Financial Statements Review

January 1 – December 31, 2023

Valmet's Financial Statements Review January 1 – December 31, 2023

Orders received amounted close to EUR 5.0 billion and Comparable EBITA increased to EUR 619 million in 2023

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

October–December 2023: Net sales remained at the previous year's level, Comparable EBITA decreased

- Orders received decreased 17 percent to EUR 1,155 million (EUR 1,385 million).
  - Orders received remained at the previous year's level in the Automation and Services segments and decreased in the Process Technologies segment.
  - Orders received increased in South America, remained at the previous year's level in EMEA (Europe, Middle East and Africa), and decreased in China, North America and Asia-Pacific.
- Net sales remained at the previous year's level and amounted to EUR 1,499 million (EUR 1,540 million).
  - Net sales remained at the previous year's level in the Automation and Services segments and decreased in the Process Technologies segment.
- Comparable earnings before interest, taxes and amortization (Comparable EBITA) decreased 7 percent to EUR 183 million (EUR 196 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 12.2 percent (12.7%).
- Earnings per share (EPS) were EUR 0.56 (EUR 0.66). Adjusted EPS was EUR 0.65 (EUR 0.80).
- Items affecting comparability amounted to EUR -10 million (EUR -6 million).
- Cash flow provided by operating activities totaled EUR 123 million (EUR -13 million).

January–December 2023: Net sales, Comparable EBITA and Comparable EBITA margin increased

- Orders received remained at the previous year's level and amounted to EUR 4,955 million (EUR 5,194 million).
  - Orders received increased in the Automation segment, remained at the previous year's level in the Services segment, and decreased in the Process Technologies segment.
  - Orders received increased in South America, remained at the previous year's level in North America and decreased in EMEA, China and Asia-Pacific.
- Net sales increased 9 percent to EUR 5,532 million (EUR 5,074 million).
  - Net sales increased in the Automation and Services segments and remained at the previous year's level in the Process Technologies segment.
- Comparable earnings before interest, taxes and amortization (Comparable EBITA) increased 16 percent to EUR 619 million (EUR 533 million).
  - Comparable EBITA increased in the Services and Automation segments and decreased in the Process Technologies segment.
- Comparable EBITA margin was 11.2 percent (10.5%).
- EPS was EUR 1.94 (EUR 1.92). Adjusted EPS was EUR 2.28 (EUR 2.37).
- Items affecting comparability amounted to EUR -14 million (EUR 17 million).
- Cash flow provided by operating activities totaled EUR 352 million (EUR 36 million).

Dividend proposal

The Board of Directors proposes to the Annual General Meeting, which is planned to be held on March 21, 2024, a dividend of EUR 1.35 per share for 2023. The proposed dividend equals 70 percent of the net result and it would be paid in two installments.

Guidance for 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 remain at the previous year's level or increase in comparison with 2023 (EUR 619 million).

Short-term market outlook

Valmet reiterates the good/satisfactory short-term market outlook for services (capacity utilization good, customer activity satisfactory), the good short-term market outlook for flow control, automation systems and energy, and the satisfactory short-term market outlook for pulp, board and paper, 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 Pasi Laine: Net sales and Comparable EBITA increased in 2023

"Valmet's orders received amounted close to EUR 5.0 billion in 2023. Orders received increased in the Automation segment, remained at the previous year's level in the Services segment, and decreased in the Process Technologies segment. Orders received in Valmet's stable business totaled EUR 3.1 billion during 2023. During this period, stable business represented 63% of Valmet's orders received. This is a clear change in the company compared to 2014, when stable business represented 34% of orders received. Valmet's order backlog amounted close to EUR 4.0 billion at the end of 2023.

In 2023, Valmet's net sales increased to EUR 5.5 billion. Comparable EBITA increased to EUR 619 million, meaning that we have been able to increase Valmet's Comparable EBITA ten years in a row as an independent company. Valmet's Comparable EBITA margin increased to 11.2 percent in 2023. Over the past ten years, we have continuously raised the bar for our performance and focused on growing the company organically with improved profitability. At the same time, we have also moved systematically forward with mergers and acquisitions that have complemented our unique offering and significantly increased the amount of recurring, profitable and stable business in Valmet's business portfolio. In 2023, Comparable EBITA increased in the Services and Automation segments and decreased in the Process Technologies segment.

The execution of Valmet's acquisition strategy took important steps forward in 2023. The acquisition of Tissue Converting business from Körber was completed during the fourth quarter, strengthening our Process Technologies and Services segments. During the third quarter we entered into an agreement to acquire the Process Gas Chromatography business of Siemens AG to strengthen our Automation segment. These acquisitions strengthen all of Valmet's three segments, complement Valmet's offering and enable us to serve our customers even better in the future. We are happy and proud to warmly welcome all the new colleagues to Valmet. Furthermore, the integration of Flow Control has now been completed and the targeted annual run rate synergies of EUR 25 million have been achieved, one year ahead of the originally communicated schedule.

In 2023, Valmet continued its systematic sustainability work based on its Sustainability360° Agenda. We placed significant emphasis on our Climate Program, which progressed well over the year. Valmet achieved one of the program's four targets well ahead of schedule and can now enable carbon neutral production for its pulp, paper and energy industry customers. In 2023, Valmet was included in the DJSI World and Europe indices for the tenth consecutive year. Furthermore, we received the best ranking in the MSCI ESG Ratings, and a gold medal in the EcoVadis sustainability assessment."

Update on the integration of Flow Control into Valmet

The merger of Neles into Valmet was completed on April 1, 2022. The integration of Flow Control (former Neles) is completed and the targeted annual run rate synergies of EUR 25 million have been achieved.

Key figures[1]

EUR million	Q4/2023	Q4/2022	Change	2023	2022	Change
Orders received	**1,155**	1,385	-17%	**4,955**	5,194	-5%
Order backlog[2]	**3,973**	4,403	-10%	**3,973**	4,403	-10%
Net sales	**1,499**	1,540	-3%	**5,532**	5,074	9%
Comparable EBITA	**183**	196	-7%	**619**	533	16%
% of net sales	**12.2%**	12.7%		**11.2%**	10.5%	
EBITA	**172**	190	-9%	**605**	550	10%
% of net sales	**11.5%**	12.3%		**10.9%**	10.8%	
Operating profit (EBIT)	**148**	156	-5%	**507**	436	16%
% of net sales	**9.9%**	10.1%		**9.2%**	8.6%	
Profit before taxes	**133**	152	-13%	**473**	431	10%
Profit for the period	**103**	121	-15%	**359**	338	6%
Earnings per share, EUR	**0.56**	0.66	-15%	**1.94**	1.92	1%
Adjusted earnings per share, EUR	**0.65**	0.80	-19%	**2.28**	2.37	-4%
Equity per share, EUR[2]	**13.93**	13.54	3%	**13.93**	13.54	3%
Cash flow provided by operating activities	**123**	-13		**352**	36	>100%
Cash flow after investing activities	**-316**	-45	>100%	**-181**	56	
Comparable return on capital employed (Comparable ROCE) before taxes				**15%**	17%	
Return on capital employed (ROCE) before taxes				**14%**	18%	
Return on equity (ROE)				**14%**	18%	
Net debt to EBITDA ratio[3]				**1.46**	0.78	
Gearing[2]				**40%**	20%	
Equity to assets ratio[2]				**43%**	49%	

[1] *The calculation of key figures is presented on page 60.*
[2] *At end of period.*
[3] *Net debt to EBITDA ratio is a new alternative performance measure. It enables users of the financial information to prepare more meaningful analysis on Valmet's performance and is presented with comparatives from Q1/2023 onwards.*

Segment key figures

Orders received, EUR million	Q4/2023	Q4/2022	Change	2023	2022	Change
Services	**404**	418	-3%	**1,760**	1,756	0%
Automation	**319**	324	-1%	**1,340**	1,081	24%
Flow Control	*176*	*189*	*-7%*	*789*	*576*	*37%*
Automation Systems	*143*	*135*	*6%*	*551*	*505*	*9%*
Process Technologies	**432**	644	-33%	**1,856**	2,356	-21%
Pulp and Energy	*227*	*280*	*-19%*	*854*	*1,072*	*-20%*
Paper	*204*	*364*	*-44%*	*1,002*	*1,285*	*-22%*
Total	**1,155**	1,385	-17%	**4,955**	5,194	-5%

Net sales, EUR million	Q4/2023	Q4/2022	Change	2023	2022	Change
Services	**508**	505	1%	**1,784**	1,606	11%
Automation	**375**	363	3%	**1,328**	1,040	28%
Flow Control	*196*	*191*	*2%*	*777*	*551*	*41%*
Automation Systems	*180*	*172*	*4%*	*551*	*489*	*13%*
Process Technologies	**615**	672	-8%	**2,420**	2,428	0%
Pulp and Energy	*268*	*284*	*-5%*	*1,067*	*1,081*	*-1%*
Paper	*347*	*388*	*-11%*	*1,353*	*1,347*	*0%*
Total	**1,499**	1,540	-3%	**5,532**	5,074	9%

Comparable EBITA, EUR million	Q4/2023	Q4/2022	Change	2023	2022	Change
Services	**91**	95	-4%	**312**	237	32%
Automation	**79**	78	2%	**248**	190	30%
Process Technologies	**25**	38	-33%	**110**	145	-24%
Other	**-13**	-14	-10%	**-50**	-39	29%
Total	**183**	196	-7%	**619**	533	16%

Comparable EBITA, % of net sales	Q4/2023	Q4/2022		2023	2022	
Services	**17.9%**	18.7%		**17.5%**	14.8%	
Automation	**21.1%**	21.4%		**18.6%**	18.3%	
Process Technologies	**4.1%**	5.6%		**4.5%**	6.0%	
Total	**12.2%**	12.7%		**11.2%**	10.5%	

EBITA, EUR million	Q4/2023	Q4/2022	Change	2023	2022	Change
Services	**80**	94	-15%	**302**	228	32%
Automation	**80**	71	13%	**245**	170	45%
Process Technologies	**29**	36	-19%	**116**	134	-14%
Other	**-18**	-11	58%	**-58**	18	
Total	**172**	190	-9%	**605**	550	10%

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/q4-2023 on Wednesday, February 7, 2024, at 2:00 p.m. Finnish time (EET). President and CEO Pasi Laine 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=50048299

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 amounted close to EUR 5.0 billion in 2023

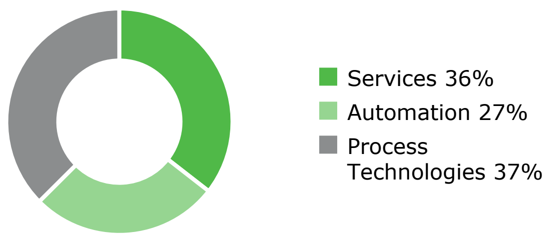
Orders received, EUR million	**Q4/2023**	Q4/2022	Change	**2023**	2022	Change
Services	**404**	418	-3%	**1,760**	1,756	0%
Automation	**319**	324	-1%	**1,340**	1,081	24%
Flow Control	*176*	*189*	*-7%*	*789*	*576*	*37%*
Automation Systems	*143*	*135*	*6%*	*551*	*505*	*9%*
Process Technologies	**432**	644	-33%	**1,856**	2,356	-21%
Pulp and Energy	*227*	*280*	*-19%*	*854*	*1,072*	*-20%*
Paper	*204*	*364*	*-44%*	*1,002*	*1,285*	*-22%*
Total	**1,155**	1,385	-17%	**4,955**	5,194	-5%

Orders received, comparable foreign exchange rates, EUR million[1]	**Q4/2023**	Q4/2022	Change	**2023**	2022	Change
Services	**418**	418	0%	**1,812**	1,756	3%
Automation	**331**	324	2%	**1,372**	1,081	27%
Flow Control	*184*	*189*	*-3%*	*808*	*576*	*40%*
Automation Systems	*147*	*135*	*9%*	*563*	*505*	*11%*
Process Technologies	**450**	644	-30%	**1,909**	2,356	-19%
Pulp and Energy	*240*	*280*	*-14%*	*877*	*1,072*	*-18%*
Paper	*210*	*364*	*-42%*	*1,032*	*1,285*	*-20%*
Total	**1,200**	1,385	-13%	**5,092**	5,194	-2%

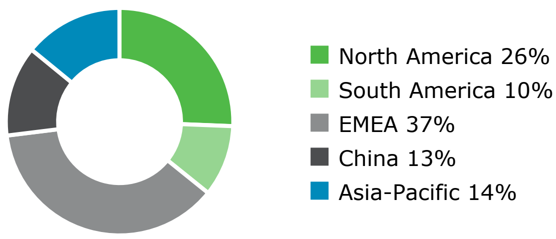
[1] *Indicative only. January–December 2023 orders received in euro calculated by applying January–December 2022 average exchange rates to the functional currency orders received values reported by entities.*

Orders received, EUR million	**Q4/2023**	Q4/2022	Change	**2023**	2022	Change
North America	**258**	400	-36%	**1,271**	1,260	1%
South America	**156**	91	71%	**503**	353	42%
EMEA	**526**	544	-3%	**1,846**	2,098	-12%
China	**108**	184	-42%	**638**	711	-10%
Asia-Pacific	**108**	165	-35%	**698**	771	-10%
Total	**1,155**	1,385	-17%	**4,955**	5,194	-5%

Orders received by segment, 2023



Orders received by area, 2023



October–December 2023: Orders received decreased 17 percent

Orders received decreased 17 percent to EUR 1,155 million (EUR 1,385 million) in October–December. Orders received remained at the previous year's level in the Automation and Services segments and decreased in the Process Technologies segment. Stable business (Services and Automation segments) accounted for 63 percent (54%) of Valmet's orders received. 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.

