



Valmet – unique offering with
process technology, automation
and services

Roadshow presentation
December 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

 <p>Paper</p> <p>Market position #1</p> <p>Market share ~40%</p>	 <p>Pulp and Energy</p> <p>Market position #1–3</p> <p>Market share 20-40%</p>	 <p>Automation</p> <p>Market position #1–3</p> <p>Market share 10-20%</p>	 <p>Services</p> <p>Market position #1–2</p> <p>Market share ~17%</p>
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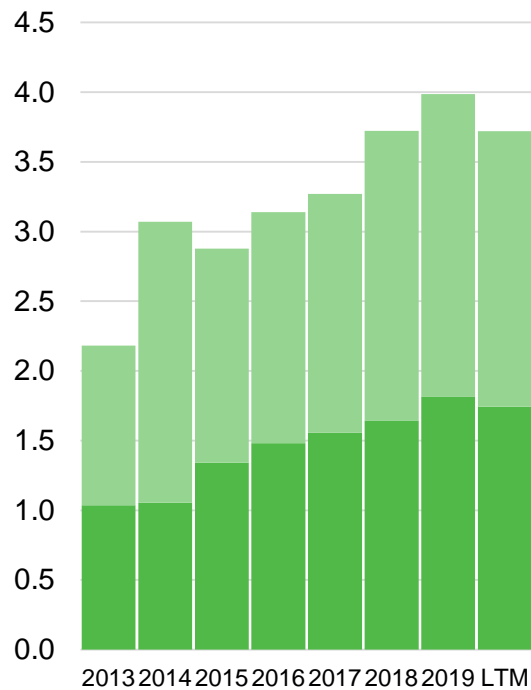
Valmet's road to becoming a global market leader

- 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

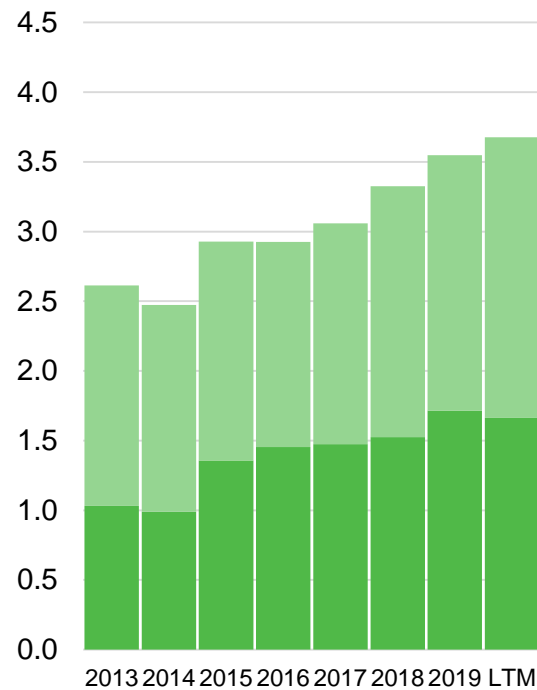
Comparable EBITA
target 10–12%

Orders received
(EUR billion)



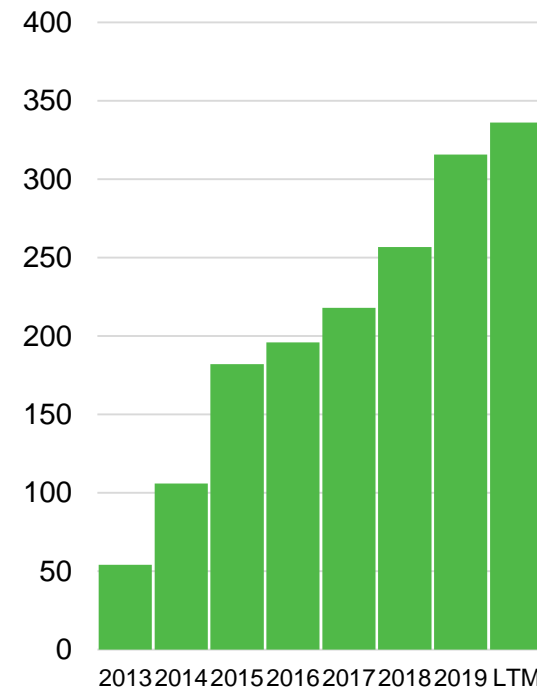
■ Pulp and Energy, and Paper business lines
■ Services and Automation business lines

Net sales
(EUR billion)



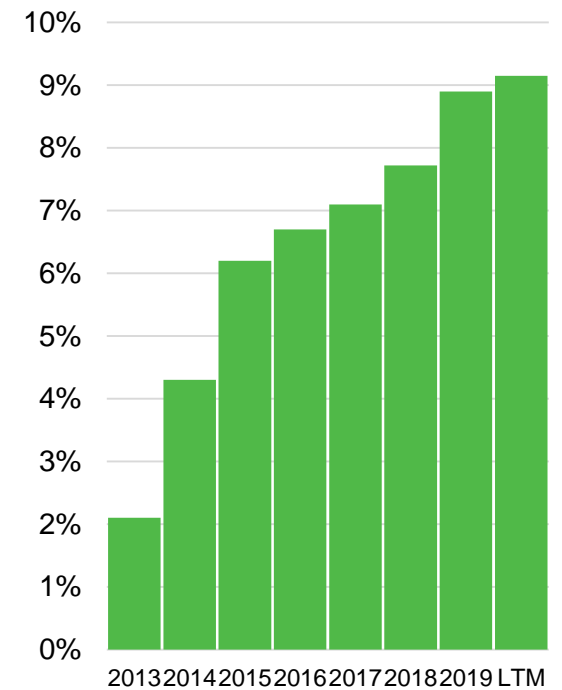
■ Pulp and Energy, and Paper business lines
■ Services and Automation business lines

Comparable EBITA
(EUR million)



■ Comparable EBITA

Comparable EBITA margin
(%)



■ Comparable EBITA margin

2013 figures on carve-out basis

Key figures

Last twelve months ending Q3/20

Orders received
EUR 3,722 million

Net sales
EUR 3,676 million

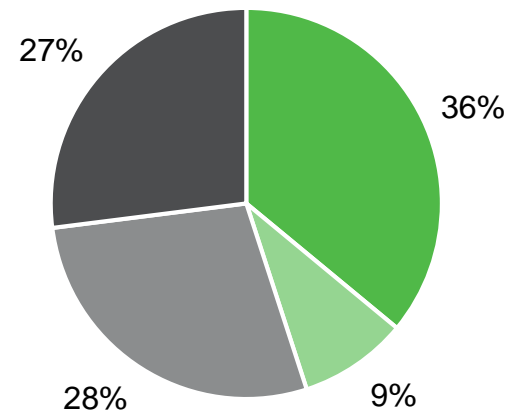
Comparable EBITA
EUR 336 million

Comparable EBITA margin
9.1%

Order backlog
EUR 3,311 million (Sep 30, 2020)

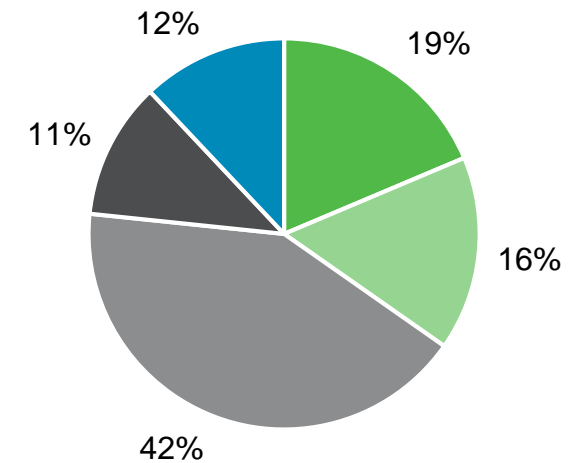
Employees
13,434 (Sep 30, 2020)

Net sales by business line



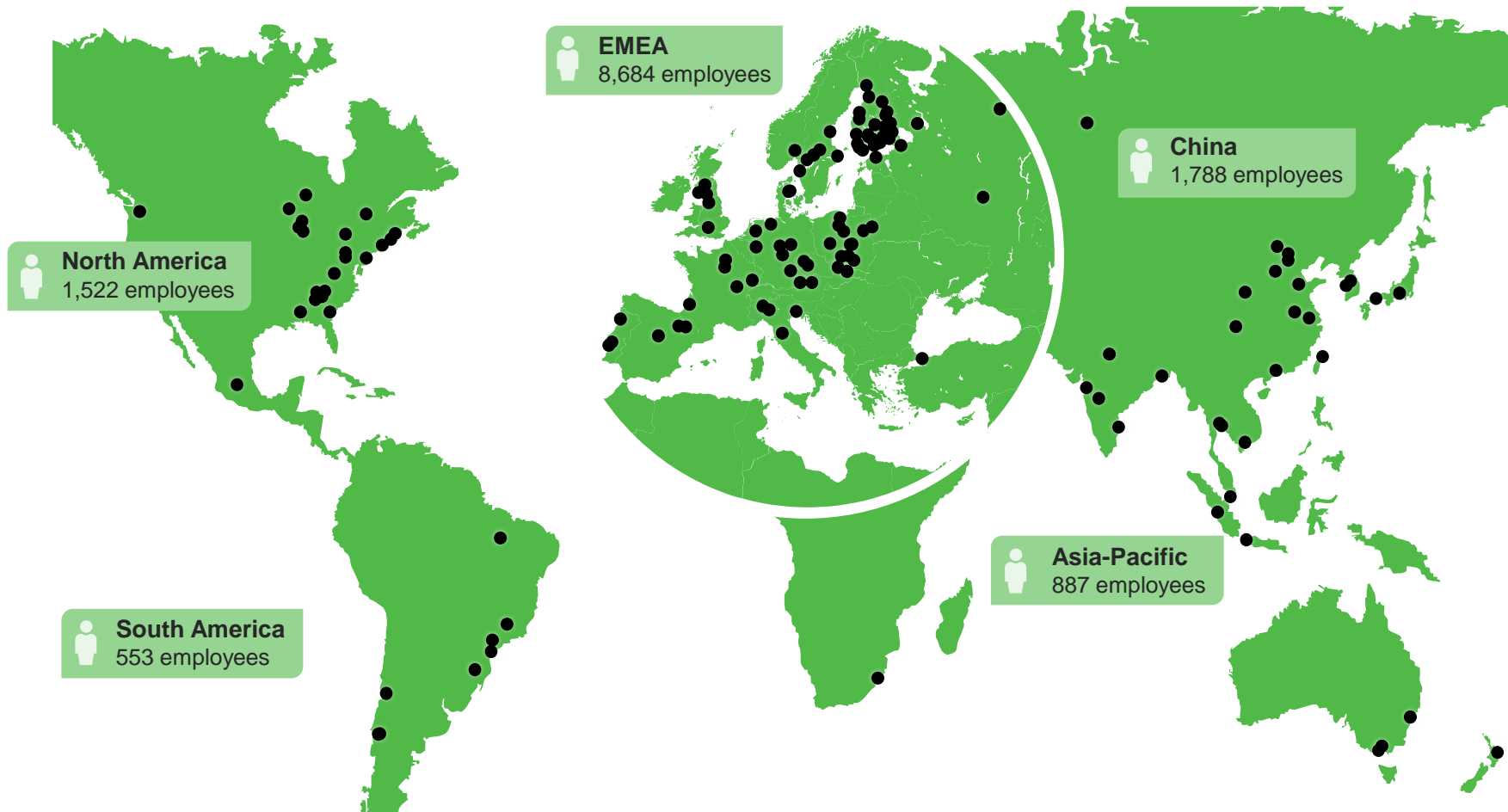
- Services
- Automation
- Pulp and Energy
- Paper

Net sales by area



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

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



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

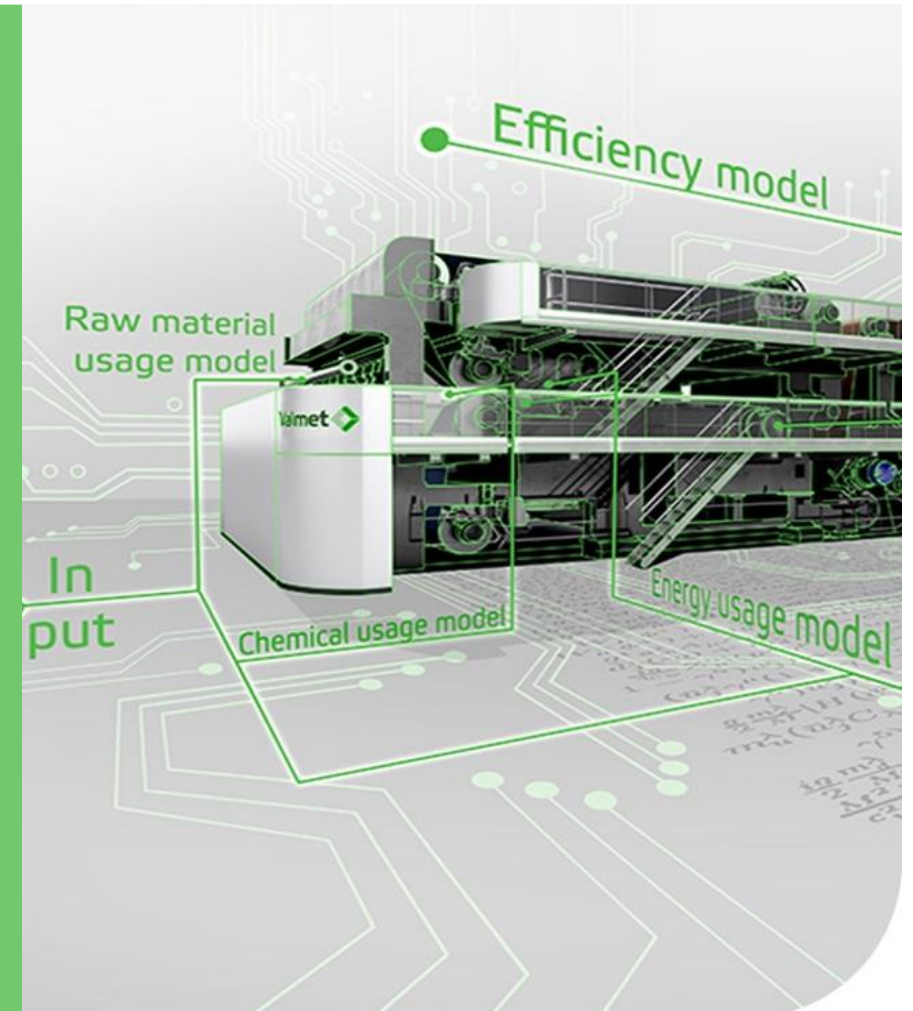
research and
development
centers



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 seventh consecutive year
- AAA rating in the MSCI ESG Ratings assessment in 2020
- Rating A- in CDP's climate program ranking in 2020
- RobecoSAM Bronze Class 2020 Sustainability Award
- In Ethibel Sustainability Index Excellence Europe



Most material UN Sustainable Development Goals for Valmet



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



Valmet strengthened its business by acquiring PMP Group

Focus on small and medium-sized tissue machines and board and paper machine rebuilds

- PMP Group supplies process technologies and services for tissue, board and paper machines globally
 - New tissue machines
 - Rebuilds and machine sections for paper and board machines
 - Spare parts and services
- Focus on small and medium-sized tissue machines and board and paper machine rebuilds
- The acquisition complements Valmet's offering and builds further our local presence especially in Central Europe and China
 - Widens Valmet's portfolio to small and medium-sized tissue machines
 - Access to new customer and product segments
- Operations in four countries: Poland, China, USA and Italy
- The acquisition was announced on September 11, 2020 and was completed in the beginning of October, 2020

Key information about the acquisition

Net sales in 2019	EUR ~70 million
Number of employees	~650
Value of acquisition	EUR ~64 million ¹

1) plus a conditional and capped earn-out component

Operations in Poland, China, USA and Italy



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

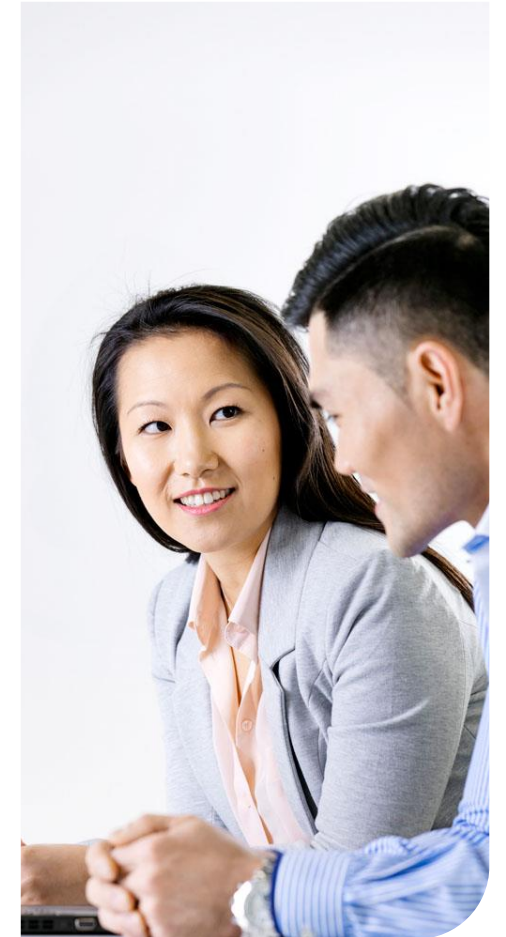


- Comparable return on capital employed (ROCE) before taxes¹: >20%

Dividend policy



- Dividend payout at least 50% of net profit



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



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



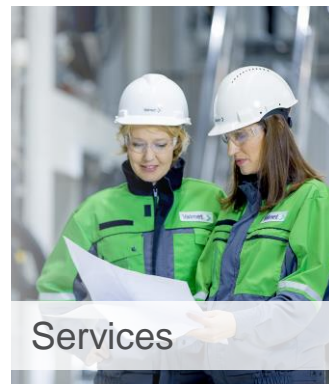
Pulp



Energy



Automation



Services

#1
0.3
EUR bn
~1%
p.a.

#1
1.0
EUR bn
~2-3%
p.a.

#1
0.7
EUR bn
~3%
p.a.

#1-2
1.4
EUR bn
~1%
p.a.

#1-3
2.0
EUR bn
~1%
p.a.

#1-3
2.0
EUR bn
~1%
p.a.

