

A large industrial paper mill with robotic arms and large rolls of paper. The scene is set in a vast, well-lit factory with high ceilings and concrete pillars. In the foreground, a large roll of white paper is being processed by a yellow robotic arm. Another robotic arm, orange and yellow, is visible in the background, working on a similar roll. The floor is dark and reflective, showing the industrial environment. The overall atmosphere is one of modern, efficient manufacturing.

Efficiency and excellence in premium paperboard production

Harri Pihlajaniemi
SVP, Production

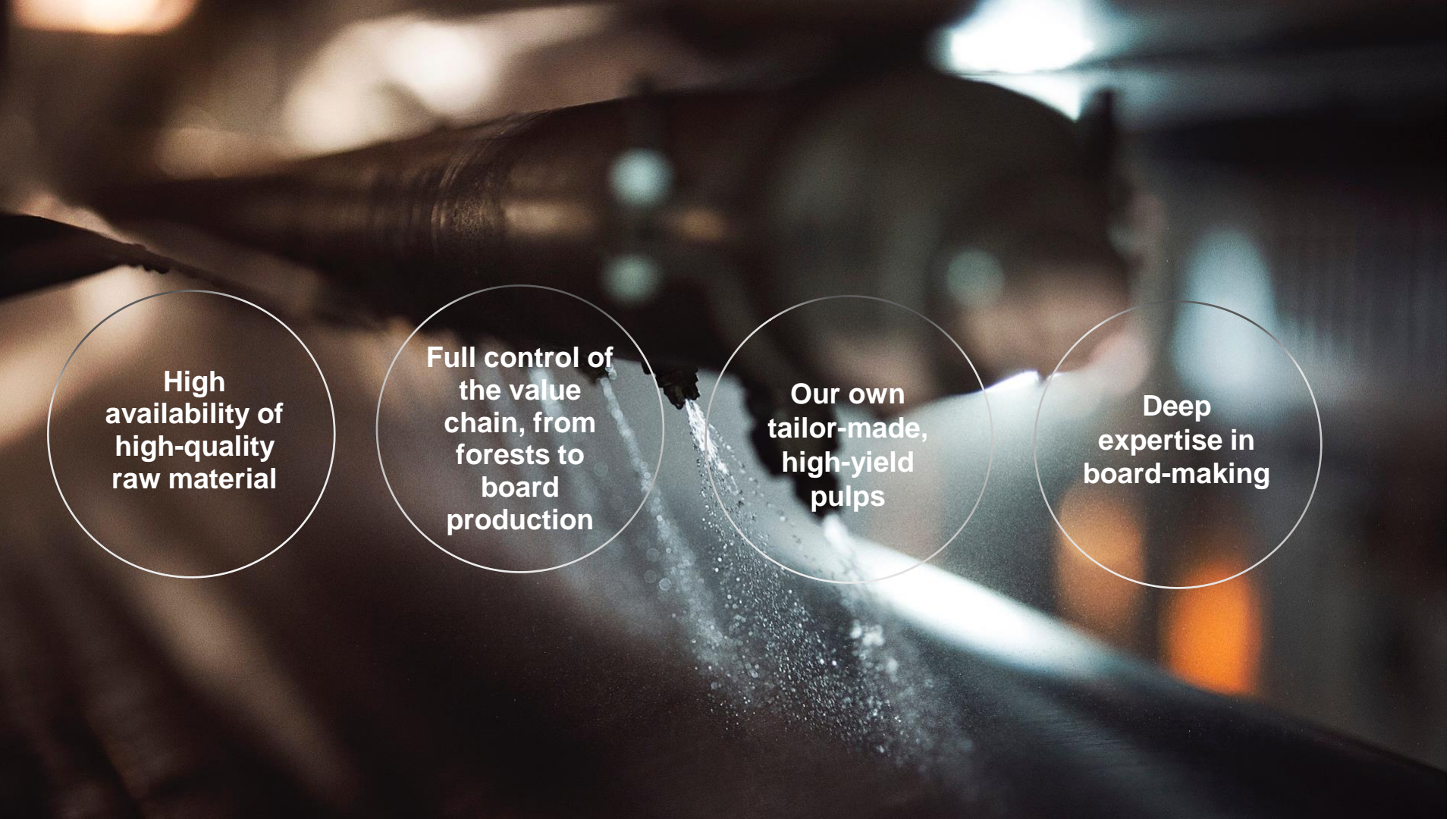
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**High
availability of
high-quality
raw material**

