



kemira

100 years of
chemistry

FEBRUARY 11, 2021

Kemira Investor Presentation

Chemistry for a resource-efficient future

INVESTOR PRESENTATION

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2. Investment highlights
3. Kemira as a sustainable investment
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INVESTOR PRESENTATION

Kemira in brief



OUR PURPOSE

We enable our customers to improve their water, energy and raw material efficiency

GLOBAL TRENDS



CHANGING DEMOGRAPHICS

Higher use of water, energy, tissue & board



GROWING ENVIRONMENTAL AWARENESS

New materials to enable circular economy
Material and resource efficiency

OUR CUSTOMERS

Pulp & Paper
Water Treatment
Oil & Gas



OUR OFFERING

We provide expertise, application know-how and chemicals that improve our customers' product quality, process and resource efficiency.

OUR VISION

Our vision is to be the first choice in chemistry for water intensive industries

OUR STRATEGY

Kemira is a great product company with chemistry and selling of chemicals at the core of our business. We win with best suited products and tailored services that improve our customers product quality, process and resource efficiency.

Our target is to grow above-the-market with an operative EBITDA margin of 15-18%.

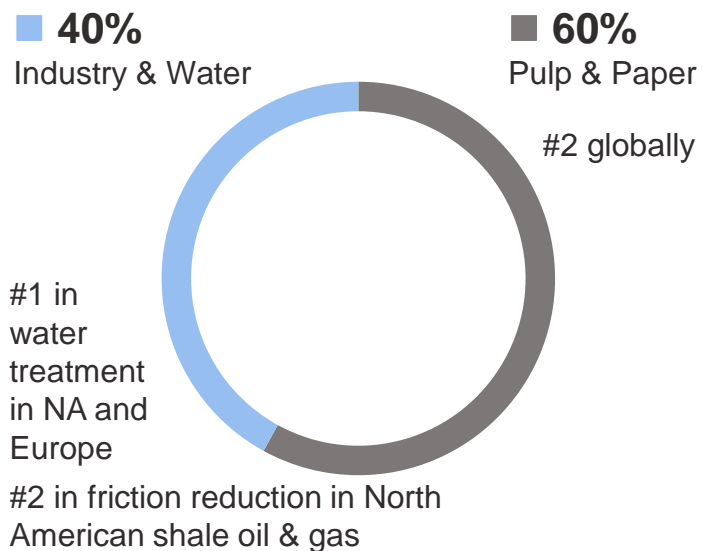
OUR VALUES

We drive performance and innovation. We are dedicated to customer success.
We care for people and the environment. We succeed together.

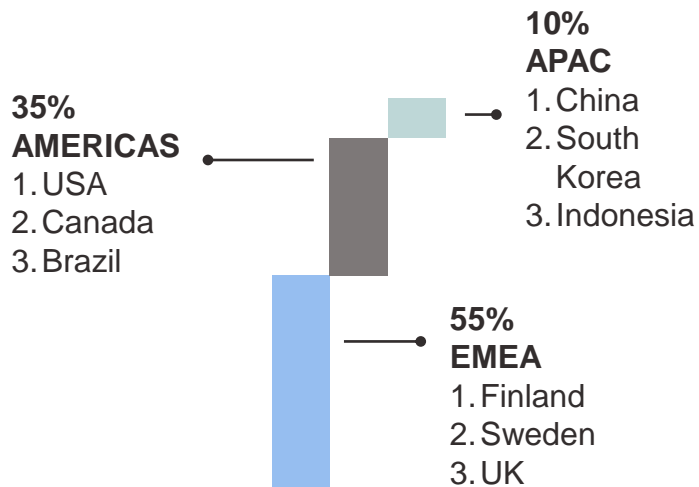
Kemira in brief

2020: REVENUE EUR 2,427 MILLION, OPERATIVE EBITDA EUR 435 MILLION,
OPERATIVE EBITDA MARGIN 17.9%, OPERATIVE ROCE 12.1%

SEGMENT SPLIT

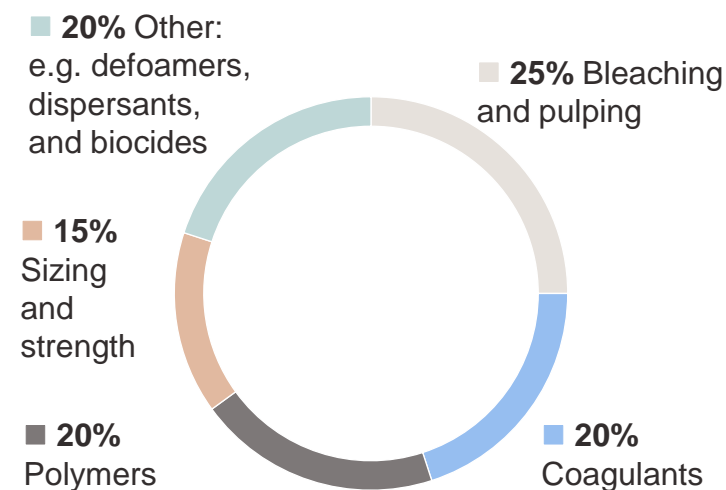


GEOGRAPHIES



Revenue by geographies and product category represent FY 2020.

PRODUCTS



CUSTOMERS

Several thousand customers

TOP 10 customers are ~**25%** of revenue

TOP 50 customers are ~**50%** of revenue

EXAMPLES OF LARGEST CUSTOMERS

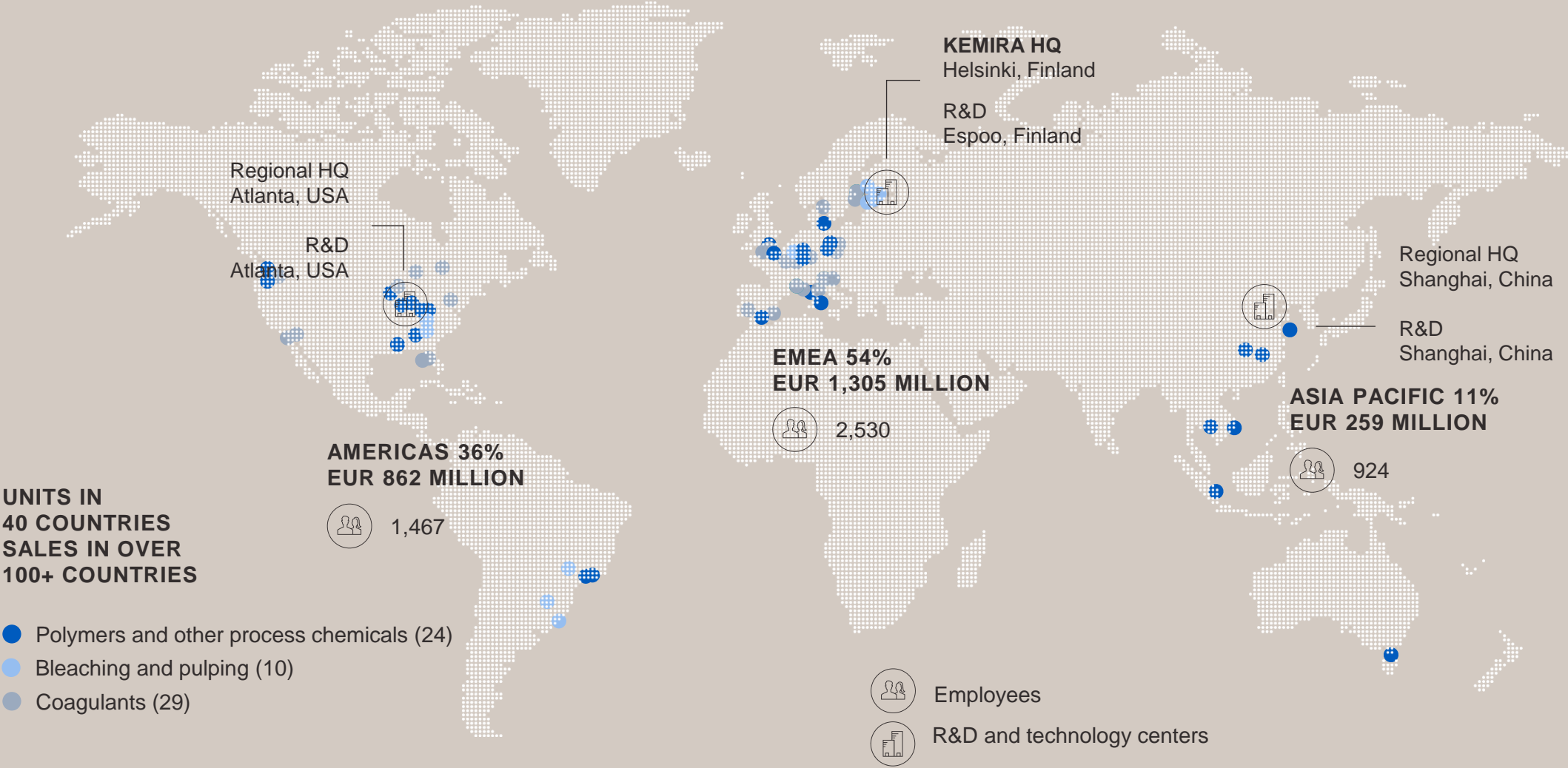
Municipalities, e.g.
Frankfurt, Berlin, New York, Paris, Shanghai, Singapore



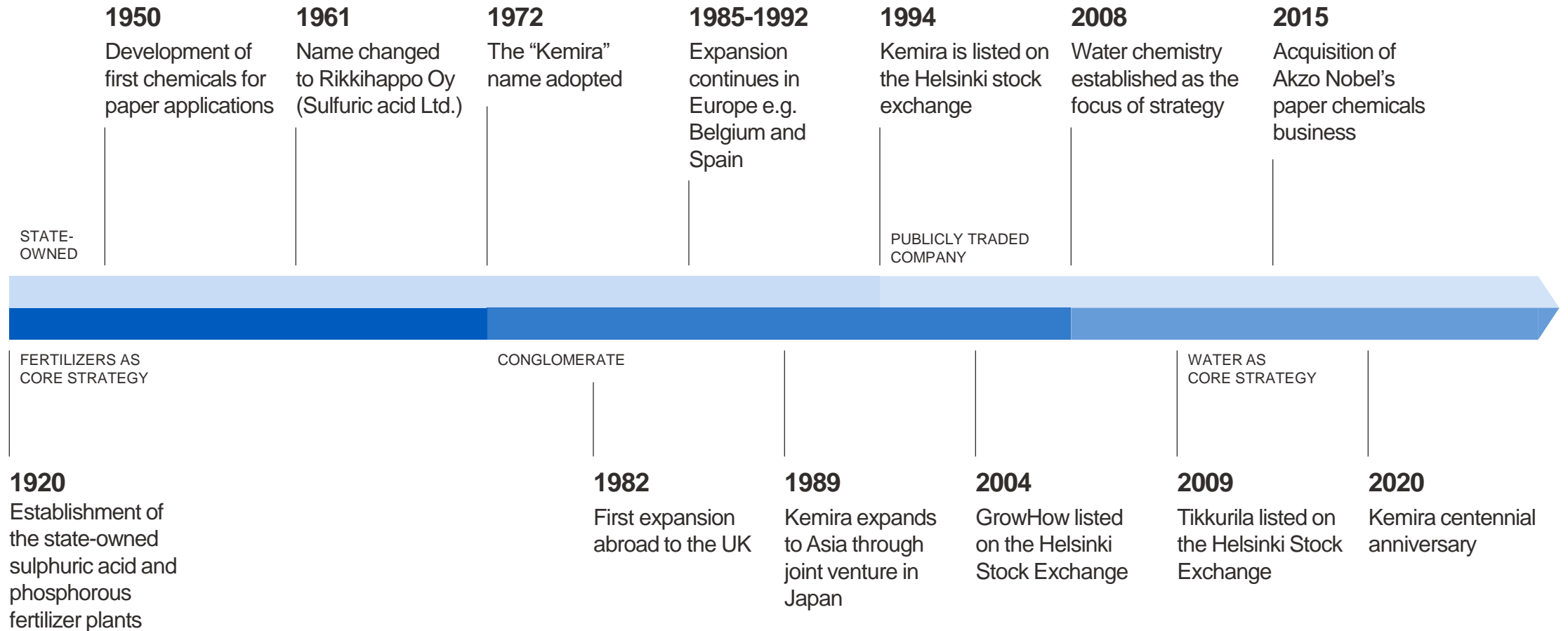
Note: Revenue by industry, product and geography rounded to the nearest 5%

Global reach – local excellence

63 MANUFACTURING SITES

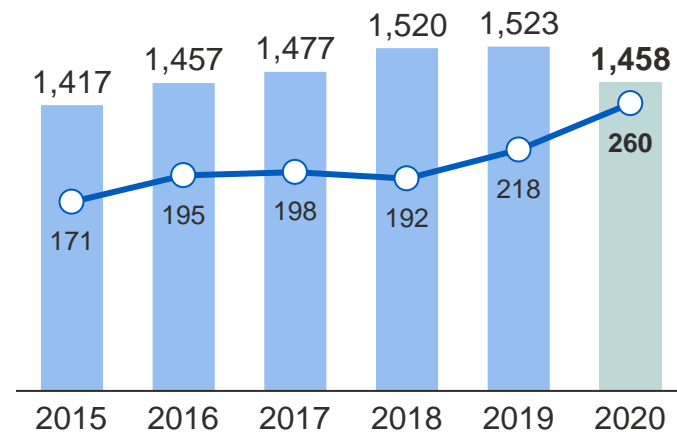


We have transformed the company several times over the past 100 years



Pulp & Paper – strong business with solid track record

REVENUE AND OPERATIVE EBITDA EUR million

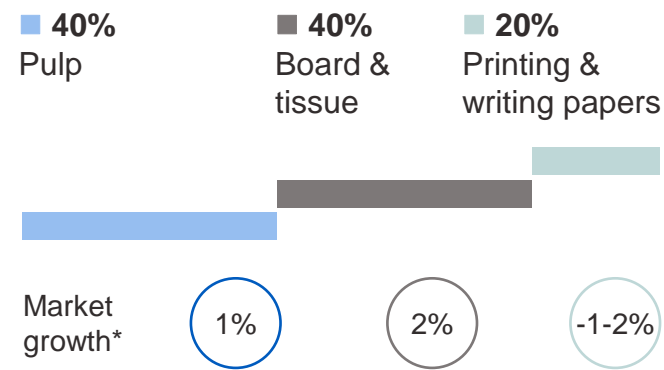


MARKET ENVIRONMENT

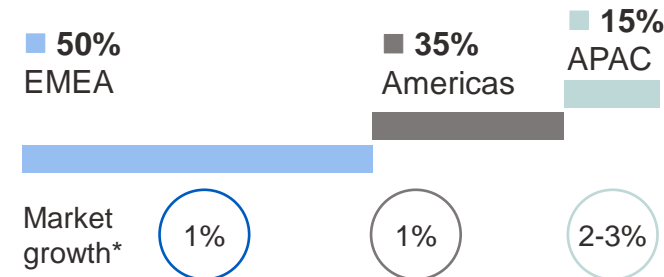
- | | |
|-----------------------------------|----|
| Solenis (paper)* | #1 |
| Kemira (pulp and paper) m.s. ~16% | #2 |
| Nouryon (pulp) | #3 |
| Ecolab (paper) | #4 |
| Kurita (paper) | #5 |

* Solenis-BASF combined entity

REVENUE BY CUSTOMER TYPE AND MARKET GROWTH

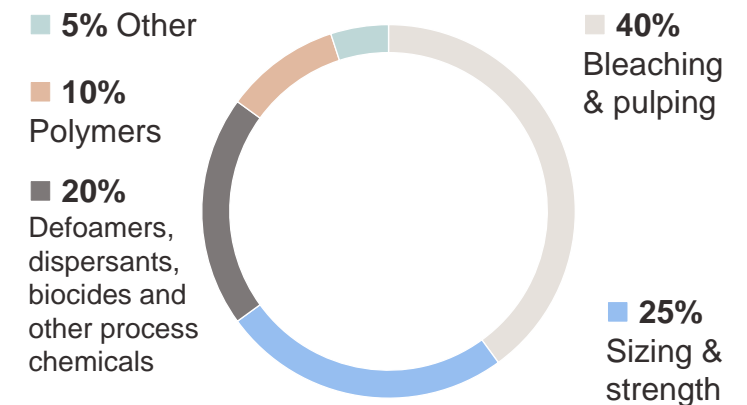


REVENUE BY GEOGRAPHIES AND MARKET GROWTH BY REGION



*chemical market growth in 2021-2026

REVENUE BY PRODUCT CATEGORY

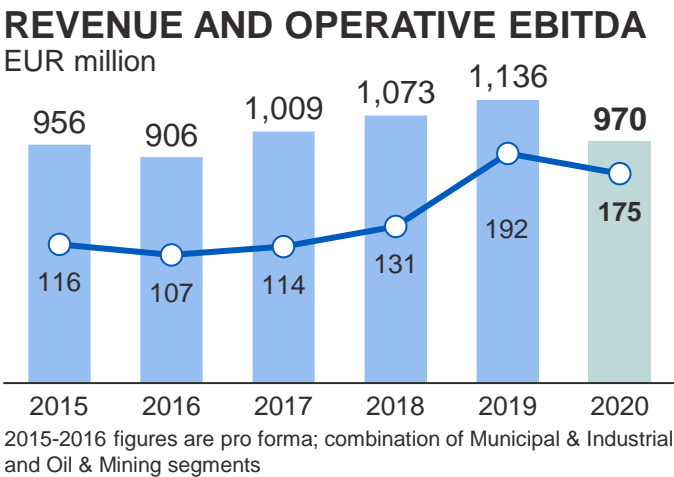


CUSTOMER EXAMPLES



Note: Revenue by industry, product and geography rounded to the nearest 5%

Industry & Water – strong positions in chosen categories



MARKET ENVIRONMENT

WATER TREATMENT

Market share
~30% in coagulants and
~20% in polymers

Main competitors in coagulants:

- Feralco (Europe)
- Kronos (Europe)
- Chemtrade (NA)
- USAlco (NA)

