



Q1/2019 results

Pekka Vauramo, President and CEO
Eeva Sipilä, CFO

April 25, 2019

Forward looking statements

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 customer industry profitability and investment willingness, expectations for company growth, development and profitability and the realization of synergy benefits and cost savings, and statements preceded by "expects", "estimates", "forecasts" or similar expressions, are forward looking statements. These statements are based on current decisions and plans and currently known factors. They involve risks and uncertainties which may cause the actual results to materially differ from the results currently expected by the company.

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 and thereby the orders received by the company and their margins
- 2) the competitive situation, especially significant technological solutions developed by competitors
- 3) the company's own operating conditions, such as the success of production, product development and project management and their continuous development and improvement
- 4) the success of pending and future acquisitions and restructuring.



Results in brief

Pekka Vauramo
President and CEO

Highlights

Solid market activity in all businesses

Strong quarter in orders, sales and profitability

- Steady growth in services
- Strong growth in equipment

Successful implementation of strategy

- Divestment of grinding media business
- One acquisition announced (HighService Service in Chile)
- Organic investments and R&D ramp-up proceeding as planned

First-quarter group financials

Orders received up 18% to EUR 1,013 million (859 million)

Sales up 17% to EUR 836 million (714 million)

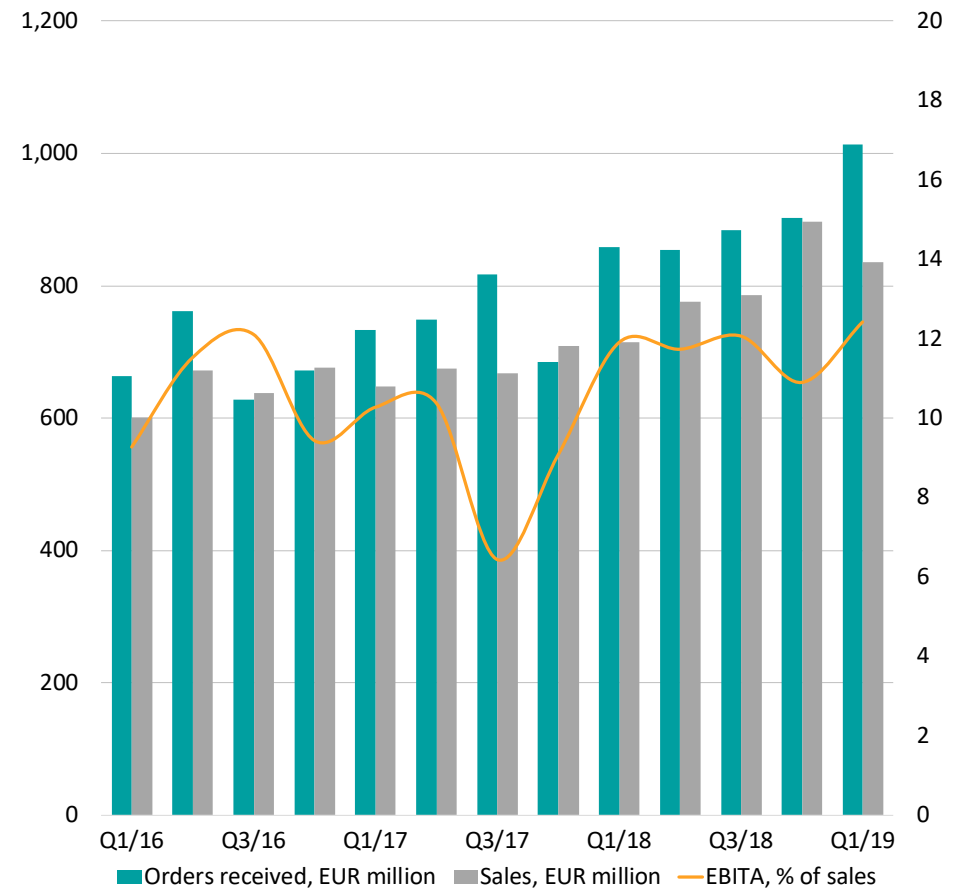
EBITA was EUR 104 million, margin of 12.4%
(85 million and 11.9%)

