

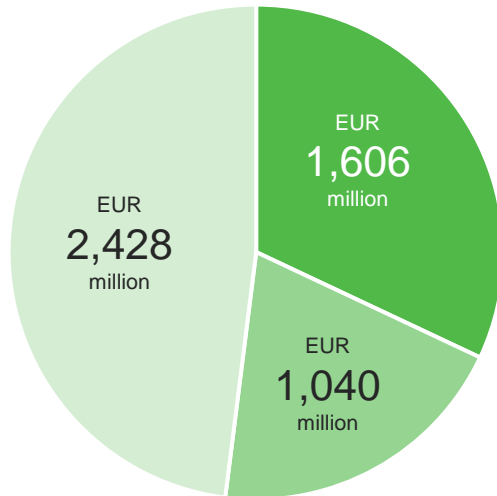
# On solid growth track with concrete actions to reach the financial targets

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Valmet Capital Markets Day 2023

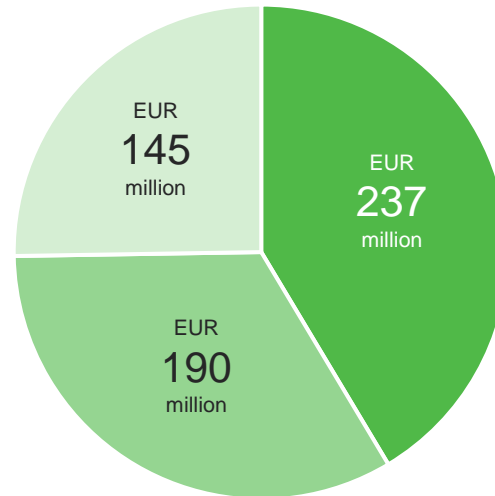
# Valmet has three strong segments

## Net sales



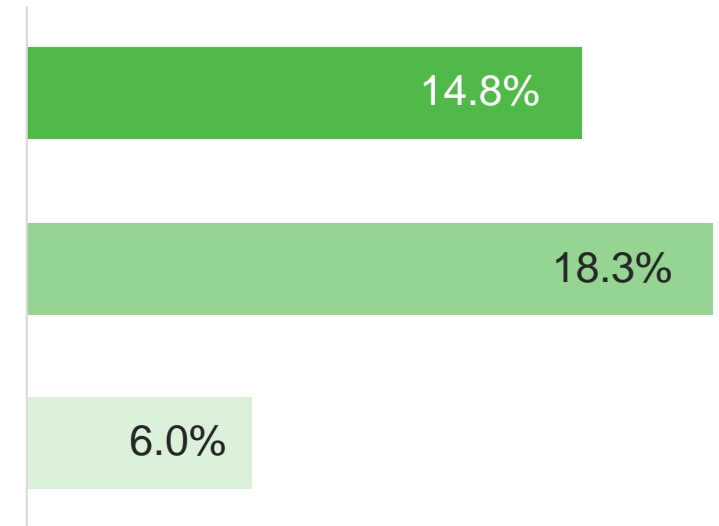
- Services
- Automation
- Process Technologies

