

Kemira's Capital Markets Day 2024

KULTTUURIKASARMI, HELSINKI
SEPTEMBER 26, 2024

kemira

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Agenda (Finnish time)

14.00 Opening words
Mikko Pohjala, VP, Investor Relations

14.05 Kemira's strategy
Antti Salminen, President and CEO

14.30 Renewable solutions
Sampo Lahtinen, EVP, Research & Innovation

14.50 Water Solutions
Tuija Pohjolainen-Hiltunen, EVP, Water Solutions

15.15–15.45 Networking break

15.45 Fiber Essentials
Antti Matula, EVP, Fiber Essentials

16.05 Packaging & Hygiene solutions
Harri Eronen, EVP, Packaging & Hygiene Solutions

16.30 Financials
Petri Castrén, CFO

16.50 Final Q&A
+ closing remarks

17.00–18.00 Networking & drinks

Questions from the webcast will be taken via the chat tool.



Antti Salminen
President and CEO



Sampo Lahtinen
EVP, Research & Innovation



Tuija Pohjolainen-Hiltunen
EVP, Water Solutions



Antti Matula
EVP, Fiber Essentials



Harri Eronen
EVP, Packaging & Hygiene Solutions



Petri Castrén
CFO

ANTTI SALMINEN
PRESIDENT AND CEO

The New Kemira: Accelerating Profitable Growth with Increased Focus on Water

**CAPITAL MARKETS DAY
SEPTEMBER 26, 2024**

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WE ARE WELL-POSITIONED FOR PROFITABLE GROWTH

**We have
structurally
stronger
margins**

**We are
accelerating
growth – driven
by water and
sustainability**

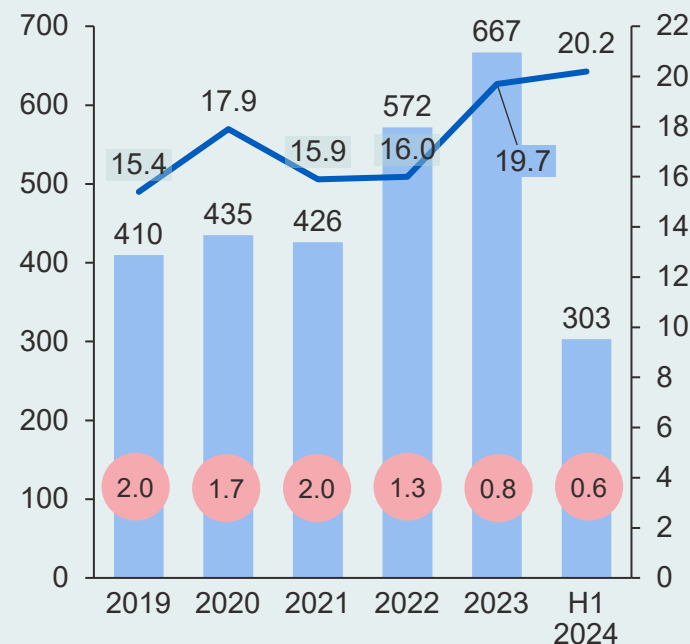
**We will execute
faster through
the new Kemira
organization**

We have delivered on multiple fronts

IMPROVED FINANCIALS

EUR million

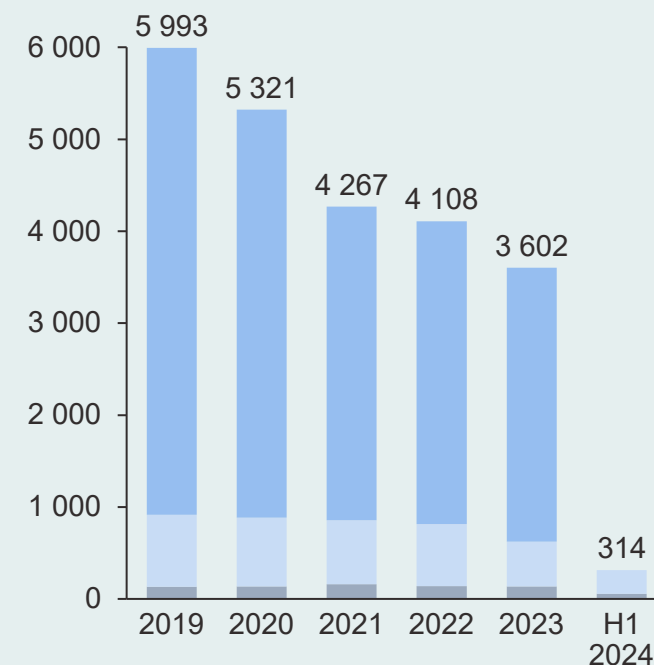
%



- Operative EBITDA margin, %
- EBITDA, EUR million
- Net debt / operative EBITDA

REDUCED EMISSIONS

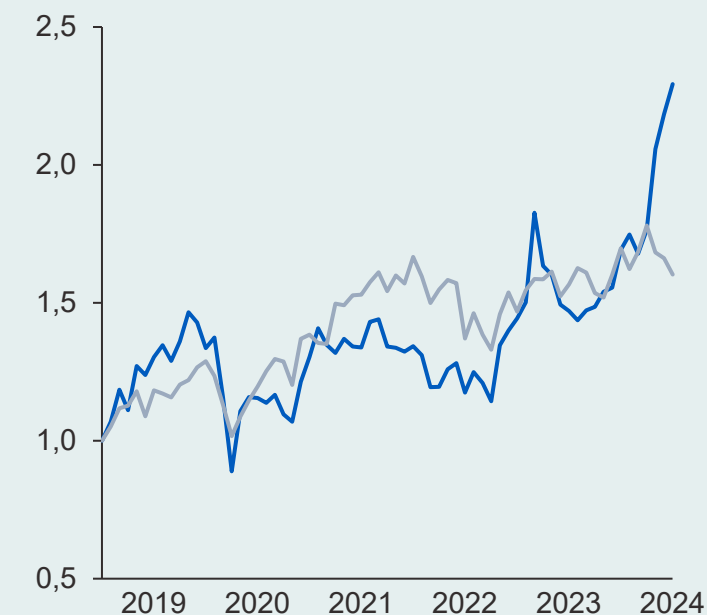
KT CO₂e



- Scope 3
- Scope 2
- Scope 1

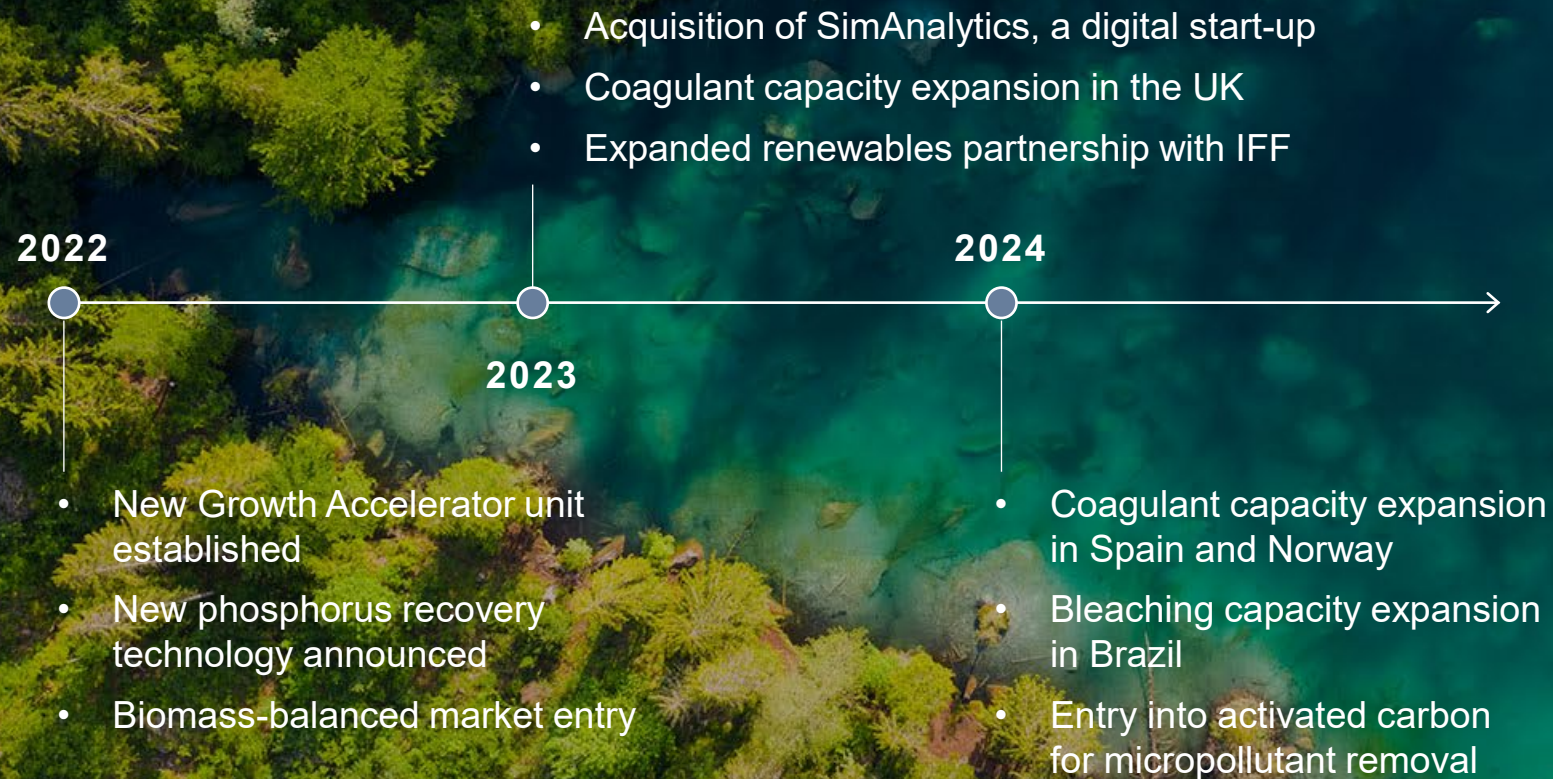
SHAREHOLDER RETURNS

(INDEXED)



- Kemira
- EURO Stoxx Chemicals

We have already started on a more ambitious growth strategy



H2 2024
Announcement
of a new
organizational
model and
updated long-term
financial targets

First steps towards the new Kemira launching in 2025...

