

# CEO's review

Metso Corporation's Annual General Meeting, April 25, 2019

**Pekka Vauramo**

President and CEO





# Sustainable productivity for our customers

In mining



In aggregates



In process industry



In recycling



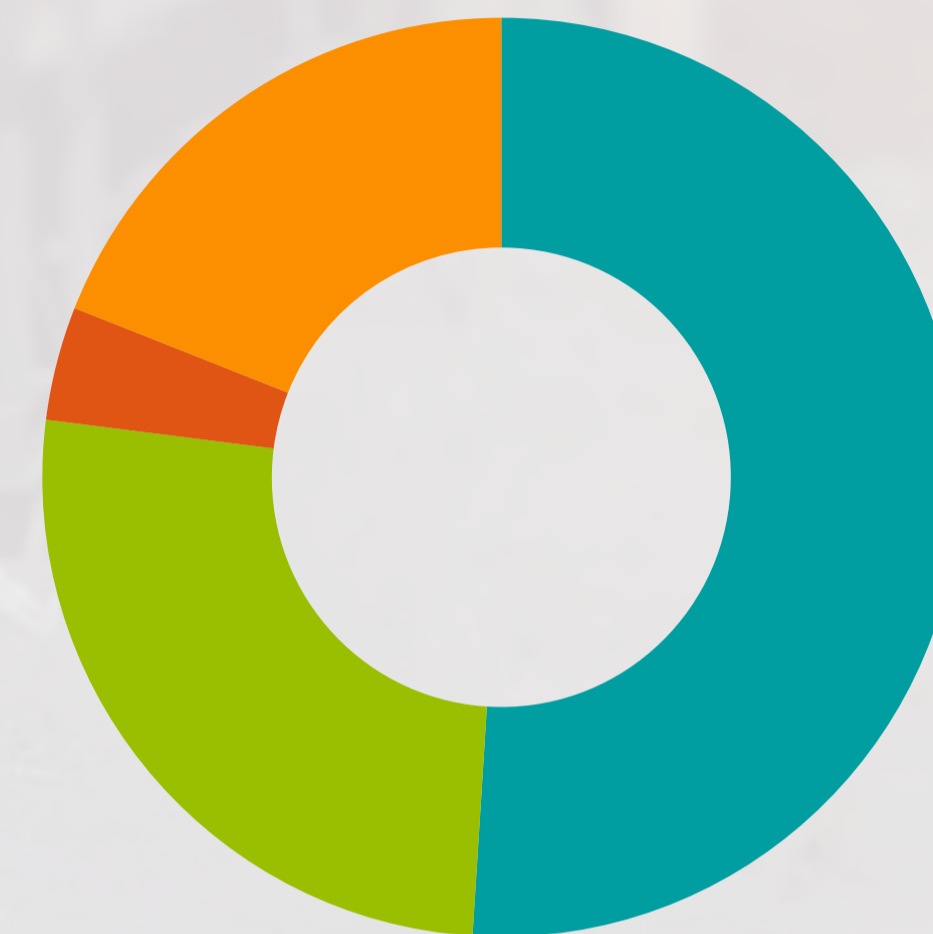
to improve operational efficiency, reduce risks, and increase safety and profitability



