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Q1 2019 Valmet Oyj Earnings Call

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## PRESENTATION

### **Calle Loikkanen Valmet Oyj - Director of IR**

Ladies and gentlemen, good afternoon, and welcome to Valmet's Q1 2019 Results Presentation. My name is Calle Loikkanen and I'm Head of Valmet's Investor Relations. And today, Valmet's President and CEO, Pasi Laine; and Valmet's CFO, Kari Saarinen, will go through the results for the quarter and also say a few things about the recent acquisition and a few things about IFRS 16 as well.

After the presentation, we will, as always, end with a Q&A session. But without any further introductions, let's begin. So, Pasi, please, the floor is yours.

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### **Pasi Kalevi Laine Valmet Oyj - President & CEO**

Thank you, Calle. So the headline is this time, orders received amounted to EUR 835 million and comparable EBITA was EUR 47 million. So what is the content of my -- or our presentation today is that I have first some brief comments about the first quarter, then the traditional news about the business lines. Kari will go through the financial development. And I will end up by updating the guidance, short term outlook and summary.

So quarter 1, 2019 in brief. So in stable business, our orders received at the same level than previous year, and they were EUR 461 million. In capital business, orders received decreased to EUR 382 million. Net sales decreased to EUR 686 million. Backlog increased to EUR 3 billion. And our comparable EBITA increased to EUR 47 million and the margin was 6.9%. And gearing in the end of the quarter was -20%.

So the main figures are here. Orders received, EUR 835 million. It's lower than a year ago, but it's a reasonable level. Our net sales was EUR 686 million. Comparable EBITA, EUR 47 million, and comparable EBITA margin 6.9%. And like I said in previous slide, backlog was over EUR 3 billion, so EUR 3.001 billion. And in the end of the quarter, we employed about 12,500 people.

In orders received, Services and Automation together accounted for 54%, which is more than normally, and Pulp and Paper and Energy were there rest. Geographically, it was actually quite average quarter. So North America and Europe together were about 60% and the rest were accounting up to 40%. And Asia-Pacific was the biggest region contributing to 26% of the orders received.

Orders received was EUR 835 million, and it's decreasing compared to last year. Orders received increased in emerging markets and decreased in developed markets. Especially, South America, China, Asia-Pacific together accounted for 41% of the orders received, which is of course a good development in the emerging markets.

Our stable business orders received totaled to EUR 1.722 billion. So it's a bigger number than a year ago and in the previous quarter, but it's not big enough to say that we would have -- could say that it has been increasing. So Services on order intake was growing about 3% and Automation about 5%, so totally a little bit less than 4%. But in any case, we are happy that growth continued in our stable business as well.

Our backlog ended to be over EUR 3 billion -- EUR 3.001 billion, and it's the record order backlog for us. And this of course gives us very



good visibility for the workload for coming quarters. We are saying that backlog, first of all, is about EUR 172 million higher than a year ago and we are saying that approximately 65% of the backlog is currently expected to be realized as net sales during 2019. And in the end of first quarter in 2018, it was the same, 65%. We are also saying that about 30% of the backlog relates to our stable business, being Services and Automation. So a good backlog situation.

Now -- then some words about business line development. Services. Orders received was at the last year's level, EUR 358 million, so 3% growth over last year. And net sales was EUR 276 million, and that grew quite nicely compared to last year.

All-in-all, I'm happy with development in Services. And if I would think that what kind of sentiment there were in end of last year, then maybe we were a little bit more conservative about the development of this year. So I think the Services order intake has developed nicely and we are happy with the performance what we have seen in both in our own activities, but also customers' activity in Services business.

Automation. Both orders received increased and net sales increased. So orders received was EUR 103 million and net sales was EUR 73 million, and both are positive figures. Market activity has been good. And I'll come later on to the outlook. We still see that market activity both in Pulp and Paper side and Energy and Process side in Automation will continue favorably. So a good development in Automation as well.

Then Pulp and Energy. Orders received remained at previous year's level and net sales decreased. So orders received was EUR 200 million -- EUR 201 million, and net sales EUR 160 million. And here of course we see that the 12 month's cumulative curve is now about EUR 1 billion level, and that's -- of course big thanks to the last quarter we had last year, having order intake of EUR 451 million.