Operating profit was EUR 100 million, margin of 11.9%
(80 million or 11.3%)

Earnings per share were EUR 0.43 (EUR 0.33)

Free cash flow was EUR 38 million (2 million)

Orders, sales and profitability



Minerals quarterly highlights

Orders received up 20% to EUR 823 million (688 million)

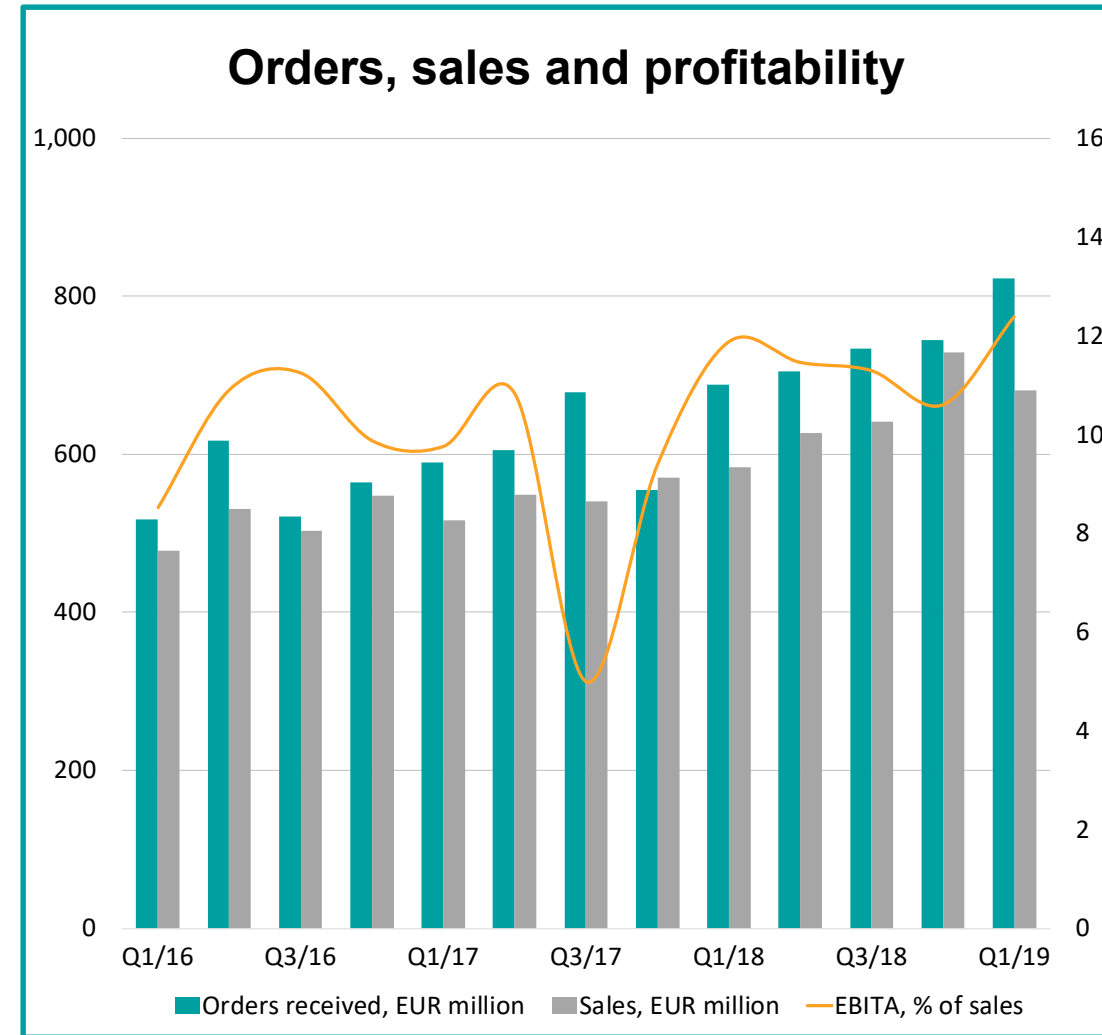
- Strongest growth in equipment
- Second order booked for Albemarle's new lithium project in Australia
- Aggregates grew especially in the Nordic countries and West Europe

