Interim Review

January 1 – September 30, 2024

Valmet's Interim Review January 1 – September 30, 2024

Record-high third quarter margin, but slower market activity than expected

Figures in brackets, unless otherwise stated, refer to the comparison period, i.e., the same period of the previous year.

July–September 2024: Orders received increased to EUR 1,041 million

- Orders received increased 6 percent to EUR 1,041 million (EUR 980 million).
  - Orders received increased in the Services and Automation segments and decreased in the Process Technologies segment.
  - Orders received increased in South America, EMEA (Europe, Middle East and Africa) and Asia-Pacific, remained at the previous year's level in North America, and decreased in China.
- Net sales remained at the previous year's level and amounted to EUR 1,295 million (EUR 1,295 million).
  - Net sales increased in the Automation and Services segments and decreased in the Process Technologies segment.
- Comparable earnings before interest, taxes and amortization (Comparable EBITA) remained at the previous year's level and amounted to EUR 156 million (EUR 150 million).
  - Comparable EBITA increased in the Automation segment, remained at the previous year's level in the Services segment, and decreased in the Process Technologies segment.
- Comparable EBITA margin was 12.0 percent (11.6%).
- Earnings per share (EPS) were EUR 0.37 (EUR 0.47). EPS decreased mainly due to lower operating profit and higher net financial expenses. Adjusted EPS was EUR 0.49 (EUR 0.52).
- Items affecting comparability amounted to EUR -17 million (EUR -4 million) and were mainly related to Process Technologies and Services segments.
- Cash flow provided by operating activities totaled EUR 110 million (EUR 57 million).

January–September 2024: Orders received amounted to EUR 3,374 million

- Orders received decreased 11 percent to EUR 3,374 million (EUR 3,801 million).
  - Orders received increased in the Services segment, remained at the previous year's level in the Automation segment, and decreased in the Process Technologies segment.
  - Orders received remained at the previous year's level in South America and EMEA and decreased in China, Asia-Pacific and North America.
- Net sales decreased 5 percent to EUR 3,831 million (EUR 4,033 million).
  - Net sales increased in the Automation segment, remained at the previous year's level in the Services segment, and decreased in the Process Technologies segment.
- Comparable EBITA remained at the previous year's level and amounted to EUR 417 million (EUR 437 million).
  - Comparable EBITA remained at the previous year's level in the Automation and Services segments and decreased in the Process Technologies segment.
- Comparable EBITA margin was 10.9 percent (10.8%).
- EPS was EUR 0.99 (EUR 1.38). EPS decreased mainly due to lower operating profit and higher net financial expenses. Adjusted EPS was EUR 1.33 (EUR 1.63).

- Items affecting comparability amounted to EUR -33 million (EUR -4 million) and were mainly related to Process Technologies and Services segments.
- Cash flow provided by operating activities totaled EUR 376 million (EUR 229 million).

Guidance for 2024

Valmet reiterates its guidance issued on October 11, 2024, in which Valmet estimates that net sales in 2024 will remain at the previous year's level in comparison with 2023 (EUR 5,532 million) and Comparable EBITA in 2024 will remain at the previous year's level in comparison with 2023 (EUR 619 million).

Short-term market outlook

Valmet estimates that the short-term market outlook for services has decreased to satisfactory (previously good) and that the short-term market outlook for board and paper has decreased to weak (previously satisfactory). Valmet reiterates the good short-term market outlook for flow control and automation systems, and the satisfactory short-term market outlook for pulp, energy and tissue.

The short-term market outlook is given for the next six months from the end of the reported period. It is based on customer activity (50%) and Valmet's capacity utilization (50%), and the scale is 'weak–satisfactory–good'.

President and CEO Thomas Hinnerskov: A new chapter for Valmet

"I had the honor to join Valmet as President and CEO in mid-August. I have spent my first months meeting Valmet's people and customers across different continents. Valmet's strong relationship with customers, committed people and the amazing legacy of more than 225 years creates a solid foundation for Valmet's next chapter. I am fully committed to making Valmet a success for our customers, shareholders, employees, and society.

The third quarter was two-sided. On one hand, Comparable EBITA margin was 12.0%, the best third quarter margin for Valmet ever. On the other hand, the market activity in Services and board and paper process technologies was slower than we earlier expected, and some customers postponed their final investment decisions. As a result, Valmet's Comparable EBITA guidance for 2024 was changed in October.

Looking ahead, we are excited about the opportunities ahead of us. We have recently launched Valmet DNAe, Valmet's next-generation industrial automation system, which is an important step in our strategy for growing the automation business further to a wide base of process industries globally. In Services, we continue to provide unique value to customers and service the growing global installed base.

We are proud to have been selected to supply the world’s largest single-phase pulp mill. This project, valued at over a billion euros, will be included in our fourth quarter orders and will feature full-scope automation and flow control solutions. Importantly, it will serve as a showcase for Valmet’s sustainable technologies, reinforcing our commitment to moving our customers’ performance forward and environmental stewardship."

Key figures[1]

EUR million, or as indicated	Q3/2024	Q3/2023	Change	Q1–Q3/ 2024	Q1–Q3/ 2023	Change
Orders received	**1,041**	980	6%	**3,374**	3,801	-11%
Order backlog[2]	**3,536**	4,133	-14%	**3,536**	4,133	-14%
Net sales	**1,295**	1,295	0%	**3,831**	4,033	-5%
Comparable EBITA	**156**	150	4%	**417**	437	-4%
% of net sales	**12.0%**	11.6%		**10.9%**	10.8%	
EBITA	**138**	147	-6%	**384**	433	-11%
% of net sales	**10.7%**	11.3%		**10.0%**	10.7%	
Operating profit (EBIT)	**109**	127	-14%	**299**	359	-17%
% of net sales	**8.4%**	9.8%		**7.8%**	8.9%	
Profit before taxes	**92**	120	-23%	**250**	340	-27%
Profit for the period	**68**	86	-21%	**182**	256	-29%
Earnings per share, EUR	**0.37**	0.47	-21%	**0.99**	1.38	-29%
Adjusted earnings per share, EUR	**0.49**	0.52	-7%	**1.33**	1.63	-18%
Equity per share, EUR[2]	**13.42**	13.49	-1%	**13.42**	13.49	-1%
Cash flow provided by operating activities	**110**	57	93%	**376**	229	65%
Cash flow after investing activities	**69**	31	>100%	**165**	135	22%
Comparable return on capital employed (Comparable ROCE) before taxes (LTM)				**13%**	16%	
Return on capital employed (ROCE) before taxes (LTM)				**12%**	15%	
Return on equity (ROE) (LTM)				**11%**	15%	
Net debt to EBITDA ratio[3]				**1.59**	0.74	
Gearing[2]				**43%**	21%	
Equity to assets ratio[2]				**40%**	46%	

[1] *The calculation of key figures is presented on page 63*
[2] *At end of period*
[3] *Last twelve months' EBITDA*
LTM = Last twelve months

Segment key figures

Orders received, EUR million	**Q3/2024**	Q3/2023	Change	**Q1–Q3/ 2024**	Q1–Q3/ 2023	Change
Services	**412**	349	18%	**1,436**	1,356	6%
Automation	**322**	289	11%	**1,002**	1,021	-2%
Flow Control	*188*	*185*	*2%*	*578*	*613*	*-6%*
Automation Systems	*133*	*104*	*29%*	*425*	*408*	*4%*
Process Technologies	**307**	343	-10%	**936**	1,424	-34%
Pulp and Energy	*172*	*138*	*25%*	*415*	*626*	*-34%*
Paper	*136*	*205*	*-34%*	*521*	*798*	*-35%*
Total	**1,041**	980	6%	**3,374**	3,801	-11%

Net sales, EUR million	**Q3/2024**	Q3/2023	Change	**Q1–Q3/ 2024**	Q1–Q3/ 2023	Change
Services	**453**	429	5%	**1,333**	1,275	5%
Automation	**354**	312	14%	**1,013**	953	6%
Flow Control	*196*	*192*	*2%*	*585*	*581*	*1%*
Automation Systems	*158*	*120*	*32%*	*429*	*372*	*15%*
Process Technologies	**488**	554	-12%	**1,485**	1,805	-18%
Pulp and Energy	*203*	*250*	*-19%*	*649*	*799*	*-19%*
Paper	*285*	*304*	*-6%*	*836*	*1,006*	*-17%*
Total	**1,295**	1,295	0%	**3,831**	4,033	-5%

Comparable EBITA, EUR million	**Q3/2024**	Q3/2023	Change	**Q1–Q3/ 2024**	Q1–Q3/ 2023	Change
Services	**79**	79	0%	**219**	221	-1%
Automation	**65**	58	11%	**174**	169	3%
Process Technologies	**22**	25	-13%	**57**	84	-32%
Other	**-10**	-12	-16%	**-32**	-37	-13%
Total	**156**	150	4%	**417**	437	-4%

Comparable EBITA, % of net sales	**Q3/2024**	Q3/2023		**Q1–Q3/ 2024**	Q1–Q3/ 2023	
Services	**17.4%**	18.4%		**16.4%**	17.3%	
Automation	**18.3%**	18.7%		**17.1%**	17.7%	
Process Technologies	**4.4%**	4.5%		**3.9%**	4.7%	
Total	**12.0%**	11.6%		**10.9%**	10.8%	

EBITA, EUR million	**Q3/2024**	Q3/2023	Change	**Q1–Q3/ 2024**	Q1–Q3/ 2023	Change
Services	**75**	79	-4%	**209**	222	-6%
Automation	**64**	58	11%	**172**	165	4%
Process Technologies	**8**	25	-66%	**39**	86	-55%
Other	**-10**	-15	-35%	**-36**	-40	-10%
Total	**138**	147	-6%	**384**	433	-11%

News conference and webcast for analysts, investors and media

Valmet will arrange a news conference in English as a live webcast at https://valmet.videosync.fi/q3-2024 on Wednesday, October 30, 2024, at 3:00 p.m. Finnish time (EEST). President and CEO Thomas Hinnerskov and CFO Katri Hokkanen will be presenting the results.

Recording of the webcast will be available shortly after the event at the same address.

It is possible to take part in the news conference through a conference call by registering through the link below:

https://palvelu.flik.fi/teleconference/?id=50048302

After the registration you will be provided phone numbers and a conference ID to access the conference. If you wish to ask a question during the conference, please dial *5 to enter the question queue.

All questions should be presented in English.

The event can also be followed on social media platform X at www.x.com/valmetir.

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Orders received increased in Q3/2024

Orders received, EUR million	Q3/2024	Q3/2023	Change	Q1–Q3/ 2024	Q1–Q3/ 2023	Change
Services	**412**	349	18%	**1,436**	1,356	6%
Automation	**322**	289	11%	**1,002**	1,021	-2%
Flow Control	*188*	*185*	*2%*	*578*	*613*	*-6%*
Automation Systems	*133*	*104*	*29%*	*425*	*408*	*4%*
Process Technologies	**307**	343	-10%	**936**	1,424	-34%
Pulp and Energy	*172*	*138*	*25%*	*415*	*626*	*-34%*
Paper	*136*	*205*	*-34%*	*521*	*798*	*-35%*
Total	**1,041**	980	6%	**3,374**	3,801	-11%

Orders received, comparable foreign exchange rates, EUR million[1]	Q3/2024	Q3/2023	Change	Q1–Q3/ 2024	Q1–Q3/ 2023	Change
Services	**421**	349	21%	**1,458**	1,356	7%
Automation	**326**	289	13%	**1,015**	1,021	-1%
Flow Control	*192*	*185*	*3%*	*586*	*613*	*-4%*
Automation Systems	*135*	*104*	*30%*	*428*	*408*	*5%*
Process Technologies	**312**	343	-9%	**942**	1,424	-34%
Pulp and Energy	*174*	*138*	*26%*	*419*	*626*	*-33%*
Paper	*138*	*205*	*-33%*	*524*	*798*	*-34%*
Total	**1,059**	980	8%	**3,415**	3,801	-10%

[1] *Indicative only. January–September 2024 orders received in euro calculated by applying January–September 2023 average exchange rates to the functional currency orders received values reported by entities.*

Orders received, EUR million	Q3/2024	Q3/2023	Change	Q1–Q3/ 2024	Q1–Q3/ 2023	Change
North America	**288**	291	-1%	**888**	1,012	-12%
South America	**163**	60	>100%	**362**	347	4%
EMEA	**307**	282	9%	**1,301**	1,320	-1%
China	**149**	220	-32%	**348**	530	-34%
Asia-Pacific	**134**	127	5%	**475**	590	-19%
Total	**1,041**	980	6%	**3,374**	3,801	-11%

Orders received by segment, Q1–Q3/2024

Orders received by area, Q1–Q3/2024

July–September 2024: Orders received increased in Services and Automation, decreased in Process Technologies

Orders received increased 6 percent to EUR 1,041 million (EUR 980 million) in July–September. Orders received increased in the Services and Automation segments and decreased in the Process Technologies segment. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased orders received by EUR 61 million. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased orders received by EUR 28 million. Stable business (Services and Automation segments) accounted for 70 percent (65%) of Valmet’s orders received.

Orders received increased in South America, EMEA and Asia-Pacific, remained at the previous year's level in North America, and decreased in China. Measured by orders received, the top three countries were the USA, China and Brazil, which together accounted for 50 percent of total orders received.

Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased orders received by approximately EUR 18 million in July–September.

During July–September, Valmet received among others an order for a recovery boiler and an ash crystallization plant for a mill modernization project, typically valued above EUR 100 million, to Brazil, and an order for an OptiConcept M board making line, typically valued EUR 40–60 million, to China.

January–September 2024: Orders received increased in Services and remained at the previous year's level in Automation and decreased in Process Technologies

Orders received decreased 11 percent to EUR 3,374 million (EUR 3,801 million) in January–September. Orders received increased in the Services segment, remained at the previous year's level in the Automation segment, and decreased in the Process Technologies segment. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased orders received by EUR 227 million. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased orders received by EUR 51 million. Stable business (Services and Automation segments) accounted for 72 percent (63%) of Valmet’s orders received.

Orders received remained at the previous year's level in South America and EMEA and decreased in China, Asia-Pacific and North America. Measured by orders received, the top three countries were the USA, China and Brazil, which together accounted for 40 percent of total orders received.

Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased orders received by approximately EUR 40 million during January–September.

In addition to the above-mentioned, during January–September, Valmet received among others an order for a papermaking line, typically valued EUR 90–120 million, and a paper machine rebuild, typically valued EUR 20–40 million, to a customer in Asia-Pacific, an order for an Advantage DCT tissue line including an extensive automation package, flow control valves and Industrial Internet solutions to Saudi Arabia, an order for a pellet-fired heating plant to Sweden, an order for an Advantage DCT 200 tissue production line to Poland, an order for two tissue converting lines including packaging solutions to Sweden, an order for a tissue machine to India, an order for a bleached chemi-thermomechanical pulp (BCTMP) line and a related evaporator line to India, an order for a fiberline upgrade to Spain, an order for tissue converting equipment to Brazil, an order for a boiler rebuild to a biomass power station in the United Kingdom, an order for a three-year Service Agreement and a one-year Performance Agreement to Germany, an order for steam turbine automation to a waste recycling plant in Austria, an order for DNA Automation technology to the world’s largest data center excess heat recovery project in Finland, an order for Valmet DNA Turbine Automation Systems with Valmet DNA User Interface to a customer in Finland, an order for a vessel methanol fuel conversion to a customer in China, an order for a winder rebuild to a customer in France, and an order for Valmet IQ Quality Control System for corrugator to a customer in Thailand.

Order backlog amounted to EUR 3,536 million

Order backlog, EUR million	**As at September 30, 2024**	As at September 30, 2023	Change	As at June 30, 2024
Total	**3,536**	4,133	-14%	3,828

Order backlog amounted to EUR 3,536 million at the end of the reporting period, which is 8 percent lower than at the end of June 2024 and 14 percent lower than at the end of September 2023. Approximately 30 percent of the order backlog relates to the Services segment, 20 percent to the Automation segment, and 50 percent to the Process Technologies segment (at the end of September 2023, 25%, 15% and 60% respectively).

