Valmet – unique offering with process technology, automation and services

Roadshow presentation

July 2020

Agenda

Valmet roadshow presentation

1 Valmet in brief

2 Investment highlights

3 Financials

4 Conclusion

Valmet in brief

We have strong market shares, unique offering and over 220 years of history

Paper

Market position
#1

Market share
~40%

Pulp and Energy

Market position
#1–3

Market share
20-40%

Automation

Market position
#1–3

Market share
10-20%

Services

Market position
#1–2

Market share
~17%

Valmet's road to becoming a global market leader

1797 onwards
Tamfelt, Beloit, KMW, Sunds Defibrator

1951
Valmet

1968–1996
Several M&As, e.g.
KMW (1986),
Wärtsilä paper finishing machinery (1987),
Tampella Papertech (1992)

1999
Metso created through the merger of Valmet and Rauma

Key acquisitions
Beloit Technology (2000),
Kvaerner Pulping & Kvaerner Power (2006),
Tamfelt (2009)

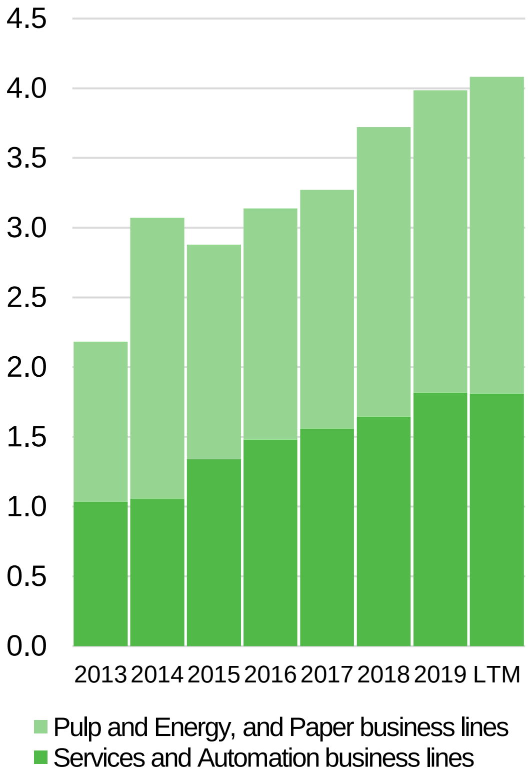
End of 2013
Demerger to create Valmet and Metso

Acquisitions
Automation (2015)
GL&V (2019)
J&L (2019)

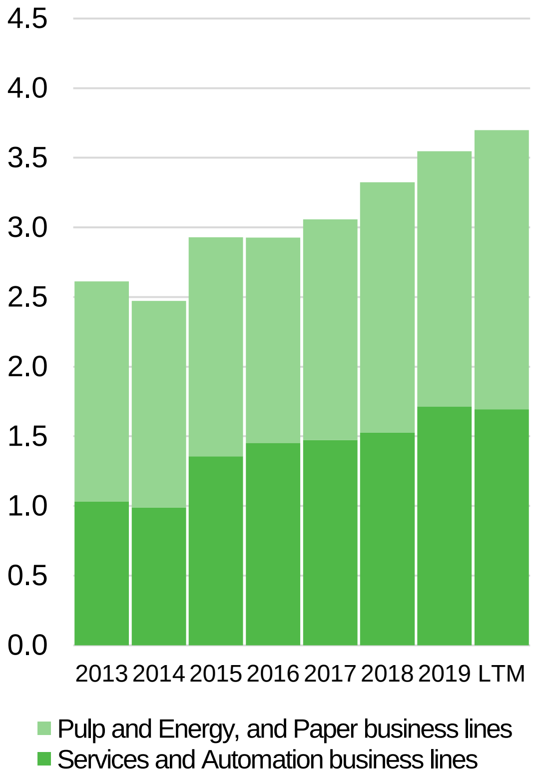
Valmet’s development since 2013

New Comparable EBITA
target 10–12%
from 2020 onwards

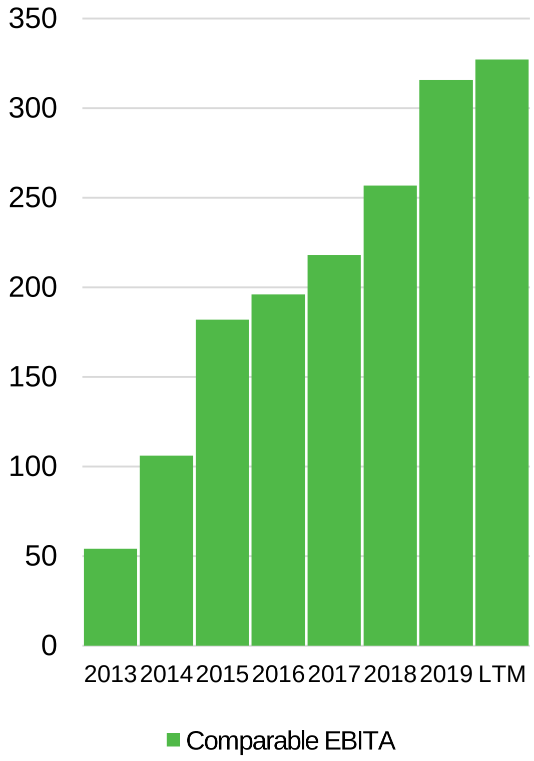
Orders received
(EUR billion)



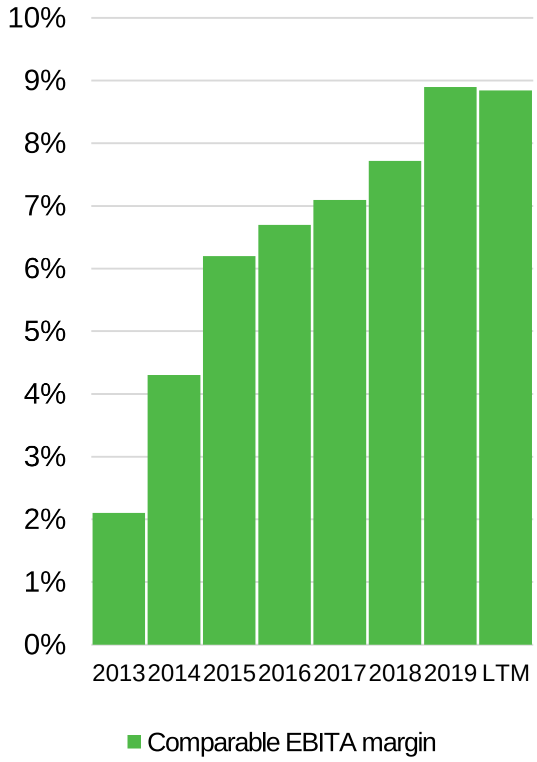
Net sales
(EUR billion)



Comparable EBITA
(EUR million)



Comparable EBITA margin
(%)



2013 figures on carve-out basis

Key figures 2019

Orders received
EUR 3,986 million

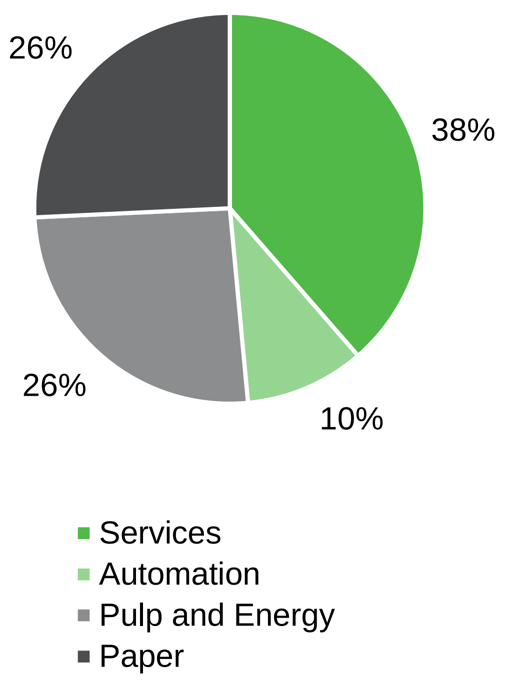
Net sales
EUR 3,547 million

Comparable EBITA
EUR 316 million

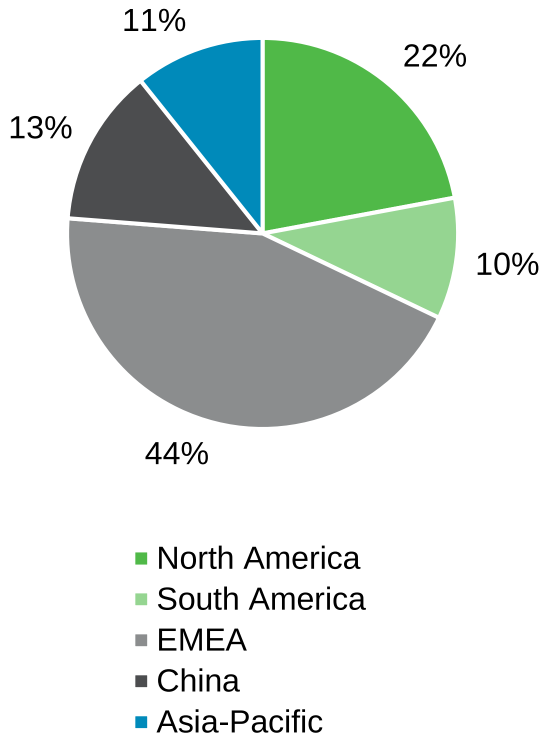
Comparable EBITA margin
8.9%

Order backlog
EUR 3,333 million

Employees
13,598

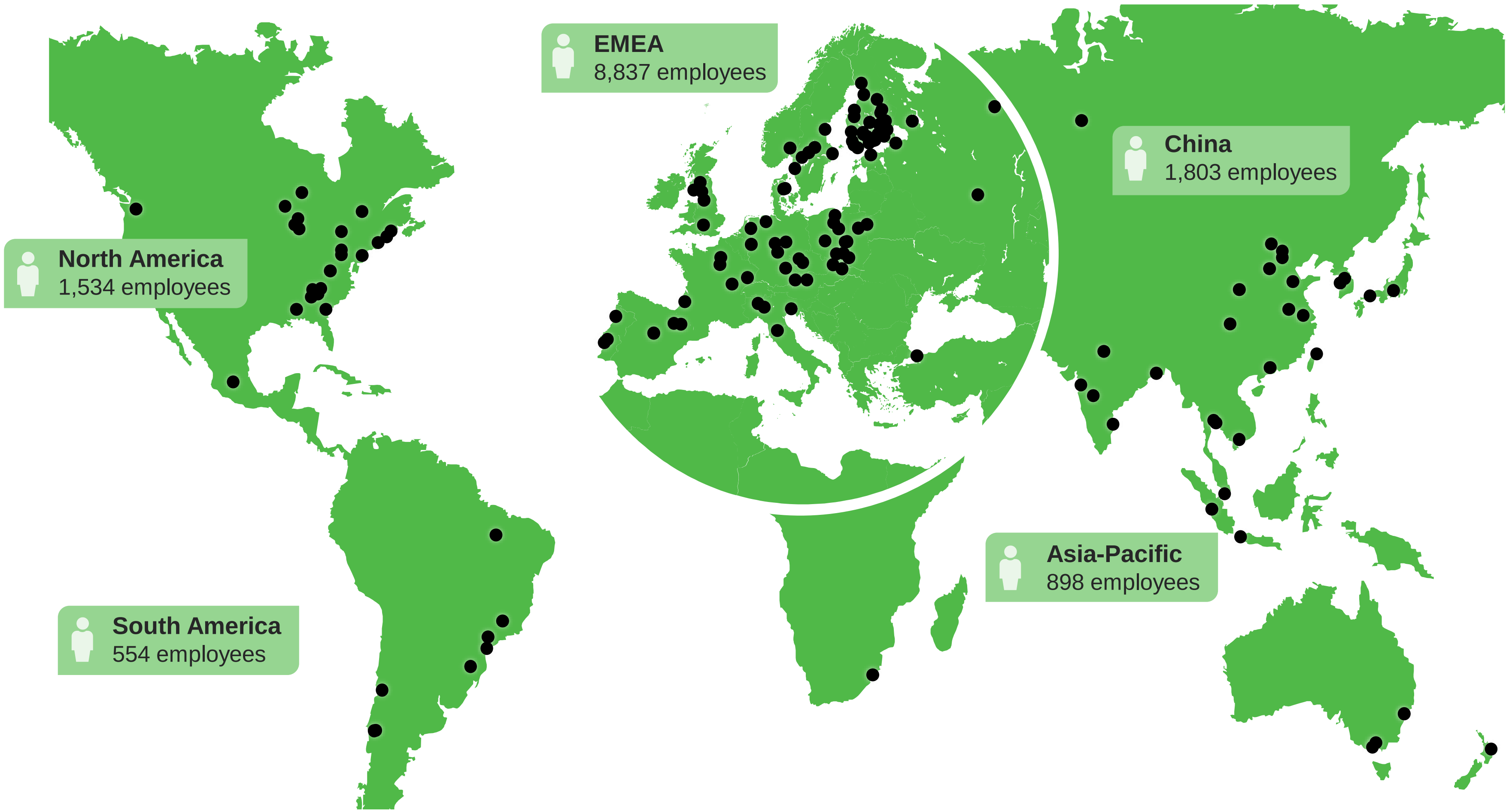


Net sales by business line



Net sales by area

Strong, global presence is a good platform for growth



~100
service centers

96
sales offices

39
production units

16
R&D centers

8
Performance Centers

Personnel as at June 30, 2020

Process technology, services and automation

Valmet's unique offering differentiates the company from its competitors

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

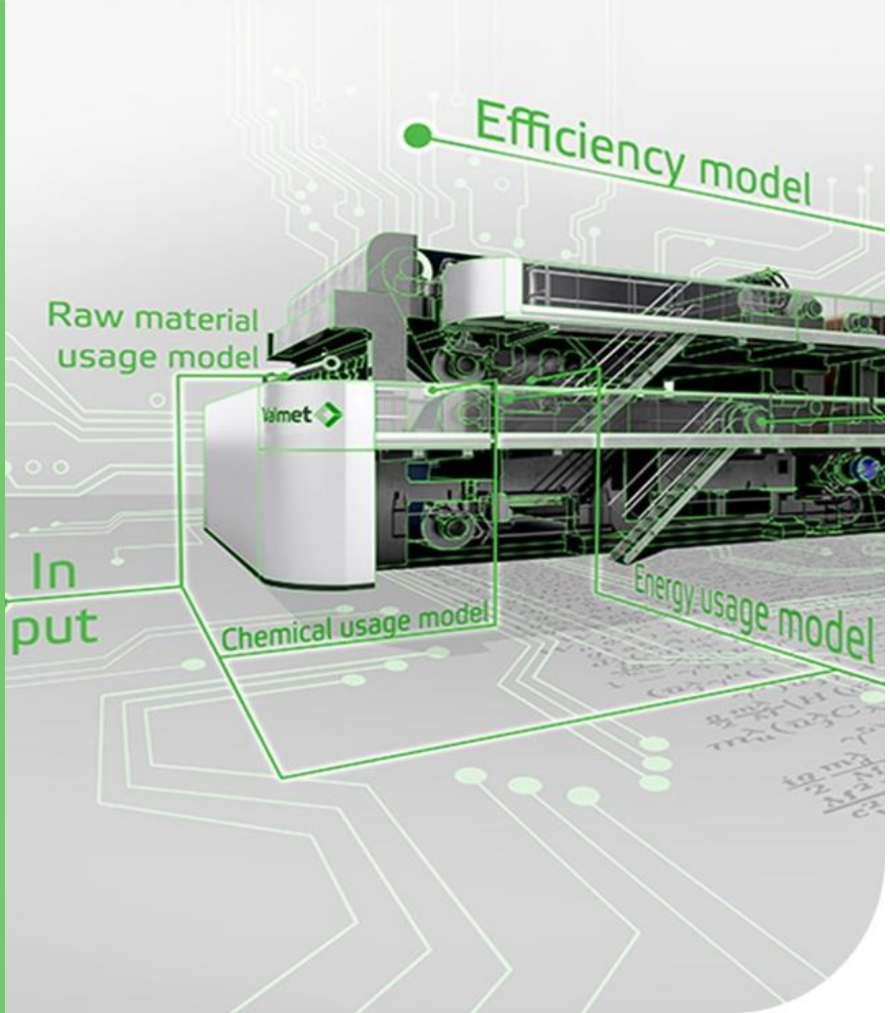
research and development centers

EUR **71** million

R&D spending in 2019

~1,300

protected inventions



Acknowledged leader in sustainability

Sustainability360° approach

- In Dow Jones Sustainability Index for the sixth consecutive year
- AAA rating in the MSCI ESG Ratings assessment in 2020
- Rating A in CDP’s climate program ranking in 2019
- RobecoSAM Bronze Class 2020 Sustainability Award
- In Ethibel Sustainability Index Excellence Europe

Most material UN Sustainable Development Goals for Valmet

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

MSCI ESG RATINGS AAA

CDP A LIST 2019 CLIMATE

SAM Sustainability Award Bronze Class 2020

Included in ETHIBEL SUSTAINABILITY INDEX EXCELLENCE Europe

ISS QualityScore ENVIRONMENTAL Highest Rating By INSTITUTIONAL SHAREHOLDER SERVICES

ISS QualityScore SOCIAL Highest Rating By INSTITUTIONAL SHAREHOLDER SERVICES

Valmet's share acquisition in Neles

Valmet's acquisition of 14.9% ownership in Neles[1]

- Valmet agreed to acquire approximately 22.4 million shares in Neles Corporation from Solidium Oy, representing 14.88% of all Neles' shares and votes
- Neles is a globally leading diversified valve, valve automation and service company
- Neles is a good quality global company with a large share of recurring business and a strong position in the pulp and paper industry
- Neles has demonstrated good growth and has potential to grow further
- Valmet's target is to increase ownership when Neles' share price supports additional purchases
- Valmet's goal is to have an active long-term role in the development of Neles

Valmet's comment on Alfa Laval's tender offer for Neles' shareholders[2]

- Valmet and Neles have a common heritage, serve similar global industries and benefit from same global megatrends
- Valmet sees a good amount of value in Neles
- Valmet's target is to participate in developing Neles further
- As a Neles shareholder, Valmet does not consider Alfa Laval's tender offer to be beneficial for Neles

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1) Valmet Oyj's stock exchange release on June 17, 2020
2) Valmet Oyj's press release on July 13, 2020

New and increased 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: **10–12%**
ROCE	• Comparable return on capital employed (ROCE) before taxes[1]: **>20%**
Dividend policy	• Dividend payout at least 50% of net profit

The new financial targets have been announced by stock exchange release on February 5, 2020

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))

Investment highlights

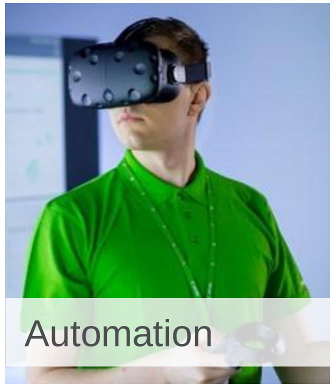
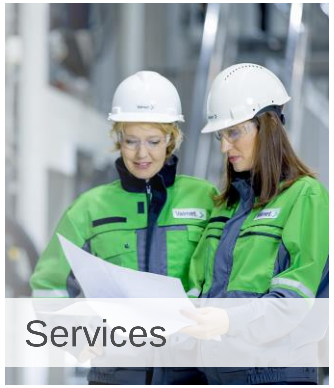
Investment highlights

1. **Strong position in the growing market of converting renewables**
2. **Widest offering combining process technology, services and automation in a unique way**
3. **Large stable business offering growth and profitability**
4. **Strong capital business with high market share and flexible cost structure**
5. **Systematically building the future**

Strong position in the growing market of converting renewables





Paper	Board	Tissue	Pulp	Energy	Automation	Services
#1	#1	#1	#1-2	#1-3	#1-3	#1-2
0.3 EUR bn	1.0 EUR bn	0.7 EUR bn	1.4 EUR bn	2.0 EUR bn	2.0 EUR bn	8.0 EUR bn
~-1% p.a.	~2-3% p.a.	~3% p.a.	~1% p.a.	~1% p.a.	~1% p.a.	~1-2% p.a.
• Increasing role of digital media decreases demand for printing and writing papers • Demand for technology driven efficiency improvements	• World trade, e-commerce and emerging markets growth drive packaging • Demand for light-weight board • Shift from plastic packaging to renewable materials • Conversions from paper to board	• Rise in purchasing power and living standards • Fast growth in emerging markets • Demand for higher quality	• Growth in board and tissue consumption • Need for virgin wood pulp. Decreasing availability of recycled paper and limitations to recycling rates • Increased size of pulp lines and mills • New applications for bio-based products • Increasing environmental awareness and stricter regulations	• Growth in energy consumption • Demand for sustainable energy and shutdowns of coal capacity • Modernization of aging plants • Incentives and regulation driven demand • Environmental solutions driven by marine SO_x regulation and target market expected temporarily to exceed EUR 1 billion	• Aging machines and installed automation systems • Investments in new pulp and paper mills and power plants • Demand for raw material savings, process efficiencies and sustainability • Demand for Industrial Internet based solutions	• Increasing pulp, paper and energy production • Demand for more efficient processes, maintenance and outsourcing of non-core operations • Customers' decreasing amount of own resources • Size and gradually aging installed base, capacity increases in China, South America and Asia-Pacific • Closures of non-competitive production lines • Demand for Industrial Internet based solutions
5% of net sales	13% of net sales	7% of net sales	12% of net sales	14% of net sales	10% of net sales	39% of net sales

