



Valmet – unique offering to support a growing market

Roadshow presentation
February 2024

Agenda

Valmet roadshow presentation

- 1 Valmet in brief
- 2 Investment highlights
- 3 Financial targets and acquisitions
- 4 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
- Tissue converting
- Rebuilds
- Machine sections

Pulp

- Wood and pulp handling
- Fiber processing
- Recovery

Energy

- Heat and power generation
- Air emission control
- Pyrolysis solutions

Services

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

Process Technologies

Customer

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

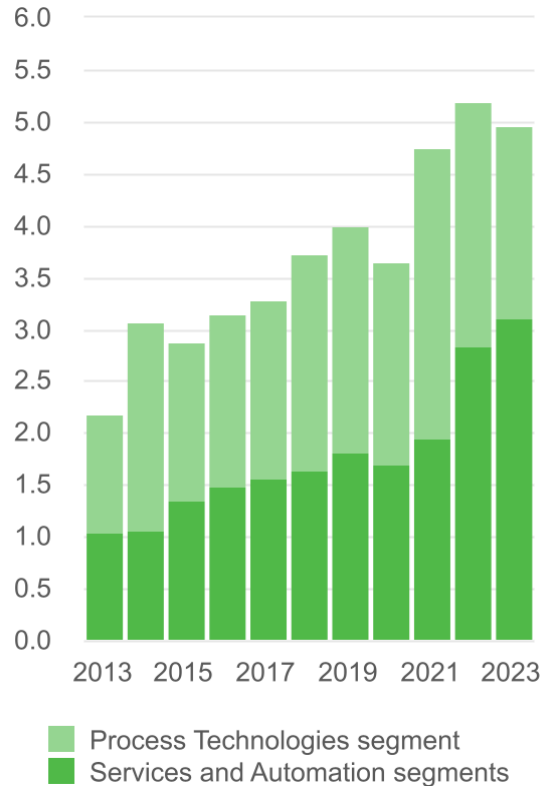


We have strong market positions

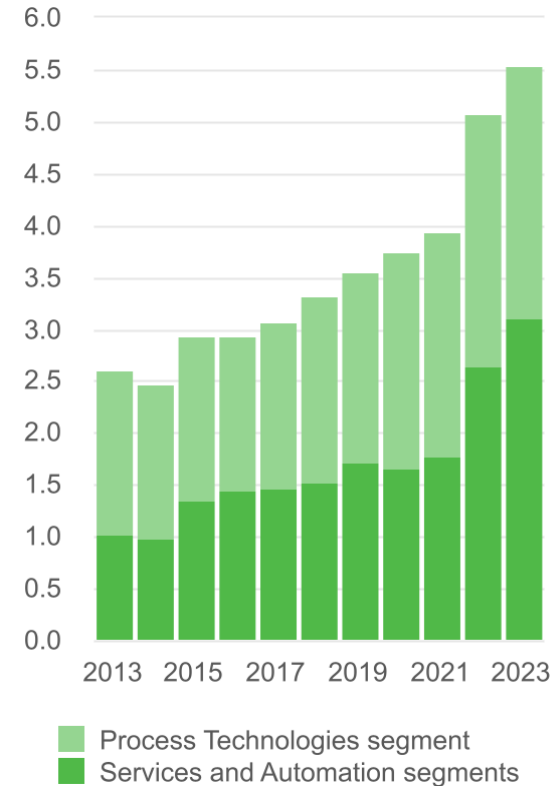


Valmet's development since 2013

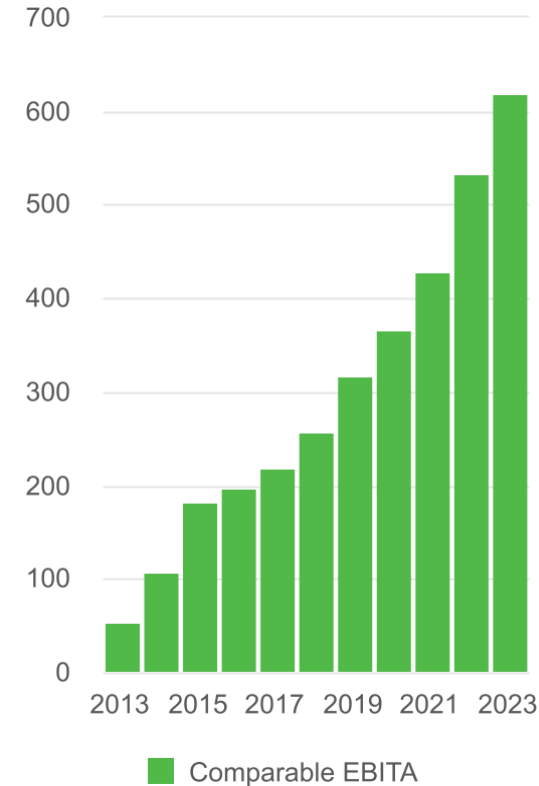
Orders received
(EUR billion)



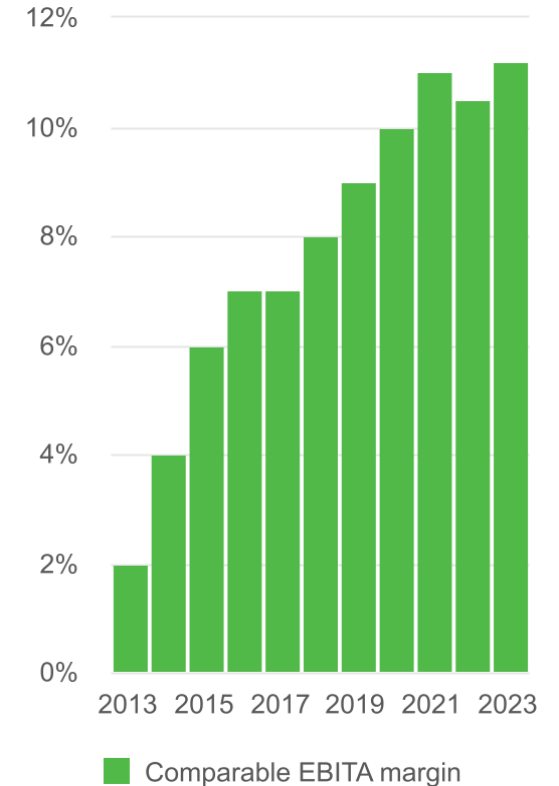
Net sales
(EUR billion)



Comparable EBITA
(EUR million)



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

2023

Orders received

EUR 4,955 million

Net sales

EUR 5,532 million

Comparable EBITA

EUR 619 million

Comparable EBITA margin

11.2%

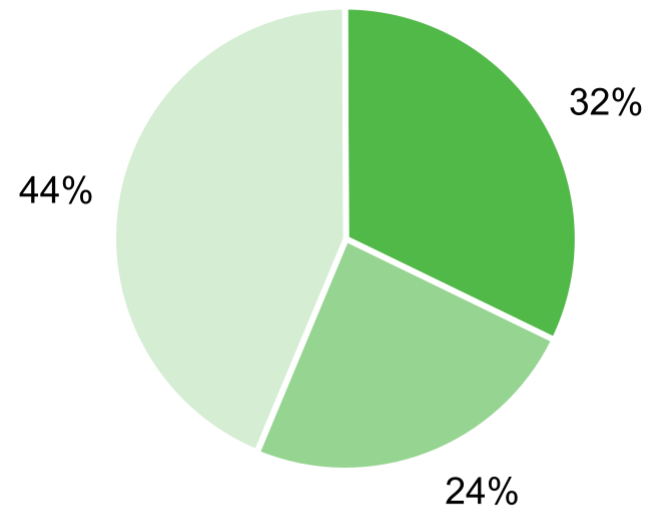
Order backlog

EUR 3,973 million

Employees

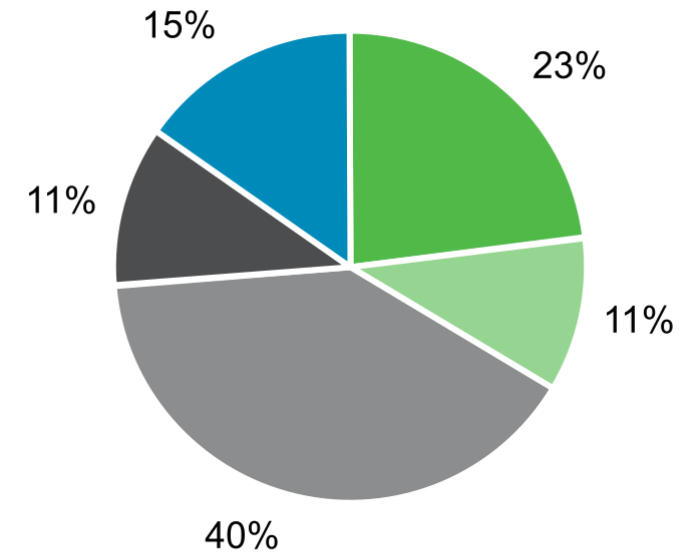
19,160

Net sales by segment



- Services
- Automation
- Process Technologies

Net sales by area

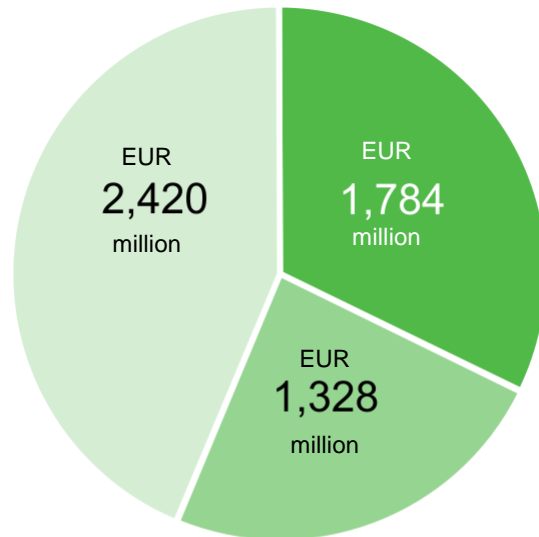


- North America
- South America
- EMEA
- China
- Asia-Pacific

Valmet has three strong segments

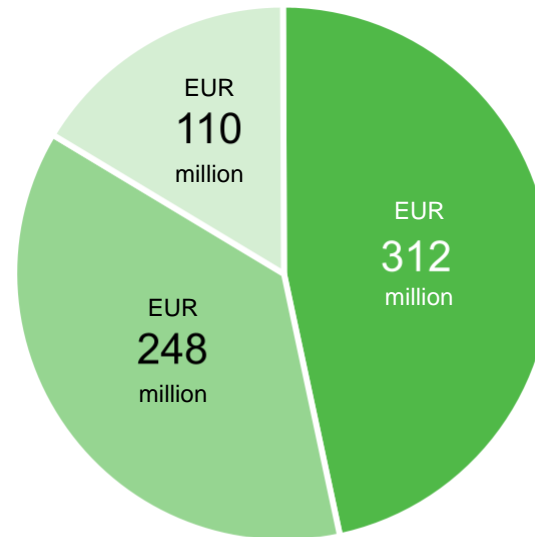
2023 figures

Net sales



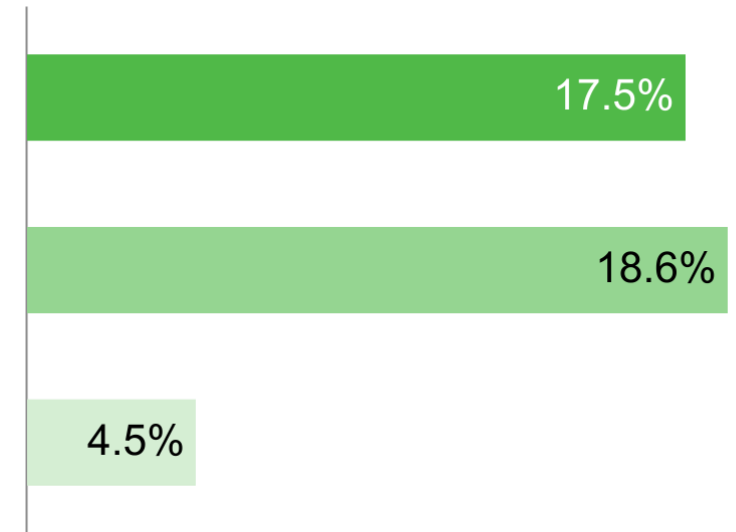
- Services
- Automation
- Process Technologies

Comparable EBITA (excl. Other)



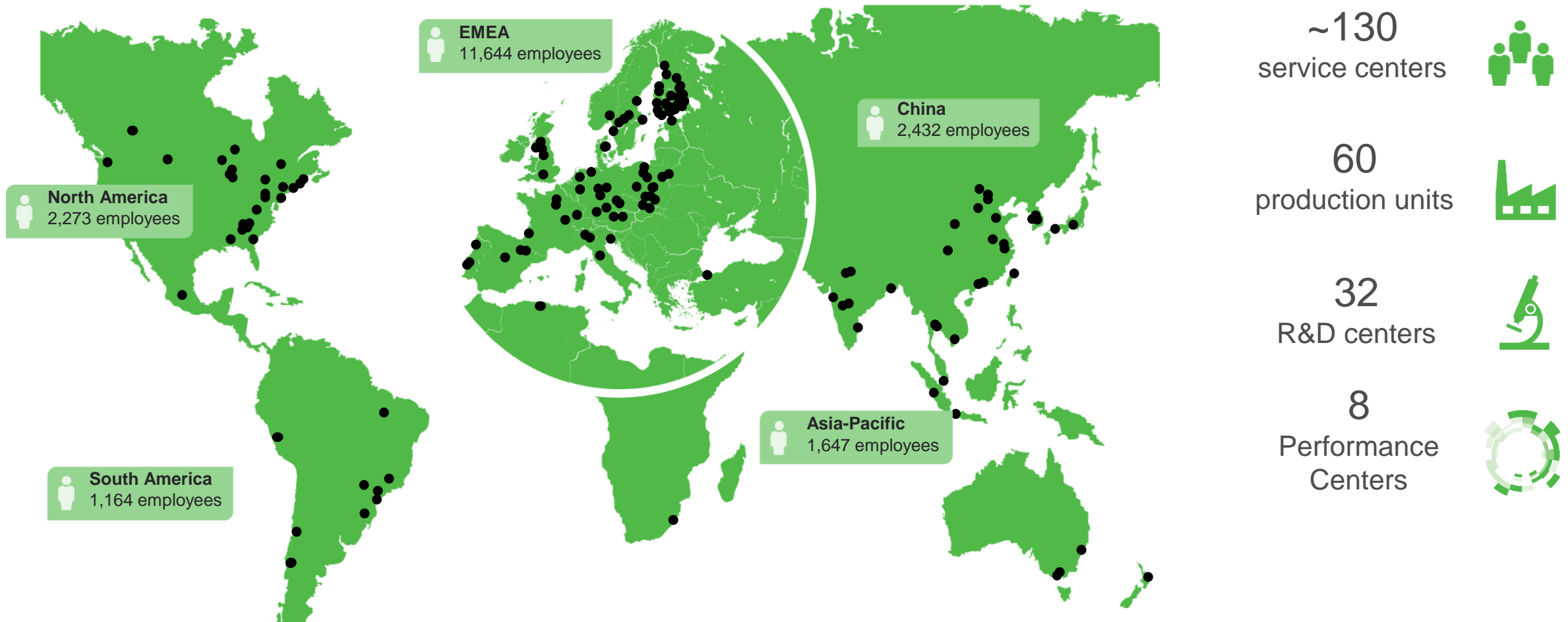
- Services
- Automation
- Process Technologies

Comparable EBITA margin (excl. Other)



- Services
- Automation
- Process Technologies

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



Personnel as at December 31, 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

- Climate change and resource efficient world
- Digitalization and new technologies
- Urban, responsible and globally connected people

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

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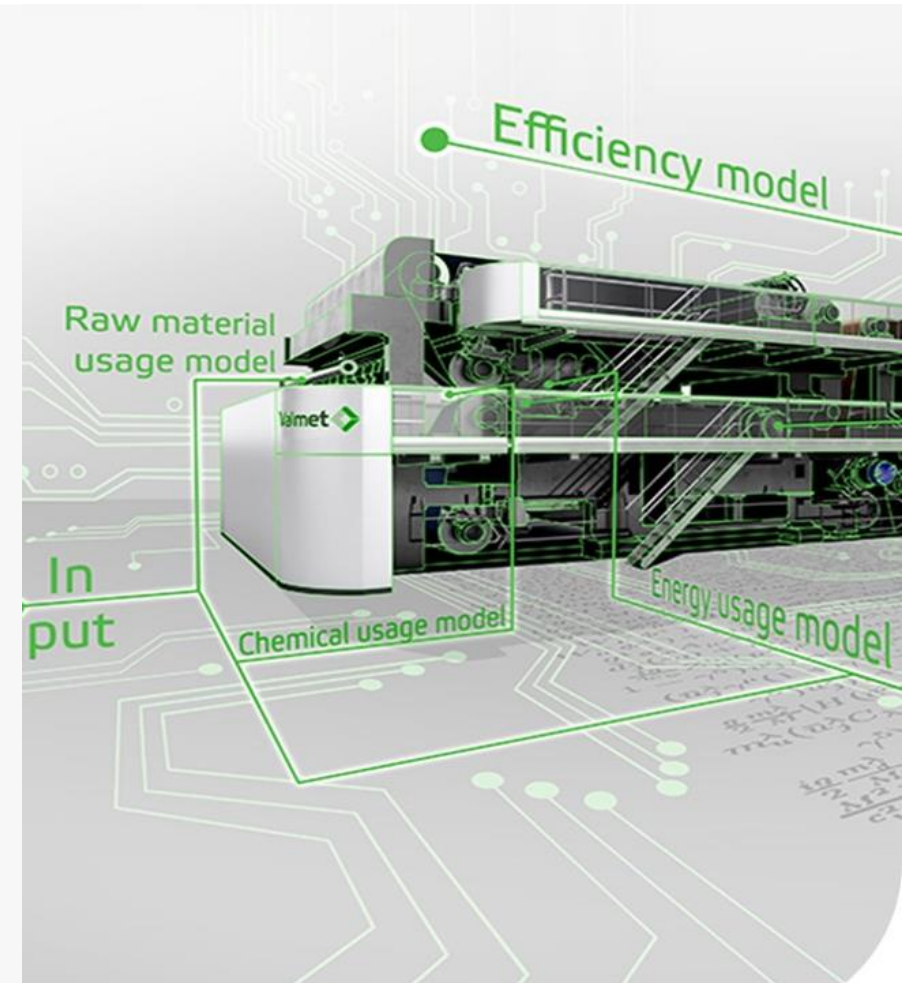
research and
development centers



EUR **114** million
R&D spending
in 2023



~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 tenth consecutive year
- AAA rating in the MSCI ESG Ratings assessment 2023
- A- rating in CDP's climate program ranking 2023



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



Valmet's Climate Program has progressed well

The target to enable carbon neutral production for pulp and paper industry customers achieved seven years ahead of schedule

Targets by 2030 for the entire value chain

SUPPLY CHAIN

- 20%

CO₂ emission reduction¹

- The target to engage 30 most relevant suppliers in terms of CO₂ emissions reached and exceeded
- Today already 45 suppliers engaged to the program
- Engagement of more suppliers continues with high focus

OWN OPERATIONS

- 80%

CO₂ emission reduction¹

- Roadmaps proceeding for
 - purchasing of CO₂ free electricity
 - replacing fossil fuels in locations
 - implementing energy efficiency improvements in locations
 - reducing business travel flights
 - promoting low carbon commuting

USE PHASE OF VALMET'S TECHNOLOGIES

- 20%

Further reduced energy use of Valmet's current technologies

- Continuous R&D work to further enhance energy efficiency of existing technology offering

100%

Carbon neutral production process for pulp and paper industry customers

- We have reached this target seven years ahead of schedule

¹) Baseline 2019



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 3.1 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

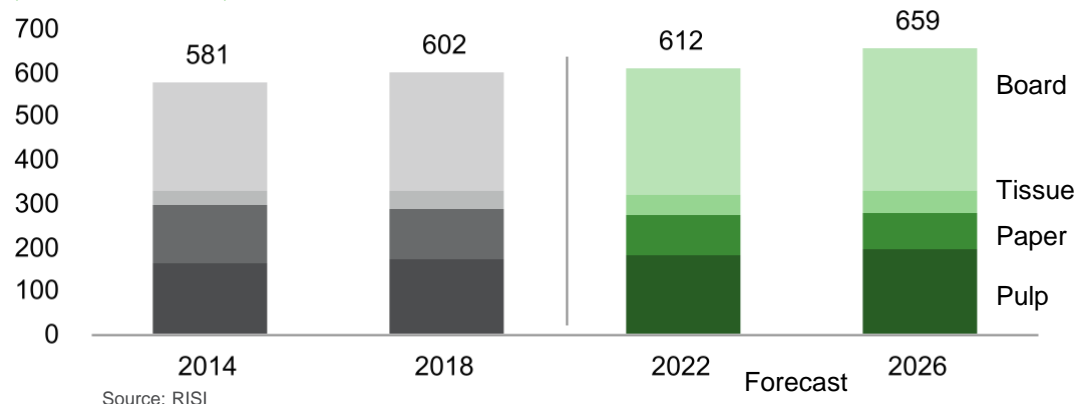
Automation

- 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 4.5% (2023)

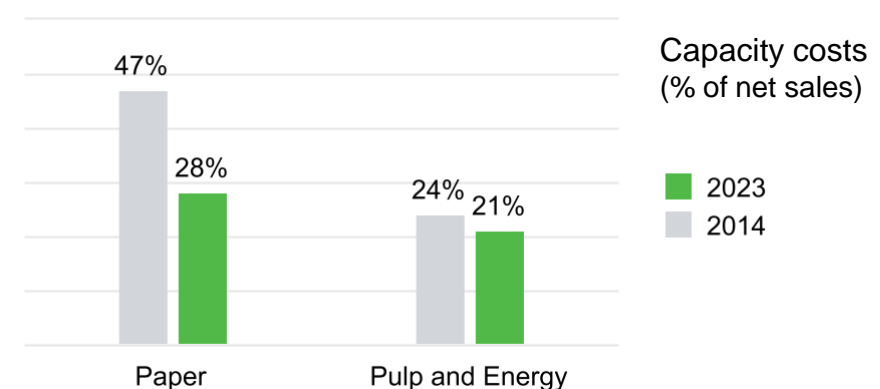
Demand for pulp and paper continues to grow (Global demand, Mton)



Net sales (EUR million)

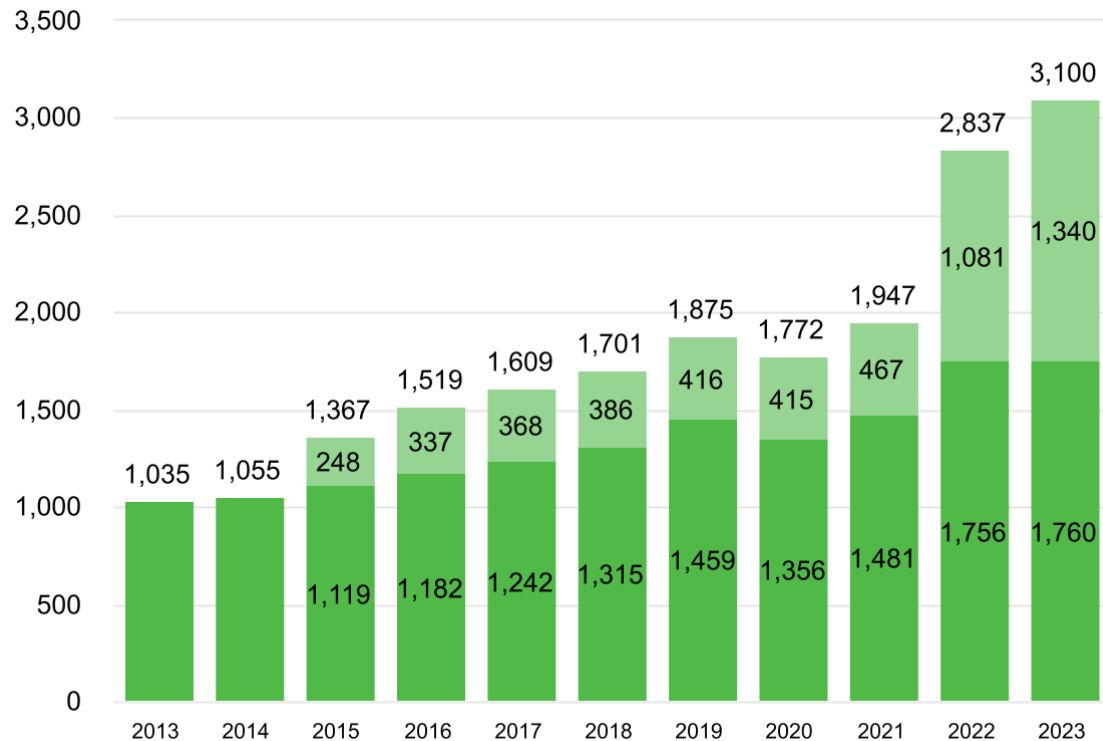


Valmet's operational efficiency has increased



EUR 3.1 billion recurring and steadily growing stable business

Orders received
(EUR million)



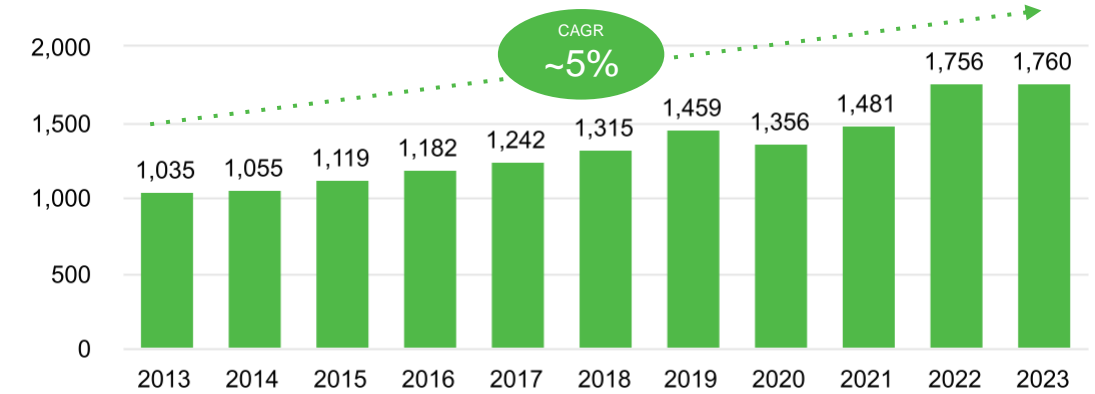
Figures in dark green for Valmet Services segment, light green for Valmet Automation segment.
2013-2020 figures have not been restated.

