Metso

Financial Statements Review

January – December 2024

Metso’s Financial Statements Review January 1 – December 31, 2024

Figures in brackets refer to the corresponding period in 2023, unless otherwise stated.

Fourth quarter 2024 in brief

- Overall market activity remained at the previous quarter's level; strong Minerals equipment orders
- Orders received increased 13% to EUR 1,391 million (EUR 1,232 million); equipment +26% and services +2%
- Sales declined 5% to EUR 1,272 million (EUR 1,342 million); equipment -7% and services -4%
- Adjusted EBITA was EUR 203 million, or 16.0% of sales (EUR 225 million, or 16.8%)
- Operating profit was EUR 167 million, or 13.1% of sales (EUR 200 million, or 14.9%)
- Cash flow from operations was EUR 286 million (EUR 216 million), supported by reduction in net working capital
- Sami Takaluoma started as President and CEO on November 1

January-December 2024 in brief

- Orders received declined 2% to EUR 5,140 million (EUR 5,252 million)
- Sales declined 10% to EUR 4,863 million (EUR 5,390 million)
- Adjusted EBITA declined 9% to EUR 804 million, and was 16.5% of sales (EUR 887 million, or 16.5%)
- Operating profit declined to EUR 727 million, and was 15.0% of sales (EUR 805 million, or 14.9%)
- For continuing operations, earnings per share were EUR 0.59 (EUR 0.65). Earnings per share were EUR 0.40 (EUR 0.66), including a negative one-off cost in discontinued operations
- Cash flow from operations was EUR 576 million (EUR 550 million)
- The Board will propose a dividend of EUR 0.38 for 2024 (EUR 0.36), to be paid in two installments

President and CEO Sami Takaluoma:

"The Group's orders received grew by 13 percent, thanks especially to the strong order intake for the Minerals equipment business. It is noteworthy that customers are confident in Metso's strong offering to meet their needs, and they trust us when investing in the production of copper, gold, and other metals to address the growing demand."

My first three months as Metso’s President and CEO have been eventful and rewarding. I have met numerous Metsonites, customers, and other stakeholders around the world, all reinforcing that Metso is in an excellent position to continue profitable growth and value creation. We began our strategy work for the next phase at the beginning of the year, and we will report on its outcome in the third quarter. We already know that our strong culture, committed people, and strong position in our chosen markets give us an excellent base to build our future.

Despite a generally weaker market last year due to macroeconomic uncertainties and slower decision-making by customers, we continued to improve our backlog during the fourth quarter. The Group's orders received grew by 13 percent, thanks especially to the strong order intake for the Minerals equipment business. It is noteworthy that customers are confident in Metso's strong offering to meet their needs, and they trust us when investing in the production of copper, gold, and other metals to address the growing demand. Thanks to requirements at our customers' mines, orders for Minerals services also increased compared to both the corresponding quarter of the previous year and the third quarter.

The Aggregates segment held up well. Orders were at the level of the comparison period, positively influenced by the acquisitions we made in the fall. The Aggregates market activity remained at the level of the previous quarter, and we have not yet seen the anticipated positive impact of spring season.

The Group's sales decreased by 5 percent, which was a result of the lower order intake during the previous quarters. Our adjusted EBITA was EUR 203 million, and the adjusted EBITA margin was healthy at 16.0 percent. This demonstrates our ability to maintain profitability despite declining sales. This is particularly evident in the Aggregates segment's adjusted EBITA margin of 16.0 percent. The Minerals segment's margin was 17.0 percent. A positive aspect of the quarter was the increase in operative cash flow to EUR 286 million, driven by solid profitability and reduced net working capital. Consequently, the annual operative cash flow of EUR 576 million was stronger than in 2023.

Overall, we performed well throughout 2024, despite some headwinds in the markets. Employee engagement is at an all-time high, and customer satisfaction has also steadily increased. We continued both organic investments and acquisitions, all of which will support our growth in the coming years. We also advanced our sustainability agenda both in our own operations and with our customers. One important area where we need to improve is occupational health and safety, which will receive more attention.

I want to thank all Metsonites for your commitment and achievements last year. I also thank our customers, partners, shareholders, and other stakeholders for your support and invite you to continue our journey together.

Market outlook

Metso expects that the market activity in both Minerals and Aggregates will remain at the current level.

In its previously published outlook, Metso expected the market activity in both Minerals and Aggregates to remain at the current level.

According to the company's disclosure policy, Metso’s market outlook describes the expected sequential development of market activity, adjusting for seasonality, during the following six-month period using three categories: improve, remain at the current level, or decline.

Group review

Key figures

EUR million	Q4/2024	Q4/2023	Change %	2024	2023	Change %
Orders received	1,391	1,232	13	5,140	5,252	-2
Orders received by services business	696	681	2	2,881	2,955	-3
% of orders received	50	55	–	56	56	–
Order backlog				3,046	2,951	3
Sales	1,272	1,342	-5	4,863	5,390	-10
Sales by services business	732	758	-4	2,824	2,891	-2
% of sales	58	57	–	58	54	–
Adjusted EBITA	203	225	-10	804	887	-9
% of sales	16.0	16.8	–	16.5	16.5	–
Operating profit	167	200	-17	727	805	-10
% of sales	13.1	14.9	–	15.0	14.9	–
Earnings per share, continuing operations, EUR	0.13	0.16	-19	0.59	0.65	-9
Cash flow from operations	286	216	32	576	550	5
Gearing, %				44.9	33.8	–
Personnel at end of period				16,832	17,134	-2

The Group’s fourth-quarter financial performance

Market activity remained consistent with the previous quarter in both the Aggregates and Minerals segments. The growth in Minerals' orders was primarily driven by customers' increased decision-making related to copper and gold investments. Orders in the Aggregates segment were stable compared to the previous year, bolstered by acquisitions. Overall, the Group’s orders received increased by 13% year-on-year, totaling EUR 1,391 million (EUR 1,232 million). Equipment orders increased 26%, while services orders saw a 2% increase.

Sales totaled EUR 1,272 million (EUR 1,342 million), primarily affected by a decline in the equipment business across both segments due to lower order intake in previous quarters. Equipment sales decreased by 7%, while services sales were 4% lower year-on-year.

Adjusted EBITA was EUR 203 million, with an adjusted EBITA margin of 16.0% (EUR 225 million and 16.8%). Both segments demonstrated resilience against lower sales, supported by strong gross margins and cost-efficiency measures. The profitability of the Aggregates segment remained consistent with the comparison period, while the Minerals segment's profitability was slightly impacted by warranty costs related to a few consumables deliveries. Adjusted EBITA for Group items was EUR -10 million (EUR -1 million).

Operating profit (EBIT) was EUR 167 million and the EBIT margin 13.1% (EUR 200 million and 14.9%). Adjustments in the quarter were EUR -19 million (EUR -8 million). PPA amortization was EUR -14 million. Net financing expenses amounted to EUR -24 million (EUR -25 million).

Profit before taxes was EUR 143 million (EUR 175 million). Earnings per share for continuing operations were EUR 0.13 (EUR 0.16).

Cash flow from operations increased to EUR 286 million (EUR 216 million), driven by solid profitability and the release of net working capital.

2024 in brief

The Group’s orders received decreased by 2% to EUR 5,140 million (EUR 5,252 million), primarily due to soft market activity in Aggregates and reduced investment activity in Minerals. Services orders declined 3%. With lower order backlogs, sales fell in both segments, leading to a 10% decline in the Group's total sales to EUR 4,863 million (EUR 5,390 million). The order backlog at the end of the year was EUR 3,046 million (EUR 2,951 million).

The Group's adjusted EBITA declined to EUR 804 million from EUR 887 million in 2023. Despite this decline, the adjusted EBITA margin remained stable at 16.5% (16.5%). The resilient profitability was due to effective cost management and a favorable sales mix. Operating profit was EUR 727 million, or 15.0% of sales (EUR 805 million and 14.9%), including adjustments of EUR -11 million (EUR -18 million). Profit before taxes was EUR 648 million (EUR 724 million). The effective tax rate was 25% (26%). Earnings per share for continuing operations were EUR 0.59 (EUR 0.65).

Cash flow from operations increased to EUR 576 million (EUR 550 million), despite a one-off cash outflow of EUR 275 million in discontinued operations in the third quarter.

Impacts of currencies and structural changes

	Orders received		Sales	
EUR million, %	Q4	Q1–Q4	Q4	Q1–Q4
2023	**1,232**	**5,252**	**1,342**	**5,390**
Organic growth in constant currencies, %	13	0	-4	-8
Impact of changes in exchange rates, %	-2	-2	-2	-2
Structural changes, %	2	1	1	1
Total change, %	**13**	**-2**	**-5**	**-10**
2024	**1,391**	**5,140**	**1,272**	**4,863**

The Group’s financial position

At the end of December, the Group’s net interest-bearing liabilities were EUR 1,173 million (Dec 31, 2023: EUR 884 million). The Group's gearing was 44.9% (Dec 31, 2023: 33.8%) and debt-to-capital ratio 35.9% (Dec 31, 2023: 35.0%). The equity-to-assets ratio was 41.5% (Dec 31, 2023: 40.2%).

