



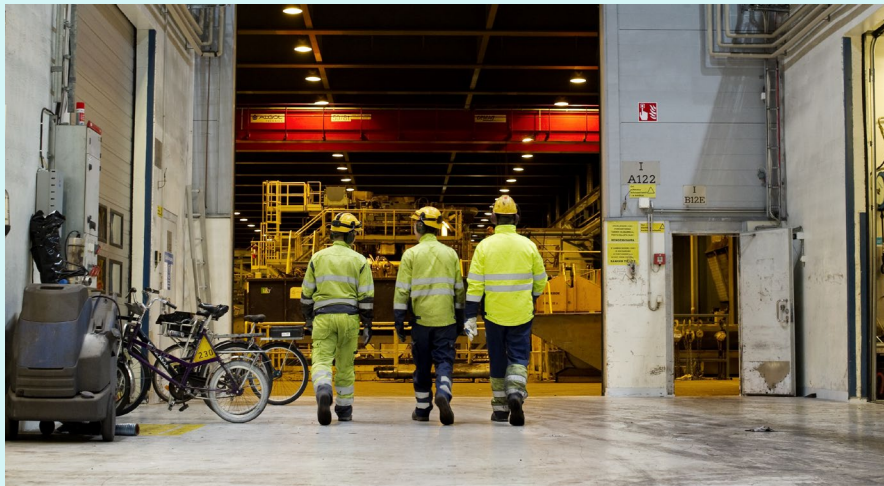
INDUSTRIAL SERVICES

Antti Tervo, SVP
Capital Markets Day 8 November 2019



WE ENABLE THE CIRCULAR ECONOMY BY DEVELOPING SUSTAINABLE AND SAFE SIDE STREAM TREATMENT AND PROCESSING METHODS

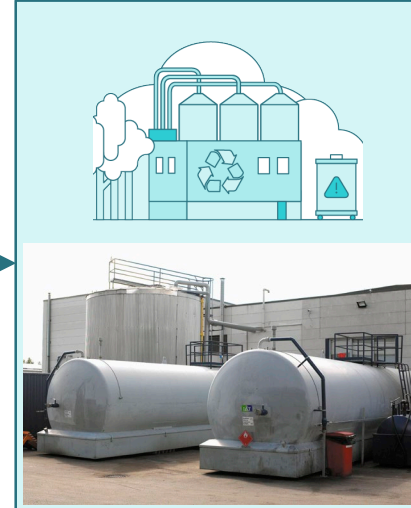
PROCESS AND PROCESS AREA CLEANING, SEWER MAINTENANCE, PRODUCTION SUPPORT SERVICES



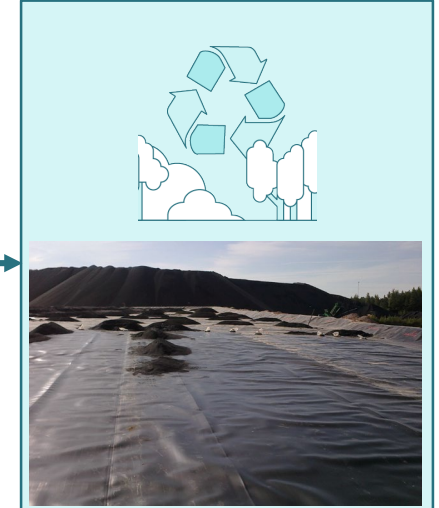
TRANSPORTATION, INTERMEDIATE STORING, RECEIPT



PROCESSING



UTILISATION, ENVIRONMENTAL CONSTRUCTION



Our industrial customers:

- | | |
|----------------------------|-------------|
| METAL | ENERGY |
| CHEMICAL AND PETROCHEMICAL | MINING |
| BIOPRODUCTS | ENGINEERING |
| | REAL ESTATE |

Our services

- Process cleaning and sewer maintenance
- Hazardous waste management
- Environmental construction

