Net sales and Comparable EBITA increased in the second quarter

Half Year Financial Review, January–June 2026

July 24, 2026

Thomas Hinnerskov, President and CEO

Katri Hokkanen, CFO

Acquisition completed: Severn accelerates the growth of Valmet’s high performing Process Performance Solutions segment

SCALE & EARNINGS POWER

EUR ~1.7 bn

Process Performance Solutions net sales together with Severn (2025), large new installed base for lifecycle services

NEW POTENTIAL

Clear growth synergies

Synergy potential through complementary offerings, expanded market reach, and increased service penetration

NEW CAPABILITIES

+950 Valmeteers

Excellent cultural and strategic fit, valuable new expertise, technology and capabilities

Severn facts (2025) **Net sales:** EUR 205 million **EBITA Margin:** ~16% **Enterprise value:** USD 480 million

Following the closing of the Severn acquisition, Valmet has initiated a strategic review to evaluate a potential separation of its two segments

Today

Valmet

Biomaterial Solutions and Services

Process Performance Solutions

Shareholder value assessment

Potential separation being assessed

Standalone listed Biomaterial Solutions and Services

Standalone listed Process Performance Solutions

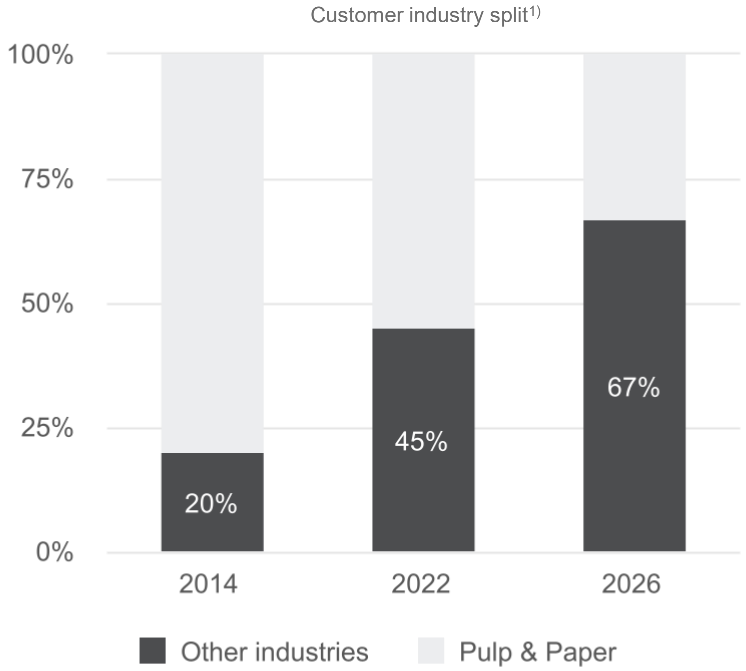
Decision today:
Initiate the strategic review

Potential outcome being evaluated:
Two standalone listed companies

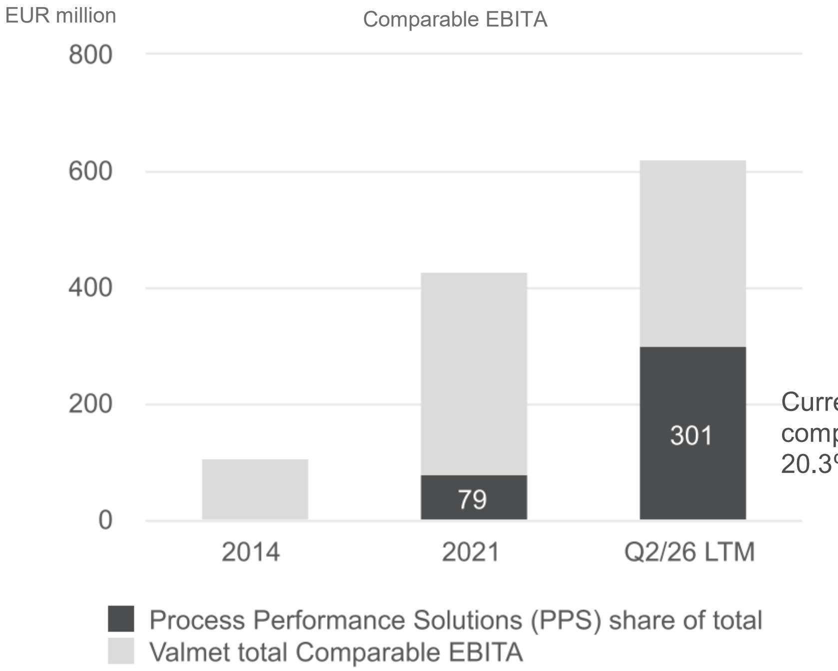
Next update:
No later than with the full-year 2026 results

Why now? Process Performance solutions has become a scaled, high-margin business with nearly half of Valmet's earnings

Increasingly diversified: Most of order intake outside of P&P



A major earnings contributor: 48% of Group Comparable EBITA



Current PPS segment's comparable EBITA margin 20.3% (LTM Q2/26)

- Severn further strengthens exposure to attractive energy and process industry growth markets
- Strong value creation under Valmet ownership: EBITA margin doubled since 2015

1) 2014 based on Process Automation net sales split. 2022 and 2026 based on order intake split. Figures are indicative and illustrate the evolution of the business mix over time

Two strong businesses with distinct business models, growth paths and the scale to succeed independently

Process Performance Solutions

Scaled automation and flow-control business

- Mission-critical offering across diversified process industries
- Significant share of net sales from recurring services
- Scale and strategic position strengthened by Severn – taking annual net sales to €1.7 billion

Net sales
EUR **1.5** billion

Comparable EBITA
EUR **301** million
20.3% margin

~70%
of order intake from diverse industries outside pulp and paper, incl. Severn

Biomaterial Solutions and Services

Global lifecycle services and technology leader

- Leading global market positions across pulp, board, paper, tissue and energy
- Competitive advantage built on technology, vast installed base and customer references
- Lifecycle services, upgrades and complete production lines

Net sales
EUR **3.8** billion

Comparable EBITA
EUR **374** million
9.7% margin

55%
share of services of orders received

All financials last twelve months (LTM) Q2 2026

How a separation could create additional value

1. Focused strategies

Each business can make strategic and operating decisions based on its own customers, competitive environment and growth opportunities

2. Tailored capital allocation

Each business can prioritize organic investment, acquisitions and financing appropriate to its own economics and opportunity set

3. Clearer accountability and investment proposition

Management, boards and capital markets can assess each company against the performance drivers most relevant to that business

Potential outcome

- Stronger execution
- Independent growth agendas
- Clearer recognition of each business's value

Valmet's board will only proceed with a separation if the strategic review concludes that separation is clearly in the best interests of Valmet's shareholders

Our focus remains on customers, strategy execution and performance

Business continues as normal

- Customer commitments, deliveries and services remain unchanged
- Focus on customers and executing our strategic priorities
- Preserving the customer value created by our full offering
- Customer and employee commitments remain a priority during the review and under a potential separation

Strategic review

- Strategic, financial and operational implications will be assessed
- No decision has been made to implement a separation
- Update expected no later than with the full-year 2026 results

Q2/2026 highlights

Net sales and Comparable EBITA increased in the second quarter

Highlights

- Decisive strategic actions to strengthen our competitiveness continued to deliver
- Early indications of project activity recovery in biomaterials, services market soft but stabilizing
- Resilient organic growth in Process Performance Solutions - Severn closed July 1
- Year-to-date EBITA slightly ahead of last year, and we reiterate our guidance for 2026
- A strategic review initiated to evaluate a potential separation of Valmet's two segments