The Group's liquidity position remained solid. Liquid funds, consisting of cash and cash equivalents, amounted to EUR 431 million (Dec 31, 2023: EUR 638 million). There were no deposits or securities with a maturity of more than three months (Dec 31, 2023: EUR 0 million).

Metso maintains a committed syndicated revolving credit facility of EUR 600 million, maturing in 2026. This facility incorporates sustainability performance targets that influence borrowing costs. As of the end of the year, the facility remained undrawn. Additionally, the company operates a EUR 600 million Finnish commercial paper program, with EUR 30 million outstanding at the end of December.

During the fourth quarter, Metso signed a EUR 150 million three-year term loan, of which EUR 75 million was undrawn at the end of the year.

At the end of December, Metso had bonds outstanding of EUR 892 million at carrying value (Dec 31, 2023: EUR 1,081 million).

The average interest rate of total loans and derivatives was 3.8% on December 31, 2024. The duration of total interest-bearing debt was 1.9 years and the average maturity 3.3 years.

The sustainability KPIs in Metso's sustainability-linked bond issued in 2023 include Scope 1 and 2 emissions (with the original sustainability-linked bond baseline year of 2022 being 48,944 tCO_2e), and the spend with all suppliers committed to science-based emissions targets or equivalent verifiable emissions reduction target. In 2024, Scope 1 and 2 emissions were 33,799 tCO_2e, representing a 31% decrease from the original bond baseline, and the spend with all suppliers having the aforementioned target reached 31.1%.

At the end of December, Metso had a ‘BBB’ long-term issuer credit rating with stable outlook from S&P Global Ratings and a ‘Baa2’ long-term issuer rating with stable outlook from Moody’s Investor Service.

Segment review

Aggregates

- **Q4 order intake supported by acquisitions**
- **Quarterly sales flat y-o-y**
- **Profitability remained healthy**

	Orders received		Sales	
EUR million, %	Q4	Q1–Q4	Q4	Q1–Q4
2023	**297**	**1,274**	**289**	**1,346**
Organic growth in constant currencies, %	-7	-5	-4	-12
Impact of changes in exchange rates, %	0	-1	0	-1
Structural changes, %	6	2	4	2
Total change, %	**-1**	**-3**	**0**	**-10**
2024	**294**	**1,231**	**290**	**1,207**

Fourth quarter

- Market activity remained largely unchanged from the third quarter but was lower than in the same period last year. The North American and European mobile equipment markets continued to be soft, with order intake supported by acquisitions in the US. Other regions reported lower orders. Overall, orders for new equipment declined by 1% year-on-year, while services orders decreased by 1%.

- Sales of EUR 290 million were consistent with the comparison period, supported by acquisitions. Both equipment and services sales remained stable year-on-year.

- The adjusted EBITA was EUR 46 million (EUR 47 million), with an adjusted EBITA margin of 16.0% (16.2%). The impact of lower sales continued to be mitigated by active cost management.

January–December in brief

- Market activity was lower year-on-year and orders received declined 3% to EUR 1,231 million. The decline was largely due to the European market. Orders in North America were supported by acquisitions at the end of the year, while China and South America saw organic growth.

- Low order backlog resulted in a 10% decline in sales. Equipment sales were 14% lower and services sales 3% lower year-on-year.

- Adjusted EBITA was EUR 198 million (EUR 232 million), corresponding to a margin of 16.4% (17.2%). The negative volume impact was actively mitigated by cost management.

Key figures

EUR million	**Q4/2024**	Q4/2023	Change %	**2024**	2023	Change %
Orders received	294	297	-1	1,231	1,274	-3
Orders received by services business	110	111	-1	431	442	-3
% of orders received	37	37	–	35	35	–
Order backlog				439	453	-3
Sales	290	289	0	1,207	1,346	-10
Sales by services business	102	102	1	419	434	-3
% of sales	35	35	–	35	32	–
Adjusted EBITA	46	47	-1	198	232	-14
% of sales	16.0	16.2	–	16.4	17.2	–
Operating profit	40	41	-1	179	214	-16
% of sales	13.9	14.0	–	14.8	15.9	–

Segment review

Minerals

- **Strong equipment orders**
- **Sales impacted by timing of deliveries**
- **Healthy profitability**

	Orders received		Sales	
EUR million, %	Q4	Q1–Q4	Q4	Q1–Q4
2023	**935**	**3,978**	**1,052**	**4,044**
Organic growth in constant currencies, %	20	1	-4	-7
Impact of changes in exchange rates, %	-2	-3	-3	-3
Structural changes, %	0	0	0	0
Total change, %	**17**	**-2**	**-7**	**-10**
2024	**1,098**	**3,909**	**982**	**3,656**

Fourth quarter

- Market activity remained in line with the third quarter. The pipeline of potential equipment orders continued to be strong, and a couple of large and mid-sized copper and gold-related orders were booked during the quarter. These orders continued to be supported by high metal prices and anticipated demand growth driven by electrification. The services business continued to see strong demand for spare parts and consumables, while slow decision-making still affected rebuilds and modernizations.
- Equipment orders increased 40% and services orders grew 3% year-on-year.
- Equipment sales declined 11% year-on-year as a result of the timing of deliveries from the lower order backlog. Services sales declined 4% and represented 64% (62%) of the segment's sales. The segment's total sales declined 7% to EUR 982 million (EUR 1,052 million).
- Adjusted EBITA was EUR 167 million (EUR 179 million), including the negative impact of a few million from warranty costs related to certain consumables deliveries. The adjusted EBITA margin was steady at 17.0% (17.0%), as cost management and sales mix offset the impact of lower sales.

January–December in brief

- Orders received saw a 2% decline year-on-year, due to lower equipment orders in the first half of the year. Services orders declined 3%, as activity related to rebuilds and modernizations was lower year-on-year.
- Sales declined 10% to EUR 3,656 million as a result of a lower order backlog. Equipment sales declined 21% and services sales were flat.
- Adjusted EBITA was EUR 640 million with the adjusted EBITA margin unchanged at 17.5% (EUR 707 million and 17.5%). The margin was supported by cost management and a higher proportion of services in the sales mix.

Key figures

EUR million	**Q4/2024**	Q4/2023	Change %	**2024**	2023	Change %
Orders received	1,098	935	17	3,909	3,978	-2
Orders received by services business	586	571	3	2,450	2,513	-3
% of orders received	53	61	–	63	63	–
Order backlog				2,607	2,498	4
Sales	982	1,052	-7	3,656	4,044	-10
Sales by services business	629	657	-4	2,405	2,458	-2
% of sales	64	62	–	66	61	–
Adjusted EBITA	167	179	-7	640	707	-10
% of sales	17.0	17.0	–	17.5	17.5	–
Operating profit	134	143	-7	548	627	-13
% of sales	13.6	13.6	–	15.0	15.5	–

Sustainability and culture

- **Good Metso Plus order development**
- **Excellent engagement and inclusion result**
- **Supplier engagement program exceeded targets**

Sustainability KPI	Target	2024	2023
Lost time injury frequency rate (LTIFR)	Zero harm	1.4	1.2
Total recordable injury frequency rate (TRIFR)	Zero harm	2.7	2.9
Employee Net Promoter Score (eNPS)	Top 10% of industry benchmark	Top 5%	Top 10%
Inclusion score	Top 10% of industry benchmark	Top 5%	Top 5%
Metso Plus sales (EUR million)*	To grow faster than overall Group sales	1,261	1,515
Reduction of CO_2 emissions: own operations (scope 1 and 2)**	Net zero by 2030	-72%	-73%
Reduction of CO_2 emissions: logistics**	-20% by 2025	-13%	-7%
Spend with direct suppliers having set Science Based Targets***	30% by 2025	31.6%	24.3%

*Discontinued operations excluded. 2023 Metso Plus sales restated from EUR 1,447 million. **Baseline 2019. ***Calculated from direct procurement spend excluding equivalent targets validated by Metso.

Health and safety. Metso's overall safety performance was unsatisfactory. A significant incident resulting in injuries to eleven people at the Irapuato plant in Mexico in March adversely impacted Metso's lost time incident frequency rate. In 2024, Metso's long-term safety plan was reviewed and enhanced. Action areas included investigation processes, safety leadership, health and safety professional development, and development of frontline competency. In addition, managers and supervisors were tasked with identifying unsafe behaviors especially through safety conversations, and all employees were encouraged to drive behavioral change by reporting risk observations. Metso performed 50 internal safety audits in 2024. This resulted in around 300 corrective actions of which 83% were closed by year end.

