



# Annual Review

2019



# The KWH Group had celebrated its 90<sup>th</sup> anniversary

The KWH Group has its roots in the timber trade in the 1920s and 1930s. Investments were subsequently made in fur animal breeding as well as plastic products such as expanded polystyrene, floor tiles, plastic pipes and plastic film. In the following decades, investments were made in what forms the basis of today's booming business; logistics in the 1950s, abrasives in the 1960s and water traps in the 1980s.

Over the years, we have invested in companies in attractive new markets and industries, and have also divested companies along the way. The KWH Group and its predecessors have never been afraid to renew. Our ability to constantly seize new opportunities and create customer value has meant that the KWH Group has developed over time into a diversified, international industrial group and service provider in the logistics industry.

The KWH Group today is a family company with strong roots in Ostrobothnia. Our industrial knowledge, our networks and our financial strength give us a solid foundation on which to build for the future.





# KWH Group – a family-owned growth company

## OPERATING PRINCIPLES

### **An industrial growth company**

- We are a knowledge company that focuses on expertise, professionalism and quality.
- We are a committed long-term owner aiming for growth in our businesses through our financial strength and industrial know-how.

### **Renewal through innovation**

- Our subsidiaries conduct internationally competitive, knowledge-intensive and service-oriented niche business. We achieve this through digitalization and both technical and commercial innovation.
- Our business is built around unique products and processes or a unique industry position. That gives us long-term competitive advantages.

## CORE VALUES

### **Customer first**

- Our goal is to create value and contribute to solutions for our customers

### **Innovative solutions**

- Our subsidiaries are know-how leaders in their lines of business
- We have the ambition to become best-in-class in our main processes
- We continuously seek and develop new business opportunities

### **Committed employees**

- We focus on well-being, motivation and creativity
- We give all employees the opportunity to fulfil their potential

### **Sustainable business**

- We run our businesses in a responsible, long-term and sustainable manner

### **Effective risk management**

- Our renewal is based on financial strength and well-balanced risks



## KWH Group at glance

### **Mirka**

Manufactures abrasives, polishing compounds, grinding machines and accessories and offers solutions for surface finishing and precision industry.

Has 18 subsidiaries and 4 branch offices around the world. Production in Finland, Italy and Belgium. About 97 % of the products are exported and sold in over 100 countries.

### **KWH Logistics**

**Cold Storage** (KWH Freeze Ltd): Cold and chilled storage facilities in Vantaa and Inkoo.

**Port Logistics, Freight Forwarding and Industrial Services:** Port operations, transport, storage, in-plant service logistics, stevedoring and global logistics solutions for export industry and trade.

### **KWH Invest**

**Prevex:** One of Europe's leading manufacturers of water traps. Specialises in functional and space saving water traps for kitchen and bathrooms. Factory in Uusikaarlepyy, Finland and in Poznan, Poland. Exports 90% of its produce.

**Strategic holdings:** Uponor Infra Ltd, share of ownership 45%, production of various plastic pipe systems.

# A good foundation for future growth

**W**orld trade growth remains weak on account of trade conflicts, the economic situation and the structural changes taking place in sectors such as the automotive industry. The corona virus is also beginning to leave its mark on the world economy. At present, a larger and uncontrolled spread of the corona virus occurs even in other regions outside China. This will lead to increased global uncertainty, resulting in reduced world trade. KWH Group has already taken measures to ensure the health and safety of employees, while other measures are being taken to reduce disruptions in operations.

Growth in Finland is continuing to fall in 2020. In addition, this year's pay negotiations have led to strikes, with the resulting negative impact on the Finnish economy and its businesses. The spread of the coronavirus and possible quarantine measures will also lead to a sharp decline in growth in the Finnish economy.

We set some challenging growth targets ahead of 2019. Considering the development of the world economy during the year, we can be satisfied to have achieved growth of 2%. The low growth led to lower profit than in 2018. We are now carefully following developments on our markets to make adjustments if the rate of growth slows any further.

Investments during the year were a record EUR 135 million (of which EUR 34 million is caused by IFRS16). 2019 was a year in which we grasped many new business opportunities and built the foundation for good growth in the years to come. As some of the investments will be completed in 2020, this year's investments will also be high. Despite these major investments, we are financially strong.

## **Adaptations to changes in the business environment**

The KWH Group reached the respectable age of 90 in August, which we celebrated with our anniversary book "KWH 90 years – The Constant Change". The book describes the secret behind KWH's success, for example, its ability to adapt to changes in the business environment and plan in the long term.

We should continue to adapt to changes in the business environment today. We anticipate major waves of changes as a result of digitalisation and commercial and technical developments. Digitalisation creates opportunities for new business models, working methods, collaboration opportunities and solutions for us and our partners. Consequently, we will continue to focus on various digital solutions to meet our customers' needs.



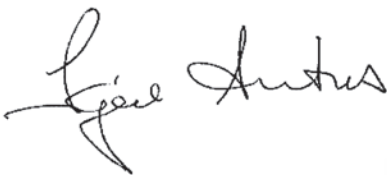
## **An internationally successful family company**

We want to create growth, stability and confidence in the future in our business with the aim of being an internationally successful family company. Our core values are based on very close collaboration with our customers to create innovative new solutions with them. We conduct our business in an economically, environmentally and socially responsible, long-term, sustainable manner.

The success of the KWH Group is based on our committed employees. We therefore want to offer a sustainable, attractive workplace where our employees feel that they can make a contribution and develop based on our business principles and our core values.

During the past year, we increased the resources for the HR departments in all our business groups. We will also continue to invest in our employees' skills by offering a range of further training opportunities. Our organisation continues to grow, and the number of employees increased by 168 on average during the year. At the year-end, KWH had 2,383 employees.