Net sales remained at the previous year's level in Q3/2024

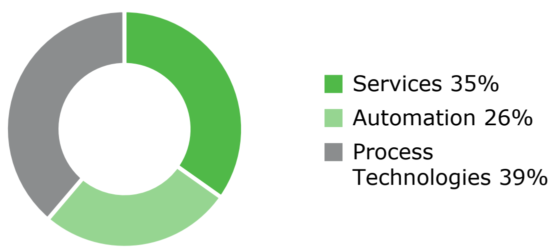
Net sales, EUR million	Q3/2024	Q3/2023	Change	Q1–Q3/ 2024	Q1–Q3/ 2023	Change
Services	**453**	429	5%	**1,333**	1,275	5%
Automation	**354**	312	14%	**1,013**	953	6%
Flow Control	*196*	*192*	*2%*	*585*	*581*	*1%*
Automation Systems	*158*	*120*	*32%*	*429*	*372*	*15%*
Process Technologies	**488**	554	-12%	**1,485**	1,805	-18%
Pulp and Energy	*203*	*250*	*-19%*	*649*	*799*	*-19%*
Paper	*285*	*304*	*-6%*	*836*	*1,006*	*-17%*
Total	**1,295**	1,295	0%	**3,831**	4,033	-5%

Net sales, comparable foreign exchange rates, EUR million[1]	Q3/2024	Q3/2023	Change	Q1–Q3/ 2024	Q1–Q3/ 2023	Change
Services	**462**	429	8%	**1,351**	1,275	6%
Automation	**359**	312	15%	**1,028**	953	8%
Flow Control	*200*	*192*	*4%*	*596*	*581*	*2%*
Automation Systems	*160*	*120*	*33%*	*432*	*372*	*16%*
Process Technologies	**493**	554	-11%	**1,494**	1,805	-17%
Pulp and Energy	*204*	*250*	*-18%*	*652*	*799*	*-18%*
Paper	*289*	*304*	*-5%*	*842*	*1,006*	*-16%*
Total	**1,314**	1,295	1%	**3,873**	4,033	-4%

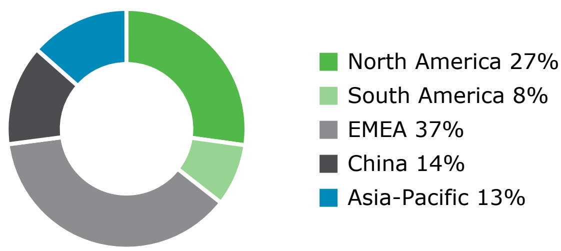
[1] *Indicative only. January–September 2024 net sales in euro calculated by applying January–September 2023 average exchange rates to the functional currency net sales values reported by entities.*

Net sales, EUR million	Q3/2024	Q3/2023	Change	Q1–Q3/ 2024	Q1–Q3/ 2023	Change
North America	**334**	302	11%	**1,042**	941	11%
South America	**117**	135	-13%	**321**	462	-30%
EMEA	**488**	516	-5%	**1,431**	1,583	-10%
China	**195**	116	69%	**520**	464	12%
Asia-Pacific	**161**	226	-29%	**517**	583	-11%
Total	**1,295**	1,295	0%	**3,831**	4,033	-5%

Net sales by segment, Q1–Q3/2024



Net sales by area, Q1–Q3/2024



July–September 2024: Net sales increased in Automation and Services, and decreased in Process Technologies

Net sales remained at the previous year's level and amounted to EUR 1,295 million (EUR 1,295 million) in July–September. Net sales increased in the Automation and Services segments and decreased in the Process Technologies segment. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased net sales by EUR 71 million. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased net sales by EUR 33 million. Stable business (Services and Automation segments) accounted for 62 percent (57%) of Valmet's net sales.

Net sales increased in China and North America, and decreased in Asia-Pacific, South America and EMEA. Measured by net sales, the top three countries were the USA, China and Finland, which together accounted for 44 percent of total net sales.

Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased net sales by approximately EUR 19 million in July–September.

January–September 2024: Net sales increased in Automation, remained at the previous year's level in the Services, and decreased in Process Technologies

Net sales decreased 5 percent to EUR 3,831 million (EUR 4,033 million) during January–September. Net sales increased in the Automation segment, remained at the previous year's level in the Services segment, and decreased in the Process Technologies segment. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased net sales by EUR 212 million. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased net sales by EUR 52 million. Stable business (Services and Automation segments) accounted for 61 percent (55%) of Valmet's net sales.

Net sales increased in China and North America, and decreased in South America, Asia-Pacific and EMEA. Measured by net sales, the top three countries were the USA, China and Finland, which together accounted for 44 percent of total net sales.

Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased net sales by approximately EUR 42 million during January–September.

Organic growth[1]

	Orders received		Net Sales	
	Q3	**Q1–Q3**	**Q3**	**Q1–Q3**
2023, EUR million	980	3,801	1,295	4,033
Organic growth	-1%	-17%	-8%	-11%
Mergers and acquisitions	9%	7%	10%	7%
Changes in foreign exchange rates[2]	-2%	-1%	-1%	-1%
Total change	6%	-11%	0%	-5%
2024, EUR million	**1,041**	**3,374**	**1,295**	**3,831**

[1] *Indicative only.*

[2] *Q3 and Q1–Q3/2024 orders received and net sales in euro calculated by applying Q3 and Q1–Q3/2023 average exchange rates to the functional currency orders received and net sales values reported by entities.*

Organically, Valmet's orders received decreased 1 percent and net sales decreased 8 percent in July–September. In January–September, Valmet's orders received decreased organically by 17 percent while net sales decreased organically by 11 percent.

Valmet completed the acquisition of Körber Group’s Business Area Tissue (now Tissue Converting) on November 2, 2023 and the acquisition of Process Gas Chromatography business from Siemens (now Analyzer Products and Integration) on April 2, 2024. Valmet has also closed the agreement to acquire majority shares in FactoryPal, a subsidiary of Körber, on August 1, 2024 and has completed the acquisition of Demuth, a provider of wood handling technology and services on August 2, 2024. In July–September, the acquisitions increased Valmet's orders received by 9 percent and net sales by 10 percent. In January–September, the acquisitions increased Valmet's orders received and net sales by 7 percent.

Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased orders received by 2 percent while they did not have any material impact on net sales in July–September. In January–September, the exchange rate changes decreased Valmet's orders received and net sales by 1 percent. In July-September foreign exchange rate impacts were mainly due to Brazilian Real, US Dollar and Chilean Peso. In January-September foreign exchange rate impacts were mainly due to Chilean peso, Brazilian Real and Chinese Yuan.

Comparable EBITA amounted to EUR 156 million and Comparable EBITA margin was 12 percent in Q3/2024

Comparable EBITA, EUR million	Q3/2024	Q3/2023	Change	Q1–Q3/ 2024	Q1–Q3/ 2023	Change
Services	**79**	79	0%	**219**	221	-1%
Automation	**65**	58	11%	**174**	169	3%
Process Technologies	**22**	25	-13%	**57**	84	-32%
Other	**-10**	-12	-16%	**-32**	-37	-13%
Total	**156**	150	4%	**417**	437	-4%

Comparable EBITA, % of net sales	Q3/2024	Q3/2023		Q1–Q3/ 2024	Q1–Q3/ 2023	
Services	**17.4%**	18.4%		**16.4%**	17.3%	
Automation	**18.3%**	18.7%		**17.1%**	17.7%	
Process Technologies	**4.4%**	4.5%		**3.9%**	4.7%	
Total	**12.0%**	11.6%		**10.9%**	10.8%	

July–September 2024: Comparable EBITA increased in Automation, remained at the previous year's level in Services,and decreased in Process Technologies

Comparable earnings before interest, taxes and amortization (Comparable EBITA) remained at the previous year’s level and amounted to EUR 156 million in July–September, corresponding to 12.0 percent of net sales (EUR 150 million and 11.6%). Items affecting comparability amounted to EUR -17 million (EUR -4 million).

Comparable EBITA of the Services segment remained at the previous year’s level and amounted to EUR 79 million in July–September, corresponding to 17.4 percent of the segment's net sales (EUR 79 million and 18.4%). Organic net sales decrease had a negative impact on the Comparable EBITA margin.

Comparable EBITA of the Automation segment increased to EUR 65 million in July–September, corresponding to 18.3 percent of the segment's net sales (EUR 58 million and 18.7%). The increase in Comparable EBITA was driven by changes in the sales mix. The margin decreased due to integration of Analyzer Products and Integration.

Comparable EBITA of the Process Technologies segment decreased to EUR 22 million in July–September, corresponding to 4.4 percent of the segment's net sales (EUR 25 million and 4.5%). Comparable EBITA was impacted by lower net sales but the margin remained at the previous year's level.

January–September 2024: Comparable EBITA remained at the previous year's level in Services and Automation but decreased in Process Technologies

In January–September, Valmet's Comparable EBITA remained at the previous year’s level and amounted to EUR 417 million, corresponding to 10.9 percent of net sales (EUR 437 million and 10.8%). Items affecting comparability amounted to EUR -33 million (EUR -4 million).

Comparable EBITA of the Services segment remained at the previous year’s level and amounted to EUR 219 million in January–September, corresponding to 16.4 percent of the segment's net sales (EUR 221 million and 17.3%).

Comparable EBITA of the Automation segment remained at the previous year’s level and amounted to EUR 174 million in January–September, corresponding to 17.1 percent of the segment's net sales (EUR 169 million and 17.7%).

Comparable EBITA of the Process Technologies segment decreased to EUR 57 million in January–September, corresponding to 3.9 percent of the segment's net sales (EUR 84 million and 4.7%). Comparable EBITA was impacted by lower net sales.

Operating profit

Operating profit (EBIT) in July–September was EUR 109 million, i.e., 8.4 percent of net sales (EUR 127 million and 9.8%).

Operating profit in January–September was EUR 299 million, i.e., 7.8 percent of net sales (EUR 359 million and 8.9%).

Net financial income and expenses

Net financial income and expenses in July–September were EUR -17 million (EUR -7 million). Financial expenses increased due to higher interest rates and increased amount of debt.

In January–September, net financial income and expenses amounted to EUR -49 million (EUR -19 million). Financial expenses increased due to higher interest rates and increased amount of debt.

Profit before taxes and earnings per share

Profit before taxes for July–September was EUR 92 million (EUR 120 million). The profit attributable to owners of the parent in July–September was EUR 68 million (EUR 86 million), corresponding to earnings per share (EPS) of EUR 0.37 (EUR 0.47). EPS decreased mainly due to lower operating profit and higher net financial expenses. Adjusted EPS was EUR 0.49 (EUR 0.52). Adjusted EPS decreased mainly due to higher net financial expenses and lower EBITA.

In January–September, profit before taxes was EUR 250 million (EUR 340 million). The profit attributable to owners of the parent was EUR 182 million (EUR 254 million), corresponding to an EPS of EUR 0.99 (EUR 1.38). Adjusted EPS was EUR 1.33 (EUR 1.63). Adjusted EPS decreased mainly due to lower EBITA and higher net financial expenses.

Return on capital employed (ROCE) and return on equity (ROE)

For the twelve months preceding September 30, 2024, comparable return on capital employed (comparable ROCE) before taxes was 13 percent (16%) and return on capital employed (ROCE) before taxes 12 percent (15%). Comparable ROCE decreased mainly as operating profit decreased and capital employed increased. Return on equity (ROE) for the corresponding period was 11 percent (15%).

Segments and business lines

Services

Orders received and net sales increased while comparable EBITA remained at the previous year's level in Q3/2024

Services segment	Q3/2024	Q3/2023	Change	Q1–Q3/ 2024	Q1–Q3/ 2023	Change
Orders received (EUR million)	**412**	349	18%	**1,436**	1,356	6%
Net sales (EUR million)	**453**	429	5%	**1,333**	1,275	5%
Comparable EBITA (EUR million)	**79**	79	0%	**219**	221	-1%
Comparable EBITA, %	**17.4%**	18.4%		**16.4%**	17.3%	
Personnel (end of period)				**6,642**	6,470	3%

In July–September, orders received by the Services segment increased 18 percent to EUR 412 million (EUR 349 million). Services accounted for 40 percent (36%) of Valmet's orders received. Orders received increased in South America, Asia-Pacific, North America and EMEA and decreased in China. Excluding Tissue Converting, orders received increased in Rolls, Fabrics, Pulp and Energy Solutions and Performance Parts and remained at the previous year's level in Board, Paper and Tissue Solutions. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased Services' orders received by EUR 34 million. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased orders received by approximately EUR 9 million.

In January–September, orders received by the Services segment increased 6 percent to EUR 1,436 million (EUR 1,356 million). Services accounted for 43 percent (36%) of Valmet's orders received. Orders received increased in North America and EMEA, remained at the previous year's level in China and Asia-Pacific and decreased in South America. Excluding Tissue Converting, orders received remained at the previous year's level in Fabrics, Rolls, Board, Paper and Tissue Solutions and Performance Parts and decreased in Pulp and Energy Solutions. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased Services' orders received by EUR 110 million. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased orders received by approximately EUR 22 million.

Net sales for the Services segment amounted to EUR 453 million (EUR 429 million) in July–September, corresponding to 35 percent (33%) of Valmet’s net sales. Tissue Converting increased Services' net sales by EUR 34 million. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased net sales by approximately EUR 9 million.

In January–September, net sales for the Services segment amounted to EUR 1,333 million (EUR 1,275 million), corresponding to 35 percent (32%) of Valmet’s net sales. Tissue Converting increased Services' net sales by EUR 107 million. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased net sales by approximately EUR 19 million.

Comparable EBITA of the Services segment remained at the previous year's level and amounted to EUR 79 million in July–September, corresponding to 17.4 percent of the segment's net sales (EUR 79 million and 18.4%). Organic net sales decrease had a negative impact on the Comparable EBITA margin.

In January–September, comparable EBITA of the Services segment remained at the previous year's level and amounted to EUR 219 million, corresponding to 16.4 percent of the segment's net sales (EUR 221 million and 17.3%).

Automation

Orders received, net sales and comparable EBITA increased in Q3/2024

Automation segment	Q3/2024	Q3/2023	Change	Q1–Q3/ 2024	Q1–Q3/ 2023	Change
Orders received (EUR million)	**322**	289	11%	**1,002**	1,021	-2%
Net sales (EUR million)	**354**	312	14%	**1,013**	953	6%
Comparable EBITA (EUR million)	**65**	58	11%	**174**	169	3%
Comparable EBITA, %	**18.3%**	18.7%		**17.1%**	17.7%	
Personnel (end of period)				**5,491**	5,129	7%

In July–September, orders received by the Automation segment increased 11 percent to EUR 322 million (EUR 289 million). Automation accounted for 31 percent (29%) of Valmet's orders received. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased Automation's orders received by EUR 28 million. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased orders received by approximately EUR 5 million.

In January–September, orders received by the Automation segment remained at the previous year's level and amounted to EUR 1,002 million (EUR 1,021 million). Automation segment accounted for 30 percent (27%) of Valmet's orders received. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased Automation's orders received by EUR 51 million. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased orders received by approximately EUR 12 million.

Net sales for the Automation segment amounted to EUR 354 million (EUR 312 million) in July–September, corresponding to 27 percent (24%) of Valmet’s net sales. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased Automation's net sales by EUR 33 million. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased net sales by approximately EUR 6 million.

In January–September, net sales for the Automation segment amounted to EUR 1,013 million (EUR 953 million), corresponding to 26 percent (24%) of Valmet’s net sales. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased Automation's net sales by EUR 52 million. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased net sales by approximately EUR 14 million.

Comparable EBITA of the Automation segment increased to EUR 65 million in July–September, corresponding to 18.3 percent of the segment's net sales (EUR 58 million and 18.7%). The increase in Comparable EBITA was driven by changes in the sales mix. The margin decreased due to integration of Analyzer Products and Integration.

In January–September, comparable EBITA of the Automation segment remained at the previous year’s level and amounted to EUR 174 million, corresponding to 17.1 percent of the segment's net sales (EUR 169 million and 17.7%).

Flow Control business line	**Q3/2024**	Q3/2023	Change	**Q1–Q3/ 2024**	Q1–Q3/ 2023	Change
Orders received (EUR million)	**188**	185	2%	**578**	613	-6%
Net sales (EUR million)	**196**	192	2%	**585**	581	1%
Personnel (end of period)				**2,877**	2,835	1%

In July–September, orders received by the Flow Control business line remained at the previous year’s level and amounted to EUR 188 million (EUR 185 million). Flow Control accounted for 18 percent (19%) of Valmet's orders received. Orders received increased in China, Asia-Pacific and North America and decreased in South America and EMEA. Orders received increased in MRO (Maintenance and Repair Operations) & Services, remained at the previous year's level in Projects and decreased in Valve controls & Actuators.

In January–September, orders received by the Flow Control business line amounted to EUR 578 million (EUR 613 million) and accounted for 17 percent (16%) of Valmet's orders received. Orders received increased in Asia-Pacific, remained at the previous year's level in North America and decreased in South America, China and EMEA. Orders received remained at the previous year's level in MRO (Maintenance and Repair Operations) & Services and decreased in Projects and Valve controls & Actuators.

Net sales for the Flow Control business line amounted to EUR 196 million (EUR 192 million) in July–September, corresponding to 15 percent (15%) of Valmet’s net sales.