People and culture. A thriving performance culture has driven Metso's success, with a positive trend in employee engagement continuing to correlate with customer satisfaction. In 2024, Metso exceeded its target, ranking in the top 5% compared to the industry benchmark for employee engagement. Additionally, there were significant improvements in health, well-being, and mental well-being metrics. In 2024, Metso earned the prestigious Great Place to Work certification, based on employee feedback, in the US, Mexico, Canada, Indonesia, Brazil, Chile, and Peru. The company also received recognition in several other local workplace surveys, aligning with its ambition to be the preferred employer in its markets.

To enhance employee engagement and foster a sense of belonging, Metso employees were named Metsonites, and the Me at Metso initiative was launched. This initiative focuses on the mindsets and behaviors that support business growth, highlighting each Metsonite's role and accountability, and emphasizing that every individual action contributes to collective success. In terms of inclusion, Metso exceeded its target, ranking in the top 5% compared to the industry benchmark. In 2024, Metso also renewed its psychological safety training, introduced an inclusive talent acquisition eLearning program, continued its partnership with the International Women in Mining organization, and established the Women's Leadership Forum employee resource group.

Metso Plus and research & development. In 2024, Metso's sustainable offering portfolio was renamed Metso Plus (previously Planet Positive). The criteria and KPIs for this offering remain unchanged. Metso Plus sales totaled EUR 1,261 million in 2024 and Metso received several significant orders supporting future sales growth of the portfolio. In 2024, Metso spent EUR 103 million on R&D in-house, in addition to participating in a number of joint technology ventures with customers and external research partners, e.g. the DRI smelting pilot. In 2024, 24 new Metso Plus solutions were launched, and 78% of R&D product development spend was on developing the Metso Plus portfolio.

Environmental footprint. Renewable energy generation from solar panels grew by 23%, and more than 45 energy savings and/or CO_2 reduction projects were completed during the year. Metso's foundry and rubber factory in Sorocaba, Brazil, was certified as carbon neutral by the British Standards Institution (BSI). The supplier engagement program continued with excellent results. In 2024, close to 140 new suppliers committed to science-based emissions targets resulting in 31.6% of direct procurement spend being with suppliers who have validated their emission reduction targets through the Science-Based Targets initiative (SBTi).

Capital expenditure and investments

Gross capital expenditure, excluding right-of-use assets, was EUR 198 million in January–December 2024 (EUR 170 million). This consisted of various investments at manufacturing sites as well as new service centers.

Research and development

Research and development (R&D) expenses and investments were EUR 103 million, or 2.1% of sales, in January–December 2024 (EUR 73 million, or 1.4% of sales). Copper and battery minerals play a significant role in the current R&D and customer raw material test work.

Personnel

Metso had 16,832 (17,134) employees at the end of December 2024.

Personnel by area on December 31, 2024

	Share, %
Europe	33
North and Central America	14
South America	25
Asia Pacific and Greater China	14
Africa, Middle East and India	14
Total	100

Shares and share trading

Metso has a total of 828,972,440 shares and its share capital is EUR 107,186,442.52. In March 2024, a total of 984,288 treasury shares, and in December 2024, a total of 38,851 treasury shares were conveyed to participants of the company's long-term incentive plans. Treasury shares totaled 1,621,110 at the end of December.

Share performance on Nasdaq Helsinki

EUR	January 1–December 31, 2024
Closing price	8.98
Highest share price	11.95
Lowest share price	7.93
Volume-weighted average trading price	9.66

Annual General Meeting 2024

The Annual General Meeting (AGM) was held on April 25, 2024, in Helsinki. The AGM decided to pay a dividend of EUR 0.36 per share in two EUR 0.18 installments for the financial year 2023. The payments were made on May 7 and November 1, 2024.

In addition, the AGM agreed on all other items on the agenda in line with the proposals made by the Board of Directors and the Shareholders' Nomination Board. More information on the AGM can be found on metso.com.

Other main events between January 1 and December 31, 2024

Conveyance of own shares based on the long-term incentive plans

On March 20, 2024, a total of 984,288 treasury shares were conveyed without consideration to 144 key persons and executives under the Performance Share Plan 2021–2023. The Board of Directors had decided on the conveyance on February 15, and the directed share issue was based on an authorization given by the Annual General Meeting 2023.

Largest service center opened in Australia

On March 21, 2024, Metso opened its largest service center globally in Karratha, Western Australia. The center supports the growing demand from mining and aggregates customers by delivering more sustainable, state-of-the-art services. Located in Pilbara, a region that is a very significant global supplier of iron ore and lithium, the center provides comprehensive maintenance and repair solutions.

Metso’s Lokotrack® EC range

On May 16, 2024, Metso launched the first diesel-electric Lokotrack EC range units. Metso’s Lokotrack® EC range brings a new diesel-electric power line to the aggregates market. All the process functions of the range are electric, significantly reducing the use of hydraulic oil needed in crushing operations. All Lokotrack EC range units can be powered with external electricity.

Aggregates technology center investment

On June 3, 2024, Metso announced an estimated EUR 150 million investment in a modern aggregates technology center in Tampere, Finland. Metso plans to gradually move its current operations in Tampere to this new Lokomotion technology center.

Acquisition of Jindex

On July 22, 2024, Metso announced the acquisition of Jindex Pty Ltd, a privately owned Australian company specializing in valves and process flow control. Combining Metso’s extensive experience and offering in slurry handling, hydrocyclones and minerals processing equipment solutions with Jindex’s valve offering further strengthens Metso’s capacity to provide more comprehensive slurry handling solutions for the mining industry. The acquisition was completed on August 1, 2024.

Termination of waste-to-energy business and related settlement

On September 4, 2024, Metso completed the termination of its waste-to-energy business and settled the related legal processes concerning historic Outotec projects. As a result, Metso booked a one-time expense of EUR 250 million in the third-quarter results of its discontinued operations. The cash flow impact of this expense was EUR 275 million in the third quarter.

Acquisition of Diamond Z and Screen Machine Industries

On September 25, 2024, Metso signed an agreement to acquire Diamond Z and Screen Machine Industries from Crane Group, a family-owned investment company based in Ohio, USA. Diamond Z increases Metso’s offering in mobile equipment for the organic recycling markets. Screen Machine Industries broadens Metso’s portfolio in the North American mobile crushing and screening markets. The acquisition was closed on October 1, 2024.

Acquisition of Swiss Tower Minerals

On October 2, 2024, Metso signed an agreement to acquire the outstanding shares of its long-time partner Swiss Tower Mills Minerals AG (STM). Previously, Metso had a 15% minority ownership in the company. The acquisition is expected to close in the first half of 2025.

Appointments of President and CEO and Metso Leadership Team

On October 24, 2024, Metso's Board of Directors appointed Sami Takaluoma (b.1973, M.Sc. (Eng.)) President and CEO of Metso as of November 1, 2024. Takaluoma joined Metso in 1997 and has been a member of the Leadership Team since 2017. His predecessor, Pekka Vuaramo, retired from the company at the end of 2024.

On November 4, 2024, Metso changed its organizational structure and Leadership Team to accelerate business growth and improve operational efficiency.

Metso’s Leadership Team consists of the following members:

Sami Takaluoma, President and CEO
Eeva Sipilä*, CFO
Markku Simula, President, Aggregates Business Area
Piia Karhu, President, Minerals Business Area
Heikki Metsälä, President, Services Business Area
Saso Kitanoski, President, Consumables Business Area
Claudia Genin, Chief Growth Officer
Carita Himberg, Chief People Officer
Nina Kiviranta, General Counsel
* *leaving Metso by April 2025 at the latest, as announced earlier*

Conveyance of own shares based on the long-term incentive plan

On December 2, 2024, a total of 38,851 of Metso Corporation's treasury shares were conveyed without consideration to 18 key persons under the Restricted Share Plan 2021-2023. The transfer of shares is based on the authorization given to the Board by the Annual General Meeting held on May 3, 2023; the Board decided on the transfer on February 16, 2024. After conveyance of the shares on December 2, 2024, the company held 1,621,110 of its own shares.

Metso announced the long-term incentive plan in a stock exchange release issued on July 1, 2020.

Commencement of new plan periods in long-term incentive plans

On December 17, 2024, the Board of Directors of Metso Corporation approved the commencement of a new plan period 2025-2027 in the following share-based long-term incentive programs: Performance Share Plan (also "PSP") and Restricted Share Plan (also "RSP"). Metso originally announced the establishment of the PSP and the RSP structure on July 1, 2020.

