

KPY

KPY Cooperative

Enabler of success



# KPY briefly

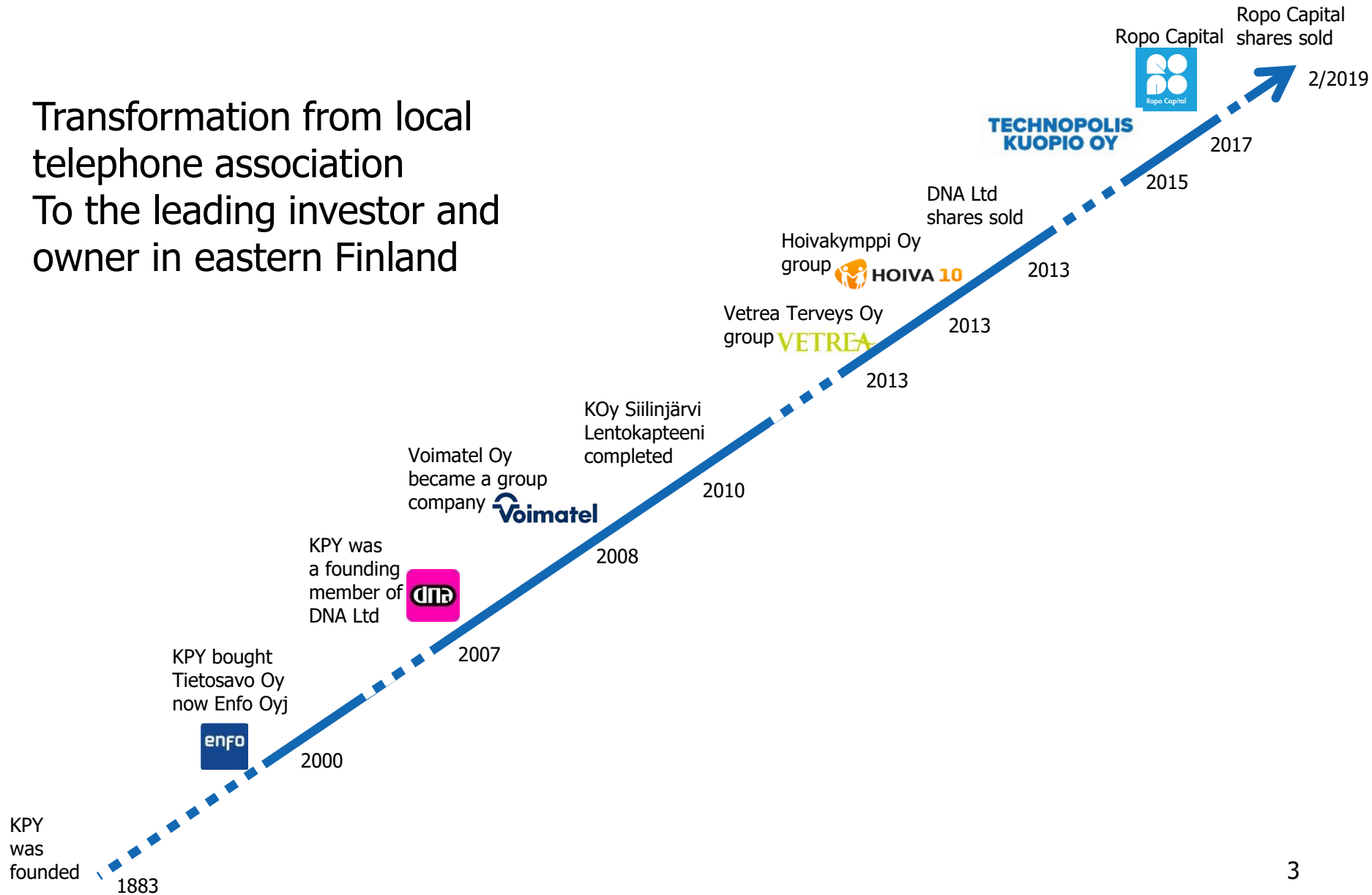


- KPY is a financially solid, long-term owner based in Kuopio
- The main holdings are majority owned Enfo, Voimatel and Vetrea and minority holding in Technopolis Kuopio
- The net sales of the KPY group amounted to approximately EUR 289 Million in 2018
- KPY has 20 000 owners
- Group personnel approx. 2 600 (12/2019)
- The share of the KPY is quoted in Privanet banking services (23.0 E/share, market capitalization 128 M € (1.5.2019))
- In recent years, KPY has paid a steady, about 6% annual interest of share

# KPY's growth story



Transformation from local telephone association  
To the leading investor and owner in eastern Finland