In January–September, net sales for the Flow Control business line amounted to EUR 585 million (EUR 581 million), corresponding to 15 percent (14%) of Valmet’s net sales.

Automation Systems business line	Q3/2024	Q3/2023	Change	Q1–Q3/ 2024	Q1–Q3/ 2023	Change
Orders received (EUR million)	**133**	104	29%	**425**	408	4%
Net sales (EUR million)	**158**	120	32%	**429**	372	15%
Personnel (end of period)				**2,614**	2,294	14%

In July–September, orders received by the Automation Systems business line increased 29 percent to EUR 133 million (EUR 104 million) and accounted for 13 percent (11%) of Valmet's orders received. Orders received increased in South America, North America, China and EMEA and decreased in Asia-Pacific. Orders received increased in Energy and Process and decreased in Pulp and Paper. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased Automation Systems business line's orders received by EUR 28 million.

In January–September, orders received by the Automation Systems business line remained at the previous year’s level and amounted to EUR 425 million (EUR 408 million). Automation Systems accounted for 13 percent (11%) of Valmet’s orders received. Orders received increased in South America, China and North America and remained at the previous year's level in Asia-Pacific and EMEA. Orders received increased in Energy and Process and decreased in Pulp and Paper. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased Automation Systems business line's orders received by EUR 51 million.

In April, 2024, Valmet launched its new DCS system, Valmet DNAe. It represents a major milestone in process automation and increases the competitiveness of Valmet’s DCS offering. Overall, Valmet DNAe is a major step in Valmet’s strategy for growing automation business further to a wide base of process industries globally.

Net sales for the Automation Systems business line amounted to EUR 158 million (EUR 120 million) in July–September, corresponding to 12 percent (9%) of Valmet’s net sales. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased Automation Systems business line's net sales by EUR 33 million.

In January–September, net sales for the Automation Systems business line amounted to EUR 429 million (EUR 372 million), corresponding to 11 percent (9%) of Valmet’s net sales. Analyzer Products and Integration (the acquired Process Gas Chromatography business from Siemens), which was integrated into Valmet on April 2, 2024, increased Automation Systems business line's net sales by EUR 52 million.

Process Technologies

Orders received decreased to EUR 307 million, and Comparable EBITA margin remained at previous year's level 4.4 percent in Q3/2024

Process Technologies segment	Q3/2024	Q3/2023	Change	Q1–Q3/ 2024	Q1–Q3/ 2023	Change
Orders received (EUR million)	**307**	343	-10%	**936**	1,424	-34%
Net sales (EUR million)	**488**	554	-12%	**1,485**	1,805	-18%
Comparable EBITA (EUR million)	**22**	25	-13%	**57**	84	-32%
Comparable EBITA, %	**4.4%**	4.5%		**3.9%**	4.7%	
Personnel (end of period)				**6,608**	5,685	16%

In July–September, orders received by the Process Technologies segment decreased 10 percent to EUR 307 million (EUR 343 million). Process Technologies accounted for 30 percent (35%) of Valmet's orders received. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased Process Technologies' orders received by EUR 28 million. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased orders received by approximately EUR 4 million.

In January–September, orders received by the Process Technologies segment decreased 34 percent to EUR 936 million (EUR 1,424 million) and accounted for 28 percent (37%) of Valmet's orders received. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased Process Technologies' orders received by EUR 118 million. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased orders received by approximately EUR 7 million.

Net sales for the Process Technologies segment amounted to EUR 488 million (EUR 554 million) in July–September, corresponding to 38 percent (43%) of Valmet’s net sales. Tissue Converting increased Process Technologies' net sales by EUR 37 million. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased net sales by approximately EUR 4 million.

In January–September, net sales for the Process Technologies segment amounted to EUR 1,485 million (EUR 1,805 million), corresponding to 39 percent (45%) of Valmet’s net sales. Tissue Converting increased Process Technologies' net sales by EUR 106 million. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2023 decreased net sales by approximately EUR 9 million.

Comparable EBITA of the Process Technologies segment decreased to EUR 22 million in July–September, corresponding to 4.4 percent of the segment's net sales (EUR 25 million and 4.5%). Comparable EBITA was impacted by lower net sales but the margin remained at the previous year's level.

In January–September, comparable EBITA of the Process Technologies segment decreased to EUR 57 million, corresponding to 3.9 percent of the segment's net sales (EUR 84 million and 4.7%). Comparable EBITA was impacted by lower net sales.

The increase in Process Technologies segment's personnel is due to Tissue Converting.

Pulp and Energy business line	Q3/2024	Q3/2023	Change	Q1–Q3/ 2024	Q1–Q3/ 2023	Change
Orders received (EUR million)	**172**	138	25%	**415**	626	-34%
Net sales (EUR million)	**203**	250	-19%	**649**	799	-19%
Personnel (end of period)				**2,053**	1,945	6%

In July–September, orders received by the Pulp and Energy business line increased 25 percent to EUR 172 million (EUR 138 million). Pulp and Energy accounted for 16 percent (14%) of Valmet's orders received.

In January–September, orders received by the Pulp and Energy business line decreased 34 percent to EUR 415 million (EUR 626 million). Pulp and Energy accounted for 12 percent (16%) of all orders received. Orders received increased in South America and decreased in North America, China, Asia-Pacific and EMEA. Orders received decreased in both Pulp and Energy.

Net sales for the Pulp and Energy business line amounted to EUR 203 million (EUR 250 million) in July–September, corresponding to 16 percent (19%) of Valmet’s net sales.

In January–September, net sales for the Pulp and Energy business line amounted to EUR 649 million (EUR 799 million), corresponding to 17 percent (20%) of Valmet’s net sales.

On September 25, 2024 Valmet announced that it will supply a complete pulp mill with full-scope automation and flow control solutions to Arauco in Brazil. The new pulp mill will be the world’s largest single-phase pulp mill project with 3.5 million tonne per year pulp production capacity. The new mill is estimated to start-up in the second half of 2027. The pulp mill will be built in Inocência, in the state of Mato Grosso do Sul, Brazil. The value of the order for Valmet is over EUR 1 billion, and it will be included in Valmet’s orders received for the fourth quarter 2024.

Paper business line	Q3/2024	Q3/2023	Change	Q1–Q3/ 2024	Q1–Q3/ 2023	Change
Orders received (EUR million)	**136**	205	-34%	**521**	798	-35%
Net sales (EUR million)	**285**	304	-6%	**836**	1,006	-17%
Personnel (end of period)				**4,555**	3,740	22%

In July–September, orders received by the Paper business line decreased 34 percent to EUR 136 million (EUR 205 million). Paper business line accounted for 13 percent (21%) of Valmet's orders received. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased Paper business line's orders received by EUR 28 million.

In January–September, orders received by the Paper business line decreased 35 percent to EUR 521 million (EUR 798 million) and accounted for 15 percent (21%) of all orders received. Orders received increased in EMEA and decreased in North America, China, Asia-Pacific and South America. Orders received remained at the previous year's level in Stock preparation and Recycled fiber and decreased in Small and Medium size Machines, Board and Paper and Tissue. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased Paper business line's orders received by EUR 118 million.

Net sales for the Paper business line amounted to EUR 285 million (EUR 304 million) in July–September, corresponding to 22 percent (23%) of Valmet’s net sales. Tissue Converting increased Paper business line's net sales by EUR 37 million.

In January–September, net sales for the Paper business line amounted to EUR 836 million (EUR 1,006 million), corresponding to 22 percent (25%) of Valmet’s net sales. Tissue Converting increased Paper business line's net sales by EUR 106 million.

The increase in Paper business line's personnel is due to Tissue Converting.

Cash flow and financing

Cash flow provided by operating activities amounted to EUR 110 million (EUR 57 million) in July–September and EUR 376 million (EUR 229 million) in January–September. Change in net working capital in the statement of cash flows was EUR -25 million (EUR -85 million) in July-September and EUR 28 million (EUR -125 million) in January–September.

Net working capital totaled EUR 32 million (EUR -65 million) at the end of the reporting period. The acquired businesses Tissue Converting, Analyzer Products and Integration, Demuth and FactoryPal increased net working capital by approximately EUR 100 million compared to the third quarter of 2023. Valmet’s net working capital profile has changed due to increased portion of stable business, which typically ties up more net working capital than capital business. In addition, inventories were still at an elevated level and payment schedules of large long-term projects have a significant impact on net working capital development.

Cash flow after investing activities totaled EUR 69 million (EUR 31 million) in July–September and EUR 165 million (EUR 135 million) in January–September.

In compliance with the resolution of the Annual General Meeting, on April 11, 2024, Valmet paid out the first installment of dividend for year 2023, EUR 125 million, corresponding to EUR 0.68 per share.

At the end of September, net debt to EBITDA ratio was 1.59 (0.74) and gearing 43 percent (21%). Equity to assets ratio was 40 percent (46%). Interest-bearing liabilities amounted to EUR 1,750 million (EUR 1,055 million), and net interest-bearing liabilities totaled EUR 1,057 million (EUR 531 million) at the end of the reporting period. The increase in net debt and gearing is mainly related to the acquisition of Analyzer Products and Integration on April 2, 2024, and the acquisition of Tissue Converting on November 2, 2023.

The average interest rate of Valmet's total debt was 4.4 percent and average maturity of non-current debt including current installments was 2.9 years at the end of September. Lease liabilities have been excluded from calculation of these two key performance indicators.

On March 6, 2024, Valmet issued senior unsecured green notes of EUR 200 million. The maturity of the notes is five years and they mature on March 13, 2029. The notes carry fixed annual interest of 4.00 percent. The issue price of the notes is 99.871 percent. The net proceeds from the notes offering will be used in accordance with the Green Finance Framework published by Valmet on March 1, 2024.

On March 14, 2024, Valmet announced that the Finnish Financial Supervisory Authority has approved the listing prospectus of the notes, and that Valmet has submitted an application for the notes to be admitted to trading on the list of sustainable bonds of Nasdaq Helsinki Ltd. Trading on the notes commenced on March 19, 2024.

Valmet's liquidity was strong at the end of the reporting period, with cash and cash equivalents amounting to EUR 679 million (EUR 499 million) and other interest-bearing assets totaling EUR 13 million (EUR 25 million). Valmet's liquidity was secured with a committed revolving credit facility of EUR 300 million, which was undrawn at the end of the reporting period. Liquidity was additionally secured by undrawn commercial paper program worth of EUR 300 million.

Capital expenditure

Gross capital expenditure (excluding business combinations and right-of-use assets) totaled EUR 20 million (EUR 27 million) in July–September, of which maintenance investments were EUR 7 million (EUR 12 million).

In January–September, gross capital expenditure (excluding business combinations and right-of-use assets) totaled EUR 77 million (EUR 89 million), of which maintenance investments amounted to EUR 29 million (EUR 38 million).

Rautpohja fire insurance compensation

A fire broke out at Valmet's Rautpohja factory site in Jyväskylä, Finland, on May 7, 2022. The fire, which started at a workshop during a roll test, caused damages to parts of roll and headbox manufacturing and preassembly. Operations resumed with some special arrangements, like transferring some of the production to temporary locations. Valmet maintains property damage and business interruption insurance and expected to recover fire-related losses through insurance.

The final settlement with the insurance provider was reached in April–June 2024 and the final payment was received in June 2024. Valmet has recorded an insurance compensation of EUR 19 million in January–June 2024 related to the compensation of the costs incurred. The outstanding receivable towards the insurance company since 30 June 2024 has been nil (EUR 32 million as at 31 December 2023). In total, Valmet has received EUR 74 million as cash payments in 2022, 2023 and 2024.

Acquisitions and disposals

Acquisitions

Demuth

On December 22, 2023, Valmet announced that it has entered into an agreement to acquire Demuth, a Brazilian company specializing in wood handling solutions for the pulp industry. On August 2, 2024 the company announced that it has completed the acquisition of Demuth. This acquisition strengthens Valmet's wood handling technology offering and services presence in South America.

Demuth operates two manufacturing facilities in southern Brazil in the state of Rio Grande do Sul. The net sales of Demuth are around EUR 20–30 million annually, and the company employs around 400 people.

FactoryPal

On May 30, 2024, Valmet announced that it has agreed with Körber that Valmet will become the majority shareholder of FactoryPal, an undertaking of Körber. On August 1, 2024 the company announced it has closed the agreement to acquire majority shares in FactoryPal.

FactoryPal is a software developed for tissue converting operations that improves shopfloor manufacturing performance and productivity. The software empowers tissue mill teams to achieve seamless operations by generating and utilizing high quality data combined with state-of-the-art user experience and advanced artificial intelligence (AI). FactoryPal will further strengthen Valmet's offering of advanced Industrial Internet solutions and digital services to support customers in the tissue industry.

FactoryPal will continue operating as an own legal entity under the existing FactoryPal brand. There are 55 employees working for FactoryPal in Germany, Portugal, Italy, the USA and Brazil.

Process Gas Chromatography business of Siemens AG

On July 17, 2023, Valmet announced that it has entered into an agreement to acquire the Process Gas Chromatography business of Siemens AG. On April 2, 2024, Valmet announced that the acquisition has been completed. The enterprise value of the acquisition is EUR 102.5 million on a cash and debt-free basis subject to customary adjustments.

The acquisition is in line with Valmet's strategy and will further strengthen Valmet's automation segment and process automation offering with process industry gas chromatograph and process analyzer systems offering. It also strengthens Valmet's Automation Systems business footprint in North America, Asia-Pacific, and Europe. The acquired business is integrated into Valmet's Automation Systems business line as a business unit called Analyzer Products and Integration.

In 2022, the net sales of the acquired business amounted to approximately EUR 120 million and pro-forma adjusted EBITDA margin was approximately 10 percent. The business employs around 300 employees, and its main locations are in the USA, Germany, and Singapore. It has been consolidated into Valmet's financial reporting since the second quarter of 2024.

Disposals

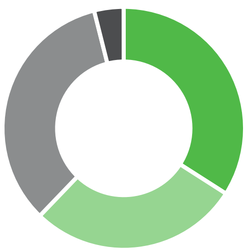
Valmet made no disposals during January–September 2024.

Personnel

Personnel	As at September 30, 2024	As at September 30, 2023	Change	As at June 30, 2024
Services	**6,642**	6,470	3%	6,541
Automation	**5,491**	5,129	7%	5,519
Flow Control	*2,877*	*2,835*	*1%*	*2,898*
Automation Systems	*2,614*	*2,294*	*14%*	*2,621*
Process Technologies	**6,608**	5,685	16%	6,567
Pulp and Energy	*2,053*	*1,945*	*6%*	*1,894*
Paper	*4,555*	*3,740*	*22%*	*4,673*
Other	**768**	782	-2%	807
Total	**19,509**	18,066	8%	19,434

Personnel	As at September 30, 2024	As at September 30, 2023	Change	As at June 30, 2024
North America	**2,492**	2,169	15%	2,489
South America	**1,546**	875	77%	1,168
EMEA	**11,323**	11,057	2%	11,614
China	**2,433**	2,354	3%	2,445
Asia-Pacific	**1,715**	1,611	6%	1,718
Total	**19,509**	18,066	8%	19,434

Personnel by segment as at September 30, 2024



Personnel by area as at September 30, 2024

During January–September, Valmet employed an average of 19,283 people (17,920). The number of personnel at the end of September was 19,509 (18,066). The increase in personnel is mainly due to Tissue Converting, reported under Paper business line, and Analyzer Products and Integration reported under Automation Systems business line. Personnel expenses totaled EUR 1,031 million (EUR 945 million) in January–September, of which wages, salaries and remuneration amounted to EUR 811 million (EUR 743 million).

Changes in Valmet's Executive Team

Olli Hänninen (M.Sc. Industrial Management) has been appointed Senior Vice President, Strategy, at Valmet as of October 1, 2024. In this position he reports to the President and CEO Thomas Hinnerskov and is a member of Valmet's Executive Team.

Olli Hänninen worked in several different management positions in the services business of KONE between 2014–2024, where his last position was Senior Vice President, Service Business. Prior to his career at KONE, he worked as an Associate Partner in McKinsey & Company in 2004–2014.

On June 7, 2024, Valmet announced that **Anu Pires** (M.Sc. Econ) has been appointed SVP, Human Resources at Valmet as of September 1, 2024. She became a member of Valmet's Executive Team and will report to President and CEO Thomas Hinnerskov. Anu Pires joined Valmet from Paulig Group, where she worked as SVP, Human Resources since 2018. Prior to her role at Paulig, Anu Pires worked as VP of HR at Lumene from 2017 to 2018, in different HR management positions at Outotec from 2016 to 2017, and as Head of HR, APAC Mobile Device Sales, Nokia integration at Microsoft from 2014 to 2015. Between 1998 and 2014, she held HR management roles at Nokia, working in Brazil, China, and India. Anu Pires began her career in human resources as HR trainee and specialist at Valmet from 1996 to 1998. Anu Pires succeeds Julia Macharey (SVP, Human Resources and Operational Development), who left Valmet at the end of January 2024, as announced in August 2023.

