

CEO's review

Annual General Meeting of Metso Corporation
March 22, 2018

Eeva Sipilä
Interim CEO
CFO



First 150 years of Metso's history

150
Years of results



Metso in born **1999**



Demerger **2013**

New era of profitable growth



Sunds Bruk opens in Sweden **1868**



Nordberg Manufacturing is established in USA **1886**



and **Bergeaud & Bruno** in France **1895**

and **Lokomo** in Finland **1915**



Jamesbury is founded in USA **1954**

and **Neles** in Finland **1956**

Svedala joins Metso **2001**

Recycling portfolio strengthened with **M&J Industries** **2010**

Focus in **minerals ja flow control businesses** **2014**

Metso today





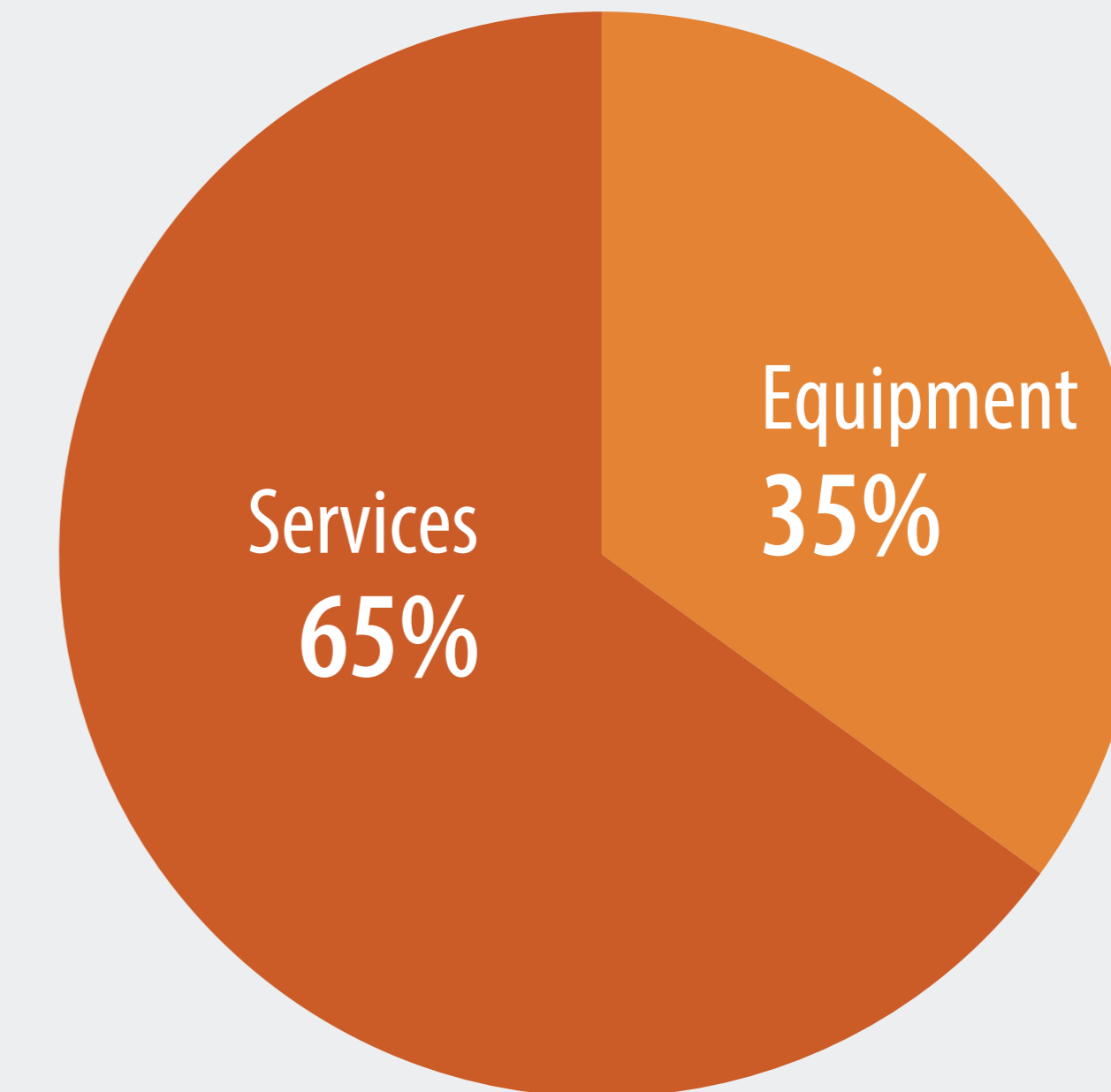
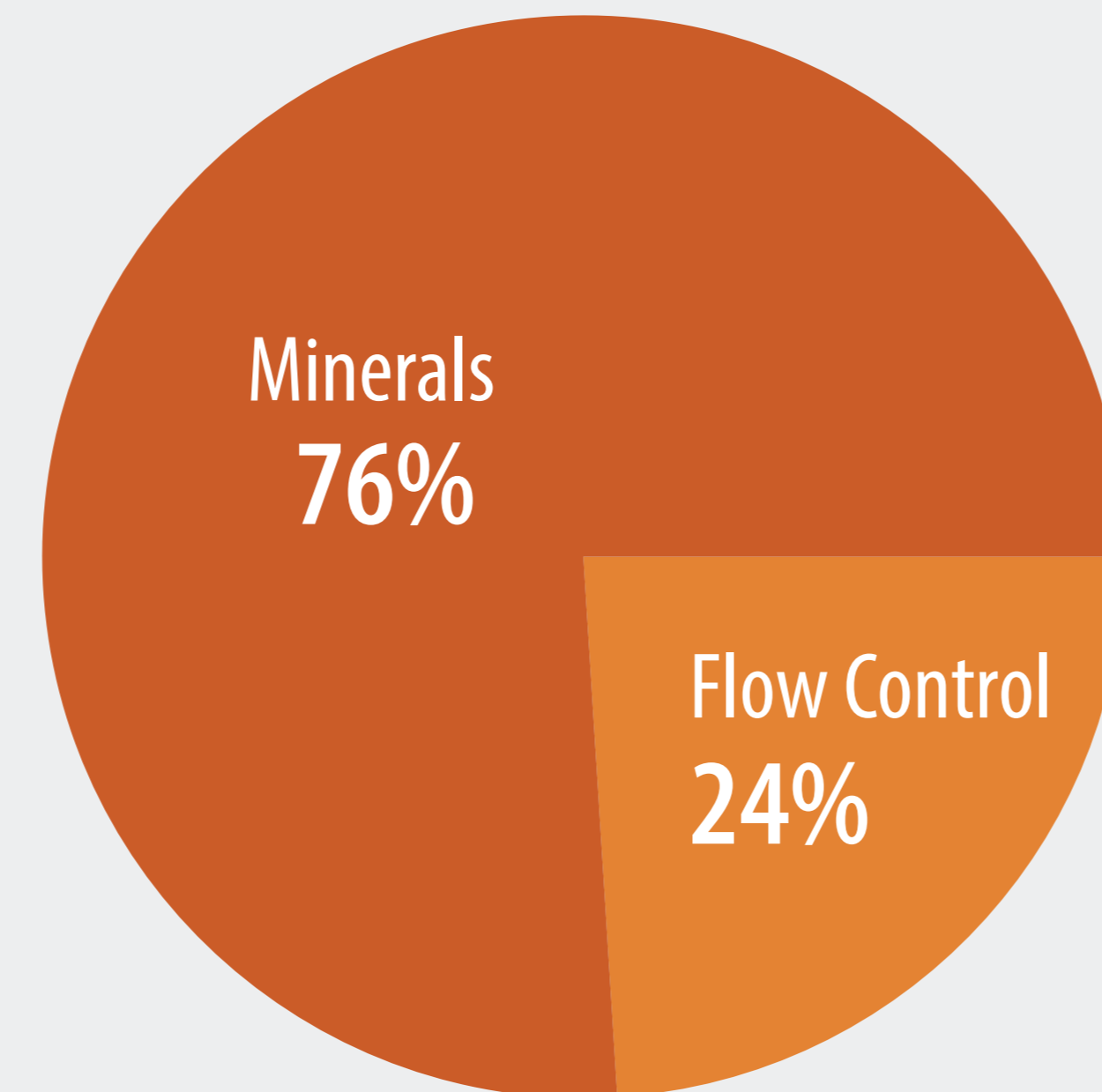
Two strong segments

