



Annual Review 2018

LEHTO GROUP PLC

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Lehto Group – Innovator in the construction sector	3
Economically driven construction	3
Lehto's strategy	4
Lehto's long-term strategy in brief.....	5
2018 in figures	6
CEO Hannu Lehto.....	8
Events during 2018.....	9
Our service areas	10
References from 2018	12
Industrial manufacturing	13
Lehto's factory production	14
Products from our factories	15
Did you know this about industrial prefabrication?.....	16
Our employees	18
Digitalisation	20
Shares and shareholders	21
Group management	22



Lehto Group – Innovator in the construction sector

LEHTO is a fast-growing Finnish construction and real-estate group. We operate in three service areas: Housing, Business Premises, and Social Care and Educational Premises. Our mission is to be an innovator in the construction sector.

We are a pioneer in economically driven construction and our innovative operating model makes construction more productive, ensures the quality of construction and brings significant time and cost benefits to the customer.

We employ 1552 (Q4 2018) people and our net sales for 2018 amounted to EUR 721,5 million. Our subsidiary Lehto Sverige Ab is starting up operations in the Swedish market.

Economically driven construction

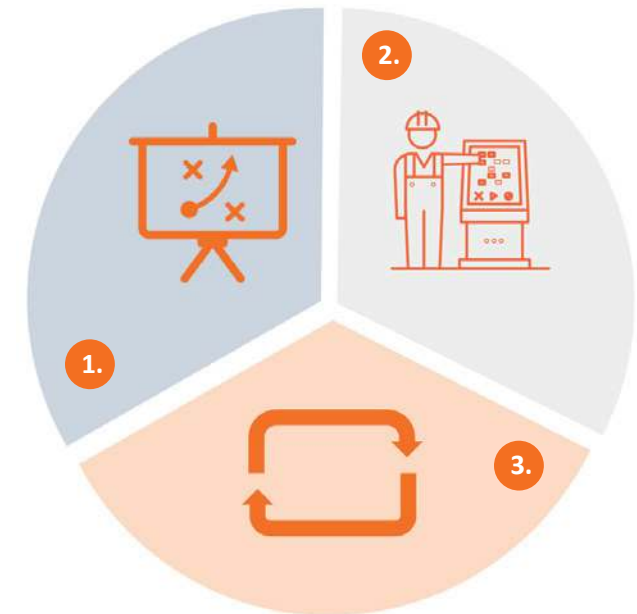
ECONOMICALLY DRIVEN CONSTRUCTION is an innovation that integrates design and implementation. The first cornerstone of this approach is **cost-conscious design**: over 80% of construction costs are determined at the design stage, which is why we also keep this phase in our own hands.

Industrial manufacturing is at the heart of the economically driven construction process. It is what separates Lehto from other construction companies. Innovative module and element production at Lehto's own factories across Finland boosts productivity in construction, speeds up schedules, and ensures high quality compared to traditional construction.

The third major cornerstone of economically driven construction is **standardised solutions**. We do not always reinvent the wheel. Instead, we use tried-and-true solutions. Standard solutions speed up both the design and construction phases. This can also mean relying on established partner networks or operating methods.

Above all, economically driven construction is an **ideology and a way of thinking**. It boldly challenges traditional construction. This approach hinges on competent employees who have the right attitude.

Digitalisation – which is increasingly powering up our business – also supports economically driven construction.



1. DESIGN CONTROL

Up to 80% of construction costs are determined at the design stage.

2. INDUSTRIAL MANUFACTURING

Production at our own factories guarantees a moisture-controlled chain and ensures high, uniform quality.

3. REPEATABLE STANDARD SOLUTIONS

Effective standard solutions speed up design processes and construction.

Innovator in construction business

Changes in
the business
environment

Digitalisation
Social welfare and
healthcare reform

Urbanisation

Requirements for
renovation and changes

Ecologically efficient

Cost-efficiency

Aging population

Climate change

Economically driven
construction

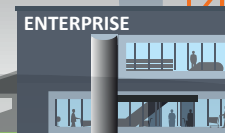
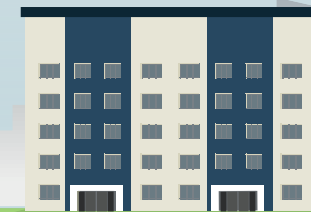
Cost-conscious
design

Standardised
solutions

Industrial
manufacturing

Digital processes and service chain

Motivated employees



Our customer promise: the most desired partner in the market

- 1 One agreement
- 2 Fixed price
- 3 Agreed move-in date
- 4 Agreed content and quality

Lehto's long-term strategy in brief

LEHTO'S long-term strategy is defined until the year 2022. The strategy sets its sights not only in Finland, but also in the other Nordic countries. Lehto will forge ahead with the further development of its operating model. This concept-based model emphasises aspects such as customer benefits. We seek to make even greater use of standardised solutions in both design and production. Furthermore, we intend to increase the share of factory production in construction projects – that is, transfer construction from sites to factories. Through this model, Lehto seeks to attain significant schedule, cost and quality benefits for its customers.