On February 19, 2024, Valmet announced that Valmet's Board of Directors has appointed **Thomas Hinnerskov** as the President and CEO of Valmet. Thomas Hinnerskov started in the position on August 12, 2024. He succeeds Pasi Laine, whose resignation was announced on August 18, 2023.

Thomas Hinnerskov is a Danish citizen and was born in 1971. He joined Valmet from Mediq B.V. where he was working as the CEO since 2022. Prior to this, Thomas Hinnerskov was Executive Vice President at KONE responsible for South Europe, Middle East and Africa between 2021–2022 and Executive Vice President for Central Europe between 2016–2021. Earlier in his career Thomas Hinnerskov has had several leadership positions in ISS A/S between 2003–2016, and before that he worked in versatile management positions in a private equity fund, in consulting and in investment banking sector. He holds a Master's degree in Economics (Finance and Accounting) from Copenhagen Business School.

On January 12, 2024, Valmet announced that **Janne Pynnönen** (M.Sc. Eng.) has been appointed Senior Vice President, Operational Development at Valmet as of February 1, 2024. Janne Pynnönen became a member of Valmet's Executive Team and reports to President and CEO Thomas Hinnerskov. Until his nomination, Janne Pynnönen was holding the position of Vice President, R&D at Valmet. Before joining Valmet in 2020, he worked in versatile business management and development roles and in R&D in Stora Enso since 2003. Janne Pynnönen succeeds Julia Macharey (SVP, Human Resources and Operational Development), who left Valmet at the end of January 2024, as announced in August 2023.

Structural changes

On September 5, 2024 Valmet announced it will start change negotiations that affect its Paper business line's Board and Paper Mills business unit. The business unit develops and delivers board and paper making lines and technologies globally.

The negotiations included a plan to consider measures aimed at improving the profitability and competitiveness of the business operations. The business unit has already earlier this year initiated actions to adapt to the changed market situation, but those actions have not been sufficient. The scope of the negotiations that has started covers all employees in Board and Paper Mills business unit in Finland, in total, approximately 1,300 people.

The aim of the restructuring was to develop the ways of working and to adjust personnel to the market situation.

On February 15, 2024, Valmet announced to start change negotiations affecting certain parts of Services and Paper business lines, EMEA area organization and corporate functions. The negotiations included a plan to consider measures aimed at improving the profitability and competitiveness of the business operations, as well as adapting to the changing market situation. On April 2, 2024, Valmet announced that the change negotiations have been completed, and as a result 60 roles in Finland and 49 roles in Sweden will be reduced. Additionally, there will be temporary lay-offs with maximum length of 90 days in the Paper business line in Finland. In a another change negotiation in June 2024, maximum 90-day temporary layoffs in Automation Systems were decided. Valmet employs approximately 6,900 people in Finland and 1,800 people in Sweden.

Investments in production and services

On September 3, 2024 Valmet announced that it has opened a new service center in Beihai to serve and be close to its customers in the fast-growing pulp and paper industry in the Guangxi Zhuang Autonomous Region, West China. The Beihai Service Center serves pulp, board, and paper customers close by, focusing on fiber workshop services, roll maintenance, and field services, including shutdown planning management.

On March 25, 2024, Valmet announced the decision to invest in filter fabric manufacturing in Belo Horizonte, Brazil, in order to better respond to the growing demand of high-performing filter fabrics in both the mining and pulp and paper industries in South America. The value of the investment will not be disclosed. The investment includes the relocation of the current office and manufacturing facility in Belo Horizonte, new machinery, and improvements in the operations' energy efficiency and emission reduction. The new facility will be in operation during the first half of 2025.

Strategy and targets

Valmet's strategy is: Valmet develops and supplies competitive and reliable process technologies, services and automation to the pulp, paper and energy industries. Our automation business covers a wide base of global process industries. We are committed to moving our customers' performance forward with our unique offering and way to serve.

During the second quarter of 2024, Valmet's mission statement was refined to reflect the changes in our business portfolio and customer base. Valmet's refined mission is: We create sustainable results by converting renewable resources and making industrial processes reliable and efficient. Valmet's vision is to become the global champion in serving its customers and in moving the industries forward.

Valmet seeks to achieve its strategic targets by continuous improvement and renewal. Valmet has the following Must-Win initiatives: 'Customer excellence', 'Leader in technology and innovation', 'Excellence in processes' and 'Winning team', as well as selected Business Accelerators.

Valmet's product and services offering consists of process technologies that increase the value of the customers' end products, automation systems and flow control solutions, productivity enhancing services, plant upgrades and rebuilds, new cost-efficient equipment and solutions for optimizing raw material and energy usage.

Valmet has an annual strategy process, where, among others, Valmet's strategy, Must-Wins and financial targets are reviewed.

Valmet's financial targets are the following:

Financial targets

- Net sales for Services and Automation segments to grow over two times the market growth
- Net sales for Process Technologies segment to exceed market growth
- Comparable EBITA: 12–14%
- Comparable return on capital employed (ROCE) before taxes: at least 15%
- Dividend payout at least 50% of net profit

Actions to reach Comparable EBITA target of 12–14%

Valmet continues to focus on improving profitability through implementing its four Must-Win initiatives: 'Customer excellence', 'Leader in technology and innovation', 'Excellence in processes' and 'Winning team'. Valmet targets to increase the comparable EBITA margin in all three segments (Services, Automation and Process Technologies).

Customer excellence

Valmet aims to strengthen its customer base by implementing effective sales management practices and cultivating close relationships with customers. Valmet is targeting to increase its market share in Services and Automation segments by growing over two times the market growth. In Process Technologies segment, Valmet aims to maintain and improve its market share.

Leader in technology and innovation

Valmet is known for its world-class technology and is always looking to bring advanced and innovative solutions to the market. Furthermore, Valmet is placing a strong emphasis on product cost competitiveness.

Excellence in processes

Valmet is continuously developing and improving its processes. Valmet aims to ensure excellent project management and project execution. Supply chain management and efficient procurement are key for Valmet. Valmet is also streamlining its processes and renewing the ERP system.

Winning team

Valmet has a strong home base in the Nordic region but has also been increasing procurement, production, and engineering resources in cost-competitive countries. The Company is investing heavily in its people, particularly through the global training portfolio, which supports the execution of the Must-Wins.

Progress in sustainability

In the third quarter of 2024, Valmet continued to implement its Sustainability360° Agenda systematically.

Environment

Valmet has progressed well towards the targets set in its Climate Program for the entire value chain by 2030. Regarding the use phase of technologies, Valmet's R&D continues to focus on improving the energy efficiency of its existing pulp and paper technologies. In own operations, Valmet has invested in energy efficiency to reduce CO_2 emissions at its locations. In the supply chain, Valmet has so far engaged over 180 suppliers to take climate actions.

The implementation of Beyond Circularity, the Valmet-led R&D program and ecosystem to accelerate the green transition continued. Valmet is actively working with more than 280 partners in 35 ecosystem projects. Also, more than 90 internal R&D projects from all the business lines have been accepted to the program.

Social

During the third quarter of 2024, Valmet completed its mid-year review process, which is a documented discussion between manager and employee focusing on career aspirations, development, wellbeing, and performance. Valmet also continued to promote the Refocus initiative, launched in 2023, to review and renew the work practices to find smarter and smoother ways of working. Each of the six refocus themes – Balance, Communication and Collaboration, Hybrid, Meeting Practices, Movement, and Prioritization – was updated with new content, including testimonials and learnings, and re-promoted in the company's internal communications channels.

At the end of September 2024, the lost time incident frequency rate (LTIF) for Valmet's own employees was 1.5 (1.3), and for external workers 3.0 (1.8). As part of its commitment to secure safety and sustainability at work, the 11th annual health, safety, and environment (HSE) Awareness week took place in September. During the week, numerous local events, such as Contractor HSE Days, personal protective equipment (PPE) seminars, and other safety training, were held, in addition to a series of global webinars.

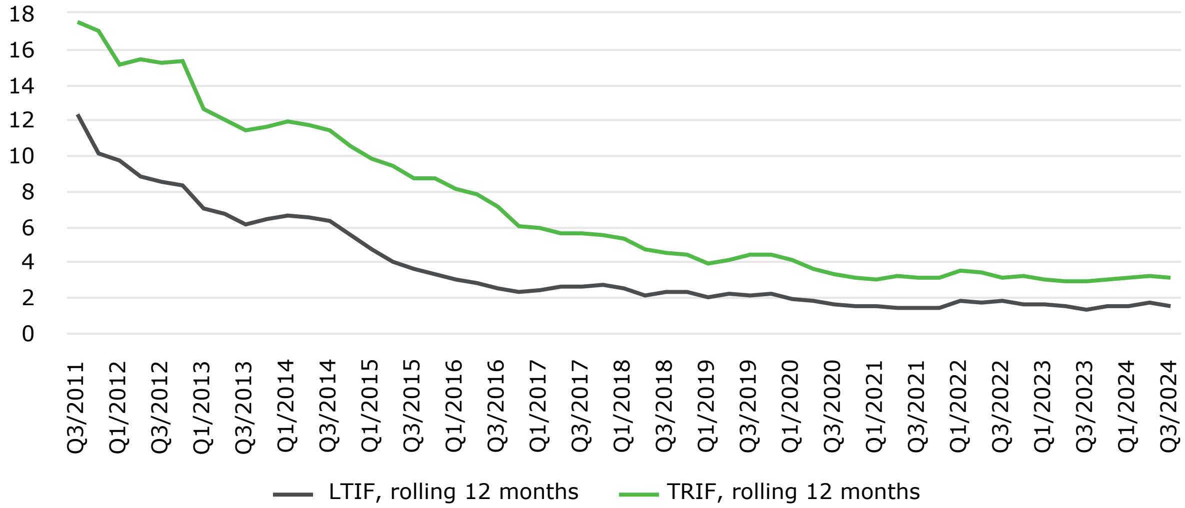
The implementation of local projects of Valmet's global social responsibility program continued according to plan in the third quarter of 2024.

Governance

By the end of September, 2024, 39 supplier sustainability audits had been conducted in 17 countries in China, North America, South America, Asia Pacific, and EMEA areas. The target for the entire year is 40 audits.

In September 2024, Valmet was awarded a Gold Medal in the EcoVadis sustainability assessment, ranking it among the top five percent of companies evaluated over the past 12 months. Valmet also won the Supply Chain ESG Pioneer Award at the European Chamber Sustainable Business Awards in China in the same month.

Lost time incident frequency (LTIF)[1] and total recordable incident frequency (TRIF)[2], own employees



[1] *LTIF reflects the number of injuries resulting in an absence of at least one work day per million hours worked.*
[2] *LTIF + medical treatment and restricted work cases*

Lawsuits and claims

Several lawsuits, claims and disputes based on various grounds are pending against Valmet in various countries, including product liability lawsuits and claims as well as legal disputes related to Valmet's deliveries. Valmet is also a plaintiff in several lawsuits. Although some of the claims are substantial, Valmet's management does not expect to the best of its present understanding that the outcome of these lawsuits, claims and disputes will have a material adverse effect on Valmet in view of the grounds currently presented for them, provisions made, insurance coverage in force and the extent of Valmet's total business activities.

Corporate Governance Statement and Remuneration Report

Valmet has published a Corporate Governance Statement and a Remuneration Report for 2023, which comply with the recommendations of the Finnish Corporate Governance Code for listed companies. These reports also cover other central areas of corporate governance, and they have been published on Valmet's website, separately from the Report of the Board of Directors, at www.valmet.com/governance.

Shares and shareholders

Share capital, number of shares and shareholders

	As at September 30, 2024	As at September 30, 2023
Share capital, EUR	**140,000,000**	140,000,000
Number of shares	**184,529,605**	184,529,605
Treasury shares	**361,400**	368,500
Shares outstanding	**184,168,205**	184,161,105
Market capitalization, EUR million	**5,307**	3,997
Number of shareholders	**103,038**	98,714

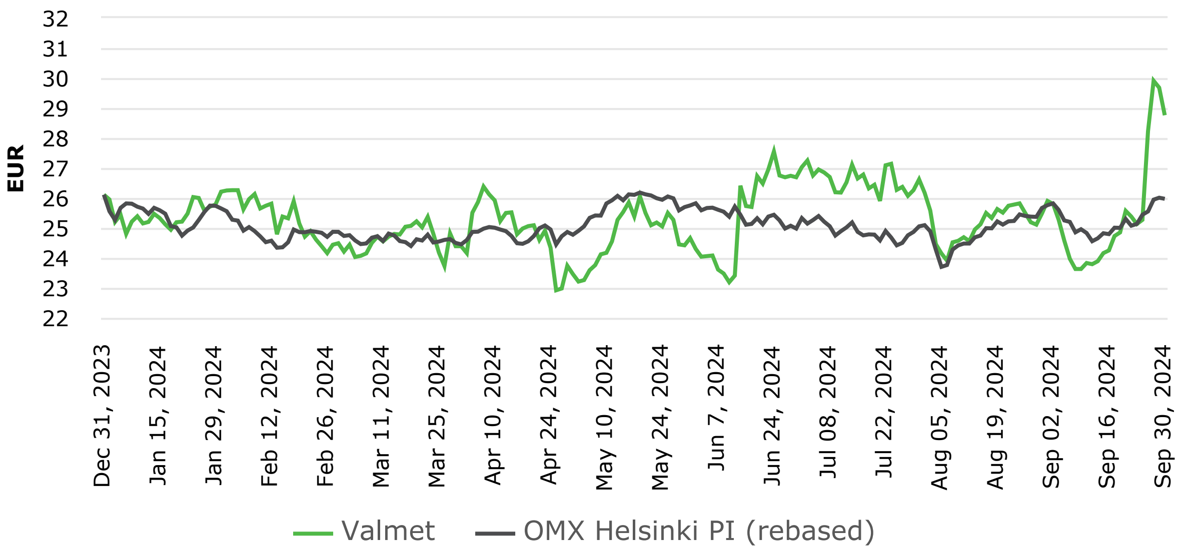
Trading of shares

Trading of Valmet shares on Nasdaq Helsinki	**January 1 – September 30, 2024**	January 1 – September 30, 2023
Number of shares traded	**84,592,949**	75,300,863
Total value, EUR million	**2,148**	2,070
High, EUR	**30.11**	32.99
Low, EUR	**22.82**	21.58
Volume-weighted average price, EUR	**25.39**	27.49
Closing price on the final day of trading, EUR	**28.76**	21.66

The closing price of Valmet's share on the final day of trading for the reporting period, September 30, 2024, was EUR 28.76, i.e., 10 percent higher than the closing price on the last day of trading in 2023 (EUR 26.11 on December 29, 2023).

In addition to Nasdaq Helsinki Ltd, Valmet's shares are also traded on other marketplaces, such as CBOE DXE, BATS, Frankfurt, Chi-X and Turquoise. A total of approximately 38 million Valmet shares were traded on these five alternative marketplaces in January–September (Source: www.valmet.com/investors/valmet-share/trading-volumes/).

Development of Valmet's share price, December 31, 2023 – September 30, 2024



Ownership structure as at September 30, 2024

Flagging notifications

During the review period, Valmet received the following flagging notifications referred to in the Securities Market Act:

			% of shares and voting rights		
Transaction date	**Shareholder**	**Threshold**	**Direct**	**Through financial instruments**	**Total, %**
January 5, 2024	The Goldman Sachs Group, Inc.	Below 5%	0.03%	2.62%	2.65%
January 26, 2024	Oras Invest Oy	Above 10%	10.22%	-	10.22%
March 8, 2024	Swedbank Robur Fonder AB	Above 5%	5.09%	-	5.09%
August 7, 2024	The Goldman Sachs Group, Inc	Above 5%	0.07%	4.95%	5.02%
August 9, 2024	The Goldman Sachs Group, Inc	Below 5%	0.07%	4.87%	4.95%

More information on flagging notifications can be found at www.valmet.com/flagging-notifications.

Board authorizations regarding shares

Valmet Oyj's Annual General Meeting on March 21, 2024, authorized Valmet's Board of Directors to decide on the repurchase of a maximum number of 9,200,000 of the Company's own shares in one or several tranches. This corresponds to approximately 5.0 percent of all the shares in the Company. The Company's own shares may be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase). The Company's own shares may be repurchased using the unrestricted equity of the Company at a price formed on a regulated market on the official list of Nasdaq Helsinki Ltd on the date of the repurchase or at a price otherwise formed on the market.