Minerals

Equipment for minerals processing, crushing and screening as well as related services

Flow Control

Valves and pumps and related services



Sales split



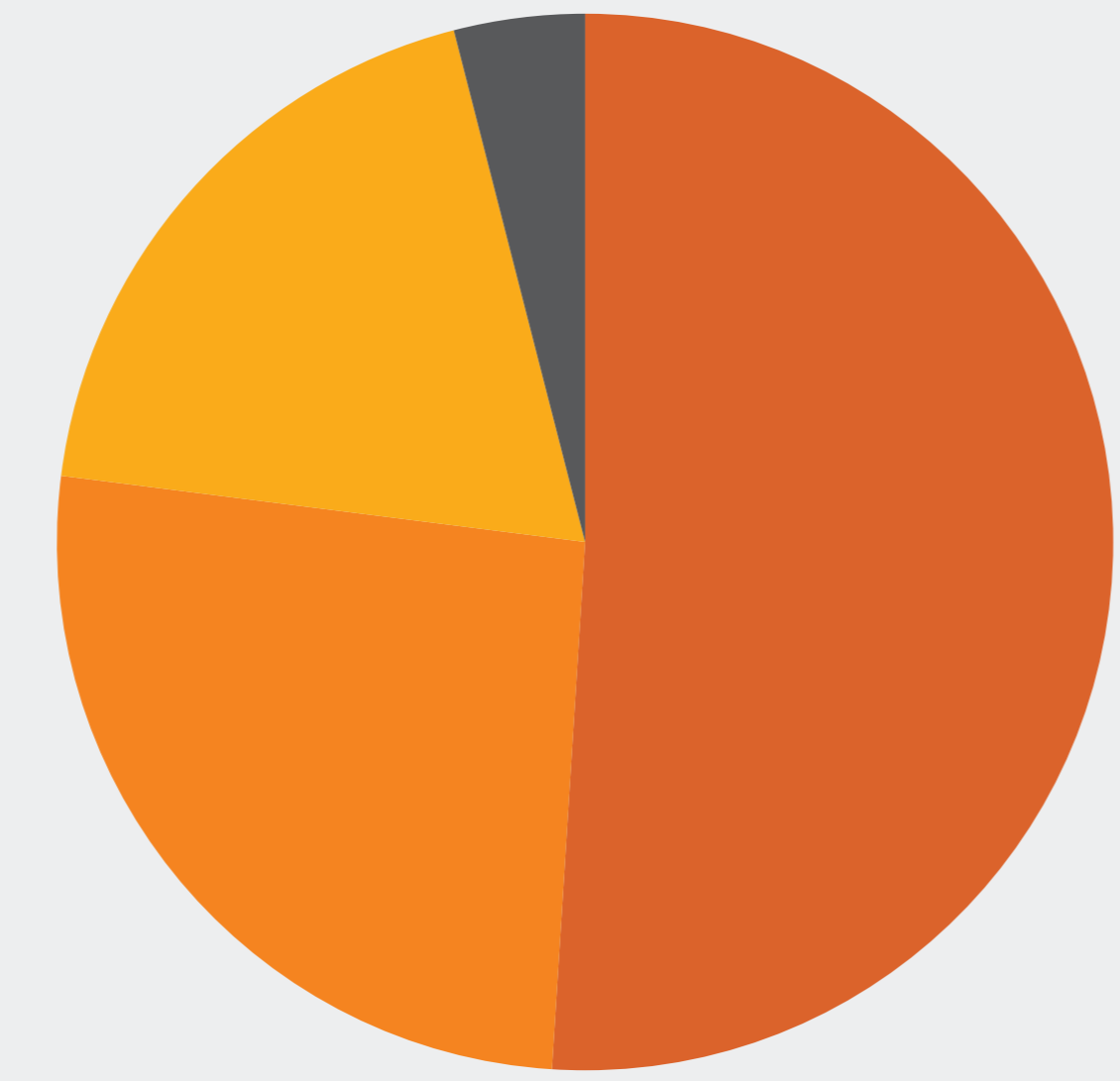
We operate globally

50 countries

80 servicecentres

12,000 experts

Sales by industry



- Mining industry 51%
- Aggregates industry 26%
- Process industry 19%
- Recycling industry 4%

Sales by geography



- North America 20%
- South and Central America 20%
- Europe 25%
- Asia-Pacific 25%
- Africa and Middle-East 10%