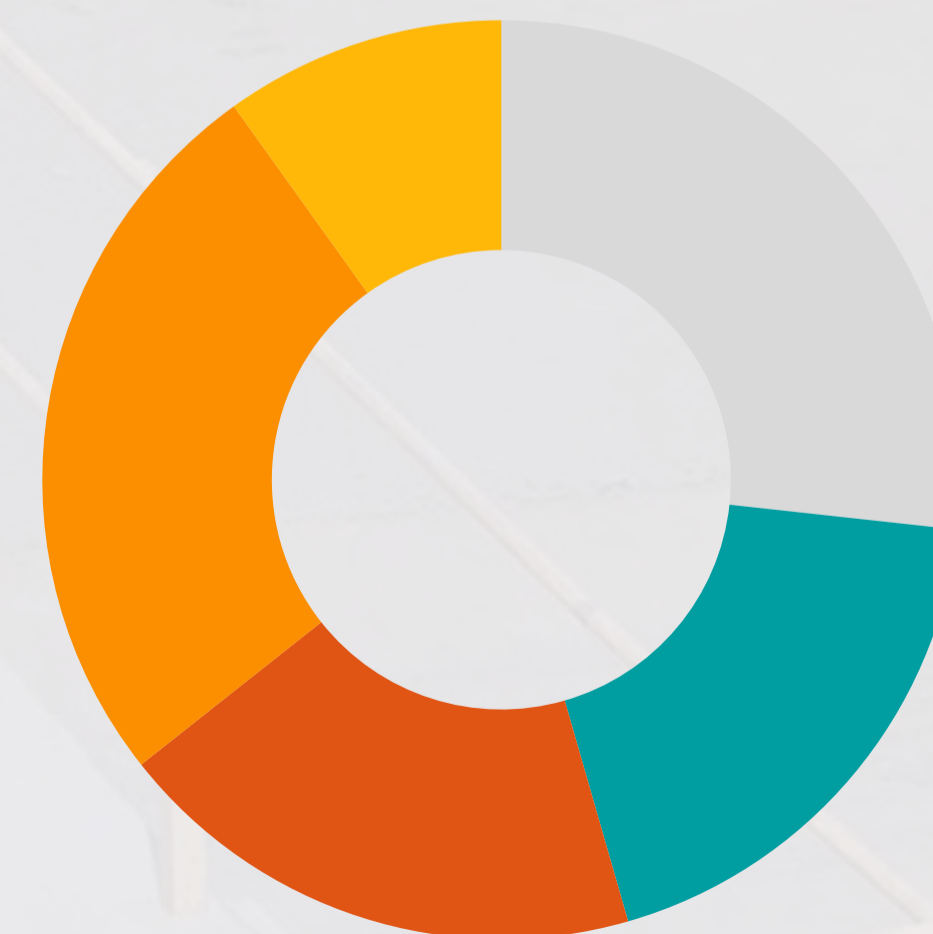




## Sales split



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



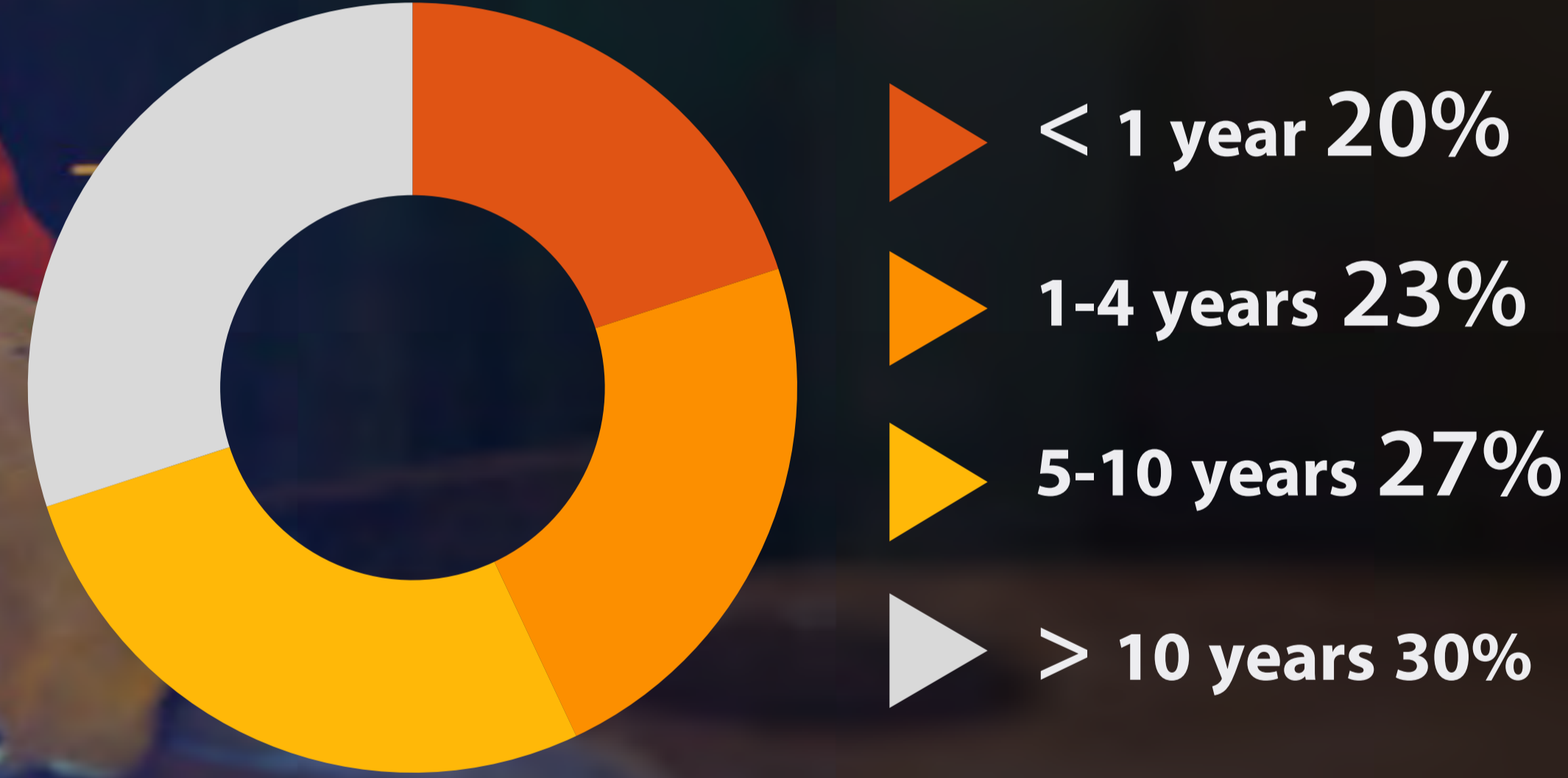
- ▶ Europe 27%
- ▶ North America 19%
- ▶ South and Central America 19%
- ▶ Asia-Pacific 27%
- ▶ Africa and Middle East 8%



