



oras invest

# ANNUAL REVIEW 2023

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# Oras Invest in brief

Oras Invest is a family company focused on industrial ownership. The roots of Oras Invest lie in family entrepreneurship: the faucet company Oras was founded in 1945.

Our focus is on industrial companies that operate in the building, water and bio-based materials value chains or in closely related sectors. We develop our companies through active board work and close cooperation with management, as well as with other significant owners.

Our current industrial ownerships are Oras Group, Kemira, Valmet and Georg Fischer (which acquired Uponor in 2023). The net asset value of Oras Invest was EUR 1.5 billion at the end of 2023.

## Oras Invest companies

NET SALES

**EUR 13.3 billion**

PEOPLE

**44,275**

OPERATING IN MORE THAN

**100 countries**



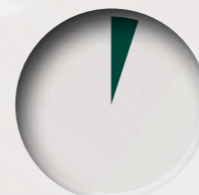
**100%**  
ORAS GROUP  
Since 1945



**23%**  
KEMIRA  
Since 2007



**10%**  
VALMET  
Since 2022



**5%**  
GEORG FISCHER  
Since 2023

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# Key figures 2023

	2023	2022	2021
<b>Dividends received, EUR million</b>	<b>55</b>	63	36
<b>Net asset value (NAV), EUR million</b>	<b>1,495</b>	1,288	1,398
<b>Total shareholder return (TSR)</b>	<b>16%</b>	-8%	13%
<b>Shareholder's equity, EUR million</b>	<b>1,256</b>	792	872
<b>Balance sheet total, EUR million</b>	<b>1,361</b>	823	876
<b>Equity ratio</b>	<b>92%</b>	96%	100%
<b>Loan-to-value ratio</b>	<b>-15%</b>	0%	-16%

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CEO review

# Portfolio renewal amidst new realities



Oras Invest President & CEO  
Annika Paasikivi

2023 was a year when the world had to start coping with many new realities. Geopolitical unrest increased, with the war in Ukraine continuing and a new escalation starting in the Middle East. Finland's NATO application was ratified on April 4th. Global warming continued, and it is clear now that with current measures, policies and technologies, the Net Zero targets of the Paris Accord for 2030 and 2050 will not be met. Advanced generative artificial intelligence became widely accessible for everyone, and new applications in process automation, customer service, idea generation and other fields are now sprouting by the day. At the same time, concerns about data privacy, intellectual property rights and the ethical use of AI grew, leading to new needs for regulation and oversight. Interest rates rose, and the ECB increased its steering rate to 4% after a 10-year period of rates having been very low or even negative, changing the behavior and outlook for enterprises and consumers alike. Euro Area GDP declined in the second half of 2023 due to weak consumer purchasing power and tight monetary policy. The construction sector in Northern Europe was particularly heavily impacted by the rise in interest rates.

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The main event of 2023 for Oras Invest was the acquisition of Uponor by Georg Fischer. While we entered the year excited about Uponor’s performance and future opportunities as a standalone company, we are equally excited about the prospects of the combined business of Georg Fischer and Uponor. Together, the two form a global leader in the handling and transportation of liquids and gases, with a combined turnover of more than EUR 5 billion. Uponor, together with the building technology assets of Georg Fischer, now forms “GF Uponor”, one of the four divisions of the group. Oras Invest continues to be a part of the Uponor story and has become the largest shareholder of Georg Fischer, with a 5% ownership. The investment in GF marks a new era for us, as it is our first portfolio company not headquartered in Finland.

A new venture capital company Kvented was set up in 2023, investing in industrial technology startups in Northern Europe. Oras Invest is closely involved and became the lead investor in its first EUR 71 million fund.

For us, last year was also marked with sadness over the loss of a long-term colleague and a trusted member of our closest network, Jari Rosendal, the President and CEO of Kemira. His passing was unexpected, and we honor his memory and the strong legacy he left behind.

### Financial performance

Oras Invest remains committed to its strategy of sustainable long-term value creation as an anchor owner for leading companies in their respective industries. In terms of shareholder value creation, 2023 was a good year, with net asset value increasing by 16% to EUR 1.5 billion (OMX Helsinki TSR -2%).

Oras Group has been operating in a distressed construction market since H2/2022, and the post-cyclical market will continue to be challenging in 2024. Despite market headwinds, Oras Group is financially secure and has made significant investments in 2023 to come out even stronger when the market picks up again. Net sales declined by 22% to EUR 190 million (244). Operative EBIT declined to 5.4% of sales (13.7%).

Uponor’s net sales in 2023 declined by 12% to EUR 1,221 million (1,386). Revenue in North America grew 4%, whereas revenue in Building Solutions Europe declined 17% with the significant softness of the construction market. Operative EBIT was EUR 151 million, almost at the previous year’s level. The operative EBIT margin demonstrated the increased resilience of Uponor’s business and increased to 12.3% (11.1%). Oras Invest sold its Uponor shares to Georg Fischer in fall 2023 as part of the public tender offer.

Kemira posted strong results again in 2023. While revenue declined 5% to EUR 3,384 million (3,570) from the previous record year, operative EBIT increased by 28% to EUR 463 million (362), or 13.7% of revenue (10.1%). Oras Invest increased its ownership by 1% to 21.8% in March 2023 and further to 22.9% in February 2024. While we are saddened by the unexpected passing away of CEO Jari Rosendal, we are also proud that the company has a talent pool from which Antti Salminen emerged as his successor. The divestment of the Oil & Gas business in December improved the long-term sustainability profile of Kemira.

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Valmet continued on its very strong track in 2023, with net sales growing 9% to EUR 5,532 million (5,074). Operative EBIT increased 24% to EUR 521 million (419), or to an all-time-high 9.4% of sales (8.3%). Oras Invest has increased its ownership in Valmet and has become the largest shareholder, owning 10.4% of shares today. Valmet’s long-time CEO Pasi Laine will pass the baton to Thomas Hinnerskov by the end of September 2024, and we look forward to a successful future for Valmet with him at the helm.

2023 was a solid year for Georg Fischer as well. Organic net sales growth was 3.7% despite geopolitical and macroeconomic challenges. Net sales amounted to CHF 4,026 million (3,998) and operative EBIT stayed at CHF 389 million (391), or 9.7% of revenue (9.8%). The year was marked by the acquisition of Uponor, the largest acquisition in the company’s history, allowing Georg Fischer to become a global leader in sustainable water and flow solutions. Oras Invest has reinvested part of its Uponor proceeds in Georg Fischer shares and has become the largest shareholder with 5.1% of outstanding shares.

## Outlook

The real GDP growth outlook for this year in Europe is flattish at close to 0.5%, and economic growth is also subdued in other markets globally. The construction sector in Northern Europe will continue to be particularly challenged in 2024. Despite the challenges, our companies are as robust as ever and have a strong starting point for 2024 and beyond. During the last three years, our portfolio of companies has also undergone a major transformation. We have significantly reduced our exposure to the European building industry, and today we stand on a much more balanced platform in terms of geographies and sectors.

In addition to staying true to competitive financial value creation, we encourage and expect all our companies to define and form a sustainable co-existence with the environment and the societies they operate in. Many of them are already at the forefront of their respective industries, but no industry and especially no value chain is anywhere close to being ready yet when it comes to sustainability. We welcome regulatory efforts

seeking to make sustainability reporting more meaningful, comparable, and robust. This will help companies and investors to make the right decisions and accelerate sustainability developments.

The future is created by all the 44,275 team members of our companies – employees, management and board members – and by our customers and business partners globally. I thank you all for a successful 2023 and hope to make 2024 another great year together.