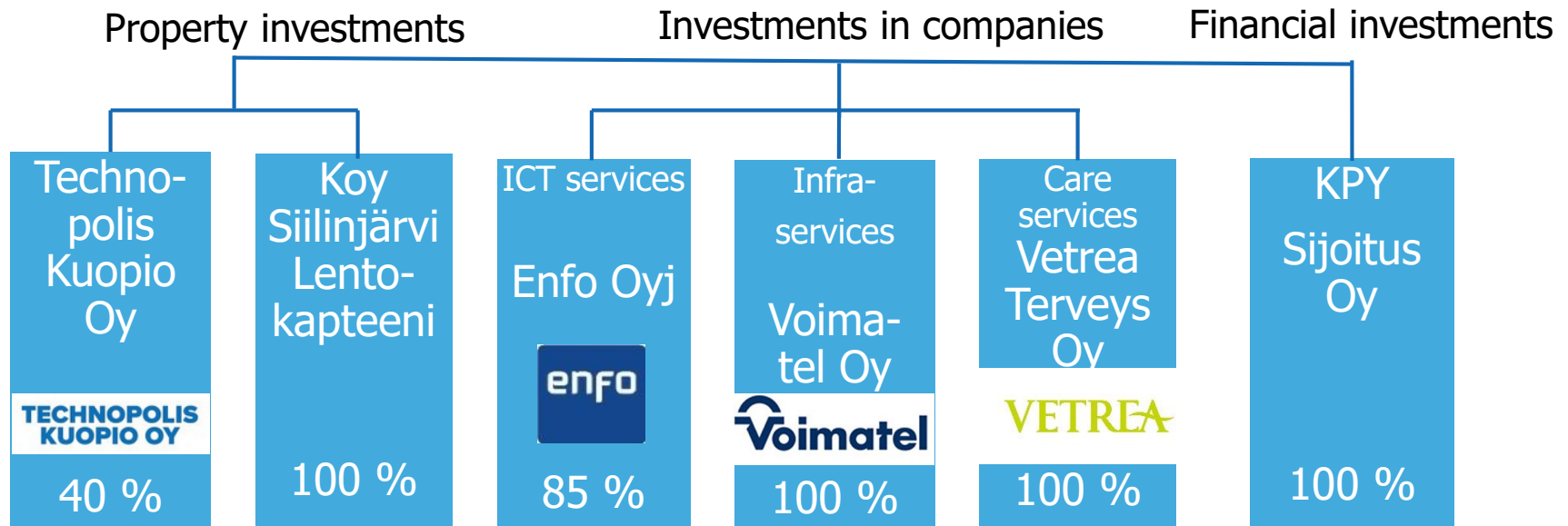


# KPY Cooperative –group

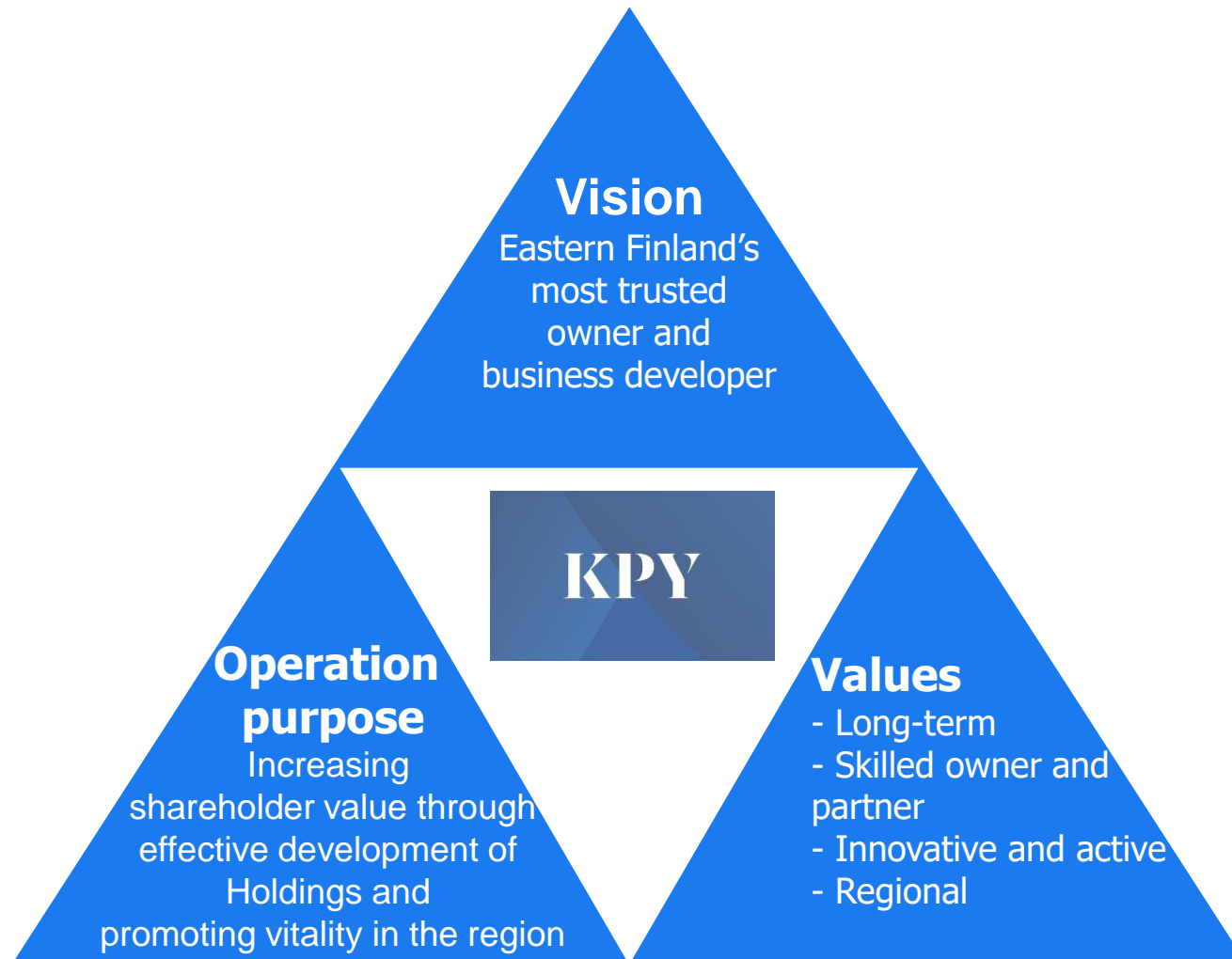
## 6/2019

KPY

## KPY Cooperative



# The purpose of KPY's operations, vision and values



# KPY values

- **Long-term, reliable and responsible performance maker**
  - We develop the business and shareholder value of our companies on a long-term basis
  - We act as a reliable partner in developing our ownership in close cooperation with other owners, key executives and stakeholders
- **Skilled owner and partner**
  - We are a good owner and partner, and we support our companies in profitable growth. We invest in high-quality board work and the development of staff skills, especially for senior management
- **Innovative and active**
  - We actively anticipate changes in the market or in other operating environments and act decisively but flexibly
  - We encourage our companies to open-minded business development
- **Regional**