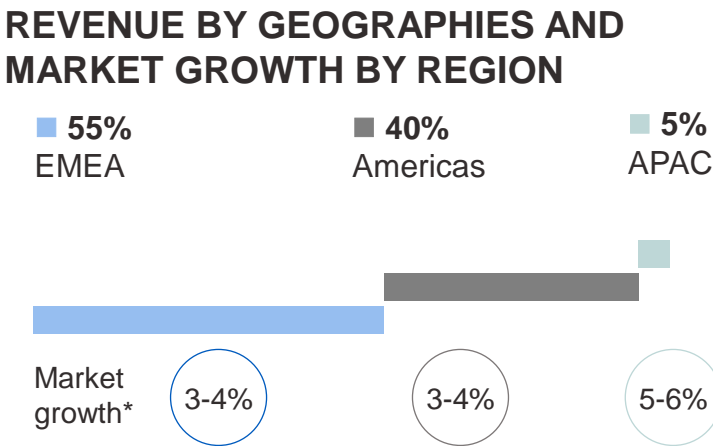
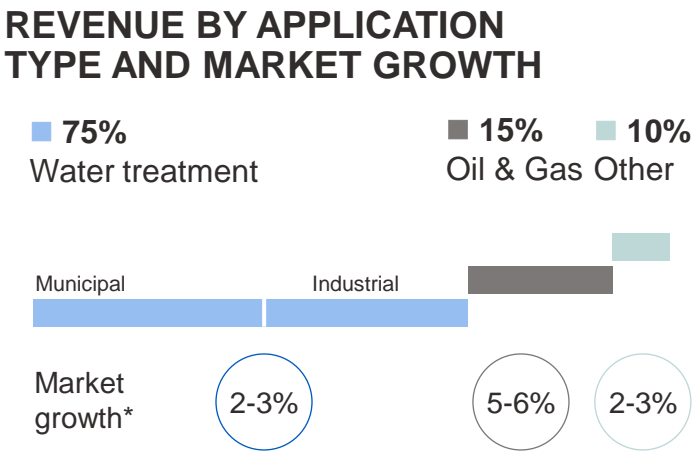
OIL & GAS

Market share ~25% in polymers used in shale oil & gas

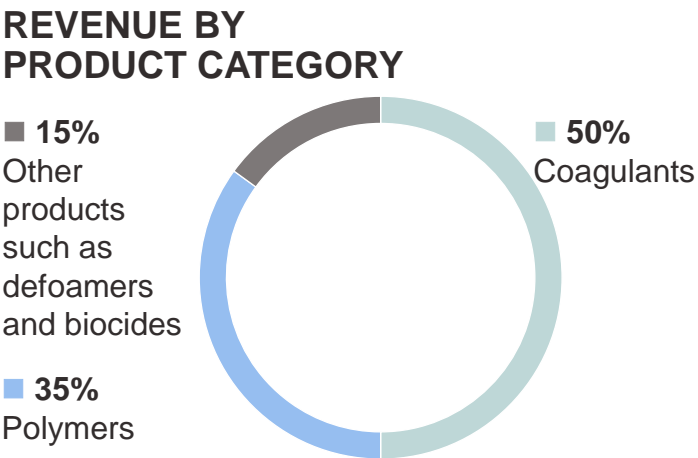
Main peers in polymers (also in water treatment):

- SNF
- Solenis*
- Solvay (only O&G)

* Solenis-BASF combined entity



*chemical market growth in 2021-2026



CUSTOMER EXAMPLES

MUNICIPAL
customer examples

Amsterdam	Los Angeles
Barcelona	Montreal
Frankfurt	New York City
Berlin	Toronto
Oslo	Melbourne
Paris	Shanghai
Stockholm	Singapore

INDUSTRIAL
customer examples

Carlsberg	Orkla
Chevron	BAKER HUGHES a GE company
BRENTAG	UNIVAR
HALLIBURTON	FRAC-CHEM

Note: Revenue by industry, product and geography rounded to the nearest 5%

Kemira's financial targets

FINANCIAL TARGETS AND HISTORICAL FIGURES

Targets	2018	2019	IFRS 16 impact in 2019	2020	Financial target
Revenue	MEUR 2,593 Change +4%	MEUR 2,659 Change +3%	-	MEUR 2,427 Change -9%	Above-market growth
Operative EBITDA*	12.5%	15.4%	Around +1.3 %-point	17.9%	15-18%
Gearing*	62%	66%	Around +11 %-points	63%	Below 75%

* Targets updated in February 2019 due to IFRS 16 accounting change. 2018 figures are PRE IFRS 16.

KEY FACTORS TO WATCH FOR

Factors	2020 comments
Sales price vs raw material price development	Good management of fixed and variable costs, including lower raw materials and electricity costs.
Organic growth through volume and sales price increases	Group's organic growth -4%, excl. Currencies and Oil & Gas -2%.
Growth investments – Polymer capacity expansion in Netherlands (2019-2020), AKD sizing Joint Venture in China (2019-2020), Polymer capacity expansion in the US (2021), bleaching expansion in Uruguay (2022-2023)	Investments in China and the Netherlands contributed positively to EBITDA in 2020 (impact double-digit millions).

INVESTOR PRESENTATION

Investment highlights



Why invest in Kemira



1

Strong profitability improvement track record

Focus on profitable sustainable growth
Operative EBITDA margin improved to 17.9% and
Operative EBIT to 9.8% in 2020

2

Attractive dividend

Updated dividend policy: competitive and over-time increasing dividend
Dividend proposed to be increased to EUR 0.58 (0.56)

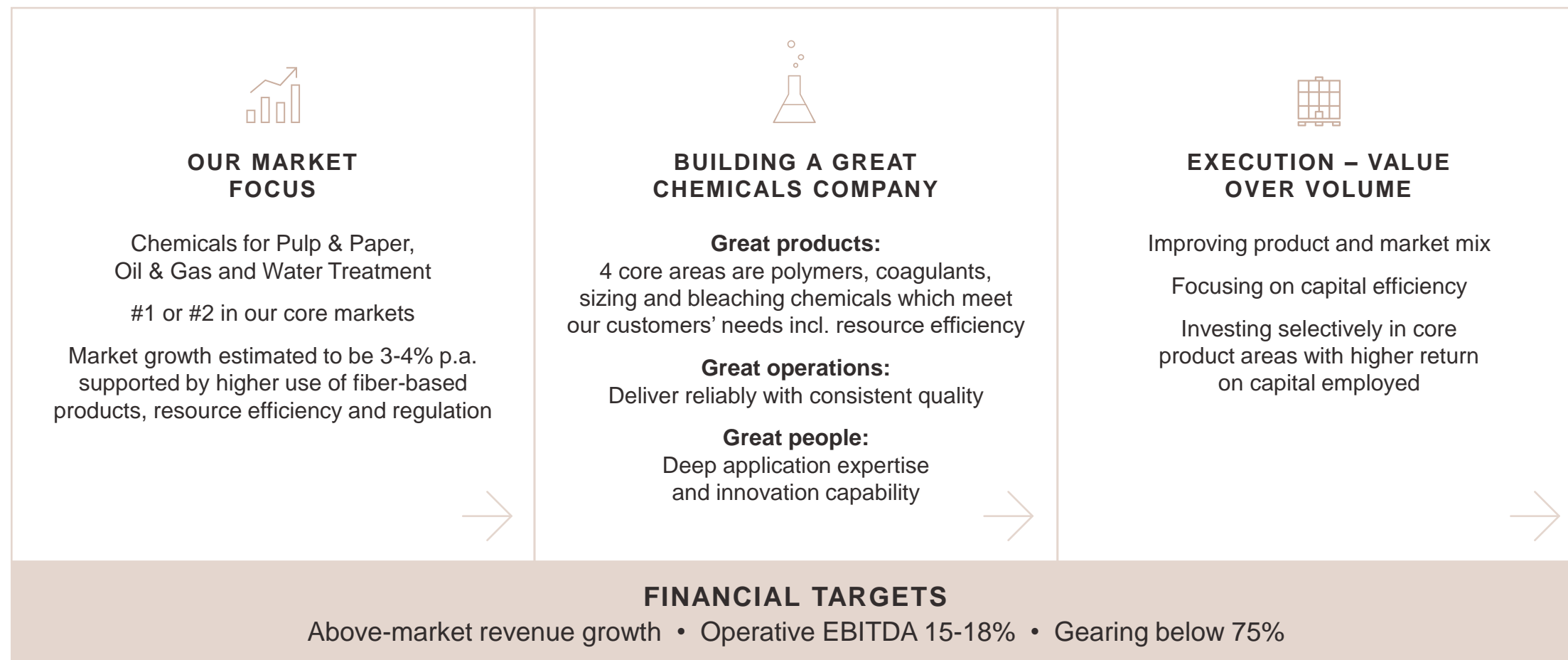
3

Sustainability at the core of strategy

Kemira will become the leading provider of sustainable chemical
solutions for water-intensive industries

Strategy and Equity Story in summary

HOW KEMIRA CREATES VALUE

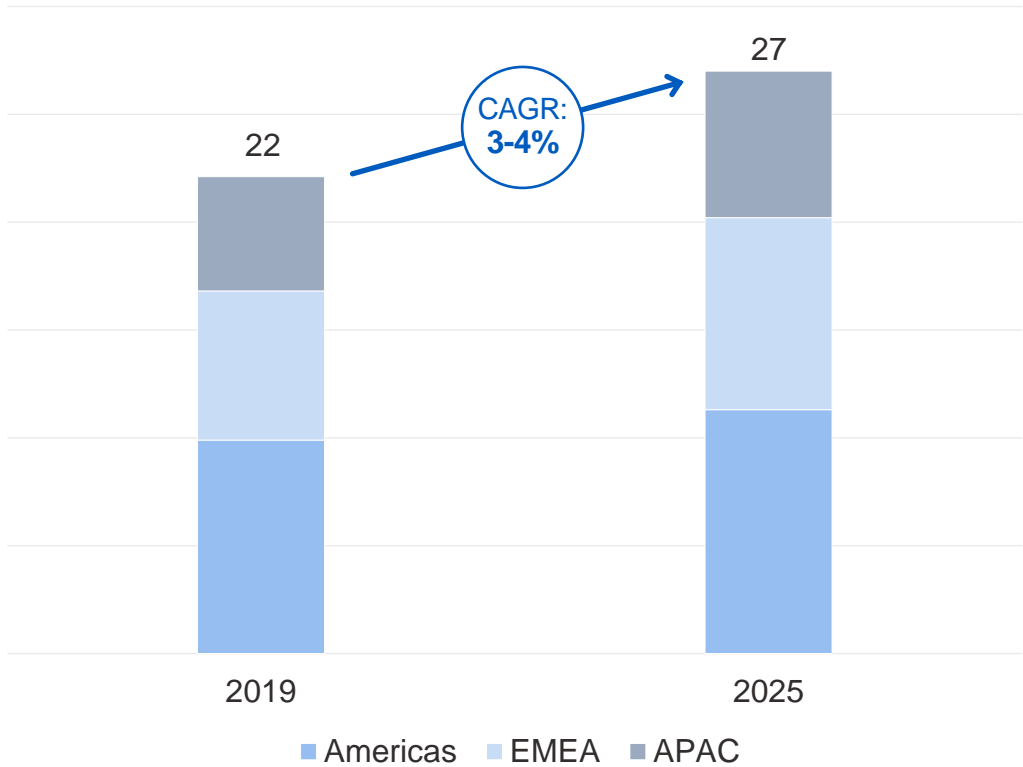


Global megatrends largely favor Kemira – sustainability becoming a key driver for the long term

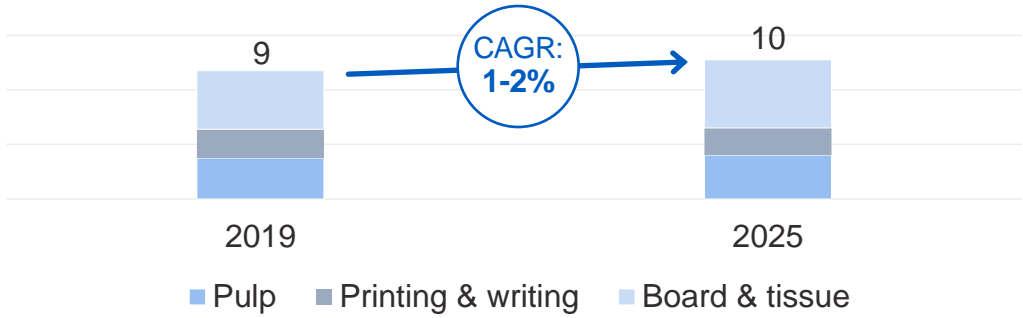
CHANGING DEMOGRAPHICS		GROWING ENVIRONMENTAL AWARENESS			
<div>↓</div> <p>Growing middle-class and urbanization</p> <p>Higher use of water and tissue</p>	<div>↓</div> <p>Changing lifestyles with growth in e-commerce</p> <p>Higher use of packaging and board</p>	<div>↓</div> <p>More efficient use of scarce 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>
					

Healthy market growth for Kemira's relevant markets

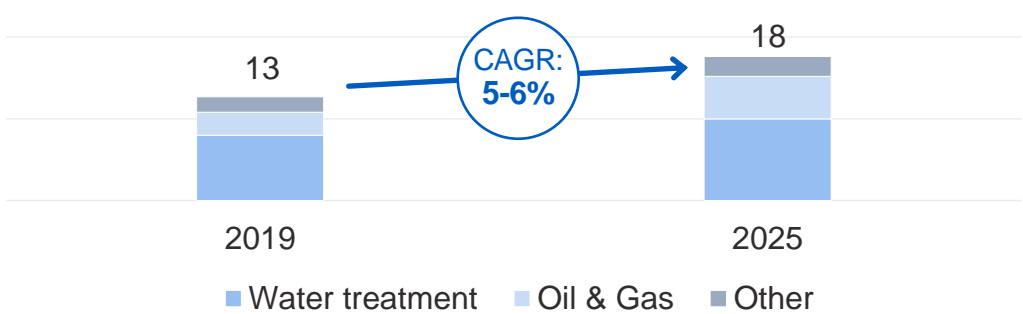
KEMIRA RELEVANT MARKET
EUR billion



PULP & PAPER RELEVANT MARKET
EUR billion



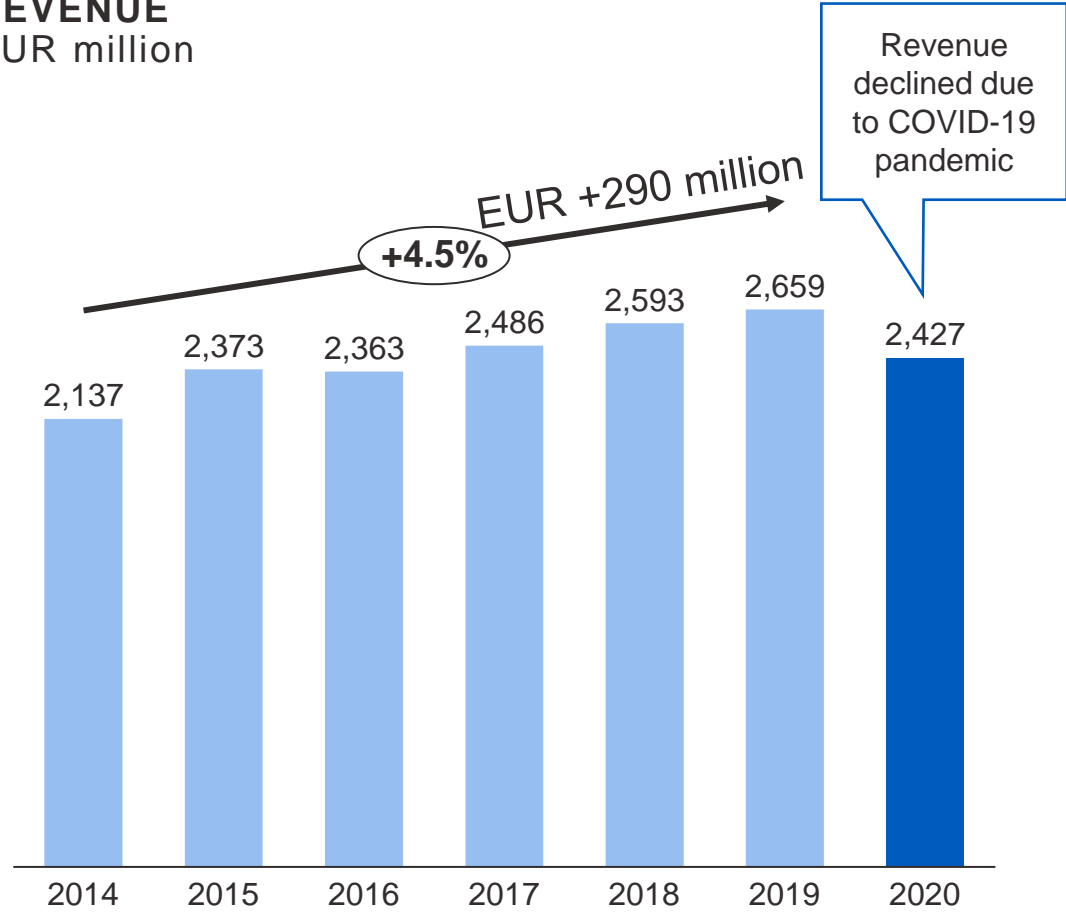
INDUSTRY & WATER RELEVANT MARKET
EUR billion



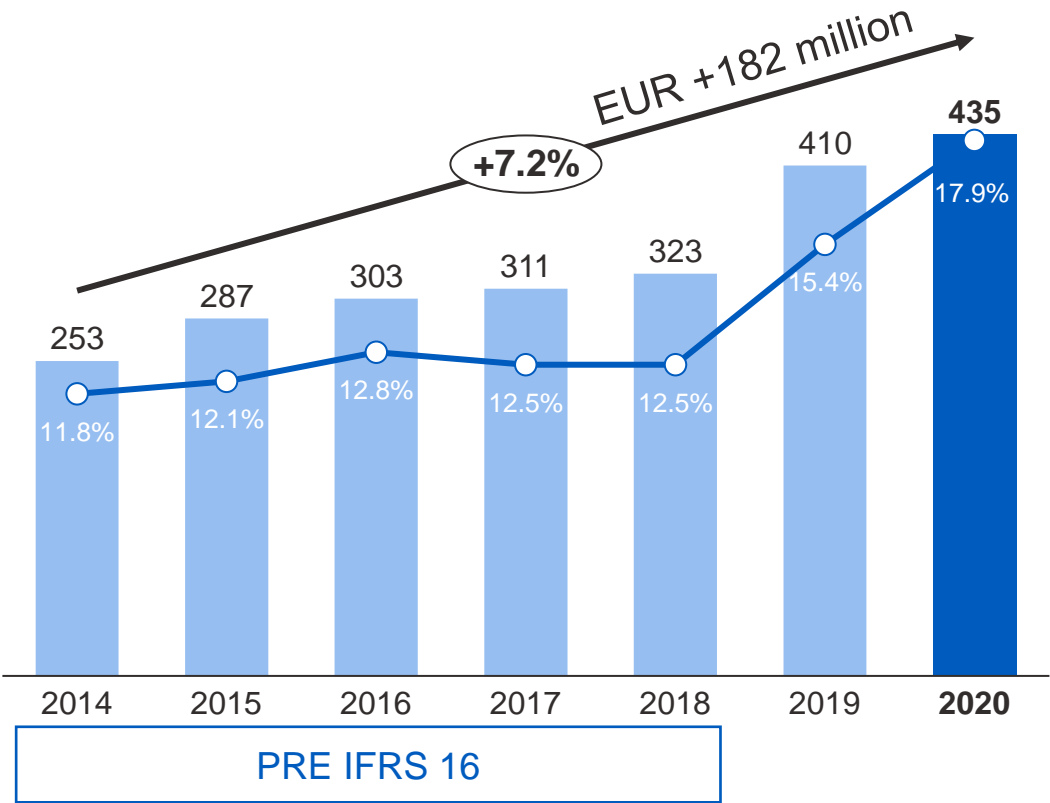
Source: Management estimation based on various sources