March 26, 2024

Annika Paasikivi

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# Jari Rosendal in memoriam 1965-2023

Jari Rosendal (born July 20, 1965), the President and CEO of Kemira since 2014, passed away unexpectedly after a short illness on July 31, 2023.

Under Jari’s leadership, Kemira improved its profitability significantly, the company grew, and the strategic focus today is on two clear business areas with long-term potential and an important impact on sustainability. Workplace safety and sustainability of operations were always close to Jari’s heart, and related performance continuously improved.

Jari held many important positions of trust. He served on the boards of industry associations Kemianteollisuus ry and The European Chemical Industry Council, starting from the year 2014. He was a board and working committee member of the Confederation of Finnish Industries in 2017-2018. Oras Invest also had the privilege of having him on Uponor’s board from 2012 to 2018.

Jari shared our values of family and fatherland. We will miss both his person and his professional insights.

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Performance in 2023

# A year of transformation for Oras Invest



The year 2023 concluded with notably strong stock market performance, with annual returns in most markets significantly surpassing expectations. The S&P 500 (in USD) achieved a total return of 26%, while Europe’s STOXX 600 saw a 17% increase. This surge was primarily due to slowing inflation, coupled with indications that the central banks have concluded their rate hikes, shifting market attention toward the timing and pace of potential rate cuts in 2024. The US economy, in particular, demonstrated remarkable resilience, growing by more than 2% in 2023. The technology sector, fueled by advancements in AI and dominated by the largest companies, delivered impressive returns.

In contrast, Finland’s market performance did not reflect this upward trend. The country’s GDP contracted and is anticipated to continue its decline in 2024. The OMX Helsinki index posted a total shareholder return of -2%, marking a second consecutive year of downturn. Several of Finland’s largest companies, including the pulp and paper industry, faced challenging conditions throughout the year.

Oras Invest performed much better than the Finnish market on average. Our net asset value (NAV) increased by 16% to EUR 1,495 (1,288) million and was at an all-time high. At the end of 2023, the gross asset value (GAV) was EUR 1,297 (1,282) million, and our net cash position was EUR 198 (6) million, bringing our loan-to-value ratio to -15% (0%).

In 2023, Oras Invest divested its 25.6% ownership in Uponor for EUR 537 million. During the year, Oras Invest increased its ownership in Valmet from 5.0% to 9.1%. The ownership is now 10.4% and Oras Invest is the largest owner of the company. In addition, Oras Invest acquired a 3.4% shareholding in Georg Fischer by the end of the year. The ownership stake has further increased and is now 5.1%, making Oras Invest the largest owner of the company. In addition, Oras Invest increased its ownership in Kemira from 20.9% to 21.8% of outstanding shares. This has further increased in early 2024 to 22.9%.

In total, share purchases in 2023 in Valmet, Georg Fischer and Kemira amounted to EUR 385 million.

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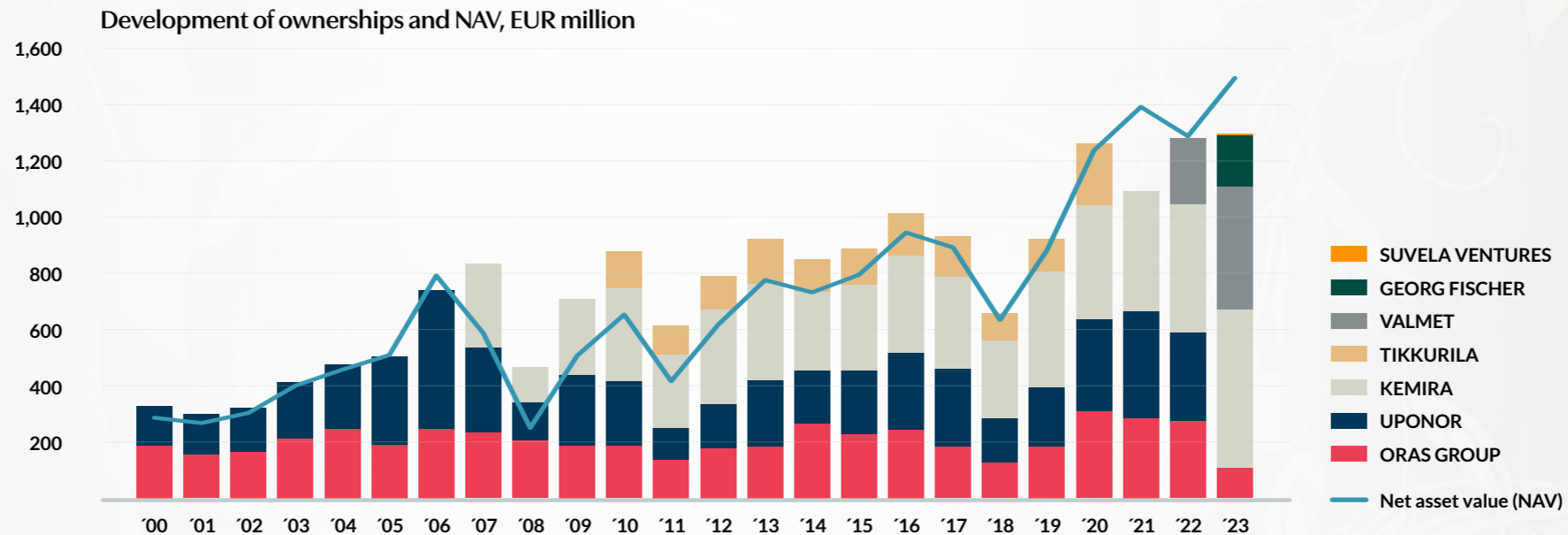
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Divesting our ownership in Tikkurila in 2021 and in Uponor in 2023, and becoming a major owner in Valmet and Georg Fischer, has been a strategic reallocation that has fundamentally transformed our portfolio. Our focus has shifted from Northern Europe to more global markets. Our current companies have significant operations in the Americas and Asia, too. Nevertheless, we remain steadfast in our commitment to our strategy of being an active, long-term industrial owner. All of our companies hold leadership positions

within the building, water, and bio-based materials value chains, or in sectors closely related to these areas.

Our largest ownership is Kemira, with a market value of ownership of EUR 563 million at the end of 2023, accounting for 43% of GAV. Kemira's share price increased by 17% in 2023, driven by very strong financial performance. Oras Invest received EUR 21 million in dividends.

Valmet ownership was worth EUR 436 million at the end of 2023, representing 34% of GAV. The Valmet share price increased by 4% in 2023, and our dividend income was EUR 14 million. Georg Fischer ownership was worth EUR 184 million at the end of 2023, representing 14% of GAV. The Georg Fischer share price increased (in CHF) by 8% in 2023. The value of the shares (in EUR) was 7% higher than our acquisition value.