NEW ORGANIZATIONAL MODEL
2025 onwards
WATER SOLUTIONS
FIBER ESSENTIALS
PACKAGING & HYGIENE SOLUTIONS

THE NEW KEMIRA ORGANIZATION WILL PROVIDE:

- speed & agility
- increased strategic focus
- even higher customer-centricity

MAIN CHANGES

- Centralized operations to drive efficiency
- Faster commercialization of new innovations, stronger focus on long-term innovation
- Increased resourcing for strategy and M&A

NEW LONG-TERM FINANCIAL TARGETS

AVERAGE ANNUAL ORGANIC GROWTH

>4%

OPERATIVE EBITDA

18-21%

OPERATIVE ROCE

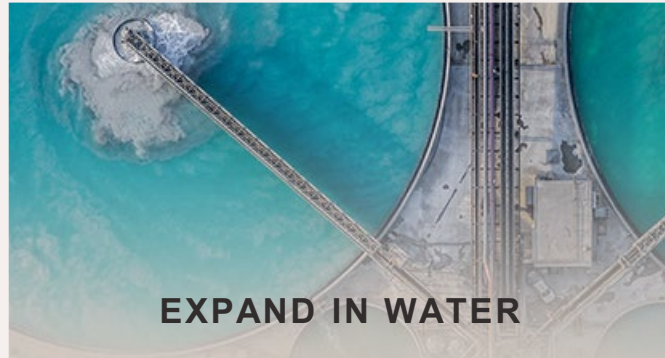
>16%

...with clear performance mandates for the new business units

BUSINESS UNIT	WATER SOLUTIONS	FIBER ESSENTIALS	PACKAGING & HYGIENE SOLUTIONS
% of total sales*	~45%	~20%	~35%
Mandate in the Kemira portfolio	Growth + cash flow	Cash flow + selective growth	Growth + transformation
Growth profile	+++	+	++
Sustainability relevance	+++	+	++
M&A relevance	+++	Not relevant	++
Investment appetite	+++	Selective investments	++

*) Rounded to nearest 5%. 2023 estimate. More detailed financials for the business units will be published at a later stage.

We have increased ambition levels in our sustainability-driven strategic priorities



EXPAND IN WATER

Significantly grow our water business by expanding to additional technologies and/or geographies both organically and inorganically

TARGET

Double the water revenue



BUILD LEADING RENEWABLE SOLUTIONS PORTFOLIO

Enable sustainability transformation in our existing markets and leverage our capabilities in the new circularity driven markets

TARGET

Over EUR 500 million revenue from renewable chemistries by 2030



UNLOCK NEW GROWTH PLATFORMS

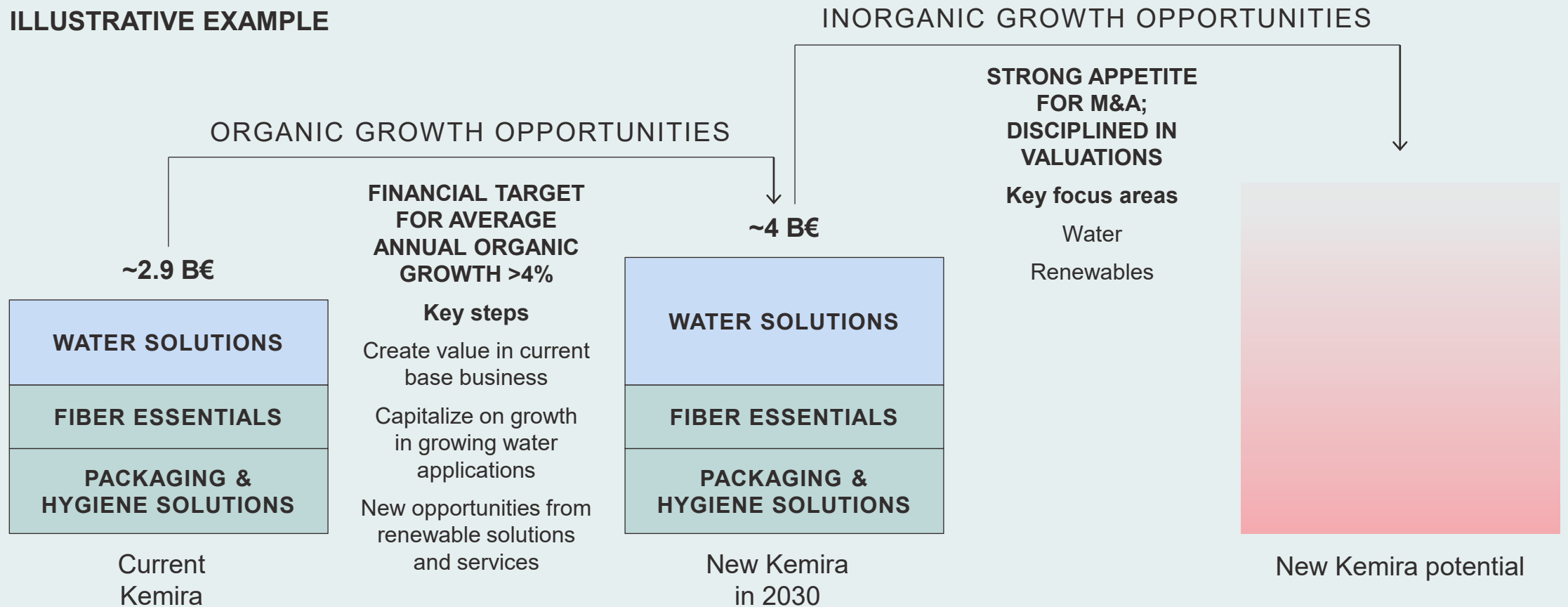
Increase penetration into selected new high-growth adjacent markets

TARGET

Build longer term revenue growth

We will grow through organic and inorganic opportunities – particularly in water

ILLUSTRATIVE EXAMPLE



We are building on a strong foundation

KEMIRA'S STRENGTHS TODAY	WHERE WE NEED TO DEVELOP	KEMIRA IN 2030
<p>STRONG BUSINESS MODEL</p> <p>Focused portfolio</p> <p>Customer-centric approach with strong commitment to quality and reliability</p> <p>WELL-OILED MACHINE</p> <p>Efficient operational organization</p> <p>High employee satisfaction with strong accountability</p> <p>Disciplined and pragmatic</p>	<p>CULTURAL CHANGE</p> <p>Higher growth mindset</p> <p>Courage and openness for new possibilities</p> <p>OUTSIDE-IN THINKING</p> <p>Speed and agility</p> <p>Further increased customer-centricity in business units</p> <p>INNOVATION</p> <p>Faster decision making and product development closer to customers</p>	<p>THE LEADING PROVIDER OF SUSTAINABILITY SOLUTIONS</p> <p>Higher share of revenue coming from water</p> <p>Sustainability transformation</p>

FORWARD WITH THE NEW LEADERSHIP TEAM



Antti Salminen
President & CEO



Harri Eronen
EVP,
Packaging &
Hygiene
Solutions



Linus Hildebrandt
EVP, Strategy
& Sustainability



Petri Castrén
CFO



Antti Matula
EVP, Fiber
Essentials



Sampo Lahtinen
EVP,
Research
& Innovation



Tuija Pohjolainen-Hiltunen
EVP, Water
Solutions



Eeva Salonen
EVP, People
& Culture



Peter Ersman
EVP, New
Ventures &
Services



Our commitment to sustainability supports customers and our profitable growth ambitions

SUSTAINABILITY IS A DRIVER FOR GROWTH

Enabling our industry's sustainability transformation

Our sustainability commitment makes us a preferred partner for customers and suppliers

Clear and measurable targets; top performer in the chemicals industry with Science-Based Targets Initiative commitment

71%

Of global energy use is emission free

59%

Of products improve customer resource efficiency

47%

Of used raw materials are renewable or recycled

-33%

Of scope 1&2 emissions reduced since base year 2018

Driving shareholder value through accelerated profitable growth

**WE ARE ACCELERATING GROWTH
– DRIVEN BY WATER AND
SUSTAINABILITY**

**WE HAVE STRUCTURALLY
STRONGER MARGINS**

**WE WILL EXECUTE FASTER THROUGH
THE NEW KEMIRA ORGANIZATION**

NEW FINANCIAL TARGETS

**AVERAGE
ANNUAL
ORGANIC
GROWTH**

>4%

**OPERATIVE
EBITDA**

18-21%

**OPERATIVE
ROCE**

>16%

Kemira

Chemistry with a purpose.
Better every day.

SAMPO LAHTINEN
SVP, GROWTH ACCELERATOR
EVP, RESEARCH & INNOVATION AS OF 01/2025

Renewable Solutions: Progressing Towards Our EUR 500 Million Target

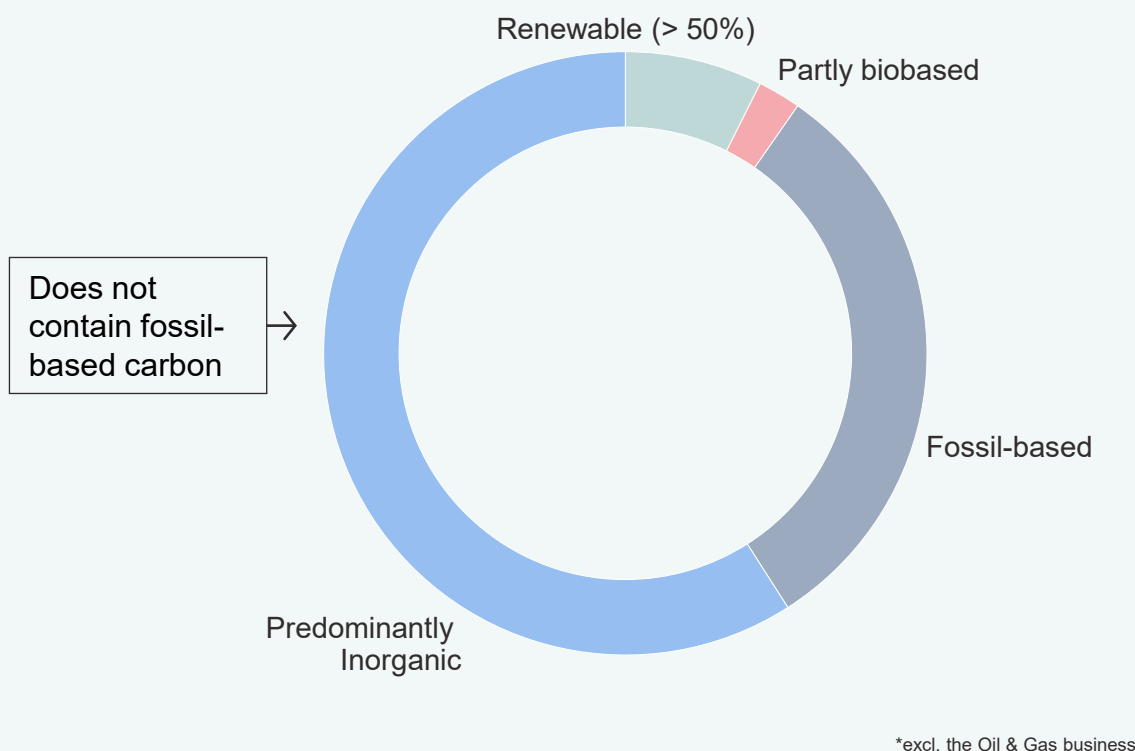
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We already have a significant number of renewable products in our portfolio