The Company's own shares may be repurchased for reasons of developing the Company's capital structure, financing or carrying out acquisitions, investments or other business transactions, or for the shares to be used in an incentive scheme, however so that a maximum of 500,000 shares may be repurchased to be used in an incentive scheme, which corresponds to approximately 0.3 percent of all the shares in the Company. The Board of Directors resolves on all other terms related to the repurchasing of the Company's own shares.

Valmet Oyj's Annual General Meeting 2024 also authorized Valmet's Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares in one or several tranches. The issuance of shares may be carried out by offering new shares or by transferring treasury shares held by Valmet. Based on this authorization, the Board of Directors may also decide on a directed share issue in deviation from the shareholders' pre-emptive rights and on the granting of special rights subject to the conditions mentioned in the Finnish Companies Act. Based on this authorization, a maximum number of 18,500,000 shares may be issued, corresponding to approximately 10.0 percent of all the shares in Valmet. The new shares and treasury shares may be issued for consideration or without consideration.

The Board of Directors may decide on all other terms of the issuance of shares and special rights entitling to shares pursuant to Chapter 10, Section 1 of the Finnish Companies Act. The Board of Directors may use this authorization, for example, for reasons of developing the Company's capital structure, in financing or carrying out acquisitions, investments or other business transactions, or for the shares to be used in incentive schemes, however so that the Board of Directors may issue a maximum of 500,000 shares to be used in incentive schemes, which corresponds to approximately 0.3 percent of all the shares in the Company.

The authorizations shall remain in force until the close of the next Annual General Meeting, and they cancel the corresponding authorizations granted by the Annual General Meeting 2023.

As at September 30, 2024, Valmet's Board of Directors had not used the above authorizations.

Share-based incentive plans

Valmet's share-based incentive plans are part of the total compensation offered for Valmet's key personnel. The aim of the plans is to align the interests of the shareholders and the key employees to increase the value of Valmet in the long run, to steer the key employees towards achieving the Company's selected strategic targets, to commit the key employees to the Company, and to offer them a competitive reward plan based on holding the Company's shares. Any shares to be potentially awarded are, or have been, acquired through public trading, and therefore the incentive plans have no diluting effect on the share value.

Restricted Shares Pool

As part of total remuneration, for example for retention purposes, the Board of Directors decided on an additional incentive element in December 2018, the restricted shares pool, from which shares can be granted to selected key employees. Restricted share pools are intended to be annually commencing, and the annual restricted shares pool is subject to separate approval by the Board of Directors. In 2024, a maximum of 101,240 Company shares can be allocated to possible participants in the restricted shares pool. In January–September 2024, approximately 79,000 shares were allocated from the restricted shares pool. As a rule, the restriction period for these shares is three years. Plan nominations as well as detailed terms of allocation will be proposed by the President and CEO to the Chairman of the Board of Directors for approval. A precondition for the payment of the share reward based on the restricted shares pool is that a threshold Valmet Comparable EBITA is exceeded and that the employment relationship of the individual participant with Valmet continues until the payment date of the reward.

Long-term incentive plans – Performance Share Plan and Deferred Share Plan

In its meeting on December 17, 2020, the Board of Directors of Valmet Oyj decided on new share-based long-term incentive plans, a Performance Share Plan and a Deferred Share Plan, for Valmet's key employees. The Board of Directors decides on a continuation of its share-based long-term incentive plans (LTI plans) each year.

The Performance Share Plan is directed to the Executive Team members. The Performance Share Plans include a three-year performance period parallel to a one-year performance period. Valmet's Board of Directors decides on the predefined performance measures and targets in the beginning of each performance period.

The Deferred Share Plan is directed to other key employees and management talents. It has a one-year performance period. The predefined performance measures and targets are decided by Valmet’s Board of Directors and are aligned with the targets of the Performance Share Plan. The Deferred Share Plan is directed to approximately 200 participants, of which approximately 150 are key employees in management positions, and approximately 50 are management talents.

The Performance Share Plan includes a recommendation for the members of Valmet's Executive Team to own and hold an amount of Company shares equaling their gross annual base salary (100 percent ownership recommendation). Management shareholding is presented on Valmet's website at www.valmet.com/investors/shareholders/management-shareholding.

	Long-term incentive plans 2021–2023		**Long-term incentive plans 2022–2024**	
Plan name	Performance Share Plan and Deferred Share Plan	Performance Share Plan	Performance Share Plan and Deferred Share Plan	Performance Share Plan
Performance period	2021	2021–2023	2022	2022–2024
Incentive based on	Comparable EBITA as a percentage of net sales, and orders received growth in the stable business	Predefined strategic target	Comparable EBITA as a percentage of net sales, and orders received growth in the stable business	ESG Index, targets linked to implementing Valmet’s Climate Program and Sustainability Agenda
Reward payment	In spring 2022	In spring 2024	In spring 2023	In spring 2025
Participants				
Performance Share Plan	13	10	14	11
Deferred Share Plan	101		120	
Total gross number of shares earned	Approximately 355,000 shares	Approximately 42,000 shares	Approximately 180,000 shares	Approximately 29,000 shares

	Long-term incentive plans 2023–2025		Long-term incentive plans 2024–2026	
Plan name	Performance Share Plan and Deferred Share Plan	Performance Share Plan	Deferred share plan	Performance Share Plan
Performance period	2023	2023–2025	2024	2024, 2024–2026
Incentive based on	Comparable EBITA as a percentage of net sales, and orders received growth of the stable business	Development of a valuation multiple of Valmet's share in comparison to peer group	Comparable EBITA as a percentage of net sales, and orders received growth of the stable business	Comparable EBITA as a percentage of net sales, and orders received growth of the stable business Development of a valuation multiple of Valmet's share in comparison to peer group
Reward payment	In spring 2024	In spring 2026	In spring 2025	In spring 2027
Participants				
Performance Share Plan	15	13		16
Deferred Share Plan	126		195	
Total gross number of shares earned	Approximately 154,000 shares.	Approximately 47,000 shares.	As at September 30, 2024, a total of approximately 362,000 shares were allotted to participants.	As at September 30, 2024, a total of approximately 259,000 shares were allotted to participants.

Valmet announced on December 20, 2023, that the Board of Directors of Valmet has decided to use the authorization granted by the Annual General Meeting 2023 to repurchase the Company's own shares. The Board decided to initiate a fixed-term share buy-back program for the purpose of acquiring the Company's own shares to meet part of the obligations arising from its share-based long-term incentive plans (LTI Plans) and the Restricted Pool incentive. The share acquisitions began on February 12, 2024, and ended on February 16, 2024. The number of shares acquired totaled 100,000.

Based on the authorization granted to the Board of Directors by the Annual General Meeting 2023, Valmet's Board of Directors decided in December 2023 on a directed share issue related to the reward payment of Valmet's share-based long-term incentive plans for the performance periods 2021–2023 and 2023. In the share issue on March 15, 2024, a total of 113,678 Valmet's treasury shares were conveyed without consideration to the participants of the plans, in accordance with the terms and conditions of the plans.

Based on the authorization granted by the Annual General Meeting 2024, Valmet's Board of Directors decided on June 18, 2024, on a directed share issue related to the reward payment of Valmet's share-based long-term incentive plans for the performance period 2023. In the share issue on June 20, 2024, a total of 736 Valmet's treasury shares were conveyed without consideration to the participants of the plans, in accordance with the terms and conditions of the plans.

At the end of the reporting period, the Company held 361,400 treasury shares related to the share-based incentive programs.

More information about share-based incentive plans can be found in Valmet's Remuneration Report, which is available at www.valmet.com/governance.

Resolutions of Valmet's Annual General Meeting

Valmet's Annual General Meeting 2024 was held in Helsinki on March 21, 2024. The Annual General Meeting adopted the Financial Statements for 2023 and discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2023. The Annual General Meeting adopted the remuneration report for governing bodies, for which the decision is advisory, and the remuneration policy of the Company. The Annual General Meeting authorized the Board of Directors to decide on the repurchase of the Company's own shares and on the issuance of shares and special rights entitling to shares.

The Annual General Meeting decided to pay a dividend of EUR 1.35 per share for the financial year which ended on December 31, 2023. The dividend was paid in two installments. The first installment of EUR 0.68 per share was paid on April 11, 2024 to shareholders who on the dividend record date March 26, 2024, were registered in the Company's shareholders' register held by Euroclear Finland Oy. The second installment of EUR 0.67 per share was paid on October 10, 2024 to shareholders who on the dividend record date October 1, 2024 were registered in the Company's shareholders' register held by Euroclear Finland Oy.

The Annual General Meeting confirmed the number of Board members as eight and reappointed Mikael Mäkinen as Chair of Valmet Oyj's Board and Jaakko Eskola as Vice Chair. Anu Hämäläinen, Pekka Kemppainen, Per Lindberg and Monika Maurer were re-elected as Board members, and Annareetta Lumme-Timonen and Annika Paasikivi were elected as new Board members. The term of office of the members of the Board of Directors expires at the close of the Annual General Meeting 2025.

PricewaterhouseCoopers Oy was re-elected as the Company's auditor for a term expiring at the end of the Annual General Meeting 2025. Pasi Karppinen, Authorised Public Accountant (KHT) will act as the responsible auditor. PricewaterhouseCoopers will also carry out the assurance of the Company's sustainability reporting.

Valmet published a stock exchange release on March 21, 2024, concerning the resolutions of the Annual General Meeting and the organizing meeting of the Board of Directors. The stock exchange release and meeting materials can be viewed on Valmet's website at www.valmet.com/investors/governance/annual-general-meeting/.

Risks and business uncertainties

Valmet's operations are affected by various strategic, financial, operational and hazard risks. Valmet takes measures to exploit emerging opportunities and to limit the adverse effects of potential threats. In the annual risk assessment, Valmet risk management identified the most significant threats and opportunities being global and key market area economic cycles, customer industry cycles and project operations related risks. The assessment of risks related to sustainable development holds an important role in risk management. If such threats materialized, they could have material adverse effects on Valmet's business, financial situation and operating result, or on the value of shares and other securities.

The objective of Valmet's risk management is to ensure the implementation of an effective and successful strategy for achieving both long- and short-term goals. The task of Valmet's management is to regulate risk appetite. In assessing risks, Valmet takes into consideration the probability of the risks and their estimated impact on net sales or financial results. Valmet's management estimates that the Company's overall risk level is currently manageable in proportion to the scope of its operations and the practical measures available for managing these risks.

Financial uncertainty in the global economy, coupled with fluctuations in exchange rates, higher interest rates and tightening financial market regulations may have an adverse effect on the availability and price of financing from banks and capital markets and could reduce the investment appetite of Valmet’s customers. Valmet estimates that the high proportion of business derived from stable business (Services and Automation segments) and the geographical diversification will reduce the possible negative effects that market uncertainties may have.

If global economic growth weakens, it might have adverse effects on new projects under negotiation or on projects in the order backlog. Some projects may be postponed, suspended, or canceled. In the case of long-term delivery projects, initial customer advance payments are typically 10–30 percent of the value of the project, and customers make progress payments as the project is implemented. This significantly decreases the risks and financing requirements related to Valmet’s projects. Valmet continually assesses its customers’ creditworthiness and their ability to meet their obligations. As a rule, Valmet does not finance customer projects. If economic growth slows down significantly, the markets for Valmet’s products may shrink, which may lead to, for example, tougher price competition.

Of the financial risks that affect Valmet’s profit, currency exchange rate and interest rate risks are among the most substantial. Exchange rate changes can affect Valmet’s business, although the wide geographical scope of the Company’s operations reduces the impact of any individual currency. Economic insecurity typically increases exchange rate fluctuations and can impact interest rates as well. Valmet hedges its currency exposures linked to firm delivery and purchase agreements. The interest rate risks are managed through balancing the ratio between fixed and floating interest rates and duration of interest-bearing debt and interest-bearing financial assets. Additionally, Valmet may use derivative instruments to mitigate the risks.

Changes in legislation and the way authorities interpret regulation, for example regarding taxation, can also have an impact on Valmet’s financials.

Increasing geopolitical tensions, change in political narratives, increase of protectionist and more political regulation, trade tensions and sanctions may create uncertainty in customers’ investment activity and impact Valmet’s operations. Changes and uncertainty in future regulation and legislation can have effects, especially on the energy business and the use of data.

Large fluctuations in energy prices can affect the global economy. These fluctuations can also affect Valmet and its customers.

Should the global issues with component availability and logistics continue, it could have adverse effects on Valmet's business.

Changes in labor costs and the prices of raw materials and components can affect Valmet’s profitability. Valmet’s goal is to offset inflation through increased productivity and price increases. It is possible, however, that tough competition in some product categories will make it difficult to pass on cost increases to product prices. On the other hand, some of Valmet’s customers are raw material producers and their ability to operate and invest may be enhanced by strengthening commodity prices and hampered by declining commodity prices.

There may be changes in the competitive situation of Valmet’s individual businesses, such as the emergence of new, cost-effective competition in the markets. Valmet can safeguard its market position by developing its products and services, and through good customer service and local presence.

To ensure high quality in both production and services, it is important to sustain a high level of competence and talent availability. This includes, for example, maintaining efficient recruitment programs, utilization of existing talent and sharing knowledge globally.

Through acquisitions, Valmet may become exposed to risks associated with new markets and business environments. The actual acquisition process also includes risks. Other risks associated with acquisitions include, but are not limited to, integration of the acquired business, increased financial risk exposure, retention of key personnel and achieving the targets set for the acquired business.

Valmet’s operations, products and services rely largely on data networks, software and digital solutions. Any malfunctions and cybersecurity breaches in such networks, software and solutions as well as potential failures in information system development projects may adversely affect Valmet’s business and financial position and lead to reputational damage.

Potential collective disputes and labor and union strikes remain a risk to Valmet’s operations as they might have impact on the supply chain, business operations and customer deliveries by increasing the likelihood of interruptions. Valmet’s operations are dispersed all around the world, Valmet has a global customer base and our suppliers operate in several countries. This mitigates the overall impacts of risks to Valmet, should there be any disruptions in some isolated country or case.

Epidemic outbreaks and potential pandemics remain a risk to Valmet’s operations. Pandemics might have an impact on customers' investment activity, the supply chain and business operations by increasing the likelihood of interruptions. Valmet’s operations are dispersed all around the world, Valmet has a global customer base and our suppliers operate in several countries. This mitigates the overall impacts of risks to Valmet, should there be any disruptions in some isolated country or case.

Management of project business risks important

An important part of Valmet’s business consists of projects. Pulp business projects in particular can be large, thus project-specific risk management is crucial. Key risks related to projects are project cost estimation, scheduling, project risk management, quality and performance risks, and materials management risks. Risk analysis shall, as a minimum, take place for all significant project quotations. The work concerning threat and opportunity assessment continues during the execution phase of the project. Risk management is based on careful planning and continuous, systematic monitoring and evaluation. Project risks are managed by improving and continuously developing project management processes and the related systems.

Availability of financing crucial

Securing the continuity of Valmet’s operations requires sufficient available funding under all circumstances. Valmet estimates that its liquid cash assets and committed credit limits are sufficient to secure its immediate liquidity and to ensure the flexibility of financing. The average maturity of Valmet’s non-current debt (including current installments, excluding lease liabilities) is 2.9 years. Loan facilities include customary covenants, and Valmet is in clear compliance with the covenants at the balance sheet date.

Net working capital and capital expenditure levels have a key impact on the adequacy of Valmet's financing. Setting aside investments into the renewal of the ERP system, Valmet does not expect any significant increase in annual capital expenditure and estimates that it is well-positioned to keep capital expenditure approximately at the level of total depreciation.

As at September 30, 2024, Valmet had EUR 1,779 million (EUR 1,613 million) of goodwill on its statement of financial position. Valmet assesses the carrying value of its goodwill for impairment annually, or more frequently if facts and circumstances indicate that carrying value may not be recoverable. Valmet has not identified any indications of impairment during the reporting period. The principles used for impairment testing are presented in the financial statements.

Valmet has a strong balance sheet and liquidity. In order to diversify and mitigate the financial credit risk, funds are held with several financially-sound banks. Valmet is carefully evaluating counterparty risk and selecting only counterparties with high creditworthiness. Valmet's project business is typically cash positive, as the customers pay us advance and progress payments. Around half of Valmet's business consists of services and automation, where single orders are small. Furthermore, Valmet has hundreds of customers around the globe, which gives us natural hedge.

Conflicts and geopolitical tensions

The war in Ukraine causes significant risks and uncertainties to the markets affecting the entire global economic environment and financial markets. The conflict in the Middle East causes supply chain issues and can increase transport costs and durations. If the conflicts are further prolonged or geopolitical tensions further increase, there could be additional adverse impacts on Valmet's operations, customer investment activity, project deliveries, availability and prices of components, supply chain and availability of financing for both Valmet and its customers. Valmet monitors the situation and manages the Company's response to the impacts of the conflicts.

