

World-class technology for packaging and hygiene needs

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Valmet Capital Markets Day 2021

Paper business line offering



- **Stock preparation lines**

- Recycled fiber lines
- Stock preparation systems
- Approach flow systems
- Broke collection and handling

- **Rebuilds**

- Modernization and upgrades for performance improvements

- **Stand-alone products**

- E.g., refiners, screens, pulpers

- **Board and paper production lines**

- Technologies for all board and paper grades
- Technologies for all size of machinery
- Tailor-made board and paper machines
- Modularized board and paper machines

- **Rebuilds**

- Modernizations and grade conversions

- **Stand-alone products**

- E.g., headboxes, sizers, winders

- **Tissue production lines**

- Technologies for all tissue grades and products
- Technologies for all size of machinery
- Conventional, textured and structured tissue production

- **Rebuilds**

- Upgrades for energy, product quality, safety and efficiency improvements

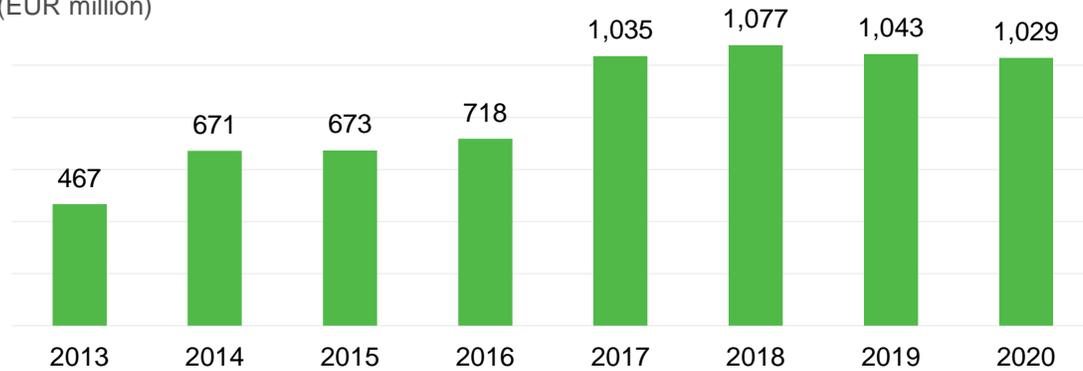
- **Stand-alone products**

- E.g., headboxes, Yankee cylinders, rewinders

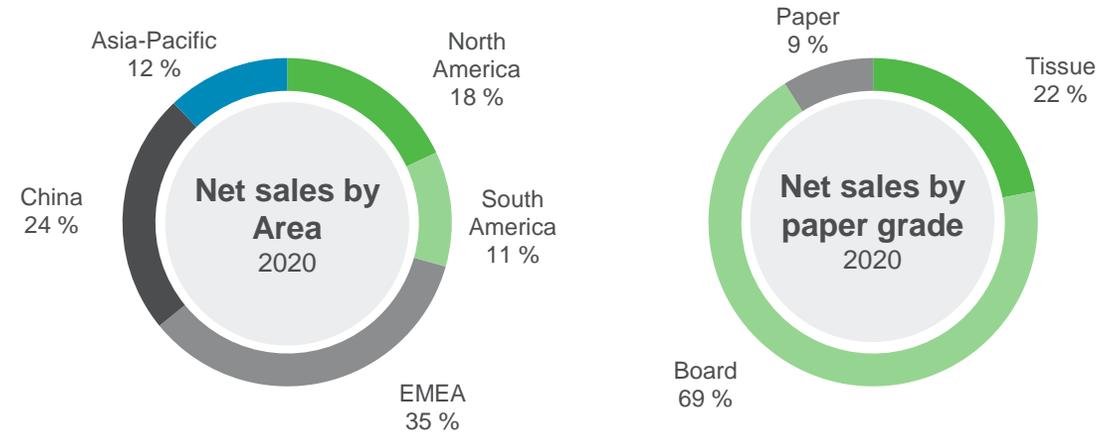
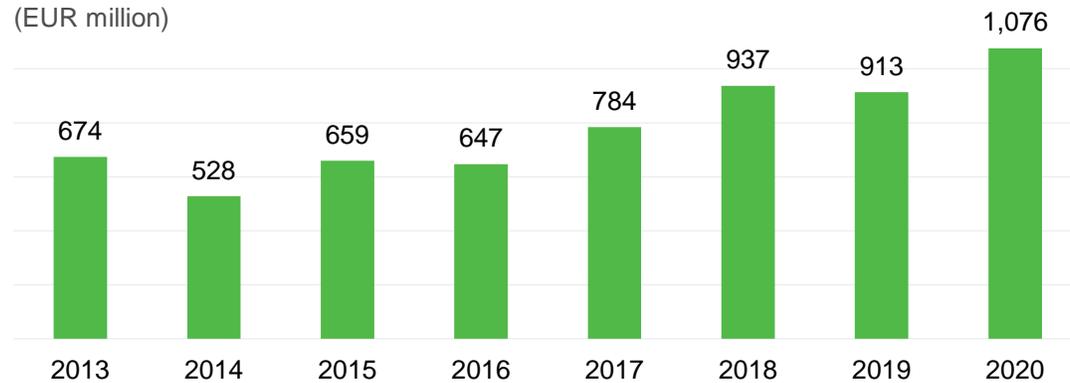
Key figures at a glance