Orders received -- you might ask later, so I say it already now that the order intake in scrubber business was single digit in first quarter. So this EUR 201 million mainly came from traditional Energy and Pulp. So single digit order intake in our scrubber business.

Paper. Orders received and net sales decreased. Order intake was EUR 182 million. We have been saying that this year there will be more bigger decisions and then timing of the big decisions of course will have an effect to the order intake. But all-in-all, I'm very happy also with the Paper's order intake, which was EUR 182 million. So we have been successful in getting the orders which are on the market and our market share has been developing favorably. Net sales were EUR 186 million and that's also as expected.

Then we made the acquisition of GL&V. So we announced that in February and we said that we'll close that earliest in April 1. And we were able to close that acquisition April 1. Now the business is called, inside Valmet, Mill Process Solutions. Integration has started well. I visited myself the first location on Wednesday. I think the atmosphere amongst the personnel in Mill Process Solution is good. They are very professional. They have very good technology, which complement us very well in stock preparation, in chemical pulping, and some paper and pulp applications as well.

The acquisition is strengthening us technology-wise, but it's also strengthening us geographically, especially in North America, but also in Europe. And then we have of course opportunity to strengthen and grow that business in many other areas.

So I am very happy that we were able to close this acquisition and also take this opportunity to welcome all the new employees to Valmet. And we have now 630 more professionals serving Pulp and Paper and bioenergy market globally.

So that was a quick summary of the business. And then Kari will give you a thorough presentation about financial development. Or did I promise too much?

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**Kari Juhani Saarinen Valmet Oyj - CFO**

Yes. No, you did not. So thank you, Pasi, and good afternoon on my behalf as well. So quarter 1 orders. Orders received EUR 835 million. So that's 6% reduction from last year's. Stable business increased 6% in external, driven by strong Automation, growth there 16%. Services was plus 3%. Pulp and Energy orders received was plus 4%. And then Paper business line orders received reduced by 33%. And with capital business, there can be sizeable fluctuations between quarters.

Order backlog increased to EUR 3 billion. This is the highest order backlog ever with Valmet. We estimate that 65% of the order backlog will be recognized as revenue during this year. And 70% of order backlog relates to capital business.

Orders received increased in Asia-Pacific area, other geographical areas reduced. Net sales, that was EUR 686 million. This is 6% below last year's net sales. Stable increased 11% and capital business reduced 19%. We had a strong order backlog for Services in the beginning of the year and that materialized as net sales now during the quarter. Increase in Services' net sales, that was 12%. And Automation net sales increased by 8%.

At capital business, some big projects were at the low point of revenue recognition and that's the key reason for the reduction of capital businesses' net sales.

Net sales increased in North America and South America. And the rest of the world, so EMEA, China and Asia-Pacific, reduced.

Quarter's comparable EBITA, that was EUR 47 million or 6.9%. This is more than double compared to a year ago when comparable EBITA was EUR 22 million or 3%. Cash flow for the quarter, that was EUR 30 million. And gearing was -20%.

Quarter's gross profit. So that was 26%. Last year quarter 1 gross profit was 20%. So we had 6%-point increase, yes. Our sales mix was favorable. Stable business share was 49% of net sales. That's 7%-points higher than what we had a year ago. And also, all the businesses, they were able to improve execution in projects and also in sales.

SG&A for the quarter, they decreased by EUR 1 million. So pretty much the same level as last year. And this is good development as we have multiple development projects ongoing such as ERP, industrial internet and also digitalization.

And then comparable EBITA for the quarter, as said, 6.9%. And we have now first time reached our target range between 8% to 10% in EBITA with our 12 months rolling EBITA, and are now at 8.6%. And so once more, so we had good sales mix and also proper execution in each of the business lines. And we are relatively proud and also happy about this achievement.

Quarter's cash flow. So that was low-ish EUR 30 million, a minor improvement from the last year's EUR 19 million. Net working capital increased slightly. CapEx for the quarter, they were EUR 18 million. That's a bit higher than normal.

Net working capital. So that reduced to EUR -459 million. A year ago, we were EUR 75 million higher with net working capital. And so that net working capital level that was -13% of rolling 12 months orders, where we think that 10% is a good level. So we were quite good with the net working capital level now end of this quarter.

