

Valmet – unique offering to support a growing market

Roadshow presentation
September 2023

Agenda

Valmet roadshow presentation

- 1 Valmet in brief
- 2 Investment highlights
- 3 Financial targets and acquisitions
- 4 Q2/2023 financials, guidance and short-term market outlook
- 5 Summary



Valmet in brief

Valmet's offering is unique and the widest in the market

Board and tissue

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

Pulp

- Wood and pulp handling
- Fiber processing
- Recovery

Energy

- Heat and power generation
- Air emission control
- Biofuels

Process technology

Customer

Services

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

Services

Automation

Automation Systems

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

Flow Control

- Valves
- Valve controllers
- Valve automation

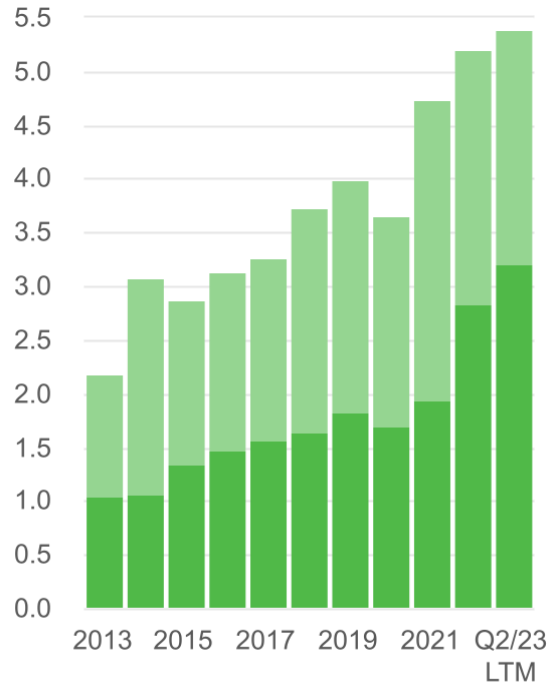


We have strong market positions



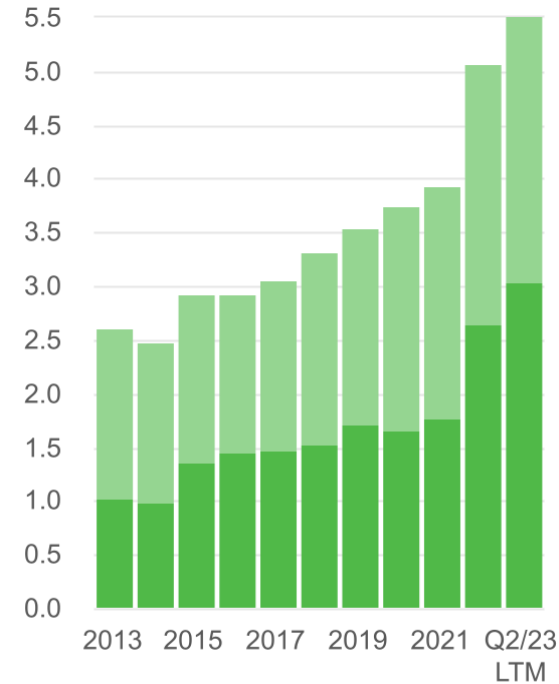
Valmet's development since 2013

Orders received
(EUR billion)



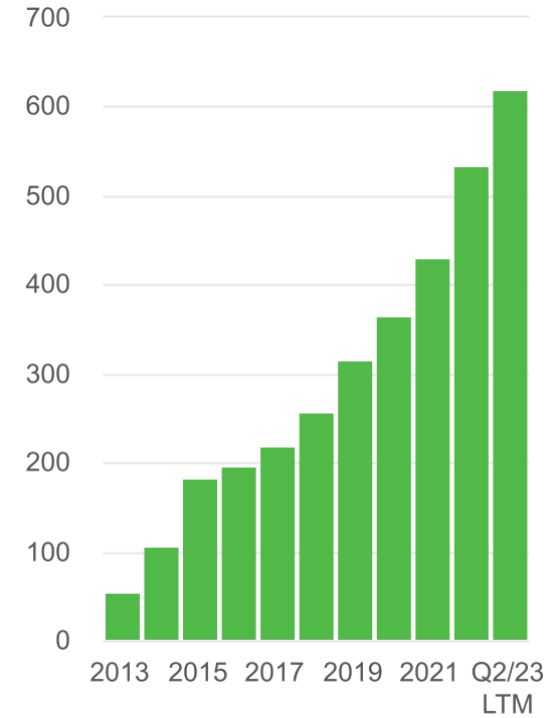
Process Technologies segment
Services and Automation segments

Net sales
(EUR billion)



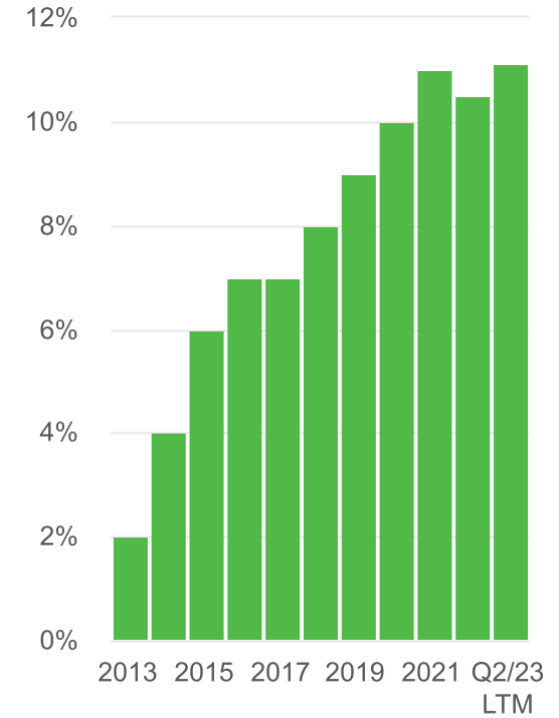
Process Technologies segment
Services and Automation segments

Comparable EBITA
(EUR million)



Comparable EBITA

Comparable EBITA margin
(%)



Comparable EBITA margin

2013 figures on carve-out basis.

2013–2020 figures have not been restated to reflect the new segment reporting structure which Valmet implemented as of January 1, 2022.

Valmet's key figures

Q2/2023 LTM

Orders received
EUR 5,384 million

Net sales
EUR 5,567 million

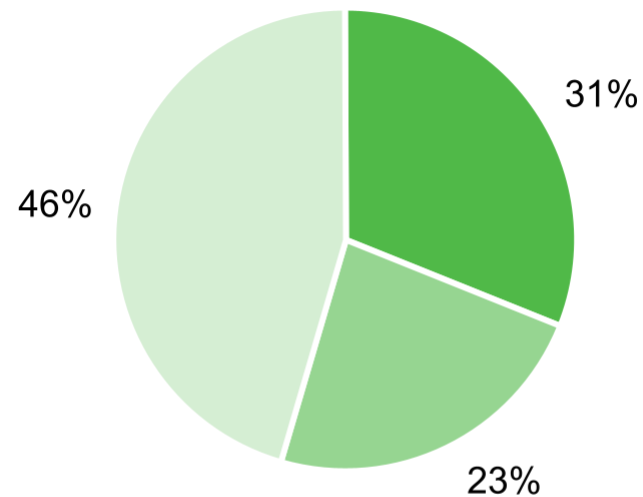
Comparable EBITA
EUR 618 million

Comparable EBITA margin
11.1%

Order backlog
EUR 4,414 million

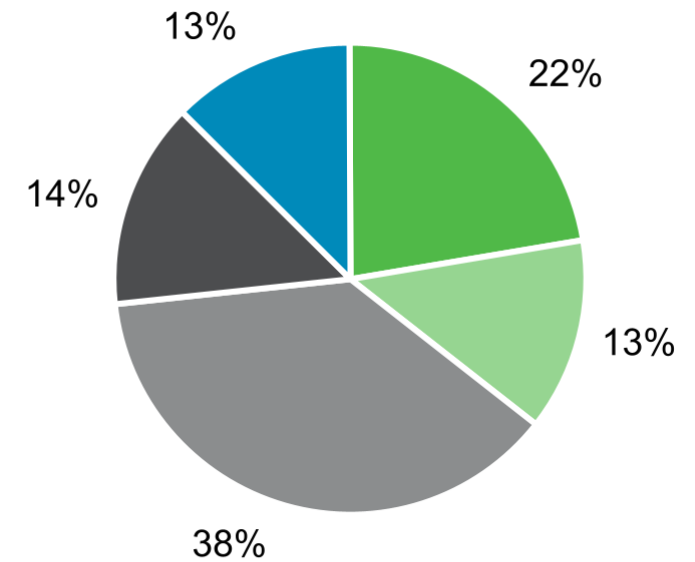
Employees
18,194

Net sales by segment



- Services
- Automation
- Process Technologies

Net sales by area

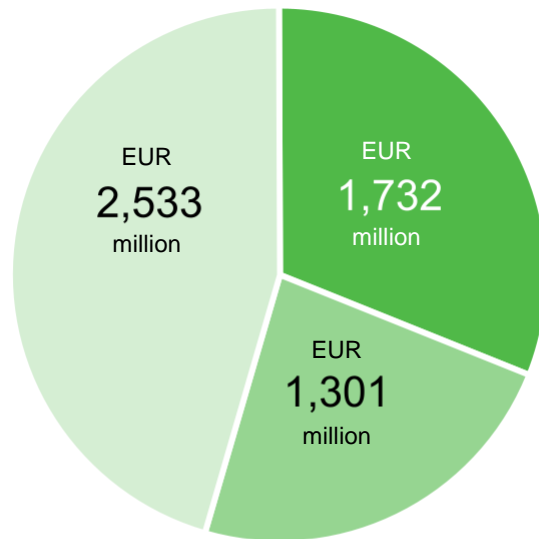


- North America
- South America
- EMEA
- China
- Asia-Pacific

Valmet has three strong segments

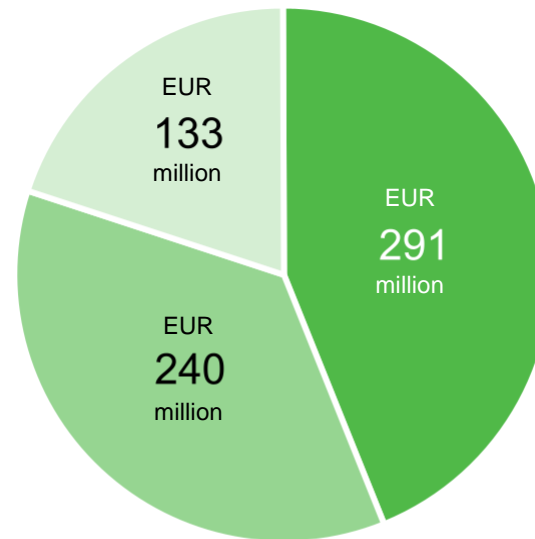
Q2/2023 LTM figures

Net sales



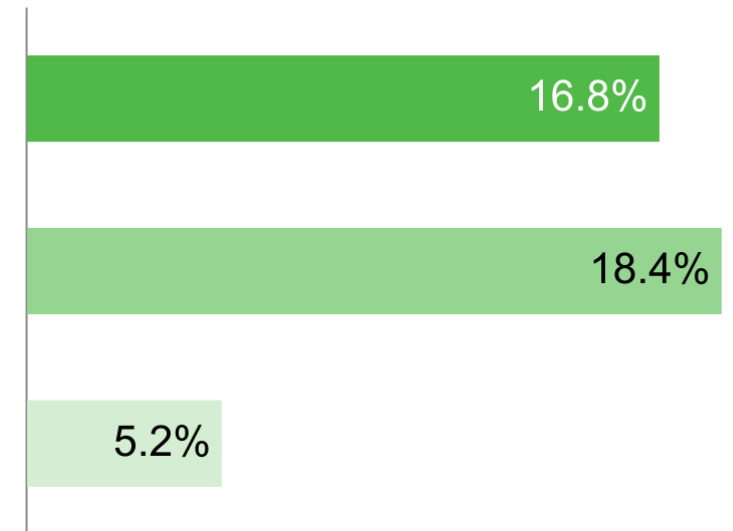
- Services
- Automation
- Process Technologies

Comparable EBITA (excl. Other)



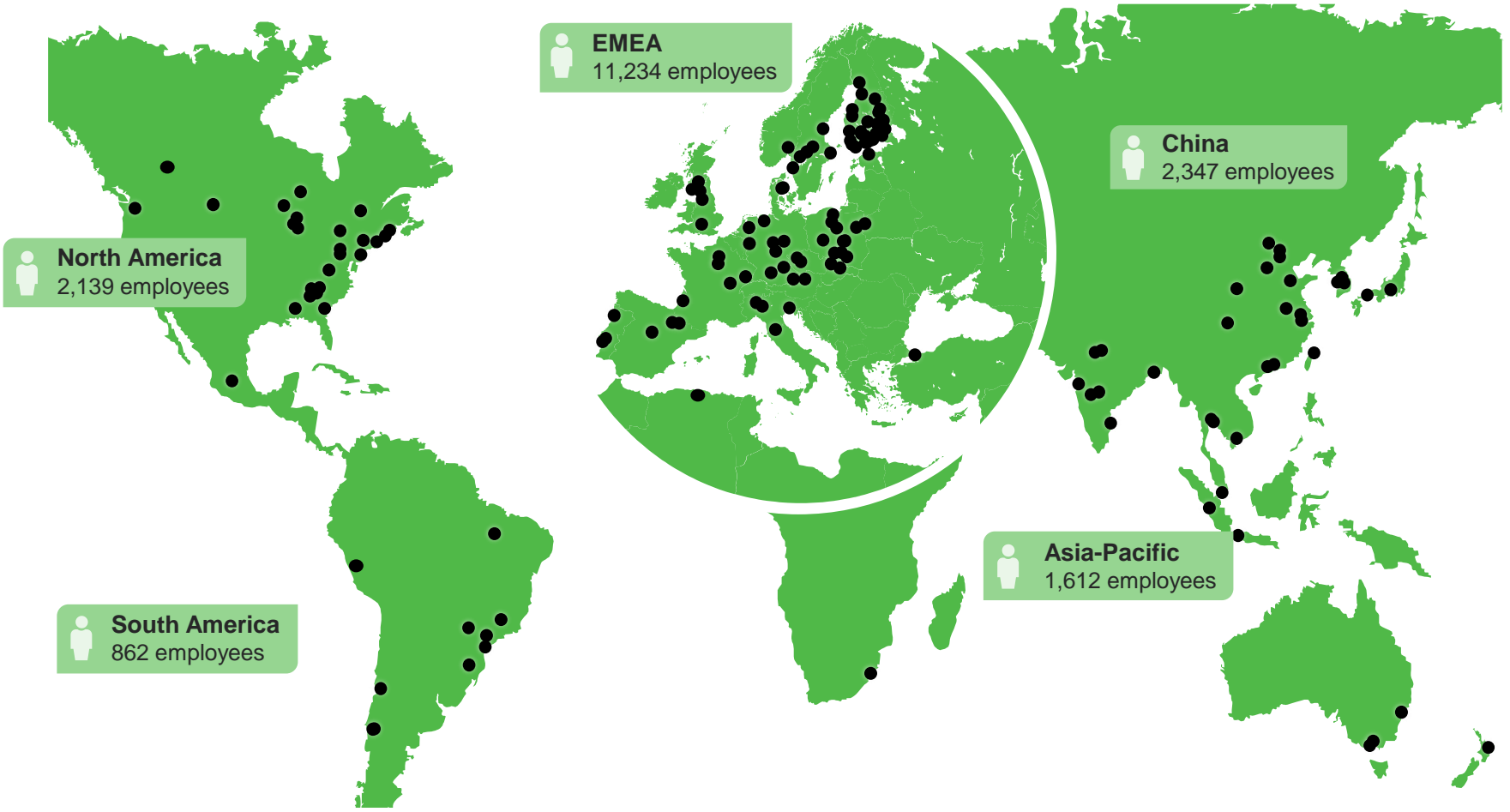
- Services
- Automation
- Process Technologies





Comparable EBITA margin (excl. Other)



- Services
- Automation
- Process Technologies

Global presence creating a good platform for growth in Services and Automation



- ~140 service centers 
- 54 production units 
- 28 R&D centers 
- 8 Performance Centers 

Personnel as at June 30, 2023.

Valmet's Way Forward

Mission

Converting renewable resources into sustainable results

Strategy

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

Our automation business covers a wide base of global process industries.

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

Continuous improvement and renewal

Must-Wins

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

Business accelerators

Vision

To become the global champion in serving our customers and in moving the industries forward

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

Valmet's R&D is aiming to address global megatrends

R&D focus areas

- Promotion of renewable materials
- Raw material, water and energy efficiency
- Emission reductions
- Circularity
- Productivity and environmental improvements with digitalization

28

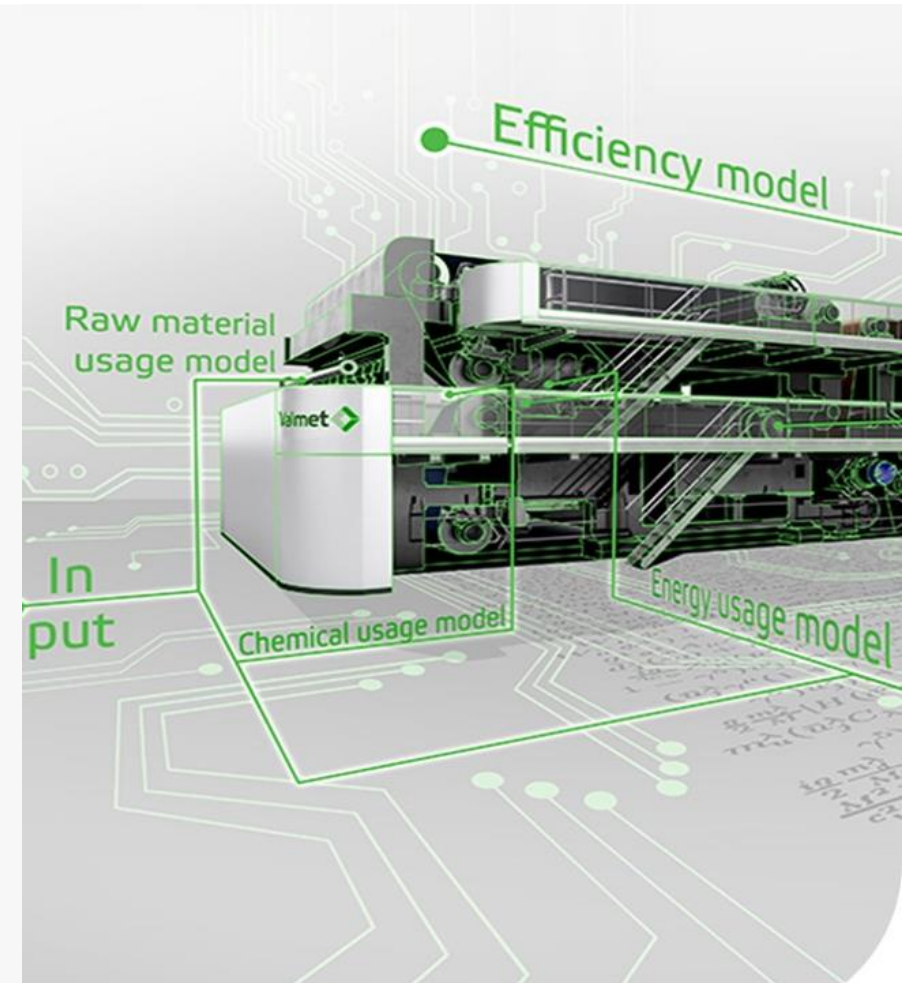
research and
development centers



EUR **95** million
R&D spending
in 2022



~1,300
protected
inventions



Illustrative figures of the combined company.

Acknowledged leader in sustainability

360° approach to sustainability across value chain

Good sustainability ratings

- In Dow Jones Sustainability Index for the ninth consecutive year
- AAA rating in the MSCI ESG Ratings assessment 2022
- Bronze Class 2022 Sustainability Award
- Achieved A- rating in CDP's climate program ranking 2022



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



**Sustainability Award
Bronze Class 2022**
S&P Global



**MSCI
ESG RATINGS**
AAA
CCC B BB BBB A AA AAA



Valmet's Climate Program: Forward to a carbon neutral future

Targets by 2030 for the entire value chain

SUPPLY CHAIN

-20%

CO₂ emission reduction

OWN OPERATIONS

-80%

CO₂ emission reduction

USE PHASE OF VALMET'S TECHNOLOGIES

-20%

Further reduced energy use
of Valmet's current technologies

100%

Carbon neutral production

- Valmet's new Climate Program sets credible targets and concrete actions for 2030 for the entire value chain
- Program is aligned with the Paris Climate Agreement's 1.5-degree pathway and UN Sustainable Development Goals and approved by the Science Based Targets Initiative (SBTi)

Main actions to reach targets by 2030

- Target CO₂ emission reductions from supply chain
- Reduce energy usage and use renewable fuels and CO₂ free electricity and district heating in own locations
- Improve energy efficiency of our existing process technology offering by 20%
- Develop existing and new technologies to enable carbon neutral production for our customers



Investment highlights

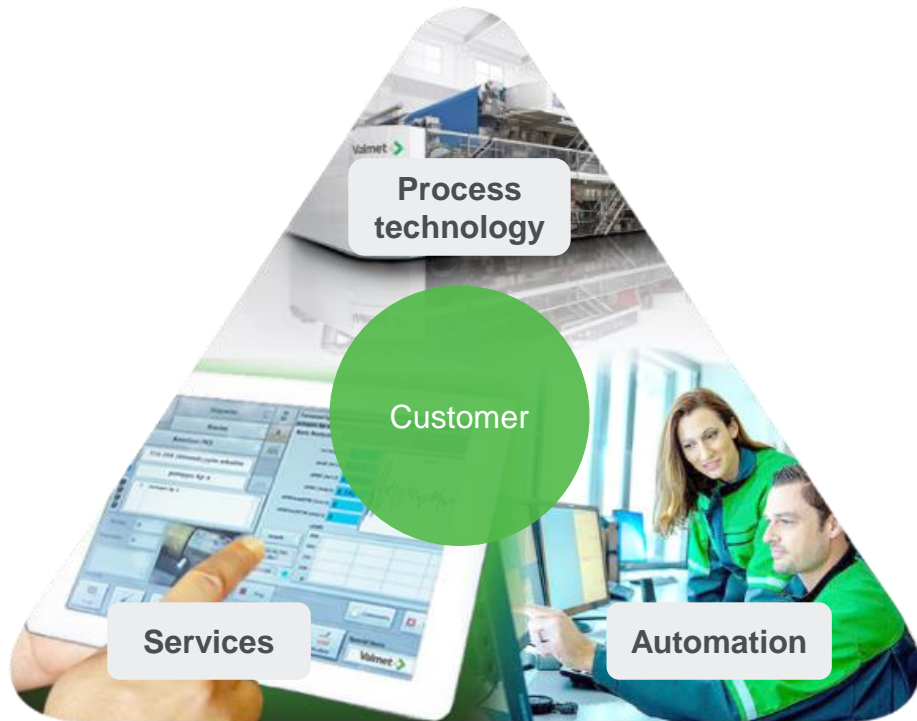
Valmet's investment highlights

- 1 Unique offering to support a growing market
- 2 Process Technologies segment benefiting from the growing demand for bio-based products and energy
- 3 EUR 3.2 billion recurring and steadily growing stable business
- 4 Services segment's demand driven by large and growing global installed base
- 5 Automation segment with high growth and profitability
- 6 Future growth possibilities from new sustainable innovations
- 7 Building Valmet on positive megatrends and strategy of renewal and continuous development

Unique offering to support a growing market

Unique offering

Competitive advantage from the widest offering in the market



Strong market drivers

Process Technologies

- E-commerce and global trade
- Renewable materials replacing plastic packaging
- Conversions from paper to board
- Energy transition and CO₂ neutral energy production
- Energy supply security
- Tightening air emissions legislation and stricter directives

Services

- Large and aging global installed base
- Customers' CO₂ reduction targets
- Energy and resource efficiency
- Productivity and end-product quality
- Digitalization, remote services and industrial internet

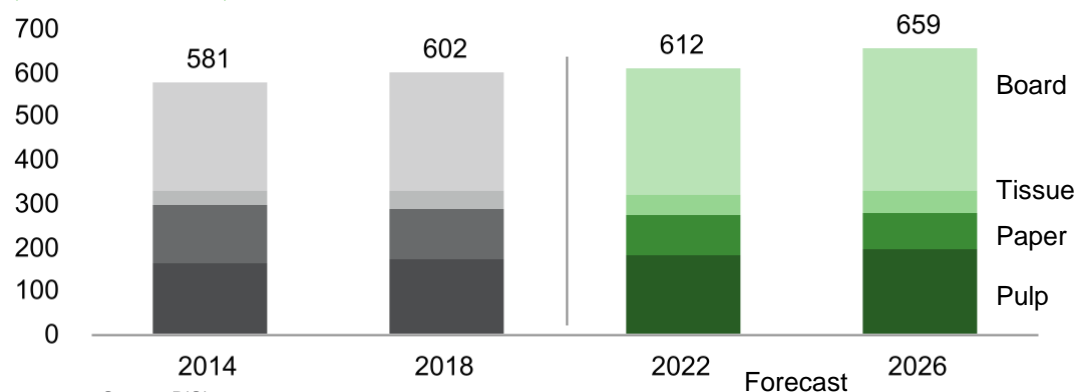
Automation

- Automation and digitalization are global megatrends
- Aging machines and installed automation systems
- Demand for raw material savings, process efficiencies and sustainability
- Customers' demands on safety, reliability and emissions

Process Technologies segment benefiting from the growing demand for bio-based products and energy

