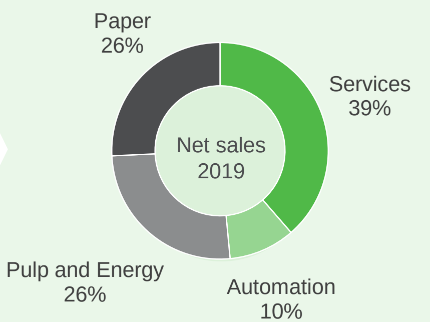
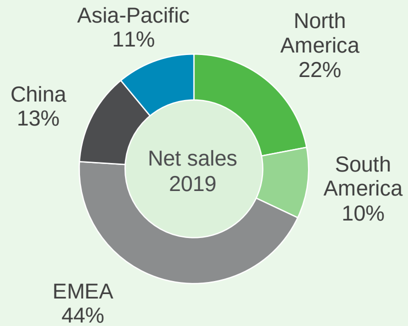
Valmet

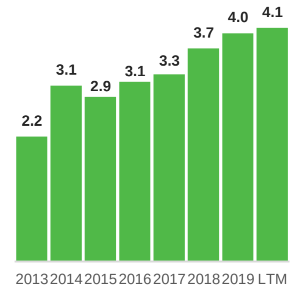
Key financials 2019	Orders received	Net sales	Order backlog
	3,986 M€	3,547 M€	3,333 M€
Comparable EBITA	**Comparable EBITA**	**Employees**	**Operating cash flow**
316 M€	8.9% of net sales	13,598	295 M€



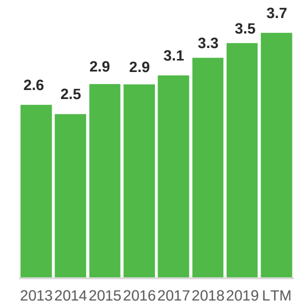


Balance sheet figures As at June 30, 2020	Gearing	Equity ratio	ROCE
	-23%	38%	16%
Interest-bearing liabilities	**Net interest-bearing liabilities**	**Balance sheet total**	**Total equity**
361 M€	-223 M€	3,544 M€	967 M€

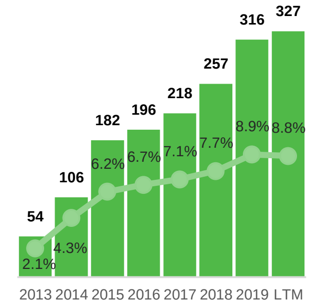
Orders received
(EUR billion)



Net sales
(EUR billion)

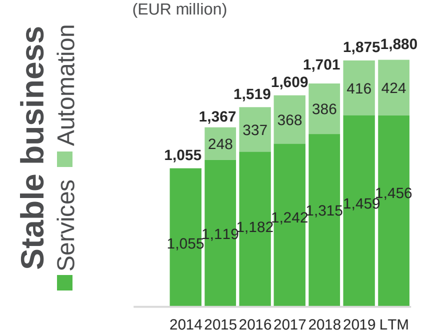


Comparable EBITA
(EUR million and %)

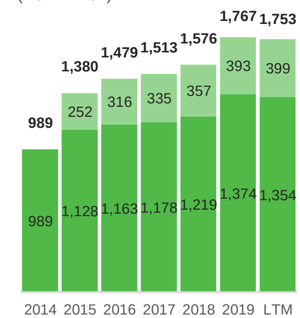


Stable business

Orders received
(EUR million)

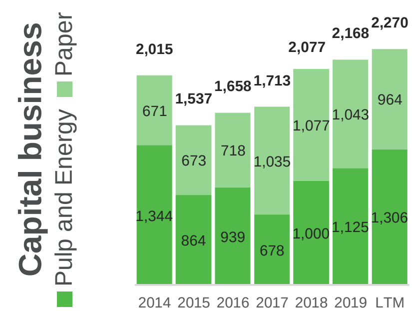


Net sales
(EUR million)

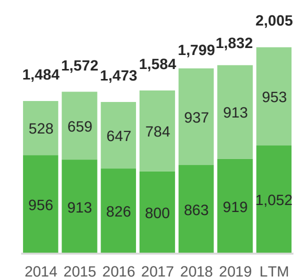


Capital business

Orders received
(EUR million)



Net sales
(EUR million)



2013 financials on a carve-out basis.
Automation has been consolidated into Valmet's financials since April 1, 2015, when the acquisition was completed.
The figures for Automation business line include internal net sales and internal orders received.

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Strong position in the growing market of converting renewables

Services

8.0 EUR bn | **~1-2%** p.a.

- Increasing pulp, paper and energy production
- Demand for more efficient processes, maintenance and outsourcing of non-core operations
- Customers decreasing own resources
- Size and gradually aging installed base, capacity increases in China, South America, Asia-Pacific
- Closures of non-competitive production lines

39% of net sales

Automation

2.0 EUR bn | **~1%** p.a.

- Aging machines and installed automation systems
- Investments in new pulp and paper machines and power plants
- Demand for raw material savings, process efficiencies and sustainability
- Demand for Industrial Internet based solutions

10% of net sales

Pulp

1.4 EUR bn | **~1%** p.a.

- 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

12% of net sales

Energy

2.0 EUR bn | **~1%** p.a.

- Growth in energy consumption
- Demand for sustainable energy and shutdowns of coal capacity
- Modernization of aging plants
- Incentives and regulation

14% of net sales

Tissue

0.7 EUR bn | **~3%** p.a.

- Rise in purchasing power and living standards
- Fast growth in emerging markets
- Demand for higher quality

7% of net sales

Board

1.0 EUR bn | **~2-3%** p.a.

- 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

13% of net sales

Paper

0.3 EUR bn | **~-1%** p.a.

- Increasing role of digital media decreases demand for printing and writing papers
- Demand for technology driven efficiency improvements
- Demand for specialty papers

5% of net sales

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

Investment highlights

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

Financial targets (updated on February 5, 2020)

- Net sales for stable business to grow over two times the market growth
- Net sales for capital business to exceed market growth
- Comparable EBITA: 10–12%
- Comparable return on capital employed (pre-tax), ROCE: >20%
- Dividend payout at least 50% of net profit