Good profitability improvement track record

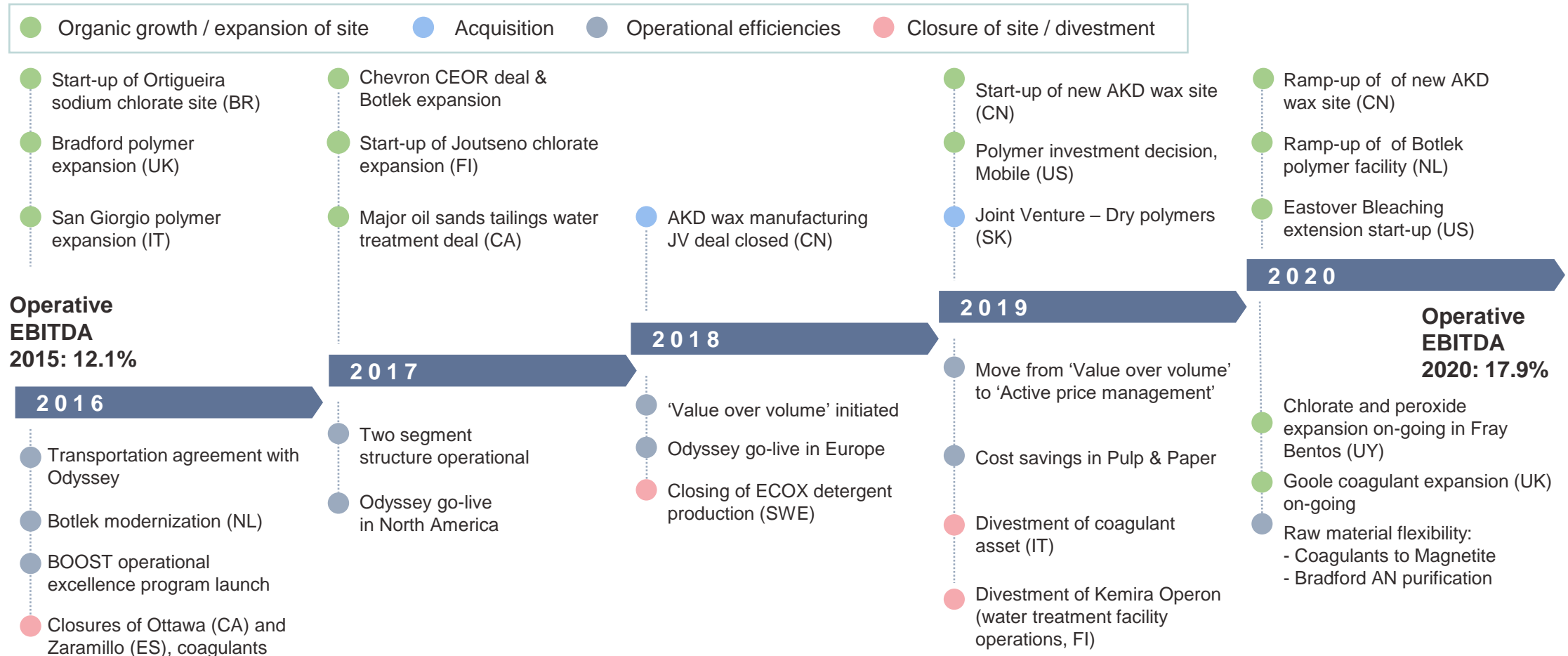
REVENUE
EUR million



OPERATIVE EBITDA
OPERATIVE EBITDA MARGIN
EUR million



Strengthening the foundation and improving profitability



The dividend policy has been updated

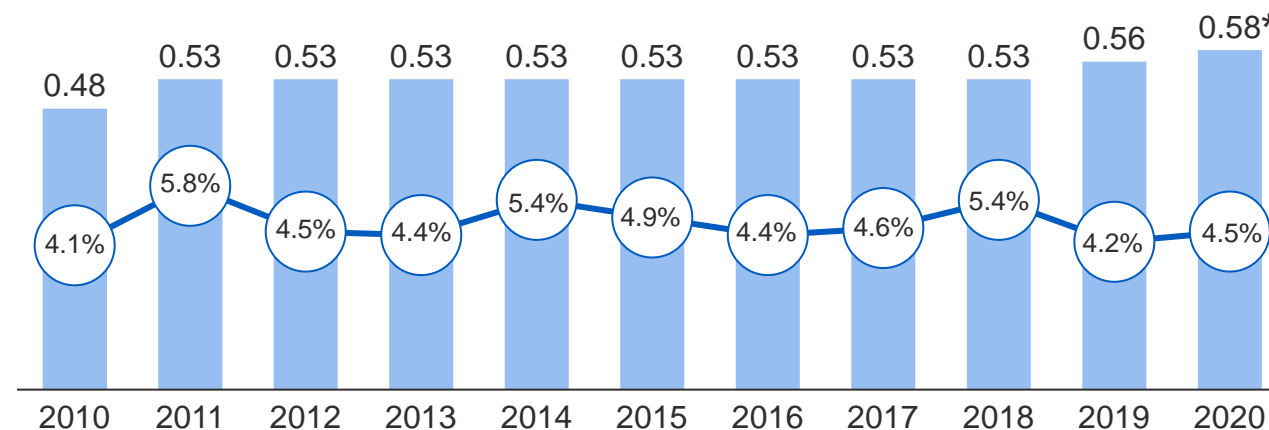


KEMIRA'S NEW DIVIDEND POLICY

Competitive and over-time increasing dividend
No fixed payout ratio

We have a solid dividend track record

■ Dividend per share ○ Dividend yield



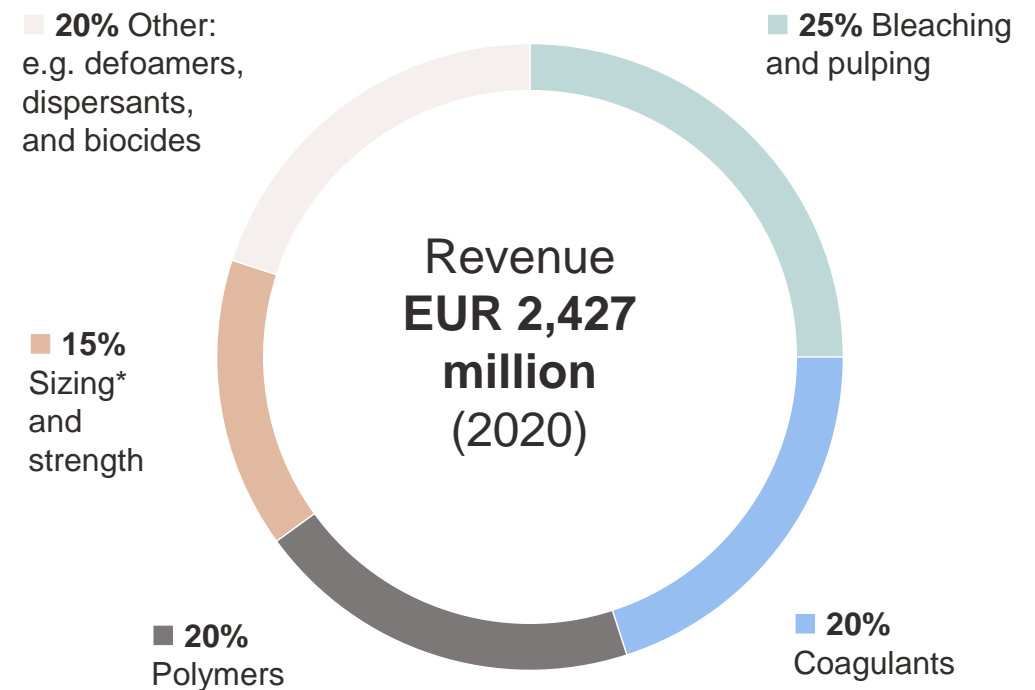
*BoD proposal to the AGM 2021 to be paid in two installments in May and November.

We invest in core products globally

KEY INVESTMENT FOCUS ON CORE PRODUCT GROUPS SINCE 2016

- Bleaching chemicals
 - New chlorate plant in Brazil
 - New chlorate line in the U.S.
 - New chlorate line and peroxide capacity in Finland
 - Freed peroxide capacity from ECOX closure in Sweden
 - Chlorate and peroxide expansion in Uruguay (2022-2023)
- Polymer capacity additions
 - Italy
 - UK
 - Aberdeen, USA
 - Netherlands
 - South Korea (start 2021)
 - Mobile, USA (start 2021)
- Sizing chemicals – capacity additions due to integration of acquisitions (Akzo Nobel and China AKD wax)
- Coagulants
 - Goole, UK (start 2022)

PRODUCTS



*Sizing = Resistance against water absorption

Note: Revenue by product rounded to the nearest 5%.

We continued to invest in product development in 2020

Innovation

We innovate together with our customers to improve water, energy and raw material efficiency. Research and development expenses totaled EUR 29 million euros in 2020, representing around 1.2% of the revenue.

Achievements in 2020

- New product launches: 7
- New patent filings: 37
- Patent families: 367
- Patents: 1,726



Kemira as a sustainable investment



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

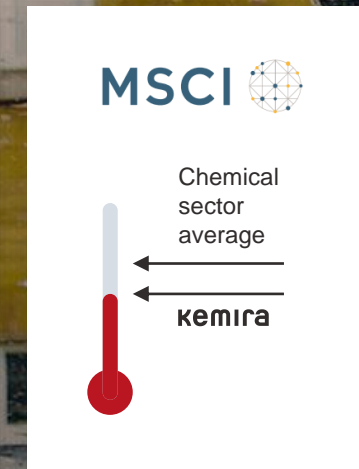
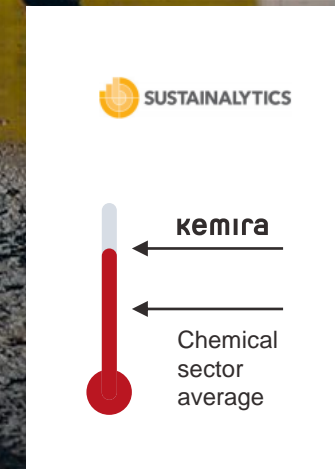
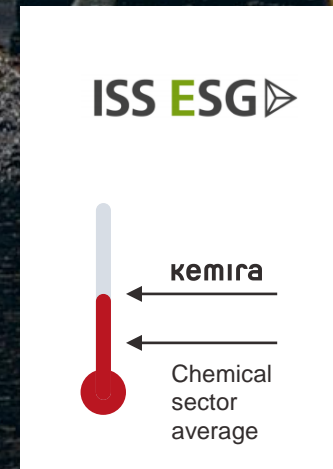
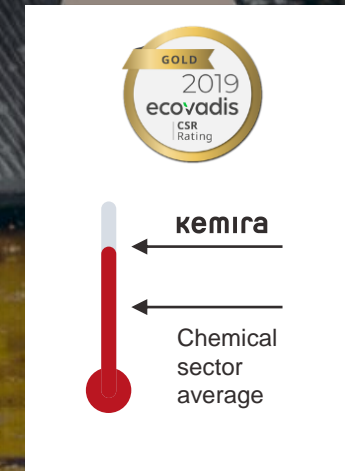
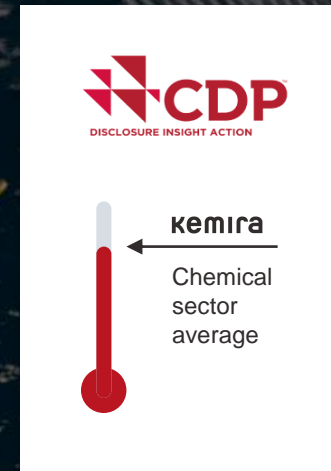
CIRCULARITY *We are making the circular bioeconomy a reality*

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



Sustainability targets renewed in February 2021

SAFETY

High safety performance fundamental to business

NEW KPIS

TRIF 1.5 by 2025 and 1.1 by 2030

PEOPLE

Foster strong company culture and commitment to people

Reach top 10% cross industry norm for Diversity & Inclusion by 2025

WATER

Ensure water-related risks are managed effectively

Continuously improve freshwater use intensity

CIRCULARITY

Improve customer resource efficiency
Increase biobased and recycled raw material use

Reduce waste intensity by 15% by 2030

Biobased products >500 million EUR revenue by 2030

CLIMATE

Reduce costs with renewables and energy efficiency
Low carbon product offering

Scope 1&2 emissions -30% by 2030

52% of revenue generated from products that improve customer resource-efficiency

PULP & PAPER

Kemira's chemicals improve the manufacturing process and enable better resource-efficiency.

For example

Our chemistry is helping to improve recycled fiber quality and content, energy and water efficiency in paper mills

Case:

Lightweight packaging: with our strength chemicals, our customers can make their packaging lighter yet stronger. Lighter weight results in lower logistics cost and thus environmental footprint.

INDUSTRY & WATER

WATER TREATMENT

Municipal and industrial water treatment:

chemical water treatment provides the most compact plant and smallest possible environmental footprint

Case:

Sludge de-watering: with our chemicals, our customers are able to reduce the water content in sludge. As a result, demand for logistics is lower resulting in better environmental footprint

OIL & GAS

Shale:

Our chemicals reduce friction and improve energy efficiency of shale producers

Oil sands tailings:

Wastewater treatment of oil sands tailings ponds

CEOR:

Our chemicals reduce friction and enable a better yield from existing wells

**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

We will increase focus on water treatment to further improve sustainability of I&W portfolio

24%

of current raw materials
from recycled sources

Already

up to 80%

of raw materials from
recycled sources in
coagulants

WE WILL CREATE AN ACTION PLAN TO FURTHER IMPROVE THE SUSTAINABILITY PROFILE OF THE I&W PORTFOLIO

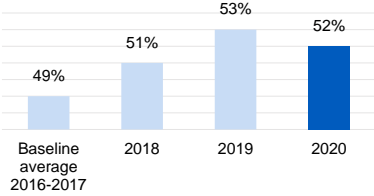

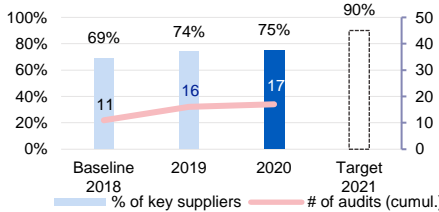
Further improve the circularity of our business
by increasing share of recycled materials

Start building a biobased polymer portfolio


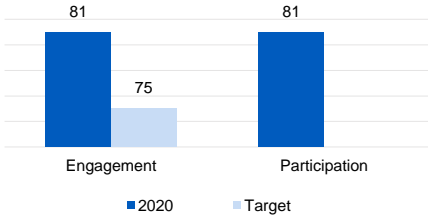
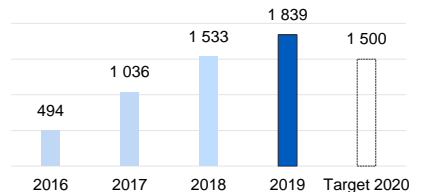
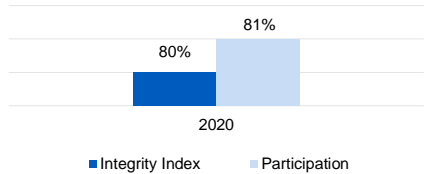
Increase segment focus on water treatment
applications and capabilities

Increase Oil & Gas focus on growing and
less volatile businesses, i.e. CEOR and
Oil Sands tailings. Expected recovery in shale
provides near-term growth opportunities.

Corporate sustainability performance Q4 2020 1/2

Priority	KPI+Target	Performance	Comments	Progress
 Sustainable products and solutions	Product sustainability At least 50% of Kemira's revenue generated through products improving customers' resource efficiency.		Three new R&D projects were started in Q4 2020 and all of them are planned to improve customer phase resource efficiency. During year 2020 we started totally 12 new R&D projects out of which 10 are planned to improve resource efficiency. At the same time we have commercialized 7 R&D projects and all of them are improving resource efficiency at customer phase.	
 Responsible operations and supply chain	Workplace safety Achieve zero injuries on long term; TRIF* 1.9 by end of 2021.		After good safety performance in H1 2020, the second half was not satisfactory and we totalled one incident more than in 2019. As a result, we were not on target for our YTD safety goal (TRIF 2.2 vs. 2.0). We continue to work with behavioral safety to continuously improve our safety performance.	
	Climate change Reduce combined Scope 1 and Scope 2 greenhouse gas emissions by 30% by 2030, compared to the 2018 baseline (0.93m t CO2eq). Ambition to be carbon neutral by 2045		2020 shows a 4.8% reduction in actual annualized emissions compared to our baseline of 2018. This is a significant improvement, as the modelling when setting Kemira's 2030 target expected a 4% increase for 2020, before declining.	
	Supplier Management Share of direct key suppliers screened through sustainability assessments and audits (cumulative %). The target includes five sustainability audits for the highest-risk** suppliers every year, and cumulatively 25 audits by 2020.		Supplier sustainability assessments continued as planned. During 2020 we completed 60 new supplier assessments with an average score of 52/100. An additional 10 suppliers have been invited to take an assessment. Supplier assessments and audits are part of sourcing processes and Sourcing function target setting and are monitored on monthly basis. In 2020, supplier assessment target was met but we were not able to conduct targeted number of audits mainly due to covid-19 and related restrictions.	