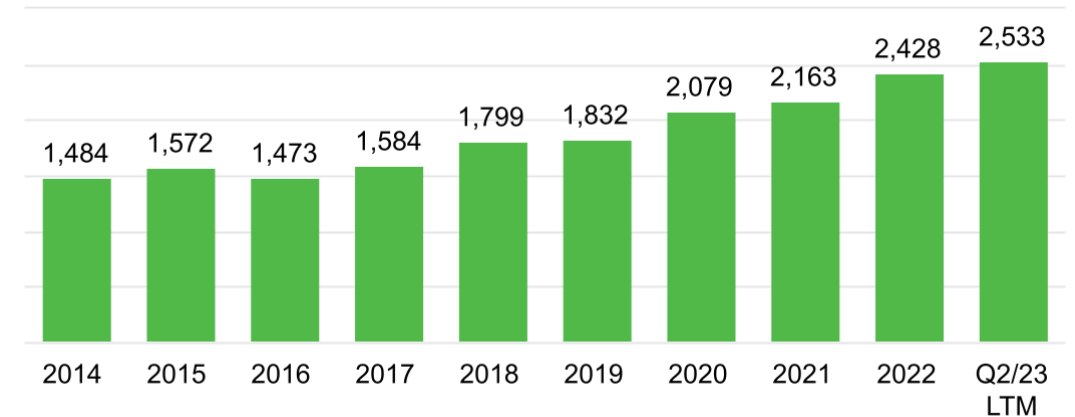
- New pulp and paper capacity is needed as demand for bio-based products continues to grow
- Energy transition creates a growing market for Valmet's energy offering
- Large old and inefficient installed base generates a significant replacement market for Valmet
- Strong business model with large prepayments and low capacity costs
- Comparable EBITA margin 5.2% (Q2/2023 LTM)

Demand for pulp and paper continues to grow (Global demand, Mton)

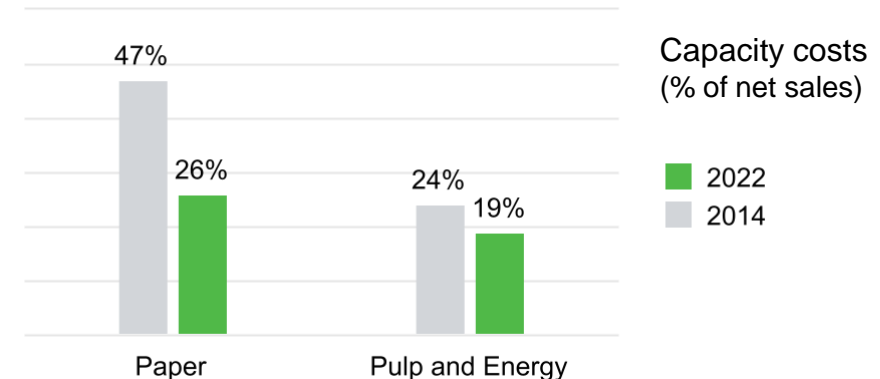


Source: RISI

Net sales (EUR million)



Valmet's operational efficiency has increased

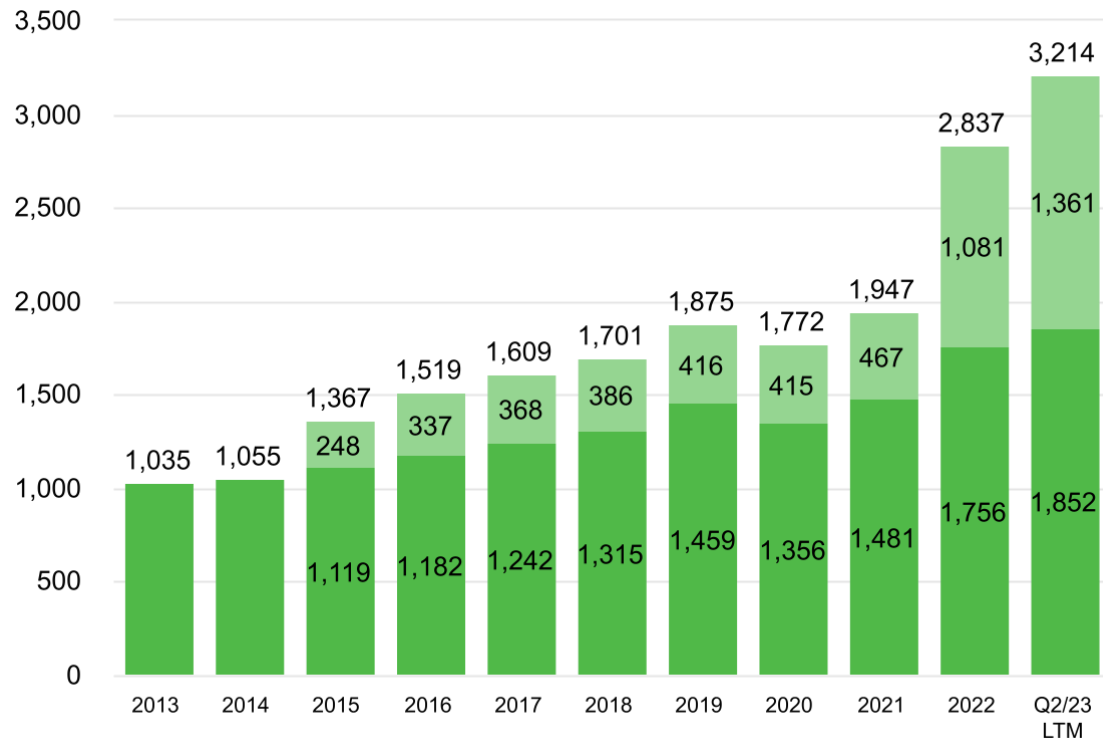


Capacity costs
(% of net sales)

■ 2022
■ 2014

EUR 3.2 billion recurring and steadily growing stable business

Orders received
(EUR million)



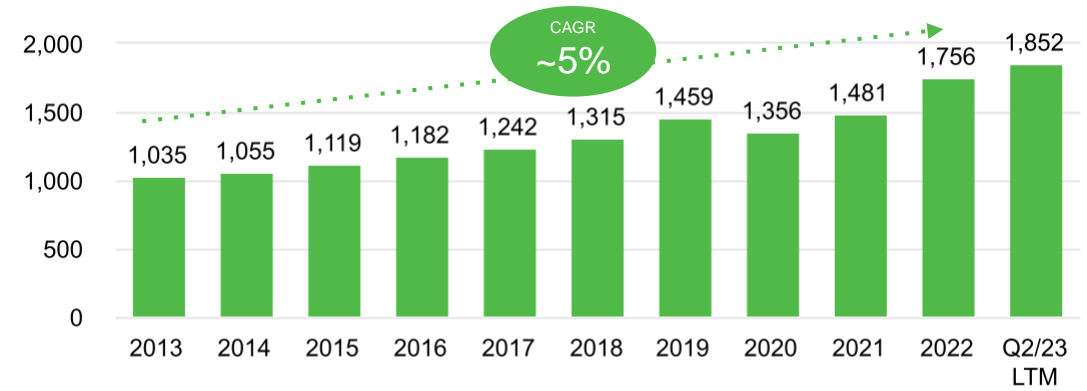
Figures in dark green for Valmet Services segment, light green for Valmet Automation segment.
2013-2020 figures have not been restated.

- Valmet's stable business has grown steadily since 2014
- Future growth possibilities are supported by favorable megatrends
- Stable business provides resilience to business cycles and makes Valmet's order intake less cyclical

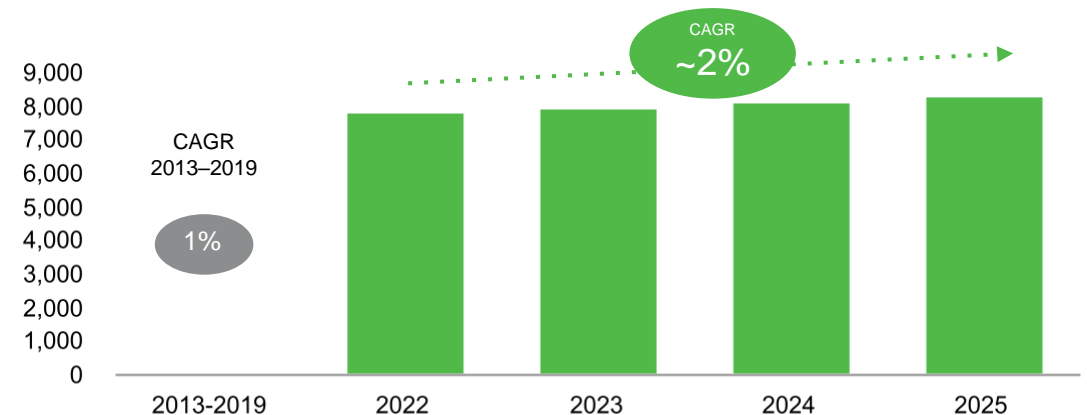
Services segment's demand driven by large and growing global installed base

- Valmet's Services is a growing and recurring business
- Demand driven by large and growing global installed base
- Roughly EUR 8 billion addressable market estimated to grow 2% annually
- Target to continue to grow over two times the market growth
- Competitive advantage from the widest offering in the market
- Strong presence in all market areas covering all key customer corporations
- Solid track record for growth
- Comparable EBITA margin 16.8% (Q2/2023 LTM)

Orders received (EUR million)



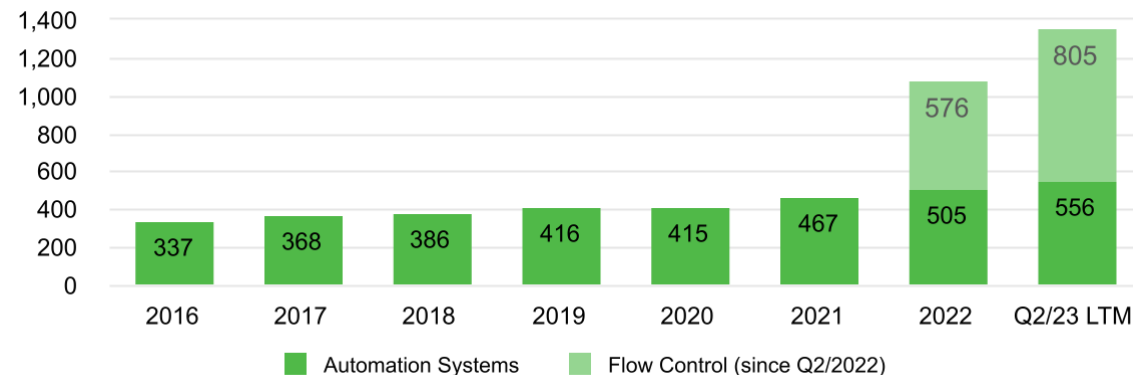
Service market development and estimate (EUR million)



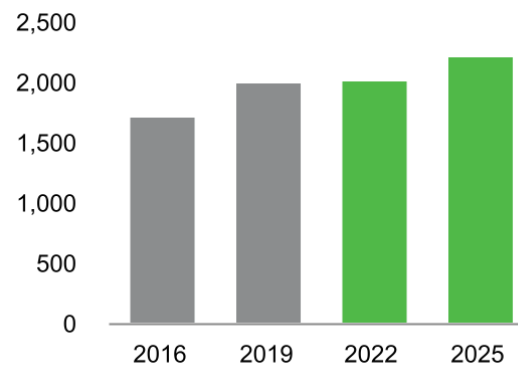
Automation segment with high growth and profitability

- Valmet's Automation is a growing and recurring business
- Large addressable target market estimated to grow ~3% annually
- Target to continue to grow over two times the market growth
- Sustainability, digitalization and targets for operational efficiency drive the market for Automation Systems
- Flow control market for critical valves and valve automation has barriers of entry enabling solid profitability for leading players
- Opportunities to grow outside the core pulp and paper industry organically and through M&A
- Comparable EBITA margin 18.4% (Q2/2023 LTM)

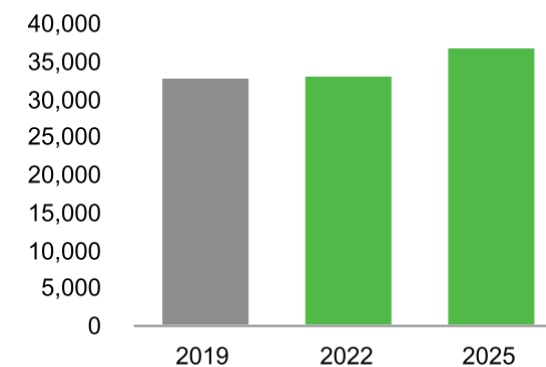
Orders received (EUR million)



Automation Systems target market (EUR million)



Flow Control market (EUR million)



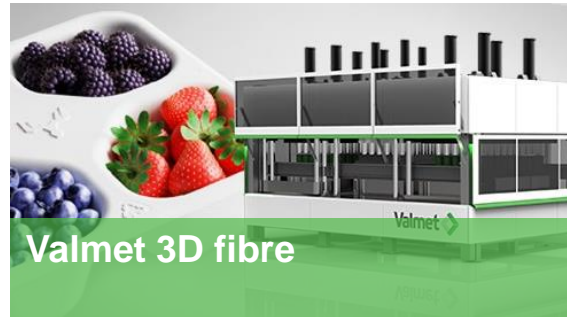
Source: ARC 2021-2026 material

Source: Frost & Sullivan

Future growth possibilities from new sustainable innovations



- Technology to produce viscose pulp from recycled clothes and other textiles
- Technology for cellulose based textile fibre production



- Next generation of molded fiber
- More efficient production process compared to current solutions
- Produces ready-made 3D packages directly from wet pulp
- High quality end product could replace plastics in various packaging solutions



- Lignin usage to replace fossil-based carbon in batteries
- Pyrolysis for biochemicals and biofuels production to replace fossil-based fuels



- Solid position to grow in green hydrogen in Flow Control
- Renewal of Automation Systems platform creates opportunities for further growth
- Growth opportunities in energy and process industries in Automation

Building Valmet on positive megatrends and strategy of renewal and continuous development

| Demand for bio-based products and energy continues to grow | New growth opportunities | Steadily growing stable business | Strategy |
|---|--|---|--|
| <ul style="list-style-type: none">• The large pulp and paper market is growing and supported by favorable megatrends and sustainability• Energy transition creates a growing market for Valmet's energy offering• Valmet has strong market positions and opportunities to increase market share | <ul style="list-style-type: none">• Future growth possibilities from new sustainable innovations• Growth opportunities in energy and process industries in Automation | <ul style="list-style-type: none">• EUR 3.2 billion stable business with high margin• Stable business has high margins and resilience to market cycles• Large and aging installed base generates a significant market | <ul style="list-style-type: none">• Strong track record of successful acquisitions and possibility to continue to invest in selected acquisitions• Strategy based on building the future systematically with renewal and continuous improvement |



Financial targets and acquisitions

Financial targets

Growth

Net sales for Services and Automation segments to grow over two times the market growth

Net sales for Process Technologies segment to exceed market growth

Profitability

Comparable EBITA:
12–14%

ROCE

Comparable return on capital employed (ROCE) before taxes¹ at least 15%

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))

Concrete actions to reach Comparable EBITA target of 12–14% through must-wins

Customer

- Grow stable business over two times the market growth
- Maintain and improve market share in Process Technologies
- Improve price and sales management

Technology

- Leverage strong R&D for new product innovations
- Continue to bring advanced technology to the market
- Improve product cost competitiveness

Processes

- Ensure good project operations to reach a positive margin deviation in projects
- Improve supply chain operations to harvest cost savings
- Manage quality throughout the supply chain to minimize quality costs

People

- Increase procurement, production and engineering capabilities in cost-competitive countries
- Utilize global training portfolio to strengthen Must-Win execution

Targeting to increase Comparable EBITA margin in all three segments

Improvement in Comparable EBITA is the biggest driver for ROCE

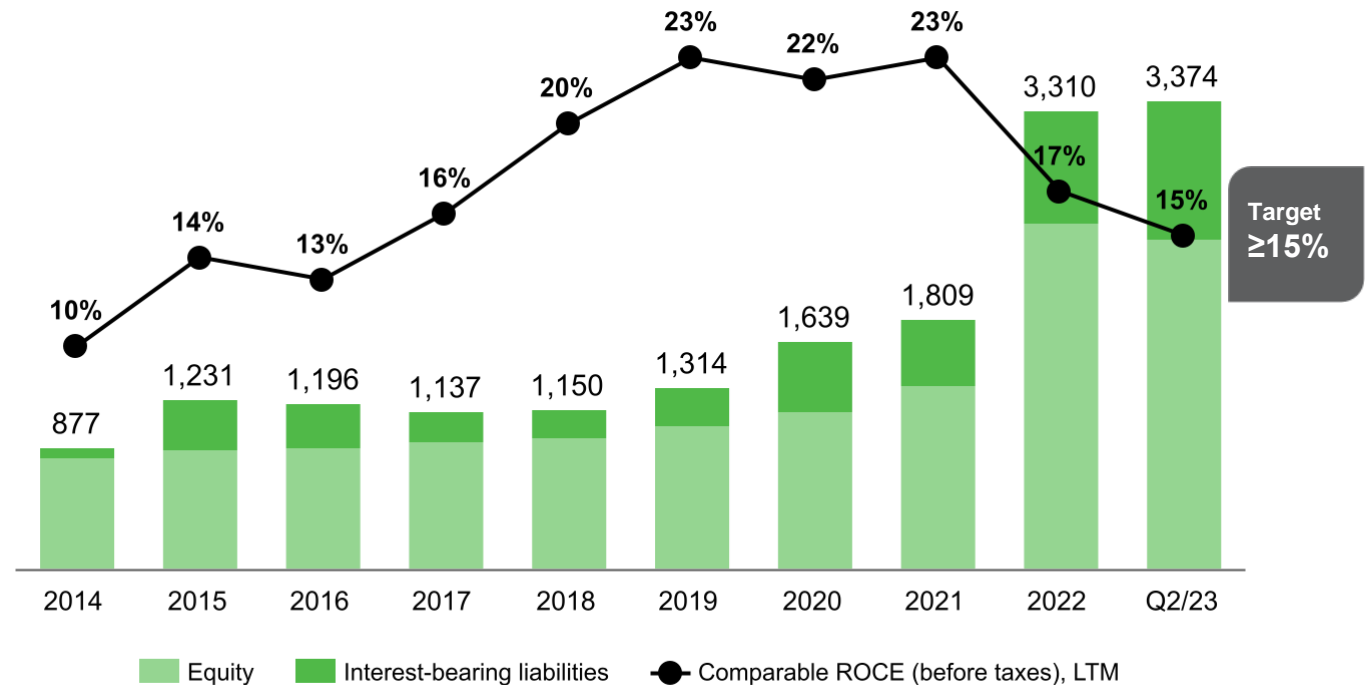
Main drivers for ROCE:

- Improvement in Comparable EBITA is the biggest driver for ROCE
- Capital employed increased in 2022 due to the Neles merger

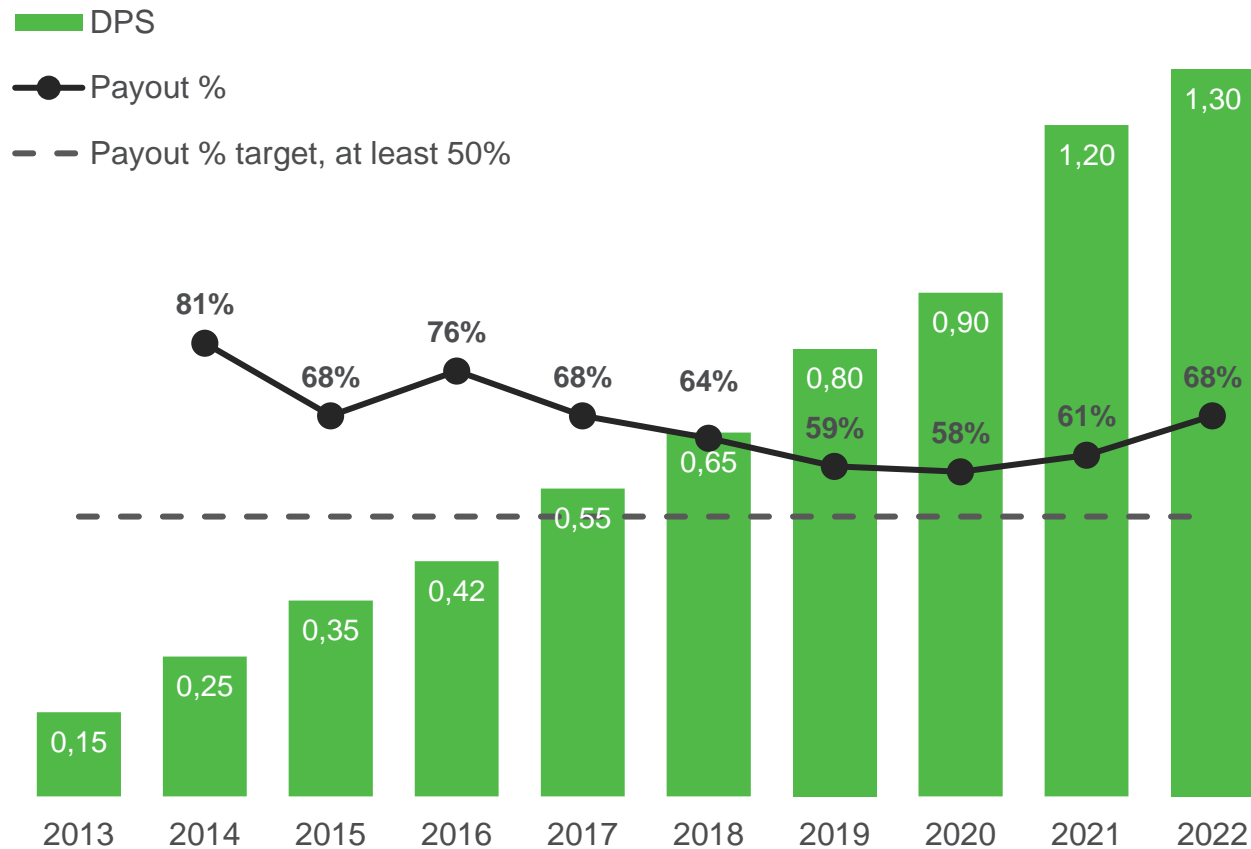
Track record

Capital employed (EUR million)

Comparable ROCE (% , before taxes)



Valmet has paid attractive dividend



- Payout target at least 50% of net profit
- Target has been exceeded every year
- Constant dividend growth

Total payout (EUR)
in dividends since
2013 (incl. 2022)

1.0bn

Opportunities to strengthen Services, Automation and Process Technologies segments through acquisitions

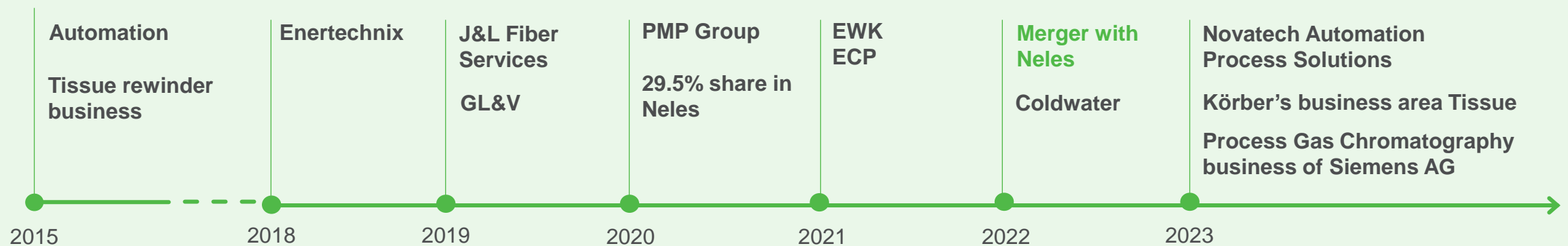
Strong track record of successful acquisitions


- 12 acquisitions made since becoming an independent company in 2014
- Total investment in acquisitions and in the merger with Neles about EUR 2 billion

Acquisition strategy

- Opportunities to strengthen Services, Automation and Process Technologies segments
- Selective acquisitions with a clear industrial logic and synergies
- Targeting to support Valmet in reaching financial targets
- Approximately 50 cases evaluated annually

Track record of successful acquisitions





Q2/2023 financials, guidance and short-term market outlook

Key figures

| EUR million | Q2/2023 | Q2/2022 | Change | Q1–Q2/2023 | Q1–Q2/2022 | Change |
|---|--------------|---------|--------|--------------|------------|--------|
| Orders received | 1,268 | 1,306 | -3% | 2,821 | 2,631 | 7 % |
| Order backlog ¹ | 4,414 | 4,784 | -8% | 4,414 | 4,784 | -8 % |
| Net sales | 1,417 | 1,286 | 10% | 2,738 | 2,246 | 22 % |
| Comparable EBITA | 153 | 122 | 25% | 286 | 202 | 42 % |
| % of net sales | 10.8% | 9.5% | 1.3 pp | 10.5% | 9.0% | 1.5 pp |
| EBITA | 155 | 154 | 1% | 286 | 229 | 25 % |
| Operating profit (EBIT) | 136 | 120 | 13% | 232 | 183 | 27 % |
| % of net sales | 9.6% | 9.4% | 0.2 pp | 8.5% | 8.2% | 0.3 pp |
| Adjusted earnings per share, EUR ² | 0.60 | 0.68 | -12% | 1.11 | 1.05 | 6 % |
| Earnings per share, EUR | 0.54 | 0.55 | -1% | 0.92 | 0.87 | 5 % |
| Comparable ROCE, LTM ³ | | | | 15% | 34% | -19 pp |
| Cash flow provided by operating activities | -37 | -85 | | 172 | -65 | |
| Net debt to EBITDA ⁴ ratio | | | | 0.77 | 0.65 | |
| Gearing ¹ | | | | 23% | 22% | 1 pp |

Items affecting comparability: EUR 2 million in Q2/2023 (EUR 32 million in Q2/2022) and EUR 0 million in Q1–Q2/2023 (EUR 27 million in Q1–Q2/2022).

