

Jari Rosendal, President and CEO
March 21, 2016
Annual General Meeting 2016

Revenue and profitability on growth track

kemira



Kemira's Management Board



Jari Rosendal
President and CEO



Petri Castrén
CFO



Kim Poulsen
Pulp & Paper



Antti Salminen
Municipal &
Industrial



Tarjei Johansen
Oil & Mining



Heidi Fagerholm
CTO



Eeva Salonen
Human Resources



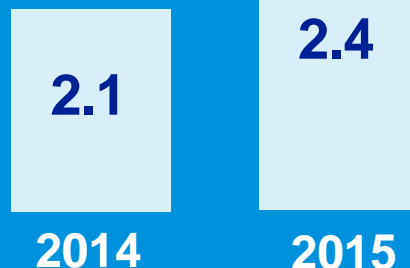
Michael Löffelmann
Projects &
Manufacturing
Technology



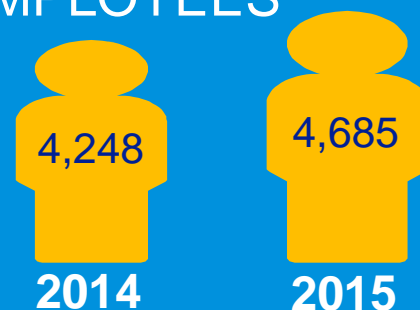
Esa-Matti Puputti
Operational Excellence

Vision: The first choice in chemistry for water intensive industries

REVENUE (EUR billion)



EMPLOYEES



PULP & PAPER – 60% of revenue

- #1 global chemical supplier in pulp, packaging, board and paper industry

OIL & MINING – 15% of revenue

- Growing chemical and service provider, #2 in polyacrylamide production

MUNICIPAL & INDUSTRIAL – 25% of revenue

- #1 in raw and waste water treatment chemicals in Europe and North America

Global megatrends support Kemira's business

CIRCULAR ECONOMY

- Recycled fiber
- Water reuse
- Nutrient (phosphorus) removal and recovery

RESOURCE EFFICIENCY

- More with less
- More out of less

BIOBASED ECONOMY

- Raw material reuse, waste recovery

Kemira enables sustainable packaging

Example #1

FOR PULP & PAPER INDUSTRY



Package weight

-10%

LIGHTER DURABLE PACKAGES

Kemira FennoBond™ enables usage of less fibers with maintained strength and stiffness properties.

Our customers generate savings through raw material efficiency, contributing to lower transportation costs and reducing CO2 emissions.

Kemira enables higher oil recovery rate

Example #2

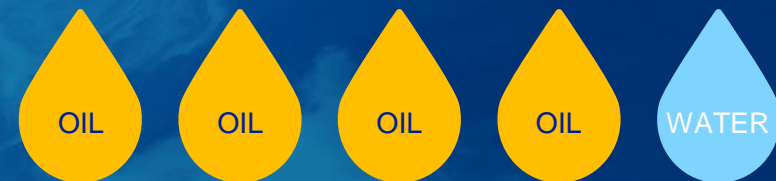
FOR OIL INDUSTRY

In Chemical Enhanced Oil Recovery 1 % increase in recovery equals 2 years of oil production.

With Kemira's polymer technology recovery rate improvement **up to 15%.**



Without polymer



With Kemira's polymer technology

Kemira enables clean water cycle

Example #3

FOR WATER TREATMENT

We optimize the efficient utilization of resources at every stage of water management

Our global water challenges in the production life cycle:

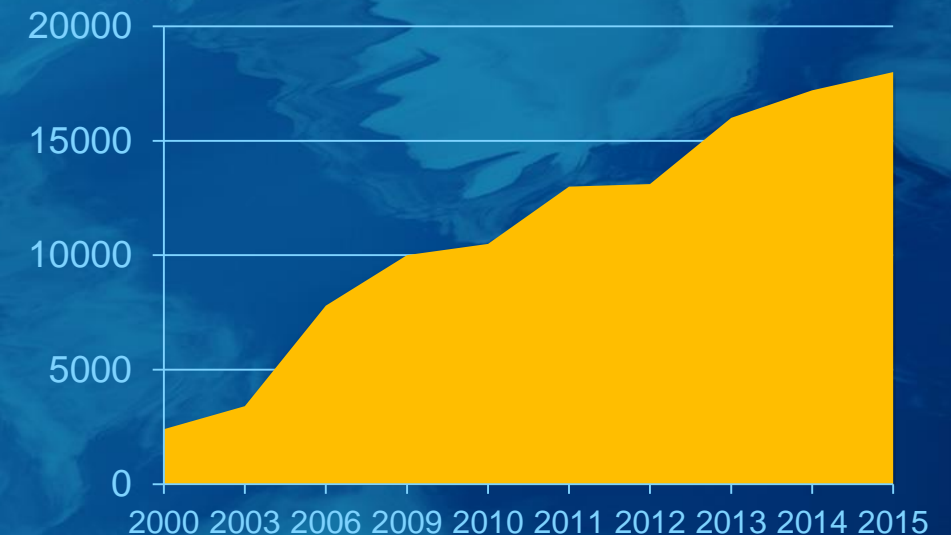
15,400 liters of water for production of one kg of BEEF

