

Strong position in growing markets and building new opportunities

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Valmet Capital Markets Day 2023

Today's key takeaways – Valmet's investment highlights

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

Unique offering to support a growing market

Unique offering

Competitive advantage from the widest offering in the market



Strong market drivers

Process Technologies

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

Services

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

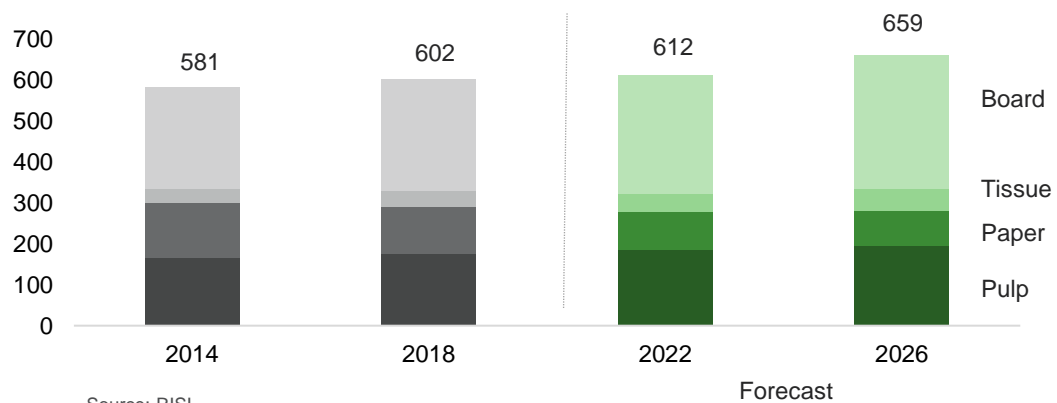
Automation

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

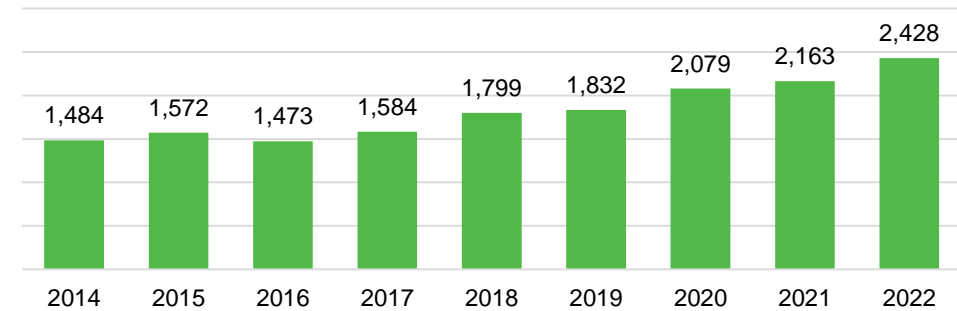
Process Technologies segment benefiting from the growing demand for bio-based products and energy

- New pulp and paper capacity is needed as demand for bio-based products continues to grow
- Energy transition creates a growing market for Valmet's energy offering
- Large old and inefficient installed base generates a significant replacement market for Valmet
- Strong business model with large prepayments and low capacity costs
- Comparable EBITA margin 6.0% in 2022

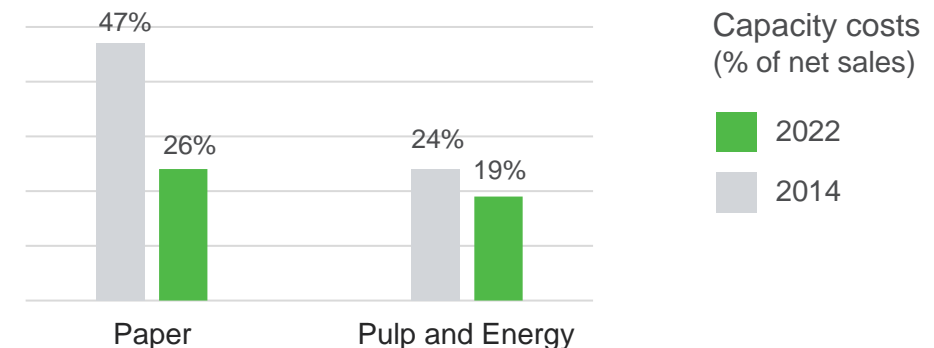
Demand for pulp and paper continues to grow (Global demand, Mton)