We are a key operator and influencer in eastern Finland, both directly and through our networks. We create value and wellbeing for our owners and vitality in eastern Finland

# KPY strategic goals 2019 – 2023

- Our mission is to increase the interest of share on a long-term basis
- We seek profitable growth principally in the current sectors and from existing subsidiaries and synergic industries
- We actively develop our holdings and continuously assess their value creation options
- We assess new investment targets and consider expanding to new business sectors alone or with partners
- We create value by developing the business of our holdings, interest of share and through increased share valuation

# KPY seeks to profile itself clearly as a long-term and reliable owner

## The differentiating factors of KPY

Long-term

Regional

Cooperative form

Responsible and reliable

Flexible

- 135 years of operation
- Investments from own balance sheet without predetermined ownership duration
- Enables investments in both growing, stable, and profitable industries and businesses
- Emphasizing cash flow revenue
- Unique local knowledge and contacts to identify promising investment and growth opportunities
- A strong partner especially for companies that plan to expand their operations to eastern Finland or already operate in eastern Finland
- Ambition for effective development of holdings and the promotion of the vitality of the region;
- Enables using members for your benefit, for example as potential clients
- Emphasises responsibility in business decisions
- Aiming for sustainable long-term development
- A reliable and stable part-owner, as well as a partner for family-owned companies, financial and ownership arrangements in the public sector
- Flexible partnership opportunities in line with the company's development needs
- Minority and majority investment possible



# Investment strategy

Our investment strategy is not based on industry limits in principle, but on an active and open-minded search for business opportunities. In these situations, together with our highly capable management, we can develop shareholder value in a significant way

- We invest in Finnish companies with opportunities for sustainable value creation. For business development, it is important that the company has an able organisation, an attractive market position and opportunities for value creation in a stable or growing industry
- We are interested in majority and minority investing in companies with a turnover typically exceeding EUR 5 million. Our companies also make smaller acquisitions
- We require our companies reasonably predictable positive cash flow. We do not invest in loss-making businesses or businesses that require significant reorganization or structural engineering
- We invest mainly in companies that share a stable and growing dividend yield. We can also work in growth-oriented companies as an investor
- We believe in the benefits of long-term ownership and do not set goals for ownership duration. We do not make short-sighted decisions and we always use comprehensive decision making in addition to economic factors
- We make investments in Finnish infrastructure and property targets, taking into consideration the planned investment allocation
- Our infrastructure holdings can be both social and technical infrastructure. In the infrastructure areas, our investment size can be several tens of millions of euros
- Real estate investments we make primarily as extensions of Technopolis Kuopio

# Board of Directors and CEO 9.5.2019 -

KPY



**Tarja Tikkanen**  
Chairman of the Board  
Kuopio Region Breathing  
Foundation, CEO, deputy judge



**Mikko Isotalo**  
Member of the Board  
Lujatalo Oy, CEO, M.Sc., MBA



**Anssi Lehikoinen**  
Vice Chairman of the Board  
Chairman of the Board, Enfo Oy  
Chairman of the Board, Rocsole Oy  
Professor, PhD, M.Sc. (Tech.)



**Jukka Laakkonen**  
Member of the Board  
Chairman of the Board, Voimatel Oy  
Chairman of the Board, Hydroline Oy  
B. Eng.