REVENUE SPLIT IN 2023*



CURRENT RENEWABLE PORTFOLIO

Sizing

- The majority of our current renewable offering

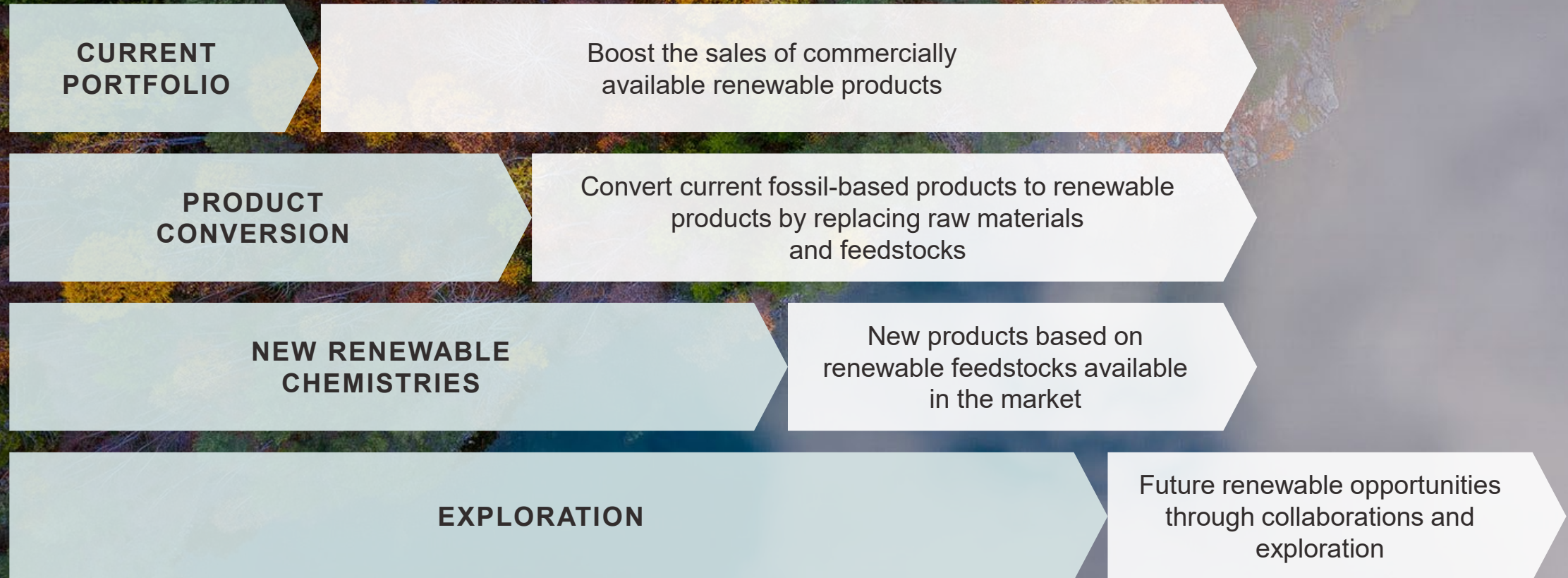
Renewable polymers

- Biomass-balanced polymers both for water treatment and Pulp & Paper

Other renewable products

- Mainly performance additives in Pulp & Paper

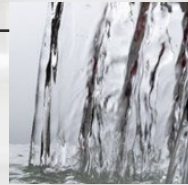
We have four paths to reach the EUR 500 million renewable revenue target



Strategic partnerships, feedstock conversion and product innovation are key in transitioning from fossil-based to renewables

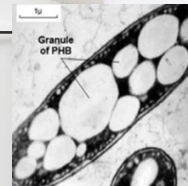
LEADING MARKET POSITION IN KEY PROJECTS

PRODUCT CONVERSION



Biomass-Balanced:
Expanding ISCC+ certifications of renewable carbon alternatives of our current products

NEW RENEWABLE CHEMISTRIES



Renewable Coatings:
Renewable barriers to replace plastics

EXPLORATION



Alpha Glucans:
Enzymatic platform to produce engineered biopolymers

Good traction in biomass-balanced

LATEST DEVELOPMENTS

- First biomass-balanced polymers were introduced in 2022, particularly targeted for water treatment customers
- Enhanced value proposition and new sales roll-out in 2023, significant sales growth during 2023
- Offering extended to Pulp & Paper in 2024, strong overall sales growth in 2024

NEXT STEPS

- Expanding offering from EMEA to the Americas
- Growth expected to come both from new revenue and partial substitution of existing fossil-based products

WHAT ARE THE BIOMASS-BALANCED PRODUCTS?

Products based on biobased feedstocks

The novel polymers are manufactured according to the principles of biomass-balance (majority of fossil-based raw materials are replaced by ISCC Plus certified biobased and renewable mass balanced feedstocks)

Strong demand from customers for renewable coatings

LATEST DEVELOPMENTS

- Strong demand from customers for renewable coatings to replace plastics
- Technical proof-of-concept work ongoing with innovative renewable products with numerous customer trials in the US and in Europe
- R&D collaboration with Danimer Scientific started in 2019 with focus on PHA* products; multi-year commercial partnership announced in 2022

NEXT STEPS

- Market development and proof-of-concept work accelerating in H2 2024

WHAT ARE RENEWABLE COATINGS?

Renewable barriers for paper & board packaging, enabling recyclability and biodegradability of products as well as plastics replacement

Several products in the pipeline, based on various renewable feedstocks



Evaluating Alpha Glucan manufacturing opportunity

WHAT IS ALPHA GLUCAN?

Platform of renewable polymers capable of replacing fossil-based equivalents in several applications, such as packaging and water treatment

Partnership leveraging on IFF's technology platform (Designed Engineered Biopolymers™)

Strong sustainability profile

LATEST DEVELOPMENTS

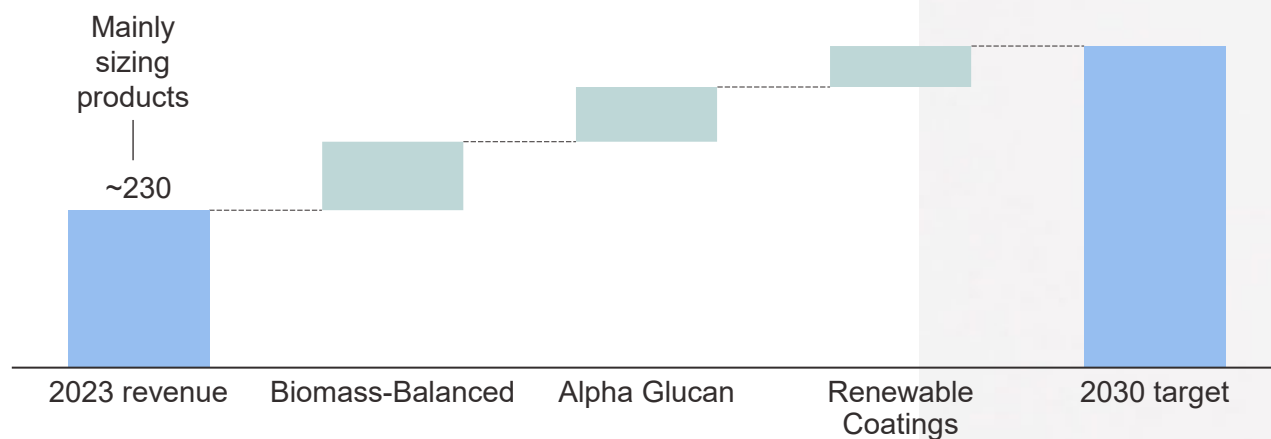
- Collaboration with International Flavors and Fragrances (IFF) started in 2020, partnership now expanded to production of renewable materials
- Market development unit under construction in Finland, enabling wider customer outreach

NEXT STEPS

- Evaluation of investment in a full-scale manufacturing unit, to be located in Kotka, Finland
- Market expansion and customer discussions continue

Delivering EUR 500 million target by 2030

ILLUSTRATIVE PLAN ON HOW TO REACH THE 2030 TARGET



Optimizing how we work in research and development

NEW ORGANIZATIONAL MODEL BEING PLANNED

- Product development relocating to the three new business units as of 2025 to further increase customer-centricity, speed-to-market and commercialization of new products
- New Research & Innovation unit focusing on long-term, groundbreaking research and innovations; renewable solutions at the core of the unit's work
- Planned changes aim to increase speed and agility as well as customer-centricity
- Planning and design ongoing, new unit intended be operational in January 2025

**AMBITION TO
INCREASE
REVENUE IMPACT
FROM
RESEARCH &
INNOVATION**

Kemira

Chemistry with a purpose.
Better every day.

