



ENVIRONMENTAL SERVICES

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Capital Markets Day 8 November 2019

WE PROMOTE THE CIRCULAR ECONOMY BY FACILITATING THE CIRCULATION OF MATERIALS IN SOCIETY

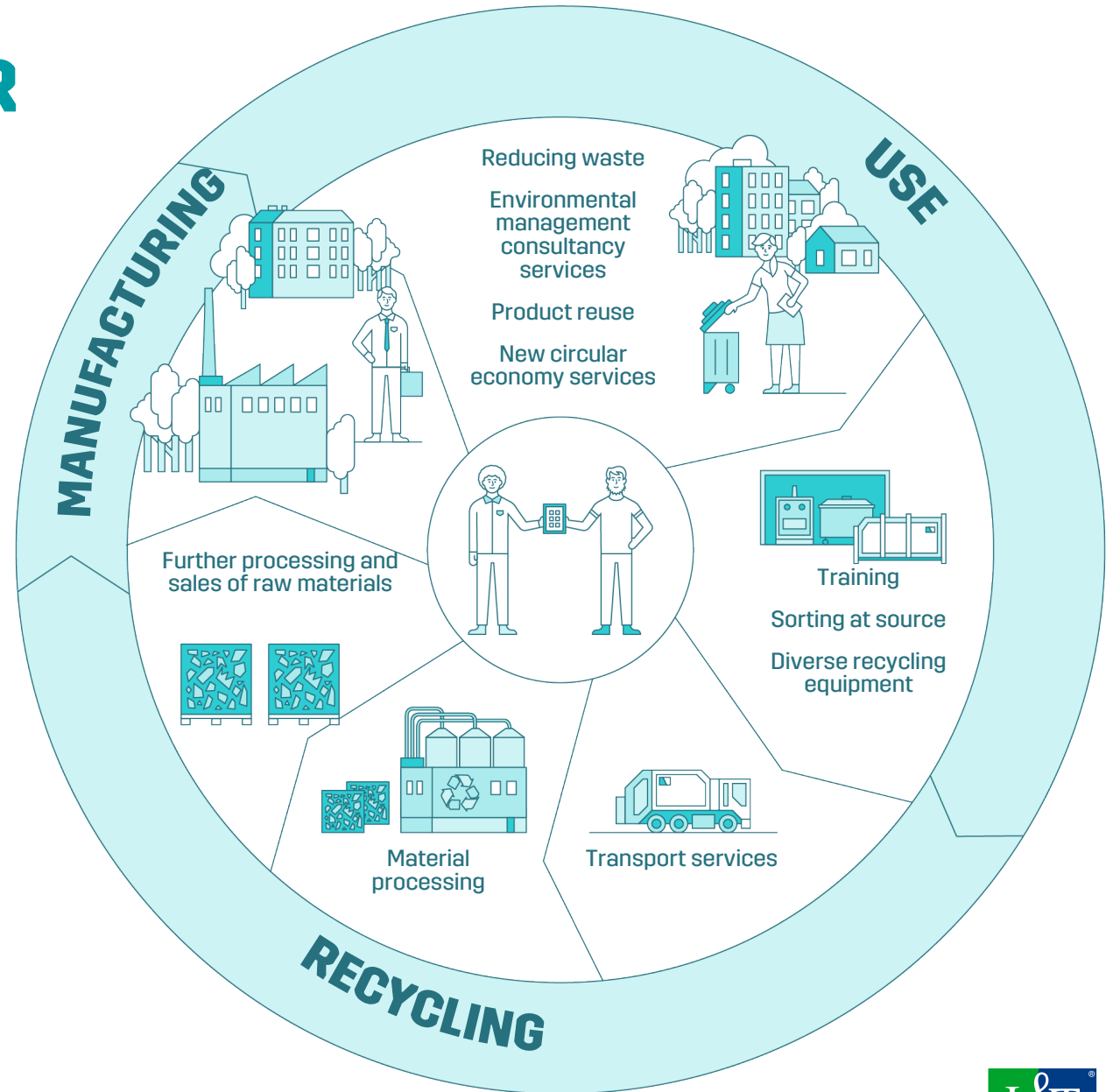
OUR SERVICE LINES

Circular economy services

- Waste management
- Recycling
- Product trade
- Advisory services

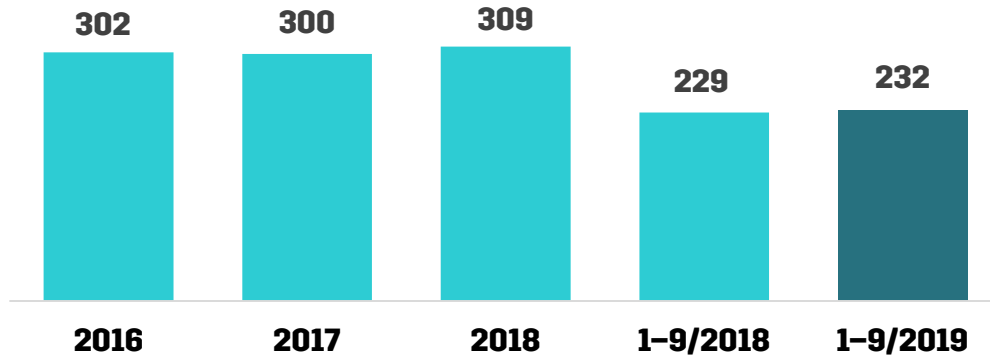
Renewable energy sources

EMPLOYEES: 1,450

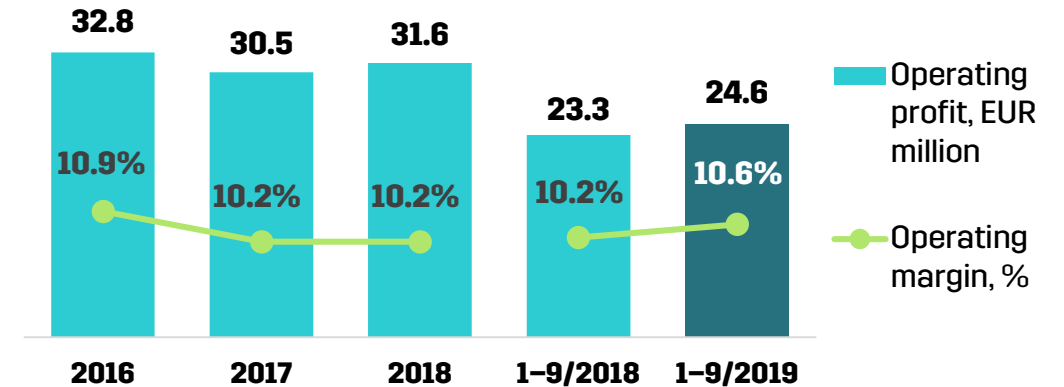


ENVIRONMENTAL SERVICES – OUR CURRENT SITUATION

Net sales (EUR million)



Operating profit and margin



Breakdown of sales to customer segments 2018





Industry	31%
Public sector	18%
Trade and logistics	17%
Housing	16%
Properties	12%
Construction	6%
Others	2%


- Our net sales have grown steadily in both circular economy services and in renewable energy sources
- Profitability has been kept strong, and further improved especially in the renewable energy sources service line
- Main customer segments are Industry, Public sector and Trade and Logistics, which together bring two-thirds of our revenue

Figures include the renewable energy sources and are based on management reporting



