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PRESIDENT, INDUSTRY & WATER
EVP, WATER SOLUTIONS AS OF 1/2025

Water Solutions: Ambition to double revenue

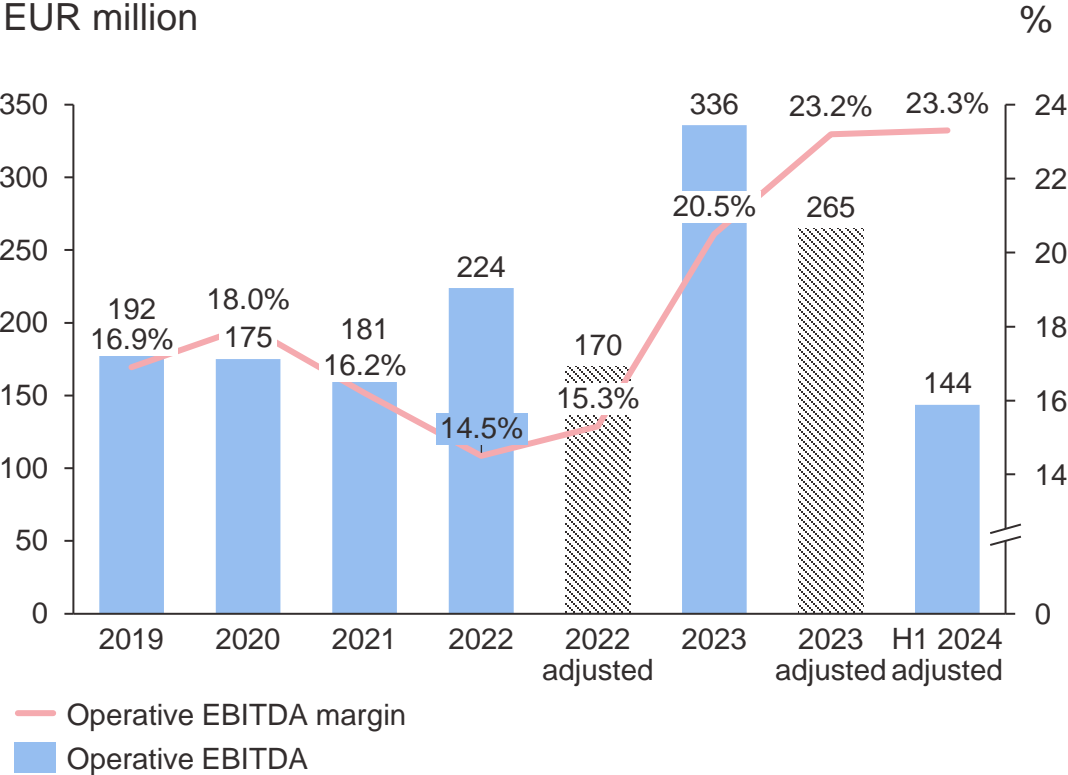
CAPITAL MARKETS DAY
SEPTEMBER 26, 2024

kemira

Our water business is in excellent shape

STRONG FINANCIAL PERFORMANCE IN RECENT YEARS

EUR million



Adjusted refers to Oil & Gas divestment adjusted figures

WE HAVE AN EFFICIENT OPERATING PLATFORM

- **Strong value proposition to customers:** application know-how, product quality and supply security
- Strong and typically long customer relationships; very high customer satisfaction
- Strong market position in coagulants: #1 in Europe and among top 3 players in North America
- In-depth market understanding locally and globally
- Wide manufacturing footprint close to the end-customers ensuring excellent delivery reliability
- Strong focus on commercial excellence in recent years; capability to price delivery reliability has improved
- Efficient supply chain with a very high degree of recycled raw materials; difficult to replicate



