

23 January 2020 at 9:00

**Solidium Oy's half-year report for July-December 2019:**

- Solidium's return on equity holdings was -1.4% for the six-month period and 15.0% for the full calendar year 2019
- Solidium's net asset value decreased by EUR 0.4 billion mainly due to a profit distribution of EUR 338 million to the owner, and was EUR 6.9 billion at the end of the period.

Solidium's CEO Antti Mäkinen's comments:

"Solidium's return on equity was good (15.0%) in the full calendar year 2019. Metso and Outotec contributed especially well. However, the return of Nokia turned to negative due to the cut of the guidance and due to the halting of the dividend payments.

During the reporting period 1 July – 31 December 2019 Solidium reduced its stake in Kemira from 14.0% to 10.2% with a sale price of EUR 84 million and sold its Nordea shares, which were received as a dividend from Sampo, with a sale price of EUR 36 million. Due to the purchase of shares, the ownership in Konecranes was increased from 7.4% to 8.4% (purchase price of EUR 23 million), and Nokia from 3.7% to 3.8% (purchase price of EUR 36 million). The merger of Tieto and EVRY was completed in October 2019. After the agreed purchase of TietoEVRY shares for EUR 123 million in the end of the year, Solidium's ownership of the merged TietoEVRY increases to 10.0%.

We estimate that our dividend income during the current financial year will be lower compared to the previous year due to the halt of dividend payments by Nokia and the indication to cut the dividend by Sampo."

## SOLIDIUM'S HOLDINGS

### Development of holdings and key indicators

The value of Solidium's all holdings (equity holdings and money market investments) was EUR 7,701 million on 31 December 2019 (EUR 8,193 million on 30 June 2019 and EUR 6,995 million on 31 December 2018). The return on all holdings was -1.3 per cent over the review period of six months, and 14.9 per cent for the last twelve months. More detailed information on the investment key indicators are attached.

#### *Equity holdings*

The value of Solidium's equity holdings was EUR 7,541 million on 31 December 2019 (EUR 7,742 million on 30 June 2019 and EUR 6,842 million on 31 December 2018). The total return of Solidium's equity holdings was -1.4 per cent during the review period and 15.0 per cent for the last twelve months. During the six-month period the best returns were generated by Metso and Outotec whereas the return of Nokia was the weakest.

#### *Money market investments*

Solidium's money market investments amounted to EUR 160 million on 31 December 2019 (EUR 452 million on 30 June 2019 and EUR 152 million on 31 December 2018). The return of money market investments was 0.1 per cent during the review period and 0.4 per cent for the past twelve months. Solidium's financial debt was EUR 205 in the end of the period.

During the review period Solidium paid a profit distribution of EUR 338 million to the owner.

### Participation in nomination boards

A central aspect of Solidium's corporate governance model is to actively influence the composition of the boards of directors of the portfolio companies. Solidium actively participated in the work of the nomination boards responsible for preparing board elections. Solidium pursues board compositions which best serve the needs of the companies and the goal of shareholder value creation.

Solidium's representatives have served as the chairman of the shareholders' nomination boards of Elisa, Metso, Outokumpu, Outotec and Valmet, and as members of the shareholders' nomination boards of Kemira, Konecranes, SSAB, Stora Enso and TietoEVRY. The nomination boards prepare the proposals related to the selection and remuneration of the board members for the 2020 Annual General Meetings.

According to Solidium's strategy the objective for Solidium is to have a representative in the board of each portfolio company. Currently Solidium's CEO Antti Mäkinen is board member of Metso, Sampo and Stora Enso boards. In addition, Solidium's Board member Aaro Cantell is a member of the board of Valmet, Timo Ahopelto is a member of the board of TietoEVRY, and Jannica Fagerholm is a member of the board of Sampo.

## Share transactions

During the review period Solidium acquired shares in Konecranes for EUR 23 million, in Nokia for EUR 36 million, and in TietoEVRY for EUR 123 million. Following the the arrangements, Solidium's holding in Konecranes increased from 7.4 per cent to 8.4 per cent, in Nokia from 3.7 per cent to 3.8 per cent, and in TietoEVRY from 6.3 per cent to 10.0 per cent.

During the review period Solidium sold shares in Kemira for EUR 84 million and in Nordea for EUR 36 million. Following the transactions, Solidium's holding in Kemira decreased from 14.0 per cent to 10.2 per cent and in Nordea to 0.0 per cent.