Orders received

EUR 1,373 million

-9% organically

Net sales

EUR 1,315 million

+6% organically

Comparable EBITA

EUR 152 million

Margin remained at the previous year's level at 11.5%

Process Performance Solutions

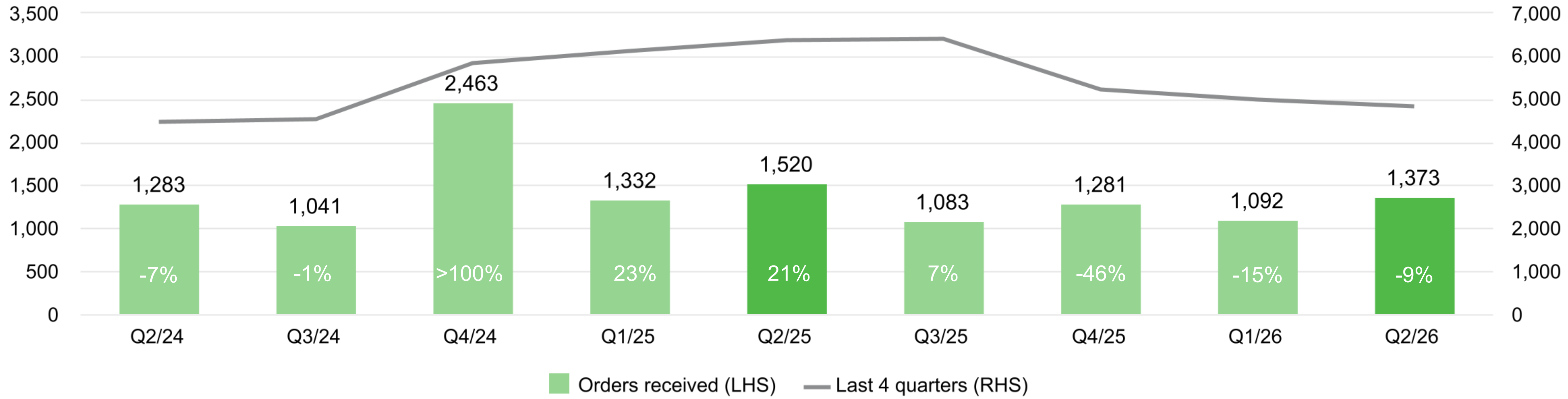
Comparable EBITA margin increased to 18.7%, supported by strong operational performance

Biomaterial Solutions and Services

Comparable EBITA margin increased to 10.4%, supported by higher net sales and cost savings

Orders received amounted close to EUR 1.4 billion in Q2/2026

Orders received (EUR million and organic growth y/y)



- Orders decreased 9% organically: The decrease was mainly driven by capital project order intake in the Biomaterial Solutions and Services segment which decreased from the comparison period but increased sequentially
- Biomaterial services orders decreased 8% organically, services market soft but stabilizing
- Process Performance Solutions' orders increased 1% organically

Process Performance Solutions: Q2 margin at a high level

Q2 2026 performance

Orders received increased 1% organically

- Similar organic growth in both Automation Solutions and Flow Control, demonstrating resilience despite continued geopolitical tensions

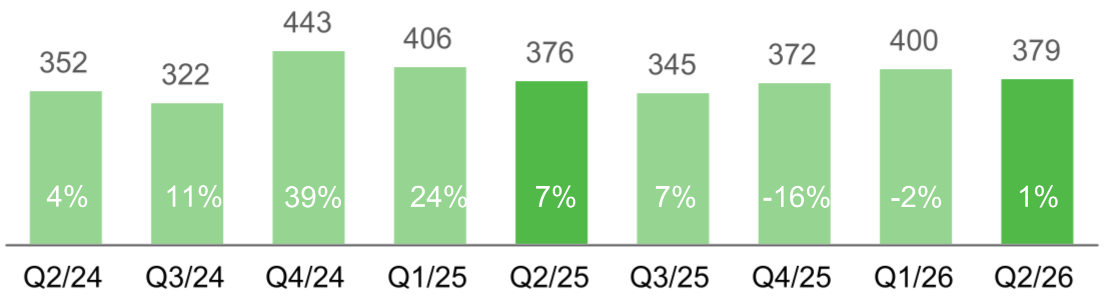
Net sales at previous years' level organically

- Organic growth was 6% in Flow Control and -6% in Automation Solutions

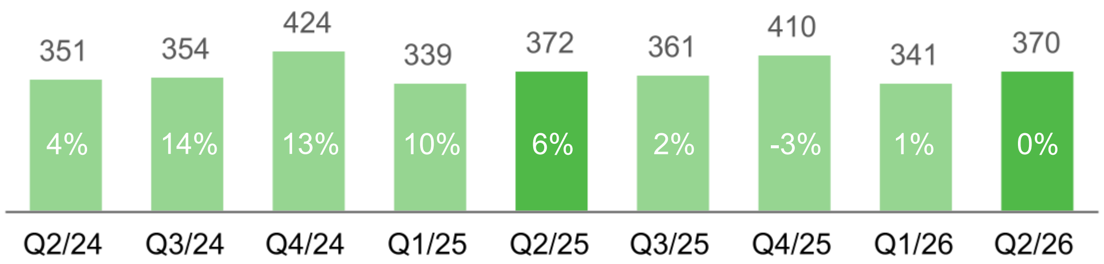
Comparable EBITA margin at a high level

- Comparable EBITA remained at the previous year's level at EUR 69 million, while margin increased to 18.7%
- The margin was supported by strong operational performance

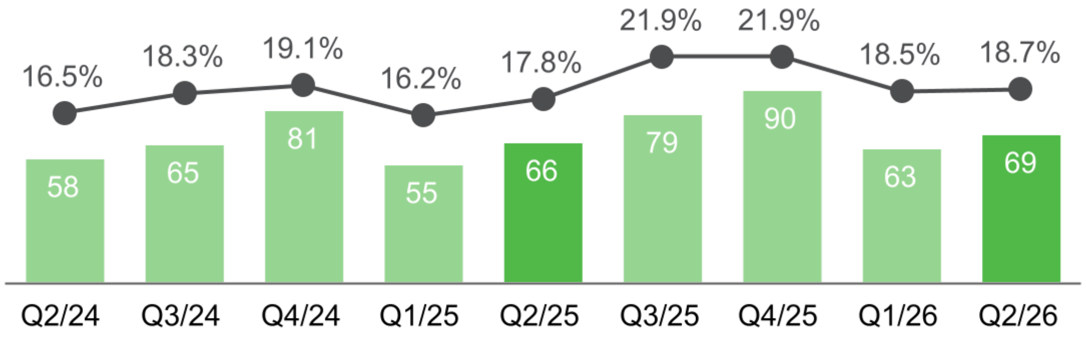
Orders received (EUR million and growth y/y)



Net sales (EUR million and growth y/y)



Comparable EBITA (EUR million and % of net sales)



Biomaterial Solutions and Services: Profitability improved

Q2 2026 performance

Orders received amounted to EUR 1.0 billion

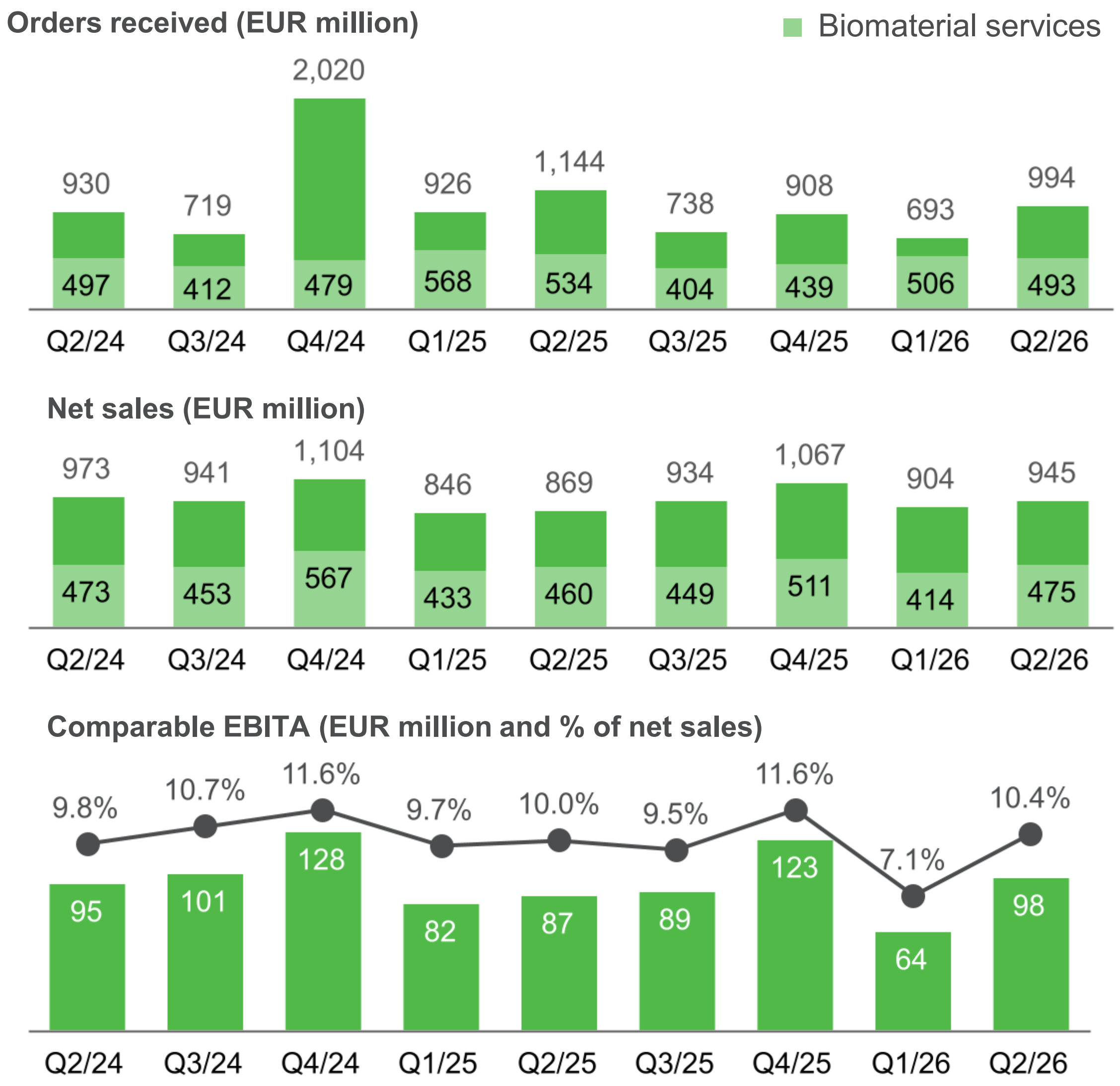
- Large project orders increased to EUR 501 million from Q1/26
- In Services, orders received decreased organically by 8%, reflecting the soft overall market. Consumables and Performance Parts orders remained at the previous year's level while Mill improvements and Field Services orders decreased, against a strong comparison period.