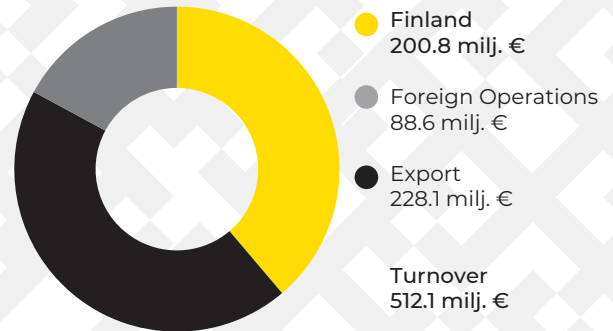
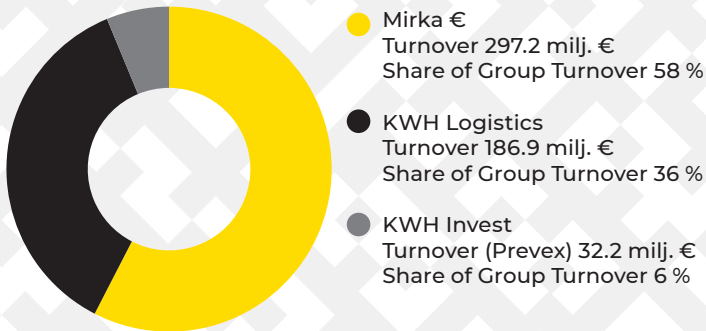
The continued spread of the corona virus will have far-reaching consequences for world trade. Therefore, we expect a more uncertain market situation and profitability development in 2020.



Kjell Antus, Group president



### Turnover



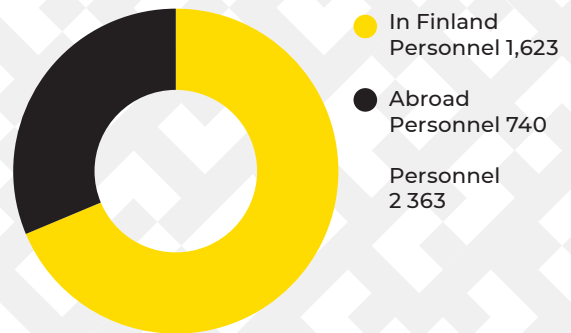
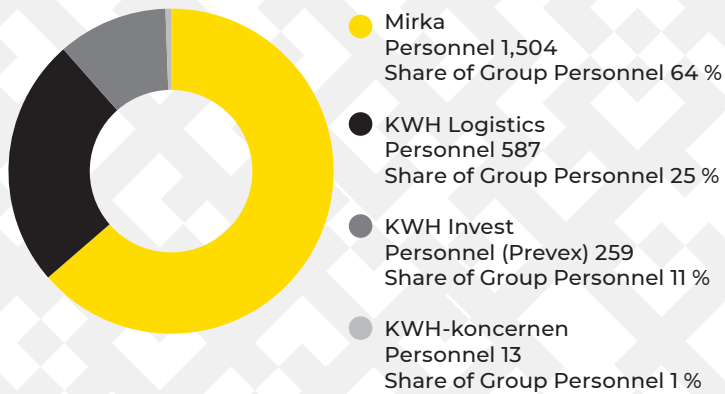
### Turnover and profit MEUR