Our solutions play a significant role in improving our customers' footprint

MORE PHOSPHORUS REMOVAL WITH CHEMICAL PHOSPHORUS REMOVAL

Min

90%

Coagulation enables better
removal of phosphorus from
wastewater discharge

LOWER CARBON FOOTPRINT WITH CHEMICAL TREATMENT

Up to

30%

With pre-precipitation at
wastewater treatment plants

IMPROVED BIOGAS GENERATION WITH CHEMICAL TREATMENT

Up to

30%

More biogas
generated

BETTER SLUDGE DEWATERING

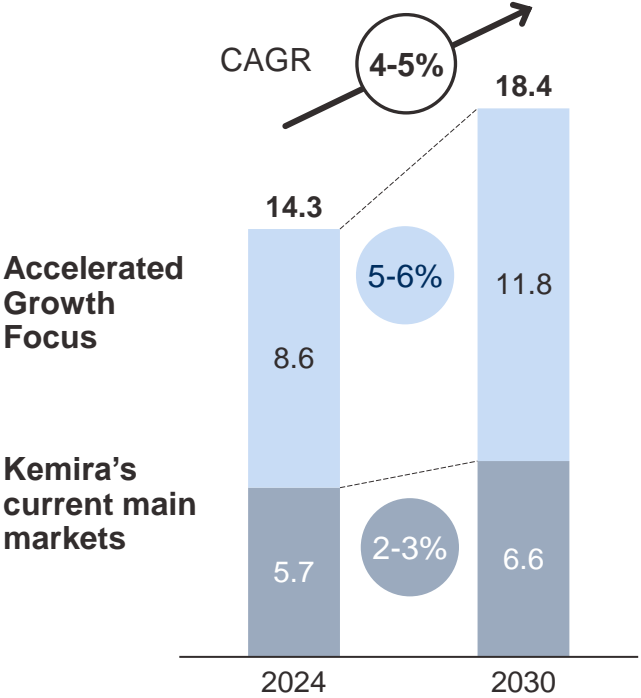
Up to

12%

Lower sludge volume enabling
lower transportation and
disposal costs for customers

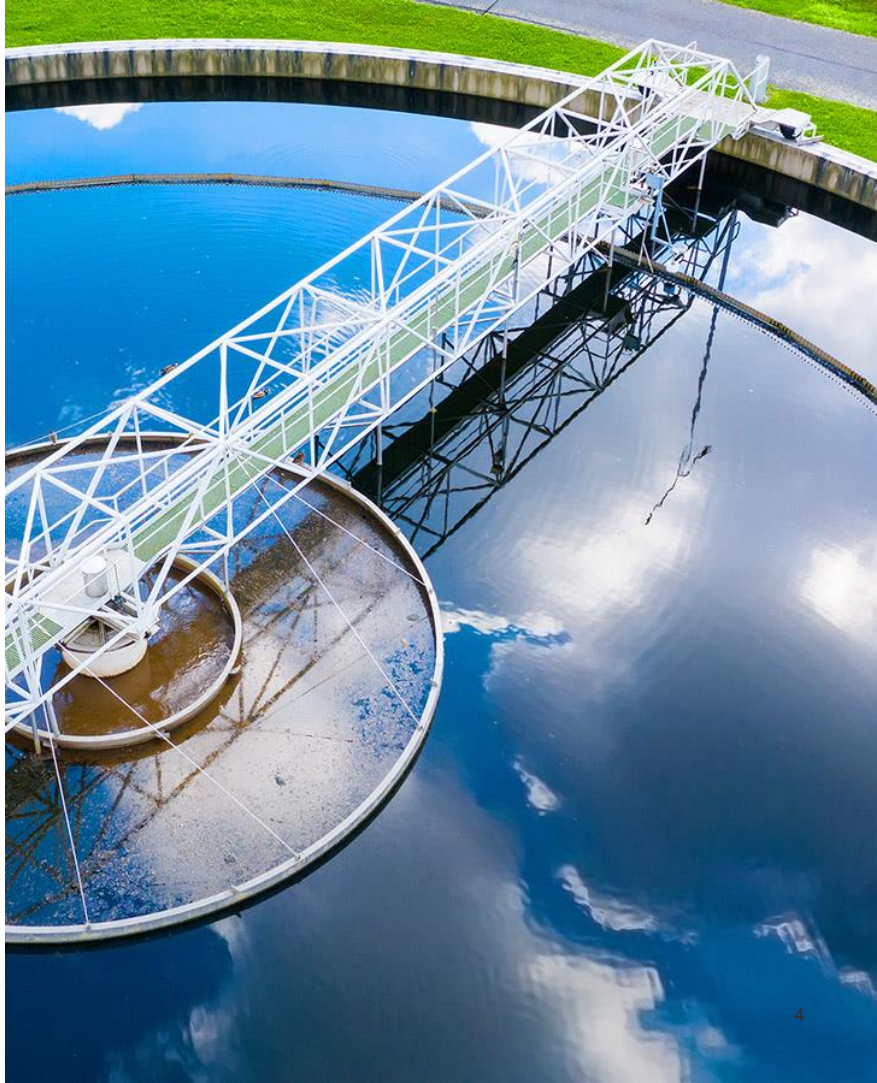
Trends in water treatment provide solid opportunities for sustainable growth