Net sales increased organically by 8%

- Net sales increase was supported by a higher share of large projects and smaller mill improvements

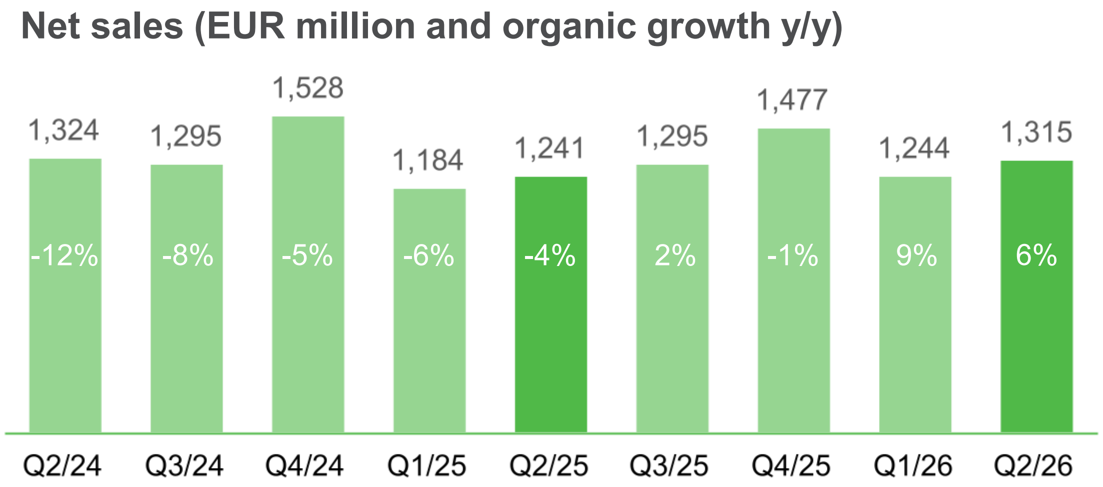
Comparable EBITA margin increased to 10.4%

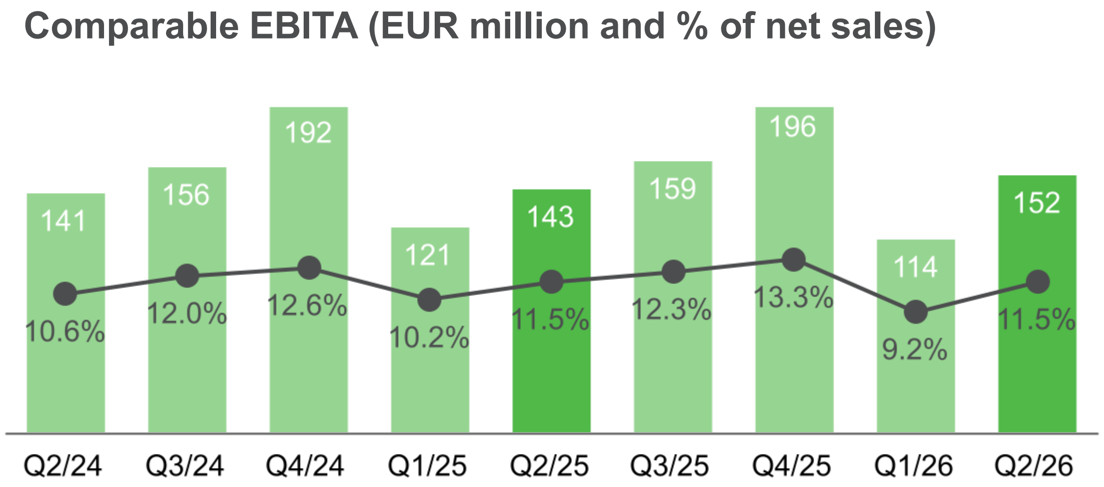
- Comparable EBITA was supported by higher net sales and cost savings from the operating model renewal



Financial development

Net sales and Comparable EBITA increased





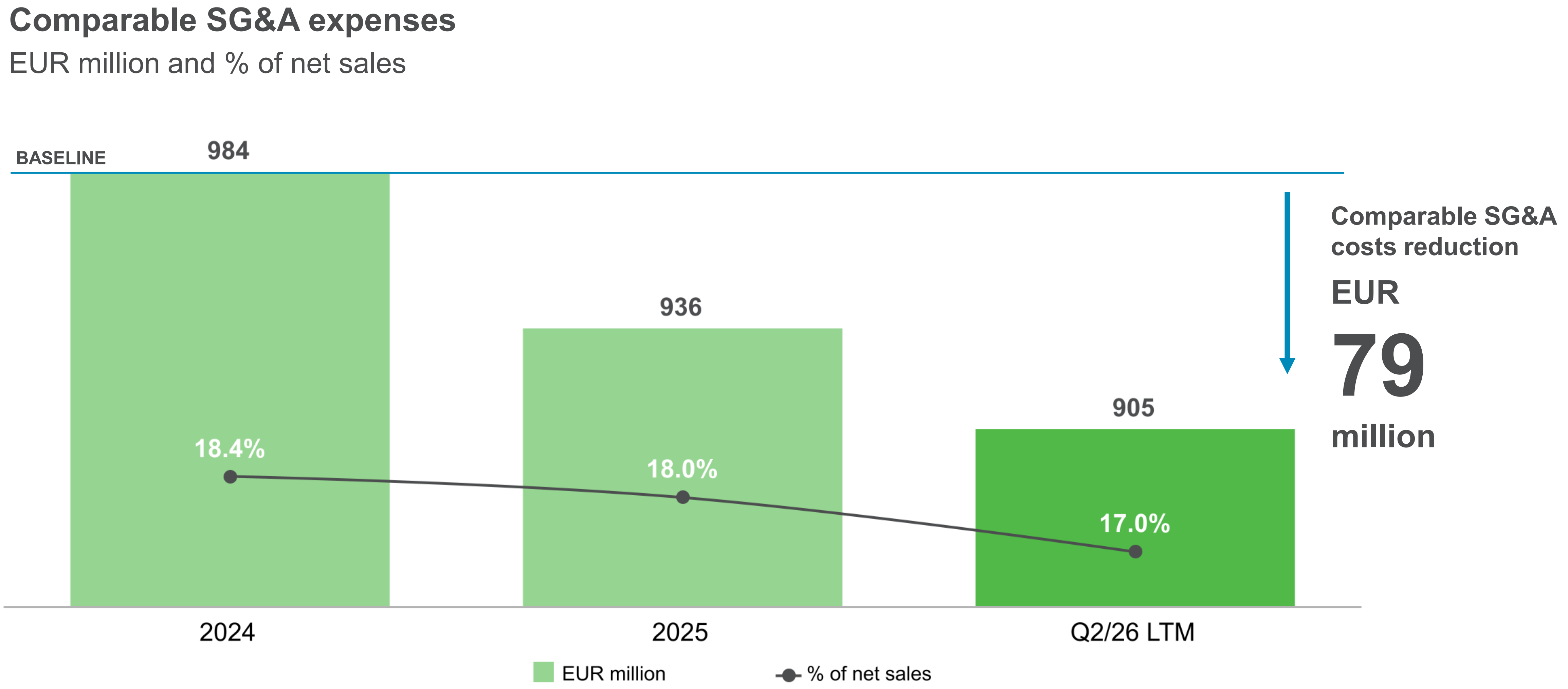
Net sales increased 6% organically

- Net sales were EUR 74 million higher than in Q2/25
- Approximately EUR 1 million positive FX impact
- Strong development in Biomaterial Solutions and Services

