Financial Statements Review

January 1 – December 31, 2024

Valmet

Valmet’s Financial Statements Review January 1 – December 31, 2024

Orders received increased, but Net sales and Comparable EBITA remained steady in 2024

Figures in brackets, unless otherwise stated, refer to the comparison period, i.e., the same period of the previous year.

October–December 2024: Orders received increased to a new record of close to EUR 2.5 billion

- Orders received increased to EUR 2,463 (EUR 1,155 million).
  - Orders received increased in all three segments.
  - Orders received increased in South America, Asia-Pacific and North America, and decreased in China and EMEA (Europe, Middle East and Africa).
  - Orders received included a landmark order for a complete pulp mill with full-scope automation and flow control solutions to Brazil from Arauco, valued at over EUR 1 billion.
- Net sales remained at the previous year’s level and amounted to EUR 1,528 million (EUR 1,499 million).
  - Net sales increased in the Automation and Services segments and decreased in the Process Technologies segment.
- Comparable earnings before interest, taxes and amortization (Comparable EBITA) increased 5 percent to EUR 192 million (EUR 183 million).
  - Comparable EBITA increased in the Services segment, remained at the previous year's level in the Automation segment, and decreased in the Process Technologies segment.
- Comparable EBITA margin was 12.6 percent (12.2%).
- Earnings per share (EPS) were EUR 0.53 (EUR 0.56). EPS remained at previous year's level. Adjusted EPS was EUR 0.60 (EUR 0.65).
- Items affecting comparability amounted to EUR -19 million (EUR -10 million) and were mainly related to Process Technologies and Automation segments.
- Cash flow provided by operating activities totaled EUR 178 million (EUR 123 million).

January–December 2024: Orders received increased to EUR 5.8 billion

- Orders received increased 18 percent to EUR 5,837 million (EUR 4,955 million).
  - Orders received increased in all three segments.
  - Orders received increased in South America, North America and Asia-Pacific and decreased in China and EMEA.
- Net sales remained at the previous year’s level and amounted to EUR 5,359 million (EUR 5,532 million).
  - Net sales increased in the Automation and Services segments and decreased in the Process Technologies segment.
- Comparable EBITA remained at the previous year’s level and amounted to EUR 609 million (EUR 619 million).
  - Comparable EBITA increased in the Services segment, remained at the previous year's level in the Automation segment, and decreased in the Process Technologies segment.
- Comparable EBITA margin was 11.4 percent (11.2%).

- EPS was EUR 1.52 (EUR 1.94). EPS decreased mainly due to lower operating profit and higher net financial expenses. Adjusted EPS was EUR 1.93 (EUR 2.28). Adjusted EPS decreased mainly due to lower operating profit and higher net financial expenses.
- Items affecting comparability amounted to EUR -53 million (EUR -14 million) and were mainly related to Process Technologies segment.
- Cash flow provided by operating activities totaled EUR 554 million (EUR 352 million).

Dividend proposal

The Board of Directors proposes to the Annual General Meeting, which is planned to be held on March 26, 2025, a dividend of EUR 1.35 per share for 2024. The proposed dividend equals 89 percent of the net result and it would be paid in two installments.

Guidance for 2025

Valmet estimates that net sales in 2025 will remain at the previous year's level in comparison with 2024 (EUR 5,359 million) and Comparable EBITA in 2025 will remain at the previous year's level in comparison with 2024 (EUR 609 million).

Short-term market outlook

The short-term market outlook is given for January–June 2025 compared with October–December 2024. It is Valmet's estimate of the customer activity and should not be interpreted as guidance for Valmet's orders received.

Process Technologies

Valmet estimates that the customer activity will remain stable. It is typical that customers' large investment decisions can have a major impact on the market activity.

Services

Valmet estimates that the customer activity is gradually improving, but the capacity utilization rates and profitability levels of customers cause uncertainty to the short-term market outlook.

Automation

Valmet estimates that the customer activity will remain stable.

President and CEO Thomas Hinnerskov: Navigating challenges and celebrating successes in 2024

"The year 2024 was marked by multiple achievements and key events for Valmet. The main highlights were the successful launch of Valmet DNAe, our next-generation industrial automation system, and the landmark order to supply the world's largest single-phase pulp mill project, valued at over a billion euros, to Arauco in Brazil. In terms of financial results, we were pleased to see Valmet's orders received increase to a new record with a mix of roughly 60 percent stable business and 40 percent capital business. A strong order backlog of close to EUR 4.5 billion gives us a solid starting point going into 2025.

Despite the increase in orders received, Valmet's net sales and Comparable EBITA did not grow in 2024 and we saw a clear decrease both in revenues and profitability in the Process Technologies segment. Going forward, we need to make sure we have an efficient operation that will perform also in the challenging market.

Looking at the fourth quarter, the big order from Arauco meant that we set a record for quarterly order intake for Valmet. I was pleased to see orders growing strongly in all our three segments. When looking at Comparable EBITA, I would like to highlight the strong performance of Services, which ensured a strong finish for the year for Valmet.

Towards the end of the year, we have initiated work to renew our strategy with the aim of defining our future growth areas, accelerating growth, and simplifying our ways of working. I'm excited about this and believe the changes we are planning will enable us to be faster and more focused as an organization. Our legacy, spanning more than 225 years, provides a solid foundation for the next chapter in our story."

Key figures[1]

EUR million, or as indicated	Q4/2024	Q4/2023	Change	2024	2023	Change
Orders received	**2,463**	1,155	>100%	**5,837**	4,955	18%
Order backlog[2]	**4,452**	3,973	12%	**4,452**	3,973	12%
Net sales	**1,528**	1,499	2%	**5,359**	5,532	-3%
Comparable EBITA	**192**	183	5%	**609**	619	-2%
% of net sales	**12.6%**	12.2%		**11.4%**	11.2%	
EBITA	**173**	172	0%	**557**	605	-8%
% of net sales	**11.3%**	11.5%		**10.4%**	10.9%	
Operating profit (EBIT)	**150**	148	1%	**449**	507	-11%
% of net sales	**9.8%**	9.9%		**8.4%**	9.2%	
Profit before taxes	**134**	133	1%	**383**	473	-19%
Profit for the period	**98**	103	-4%	**281**	359	-22%
Earnings per share, EUR	**0.53**	0.56	-4%	**1.52**	1.94	-22%
Adjusted earnings per share, EUR	**0.60**	0.65	-8%	**1.93**	2.28	-15%
Equity per share, EUR[2]	**14.15**	13.93	2%	**14.15**	13.93	2%
Cash flow provided by operating activities	**178**	123	44%	**554**	352	57%
Cash flow after investing activities	**151**	-316		**316**	-181	
Comparable return on capital employed (Comparable ROCE) before taxes				**12.7%**	14.5%	
Return on capital employed (ROCE) before taxes				**11.4%**	14.2%	
Return on equity (ROE)				**10.8%**	14.1%	
Net debt to EBITDA ratio				**1.55**	1.46	
Gearing[2]				**39%**	40%	
Equity to assets ratio[2]				**44%**	43%	

[1] *The calculation of key figures is presented on section 'Formulas for calculation of indicators'.*
[2] *At end of period.*

Segment key figures

Orders received, EUR million	**Q4/2024**	Q4/2023	Change	**2024**	2023	Change
Services	**479**	404	19%	**1,915**	1,760	9%
Automation	**443**	319	39%	**1,446**	1,340	8%
Flow Control	*185*	*176*	*5%*	*763*	*789*	*-3%*
Automation Systems	*258*	*143*	*80%*	*683*	*551*	*24%*
Process Technologies	**1,541**	432	>100%	**2,477**	1,856	33%
Pulp and Energy	*1,165*	*227*	*>100%*	*1,581*	*854*	*85%*
Paper	*376*	*204*	*84%*	*897*	*1,002*	*-11%*
Total	**2,463**	1,155	>100%	**5,837**	4,955	18%

Net sales, EUR million	**Q4/2024**	Q4/2023	Change	**2024**	2023	Change
Services	**567**	508	12%	**1,900**	1,784	7%
Automation	**424**	375	13%	**1,437**	1,328	8%
Flow Control	*206*	*196*	*5%*	*791*	*777*	*2%*
Automation Systems	*217*	*180*	*21%*	*646*	*551*	*17%*
Process Technologies	**537**	615	-13%	**2,023**	2,420	-16%
Pulp and Energy	*221*	*268*	*-18%*	*870*	*1,067*	*-18%*
Paper	*317*	*347*	*-9%*	*1,152*	*1,353*	*-15%*
Total	**1,528**	1,499	2%	**5,359**	5,532	-3%

Comparable EBITA, EUR million	**Q4/2024**	Q4/2023	Change	**2024**	2023	Change
Services	**112**	91	24%	**331**	312	6%
Automation	**81**	79	2%	**255**	248	3%
Process Technologies	**15**	25	-40%	**73**	110	-34%
Other	**-17**	-13	31%	**-49**	-50	-2%
Total	**192**	183	5%	**609**	619	-2%

Comparable EBITA, % of net sales	**Q4/2024**	Q4/2023		**2024**	2023	
Services	**19.8%**	17.9%		**17.4%**	17.5%	
Automation	**19.1%**	21.1%		**17.7%**	18.6%	
Process Technologies	**2.8%**	4.1%		**3.6%**	4.5%	
Total	**12.6%**	12.2%		**11.4%**	11.2%	

EBITA, EUR million	**Q4/2024**	Q4/2023	Change	**2024**	2023	Change
Services	**113**	80	41%	**322**	302	7%
Automation	**76**	80	-5%	**248**	245	1%
Process Technologies	**3**	29	-90%	**42**	116	-64%
Other	**-19**	-18	10%	**-56**	-58	-4%
Total	**173**	172	0%	**557**	605	-8%

News conference and webcast for analysts, investors and media

Valmet will arrange a news conference in English as a live webcast at https://valmet.videosync.fi/q4-2024 on Thursday, February 13, 2025, at 11:00 a.m. Finnish time (EET). President and CEO Thomas Hinnerskov and CFO Katri Hokkanen will be presenting the results.

Recording of the webcast will be available shortly after the event on website.

It is possible to take part in the news conference through a conference call by registering through the link below:

https://player.videosync.fi/valmet/q4-2024/dial-in

After the registration you will be provided phone numbers and a conference ID to access the conference. If you wish to ask a question during the conference, please dial *5 to enter the question queue.

The event is held in English.

The event can also be followed on social media platform X at www.x.com/valmetir.

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Orders received increased to EUR 5.8 billion in 2024

Orders received, EUR million	**Q4/2024**	Q4/2023	Change	**2024**	2023	Change
Services	**479**	404	19%	**1,915**	1,760	9%
Automation	**443**	319	39%	**1,446**	1,340	8%
Flow Control	*185*	*176*	*5%*	*763*	*789*	*-3%*
Automation Systems	*258*	*143*	*80%*	*683*	*551*	*24%*
Process Technologies	**1,541**	432	>100%	**2,477**	1,856	33%
Pulp and Energy	*1,165*	*227*	*>100%*	*1,581*	*854*	*85%*
Paper	*376*	*204*	*84%*	*897*	*1,002*	*-11%*
Total	**2,463**	1,155	>100%	**5,837**	4,955	18%

Orders received, comparable foreign exchange rates, EUR million[1]	**Q4/2024**	Q4/2023	Change	**2024**	2023	Change
Services	**482**	404	19%	**1,940**	1,760	10%
Automation	**445**	319	39%	**1,459**	1,340	9%
Flow Control	*185*	*176*	*5%*	*771*	*789*	*-2%*
Automation Systems	*260*	*143*	*82%*	*689*	*551*	*25%*
Process Technologies	**1,591**	432	>100%	**2,533**	1,856	36%
Pulp and Energy	*1,213*	*227*	*>100%*	*1,632*	*854*	*91%*
Paper	*377*	*204*	*85%*	*901*	*1,002*	*-10%*
Total	**2,518**	1,155	>100%	**5,932**	4,955	20%

[1] *Indicative only. January–December 2024 orders received in euro calculated by applying January–December 2023 average exchange rates to the functional currency orders received values reported by entities.*

Orders received, EUR million	**Q4/2024**	Q4/2023	Change	**2024**	2023	Change
North America	**476**	258	84%	**1,364**	1,271	7%
South America	**1,223**	156	>100%	**1,586**	503	>100%
EMEA	**434**	526	-17%	**1,735**	1,846	-6%
China	**70**	108	-35%	**418**	638	-35%
Asia-Pacific	**260**	108	>100%	**735**	698	5%
Total	**2,463**	1,155	>100%	**5,837**	4,955	18%

Orders received by segment, 2024

Orders received by area, 2024

October–December 2024: Orders received increased to a new record of close to EUR 2.5 billion

Orders received increased to EUR 2,463 million (EUR 1,155 million) in October–December. Orders received increased in all three segments. The increase was mainly due to an order for a complete pulp mill with full-scope automation and flow control solutions to Brazil from Arauco, valued at over EUR 1 billion. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased orders received by EUR 90 million (EUR 61 million). Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased orders received by EUR 43 million. Stable business (Services and Automation segments) accounted for 37 percent (63%) of Valmet's orders received.

Orders received increased in South America, Asia-Pacific and North America, and decreased in China and EMEA. Measured by orders received, the top three countries were Brazil, the USA and Indonesia, which together accounted for 72 percent of total orders received.

Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased orders received by approximately EUR 54 million in October–December.

During October–December, Valmet received in addition to the above-mentioned, an order for a complete papermaking line to Asia-Pacific, typically valued EUR 90–120 million, an order for modernization of a heating plant in Czech Republic, an order for an Advantage ThruAir Drying (TAD) tissue machine to the USA and an order for a high-speed off-machine coater with automation and services to Asia-Pacific.

January–December 2024: Orders received increased in all three segments

Orders received increased 18 percent to EUR 5,837 million (EUR 4,955 million) in 2024. Orders received increased in all three segments. The increase was mainly due to an order for a complete pulp mill with full-scope automation and flow control solutions to Brazil from Arauco, valued at over EUR 1 billion. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased orders received by EUR 317 (EUR 61 million). Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased orders received by EUR 93 million. Stable business (Services and Automation segments) accounted for 58 percent (63%) of Valmet's orders received.

Orders received increased in South America, North America and Asia-Pacific and decreased in China and EMEA. Measured by orders received, the top three countries were Brazil, the USA and Indonesia, which together accounted for 52 percent of total orders received.

Changes in foreign exchange rates compared to the exchange rates in 2023 decreased orders received by approximately EUR 95 million in year 2024.

In addition to the above-mentioned, in year 2024, Valmet received among others an order for a papermaking line, typically valued EUR 90–120 million, and a paper machine rebuild, typically valued EUR 20–40 million, to a customer in Asia-Pacific, an order for a recovery boiler and an ash crystallization plant for a mill modernization project in Brazil, typically valued above EUR 100 million, an order to deliver the automation system Valmet DNAe to Norway, an order for a pellet-fired heating plant to Sweden, an order for an Advantage DCT 200 tissue line including an extensive automation package, flow control valves and Industrial Internet solutions to Saudi Arabia, an order for an OptiConcept M board making line with automation and services to China, an order for an Advantage DCT 200 tissue production line to Poland, an order for two tissue converting lines including packaging solutions to Sweden, an order for a bleached chemi-thermomechanical pulp (BCTMP) line and a related evaporator line to India, an order for tissue converting equipment to Brazil, an order for a fiberline upgrade to Spain, an order for a three-year Service Agreement and a one-year Performance Agreement to Germany, an order for DNA Automation technology to the world's largest data center excess heat recovery project in Finland, an order for Valmet DNA Turbine Automation Systems with Valmet DNA User Interface to a customer in Finland, and an order for Valmet IQ Quality Control System to a customer in Thailand.

Order backlog amounted close to EUR 4.5 billion

Order backlog, EUR million	**As at December 31, 2024**	As at December 31, 2023	Change	As at September 30, 2024
Total	**4,452**	3,973	12%	3,536

Order backlog amounted to EUR 4,452 million at the end of the reporting period, which is 26 percent higher than at the end of September 2024 and 12 percent higher than at the end of December 2023. Approximately 20 percent of the order backlog relates to the Services segment, 15 percent to the Automation segment, and 65 percent to the Process Technologies segment (at the end of December 2023, 25%, 15% and 60% respectively). Approximately EUR 3.1 billion of the order backlog is currently expected to be realized as net sales during 2025 (at the end of 2023, approximately EUR 3.3 billion was expected to be realized during 2024).