1. At end of period
2. Adjusted earnings per share excludes the impact of fair value adjustments arising from business combinations, net of tax
3. Comparable return on capital employed (ROCE) before taxes, LTM (last twelve months)
4. Last twelve months (LTM) EBITDA

Segment key figures

| Orders received, EUR million | Q2/2023 | Q2/2022 | Change | Q1–Q2/2023 | Q1–Q2/2022 | Change |
|------------------------------|---------|---------|--------|------------|------------|--------|
| Services | 430 | 460 | -6% | 1,007 | 911 | 11% |
| Automation | 340 | 305 | 12% | 732 | 452 | 62% |
| Process Technologies | 497 | 542 | -8% | 1,082 | 1,268 | -15% |
| Total | 1,268 | 1,306 | -3% | 2,821 | 2,631 | 7% |

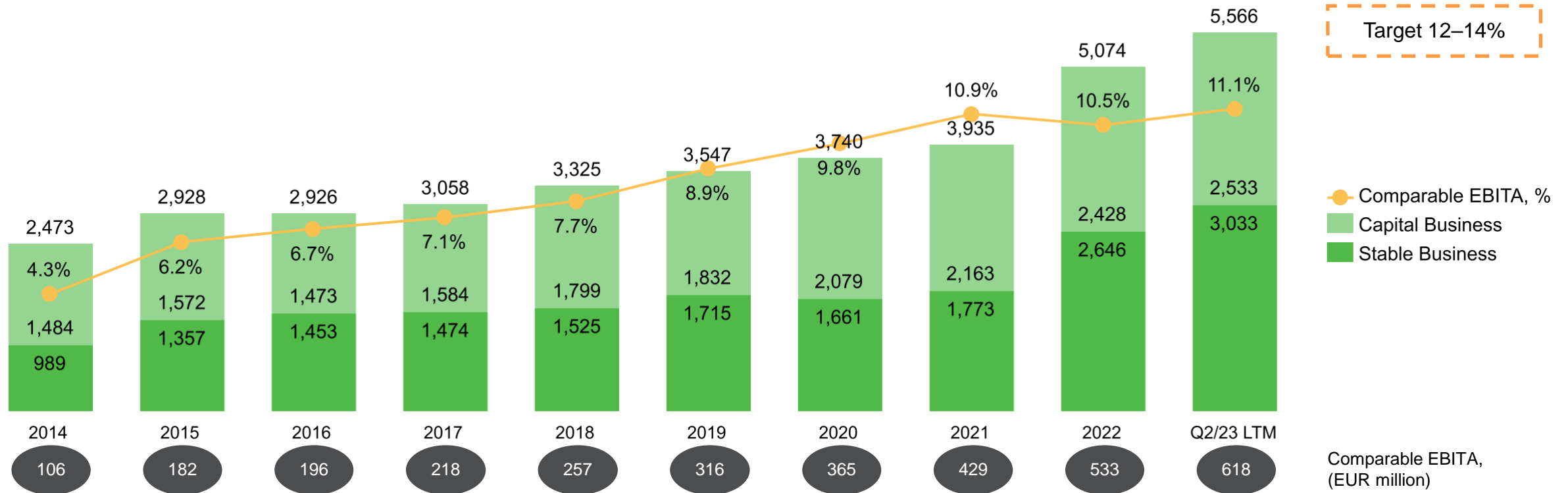
| Net sales, EUR million | Q2/2023 | Q2/2022 | Change | Q1–Q2/2023 | Q1–Q2/2022 | Change |
|------------------------|---------|---------|--------|------------|------------|--------|
| Services | 457 | 403 | 13% | 846 | 720 | 18% |
| Automation | 338 | 292 | 16% | 642 | 380 | 69% |
| Process Technologies | 623 | 591 | 5% | 1,251 | 1,146 | 9% |
| Total | 1,417 | 1,286 | 10% | 2,738 | 2,246 | 22% |

| Comparable EBITA, EUR million | Q2/2023 | Q2/2022 | Change | Q1–Q2/2023 | Q1–Q2/2022 | Change |
|-------------------------------|---------|---------|--------|------------|------------|--------|
| Services | 80 | 57 | 39% | 142 | 88 | 62% |
| Automation | 61 | 50 | 22% | 110 | 60 | 83% |
| Process Technologies | 30 | 31 | -4% | 59 | 71 | -17% |
| Other | -17 | -15 | | -26 | -18 | |
| Total | 153 | 122 | 25% | 286 | 202 | 42% |

| Comparable EBITA margin, % of net sales | Q2/2023 | Q2/2022 | Change | Q1–Q2/2023 | Q1–Q2/2022 | Change |
|---|---------|---------|---------|------------|------------|---------|
| Services | 17.5% | 14.2% | 3.2 pp | 16.8% | 12.2% | 4.6 pp |
| Automation | 17.9% | 17.0% | 1.0 pp | 17.2% | 15.9% | 1.3 pp |
| Process Technologies | 4.8% | 5.2% | -0.5 pp | 4.7% | 6.2% | -1.5 pp |
| Total | 10.8% | 9.5% | 1.3 pp | 10.5% | 9.0% | 1.5 pp |

Comparable EBITA margin development

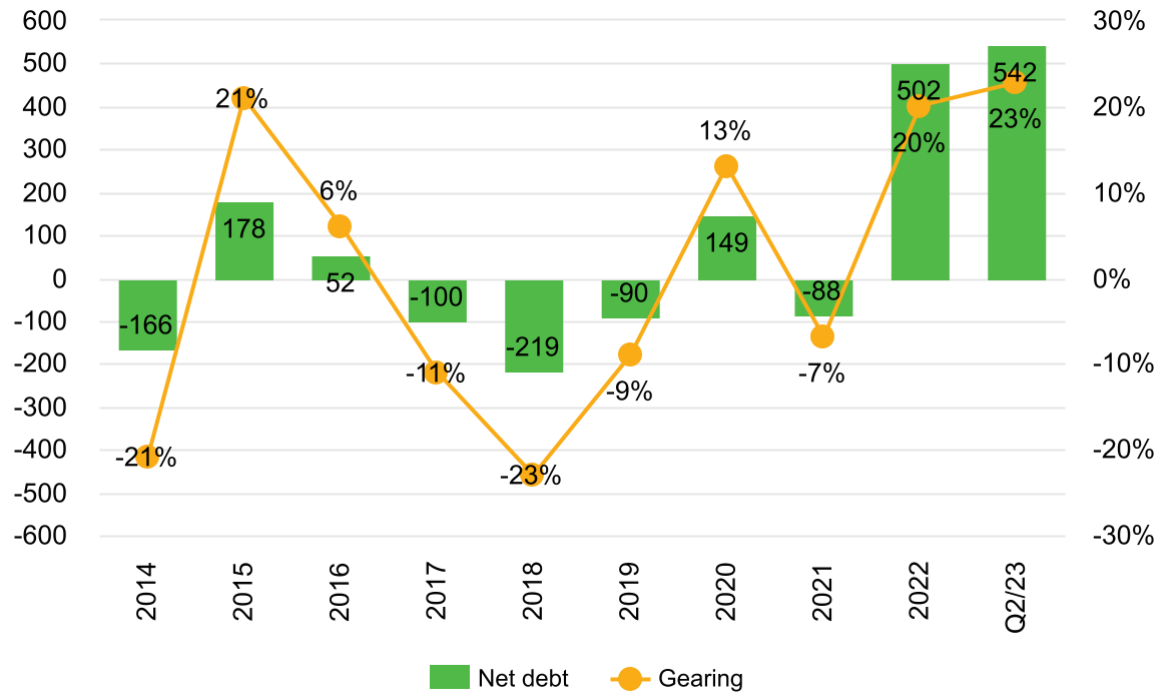
Net sales and Comparable EBITA (EUR million and %)¹



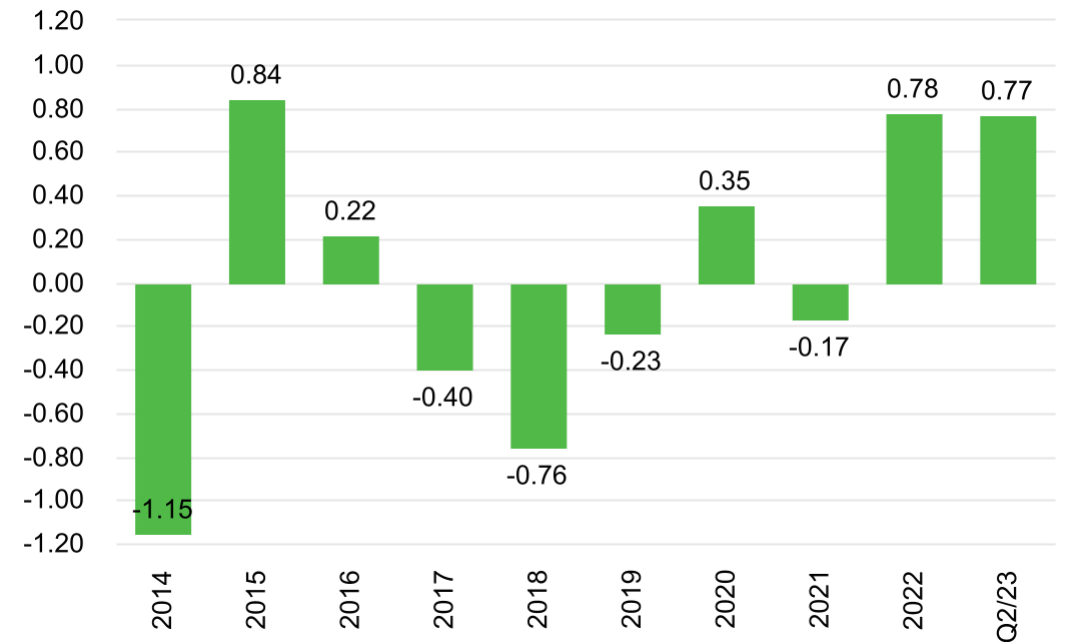
1. Valmet implemented IFRS 15 – Revenue from Contracts with Customers as of January 1, 2018 by applying full retrospective method. 2014–2020 figures have not been restated to reflect Valmet’s current reporting structure. Thus, figures presented are not fully comparable.

Strong balance sheet enabling solid operations, dividends and growth also through acquisitions

Net debt (EUR million) and gearing (%)



Net debt to EBITDA* ratio



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

*Last twelve months (LTM) EBITDA

Guidance and short-term market outlook

Guidance for 2023 (Published on February 2, 2023)

| | |
|-----------------|--|
| Guidance | <p>Valmet estimates that net sales in 2023 will increase in comparison with 2022 (EUR 5,074 million) and Comparable EBITA in 2023 will increase in comparison with 2022 (EUR 533 million).</p> |
|-----------------|--|

Short-term market outlook

| | | Q3/2022 | Q4/2022 | Q1/2023 | Q2/2023 |
|------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Services | | Good | Good | Good | Good / Satisfactory |
| Automation | Flow Control | Good | Good | Good | Good |
| | Automation Systems | Good | Good | Good | Good |
| Pulp and Energy | Pulp | Good / Satisfactory | Good / Satisfactory | Good / Satisfactory | Satisfactory |
| | Energy | Good | Good | Good | Good |
| Paper | Board and Paper | Good | Good | Good | Satisfactory |
| | 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'.



Summary

Valmet's investment highlights

- 1 Unique offering to support a growing market
- 2 Process Technologies segment benefiting from the growing demand for bio-based products and energy
- 3 EUR 3.2 billion recurring and steadily growing stable business
- 4 Services segment's demand driven by large and growing global installed base
- 5 Automation segment with high growth and profitability
- 6 Future growth possibilities from new sustainable innovations
- 7 Building Valmet on positive megatrends and strategy of renewal and continuous development

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 and share price development

4 Offering

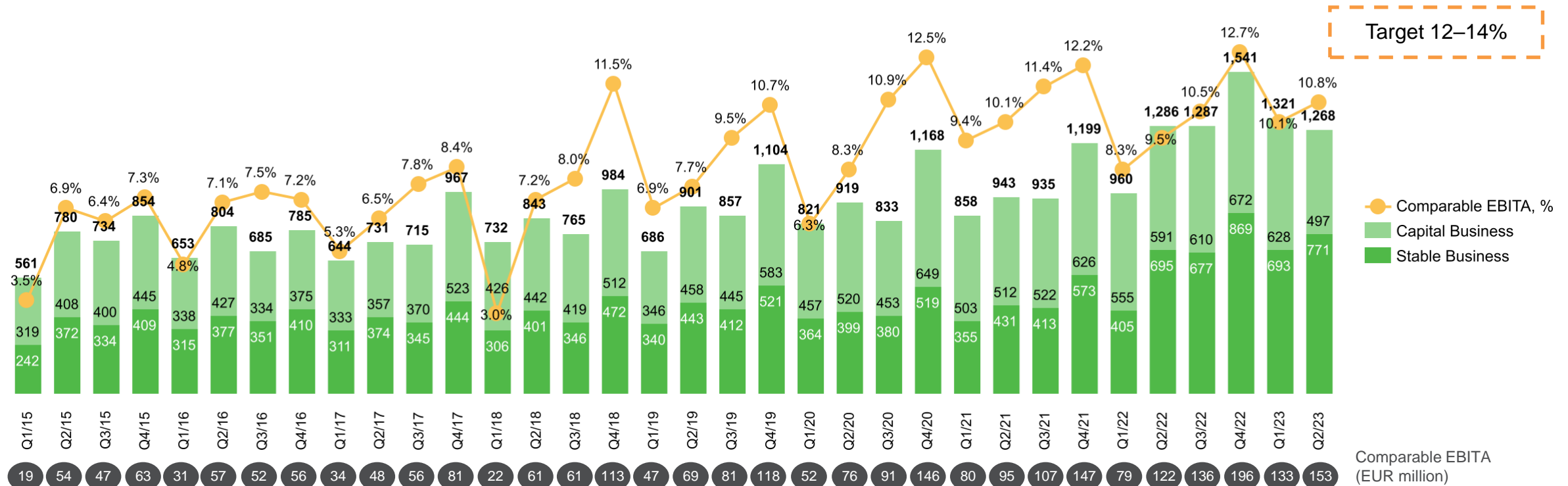
5 Management and remuneration



Appendix
Financials

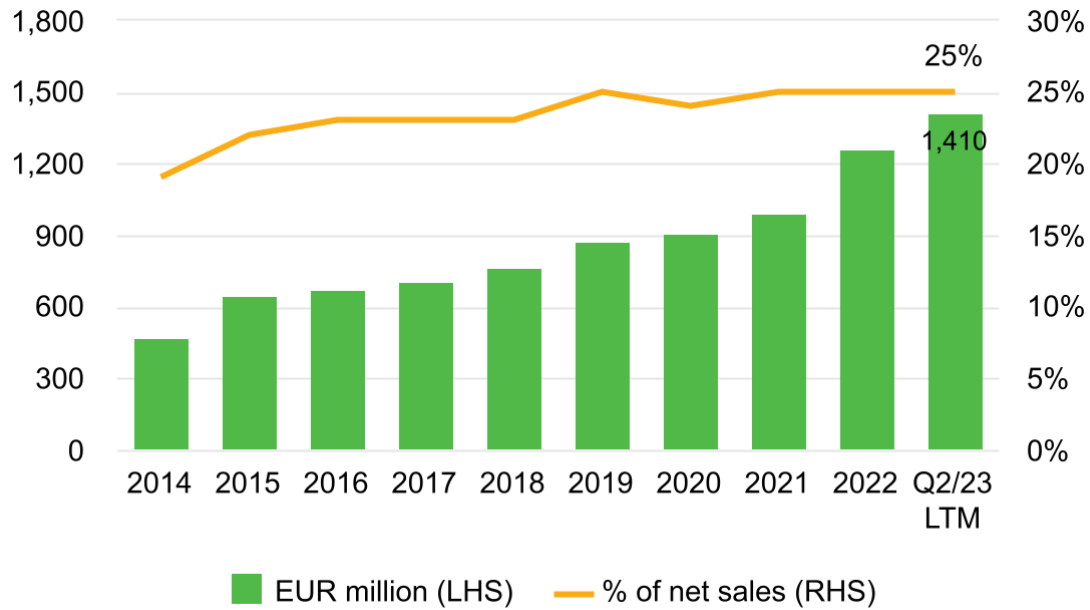
Quarterly Comparable EBITA margin development

Net sales and Comparable EBITA (EUR million and %)

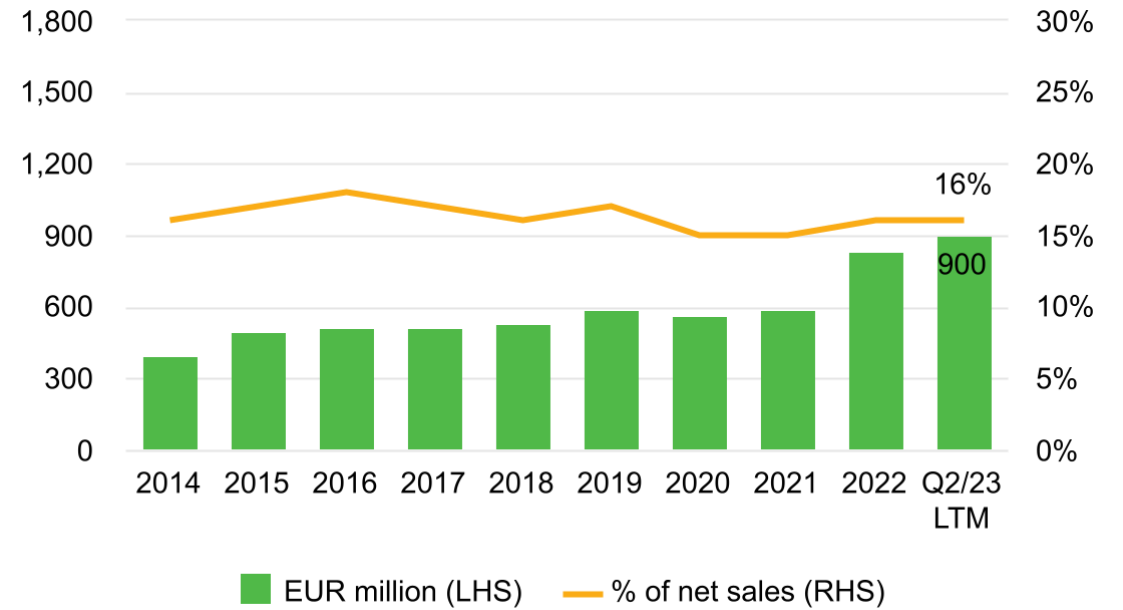


Comparable gross profit and SG&A expenses development

Comparable gross profit
(EUR million and % of net sales)



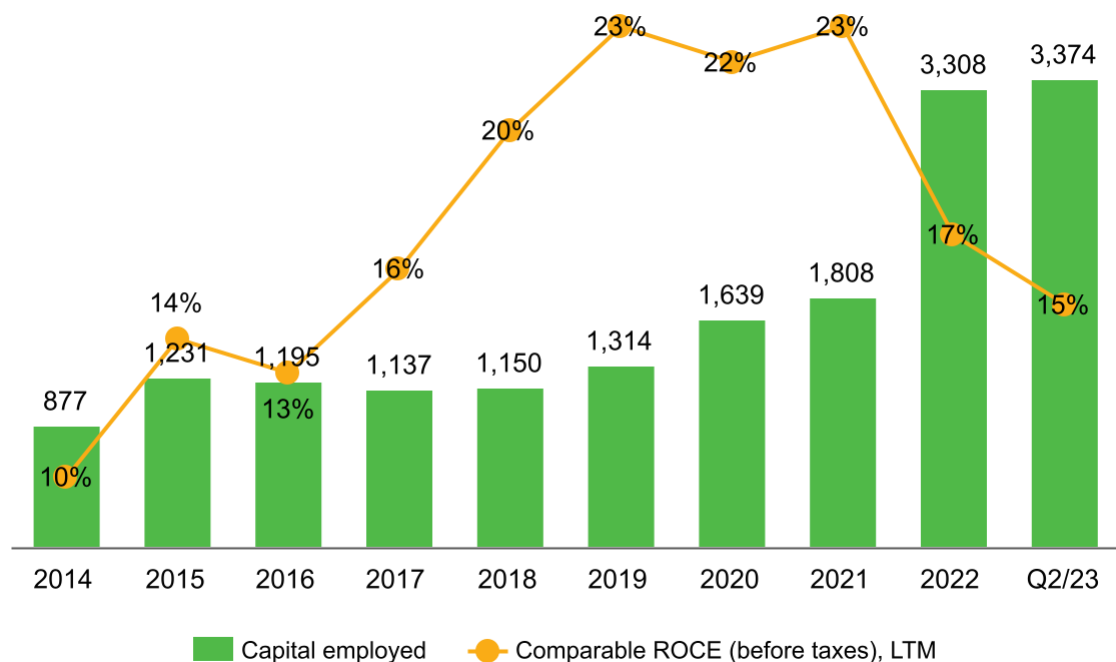
Comparable SG&A expenses
(EUR million and % of net sales)



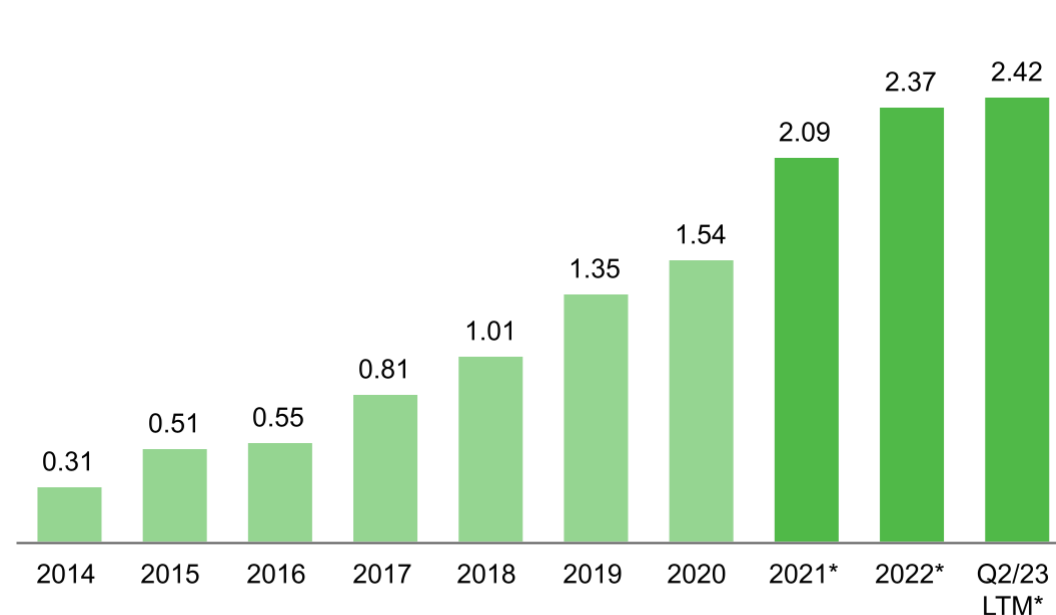
- Comparable gross profit was 26% of net sales in Q2/2023 (26% in Q2/2022)
 - Stable business represented 56% of net sales (54% in Q2/2022)
- Comparable SG&A expenses were EUR 4 million lower in Q2/2023 compared with Q2/2022
 - Comparable SG&A expenses were 16% of net sales in Q2/2023 (18% in Q2/2022)

Capital employed, Comparable ROCE and EPS

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



Earnings per share (EPS) and Adjusted EPS, EUR



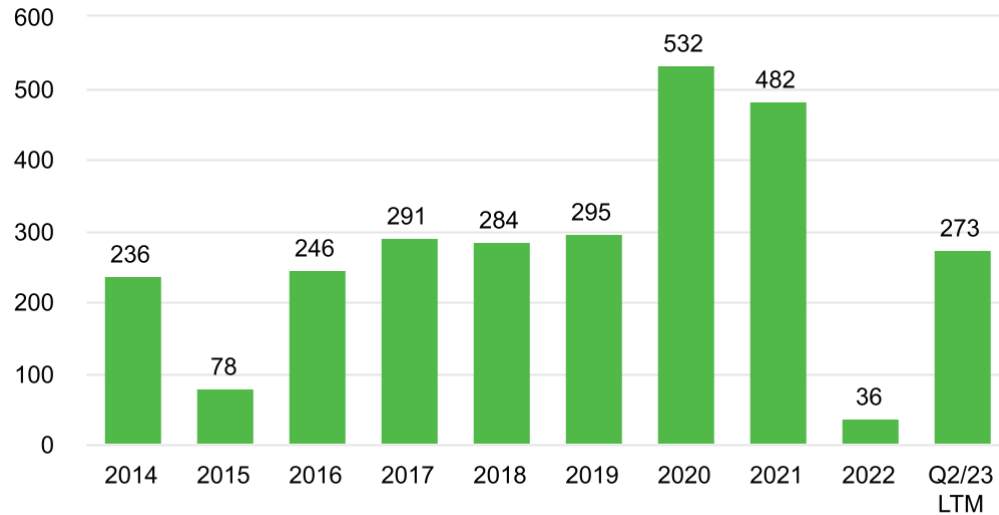
- Integration of Flow Control into Valmet in Q2/2022 increased capital employed, impacting Q2/2023 LTM Comparable ROCE

*Adjusted EPS. Adjusted earnings per share is an alternative performance measure that excludes the impact of fair value adjustments arising from business combinations, net of tax

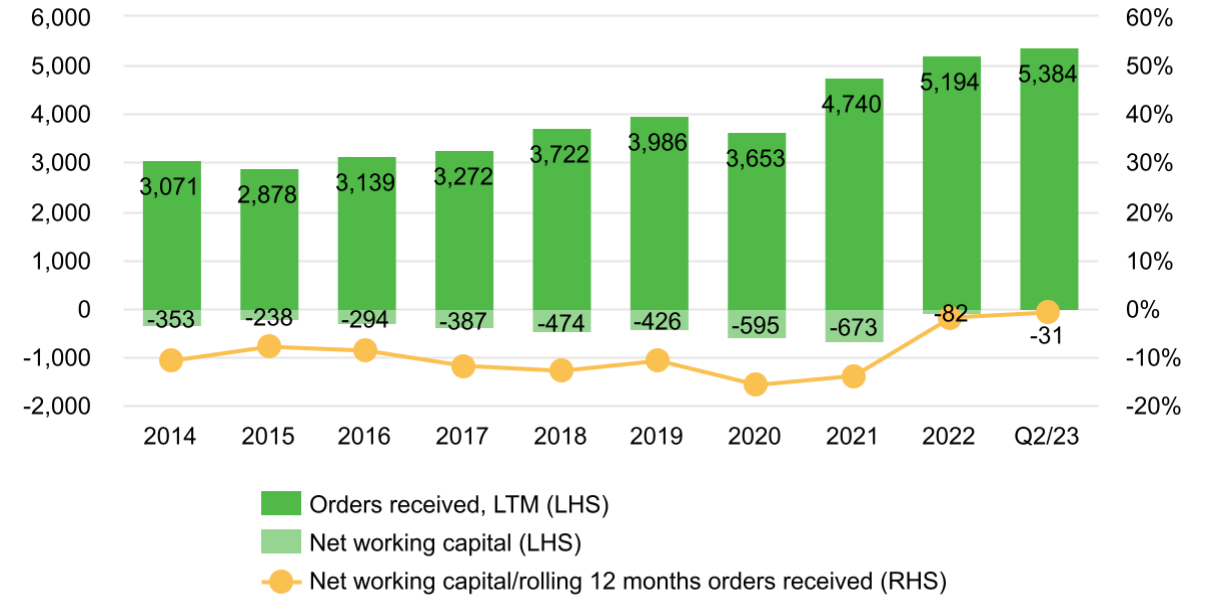
Valmet implemented IFRS 16 – Leases as of January 1, 2019 by applying the simplified transition method, and IFRS 15 – Revenue from Contracts with Customers as of January 1, 2018 by applying full retrospective method. Thus, figures presented are not fully comparable. LTM = Last twelve months.