Events after the reporting period

Pasi Kyckling appointed CFO

On January 7, 2025, Metso appointed Pasi Kyckling as the company’s Chief Financial Officer (CFO) and a member of the Metso Leadership Team. Kyckling will start in his role in July 2025 at the latest.

Acquisition of Selm (Beijing) Technology

On February 10, 2025, Metso signed an agreement to acquire the screening business, operations and key assets of Selm (Beijing) Technology Co., Ltd., a privately owned company. By combining the new offering with Metso's expertise in screening equipment, media, repairs and services, Metso can strengthen its services to better support mining and aggregates customers in China.

Short-term business risks and market uncertainties

The uncertainty in the global markets may affect Metso's market environment. While central banks have eased monetary policy as inflation has moderated, macroeconomic risks continue to pose uncertainty for global economic growth and may affect both Metso's customers and suppliers. High financing costs may continue to have a negative impact on customers' capex decision-making. There are also other market and customer-related risks that could cause on-going projects to be postponed, delayed, discontinued or terminated.

Geopolitical tensions and related trade barriers may impact global supply chains and may affect Metso's ability to deliver on time and/or on budget. The financial position of suppliers may be at risk, due to working capital requirements and funding costs, which could also lead to challenges with on-time deliveries. If suppliers are unable to deliver and the company is unable to find alternative sources in the time required, it may lead to contractual penalties and/or obligations.

Uncertain market conditions could adversely affect our customers’ payment behavior and increase the risk of lawsuits, claims and disputes taken against Metso in various countries related to, among other things, Metso’s products, projects and other operations.

Even though currency exposure of firm delivery and purchase agreements is hedged, exchange rate fluctuations may impact the company's financial position.

Information security and cyber threats could disturb or disrupt Metso’s businesses and operations.

Disputes related to delivery execution and resulting in extra costs and/or penalties are a risk for Metso. In contracts related to the delivery of major projects, the liquidated damages attributable to, for instance, delayed delivery or non-performance may be significant. Even though provisions are provided for in accordance with accounting principles, the possibility of additional liabilities materializing cannot be excluded.

Metso is involved in some disputes that may lead to or are in litigation and arbitration. Differing interpretations of international contracts and laws may cause uncertainties in estimating the outcome of these disputes. The enforceability of contracts in certain market areas may be challenging or difficult to foresee.

Market outlook

Metso expects that the market activity in both Minerals and Aggregates will remain at the current level.

In its previously published outlook, Metso expected the market activity in both Minerals and Aggregates to remain at the current level.

According to the company's disclosure policy, Metso's market outlook describes the expected sequential development of market activity, adjusting for seasonality, during the following six-month period using three categories: improve, remain at the current level, or decline.

Board of Directors' proposal on the use of profit

Metso's distributable funds on December 31, 2024, amounted to EUR 1,086 million.

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.38 per share be paid based on the balance sheet to be adopted for the financial year ended December 31, 2024. Insofar as the dividend to be paid exceeds the net profit for the year ended December 31, 2024, the remaining amount will be paid from retained earnings from previous years.

The dividend is proposed to be paid in two installments, i.e. EUR 0.19 in May and EUR 0.19 in October.

Corporate Governance Statement and Remuneration Report

Metso will publish a separate Corporate Governance Statement and Remuneration Report for 2024, which comply with the recommendations of the Finnish Corporate Governance Code for listed companies and cover other central areas of corporate governance. The documents will be published on the company's website, separately from the Board of Directors' Report, during the week commencing March 24, 2025, at the latest.

Sustainability Statement

Metso will publish its Sustainability Statement that complies with the Finnish Accounting Act, as part of the Board of Directors' Report, during the week commencing March 24, 2025, at the latest.

Annual General Meeting 2025

Metso Corporation's Annual General Meeting 2025 is planned to be held on April 24, 2025. The Board will convene the meeting by a separate invitation.

Helsinki, February 13, 2025

Metso Corporation's Board of Directors

Metso Financial Statements Review January 1–December 31, 2024: Tables

Consolidated statement of income, IFRS

EUR million	10–12/2024	10–12/2023	1–12/2024	1–12/2023
Sales	1,272	1,342	4,863	5,390
Cost of sales	-857	-926	-3,237	-3,687
Gross profit	415	415	1,626	1,703
Selling and marketing expenses	-109	-113	-426	-438
Administrative expenses	-95	-96	-356	-372
Research and development expenses	-30	-18	-103	-66
Other operating income and expenses, net	-15	11	-14	-25
Share of results of associated companies	0	0	0	0
Operating profit	167	200	727	805
Finance income	5	5	22	17
Foreign exchange gains/losses	-1	-4	4	4
Finance expenses	-28	-26	-105	-101
Finance income and expenses, net	-24	-25	-80	-80
Profit before taxes	143	175	648	724
Income taxes	-39	-45	-162	-187
Profit for the period from continuing operations	104	130	486	537
Profit from discontinued operations	54	6	-156	8
Profit for the period	158	136	330	546
Profit attributable to				
Shareholders of the Parent company	158	137	329	543
Non-controlling interests	0	-2	1	2
Profit from continuing operations attributable to				
Shareholders of the Parent company	103	131	485	535
Non-controlling interests	1	-2	1	2
Profit from discontinued operations attributable to				
Parent company shareholders	54	6	-156	8
Non-controlling interest	0	0	0	0
Earnings per share, EUR	0.19	0.17	0.40	0.66
Earnings per share, diluted, EUR	0.19	0.17	0.40	0.66
Earnings per share, continuing operations, EUR	0.13	0.16	0.59	0.65
Earnings per share, discontinued operations, EUR	0.06	0.01	-0.19	0.01

More information under "Key figures, IFRS".

Consolidated statement of comprehensive income, IFRS

EUR million	10–12/2024	10–12/2023	1–12/2024	1–12/2023
Profit for the period	158	136	330	546
Other comprehensive income				
Cash flow hedges, net of tax	2	2	4	-2
Currency translation on subsidiary net investment	1	-19	-37	-27
Items that may be reclassified to profit or loss in subsequent periods	3	-17	-34	-29
Defined benefit plan actuarial gains and losses, net of tax	0	-3	0	-4
Items that will not be reclassified to profit or loss	0	-3	0	-4
Other comprehensive income	2	-20	-34	-33
Total comprehensive income	160	116	296	513
Total comprehensive income attributable to				
Parent company shareholders	160	117	294	510
Non-controlling interest	0	-2	1	2
Total comprehensive income attributable to, continuing operations				
Parent company shareholders	106	112	450	502
Non-controlling interest	1	-2	1	2
Total comprehensive income attributable to, discontinued operations				
Parent company shareholders	54	6	-156	8
Non-controlling interest	0	0	0	0

Consolidated balance sheet – Assets, IFRS

EUR million	**Dec 31, 2024**	Dec 31, 2023
Non-current assets		
Goodwill and intangible assets		
Goodwill	1,123	1,097
Other intangible assets	803	790
Total goodwill and intangible assets	1,927	1,886
Property, plant and equipment		
Land and water areas	38	39
Buildings and structures	159	131
Machinery and equipment	228	211
Assets under construction	124	91
Total property, plant and equipment	549	472
Right-of-use assets	136	114
Other non-current assets		
Investments in associated companies	3	3
Non-current financial assets	2	2
Loan receivables	0	–
Derivative financial instruments	9	10
Deferred tax assets	259	234
Other non-current receivables	27	22
Total other non-current assets	300	271
Total non-current assets	2,913	2,744
Current assets		
Inventories	1,900	1,951
Trade receivables	900	855
Customer contract assets	255	308
Loan receivables	2	6
Derivative financial instruments	34	36
Income tax receivables	61	107
Other current receivables	245	273
Liquid funds	431	638
Total current assets	3,826	4,175
Assets held for sale	276	238
TOTAL ASSETS	7,015	7,156

Consolidated balance sheet – Equity and liabilities, IFRS

EUR million	Dec 31, 2024	Dec 31, 2023
Equity		
Share capital	107	107
Share premium fund	20	20
Cumulative translation adjustments	-215	-177
Fair value and other reserves	1,137	1,131
Retained earnings	1,551	1,527
Equity attributable to shareholders	2,601	2,608
Non-controlling interests	10	10
Total equity	2,611	2,618
Liabilities		
Non-current liabilities		
Borrowings	1,300	1,167
Lease liabilities	99	86
Post-employment benefit obligations	88	90
Provisions	62	63
Derivative financial instruments	13	18
Deferred tax liability	172	182
Other non-current liabilities	5	7
Total non-current liabilities	1,739	1,614
Current liabilities		
Borrowings	165	243
Lease liabilities	42	32
Trade payables	581	675
Provisions	201	235
Advances received	495	325
Customer contract liabilities	232	322
Derivative financial instruments	68	28
Income tax liabilities	79	186
Other current liabilities	587	711
Total current liabilities	2,451	2,756
Liabilities held for sale	214	169
TOTAL EQUITY AND LIABILITIES	7,015	7,156