Orders received increased in South America, remained at the previous year's level in EMEA, and decreased in China, North America and Asia-Pacific. Measured by orders received, the top three countries were the USA, Sweden and Brazil, which together accounted for 45 percent of total orders received.

Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2022 decreased orders received by approximately EUR 45 million in October–December.

During October–December, Valmet received among others an order for a biomass power plant to Sweden, an order for a tissue paper making line and a biomass boiler to Brazil, an order for key technology, automation and services to a board machine in China, typically worth of EUR 20 million to EUR 30 million, and an order for a steam turbine automation system to Sweden.

January–December 2023: Orders received increased in Automation, remained at the previous year's level in Services and decreased in Process Technologies

Orders received remained at the previous year's level and amounted to EUR 4,955 million (EUR 5,194 million) in 2023. Orders received increased in the Automation segment, remained at the previous year's level in the Services segment, and decreased in the Process Technologies segment. Flow Control was not yet part of Valmet in January–March, 2022. 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. Stable business (Services and Automation segments) accounted for 63 percent (55%) of Valmet's orders received.

Orders received increased in South America, remained at the previous year's level in North America and decreased in EMEA, China and Asia-Pacific. Measured by orders received, the top three countries were the USA, China and Indonesia, which together accounted for 41 percent of total orders received.

Changes in foreign exchange rates compared to the exchange rates in 2022 decreased orders received by approximately EUR 137 million in year 2023.

In addition to the above-mentioned, in year 2023, Valmet received among others an order for a coated board machine to the United States, typically valued between EUR 140 and 180 million, a major order of multiple technologies to China, an order for a fine paper making line with automation, spare parts and consumables packages to China, a pulp technology order to Portugal, an order for key pulp and paper technologies to India, typically valued between EUR 40 and 60 million, an order for a tissue production line including an extensive automation package, flow control valves and Industrial Internet solutions to the USA, an order to convert a coal-fired district heat boiler to bubbling fluidized bed (BFB) combustion in Finland, a tissue line order with an extensive package of stock preparation, automation and service solutions to Sweden, an order for key pulp mill technology to a new pulp mill in China, orders for an automation system and valve solutions to a lithium refinery in Finland, and an order for a three-year service agreement with a biomass power plant in Spain.

Order backlog amounted close to EUR 4.0 billion

Order backlog, EUR million	**As at December 31, 2023**	As at December 31, 2022	Change	As at September 30, 2023
Total	**3,973**	4,403	-10%	4,133

Order backlog amounted to EUR 3,973 million at the end of the reporting period, which is at the same level as at the end of September 2023 and 10 percent lower than at the end of December 2022. Approximately 25 percent of the order backlog relates to the Services segment, 15 percent to the Automation segment, and 60 percent to the Process Technologies segment (at the end of December 2022, 20%, 15% and 65% respectively). Approximately 85 percent of the order backlog is currently expected to be realized as net sales during 2024 (at the end of December 2022, approximately 75% was expected to be realized as net sales during 2023).

Net sales increased 9 percent in 2023

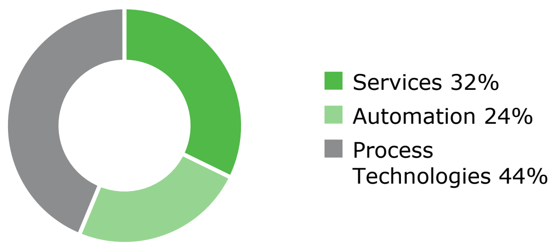
Net sales, EUR million	**Q4/2023**	Q4/2022	Change	**2023**	2022	Change
Services	**508**	505	1%	**1,784**	1,606	11%
Automation	**375**	363	3%	**1,328**	1,040	28%
Flow Control	*196*	*191*	*2%*	*777*	*551*	*41%*
Automation Systems	*180*	*172*	*4%*	*551*	*489*	*13%*
Process Technologies	**615**	672	-8%	**2,420**	2,428	0%
Pulp and Energy	*268*	*284*	*-5%*	*1,067*	*1,081*	*-1%*
Paper	*347*	*388*	*-11%*	*1,353*	*1,347*	*0%*
Total	**1,499**	1,540	-3%	**5,532**	5,074	9%

Net sales, comparable foreign exchange rates, EUR million[1]	Q4/2023	Q4/2022	Change	2023	2022	Change
Services	**524**	505	4%	**1,833**	1,606	14%
Automation	**386**	363	6%	**1,357**	1,040	31%
Flow Control	*203*	*191*	*6%*	*796*	*551*	*45%*
Automation Systems	*183*	*172*	*6%*	*561*	*489*	*15%*
Process Technologies	**625**	672	-7%	**2,475**	2,428	2%
Pulp and Energy	*273*	*284*	*-4%*	*1,093*	*1,081*	*1%*
Paper	*353*	*388*	*-9%*	*1,382*	*1,347*	*3%*
Total	**1,536**	1,540	0%	**5,665**	5,074	12%

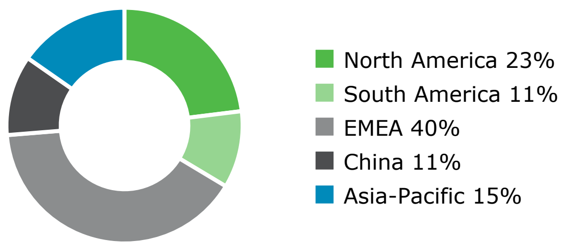
[1] *Indicative only. January–December 2023 net sales in euro calculated by applying January–December 2022 average exchange rates to the functional currency net sales values reported by entities.*

Net sales, EUR million	Q4/2023	Q4/2022	Change	2023	2022	Change
North America	**334**	344	-3%	**1,275**	1,058	20%
South America	**123**	199	-38%	**585**	718	-19%
EMEA	**635**	583	9%	**2,219**	1,876	18%
China	**145**	230	-37%	**609**	829	-27%
Asia-Pacific	**262**	184	42%	**845**	593	43%
Total	**1,499**	1,540	-3%	**5,532**	5,074	9%

Net sales by segment, 2023



Net sales by area, 2023



October–December 2023: Net sales remained at the previous year's level

Net sales remained at the previous year's level and amounted to EUR 1,499 million (EUR 1,540 million) in October–December. Net sales remained at the previous year's level 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 76 million. Stable business (Services and Automation segments) accounted for 59 percent (56%) of Valmet's net sales.

Net sales increased in Asia-Pacific and EMEA, remained at the previous year's level in North America, and decreased in South America and China. Measured by net sales, the top three countries were the USA, Indonesia and China, which together accounted for 39 percent of total net sales.

Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2022 decreased net sales by approximately EUR 37 million in October–December.

January–December 2023: Net sales increased in Automation and Services and remained at the previous year's level in Process Technologies

Net sales increased 9 percent to EUR 5,532 million (EUR 5,074 million) in year 2023. Approximately half of the increase came from Flow Control, which has been consolidated into Valmet as of April 1, 2022. Net sales increased in the Automation and Services segments and remained at the previous year's level 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 76 million. Stable business (Services and Automation segments) accounted for 56 percent (52%) of Valmet’s net sales.

Net sales increased in Asia-Pacific, North America and EMEA, and decreased in China and South America. Measured by net sales, the top three countries were the USA, China and Indonesia, which together accounted for 38 percent of total net sales.

Changes in foreign exchange rates compared to the exchange rates in 2022 decreased net sales by approximately EUR 133 million in year 2023.

Organic growth[1]

	Orders received		Net Sales	
	Q4	**Q1–Q4**	**Q4**	**Q1–Q4**
2022, EUR million	1,385	5,194	1,540	5,074
Organic growth	-18%	-7%	-5%	7%
Mergers and acquisitions	4%	5%	5%	5%
Changes in foreign exchange rates[2]	-3%	-3%	-2%	-3%
Total change	-17%	-5%	-3%	9%
2023, EUR million	**1,155**	**4,955**	**1,499**	**5,532**

[1] *Indicative only.*

[2] *Q4 and Q1–Q4 2023 orders received and net sales in euro calculated by applying Q4 and Q1–Q4 2022 average exchange rates to the functional currency orders received and net sales values reported by entities.*

Organically, Valmet's orders received decreased 18 percent and net sales decreased 5 percent in October–December. In January–December, Valmet's orders received decreased organically by 7 percent while net sales increased organically by 7 percent.

In 2023, Valmet completed two acquisitions, Novatech Automation's Process Solutions on January 3, 2023, and Körber Group’s Business Area Tissue (now Tissue Converting) on November 2, 2023. In October–December, acquisitions increased Valmet's orders received by 4 percent and net sales by 5 percent. Merger with Neles took place on April 1, 2022, so Flow Control was not yet part of Valmet in January–March 2022. In January–December, Flow Control and the acquisitions increased Valmet's orders received and net sales by 5 percent.

Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2022 decreased orders received by 3 percent and net sales by 2 percent in October–December. In January–December, the exchange rate changes decreased Valmet's orders received and net sales by 3 percent. Foreign exchange rate impacts were mainly due to the Swedish krona, Chinese yuan and US dollar, both in October–December and in 2023.

Comparable EBITA increased 16 percent to EUR 619 million and Comparable EBITA margin increased to 11.2 percent in 2023

Comparable EBITA, EUR million	Q4/2023	Q4/2022	Change	2023	2022	Change
Services	**91**	95	-4%	**312**	237	32%
Automation	**79**	78	2%	**248**	190	30%
Process Technologies	**25**	38	-33%	**110**	145	-24%
Other	**-13**	-14	-10%	**-50**	-39	29%
Total	**183**	196	-7%	**619**	533	16%

Comparable EBITA, % of net sales	Q4/2023	Q4/2022	2023	2022
Services	**17.9%**	18.7%	**17.5%**	14.8%
Automation	**21.1%**	21.4%	**18.6%**	18.3%
Process Technologies	**4.1%**	5.6%	**4.5%**	6.0%
Total	**12.2%**	12.7%	**11.2%**	10.5%

October–December 2023: Comparable EBITA and Comparable EBITA margin decreased

Comparable earnings before interest, taxes and amortization (Comparable EBITA) decreased 7 percent to EUR 183 million in October–December, corresponding to 12.2 percent of net sales (EUR 196 million and 12.7%). Items affecting comparability amounted to EUR -10 million (EUR -6 million).

Comparable EBITA of the Services segment remained at the previous year's level and amounted to EUR 91 million in October–December, corresponding to 17.9 percent of the segment's net sales (EUR 95 million and 18.7%).

Comparable EBITA of the Automation segment remained at the previous year's level and amounted to EUR 79 million in October–December, corresponding to 21.1 percent of the segment's net sales (EUR 78 million and 21.4%).

Comparable EBITA of the Process Technologies segment decreased to EUR 25 million in October–December, corresponding to 4.1 percent of the segment's net sales (EUR 38 million and 5.6%). Comparable EBITA decreased as the margins in some pulp projects were impacted by cost inflation and due to cost overruns in some tissue projects.

January–December 2023: Comparable EBITA increased in Services and Automation but decreased in Process Technologies

In 2023, Valmet's Comparable EBITA increased 16 percent to EUR 619 million, corresponding to 11.2 percent of net sales (EUR 533 million and 10.5%). Items affecting comparability amounted to EUR -14 million (EUR 17 million).

Comparable EBITA of the Services segment increased to EUR 312 million in 2023, corresponding to 17.5 percent of the segment's net sales (EUR 237 million and 14.8%). Comparable EBITA increased due to higher net sales.