Cash flow provided by operating activities and net working capital

Cash flow provided by operating activities (EUR million)



Net working capital¹ and orders received (EUR million)



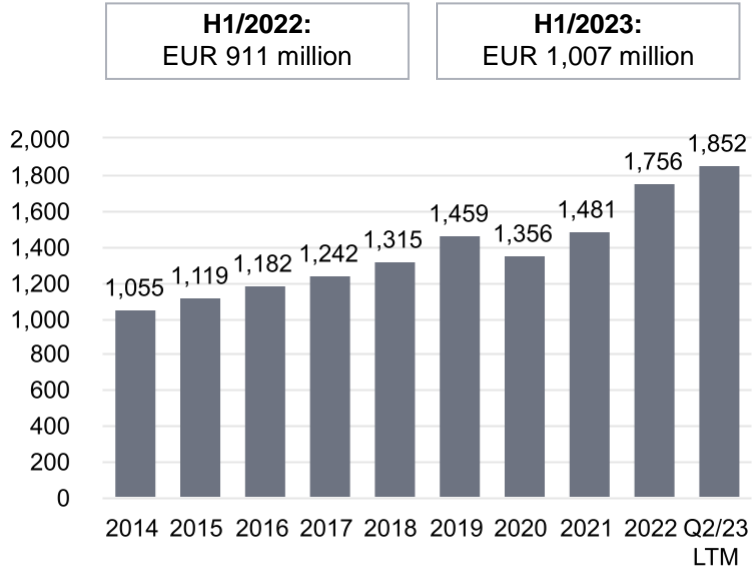
- Cash flow provided by operating activities EUR -37 million in Q2/2023
- CAPEX² EUR 37 million in Q2/2023
- Net working capital¹ EUR -31 million, which equals -1% of rolling 12 months orders received
- Change in net working capital³ EUR -128 million in Q2/2023

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

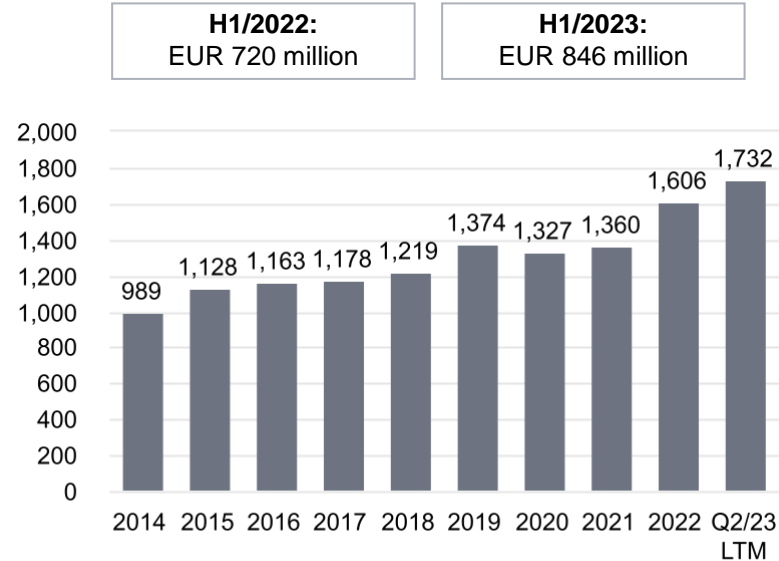
1. Q2/2023 net working capital excludes EUR 120 million non-cash net working capital impact from dividend liability.
2. Excluding right-of-use assets.
3. Change in net working capital in the consolidated statement of cash flows.

Services: Orders received increased to EUR 1,007 million in H1/2023

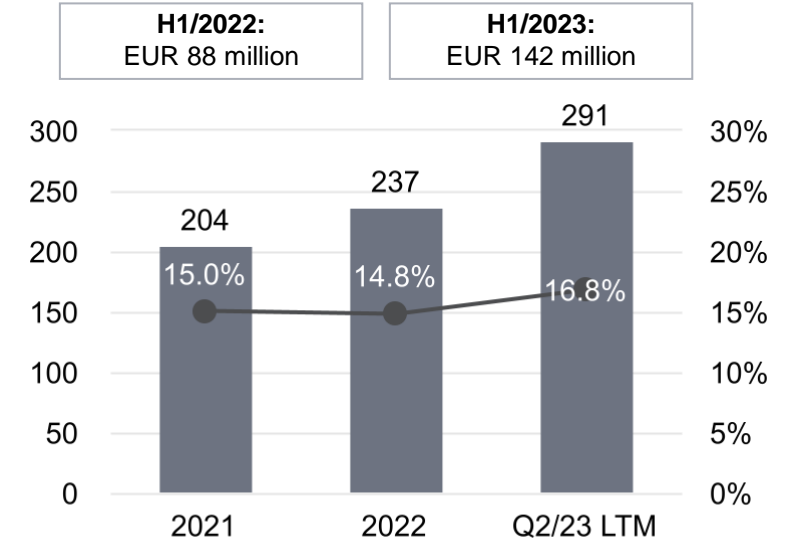
Orders received (EUR million)



Net sales (EUR million)



Comparable EBITA (EUR million and % of net sales)



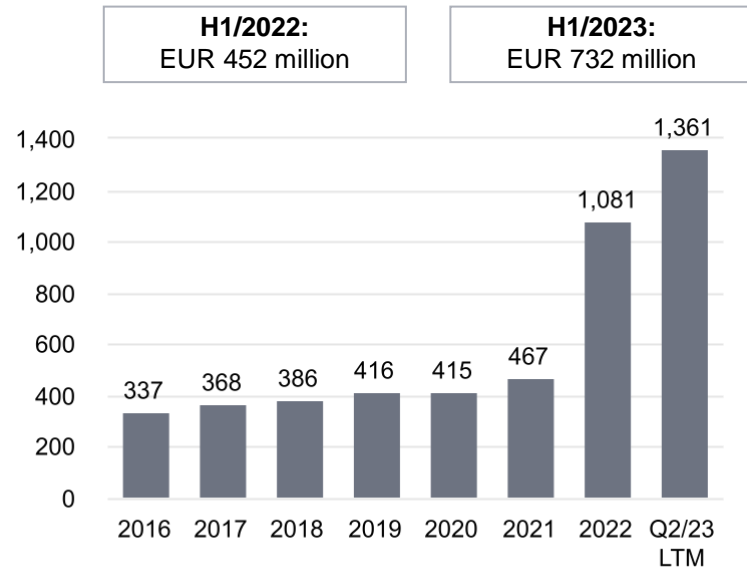
- Orders received increased compared with H1/2022
 - Orders received increased in South America and Asia-Pacific and remained at the previous year's level in all the other areas
 - Orders received increased in Pulp and Energy Solutions and Performance Parts, remained at the previous year's level in Rolls and Fabrics, and decreased in Board, Paper and Tissue Solutions
- Net sales increased compared with H1/2022
- Comparable EBITA increased compared with H1/2022 due to higher net sales
- Services segment was affected by cost inflation, reduced component availability and longer delivery times of certain components in H1/2023



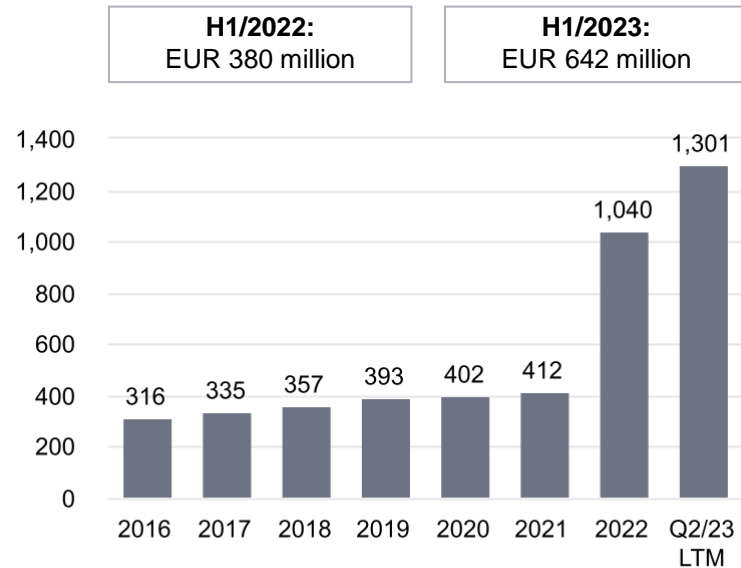
Automation: Orders received increased to EUR 732 million in H1/2023

Automation segment includes Automation Systems and starting from Q2/2022 also Flow Control

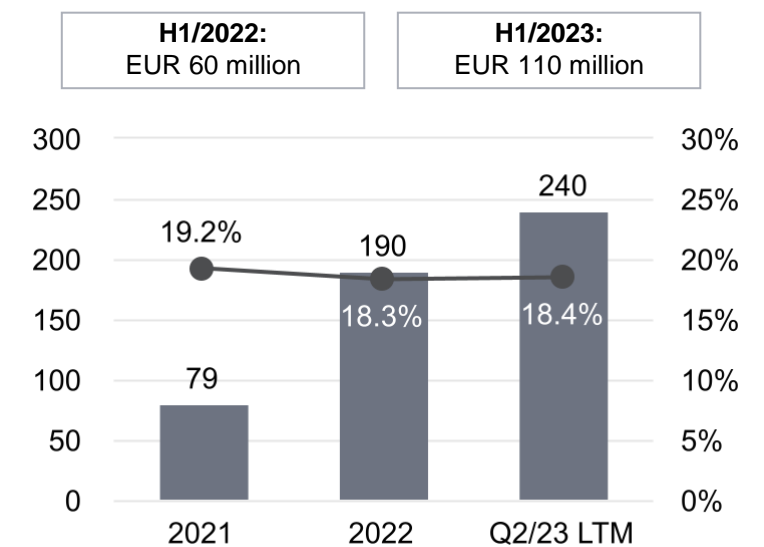
Orders received (EUR million)



Net sales (EUR million)



Comparable EBITA (EUR million and % of net sales)

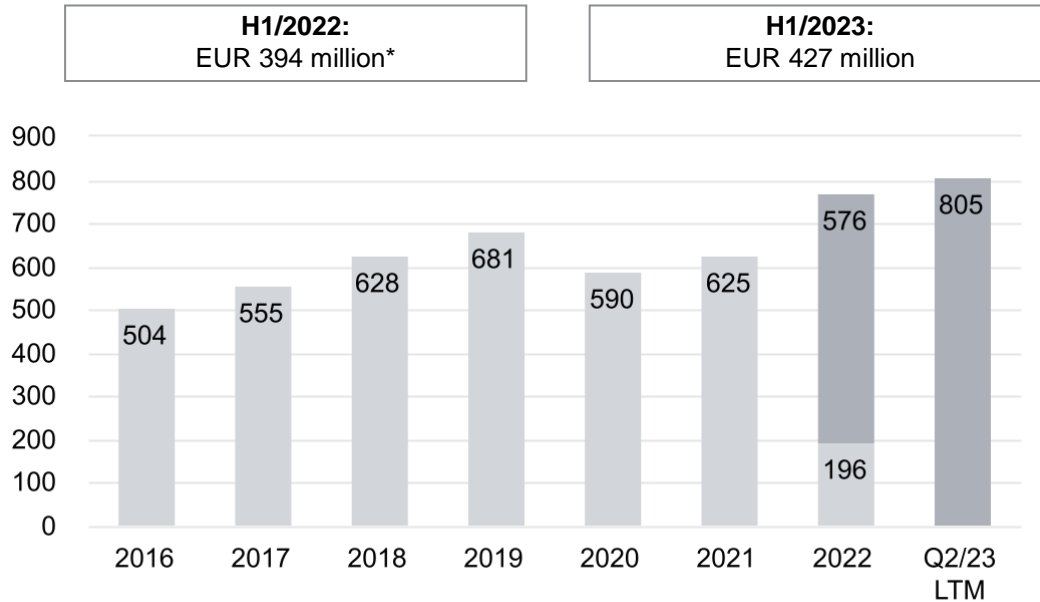


- Orders received increased compared with H1/2022
- Net sales increased compared with H1/2022
- Comparable EBITA increased compared with H1/2022

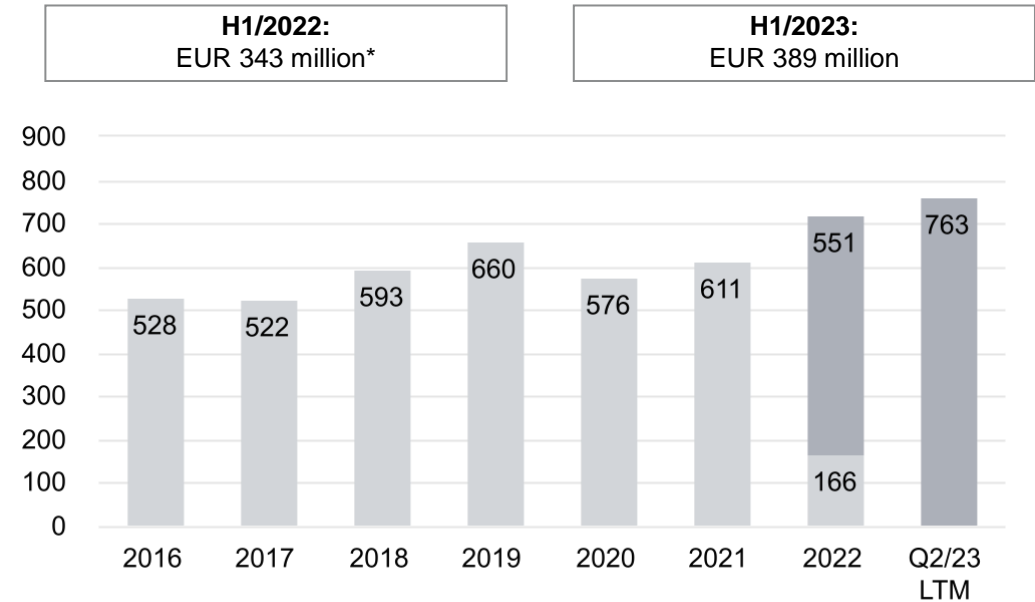


Flow Control: Orders received amounted to EUR 427 million in H1/2023

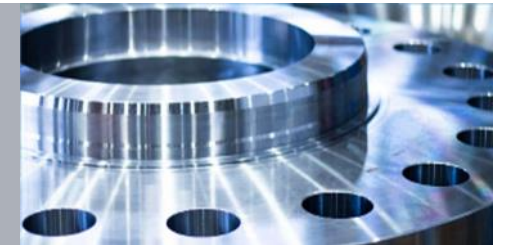
Orders received (EUR million)*



Net sales (EUR million)*



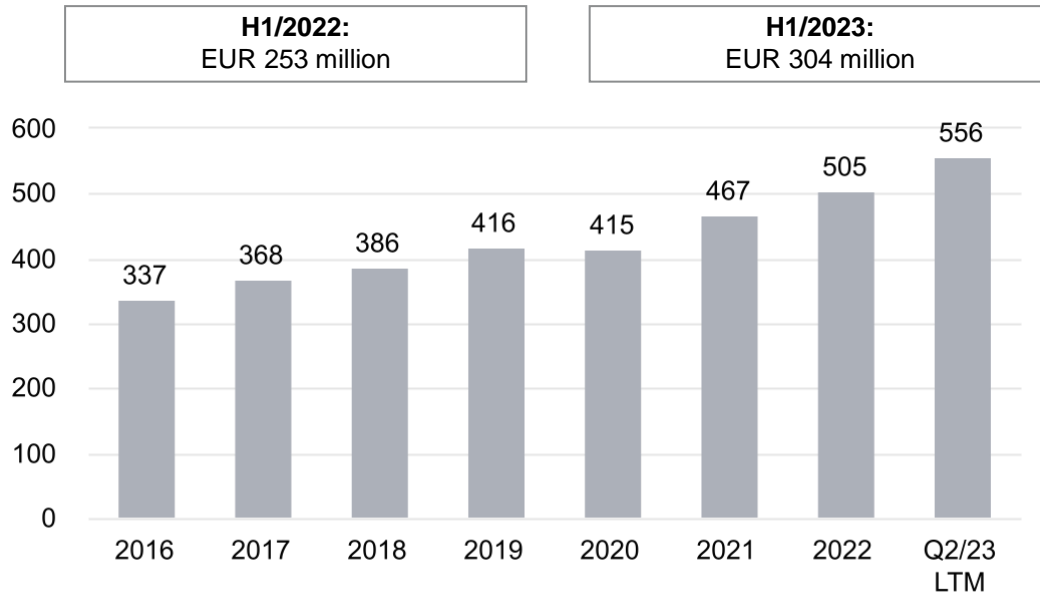
- Orders received amounted to EUR 427 million in H1/2023
- Net sales amounted to EUR 389 million in H1/2023
- Integration of Flow Control into Valmet is proceeding well



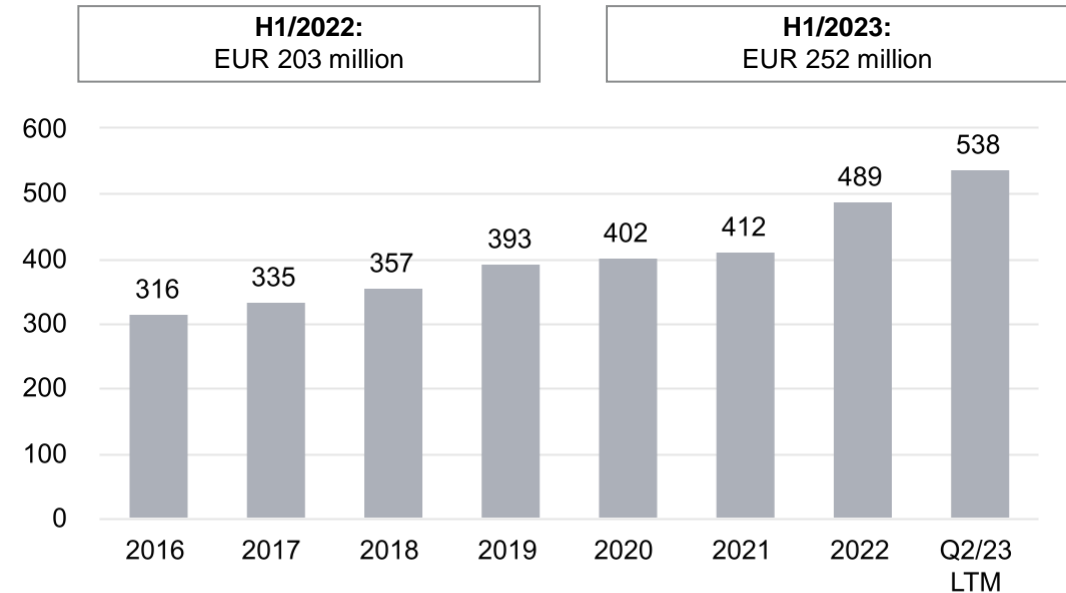
* 2016–2017 financials based on carve-out numbers; 2018–2019 financials based on Metso’s “Continuing operations” as in 2019 annual report; Q1/2020–Q1/2022 financials as reported in Neles’ Q1/2022 interim review. LTM = Last twelve months

Automation Systems: Orders received increased to EUR 304 million in H1/2023

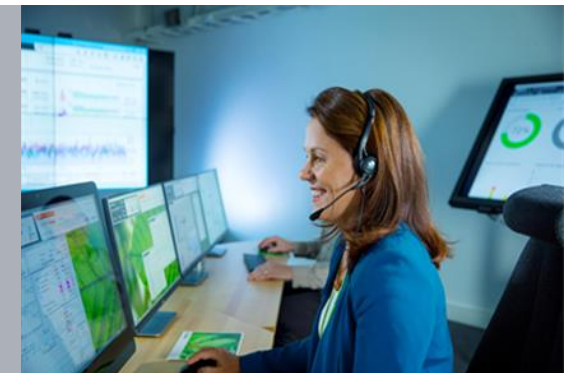
Orders received (EUR million)



Net sales (EUR million)

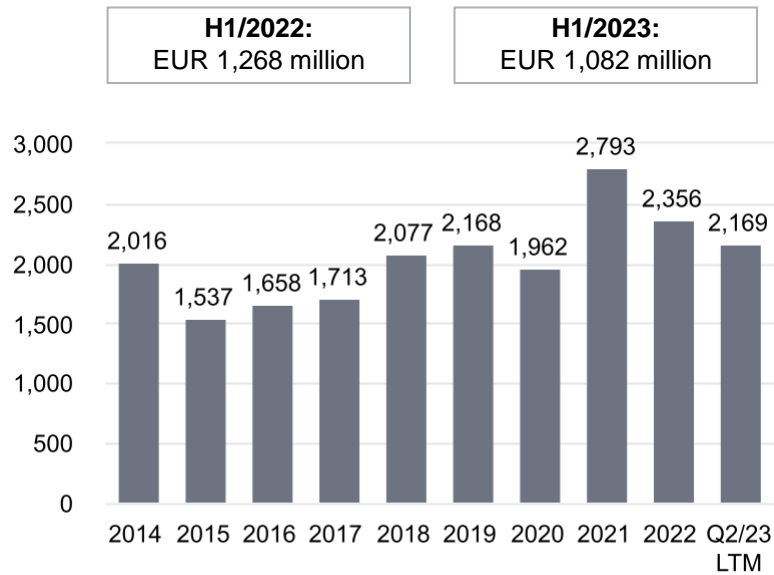


- Orders received increased compared with H1/2022
 - Orders received increased in Asia-Pacific, North America and EMEA and decreased in China and South America
 - Orders received increased in both Pulp and Paper, and Energy and Process
- Net sales increased compared with H1/2022
- Delivery times of certain components were longer during H1/2023

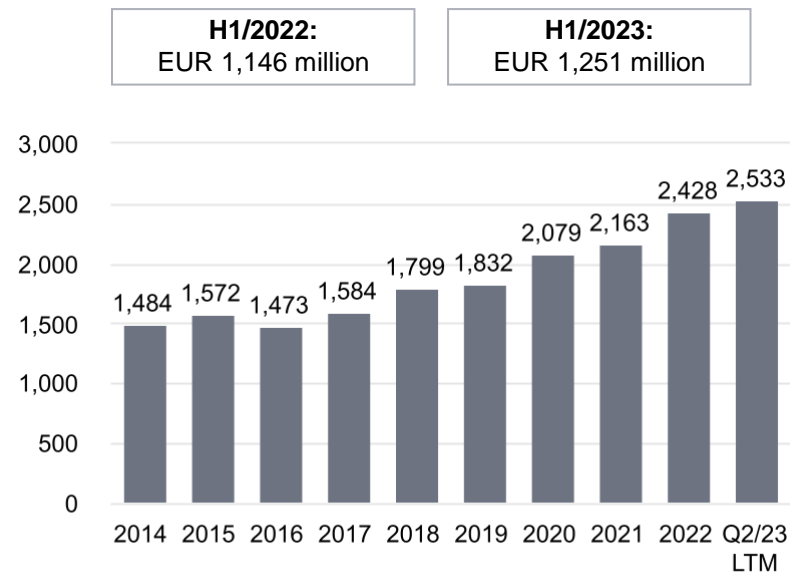


Process Technologies: Orders received decreased to EUR 1,082 million in H1/2023

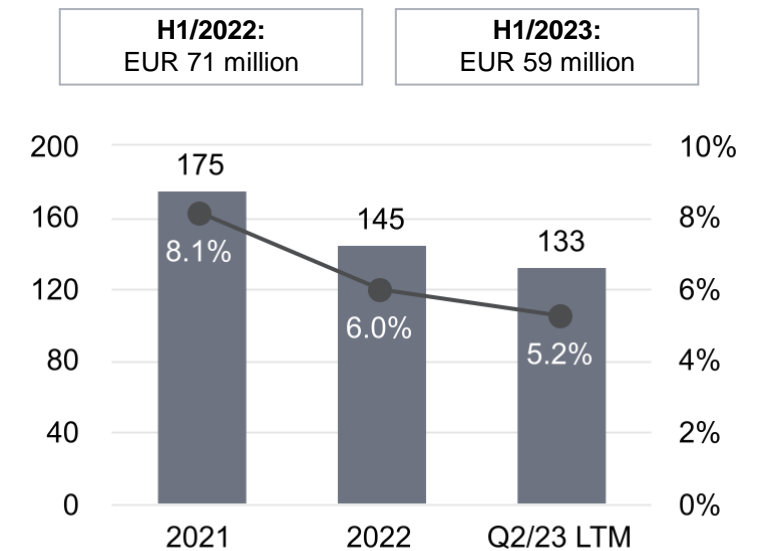
Orders received (EUR million)