Sales up 17% to EUR 681 million (584 million)

- Driven by equipment business
- Share of services 63% (67%)

EBITA margin was 12.4% (11.9%)

- Volume growth contributed



Flow Control quarterly highlights

Orders received up 12% to EUR 191 million (171 million)

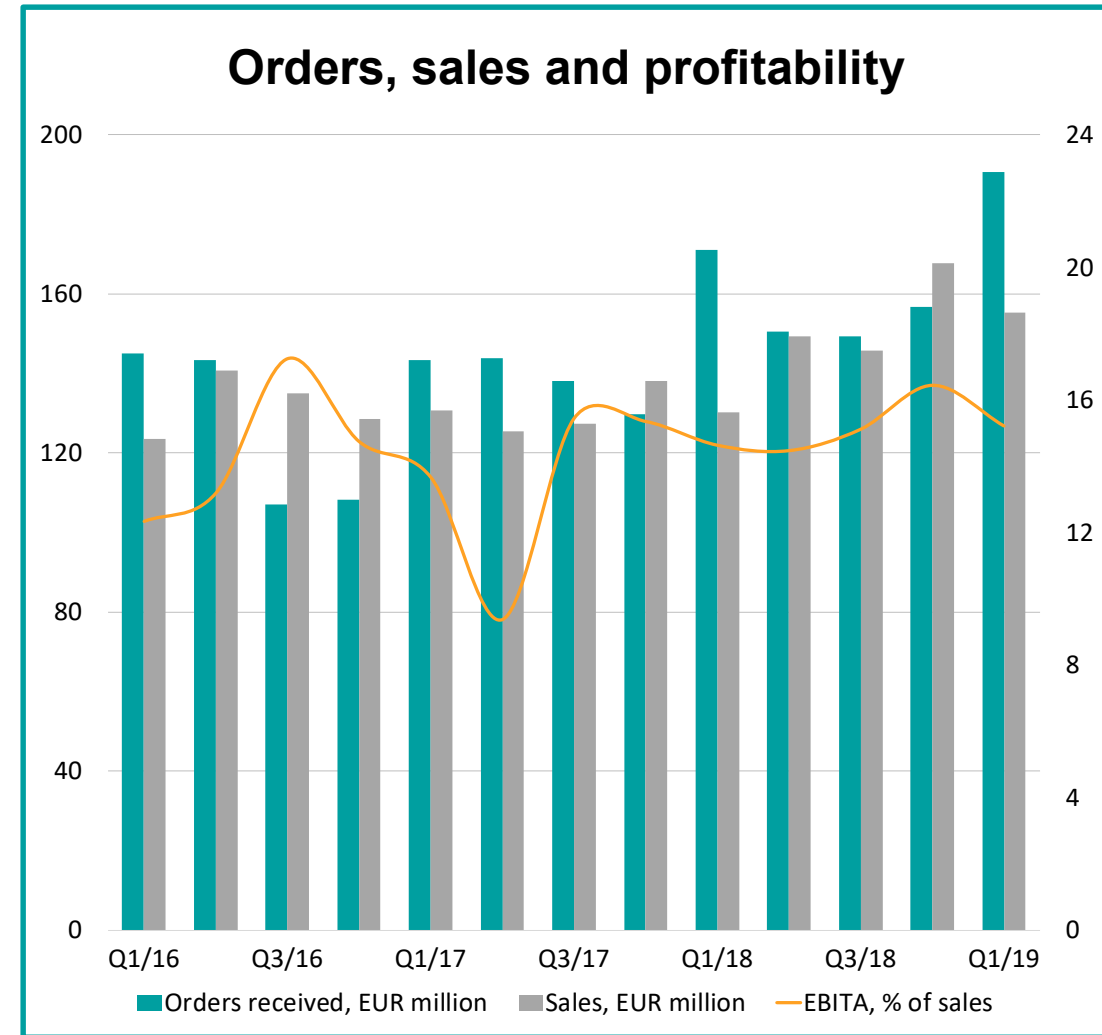
- Growth was fastest in services
- Oil & gas market strong in Asia