And then gearing. Gearing as said -20%. Net debt was EUR -174 million. A year ago, our gearing was -12%.

Valmet took IFRS 16, which is the new standard for leases, in use at the beginning of the year using cumulative catch up method. And this means that the previous year and years will not be restated. But if we calculate by last year's accounting principle, so meaning the non-IFRS 16, quarter 1 '19 gearing would have been -26%. So there's a 6%-points impact here.

Equity to asset ratio, that reduced to 37%. So dividend payable has been taken out from retained earnings. And also the IFRS 16 impact, that's -1%-point.

Capital -- return of capital employed, that increased to 22%, driven by the increased profit. Capital employed itself actually increased a bit as we were preparing for the acquisition of GL&V and took some loan in, and then also due to IFRS 16. And capital -- the comparable return of capital employed is now above our target range between 15% and 20%.

Then about this IFRS 16 a bit more. So the -- so this is the new regulation about leases. Valmet has around 1,500 lease agreements within this scope. One side of the balance sheet, we will now have right of use assets. And on the other side, we will have the lease liabilities. We estimate that both of these will be around EUR 50 million in the end of the year.

In profit and loss statement, rents are now split between depreciation and finance expense. And here we estimate that the impact in profit and loss statement for the full year will be such that rental expense reduce EUR 22 million, depreciation increases EUR 20 million and EBITA increases by EUR 2 million and net profit will be the same.

So thank you. And back to you, Pasi.

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**Pasi Kalevi Laine *Valmet Oyj - President & CEO***

Thank you, Kari. So guidance we keep the same, which we confirmed in April 1. Valmet estimates that the net sales in 2019 will increase in comparison with 2018 and comparable EBITA in 2019 will increase in comparison with 2018. So no change in our guidance.

Then short term market outlook. Services we continue to have -- keep a good level. Automation, like I said earlier, Pulp and Paper is good, Energy and Process is good, so we keep it as good.

Then Pulp, we are improving from satisfactory to good. And we know that there are several customers who are currently planning to make some decisions and we estimate that the market activity in coming 6 months is increasing. And that's why we are increasing our outlook to good level as well.

In Energy, we keep the market outlook at satisfactory. Board and Paper, we continue to say that the market activity and our workload is good. And tissue, we continue to keep satisfactory level for the same reasons that the outlook is satisfactory and the workload is satisfactory. So one change: increase in Pulp from satisfactory to good level.

So what is the summary? Our orders received remained at previous year's level in stable business. Our orders received decreased in capital business. Net sales were EUR 686 million. Backlog is good, EUR 3 billion. EBITA increased to EUR 47 million and margin was 6.9%. And like Kari said, first time cumulative 12 months curve is -- EBITA percentage is now at 8.6%. And gearing was -20%. So thank you.

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**QUESTIONS AND ANSWERS**

**Calle Loikkanen *Valmet Oyj - Director of IR***

All right. Thank you very much, Pasi and Kari, for the presentations. It was very quick and efficient, as always. And now let's continue with Q&A. So let's first start with any questions here in Keilasatama and continue with questions over the phone lines. So do we at this moment have any questions here in Keilasatama? It seems that everything is very crystal clear here. So let's continue with the questions on the phone lines. So operator, please do we have any questions?

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**Operator**

(Operator Instructions) Your first question comes from the line of Tomi Railo.

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**Pasi Kalevi Laine *Valmet Oyj - President & CEO***

So Tomi, we can't hear you.

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**Operator**

Tomi Railo, please ask your question. Can you hear me?

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**Pasi Kalevi Laine *Valmet Oyj - President & CEO***

Now we hear somebody.

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**Tomi Markus Railo *DNB Markets, Research Division - Analyst***

Can you hear me?

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**Pasi Kalevi Laine Valmet Oyj - President & CEO**

Yes, yes, yes. Please go ahead.

**Kari Juhani Saarinen Valmet Oyj - CFO**

Yes.

**Tomi Markus Railo DNB Markets, Research Division - Analyst**

Okay. Sorry about that. Apologies. Just on the Pulp, if you could talk a little bit on the ongoing talks with the customers, have they intensified? Are there many more projects coming on stream. And perhaps also on the industry capacity levels, would you assume that the...

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

We lost you in middle of the question.

**Operator**

Your next question comes from the line of Johan Eliason.

