

CAPITAL MARKETS DAY 2020

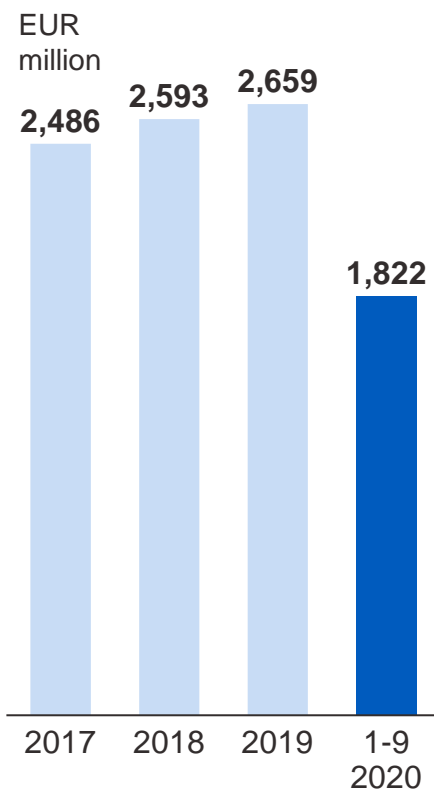
kemira
100 years of
chemistry

Fundamentally stronger Kemira

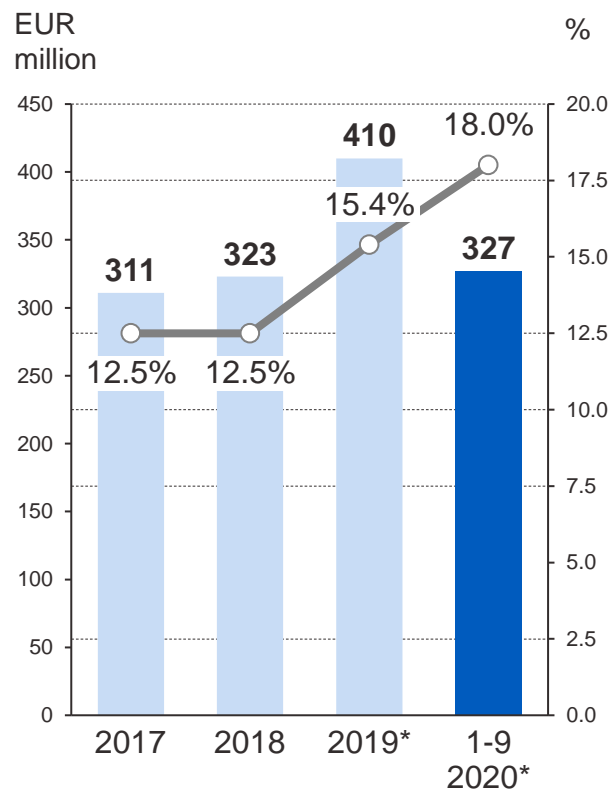
JARI ROSENDAL, PRESIDENT AND CEO
NOVEMBER 19, 2020