🟩 Market position 🟩 Estimated market size for current offering (EUR) 🟩 Anticipated long-term market growth ▭ Market drivers 🟩 % of net sales (2019)

Source: Leading consulting firms, RISI, management estimates

Widest offering combining process technology, services and automation in a unique way

Paper
- Board, paper and tissue production lines
- Rebuilds
- Stand-alone products

Pulp
- Wood and pulp handling
- Fiber processing
- Recovery

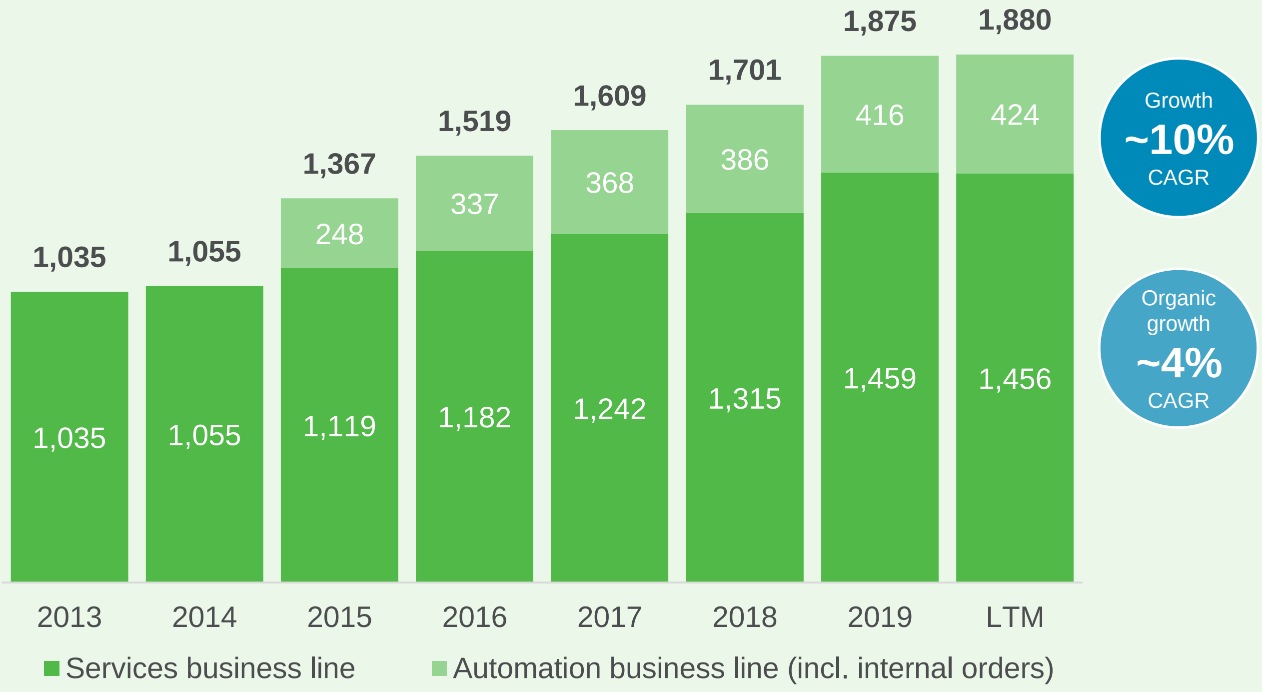
Energy
- Heat and power generation
- Emission control
- Biofuels

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

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

Large stable business offering growth and profitability

Orders received (EUR million)



	2013	2014	2015	2016	2017	2018	2019	LTM
Services business line	1,035	1,055	1,119	1,182	1,242	1,315	1,459	1,456
Automation business line (incl. internal orders)			248	337	368	386	416	424
Total	1,035	1,055	1,367	1,519	1,609	1,701	1,875	1,880

Services

- 17% market share offers room for growth
- Wide offering to support customers' all service needs
- Opportunities to win new customers and increase share of wallet with existing customers

Automation

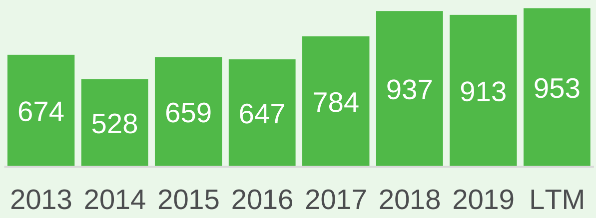
- Strong as a stand-alone business as well as packaged with Valmet's equipment
- Growth possibilities through replacing competitors' installed base, entering new industries and capturing Valmet synergies
- Lead the market through Industrial Internet offering

Strong capital business with high market share and flexible cost structure

Paper business line

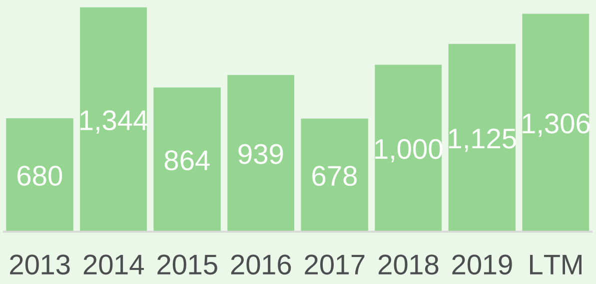
Orders received (EUR million)

Net sales (EUR million)

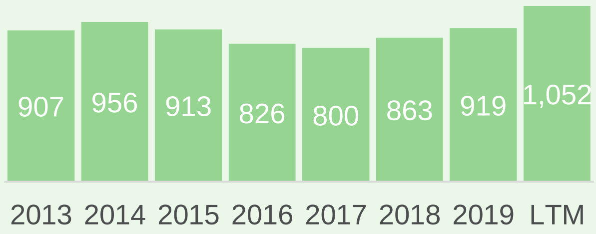


Pulp and Energy business line

Orders received (EUR million)



Net sales (EUR million)



Market share

- High market share in all businesses

Board and paper	Tissue	Pulp	Energy
~40%	**~35%**	**~40%**	**~20%**

Flexibility

- Low capacity cost provides resilience to market fluctuations
- Capacity costs:

	2019:	**2015:**
Paper	**31%** of net sales EUR **286** million	**41%** of net sales EUR **270** million

	2019:	**2015:**
Pulp and Energy	**22%** of net sales EUR **206** million	**24%** of net sales EUR **218** million

Systematically building the future

Customer

- Shared Journey Forward: a unified and unique way to serve
- Add value to customers through Industrial Internet solutions
- Ensure strong market position in capital business

Technology

- Develop new products and technologies
- Improve product cost competitiveness
- Lead the market through Industrial Internet offering

Process

- Investing in new ERP and other new business platforms
- Continue to improve project management and project execution
- Continued focus on sustainability

People

- Continue to improve safety and lower LTIF
- Continuous training of employees, e.g. Sales Journey and Innovation Pathways training programs
- Building capabilities globally

Financials

Key figures

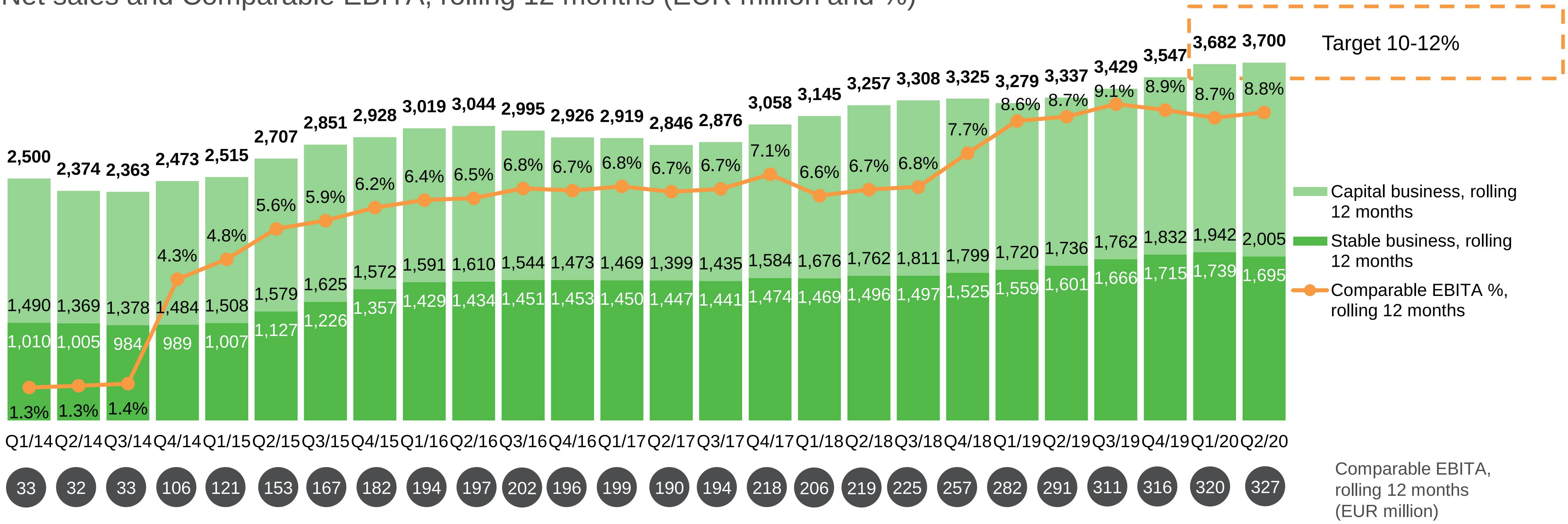
EUR million	**Q2/2020**	Q2/2019	Change	**Q1–Q2/2020**	Q1–Q2/2019	Change
Orders received	**826**	1,083	-24%	**2,013**	1,918	5%
Order backlog[1]	**3,492**	3,216	9%	**3,492**	3,216	9%
Net sales	**919**	901	2%	**1,740**	1,587	10%
Comparable EBITA	**76**	69	10%	**128**	117	10%
% of net sales	**8.3%**	7.7%		**7.4%**	7.3%	
EBITA	**70**	64	9%	**121**	113	6%
Operating profit (EBIT)	**62**	56	11%	**104**	99	6%
% of net sales	**6.8%**	6.2%		**6.0%**	6.2%	
Earnings per share, EUR	**0.29**	0.26	15%	**0.49**	0.47	6%
Return on capital employed (ROCE) before taxes[2]				**16%**	17%	
Cash flow provided by operating activities	**151**	-44		**324**	-14	
Gearing[1]				**-23%**	17%	

Items affecting comparability: EUR -6 million in Q2/2020 (EUR -5 million in Q2/2019), EUR -7 million in Q1–Q2/2020 (EUR -3 million in Q1–Q2/2019)

1) At end of period
2) Annualized

Comparable EBITA margin[1] development

Net sales and Comparable EBITA, rolling 12 months (EUR million and %)[1]



- In Q2/2020, Comparable EBITA increased compared with Q2/2019
  - Comparable EBITA increased due to lower selling, general & administrative (SG&A) expenses

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1) Rolling 12 months. Carve-out figures for 2013 have been used in the calculation of Q1–Q3/2014 figures. Valmet implemented IFRS 15 – Revenue from Contracts with Customers as of January 1, 2018 by applying full retrospective method. Thus, figures presented are not fully comparable.

Guidance and short-term market outlook

Guidance for 2020

Guidance

Valmet announced on April 16, 2020 that the company withdraws its guidance for 2020 due to increased uncertainty related to the COVID-19 pandemic.

Short-term market outlook

		Q3/2019	Q4/2019	Q1/2020	Q2/2020
Services		Good	Good	Satisfactory / Weak	Satisfactory / Weak
Automation		Good	Good	Good / Satisfactory	Good / Satisfactory
Pulp and Energy	Pulp	Good	Good	Good	Good
	Energy	Satisfactory	Satisfactory	Satisfactory	Satisfactory
Paper	Board and Paper	Good	Good	Good	Good
	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 from the end of the respective quarter. The scale is 'weak–satisfactory–good'.

Conclusion

Conclusion

1. **Strong position in the growing market of converting renewables**
2. **Widest offering combining process technology, services and automation in a unique way**
3. **Large stable business offering growth and profitability**
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5. **Systematically building the future**

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.

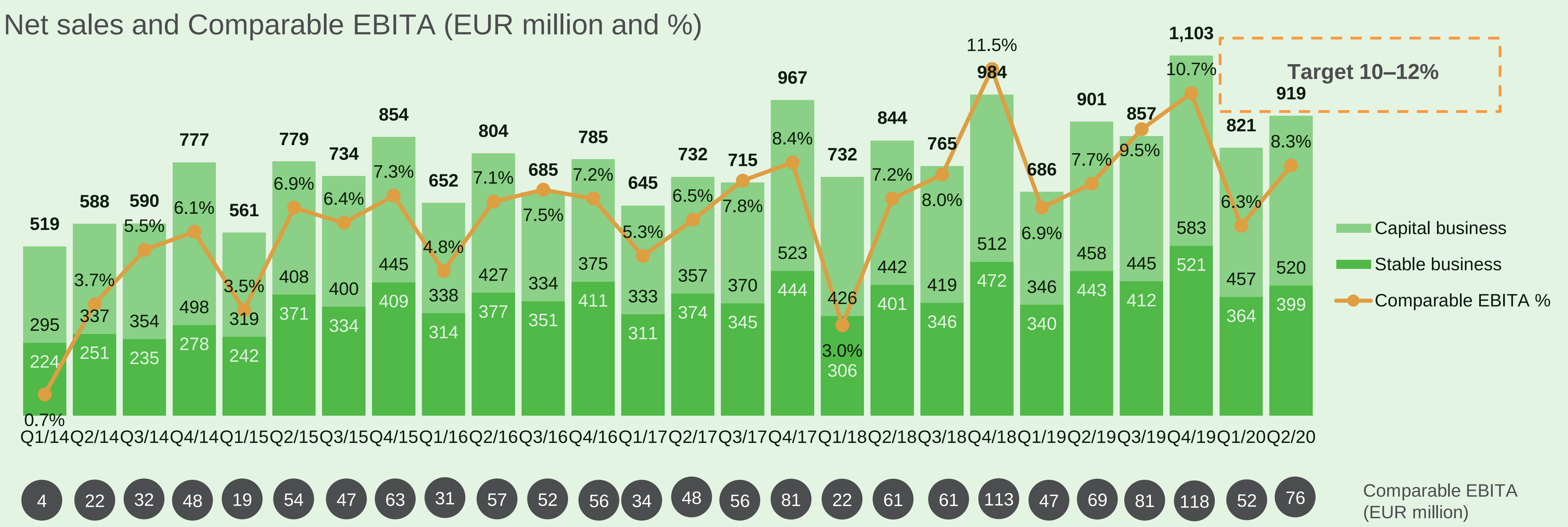
Appendix

1. Financials
2. Growth and profitability improvement
3. Shareholders, share price development and sustainability
4. Strategy and offering
5. Management

Appendix

Financials

Quarterly Comparable EBITA margin development



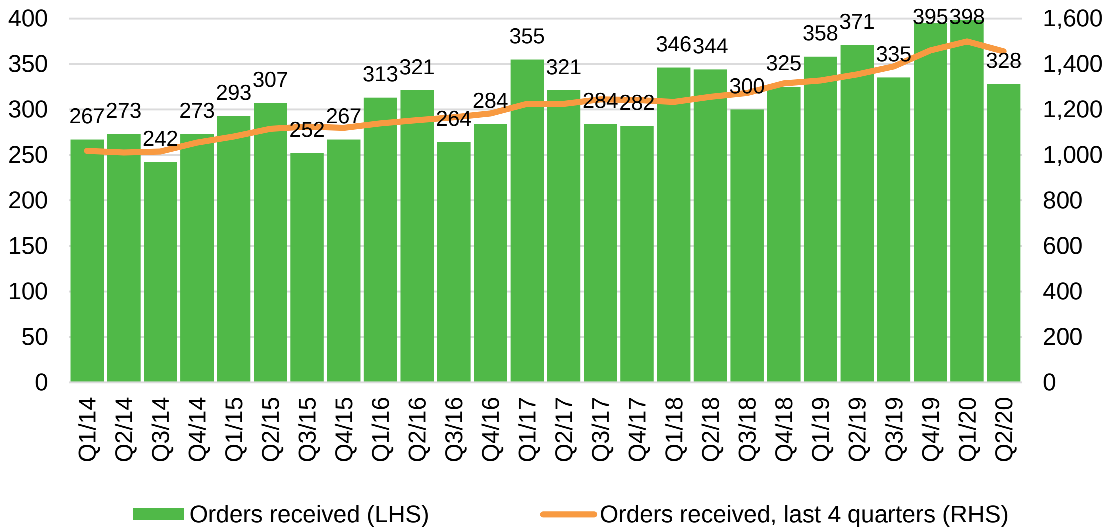
Net sales and Comparable EBITA (EUR million and %)

Services: Orders received and net sales decreased in Q2/2020

Orders received (EUR million)

Q1–Q2/2019:
EUR 729 million

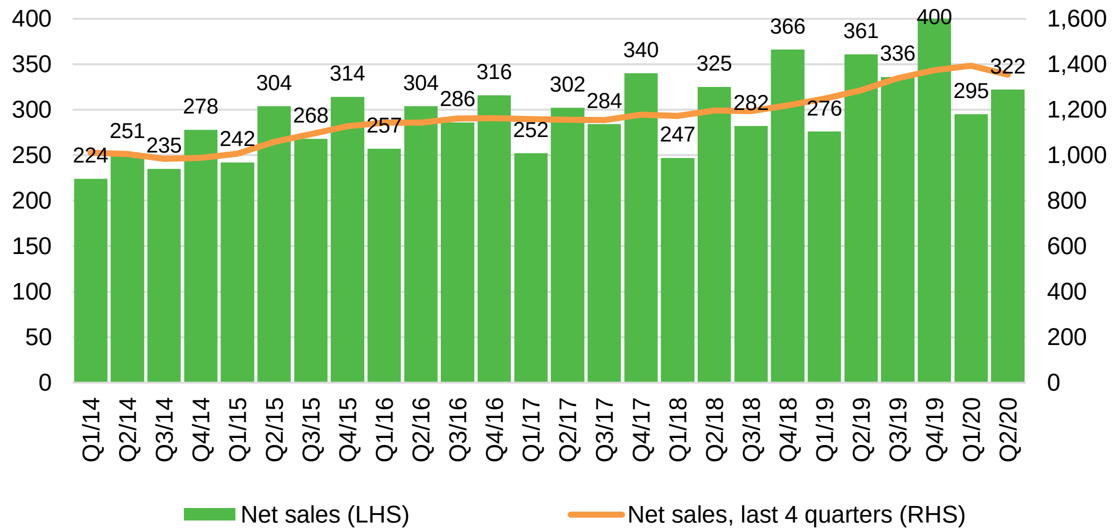
Q1–Q2/2020:
EUR 726 million



Net sales (EUR million)

Q1–Q2/2019:
EUR 637 million

Q1–Q2/2020:
EUR 617 million



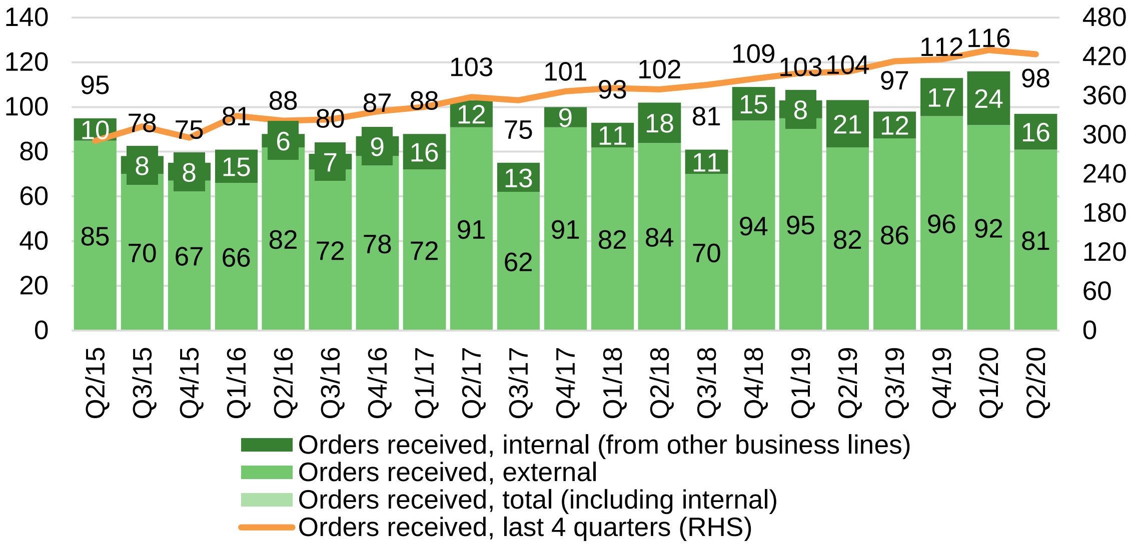
- Orders received decreased compared with Q2/2019
  - Orders received increased China, remained at the previous year’s level in Asia-Pacific, and decreased in South America, North America and EMEA
  - Orders received decreased in Mill Improvements, Energy and Environmental, Fabrics, Performance Parts and Rolls
- Net sales decreased compared with Q2/2019
- COVID-19 had a negative impact on orders received and net sales in all service businesses