TUIJA POHJOLAINEN-HILTUNEN
PRESIDENT, INDUSTRY & WATER
EVP, WATER SOLUTIONS AS OF 1/2025

Water Solutions: Ambition to double revenue

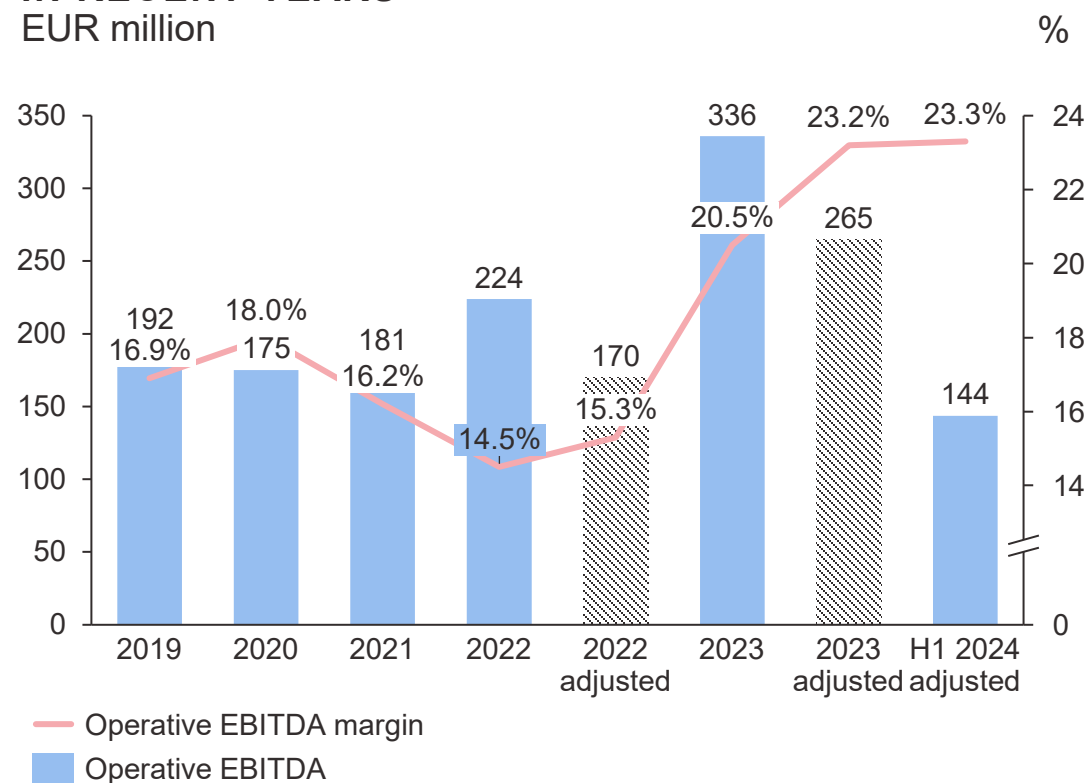
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Our water business is in excellent shape

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

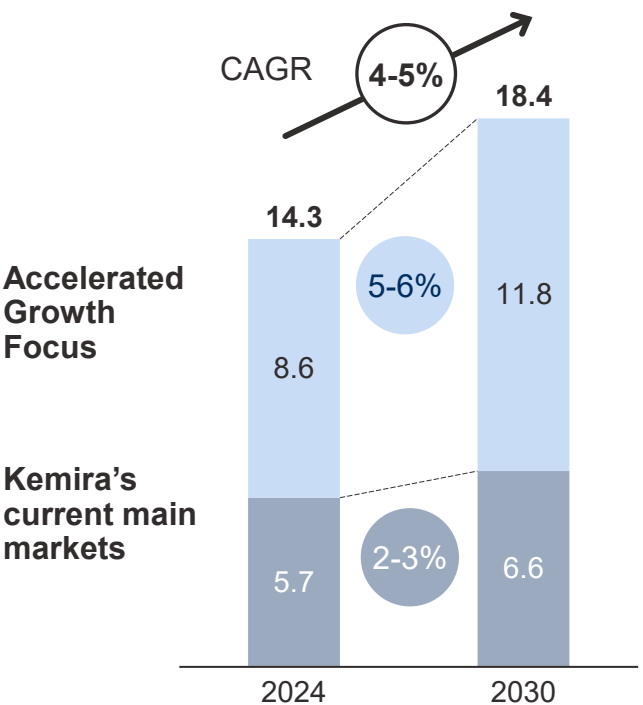
Up to

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

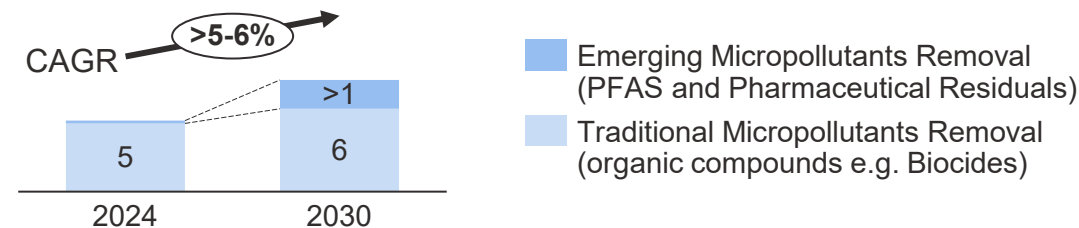
KEMIRA AND MICROPOLLUTANT REMOVAL

- 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

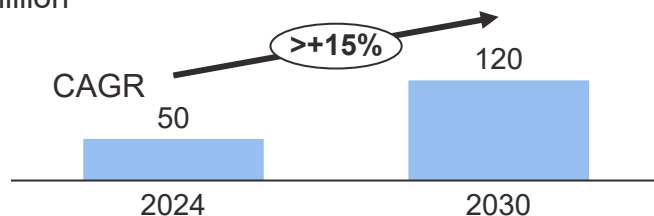
Biogas market expected to grow significantly in coming years due to increased focus on energy independence and green transition

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

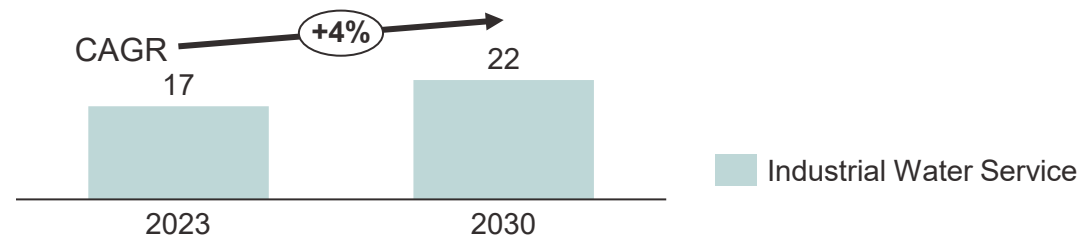
- Kemira's current industrial water treatment revenue around EUR 600 million, incl. distributors and various industries, such as chemical, food and beverage as well as mining
- Kemira looking at opportunities to move higher in the value chain closer to the end-customer
- A more meaningful entry into 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

Next steps

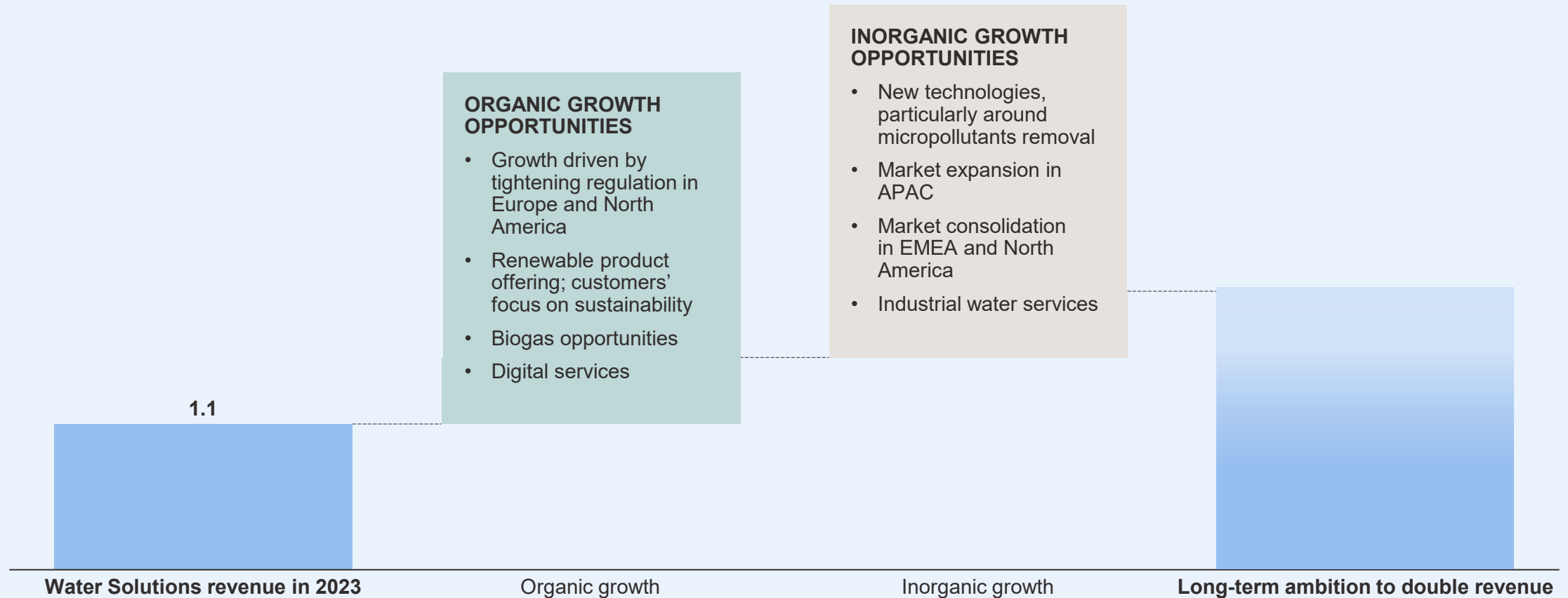
- Actively reviewing potential inorganic growth opportunities across regions

LARGE AND GROWING MARKET

EUR billion



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.



ANTTI MATULA

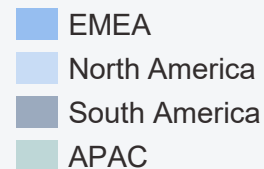
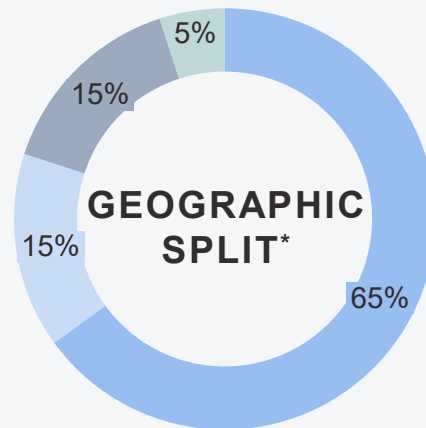
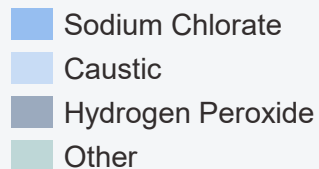
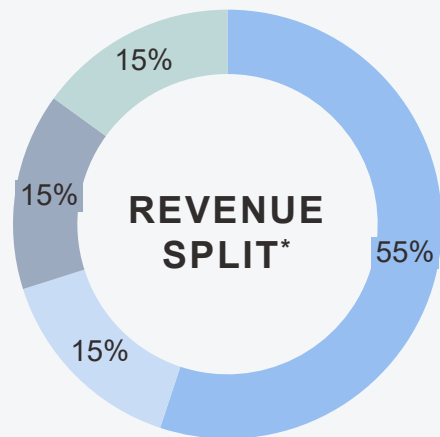
SVP, GLOBAL PRODUCT LINES AND BUSINESS DEVELOPMENT, PULP & PAPER
EVP, FIBER ESSENTIALS AS OF 01/2025