Events after the reporting period

October 29, 2024: Valmet confirms signing contracts for previously announced project with Arauco

On October 29, 2024 Valmet announced that it has signed the supply contracts with Arauco who selected Valmet as the supplier for a complete pulp mill including full-scope automation and flow control solutions. The new mill will be built in Inocência, in the state of Mato Grosso do Sul, Brazil. The order will be booked in Valmet's Q4 2024 orders received. The value of the order for Valmet is over EUR 1 billion.

October 21, 2024: Change negotiations

On October 21, Valmet announced that change negotiations in Paper business line's Board and Paper Mills business unit were completed in Finland. The aim of the restructuring was to develop the ways of working and to adjust personnel to the market situation. As a result of the change negotiations, the employment of 112 people has ended. In addition, there has been fixed-term position terminations, retirements, and internal transfers to other positions within Valmet. The related restructuring provision will be booked in October-December 2024 with no material impact to Group's financial results. The cost savings will incur starting from 2025 onwards.

October 15, 2024: Valmet notified of arbitration claim by Metsä Fibre Oy

On October 15, 2024 Valmet announced that Metsä Fibre Oy has filed a request for arbitration against Valmet Technologies Oy, which is a subsidiary of Valmet. The arbitration concerns Metsä Fibre's bioproduct mill in Kemi, Finland, which came into operation as planned on September 20, 2023.

Valmet Technologies Oy disputes the claims brought by Metsä Fibre and will also actively pursue claims of its own against Metsä Fibre. Metsä Fibre's preliminary monetary claims put forward amount to approximately EUR 47 million. In addition, Metsä Fibre has informed that it will claim that Valmet Technologies Oy would be declared liable for certain potential costs which Metsä Fibre might incur later based on contractual relationships between Metsä Fibre and other parties. Metsä Fibre estimates that the current value of such potential claims is approximately EUR 65 million, but estimates that this amount is likely to decrease.

Valmet's management does not expect to the best of its current understanding any material adverse impacts on its operations or financial position due to this arbitration. This assessment takes into account the grounds currently presented, provisions made, insurance coverage in force, and the extent of Valmet's total business activities.

Guidance for 2024

Valmet reiterates its guidance issued on October 11, 2024, in which Valmet estimates that net sales in 2024 will remain at the previous year's level in comparison with 2023 (EUR 5,532 million) and Comparable EBITA in 2024 will remain at the previous year's level in comparison with 2023 (EUR 619 million).

Previous guidance for 2024, issued on June 13, 2024:
Valmet estimates that net sales in 2024 will remain at the previous year's level in comparison with 2023 (EUR 5,532 million) and Comparable EBITA in 2024 will increase in comparison with 2023 (EUR 619 million).

Market outlook

General economic outlook according to IMF

The IMF forecasts stable but underwhelming global growth, with the balance of risks tilted to the downside. As monetary policy is eased amid continued disinflation, shifting gears is needed to ensure that fiscal policy is on a sustainable path and to rebuild fiscal buffers. Understanding the role of monetary policy in recent global disinflation, and the factors that influence the social acceptability of structural reforms, will be key to promoting stable and more rapid growth in the future. (IMF World Economic Outlook, October 2024)

Short-term market outlook

Valmet estimates that the short-term market outlook for services has decreased to satisfactory (previously good) and that the short-term market outlook for board and paper has decreased to weak (previously satisfactory). Valmet reiterates the good short-term market outlook for flow control and automation systems, and the satisfactory short-term market outlook for pulp, energy and tissue.

The short-term market outlook is given for the next six months from the end of the reported period. It is based on customer activity (50%) and Valmet’s capacity utilization (50%), and the scale is ‘weak–satisfactory–good’.

In Espoo, Finland, on October 30, 2024

Valmet’s Board of Directors

Consolidated statement of income

EUR million	Q3/2024	Q3/2023	Q1–Q3/ 2024	Q1–Q3/ 2023
Net sales	**1,295**	1,295	**3,831**	4,033
Cost of goods sold	**-931**	-963	**-2,769**	-3,011
Gross profit	**364**	332	**1,062**	1,022
Selling, general and administrative expenses	**-243**	-209	**-747**	-671
Other operating income and expenses, net	**-12**	3	**-18**	7
Share in profits and losses of associated companies, operative investments	**1**	—	**1**	2
Operating profit	**109**	127	**299**	359
Financial income and expenses, net	**-17**	-7	**-49**	-19
Profit before taxes	**92**	120	**250**	340
Income taxes	**-25**	-34	**-68**	-85
Profit for the period	**68**	86	**182**	256
Attributable to:				
Owners of the parent	**68**	86	**182**	254
Non-controlling interests	**—**	—	**—**	1
Profit for the period	**68**	86	**182**	256
Earnings per share attributable to owners of the parent:				
Earnings per share, EUR	**0.37**	0.47	**0.99**	1.38
Diluted earnings per share, EUR	**0.37**	0.47	**0.99**	1.38

Consolidated statement of comprehensive income

EUR million	**Q3/2024**	Q3/2023	**Q1–Q3/ 2024**	Q1–Q3/ 2023
Profit for the period	**68**	86	**182**	256
Items that may be reclassified to profit or loss:				
Gains and losses on cash flow hedges	**1**	-2	**4**	-23
Change in fair value reserve	**—**	—	**1**	—
Currency translation on subsidiary net investments	**-26**	13	**-27**	-9
Share of other comprehensive income of associated companies accounted for using equity method	**—**	-1	**—**	-1
Income tax relating to items that may be reclassified	**-1**	—	**-1**	4
Total items that may be reclassified to profit or loss	**-25**	10	**-23**	-28
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit plans	**-12**	7	**-8**	6
Share of other comprehensive income of associated companies accounted for using equity method	**—**	—	**—**	—
Income tax relating to items that will not be reclassified	**3**	-2	**2**	-2
Total items that will not be reclassified to profit or loss	**-9**	5	**-6**	4
Other comprehensive income for the period	**-33**	15	**-30**	-24
Total comprehensive income for the period	**35**	101	**152**	232
Attributable to:				
Owners of the parent	**35**	101	**152**	231
Non-controlling interests	**—**	—	**—**	1
Total comprehensive income for the period	**35**	101	**152**	232

Consolidated statement of financial position

Assets

EUR million	As at September 30, 2024	As at September 30, 2023	As at December 31, 2023
Non-current assets			
Intangible assets			
Goodwill	**1,779**	1,613	1,735
Other intangible assets	**1,148**	979	1,142
Total intangible assets	**2,926**	2,592	2,877
Property, plant and equipment			
Land and water areas	**40**	41	40
Buildings and structures	**151**	152	169
Machinery and equipment	**272**	237	263
Right-of-use assets	**157**	114	145
Assets under construction	**94**	86	81
Total property, plant and equipment	**713**	630	698
Other non-current assets			
Investments in associated companies	**17**	15	16
Non-current financial assets	**38**	22	31
Deferred tax assets	**93**	66	90
Non-current income tax receivables	**37**	44	41
Other non-current assets	**20**	14	15
Total other non-current assets	**205**	161	193
Total non-current assets	**3,845**	3,383	3,768
Current assets			
Inventories			
Materials and supplies	**226**	239	249
Work in progress	**492**	448	472
Finished products	**325**	334	327
Total inventories	**1,042**	1,022	1,049
Receivables and other current assets			
Trade receivables	**756**	782	973
Amounts due from customers under revenue contracts	**409**	478	475
Other current financial assets	**40**	68	56
Income tax receivables	**102**	78	56
Other receivables	**219**	247	255
Cash and cash equivalents	**679**	499	432
Total receivables and other current assets	**2,205**	2,152	2,247
Total current assets	**3,247**	3,173	3,296
Total assets	**7,092**	6,557	7,064

Consolidated statement of financial position

Equity and liabilities

EUR million	**As at September 30, 2024**	As at September 30, 2023	As at December 31, 2023
Equity			
Share capital	**140**	140	140
Reserve for invested unrestricted equity	**1,375**	1,372	1,372
Cumulative translation adjustments	**-69**	-29	-42
Hedge and other reserves	**4**	-9	-1
Retained earnings	**1,021**	1,010	1,096
Equity attributable to owners of the parent	**2,471**	2,484	2,565
Non-controlling interests	**7**	6	6
Total equity	**2,478**	2,489	2,572
Liabilities			
Non-current liabilities			
Non-current debt	**1,386**	515	1,240
Non-current lease liabilities	**110**	72	98
Employee benefit liabilities	**163**	120	154
Non-current provisions	**29**	32	42
Other non-current liabilities	**12**	6	12
Deferred tax liabilities	**291**	224	283
Total non-current liabilities	**1,990**	970	1,828
Current liabilities			
Current debt	**207**	431	103
Current lease liabilities	**48**	37	43
Trade payables	**492**	472	520
Current provisions	**152**	168	169
Amounts due to customers under revenue contracts	**935**	1,177	1,151
Other current financial liabilities	**17**	64	34
Income tax liabilities	**81**	114	85
Other current liabilities	**693**	634	558
Total current liabilities	**2,624**	3,097	2,664
Total liabilities	**4,615**	4,067	4,492
Total equity and liabilities	**7,092**	6,557	7,064

Consolidated statement of cash flows

EUR million	Q3/2024	Q3/2023	Q1–Q3/ 2024	Q1–Q3/ 2023
Cash flows from operating activities				
Profit for the period	**68**	86	**182**	256
Adjustments				
Depreciation and amortization	**57**	44	**167**	145
Financial income and expenses	**17**	7	**49**	19
Income taxes	**25**	34	**68**	85
Other non-cash items	**17**	3	**35**	-31
Change in net working capital	**-25**	-85	**28**	-125
Net interests and dividends received	**-6**	—	**-29**	-7
Income taxes paid	**-42**	-32	**-123**	-113
Net cash provided by (+) / used in (-) operating activities	**110**	57	**376**	229
Cash flows from investing activities				
Capital expenditure on fixed assets	**-20**	-27	**-77**	-89
Proceeds from sale of fixed assets	**—**	—	**1**	4
Business combinations, net of cash acquired and loans repaid	**-21**	—	**-136**	-9
Net cash provided by (+) / used in (-) investing activities	**-41**	-26	**-212**	-94
Cash flows from financing activities				
Redemption of own shares	**—**	—	**-3**	-4
Dividends paid	**-1**	-1	**-126**	-120
Proceeds from non-current debt	**—**	50	**325**	100
Repayments of current portion of non-current debt	**-4**	-4	**-40**	-40
Repayments of lease liabilities	**-13**	-11	**-38**	-31
Net proceeds from (+) / repayments of (-) current debt	**1**	9	**-37**	177
Financial investments	**-5**	-13	**12**	8
Net cash provided by (+) / used in (-) financing activities	**-21**	31	**95**	89
Net increase (+) / decrease (-) in cash and cash equivalents	**48**	61	**259**	224
Effect of changes in exchange rates on cash and cash equivalents	**-9**	4	**-12**	-2
Cash and cash equivalents at beginning of period	**640**	433	**432**	277
Cash and cash equivalents at end of the period	**679**	499	**679**	499

Consolidated statement of changes in equity

EUR million	Share capital	Reserve for invested unrestricted equity	Cumulative translation adjustments	Hedge and other reserves	Retained earnings	**Equity attributable to owners of the parent**	Non-controlling interests	**Total equity**
Balance at January 1, 2024	**140**	**1,372**	**-42**	**-1**	**1,096**	**2,565**	**6**	**2,572**
Profit for the period	—	—	—	—	182	**182**	—	**182**
Other comprehensive income for the period	—	—	-27	4	-6	**-30**	—	**-30**
Total comprehensive income for the period	—	—	-27	4	175	**152**	—	**152**
Transactions with owners in their capacity as owners								
Dividends	—	—	—	—	-249	**-249**	-1	**-249**
Purchase of treasury shares	—	—	—	—	-3	**-3**	—	**-3**
Share-based payments, net of tax	—	3	—	—	2	**5**	—	**5**
Non-controlling interest on acquisition of subsidiary	**—**	**—**	**—**	**—**	**—**	**—**	1	**1**
Balance at September 30, 2024	**140**	**1,375**	**-69**	**4**	**1,021**	**2,471**	**7**	**2,478**

EUR million	Share capital	Reserve for invested unrestricted equity	Cumulative translation adjustments	Hedge and other reserves	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at January 1, 2023	140	1,369	-20	8	997	2,494	5	2,499
Profit for the period	—	—	—	—	254	254	1	256
Other comprehensive income for the period	—	—	-9	-18	3	-24	—	-24
Total comprehensive income for the period	—	—	-9	-18	257	231	1	232
Transactions with owners in their capacity as owners								
Dividends	—	—	—	—	-239	-239	-1	-240
Purchase of treasury shares	—	—	—	—	-4	-4	—	-4
Share-based payments, net of tax	—	3	—	—	—	3	—	3
Balance at September 30, 2023	140	1,372	-29	-9	1,010	2,484	6	2,489

Basis of preparation

General information

Valmet Oyj (the "Company" or the "parent company") and its subsidiaries (together "Valmet", "Valmet Group" or the "Group") form a global developer and supplier of technologies, automation and services for the pulp, paper and energy industries.

Valmet Oyj is domiciled in Helsinki, and its registered address is Keilasatama 5, 02150 Espoo, Finland. The Company's shares are listed on Nasdaq Helsinki Ltd.

These condensed consolidated interim financial statements were approved for issue on October 30, 2024.

Basis of presentation

These condensed consolidated interim financial statements for the nine months ended September 30, 2024, have been prepared in accordance with IAS 34 – Interim financial reporting and in conformity with IFRS as adopted by the European Union. The financial information presented in these condensed consolidated interim financial statements has not been audited. These condensed consolidated interim financial statements should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS.

Valmet Group has applied new standards and interpretations published by IASB that are effective for the first time for financial reporting periods commencing on January 1, 2024. These standards and interpretations did not have a material impact on the results or financial position of the Group, or the presentation of these condensed consolidated interim financial statements.

Except for the above, the accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2023.

In these condensed consolidated interim financial statements, the figures are presented in million euros subject to rounding, which may cause some rounding inaccuracies in aggregate column and row totals.

Key exchange rates

	Average rates		**Period-end rates**	
	Q1–Q3/2024	Q1–Q3/2023	**Q3/2024**	Q3/2023
USD (US dollar)	**1.0891**	1.0801	**1.1196**	1.0594
SEK (Swedish krona)	**11.3886**	11.4578	**11.3000**	11.5325
CNY (Chinese yuan)	**7.8155**	7.6145	**7.8511**	7.7352

Business combinations

Acquisition of Körber's Business Area Tissue

The acquisition of Körber's Business Area Tissue, announced on July 7, 2023, was completed on November 2, 2023. The assumed accounting for the acquisition of Körber's Business Area

Tissue, including estimated purchase consideration, is based on provisional amounts and the associated purchase accounting is not final. During the nine months ended September 31, 2024, there were no material changes made to the provisional amounts recognized as at December 31, 2023.

Acquisition of the Process Gas Chromatography business from Siemens

The acquisition of the Process Gas Chromatography & Integration business from Siemens AG, announced on July 17, 2023, was completed on April 2, 2024. The enterprise value of the acquisition was EUR 102.5 million on a cash and debt-free basis.

The Process Gas Chromatography & Integration business of Siemens AG is a market leader with its MAXUM II Gas Chromatograph platform, Systems Integration, and Customer Services offering. With deep customer process knowledge in chemicals, liquefied natural gas, refining and biofuels, the business provides critical process insights to support its customers in ensuring and improving quality, sustainability, and safety worldwide. Net sales of Process Gas Chromatography & Integration business amounted to approximately EUR 120 million in 2022. The business employs around 300 people, and its main locations are in the USA, Germany, and Singapore.

The acquisition is in line with Valmet’s strategy and will further strengthen Valmet’s automation segment and process automation offering with process industry gas chromatograph and process analyzer systems offering. It also strengthens Valmet’s Automation Systems business footprint in North America, Asia-Pacific, and Europe.

The acquired business is integrated into Valmet’s Automation Systems business line and has been consolidated into the Group financials from the acquisition date onwards. The assumed accounting for the acquisition of the Process Gas Chromatography & Integration business, including estimated purchase consideration, is based on provisional amounts and the associated purchase accounting is not final.

Fair values of assets acquired, liabilities assumed, and goodwill recognized at the date of acquisition, together with net cash flow impact is summarized in the following tables. The net assets acquired are denominated in euro. Goodwill arising from the business combination is attributable to assembled workforce, geographic presence and market position, future customers, technologies and products, and synergies expected to be derived from the combined business. The goodwill arising from the acquisition is not expected to be tax-deductible.

From the date of acquisition, the acquired business has contributed EUR 52 million to net sales and EUR -5 million of profit to the Group, including EUR 4 million amortization of intangibles and inventory fair-value step-up recognized at acquisition.

