



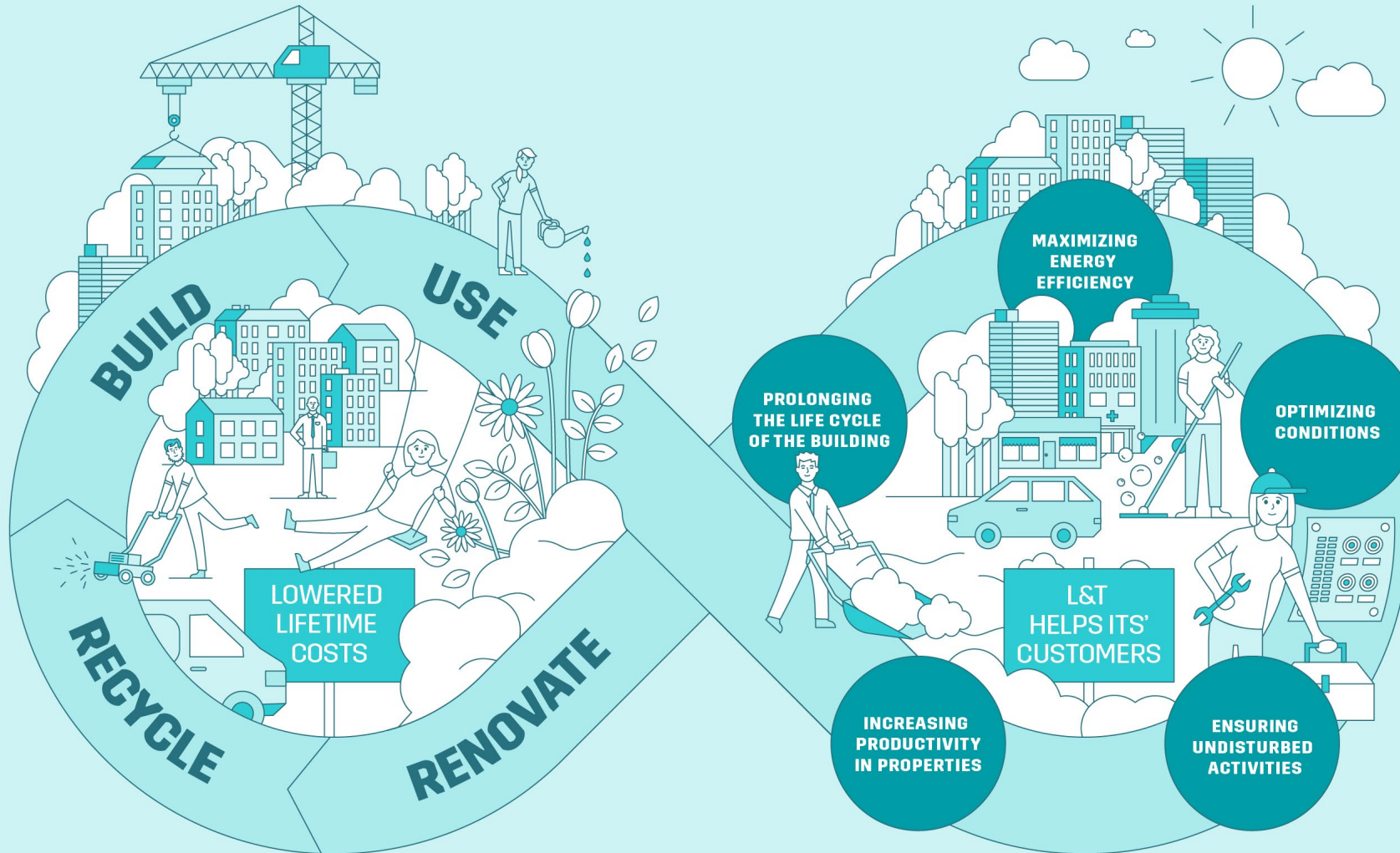
# FACILITY SERVICES SWEDEN

**Erik Sundström, SVP**

Capital Markets Day 8 November 2019



# WE MAKE THE CIRCULAR ECONOMY TRUE BY ENABLING PRODUCTIVE FACILITIES WITH LONG AND SUSTAINABLE LIFE CYCLES



## OUR SERVICE LINES

### Technical services

- Technical services for hospital buildings
- Technical maintenance in commercial sector e.g. telecom
- Ventilation and heating systems