#1-2
8.0
EUR bn
~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)

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

Process technology

Customer

Services

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

Services

Automation

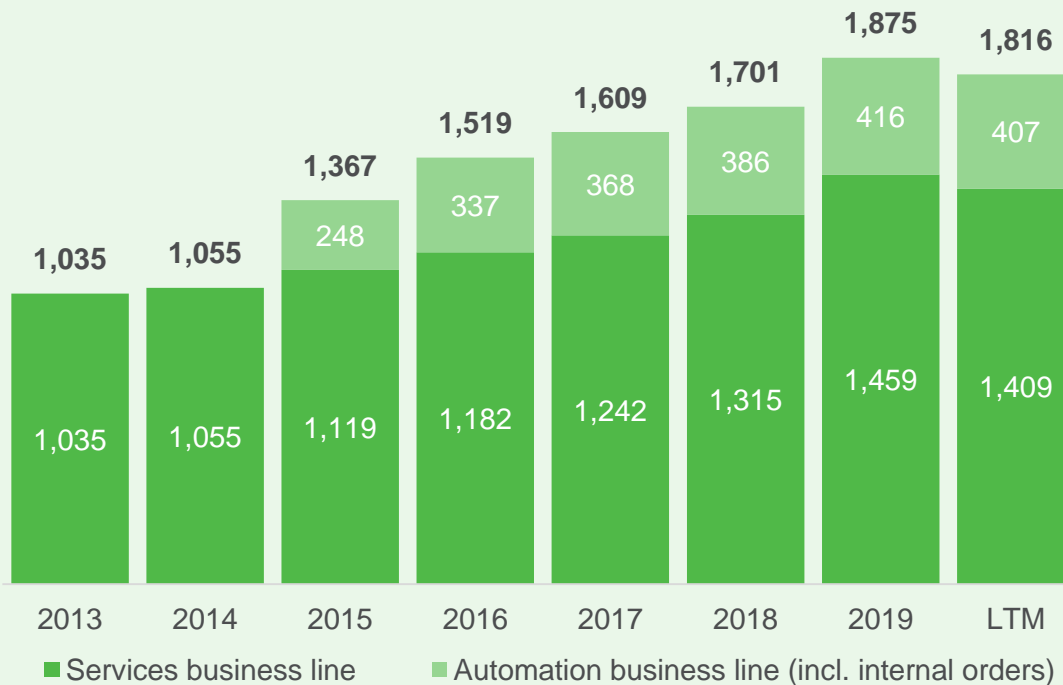
- Distributed Control Systems (DCS)
- Quality Management Systems (QMS)
- Analyzers and measurements
- Industrial Internet solutions

Automation



Large stable business offering growth and profitability

Orders received (EUR million)



Growth
~10%
CAGR

Organic growth
~4%
CAGR

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

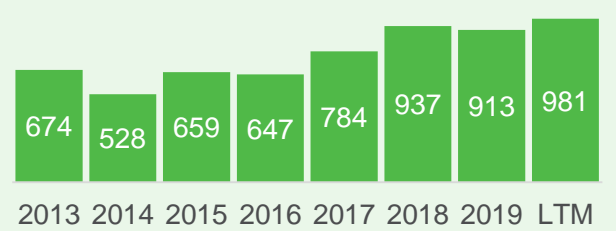
Strong capital business with high market share and flexible cost structure

Paper business line

Orders received (EUR million)

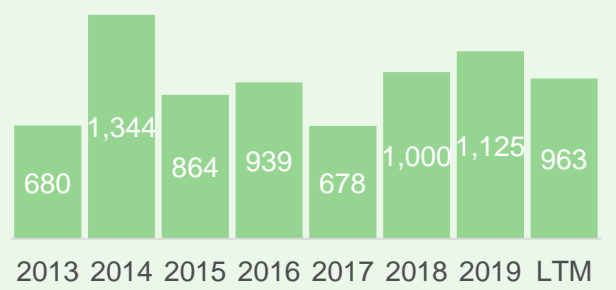


Net sales (EUR million)

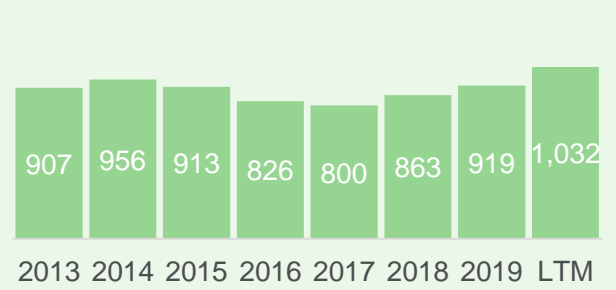


Pulp and Energy business line

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
Pulp and Energy	22% of net sales EUR 206 million	24% of net sales EUR 218 million

Systematically building the future

Customer	<ul style="list-style-type: none">• Valmet's way to serve: a unified and unique way to serve• Add value to customers through Industrial Internet solutions• Ensure strong market position in capital business
Technology	<ul style="list-style-type: none">• Develop new products and technologies• Improve product cost competitiveness• Lead the market through Industrial Internet offering
Process	<ul style="list-style-type: none">• Investing in new ERP and other new business platforms• Continue to improve project management and project execution• Continued focus on sustainability
People	<ul style="list-style-type: none">• 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	Q3/2020	Q3/2019	Change	Q1–Q3/2020	Q1–Q3/2019	Change
Orders received	700	1,058	-34%	2,712	2,976	-9%
Order backlog ¹	3,311	3,425	-3%	3,311	3,425	-3%
Net sales	832	857	-3%	2,573	2,444	5%
Comparable EBITA	91	81	11%	218	198	10%
% of net sales	10.9%	9.5%		8.5%	8.1%	
EBITA	87	83	5%	208	196	6%
Operating profit (EBIT)	79	73		184	172	7%
% of net sales	9.5%	8.5%		7.1%	7.0%	
Earnings per share, EUR	0.38	0.34	12%	0.88	0.80	9%
Return on capital employed (ROCE) before taxes ²				17%	19%	
Cash flow provided by operating activities	94	126	-25%	418	113	>100%
Gearing ¹				18%	6%	

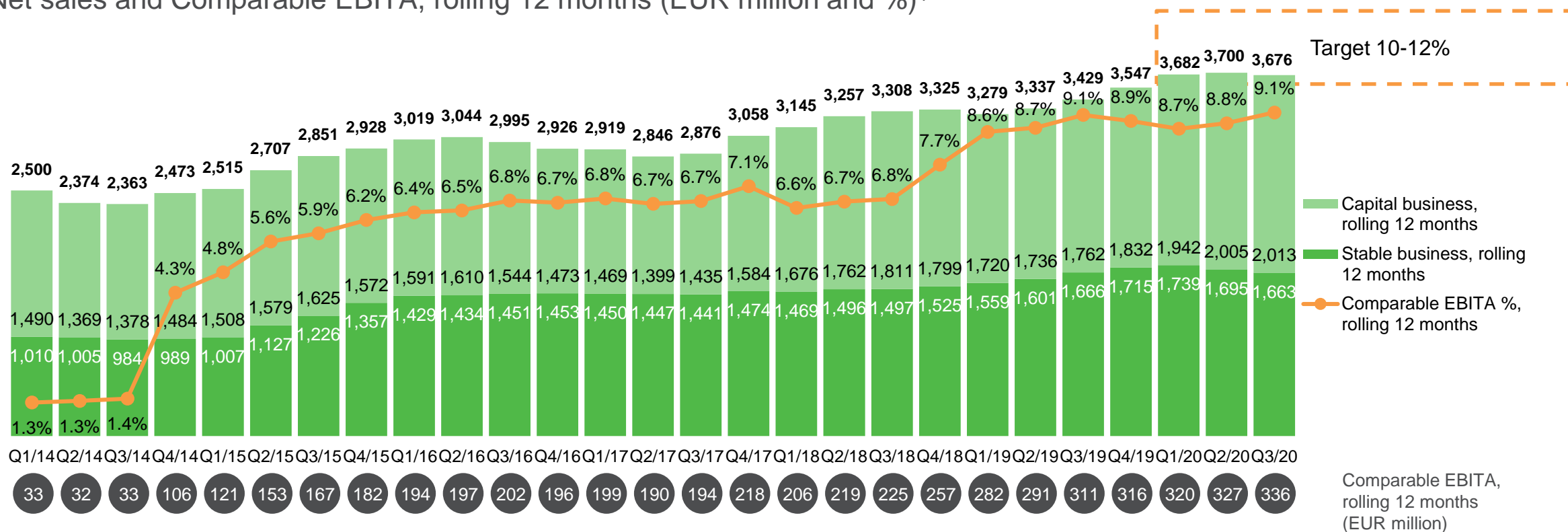
Items affecting comparability: EUR -3 million in Q3/2020 (EUR 1 million in Q3/2019), EUR -11 million in Q1–Q3/2020 (EUR -2 million in Q1–Q3/2019)

1) At end of period

2) Annualized

Comparable EBITA margin¹ development

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



- In Q3/2020, Comparable EBITA increased compared with Q3/2019

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 (as announced on October 13, 2020)

Guidance



Valmet estimates that net sales in 2020 will remain at the previous year's level in comparison with 2019 (EUR 3,547 million) and Comparable EBITA in 2020 will increase in comparison with 2019 (EUR 316 million).

Short-term market outlook

		Q4/2019	Q1/2020	Q2/2020	Q3/2020
Services		Good	Satisfactory / Weak	Satisfactory / Weak	Satisfactory / Weak
Automation		Good	Good / Satisfactory	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

4

Strong capital business with high market share and flexible cost structure

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

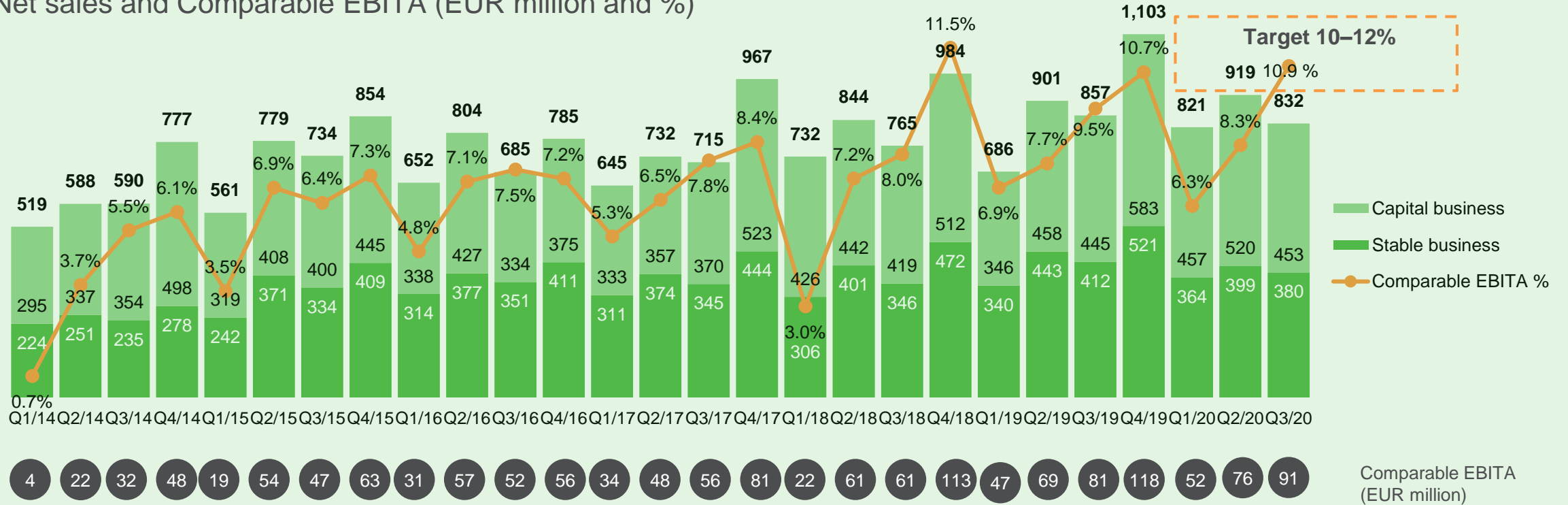
- 1 Financials
- 2 Growth and profitability improvement
- 3 Shareholders, share price development and sustainability
- 4 Strategy and offering
- 5 Management and remuneration



Appendix
Financials

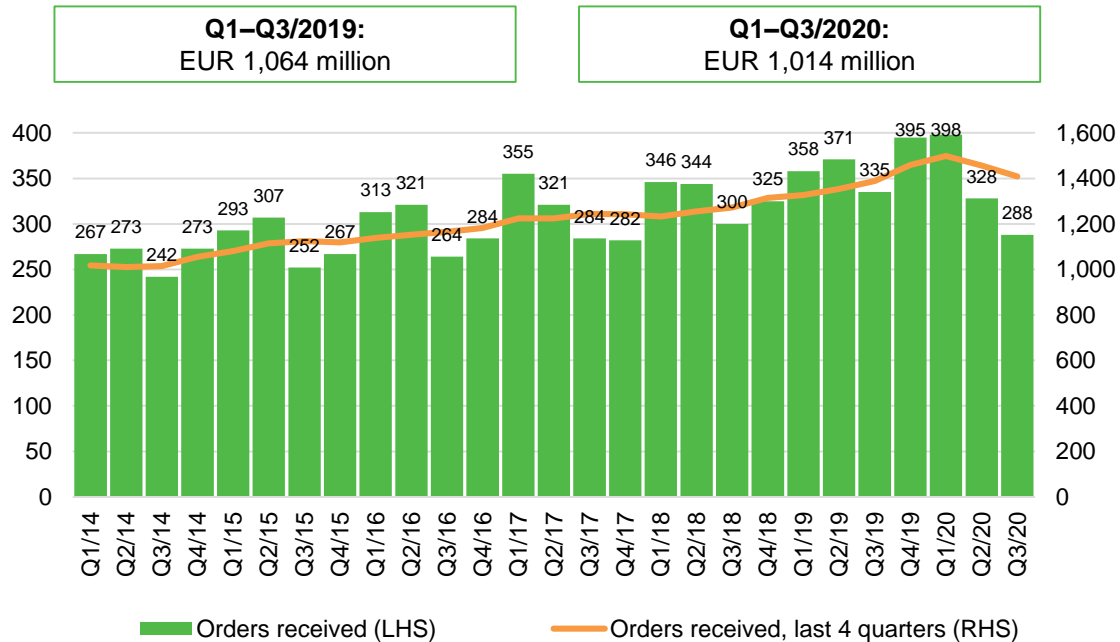
Quarterly Comparable EBITA margin development

Net sales and Comparable EBITA (EUR million and %)

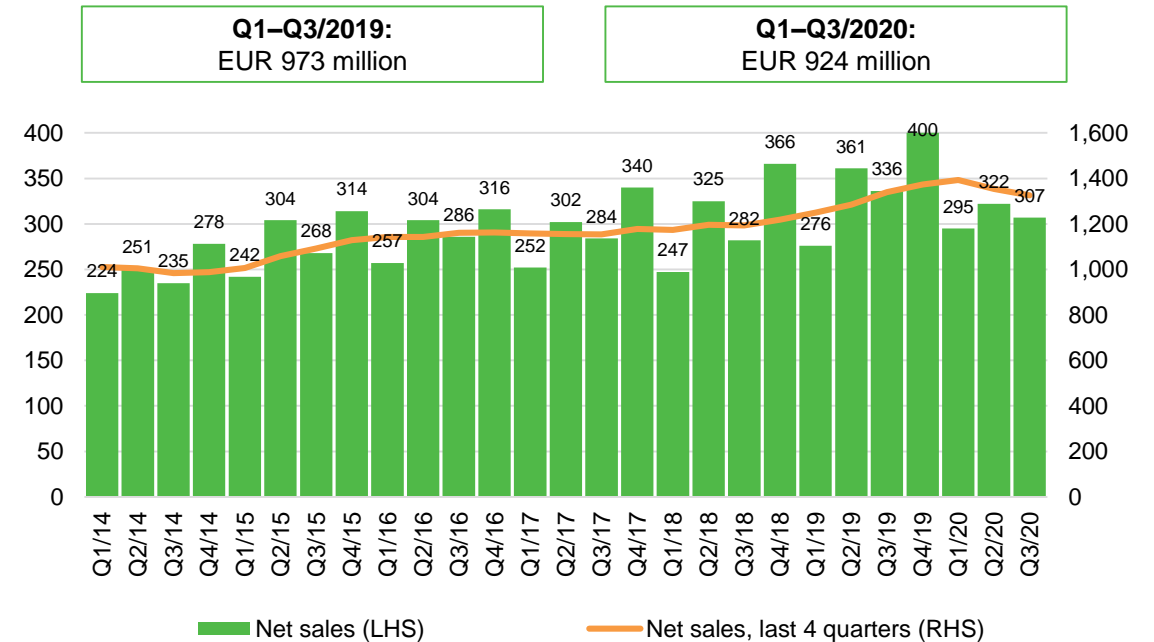


Services: Orders received and net sales decreased in Q3/2020

Orders received (EUR million)



Net sales (EUR million)

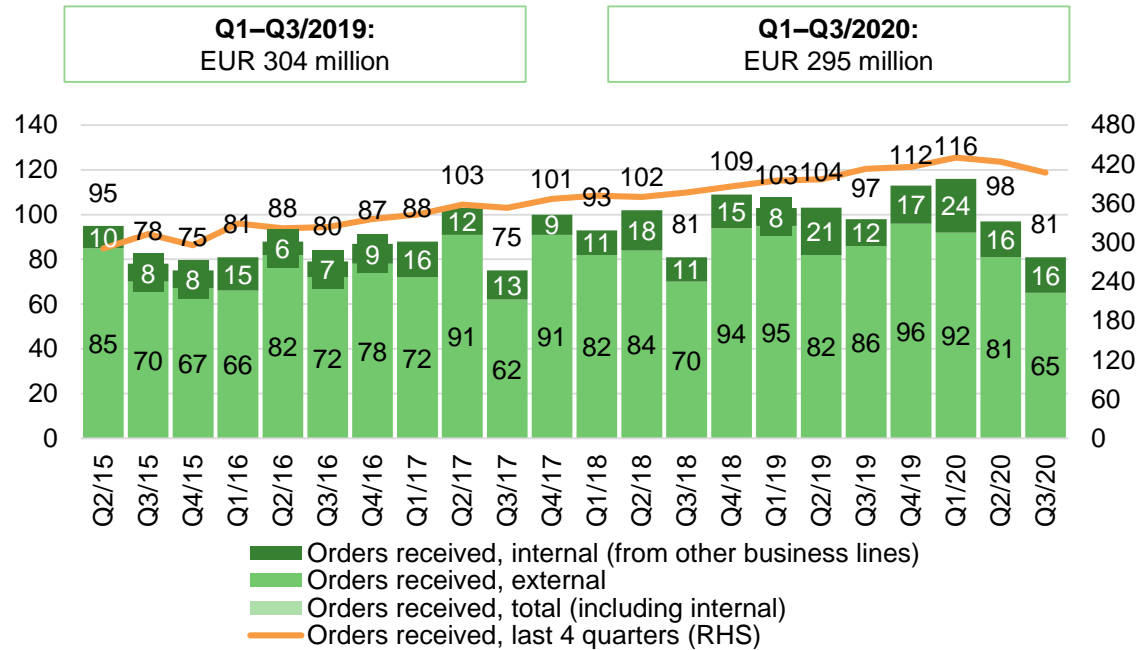


- Orders received decreased compared with Q3/2019
 - Orders received increased in South America and decreased in all other areas
 - Orders received remained at the previous year's level in Energy and Environmental, and decreased in Mill Improvements, Fabrics, Rolls and Performance Parts
- Net sales decreased compared with Q3/2019
 - Negative impact from lower volumes compensated by cost savings measures
- COVID-19 related travel restrictions and lower capacity utilization in graphical paper mills had a negative impact on Services' orders received and net sales