Fiber Essentials: Cash Generator with Selected Growth Opportunities

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SEPTEMBER 26, 2024

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Fiber Essentials focuses on critical pulp chemicals, particularly in mature markets



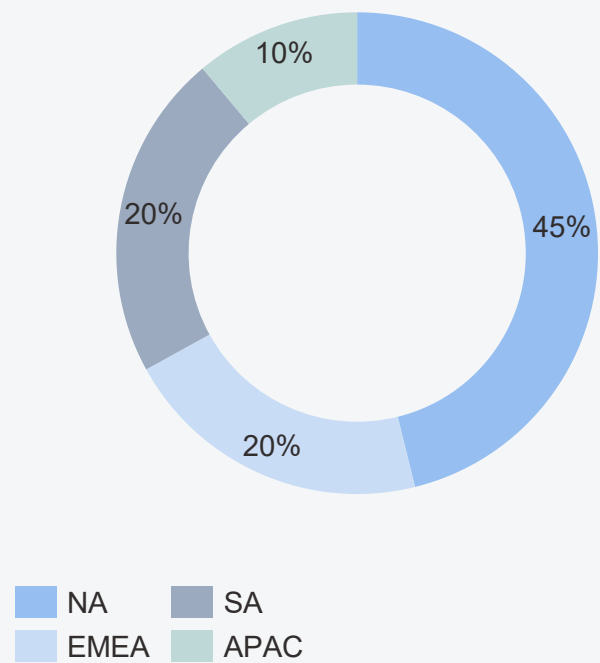
KEY STRENGTHS OF NEW BUSINESS UNIT

- Strong customer loyalty and high retention
- Long customer contracts with pricing largely based on formulas
- Strong commitment to quality and reliability; delivery reliability of utmost importance to customers
- Backward integration in electricity in Finland provides a notable competitive edge
- Proprietary Sodium Chlorate technology
- Efficient and well-managed global manufacturing network, including on-site chemical islands

* Preliminary figures and rounded to nearest 5%. More detailed financial information to be published at a later stage.

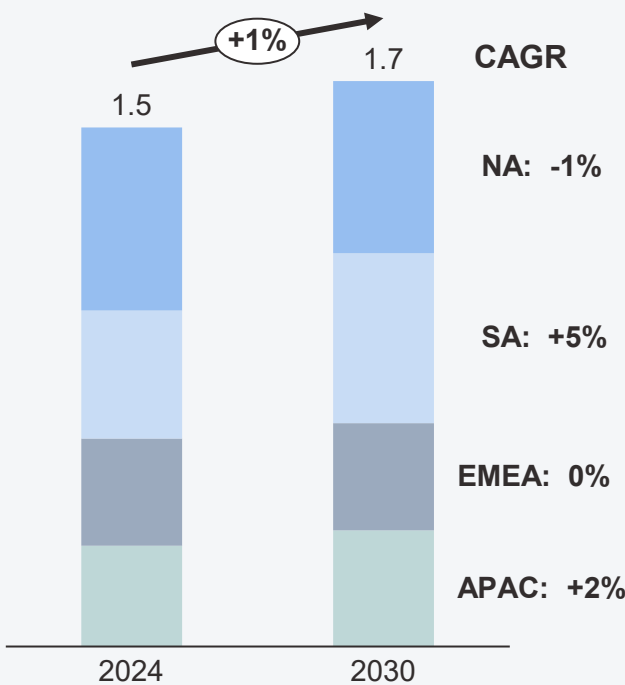
Sodium Chlorate is our largest business; market growing particularly in South America

REGIONAL MARKET CAPACITIES*



Rounded to the nearest 5%

MARKET GROWING SLIGHTLY
EUR billion



KEMIRA HAS A GOOD POSITION

20% of the global capacity*

- #1 Market leader in EMEA
- #2 In the growing South American market and globally
- #1 Supplier in Southern US, strategically well positioned to support expanding fluff pulp market

*Market Chlorate – excluding the Chlorate plants owned and operated by the pulp mill

Fiber Essentials focuses on capital efficiency and cash flow

CONTRIBUTION FOR NEW GROUP FINANCIAL TARGETS

Average annual organic growth
> 4%



Operative EBITDA
18-21%



Operative ROCE
> 16%



CAPITAL AND OPERATIONAL EFFICIENCY

- Continue optimizing operational efficiencies during times of volatility
- Investing in capacity debottlenecking or into selective new capacity mainly in South America

CASH FLOW

- Maintain attractive contract structure with largely formula-based pricing
- Ensure high capacity utilization
- Preserve strong customer loyalty
- Grow in APAC with selective imports

We benefit from our customers' sustainability transition

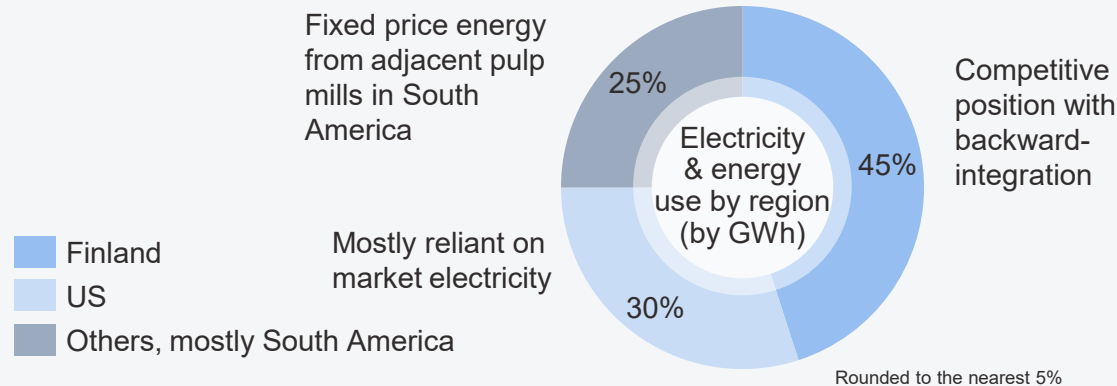
<p>CHEMICALS ARE A SIGNIFICANT CONTRIBUTOR TO OUR CUSTOMERS' SCOPE 3 EMISSIONS</p> <div><div><p>~25%*</p><p>Chemicals share of customer's scope 3 emissions</p></div><div><p>~50%</p><p>Of chemical emissions coming from sodium chlorate</p></div></div> <p><small>*Variation by region, example for Europe. Source EcoInvent</small></p>		<p>WE ARE WORKING TO EXPAND OUR RENEWABLE PRODUCT PORTFOLIO</p> <p>Introducing sustainable and carbon free electrochemical as one of the pioneering suppliers</p> <p>Increasing customer interest for sustainable and carbon free bleaching products</p>		
		<p>Chlorate and chloralkali renewable ISCC certified product offering in Europe</p>	<p>Electricity for chlorate and chloralkali production in Europe will be fully CO₂ emission free by 2025</p>	<p>Working with our customers, e.g. with Metsä Group, to introduce renewable raw materials</p>

We have a competitive electricity positioning

COMPETITIVE POSITIONING PARTICULARLY IN FINLAND

Kemira is entitled to electricity at production cost based on its ownership share in partner energy producers in Finland, Teollisuuden Voima (TVO) and Pohjolan Voima (PVO). Kemira entitled to fully carbon dioxide emission free electricity from hydro and nuclear power.

KEMIRA'S ANNUAL ELECTRICITY PURCHASES AROUND EUR 130 MILLION IN 2023



~85 %

Share of electricity backward-integration (incl. wind power PPAs) in Finland

100 %

CO₂ emission-free electricity in Finland as of 2025. 25% of electricity mix supplied with long-term wind power PPAs and guarantees of origin.

~4 %

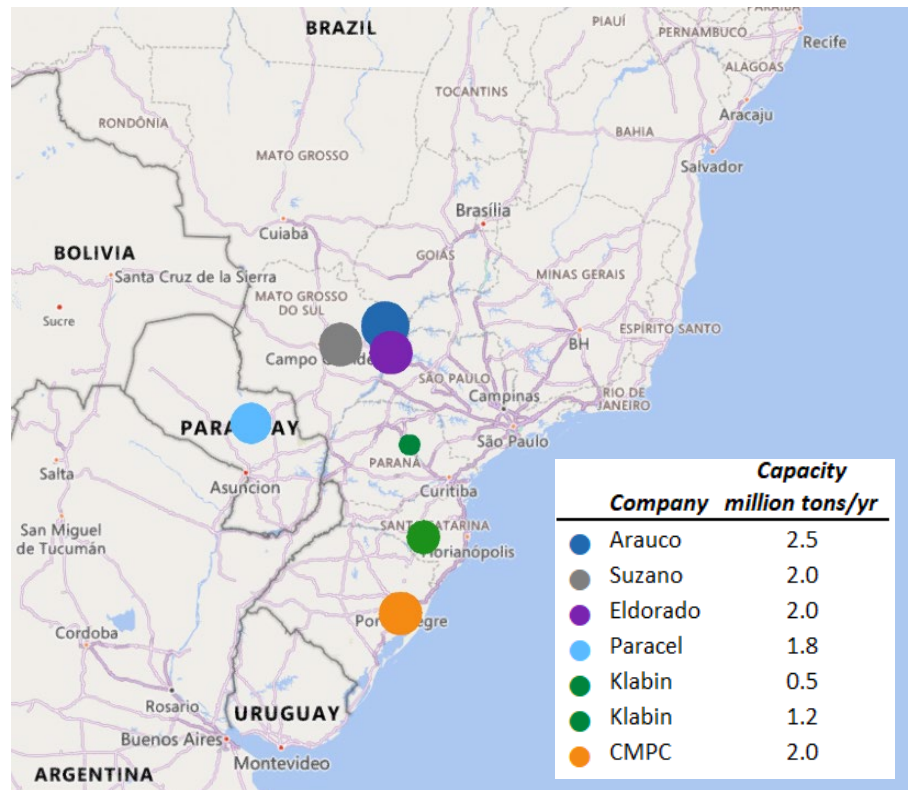
Kemira's ownership in key power producer (Pohjolan Voima, PVO)

~3,400 MW

Combined maximum nuclear electricity generation capacity of TVO and PVO

We see opportunities to grow in South America

PLANNED PULP PROJECTS IN SOUTH AMERICA



South America is the preferred region for new pulp investments

Pulp producers in South America enjoy the lowest production costs due to fast growth rates of eucalyptus, availability of land, unit size and pulp mills' vertical integration into wood production

South American pulp mills typically outsource the on-site production of bleaching chemicals* to suppliers through long-term supply agreements

No known competitive substitutes for sodium chlorate and hydrogen peroxide

We have been steadily growing in the region and are actively seeking further opportunities; a clear focus on achieving attractive payback periods and sustaining strong cash flow

* Sodium Chlorate and Hydrogen Peroxide.

