

Focus on growth in Automation

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Automation business line offering



Distributed Control Systems (DCS)

- DCS for process and plant controls
- Condition monitoring
- Information management
- APC (advanced process control)
- Industrial Internet applications



Quality Management Systems (QMS)

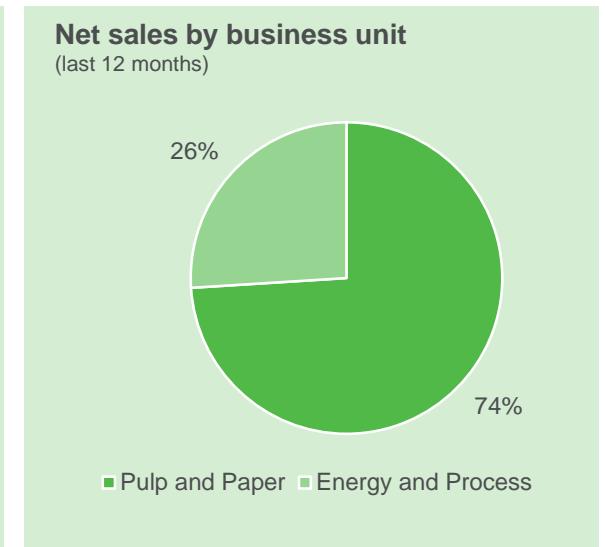
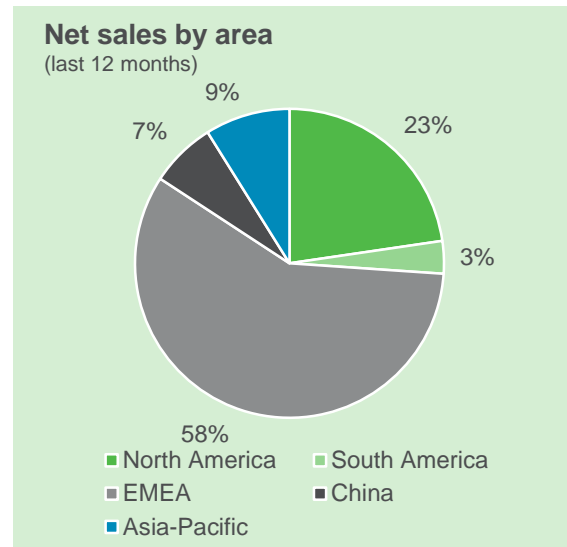
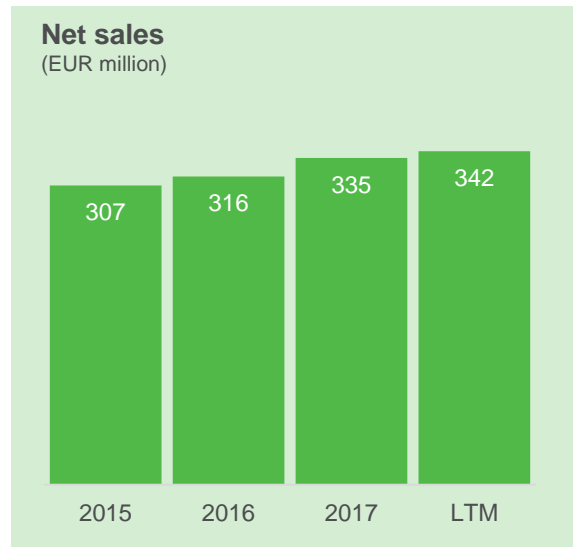
- QCS (quality control systems)
- Profilers
- Web inspection and web break analysis systems



Analyzers and measurements

- Paper analyzers
- Pulp analyzers
- Pulp consistency measurements
- Conductivity measurements
- Power analyzers

Automation key figures at a glance



Market drivers

- Ageing machines and installed automation systems
- Investments in new pulp and paper machines and power plants
- Demand for raw material savings, process efficiencies and sustainability
- Demand for Industrial Internet based solutions

	Market position	Market share	Estimated market size	Long-term market growth
Pulp and Paper	#1-2	~20%	EUR 1.0 bn	~1%
Energy and Process	#2-4	~10%	EUR 1.0 bn	~1%

2017 financials have been restated following the adoption of IFRS 15. LTM = Last 12 months, refers to the period July 1, 2017 – June 30, 2018