## Comparable EBITA (excl. Other)



- Services
- Automation
- Process Technologies

## Comparable EBITA margin (excl. Other)

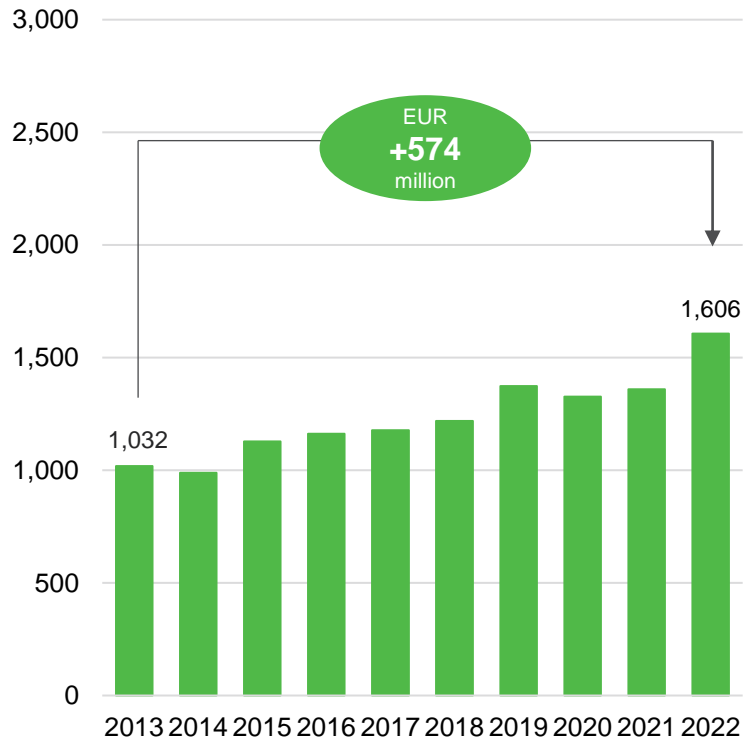


- Services
- Automation
- Process Technologies

# Strong track record of net sales growth in all segments

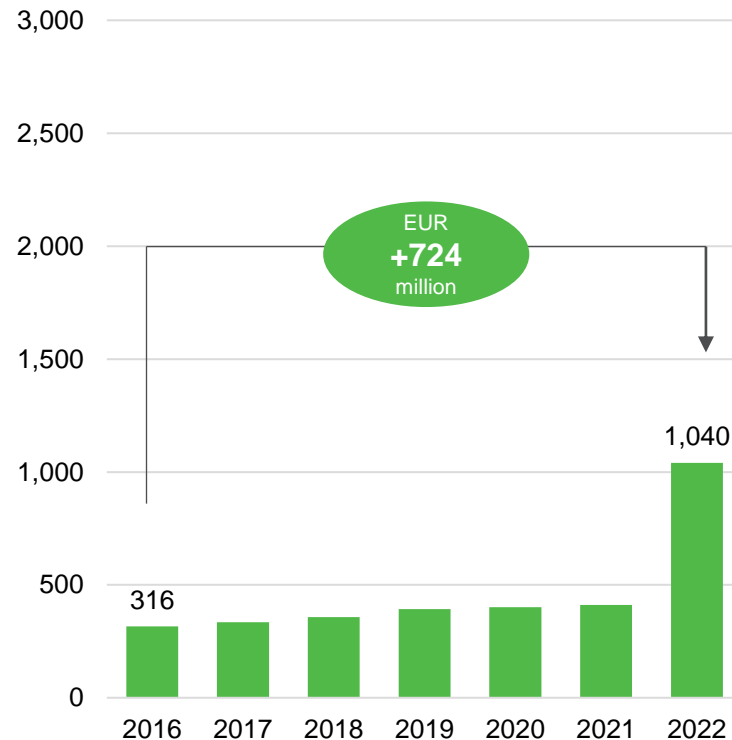
## Services

Net sales (EUR million)



## Automation

Net sales (EUR million)



## Process Technologies

Net sales (EUR million)



# Financial targets remain unchanged

## Growth

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

Net sales for Process Technologies segment to exceed market growth

## Profitability

Comparable EBITA:  
12–14%

## ROCE

Comparable return on capital employed (ROCE) before taxes<sup>1</sup> at least 15%