Automation[1]: Orders received decreased and net sales remained at the previous year's level in Q2/2020

Orders received (EUR million)

Q1–Q2/2019:
EUR 206 million

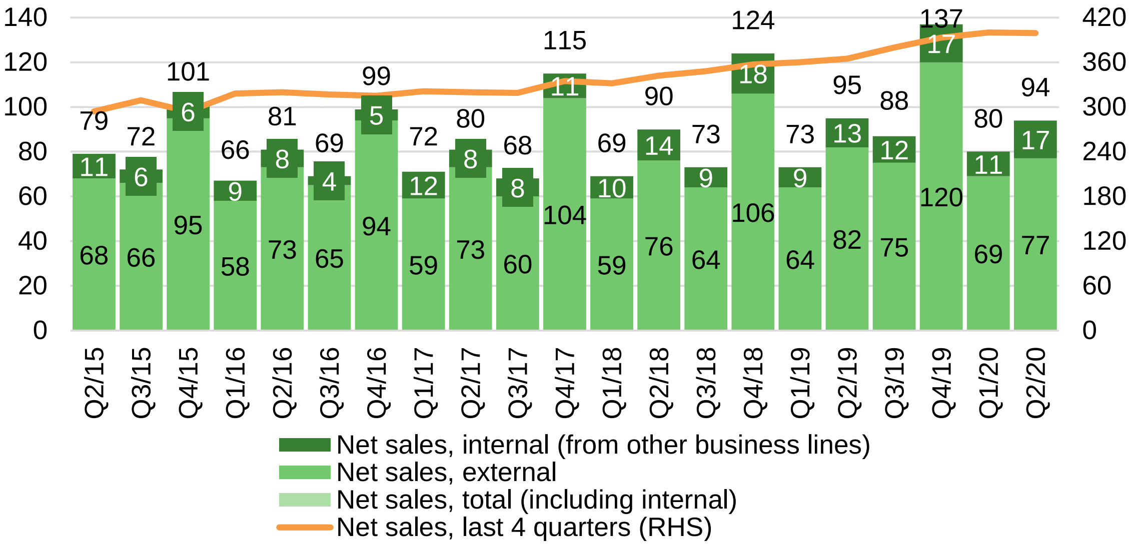
Q1–Q2/2020:
EUR 214 million



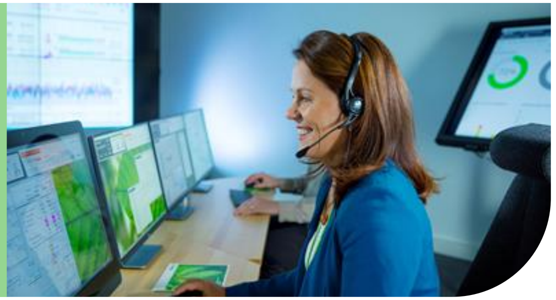
Net sales (EUR million)

Q1–Q2/2019:
EUR 168 million

Q1–Q2/2020:
EUR 174 million



- Orders received decreased compared with Q2/2019
  - Orders received increased in China and Asia-Pacific, and decreased in South America, North America and EMEA
  - Orders received increased in Energy and Process, and decreased in Pulp and Paper
- Net sales remained at the previous year's level compared with Q2/2019
- COVID-19 caused access restrictions to some customer sites



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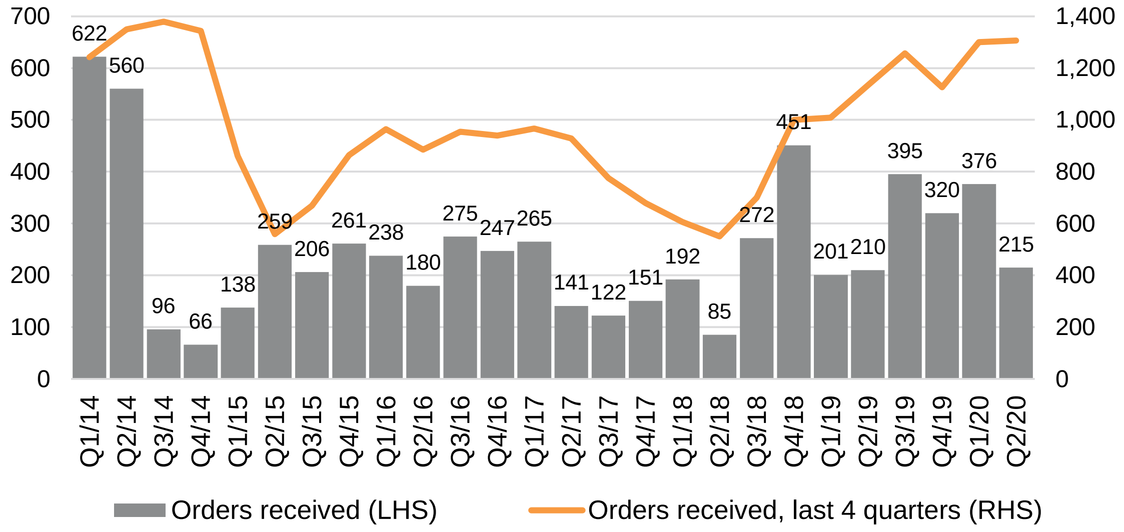
1) Comments refer to orders received and net sales including also internal orders received and internal net sales.

Pulp and Energy: Orders received remained at the previous year's level and net sales increased in Q2/2020

Orders received (EUR million)

Q1–Q2/2019:
EUR 411 million

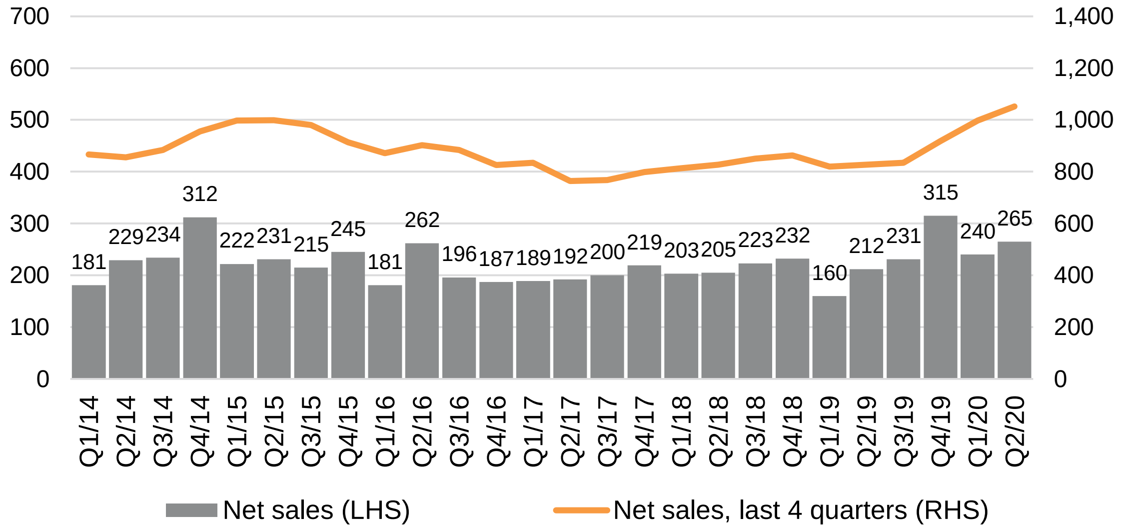
Q1–Q2/2020:
EUR 591 million



Net sales (EUR million)

Q1–Q2/2019 :
EUR 372 million

Q1–Q2/2020:
EUR 506 million

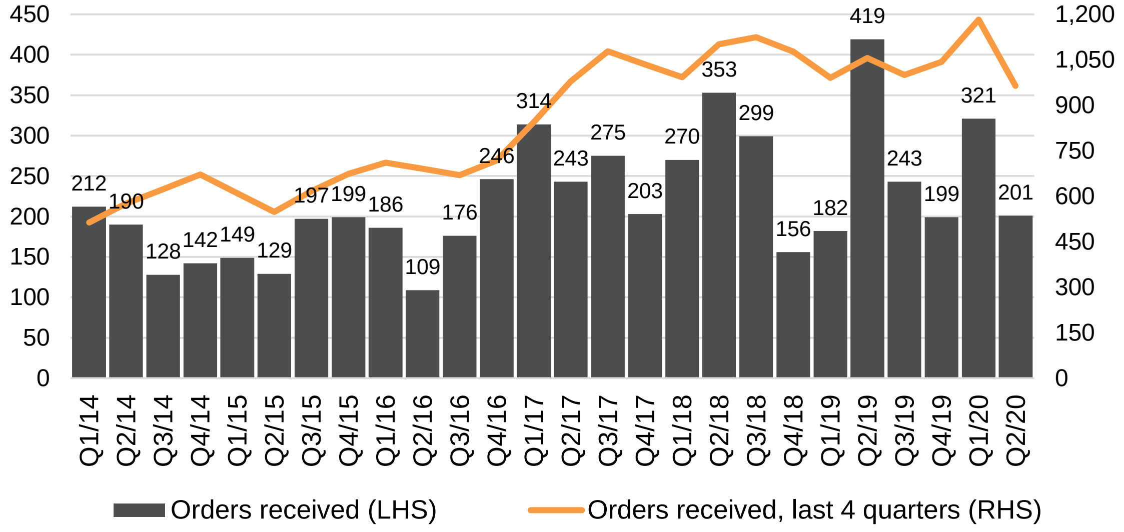


- Orders received remained at the previous year's level compared with Q2/2019
  - Orders received increased in EMEA, China and Asia-Pacific, and decreased in South America and North America
  - Orders received increased in Energy and decreased in Pulp
- Net sales increased compared with Q2/2019
- COVID-19 caused progress delays in projects and led to some delays in the supply chain network

Paper: Orders received decreased and net sales remained at the previous year’s level in Q2/2020

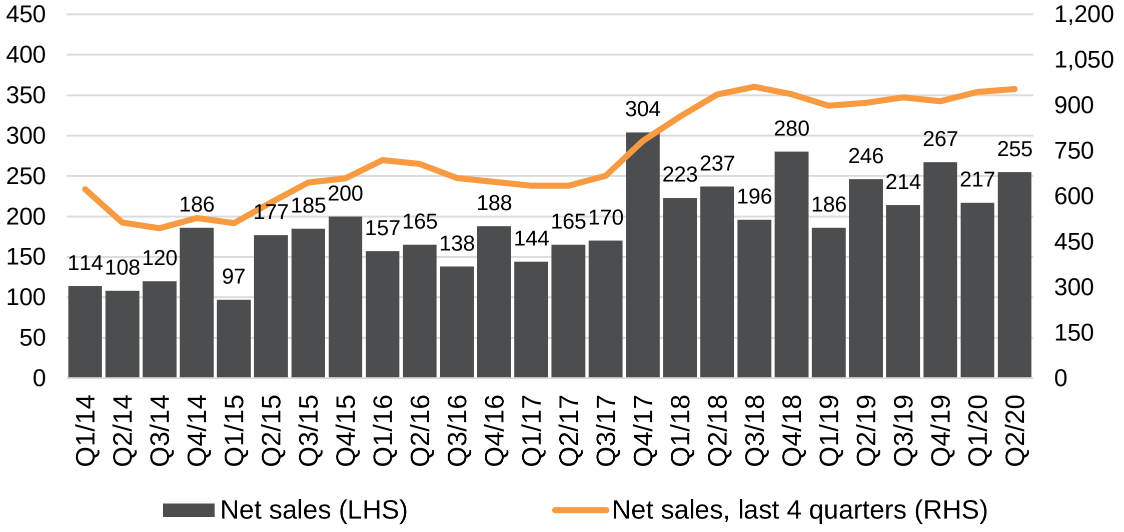
Orders received (EUR million)

Q1–Q2/2019: EUR 601 million	**Q1–Q2/2020:** EUR 522 million

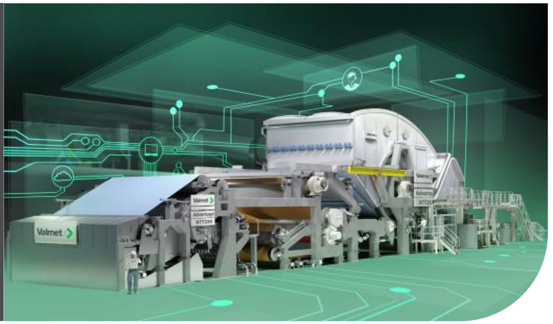


Net sales (EUR million)

Q1–Q2/2019: EUR 432 million	**Q1–Q2/2020:** EUR 472 million

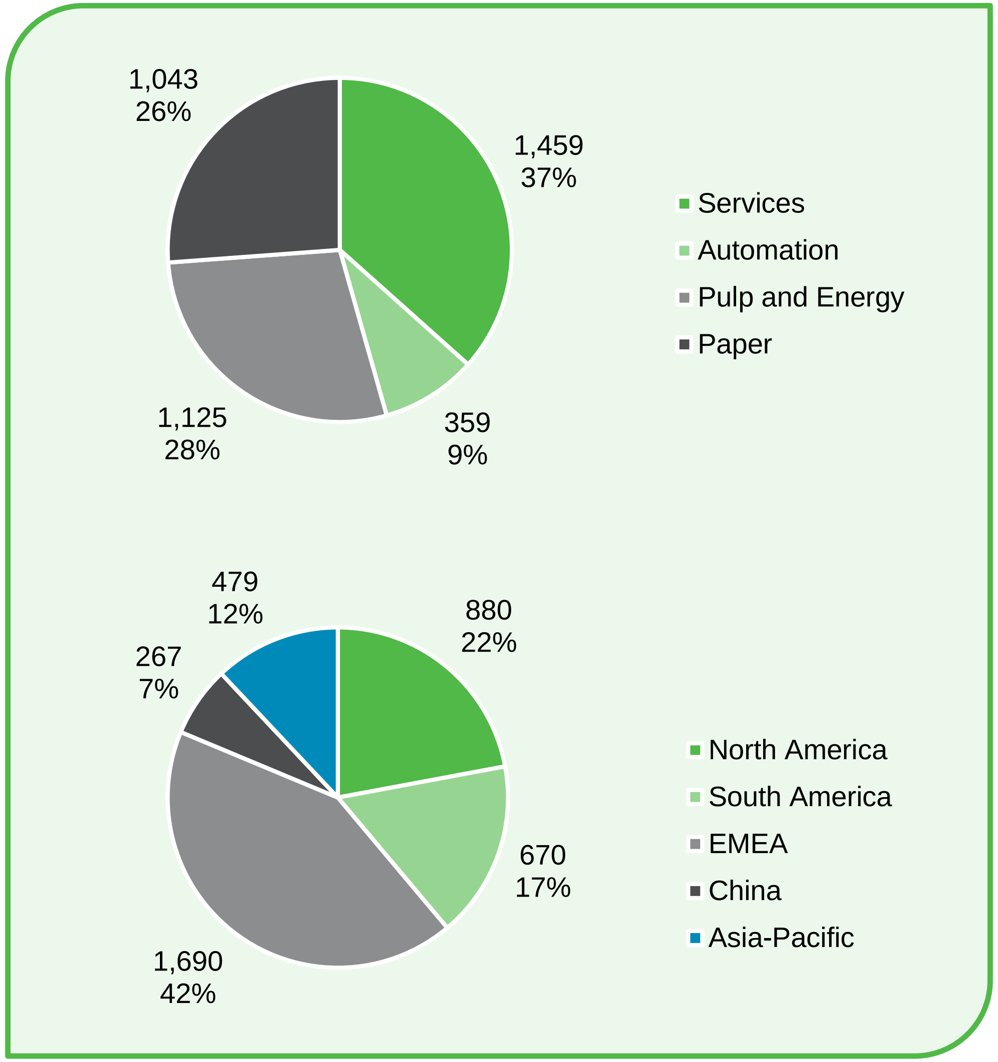


- Orders received decreased compared with Q2/2019
  - Orders received increased in China and decreased in all other areas
  - Orders received increased in Tissue and decreased in Board and Paper
- Net sales remained at the previous year’s level compared with Q2/2019
- COVID-19 caused access restrictions to some customer sites and led to some delays in the supply chain network

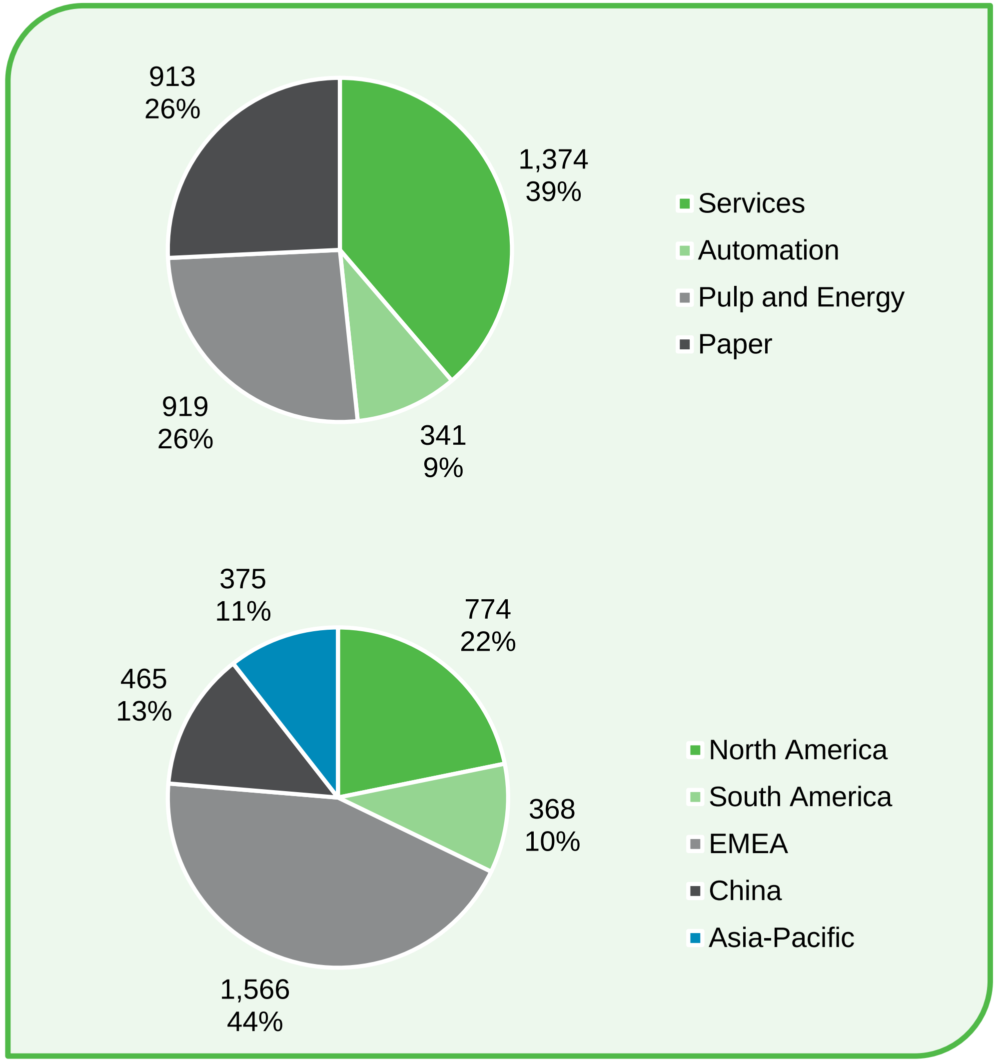


Orders received and net sales split in 2019

Orders received (EUR million and % of total)