Corporate sustainability performance Q4 2020 2/2

Priority	KPI+target	Performance	Comments	Progress											
 People and integrity	Employee engagement index based on bi-annual MyVoice survey Keep the index at or above the external industry norm.	 <table><tr><th>Metric</th><th>2020</th><th>Target</th></tr><tr><td>Engagement</td><td>81</td><td>75</td></tr><tr><td>Participation</td><td>81</td><td>81</td></tr></table>	Metric	2020	Target	Engagement	81	75	Participation	81	81	In Q4, we completed the MyVoice 2020. Based on the MyVoice our employee engagement score had increased to 81, which is six above the external manufacturing benchmark of 75. The participation rate was 81%, increasing by 14% points since 2019. During 2020, we continued our continuous feedback and listening model for prioritized areas with our new, agile methods of engagement measurement, benchmarking and taking action.	<div>ON TARGET</div>		
	Metric	2020	Target												
	Engagement	81	75												
Participation	81	81													
Leadership development activities provided, average Two leadership development activities per people manager position during 2016–2020. The cumulative target is 1,500 by 2020.	 <table><tr><th>Year</th><th>Activities</th></tr><tr><td>2016</td><td>494</td></tr><tr><td>2017</td><td>1 036</td></tr><tr><td>2018</td><td>1 533</td></tr><tr><td>2019</td><td>1 839</td></tr><tr><td>Target 2020</td><td>1 500</td></tr></table>	Year	Activities	2016	494	2017	1 036	2018	1 533	2019	1 839	Target 2020	1 500	During 2020, we experimented with more digital learning and this continued in Q4. Examples includes development for leaders in manufacturing, commercial and functions. We also ran two Talent Journey programs virtually for our nominated Talents.	<div>AHEAD OF TARGET</div>
Year	Activities														
2016	494														
2017	1 036														
2018	1 533														
2019	1 839														
Target 2020	1 500														
Integrity index KPI to measure compliance with the Kemira Code of Conduct. The target is to maintain the Integrity Index level above industry benchmark of 77%.	 <table><tr><th>Metric</th><th>2020</th></tr><tr><td>Integrity Index</td><td>80%</td></tr><tr><td>Participation</td><td>81%</td></tr></table>	Metric	2020	Integrity Index	80%	Participation	81%	Integrity has been measured in the MyVoice Pulse survey 2020 using a new method (it is called 'Speak My Mind', which is one single item Index). Therefore, it is not directly comparable to the previous 2018 results. In 2020 the Integrity Index score is 80 points, 10 points above manufacturing benchmark	<div>ON TARGET</div>						
Metric	2020														
Integrity Index	80%														
Participation	81%														

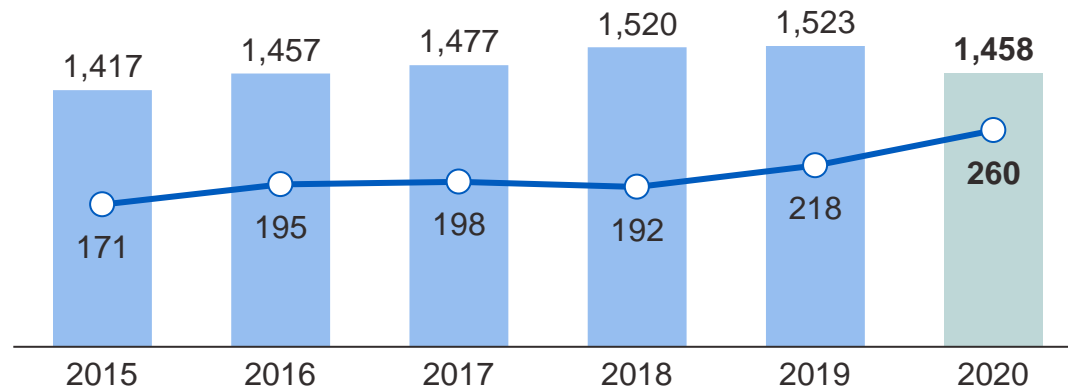
Pulp & Paper

Driving growth as market leader

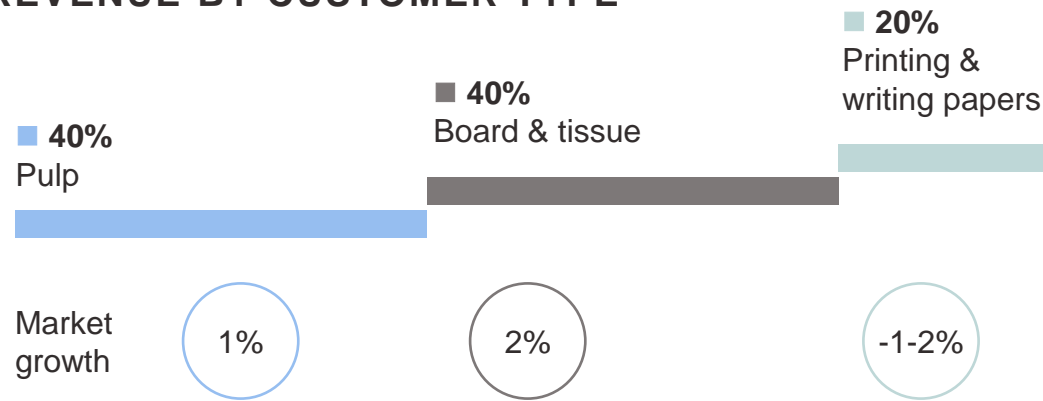


Pulp & Paper chemicals market estimated to grow 1-2%

REVENUE AND OPERATIVE EBITDA
EUR million



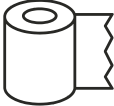







REVENUE BY CUSTOMER TYPE



- Pulp & Paper chemicals market drivers
 - Hardwood and softwood pulp demand increasing driven by growth of packaging needs (e-commerce, non-plastic solutions), growing tissue demand and lack of recycled fiber
 - Demand increase continues for packaging, driven by online shopping, last-mile delivery, product safety and non-plastic solutions
 - Growth in tissue demand driven by increasing wealth in emerging countries
 - Ongoing digitalization of media drives decline of graphic paper demand
- Growth areas, pulp and board & tissue, represent over 80% of our Pulp & Paper revenue
 - Ongoing capacity additions suit well for the need of growing demand

Markets impacted by COVID-19 in the short term, long-term drivers remain solid

	SHORT TERM IMPACT OF COVID-19	LONG TERM IMPACT OF COVID-19	EXPECTED CAGR 2020-2026*
Graphic Paper 	<p>Demand declined, particularly advertising-driven paper consumption and office paper demand</p> <p>Printing & Writing demand expected to decline by up to 20% in 2020</p>	<p>Structural decline and digitalization likely to accelerate</p> <p>Some recovery on print advertisement and office paper possible after situation normalizes</p>	
Tissue 	<p>High demand in H1/2020</p> <p>Increased demand for more high-quality virgin fiber based (at-home) tissue and hygiene products</p>	<p>Resilient demand</p> <p>Megatrends (growing middle-class, growing GDP of emerging countries) remain intact</p>	
Packaging 	<p>Strong demand for online and packaged daily consumer goods.</p> <p>Higher consumer demand will only partly offset the falling demand for industrial and B2B-transport packaging</p>	<p>E-commerce growth to accelerate</p> <p>Other megatrends (plastics replacement, growing urban middle class) remain unchanged</p>	
Pulp 	<p>Pulp demand solid</p> <p>Wastepaper collection and sorting interrupted</p>	<p>Demand supported by packaging and tissue demand</p> <p>Efficient pulp mills coming online forcing high cost and old pulp mills out of market</p>	

Sources: RISI, Hawkins Wright, Pöyry, management estimation
*End market

From our existing markets, we see growth opportunities in Asia-Pacific and in Pulp

<p>ASIA-PACIFIC</p> <ul style="list-style-type: none">• Customer demand to shift increasingly to Asia-Pacific with most of new board and paper production capacity expected in the region• Big customers expected to capture larger share of the region's market; emerging sustainability focus of consumers to benefit larger suppliers• Fragmented chemical market with many small and local producers provides opportunities for further consolidation	<p>PULP</p> <ul style="list-style-type: none">• Growth in pulp expected to be driven by increasing need for packaging and tissue• Demand to shift more towards market pulp and recycled pulp• New investments expected to concentrate in Northern Europe and South America
<p>KEMIRA POSITION</p> <p>Focused on larger and financially healthy producers Customer market consolidation could create opportunities for Kemira to differentiate with full product portfolio offering</p>	<p>KEMIRA POSITION</p> <p>Well-positioned to capture selected growth opportunities in Northern Europe and South America through existing strong customer relationships</p>

New AKD wax investment in China fully operational

- Construction started in 2017, manufacturing facility fully operational with positive EBITDA contribution in 2020
- Produces mainly AKD wax and its key raw material fatty acid chloride (FACL)
 - AKD is sizing chemical used in board and paper to create resistance against liquid absorption
 - Plans to produce coagulants for water treatment
- Kemira strengthens its position and secures supply of key raw material for AKD wax



ACQUIRED ASSET FULFILLS OUR KEY CRITERIA FOR ACQUISITIONS:

GROWTH – End-products in growing markets

SUPPLY – Backward integr. & self-sufficiency (FACL)

LOCATION – Close to our existing production

APAC – Enables profitable growth in APAC

SUSTAINABILITY – FACL from renewable material

PROFITABILITY – Accretive after ramp-up

JOINT-VENTURE

Tiancheng with Kemira holding 80% investment of around EUR 70 million

Upcoming investments will further strengthen our long-term performance

<p>BLEACHING EXPANSION IN URUGUAY</p> <ul style="list-style-type: none">• Multi-year agreement with UPM-Kymmene includes bleaching capacity to existing Fray Bentos mill as well as new 2.1 million ton pulp mill in Paso de los Toros.• Expansion of both sodium chlorate and hydrogen peroxide at the existing Fray Bentos chemical island site• The extension will support long-term growth in bleaching, one of Kemira's strategic focus areas• Financial contribution expected as of 2023, investments to take place in 2021-2022	<p>SOUTH KOREA</p> <ul style="list-style-type: none">• Joint Venture with Yongsan Chemicals, Kemira minority shareholder• Polymer investment in a growing market; efficiency improvement from backward-integration• Premium dry polymer products: paper and packaging mills in APAC and water treatment facilities as end customers• Will support strengthening competitive position in APAC• Scheduled opening in H1 2021, ramp-up by the end of 2021.
INVESTMENT AROUND USD 30 MILLION	EQUITY INVESTMENT AROUND EUR 5 MILLION

We are looking to transform our portfolio more towards biobased products

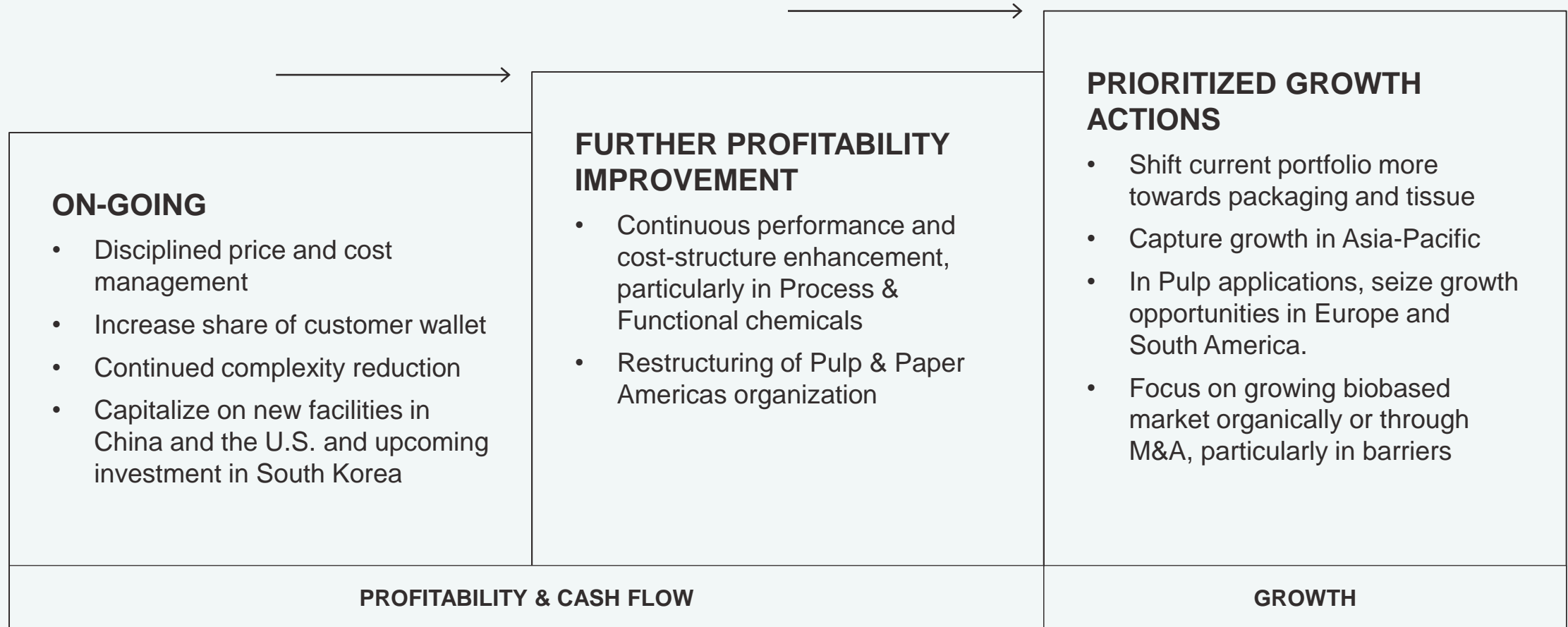
CUSTOMERS SEEKING ADDED VALUE FROM SUSTAINABILITY AND BIOMATERIALS

- Maximizing biocontent in end-products to differentiate from plastic applications -> **recyclability** of products key
- Pulp & Paper companies making increasing investments to renew and broaden wood-based end-product portfolio
- Many Pulp & Paper customers announcing ambitious sustainability targets related to CO₂ emission reduction and more efficient water usage

WE WILL BECOME THE LEADING PROVIDER OF SUSTAINABLE CHEMICAL SOLUTIONS FOR WATER-INTENSIVE INDUSTRIES

- Kemira's aim is to improve customer resource efficiency, particularly in pulp and packaging
- 12% of all carbon containing raw materials used in Kemira is already renewable
- Ambition to create a green portfolio in the long term
- Key product lines strength, sizing and barriers as well as retention chemicals
- **Kemira's current biobased solutions:** e.g. sizing agents, such as Sunflower ASA and AKD wax, and rosin

Our focus is to maintain profitability while increasing focus on growth



Industry & Water

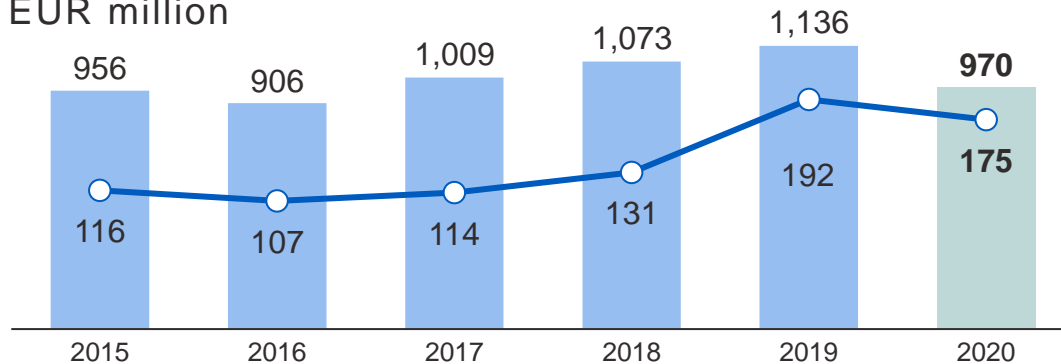
Stronger platform for profitable growth



Industry & Water relevant chemicals market estimated to grow 3-4%

REVENUE AND OPERATIVE EBITDA

EUR million



2015-2016 figures are pro forma; combination of Municipal & Industrial and Oil & Mining segments

REVENUE BY APPLICATION



- Demand for water treatment chemicals expected to increase due to
 - Higher demand for water driven by industrial growth and population growth
 - More stringent discharge limits for waste water
 - Better dewatering of sludge
 - Phosphorus recovery
 - Water reuse
- Higher demand for Oil & Gas solutions expected
 - Shale friction reducer market expected to grow due to higher energy demand and increasing number of wells fracked
 - Oil sands operators face regulatory requirements for their tailings treatment
 - Chemical Enhanced Oil Recovery lucrative in certain fields due to better yield from existing reservoirs

COVID-19 impact clear on shale, but remaining I&W business areas continue to be resilient short and long-term

	SHORT TERM IMPACT OF COVID-19	LONG TERM IMPACT OF COVID-19	EXPECTED CAGR 2020-2026*
Municipal Water Treatment	Marginal drop in volumes due to lower activity mainly in the hospitality industry	Expected to grow with around GDP No changes to previous views	3-4%
Industrial Water Treatment	Temporarily lower industrial activity has decreased chemical demand by 5-10%	Expected to recover with economy and continue to grow with around GDP No changes to previous views	3-4%
Oil Sands Tailings Treatment	Volumes lower than expected for Kemira's end market, expected to recover in 2021	No impact on the long-term tailings treatment demand	8-9%
Chemically Enhanced Oil Recovery (cEOR)	No impact on active projects and projects in planning phase <ul style="list-style-type: none"> Projects long-term in nature, project breaks are expensive 	No impact expected	~15%
Shale Oil & Gas	Sharp drop in fracking activity leading to -70% of Friction Reducer demand for 2020 compared to 2019 Market bottom in Q2 followed by modest sequential pick-up during Q3	Industry expected to recover gradually by 2025 Shale role in future global oil supply to be confirmed	15-20%

*Kemira estimates

APAC, CEOR and oil sands tailings provide strong growth opportunities

GROWING NEED FOR POLYMERS		
<p>↑</p> <p>WATER TREATMENT IN APAC</p> <ul style="list-style-type: none">• Largest and fastest growing water treatment market• Expected market CAGR ~5% until 2030• Fragmented market; many local players with local manufacturing	<p>↑</p> <p>OIL SANDS TAILINGS</p> <ul style="list-style-type: none">• Market growth driven by regulatory liability to treat tailings from oil sands in Canada• Market expected to grow significantly into 2030s with tailings remediation demand expected to continue for at least the next 50 years	<p>↑</p> <p>CEOR</p> <ul style="list-style-type: none">• Exploration and drilling of new oil wells increasingly expensive; ensuring most efficient use of current wells• Market expected to grow clearly until 2030, more moderate growth until 2050
<p>KEMIRA POSITION</p> <p>Mainly export business, focus on premium segment</p>	<p>KEMIRA POSITION</p> <p>Strong relationship with all oil sands operators</p>	<p>KEMIRA POSITION</p> <p>Serving customer in the North Sea, several other customer pilots ongoing</p>





Kemira's six actions for cleaner waters

IN EMEA



1. The requirements of the Urban Wastewater Treatment Directive (UWWTD) must be implemented fully and equally in all member states.
2. Emission limit values (especially phosphorus) in water discharges should be tightened.
3. Digitalization can improve both the quality of monitoring and the cost efficiency of water treatment.
4. Emerging pollutants need to be included in the legislation.
5. Pollution from storm-water overflows must be limited and discharges safely disinfected.
6. Clearer guidance is needed on applying innovation and sustainability criteria in public procurement for water treatment.