Recent development

Recent development

Customer

- Valmet package sales all-time high
- Progress in new business areas: marine, converting and LNG
- Continuous installed base growth

Technology

- Good progress in R&D and product renewal – 55% of sales from products commercialized within five years
- Strong development funnel to strengthen our technology leadership in core segments

Process

- Solid operations performance in response to business growth
- Continued profitable growth

People

- Further strengthened our service capability in new regions
- Investment into sales & operations development through global training programs

New products and applications

- Renewed QCS product family: launched also to converting
- New analyzers launched
- Integrated operations application launched and delivered for LNG terminals and distribution management
- Industrial Internet: Performance Center, Customer Portal, Performance applications



Actions to grow and improve profitability

Actions to grow and improve profitability

Customer

- Grow market share through competitor installed base replacements
- Enforce Valmet synergies to key customer segments
- Grow through new industries: marine, converting, LNG and biogas
- Grow automation services through footprint, capability and winning installed base

Technology

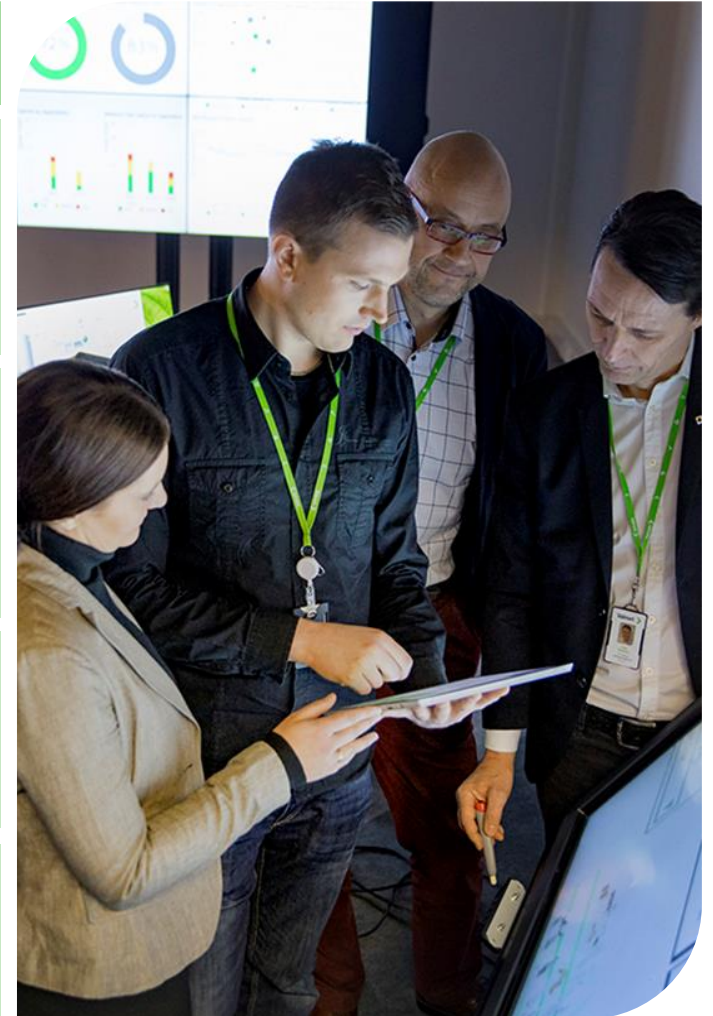
- Keep market leadership in Pulp and Paper including Industrial Internet
- Technology renewal and development: continue new product releases for converting and process
- Continue development of performance and operations software solutions like integrated operations

Process

- Leap forward in efficiency through new ERP and streamlined operations
- Utilize Industrial Internet opportunities in deliveries and customer agreements