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

Maybe I could -- maybe -- even if Tomi's question was cut, so I -- I guess I know what the question was, so maybe I -- so the customer activity has been -- or sales activity has been quite active now for half a year and many customers are preparing for the investment decisions. And that has continued. And now the probability that there will be some decision has increased. And that's why we increased also our customer -- or Pulp market outlook. Then about the -- any individual project, I cannot comment. Then you started to ask something about industry capacity. And I guess you were meaning the capacity of ourselves and competitors to serve our customers. That's my assumption. And I think our business model is such that we have good capacity and our Austrian friends have good capacity. So that's not limiting the customer activity currently. But that was in case what you wanted to ask.

**Johan Eliason Kepler Cheuvreux, Research Division - Analyst**

This is Johan. And am I on now?

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

Yes.

**Kari Juhani Saarinen Valmet Oyj - CFO**

Yes, yes.

**Johan Eliason Kepler Cheuvreux, Research Division - Analyst**

Okay, good. And maybe I can continue just -- so Pulp is improving. Paper has been good for a very long time. You still have it as good. But do you think we are coming closer to the end of this very strong cycle? Or there are still more and more rebuilds and things like that that is coming into your pipeline on the Paper side?

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

So we said also in the end of last year that we see that 2019 will not be as active than 2018 and '17 have been. And our current -- but we were saying that the market is so active that we believe that it's correct to state that the market activity is good. So we are saying that even if our order intake would drop in Paper business line, that would be good enough volume for us to have good business. Beginning of the year, order intake was at EUR 183 million, and now we have announced one big project which will be booked in quarter 2. So at least for that period, we know how it's developing. Then later on, it's the same than what we have been saying earlier, that now there are fewer projects, the projects are big. And then of course the outlook depends now quite a lot on customers' decisions to proceed with those projects and our capability to win those fewer cases. So the market is more binary than it was last year. But at least for this year, we still believe that the market is active.



**Johan Eliason Kepler Cheuvreux, Research Division - Analyst**

And pricing as well, is it positively for Paper?

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

Like we have been saying earlier, pricing discipline depends on backlog of ourselves and our competitor from Germany. And I assume we both have reasonable backlog. And then pricing discipline is better than in the case that we both have lack of work.

**Johan Eliason Kepler Cheuvreux, Research Division - Analyst**

Good. Then on the margin. So you're now at 8.6% of rolling 12 months, which implies you're within your 8% to 10% margin target. Previously, when you reached your 6% to 9% margin target, you immediately hiked your ambitions to this 8% to 10%. Should we expect this to happen now as well, maybe at the Capital Markets Day in September? Or do you think that the 8% to 10% margin is a sustainable margin for a business like Valmet is today?

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

No, currently our target level is what it is and then we have of course a strategy round -- when we analyze market situation and our capability to improve the profitability. Now we have hit the target once, and from my perspective, one quarter too late. So my and Kari's goal was in the beginning that we should have reached the 8% already in the end of last year. So we are one quarter late. But that happens. Now of course we have to analyze both the competitive situation and our capability to develop the margin favorably and of course market outlook. And we'll do that analysis during our strategy work and it might be that we'll continue with the good target setting what we have currently. So we have to remember that we have hit that target range now only once, in one quarter. So we can't say that it's a continuous status yet. Kari, do you want to add something there?

**Kari Juhani Saarinen Valmet Oyj - CFO**

No. As said we are in the middle of the strategy process. And then also of course we have ambitions. And we are looking at that.

**Johan Eliason Kepler Cheuvreux, Research Division - Analyst**

Okay. And then finally, you have delivered on an M&A buying this GL&V with a good margin. Are there more to happen similar to these deals down the road?

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

Like Kari was saying, in Capital Markets Day -- that in 1.5 years we analyzed how many?

**Kari Juhani Saarinen Valmet Oyj - CFO**

47 cases.

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

47 cases. And then we had ended up in making one very small one. So then of course this analyzing and working on those possibilities continues. And let's see if we find something which is for sale and we want to buy, with acceptable price and conditions. So the activity continues in any way. Do you want to add something?

**Kari Juhani Saarinen Valmet Oyj - CFO**

Yes. That's correct, yes.

**Operator**

The next question comes from the line of Sven Weier.