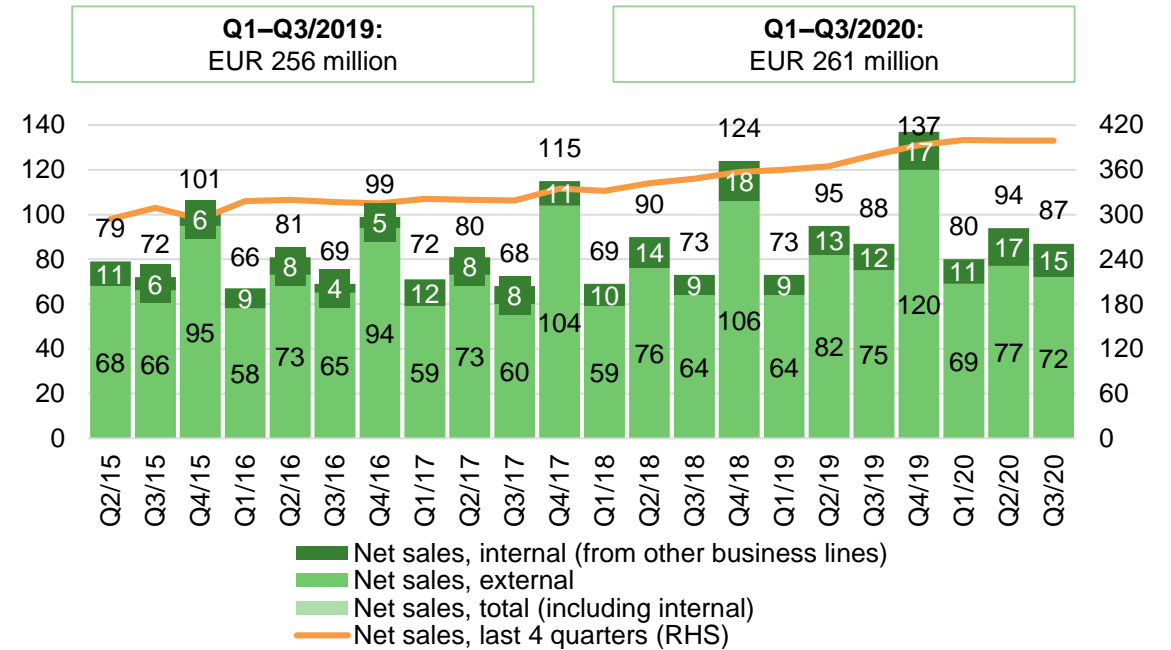


Automation¹: Orders received decreased and net sales remained at the previous year's level in Q3/2020

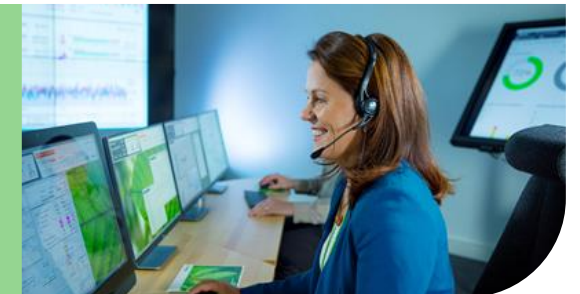
Orders received (EUR million)



Net sales (EUR million)



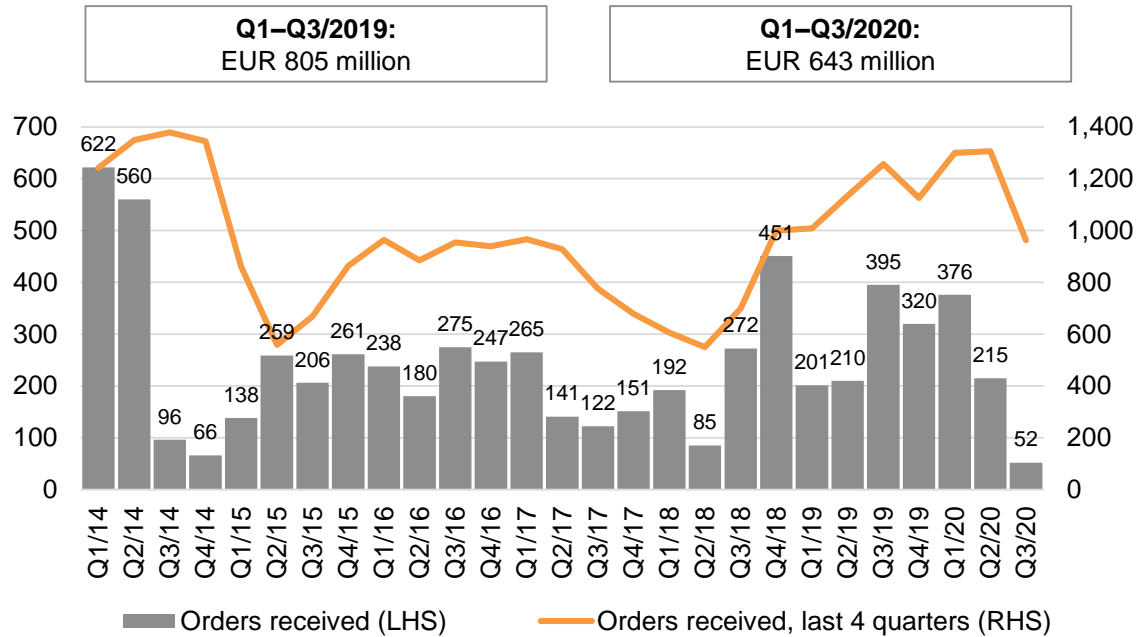
- Orders received decreased compared with Q3/2019
 - Orders received increased in China, and decreased in all other areas
 - Orders received decreased in both Pulp and Paper, and Energy and Process
- Net sales remained at the previous year's level compared with Q3/2019
- Despite COVID-19, Automation services order intake increased, while order intake in Automation capital business decreased



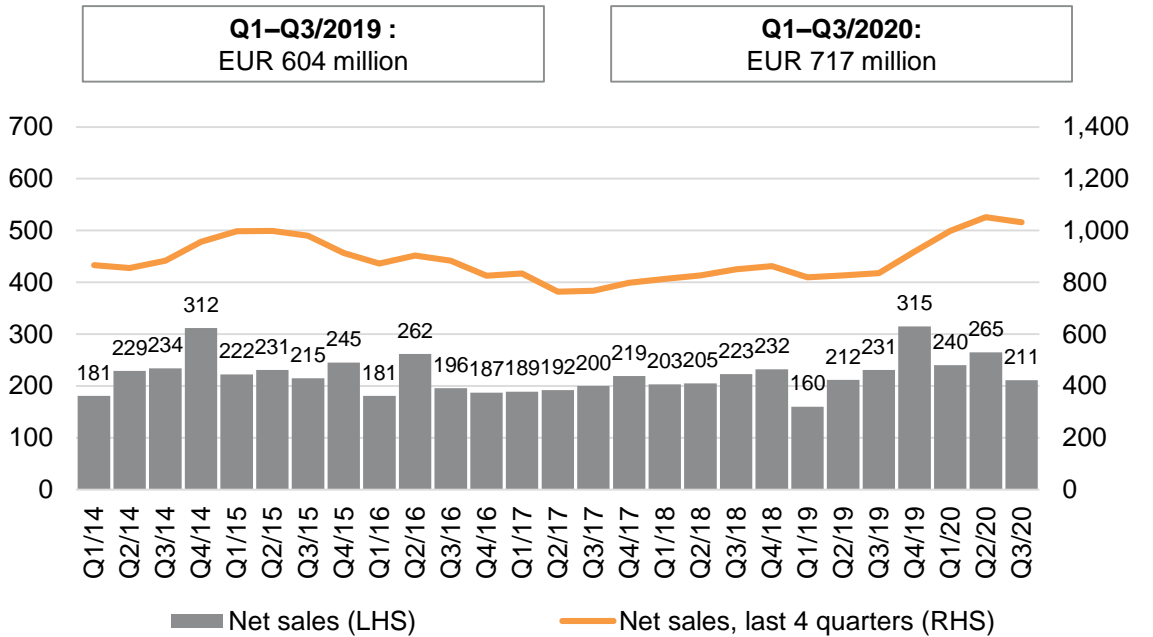
1) Comments refer to orders received and net sales including also internal orders received and internal net sales.

Pulp and Energy: Orders received and net sales decreased in Q3/2020

Orders received (EUR million)



Net sales (EUR million)

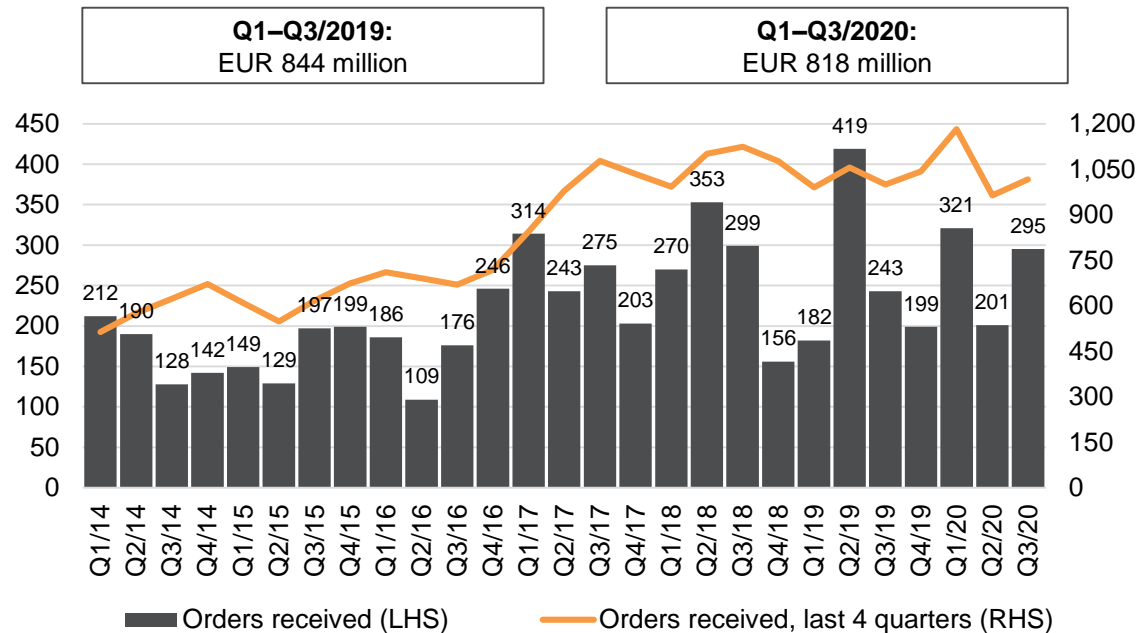


- Orders received decreased compared with Q3/2019
 - Orders received increased in Asia-Pacific, North America and China, and decreased in South America and EMEA
 - Orders received decreased in both Pulp and Energy
- Net sales decreased compared with Q3/2019
- Pulp and Energy business line has managed challenges caused by COVID-19 well, and therefore the pandemic has not caused major impacts on its operations

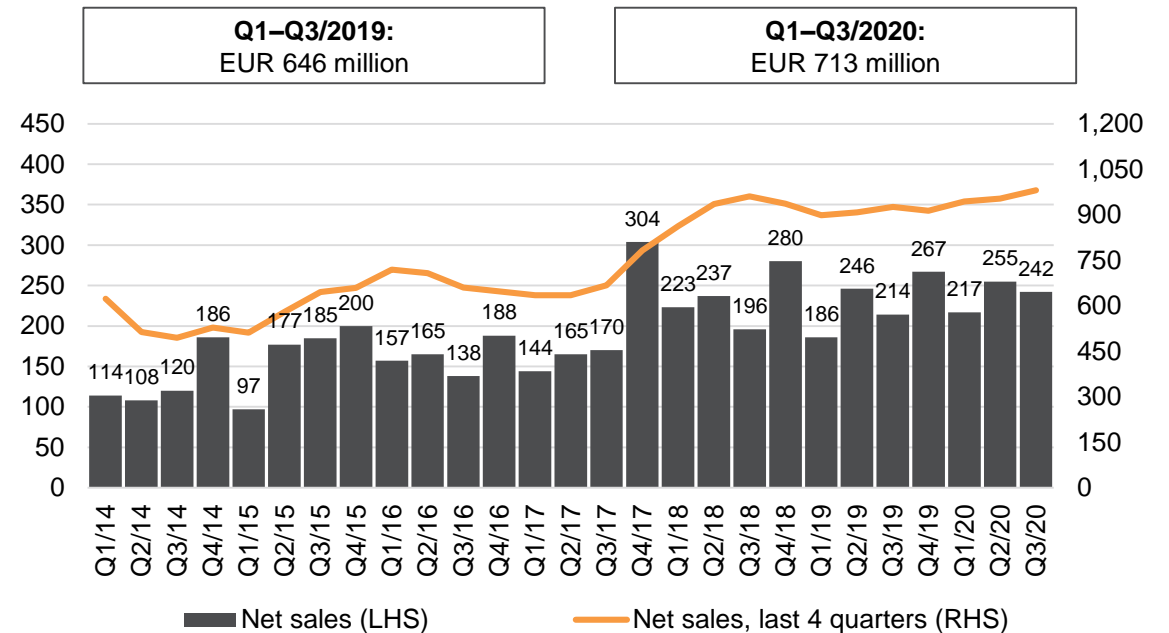


Paper: Orders received and net sales increased in Q3/2020

Orders received (EUR million)



Net sales (EUR million)

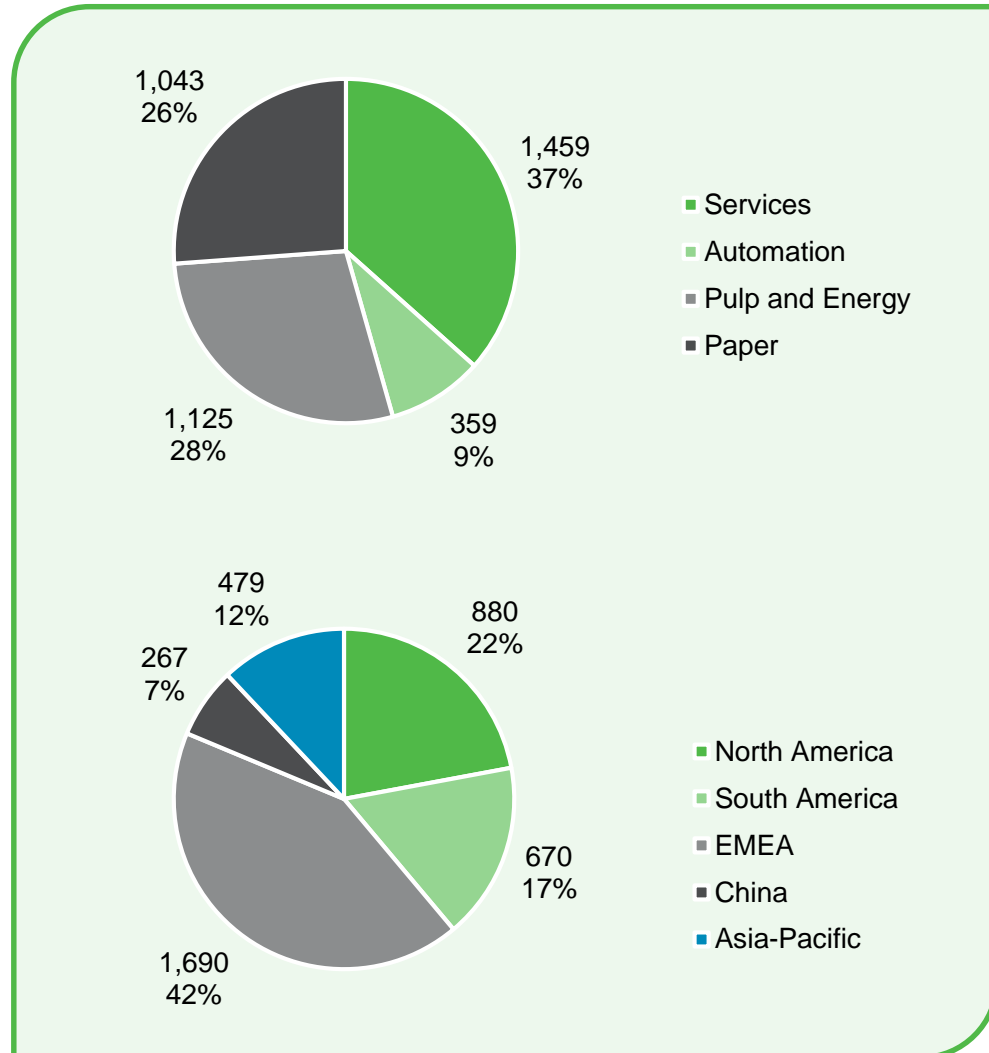


- Orders received increased compared with Q3/2019
 - Orders received increased in China and EMEA, and decreased in South America, Asia-Pacific and North America
 - Orders received increased in both Board and Paper, and Tissue
- Net sales increased compared with Q3/2019
- Paper business line has managed challenges caused by COVID-19 well, and therefore the pandemic has not caused major impacts on its operations

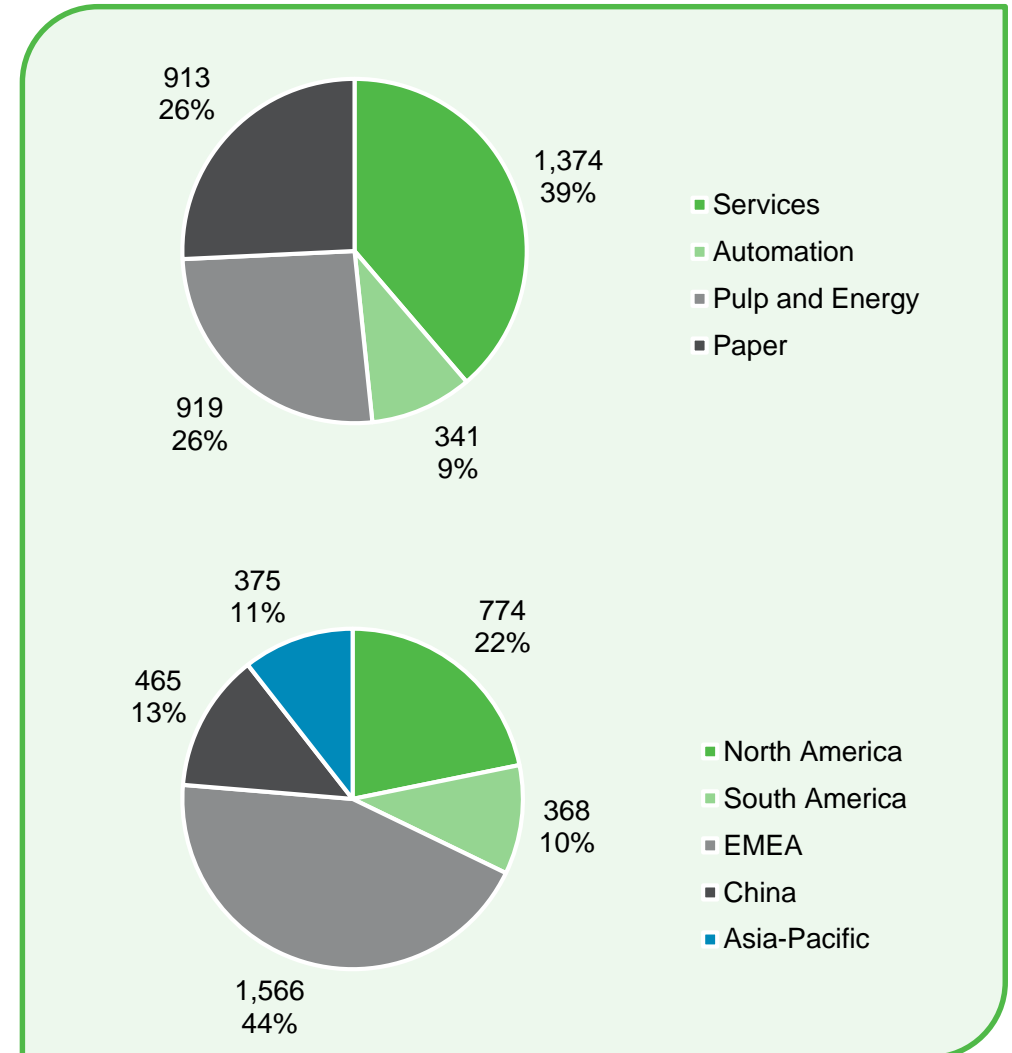


Orders received and net sales split in 2019

Orders received (EUR million and % of total)