- 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

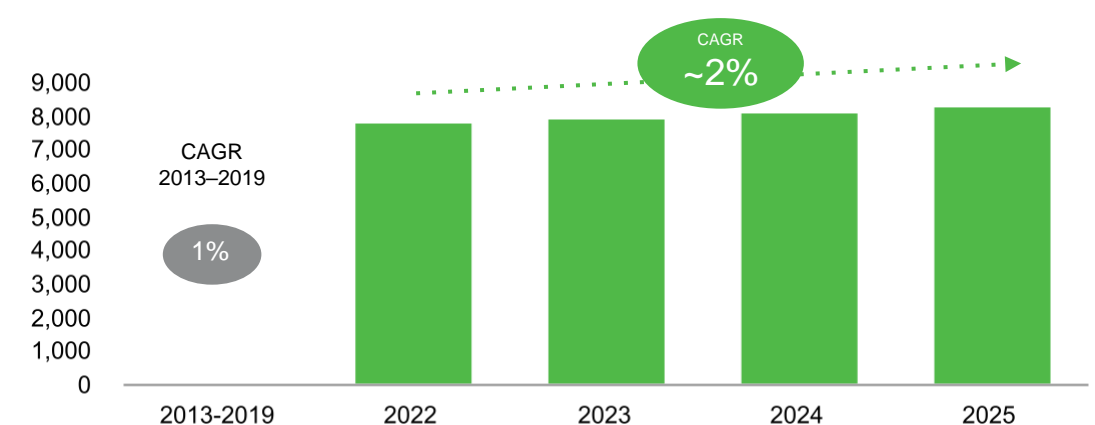
Services segment's demand driven by large and growing global installed base

- 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 17.5% (2023)

Orders received (EUR million)



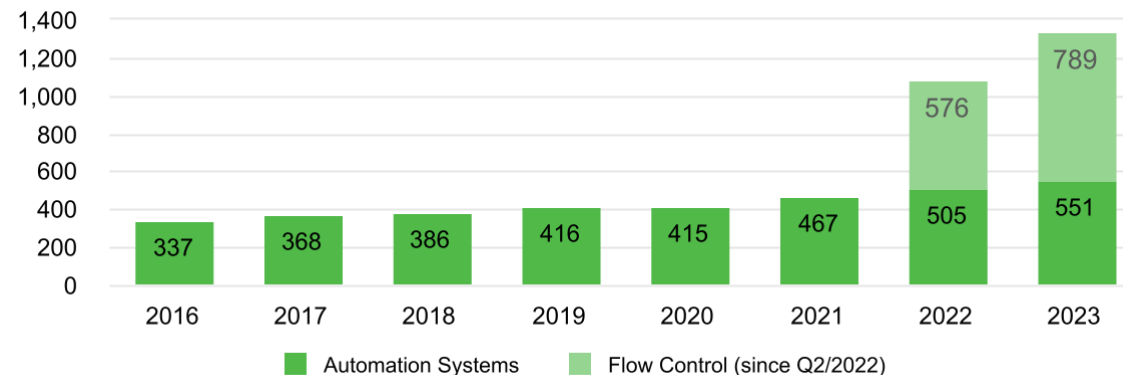
Service market development and estimate (EUR million)



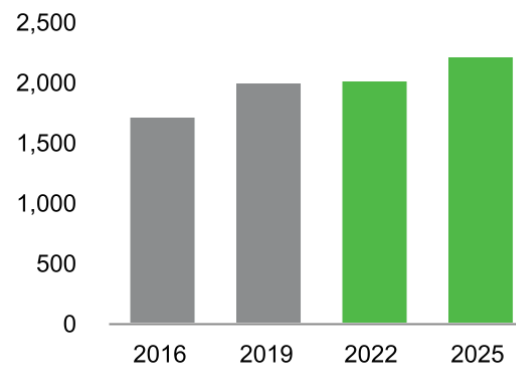
Automation segment with high growth and profitability

- 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 18.6% (2023)

Orders received (EUR million)

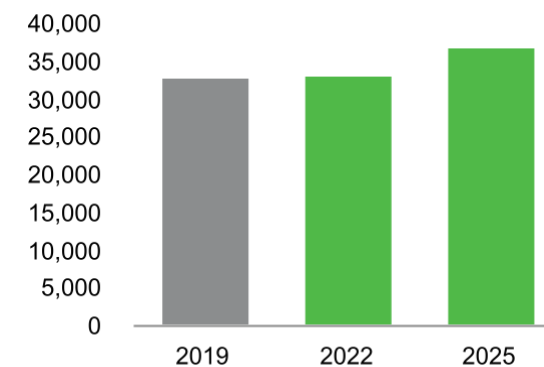


Automation Systems target market (EUR million)



Source: ARC 2021-2026 material

Flow Control market (EUR million)

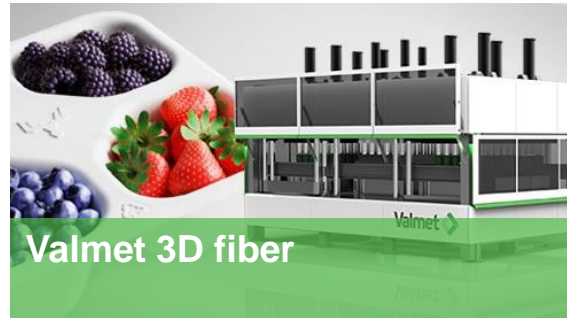


Source: Frost & Sullivan

Future growth possibilities from new sustainable innovations



- Technology to produce viscose pulp from recycled clothes and other textiles
- Technology for cellulose based textile fiber 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 3.1 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

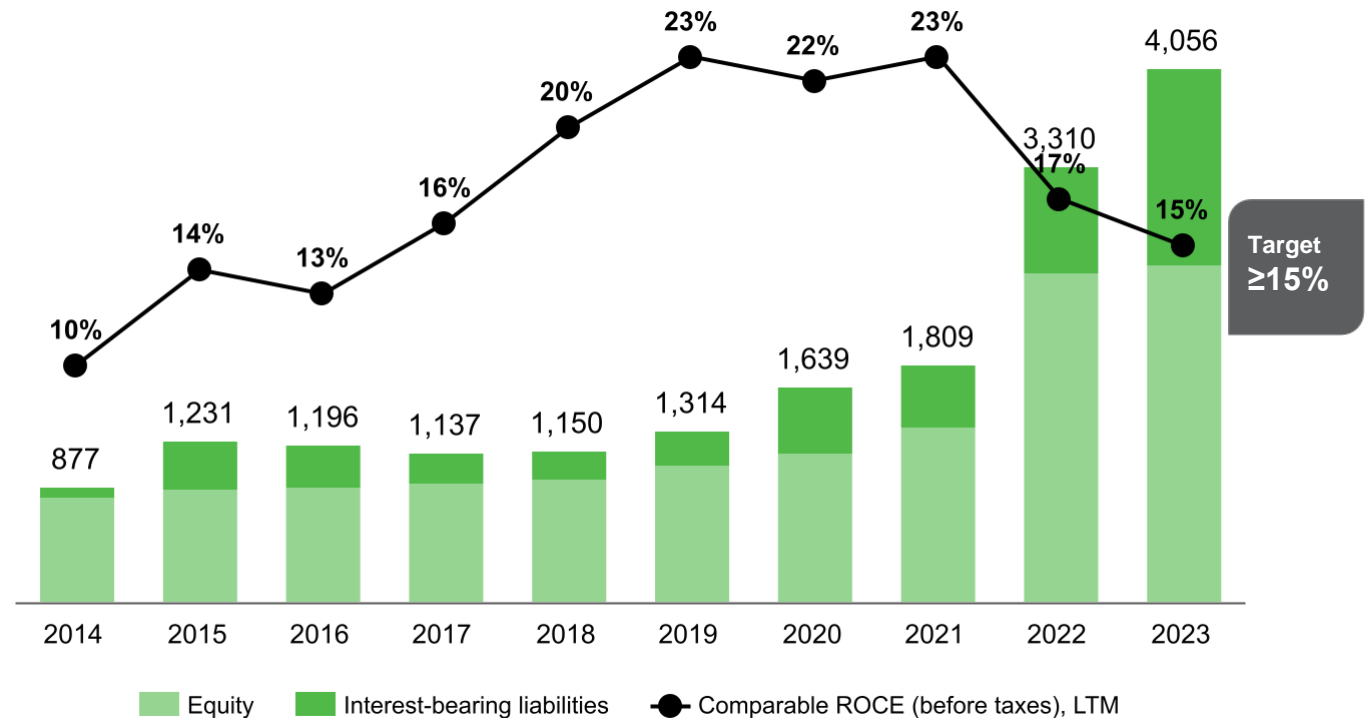
Main drivers for ROCE:

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

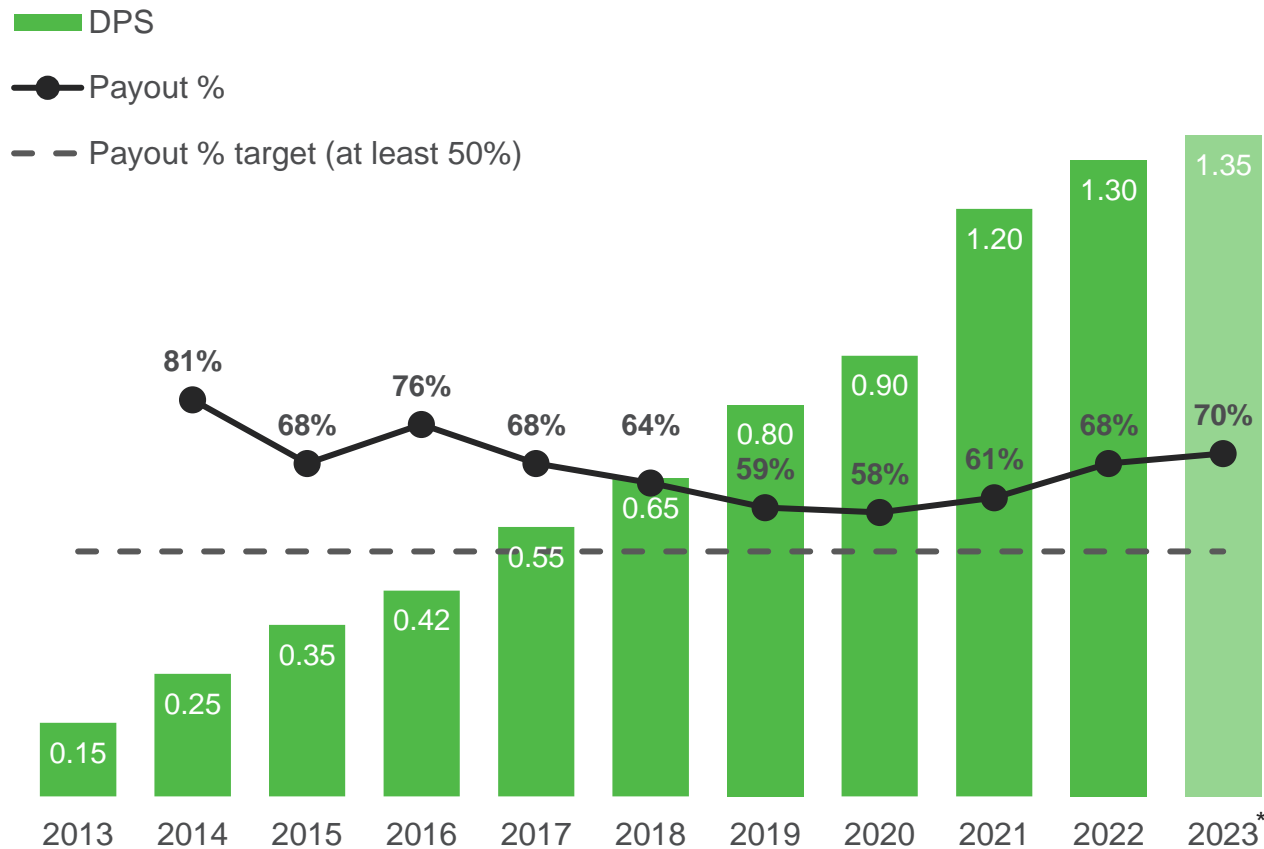
Track record

Capital employed (EUR million)

Comparable ROCE (% , before taxes)



Valmet has paid attractive dividend



* Proposal by the Board of Directors

- 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. 2023)

1.2bn

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

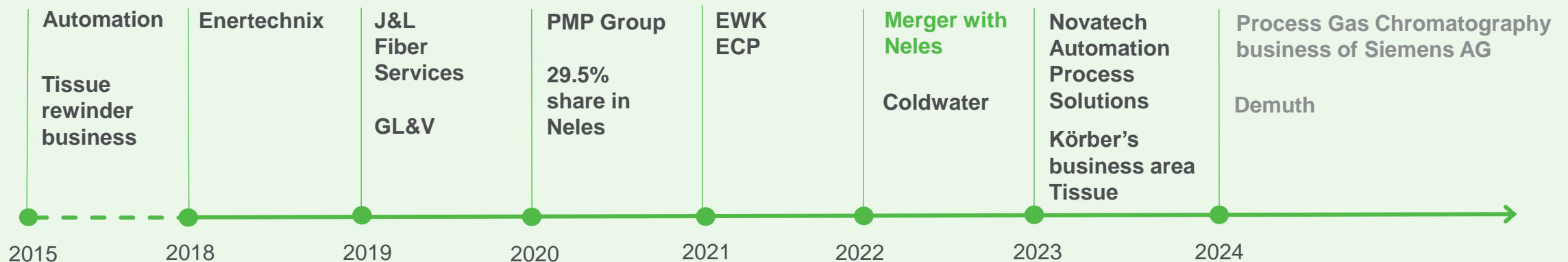
Strong track record of successful acquisitions


- 11 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





Q4/2023 financials, guidance and short-term market outlook

Key figures

EUR million	Q4/2023	Q4/2022	Change	2023	2022	Change
Orders received	1,155	1,385	-17%	4,955	5,194	-5%
Order backlog ¹	3,973	4,403	-10%	3,973	4,403	-10%
Net sales	1,499	1,540	-3%	5,532	5,074	9%
Comparable EBITA	183	196	-7%	619	533	16%
% of net sales	12.2%	12.7%	-0.5 pp	11.2%	10.5%	0.7 pp
EBITA	172	190	-9%	605	550	10%
Operating profit (EBIT)	148	156	-5%	507	436	16%
% of net sales	9.9%	10.1%	-0.3 pp	9.2%	8.6%	0.6 pp
Adjusted earnings per share, EUR ²	0.65	0.80	-19%	2.28	2.37	-4%
Earnings per share, EUR	0.56	0.66	-15%	1.94	1.92	1%
Comparable ROCE ³				15%	17%	-2 pp
Cash flow provided by operating activities	123	-13		352	36	>100%
Net debt to EBITDA ratio				1.46	0.78	
Gearing ¹				40%	20%	20 pp

Items affecting comparability: EUR -10 million in Q4/2023 (EUR -6 million in Q4/2022) and EUR -14 million in 2023 (EUR 17 million in 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

Segment key figures

Orders received, EUR million	Q4/2023	Q4/2022	Change	2023	2022	Change
Services	404	418	-3%	1,760	1,756	0%
Automation	319	324	-1%	1,340	1,081	24%
Process Technologies	432	644	-33%	1,856	2,356	-21%
Total	1,155	1,385	-17%	4,955	5,194	-5%

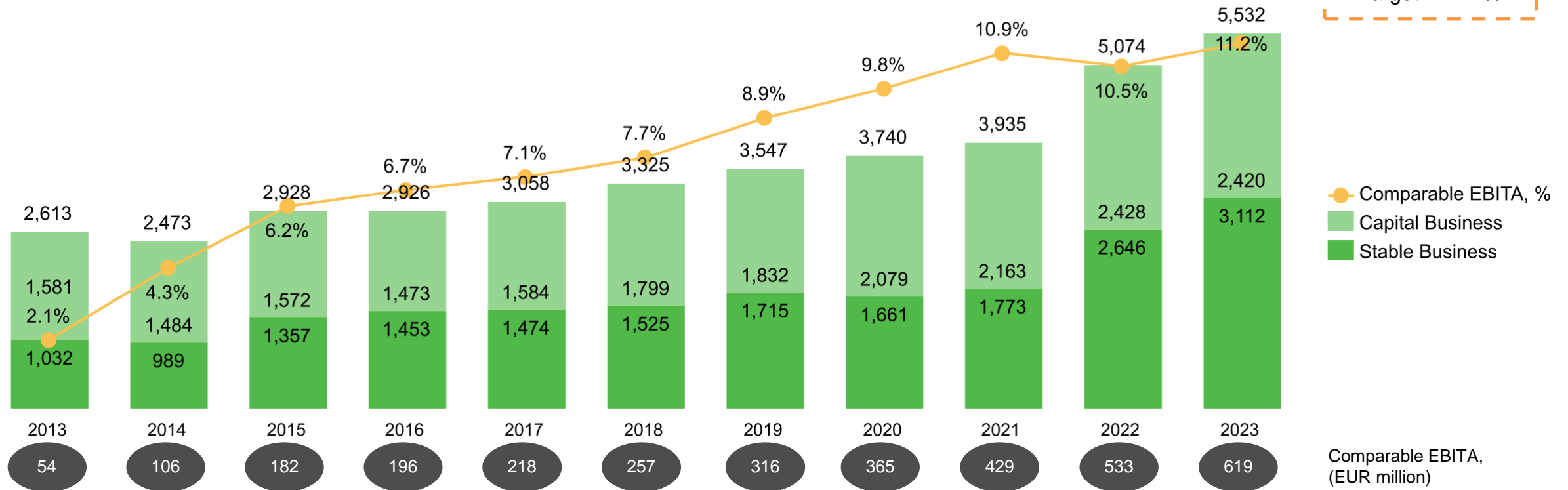
Net sales, EUR million	Q4/2023	Q4/2022	Change	2023	2022	Change
Services	508	505	1%	1,784	1,606	11%
Automation	375	363	3%	1,328	1,040	28%
Process Technologies	615	672	-8%	2,420	2,428	0%
Total	1,499	1,540	-3%	5,532	5,074	9%

Comparable EBITA, EUR million	Q4/2023	Q4/2022	Change	2023	2022	Change
Services	91	95	-4%	312	237	32%
Automation	79	78	2%	248	190	30%
Process Technologies	25	38	-33%	110	145	-24%
Other	-13	-14	-10%	-50	-39	29%
Total	183	196	-7%	619	533	16%

Comparable EBITA margin, % of net sales	Q4/2023	Q4/2022	Change	2023	2022	Change
Services	17.9%	18.7%	-0.9 pp	17.5%	14.8%	2.7 pp
Automation	21.1%	21.4%	-0.3 pp	18.6%	18.3%	0.4 pp
Process Technologies	4.1%	5.6%	-1.5 pp	4.5%	6.0%	-1.4 pp
Total	12.2%	12.7%	-0.5 pp	11.2%	10.5%	0.7 pp

Comparable EBITA margin development

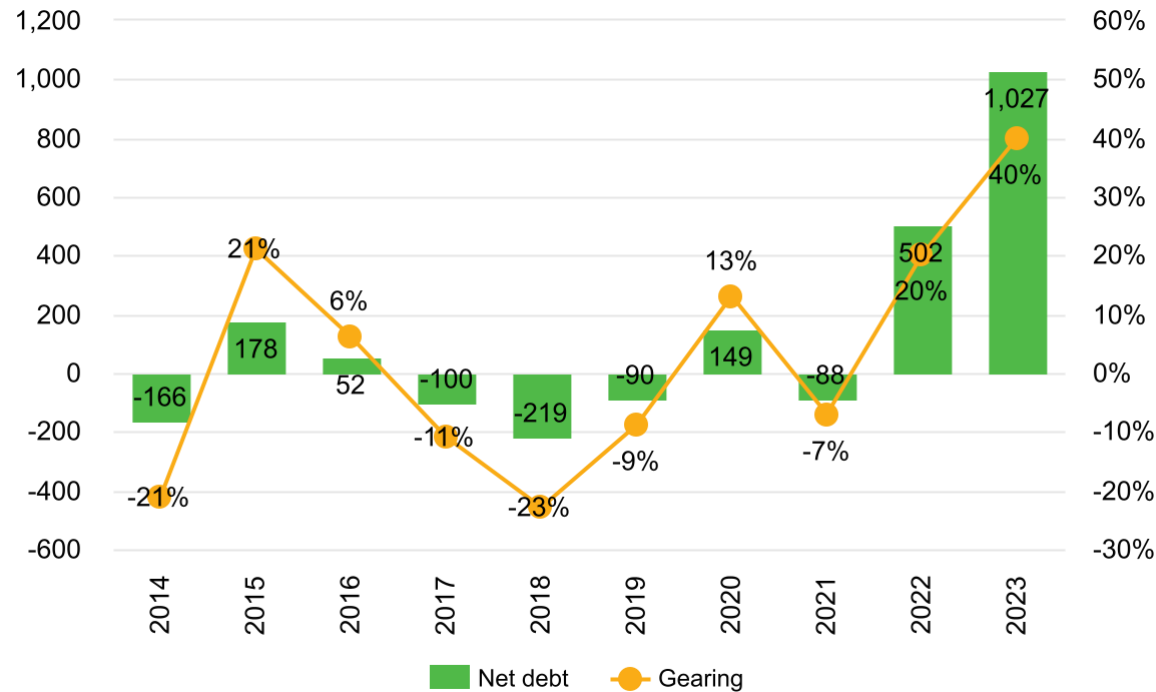
Net sales and Comparable EBITA (EUR million and %)¹



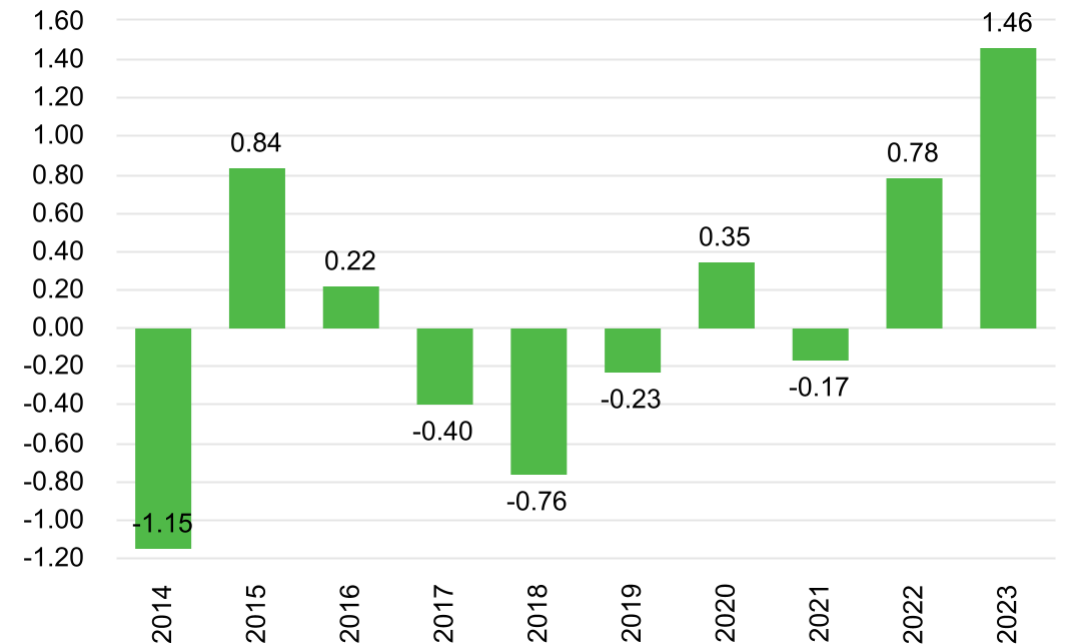
1. Valmet implemented IFRS 15 – Revenue from Contracts with Customers as of January 1, 2018 by applying full retrospective method. 2014–2020 figures have not been restated to reflect Valmet’s current reporting structure. Thus, figures presented are not fully comparable.