**Jussi Holopainen**  
Member of the Board  
Vetrea Terveys Oy's  
Board Chairman  
MBA, pharmacist  
Board professional



**Mikko Räsänen**  
Member of the Board  
Ilmarinen Mutual Pension Insurance  
Company  
Senior portfolio manager, M.Sc.  
(Tech)



**Lauri Kerman**  
CEO  
MBA, eMBA

# KPY Cooperative group key figures

KPY

(mill. euros)	2018	2017	2016
Net sales	288,8	286,3	285,5
EBITDA	2,3	2,7	7,9
Net profit	-8,2	15,7	-3,8
Equity ratio	47 %	52 %	48 %
Balance sheet total	212,2	223,7	220,6
Personnel	2.561	2.493	2.153

# Investments in companies



Business operations	Market area	Net sales (2018)	Personnel	Management	KPY's ownership	Drivers of demand
<ul style="list-style-type: none"> <li>IT services</li> </ul>	Finland Sweden	126 million EUR	900	CEO Seppo Kuula	85 %	<ul style="list-style-type: none"> <li>Cloud services</li> <li>Data driven business development</li> <li>Integration</li> </ul>
<ul style="list-style-type: none"> <li>Electricity and Information network maintenance services</li> <li>Information network operations</li> </ul>	Finland, Baltics, Poland	125 million EUR	850	CEO Timo Rask	100 %	<ul style="list-style-type: none"> <li>Investment driven by legislation</li> <li>5G, data traffic growth, IoT</li> <li>Renewable energy</li> </ul>
<ul style="list-style-type: none"> <li>Care, housing, rehabilitation and home services</li> </ul>	Finland	38 million EUR	750	CEO Laura Airaksinen	100 %	<ul style="list-style-type: none"> <li>The care needs of special groups</li> <li>Ageing</li> </ul>



# Property investments

## Technopolis Kuopio Oy    Koy Lentokapteeni

Category	• Office space	• Office space
Rental area	• 67.000 m2	• 4.200 m2
Location	• Kuopio Savilahti*	• Near Kuopio Airport
Year of completion	• 2000 - 2015	• 2011
KPY's ownership	• 40 %	• 100 %

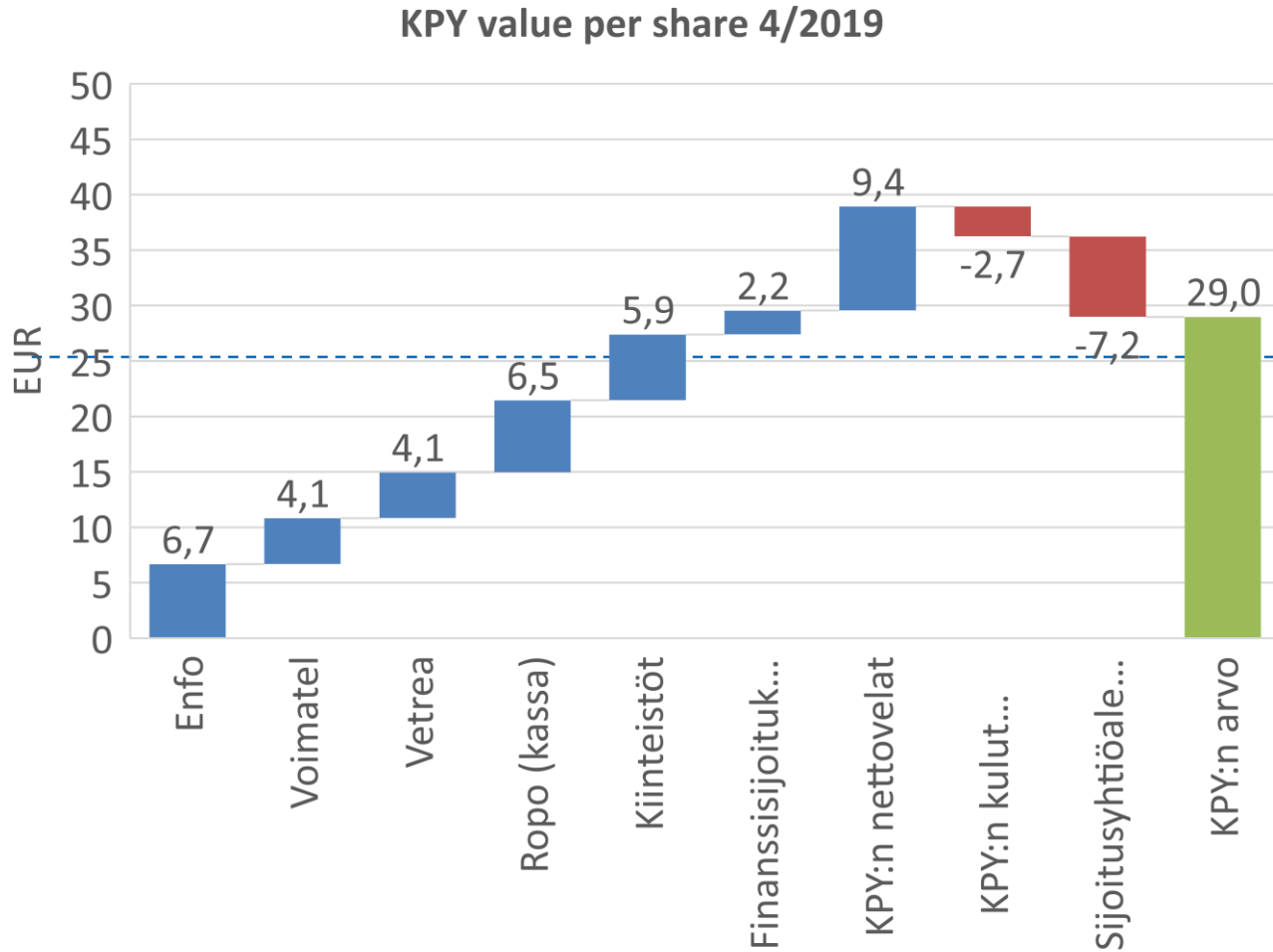
\* Near the University of Eastern Finland and Kuopio University Hospital