LONG-TERM FINANCIAL TARGETS

- **Average annual growth of net sales 10–20%**
- **Average operating profit approximately 10% of net sales**
- **Equity ratio a minimum of 35%**
- **Distribution of dividends approximately 30–50% of the result of the financial year**



Strategic foci of our operations

DIGITAL PROCESSES AND THE SERVICE CHAIN

- Our productivity development is based on a digital construction process, which guides and steers the entire construction production value chain. Accurately specified information modelling carried out in the right order brings added value to both the client and constructor. Operational efficiency increases, implementation is faster and the quality and usability of the property are improved.
- The life cycle benefits of information modelling can be achieved when the data generated during construction can be re-used in renovation and complementary building. Added value is produced when the information is used and processed further after the completion of construction for the maintenance, use and asset management of buildings.
- Our aim is to increase productivity by tens of per cent through digitalisation compared to construction on site.

CONCEPT-BASED OPERATING MODEL

- Lehto aims to develop design and building production so that as much as possible of the Group's production is based on standardised solutions.

INCREASING THE ROLE OF FACTORY PRODUCTION

- The goal is to continuously develop innovative module-based solutions and to utilise the current modular solutions in an increasing number of projects.

AN OPERATING MODEL THAT EMPHASISES CUSTOMER BENEFITS

- We aim to further develop our operating model that provides customers with an end-to-end solution that includes all the services required for the completion of a construction project. Through this model, we seek to attain significant schedule, cost and quality benefits for our customers.

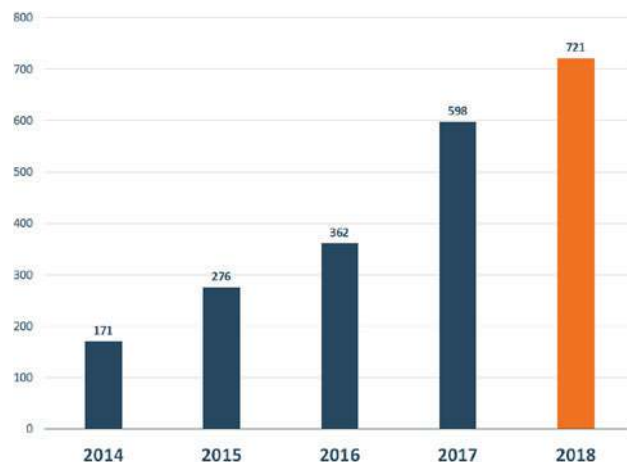
INTERNATIONALISATION

- Our goal is to further expand our operations in the Nordic countries.