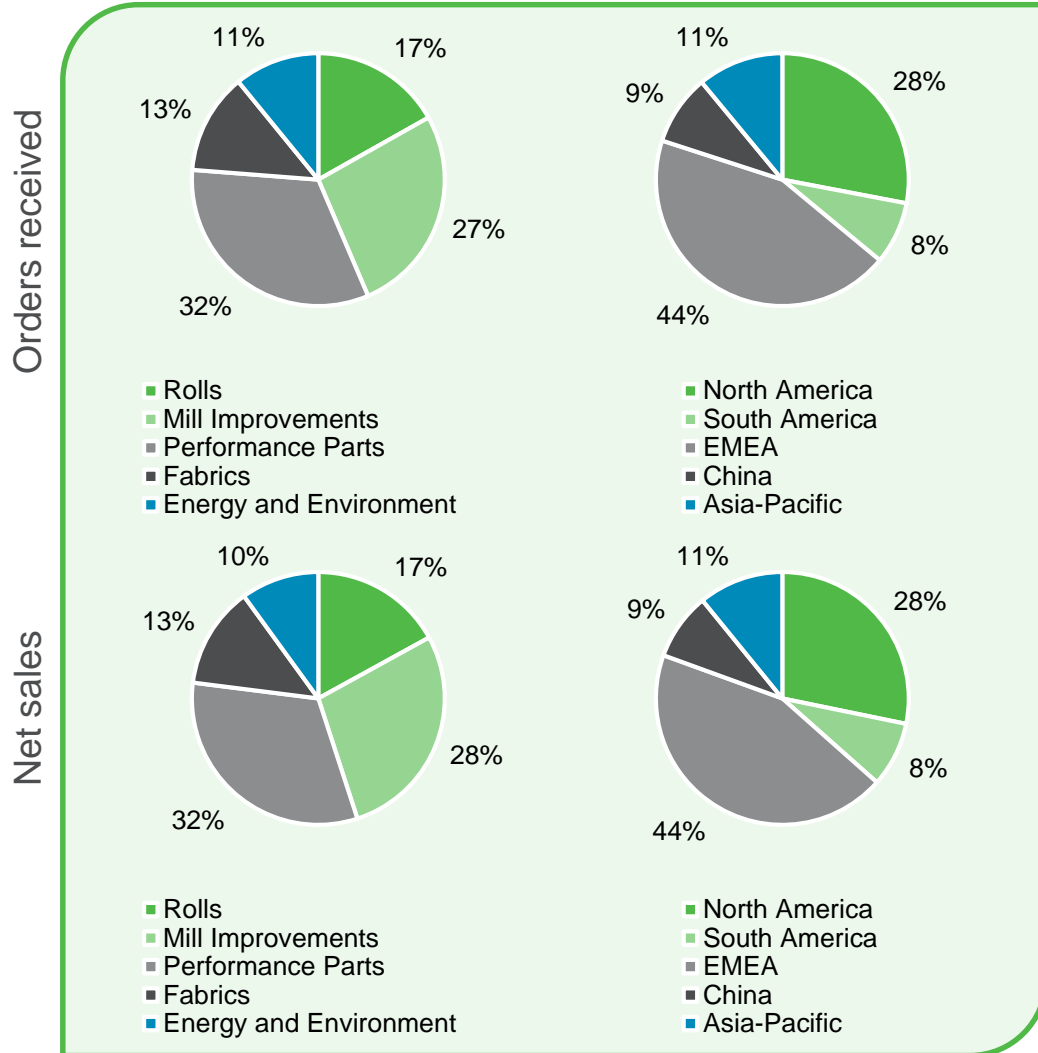


Net sales (EUR million and % of total)

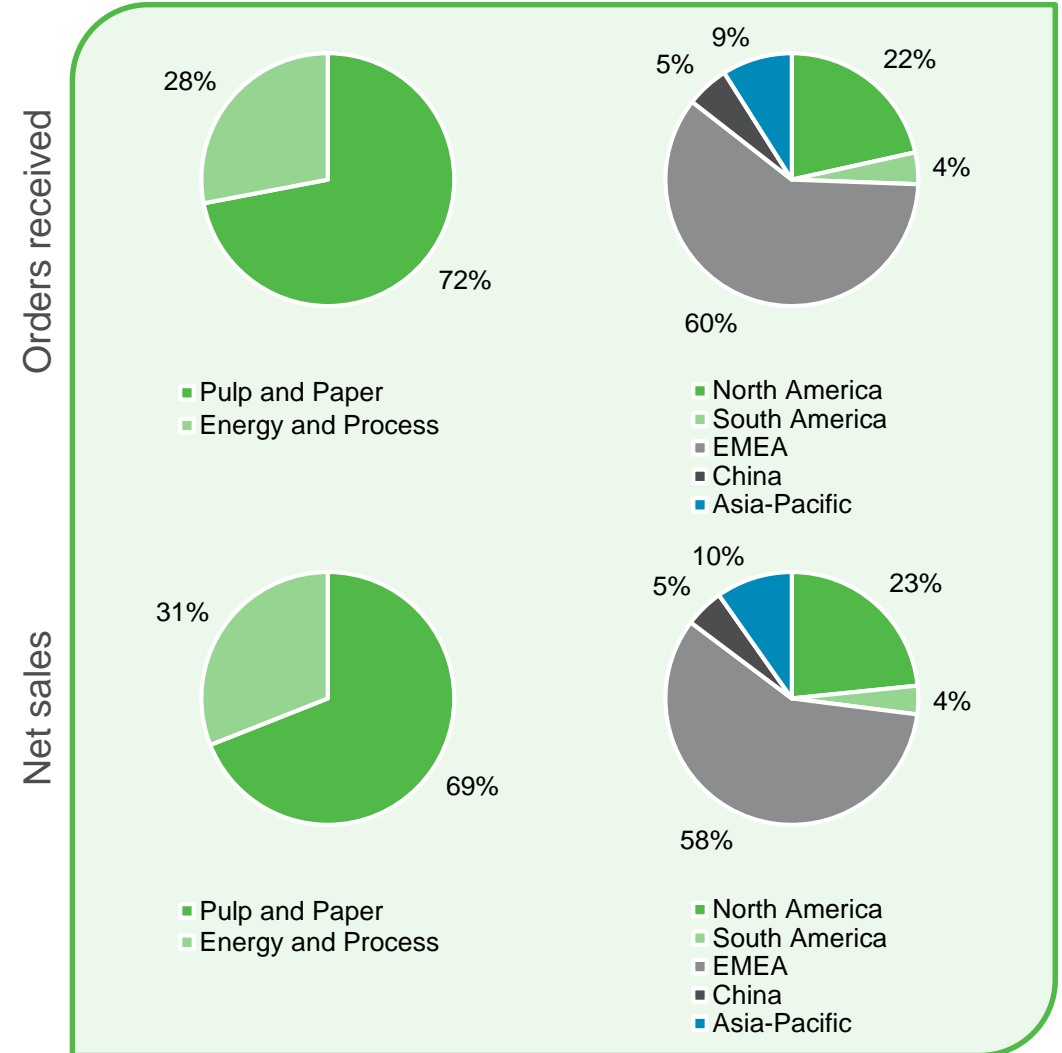


Business lines in 2019: Stable business

Services business line



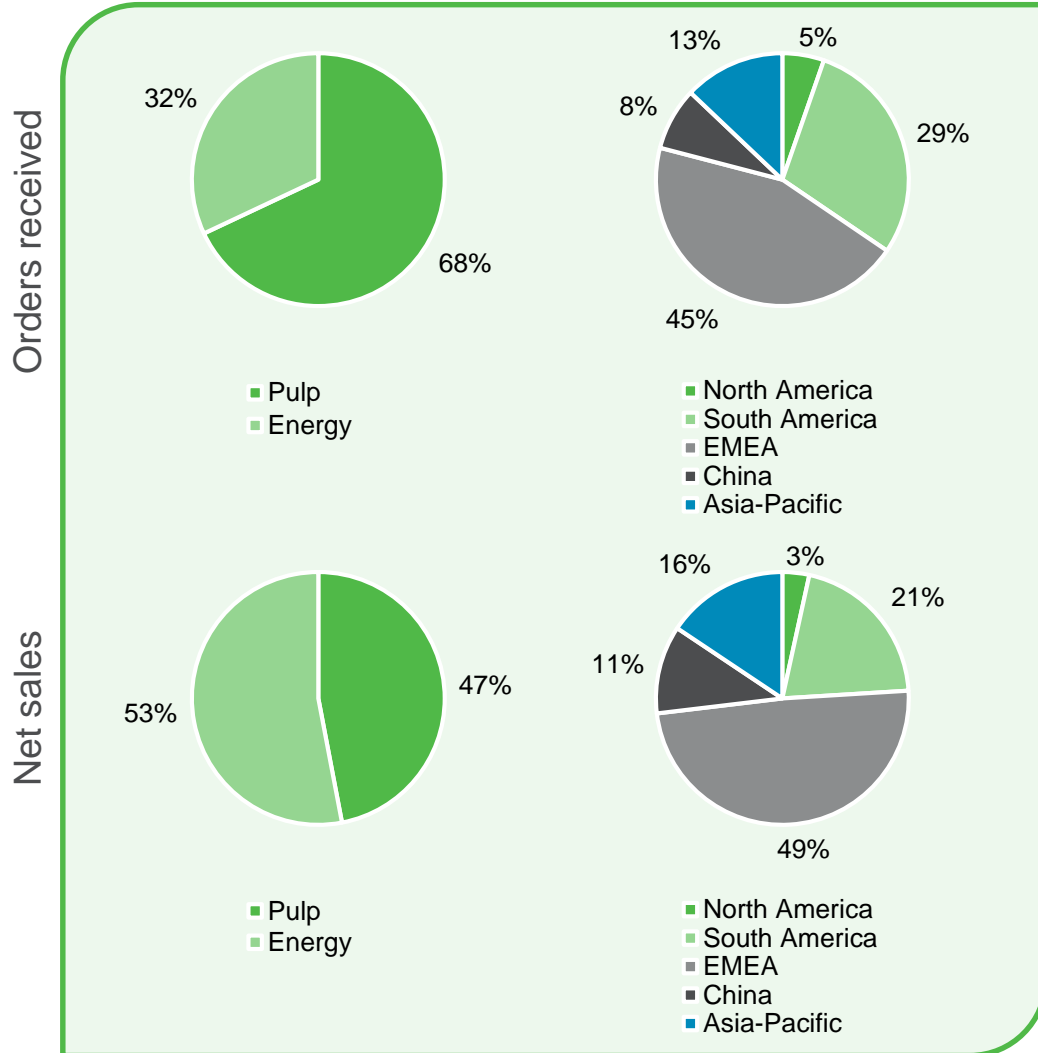
Automation business line



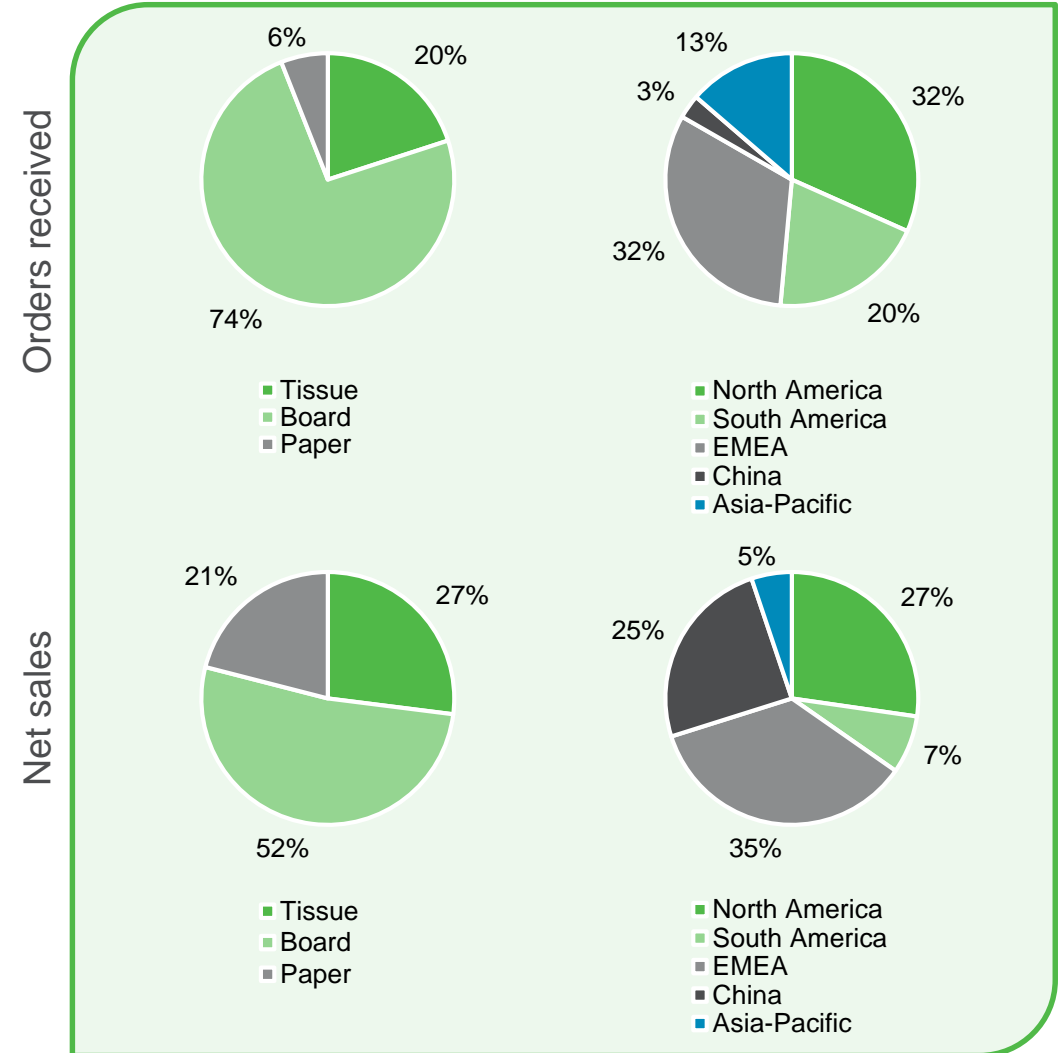
Split to Pulp and Paper / Energy and Process includes internal orders received and net sales.