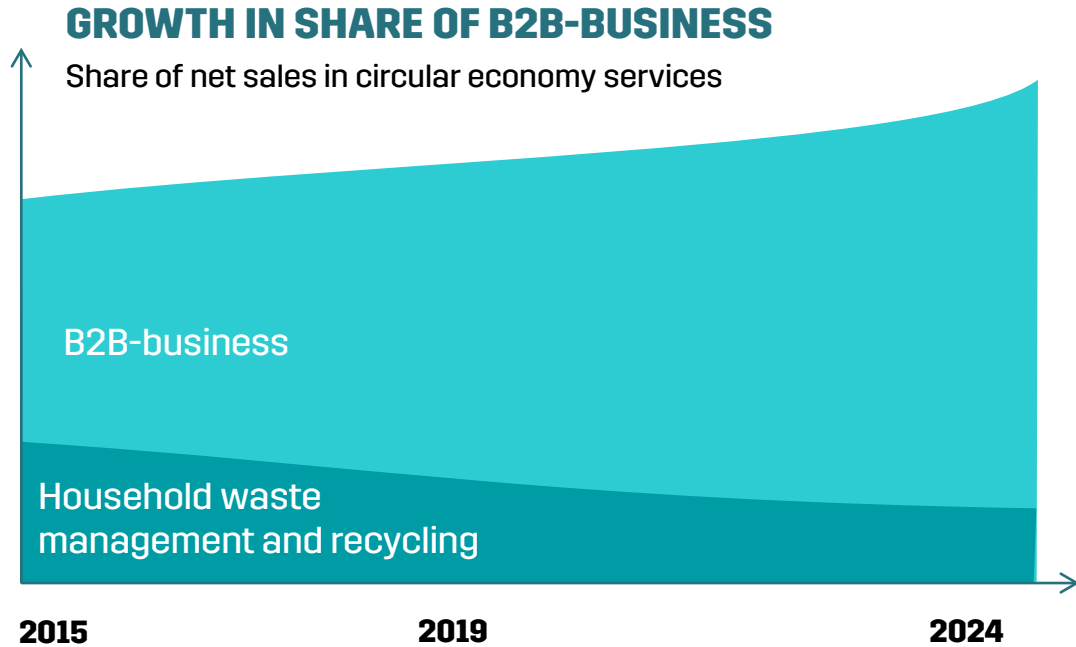
OUR OPERATING ENVIRONMENT

<p>DIGITALISATION Expedites process efficiency improvements, the development of the customer experience and new data-driven business</p>	
<p>THE CIRCULAR ECONOMY TREND The growing demand for renewable solutions enables the development of new businesses and expansion in value chains</p>	
<p>SUSTAINABILITY REQUIREMENTS The strategic significance of sustainability will increase as reporting requirements expand to include investors in addition to companies</p>	
<p>CHANGE IN WASTE OWNERSHIP Larger role for municipalities in household waste management</p>	

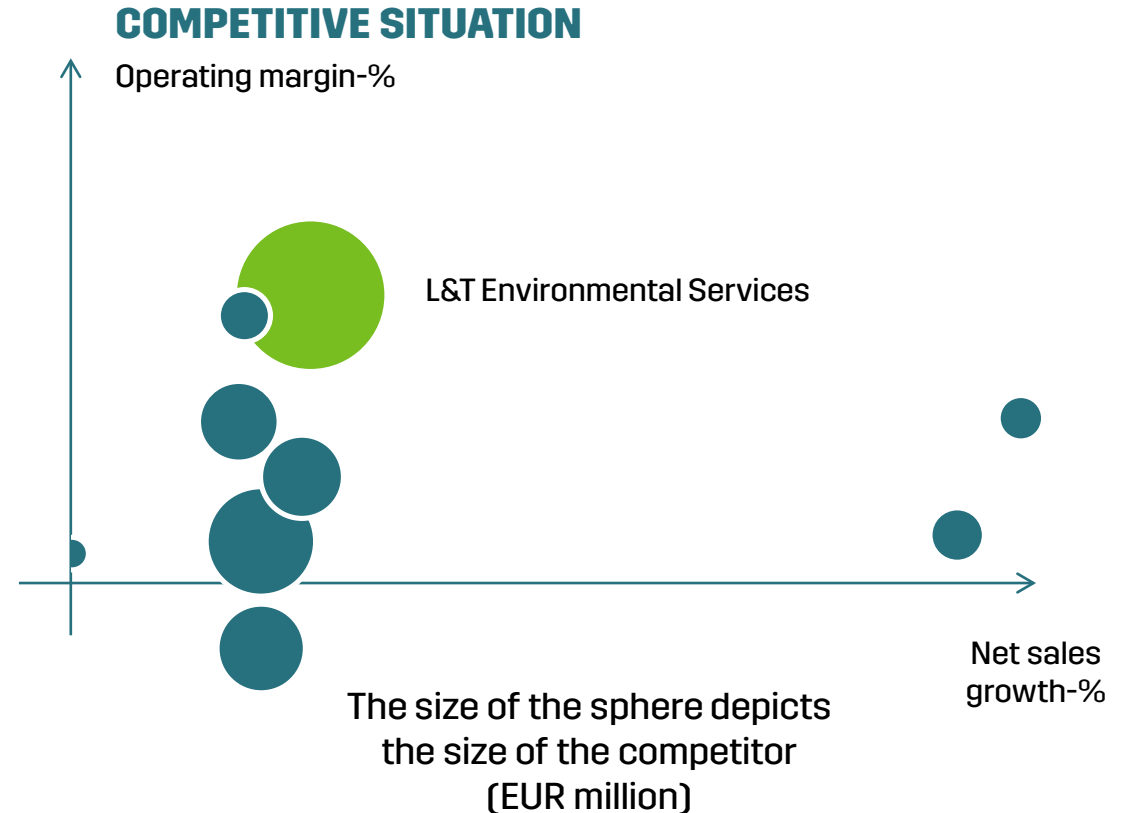
<p>MAIN MARKET</p> 	<p>RELEVANT MARKET SIZE</p> <p>WASTE MANAGEMENT AND RECYCLING RENEWABLE ENERGY SOURCES</p> <p>1.2 0.8</p> <p>BEUR BEUR</p>
<p>ANNUAL MARKET GROWTH</p> <p>WASTE MANAGEMENT AND RECYCLING RENEWABLE ENERGY SOURCES</p> <p>0-3 5</p> <p>% %</p>	<p>L&T'S MARKET POSITION</p> <p>WASTE MANAGEMENT AND RECYCLING RENEWABLE ENERGY SOURCES</p> <p>#1 #6</p>