Consolidated statement of changes in shareholders’ equity, IFRS

EUR million	Share capital	Share premium fund	Cumulative translation adjustments	Fair value and other reserves	Retained earnings	Equity attributable to shareholders	Non-controlling interests	Total equity
Jan 1, 2024	107	20	-177	1,131	1,527	2,608	10	2,618
Profit for the period	–	–	–	–	329	329	1	330
Other comprehensive income								
Cash flow hedges, net of tax	–	–	–	4	–	4	–	4
Currency translation on subsidiary net investments	–	–	-37	–	–	-37	–	-37
Defined benefit plan actuarial gains (+) / losses (-), net of tax	–	–	–	–	0	0	–	0
Total comprehensive income	–	–	-37	4	328	294	1	296
Dividends	–	–	–	–	-298	-298	0	-298
Share-based payments, net of tax	–	–	–	2	-8	-5	–	-5
Other items	–	–	–	0	0	1	0	1
Changes in non-controlling interests	–	–	–	–	1	1	-1	–
Dec 31, 2024	107	20	-215	1,137	1,551	2,601	10	2,611

EUR million	Share capital	Share premium fund	Cumulative translation adjustments	Fair value and other reserves	Retained earnings	Equity attributable to shareholders	Non-controlling interests	Total equity
Jan 1, 2023	107	20	-150	1,122	1,243	2,342	7	2,350
Profit for the period	–	–	–	–	543	543	2	546
Other comprehensive income								
Cash flow hedges, net of tax	–	–	–	-2	–	-2	–	-2
Currency translation on subsidiary net investments	–	–	-27	–	–	-27	–	-27
Defined benefit plan actuarial gains (+) / losses (-), net of tax	–	–	–	–	-4	-4	–	-4
Total comprehensive income	–	–	-27	-2	539	510	2	513
Dividends	–	–	–	–	-248	-248	–	-248
Share-based payments, net of tax	–	–	–	11	-7	4	–	4
Other items	–	–	–	0	0	0	0	-1
Dec 31, 2023	107	20	-177	1,131	1,527	2,608	10	2,618

Condensed consolidated statement of cash flow, IFRS

EUR million	**10–12/2024**	10–12/2023	**1–12/2024**	1–12/2023
Operating activities				
Profit for the period	158	136	330	546
Continuing operations	104	130	486	537
Discontinued operations	54	6	-156	8
Adjustments:				
Depreciation and amortization	42	41	165	158
Financial expenses, net	24	25	80	80
Income taxes	6	54	88	199
Other items	12	39	33	15
Change in net working capital	43	-80	-119	-449
Net cash flow from operating activities before financial items and taxes	286	216	576	550
Financial income and expenses paid, net	-22	-11	-62	-17
Income taxes paid	-14	-69	-183	-231
Net cash flow from operating activities	251	136	332	302
Investing activities				
Capital expenditures on non-current assets	-35	-48	-188	-170
Proceeds from sale of non-current assets	16	6	28	16
Business acquisitions, net of cash acquired	-52	-11	-60	-28
Proceeds from sale of businesses, net of cash sold	-4	–	-4	–
Cash received from liquidation of associated companies	–	4	–	4
Proceeds from sale of non-current financial assets	0	–	0	–
Change in loan receivables, net	1	3	1	0
Net cash flow from investing activities	-74	-46	-224	-178
Financing activities				
Dividends paid	-149	-124	-298	-248
Proceeds from and repayments of non-current debt, net	-16	347	37	347
Proceeds from and repayments of current debt, net	-50	-19	-16	-139
Repayment of lease liabilities	-9	-11	-38	-37
Net cash flow from financing activities	-224	193	-315	-76
Net change in liquid funds	-47	283	-207	47
Effect from changes in exchange rates	11	-4	0	-10
Liquid funds at beginning of period	467	359	638	601
Liquid funds at end of period	431	638	431	638

Key figures, IFRS

EUR million	Dec 31, 2024	Dec 31, 2023
Profit for the period from continuing operations	486	537
Earnings per share from continuing operations, EUR	0.59	0.65
Profit for the period from discontinued operations	-156	8
Earnings per share from discontinued operations, EUR	-0.19	0.01
Profit for the period	330	546
Earnings per share, EUR	0.40	0.66
Equity/share at end of period, EUR	3.14	3.16
Total number of shares at end of period (thousands)	828,972	828,972
Own shares held by Parent Company (thousands)	1,621	2,644
Number of outstanding shares at end of period (thousands)	827,351	826,328
Average number of outstanding shares (thousands)	827,101	826,216

EUR million	Dec 31, 2024	Dec 31, 2023
Net debt	1,173	884
Gearing, %	44.9%	33.8%
Equity-to-asset ratio, %	41.5%	40.2%
Debt to capital, %	35.9%	35.0%
Debt to equity, %	56.1%	53.9%
Net working capital (NWC)	1,045	990
Net debt and gearing		
Borrowings	1,465	1,410
Lease liabilities	141	118
Gross debt	1,606	1,528
Loan receivables	2	6
Liquid funds	431	638
Net debt	1,173	884
Gearing, %	44.9%	33.8%

Formulas for key figures

Earnings before financial expenses, net, taxes, and amortization, adjusted (adjusted EBITA)	=	Operating profit + adjustment items + amortization	
Earnings per share, basic	=	$\frac{\text{Profit attributable to shareholders}}{\text{Average number of outstanding shares during the period}}$	
Earnings per share, diluted	=	$\frac{\text{Profit attributable to shareholders}}{\text{Average number of diluted shares during the period}}$	
Equity/share	=	$\frac{\text{Equity attributable to shareholders}}{\text{Number of outstanding shares at the end of the period}}$	
Gearing, %	=	$\frac{\text{Net interest-bearing liabilities}}{\text{Total equity}}$	x 100
Debt to capital, %	=	$\frac{\text{Interest-bearing liabilities - lease liabilities}}{\text{Total equity + interest-bearing liabilities - lease liabilities}}$	x 100
Debt to equity, %	=	$\frac{\text{Interest-bearing liabilities - lease liabilities}}{\text{Total equity}}$	x 100
Equity-to-asset ratio, %		$\frac{\text{Total equity}}{\text{Balance sheet total - advances received}}$	x 100
Interest-bearing liabilities (Gross debt)	=	Interest-bearing liabilities, non-current and current + lease liabilities, non-current and current	
Net interest-bearing liabilities (Net debt)	=	Interest-bearing liabilities - non-current financial assets - loan and other interest-bearing receivables (current and non-current) - liquid funds	
Net working capital (NWC)	=	Inventories + trade receivables + other non-interest-bearing receivables + customer contract assets and liabilities, net - trade payables - advances received - other non-interest-bearing liabilities	

Alternative performance measures

Metso presents certain key figures (alternative performance measures) as additional information to the financial measures presented in the consolidated statements of comprehensive income and the consolidated balance sheet and cash flows prepared in accordance with IFRS. In Metso’s view, alternative performance measures provide meaningful supplemental information on its operational results, financial position and cash flows and are widely used by analysts, investors and other parties.

To improve the comparability between periods, Metso presents adjusted EBITA, being earnings before interest, tax, and amortization, adjusted by capacity adjustment costs, acquisition costs, gains and losses on business disposals, as well as Metso transaction and integration costs. Their nature and net effect on cost of goods sold, selling, general and administrative expenses, as well as other income and expenses are presented in the segment information. Net debt, gearing, equity-to-asset ratio, debt-to-capital ratio, and debt-to-equity ratio are presented as complementing measures because, in Metso’s view, they are useful measures of Metso’s ability to obtain financing and to service its debts. Net working capital provides additional information concerning the cash flow needs of Metso’s operations.

Alternative performance measures should not be viewed in isolation or as a substitute to the IFRS financial measures. All companies do not calculate alternative performance measures in a uniform manner, and therefore Metso’s alternative performance measures may not be comparable with similarly named measures presented by other companies.

Notes to the Financial Statements Review

Contents

1. Basis of preparation

This Financial Statements Review has been prepared in accordance with IAS 34 'Interim Financial Reporting', applying the accounting policies of Metso, which are consistent with the accounting policies of Metso Financial Statements 2023. New accounting standards have been adopted, as described in Note 2. This Financial Statements Review is unaudited. The figures in this review are based on audited Financial Statements.

All figures presented have been rounded; consequently, the sum of individual figures might differ from the presented total figures.