1,200 liters of water for one PIZZA MARGHERITA

140 liters of water for one cup of COFFEE

120 liters of water for 10 minute SHOWER

Water purified with Kemira products in all segments (million m³)



**18,000 MILLION M3 WATER
PURIFIED WITH KEMIRA'S
PRODUCTS IN 2015.**

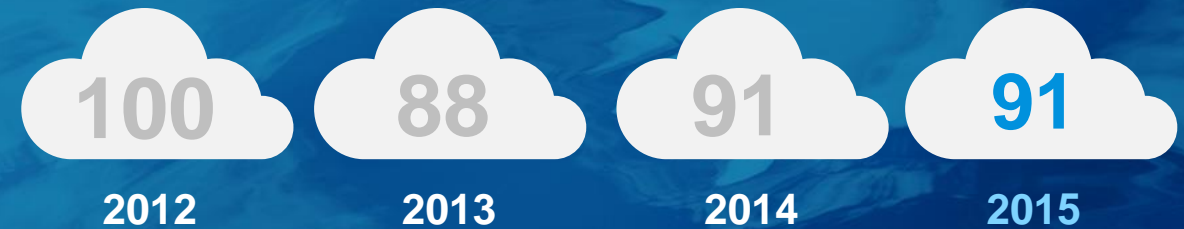
Examples of corporate responsibility and sustainability