Net sales amounted close to EUR 5.4 billion in 2024

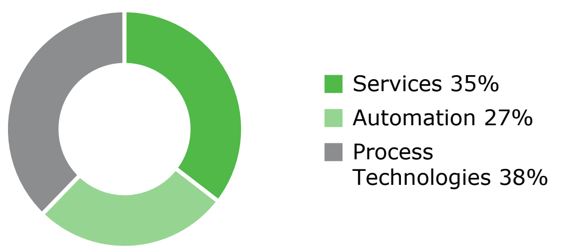
Net sales, EUR million	Q4/2024	Q4/2023	Change	2024	2023	Change
Services	**567**	508	12%	**1,900**	1,784	7%
Automation	**424**	375	13%	**1,437**	1,328	8%
Flow Control	*206*	*196*	*5%*	*791*	*777*	*2%*
Automation Systems	*217*	*180*	*21%*	*646*	*551*	*17%*
Process Technologies	**537**	615	-13%	**2,023**	2,420	-16%
Pulp and Energy	*221*	*268*	*-18%*	*870*	*1,067*	*-18%*
Paper	*317*	*347*	*-9%*	*1,152*	*1,353*	*-15%*
Total	**1,528**	1,499	2%	**5,359**	5,532	-3%

Net sales, comparable foreign exchange rates, EUR million[1]	Q4/2024	Q4/2023	Change	2024	2023	Change
Services	**572**	508	13%	**1,924**	1,784	8%
Automation	**424**	375	13%	**1,451**	1,328	9%
Flow Control	*206*	*196*	*5%*	*801*	*777*	*3%*
Automation Systems	*218*	*180*	*21%*	*650*	*551*	*18%*
Process Technologies	**540**	615	-12%	**2,034**	2,420	-16%
Pulp and Energy	*223*	*268*	*-17%*	*875*	*1,067*	*-18%*
Paper	*317*	*347*	*-9%*	*1,160*	*1,353*	*-14%*
Total	**1,536**	1,499	2%	**5,409**	5,532	-2%

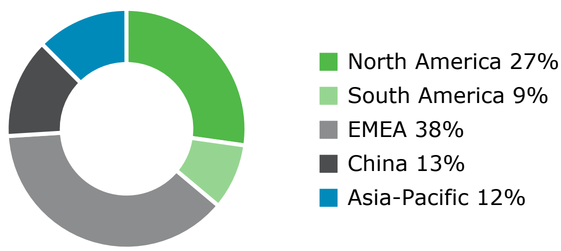
[1] *Indicative only. January–December 2024 net sales in euro calculated by applying January–December 2023 average exchange rates to the functional currency net sales values reported by entities.*

Net sales, EUR million	Q4/2024	Q4/2023	Change	2024	2023	Change
North America	**417**	334	25%	**1,459**	1,275	14%
South America	**155**	123	26%	**476**	585	-19%
EMEA	**602**	635	-5%	**2,033**	2,219	-8%
China	**203**	145	40%	**723**	609	19%
Asia-Pacific	**151**	262	-42%	**668**	845	-21%
Total	**1,528**	1,499	2%	**5,359**	5,532	-3%

Net sales by segment, 2024



Net sales by area, 2024



October–December 2024: Net sales increased in Automation and Services, and decreased in Process Technologies

Net sales remained at the previous year's level and amounted to EUR 1,528 million (EUR 1,499 million) in October–December. Net sales increased in the Automation and Services segments and decreased in the Process Technologies segment. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased net sales by EUR 92 million (EUR 76 million). Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased net sales by EUR 49 million. Stable business (Services and Automation segments) accounted for 65 percent (59%) of Valmet's net sales.

Net sales increased in China, South America and North America, and decreased in Asia-Pacific and EMEA. Measured by net sales, the top three countries were the USA, China and Brazil, which together accounted for 44 percent of total net sales.

Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased net sales by approximately EUR 8 million in October–December.

January–December 2024: Net sales increased in Automation and Services, and decreased in Process Technologies

Net sales remained at the previous year's level and amounted to EUR 5,359 million (EUR 5,532 million) in year 2024. Net sales increased in the Automation and Services segments and decreased in the Process Technologies segment. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased net sales by EUR 304 million (EUR 76 million). Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased net sales by EUR 101 million. Stable business (Services and Automation segments) accounted for 62 percent (56%) of Valmet's net sales.

Net sales increased in China and North America, and decreased in Asia-Pacific, South America and EMEA. Measured by net sales, the top three countries were the USA, China and Finland, which together accounted for 44 percent of total net sales.

Changes in foreign exchange rates compared to the exchange rates in 2023 decreased net sales by approximately EUR 50 million in year 2024.

Organic growth[1]

	Orders received		Net Sales	
	Q4	Q1–Q4	Q4	Q1–Q4
2023, EUR million	1,155	4,955	1,499	5,532
Organic growth	>100%	12%	-5%	-10%
Mergers and acquisitions	8%	8%	8%	8%
Changes in foreign exchange rates[2]	-5%	-2%	-1%	-1%
Total change	>100%	18%	2%	-3%
2024, EUR million	**2,463**	**5,837**	**1,528**	**5,359**

[1] *Indicative only.*

[2] *Q4 and Q1–Q4/2024 orders received and net sales in euro calculated by applying Q4 and Q1–Q4/2023 average exchange rates to the functional currency orders received and net sales values reported by entities.*

Organically, Valmet's orders received increased 110 percent and net sales decreased 5 percent in October–December. In January–December, Valmet's orders received increased organically by 12 percent while net sales decreased organically by 10 percent.

Valmet completed the acquisition of Körber Group’s Business Area Tissue (now Tissue Converting) on November 2, 2023, and the acquisition of Process Gas Chromatography business from Siemens (now Analyzer Products and Integration) on April 2, 2024. Valmet has also closed the agreement to acquire majority shares in FactoryPal, an undertaking of Körber, on August 1, 2024, and has completed the acquisition of Demuth, a provider of wood handling technology and services on August 2, 2024. In October–December, the acquisitions increased Valmet's orders received by 8 percent and net sales by 8 percent. In January–December, the acquisitions increased Valmet's orders received and net sales by 8 percent.

Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased orders received by 5 percent and decreased net sales by 1 percent in October–December. In January–December, the exchange rate changes decreased Valmet's orders received by 2 percent and decreased net sales by 1 percent. In October–December, foreign exchange rate impacts were mainly due to Brazilian Real, US Dollar and Chinese Yuan. In January–December, foreign exchange rate impacts were mainly due to Brazilian Real, Chilean Peso and Chinese Yuan.

Comparable EBITA amounted to EUR 609 million and Comparable EBITA margin was 11.4 percent in 2024

Comparable EBITA, EUR million	Q4/2024	Q4/2023	Change	2024	2023	Change
Services	**112**	91	24%	**331**	312	6%
Automation	**81**	79	2%	**255**	248	3%
Process Technologies	**15**	25	-40%	**73**	110	-34%
Other	**-17**	-13	31%	**-49**	-50	-2%
Total	**192**	183	5%	**609**	619	-2%

Comparable EBITA, % of net sales	Q4/2024	Q4/2023		2024	2023
Services	**19.8%**	17.9%		**17.4%**	17.5%
Automation	**19.1%**	21.1%		**17.7%**	18.6%
Process Technologies	**2.8%**	4.1%		**3.6%**	4.5%
Total	**12.6%**	12.2%		**11.4%**	11.2%

October–December 2024: Comparable EBITA increased in Services, remained at the previous year's level in Automation, and decreased in Process Technologies

Comparable earnings before interest, taxes and amortization (Comparable EBITA) increased 5 percent to EUR 192 million in October–December, corresponding to 12.6 percent of net sales (EUR 183 million and 12.2%). Items affecting comparability amounted to EUR -19 million (EUR -10 million) and were mainly related to Process Technologies and Automation segments.

Comparable EBITA of the Services segment increased to EUR 112 million in October–December, corresponding to 19.8 percent of the segment's net sales (EUR 91 million and 17.9%). Net sales increase had a positive impact on the Comparable EBITA.

Comparable EBITA of the Automation segment remained at the previous year's level and amounted to EUR 81 million in October–December, corresponding to 19.1 percent of the segment's net sales (EUR 79 million and 21.1%). Comparable EBITA margin decreased from the high margin in comparison quarter, partly due to integration of Analyzer Products and Integration.

Comparable EBITA of the Process Technologies segment decreased to EUR 15 million in October–December, corresponding to 2.8 percent of the segment's net sales (EUR 25 million and 4.1%). Comparable EBITA was impacted by lower net sales.

January–December 2024: Comparable EBITA increased in Services, remained at the previous year's level in Automation, and decreased in Process Technologies

In 2024, Valmet's Comparable EBITA remained at the previous year's level and amounted to EUR 609 million, corresponding to 11.4 percent of net sales (EUR 619 million and 11.2%). Items affecting comparability amounted to EUR -53 million (EUR -14 million) and were mainly related to the Process Technologies segment.

Comparable EBITA of the Services segment increased to EUR 331 million in 2024, corresponding to 17.4 percent of the segment's net sales (EUR 312 million and 17.5%). Comparable EBITA increased mainly due to integration of Tissue Converting.

Comparable EBITA of the Automation segment remained at the previous year’s level and amounted to EUR 255 million in 2024, corresponding to 17.7 percent of the segment's net sales (EUR 248 million and 18.6%). The margin decreased mainly due to integration of Analyzer Products and Integration.

Comparable EBITA of the Process Technologies segment decreased to EUR 73 million in 2024, corresponding to 3.6 percent of the segment's net sales (EUR 110 million and 4.5%). Comparable EBITA was impacted by lower net sales.

Operating profit

Operating profit (EBIT) in October–December was EUR 150 million, i.e., 9.8 percent of net sales (EUR 148 million and 9.9%).

Operating profit in 2024 was EUR 449 million, i.e., 8.4 percent of net sales (EUR 507 million and 9.2%). The decrease was mainly due to items affecting comparability and higher depreciation and amortization.

Net financial income and expenses

Net financial income and expenses in October–December were EUR -16 million (EUR -15 million).

In 2024, net financial income and expenses amounted to EUR -65 million (EUR -34 million). Financial expenses increased due to higher interest rates and increased average amount of debt in 2024.

Profit before taxes and Earnings per share

Profit before taxes for October–December was EUR 134 million (EUR 133 million). The profit attributable to owners of the parent in October–December was EUR 98 million (EUR 102 million), corresponding to earnings per share (EPS) of EUR 0.53 (EUR 0.56). EPS remained at previous year's level. Adjusted EPS was EUR 0.60 (EUR 0.65).

In 2024, profit before taxes was EUR 383 million (EUR 473 million). The profit attributable to owners of the parent was EUR 280 million (EUR 357 million), corresponding to an EPS of EUR 1.52 (EUR 1.94). EPS decreased mainly due to lower operating profit and higher net financial expenses. Adjusted EPS was EUR 1.93 (EUR 2.28). Adjusted EPS decreased mainly due to lower operating profit and higher net financial expenses.

Return on capital employed (ROCE) and Return on equity (ROE)

In 2024, comparable return on capital employed (comparable ROCE) before taxes was 12.7 percent (14.5%) and return on capital employed (ROCE) before taxes 11.4 percent (14.2%). Comparable ROCE decreased mainly as operating profit decreased and capital employed increased. Return on equity (ROE) for the corresponding period was 10.8 percent (14.1%).

Segments and business lines

Services

Orders received, net sales and comparable EBITA all increased in Q4/2024

Services segment	Q4/2024	Q4/2023	Change	2024	2023	Change
Orders received (EUR million)	**479**	404	19%	**1,915**	1,760	9%
Net sales (EUR million)	**567**	508	12%	**1,900**	1,784	7%
Comparable EBITA (EUR million)	**112**	91	24%	**331**	312	6%
Comparable EBITA, %	**19.8%**	17.9%		**17.4%**	17.5%	
Personnel (end of period)				**6,714**	6,493	3%

In October–December, orders received by the Services segment increased 19 percent to EUR 479 million (EUR 404 million). Services accounted for 19 percent (35%) of Valmet's orders received. Orders received increased in South America, Asia-Pacific, EMEA and North America and remained at the previous year's level in China. Excluding Tissue Converting, orders received increased in Fabrics, Performance Parts, Board, Paper and Tissue Solutions and Pulp and Energy Solutions and remained at the previous year's level in Rolls. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased Services' orders received by EUR 33 million (EUR 21 million). Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased orders received by approximately EUR 4 million.

In 2024, orders received by the Services segment increased 9 percent to EUR 1,915 million (EUR 1,760 million). Services accounted for 33 percent (36%) of Valmet's orders received. Orders received increased in North America, South America, EMEA and Asia-Pacific and remained at the previous year's level in China. Excluding Tissue Converting, orders received increased in Fabrics, remained at the previous year's level in Rolls, Performance Parts and Board, Paper and Tissue Solutions and decreased in Pulp and Energy Solutions. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased Services' orders received by EUR 143 million (EUR 21 million). Changes in foreign exchange rates compared to the exchange rates in 2023 decreased orders received by approximately EUR 25 million.

Net sales for the Services segment increased 12 percent to EUR 567 million (EUR 508 million) in October–December, corresponding to 37 percent (34%) of Valmet’s net sales. Tissue Converting increased Services' net sales by EUR 37 million (EUR 26 million). Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased net sales by approximately EUR 5 million.

In 2024, net sales for the Services segment increased 7 percent to EUR 1,900 million (EUR 1,784 million), corresponding to 35 percent (32%) of Valmet’s net sales. Tissue Converting increased Services' net sales by EUR 143 million (EUR 26 million). Changes in foreign exchange rates compared to the exchange rates in 2023 decreased net sales by approximately EUR 24 million.

Comparable EBITA of the Services segment increased to EUR 112 million in October–December, corresponding to 19.8 percent of the segment's net sales (EUR 91 million and 17.9%). Net sales increase had a positive impact on the Comparable EBITA.

In 2024, comparable EBITA of the Services segment increased to EUR 331 million, corresponding to 17.4 percent of the segment's net sales (EUR 312 million and 17.5%). Comparable EBITA increased mainly due to integration of Tissue Converting.

The increase in Services' personnel is mainly due to the Demuth acquisition.

Automation

Orders received and net sales increased while comparable EBITA remained at the previous year's level in Q4/2024

Automation segment	Q4/2024	Q4/2023	Change	2024	2023	Change
Orders received (EUR million)	**443**	319	39%	**1,446**	1,340	8%
Net sales (EUR million)	**424**	375	13%	**1,437**	1,328	8%
Comparable EBITA (EUR million)	**81**	79	2%	**255**	248	3%
Comparable EBITA, %	**19.1%**	21.1%		**17.7%**	18.6%	
Personnel (end of period)				**5,448**	5,171	5%

In October–December, orders received by the Automation segment increased 39 percent to EUR 443 million (EUR 319 million). Automation accounted for 18 percent (28%) of Valmet's orders received. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased Automation's orders received by EUR 43 million. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased orders received by approximately EUR 2 million.

In 2024, orders received by the Automation segment increased 8 percent to EUR 1,446 million (EUR 1,340 million). Automation segment accounted for 25 percent (27%) of Valmet's orders received. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased Automation's orders received by EUR 93 million. Changes in foreign exchange rates compared to the exchange rates in 2023 decreased orders received by approximately EUR 14 million.

Net sales for the Automation segment increased 13 percent to EUR 424 million (EUR 375 million) in October–December, corresponding to 28 percent (25%) of Valmet’s net sales. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased Automation's net sales by EUR 49 million. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 did not have a material impact on net sales.

In 2024, net sales for the Automation segment increased 8 percent to EUR 1,437 million (EUR 1,328 million), corresponding to 27 percent (24%) of Valmet’s net sales. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased Automation's net sales by EUR 101 million. Changes in foreign exchange rates compared to the exchange rates in 2023 decreased net sales by approximately EUR 14 million.

Comparable EBITA of the Automation segment remained at the previous year’s level and amounted to EUR 81 million in October–December, corresponding to 19.1 percent of the segment's net sales (EUR 79 million and 21.1%). Comparable EBITA margin decreased from the high margin in comparison quarter, partly due to integration of Analyzer Products and Integration.

In 2024, comparable EBITA of the Automation segment remained at the previous year’s level and amounted to EUR 255 million, corresponding to 17.7 percent of the segment's net sales (EUR 248 million and 18.6%).

The increase in Automation segment's personnel was mainly due to the acquisition of Analyzer Products and Integration.

Flow Control business line	**Q4/2024**	Q4/2023	Change	**2024**	2023	Change
Orders received (EUR million)	**185**	176	5%	**763**	789	-3%
Net sales (EUR million)	**206**	196	5%	**791**	777	2%
Personnel (end of period)				**2,883**	2,841	1%

In October–December, orders received by the Flow Control business line increased 5 percent to EUR 185 million (EUR 176 million). Flow Control accounted for 8 percent (15%) of Valmet's orders received. Orders received increased in North America and South America, remained at the previous year's level in China and Asia-Pacific and decreased in EMEA. Orders received increased in Valve controls & Actuators and MRO (Maintenance and Repair Operations) & Services and decreased in Projects.

In 2024, orders received by the Flow Control business line remained at the previous year’s level and amounted to EUR 763 million (EUR 789 million) and accounted for 13 percent (16%) of Valmet's orders received. Orders received increased in Asia-Pacific and North America and decreased in South America, China and EMEA. Orders received remained at the previous year's level in Valve controls & Actuators and MRO (Maintenance and Repair Operations) & Services and decreased in Projects.

Net sales for the Flow Control business line increased 5 percent to EUR 206 million (EUR 196 million) in October–December, corresponding to 14 percent (13%) of Valmet’s net sales.

In 2024, net sales for the Flow Control business line remained at the previous year’s level and amounted to EUR 791 million (EUR 777 million), corresponding to 15 percent (14%) of Valmet’s net sales.

Automation Systems business line	**Q4/2024**	Q4/2023	Change	**2024**	2023	Change
Orders received (EUR million)	**258**	143	80%	**683**	551	24%
Net sales (EUR million)	**217**	180	21%	**646**	551	17%
Personnel (end of period)				**2,565**	2,330	10%

In October–December, orders received by the Automation Systems business line increased 80 percent to EUR 258 million (EUR 143 million) and accounted for 10 percent (12%) of Valmet's orders received. The increase was mainly due to an order for a complete pulp mill with full-scope automation to Brazil from Arauco, and due to Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, that increased Automation Systems business line's orders received by EUR 43 million. Orders received increased in South America, North America and Asia-Pacific, remained at the previous year's level in EMEA and decreased in China. Orders received increased in all business units.

In 2024, orders received by the Automation Systems business line increased 24 percent to EUR 683 million (EUR 551 million). Automation Systems accounted for 12 percent (11%) of Valmet’s orders received. Orders received increased in South America, North America, Asia-Pacific and China and remained at the previous year's level in EMEA. Orders received increased in Energy and Process and remained at the previous year's level in Pulp and Paper. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased Automation Systems business line's orders received by EUR 93 million.