Business lines in 2019: Capital business

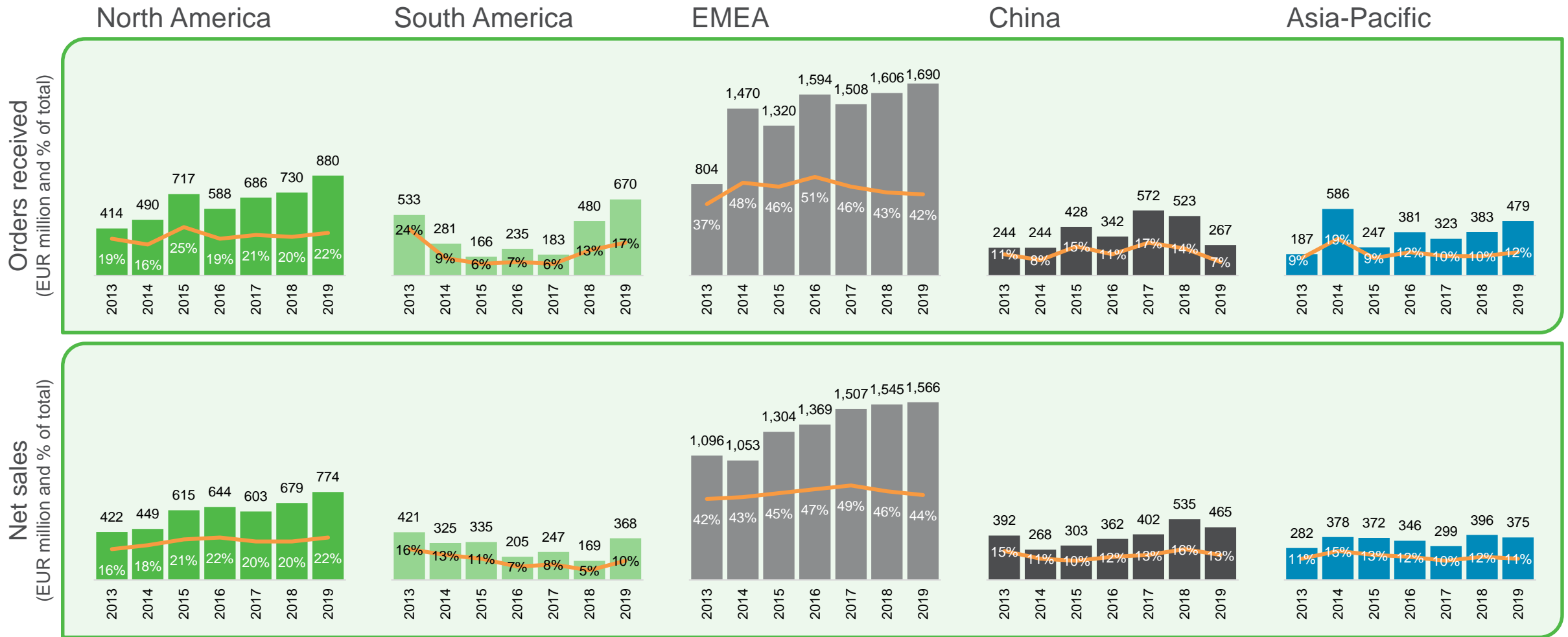
Pulp and Energy business line



Paper business line

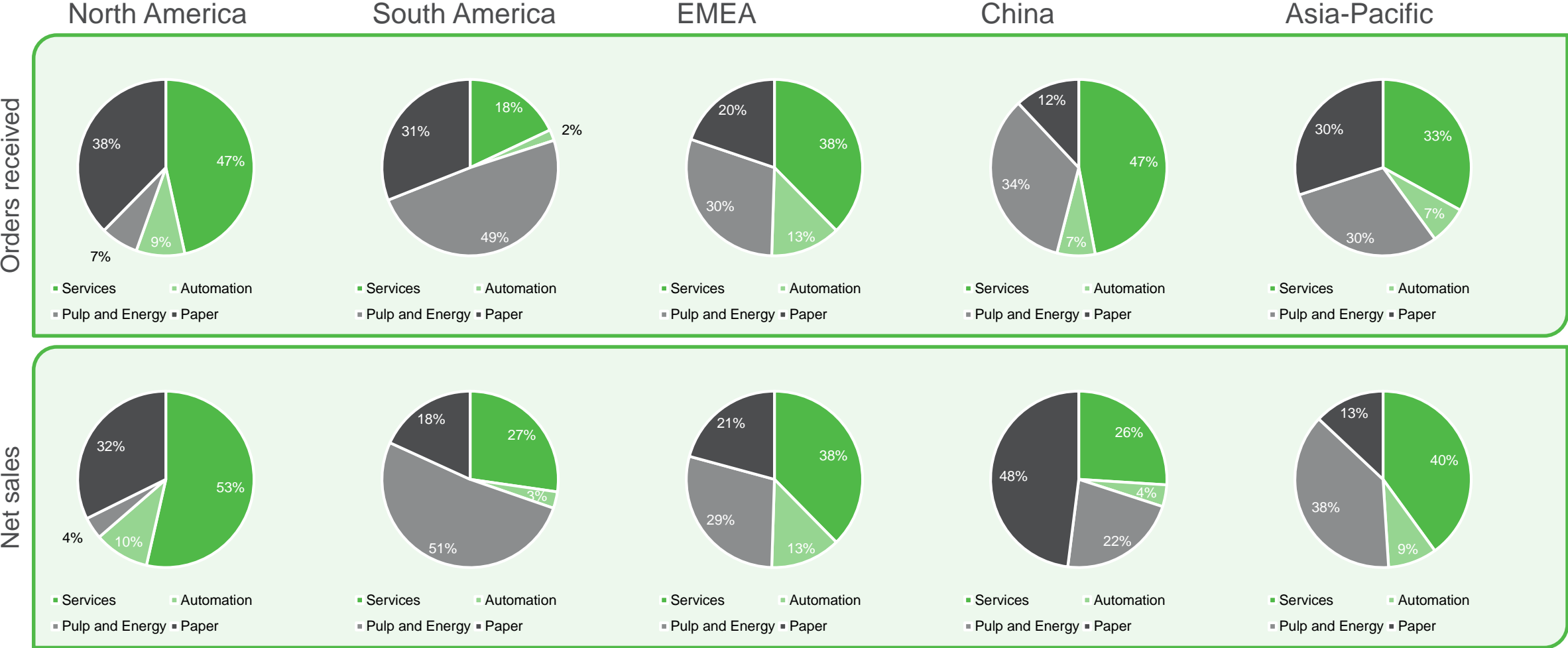


Areas: Orders received and net sales development



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

Areas: Business line split in 2019



Announced orders booked in H2/2020

Booked quarter	Date	Description	Business line	Country	Value
Q3	Aug 27	New bleach plant and upgrade of batch cooking and fiberline	Pulp and Energy	India	Not disclosed. An order of this scope is typically around EUR 20-30 million.
Q3	Oct 14	Extensive paper machine grade conversion rebuild	Paper	Turkey	Not disclosed. An order of this scope is typically around EUR 40-50 million.
H2	Oct 19	OptiConcept M container board making line	Paper	China	Not disclosed.
Q3	Oct 21	Tissue line	Paper	United Kingdom	Not disclosed.
Q3	Oct 22	Fine paper making line	Paper	China	Not disclosed. An order of this scope is typically around EUR 80-100 million.

Announced orders booked in H1/2020

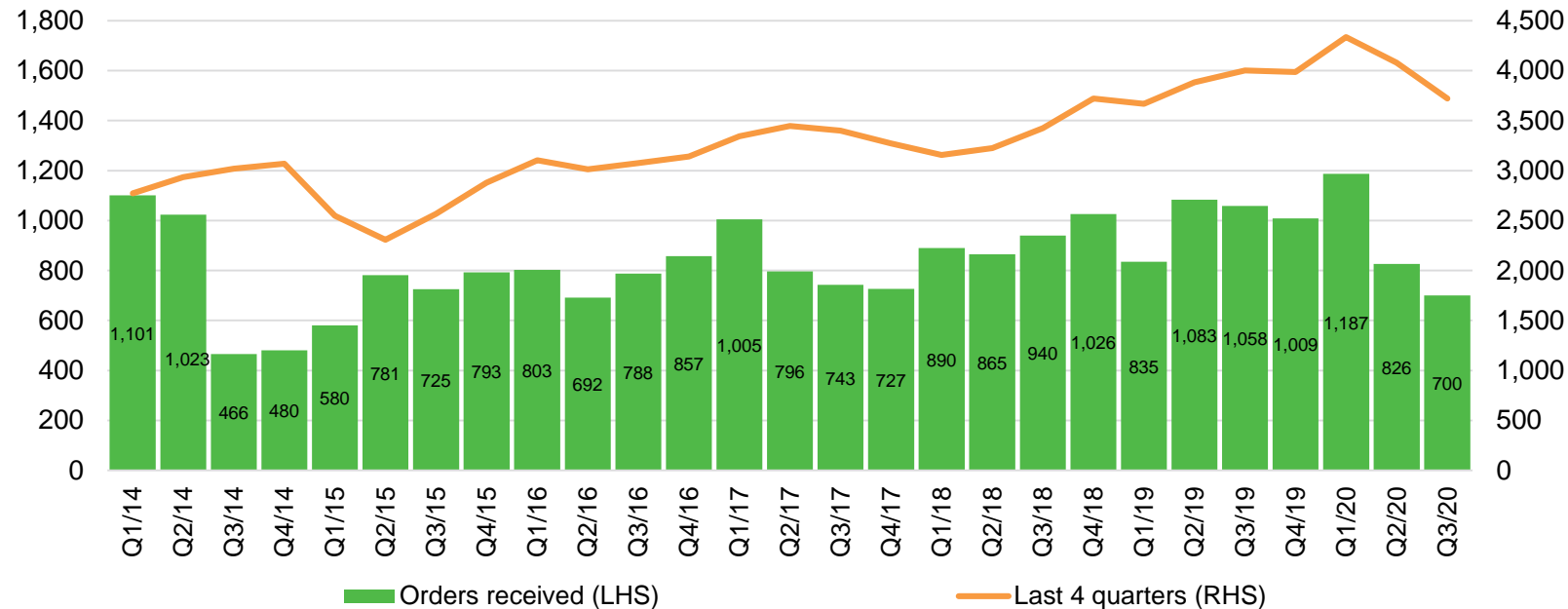
Booked quarter	Date	Description	Business line	Country	Value
Q1	Jan 23	Key pulp mill technology and automation (Lenzing & Duratex)	Pulp and Energy	Brazil	Not disclosed. The value of a delivery of this size and scope is typically around EUR 200-250 million.
Q1	Feb 18	Flue gas condensing plant	Pulp and 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

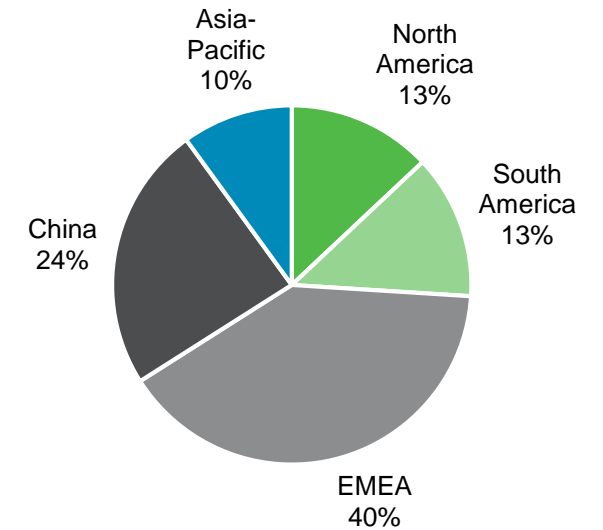
Booked quarter	Date	Description	Business line	Country	Value
Q3	Jul 2	Two defibrator systems	Pulp and Energy	China	Not disclosed.
Q3	Aug 21	Boiler diagnostics system	Automation	China	Not disclosed.
	Aug 29	Extended roll service agreement	Services	Southeast Asia	Not disclosed.
Q3	Sep 12	Board machine	Paper	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.

Orders received decreased to EUR 700 million in Q3/2020

Orders received (EUR million)



Orders received in Q1–Q3/2020 by area

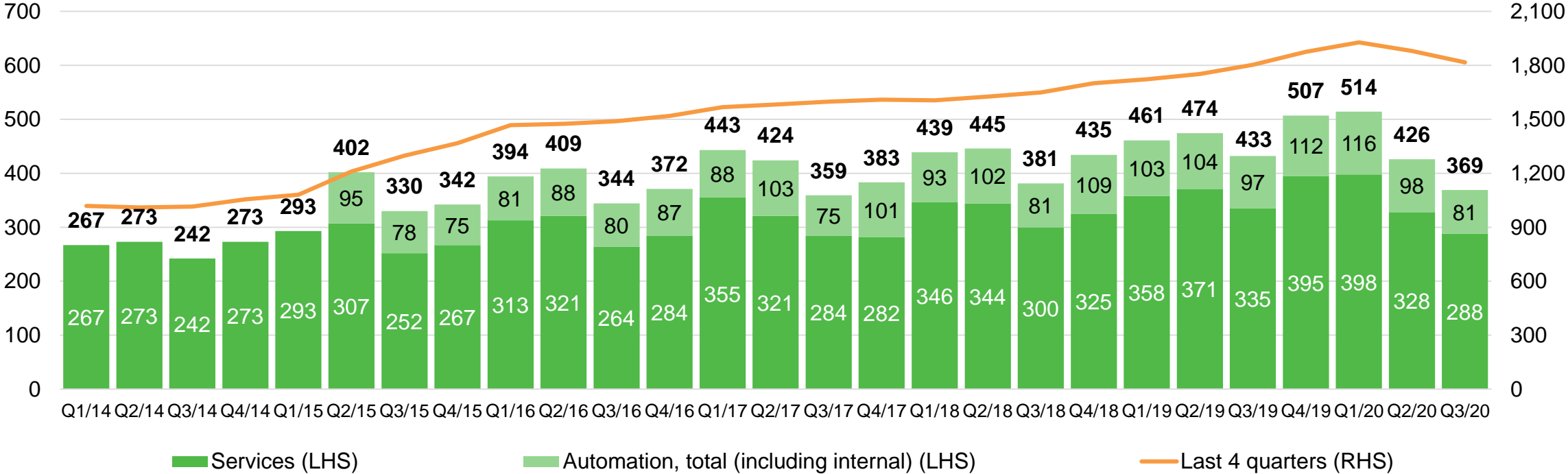


- In stable business¹, orders received decreased to EUR 369 million in Q3/2020
- In capital business, orders received decreased to EUR 347 million in Q3/2020
- Orders received decreased in developed markets and increased in emerging markets during January–September
 - South America, China and Asia-Pacific together accounted for 47% of orders received

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

Stable business orders received totaled EUR 1,816 million during the last four quarters

Orders received (EUR million) in stable business¹



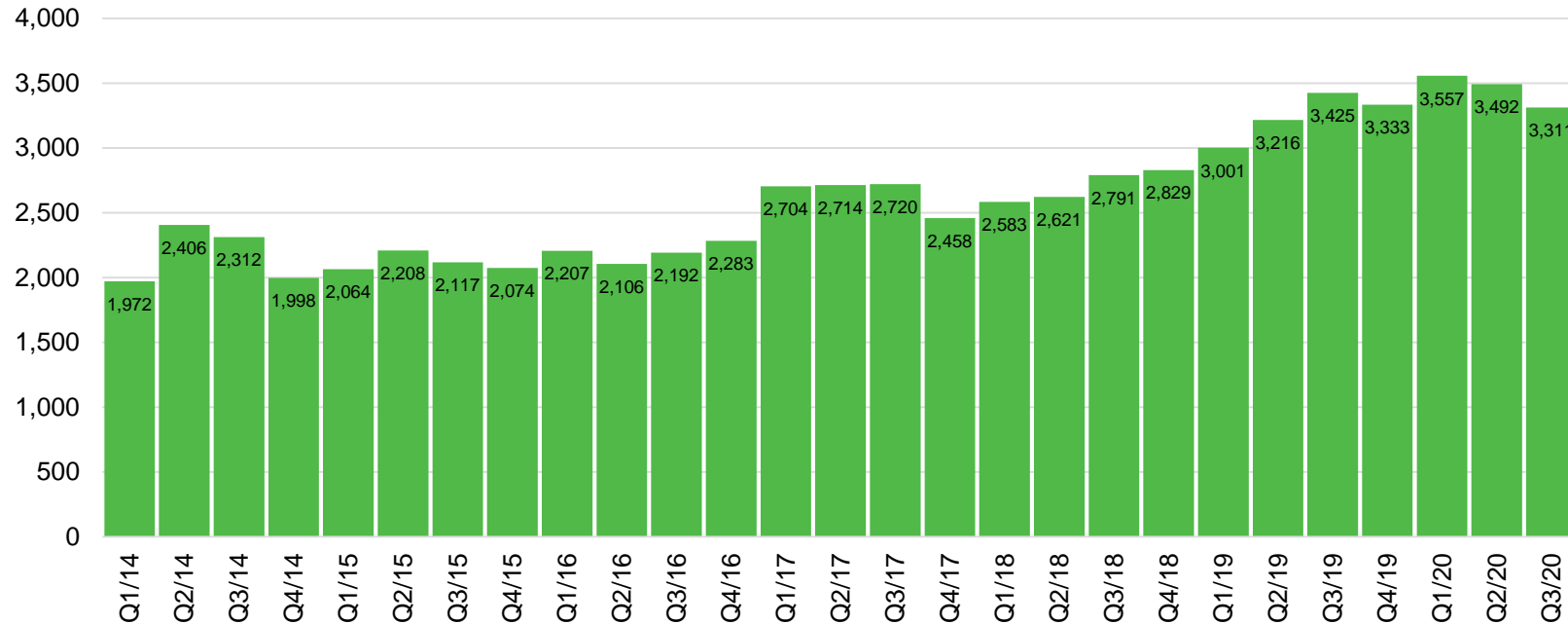
- Total orders received in stable business decreased by EUR 64 million in Q3/2020

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

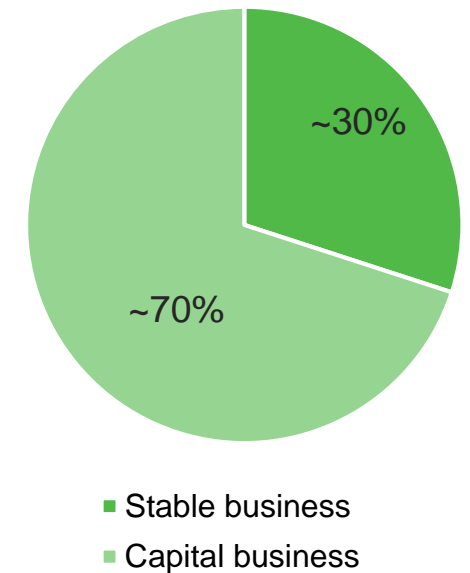


Order backlog EUR 3,311 million at the end of Q3/2020

Order backlog (EUR million)



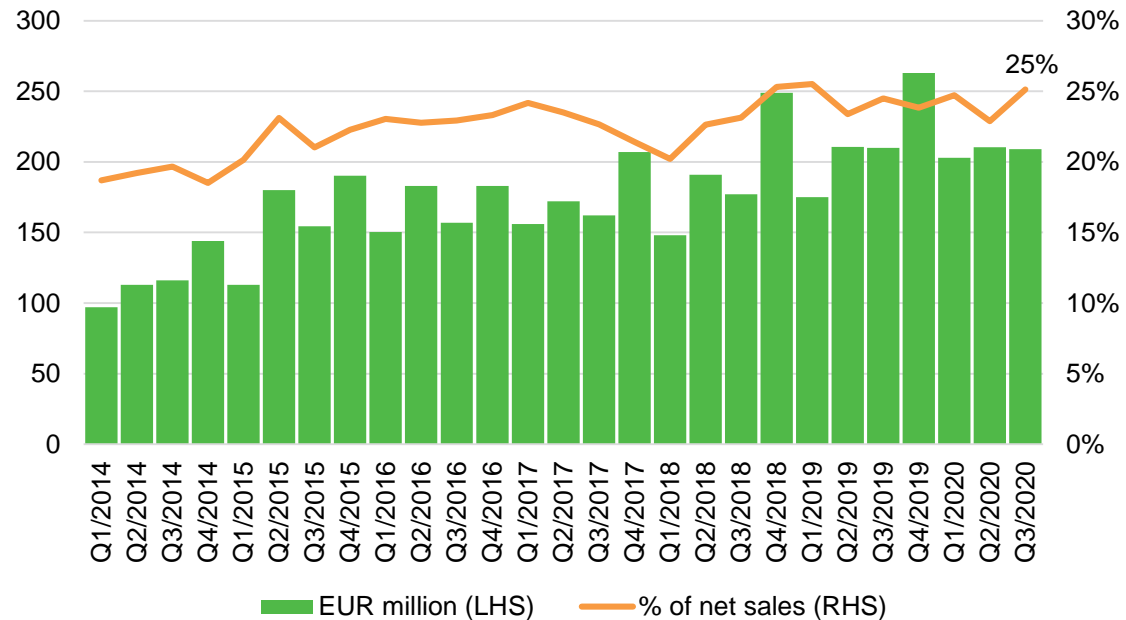
Structure of order backlog



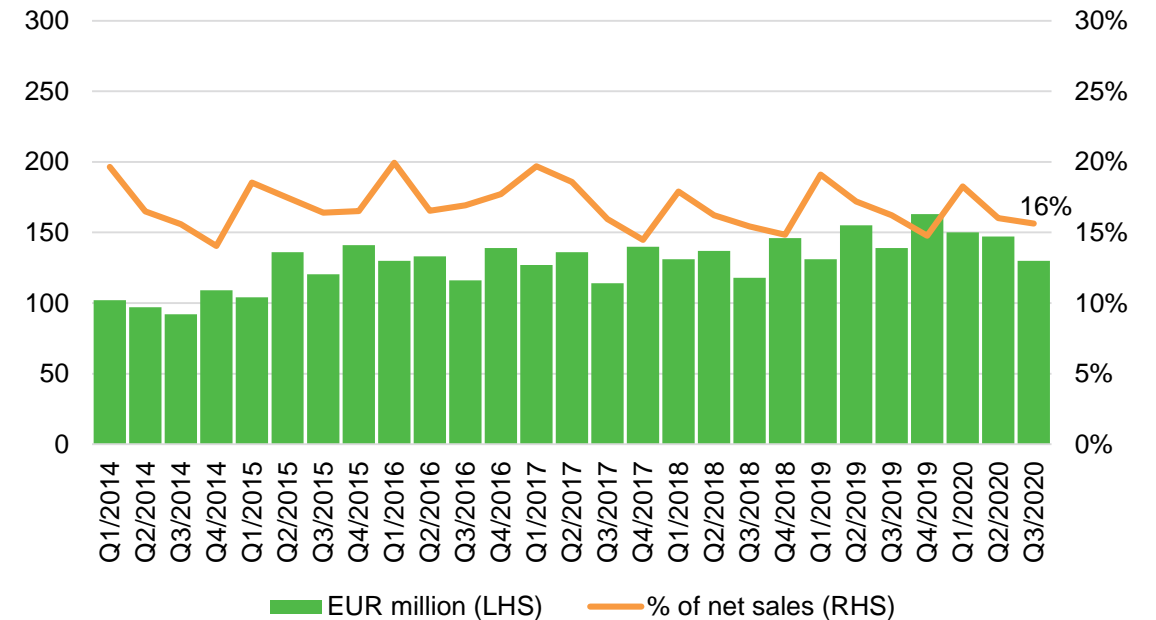
- Order backlog was EUR 181 million lower than at the end of Q2/2020
- Approximately 30% of the order backlog relates to stable business (~30% at the end of Q3/2019)

