

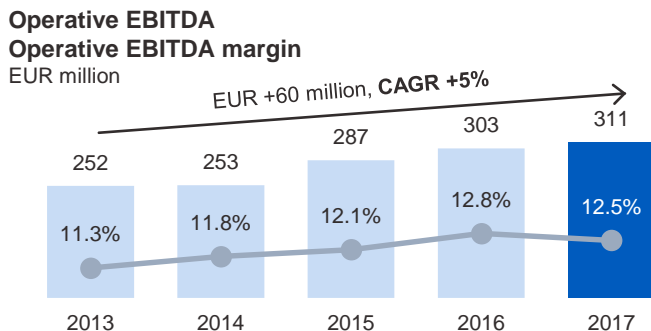
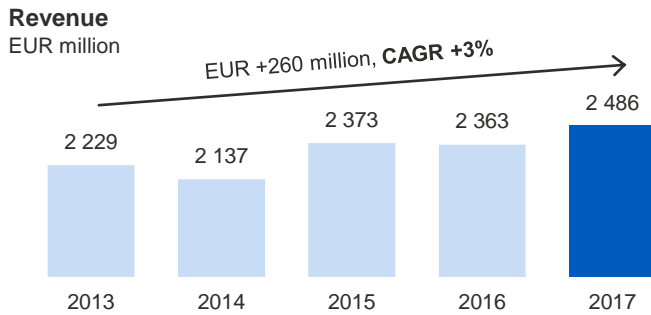
# Kemira – solid equity story with clear profitability improvement potential

## KEMIRA TODAY

Kemira is a global chemicals company serving customers in water-intensive industries

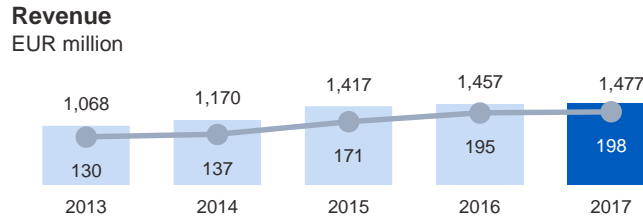


## DELIVERING PROFITABLE GROWTH

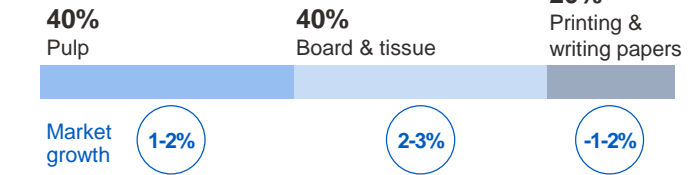


## PULP & PAPER CHEMICALS

FY2017: Revenue EUR 1,477 million, Operative EBITDA EUR 198 million, margin 13.4%, operative ROCE 9.0%



### Revenue by customer type and market growth



### Market environment

**Kemira (pulp and paper) market share ~16%**

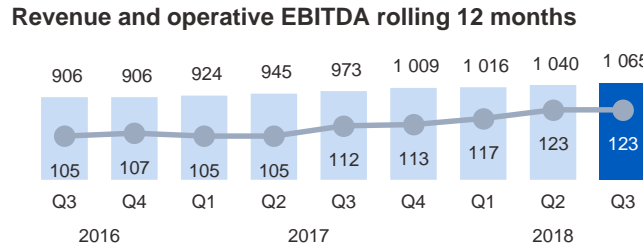
- #1 BASF (paper)
- #2 Solenis (paper)
- #3 AkzoNobel (pulp)
- #4 Ecolab (paper)

### Customer examples

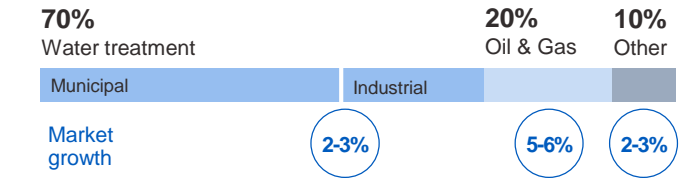


## INDUSTRY & WATER CHEMICALS

FY2017: Revenue EUR 1,009 million, Operative EBITDA EUR 114 million, margin 11.3%, operative ROCE 11.0%



### Revenue by customer type and market growth



### Market environment

**Water treatment**  
Kemira's market share ~30% in coagulants and ~20% in polymers  
Main competitors in coagulants:

- Feralco (Europe)
- Kronos (Europe)
- Tessenderlo (Europe)
- Chemtrade (US)
- USAlco (US)

**Oil & Gas**  
Kemira's market share ~25% in polymers used for friction in shale oil  
Main competitors in polymers (also in water treatment):

- SNF
- BASF
- Solenis
- Nalco
- Solvay (only O&G)

### Customer examples



# Targeting 14-16% operative EBITDA

## MID- TO LONG-TERM FINANCIAL TARGETS

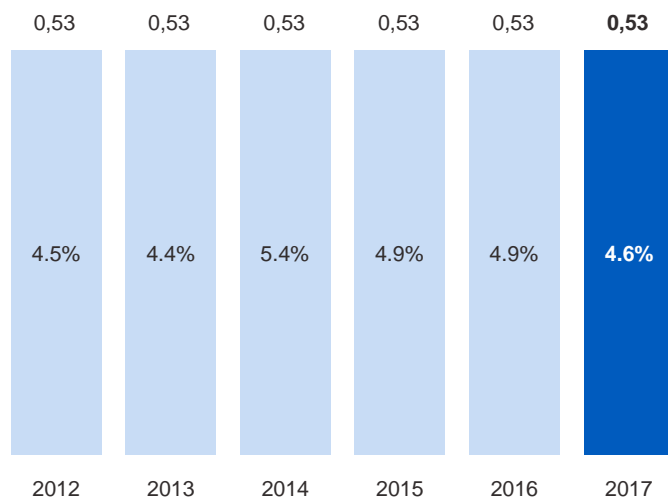
Targets	2015	2016	2017
Above-the-market growth	EUR 2,373 million Change +11%	EUR 2,363 million Change 0%	EUR 2,486 million, Change +5%
Operative EBITDA 14-16%	12.1%	12.8%	12.5%
Gearing below 60%	54%	54%	59%

## FACTORS TO WATCH FOR PROFITABILITY IMPROVEMENT

Factors	9M 2018 comments
Volume growth and sales price increases	Group's volume growth +2% and sales prices +6%
Oil & Gas becoming larger share of Group (incl. shale, CEOR and oil sands)	Revenue from EUR 126m in 2016 to EUR 233m (LTM)
Raw material price development	Significant inflation in 2017 and YTD 2018
Currency exchange rate development, especially EUR/USD	FX delta EUR -17 million on EBITDA
Prudent fixed cost management	Fixed costs almost flat despite strong organic growth
AKD acquisition / joint venture in China	Significant backward integration and growth benefits

## STABLE AND COMPETITIVE DIVIDEND

Dividend per share and dividend yield



## GLOBAL MEGATRENDS FAVOR KEMIRA

GROWING MIDDLE CLASS & URBANIZATION	SCARCITY OF RESOURCES	REGULATION
<p>↓</p> <ul style="list-style-type: none"> <li>• Higher use of water, energy, tissue and board</li> <li>• E-commerce / online shopping</li> </ul>	<p>↓</p> <ul style="list-style-type: none"> <li>• Alternative materials for single-use plastic products</li> <li>• Material and resource efficiency</li> </ul>	<p>↓</p> <ul style="list-style-type: none"> <li>• More stringent discharge limits</li> <li>• Safe drinking water</li> </ul>