KPY's share

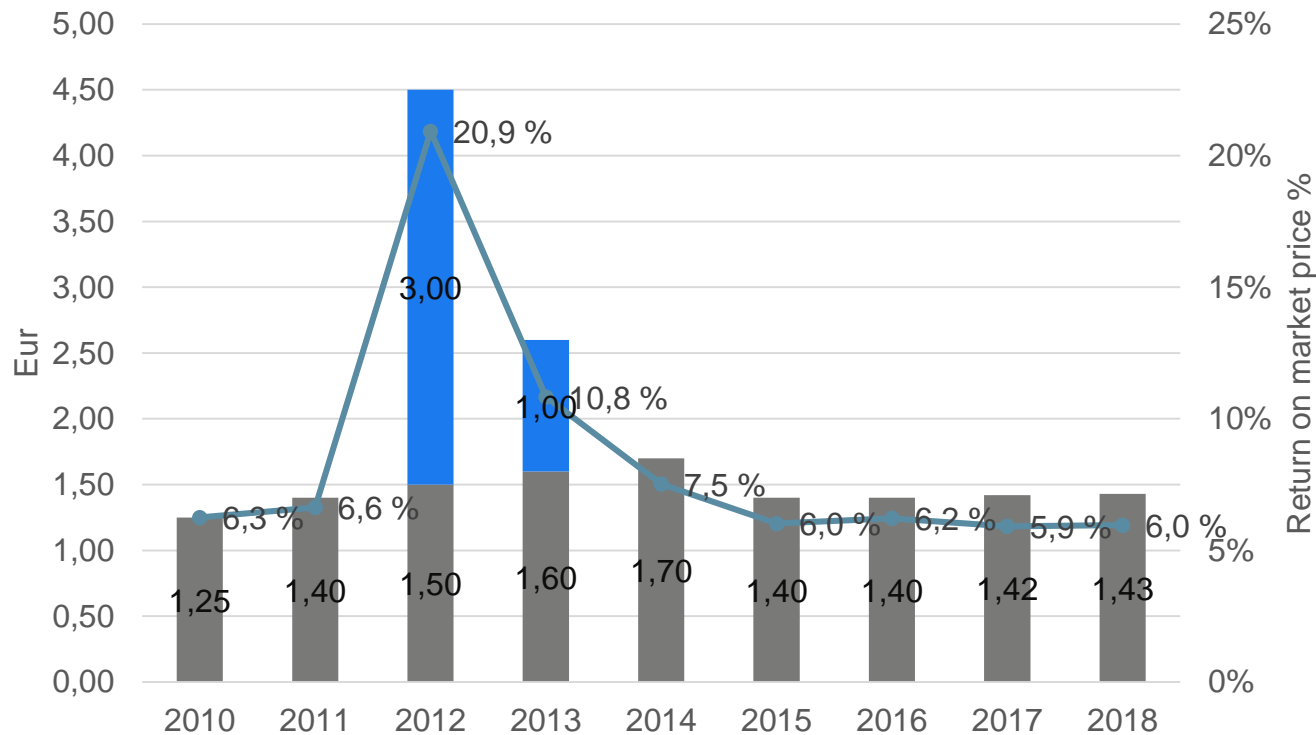
# According to the Inderes analysis the value of KPY share is 26 €