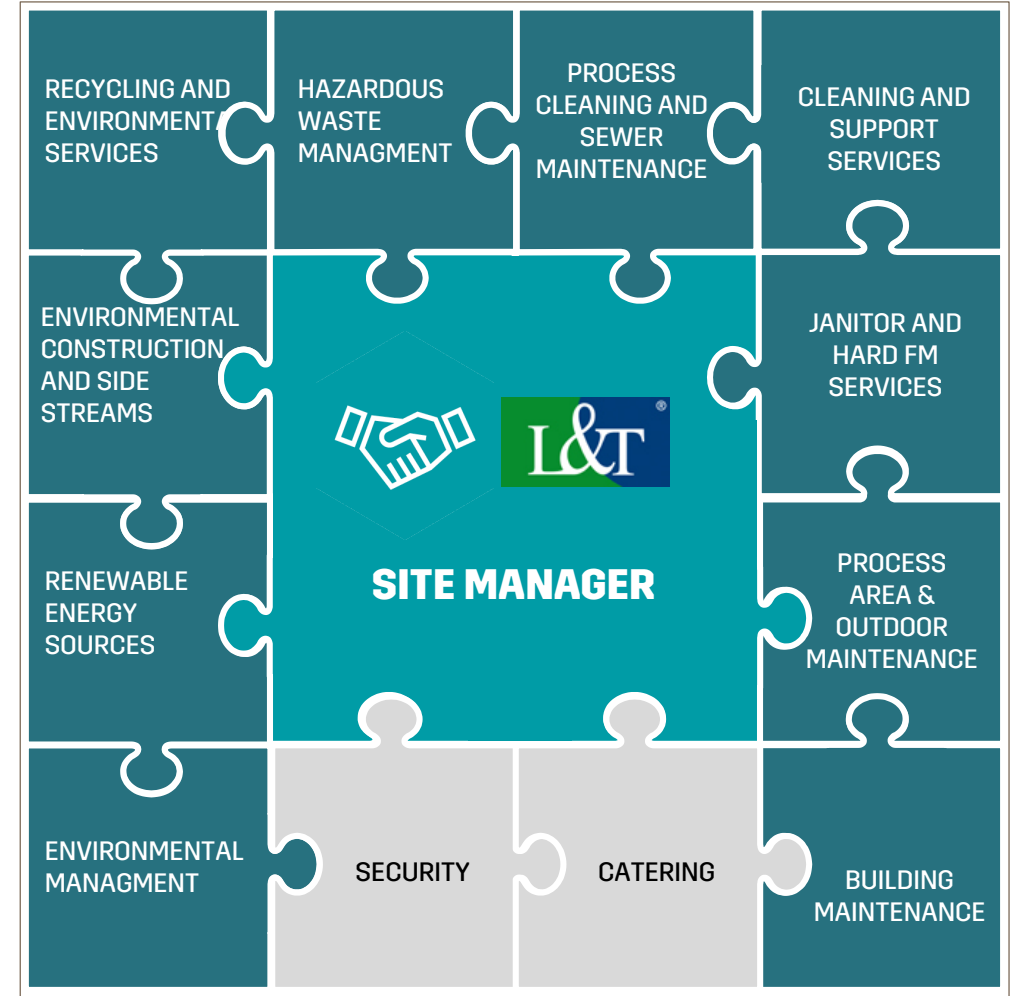
EMPLOYEES: 620



CASE: MILL SERVICES

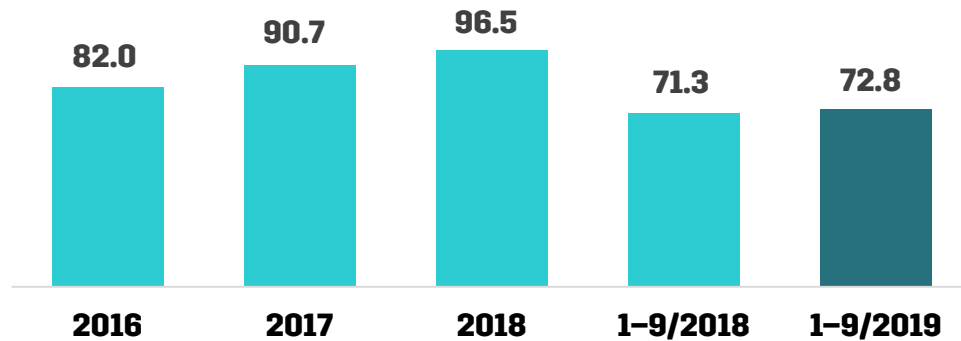
CUSTOMER BENEFITS ARE BASED ON EFFICIENT AND PROFESSIONAL SITE MANAGEMENT

- Cost-efficiently designed and managed service solutions enable safe, reliable, operational and clean industrial working conditions for the customers
- Comprehensively managed and optimised side stream and waste management from design to recovery, disposal and reporting
- The customers can focus on their core tasks: production and maintenance