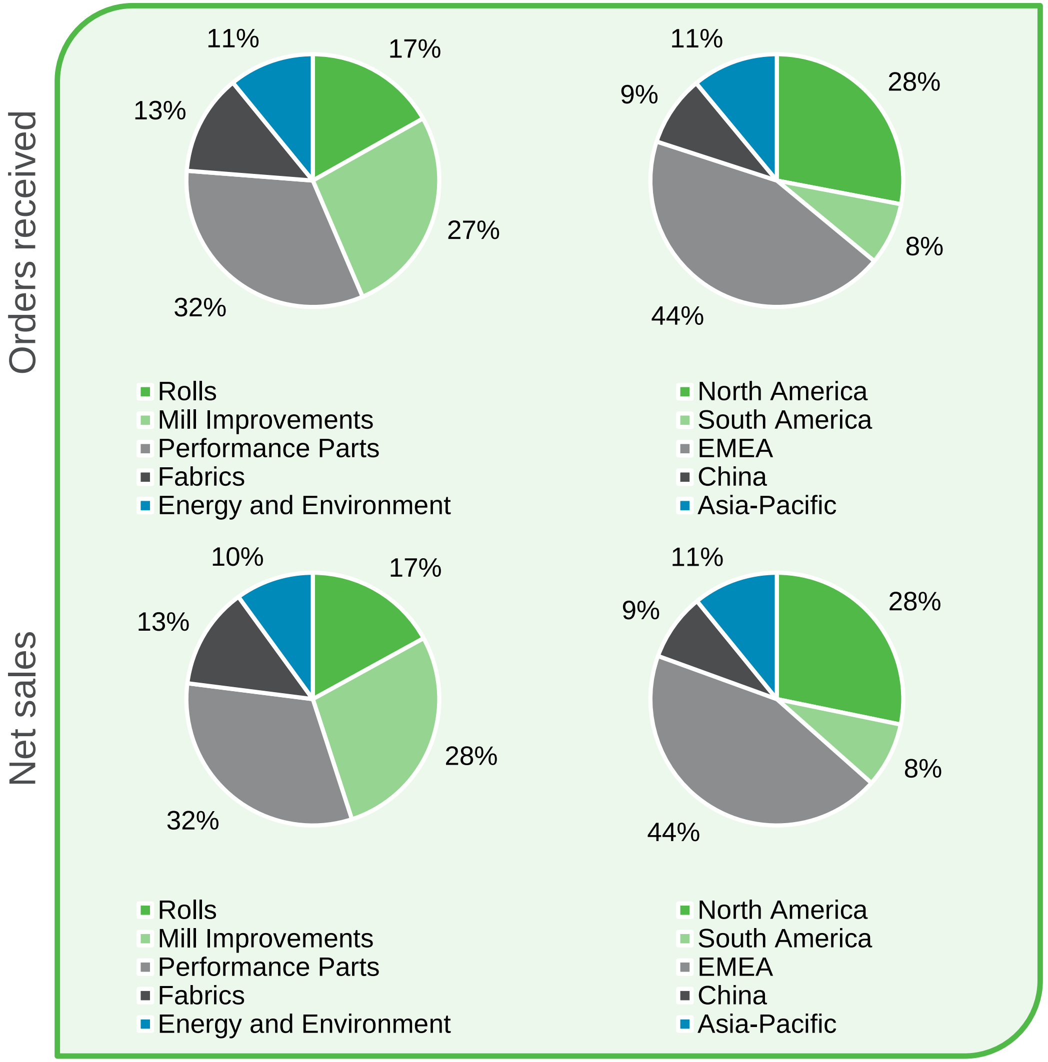


Net sales (EUR million and % of total)

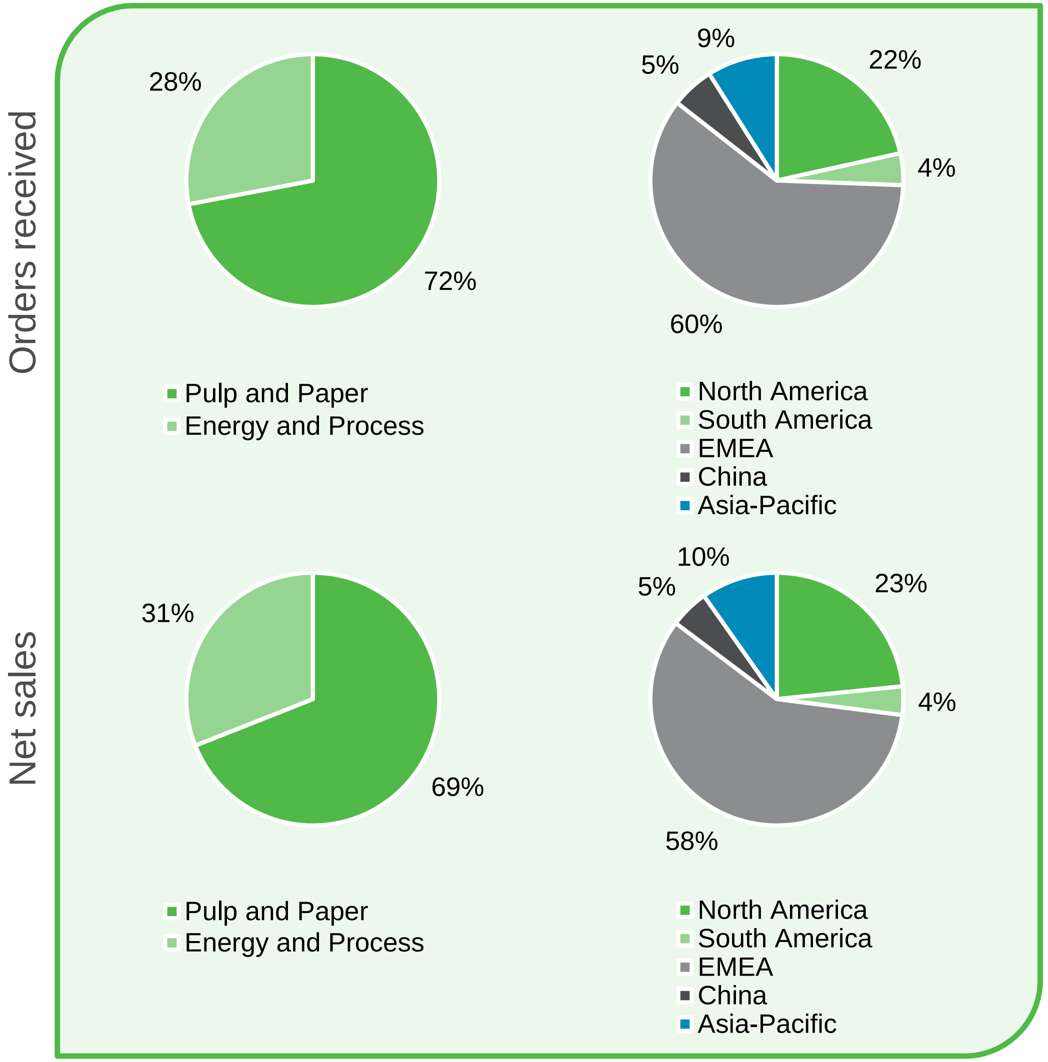


Business lines in 2019: Stable business

Services business line

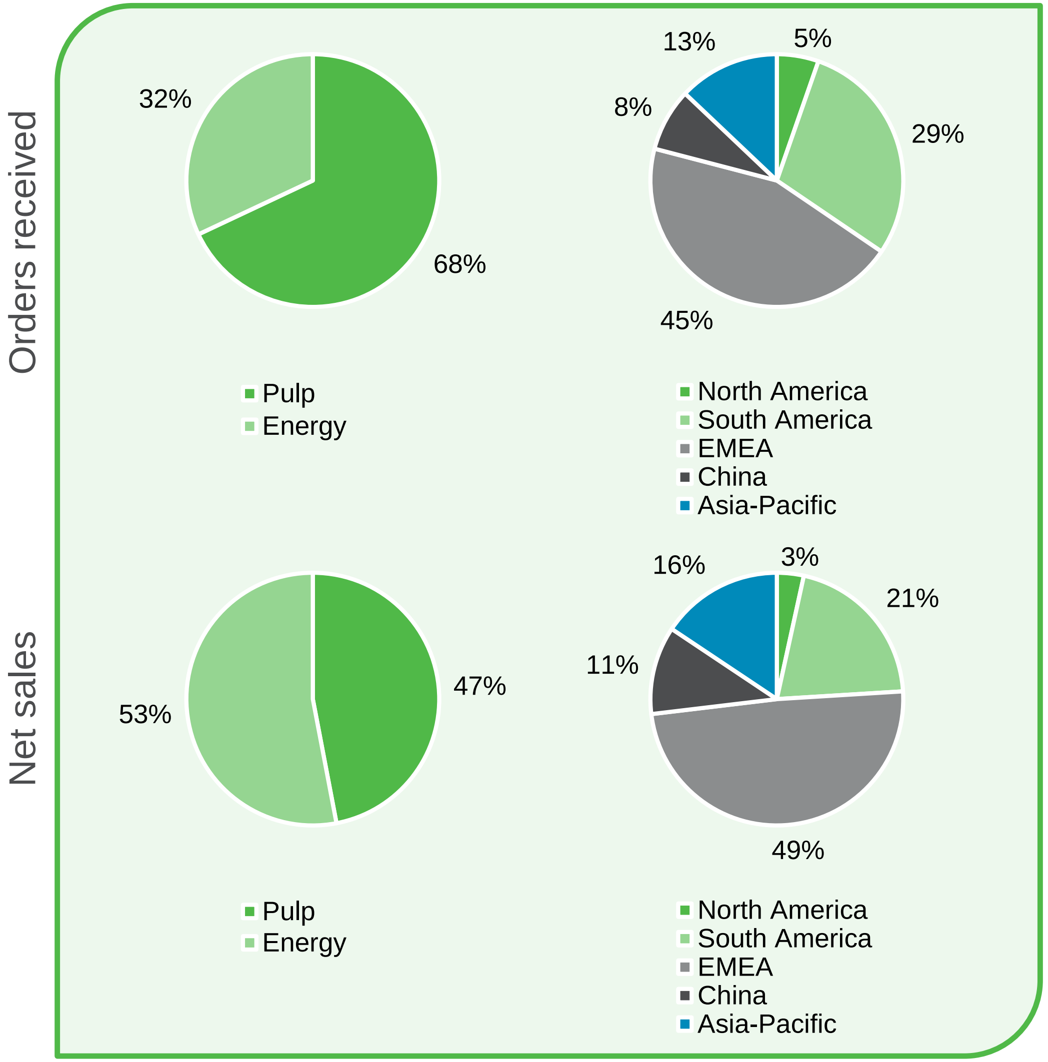


Automation business line

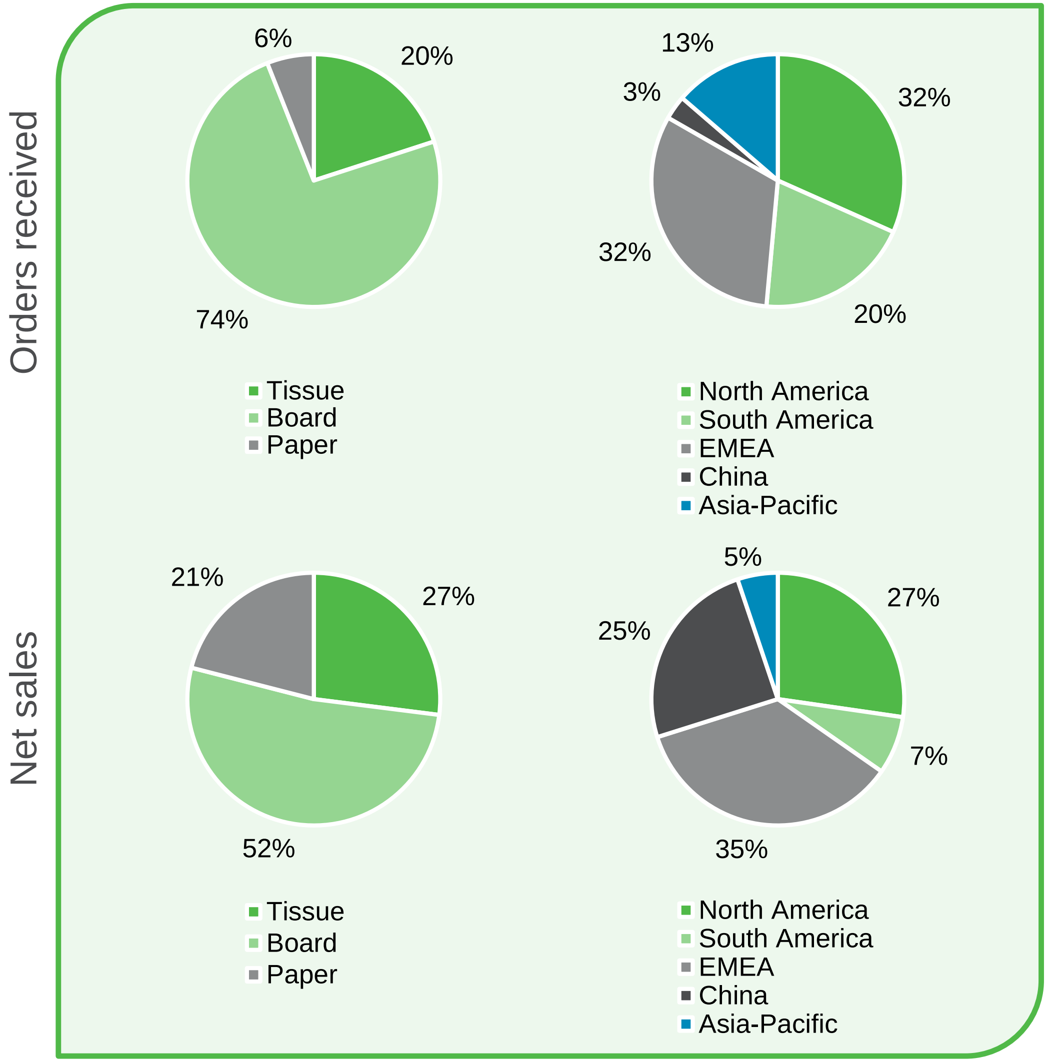


Business lines in 2019: Capital business

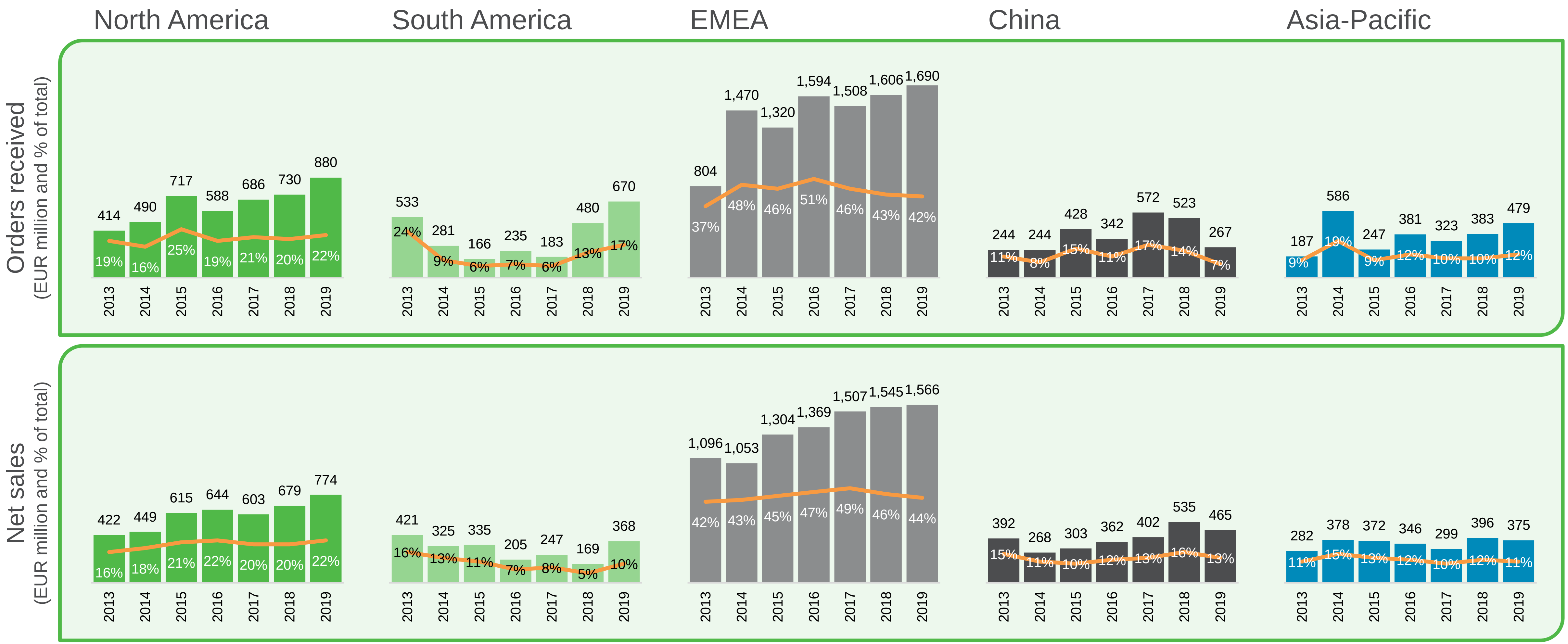
Pulp and Energy business line



Paper business line



Areas: Orders received and net sales development

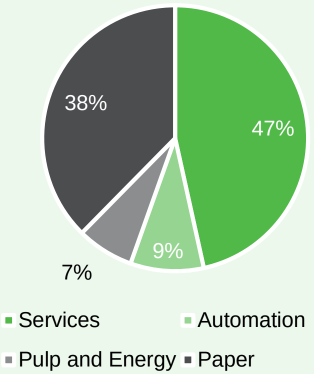


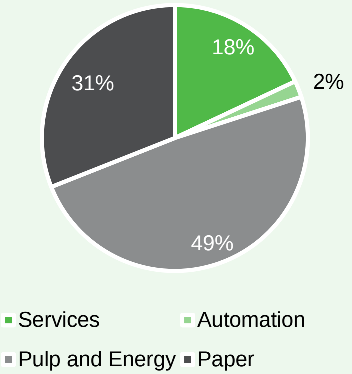
2013 figures on a carve-out basis. Automation business line figures included as of Q2/2015.

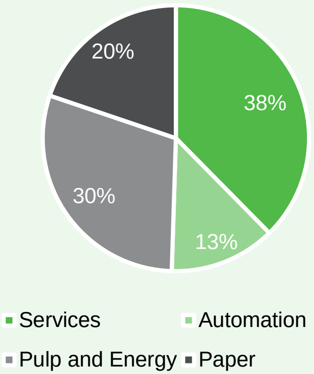
Areas: Business line split in 2019

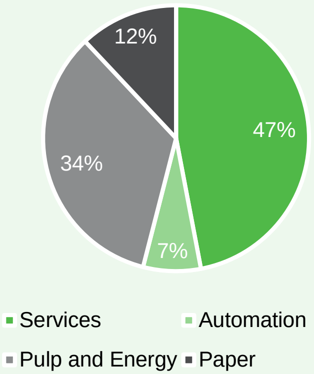
North America South America EMEA China Asia-Pacific

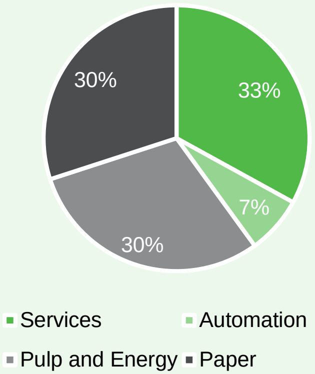
Orders received



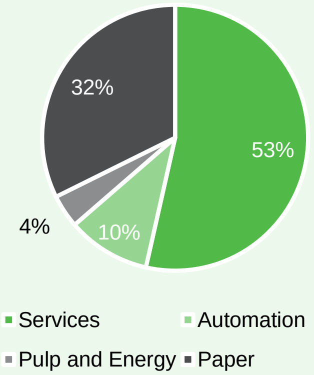


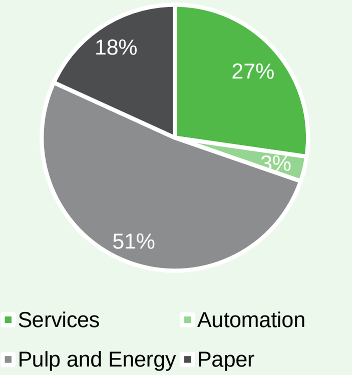


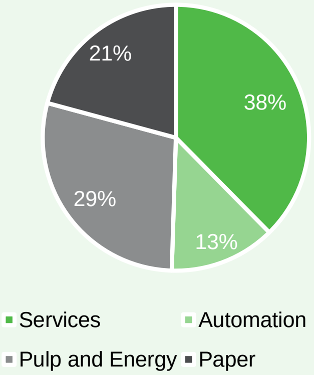


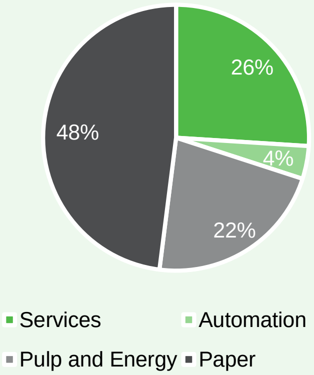


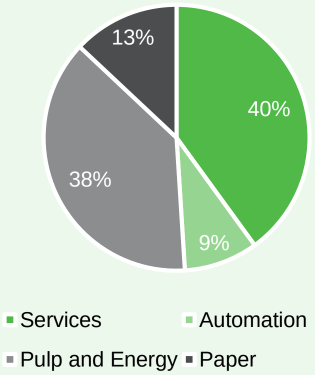
Net sales











Announced orders booked in H1/2020

Booked quarter	Date	Description	Business line	Country	Value
Q1	Jan 23	Key pulp mill technology and automation (Lenzing & Duratex)	Pulp and Energy	Brazil	Not disclosed. The value of a delivery of this size and scope is typically around EUR 200-250 million.
Q1	Feb 18	Flue gas condensing plant	Pulp and Energy	Finland	Not disclosed. The value of these types of orders is approximately between EUR 20–30 million.
Q1	Feb 26	Final stage of forming section rebuild	Paper	Sweden	Not disclosed.
Q1	Feb 27	Waste-to-energy boiler	Pulp and Energy	Sweden	Typically above EUR 10 million.
Q1	Mar 16	Coated board making line	Paper	China	Not disclosed. The value of an order of this type and scope is typically around EUR 150-200 million.
Q1	Mar 24	Key containerboard machine technologies	Paper	India	Not disclosed. The value of a project of this type and scope is typically around EUR 12-15 million.
	Mar 25	Mill Maintenance Outsourcing agreement	Services	Australia	Not disclosed.
Q1	Mar 26	Hard nip sizer	Paper	Rep. of Korea	Not disclosed. The total value of an order of this type is typically around EUR 5-10 million.
Q1,Q2	Apr 27	Fine paper making line with an extensive scope and a recovery boiler	Paper (Q2), Pulp and Energy (Q1)	China	Not disclosed. The total value of orders of this type and scope is typically around EUR 130-150 million.
Q1	May 7	Tissue line including an extensive automation package	Paper	Turkey	Not disclosed.
Q1	May 12	Ash treatment system	Pulp and Energy	Brazil	Not disclosed. The total value of an order of this type is typically around EUR 10-15 million.
Q1	Jun 8	Complete steam boiler plant	Pulp and Energy	Austria	The value of the order is approximately EUR 40 million. .
Q2	Apr 16	Reel and winding technology	Paper	Finland	Not disclosed. The total value of an order of this type is typically around EUR 10-20 million.
Q2	Apr 24	Biomass-fired boiler plant	Pulp and Energy	Finland	The value of the order is approximately EUR 70 million.
Q2	Apr 29	Converting boiler plant into biomass combustion	Pulp and Energy	Poland	The value of the order is approximately EUR 20 million.
Q2	Jun 10	Cooking and fiberline	Pulp and Energy	China	Not disclosed.
Q2	Jun 25	Off-machine coater	Paper	Brazil	Not disclosed. The value of an order of this type is typically around EUR 25-35 million.
Q2	Jun 29	Hot water plant	Pulp and Energy	Sweden	The value of an order of this size and delivery scope is typically above EUR 40 million.
Q2	Jul 9	Pulp production upgrade technology	Pulp and Energy	Indonesia	Not disclosed. An order with this scope of supply is usually in the range of EUR 10-12 million.
Q2	Jul 20	Bleached chemi thermo mechanical pulp line	Pulp and Energy	China	Not disclosed.
Q2	Jul 22	Tissue line	Paper	Russia	Not disclosed.