## Dividend policy

Dividend payout at least 50% of net profit

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

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

## Customer

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

## Technology

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

## Processes

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

## People

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

Targeting to increase Comparable EBITA margin in all three segments

# Improvement in Comparable EBITA is the biggest driver for ROCE

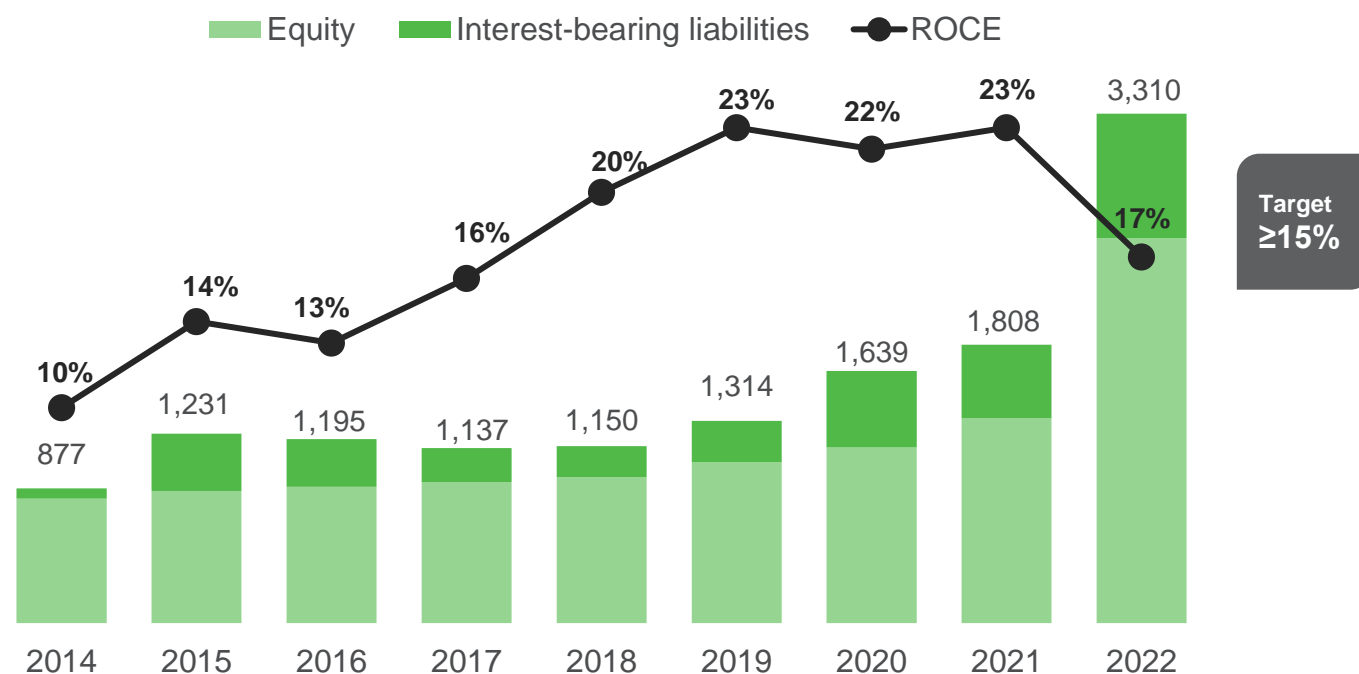
## Main drivers for ROCE:

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

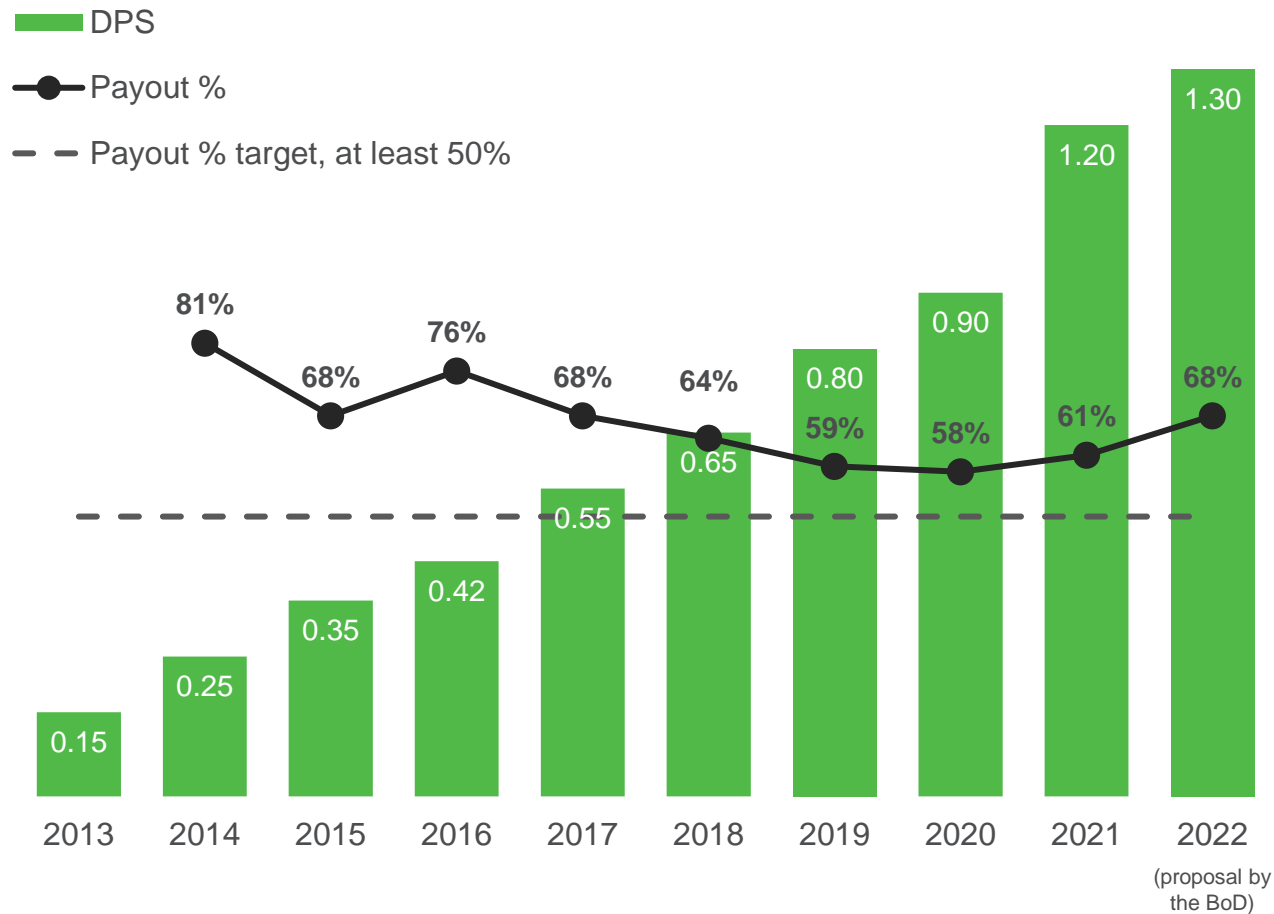
## Track record

Capital employed (EUR million)

Comparable ROCE (% , before taxes)



# Valmet has paid attractive dividend



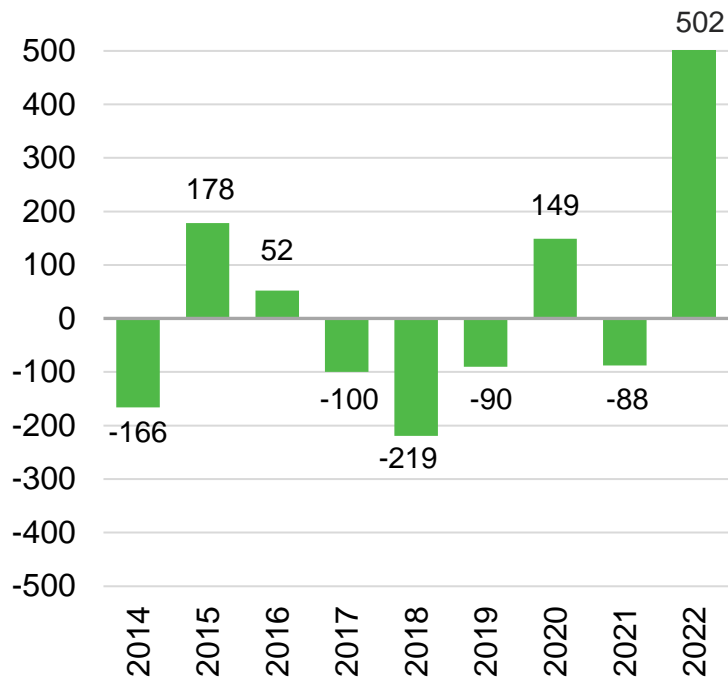
- Payout target at least 50% of net profit
- Target has been exceeded every year
- Constant dividend growth