In April, 2024, Valmet launched its new DCS system, Valmet DNAe. It represents a major milestone in process automation and increases the competitiveness of Valmet’s DCS offering. Overall, Valmet DNAe is a major step in Valmet’s strategy for growing automation business further to a wide base of process industries globally.

Net sales for the Automation Systems business line increased 21 percent to EUR 217 million (EUR 180 million) in October–December, corresponding to 14 percent (12%) of Valmet’s net sales. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased Automation Systems business line's net sales by EUR 49 million.

In 2024, net sales for the Automation Systems business line increased 17 percent to EUR 646 million (EUR 551 million), corresponding to 12 percent (10%) of Valmet’s net sales. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased Automation Systems business line's net sales by EUR 101 million.

The increase in Automation Systems' personnel was mainly due to the acquisition of Analyzer Products and Integration.

Process Technologies

Orders received increased, while net sales and Comparable EBITA decreased in Q4/2024

Process Technologies segment	Q4/2024	Q4/2023	Change	2024	2023	Change
Orders received (EUR million)	**1,541**	432	>100%	**2,477**	1,856	33%
Net sales (EUR million)	**537**	615	-13%	**2,023**	2,420	-16%
Comparable EBITA (EUR million)	**15**	25	-40%	**73**	110	-34%
Comparable EBITA, %	**2.8%**	4.1%		**3.6%**	4.5%	
Personnel (end of period)				**6,356**	6,707	-5%

In October–December, orders received by the Process Technologies segment increased to EUR 1,541 million (EUR 432 million). The increase was mainly due to an order for a complete pulp mill to Brazil from Arauco, valued at over EUR 1 billion. Process Technologies accounted for 63 percent (37%) of Valmet's orders received. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased Process Technologies' orders received by EUR 56 million (EUR 40 million). Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased orders received by approximately EUR 49 million.

In 2024, orders received by the Process Technologies segment increased 33 percent to EUR 2,477 million (EUR 1,856 million) and accounted for 42 percent (37%) of Valmet's orders received. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased Process Technologies' orders received by EUR 174 million (EUR 40 million). Changes in foreign exchange rates compared to the exchange rates in 2023 decreased orders received by approximately EUR 56 million.

Net sales for the Process Technologies segment decreased 13 percent to EUR 537 million (EUR 615 million) in October–December, corresponding to 35 percent (41%) of Valmet's net sales. Tissue Converting (the acquired Körber's Business Area Tissue) increased Process Technologies' net sales by EUR 56 million (EUR 50 million). Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased net sales by approximately EUR 3 million.

In 2024, net sales for the Process Technologies segment decreased 16 percent to EUR 2,023 million (EUR 2,420 million), corresponding to 38 percent (44%) of Valmet's net sales. Tissue Converting increased Process Technologies' net sales by EUR 161 million (EUR 50 million). Changes in foreign exchange rates compared to the exchange rates in 2023 decreased net sales by approximately EUR 12 million.

Comparable EBITA of the Process Technologies segment decreased to EUR 15 million in October–December, corresponding to 2.8 percent of the segment's net sales (EUR 25 million and 4.1%). Comparable EBITA was impacted by lower net sales.

In 2024, comparable EBITA of the Process Technologies segment decreased to EUR 73 million, corresponding to 3.6 percent of the segment's net sales (EUR 110 million and 4.5%). Comparable EBITA was impacted by lower net sales.

The decrease in Process Technologies' personnel is mainly due to completed change negotiations in Finland in its Paper business line's Board and Paper Mills business unit.

Pulp and Energy business line	**Q4/2024**	Q4/2023	Change	**2024**	2023	Change
Orders received (EUR million)	**1,165**	227	>100%	**1,581**	854	85%
Net sales (EUR million)	**221**	268	-18%	**870**	1,067	-18%
Personnel (end of period)				**1,953**	1,948	0%

In October–December, orders received by the Pulp and Energy business line increased to EUR 1,165 million (EUR 227 million). The increase was mainly due to an order for a complete pulp mill to Brazil from Arauco, valued at over EUR 1 billion. Pulp and Energy accounted for 47 percent (20%) of Valmet's orders received.

In 2024, orders received by the Pulp and Energy business line increased 85 percent to EUR 1,581 million (EUR 854 million). Pulp and Energy accounted for 27 percent (17%) of all orders received. Orders received increased in South America and decreased in North America, Asia-Pacific, China and EMEA. Orders received increased in Pulp and decreased in Energy.

Net sales for the Pulp and Energy business line decreased 18 percent to 221 million (EUR 268 million) in October–December, corresponding to 14 percent (18%) of Valmet's net sales.

In 2024, net sales for the Pulp and Energy business line decreased 18 percent to EUR 870 million (EUR 1,067 million), corresponding to 16 percent (19%) of Valmet's net sales.

On September 25, 2024, Valmet announced that it will supply a complete pulp mill with full-scope automation and flow control solutions to Arauco in Brazil. The new pulp mill will be the world's largest single-phase pulp mill project with 3.5 million tonne per year pulp production capacity. The new mill is estimated to start up in the second half of 2027. The pulp mill will be built in Inocência, in the state of Mato Grosso do Sul, Brazil. The value of the order for Valmet is over EUR 1 billion, and it was included in Valmet's orders received for the fourth quarter 2024.

Paper business line	**Q4/2024**	Q4/2023	Change	**2024**	2023	Change
Orders received (EUR million)	**376**	204	84%	**897**	1,002	-11%
Net sales (EUR million)	**317**	347	-9%	**1,152**	1,353	-15%
Personnel (end of period)				**4,402**	4,759	-7%

In October–December, orders received by the Paper business line increased 84 percent to EUR 376 million (EUR 204 million). Paper business line accounted for 15 percent (18%) of Valmet's orders received. The increase was mainly due to an order for a complete papermaking line to Asia-Pacific, typically valued EUR 90–120 million, and due to an order for an Advantage ThruAir Drying (TAD) tissue machine to USA. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased Paper business line's orders received by EUR 56 million (EUR 40 million).

In 2024, orders received by the Paper business line decreased 11 percent to EUR 897 million (EUR 1,002 million) and accounted for 15 percent (20%) of all orders received. Orders received increased in Asia-Pacific, remained at the previous year's level in EMEA and decreased in China, South America and North America. Orders received increased in Tissue and Stock preparation and Recycled fiber and decreased in Small and Medium size Machines and Board and Paper. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased Paper business line's orders received by EUR 174 million (EUR 40 million).

Net sales for the Paper business line decreased 9 percent to EUR 317 million (EUR 347 million) in October–December, corresponding to 21 percent (23%) of Valmet's net sales. Tissue Converting increased Paper business line's net sales by EUR 56 million (EUR 50 million).

In 2024, net sales for the Paper business line decreased 15 percent to EUR 1,152 million (EUR 1,353 million), corresponding to 22 percent (24%) of Valmet's net sales. Tissue Converting increased Paper business line's net sales by EUR 161 million (EUR 50 million).

The decrease in Paper business line's personnel is mainly due to completed change negotiations in Finland in the Paper Mills business unit.

Cash flow and financing

Cash flow provided by operating activities amounted to EUR 178 million (EUR 123 million) in October–December and EUR 554 million (EUR 352 million) in 2024. Change in net working capital in the statement of cash flows was EUR 15 million (EUR -55 million) in October–December and EUR 43 million (EUR -180 million) in 2024.

Net working capital decreased to EUR 134 million (EUR 191 million) at the end of the reporting period. In the recent years, Valmet's net working capital profile has changed due to increased portion of stable business, which typically ties up more net working capital than capital business. In addition, payment schedules of large long-term projects have a significant impact on net working capital development.

Cash flow after investing activities totaled EUR 151 million (EUR -316 million) in October–December and EUR 316 million (EUR -181 million) in 2024.

In compliance with the resolution of the Annual General Meeting, on April 11, 2024, Valmet paid out the first installment of dividend for year 2023, EUR 125 million, corresponding to EUR 0.68 per share. The second installment, EUR 0.67 per share and in total EUR 123 million, was paid on October 10, 2024.

At the end of December, net debt to EBITDA ratio was 1.55 (1.46) and gearing 39 percent (40%). Equity to assets ratio was 44 percent (43%). Interest-bearing liabilities amounted to EUR 1,544 million (EUR 1,484 million), and net interest-bearing liabilities totaled EUR 1,032 million (EUR 1,027 million) at the end of the reporting period.

The average interest rate of Valmet's total debt was 4.0 percent and average maturity of non-current debt including current installments was 3.4 years at the end of December. Lease liabilities have been excluded from calculation of these two key performance indicators.

On March 6, 2024, Valmet issued a green bond (senior unsecured green notes) of EUR 200 million. The maturity of the bond is five years and it matures on March 13, 2029. The bond carries fixed annual interest of 4.00 percent. The issue price of the bond is 99.871 percent. The net proceeds from the bond offering will be used in accordance with the Green Finance Framework published by Valmet on March 1, 2024. The Green Finance Framework is designated to support financing and refinancing eligible assets and expenditures that promote two environmental objectives: enabling transition to a circular economy and mitigating climate change.

On March 14, 2024, Valmet announced that the Finnish Financial Supervisory Authority has approved the listing prospectus of the bond, and that Valmet has submitted an application for the bond to be admitted to trading on the list of sustainable bonds of Nasdaq Helsinki Ltd. Trading on the bond commenced on March 19, 2024.

In 2024, Valmet issued its second green debt transaction under the Green Finance Framework, a green term loan of EUR 50 million from Swedish Export Credit Corporation (SEK).

Valmet's liquidity was strong at the end of the reporting period, with cash and cash equivalents amounting to EUR 482 million (EUR 432 million) and other interest-bearing assets totaling EUR 30 million (EUR 25 million). Valmet's liquidity was secured with a committed revolving credit facility of EUR 300 million, which was undrawn at the end of the reporting period. Liquidity was additionally secured by undrawn commercial paper program worth of EUR 300 million.

Capital expenditure

Gross capital expenditure (excluding business combinations and right-of-use assets) totaled EUR 30 million (EUR 36 million) in October–December, of which maintenance investments were EUR 9 million (EUR 19 million).

In 2024, gross capital expenditure (excluding business combinations and right-of-use assets) totaled EUR 107 million (EUR 125 million), of which maintenance investments amounted to EUR 38 million (EUR 57 million).

Rautpohja fire insurance compensation

A fire broke out at Valmet's Rautpohja factory site in Jyväskylä, Finland, on May 7, 2022. The fire, which started at a workshop during a roll test, caused damages to parts of roll and headbox manufacturing and preassembly. Operations resumed with some special arrangements, like transferring some of the production to temporary locations. Valmet maintains property damage and business interruption insurance and expected to recover fire-related losses through insurance.

The final settlement with the insurance provider was reached in April–June 2024 and the final payment was received in June 2024. Valmet has recorded an insurance compensation of EUR 19 million in January–June 2024 related to the compensation of the costs incurred. The outstanding receivable towards the insurance company since 30 June 2024 has been nil (EUR 32 million as at 31 December 2023). In total, Valmet has received EUR 74 million as cash payments in 2022, 2023 and 2024.

Acquisitions and disposals

Acquisitions

Process Gas Chromatography business of Siemens AG

On July 17, 2023, Valmet announced that it has entered into an agreement to acquire the Process Gas Chromatography business of Siemens AG. On April 2, 2024, Valmet announced that the acquisition has been completed. The enterprise value of the acquisition is EUR 102.5 million on a cash and debt-free basis subject to customary adjustments.

The acquisition is in line with Valmet's strategy and will further strengthen Valmet's automation segment and process automation offering with process industry gas chromatograph and process analyzer systems offering. It also strengthens Valmet's Automation Systems business footprint in North America, Asia-Pacific, and Europe. The acquired business is integrated into Valmet's Automation Systems business line as a business unit called Analyzer Products and Integration.

In 2022, the net sales of the acquired business amounted to approximately EUR 120 million and pro-forma adjusted EBITDA margin was approximately 10 percent. The business employs around 300 people, and its main locations are in the USA, Germany, and Singapore. It has been consolidated into Valmet's financial reporting since the second quarter of 2024.

FactoryPal

On May 30, 2024, Valmet announced that it has agreed with Körber that Valmet will become the majority shareholder of FactoryPal, an undertaking of Körber. On August 1, 2024, the company announced that it has closed the agreement.

FactoryPal is a software developed for tissue converting operations that improves shopfloor manufacturing performance and productivity. The software empowers tissue mill teams to achieve seamless operations by generating and utilizing high quality data combined with state-of-the-art user experience and advanced artificial intelligence (AI). FactoryPal will further strengthen Valmet's offering of advanced Industrial Internet solutions and digital services to support customers in the tissue industry.

FactoryPal will continue operating as its own legal entity under the existing FactoryPal brand. There are 55 employees working for FactoryPal in Germany, Portugal, Italy, the USA and Brazil.

Demuth

On December 22, 2023, Valmet announced that it has entered into an agreement to acquire Demuth, a Brazilian company specializing in wood handling solutions for the pulp industry. On August 2, 2024 Valmet announced that it has completed the acquisition of Demuth. This acquisition strengthens Valmet's wood handling technology offering and services presence in South America.

Demuth operates two manufacturing facilities in southern Brazil in the state of Rio Grande do Sul. The net sales of Demuth are around EUR 20–30 million annually, and the company employs around 400 people.

Disposals

Valmet made no disposals during 2024.

Research and development

Valmet's research and development (R&D) expenses in 2024 amounted to EUR 123 million, i.e. 2.3 percent of net sales (EUR 114 million and 2.1%). Research and development work is carried out predominantly in Finland and Sweden, within the business lines' R&D organizations and pilot facilities. In addition, research and development takes place within a network of customers, suppliers, research institutes and universities. In the end of 2024, R&D employed 564 (551) people. Valmet's R&D headcount has increased due to the R&D and innovation program Beyond Circularity, where Valmet and its ecosystem come together to innovate, renew and enable their customer industries to shift to carbon neutrality and to facilitate green transition.

Valmet's R&D work is based on customers' needs, such as improving production and resource efficiency, maximizing the value of raw materials, providing new revenue streams, and developing new innovations and technologies.

Valmet develops competitive, leading production and automation technologies and services. To enhance raw material, water and energy efficiency in its customers' production processes, Valmet combines digitalization, process technology, flow control, automation systems and services. Valmet also develops solutions for replacing fossil materials with renewable ones and for producing new high-value end products.

Personnel

Personnel	**As at December 31, 2024**	As at December 31, 2023	Change	As at September 30, 2024
Services	**6,714**	6,493	3%	6,642
Automation	**5,448**	5,171	5%	5,491
Flow Control	*2,883*	*2,841*	*1%*	*2,877*
Automation Systems	*2,565*	*2,330*	*10%*	*2,614*
Process Technologies	**6,356**	6,707	-5%	6,608
Pulp and Energy	*1,953*	*1,948*	*0%*	*2,053*
Paper	*4,402*	*4,759*	*-7%*	*4,555*
Other	**792**	789	*0%*	768
Total	**19,310**	19,160	1%	19,509

Personnel	**As at December 31, 2024**	As at December 31, 2023	Change	As at September 30, 2024
North America	**2,497**	2,273	10%	2,492
South America	**1,519**	1,164	30%	1,546
EMEA	**11,188**	11,644	-4%	11,323
China	**2,388**	2,432	-2%	2,433
Asia-Pacific	**1,718**	1,647	4%	1,715
Total	**19,310**	19,160	1%	19,509

Personnel by segment as at December 31, 2024

Personnel by area as at December 31, 2024

During 2024, Valmet employed an average of 19,297 people (18,130). The number of personnel at the end of December was 19,310 (19,160). The increase in personnel is mainly due to the acquisitions of Analyzer Products and Integration and Demuth. Personnel expenses totaled EUR 1,393 million (EUR 1,292 million) in 2024, of which wages, salaries and remuneration amounted to EUR 1,101 million (EUR 1,019 million).

Changes in Valmet's Executive Team

On December 16, 2024, Valmet announced that **Anu Salonsaari-Posti**, SVP Marketing, Communications, Sustainability and Corporate Relations and a member of Valmet's Executive Team since 2013, leaves Valmet and continues her career outside the company. Anu Salonsaari-Posti continued in her role until the end of December 2024.

On November 21, 2024, Valmet announced that **Jukka Tiitinen**, Area President, North America, has decided to retire. Jukka Tiitinen continued in his role until the end of December 2024.

On September 24, 2024, Valmet announced that **Olli Hänninen** (M.Sc. Industrial Management) has been appointed Senior Vice President, Strategy, at Valmet as of October 1, 2024. In this position he reports to the President and CEO Thomas Hinnerskov and is a member of Valmet's Executive Team. Olli Hänninen worked in several different management positions in the services business of KONE between 2014–2024, where his last position was Senior Vice President, Service Business. Prior to his career at KONE, he worked as an Associate Partner in McKinsey & Company in 2004–2014.

On June 7, 2024, Valmet announced that **Anu Pires** (M.Sc. Econ) has been appointed SVP, Human Resources at Valmet as of September 1, 2024. She became a member of Valmet's Executive Team and will report to President and CEO Thomas Hinnerskov. Anu Pires joined Valmet from Paulig Group, where she worked as SVP, Human Resources since 2018. Prior to her role at Paulig, Anu Pires worked as VP of HR at Lumene from 2017 to 2018, in different HR management positions at Outotec from 2016 to 2017, and as Head of HR, APAC Mobile Device Sales, Nokia integration at Microsoft from 2014 to 2015. Between 1998 and 2014, she held HR management roles at Nokia, working in Brazil, China, and India. Anu Pires began her career in human resources as HR trainee and specialist at Valmet from 1996 to 1998. Anu Pires succeeds Julia Macharey (SVP, Human Resources and Operational Development), who left Valmet at the end of January 2024, as announced in August 2023.