Net sales (EUR million)



Comparable EBITA (EUR million and % of net sales)

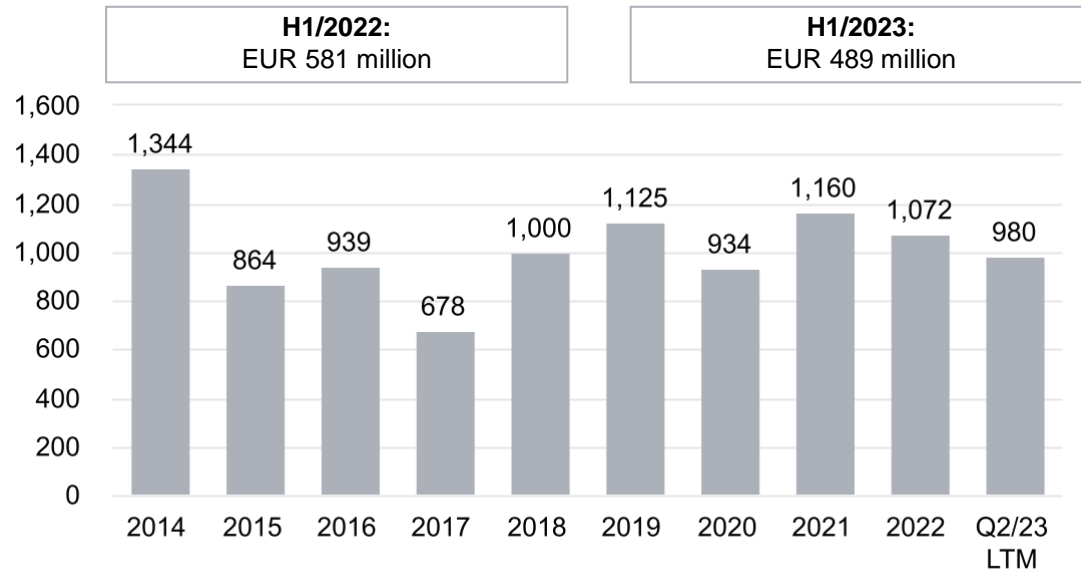


- Orders received decreased compared with H1/2022
- Net sales increased compared with H1/2022
- Comparable EBITA decreased compared with H1/2022, as the margins in some Pulp and Energy projects were impacted by cost inflation

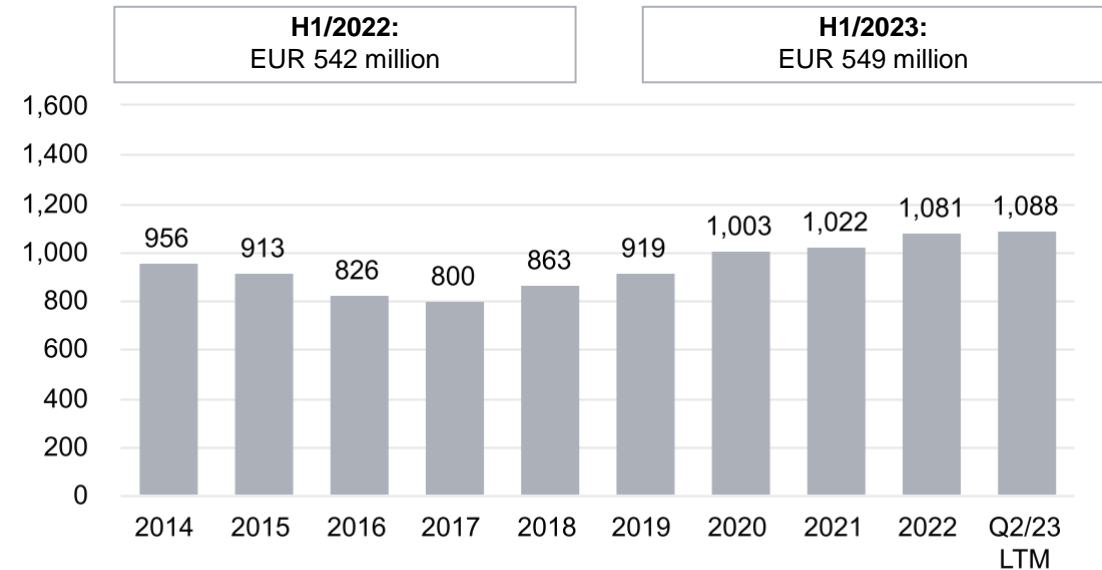


Pulp and Energy business line: Orders received decreased to EUR 489 million in H1/2023

Orders received (EUR million)



Net sales (EUR million)

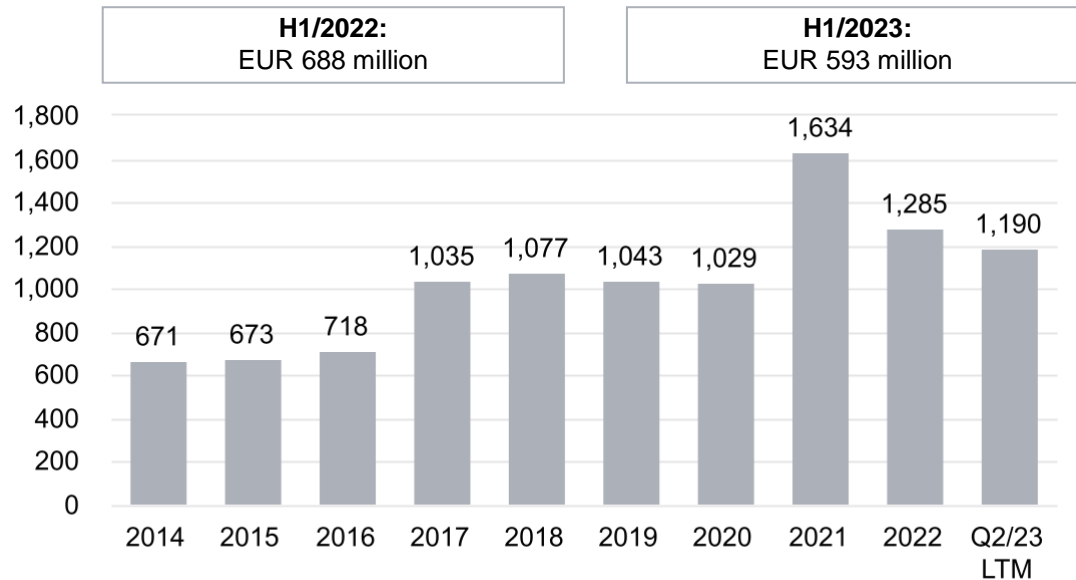


- Orders received decreased compared with H1/2022
 - Orders received increased in China and Asia-Pacific and decreased in North America, EMEA and South America
 - Orders received decreased in both Pulp and Energy
- Net sales remained at the previous year's level compared with H1/2022
- Cost inflation impacted Pulp & Energy's business environment during H1/2023

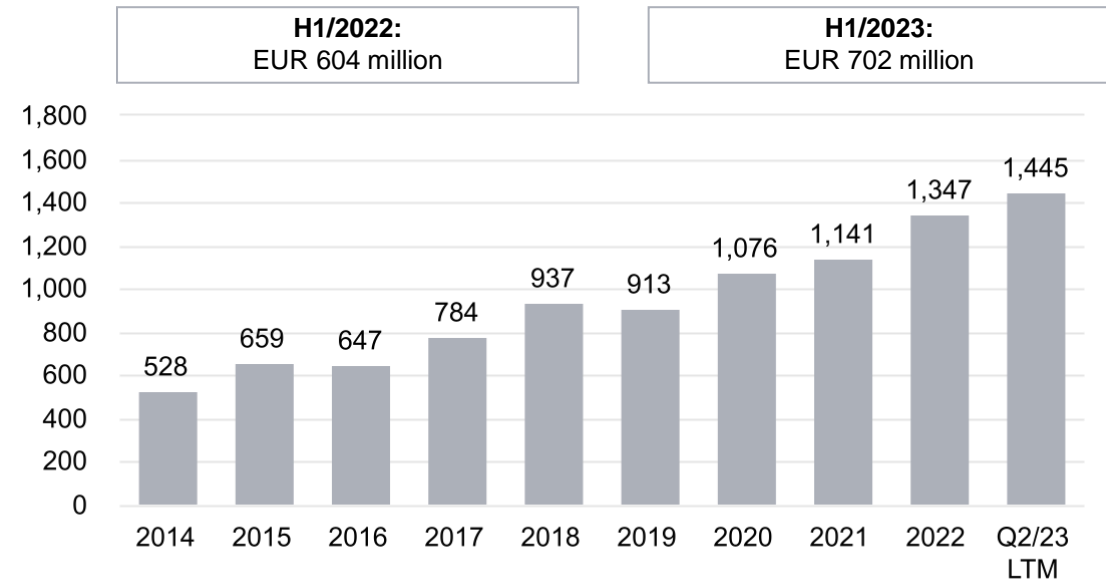


Paper business line: Orders received decreased to EUR 593 million in H1/2023

Orders received (EUR million)



Net sales (EUR million)

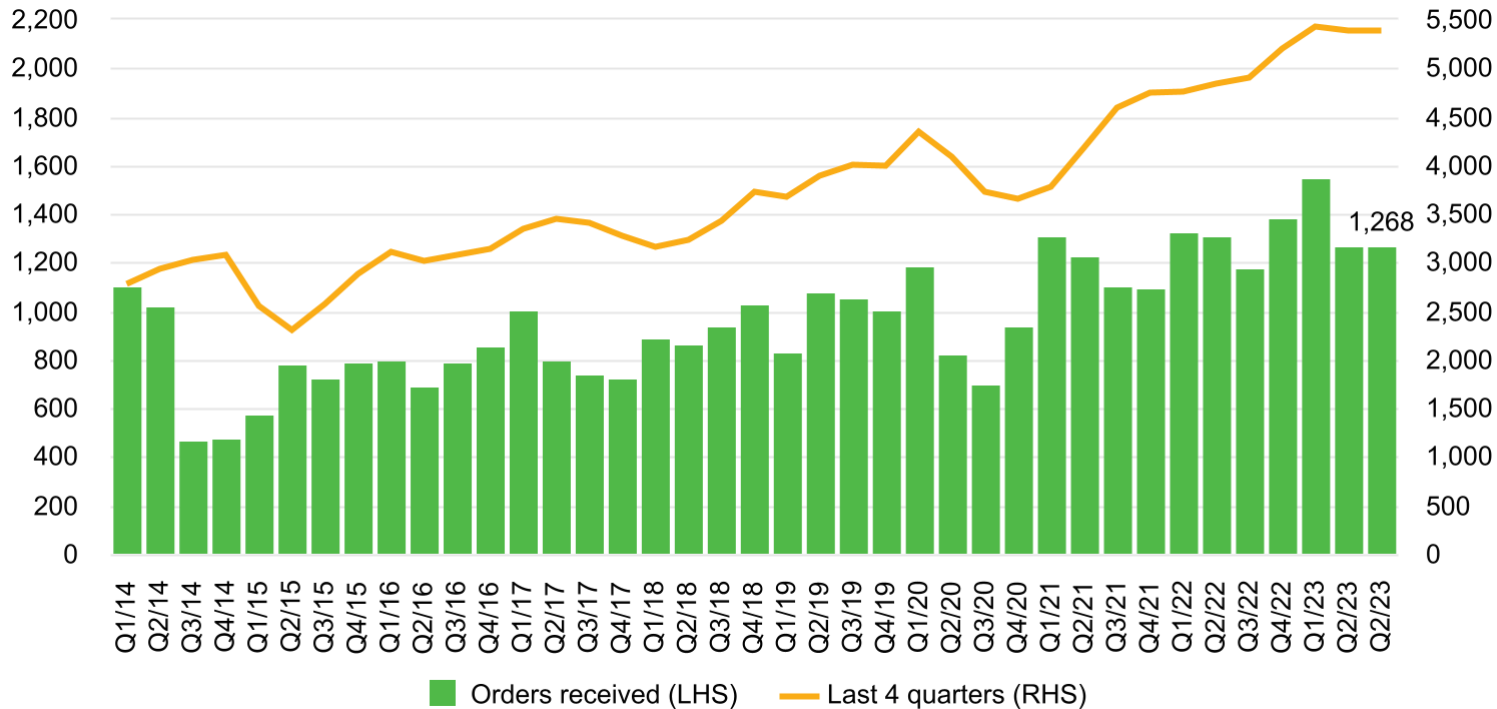


- Orders received decreased compared with H1/2022
 - Orders received increased in Asia-Pacific, North America and South America and decreased in China and EMEA
 - Orders received increased in Small and Medium size Machines and decreased in all other businesses
- Net sales increased compared with H1/2022
- The fire at Rautpohja factory site in Finland in 2022 impacted Paper business line's operations during H1/2023
- The Paper business line has managed the challenges caused by the fire well

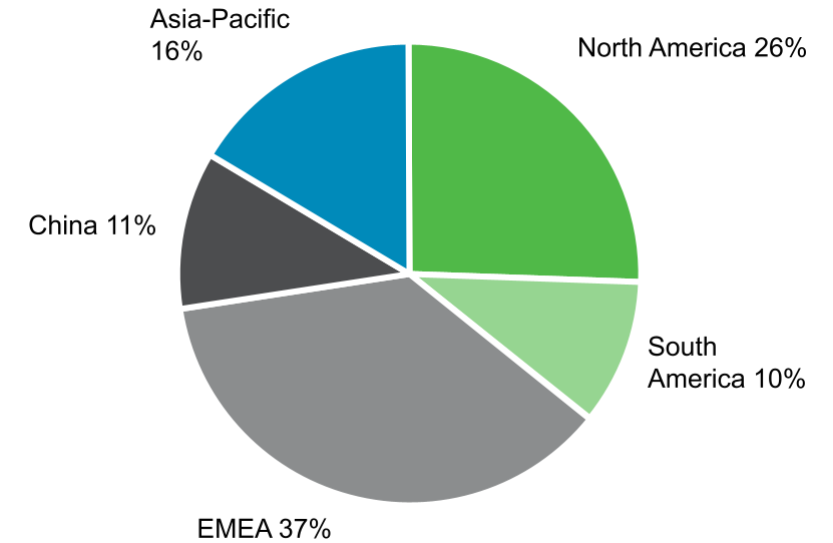


Orders received amounted to EUR 1,268 million in Q2/2023

Orders received (EUR million)



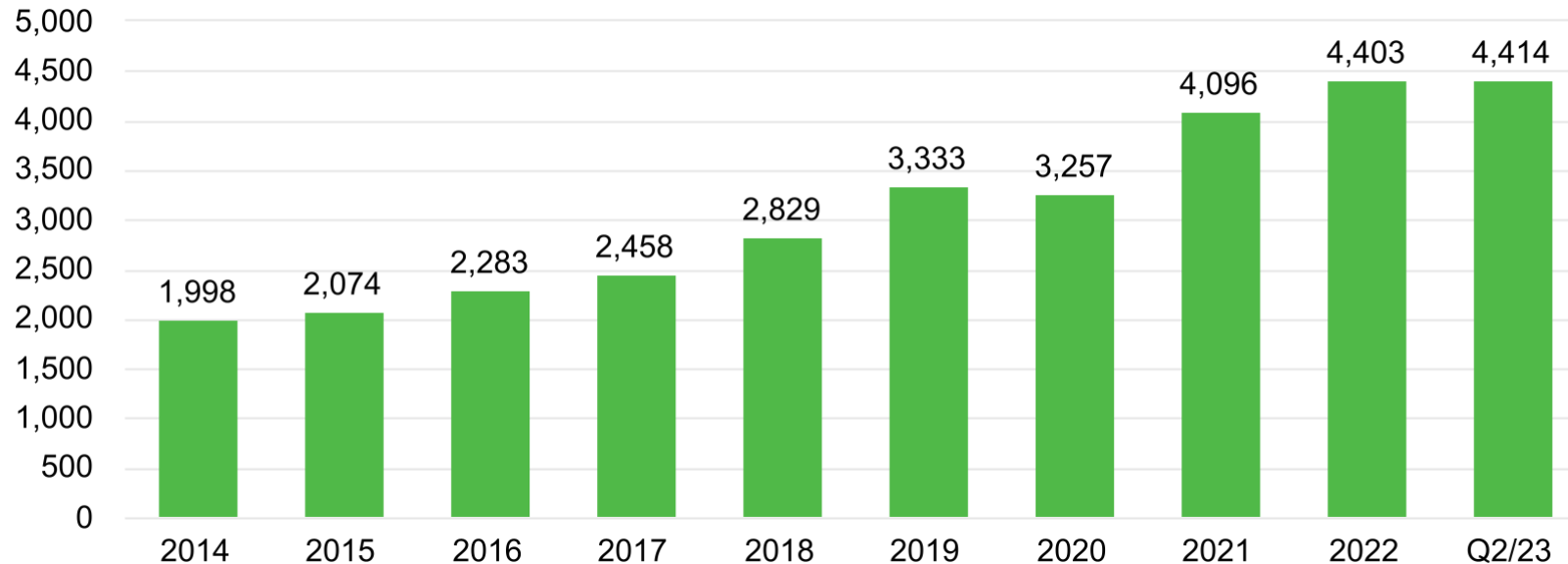
Orders received in H1/2023 by area



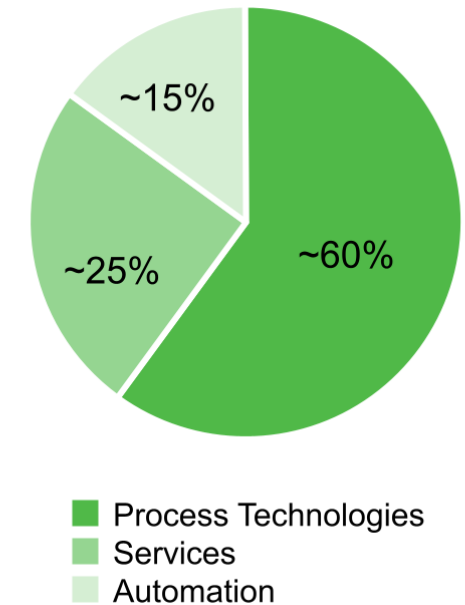
- Orders received increased in Asia-Pacific, South America and North America and decreased in China and EMEA in H1/2023 compared with H1/2022
 - South America, China and Asia-Pacific together accounted for 38% of orders received

Order backlog EUR 4,414 million at the end of Q2/2023

Order backlog (EUR million)



Structure of order backlog by segment



- Order backlog was EUR 11 million higher than at the end of 2022
- Approximately 50% of the order backlog is currently expected to be realized as net sales during 2023 (at the end of Q2/2022, ~50% during 2022)
- Approximately 40% of the order backlog relates to stable business (~35% at the end of Q2/2022)

Announced orders booked in H1/2023

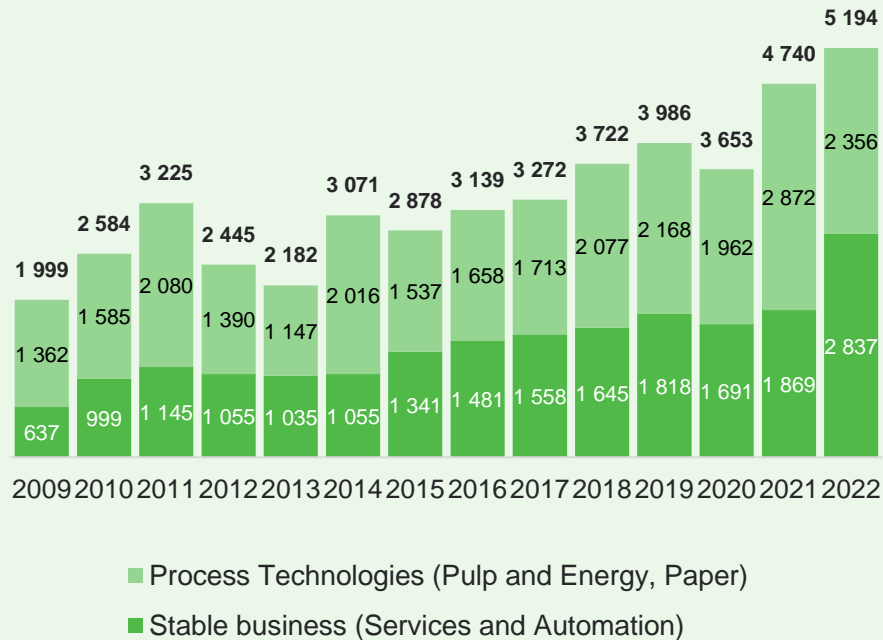
| Booked quarter | Date | Description | Business line | Country | Value |
|----------------|---------|--|--|----------|--|
| Q1 | Feb 23 | Coated board machine to Graphic Packaging International | Paper | USA | Not disclosed, but an order of this type and scope is typically valued at EUR 140–180 million. |
| Q1 | Mar 2 | Tissue line order for Metsä Tissue's new Future Mill project | Paper | Sweden | Not disclosed. |
| Q1 | Apr 25 | Key technologies for Henan Longyuan Paper's testliner line | Paper | China | Not disclosed. |
| Q2 | May 4 | Conversion of Helen Ltd's coal-fired district heat boiler to a pellet-fired BFB boiler at the Salmisaari power plant in Helsinki | Pulp and Energy | Finland | Not disclosed. |
| Q1 | May 8 | Rebuild for ITC's board machine | Paper | India | Not disclosed. |
| Q1 | June 19 | Pulp Technology for DS Smith in Portugal | Pulp and Energy | Portugal | Not disclosed. |
| Q2 | June 1 | Key pulp mill technology to Shandong Huatai Paper's new pulp mill | Pulp and Energy | China | Not disclosed. |
| Q2 | July 5 | Two wash presses to Holmen's mill in Iggesund, Sweden | Pulp and Energy | Sweden | Not disclosed. |
| Q2 | July 19 | High-capacity winder to Gascogne Papier | Paper | France | Not disclosed. |
| Q2 | Aug 28 | Tissue production line to Papel San Francisco | Paper | Mexico | Not disclosed. |
| Q2 | Aug 31 | Key pulp and paper technologies to Naini Papers | Paper, Pulp and Energy, Services, Automation Systems | India | Not disclosed, but a delivery of this size and scope is typically valued at EUR 40–60 million. |

Announced orders booked in H2/2022

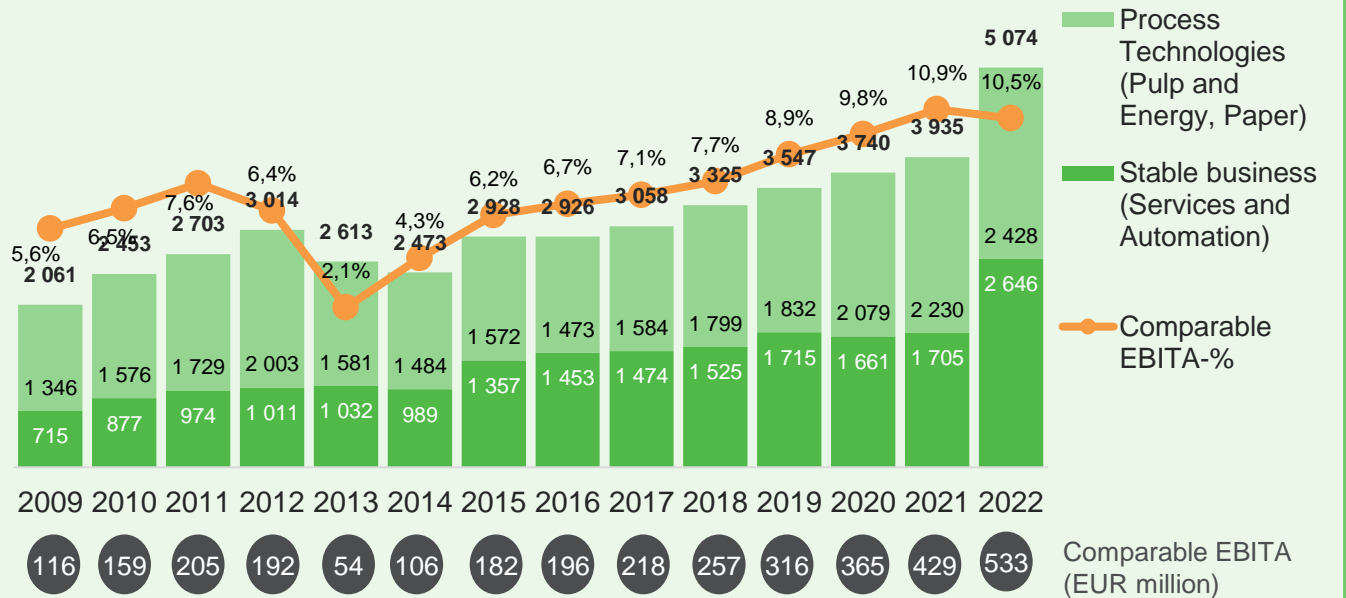
| Booked quarter | Date | Description | Business line | Country | Value |
|----------------|--------|--|-----------------|---------------------|---|
| Q3 | Sep 27 | Key technology for Cheng Loong's new board machine | Paper | Vietnam | Not disclosed, but such an order is typically worth between EUR 20 and 30 million. |
| Q3 | Sep 28 | A coated board making line | Paper | Asia-Pacific region | Not disclosed. However, a project of this size and scope is typically valued at around EUR 140–180 million. |
| Q3 | Oct 24 | Tissue production line to Papel San Francisco | Paper | Mexico | Not disclosed. |
| Q4 | Nov 7 | Pyrolyzer plant to Circa Group's ReSolute project | Pulp and Energy | France | Not disclosed. |
| Q3 | Nov 9 | Rebuild of Koehler Paper's power boilers | Pulp and Energy | Germany | Not disclosed. The joint value of such rebuilds and supply scopes is typically around EUR 20 million. |
| Q4 | Nov 25 | Flue gas condensing process to Vantaa Energy | Pulp and Energy | Finland | Not disclosed, but such an order is typically worth over EUR 15 million. |
| Q3 | Dec 21 | A coating section upgrade with electric heated air dryers to Stora Enso | Paper | Finland | Not disclosed, but the value of deliveries of this type is usually around EUR 5–8 million. |
| Q4 | Jan 9 | Conversion of two coal-fired boilers to enable biomass combustion for Veolia Group's subsidiary in Hungary | Pulp and Energy | Hungary | Approximately EUR 25 million. |
| Q4 | Jan 12 | Cooking, fiberline and evaporation plant rebuild for Andhra Paper Limited | Pulp and Energy | India | Not disclosed. |
| Q4 | Jan 30 | Paper machine rebuild to Sappi North America's Somerset facility | Paper | USA | Not disclosed, but such an order is typically worth between EUR 90 and 120 million. |
| Q4 | Jan 31 | Key technology and automation solutions for the expansion project of Stora Enso's Oulu mill in Finland | Pulp and Energy | Finland | Not disclosed, but a delivery of this size and scope is typically valued at around EUR 75–100 million. |
| Q4 | Mar 27 | New container board making line to DS Smith in Italy | Paper | Italy | |
| Q4 | Mar 31 | Wash press to Holmen Paper AB's Braviken mill | Pulp and Energy | Sweden | Not disclosed. |