Comparable EBITA increased

- Comparable EBITA increased to EUR 152 million and margin was 11.5%
- The increase in comparable EBITA was supported by higher net sales and cost savings

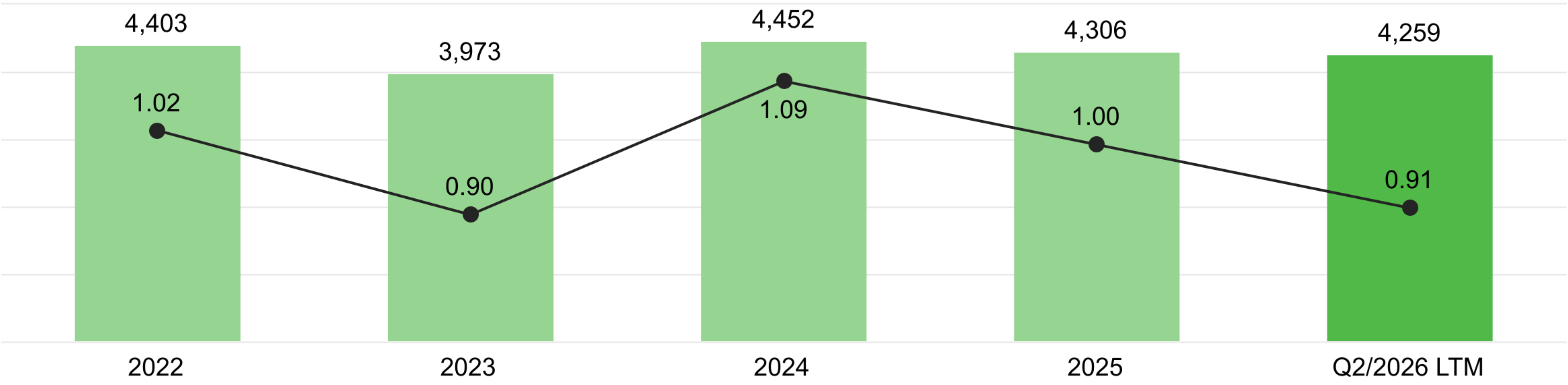
Comparable SG&A reflects strategy execution



LTM = Last twelve months

Order backlog amounted close to EUR 4.3 billion at the end of Q2/2026

Order backlog (EUR million) and book-to-bill (orders received / net sales)

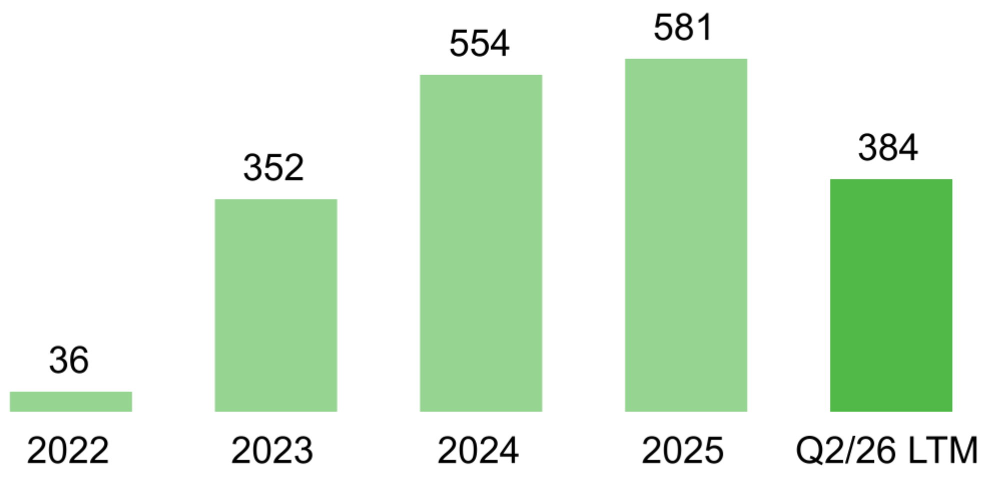


- Order backlog was EUR 47 million lower than at the end of 2025
- Based on our current delivery schedules, we expect that approximately EUR 2.2 billion of the order backlog will be recognized as net sales in 2026 (at the end of Q2/25, approximately EUR 2.3 billion during 2025)

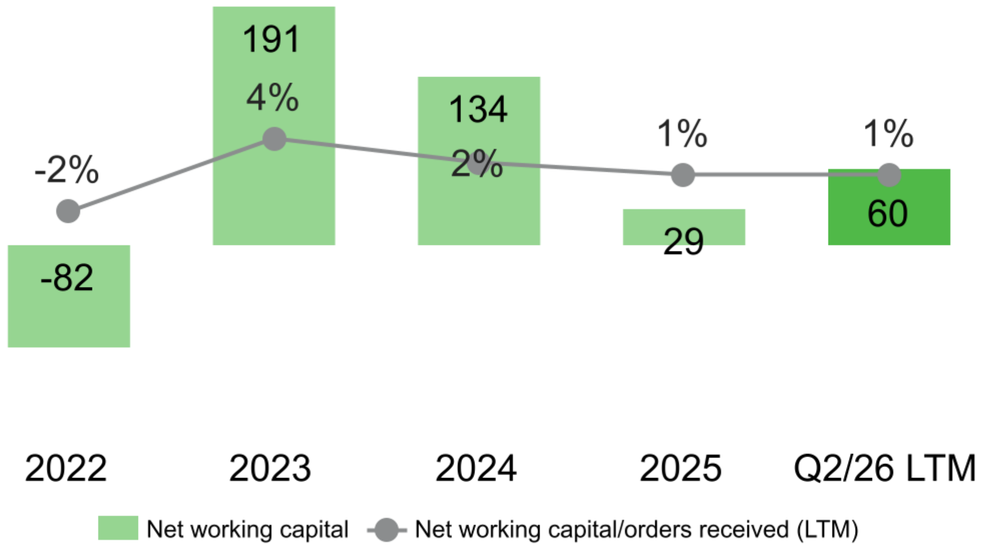
LTM = Last twelve months

Cash flow decreased due to change in net working capital

Cash flow from operating activities (EUR million)



Net working capital and orders received (EUR million)