Net sales (EUR million)



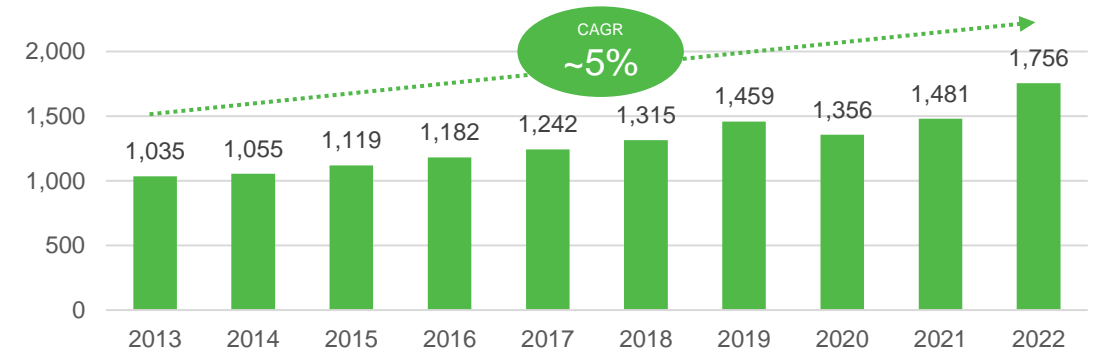
Valmet's operational efficiency has increased



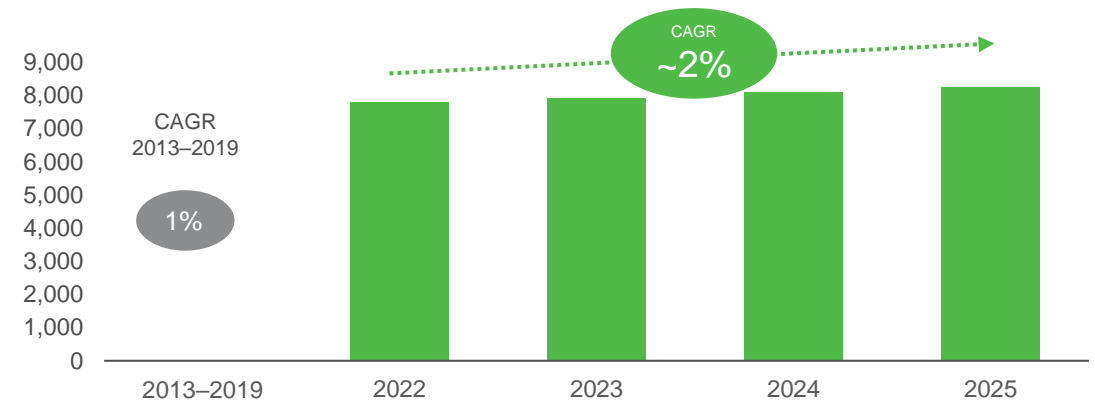
Services segment's demand driven by large and growing global installed base

- Valmet's Services is a growing and recurring business
- Demand driven by large and growing global installed base
- Roughly EUR 8 billion addressable market estimated to grow 2% annually
- Target to continue to grow over two times the market growth
- Competitive advantage from the widest offering in the market
- Strong presence in all market areas covering all key customer corporations
- Solid track record for growth
- Comparable EBITA margin 14.8% in 2022

Orders received (EUR million)



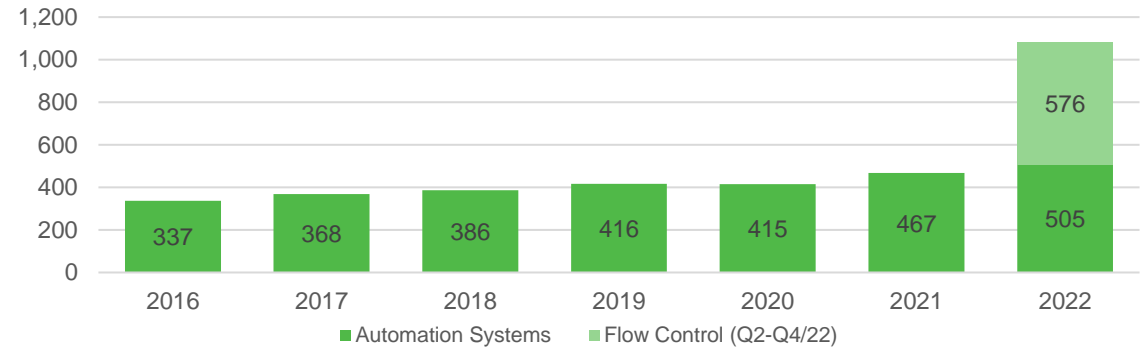
Service market development and estimate (EUR million)