We have delivered since our last CMD in 2017

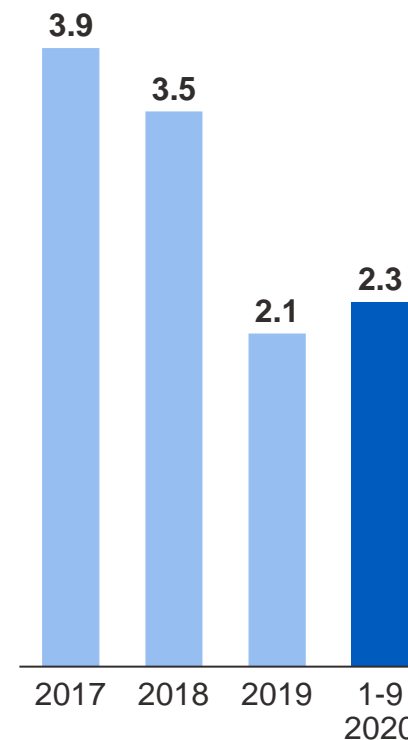
REVENUE



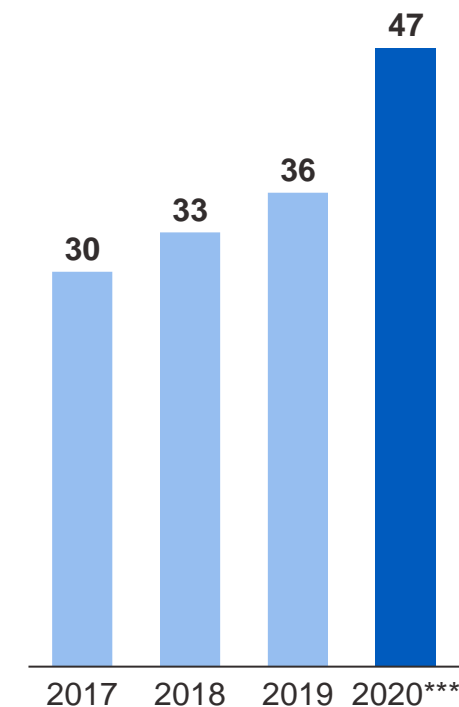
OPERATIVE EBITDA



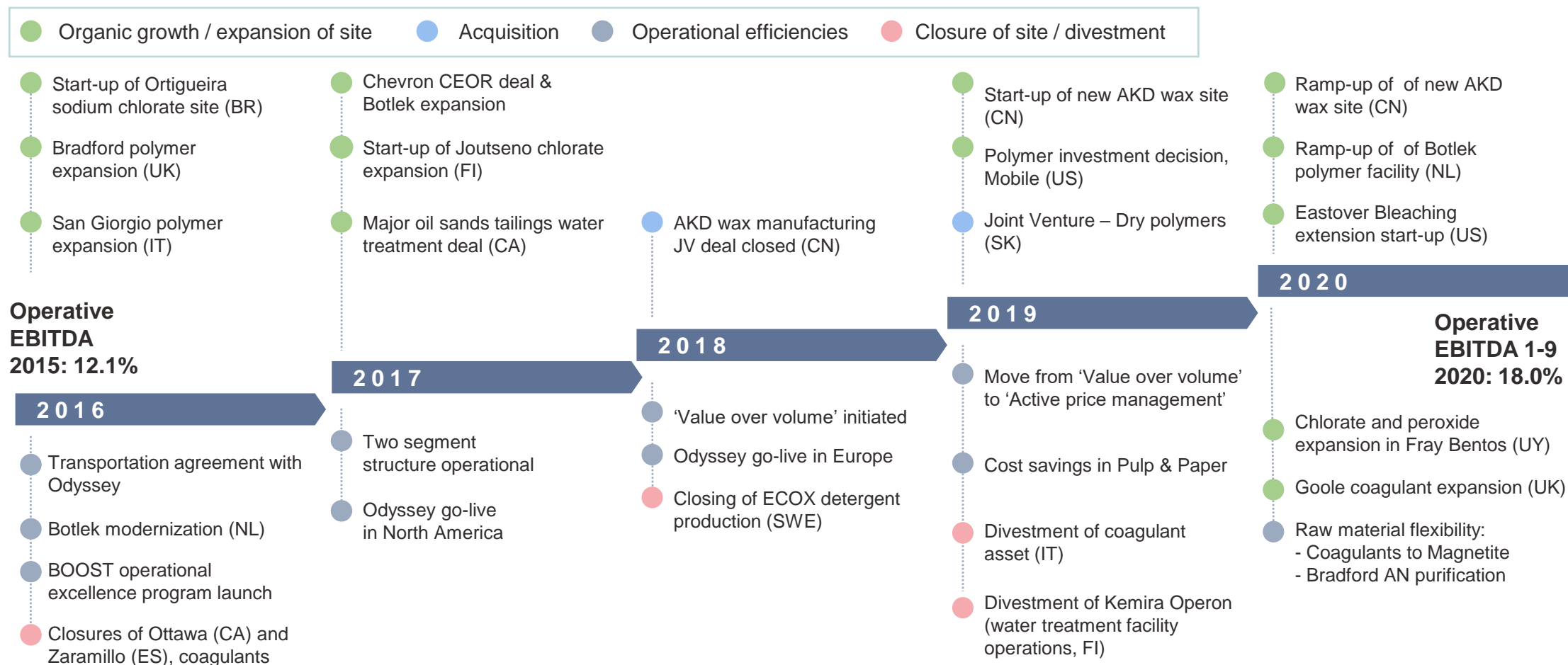
TRIF**



NET PROMOTER SCORE



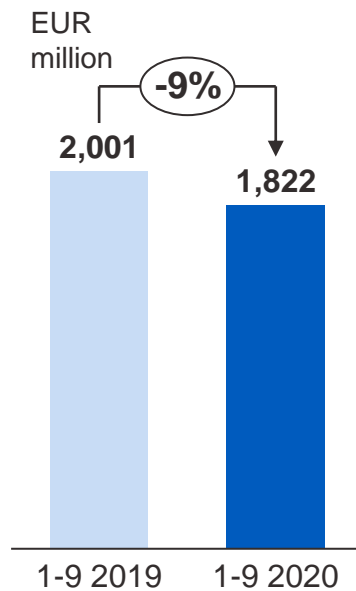
Strengthening the foundation and improving profitability