On February 19, 2024, Valmet announced that Valmet's Board of Directors has appointed **Thomas Hinnerskov** as the President and CEO of Valmet. Thomas Hinnerskov started in the position on August 12, 2024. He succeeds Pasi Laine, whose resignation was announced on August 18, 2023.

Thomas Hinnerskov is a Danish citizen and was born in 1971. He joined Valmet from Mediq B.V. where he was working as the CEO since 2022. Prior to this, Thomas Hinnerskov was Executive Vice President at KONE responsible for South Europe, Middle East and Africa between 2021–2022 and Executive Vice President for Central Europe between 2016–2021. Earlier in his career Thomas Hinnerskov has had several leadership positions in ISS A/S between 2003–2016, and before that he worked in versatile management positions in a private equity fund, in consulting and in investment banking sector. He holds a Master's degree in Economics (Finance and Accounting) from Copenhagen Business School.

On January 12, 2024, Valmet announced that **Janne Pynnönen** (M.Sc. Eng.) has been appointed Senior Vice President, Operational Development at Valmet as of February 1, 2024. Janne Pynnönen became a member of Valmet's Executive Team and reports to President and CEO Thomas Hinnerskov. Until his nomination, Janne Pynnönen was holding the position of Vice President, R&D at Valmet. Before joining Valmet in 2020, he worked in versatile business management and development roles and in R&D in Stora Enso since 2003. Janne Pynnönen succeeds Julia Macharey (SVP, Human Resources and Operational Development), who left Valmet at the end of January 2024, as announced in August 2023.

Structural changes

Valmet announced on September 5, 2024, the start of change negotiations in its Paper business line's Board and Paper Mills business unit including a plan to consider measures aimed at improving the profitability and competitiveness of the business operations. The scope of the negotiations covered all employees in Board and Paper Mills business unit in Finland, totaling approximately 1,300 employees. Other organizations or employees in the Paper Business Line were not included in the scope of the change negotiations.

On October 21, 2024, Valmet announced the completion of change negotiations. As a result of the change negotiations the employment of 112 people were ended. In addition, there were fixed-term position terminations, retirements, and internal transfers to other positions within Valmet. At the beginning of the negotiations, the need for employee reductions was estimated to be 200 positions. Additionally, the Board and Paper Mills business unit will implement temporary layoffs lasting up to 90 days during the first half of 2025. Valmet supports the re-deployment of the laid-off persons by offering i.e. personal career coaching.

On February 15, 2024, Valmet announced to start change negotiations affecting certain parts of Services and Paper business lines, EMEA area organization and corporate functions. The negotiations included a plan to consider measures aimed at improving the profitability and competitiveness of the business operations, as well as adapting to the changing market situation. On April 2, 2024, Valmet announced that the change negotiations had been completed, and as a result 60 roles in Finland and 49 roles in Sweden were reduced. Additionally, there were temporary lay-offs with maximum length of 90 days in the Paper business line in Finland. In a another change negotiation in June 2024, maximum 90-day temporary layoffs in Automation Systems were decided.

Investments in production and services

On September 3, 2024, Valmet announced that it has opened a new service center in Beihai to serve and be close to its customers in the fast-growing pulp and paper industry in the Guangxi Zhuang Autonomous Region, West China. The Beihai Service Center serves pulp, board, and paper customers close by, focusing on fiber workshop services, roll maintenance, and field services, including shutdown planning management.

On March 25, 2024, Valmet announced the decision to invest in filter fabric manufacturing in Belo Horizonte, Brazil, in order to better respond to the growing demand of high-performing filter fabrics in both the mining and pulp and paper industries in South America. The value of the investment will not be disclosed. The investment includes the relocation of the current office and manufacturing facility in Belo Horizonte, new machinery, and improvements in the operations' energy efficiency and emission reduction. The new facility will be in operation during the first half of 2025.

Business model and value creation

Valmet is a leading global developer and supplier of process technologies, automation and services for the pulp, paper and energy industries. With our automation systems and flow control solutions we serve an even wider base of process industries.

Our strong technology offering includes pulp mills, tissue, board and paper production lines, air emission control solutions, and power plants for bioenergy production. Our services, automation systems and flow control solutions improve production performance and increase the environmental efficiency and cost-effectiveness of Valmet's customers' production processes, while ensuring safe and reliable operations. Our product and service portfolio consists of productivity-enhancing services, plant upgrades and rebuilds, cost-effective new equipment and solutions for optimizing energy and raw material use, and technologies increasing the value of our customers' end products. Valmet's technologies maximize the value of renewable raw materials, while minimizing their environmental impact.

Valmet's business model relies on a range of key intangible resources that enable long-term value creation for its stakeholders. These include, for example, intellectual property, brand reputation, technological expertise, and customer relationships and references. Valmet holds a robust portfolio of intellectual assets, including approximately 1,500 patented inventions. Valmet employs more than 19,000 employees globally, whose expertise and experience play a key role in value creation.

Strategy and targets

Valmet's strategy is: 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.

During the second quarter of 2024, Valmet's mission statement was refined to reflect the changes in our business portfolio and customer base. Valmet's refined mission is: We create sustainable results by converting renewable resources and making industrial processes reliable and efficient. Valmet's vision is to become the global champion in serving its customers and in moving the industries forward.

Valmet seeks to achieve its strategic targets by continuous improvement and renewal. Valmet has the following Must-Win initiatives: 'Customer excellence', 'Leader in technology and innovation', 'Excellence in processes' and 'Winning team', as well as selected Business Accelerators.

Valmet has an annual strategy process, where Valmet's strategy and financial targets are reviewed.

Valmet's financial targets are the following:

Financial targets

- 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
- Comparable EBITA: 12–14%
- Comparable return on capital employed (ROCE) before taxes: at least 15%
- Dividend payout at least 50% of net profit

Actions to reach Comparable EBITA target of 12–14%

Valmet continues to focus on improving profitability through implementing its four Must-Win initiatives: 'Customer excellence', 'Leader in technology and innovation', 'Excellence in processes' and 'Winning team'. Valmet targets to increase the comparable EBITA margin in all three segments (Services, Automation and Process Technologies).

Customer excellence

Valmet aims to strengthen its customer base by implementing effective sales management practices and cultivating close relationships with customers. Valmet is targeting to increase its market share in Services and Automation segments by growing over two times the market growth. In Process Technologies segment, Valmet aims to maintain and improve its market share.

Leader in technology and innovation

Valmet is known for its world-class technology and is always looking to bring advanced and innovative solutions to the market. Furthermore, Valmet is placing a strong emphasis on product cost competitiveness.

Excellence in processes

Valmet is continuously developing and improving its processes. Valmet aims to ensure excellent project management and project execution. Supply chain management and efficient procurement are key for Valmet. Valmet is also streamlining its processes and renewing the ERP system.

Winning team

Valmet has a strong home base in the Nordic region but has also been increasing procurement, production, and engineering resources in cost-competitive countries. The Company is investing heavily in its people, particularly through the global training portfolio, which supports the execution of the Must-Wins.

Towards the end of the year 2024, Valmet initiated work to renew its strategy with the aim of defining Valmet's future growth areas, accelerating growth, and simplifying ways of working.

Progress in sustainability

During 2024, Valmet continued to progress on all of the main topics in its Sustainability360° Agenda and undertook consistent actions in its Climate Program. Increasing focus was placed on accelerating engagement with suppliers and customers on joint sustainability targets.

Environment

In 2024, Valmet's Climate Program actions continued. Using 2019 as the baseline, the program includes four targets by 2030 for the entire value chain: Reducing GHG emissions by 20 percent in supply chain and 80 percent in own operations, further reducing energy use of Valmet's current technologies by 20 percent and enabling fossil-free production for pulp, paper and energy industry customers.

The target of enabling fossil-free production for pulp, paper and energy industry customers was achieved in advance in 2023: Valmet's customers can reduce their emissions by choosing to use Valmet's fossil-free technologies together with fossil-free energy sources. Valmet's R&D work has focused on improving the energy and water efficiency of its existing pulp, paper, board and tissue technologies. In 2024, Valmet achieved a 10 percent average energy efficiency improvement in these technologies compared to base year 2019. In Valmet's own operations, GHG emissions from fuels, heating, and electricity in Valmet's offices and production units further decreased with focused actions, and 100 percent carbon-free electricity purchases continued in Finland and Sweden throughout 2024. Suppliers' climate engagement remained a high priority through Valmet's Supplier Sustainability engagement program and Valmet's climate program, and by the end of 2024, more than 240 suppliers had committed to reducing their emissions.

The implementation of Beyond Circularity, the Valmet-led R&D program and ecosystem to accelerate the green transition, continued with more than 290 partners and 37 ecosystem projects involved by the end of 2024. The program covers more than 90 internal R&D projects from all the business lines.

Social

Action completion for latest OurVoice employee survey progressed across the company, and in total 88 percent of the actions set have now been completed. The global training portfolio continues to be actively used, with more than 800 Valmeteers participating in one of the 21 programs held during the year. The Company also made progress toward its goal of increasing the representation of women in STEM (science, technology, engineering, mathematics) roles, passing the 12 percent mark for the first time.

As part of its efforts to improve safety, Valmet continued to promote the Life Saving Rules throughout 2024 and work on further strengthening customer site safety practices. As a result, the number of serious incidents decreased from 2023 to 2024 and the year was fatality-free. A new analytics tool was launched to help managers follow leading indicators and analyze global health and safety data. During the fourth quarter, Valmet launched a renewed HSE (Health, Safety and Environment) Policy to emphasize the climate and nature impacts of its value chain.

The lost time incident frequency rate (LTIF) slightly increased and was for Valmet's own employees 1.6 (1.5), and for external workers 2.4 (1.9) at the end of December 2024. To further support injury management, collaboration with sub-contractors and integration of acquired operations to Valmet's HSE culture, processes and practices were ramped up during the year.

Valmet's global social responsibility program continued in 2024 through six local projects promoting science, nature, and equal opportunities in Indonesia, Poland, Brazil, Chile, China, and North America.

Governance

In 2024, Valmet focused on promoting and implementing the updated Code of Conduct and related e-learning, which reached a 98 percent completion rate by end of the year. As a result of new certifications, Valmet's global multisite ISO certificate for quality, health, safety and environmental management now covers a total of 154 locations. In 2024, Valmet also conducted one social and human rights impact assessment.

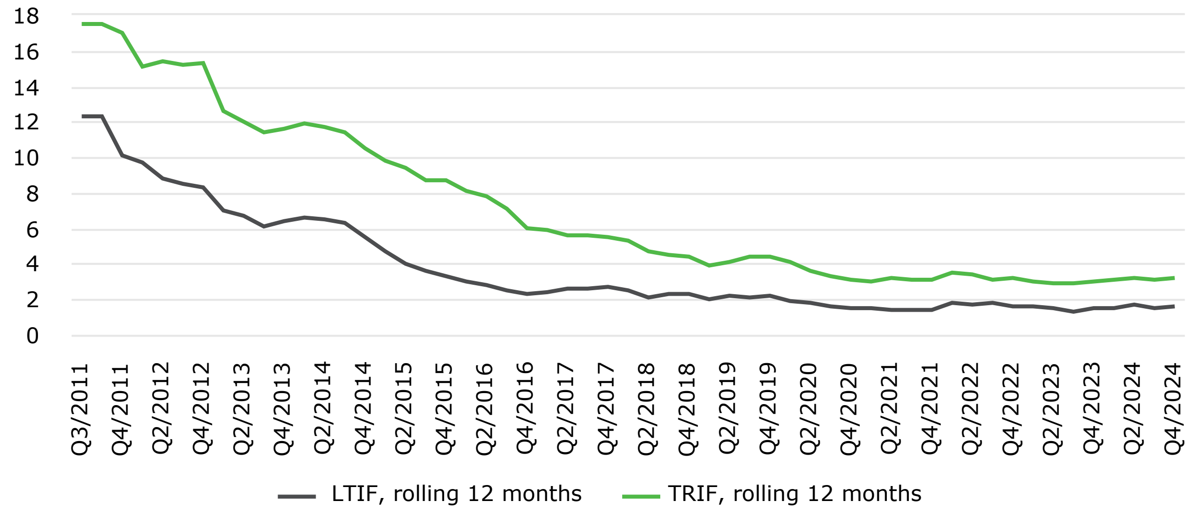
Valmet exceeded its target of 40 supplier sustainability audits, and by the end of the year, 94 percent of existing suppliers had signed Valmet's Sustainable Supply Chain policy. During 2024 Valmet's Sustainable Supply Chain policy was developed and the renewed policy is called Supplier Code of Conduct.

In 2024, Valmet updated its double materiality assessment and started reporting in accordance with the European Union Corporate Sustainability Reporting Directive (EU CSRD).

During 2024, Valmet also introduced a Green Finance Framework to further align sustainability into Valmet financing. During 2024, Valmet issued its first two green debt transactions under the Green Finance Framework. Valmet will publish a Green Finance Report with information about allocation and impact of the proceeds of its green debt transactions. The Green Finance Report will be published annually as long as there are Green Financing outstanding or until full allocation of proceeds.

Valmet's sustainability work was acknowledged with inclusion in the CDP Climate A List for the 2023 reporting year, a Gold level in the EcoVadis sustainability rating, and the Supply Chain ESG Pioneer Award at the European Chamber Sustainable Business Awards in China.

Lost time incident frequency (LTIF)[1] and total recordable incident frequency (TRIF)[2], own employees



[1] *LTIF reflects the number of injuries resulting in an absence of at least one work day per million hours worked.*
[2] *LTIF + medical treatment and restricted work cases*

Lawsuits and claims

On October 15, 2024, Valmet announced that Metsä Fibre Oy has filed a request for arbitration against Valmet Technologies Oy, which is a subsidiary of Valmet. The arbitration concerns Metsä Fibre's bioproduct mill in Kemi, Finland, which came into operation as planned on September 20, 2023.

Valmet Technologies Oy disputes the claims brought by Metsä Fibre and will also actively pursue claims of its own against Metsä Fibre. Metsä Fibre's preliminary monetary claims put forward amount to approximately EUR 47 million. In addition, Metsä Fibre has informed that it will claim that Valmet Technologies Oy would be declared liable for certain potential costs which Metsä Fibre might incur later based on contractual relationships between Metsä Fibre and other parties. Metsä Fibre estimates that the current value of such potential claims is approximately EUR 65 million, but estimates that this amount is likely to decrease.

Valmet's management does not expect to the best of its current understanding any material adverse impacts on its operations or financial position due to this arbitration. This assessment takes into account the grounds currently presented, provisions made, insurance coverage in force, and the extent of Valmet's total business activities.

Several lawsuits, claims and disputes based on various grounds are pending against Valmet in various countries, including product liability lawsuits and claims as well as legal disputes related to Valmet's deliveries. Valmet is also a plaintiff in several lawsuits. Although some of the claims are substantial, Valmet's management does not expect to the best of its present understanding that the outcome of these lawsuits, claims and disputes will have a material adverse effect on Valmet in view of the grounds currently presented for them, provisions made, insurance coverage in force and the extent of Valmet's total business activities.

Corporate Governance Statement and Remuneration Report

Valmet has published a Corporate Governance Statement and a Remuneration Report for 2023, which comply with the recommendations of the Finnish Corporate Governance Code for listed companies. These reports also cover other central areas of corporate governance, and they have been published on Valmet's website, separately from the Report of the Board of Directors, at www.valmet.com/governance.

Shares and shareholders

Share capital, number of shares and shareholders

	As at December 31, 2024	As at December 31, 2023
Share capital, EUR	**140,000,000**	140,000,000
Number of shares	**184,529,605**	184,529,605
Treasury shares	**364,258**	368,500
Shares outstanding	**184,165,347**	184,161,105
Market capitalization, EUR million	**4,305**	4,818
Number of shareholders	**105,217**	100,752

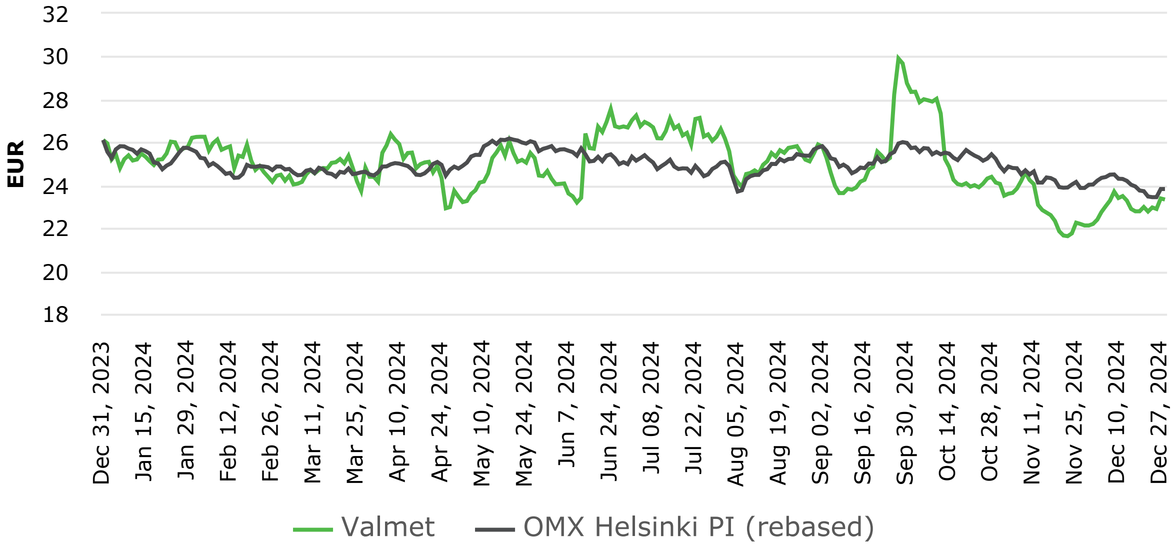
Trading of shares

Trading of Valmet shares on Nasdaq Helsinki	**January 1 – December 31, 2024**	January 1 – December 31, 2023
Number of shares traded	**108,778,549**	103,147,588
Total value, EUR million	**2,723**	2,718
High, EUR	**30.11**	32.99
Low, EUR	**21.37**	19.64
Volume-weighted average price, EUR	**25.04**	26.35
Closing price on the final day of trading, EUR	**23.33**	26.11

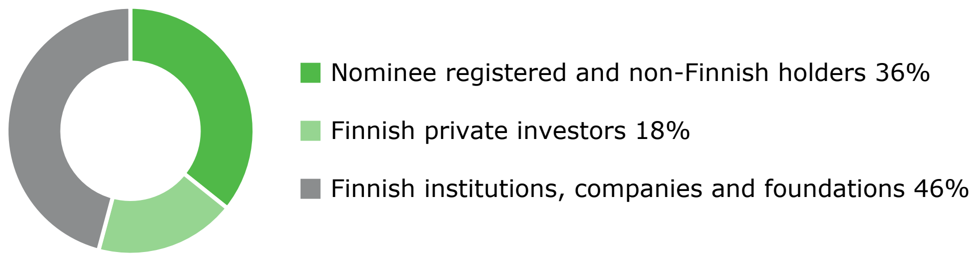
The closing price of Valmet's share on the final day of trading for the reporting period, December 30, 2024, was EUR 23.33, i.e., 11 percent lower than the closing price on the last day of trading in 2023 (EUR 26.11 on December 29, 2023).