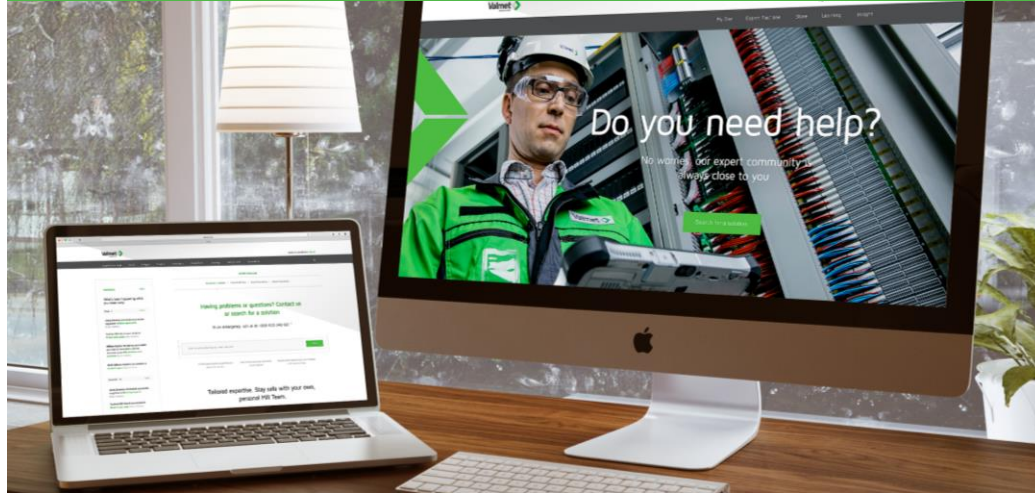
People

- Develop services capability through further recruitment, onboarding and training close to customers
- Manage performance in sales and delivery processes