**Sven Weier UBS Investment Bank, Research Division - Executive Director and Analyst**

A couple of questions from my side. First of all, on the scrubber business. You mentioned that in this quarter, it was a relatively low order intake. But how do you look at the remainder of the year? Do you also see some hesitation of clients at the moment because of the fuel spread? Or what would be your best guidance on scrubbers? That would be the first one.

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

No, we are maybe not giving a guidance for scrubbers. So we gave outlook for Energy and we kept that as satisfactory. Then as an extra information, we said that order intake in first quarter was this single digit. We see that the market continues to be active 2 to 3 years. Last year, we were very successful with the orders and we got over EUR 160 million. Currently, our backlog is such that we can take orders for deliveries late this year and then next year, which is of course limiting our competitiveness. Then like we have been saying, there will be more players on that market than people were assuming -- and that of course means that the price fight will start to intensify in that market. So no very clear answer, but we of course continue to try to get our fair share of that market.

**Kari Juhani Saarinen Valmet Oyj - CFO**

And maybe also to add here that that pipeline exists.

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

Yes, yes.

**Sven Weier UBS Investment Bank, Research Division - Executive Director and Analyst**

So without giving too much guidance, but would you say it's fair that Q1 is not representative for the year as a whole?

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

Yes and no. Last year, order intakes were also coming in practically in one quarter. So then it's statistically difficult to say which quarter the order intake might happen.

**Sven Weier UBS Investment Bank, Research Division - Executive Director and Analyst**

The other question I had was on your Pulp upgrade. And I guess we always talk about the greenfields. But I was also wondering because I think there's also more activity on brownfields, significant brownfields in South America. So is that also a reason why you upgraded it because those projects are also forthcoming now?

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

No, last year our order intake was roughly EUR 500 million in Pulp and there was one big project, MAPA, and all the others were from medium and small projects. And we have been saying now a couple of years that that's one market where we want to be active because there the differentiation is better, and because of the differentiation, it might be that the profitability is bigger -- better as well. And of course we'll continue to focus on that. But we don't see now that that market would have increased compared to last year. So it was a good market last year as well.

**Sven Weier UBS Investment Bank, Research Division - Executive Director and Analyst**

So is part of your upgrades on Pulp also due to you having now also better loads?

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

We have a reasonably good workload. So that's of course affecting the outlook as well.

**Operator**

The next question comes from the line of Manu Rimpelä.

**Manu M. Rimpelä Nordea Markets, Research Division - Head of Equity Research of Finland & Senior Analyst**

My first question would be on the sales guidance that you have, and that's for sales to increase. And I was just wondering do you have any kind of higher guidance than increase, given that you have an acquisition which will be consolidated in Q3 and then the backlog for deliveries is also up quite significantly for the remainder of this year. So I'm just wondering if there's anything beyond 'to increase' in your communication.



**Kari Juhani Saarinen Valmet Oyj - CFO**

Well Manu, we have -- our guidance is that top line increases. And then also if we look at now the quarter 1, so we were 6% below, and that was all coming from the capital side. And as said, the revenue recognition in capital side was now a bit lowish because of the situation with the big projects. But the guidance is that our net sales increases.

**Manu M. Rimpelä Nordea Markets, Research Division - Head of Equity Research of Finland & Senior Analyst**

Okay, maybe I have not clear enough. So do you have a guidance if sales would increase even more, that would be -- 'increase significantly' or 'clearly'? Or is it only 'increases' if it grows between 1% or 100%?

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

We have only guidance decrease, stable or increase. So...

**Manu M. Rimpelä Nordea Markets, Research Division - Head of Equity Research of Finland & Senior Analyst**

Okay, that is clear. Let me turn to the margin progression. Last year, we had the first 9 months of the year where margins didn't really improve significantly. And then we had a very strong fourth quarter. Now the year started off with a very strong first quarter. So is there any kind of bigger volatility between the quarters? Or do you see that the kind of last 3 quarters are more representative of the underlying trend than the backlog there to deliver? Or...

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

Well typically, it's so that the quarter 1 is lowest and that's how it's been now since the -- like Valmet started. So that the quarter 1 is the lowest. And -- but now we had a quarter where actually our sales mix was quite favorable for the profitability, because stable business being 49% and -- last year it was 42% for quarter one. But we also need to remember that we had a quite good execution now during quarter 1. And then other thing is that -- what we've been saying since like middle of last year, that our order backlog is with quite good quality now.