SAFETY TARGET: ACHIEVE ZERO INJURIES



CARBON INDEX: TARGET 80 BY END 2020

Based on Scope 1 and Scope 2 emissions



RECOGNITIONS



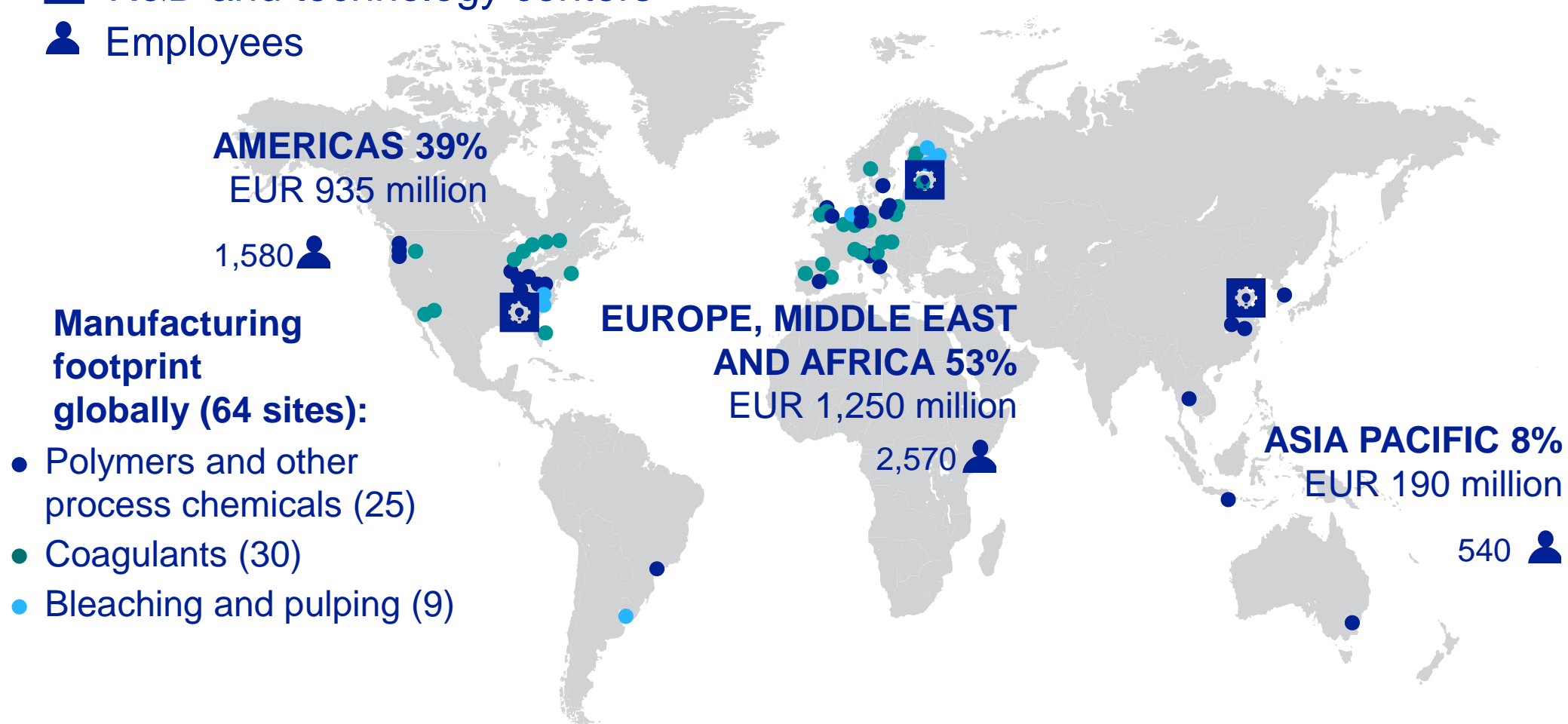
COMMITMENTS



Kemira is truly global – sales in more than 100 countries

⚙️ R&D and technology centers

👤 Employees



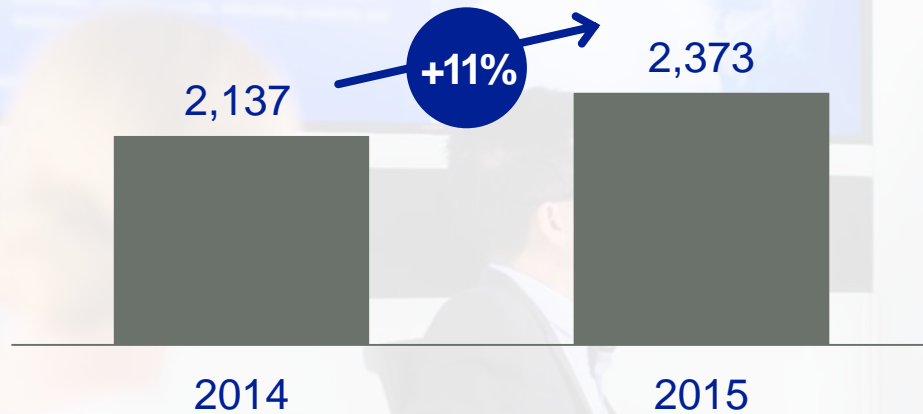
Research and Development

- EUR 32 million into R&D in 2015
- R&D Centres:
 - Espoo, Finland
 - Atlanta, USA
 - Shanghai, China
- Kemira has 1,034 granted patents
- In 2015, 38 own patent filings protected