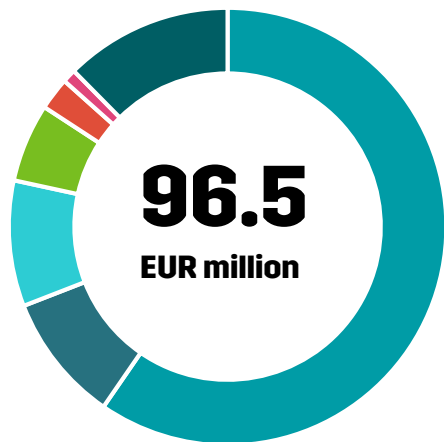
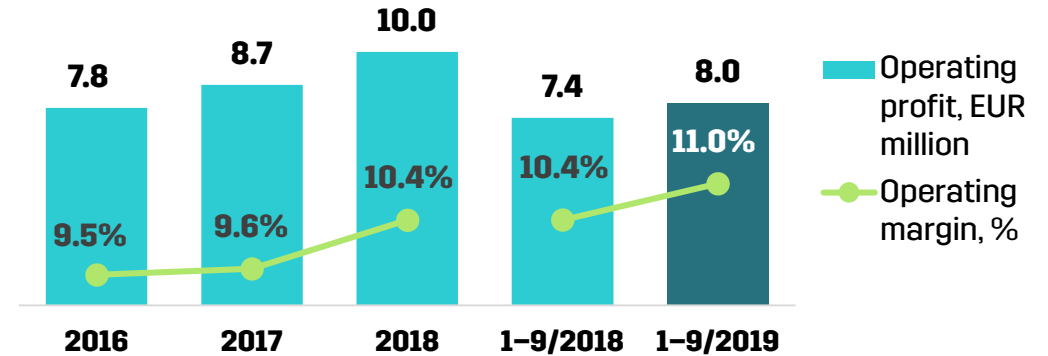


STRONG GROWTH IN DEMANDING INDUSTRIAL SECTOR

Net sales (EUR million)



Operating profit and margin






Breakdown of sales to customer segments 2018

Industry	60%
Trade and logistics	10%
Public sector	9%
Construction	6%
Housing	2%
Private customers	1%
Others	12%


- Industrial Services grows significantly faster than the market
- Along with strong growth, profitability has been further improved
- Our most important customer segment is industry
- Overall NPS customer satisfaction score at 49

PROGRESS IN THE CIRCULAR ECONOMY IS THE KEY INFLUENCE ON OUR BUSINESS ENVIRONMENT

<p>SUSTAINABLE DEVELOPMENT GOALS The circular economy expands and becomes more complex in industry and society</p>	
<p>INDUSTRY FOCUS ON CORE COMPETENCE Strengthens our position and provides new possibilities for a responsible partner without conflicting with the customer's in-house maintenance and production</p>	
<p>URBANISATION Housing expands into new areas requiring restoration – ageing infrastructure calls i.e. for sewer maintenance services</p>	

<p>MAIN MARKET</p> 	<p>RELEVANT MARKET SIZE</p> <p>0.6 BEUR</p>
<p>ANNUAL MARKET GROWTH</p> <p>1-5 %</p>	<p>L&T MARKET POSITION</p> <p>#1-2</p>

 Positive impact

 Depends on L&T

 Negative impact



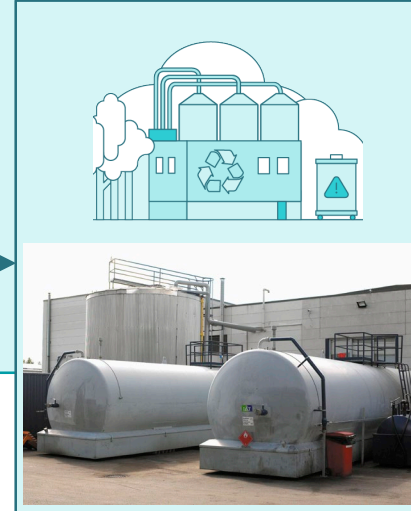
STRONG PRESENCE IN ALL PARTS OF THE CUSTOMER'S VALUE CHAIN IS L&T'S MOST SIGNIFICANT DISTINCTIVE FACTOR

PROCESS AND PROCESS AREA CLEANING, SEWER MAINTENANCE, PRODUCTION SUPPORT SERVICES

TRANSPORTATION, INTERMEDIATE STORING, RECEIPT

PROCESSING

UTILISATION, ENVIRONMENTAL CONSTRUCTION



Significant competitor B

Significant competitor A

Significant competitor C

Regional operators

Regional operators

Regional operators

Regional operators

L&T's competitive assets are based on comprehensively managed and optimised side stream and waste management and cleaning methods: from the source and planning to material recycling, final disposal and reporting.