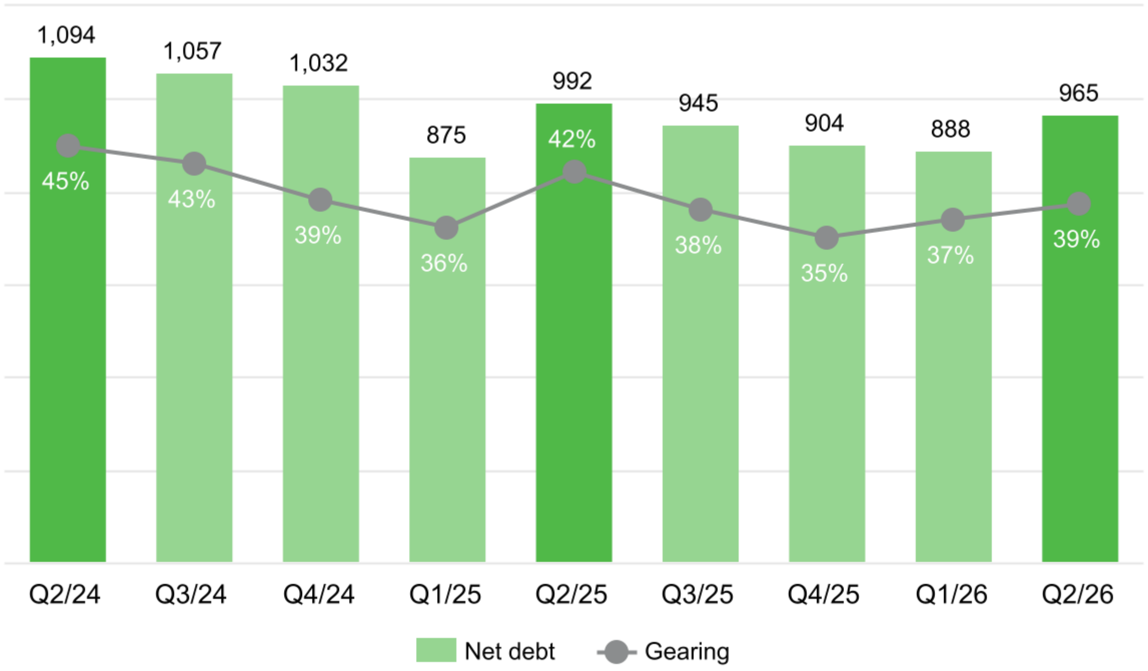
- Cash flow from operating activities decreased to EUR 65 million due to increase in net working capital
- Reported net working capital benefitted from a EUR 123 million dividend liability, which had no cash impact
- Excluding the dividend liability, net working capital was EUR 154 million higher than at year-end 2025
- Comparable cash conversion[1] ratio was 62% in Q2/26 LTM

1) Comparable cash conversion ratio calculated as cash flow from operating activities / Comparable EBITA
2) Excluding business combinations and right-of-use assets.

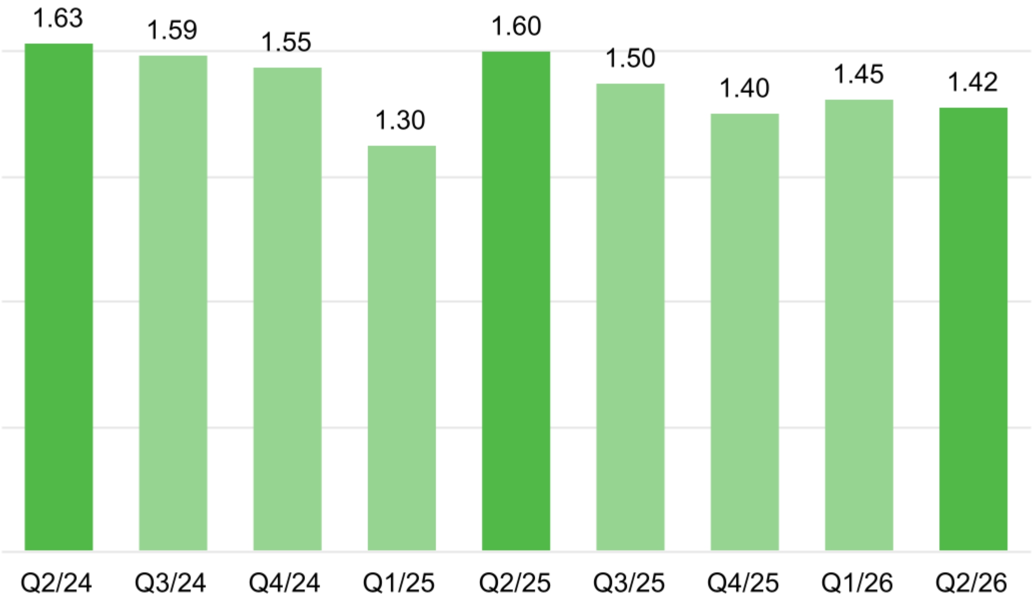
LTM = Last twelve months

Strong balance sheet supporting the Severn acquisition[2)]

Net debt (EUR million) and gearing (%)



Net debt to EBITDA[1)] ratio

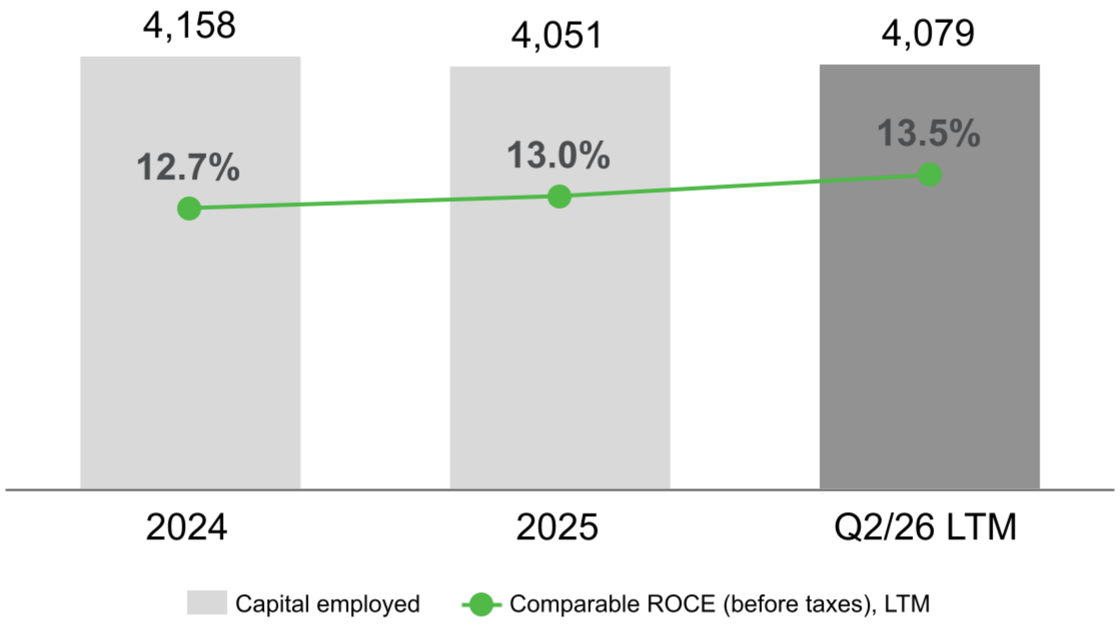


- Net debt was EUR 965 million and gearing 39 percent in Q2/2026
- Net debt to EBITDA* ratio was 1.42 in Q2/2026 (1.60 at the end of Q2/2025)
- The average interest rate of Valmet's total debt was 3.6 percent at the end of Q2/2026 (3.6% at the end of Q2/2025)
- Net financial expenses amounted to EUR -13 million in Q2/2026 (EUR -16 million in Q2/2025)

1) Last twelve months (LTM) EBITDA 2) Severn acquisition closed after period-end on July 1, 2026

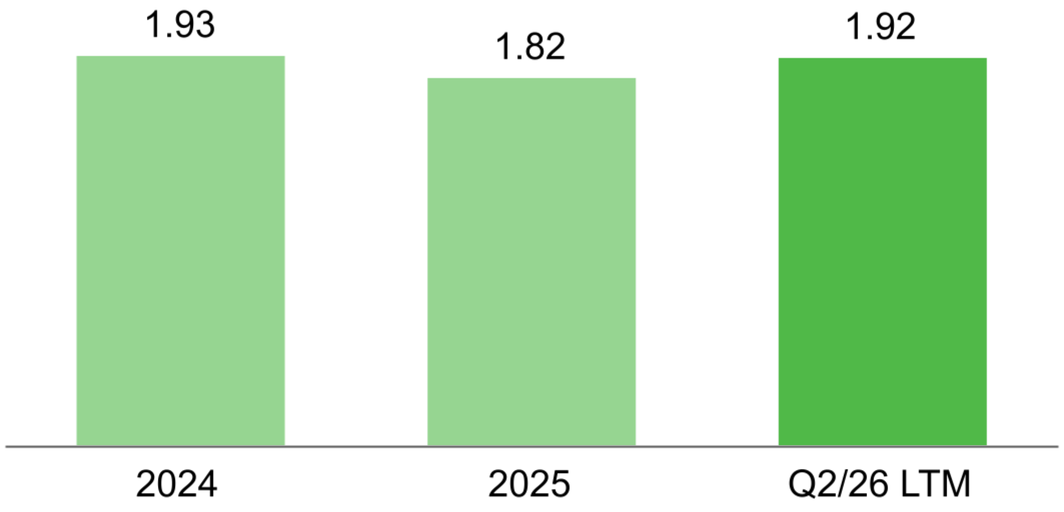
Capital employed, Comparable ROCE and EPS

Capital employed (EUR million) and Comparable ROCE (%)



- Comparable ROCE improved to 13.5 percent (13.1%)

Adjusted EPS, EUR



- The increase in both EPS and adjusted EPS mainly reflects the restructuring expenses related to the operating model renewal in the comparison period.