Orders received and profitability development, annual

Orders received (EUR million)¹



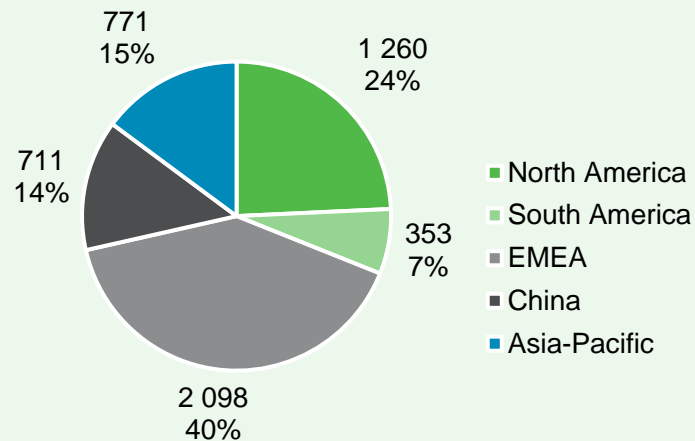
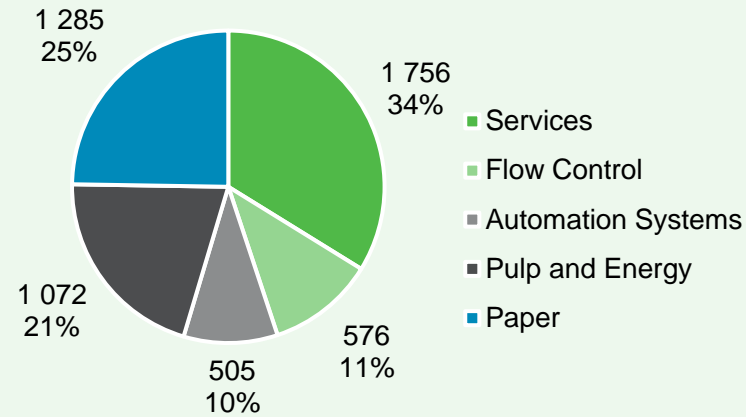
Net sales and Comparable EBITA (EUR million)¹



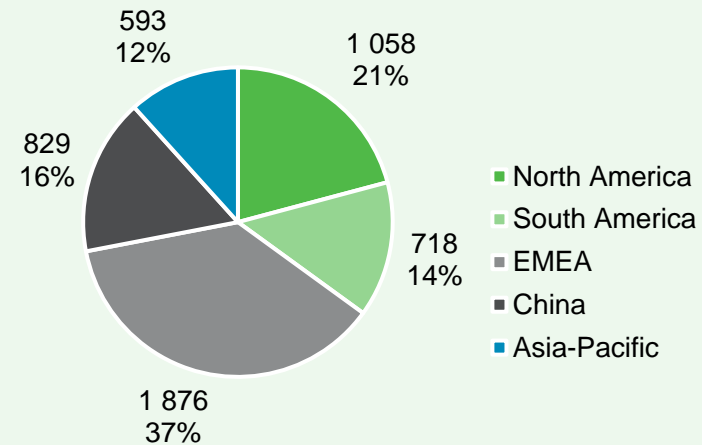
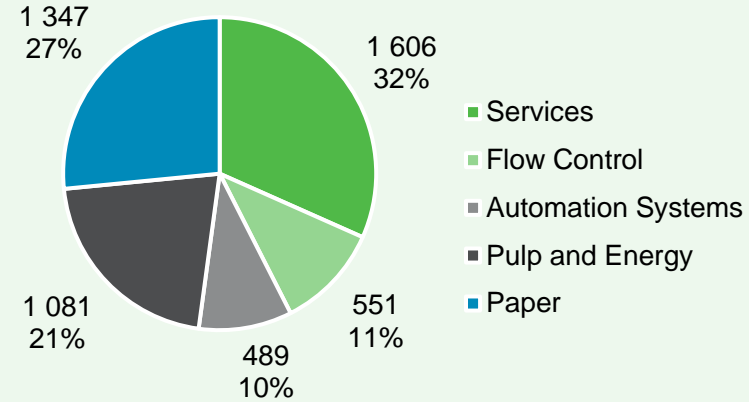
¹⁾ Carve-out figures for 2010-2013; as reported for Metso's Pulp, Paper and Power segment for 2006-2009. Automation: Automation Systems has been consolidated into Valmet's financials since April 1, 2015, and Flow Control since April 1, 2022.

Orders received and net sales split in 2022

Orders received (EUR million and % of total)

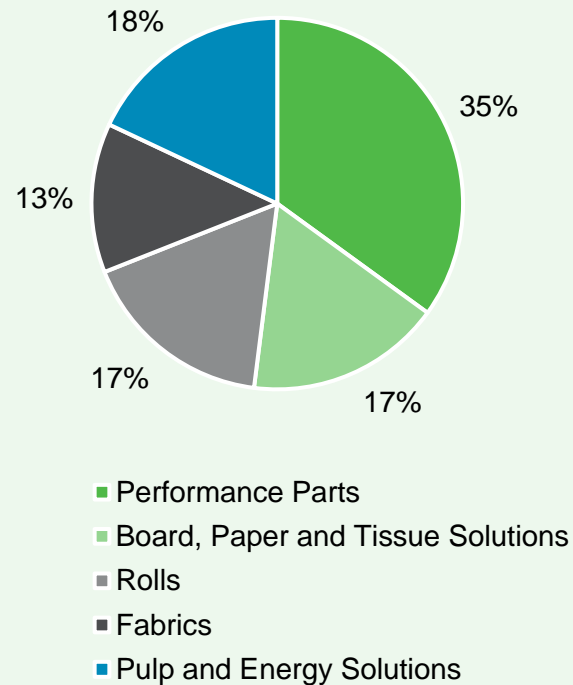


Net sales (EUR million and % of total)

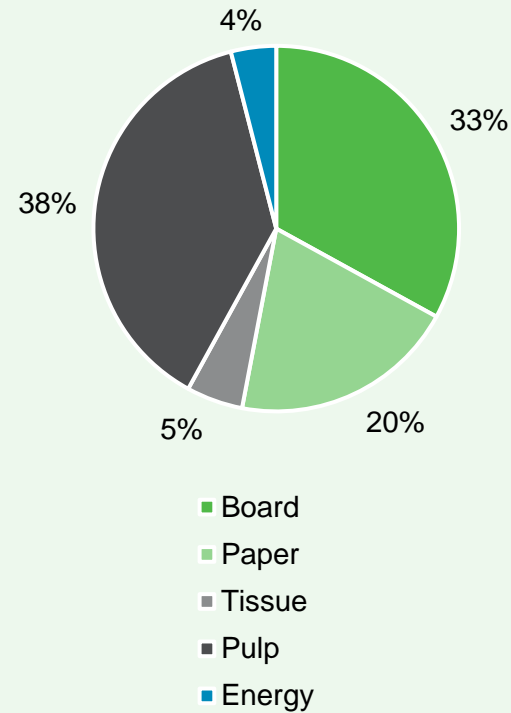


Services segment: Orders received split in 2022

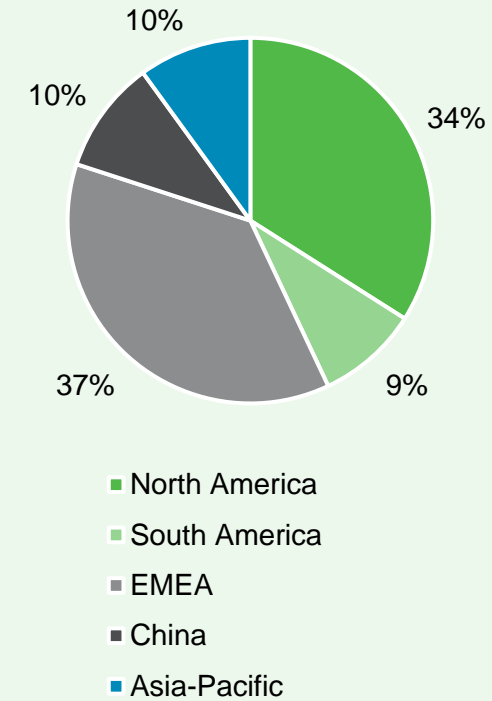
By business unit



By customer segment



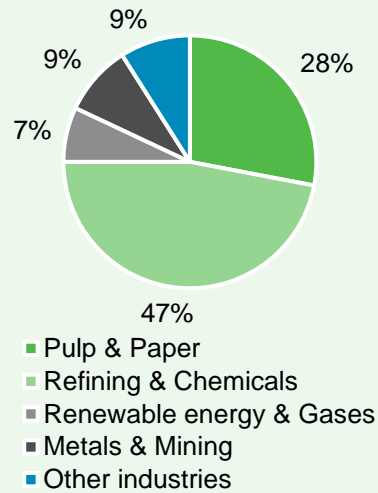
By geographic area



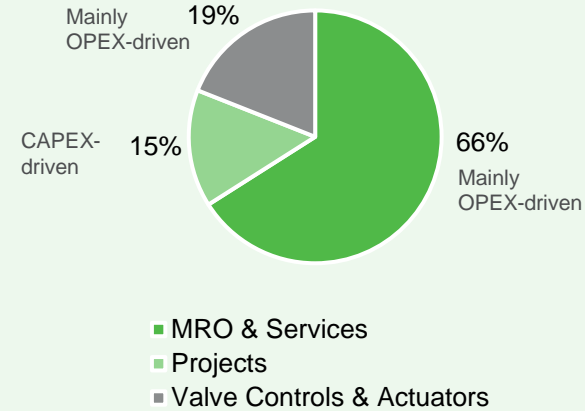
Automation segment: Orders received split in 2022

Flow Control¹

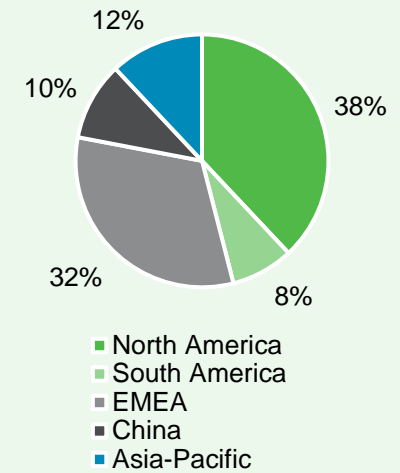
By customer industry



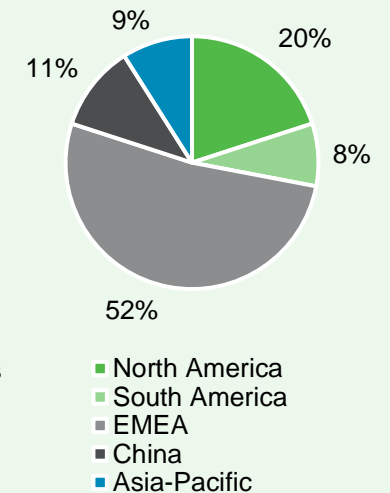
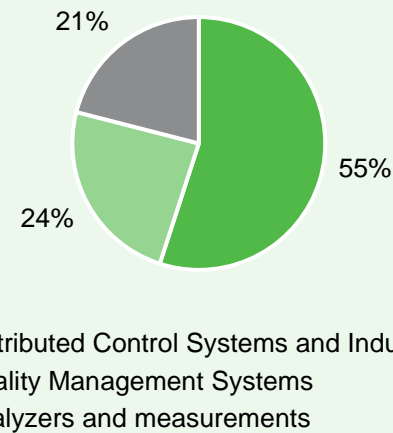
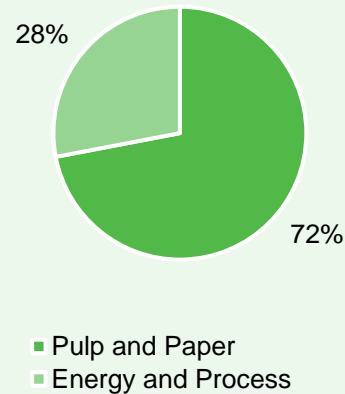
By product



By area



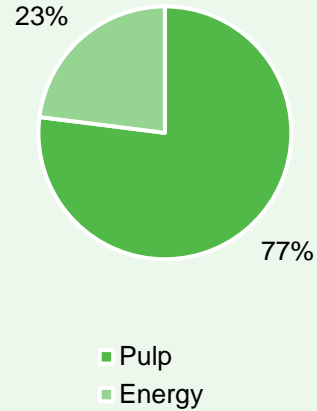
Automation Systems



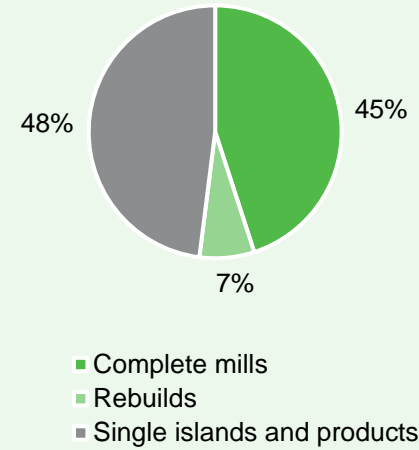
Process Technologies segment: Net sales split in 2022

Pulp and Energy

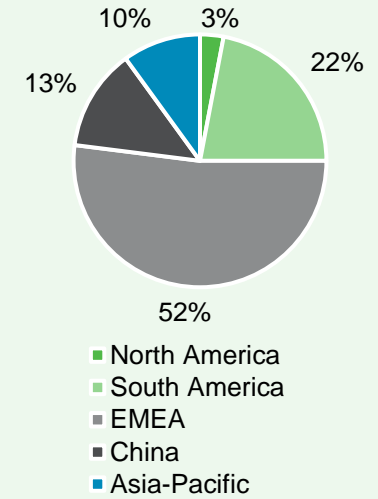
By industry



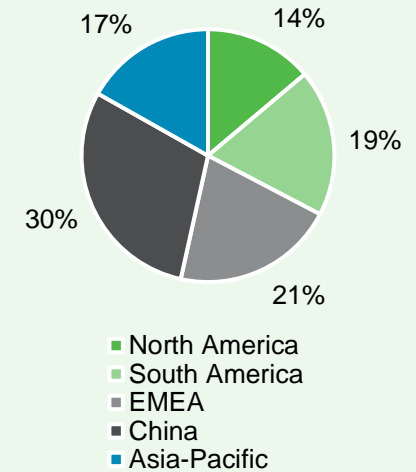
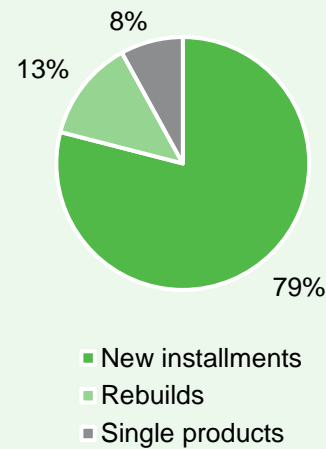
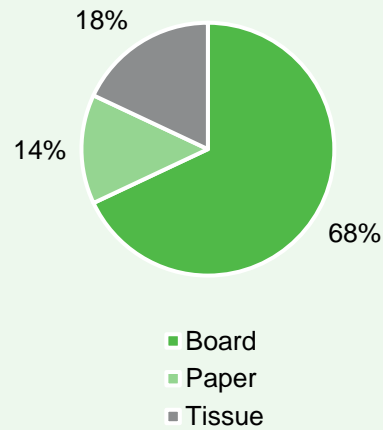
By scope



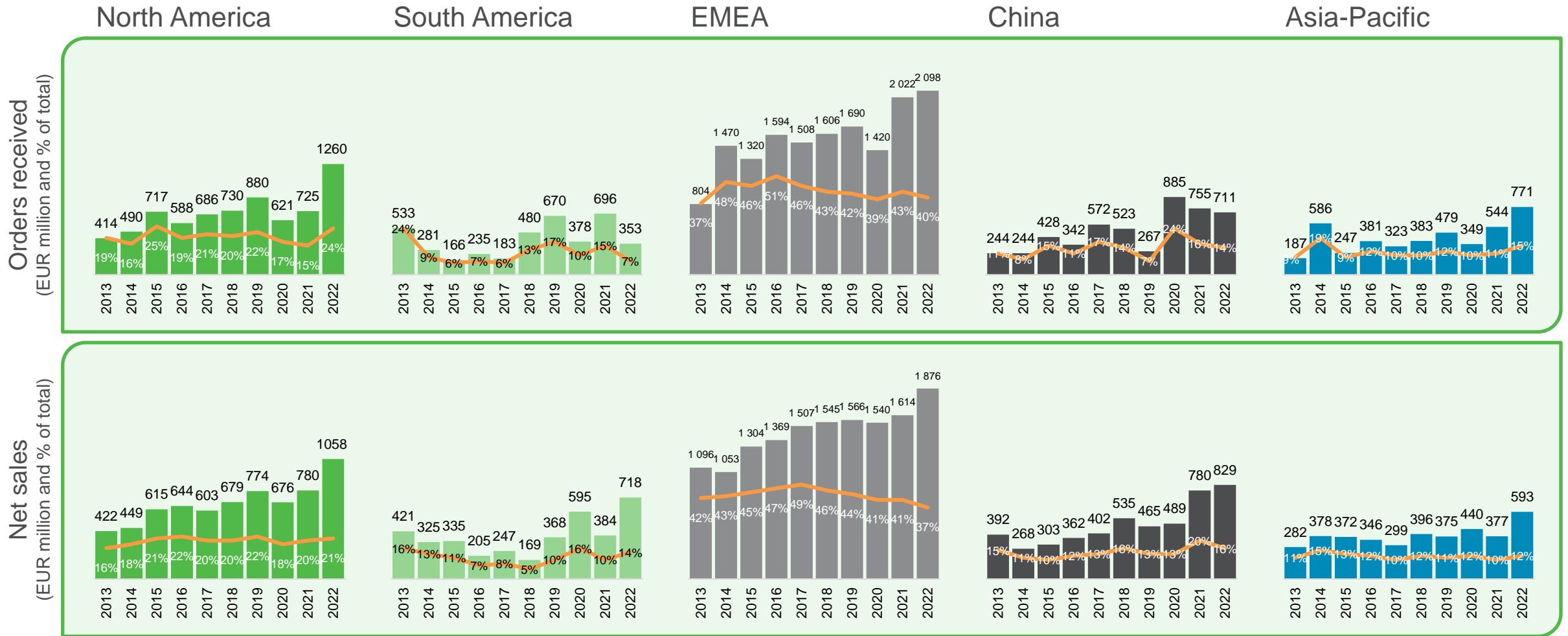
By area



Paper

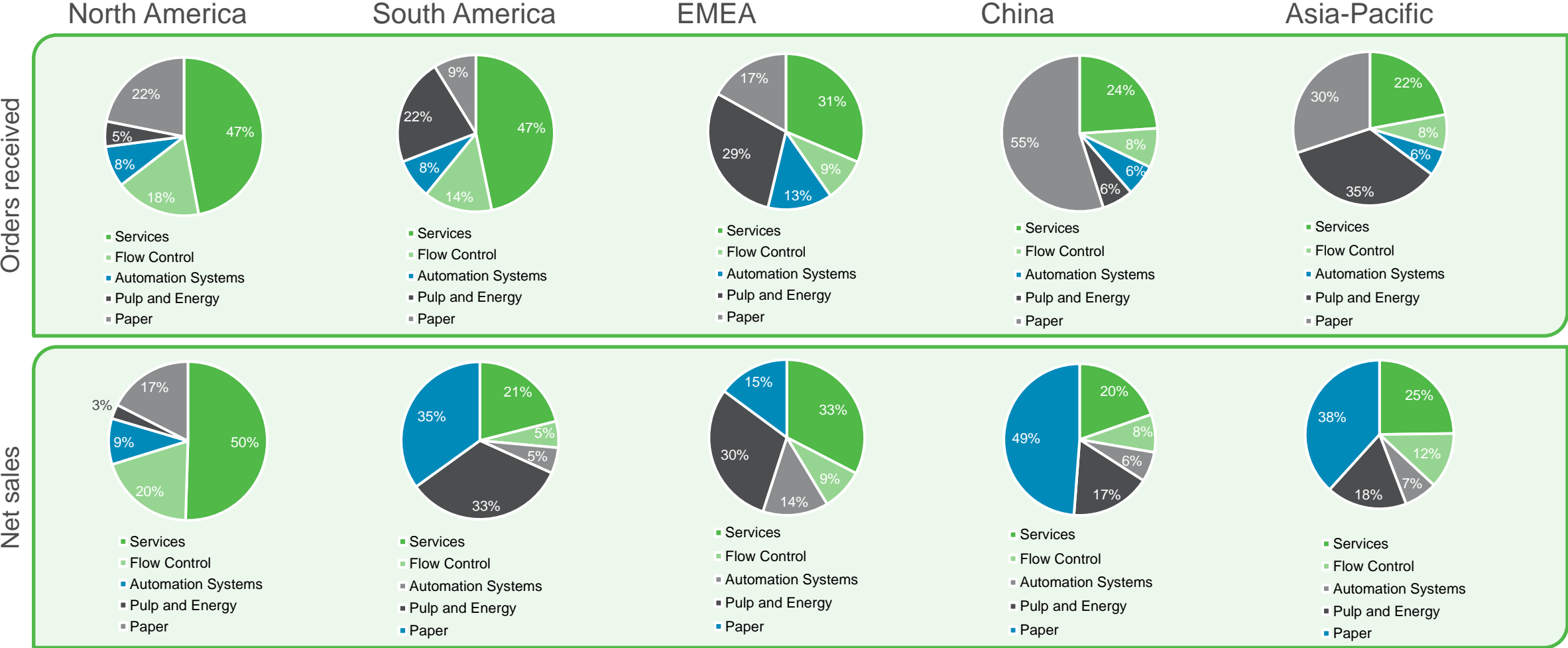


Areas: Orders received and net sales development



2013 figures on a carve-out basis.

Areas: Business line split in 2022



Figures have not been restated.