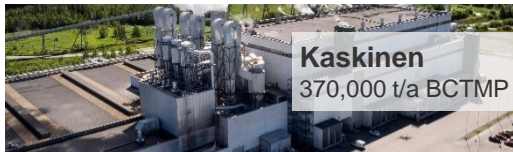
**Full control of
the value
chain, from
forests to
board
production**

**Our own
tailor-made,
high-yield
pulp**

**Deep
expertise in
board-making**

Our production is close to our main raw material

Total paperboard capacity:
Folding boxboard (FBB): 1.33m t/a
White kraftliner (WKL): 690,000 t/a



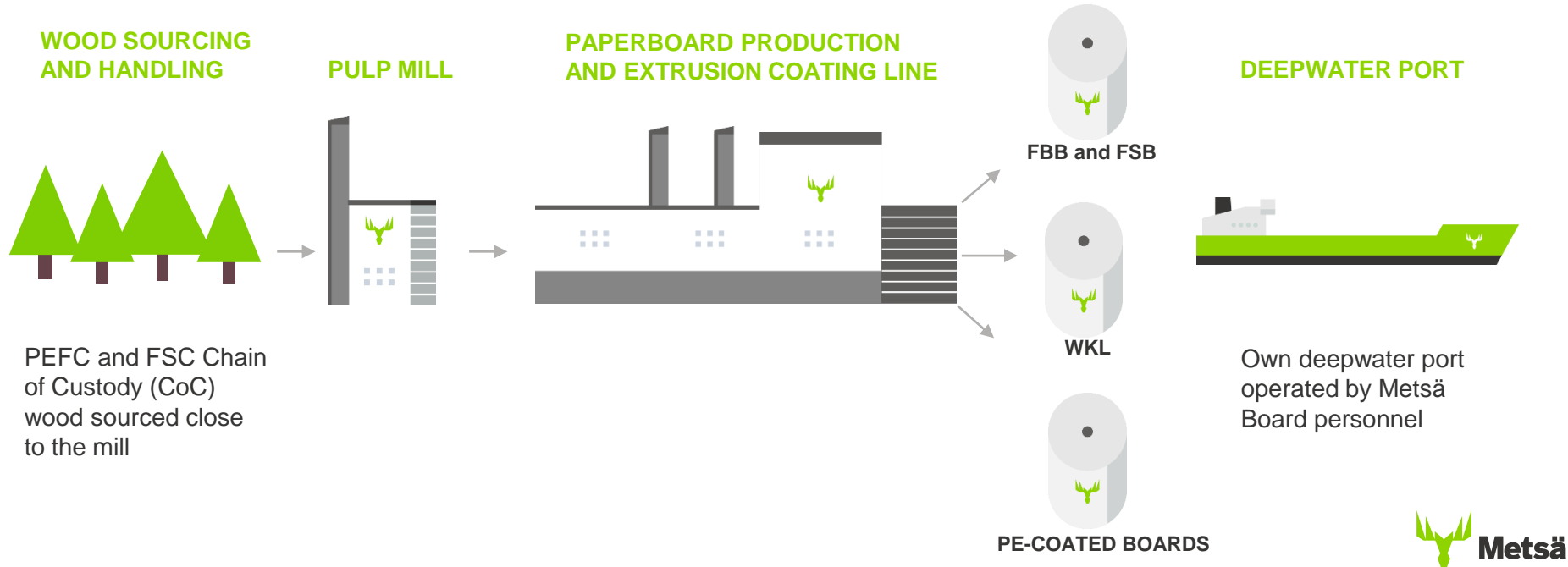
Our net balance in pulp in 2018, including the 24.9% ownership in Metsä Fibre, is 550,000 t/a