Comparable EBITA of the Automation segment increased to EUR 248 million in 2023, corresponding to 18.6 percent of the segment's net sales (EUR 190 million and 18.3%).

Comparable EBITA of the Process Technologies segment decreased to EUR 110 million in 2023, corresponding to 4.5 percent of the segment's net sales (EUR 145 million and 6.0%). Comparable EBITA decreased as the margins in some pulp projects were impacted by cost inflation and due to cost overruns in some tissue projects.

Operating profit

Operating profit (EBIT) in October–December was EUR 148 million, i.e., 9.9 percent of net sales (EUR 156 million and 10.1%).

Operating profit in 2023 was EUR 507 million, i.e., 9.2 percent of net sales (EUR 436 million and 8.6%). In the comparison period, Valmet recorded a gain of EUR 59 million under other operating income from remeasurement of Valmet's previously held equity interest in Neles.

Net financial income and expenses

Net financial income and expenses in October–December were EUR -15 million (EUR -4 million). Financial expenses increased due to higher interest rates and increased amount of debt.

In 2023, net financial income and expenses amounted to EUR -34 million (EUR -5 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 October–December was EUR 133 million (EUR 152 million). The profit attributable to owners of the parent in October–December was EUR 102 million (EUR 121 million), corresponding to earnings per share (EPS) of EUR 0.56 (EUR 0.66). Adjusted EPS was EUR 0.65 (EUR 0.80).

In 2023, profit before taxes was EUR 473 million (EUR 431 million). The profit attributable to owners of the parent was EUR 357 million (EUR 337 million), corresponding to an EPS of EUR 1.94 (EUR 1.92). Adjusted EPS was EUR 2.28 (EUR 2.37).

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

In 2023, comparable return on capital employed (comparable ROCE) before taxes was 15 percent (17%) and return on capital employed (ROCE) before taxes 14 percent (18%). Return on equity (ROE) for the corresponding period was 14 percent (18%).

Segments and business lines

Services

Orders received, net sales and comparable EBITA remained at the previous year's level in Q4/2023

Services segment	**Q4/2023**	Q4/2022	Change	**2023**	2022	Change
Orders received (EUR million)	**404**	418	-3%	**1,760**	1,756	0%
Net sales (EUR million)	**508**	505	1%	**1,784**	1,606	11%
Comparable EBITA (EUR million)	**91**	95	-4%	**312**	237	32%
Comparable EBITA, %	**17.9%**	18.7%		**17.5%**	14.8%	
Personnel (end of period)				**6,493**	6,307	3%

In October–December, orders received by the Services segment remained at the previous year's level and amounted to EUR 404 million (EUR 418 million). Services accounted for 35 percent (30%) of Valmet's orders received. Orders received increased in China and Asia-Pacific, and decreased in South America, EMEA and North America. Orders received increased in Board, Paper and Tissue Solutions, remained at the previous year's level in Performance Parts and decreased in Pulp and Energy Solutions, Fabrics and Rolls. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased Services' orders received by EUR 21 million. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2022 decreased orders received by approximately EUR 14 million.

In 2023, orders received by the Services segment remained at the previous year's level and amounted to EUR 1,760 million (EUR 1,756 million). Services accounted for 36 percent (34%) of Valmet's orders received. Orders received increased in South America, remained at the previous year's level in Asia-Pacific, China and EMEA and decreased in North America. Orders received increased in Pulp and Energy Solutions, remained at the previous year's level in Performance Parts, and Board, Paper and Tissue Solutions and decreased in Fabrics, and Rolls. Tissue Converting (the acquired Körber's Business Area Tissue), which was integrated into Valmet on November 2, 2023, increased Services' orders received by EUR 21 million. Changes in foreign exchange rates compared to the exchange rates in 2022 decreased orders received by approximately EUR 53 million.

Net sales for the Services segment amounted to EUR 508 million (EUR 505 million) in October–December, corresponding to 34 percent (33%) of Valmet's net sales. Tissue Converting increased Services' net sales by EUR 26 million. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2022 decreased net sales by approximately EUR 16 million.

In 2023, net sales for the Services segment amounted to EUR 1,784 million (EUR 1,606 million), corresponding to 32 percent (32%) of Valmet's net sales. Tissue Converting increased Services' net sales by EUR 26 million. Changes in foreign exchange rates compared to the exchange rates in 2022 decreased net sales by approximately EUR 49 million.

Comparable EBITA of the Services segment remained at the previous year's level and amounted to EUR 91 million in October–December, corresponding to 17.9 percent of the segment's net sales (EUR 95 million and 18.7%).

In 2023, comparable EBITA of the Services segment increased to EUR 312 million, corresponding to 17.5 percent of the segment's net sales (EUR 237 million and 14.8%). Comparable EBITA increased due to higher net sales.

Automation

Orders received, net sales and comparable EBITA remained at the previous year's level in Q4/2023

Automation segment	Q4/2023	Q4/2022	Change	2023	2022	Change
Orders received (EUR million)	**319**	324	-1%	**1,340**	1,081	24%
Net sales (EUR million)	**375**	363	3%	**1,328**	1,040	28%
Comparable EBITA (EUR million)	**79**	78	2%	**248**	190	30%
Comparable EBITA, %	**21.1%**	21.4%		**18.6%**	18.3%	
Personnel (end of period)				**5,171**	4,842	7%

In October–December, orders received by the Automation segment remained at the previous year's level and amounted to EUR 319 million (EUR 324 million). Automation accounted for 28 percent (23%) of Valmet's orders received. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2022 decreased orders received by approximately EUR 12 million.

In 2023, orders received by the Automation segment increased 24 percent to EUR 1,340 million (EUR 1,081 million), mostly due to Flow Control being consolidated into Valmet as of April 1, 2022. Automation segment accounted for 27 percent (21%) of Valmet's orders received. Changes in foreign exchange rates compared to the exchange rates in 2022 decreased orders received by approximately EUR 32 million.

Net sales for the Automation segment amounted to EUR 375 million (EUR 363 million) in October–December, corresponding to 25 percent (24%) of Valmet's net sales. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2022 decreased net sales by approximately EUR 11 million.

In 2023, net sales for the Automation segment amounted to EUR 1,328 million (EUR 1,040 million), corresponding to 24 percent (20%) of Valmet's net sales. Changes in foreign exchange rates compared to the exchange rates in 2022 decreased net sales by approximately EUR 29 million.

Comparable EBITA of the Automation segment remained at the previous year's level and amounted to EUR 79 million in October–December, corresponding to 21.1 percent of the segment's net sales (EUR 78 million and 21.4%).

In 2023, comparable EBITA of the Automation segment increased to EUR 248 million, corresponding to 18.6 percent of the segment's net sales (EUR 190 million and 18.3%).

Flow Control business line	**Q4/2023**	Q4/2022	Change	**2023**	2022	Change
Orders received (EUR million)	**176**	189	-7%	**789**	576	37%
Net sales (EUR million)	**196**	191	2%	**777**	551	41%
Personnel (end of period)				**2,841**	2,792	2%

In October–December, orders received by the Flow Control business line decreased 7 percent to EUR 176 million (EUR 189 million). Flow Control accounted for 15 percent (14%) of Valmet's orders received. Orders received increased in Asia-Pacific and EMEA, and decreased in South America, China and North America. Orders received increased in Projects and decreased in Valve controls & Actuators and MRO (Maintenance and Repair Operations) & Services.

In 2023, orders received by the Flow Control business line amounted to EUR 789 million (EUR 576 million) and accounted for 16 percent (11%) of Valmet's orders received. Flow Control was not yet part of Valmet in January–March 2022.

Net sales for the Flow Control business line amounted to EUR 196 million (EUR 191 million) in October–December, corresponding to 13 percent (12%) of Valmet's net sales.

In 2023, net sales for the Flow Control business line amounted to EUR 777 million (EUR 551 million), corresponding to 14 percent (11%) of Valmet's net sales.

Automation Systems business line	**Q4/2023**	Q4/2022	Change	**2023**	2022	Change
Orders received (EUR million)	**143**	135	6%	**551**	505	9%
Net sales (EUR million)	**180**	172	4%	**551**	489	13%
Personnel (end of period)				**2,330**	2,050	14%

In October–December, orders received by the Automation Systems business line increased 6 percent to EUR 143 million (EUR 135 million) and accounted for 12 percent (10%) of Valmet's orders received. Orders received increased in China, South America and Asia-Pacific, remained at the previous year's level in EMEA and decreased in North America. Orders received increased in Energy and Process and decreased in Pulp and Paper.

In 2023, orders received by the Automation Systems business line increased 9 percent to EUR 551 million (EUR 505 million). Automation Systems accounted for 11 percent (10%) of Valmet's orders received. Orders received increased in North America, Asia-Pacific and China, remained at the previous year's level in EMEA and decreased in South America. Orders received increased in Energy and Process and remained at the previous year's level in Pulp and Paper.

Net sales for the Automation Systems business line amounted to EUR 180 million (EUR 172 million) in October–December, corresponding to 12 percent (11%) of Valmet's net sales.

In 2023, net sales for the Automation Systems business line amounted to EUR 551 million (EUR 489 million), corresponding to 10 percent (10%) of Valmet's net sales.

Process Technologies

Orders received, net sales and comparable EBITA decreased in Q4/2023

Process Technologies segment	Q4/2023	Q4/2022	Change	2023	2022	Change
Orders received (EUR million)	**432**	644	-33%	**1,856**	2,356	-21%
Net sales (EUR million)	**615**	672	-8%	**2,420**	2,428	0%
Comparable EBITA (EUR million)	**25**	38	-33%	**110**	145	-24%
Comparable EBITA, %	**4.1%**	5.6%		**4.5%**	6.0%	
Personnel (end of period)				**6,707**	5,647	19%

In October–December, orders received by the Process Technologies segment decreased 33 percent to EUR 432 million (EUR 644 million). Process Technologies accounted for 37 percent (46%) 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 40 million. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2022 decreased orders received by approximately EUR 19 million.

In 2023, orders received by the Process Technologies segment decreased 21 percent to EUR 1,856 million (EUR 2,356 million) and accounted for 37 percent (45%) 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 40 million. Changes in foreign exchange rates compared to the exchange rates in 2022 decreased orders received by approximately EUR 53 million.

Net sales for the Process Technologies segment amounted to EUR 615 million (EUR 672 million) in October–December, corresponding to 41 percent (44%) of Valmet's net sales. Tissue Converting increased Process Technologies' net sales by EUR 50 million. Changes in foreign exchange rates compared to the exchange rates for the corresponding period in 2022 decreased net sales by approximately EUR 10 million.

In 2023, net sales for the Process Technologies segment amounted to EUR 2,420 million (EUR 2,428 million), corresponding to 44 percent (48%) of Valmet's net sales. Tissue Converting increased Process Technologies' net sales by EUR 50 million. Changes in foreign exchange rates compared to the exchange rates in 2022 decreased net sales by approximately EUR 55 million.

Comparable EBITA of the Process Technologies segment decreased to EUR 25 million in October–December, corresponding to 4.1 percent of the segment's net sales (EUR 38 million and 5.6%. Comparable EBITA decreased as the margins in some pulp projects were impacted by cost inflation and due to cost overruns in some tissue projects.

In 2023, comparable EBITA of the Process Technologies segment decreased to EUR 110 million, corresponding to 4.5 percent of the segment's net sales (EUR 145 million and 6.0%). Comparable EBITA decreased as the margins in some pulp projects were impacted by cost inflation and due to cost overruns in some tissue projects.

Pulp and Energy business line	**Q4/2023**	Q4/2022	Change	**2023**	2022	Change
Orders received (EUR million)	**227**	280	-19%	**854**	1,072	-20%
Net sales (EUR million)	**268**	284	-5%	**1,067**	1,081	-1%
Personnel (end of period)				**1,948**	1,892	3%

In October–December, orders received by the Pulp and Energy business line decreased 19 percent to EUR 227 million (EUR 280 million). Pulp and Energy accounted for 20 percent (20%) of Valmet's orders received. Orders received increased in South America, remained at the previous year's level in EMEA, and decreased in China, Asia-Pacific and North America. Orders received increased in Energy and decreased in Pulp.

In 2023, orders received by the Pulp and Energy business line decreased 20 percent to EUR 854 million (EUR 1,072 million). Pulp and Energy accounted for 17 percent (21%) of all orders received. Orders received increased in China and South America and decreased in EMEA, North America and Asia-Pacific. Orders received decreased in both Pulp and Energy.