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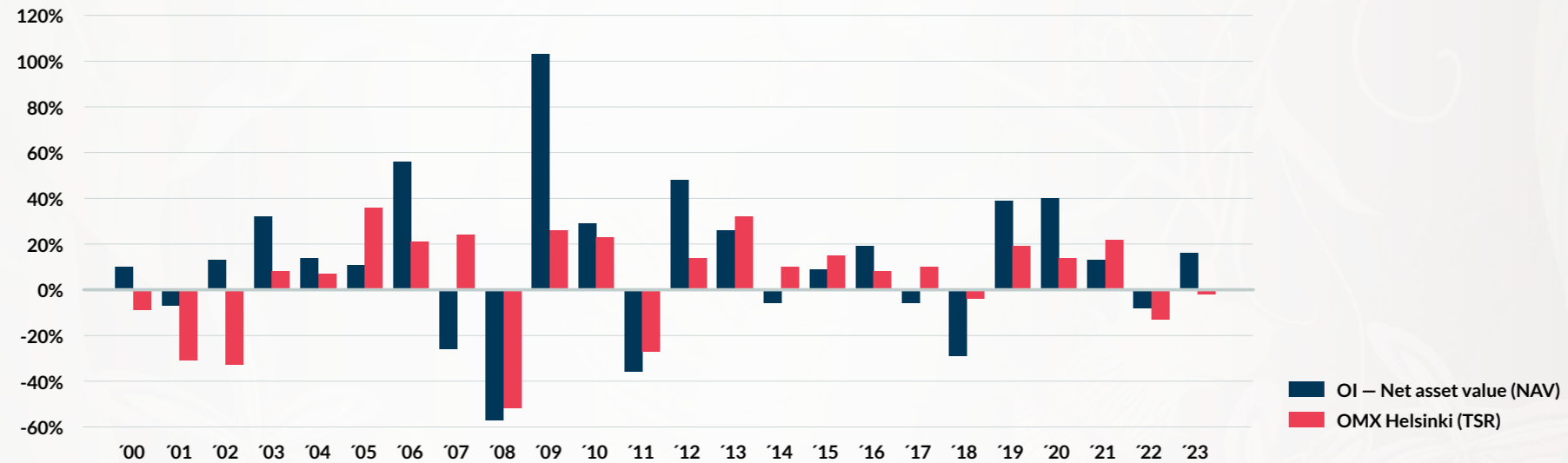
Oras Group, wholly owned by Oras Invest, faced challenges in 2023 after two years of strong performance, with intrinsic value declining to EUR 109 million, representing 8% of GAV. Oras Group paid EUR 7 million in dividends.

Kvanted, the new industrial VC fund in which Oras Invest is the lead investor, started its operations. The first two investments were made during 2023.

Oras Invest's financial position is strong, like that of our companies. Even after the purchases carried out in 2023 and in early 2024, we have the capacity to look for new opportunities and to support our existing

companies in their growth ambitions, if needed. Our focus will be, as previously, on industrial companies with strong market positions and competitive advantages, and operating in industries familiar to us. We expect approximately EUR 62 million in dividend income in 2024.

Development of Oras Invest's NAV and total shareholder return of OMX Helsinki, %



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# New board members at Oras Invest, Oras Group and Georg Fischer

In 2024, new board members will be appointed at Oras Invest, Oras Group and Georg Fischer.

We welcome **Joachim Rosengarten** (Partner, Hengeler Mueller) to the Oras Invest Board of Directors. **Joonas Sandholm** (CFO, Oras Invest) and **Mona Abbasi** (Head of Customer Experience, Polestar) are joining the Oras Group Board of Directors. **Pirjo Väliäho**, on the board since 2015, will step down. **Annika Paasikivi** (CEO, Oras Invest) and **Stefan Räbsamen** (Partner, PwC Switzerland) are nominated for election to the Georg Fischer Board of Directors. **Hubert Achermann**, Vice Chair of the Board of Directors of Georg Fischer, is retiring from the Board of Directors on reaching the age limit. Following the public takeover, all previous members of the Uponor Board of Directors stepped down at the EGM in November 2023. **Heikki Westerlund** (Member of the Board, Oras Invest) and **Ville Kivelä** (CIO, Oras Invest) started as board members at Kvantend in 2023.

We would like to thank all departing members of the boards of directors for their service and contribution.

In January 2024, in recognition of the successful long-term board work, Annika Paasikivi was elected as the Chair of the Board for the year 2023 at the Stock Exchange Gala in Helsinki. The jury assessed that Annika Paasikivi had advanced the interest of every shareholder in an exemplary manner while serving as the chair of the Uponor Board.

The diversity on the boards of directors is at a good level, despite the changes in the Oras Invest portfolio. Close to 40% of the board members of our industrial companies have a CEO background. The share of female members has continued to increase and is now 45%, and more than 40% of the board members are international by nationality. The average age is 57 years, and one third of the board members were born in 1970s and 1980s.

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# Our way of working

# Vision & purpose

## VISION

Oras Invest is and will remain in family ownership. We aspire to be the best owner of selected industrial companies, with long-term commitment. The companies under our ownership are the best long-term performers in their industries. They attract the most competent people and a committed owner base.

## PURPOSE

Oras Invest focuses its ownership on industrial companies, that operate in the building, water and bio-based materials value chains. We develop our companies through active board work and close cooperation with management and other owners. Our aim is to create long-term sustainable value, which we measure by the development of our net asset value.

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# Values

## Taking the long view, with sustainable values

**Good ownership** is a value and way of life understood by Oras Invest. It requires an honest, open and responsible approach, respect for work, and fair play. As an active industrial owner, we look beyond economic fluctuations.

**Vitality, commitment, and endurance** form the basis for Oras Invest's continuous, long-term value creation. We ensure that the companies we own are proactive and able to renew themselves. Our commitment to their long-term development is tangible. We put our competence and experience at our companies' disposal.

**We take responsibility** for ensuring that our companies have solid ownership structures, as well as great boards of directors and CEOs. These are the basic prerequisites for solid value creation and constant improvement. A company will only be able to fulfill its social responsibility if it operates profitably on a solid base and creates value.

## OWNERSHIP

Ownership cannot be claimed without an open and honest approach, respect for work, and fair play. The responsibilities of ownership are greater than its privileges.

## ENDURANCE

By endurance, we state that there is continuity and competence in our work, and we are driven by sustainable value creation.

## COMMITMENT

By commitment, we express our long-term commitment to our companies and stakeholders, and to our family.

## VITALITY

By vitality, we demonstrate our aim to develop the business by seeking regeneration and innovative ownership ideas.

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## Strategy

# Industrial owner's strategy

Our family business background has had a strong influence on defining the nature and objectives of Oras Invest as an industrial owner. Oras Invest's strategy is guided by sustainable value creation throughout economic fluctuations, and when necessary, bold moves and preparations for challenging times. Committed ownership, long-term development and value creation are permanent factors of our strategy. We work in close cooperation with other significant owners, boards, management, and other stakeholders.

The perspective and operating model of a long-term owner differ from those of a financial investor, although the basic objective of value creation

is important for both. We are committed to the companies we own and support them through thick and thin with a long-term view. We look beyond economic cycles, and to us, industrial ownership means actively contributing to the long-term development of the companies we own.

Oras Invest aims to be in a decision-making position. In listed companies, our goal is to be the largest owner, while in the case of unlisted companies, we aim for majority ownership. We direct our earned dividends toward growing our net asset value and strengthening our balance sheet to be able to support the growth of our current companies according to their strategies and to invest in new industrial ownerships.

## As an industrial owner, Oras Invest participates in the development of its companies by:

- Being active on the boards of directors and nomination boards of the companies we own and exerting influence during general meetings of shareholders
- Assessing the development opportunities, strategies, and value creation potential of our companies
- Working in close and constructive cooperation with the management of our companies and having a continuous dialogue with the other significant owners of our companies and the closest stakeholders
- Evaluating the management competencies of our companies and having a significant role in their remuneration policies through our board positions
- Promoting our companies to become leaders in all aspects of sustainability in their own industries and to continuously improve their sustainability performance
- Participating in ensuring that the capital structures of our companies remain healthy, giving them strength for development and renewal, and for building a sustainable future

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Strategy

# Basic business principles and continuous renewal



## FOUNDATION

We believe that a solid foundation creates the basis for successful business.