**Manu M. Rimpelä Nordea Markets, Research Division - Head of Equity Research of Finland & Senior Analyst**

Okay. And just on that perspective, the orderbook quality should continue through the year. And do you have any comments on the execution? Can you continue on the good execution level going forward as well? Or was it exceptionally good in the first quarter?

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

It's very difficult to say accurately. But I would repeat what Kari was saying, that we had good execution in quarter 1. We have been saying that backlog is healthier than -- now than it has been. And of course we try to have good execution in coming quarters as well. But it's very difficult to say more accurately anything about it.

**Kari Juhani Saarinen Valmet Oyj - CFO**

Maybe saying that, that we of course need to like execute every day and also manage that. And that's also why we are here for.

**Manu M. Rimpelä Nordea Markets, Research Division - Head of Equity Research of Finland & Senior Analyst**

Okay. And final question. Have you seen any behavior changes in the Services business from your customers (inaudible), pulp prices coming down and uncertainty in the industry has increased?

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

First of all, I'm -- of course you have to ask this from our customers. But to my understanding, the pulp price is still such that it's reasonably good for our customers even if it has dropped from the very high levels. And from that perspective, we haven't seen any change in their behavior and I don't expect it either. I think all the customers want to now make sure that their facilities are in good condition to make sure that when the volumes are needed, they can deliver the volume. So we haven't seen any change in their behavior in relation to our Services business.

**Operator**

We have another question. It comes from the line of Jonathan Coubrough.



**Jonathan Coubrough Berenberg, Equity Research**

Please could you provide some detail on the EUR 10 million reversal of provision reserve reported in Q1? What's that related to?

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

EUR 10 million.

**Kari Juhani Saarinen Valmet Oyj - CFO**

What was that? EUR 10 million reserve on...

**Jonathan Coubrough Berenberg, Equity Research**

Yes. So if I look at your provisions on Page 38, you have a EUR 10 million reversal of reserve under provisions in Q1?

**Kari Juhani Saarinen Valmet Oyj - CFO**

Yes. So difficult to quantify actually what is this reserve. But in the business, we do typically reserves. And now actually during the course of the business, we have now reduced the reserves by EUR 10 million. But those are actually multiple reserves that we have been reducing here. And that's normal business. So this is by no means any extraordinary.

**Operator**

The next question comes from the line of Antti Kansanen.

**Antti Kansanen SEB**

It's Antti from SEB. Regarding the outlook on pulp and on the projects that you potentially see coming into the market, you mentioned that you have a pretty decent workload in your organization. Would you say that this enables you to be more selective on, let's say, terms and conditions regarding potential cost overruns, how the liabilities are split, and on the pricing of these potential orders? Could you open up how you see the market behavior going forward?

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

I don't see that our -- of course we need all the time new projects, so I don't see that we have so strong position that we can change the traditional contract structure too much. So it will be like it has been up to now as well.

**Antti Kansanen SEB**

And regarding those orders -- or the projects that you potentially could you win, do you expect to be the primary supplier with a large share of the project? Or do you expect to see more kind of a shared project, like the last one that you booked late last year?

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

That decision depends totally on customer. And of course we have to remember that we have very aggressive competitor. So let's see what the market share will be. And we try to get a reasonable share if the projects will materialize.

**Antti Kansanen SEB**

Would you say that your strategy is being less aggressive than your key competitor?

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

No, you have to compare it. I don't know. You have to ask my friend.

**Operator**

There are no further question at this time. Please continue.

**Calle Loikkanen Valmet Oyj - Director of IR**

All right. Thank you, operator. Thank you very much for the questions and the answers. This then concludes the event for today. Thank you for participating. And I hope to see you all at the Q2 results in late July. Thank you.

**Pasi Kalevi Laine Valmet Oyj - President & CEO**

It's not a video. You can't see.

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**Calle Loikkanen Valmet Oyj - Director of IR**

Okay, I hope you can -- you're always --everybody is here to hear the results presentation, Q2 results presentation in late July. Thank you.

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**Pasi Kalevi Laine Valmet Oyj - President & CEO**

Thanks.

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