SUCCESS IN B2B-BUSINESS HAS COMPENSATED FOR THE LOST BUSINESS IN MUNICIPAL HOUSEHOLD WASTE MANAGEMENT



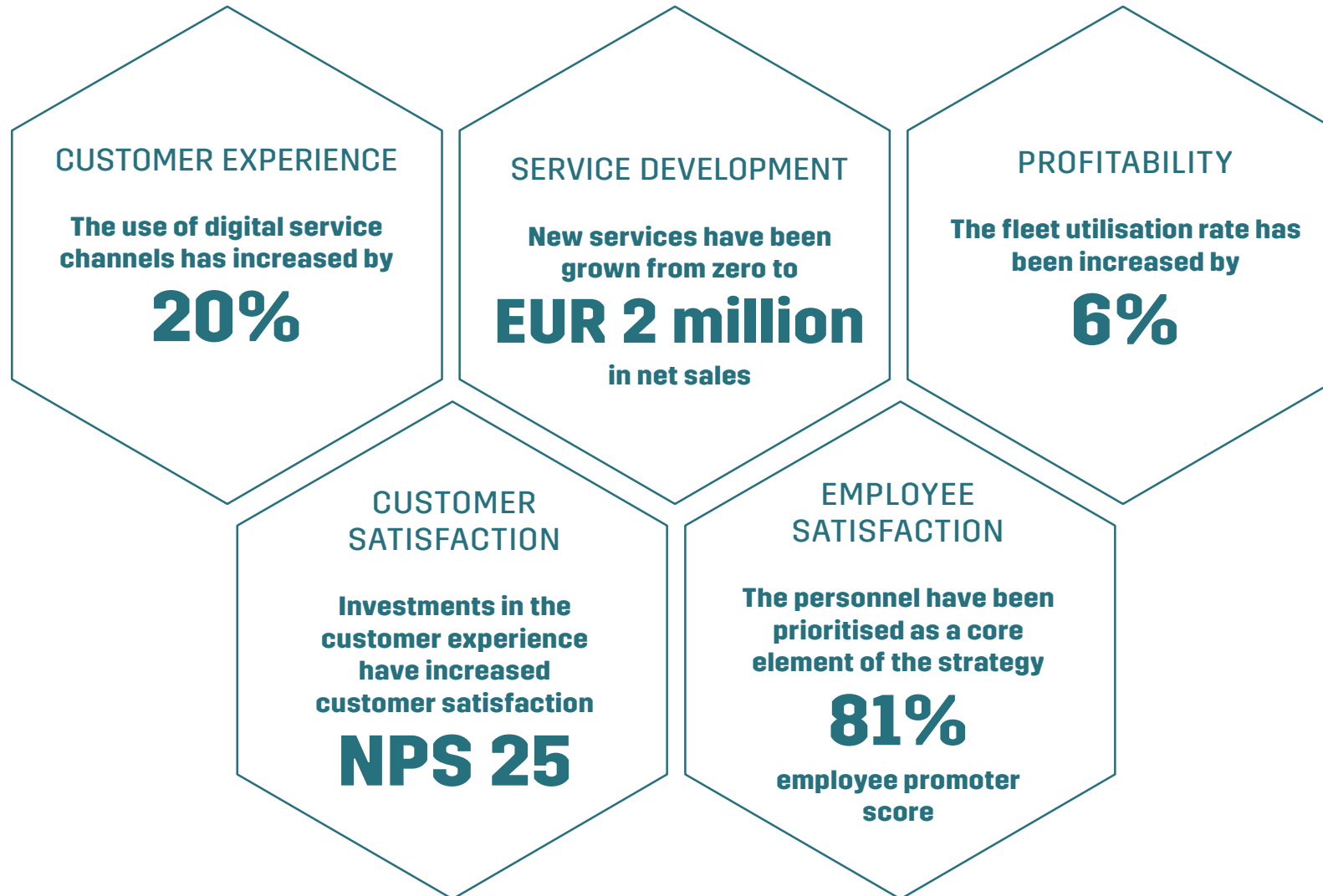
The losses in household waste management and recycling has already been compensated by additional sales in the B2B-business