Sales up 19% to EUR 155 million (130 million)

- Driven by the equipment business
- Share of services 22% (22%)

EBITA margin was 15.2% (14.6%)

- Volume growth contributed





Financials in detail

Eeva Sipilä
CFO

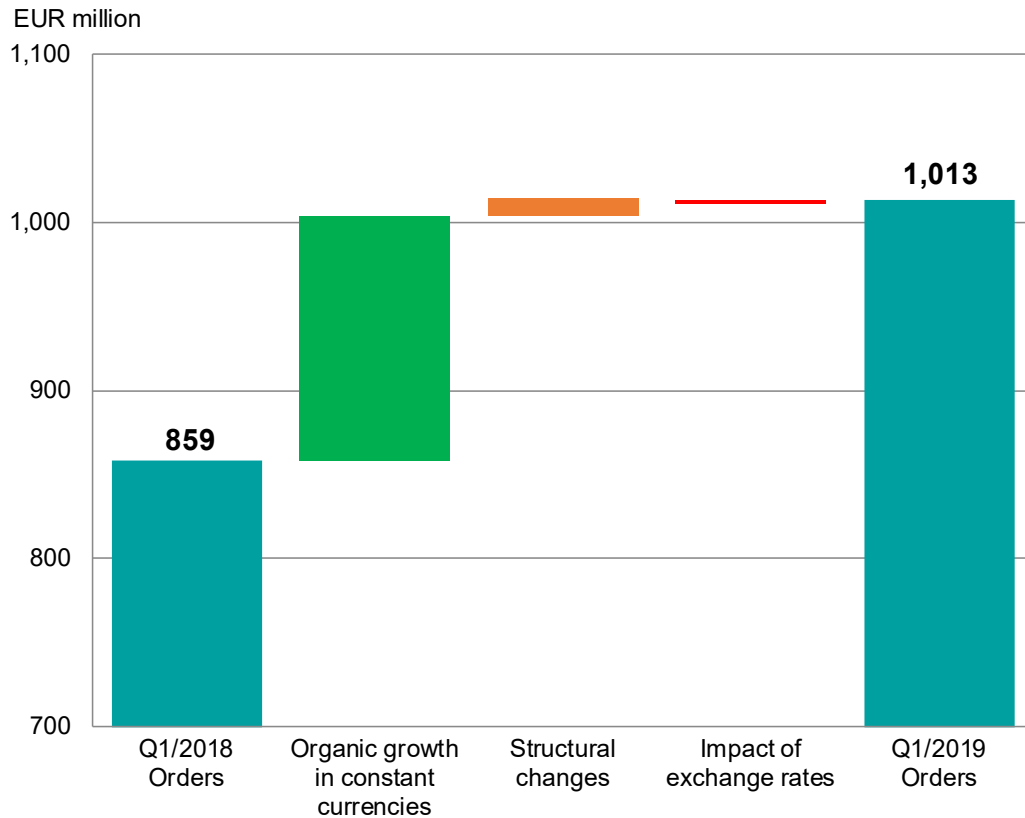
Income statement



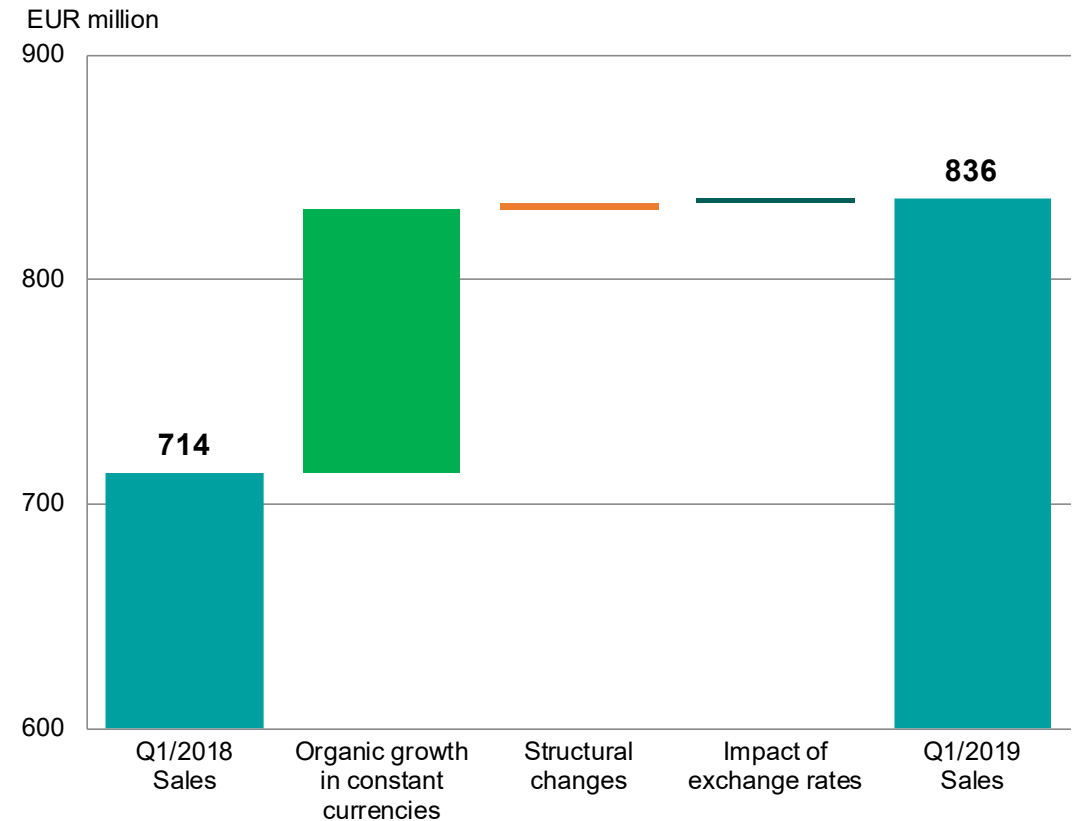
EUR million	Q1/2019	Q1/2018	Change %	2018
Orders received	1,013	859	18	3,499
Sales	836	714	17	3,173
EBITA	104	85	22	369
% of sales	12.4	11.9		11.6
Operating profit	100	80	25	351
% of sales	11.9	11.3		11.1
Net financial expenses	-9	-9	0	-30
Taxes	-26	-21	24	-92
Profit for the period	65	50	30	229
Earnings per share, EUR	0.43	0.33	30	1.53