Net sales for the Pulp and Energy business line amounted to EUR 268 million (EUR 284 million) in October–December, corresponding to 18 percent (18%) of Valmet’s net sales.

In 2023, net sales for the Pulp and Energy business line amounted to EUR 1,067 million (EUR 1,081 million), corresponding to 19 percent (21%) of Valmet’s net sales.

Paper business line	**Q4/2023**	Q4/2022	Change	**2023**	2022	Change
Orders received (EUR million)	**204**	364	-44%	**1,002**	1,285	-22%
Net sales (EUR million)	**347**	388	-11%	**1,353**	1,347	0%
Personnel (end of period)				**4,759**	3,755	27%

In October–December, orders received by the Paper business line decreased 44 percent to EUR 204 million (EUR 364 million). Paper business line accounted for 18 percent (26%) of Valmet's orders received. Orders received increased in South America and Asia-Pacific, and decreased in North America, China and EMEA. Orders received increased in Tissue, and Small and Medium size Machines, and decreased in Board and Paper, as well as in Stock Preparation and Recycled Fiber. 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 40 million.

In 2023, orders received by the Paper business line decreased 22 percent to EUR 1,002 million (EUR 1,285 million) and accounted for 20 percent (25%) of all orders received. Orders received increased in South America, remained at the previous year's level in North America and decreased in EMEA, China and Asia-Pacific. Orders received increased in Small and Medium size Machines and in Tissue, and decreased in Stock Preparation and Recycled Fiber, and in Board and Paper. 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 40 million.

Net sales for the Paper business line amounted to EUR 347 million (EUR 388 million) in October–December, corresponding to 23 percent (25%) of Valmet's net sales. Tissue Converting increased Paper business line's net sales by EUR 50 million.

In 2023, net sales for the Paper business line amounted to EUR 1,353 million (EUR 1,347 million), corresponding to 24 percent (27%) of Valmet's net sales. Tissue Converting increased Paper business line's net sales by EUR 50 million.

Cash flow and financing

Cash flow provided by operating activities amounted to EUR 123 million (EUR -13 million) in October–December and EUR 352 million (EUR 36 million) in 2023. Change in net working capital in the statement of cash flows was EUR -55 million (EUR -188 million) in October–December and EUR -180 million (EUR -399 million) in 2023.

Net working capital totaled EUR 191 million (EUR -82 million) at the end of the reporting period. Tissue Converting, which became part of Valmet on November 2, 2023, increased net working capital by approximately EUR 92 million. 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 have remained 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 -316 million (EUR -45 million) in October–December, and EUR -181 million (EUR 56 million) in 2023.

In compliance with the resolution of the Annual General Meeting, on October 12, 2023, Valmet paid out the second installment of dividend for year 2022, EUR 120 million, corresponding to EUR 0.65 per share. The first installment, also EUR 0.65 per share and in total EUR 120 million, was paid on April 5, 2023.

At the end of December, net debt to EBITDA ratio was 1.46 (0.78) and gearing 40 percent (20%). Equity to assets ratio was 43 percent (49%). Interest-bearing liabilities amounted to EUR 1,484 million (EUR 809 million), and net interest-bearing liabilities totaled EUR 1,027 million (EUR 502 million) at the end of the reporting period. The increase in net debt and gearing is mainly related to the acquisition of Tissue Converting.

The average interest rate of Valmet's total debt was 4.5 percent and average maturity of non-current debt was 3.0 years at the end of December. Lease liabilities have been excluded from calculation of these two key performance indicators.

On September 27, 2023, Valmet announced that it has signed a EUR 175 million loan agreement with the European Investment Bank (EIB). The loan was drawn on October 5, 2023, and its maturity is eight years. The loan will support Valmet's Research and Development (R&D) activities focusing on technologies that replace fossil fuels with renewables. The loan agreement is linked to Valmet's R&D activities in 2023–2026.

On July 7, 2023, Valmet announced that the acquisition of Körber Group's Business Area Tissue will be financed with two facilities, a EUR 250 million term loan facility maturing in

January 2028 and a EUR 150 million term loan facility maturing in November 2025. Loans were drawn at the closing of the acquisition on November 2, 2023.

Valmet's liquidity was strong at the end of the reporting period, with cash and cash equivalents amounting to EUR 432 million (EUR 277 million) and interest-bearing current financial assets totaling EUR 25 million (EUR 30 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. In October, Valmet utilized the second and last 1-year extension option and the maturity of the revolving credit facility was extended until October 2026. Liquidity was additionally secured by an uncommitted commercial paper program worth of EUR 300 million, of which EUR 44 million was outstanding at the end of the reporting period.

Capital expenditure

Gross capital expenditure (excluding business combinations and right-of-use assets) totaled EUR 36 million (EUR 32 million) in October–December, of which maintenance investments were EUR 19 million (EUR 11 million).

In 2023, gross capital expenditure (excluding business combinations and right-of-use assets) totaled EUR 125 million (EUR 112 million), of which maintenance investments amounted to EUR 57 million (EUR 37 million).

Acquisitions and disposals

Acquisitions

NovaTech Automation's Process Solutions

On November 9, 2022, Valmet announced that it has entered into an agreement to acquire the U.S. based NovaTech Automation's Process Solutions business. On January 3, 2023, Valmet announced that the acquisition has been completed. The value of the acquisition was not disclosed. The acquired business specializes in process control and optimization solutions for batch, continuous and hybrid processes. It serves customers mainly in process industries such as food and beverage, pharmaceuticals and chemical products. It had net sales of approximately USD 18 million and employed 76 people in the United States and the Benelux countries. The acquisition excluded NovaTech Automation's other divisions. The NovaTech Automation Process Solutions business was integrated into Valmet's Automation Systems business line and is included in Valmet's financial reporting since the interim report for January–March, 2023.

Körber Group's Business Area Tissue

On July 7, 2023, Valmet announced that it has entered into an agreement to acquire Körber Group's Business Area Tissue. On November 3, 2023, Valmet announced that the acquisition has been completed. The Business Area Tissue specializes in innovative converting and packaging technologies and services for the tissue industry. In 2022, its net sales amounted to EUR 305 million and adjusted EBITDA margin was approximately 12 percent. In 2023, net sales of the business amounted to EUR 296 million, of which EUR 76 million was booked to Valmet. The company has a strong and growing services business, which accounted for 36 percent of total net sales in 2022. The business employs around 1,170 employees in Italy, Brazil, the U.S., China and Japan.

The enterprise value of the acquisition was approximately EUR 380 million on a cash and debt free basis subject to ordinary post-closing adjustments. The transaction consideration was paid in cash upon the completion. Valmet financed the acquisition with debt. The financing package consisted of two facilities, a EUR 250 million term loan facility maturing in January 2028 and a EUR 150 million term loan facility maturing in two years from the closing of the acquisition.

Valmet estimates that the acquisition will bring sales, service and cost synergies worth of EUR 8 million by the end of 2026. The acquired business formed a separate business unit under Valmet's Paper business line called Tissue Converting. It is included in Valmet's financial reporting since the fourth quarter of 2023. The process technology part of the business is consolidated to Paper business line and the services part to the Services business line.

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. The value of the acquisition is EUR 102.5 million on a cash and debt-free basis subject to customary adjustments. The acquisition is estimated to be completed on April 1, 2024, at the earliest, upon completion of carve-out measures and customary closing conditions.

The Process Gas Chromatography business of Siemens AG is a market leader with its Maxum II Gas Chromatograph platform, Systems Integration, and Customer Services offering. Gas Chromatographs are used to measure the chemical composition in gases and evaporable liquids in all stages of production. In 2022, net sales of the business amounted to approximately EUR 120 million and pro-forma adjusted EBITDA margin was approximately 10 percent. The business employs around 300 people, and its main locations are in the USA, Germany, and Singapore. The acquired business is planned to be integrated into Valmet's Automation Systems business line as a separate business unit.

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. The value of the acquisition was not disclosed. The acquisition is subject to relevant competition authority approvals and is estimated to be completed during the second or third quarter of 2024.

Demuth operates two manufacturing facilities in southern Brazil. The company's net sales are around EUR 20–30 million annually and it employs around 300–400 people. Demuth comprises of companies "Demuth Máquinas" and "Estruturas Metálicas Demuth".

Disposals

Valmet made no disposals during 2023.

Research and development

Valmet's research and development (R&D) expenses in 2023 amounted to EUR 114 million, i.e. 2.1 percent of net sales (EUR 95 million and 1.9%). Research and development work is carried out predominantly in Finland and Sweden, within the business lines' R&D organizations and pilot facilities. In addition, research and development takes place within a network of customers, suppliers, research institutes and universities. In the end of 2023, R&D employed 551 (508) people. Valmet's R&D headcount has increased due to the R&D and innovation program Beyond Circularity, where Valmet and its ecosystem come together to innovate, renew and enable their customer industries to shift to carbon neutrality and to facilitate green transition.

Valmet's R&D work is based on customers' needs, such as improving production and resource efficiency, maximizing the value of raw materials, providing new revenue streams, and developing new innovations and technologies.

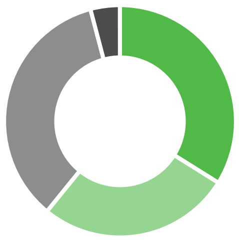
Valmet develops competitive, leading production and automation technologies and services. To enhance raw material, water and energy efficiency in its customers' production processes, Valmet combines digitalization, process technology, flow control, automation systems and services. Valmet also develops solutions for replacing fossil materials with renewable ones and for producing new high-value end products.

Personnel

Personnel	**As at December 31, 2023**	As at December 31, 2022	Change	As at September 30, 2023
Services	**6,493**	6,307	3%	6,470
Automation	**5,171**	4,842	7%	5,129
Flow Control	*2,841*	*2,792*	*2%*	*2,835*
Automation Systems	*2,330*	*2,050*	*14%*	*2,294*
Process Technologies	**6,707**	5,647	19%	5,685
Pulp and Energy	*1,948*	*1,892*	*3%*	*1,945*
Paper	*4,759*	*3,755*	*27%*	*3,740*
Other	**789**	752	5%	782
Total	**19,160**	17,548	9%	18,066

Personnel	**As at December 31, 2023**	As at December 31, 2022	Change	As at September 30, 2023
North America	**2,273**	2,040	11%	2,169
South America	**1,164**	833	40%	875
EMEA	**11,644**	10,787	8%	11,057
China	**2,432**	2,323	5%	2,354
Asia-Pacific	**1,647**	1,565	5%	1,611
Total	**19,160**	17,548	9%	18,066

Personnel by segment as at December 31, 2023



Personnel by area as at December 31, 2023

During 2023, Valmet employed an average of 18,130 people (16,554). The number of personnel at the end of December was 19,160 (17,548). Personnel expenses totaled EUR 1,292 million (EUR 1,171 million) in 2023, of which wages, salaries and remuneration amounted to EUR 1,019 million (EUR 920 million).

Changes in Valmet's Executive Team

On February 14, 2023, Valmet announced that Vesa Simola, Area President, EMEA at Valmet, has decided to continue his career outside the Company. Vesa Simola continued as member of Valmet's Executive Team and lead the Company's EMEA Area until the end of May, 2023.

On April 28, 2023, Valmet announced that Tero Kokko, Ph.D. (Eng.), M.Sc. (Econ.), has been appointed President, EMEA at Valmet as of June 1, 2023. In his new position, Tero Kokko is a member of Valmet's Executive Team and reports to President and CEO Pasi Laine. Tero Kokko previously worked in Valmet's Services business line as Vice President, Fabrics business unit. Prior to this, he worked in various management positions at Cargotec and its subsidiary Kalmar since 2011 and in Metso's Automation business between 2004–2011.

On June 21, 2023, Valmet announced that Petri Rasinmäki, M.Sc. (Eng.), MBA, has been appointed Business Line President, Paper, at Valmet as of September 1, 2023. In his new position, Petri Rasinmäki is a member of Valmet's Executive Team reporting to President and CEO Pasi Laine. Petri Rasinmäki previously held the position of Vice President, Board and Paper Mills business unit at Valmet's Paper business line. Prior to this, he worked in various management positions at Valmet and Metso since 2004. Jari Vähäpesola, the former Business Line President, Paper, retired after a long, successful career at Valmet as of December 1, 2023.

On August 18, 2023, Valmet announced that Valmet's Board of Directors has accepted the resignation of Valmet's President and CEO Pasi Laine and related terms and conditions. The Board of Directors has initiated the search for a successor. Pasi Laine will continue as the President and CEO of Valmet until the successor is appointed and ready to step in.