Equity Ratio 78 %

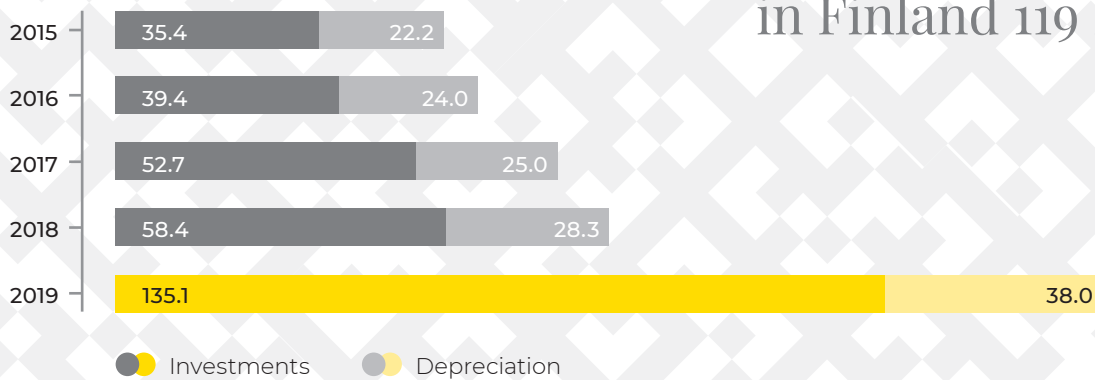




## Personnel



## Investments and depreciation MEUR



Investments  
in Finland 119 M€

	2019	2018	2017	2016	2015
<b>Consolidated income statement, MEUR</b>					
Turnover					
Finland	200.8	199.0	174.5	141.8	126.9
Exports from Finland	228.1	219.9	212.4	189.1	173.9
Foreign Operations	88.6	88.0	82.7	68.4	67.6
Total	512.1	501.9	465.0	394.7	364.4
Salaries, Wages and Social Charges	141.1	129.4	113.8	98.7	97.1
Depreciation and Impairment	38.0	28.3	25.0	24.0	22.2
Operating Profit	45.4	66.9	63.0	48.1	40.1
Financing Items	1.0	1.9	3.5	1.1	2.1
Profit before Taxes	44.4	64.9	59.4	47.1	38.1
Taxes according to the Income Statement	9.1	11.5	11.5	10.7	8.7
Profit for the Financial Year	35.3	53.5	47.9	36.3	29.4
<b>Consolidated balance sheet, MEUR</b>					
Non-current Assets	439.1	341.0	323.0	290.8	277.4
Inventories	59.3	56.1	50.2	46.0	46.3
Receivables	75.4	75.4	72.9	57.3	54.1
Cash in Hand and at Bank	75.7	112.8	95.2	94.9	75.5
Shareholders' Equity	507.1	483.5	438.8	396.9	367.4
Liabilities	143.3	101.8	102.5	92.1	85.9
Net interest-bearing Liabilities	-26.0	-95.0	-76.5	-73.5	-54.0
Balance Sheet Total	649.4	585.3	541.3	489	453.3
<b>Ratios, %</b>					
Change in Turnover	2	8	18	8	0
Exports and Foreign Operations	62	61	63	65	66
Share of Group Turnover					
Mirka	58	57	58	61	64
KWH Logistics	36	37	35	33	31
KWH Invest and others	6	6	8	7	5
Return on Capital Employed	9	14	14	12	10
Return on Shareholders' Equity	7	12	12	10	8
Equity Ratio	78	83	81	81	81
Gearing	-5	-20	-17	-19	-15
<b>Other information</b>					
Gros Investments, MEUR	135.1	58.4	52.7	39.4	35.4
Net Investments, MEUR	133.6	57.8	52.4	37.4	34.7
Average Number of Personnel	2,363	2,195	1,926	1,729	1,652
of which abroad	740	726	596	477	412
Turnover per Employee, EUR 1.000	217	229	241	228	221

### Calculation of financial ratios

#### RETURN ON CAPITAL EMPLOYED

$\frac{\text{profit before taxes} + \text{interest and other financial expenses} \times 100}{\text{balance sheet total} - \text{non-interest-bearing liabilities in average}}$

#### RETURN ON SHAREHOLDERS' EQUITY

$\frac{\text{net profit} \times 100}{\text{shareholders' equity in average}}$

#### EQUITY RATIO

$\frac{\text{shareholders' equity} \times 100}{\text{balance sheet total} - \text{advances received}}$

#### GEARING

$\frac{\text{interest-bearing liabilities} - \text{cash in hand and at bank} \times 100}{\text{shareholders' equity}}$



**512**

million EUR  
turnover 2019



**97**

percent  
Mirkas export



**100%**

renewable energy  
used at PreveX factory  
in Nykarleby



**13,1**

million tonnes of  
goods handled  
in the ports



**96**

million EUR  
investments by  
KWH Logistics



Piritta Sillanpää  
Stevedore

Mathias Maris  
Supervisor

Kjell Nykvist  
Terminal worker

The KWH Group has almost 2400 employees globally. Committed employees is one of our key success factors.



**Laura Peltoniemi**  
Freight Forwarder

**Johan Smedjebacka**  
Key Account Manager

Enjoying work is essential to feeling good and doing a good job. That is why we emphasize leadership, community and personal development.









# Mirka

## Investments in sanding machines and a new digital platform

**M**irka offers a broad range of ground-breaking sanding solutions for surface finishing and precision sanding. As the inventor of dust-free sanding, Mirka is able to offer total solutions in which sanding materials are supplemented by innovatively designed machines and polishing agents.

This is something that not all competitors can offer, and it has helped Mirka achieve its current position as a global technology leader. Mirka's other success factors are a corporate culture characterised by a desire and ability to constantly develop and a large global sales network.

### **Growth despite a challenging market**

In 2019, the world was at the end of a historically long economic boom. At the same time, there was great political instability with the threat of a trade war. The automotive industry itself was at a turning point, with strong demand from politicians and the public to develop electric and green models.

All of these events on the macro level mean that the market situation is more challenging for Mirka today than it has been for a long time. There are more uncertainties than before and it is harder to anticipate the inflow of orders. Many customers and distributors are cautious on account of global uncertainty.

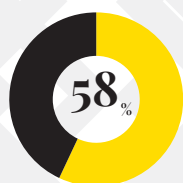
Despite the challenges, Mirka still managed to grow in 2019, although the growth was lower than before. To some extent, Mirka is protected from economic fluctuations as the company operates on many different geographical markets. There is also great variation between customer segments. Therefore, Mirka's business model provides a certain amount of stability in an uncertain world.

### **Sanding machines gaining ground**

One reason why Mirka succeeded in growing last year despite the challenging global situation is that the company's sanding machines are in high demand. Mirka began making sanding machines just ten years ago, but the machines already account for a significant percentage of all sales.

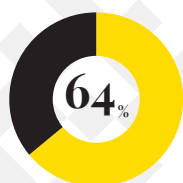
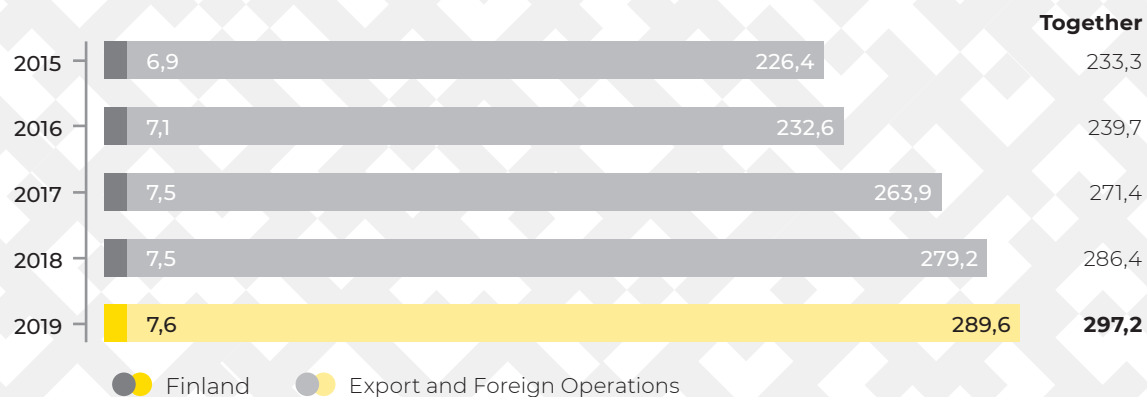


