

Welcome to Capital Markets Day

MAY 29, 2019



Agenda

- 9.00 Strategy and Finance
- 9.45 Infrastructure Division
- 10.15 Break
- 10.30 Industrial & Digital Solutions Division
- 11.00 Process Industries Division
- 11.30 Break
- 11.45 Energy Division
- 12.15 Management Consulting Division
- 12.45 Summary and questions
- 13.00 Lunch
- 13.30 Prebooked interviews



ÅF Pöyry Group

JONAS GUSTAVSSON, CEO & PRESIDENT

JUUSO PAJUNEN, CFO

STOCKHOLM, MAY 29, 2019



PRESIDENT AND CEO

Jonas Gustavsson

**Master of Science in Mechanical engineering from Luleå
Technical University**

Working Experience;

- Business Area Manager Sandvik Machining Solutions 2013 -2017
and Sandvik Materials Technology 2011 -2013
- President Kanthal and General Manager Tube at Sandvik
- Vice President Operations at BRP-Rotax (Austria)
- Director Operations – Bombardier Transportation
- Production Development – ABB Kraftwerke / ABB STAL
(Switzerland)



ÅF PÖYRY – Engineering, Design and Advisory services

No. of
employees: **17000**

Revenue: **20** BSEK

EBITA: **1,8** BSEK

Industry
Infrastructure
Energy

Country
presence: **50**



 **PÖYRY**



 PÖYRY

Projects in
more than
100
countries

We speak
more than
50
languages

We are
4000
employees
from future
generations

We are
27% and **73%**
women and men

Successful acquisition and integration of Pöyry

Acquisition of Pöyry completed



Two successful rights issues



Integration according to plan



Annual run-rate cost synergies after Q1 SEK 25 million



Strong organic growth



Stable earnings





ÅF Pöyry is a
strong platform for
long term value creation

A successful and exciting 2018

Good growth with stable margins

Growth: **10,4%**

EBITA-marginal **9,1%**

Conducted 11 acquisitions

Contributed to growth **+5%**

Platform acquisition



11 acquisitions in 2018

Bringing app. 600 MSEK in revenue

Gottlieb Paludan Architects	Architecture & Design	
Arcad Architects	Architecture & Design	
Facilia	Nuclear decommissioning	
Effekt	Buildings	
Samtanke	Digital	
Konsultbolag1	Digital	
Mometo	Digital	
LBP	Buildings	
Profil-Bau Industrial	Industrial engineering	
P.A.P	Energy	
IFEC Ingegneria	Energy/Infrastructure	



Q1 - stable performance and integration in line with plan

JAN - MAR 2019

Net Sales: SEK 4,389 million (3,415)

+28.5%

EBITA*: SEK 390 million (325)

+20.0%

EBITA-margin*: 8.9% (9.5)

PRO FORMA JAN - MAR 2019

Net Sales: SEK 5,422 million (4,764)

+13.8%

EBITA*: SEK 468 million (416)

+12.5%

EBITA-margin*: 8.6% (8.7)

- Solid start of 2019
- Strong organic growth of 8.0 percent (0.5)
- Overall good demand, although indications on slower demand in the automotive segment

*Excl Items affecting comparability



Globalisation and urbanisation



Climate change



Digitalization



Sustainability



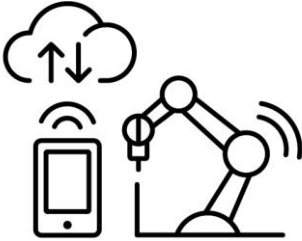
Global trends create growth opportunities



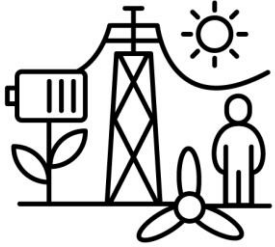
SMART CITIES
AND INFRASTRUCTURE



FUTURE
MOBILITY



INDUSTRIAL
DIGITALIZATION



CHANGING ENERGY
MARKETS



Attracting the best - Making Future

YOUNG PROFESSIONALS

1. Ikea
2. Volvo Cars
3. Google
4. ÅF





#1 among researchers

ÅF ranked nr 1 employer among researchers in Sweden
Framtidens forskning 2018 & 2019

Brave leadership

- Diversity & Inclusion
- Empower and coach
- Value based
- Flexible – bringing out the best of each employee




A woman with short blonde hair, wearing a dark green t-shirt and blue jeans, is sitting on a windowsill. She is looking out of a window at a cityscape. The city features a prominent church with a green spire. The sky is overcast. The woman is holding a light-colored mug. The overall mood is contemplative and serene.

OUR VISON

Providing leading
solutions
for generations to come

Making Future.

A photograph of three people in a modern meeting room. On the left, a man in a grey sweater and jeans stands looking at a large screen. In the center, a woman in a white turtleneck sweater stands looking towards the man. On the right, a man in a blue button-down shirt and glasses stands leaning over a dark round table, holding a white object. The screen displays a green abstract image with white patterns. A potted plant is visible behind the woman. The room has a grey wall and a dark floor.

OUR VALUES

Brave
Devoted
Team players



Our strategy

GROWTH

International expansion into leading positions

Geographical expansion in core countries

International growth in selected niches

Expansion in international investment projects

VALUE CREATION

Business model shift to deliver higher value

Increase share of projects and solutions

Cross ÅF solutions to meet global growth drivers

Invest in and develop concepts and selected products

Optimisation of professional services

OPERATIONS

Operational excellence

Simplified and focused organisation

Adjusted financial steering

Optimised pricing and sourcing

Ethical commitment

PEOPLE

Best in class people practices

Leadership development

People engagement and development

Employer branding

Recruitment and onboarding

Diversity and inclusion

Our strategic framework

WHO WE ARE

OUR VISION

Providing leading solutions for generations to come

ÅF – Making Future

OUR VALUES

WE ARE
Brave
Devoted
Team Players

OUR MISSION

We create sustainable engineering and design solutions

HOW WE WIN

GROWTH DRIVERS

Smart infrastructure and cities

Future mobility

Industrial digitalization

Changing energy markets

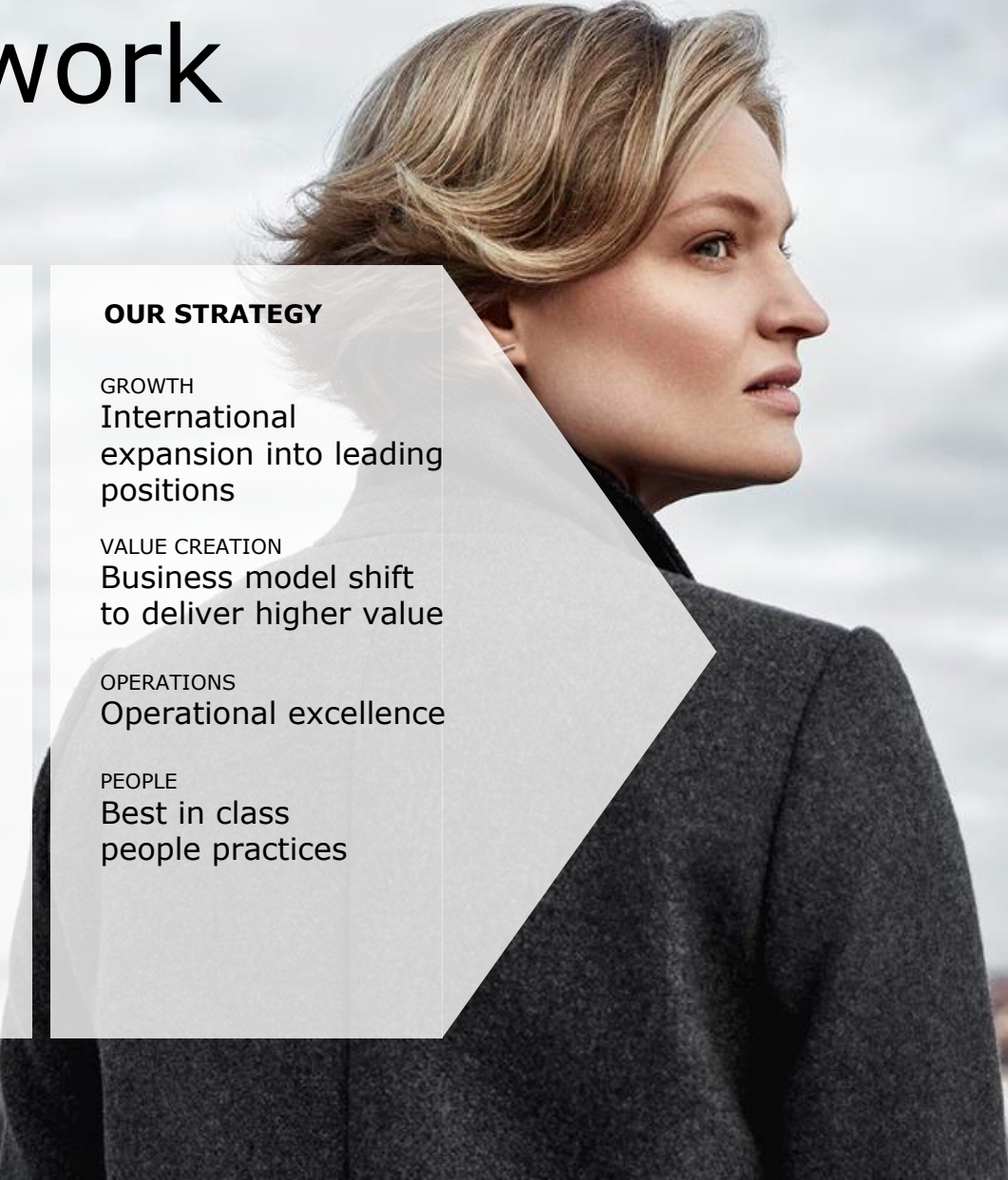
OUR STRATEGY

GROWTH
International expansion into leading positions

VALUE CREATION
Business model shift to deliver higher value

OPERATIONS
Operational excellence

PEOPLE
Best in class people practices



Ready for the next step of the
development of ÅF Pöyry

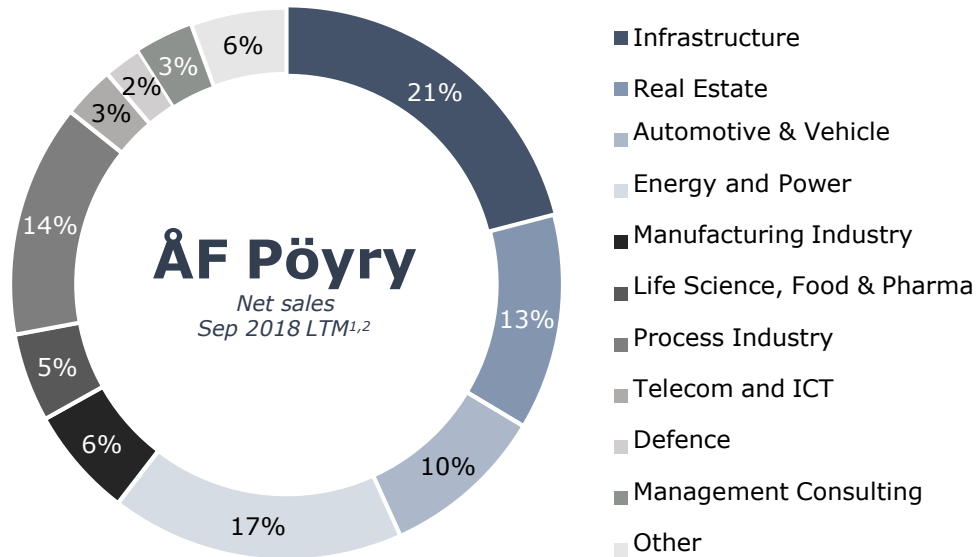


Pöyry – an attractive investments

- High performing organization
- Strong global presence in selected niches with good platforms for international growth
- Strong (leading) positions in Energy and Process Industry
- Roots and values from Nordic (Finnish) Industry
- Modern culture driven from innovation and entrepreneurship



A leading engineering, design and advisory company



75%

Net Sales in the Nordic Region

16%

Fixed price projects

18%

Net Sales in Europe outside Nordics

50%

Project delivery

50

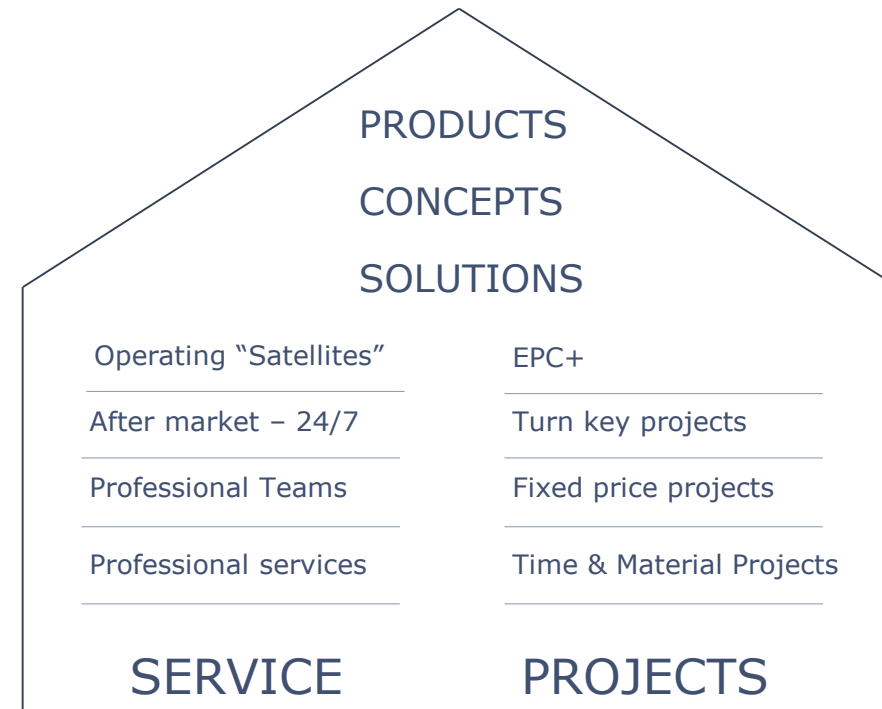
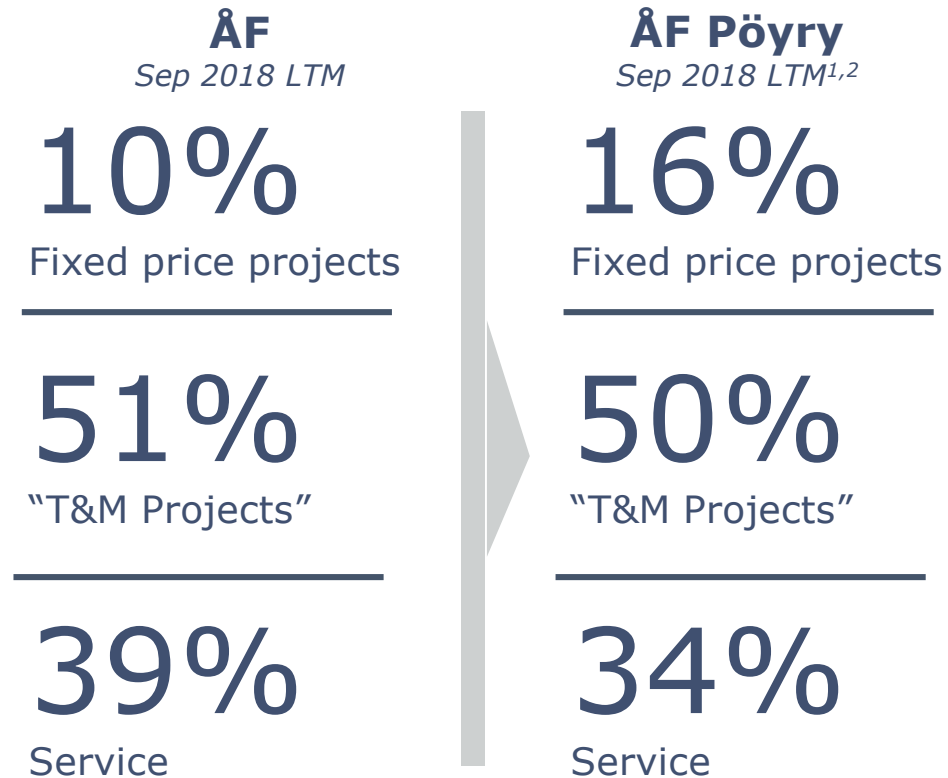
Country presence

34%

Service delivery

1) ÅF estimate of the combined company
2) EUR/SEK: 10.3090 (ECB September 30, 2018)