## SOLIDIUM OY'S EVENTS

### Annual General Meeting

Solidium's Annual General Meeting was held in Helsinki on 6 November 2019. The Annual General Meeting adopted the company's financial statements for the financial year 1 July 2018–30 June 2019 and discharged the members of the Board of Directors and the CEO from liability. In accordance with the Board's proposal, the Annual General Meeting decided on a profit distribution of EUR 338 million to the owner, which corresponds to the amount of dividends received by Solidium, taking the taxes payable on the dividends into consideration. For a term ending at the end of the next Annual General Meeting, the following persons were elected to the Board of Directors: Harri Sailas was elected as the Chairman, Aaro Cantell as the Vice Chairman, and Timo Ahopelto, Jannica Fagerholm, Marjo Miettinen, Laura Raitio and Kimmo Viertola as Board members.

### Financial key indicators

Solidium's operating expenses were EUR 1.7 million for the review period, resulting in a management cost ratio of operations of 0.05% at an annual level. Solidium's net asset value was by the end of the review period EUR 6.9 billion.

This half-year report is available at <https://www.solidium.fi/en/publications-and-media/half-year-report/>

Attachment: Solidium's holdings as of 31 December 2019

Solidium Oy

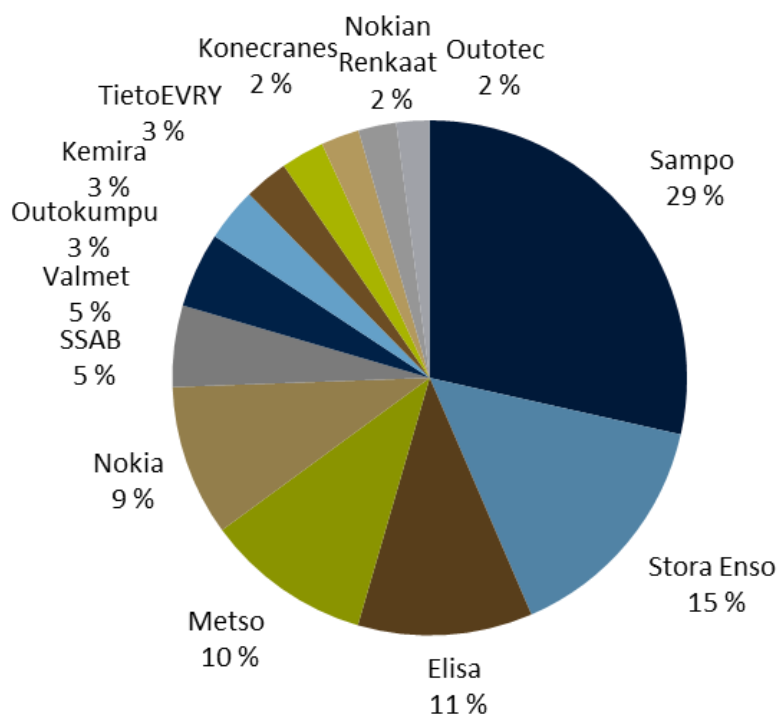
Further information: Antti Mäkinen, CEO, tel. +358 (0)10 830 8905

*Solidium is a limited company wholly owned by the State of Finland. Its mission is to strengthen and stabilise Finnish ownership in nationally important companies and increase the value of its holdings in the long term. Through its stakes, Solidium is a minority owner in thirteen listed companies: Elisa, Kemira, Konecranes, Metso, Nokia, Nokian Renkaat, Outokumpu, Outotec, Sampo, SSAB, Stora Enso, TietoEVRY and Valmet. The market value of Solidium's investments is approximately 8.2 billion euros.*

*Further information: [www.solidium.fi](http://www.solidium.fi)*

**ATTACHMENT: SOLIDIUM'S HOLDINGS AS OF 31 DECEMBER 2019**
**BREAKDOWN OF HOLDINGS**

	EUR million
All equity holdings	7,540.6
Elisa	827.5
Kemira	209.3
Konecranes	181.4
Metso	787.1
Nokia	715.2
Nokian Renkaat	179.4
Outokumpu	253.5
Outotec	157.0
Sampo	2,150.9
SSAB	385.5
SSAB A	83.3
SSAB B	302.2
Stora Enso	1,131.5
Stora Enso A	849.0
Stora Enso R	282.5
TietoEVRY	205.6
Valmet	356.6
Money mkt.inv.	160.3