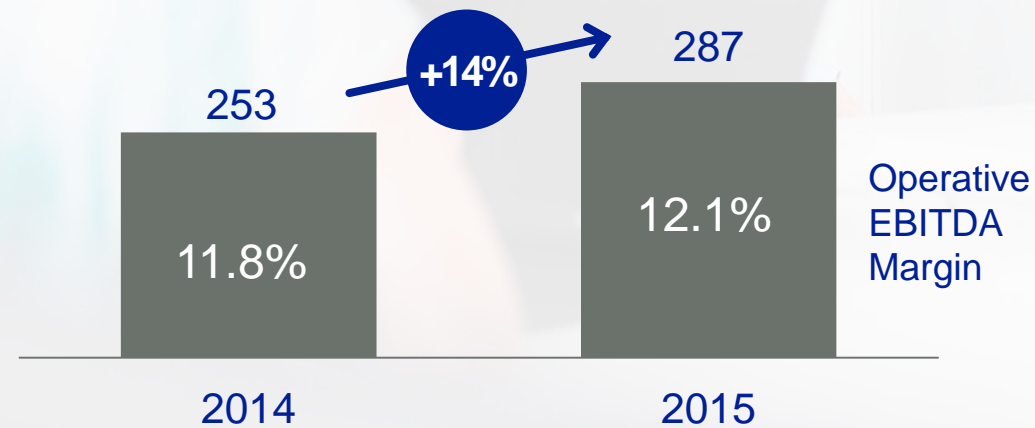


Revenue and profitability on growth track

Revenue, EUR million



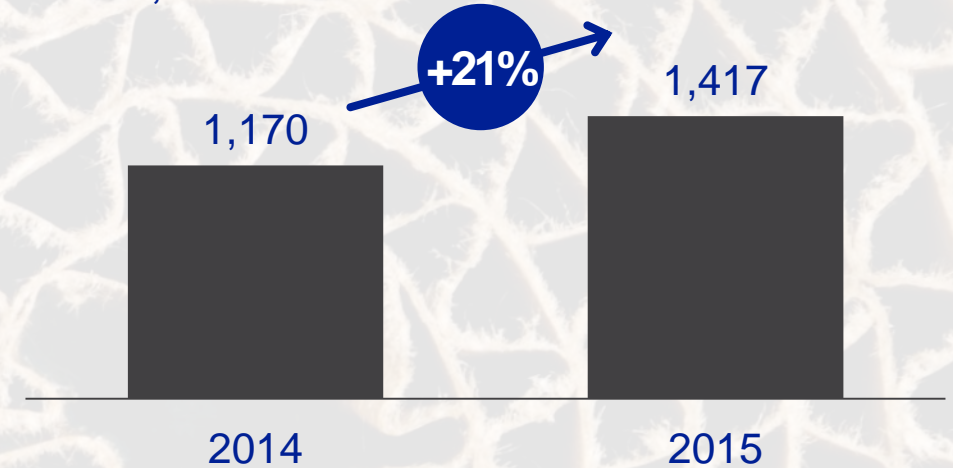
Operative EBITDA, EUR million



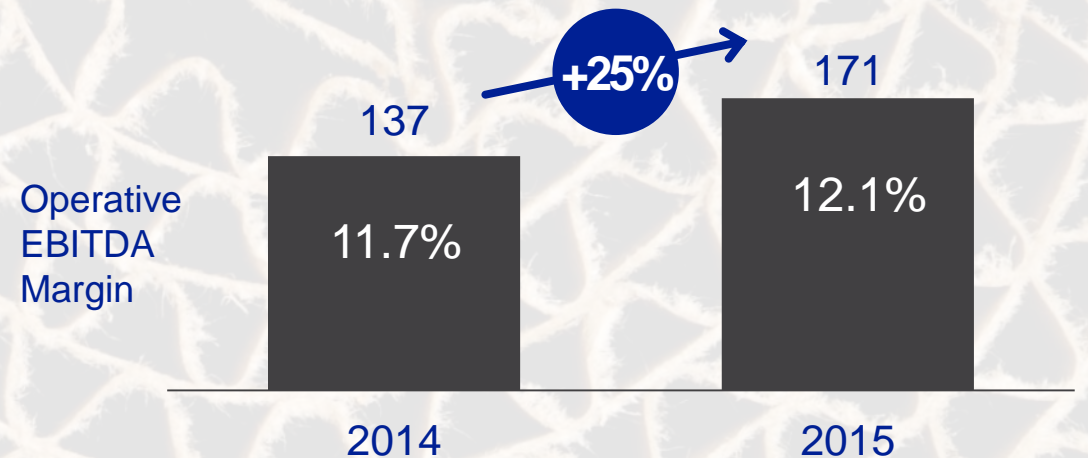
Profitable growth in Pulp & Paper

- Integration of acquisitions well on track
- Growth through Total Chemistry Management deals
- Strong market for pulp chemicals, new capacity built such as the chlorate plant in Brazil, planning capacity increases in the Nordics
- Efficiency measures continued