People are our most important asset

13,150  
employees

Personnel by length of service





# People are our most important asset

# 2,290

new employees  
in 2018

### Personnel by length of service





People are our most important asset

89  
nationalities

Personnel by length of service



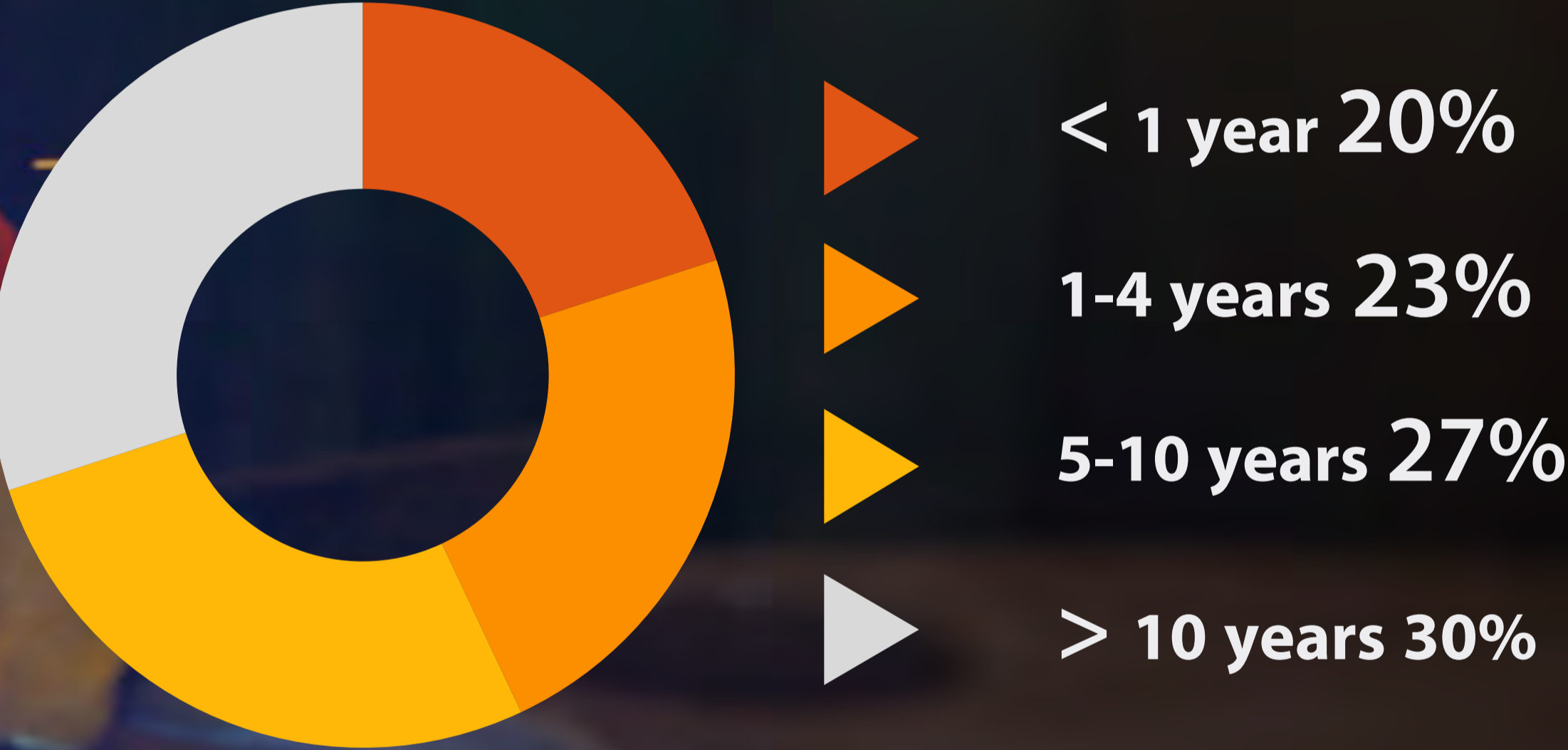


People are our most important asset

3,946

participants in Leadership  
Development programs

Personnel by length of service

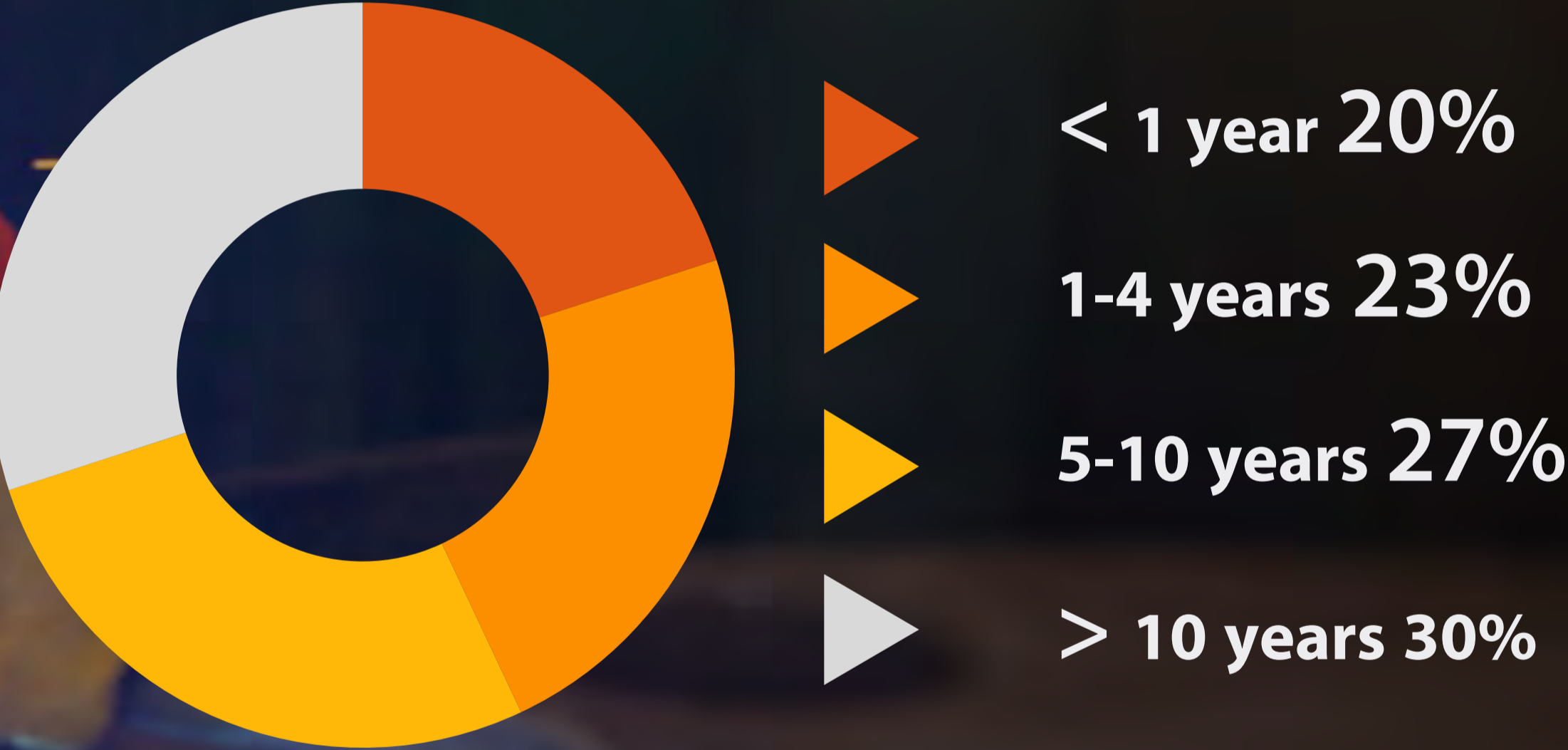




People are our most important asset

52  
operating countries

Personnel by length of service



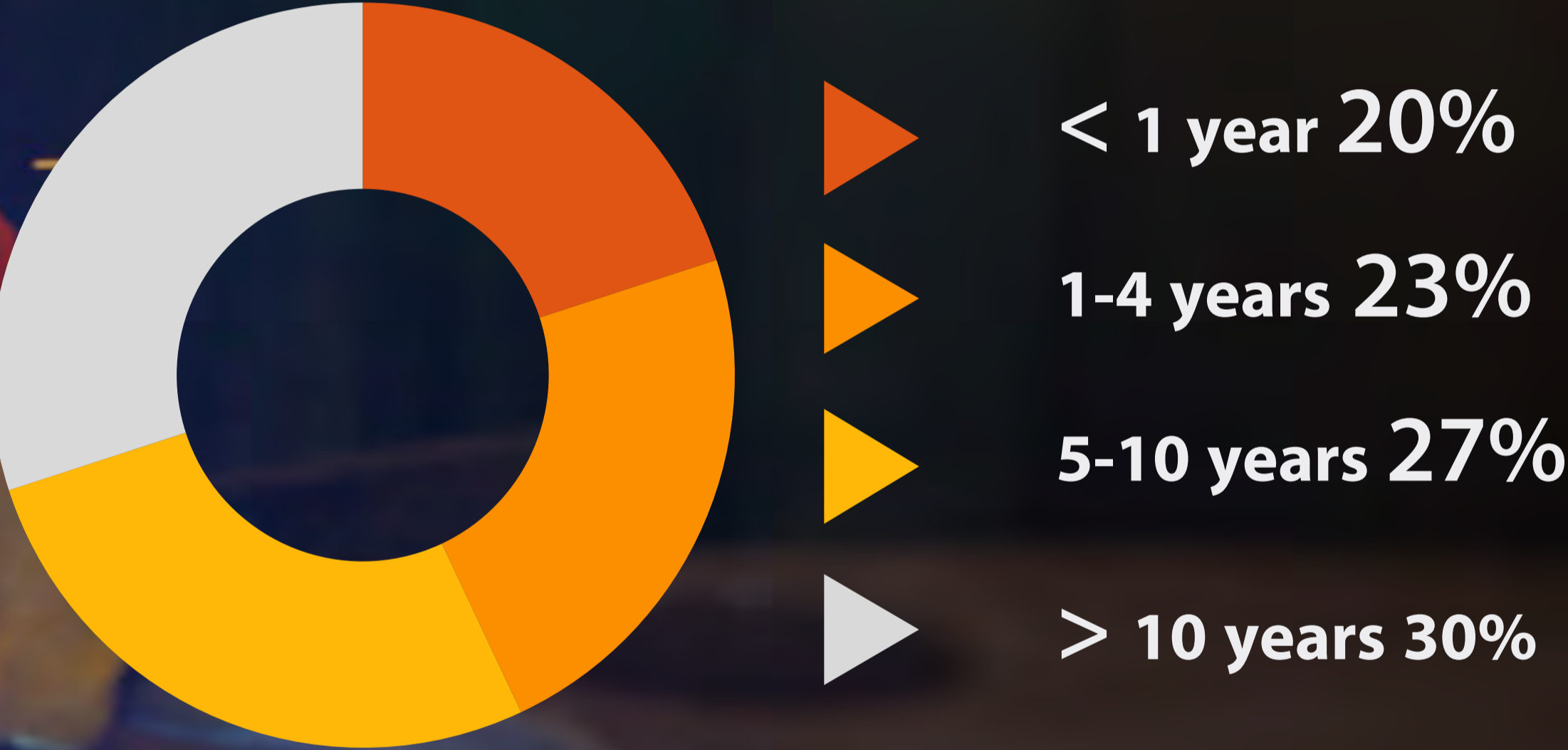


People are our most important asset

176

locations

Personnel by length of service





# Metso Executive Team



President and CEO  
**Pekka Vauramo**



CFO  
Deputy to CEO  
**Eeva Sipilä**



Mining  
Equipment  
**Victor Tapia**



Aggregates  
Equipment  
**Markku Simula**



Minerals Services  
and  
Pumps  
**Mikko Keto**



Minerals  
Consumables  
**Sami Takaluoma**



Recycling  
**Uffe Hansen**



Valves  