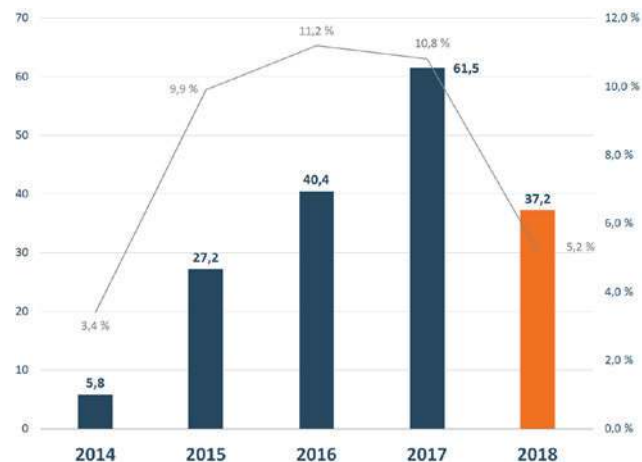


2018 in figures

Net sales, EUR million

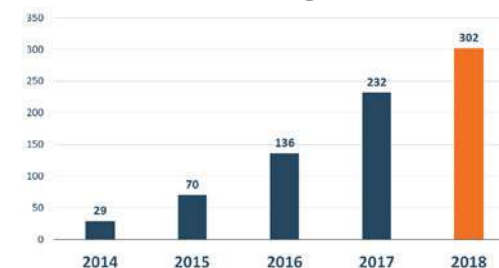


Operating profit, EUR million and operating profit, %

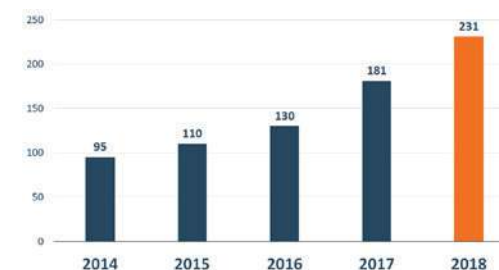


Net sales by service area, EUR million

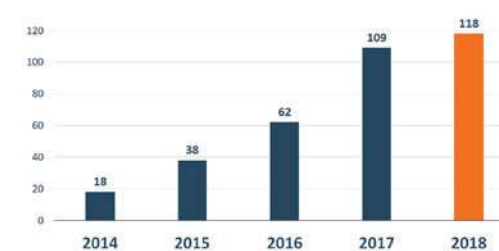
Housing



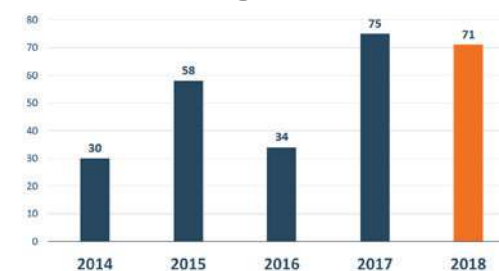
Business Premises



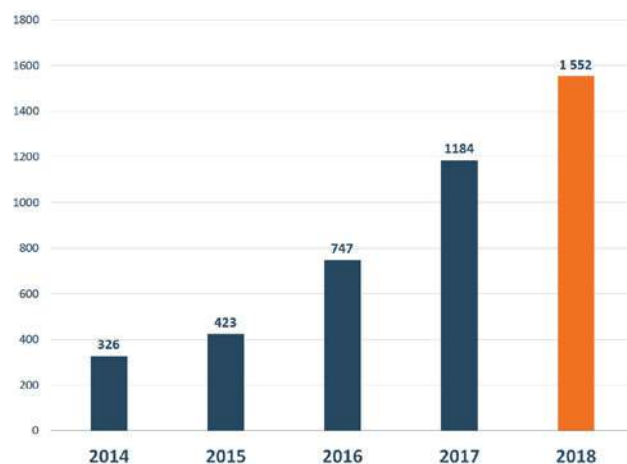
Social Care and Educational Premises



Building Renovation



Number of personnel at the end of the year



Order backlog, EUR million





Net sales grew by
20.7% from
the previous year



Operating profit was
EUR 37.2 million, or
5.2% of net sales



Our personnel
grew by **368**
in 2018



A new **9,000 m²**
factory was completed
in Oulainen



A total of **1,900**
apartments were sold in
during the period



A total of **31**
business premises were
completed during the
period



Lehto bought a
20,000 m²
factory in Hartola



A total of **28** care homes
and assisted living facilities,
2 day care centres and **1**
school were completed



CEO Hannu Lehto

Growth and growing pains – focus on core of our strategy

"2018 was another year of vigorous growth. Our growth was strong, but we stumbled in terms of profitability. We started an analysis of the situation in the autumn. The results show that growth led to growing pains: as hundreds of new Lehto employees joined the company, we could not provide these new professionals with enough orientation to sufficiently familiarise them with the world of economically driven construction.

Lehto has a good, distinctive strategy that has proven its worth. I am convinced that we will succeed and grow profitably when we work on core of our strategy. We should also keep in mind that even though Lehto's profitability suffered, our earnings are still better than average in the construction sector.



**Lehto has a good,
distinctive strategy that
has proven its worth.**

One of the memorable milestones of 2018 was the robust development of our industrial prefabrication. We acquired space for a factory expansion in Hartola and built new production facilities in Oulainen. The production capacity of the Humppila factory

doubled. These are important steps in Lehto's strategy, further improving our productivity in construction. This effort is also supported by our digitalisation drive, in which we made further progress in 2018.

We carried out a personnel survey at the end of the year. The results show that we are rated AA according to People Power®, outperforming the Finnish general norm. Employees also want to recommend Lehto as an employer. I think that this is truly noteworthy considering that 2018 was not the easiest of years. We worked hard, but in spite of that our financial result was disappointing. The survey thus indicates the great commitment of our employees to the company – and this is vitally important for us. After all, our strategy is realised by skilled people who have the right attitude. Economically driven construction is above all an ideology and a new way of thinking and acting. That's why our employees play a primary role in our success.

We will remember 2018 as a year of learning, a chapter in our growth story. In 2019 we will focus on the core of our strategy. We will continue our work in line with our mission as an innovator in the construction sector."



Events during 2018

- Lehto responds to the shortage of information model experts and opens its own academy
- The Lehto Career Promise is launched

- Lehto expands its factory capacity and buys a 20,000 m² factory in Hartola
- Lehto Raha service is launched for homebuyers
- Lehto seeks to develop its waste management and signs an agreement with Lassila & Tikanoja

- Lehto and Citycon extend their preliminary agreement for Lippulaiva shopping centre
- Faster processing of building permits – Lehto participates in the development of information model-based permit processing

1 JANUARY

2 FEBRUARY

3 MARCH

4 APRIL

- Lehto and Avara sign a framework agreement for a major housing portfolio
- The City Council of Jyväskylä decides to launch the Hippos2020 project with a consortium consisting of Lehto and Fennia
- Lehto makes inroads into log construction – a new school in Punkalaidun

- Lehto and Citycon announce they are continuing agreement negotiations for the Lippulaiva shopping centre
- Lehto and Sukari Invest Oy announce they will cooperate on the construction of the Ideapark shopping centre in Seinäjoki
- Lehto announces that it will build a 10,000 m² office property in Aviapolis, Vantaa

- Lehto issues its first profit warning of the year
- The Hartola factory wants to hire dozens of employees
- Lehto starts up a new kind of business: building small rental storage units in Espoo

5 MAY

6 JUNE

7 JULY

8 AUGUST

- Lehto signs a preliminary agreement with Fennovoima for a major office building complex
- Lehto lands two large projects for sports halls: in Äänekoski and the Myllytulli area of Oulu

- Lehto issues its second profit warning of the year
- Lehto and Citycon announce the termination of turnkey contract negotiations for the construction of the Lippulaiva shopping centre
- Lehto breaks its housing sales record: more than 250 residential units sold
- Lehto announces that it will revitalise the Kalasatama area of Helsinki with about 300 apartments

- Lehto announces the reorganisation of its building renovation services
- The Housing service area unveils its Carbon Neutral 2030 development project

- Lehto announces it will build a floorball hall in Eerikkilä
- The Lehto Total service package comprising plumbing renovations and complementary building is launched

9 SEPTEMBER

10 OCTOBER

11 NOVEMBER

12 DECEMBER



Our service areas

Lehto Group's business operations were divided into four service areas in 2018: Business Premises, Housing, Social Care and Educational Premises, and Building Renovation. The company announced the discontinuation of the Building Renovation service area in January 2019. Plumbing renovation business is transferred to the Housing service area.

