

Valmet strengthens its stable business by acquiring GL&V, a global provider of technologies and services to the pulp and paper industry

What is Valmet acquiring and what is not included in the acquisition?

GL&V (<http://www.glv.com>) is a supplier of technologies, upgrade and process optimization services, rebuilds, and spare parts for the pulp and paper industry globally – especially in the areas of chemical pulping, stock preparation, papermaking and finishing.

GL&V's key locations are in Nashua (New Hampshire), Lenox (Massachusetts), and Hudson Falls (New York) in the U.S., in Trois-Rivières (Quebec) in Canada, in Stockholm, Sweden, in Pune, India, and in Campinas, Brazil.

GL&V's washing, oxygen delignification and bleaching operations with Compact Press®, pumps and mixers technology for chemical pulping as well as the related Product Center in Karlstad Sweden are not included in the transaction scope.

What is the rationale behind the acquisition?

The acquisition has an excellent strategic fit – it strengthens Valmet's global services business, complements Valmet's technology offering and builds further Valmet's local presence and capabilities especially in North America.

The combination of Valmet's global reach and GL&V's product and services offerings for chemical pulping and paper production form a good basis to create new business opportunities and serve customers even better.

What are the key financial metrics of the acquired operations?

The net sales of the acquired operations were approximately EUR 160 million in 2018. Of net sales, approximately 70 percent is from North America, 20 percent from EMEA (Europe, Middle East and Africa) and rest from Asia-Pacific, South America and China.

The EBITA margin of the acquired operations was approximately 11 percent in 2018, exceeding Valmet's 2018 Comparable EBITA margin of 7.7 percent.

The acquired operations employ approximately 630 employees, of whom approximately 65 percent are in North America and the rest mainly in Europe, South America and India.

When is the acquisition estimated to be completed and how will the operations be included in Valmet's reporting?

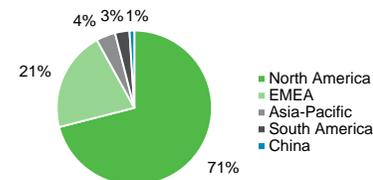
The acquisition was completed at on April 1, 2019. A majority of the acquired operations will be reported in Valmet's Services business line..

Key information about the acquired operations

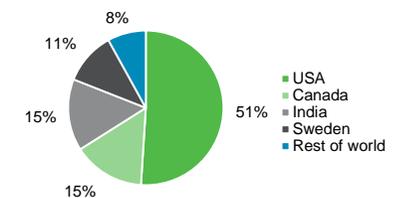
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|-----------------------------------|------------------|
| Net sales in 2018 | EUR ~160 million |
| EBITA margin in 2018 | ~11% |
| Number of employees | ~630 |
| Value of acquisition ¹ | EUR ~113 million |

1) Value on a cash and debt free basis subject to ordinary post-closing adjustments

Approximate split of net sales



Approximate split of employees



Global footprint, with largest locations in North America