# Mirka key figures



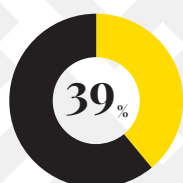
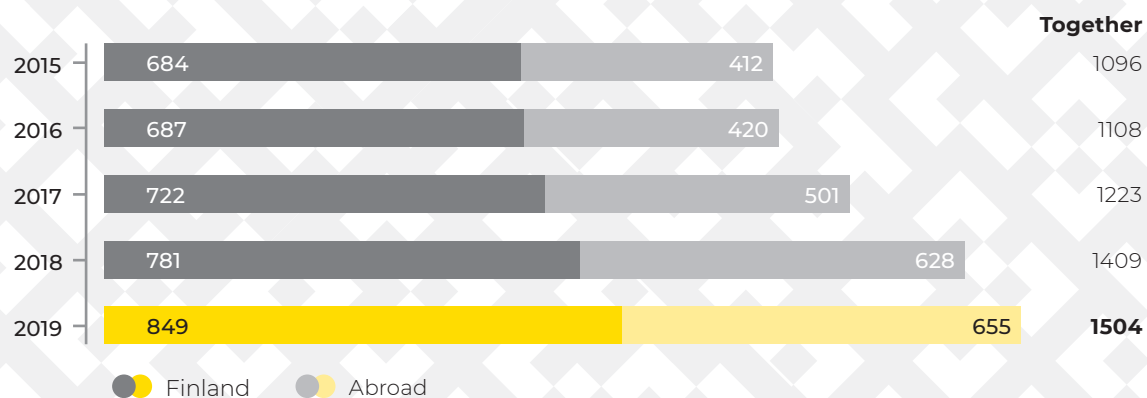
Share of Group  
Turnover

## Turnover MEUR



Share of Group  
Personnel

## Personnel



Share of Group  
Capital Employed

## Investments MEUR







**Stefan Sjöberg**  
CEO

**Olav Hellman**  
CFO

**Theo Sakalis**  
VP sales, precision industry

**Joachim Rännar**  
Operations Director



**Nina Nyman**  
Marketing Director

**Simon Bloxham**  
VP sales, surface finishing

**Jan Torkulla**  
Production Director

**Mats Sundell**  
R&D Director, Deputy Chief Executive

---

”The construction of the platform is a huge project that will take Mirka far into the future. The platform provides infrastructure for the entire customer journey.”

The secret of the success is that, using patented technology, Mirka can make strong, light machines that provide superior ergonomics and sanding results. Mirka is also able to offer customers its machines and sanding materials as total solutions, which optimises the final sanding results. This is a clear advantage over competitors that are primarily machine manufacturers.

New battery-powered machines were launched in 2019, as well as Mirka’s first robotic sanding machine called AIROS. The previous machine models are also still selling well. The machines are made in Finland to ensure quality and avoid product piracy. Over the years, they have won many prizes for their design and ergonomics.

### **A new digital platform takes Mirka into the future**

Mirka is convinced that digitalisation will take full effect in industrial sales and distribution as well. Customers’ purchasing behaviour is changing as digitalisation brings new purchasing channels and traditional resellers disappear.

To prepare itself for this development, Mirka began an extensive project to build up a digital platform. The idea of the platform is that it should support and provide infrastructure for the entire customer journey.

The platform will make it possible to find more potential customers, and also to sell more to existing customers. It will also be an important tool for Mirka’s distributors worldwide, while, for customers, it will mean a great improvement to the customer experience. The construction of the platform is a huge project that will take Mirka far into the future.

### **Mirka takes responsibility for the environment and the local community**

Mirka has taken an ambitious approach to the environment for many years, and the company has been a pioneer in the industry on environmental issues. Mirka’s largest production plant, its factory in Jepua, has been fossil-free for several years now.

Nevertheless, sustainability means more than ceasing to use fossil energy. Mirka’s operations are also sustainable in that they sustain the local rural community. One of Mirka’s principles is always, where possible, to buy goods and services locally in the region of Ostrobothnia or in Finland. Just over 20% of purchases are made locally, and 40% in the country of operations. As goods are transported shorter distances contributes to also a better environment.

### **Focus on health issues and staff well-being**

Mirka has with its European industry colleagues taken the initiative for SEAM (Sustainable European Abrasive Manufactures) programme, which was launched in early 2020. The idea is to broadcast the message that sanding products made in Europe meet high standards in terms of the environment, health and safety, and are therefore high-quality products.

For Mirka, the company that invented dust-free sanding, these things have been a matter of course for many years. In the years to come, health issues will feature increasingly in Mirka’s communication and marketing.

In 2019, Mirka opened a new office in Vaasa. It is designed for a modern way of working in an open, pleasant working environment. In addition, work to enhance health and safety in all of Mirka’s factories continues.







# KWH Logistics

## Record investments



**K**WH Logistics is Finland's biggest port operator and the leader in Russian transit traffic. The Group also operates in a number of other logistics areas.

KWH Logistics grew fast throughout the past decade. The driving factors behind the growth were restructuring in the sector, the outsourcing trend in the industry and higher flows of goods through Finland.