On March 29, 2023, Metso announced its decision to initiate the divestment of the Metals & Chemical Processing and Ferrous & Heat Transfer businesses. Starting from September 30, 2023, these businesses have been classified as discontinued operations. Consequently, both the 2024 figures as well as the comparative figures for 2023 related to the consolidated statement of income are presented separately from continuing operations. The assets and liabilities held for sale have been transferred to separate lines in the consolidated balance sheet. In addition, the result of discontinued operations includes the income statement items related to the Waste-to-energy business, which has been reported as part of discontinued operations in Outotec since December 2019 and in Metso since 2020, following the merger of Metso Minerals and Outotec. On September 4, 2024, Metso announced the termination of the Waste-to-energy business and settled remaining legal processes concerning historic projects. More information is disclosed under Note 10. Discontinued operations.

Reporting segments

Metso Group is a global supplier of sustainable technologies, end-to-end solutions, and services for the minerals processing and aggregates industries. Metso has a broad offering in terms of equipment, solutions and various types of aftermarket services. Reportable segments of Metso are based on end-customer groups, which are differentiated both by offering and business model.

On September 30, 2023, Metso updated its segment reporting by moving its two businesses currently under divestment (Metals & Chemical Processing and Ferrous & Heat Transfer), both of which have been reported under the Metals segment, into discontinued operations, and transferring the Smelting business to the Minerals segment. As a result, and in line with the Group's strategy, Metso's segment reporting consists of two segments: Aggregates and Minerals. Metso's restated segment information based on the new reporting structure for the financial year 2022 and for January–June 2023 was published on October 2, 2023.

The segments are reported in a manner consistent with the internal reporting provided to the Board of Directors, Metso's chief operating decision-maker with responsibility for allocating resources and assessing the performance of the segments, deciding on strategy, selecting key employees, as well as deciding on major development projects, business acquisitions, investments, organizational structure, and financing. The accounting principles applied to the segment reporting are the same as those used in preparing the consolidated financial statements.

Aggregates offers a wide range of equipment, aftermarket parts, and services for quarries, aggregates contractors and construction companies. Minerals supplies a wide portfolio of process solutions, equipment, and aftermarket services, as well as plant delivery capability for minerals operations. The Group Head Office and other is comprised of the Parent

Company with centralized Group functions, such as treasury, tax, legal and compliance, as well as global business service center and holding companies.

Segment performance is measured with operating profit/loss (EBIT). In addition, Metso uses alternative performance measures to reflect the underlying business performance and to improve comparability between financial periods: earnings before interest, tax and amortization (EBITA), and adjusted net working capital. Alternative performance measures, however, should not be considered as a substitute for measures of performance in accordance with the IFRS.

2. New accounting standards

Metso has applied the IFRS revisions that have been effective since January 1, 2024. These amendments have not had a material impact on the reported figures.

3. Disaggregation of sales

SALES BY SEGMENT

EUR million	10–12/2024	10–12/2023	1–12/2024	1–12/2023
Aggregates	290	289	1,207	1,346
Minerals	982	1,052	3,656	4,044
Sales, continuing operations	**1,272**	**1,342**	**4,863**	**5,390**

SALES BY SEGMENT

EUR million	10–12/2024	10–12/2023	1–12/2024	1–12/2023
Services	**732**	**758**	**2,824**	**2,891**
Aggregates	102	102	419	434
Minerals	629	657	2,405	2,458
Projects, equipment and goods	**540**	**583**	**2,039**	**2,499**
Aggregates	188	188	788	913
Minerals	352	396	1,251	1,586
Sales, continuing operations	**1,272**	**1,342**	**4,863**	**5,390**

EXTERNAL SALES BY TIMING OF REVENUE RECOGNITION

EUR million	10–12/2024	10–12/2023	1–12/2024	1–12/2023
At a point in time	1,157	930	4,033	4,306
Over time	115	412	829	1,084
Sales, continuing operations	**1,272**	**1,342**	**4,863**	**5,390**

EXTERNAL SALES BY DESTINATION

EUR million	10–12/2024	10–12/2023	1–12/2024	1–12/2023
Europe	247	262	884	1,061
North and Central America	275	265	1,081	1,260
South America	316	293	1,139	1,142
APAC	247	282	1,018	1,086
Africa, Middle East and India	187	239	740	840
Sales, continuing operations	**1,272**	**1,342**	**4,863**	**5,390**

4. Financial risk management

As a global company, Metso is exposed to a variety of business and financial risks. Financial risks are managed centrally by Group Treasury under annually reviewed written policies approved by the Board of Directors. Treasury operations are monitored by the Treasury Management Team chaired by the CFO. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the operating units. Group Treasury functions as a counterparty to the operating units, centrally manages external funding, and is responsible for the management of financial assets and appropriate hedging measures. The objective of financial risk management is to minimize potential adverse effects on Metso's financial performance.

Liquidity and refinancing risk, capital structure management

Liquidity or refinancing risk arises when a company is not able to arrange funding on terms and conditions corresponding to its creditworthiness. Sufficient cash, short-term investments, and committed and uncommitted credit facilities are maintained to protect short-term liquidity. Diversification of funding among different markets and an adequate number of financial institutions is used to safeguard liquidity. Group Treasury monitors bank account structures, cash balances and forecasts of the operating units, and manages the utilization of the consolidated cash resources.

The Group's liquidity position remained solid. As of December 31, 2024, liquid funds, consisting of cash and cash equivalents, amounted to EUR 431 million (EUR 638 million on December 31, 2023). There were no deposits or securities with a maturity of more than three months (EUR 0 million on December 31, 2023).

The Group has a committed syndicated revolving credit facility of EUR 600 million with a maturity in 2026. The facility includes sustainability performance targets impacting the cost of borrowing. At the end of the quarter, the facility was undrawn. The company also has a EUR 600 million Finnish commercial paper program, under which EUR 30 million was issued at the end of December.

During the fourth quarter, Metso signed a EUR 150 million three-year term loan where EUR 75 million was undrawn at the end of the period.

At the end of December Metso had bonds outstanding EUR 892 million at carrying value (Dec 31, 2023: EUR 1,081 million).

The average interest rate of total loans and derivatives was 3.8% on December 31, 2024. The duration of total interest-bearing debt was 1.9 years and the average maturity 3.3 years.

Capital structure management in Metso comprises both equity and interest-bearing debt. As of December 31, 2024, the equity attributable to shareholders was EUR 2,601 million (EUR 2,608 million on December 31, 2023), and the amount of interest-bearing debt, excluding lease liabilities, was EUR 1,465 million (EUR 1,410 million on December 31, 2023).

One of Metso's key financial targets is to maintain an investment-grade credit rating. Metso has a ‘BBB’ long-term issuer credit rating with stable outlook from S&P Global Ratings and a ‘Baa2’ long-term issuer rating with stable outlook from Moody’s Investor Service.

There are no prepayment covenants in Metso’s financial contracts that would be triggered by changes in the credit rating. Covenants included in some financing agreements would only become valid if Metso's credit rating was below investment-grade, and the covenants would be related to Metso’s capital structure. Metso is in compliance with all covenants and other terms of its debt instruments.

5. Fair value estimation

For those financial assets and liabilities that have been recognized at fair value in the balance sheet, the following measurement hierarchy and valuation methods have been applied:

Level 1 Unadjusted quoted prices in active markets at the balance sheet date. The market prices are readily and regularly available from an exchange, dealer, broker, market information service system, pricing service or regulatory agency. The quoted market price used for financial assets is the current bid price. Level 1 financial instruments include fund investments classified as fair value through profit and loss.

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 from an exchange, dealer, broker, market information service system, pricing service or regulatory agency. Level 2 financial instruments include:

- Over-the-counter derivatives classified as financial assets/liabilities at fair value through profit and loss or qualified for hedge accounting
- Debt securities classified as financial instruments at fair value through profit and loss
- Fixed-rate debt under fair value hedge accounting

Level 3 A financial instrument is categorized into Level 3 if the calculation of the fair value cannot be based on observable market data. There were no such instruments on December 31, 2024, or on December 31, 2023.

The next table presents financial assets and liabilities that are measured at fair value. There have been no transfers between fair value levels during the presented period.

		Dec 31, 2024	
EUR million	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit and loss			
Derivatives not under hedge accounting	–	25	–
Financial assets at fair value through other comprehensive income			
Derivatives under hedge accounting	–	18	–
Total	–	43	–
Liabilities			
Financial liabilities at fair value through profit and loss			
Derivatives not under hedge accounting	–	58	–
Financial liabilities at fair value through other comprehensive income			
Derivatives under hedge accounting	–	23	–
Total	–	80	–

		Dec 31, 2023	
EUR million	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit and loss			
Derivatives not under hedge accounting	–	33	–
Financial assets at fair value through other comprehensive income			
Derivatives under hedge accounting	–	12	–
Total	–	46	–
Liabilities			
Financial liabilities at fair value through profit and loss			
Derivatives not under hedge accounting	–	36	–
Financial liabilities at fair value through other comprehensive income			
Derivatives under hedge accounting	–	9	–
Total	–	45	–

The carrying value of financial assets and liabilities other than those presented in this fair-value level hierarchy table approximates their fair value. Fair values of other debt are calculated as net present values.