Regulation continues to support growth in European water treatment market

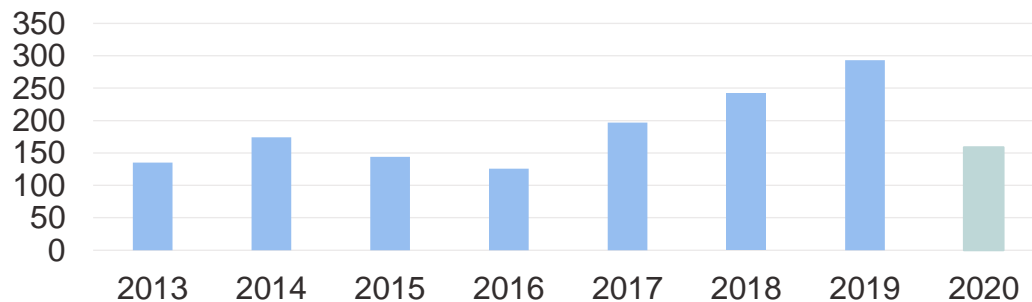
Regulation under update	Comments & Implications
 Urban Wastewater Treatment Directive (UWWT)*	<ul style="list-style-type: none"> • Basis for wastewater treatment business in Europe • Target to better enforce existing legislation in all countries • Other potential improvement areas: energy efficiency and micropollutants control • Revised directive will increase use of coagulants and polymers in non-compliant countries • New regulation expected to be fully operational in late 2025
 Water Framework Directive (WFD)	<ul style="list-style-type: none"> • Regulation evaluated to be fit for purpose and won't be opened for changes
 Drinking Water Directive (DWD)	<ul style="list-style-type: none"> • Only minor changes with small impact: <ul style="list-style-type: none"> – New tighter limits for Lead and Chromium in drinking water • New regulation is expected to be fully operational in 2025
 Water Reuse regulation	<ul style="list-style-type: none"> • New EU wide regulation (no additional national implementation required) defining minimum quality standards for water reuse in agriculture • The regulation does not incentivize increased water reuse, however clear quality standards are hoped to boost water reuse
Estimated to increase water treatment chemical demand by ~40 MEUR / p.a. in the long term	

* most relevant for Kemira

Oil & Gas expected to grow in the long-term

REVENUE IN OIL & GAS

EUR million



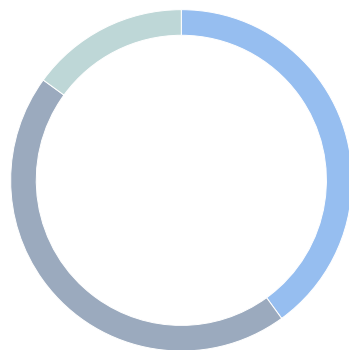
REVENUE SPLIT 2020

15%

Other

45%

Oil sands and
Chemical Enhanced
Oil Recovery



40%

Shale fracking

Figures rounded to closest 5%

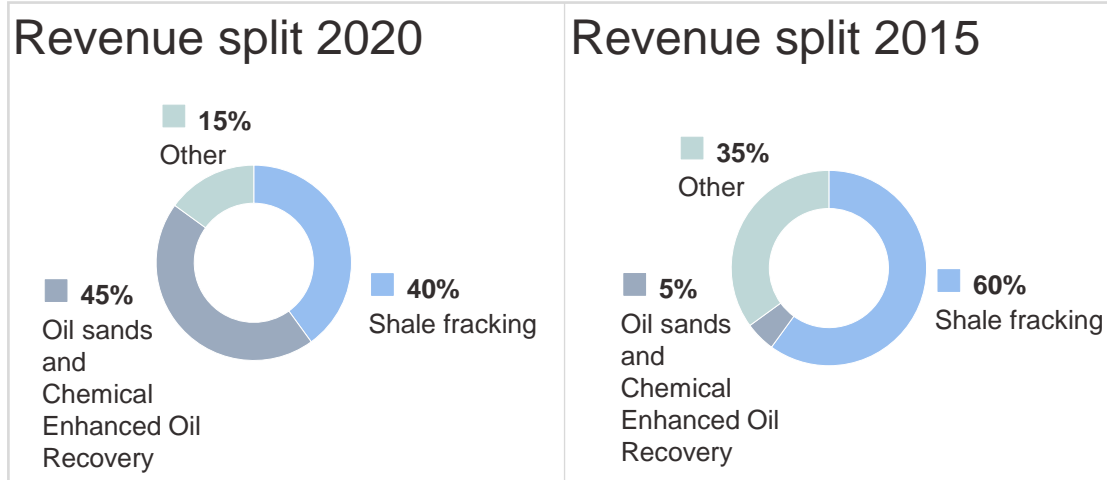
Long-term market growth opportunities with Kemira's selective market diversification

Kemira's offering

- Process efficiencies: polymers that reduce energy consumption by 60% in shale oil fields
- Cost reduction: higher concentrated liquids that make offshore oil recovery more cost effective (CEOR)
- Addressing environmental regulations: tailings treatment in oil sands

New innovative technologies driving expansion

We have diversified our Oil & Gas business since the last oil downturn



2020 UPDATE

- Action taken to optimize current Oil & Gas organization to the prevailing market situation. Organization ready when demand picks up.
- Sequential recovery in shale market continued towards year-end

Our polymer investment in the Netherlands serves growing CEOR market



- Capacity addition announced in October 2017, facility fully operational with positive EBITDA contribution as of Q1 2020
- Manufacturing facility serves offshore CEOR
- Investment includes capacity addition as well as improves backward integration
- Multi-year extension to current contract with Ithaca Energy announced in September 2020. The extension will ensure good utilization of the facility going forward.

Investment around EUR 30 million,
EBITDA contribution high single-digit millions (annualized)

Water treatment customers focus increasingly on sustainability

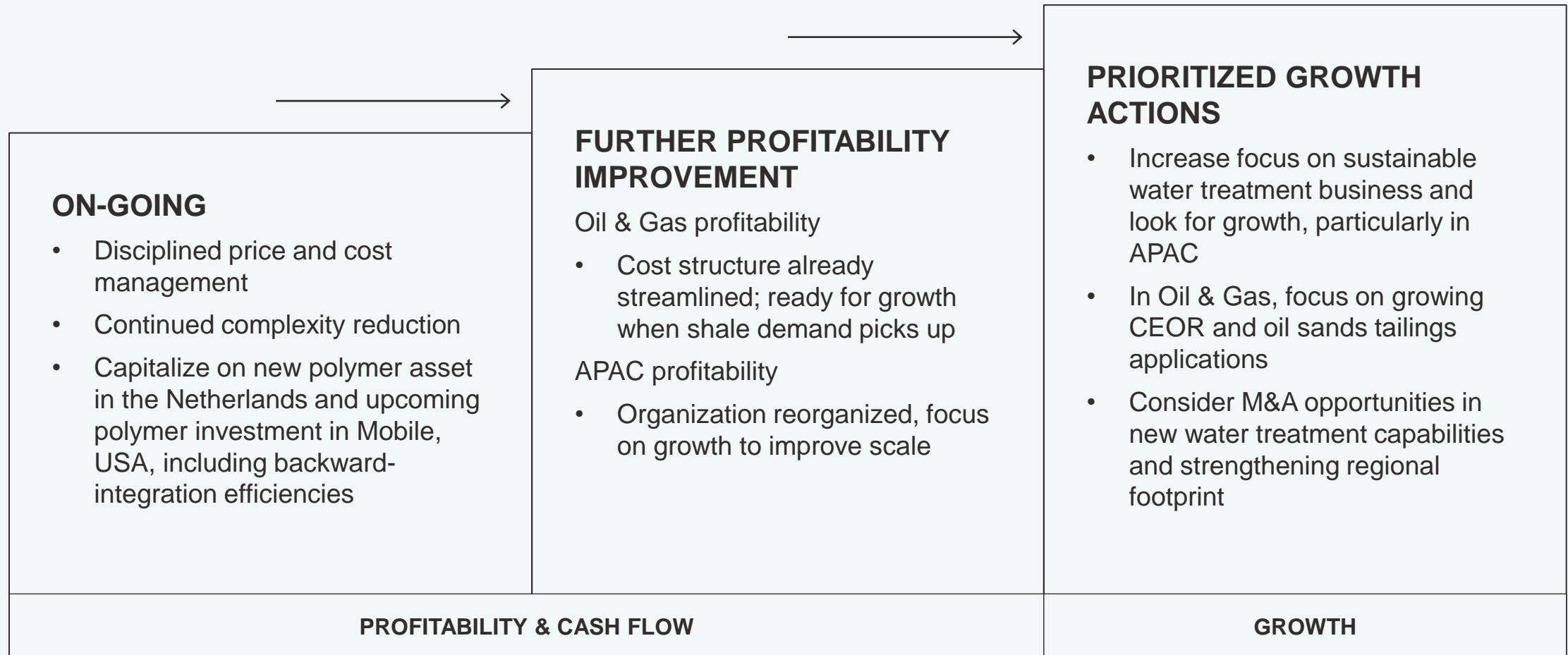
- Consumers increasingly aware of sustainability issues
- Water treatment customers increasingly focused on reducing CO₂ footprint
- Kemira survey shows customers are willing to pay a premium for biobased products
- Micropollutant removal and disinfection leading themes currently in sustainable water management



**Growing market for sustainable and circular products.
Also biobased products growing in importance.**



Our focus is to maintain profitability while increasing focus on growth



Latest news and financials



Highlights in 2020

- **Strong performance in 2020:** improved profitability, good operational performance, improved customer satisfaction and employee engagement.
- Challenging market environment due to COVID-19 pandemic and related economic slowdown
- Revenue development excluding Oil & Gas and currencies -2% illustrating resilience of business model. Strong profitability: operative EBITDA margin improved to 17.9%.
- Financial target for operative EBITDA margin updated to 15-18% (previously 15-17%). Also dividend policy updated: aim to distribute competitive and over-time increasing dividend.
- New manufacturing facilities in China and the Netherlands facilitate growth; existing facility expansion in Uruguay to support future growth in Pulp & Paper



Financial highlights of 2020

Organic revenue growth improved towards year-end

- COVID-19 related economic slowdown impacted volumes, particularly in printing and writing and shale
- Organic revenue growth excluding Oil & Gas stable in Q4 2020, -2% in 2020

Strong margin development continued in Q4 2020

- EBITDA supported by lower variable costs, including raw materials and efficiencies from new investments in China and the Netherlands
- Good fixed cost management

Earnings per share EUR 0.86

Strong cash flow from operating activities

Dividend proposal of EUR 0.58 per share

EUR million (except ratios)	Q4 2020	Q4 2019	Δ%	FY 2020	FY 2019	Δ%
Revenue	605.6	657.7	-8%	2,427.2	2,658.8	-9%
Operative EBITDA	107.9	90.1	+20%	435.1	410.0	+6%
of which margin	17.8%	13.7%	-	17.9%	15.4%	-
Operative EBIT	57.0	42.4	+34%	237.7	224.0	+6%
of which margin	9.4%	6.4%	-	9.8%	8.4%	-
Net profit	23.8	8.6	177%	138.0	116.5	+18%
EPS diluted, EUR	0.14	0.05	214%	0.86	0.72	+19%
Cash flow from operating activities	146.4	142.5	+3%	374.7	386.2	-3%
Dividend per share, proposal by the BoD, EUR*				0.58	0.56	+4%

*Board of Director's proposal to the AGM 2021

Pulp & Paper: clear profitability improvement in 2020

Market environment in 2020

- Pulp, board and tissue demand remained resilient; demand in printing and writing chemicals declined. Improvement in market demand in Q4.

Organic growth improved towards year-end

- Economic slowdown impacted volumes, particularly in printing & writing products where revenue declined by 9% in 2020
- Sales volumes increased in Q4 2020, sequential improvement in all customer segments

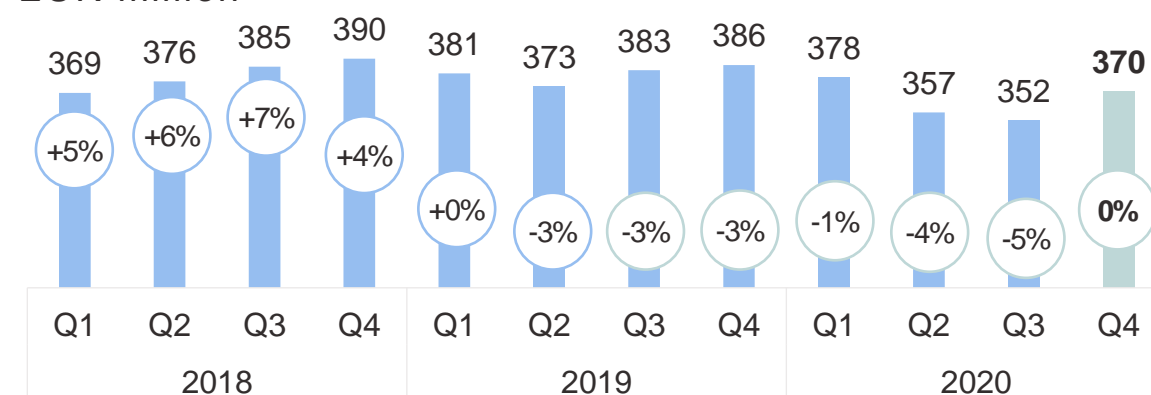
Strong operative EBITDA margin in 2020

- Profitability improvement in APAC
- 2020 margin improvement result of good cost management and contribution from recent investments

Organizational restructuring in the Americas during Q4 2020

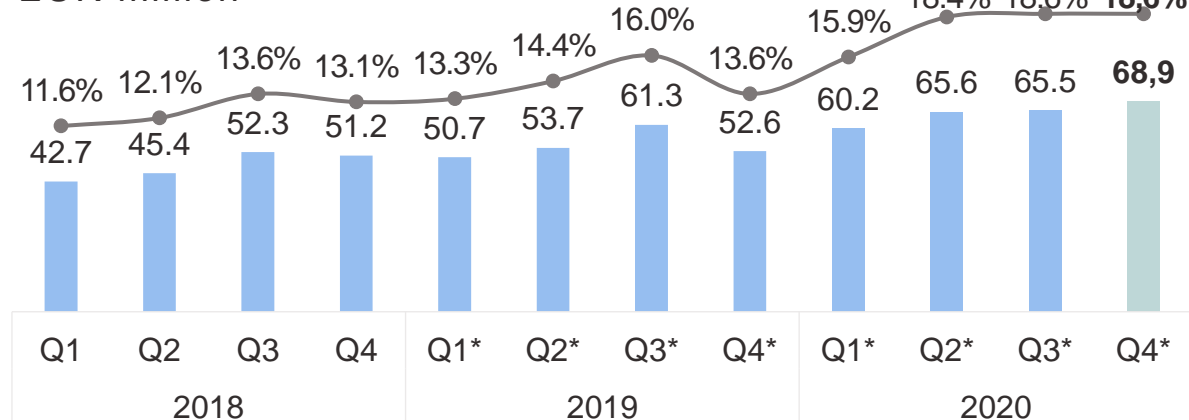
REVENUE AND ORGANIC REVENUE GROWTH (Y-ON-Y)

EUR million



OPERATIVE EBITDA AND OPERATIVE EBITDA-%

EUR million



* Includes IFRS16 impact

Industry & Water: relative profitability improved despite lower sales volumes

Market environment in 2020

- Municipal water treatment market grew slightly despite COVID-19; industrial water treatment market declined due to lower industrial activity
- Modest sequential recovery in shale demand continued in Q4 2020

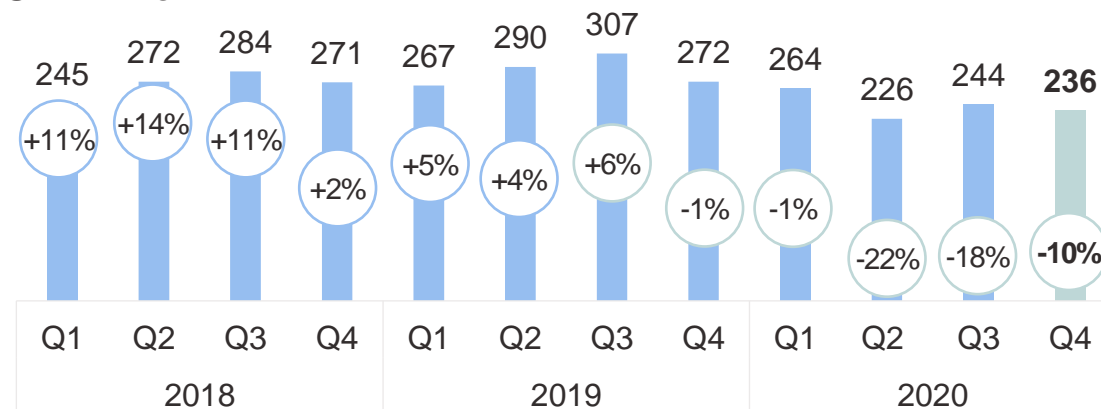
Organic growth

- Organic revenue growth excluding Oil & Gas 0% in Q4 2020, -2% in 2020. Revenue in municipal water treatment increased in 2020.
- Shale revenue continued to recover sequentially in Q4 2020

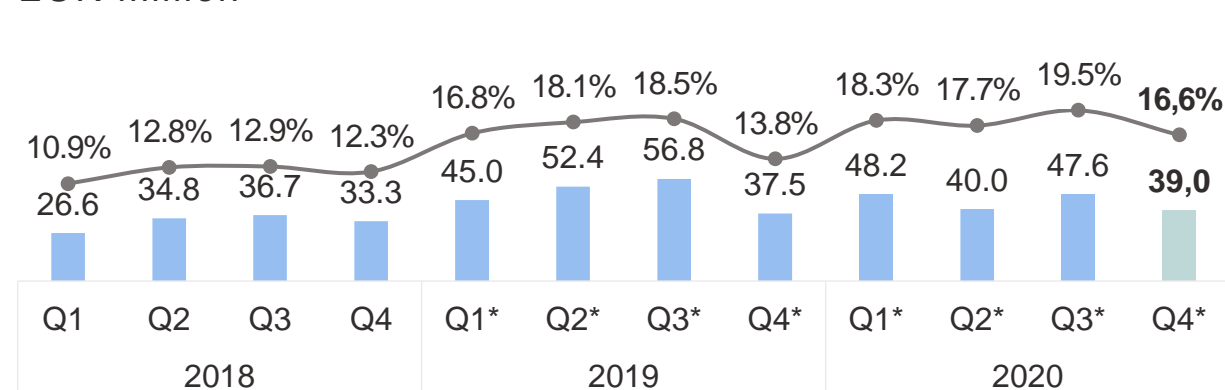
Strong operative EBITDA margin in 2020

- Profitability supported by lower variable costs and good fixed cost management. Positive contribution from polymer expansion in the Netherlands.

