

METSO MINERALS BUSINESS – SELECTED UNAUDITED INTERIM CARVE-OUT FINANCIAL INFORMATION AS AT AND FOR FINANCIAL YEAR ENDED DECEMBER 31, 2019

KEY FIGURES

EUR million, percent	1–12/2019	1–12/2018
Orders received ⁽¹⁾	3,009	2,872
Orders received ⁽¹⁾ by service business.....	1,907	1,777
share of orders received, percent	63.4	61.9
Order backlog ⁽²⁾	1,408	1,411
Sales	2,976	2,581
Sales by services business	1,815	1,644
share of sales, percent	61.0	63.4
Adjusted EBITDA ⁽³⁾	409	314
share of sales, percent	13.7	12.2
Adjusted EBITA ⁽⁴⁾	377	284
share of sales, percent	12.7	11.0
Operating profit.....	325	268
share of sales, percent	10.9	10.4
Profit for the period.....	223	169
Net cash flow from operating activities.....	43	107
Net working capital ⁽⁵⁾	853	629
Net debt ⁽⁶⁾	772	239
Gearing ⁽⁷⁾ , percent.....	61.6	20.2
Equity to assets ratio ⁽⁸⁾ , percent.....	39.1	44.0
Total assets.....	3,457	2,979
Personnel at the end of period	12,451	10,367

Formulas for key figures

(1)	Orders received	=	Orders received during the period
(2)	Order backlog	=	Undelivered orders at the end of the reporting period
(3)	Adjusted EBITDA	=	Adjusted EBITA + depreciation
(4)	Adjusted EBITA	=	Operating profit (EBIT) + restructuring and acquisition-related costs + amortization
(5)	Net working capital	=	Inventories + trade receivables + other non-interest bearing receivables + customer contract assets and liabilities, net - trade payables - advances received - other non-interest bearing liabilities
(6)	Net debt	=	Borrowings - non-current financial assets - loan and other interest bearing receivables (current and non-current) - liquid funds
(7)	Gearing	=	$\frac{\text{Net debt}}{\text{Total equity}} \times 100$
(8)	Equity to assets ratio	=	$\frac{\text{Total equity}}{\text{Balance sheet total - advances received}} \times 100$

COMBINED STATEMENT OF INCOME

EUR million	1–12/2019	1–12/2018
Sales	2,976	2,580
Sales, Metso Group.....	0	0
Sales, total	2,976	2,581
Cost of goods sold ⁽¹⁾	(2,117)	(1,867)
Gross profit⁽¹⁾	858	714
Selling and marketing expenses ⁽¹⁾	(266)	(222)
Administrative expenses.....	(212)	(185)
Research and development expenses.....	(30)	(23)
Other operating income and expenses, net.....	(25)	(16)
Share in profits of associated companies.....	1	0
Operating profit⁽¹⁾	325	268
Finance income.....	4	4
Finance income, Metso Group.....	4	5
Foreign exchange rate gains/losses.....	1	0
Finance expenses ⁽¹⁾	(42)	(36)
Finance expenses, Metso Group.....	-2	0
Finance income and expenses, net.....	(34)	(26)
Profit before taxes	291	242
Income taxes.....	(69)	(72)
Profit for the period	223	169
Attributable to:		
Equity holders of Metso Minerals	224	170
Non-controlling interests.....	(1)	(1)

(1) From the beginning of 2019, Metso has adopted "IFRS 16 – Leases," replacing the previously used "IAS 17 – Leases" and the related interpretations. The adoption was done using the modified retrospective approach whereby the comparative figures for 2018 were not restated. The adjustments resulting from the adoption were recognized on the opening balance sheet on January 1, 2019.

COMBINED STATEMENT OF COMPREHENSIVE INCOME

EUR million	1–12/2019	1–12/2018
Profit for the period	223	169
Other comprehensive income:		
Cash flow hedges, net of tax.....	3	(1)
Currency translation on subsidiary net investments.....	2	(15)
Items that may be reclassified to profit or loss in subsequent periods	4	(16)
Defined benefit plan actuarial gains and losses, net of tax.....	(3)	1
Items that will not be reclassified to profit or loss	(3)	1
Other comprehensive income	1	(15)
Total comprehensive income	225	154
Attributable to:		
Equity holders of Metso Minerals	226	155
Non-controlling interests.....	(1)	(1)

COMBINED BALANCE SHEET – ASSETS

EUR million	Dec 31, 2019	Dec 31, 2018
Non-current assets		
Intangible assets		
Goodwill	556	462
Other intangible assets	167	63
Total intangible assets	723	526
Property, plant and equipment		
Land and water areas.....	43	35
Buildings and structures.....	98	75
Machinery and equipment.....	128	106
Assets under construction	46	31
Total property, plant and equipment	315	246
Right-of-use assets⁽¹⁾	89	-
Other non-current assets		
Investments in associated companies.....	8	4
Non-current financial assets	3	3
Loan receivables	6	6
Loan receivables, Metso Group	25	49
Derivative financial instruments	2	3
Deferred tax asset.....	108	81
Other non-current receivables.....	42	38
Other non-current receivables, Metso Group	88	137
Total other non-current assets	282	321
Total non-current assets	1,409	1,094
Current assets		
Inventories	975	790
Trade receivables	577	493
Trade receivables, Metso Group	10	8
Customer contract assets.....	87	82
Loan receivables	1	1
Loan receivables, Metso Group	25	33
Cash pool receivables, Metso Group.....	17	20
Derivative financial instruments	16	9
Income tax receivables.....	44	21
Other current receivables	139	102
Other current receivables, Metso Group	0	1
Deposits and securities, maturity more than three months	-	76
Cash and cash equivalents.....	156	249
Liquid funds.....	156	325
Total current assets	2,048	1,885
TOTAL ASSETS	3,457	2,979