6. Notional amounts of derivative instruments

EUR million	**Dec 31, 2024**	Dec 31, 2023
Forward exchange rate contracts	3,515	3,269
Interest-rate swaps	505	605

7. Contingent liabilities and commitments

EUR million	Dec 31, 2024	Dec 31, 2023
Guarantees		
External guarantees given by Parent and Group companies	1,470	1,608
Other commitments		
Other contingencies	0	0
Total	1,470	1,608

8. Acquisitions

Acquisitions 2024

Metso completed the acquisition of Diamond Z and Screen Machine Industries on October 1, 2024 by acquiring a 100% share of the companies. Diamond Z increases Metso's offering in mobile equipment for the organic recycling markets. Screen Machine Industries broadens Metso's portfolio in the North American mobile crushing and screening markets. Acquired businesses were consolidated into the Aggregates segment. The companies' sales in the financial year that ended in December 2023 were approximately EUR 71 million. Together, the companies employ approximately 190 people.

Metso acquired a 100% share of Jindex Pty Ltd on August 1, 2024. Jindex is an Australian company with extensive expertise in valve technology and control equipment, as well as in many types of slurry valve projects. The acquired business was consolidated into the Minerals segment. Jindex's sales in the financial year that ended in June 2024 were approximately EUR 9 million. The company employs about 25 people.

Assets and liabilities recognized as a result of the acquisitions

EUR million	Fair value
Fixed assets	45
Inventory	23
Other assets	4
Liabilities	-40
Net identifiable assets acquired at fair value	32
Goodwill (provisional)	28
Purchase consideration	60

Goodwill is mainly attributable to synergies. The goodwill is not deductible for tax purposes. The initial calculation of goodwill generated is based on the result of the acquired company, adjusted by changes in accounting principles and effects from the fair value adjustment of acquired assets and related tax adjustments.

Cash flow impact of the acquisitions

EUR million	
Cash consideration paid	-60
Cash and cash equivalents acquired	1
Net cash flow for the year	-60
Cash consideration, total	-60

Acquisitions 2023

Metso acquired a 100% share of Ab A. Häggblom Oy, a Finnish engineering and manufacturing company, on August 1, 2023. The acquisition broadens Metso's offering in mining truck bodies and buckets and strengthens its position in the aftermarket. The acquired business was consolidated into the Minerals segment. In 2022 Häggblom had about 100 employees and sales were approximately EUR 25 million.

Metso acquired a 100% share of Brouwer Engineering Ltd on August 1, 2023. Brouwer is an Australian company specialized in automation, control systems, and electrical solutions for bulk material handling solutions. The acquired business was consolidated into the Minerals segment. In the financial year that ended in June 2023 Brouwer's sales were approximately EUR 8 million and it employed about 30 people.

Metso acquired a 100% share of Tedd Engineering Ltd on November 1, 2023, a company employing approximately 70 people and based in Chesterfield, UK. The company specializes in automation, control systems, and electrical solutions for mobile equipment and aftermarket, primarily focusing on the aggregates business. The acquired business was consolidated into the Aggregates segment. The company's sales in the financial year that ended in June 2023 were approximately EUR 17 million.

9. Business disposals

There have been no business disposals during years 2024 and 2023.

10. Discontinued operations

On March 29, 2023, Metso announced its decision to initiate the divestment of the Metals & Chemical Processing and the Ferrous & Heat Transfer businesses. These businesses have been reported under the Metals segment. Starting from September 30, 2023, these businesses have been classified as discontinued operations, including the transfer of assets and liabilities held for sale on separate lines in the consolidated balance sheet. The figures in the consolidated statement of income have been adjusted to show the discontinued operations separately from continuing operations.

In addition, the result of discontinued operations includes the income statement items related to the Waste-to-energy business, which has been reported as part of discontinued operations in Outotec since December 2019 and in Metso since 2020, following the merger of Metso Minerals and Outotec. On September 4, 2024, Metso announced the termination of its waste-to-energy business and settled remaining legal processes concerning historic projects. As a result, Metso booked a one-time expense of EUR 250 million in the results of its discontinued operations in the third quarter. The impact of this expense on the net cash flow from operating activities in Q3/2024 was EUR 275 million.

The result from discontinued operations was EUR -156 million for January 1–December 31, 2024 (EUR 8 million for January 1–December 31, 2023). Assets held for sale totaled EUR 276 million and liabilities EUR 214 million on December 31, 2024.

Consolidated statement of income		**1–12/2024**	
EUR million	Continuing operations	Discontinued operations	**Metso total**
Sales	4,863	214	5,076
Cost of sales	-3,237	-163	-3,400
Gross profit	1,626	51	1,677
Selling and marketing expenses	-426	-19	-445
Administrative expenses	-356	-13	-369
Research and development expenses	-103	-6	-109
Other operating income and expenses, net	-14	-244	-257
Share of results of associated companies	0	1	1
Operating profit	727	-230	497
Finance income and expenses, net	-80	–	-80
Profit before taxes	648	-230	417
Income taxes	-162	74	-88
Profit for the period	486	-156	330
Profit attributable to			
Shareholders of the Parent Company	485	-156	329
Non-controlling interests	1	0	1
Earnings per share, EUR	0.59	-0.19	0.40

Consolidated balance sheet	Dec 31, 2024		
EUR million	Continuing operations	Discontinued operations	**Metso total**
Non-current assets	2,913	92	3,005
Inventories	1,900	58	1,958
Trade and other receivables	1,496	125	1,621
Liquid funds	431	–	431
Assets total	6,739	276	7,015
Non-current liabilities	1,739	30	1,769
Short-term liabilities	2,451	184	2,635
Liabilities total	4,190	214	4,405

Condensed consolidated statement of cash flows	1–12/2024		
EUR million	Continuing operations	Discontinued operations	**Metso total**
Operating activities			
Profit for the period	486	-156	330
Adjustments to profit for the period	441	-76	365
Change in net working capital	-64	-55	-119
Cash flow from operations	864	-287	576
Financing items, net	-62	–	-62
Income taxes paid	-180	-2	-183
Net cash flow from operating activities	622	-290	332
Investing activities			
Net cash flow from investing activities	-225	1	-224
Financing activities			
Net cash flow from financing activities	-315	0	-315
Net change in liquid funds	82	-288	-207

Consolidated statement of income	1–12/2023		
EUR million	Continuing operations	Discontinued operations	**Metso total**
Sales	5,390	357	5,747
Cost of sales	-3,687	-301	-3,987
Gross profit	1,703	56	1,759
Selling and marketing expenses	-438	-12	-449
Administrative expenses	-372	-17	-389
Research and development expenses	-66	-9	-75
Other operating income and expenses, net	-25	2	-23
Share of results of associated companies	0	1	2
Operating profit	805	21	825
Finance income and expenses, net	-80	–	-80
Profit before taxes	724	21	745
Income taxes	-187	-12	-199
Profit for the period	537	8	546
Profit attributable to			
Shareholders of the Parent Company	535	8	543
Non-controlling interests	2	0	2
Earnings per share, EUR	0.65	0.01	0.66

Consolidated balance sheet	Dec 31, 2023		
EUR million	Continuing operations	Discontinued operations	**Metso total**
Non-current assets	2,744	97	2,841
Inventories	1,951	53	2,004
Trade and other receivables	1,585	87	1,673
Liquid funds	638	–	638
Assets total	6,919	238	7,156
Non-current liabilities	1,614	33	1,647
Short-term liabilities	2,756	136	2,892
Liabilities total	4,369	169	4,539

Condensed consolidated statement of cash flows	1–12/2023		
EUR million	Continuing operations	Discontinued operations	**Metso total**
Operating activities			
Profit for the period	537	8	546
Adjustments to profit for the period	420	32	453
Change in net working capital	-372	-76	-449
Cash flow from operations	585	-35	550
Financing items, net	-17	–	-17
Income taxes paid	-227	-4	-231
Net cash flow from operating activities	341	-39	302
Investing activities			
Net cash flow from investing activities	-180	2	-178
Financing activities			
Net cash flow from financing activities	-76	–	-76
Net change in liquid funds	84	-37	47

11. Segment information, IFRS

ORDERS RECEIVED

EUR million	10–12/2024	10–12/2023	1–12/2024	1–12/2023
Aggregates	294	297	1,231	1,274
Minerals	1,098	935	3,909	3,978
Metso total, continuing operations	1,391	1,232	5,140	5,252