Growth accelerator: Industrial Internet and digitalization

Customer Portal



Valmet Performance Center



Partner Ecosystem

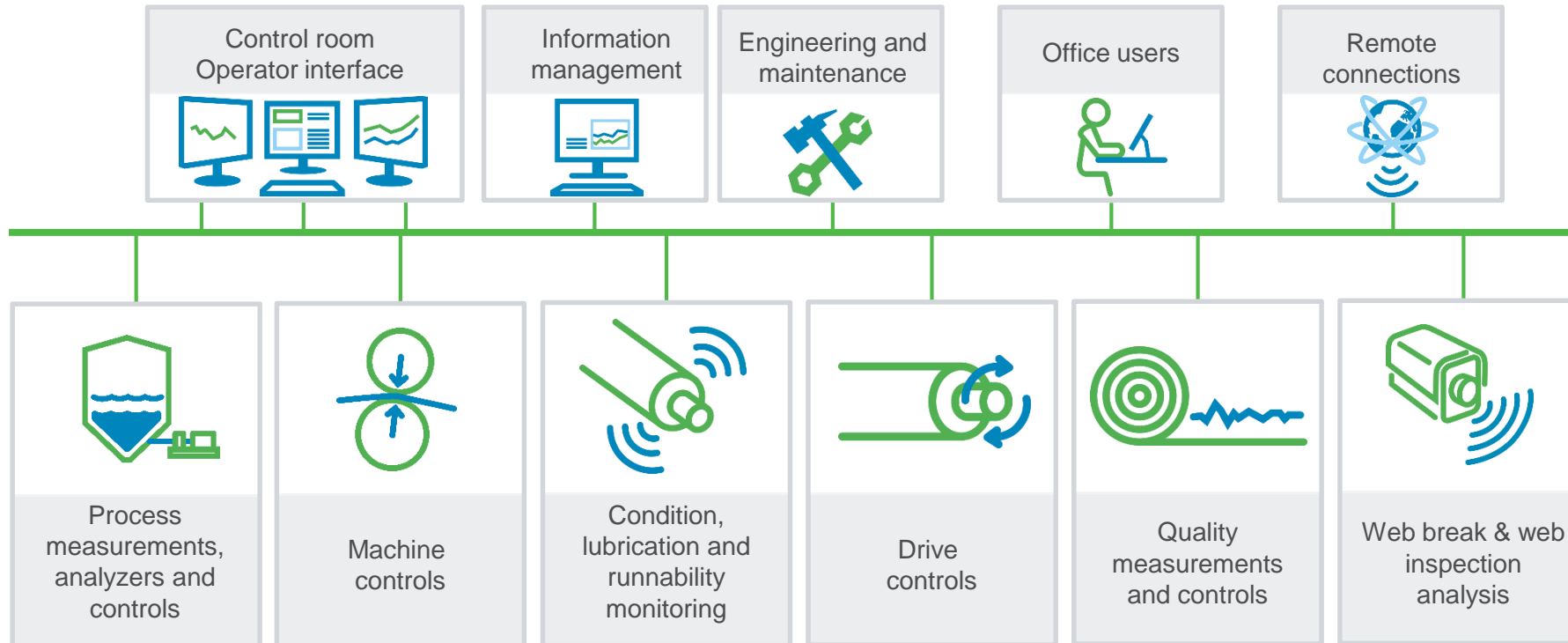


Industrial Internet offering



Automation projects and services: Board and Tissue machines

Automation delivery content and service scope



Board machine
3,000-7,000 I/O
Price: EUR 2-6 million

Tissue machine
1,000-3,000 I/O
Price: EUR 1-4 million

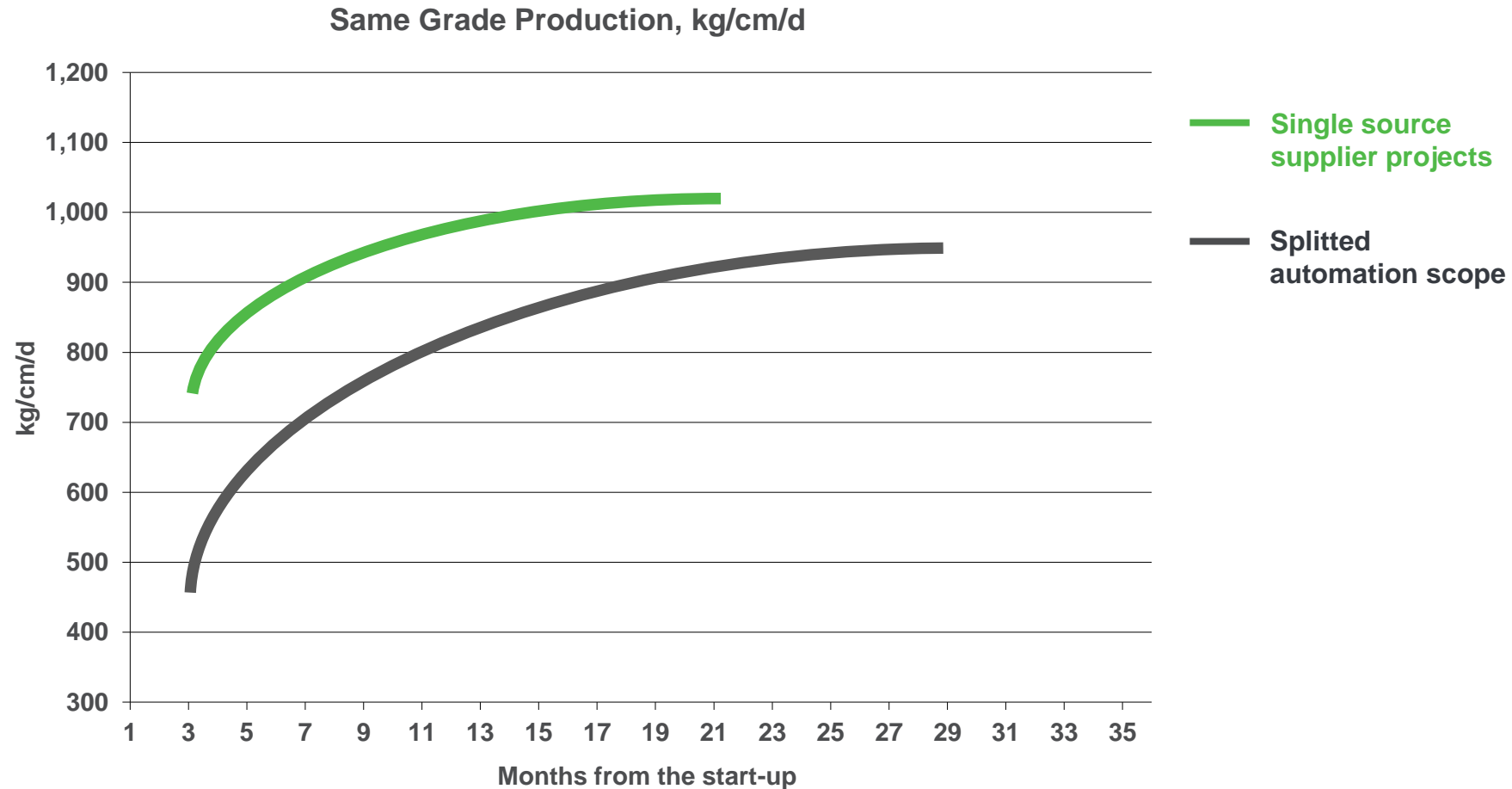


- Total control solution
- Industrial Internet embedded
- Single supplier – efficient project management
- Faster start-up of assets