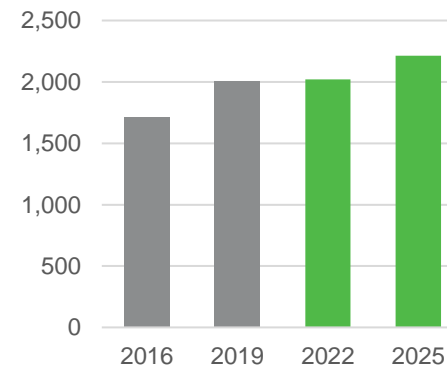
Automation segment with high growth and profitability

- Valmet's Automation is a growing and recurring business
- Large addressable target market estimated to grow ~3% annually
- Target to continue to grow over two times the market growth
- Sustainability, digitalization and targets for operational efficiency drive the market for Automation Systems
- Flow control market for critical valves and valve automation has barriers of entry enabling solid profitability for leading players
- Opportunities to grow outside the core pulp and paper industry organically and through M&A
- Comparable EBITA margin 18.3% in 2022

Orders received (EUR million)

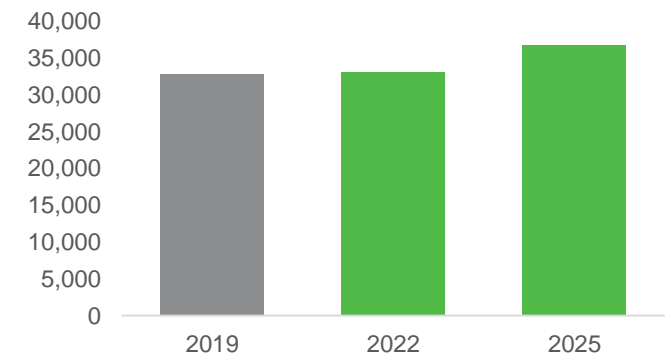


Automation Systems target market (EUR million)



Source: ARC 2021-2026 material

Flow Control market (EUR million)



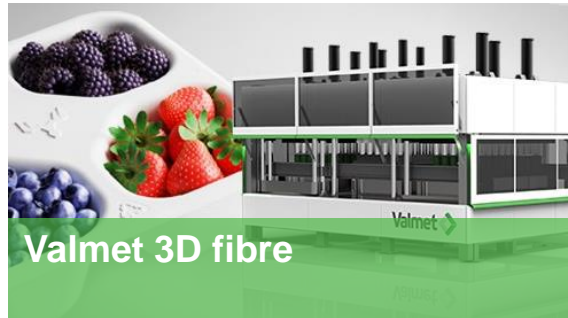
Source: Frost & Sullivan

Future growth possibilities from new sustainable innovations



Textile fibres

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



Valmet 3D fibre

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



New bioproducts

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



Flow Control and Automation Systems

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

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

Demand for bio-based products and energy continues to grow	New growth opportunities	Steadily growing stable business	Strategy
<ul style="list-style-type: none">• The large pulp and paper market is growing and supported by favorable megatrends and sustainability• Energy transition creates a growing market for Valmet's energy offering• Valmet has strong market positions and opportunities to increase market share	<ul style="list-style-type: none">• Future growth possibilities from new sustainable innovations• Growth opportunities in energy and process industries in Automation	<ul style="list-style-type: none">• EUR 2.8 billion stable business with high margin• Stable business has high margins and resilience to market cycles• Large and aging installed base generates a significant market	<ul style="list-style-type: none">• Strong track record of successful acquisitions and possibility to continue to invest in selected acquisitions• Strategy based on building the future systematically with renewal and continuous improvement