**John Quinlivan**



Chief Digital Officer  
**Jani Puroranta**



# Megatrends impact our customers and businesses



**Urbanization**



**Growth of the middle class**



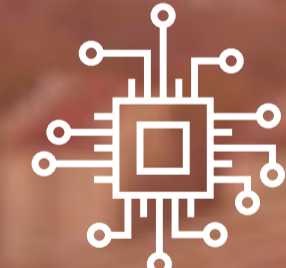
**Climate change**



**Scarcity of natural resources**



**Circular economy**



**Digitalization**



# Our role in sustainable future

Environmental efficiency of  
our own operations

Energy- and water-saving  
product offering

Sustainability targets for all  
R&D projects





# Positive climate impacts

In our own operations since 2010

Energy saved equals

**12,000** passenger vehicles

driven for one year

Carbon emissions avoided equals

**54,000** barrels of oil

With Metso Vertimill technology in 2018

Energy saved equals

**220,000** passenger vehicles

driven for one year

Carbon emissions avoided equals

**6,000** railcars' worth of coal burned



# Financial results





# Highlights of 2018

New operating model

Increased market activity

Growth and profitability

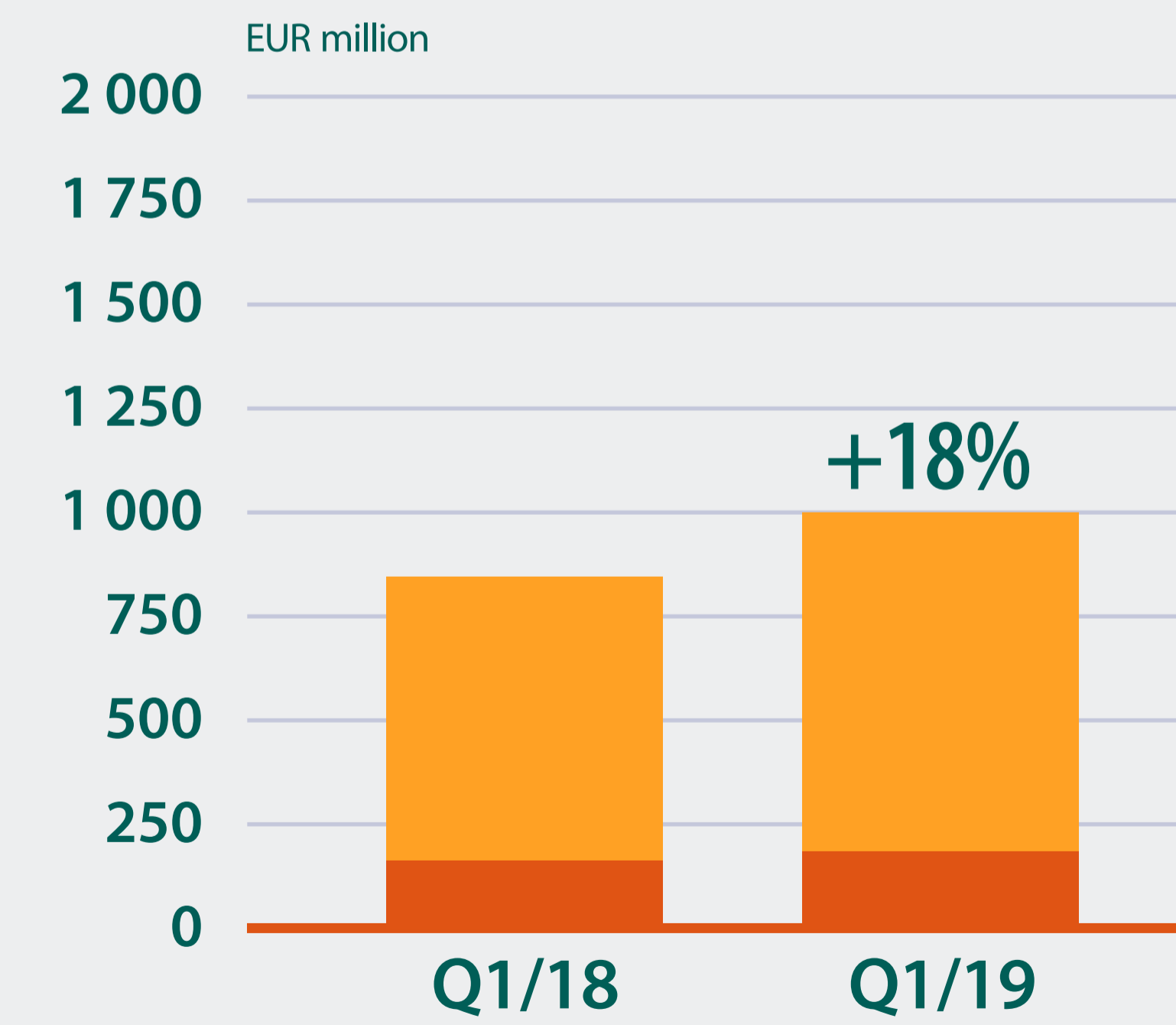
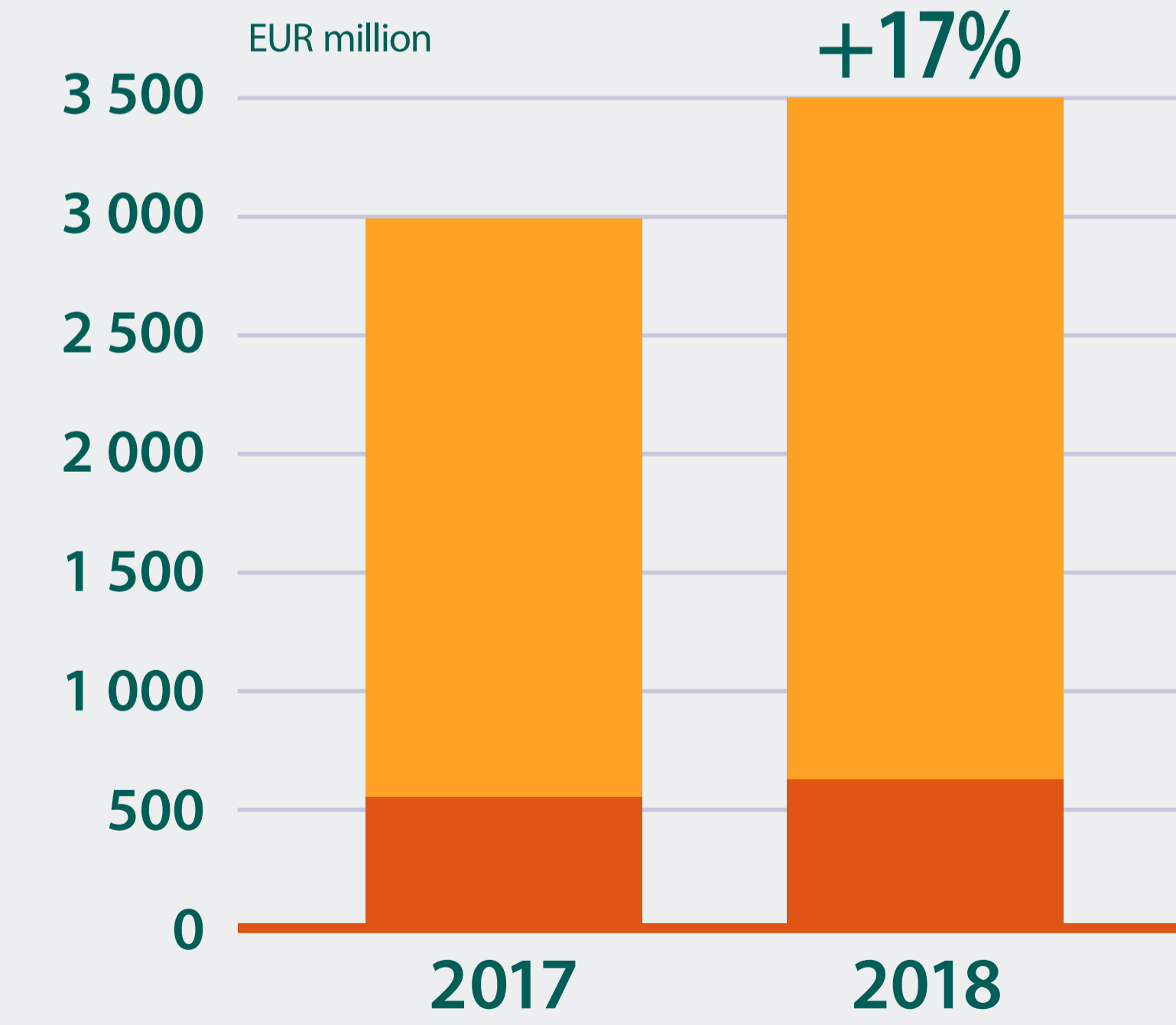