Chemical islands are attractive investments

BENEFITS OF THE CHEMICAL ISLAND CONCEPT

- Close proximity to a pulp mill: full integration or location adjacent to a pulp mill
- Main products: sodium chlorate + hydrogen peroxide
- Strong and attractive business model
 - Electricity supply from the pulp mill at a pre-agreed rate enabling a fossil-free and carbon neutral manufacturing process
 - Long customer relationships with volume commitment providing predictability and visibility
- Capital-intensive investments; compensated by long-term contracts providing predictability

KEMIRA FRAY BENTOS

Recent expansion of existing chemical island; completed in 2023

Supporting UPM Kymmene's new world-class 2.1 million ton pulp mill in Paso de los Toros in Uruguay

Long-term agreement providing predictability

Products:
sodium chlorate
+ hydrogen peroxide



Cash generator with selected growth opportunities

Key contributor for Kemira's operative EBITDA margin target

Focus on capital efficiency and maximizing cash flow

Strong cash generation supporting selective growth investments in new bleaching capacity and also investments in other business units

Kemira

Chemistry with a purpose.
Better every day.

A photograph of two women in a library or bookstore. One woman, wearing a blue button-down shirt, is holding a small white product box. The other woman, wearing a tan top, is looking at the product. They are standing in front of tall bookshelves filled with books. The lighting is soft and natural, coming from a window in the background.

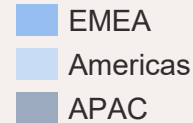
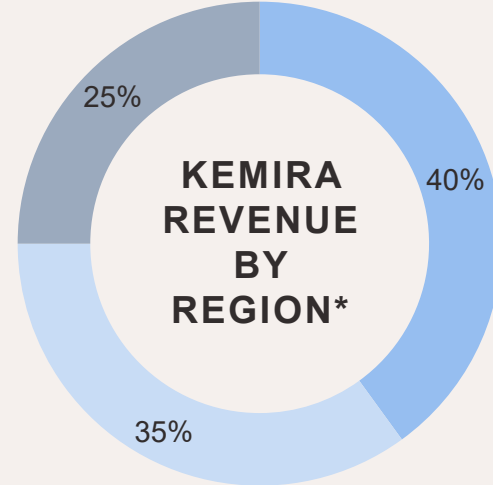
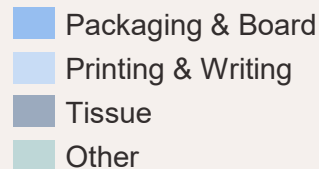
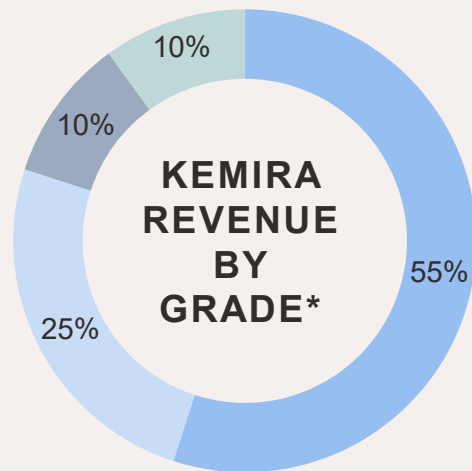
HARRI ERONEN
INTERIM PRESIDENT, PULP & PAPER
EVP, PACKAGING AND HYGIENE SOLUTIONS AS OF 01/2025

Packaging & Hygiene Solutions: Solid Base Business with Accelerated Growth from Sustainable Solutions

CAPITAL MARKETS DAY
SEPTEMBER 26, 2024

kemira

Packaging & Hygiene Solutions is well positioned in several applications



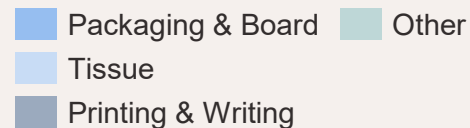
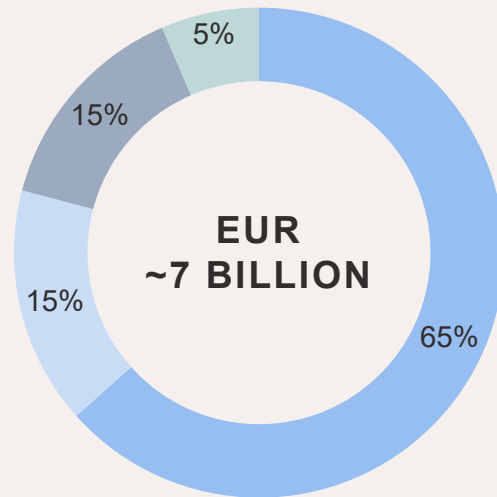
KEY STRENGTHS OF THE NEW BUSINESS UNIT

- Long-term customer relationships demonstrated through consistent reliability and extensive collaboration; high customer satisfaction
- High employee engagement
- Commitment to safety, environment and quality
- Wide product portfolio covering all grades and geographies
- Global manufacturing footprint with favorable proximity to customers ensuring high delivery reliability
- Early adaptor in providing a sustainable offering

* Preliminary figures and rounded to nearest 5%. More detailed financial information to be published at a later stage.

We are #2 in an expanding global market

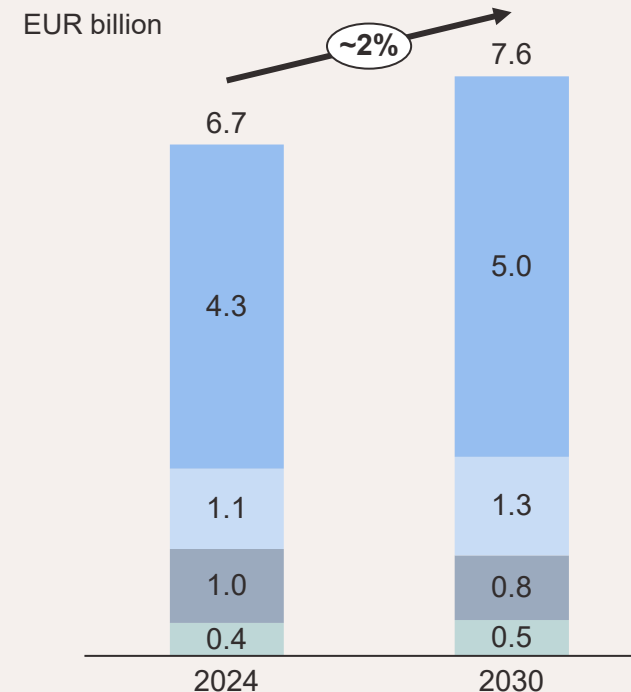
LARGE ADDRESSABLE MARKET



*) excluding bulk chemicals (Chlorate, Hydrogen peroxide, Caustic soda)

Source: management estimate

SOME MARKET GROWTH EXPECTED



KEMIRA HAS A GOOD MARKET POSITION





Our products significantly improve our customers' footprint

RENEWABLE PRODUCTS

**Positive climate impact* while
maintaining product functionality**

Fossil-based raw materials cut by
>50% vs. standard products

STRENGTH

**Making packaging
lighter and stronger,
improving resource
efficiency**

Up to 10% reduction
in packaging weight

DIGITAL SOLUTIONS

**Optimizing overall
process
and resource efficiency**

Reducing chemistry-
related downtime by 50%
(4 hours per month)

*full life-cycle evaluation including end-of-life emissions

Our focus will be on increasing efficiencies together with product and regional expansion

CONTRIBUTION FOR NEW GROUP FINANCIAL TARGETS

Average annual organic growth
> 4%



Operative EBITDA
18-21%



Operative ROCE
> 16%



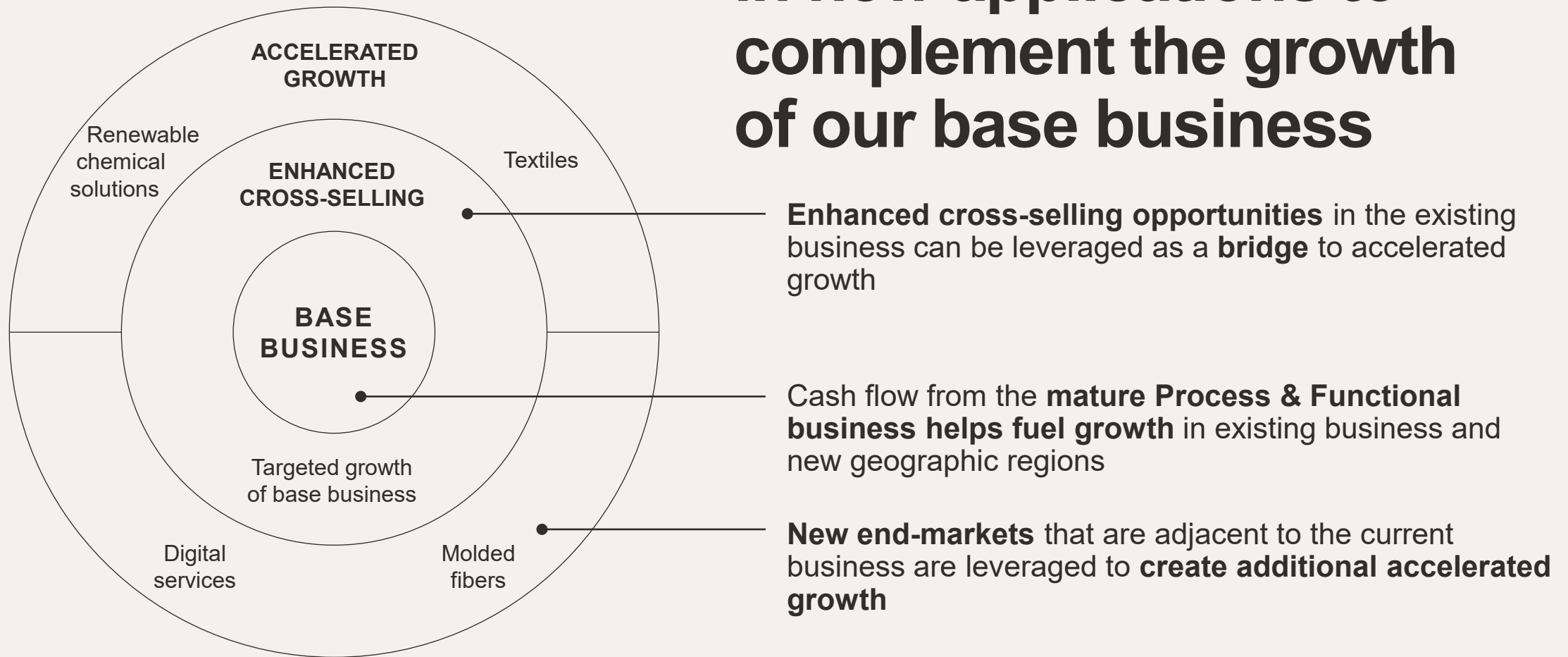
IMPROVE OPERATIONAL EFFICIENCY

- Continued emphasis on margin management
- Focus on capacity utilization
- Leverage presence and cash flow in Printing & Writing applications
- Further optimize supply chain with the new Operations unit

CAPITALIZE ON GROWTH OPPORTUNITIES

- Maintain momentum in growing packaging markets
- Expand presence in growing regions such as APAC
- Further enable business expansion with digital services
- Rapidly accelerate penetration into new areas
- Re-allocation of resources to increase focus on growing applications

We will invest increasingly in new applications to complement the growth of our base business



We see attractive growth in new end-markets...