In 2019, KWH Logistics invested more in one year than ever before. The record investments amounted to a total of EUR 96 million (of which EUR 18 million caused by IFRS16). The new investments consolidate KWH Logistics' position as the Finnish port operator with by far the highest geographical coverage. Via its subsidiaries, KWH Logistics operates in all deep-water ports in Finland.

The growth in sales was more moderate in 2019 than in

previous years. However, it is already clear that the investments pave the way for considerably higher sales in 2020 and, above all, in 2021.

### Establishment in new ports

The single biggest investment (tens of millions of EUR) was in a system for bulk handling. Construction began in 2019 in the deep-water port of Tahkoluoto in Pori. The subsidiary Rauanheimo will start using the system in summer 2020. The system permits environmentally friendly, dust-free bulk handling using covered conveyors and electric power.

Another major investment was made in Koverhar Port in Hanko, where Rauanheimo began operating in December 2019. Koverhar is an old industrial port which is now being converted for commercial use.

”The new investments consolidate KWH Logistics’ position as the Finnish port operator with by far the highest geographical coverage.”



**Mona Andersson-Kuorikoski**

HR Director,  
KWH Logistics

**Hannu Uusi-Pohjola**

Head of Division  
CEO, Backman-Trummer

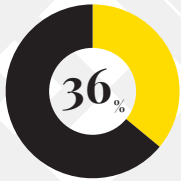
**Joakim Laxåback**

Managing Director,  
M. Rauanheimo, Adolf Lahti  
Yxpila, Otto Rodén, A. Jalander &  
Kiinteistö Oy Port Handling

**Bernt Björkholm**

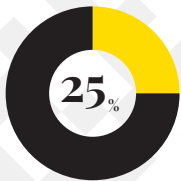
Managing Director,  
Blomberg Stevedoring &  
Blomberg Rent  
Director, Freight Forwarding

# KWH Logistics key figures



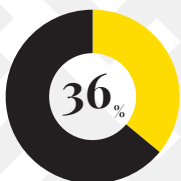
Share of Group  
Turnover

## Turnover MEUR



Share of Group  
Personnel

## Personnel



Share of Group  
Capital Employed

## Investments MEUR





**Markku Mäkipere**  
 Managing Director,  
 Stevena & Moonway  
 Marketing Director,  
 KWH Logistics

**Peter Lång**  
 Managing Director,  
 KWH Freeze

**Vesa Peltola**  
 ICT Director,  
 KWH Logistics

**Anders Back**  
 Financial Director,  
 KWH Logistics

Yet another major investment began in Mussalo in Kotka in 2019, where Rauanheimo is investing in an expansion of bulk handling and storage. The new stores and lines will be taken into use in August 2020.

The subsidiary Blomberg Stevedoring also invested in new buildings in the port area in Vaasa, where there were major changes in 2019 on account of Wärtsilä's new construction right next to the port.

### **Brand renewal shows the size of the company**

As KWH Logistics' brand image had not kept pace with its rapid growth in recent years, a process began to renew the brand. In 2019, all subsidiaries in the Group were given the same visual identity to create a more uniform external image. Another underlying idea with the brand renewal was to give the parent a stronger profile as the Group was previously known primarily via its subsidiaries. It was also decided to use the marketing name KWH Logistics for the entire Group. The new brand image was given a high-profile presentation at the transport and logistics fair in Helsinki in May 2019.

In addition to the logo and visual profile, the brand renewal process also involved the development of new messages for the company. KWH Logistics' brand promise is that it creates smart total logistics solutions that improve customer competitiveness. A customer survey carried out in connection with the brand renewal clearly showed that KWH Logistics' biggest competitive advantage is its strong investment capacity.

### **Investments in HR and sustainability**

The growth of the Group has meant that KWH Logistics also has invested more in support functions. The HR department was expanded in early 2019, and a new intranet is being introduced throughout the Group to improve information flow. Several other digitalization projects are also under way.

Sustainability issues flew up the agenda worldwide in 2019. KWH Logistics also considered sustainability issues and the opportunities for using more biofuels and electric machines. Some electric machines are already in use, but the transition will take time and require investments in infrastructure at the ports.



## Continued strong demand for frozen storage capacity

KWH Freeze, which is part of the Group, is by far the biggest frozen storage operator in Finland. The whole of 2019 was characterised by the same strong growth for KWH Freeze as in 2018. The growth is partly a consequence of Finns eating more frozen food but is primarily due to the restructuring in the food industry.

In early 2020, KWH Freeze started using an 8,000 square metre extension to the company's freezer store in Vantaa. However, demand and occupancy are so high that, even before the new extension had been completed, the company decided to start a new one. The new 6,000 square metre extension will enter use in 2020. KWH Freeze has also prepared for further future growth by buying land next to the store in Vantaa.

## Stable for other subsidiaries

The future looks stable for other subsidiaries. Stevena successfully enhanced its presence in Hanko, Uusikaupunki and Naantali. In Naantali, new operations were acquired to support continued growth and consolidate Stevena's position in the port. Blomberg Stevedoring, with operations in Vaasa, Kalajoki and Kristiinankaupunki, also enjoyed strong growth at all its locations.

In the Industrial Service segment, Adolf Lahti continued to grow. The company, which has specialized in logistics solutions for industry, began operating in two new locations in 2019; Kärkölä and Heinola.

The machine hire company Vaasa Stevedoring changed its name to Blomberg Rent.

In the International Transport segment, or Freight Forwarding unit, the freight forwarder Backman-Trummer and the bulk container company Moonway demonstrated moderate but stable growth.



## KWH Logistics consists of four business units

### Cold Storage

Handling and storage of frozen and chilled foods.

### Port Logistics

Stevedoring, port operations and logistics solutions for bulk cargo, general cargo and heavy project loads.

### Freight Forwarding

International transports and global logistics solutions by different modes of transportation.