# Strong growth in orders received

Orders received



Minerals  
Flow Control

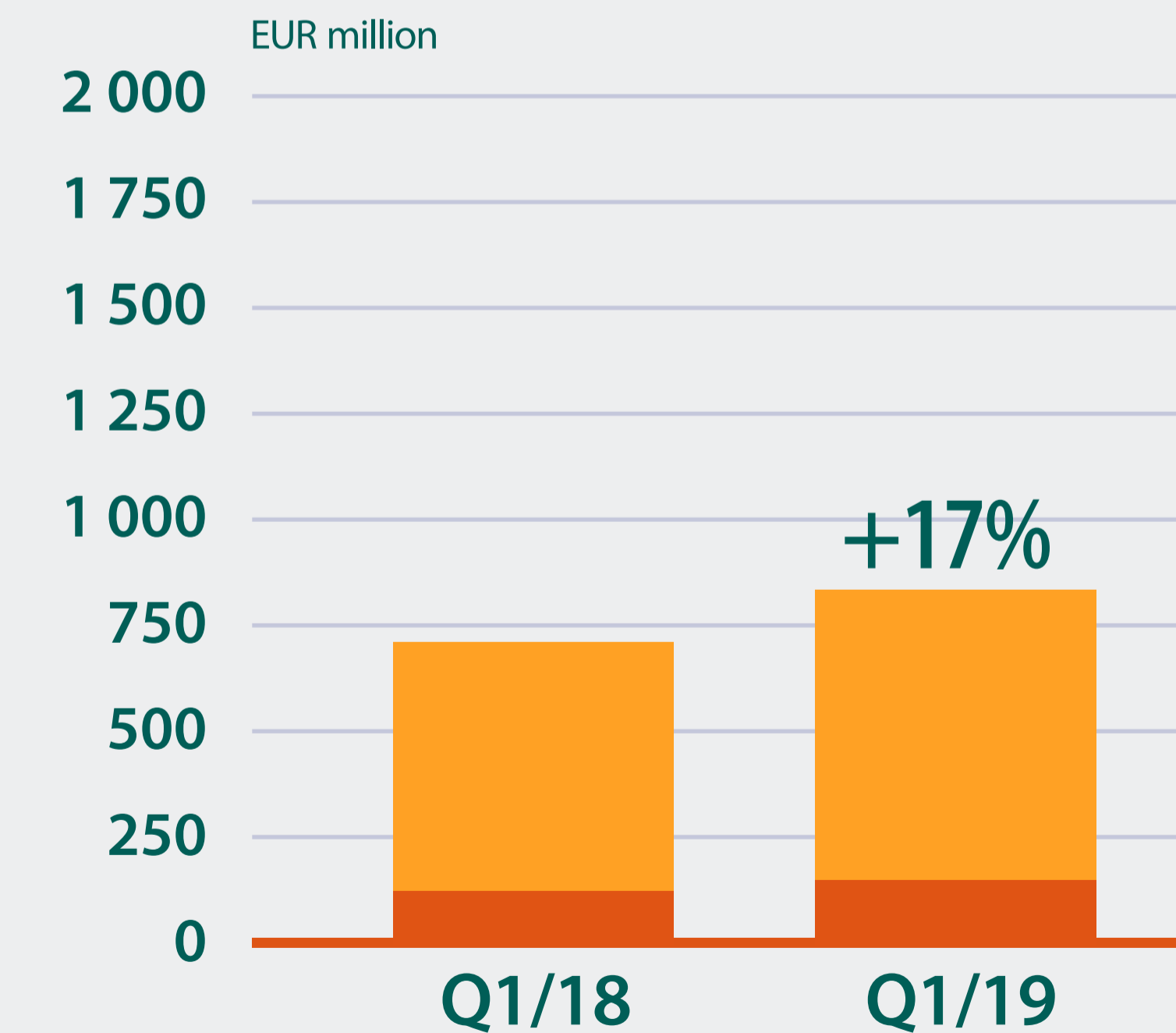
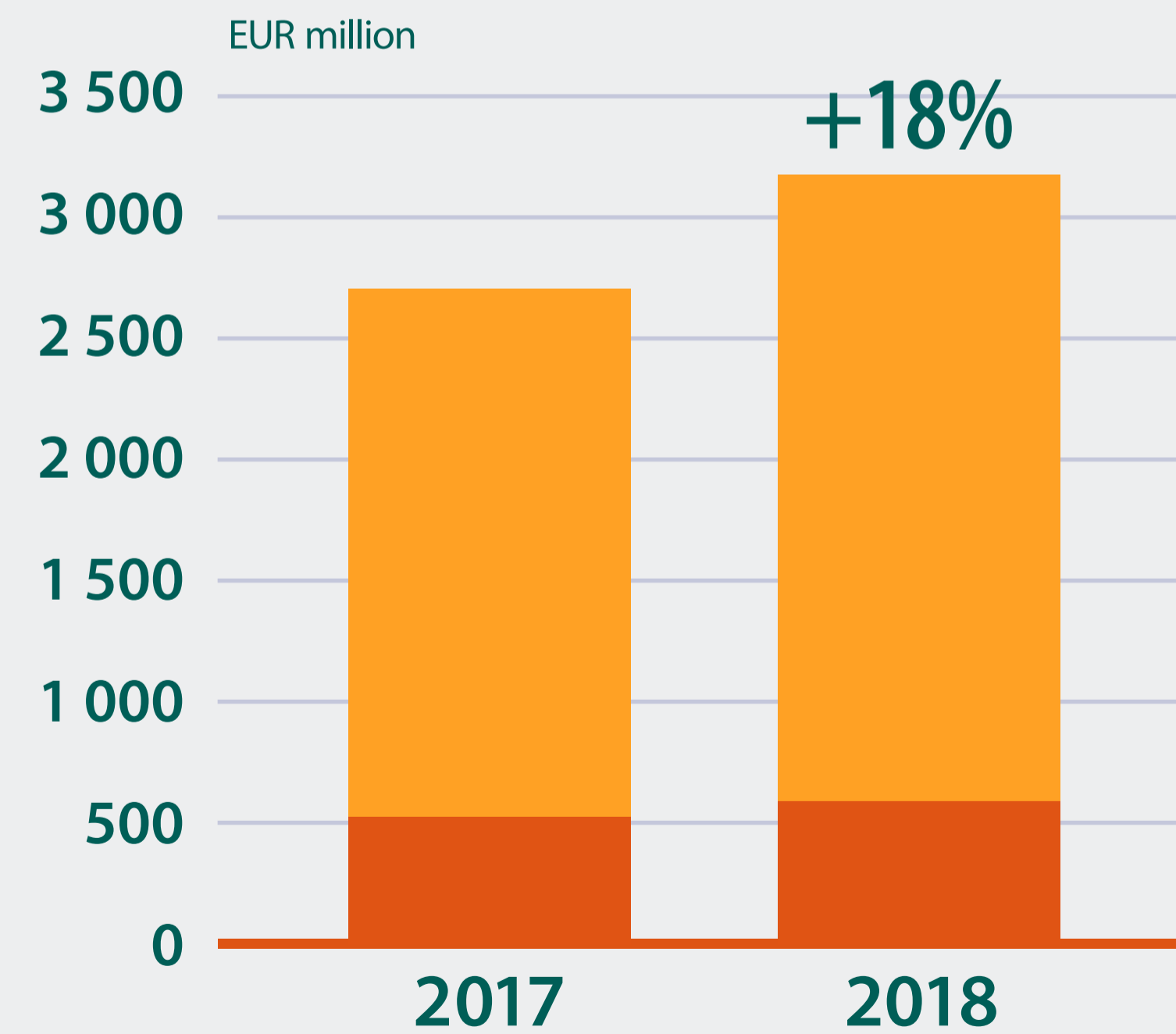