## PROFITABILITY

We strive towards long-term value creation and regard profitability as a prerequisite for seeking growth.



## SUSTAINABLE GROWTH

We expect our companies to create value in a sustainable manner.



## BUSINESS COMPETENCE

Continuous competence development and renewal are the drivers of a healthy business model.

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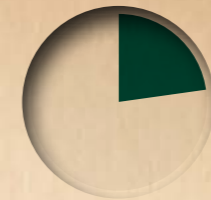
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The performance of our companies

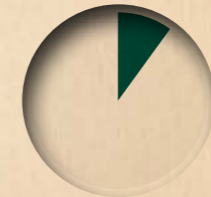
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100%  
ORAS GROUP  
Since 1945



23%  
KEMIRA  
Since 2007



10%  
VALMET  
Since 2022



5%  
GEORG FISCHER  
Since 2023

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Oras Group is a significant European provider of sanitary fittings: the market leader in the Nordic countries and a leading company in continental Europe.

# Oras Group – The perfect flow company

Oras Invest ownership: **100%**

**Board of Directors:**

Chair Markus Lengauer, Vice Chair Eerik Paasikivi, Maciej Gwozdz, Petri Kokko, Heli Leskinen and Pirjo Väliäho

**Nomination Board:**

Chair Annika Paasikivi and Markus Lengauer

**President & CEO:**

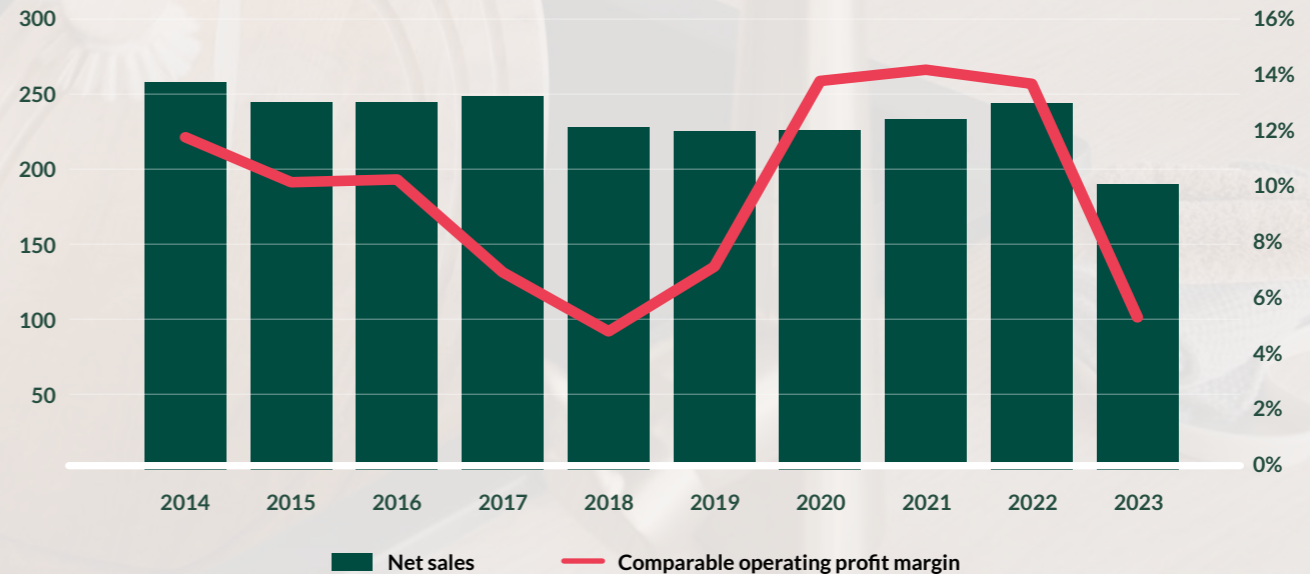
Kari Lehtinen

Net sales  
EUR **190** million

Comparable operating profit  
EUR **10** million

Average number of personnel  
**1,151**

Oras Invest ownership  
**100%**



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The market environment turned challenging for Oras Group during 2023, with a significant slowdown in the construction industry, caused by higher interest rates, inflation, and declining consumer confidence. Especially residential newbuild activity, but also renovations, declined significantly and resulted in low demand in the countries in which Oras Group operates. In addition to weak demand, net sales were negatively impacted by inventory level reductions in the downstream value chain.

Oras Group is taking appropriate measures to ensure business continuity through a longer dry period in the upcoming quarters. The transfer of the Rauma foundry was announced in August. At the same time, the EUR 35 million production investment program was completed in 2023, allowing a new level of competitiveness for years to come.

Financially, 2023 was challenging. Net sales declined 22.2% to EUR 189.7 million (243.9). Comparable operating profit declined by 61% to EUR 10.2 million (33.3). With the executed profitability improvement actions, the drop in comparable operating profit margin could be limited, with it being 5.4% of revenue (13.7%) in 2023. Cash flow for 2023 was clearly positive despite the investment program, especially due to significantly reduced net working capital.

The slowdown in the construction industry is expected to continue in 2024. The number of building permits for residential construction has decreased significantly in Oras Group's key markets, and renovation activity is not expected to recover in the short term. Overall, the market demand in 2024 is expected to be somewhat below 2023 levels. Despite the challenging market environment, Oras Group continues to invest further in its brands, technologies, customers, and capabilities to become even stronger in the long run.

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# Kemira



Oras Invest ownership:  
**23%**

Kemira is a global leader in sustainable chemical solutions for water-intensive industries.

## Kemira – Chemistry with a purpose

**Board of Directors:**

Chair Matti Kähkönen, Vice Chair Annika Paasikivi, Tina Sejersgård Fanø, Werner Fuhrmann, Timo Lappalainen, Fernanda Lopes Larsen, Kristian Pullola and Mikael Staffas

**Nomination Board:**

Chair Ville Kivelä (Oras Invest Oy), Lisa Beauvilain (Impax Asset Management plc), Hanna Kaskela (Varma Mutual Pension Insurance Company) and Expert Member Matti Kähkönen

**President & CEO:**

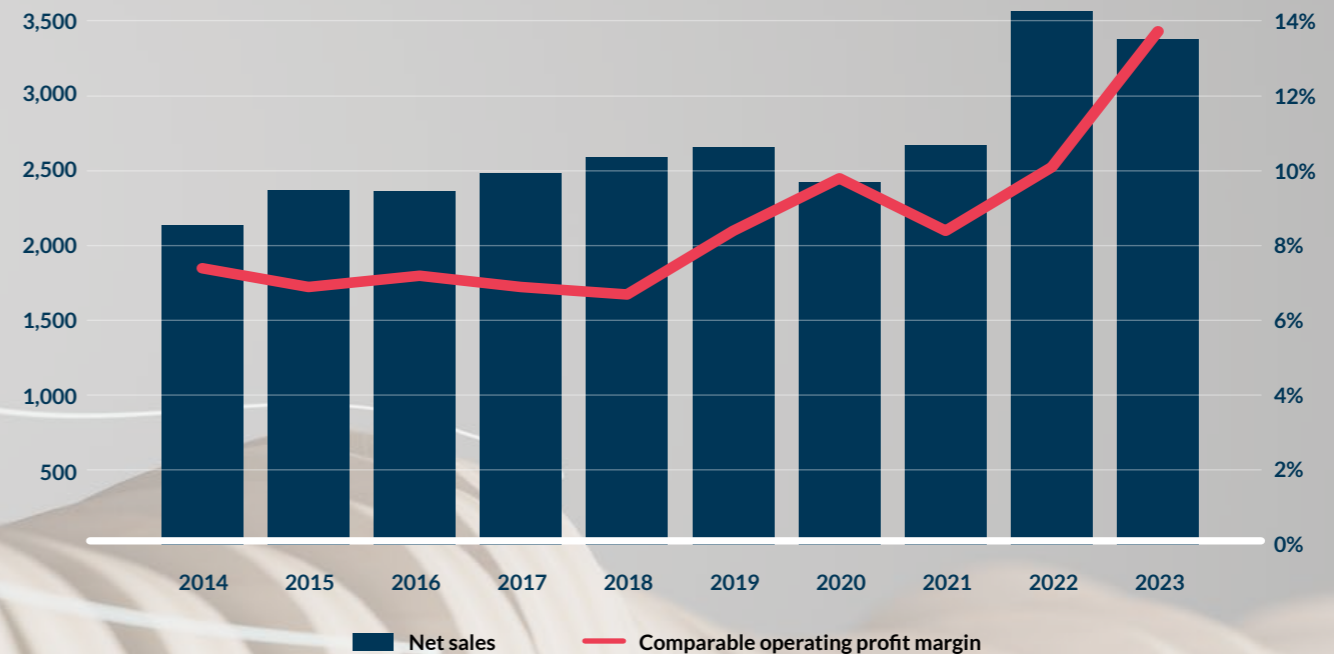
Antti Salminen (Jari Rosendal until July 18, 2023, Petri Castrén as interim July 18, 2023 - February 12, 2024)