REVENUE AND ORGANIC REVENUE GROWTH (Y-ON-Y) EUR million



OPERATIVE EBITDA AND OPERATIVE EBITDA-% EUR million



Oil & Gas: sequential shale market recovery continued in Q4 2020

Market environment in 2020

- Shale: shale market bottomed in Q2 2020. Sequential market recovery continued in Q4 2020; typically Q4 seasonally slower quarter
- In oil sands tailings, Kemira's end market demand in 2020 clearly lower than expected. CEOR* end market solid.

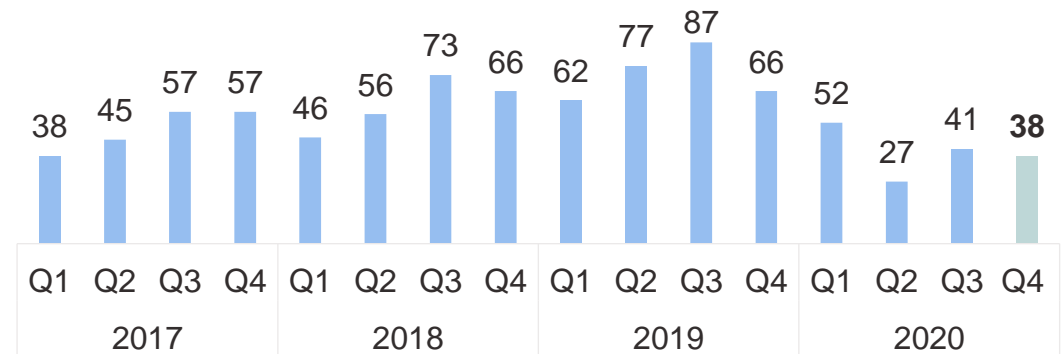
Kemira performance in 2020

- Oil & Gas revenue declined by 46% in 2020
- Q4: Kemira shale revenue continued to recover sequentially, but remained at a low level compared to Q4 2019
- Multi-year contract extension signed with Ithaca for CEOR

2021 expectation

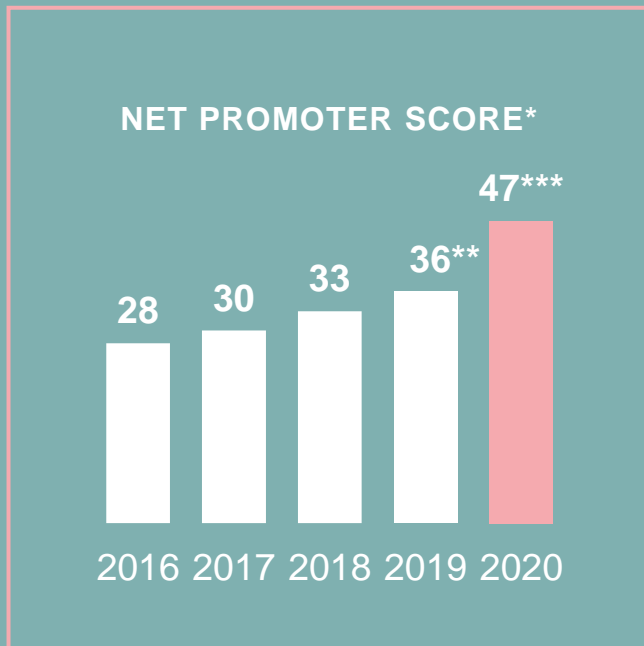
- Shale and oil sands tailings demand expected to recover gradually, CEOR to remain solid

REVENUE DEVELOPMENT
EUR million



Strong results in customer satisfaction and employee engagement

Strong customer satisfaction – positive feedback on Kemira’s actions during COVID-19



* Promoter customers (very loyal) – Detractor customers (unhappy), Scale: 0-19 Satisfactory, 20-39 Good, 40+ Excellent.

** New rolling process implemented in 2019

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

Employee engagement continued to improve – clearly above industrial benchmark



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>

Partnerships announced in December are important steps in our biobased strategy

DUPONT

- Exclusive partnership to develop enzymatic biomaterial platform technology developed by DuPont Nutrition & Biosciences (now part of IFF) for Kemira applications
- Partnership will leverage DuPont's platform that utilizes plant-based sugars as raw materials. Kemira will bring application development expertise.
- **NEXT STEPS:** In 2021 partners will work on joint application development before doing pilot scale sales in 2022-2023.

DANIMER SCIENTIFIC

- Exclusive partnership to develop biodegradable coating for Kemira applications in paper and board
- Danimer's plant seed-based PHA will be used to develop biobased alternatives to polyethylene coating
- **NEXT STEPS:** Aim to manufacture coatings for limited commercial applications in 2021 before exploring broader production options

Sustainability targets renewed

SAFETY

High safety performance fundamental to business

NEW KPIS

TRIF 1.5 by 2025 and 1.1 by 2030

PEOPLE

Foster strong company culture and commitment to people

Reach top 10% cross industry norm for Diversity & Inclusion by 2025

WATER

Ensure water-related risks are managed effectively

Continuously improve freshwater use intensity

CIRCULARITY

Improve customer resource efficiency
Increase biobased and recycled raw material use

Reduce waste intensity by 15% by 2030

Biobased products
>500 million EUR revenue by 2030

CLIMATE

Reduce costs with renewables and energy efficiency
Low carbon product offering

Scope 1&2 emissions -30% by 2030

Key operative focus areas in 2021

- Continue to mitigate impact of COVID-19 to ensure our own and our customers' business continuity. Retain people and operational safety as top priority.
- Increased focus on profitable growth; maintain focus on strict cost management
- Biobased strategy: continue partnership development and R&D focus to commercialize new biobased products enabling recyclability
- Operational agility: ensure good capacity utilization and capacity can be ramped up quickly when market demand recovers
- Construction of polymer capacity in the U.S. and South Korea as well as expansion of bleaching capacity in Uruguay



PETRI CASTRÉN, CFO
FEBRUARY 11, 2021

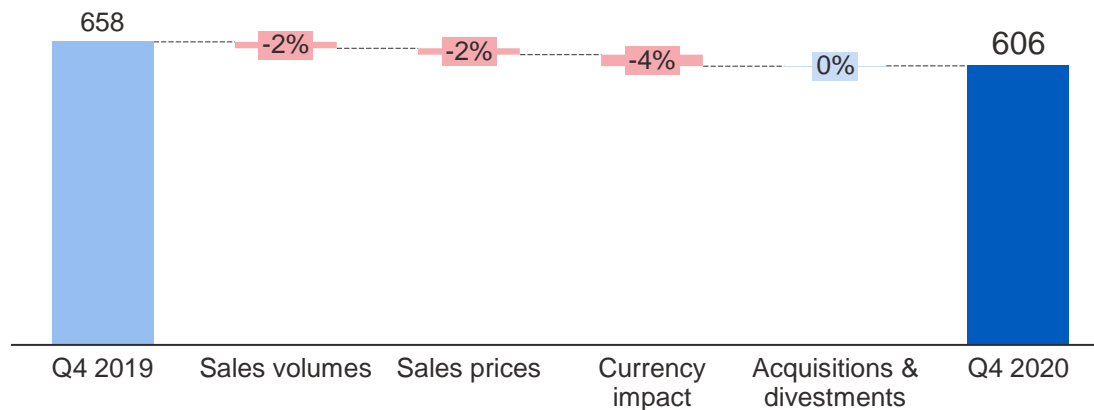
Financials Q4 2020



Strong profitability despite clearly lower volumes

Q4/2020

REVENUE AND ORGANIC GROWTH (Y-ON-Y) EUR million



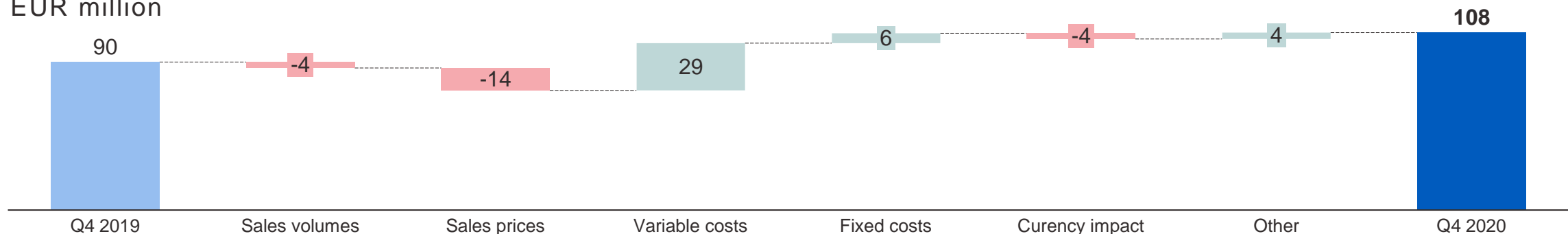
Organic revenue growth -4% in Q4 2020, -7% in 2020

- Q4 2020 revenue declined due to lower sales volumes and prices. Revenue declined particularly in shale and printing and writing
- Organic revenue growth trend improved towards year-end

Operative EBITDA margin improved to 17.8% in Q4 2020, 17.9% in 2020

- Operative EBITDA improved despite lower revenue. Favorable variable cost development and good fixed cost management. Efficiencies from investments in China and the Netherlands contributed positively to EBITDA.

OPERATIVE EBITDA BRIDGE EUR million



Items affecting comparability

- Q4 2020:**

- EUR 14 million related to liabilities in a small, to-be-closed energy company in Finland owned via Pohjolan Voima
- Restructuring costs in Pulp & Paper of around EUR 4 million due to organizational changes in the Americas

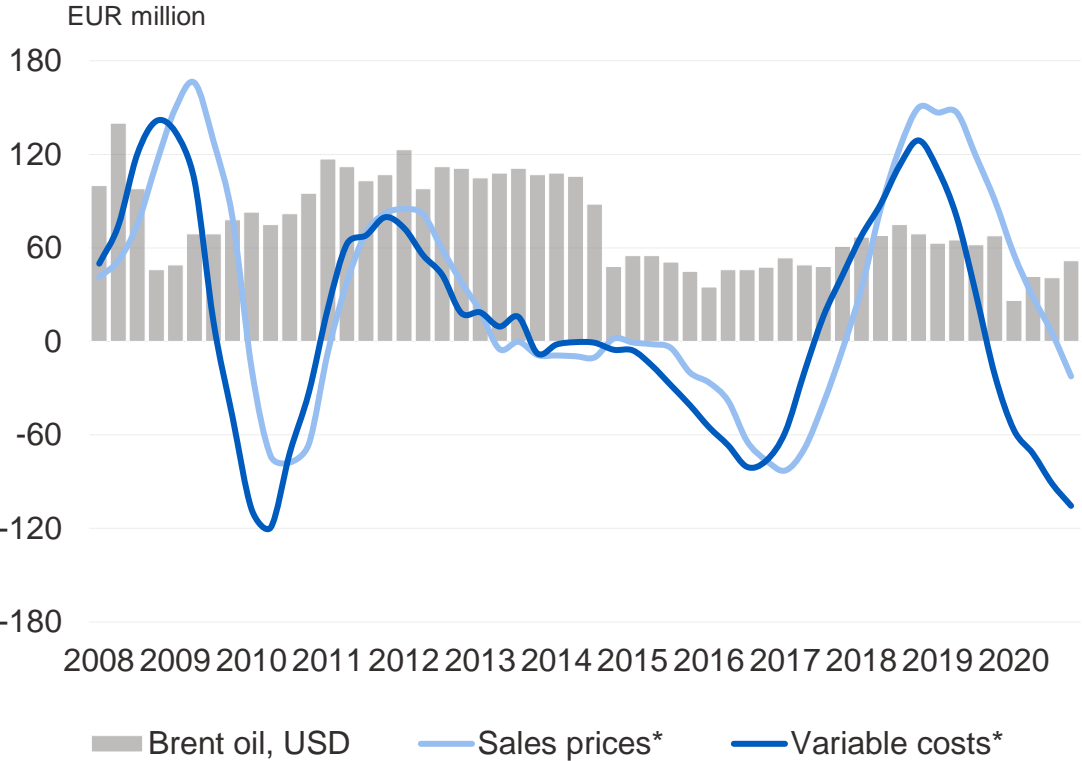
- Q1-Q3 2020:**

- Restructuring costs in Oil & Gas of around EUR 2 million
- Increased environmental provisions due to clean-up of old manufacturing site in Finland

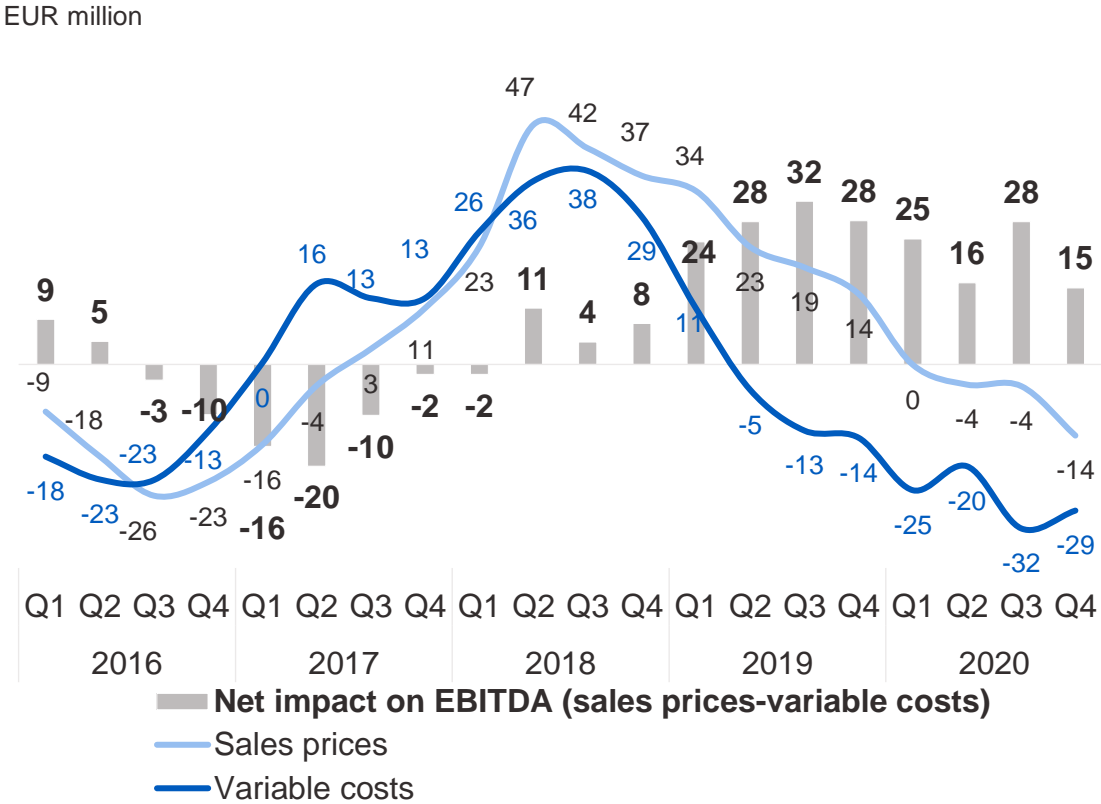
Items affecting comparability, EUR million	Q4 2020	Q4 2019	FY 2020	FY 2019
Within EBITDA	-16.7	-20.5	-21.8	-27.7
Pulp & Paper	-16.8	-20.8	-20.0	-25.8
Industry & Water	0.1	0.3	-1.8	-1.8
Within depreciation, amortization and impairment	0.0	0.0	0.0	-1.9
Pulp & Paper	0.0	0.0	0.0	0.0
Industry & Water	0.0	0.0	0.0	-1.9
Total items affecting comparability in EBIT	-16.7	-20.5	-21.8	-29.6

Impact from variable costs continued to be positive

SALES PRICE VS VARIABLE COST TREND
(ROLLING 12-MONTH CHANGE Y-O-Y)



SALES PRICES AND VARIABLE COSTS
(CHANGE Y-O-Y)

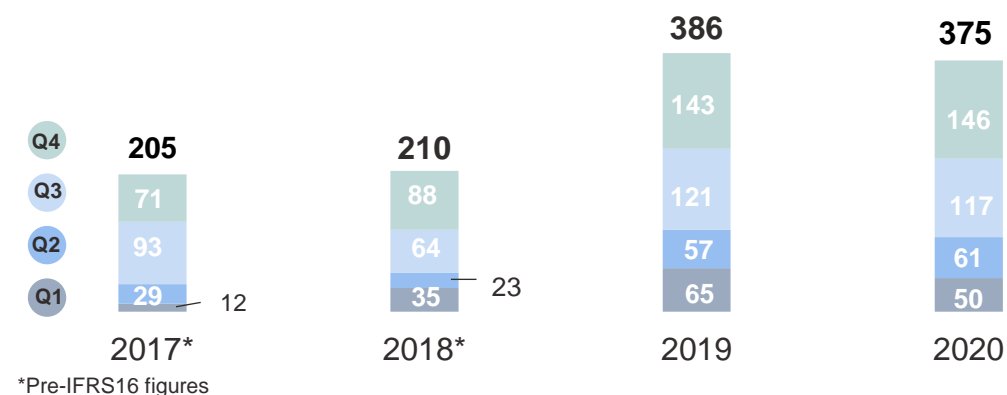


* 12-month rolling change vs previous year in EUR million

Strong cash flow

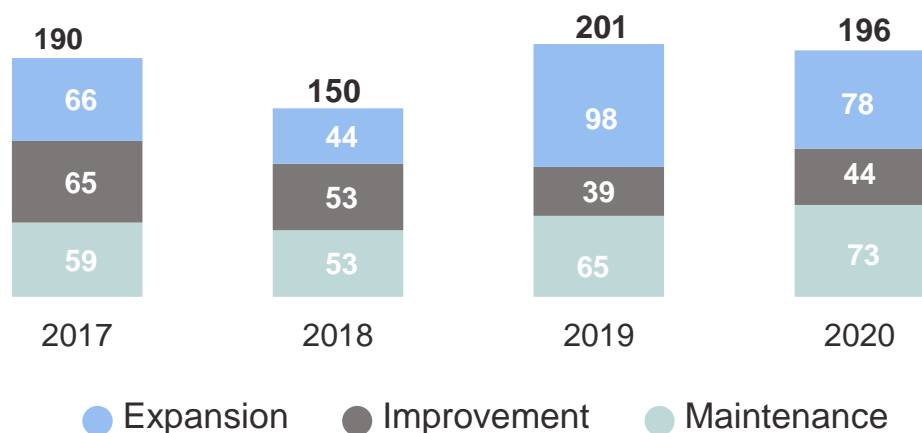
ALL KEY FIGURES IN EUR MILLION

CASH FLOW FROM OPERATIONS



- Q4 cash flow from operations strong at EUR 146.4 million. January-December 2019 period included EUR 15 million return of excess capital from Kemira's supplementary Pension Fund in Finland.
- Net working capital improved from Q3 2020 mainly due to lower inventory levels and higher payables. NWC was EUR 197 million end of December 2020 (EUR 211 million at end of 2019).