Gross profit and SG&A development

Gross profit (EUR million and % of net sales)



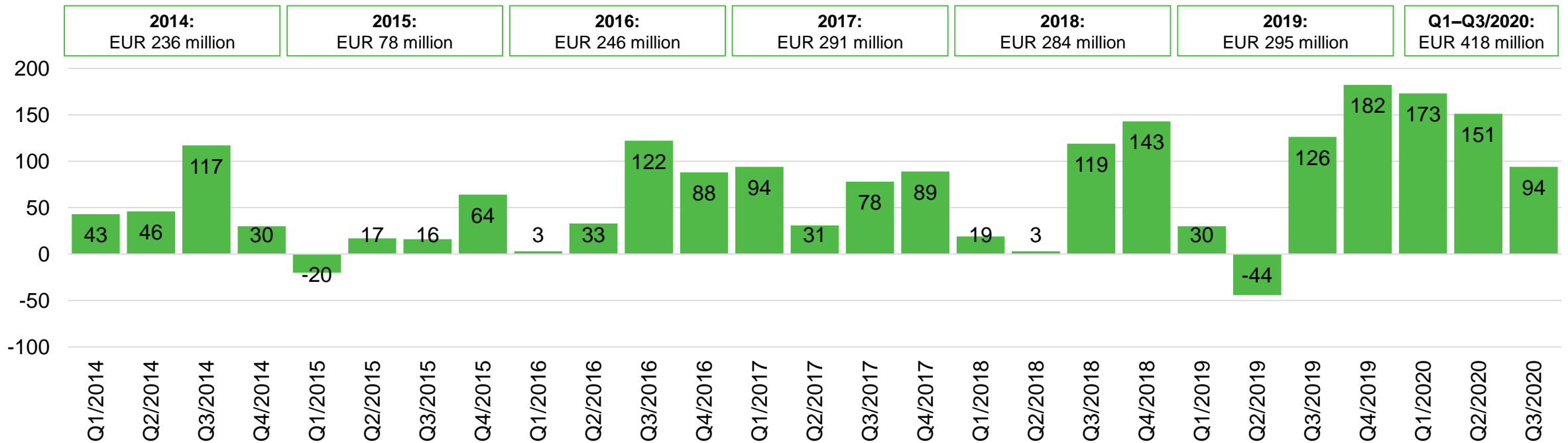
SG&A (EUR million and % of net sales)



- Gross profit was 25% of net sales (25% in Q3/2019)
 - Stable business represented 46% of net sales (48% in Q3/2019)
- Selling, general & administrative (SG&A) expenses decreased 6%
 - SG&A was 16% of net sales (16% in Q3/2019)

Cash flow provided by operating activities

Cash flow provided by operating activities (EUR million)



- Change in net working capital¹ EUR -2 million in Q3/2020
- Cash flow provided by operating activities EUR 94 million in Q3/2020
- CAPEX² EUR 21 million in Q3/2020

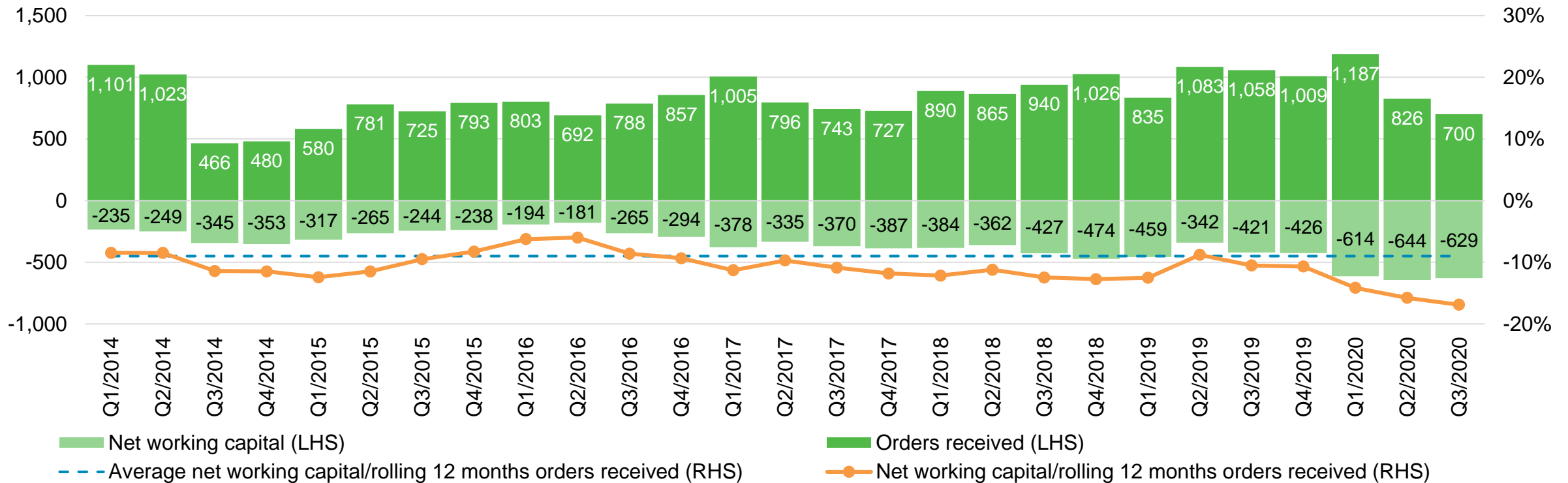
Valmet implemented IFRS 16 – Leases as of January 1, 2019 by applying the simplified transition method and therefore 2018 figures are not restated.

1) Change in net working capital in the consolidated statement of cash flows.

2) Excluding leased assets.

Net working capital at -17% of rolling 12 months orders received

Net working capital¹ and orders received (EUR million)

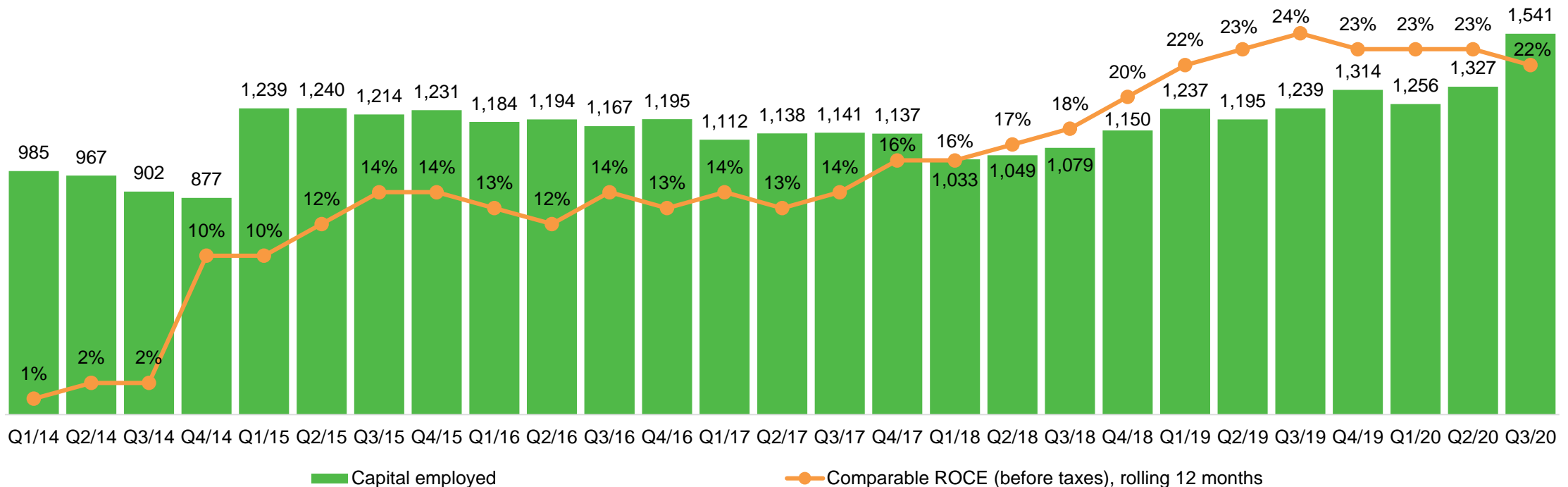


- Net working capital EUR -629 million, which equals -17% of rolling 12 months orders received

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 taxes¹ (%)



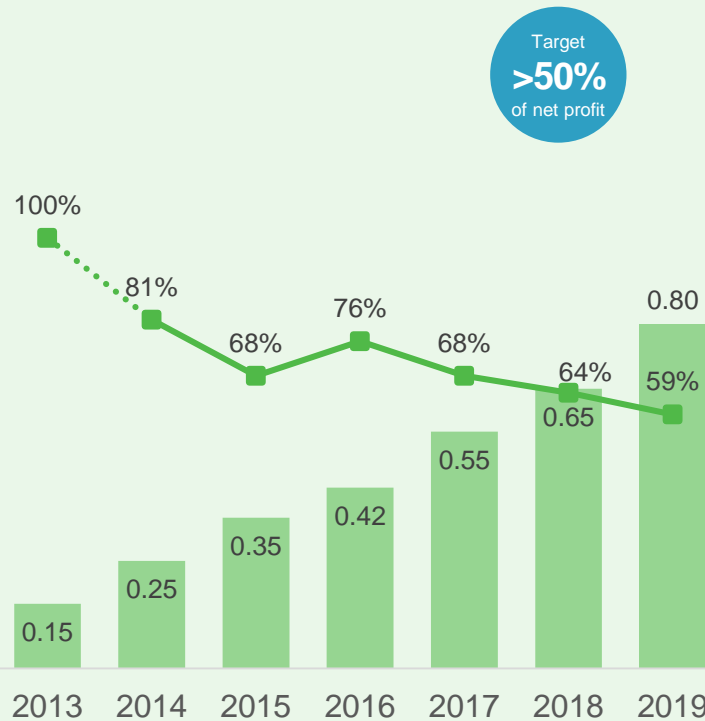
Valmet implemented IFRS 16 – Leases as of January 1, 2019 by applying the simplified transition method, and IFRS 15 – Revenue from Contracts with Customers as of January 1, 2018 by applying full retrospective method. Thus, figures presented are not fully comparable.

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

Dividend and balance sheet

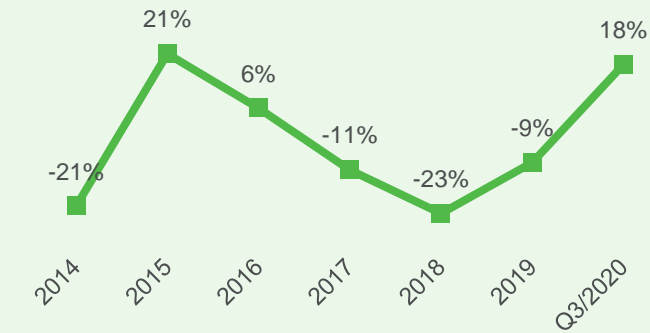
Track record

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

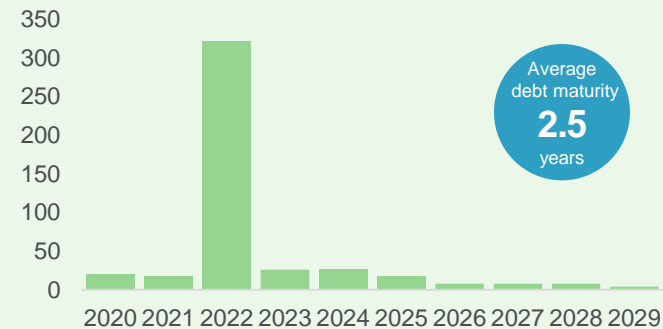


Balance sheet figures

Gearing (%)



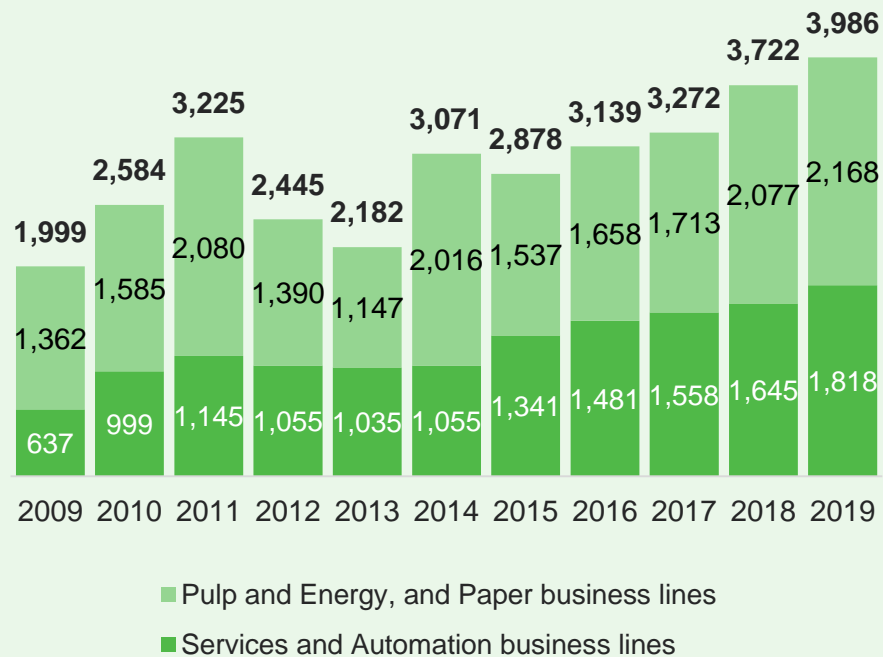
Debt maturity structure (EUR million)



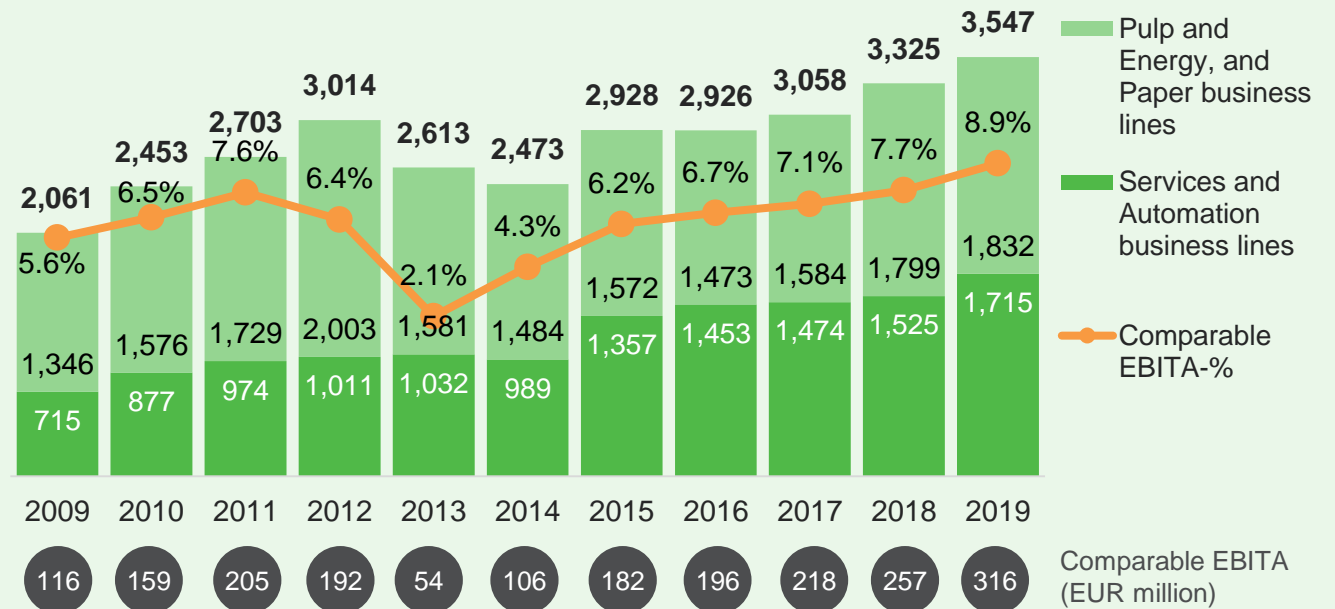
- Net debt was EUR 184 million at the end of Q3/2020
- Back-up credit facilities at the end of Q3/2020:
 - EUR 500 million of term-loan agreements, of which EUR 279 million outstanding
 - EUR 200 million of committed facilities, undrawn
 - EUR 200 million of uncommitted facilities, of which EUR 20 million 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

Orders received and profitability development, annual

Orders received (EUR million)¹



Net sales and Comparable EBITA (EUR million)¹



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	<ul style="list-style-type: none"> • Good progress with Valmet's way to serve service concept • All-time high Valmet package sales in Automation 	<ul style="list-style-type: none"> • #1 position in tissue, board and paper • Increased orders received from pulp projects
Technology	<ul style="list-style-type: none"> • Industrial Internet solutions and digitalized services commercialized, e.g. Valmet Performance Centers operational 	<ul style="list-style-type: none"> • New products¹ ~25% of orders received in 2019 • Improvement in product cost competitiveness
Process	<ul style="list-style-type: none"> • ERP renewal proceeding • Valmet in Dow Jones Sustainability Index for the sixth consecutive year 	<ul style="list-style-type: none"> • Positive project margin deviation in Paper and in most Pulp and Energy projects. • Procurement savings continue
People	<ul style="list-style-type: none"> • LTIF² for own employees at 1.6 (Sep 30, 2020) • Sales Journey and Innovation Pathways training programs ongoing 	<ul style="list-style-type: none"> • Developing local competences close to customers • Strengthened service capability in new regions • ~1,400 Valmet employees in new or refurbished offices and facilities