MOLDED FIBERS



Molded fiber continues momentum as the sustainable alternative for replacing plastics in packaging

Molded products are recyclable, biodegradable, and compostable.

Addressable market size:
EUR ~300 million

Market growth¹:
>7% p.a.

TEXTILE FIBERS



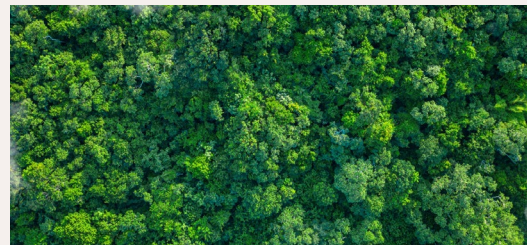
Demand for novel sustainable solutions in the textile value chain is high

Our primary target markets are Man-Made Cellulosic Fiber (MMCF) & textile recycling.

Addressable market size:
EUR ~700 million

Market growth¹:
>8% p.a.

RENEWABLE CHEMISTRY SOLUTIONS



Transition away from fossil-based materials provides attractive growth opportunities

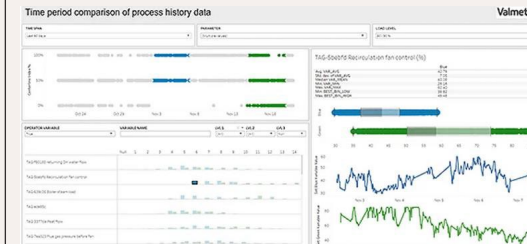
Market demand for renewable performance additives creates substantial opportunity in our existing applications.

Primary target: dispersion barriers

Addressable market size:
EUR ~700 million

Market growth¹:
>7% p.a.

DIGITAL SERVICES



The chemical market is trending towards digitalization

Growth drivers: better efficiency, improved customer experiences, enhanced decision-making, and increased competitiveness.

Addressable market size:
EUR ~400 million

Market growth¹:
>14% p.a.

¹CAGR 2024-2030

... and have a clear plan to capitalize on them

MOLDED FIBERS



Kemira's position and next steps

2024:
**Increasing market profile;
leverage existing offering**

2025:
Implement commercial team

TEXTILE FIBERS¹

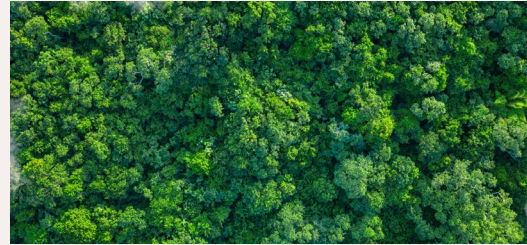


Kemira's position and next steps

2024:
**Establish offering
(Nonwovens, MMCF)**

2025:
**Establish commercial model
and team**

RENEWABLE CHEMISTRY SOLUTIONS



Kemira's position and next steps

2024:
**Commercialize biomass-
balanced wet strength**

2025:
Alpha glucan market entry

DIGITAL SERVICES



Kemira's position and next steps

2024: **Expand digital advisory
and predictive services
offering to packaging**

2025: **Commercialize digital
advisory services to pulp
mills**

¹)Target market: Man made cellulose fiber (MMCF) and nonwovens

Solid Base Business with Accelerated Growth from Sustainable Solutions

We see opportunity
for operational
improvement,
including margins

We are actively
looking for new
growth opportunities
in existing business
and new end-
markets

We are well-positioned to benefit from
consumers' increasing focus on
sustainability

Kemira

Chemistry with a purpose.
Better every day.



PETRI CASTRÉN
CFO

Strong Balance Sheet Enabling Ambitious Growth

CAPITAL MARKETS DAY
SEPTEMBER 26, 2024

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
PERFORMANCE VS LONG-TERM GROUP FINANCIAL TARGETS*			
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

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

PRIORITIES OF THE NEW UNIT

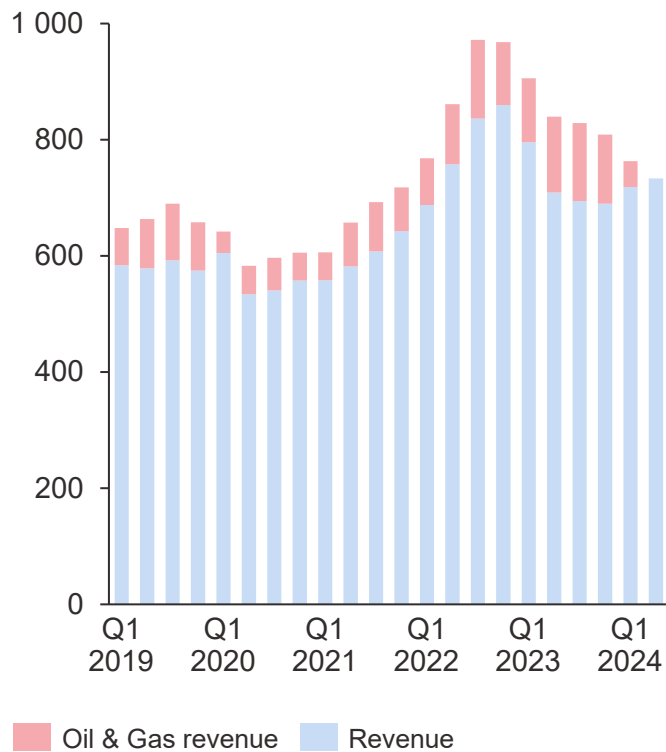
- Retain our efficient operational backbone
- Drive profitability through optimizing efficiency of manufacturing, operations and related functions
- Enhance co-operation and synergies through centralizing functions
- Strong focus on safety
- Key unit for sustainability ambitions with a mandate to drive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

STRATEGIC OBJECTIVE

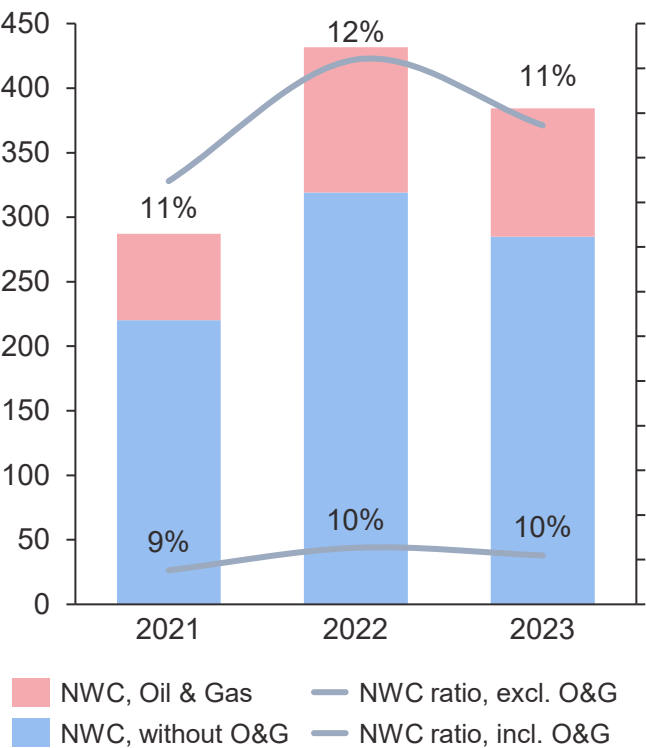
Protect and strengthen our strong operational core and support new business units in their growth agenda

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

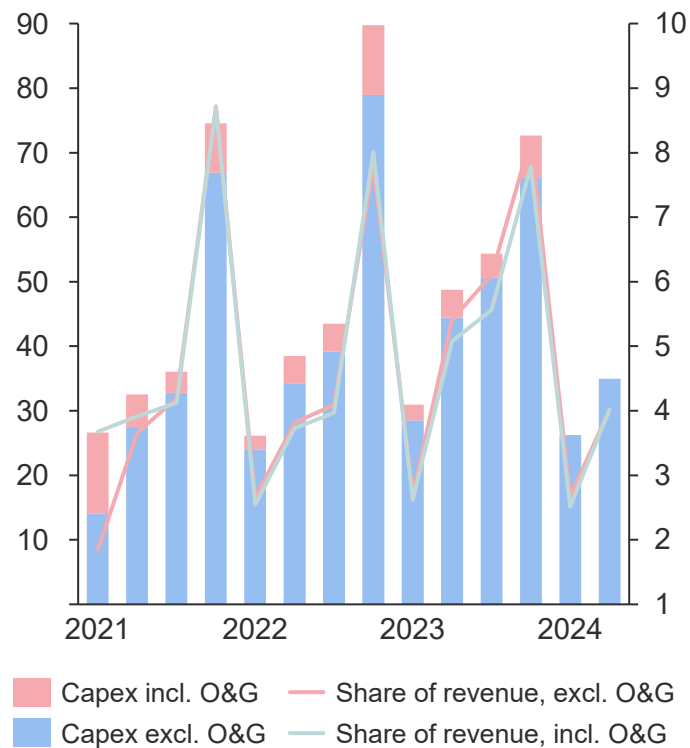
LOWER CYCLICALITY
Revenue development, EUR million