*Metsä Fibre mill

More efficiency through integrated mills – minimized transport, quality consistency, enhanced energy efficiency

At Metsä Board's Husum mill, we have everything under one roof



Our energy efficiency has improved by over 10% during 2009-2017

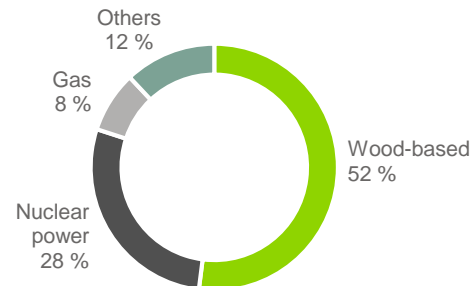
- 80% of primary energy we use is fossil free
- After OL3¹⁾ starts up, we will be nearly self-sufficient in electricity in Finland
 - Including the electricity used in Husum mill, self-sufficiency will be nearly 80%
- Metsä Board's shareholding in PVO²⁾ is 3.2%
 - Fair value as per 30 September 2018 was EUR 270 million

¹⁾ Olkiluoto Nuclear Power Plant

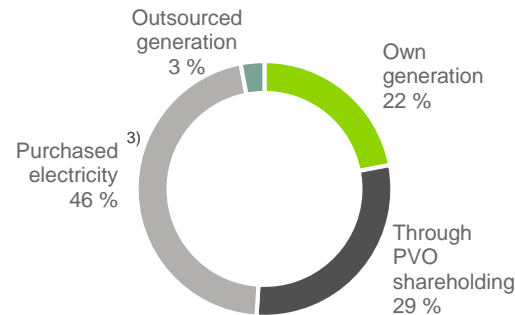
²⁾ Pohjolan Voima Oyj is a non-listed public limited liability company. It supplies electricity and heat for its shareholders at cost price

³⁾ Out of 46% share of purchased energy, 8% is from Metsä Fibre

Primary energy used in 2017
(total 12.0 TWh)



Electricity sourced in 2017
(total 2.4 TWh)