Strong service offer and increased position in project delivery

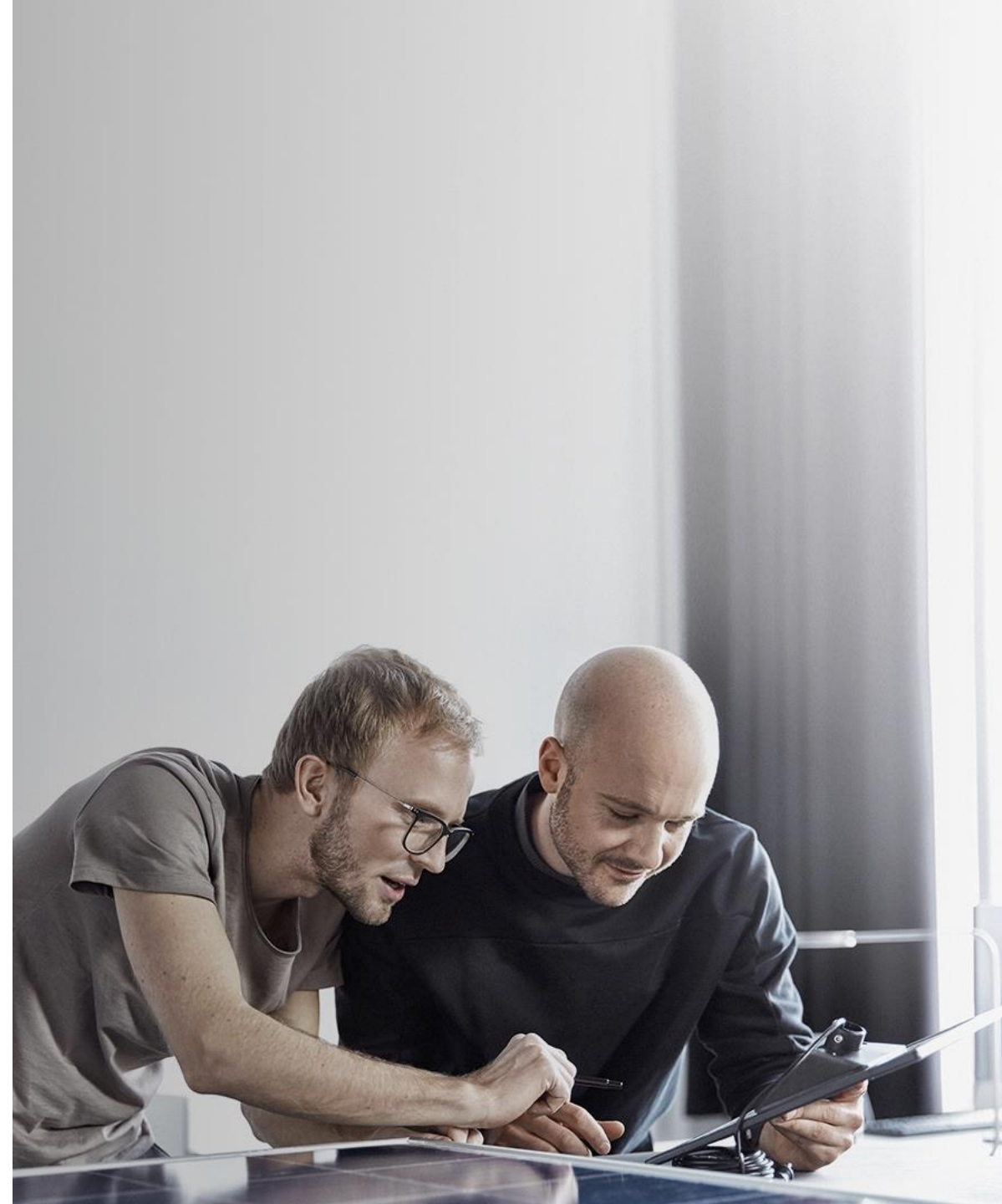


1) Numbers represent an estimation of ÅF Pöyry Sep 2018 LTM
2) EUR/SEK: 10.3090 (ECB September 30, 2018)



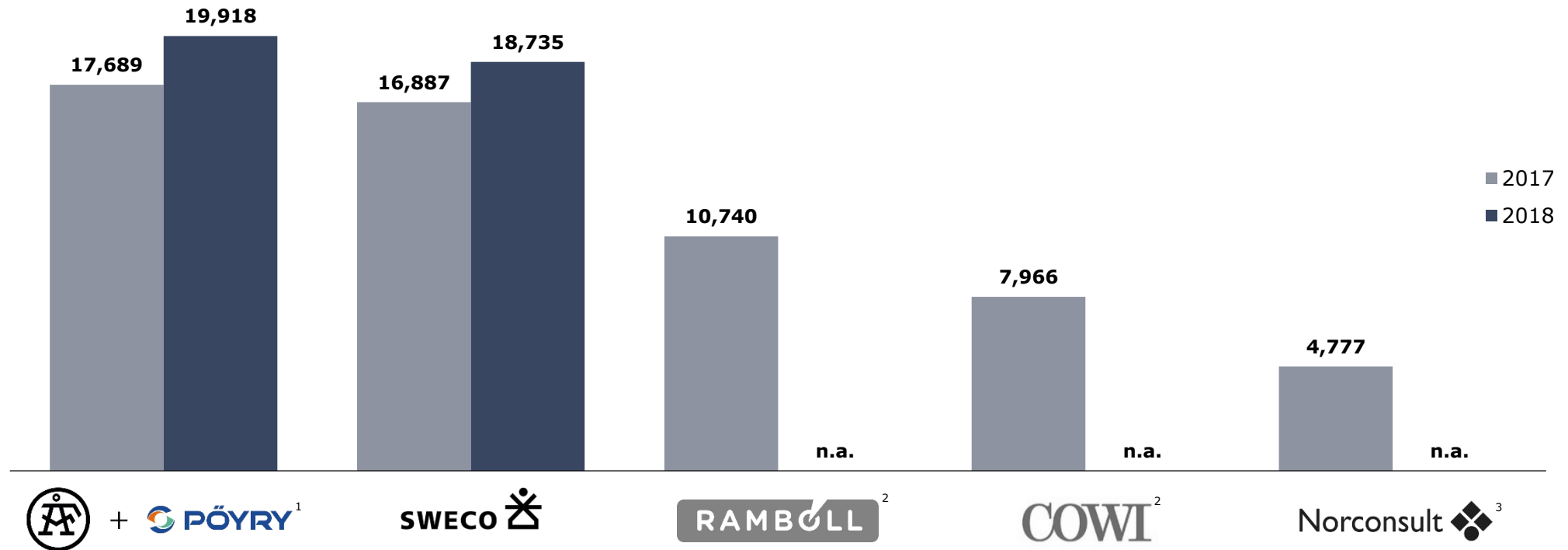
Strong customer base

- AB Volvo
- BillerudKorsnäs
- Ericsson
- FMV
- North Negros Biopower
- Scania
- Trafikverket
- Vattenfall
- Verbund
- Volvo Cars



Leading in the Nordics

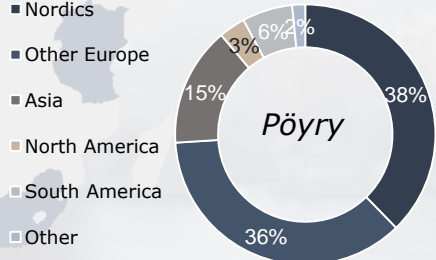
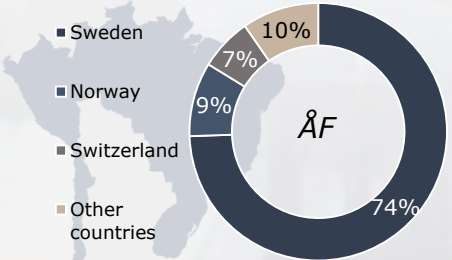
Top 5 Nordic engineering consulting companies – Net Sales 2018 and 2017 (SEKm)



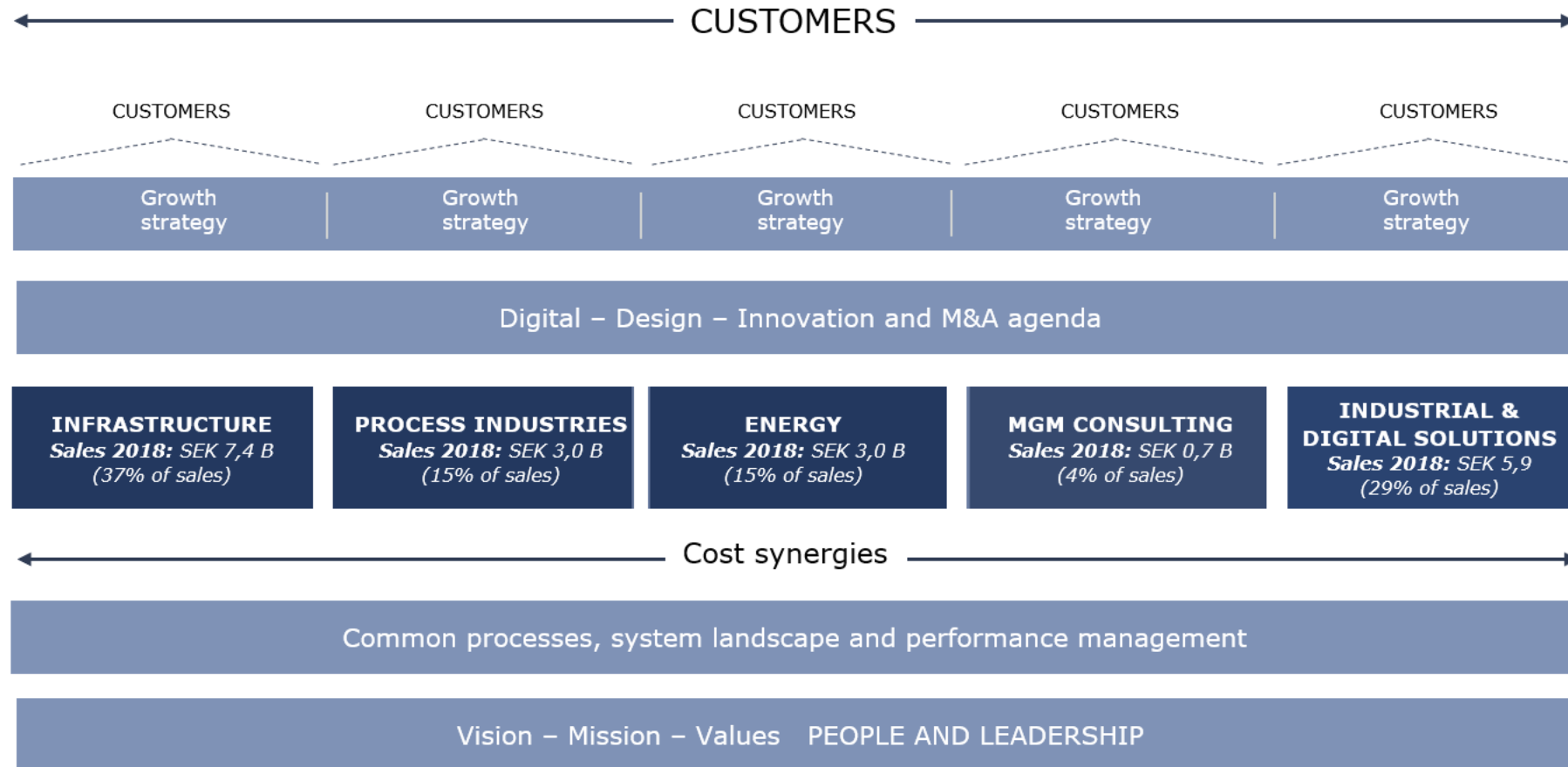
Nordic base with strong global presence








Sales split
2018



Building on the strengths of both companies



Organised in five Business Divisions

ÅF Pöyry					
	Infrastructure	Industrial & Digital Solutions	Process Industries	Energy	Management Consulting
Divisions					
	<i>Malin Frenning</i>	<i>Robert Larsson</i>	<i>Nicholas Oksanen</i>	<i>Richard Pinnock</i>	<i>Martin à Porta</i>
Pro Forma Net sales Q1, 2019	SEK 2,0 B	SEK 1,6 B	SEK 0,8 B	SEK 0,9 B	SEK 0,2 B
Approx. share of net sales	~37%	~29%	~15%	~16%	~3%
Organic growth, Q1 2019 (reported)	11.0%	5.3%	3.5%	1.2%	-

Unique competencies strengthens our competitiveness



Digitalization



Design

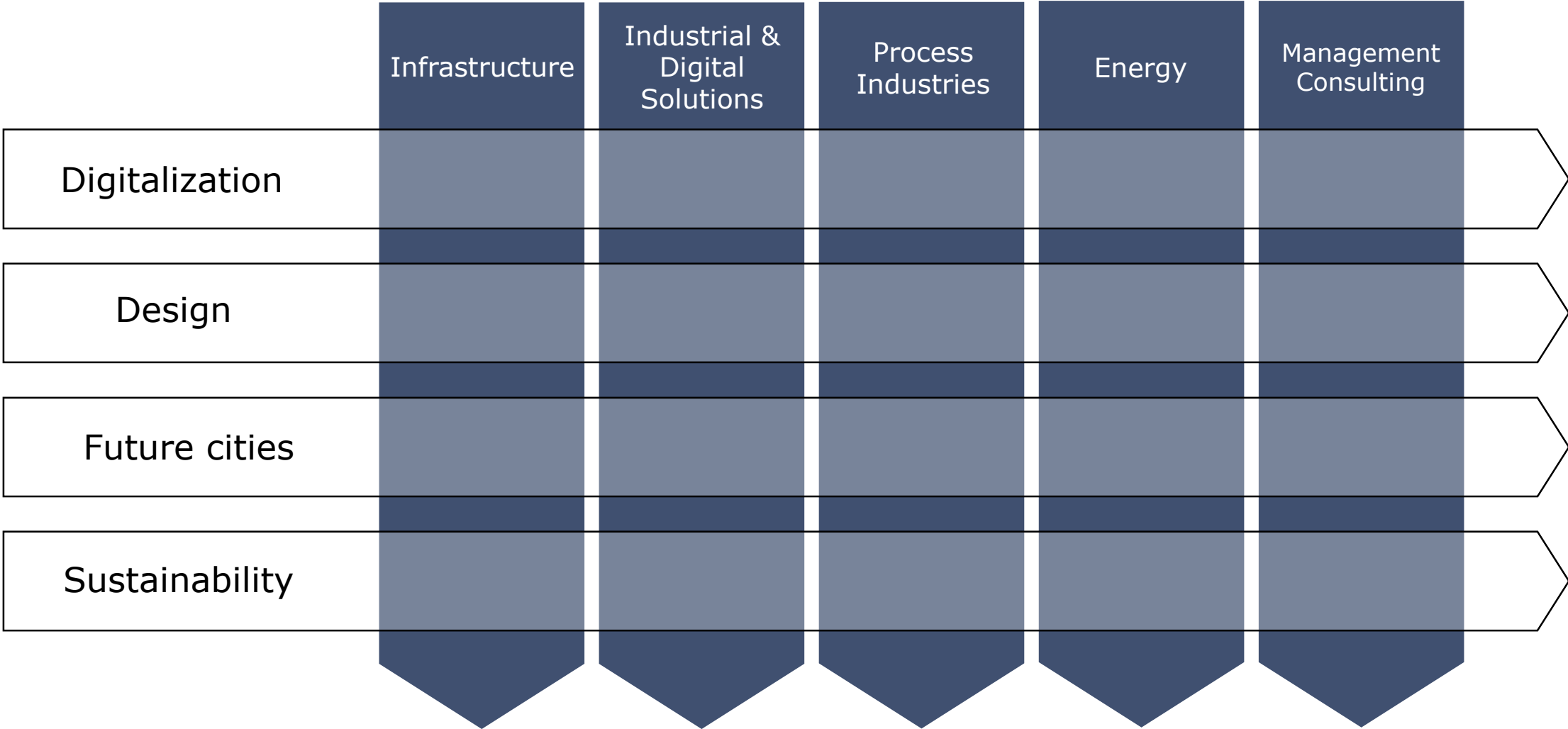


Future cities



Sustainability

... across our divisions



One of Nordic´s largest Design portfolio

Brands

**sandell
sandberg**

**GOTTLIEB
PALUDAN**
ARCHITECTS

inuse
Part of 

koncept™

Offerings

ÅF Lighting

ÅF Sound & Vibration

ÅF Industrial Design

ÅF Visualization

ÅF Landscape



Top 3 within digitalization in the Nordics

+1,700
digitalization
consultants

plus extensive
partner network



Service Design, UX



Ecosystems and cyber
security



Software, AI, machine
learning



Data, Big Data, Analytics



Connectivity & IoT



Embedded systems &
Infrastructure

Innovation platform

Global innovation platform implemented across ÅF PÖYRY – systematic way to build on our joint expertise and competencies



ACTING CFO

Juuso Pajunen

In depth knowledge of digitalization and extensive leadership experience

- 15 years of experience in engineering industry
- Successes for example: Pöyry transformation together with management team, ERP-project on time and below budget

Working Experience;

- Pöyry, CFO, 2016-2019
- Pöyry, Vice President Finance, Group Business Control 2013-2016
- Pöyry, Business Area Controller, Urban Finland 2012-2013
- Pöyry, Business Area Controller 2010-2012
- Pöyry, 2004-2010 Various finance & controlling positions within Pöyry

Other

Education: Helsinki School of Economics (current Aalto University): M. Sc. in Economics



Financial targets

Growth

- Annual growth of 10% The target includes add-on acquisitions. Larger platform acquisitions will also be made