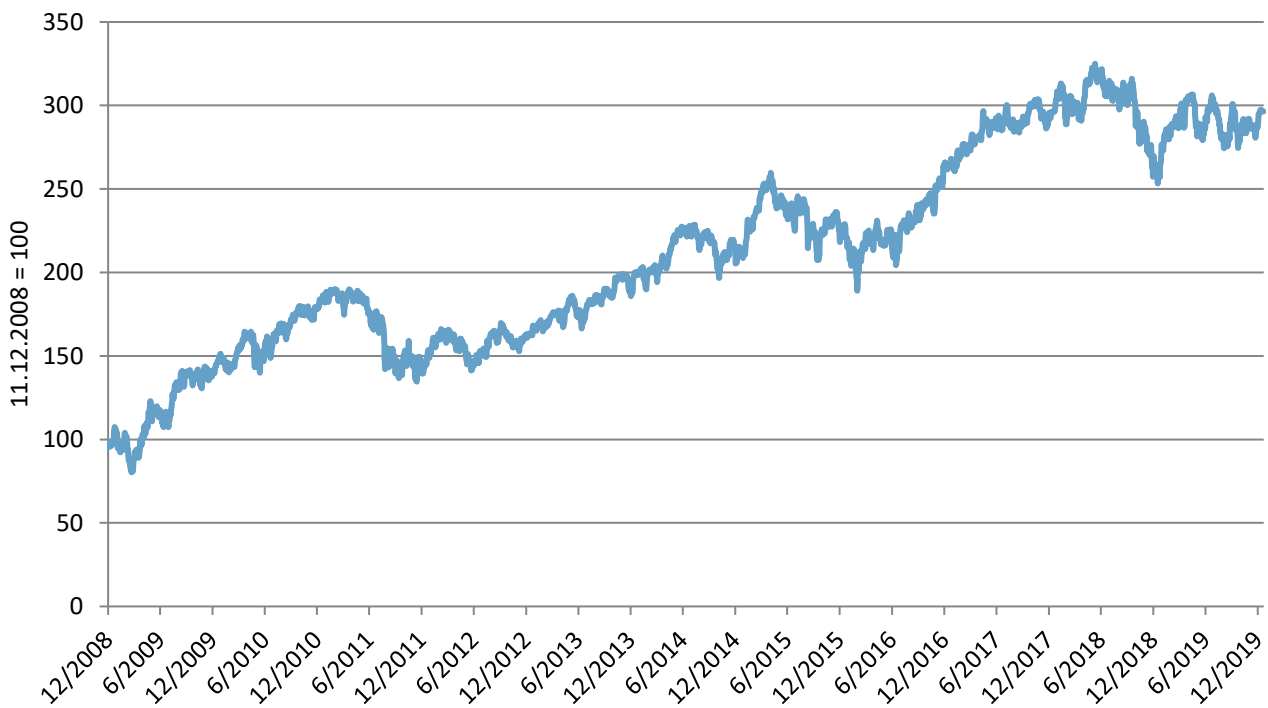
RETURNS OF SOLIDIUM'S HOLDINGS

	6 months	12 months	5 years	From the establishment of Solidium
Return of total investments, %	-1.3 %	14.9 %	6.9 %	10.5 %
Return of equity holdings, %	-1.4 %	15.0 %	7.2 %	10.7 %

(Over-12-month returns are annualized)