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

LTM = Last twelve months

Key figures

EUR million	Q2/2026	Q2/2025	Change	Q1–Q2/2026	Q1–Q2/2025	Change
Orders received	**1,373**	1,520	-10%	**2,466**	2,852	-14%
Order backlog[1]				**4,259**	4,711	-10%
Net sales	**1,315**	1,241	6%	**2,560**	2,426	6%
Comparable EBITA	**152**	143	6%	**266**	265	0%
% of net sales	**11.5%**	11.5%	0.0 pp	**10.4%**	10.9%	-0.5 pp
Items affecting comparability	**-1**	-62		**-34**	-70	
EBITA	**150**	81	86%	**232**	194	19%
Operating profit (EBIT)	**127**	57	>100%	**185**	146	26%
Profit before taxes	**114**	41	>100%	**159**	115	39%
Effective tax rate, %[2]	**34.7%**	30.7%	4.0 pp	**31.6%**	22.4%	9.2 pp
Adjusted earnings per share, EUR[3]	**0.47**	0.23	>100%	**0.73**	0.64	15%
Earnings per share, EUR	**0.40**	0.15	>100%	**0.59**	0.48	22%
Comparable ROCE, LTM[4]	**13.5%**	13.1%	0.4 pp			
Cash flow from operating activities	**65**	79	-18%	**100**	297	-66%
Free cash flow	**50**	46	9%	**68**	240	-72%
Net debt to EBITDA[5] ratio				**1.42**	1.60	-11%
Gearing[1]				**39%**	42%	-3 pp

1) At end of period
2) Calculated as (income taxes during the period / profit before taxes for the period) x 100%
3) Adjusted earnings per share excludes the impact of fair value adjustments arising from business combinations, net of tax
4) Comparable return on capital employed (ROCE) before taxes (LTM=Last twelve months)
5) Last twelve months (LTM) EBITDA

Guidance and short-term market outlook

Guidance and short-term market outlook

Guidance for 2026

Guidance

Valmet reiterates its guidance issued on February 6, 2026, in which Valmet estimates that net sales in 2026 will remain at the previous year's level in comparison with 2025 (EUR 5,197 million) and Comparable EBITA in 2026 will remain at the previous year's level or increase in comparison with 2025 (EUR 620 million).

Short-term market outlook for July 2026 – December 2026

Process Performance Solutions

Valmet estimates that the market for Process Performance Solutions is expected to remain at low year-over-year growth.

At the same time, uncertainty related to the geopolitical situation and global economic outlook remains high, which reduces short-term market visibility.

Biomaterial Solutions and Services

Valmet estimates that the market in Biomaterial Solutions and Services will remain similar to the second quarter. However, it is typical that the timing of customers' large investment decisions can have a significant impact on market activity in any individual quarter.

The biomaterial services market is expected to remain soft in the coming quarters. Uncertainty related to the geopolitical situation and global economic outlook remains high, which reduces short-term market visibility.

The short-term market outlook is given for July 2026 – December 2026 compared with April–June 2026. Valmet's estimate of the expected growth rate of its key markets, based on ongoing discussions with customers and other market information. The outlook excludes normal seasonal variation in Valmet's business and should not be interpreted as guidance for Valmet's own orders received.

Welcoming Pia Aaltonen-Forsell as our new CFO

Pia Aaltonen-Forsell

Chief Financial Officer, Valmet
Member of Executive Leadership Team
Starts the latest end of January 2027
Based in Espoo, Finland

Extensive CFO experience in large listed companies

- **10+ years in CFO roles across listed companies** — most recently Finnair, and previously Outokumpu, Ahlström-Munksjö, Vacon, and Northvolt
- **Deep finance foundation** from earlier management and finance roles at Stora Enso (2000–2013)
- **Listed-company governance experience** as Board member and Chair of the Audit Committee at UPM-Kymmene
- Education — M.Soc.Sc. (Econ.), MBA

Net sales and Comparable EBITA increased in the second quarter

Highlights

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- Resilient organic growth in Process Performance Solutions - Severn closed July 1
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Net sales
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Comparable EBITA
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Q&A

Interim Review, January–September for 2026

October 28, 2026

www.valmet.com/investors

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Appendix

Valmet improves the performance of industrial assets – across their lifecycle

WE HELP CUSTOMERS TO:

- Run their operations more reliably
- Produce more efficiently
- Use fewer resources
- Operate with less manual effort

Delivered through lifecycle services, upgrades and automation

WHAT THIS MEANS FOR VALMET

- **Drives recurring, lifecycle demand** across our global installed base
- **Reduces dependency** on large capital projects

