

## INDUSTRIAL SERVICES

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## INDUSTRIAL SERVICES

LEADING OPERATOR
OF CIRCULAR
ECONOMY SERVICES
FOR INDUSTRY

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# LEADING OPERATOR OF CIRCULAR ECONOMY SERVICES IN INDUSTRY IN FINLAND AND A STRONG POSITION IN SWEDEN

#### **BUSINESS LINES**

## **Environmental construction**

- Soil remediation & projects
- Treatment centre operations

#### **Process cleaning**

- Support services for industrial customers and sites
- Sewer maintenance

#### **Hazardous waste**

- Hazardous waste recycling operations
- Waste-based products for the industry



## **Operations in Finland and Sweden**

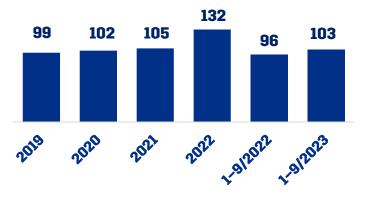
In Finland an extensive network of treatment centres.



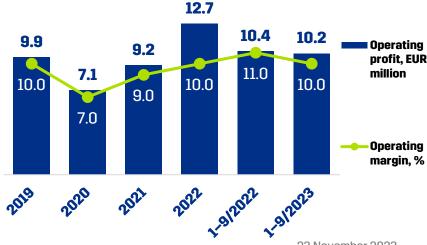




#### Net sales (MEUR)



#### **Operating profit and margin**





# TIGHTENING ENVIRONMENTAL REGULATION CREATES OPPORTUNITIES IN THE INDUSTRIAL VALUE CHAIN

	ENVIRONMENTAL CONSTRUCTION	PROCESS CLEANING	HAZARDOUS WASTE
L&T POSITION IN CURRENT MARKET	#2	#1-2 Fin #3-4 Swe	#1-2
RELEVANT MARKET SIZE (BEUR)	0.6*	0.4**	0.1*
ANNUAL MARKET GROWTH	2-5%		

<sup>\*</sup> Only Finnish market \*\*Finnish and Swedish market

Sources: L&T management estimates

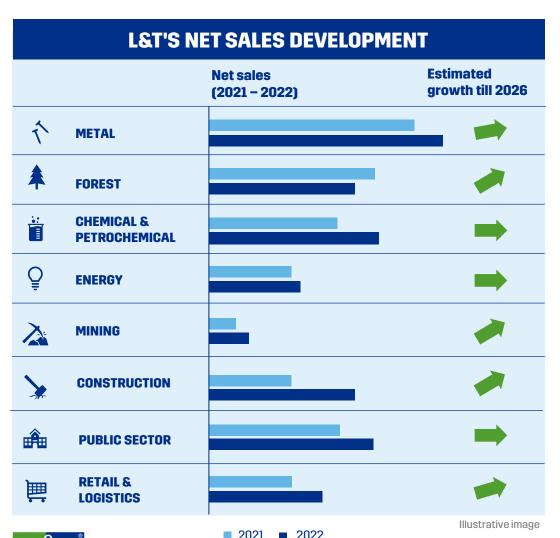
#### **Tailwinds**

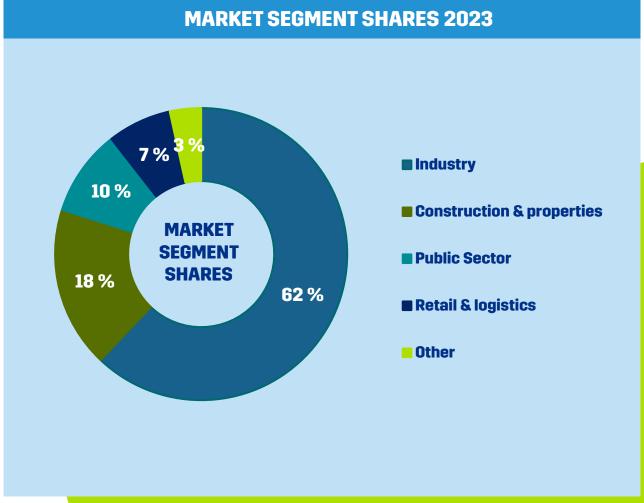
- · Ever higher expectations for closed loops and minimising waste
- Sustainability focus supports replacing virgin raw materials with waste-based materials
- Customers focus on their own core processes creating new opportunities for support partners
- Growing cities and changes in the industrial landscape create need for soil remediation services

