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# Strong Balance Sheet Enabling Ambitious Growth

CAPITAL MARKETS DAY  
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kemira

# New long-term financial targets reflect our profitable growth ambitions and stronger fundamentals

AVERAGE ANNUAL  
ORGANIC GROWTH

**> 4%**

OPERATIVE  
EBITDA

**18-21%**

OPERATIVE RETURN ON  
CAPITAL EMPLOYED

**> 16%**

# New business units have different financial profiles

BUSINESS UNIT	WATER SOLUTIONS	FIBER ESSENTIALS	PACKAGING & HYGIENE SOLUTIONS
% of total sales*	~45%	~20%	~35%
Cyclicality	Low	Medium	Medium
Pricing structure	Majority fixed pricing	Majority formula-based	Majority fixed pricing
Capital intensity	Low	High	Low to medium
Contract length	Typically 1 year, tendered business in municipal	Typically multi-year, high customer retention	Typically 1 year
<b>PERFORMANCE VS LONG-TERM GROUP FINANCIAL TARGETS*</b>			
Average annual organic growth >4%	Higher	Lower	Slightly lower
Operative EBITDA 18-21%	Higher	Higher	Lower
Operative ROCE >16%	Higher	Lower	Higher

\* Preliminary figures for Fiber Essentials and Packaging & Hygiene Solutions on LTM basis until H1 2024. More financial information will be published at a later stage.

# Our new Operations function will continue to target further efficiencies

<b>~3,000</b> Employees globally	<b>57</b> Number of manufacturing sites globally
<b>~200,000</b> Annual deliveries to customers	<b>EUR ~1.6 billion</b> Annual spend on logistics, energy and raw materials

## PRIORITIES OF THE NEW UNIT

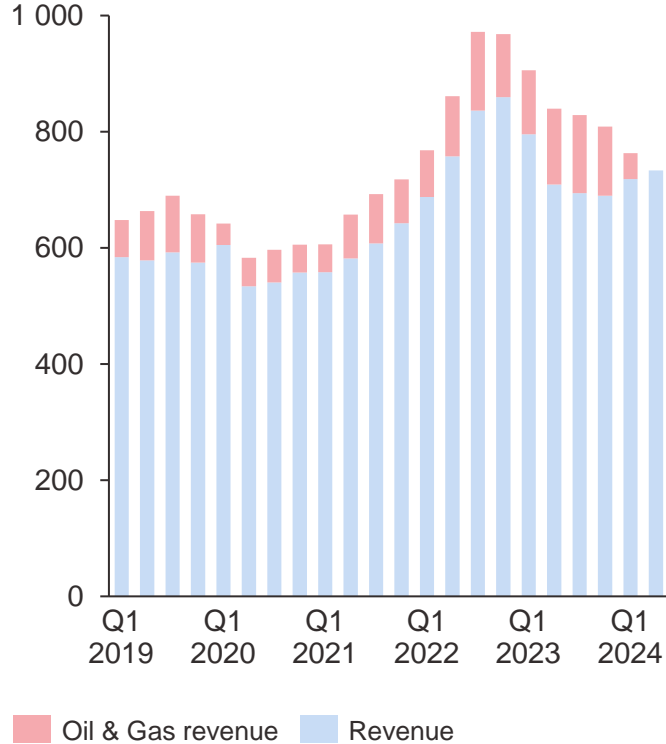
- Retain our efficient operational backbone
- Drive profitability through optimizing efficiency of manufacturing, operations and related functions
- Enhance co-operation and synergies through centralizing functions
- Strong focus on safety
- Key unit for sustainability ambitions with a mandate to drive defossilization agenda