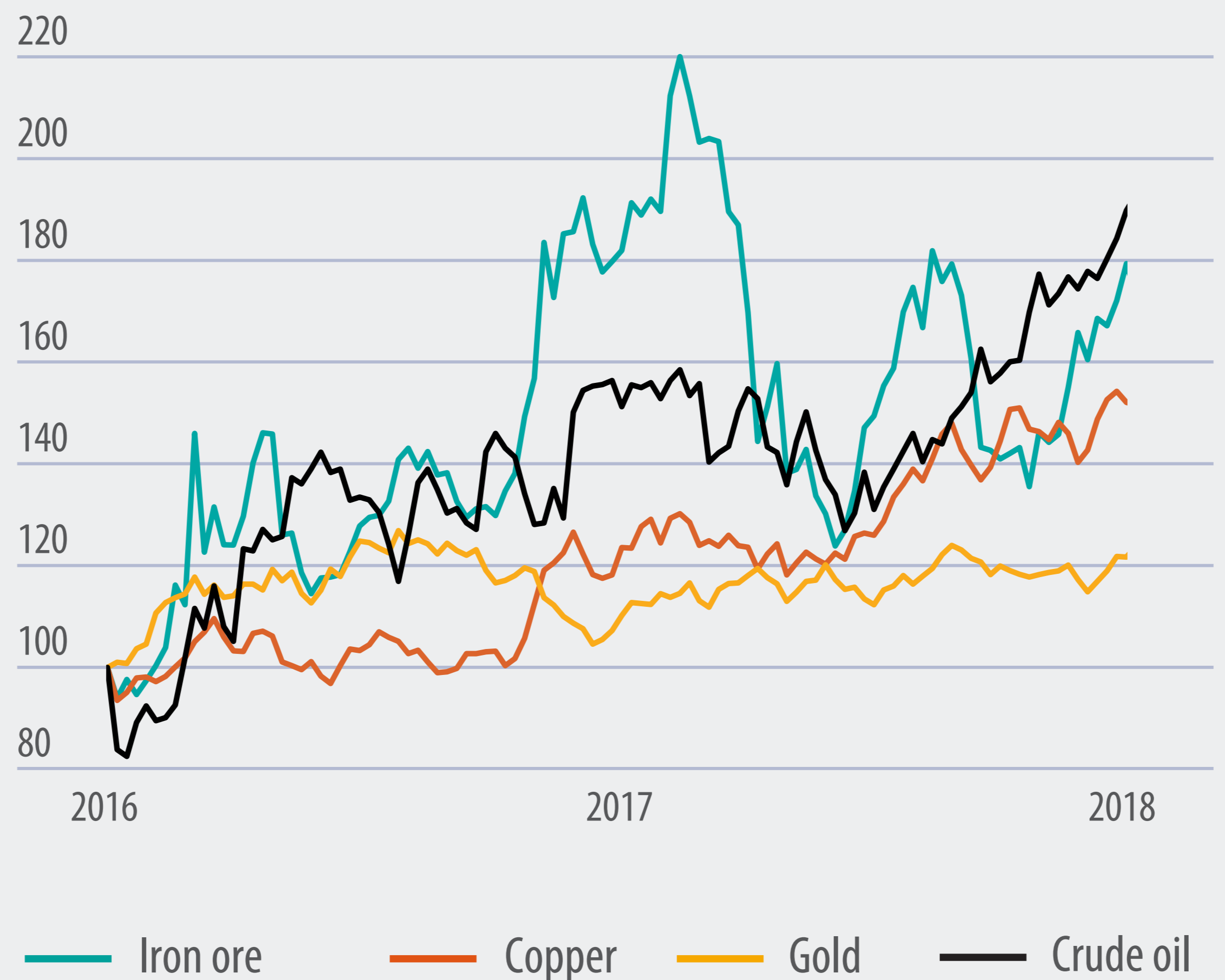


Financial review

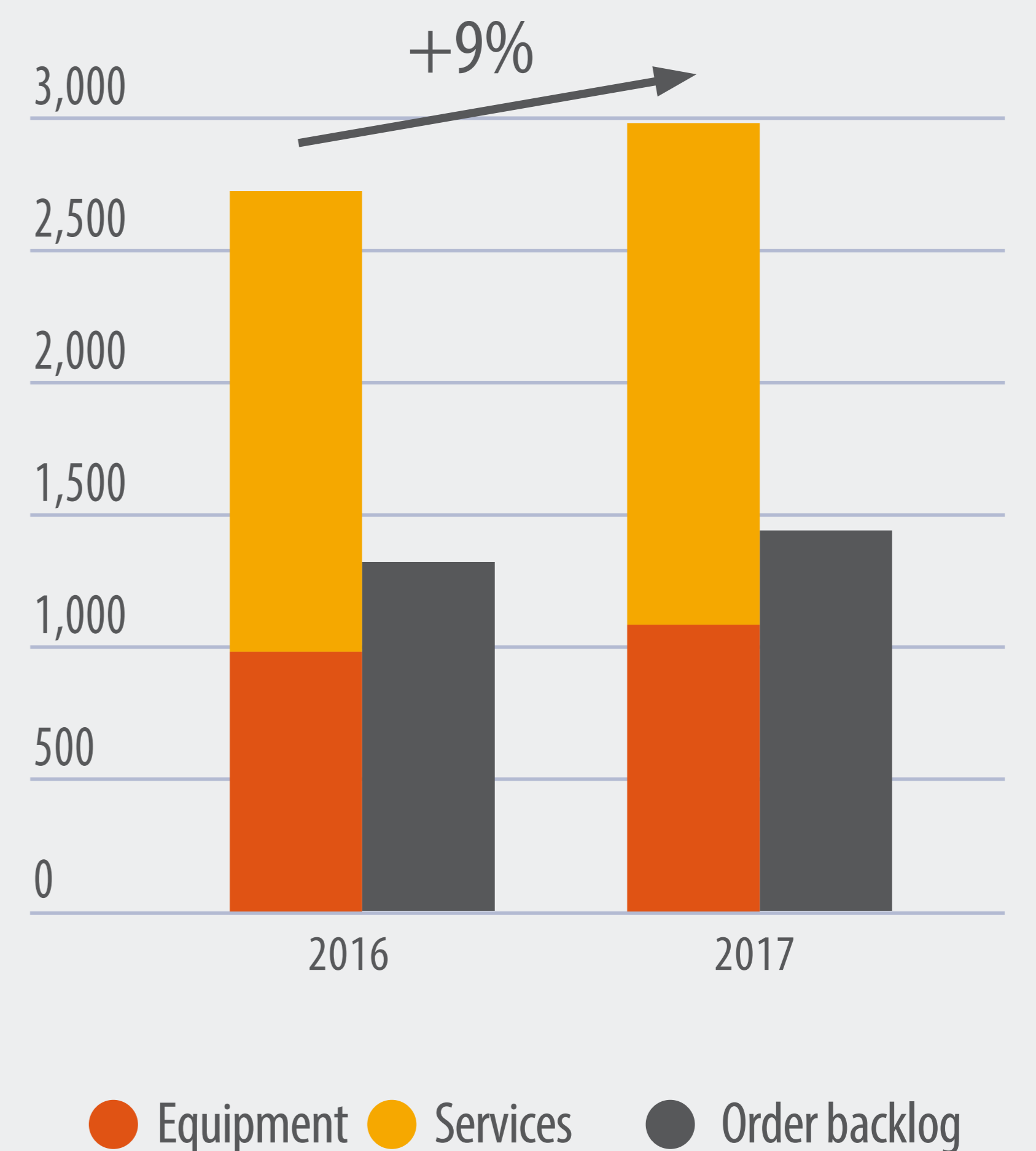


Markets have recovered

Price index Metals' and oil price development



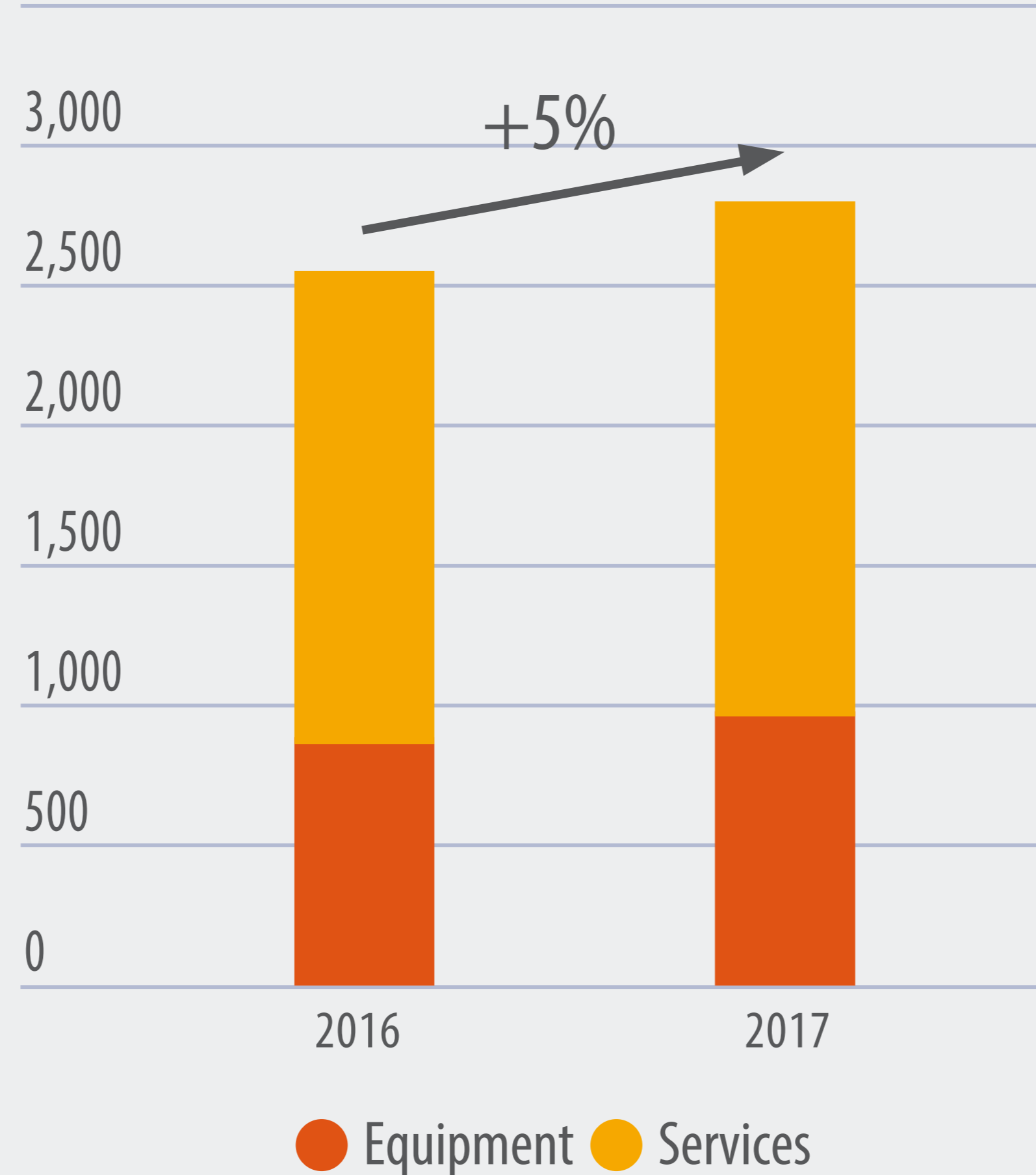
EUR million Orders and order backlog





Sales turned to growth

EUR million

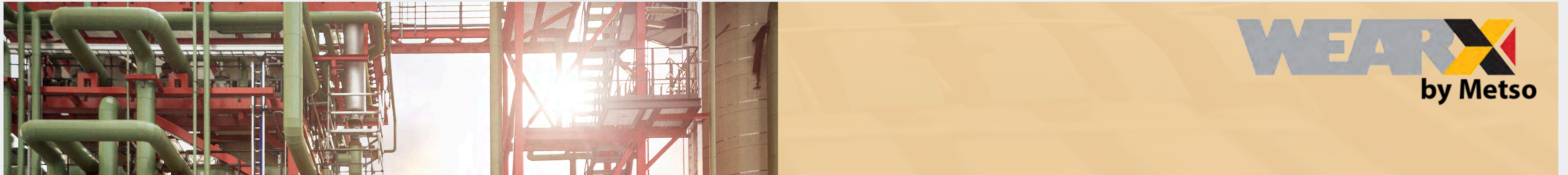


Services sales grew 4% year-on-year

Minerals sales increased 6%
to EUR 2,070 million

Flow Control sales increased 1%
to EUR 636 million

Growth was supported by distribution channel expansion and a supplementary acquisition



Distribution channel expansion

- Several valve distributors in Brazil and India
- Several valve distributors in North America
- Expansion to new markets in crushing and screening: Qatar and Marocco