RELEVANT WATER TREATMENT PRODUCTS & SOLUTIONS MARKET EUR billion



RELEVANT MARKET TREND AND EXPECTED GROWTH CAGR

| | |
|-------------|---|
| 8-9% | Energy efficiency in water treatment processes |
| 5-6% | Micropollutants removal |
| 5-6% | APAC water treatment standards |
| 2-3% | Continuously tightening water treatment regulations and standards |



Regulation continues to support the growth in water treatment

| REGION | REGULATION UNDER REVIEW | COMMENTS & IMPLICATIONS |
|---------------|---|---|
| EUROPE | Urban Wastewater Treatment Directive (UWWT) | <ul style="list-style-type: none"> • Driver for the enforcement of existing legislation in all countries especially for phosphorus removal; tighter limits gradually starting 2033 • New improvement areas: energy efficiency and micropollutants control • Energy neutrality requirement in the EU will support biogas production with coagulants • Revised directive will increase use of coagulants and polymers in non-compliant countries |
| | Drinking Water Directive (DWD) | <ul style="list-style-type: none"> • Main change in drinking water quality is enforced starting 2026 • Regulation for PFAS* removal starting 2026, mainly for activated carbon and some other technologies |
| | Renewable Energy Directive (RED) | <ul style="list-style-type: none"> • Promote biogas and biomethane as renewable energy sources |
| NORTH AMERICA | Clean Water Act (CWA) , enforced by state regulatory authorities | <ul style="list-style-type: none"> • Tighter discharge limits for phosphorus; phased approach to ultimately reach 10x tighter discharge limits • Expected to increase chemical demand as discharge limits are being tightened • PFAS* regulation for wastewater pending |
| | National Public Drinking Water Standards | <ul style="list-style-type: none"> • Aim to tighten micropollutant limits, expected to increase adsorption technology usage (such as activated carbon or ion exchange) |

*PFAS refers a group of synthetic chemicals used in many consumer applications which have negative environmental and health impacts

Micropollutant removal is an increasingly attractive and synergistic growth opportunity

MARKET DESCRIPTION

Activated Carbon (AC) the most commonly used technology in micropollutant removal; market moving increasingly towards reactivation vs virgin activated carbon

Market demand expected to grow considerably following tightening regulations on PFAS and pharmaceutical residuals; first regulatory steps being taken

New alternative technologies being developed for PFAS

Close proximity to customers key in AC

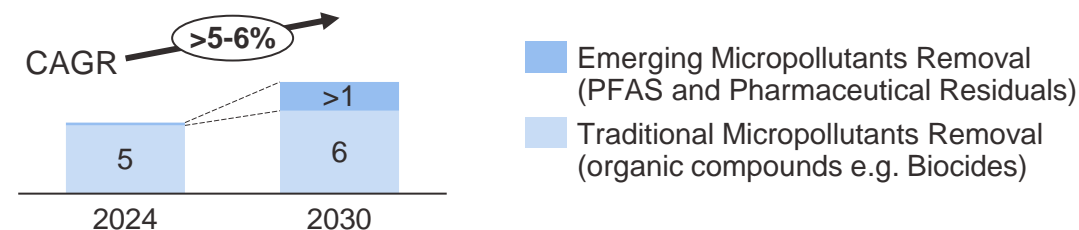
KEMIRA AND MICROPOLLUTANT REMOVAL

- Acquisition of Norit's reactivation operations in the UK; first step in better understanding the reactivation process and customer needs
- High synergies with Kemira's current water treatment offering; cross-selling a significant opportunity when demand starts to pick up
- Early partnerships with most promising new PFAS removal technologies