CASE: PRESSURE WAVE CLEANING

NEW SOLUTIONS EMERGE FROM PASSION FOR DEVELOPING OPERATIONS

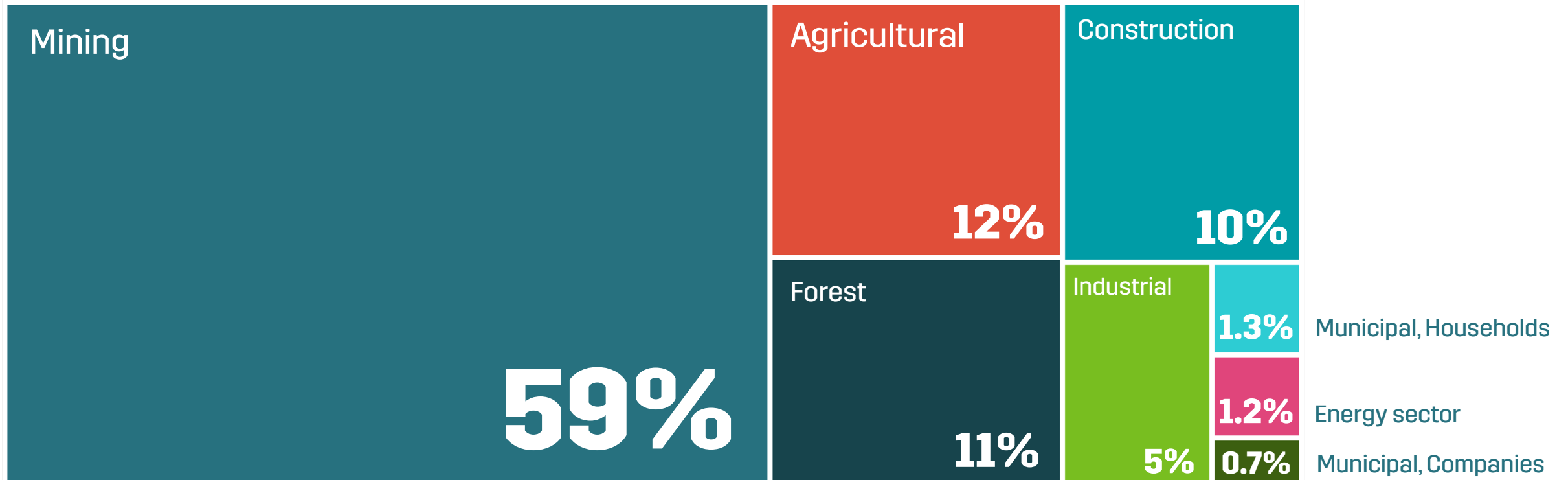


Positive environmental handprint, cost efficiency, fuel efficiency

- ◆ Improves boiler efficiency and fuel economy
- ◆ Fast and efficient method which does not require maintenance shutdown
- ◆ Promotes occupational safety
- ◆ Reduces the amount of waste from cleaning
- ◆ Reduces the risk of corrosion

SHIFTING FOCUS ON INDUSTRIAL MATERIAL LOOPS CALLS FOR AN INTEGRATOR WHO BRINGS THE ACTORS TOGETHER

Waste and side stream volumes in Finland



CASE: SOIL DECONTAMINATION AND RECYCLING

DEMANDING SOIL TREATMENT AND RECYCLING WORK FOR RESIDENTIAL AREA REFURBISHMENT IN KAKOLA



- ◆ The old prison grounds in Kakola were refurbished into a residential area
- ◆ Extensive decontamination work was conducted as the soil contained substantial amounts of waste and materials from metal and woodwork
- ◆ The removed soil was utilised in waste centres near Raisio and Turku as well as in construction at L&T's material recycling centre in Uusikaupunki



SUMMARY

WE CREATE MORE VALUE WITH CIRCULAR ECONOMY

Improving utilisation of side streams jointly with the customers

Maintaining leadership position in process cleaning and hazardous waste management

Pursuing growth in the market for industrial services

WE WANT TO BE THE MOST SIGNIFICANT INDUSTRIAL SUPPORT SERVICE PARTNER