### Industrial Services

Handling, storage, and transport of goods, construction excavation, workshop for heavy machinery, in-plant service logistics and other related operations together with rental of small machinery and scaffolding





# Prevex

**Focus on sustainable energy  
and more efficient management**

---

**P**revex is one of the few companies worldwide specialising in water traps. The company is able to operate in such a narrow niche segment because the KWH Group looks at all its subsidiaries as a whole, and the overall risk diversification in the Group is therefore at an acceptable level. Working with its customers, Prevez develops flexible water traps for kitchens and bathrooms that are easy to install and clean.

Prevez has been growing fast for many years, with the result that not all processes in the company have kept pace with developments. The company began a thorough update of its processes in 2018, and a new ERP system was taken into use in 2019.

### **Fact-based decisions**

With the new ERP system as a platform, Prevez is working hard to improve the availability of facts for decision-making. This entails systematically building up a more efficient

data collection from various sources to permit decisions to be based on real, reliable figures.

The new way of working offers opportunities for more efficient management of production and sales and has already resulted in improved stock-keeping and production logistics. The work also makes it possible to integrate the production plants in Poland and Finland.

### **HR and participation**

Prevez has also taken a closer look at HR issues. The HR department has been strengthened, and the new office being built in Nykarleby will offer employees an open, pleasant working environment.

Prevez is also working to change its corporate culture. In 2019, it drew up a new set of company values with an emphasis on participation and shared understanding. The new values are honesty, respect and commitment. The role of supervisors has been enhanced, and they have greater support to permit delegation of decision-making.



**Marko Nylund**  
CEO, Prevez Group

**Marcin Kowalski**  
CEO, Prevez Poland

**Camilla Wikman**  
CMO, Prevez Group

**Krystian Kryskowiak**  
Chief Purchase and Logistics  
Manager, Prevez Poland



## Sustainable materials and renewable energy

Prevox works intensively on sustainability issues with its customers and suppliers. In 2019, the company took a huge step forward in this area when the factory in Nykarleby, Finland, switched to using 100% renewable energy. The power is generated by hydropower, while district heating is produced with biofuels.

A decision has also been made to install solar cells on the roof of the factory in 2020. Heat pump solutions are also planned and will reduce the company's energy consumption.

Sustainability has also become a priority in product development. To reduce its carbon footprint, Prevox has begun looking into alternative raw materials for its water traps, which are traditionally made of plastic. The greatest emphasis is on making the packaging for water traps greener.

”In 2019, Prevox took a huge step forward in this area when the factory in Finland, switched to 100% renewable energy.”



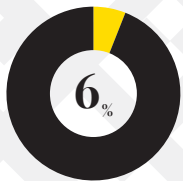
**Filip Jankowski**  
Sales Director,  
Continental Europe

**Peter Engstrand**  
Sales Director,  
Nordic countries

**Thomas Nyström**  
CFO, Prevox Group

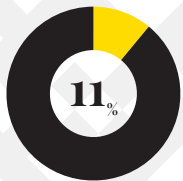
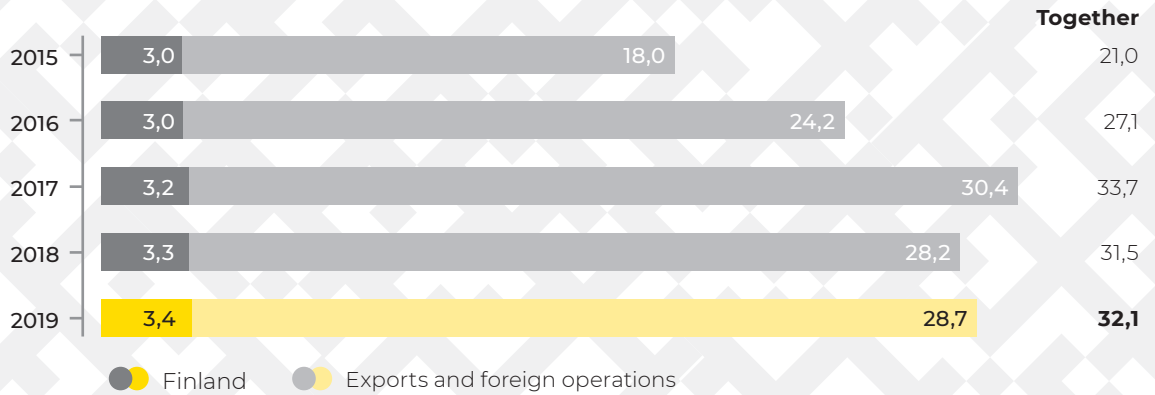
**Petter Lingonblad**  
Executive Vice President,  
Prevox Finland

# Prevex key figures



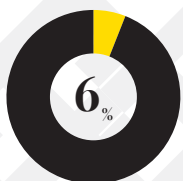
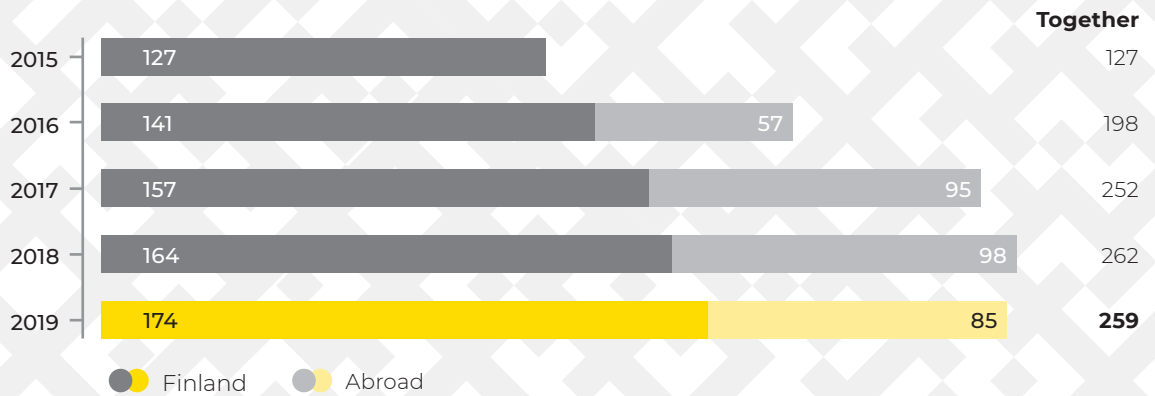
Share of Group Turnover