Revenue, EUR million

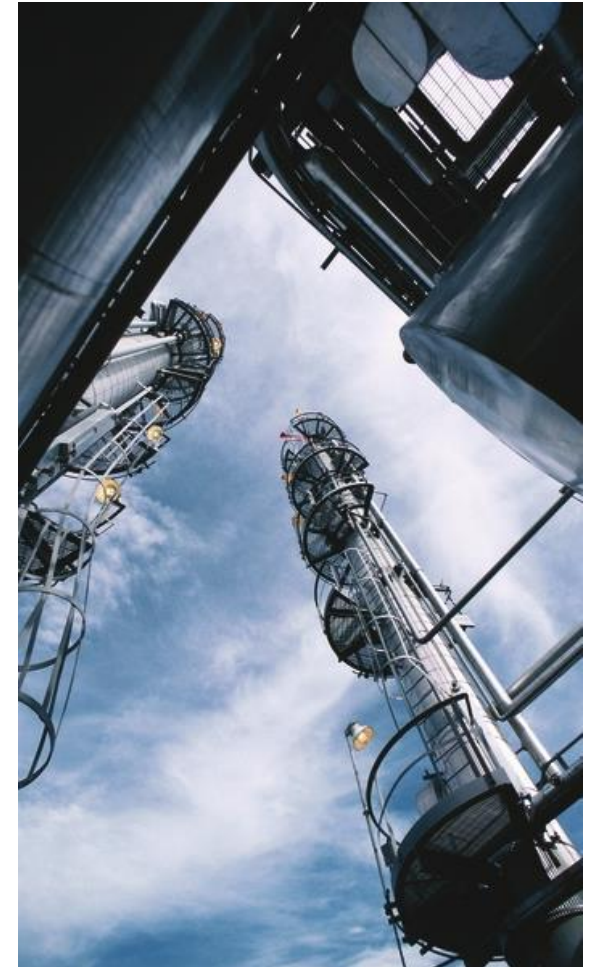


Operative EBITDA, EUR million



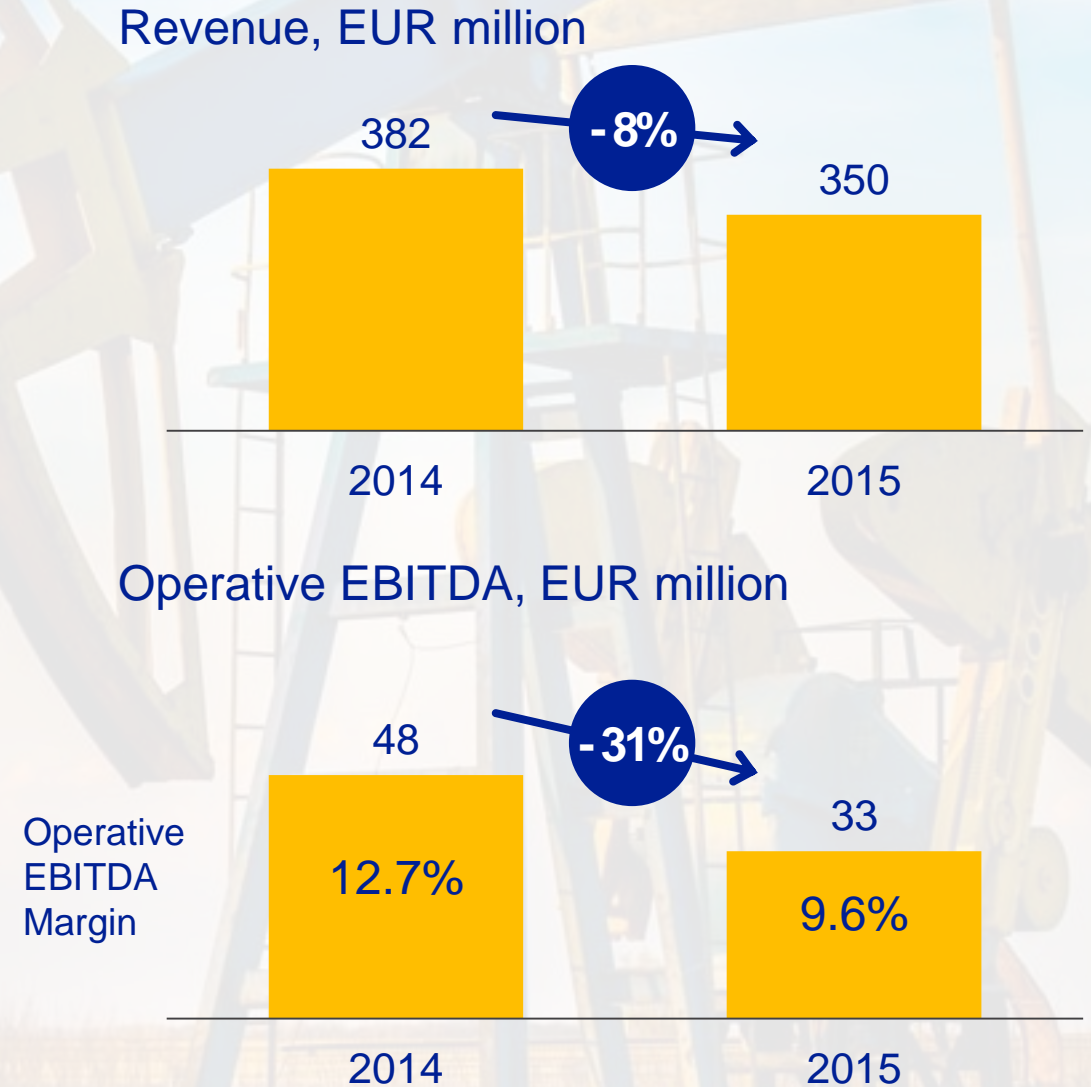
Kemira strengthened its position as the market leader in pulp and paper chemicals