HOUSING

Lehto builds blocks of flats, balcony access blocks and semi-detached houses. Lehto builds homes in growth centres, near good traffic connections and versatile services. We build reasonably priced, comfortable and compact homes in growth areas, especially the Helsinki Metropolitan Area, for singles, couples and families – not forgetting investors. Functional layouts, individual decoration options and highly affordable per-square prices make our apartments desirable.

The majority of Lehto's housing projects are developer contracting projects, in which Lehto designs and builds properties on land areas that it has purchased and then sells the completed apartments to customers.

BUSINESS PREMISES

In the Business Premises service area, Lehto builds modifiable and reasonably priced office, retail, logistics, storage and production premises, sports arenas and shopping centres.

Business premises are designed according to the customers' needs and are built using structural and spatial solutions developed and tried and tested by Lehto. We build business premises across Finland for local, national and international customers. Most of the business is in the form of contracting, but Lehto also implements some developer contracting-based business premises projects.

SOCIAL CARE AND EDUCATIONAL PREMISES

In the Social Care and Educational Premises service area, Lehto

plans and builds nursing homes, day care centres and schools for the communal sector and nationwide service providers.

In most cases, Lehto makes a lease agreement with a service provider and sells the finished property to a fund that invests in properties in the sector. In some cases, the properties are implemented as traditional construction contracts.

BUILDING RENOVATION

In 2018, in the Building Renovation service area, Lehto carried out pipeline renovations, building renovations and projects in which one to two additional floors were built on top of existing buildings. Most of the projects were implemented as turnkey projects, where Lehto was responsible for the entire contract and assumed overall responsibility for both design and construction.

Lehto also carried out renovation projects in the form of developer contracting, in which Lehto bought an old building, renovated or converted it for residential use, and sold the renovated apartments on to customers. The main market for building renovation in Finland has typically been in the Helsinki Metropolitan Area.

In November 2018, Lehto announced it was planning to discontinue the Building Renovation service area and reorganise operations. In January 2019, the company announced that it had discontinued the service area as planned. Building renovation is being limited in our operations and the profitable plumbing renovation business was transferred to the Housing service area.

Comments from customers

“Lehto Business Premises offered various alternative solutions which enabled us to control the costs of the investment. The project progressed to schedule and met all our quality expectations. The project was efficiently managed from start to finish and our partnership with Lehto ran smoothly. Our new facilities support our business and help our company to succeed.”

Arno van Berlo

Senior Manager Group Property
DSV ROAD BV

“Mainiokoti Arwola, a care home for the elderly in Akaa, was completed right on schedule. Cooperation with Lehto went smoothly. The nicest part is that the tried-and-true concepts we and Lehto have come up with are replicated in all the projects we build. It’s important for us to know the exact price in advance. Likewise, it’s important that Lehto works under the principle of a single contract and takes on responsibility for the success of the entire project.”