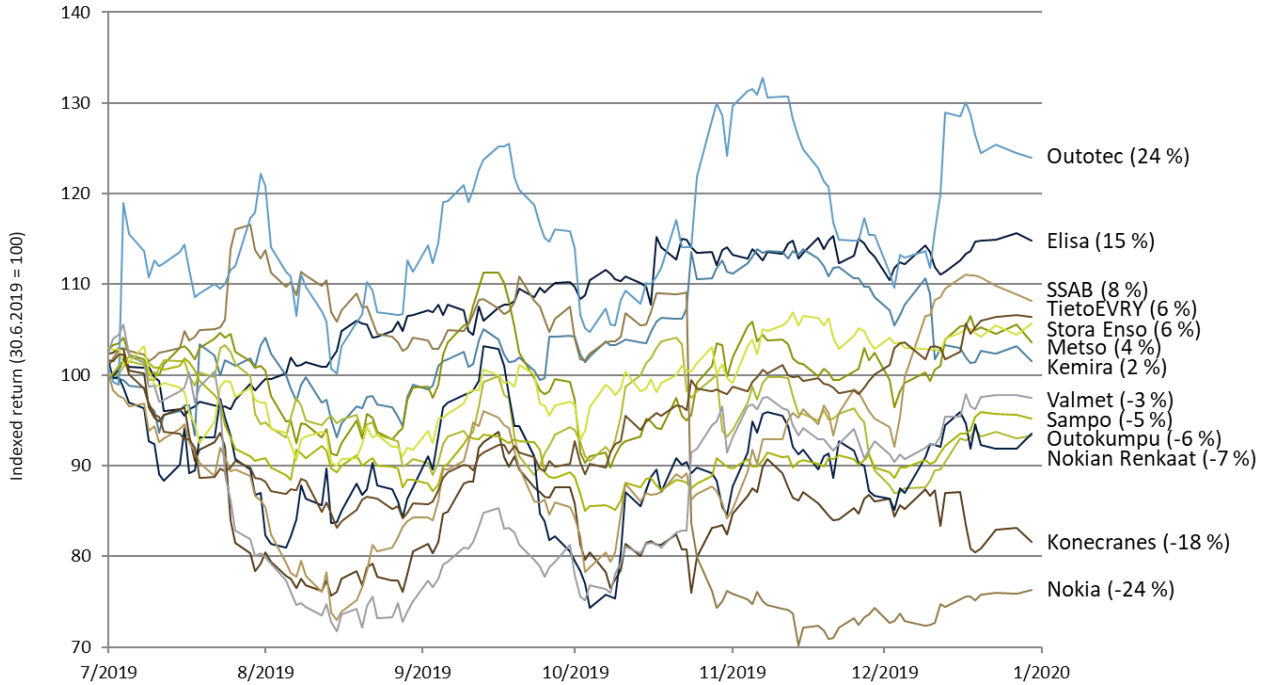
*Includes equity holdings and money market investments. Solidium was established 11.12.2008*