- Kemira acquired AkzoNobel's paper chemicals business for EUR 127 million in May 2015
- The revenue of the acquired business was EUR 219 million in 2015 (pro forma)
- Kemira is the only chemicals company offering chemicals to pulp production as well as to each end product category: board, paper and tissue
- Integration proceeded well
- Targeting annual synergy savings of EUR 15 million by the end of 2017



Oil & Mining responds to market decline

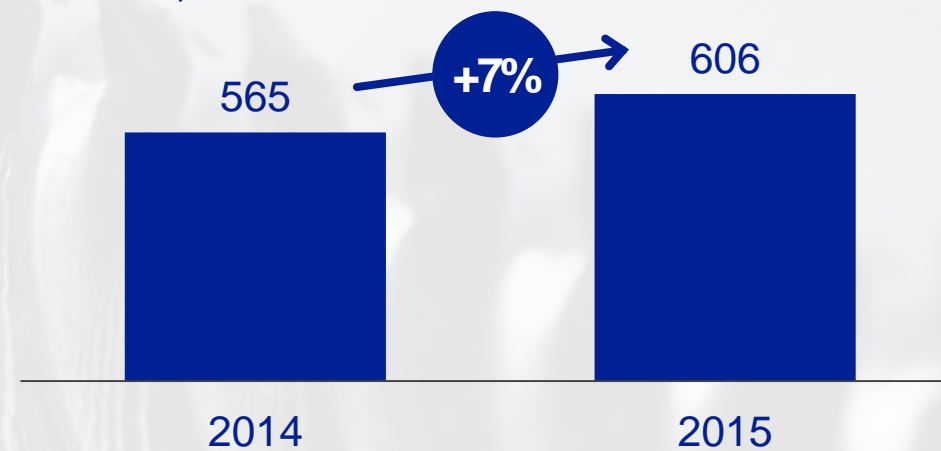
- Very difficult market conditions in shale gas and oil
- Mining remained more stable
- Chemically Enhanced Oil Recovery and Oil Sands are growth opportunities



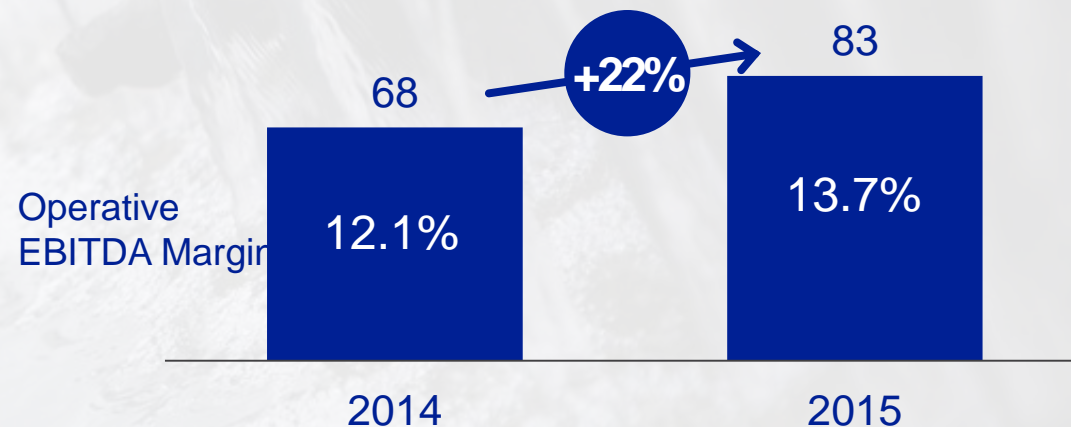
Robust year for Municipal & Industrial

- Restructuring done in 2013-2014 pays off
- Efficiency measures continued
- Solid cash flow generation and strong ROCE

Revenue, EUR million



Operative EBITDA, EUR million



All segments delivering growth and improved profitability

2017 financial targets: Revenue EUR 2.7 billion, Operative EBITDA 15%, Gearing <60%

Pulp & Paper

60% of Group's revenue

Growth target

- 2 * market growth (1.5%)
- Selected bolt-on acquisitions

Profitability target

- In-line with Group target

Oil & Mining

15% of Group's revenue

Growth target

- Returning to organic growth in 2016 regardless of oil price
- Double-digit growth % over-the-cycle