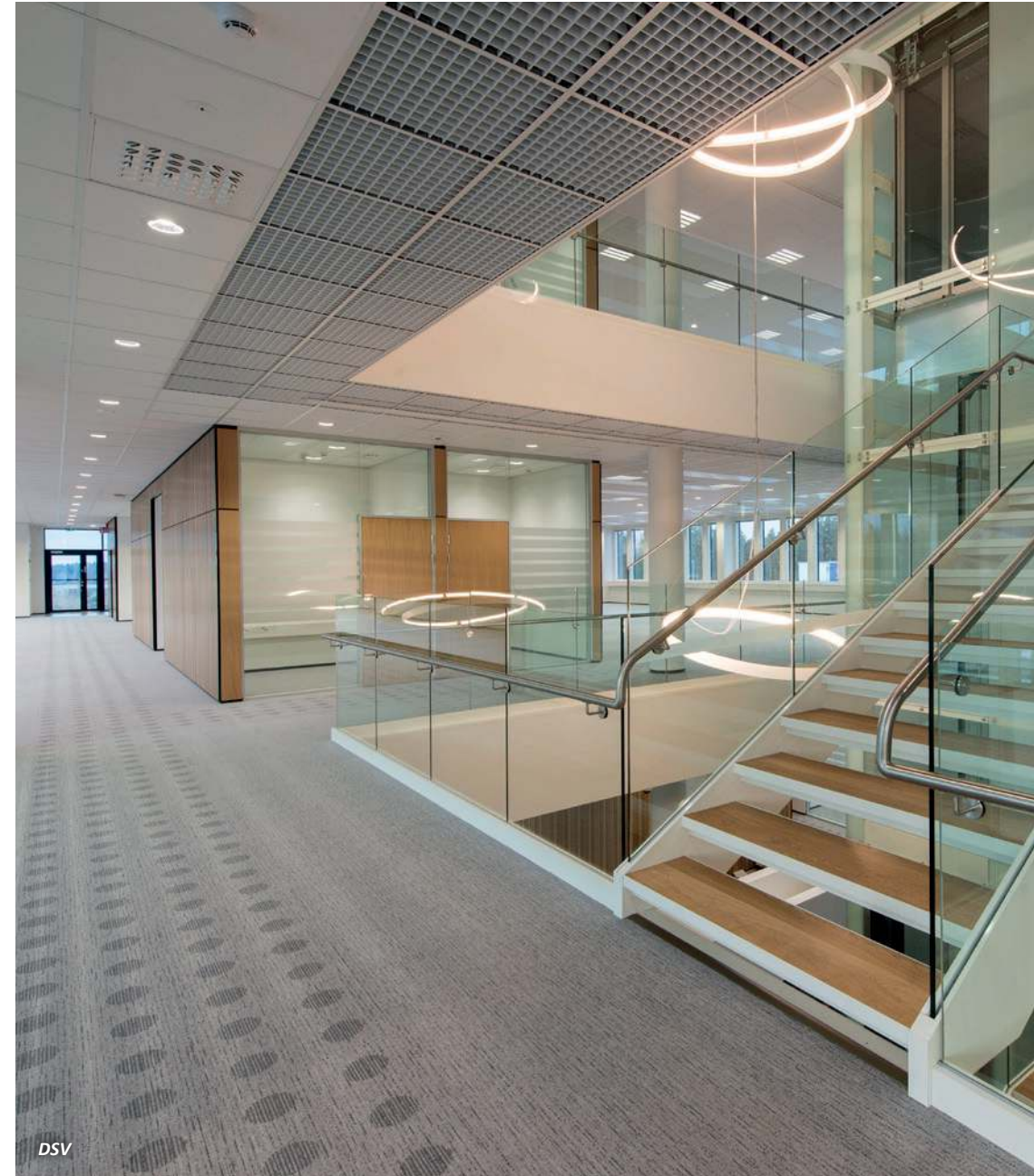
Janne Heikkilä

Project Manager
Hoiva Mehiläinen

“My friends recommended that I should buy my own home from Lehto. The price was reasonable and I’ve been satisfied with my new home. My main reason for choosing Lehto was all the details of the home — I got more for my money. During construction, they kept me updated about progress and everything went smoothly.”

Markus Bollström

homebuyer



References from 2018

We utilise 3D design, module production and automated in-house factory production in our projects to achieve cost-effective and precise production, and high customer satisfaction. We seek to maximise cost-effectiveness without compromising on quality.



Industrial manufacturing

Lehto is also transforming construction by harnessing the power of industrial prefabrication. We are transferring challenging phases of construction from sites to factories – indoors, where work is not at the mercy of the weather. Industrial prefabrication enables us to achieve cost and time benefits as well as to ensure quality from start to finish with our sustainable moisture-controlled chain.



Lehto's factory production

Lehto's factory production already employs over 400 persons in rural towns and areas facing regional policy challenges.

OULAINEN FACTORIES:

- Space elements for modular apartment buildings
- Fixtures: kitchens, bedroom closets, hallway closets, kitchen islands, bathroom fixtures (mirror cabinets, etc.)
- Windows and balcony doors
- Technical Studios for apartment buildings, kitchen-bathroom modules for care homes
- Concrete slabs for Technical Studios
- Concrete hallway elements

HARTOLA:

- Space elements for modular apartment buildings
- Space elements for daycare centres
- Space elements for schools

HUMPPILA:

- Large roof elements

II:

- Wooden wall elements
- Partition walls
- Wooden detachable elements

LUOHUA:

- Wooden wall elements
- Partition walls
- Wooden detachable elements

OULU:

- Building technology containers
- Plumbing elements for renovation
- The production will be transferred to Oulainen latest at April 2019



Products from our factories

KITCHEN AND BATHROOM MODULES

Kitchen and bathroom modules are mainly used in the construction of apartment buildings and care homes. The modules are manufactured under stringent quality control that ensures not only even quality, but also considerably better moisture control than in traditional construction. The use of modules also facilitates scheduling the construction site phase, which speeds up the completion of the properties and enables significant cost savings. The completed factory-made modules are lowered into the interior through the roof.

APARTMENT ELEMENTS

Lehto's apartment elements are completely finished apartments manufactured on the assembly line. The completed apartments are installed on the construction site on top of prebuilt foundations. This improves the quality of construction, ensures a moisture-controlled process and reduces the construction time on site by almost a half compared to traditional construction. Apartment elements can be used to build 2–4-storey small apartment buildings. Apartment elements are produced at the Oulainen and Hartola factories, for instance.

LARGE ROOF ELEMENTS

Lehto's large roof elements are manufactured at our Humpila factory. By using finished elements, we can install up to 1,500 m² of roof a day. Lehto's large roof elements come equipped with lines for sprinkler systems, electricity wiring and installation rails, for example, according to the customer's wishes.

BUILDING TECHNOLOGY CENTRES

Lehto's building technology centres contain complete ventilation machine rooms that include pre-installed ventilation equipment, a district heating distribution centre, building cooling equipment, a switchboard, and a central building automation controller. The building technology module can be added as a whole to the building, after which its systems are connected to the piping installed onsite. After connection and technical adjustments, the building technology is ready to use.