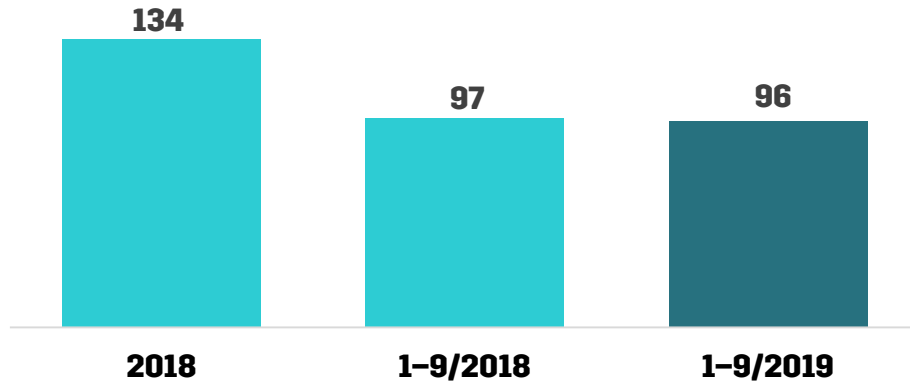
### Facility services

- Cleaning
- Industrial cleaning for food industry

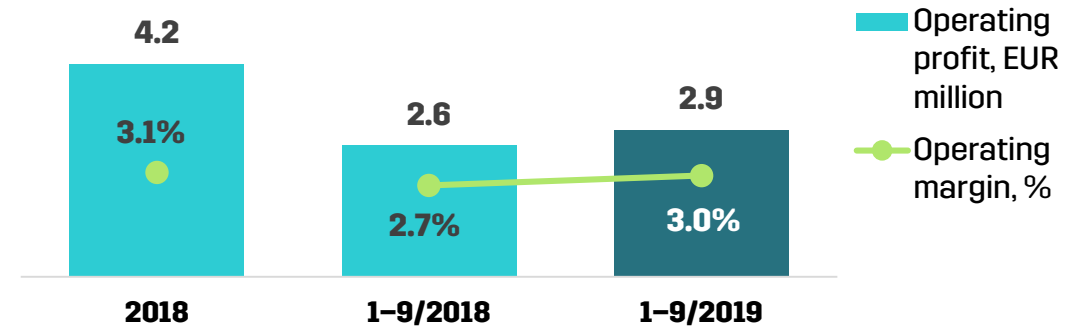
**EMPLOYEES: 1,400**

# FACILITY SERVICES SWEDEN IS FINANCIALLY STABLE WITH A SOLID BUSINESS MODEL

Net sales (EUR million)



Operating profit and margin








Breakdown of sales to customer segments 2018


Commercial sector	47%
Hospitals	33%
Municipalities	21%


- Stable profitability with most of the growth in the commercial sector
- Majority of the revenue comes from higher margin technical services
- Excellent high-margin add-on sales exceeding 65% of annual total revenue
- Net working capital improvement for strong cash flow


# TECHNICAL SERVICES MARKET IN SWEDEN IS AMONG THE FASTEST GROWING OF ALL L&T MARKETS

<p><b>SUSTAINABILITY REQUIREMENTS</b> Growing need for our energy management services that improve the customer's cost base and help them reach their sustainability targets</p>	
<p><b>DIGITALISATION</b> Need for technical refurbishments continues creating positive outlook and opening new service opportunities</p>	
<p><b>AVAILABILITY OF PROFESSIONALS</b> The availability of professionals is a challenge on the market. Good career management is the key to attract new generations and career changers to our industry</p>	
<p><b>MARKET CONSOLIDATION</b> Market consolidation and limited vertical integration continues. Our strategy needs to be differentiated from our competitors</p>	

<p><b>MAIN MARKET</b></p> 	<p><b>RELEVANT MARKET SIZE</b></p> <table border="0"> <tr> <td>TECHNICAL SERVICES</td> <td>FACILITY SERVICES</td> </tr> <tr> <td><b>2.5</b></td> <td><b>2.9</b></td> </tr> <tr> <td>BEUR</td> <td>BEUR</td> </tr> </table>		TECHNICAL SERVICES	FACILITY SERVICES	<b>2.5</b>	<b>2.9</b>	BEUR	BEUR				
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 Positive impact

