 – 5,000,000 m<sup>2</sup>, equivalent to **~70–700** football fields
- Built area:  
40,000 – 100,000 m<sup>2</sup>, equivalent to **~6–14** football fields



## Paper and board machine



## Tissue machine





# Appendix

## Management

# Executive Team

## Corporate



**Pasi Laine**

President and CEO  
Share ownership: 116,244



**Kari Saarinen**

CFO  
Share ownership: 32,671



**Julia Macharey**

SVP, Human Resources  
Share ownership: 22,036



**Juha Lappalainen**

SVP, Strategy and  
Operational Development  
Share ownership: 29,444



**Anu Salonsaari-Posti**

SVP, Marketing &  
Communications  
Share ownership: 16,752

## Business lines



**Aki Niemi**

Business Line President,  
Services  
Share ownership: 44,136



**Sami Riekkola**

Business Line President,  
Automation  
Share ownership: n/a



**Bertel Karlstedt**

Business Line President,  
Pulp and Energy  
Share ownership: 34,217



**Jari Vähäpesola**

Business Line President,  
Paper  
Share ownership: 41,116

## Business areas



**Dave King**

Area President, North  
America  
Share ownership: 18,691



**Celso Tacla**

Area President, South  
America  
Share ownership: 65,970



**Vesa Simola**

Area President, EMEA  
Share ownership: 33,003



**Xiangdong Zhu**

Area President, China  
Share ownership: 11,480



**Jukka Tiitinen**

Area President, Asia Pacific  
Share ownership: 70,760

# Board of Directors



**Bo Risberg**  
(b. 1956)  
Chairman of the Board  
Swedish citizen

- BSc (Mech. Eng), MBA
- Selected experience:
  - Vice CoB of Grundfos A/S
  - Member of the BoD of Stäubli International AG
- Share ownership: 12,554
- Independent of company: Yes
- Independent of owners: Yes



**Aaro Cantell**  
(b. 1964)  
Vice-Chairman of the Board  
Finnish citizen

- M.Sc. (Tech.)
- Selected experience:
  - CoB of Normet Group Oy, VTT Technical Research Centre of Finland Ltd
  - Member of the BoD of Solidium Oy, Federation of Finnish Technology Industries
- Share ownership: 4,448
- Independent of company: Yes
- Independent of owners: No



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

- Lic.Sc. (Tech.)
- Selected experience:
  - Member of the BoD of Junttan Oy
  - Several positions within KONE, including Managing Director of KONE Elevators Australia
- Share ownership: 1,217
- Independent of company: Yes
- Independent of owners: Yes



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

- Diploma in Physics and Chemistry, Diploma in Pedagogy
- Selected experience:
  - Chief Operating Officer of Nokia Group
  - Chief Operating Officer of Nokia's Fixed Networks Business Group
- Share ownership: 1,217
- Independent of company: Yes
- Independent of owners: Yes



**Eriikka Söderström**  
(b. 1968)  
Board member  
Finnish citizen

- M.Sc. (Econ.)
- Selected experience:
  - CFO of F-Secure Corporation
- Share ownership: 2,347
- Independent of company: Yes
- Independent of owners: Yes



**Tarja Tyni**  
(b. 1964)  
Board member  
Finnish citizen

- LL.M.
- Selected experience:
  - CoB of Innova Oy and Mandatum Life Investment Services Ltd
- Share ownership: 4,143
- Independent of company: Yes
- Independent of owners: Yes



**Rogério Ziviani**  
(b. 1956)  
Board member  
Brazilian citizen

- BSc in Business Management, MBA
- Selected experience:
  - Member of the BoD of Innovatech Negócios Florestais
- Share ownership: 8,330
- Independent of company: Yes
- Independent of owners: Yes