Profitability

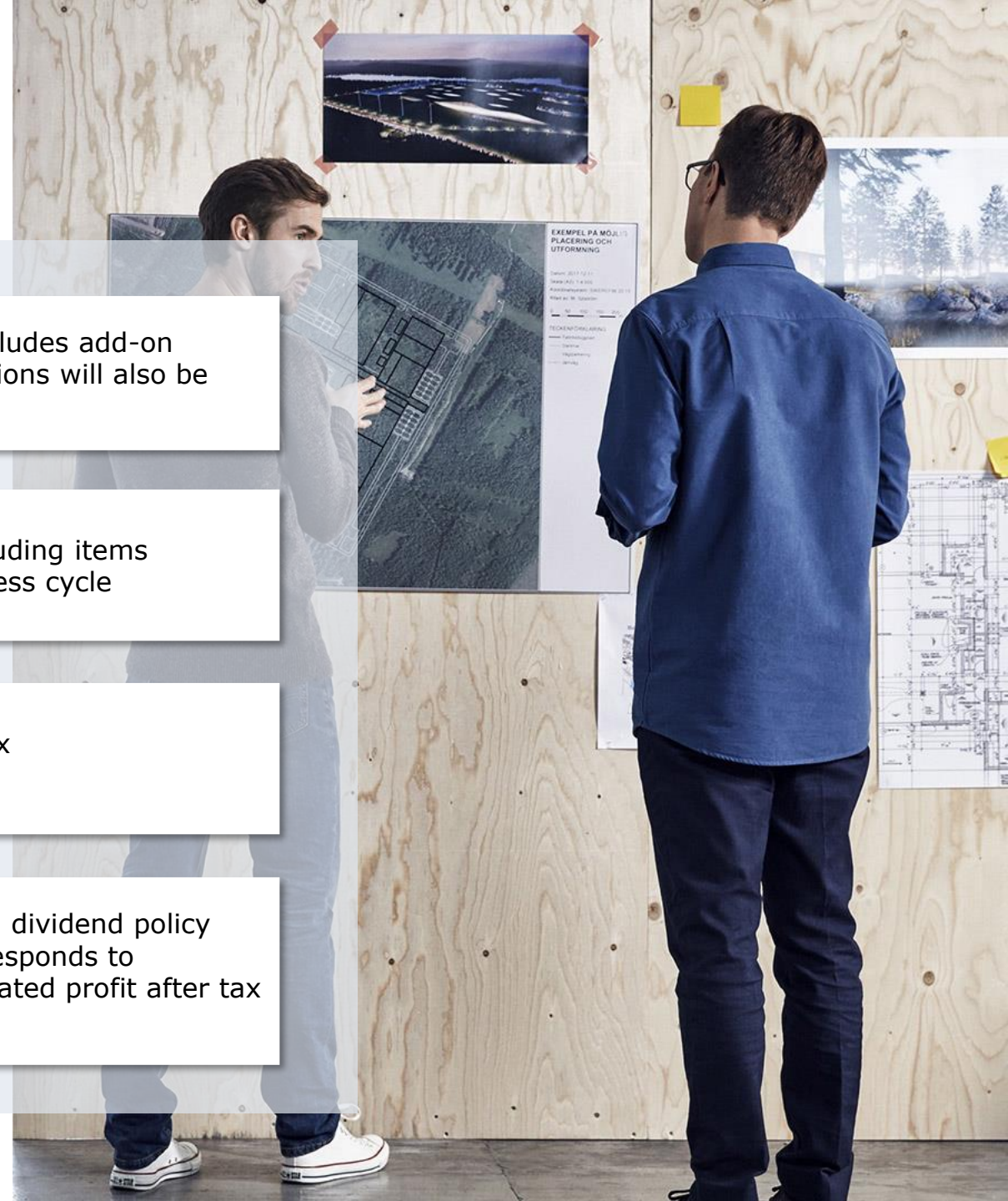
- An EBITA margin of 10 percent (excluding items affecting comparability) over a business cycle

Net debt

- Net debt in relation to EBITDA of 2.5x (excl IFRS 16 Leases)

Dividend policy

- The Board of Directors has adopted a dividend policy according to which the dividend corresponds to approximately 50 percent of consolidated profit after tax excluding capital gains



Committed cost synergies of >180 MSEK and substantial revenue synergies

COST SYNERGIES

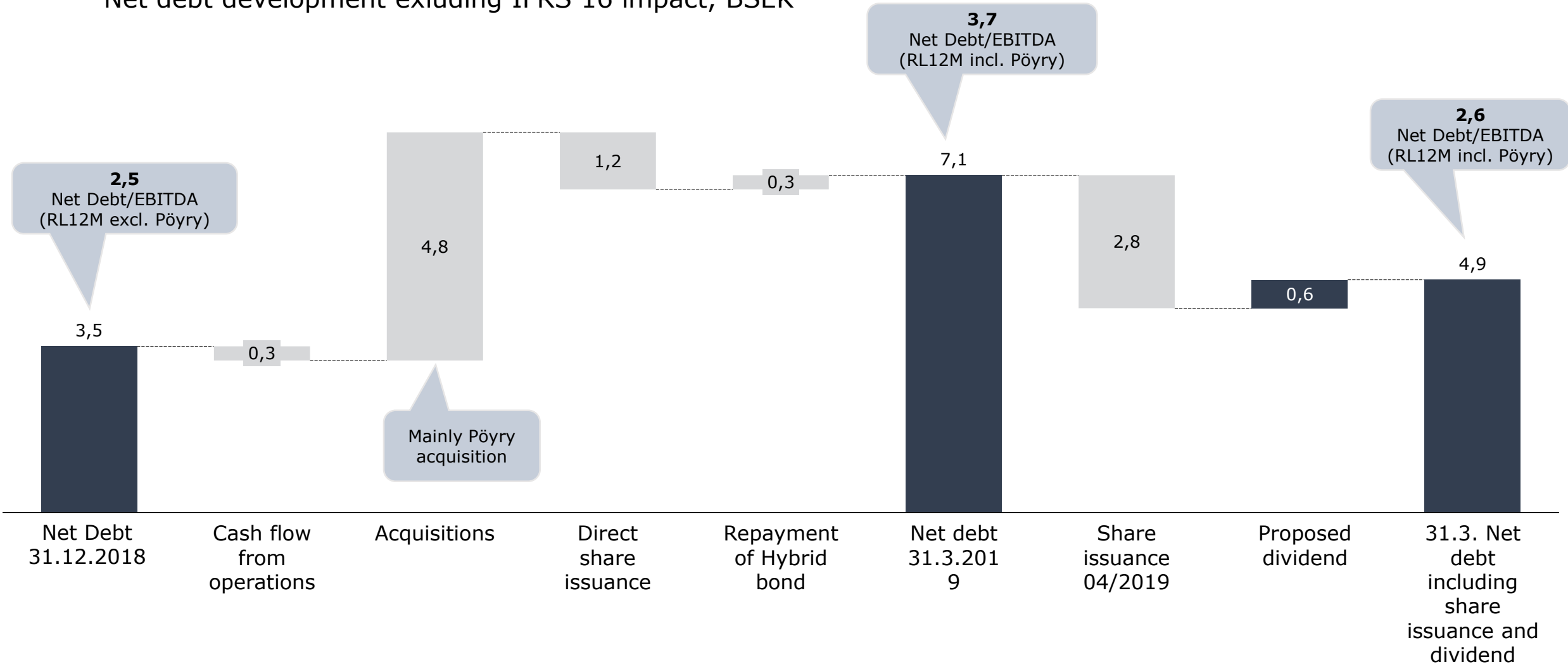
- SEK 25 million as an annual run-rate achieved in the first quarter 2019
- Main part of cost synergies executed 2019, calculated as an annual run rate
- Lower general and administrative costs
- Office and operating structure efficiency improvements
- Information system efficiency improvements
- Operational synergies (MGM-delaying and Sales)

REVENUE SYNERGIES

- Win of projects based on competence, size and footprint – all divisions
- Cross-sales, Finland-Sweden - all divisions and capabilities
- Focused growth in Forrest, Mining, Petrochemicals & Bio economy – size and scale
- Growth of infrastructure business in Finland – maximize leverage from strong Swedish platform and competencies
- Win of infrastructure projects Switzerland and leverage Europe-business
- Digitalization projects and service in Finland and across all divisions

Net debt development*

Net debt development exluding IFRS 16 impact, BSEK



*as if Pöyry was consolidated from 1 January 2018

Focus areas



GROWTH

- Finalizing and deliver on divisional growth strategies
- Ramping up “bolt-on M&A:s”
- Leveraging from cross-themes, i.e. Digital, Design, Innovation
- Continue to strengthen our joint brand platform

OPERATIONS

- Finalizing the integration ÅF PÖYRY
- Executing and deliver on cost synergies
- Homogenization of key-processes and system landscape including ERP-system
- Improving performance management



ÅF Pöyry is a
strong platform for
long term value creation

Infrastructure Division



HEAD OF THE INFRASTRUCTURE DIVISION

Malin Frenning

In depth knowledge of digitalization and extensive leadership experience

- More than 20 years in the telecom and broadband business
- Experience from leading large, international and complex organisations

Working Experience

- ÅF from 1 February 2019
- CEO County Council of Stockholm 2016-19
- EVP Technology and Transformation TeliaSonera Group 2015
- CEO Telia Sweden and EVP TeliaSonera Group 2014-2015
- President Broadband and EVP TeliaSonera Group 2010-2014
- CEO of TeliaSonera International Carrier 2005-2010
- Various Board assignments over the years as for example Hexatronic (ongoing) chairwoman of the board TEO in Lithuania, Svenskt Näringsliv, Elion, Stockholm Region Europe Office

Other

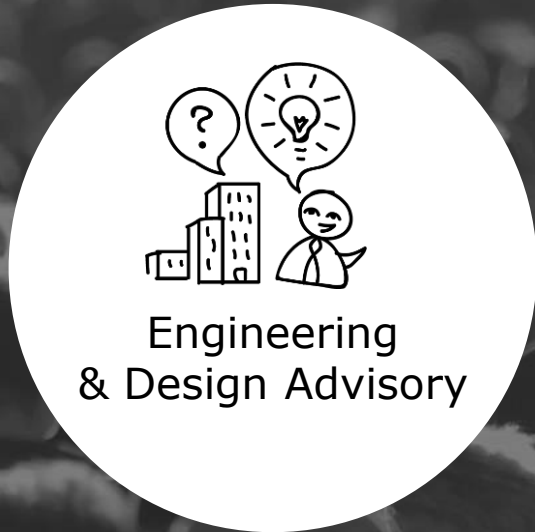
- Education: Technical University in Luleå, Mechanical Engineering
- Technology Honorary Dr Technical University in Luleå 2011



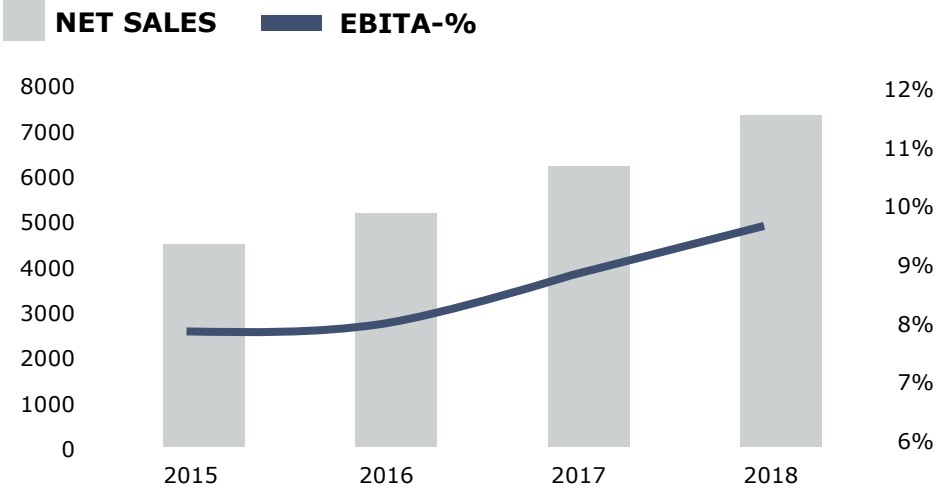
LEADING ENGINEERING AND DESIGN COMPANY

Embracing engineering and design





Continued growth with profitability



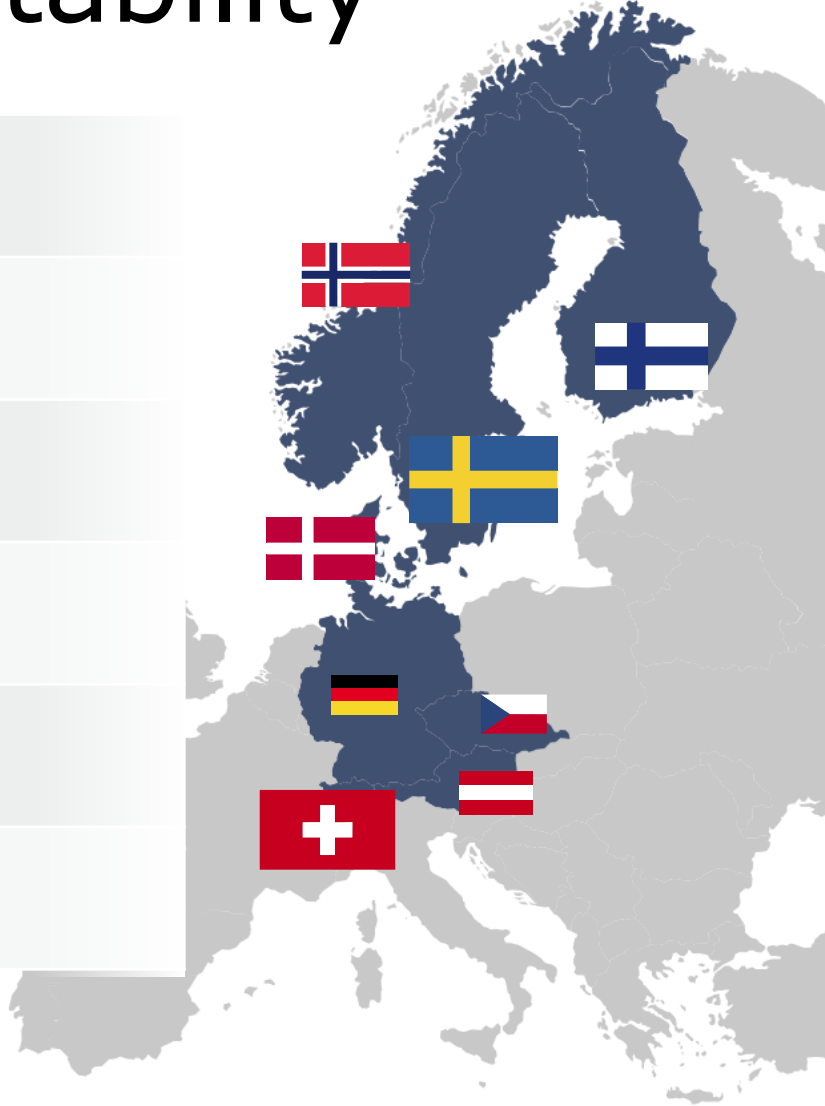
6 000 EMPLOYEES

6 BUSINESS AREAS, 8 MARKETS,
WHEREOF 5 CORE AND 3 NICHE MARKETS

NET SALES 2018: 7 400 MSEK

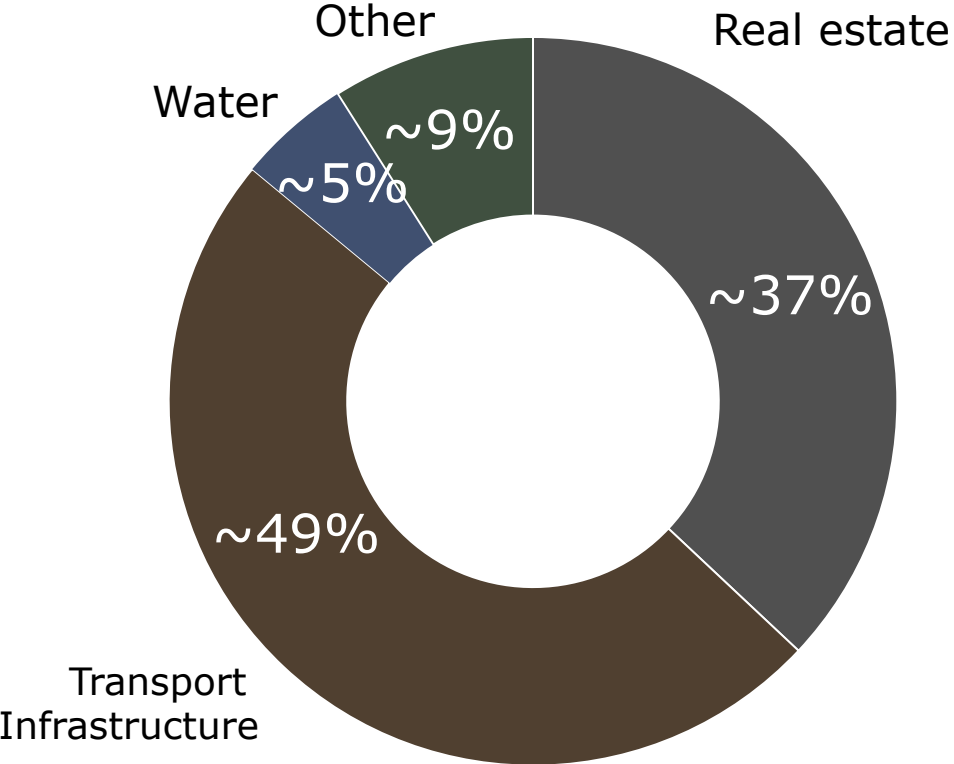
EBITA: 890 MSEK, 12,0 %*

- TRANSPORTATION
- BUILDINGS
- PROJECT MGMT
- ARCHITECTURE & DESIGN
- ENVIRONMENT
- WATER



*Pöyry large settlement (12 MEUR) included, 10,4 % without the settlement

Main sales within Real Estate & Infrastructure



80%

Net Sales in the Nordic Region

67%

Public clients

20%

Net Sales in Europe outside Nordics

33%

Private clients



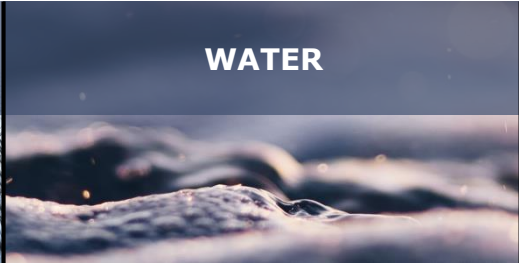




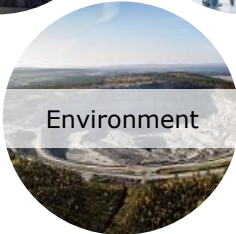
Strong client base

- Avinor (NO)
- City of Oslo (NO)
- Deutsche Bahn (DE)
- Federal Roads Office, ASTRA (CH)
- Ministry of Transport and Communications (FI)
- Region Skåne (SE)
- Region Västra Götaland (SE)
- Statsbygg (NO)
- Swedavia (SE)
- Swedish Transport Administration (SE)

Top 20 clients account for 30% of net sales	Average project size 180 ksek, trend increasing
Over 11 000 clients	



Infrastructure division segment and market view

 TRANSPORT INFRASTRUCTURE	 REAL ESTATE	 WATER	NICHE SERVICES
Segments <ul style="list-style-type: none"> – Roads – Railways – Airports – Sea ports 	<ul style="list-style-type: none"> – Commercial – Public – Hospitals – Industrial – Residential 	<ul style="list-style-type: none"> – Water utilities – Industries 	    
Markets <ul style="list-style-type: none"> – SE, NO, DK, FI, DE, CH, AT, CZ 	<ul style="list-style-type: none"> – SE, NO, DK, FI, CH 	<ul style="list-style-type: none"> – SE, FI, CH, DE 	
Underlying market data <ul style="list-style-type: none"> – Market share* 6% 	<ul style="list-style-type: none"> – Market share* 6% 	<ul style="list-style-type: none"> – Market share* 4% 	

Sweden overall market share 14 %

*Market data excluding Germany, Austria and Czech Republic. Real estate excluding residential market.