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.

Guidance and short-term market outlook

Guidance for 2024 (Published on February 7, 2024)

Guidance



Valmet estimates that net sales in 2024 will remain at the previous year's level in comparison with 2023 (EUR 5,532 million) and Comparable EBITA in 2024 will remain at the previous year's level or increase in comparison with 2023 (EUR 619 million).

Short-term market outlook

		Q1/2023	Q2/2023	Q3/2023	Q4/2023
Services		Good	Good / Satisfactory	Good / Satisfactory	Good / Satisfactory
Automation	Flow Control	Good	Good	Good	Good
	Automation Systems	Good	Good	Good	Good
Pulp and Energy	Pulp	Good / Satisfactory	Satisfactory	Satisfactory	Satisfactory
	Energy	Good	Good	Good	Good
Paper	Board and Paper	Good	Satisfactory	Satisfactory	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 following the reported 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 3.1 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
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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

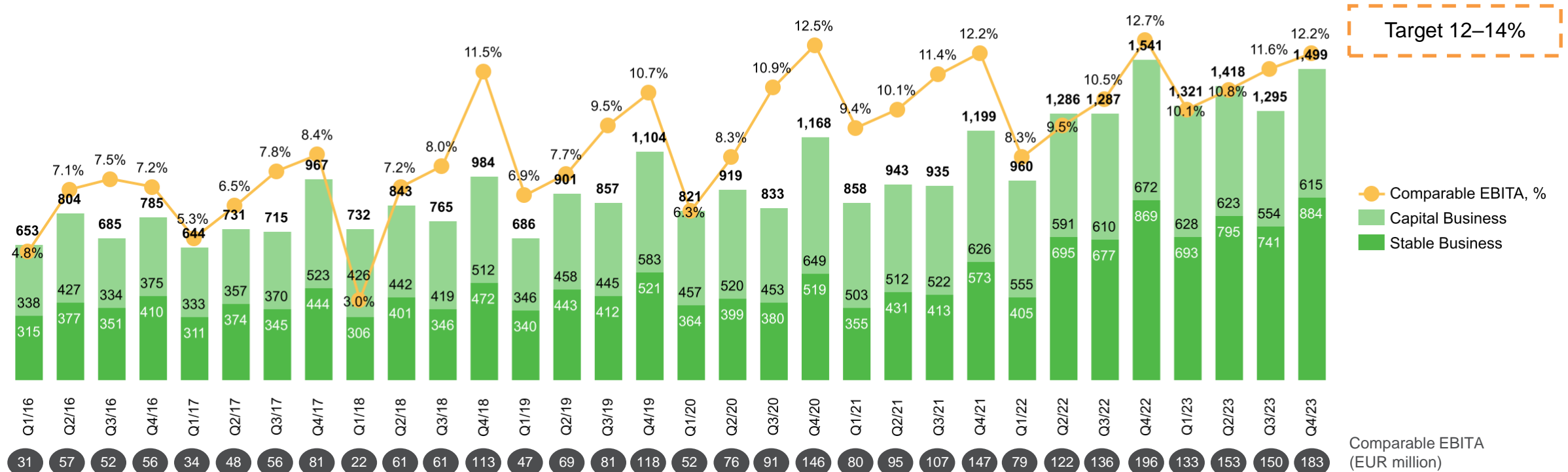
5 Management and remuneration



Appendix
Financials

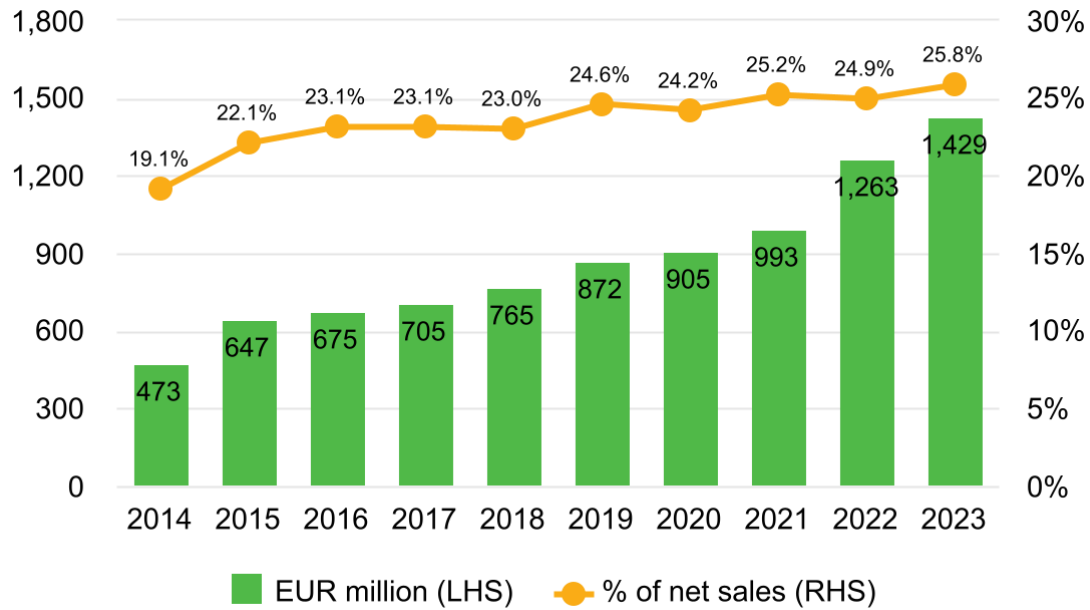
Quarterly Comparable EBITA margin development

Net sales and Comparable EBITA (EUR million and %)

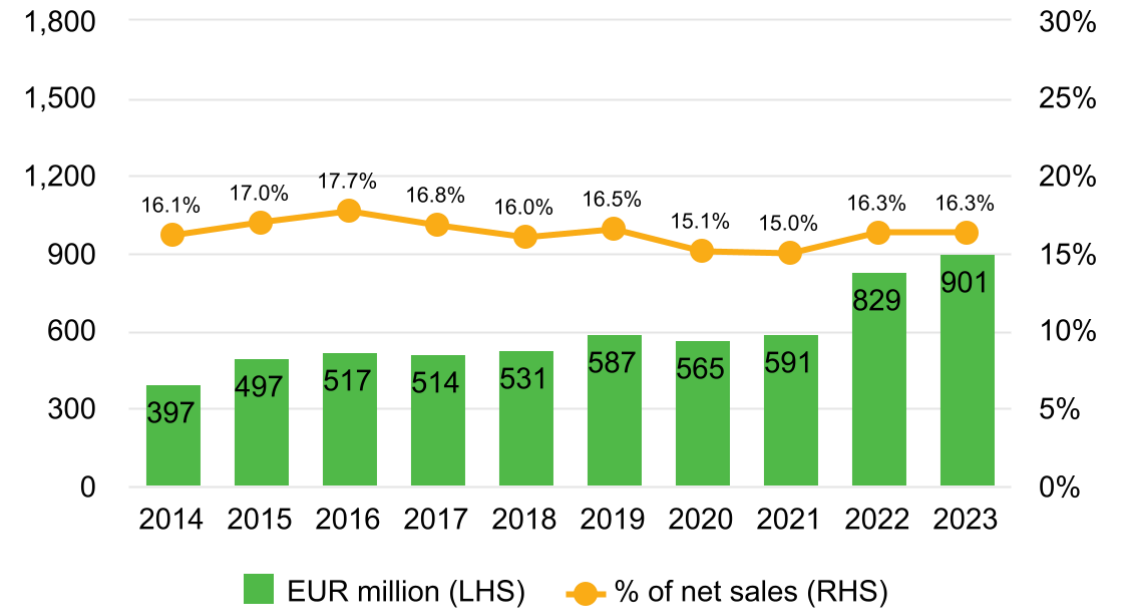


Comparable gross profit and SG&A expenses development

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



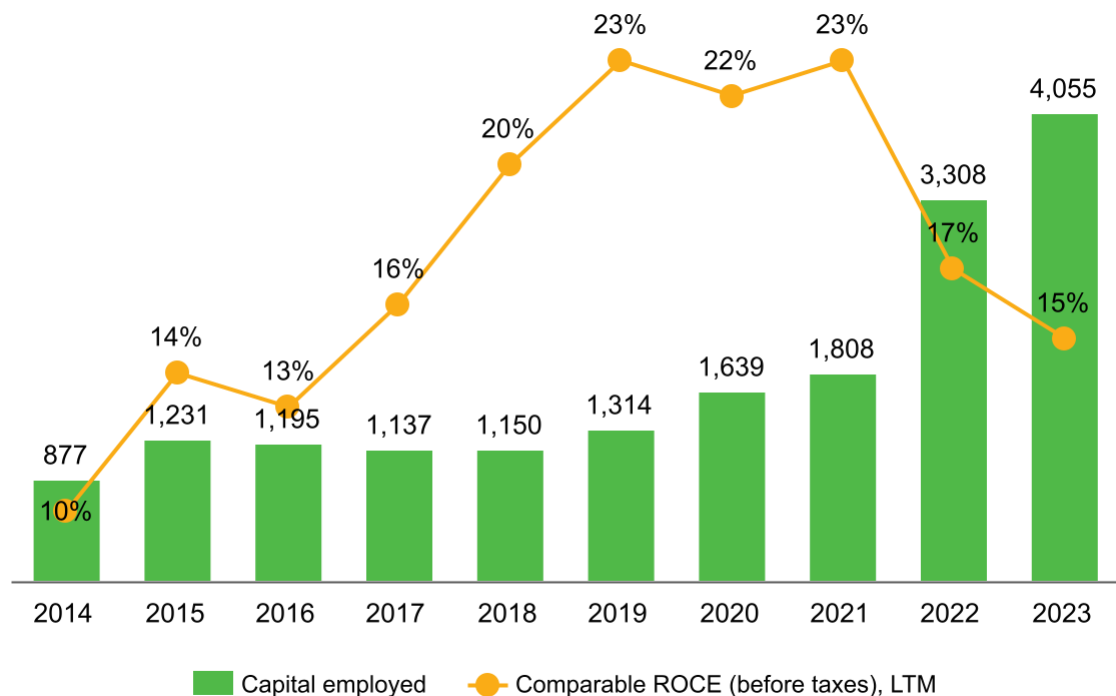
Comparable SG&A expenses
(EUR million and % of net sales)



- Comparable gross profit was 26.4% of net sales in Q4/2023 (25.6% in Q4/2022)
 - Stable business represented 59% of net sales (56% in Q4/2022)
- Comparable SG&A expenses were EUR 7 million higher in Q4/2023 compared with Q4/2022
 - Comparable SG&A expenses were 16% of net sales in Q4/2023 (15% in Q4/2022)

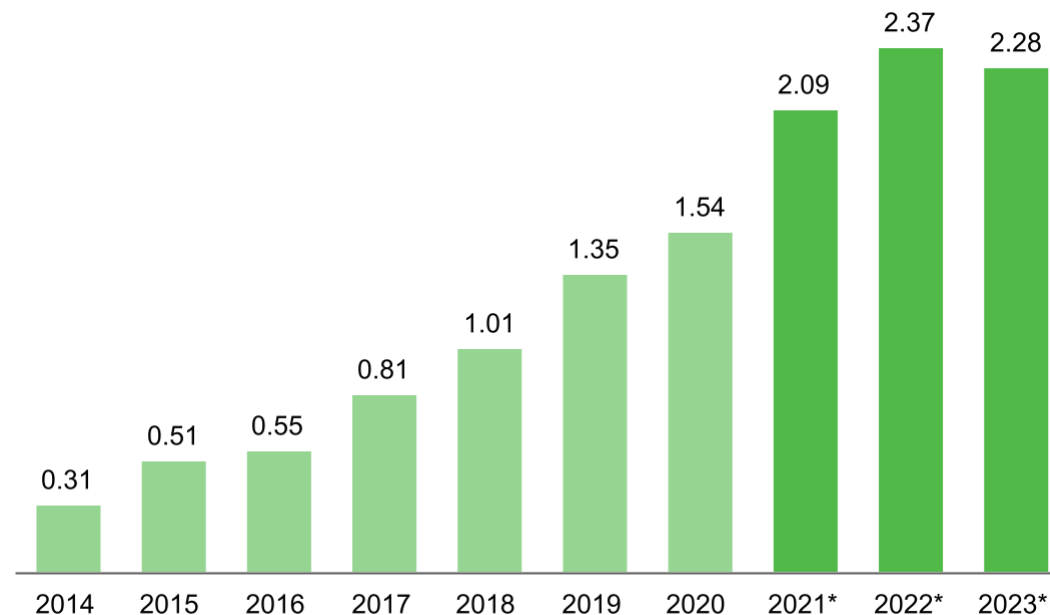
Capital employed, Comparable ROCE and EPS

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



- Integration of Flow Control into Valmet in Q2/2022 and the completion of the acquisition of Tissue Converting in Q4/2023 increased capital employed

Earnings per share (EPS) and Adjusted EPS, EUR



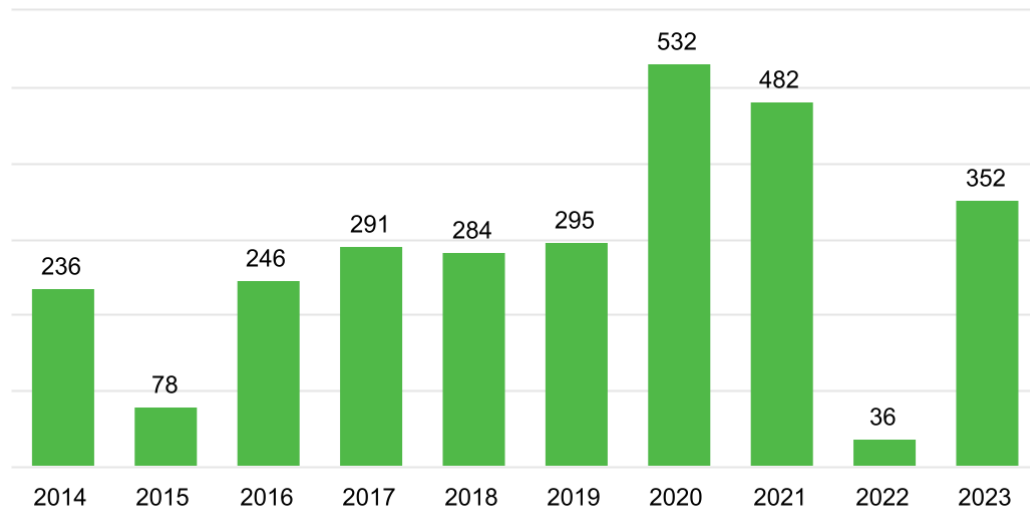
- Adjusted EPS decreased mainly due to higher net financial expenses and lower items affecting comparability

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.

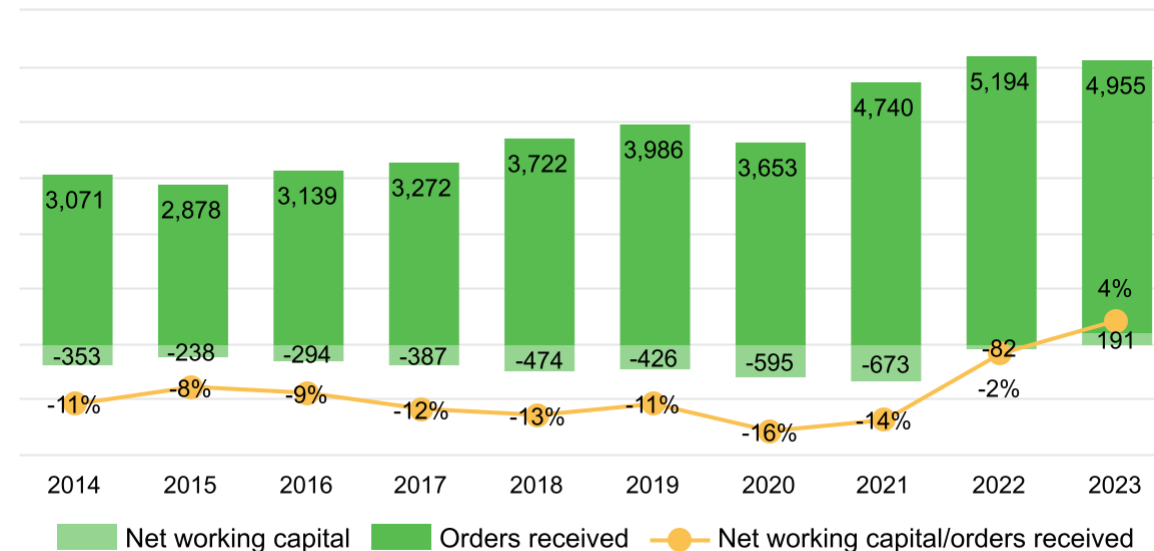
*Adjusted EPS. Adjusted earnings per share is an alternative performance measure that excludes the impact of fair value adjustments arising from business combinations, net of tax.

Cash flow provided by operating activities and net working capital

Cash flow provided by operating activities (EUR million)



Net working capital and orders received (EUR million)



- Cash flow provided by operating activities amounted to EUR 352 million in 2023 and EUR 123 million in Q4/2023
- CAPEX¹ amounted to EUR 125 million in 2023 and EUR 36 million in Q4/2023
- Net working capital amounted to EUR 191 million, which equals 4% of orders received in 2023
 - The acquisition of Tissue Converting increased Valmet's net working capital by approximately EUR 92 million in Q4/2023
 - Compared to year 2021, Valmet's net working capital has increased mainly in capital business and due to integration of Flow Control and Tissue Converting into Valmet
 - Today, Valmet's business mix contains more stable business, which typically ties up more net working capital than capital business
- Change in net working capital² EUR -180 million in 2023 and EUR -55 million in Q4/2023

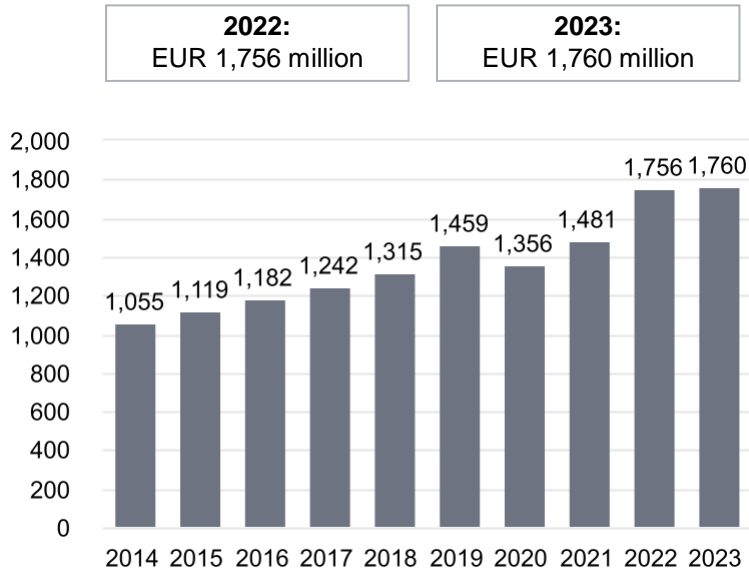
Valmet implemented IFRS 16 – Leases as of January 1, 2019 by applying the simplified transition method and therefore 2018 figures are not restated.

1. Excluding business combinations and right-of-use assets.

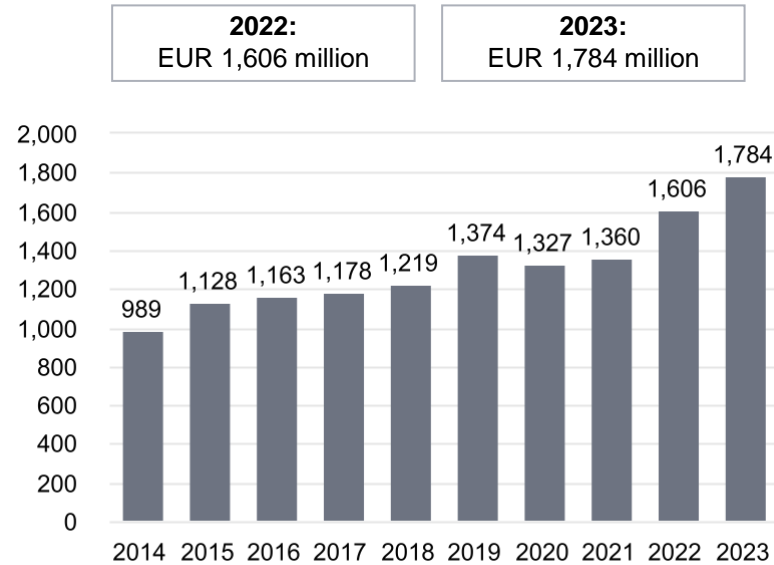
2. Change in net working capital in the consolidated statement of cash flows.