PLUMBING ELEMENTS

The plumbing elements developed by Lehto considerably speed up the implementation of plumbing renovations and bring savings on overall costs to housing companies. Our stylish plumbing elements are manufactured in our factory under carefully monitored conditions. The use of plumbing elements reduces the space needed for new pipelines and ensures both uniform quality and top-class leakage security. It also considerably reduces the logistic challenges of the renovation. The plumbing elements contain a wide range of prefabricated technology, such as heating, water, drain and electricity rises. A modern, easy-to-clean wall-hung toilet is also integrated into the element. In large pipeline renovation projects, the plumbing elements can be customised.

FIXTURES

At the end of 2018, Lehto was already one of the largest manufacturers of fixtures in Finland. We manufacture kitchens, bedroom and hallway closets, kitchen islands, and bathroom fixtures, for instance.



Did you know this about industrial prefabrication?

1. WE IMPROVE THE PRODUCTIVITY OF CONSTRUCTION

It's a well-known fact that the productivity of Finnish construction has not increased significantly during the past 40 or so years. Industrial prefabrication is one means of substantially improving productivity: construction is partly transferred from construction sites to dry indoor factory premises, from where the completed components are transported to the sites. Not only is it faster to manufacture components, elements and modules in a factory than at the site – but this also speeds up work on the site.

2. CUSTOMERS' WISHES DIRECT OUR FACTORIES

Did you think that a building that is partly made at a factory cannot be unique or have personality? Our customers' wishes direct our factories: for instance, they can choose the kitchen layout of their new apartment from a range of tried-and-true alternatives, the colours of interior walls, laminate or parquet, the colours of kitchen doors and the bathroom floor tiles. What's more, Lehto apartments already come complete with many high-quality details, such as a stone composite kitchen basin, wall-mounted toilet seat and top-notch integrated household appliances. Industrial prefabrication enables catering to customers' wishes with respect to the new building and quality, while also keeping the price at a reasonable level.

3. INDUSTRIAL PREFABRICATION IMPROVES QUALITY

Repeatability is one of the aspects of industrial manufacture that enhances quality. We rely on tried-and-true materials and work phases, which results in higher quality. In other words, we do not reinvent the wheel every time we build. We make use of good, proven solutions to benefit our customers. We do not think of buildings as "prototypes," unlike the traditional construction industry.

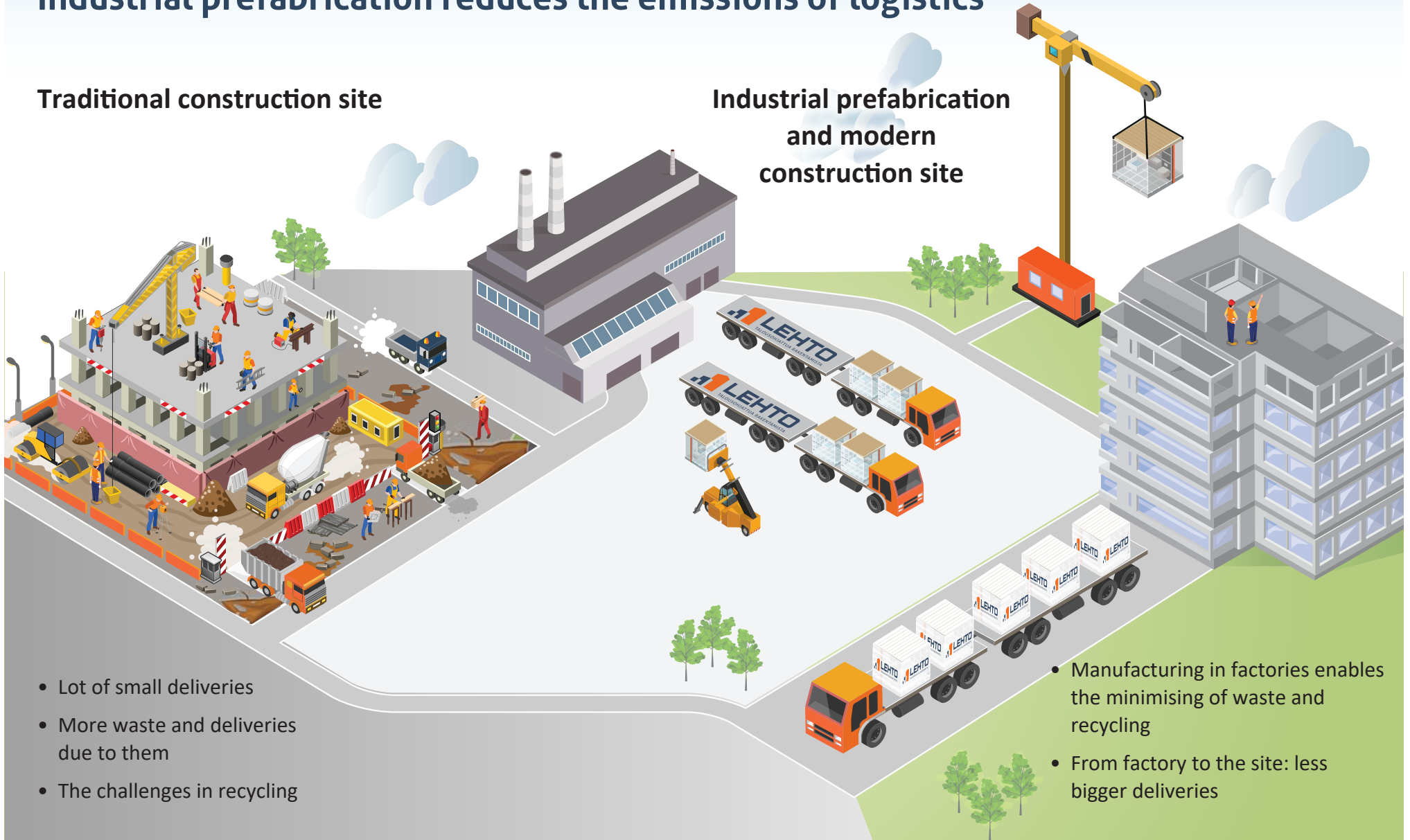
One of the cornerstones of quality in industrial prefabrication is our moisture-controlled chain, which improves on traditional construction methods: elements that were once built on-site at the mercy of the weather are now manufactured indoors. This ensures significantly better moisture control during construction.



