

## Valmet IR Newsletter Q2/2020



The second quarter of 2020 has ended, and we are pleased to send you the latest news from Valmet. Valmet's Half Year Financial Review January–June 2020 will be published on July 23. Please note that the silent period has begun on July 2.

### Recent events

On June 17, 2020 Valmet agreed to acquire 22.4 million shares in [Neles](#) from Solidium. The shares acquired represent 14.88% of all Neles' shares and votes. The agreed purchase price is EUR 8.00 per share, corresponding to a total transaction value of EUR 179 million. Neles is a globally leading valve, valve automation and service company with strong exposure to the pulp and paper industry. Approximately 70% of Neles' net sales is recurring business. Neles' business is well diversified across process industries and regions, with 26% of net sales coming from the pulp and paper industry. Since 2011, Neles' orders received have grown by approximately 5% annually and the profitability has improved.

Valmet's Annual General Meeting 2020 was held in Helsinki on June 16. The Annual General Meeting decided to pay dividends of EUR 0.80 per share for the financial period ended on December 31, 2019. The dividend was be paid on June 25, 2020. The Annual General Meeting reappointed Mikael Mäkinen as Chairman of Valmet Oyj's Board and Aaro Cantell as Vice-Chairman. Pekka Kemppainen, Monika Maurer, Eriikka Söderström,

Tarja Tyni and Rogério Ziviani continue as members of the Board. Further information on the AGM resolutions and recording of the CEO's review can be found [here](#).

Valmet and Metsä Fibre [signed a preliminary agreement](#) for key technology and automation delivery to the planned Kemi bioproduct mill in Finland. The final agreement is subject to Metsä Fibre's investment decision. Metsä Fibre has announced that the readiness for the decision is expected to be reached during autumn 2020. The estimated value of Valmet's anticipated delivery for Metsä Fibre's planned Kemi bioproduct mill, covering the core equipment supplied by Valmet, is about EUR 350-400 million. The anticipated delivery will have an important employment impact on Valmet and its subcontractors. The employment impact of Valmet's project delivery is expected to be around 800 man years, out of which about 500 man years in Finland.

On April 21 Valmet started co-determination negotiations for temporary lay-offs in Finland, due to financial and production related reasons, especially because of the decreasing workload and in order to prepare for the potential widening of the business impacts from the pandemic. On April 24 Valmet announced that co-determination negotiations for temporary layoffs are completed and as a result 72 employees in the Services business line in Finland and 105 employees in the EMEA area organization in Finland will be temporarily laid-off due to low workload. On May 26 Valmet announced that it continues to improve the competitiveness of its stable business especially related to Mill Improvements and Rolls and Workshop Services business mainly in EMEA. The measures are planned to be implemented during 2020 and they may include permanent lay-offs and the restructuring of selected operations. In total the estimated amount of headcount reductions is up to 200 positions.

On April 16 Valmet withdrew its guidance for 2020 due to increased uncertainty related to the COVID-19 pandemic.

## **Announcements during Q2/2020**

Jul 2, 2020 [Publishing of Valmet's Half Year Financial Review January – June 2020 on July 23, 2020](#)

Jul 1, 2020 [Valmet completes 14.9% ownership acquisition of Neles](#)

Jun 26, 2020 [Change in Valmet Oyj's holding of treasury shares](#)

Jun 17, 2020 [Valmet acquires 14.9% ownership in the future Neles](#)

Jun 16, 2020 [Decisions taken by Valmet Oyj's Annual General Meeting and Board of Directors](#)

May 26, 2020 [Valmet continues to improve the competitiveness of its stable business](#)

Apr 29, 2020 [Valmet and Metsä Fibre have signed a preliminary agreement for key technology and automation delivery to the planned Kemi bioproduct mill in Finland](#)

Apr 24, 2020 [Valmet's co-determination negotiations for temporary layoffs are completed](#)

Apr 23, 2020 [Valmet's Interim Review January 1 – March 31, 2020: Orders received increased to EUR 1.2 billion and Comparable EBITA to EUR 52 million](#)

Apr 23, 2020 [Notice convening the Annual General Meeting](#)

Apr 21, 2020 [Valmet to start co-determination negotiations for temporary lay-offs in Finland](#)

Apr 16, 2020 [Valmet withdraws its guidance for 2020 due to increased uncertainty related to the COVID-19 pandemic](#)

## Upcoming events

July 2 – July 23, 2020: Silent period. Valmet is not in contact with capital market representatives during a period of three weeks prior to the publication of its interim financial results.

July 23, 2020: Publication of Half Year Financial Review for January-June 2020

August 14, 2020: Nordea Small Cap Days

August 21, 2020: Q2 presentation for institutional investors, hosted by OP

With travel restrictions in place, we are actively interacting with investors through conference calls. See the full list of events in [Valmet financial calendar](#).

## Orders received booked for Q2/2020

Date	Description	Business line	Country	Value
Jun 29	<a href="#">Hot water plant</a>	Pulp and Energy	Sweden	The value of an order of this size and delivery scope is typically above EUR 40 million.
Jun 25	<a href="#">Off-machine coater</a>	Paper	Brazil	The value of the order will not be disclosed. The value of an order of this type is typically around EUR 25-35 million.
Jun 10	<a href="#">Cooking and fiberline</a>	Pulp and Energy	China	The value of the order will not be disclosed.
Apr 29	<a href="#">Converting boiler plant into biomass combustion</a>	Pulp and Energy	Poland	The value of the order is approximately EUR 20 million.
Apr 27	<a href="#">Fine paper making line and a recovery boiler</a>	Pulp and Energy (Q1) Paper (Q2)	China	Not disclosed. The total value of orders of this type and delivery scope is typically around EUR 130-150 million.
Apr 24	<a href="#">Biomass-fired boiler plant</a>	Pulp and Energy	Finland	The value of the order is approximately EUR 70 million.

Apr 16	<a href="#">Reel and winding technology</a>	Paper	Finland	Not disclosed. The total value of an order of this type is typically around EUR 10-20 million.
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View the list of published orders received [here](#).

## **Valmet's investor website won the 'Best investor website' contest**

Valmet's investor website won the 'Best investor website' contest arranged by the Finnish Foundation for Share Promotion and the Finnish Society of Financial Analysts. In the contest, the Finnish investor websites of all the companies listed in Nasdaq Helsinki were evaluated, and Valmet was ranked as the best in Large Cap category. The jury gave special recognition to Valmet for presenting the most important current topics clearly and up front on the main page. Read more [here](#).

## **Welcome to participate in Valmet's sustainability survey**

Valmet's sustainability survey provides an opportunity to point out the topics that in your opinion are the most important to Valmet as a responsible company. You can also suggest ideas for future steps. The survey takes about 3 minutes to complete and all answers are treated anonymously. The results will be analyzed as part of the development of our sustainability agenda. We appreciate your input!

[Sustainability survey](#)

**Thank you for your interest in Valmet! Have a lovely summer!**

Best regards,

Pekka Rouhiainen  
Director, Investor Relations