#### **Headwinds**

- Structural changes in the industrial sector in Finland lead to fewer and larger production sites
- · Over-capacity in waste-to-energy in Finland

## **GROWTH BY FOCUSING ON NEW OPPORTUNITIES ESPECIALLY IN PROCESS INDUSTRY AND BUILT ENVIRONMENT**







Source: L&T management estimate

## EXTENSIVE SERVICE OFFERING IN INDUSTRIAL SUPPORT SERVICES AND INDUSTRIAL MATERIAL VALUE CHAIN

**UTILISATION &** TRANSPORTATION, **PROCESSING CUSTOMER SITE STORING, RECOVERY LANDFILLING ENVIRONMENTAL CONSTRUCTION ENVIRONMENTAL CONSTRUCTION ENVIRONMENTAL CONSTRUCTION** Soil remediation, construction Soil remediation, landfill construction Side streams, contaminated soil Deposition of materials **SEWER MAINTENANCE SERVICES HAZARDOUS WASTE MANAGEMENT PROCESS & PROCESS AREA CLEANING SERVICES SYNERGETIC ADD-ON SERVICES** 

#### SYNERGIES IN AND BETWEEN BUSINESS LINES AND ENVIRONMENTAL SERVICES

**Fleet utilisation** 

Customer closeness and insight, gatekeeper

Material processing capabilities

Material flow optimisation and utilisation in projects



### STRONG PRESENCE IN ALL PARTS OF THE CUSTOMER'S VALUE **CHAIN**

TRANSPORTATION, **UTILISATION & CUSTOMER SITE PROCESSING** STORING, RECOVERY **LANDFILLING** I&T **C**fortum **@**fortum **©**fortum **HAZARDOUS WASTE** KIERTO KIERTO **Delete PROCESS CLEANING** EEROLA-YHTIÖT **@**fortum **@**fortum **ENVIRONMENTAL** CONSTRUCTION GRK SUOMEN GRK SUOMEN **ERITYISJÄTE** FRITYIS IÄTF **ERITYISJÄTE** (INCLUDING INDUSTRIAL SIDE STREAMS) **KREATE TAPOJÄRVÍ TAPOJÄRVÍ TAPOJÄRVÍ TAPOJÄRVÍ** 

Sources: L&T management







# GROWTH FROM SEVERAL NEW SECTIONS OF THE VALUE CHAIN AND INCREASING THE VALUE-ADDED

Building a strong foothold with being customers' reliable partner and expanding the service portfolio

Increasing the material value of different waste and side streams

Extensive remediation solutions and treatment for industrial side streams

**CUSTOMER SITE** 

TRANSPORTATION, STORING, RECOVERY

**PROCESSING** 

UTILISATION & LANDFILLING

#### **Process cleaning**

Work method innovations and expansion in Sweden

#### **Support services**

On-site material handling and treatment, and other operations support

#### **Hazardous waste management**

Treatment method innovations & recycling

#### **Industrial side streams (incl. mines)**

Treatment method innovations to increase the recycling rate and value of side streams

Environmental construction soil remediation and water treatment

Portfolio and service extensions

**PARTNERSHIPS** 

**ORGANIC INVESTMENTS** 

**SELECTIVE ACQUISITIONS** 



#### **CUSTOMER SITE**

## **ON-SITE SUPPORT SERVICES ALLOW CUSTOMER TO FOCUS ON ITS CORE OPERATIONS**

#### Broader portfolio of on-site support services that are synergistic to other industrial services





**CURRENT SERVICES** 

**NEW ON-SITE SERVICES** 



## SWEDISH MARKET OFFERS OPPORTUNITIES IN EXPANDING ON-SITE SERVICES AND INDUSTRIAL MATERIAL CHAIN

2022 2023 **Long-term ESTABLISHING INDUSTRIAL INCREASING FOOTHOLD FURTHER EXPANDING IN THE AND MARKET SHARE INDUSTRIAL VALUE CHAIN SERVICES IN SWEDEN Acquisition of SVB: access to Growth in new segments and Further expanding services and business** industrial support services markets geographical markets **Building synergies, capabilities and Expanding to new synergistic services** integrating assets **Acquisitions & market consolidation** Inorganic growth and utilisation of competence centers **Market entry Access to new markets Access to new markets** 1,100-1,300 M€ 600-800 M€ +200 M€ Sources: L&T management, Statistics Sweden, The Swedish Environmental Protection Agency, Allabolag Market size =