Announced orders booked in H2/2019

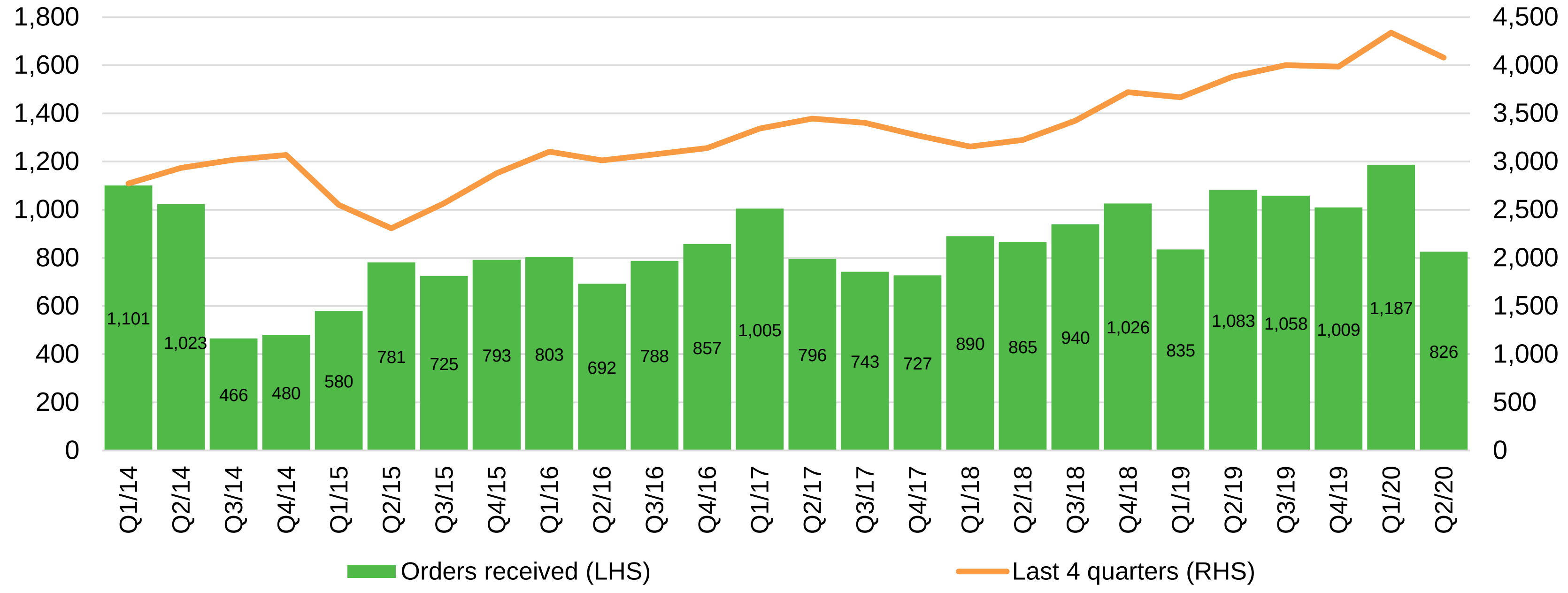
Booked quarter	Date	Description	Business line	Country	Value
Q3	Jul 2	Two defibrator systems	Pulp and Energy	China	Not disclosed.
Q3	Aug 21	Boiler diagnostics system	Automation	China	Not disclosed.
	Aug 29	Extended roll service agreement	Services	Southeast Asia	Not disclosed.
Q3	Sep 12	Board machine	Paper	India	Not disclosed.
Q3	Oct 3	Biomass pretreatment system	Pulp and Energy	India	Not disclosed.
Q3, Q2	Oct 9	Boiler diagnostics systems	Pulp and Energy	Finland	Not disclosed.
Q3	Oct 14	Optimization solution	Automation	Finland	Not disclosed.
Q3	Oct 21	Coated board machine	Paper	USA	Not disclosed.
Q3	Nov 14	Defibrator system	Pulp and Energy	China	Not disclosed.
Q3	Nov 25	Energy management solution	Automation	Finland	Not disclosed.
Q3	Nov 28	Evaporation plant and a white liquor plant	Pulp and Energy	Brazil	Not disclosed. A project of this size and scope is typically valued around EUR 200-250 million.
Q4	Nov 19	New lime kiln and a fiberline upgrade	Pulp and Energy	Sweden	Not disclosed. A project of this size and scope is typically valued at around EUR 50 million.
Q4	Nov 26	New recovery boiler and an evaporation upgrade	Pulp and Energy	Sweden	Not disclosed. An order with this scope of supply is usually valued in the range of EUR 100-150 million.
Q4	Dec 17	Advantage ThruAir tissue production line	Paper	USA	Not disclosed.
Q4	Jan 9	Advantage DCT tissue production line	Paper	El Salvador	Not disclosed.
Q4	Jan 27	Board machine rebuild	Paper	Serbia	Not disclosed. The total value of an order of this type is typically around EUR 15-20 million.
Q4	Feb 3	Cooking and fiberline	Pulp and Energy	India	Not disclosed. An order with this scope of supply is usually valued in the range of EUR 20-30 million.
Q4	Feb 17	Evaporation line	Pulp and Energy	India	Not disclosed. Typically below EUR 10 million.

Announced orders booked in H1/2019

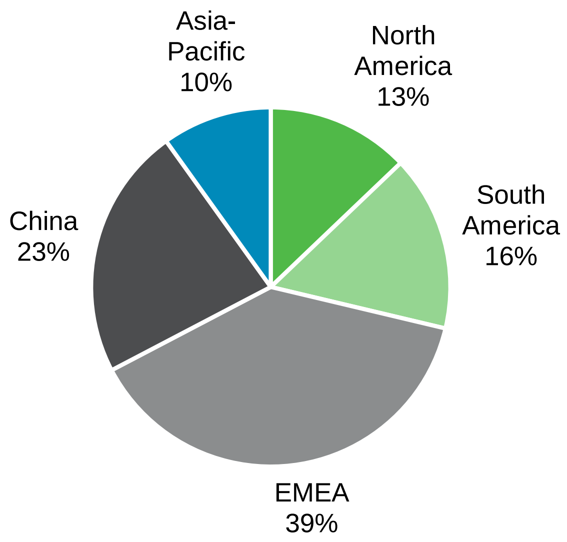
Booked quarter	Date	Description	Business line	Country	Value
Q1	Jan 10	Flue gas condensing and asphaltene combustion systems	Pulp and Energy	Finland	Not disclosed. The value of an order of this type is typically around EUR 10-20 million.
Q1	Feb 18	Grade conversion rebuild	Paper	China	Not disclosed. The total value of order of this type is typically around EUR 20-30 million.
Q1	Feb 21	A wood handling line	Pulp and Energy	Finland	Not disclosed. The value of the order is around EUR 10-15 million.
Q1	Feb 25	A ten-year operation and maintenance agreement for the biomass power plant	Services	Croatia	Not disclosed.
Q1	Mar 19	A containerboard line	Paper	Malaysia	Not disclosed. The total value of order of this type is typically around EUR 60-70 million.
Q1	Mar 28	A tissue production line	Paper	Mexico	Not disclosed.
Q1	Apr 23	A biomass boiler	Pulp and Energy	France	Not disclosed. Typically, the value of this kind of order is EUR 20 million.
Q1	Apr 30	21 solids measurement units	Automation	China	Not disclosed.
Q1	May 2	Automation and quality management systems	Automation	China	Not disclosed.
Q1	May 8	Key board machine technologies	Paper	Vietnam	Not disclosed.
Q1	May 9	A tissue production line	Paper	Algeria	Not disclosed.
Q1	May 16	Replace of process and quality controls	Automation	Germany	Not disclosed. Typically, the value of these kinds of automation system is below EUR two million
Q1	May 22	New recovery boiler	Pulp and Energy	India	The value of the order of this scope is typically around EUR 50-60 million.
Q1	May 23	Green liquor clarifier	Pulp and Energy	Sweden	Not disclosed.
Q1	Jun 10	Automation and solids measurements	Automation	Finland	Not disclosed.
Q2	Apr 24	A containerboard making line	Paper	Germany	Not disclosed. The total value of an order of this type and scope is typically around EUR 150-200 million.
Q2	May 14	A flue gas condensation system	Pulp and Energy	Finland	Not disclosed. Typically, the value of these kinds of projects is around EUR 5 million.
Q2	May 17	A major pulp and board technology delivery	Paper, Pulp and Energy	Brazil	The value of the orders is around EUR 260-290 million.
Q2	Jun 18	Forming section rebuild	Paper	Korea	Not disclosed.
Q2	Jun 18	Extensive paper machine grade conversion rebuild	Paper	Finland	Not disclosed.
Q2	Jun 27	Automation system and measurements	Automation	China	Not disclosed.
Q2	Jun 27	Board machine rebuild	Paper	India	Not disclosed. The value of a rebuild of this type and scope is typically around EUR 10-15 million
Q2	Jul 1	Exhaust gas cleaning systems	Pulp and Energy	China	Not disclosed.
Q2, Q4/18	Sep 2	Biomass boiler and flue gas treatment plant	Pulp and Energy	Germany	The total value of the order is around EUR 50 million.
Q2	Sep 4	TwinRoll dewatering press	Pulp and Energy	Finland	Not disclosed. An order with this scope of supply is usually valued in the range of EUR 2.5-3.5 million.

Orders received decreased to EUR 826 million in Q2/2020

Orders received (EUR million)



Orders received in Q1–Q2/2020 by area



- In stable business[1], orders received decreased to EUR 426 million in Q2/2020
- In capital business, orders received decreased to EUR 416 million in Q2/2020
- Orders received decreased in developed markets and increased in emerging markets during the first half of the year
  - South America, China and Asia-Pacific together accounted for 49% of orders received

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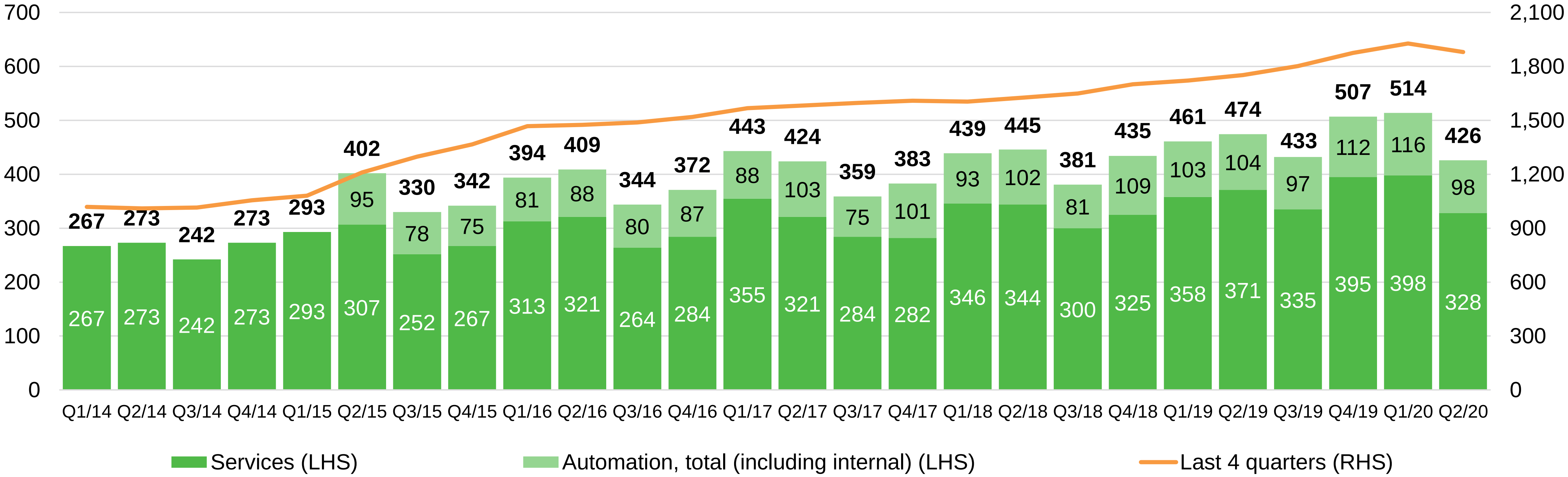
1) Including internal orders received for the Automation business line.

Stable business orders received totaled EUR 1,880 million during the last four quarters

Orders received (EUR million) in stable business[1]



- Total orders received in stable business decreased by EUR 49 million in Q2/2020

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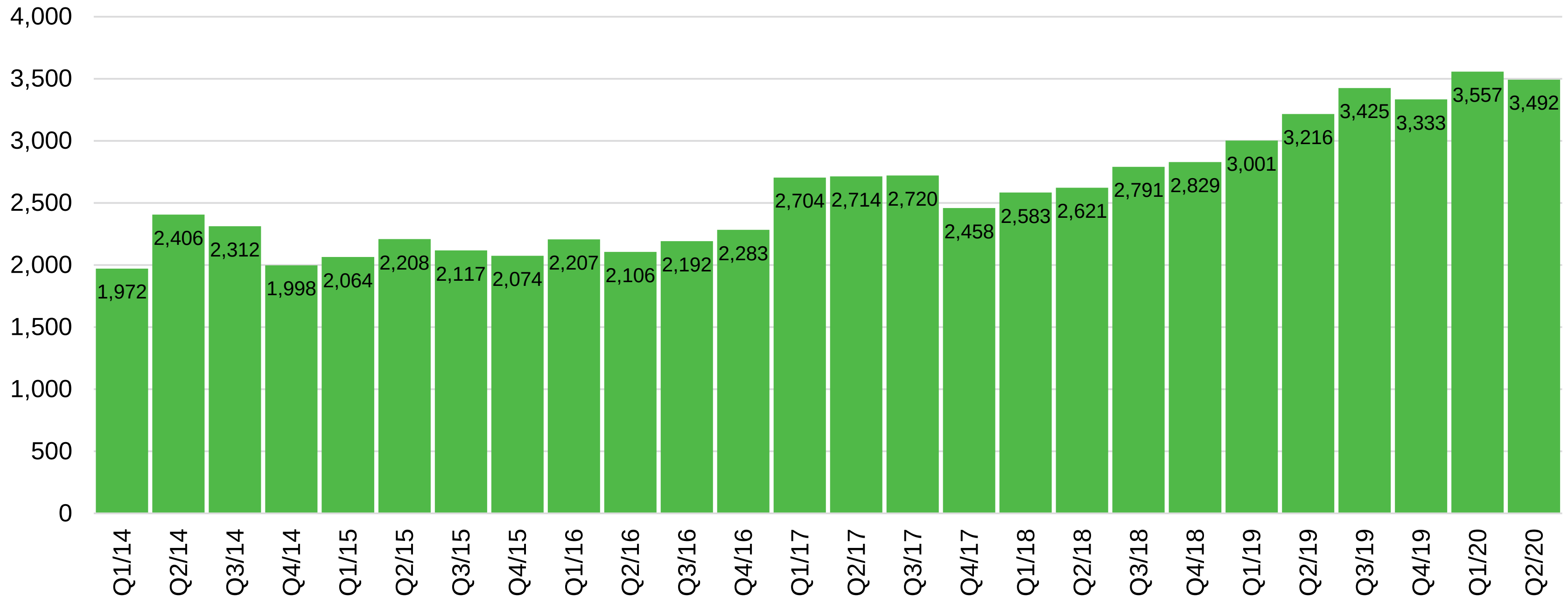
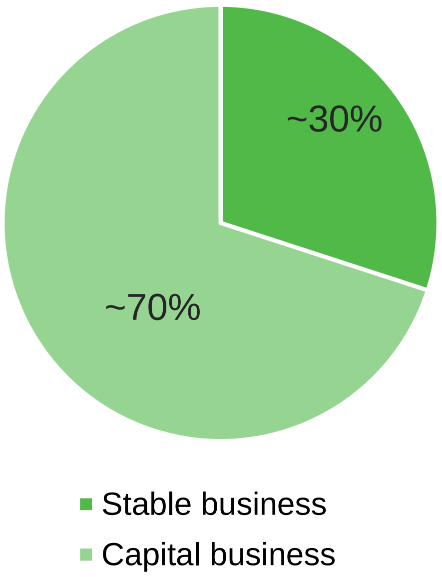
1) Including internal orders received for the Automation business line.

Order backlog at EUR 3,492 million at the end of Q2/2020

Order backlog (EUR million)



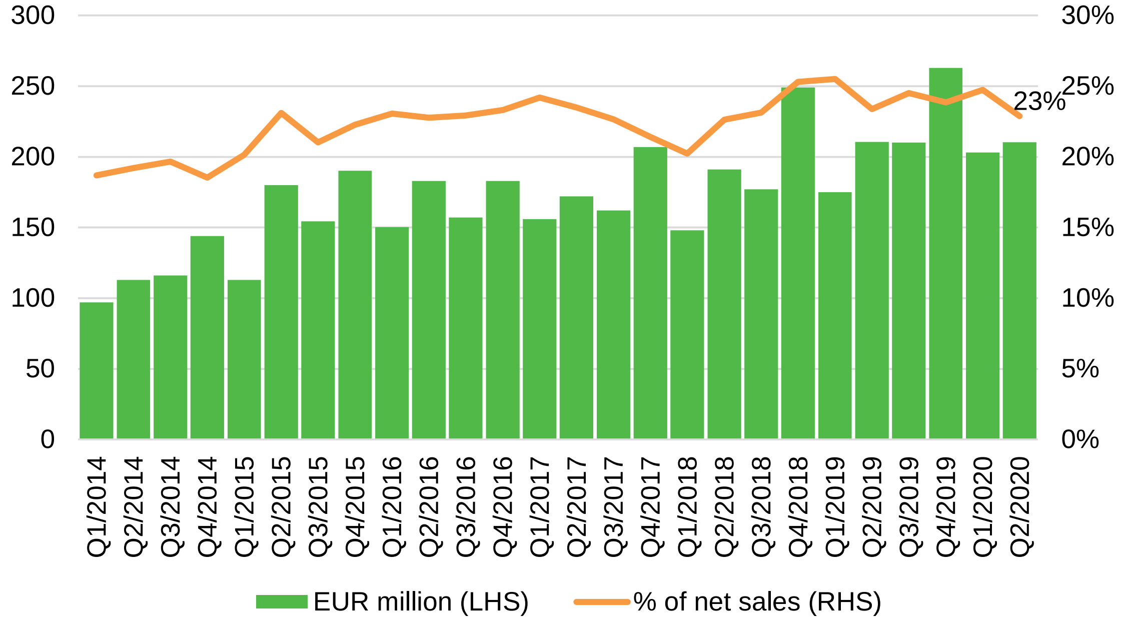
Structure of order backlog



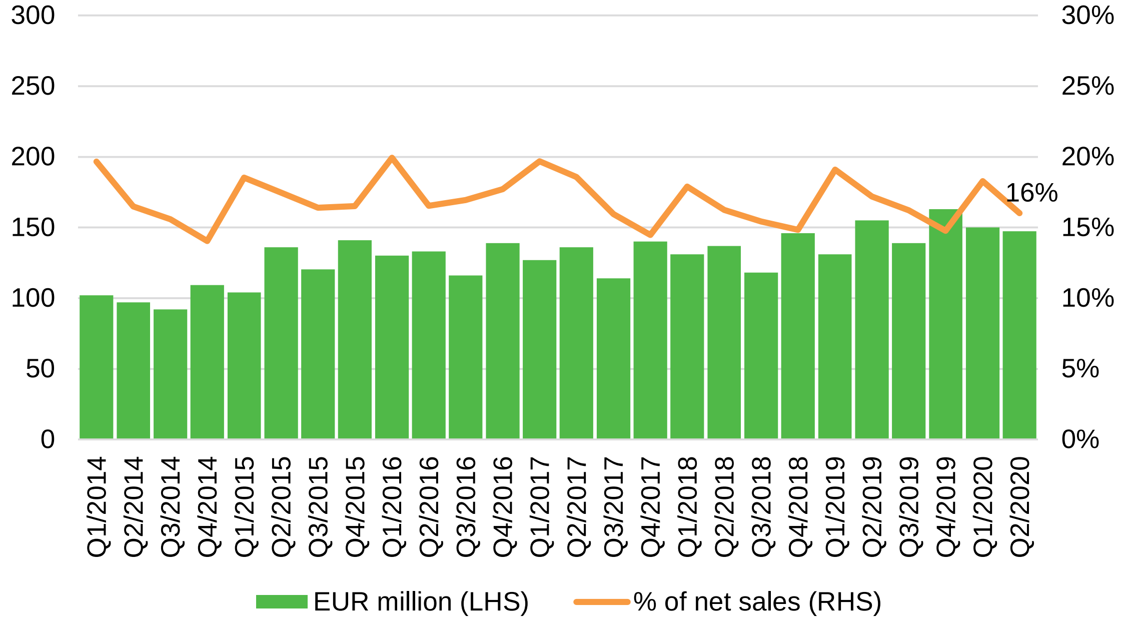
- Order backlog was EUR 64 million lower than at the end of Q1/2020
- Approximately 45% of the order backlog is currently expected to be realized as net sales during 2020 (at the end of Q2/2019, ~50% during 2019)
- Approximately 30% of the order backlog relates to stable business (~30% at the end of Q2/2019)