ORDERS RECEIVED BY SERVICES BUSINESS

EUR million	10–12/2024	10–12/2023	1–12/2024	1–12/2023
Aggregates	110	111	431	442
% of orders received	37.5	37.3	35.0	34.7
Minerals	586	571	2,450	2,513
% of orders received	53.4	61.0	62.7	63.2
Metso total, continuing operations	696	681	2,881	2,955
% of orders received	50.0	55.3	56.0	56.3

SALES

EUR million	10–12/2024	10–12/2023	1–12/2024	1–12/2023
Aggregates	290	289	1,207	1,346
Minerals	982	1,052	3,656	4,044
Metso total, continuing operations	1,272	1,342	4,863	5,390

SALES BY SERVICES BUSINESS

EUR million	10–12/2024	10–12/2023	1–12/2024	1–12/2023
Aggregates	102	102	419	434
% of sales	35.3	35.2	34.7	32.2
Minerals	629	657	2,405	2,458
% of sales	64.1	62.4	65.8	60.8
Metso total, continuing operations	732	758	2,824	2,891
% of sales	57.5	56.5	58.1	53.6

ADJUSTED EBITA AND OPERATING PROFIT, CONTINUING OPERATIONS

EUR million, %	**10–12/2024**	10–12/2023	**1–12/2024**	1–12/2023
Aggregates				
Adjusted EBITA	46	47	198	232
% of sales	16.0	16.2	16.4	17.2
Amortization of intangible assets	-5	-4	-16	-15
Adjustment items	-1	-3	-3	-4
Operating profit	40	41	179	214
% of sales	13.9	14.0	14.8	15.9
Minerals				
Adjusted EBITA	167	179	640	707
% of sales	17.0	17.0	17.5	17.5
Amortization of intangible assets	-13	-13	-49	-48
Adjustment items	-20	-23	-42	-32
Operating profit	134	143	548	627
% of sales	13.6	13.6	15.0	15.5
Group Head Office and other				
Adjusted EBITA	-10	-1	-34	-52
Amortization of intangible assets	1	0	-1	-2
Adjustment items	2	18	34	17
Operating profit	-7	16	0	-36
Metso total, continuing operations				
Adjusted EBITA	203	225	804	887
% of sales	16.0	16.8	16.5	16.5
Amortization of intangible assets	-17	-17	-66	-65
Adjustment items	-19	-8	-11	-18
Operating profit	167	200	727	805
% of sales	13.1	14.9	15.0	14.9

ADJUSTMENT ITEMS BY CATEGORY

EUR million	**10–12/2024**	10–12/2023	**1–12/2024**	1–12/2023
Capacity adjustment costs	-20	-17	-42	-27
Acquisition costs	-1	-2	-1	-2
Profits on disposals, net	-4	2	-4	1
Wind-down of Russian business	5	9	35	9
Adjustment items, total	-19	-8	-11	-18

Quarterly segment information, IFRS

ORDERS RECEIVED

EUR million	10–12/2024	7–9/2024	4–6/2024	1–3/2024	10–12/2023
Aggregates	294	259	314	365	297
Minerals	1,098	968	847	997	935
Metso total, continuing operations	1,391	1,226	1,162	1,361	1,232

SALES

EUR million	10–12/2024	7–9/2024	4–6/2024	1–3/2024	10–12/2023
Aggregates	290	283	331	303	289
Minerals	982	877	883	914	1,052
Metso total, continuing operations	1,272	1,160	1,214	1,217	1,342

Adjusted EBITA

EUR million	10–12/2024	7–9/2024	4–6/2024	1–3/2024	10–12/2023
Aggregates	46	45	55	52	47
Minerals	167	161	152	160	179
Group Head Office and other	-10	-10	-3	-11	-1
Metso total, continuing operations	203	196	205	200	225

Adjusted EBITA, % OF SALES

%	10–12/2024	7–9/2024	4–6/2024	1–3/2024	10–12/2023
Aggregates	16.0	16.1	16.6	17.0	16.2
Minerals	17.0	18.3	17.3	17.5	17.0
Group Head Office and other	n/a	n/a	n/a	n/a	n/a
Metso total, continuing operations	16.0	16.9	16.9	16.5	16.8

AMORTIZATION OF INTANGIBLE ASSETS

EUR million	10–12/2024	7–9/2024	4–6/2024	1–3/2024	10–12/2023
Aggregates	-5	-4	-3	-4	-4
Minerals	-13	-12	-11	-13	-13
Group Head Office and other	1	-1	-1	-1	0
Metso total, continuing operations	-17	-16	-15	-17	-17

ADJUSTMENT ITEMS

EUR million	10–12/2024	7–9/2024	4–6/2024	1–3/2024	10–12/2023
Aggregates	-1	-2	0	-1	-3
Minerals	-20	-7	-8	-6	-23
Group Head Office and other	2	7	14	11	18
Metso total, continuing operations	-19	-2	6	4	-8

OPERATING PROFIT

EUR million	10–12/2024	7–9/2024	4–6/2024	1–3/2024	10–12/2023
Aggregates	40	40	51	47	41
Minerals	134	141	133	141	143
Group Head Office and other	-7	-4	11	0	16
Metso total, continuing operations	167	178	195	188	200

OPERATING PROFIT, % OF SALES

%	10–12/2024	7–9/2024	4–6/2024	1–3/2024	10–12/2023
Aggregates	13.9	14.2	15.5	15.5	14.0
Minerals	13.6	16.1	15.1	15.4	13.6
Group Head Office and other	n/a	n/a	n/a	n/a	n/a
Metso total, continuing operations	13.1	15.3	16.1	15.4	14.9

ORDER BACKLOG

EUR million	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
Aggregates	439	438	471	499	453
Minerals	2,607	2,569	2,620	2,499	2,498
Metso total, continuing operations	3,046	3,007	3,091	2,998	2,951
Discontinued operations	214	199	241	251	287
Metso total	3,260	3,206	3,333	3,249	3,238

12. Exchange rates

Currency		1–12/2024	1–12/2023	Dec 31, 2024	Dec 31, 2023
USD	(US dollar)	1.0826	1.0816	1.0389	1.1050
SEK	(Swedish krona)	11.4226	11.4563	11.4590	11.0960
GBP	(Pound sterling)	0.8469	0.8702	0.8292	0.8691
CAD	(Canadian dollar)	1.4820	1.4606	1.4948	1.4642
BRL	(Brazilian real)	5.8500	5.4128	6.4253	5.3618
CNY	(Chinese yuan)	7.7793	7.6589	7.5833	7.8509
AUD	(Australian dollar)	1.6424	1.6297	1.6772	1.6263

13. Events after the reporting period

On October 2, 2024, Metso signed an agreement to acquire all the shares of its long-term partner Swiss Tower Mills Minerals AG (STM). Metso decided to exercise its right of first refusal following the divestment decision of STM's other shareholders. Swiss Tower Mills Minerals, based in Baden, Switzerland, specializes in vertical grinding mill solutions. It is best known for the HIGmill™ grinding mill, which has been exclusively sold and serviced by Metso. As a result of the transaction, Metso's ownership will increase to 100%. Metso has reported its previous 15% shareholding as a non-current financial asset. The acquisition, which is subject to the approvals of anti-trust authorities, is expected to close in the first half of year 2025.

Metso announced on February 10, 2025, that it is investing in the expansion of its screening solutions in China. The initial investment includes an agreement to acquire screening business, operations and key assets of Selm (Beijing) Technology Co., Ltd., a privately owned company. By combining the new offering with Metso's expertise in screening equipment, media, repairs and services, Metso can strengthen its services to better support mining and aggregates customers in China. The company has around 180 employees and its operations are in Shenyang, Northeast China. Acquisition has no material impact on Metso's financials, and it is subject to conditions precedent and expected to close during the second quarter of 2025.

It should be noted that certain statements herein which are not historical facts, including, without limitation, those regarding expectations for general economic development and the market situation, expectations for customer industry profitability and investment willingness, expectations for company growth, development and profitability and the realization of synergy benefits and cost savings, and statements preceded by “expects”, “estimates”, “forecasts” or similar expressions, are forward-looking statements. These statements are based on current decisions and plans and currently known factors. They involve risks and uncertainties that may cause the actual results to differ materially from the results currently expected by the company.

Such factors include, but are not limited to:

(1) general economic conditions, including fluctuations in exchange rates and interest levels which influence the operating environment and profitability of customers and thereby the orders received by the company and their margins,

(2) the competitive situation, especially significant technological solutions developed by competitors,

(3) the company’s own operating conditions, such as the success of production, product development and project management and their continuous development and improvement,

(4) the success of pending and future acquisitions and restructuring.

Metso's financial information in 2025

Annual Report 2024 during the week commencing March 24, 2025

Annual General Meeting 2025 on April 24

Interim Review for January–March 2025 on April 24

Half-Year Review for 2025 on July 23

Interim Review for January–September 2025 on October 23

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