If the acquisition had occurred on January 1, 2024, management estimates that the combined statement of income would show net sales of EUR 3,865 million and profit for the period amounting to EUR 182 million, with the assumption that the fair value adjustments as at the acquisition date would have been the same if the acquisition had occurred on January 1, 2024.

Acquisition related costs of EUR 1 million are included in Selling, general and administrative expenses in the Consolidated statement of income in January–September 2024.

Fair values of assets acquired and liabilities assumed and goodwill at the date of acquisition:

EUR million	As at April 2, 2024
Non-current assets	
Goodwill	**29**
Other intangible assets	**68**
Property, plant and equipment	**6**
Right-of-use assets	**3**
Deferred tax asset	**5**
Total non-current assets	**112**
Current assets	
Inventories	**37**
Trade receivables	**20**
Amounts due from customers under revenue contracts	**2**
Other receivables	**4**
Cash and cash equivalents	**6**
Total current assets	**70**
Non-current liabilities	
Non-current lease liabilities	**2**
Deferred tax liabilities	**18**
Total non-current liabilities	**20**
Current liabilities	
Current debt	**51**
Current lease liabilities	**1**
Trade payables	**12**
Current provisions	**2**
Amounts due to customers under revenue contracts	**16**
Other current liabilities	**9**
Total current liabilities	**92**
Net assets acquired	**70**

Cash flows associated with the acquisition:

EUR million	As at April 2, 2024
Consideration transferred	**-70**
Cash and cash equivalents acquired	**6**
Loans repaid at closing	**-51**
Net cash outflow	**-115**

Acquisitions of the FactoryPal and Demuth

Valmet and Körber have on August 1, 2024, closed the agreement for Valmet to acquire majority shares in FactoryPal GmbH, an undertaking of Körber. Following the transaction, Valmet owns 75.1 percent of the shares in the company. FactoryPal is a software developed for tissue converting operations that improves shopfloor manufacturing performance and productivity. FactoryPal will further strengthen Valmet's offering of advanced Industrial Internet solutions and digital services to support customers in the tissue industry. The acquired business has been consolidated into the Group financials from the acquisition date onwards.

On August 2, 2024, Valmet completed the acquisition of Demuth in Brazil. Demuth provides wood handling solutions for the pulp industry. The net sales of Demuth are around EUR 20–30 million annually, and Demuth employs around 400 people in Brazil. The acquisition is in line with Valmet's strategy to develop and supply competitive and reliable process technologies, services and automation to pulp, paper and energy customers. This acquisition significantly strengthens Valmet's wood handling technology offering and services presence in South America. The acquired business has been consolidated into the Group financials from the acquisition date onwards.

The acquisitions of FactoryPal and Demuth did not, individually or in aggregate, have a material impact on the results or financial position of Valmet, or its financial reporting, for the nine months ended September 30, 2024.

Reportable segments and geographic information

The Group's Chief Operating Decision Maker (CODM) is the President and CEO of Valmet. Valmet has three operating segments and three reportable segments for financial reporting purposes: Services, Automation and Process Technologies. Corporate functions are presented as Other.

The Services segment provides customers with flexible and fit-for-purpose services throughout the lifecycle to improve process performance and reliability. The Automation segment delivers automation solutions ranging from single measurements to mill- or plant-wide process automation systems, and mission-critical flow control technologies and services for the process industries. The Process Technologies segment provides technology solutions for pulp and energy production, as well as for biomass conversion and emission control, and complete production lines, machine rebuilds and process components for board, tissue and paper production.

The financial reporting structure reflects Valmet's operational model, and is aligned with the way the CODM evaluates the operational performance of the segments and allocates resources. One key indicator of performance reviewed by the CODM is Earnings before interest, taxes and amortization (EBITA). Performance is also assessed through Comparable EBITA, i.e., with EBITA excluding certain items of income and expense that reduce the comparability of Valmet's performance from one period to another. The alternative performance measures of EBITA and Comparable EBITA are published by Valmet as part of regulated financial information to enable users of the financial information to prepare more meaningful analysis on Valmet's performance. Items affecting comparability consist of income and expenses arising from activities that amend the capacity of Valmet's operations, such as restructuring costs, and gains or losses on sale of businesses or non-current assets, and income and expenses incurred outside Valmet's normal course of business, such as impairment charges and income and expenses recorded as a result of settlement payments to/from third parties (e.g., penalties incurred as a result of tax audits or settlements to closed lawsuits) as well as income and expenses arising from changes in legislation expected to affect Valmet temporarily only (e.g., customs or other tariffs imposed by authorities on Valmet's products).

Orders received, EUR million	Q1–Q3/ 2024	Q1–Q3/ 2023	Change	2023
Services	**1,436**	1,356	6%	1,760
Automation	**1,002**	1,021	-2%	1,340
Process Technologies	**936**	1,424	-34%	1,856
Total	**3,374**	3,801	-11%	4,955

Net sales, EUR million	Q1–Q3/ 2024	Q1–Q3/ 2023	Change	2023
Services	**1,333**	1,275	5%	1,784
Automation	**1,013**	953	6%	1,328
Process Technologies	**1,485**	1,805	-18%	2,420
Total	**3,831**	4,033	-5%	5,532

Comparable EBITA, EUR million	Q1–Q3/ 2024	Q1–Q3/ 2023	Change	2023
Services	**219**	221	-1%	312
Automation	**174**	169	3%	248
Process Technologies	**57**	84	-32%	110
Other	**-32**	-37	-13%	-50
Total	**417**	437	-4%	619

Comparable EBITA, % of net sales	Q1–Q3/ 2024	Q1–Q3/ 2023		2023
Services	**16.4%**	17.3%		17.5%
Automation	**17.1%**	17.7%		18.6%
Process Technologies	**3.9%**	4.7%		4.5%
Total	**10.9%**	10.8%		11.2%

EBITA, EUR million	Q1–Q3/ 2024	Q1–Q3/ 2023	Change	2023
Services	**209**	222	-6%	302
Automation	**172**	165	4%	245
Process Technologies	**39**	86	-55%	116
Other	**-36**	-40	-10%	-58
Total	**384**	433	-11%	605

EBITA, % of net sales	Q1–Q3/ 2024	Q1–Q3/ 2023		2023
Services	**15.7%**	17.4%		16.9%
Automation	**17.0%**	17.3%		18.5%
Process Technologies	**2.6%**	4.8%		4.8%
Total	**10.0%**	10.7%		10.9%

Items affecting comparability, EUR million	**Q1–Q3/ 2024**	Q1–Q3/ 2023	2023
Services	**-10**	1	-10
Automation	**-2**	-4	-2
Process Technologies	**-18**	2	6
Other	**-4**	-3	-8
Total	**-33**	-4	-14

Amortization, EUR million	**Q1–Q3/ 2024**	Q1–Q3/ 2023	Change	2023
Services	**-19**	-5	>100%	-10
Automation	**-40**	-51	-22%	-63
Process Technologies	**-13**	-5	>100%	-8
Other	**-13**	-12	8%	-17
Total	**-85**	-74	15%	-98

Reconciliation between Comparable EBITA, EBITA and Operating profit

EUR million	**Q1–Q3/ 2024**	Q1–Q3/ 2023
Comparable EBITA	**417**	437
Items affecting comparability in cost of sales		
Expenses related to capacity adjustments	**-4**	—
Expensing of fair value adjustments recognized in business combinations	**-18**	-4
Other items affecting comparability[1]	**-1**	-7
Items affecting comparability in selling, general and administrative expenses		
Expenses related to capacity adjustments	**-3**	—
Expenses related to acquisitions	**-1**	-3
Other items affecting comparability[1]	**-5**	-9
Items affecting comparability in other operating income and expenses		
Income and expenses related to capacity adjustments	**-7**	3
Expenses related to acquisitions	**—**	—
Other items affecting comparability[2]	**3**	15
Items affecting comparability in share in profits and losses of associated companies, operative investments		
Other items affecting comparability	**1**	2
EBITA	**384**	433
Amortization included in cost of sales		
Other intangibles	**-1**	-1
Amortization included in selling, general and administrative expenses		
Intangibles recognized in business combinations	**-67**	-57
Other intangibles	**-16**	-15
Amortization included in share in profits and losses of associated companies, operative investments		
Other intangibles	**—**	—
Operating profit	**299**	359

[1] *2024 and 2023 figures include expenses related to the fire that happened in 2022 at Valmet's Rautpohja factory site in Jyväskylä, Finland.*

[2] *2024 and 2023 figures include income related to the fire that happened in 2022 at Valmet's Rautpohja factory site in Jyväskylä, Finland.*

Entity-wide information

Valmet has operations globally in over 40 countries. Measured by net sales, the top three countries in January–September 2024 were the USA, China and Finland, which together accounted for 44 percent of total net sales. In January–September 2023, the top three countries were the USA, China and Brazil, which together accounted for 38 percent of total net sales. Net sales for Finland (the country of domicile) amounted EUR 299 million in January–September 2024 (EUR 268 million).

Net sales by destination:

Q1–Q3/2024: EUR 3,831 million

Q1–Q3/2023: EUR 4,033 million

Gross capital expenditure (excl. business combinations and right-of-use assets) by location:

EUR million	North America	South America	EMEA	China	Asia-Pacific	Total
Q1–Q3/2024	**6**	**1**	**53**	**13**	**4**	**77**
Q1–Q3/2023	13	6	56	12	3	89

Revenue

Valmet's revenue is reported on and monitored by management in business line, segment and area dimension. Paper, and Pulp and Energy business lines' revenue is derived from large long-term projects, for which revenue is mostly recognized over time based on the cost-to-cost method. Service business line's revenue arises from large volume of short-term contracts with relatively low individual value, for which revenue is mainly recognized at a point in time. Flow Control business line's valves equipment sales are recognized at a point in time. Automation business line's revenue consists of long-term contracts and short-term service contracts. The nature of long-term contracts, and therefore also the revenue recognition method, is similar to process technologies projects although with average contract values being lower. Revenue for short-term service contracts is recognized at a point in time. Nature of revenue in each area in any given reporting period is driven by volume and size of ongoing projects.

Net sales by business lines:

EUR million	Q3/2024	Q3/2023	Q1–Q3/ 2024	Q1–Q3/ 2023
Services	**453**	429	**1,333**	1,275
Flow Control	**196**	192	**585**	581
Automation Systems	**158**	120	**429**	372
Pulp and Energy	**203**	250	**649**	799
Paper	**285**	304	**836**	1,006
Total	**1,295**	1,295	**3,831**	4,033

Timing of revenue recognition:

EUR million	Q3/2024	Q3/2023	Q1–Q3/ 2024	Q1–Q3/ 2023
Performance obligations satisfied at a point in time	**744**	620	**2,118**	1,878
Performance obligations satisfied over time	**552**	675	**1,713**	2,155
Total	**1,295**	1,295	**3,831**	4,033

In order to mitigate credit risk and compensate for contract costs incurred upfront, Valmet regularly requires advance payments from its customers. During the reporting period Valmet had not entered into any material contracts where the period between when Valmet transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or more. Neither were there any ongoing projects from previous reporting periods for which the former would apply.

The creditworthiness of a customer is verified before entering into a contract. However, if a risk of non-payment arises after contract inception, the probability of collection of consideration is re-evaluated and if assessed improbable, recognition of revenue is discontinued. An allowance for non-collectability of open receivables and contract assets is established as concluded appropriate.

Valmet receives payments from customers based on invoicing schedules as set out in the customer contracts. Changes in contract assets and liabilities are due to Valmet's performance under the contracts. Amounts due from customers under revenue contracts primarily relate to Valmet's right to consideration for work completed but not yet invoiced at the reporting date. These assets are transferred to trade receivables when right to consideration becomes unconditional, which is typically at the time when Valmet has contractual right to issue an invoice. Significant part of amounts due to customers relate to advance consideration received from customers in long-term capital contracts for which revenue is recognized over time. These amounts are recognized as revenue as (or when) Valmet performs under the contracts.

Following tables provide specification of movements in amounts due from customers under revenue contracts and amounts due to customers under revenue contracts over the reporting period. Revenue recognized in the period also includes revenue recognized related to performance obligations satisfied in previous periods, the amount of which however is insignificant.

Amounts due from customers under revenue contracts:

EUR million	**Q1–Q3/ 2024**	Q1–Q3/ 2023	2023
Carrying value at beginning of the period	**475**	485	485
Translation differences	**-3**	-4	-1
Acquired in business combinations	**2**	—	—
Revenue recognized in the period	**524**	868	1,148
Transfers to trade receivables	**-589**	-872	-1,157
Carrying value at end of the period	**409**	478	475

Amounts due to customers under revenue contracts:

EUR million	**Q1–Q3/ 2024**	Q1–Q3/ 2023	2023
Carrying value at beginning of the period	**1,151**	1,205	1,205
Translation differences	**-4**	-14	-18
Acquired in business combinations	**8**	—	66
Revenue recognized in the period	**-2,013**	-1,698	-2,505
Consideration invoiced and/or received	**1,792**	1,684	2,403
Carrying value at end of the period	**935**	1,177	1,151

EUR million	**As at September 30, 2024**	As at September 30, 2023	As at December 31, 2023
Amounts due to customers under revenue contracts for which revenue is recognized			
Point in time	**394**	354	362
Over time	**540**	823	789
Carrying value at end of the period	**935**	1,177	1,151

Valmet typically issues contractual product warranties under which it guarantees the mechanical functioning of equipment delivered during the agreed warranty period. Valmet does not issue service-type warranties.

As at September 30, 2024, Valmet had no costs to obtain or fulfill contracts capitalized under IFRS 15.

The aggregate amount of transaction price allocated to unsatisfied or partially satisfied performance obligations as at September 30, 2024, was EUR 3,536 million (EUR 4,133 million).

Net working capital

Payment schedules of large long-term projects have a significant impact on net working capital development. Net working capital does not include non-operative items such as taxes, interest-bearing assets and liabilities, or other items related to funding of the Group's operations.

EUR million	As at September 30, 2024	As at September 30, 2023	As at December 31, 2023	Q1–Q3/ 2024 impact
Assets included in net working capital				
Non-current trade receivables	**17**	—	8	**-9**
Other non-current assets	**20**	14	15	**-5**
Inventories	**1,042**	1,022	1,049	**6**
Trade receivables	**756**	782	973	**217**
Amounts due from customers under revenue	**409**	478	475	**66**
Derivative financial instruments (assets)	**28**	49	40	**12**
Other receivables	**225**	251	257	**32**
Liabilities included in net working capital				
Employee benefits	**-163**	-120	-154	**8**
Provisions	**-181**	-200	-211	**-30**
Other non-current non-interest-bearing liabilities	**-1**	-1	-1	**—**
Trade payables	**-492**	-472	-520	**-28**
Amounts due to customers under revenue	**-935**	-1,177	-1,151	**-217**
Derivative financial instruments (liabilities)	**-28**	-70	-46	**-18**
Other current liabilities	**-667**	-621	-544	**123**
Total net working capital	**32**	-65	191	**159**
Effect of changes in foreign exchange rates				**-12**
Remeasurement of defined benefit plans				**-9**
Change in allowance for doubtful receivables and inventory obsolescence provision				**-15**
Dividend liability (non-cash net working capital change in Q1–Q3)				**-123**
Acquired in business combinations				**29**
Change in net working capital in the Consolidated statement of cash flows				**28**

Intangible assets and property, plant and equipment

Intangible assets

EUR million	Q1–Q3/2024	Q1–Q3/2023	2023
Carrying value at beginning of the period	**2,877**	2,641	2,641
Translation differences	**3**	—	-3
Capital expenditure	**17**	18	27
Acquired in business combinations	**116**	7	311
Amortization	**-85**	-74	-98
Impairment losses	**-3**	—	—
Other changes and disposals	**1**	—	—
Carrying value at end of the period	**2,926**	2,592	2,877

Property, plant and equipment (excl. right-of-use assets)

EUR million	Q1–Q3/2024	Q1–Q3/2023	2023
Carrying value at beginning of the period	**553**	495	495
Translation differences	**-5**	-6	-8
Capital expenditure	**60**	71	98
Acquired in business combinations	**5**	—	29
Depreciation	**-47**	-43	-58
Impairment losses	**-9**	—	—
Other changes	**-1**	-1	-3
Carrying value at end of the period	**556**	516	553

Leases

Right-of-use assets

EUR million	Q1–Q3/2024	Q1–Q3/2023	2023
Carrying value at beginning of the period	**145**	105	105
Translation differences	**-1**	-1	-2
Additions	**42**	39	48
Acquired in business combinations	**11**	2	37
Depreciation	**-35**	-29	-40
Other changes	**-6**	-2	-3
Carrying value at end of the period	**157**	114	145

Financial instruments

Derivative financial instruments

As at September 30, 2024	**Notional amount**	**Fair value, assets**	**Fair value, liabilities**	**Fair value, net**
Forward exchange contracts[1]	**2,896**	**23**	**-20**	**2**
Interest rate swaps[1]	**675**	**5**	**-7**	**-2**
Electricity forward contracts[2]	**129**	**—**	**-1**	**—**
Nickel forward contracts[3]	**534**	**—**	**—**	**—**
Steel scrap forward contracts[3]	**1,470**	**—**	**—**	**—**

As at September 30, 2023	Notional amount	Fair value, assets	Fair value, liabilities	Fair value, net
Forward exchange contracts[1]	3,189	39	-67	-27
Interest rate swaps[1]	440	10	—	10
Electricity forward contracts[2]	150	—	-2	-2
Nickel forward contracts[3]	516	—	-1	-1
Steel scrap forward contracts[3]	858	—	—	—

[1] *Notional amount and fair values in EUR million.*
[2] *Notional amount in GWh and fair values in EUR million.*
[3] *Notional amount in metric tons and fair values in EUR million.*

The notional amounts give an indication of the volume of derivative contracts entered into, but do not provide an indication of the exposure to risk.