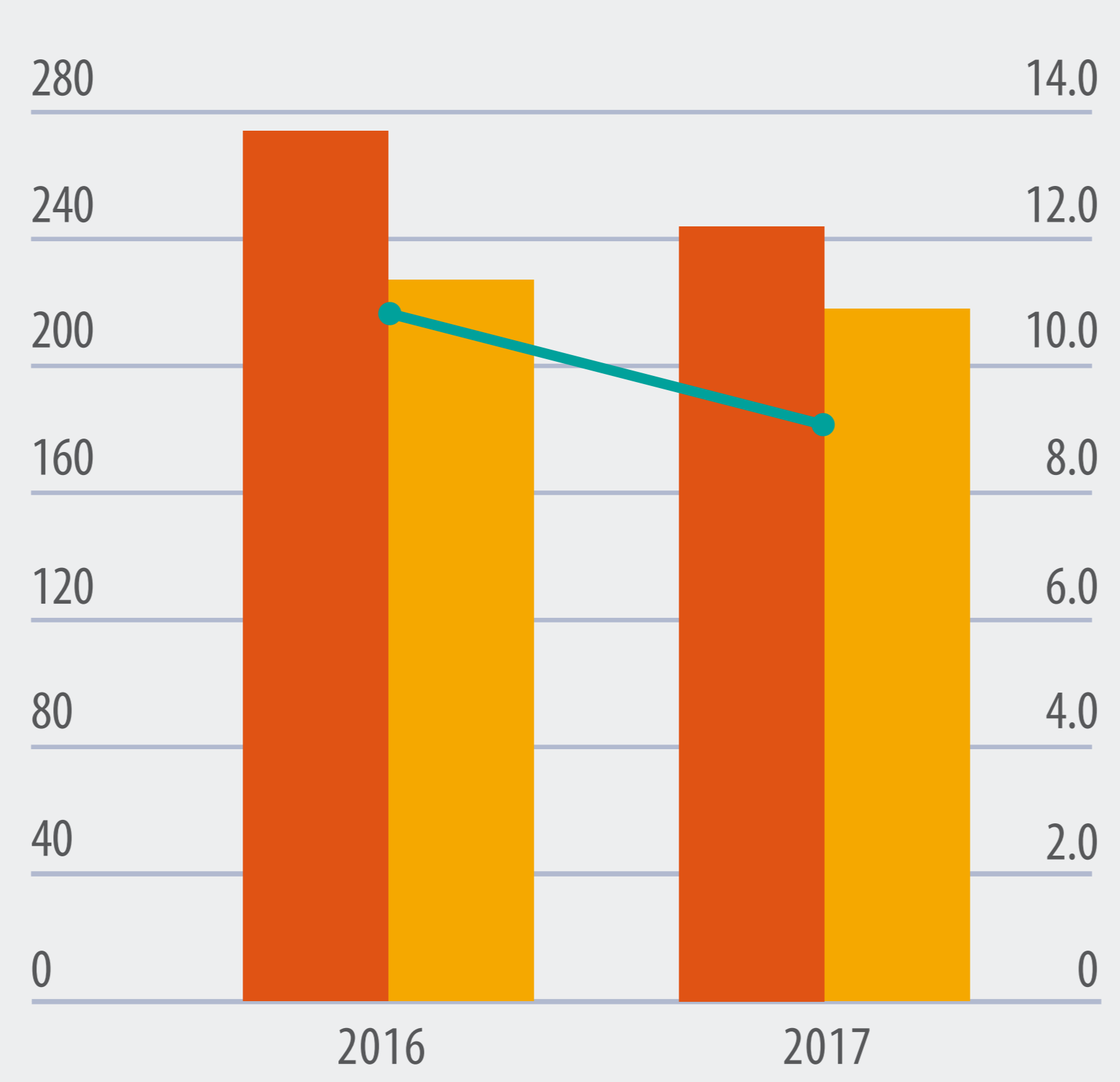
Acquisition of WEARX

- Extends Metso's services offering in Australia
- Sales of EUR 23 million
- 140 employees



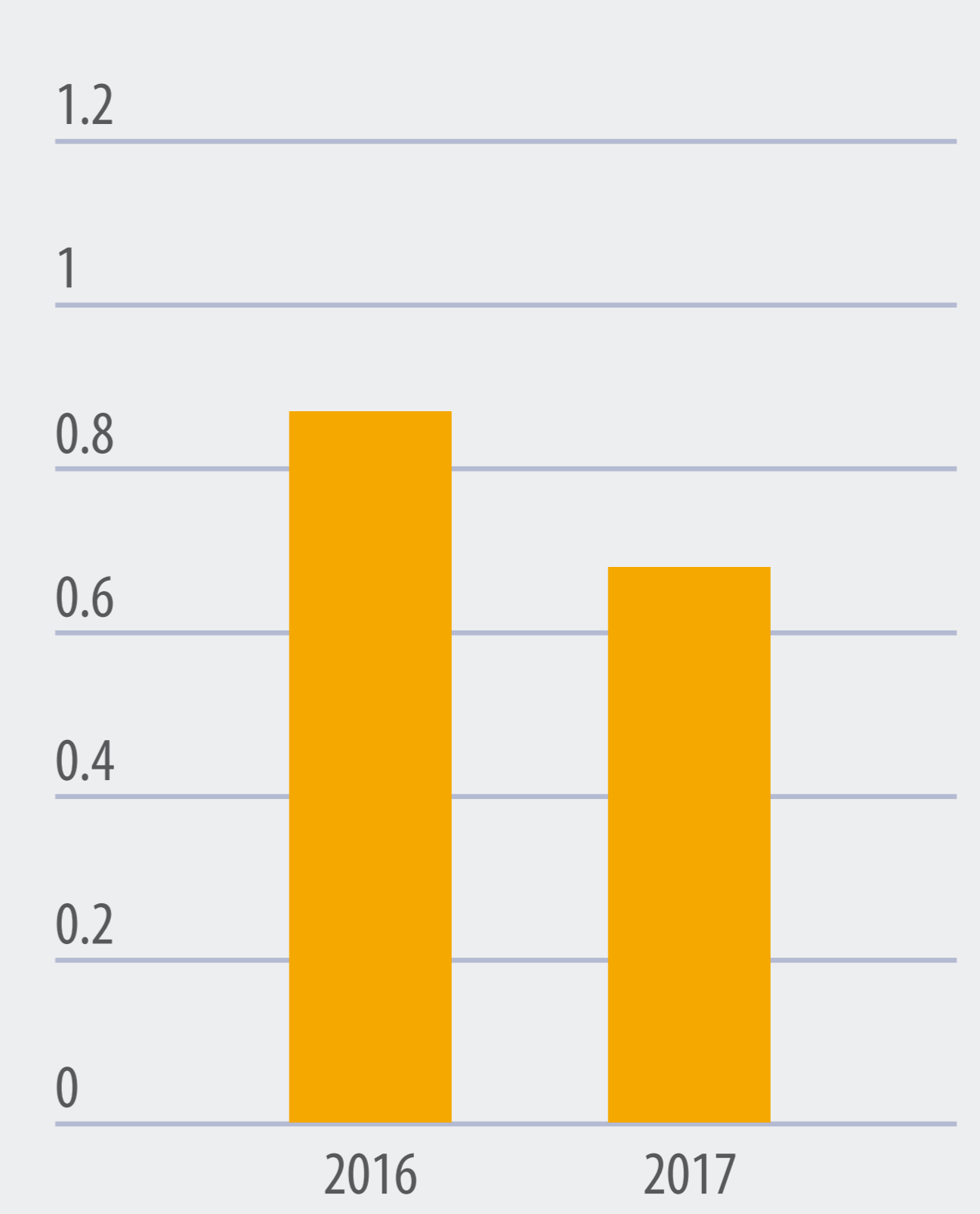
Profitability still unsatisfactory

EUR million Adj. EBITA and EBIT %



● Adj. EBITA ● EBIT — Adj. EBITA-%

EUR Earnings per share



Additional EUR 33.3 million charge related to mining projects in the backlog

Tax-related items affected earnings per share



Solid financial position

EUR million	2016	2017
Cash assets	698	673
Free cash flow	339	158
Return on capital employed	10.4%	10.3%
Equity-to-assets ratio	48.0%	44.5%
Return on equity	9.0%	7.3%
Net gearing	-1.8%	1.8%
Balance sheet total	3,236	3,287