Gross profit and SG&A development

Gross profit (EUR million and % of net sales)



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

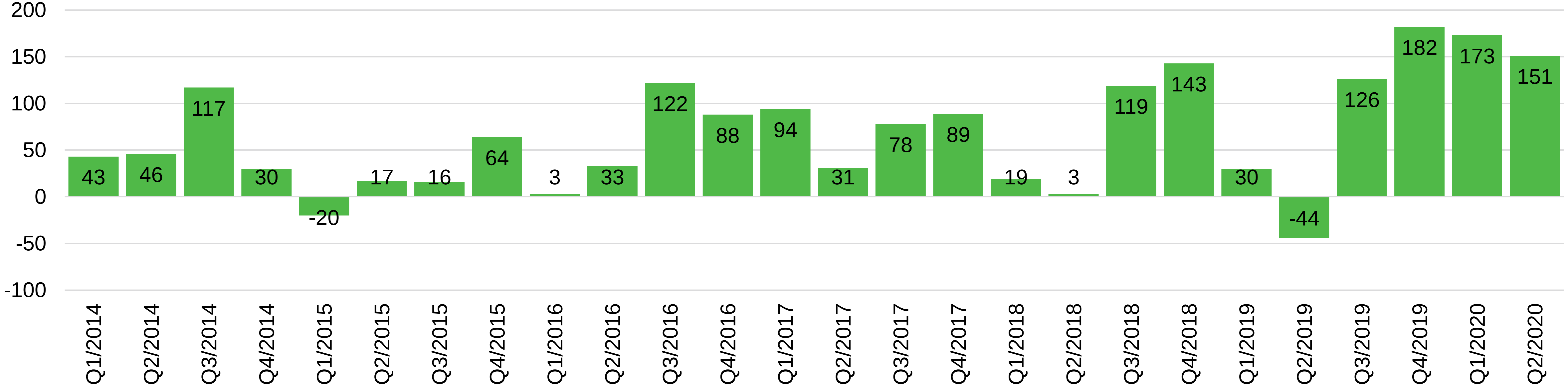


- Gross profit was 23% of net sales (23% in Q2/2019)
- Selling, general & administrative (SG&A) expenses decreased
  - SG&A was 16% of net sales (17% in Q2/2019)

Cash flow provided by operating activities

Cash flow provided by operating activities (EUR million)

2014:	2015:	2016:	2017:	2018:	2019:	Q1–Q2/2020:
EUR 236 million	EUR 78 million	EUR 246 million	EUR 291 million	EUR 284 million	EUR 295 million	EUR 324 million



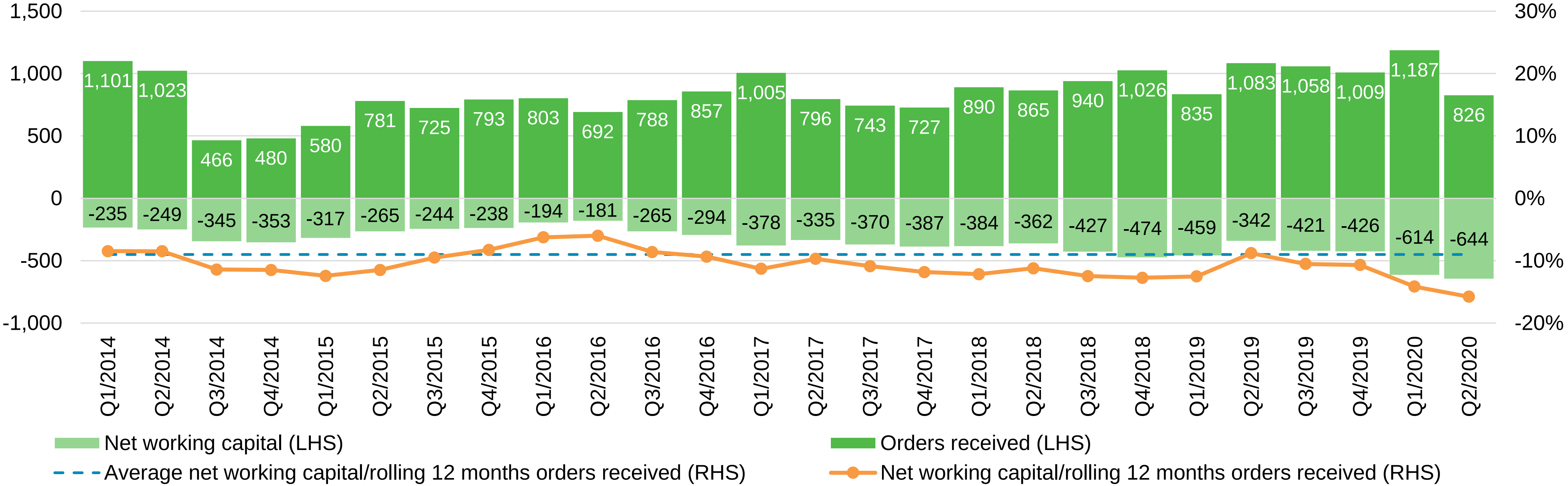
- Change in net working capital[1] EUR 57 million in Q2/2020
- Cash flow provided by operating activities EUR 151 million in Q2/2020
- CAPEX[2] EUR 27 million in Q2/2020

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

1) Change in net working capital in the consolidated statement of cash flows.
2) Excluding business combinations and leased assets.

Net working capital at -16% of rolling 12 months orders received

Net working capital[1] and orders received (EUR million)



	Orders received (LHS)	Net working capital (LHS)
Q1/2014	1,101	-235
Q2/2014	1,023	-249
Q3/2014	466	-345
Q4/2014	480	-353
Q1/2015	580	-317
Q2/2015	781	-265
Q3/2015	725	-244
Q4/2015	793	-238
Q1/2016	803	-194
Q2/2016	692	-181
Q3/2016	788	-265
Q4/2016	857	-294
Q1/2017	1,005	-378
Q2/2017	796	-335
Q3/2017	743	-370
Q4/2017	727	-387
Q1/2018	890	-384
Q2/2018	865	-362
Q3/2018	940	-427
Q4/2018	1,026	-474
Q1/2019	835	-459
Q2/2019	1,083	-342
Q3/2019	1,058	-421
Q4/2019	1,009	-426
Q1/2020	1,187	-614
Q2/2020	826	-644

- Net working capital EUR -644 million, which equals -16% of rolling 12 months orders received

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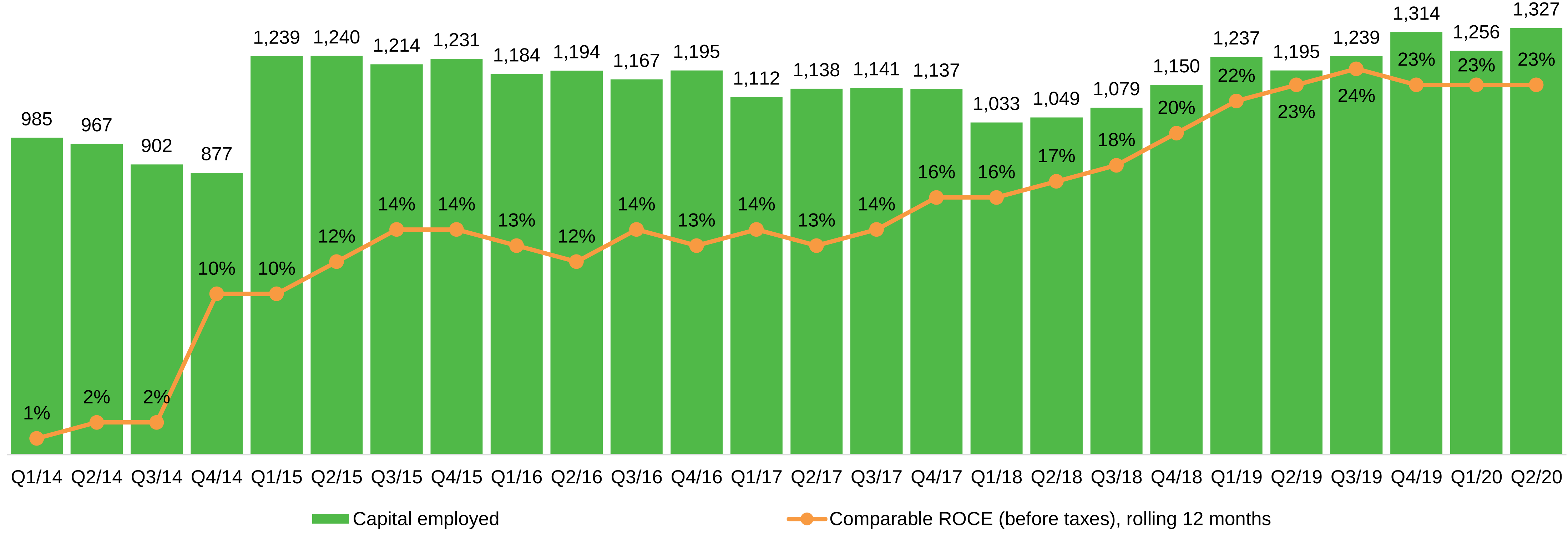
1) Net working capital excluding non-cash net working capital impact from dividend liability.

Capital employed and Comparable ROCE

Capital employed (EUR million) and Comparable return on capital employed (ROCE), before taxes[1] (%)



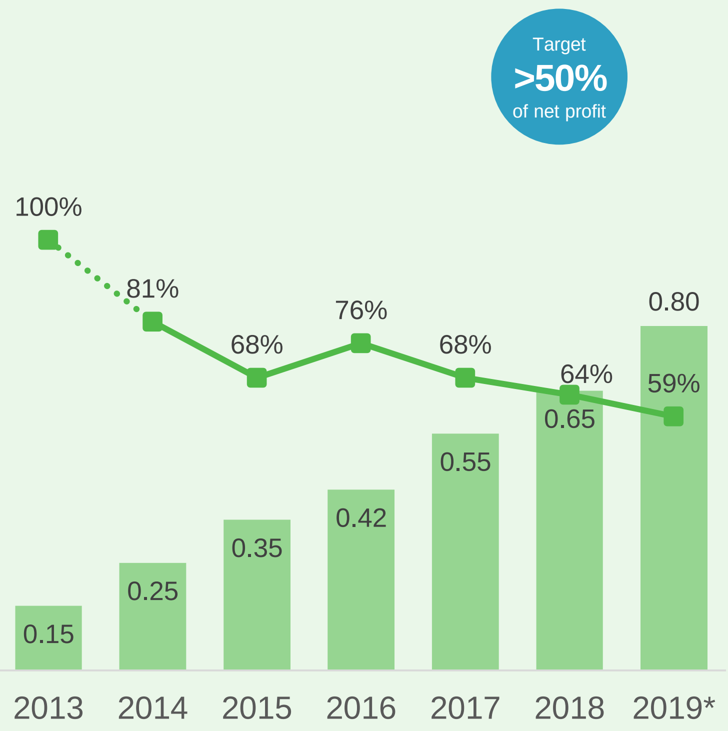
Valmet implemented IFRS 16 – Leases as of January 1, 2019 by applying the simplified transition method, and IFRS 15 – Revenue from Contracts with Customers as of January 1, 2018 by applying full retrospective method. Thus, figures presented are not fully comparable.

1) Rolling 12 months. Carve-out figures for 2013 have been used in the calculation of Q1–Q3/2014 figures.

Dividend and balance sheet

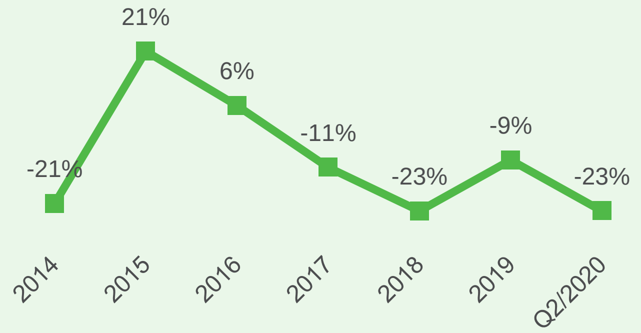
Track record

Dividend per share (EUR) and payout ratio (%)

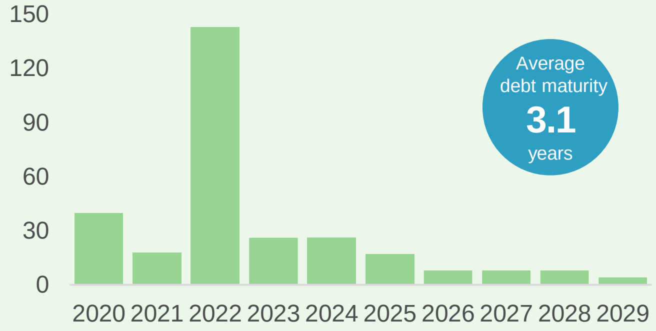


Balance sheet figures

Gearing (%)



Debt maturity structure (EUR million)

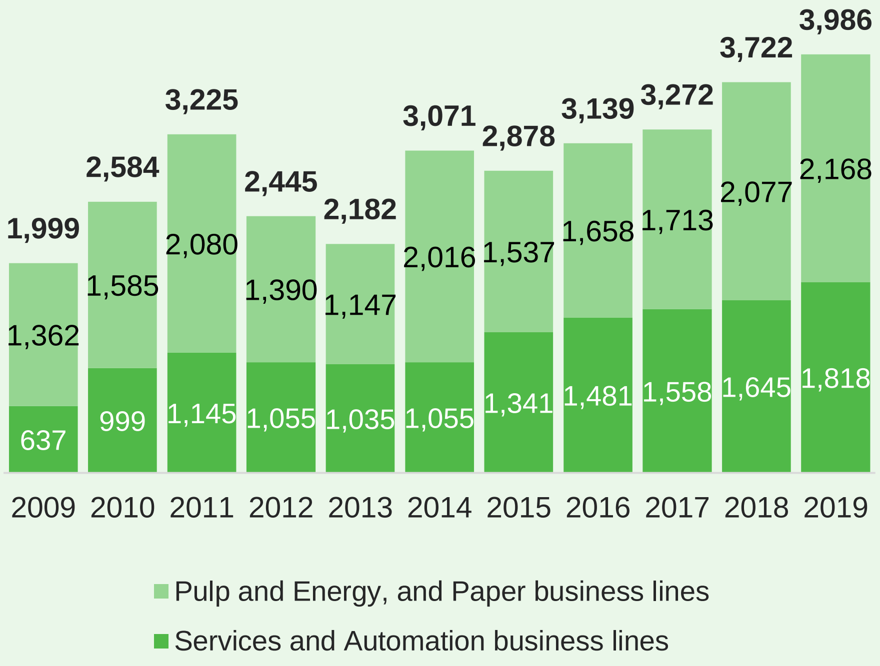


- Net debt was EUR -223 million at the end of Q2/2020
- Back-up credit facilities at the end of Q2/2020:
  - EUR 500 million of term-loan agreements, of which EUR 100 million outstanding
  - EUR 200 million of committed facilities, undrawn
  - EUR 200 million of uncommitted facilities, of which EUR 40 million outstanding
- Valmet needs to have a strong balance sheet to be able to participate in large projects and to cope with swings in market activity

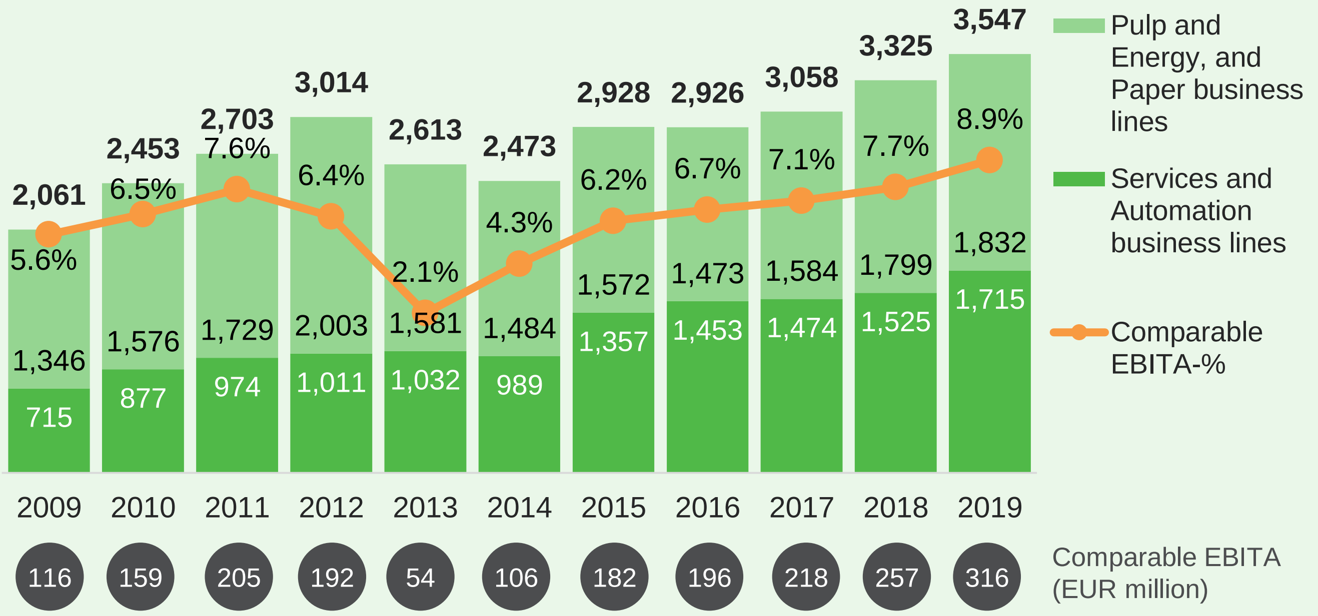
* Board of Directors' proposal.

Orders received and profitability development, annual

Orders received (EUR million)[1]



Net sales and Comparable EBITA (EUR million)[1]



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1) 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.