## STRATEGIC OBJECTIVE

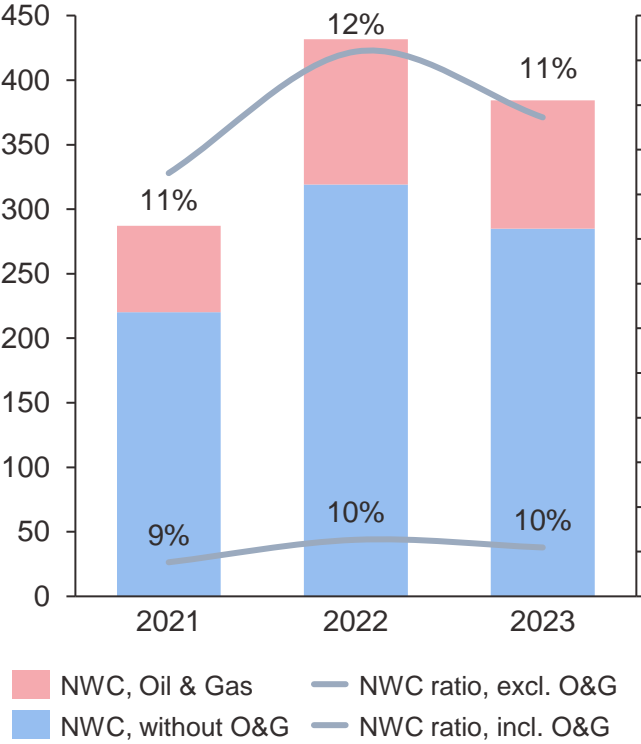
Protect and strengthen our strong operational core and support new business units in their growth agenda

# Our portfolio is more predictable and resilient after divesting Oil & Gas

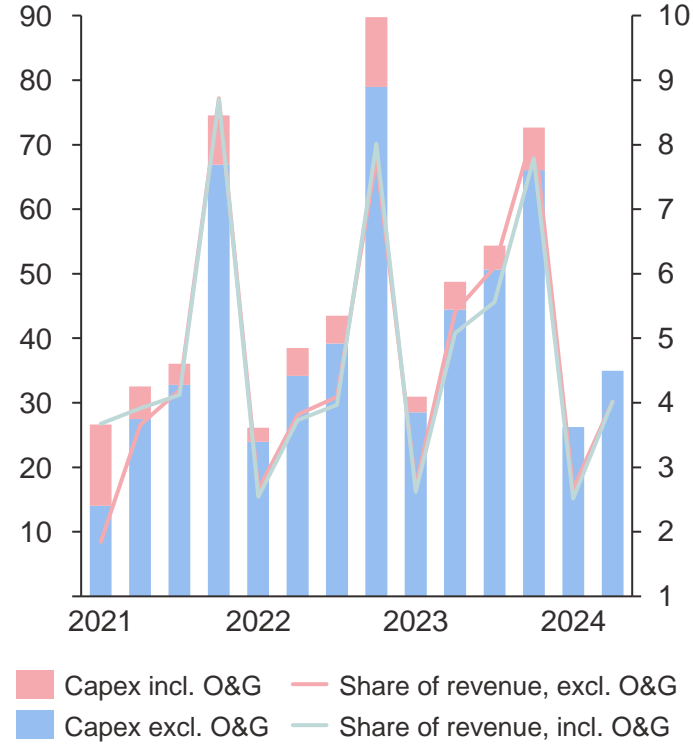
**LOWER CYCLICALITY**  
Revenue development, EUR million



**LOWER NET WORKING CAPITAL**  
EUR million



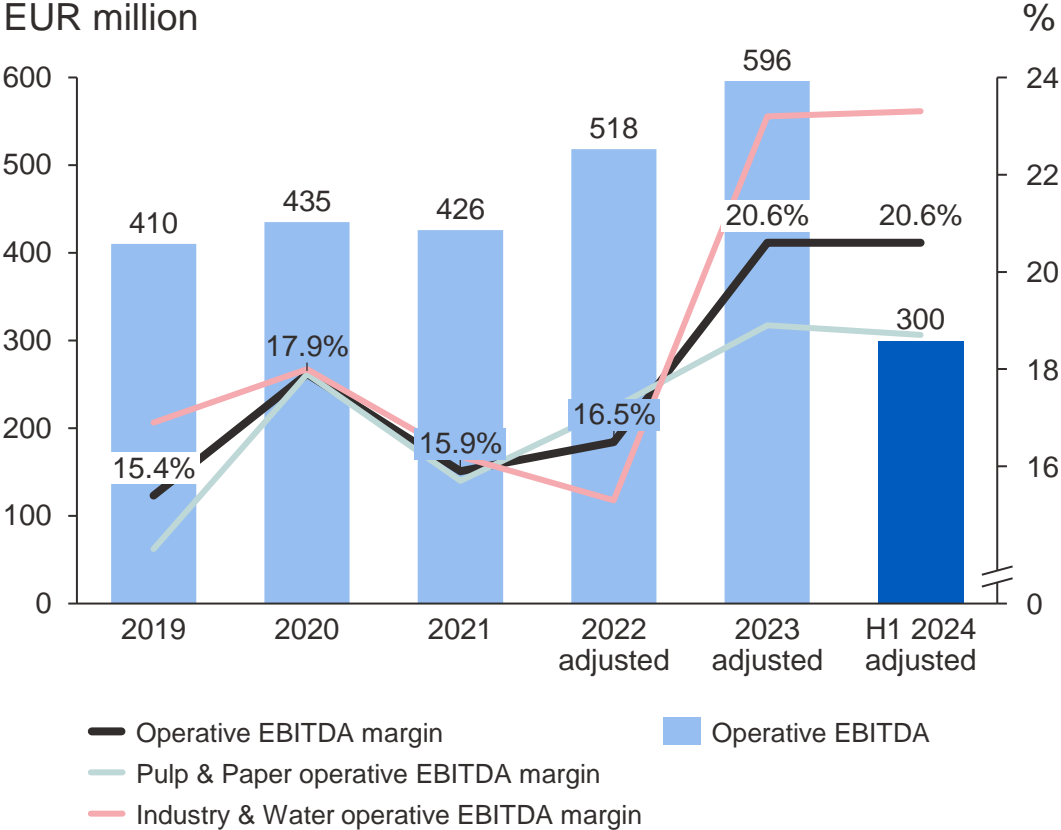
**LOWER CAPITAL EXPENDITURE**  
EUR million