# Good sales development

## Sales



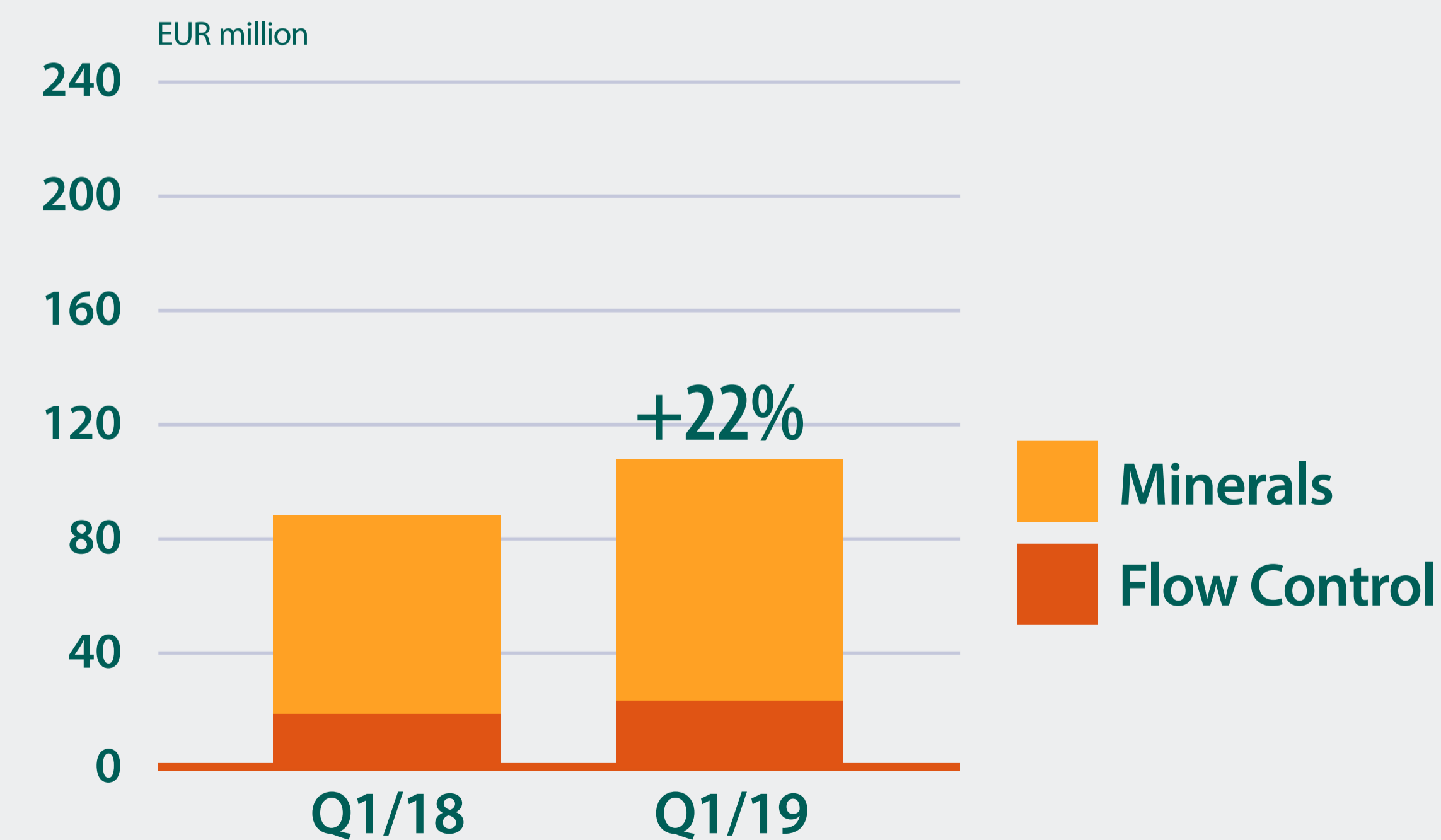
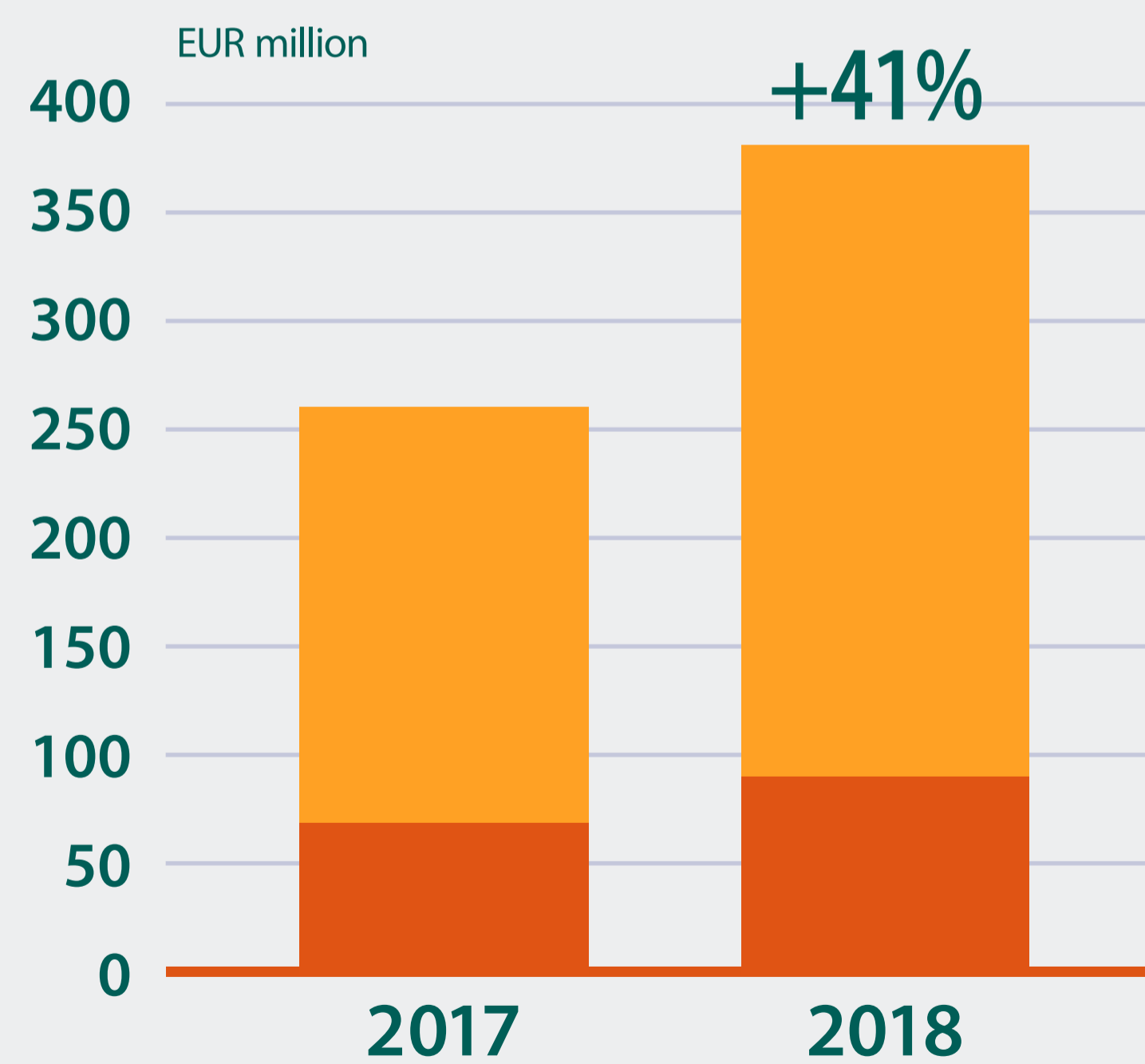
Minerals  
Flow Control