2030 TARGETS

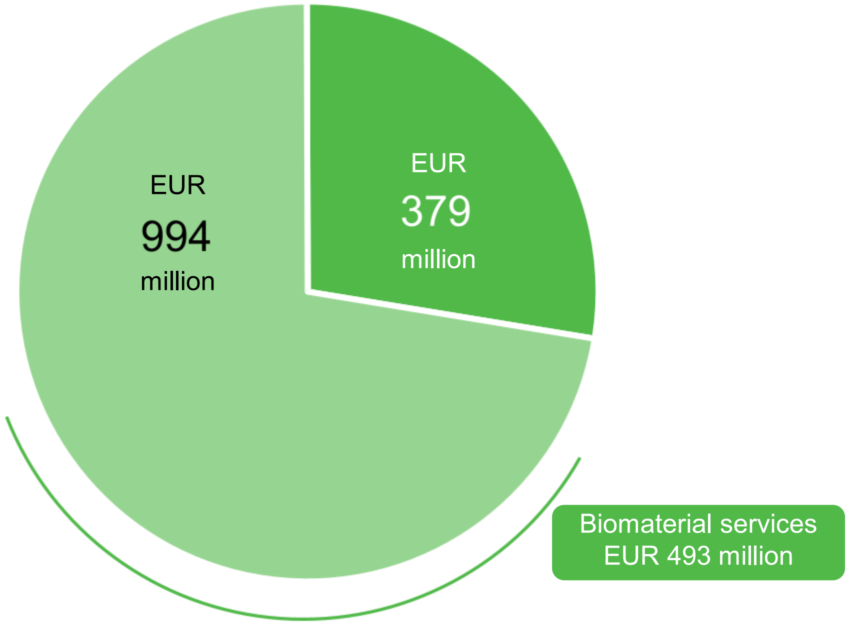
5%
Organic growth

15%
Comparable EBITA

20%
ROCE

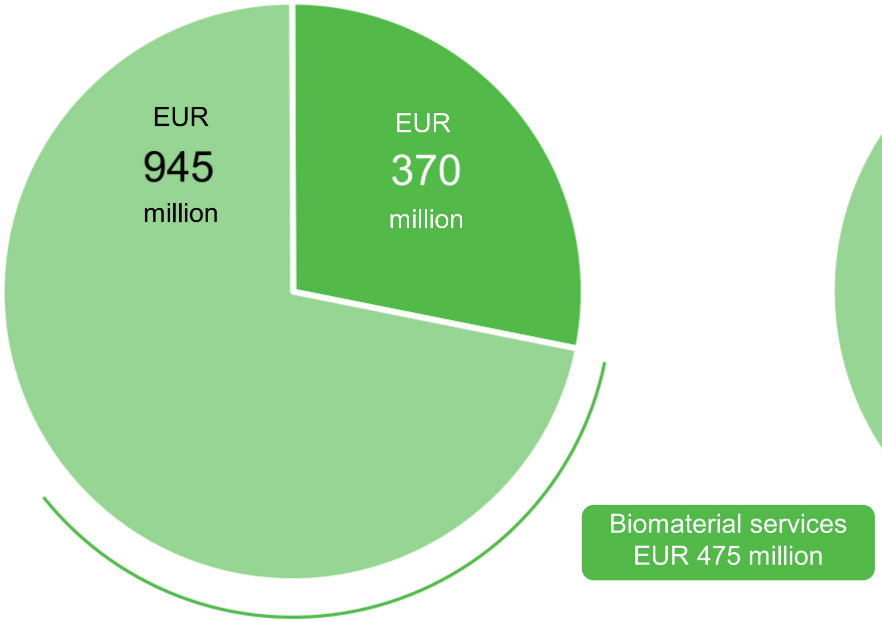
Valmet in Q2/2026

Orders received



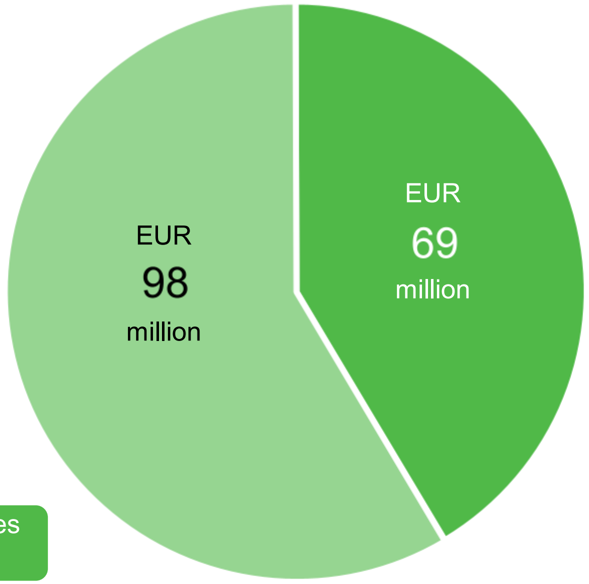
Process Performance Solutions
Biomaterial Solutions and Services

Net sales



Process Performance Solutions
Biomaterial Solutions and Services

Comparable EBITA (excl. Other)



Process Performance Solutions
Biomaterial Solutions and Services

Orders received	Net sales	Comparable EBITA	Comparable EBITA margin	Order backlog	Employees
EUR 1,373 million	EUR 1,315 million	EUR 152 million	11.5%	EUR 4,259 million	18,673

Segment key figures

Orders received, EUR million	Q2/2026	Q2/2025	Change	Q1–Q2/2026	Q1–Q2/2025	Change	2025
Process Performance Solutions	**379**	376	1%	**779**	782	0%	1,500
Biomaterial Solutions and Services	**994**	1,144	-13%	**1,687**	2,070	-19%	3,716
Total	**1,373**	1,520	-10%	**2,466**	2,852	-14%	5,216

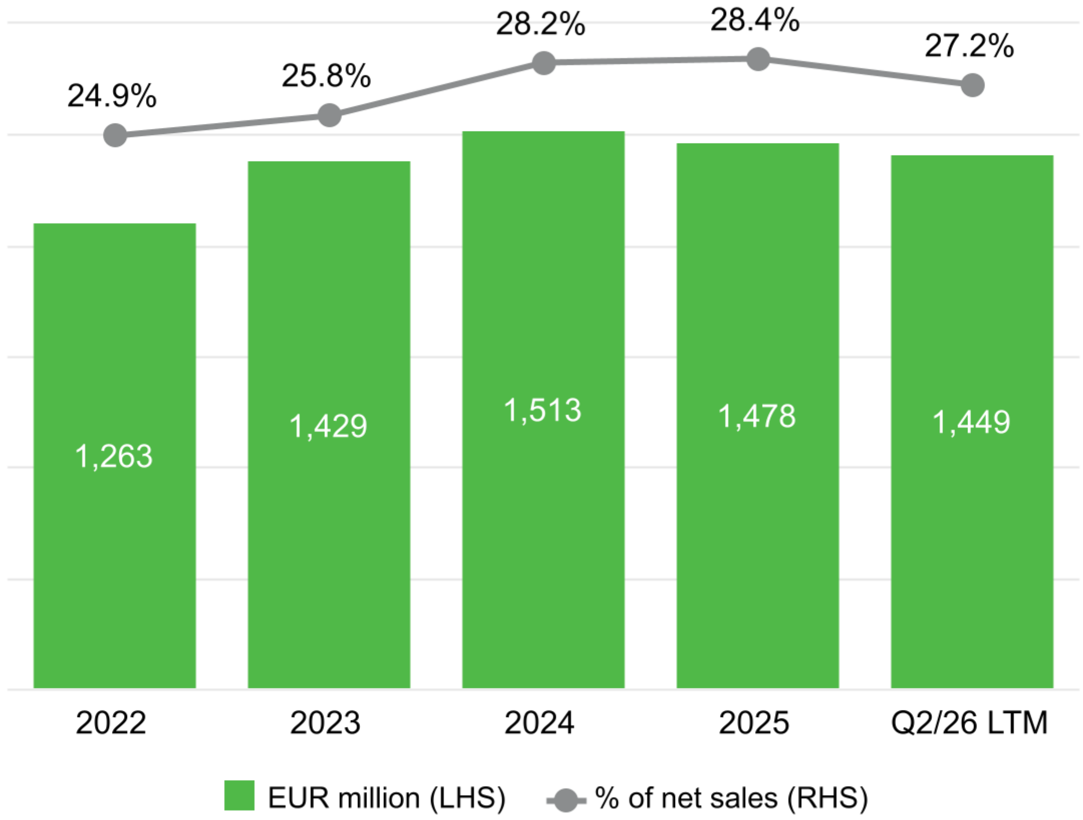
Net sales, EUR million	Q2/2026	Q2/2025	Change	Q1–Q2/2026	Q1–Q2/2025	Change	2025
Process Performance Solutions	**370**	372	0%	**711**	711	0%	1,481
Biomaterial Solutions and Services	**945**	869	9%	**1,849**	1,715	8%	3,716
Total	**1,315**	1,241	6%	**2,560**	2,426	6%	5,197

Comparable EBITA, EUR million	Q2/2026	Q2/2025	Change	Q1–Q2/2026	Q1–Q2/2025	Change	2025
Process Performance Solutions	**69**	66	4%	**132**	121	9%	290
Biomaterial Solutions and Services	**98**	87	12%	**162**	169	-4%	381
Other	**-15**	-10	-52%	**-28**	-26	-11 %	-51
Total	**152**	143	6%	**266**	265	0%	620

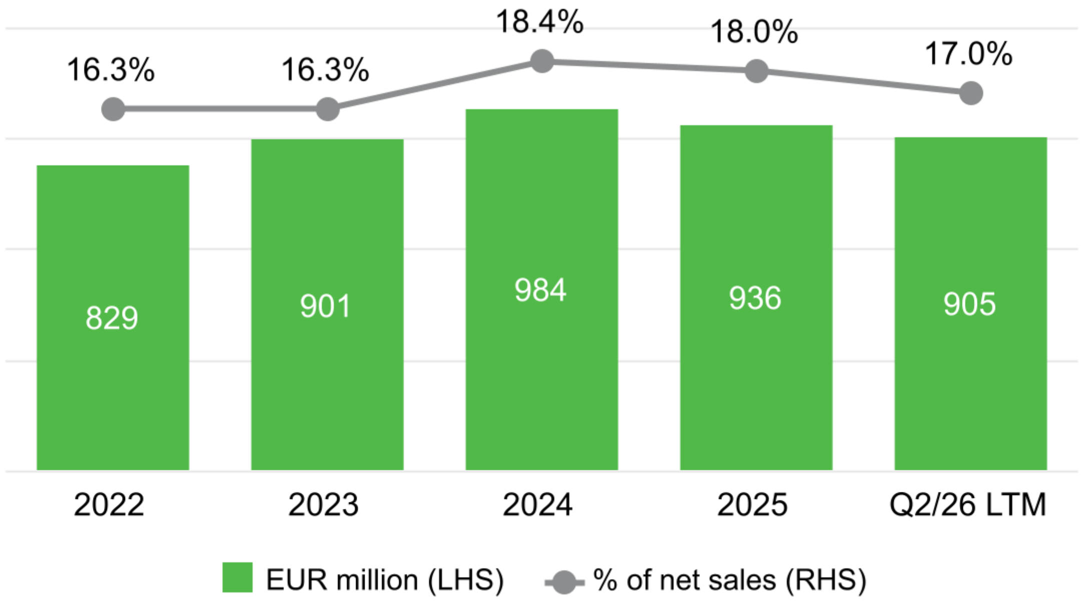
Comparable EBITA margin, % of net sales	Q2/2026	Q2/2025	Change	Q1–Q2/2026	Q1–Q2/2025	Change	2025
Process Performance Solutions	**18.7%**	17.8%	0.9 pp	**18.6%**	17.0%	1.5 pp	19.6%
Biomaterial Solutions and Services	**10.4%**	10.0%	0.3 pp	**8.8%**	9.9%	-1.1 pp	10.3%
Total	**11.5%**	11.5%	0.0 pp	**10.4%**	10.9%	-0.5 pp	11.9%