Non-financial value creation

Customer relationships

Product responsibility

Compliance

Supply chain

People

99.8% of personnel were trained on Code of Conduct

120 internal and external audits

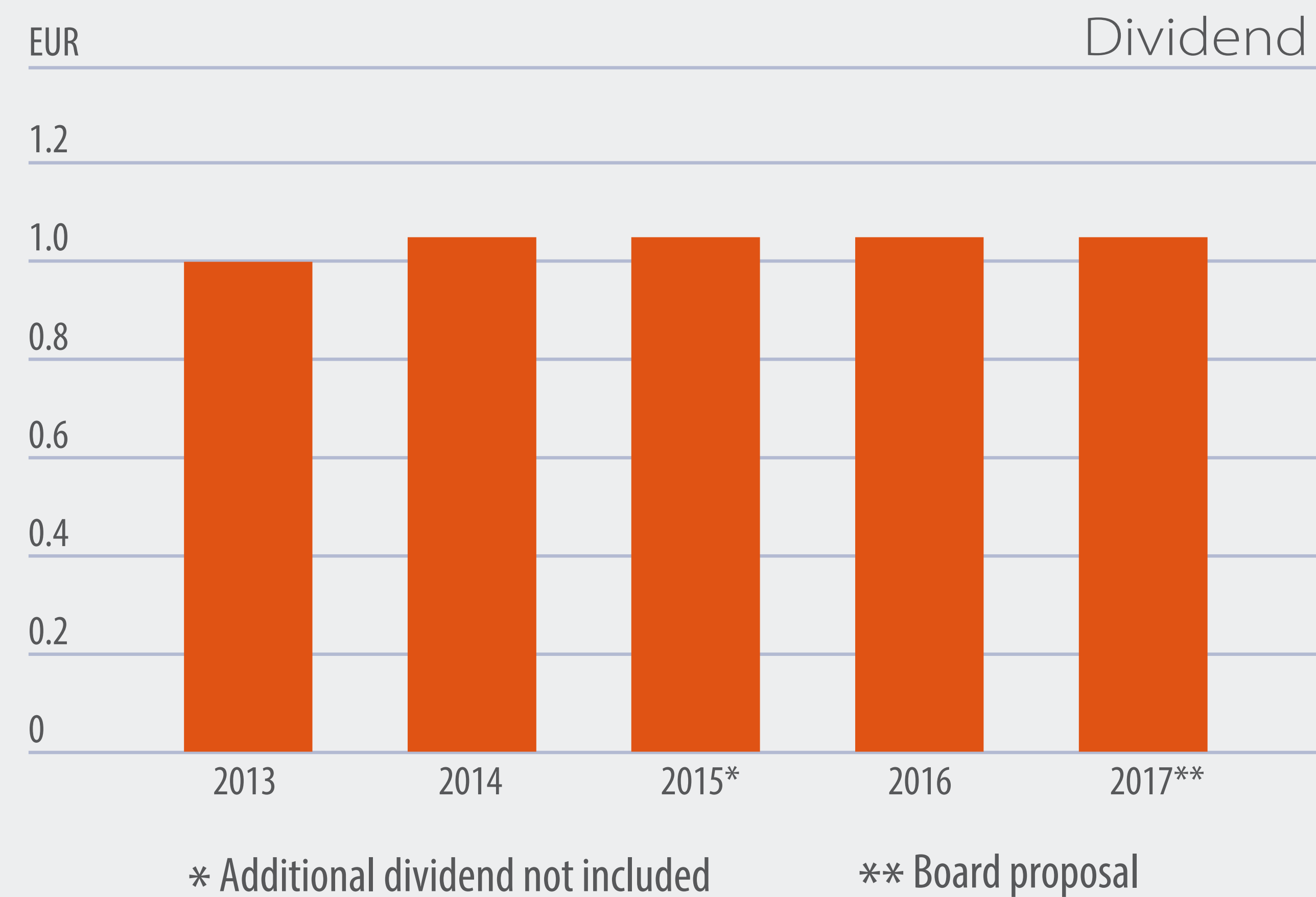
LTIF was 2.6

84 % of the R&D projects have defined sustainability targets

Employee engagement survey takes place biannually



Board proposes a dividend of EUR 1.05 per share



Metso's strategic focus areas



New organization brings agility and speed

President and CEO

CFO
Eeva Sipilä



Human resources
Merja Kamppari



Digital development
Jani Puroranta



Mining
Equipment

Victor
Tapia



Aggregates
Equipment

Markku
Simula



Minerals
Services

Mikko
Keto



Minerals
Consumables

Sami
Takaluoma



Recycling

Uffe
Hansen



Pumps

John
Quinlivan



Valves

John
Quinlivan

Strategic fundamentals of our profitable growth strategy

Customer centricity

Innovations

Personnel and leadership

Service leadership

Operational excellence

We focus on innovations

Metso Urban Lokotrack
simplifies crushing process with less
noise and dust.



Metso MX
crusher increases operational
profitability significantly.



Metso Life Cycle Services
Customer awarded Metso for safe and
successful partnership.