# Our structurally higher margins are due to systematic improvements

## OPERATIVE EBITDA AND OPERATIVE EBITDA MARGIN DEVELOPMENT

EUR million



Adjusted refers to Oil & Gas divestment adjusted figures

### REASONS BEHIND THE STRONGER MARGIN PROFILE

#### COMMERCIAL EXCELLENCE

- Strong focus on pricing and customer-level profitability in both segments
- Significant profitability improvement in certain areas, particularly I&W Americas and P&P APAC

#### EFFICIENCY OF OPERATIONS

- Structural benefit from backward integration in electricity in Finland
- Fixed cost leverage
- Simplified product portfolio: number of products has halved in 7 years providing simplicity, efficiency and focus

#### PORTFOLIO SIMPLIFICATION

- Divestment of dilutive Oil & Gas and colorants businesses

# Capex expected to be 6-7% of revenue excluding large investments

## CAPEX PRIORITIES GOING FORWARD

- Water Solutions
- Renewable solutions; investments in alpha glucan expected to start in the near term
- Fiber Essentials: selective investments if financially sound and attractive
- Attractive adjacencies

## GROWTH INVESTMENTS

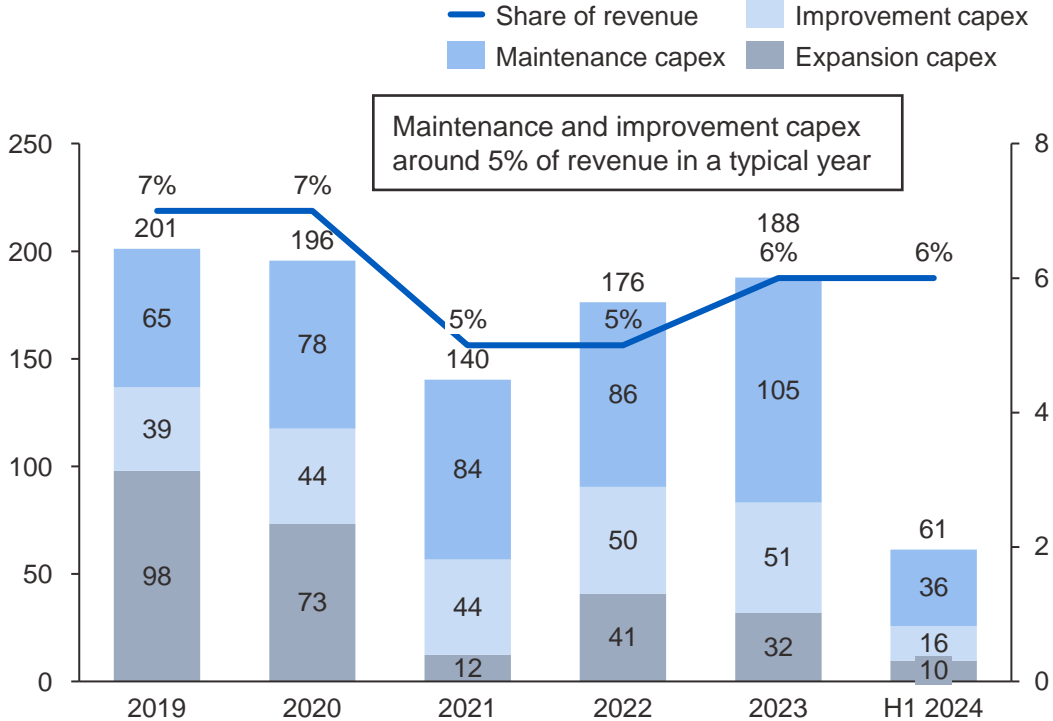
### Water Solutions

- Coagulant expansions in the UK, Norway and Spain ongoing

### Packaging and Hygiene Solutions

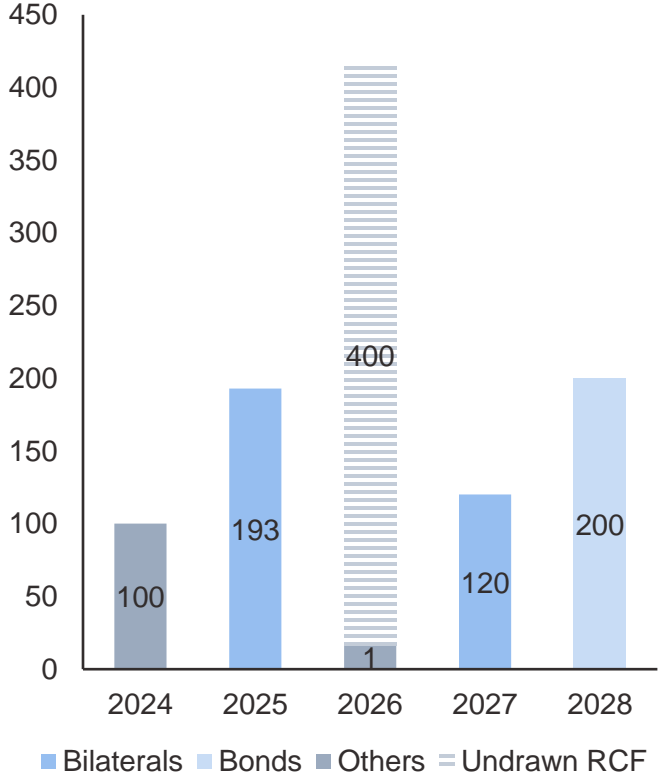
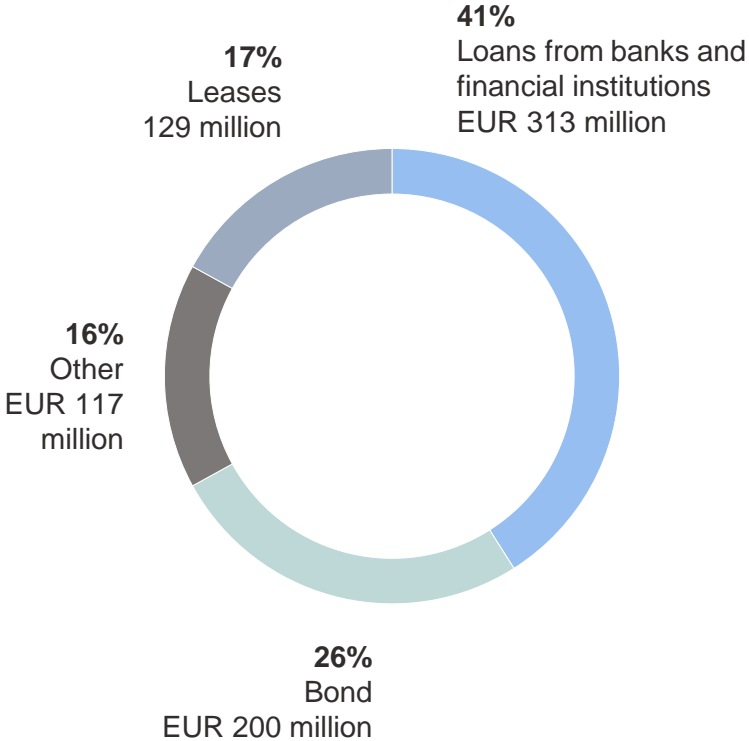
- China ASA expansion, completion Q4 2024