## Turnover MEUR



Share of Group Personnel

## Personnel



Share of Group Capital Employed

## Investments MEUR





# Uponor Infra

On 1 July 2013, Uponor Infra Oy began trading, with the merger of the infrastructure solution business units of the KWH Group and Uponor Oyj. Uponor is Uponor Infra Oy's majority shareholder (55.3%), and Uponor Infra Oy is consolidated in Uponor as the infrastructure segment. The KWH Group owns 44.7 % of shares.

The Company's sales amounted to EUR 243.9 (337.4) million. A large part of the decline is due to the North Ameri-

can operations being sold in the autumn of 2018. Uponor Infra continued the successful execution of its profitability improvement strategy, which also had a negative impact on net sales.

The general economic situation has affected demand in Uponor Infra's most important markets. Overall demand in the main markets is expected to be stable in the coming years.



# Consolidated income statement

EUR 1,000	1.1-31.12.2019	1.1-31.12.2018
<b>Turnover</b>	512,146	501,912
Other operating income	3,237	1,715
Change in inventories of finished goods and work in progress	1,422	4,184
Production for own use	5,222	3,471
Materials and services	-217,824	-217,835
Personnel expenses	-141,101	-129,354
Depreciation and impairment	-37,985	-28,330
Other operating expenses	-82,750	-79,694
Share of loss in associate	3,045	10,357
<b>Operating profit</b>	45,412	66,876
Financial income	2,577	2,065
Financial expenses	-3,586	-3,983
<b>Profit before taxes</b>	44,404	64,958
Income tax expense	-9,097	-11,450
<b>Profit for the financial year</b>	35,307	53,508
Attributable to:		
Equity holders of the parent company	35,308	53,512
Non-controlling interest	-1	-4
Profit for the financial year	35,307	53,508
<b>Statement of comprehensive income</b>		
<b>Profit for the financial year</b>	35,307	53,488
Items that may be reclassified to income statement:		
Share of other comprehensive income in associates		
- net total comprehensive income	-292	-161
Profits/losses from financial assets available-for-sale		
- net profits/losses		
- transferred to profit and loss		
Cash flow hedges		
- net profits/losses	-1,912	934
- transferred to profit and loss	601	-1,136
Translation differences		
- translation differences for the financial year	198	-180
<b>Other comprehensive income for the financial year, Net of tax</b>	-1,405	-543
<b>Total comprehensive income for the financial year</b>	33,902	52,944
Attributable to:		
Equity holders of the parent company	33,903	52,948
Non-controlling interest	-1	-4
Total comprehensive income for the financial year	33,902	52,944

# Consolidated balance sheet

<b>Assets eur 1,000</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
<b>Non-current assets</b>		
Intangible assets	19,490	14,025
Goodwill	9,970	9,955
Tangible assets	336,258	246,689
Investment property	1,704	1,162
Investments in associates	68,121	65,368
Financial assets available-for-sale	1,969	1,869
Other financial assets	400	887
Deferred tax assets	1,234	1,013
	<b>439,145</b>	<b>340,967</b>
<b>Current assets</b>		
Inventories	59,254	56,122
Trade and other receivables	71,082	72,606
Income tax receivables	4,280	2,806
Cash and cash equivalents	75,667	112,793
	<b>210,282</b>	<b>244,326</b>
	<b>649,427</b>	<b>585,294</b>
<b>Equity and liabilities eur 1,000</b>		
<b>Equity</b>		
Share capital	3,756	3,756
Share premium reserve	7,931	7,931
Reserve fund	124	124
Translation differences	172	-26
Fair value reserve	-131	1,180
Retained earnings	495,084	470,378
Non-controlling interest	179	180
	<b>507,115</b>	<b>483,523</b>
<b>Non-current liabilities</b>		
Provisions	2,447	2,335
Deferred tax liabilities	16,590	15,184
Interest bearing liabilities	0	35
Finance lease liabilities	28,008	6,200
Trade and other payables	42	49
	<b>47,087</b>	<b>23,804</b>
<b>Current liabilities</b>		
Interest-bearing liabilities	15,271	10,979
Finance lease liabilities	6,813	663
Trade and other payables	72,274	65,353
Income tax liabilities	867	972
	<b>95,225</b>	<b>77,967</b>
	<b>649,427</b>	<b>585,294</b>

---

# Board of directors

The KWH Group's Board of Directors had eight members and one secretary in 2019. Many of the Board members are shareholders, so the owners have a strong position regardless of whether there are shareholders in the operational management or not.

The Board's mission is to manage the KWH Group's affairs on behalf of the owners. The Board is responsible for ensuring that the Group is managed efficiently and in accordance with good business principles. The Board approves, follows and monitors the KWH Group's business strategy, strategic goals, risk strategy and management.