Digitalization brings added value to our customers' processes

| This is where we are now



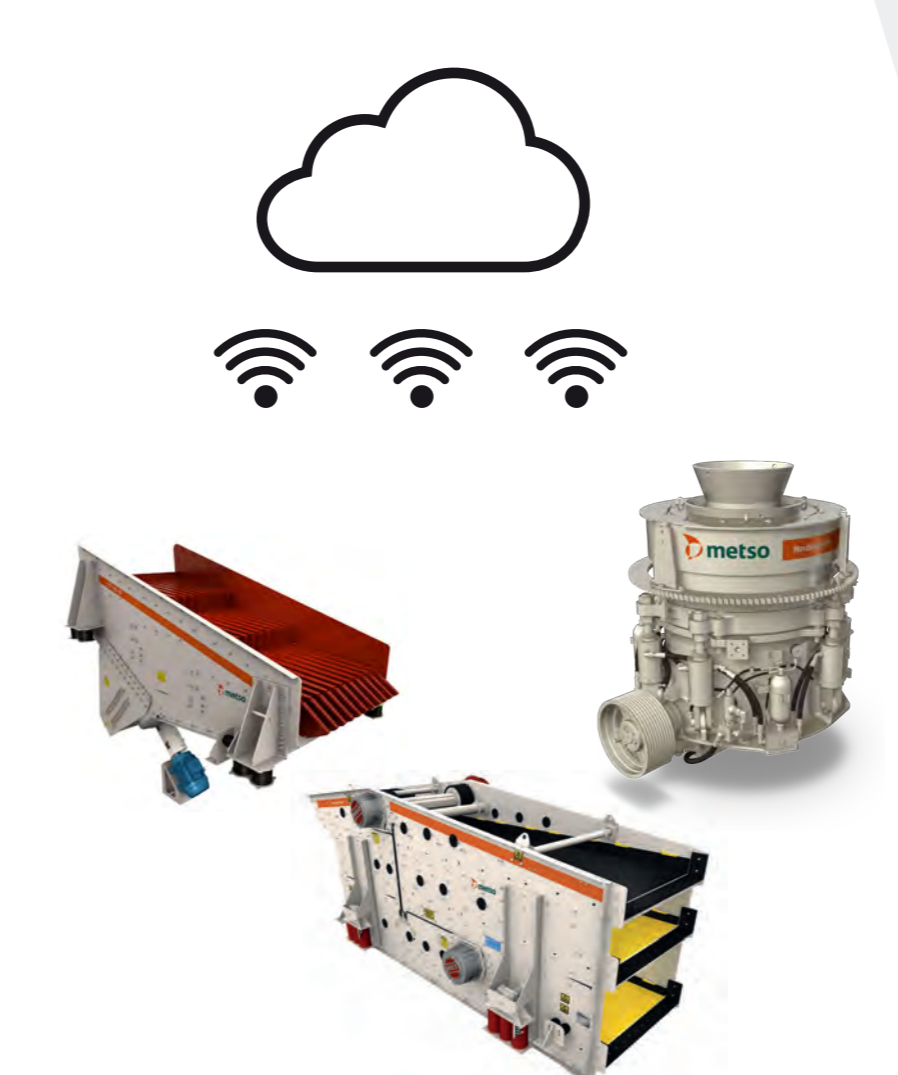
1. Crusher



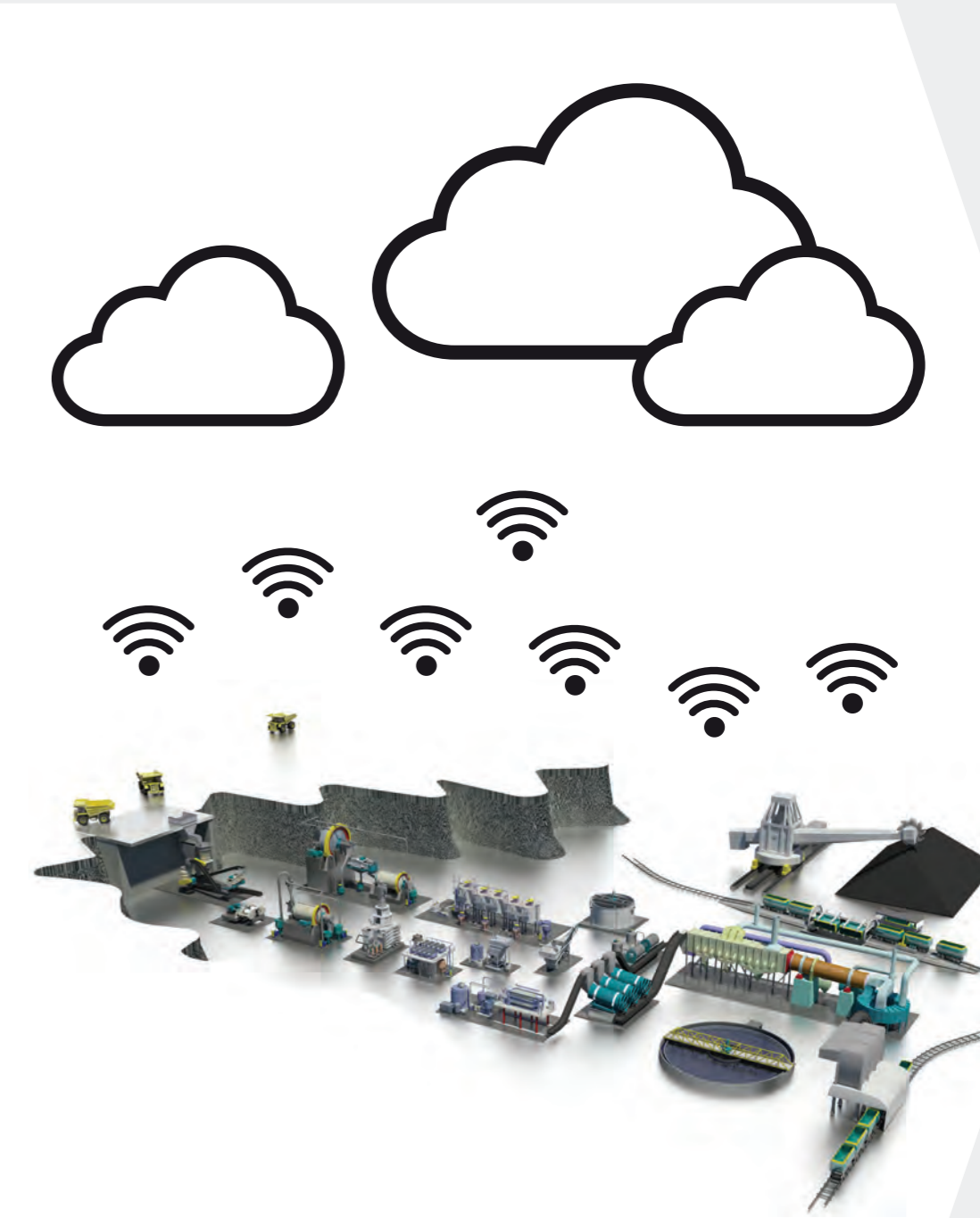
2. Smart crusher



3. Smart, connected crusher



4. Smart, connected product system



5. Ecosystem

Benefits of analytics to our customers



Predictive maintenance
Preventive maintenance
Remote support
Maintenance scheduling
Equipment performance monitoring
Process optimization

