



## **CEO'S REVIEW**

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

March 8, 2018



# #PROUDTOBEPOYRY



# PÖYRY GROUP EXECUTIVE COMMITTEE



**Dorien Terpstra**

Head of Strategy and Transformation



**Martin à Porta**

President and CEO



**Richard Pinnock**

Energy Business Group



**Juuso Pajunen**

Finance



**Nicholas Oksanen**

Industry Business Group

# THE WORLD IN 2018

World  
population

**7.6**

billion

**1 in 12**

of population  
over 65 years

**10.8%**

of population  
malnourished

**50%**

living in urban areas

**93%** of energy for  
transport use is oil

**41%**

increase greenhouse  
gas emissions vs. 1990

**8.4 billion**

connected devices in today's  
world

**31%**

forests cover land areas

**40%** of wood traded,  
used by pulp & paper industry

# THE WORLD IN 2050

World population

**9.6**

billion

**1 in 6**

of population  
over 65 years

**3.9** billion  
living under  
'severe water  
stress'

**66%**

living in urban areas

Energy production will  
need to increase by

**100%**

**1/3** of energy is  
used for transportation

**Smart mobility**  
has re-shaped cities

IOT explosion...

**100** billion

connected devices

**Social media**

has redefined our lives

**Biomaterials**

proliferation of products  
developed from natural sources

**~8%** increase in areas  
covered by forest

# WE ARE INVESTING HEAVILY IN #POYRYDIGITAL SOLUTIONS

## Pöyry Innovation Link:

enabling utilities to keep track of the constant flow of new ideas generated in the energy sector

## Building Information Modelling:

revolutionising the engineering process and culture – going beyond 3D by augmenting spatial dimensions with time and cost

**Smart Water:** taking advantage of the latest digitalisation techniques in fluid mechanics to create world-class water treatment plants

**Smart Forestry:** contributing unique insight and powerful analytical tools for strategy and operational excellence in forestry, wood and biomass supply chain

**Pöyry Smart Site:** optimising the processes and operations of the entire site. Supporting the creation of sustainable solutions by utilising digitalisation, systems intelligence and big data

# #POYRYDIGITAL



## OUR VISION

is to be **the trusted partner**,  
delivering **smart solutions**  
through **connected teams**



# WE CONTINUE IMPLEMENTING OUR OPERATIONAL FRAMEWORK AND ENHANCING CLIENT FOCUS

## Strengthening client focus

- **Simplify and empower**
- **Strengthen the core**
- **Scale up**
- ✓ 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

## Living 'The connected company'

- **Defend market share & increase margin**
- **Increase value & differentiate**
- **Next generation Pöyry**
- ✓ Continued emphasis in client focus enabling increase in orderstock
- ✓ Strengthened intrapreneur concept
- ✓ Continued reduction of fixed expenses
- ✓ Continued improvement in employee engagement
- ✓ #PöyryDigital