Paper

Orders received
(EUR million)



Net Sales
(EUR million)



Capacity costs

	2015	2020
EUR million	270	301
% of net sales	41%	28%

	Market position	Market share	Estimated market size	Long-term end market growth
Board	#1	~ 50%	EUR 1 bn	~ 2-3%
Tissue	#1	~ 35%	EUR 0.7 bn	~ 3-4%
Paper	#1	~ 50%	EUR 0.4 bn	~ -3%

Market drivers



- World trade, e-commerce and emerging markets growth drive packaging
- Shift from plastic packaging to renewable materials
- Demand for light-weight board
- Conversions from paper to board



- Rise in purchasing power and living standards
- Urbanization and improved hygiene
- Fast economic growth in emerging markets
- Demand for higher quality
- Consumers' higher hygiene standards

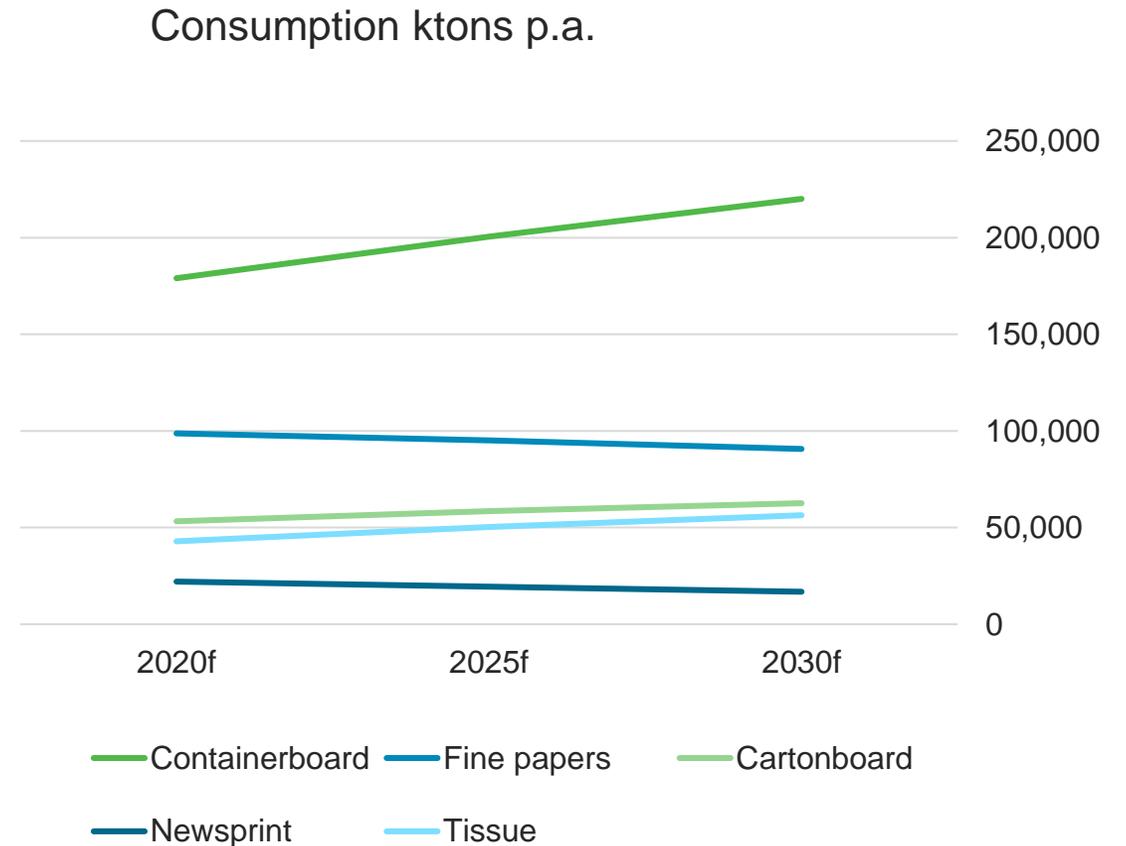


- Need for specialty papers
- Increasing role of digital media decreases demand for printing papers
- Demand for technology-driven efficiency improvements

Outlook

Containerboard and tissue are the fastest growing products

- World demand for paper and board is forecasted to grow 1.3% p.a. in the long term, reaching 486 million tons in 2030 compared to 414 million tons in 2019
- Annual consumption growth per paper grade 2016A-2030F:
 - Containerboard +61 million tons (+2.5%)
 - Fine papers -34 million tons (-3.0%)
 - Cartonboard +19 million tons (+2.3%)
 - Tissue +21 million tons (+3.0%)
 - Newsprint -15 million tons (-6.8%)



Source: RISI Fastmarket

Must-win #1 – Customer

Stronger technology offering and customer support

Customer



Technology



Process



People



Recent development

- Valmet acquired PMP Group
- Widened technology offering by adding small and medium size machinery for Tissue, Board & Paper
- Extended expertise and assets to further strengthen our ability to serve our customers

Next steps and development actions

- Integration and harmonization of our operations
- Further development to strengthen our product portfolio
- Introduction of Valmet's new technology offering through global sales network

PMP Group and Valmet joining forces



“ We care about customer’s success and will continue to work closely together to provide best possible solution to each customer “

Must-win #2 – Technology

World-class equipment for resource efficient production

Customer



Technology



Process



People



Recent development

- Solutions to produce new high-value end products with variety of raw materials
- Long-term development to enhance raw material, water and energy efficiency and reduce CO₂ emissions in paper, board and tissue production