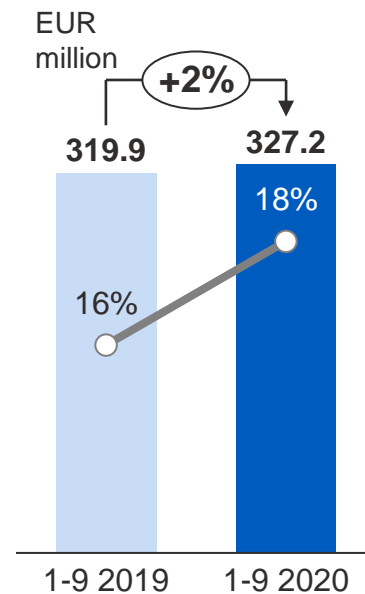
1-9 2020: Solid performance in a challenging environment

STRONG PROFITABILITY DESPITE LOWER SALES VOLUMES

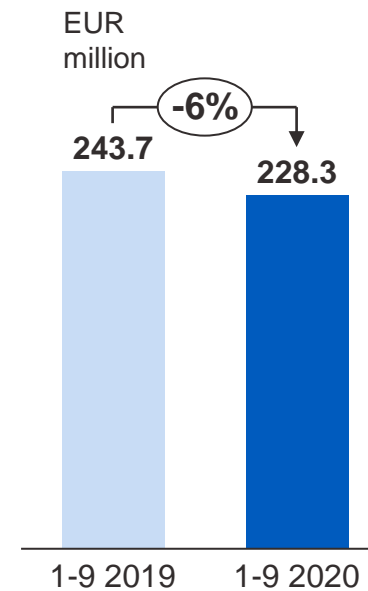
REVENUE



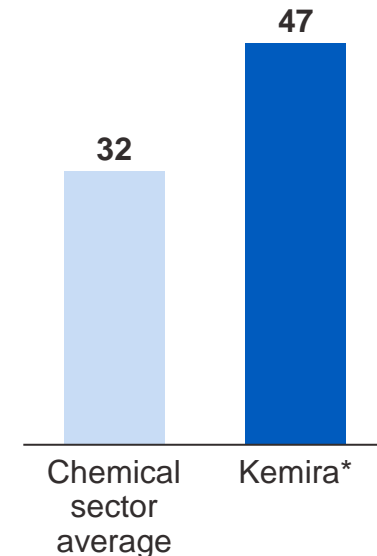
OPERATIVE EBITDA & MARGIN



CASH FLOW FROM OPERATING ACTIVITIES



NET PROMOTER SCORE



*Average NPS score in 2020, data in 2020 limited due to a 6-month break in interviews following COVID-19

We have a strong commitment to sustainability

FIVE THEMES AS SUSTAINABILITY FOCUS AREAS

SAFETY

Safe production and use of our products throughout their lifecycle, strong safety culture

PEOPLE

Strong company culture, diversity and commitment to people

WATER *We help ensure safe clean water for people and nature*

Solutions to provide safe clean water with water-related risks managed effectively