Net sales  
EUR **3,384** million

Comparable operating profit  
EUR **463** million

Average number of personnel  
**4,946**

Oras Invest ownership  
**23%**



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# Kemira review of 2023

2023 continued strong after a record year in 2022. Kemira's 2023 net sales were EUR 3.4 billion (3.6), declining 5% mainly due to lower sales volumes in Pulp & Paper. Operative EBITDA increased by 17% to EUR 667 million (572) following strong improvement in Industry & Water. The operative EBITDA margin increased to a record-high 19.7% (16.0%).

Net sales of the Pulp & Paper segment decreased by 14% to EUR 1.7 billion, mainly due to lower sales volumes and partly due to lower market prices for energy-intensive pulp and bleaching chemicals. The operative EBITDA margin improved to 18.9% (17.2%), an all-time high.

The Industry & Water segment increased its net sales by 6% to EUR 1.6 billion, primarily due to higher sales volumes in Oil & Gas and higher sales prices in water treatment. Apart from Oil & Gas, sales volumes declined, mainly due to soft demand in industrial water treatment. The operative EBITDA margin increased to 20.5% (14.5%), a record high.

In 2022, Kemira committed to the Science Based Targets initiative (SBTi) and set a climate target of cutting Scope 1 and Scope 2 emissions by 50% by 2030 from a 2018 baseline. The ambition is also to be carbon neutral by 2045 for Scope 1 and Scope 2 emissions. The company was ahead of its Scope 1 and 2 targets in 2023. A quantified Scope 3 emissions reduction target will be sent for validation to SBTi during H1 2024. In 2023, Kemira was awarded the Platinum rating by EcoVadis for the third year in a row, and MSCI improved Kemira's rating to AAA.

In March 2023 and February 2024, Oras Invest increased its shareholding in Kemira by 1+1% units, and today owns 22.9% of outstanding shares.

In December, Kemira announced the divestment of its Oil & Gas business. The transaction was completed in February 2024.

Kemira expects the market volumes for existing products to grow slightly in 2024. The balance sheet is strong, enabling the company to grow both organically and inorganically.

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Oras Invest ownership:  
**10%**

Valmet is a leading global developer and supplier of process technologies, automation, and services for the pulp, paper and energy industries.

# Valmet – Forward

**Board of Directors:**

Chair Mikael Mäkinen, Vice Chair Jaakko Eskola, Aaro Cantell, Anu Hämäläinen, Pekka Kemppainen, Per Lindberg, Monika Maurer and Eriikka Söderström

**Nomination Board:**

Chair Reima Rytsölä (Solidium Oy), Jari Paasikivi (Oras Invest Oy), Mikko Mursula (Ilmarinen Mutual Pension Insurance Company), Markus Aho (Varma Mutual Pension Insurance Company) and Expert Member Mikael Mäkinen

**President & CEO:**

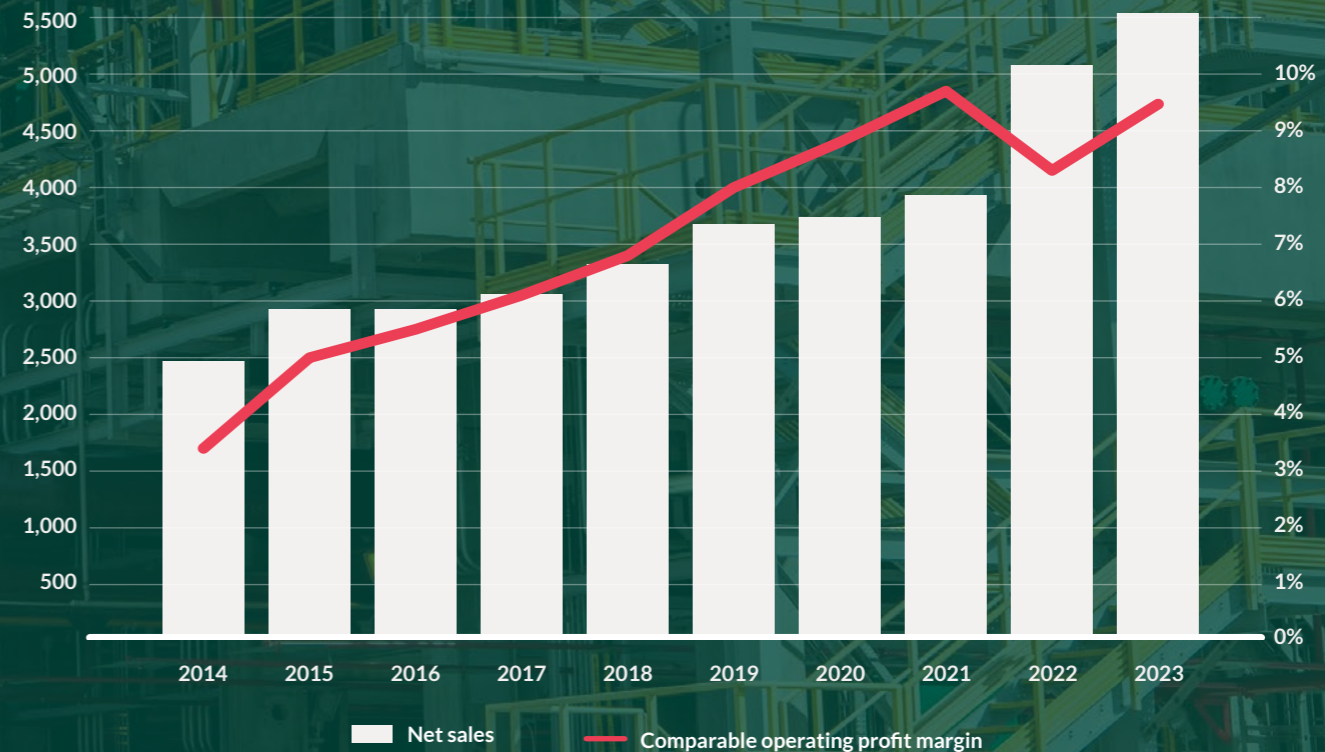
Pasi Laine

Net sales  
EUR **5,532** million

Comparable operating profit  
EUR **521** million

Average number of personnel  
**18,130**

Oras Invest ownership  
**10%**



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# Valmet review of 2023

In 2023, Valmet’s net sales increased 9% to EUR 5.5 billion (5.1). The increase was mainly driven by the Automation and Services segments, which constituted 56% of net sales and 90% of comparable EBITA. Comparable EBITA increased 16% to EUR 619 million (533), or 11.2% of net sales (10.5%).