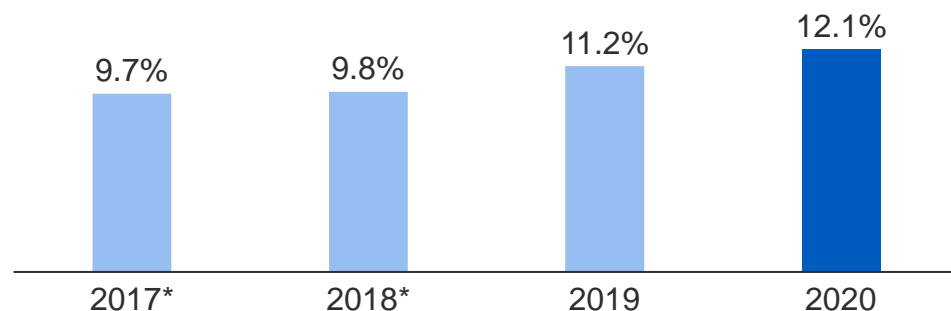
CAPITAL EXPENDITURE EXCL. ACQUISITIONS



- Capex estimated to be around EUR 200 million in 2021:
 - Expansion of manufacturing facility in Uruguay to cater for UPM's upcoming pulp mill
 - Mobile polymer plant to start production in H2 2021

Gearing below financial target range

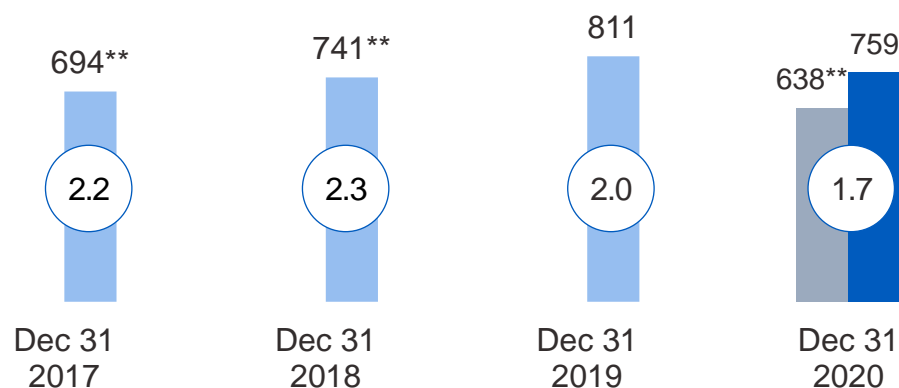
DEVELOPMENT OF OPERATIVE ROCE, %



*Pre-IFRS16 figures

- Operative ROCE improved to 12.1% driven by improvement in Pulp & Paper
- Pulp & Paper operative ROCE 11.1% (2019: 7.7 %)
- Industry & Water operative ROCE 13.9% (2019: 17.6%)

NET DEBT (EUR million) AND LEVERAGE RATIO*



* Leverage ratio = Net debt / last 12 months operative EBITDA

** pre-IFRS 16 figures

- Gearing 63% - below financial target range of below 75%
- Average interest rate of net debt excluding leases is 1.9% and duration is 20 months
- With pre-IFRS 16 net debt figures:
 - gearing 53%
 - leverage ratio 1.6

Financial targets and dividend policy updated in November

UPDATED FINANCIAL TARGETS

- Above-the-market growth (unchanged)
- Operative EBITDA margin of 15-18% (previously 15-17%)
- Gearing below 75% (unchanged)

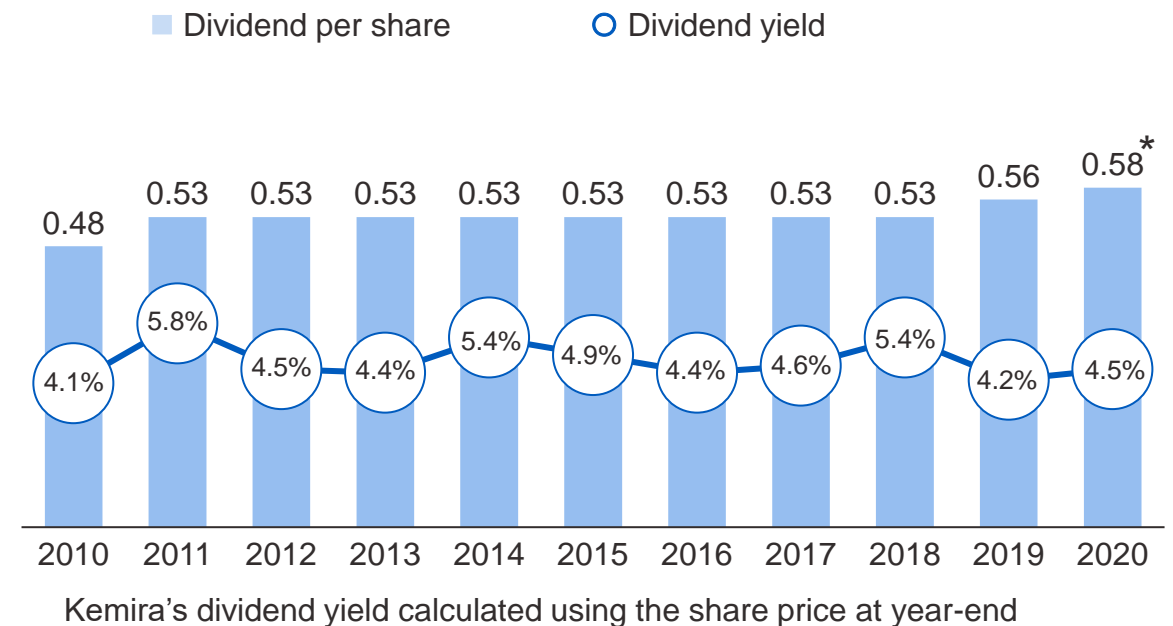
UPDATED DIVIDEND POLICY

Kemira's dividend policy aims at paying a competitive and over time increasing dividend. (previously: stable and competitive dividend)



Dividend proposed to be increased to EUR 0.58 per share

- Dividend proposed to be increased due to strong profitability and cash flow in 2020
- Board of Directors' proposes to the AGM a dividend of EUR 0.58 per share, totaling EUR 89 million. The dividend is proposed to be paid in two installments, in April and in November.
- No Board of Directors discretion over second dividend installment
- Kemira has paid a dividend every year since listing of shares in 1994



*Board of Director's proposal to the AGM 2021

Factors to watch for in 2021

FACTORS IMPACTING OPERATIVE EBITDA DEVELOPMENT IN 2021



SUPPORTING

- Restructuring in Pulp & Paper Americas; savings mid-single-digit millions
- Shale market and oil sands tailings market expected to recover gradually from 2020 levels
- Part of fixed cost savings to continue, particularly in H1 2021
- Operational efficiencies from China and NL investments



UNCERTAINTIES

- Uncertainty related to global economic and pandemic situation and its impact on customer volumes and Kemira sales volumes
- Raw material price development and ability for sales price review according to contract cycle



BURDENING FACTORS

- Revenue: around EUR 20M negative revenue impact mainly due to closure of a small energy company in Finland; no margin impact
- Currencies expected to have a negative impact on revenue and operative EBITDA

Outlook for 2021

OUTLOOK

REVENUE

Kemira's revenue in local currencies, excluding acquisitions and divestments, is expected to increase from 2020 (EUR 2,427 million)

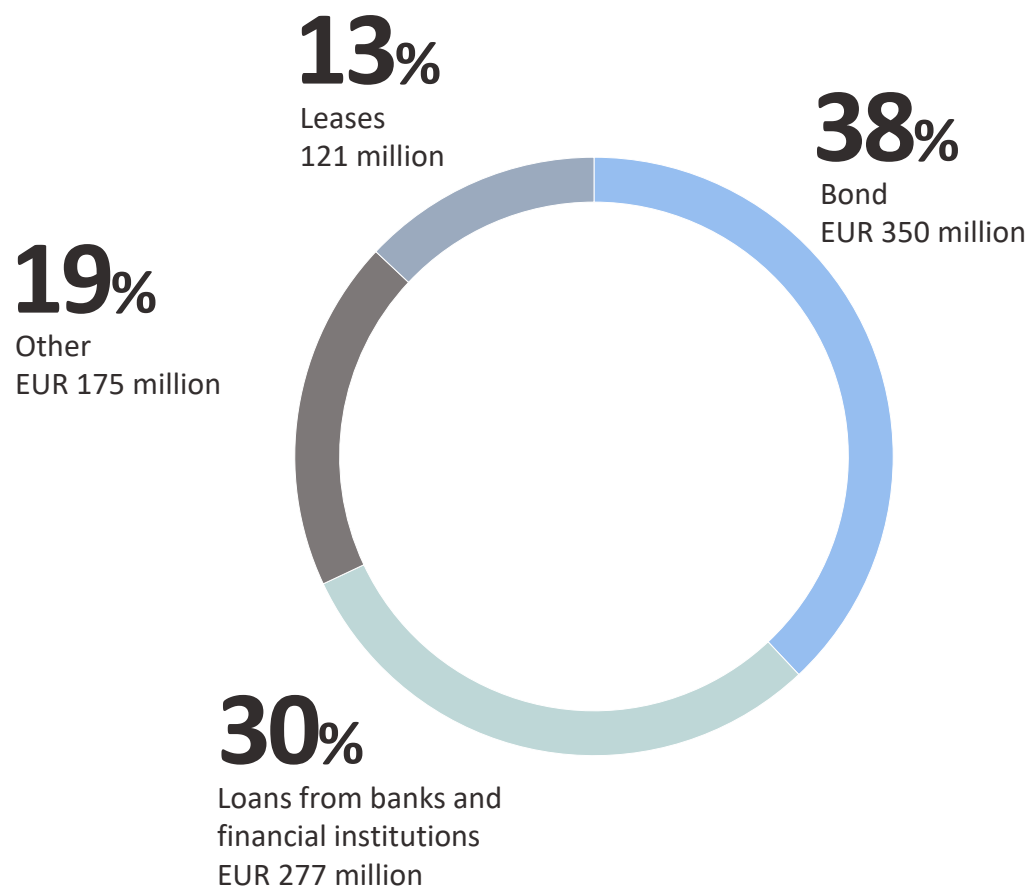
OPERATIVE EBITDA

Kemira's operative EBITDA is expected to be at the same or at a slightly (less than 5%) lower level than in 2020 (EUR 435 million)

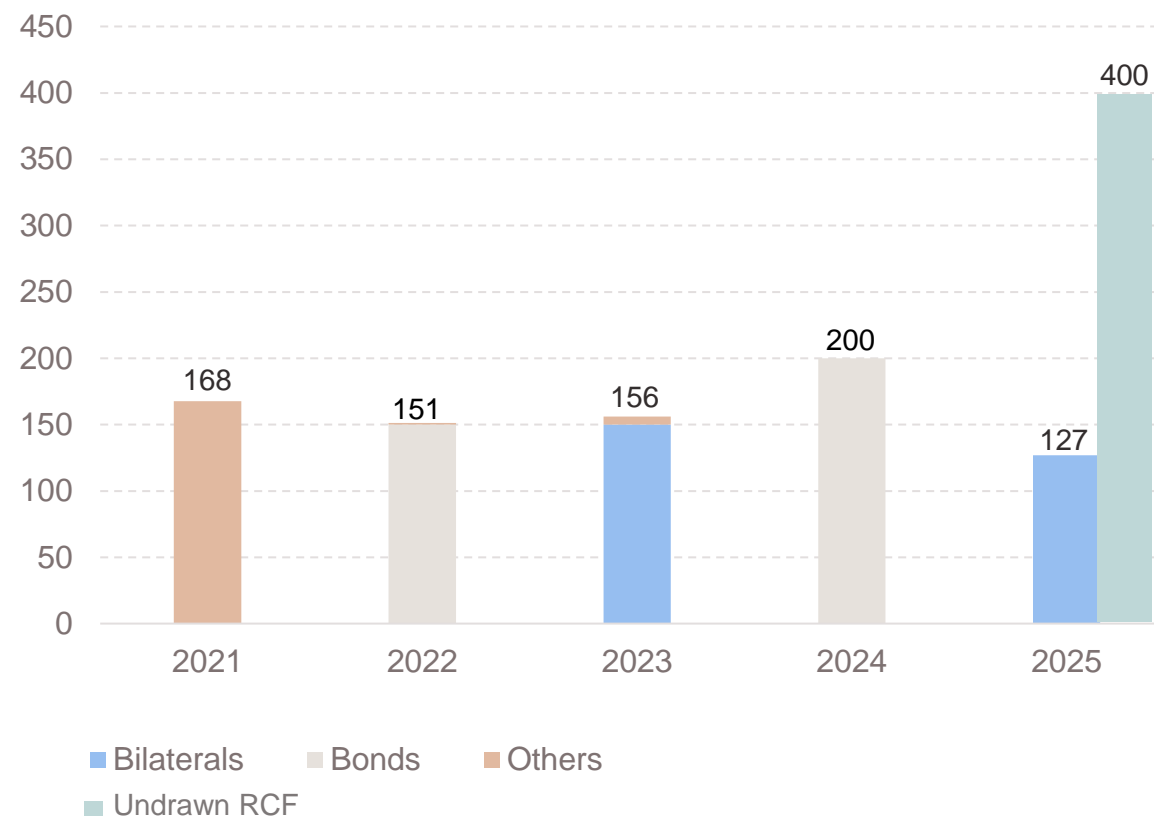
ASSUMPTIONS FOR 2021

- **COVID-19 pandemic continues to cause uncertainty, but overall demand in Kemira's end markets is expected to recover gradually from 2020 in line with forecasted economic growth:**
 - **Pulp & Paper:** demand to remain solid in pulp and packaging and board. Stabilization in printing and writing demand possible when COVID-19 situation normalizes.
 - **Industry & Water:** municipal water treatment to remain solid, industrial water treatment to recover from 2020. Shale market expected to recover gradually during 2021, demand in oil sands tailings to grow from 2020.
- **Outlook assumes no major disruption to Kemira's manufacturing operations or supply chain**
- **Currencies expected to have a negative impact on operative EBITDA**

Kemira has a diversified financing base



GROSS DEBT END OF DECEMBER 2020 EUR 919 MILLION, MATURITY PROFILE EXCLUDING LEASES



Majority of contracts with fixed annual pricing

Pulp & Paper – Contract types and pricing terms on high level

- **Length** – Around 95% of contracts are 1-year or longer / only 5% are spot deals
- **Pricing** – Around 70% fixed / 30% formula or spot pricing

Industry & Water – Contract types and pricing terms

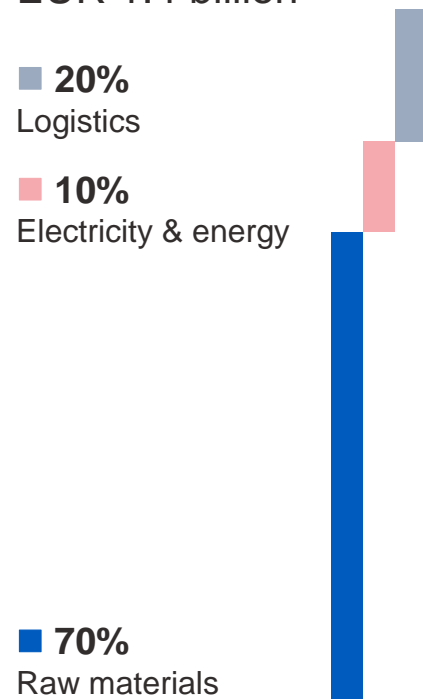
- **Length** – Around 70% of contracts are 1-yr or longer / 30% spot deals
- **Pricing** – Around 70% fixed / 30% formula or spot pricing, incl. Oil & Gas where contracts are either formula or spot based



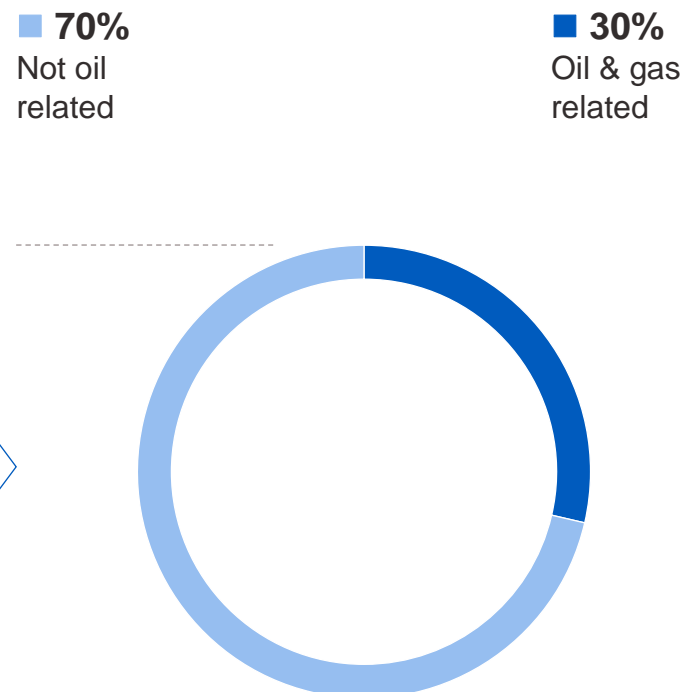
Kemira's cost structure and top raw materials