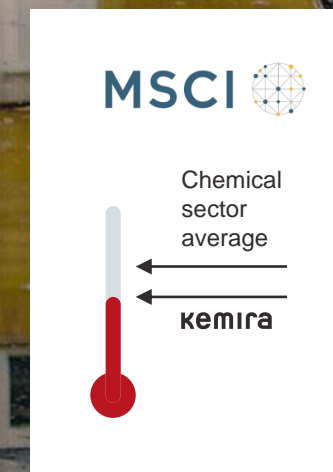
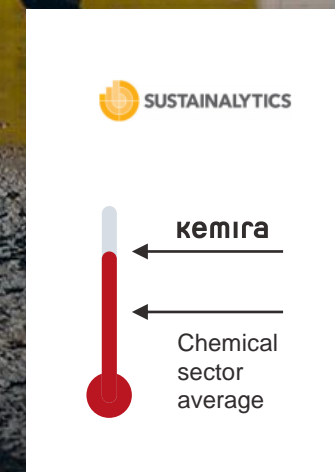
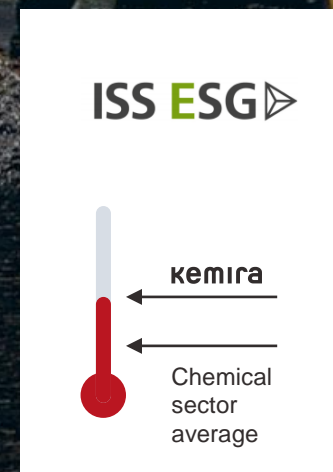
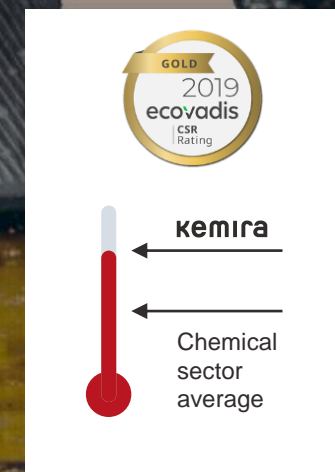
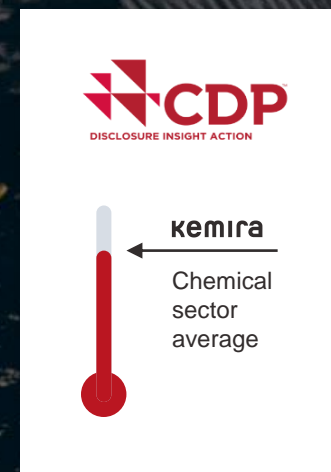
CIRCULARITY *We are making the circular bioeconomy a reality*

Improve customer resource efficiency; increase biobased and recycled raw material use

CLIMATE *Kemira will help build a carbon neutral society*

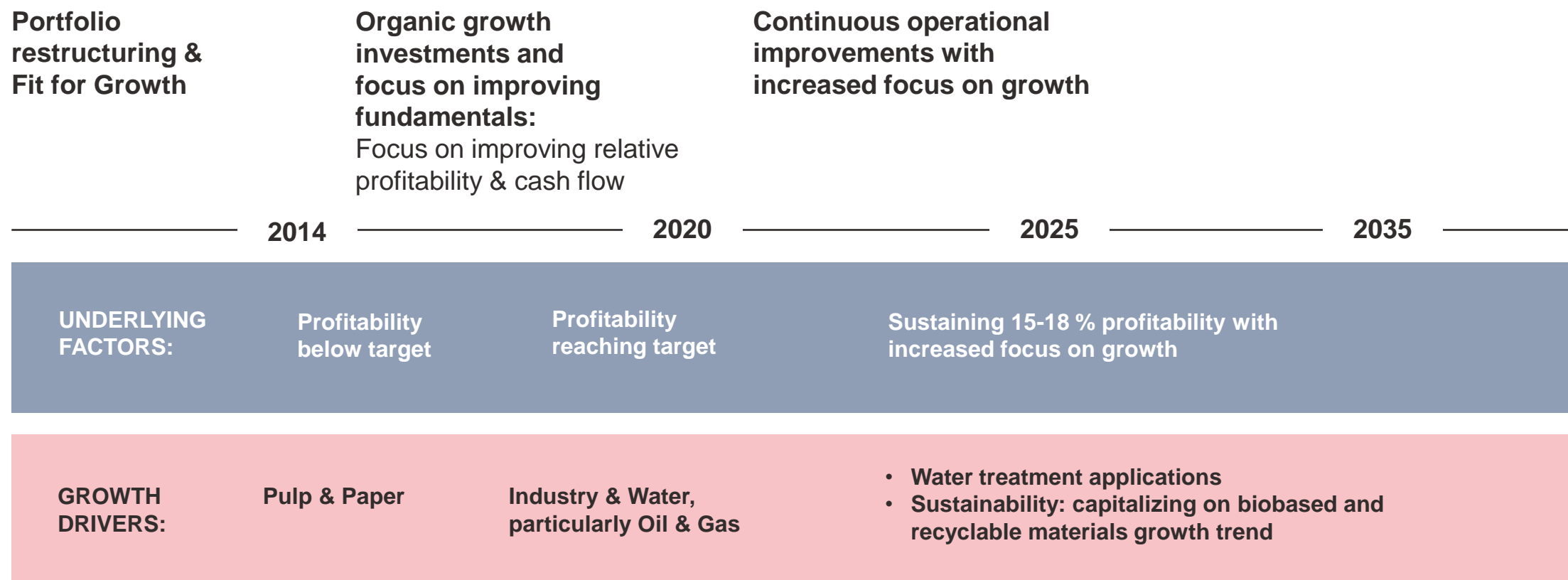
Ambition to be carbon neutral by 2045, and -30% CO₂ emissions by 2030 (Scope 1 and Scope 2 emissions)