On August 22, 2023, Valmet announced that Julia Macharey, Senior Vice President Human Resources and Operational Development of Valmet has decided to leave the Company to move into a new position outside Valmet. Julia Macharey continued in her role until the end of January 2024.

Investments in production

On May 2, 2023, Valmet announced that it will further strengthen its press felt production capabilities in Tampere, Finland, by investing in a new weaving machine and a new heat-setting machine in addition to the ongoing press felt investment announced in August 2022. The value of the new investment will not be disclosed. The investments will safeguard Valmet's press felt production capacity for years to come and strengthen Valmet's position as one of the leading press felt suppliers globally.

Update on the impacts of Russia's invasion of Ukraine

Valmet's withdrawal from Russia was completed in December 2023. During the second half of the year, Valmet did not have employees in Russia (at the end of 2022, there were approximately 30 employees in Russia).

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.

Valmet's mission is converting renewable resources into sustainable results. 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. 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 2023, Valmet continued its systematic sustainability work based on its Sustainability360° Agenda, with a strong focus on its Climate Program.

Environment

In 2023, Valmet progressed well with its Climate Program. The program includes four targets by 2030: Reducing CO2 emissions by 20% in supply chain and 80% in own operations, further reducing energy use of Valmet's current technologies by 20% and enabling 100% carbon neutral production for pulp, paper and energy industry customers. The Company achieved one of the program's four targets well ahead of schedule and can now enable carbon neutral production for pulp, paper and energy industry customers. In its own operations, Valmet made significant energy efficiency investments to reduce CO2 emissions in its locations and reached 100% CO2 neutral electricity purchases in Finland and Sweden by the end of the year. Overall, Scope 1 and 2 emissions reduced by 51% from the 2019 baseline. The Supplier Sustainability Engagement Program continued with the target that all key and main suppliers of physical goods, around 150 suppliers, will be engaged to the program as a part of Valmet's Climate Program's actions by the end of 2024. During 2023, approximately 80 suppliers were engaged to those actions through the program. Valmet also continued to further improve the energy efficiency of its existing technology offering.

The implementation of Beyond Circularity, the Valmet-led R&D program and ecosystem to accelerate the green transition, continued in 2023. A good number of R&D projects are ongoing in all six streams to develop new solutions for transforming waste and emissions into valuable resources for sustainable growth. More than 130 partners have already joined the program's ecosystem, and more than 90 internal R&D projects from all Valmet's business lines have been accepted for the program.

Social

In 2023, Valmet's number of employees increased to more than 19,000 due to organic growth and acquisitions.

During the year, Valmet ran its sixth employee engagement survey called OurVoice which gives important feedback to make Valmet an even stronger and more connected work community. Overall employee engagement improved slightly, reaching the goal set for 2023. In the fourth quarter of 2023, each team hosted a team discussion about an action plan based on the engagement survey results. During the year, Valmet also kicked off a new initiative called 'Refocus' to review and adjust work practices, completed a renewed mid-year review process and ran the annual salary planning process with new color-coded recommendations to guide managers to allocate increases for high performers. Furthermore, Valmet initiated a project to support pay equity analysis in preparation for the upcoming EU pay transparency directive.

In 2023, Valmet achieved the lowest ever Total Recordable Incident Frequency rate (TRIF) for employees and external workers. At the end of 2023, TRIF for own employees was 3.0 (3.2 at the end of 2022) and for external workers 4.6 (4.7 at end of 2022).

With the aim of eliminating work-related fatalities and life-changing injuries, Valmet introduced non-negotiable Life Saving Rules, a set of four rules deemed critical to preventing serious harm. The Company also campaigned for lifting and confined space safety, and further enriched safety culture through new communication and training efforts.

Following the expansion of Valmet's global social responsibility program at the end of 2022, the Company continued implementing the local projects in 2023. The program is based on three themes promoting science, nature, and equal opportunities: 'Towards the future with science', 'Protecting the planet for next generations', and 'Equal opportunities for wellbeing'.

Governance

As part of Valmet's global supplier sustainability management process, a total of 43 supplier sustainability audits were conducted in 15 countries together with a certified third-party auditor. Of all the corrective actions agreed with suppliers in 2023, 73 percent had been completed and verified by the end of the year. In addition, by the end of 2023, more than 130 suppliers globally had been engaged in Valmet's Supplier Sustainability Engagement program since 2018. Valmet also prepared for the new Carbon Border Adjust Mechanism (CBAM) regulation which will be a main focus for Valmet's supply chain organization.

During 2023, Valmet renewed its Code of Conduct. By the end of the year, 89 percent had completed the current mandatory Code of Conduct e-learning course. To reinforce the Code of Conduct message, Valmet has an Ethics and Compliance Program in place. The implementation of the program continued in 2023 with the launch of an Ethics and Compliance network which members help disseminate the Ethics and Compliance message within their own organizations and act as local contacts for Ethics and Compliance topics.

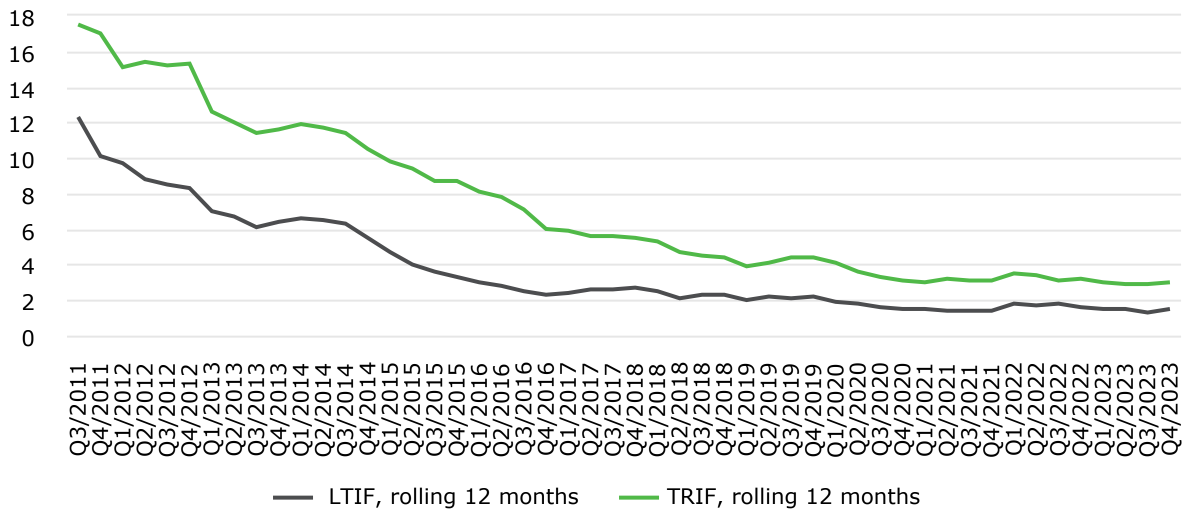
As part of its due diligence processes, Valmet continued the location-specific impact assessments with focus on its locations in high-risk countries and conducted an impact assessment in Poland.

In 2023, Valmet prepared for the upcoming EU Corporate Sustainability Reporting Directive (CSRD) by conducting a double materiality assessment and analyzed remaining gaps in its current reporting. The Company also started preparing for an ESG data development program to support reporting needs.

Valmet's target is that at least 80 percent of its people will work in operations certified to the international ISO standards for quality (9001:2015), environment (14001:2015), and health and safety (45001:2018) management systems by 2025. By the end of 2023, that target had already been reached for quality (82 percent), and coverage of environment (77 percent) and health and safety (75 percent) management systems continued to improve.

In 2023, Valmet was included in the DJSI World and Europe indices for the tenth consecutive year. Furthermore, the Company received the best ranking in the MSCI ESG Ratings, a gold medal in the EcoVadis sustainability assessment and A score in CDP's Climate ranking. The Company was also included in S&P Global's annual Sustainability Yearbook.

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

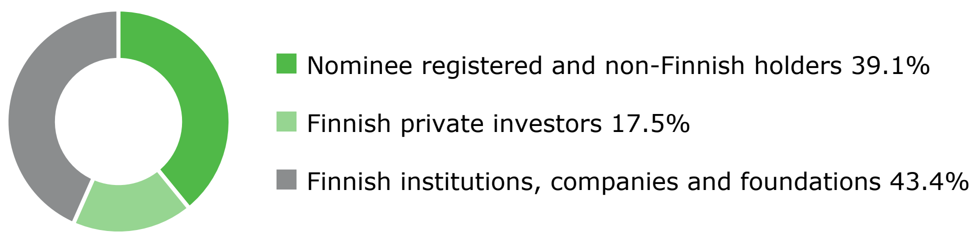
Valmet has published a separate Corporate Governance Statement and a Remuneration Report for 2022, which comply with the recommendations of the Finnish Corporate Governance Code for listed companies. These reports also cover other central areas of corporate governance, and they have been published on 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 December 31, 2023	As at December 31, 2022
Share capital, EUR	**140,000,000**	140,000,000
Number of shares	**184,529,605**	184,529,605
Treasury shares	**368,500**	344,775
Shares outstanding	**184,161,105**	184,184,830
Market capitalization, EUR million	**4,818**	4,643
Number of shareholders	**100,752**	89,056

Shareholder structure as at December 31, 2023



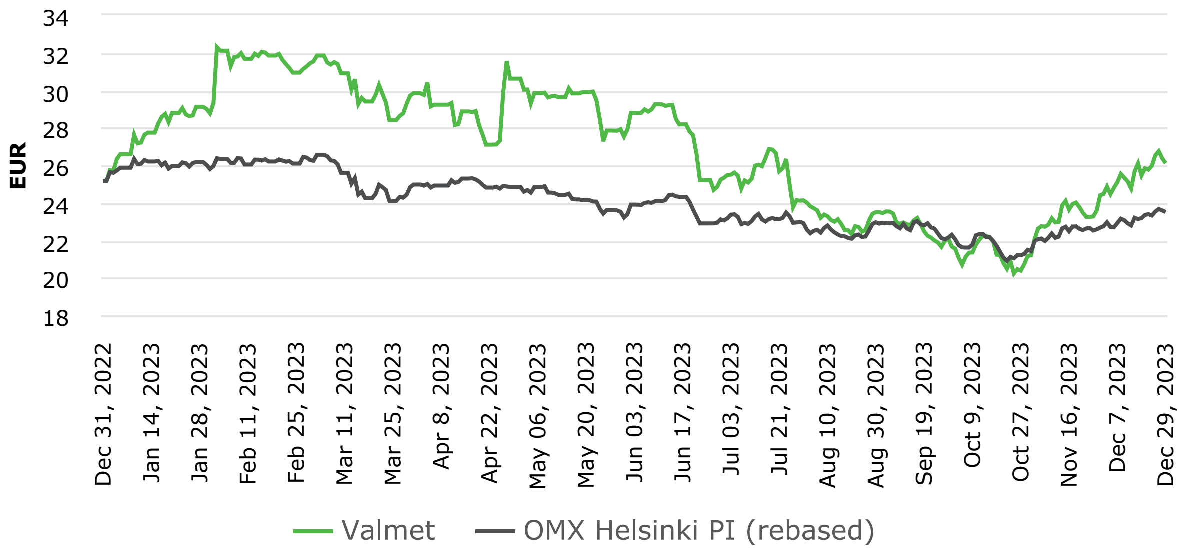
Trading of shares

Trading of Valmet shares on Nasdaq Helsinki	**January 1 – December 31, 2023**	January 1 - December 31, 2022
Number of shares traded	**103,147,588**	125,393,868
Total value, EUR million	**2,718**	3,369
High, EUR	**32.99**	38.59
Low, EUR	**19.64**	19.95
Volume-weighted average price, EUR	**26.35**	26.90
Closing price on the final day of trading, EUR	**26.11**	25.16

The closing price of Valmet's share on the final day of trading for the reporting period, December 29, 2023, was EUR 26.11, i.e., 4 percent higher than the closing price on the last day of trading in 2022 (EUR 25.16 on December 30, 2022).

In addition to Nasdaq Helsinki Ltd, Valmet's shares are also traded on other marketplaces, such as CBOE DXE, Turquoise, BATS, Chi-X and Frankfurt. A total of approximately 50 million Valmet shares were traded on these five alternative marketplaces in 2023 (Source: www.valmet.com/investors/valmet-share/trading-volumes/).