Services: Orders received remained at the previous year's level at EUR 1,760 million in 2023

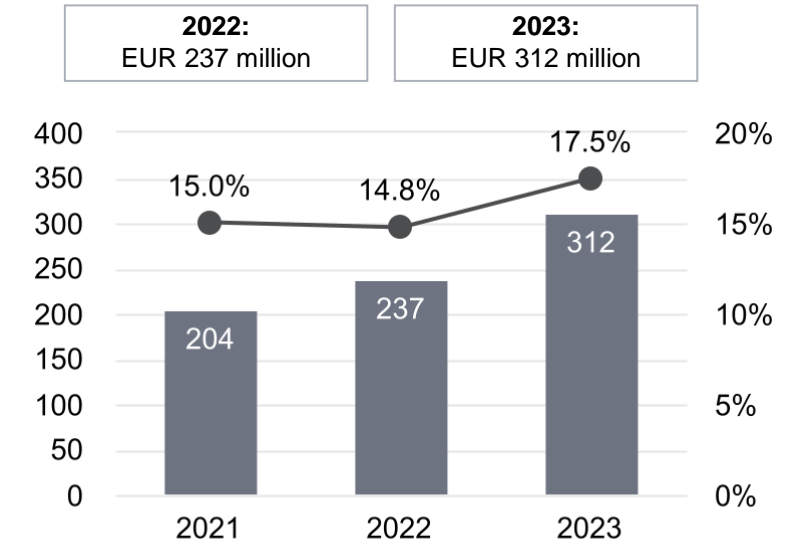
Orders received (EUR million)



Net sales (EUR million)



Comparable EBITA (EUR million and % of net sales)



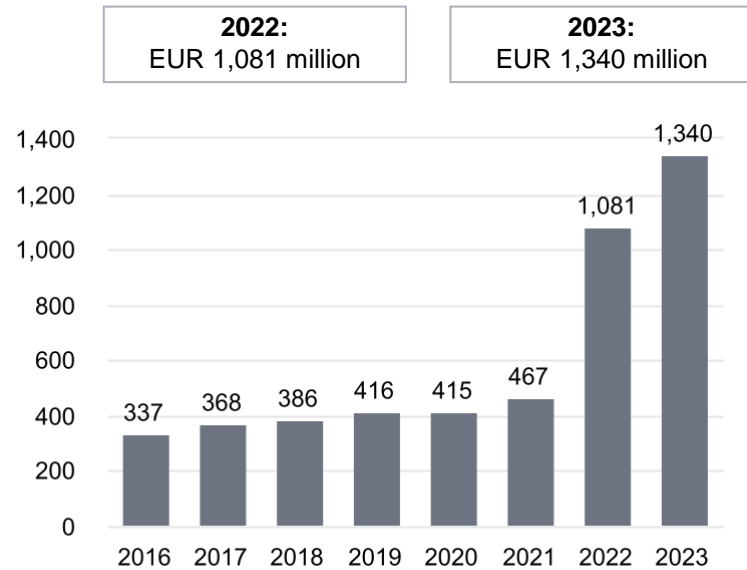
- Orders received remained at the previous year's level compared with 2022
 - Orders received increased in South America, remained at the previous year's level in Asia-Pacific, China and EMEA and decreased in North America
 - Orders received increased in Pulp and Energy Solutions, remained at the previous year's level in Performance Parts, and Board, Paper and Tissue Solutions and decreased in Fabrics, and Rolls
- Net sales increased compared with 2022
- Comparable EBITA increased compared with 2022 due to higher net sales



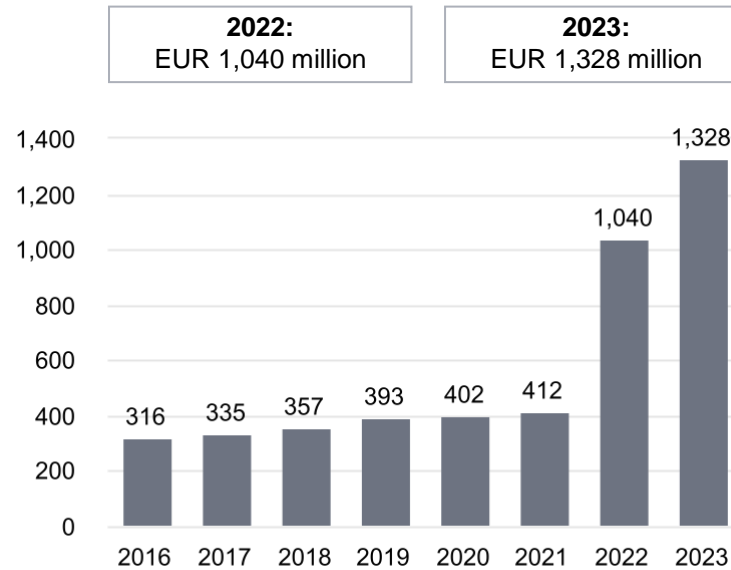
Automation: Orders received increased to EUR 1,340 million in 2023

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

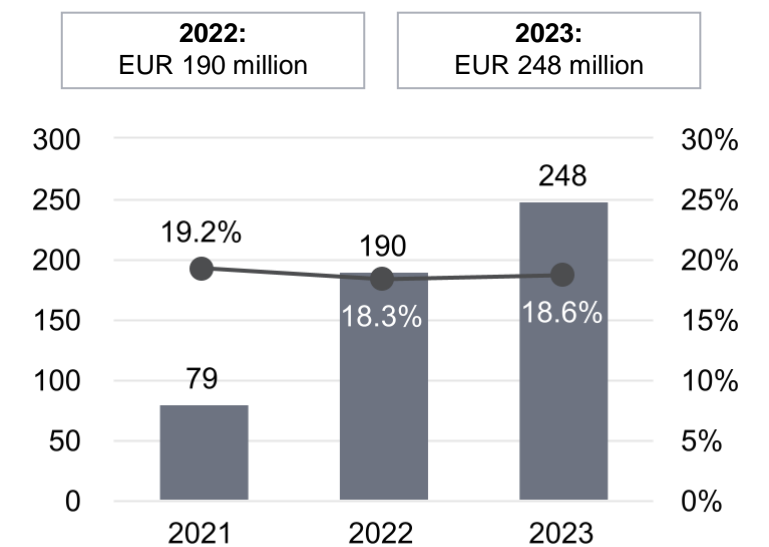
Orders received (EUR million)



Net sales (EUR million)



Comparable EBITA (EUR million and % of net sales)

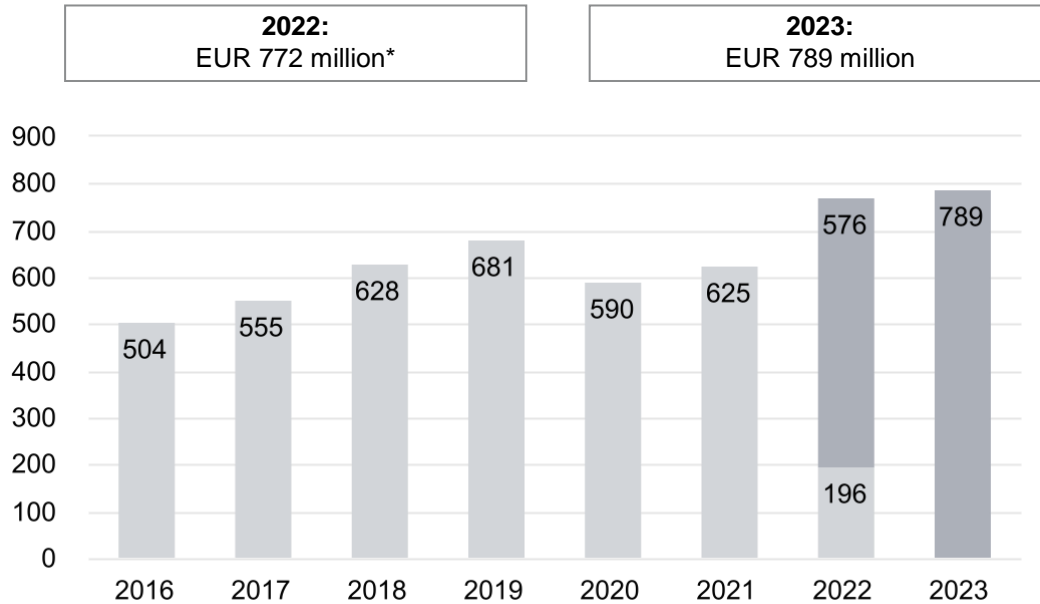


- Orders received increased compared with 2022
- Net sales increased compared with 2022
- Comparable EBITA increased compared with 2022

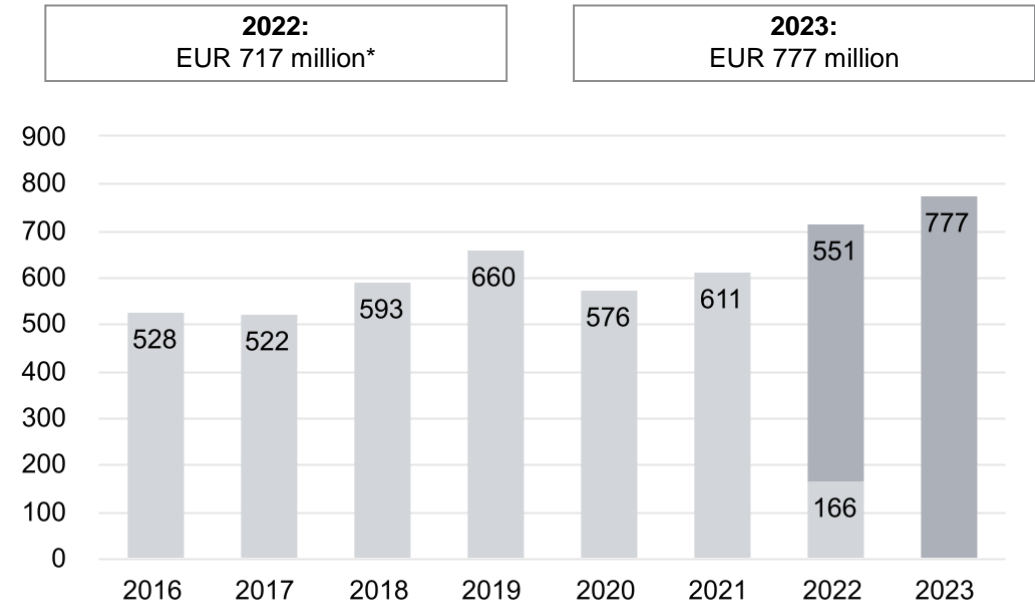


Flow Control: Orders received amounted to EUR 789 million in 2023

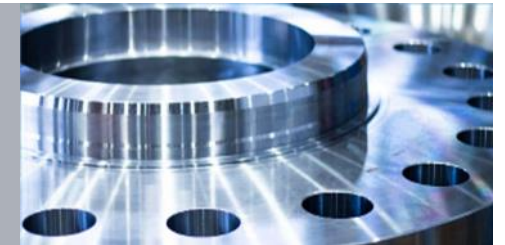
Orders received (EUR million)*



Net sales (EUR million)*



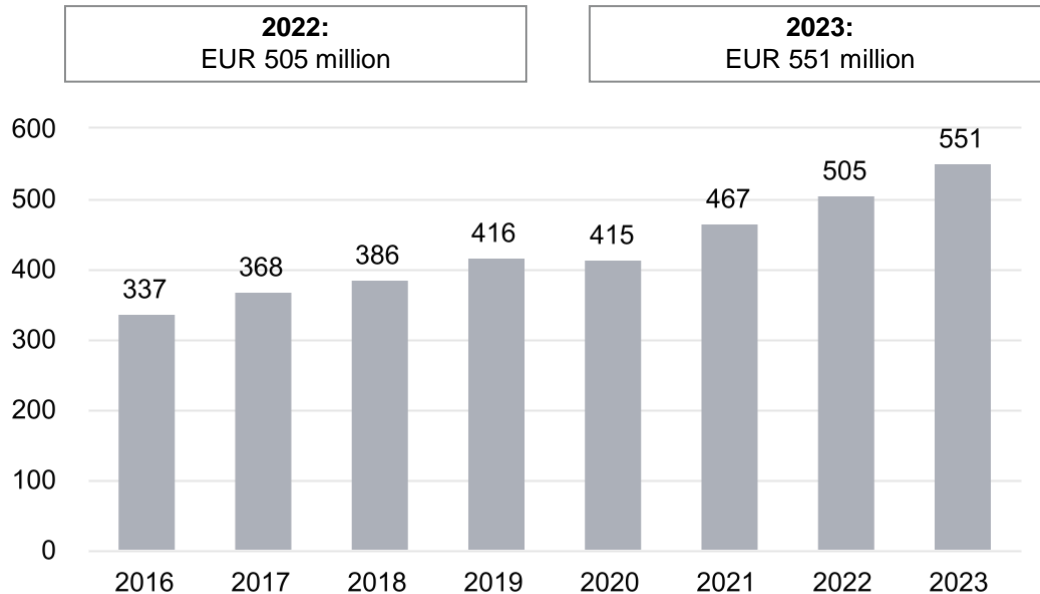
- Orders received amounted to EUR 789 million in 2023
- Net sales amounted to EUR 777 million in 2023
- Integration of Flow Control into Valmet is completed and the targeted annual run rate synergies of EUR 25 million have been achieved



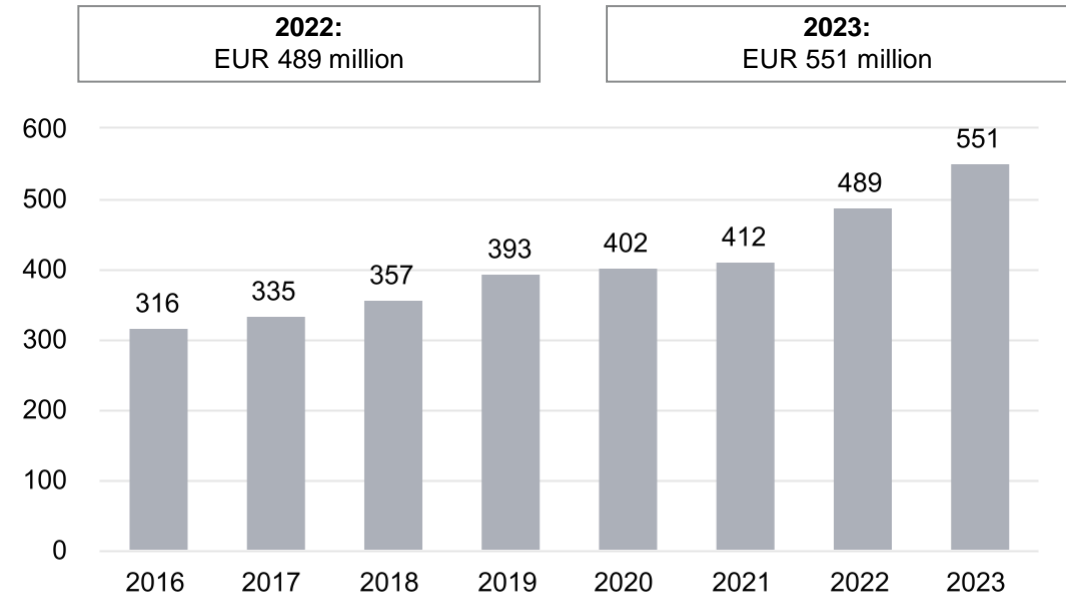
* 2016–2017 financials based on carve-out numbers; 2018–2019 financials based on Metso’s “Continuing operations” as in 2019 annual report; Q1/2020–Q1/2022 financials as reported in Neles’ Q1/2022 interim review.

Automation Systems: Orders received increased to EUR 551 million in 2023

Orders received (EUR million)



Net sales (EUR million)

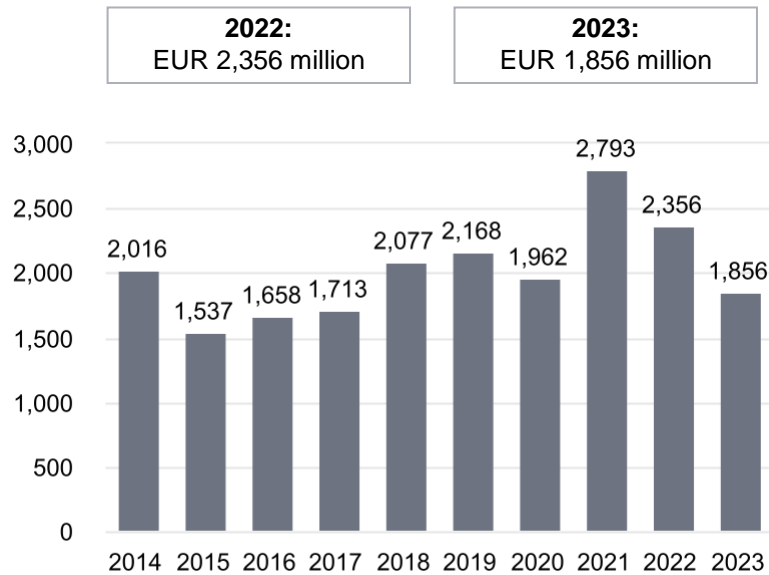


- Orders received increased compared with 2022
 - Orders received increased in North America, Asia-Pacific and China, remained at the previous year's level in EMEA and decreased in South America
 - Orders received increased in Energy and Process and remained at the previous year's level in Pulp and Paper
- Net sales increased compared with 2022

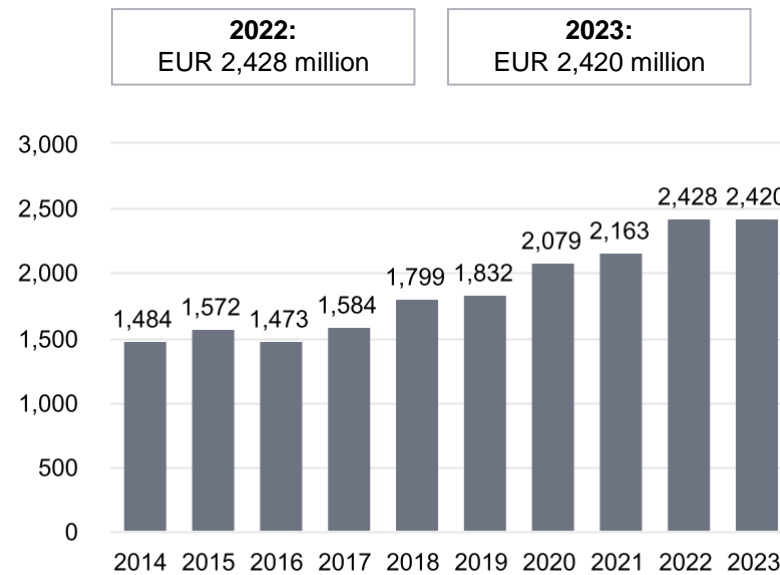


Process Technologies: Orders received decreased to EUR 1,856 million in 2023

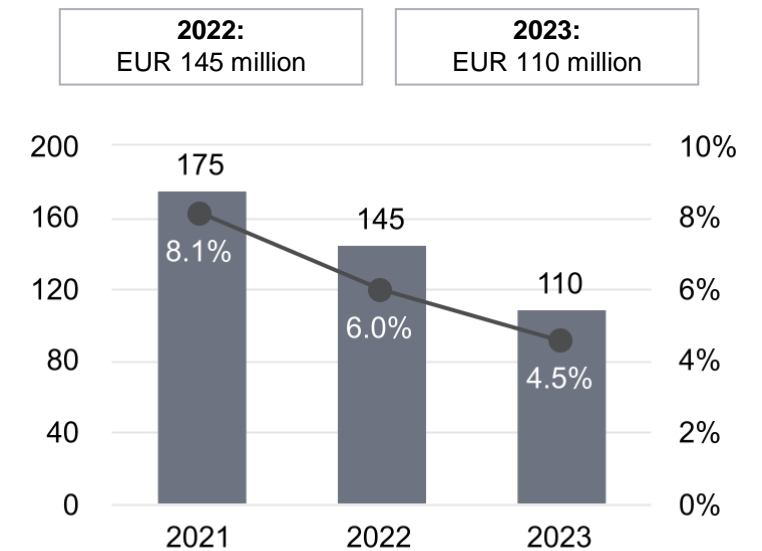
Orders received (EUR million)



Net sales (EUR million)



Comparable EBITA (EUR million and % of net sales)

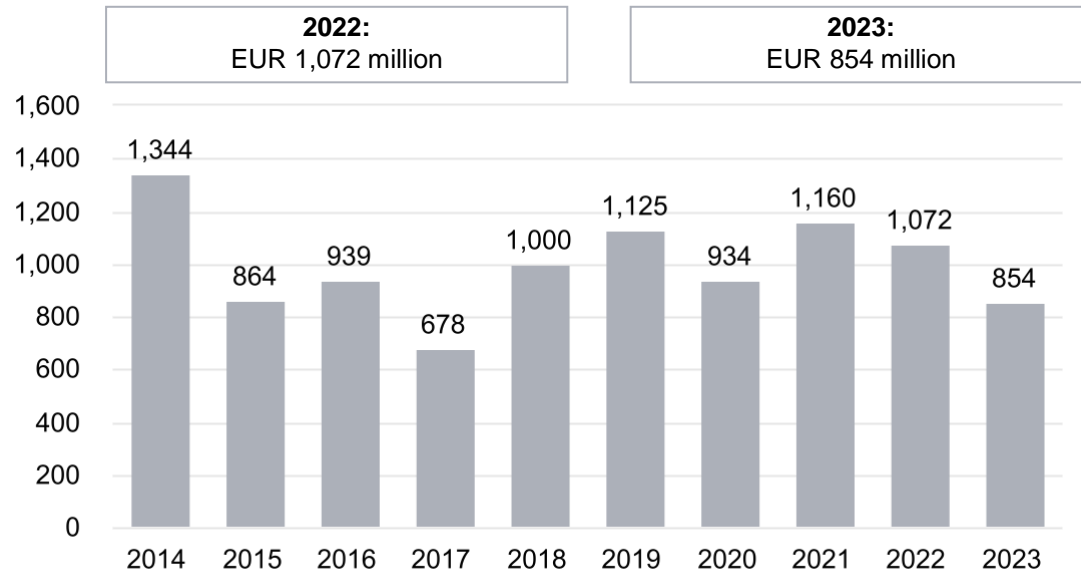


- Orders received decreased compared with 2022
- Net sales remained at the previous year's level compared with 2022
- Comparable EBITA decreased compared with 2022 as the margins in some pulp projects were impacted by cost inflation and due to cost overruns in some tissue projects

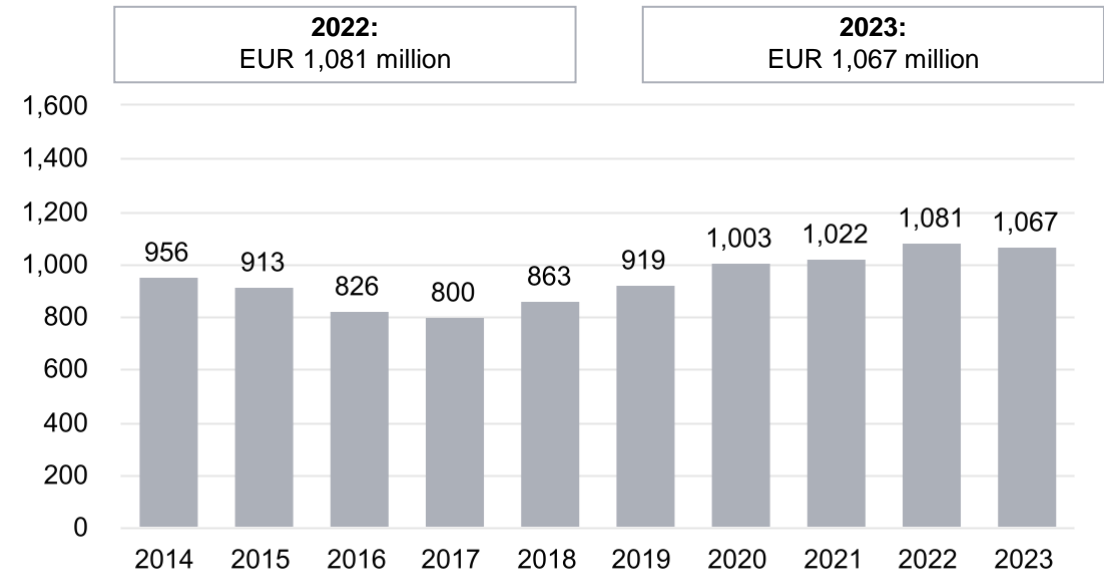


Pulp and Energy business line: Orders received decreased to EUR 854 million in 2023