ENVIRONMENTAL SERVICES STRATEGIC ACTIONS 2019-2024

WE CONTINUE TO EXECUTE OUR STRATEGY FOR FUTURE SUCCESS

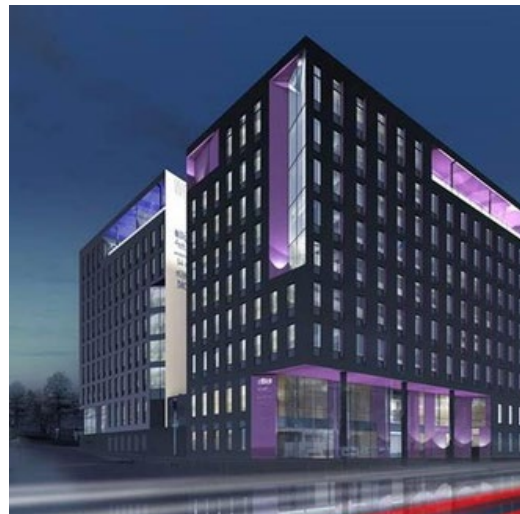
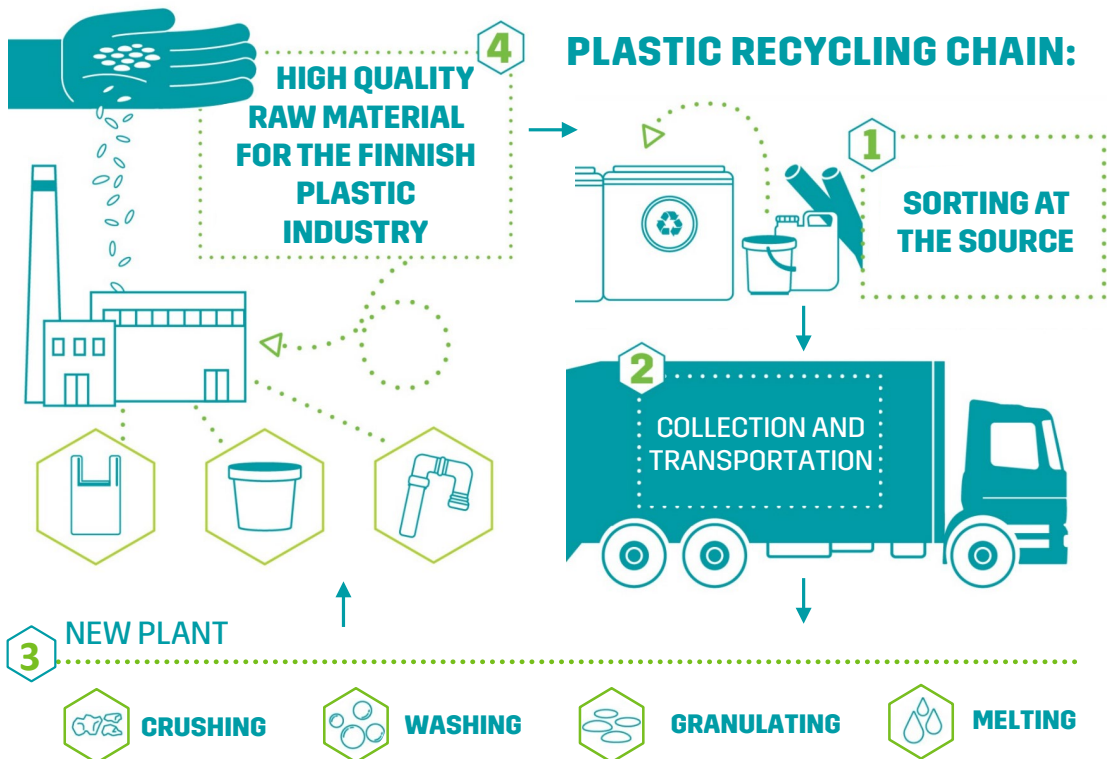