In 2023, Valmet completed two acquisitions: Novatech Automation’s Process Solutions and Körber Group’s Business Area Tissue. Two other acquisitions were announced in 2024: the Process Gas Chromatography business of Siemens AG and Demuth, a Brazilian wood-handling solutions provider.

Net sales for Process Technologies remained at the previous year’s level, at EUR 2.4 billion. Comparable EBITA decreased to EUR 110 million (145), corresponding to 4.5% of net sales (6.0%), due to cost inflation and cost overruns in some projects.

Net sales for Services grew 11% to EUR 1.8 billion (1.6). Comparable EBITA increased 32% to EUR 312 million (237), corresponding to 17.5% of net sales (14.8%).

Net sales for Automation grew 28% to EUR 1.3 billion (1.0), mainly due to Flow Control being consolidated into

Valmet as of April 1, 2022. Comparable EBITA increased 30% to EUR 248 million (190), corresponding to 18.6% of net sales (18.3%). The former Neles Flow Control business was successfully integrated into Valmet, and the targeted annual synergies of EUR 25 million were achieved one year ahead of schedule.

Valmet has a comprehensive sustainability agenda with the environmental efforts focusing especially on SBTi-aligned CO2 emission reductions, enabling customers to produce pulp and paper in a carbon-neutral way, and increasing circularity and environmental efficiency for customers and in its own operations. Significant progress was made in 2023. Valmet was included in the DJSI World and Europe indices for the tenth consecutive year and received multiple other accolades for its sustainability efforts.

Valmet has a solid order backlog of EUR 4.0 billion, down by EUR 0.4 billion from 2022. Valmet has a unique offering supported by favorable megatrends, giving confidence going into 2024. During 2023 and early 2024, Oras Invest increased its ownership in Valmet, and today it is the largest shareholder, with 10.4% of outstanding shares.

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**GEORG FISCHER +GF+**



Oras Invest ownership:  
**5%**

# Georg Fischer – Going forward

Georg Fischer – with its four divisions GF Piping Systems, GF Uponor, GF Casting Solutions, and GF Machining Solutions – offers products and solutions that enable the safe transport of liquids and gases, as well as lightweight casting components and high-precision manufacturing technologies.

**Board of Directors:**

Chair Yves Serra, Vice Chair Hubert Achermann, Peter Hackel, Roger Michaelis, Eveline Saupper, Ayano Senaha, Monica de Virgiliis and Michelle Wen

**Nomination Board:**

Chair Yves Serra, Hubert Achermann, Ayano Senaha

**President & CEO:**

Andreas Müller

Net sales  
CHF **4,026** million

Comparable operating profit  
CHF **389** million

Average number of personnel  
**19,824**

Oras Invest ownership  
**5%**



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# Georg Fischer review of 2023

2023 was a landmark year for Georg Fischer, marked by the acquisition of Uponor, the biggest acquisition in the history of the company. Net sales grew 0.7% to CHF 4.0 billion (4.0). Organic growth was 3.7%, exchange rates had a -6.6% impact on revenue and Uponor's consolidated net sales from the last two months contributed by 4.1%. Comparable EBIT was CHF 389 million (391), 9.7% of net sales.

GF Piping Systems' net sales grew 3% organically to CHF 2,066 million (2,160). EBIT stood at CHF 275 million (291), or 13.3% of net sales. Exchange rates had a strong negative effect of CHF 49 million on EBIT. In 2023, Georg Fischer opened a state-of-the-art Piping Systems production facility in Yangzhou, China.

GF Uponor reached net sales of EUR 1,221 million (1,386), an organic decline of 5.8%. GF Uponor continued to gain share in the US, while the European construction market remained challenging. Comparable operating profit remained at EUR 150 million (154), improving to 12.3% of net sales.

GF Casting Solutions grew organically by 11.4% to CHF 910 million (892). Growth was fueled by heightened demand for lightweight components, especially in China, and a recovery in the aerospace sector. The ramping up of the new Casting Solutions facility in Shenyang, China is proceeding according to plan. EBIT grew to CHF 64 million (55), or 7.0% of net sales.

GF Machining Solutions' net sales was CHF 887 million (948), declining organically by 1.9%. EBIT for the year was CHF 60 million (67), 6.8% of net sales.

Despite persisting short-term global challenges, Georg Fischer is well positioned to benefit from long-term megatrends such as water conservation and treatment, sustainable mobility, energy-efficient indoor climate solutions and high-precision machining. The acquisitions of Uponor and Corys Piping Systems further support the ambition to become a global leader in sustainable water and flow solutions.

During 2023 and early 2024, Oras Invest has invested in Georg Fischer and is the largest shareholder today with 5.1% of outstanding shares.

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# Sustainability

Creating long-term value to the society

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# The aggregate contributions of our companies in 2023

Oras Invest companies contribute to society on various levels, and once again distributed a significant share of added value to several stakeholders.

In 2023, the combined net sales of our companies were EUR 13.3 billion.

The payments to suppliers totalled EUR 8.0 billion. The number of employees was an average of 44,275 and the contribution to them EUR 2.7 billion.

Corporate income taxes and social costs paid by our companies were in total EUR 495 million. The amount paid to financial institutions was EUR 128 million.

Our companies had, in total, 174,132 shareholders at the end of 2023. The combined dividends amounted to EUR 456 million.



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**Sustainable value creation – influencing through active ownership**

Oras Invest has a defined sustainability policy and approach, and we actively engage with our companies to set expectations accordingly. We are committed to continuously developing our sustainability approach, and we encourage and support our companies to do the same.

Oras Invest contributes to its companies’ sustainability work through channels available for a significant owner:

- Promoting our companies to become the leaders in all aspects of sustainability in their own industries
- Proactively bringing sustainability topics onto the governance and management agendas
- Actively monitoring the progress of our companies, focusing on topics relevant to shareholders
- Ensuring that sustainability is an integral part of our new investment decisions

We actively follow the development of our companies and review their performance annually in a systematic manner. In addition to annual reviews, we discuss sustainability in various meetings with the boards, management teams, and other significant owners. Sustainability is not something we only review once a year, but something we have already integrated and will further continue integrating in all our communications and actions with our companies.

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# Sustainability guidelines for Oras Invest companies

We expect our companies to become the leaders in all aspects of sustainability in their own industries.

● Have clear overall responsibility for sustainability management, and proper processes and policies in place.

● Continuously reduce the company's and its value chain's environmental footprint, addressing the main elements thereof in order of priority.

● Identify and pursue opportunities arising from contributing to a more sustainable society.

● Identify and manage risks related to climate change, including its financial impacts.

● Organize appropriately to drive change: define focus areas, set (science-based, when reasonable) targets, have clear responsibilities, follow-up with suitable metrics and take corrective actions when needed.

● Report adequately and transparently on sustainability, reflecting regulations and global standards. Prepare a sustainability report based on an internationally recognized framework or standard when reasonable, and have it audited by external auditors.

● Integrate sustainability into management incentive plans.

● Comply with laws and regulations and follow good corporate governance practices and high ethical standards.

● Have zero tolerance for human rights abuse and discrimination. Actively promote diversity and inclusion and ensure health & safety of personnel.