LOWER NET WORKING CAPITAL
EUR million

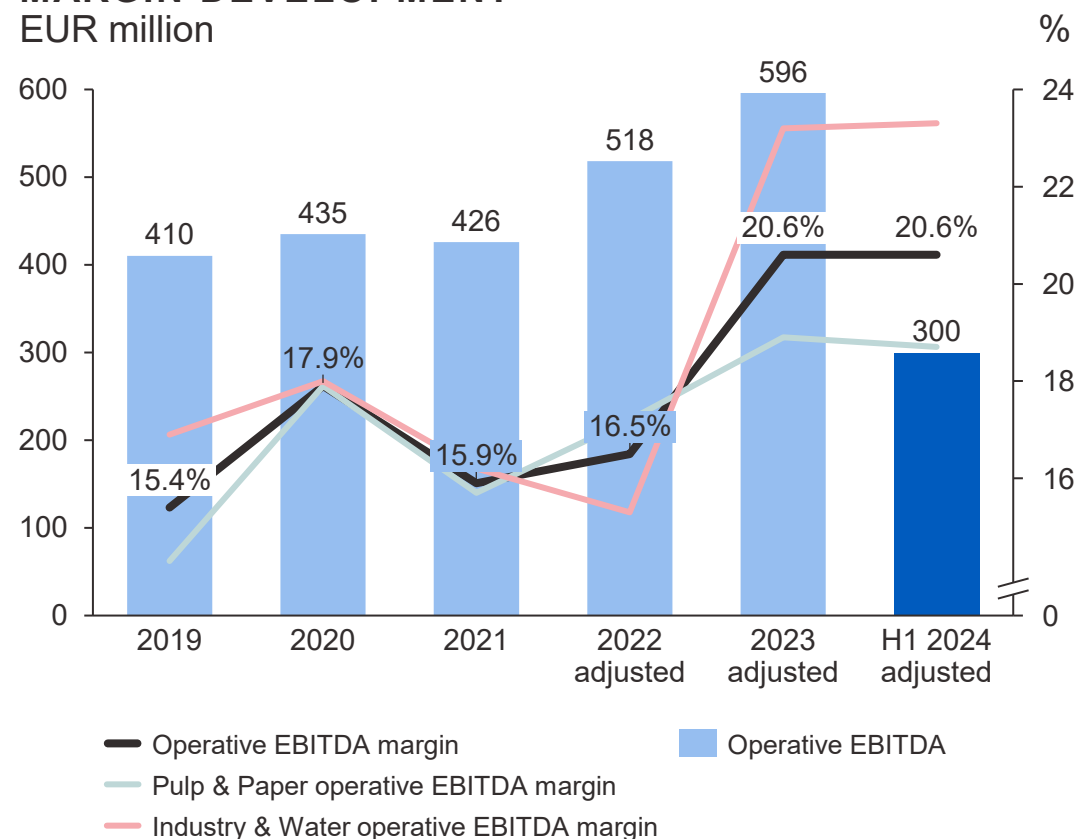


LOWER CAPITAL EXPENDITURE
EUR million



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

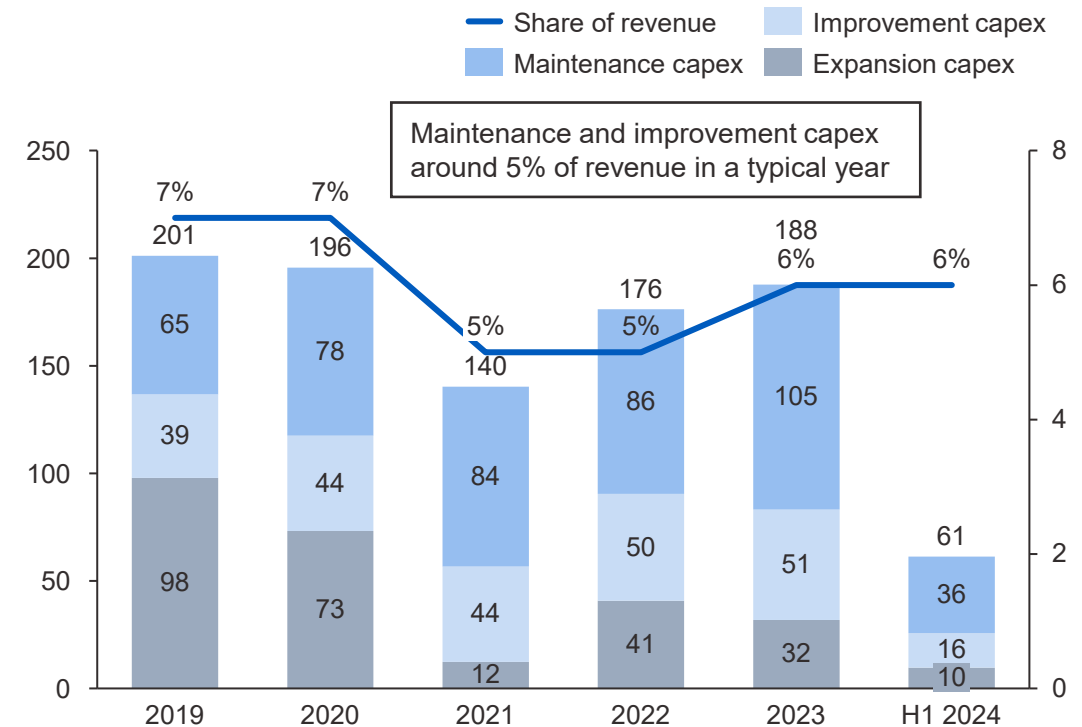
- Coagulant expansions in the UK, Norway and Spain ongoing

Packaging and Hygiene Solutions

- China ASA expansion, completion Q4 2024

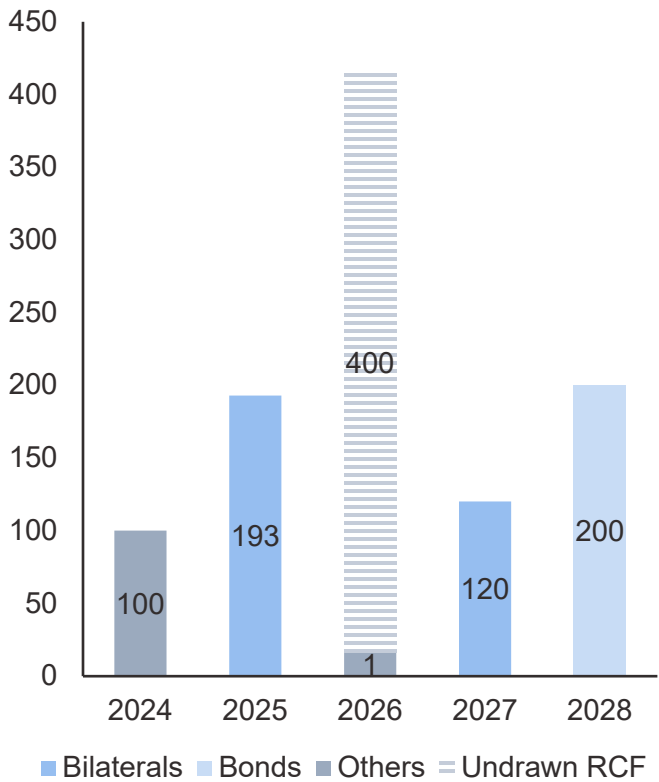
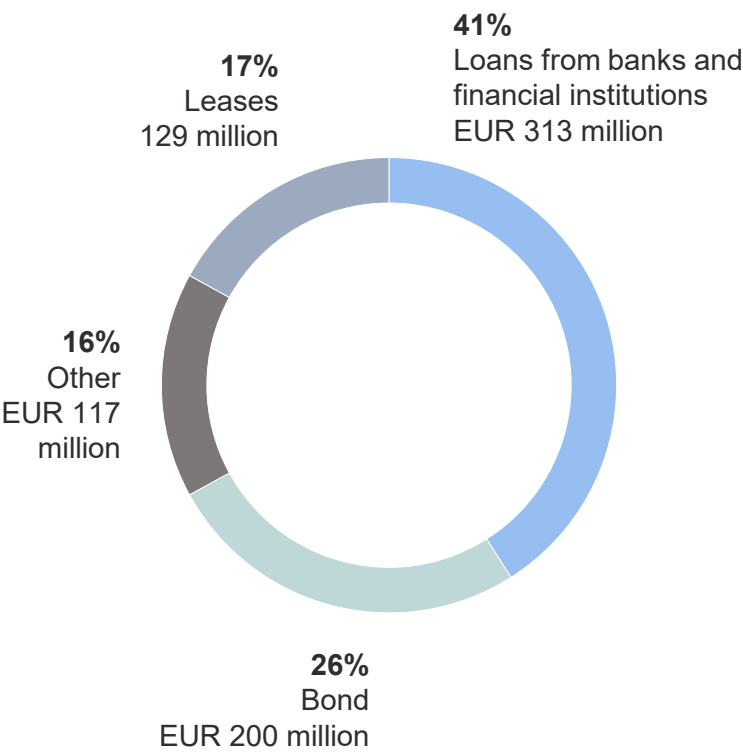
CAPEX DEVELOPMENT AND ITS SHARE OF REVENUE

EUR million

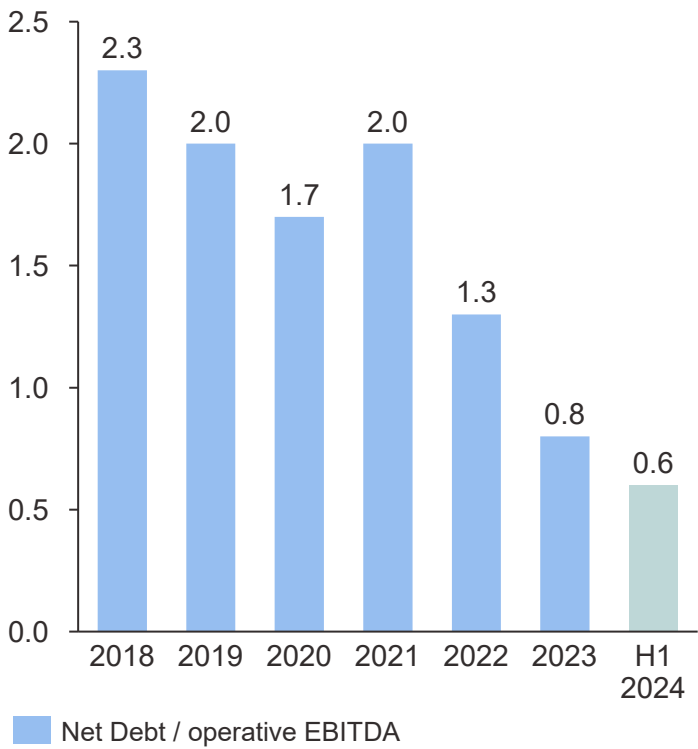


Our balance sheet is very strong with no large debt maturities

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

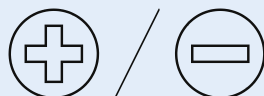
Factors to watch in 2025

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.