Orders received (EUR million)



Net sales (EUR million)

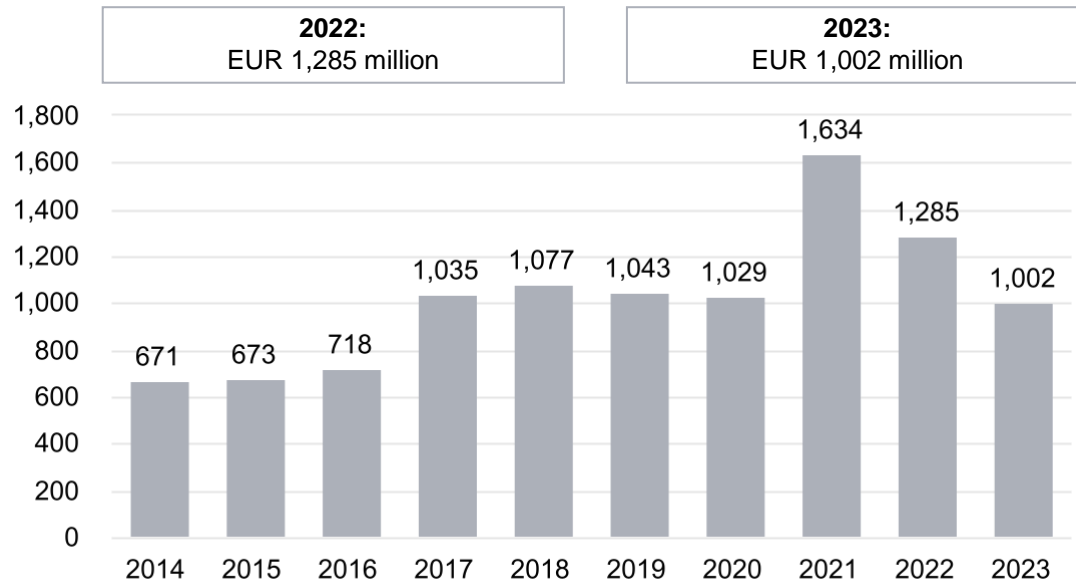


- Orders received decreased compared with 2022
 - Orders received increased in China and South America and decreased in EMEA, North America and Asia-Pacific
 - Orders received decreased in both Pulp and Energy
- Net sales remained at the previous year's level compared with 2022

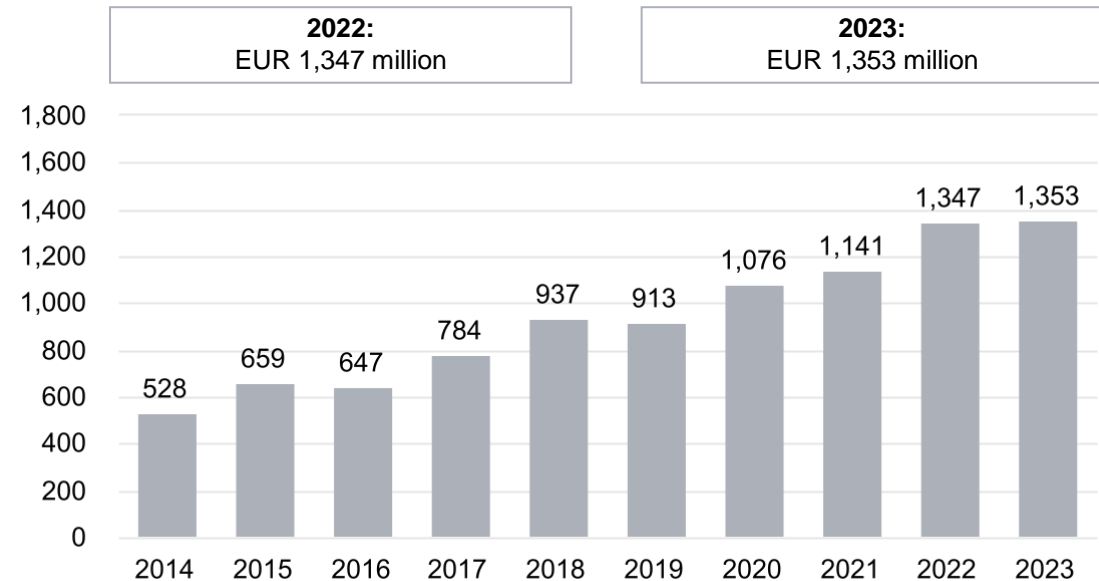


Paper business line: Orders received decreased to EUR 1,002 million in 2023

Orders received (EUR million)



Net sales (EUR million)

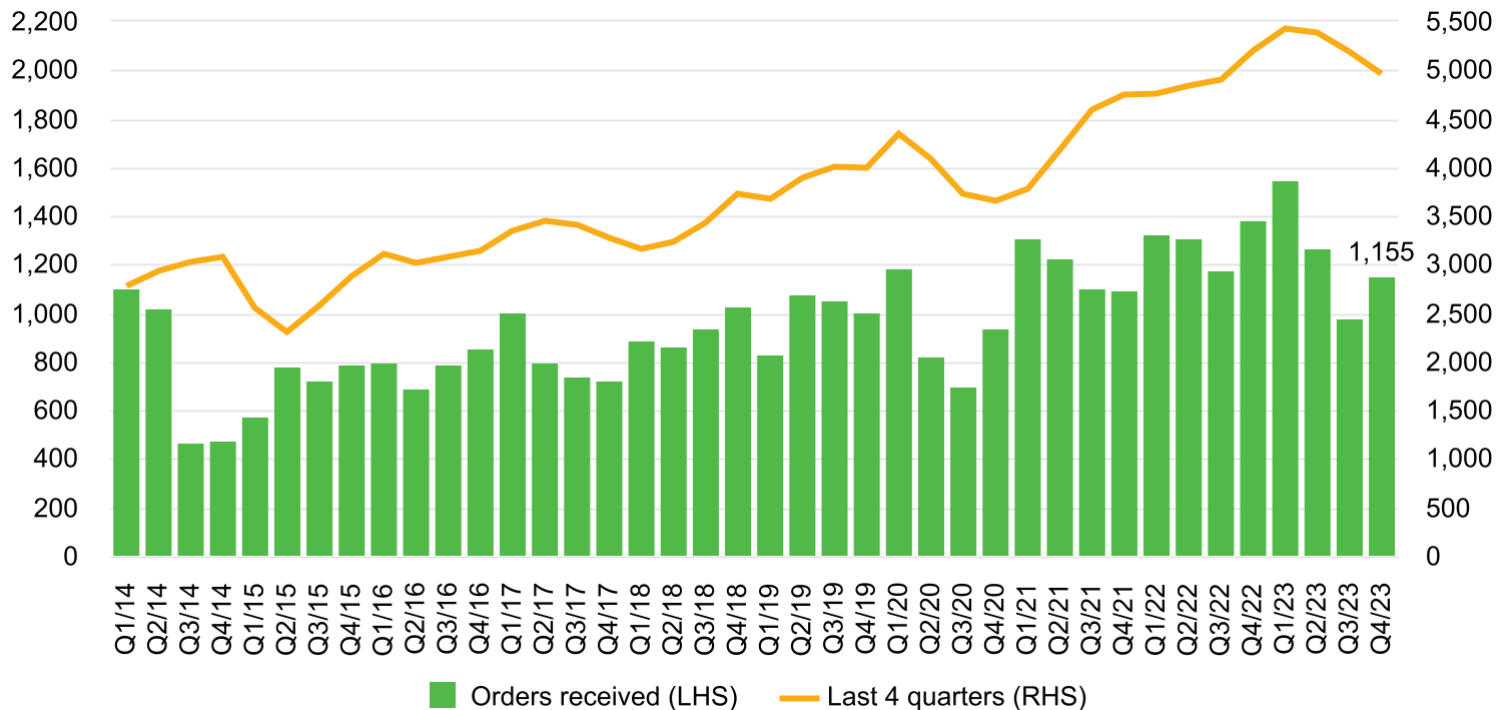


- Orders received decreased compared with 2022
 - Orders received increased in South America, remained at the previous year's level in North America and decreased in EMEA, China and Asia-Pacific
 - Orders received increased in Small and Medium size Machines and in Tissue, and decreased in Stock Preparation and Recycled Fiber, and in Board and Paper
- Net sales remained at the previous year's level compared with 2022
- The fire at Rautpohja factory site in Finland in 2022 impacted Paper business line's operations during 2023

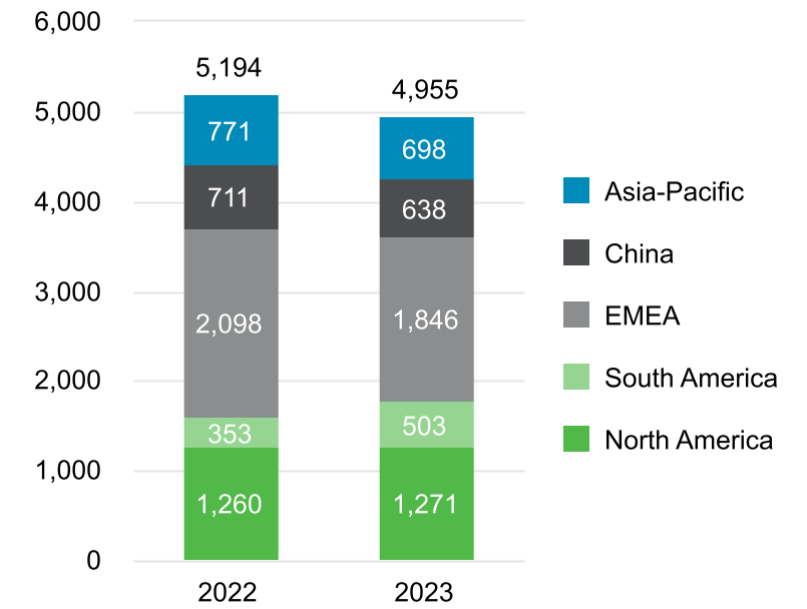


Orders received remained at the previous year's level and amounted to EUR 4,955 million in 2023

Orders received (EUR million)



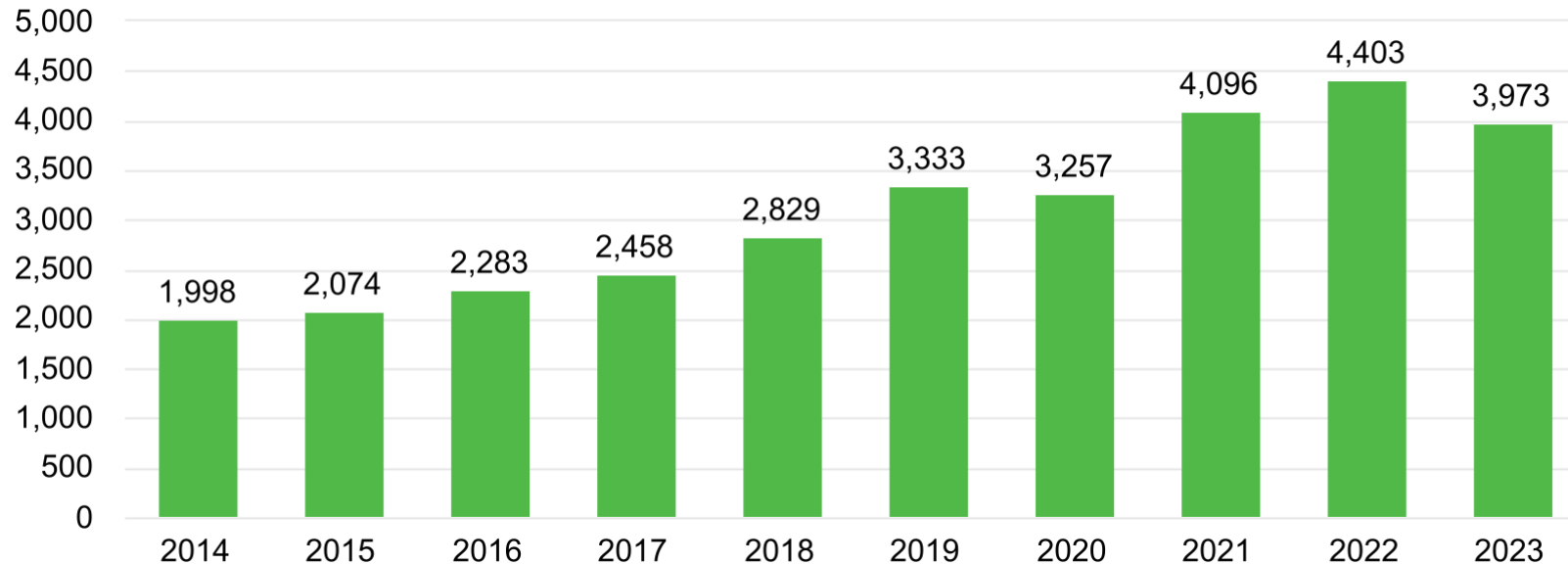
Orders received in 2023 by Area (EUR million)



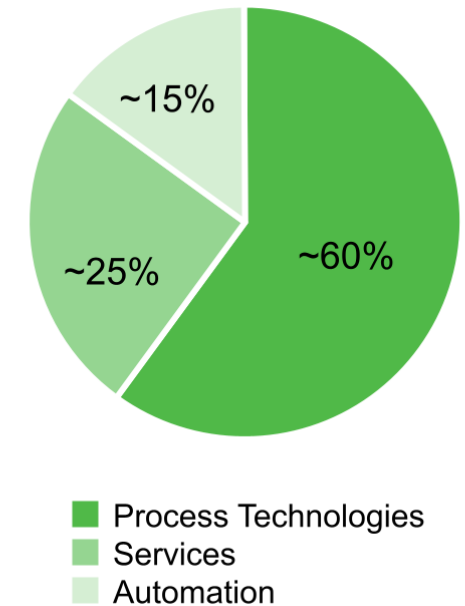
- Orders received increased in South America, remained at the previous year's level in North America and decreased in EMEA, China and Asia-Pacific in 2023 compared with 2022
 - South America, China and Asia-Pacific together accounted for 37% of orders received

Order backlog EUR 3,973 million at the end of 2023

Order backlog (EUR million)



Structure of order backlog by segment



- Order backlog was EUR 430 million lower than at the end of 2022
- Approximately 85% of the order backlog is currently expected to be realized as net sales during 2024 (at the end of 2022, ~75% during 2023).
- Approximately 40% of the order backlog relates to stable business (~35% at the end of 2022)

Announced orders booked in H2/2023

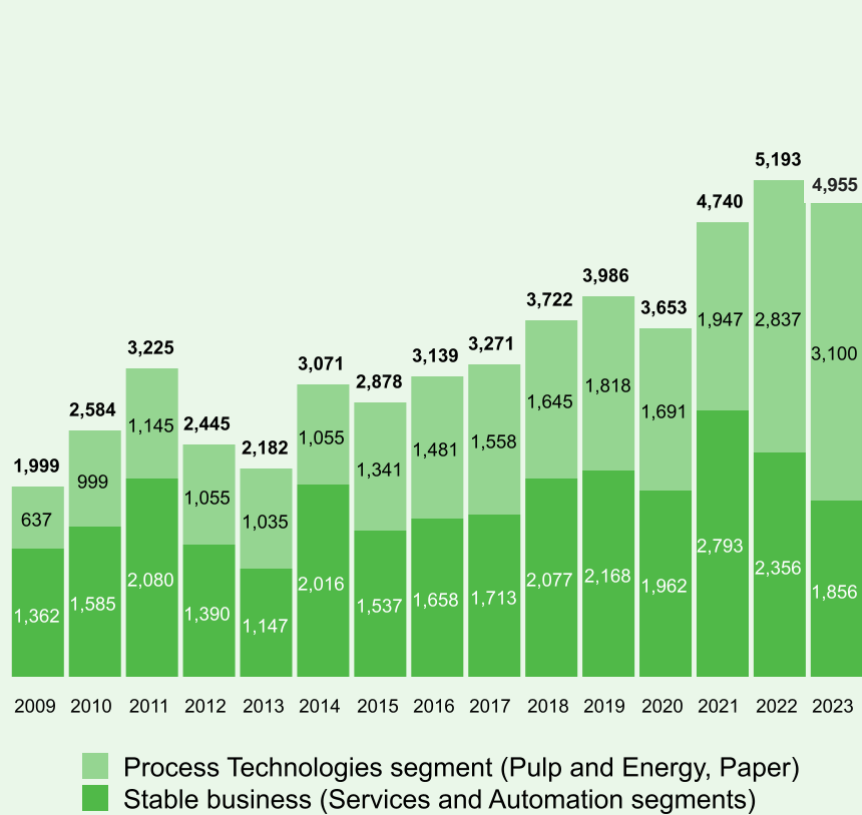
Booked quarter	Date	Description	Business line	Country	Value
Q3	Oct 2	An Advantage DCT 200 tissue production line to Sofidel	Paper	USA	Not disclosed.
Q3	Oct 25	Multiple technologies to Liansheng Pulp & Paper	Paper, Pulp and Energy	China	Not disclosed
Q4	Oct 10	A biomass power plant to Göteborg Energi	Pulp and Energy	Sweden	Not disclosed.
Q4	Jan 11	Key technology for Shandong Jin Tian He Paper's board machine	Paper	China	Not disclosed, but such an order is typically worth of EUR 20 million to EUR 30 million
Q4 & Q1/24	Jan 30	A tissue paper making line, tissue converting equipment and a biomass boiler to Suzano Paper e Celulose in Brazil	Paper, Pulp and Energy	Brazil	Not disclosed, but such an order is typically worth around EUR 100 million
Q4	Feb 13	Electrostatic precipitators to Nordic Paper's Bäckhammar mill in Sweden	Pulp and Energy	Sweden	Not disclosed
Q4	Feb 21	Valmet to add biomass co-firing to a coal-fired circulating fluidized bed boiler for PT. Cikarang Listrindo in Indonesia	Pulp and Energy	Indonesia	Not disclosed

Announced orders booked in H1/2023

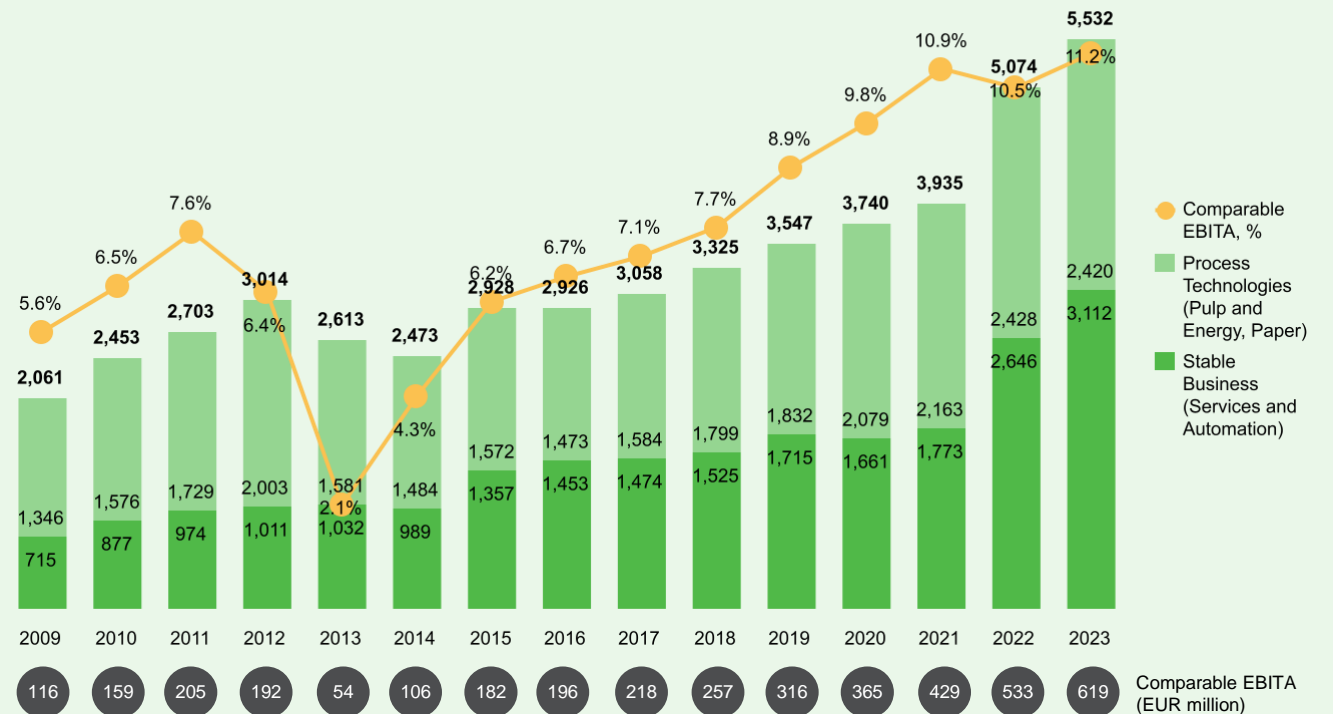
Booked quarter	Date	Description	Business line	Country	Value
Q1	Feb 23	Coated board machine to Graphic Packaging International	Paper	USA	Not disclosed, but an order of this type and scope is typically valued at EUR 140–180 million.
Q1	Mar 2	Tissue line order for Metsä Tissue's new Future Mill project	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.
Q2	Sep 26	A fine paper making line to Yueyang Forest Paper	Paper	China	Not disclosed.