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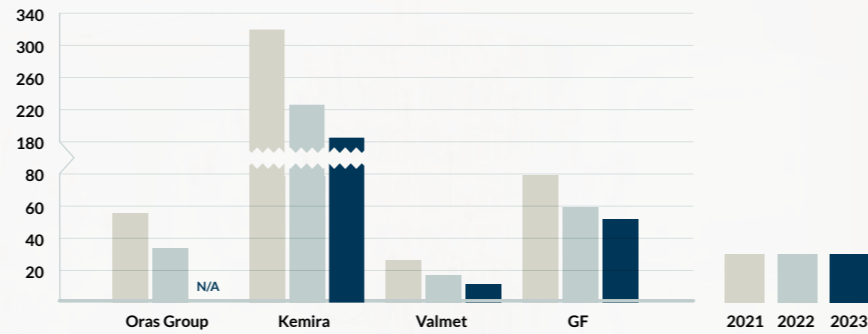
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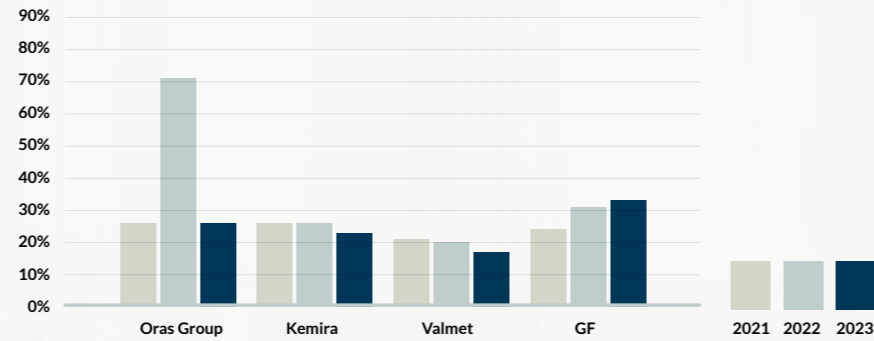
# Sustainability performance 2021-2023

## ENVIRONMENT

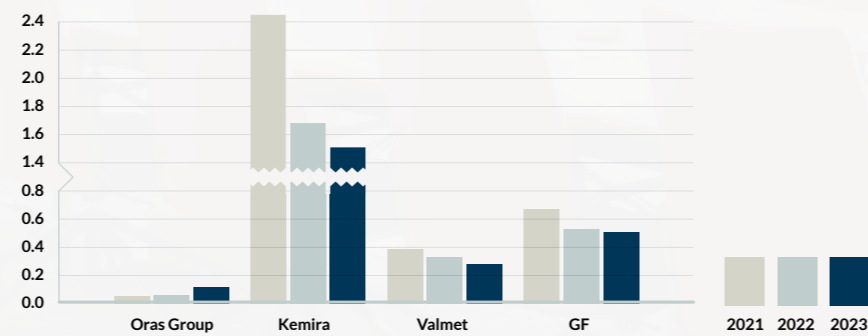
GHG emission intensity (scope 1 + 2, tn CO2e / EUR million)



Share of renewable fuel and energy (%)

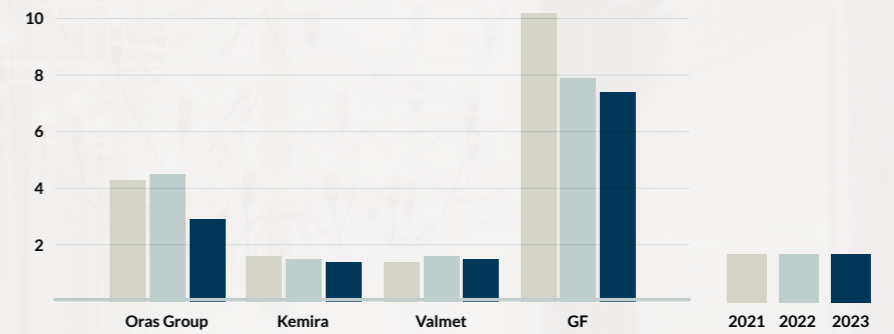


Water consumption (MI / net sales EURm)

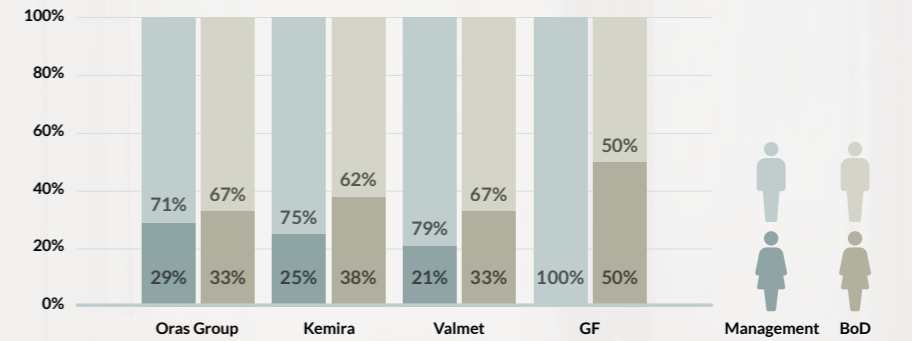


## SOCIAL

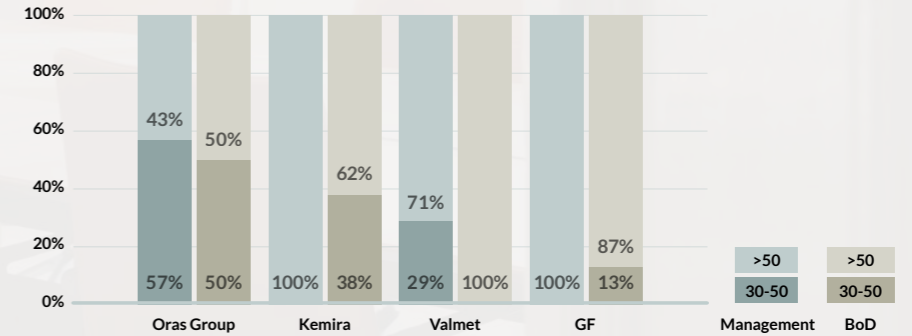
Lost Time Indicators (LTIF)



Diversity - Gender



Diversity - Age



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# Summary of financial statements



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Parent company cash flow statement FAS 36

# Parent company income statement FAS

INCOME STATEMENT (EUR 1,000)	1.1. - 31.12.2023	1.1. - 31.12.2022
Net sales	300	300
Other operating income	20	20
Personnel expenses	3,324	1,474
Depreciation	102	73
Other operating expenses	3,299	10,717
<b>Operating profit</b>	<b>-6,405</b>	<b>-11,944</b>
Financial income and expenses	423,000	51,915
<b>Profit before appropriations and taxes</b>	<b>416,595</b>	<b>39,971</b>
Income taxes	25,217	-31,751
<b>Profit for the financial period</b>	<b>441,812</b>	<b>8,220</b>

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# Parent company balance sheet FAS

ASSETS (EUR 1,000)	31.12.2023	31.12.2022
<b>Non-current assets</b>		
Tangible assets	1,210	1,311
Investments in Group companies	25,837	21,942
Other investments	1,028,294	789,202
Other non-current receivables	74	98
	<b>1,055,416</b>	<b>812,553</b>
<b>Current assets</b>		
Current receivables	6,969	980
Other financial assets	202,930	1
Cash and cash equivalents	95,237	9,278
	<b>305,136</b>	<b>10,259</b>
<b>Total assets</b>	<b>1,360,551</b>	<b>822,812</b>

