CEO’S REVIEW
Pöyry PLC, Annual General Meeting
Martin à Porta, President and CEO

March 9, 2017
OUR PEOPLE

- 5500 experts
- Empowerment and intrapreneurship at heart of Pöyry’s culture and DNA
- By energising our people, engagement levels are growing

“I enjoy working towards a common goal”

- Kati
MEGATRENDS

Six megatrends are impacting our markets and shaping the world

- Climate Change
- Energy & Resource Efficiency
- Urbanisation & Smart Infrastructure
- New economic power centres
- Digitalisation
- Bioeconomy

- Clients come to Pöyry for a **fresh perspective**
- Perspectives based on **deep expertise** and **profound insight**
- Clients stay ‘**one step ahead’** of changing global forces
THE BIG PICTURE – THE WORLD IN 2017

- World population reaches 7.6 billion
- 93% of energy for transport use is oil
- 41% increase in greenhouse gas emissions vs 1990
- 6.4 billion connected ‘things’ in today’s world
- 10.8% of global population undernourished
- Forests cover 31% of land area
- 50% of people live in urban areas
- 1/12 of world’s population over 65
- 40% of wood traded, used by pulp & paper industry

MARCH 9, 2017
ANNUAL GENERAL MEETING - CEO’S REVIEW
MARCH 9, 2017
World population reaches 9.6 billion

1/3 all energy used for transportation will need to increase by 100%

Energy production will need to increase by 100%

12% increase in area covered by forest versus 2010

1/3 all energy used for transportation will need to increase by 100%

3.9 billion people living under ‘severe water stress’

Computers will be >1,000 times more powerful*

66% of people will be living in urban areas

1 in 6 of world’s population will be over 65

Biomaterials proliferation of products developed from natural sources
**DID YOU KNOW…PÖYRY**

**ENERGY**

**Hydropower**

100 GW

Installed capacity world-wide

**Thermal**

2 x 1000 MW

Pioneering ultra supercritical plant, Indonesia

**Energy consulting**

25+ countries

Designed electricity & gas market rules

**INDUSTRY**

**Chemicals & biorefining**

1.5 Mt/a CO2 reduction

Silva: replacing oil with biofuels

**Mining & metals**

#1 in Gold

EPCM service contractor in EU

**INFRASTRUCTURE**

**Tunnelling**

57 km

Gotthard: world’s longest rail tunnel

**Environmental**

2000+

Last decade: due diligences

**Water**

2.2M people

Emscher: advanced water treatment
WE CONTINUE IMPLEMENTING OUR OPERATIONAL FRAMEWORK AND ENHANCING CLIENT FOCUS

Improving profitability

Strengthening client focus
1. Simplify and empower
2. Strengthen the core
3. Scale up

Living ‘The connected company’
- Defend market share & increase margin
- Increase value & differentiate
- Next generation Pöyry

- Clear expectations set
- Employee engagement clearly up
- Intrapreneur concept introduced
- New management added & increased management commitment
- Fixed cost reduction started, showing first impacts
- Simplification initiated
- New business management system introduced & transparency increased
- Number of loss-making units reduced

2015

2016

2017
OUR VISION

is to be the trusted partner, delivering smart solutions through connected teams.
DEVELOPMENT FY 2016

Adjusted operating margin, %

Net sales, MEUR

Growth versus PY quarter

Book to bill\(^*\)

\(^*\) Book to bill = order intake / net sales
## ADJUSTED OPERATING RESULT POSITIVE

<table>
<thead>
<tr>
<th>MEUR</th>
<th>1-12/2016</th>
<th>1-12/2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order stock</td>
<td>442.5</td>
<td>465.5</td>
<td>-4.9%</td>
</tr>
<tr>
<td>Net sales</td>
<td>529.6</td>
<td>575.3</td>
<td>-7.9%</td>
</tr>
<tr>
<td>Operating result</td>
<td>-8.1</td>
<td>4.0</td>
<td>n.a.</td>
</tr>
<tr>
<td>Adjusted operating result</td>
<td>5.8</td>
<td>9.4</td>
<td>-38.0%</td>
</tr>
<tr>
<td>Net result</td>
<td>-12.8</td>
<td>6.0</td>
<td>n.a.</td>
</tr>
</tbody>
</table>
## BUSINESS LINES

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Net sales 2016</th>
<th>Net sales 2015</th>
<th>Adjusted operating result 2016</th>
<th>Adjusted operating result 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>130.2</td>
<td>150.5</td>
<td>5.2</td>
<td>6.1</td>
</tr>
<tr>
<td>Industry</td>
<td>50.0</td>
<td>53.7</td>
<td>4.4</td>
<td>4.9</td>
</tr>
<tr>
<td>Regional Operations</td>
<td>285.7</td>
<td>305.5</td>
<td>1.4</td>
<td>1.8</td>
</tr>
<tr>
<td>Management Consulting</td>
<td>64.1</td>
<td>66.2</td>
<td>4.7</td>
<td>4.4</td>
</tr>
</tbody>
</table>
DIVIDEND PROPOSAL

The Board of Directors of Pöyry PLC proposes to the Annual General Meeting today, 9 March 2017, that no dividend will be paid for the year 2016.
CHANGE IN FINANCIAL TARGETS

Previous targets were set in 2013. We are updating these targets to:
• Align with our operational transformation and strategy
• Focus on profitability and efficiency

**Previous Targets (from 2013)**
- Net Sales in 2017: 1000 M€
- Operating margin by 2017: 8-9%
- Return on Investment: >20%
- Earnings per share growth: >15%
- Gearing: <50%
- Dividend pay-out ratio: >50%

**New Targets**
- Operating Margin corridor: 6-9%
- Return on Investment: >20%
- Gearing: <50%

**Targets will be revisited latest 2019**
### OUTLOOK FOR 2017

The Group’s adjusted operating result is estimated to improve.

#### Market conditions

<table>
<thead>
<tr>
<th>Economic Region</th>
<th>Market Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>Economic growth in the majority of Asian countries fuelled by stronger domestic demand</td>
</tr>
<tr>
<td>USA</td>
<td>Continued growth in the USA</td>
</tr>
<tr>
<td>Europe</td>
<td>Modest growth in Europe, where high unemployment may weaken consumer demand and slow growth</td>
</tr>
<tr>
<td>Europe (energy)</td>
<td>The energy market is facing structural changes in Europe</td>
</tr>
<tr>
<td>Brazil</td>
<td>Some signs of improved market situation in Brazil</td>
</tr>
<tr>
<td>Graphic paper industry</td>
<td>Outgoing good in packaging and tissue, decreasing demand in graphic paper industry</td>
</tr>
<tr>
<td>Economic growth in the majority of Asian countries fuelled by stronger domestic demand</td>
<td>Economic growth in the majority of Asian countries fuelled by stronger domestic demand</td>
</tr>
</tbody>
</table>
Thank you!