Source: Euroconstruct Nov 2018

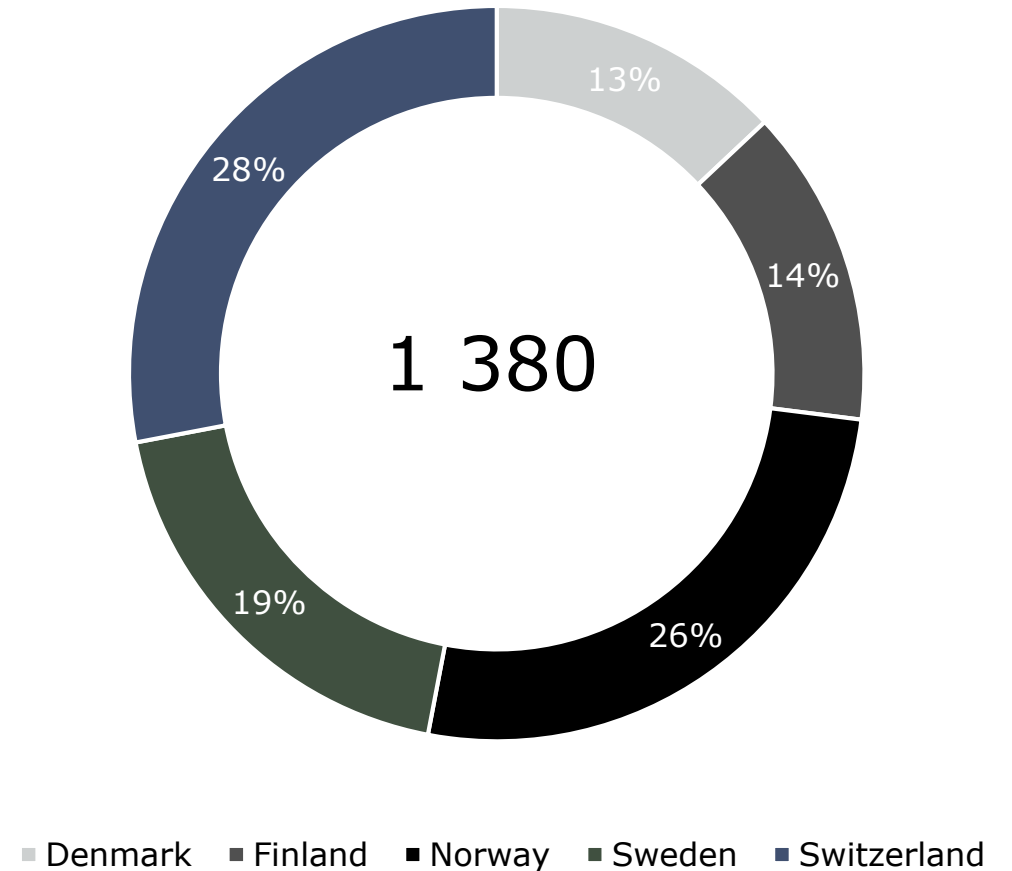
MARKET OUTLOOK

Footprint with potential

- Overall strong and attractive markets
- Room for growth – urbanization, digitalization and climate change drive transformation
- Transport infrastructure and Real Estate investments still high and growing in our core markets

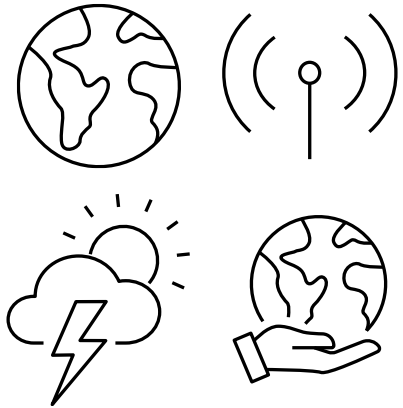


2021 construction market outlook, excl residential (BnSEK)

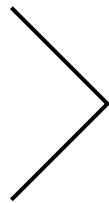


Paving the way for growth

GLOBAL TRENDS



CLIENT VALUE FIRST



STRATEGIC PRIORITIES → 2022

- Growth in core countries
- Climb the value chain
- Efficient organisation
- High performance culture

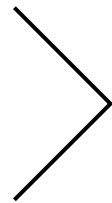


Paving the way for growth

GLOBAL TRENDS



CLIENT VALUE FIRST



STRATEGIC PRIORITIES → 2022

- Liveable cities
- Attractive buildings
- Efficient transports
- Clean and safe water

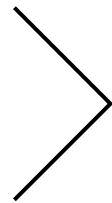


Paving the way for growth

GLOBAL TRENDS



CLIENT VALUE FIRST



OPPORTUNITIES

- Cities expand
- Inter-city connection
- Going digital
- Water management
- Sustainability



Strategy ahead – market growth 2019-21

Denmark

Finland

Norway

Sweden

Switzerland

Defend & grow

Austria

Czech republic

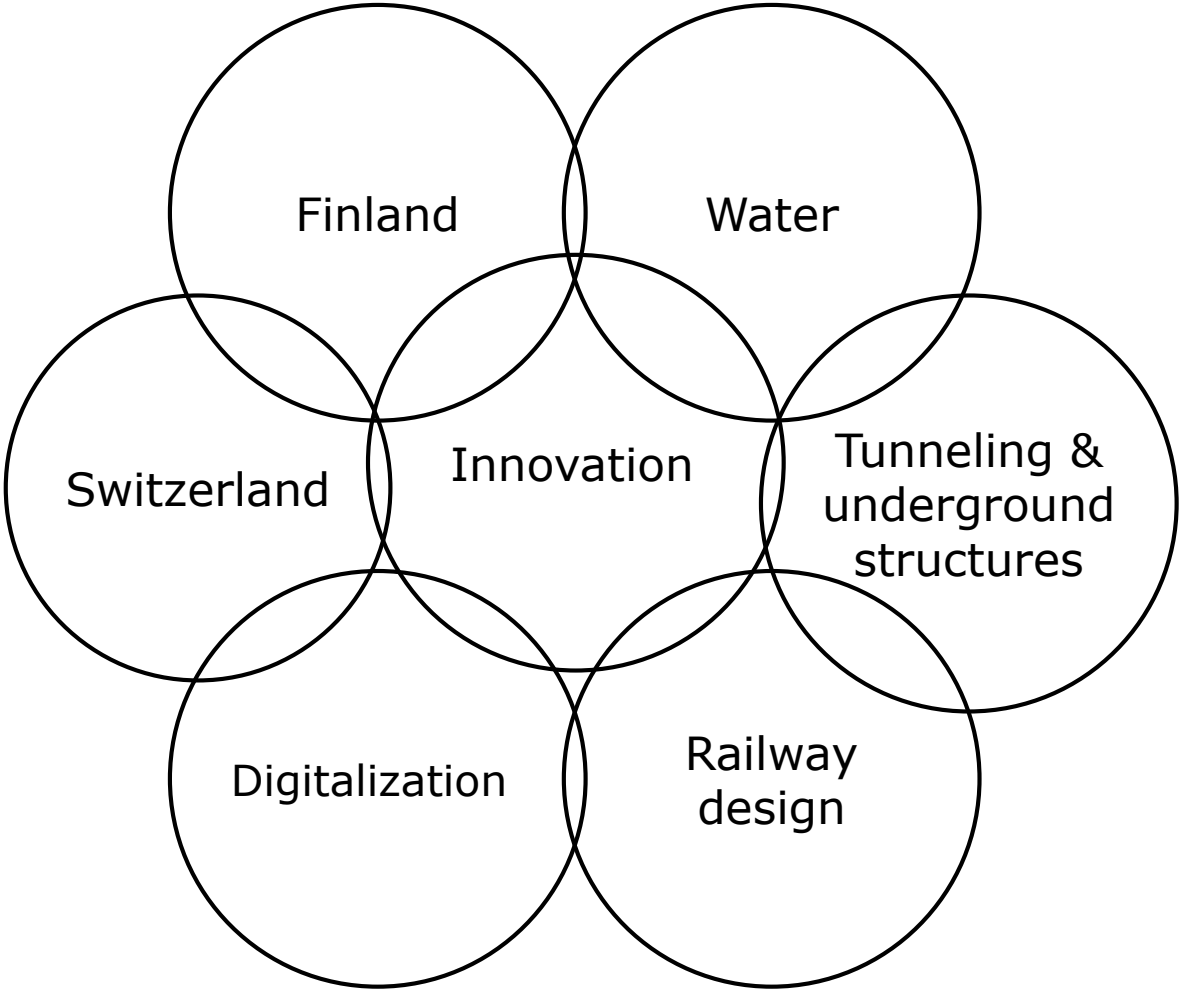
Grow in niche areas

Germany

Assess & grow
niche areas

STRONGER TOGETHER

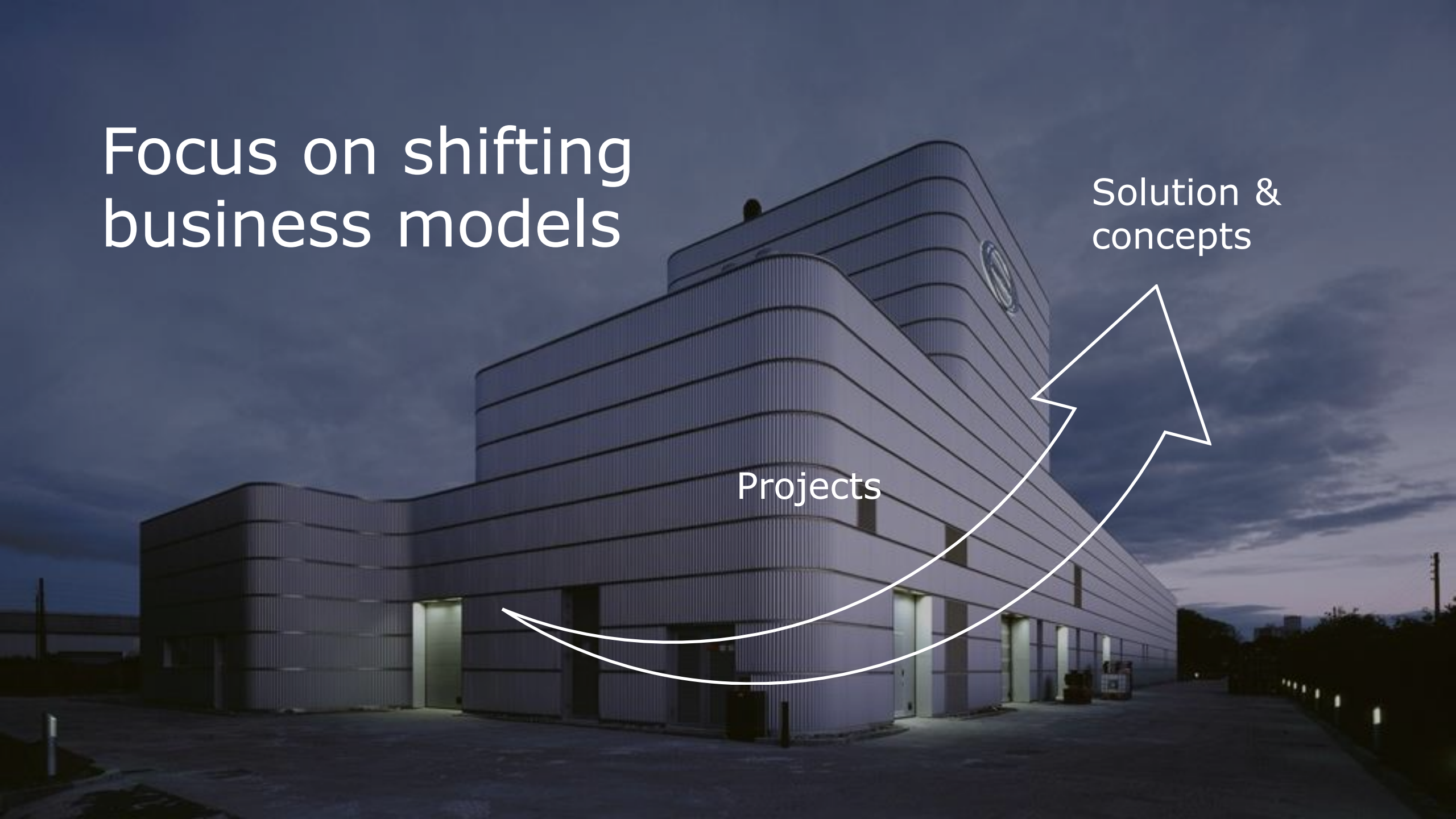
Gearing up for growth



Focus on shifting
business models

Solution &
concepts

Projects



Contributing to success

Capacity and
domain expertise

Holistic
— embracing design
and engineering

People
— outstanding co-
workers with a
drive to perform

Our collective know-how

Presence — our business is local

Already under way in Switzerland





 PÖYRY

Industrial & Digital Solutions Division

ÅF PÖYRY'S CAPITAL MARKETS DAY, MAY 29, 2019

HEAD OF INDUSTRIAL & DIGITAL SOLUTIONS DIVISION

Robert Larsson

In depth industrial knowledge and extensive leadership experience

- “Business is a team sport” as leadership philosophy
- Market and customer oriented, great believer in simplification and ease of doing business
- Several leading positions in ABB, latest Lead Division Manager, Robotics & Motion Scandinavia
- 30 years experience from working in large and global organizations (Scania, ABB), and lived in Shanghai and Zurich for 7 years

Working Experience

- 3 year program to step up OHS performance, increasing Near Misses reported to 35000 per year and reducing Lost Time Incidents with 50%
- Growing a business in China from 0.9 to 1.6 BUSD in 2 years, almost all organic
- Driving a customer and market focused culture, during 4 years increasing Net Promoter Score by almost 30 points in a truly global business
- At the centre of the largest acquisition by the ABB Group
- Large end-to-end value chain transformation targeting 50% lead-time reduction, 98% on-time delivery, 10% cost reduction and 25% less inventory
- Closing under-performing factories in China, Spain, US, Sweden, Canada
- Board member in Mycronic since May 2018



OVERVIEW

Leading positions in both Industrial and Digital sectors

Expertise



Service and Product Design,
Advisory Services



Ecosystems, Systems
Engineering and Integration



Software, AI, Machine
Learning, Digital Quality



Cloud, Data, Big Data,
Analytics, Cyber Security



Connectivity, IoT &
Intelligent Infrastructure



Full range Product Design
and Development



Advanced Engineering and
Automation Services

Domains



Manufacturing



Automotive



Life science, Food &
Beverage



Telecom



High Tech, Space, Software,
IT, Media, Fintech



Defense and Civil Protection

5.9 BSEK

Net sales 2018

4100 employees

Brave devoted team players

29% projects

Share of net sales

92% In Sweden

Share of net sales

TONSJÖ

CLIENT SOLUTION

Information access brings higher efficiency and lower costs, Industry 4.0 for SME's

- More information on the production assets and efficiency through digitalization
- Better control of the capacity and overview
- Priorities, maintenance and repairs can be scheduled avoiding downtime
- Efficiency increased by 15%
- Significant improvement in competitiveness