Development of Valmet's share price, December 31, 2022 – December 31, 2023



Flagging notifications

During the review period, Valmet received one flagging notification referred to in the Securities Market Act:

			% of shares and voting rights		
Transaction date	**Shareholder**	**Threshold**	**Direct**	**Through financial instruments**	**Total, %**
December 27, 2023	The Goldman Sachs Group, Inc.	Above 5%	0.05%	6.66%	6.71%

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 22, 2023, 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 decides on all other terms related to the repurchasing of the Company's own shares.

Valmet Oyj's Annual General Meeting 2023 also authorized Valmet's Board of Directors to decide on the issuance of shares as well as 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 Oyj. 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, which corresponds 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 authorizations granted by the Annual General Meeting 2022.

Based on the authorization granted by the Annual General Meeting 2023, Valmet's Board of Directors decided on June 20, 2023, on a directed share issue related to the reward payment of Valmet's share-based long-term incentive plans for the performance period 2022. In the share issue on June 27, 2023, a total of 11,795 Valmet's treasury shares were conveyed without consideration to the participants of the plans, in accordance with the terms and conditions of the plans.

The Board of Directors decided in its meeting on December 20, 2023, to use the authorization granted by the Annual General Meeting 2023 to repurchase the Company's own shares. Based on the authorization, 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 the LTI Plans and the Restricted Pool incentive. The share acquisitions will begin at the earliest on February 12, 2024, and will end at the latest on March 1, 2024. The maximum number of shares to be acquired is 100,000. The shares will be acquired at market price in public trading on Nasdaq Helsinki Ltd.

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.

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	12
Deferred Share Plan	102		125	
Total gross number of shares earned	Approximately 355,000 shares	Approximately 42,000 shares	Approximately 185,000 shares	Approximately 31,000 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	14		14
Deferred Share Plan	128		~200	
Total gross number of shares earned	As at December 31, 2023, a total of approximately 365,000 shares were allotted to participants.	As at December 31, 2023, a total of approximately 48,000 shares were allotted to participants.	The rewards to be paid will correspond to a maximum total of approximately 683,000 Valmet shares.	

In its meeting on December 20, 2022, the Board of Directors of Valmet decided to use the authorization granted by the Annual General Meeting 2022 to acquire the Company's own shares. The Board decided to initiate a fixed-term share buy-back program to acquire Valmet's own shares. The shares were acquired to meet part of the obligations arising from Valmet's share-based long-term incentive plans and the restricted pool incentive. The share acquisitions began on February 6, 2023, and ended on February 16, 2023. The number of shares acquired totaled 125,000.

Based on the authorization granted to the Board of Directors by the Annual General Meeting 2022, Valmet's Board of Directors decided in December 2022 on a directed share issue related to the reward payment of Valmet's share-based long-term incentive plans for the performance period 2022. In the share issue on March 15, 2023, a total of 91,646 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 2023, Valmet's Board of Directors decided on June 20, 2023, on a directed share issue related to the reward payment of Valmet's share-based long-term incentive plans for the performance period 2022. In the share issue on June 27, 2023, a total of 11,795 Valmet's treasury shares were conveyed without consideration to the participants of the plans, in accordance with the terms and conditions of the plans.

The Board of Directors decided in its meeting on December 20, 2023, to use the authorization granted by the Annual General Meeting 2023 to repurchase the Company's own shares. Based on the authorization, 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 the LTI Plans and the Restricted Pool incentive. The share acquisitions will begin at the earliest on February 12, 2024, and will end at the latest on March 1, 2024. The maximum number of shares to be acquired is 100,000. The shares will be acquired at market price in public trading on Nasdaq Helsinki Ltd.

At the end of the reporting period, the Company held 368,500 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

The Annual General Meeting 2023 was held in Helsinki on March 22, 2023. The Annual General Meeting adopted the Financial Statements for 2022 and discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2022. The Annual General Meeting adopted the remuneration report for governing bodies. The decision is advisory. The Annual General Meeting approved the Board of Directors' proposals concerning authorizing the Board of Directors to decide on repurchasing the Company's own shares, on the issuance of shares and on the issuance of special rights entitling to shares.

The Annual General Meeting decided to pay dividends of EUR 1.30 per share for the financial period ended on December 31, 2022.

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. Aaro Cantell, Anu Hämäläinen, Pekka Kemppainen, Per Lindberg, Monika Maurer and Eriikka Söderström continue as members of the Board. The term of office of the members of the Board of Directors expires at the close of the Annual General Meeting 2024.

PricewaterhouseCoopers Oy was re-elected as the Company's auditor for a term expiring at the end of the next Annual General Meeting.

Valmet published a stock exchange release on March 22, 2023, 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/2023/.

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. 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, rising 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.

Increasing geopolitical tensions, change in political narratives, increase of protectionist and more political regulation, trade tensions and sanctions may create uncertainty to 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 a high level of 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.

Epidemic outbreaks and potential other pandemics remain a risk to Valmet’s operations also after COVID-19. 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 project business. 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, excluding lease liabilities, is 3.0 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.

Of the financial risks that affect Valmet’s profit, currency exchange rate risks and rising interest rates 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.

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

As at December 31, 2023, Valmet had EUR 1,735 million (EUR 1,611 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

Russia's invasion of 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 increases transport prices. 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

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

Guidance for 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 remain at the previous year's level or increase in comparison with 2023 (EUR 619 million).

Market outlook

General economic outlook according to World Bank

Global growth is set to slow further in 2024, amid the effects of tight monetary policy, restrictive financial conditions, and feeble global trade and investment. World Bank's global growth forecast for 2024 is 2.4 percent. Downside risks to the outlook include an escalation of the conflict in the Middle East and associated commodity market disruptions, financial stress amid elevated debt and high borrowing costs, persistent inflation, weaker-than-expected activity in China, and climate-related disasters.
(World Bank Global Economic Prospects, January 2024)

Short-term market outlook

Valmet reiterates the good/satisfactory short-term market outlook for services (capacity utilization good, customer activity satisfactory), the good short-term market outlook for flow control, automation systems and energy, and the satisfactory short-term market outlook for pulp, board and paper, 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'.

Board of Director's proposal for the distribution of profit

Valmet Oyj's distributable funds on December 31, 2023, totaled EUR 1,502,676,727.91 of which the net profit for the year 2023 was EUR 296,787,891.20 (according to Finnish Generally Accepted Accounting Standards). The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.35 per share be paid based on the statement of financial position to be adopted for the financial year ended on December 31, 2023, and the remaining part of profit be retained and carried further in the Company's unrestricted equity.

The dividend shall be paid in two installments. The first installment of EUR 0.68 per share shall be paid to shareholders who on the dividend record date of March 26, 2024, are registered in the Company's shareholders' register held by Euroclear Finland Ltd. The dividend shall be paid on April 11, 2024. The second installment of EUR 0.67 per share shall be paid in October 2024. The second installment shall be paid to shareholders who on the dividend record date are registered in the Company's shareholders' register held by Euroclear Finland Ltd. The dividend record date and payment date shall be resolved by the Board of Directors in its meeting scheduled for September 26, 2024. The dividend record date for the second installment would be October 1, 2024, and the dividend payment date October 10, 2024.

All the shares in the Company are entitled to a dividend except for treasury shares held by the Company on the dividend record date.

Publishing of Valmet's Financial Statements 2023

The Financial Statements 2023, which include the financial statements, the consolidated financial statements, the Report of the Board of Directors and the Auditor's Report, will be published and available on Valmet's website at www.valmet.com/investors/reports-and-presentations/ on February 28, 2024, at the latest.

In Espoo, Finland, on February 7, 2024

Valmet's Board of Directors

Consolidated statement of income

EUR million	Q4/2023	Q4/2022	2023	2022
Net sales	**1,499**	1,540	**5,532**	5,074
Cost of goods sold	**-1,125**	-1,156	**-4,136**	-3,857
Gross profit	**374**	384	**1,396**	1,217
Selling, general and administrative expenses	**-249**	-240	**-920**	-852
Other operating income and expenses, net	**21**	10	**28**	64
Share in profits and losses of associated companies, operative investments	**1**	2	**3**	7
Operating profit	**148**	156	**507**	436
Financial income and expenses, net	**-15**	-4	**-34**	-5
Share in profits and losses of associated companies, financial investments	**—**	—	**—**	—
Profit before taxes	**133**	152	**473**	431
Income taxes	**-30**	-31	**-114**	-94
Profit for the period	**103**	121	**359**	338
Attributable to:				
Owners of the parent	**102**	121	**357**	337
Non-controlling interests	**—**	—	**2**	—
Profit for the period	**103**	121	**359**	338
Earnings per share attributable to owners of the parent:				
Earnings per share, EUR	**0.56**	0.66	**1.94**	1.92
Diluted earnings per share, EUR	**0.56**	0.66	**1.94**	1.92

Consolidated statement of comprehensive income

EUR million	**Q4/2023**	Q4/2022	**2023**	2022
Profit for the period	**103**	121	**359**	338
Items that may be reclassified to profit or loss:				
Gains and losses on cash flow hedges	**10**	-8	**-12**	-4
Change in fair value reserve	**—**	—	**—**	-2
Currency translation on subsidiary net investments	**-12**	-54	**-21**	-4
Share of other comprehensive income of associated companies accounted for using equity method	**1**	-1	**—**	-1
Income tax relating to items that may be reclassified	**-2**	1	**2**	1
Total items that may be reclassified to profit or loss	**-3**	-61	**-31**	-10
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit plans	**-24**	-5	**-18**	58
Share of other comprehensive income of associated companies accounted for using equity method	**—**	—	**—**	1
Income tax relating to items that will not be reclassified	**5**	3	**3**	-12
Total items that will not be reclassified to profit or loss	**-20**	-2	**-15**	47
Other comprehensive income for the period	**-22**	-63	**-46**	38
Total comprehensive income for the period	**80**	58	**312**	375
Attributable to:				
Owners of the parent	**80**	58	**311**	375
Non-controlling interests	**—**	—	**1**	—
Total comprehensive income for the period	**80**	58	**312**	375

Consolidated statement of financial position

Assets

EUR million	As at December 31, 2023	As at December 31, 2022
Non-current assets		
Intangible assets		
Goodwill	**1,735**	1,611
Other intangible assets	**1,142**	1,030
Total intangible assets	**2,877**	2,641
Property, plant and equipment		
Land and water areas	**40**	41
Buildings and structures	**169**	152
Machinery and equipment	**263**	217
Right-of-use assets	**145**	105
Assets under construction	**81**	85
Total property, plant and equipment	**698**	600
Other non-current assets		
Investments in associated companies	**16**	15
Non-current financial assets	**31**	22
Deferred tax assets	**90**	60
Non-current income tax receivables	**41**	33
Other non-current assets	**15**	14
Total other non-current assets	**193**	143
Total non-current assets	**3,768**	3,384
Current assets		
Inventories		
Materials and supplies	**249**	240
Work in progress	**472**	424
Finished products	**327**	271
Total inventories	**1,049**	934
Receivables and other current assets		
Trade receivables	**973**	834
Amounts due from customers under revenue contracts	**475**	485
Other current financial assets	**53**	89
Income tax receivables	**56**	45
Other receivables	**258**	223
Cash and cash equivalents	**432**	277
Total receivables and other current assets	**2,247**	1,953
Total current assets	**3,296**	2,887
Total assets	**7,064**	6,271

Consolidated statement of financial position

Equity and liabilities

EUR million	As at December 31, 2023	As at December 31, 2022
Equity		
Share capital	**140**	140
Reserve for invested unrestricted equity	**1,372**	1,369
Cumulative translation adjustments	**-42**	-20
Hedge and other reserves	**-1**	8
Retained earnings	**1,096**	997
Equity attributable to owners of the parent	**2,565**	2,494
Non-controlling interests	**6**	5
Total equity	**2,572**	2,499
Liabilities		
Non-current liabilities		
Non-current debt	**1,240**	555
Non-current lease liabilities	**98**	63
Employee benefit liabilities	**154**	132
Non-current provisions	**42**	38
Other non-current liabilities	**12**	8
Deferred tax liabilities	**283**	238
Total non-current liabilities	**1,828**	1,034
Current liabilities		
Current debt	**103**	155
Current lease liabilities	**43**	35
Trade payables	**520**	442
Current provisions	**169**	181
Amounts due to customers under revenue contracts	**1,151**	1,205
Other current financial liabilities	**34**	50
Income tax liabilities	**85**	79
Other current liabilities	**558**	591
Total current liabilities	**2,664**	2,738
Total liabilities	**4,492**	3,772
Total equity and liabilities	**7,064**	6,271