## Significant profitability improvement

### EBITA

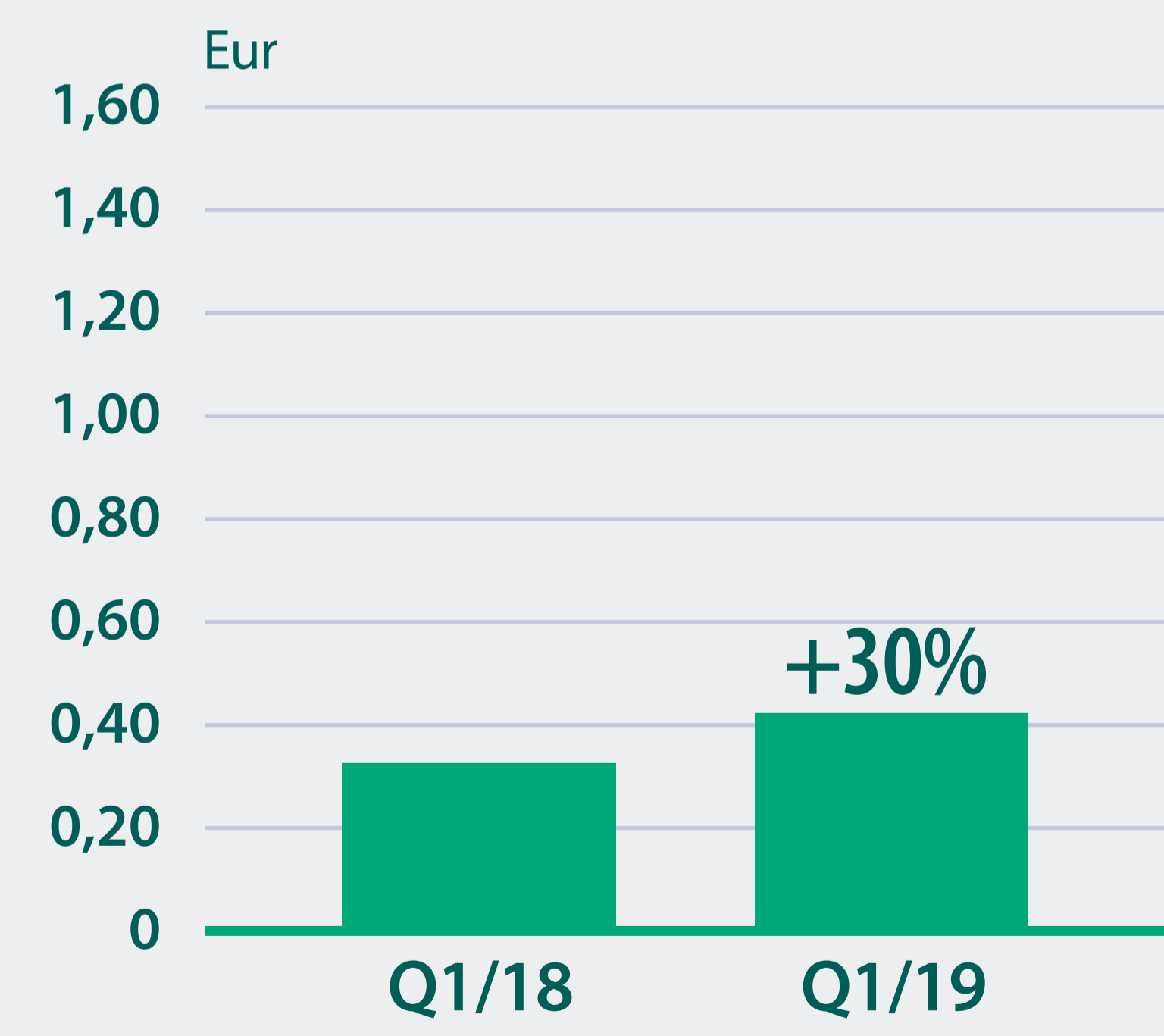
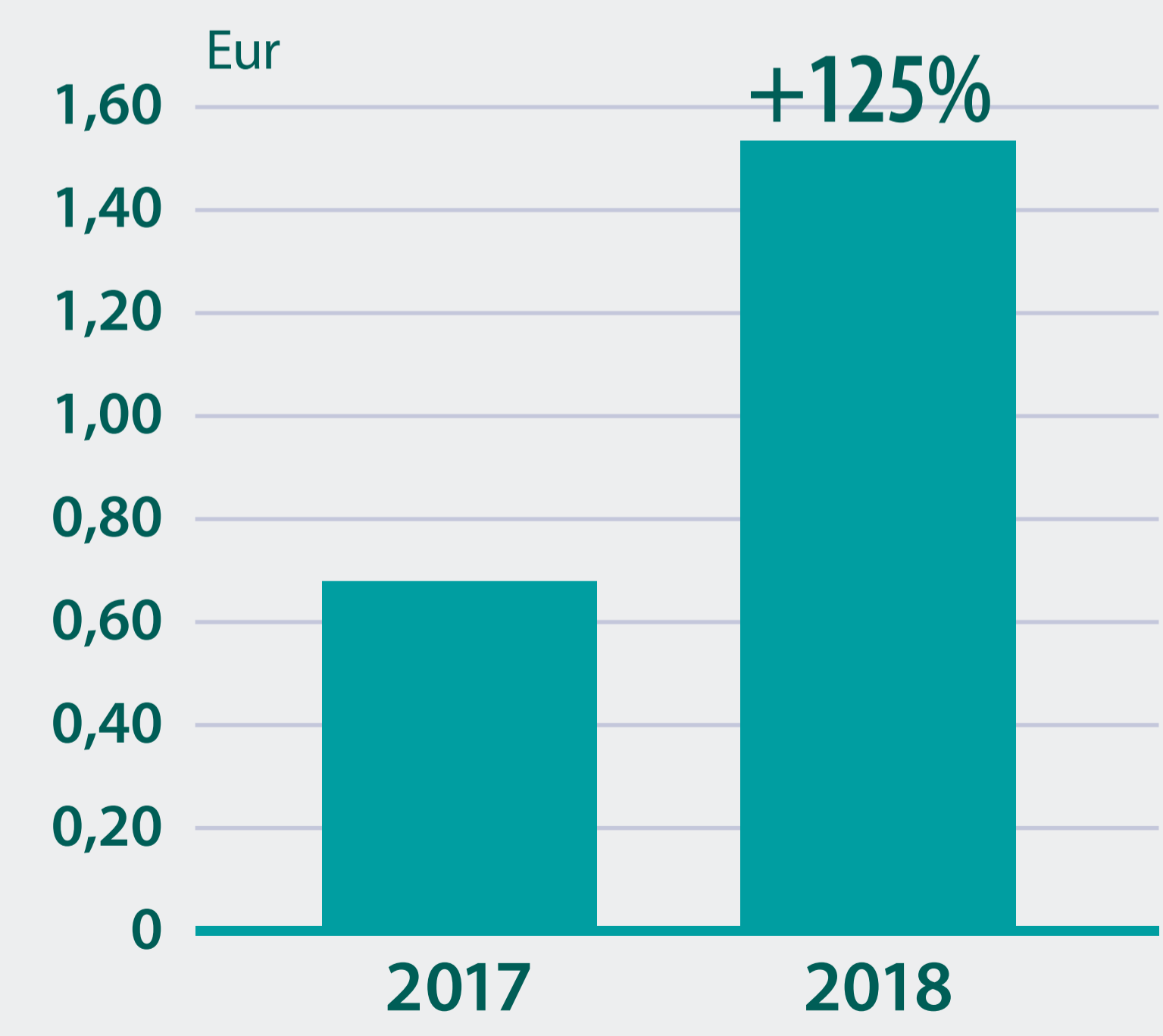