CAPEX DEVELOPMENT AND ITS SHARE OF REVENUE  
EUR million

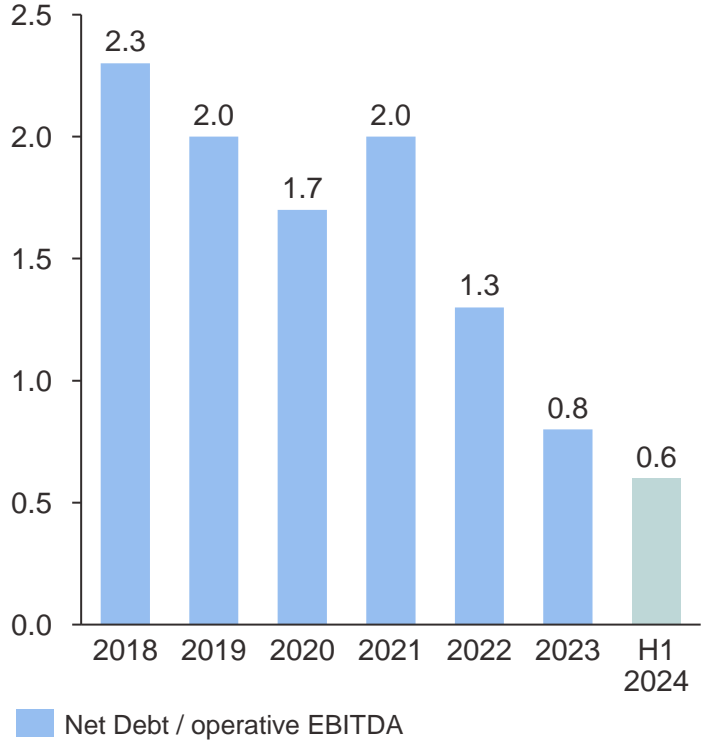


# Our balance sheet is very strong with no large debt maturities

GROSS DEBT EUR 753 MILLION (AT END OF JUNE 2024), MATURITY PROFILE EXCLUDING LEASES



BALANCE SHEET HAS STRENGTHENED CONSIDERABLY







# We have a disciplined M&A strategy

- M&A is one tool to accelerate Kemira's ambitions for profitable growth
- Looking at opportunities particularly in water and the renewables space: interested in both new technologies and market consolidation
- Preference for small-to mid-sized acquisitions
- Clear synergies prioritized with Kemira's existing business and in line with financial target for operative EBITDA
- High valuations particularly in water; we remain financially disciplined

# Attractive shareholder returns combined with higher growth investments

## SHAREHOLDER RETURNS TO REMAIN COMPETITIVE

Maintain current dividend policy of competitive and over-time increasing dividend

## CAPITAL EXPENDITURE TO DRIVE GROWTH

Capex to remain roughly within existing capex range of 6-7% of revenue if no major investments take place

## M&A TO DRIVE GROWTH

Increased focus on M&A, particularly in water treatment

**TARGETED LONG-TERM CAPITAL STRUCTURE INCLUDES USE OF DEBT WITHIN INVESTMENT GRADE**

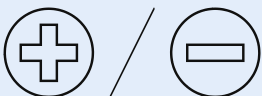
# Factors to watch in 2025

## FACTORS EXPECTED TO IMPACT THE OPERATIVE EBITDA DEVELOPMENT IN 2025



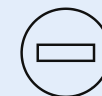
### SUPPORTING

- Solid end-market demand in water treatment
- Contribution from the upcoming ASA capacity expansion in China
- Competitive advantage from energy backward-integration in electricity in Finland



### UNCERTAINTIES

- Global economic uncertainty and its impact on Pulp & Paper market
- FX and raw material price development



### POSSIBLE NEGATIVE FACTORS

- Fixed cost pressure following strong inflation



# Strong balance sheet enabling ambitious growth

1.

## STRONGER AMBITION TO GROW

Financial target to  
reach average annual  
organic growth of >4%

2.

## STRUCTURALLY HIGHER MARGIN PROFILE

Financial target  
for operative EBITDA  
18-21%

3.

## ATTRACTIVE GROWTH OPPORTUNITIES ORGANICALLY AND INORGANICALLY

Disciplined M&A strategy;  
financial target for operative ROCE >16%

**kemira**

Chemistry with a purpose.  
Better every day.