Consolidated statement of cash flows

EUR million	Q4/2023	Q4/2022	2023	2022
Cash flows from operating activities				
Profit for the period	**103**	121	**359**	338
Adjustments				
Depreciation and amortization	**51**	57	**196**	203
Financial income and expenses	**15**	4	**34**	5
Income taxes	**30**	31	**114**	94
Other non-cash items	**20**	-8	**-11**	-73
Change in net working capital	**-55**	-188	**-180**	-399
Net interests and dividends received	**-11**	—	**-18**	—
Income taxes paid	**-30**	-30	**-143**	-131
Net cash provided by (+) / used in (-) operating activities	**123**	-13	**352**	36
Cash flows from investing activities				
Capital expenditure on fixed assets	**-36**	-32	**-125**	-112
Proceeds from sale of fixed assets	**1**	—	**6**	2
Business combinations, net of cash acquired and loans repaid	**-405**	—	**-415**	117
Investments in associated companies	**1**	1	**2**	13
Net cash provided by (+) / used in (-) investing activities	**-439**	-32	**-532**	20
Cash flows from financing activities				
Redemption of own shares	**—**	—	**-4**	-5
Dividends paid	**-120**	—	**-240**	-180
Proceeds from non-current debt	**625**	50	**725**	400
Repayments of current portion of non-current debt	**—**	-215	**-40**	-587
Repayments of lease liabilities	**-12**	-12	**-44**	-39
Net proceeds from (+) / repayments of (-) current debt	**-235**	92	**-58**	96
Financial investments	**-1**	—	**7**	23
Net cash provided by (+) / used in (-) financing activities	**257**	-85	**346**	-292
Net increase (+) / decrease (-) in cash and cash equivalents	**-59**	-130	**165**	-236
Effect of changes in exchange rates on cash and cash equivalents	**-8**	-16	**-10**	-4
Cash and cash equivalents at beginning of period	**499**	422	**277**	517
Cash and cash equivalents at end of the period	**432**	277	**432**	277

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, 2023	**140**	**1,369**	**-20**	**8**	**997**	**2,494**	**5**	**2,499**
Profit for the period	—	—	—	—	357	**357**	2	**359**
Other comprehensive income for the period	—	—	-21	-10	-15	**-46**	—	**-46**
Total comprehensive income for the period	—	—	-21	-10	341	**311**	1	**312**
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	—	—	1	**4**	—	**4**
Balance at December 31, 2023	**140**	**1,372**	**-42**	**-1**	**1,096**	**2,565**	**6**	**2,572**
Balance at January 1, 2022	100	426	-16	13	804	1,326	6	1,332
Change in accounting principles[1]	—	—	—	—	-2	-2	—	-2
Restated balance at January 1, 2022	100	426	-16	13	802	1,324	6	1,330
Profit for the period	—	—	—	—	337	337	—	338
Other comprehensive income for the period	—	—	-4	-4	46	38	—	38
Total comprehensive income for the period	—	—	-4	-4	384	375	—	375
Transactions with owners in their capacity as owners								
Dividends	—	—	—	—	-179	-179	-1	-180
Issue of ordinary shares as consideration for a business combination, net of transaction costs	40	937	—	—	—	977	—	977
Purchase of treasury shares	—	—	—	—	-5	-5	—	-5
Share-based payments, net of tax	—	6	—	—	-5	2	—	2
Balance at December 31, 2022	140	1,369	-20	8	997	2,494	5	2,499

[1] *Net impact arising from the adoption of IAS 12 amendments, as of January 1, 2022.*

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 February 7, 2024.

Basis of presentation

These condensed consolidated interim financial statements for the twelve months ended December 31, 2023, 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, 2022, 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, 2023. 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.

Amendments to IAS 12 Income Taxes became effective as of January 1, 2023. The amendments narrow the scope for the initial recognition exception and require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Amendments are applied to transactions that occur on or after the beginning of the earliest comparative period presented. At the beginning of the earliest comparative period, January 1, 2022, deferred taxes are recognized for all temporary differences related to right-of-use assets and lease liabilities at that date, with the cumulative effect recognized as an adjustment to the opening balance of retained earnings. Applying the amendments to IAS 12 resulted in cumulative effect of EUR -1.8 million recognized as an adjustment to opening retained earnings as at January 1, 2022, and EUR 0.3 million expense recognized for changes in deferred taxes in 2022.

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, 2022.

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	
	2023	2022	**2023**	2022
USD (US dollar)	**1.0816**	1.0563	**1.1050**	1.0666
SEK (Swedish krona)	**11.4563**	10.6258	**11.0960**	11.1218
CNY (Chinese yuan)	**7.6589**	7.0836	**7.8509**	7.3582

Business combinations

Acquisition of NovaTech Automation's Process Solutions business

On January 3, 2023, Valmet has completed the acquisition of the U.S. based NovaTech Automation’s Process Solutions business.

The acquired business specializes in process control and optimization solutions for batch, continuous and hybrid processes. It serves customers mainly in process industries such as food and beverage, pharmaceuticals and chemical products. It had net sales of approximately USD 18 million and employed 76 people in the United States and the Benelux countries. The acquisition excluded NovaTech Automation’s other divisions. The acquired business has been consolidated into the Group financials from the acquisition date onwards.

The acquisition of NovaTech Automation's Process Solutions business did not have a material impact on the results or financial position of Valmet, or its financial reporting for the twelve months ended December 31, 2023.

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. Control of the acquiree was obtained through the purchase of 100 percent equity interests in Körber Tissue S.p.A. and Körber Tissue Fold S.r.l. The enterprise value of the acquisition was approximately EUR 380 million on a cash and debt free basis. The transaction consideration was paid in cash upon the completion.

Körber’s Business Area Tissue offers process technologies and related services for converting the jumbo reels of tissue paper into final tissue products. It has the broadest offering in the tissue converting industry with converting lines for tissue rolls and for folded tissue including product packaging, as well as services and digital solutions. With the acquisition, Valmet strengthens both its Process Technologies and Services segments.

In 2022, Körber’s Business Area Tissue’s net sales amounted to EUR 305 million and its adjusted EBITDA margin was approximately 12%. The company has a strong and growing services business, which accounted for 36% of total net sales in 2022. The business employs around 1,170 employees in Italy, Brazil, the USA, China and Japan.

The acquired business has been consolidated into Valmet as of 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.

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

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

EUR million	As at November 2, 2023
Non-current assets	
Goodwill	125
Other intangible assets	179
Property, plant and equipment	29
Right-of-use assets	35
Deferred tax asset	13
Other non-current assets	6
Total non-current assets	386
Current assets	
Inventories	171
Trade receivables	73
Other receivables	15
Cash and cash equivalents	39
Total current assets	298
Non-current liabilities	
Non-current lease liabilities	30
Non-current provisions	3
Deferred tax liabilities	53
Total non-current liabilities	87
Current liabilities	
Current debt	53
Current lease liabilities	4
Trade payables	28
Current provisions	4
Amounts due to customers under revenue contracts	67
Other current liabilities	50
Total current liabilities	206
Net assets acquired	392

Cash flows associated with the acquisition:

EUR million	As at November 2, 2023
Consideration transferred	-392
Cash and cash equivalents acquired	39
Loans repaid at closing	-52
Net cash outflow	-405

From the date of acquisition, the acquired business has contributed EUR 76 million to net sales and EUR 1 million of profit to the Group, including EUR 8 million amortization of intangibles and inventory fair-value step-up recognized at acquisition.

If the acquisition had occurred on January 1, 2023, management estimates that the combined statement of income would show net sales of EUR 5,752 million and profit for the period amounting to EUR 329 million, with the assumption that the fair value adjustments as at the merger completion date would have been the same if the merger had occurred on January 1, 2023, and that the term loan facilities financing the acquisition would have been drawn before January 1, 2023.

Acquisition related costs of EUR 4 million have been charged to Selling, general and administrative expenses in the Consolidated statement of income in January–December 2023.

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	2023	2022	Change
Services	**1,760**	1,756	0%
Automation	**1,340**	1,081	24%
Process Technologies	**1,856**	2,356	-21%
Total	**4,955**	5,194	-5%

Net sales, EUR million	2023	2022	Change
Services	**1,784**	1,606	11%
Automation	**1,328**	1,040	28%
Process Technologies	**2,420**	2,428	0%
Total	**5,532**	5,074	9%

Comparable EBITA, EUR million	2023	2022	Change
Services	**312**	237	32%
Automation	**248**	190	30%
Process Technologies	**110**	145	-24%
Other	**-50**	-39	29%
Total	**619**	533	16%

Comparable EBITA, % of net sales	2023	2022
Services	**17.5%**	14.8%
Automation	**18.6%**	18.3%
Process Technologies	**4.5%**	6.0%
Total	**11.2%**	10.5%

EBITA, EUR million	2023	2022	Change
Services	**302**	228	32%
Automation	**245**	170	45%
Process Technologies	**116**	134	-14%
Other	**-58**	18	
Total	**605**	550	10%

EBITA, % of net sales	2023	2022
Services	**16.9%**	14.2%
Automation	**18.5%**	16.3%
Process Technologies	**4.8%**	5.5%
Total	**10.9%**	10.8%

Items affecting comparability, EUR million	2023	2022	Change
Services	**-10**	-9	16%
Automation	**-2**	-20	-89%
Process Technologies	**6**	-10	
Other	**-8**	57	
Total	**-14**	17	

Amortization, EUR million	2023	2022	Change
Services	**-10**	-7	46%
Automation	**-63**	-84	-24%
Process Technologies	**-8**	-7	18%
Other	**-17**	-16	2%
Total	**-98**	-114	-14%

Reconciliation between Comparable EBITA, EBITA and Operating profit

EUR million	2023	2022
Comparable EBITA	**619**	533
Items affecting comparability in cost of sales		
Expenses related to capacity adjustments	**-8**	-3
Expensing of fair value adjustments recognized in business combinations	**-8**	-13
Other items affecting comparability[1]	**-17**	-31
Items affecting comparability in selling, general and administrative expenses		
Expenses related to capacity adjustments	**—**	-1
Expenses related to acquisitions	**-6**	-11
Other items affecting comparability[1]	**-14**	-11
Items affecting comparability in other operating income and expenses		
Income and expenses related to capacity adjustments	**3**	—
Expenses related to acquisitions	**—**	—
Other items affecting comparability[2]	**32**	77
Items affecting comparability in share in profits and losses of associated companies, operative investments		
Other items affecting comparability	**3**	9
EBITA	**605**	550
Amortization included in cost of sales		
Other intangibles	**-2**	-2
Amortization included in selling, general and administrative expenses		
Intangibles recognized in business combinations	**-76**	-92
Other intangibles	**-21**	-18
Amortization included in share in profits and losses of associated companies, operative investments		
Other intangibles	**—**	-2
Operating profit	**507**	436

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

[2] 2023 and 2022 figures include income related to the fire that happened in 2022 at Valmet's Rautpohja factory site in Jyväskylä, Finland and expenses from Valmet's withdrawal from Russia. 2022 figure also includes a gain of EUR 59 million from remeasurement of Valmet's previously held equity interest in Neles.

Entity-wide information

Valmet has operations globally in over 40 countries. Measured by net sales, the top three countries in 2023 were the USA, China and Indonesia, which together accounted for 38 percent of total net sales. In 2022, the top three countries were the USA, China and Brazil, which together accounted for 45 percent of total net sales. Net sales for Finland (the country of domicile) amounted EUR 385 million in 2023 (EUR 565 million).