THOUGHT LEADERSHIP

Timely adoption to new banking directives enabled by Digital Quality Service

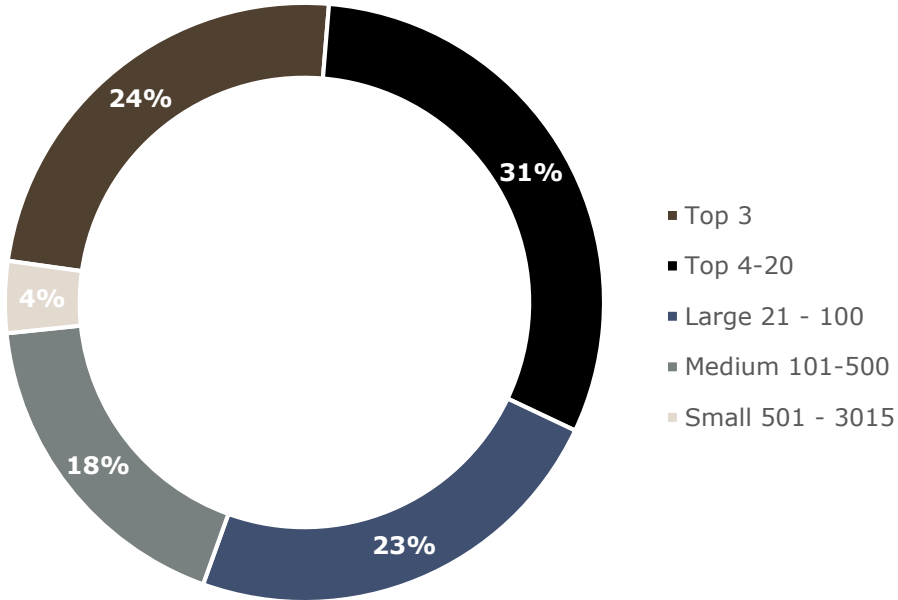
- Managed test services with full scope responsibility
- Successful delivery of changes to adopt to latest regulations and standards (MIFID II, AML, IFRS, PDS2, etc.)
- Digital Quality training and certification



INDUSTRIAL & DIGITAL SOLUTIONS

Top 20 clients make up ~55% of the business

SEGMENTATION BY REVENUE



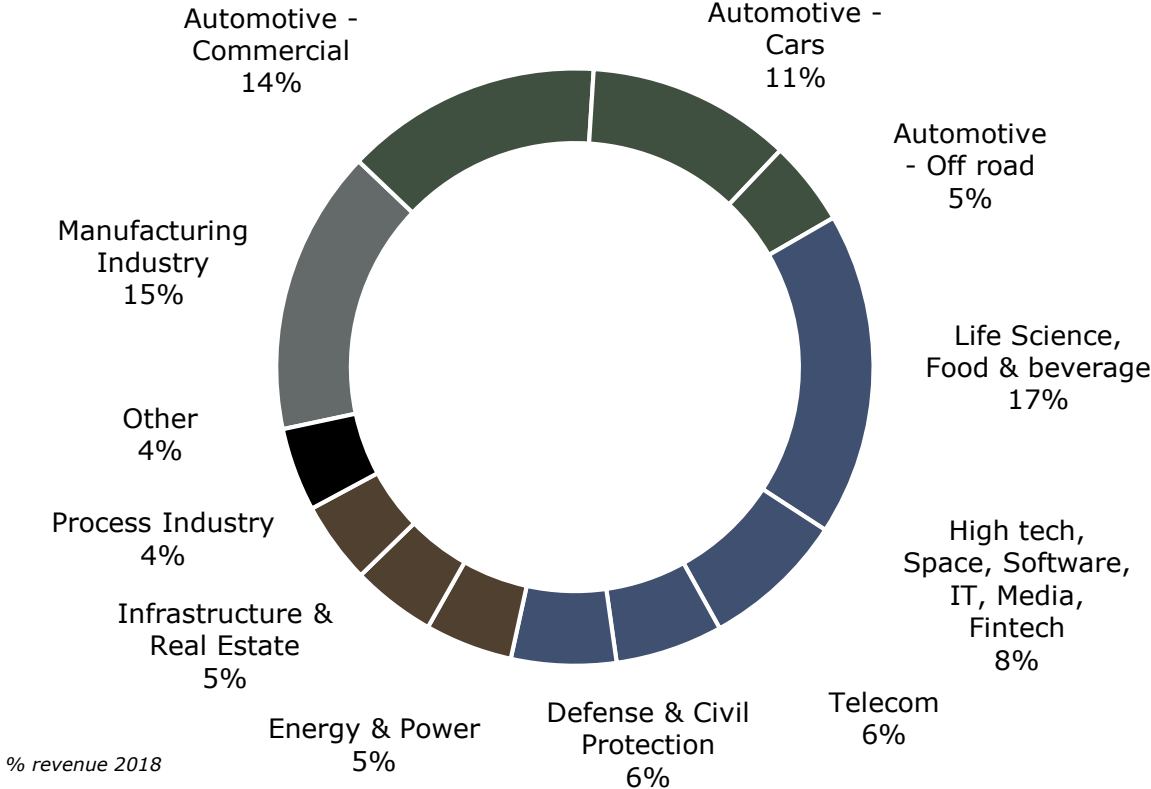
3000+ clients in 2018

Broad offerings to our large clients

Key account management covering 15 clients

INDUSTRIAL & DIGITAL SOLUTIONS

Opportunities across multiple industries and clients



72% industrial

12% public

Digitalization, automation and robotization capabilities in combination with domain knowledge

Swedish leader within digitalization and product development

Leading capability in the Nordics to deliver turn-key solutions to the automotive industry

INDUSTRIAL & DIGITAL SOLUTIONS

With a Swedish base, and expanding presence



INTERNATIONALIZATION

Partnership with key client Scania

A 35 year business relationship

- R&D, Autonomous drive, Electromobility
- IT System Development, Systems Engineering

Heavy transportation is transforming, data driven business model in addition to quality and fuel efficiency

The services delivered to Södertälje and São Paulo

[Start](#) > [Newsroom](#) > [News](#) > [Scania and ÅF extend framework agreement](#)

 NEWS

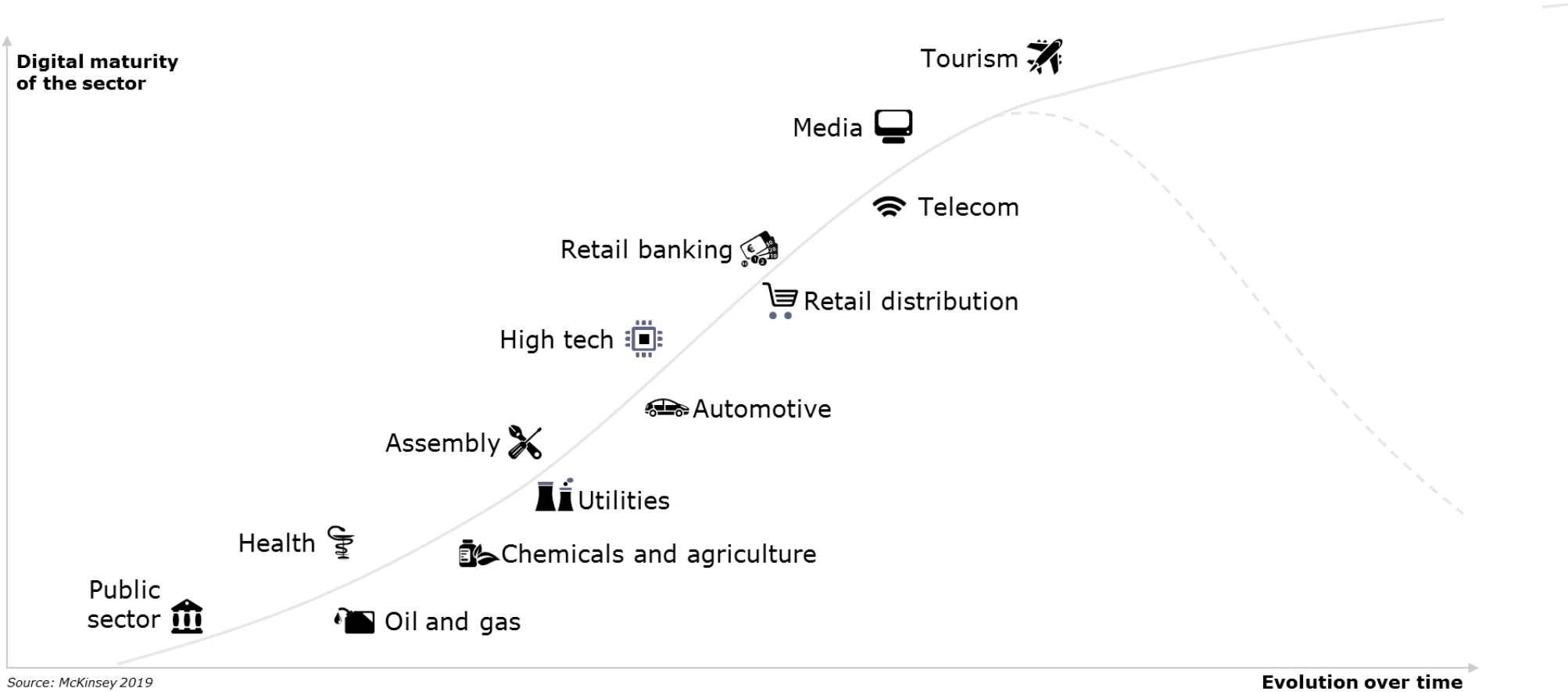
Scania and ÅF extend framework agreement

ÅF assumes Preferred Supplier status within Automotive R&D



VALUE CREATION

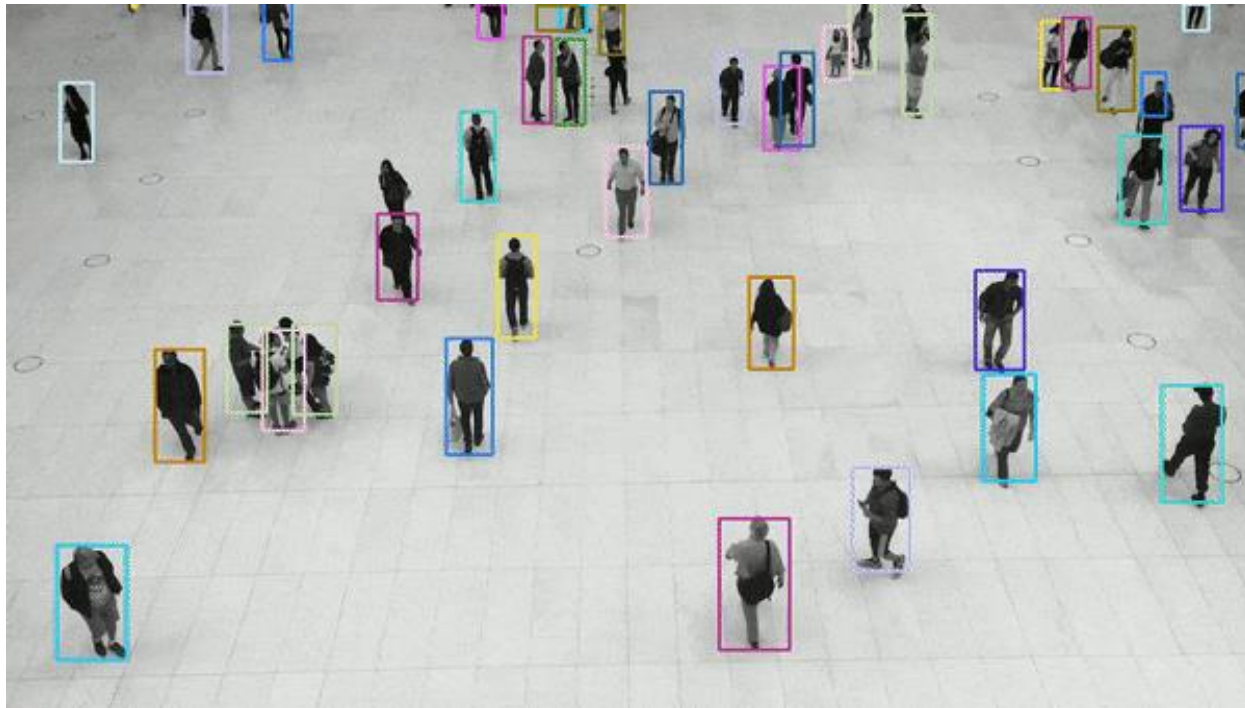
Value innovation by combining domain expertise from sectors with different maturity level in digitalization, technology and processes



Source: McKinsey 2019

VALUE CREATION

The combination of domain expertise and technology drives innovation and value



APPLICATION EXAMPLES

- Increased traffic control efficiency
- Safer environment and workplace
- Energy efficiency in buildings
- Increase retail space optimization

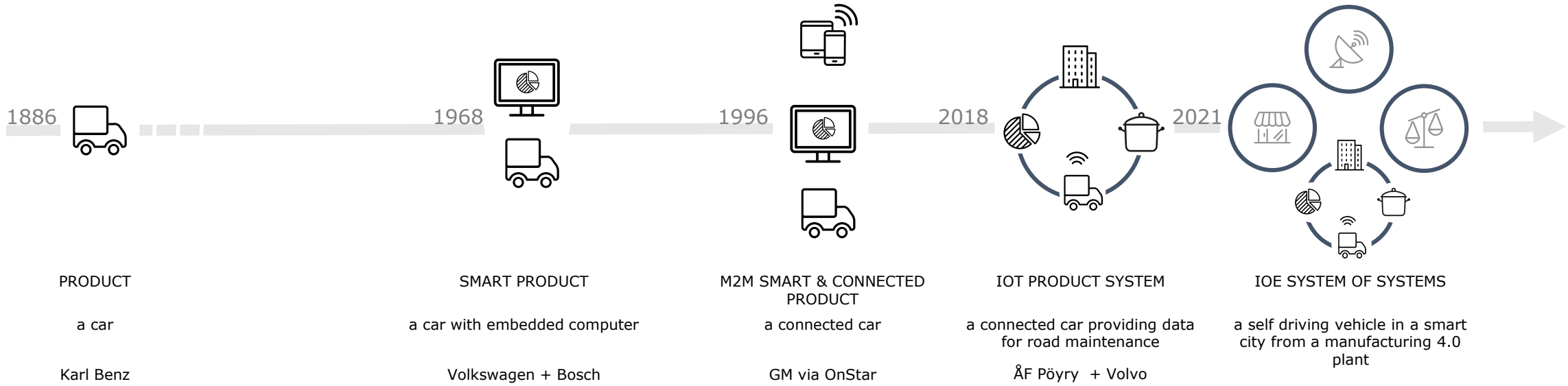
PRODUCT CAPABILITIES

- Detect and track people, vehicles or custom objects
- Latest algorithms with object classification and tracking using Deep Neural Networks
- Fast implementation and ROI, GDPR compliant



VALUE CREATION

Increasing speed and reach, accelerating transformation opportunities



MARKET DYNAMICS

Opportunities for clients to win new positions in transforming markets



MANUFACTURING

MOVE TOWARDS INDUSTRY 4.0

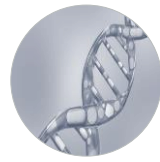
- Introduction of smart products
- Increased automation & robotization
- Continuous productivity improvements
- Eco system factor of differentiation



AUTOMOTIVE & VEHICLE

FROM AUTOMOTIVE TOWARDS MOBILITY

- High tech entrance
- Electromobility and battery
- Connectivity accelerating
- Autonomy maturing
- New types of vehicles emerging



LIFE SCIENCE, FOOD & BEVERAGE

LARGER AND AGING POPULATION

- Consumer power
- Sustainable and healthy food trend
- Functional food
- Increasing legal complexity
- Impact of globalization



HIGH TECH, SPACE, FINTECH, MEDIA, SOFTWARE, IT

EXPANSION INTO NEW SECTORS

- New domains for IoT, Cloud and AI
- Cyber security a challenge
- Virtual secure and humane society being defined
- Competence shortage limiting factor



TELECOM

PREPARING FOR SHIFT TOWARDS 5G

- Enabler for the connected society
- Investment in 5G
- New business models evolving
- Consolidation of operators
- Constant price pressure



DEFENSE AND CIVIL PROTECTION

NEW WORLD ORDER DEFENSE POLICIES

- Expected political consensus to increase Nordic defense spending
- Cyber and security capabilities in all public sectors
- High system complexity

SUSTAINABILITY AND GLOBAL FOOD TREND

Improving time-to-market through production flexibility

- Global trend of vegetable-based alternatives as substitute for dairy based products
- Involved in several ongoing projects due to strong expansion and focus on time-to-market with new Oatly factories
- International partner and supplier since early days
- Turn-key projects delivered



SUSTAINABILITY AND DESIGN

Experience Design drives sustainability

Award-winning waste management solution enabling Renova's customers to have full control of their engagement

Design for human behaviour

- Increased recycling
- Increased sustainability work efficiency
- Increased revenue and reduced support cost

"We save time in every step. For the customers, and internally for both sales and support."