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%

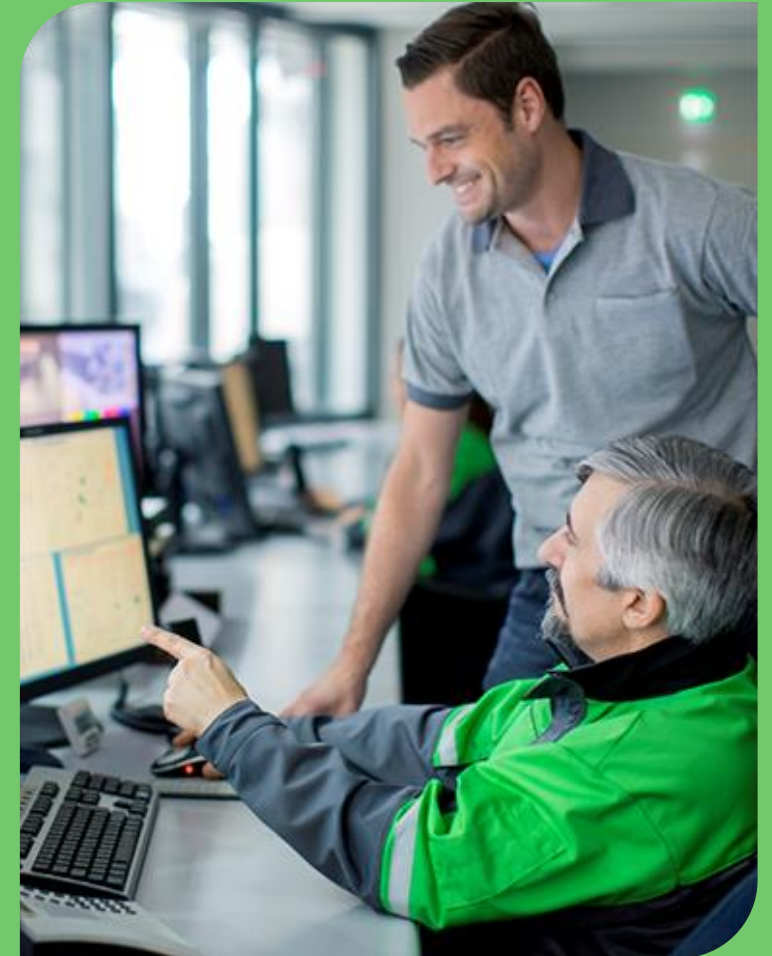
Track record

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



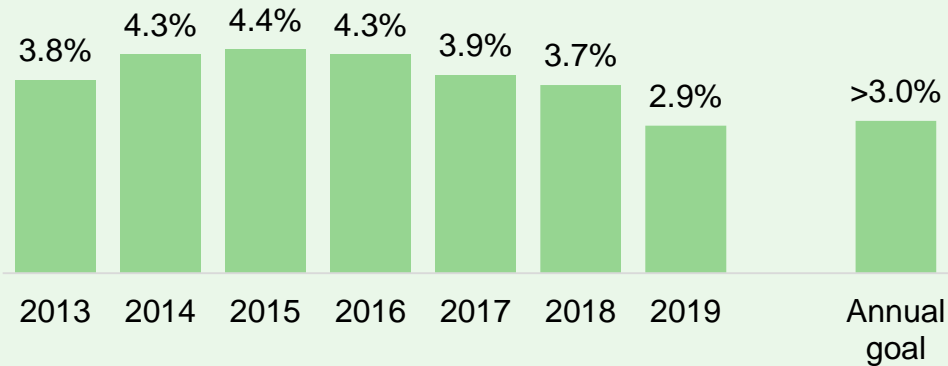
Actions to reach Comparable EBITA target:

- 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

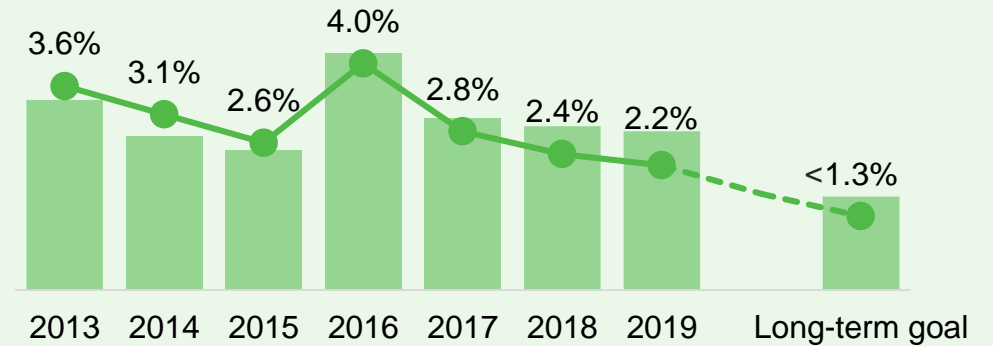
Implemented procurement savings of annual direct spend



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

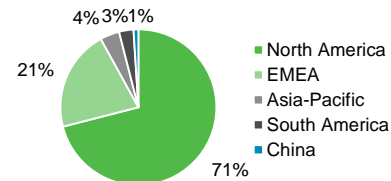
- **J&L Fiber Services** is a manufacturer and provider of refiner segments to the pulp, paper and fiberboard industry
 - Most of the employees are located in Wisconsin, U.S, with global operations through a sales representative and distribution network.
- The acquired business became a part of Valmet's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

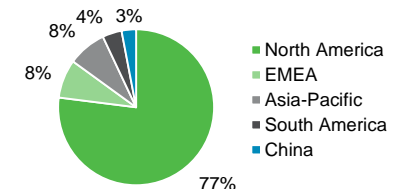


Key information

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



Valmet's goal is to merge Valmet and Neles

- Valmet acquired 29.5% of Neles' shares during Q3 2020
- On September 29, 2020 Valmet approached the Board of Directors of Neles with a proposal to start discussions on a potential statutory merger between the two companies
- A statutory merger between Valmet and Neles would create a solid and strong, Nordic based global leader
- We believe that a merger provides the best potential for long-term value creation for shareholders
- We were not invited to discuss further merger details with Neles' Board of Directors
- On November 4, Alfa Laval announced that they will not complete their tender offer for Neles shares
 - As a major shareholder of Neles, Valmet did not support the recommendation of the Board of Directors of Neles to accept Alfa Laval's tender offer.





Appendix

Shareholders, share price development and sustainability

Largest shareholders on November 30, 2020

Based on indicative data collected by Modular Finance

#	Shareholder name	Number of shares	% of shares and votes
1	Solidium Oy	16,695,287	11.1%
2	Norges Bank	4,795,668	3.2%
3	Ilmarinen Mutual Pension Insurance Company	4,200,000	2.8%
4	Handelsbanken Funds	3,753,060	2.5%
5	Vanguard	3,637,605	2.4%
6	BlackRock	2,921,973	1.9%
7	Elo Mutual Pension Insurance Company	2,823,044	1.9%
8	OP Funds	2,757,233	1.8%
9	Swedbank Robur Funds	2,479,300	1.7%
10	Dimensional Fund Advisors	2,255,620	1.5%
	10 largest shareholders, total	46,318,790	30.9%
	Other shareholders	103,545,829	69.1%
	Total	149,864,619	100.00 %

Five latest flagging notifications

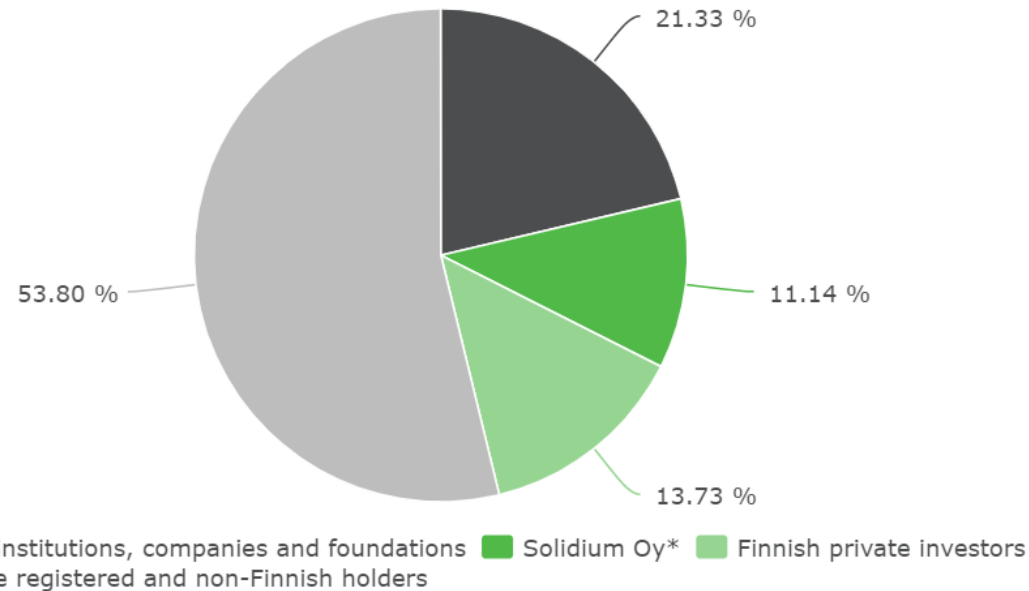
Date of transaction	Shareholder	Number of shares	% of shares and votes
Aug 9, 2019	The Goldman Sachs Group, Inc.	7,523,217	5.02%
Aug 12, 2019	The Goldman Sachs Group, Inc	7,275,810	4.85%
Aug 28, 2019	BlackRock, Inc.	Below 5%	Below 5%
Aug 29, 2019	BlackRock, Inc.	7,740,836	5.16%
Aug 30, 2019	BlackRock,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

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



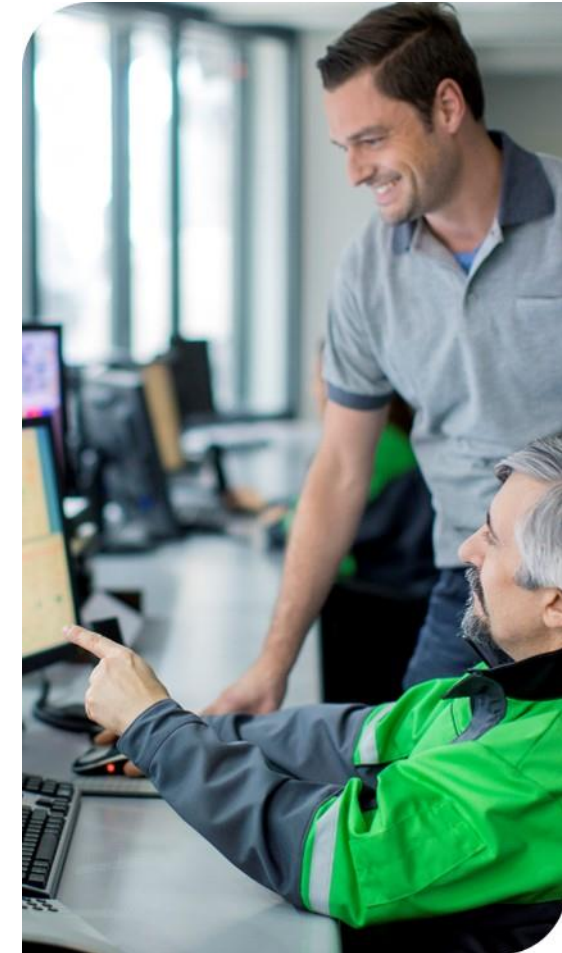
Shareholder structure on November 30, 2020

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



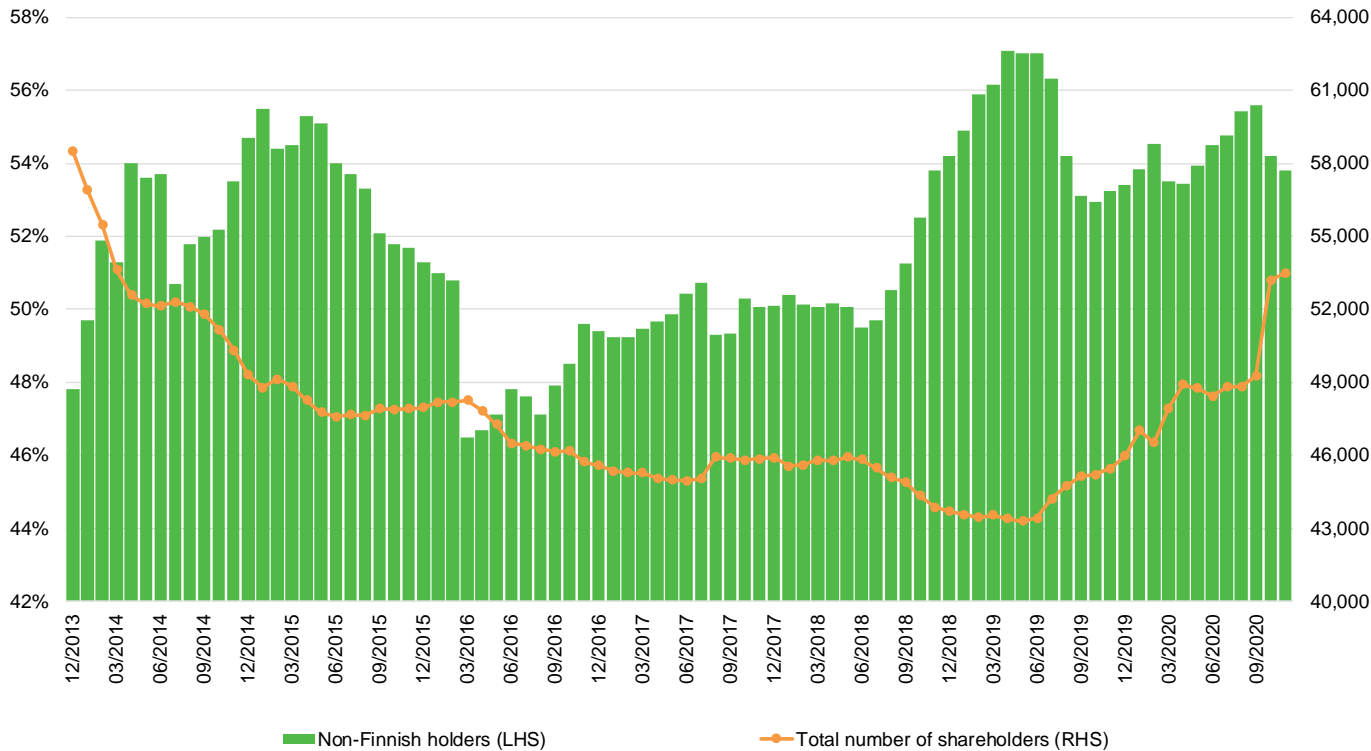
Sector	Number of shareholders	% of total shareholders	Number of shares	% of shares
Nominee registered and non-Finnish holders	333	0.63	80,627,511	53.80
Finnish institutions, companies and foundations	2,717	5.08	31,959,503	21.33
Solidium Oy*	0	0.00	16,695,287	11.14
Finnish private investors	50,461	94.30	20,574,338	13.73
On issuer account	0	0.00	7,980	0.01
Total	53,511	100.00	149,864,619	100.00

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

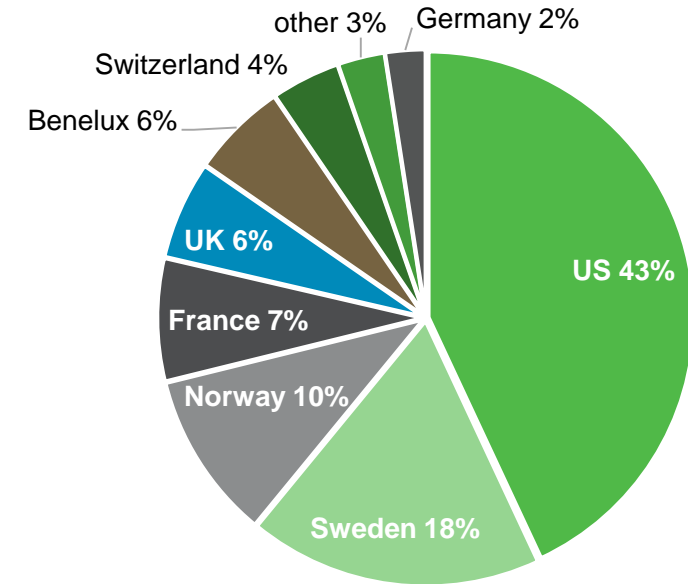


Share of non-Finnish holders and area split of shareholders

Share of non-Finnish holders and number of shareholders







Approximate geographical split of institutional shareholders*



*) Indicative only, based on data collected by Modular Finance as per end of October 2020

Progress on Sustainability 360° agenda

	Targets	Key actions for 2019	
Sustainable supply chain	<ul style="list-style-type: none"> Develop sustainable procurement practices globally Support selected key suppliers to meet the level of sustainability expected by Valmet 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 
Health, safety and environment	<ul style="list-style-type: none"> Investing in safety culture and effective HSE processes and practices Collaborating with customers and partners to improve HSE results 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Implement activities to increase understanding of the environmental impacts of our work Implement preventive safety initiatives 
People and performance	<ul style="list-style-type: none"> Boost employee engagement Develop the best talent Be a responsible employer Promoting diversity 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 
Sustainable solutions	<ul style="list-style-type: none"> Continuously develop the sustainability performance of our technologies Promote the sustainable aspects of Valmet's offering 	<ul style="list-style-type: none"> 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 	
Corporate citizenship	<ul style="list-style-type: none"> Ensure respect for human rights and compliance with guiding principles across the value chain Promote transparent reporting and active stakeholder collaboration 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 



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

Valmet's way to serve offering

Reliability

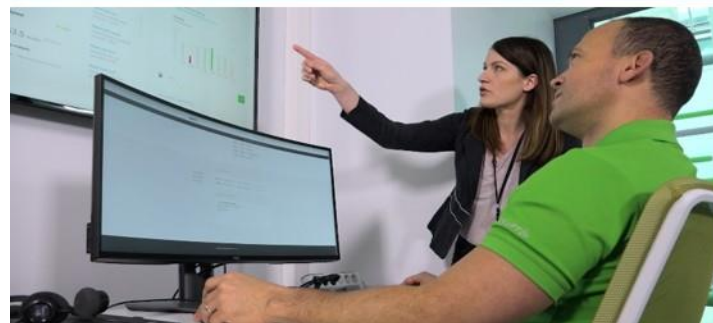
- Spare parts and components
- Maintenance and shutdown services
- Outsourcing services

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

Distributed Control System (DCS)  #3

Scope/product
<ul style="list-style-type: none"> • DCS for process and plant controls • Condition monitoring • Information management • APC (advanced process control) • Industrial Internet applications

Market size
Pulp and paper DCS market: <ul style="list-style-type: none"> • EUR 900 million Power DCS market: <ul style="list-style-type: none"> • EUR 700 million

Main competitors
<ul style="list-style-type: none"> • ABB • Honeywell • Emerson • Siemens • Yokogawa




Quality Management System  #1-2

<ul style="list-style-type: none"> • QCS (Quality Control Systems) • Profilers • Web inspection and web break analysis systems

Estimated market size: <ul style="list-style-type: none"> • >EUR 200 million
--

<ul style="list-style-type: none"> • ABB • Honeywell • Voith • Paperchine • Procemex 	<ul style="list-style-type: none"> • Cognex • Isra Vision
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Analyzers and measurements  #1