## Building a High Performance Organisation

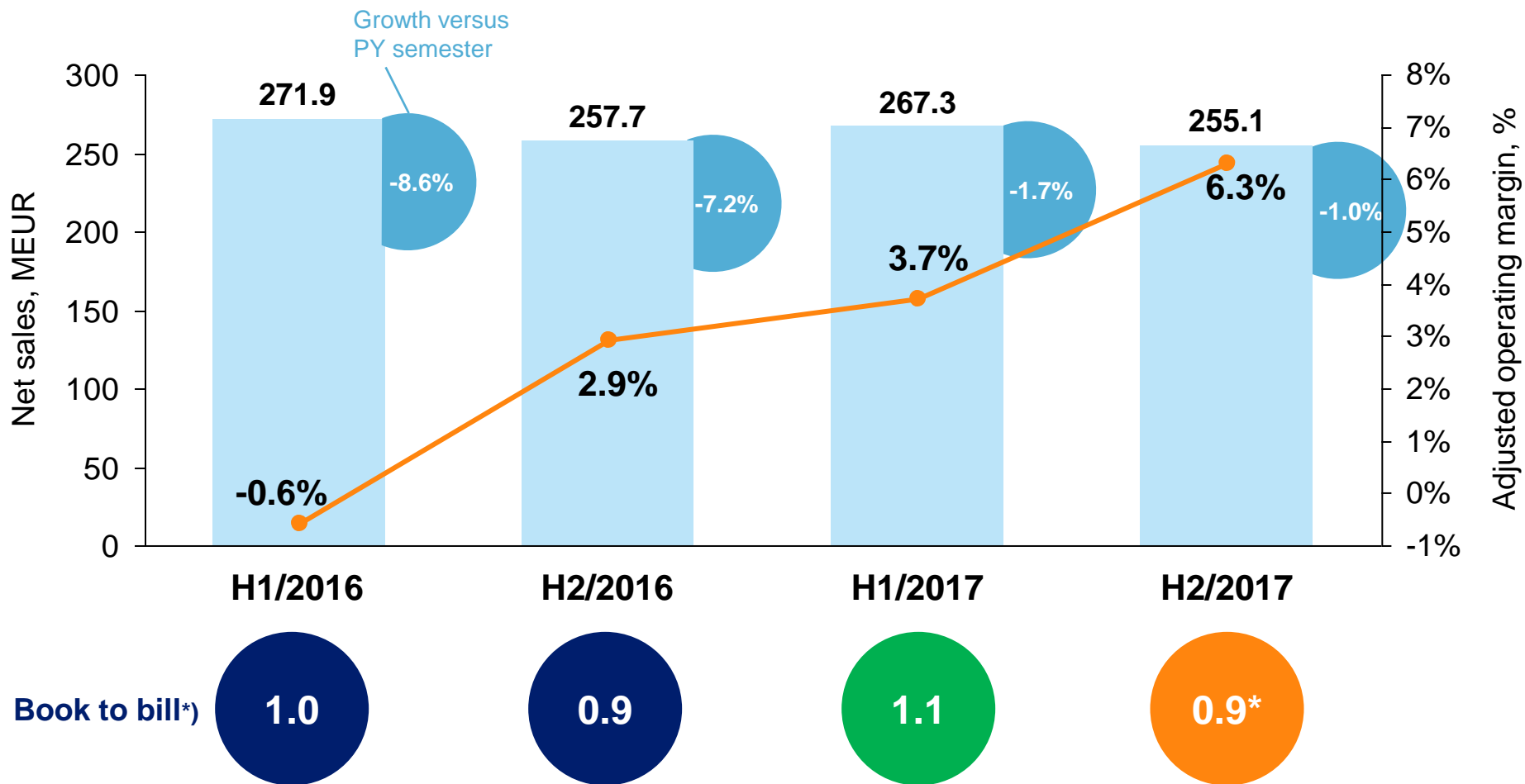
- **Elevate leadership in the front line and increase ambition**
- **Drive efficiency**
- **Materialise growth**
- **Increase value & differentiate**
- **Next generation Pöyry**

2016

2017

2018

# DEVELOPMENT FY 2017



\*) Book to bill = order intake / net sales

\*) 1.0 at comparable currencies

## OPERATING RESULT IMPROVING

MEUR	1-12/2017	1-12/2016	Change
Order stock	<b>448.5</b>	442.5	1.4%
Net sales	<b>522.3</b>	529.6	-1.4%
Operating result	<b>15.1</b>	-8.1	n.a.
Adjusted operating result	<b>26.0</b>	5.8	n.a.
Net result	<b>5.6</b>	-12.8	n.a.

## BUSINESS LINES

MEUR	Net sales		Adjusted operating result	
	2017	2016	2017	2016
Energy	<b>122.1</b>	129.6	<b>7.4</b>	5.0
Industry	<b>149.4</b>	147.5	<b>14.7</b>	6.5
Regional Operations	<b>186.8</b>	188.8	<b>6.7</b>	-0.6
Management Consulting	<b>65.7</b>	64.1	<b>7.3</b>	4.7

# DIVIDEND PROPOSAL

The Board of Directors of Pöyry PLC will propose to the Annual General Meeting on 8 March 2018 that a dividend of EUR 0.05 per share will be paid for the year 2017.

# FINANCIAL TARGETS

Target range set in 2017. Targets will be revisited latest 2019

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

# OUTLOOK FOR 2018

The Group's adjusted operating result is expected to improve

## Market conditions

Guidance is based on orderstock at 31.12.2017, solid prospect pipeline and well progressed transformation program.

Outlook good for pulp and paper in Europe and North America, low demand in Latin America, mixed in Asia

Transformation of European energy market continues to create challenges for engineering services but opportunities for consulting

Continued growth in Europe, but remains fragile with potential to change rapidly

Modest signs of recovery & investment in Brazil, but continues to be fragile

The North American market remains strong

Economic growth in the majority of Asian countries continues to be fuelled by stronger domestic demand



**Thank you!**

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