Appendix

Growth and profitability improvement

Recent development at Valmet

Recent development		
Customer	• Good progress with Shared Journey Forward service concept • All-time high Valmet package sales in Automation	• #1 position in tissue, board and paper • Increased orders received from pulp projects
Technology	• Industrial Internet solutions and digitalized services commercialized, e.g. Valmet Performance Centers operational	• New products[1] ~25% of orders received in 2019 • Improvement in product cost competitiveness
Process	• ERP renewal proceeding • Valmet in Dow Jones Sustainability Index for the sixth consecutive year	• Positive project margin deviation in Paper and in most Pulp and Energy projects. • Procurement savings continue
People	• LTIF[2] for own employees at 1.8 (June 2020) • Sales Journey and Innovation Pathways training programs ongoing	• Developing local competences close to customers • Strengthened service capability in new regions • ~1,400 Valmet employees in new or refurbished offices and facilities

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[1] Commercialized within 5 years

[2] Lost time incident frequency rate

Actions to keep growing faster than the market

Stable business

- Long term co-operation with customers through agreements
- Develop local service capability
- Leverage and develop Field services as differentiator
- Lead the market through Industrial Internet offering
- Competitor replacements in Automation
- Grow through new industries in Automation

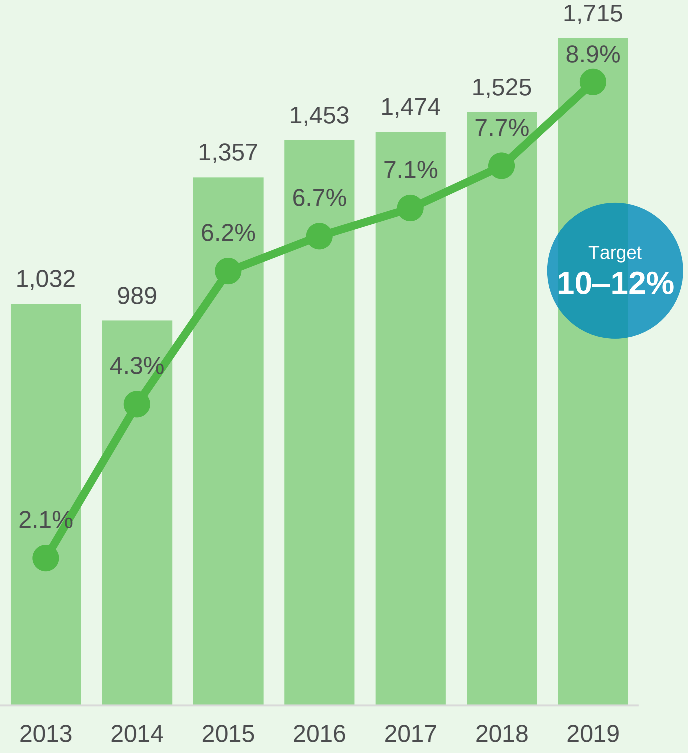
Capital business

- Continue to bring advanced technology to the market
- Improve product cost competitiveness
- Create customer value with digitalization and Industrial Internet

Actions to reach Comparable EBITA target of 10–12%

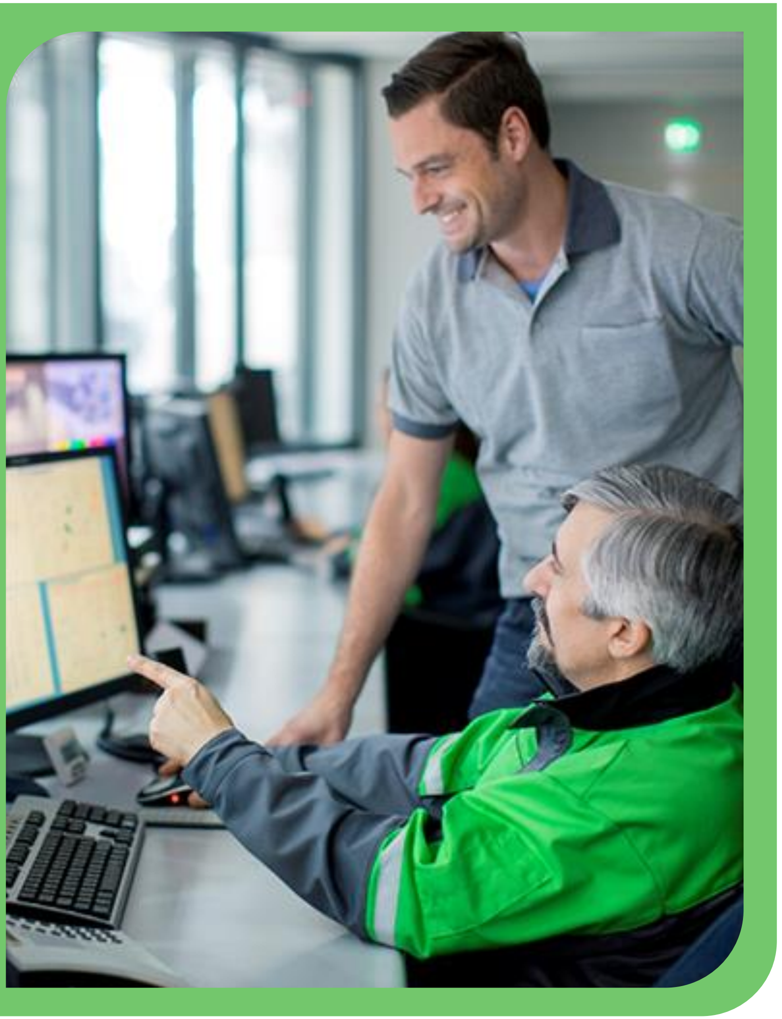
Track record

Comparable EBITA margin (%) and stable business net sales (EUR million)



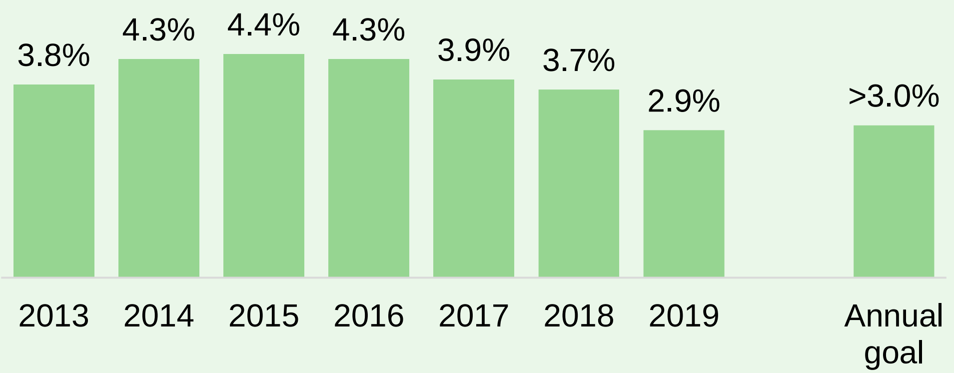
Actions to reach Comparable EBITA target:

- Grow the stable business
- No negative margin deviation in capital projects
- Continued actions to save in procurement
- Increase flexibility in operations through global footprint development
- R&D and new product launches
- Internal efficiencies through digitalization
- ERP project (from 2022 onwards)



Procurement and quality cost development

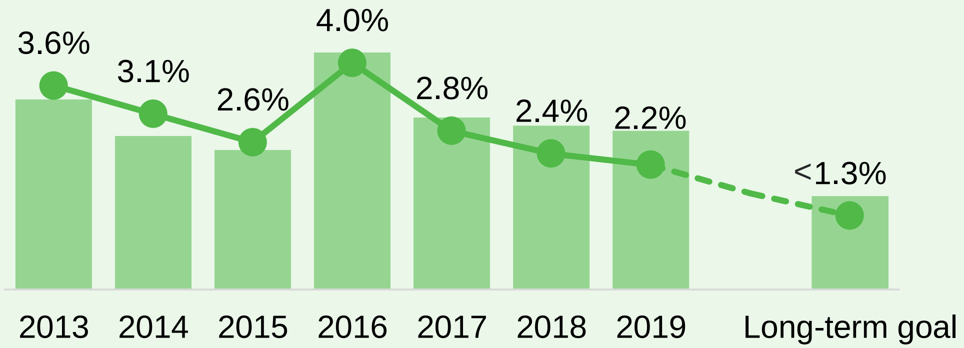
Implemented procurement savings of annual direct spend



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

Quality costs (% of net sales)



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

Acquisitions

- Focus on organic growth
- Selective acquisitions can be done to support growth

Acquisition themes

- **Strengthening Services**
  - Complementing existing portfolio
  - Expansion in consumables
- **Strengthening Automation**
  - Stronger Pulp & Paper automation
  - Expansion in Industrial Internet
  - Stronger presence in growth markets
- **Expanding business in pulp, paper and energy value chain**

Valmet strengthened its stable business through acquisitions

Valmet completed the acquisitions of GL&V and J&L Fiber Services in Q2/2019

- **GL&V** is a supplier of technologies, upgrade and process optimization services, rebuilds and spare parts for the pulp and paper industry globally
  - Focus in chemical pulping, stock preparation, papermaking and finishing
  - Key locations in the US and Canada, operations also in Europe, India and South America
- Majority of the business is reported in the Services business line

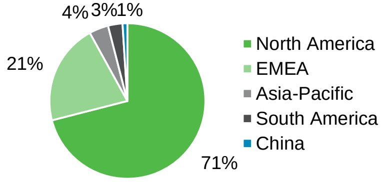
- **J&L Fiber Services** is a manufacturer and provider of refiner segments to the pulp, paper and fiberboard industry
  - Most of the employees are located in Wisconsin, U.S, with global operations through a sales representative and distribution network.
- The acquired business became a part of Valmet's Services business line

Key information

Net sales in 2018	EUR ~160 million
EBITA margin in 2018	~11%
Number of employees	~630
Value of acquisition[1]	EUR ~113 million

[1] Value on a cash and debt free basis subject to ordinary post-closing adjustments

Approximate split of net sales

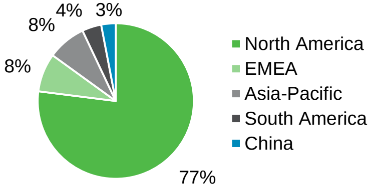


Key information

Net sales in 2018	EUR ~30 million
EBITA margin in 2018	~15%
Number of employees	~100
Value of acquisition[1]	EUR ~51 million

[1] Value on a cash and debt free basis subject to ordinary post-closing adjustments

Approximate split of net sales



Appendix

Shareholders, share price development and sustainability

Largest shareholders on June 30, 2020

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	Ilmarinen Mutual Pension Insurance Company	3 950 000	2,64 %
3	Elo Mutual Pension Insurance Company	2 868 044	1,91 %
4	Varma Mutual Pension Insurance Company	2 362 465	1,58 %
5	OP Funds	2 120 051	1,41 %
6	The State Pension Fund	1 794 910	1,20 %
7	Keva	1 252 567	0,84 %
8	Evli Funds	1 015 500	0,68 %
9	Nordea Funds	781 660	0,52 %
10	Danske Invest funds	775 052	0,52 %
	10 largest shareholders, total	33 615 536	22,43 %
	Other shareholders	116 249 083	77,57 %
	Total	**149 864 619**	**100,00 %**

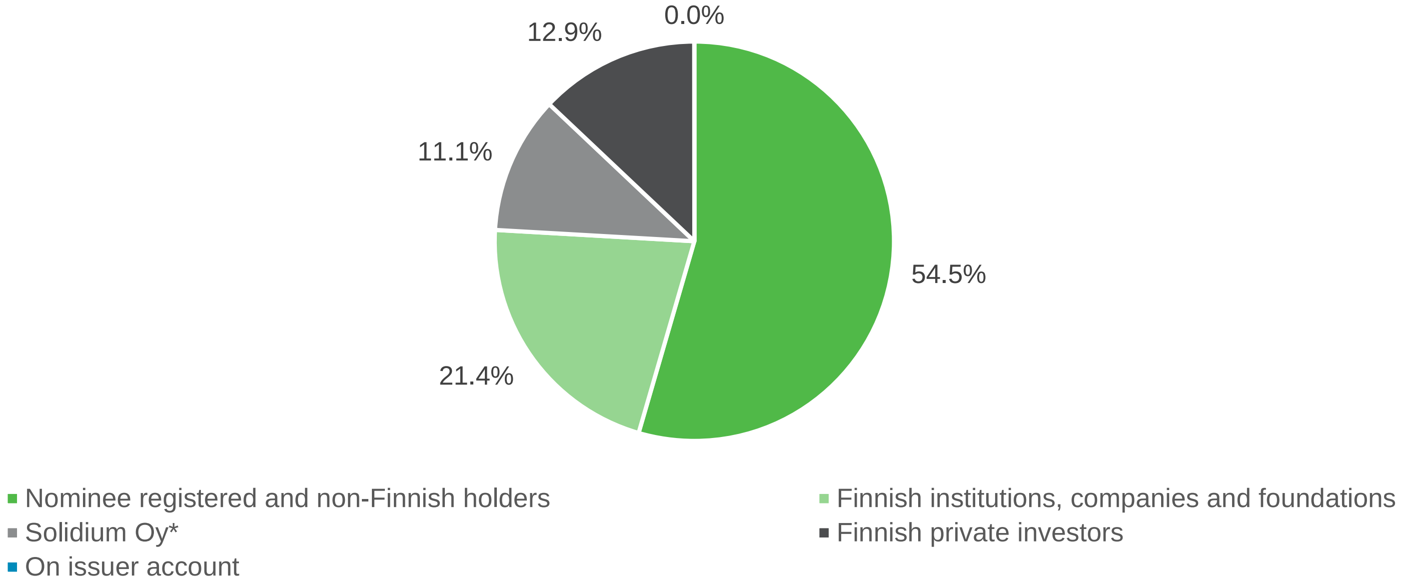
Five latest flagging notifications

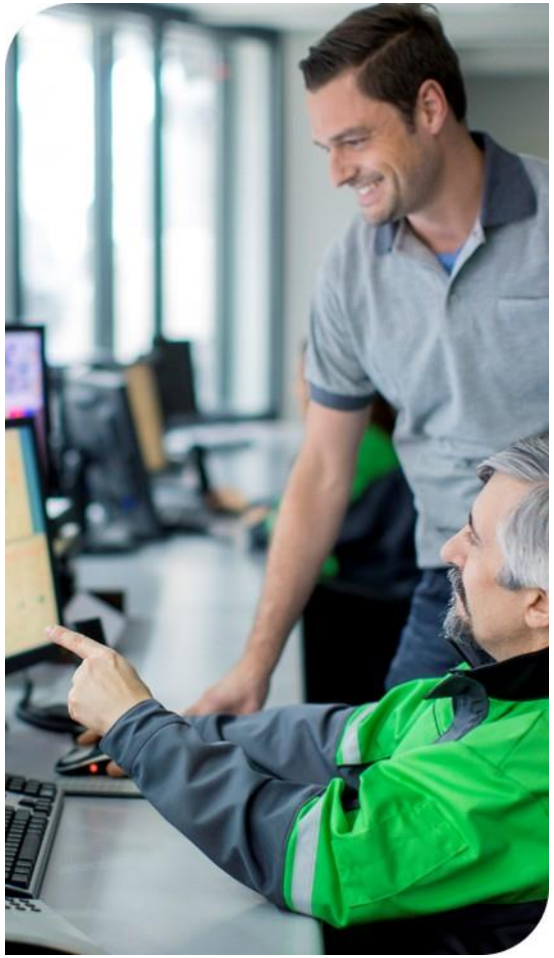
Date of transaction	Shareholder	**Number of shares**	% of shares and votes
Aug 9, 2019	The Goldman Sachs Group, Inc.	7,523,217	5.02%
Aug 12, 2019	The Goldman Sachs Group, Inc	7,275,810	4.85%
Aug 28, 2019	BlackRock, Inc.	Below 5%	Below 5%
Aug 29, 2019	BlackRock, Inc.	7,740,836	5.16%
Aug 30, 2019	BlackRock, Inc.	Below 5%	Below 5%

Solidium is a holding company that is wholly owned by the Finnish State

Shareholder structure on June 30, 2020

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



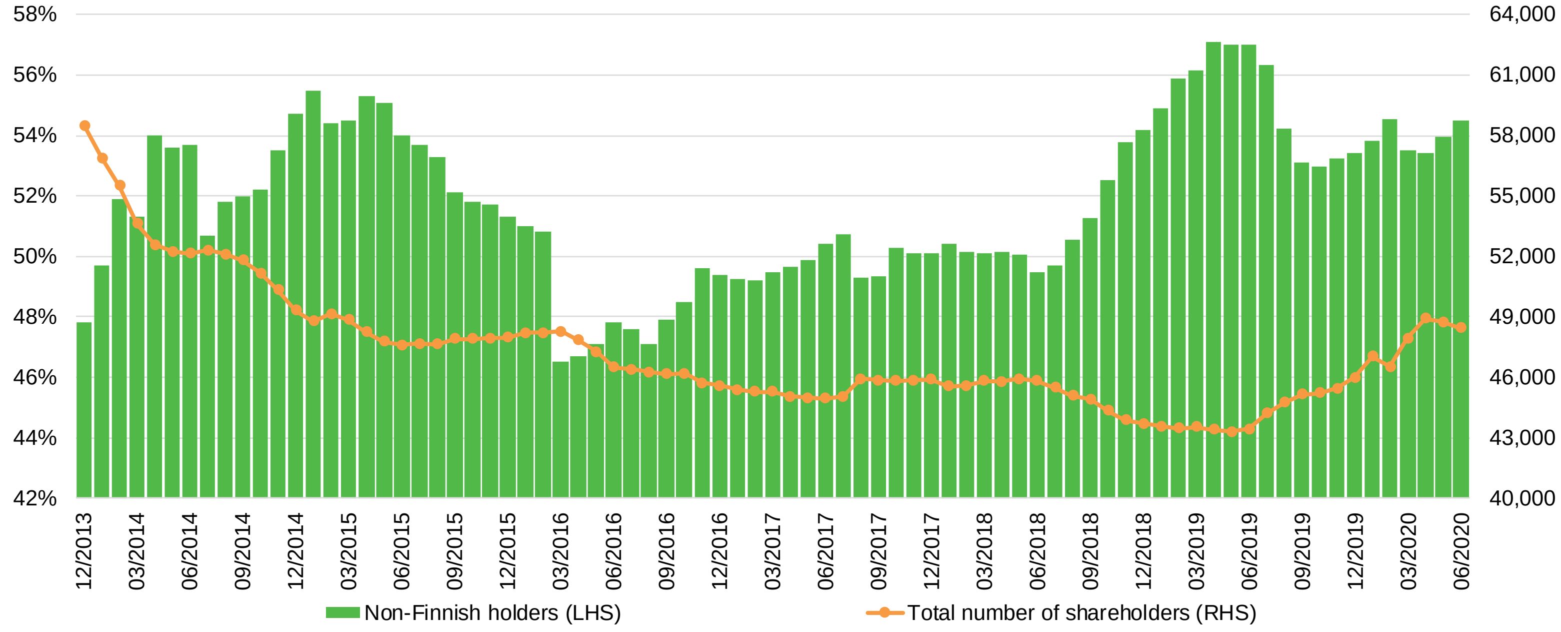


Sector	Number of shareholders	% of total shareholders	Number of shares	% of shares
Nominee registered and non-Finnish holders	323	0,67 %	81 679 185	54,50 %
Finnish institutions, companies and foundations	2 386	4,93 %	32 075 462	21,40 %
Solidium Oy*	0	0,00 %	16 695 287	11,14 %
Finnish private investors	45 727	94,41 %	19 406 705	12,95 %
On issuer account	0	0,00 %	7 980	0,01 %
Total	**48 436**	**100,00 %**	**149 864 619**	**100,00 %**

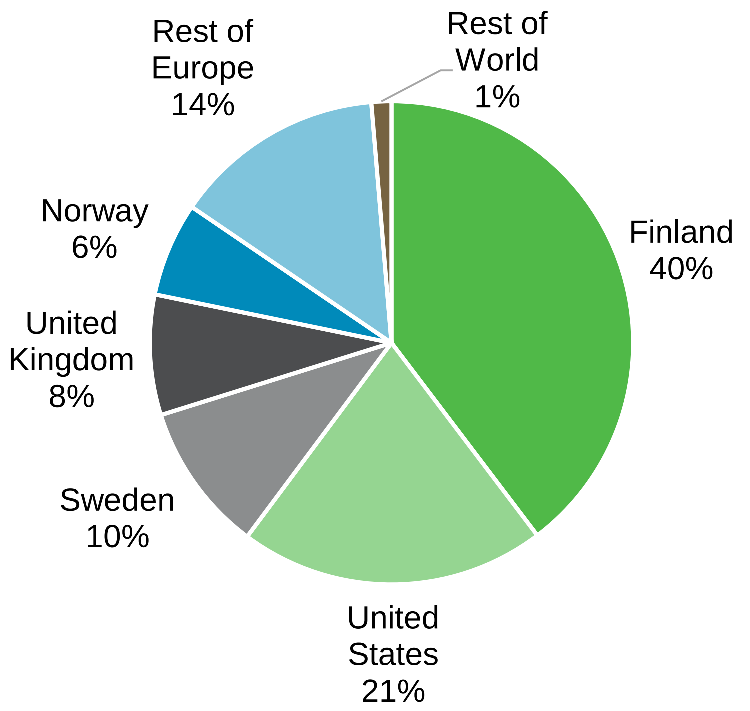
* Solidium is a holding company that is wholly owned by the Finnish State

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*



*) November 2019. Source: Nasdaq

Progress on Sustainability 360° agenda

	Targets	Key actions for 2019		
Sustainable supply chain	• Develop sustainable procurement practices globally • Support selected key suppliers to meet the level of sustainability expected by Valmet	• Continue supplier sustainability audits while ensuring high quality audit follow-up process • Continue to increase traceability in supply chain • Develop carbon footprint calculation of our supply chain • Make guidelines for sustainable purchasing of logistic services • Implement sustainability gates and guidance in site works purchasing	• Implement sustainability engagement program for key suppliers globally • Launch sustainability e-learning for key suppliers to increase awareness of Valmet's Sustainable Supply Chain Policy requirements • Set CO2 reduction targets to highest emitting direct suppliers	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Health, safety and environment	• Investing in safety culture and effective HSE processes and practices • Collaborating with customers and partners to improve HSE results	• Create roadmap for transition to ISO 45001 and expansion of HSE certificates coverage for all workshop locations • Put safety dialogue training concept in place and start implementation • Establish local action plans towards 2025 HSE targets for own operations	• Implement activities to increase understanding of the environmental impacts of our work • Implement preventive safety initiatives	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
People and performance	• Boost employee engagement • Develop the best talent • Be a responsible employer • Promoting diversity	• Place more focus on sustainability in OurVoice survey renewal • Utilize competence transfer concept • Enhance global training portfolio to strengthen strategic skillset • Make the current training portfolio available for a larger number of employees • Make sustainability more visible to the candidates during the recruitment process	• Introduce work-life integration approach • Ensure local wellbeing activities cover at least 70% of employees globally • Increase internal mobility between businesses and geographies • Continue support and partner with organizations that promote diversity in the workplace	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
Sustainable solutions	• Continuously develop the sustainability performance of our technologies • Promote the sustainable aspects of Valmet's offering	• Investigate whether consumables or spare parts can be manufactured from renewable or recyclable materials • Study and utilize opportunities of additive manufacturing to save raw materials and increase the usage of renewable materials in Valmet's products • Continue to reduce the environmental footprint in Valmet's operations • Develop sales organization's competence as well as sales tools and systems on sustainability • Interact with key customers about the sustainability benefits of our offering		9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH
Corporate citizenship	• Ensure respect for human rights and compliance with guiding principles across the value chain • Promote transparent reporting and active stakeholder collaboration	• Continue human rights action plans and implement internal training • Conduct location human rights impact assessments in selected high-risk countries • Update Code of Conduct, anti-corruption and bribery policy • Systematic follow up of Code of Conduct and sustainability e-learning completion rates	• Annual sustainability reporting according to the GRI Standards • Report to leading sustainability ratings • Ensure stakeholder feedback through a specific stakeholder survey • Implement new social responsibility program • Highlight sustainability in investor relations activities	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES

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 and way to serve.