Profitability target

- Over-the-cycle profitability above the Group target

Municipal & Industrial

25% of Group's revenue

Growth target

- Steady growth of 2-4%

Profitability target

- Slightly below Group target

Market environment in 2016

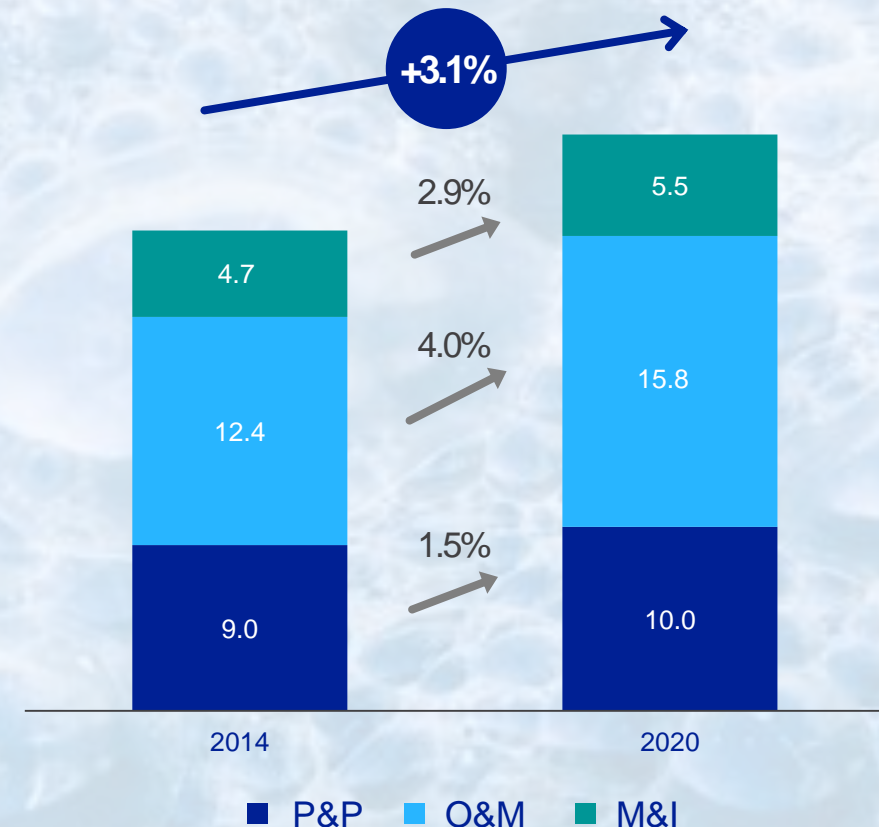
Positive factors

- Increased use of tissue, board and pulp driving growth in Pulp & Paper
- Regulatory enforcements drive growth in water treatment
- Input costs remain at low level

Challenges

- Modest global GDP growth
- Low oil price impacts negatively activity in shale oil market

Kemira's relevant market
EUR billion



Source: Management estimation based on various sources

2016 outlook

Revenue

Operative EBITDA

2014

EUR 2.1 billion

EUR 253 million

2015

EUR 2.4 billion

EUR 287 million

2016
outlook

Increase

Increase



We are on track
in executing our
strategy plans.

VISION:

*"The first choice in chemistry for
water intensive industries"*

We aim to continue on growth path

We focus on improved profitability
through operational improvements,
leveraging growth and capturing
synergies

Petri Castrén, CFO
March 21, 2016
Annual General Meeting 2016

Financials 2015

kemira



Financial highlights 2015

- Revenue growth 11% to EUR 2,373 million
- Operative EBITDA improved 14% to EUR 287 million
- Cash flow from operations improved to EUR 248 million
- CAPEX excluding acquisitions increased to EUR 182 million

Key financials	2015
Revenue, EUR million	2,373 (2,137)
Operative EBITDA, EUR million	287.3 (252.9)
Operative EBITDA margin	12.1% (11.8%)
Cash flow from operations, EUR million	247.6 (74.2)
CAPEX excluding M&A	181.7 (145.7)

Income statement (IFRS)

EUR million	2015	2014
Revenue	2,373.1	2,136.7
Other operating income	7.1	55.2
Operating expenses	-2,116.4	-1,939.0
Depreciations, amortizations and impairments	-131.2	-100.3
Operating profit	132.6	152.6
Finance costs (net)	-30.8	-30.7
Share of profit or loss of associates	0.3	0.2
Profit before tax	102.1	122.1
Income taxes	-24.9	-26.3
Net profit for the period	77.2	95.8
Equity owners of the parent	71.0	89.9
Non-controlling interests	6.2	5.9
Earnings per share for net profit attributable to the equity owners of the parent company (EUR per share)	0.47	0.59