Next steps

- Looking at inorganic opportunities across several technologies
- Partnerships with new technology providers, particularly focusing on PFAS
- Organic investment opportunities being explored in regions with low activated carbon coverage

ACTIVATED CARBON MARKET EXPECTED TO GROW EUR billion



Biogas applications are of increasing interest

MARKET DESCRIPTION

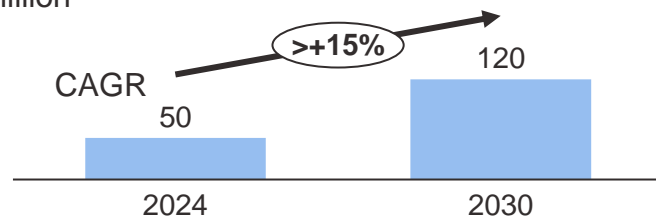
Biogas market expected to grow significantly in coming years due to increased focus on energy independence and green transition

Demand for yield-enhancing products expected to increase benefiting Kemira

Biomethane fastest growing application within biogas

RELEVANT CHEMICAL MARKET EXPECTED TO DOUBLE BY 2030

EUR million



KEMIRA AND BIOGAS APPLICATIONS

- Our products, particularly coagulants, can significantly enhance biogas yield and reduce energy consumption
- Our products are unique and patented and give us an advantage in many biogas applications
- Kemira particularly focused on the faster growing biomethane market in Europe

Coagulant expansion in Spain

- An investment to expand coagulant capacity in Tarragona, Spain to cater for growing demand of coagulants for biogas generation and phosphorus removal
- Investment mid-single digit millions; estimated completion 2026
- Looking at further expansion possibilities at other sites

Industrial water services also present interesting growth potential

MARKET DESCRIPTION

Industrial water services include several applications, such as boiler & cooling, raw water intake and wastewater discharge

A large market with strong growth; resilient customer base

Highest value creation achieved in the application service step of the water treatment chemicals value chain

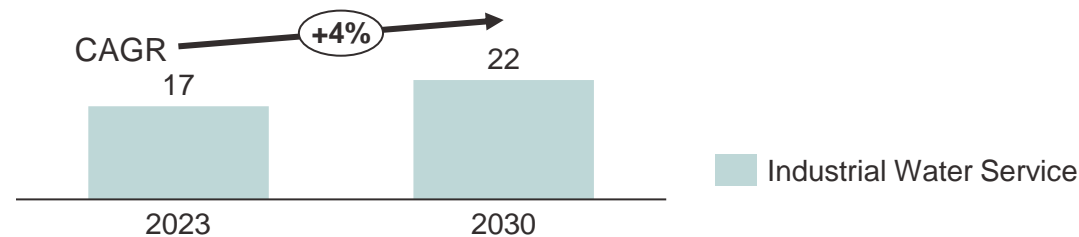
The market landscape currently fairly fragmented offering opportunities for consolidation

KEMIRA AND INDUSTRIAL WATER SERVICES

- Kemira's current industrial water treatment revenue around EUR 600 million, incl. distributors and various industries, such as chemical, food and beverage as well as mining
- Kemira looking at opportunities to move higher in the value chain closer to the end-customer
- A more meaningful entry into industrial water services would unlock industrial synergies from Kemira's industrial customer base and global manufacturing footprint
- Cross-selling opportunities expected for Kemira's other business units