Classification of financial assets and liabilities:

EUR million	As at September 30, 2024	As at September 30, 2023
Non-current financial assets		
Equity investments at fair value through other comprehensive income	**9**	8
Equity investments at fair value through profit or loss	**2**	2
Loan receivables at fair value through profit or loss	**—**	—
Trade receivables at amortized cost	**17**	—
Derivative financial instruments at fair value through profit or loss	**—**	—
Derivative financial instruments qualified for hedge accounting	**9**	11
Carrying value at end of the period	**38**	22
Current financial assets		
Interest-bearing financial assets at fair value through other comprehensive income	**13**	24
Loan receivables at amortized cost	**—**	1
Non-interest-bearing financial assets at amortized cost	**8**	5
Trade receivables at amortized cost	**756**	782
Derivative financial instruments at fair value through profit or loss	**5**	6
Derivative financial instruments qualified for hedge accounting	**14**	32
Cash and cash equivalents at amortized cost	**679**	499
Carrying value at end of the period	**1,475**	1,349

EUR million	As at September 30, 2024	As at September 30, 2023
Non-current financial liabilities		
Loans from financial institutions at amortized cost	**1,184**	515
Bonds at amortized cost[1]	**202**	—
Lease liabilities at amortized cost	**110**	72
Derivative financial instruments at fair value through profit or loss	**—**	—
Derivative financial instruments qualified for hedge accounting	**11**	6
Carrying value at end of the period	**1,506**	592
Current financial liabilities		
Loans from financial institutions at amortized cost	**181**	190
Lease liabilities at amortized cost	**48**	37
Interest-bearing liabilities at amortized cost	**26**	241
Trade payables at amortized cost	**492**	472
Derivative financial instruments at fair value through profit or loss	**6**	16
Derivative financial instruments qualified for hedge accounting	**11**	48
Carrying value at end of the period	**764**	1,005

[1] *The bonds have been measured at amortized cost, adjusted by the fair value to the extent that fair value hedge accounting is applied.*

For those financial assets and liabilities, which have been recognized at fair value in the Consolidated statement of financial position, the measurement hierarchy and valuation methods described below have been applied.

Level 1

Quoted unadjusted prices at reporting date in active markets. Valmet level 1 financial instruments include equity investments classified as financial assets at fair value through other comprehensive income.

Level 2

The fair value of financial instruments in Level 2 is determined using valuation techniques. These techniques utilize observable market data readily and regularly available. Valmet level 2 financial instruments include over-the-counter (OTC) derivatives classified as financial assets and liabilities at fair value through profit or loss or derivatives qualified for hedge accounting and all other financial assets and liabilities except for equity investments.

Level 3

A financial instrument is categorized into Level 3 if the calculation of the fair value cannot be based on observable market data. Valmet level 3 financial instruments include equity investments classified as financial assets at fair value through profit or loss.

Provisions

EUR million	Q1–Q3/2024	Q1–Q3/2023	2023
Carrying value at beginning of the period	**211**	219	219
Translation differences	**-3**	-1	-1
Additions charged to profit or loss	**83**	78	118
Acquired in business combinations	**2**	—	7
Provisions used	**-74**	-55	-75
Unused provisions reversed	**-37**	-40	-57
Carrying value at end of the period	**181**	200	211
Non-current	**29**	32	42
Current	**152**	168	169

Contingencies and commitments

EUR million	As at September 30, 2024	As at September 30, 2023	As at December 31, 2023
Guarantees on behalf of Valmet Group	**1,064**	1,236	1,127

The most significant commitments and contingencies of Valmet relate to guarantees provided by Valmet Oyj, its subsidiaries and financial institutions to customers and suppliers in the ordinary course of business, as disclosed in the above table.

Several lawsuits, claims and disputes based on various grounds are pending against Valmet in various countries, including product liability lawsuits and claims as well as legal disputes related to Valmet’s deliveries. Valmet is also a plaintiff in several lawsuits. Although some of the claims are substantial, Valmet’s management does not expect to the best of its present understanding that the outcome of these lawsuits, claims and disputes will have a material adverse effect on Valmet in view of the grounds currently presented for them, provisions made, insurance coverage in force and the extent of Valmet’s total business activities.

Rautpohja fire insurance compensation

A fire broke out at Valmet's Rautpohja factory site in Jyväskylä, Finland, on May 7, 2022. The fire, which started at a workshop during a roll test, caused damages to parts of roll and headbox manufacturing and preassembly. Operations resumed with some special arrangements, like transferring some of the production to temporary locations. Valmet maintains property damage and business interruption insurance and expected to recover fire-related losses through insurance.

The final settlement with the insurance provider was reached in April–June 2024 and the final payment was received in June 2024. Valmet has recorded an insurance compensation of EUR 19 million in January–June 2024 related to the compensation of the costs incurred. The outstanding receivable towards the insurance company since 30 June 2024 has been nil (EUR 32 million as at 31 December 2023). In total, Valmet has received EUR 74 million as cash payments in 2022, 2023 and 2024.

Events after the reporting period

October 29, 2024: Valmet confirms signing contracts for previously announced project with Arauco

On October 29, 2024 Valmet announced that it has signed the supply contracts with Arauco who selected Valmet as the supplier for a complete pulp mill including full-scope automation and flow control solutions. The new mill will be built in Inocência, in the state of Mato Grosso do Sul, Brazil. The order will be booked in Valmet's Q4 2024 orders received. The value of the order for Valmet is over EUR 1 billion.

October 21, 2024: Change negotiations

On October 21, Valmet announced that change negotiations in Paper business line's Board and Paper Mills business unit were completed in Finland. The aim of the restructuring was to develop the ways of working and to adjust personnel to the market situation. As a result of the change negotiations, the employment of 112 people has ended. In addition, there has been fixed-term position terminations, retirements, and internal transfers to other positions within Valmet. The related restructuring provision will be booked in October-December 2024 with no material impact to Group's financial results. The cost savings will incur starting from 2025 onwards.

October 15, 2024: Valmet notified of arbitration claim by Metsä Fibre Oy

On October 15, 2024 Valmet announced that Metsä Fibre Oy has filed a request for arbitration against Valmet Technologies Oy, which is a subsidiary of Valmet. The arbitration concerns Metsä Fibre's bioproduct mill in Kemi, Finland, which came into operation as planned on September 20, 2023.

Valmet Technologies Oy disputes the claims brought by Metsä Fibre and will also actively pursue claims of its own against Metsä Fibre. Metsä Fibre's preliminary monetary claims put forward amount to approximately EUR 47 million. In addition, Metsä Fibre has informed that it will claim that Valmet Technologies Oy would be declared liable for certain potential costs which Metsä Fibre might incur later based on contractual relationships between Metsä Fibre and other parties. Metsä Fibre estimates that the current value of such potential claims is approximately EUR 65 million, but estimates that this amount is likely to decrease.

Valmet's management does not expect to the best of its current understanding any material adverse impacts on its operations or financial position due to this arbitration. This assessment takes into account the grounds currently presented, provisions made, insurance coverage in force, and the extent of Valmet’s total business activities.

There have been no other subsequent events after the review period that required recognition or disclosure.

Key indicators

	Q1–Q3/2024	Q1–Q3/2023
Comparable return on capital employed (Comparable ROCE) before taxes (LTM), %	**13%**	16%
Return on capital employed (ROCE) before taxes (LTM), %	**12%**	15%
Return on equity (ROE) (LTM), %	**11%**	15%
Net debt to EBITDA[1] ratio	**1.59**	0.74
Gearing, end of period, %	**43%**	21%
Equity to assets ratio, end of period, %	**40%**	46%
Capital employed, end of period, EUR million	**4,228**	3,545
Interest-bearing liabilities, end of period, EUR million	**1,750**	1,055
Net interest-bearing liabilities, end of period, EUR million	**1,057**	531
Earnings per share, EUR	**0.99**	1.38
Diluted earnings per share, EUR	**0.99**	1.38
Adjusted earnings per share, EUR	**1.33**	1.63
Equity per share, end of period, EUR	**13.42**	13.49
Number of outstanding shares, end of period	**184,168,205**	184,161,105
Average number of outstanding shares	**184,156,522**	184,148,701
Average number of diluted shares	**184,156,522**	184,148,701

[1] *Last twelve months EBITDA*

Formulas for calculation of indicators

In addition to financial performance indicators as defined by IFRS, Valmet publishes certain other widely used measures of performance that can be derived from figures in the Consolidated statement of income and Consolidated statement of financial position, as well as notes thereto. The formulas for calculation of these alternative performance measures are presented below. Some of the alternative performance measures are calculated on a last twelve months basis (LTM).

Comparable gross profit (GP):
Gross profit +/- items affecting comparability in cost of sales

Comparable selling, general and administrative (SG&A) expenses:
Selling, general and administrative expenses +/- items affecting comparability in selling, general and administrative expenses

EBITA:
Operating profit + amortization

Comparable EBITA[1]:
Operating profit + amortization +/- items affecting comparability

Earnings per share:

$$\frac{\text{Profit attributable to shareholders of the Company}}{\text{Average number of shares outstanding during period}}$$

Diluted earnings per share:

$$\frac{\text{Profit attributable to shareholders of the Company}}{\text{Average number of diluted shares during period}}$$

Adjusted earnings per share[1]:

$$\frac{\text{Profit attributable to shareholders of the Company - expensing of fair value adjustments recognized in business combinations, net of tax}}{\text{Average number of shares outstanding during period}}$$

Equity per share:

$$\frac{\text{Equity attributable to owners of the parent}}{\text{Number of outstanding shares at end of period}}$$

Return on equity (ROE), % (LTM):

$$\frac{\text{Profit for the period}}{\text{Total equity (average for period)}} \times 100$$

Return on capital employed (ROCE) before taxes, % (LTM):

$$\frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Total equity + interest-bearing liabilities (average for period)}} \times 100$$

Comparable return on capital employed (ROCE) before taxes, % (LTM):

$$\frac{\text{Profit before taxes + interest and other financial expenses +/- items affecting comparability}}{\text{Total equity + interest-bearing liabilities (average for period)}} \times 100$$

Equity to assets ratio, %:

$$\frac{\text{Total equity}}{\text{Balance sheet total - amounts due to customers under revenue contracts}} \times 100$$

Gearing, %:

$$\frac{\text{Net interest-bearing liabilities}}{\text{Total equity}} \times 100$$

Net interest-bearing liabilities:
Non-current debt + non-current lease liabilities + current debt + current lease liabilities - cash and cash equivalents - other interest-bearing assets

Net debt to EBITDA ratio:

$$\frac{\text{Net interest-bearing liabilities}}{\text{Operating profit + amortization + depreciation (LTM)}}$$

[1] *Alternative performance measure also calculated on a last twelve months basis.*

Quarterly segment information

Orders received, EUR million	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023
Services	**412**	497	527	404	349
Automation	**322**	352	328	319	289
Process Technologies	**307**	434	195	432	343
Total	**1,041**	1,283	1,050	1,155	980

Net sales, EUR million	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023
Services	**453**	473	406	508	429
Automation	**354**	351	309	375	312
Process Technologies	**488**	500	497	615	554
Total	**1,295**	1,324	1,212	1,499	1,295

Comparable EBITA, EUR million	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023
Services	**79**	80	60	91	79
Automation	**65**	58	51	79	58
Process Technologies	**22**	15	21	25	25
Other	**-10**	-12	-11	-13	-12
Total	**156**	141	121	183	150

Comparable EBITA, % of net sales	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023
Services	**17.4%**	16.9%	14.6%	17.9%	18.4%
Automation	**18.3%**	16.5%	16.5%	21.1%	18.7%
Process Technologies	**4.4%**	3.0%	4.2%	4.1%	4.5%
Total	**12.0%**	10.6%	10.0%	12.2%	11.6%

EBITA, EUR million	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023
Services	**75**	78	56	80	79
Automation	**64**	58	50	80	58
Process Technologies	**8**	9	21	29	25
Other	**-10**	-13	-14	-18	-15
Total	**138**	132	114	172	147

EBITA, % of net sales	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023
Services	**16.6%**	16.4%	13.8%	15.8%	18.4%
Automation	**18.2%**	16.4%	16.2%	21.4%	18.6%
Process Technologies	**1.7%**	1.9%	4.3%	4.8%	4.5%
Total	**10.7%**	9.9%	9.4%	11.5%	11.3%

Items affecting comparability, EUR million	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023
Services	**-4**	-2	-3	-11	—
Automation	**—**	—	-1	1	—
Process Technologies	**-13**	-6	—	4	—
Other	**—**	-1	-3	-5	-3
Total	**-17**	-9	-7	-10	-4

Amortization, EUR million	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023
Services	**-6**	-6	-6	-5	-2
Automation	**-14**	-14	-12	-12	-12
Process Technologies	**-4**	-4	-4	-3	-2
Other	**-4**	-4	-4	-4	-4
Total	**-29**	-29	-27	-25	-20

Quarterly information

EUR million, or as indicated	Q3/2024	Q2/2024	Q1/2024	Q4/2023	Q3/2023
Orders received	**1,041**	1,283	1,050	1,155	980
Order backlog[1]	**3,536**	3,828	3,790	3,973	4,133
Net sales	**1,295**	1,324	1,212	1,499	1,295
Comparable gross profit	**373**	368	343	396	336
% of net sales	**28.8%**	27.8%	28.3%	26.4%	25.9%
Comparable SG&A expenses	**-241**	-254	-243	-242	-203
% of net sales	**-18.6%**	-19.2%	-20.0%	-16.1%	-15.7%
Comparable EBITA	**156**	141	121	183	150
% of net sales	**12.0%**	10.6%	10.0%	12.2%	11.6%
Operating profit (EBIT)	**109**	103	87	148	127
% of net sales	**8.4%**	7.8%	7.2%	9.9%	9.8%
Profit before taxes	**92**	84	73	133	120
% of net sales	**7.1%**	6.4%	6.0%	8.8%	9.3%
Profit for the period	**68**	58	56	103	86
% of net sales	**5.2%**	4.4%	4.6%	6.9%	6.6%
Earnings per share, EUR	**0.37**	0.31	0.30	0.56	0.47
Adjusted earnings per share, EUR	**0.49**	0.43	0.41	0.65	0.52
Expensing of fair value adjustments recognized in business combinations, net of tax	**-22**	-22	-20	-17	-11
Amortization	**-29**	-29	-27	-25	-20
Depreciation, property, plant and equipment (excl. right-of-use assets)	**-16**	-16	-15	-15	-14
Depreciation, right-of-use assets	**-12**	-11	-12	-12	-10
Depreciation, total	**-28**	-26	-27	-27	-24
Items affecting comparability:					
in cost of goods sold	**-9**	-6	-7	-22	-3
in selling, general and administrative expenses	**-2**	-4	-3	-7	-5
in other operating income and expenses, net	**-7**	—	3	17	5
in share in profits and losses of associated companies, operative investments	**1**	1	-1	1	—
Total items affecting comparability	**-17**	-9	-7	-10	-4
Cash flow provided by operating activities	**110**	128	138	123	57
Cash flow after investing activities	**69**	-14	109	-316	31
Gross capital expenditure (excl. business combinations and right-of-use assets)	**-20**	-28	-29	-36	-27
Business combinations, net of cash acquired and loans repaid	**-21**	-115	—	-405	—
Research and development expenses, net	**-28**	-31	-33	-32	-24
% of net sales	**-2.2%**	-2.4%	-2.7%	-2.2%	-1.9%

[1] *At end of period.*

Valmet’s financial reporting in 2025

February 13, 2025 - Financial Statements Review for 2024
April 24, 2025 - Interim Review for January–March 2025
July 23, 2025 - Half Year Financial Review for January–June 2025
October 29, 2025 - Interim Review for January–September 2025

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