Impacts of structural changes and currencies

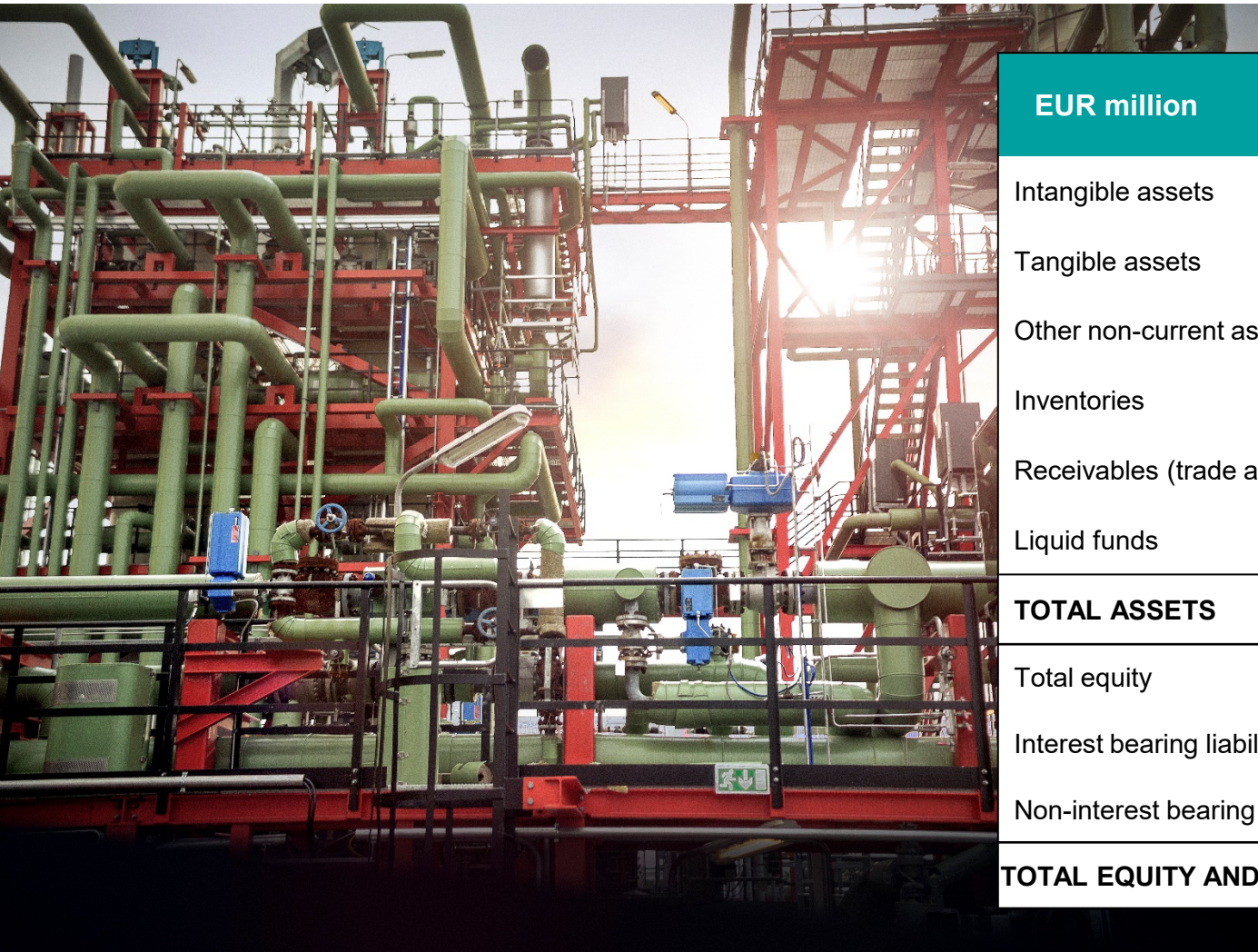
Orders received



Sales

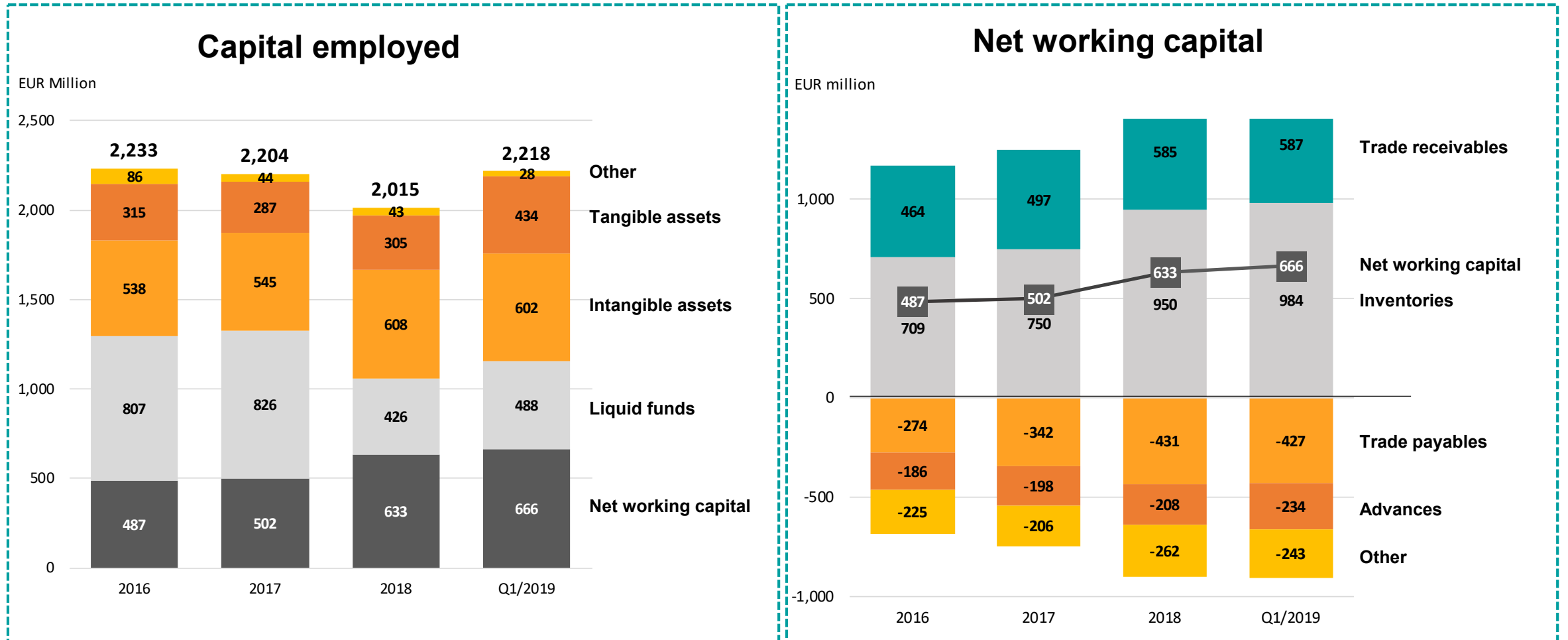


Balance sheet

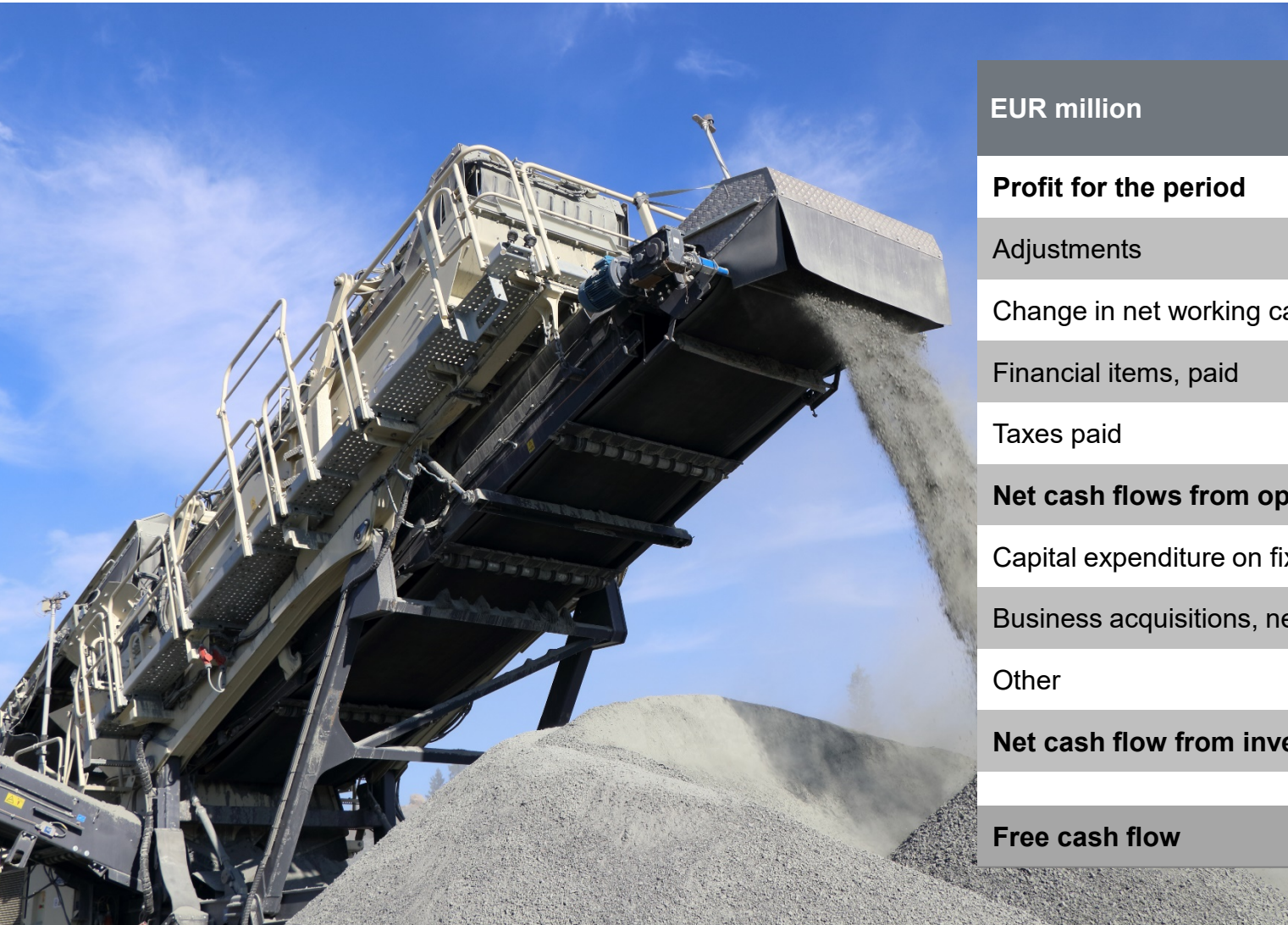


EUR million	Mar 31, 2019	% of total	Dec 31, 2018	% of total
Intangible assets	602	16%	608	19%
Tangible assets	434	8%	305	9%
Other non-current assets	163	4%	157	5%
Inventories	984	24%	950	29%
Receivables (trade and other)	855	23%	834	25%
Liquid funds	488	25%	426	13%
TOTAL ASSETS	3,525		3,279	
Total equity	1,497	37%	1,416	43%
Interest bearing liabilities	720	26%	598	21%
Non-interest bearing liabilities	1,308	36%	1,265	36%
TOTAL EQUITY AND LIABILITIES	3,525		3,279	

Capital employed and net working capital



Cash flow



EUR million	Q1/2019	2018
Profit for the period	65	229