Linda Abrahamsson, Head of Sales Renova



GROWTH OPPORTUNITIES

Growing with current strengths and new opportunities



EXPANSION OUTSIDE THE NORDICS

International expansion with key clients, and for selected offerings



PACKAGED OFFERINGS

More services and solutions to increase value creation



GROW DIGITALIZATION

Offer digitalization services to a larger customer base



PRESENCE IN FINLAND

Make good use of the improved footprint and presence in Finland

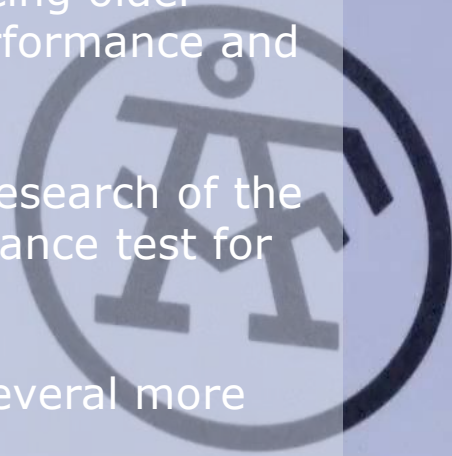
INTERNATIONALIZATION & SUSTAINABILITY

Turn-key project for a robotized battery assembly line

Lithium-Ion batteries are replacing older technologies offering better performance and reduced environmental impact

ÅF has been the partner from research of the new battery pack to site acceptance test for the production line

This reference has generated several more opportunities

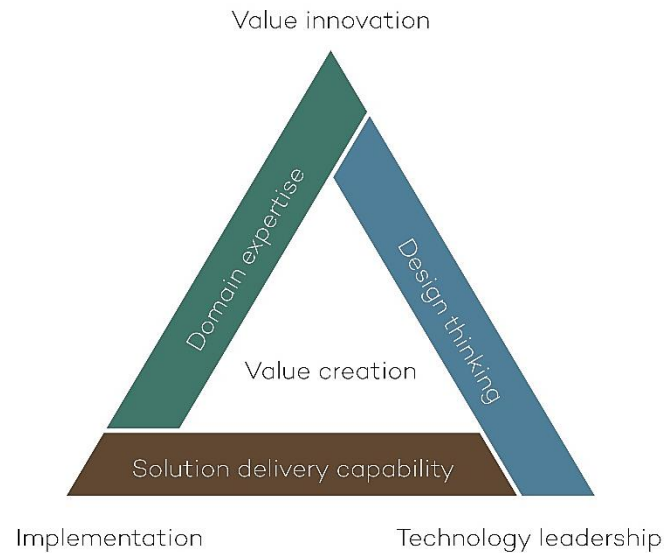


PERMANENT
Lasersystem

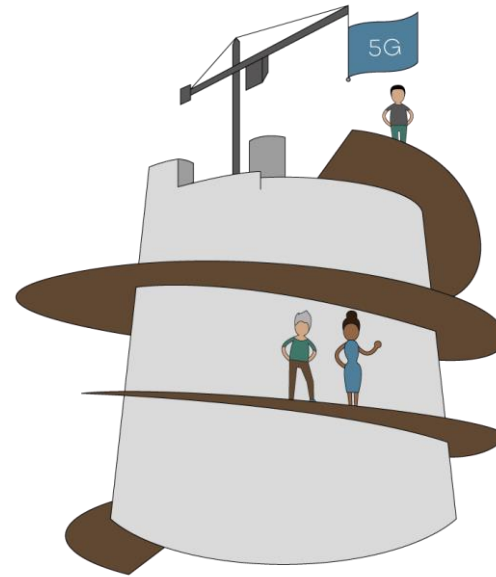


HOW TO WIN

Key building blocks for creating leading solutions for generations to come



**THE COMBINATION OF CAPABILITIES
DIFFERS US FROM THE COMPETITION**



**IMPLEMENT NOW WHAT IS AVAILABLE
TODAY, DON'T WAIT FOR THE NEXT
THING**



**PARTNERSHIPS AND NETWORKS ARE
ESSENTIAL TO CREATE LEADING
SOLUTIONS**

EXECUTIVE SUMMARY

Industrial & Digital Solutions is well positioned to continue Making Future

Strong digitalization, automation and robotization capabilities in combination with domain expertise

Broad market exposure and client base, favourable market dynamics

Nordic leader acting on global trends with international expansion serving key clients, and for selected offerings





Process Industries Division

HEAD OF PROCESS INDUSTRIES DIVISION

Nicholas Oksanen

In depth knowledge of strategy, markets and investment projects from business idea into operating plant in the process industries.

- More than 25 years experience in the business
- Experience from leading large, international and complex global organisations

Working Experience

- Pöyry, EVP, President Industry Business Group 2014-2019
- Pöyry, President Pulp & Paper Business Area 2009-2014
- Pöyry, various leading positions within Pulp and Paper 1997-2009
- Jaakko Pöyry Deutschland GmbH, Process Engineer 1995-1997
- Jaakko Pöyry, Paper Technology Division, Process Engineer 1993

Other

- Education: Helsinki University of Technology: M. Sc. Economics and Paper Technology, ESMT Berlin



Process Industries Division

#1* in Pulp & Paper and #3* in process industry offers an excellent global platform also for other divisions to grow

3036 Mn SEK, Net Sales 2018

307 Mn SEK, EBIT 2018




2800 Employees

3,2% Sales growth 2017-18



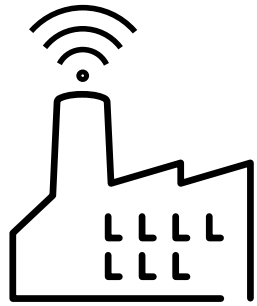
Process Industries Division

#3 with strong technology and process competence

	 <p>PULP AND PAPER</p>	 <p>CHEMICALS AND BIOREFINING</p>	 <p>MINING AND METALS</p>
Segments	<ul style="list-style-type: none"> – Pulp – Paper & Board – Tissue 	<ul style="list-style-type: none"> – Chemicals – Petrochemicals – Biofuels – Biochemicals – Biomaterials 	<ul style="list-style-type: none"> – Mining – Minerals Processing – Metals
Markets	<ul style="list-style-type: none"> – Global 	<ul style="list-style-type: none"> – Global 	<ul style="list-style-type: none"> – Global
Underlying market data	<ul style="list-style-type: none"> – Market share ~35% – Position #1* globally – Keep and strengthen 	<ul style="list-style-type: none"> – Market share ~4% – Position #5* globally – Strengthen Nordics and Central Eastern Europe 	<ul style="list-style-type: none"> – Market share ~1% – Position #1* Nordics, #8* globally – Strengthen in Central Eastern Europe and Latin America

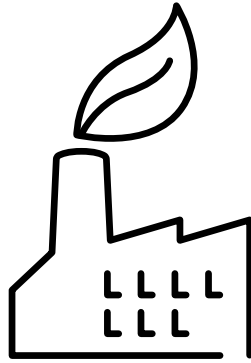
* Source: ENR 2018

Key drivers in the process industry sector



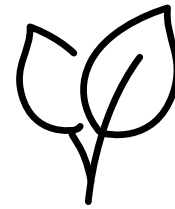
DIGITALISATION

*Pöyry Smart Site
Platform & architecture
System integrations
Applications
Assessments*



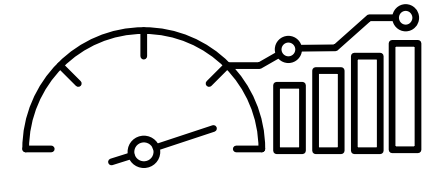
SUSTAINABILITY

*Health, Safety,
Environment
Plastics to Bio
Carbon footprint
Zero emissions*



BIOECONOMY

*New technologies from
idea to commercial
production
Efficient use of
side and waste
streams*



EFFICIENCY

*Water, energy,
material efficiency
improvement
Operational
excellence*

ÅF Pöyry Process Industries: #3 globally with strong technology and process competence

PULP AND PAPER

- #1 globally
- ~55 % of the business
- Main competitors, Jacobs, Worley, Wood Group
- Investments in new pulp mills, rebuilds, efficiency improvement
- Digitalisation and use of side and waste streams
- Demand increasing due to packaging, e-commerce, textiles, population growth,

CHEMICALS AND BIOREFINING

- #5 globally
- ~20 % of the business
- Main competitors, Jacobs, Worley, Bechtel
- Biosolutions moving from development to commercial production
- Plastics to Bio concept offers new growth opportunities globally
- Demand increasing due to climate change i.e. CO₂ reduction

MINING AND METALS

- #1 in Nordics, #8 globally
- ~20% of the business
- Main competitors: Hatch, Fluor, Sweco
- Digitalisation, energy storage and efficiency improvement increasing
- Focus on sustainability i.e. recycling and reuse
- Demand increasing also due to need of battery chemicals etc.

Increased Smart Solutions delivery and OPEX services throughout the division

57%

PROJECTS

- Focus on selected process technologies
- Pre implementation activities lead to digitalisation and big implementation assignments
- More EPCM (Engineering, Procurement , Construction Management) -type projects

43%

SERVICES

- Health, Safety and Environmental services demand increasing globally
- Digitalisation through new Pöyry Smart Site services with increasing demand
- Additional new smart solutions development
- More asset sustaining OPEX services close to the clients in the Nordics, Central Eastern Europe and Latin America



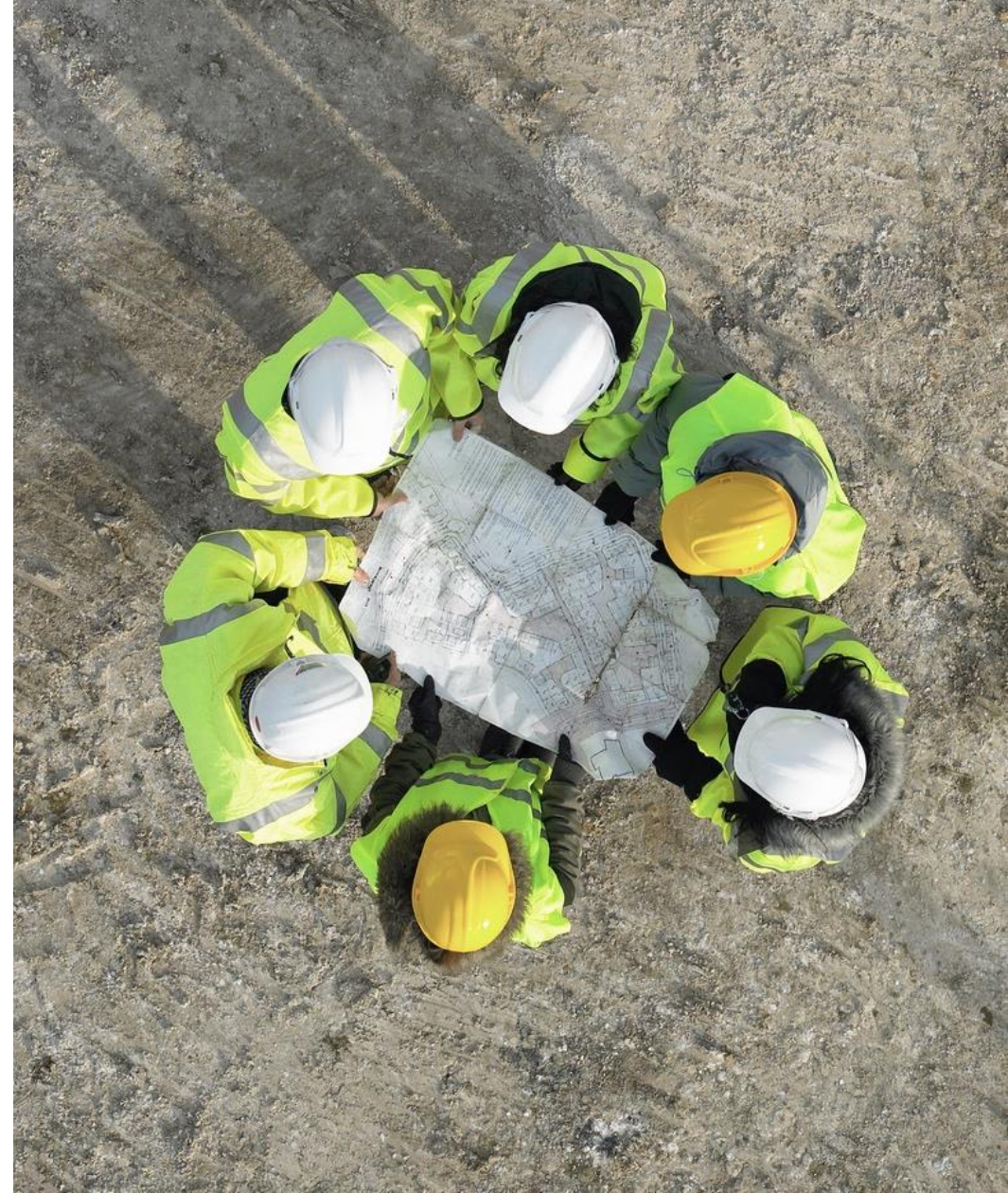
The largest investment in Klabin's history

KLABIN PUMA II PROJECT IN ORTIGUEIRA, BRAZIL

- integrated pulp production
- two kraftliner paper machines (2nd in 2nd stage)

Process Industries Brazil has been awarded with EPCM (Engineering, Procurement, Construction Management) for the BOP (Balance of Plant), which includes engineering and management phases of complementary plants, and interconnections between process islands.

ÅF Pöyry's services in the project development: Conceptual Study, Basic Engineering and Investment Estimation. EPCM services for the BOP



Growth expected in new projects and wider service offering

NEW PROJECTS

- Combined competence makes us strong in many projects
- Combining capabilities of ÅF strong local position in Sweden with Pöyry's EPCM capability will enable more and bigger EPCM-type projects
- Bigger division enables more effective resource sharing

SALES CAPABILITY

- Expand Key Account Management concept and network
- More global and local key accounts
- Leverage sales resources to act with more clients

SERVICE OFFERING

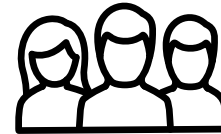
- Combining existing service offering enables new services to be globalized for existing clients (e.g. industrial environment)
- Services from other divisions for existing process industry clients, i.e. digitalisation, manufacturing line experience
- More development in new services and innovations

Process Industries' ambition – Making Future

#1 FOCUS ON SELECTED PROCESS TECHNOLOGIES, REGIONS AND CLIENTS



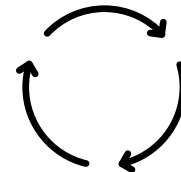
CLIENT FIRST: STRENGTHEN
GLOBAL AND LOCAL KEY ACCOUNT
MANAGEMENT



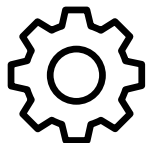
ENGAGED AND MOTIVATED
PEOPLE AND ATTRACTIVE BRAND



NEW SERVICES AND SMART
SOLUTIONS DEVELOPMENT
& DIVERSIFICATION



STRONG FOCUS ON PROCESS
TECHNOLOGIES AND VALUE ADDED
SERVICES FOR ENTIRE LIFECYCLE
INCLUDING OPEX SERVICES



SAFETY, EFFICIENCY, QUALITY



IMPROVE PROFITABILITY AND GROW

A landscape photograph featuring several high-voltage power line towers and utility poles stretching across a grassy hillside. The sky is overcast with soft, diffused light. In the foreground, a dark asphalt road curves to the left, bordered by a fence with dark wooden posts and wire. The overall mood is quiet and industrial.