Comparable gross profit and SG&A expenses development

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

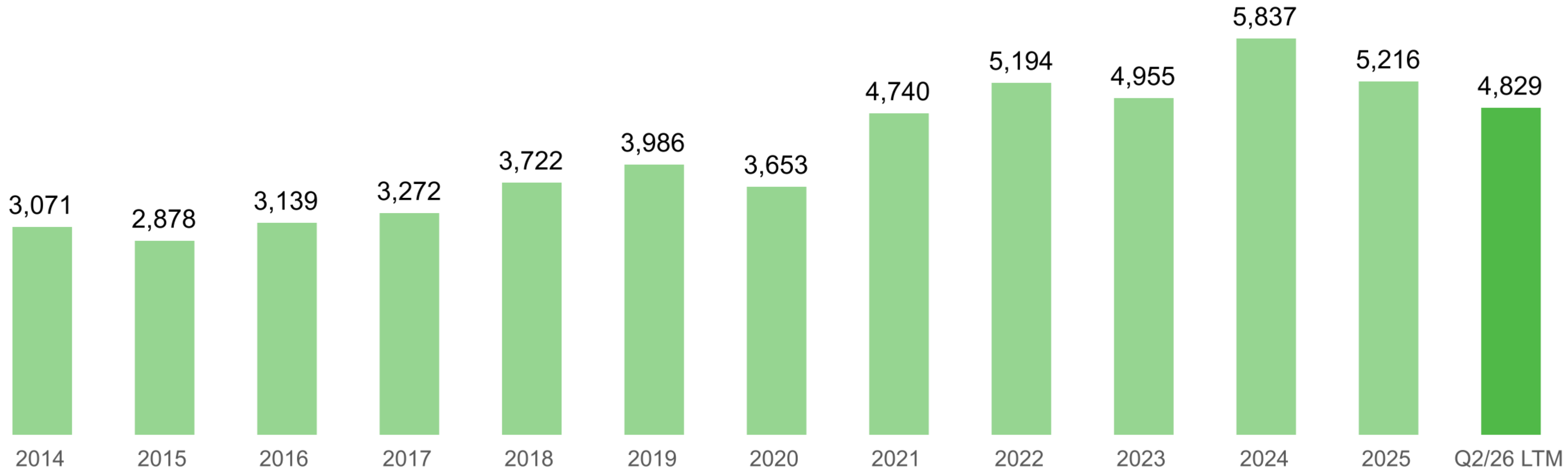


Comparable SG&A expenses
(EUR million and % of net sales)



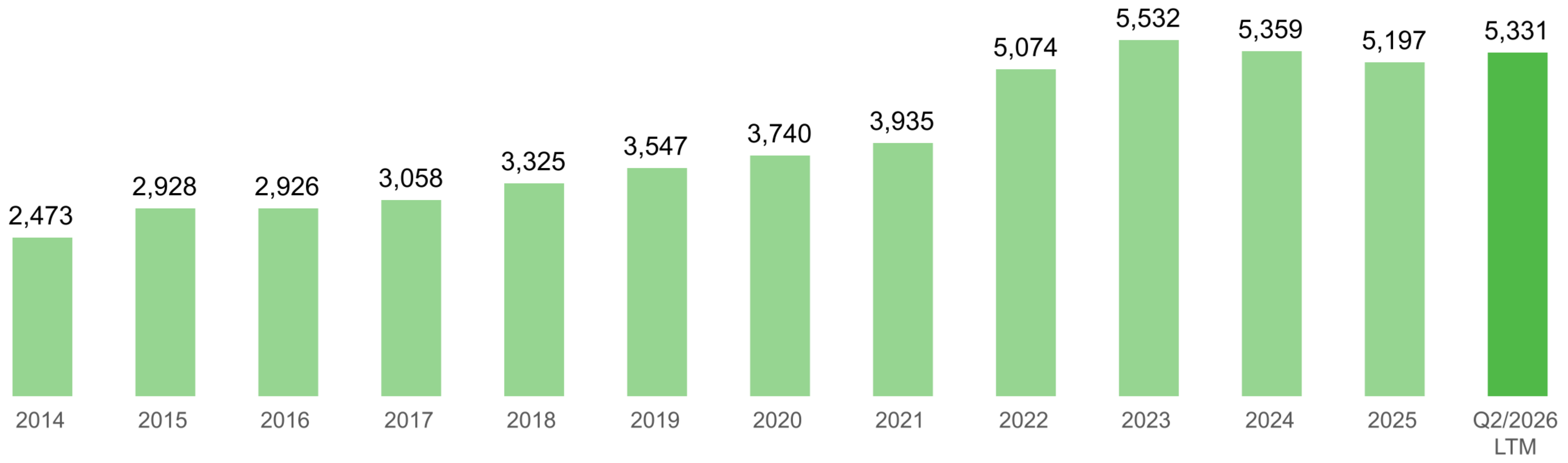
LTM = Last twelve months

Long-term development of Valmet's orders received, EUR million



LTM = Last twelve months

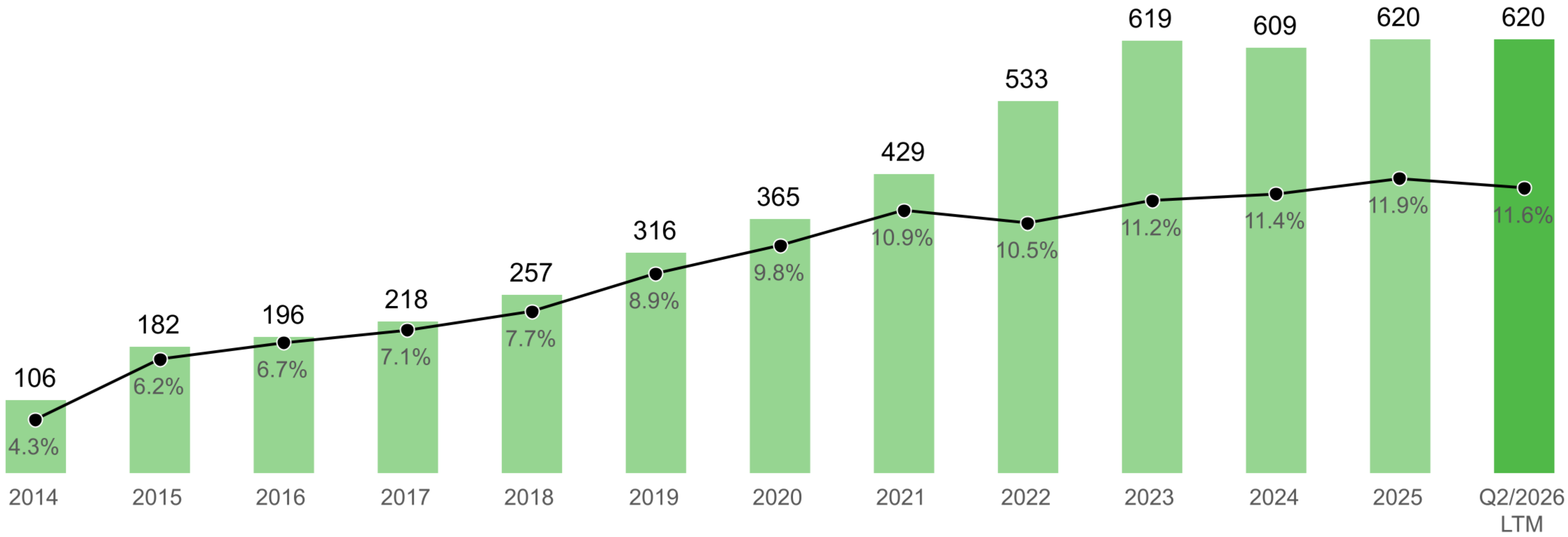
Long-term development of Valmet's net sales, EUR million



LTM = Last twelve months

Long-term development of Valmet's Comparable EBITA and margin

EUR million and % of net sales



LTM = Last twelve months

Valmet