EXAMPLES OF PRACTICAL ACTIONS TO PROMOTE THE CIRCULAR ECONOMY



CLOSED LOOPS

We create closed loop services related to plastic recycling and pallets, for example.



SUSTAINABILITY SERVICES

We help our customers compensate for the CO₂ emissions of waste treatment and achieve their recycling targets.

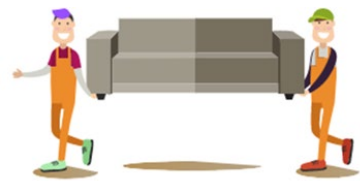


RENEWABLE RAW MATERIALS

We produce renewable raw materials for the growing needs of the energy and forest industries.



THE LATEST CIRCULAR ECONOMY SERVICES



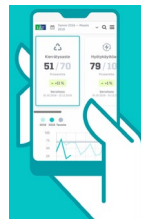
Helpponouto



Online training



Hävikkimestari



Ympäristönetti

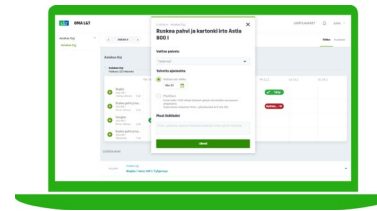


Carbon-neutral waste management

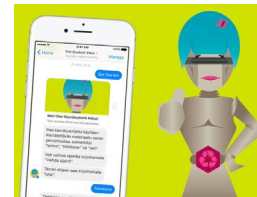


Environmental management

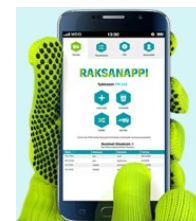
MODERN SERVICE CHANNELS



Oma L&T



Recycling robot Kikka

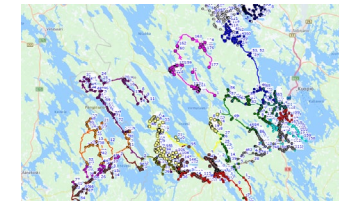


Raksanappi

DATA-DRIVEN MANAGEMENT



Efficiency and performance indicators



Reducing emissions



Real-time monitoring

MANY PROMISING ORGANIC GROWTH PATHS AVAILABLE



Growth investments in materials treatment



Development of new circular economy services



The market for renewable energy sources is expected to grow



Increasing the market share in municipal contracts



The recycling market is expected to grow due to tightening environmental regulation





SUMMARY

WE CREATE MORE VALUE WITH CIRCULAR ECONOMY

Fulfilling customers' recycling and sustainability goals with the best services in the market

Investing into new circular economy solutions – realising the growth potential of the megatrend

Many promising growth opportunities identified, especially in the market for renewable energy sources

THE LEADING CIRCULAR ECONOMY SERVICE PARTNER