- Collaboration project with Metsä Spring to produce fossil free 3D fiber products

Next steps and development actions

- Special focus on energy and material efficiency and solutions to reduce carbon footprint
- Barrier development for packaging grades
- Development of Microfibrillated Cellulose (MFC) applications

Valmet and Metsä Spring begin construction of 3D fiber pilot plant



“We have an ambitious goal to build a significant business based on the top-class know-how of Valmet, Metsä Group and several other companies. The pilot plant is developing and testing many new innovations that support one of our goals to replace plastic in various packaging solutions”

Jarkko Tuominen, project leader at Metsä Spring

Must-win #3 – Process

Quick turnaround to remote mode

Customer



Technology



Process



People



Recent development

- Remote commissioning and start-up of new tissue and board machine installations
- Remote pilot trials at Paper Technology Center and Tissue Technology Center
- Remote FAT's and customer inspections

Next steps and development actions

- Evaluate and further develop our way to operate and support customers remotely
- Continue to develop Industrial Internet solutions to increase efficiency, reliability and automated operations

Starting up new tissue machine remotely



“We formed a single strong team with the customer, working together day and night. Whatever the issues, we overcame them jointly. It wasn't a one-company or one-man show – it was a joint effort. I'm very proud of our team – they did a brilliant job and walked the extra mile to get there”

Pyry Hämäläinen, MC Project Manager, Valmet

Must-win #4 – People

Ensuring future competences

Customer



Technology



Process



People



Recent development

- Graduate program established in September 2020
- Extensive training program
 - To secure new and future competences
 - Provides a broad understanding of the business and operations
 - Theoretical and practical training
 - Job rotation
 - Mentoring program

Next steps and development actions

- Recruitment for Valmet International Graduate program 2021 ongoing
- More international focus
- Sharing blogs and podcasts

Valmet Graduate Program



“My home department is in R&D, but I will also spend time in Production, Sales and Automation. It is amazing how open and welcoming everyone has been, showing interest in what you are doing and often giving more information than just answering your question”
Bartłomiej Madura, Trainee, Valmet Graduate Program