In addition to Nasdaq Helsinki Ltd, Valmet's shares are also traded on other marketplaces, such as CBOE DXE, BATS, Frankfurt, Chi-X and Turquoise. A total of approximately 50 million Valmet shares were traded on these five alternative marketplaces in 2024 (Source: www.valmet.com/investors/valmet-share/trading-volumes/).

Development of Valmet's share price, December 31, 2023 – December 31, 2024



Ownership structure as at December 31, 2024



Flagging notifications

During the review period, Valmet received the following flagging notifications referred to in the Securities Market Act:

			% of shares and voting rights		
Transaction date	**Shareholder**	**Threshold**	**Direct**	**Through financial instruments**	**Total, %**
January 5, 2024	The Goldman Sachs Group, Inc.	Below 5%	0.03%	2.62%	2.65%
January 26, 2024	Oras Invest Oy	Above 10%	10.22%	-	10.22%
March 8, 2024	Swedbank Robur Fonder AB	Above 5%	5.09%	-	5.09%
August 7, 2024	The Goldman Sachs Group, Inc	Above 5%	0.07%	4.95%	5.02%
August 9, 2024	The Goldman Sachs Group, Inc	Below 5%	0.07%	4.87%	4.95%
October 21, 2024	Swedbank Robur Fonder AB	Below 5%	4.98%	-	4.98%
December 3, 2024	Swedbank Robur Fonder AB	Above 5%	5.03%	-	5.03%

More information on flagging notifications can be found at www.valmet.com/flagging-notifications.

Board authorizations regarding shares

Valmet Oyj's Annual General Meeting on March 21, 2024, authorized Valmet's Board of Directors to decide on the repurchase of a maximum number of 9,200,000 of the Company's own shares in one or several tranches. This corresponds to approximately 5.0 percent of all the shares in the Company. The Company's own shares may be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase). The Company's own shares may be repurchased using the unrestricted equity of the Company at a price formed on a regulated market on the official list of Nasdaq Helsinki Ltd on the date of the repurchase or at a price otherwise formed on the market.

The Company's own shares may be repurchased for reasons of developing the Company's capital structure, financing or carrying out acquisitions, investments or other business transactions, or for the shares to be used in an incentive scheme, however so that a maximum of 500,000 shares may be repurchased to be used in an incentive scheme, which corresponds to approximately 0.3 percent of all the shares in the Company. The Board of Directors resolves on all other terms related to the repurchasing of the Company's own shares.

Valmet Oyj's Annual General Meeting 2024 also authorized Valmet's Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares in one or several tranches. The issuance of shares may be carried out by offering new shares or by transferring treasury shares held by Valmet. Based on this authorization, the Board of Directors may also decide on a directed share issue in deviation from the shareholders' pre-emptive rights and on the granting of special rights subject to the conditions mentioned in the Finnish Companies Act. Based on this authorization, a maximum number of 18,500,000 shares may be issued, corresponding to approximately 10.0 percent of all the shares in Valmet. The new shares and treasury shares may be issued for consideration or without consideration.

The Board of Directors may decide on all other terms of the issuance of shares and special rights entitling to shares pursuant to Chapter 10, Section 1 of the Finnish Companies Act. The Board of Directors may use this authorization, for example, for reasons of developing the Company's capital structure, in financing or carrying out acquisitions, investments or other business transactions, or for the shares to be used in incentive schemes, however so that the Board of Directors may issue a maximum of 500,000 shares to be used in incentive schemes, which corresponds to approximately 0.3 percent of all the shares in the Company.

The authorizations shall remain in force until the close of the next Annual General Meeting, and they cancel the corresponding authorizations granted by the Annual General Meeting 2023.

Based on the authorization granted by the Annual General Meeting 2024, Valmet's Board of Directors decided on June 18, 2024, on a directed share issue related to the reward payment of Valmet's share-based long-term incentive plans for the performance period 2023. In the share issue on June 20, 2024, a total of 736 Valmet's treasury shares were conveyed without consideration to the participants of the plans, in accordance with the terms and conditions of the plans.

The Board of Directors of Valmet decided in its meeting on December 18, 2024, to use the authorization granted by the Annual General Meeting held on 2024, to repurchase the Company's own shares. Based on the authorization, the Board has decided to initiate a fixed-term share buy-back program for the purpose of acquiring the Company's own shares to meet part of the obligations arising from the LTI Plans and the Restricted Pool incentive. The share acquisitions will begin at the earliest on February 13, 2025 and will end at the latest on March 7, 2025. The maximum number of shares to be acquired is 115,000, corresponding to a value of approximately EUR 2.6 million based on the closing share price on December 17, 2024. The shares will be acquired at market price in public trading on Nasdaq Helsinki Ltd.

Share-based incentive plans

Valmet's share-based incentive plans are part of the total compensation offered for Valmet's key personnel. The aim of the plans is to align the interests of the shareholders and the key employees to increase the value of Valmet in the long run, to steer the key employees towards achieving the Company's selected strategic targets, to commit the key employees to the Company, and to offer them a competitive reward plan based on holding the Company's shares. Any shares to be potentially awarded are, or have been, acquired through public trading, and therefore the incentive plans have no diluting effect on the share value.

Long-term incentive plans – Performance Share Plan and Deferred Share Plan

In its meeting on December 17, 2020, the Board of Directors of Valmet Oyj decided on share-based long-term incentive plans, a Performance Share Plan and a Deferred Share Plan, for Valmet's key employees. The Board of Directors decided on a continuation of its share-based long-term incentive plans (LTI plans) each year.

The Performance Share Plan is directed to the Executive Team members. The Performance Share Plans include a three-year performance period parallel to a one-year performance period. Valmet's Board of Directors decides on the predefined performance measures and targets in the beginning of each performance period.

The Deferred Share Plan is directed to other key employees in management positions and management talents. It has a one-year performance period. The predefined performance measures and targets are decided by Valmet's Board of Directors and are aligned with the targets of the Performance Share Plan. The Deferred Share Plan is directed to approximately 200 participants, of which approximately 150 are key employees in management positions, and approximately 50 are management talents.

The Board of Directors of Valmet Oyj decided in December 2024 on establishment of a new long-term share incentive plan, a Performance Share Plan, for Valmet's executives and selected key employees. The new Performance Share Plan consists of annually commencing performance share plans, with a three-year performance period, within which its participants have the opportunity to earn shares of the Company based on achievement of the performance measures. The performance measures and their target ranges are set separately for each commencing plan.

Regarding all Valmet LTI plans, as a rule, no reward is paid if the key employee's employment or service at Valmet ends before the reward payment. The earning under the Performance Share Plan is limited by a pay cap determined by the Board of Directors in order to avoid unexpectedly high pay-outs resulting from share price volatility. Additionally, the Board has the right to re-collect paid rewards after the plan has ended if the LTI plan participant has caused a misstatement of the information based on which the reward was paid.

The Performance Share Plan includes a recommendation for the members of Valmet's Executive Team to own and hold an amount of Company shares equaling their gross annual base salary (100 percent ownership recommendation). Further, each member of Valmet's Executive Team is expected to retain in their ownership at least half of the shares received under the share-based incentive plans of the Company, until the value of their share ownership corresponds to at least their gross annual base salary. Management shareholding is presented on Valmet's website at www.valmet.com/investors/shareholders/management-shareholding.

Restricted Shares Pool

As part of total remuneration, for example for retention purposes, the Board of Directors decided on an additional incentive element in December 2018, the restricted shares pool, from which shares can be granted to selected key employees. Restricted share pools are intended to be annually commencing, and the annual restricted shares pool is subject to separate approval by the Board of Directors. In 2024, approximately 101,000 shares were allocated from the restricted shares pool. In 2025, 100,000 shares and in addition the shares unallocated from the Performance Share Plan 2025-2027 can be allocated to possible participants of the restricted shares pool. As a rule, the restriction period for these shares is three years. Plan nominations as well as detailed terms of allocation will be proposed by the President and CEO to the Chairman of the Board of Directors for approval. A precondition for the payment of the share reward based on the restricted shares pool is that a threshold Valmet Comparable EBITA is exceeded and that the employment relationship of the individual participant with Valmet continues until the payment date of the reward.

	Long-term incentive plans 2021–2023		Long-term incentive plans 2022–2024	
Plan name	Performance Share Plan and Deferred Share Plan	Performance Share Plan	Performance Share Plan and Deferred Share Plan	Performance Share Plan
Performance period	2021	2021–2023	2022	2022–2024
Incentive based on	Comparable EBITA as a percentage of net sales, and orders received growth in the stable business	Predefined strategic target	Comparable EBITA as a percentage of net sales, and orders received growth in the stable business	ESG Index, targets linked to implementing Valmet's Climate Program and Sustainability Agenda
Reward payment	In spring 2022	In spring 2024	In spring 2023	In spring 2025
Participants				
Performance Share Plan	13	10	14	11
Deferred Share Plan	101		114	
Total gross number of shares earned	Approximately 355,000 shares	Approximately 42,000 shares	Approximately 176,000 shares	Approximately 29,000 shares

	Long-term incentive plans 2023–2025		Long-term incentive plans 2024–2026		Long-term incentive plan 2025–2027
Plan name	Performance Share Plan and Deferred Share Plan	Performance Share Plan	Deferred share plan	Performance Share Plan	Performance Share Plan
Performance period	2023	2023–2025	2024	2024, 2024–2026	2025-2027
Incentive based on	Comparable EBITA as a percentage of net sales, and orders received growth of the stable business	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	Comparable EBITA as a percentage of net sales, and orders received growth of the stable business Development of a valuation multiple of Valmet's share in comparison to peer group	Comparable EBITA, organic orders received growth (%) of the stable business, and ESG index
Reward	In spring 2024	In spring 2026	In spring 2025	In spring 2027	In spring 2028
Participants					
Performance	15	13		17	~220
Deferred Share	120		193		
Total gross number of shares earned	Approximately 153,000 shares.	Approximately 48,000 shares.	As at December 31, 2024, a total of approximately 359,000 shares were allotted to participants.	As at December 31, 2024, a total of approximately 262,000 shares were allotted to participants.	The reward to be paid will correspond to a maximum total of approximately 653,000 shares.

Valmet announced on December 20, 2023, that the Board of Directors of Valmet has decided to use the authorization granted by the Annual General Meeting 2023 to repurchase the Company's own shares. The Board decided to initiate a fixed-term share buy-back program for the purpose of acquiring the Company's own shares to meet part of the obligations arising from its share-based long-term incentive plans (LTI Plans) and the Restricted Pool incentive. The share acquisitions began on February 12, 2024, and ended on February 16, 2024. The number of shares acquired totaled 100,000.

Based on the authorization granted to the Board of Directors by the Annual General Meeting 2023, Valmet's Board of Directors decided in December 2023 on a directed share issue related to the reward payment of Valmet's share-based long-term incentive plans for the performance periods 2021–2023 and 2023. In the share issue on March 15, 2024, a total of 113,678 Valmet's treasury shares were conveyed without consideration to the participants of the plans, in accordance with the terms and conditions of the plans.

Based on the authorization granted by the Annual General Meeting 2024, Valmet's Board of Directors decided on June 18, 2024, on a directed share issue related to the reward payment of Valmet's share-based long-term incentive plans for the performance period 2023. In the share issue on June 20, 2024, a total of 736 Valmet's treasury shares were conveyed without consideration to the participants of the plans, in accordance with the terms and conditions of the plans.

The Board of Directors of Valmet decided in its meeting on December 18, 2024, to use the authorization granted by the Annual General Meeting held on 2024, to repurchase the Company's own shares. Based on the authorization, the Board has decided to initiate a fixed-term share buy-back program for the purpose of acquiring the Company's own shares to meet part of the obligations arising from the LTI Plans and the Restricted Pool incentive. The share acquisitions will begin at the earliest on February 13, 2025 and will end at the latest on March 7, 2025. The maximum number of shares to be acquired is 115,000, corresponding to a value of approximately EUR 2.6 million based on the closing share price on December 17, 2024. The shares will be acquired at market price in public trading on Nasdaq Helsinki Ltd.

At the end of the reporting period, the Company held 364,258 treasury shares related to the share-based incentive programs.

More information about share-based incentive plans can be found in Valmet's Remuneration Report, which is available at www.valmet.com/governance.

Resolutions of Valmet's Annual General Meeting

Valmet's Annual General Meeting 2024 was held in Helsinki on March 21, 2024. The Annual General Meeting adopted the Financial Statements for 2023 and discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2023. The Annual General Meeting adopted the remuneration report for governing bodies, for which the decision is advisory, and the remuneration policy of the Company. The Annual General Meeting authorized the Board of Directors to decide on the repurchase of the Company's own shares and on the issuance of shares and special rights entitling to shares.

The Annual General Meeting decided to pay a dividend of EUR 1.35 per share for the financial year which ended on December 31, 2023. The dividend was paid in two installments. The first installment of EUR 0.68 per share was paid on April 11, 2024 to shareholders who on the dividend record date March 26, 2024, were registered in the Company's shareholders' register held by Euroclear Finland Oy. The second installment of EUR 0.67 per share was paid on October 10, 2024 to shareholders who on the dividend record date October 1, 2024 were registered in the Company's shareholders' register held by Euroclear Finland Oy.

The Annual General Meeting confirmed the number of Board members as eight and reappointed Mikael Mäkinen as Chair of Valmet Oyj's Board and Jaakko Eskola as Vice Chair. Anu Hämäläinen, Pekka Kemppainen, Per Lindberg and Monika Maurer were re-elected as

Board members, and Annareetta Lumme-Timonen and Annika Paasikivi were elected as new Board members. The term of office of the members of the Board of Directors expires at the close of the Annual General Meeting 2025.

PricewaterhouseCoopers Oy was re-elected as the Company's auditor for a term expiring at the end of the Annual General Meeting 2025. Pasi Karppinen, Authorised Public Accountant (KHT) will act as the responsible auditor. PricewaterhouseCoopers Oy will also carry out the assurance of the Company's sustainability reporting.

Valmet published a stock exchange release on March 21, 2024, concerning the resolutions of the Annual General Meeting and the organizing meeting of the Board of Directors. The stock exchange release and meeting materials can be viewed on Valmet's website at www.valmet.com/investors/governance/annual-general-meeting/2024/.

Risks and business uncertainties

Valmet's operations are affected by various strategic, financial, operational and hazard risks. Valmet takes measures to exploit emerging opportunities and to limit the adverse effects of potential threats. In the annual risk assessment, Valmet's risk management identified the most significant threats and opportunities being global and key market area economic cycles, customer industry cycles and project operations related risks. The assessment of risks related to sustainable development holds an important role in risk management. If such threats materialized, they could have material adverse effects on Valmet's business, financial situation and operating result, or on the value of shares and other securities.

The objective of Valmet's risk management is to ensure the implementation of an effective and successful strategy for achieving both long- and short-term goals. The task of Valmet's management is to regulate risk appetite. In assessing risks, Valmet takes into consideration the probability of the risks and their estimated impact on net sales or financial results. Valmet's management estimates that the Company's overall risk level is currently manageable in proportion to the scope of its operations and the practical measures available for managing these risks.

Financial uncertainty in the global economy, coupled with fluctuations in exchange rates, higher interest rates and tightening financial market regulations may have an adverse effect on the availability and price of financing from banks and capital markets and could reduce the investment appetite of Valmet's customers. Valmet estimates that the high proportion of business derived from stable business (Services and Automation segments) and the geographical diversification will reduce the possible negative effects that market uncertainties may have.

If global economic growth weakens, it might have adverse effects on new projects under negotiation or on projects in the order backlog. Some projects may be postponed, suspended, or canceled. In the case of long-term delivery projects, initial customer advance payments are typically 10–30 percent of the value of the project, and customers make progress payments as the project is implemented. This significantly decreases the risks and financing requirements related to Valmet's projects. Valmet continually assesses its customers' creditworthiness and their ability to meet their obligations. As a rule, Valmet does not finance customer projects. If economic growth slows down significantly, the markets for Valmet's products may shrink, which may lead to, for example, tougher price competition.