Orders received and profitability development, annual

Orders received (EUR million)¹



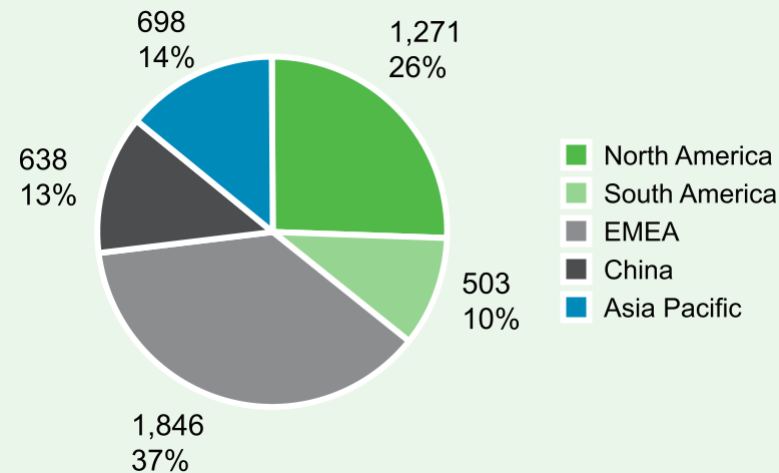
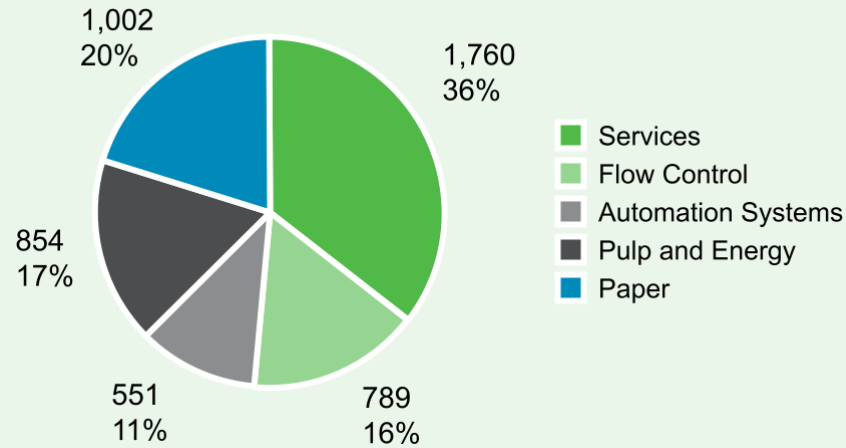
Net sales and Comparable EBITA (EUR million)¹



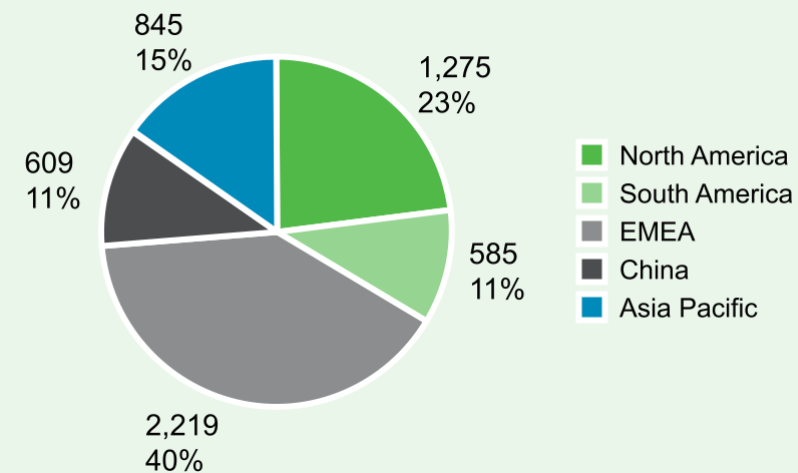
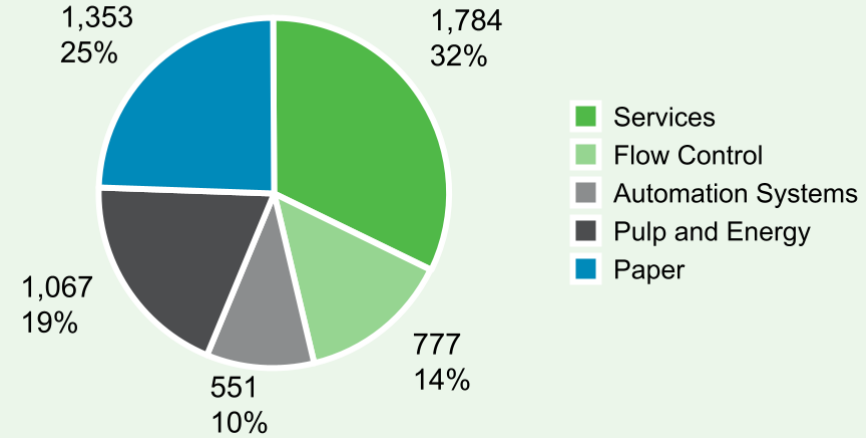
1) Carve-out figures for 2010-2013; as reported for Metso's Pulp, Paper and Power segment for 2006-2009. Automation: Automation Systems has been consolidated into Valmet's financials since April 1, 2015, and Flow Control since April 1, 2022.

Orders received and net sales split in 2023

Orders received (EUR million and % of total)



Net sales (EUR million and % of total)



Services segment in 2023

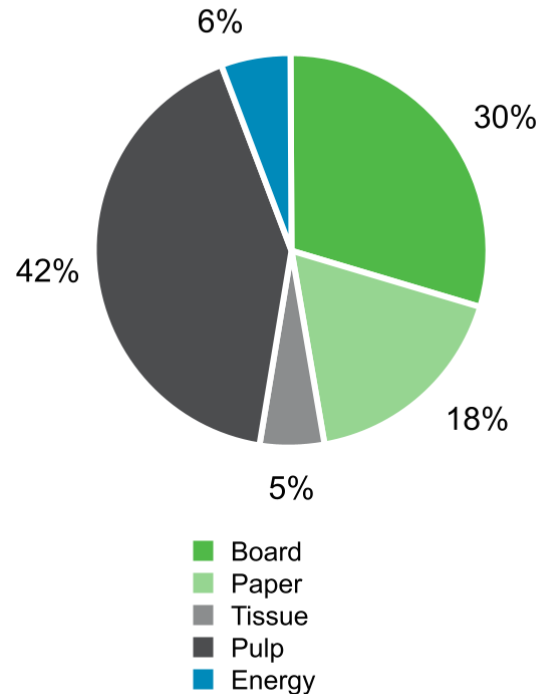
Orders received
EUR 1,760 million

Net sales
EUR 1,784 million

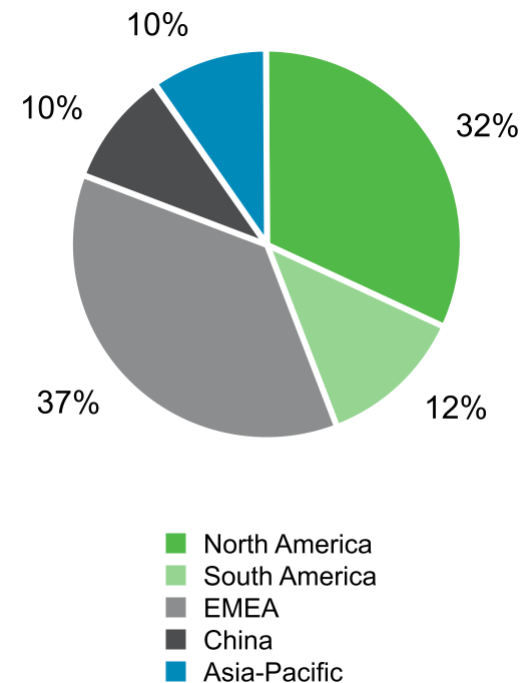
Employees
6,493

Market position
#1–2 Services

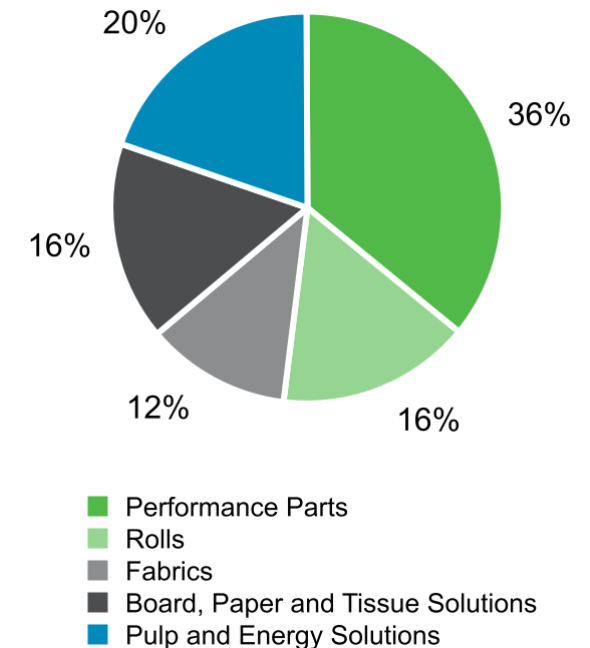
Orders received by customer segment



Orders received by area



Orders received by business



Flow Control business line in 2023

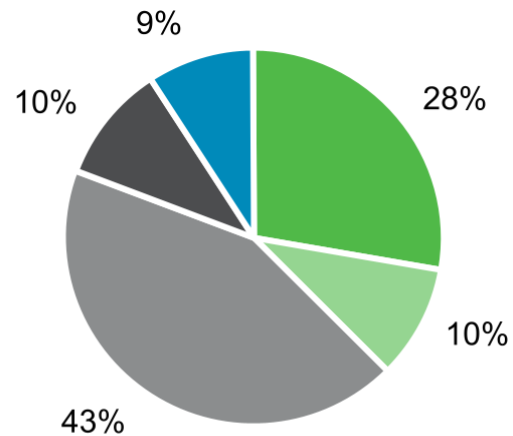
Orders received
EUR 789 million

Net sales
EUR 777 million

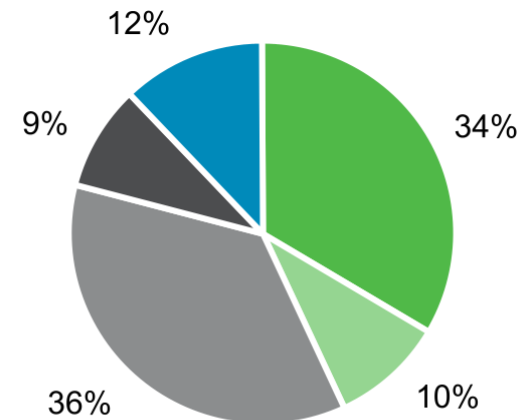
Employees
2,841

Market position
#1 Pulp and Paper
#1–2 Industrial Gases
Top 10 Refining and Chemicals

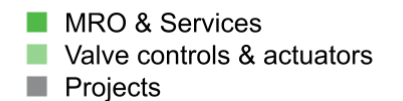
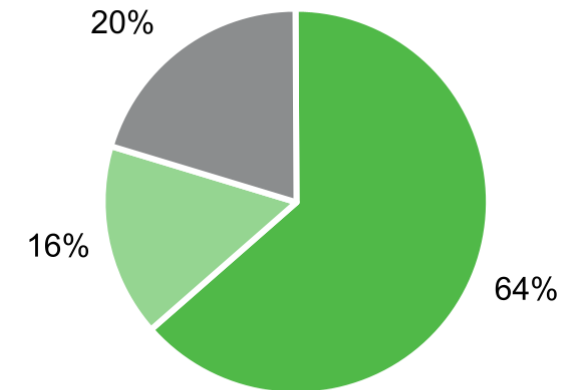
Orders received by customer industry



Orders received by area



Orders received by business



Automation Systems business line in 2023

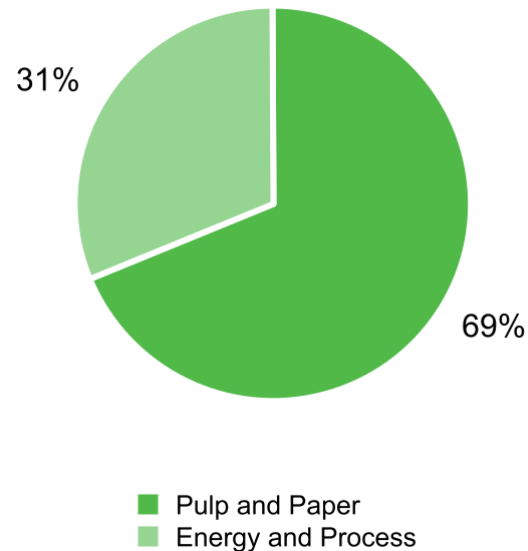
Orders received
EUR 551 million

Net sales
EUR 551 million

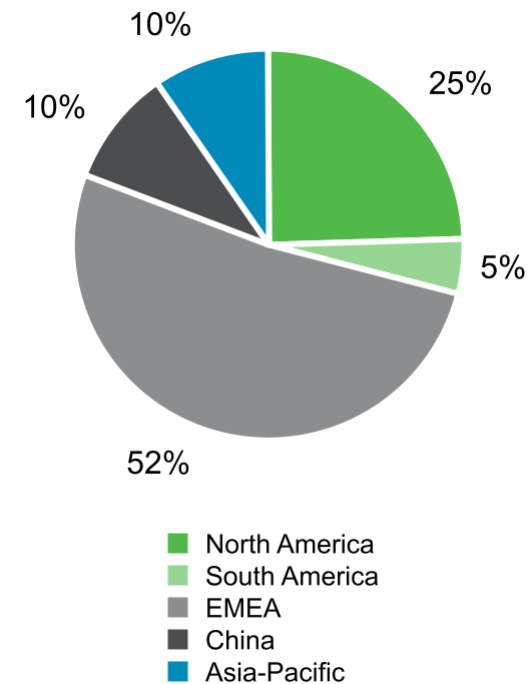
Employees
2,330

Market position
#1–3 Pulp and Paper
#2–4 Energy and Process

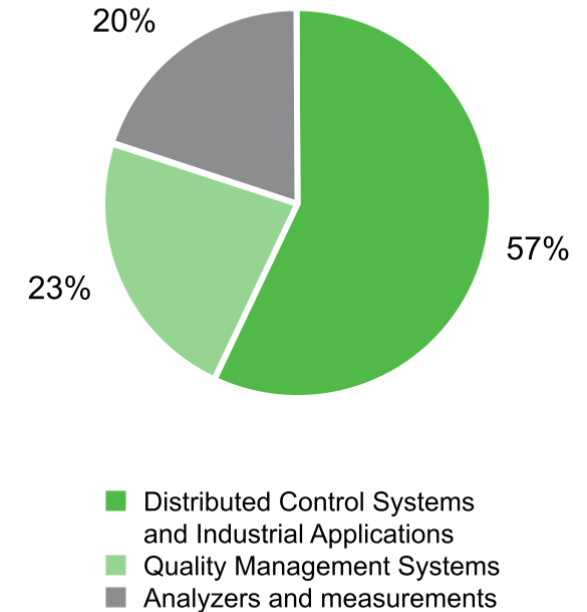
Orders received by industry



Orders received by area



Orders received by product



Service 52%

Capital 48%

Pulp and Energy business line in 2023

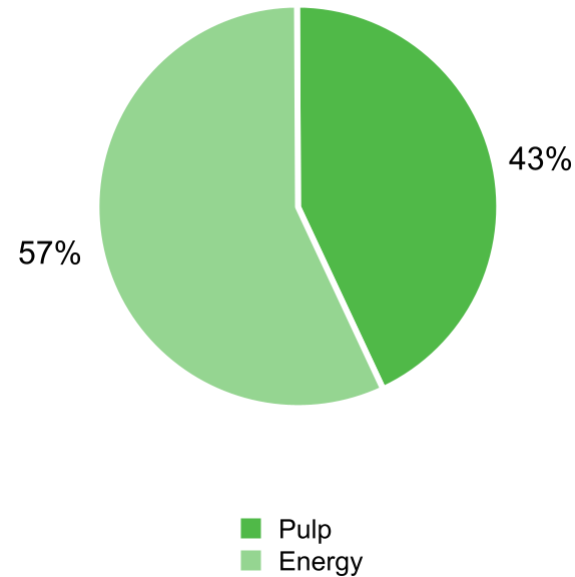
Orders received
EUR 854 million

Net sales
EUR 1,067 million

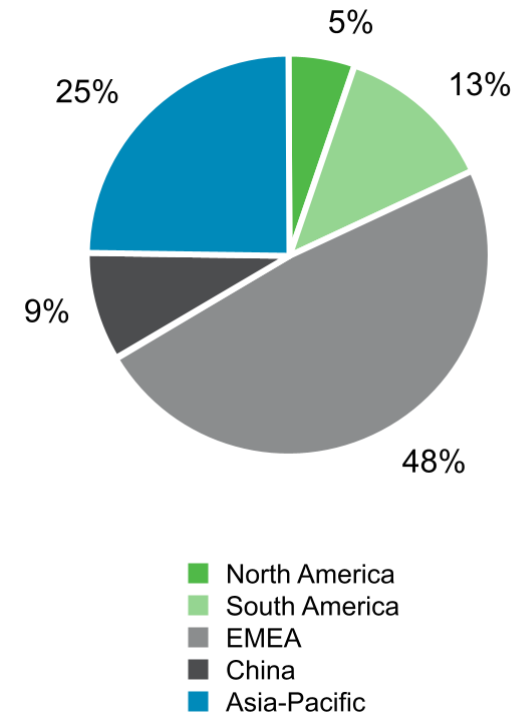
Employees
1,948

Market position
#2 Pulp
#1–3 Energy

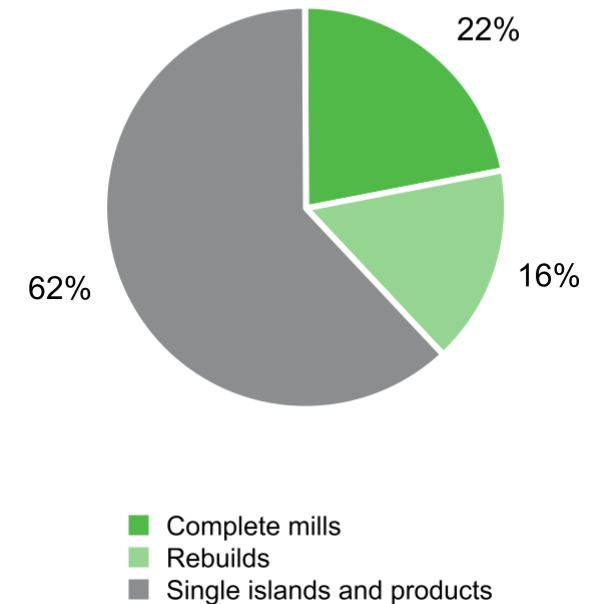
Orders received by industry



Orders received by area



Orders received by scope



Paper business line in 2023

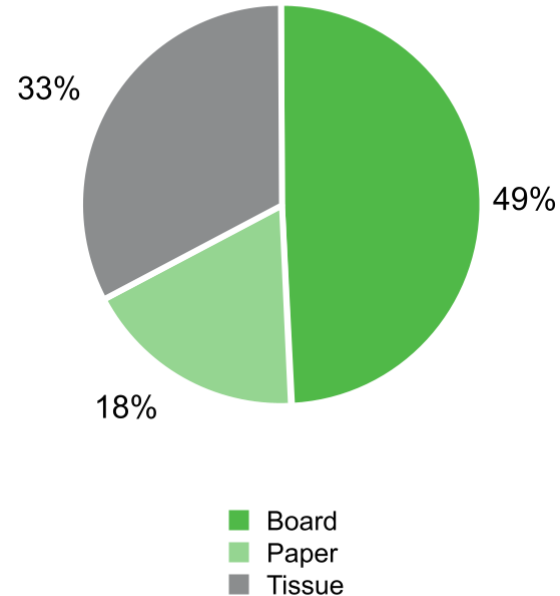
Orders received
EUR 1,002 million

Net sales
EUR 1,353 million

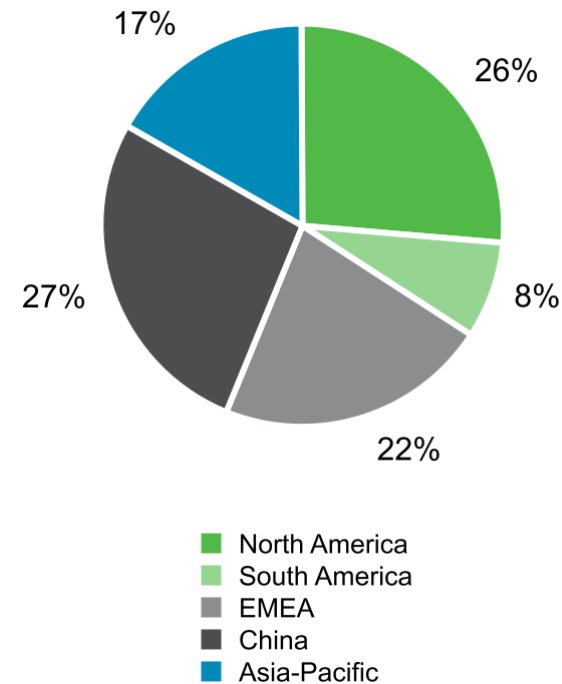
Employees
4,759

Market position
#1 Tissue
#1 Board
#1 Paper

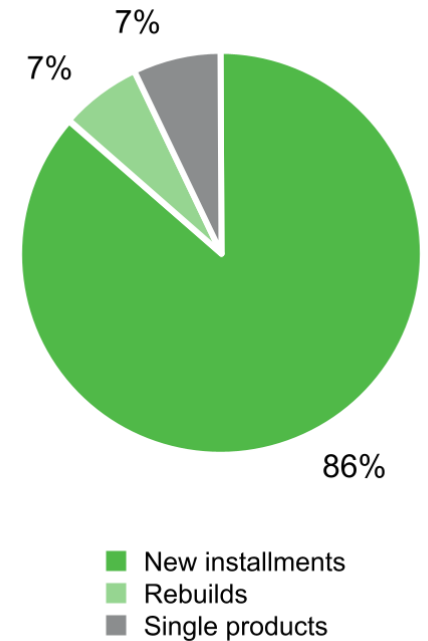
Orders received by paper grade



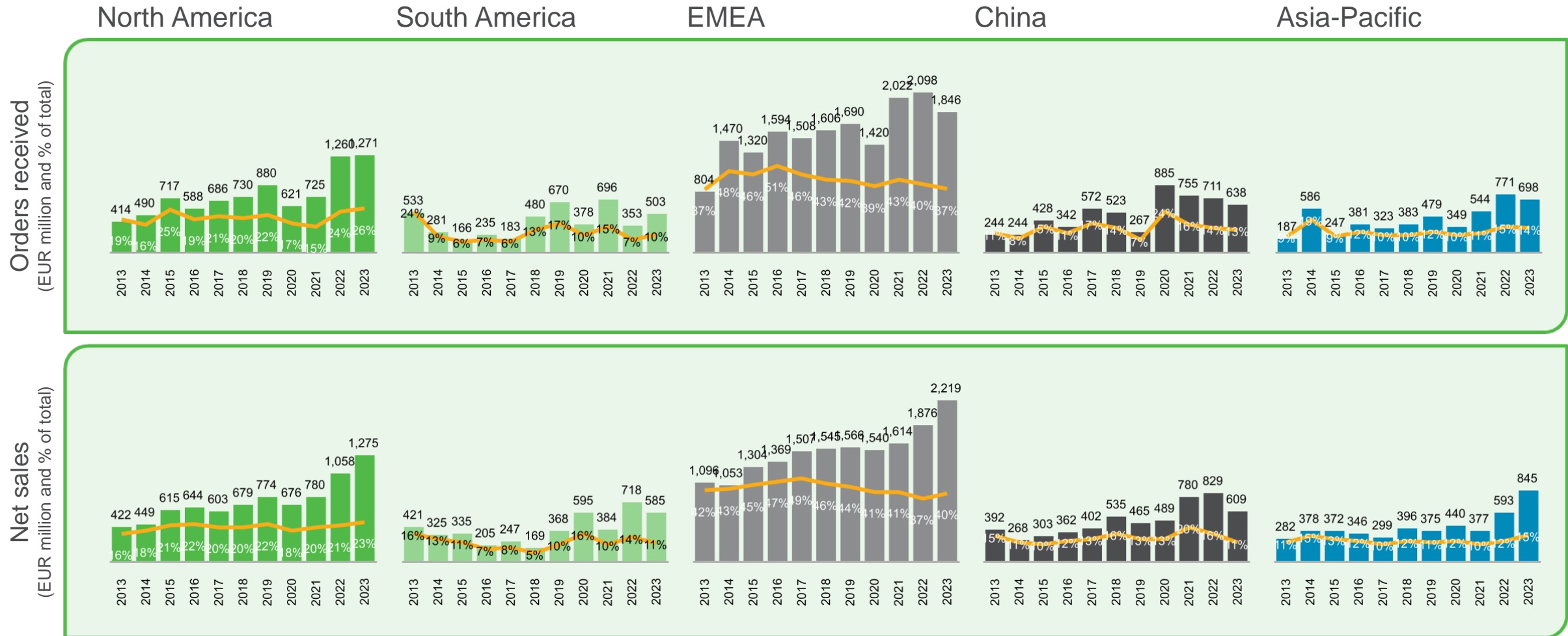
Orders received by area



Orders received by scope

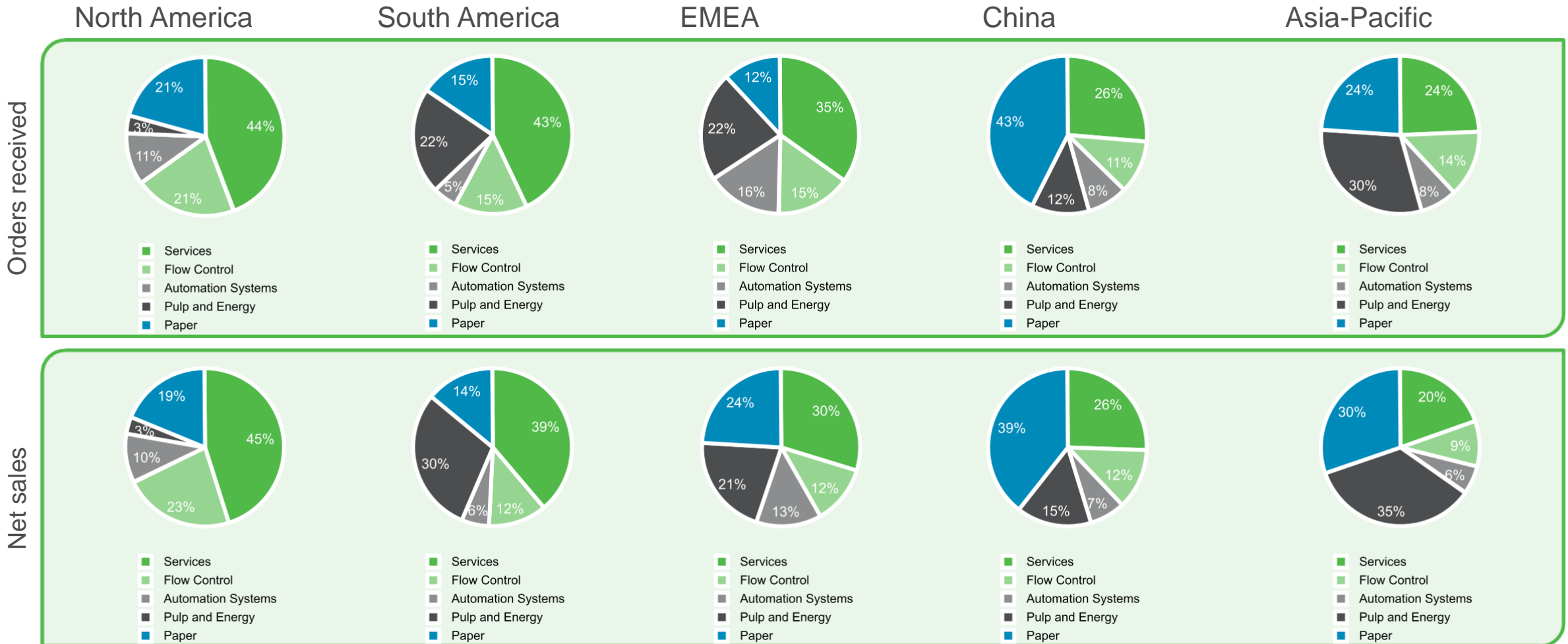


Areas: Orders received and net sales development



2013 figures on a carve-out basis.