**Sofia Kohtala**

Hotel and Restaurant Manager  
Board Member since 2014

**Caj-Anders Skog**

M Sc (Econ)  
Board Member since 2016

**Thomas Höglund**

MSc (Tech)  
Board Member since 2019

**Johan Heikfolk**

LL.M.  
Secretary of the Board  
since 2017

**Peter Höglund**

B A  
Board Member since 1973  
Chairman 1988–1997





**Stefan Wikman**

LL.M. with court training  
Board Member since 2019

**Janneke Von Wendt**

MSc (Econ)  
Board Member since 2016

**Ola Tidström**

M Sc (Econ)  
Vice Chairman since 1993  
Board Member since 1975

**Henrik Höglund**

B Sc (Econ)  
Chairman since 1998  
Board Member since 1974

---

# Group management

The KWH Group's Group Management consists of Heads of Division or CEOs and the parent company's managers. Group management members are responsible for a business division or group function and the Group President leads Group development work and supports the rest of the management.

The Group Management is a diverse team that executes the Board's decisions and sets the framework and direction for the organization. The management is responsible for ensuring that goals and strategies are fulfilled and for structuring and leading the Group's operations to achieve set goals.



**Johan Heikfolk**  
LL.M.  
General Counsel  
Employed since 2017

**Kjell Antus**  
M Sc (Econ)  
Group President, Head of Division, KWH Invest  
Employed since 1988

**Carl-Magnus Tidström**  
M Sc (Econ)  
Head of Administration and Finance  
Employed since 1997

**Stefan Sjöberg**  
M Sc (Econ)  
Head of Division, Mirka  
Employed since 2011

# Auditors

Statutory auditors

**Kjell Berts**

M Sc (Econ), APA  
Ernst & Young Oy

**Bengt Nyholm**

M Sc (Econ), APA  
Ernst & Young Oy

Deputy auditors

**Anders Svennas**

M Sc (Econ), APA  
Ernst & Young Oy

**Kristian Berg**

M Sc (Econ), APA  
Ernst & Young Oy

Supervisory auditor

**Ernst & Young AB**



**Hannu Uusi-Pohjola**

Engineer  
Head of Division, KWH Logistics  
Employed since 2003

**Marko Nylund**

M.Sc. (Eng), MBA  
CEO, Prevox  
Employed since 2019



---

# Contact Information

## **KWH Group**

KWH Group Ltd  
Kauppapuistikko 15, 6th floor  
65100 Vaasa, Finland  
Tel. +358 20 778 7900  
www.kwhgroup.com  
info@kwhgroup.com

## **Mirka**

### **Mirka Ltd**

Pensalantie 210  
66850 Jepua, Finland  
Tel. +358 20 760 2111  
www.mirka.com  
sales@mirka.com

### **CAFRO S.p.A., Italy**

www.cafro.com

### **KWH Mirka Ibérica S.A.U., Spain**

www.mirka.es

### **Mirka Asia Pacific Pte Ltd, Singapore**

www.mirka-asiapac.com

### **Mirka Belgium Logistics NV, Belgium**

### **Mirka Brasil Ltda., Brazil**

www.mirka.com.br

### **Mirka Canada Inc., Canada**

www.mirka.com/en-CA/ca

### **Mirka France Sarl, France**

www.mirka.fr

### **Mirka GmbH, Germany**

www.mirka.de

### **Mirka India Pvt Ltd, India**

www.mirka.co.in

### **Mirka Italia s.r.l., Italy**

www.mirka.it

### **Mirka Mexicana S.A. de C.V., Mexico**

www.mirka.com.mx

### **Mirka Middle East FZCO, United Arab Emirates**

www.mirka.com/ar-AE/ae

### **Mirka Rus LLC, Russia**

www.mirka.ru

### **Mirka Scandinavia AB, Sweden**

www.mirka.se

### **Mirka Trading Shanghai Co., Ltd, China**

www.mirka.com.cn

### **Mirka Turkey Zimpara Ltd Şirketi, Turkey**

www.mirka.com.tr

### **Mirka (UK) Ltd, England**

www.mirka.co.uk

### **Mirka USA Inc., USA**

www.mirka.com/en-US/us

## **KWH Logistics**

P O Box 49  
65101 Vaasa, Finland  
Tel. +358 20 777 1111  
www.kwhlogistics.com

### **Oy Backman-Trummer Ab**

www.backman-trummer.fi

### **Oy Adolf Lahti Yxpila Ab**

www.adolfilahti.fi

### **Oy Blomberg Stevedoring Ab**

www.blomberg.fi

### **Oy Moonway Ab**

www.moonway.fi

### **Oy M. Rauanheimo Ab**

www.rauanheimo.com

### **Stevena Oy**

www.stevena.fi

### **Oy Otto Rodén Ab**

www.rodenshipping.fi

### **A. Jalander Oy**

www.jalander.com

### **Oy Blomberg Rent Ab**

www.blombergrent.fi

### **Oy KWH Freeze Ab**

www.kwhfreeze.fi

## **KWH Invest**

### **KWH Invest**

Kauppapuistikko 15, 6th floor  
65100 Vaasa, Finland  
Tel. +358 20 778 7900  
www.kwhgroup.com

### **Oy Prevex Ab**

Pietarsaarentie 31  
66900 Uusikaarlepyy, Finland  
Tel. +358 6 781 8000  
www.prevex.com

### **Prevex Sp. z o.o., Poland**

www.prevex.com

**The KWH Annual Report consists of an Annual Review and a Financial Report.**

The Annual Review gives a picture of the Group and its Business Operations and contains the Consolidated Income Statement and the Consolidated Balance Sheet. The Annual Review is also available for download under [www.kwhgroup.com](http://www.kwhgroup.com). The Annual Review is available in English, Finnish and Swedish.

The Financial Report contains the financial statements including notes and can be ordered from KWH Group Ltd by e-mail [info@kwhgroup.com](mailto:info@kwhgroup.com). The Financial Report is available in Swedish.