Shorter, safer and less frequent planned shutdowns

Less unplanned maintenance breaks

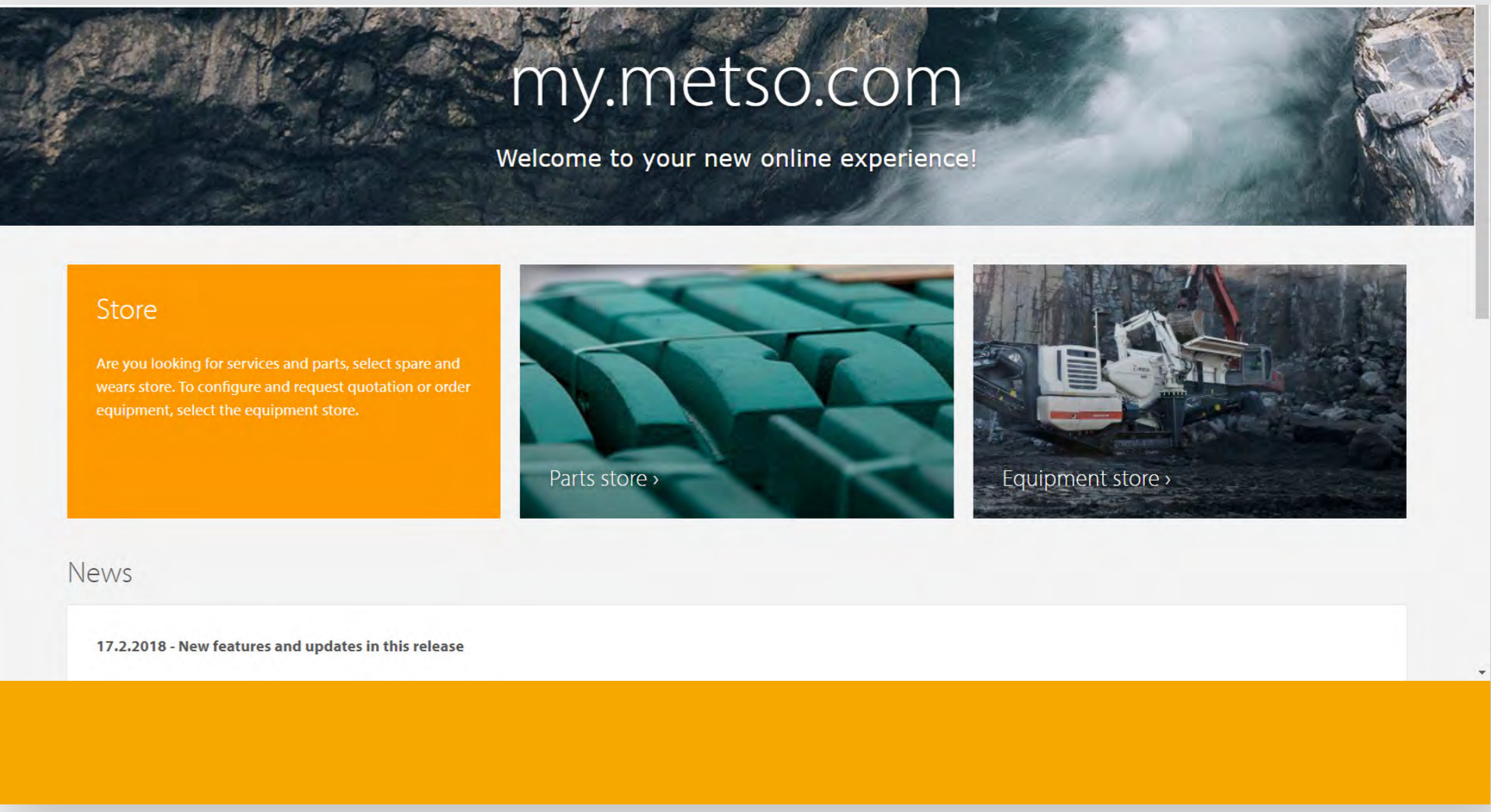
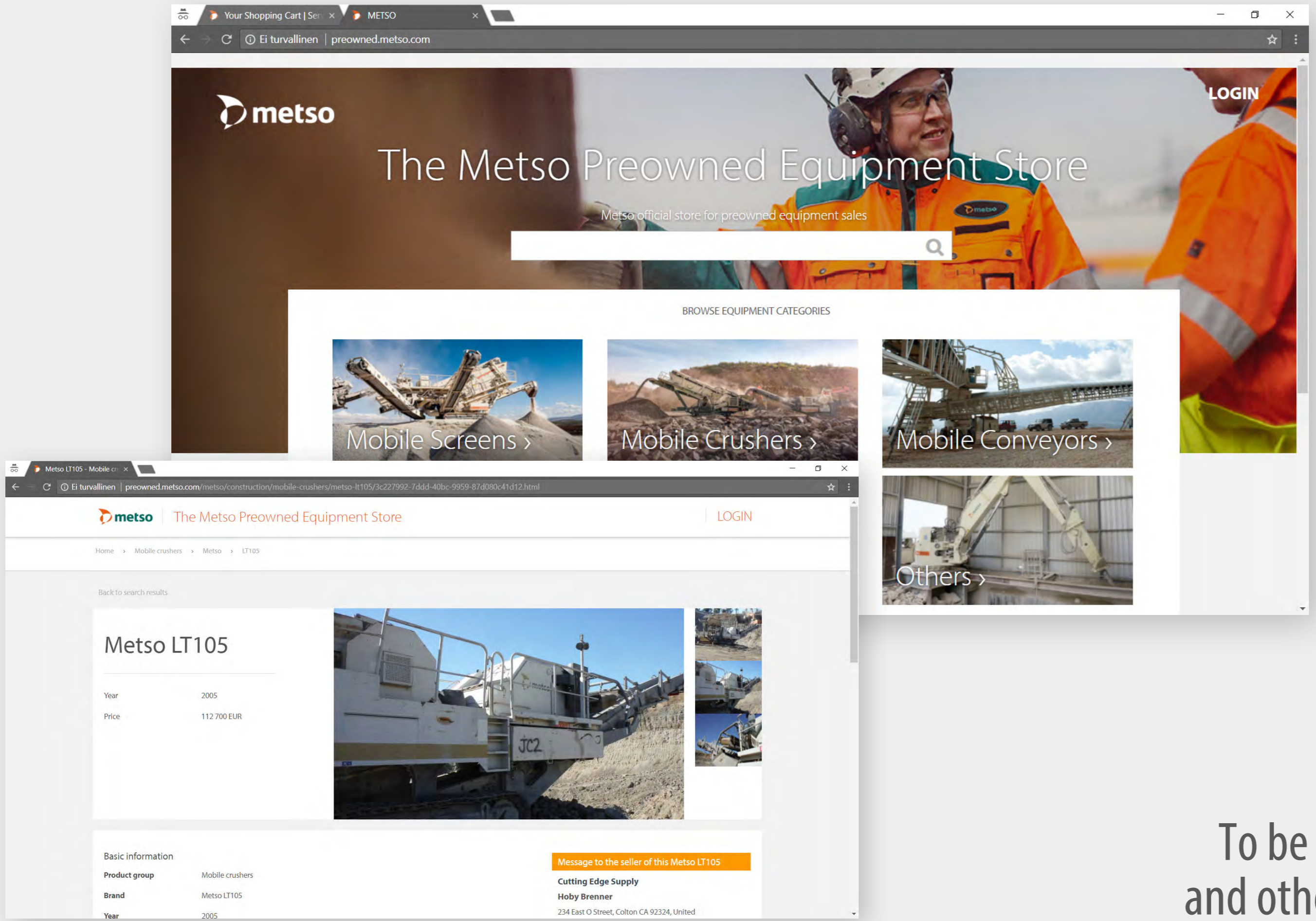
More energy efficient and productive process

New market places for our aggregates customers

preowned.metso.com
eCommerce solution for a more liquid preowned market
Launched in October 2017

my.metso.com
Modern B2B eCommerce for aggregates wear and spare parts
Launched in November 2017

To be expanded to all of Metso's markets and other product categories in 2018-2019



Our view into 2018

Market outlook

Remain stable for Minerals equipment and services

Remain stable for Flow Control equipment and services

Focus areas

Growth and profitability improvement

Operational excellence

Research and development

Digitalization



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metso

Expect results

www.metso.com