Appendix

Growth and profitability improvement

Strong track record of net sales growth in all segments

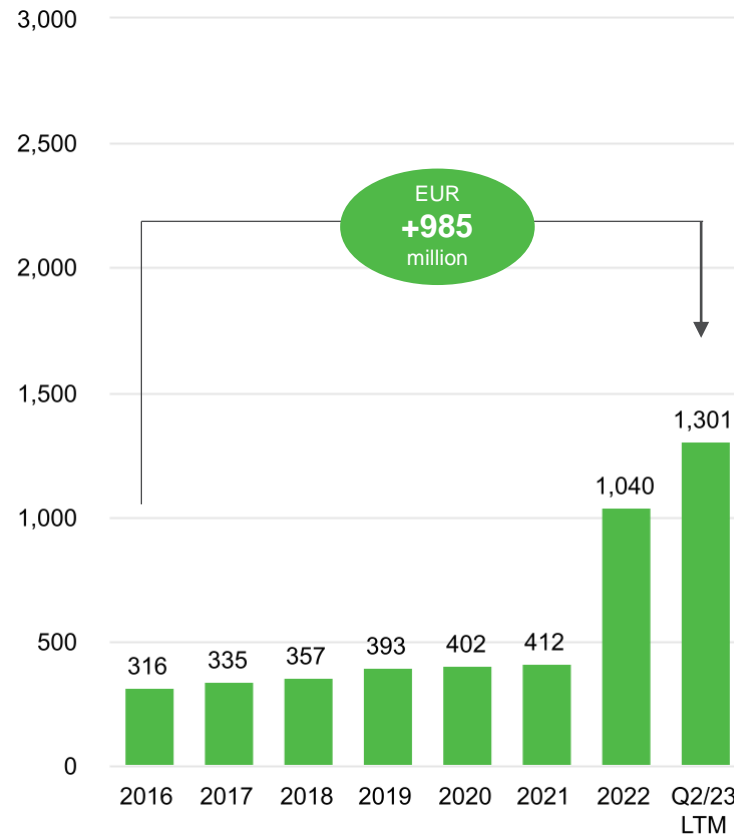
Services

Net sales (EUR million)



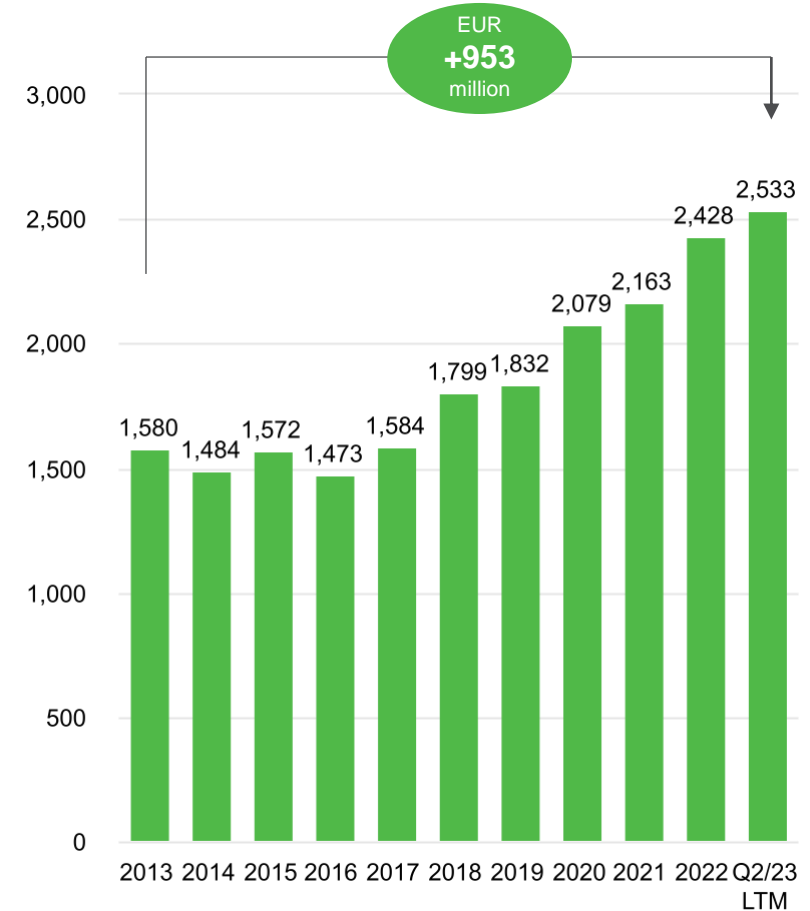
Automation

Net sales (EUR million)



Process Technologies

Net sales (EUR million)



Unique offering to support a growing market

Unique offering

Competitive advantage from the widest offering in the market



Strong market drivers

Process Technologies

- E-commerce and global trade
- Renewable materials replacing plastic packaging
- Conversions from paper to board
- Energy transition and CO₂ neutral energy production
- Energy supply security
- Tightening air emissions legislation and stricter directives

Services

- Large and aging global installed base
- Customers' CO₂ reduction targets
- Energy and resource efficiency
- Productivity and end-product quality
- Digitalization, remote services and industrial internet

Automation

- Automation and digitalization are global megatrends
- Aging machines and installed automation systems
- Demand for raw material savings, process efficiencies and sustainability
- Customers' demands on safety, reliability and emissions

Building Valmet on positive megatrends and strategy of renewal and continuous development

| Demand for bio-based products and energy continues to grow | New growth opportunities | Steadily growing stable business | Strategy |
|---|--|---|--|
| <ul style="list-style-type: none">• The large pulp and paper market is growing and supported by favorable megatrends and sustainability• Energy transition creates a growing market for Valmet's energy offering• Valmet has strong market positions and opportunities to increase market share | <ul style="list-style-type: none">• Future growth possibilities from new sustainable innovations• Growth opportunities in energy and process industries in Automation | <ul style="list-style-type: none">• EUR 3.2 billion stable business with high margin• Stable business has high margins and resilience to market cycles• Large and aging installed base generates a significant market | <ul style="list-style-type: none">• Strong track record of successful acquisitions and possibility to continue to invest in selected acquisitions• Strategy based on building the future systematically with renewal and continuous improvement |

Concrete actions to reach Comparable EBITA target of 12–14% through must-wins

Customer

- Grow stable business over two times the market growth
- Maintain and improve market share in Process Technologies
- Improve price and sales management

Technology

- Leverage strong R&D for new product innovations
- Continue to bring advanced technology to the market
- Improve product cost competitiveness

Processes

- Ensure good project operations to reach a positive margin deviation in projects
- Improve supply chain operations to harvest cost savings
- Manage quality throughout the supply chain to minimize quality costs

People

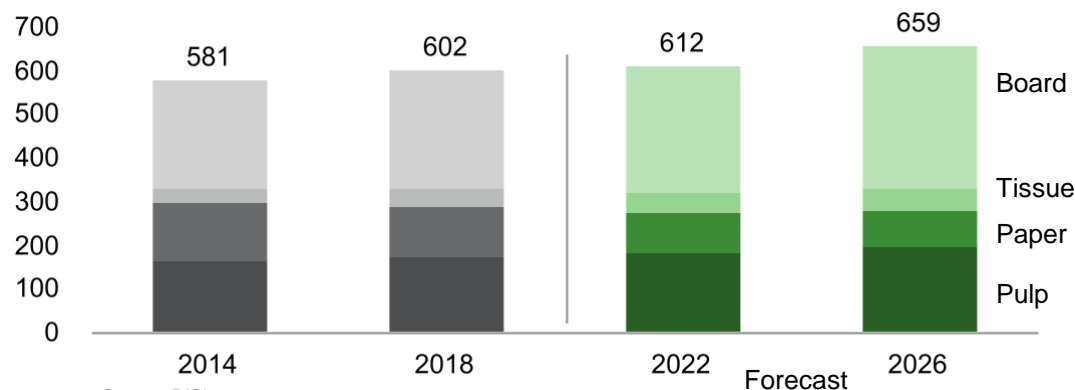
- Increase procurement, production and engineering capabilities in cost-competitive countries
- Utilize global training portfolio to strengthen Must-Win execution

Targeting to increase Comparable EBITA margin in all three segments

Process Technologies segment benefiting from the growing demand for bio-based products and energy

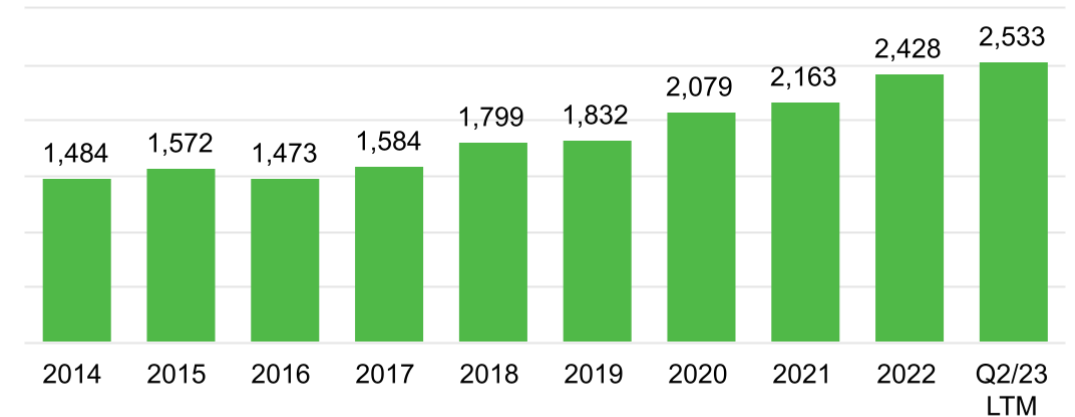
- New pulp and paper capacity is needed as demand for bio-based products continues to grow
- Energy transition creates a growing market for Valmet's energy offering
- Large old and inefficient installed base generates a significant replacement market for Valmet
- Strong business model with large prepayments and low capacity costs
- Comparable EBITA margin 5.2% (Q2/2023 LTM)

Demand for pulp and paper continues to grow (Global demand, Mton)

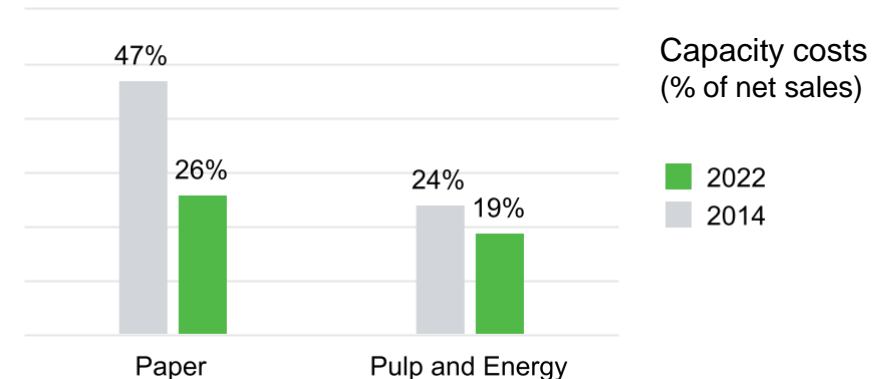


Source: RISI

Net sales (EUR million)



Valmet's operational efficiency has increased



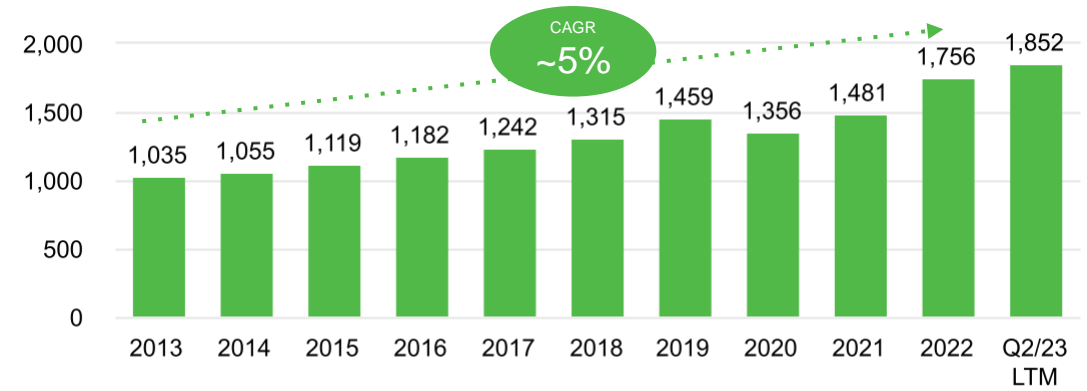
Capacity costs
(% of net sales)

■ 2022
■ 2014

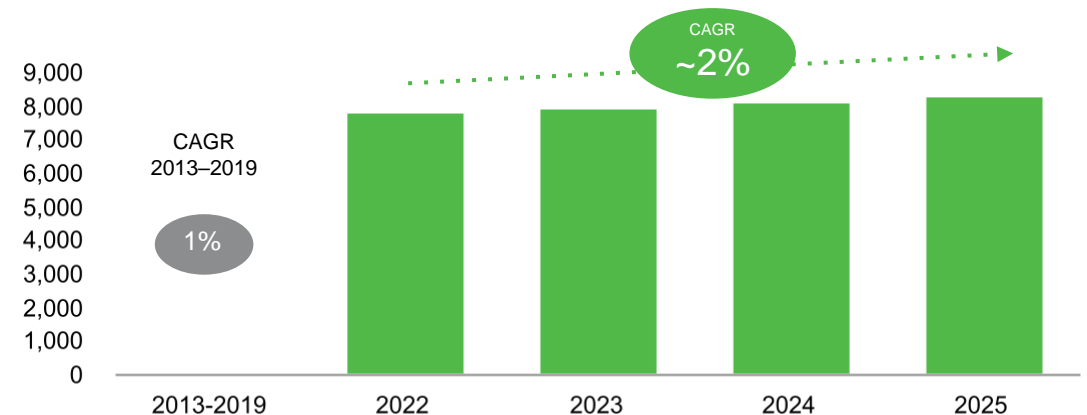
Services segment's demand driven by large and growing global installed base

- Valmet's Services is a growing and recurring business
- Demand driven by large and growing global installed base
- Roughly EUR 8 billion addressable market estimated to grow 2% annually
- Target to continue to grow over two times the market growth
- Competitive advantage from the widest offering in the market
- Strong presence in all market areas covering all key customer corporations
- Solid track record for growth
- Comparable EBITA margin 16.8% (Q2/2023 LTM)

Orders received (EUR million)



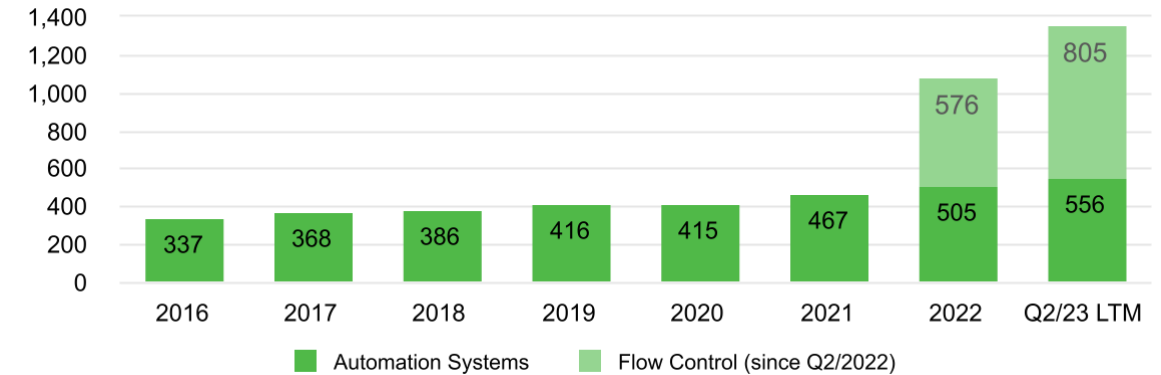
Service market development and estimate (EUR million)



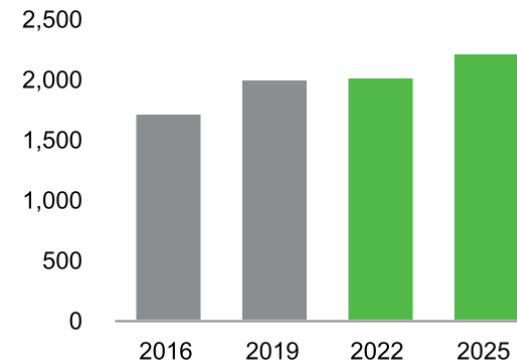
Automation segment with high growth and profitability

- Valmet's Automation is a growing and recurring business
- Large addressable target market estimated to grow ~3% annually
- Target to continue to grow over two times the market growth
- Sustainability, digitalization and targets for operational efficiency drive the market for Automation Systems
- Flow control market for critical valves and valve automation has barriers of entry enabling solid profitability for leading players
- Opportunities to grow outside the core pulp and paper industry organically and through M&A
- Comparable EBITA margin 18.4% (Q2/2023 LTM)

Orders received (EUR million)

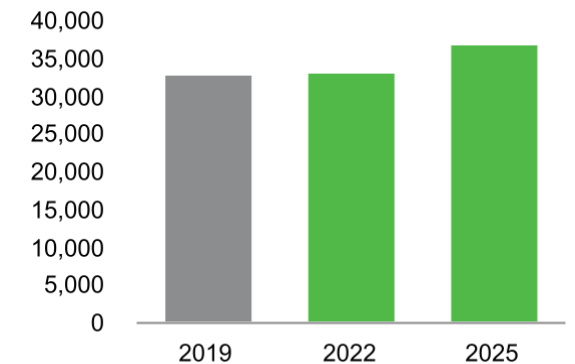


Automation Systems target market (EUR million)



Source: ARC 2021-2026 material

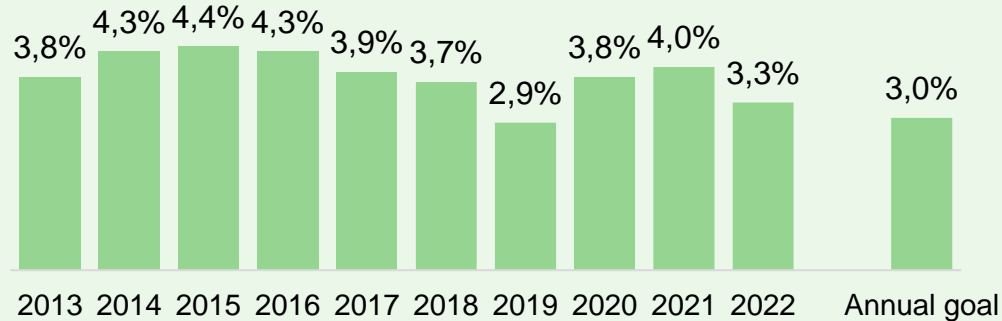
Flow Control market (EUR million)



Source: Frost & Sullivan

Procurement and quality cost development

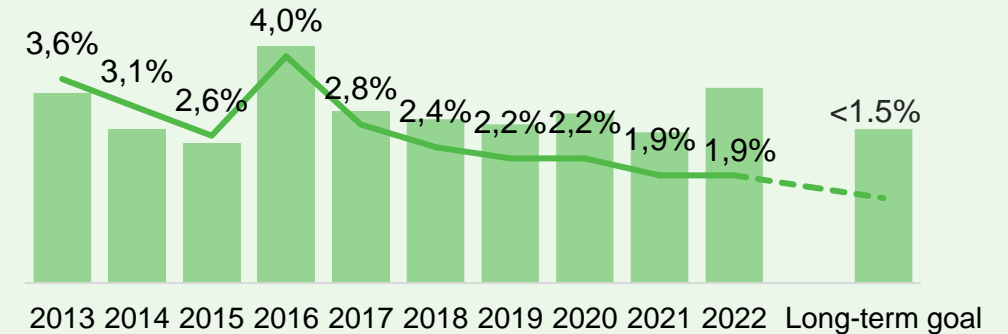
Implemented procurement savings of annual direct spend



Targeting >3% of procurement savings annually

- Increasing local and cost-competitive country purchases
- 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 <1.5% of net sales

- Adding focus on global processes and Global Management System
- Focused quality development projects related to supplier quality, quality assurance and quality control, continuous improvement, audit and risk management

Opportunities to strengthen Services, Automation and Process Technologies segments through acquisitions

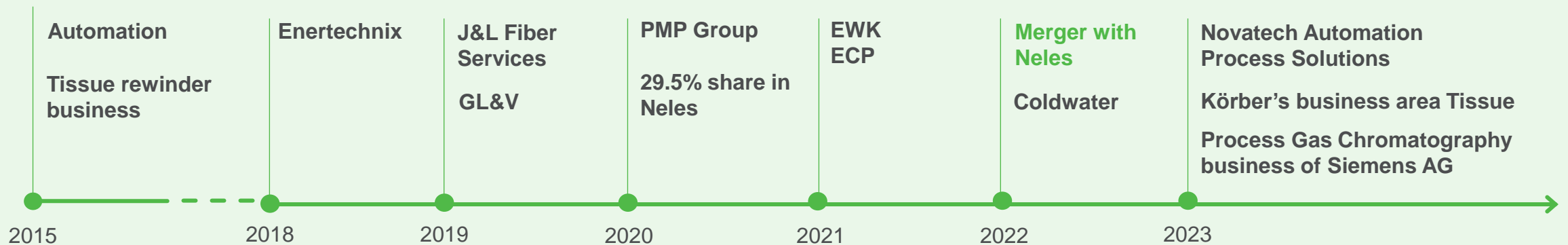
Strong track record of successful acquisitions

- 12 acquisitions made since becoming an independent company in 2014
- Total investment in acquisitions and in the merger with Neles about EUR 2 billion

Acquisition strategy


- Opportunities to strengthen Services, Automation and Process Technologies segments
- Selective acquisitions with a clear industrial logic and synergies
- Targeting to support Valmet in reaching financial targets
- Approximately 50 cases evaluated annually

Track record of successful acquisitions



Merger of Valmet and Neles created a leading company with a unique offering for process industries globally

- Merger of Valmet and Neles was registered and the combination of Valmet's and Neles' business operations completed on April 1, 2022
- Valmet acquired 29.5% of Neles shares in 2020 for EUR 456 million, average price per share was EUR 10.27
- Merger consideration to Neles' shareholders was approximately 34.7 million Valmet shares, amounting to EUR 978 million
- The total cost of Neles' shares acquired by Valmet amounted to EUR 1,434 million
- Valmet's share price at the end of March 31, 2022, was EUR 28.21
- Valmet's number of shares increased to approximately 184.5 million
- Neles' extra distribution before the merger to Neles shareholders was EUR 2.00 per share
- Starting from Q2/2022, Neles is part of Valmet's Automation segment and forms the fifth business line to Valmet, called Flow Control



Appendix
**Shareholders and share price
development**

Largest shareholders on August 31, 2023

Based on indicative data collected by Modular Finance

| # | Shareholder name | Number of shares | % of shares and votes |
|----|--|--------------------|-----------------------|
| 1 | Solidium Oy | 18,640,665 | 10.10% |
| 2 | Oras Invest Oy | 11,500,000 | 6.23% |
| 3 | Swedbank Robur Fonder | 8,268,859 | 4.48% |
| 4 | Varma Mutual Pension Insurance Company | 7,795,983 | 4.22% |
| 5 | Vanguard | 6,036,314 | 3.27% |
| 6 | Ilmarinen Mutual Pension Insurance Company | 5,568,993 | 3.02% |
| 7 | Norges Bank | 5,399,430 | 2.93% |
| 8 | BlackRock | 3,897,430 | 2.11% |
| 9 | ODDO BHF Asset Management | 3,617,569 | 1.95% |
| 10 | Dimensional Fund Advisors | 2,739,844 | 1.49% |
| | <i>10 largest shareholders, total</i> | <i>73,465,087</i> | <i>39.81%</i> |
| | <i>Other shareholders</i> | <i>111,064,518</i> | <i>60.19%</i> |
| | Total | 184,529,605 | 100.0% |

Five latest flagging notifications

| Date of transaction | Shareholder | Number of shares | % of shares and votes |
|---------------------|-----------------|------------------|-----------------------|
| Aug 29, 2019 | BlackRock, Inc. | 7,740,836 | 5.16% |
| Aug 30, 2019 | BlackRock, Inc. | Below 5% | Below 5% |
| Apr 1, 2022 | Solidium Oy | 17,072,199 | 9.25% |
| May 19, 2022 | Solidium Oy | 18,640,665 | 10.10% |
| Dec 16, 2022 | Oras Invest Oy | 9,300,000 | 5.04% |

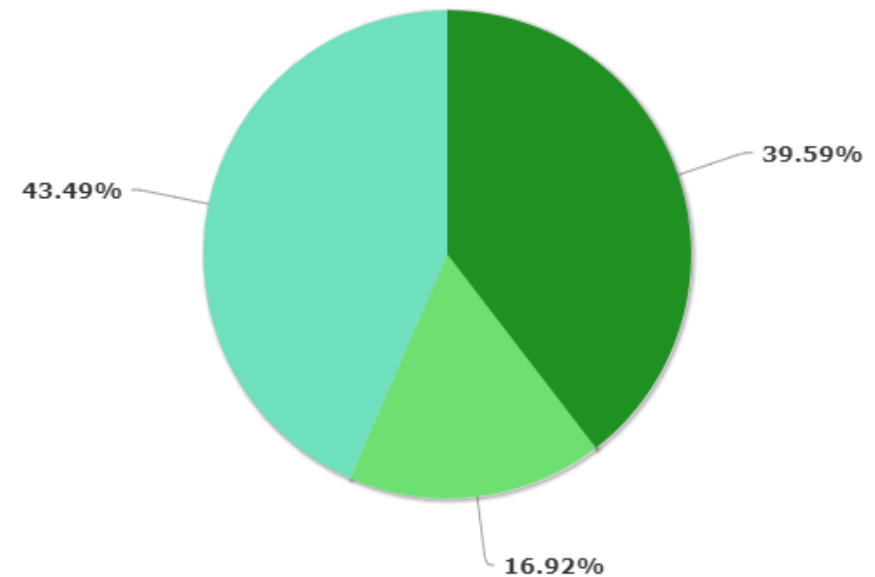
1) Solidium is a holding company that is wholly owned by the Finnish State