LARGE AND GROWING MARKET

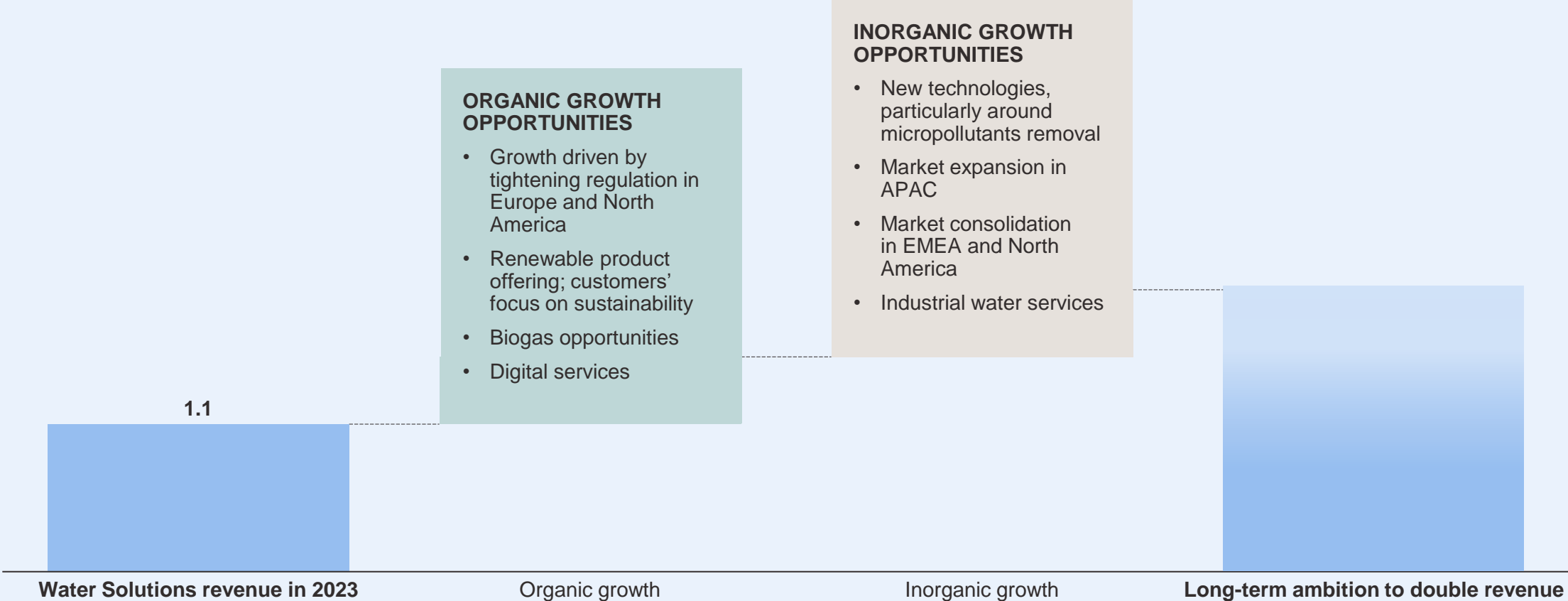
EUR billion



Next steps

- Actively reviewing potential inorganic growth opportunities across regions

Both organic and inorganic investments will contribute to our ambition to double the revenue



Well-positioned for ambitious growth while retaining high profitability

CONTRIBUTION FOR NEW GROUP FINANCIAL TARGETS

Average annual organic growth > 4%



Operative EBITDA 18-21%



Operative ROCE > 16%



RETAIN HIGH PROFITABILITY OF BASE BUSINESS

- Strong focus on commercial excellence and pricing
- Utilize in-depth market understanding in business decisions
- Ensure efficiency of operations, incl. sourcing of recycled raw materials

ACCELERATE GROWTH TRAJECTORY

- Re-focus organizational priorities and increase resourcing, particularly in business development, to better capitalize on organic and inorganic growth opportunities
- Increase speed-to-market with new product development; expand renewable product offering to meet customers' increasing sustainability needs



Ambition to double the revenue

Water solutions is a significant contributor to Kemira's revenue growth

Focus on retaining strong margins

Several attractive organic and inorganic growth opportunities; Kemira remains financially disciplined in inorganic opportunities

Kemira

Chemistry with a purpose.
Better every day.