Of the financial risks that affect Valmet’s profit, currency exchange rate and interest rate risks are among the most substantial. Exchange rate changes can affect Valmet’s business, although the wide geographical scope of the Company’s operations reduces the impact of any individual currency. Economic insecurity typically increases exchange rate fluctuations and can impact interest rates as well. Valmet hedges its currency exposures linked to firm delivery and purchase agreements. The interest rate risks are managed through balancing the ratio between fixed and floating interest rates and duration of interest-bearing debt and interest-bearing financial assets. Additionally, Valmet may use derivative instruments to mitigate the risks.

Changes in legislation and the way authorities interpret regulation, for example regarding taxation, can also have an impact on Valmet’s financials.

The return of geopolitics and geoeconomics, changes in political narratives, and the increase in protectionist and more political regulatory measures, such as tariffs, can cause uncertainty in customers’ willingness to invest and affect Valmet’s operations. Changes in regulatory measures and legislation, along with the associated uncertainty, can have impacts, particularly on trade between major trade areas, the supply chain, and the use of data.

Large fluctuations in energy prices can affect the global economy. These fluctuations can also affect Valmet and its customers.

Issues with component availability and logistics may have adverse effects on Valmet's business.

Changes in labor costs and the prices of raw materials and components can affect Valmet’s profitability. Valmet’s goal is to offset inflation through increased productivity and price increases. It is possible, however, that tough competition in some product categories will make it difficult to pass on cost increases to product prices. On the other hand, some of Valmet’s customers are raw material producers and their ability to operate and invest may be enhanced by strengthening commodity prices and hampered by declining commodity prices.

There may be changes in the competitive situation of Valmet’s individual businesses, such as the emergence of new, cost-effective competition in the markets. Valmet can safeguard its market position by developing its products and services, and through good customer service and local presence.

To ensure high quality in both production and services, it is important to sustain a high level of competence and talent availability. This includes, for example, maintaining efficient recruitment programs, utilization of existing talent and sharing knowledge globally.

Through acquisitions, Valmet may become exposed to risks associated with new markets and business environments. The actual acquisition process also includes risks. Other risks associated with acquisitions include, but are not limited to, integration of the acquired business, increased financial risk exposure, retention of key personnel and achieving the targets set for the acquired business.

Valmet’s operations, products and services rely largely on data networks, software and digital solutions. Any malfunctions and cybersecurity breaches in such networks, software and solutions as well as potential failures in information system development projects may adversely affect Valmet’s business and financial position and lead to reputational damage.

Potential collective disputes and labor and union strikes remain a risk to Valmet's operations as they might have impact on the supply chain, business operations and customer deliveries by increasing the likelihood of interruptions. Valmet's operations are dispersed all around the world, Valmet has a global customer base and our suppliers operate in several countries. This mitigates the overall impacts of risks to Valmet, should there be any disruptions in some isolated country or case.

Epidemic outbreaks and potential pandemics remain a risk to Valmet's operations. Pandemics might have an impact on customers' investment activity, the supply chain and business operations by increasing the likelihood of interruptions. Valmet's operations are dispersed all around the world, Valmet has a global customer base and our suppliers operate in several countries. This mitigates the overall impacts of risks to Valmet, should there be any disruptions in some isolated country or case.

Management of project business risks important

An important part of Valmet's business consists of projects. Pulp business projects in particular can be large, thus project-specific risk management is crucial. Key risks related to projects are project cost estimation, scheduling, project risk management, quality and performance risks, and materials management risks. Risk analysis shall, as a minimum, take place for all significant project quotations. The work concerning threat and opportunity assessment continues during the execution phase of the project. Risk management is based on careful planning and continuous, systematic monitoring and evaluation. Project risks are managed by improving and continuously developing project management processes and the related systems.

Availability of financing crucial

Securing the continuity of Valmet's operations requires sufficient available funding under all circumstances. Valmet estimates that its liquid cash assets and committed credit limits are sufficient to secure its immediate liquidity and to ensure the flexibility of financing. The average maturity of Valmet's non-current debt (including current installments, excluding lease liabilities) is 3.4 years. Loan facilities include customary covenants, and Valmet is in clear compliance with the covenants at the balance sheet date.

Net working capital and capital expenditure levels have a key impact on the adequacy of Valmet's financing. Setting aside investments into the renewal of the ERP system, Valmet does not expect any significant increase in annual capital expenditure and estimates that it is well-positioned to keep capital expenditure approximately at the level of total depreciation.

As at December 31, 2024, Valmet had EUR 1,808 million (EUR 1,735 million) of goodwill on its statement of financial position. Valmet assesses the carrying value of its goodwill for impairment annually, or more frequently if facts and circumstances indicate that carrying value may not be recoverable. Valmet has not identified any indications of impairment during the reporting period. The principles used for impairment testing are presented in the financial statements.

Valmet has a strong balance sheet and liquidity. In order to diversify and mitigate the financial credit risk, funds are held with several financially-sound banks. Valmet is carefully evaluating counterparty risk and selecting only counterparties with high creditworthiness. Valmet's project business is typically cash positive, as the customers pay us advance and progress payments. Around half of Valmet's business consists of services and automation, where single orders are small. Furthermore, Valmet has hundreds of customers around the globe, which gives us natural hedge.

Conflicts and geopolitical tensions

The war in Ukraine causes significant risks and uncertainties to the markets affecting the entire global economic environment and financial markets. The conflict in the Middle East causes supply chain issues and can increase transport costs and durations. If the conflicts are further prolonged or geopolitical tensions further increase, there could be additional adverse impacts on Valmet’s operations, customer investment activity, project deliveries, availability and prices of components, supply chain and availability of financing for both Valmet and its customers. Valmet monitors the situation and manages the Company's response to the impacts of the conflicts.

Events after the reporting period

There have been no subsequent events after the reporting period that required recognition or disclosure.

Guidance for 2025

Valmet estimates that net sales in 2025 will remain at the previous year's level in comparison with 2024 (EUR 5,359 million) and Comparable EBITA in 2025 will remain at the previous year's level in comparison with 2024 (EUR 609 million).

General economic outlook according to IMF

The IMF forecast for 2025 is broadly unchanged from October 2024, with stable but underwhelming real global growth of 3.3 percent projected for both 2025 and 2026. This is primarily due to an upward revision in the United States offsetting downward revisions in other major economies. Global headline inflation is expected to decline to 4.2 percent in 2025 and to 3.5 percent in 2026, converging back to target earlier in advanced economies than in emerging market and developing economies. Policy-generated disruptions to the ongoing disinflation process could interrupt the pivot to easing monetary policy, with implications for fiscal sustainability and financial stability. (IMF World Economic Outlook, January 2025)

Short-term market outlook

The short-term market outlook is given for January–June 2025 compared with October–December 2024. It is Valmet’s estimate of the customer activity and should not be interpreted as guidance for Valmet’s orders received.

Process Technologies

Valmet estimates that the customer activity will remain stable. It is typical that customers’ large investment decisions can have a major impact on the market activity.

Services

Valmet estimates that the customer activity is gradually improving, but the capacity utilization rates and profitability levels of customers cause uncertainty to the short-term market outlook.

Automation

Valmet estimates that the customer activity will remain stable.

Board of Director's proposal for the distribution of profit

Valmet Oyj's distributable funds on December 31, 2024, totaled EUR 1,584,868,527.03 of which the net profit for the year 2024 was EUR 332,895,633.84 (according to Finnish Generally Accepted Accounting Standards).

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.35 per share be paid based on the statement of financial position to be adopted for the financial year which ended on December 31, 2024, and the remaining part of profit be retained and carried further in the Company's unrestricted equity.

The dividend shall be paid in two installments. The first installment of EUR 0.68 per share shall be paid to shareholders who on the dividend record date of March 28, 2025, are registered in the Company's shareholders' register held by Euroclear Finland Ltd. The dividend shall be paid on April 8, 2025. The second installment of EUR 0.67 per share shall be paid in October 2025. The second installment shall be paid to shareholders who on the dividend record date are registered in the Company's shareholders' register held by Euroclear Finland Ltd. The payment date of the second installment shall be resolved by the Board of Directors in its meeting preliminarily scheduled for September 25, 2025. The dividend record date for the second installment would then be September 29, 2025, and the dividend payment date October 7, 2025.

All the shares in the Company are entitled to a dividend except for treasury shares held by the Company on the dividend record date.

Publishing of Valmet's Financial Statements 2024

The Financial Statements 2024, which include the financial statements, the consolidated financial statements, the Report of the Board of Directors and the Auditor's Report, will be published and available on Valmet's website at www.valmet.com/investors/reports-and-presentations/ on March 4, 2025, at the latest.

In Espoo, Finland, on February 12, 2025

Valmet's Board of Directors

Consolidated statement of income

EUR million	**Q4/2024**	Q4/2023	**2024**	2023
Net sales	**1,528**	1,499	**5,359**	5,532
Cost of goods sold	**-1,109**	-1,125	**-3,878**	-4,136
Gross profit	**419**	374	**1,481**	1,396
Selling, general and administrative expenses	**-254**	-249	**-1,000**	-920
Other operating income and expenses, net	**-16**	21	**-34**	28
Share in profits and losses of associated companies, operative investments	**1**	1	**2**	3
Operating profit	**150**	148	**449**	507
Financial income and expenses, net	**-16**	-15	**-65**	-34
Profit before taxes	**134**	133	**383**	473
Income taxes	**-35**	-30	**-103**	-114
Profit for the period	**98**	103	**281**	359
Attributable to:				
Owners of the parent	**98**	102	**280**	357
Non-controlling interests	**—**	—	**1**	2
Profit for the period	**98**	103	**281**	359
Earnings per share attributable to owners of the parent:				
Earnings per share, EUR	**0.53**	0.56	**1.52**	1.94
Diluted earnings per share, EUR	**0.53**	0.56	**1.52**	1.94

Consolidated statement of comprehensive income

EUR million	Q4/2024	Q4/2023	2024	2023
Profit for the period	**98**	103	**281**	359
Items that may be reclassified to profit or loss:				
Gains and losses on cash flow hedges	**-12**	10	**-8**	-12
Change in fair value reserve	**—**	—	**1**	—
Currency translation on subsidiary net investments	**29**	-12	**2**	-21
Share of other comprehensive income of associated companies accounted for using equity method	**—**	1	**—**	—
Income tax relating to items that may be reclassified	**2**	-2	**1**	2
Total items that may be reclassified to profit or loss	**20**	-3	**-3**	-31
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit plans	**21**	-24	**13**	-18
Income tax relating to items that will not be reclassified	**-5**	5	**-3**	3
Total items that will not be reclassified to profit or loss	**16**	-20	**10**	-15
Other comprehensive income for the period	**36**	-22	**6**	-46
Total comprehensive income for the period	**135**	80	**287**	312
Attributable to:				
Owners of the parent	**134**	80	**286**	311
Non-controlling interests	**—**	—	**1**	1
Total comprehensive income for the period	**135**	80	**287**	312

Consolidated statement of financial position

Assets

EUR million	As at December 31, 2024	As at December 31, 2023
Non-current assets		
Intangible assets		
Goodwill	**1,808**	1,735
Other intangible assets	**1,127**	1,142
Total intangible assets	**2,934**	2,877
Property, plant and equipment		
Land and water areas	**40**	40
Buildings and structures	**163**	169
Machinery and equipment	**283**	263
Right-of-use assets	**156**	145
Assets under construction	**83**	81
Total property, plant and equipment	**726**	698
Other non-current assets		
Investments in associated companies	**17**	16
Non-current financial assets	**40**	31
Deferred tax assets	**94**	90
Non-current income tax receivables	**39**	41
Other non-current assets	**37**	15
Total other non-current assets	**228**	193
Total non-current assets	**3,888**	3,768
Current assets		
Inventories		
Materials and supplies	**206**	249
Work in progress	**396**	472
Finished products	**301**	327
Total inventories	**903**	1,049
Receivables and other current assets		
Trade receivables	**862**	973
Amounts due from customers under revenue contracts	**344**	475
Other current financial assets	**62**	56
Income tax receivables	**64**	56
Other current assets	**226**	255
Cash and cash equivalents	**482**	432
Total receivables and other current assets	**2,041**	2,247
Total current assets	**2,944**	3,296
Total assets	**6,832**	7,064

Consolidated statement of financial position

Equity and liabilities

EUR million	As at December 31, 2024	As at December 31, 2023
Equity		
Share capital	**140**	140
Reserve for invested unrestricted equity	**1,375**	1,372
Cumulative translation adjustments	**-40**	-42
Hedge and other reserves	**-6**	-1
Retained earnings	**1,137**	1,096
Equity attributable to owners of the parent	**2,607**	2,565
Non-controlling interests	**7**	6
Total equity	**2,614**	2,572
Liabilities		
Non-current liabilities		
Non-current debt	**1,272**	1,240
Non-current lease liabilities	**107**	98
Employee benefit liabilities	**157**	154
Non-current provisions	**28**	42
Other non-current liabilities	**13**	12
Deferred tax liabilities	**284**	283
Total non-current liabilities	**1,862**	1,828
Current liabilities		
Current debt	**115**	103
Current lease liabilities	**50**	43
Trade payables	**460**	520
Current provisions	**162**	169
Amounts due to customers under revenue contracts	**904**	1,151
Other current financial liabilities	**31**	34
Income tax liabilities	**75**	85
Other current liabilities	**559**	558
Total current liabilities	**2,356**	2,664
Total liabilities	**4,218**	4,492
Total equity and liabilities	**6,832**	7,064

Consolidated statement of cash flows

EUR million	Q4/2024	Q4/2023	2024	2023
Cash flows from operating activities				
Profit for the period	**98**	103	**281**	359
Adjustments				
Depreciation and amortization	**52**	51	**219**	196
Financial income and expenses	**16**	15	**65**	34
Income taxes	**35**	30	**103**	114
Other non-cash items	**-4**	20	**31**	-11
Change in net working capital	**15**	-55	**43**	-180
Net interests paid	**-24**	-11	**-53**	-18
Income taxes paid	**-12**	-30	**-134**	-143
Net cash provided by (+) / used in (-) operating activities	**178**	123	**554**	352
Cash flows from investing activities				
Capital expenditure on fixed assets	**-30**	-36	**-107**	-125
Proceeds from sale of fixed assets	**1**	1	**2**	6
Business combinations, net of cash acquired and loans repaid	**1**	-405	**-135**	-415
Investments in associated companies	**2**	1	**2**	2
Net cash provided by (+) / used in (-) investing activities	**-26**	-439	**-238**	-532
Cash flows from financing activities				
Repurchase of own shares	**—**	—	**-3**	-4
Dividends paid	**-123**	-120	**-249**	-240
Proceeds from non-current debt	**50**	625	**375**	725
Repayments of current portion of non-current debt	**-250**	—	**-290**	-40
Repayments of lease liabilities	**-14**	-12	**-52**	-44
Net proceeds from (+) / repayments of (-) current debt	**-6**	-235	**-42**	-58
Financial investments	**-19**	-1	**-7**	7
Net cash provided by (+) / used in (-) financing activities	**-363**	257	**-268**	346
Net increase (+) / decrease (-) in cash and cash equivalents	**-211**	-59	**48**	165
Effect of changes in exchange rates on cash and cash equivalents	**14**	-8	**3**	-10
Cash and cash equivalents at beginning of period	**679**	499	**432**	277
Cash and cash equivalents at end of the period	**482**	432	**482**	432

Consolidated statement of changes in equity

EUR million	Share capital	Reserve for invested unrestricted equity	Cumulative translation adjustments	Hedge and other reserves	Retained earnings	**Equity attributable to owners of the parent**	Non-controlling interests	**Total equity**
Balance at January 1, 2024	**140**	**1,372**	**-42**	**-1**	**1,096**	**2,565**	**6**	**2,572**
Profit for the period	—	—	—	—	280	**280**	1	**281**
Other comprehensive income for the period	—	—	2	-6	10	**6**	—	**6**
Total comprehensive income for the period	—	—	2	-6	290	**286**	1	**287**
Transactions with owners in their capacity as owners								
Dividends	—	—	—	—	-249	**-249**	-1	**-249**
Repurchase of own shares	—	—	—	—	-3	**-3**	—	**-3**
Share-based payments, net of tax	—	3	—	—	3	**6**	—	**6**
Non-controlling interest on acquisition of subsidiary	**—**	**—**	**—**	**—**	**—**	**—**	1	**1**
Balance at December 31, 2024	**140**	**1,375**	**-40**	**-6**	**1,137**	**2,607**	**7**	**2,614**
Balance at January 1, 2023	140	1,369	-20	8	997	2,494	5	2,499
Profit for the period	—	—	—	—	357	357	2	359
Other comprehensive income for the period	—	—	-21	-10	-15	-46	—	-46
Total comprehensive income for the period	—	—	-21	-10	341	311	1	312
Transactions with owners in their capacity as owners								
Dividends	—	—	—	—	-239	-239	-1	-240
Repurchase of own shares	—	—	—	—	-4	-4	—	-4
Share-based payments, net of tax	—	3	—	—	1	4	—	4
Balance at December 31, 2023	140	1,372	-42	-1	1,096	2,565	6	2,572

Basis of preparation

General information

Valmet Oyj (the "Company" or the "parent company") and its subsidiaries (together "Valmet", "Valmet Group" or the "Group") form a global developer and supplier of technologies, automation and services for the pulp, paper and energy industries.

Valmet Oyj is domiciled in Helsinki, and its registered address is Keilasatama 5, 02150 Espoo, Finland. The Company's shares are listed on Nasdaq Helsinki Ltd.

These condensed consolidated interim financial statements were approved by the Board of Directors on February 12, 2025.