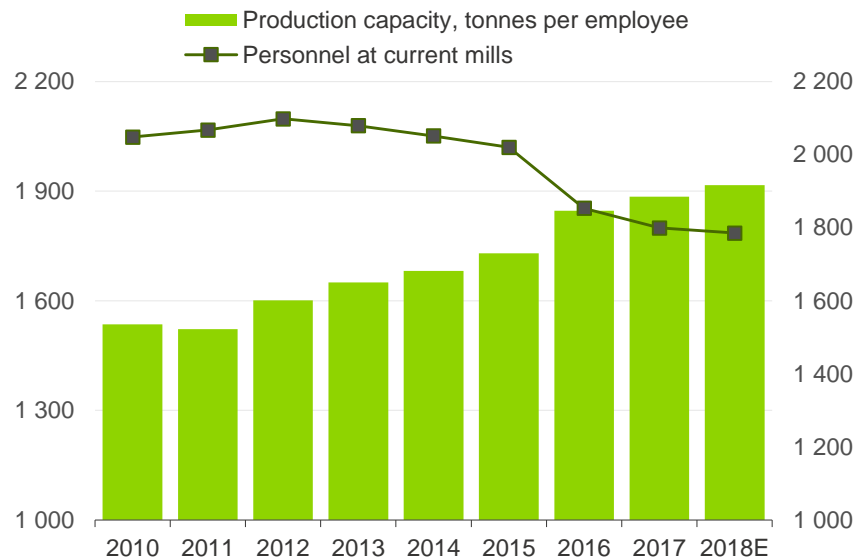


**Competitiveness through
operational excellence**



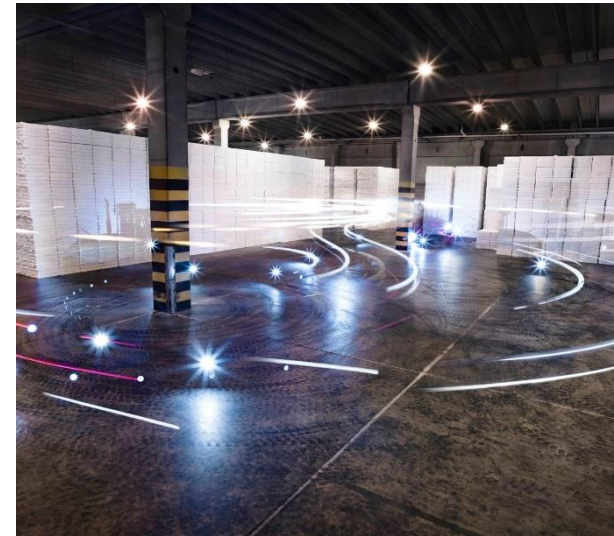
Our productivity has improved by 25% since 2010

- Produced tonnes has increased from 1,500 to over 1,900 per employee at our current mills in 2010–2018
- We have a strong focus on safety, well-being and multi-skilled personnel
- We have increased cost efficiency through automation and more flexible operating models



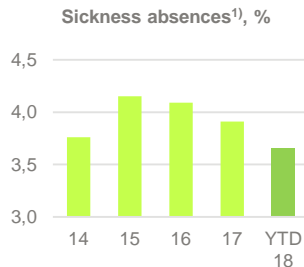
Competitiveness through efficient BCTMP production

- Large production units and established know-how in the development of mechanical pulp are the key competitive factors
- Our two BCTMP production units in Kaskinen and Joutseno bring economies of scale
 - Cost efficiency
 - Pulp is cleaner, brighter and bulkier
- Pulp is produced to precisely fit the purpose
 - Right mix of wood (SW/HW)
 - Optimised refining and bleaching degree
- Excess capacity is sold to the market or to be utilised for future investments

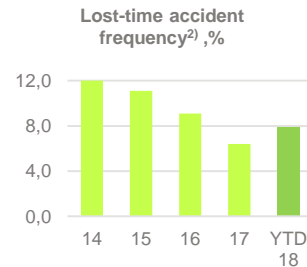
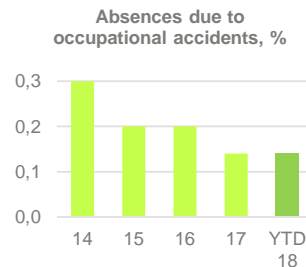


We want to have an accident-free workplace

- Our long-term objective is to reach zero LTAs
- We have improved safety by influencing attitudes and pursuing proactive actions
- We seek continuous improvement with root cause analysis
- The 5S system has been implemented in all our mills
 - *Sort, set in order, shine, standardise and sustain*
 - The purpose is to improve the mill's safety, well-being and productivity