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COMBINED BALANCE SHEET – EQUITY AND LIABILITIES

EUR million	Dec 31, 2019	Dec 31, 2018
Equity		
Cumulative translation adjustments	(151)	(153)
Hedge reserve.....	0	(3)
Invested equity and retained earnings	1,402	1,328
Equity attributable to Metso Minerals shareholders	1,251	1,173
Non-controlling interests.....	3	10
Total equity	1,253	1,183
Liabilities		
Non-current liabilities		
Borrowings.....	801	383
Lease liabilities ⁽¹⁾	69	-
Post-employment benefit obligations	61	57
Provisions.....	33	27
Derivative financial instruments	2	2
Deferred tax liability	66	26
Other non-current liabilities	2	2
Other non-current liabilities, Metso Group	6	6
Total non-current liabilities	1,040	502
Current liabilities		
Borrowings.....	24	209
Cash pool liabilities, Metso Group.....	86	81
Lease liabilities ⁽¹⁾	21	-
Trade payables	385	374
Trade payables, Metso Group	1	1
Provisions.....	71	59
Advances received	189	189
Customer contract liabilities.....	63	100
Derivative financial instruments	13	13
Income tax liabilities	47	58
Other current liabilities	252	210
Other current liabilities, Metso Group.....	11	0
Total current liabilities.....	1,164	1,294
Total liabilities	2,203	1,796
TOTAL EQUITY AND LIABILITIES	3,457	2,979

NET INTEREST-BEARING LIABILITIES

EUR million	Dec 31, 2019	Dec 31, 2018
Borrowings	825	592
Lease liabilities	90	-
Cash pool liabilities and receivables, net liability	69	61
Liquid funds	(156)	(325)
Loan receivables	(56)	(89)
Net interest-bearing liabilities	772	239

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COMBINED CONDENSED STATEMENT OF CASH FLOWS

EUR million	1-12/2019	1-12/2018
Operating activities		
Profit for the period	223	169
Adjustments:		
Depreciation and amortization	71	46
Financial expenses, net.....	34	26
Income taxes	69	72
Other items.....	(7)	(3)
Change in net working capital	(216)	(105)
Net cash flow from operating activities before financial items and taxes	173	207
Interest income and expenses paid, net.....	(31)	(14)
Income taxes paid	(100)	(85)
Net cash flow from operating activities	43	107
Investing activities		
Capital expenditures on intangible assets and property, plant and equipment ...	(87)	(59)
Proceeds from sale of intangible assets and property, plant and equipment	8	4
Business acquisitions, net of cash acquired	(214)	(28)
Business acquisitions, net of cash, acquired, Metso Group	-	(49)
Proceeds from sale of businesses, net of cash sold	9	-
Proceeds from sale of businesses, net of cash sold, Metso Group	50	-
Other items	(3)	(4)
Net cash flow from investing activities	(238)	(135)
Financing activities		
Dividends paid.....	(144)	(126)
Dividends paid, Metso Group.....	(4)	(5)
Transactions with non-controlling interests	(13)	1
Proceeds from and investments in financial assets, net.....	31	0
Proceeds from and repayment of debt, net.....	148	(268)
Repayment of lease liabilities	(24)	0
Net borrowings (+), payments (-), Metso Group	46	24
Net change in invested equity, Metso Group	(8)	84
Cash pool funding, Metso Group.....	(7)	(52)
Net cash flow from financing activities	26	(342)
Net change in liquid funds	(169)	(370)
Effect from changes in exchange rates	0	(6)
Liquid funds at beginning of period.....	325	701
Liquid funds at end of period	156	325

Reconciliation of certain alternative performance measures

EBITDA, EBITA, OPERATING PROFIT

EUR million, %	1-12/2019	1-12/2018
Metso Minerals total		
EBITDA, adjusted.....	409	314
% of sales.....	13.7	12.2
Depreciation.....	(48)	(30)
EBITA, adjusted.....	377	284
% of sales.....	12.7	11.0
Amortization of intangible assets.....	(16)	(16)
Adjustments.....	(36)	–
Operating profit	325	268
% of sales.....	10.9	10.4

Exchange Rates

Currency	1-12/2019	1-12/2018	Dec 31, 2019	Dec 31, 2018
USD (US dollar)	1.1214	1.1809	1.1234	1.1450
SEK (Swedish krona)	10.5572	10.2591	10.4468	10.2548
GBP (Pound sterling)	0.8773	0.8861	0.8508	0.8945
CAD (Canadian dollar)	1.4882	1.5307	1.4598	1.5605
BRL (Brazilian real)	4.4195	4.3020	4.5157	4.4440
CNY (Chinese yuan)	7.7353	7.8148	7.8205	7.8751
AUD (Australian dollar)	1.6090	1.5795	1.5995	1.6220