<ul style="list-style-type: none"> • Paper analyzers • Pulp analyzers • Pulp consistency measurements • Conductivity measurements • Power analyzers
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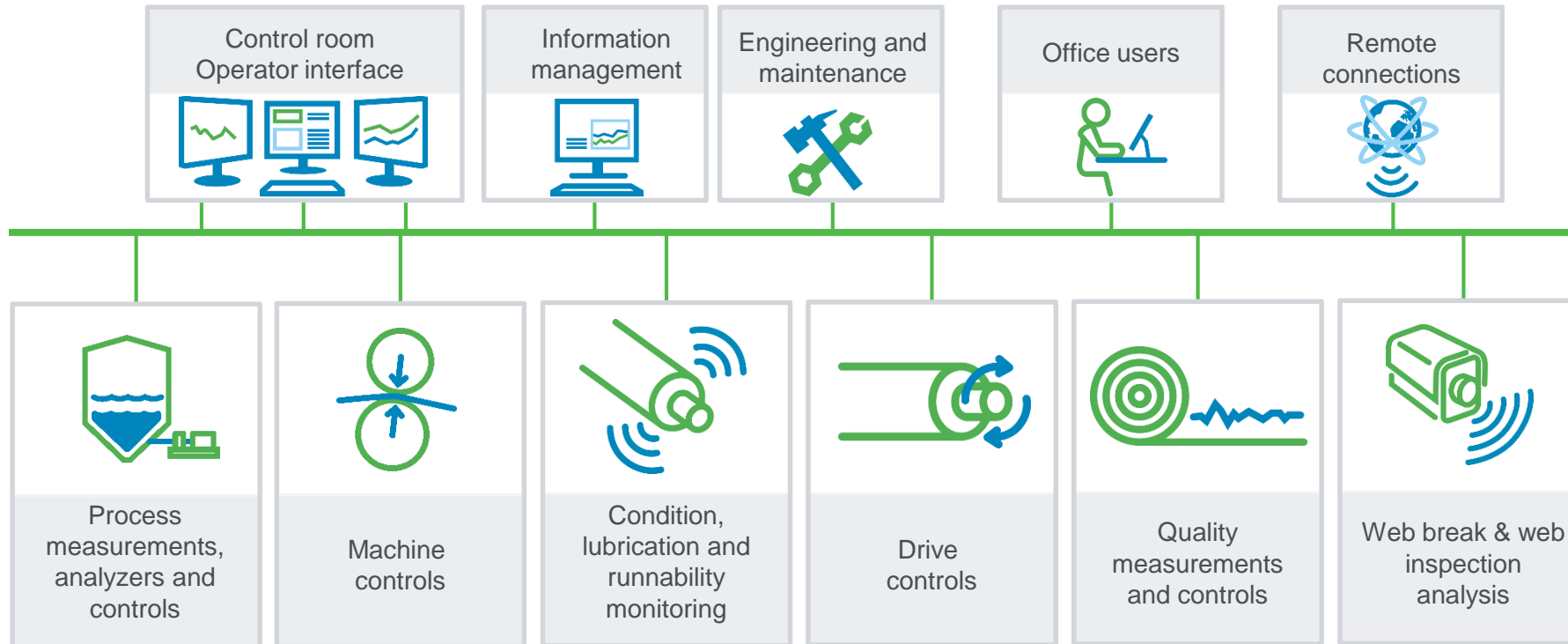
Estimated market size: <ul style="list-style-type: none"> • <EUR 200 million
--

<ul style="list-style-type: none"> • ABB • BTG
--



Automation projects and services: Board and Tissue machines

Automation delivery content and service scope



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

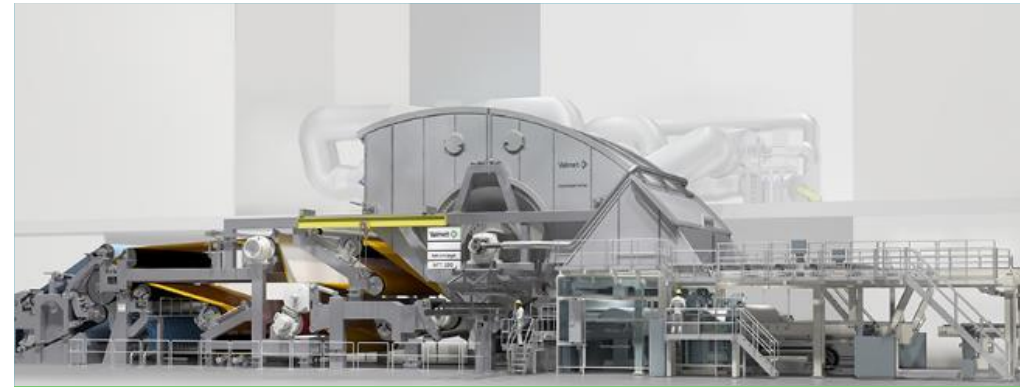
- Heat and power generation
 - Fluidized bed boilers, bio-grate boilers, biomass and waste gasification
 - Boiler islands and small power plants
- Air emission control
 - Flue gas cleaning and heat recovery for boilers
 - Emission control for process industry and marine
- Biofuels
 - Pyrolysis plants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

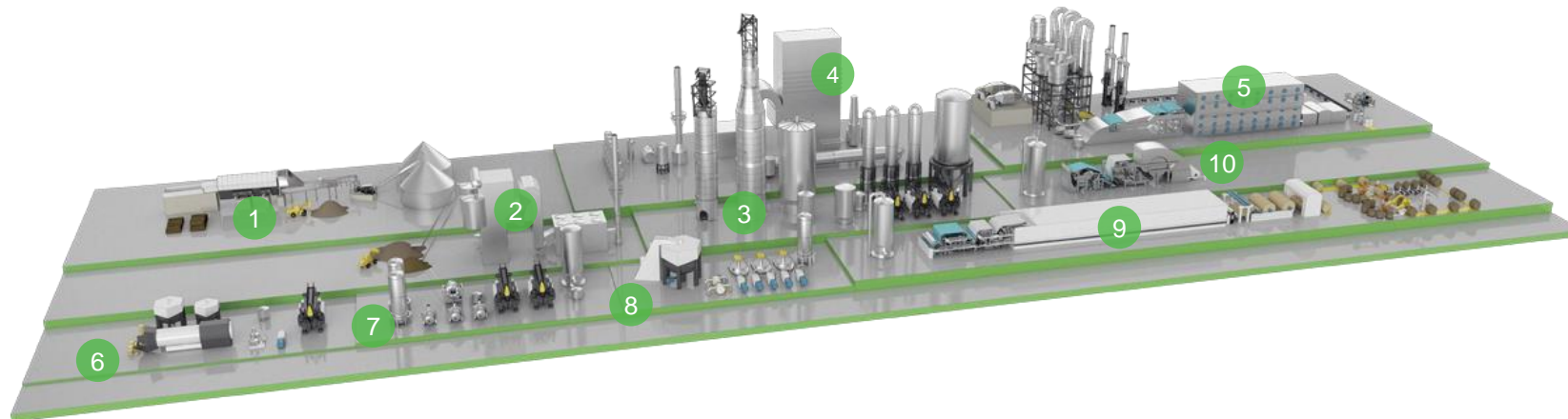
- 1 Wood handling
- 2 Heat and power production
- 3 Chemical pulping
- 4 Chemical recovery
- 5 Pulp drying
- 6 Recycled fiber
- 7 Mechanical fiber
- 8 Stock preparation
- 9 Board and paper making
- 10 Tissue making

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

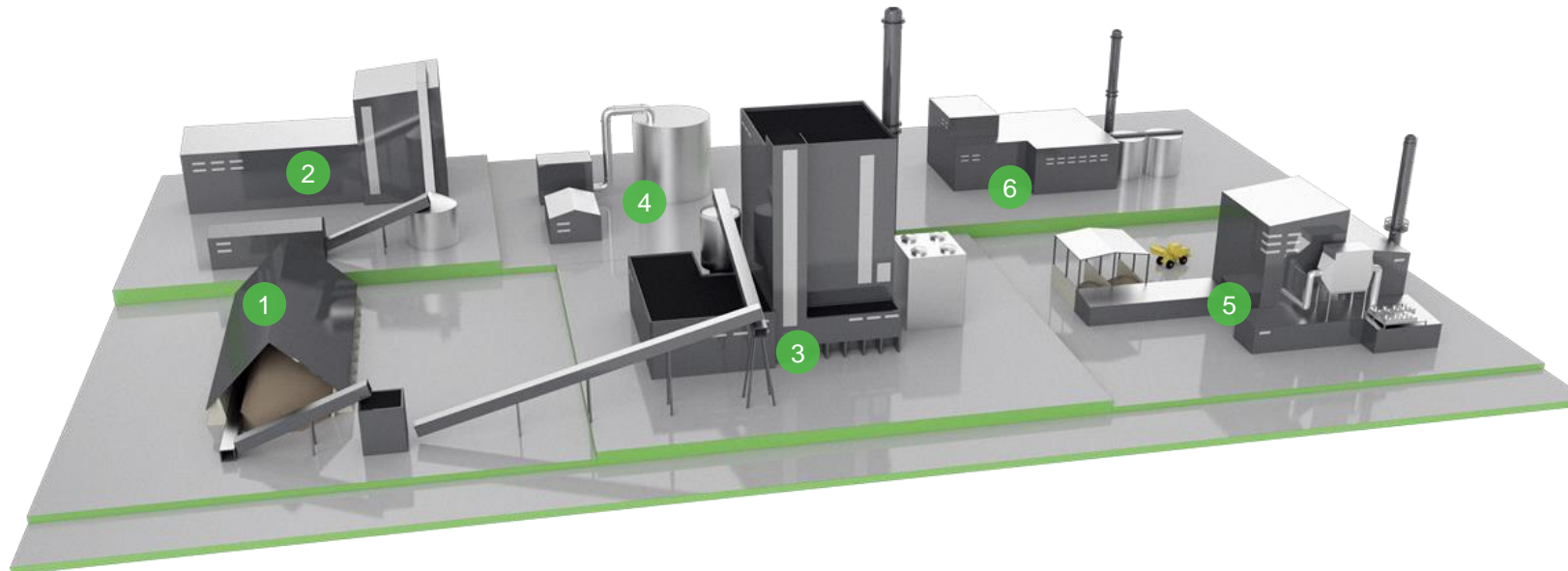
- 1 Fuel handling
- 2 Gasification
- 3 Boiler and flue gas cleaning
- 4 Bio-oil production
- 5 Modularized power plants
- 6 Prehydrolysis
For biofuels, biomaterials and biochemicals, and bio coal production

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



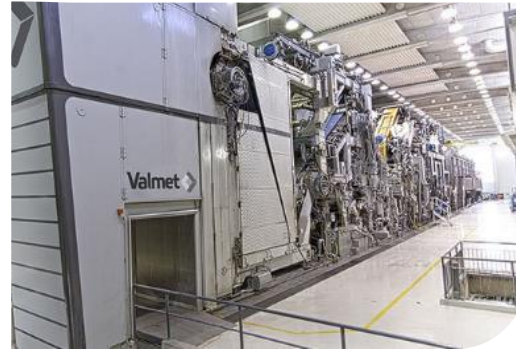
Customers' needs

- 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

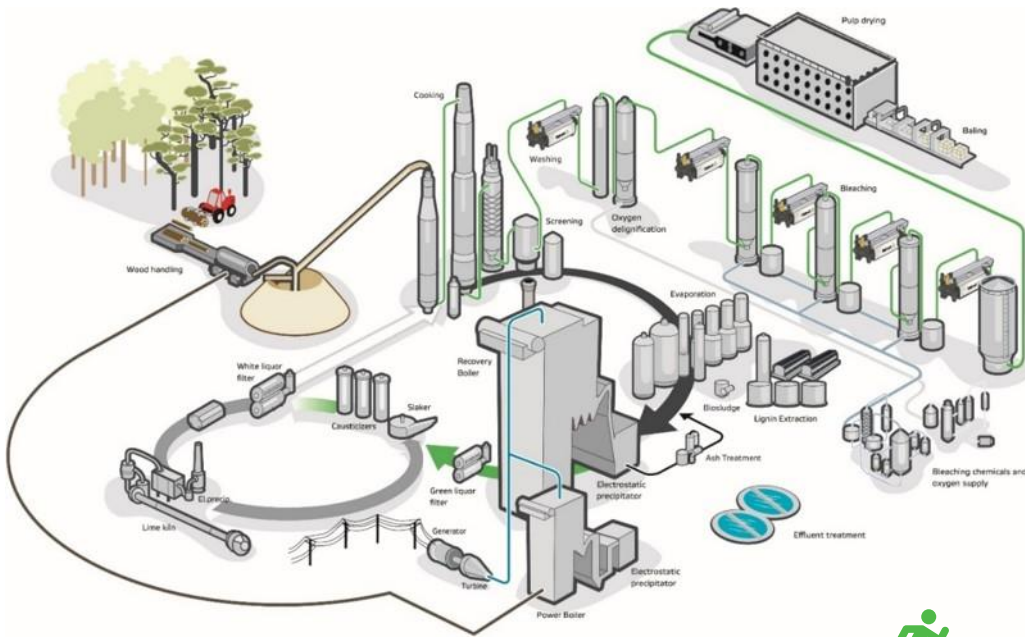
- Cost-efficient, high-quality, safe and flexible board making concept
- Significant savings in energy, water and raw material use
 - Energy efficiency improvement up to 30%
- Modular and compact size
 - Short delivery times, quick start-ups, and less production space
- Functional design brings increased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

Today, customers are extensively utilizing our Industrial Internet capabilities



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

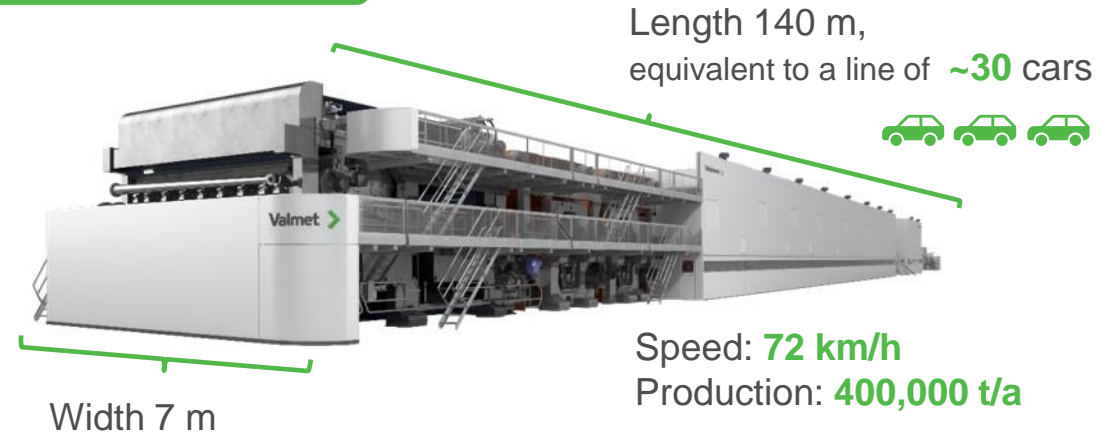
Pulp mill



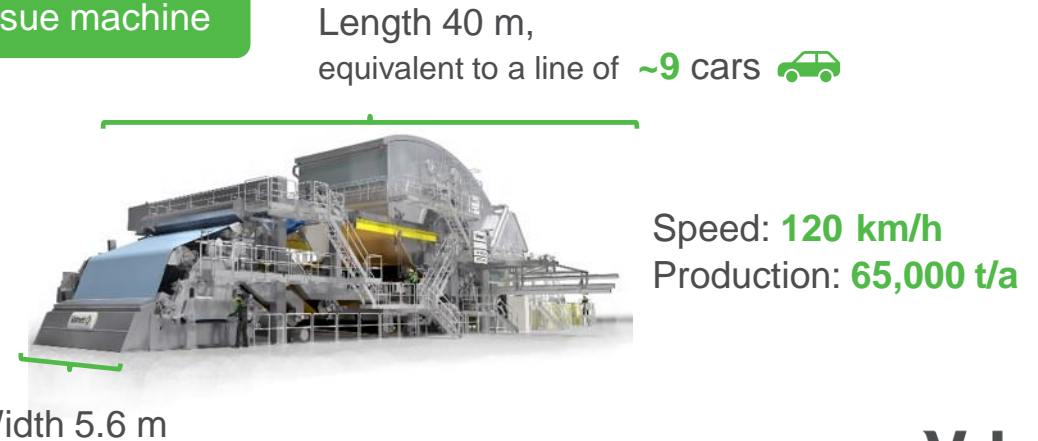
- Mill site area: 500,000 – 5,000,000 m², equivalent to **~70–700** football fields
- Built area: 40,000 – 100,000 m², equivalent to **~6–14** football fields



Paper and board machine



Tissue machine





Appendix
Management and remuneration

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: 6,608
- 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: 2,944
- 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: 2,944
- 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 Bekaert
- Share ownership: 4,074
- 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: 5,870
- 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: 10,057
- Independent of company: Yes
- Independent of owners: Yes

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: 35,329



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

Remuneration of the President and CEO

- The remuneration of the President and CEO is comprised of
 - the total salary (monthly base salary and customary fringe benefits*),
 - short-term and long-term incentives, and
 - pension benefits and customary insurances.
- The total annual base salary and customary fringe benefits* of the President and CEO in 2020 is EUR 680,104
- The relative proportion of the variable pay elements at maximum level is 2–3 times the fixed pay
- Additional pension benefit in the form of a defined contribution pension plan, 20% of base salary

* Such as a car and a mobile phone, according to the local legislation and market practice.

Performance period 2020

Long-term incentive

Incentive based on	Comparable EBITA as % of net sales, and orders received growth in the stable business (Services and Automation business lines)
Potential reward payment	Partly in Valmet shares and partly in cash in spring 2021
Total number of shares	Maximum of 42,800 shares
Restriction period	2 years

Short-term incentive

Incentive based on	Comparable EBITA development of the company (80% weight), and strategic targets decided by the Board of Directors (20% weight)
Maximum reward	100% of base salary
Potential reward payment	In March 2021

Remuneration of the Executive Team

- The remuneration of the Executive Team members comprises
 - a monthly total salary (including monthly salary and customary fringe benefits¹),
 - a supplementary pension plan, and
 - short-term and long-term incentives
- Additional pension benefit in the form of a defined contribution pension plan equaling 15-20% of base salary depending on role
- Notice period is six months for both parties. If the company terminates the agreement, there is an additional severance pay equaling six times the last total monthly salary

¹ Such as a car and a mobile phone.

² Calculated in the beginning of the performance period.

Performance period 2020

Long-term incentive

Incentive based on	Comparable EBITA as % of net sales, and orders received growth in the stable business (Services and Automation business lines)
Potential reward payment	Partly in Valmet shares and partly in cash in spring 2021
Maximum reward opportunity	110% of the average annual base salary of the Executive Team members excluding the President and CEO. ²
Restriction period	2 years

Short-term incentive

Incentive based on	Company-level and business-specific financial and operational targets as well as strategic individual targets
Maximum reward	60% of base salary
Potential reward payment	In March 2021