Industrial prefabrication reduces the emissions of logistics

Traditional construction site

Industrial prefabrication and modern construction site



- Lot of small deliveries
- More waste and deliveries due to them
- The challenges in recycling

- Manufacturing in factories enables the minimising of waste and recycling
- From factory to the site: less bigger deliveries

Our employees

ROUGHLY about 49% of Lehto's personnel are salaried employees, and about 51% work on either construction sites or our factories.

We measured our employees' job satisfaction with an extensive personnel survey. The results show that we are rated AA according to People Power®, outperforming the Finnish general norm. The survey indicates that the company's strengths are its fair and equal treatment of employees and listening to personnel in decision-making. In addition, the respondents felt that senior executives are trustworthy and they also want to recommend Lehto as an employer, which is one of the key indicators of job satisfaction.



Lehto's growth strategy was also evident in the company's number of personnel and recruitments in 2018. Our Hartola factory had the greatest need for new employees. In a single recruitment drive in the summer, it hired about 30 new professionals for our innovative factory production. The personnel count at our Oulainen factory also grew in 2018. Another new production facility was opened in the autumn.

At the beginning of the year, we launched the Lehto Career Promise trainee programme for construction students to help them on their career paths. This also secures the personnel we will need in the years ahead and improves awareness of Lehto as an employer. During the review year, about 150 students worked at Lehto.

Lehto provided Management Academy training modules I and II for the second year running. The first training module is aimed all the Group's salaried employees, whereas the second coaching is attended by supervisors and project managers. The training dealt with the core of economically driven construction and provided supervisors with skills for their managerial work. We arranged labour market training at our Oulainen factory in cooperation with the local employment office. We invested in occupational safety training and launched occupational safety audits at more than eighty construction sites. In addition, Lehto wanted to respond to the shortage of information model experts, and opened its own LEKA Academy to meet this need.

Lehto through Lehto employees' eyes

At the end of 2018, we carried out a personnel survey to ask Lehto employees for their opinions about the company. Here are some of the answers we received.

"A good and solution-focused atmosphere. Things can get cramped at a growing company, but otherwise everything's all right."

"Lehto is a great workplace. Thanks to nice workmates and a relaxed atmosphere, the workdays are rewarding."

"We don't have too much bureaucracy. We can react quickly. And we have the boldness to act and do things differently."

"A flat hierarchy is a good thing. It gives you the courage to talk about issues, in spite of your position."

"We have an energetic and encouraging work community."

"The employer's financial outlook is good compared to its competitors."

"Lehto gives you the opportunity to develop in your job."

"You get the feeling that the company also cares about blue-collar workers."



"Humour is important to us, and so is taking care of others and ensuring that everyone can succeed in their work."



JENNI KEMPPAINEN, INFORMATION MODELLING COACHING COORDINATOR

"LEKA Academy coaching on the digitalisation of our construction process has been attended over 600 times by in-house personnel during the year. We ensure that coaching is as practical and tangible as possible. We've received plenty of positive feedback on it. In the LEKA team, we've noted that colleagues at Lehto are helpful and approachable. The mood is good and enthusiastic, which is essential for implementing digitalisation."



KAARLE TÖRRÖNEN, HR DIRECTOR

"I assumed the position of HR Director at Lehto after a 33-year career in the Defence Forces. Lehto has a good workplace atmosphere that we want to foster. We're also proud of our own work and Lehto as a company. The relationship between the working community and the employer is good. At Lehto, it's important to implement our strategy by, for instance, translating digitalisation into everyday language and activities: our employees are the most important engine of change."



TOM WARELIUS, PENSIONER

"As the Managing Director of Warecon, I joined Lehto in 2016. That's when I, at the age of 60, signed the very first employment contract in my life. I was very excited about this change, as 'innovator in the construction sector' is not just an advertising slogan – it's absolutely true. When I joined the company, I thought that every construction professional should come work here, and I still feel that way. During my career, I've worked with almost every single large construction company, so I know what I'm talking about. Lehto is a true pioneer in many areas of its business."



**PASI HAMUNEN,
PRODUCTION DIRECTOR,
LEHTO ASUNNOT OY**

"I joined Lehto in 2014 and have worked here ever since. The work is very varied and the days are exceptionally fun. Humour is important to us, and so is taking care of others and ensuring that everyone can succeed in their work. This is a stand-up group of people, funny and hardworking – good friends."