Adjustments	58	181
Change in net working capital	-55	-129
Financial items, paid	-5	-17
Taxes paid	-18	-87
Net cash flows from operating activities	45	177
Capital expenditure on fixed assets	-19	-67
Business acquisitions, net of cash	-	-77
Other	9	1
Net cash flow from investments	-10	-143
Free cash flow	38	146

Financial position



	Mar 31, 2019	Dec 31, 2018
Return on capital employed before taxes (ROCE), %, annualized	18.9	16.9
Return on equity (ROE), %, annualized	17.7	16.5
Net gearing, %	15.1	11.7
Cash conversion, %	58	64
Equity-to-assets ratio, %	46.6	47.7
Debt to capital, %	32.5	29.7
Net debt/EBITDA	0.5	0.4
EBITDA / Financial expenses, net (interest coverage)	12.9	13.7



Strategy and outlook

Pekka Vauramo
President and CEO

Strategy execution

Investments in organic growth

- CAPEX in total EUR 19 million (EUR 13 million)
- Growth investments to aggregates equipment, foundry capacity and valves production capacity are progressing as planned in India and China

Research and development ramping up as planned

- Total spend EUR 12 million or 1.5% of sales (1.0%)
- Several product launches in BAUMA in early April



Market outlook

Market activity in both segments, Minerals and Flow Control, is expected to remain at the current high level in both the equipment and services business.

Metso's market outlook describes the expected sequential development in market activity during the following six-month period using three categories: improve, remain at the current level, or decline.



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