Shareholder structure on August 31, 2023

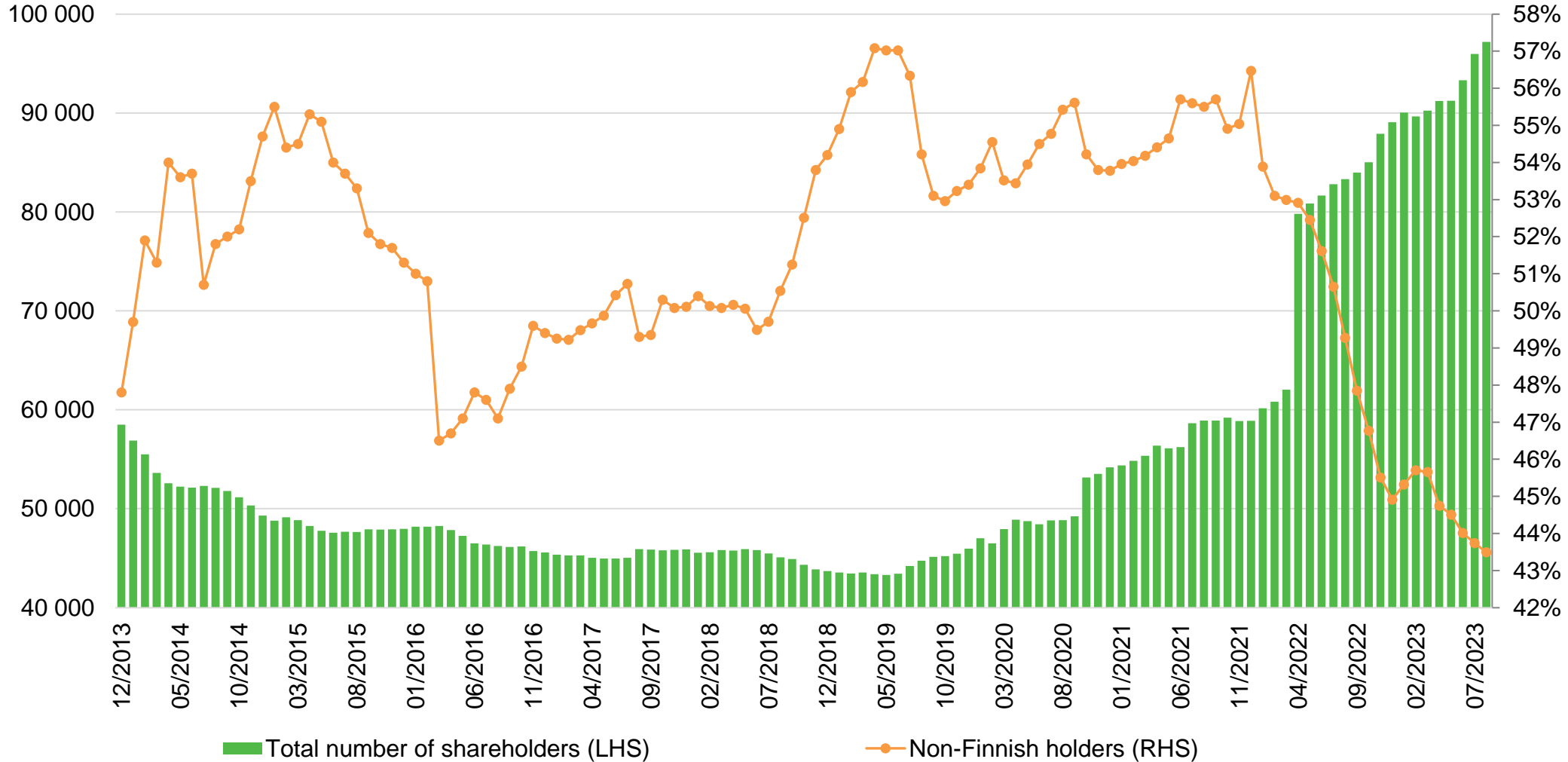
Based on Euroclear data. The classification of sectors determined by Statistics Finland.

| Sector | Shareholders | | Shares | |
|---|--------------|--------|-------------|--------|
| | Number | % | Number | % |
| Finnish institutions, companies and foundations | 4,684 | 4.82 | 73,042,965 | 39.59 |
| Finnish private investors | 92,024 | 94.69 | 31,221,328 | 16.92 |
| Nominee registered and non-Finnish holders | 477 | 0.49 | 80,254,743 | 43.49 |
| Total | 97,185 | 100.00 | 184,519,036 | 100.00 |
| In the joint book-entry account | 0 | | 10,569 | |
| Number of shares issued | 97,185 | | 184,529,605 | |



Share of non-Finnish holders and number of shareholders

At the end of August 2023, Valmet had 97,185 shareholders and 43.5% of the shares were held by investors outside Finland



Valmet share price development

Valmet share price development vs OMXH price index, last 3 years



| Share price during 2023 | Valmet | OMX Helsinki |
|--------------------------|--------|--------------|
| December 31, 2022 | 25.16 | 10,808 |
| Aug 31, 2023 | 23.50 | 9,831 |
| High | 32.99 | 11,409 |
| Low | 21.91 | 9,485 |
| Market cap (EUR million) | 4,336 | |

| | Volume 2023 | % of outstanding |
|---------------------------|-------------|------------------|
| Total | 68,281,166 | 37.1 % |
| Median | 346,658 | 0.2 % |
| Average | 406,436 | 0.2 % |
| Average, EUR | 11,376,570 | |
| Max | 1,819,248 | 1.0 % |
| Min | 119,563 | 0.1 % |
| No. of shares outstanding | 184,161,700 | |

Source: Infront, Nasdaq

Valmet's total shareholder return has outperformed 90% of European industrial companies

Development since January 2, 2014:

- Valmet's total shareholder return has been 449%
- Share price has increased by 370%
- Cumulative dividend payout EUR 5.37 per share
- Valmet's total shareholder return has outperformed 90% of European industrial companies¹
 - Valmet's TSR was in top 90% among 87 large European industrial companies

¹Compared to companies in EURO STOXX Industrial Goods and Services index (based on the composition as of February 28, 2023) during January 2, 2014 – February 28, 2023. Source: Factset.

Valmet's share price has outperformed index

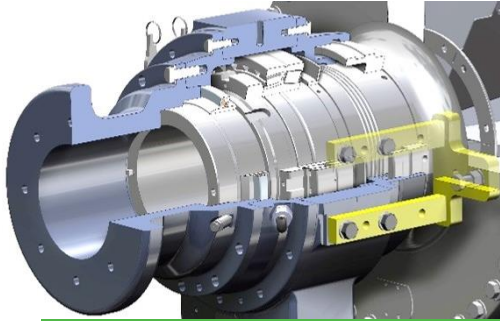


Period: January 2, 2014 – February 28, 2023 Source: Euroland and Bloomberg.



Appendix
Offering

Services: Strong market position with market's widest offering



Performance Parts

- Spare parts
- Consumables

- High-quality spare parts, upgraded parts and retrofits
- Process consumables with process knowledge



Fabrics

- Paper machine clothing
- Filter fabrics

- Application expertise with high-quality clothing
- Various filtration applications and reliable deliveries
- High market share in projects



Rolls and workshop services

- Rolls
- Roll covers
- Roll maintenance
- Workshop services

- Wide geographical workshop coverage
- New competitive products



Board, Paper and Tissue Solutions

- Improvement projects
- Field services
- Lifecycle agreements
- Outsourcing

- Large and growing Valmet installed base
- Process and project execution knowhow
- Strong Field services network
- Strong references



Pulp and Energy Solutions

- Improvement projects
- Field services
- Lifecycle agreements
- Outsourcing

- Large and growing Valmet installed base
- Process and project execution knowhow
- Strong Field services network
- Strong references

Offering

Competitive advantages

Services: Unified way to serve aims at excellent customer experience



We aim to understand customer strategy and needs

- Understanding customer strategy and need through Corporate account management and Mill Teams
- Mill team: Mill Sales Manager and product experts appointed for the mill
- Mill Team having annual targets to grow Valmet's market share at the customer
- One point of contact to customers



Sales actions planned based on customer needs

- Aligning customer targets with Valmet's sales and service actions through annual sales planning
- Over 10,000 actions each year



Continuous collaboration through lifecycle approach

- Right combination of services for every stage in the lifecycle
- Delivery by products, agreements, projects



High customer satisfaction

- Customer satisfaction measured with Net Promoter Score (NPS)
- NPS target 70%
- Detractor comments leading to fast corrective actions

Flow Control: High-quality product portfolio for valve and valve automation needs



Valve controllers

- Valve controllers for control and on-off valves
- Intelligent safety solenoids
- Limit switches

Actuators

- Pneumatic actuators
- Hydraulic actuators
- Electric actuators

Valves

- Control valves
- On-off valves
- ESD valves

Flow Control market position¹

2–3

5–7

~10

Automation Systems: High technology and competitive offering



Distributed Control Systems (DCS)

- Highly integrated, renewing Valmet DNA Automation System for process control, monitoring and applications for different industries
- Automation services and Industrial internet solutions



Quality Management Systems (QMS)

- Valmet IQ Quality control system for pulp and paper
- Quality management applications to optimize resource usage and quality
- Automation services and Industrial internet solutions



Analyzers and Measurements

- For measuring and optimizing different variables in industrial processes
- Automation services and Industrial internet solutions

Offering

Competitive advantages

- Integrated, industrial internet ready automation platform with wide application offering for focus industries
- User experience focused web-based user interface with secure access
- Future-proof technology - lifetime compatibility

- World's widest offering in quality management for board and paper
- Integrated to automation platform
- Quality optimization across the value chain all the way from fibers to finished product (e.g., carton board boxes)

- World's widest and most trusted offering for pulp and paper
- Measurements to adjacent markets like wastewater
- Unique combination of advanced process controls and optimization: a solid base of data for mill-wide optimization

Automation Systems: Customers investing in improving their operations

Real-time & predictive control and optimization

5. Optimization Applications
Optimized production of the entire mill, plant or fleet

3. Analyzers & Measurements, Valves
Process data for control and optimization

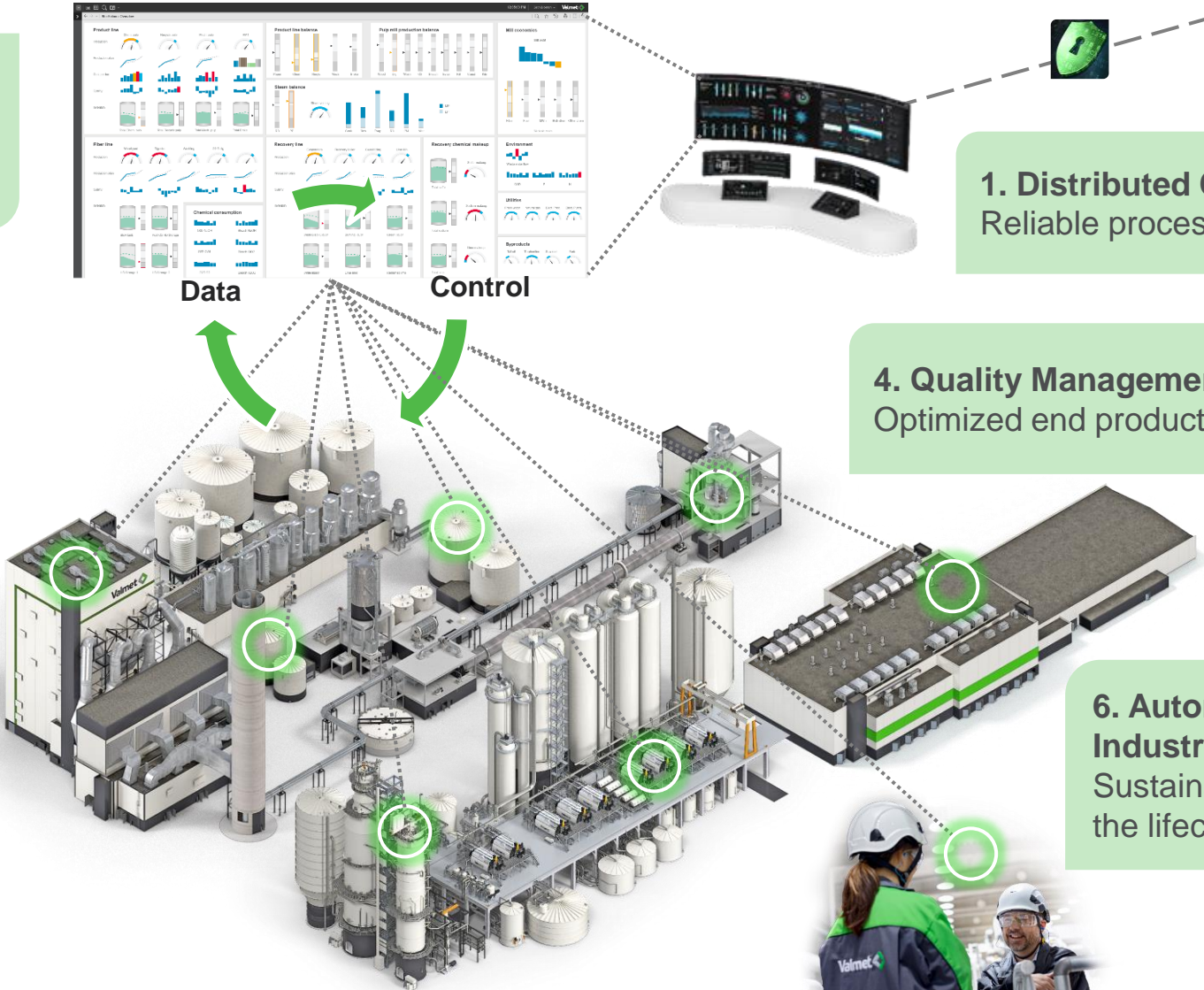
2. Intelligent Process Equipment
Diagnostics data for control and optimization

1. Distributed Control Systems
Reliable process control

4. Quality Management Systems
Optimized end product quality

6. Automation Services and Industrial Internet Solutions
Sustainable performance over the lifecycle

secure connection to cloud



Leading pulp and energy technology offering



Pulp

Complete mills and lines

- Complete chemical pulp mills from wood handling to bales
- Mechanical pulping lines (BCTMP, CTMP)
- Plant-wide project execution and management

Single islands and products

- Chemical pulp mill islands
- Defibrators for fiberboard production
- Prehydrolysis BioTrac systems
- LignoBoost plants
- Textile recycling technology

- Mill-wide offering with automation and services
- Optimized production, energy efficiency and environmental performance
- Local presence through Area organization

- Leading technology e.g. G3 Cooking with strong market success
- Leading mechanical pulping (CTMP) solutions
- Strong position in new products
- Excellent energy and environmental performance



Energy

Boilers and power plants

- Fluidized bed boilers – using biomass, waste and residues
- Biomass gasifiers
- Modular power plants
- Emission control systems (SOx, NOx and dust removal)

- Strong expertise in biomass-based power and heat
- Excellent fuel flexibility with fluidized bed technology
- Large reference base
- Local presence through Area organization and partners

Rebuilds and conversions

- Boiler fuel conversions from fossil to biomass
- Boiler production capacity upgrades
- Emission reduction projects

- Technical knowledge of the process including fuel handling, combustion and emission control
- Various complementing technologies
- Large reference base

Offering

Competitive advantages

Unmatched scope in Board, Paper and Tissue



Driving rebuilds towards resource-efficient board production

Energy consumption¹
-18%

2012–2022:
from 1,150 to 950 kWh/t

Fiber savings¹
-10%

2012–2022:
from 100 to 90 g/m²

Optimized performance
with Industrial Internet
solutions

Bio-packaging
with new coating solutions

OptiFlo with Aqua headbox
Solution for multilayering with single headbox

OptiFormer Hybrid with Sleeve roll
Solution for capacity and strength improvement

OptiPress Center with Metal belt
Towards increased dry content and decreased draw

Steel cylinder
Solution for higher drying efficiency

OptiSizer HardSizer with Hard Nip
Solution for improved strength

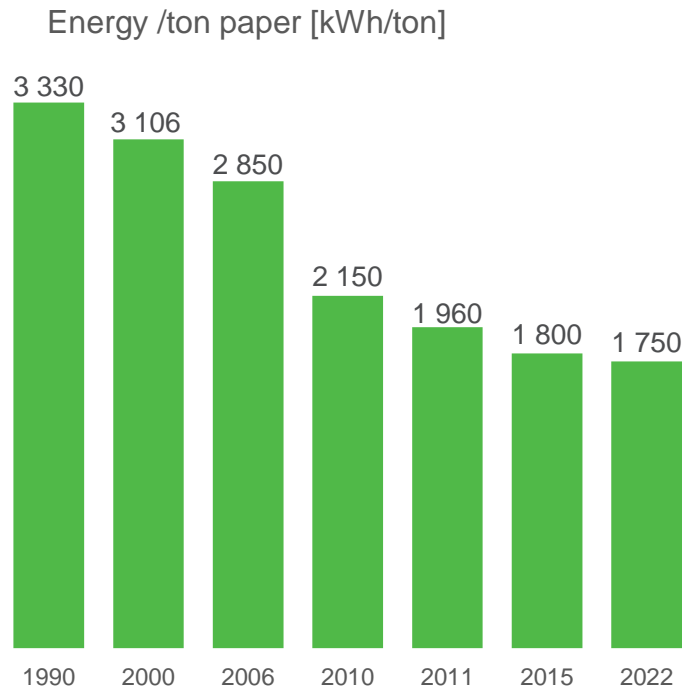
OptiCalender Metal Belt
Better surface quality and higher bulk

Aqua Cooling
Improved bulk

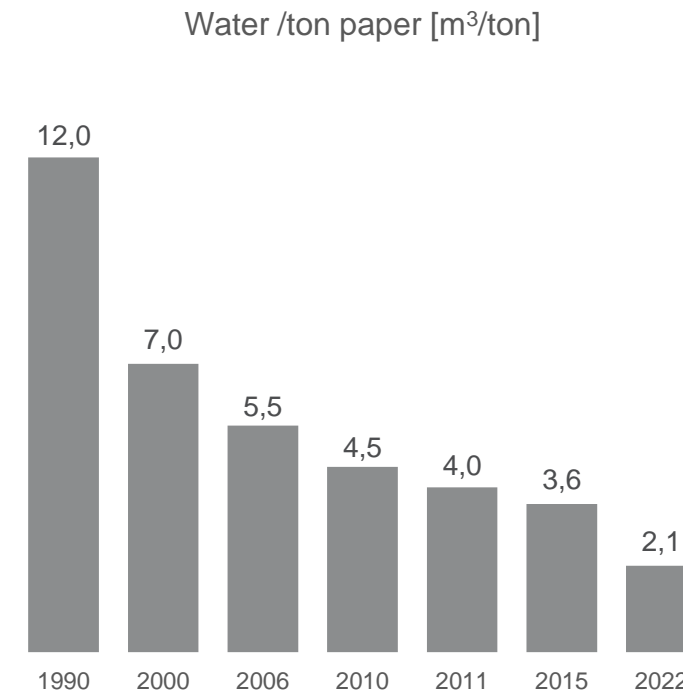


Driving development of resource-efficient tissue production

47% less energy¹



80% less water¹



Less fiber consumption²



¹ DCT type of mill, same production and basis weight

² Achieving the same main tissue specific paper properties



Appendix
Management and remuneration

Board of Directors



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

- M.Sc. (Eng.)
- Other positions of trust:
 - Chairman of the Board of AkerArctic Technology Inc. and Corvus Energy
 - Board member in SSAB AB and Finnlines Oyj
- Share ownership: 9,364
- Independent of company: Yes
- Independent of owners: Yes



Jaakko Eskola
(b. 1958)
Vice-Chairman of the Board
Finnish citizen

- M.Sc. (Eng.)
- Other positions of trust:
 - Chairman of the Board of Enersense International Oyj, Varma Mutual Pension Insurance Company, Suominen Oyj and Cargotec Oyj
- Share ownership: 3,472
- Independent of company: Yes
- Independent of owners: Yes



Aaro Cantell
(b. 1964)
Board member
Finnish citizen

- M.Sc. (Tech.)
- Other positions of trust:
 - Chairman of the Board of Normet Group Oy and Technology Industry Employers of Finland
 - Vice-Chairman of the Board of Solidium Oy
- Share ownership: 9,247
- Independent of company: Yes
- Independent of owners: No



Anu Hämäläinen
(b. 1965)
Board member
Finnish citizen

- M.Sc. (Econ.)
- VP, Group Treasury and Financial Services at Kesko
- Other positions of trust:
 - Board member of Finnish Fund for Industrial Cooperation Ltd. (FINNFUND) and Vähittäiskaupan Tilipalvelu VTP Oy
- Share ownership: 3,078
- Independent of company: Yes
- Independent of owners: Yes



Pekka Kemppainen
(b. 1954)
Board member
Finnish citizen

- Lic.Sc. (Tech.)
- Other positions of trust:
 - Board member in Bittium Oyj and Junttan Oy
- Share ownership: 5,417
- Independent of company: Yes
- Independent of owners: Yes



Per Lindberg
(b. 1959)
Board member
Swedish citizen

- M.Sc. Mechanical Engineering
- PhD, Industrial Management and Economics
- Other positions of trust:
 - Chairman of the BoD of Permascand AB and Nordic Brass Gusum AB
 - Board member in Boliden AB
- Share ownership: 2,473
- Independent of company: Yes
- Independent of owners: Yes



Monika Maurer
(b. 1956)
Board member
German citizen

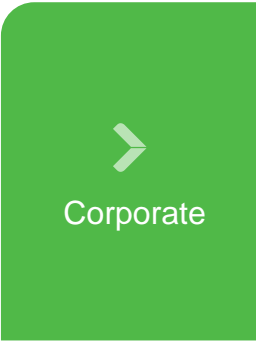
- Diploma in Physics and Chemistry
- Diploma in Pedagogy
- CEO of Radio Frequency Systems
- Other positions of trust:
 - Vice Chairman of the Board of Nokia Shanghai Bell, Co. Ltd
- Share ownership: 5,417
- Independent of company: Yes
- Independent of owners: Yes



Eriikka Söderström
(b. 1968)
Board member
Finnish citizen

- M.Sc. (Econ.)
- Other positions of trust:
 - Board member of Bekaert, Kempower Oyj and Amadeus IT Group
- Share ownership: 6,547
- Independent of company: Yes
- Independent of owners: Yes

Executive Team



Pasi Laine
President and CEO
Share ownership: 185,946



Katri Hokkanen
CFO
Share ownership: 7,145



Julia Macharey
SVP, Human Resources and
Operational Development
Share ownership: 41,110



Anu Salonsaari-Posti
SVP, Marketing, Communications,
Sustainability and Corporate Relations
Share ownership: 33,693



Aki Niemi
Business Line President,
Services
Share ownership: 65,762



Emilia Torttila-Miettinen
Business Line President,
Automation Systems
Share ownership: 734



Simo Sääskilahti
Business Line President,
Flow Control
Share ownership: 4,401



Sami Riekkola
Business Line President,
Pulp and Energy
Share ownership: 19,105



Petri Rasinmäki
Business Line President,
Paper
Share ownership: 1,717



Jukka Tiitinen
Area President,
North America
Share ownership: 96,822



Celso Tacla
Area President,
South America
Share ownership: 97,742



Tero Kokko
Area President,
EMEA
Share ownership: 2,608



Xiangdong Zhu
Area President,
China
Share ownership: 33,607



Petri Paukkunen
Area President,
Asia Pacific
Share ownership: 11,658

Remuneration of the President and CEO

- The remuneration of the President and CEO is comprised of
 - fixed base salary (incl. taxable benefits¹)
 - short-term and long-term incentives, and
 - pension and insurance benefits
- In 2022, the President and CEO's monthly fixed compensation was EUR 60,859 and the fixed annual salary EUR 766,817 (incl. taxable benefits¹).
- The relative proportion of the variable pay elements at maximum level is 2–3 times the fixed pay
 - The maximum short-term incentive for the President and CEO corresponds to 100 percent of the annual base salary and the maximum long-term incentive is 150 percent of annual base salary determined as a number of shares at grant.
- The President and CEO is recommended to own and hold Company shares equaling to the CEO's gross annual base salary (100 percent ownership recommendation)
 - Current ownership ca. EUR 4.6 million (calculated with EUR 25.00 share price)
- The additional pension plan is 20% of the annual base salary
- Severance pay (if the company terminates the agreement) equals to six months' notice period plus severance pay corresponding to the last total monthly salary multiplied by 18

1) A company car and phone allowance.

Remuneration of the Executive Team

- The remuneration of the Executive Team members comprises
 - fixed base salary (incl. monthly salary and taxable benefits¹)
 - short-term and long-term incentives, and
 - a supplementary pension plan
- 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 company car and a phone allowance, according to the local legislation and market practice.

The Performance Share Plan for CEO and Executive Team members

- Includes a three-year performance period parallel to a one-year performance period
- Measures for the one-year performance period are based on long-term strategic and financial targets. The measures have remained the same for the past eight years to ensure continuity and support to the long-term business performance.
- One-year performance period followed by a two-year restriction period, full vesting after three years
- Three-year performance period has a strategic target supporting our long-term strategy. Strategic target can be for example a strategic acquisition, progress according to our ESG action plan and long-term climate program or similar
- The Performance Share Plan includes a recommendation for the members of Valmet's Executive Team to accumulate, and once achieved, hold an amount of Company shares equaling their gross annual base salary (100% ownership recommendation)

Current Performance Share Plans and Deferred Share Plans

| | LTI plan 2021–2023 | | LTI plan 2022–2024 | | LTI plan 2023–2025 | |
|-------------------------------------|--|-----------------------------|--|--|--|---|
| Plan name | Performance Share Plan (PSP) and Deferred Share Plan (DSP) | PSP | PSP and DSP | PSP | PSP and DSP | PSP |
| Performance period | 2021 (1 year) | 2021–2023 (3 years) | 2022 (1 year) | 2022–2024 (3 years) | 2023 (1 year) | 2023–2025 (3 years) |
| Incentive based on | <ul style="list-style-type: none"> Comparable EBITA margin (50%) Orders received growth in the stable business (50%) | Predefined strategic target | <ul style="list-style-type: none"> Comparable EBITA margin (50%) Orders received growth in the stable business (50%) | ESG Index, targets linked to implementing Valmet's Climate Program and Sustainability Agenda | <ul style="list-style-type: none"> Comparable EBITA margin (50%) Orders received growth in the stable business (50%) | Development of a valuation multiple of Valmet's share in comparison to peer group |
| Reward payment | In spring 2022 | In spring 2024 | In spring 2023 | In spring 2025 | In spring 2024 | In spring 2026 |
| Restriction period | Until spring 2024 | | Until spring 2025 | | Until spring 2026 | |
| Participants in PSP | 13 | 10 | 14 | 12 | 14 | 14 |
| Participants in DSP | 110 | | 130 | | 130 | |
| Total gross number of shares earned | Approximately 360,000 | Approximately 42,000 | Approximately 185,000 | Approximately 31,000 | As at June 30, 2023, a total of approximately 364,000 shares were allotted to participants | As at June 30, 2023, a total of approximately 52,000 shares were allotted to participants |