Energy Division

HEAD OF ENERGY DIVISION

Richard Pinnock

In depth knowledge of project management, EPC, O&M, digitalization and extensive leadership experience in leading global teams

- Over 34 years in the energy business in various leadership roles
 - 22 years in the global consulting and engineering business
 - 12 years in thermal power plant operations

Working Experience

- President, Energy Business Group and Executive Vice President at Pöyry, 2003 – 2010; 2016 – 2019
- President, Large Projects and Executive Vice President at Pöyry, 2011 - 2015
- Head Asia Energy Business Group at Pöyry, 1997 - 2002
- Experience from working at Eskom in South Africa (1985 – 1997) and at UCI International, Germany (1992)

Other

- Education
 - BSc Mechanical Engineering, University of the Witwatersrand, South Africa, 1983
 - BComm (Hons), University of South Africa, South Africa, 1991
 - LPSF Executive Programme, Harvard Business School, Boston, USA, 2002.
- Principal Author, Power Plant Operations and Management Body of Knowledge, 2019



Energy Division sectors and market potential





Segments

- Coal, Gas (NG/ LNG), Cogen and Desalination
- CSP, Solar PV and Wind
- Waste-to-Energy, Biomass & District Heating / Cooling
- Specialist Services e.g. Perf measurement

- Reservoir Storage Schemes incl. Pump Storage
- Run-of-River Schemes
- Electro-mechanics
- Rehabilitation
- Specialist services e.g. hydrology & dam safety

- HV/MV/LV networks
- HV/DC Interconnector schemes incl. land & submarine cables
- HV/MV Substations
- Specialist services e.g. load flows models & smart grids

- New Builds ... all reactor types
- Decommissioning
- Waste management & disposal
- Specialist services e.g. nuclear safety cases & PSAR

- Bioenergy
- Small scale thermal and hydro plants
- Small scale industrial plants
- Renewables
- Full O&M services

Focus Markets

Global

Global

SE, NO, DK, DE, HU, AT, CH, UAE, TR & RU

SE, FI, HU, CZ, CH & UK

SEA and selected countries only

Underlying focus market annual investments

~65 Billion USD
market share ~8%

~20 Billion USD
market share ~10%

~30 Billion USD
market share ~9%

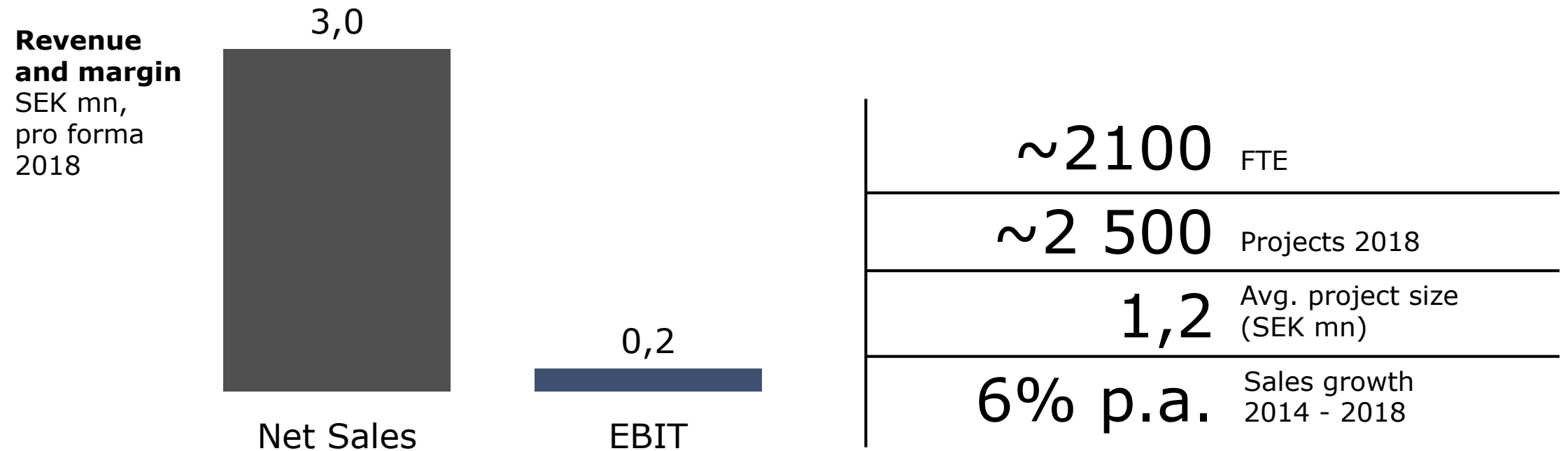
~3 Billion USD
market share ~12%

EPC+ services on a very selective basis

Energy operates with a global footprint



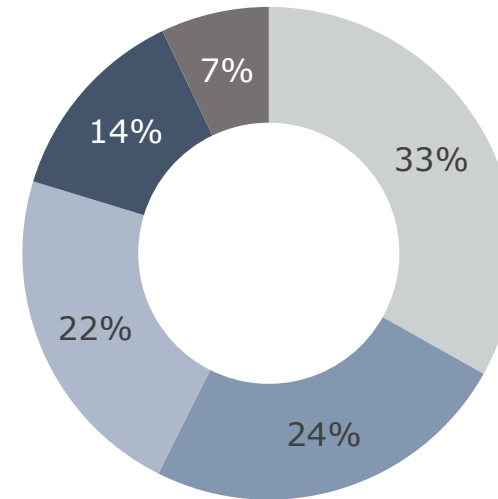
Profitable growth is our key focus



Our clients are essentially local

- Vattenfall, Sweden
- Statnett, Norway
- E.on, Nordics
- Ellevio, Sweden
- Hanhikivi NPP, Finland
- North Negros Biopower, Philippines
- Phonesack Group Company, Laos
- Austrian Power Grid, Austria
- Sallien Water Conversion Company, Kingdom of Saudia Arabia (KSA)
- Saudi Electricity Company, KSA

NET SALES PER SECTOR
pro forma 2018



■ Thermal & Renewables ■ T&D ■ Hydro ■ Nuclear ■ Contracting

ÅF Pöyry Energy is ranked No. 5 globally with strong sector positions*

T&D

- Ranked No. 3
- Key global competitors:
WSP, Tractabel Engineering, Wood Group, Stantec
- Investment decision delays due to regulation uncertainties
- Pricing pressure due to small local players in "D" sector ... but less so in specialist areas in "T" sector e.g. HV/DC

HYDRO

- Ranked No. 4
- Key global competitors:
Tractabel Engineering, Stantec, SMEC, Mott MacDonald
- Track record in engineering & implementing large schemes in a sustainable way essential for project approvals and financing
- PSP schemes increasing due to intermittency issues

THERMAL

- Ranked No. 7
- Key global competitors:
Black & Veatch, WorleyParsons, Fichtner, Tractabel Engineering
- Due to slowdown in O&G sector in past 5 years driven many new competitors entered this sector creating pricing pressures

Focus is on excellence in project delivery

90%
PROJECTS

- Mainly fixed lump sum contracts ... across the entire project life cycle from Feasibility Studies, Owners Engineer, Detail Engineering, EPC+ and O&M services
- Example: Xayaburi HPP Owners Engineer / Independent Engineer and Contractors Engineer services

10%
SERVICES

- Integartion of experts and professionals into client organizations
- Typical in the UK and Swedish nuclear sectors

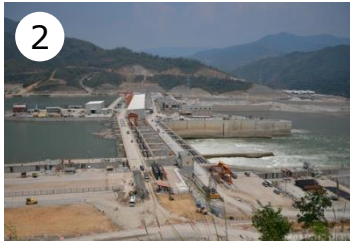
North Negros Bioenergy, Philippines



Xayaburi HPP, Laos

1

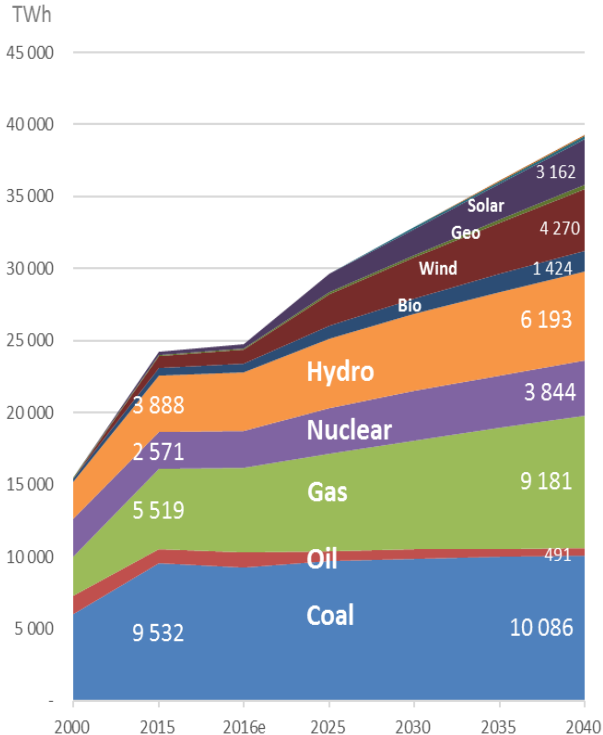
2



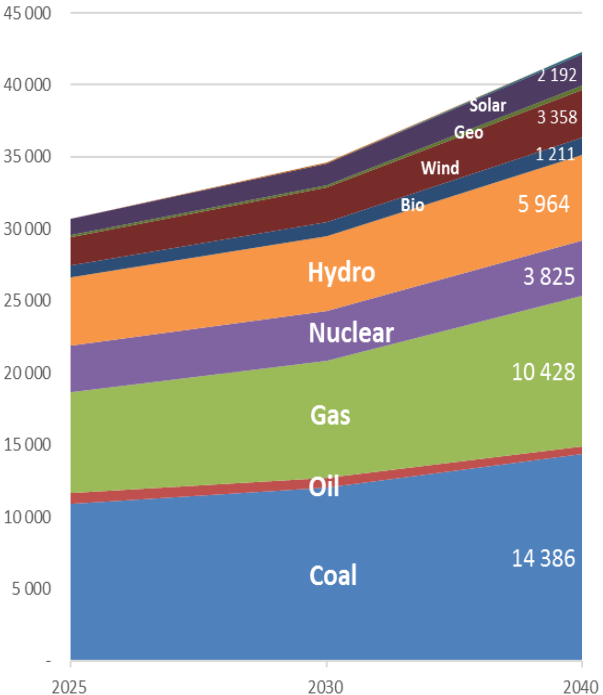
Global energy sector is in transition

NEW POLICIES SENARIO

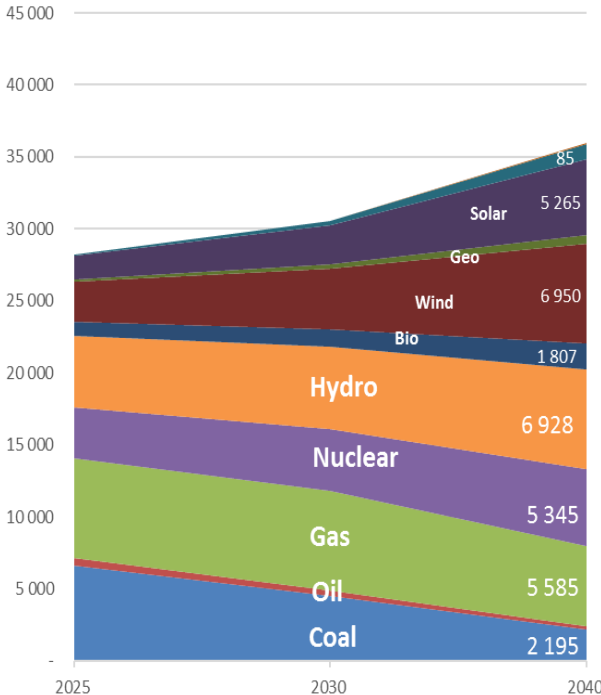
World Electricity Generation (TWh)



CURRENT POLICIES SENARIO



SUSTAINABLE DEVELOPMENT SCENARIO



Source : IEA, World Energy Outlook 2017

World's energy transition in doubt



Top 10 Countries

Energy Transition Index 2019¹

	Score	Rank
Sweden	74.9%	1
Switzerland	74.3%	2
Norway	73.4%	3
Finland	73.0%	4
Denmark	72.2%	5
Austria	70.7%	6
United Kingdom	70.2%	7
France	68.6%	8
Netherlands	68.5%	9
Iceland	68.5%	10

Note 1: The Energy Transition Index benchmarks countries on the performance of their energy system, as well as their readiness for transition to a secure, sustainable, affordable, and reliable energy future. ETI 2019 score on a scale from 0 to 100%.