SHAREHOLDERS' EQUITY AND LIABILITIES (EUR 1,000)	31.12.2023	31.12.2022
<b>Shareholders' equity</b>		
Share capital	6,521	6,521
Fair value reserve	-49,651	-75,510
Retained earnings	857,125	852,904
Profit for the year	441,812	8,220
	<b>1,255,807</b>	<b>792,135</b>
<b>Liabilities</b>		
Non-current liabilities	100,000	
Current liabilities	4,745	30,677
	<b>104,745</b>	<b>30,677</b>
<b>Total equity and liabilities</b>	<b>1,360,551</b>	<b>822,812</b>

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# Parent company cash flow statement FAS

<b>CASH FLOW FROM OPERATIONS (EUR 1,000)</b>	<b>1.1.-31.12.2023</b>	<b>1.1.-31.12.2022</b>
Profit before appropriations and taxes	416,595	39,971
Adjustments		
Depreciation and impairment	102	73
Financial income and expense	-423,000	-51,915
Cash flow from operations before change in working capital	-6,303	-11,871
Change in trade and other non-interest bearing receivables (-/+)	-145	419
Change in trade and other non-interest bearing liabilities (+/-)	953	-207
Cash flow from operations before financial items and taxes	-5,495	-11,659
Interests paid and other financial items	-3,840	-245
Interests received	1,550	368
Dividends received	54,505	62,625
Income taxes paid	-606	-6,146
<b>Cash flow from operations</b>	<b>46,114</b>	<b>44,943</b>

<b>CASH FLOW FROM INVESTMENTS (EUR 1,000)</b>	<b>1.1.-31.12.2023</b>	<b>1.1.-31.12.2022</b>
Investments in intangible and tangible assets		-546
Investments in subsidiary	-3,895	
Investment in associate	-28,359	-9,459
Investments in financial assets	-360,581	-309,498
Proceeds from sale of an associate	536,655	
Proceeds from sale of financial assets		181
Other financial assets	-199,999	246,449
Change in other non-current receivables	23	-75
<b>Cash flow from investments</b>	<b>-56,156</b>	<b>-72,948</b>
<b>CASH FLOW FROM FINANCING (EUR 1,000)</b>	<b>1.1.-31.12.2023</b>	<b>1.1.-31.12.2022</b>
Increase of non-current loans	100,000	
Dividends paid	-3,999	-3,499
<b>Cash flow from financing</b>	<b>96,001</b>	<b>-3,499</b>
<b>Net change in cash and cash equivalents</b>	<b>85,959</b>	<b>-31,504</b>
Cash and cash equivalents at 1 January	9,278	40,782
Cash and cash equivalents at 31 December	95,237	9,278

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# Corporate governance



Oras Invest Ltd (the Company) is a private limited company registered in Finland. The company follows good corporate governance practices based on the Finnish Companies Act and the company's Articles of Association. The Company is the parent company of Oras Invest Group. In such capacity, it is responsible for the development of the management of the Group, prepares the Group's financial reporting and supports the Group in financial, legal and management issues. The Group consists of a number of independent subgroups and separate companies. Decisions regarding their operations are taken by each company's own decision-making bodies. Oras Invest exercises its ownership through representatives elected by its Board of Directors in the decision-making bodies of its subsidiaries, associated companies and other investments.

## General Meeting of Shareholders

The highest decision-making authority in the Company is exercised by the shareholders at the General Meeting of Shareholders. According to the Finnish Companies Act and the Articles of Association, the General Meeting of Shareholders decides on the following issues:

- Amendments to the Articles of Association
- Adoption of the annual accounts
- Dividend distribution
- Appointment and compensation of the Owners Board members
- Appointment and compensation of the Board of Directors
- Appointment of the Company's auditor and decision on audit fees
- Election of the Chair and Vice Chair of the Board of Directors

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## Owners Board

The Owners Board prepares all matters that are brought to be decided by the General Meeting and decides on all such owner matters which are not brought to the General Meeting. The Owners Board is responsible for the ownership steering of the Company and determines the long-term will and vision of the owners. The Owners Board works in close cooperation with the Company's Board of Directors.

The Owners Board consists of four (4) to seven (7) members, who elect a chairperson among themselves. Members of the Owners Board are appointed annually at the General Meeting.

The Owners Board works according to a charter, which describes the role and functions of the Owners Board in detail. The Owners Board decides on the proposal for the appointment of members to the Company's Board of Directors, which is brought to the Annual General Meeting.

## Nomination Committee

The task of the Nomination Committee is to find the best possible members to the Board of Directors of the Company and to prepare the proposal regarding their remuneration.

The Owners Board elects a Chair for the Nomination Committee among its members; in addition to which the Chair of the Board of Directors will act as adviser to the Nomination Committee.

The Nomination Committee submits its proposal to the Owners Board, and the Owners Board decides on the proposal for appointment of members to the Board of Directors, to be brought to the Annual General Meeting. The Nomination Committee submits its proposal regarding matters related to remuneration to the Annual General Meeting.

## Board of Directors

In accordance with the Finnish Companies Act, the Board of Directors is responsible for the governing of the Company and the appropriate organisation of its operations. The Board's main duty is to direct the Company's strategy so as to advance the benefit of

all shareholders in the long term, while taking into account the expectations of various stakeholders. The Board further monitors and supervises the executive management of the Company, and appoints and dismisses the Chief Executive Officer. The Board also oversees that the Company acts in accordance with its values. Pursuant to the Articles of Association, the Board of Directors of the Company comprises a minimum of three (3) and a maximum of seven (7) members, appointed for a term starting at the close of the General Meeting at which they were appointed, and expiring at the close of the following Annual General Meeting. Members of the Board of Directors can also be appointed mid-term, at Extraordinary General Meetings.

The Board of Directors shall comprise of competent members with diverse expertise from various fields. At least two (2) independent members and at least one (1) owner must be appointed as members of the Board.

The Board evaluates its work on an annual basis and reports on this to the Nomination Committee.

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## Chief Executive Officer

The Chief Executive Officer (CEO) is appointed by the Board of Directors. The CEO plans and manages the Company's operations and is responsible for its executive management in accordance with the instructions and orders given by the Board of Directors. It is the CEO's duty to ensure that the Company's accounts are in compliance with the law and its financial affairs have been arranged in a reliable manner.

## Compensation

The Nomination Committee proposes the remuneration of members of the Board of Directors. The General Meeting of Shareholders shall annually decide on the remuneration of members of the Board of Directors and the Owners Board. The Board of Directors decides on the CEO's salary and benefits and confirms the salaries and benefits of the executive committee members.

## Supervision

Pursuant to the Articles of Association registered on August 3, 2017, the Company has one auditor and a deputy auditor. In case an Authorised Public Accountants Community is elected as an auditor, a deputy auditor shall not be elected. The Board of Directors proposes auditors for election to the General Meeting which appoints them annually. The auditors provide the Company's shareholders with the statutory auditor's report. Auditors' duties are regulated by statutory law and other sources.

Together with the Chief Executive Officer, the Board of Directors of the Company is responsible for arranging appropriate internal supervision.

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# Board of Directors



**Jari Paasikivi**  
The Chair of the Board



**Timo Ihamuotila**



**Ulf Mattsson**



**Kaj Paasikivi**



**Christoph Vitzthum**



**Ruth Werhahn**



**Heikki Westerlund**

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# Team



**Annika Paasikivi**  
President & CEO



**Ville Kivelä**  
Chief Investment Officer



**Joonas Sandholm**  
Chief Financial Officer



**Anniina Myllyperkiö**  
Executive Assistant & Office Manager

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# oras invest

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