Net sales by destination:

2023: EUR 5,532 million

2022: EUR 5,074 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
2023	**16**	**7**	**82**	**15**	**4**	**125**
2022	6	3	80	15	8	112

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	Q4/2023	Q4/2022	2023	2022
Services	**508**	505	**1,784**	1,606
Flow Control	**196**	191	**777**	551
Automation Systems	**180**	172	**551**	489
Pulp and Energy	**268**	284	**1,067**	1,081
Paper	**347**	388	**1,353**	1,347
Total	**1,499**	1,540	**5,532**	5,074

Timing of revenue recognition:

EUR million	Q4/2023	Q4/2022	2023	2022
Performance obligations satisfied at a point in time	**792**	753	**2,670**	2,321
Performance obligations satisfied over time	**707**	787	**2,862**	2,753
Total	**1,499**	1,540	**5,532**	5,074

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	2023	2022
Carrying value at beginning of the period	**485**	280
Translation differences	**-1**	-6
Acquired in business combinations	**—**	—
Revenue recognized in the period	**1,148**	1,179
Transfers to trade receivables	**-1,157**	-968
Carrying value at end of the period	**475**	485

Amounts due to customers under revenue contracts:

EUR million	2023	2022
Carrying value at beginning of the period	**1,205**	1,263
Translation differences	**-18**	-7
Acquired in business combinations	**66**	29
Revenue recognized in the period	**-2,505**	-2,090
Consideration invoiced and/or received	**2,403**	2,011
Carrying value at end of the period	**1,151**	1,205

EUR million	As at December 31, 2023	As at December 31, 2022
Amounts due to customers under revenue contracts for which revenue is recognized		
Point in time	**362**	359
Over time	**789**	846
Carrying value at end of the period	**1,151**	1,205

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 December 31, 2023, 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 December 31, 2023, was EUR 3,973 million (EUR 4,403 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 December 31, 2023	As at December 31, 2022	2023 impact
Assets included in net working capital			
Non-current trade receivables	**8**	—	**-8**
Other non-current assets	**15**	14	**-2**
Inventories	**1,049**	934	**-114**
Trade receivables	**973**	834	**-139**
Amounts due from customers under revenue contracts	**475**	485	**9**
Derivative financial instruments (assets)	**40**	69	**30**
Other receivables	**257**	223	**-34**
Liabilities included in net working capital			
Employee benefits	**-154**	-132	**23**
Provisions	**-211**	-219	**-8**
Other non-current non-interest-bearing liabilities	**-1**	-1	**—**
Trade payables	**-520**	-442	**78**
Amounts due to customers under revenue contracts	**-1,151**	-1,205	**-53**
Derivative financial instruments (liabilities)	**-46**	-56	**-11**
Other current liabilities	**-544**	-588	**-44**
Total net working capital	**191**	-82	**-273**
Effect of changes in foreign exchange rates			**5**
Remeasurement of defined benefit plans			**-18**
Change in allowance for doubtful receivables and inventory obsolescence provision			**-16**
Acquired in business combinations			**122**
Change in net working capital in the Consolidated statement of cash flows			**-180**

Intangible assets and property, plant and equipment

Intangible assets

EUR million	2023	2022
Carrying value at beginning of the period	**2,641**	1,004
Translation differences	**-3**	7
Capital expenditure	**27**	32
Acquired in business combinations	**311**	1,712
Amortization charges for the period	**-98**	-112
Impairment losses	**—**	-2
Other changes and disposals	**—**	-1
Carrying value at end of the period	**2,877**	2,641

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

EUR million	2023	2022
Carrying value at beginning of the period	**495**	404
Translation differences	**-8**	-4
Capital expenditure	**98**	80
Acquired in business combinations	**29**	74
Depreciation charges for the period	**-58**	-55
Impairment losses	**—**	-2
Other changes and disposals	**-3**	-2
Carrying value at end of the period	**553**	495

Leases

Right-of-use assets

EUR million	2023	2022
Carrying value at beginning of the period	**105**	65
Translation differences	**-2**	-1
Additions	**48**	32
Acquired in business combinations	**37**	46
Depreciation	**-40**	-34
Other changes	**-3**	-3
Carrying value at end of the period	**145**	105

Financial instruments

Derivative financial instruments

As at December 31, 2023	**Notional amount**	**Fair value, assets**	**Fair value, liabilities**	**Fair value, net**
Forward exchange contracts[1]	**3,194**	**34**	**-38**	**-4**
Interest rate swaps[1]	**510**	**5**	**-5**	**—**
Electricity forward contracts[2]	**153**	**1**	**-1**	**—**
Nickel forward contracts[3]	**588**	**—**	**-2**	**-2**
Steel scrap forward contracts[3]	**1,523**	**—**	**—**	**—**

As at December 31, 2022	Notional amount	Fair value, assets	Fair value, liabilities	Fair value, net
Forward exchange contracts[1]	3,515	50	-56	-6
Interest rate swaps[1]	125	9	—	9
Electricity forward contracts[2]	169	9	—	9
Nickel forward contracts[3]	192	1	—	1
Steel scrap forward contracts[3]	1,048	—	—	—

[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 December 31, 2023	As at December 31, 2022
Non-current financial assets		
Equity investments at fair value through other comprehensive income	**8**	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	**8**	—
Derivative financial instruments at fair value through profit or loss	**—**	—
Derivative financial instruments qualified for hedge accounting	**12**	11
Carrying value at end of the period	**31**	22
Current financial assets		
Interest-bearing financial assets at fair value through other comprehensive income	**25**	30
Non-interest-bearing financial assets at amortized cost	**3**	5
Trade receivables at amortized cost	**973**	834
Derivative financial instruments at fair value through profit or loss	**8**	8
Derivative financial instruments qualified for hedge accounting	**20**	50
Cash and cash equivalents at amortized cost	**432**	277
Carrying value at end of the period	**1,460**	1,205

EUR million	As at December 31, 2023	As at December 31, 2022
Non-current financial liabilities		
Loans from financial institutions at amortized cost	**1,240**	555
Lease liabilities at amortized cost	**98**	63
Derivative financial instruments at fair value through profit or loss	**—**	—
Derivative financial instruments qualified for hedge accounting	**11**	7
Carrying value at end of the period	**1,349**	625
Current financial liabilities		
Loans from financial institutions at amortized cost	**40**	40
Lease liabilities at amortized cost	**43**	35
Interest-bearing liabilities at amortized cost	**63**	115
Trade payables at amortized cost	**520**	442
Derivative financial instruments at fair value through profit or loss	**8**	15
Derivative financial instruments qualified for hedge accounting	**26**	35
Carrying value at end of the period	**700**	681

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	2023	2022
Carrying value at beginning of the period	**219**	214
Translation differences	**-1**	-2
Additions charged to profit or loss	**118**	106
Acquired in business combinations	**7**	9
Used reserve	**-75**	-65
Reversal of reserve	**-57**	-44
Carrying value at end of the period	**211**	219
Non-current	**42**	38
Current	**169**	181

Comparative information has been reclassified to achieve consistency in disclosure with current financial year reporting with no impact to period opening or closing balances.

Contingencies and commitments

EUR million	As at December 31, 2023	As at December 31, 2022
Guarantees on behalf of Valmet Group	**1,127**	1,521

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.

Events after the reporting period

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

Key indicators

	2023	2022
Comparable return on capital employed (Comparable ROCE) before taxes, %	**15%**	17%
Return on capital employed (ROCE) before taxes, %	**14%**	18%
Return on equity (ROE), %	**14%**	18%
Net debt to EBITDA ratio[1]	**1.46**	0.78
Gearing, end of period, %	**40%**	20%
Equity to assets ratio, end of period, %	**43%**	49%
Capital employed, end of period	**4,055**	3,308
Interest-bearing liabilities, end of period, EUR million	**1,484**	809
Net interest-bearing liabilities, end of period, EUR million	**1,027**	502
Earnings per share, EUR	**1.94**	1.92
Diluted earnings per share, EUR	**1.94**	1.92
Adjusted earnings per share, EUR	**2.28**	2.37
Equity per share, end of period, EUR	**13.93**	13.54
Number of outstanding shares, end of period	**184,161,105**	184,184,830
Average number of outstanding shares	**184,151,827**	175,617,981
Average number of diluted shares	**184,151,827**	175,617,981

[1] *Net debt to EBITDA ratio is a new alternative performance measure. It enables users of the financial information to prepare more meaningful analysis on Valmet's performance and is presented with comparatives from Q1/2023 onwards.*

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 information

EUR million	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022
Orders received	**1,155**	980	1,268	1,552	1,385
Order backlog, end of period	**3,973**	4,133	4,414	4,595	4,403
Net sales	**1,499**	1,295	1,417	1,321	1,540
Comparable gross profit[1]	**396**	336	368	330	395
% of net sales	**26.4%**	25.9%	26.0%	24.9%	25.6%
Comparable SG&A expenses[1]	**-242**	-203	-227	-229	-234
% of net sales	**-16.1%**	-15.7%	-16.1%	-17.3%	-15.2%
Comparable EBITA	**183**	150	153	133	196
% of net sales	**12.2%**	11.6%	10.8%	10.1%	12.7%
Operating profit	**148**	127	136	97	156
% of net sales	**9.9%**	9.8%	9.6%	7.3%	10.1%
Profit before taxes	**133**	120	129	91	152
% of net sales	**8.8%**	9.3%	9.1%	6.9%	9.9%
Profit for the period	**103**	86	99	71	121
% of net sales	**6.9%**	6.6%	7.0%	5.4%	7.9%
Earnings per share, EUR	**0.56**	0.47	0.54	0.38	0.66
Adjusted earnings per share, EUR	**0.65**	0.52	0.60	0.51	0.80
Expensing of fair value adjustments recognized in business combinations, net of tax, EUR million	**-17**	-11	-11	-24	-26
Amortization	**-25**	-20	-20	-34	-34
Depreciation, property, plant and equipment (excl. right-of-use assets)	**-15**	-14	-14	-14	-13
Depreciation, right-of-use assets	**-12**	-10	-9	-10	-9
Depreciation, total	**-27**	-24	-23	-24	-23
Items affecting comparability:					
in cost of goods sold	**-22**	-3	-4	-4	-11
in selling, general and administrative expenses	**-7**	-5	-3	-4	-6
in other operating income and expenses, net	**17**	5	7	6	9
in share in profits and losses of associated companies, operative investments	**1**	—	2	-1	2
Total items affecting comparability	**-10**	-4	2	-2	-6
Cash flow provided by operating activities, EUR million	**123**	57	-37	208	-13
Cash flow after investing activities, EUR million	**-316**	31	-71	175	-45
Gross capital expenditure (excl. business combinations and right-of-use assets)	**-36**	-27	-37	-25	-32
Business combinations, net of cash acquired and loans repaid	**-405**	—	-1	-9	—
Research and development expenses, net	**-32**	-24	-28	-29	-27
% of net sales	**-2.2%**	-1.9%	-2.0%	-2.2%	-1.7%

[1] *Comparable gross profit, and Comparable selling, general and administrative expenses (Comparable SG&A expenses) are new alternative performance measures. They enable users of the financial information to prepare more meaningful analysis on Valmet's performance and are presented with comparatives from Q1/2023 onwards.*

Quarterly segment information

Orders received, EUR million	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022
Services	**404**	349	430	577	418
Automation	**319**	289	340	391	324
Process Technologies	**432**	343	497	584	644
Total	**1,155**	980	1,268	1,552	1,385

Net sales, EUR million	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022
Services	**508**	429	457	389	505
Automation	**375**	312	338	304	363
Process Technologies	**615**	554	623	628	672
Total	**1,499**	1,295	1,417	1,321	1,540

Comparable EBITA, EUR million	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022
Services	**91**	79	80	63	95
Automation	**79**	58	61	50	78
Process Technologies	**25**	25	30	30	38
Other	**-13**	-12	-17	-9	-14
Total	**183**	150	153	133	196

Comparable EBITA, % of net sales	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022
Services	**17.9%**	18.4%	17.5%	16.1%	18.7%
Automation	**21.1%**	18.7%	17.9%	16.3%	21.4%
Process Technologies	**4.1%**	4.5%	4.8%	4.7%	5.6%
Total	**12.2%**	11.6%	10.8%	10.1%	12.7%

EBITA, EUR million	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022
Services	**80**	79	81	62	94
Automation	**80**	58	63	44	71
Process Technologies	**29**	25	29	33	36
Other	**-18**	-15	-16	-9	-11
Total	**172**	147	155	131	190

EBITA, % of net sales	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022
Services	**15.8%**	18.4%	17.7%	16.0%	18.6%
Automation	**21.4%**	18.6%	18.5%	14.6%	19.6%
Process Technologies	**4.8%**	4.5%	4.6%	5.2%	5.4%
Total	**11.5%**	11.3%	11.0%	9.9%	12.3%

Items affecting comparability, EUR million	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022
Services	**-11**	—	1	—	-1
Automation	**1**	—	2	-5	-7
Process Technologies	**4**	—	-1	3	-1
Other	**-5**	-3	—	—	3
Total	**-10**	-4	2	-2	-6

Amortization, EUR million	Q4/2023	Q3/2023	Q2/2023	Q1/2023	Q4/2022
Services	**-5**	-2	-2	-2	-2
Automation	**-12**	-12	-12	-27	-27
Process Technologies	**-3**	-2	-2	-2	-2
Other	**-4**	-4	-4	-4	-4
Total	**-25**	-20	-20	-34	-34

Valmet's financial reporting in 2024

April 24, 2024 - Interim Review for January–March 2024
July 24, 2024 - Half Year Financial Review for January–June 2024
October 30, 2024 - Interim Review for January-September 2024

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