DEVELOPMENT OF THE RETURN OF THE HOLDINGS

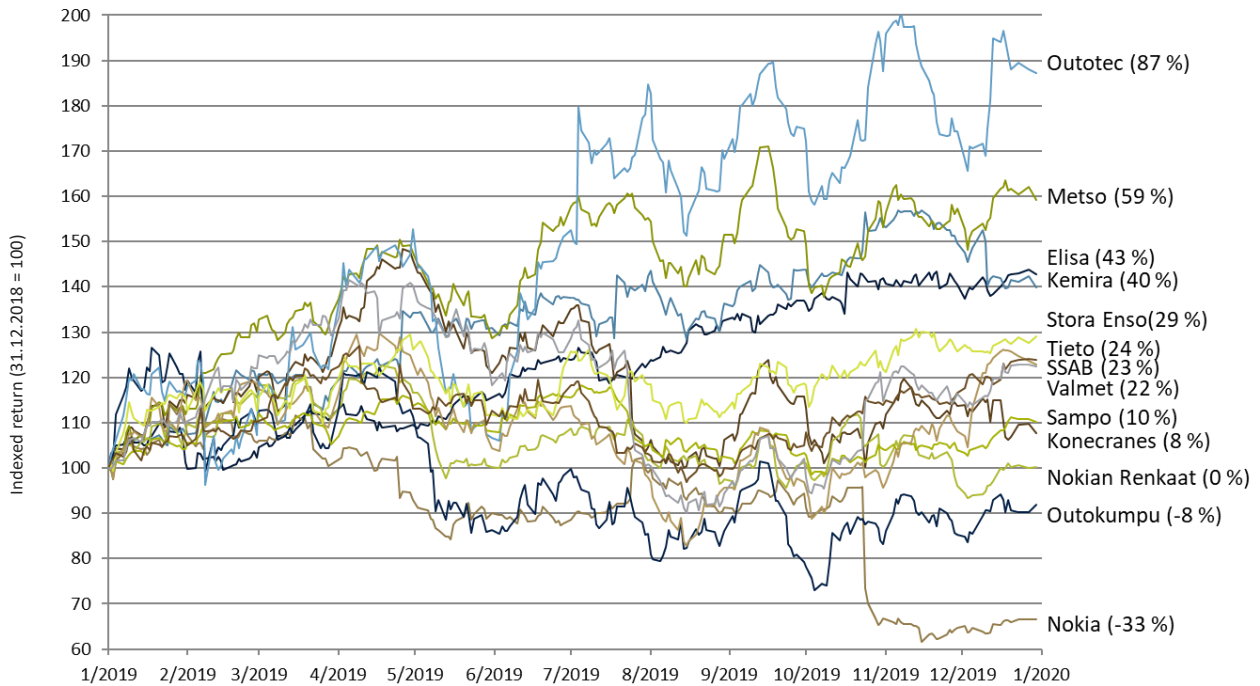


*Includes equity holdings and money market investments. Solidium was established 11.12.2008*

RETURNS OF HOLDINGS TO SOLIDIUM DURING THE REVIEW PERIOD 1 JUL 2019 – 31 DEC 2019



RETURNS OF HOLDINGS TO SOLIDIUM DURING THE CALENDAR YEAR 2019



**RETURNS OF THE COMPANIES OWNED BY SOLIDIUM, PEER COMPANIES AND THEIR BENCHMARK INDICES**

	<b>6 months</b>	<b>12 months</b>	<b>5 years</b>	<b>10 years</b>
Elisa	15%	43%	22%	19%
<i>Peer companies</i>	3%	10%	5%	8%
<i>DJ STOXX 600 Telecom. Index</i>	4%	5%	-1%	5%
Kemira	2%	41%	11%	12%
<i>Peer companies</i>	2%	20%	7%	12%
<i>FTSE EUROFIRST 300 Chemicals Index</i>	9%	29%	7%	10%
Konecranes	-18%	8%	7%	8%
<i>Peer companies</i>	-4%	18%	8%	8%
<i>VINX Industrial Goods and Services Index</i>	12%	38%	12%	12%
Metso	4%	59%	12%	11%
<i>Peer companies</i>	7%	34%	6%	9%
<i>Bloomberg Europe Mach.-Div. Index</i>	19%	24%	6%	7%
Nokia	-24%	-33%	-10%	-6%
<i>Peer companies</i>	-6%	14%	12%	5%
<i>STOXX Europe 600 Tech. Index</i>	9%	37%	13%	13%
Nokian Renkaat	-7%	1%	10%	8%
<i>Peer companies</i>	-2%	-3%	-6%	12%
<i>STOXX Europe 600 Autos &amp; Parts</i>	4%	21%	4%	11%
Outokumpu	-6%	-8%	-8%	-20%
<i>Peer companies</i>	18%	28%	-5%	-6%
<i>Bloomberg Europe Steel Index</i>	-3%	-11%	-6%	-9%
Outotec	24%	87%	6%	1%
<i>Peer companies</i>	4%	39%	12%	11%
<i>Bloomberg Europe Mach.-Div. Index</i>	7%	24%	6%	7%
Sampo	-5%	10%	6%	15%
<i>Peer companies</i>	4%	13%	8%	12%
<i>OMX Nordic Financials Index</i>	13%	21%	8%	11%
SSAB	1%	12%	0%	-9%
<i>Peer companies</i>	-2%	-7%	-2%	-4%
<i>Bloomberg Europe Steel Index</i>	-3%	-11%	-6%	-9%
Stora Enso	25%	34%	16%	15%
<i>Peer companies</i>	13%	21%	13%	19%
<i>Bloomberg W. For. Prod. &amp; Paper Index</i>	11%	15%	6%	7%
TietoEVRY	6%	24%	11%	12%
<i>Peer companies</i>	0%	30%	15%	15%
<i>BE500 Computer Service Index</i>	11%	40%	13%	14%
Valmet	-3%	22%	19%	n/a
<i>Peer companies</i>	16%	23%	16%	n/a
<i>Bloomberg Europe Mach.-Div. Index</i>	7%	24%	6%	n/a

The returns are calculated in local currency for the company's most liquid share class and benchmark index, and the gross dividends are reinvested in the company's shares (if available). Over-12-month returns are annualised. The total return to Solidium may differ from the company's share return due to transactions, taxes, and because Solidium has not reinvested the dividends received, but has paid them to its owner, the Finnish State. Peer companies' return is the median of the peer companies. Data source: Bloomberg and Nasdaq