Areas: Business line split in 2023



Figures have not been restated.



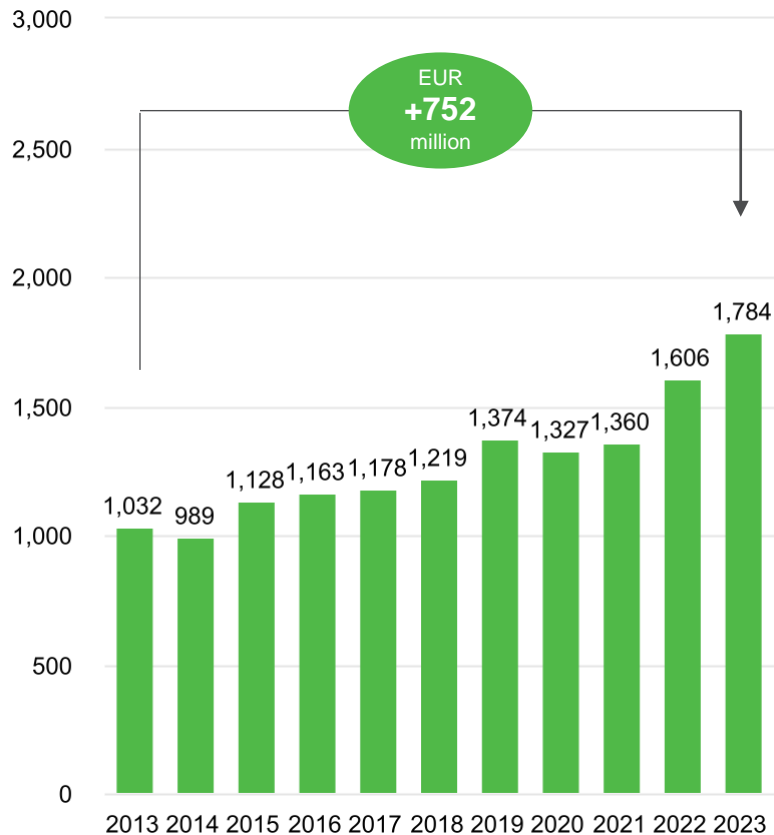
Appendix

Growth and profitability improvement

Strong track record of net sales growth in all segments

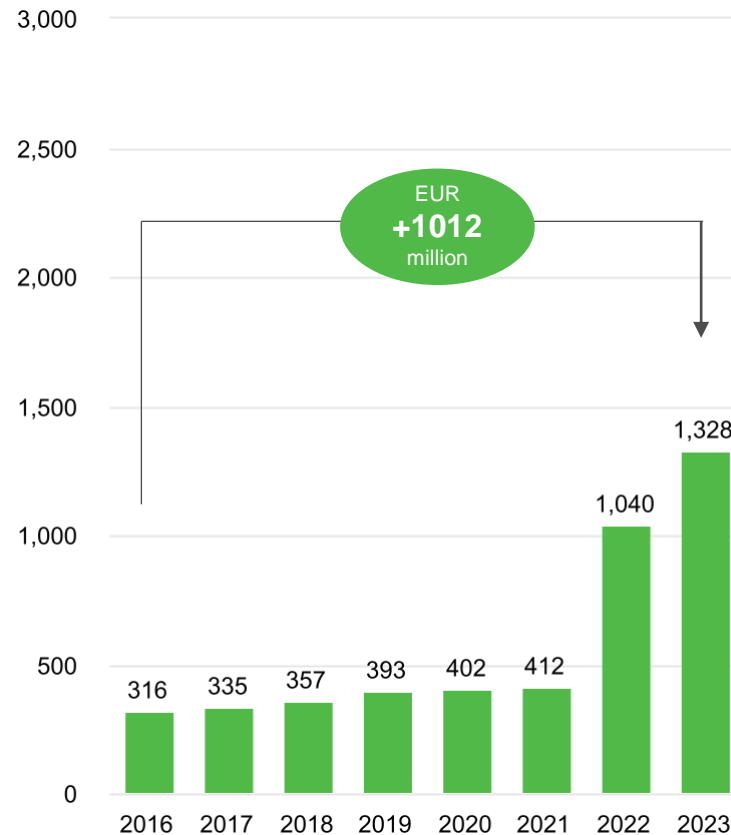
Services

Net sales (EUR million)



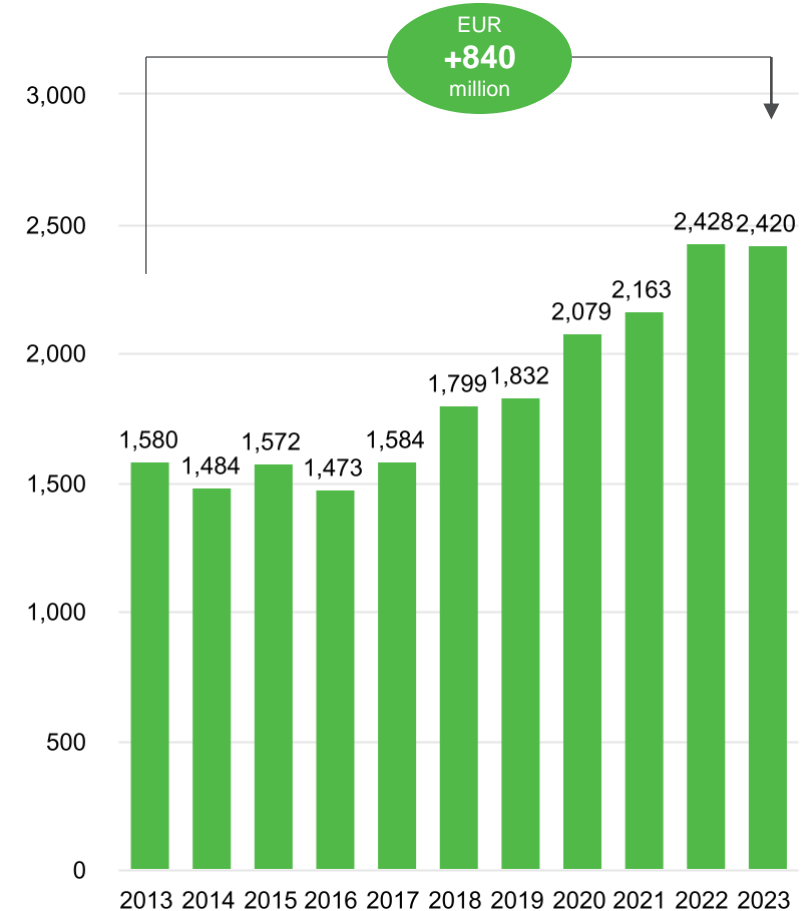
Automation

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 3.1 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

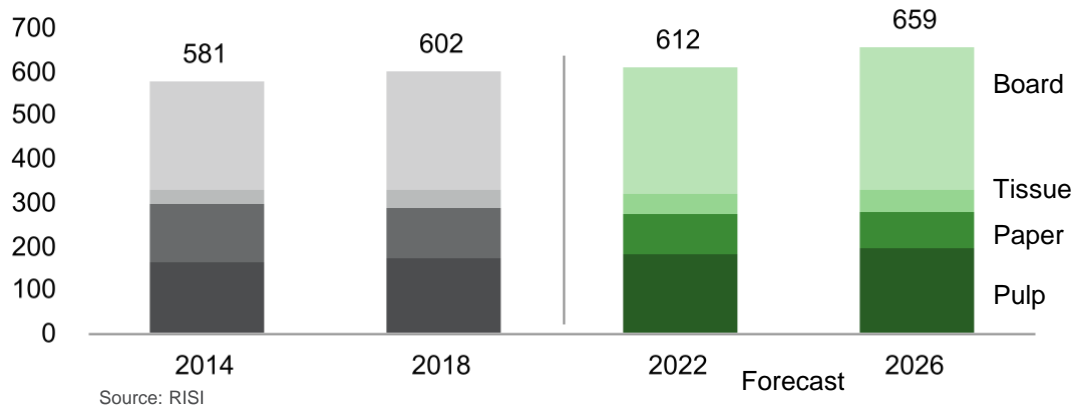
- Increase procurement, production and engineering capabilities in cost-competitive countries
- Utilize global training portfolio to strengthen Must-Win execution

Targeting to increase Comparable EBITA margin in all three segments

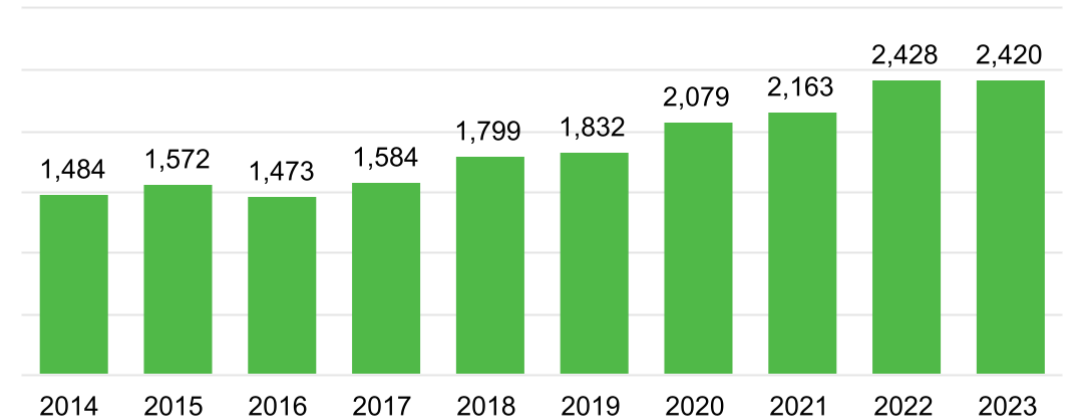
Process Technologies segment benefiting from the growing demand for bio-based products and energy

- 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 4.5% (2023)

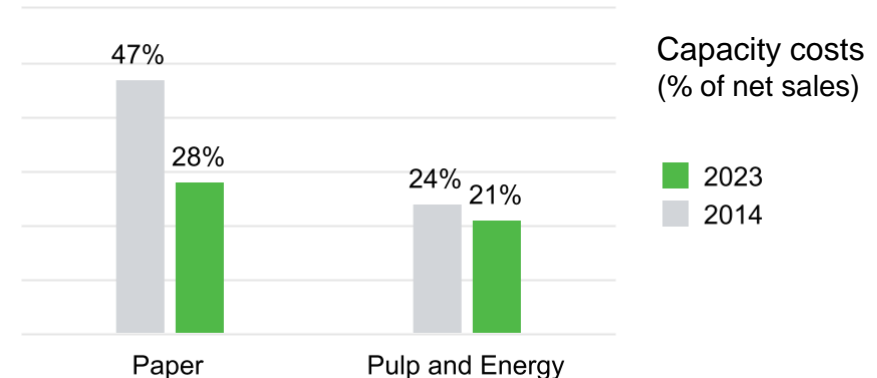
Demand for pulp and paper continues to grow (Global demand, Mton)



Net sales (EUR million)



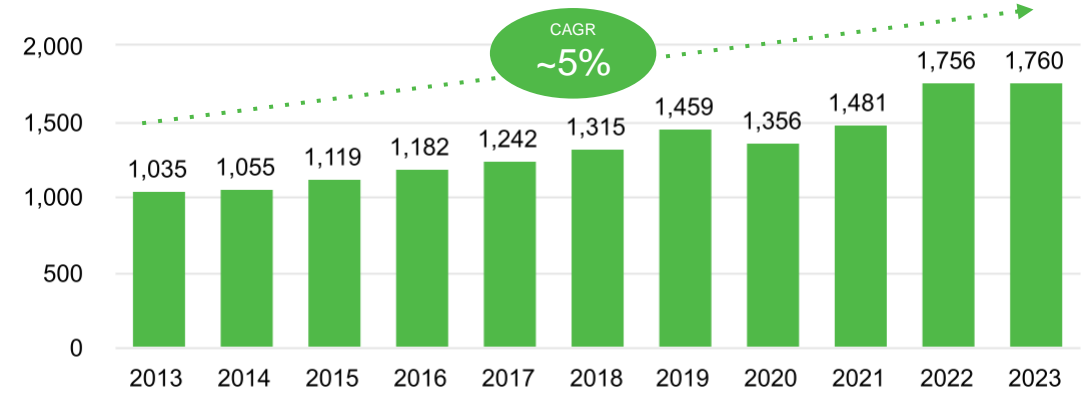
Valmet's operational efficiency has increased



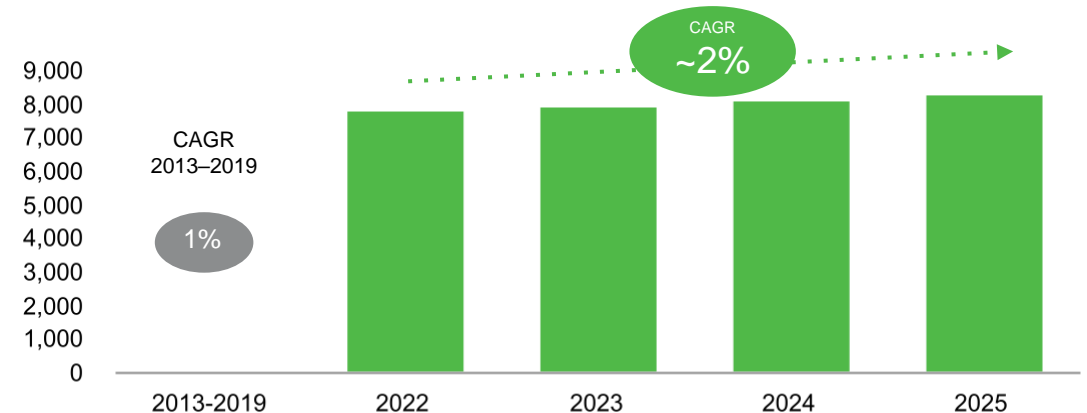
Services segment's demand driven by large and growing global installed base

- 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 17.5% (2023)

Orders received (EUR million)



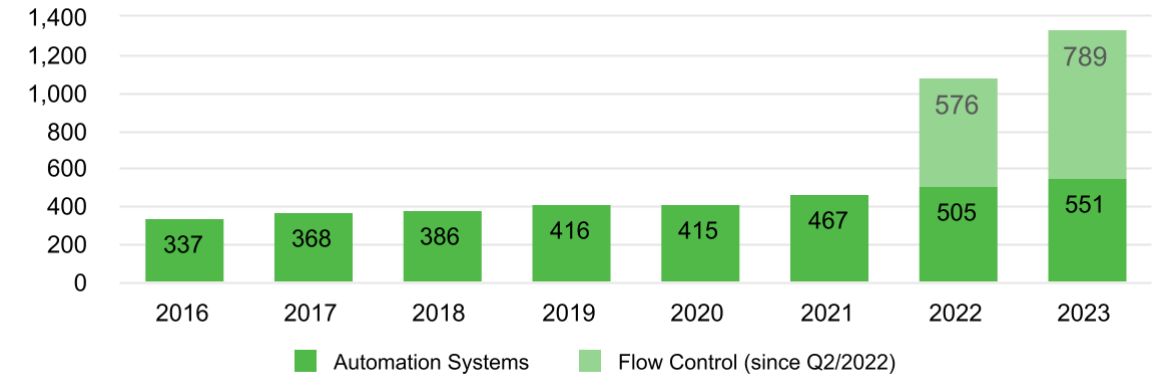
Service market development and estimate (EUR million)



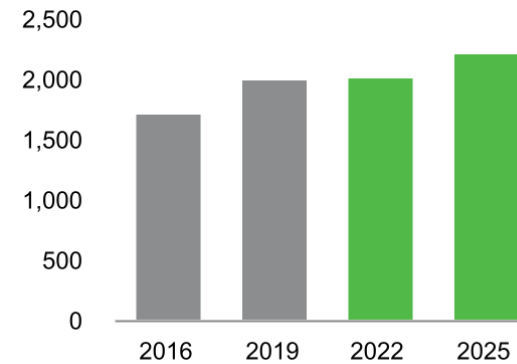
Automation segment with high growth and profitability

- 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 18.6% (2023)

Orders received (EUR million)

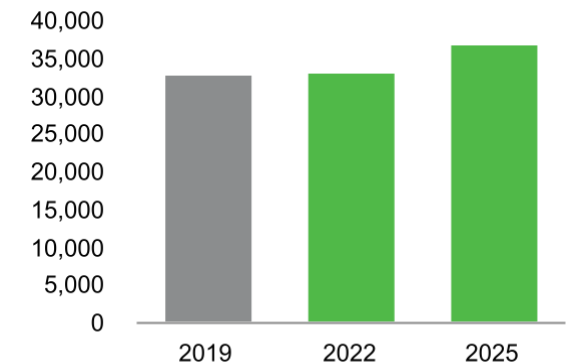


Automation Systems target market (EUR million)



Source: ARC 2021-2026 material

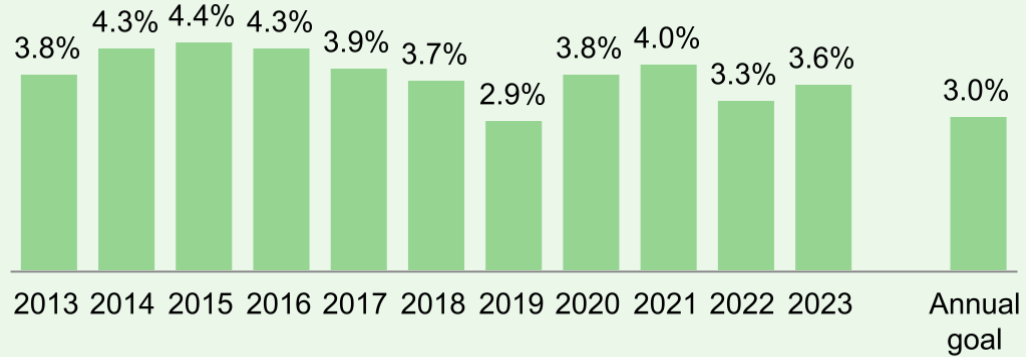
Flow Control market (EUR million)



Source: Frost & Sullivan

Procurement and quality cost development

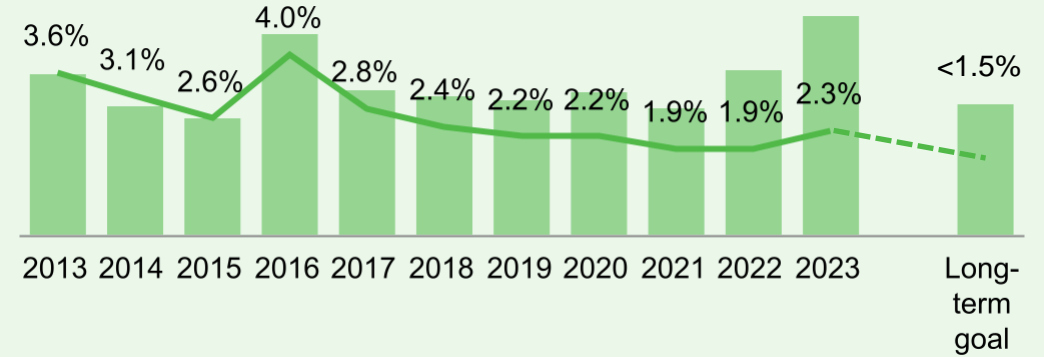
Implemented procurement savings of annual direct spend



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

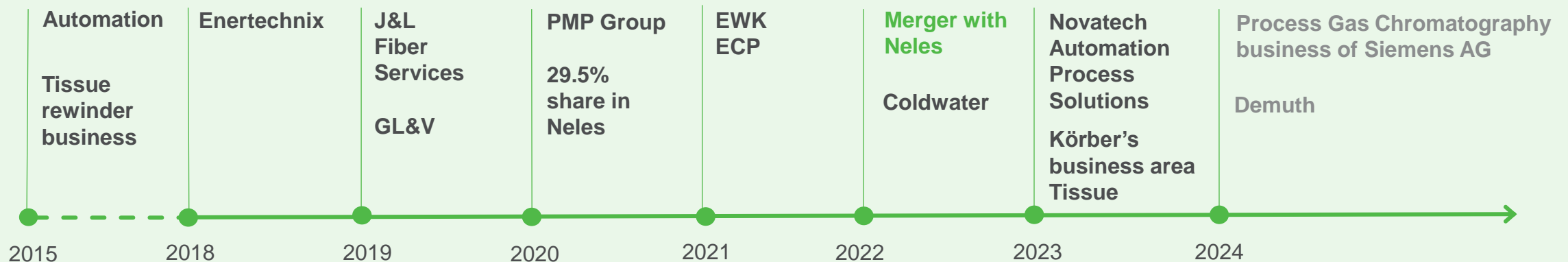
Strong track record of successful acquisitions

- 11 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

Acquisition of Körber's Business Area Tissue

Acquisition in brief

- On July 7, 2023, Valmet entered into an agreement to acquire Körber Group's Business Area Tissue. The transaction was closed on November 2, 2023
- The enterprise value is approximately EUR 380 million¹
- The acquired business will operate integrated in Valmet's Paper business line as business unit Tissue Converting
- In Valmet's reporting, the process technology part of the business will be consolidated to Paper business line and the services part to the Services business line

Körber Group's Business Area Tissue in brief

- Process technologies as well as related services and automation for converting the jumbo reels of tissue paper into final tissue products for consumers and the Away from Home segment
- The broadest offering in the tissue converting industry
- In 2022, net sales amounted to EUR ~305 million and adj. EBITDA margin ~12%
- A strong and growing services business, which accounted for 36% of total net sales in 2022
- HQ in Italy and ~1,170 employees in Italy, Brazil, China, Japan and the U.S.