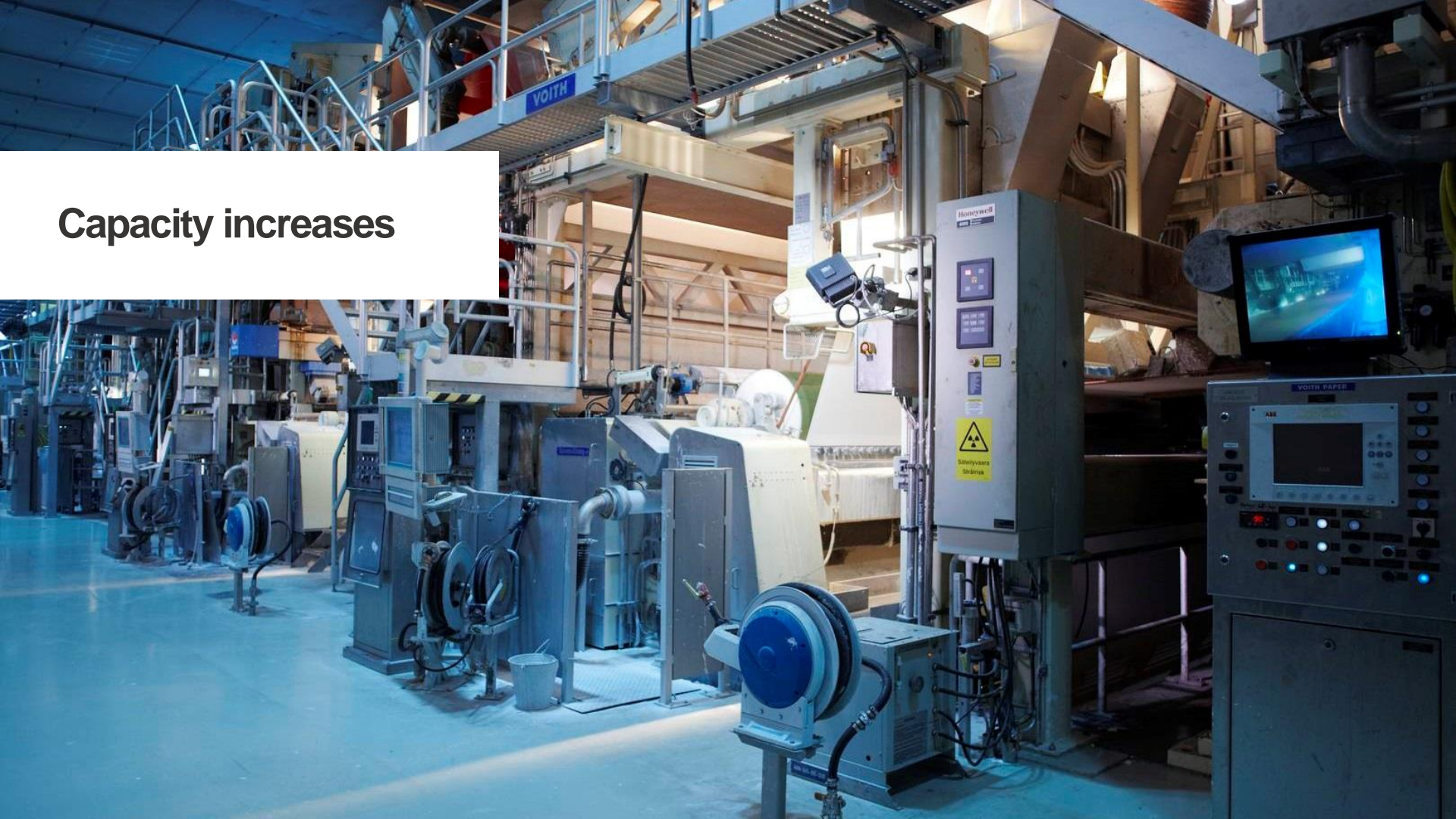


1) % of theoretical work time



2) Including mills and the harbour operator

Capacity increases



We have increased annual BCTMP capacity by 30,000 tonnes

- Investments at our Kaskinen mill include a new baling line, identical to the existing one
- The new line will secure consistent quality and production reliability as well as improving the mill's efficiency
- One of the largest and most modern BCTMP mills in the world
- Increased capacity 30,000 t/a
 - Investment value approx. EUR 6 million
 - Estimated annual result improvement approx. EUR 5-6 million
 - Additional capacity is sold to the market
- Kaskinen mill's total capacity is 370,000 t/a
 - Roughly 200,000 t/a is used for own paperboard production



We will increase own sheeting capacity at the Äänekoski mill

- Increased sheeting capacity +35 000 t/a
 - Investment value approx. EUR 11 million
- After the investment our own sheeting capacity is roughly 330,000 t/a.
- Of all our FBB deliveries, roughly 40% are sheets and 60% are reels.
- Benefits of own sheeting capacity vs. external service
 - Financial savings
 - No extra transportation
 - More efficient use of waste paperboard



Efficiency and excellence in premium paperboard production

- We have a focused product portfolio with a large-scale production model improving our competitiveness
- The key element is the high-quality fibre – very efficient BCTMP production combined with continuous development work
- Productivity has improved by focusing on safety, well-being and capabilities



Make the most of Metsä Board