DIRECT PURCHASES AND LOGISTICS COSTS 2020

EUR 1.4 billion



EXPOSURE TO OIL RELATED RAW MATERIALS



TOP 12 RAW MATERIALS BY SPEND (around 50% of total raw material spend)

1. Sodium hydroxide (caustic soda)*
2. Acrylonitrile (OD)
3. Aluminium Hydrate
4. Colloidal silica dispersion*
5. Fatty acid
6. Amines (OD)
7. Alpha olefin (OD)
8. Sodium chloride (salt)
9. Petroleum solvents (OD)
10. Sulphuric acid
11. Acrylic ester (OD)
12. Acrylic Acid (OD)

OD = Oil & gas derivative

*** Mainly trading materials**

Figures rounded to the nearest 5%

Appendix



Key figures

EUR million	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	2020	2019
Revenue	605.6	596.7	582.9	642.0	657.7	2,427.2	2,658.8
Operative EBITDA	107.9	113.0	105.7	108.5	90.1	435.1	410.0
margin	17.8%	18.9%	18.1%	16.9%	13.7%	17.9%	15.4%
Operative EBIT	57.0	62.3	57.6	60.8	42.4	237.7	224.0
margin	9.4%	10.4%	9.9%	9.5%	6.4%	9.8%	8.4%
Net profit	23.8	35.5	39.6	8.6	8.6	138.0	116.5
Earnings per share, diluted, EUR	0.14	0.24	0.22	0.25	0.05	0.86	0.72
Cash flow from operations	146.4	117.3	60.8	50.2	142.5	374.7	386.2
Capex excl. acquisitions	66.0	49.4	44.1	36.1	81.4	195.6	201.1
Net debt	759	786	844	816	811	759	811
NWC ratio (rolling 12 m)	9.9%	10.1%	10.2%	10.7%	11.1%	9.9%	10.7%
Operative ROCE (rolling 12 m)	12.1%	11.3%	11.6%	11.8%	11.2%	12.1%	11.2%
Personnel at period-end	4,921	4,999	5,106	5,075	5,062	4,921	5,062

Cash flow

EUR million	Q4 2020	Q4 2019	2020	2019
Net profit for the period	24	9	138	116
Total adjustments	84	81	298	302
Change in net working capital	50	83	-3	45
Finance expenses	-5	-9	-22	-39
Income taxes paid	-7	-21	-37	-39
Net cash generated from operating activities	146	142	375	386
Purchases of subsidiaries and business acquisitions, net of cash acquired	0	1	-3	-3
Capital expenditure	-66	-82	-196	-201
Proceeds from sale of assets	2	0	2	8
Change in long-term loan receivables	-6	0	-6	0
Cash flow after investing activities	77	60	173	190

Pulp & Paper

KEY FINANCIALS

EUR million	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	2020	2019
Revenue	370.0	352.2	357.0	378.5	385.9	1,457.6	1,522.9
Operative EBITDA	68.9	65.5	65.6	60.2	52.6	260.2	218.3
margin	18.6%	18.6%	18.4%	15.9%	13.6%	17.9%	14.3%
Operative EBIT	37.5	34.8	35.7	30.1	22.5	138.0	99.2
margin	10.1%	9.9%	10.0%	8.0%	5.8%	9.5%	6.5%
Operative ROCE*, %	11.1%	9.8%	9.5%	8.5%	7.7%	11.1%	7.7%
Capital expenditure (excl. M&A)	33.6	23.0	21.0	14.3	43.6	91.9	109.7
Cash flow after investing activities	59.1	49.7	27.3	26.1	33.5	162.2	139.4

*12-month rolling average

Industry & Water

KEY FINANCIALS

EUR million	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	2020	2019
Revenue	235.6	244.4	225.9	263.6	271.8	969.5	1,135.9
Operative EBITDA	39.0	47.6	40.0	48.2	37.5	174.8	191.7
margin	16.6%	19.5%	17.7%	18.3%	13.8%	18.0%	16.9%
Operative EBIT	19.5	27.5	21.9	30.7	19.9	99.7	124.7
margin	8.3%	11.3%	9.7%	11.7%	7.3%	10.3%	11.0%
Operative ROCE*, %	13.9%	14.0%	15.5%	17.6%	17.6%	13.9%	17.6%
Capital expenditure (excl. M&A)	32.4	26.4	23.1	21.8	37.8	103.6	91.4
Cash flow after investing activities	29.2	25.7	2.3	12.6	57.3	69.8	128.7

*12-month rolling average

Key figures and ratios – 5-year summary

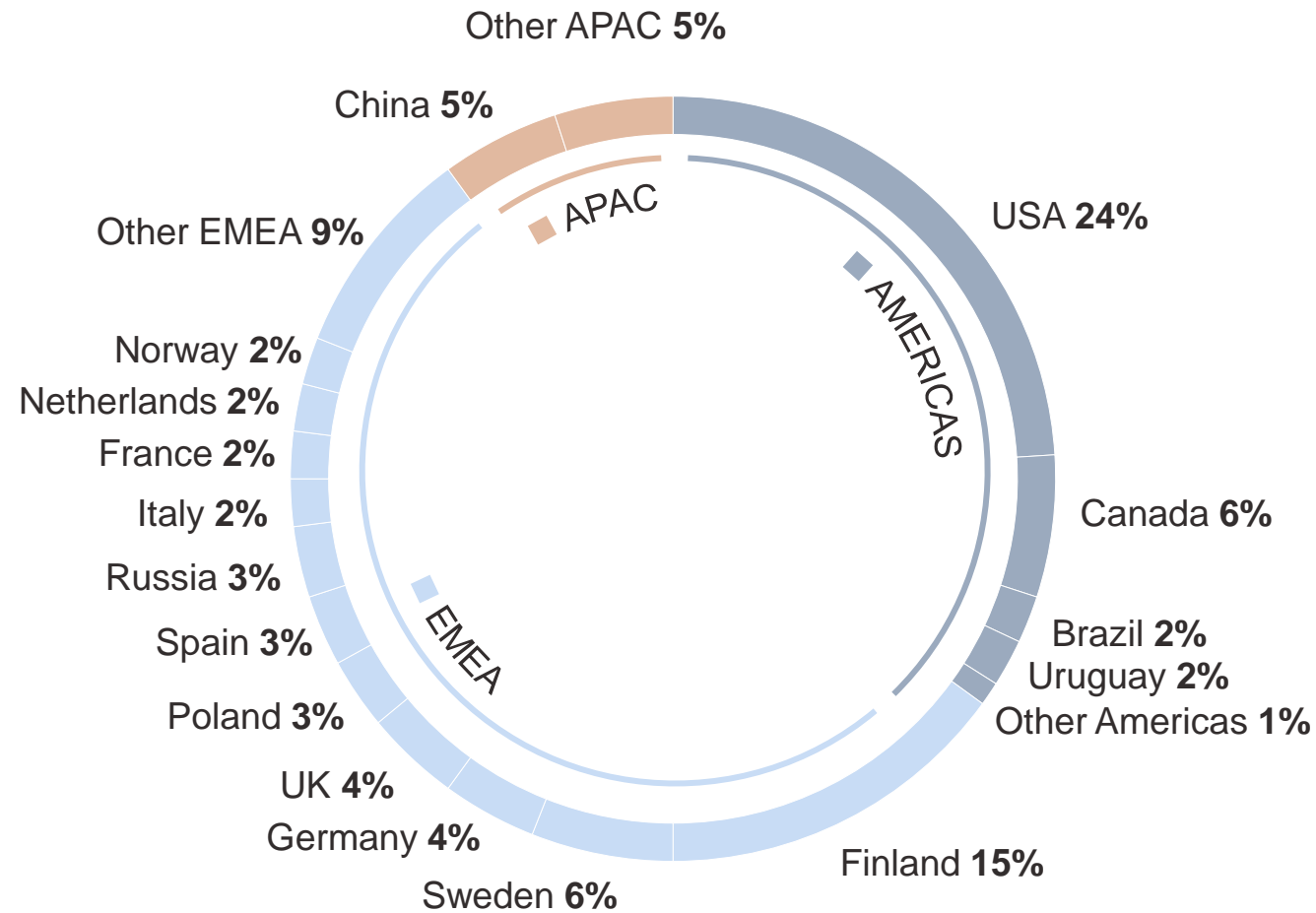
EUR million (except ratios)	2016	2017	2018	2019	2020
Revenue	2,373.1	2,363.3	2,486.0	2,658.8	2,427.2
Operative EBITDA	287.3	302.5	311.3	410.0	435.1
of which margin	12.1%	12.8%	12.5%	15.4%	17.9%
Operative EBIT	163.1	170.1	170.3	224.0	237.7
of which margin	6.9%	7.2%	6.9%	8.4%	9.8%
Cash flow from operations	247.6	270.6	205.1	386.2	374.7
Capital expenditure, excluding acq.	181.7	212.6	190.1	201.1	195.6
Gearing at period-end	54	54	59	66	63
Inventories	207	217	224	261	242
Personnel at period-end	4,685.0	4,818.0	4,732.0	5,062.0	4,921.0

Per share figures – 5-year summary

	2016	2017	2018	2019	2020
Earnings per share, EUR	0.6	0.52	0.58	0.72	0.86
Cash flow from operating activities per share, EUR	1.78	1.35	1.38	2.53	2.45
Equity per share, EUR	7.68	7.61	7.80	7.98	7.80
Dividend per share, EUR	0.53	0.53	0.53	0.56	0.58
Share price, EUR, end of period	12.13	11.5	9.85	13.26	12.94
Market capitalization, EUR million (excl. treasury shares)	1,848	1,752	1,502	2,024	1,979
Number of shares, million (excl. treasury shares)	152.1	152.4	152.4	152.5	152.9
P/E ratio	20.1	22.3	16.8	18.4	15.1
P/CF ratio	6.8	8.5	7.1	5.2	5.3
P/B ratio	1.6	1.5	1.3	1.7	1.71
Dividend yield, %	4.4	4.6	5.4	4.2	4.5

Revenue split by country

FY 2020



Kemira – largest shareholders and Board of Directors

SHAREHOLDERS ON DECEMBER 31, 2020

% OF SHARES	
1. Oras Invest	20.1%
2. Solidium (owned by State of Finland)	10.2%
3. Varma Mutual Pension Insurance Company	3.0%
4. Ilmarinen Mutual Pension Insurance Comp.	2.7%
5. Kemira Oyj	1.6%
Total number of shares	155,342,557
Foreign ownership of shares	29.6%
Total number of shareholders	44,311

KEMIRA BOARD OF DIRECTORS



JARI PAASIKIVI
Chairman
Member since 2012
Oras Invest Oy, CEO



KERTTU TUOMAS
Vice Chairman
Member since 2010



WOLFGANG BÜCHELE
Member in 2009-2012 and since 2014



SHIRLEY CUNNINGHAM
Member since 2017



KAISA HIETALA
Member since 2016



TIMO LAPPALAINEN
Member since 2014

Kemira's Management Board



JARI ROSENDAL
President and CEO
With Kemira since 2014



KIM POULSEN
President
Pulp & Paper
With Kemira since 2015



PETRI CASTRÉN
CFO
With Kemira since 2013



ESA-MATTI PUPUTTI
EVP, Operational
Excellence
With Kemira since 2015



ANTTI SALMINEN
President
Industry & Water
With Kemira since 2011



MATTHEW PIXTON
CTO
With Kemira since 2016

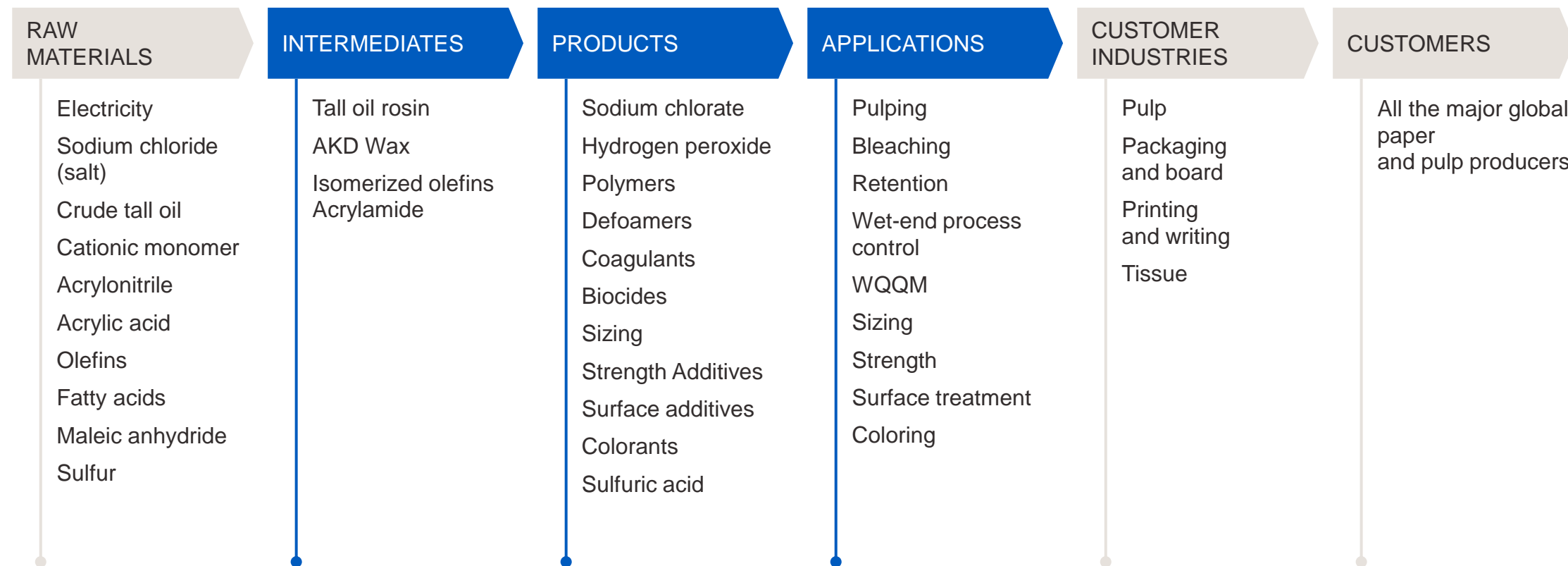


EEVA SALONEN
EVP, Human Resources
With Kemira since 2008

Jukka Hakkila, Chief Legal Officer, (with Kemira since 2005) acts as secretary of Management Board and Board of Directors.

Pulp & Paper

TECHNOLOGY AND MARKET LEADER

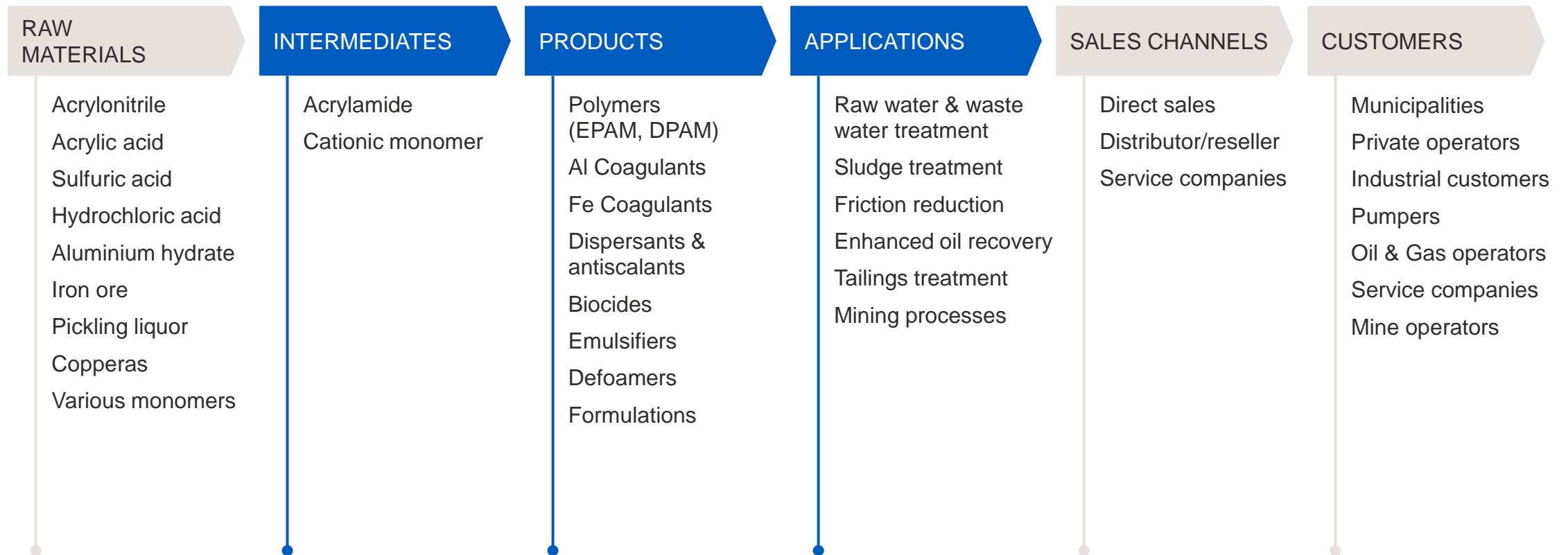


■ Value chain part covered by Kemira

MAIN COMPETITORS: Solenis, Nouryon, Ecolab, Kurita, SNF

Industry & Water

TECHNOLOGY AND MARKET LEADER IN WATER TREATMENT AS WELL AS IN NICHE APPLICATIONS IN OIL & GAS



■ Value chain part covered by Kemira

MAIN COMPETITORS

Coagulants: mainly local small companies, Feralco, USALCO, Kronos, PVS,
Polymers: SNF, Solvay, Ecolab, Solenis

Important information about financial figures

Kemira provides certain financial performance measures (alternative performance measures) that are not defined by IFRS. Kemira believes that alternative performance measures followed by capital markets and management, such as organic growth*, EBITDA, operative EBITDA, cash flow after investing activities, and gearing provide useful information of its comparable business performance and financial position. Selected alternative performance measures are also used as performance criteria in remuneration.

Kemira's alternative performance measures should not be viewed in isolation to the equivalent IFRS measures and alternative performance measures should be read in conjunction with the most directly comparable IFRS measures. Definitions of the alternative performance measures can be found in the Definitions of the key figures in this report, as well as at www.kemira.com > Investors > Financial information.

All the figures in this Financial Statements Bulletin have been individually rounded and consequently the sum of individual figures may deviate slightly from the sum figure presented.

* Revenue growth in local currencies, excluding acquisitions and divestments

kemira 100 years of
chemistry