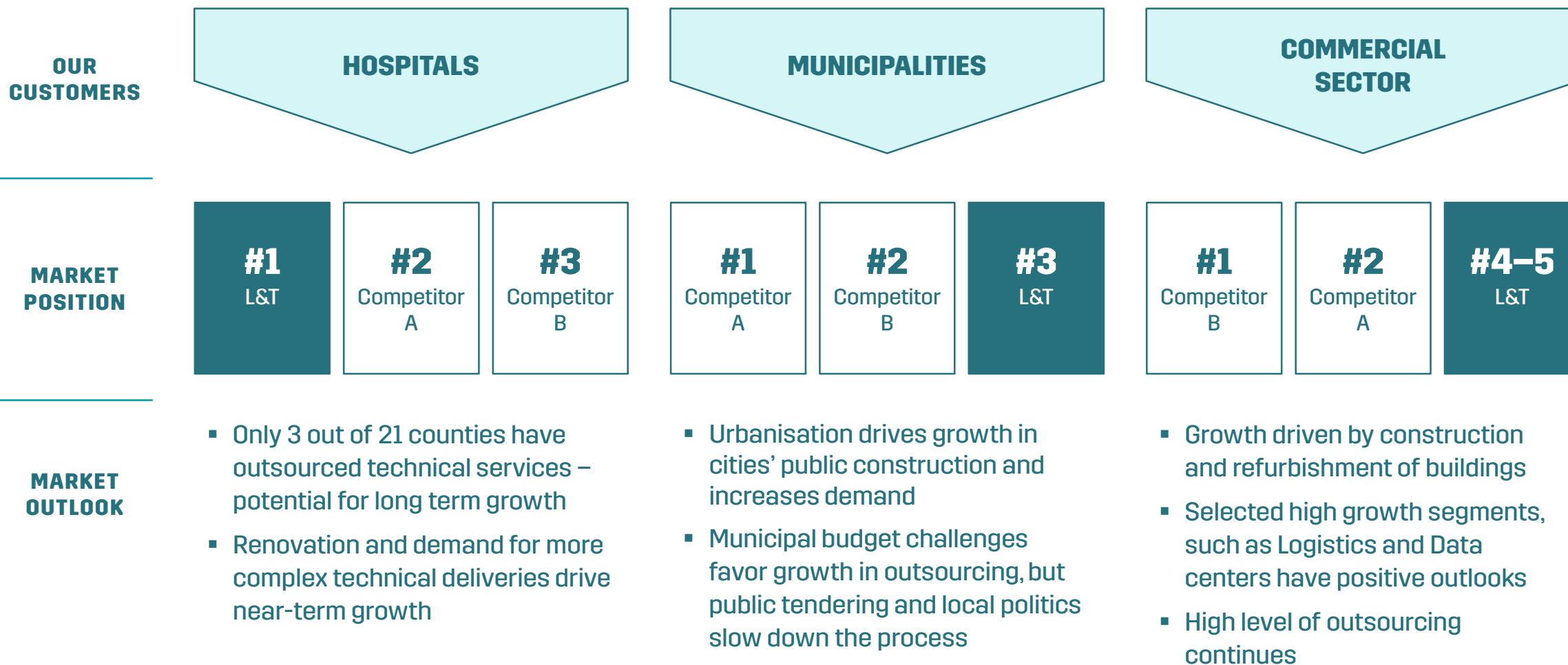
 Depends on L&T

 Negative impact



# OUR STRONG MARKET POSITION AND WELL-ESTABLISHED CUSTOMER RELATIONSHIPS ARE A GOOD FOUNDATION FOR GROWTH

## TECHNICAL SERVICES



# OUR STRENGTHS ARE IN TECHNICALLY DEMANDING DELIVERIES WHERE CUSTOMER UNDERSTANDING AND PROACTIVITY MAKE THE DIFFERENCE

## Typical differentiation strategies of our major competitors:

- Offering synergies
- Value chain synergies
- Price

## VALUE TO THE CUSTOMER

L&T Facility Services focuses on **lowered lifetime costs** through service quality, high technical expertise and strong local customer understanding

## CASE: HOSPITAL ENVIRONMENT MAINTENANCE

# ENSURING FUNCTIONING FACILITIES IN HIGHLY SENSITIVE ENVIRONMENTS

### OUR ASSIGNMENT

Operation and maintenance of Locum's hospital buildings in total of one million square meters, including

- HVAC installations
- Electrical power systems
- Sprinklers and fire alarm systems
- Backup power plants

### OUR CONTRIBUTION

Functioning facilities where medical services run undisturbed. L&T's Distinctive expertise in energy optimisation enabled Locum to reach its energy efficiency and environmental impact reduction targets.



## RESULTS

**TOTAL ENERGY  
CONSUMPTION 2008–2017**

**-24%**

**YEARLY ENERGY  
SAVINGS OF**

**2.6%**





# SUMMARY



# WE CREATE MORE VALUE WITH THE CIRCULAR ECONOMY

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Growing with a positively  
differentiated business model

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Advancing energy efficiency  
solutions to minimise the  
carbon footprint of buildings

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Providing a growth platform  
into the Swedish market

# BECOMING THE FIRST RECOGNISED PARTNER FOR TECHNICAL FACILITY SERVICES