# GROWTH AND COMPETITIVE ADVANTAGE FROM RECYCLING SOLUTIONS IN HAZARDOUS WASTE

L&T'S CUSTOMERS'
HAZARDOUS WASTE
RECYCLING RATE IN
2022

70.3%

**SOLUTION** RESULT

DEVELOPMENT OF RECYCLING

**Paint waste recycling** 

Glycol and other end-of-waste materials

SERVICES FOR ELIMINATING HARMFUL SUBSTANCES

Responsible and efficient tank cleaning operations

On and off-site liquid treatment



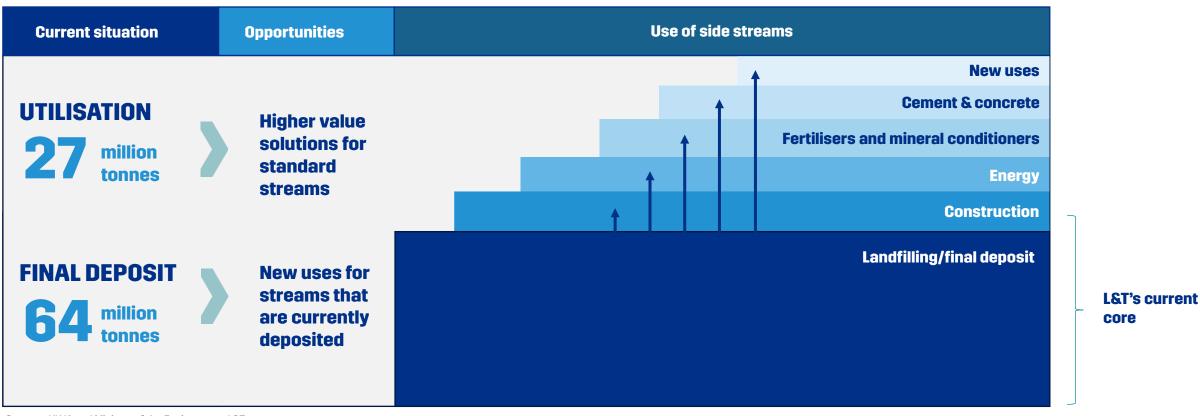
# AMBITIOUS CLIMATE TARGETS ALSO SHIFT TRANSPORTATION, STORING, RECOVERY, PROCESSING FOCUS TO INDUSTRIAL, MINING AND CONSTRUCTION STREAMS

#### **WASTE AND SIDE STREAM VOLUME (TONNES) IN FINLAND**





# BUILDING ON EXISTING STRENGTHS AND COMPETENCIES TO UNLOCK NEW OPPORTUNITIES TO REUSE AND CREATE VALUE-ADDED WITH SIDE STREAMS



Sources: YLVA and Ministry of the Environment, L&T management







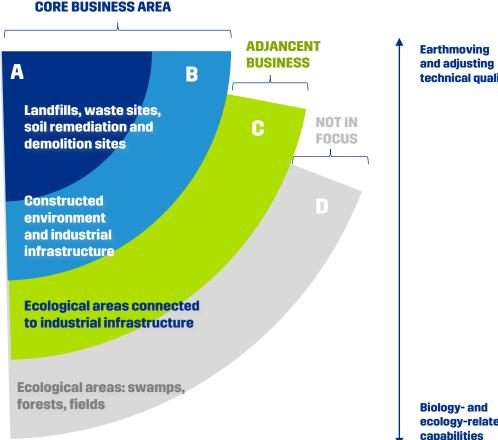
# L&T'S CURRENT SERVICES ARE MITIGATING BIODIVERSITY LOSS

#### **REMEDIATION BUSINESS** 2. Demolition and 3. Environmental 4. Treatment and 1. Planning ground work construction **Soil remediation Project** management and permitting **On-site liquids treatment** Landscaping **Material** and biodiversity treatment solutions and landfilling



## **ENVIRONMENTAL CONSTRUCTION OFFERS OPPORTUNITIES IN MORE COMPREHENSIVE SOIL** REMEDIATION AND TREATMENT

#### **Remediation value chain**



technical qualities

ecology-related