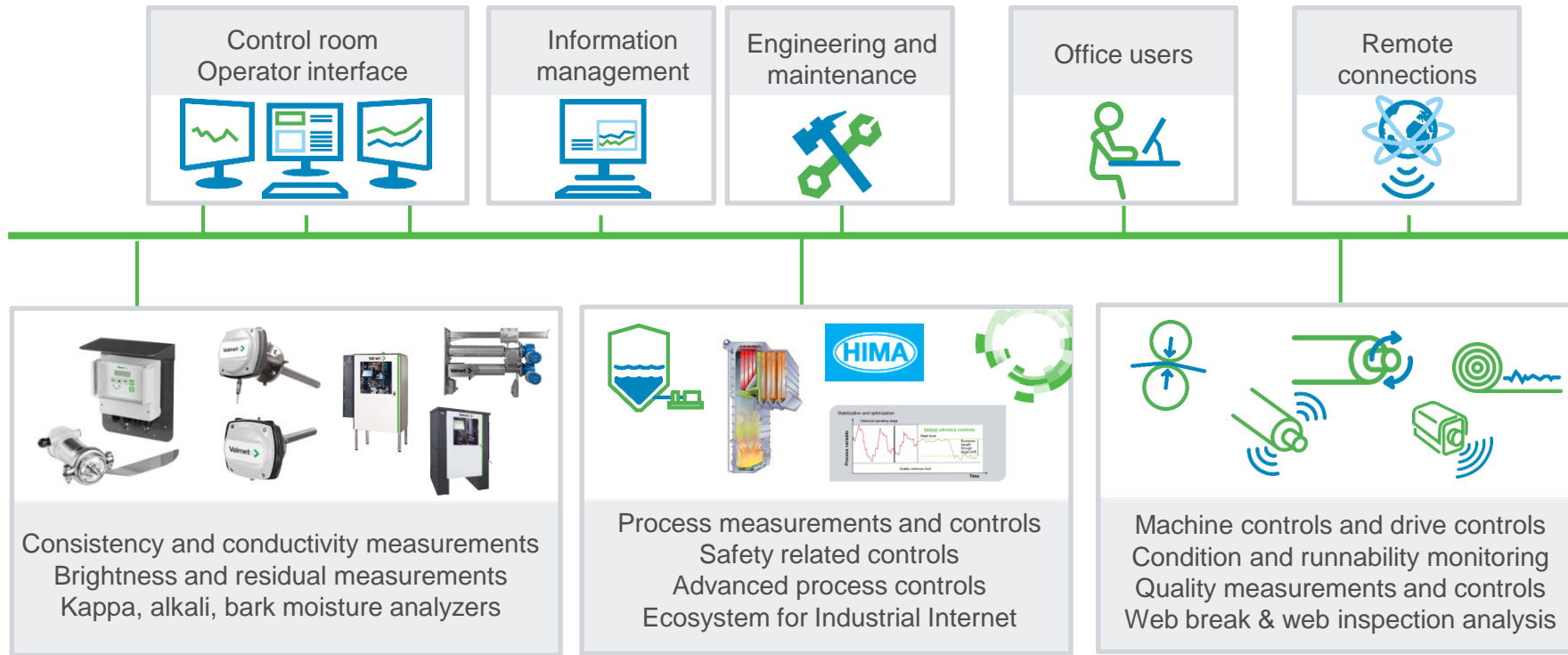
Single source supplier makes the difference

Faster start-up and more sellable production



Common automation platform for Pulp mill

Valmet DNA is scalable from MCS to QCS to DCS and beyond



Pulp mill
30,000 I/O
Price: EUR 13 million

- Common operator interface
- Common data collection
- One common engineering tool
- Help pages for interlocks
- No links needed between systems
- Valmet Industrial Internet solutions

Main growth from expanding installed base

Competitor replacements since 2015



Replacing competitors' installed base (DCS)

- > 200 DCS systems replaced in Pulp & Paper
- 16% market share in new cruise ships
- Successful entry into marine retrofits
- Individual project from few k€ to 5M€



Replacing competitors' installed base (QCS)

- > 300 QCS systems replaced in Pulp & Paper
- New installed base generated in converting
- Individual project delivery from 100k€ to 1M€



Analyzers and measurements

- 60 competitor analyzers replaced
- > 300 own analyzers retrofitted
- Individual order from few k€ to 1M€