Basis of presentation

These condensed consolidated interim financial statements for the twelve months ended December 31, 2024, have been prepared in accordance with IAS 34 – Interim financial reporting and in conformity with IFRS Accounting Standards as adopted by the European Union. The financial information presented in these condensed consolidated interim financial statements has not been audited. These condensed consolidated interim financial statements should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS.

Valmet Group has applied new standards and interpretations published by IASB that are effective for the first time for financial reporting periods commencing on January 1, 2024. These standards and interpretations did not have a material impact on the results or financial position of the Group, or the presentation of these condensed consolidated interim financial statements.

Except for the above, the accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2023.

In these condensed consolidated interim financial statements, the figures are presented in million euros subject to rounding, which may cause some rounding inaccuracies in aggregate column and row totals.

Key exchange rates

	Average rates		**Period-end rates**	
	2024	2023	**2024**	2023
USD (US dollar)	**1.0826**	1.0816	**1.0389**	1.1050
SEK (Swedish krona)	**11.4226**	11.4563	**11.4590**	11.0960
CNY (Chinese yuan)	**7.7793**	7.6589	**7.5833**	7.8509

Business combinations

Acquisition of Körber's Business Area Tissue

The acquisition of Körber's Business Area Tissue, announced on July 7, 2023, was completed on November 2, 2023. The business combination accounting was finalized on October 31, 2024, and the provisional amounts recognized as at December 31, 2023, were adjusted to reflect the new information obtained and updated valuations done during the measurement period. The final goodwill recognized was EUR 151 million. Finalized fair values of assets acquired, liabilities assumed, and goodwill recognized is summarized in the following table.

Acquisition of the Process Gas Chromatography business from Siemens

The acquisition of the Process Gas Chromatography & Integration business from Siemens AG, announced on July 17, 2023, was completed on April 2, 2024. The enterprise value of the acquisition was EUR 102.5 million on a cash and debt-free basis.

The Process Gas Chromatography & Integration business of Siemens AG is a market leader with its MAXUM II Gas Chromatograph platform, Systems Integration, and Customer Services offering. With deep customer process knowledge in chemicals, liquefied natural gas, refining and biofuels, the business provides critical process insights to support its customers in ensuring and improving quality, sustainability, and safety worldwide. Net sales of Process Gas Chromatography & Integration business amounted to approximately EUR 120 million in 2022. The business employs around 300 people, and its main locations are in the USA, Germany, and Singapore.

The acquisition is in line with Valmet's strategy and will further strengthen Valmet's automation segment and process automation offering with process industry gas chromatograph and process analyzer systems offering. It also strengthens Valmet's Automation Systems business footprint in North America, Asia-Pacific, and Europe.

The acquired business is integrated into Valmet's Automation Systems business line and has been consolidated into the Group financials from the acquisition date onwards. The assumed accounting for the acquisition of the Process Gas Chromatography & Integration business, including estimated purchase consideration, is based on provisional amounts and the associated purchase accounting is not final.

Fair values of assets acquired, liabilities assumed, and goodwill recognized at the date of acquisition, together with net cash flow impact is summarized in the following tables. The net assets acquired are denominated in euro. Goodwill arising from the business combination is attributable to assembled workforce, geographic presence and market position, future customers, technologies and products, and synergies expected to be derived from the combined business. The goodwill arising from the acquisition is not expected to be tax-deductible.

From the date of acquisition, the acquired business has contributed EUR 101 million to net sales and EUR -2 million of profit to the Group, including EUR 6 million amortization of intangibles and inventory fair-value step-up recognized at acquisition.

If the acquisition had occurred on January 1, 2024, management estimates that the combined statement of income would show net sales of EUR 5,393 million and profit for the period amounting to EUR 281 million, with the assumption that the fair value adjustments as at the acquisition date would have been the same if the acquisition had occurred on January 1, 2024.

Acquisition related costs of EUR 1 million are included in Selling, general and administrative expenses in the Consolidated statement of income in 2024.

Fair values of assets acquired and liabilities assumed and goodwill at the date of acquisition:

EUR million	Körber's Business Area Tissue as at November 2, 2023	Process Gas Chromatography as at April 2, 2024
Non-current assets		
Goodwill	151	27
Other intangible assets	173	68
Property, plant and equipment	28	6
Right-of-use assets	35	3
Deferred tax asset	17	5
Other non-current assets	6	—
Total non-current assets	409	109
Current assets		
Inventories	146	37
Trade receivables	71	18
Amounts due from customers under revenue contracts	—	2
Other current assets	15	4
Cash and cash equivalents	39	6
Total current assets	271	67
Non-current liabilities		
Non-current lease liabilities	30	2
Non-current provisions	3	—
Deferred tax liabilities	50	18
Total non-current liabilities	84	20
Current liabilities		
Current debt	53	51
Current lease liabilities	4	1
Trade payables	28	12
Current provisions	4	2
Amounts due to customers under revenue contracts	67	16
Other current liabilities	50	8
Total current liabilities	206	91
Net assets acquired	390	66

Cash flows associated with the acquisitions:

EUR million	Körber's Business Area Tissue as at November 2, 2023	Process Gas Chromatography as at April 2, 2024
Consideration transferred	-390	-69
Cash and cash equivalents acquired	39	6
Loans repaid at closing	-52	-51
Net cash outflow	-403	-114

Acquisitions of the FactoryPal and Demuth

Valmet and Körber have on August 1, 2024, closed the agreement for Valmet to acquire majority shares in FactoryPal GmbH, an undertaking of Körber. Following the transaction, Valmet owns 75.1 percent of the shares in the company. FactoryPal is a software developed for tissue converting operations that improves shopfloor manufacturing performance and productivity. FactoryPal will further strengthen Valmet's offering of advanced Industrial Internet solutions and digital services to support customers in the tissue industry. The acquired business has been consolidated into the Group financials from the acquisition date onwards. The assumed accounting is based on provisional amounts and the associated purchase accounting is not final.

On August 2, 2024, Valmet completed the acquisition of Demuth in Brazil. Demuth provides wood handling solutions for the pulp industry. The net sales of Demuth are around EUR 20–30 million annually, and Demuth employs around 400 people in Brazil. The acquisition is in line with Valmet's strategy to develop and supply competitive and reliable process technologies, services and automation to pulp, paper and energy customers. This acquisition significantly strengthens Valmet's wood handling technology offering and services presence in South America. The acquired business has been consolidated into the Group financials from the acquisition date onwards. The assumed accounting is based on provisional amounts and the associated purchase accounting is not final.

The acquisitions of FactoryPal and Demuth did not, individually or in aggregate, have a material impact on the results or financial position of Valmet, or its financial reporting, in 2024.

Reportable segments and geographic information

The Group's Chief Operating Decision Maker (CODM) is the President and CEO of Valmet. Valmet has three operating segments and three reportable segments for financial reporting purposes: Services, Automation and Process Technologies. Corporate functions are presented as Other.

The Services segment provides customers with flexible and fit-for-purpose services throughout the lifecycle to improve process performance, reliability and to extend product lifetime. The Automation segment delivers automation solutions ranging from single measurements to mill- or plant-wide process automation systems, and mission-critical flow control technologies and services for the process industries. The Process Technologies segment provides technology solutions for pulp and energy production, as well as for biomass conversion and emission control, and complete production lines, machine rebuilds and process components for board, tissue and paper production.

The financial reporting structure reflects Valmet's operational model, and is aligned with the way the CODM evaluates the operational performance of the segments and allocates resources. One key indicator of performance reviewed by the CODM is Earnings before interest, taxes and amortization (EBITA). Performance is also assessed through Comparable EBITA, i.e., with EBITA excluding certain items of income and expense that reduce the comparability of Valmet's performance from one period to another. The alternative performance measures of EBITA and Comparable EBITA, are published by Valmet as part of regulated financial information to enable users of the financial information to prepare more meaningful analysis on Valmet's performance. Items affecting comparability consist of income and expenses arising from activities that amend the capacity of Valmet's operations. Items include restructuring costs, gains or losses on sale of businesses or non-current assets, transaction costs related to business combinations, and income and expenses incurred outside Valmet's normal course of business, such as impairment charges and income and expenses recorded as a result of settlement payments to/from third parties (e.g., penalties incurred as a result of tax audits or settlements to closed lawsuits), share in profits and losses of associated companies, as well as income and expenses arising from changes in legislation expected to affect Valmet only temporarily (e.g., customs or other tariffs imposed by authorities on Valmet's products).

Orders received, EUR million	**2024**	2023	Change
Services	**1,915**	1,760	9%
Automation	**1,446**	1,340	8%
Process Technologies	**2,477**	1,856	33%
Total	**5,837**	4,955	18%

Net sales, EUR million	**2024**	2023	Change
Services	**1,900**	1,784	7%
Automation	**1,437**	1,328	8%
Process Technologies	**2,023**	2,420	-16%
Total	**5,359**	5,532	-3%

Comparable EBITA, EUR million	**2024**	2023	Change
Services	**331**	312	6%
Automation	**255**	248	3%
Process Technologies	**73**	110	-34%
Other	**-49**	-50	-2%
Total	**609**	619	-2%

Comparable EBITA, % of net sales	**2024**	2023
Services	**17.4%**	17.5%
Automation	**17.7%**	18.6%
Process Technologies	**3.6%**	4.5%
Total	**11.4%**	11.2%

EBITA, EUR million	**2024**	2023	Change
Services	**322**	302	7%
Automation	**248**	245	1%
Process Technologies	**42**	116	-64%
Other	**-56**	-58	-4%
Total	**557**	605	-8%

EBITA, % of net sales	**2024**	2023
Services	**17.0%**	16.9%
Automation	**17.2%**	18.5%
Process Technologies	**2.1%**	4.8%
Total	**10.4%**	10.9%

Items affecting comparability, EUR million	2024	2023
Services	**-9**	-10
Automation	**-7**	-2
Process Technologies	**-30**	6
Other	**-7**	-8
Total	**-53**	-14

Amortization, EUR million	2024	2023	Change
Services	**-22**	-10	>100%
Automation	**-54**	-63	-15%
Process Technologies	**-15**	-8	71%
Other	**-18**	-17	8%
Total	**-108**	-98	10%

Reconciliation between Comparable EBITA, EBITA and Operating profit

EUR million	Q4/2024	Q4/2023	2024	2023
Comparable EBITA	**192**	183	**609**	619
Items affecting comparability in cost of sales				
Expenses related to capacity adjustments	**-7**	-8	**-11**	-8
Expensing of fair value adjustments recognized in business combinations	**2**	-4	**-16**	-8
Other items affecting comparability[1]	**-4**	-9	**-4**	-17
Items affecting comparability in selling, general and administrative expenses				
Expenses related to capacity adjustments	**-4**	—	**-7**	—
Expenses related to acquisitions	**-2**	-2	**-3**	-6
Other items affecting comparability[1]	**-1**	-5	**-6**	-14
Items affecting comparability in other operating income and expenses				
Income and expenses related to capacity adjustments	**—**	—	**-7**	3
Expenses related to acquisitions	**—**	—	**—**	—
Other items affecting comparability[2]	**-4**	17	**—**	32
Items affecting comparability in share in profits and losses of associated companies, operative investments				
Other items affecting comparability	**1**	1	**2**	3
EBITA	**173**	172	**557**	605
Amortization included in cost of sales				
Other intangibles	**—**	—	**-1**	-2
Amortization included in selling, general and administrative expenses				
Intangibles recognized in business combinations	**-17**	-19	**-84**	-76
Other intangibles	**-6**	-5	**-22**	-21
Amortization included in share in profits and losses of associated companies, operative investments				
Other intangibles	**—**	—	**—**	—
Operating profit	**150**	148	**449**	507

[1] *2024 and 2023 figures include expenses related to the fire that happened in 2022 at Valmet's Rautpohja factory site in Jyväskylä, Finland.*

[2] *2024 and 2023 figures include income related to the fire that happened in 2022 at Valmet's Rautpohja factory site in Jyväskylä, Finland.*

Entity-wide information

Valmet has operations globally in approximately 40 countries. Measured by net sales, the top three countries in 2024 were the USA, China and Finland, which together accounted for 44 percent of total net sales. In 2023, the top three countries were the USA, China and Indonesia, which together accounted for 38 percent of total net sales. Net sales for Finland (the country of domicile) amounted EUR 417 million in 2024 (EUR 385 million).

Net sales by destination:

2024: EUR 5,359 million

2023: EUR 5,532 million

Gross capital expenditure (excluding business combinations and right-of-use assets) by location:

EUR million	North America	South America	EMEA	China	Asia-Pacific	Total
2024	**8**	**4**	**73**	**17**	**5**	**107**
2023	16	7	82	15	4	125

Revenue

Valmet's revenue is reported on and monitored by management in business line, segment and area dimension. Paper, and Pulp and Energy business lines' revenue is derived from large long-term projects, for which revenue is mostly recognized over time based on the cost-to-cost method. Service business line's revenue arises from a large volume of short-term contracts with relatively low individual value, for which revenue is mainly recognized at a point in time. Flow Control business line's valves equipment sales are recognized at a point in time. Automation business line's revenue consists of long-term contracts and short-term service contracts. The nature of long-term contracts, and therefore also the revenue recognition method, is similar to process technologies projects although with average contract values being lower. Revenue for short-term service contracts is recognized at a point in time. The nature of revenue in each area in any given reporting period is driven by volume and size of ongoing projects.

Net sales by business lines:

EUR million	Q4/2024	Q4/2023	2024	2023
Services	**567**	508	**1,900**	1,784
Flow Control	**206**	196	**791**	777
Automation Systems	**217**	180	**646**	551
Pulp and Energy	**221**	268	**870**	1,067
Paper	**317**	347	**1,152**	1,353
Total	**1,528**	1,499	**5,359**	5,532

Timing of revenue recognition:

EUR million	Q4/2024	Q4/2023	2024	2023
Performance obligations satisfied at a point in time	**888**	792	**3,006**	2,670
Performance obligations satisfied over time	**640**	707	**2,353**	2,862
Total	**1,528**	1,499	**5,359**	5,532

In order to mitigate credit risk and compensate for contract costs incurred upfront, Valmet regularly requires advance payments from its customers. During the reporting period Valmet had not entered into any material contracts where the period between when Valmet transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or more. Neither were there any ongoing projects from previous reporting periods for which the former would apply.

The creditworthiness of a customer is verified before entering into a contract. However, if a risk of non-payment arises after contract inception, the probability of collection of consideration is re-evaluated and if assessed improbable, recognition of revenue is discontinued. An allowance for non-collectability of open receivables and contract assets is established as concluded appropriate.

Valmet receives payments from customers based on invoicing schedules as set out in the customer contracts. Changes in contract assets and liabilities are due to Valmet's performance under the contracts. Amounts due from customers under revenue contracts primarily relate to Valmet's right to consideration for work completed but not yet invoiced at the reporting date. These assets are transferred to trade receivables when right to consideration becomes unconditional, which is typically at the time when Valmet has contractual right to issue an invoice. Significant part of amounts due to customers relate to advance consideration received from customers in long-term capital contracts for which revenue is recognized over time. These amounts are recognized as revenue as (or when) Valmet performs under the contracts.

Following tables provide specification of movements in amounts due from customers under revenue contracts and amounts due to customers under revenue contracts over the reporting period. Revenue recognized in the period also includes revenue recognized related to performance obligations satisfied in previous periods, the amount of which however is insignificant.

Amounts due from customers under revenue contracts:

EUR million	2024	2023
Carrying value at beginning of the period	**475**	485
Translation differences	**-3**	-1
Acquired in business combinations	**2**	—
Revenue recognized in the period	**733**	1,148
Transfers to trade receivables	**-864**	-1,157
Carrying value at end of the period	**344**	475

Amounts due to customers under revenue contracts:

EUR million	2024	2023
Carrying value at beginning of the period	**1,151**	1,205
Translation differences	**18**	-18
Acquired in business combinations	**15**	66
Revenue recognized in the period	**-2,752**	-2,505
Consideration invoiced and/or received	**2,471**	2,403
Carrying value at end of the period	**904**	1,151

EUR million	As at December 31, 2024	As at December 31, 2023
Amounts due to customers under revenue contracts for which revenue is recognized		
Point in time	**321**	362
Over time	**583**	789
Carrying value at end of the period	**904**	1,151

Valmet typically issues contractual product warranties under which it guarantees the mechanical functioning of equipment delivered during the agreed warranty period. Valmet does not issue service-type warranties.

As at December 31, 2024, Valmet had no costs to obtain or fulfill contracts capitalized under IFRS 15.

The aggregate amount of transaction price allocated to unsatisfied or partially satisfied performance obligations as at December 31, 2024, was EUR 4,452 million (EUR 3,973 million).

Net working capital

Payment schedules of large long-term projects have a significant impact on net working capital development. Net working capital does not include non-operative items such as taxes, interest-bearing assets and liabilities, or other items related to funding of the Group's operations.