Source:  
Inderes  
04/2019



Quoted at  
Privanet  
23,00 eur  
(17.5.2019)

# Return on the KPY share 2010-18



The strategic goal of the KPY is to increase the shareholder value on a long-term basis



# Osuuskunta KPY as an investment

- Parent company Osuuskunta KPY is a cooperative owned by its members
- The number of shares outstanding is 5,548,102
- One vote per one owner
- In total 20,000 owners - majority of the shares owned by local private individuals and households
- Shares can be traded; trading prices are quoted by Privanet Securities Ltd and others
- An independent valuation professional concludes a value analysis of KPY's net asset value twice a year. The analysis is available on KPY website ([www.kpy.fi](http://www.kpy.fi))
- The highest decision making body is the representative council consisting of 30 members

# Major shareholders 5/2019

	Nimi	Määrä kpl	Määrä%
1.	ILMARINEN KESKINÄINEN ELÄKEVAKUUTUSYHTIÖ	761 900	13,7
2.	GÖSTA SERLACHIUKSEN TAIDESÄÄTIÖ	123 000	2,2
3.	MANDATUM HENKIVAKUUTUSOSAKEYHTIÖ	114 543	2,1
4.	FOCULUS OY	112 250	2,0
5.	KUOPION KAUPUNKI	103 510	1,9
6.	HYMY LAHTINEN OY	101 900	1,8
7.	LAKIASIAINTOIMISTO ASIAKASTURVA OY	88 804	1,6
8.	KARELIA FINLAND OY	80 100	1,4
9.	RAUTANEN TIMO JUHANI	77 481	1,4
10.	OLVI - SÄÄTIÖ	74 800	1,3
11.	SAVON KOULUTUSKUNTAYHTYMÄ	68 244	1,2
12.	VALTIOKONTTORI / SUOMI	60 200	1,1
13.	POUTIAINEN PEKKA	44 800	0,8
14.	PIISPA-PERÄLÄ HELENA GUN ELISABETH	40 100	0,7
15.	HANNU ISOTALO	31 400	0,6
16.	THOMINVEST OY	30 000	0,5
17.	RISSANEN TUOMO	27 535	0,5
18.	LEHIKONIN VELI JUHANI	27 100	0,5
19.	HENGITYSSAIRAUKSIEN TUTKIMUSSÄÄTIÖ, RUOTSIK	26 400	0,5
20.	HYVÄRINEN ARVO HEIKKI	25 489	0,5
	<b>TOP 20 yhteensä</b>	<b>2 019 556</b>	<b>36,4</b>
	Kaikki omistajat yhteensä	5 548 102	100,0



Enabler of success

For more information,  
visit [www.kpy.fi](http://www.kpy.fi) and 