Balance sheet

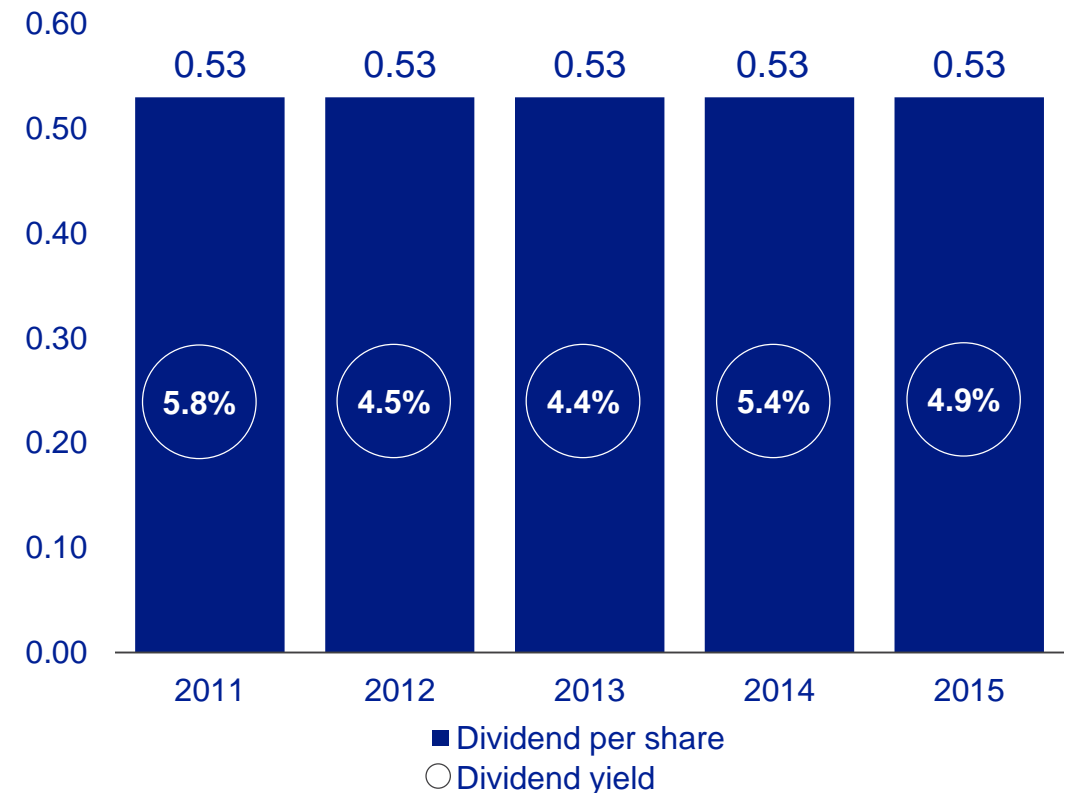
Milj. euroa	2015	2014
Goodwill	518	486
Other intangible assets	135	76
Property, plant and equipment	815	706
Shares and other investments	357	345
Inventories	207	197
Receivables	411	366
Cash and cash equivalents	152	119
Total assets	2,595	2,296
Equity	1,193	1,163
Interest-bearing liabilities	794	605
Interest-free liabilities	608	527
Total equity and liabilities	2,595	2,296

Key figures

EUR million, except ratios	2015	2014
Net debt	642	486
Equity, %	46%	51%
Gearing, %	54%	42%
Net debt / operative EBITDA	2.2	1.9
Operative ROCE, %	9.8%	11.1%
Operative EPS, EUR	0.63	0.63

Dividend policy – a stable and competitive dividend

- Board of Directors' proposal to the AGM a dividend of EUR 0.53 per share
- Distributable funds of Kemira Oyj were EUR 684.9 million on December 31, 2015
- For the year 2015 dividend amounted to EUR 81 million, 84% of operative net profit
- Dividend yield at the end of 2015: 4.9% and on March 14, 2016: 5.0%
- Average dividend yield in European chemical sector is 2.6%

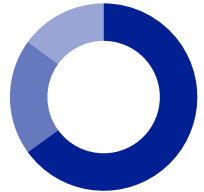


Dividend yield calculated using the share price at year-end

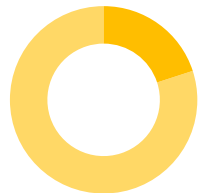
Kemira investment case highlights



Leading market position supporting above-the-market growth



Strong operating cash flow supports investments into growth



Higher profitability through growth, efficiency and synergies



Stable and competitive dividend



Where water
meets chemistry™

kemira