Our Must-Wins

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

Growth accelerators

- ↗ Field services
- ↗ Industrial Internet and digitalization

Our Vision

To become the global champion in serving our customers

Our Values

Customers
We move our customers’ performance forward

Renewal
We promote new ideas to create the future

Excellence
We improve every day to deliver results

People
We work together to make a difference

Megatrends

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

Business opportunities

eCommerce

Global sales in 2017 reached
USD 2.3 trillion
Forecasted to grow **141%**
from 2016 to 2021

Replacing plastic

2017 - Total size of packaging business **EUR 600 billion p.a.**
Fiber based 36%
Plastic 40%
Growing 3-6% p.a.

Emerging markets

Expected to drive the global tissue growth, accounting for **83%** of incremental demand by 2030

Services business line offering

Shared Journey Forward offering

Reliability

- Spare parts and components
- Maintenance and shutdown services
- Outsourcing services

Performance

- Production consumables
- Process support and optimization

New Technology

- Process and automation upgrades
- Industrial Internet and remote solutions

Services business units

Performance Parts

- Spare parts and consumables

Fabrics

- Paper machine clothing and filter fabrics

Energy and Environmental

- Services for energy and environmental systems

Rolls and Workshop Services

- Rolls, roll covers and maintenance, workshop services

Mill Improvements

- Upgrades, components and expert services

Automation business line 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
Distributed Control System (DCS) #3	• DCS for process and plant controls • Condition monitoring • Information management • APC (advanced process control) • Industrial Internet applications	Pulp and paper DCS market: • EUR 900 million Power DCS market: • EUR 700 million	• ABB • Honeywell • Emerson • Siemens • Yokogawa
Quality Management System #1-2	• QCS (Quality Control Systems) • Profilers • Web inspection and web break analysis systems	Estimated market size: • >EUR 200 million	• ABB • Honeywell • Voith • Paperchine • Procemex • Cognex • Isra Vision
Analyzers and measurements #1	• Paper analyzers • Pulp analyzers • Pulp consistency measurements • Conductivity measurements • Power analyzers	Estimated market size: • <EUR 200 million	• ABB • BTG


Pulp and paper

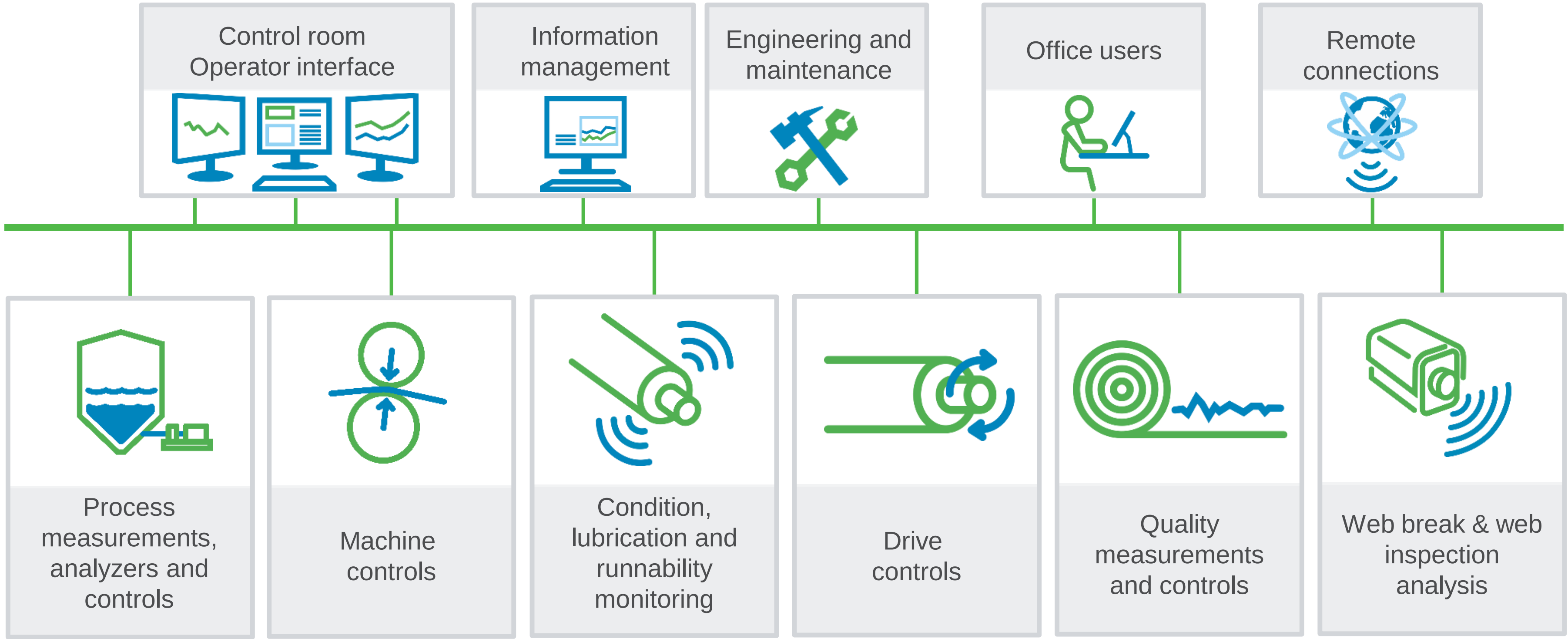

Energy


Oil and gas


Marine

Automation projects and services: Board and Tissue machines

Automation delivery content and service scope



Control room Operator interface

Information management

Engineering and maintenance

Office users

Remote connections

Process measurements, analyzers and controls

Machine controls

Condition, lubrication and runnability monitoring

Drive controls

Quality measurements and controls

Web break & web inspection analysis

Board machine
3,000-7,000 I/O
Price: EUR 2–6 million

Tissue machine
1,000-3,000 I/O
Price: EUR 1–4 million

- Total control solution
- Industrial Internet embedded
- Single supplier – efficient project management
- Faster start-up of assets

Pulp and Energy business line offering

Pulp

- Wood and pulp handling
  - Wood handling, fuel handling, pulp drying
- Fiber processing
  - Complete fiber lines, cooking systems, recausticizing
  - Mechanical pulping
  - Black pellet and pre-hydrolysis technologies
- Recovery
  - Recovery boilers, evaporation systems, lime kilns
  - Mill wide odorous gas handling, ash treatment
  - Sulfuric acid plants and lignin extraction

Energy

- Heat and power generation
  - Fluidized bed boilers, bio-grate boilers, biomass and waste gasification
  - Boiler islands and small power plants
- Air emission control
  - Flue gas cleaning and heat recovery for boilers
  - Emission control for process industry and marine
- Biofuels
  - Pyrolysis plants with emission control and burners

Paper business line 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
  - e.g. headboxes, sizers, winders

Tissue

- Tissue production lines
  - Advantage DCT
  - Advantage NTT/QRT/eTAD
  - Advantage Thru Air (TAD)
- Rebuilds
- Stand-alone products
  - From stock preparation to roll handling
  - e.g. Yankee cylinders, ViscoNips, Re-Winders

Full scope offering for the pulp and paper industry

Technologies

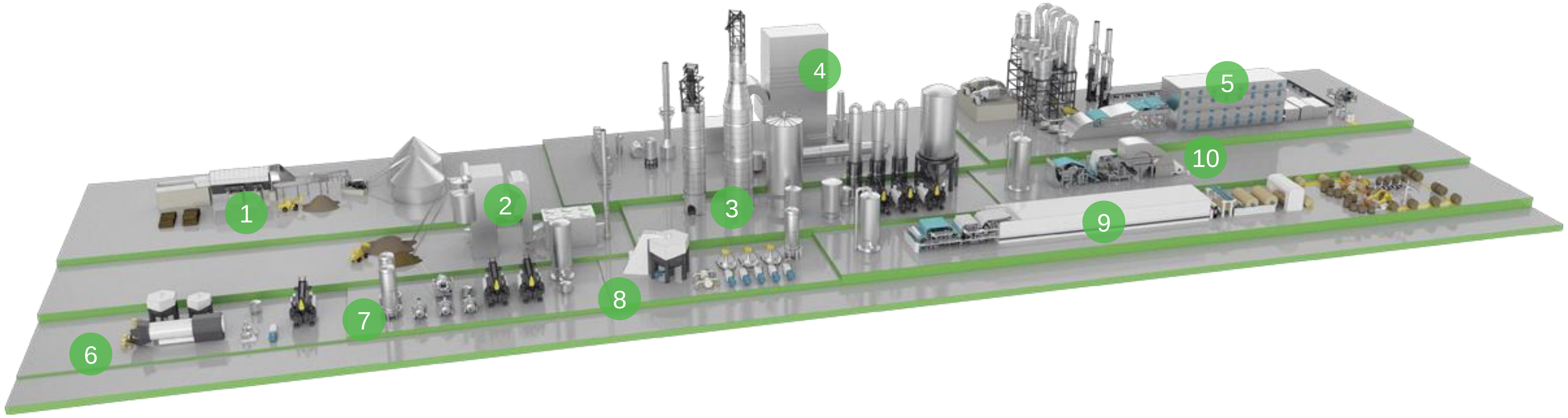
1. Wood handling
2. Heat and power production
3. Chemical pulping
4. Chemical recovery
5. Pulp drying
6. Recycled fiber
7. Mechanical fiber
8. Stock preparation
9. Board and paper making
10. Tissue making

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

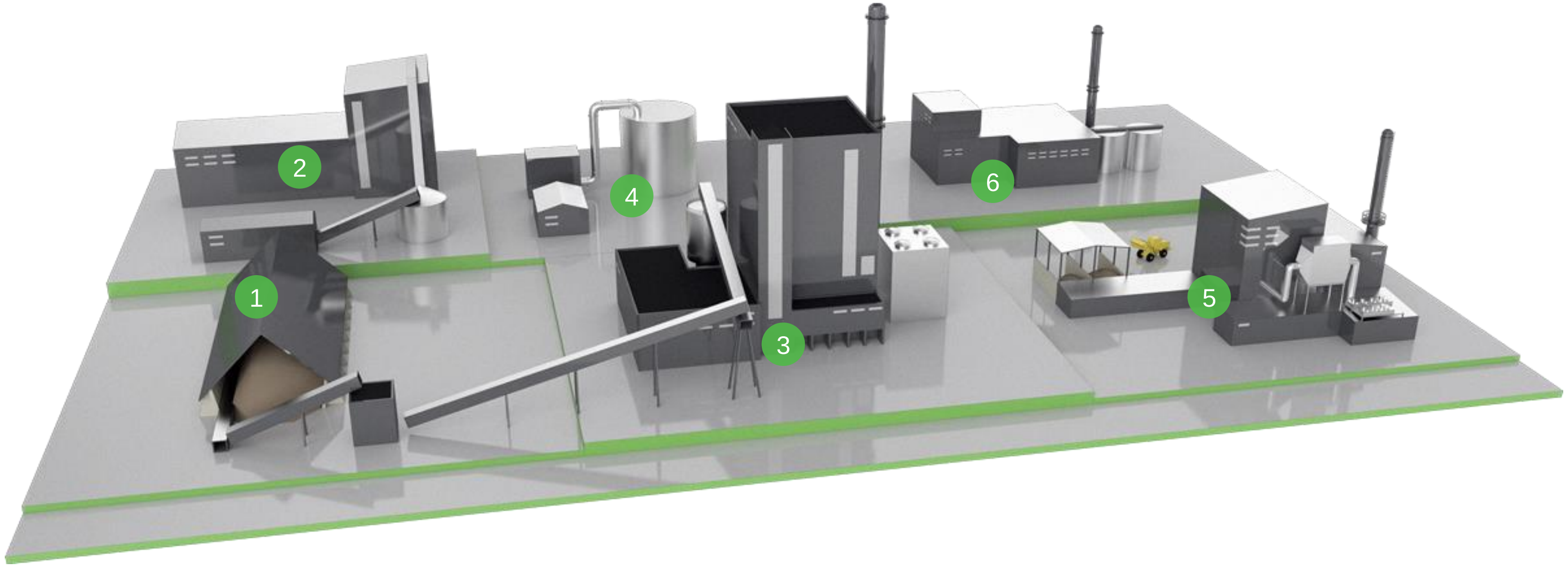
   For biofuels, biomaterials and biochemicals, and bio coal production

Automation

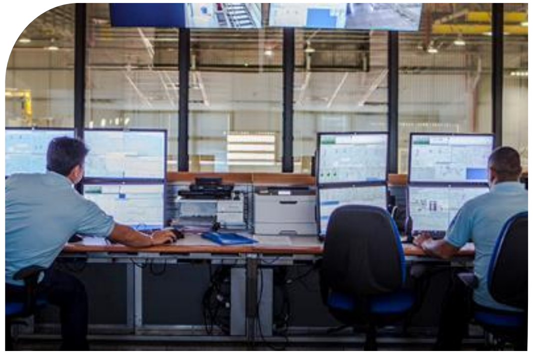
- Distributed Control System (DCS)
- Performance solutions
- Analyzers and measurements
- Industrial internet solutions
- Automation services

Services

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



Continuous investment in research and development to improve customers' processes

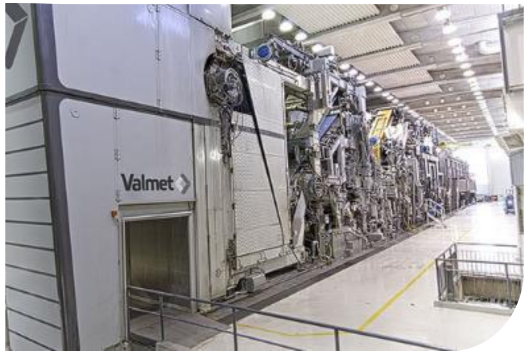


Customers' needs

- 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 70 million
- Around 1,500 protected inventions
- Cooperation with universities and research institutions

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

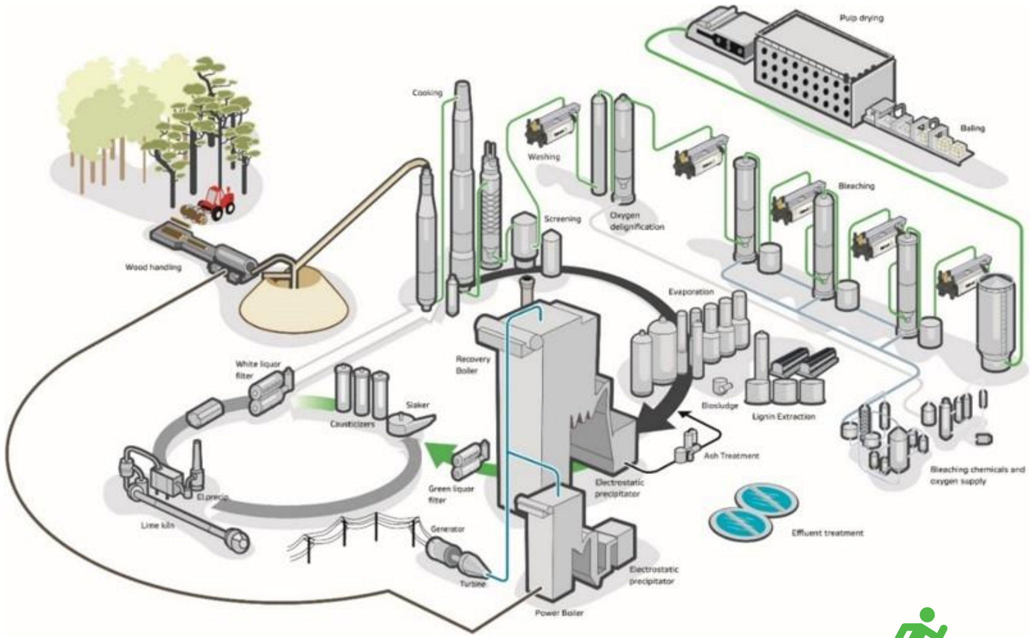
- Cost-efficient, high-quality, safe and flexible board making concept
- Significant savings in energy, water and raw material use
  - Energy efficiency improvement up to 30%
- Modular and compact size
  - Short delivery times, quick start-ups, and less production space
- Functional design brings increased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

Today, customers are extensively utilizing our Industrial Internet capabilities

800	Valmet-supplied lines with Valmet DCS
420 81,000	420 Condition Monitoring (CM) references with over 81,000 I/O tags
350	Advanced process control installations
540	Online connections with customers
90	Performance agreements with remote connections
Ongoing	Co-creation of advanced analytics with customers

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

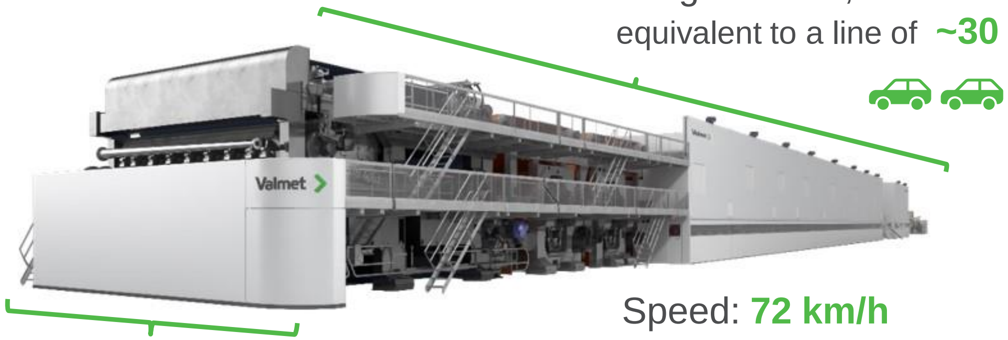
Pulp mill



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

Paper and board machine

Length 140 m,
equivalent to a line of **~30** cars



Width 7 m

Speed: **72 km/h**
Production: **400,000 t/a**

Tissue machine

Length 40 m,
equivalent to a line of **~9** cars

Width 5.6 m

Speed: **120 km/h**
Production: **65,000 t/a**

Appendix

Management

Executive Team

Corporate

Pasi Laine
President and CEO
Share ownership: 149,380

Kari Saarinen
CFO
Share ownership: 44,778

Julia Macharey
SVP, Human Resources and Operational Development
Share ownership: 30,442

Anu Salonsaari-Posti
SVP, Marketing & Communications
Share ownership: 25,141

Business lines

Aki Niemi
Business Line President, Services
Share ownership: 55,269

Sami Riekkola
Business Line President, Automation
Share ownership: 9,483

Bertel Karlstedt
Business Line President, Pulp and Energy
Share ownership: 40,329

Jari Vähäpesola
Business Line President, Paper
Share ownership: 52,559

Business areas

Dave King
Area President, North America
Share ownership: 29,741

Celso Tacla
Area President, South America
Share ownership: 81,992

Vesa Simola
Area President, EMEA
Share ownership: 44,192

Xiangdong Zhu
Area President, China
Share ownership: 22,087

Jukka Tiitinen
Area President, Asia Pacific
Share ownership: 84,461

Executive Team's ownership in total: 669,854 shares, which equals to 0.45% of outstanding shares.

Board of Directors

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

- MSc. (Eng.)
- Selected experience:
  - Member of the BoD of Finnlines Oyj
  - President, Marine at Rolls-Royce Plc
- Share ownership: 1,764
- 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
  - Vice-Chairman of the BoD of Solidium Oy
- Share ownership: 5,506
- Independent of company: Yes
- Independent of owners: No

Pekka Kemppainen
(b. 1954)
Board member
Finnish citizen

- Lic.Sc. (Tech.)
- Selected experience:
  - Member of the BoD of Bittium Oyj and Junttan Oy
  - Several positions within KONE
- Share ownership: 2,063
- 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:
  - Vice Chairman of the BoD of Nokia Shanghai Bell, Co. Ltd.
  - CEO of Radio Frequency Systems
- Share ownership: 2,063
- 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
  - Member of the BoD of Comptel Oyj
- Share ownership: 3,193
- Independent of company: Yes
- Independent of owners: Yes

Tarja Tyni
(b. 1964)
Board member
Finnish citizen

- LL.M.
- Selected experience:
  - CoB of Mandatum Life Investment Services Ltd
  - SVP, Corporates and Private Wealth Management at Mandatum Life
- Share ownership: 4,989
- 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: 9,176
- Independent of company: Yes
- Independent of owners: Yes

Board of Directors' ownership in total 28,754 shares, which equals to 0.02% of outstanding shares

Valmet
FORWARD