Strategic rationale of the acquisition

- Creating the markets' widest technology, automation and services offering for the growing tissue industry
- Strengthen both Process Technologies and Services segments
- The combination of Valmet's legacy tissue offering and the acquired tissue converting is complementary and good strategic fit
- The combination forms a strong basis to create new business opportunities and serve our customers even better
- Valmet estimates that the acquisition will bring sales, service and cost synergies worth of EUR 8 million by the end of 2026

1) On a cash and debt free basis subject to ordinary post-closing adjustments



Acquisition of the Process Gas Chromatography business of Siemens

Acquisition in brief

- Valmet entered into an agreement on July 14, 2023, to acquire the Process Gas Chromatography business of Siemens AG
- The enterprise value is EUR 102.5 million¹
- The acquisition is estimated to be completed on April 1, 2024, at the earliest, upon completion of carve-out measures and customary closing conditions
- The acquired business is planned to be integrated into Valmet's Automation Systems business line as a separate business unit

Siemens Process Gas Chromatography business in brief


- Gas Chromatographs are used to measure the chemical composition in gases and evaporable liquids in all stages of production
- Market leader in process gas chromatography
- The Maxum brand is widely known in process industries and used extensively by world's leading industrial customers
- In 2022, net sales of the acquired business amounted to approximately EUR 120 million and pro-forma adjusted EBITDA margin was approximately 10%

Strategic rationale of the acquisition

- The acquired offering complements Valmet's existing automation offering, industry reach and expertise
- The acquisition strengthens Valmet's Automation segment and process automation offering
- The acquisition strengthens Automation Systems business footprint in North America, Asia-Pacific, and Europe

1) On a cash and debt free basis subject to ordinary post-closing adjustments





Appendix
**Shareholders and share price
development**

Largest shareholders on January 31, 2024

Based on indicative data collected by Modular Finance

#	Shareholder name	Number of shares	% of shares and votes
1	Oras Invest Oy	19,200,000	10.40 %
2	Solidium Oy	18,640,665	10.10 %
3	Swedbank Robur Fonder	8,867,933	4.81 %
4	Varma Mutual Pension Insurance Company	6,495,983	3.52 %
5	Vanguard	6,247,134	3.39 %
6	Ilmarinen Mutual Pension Insurance Company	5,729,191	3.10 %
7	BlackRock	3,898,614	2.11 %
8	Norges Bank	3,042,793	1.65 %
9	Credit Suisse Asset Management	2,753,627	1.49 %
10	Dimensional Fund Advisors	2,752,266	1.49 %
	<i>10 largest shareholders, total</i>	77,628,206	42.07%
	<i>Other shareholders</i>	106,901,399	57.93%
	Total	184,529,605	100.0%

Five latest flagging notifications

Date of transaction	Shareholder	Number of shares	% of shares and votes
Jan 26, 2024	Oras Invest Oy	18,850,000	10.22%
Dec 27, 2023	The Goldman Sachs Group, Inc.	12,376,070	6.71%
Dec 16, 2022	Oras Invest Oy	9,300,000	5.04%
May 19, 2022	Solidium Oy	18,640,665	10.10%
Apr 1, 2022	Solidium Oy	17,072,199	9.25%

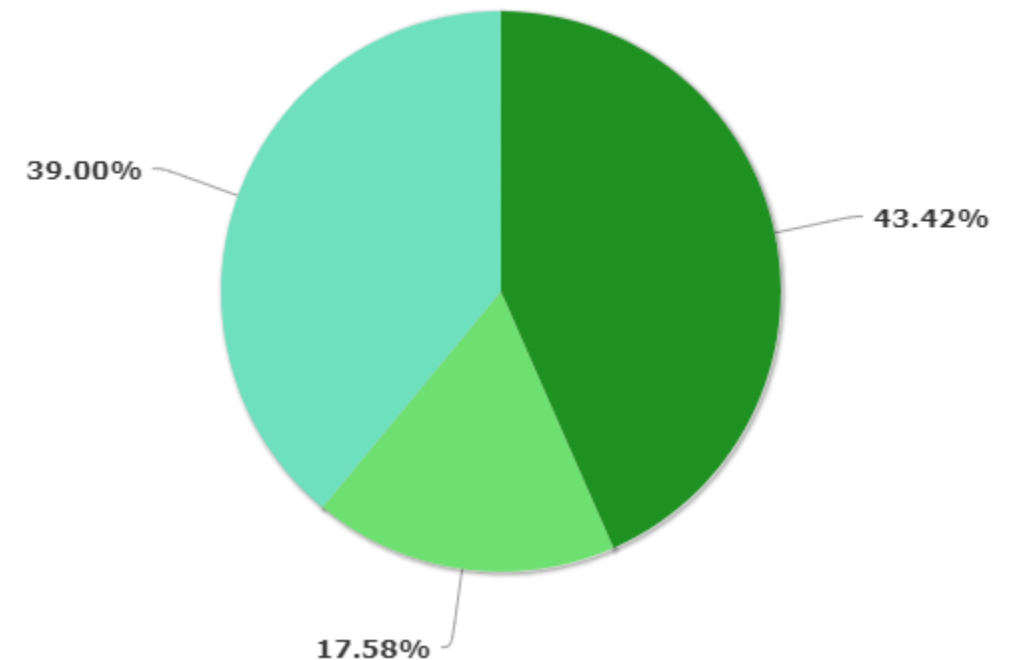
1) Solidium is a holding company that is wholly owned by the Finnish State



Shareholder structure on January 31, 2024

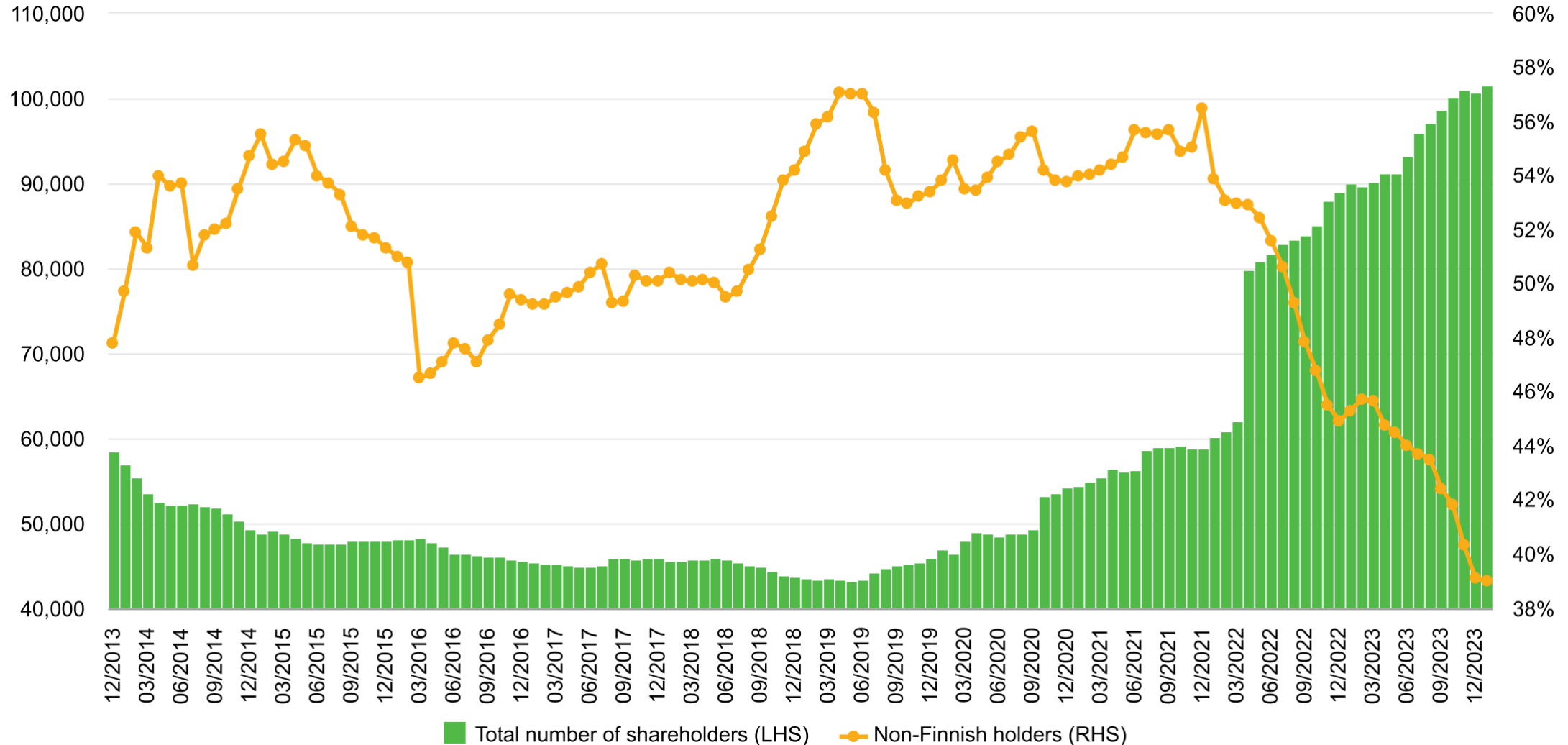
Based on Euroclear data. The classification of sectors determined by Statistics Finland.

Sector	Shareholders		Shares	
	Number	%	Number	%
Finnish institutions, companies and foundations	4,871	4.80	80,119,677	43.42
Finnish private investors	96,138	94.72	32,429,673	17.58
Nominee registered and non-Finnish holders	491	0.48	71,969,686	39.00
Total	101,500	100.00	184,519,036	100.00
In the joint book-entry account	0		10,569	
Number of shares issued	101,500		184,529,605	



Share of non-Finnish holders and number of shareholders

At the end of January 2024, Valmet had 101,500 shareholders and 39.0% of the shares are held by investors outside Finland



Valmet share price development

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



Share price during 2024	Valmet	OMX Helsinki
December 31, 2023	26.11	10,098
January 31, 2024	26.25	10,167
High	26.77	10,313
Low	24.50	9,835
Market cap (EUR million)	4,844	

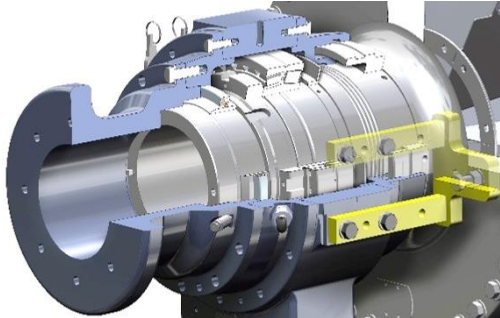
	Volume 2024	% of outstanding
Total	10,679,339	5.8%
Median	414,100	0.2%
Average	485,425	0.3%
Average, EUR	12,383,723	
Max	862,273	0.5%
Min	228,686	0.1%
No. of shares outstanding	184,161,105	

Source: FactSet, Nasdaq



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

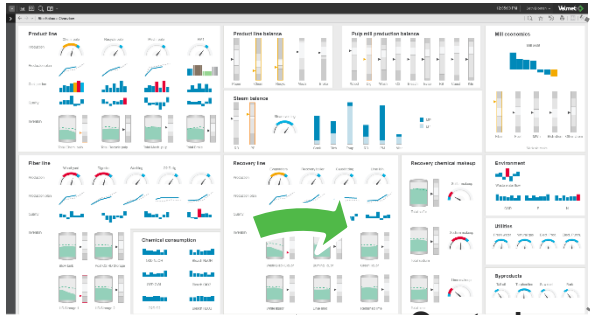
Automation Systems: Customers investing in improving their operations

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

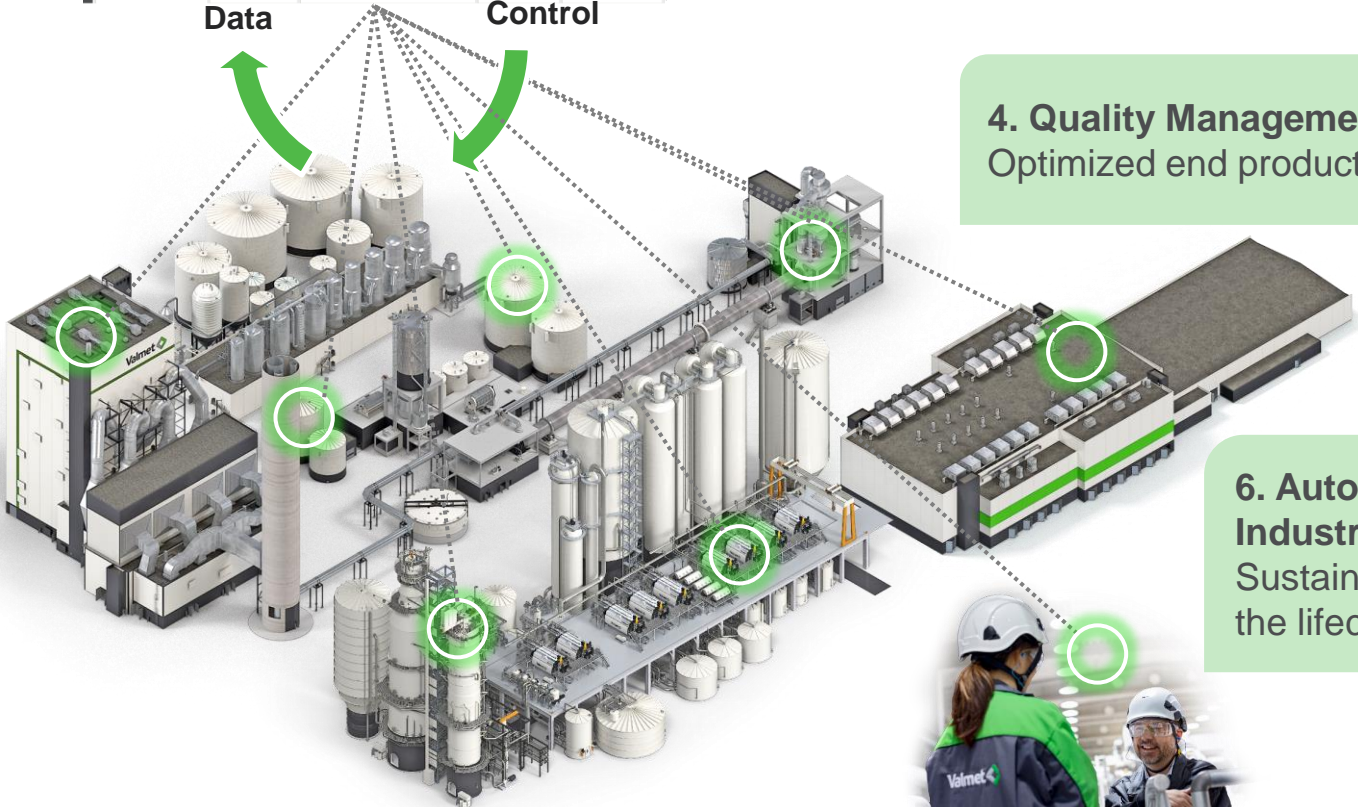


secure connection to cloud

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



Leading pulp and energy technology offering



Pulp

Energy

Complete mills and lines

Single islands and products

Boilers and power plants

Rebuilds and conversions

Offering

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

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

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

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

Competitive advantages

- 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

- 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

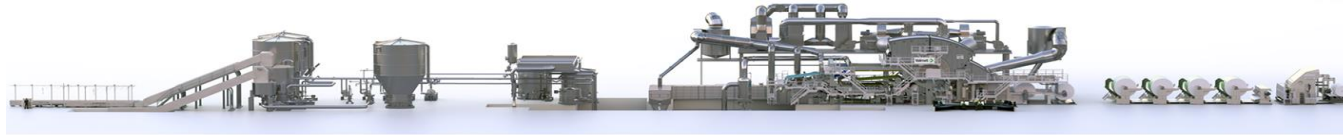
- Technical knowledge of the process including fuel handling, combustion and emission control
- Various complementing technologies
- Large reference base

Unmatched scope in Board, Paper and Tissue



Valmet Tissue Converting: Creating the market's widest offering for tissue industry

Technologies, services and automation for the entire tissue value chain – from fiber to a finished end product



Stock preparation

Tissue machine

Tissue rewinder



Converting line



- With Tissue Converting, Valmet now has the market's widest portfolio of process technologies, services and automation solutions for the entire tissue value chain
- The leading tissue making and converting technologies combined with Valmet Industrial Internet will enable significant productivity as well as end-product quality improvements for tissue customers

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

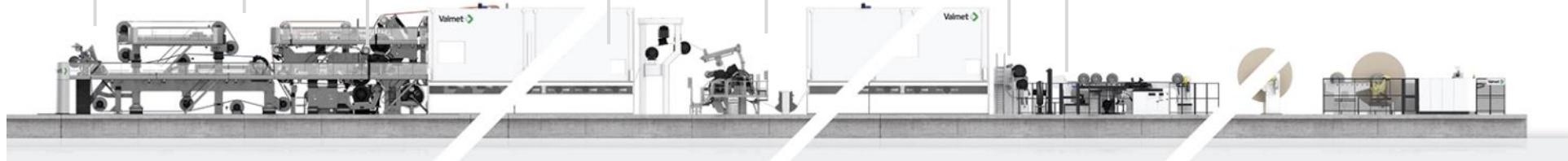
OptiPress Center with Metal belt
Towards increased dry content and decreased draw

Steel cylinder
Solution for higher drying efficiency

OptiSizer HardSizer with Hard Nip
Solution for improved strength

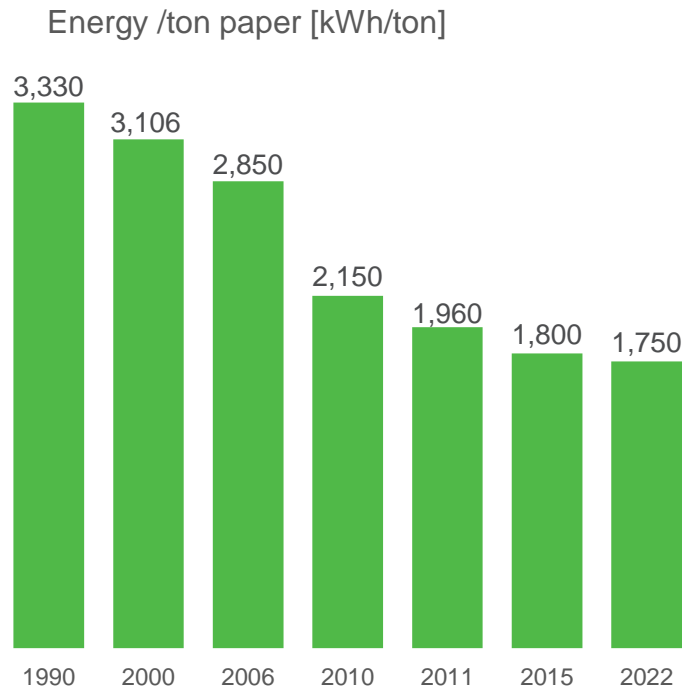
OptiCalender Metal Belt
Better surface quality and higher bulk

Aqua Cooling
Improved bulk

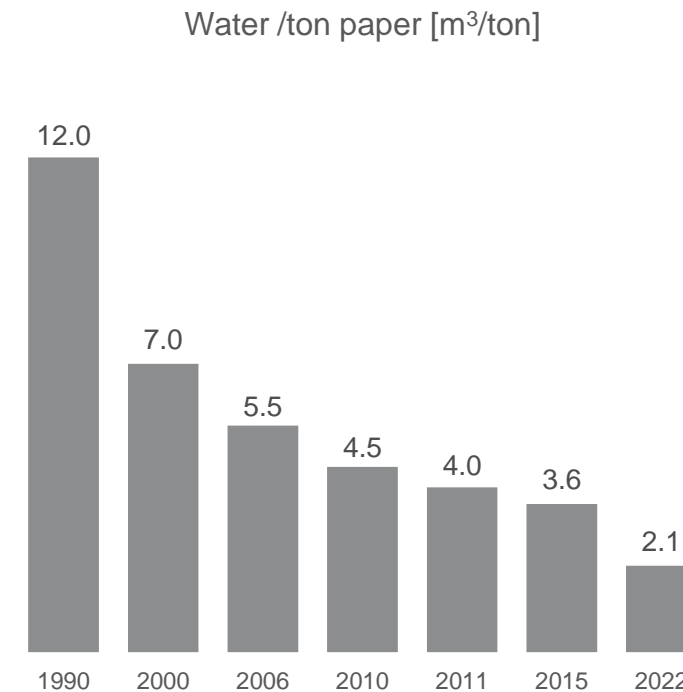


Driving development of resource-efficient tissue production

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)
Chair of the Board
Finnish citizen

- M.Sc. (Eng.)
- Other positions of trust:
 - Chair 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 Chair of the Board
Finnish citizen

- M.Sc. (Eng.)
- Other positions of trust:
 - Chair of the Board of Enersense International Oyj, Varma Mutual Pension Insurance Company, Suominen Oyj, Cargotec Oyj, Technology Industries of Finland
- 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:
 - Chair of the Board of Normet Group Oy and Technology Industry Employers of Finland
 - Vice Chair 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 Finance and Treasury 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. (Eng.), PhD (Industrial Management)
- Senior Advisor at Peymar Holding AB
- Other positions of trust:
 - Chair of the BoD of Permascand AB and Nordic Brass Gusum AB
 - Board member in Boliden AB, Vattenfall AB and ReOcean AB
- Share ownership: 2,473
- Independent of company: Yes
- Independent of owners: Yes



Monika Maurer
(b. 1956)
Board member
German citizen

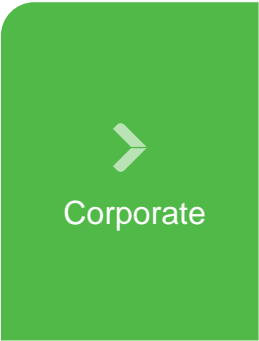
- Diploma in Physics and Chemistry
- Diploma in Pedagogy
- CEO of Radio Frequency Systems
- Other positions of trust:
 - Vice Chair of the Board of Nokia Shanghai Bell, Co. Ltd and Atos SE
- Share ownership: 5,417
- Independent of company: Yes
- Independent of owners: Yes



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



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



Janne Pynnönen
SVP, Operational Development
Share ownership: 1,087



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: 60,822



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 salary (monthly base salary and customary fringe benefits¹)
 - short-term and long-term incentives, and
 - pension benefits and customary insurances.
- 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 maximum relative proportion of the variable pay elements is 2–3 times the fixed salary
 - The maximum short-term incentive cannot exceed 100–150% of fixed salary, and the maximum long-term incentive cannot exceed 150–200% of fixed salary 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 a six month notice period plus severance pay corresponding to the last total monthly salary multiplied by 18

1) Such as a car and a mobile phone in accordance with local legislation and market practice.

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.

Current Performance Share Plans and Deferred Share Plans

	LTI plan 2022–2024		LTI plan 2023–2025		LTI plan 2024–2026	
Plan name	PSP and DSP	PSP	PSP and DSP	PSP	DSP	PSP
Performance period	2022 (1 year)	2022–2024 (3 years)	2023 (1 year)	2023–2025 (3 years)	2024	2024, 2024–2026
Incentive based on	<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	Comparable EBITA as a percentage of net sales, and orders received growth of the stable business	<ul style="list-style-type: none"> Development of a valuation multiple of Valmet's share in comparison to peer group Comparable EBITA as a percentage of net sales, and orders received growth of the stable business
Reward payment	In spring 2023	In spring 2025	In spring 2024	In spring 2026	In spring 2025	In spring 2027
Restriction period	Until spring 2025		Until spring 2026		Until spring 2027	
Participants in PSP	14	12	15	14		14
Participants in DSP	125		128		~200	
Total gross number of shares earned	Approximately 185,000	Approximately 31,000	As at December 31, 2023, a total of approximately 365,000 shares were allotted to participants	As at December 31, 2023, a total of approximately 48,000 shares were allotted to participants	The rewards to be paid will correspond to a maximum total of approximately 683,000 shares	