) Includes people, operations (environment) and chemical safety



Looking to the future

After several years of focusing on improving the business fundamentals, we are now increasing focus on growth



Global megatrends largely favor Kemira – sustainability becoming a key driver for the long term

CHANGING DEMOGRAPHICS		GROWING ENVIRONMENTAL AWARENESS			
<div>↓</div> <p>Growing middle-class and urbanization</p> <p>Higher use of water and tissue</p>	<div>↓</div> <p>Changing lifestyles with growth in e-commerce</p> <p>Higher use of packaging and board</p>	<div>↓</div> <p>More efficient use of scarce natural resources</p> <p>Chemicals to support circular economy needs</p>	<div>↓</div> <p>Focus on biobased and recyclable materials for our customers</p> <p>Alternatives to fossil fuel based solutions</p>	<div>↓</div> <p>Tightening environmental regulation</p> <p>Increased need for water treatment</p>	<div>↓</div> <p>Climate change mitigation</p> <p>Increased need for water treatment</p>
					

**SUSTAINABILITY WILL BE
A KEY DRIVER FOR FUTURE GROWTH**

Customer behavior is changing with an increased focus on sustainability

Pulp & Paper

Customers desire for biodegradable and recyclable products - growing need for biobased chemicals

Customer product portfolio will evolve when going further into the bioeconomy – totally new uses for fiber

Industry & Water

Overall sustainability focus driven by consumers

Growing market for circular products with high share of recycled content

**TO SUPPORT OUR CUSTOMERS IN
THE SHIFT TOWARDS HIGHER SUSTAINABILITY,
WE WILL:**

Address growing recyclability and biodegradability demand for products

Gradually transform our product portfolio to more biobased

Reduce the use of fossil-fuel based carbon as raw material

**TO INCREASE THE SUSTAINABILITY
OF OUR OPERATIONS,
WE WILL:**

Increase the share of recycled material in our products

WE WANT TO ENSURE PROFITABLE GROWTH BY BECOMING THE LEADING PROVIDER OF SUSTAINABLE CHEMICAL SOLUTIONS FOR WATER-INTENSIVE INDUSTRIES

<p>CURRENT REVENUE</p> <p>~100 MEUR</p> <p>FROM BIOBASED PRODUCTS</p>	<p>TARGET REVENUE IN 2030</p> <p>>500 MEUR</p> <p>FROM BIOBASED PRODUCTS</p>
<p>CURRENT SHARE</p> <p>12%</p> <p>OF RENEWABLE CARBON OF ALL CARBON CONTAINING RAW MATERIALS</p>	<p>TARGET SHARE IN 2030</p> <p>40%</p> <p>OF RENEWABLE CARBON OF ALL CARBON CONTAINING RAW MATERIALS</p>

What will the sustainability focus mean for our businesses?



Pulp & Paper

- Increase focus on circularity as customers are demanding recyclability and biodegradability
- Focus investments in sustainable pulp, packaging and tissue applications. Limit investments in declining printing & writing applications.
- Explore new competencies, e.g. barrier solutions to capture market growth opportunities



Industry & Water

- Increase focus and investments on water treatment
- In Oil & Gas, direct focus to growing and less volatile CEOR and oil sands tailings businesses
- Explore new markets for water treatment, particularly in APAC
- Explore new competencies and product lines within water treatment

Maintaining a close eye on profitability, while investing in sustainable growth



PROFITABILITY

Continuous focus

- Disciplined price and cost management
- Capitalizing on completed investments in China, Netherlands and the U.S.
- Complexity reduction

Profitability improvement actions

- Further profitability improvement in Process and Functional chemicals
- Further improvement in profitability in Asia-Pacific: growth and new investments playing a key role
- Oil & Gas: organizational restructuring completed; organization ready for growth when demand picks up



GROWTH

On-going investments

- Polymers: Mobile, U.S.A, South Korea
- Coagulants: Goole, UK
- Bleaching: Uruguay

Future investments

- Continue to focus on top four product groups (bleaching, polymers, coagulants, sizing), particularly on water treatment side
- Selective acquisitions to enter new regions or to add new competencies
- Capital expenditure to be increasingly allocated towards biobased opportunities

We will focus on profitable growth driven by sustainability

1.

Look for above-the-market growth both organically and inorganically, particularly in water treatment.

2.

Aim to become the leading provider of sustainable chemical solutions for water-intensive industries.

3.

Financial target for operative EBITDA updated to 15-18%.

kemira 100 years of
chemistry