**SAMULI VIRLANDER,
LINE SUPERVISOR AND
TEAM LEADER, LEHTO
COMPONENTS OY**

"I've worked at the Hartola factory for seven years. After the factory was acquired, I've been with Lehto Components for about a year. I have 17 workmates – the employees of the balcony manufacturing point, the roof line and two wall lines. We have a good work atmosphere and transferring to Lehto Components has been positive in many ways, as we are constantly developing our operations. The best thing about this job is that you see your own handiwork."



Digitalisation

IN OUR STRATEGIC LEKA development project, we are digitalising our construction processes. The project started at the beginning of 2017 and since then digitalisation has been integrated into our operating model. All our projects started year 2018 are based on our BIM based workflow. We utilize building information management throughout our construction processes from design phases to construction and turnover. Thanks to our building information model (BIM) based workflow, people working in different roles can utilise up-to-date information during the entire project.

From the early beginning of a new project, we determine how to utilize BIM models in accordance with our economically driven operating model. We proactively manage design and production to ensure that information models can be utilised with optimal efficiency throughout our production chain. Our aim has been to produce high-quality BIM design models that correspond the constructed buildings and which can thus be further utilized in building lifecycle.

DEVELOPING BIM EXPERTISE

The project's core LEKA team grew to 10 people in 2018. In addition, each service area has their own BIM specialists. We aim to put expertise into practice as part of the day-to-day work of employees in all projects, taking the business and customer requirements of the service area into consideration.

The general challenge that has slowed down the adoption of digitalisation in the construction sector is the small number of BIM specialists. We have solved this problem by creating Lehto's own LEKA Academy coaching programme. About 600 people participated

LEKA Academy in it during 2018. LEKA Academy consists of basic coaching periods organised in cooperation with Metropolia University of Applied Sciences in addition to our own advanced coaching periods. With LEKA Academy, we have significantly increased our in-house level of BIM expertise.

ELECTRONIC BUILDING PERMIT PROCESSING

In 2018, we launched a pilot project for developing the BIM based building permit process together with the building control authorities of Vantaa, Järvenpää and Hyvinkää as part of the KIRA-digi project. This new approach to building permit processing is done straightforward by checking BIM models towards the Building Code ruleset. The aim of the pilot project was to enhance efficiency in building permit processing and reduce ambiguity – and in future, enabling a realtime 3D city model serving both construction companies as well as citizens and other parties.

INFORMATION AS PART OF THE VALUE CREATION OF PROPERTIES

We are enhancing the digital revolution in the construction industry by boldly overhauling traditional operating models. At Lehto, digitalisation does not mean simply transforming our current processes into a digital format – it means rethinking our whole production process and taking new co-operational methods into use. We are laying the groundwork for ensuring that the high-quality desing information created of our buildings can also be further utilized in our buildings' lifecycle. In future, the virtual information of a building will present a substantial part of the real estate's value creation.

Shares and shareholders

SHAREHOLDERS 31 DECEMBER 2018

	Number of shares	%
Lehto Invest Oy	21,685,216	37.2%
OP-Suomi	2,763,375	4.7%
Kinnunen Mikko	1,794,265	3.1%
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	1,252,440	2.2%
Saartoala Ari	862,007	1.5%
Myllymäki Asko	709,215	1.2%
Sr Danske Invest Suomi Yhteisöosake	676,965	1.2%
Heikkilä Jaakko	640,000	1.1%
Lunacon Oy	590,944	1.0%
Sr Säästöpankki Kotimaa	471,470	0.8%
10 LARGEST SHAREHOLDERS	31,445,897	54.0%
Nominee-registered	10,283,661	17.7%
Other shareholders	16,521,194	28.4%
TOTAL	58,250,752	100.0%

SHAREHOLDING BREAKDOWN

Shares	Number of shares	%
1 – 100 shares	289,403	0.5%
101 – 1,000 shares	3,546,937	6.1%
1,001 – 10,000 shares	4,719,567	8.1%
10,001 – 100,000 shares	3,318,729	5.7%
100,001 – 1,000,000 shares	8,955,656	15.4%
over 1,000,000 shares	37,420,460	64.2%
TOTAL	58,250,752	100.0%
where of Nominee-registered	10,283,661	17.7%

SHAREHOLDINGS BY SECTOR

	Number of shares	%
Companies	25,680,800	44.1%
Financial and insurance institutions	15,608,417	26.8%
Public sector organizations	1,764,453	3.0%
Households	14,689,760	25.2%
Non-profit organizations	174,832	0.3%
Foreign countries	332,490	0.6%
TOTAL	58,250,752	100.0%
where of Nominee-registered	10,283,661	17.7%

SHARE PERFORMANCE 2018



- Closing price of the share EUR 4.25
- Lowest rate during the review period EUR 4.02
- Highest rate during the review period EUR 14.18
- Trading 42 861 908 shares

Group management



HANNU LEHTO
CEO



VELI-PEKKA PALORANTA
Chief Financial Officer



ARTO TOLONEN
Chief Development Officer



PASI KOKKO
EVP, Housing



PEKKA KORKALA
EVP, Factory
Production



VILLE KETTUNEN
EVP, Social Care and
Educational Premises



JAAKKO HEIKKILÄ
EVP, Business
Premises



TIMO REINILUOTO
EVP, Business
Support Services

< PAGE 35 / 125 >



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