EUR million	As at December 31, 2024	As at December 31, 2023	Impact to cash flows 2024
Assets included in net working capital			
Non-current trade receivables	**22**	8	**-13**
Other non-current assets	**37**	15	**-22**
Inventories	**903**	1,049	**145**
Trade receivables	**862**	973	**111**
Amounts due from customers under revenue contracts	**344**	475	**131**
Derivative financial instruments (assets)	**31**	40	**9**
Other receivables	**232**	257	**25**
Liabilities included in net working capital			
Employee benefits	**-157**	-154	**3**
Provisions	**-190**	-211	**-21**
Other non-current non-interest-bearing liabilities	**-1**	-1	**—**
Trade payables	**-460**	-520	**-59**
Amounts due to customers under revenue contracts	**-904**	-1,151	**-247**
Derivative financial instruments (liabilities)	**-43**	-46	**-2**
Other current liabilities	**-542**	-544	**-2**
Total net working capital	**134**	191	**57**
Effect of changes in foreign exchange rates			**-3**
Remeasurement of defined benefit plans			**11**
Change in allowance for doubtful receivables and inventory obsolescence provision			**-23**
Acquired in business combinations			**—**
Change in net working capital in the Consolidated statement of cash flows			**43**

Intangible assets and property, plant and equipment

Intangible assets

EUR million	2024	2023
Carrying value at beginning of the period	**2,877**	2,641
Translation differences	**13**	-3
Capital expenditure	**24**	27
Acquired in business combinations	**133**	311
Amortization	**-108**	-98
Impairment losses	**-5**	—
Other changes	**1**	—
Carrying value at end of the period	**2,934**	2,877

Property, plant and equipment (excluding right-of-use assets)

EUR million	2024	2023
Carrying value at beginning of the period	**553**	495
Translation differences	**1**	-8
Capital expenditure	**83**	98
Acquired in business combinations	**6**	29
Depreciation	**-63**	-58
Impairment losses	**-8**	—
Other changes	**-2**	-3
Carrying value at end of the period	**569**	553

Leases

Right-of-use assets

EUR million	2024	2023
Carrying value at beginning of the period	**145**	105
Translation differences	**2**	-2
Additions	**53**	48
Acquired in business combinations	**11**	37
Depreciation	**-48**	-40
Other changes	**-6**	-3
Carrying value at end of the period	**156**	145

Financial instruments

Derivative financial instruments

As at December 31, 2024	**Notional amount**	**Fair value, assets**	**Fair value, liabilities**	**Fair value, net**
Forward exchange contracts[1]	**3,553**	**26**	**-35**	**-9**
Foreign exchange options[1]				
Bought	**150**	**—**	**—**	**—**
Interest rate swaps[1]	**650**	**4**	**-6**	**-2**
Electricity forward contracts[2]	**160**	**—**	**-1**	**-1**
Nickel forward contracts[3]	**1,483**	**—**	**-1**	**-1**
Steel scrap forward contracts[3]	**1,303**	**—**	**—**	**—**

As at December 31, 2023	Notional amount	Fair value, assets	Fair value, liabilities	Fair value, net
Forward exchange contracts[1]	3,194	34	-38	-4
Interest rate swaps[1]	510	5	-5	—
Electricity forward contracts[2]	153	1	-1	—
Nickel forward contracts[3]	588	—	-2	-2
Steel scrap forward contracts[3]	1,523	—	—	—

[1] *Notional amount and fair values in EUR million.*
[2] *Notional amount in GWh and fair values in EUR million.*
[3] *Notional amount in metric tons and fair values in EUR million.*

The notional amounts give an indication of the volume of derivative contracts entered into, but do not provide an indication of the exposure to risk.

Classification of financial assets and liabilities:

EUR million	As at December 31, 2024	As at December 31, 2023
Non-current financial assets		
Equity investments at fair value through other comprehensive income	**10**	8
Equity investments at fair value through profit or loss	**2**	2
Trade receivables at amortized cost	**22**	8
Derivative financial instruments at fair value through profit or loss	**—**	—
Derivative financial instruments qualified for hedge accounting	**6**	12
Carrying value at end of the period	**40**	31
Current financial assets		
Interest-bearing financial assets at fair value through other comprehensive income	**30**	25
Non-interest-bearing financial assets at amortized cost	**8**	3
Trade receivables at amortized cost	**862**	973
Derivative financial instruments at fair value through profit or loss	**9**	8
Derivative financial instruments qualified for hedge accounting	**15**	20
Cash and cash equivalents at amortized cost	**482**	432
Carrying value at end of the period	**1,406**	1,460

EUR million	As at December 31, 2024	As at December 31, 2023
Non-current financial liabilities		
Loans from financial institutions at amortized cost	**1,071**	1,240
Bonds at amortized cost[1]	**202**	—
Lease liabilities at amortized cost	**107**	98
Derivative financial instruments at fair value through profit or loss	**—**	—
Derivative financial instruments qualified for hedge accounting	**12**	11
Carrying value at end of the period	**1,392**	1,349
Current financial liabilities		
Loans from financial institutions at amortized cost	**94**	40
Lease liabilities at amortized cost	**50**	43
Interest-bearing liabilities at amortized cost	**20**	63
Trade payables at amortized cost	**460**	520
Derivative financial instruments at fair value through profit or loss	**7**	8
Derivative financial instruments qualified for hedge accounting	**24**	26
Carrying value at end of the period	**656**	700

[1] *The bonds have been measured at amortized cost, adjusted by the fair value to the extent that fair value hedge accounting is applied.*

For those financial assets and liabilities, which have been recognized at fair value in the Consolidated statement of financial position, the measurement hierarchy and valuation methods described below have been applied.

Level 1

Quoted unadjusted prices at reporting date in active markets. Valmet level 1 financial instruments include equity investments classified as financial assets at fair value through other comprehensive income.

Level 2

The fair value of financial instruments in Level 2 is determined using valuation techniques. These techniques utilize observable market data readily and regularly available. Valmet level 2 financial instruments include over-the-counter (OTC) derivatives classified as financial assets and liabilities at fair value through profit or loss or derivatives qualified for hedge accounting and all other financial assets and liabilities except for equity investments.

Level 3

A financial instrument is categorized into Level 3 if the calculation of the fair value cannot be based on observable market data. Valmet level 3 financial instruments include equity investments classified as financial assets at fair value through profit or loss.

Provisions

EUR million	2024	2023
Carrying value at beginning of the period	211	219
Translation differences	-3	-1
Additions charged to profit or loss	132	118
Acquired in business combinations	2	7
Provisions used	-101	-75
Unused provisions reversed	-50	-57
Carrying value at end of the period	**190**	211
Non-current	28	42
Current	162	169

Contingencies and commitments

EUR million	As at December 31, 2024	As at December 31, 2023
Guarantees on behalf of Valmet Group	1,100	1,127

The most significant commitments and contingencies of Valmet relate to guarantees provided by Valmet Oyj, its subsidiaries and financial institutions to customers and suppliers in the ordinary course of business, as disclosed in the above table.

On October 15, 2024, Valmet announced that Metsä Fibre Oy has filed a request for arbitration against Valmet Technologies Oy, which is a subsidiary of Valmet. The arbitration concerns Metsä Fibre’s bioproduct mill in Kemi, Finland, which came into operation as planned on September 20, 2023.

Valmet Technologies Oy disputes the claims brought by Metsä Fibre and will also actively pursue claims of its own against Metsä Fibre. Metsä Fibre’s preliminary monetary claims put forward amount to approximately EUR 47 million. In addition, Metsä Fibre has informed that it will claim that Valmet Technologies Oy would be declared liable for certain potential costs which Metsä Fibre might incur later based on contractual relationships between Metsä Fibre and other parties. Metsä Fibre estimates that the current value of such potential claims is approximately EUR 65 million, but estimates that this amount is likely to decrease.

Valmet's management does not expect to the best of its current understanding any material adverse impacts on its operations or financial position due to this arbitration. This assessment takes into account the grounds currently presented, provisions made, insurance coverage in force, and the extent of Valmet's total business activities.

Several lawsuits, claims and disputes based on various grounds are pending against Valmet in various countries, including product liability lawsuits and claims as well as legal disputes related to Valmet's deliveries. Valmet is also a plaintiff in several lawsuits. Although some of the claims are substantial, Valmet's management does not expect to the best of its present understanding that the outcome of these lawsuits, claims and disputes will have a material adverse effect on Valmet in view of the grounds currently presented for them, provisions made, insurance coverage in force and the extent of Valmet's total business activities.

Rautpohja fire insurance compensation

A fire broke out at Valmet's Rautpohja factory site in Jyväskylä, Finland, on May 7, 2022. The fire, which started at a workshop during a roll test, caused damages to parts of roll and headbox manufacturing and preassembly. Operations resumed with some special arrangements, like transferring some of the production to temporary locations. Valmet maintains property damage and business interruption insurance and expected to recover fire-related losses through insurance.

The final settlement with the insurance provider was reached in April–June 2024 and the final payment was received in June 2024. Valmet has recorded an insurance compensation of EUR 19 million in January–June 2024 related to the compensation of the costs incurred. The outstanding receivable towards the insurance company since 30 June 2024 has been nil (EUR 32 million as at 31 December 2023). In total, Valmet has received EUR 74 million as cash payments in 2022, 2023 and 2024.

Events after the reporting period

There have been no subsequent events after the review period that required recognition or disclosure.

Key indicators

	2024	2023
Comparable return on capital employed (Comparable ROCE) before taxes (LTM), %	**12.7%**	14.5%
Return on capital employed (ROCE) before taxes (LTM), %	**11.4%**	14.2%
Return on equity (ROE) (LTM), %	**10.8%**	14.1%
Net debt to EBITDA[1] ratio	**1.55**	1.46
Gearing, end of period, %	**39%**	40%
Equity to assets ratio, end of period, %	**44%**	43%
Capital employed, end of period, EUR million	**4,158**	4,055
Interest-bearing liabilities, end of period, EUR million	**1,544**	1,484
Net interest-bearing liabilities, end of period, EUR million	**1,032**	1,027
Earnings per share, EUR	**1.52**	1.94
Diluted earnings per share, EUR	**1.52**	1.94
Adjusted earnings per share, EUR	**1.93**	2.28
Equity per share, end of period, EUR	**14.15**	13.93
Number of outstanding shares, end of period	**184,165,347**	184,161,105
Average number of outstanding shares	**184,159,071**	184,151,827
Average number of diluted shares	**184,159,071**	184,151,827

[1] *Last twelve months EBITDA*

Formulas for calculation of indicators

In addition to financial performance indicators as defined by IFRS, Valmet publishes certain other widely used measures of performance that can be derived from figures in the Consolidated statement of income and Consolidated statement of financial position, as well as notes thereto. The formulas for calculation of these alternative performance measures are presented below. Some of the alternative performance measures are calculated on a last twelve months basis (LTM).

Comparable gross profit (GP):
Gross profit +/- items affecting comparability in cost of sales

Comparable selling, general and administrative (SG&A) expenses:
Selling, general and administrative expenses +/- items affecting comparability in selling, general and administrative expenses

EBITA:
Operating profit + amortization

Comparable EBITA[1]:
Operating profit + amortization +/- items affecting comparability

Earnings per share:

$$\frac{\text{Profit attributable to shareholders of the Company}}{\text{Average number of shares outstanding during period}}$$

Diluted earnings per share:

$$\frac{\text{Profit attributable to shareholders of the Company}}{\text{Average number of diluted shares during period}}$$

Adjusted earnings per share[1]:

$$\frac{\text{Profit attributable to shareholders of the Company - expensing of fair value adjustments recognized in business combinations, net of tax}}{\text{Average number of shares outstanding during period}}$$

Equity per share:

$$\frac{\text{Equity attributable to owners of the parent}}{\text{Number of outstanding shares at end of period}}$$

Return on equity (ROE), % (LTM):

$$\frac{\text{Profit for the period}}{\text{Total equity (average for period)}} \times 100$$

Return on capital employed (ROCE) before taxes, % (LTM):

$$\frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Total equity + interest-bearing liabilities (average for period)}} \times 100$$

Comparable return on capital employed (ROCE) before taxes, % (LTM):

$$\frac{\text{Profit before taxes + interest and other financial expenses +/- items affecting comparability}}{\text{Total equity + interest-bearing liabilities (average for period)}} \times 100$$

Equity to assets ratio, %:

$$\frac{\text{Total equity}}{\text{Balance sheet total - amounts due to customers under revenue contracts}} \times 100$$

Gearing, %:

$$\frac{\text{Net interest-bearing liabilities}}{\text{Total equity}} \times 100$$

Net interest-bearing liabilities:
Non-current debt + non-current lease liabilities + current debt + current lease liabilities - cash and cash equivalents - other interest-bearing assets

Net debt to EBITDA ratio:

$$\frac{\text{Net interest-bearing liabilities}}{\text{Operating profit + amortization + depreciation (LTM)}}$$

[1] *Alternative performance measure also calculated on a last twelve months basis.*

Quarterly information

EUR million, or as indicated	**Q4/2024**	Q3/2024	Q2/2024	Q1/2024	Q4/2023
Orders received	**2,463**	1,041	1,283	1,050	1,155
Order backlog[1]	**4,452**	3,536	3,828	3,790	3,973
Net sales	**1,528**	1,295	1,324	1,212	1,499
Comparable gross profit	**428**	373	368	343	396
% of net sales	**28.0%**	28.8%	27.8%	28.3%	26.4%
Comparable SG&A expenses	**-247**	-241	-254	-243	-242
% of net sales	**-16.1%**	-18.6%	-19.2%	-20.0%	-16.1%
Comparable EBITA	**192**	156	141	121	183
% of net sales	**12.6%**	12.0%	10.6%	10.0%	12.2%
Operating profit (EBIT)	**150**	109	103	87	148
% of net sales	**9.8%**	8.4%	7.8%	7.2%	9.9%
Profit before taxes	**134**	92	84	73	133
% of net sales	**8.7%**	7.1%	6.4%	6.0%	8.8%
Profit for the period	**98**	68	58	56	103
% of net sales	**6.4%**	5.2%	4.4%	4.6%	6.9%
Earnings per share, EUR	**0.53**	0.37	0.31	0.30	0.56
Adjusted earnings per share, EUR	**0.60**	0.49	0.43	0.41	0.65
Expensing of fair value adjustments recognized in business combinations, net of tax	**-12**	-22	-22	-20	-17
Amortization	**-23**	-29	-29	-27	-25
Depreciation, property, plant and equipment (excl. right-of-use assets)	**-16**	-16	-16	-15	-15
Depreciation, right-of-use assets	**-13**	-12	-11	-12	-12
Depreciation, total	**-29**	-28	-26	-27	-27
Items affecting comparability:					
in cost of goods sold	**-9**	-9	-6	-7	-22
in selling, general and administrative expenses	**-7**	-2	-4	-3	-7
in other operating income and expenses, net	**-4**	-7	—	3	17
in share in profits and losses of associated companies, operative investments	**1**	1	1	-1	1
Total items affecting comparability	**-19**	-17	-9	-7	-10
Cash flow provided by operating activities	**178**	110	128	138	123
Cash flow after investing activities	**151**	69	-14	109	-316
Gross capital expenditure (excl. business combinations and right-of-use assets)	**-30**	-20	-28	-29	-36
Business combinations, net of cash acquired and loans repaid	**1**	-21	-115	—	-405
Research and development expenses, net	**-31**	-28	-31	-33	-32
% of net sales	**-2.0%**	-2.2%	-2.4%	-2.7%	-2.2%

[1] *At end of period.*

Quarterly segment information

Orders received, EUR million	**Q4/2024**	Q3/2024	Q2/2024	Q1/2024	Q4/2023
Services	**479**	412	497	527	404
Automation	**443**	322	352	328	319
Process Technologies	**1,541**	307	434	195	432
Total	**2,463**	1,041	1,283	1,050	1,155

Net sales, EUR million	**Q4/2024**	Q3/2024	Q2/2024	Q1/2024	Q4/2023
Services	**567**	453	473	406	508
Automation	**424**	354	351	309	375
Process Technologies	**537**	488	500	497	615
Total	**1,528**	1,295	1,324	1,212	1,499

Comparable EBITA, EUR million	**Q4/2024**	Q3/2024	Q2/2024	Q1/2024	Q4/2023
Services	**112**	79	80	60	91
Automation	**81**	65	58	51	79
Process Technologies	**15**	22	15	21	25
Other	**-17**	-10	-12	-11	-13
Total	**192**	156	141	121	183

Comparable EBITA, % of net sales	**Q4/2024**	Q3/2024	Q2/2024	Q1/2024	Q4/2023
Services	**19.8%**	17.4%	16.9%	14.6%	17.9%
Automation	**19.1%**	18.3%	16.5%	16.5%	21.1%
Process Technologies	**2.8%**	4.4%	3.0%	4.2%	4.1%
Total	**12.6%**	12.0%	10.6%	10.0%	12.2%

EBITA, EUR million	**Q4/2024**	Q3/2024	Q2/2024	Q1/2024	Q4/2023
Services	**113**	75	78	56	80
Automation	**76**	64	58	50	80
Process Technologies	**3**	8	9	21	29
Other	**-19**	-10	-13	-14	-18
Total	**173**	138	132	114	172

EBITA, % of net sales	**Q4/2024**	Q3/2024	Q2/2024	Q1/2024	Q4/2023
Services	**20.0%**	16.6%	16.4%	13.8%	15.8%
Automation	**17.9%**	18.2%	16.4%	16.2%	21.4%
Process Technologies	**0.5%**	1.7%	1.9%	4.3%	4.8%
Total	**11.3%**	10.7%	9.9%	9.4%	11.5%

Items affecting comparability, EUR million	**Q4/2024**	Q3/2024	Q2/2024	Q1/2024	Q4/2023
Services	**1**	-4	-2	-3	-11
Automation	**-5**	—	—	-1	1
Process Technologies	**-12**	-13	-6	—	4
Other	**-3**	—	-1	-3	-5
Total	**-19**	-17	-9	-7	-10

Amortization, EUR million	**Q4/2024**	Q3/2024	Q2/2024	Q1/2024	Q4/2023
Services	**-3**	-6	-6	-6	-5
Automation	**-14**	-14	-14	-12	-12
Process Technologies	**-2**	-4	-4	-4	-3
Other	**-5**	-4	-4	-4	-4
Total	**-23**	-29	-29	-27	-25

Valmet’s financial reporting in 2025

April 23, 2025 - Interim Review for January-March 2025
July 23, 2025 - Half Year FInancial Review for January-June 2025
October 29, 2025 - Interim Review for January-September 2025

Valmet Oyj
Keilasatama 5 / PL 11
02150 ESPOO
www.valmet.com/sijoittajat
ir@valmet.com