## Earnings per share more than doubled in 2018

### EPS







## Solid balance sheet and cash flow

	31.12.2017	31.12.2018	Q1/2019
<b>Return on operative capital employed (ROCE), % *</b>	<b>10.3</b>	<b>16.9</b>	<b>18.9</b>
<b>Return on equity, % *</b>	<b>7.3</b>	<b>16.5</b>	<b>17.7</b>
<b>Equity-to-assets ratio, %</b>	<b>44.5</b>	<b>47.7</b>	<b>46.6</b>
<b>Net gearing, %</b>	<b>1.8</b>	<b>11.7</b>	<b>15.5</b>
<b>Balance sheet total, EUR million</b>	<b>3,287</b>	<b>3,279</b>	<b>3,525</b>
<b>Free cash flow, EUR million</b>	<b>158</b>	<b>146</b>	<b>38</b>

\*Q1/2019 annualized



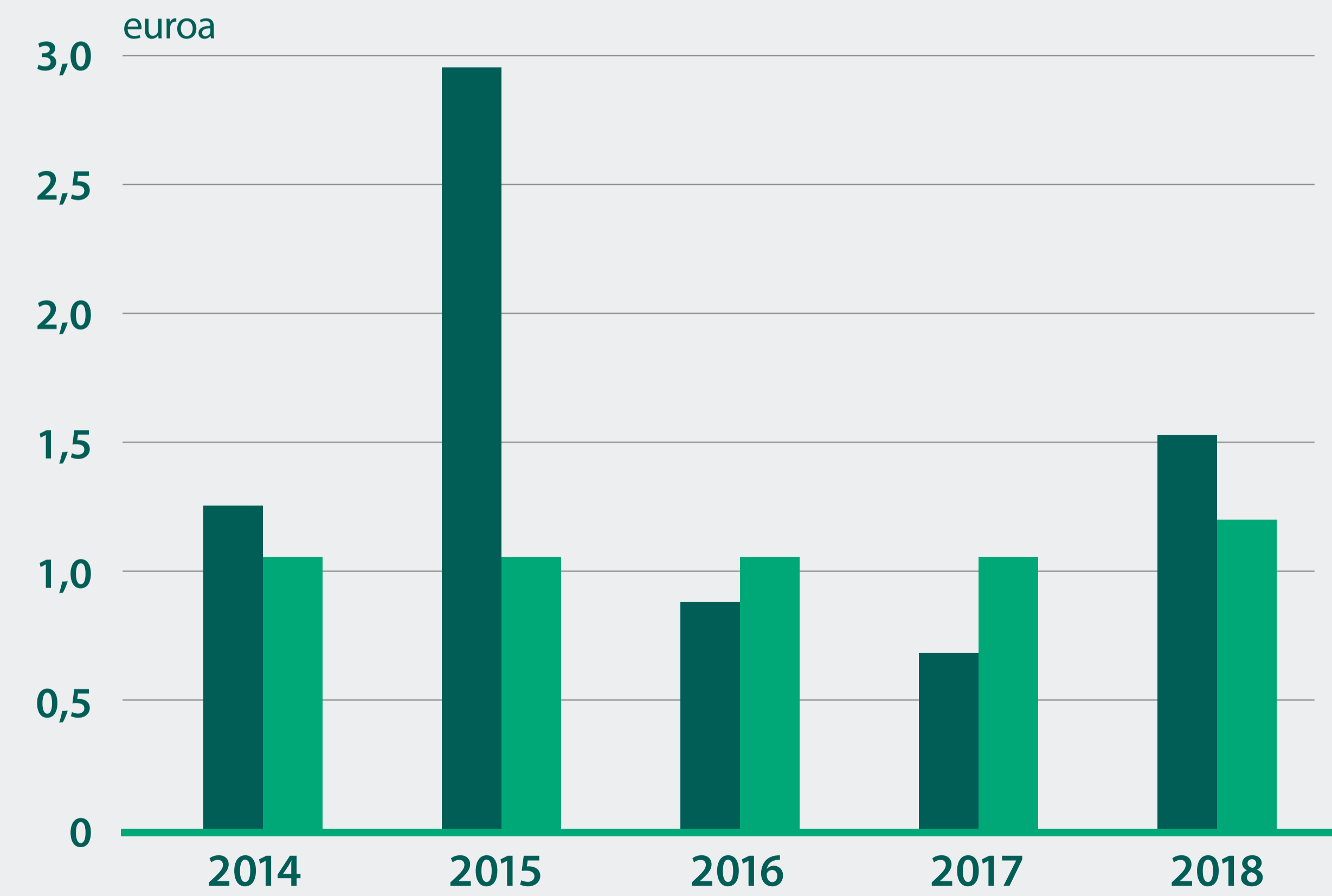


# Board's dividend proposal of EUR 1.20

Proposed total  
dividend  
**180**  
MEUR

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**78%**  
of earnings per  
share







## Market outlook

**Market activity** in both segments, Minerals and Flow Control, is expected to remain at the current high level in both the equipment and services business

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Metso's market outlook describes the expected sequential development in market activity during the following six-month period using three categories: improve, remain at the current level, or decline.



Investing in growth





# Research and development focuses on sustaining differentiation

1.2 %

(In 2018)

2.0 - 2.5%

Invention disclosures doubled and patent applications increased





# Acquisitions support growth

Three acquisitions in 2018

In January 2019, an agreement to acquire services business in Chile





# Our focus areas

One Metso experience

Growth-seeking and profitable businesses

Operational excellence and internal efficiency