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

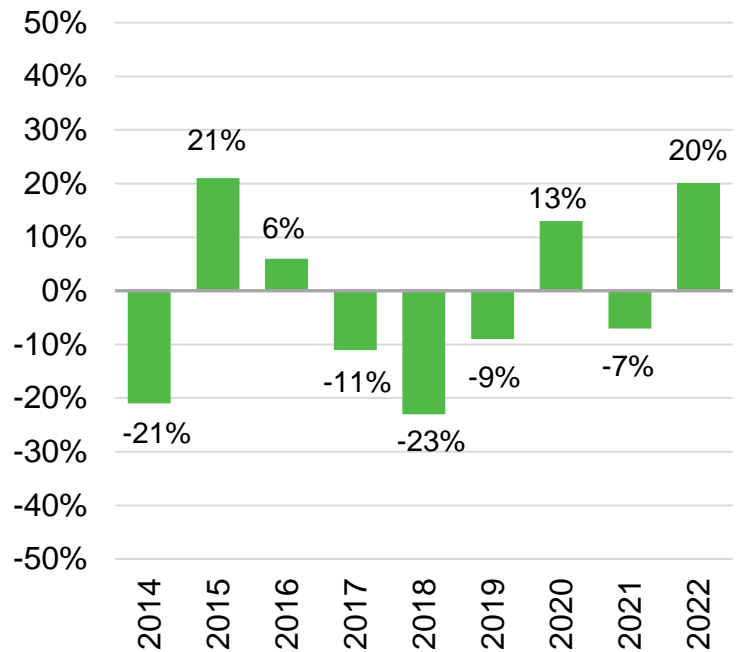
**1.0bn**

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

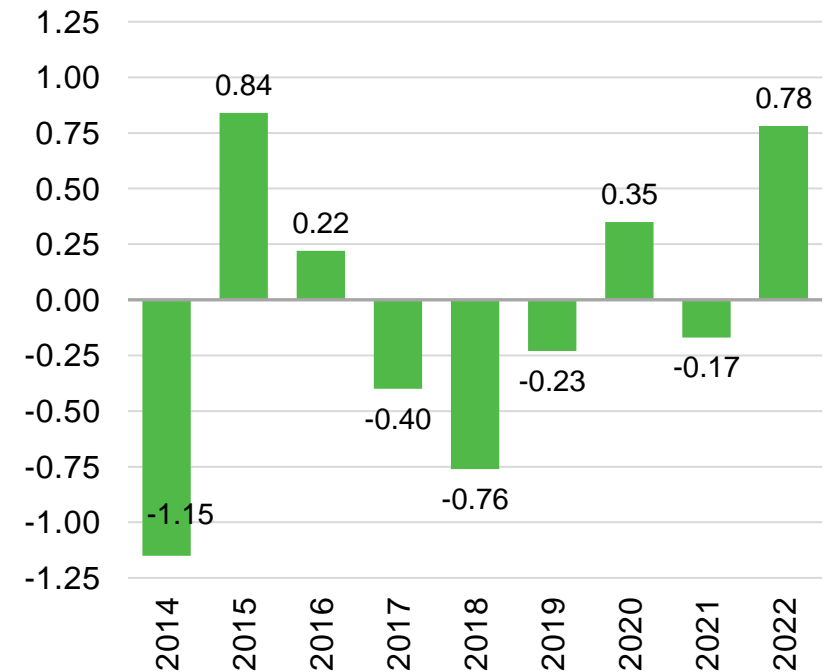
## Net debt



## Gearing



## Net debt to EBITDA ratio





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

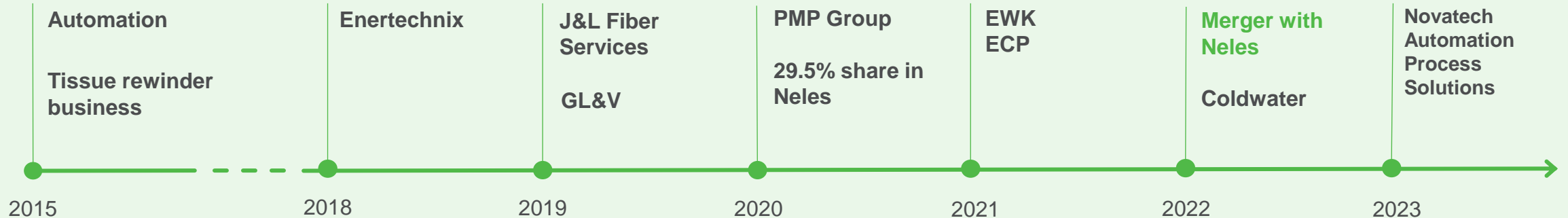
## Strong track record of successful acquisitions

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

## Acquisition strategy

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

## Track record of successful acquisitions



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

## Development since January 2, 2014:

- Valmet's total shareholder return has been 449%
- Share price has increased by 370%
- Cumulative dividend payout EUR 5.37 per share
- Valmet's total shareholder return has outperformed 90% of European industrial companies<sup>1</sup>
  - Valmet's TSR was in top 90% among 87 large European industrial companies

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

## Valmet's share price has outperformed index



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

# Summary

1

Valmet has three strong segments

2

Strong track record of net sales growth in all segments

3

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

4

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

5

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

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