Source: Fostering Effective Energy Transition Report 2019, World Economic Forum

WORLD
ECONOMIC
FORUM

COMMITTED TO
IMPROVING THE STATE
OF THE WORLD

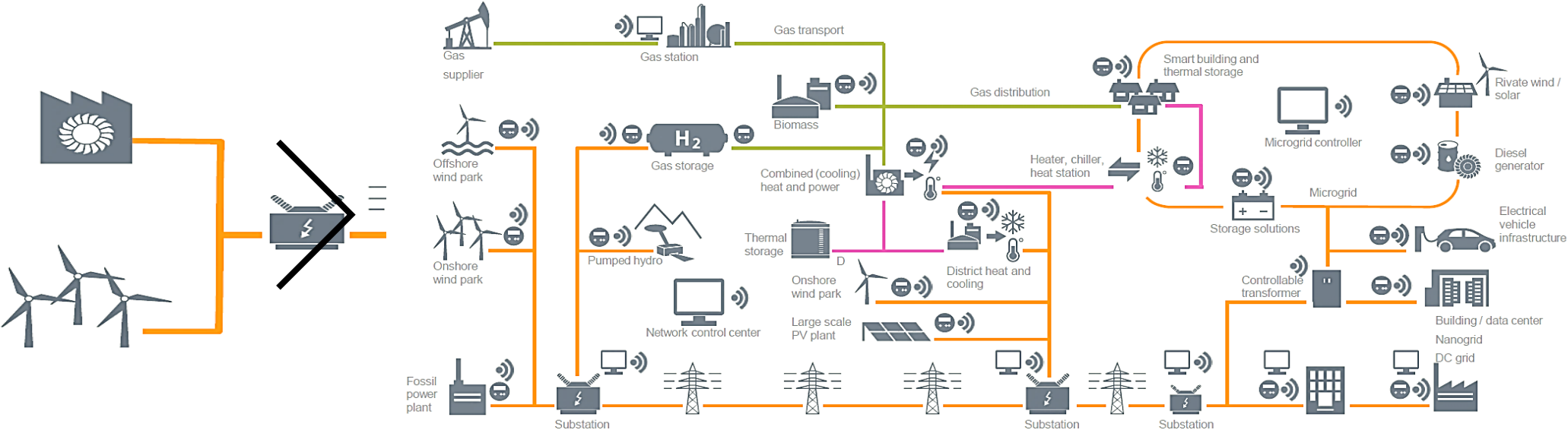
Insight Report

Fostering Effective Energy Transition 2019 edition

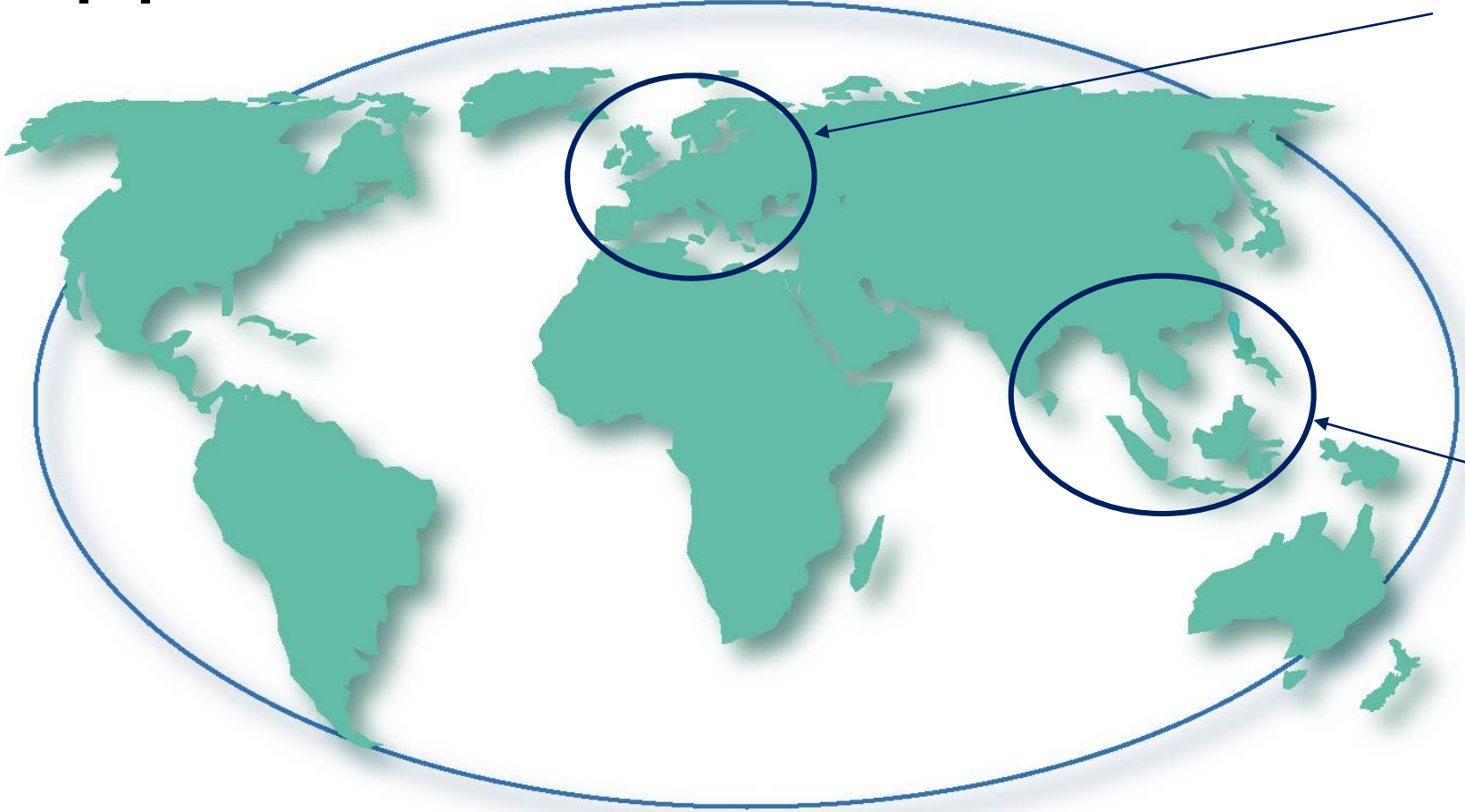
March 2019



Local energy markets are changing



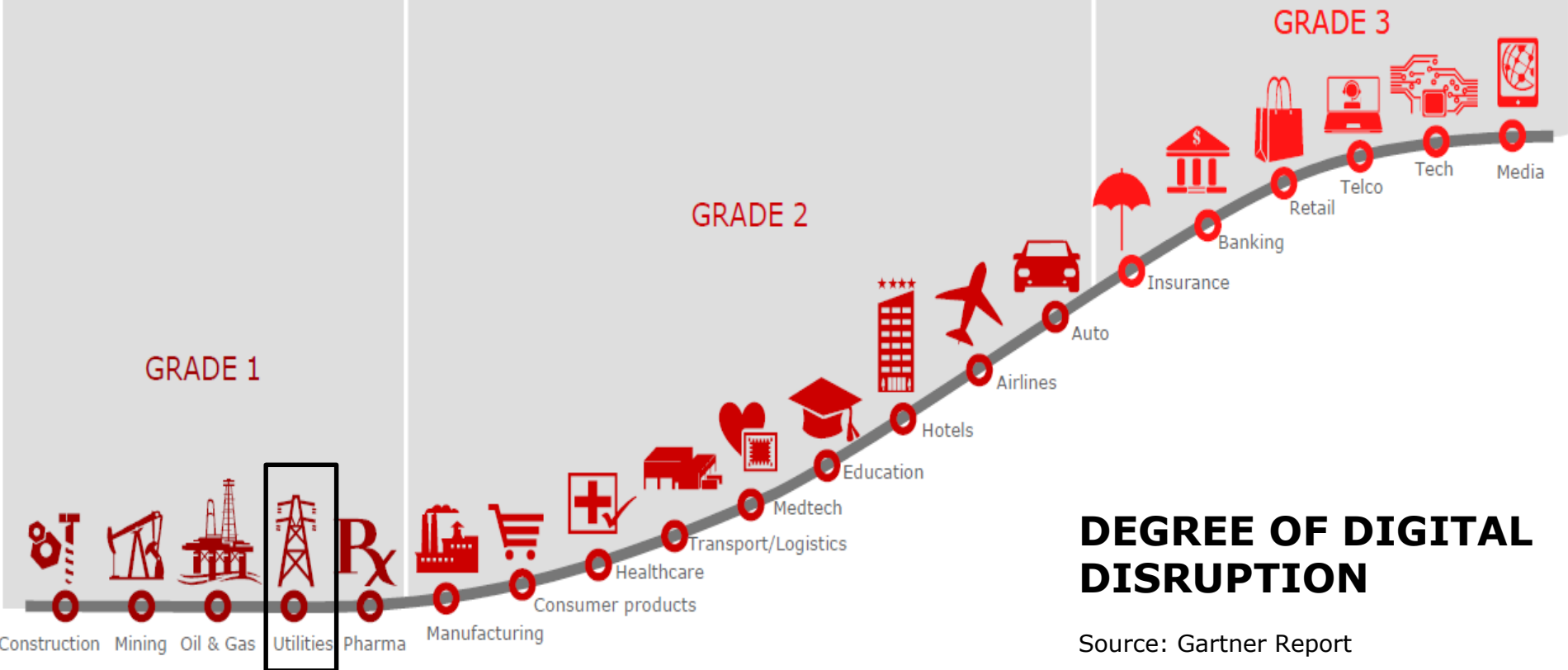
Energy transition continues to create opportunities



Developed world moving towards smaller decentralized facilities ... renewables

Developing world will continue implementing large facilities ... thermal and hydro

Digital transformation will create significant new business



Sector growth drivers

THERMAL & RENEWABLES

Coal investments will decrease ... conversion to biomass

Solar PV and Wind will increase

Floating LNG-to-Power will re-start to balance coal in Asia

Gas-to-Power in European markets will return

Waste-to-Energy emerges in Nordics, UK, ME and Asia

Desalination will grow as water stress increases

HYDRO

Hydro investments will continue but expect a decline in LA in the short term

Solar PV & Wind intermittency will drive investments in Pump Storage Schemes

Private development of large schemes will increase

Rehabilitation, modernization and life extension of old facilities will increase

T&D

Increase in Solar PV & Wind driving integration and network extension

HV/DC inter-connections will increase

Political decisions stalling market needs (Germany, Nordics)

Data centers for cloud & block- chain computing driving inter-connections

Decentralized generation will increase local inter-connectivity

NUCLEAR

Market focus is UK, Finland and Hungarian new builds

Sweden, Czech and Slovakia focus is on maintenance and decommissioning

Turkey new build but on an opportunistic basis ... expert services

Decommissioning of German and Swiss NPPs will be a significant opportunity in the medium term

CONTRACTING

Primarily focused on the application of the Pöyry EPC+ System Methodology approach in selected markets

Focus on bioenergy, small scale CCGT & hydro, industrial process plants and other hybrid renewable energy systems.

Growth will be based on the development of "contracting minded" expertise

Paving the way for profitable growth

KEY TRENDS IMPACTING ENERGY

- Transition towards more sustainable energy generation
- Intermittency will drive energy storage schemes
- Loss of know-how due to changing demographics
- Digitalization

KEY STRATEGIC PRIORITIES UNTIL 2022

- Get Energy Division EBITA into 8%-10% corridor in short term
- #1 in the Nordics
- Top 3 player in the global markets
- 30% of business from O&M related services ... clients' Opex budgets
- New disruptive digital products and services ... e.g. Krti 4.0 Next Generation AI Platform for Operational Excellence



Some immediate growth areas

#1 IN NORDICS

- ~750 FTE covering all global energy sectors
- enable a “One Stop Shop” service offering
- #1 position will enable ÅF Pöyry to be the service provider of choice to our Nordic clients
- expect to increase our current annual revenues in the Nordics by at least 15 to 20%

T&D SOUTHEAST ASIA

- Pöyry has a strong position in SEA focusing on hydro, thermal & renewable with ~400 FTE
- ÅF has T&D projects in Vietnam
- Establishing a T&D business on the Pöyry SEA platforms, possibility for huge growth since the ASEAN T&D sector will have significant investments in the future

PAKS2 NPP. HUNGARY

- Pöyry undertaking a number of projects with Rosatom
- Significant new projects under negotiation with support from ÅF Czech
- Paks2 implementation phase will require significant resources ... Pöyry & ÅF nuclear resources base will be able to offer much more capability to Rosatom

Making Future for the energy transition



Making Future for the energy transition

NORDIC KNOW-HOW

Transfer of know-how from the forerunners in the energy transition process toward a secure, sustainable, affordable and reliable energy future

2250 ENGINEERS & EXPERTS WORLDWIDE

Providing engineering design and advisory services in all energy sectors

GLOBAL FOCUS WITH LOCAL PRESENCE

Unique operational business model sharing resources and know-how seamlessly

EXTENSIVE SECTOR KNOWLEDGE

Over 100 years of implementing energy project creates an unmatched global reference base

PROJECT LIFECYCLE SERVICE OFFERING

Comprehensive services palette covering all project phases requirements



PÖYRY

Management Consulting Division



HEAD OF MANAGEMENT CONSULTING DIVISION

Martin à Porta

In depth knowledge of transformation, digitalization and extensive leadership experience

Working Experience (most recent positions)

- President and CEO Pöyry 2015-2019
- Siemens Building Technologies Europe, CEO 2012-2015, 20 bn SEK
- Siemens WLL, CEO, Qatar 2010-2012, 3 bn SEK
- Siemens Building Technologies International Group HQ, various executive leadership positions 2005-2010
- Siemens Building Technologies Ltd., various strategy and M&A, business development and project management positions 2001-2004

Other

- Internet Start up, 2000 – 2001
- Electrowatt Engineering, Section Mgr 1996 - 2000



Puro.Earth CO2 Removal

- MCD has contributed to the development of Puro.Earth, the world's first marketplace to offer verified CO2 removals
- Currently, less than 50% of the CO2 emitted annually is absorbed naturally; it's therefore vital to accelerate the development of CO2 removal

Continuous improvement & ready for profitable growth

#1 Position:

Market Models EU
Price Forecasts EU
Industry Consulting
Northern EU
Operational Services EU
Leading Sector Transformation

721	Net Sales (SEK mn)
351	FTE
1250	Assignments 2018
0.61	Avg. Assignment size (SEK mn)
2% p.a.	Sales growth 2014 - 2018
strong	EBIT% pp improvement 2014 - 2018

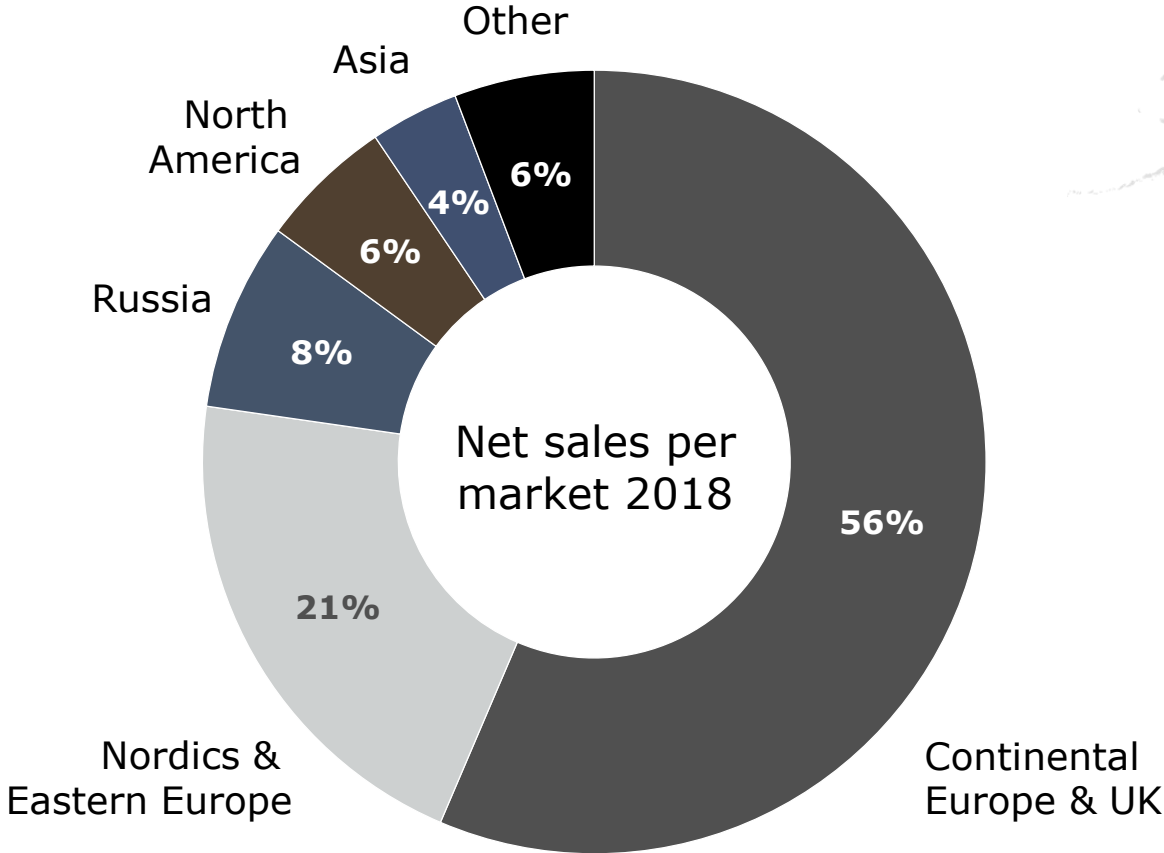
pro forma 2018

Global client base

- Consultants primarily focused in Western Europe & Nordics
- Strategic offices in Asia, North America & Middle East
- Global Client Base (assignments in >70 countries in 2018)



Global client base



From our strong European base we serve a global market

MANAGEMENT CONSULTING

Market drivers & opportunities

MEGATRENDS

Population
growth

Sustainability
& Climate
Change

Urbanisation

Improved
living
standards

Digitalization

Market drivers & opportunities

Energy transition



Global investments into renewables and smart systems, need for operational excellence and digitalization, decentralization of markets, new strategies & products

Growing bio economy



New strategies and products, consolidation of industries and investments on recycling new technologies, carbon sink opportunities and digitalization of value chains

Resource & operational efficiency



Dealing with cost pressure and resource scarcity, optimization of supply chain and unlocking potential of IoT, AI and remote operations

Market changes & consolidation



New investors and market players, portfolio adjustments, investments and divestments, expansion to new geographies, conversion of sectors

Leading sector transformation

ENERGY

- Global energy consulting market is significant & growing in response to the energy transition
- Sector is categorized by huge investments to be smart and green leading to need for strategic, operational and market analysis related advice
- Pöyry Management Consulting is at leading edge of this transition and is ideally placed to capitalize on the growing market potential

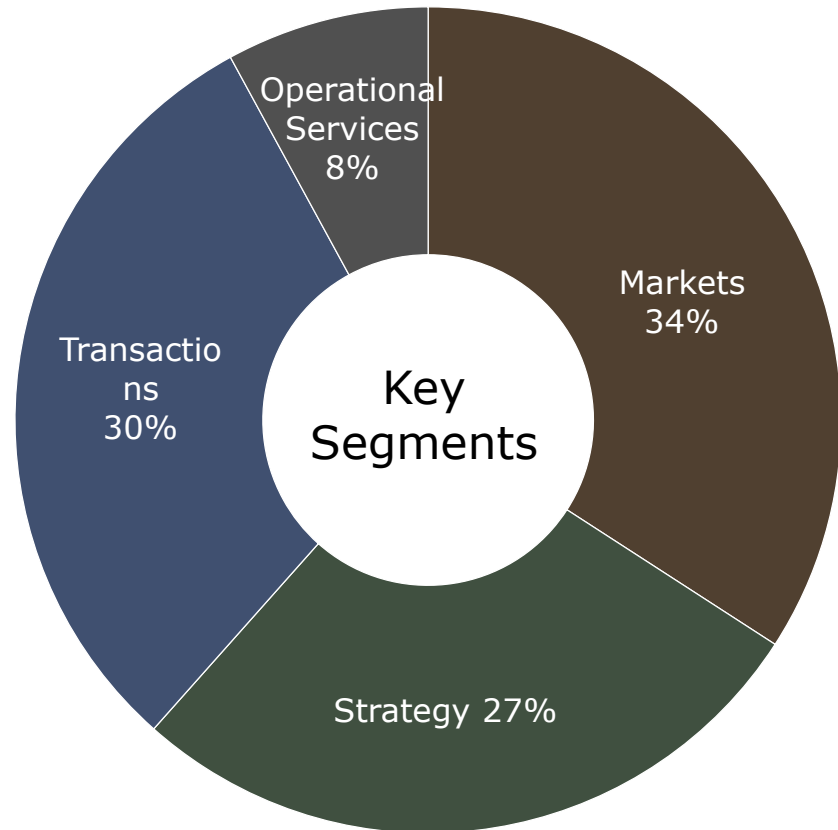
INDUSTRY

- Climate change is shaping the world. Bio based alternatives & a circular economy approach are becoming the new norm
- Companies to adapt and innovate at an ever increasing rate and this generates a growing and exciting market for consulting services
- Increased competition, margin pressure and resource scarcity requires all companies to improve operations
- We are excellently positioned to advise companies in the growing bio economy

CAPITAL

- 22 billion SEK of transactions in past 5 years
- No 3 ranked firm for number of transactions over last 5 years in Pulp, Paper & Packaging sector in Europe
- No 1 ranked professional for Pulp, Paper & Packaging deals last 5 years

Broad offering built on deep sector expertise



Core offerings

- Corporate and business strategies
- Resource, technology and investment strategies
- Operational and organisational excellence
- Market insights and modelling
- Sales and supply chain strategies
- Transaction and due diligences
- M&A advisory
- Innovation management (including start up networking / partnering)

Clients include

- Utilities
- Energy producers
- Bioeconomy and forestry companies
- Industrial companies
- Private equity and investment funds
- Brand owners
- Governments and regulators
- Start up's

Defined growth areas

Strengthen position in core markets

- Expansion of customer portfolio with existing offerings
 - Expansion along the value chain in bio economy
 - Growth of transaction services in Energy & Industry
-

Geographical expansion

- Further expansion of market modelling in North America and China (Energy & Industry)
 - Growth of operational services in North America
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New offerings

- Digitalization of Energy & Industry sector
- Innovative offerings (scalable AI solutions, CO2 platform solutions, advanced biomaterials)
- New services related to clean energy investment & decentralisation
- Expansion of operational services to new segments in Europe

Stronger together and M&A

- Leverage ÅF competencies combining digital and industry knowhow
- Leverage ÅF expert pools and capabilities
- Expansion of operational services to new segments
- Broaden sector coverage in M&A and transaction services
- Acquisition of expertise in existing and new geographies



Strategic enablers to 2022

- Invest in competence & attract and retain the best people
- Leverage on market insights in strategic advisory services and solutions
- Provide a global market analysis platform
- Develop scalable products and digital solutions
- Develop digital knowledge management platform



Contributing to success MAKING FUTURE

~400 WORLD-CLASS EXPERTS

providing sharp advice and operational support based on deep sector expertise (global and local)

DEEP MARKET INSIGHT

that 90% of key European energy companies and investors trust on

SHAPING THE STRATEGIES

of Fortune 500 companies in energy and sustainable packaging & plastic substitution

DESIGNING INNOVATIVE BUSINESS MODELS

by being ahead of developments while tracking over 500 start-ups

ENABLING CLIENTS

to achieve 6-10% operating cost reduction in over 220 projects

TOP M&A ADVISER

in the paper, pulp and packaging sectors in Europe and advisor to over SEK 3.5tn of energy transactions over last 10 years

MANAGEMENT CONSULTING

Contributing to success MAKING FUTURE

SEGMENTS

Energy gas & oil • thermal generation • renewables • transmission & distribution • trading & sales

Industry forestry & biomass • wood products • bio refining • packaging & tissue • paper

Operational Services operations • sales & supply chain • organization

Capital pulp, paper & packaging • energy & infra

A brave new day
for bigger ideas.



 PÖYRY

